

The Post Publishing Public Company Limited  
and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month and nine-month periods  
ended 30 September 2011 and 2010

## **Review Report of Independent Auditor**

To the Shareholders of The Post Publishing Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of The Post Publishing Public Company Limited and its subsidiaries as at 30 September 2011, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2011, and have also reviewed the separate financial statements of The Post Publishing Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of The Post Publishing Public Company Limited and its subsidiaries and the separate financial statements of The Post Publishing Public Company Limited for the year ended 31 December 2010 were audited in accordance with generally accepted auditing standards by another auditor of our firm, who expressed an unqualified opinion on those statements, under her report dated 11 February 2011. The consolidated and separate statements of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income for the three-month and nine-month periods ended 30 September 2010, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2010 of The Post Publishing Public Company Limited and its subsidiaries and the separate financial statements of The Post Publishing Public Company Limited for the same periods, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under her report dated 3 November 2010, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

As described in Note 1.4 to the financial statements, since the first quarter of the current year, the Company and its subsidiaries adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements.

Narong Puntawong  
Certified Public Accountant (Thailand) No. 3315

Ernst & Young Office Limited  
Bangkok: 28 October 2011

The Post Publishing Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		102,009	60,514	48,461	6,745
Trade accounts receivable	3				
Related party	4	-	-	22,136	14,243
Unrelated parties		457,300	456,504	315,178	328,130
Less: Allowance for doubtful accounts		(10,254)	(14,790)	(9,686)	(14,607)
Allowance for sales returns		(5,704)	(7,355)	(5,704)	(7,355)
Trade accounts receivable - net		441,342	434,359	321,924	320,411
Amounts due from related parties	4	4	4	438	198
Inventories - net	5	95,378	98,432	88,439	94,988
Deferred right to use equipment	6	-	2,567	-	-
Other current assets					
Income tax deducted at source		40,779	38,262	36,184	36,027
Others		24,400	16,902	17,184	13,369
<b>Total current assets</b>		<b>703,912</b>	<b>651,040</b>	<b>512,630</b>	<b>471,738</b>
<b>Non-current assets</b>					
Long-term loans to related parties - net	4	-	-	6,120	6,120
Investments in subsidiaries	7	-	-	106,017	106,017
Investment in associate - net	8	-	-	-	-
Other long-term investment		16	16	16	16
Property, plant and equipment - net	9	948,112	1,003,526	936,542	995,782
Deferred tax assets		58,138	62,109	44,966	46,144
Goodwill		53,769	53,769	-	-
Intangible assets					
Computer software - net	10	105,948	108,367	103,747	107,347
Other non-current assets		4,558	1,520	1,280	335
<b>Total non-current assets</b>		<b>1,170,541</b>	<b>1,229,307</b>	<b>1,198,688</b>	<b>1,261,761</b>
<b>Total assets</b>		<b>1,874,453</b>	<b>1,880,347</b>	<b>1,711,318</b>	<b>1,733,499</b>

The accompanying notes are an integral part of the financial statements.

The Post Publishing Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks		63,000	575,000	43,000	555,000
Trade accounts payable					
Related parties	4	4,441	4,715	22,541	18,471
Unrelated parties		117,933	103,353	70,402	57,791
Amounts due to related parties	4	4	-	1,364	-
Short-term loans from related party	4	-	-	8,000	-
Current portion of long-term loans	11	130,000	80,000	130,000	80,000
Corporate income tax payable		4,498	8,046	-	-
Other current liabilities					
Accrued expenses		88,668	72,195	76,560	66,125
Unearned subscription fee		71,399	73,426	65,596	69,111
Others		101,589	99,358	78,503	80,485
Total other current liabilities		261,656	244,979	220,659	215,721
<b>Total current liabilities</b>		<b>581,532</b>	<b>1,016,093</b>	<b>495,966</b>	<b>926,983</b>
<b>Non-current liabilities</b>					
Long-term loan from non-controlling interests of subsidiary		5,880	5,880	-	-
Long-term loans - net of current portion	11	375,000	22,500	375,000	22,500
Provision for long-term employee benefits	1.4	76,171	-	74,927	-
<b>Total non-current liabilities</b>		<b>457,051</b>	<b>28,380</b>	<b>449,927</b>	<b>22,500</b>
<b>Total liabilities</b>		<b>1,038,583</b>	<b>1,044,473</b>	<b>945,893</b>	<b>949,483</b>

The accompanying notes are an integral part of the financial statements.

