

May 12, 2011

To: President,  
Stock Exchange of Thailand.

Re: Submission of Financial Statements for the 1<sup>st</sup> Quarter of this Year,  
and the relevant management discussion and analysis.

Enclosures: Financial Statements for the 1<sup>st</sup> Quarter of this Year  
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 1<sup>st</sup> quarter of this year ended March 31, 2011, which were reviewed by the Auditor and our Audit Committee has already reviewed them.

BEC World group was able to make Baht 837 millions as its "profit of the period" for its shareholders in the 1<sup>st</sup> quarter of this year, higher than that of the same quarter of the previous year (year-on-year) by 14percent or Baht101 millions more; as our "advertising income" increased; as our profit from "concerts and shows" are higher; even we had extra "employee compensations" payments of Baht 113 million from our "Early Retirement Programme" which were included as part of both the "costs" and "administrative expenses"; whereas our "costs" also went up as we are expanding our businesses further by introducing new programmes and extended the programmes which have higher costs. Our "selling expenses" are lower when the results of "BEC-Tero Radio Co., Ltd." were consolidated and caused the eliminations of "intra-group transactions"; and this structural change also pushed our "administrative expenses" up in addition to those "Early Retirement Programme" payments as mentioned. However, when compares quarter-on-quarter with the previous quarter which we had extra "other income" from "debt exclusion" when the previous shareholder of "BEC-Tero Radio Co., Ltd." had waived all the outstanding loans and accrued interest owned by the subsidiary; and because this quarter we also had extra "employee compensations" from our "Early Retirement Programme"; our profit dropped, but decreased only by Baht53 millions or about 6percent lower. The much smaller drop quarter-on-quarter of our profits is resultant of our higher "advertising income" (even we still experienced a slight drop of our higher margin prime-time revenues which is a normal case when compares the low-season 1<sup>st</sup> quarter with the high-season 4<sup>th</sup> quarter); our expanding normal margin (even our "costs" is higher from introducing new programmes and extension of the programmes which have higher costs); the expanded margin obtained from our "concerts and shows" business; and the significantly drop of our "selling expenses"; 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 1<sup>st</sup> Quarter of the year 2011

Management Discussion and Analysis:

Business Environment:

Nielsen Media Research (NMR) reported that advertising expenditure through television (TV-Adex) during the first quarter of 2011 dropped down 4percent when compares with the previous quarter as usual, as it is a comparison between the normally low-season 1<sup>st</sup> quarter with the high-season 4<sup>th</sup> quarter. However, the TV-Adex during the 1<sup>st</sup> quarter of this year is still higher than that of the same quarter of last year by 13percent from momentum built up throughout the previous year. NMR also reported that the growth rates attained during the quarter are double digits higher year-on-year throughout the quarter; and there are a number of advertisers who increased their TV-Adex at a high rate and there also are a number of new advertisers entering the industry, especially in March which is the beginning of the first round of high-season of the year, pushed the TV-Adex up 21percent higher than the prior month, confirm the up-ward trend of the industry.

Structure Changes:

During the first quarter of 2011, the structure of BEC World group was unchanged; but as "BEC-Tero Entertainment", a subsidiary of BEC World, had around the end of the prior year acquired all additional shares in "BEC-Tero Radio Co., Ltd." (formerly known as "Virgin BEC-Tero Radio (Thailand) Ltd."), increases the ownership of "BEC-Tero Entertainment" in the company to 99.9percent of its registered share-capital; transformed it to be another subsidiary company, thus caused the consolidation of every lines of such new subsidiary "Statements of Income" into the group's financial statement from this quarter onward.

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.

From the beginning of this year, 2011, BEC World had adopted a new Accounting Standards when they were effective; i.e "TAS 12 – Income Tax" and "TAS 19 – Employee Benefits" which caused the group to recognize additional assets and liabilities and also caused the re-statements of our comparing prior year statements, thus the prior year's numbers are slightly differed from those reported earlier but the different is not significant (The "profit of the period" of BEC World for its shareholders in the 1<sup>st</sup> quarter of 2010 is now shown as Baht736.3 millions which is Baht0.2 millions higher than previously reported, whereas our total assets at the end of 2010 also increased by "deferred tax asset" of Bath63.2 millions.) The following comments in this MD&A are based on the adjusted comparing results.

