

February 18, 2013

To: President,
Stock Exchange of Thailand.

Re: Submission of Financial Statements for the Year 2012

Enclosures: Financial Statements for the Year ended December 31, 2012,
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, 2012, which were audited by the Auditor and our Audit Committee has already reviewed them.

For the year 2012, the group, BEC World, was able to make Baht 4,777.2 million as its net profit for the shareholders of BEC World; this is the record-high once again, which is much higher than that of the previous year that had experienced severe negative impact from the big floods happened in the country during the last quarter of that year; it is 35.3% higher, i.e. Baht 1,246.9 million more. The profit growth was achieved as we were able to increase all type of our "revenues" up at the high growth rates; and even our "costs and operating expenses" were also increased, but BEC world is still able to keep the increases of "costs and operating expenses" lower than the increases of our revenues pushing our "operating profit" and our "profit before tax" up substantially and we also benefited from the reduction of corporate income tax rate as well, as discussed further in the attached management discussion and analysis.

Please be informed accordingly.

Sincerely Yours,

(Chatchai Thiamtong)
Vice President – Finance

BEC World Plc.
Consolidated Financial Statements for the year 2012
Management Discussion and Analysis:

Business Environment:

“Nielsen Media Research” [Nielsen] reported that advertising spending is increasing, quarter-on-quarter and year-on-year, every quarter since the beginning of the 2012, as it is recovered from the severe flood experienced during the last quarter of 2011; but dropped quarter-on-quarter in the last quarter of 2012, which is somewhat unusual as the last quarter of the year is normally the better quarter; however Nielsen also cited up that the third quarter is the best quarter of 2012 which is probably a resultant of the live coverage of “London Olympic Games” carried out by every terrestrial television channels in the industry during the third quarter of 2012 that pushed the industry volume up. Anyhow, the drop in the last quarter is very mild, only at 2.2%; but the advertising spending is still growing year-on-year and Nielsen reported that the spending thru television during that last quarter of the year is 30.8% higher year-on-year and that television’s growth is better than the industry for the first quarter in 2012. In aggregated for the whole year, 2012, the advertising spending thru television is 9.4% higher year-on-year and but whole industry’s growth rate is higher at 12.4%, as the other niche-market mediums grew up faster than the regulated commercial televisions, as also experienced since the prior year, confirms the improved economic conditions together with the much better market sentiments which have stimulated a lot more competitions among product-owners/advertisers, and provides strong indicators of the diversity, growing demands, as well as pricing power and great growth potential of the industry.

Structure Changes:

During the year, 2012, there are a few changes in the structure of BEC World group as follows: in the 3rd quarter of 2012 “BEC-Tero Entertainment Plc.” [“BEC-Tero”], a 60% subsidiary of BEC World, had set up two new associated companies, i.e. (1) “BEC-Tero App Co., Ltd.” which has Baht 1,000,000 registered capital and “BEC-Tero” holds 40% with two other non-related companies whom each holds 30%; to sell books and e-books on-line; and (2) “Forever BEC-Tero Co., Ltd.” a company incorporated in The Republic of the Union of Myanmar which has registered capital of USD 100,000 which “BEC-Tero” holds 49%; it is a joint-venture with non-related “Forever Group Co., Ltd.” a Myanmar company, to operate as “media” and “advertising services provider” in The Republic of the Union of Myanmar; and during that same 3rd quarter “BEC-Tero” also sold all its holding in “Have A Good Dream Co, Ltd.” a once our subsidiary to the non-related joint venture partner; then around the end of the year, “BEC-Tero” had files an application to liquidate “BEC-Tero Com Com Co., Ltd.”; and set up a new wholly own subsidiary company in The Republic of the Union of Myanmar to be known as “BEC-Tero Myanmar Co., Ltd.” as a Myanmar Company to oversee business opportunities in The Republic of the Union of Myanmar apart from those related to “media” and “advertising services” which is handled by the “Forever BEC-Tero Co., Ltd.”

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 2012, the group, BEC World, was able to made Baht4,777.2 million as its net profit for the shareholders of BEC World; this is the record-high once again, which is much higher than that of the previous year that had experienced severe negative impact from the big floods happened in the country during the last quarter of that year; it is 35.3% higher, i.e. Baht1,246.9 million more. The profit growth was achieved as we were able to increase all type of our “revenues” up at the high growth rate and even our “costs and operating expenses” were also increased; but BEC world is still able to keep the increases of “costs and operating expenses” lower than the increases of our revenues pushing our “operating profit” and our “profit before tax” up substantially and we also benefitted from the reduction of corporate income tax rate as well.

Revenues:

For the year 2012, BEC World group is able to generate higher “advertising income”, 13.8 percent higher year-on-year at Baht 13,613.5 million, an increase of Baht1,646.3 million; benefitted from the low base of the prior year which had experienced severe negative impact from the big floods during the last quarter of that year, and the improved economic conditions together with the much better market sentiments which have stimulated a lot more new products launched and more intensified competitions among product-owners/advertisers. The increase is resultant of business expansion, programming changes, increases of advertising airtime rate of certain slots; and extension of the slots which carried higher rates further. Revenue and margin of our “concerts and events businesses” are also higher year-on-year as well as our “copyrights and other services income” as resultants of the improved macro-economic conditions and the strong market position of our products and services.

Costs and Operating Expenses:

“Costs of services”, especially those not related to “concerts and shows”, increased year-on-year because of our business expansion, programming changes and extension of the slots which carried higher costs which will also enhance our opportunity to generate higher revenue and profit in the longer term. On top of those increases of our on-going programming costs, in 2012 we also had additional costs from covering EURO 2012 Football matches, London Olympic Games and English Premier League Football matches. Our “selling expenses” also increased in line with the increased revenues and a lot more activities which helped enhance the awareness of our programming among our trading partners and the general audience which will help improve our revenue. Our “administration expenses” also increased, but not at such a high rate reflecting the effectiveness of our costs control efforts and we also benefitted from the high base in the prior year because of the “Early Retirement Programme” and additional extra expenses caused by the floods. Anyhow, BEC World is still able to keep the increase of “costs and operating expenses” at the lower rate than the increase of our revenues according to the nature of fixed operating costs of our business.

Financial positions:

Our “total assets” at the end of the year 2012 increased when compared with balances at the end of the previous year. The increases of assets are mainly in “current assets” as resultants of much better results of our businesses, especially during the last quarter of the year, which pushed our “cash and short-term investments”, “trade accounts receivable” and “other current assets” up. Our “non-current assets” especially the “property, plant and equipment”, “deferred right to use property”, “deferred pictures rental, picture products, plays and copyright charges” and “prepaid play productions” are about the same despite depreciation or charges as the resultants of our continuing investments. Our “total liabilities” are about the same level of that at the end of the previous year even our “trade accounts payable” and “accrued expenses” increased in line with the improved business, but the increases are offset with the reduction of our “other current liabilities”. Our shareholders’ equity also increased from the level at the end of the previous year from the higher “profit” from the improved businesses as mentioned. BEC World’s financial positions are strong as usual.