The Post Publishing Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>30 September 2011</b>	<b>31 December 2010</b>	<b>30 September 2011</b>	<b>31 December 2010</b>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
505,000,000 ordinary shares of Baht 1 each	505,000	505,000	505,000	505,000
Issued and fully paid up				
500,000,000 ordinary shares of Baht 1 each	500,000	500,000	500,000	500,000
Retained earnings				
Appropriated - statutory reserve	50,500	50,500	50,500	50,500
Unappropriated	280,674	285,374	214,925	233,516
	331,174	335,874	265,425	284,016
Other components of shareholders' equity	-	-	-	-
Equity attributable to the owners of the Company	831,174	835,874	765,425	784,016
Non-controlling interests of the subsidiary	4,696	-	-	-
<b>Total shareholders' equity</b>	<b>835,870</b>	<b>835,874</b>	<b>765,425</b>	<b>784,016</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,874,453</b>	<b>1,880,347</b>	<b>1,711,318</b>	<b>1,733,499</b>
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors  
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(Unaudited but reviewed)

**The Post Publishing Public Company Limited and its subsidiaries****Statements of comprehensive income****For the three-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Sales and service income	12	518,423	456,935	416,225	398,569
Costs of sales and services		(328,705)	(307,118)	(278,349)	(261,063)
<b>Gross profit</b>		189,718	149,817	137,876	137,506
Selling expenses		(61,644)	(63,345)	(48,759)	(67,600)
Administrative expenses		(68,482)	(60,258)	(54,588)	(45,425)
<b>Profit from sales and rendering of services</b>		59,592	26,214	34,529	24,481
Other income					
Reversal of allowance for loss from loan to associate		-	480	-	480
Others		9,786	6,217	6,236	6,766
<b>Profit before finance cost and income tax</b>		69,378	32,911	40,765	31,727
Finance cost		(6,778)	(5,406)	(6,400)	(5,343)
<b>Profit before income tax</b>		62,600	27,505	34,365	26,384
Income tax	13	(18,249)	(7,696)	(10,232)	(6,677)
<b>Profit for the period</b>		44,351	19,809	24,133	19,707
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		44,351	19,809	24,133	19,707
<b>Profit attributable to:</b>					
Equity holders of the Company		41,427	21,919	24,133	19,707
Non-controlling interests of the subsidiary		2,924	(2,110)		
		44,351	19,809		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		41,427	21,919	24,133	19,707
Non-controlling interests of the subsidiary		2,924	(2,110)		
		44,351	19,809		
<b>Earnings per share</b>	14				
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company		0.08	0.04	0.05	0.04

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**The Post Publishing Public Company Limited and its subsidiaries****Statements of comprehensive income****For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Sales and service income	12	1,458,773	1,270,669	1,186,503	1,091,162
Costs of sales and services		(960,220)	(887,987)	(817,699)	(776,654)
<b>Gross profit</b>		498,553	382,682	368,804	314,508
Selling expenses		(172,523)	(171,999)	(144,790)	(162,924)
Administrative expenses		(196,119)	(168,010)	(153,305)	(131,751)
<b>Profit from sales and rendering of services</b>		129,911	42,673	70,709	19,833
Other income					
Dividend income from subsidiary	7	-	-	26,000	15,000
Reversal of allowance for loss from loan to associate		-	960	-	960
Others		23,899	16,057	18,055	16,939
<b>Profit before finance cost and income tax</b>		153,810	59,690	114,764	52,732
Finance cost		(18,288)	(16,674)	(17,186)	(16,611)
<b>Profit before income tax</b>		135,522	43,016	97,578	36,121
Income tax	13	(40,776)	(13,106)	(22,175)	(5,355)
<b>Profit for the period</b>		94,746	29,910	75,403	30,766
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		94,746	29,910	75,403	30,766
<b>Profit attributable to:</b>					
Equity holders of the Company		90,050	34,810	75,403	30,766
Non-controlling interests of the subsidiary		4,696	(4,900)		
		94,746	29,910		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		90,050	34,810	75,403	30,766
Non-controlling interests of the subsidiary		4,696	(4,900)		
		94,746	29,910		
<b>Earnings per share</b>	14				
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company		0.18	0.07	0.15	0.06

