

February 11, 2010

To: President,
Stock Exchange of Thailand.

Re: Submission of Financial Statements for the Year 2009

Enclosures: Financial Statements for the Year ended December 31, 2009.
and the relevant management discussion and analysis.

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, 2009, which were audited by the Auditor and our Audit Committee has already reviewed them.

For the year 2009, the group, BEC World, was able to made Baht2,635 millions as its net profit for the shareholders of BEC World, 8.4 percent lower than that of the previous year, i.e. Baht241 millions less; even BEC World were able to increase its advertising income up 2.2 percent or Baht178 millions higher. The drop of our profit was happened during the first half of the year as our advertising revenue in the first quarter dropped caused by macro-economic problems; and the increasing of our costs from expansion of prime and super-prime slots as well as from the changes in our programming chart adding more of our own local contents; and the increase of our expenses during the first half of the year mostly from special activities relating to our celebrations and marketing activities on the 39th anniversary of our “Channel 3”; in addition to the drops of our “copyrights and other services income” and our “interest income”. Despite the fact that BEC World were able to improve its profitability, having higher profit year-on-year throughout the second half of the year as our income increased and our expenses declined, but for the year our operating margin and our profit still declined as the increase of our profit in the second half is not yet enough to cover the first half shortfall 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 2009
Management Discussion and Analysis:

Business Environment:

Bad news from both outside of the country and the domestic one hit the macro-economy pulling the demand for airtimes down consecutively since late last year; Nielsen Media Research (Nielsen) reported that advertising expenditure through television (adex) during the first quarter of 2009 dropped 8% when compared with the prior quarter even this might partially be because of the fact that the 1st quarter normally is the “low-season” whereas the 4th quarter is “high-season”. Even Nielsen reported a recovery of the adex since March when the first round of high-season of the year started, but Nielsen also reported an abnormal drop of adex from a large advertiser, noted in a large network, pulled the industry down significantly year-on-year in the second quarter. This incident makes Channel 3 become the market leader in terms of adex share once again throughout the beginning of 2009 up to the later part of the third quarter. However, this incident also elevated competition among advertisers within such product groups. It is so obvious in Nielsen’s report that the spending from most advertisers within such relevant product groups increased year-on-year significantly, and since most of such advertisers are a large advertiser as well, thus this incident had helped the industry to grow at a higher growth rate throughout the rest of the 2009, making the whole year number be higher than that of the prior year and every network except that one which had the incident, had growth and a higher adex share, even it seems that the incident had resolved since the later part of the third of 2009. As this incident makes Channel 3 become the market leader in terms of adex share; BEC World were able to report 3 consecutive “record” quarters in terms of our advertising revenue throughout the later part of 2009. Anyhow, when reviewing Nielsen’s adex report in detail; it is also obvious that certain sectors were hit by such macro-economic problems and had reduced their spending such as ‘automotives’, ‘building & machinery equipment’ and ‘government spending’ but there are several advertisers, even those that were not involved with such mentioned incident, both the large and mid-size advertisers have increased their advertising spending year-on-year; and several of those have also increased their spending by more than 20% and there are a lot of new advertisers, as well, when macro-economic problems subsided and consumers confidence improved; thus caused a reduction in the share of voice of most of the advertisers. They are the strong indicators of the diversity, resiliency and great growth potential of the industry, as usual.

Structure Changes:

In 2009, the BEC World group was almost unchanged except that (1) we had disposed out 40% of our shares in “BEC-Tero Exhibitions” a dormant subsidiary wholly owned by “BEC-Tero Entertainment Plc.[BEC-Tero]” a subsidiary of BEC World to an outsider, then changed its name to “Have A Good Dream Co., Ltd” and increased its registered and paid-up capital to Baht10 millions. However, this company is still our subsidiary company having “BEC-Tero” holds 60% of its shares. This company is now operating as an organizer of televised “talent competition show” and (2) we had changed the name of “BEC-Tero Arsenal Ltd.”, a dormant subsidiary wholly owned by

“BEC-Tero” to “BEC-Tero Com Com Ltd.”; then sold 49% ownership to an outsider and increased its registered and paid-up capital by Baht10 millions to Baht28 millions which all the existing shareholders agreed to keep their portion. Therefore, this company is still our subsidiary company having “BEC-Tero” holds 51% its shares. This company is now operating its new business, selling advertising on the screens of the mobile phones.

Operating Results:

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

For the year 2009, the group, BEC World, was able to make Baht2,635 millions as its net profit for the shareholders of BEC World, 8.4 percent lower than that of the previous year, i.e. Baht241 millions less; even BEC World were able to increase its advertising income up 2.2 percent or Baht178 millions higher. The drop of our profit was happened during the first half of the year as our advertising revenue in the first quarter dropped caused by macro-economic problems; and the increasing of our costs from expansion of prime and super-prime slots as well as from the changes in our programming chart adding more of our own local contents; and the increase of our expenses during the first half of the year mostly from special activities relating to our celebrations and marketing activities on the 39th anniversary of our “Channel 3”; in addition to the drops of our “copyrights and other services income” and our “interest income”. Despite the fact that BEC World were able to improve its profitability, having higher profit year-on-year throughout the second half of the year as our income increased and our expenses declined, but for the year our operating margin and our profit still declined as the increase of our profit in the second half is not yet enough to cover the first half shortfall.

Revenues:

Our advertising income in the year 2009 is higher year-on-year by 2.2 percent, an increase of Baht178 millions. The increase came from air-time rate increases on certain day parts, from expansion of prime and super-prime slots and from the changes in our programming chart. However our copyrights and other services income dropped as a result of the macro-economic problems. Even we had reduced the number of events in preparations to cope with the adverse situations but our concerts and shows revenue is higher year-on-year from the strengths of our brand and reputations and we even were able to enhance our gross margin from the events this year, as well.

Costs and Operating Expenses:

Costs of services are higher year-on-year by 12.6 percent; the increases are mainly our programming costs from the changes in our programming chart adding more of our own local contents and the expansion of prime and super-prime slots which will enhance our opportunity to generate higher revenue and profit in the longer term. Costs of concerts and shows reduced in line with the reduction of the number of events. The selling expenses decreased 4.5 percent because of changes in “product mix”. The administration expenses increased 13.4 percent mainly incurred during the first half of the year from special activities relating to our celebrations and marketing activities on the 39th anniversary of our “Channel 3”. Anyhow, our expenses were dropped back to normal level throughout the second half of the year which is a strong evidence of our efforts and our ability in control our operating costs.

Financial positions:

Our total assets increased slightly when compared with balances at the end of the previous year, mainly because of the decline of our liabilities, especially the lower tax burdens from lower profit, and the increase of our retained earnings after dividend payments. The increases of assets are mainly in accounts receivable as we had higher sales during the later part of the year, and the prepaid rights and programming costs which are shown in other current assets. Our liabilities decreased as our corporate income tax payable is lower; even we have higher current liabilities at the end of the year from acquisitions of equipment. Our shareholders’ equity increased in line with the higher retains earnings. BEC World’s financial positions are strong as usual.