BEC World group was able to made Baht 837 millions as its “profit of the period” for its shareholders in the 1<sup>st</sup> quarter of this year, higher than that of the same quarter of the previous year (year-on-year) by 14percent or Baht101 millions more; as our “advertising income” increased; as our profit from “concerts and shows” are higher; even we had extra “employee compensations” payments of Baht 113 million from our “Early Retirement Programme” which were included as part of both the “costs” and “administrative expenses”; whereas our “costs” also went up as we are expanding our businesses further by introducing new programmes and extending the programmes which have higher costs. Our “selling expenses” are lower when the results of “BEC-Tero Radio Co., Ltd.” were consolidated and caused the eliminations of “intra-group transactions”; and this structural change also pushed our “administrative expenses” up in addition to those “Early Retirement Programme” payments as mentioned.

However, when compares quarter-on-quarter with the previous quarter which we had extra “other income” from “debt exclusion” when the previous shareholder of “BEC-Tero Radio Co., Ltd.” had waived all the outstanding loans and accrued interest owned by the subsidiary; and because this quarter we also had extra “employee compensations” from our “Early Retirement Programme”; our profit dropped, but decreased only by Baht53 millions or about 6percent lower. The much smaller drop quarter-on-quarter of our profits is resultant of our higher “advertising income” (even we still experienced a slight drop of our higher margin prime-time revenues which is a normal case when compares the low-season 1<sup>st</sup> quarter with the high-season 4<sup>th</sup> quarter); our expanding normal margin (even our “costs” is higher from introducing new programmes and extension of the programmes which have higher costs); the expanded margin obtained from our “concerts and shows” business; and the significantly drop of our “selling expenses”.

#### Revenues:

In line with the growth momentum of the industry, BEC World group increased selling price of certain slots up, introduced new programmes and extended the programmes which have higher margin (and costs) further. These helped the group to be able to have higher “advertising income” quarter-on-quarter (even we still experienced a slight drop of our higher margin prime-time revenues which is a normal case when compares the low-season 1<sup>st</sup> quarter with the high-season 4<sup>th</sup> quarter) and also higher year-on-year by13percent or Baht332 millions more. The margin of our “concerts and events businesses” is also higher, as well, both when compares quarter-on-quarter and year-on-year, as we are more selective in bringing in the “shows” and are benefiting from the improved general and macro-economic conditions which encourage people to going out and have fun. Our “copyrights and other services income” also increased year-on-year but declined quarter-on-quarter in line with market conditions which having lower activities around the beginning of the year than those during the festive seasons around yearend, as usual.

#### Costs and Operating Expenses:

“Costs of services” increased both when compare quarter-on-quarter and year-on-year as we had extra “employee compensations” payments of Baht 113 million from our “Early Retirement Programme” during the quarter which were included as part of both the “costs” and “administrative expenses”; and as we also continue expanded our businesses further by introducing more of our owned programmes, introducing new programmes and extended the programmes which have higher costs (and higher margin) to enchant our opportunities to increase our revenue and profit. However, our “selling expenses” decreased when compare both quarter-on-quarter and year-on-year as we normally have higher expenses in the last quarter of the year and this year part of the expenses were omitted when the results of “BEC-Tero Radio Co., Ltd.” were fully consolidated and caused the eliminations of “intra-group transactions”. This structural change also pushed our “administrative expenses” up quarter-on-quarter and year-on-year, in addition to those “Early Retirement Programme” payments as mentioned.

#### Financial positions:

Our total assets increased when compared with balance at the end of the prior year as “cash and cash equivalent” increased in line with the profit; and the business expansion increased our trade-account-receivables; whereas our non-current assets which comprise mostly by our investment in “deferred programming costs” are about the same, while “equipment” and “deferred right to use assets” are lower as amortization and depreciation are higher than additional investments in the quarter. Our “liabilities” increased as we include “dividend payable” when we declared prior year final dividend; and “provision for long-term employee benefits” are now recognized under new Accounting Standards; and also because “corporate income tax payable” is higher in line with increased profit. Our shareholders’ equity decreased because of the re-statements of our “retained earnings” under new Accounting Standards; and also because prior year final dividend declaration as mentioned. BEC World’s financial positions are strong as usual.