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

The Post Publishing Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements						
Equity attributable to the owners of the Company						
Ordinary shares - issued and fully paid	Retained earnings		Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity	
	Appropriated - statutory reserve	Unappropriated				
<b>Balance as at 31 December 2009</b>	500,000	50,500	227,166	777,666	-	777,666
Total comprehensive income for the period	-	-	34,810	34,810	(4,900)	29,910
Investments by non-controlling interests	-	-	-	-	4,900	4,900
<b>Balance as at 30 September 2010</b>	<u>500,000</u>	<u>50,500</u>	<u>261,976</u>	<u>812,476</u>	<u>-</u>	<u>812,476</u>
<b>Balance as at 31 December 2010</b>	500,000	50,500	285,374	835,874	-	835,874
Cumulative effect of the change in accounting policy for employee benefits (Note 1.4)	-	-	(49,750)	(49,750)	-	(49,750)
Total comprehensive income for the period	-	-	90,050	90,050	4,696	94,746
Dividened paid (Note 15)	-	-	(45,000)	(45,000)	-	(45,000)
<b>Balance as at 30 September 2011</b>	<u>500,000</u>	<u>50,500</u>	<u>280,674</u>	<u>831,174</u>	<u>4,696</u>	<u>835,870</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**The Post Publishing Public Company Limited and its subsidiaries**

**Statements of changes in shareholders' equity (continued)**

**For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>			<b>Total</b>
	<b>Ordinary shares - issued and fully paid</b>	<b>Retained earnings</b>		
		<b>Appropriated - statutory reserve</b>	<b>Unappropriated</b>	
<b>Balance as at 31 December 2009</b>	500,000	50,500	188,038	738,538
Total comprehensive income for the period	-	-	30,766	30,766
<b>Balance as at 30 September 2010</b>	<u>500,000</u>	<u>50,500</u>	<u>218,804</u>	<u>769,304</u>
<b>Balance as at 31 December 2010</b>	500,000	50,500	233,516	784,016
Cumulative effect of the change in accounting policy for employee benefits (Note 1.4)	-	-	(48,994)	(48,994)
Total comprehensive income for the period	-	-	75,403	75,403
Dividened paid (Note 15)	-	-	(45,000)	(45,000)
<b>Balance as at 30 September 2011</b>	<u>500,000</u>	<u>50,500</u>	<u>214,925</u>	<u>765,425</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**The Post Publishing Public Company Limited and its subsidiaries**

**Cash flow statements**

**For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>				
Profit before tax	135,522	43,016	97,578	36,121
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Allowance for doubtful debts	1,573	2,860	1,112	2,661
Reversal of allowance for sales returns	(1,651)	(841)	(1,651)	(841)
Allowance for diminution in value of inventories	9,095	3,747	7,492	3,777
Reversal of allowance for loss from loan to associate	-	(960)	-	(960)
Depreciation and amortisation	108,815	101,825	97,451	98,031
Provision for long-term employee benefits	5,120	-	4,936	-
Dividend income from subsidiary	-	-	(26,000)	(15,000)
Gain on sales of equipment	(491)	(327)	(491)	(327)
Reversal of allowance for impairment of computer software	(835)	-	(835)	-
Interest expenses	19,766	16,674	17,187	16,611
Income from operating activities before changes in operating assets and liabilities	276,914	165,994	196,779	140,073
Decrease (increase) in operating assets				
Trade accounts receivable	(6,905)	(32,603)	(974)	(14,772)
Amounts due from related parties	-	6	(240)	(84)
Inventories	(6,041)	(12,203)	(943)	(10,227)
Other current assets	(7,498)	1,387	13,168	(701)
Other non-current assets	(3,038)	(254)	(945)	(191)
Increase (decrease) in operating liabilities				
Trade accounts payable	14,306	8,625	16,681	9,829
Other current liabilities	15,752	25,175	4,888	19,497
Cash flows from operating activities	283,490	156,127	228,414	143,424
Cash paid for interest expenses	(21,182)	(17,486)	(18,839)	(17,423)
Cash paid for corporate income tax	(22,112)	(28,916)	(17,140)	(13,757)
<b>Net cash flows from operating activities</b>	<b>240,196</b>	<b>109,725</b>	<b>192,435</b>	<b>112,244</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**The Post Publishing Public Company Limited and its subsidiaries**

