



ทะเบียนเลขที่ 0107538000673

บริษัท บีอีซี เวิลด์ จำกัด (มหาชน)

BEC WORLD PUBLIC COMPANY LIMITED

February 25, 2015

To: President,
Stock Exchange of Thailand.

Re: Submission of Financial Statements for the Year 2014

Enclosures: Financial Statements for the Year ended December 31, 2014.
and the relevant management discussion and analysis with the reasons of the changes more than 20%.

We are sending you herewith the enclosed financial statements of the company and the consolidated statement of the group for the year ended December 31, 2014, which were audited by the Auditor and our Audit Committee has already reviewed them.

For the year 2014, the group, BEC World, was able to made Baht4,414.9 million as its net profit for the shareholders of BEC World; which is Baht 1,174.5 million lower than that of the prior year, downs 21.0%. The decline of profit was resultants of loss incurred from investments in digital transition as we started operating 2 new terrestrial channels in the 2nd quarter of 2014 and despite that we were able to increase the "advertising income" from "Channel 3", our main business activity, to be higher year-on-year, which is much better than the industry, but it is too small to cover the increases of "costs and operating expenses" and the loss of the new channels; thus the net profit for the shareholders of BEC World is decreased at the high amount and rate as discussed further in the attached management discussion and analysis.

Please be informed accordingly.

Sincerely Yours,

(Chatchai Thiamtong)
Vice President – Finance



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บริษัท บีอีซี เวิลด์ จำกัด (มหาชน)

BEC WORLD PUBLIC COMPANY LIMITED

BEC World Plc.

Consolidated Financial Statements for the year 2014

Management Discussion and Analysis:

Business Environment:

During the year 2014, TV-Adex, advertising spending thru television as reported by "Nielsen Media Research" [Nielsen] (which comprising of just the 5 traditional terrestrial channels; not include those satellite and cable channels or the new digital terrestrial channels which started since April 2014, yet), decreased year-on-year, every quarter, on the accelerated rates throughout the year. The contraction rate of TV-Adex during the first quarter of 2014 is still about the same as that of the industry, but it is lower than the industry's during the rest of the year, helps television gain higher market-share of advertising spending and confirms the popularity of television among the advertisers and shows that there is not yet any sigh of shifting of the advertising spending. Nielsen also reported that the industry is recovering and showing quarter-on-quarter improvements throughout the last 3 quarters of 2014; despite the usual big drop in December as usual. For the whole year, in 2014, TV-Adex is lower year-on-year by 7.9% which is better than the 9.5% drop of the industry. Nielsen also reported that when compares with prior year there are mix feelings among those big advertisers; those who sell general fast moving consumer products cut their spending, however many of those advertisers in automotive and telecommunication industries increased their spending.

Structure Changes:

During the year, 2014, there are changes in the structure of BEC World group. We liquidated IMG BEC-TERO Sports & Entertainment Co., Ltd. and sold all our shares in BEC-TERO App Co., Ltd. to our joint-venture partner during the 2nd quarter; and at the end of the year "BEC-Tero Entertainment Plc."["BEC-Tero"], a 60% subsidiary of BEC World, set up a new joint-venture company, i.e. "Live Nation BEC-Tero Entertainment Co., Ltd." to act as promoter of concerts and shows, which "BEC-Tero" holds 50.1% of its Baht1,000,000 registered capital and another joint venture partner, a non-related company, holds 49.9% but has the control of the joint-venture causing "Live Nation BEC-Tero Entertainment Co., Ltd." be classified as our associated company.

Operating Results:

Due to the accounting policy for investments, the reported profit as shown in the separate statements is difference from that shown in the consolidated statements. This MD&A will discuss those numbers shown in the consolidated statements in order to avoid any confusion.

For the year 2014, the group, BEC World, was able to made Baht 4,414.9 million as its net profit for the shareholders of BEC World; which is Baht 1,174.5 million lower than that of the prior year, downs 21.0%. The decline of profit was resultants of loss incurred from investments in digital transition as we started operating 2 new terrestrial channels in the 2nd quarter of 2014 and despite that we were able to increase the "advertising income" from "Channel 3", our main business activity, to be higher year-on-year, which is much better than the industry, but it is too small to cover the increases of "costs and operating expenses" and the loss of the new channels; thus the net profit for the shareholders of BEC World is decreased at the high amount and rate as mentioned.



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BEC WORLD PUBLIC COMPANY LIMITED

Revenues:

For the year 2014, despite the 7.9% drop of TV-Adex as reported by Nielsen, BEC World group generated higher year-on-year "advertising income" from our mainstream business "Channel 3"; however, the growth is small, when added to income from the new digital channels which started in the second quarter and net off the drop from our radio business our "advertising income" increase year-on-year only at 1.0%, Baht142.3 million higher; as market sentiment and incentive for the advertisers to complete in the market diminished by worsen economic conditions. Many of our big advertisers reduced their spending with us, even the drop from each client is not big but it provided opportunities for many middle and small size advertisers to have chances to support us; helping us having more supporters which will benefit BEC World group more in the future. Revenue of our "concerts and events businesses" is lowered down year-on-year but the margin is higher. Our "copyrights and other services income" is also decreased in line with the market conditions but our "sales of goods" is slightly higher year-on-year.

Costs and Operating Expenses:

"Costs of services", especially those not related to "concerts and shows", increased year-on-year in line with our business expansion, both from the additional channels on digital terrestrial TV system which started in the second quarter of the year and in the original channel which we continue introducing new programmes replacing imported contents with local contents and having live coverage of many sport events during the year. The increases are costs of additional contents, employees' costs, carrying fees charged by network providers and amortization of the new licenses which were amortized on "straight-line basis" as usual; and the increases from the usual annual rates adjustments. However, our "selling expenses" decreased slightly in line with the market sentiment whereas our "administration expenses" increased from the usual annual rates adjustments and the business expansion, anyhow, BEC World group are trying to do our best to control the increases of our operating costs to minimize the wastes and to ensure that they are not inflated much more than necessary while waiting for the readiness of the market and the advertising spending potential as it is usual for our business that we do need to create audience base before we are recognized by the advertisers.

Financial positions:

Our "total assets" at the end of the year 2014 increased when compared with balances at the end of the prior year. The increases are those related to our business expansion as we invested in additional new equipment; increase our programmes acquisitions and recognized license costs of our new channels on digital terrestrial TV system. Our "short-term investments", which are deposits at Banks and financial institutions, dropped as consequence of payment of DTTV license costs in addition to the payments of dividends and corporate income tax, both twice this year as usual. Our "accounts receivable" is also lower in line with the drop of our revenues other than the advertising income. However, our "liabilities" increased as we recognized license costs of our new channels as mentioned and we also incurred more debts from acquiring additional contents. Our shareholders' equity decreased from the level at the end of the prior year because of the two dividend payments as mentioned. BEC World's financial positions are strong as usual.