**Cash flow statements (continued)**

**For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Cash flows from investing activities</b>				
Dividend received from subsidiary	-	-	26,000	15,000
Investment in subsidiary	-	-	-	(5,100)
Loan to subsidiary	-	-	-	(6,120)
Proceeds from repayment of loan to associate	-	1,440	-	1,440
Proceeds from sales of equipment	491	680	491	680
Cash paid for purchase of right to use equipment	(9,808)	(6,148)	-	-
Cash paid for purchase of equipment	(25,382)	(7,583)	(21,927)	(5,475)
Cash paid for purchase of computer software	(9,502)	(22,048)	(8,783)	(21,987)
<b>Net cash flows used in investing activities</b>	<b>(44,201)</b>	<b>(33,659)</b>	<b>(4,219)</b>	<b>(21,562)</b>
<b>Cash flows from financing activities</b>				
Short-term loans from banks (repayments)	(512,000)	30,000	(512,000)	10,000
Short-term loans from non-controlling interests	-	5,880	-	-
Long-term loans from bank	500,000	-	500,000	-
Repayment of long-term loans from banks	(97,500)	(100,000)	(97,500)	(100,000)
Increase in loans from subsidiary	-	-	8,000	-
Cash investment by non-controlling interests	-	4,900	-	-
Dividend paid	(45,000)	-	(45,000)	-
<b>Net cash flows used in financing activities</b>	<b>(154,500)</b>	<b>(59,220)</b>	<b>(146,500)</b>	<b>(90,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>41,495</b>	<b>16,846</b>	<b>41,716</b>	<b>682</b>
Cash and cash equivalents at beginning of period	60,514	70,897	6,745	27,543
<b>Cash and cash equivalents at end of period</b>	<b>102,009</b>	<b>87,743</b>	<b>48,461</b>	<b>28,225</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash item:				
Purchase of equipment and computer software				
for which cash has not been paid	4,780	2,641	4,197	1,914

The accompanying notes are an integral part of the financial statements.

**The Post Publishing Public Company Limited and its subsidiaries**

**Notes to interim consolidated financial statements**

**For the three-month and nine-month periods ended 30 September 2011 and 2010**

**1. General information**

**1.1 Corporate information**

The Post Publishing Public Company Limited (“the Company”) was incorporated as a limited company and transformed to be a public company under Thai laws and is domiciled in Thailand. The Company is principally engaged in the publishing and distribution of newspapers, magazines and books, and production of television programming. Its registered address is 136 Sunthorn Kosa Road, Kwang Klong Toey, Khet Klong Toey, Bangkok.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

**1.3 Basis of consolidation**

These consolidated financial statements include the financial statements of The Post Publishing Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2010.

#### 1.4 Application of new accounting standards

Since the first quarter of the current year, the Company and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

## Financial Reporting Standard Interpretations:

TFRIC 15                      Agreements for the Construction of Real Estate

## Accounting Standard Interpretations:

SIC 31                      Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements for the current period, except for the following accounting standard.

**TAS 19 Employee Benefits**

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits and other long-term employee benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy since the first quarter of the current year and recognise the liability in the transition period through an adjustment to the beginning balance of the retained earnings of the nine-month period ended 30 September 2011. The change has the following effect to the profit or loss for the current periods.

	Three-month period		Nine-month period	
	Consolidated	Separate	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
Profit for the period decrease (Million Baht)	1.17	1.17	3.51	3.46
Earnings per share decrease (Baht per share)	0.0023	0.0023	0.0070	0.0069

(Unaudited but reviewed)

The cumulative effect of the change in the accounting policy as at the beginning of the nine-month period ended 30 September 2011 has been separately presented in the statements of changes in shareholders' equity which comprises:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Employee benefits	71,051	69,991
Tax effect from the recording of employee benefits	<u>(21,301)</u>	<u>(20,997)</u>
Cumulative effect of the change in accounting policy for employee benefits	<u>49,750</u>	<u>48,994</u>

### 1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the changes in the following accounting policy due to the adoption of revised and new accounting standards.

#### ***Employee benefits***

##### *Post-employment benefits (Defined contribution plans)*

The Company and its subsidiaries, and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses when incurred.

##### *Post-employment benefits (Defined benefit plans) and other long-term employee benefits*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plans, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary, using the Projected Unit Credit Method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate.



For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability through an adjustment to the beginning balance of retained earnings of the nine-month period ended 30 September 2011.

## 2. New accounting standards issued during the period not yet effective

The Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

## 3. Trade accounts receivable

The outstanding balances of trade accounts receivable as at 30 September 2011 and 31 December 2010 are aged, based on due date, as follows:

Age of receivables	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
<u>Related party</u>				
Not yet due	-	-	583	1,250
Past due				
Up to 3 months	-	-	10,924	12,310
3 - 6 months	-	-	10,629	683
Total	-	-	22,136	14,243
<u>Unrelated parties</u>				
Not yet due	221,290	204,815	138,413	129,824
Past due				
Up to 3 months	196,886	207,770	147,644	160,250
3 - 6 months	20,170	20,121	16,828	15,530
7 - 12 months	7,257	11,750	1,934	10,478
Over 12 months	11,697	12,048	10,359	12,048
Total	457,300	456,504	315,178	328,130
Total accounts receivable	457,300	456,504	337,314	342,373
Less: Allowance for doubtful accounts	(10,254)	(14,790)	(9,686)	(14,607)
Allowance for sales returns	(5,704)	(7,355)	(5,704)	(7,355)
Trade accounts receivable - net	441,342	434,359	321,924	320,411

#### 4. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements		
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<b>Transactions with subsidiaries</b> (eliminated from the consolidated financial statements)									
Purchase of goods	-	-	9.1	7.9	-	-	24.8	23.5	Market price
Rental income	-	-	1.3	1.5	-	-	4.5	4.7	Market price
Advertising income	-	-	3.7	15.2	-	-	12.2	15.4	Market price
Television production service income	-	-	14.0	16.0	-	-	43.5	26.7	Contract price
Interest income	-	-	0.1	-	-	-	0.3	-	Interest rate with reference to MLR
Management fee income	-	-	0.2	0.5	-	-	0.5	0.8	Contract price
Advertising expenses	-	-	3.5	15.3	-	-	12.8	16.1	Market price
<b>Transactions with jointly controlled entity</b> (eliminated from the consolidated financial statements at the Company's proportionated interest)									
Purchase of goods	3.9	4.4	8.0	9.0	12.0	13.5	24.5	27.5	Market price
Rental income	-	-	-	-	-	-	0.1	0.1	Market price
Advertising income	-	-	-	0.2	-	-	-	0.2	Market price
Advertising expenses	-	0.1	-	0.1	-	0.1	0.1	0.2	Market price
<b>Transactions with associate</b>									
Interest income	0.1	-	0.1	-	0.1	0.1	0.1	0.1	Interest rate with reference to MOR

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2011 and 31 December 2010 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
<b><u>Trade account receivable - related party</u></b>				
<b>Subsidiary</b>				
Post News Co., Ltd.	-	-	22,136	14,243
<b><u>Amounts due from related parties</u></b>				
<b>Subsidiaries</b>				
	-	-	429	190
<b>Jointly controlled entity</b>				
	4	4	9	8
Total amounts due from related parties	<u>4</u>	<u>4</u>	<u>438</u>	<u>198</u>
<b><u>Long-term loans to related parties</u></b>				
<b>Subsidiary</b>				
Post News Co., Ltd.	-	-	6,120	6,120
Loan to subsidiary	-	-	6,120	6,120
<b>Associate</b>				
Flash News Co., Ltd.	960	960	960	960
Less: Allowance for loss from loan	(960)	(960)	(960)	(960)
Loan to associate - net	-	-	-	-
Total long-term loans to related parties - net	<u>-</u>	<u>-</u>	<u>6,120</u>	<u>6,120</u>
<b><u>Trade accounts payable - related parties</u></b>				
<b>Subsidiaries</b>				
Post International Media Co., Ltd.	-	-	8,452	7,443
Post-IM Plus Co., Ltd.	-	-	1,623	1,405
Post News Co., Ltd.	-	-	3,403	-
Total trade accounts payable - subsidiaries	-	-	13,478	8,848
<b>Jointly controlled entity</b>				
Post-ACP Co., Ltd.	4,441	4,715	9,063	9,623
Total trade accounts payable - jointly controlled entity	<u>4,441</u>	<u>4,715</u>	<u>9,063</u>	<u>9,623</u>
Total trade accounts payable - related parties	<u>4,441</u>	<u>4,715</u>	<u>22,541</u>	<u>18,471</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
<b><u>Amounts due to related parties</u></b>				
<b>Subsidiary</b>	-	-	1,360	-
<b>Jointly controlled entity and associate</b>	4	-	4	-
Total amounts due to related parties	<u>4</u>	<u>-</u>	<u>1,364</u>	<u>-</u>
<b><u>Short-term loans from related party</u></b>				
<b>Subsidiary</b>				
Post International Media Co., Ltd.	-	-	8,000	-
Total short-term loans from related party	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>

The above short-term loans are repayable on demand and subject to interest at the rate reference to the 12-month fixed deposit of a local commercial bank.

During the nine-month period ended 30 September 2011, the movements of the above short-term loans to related party are as follows:

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 1 January 2011	During the period		Balance as at 30 September 2011
		Increase	Decrease	
Post International Media Co., Ltd.	-	12	(4)	8

#### Management's remunerations

During the three-month and nine-month periods ended 30 September 2011, the Company and its subsidiaries had employee benefits of their directors and management recognised as expenses totaling Baht 23.1 million and Baht 63.9 million, respectively (Separate financial statements: Baht 15.4 million and Baht 40.5 million, respectively).

Guarantee obligation with related party

The Company has outstanding guarantee obligation with a subsidiary, as described in Note 17.4 (a) to the financial statements.

**5. Allowance for diminution in value of inventories**

Movements in the allowance for diminution in value of inventories account during the nine-month period ended 30 September 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2011</b>	19,620	7,488
Add: Allowance for diminution in value of inventories recorded during the period	9,095	7,492
<b>Balance as at 30 September 2011</b>	<u>28,715</u>	<u>14,980</u>

**6. Deferred right to use equipment**

Deferred right to use of equipment represents the cost of equipment for providing service as a co-producer of daily television news programming. The equipment is required to be procured by the Company and a subsidiary, and the Company and the subsidiary have the right to use the equipment under the agreement with the government agency outlined in Note 17.6 to the financial statements. Ownership of the equipment will be transferred to the government agency from the date the equipment is delivered.

Movements of the deferred right to use equipment account during the nine-month period ended 30 September 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
<b>Net book value as at 1 January 2011</b>	2,567
Acquisitions during period - at cost	9,808
Transfer out - at net book value	(4,089)
Amortisation for the period	(8,286)
<b>Net book value as at 30 September 2011</b>	<u>-</u>

(Unaudited but reviewed)

**7. Investments in subsidiaries**

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Carrying amount based on cost method	
	30 September	31 December	30 September	31 December	30 September	31 December
	2011	2010	2011	2010	2011	2010
			(%)	(%)		
Job Job Co., Ltd.	25	25	100	100	25	25
Post-IM Plus Co., Ltd.	50,000	50,000	49	49	2	2
(Another 51% owned by Post International Media Co., Ltd.)						
Post International Media Co., Ltd.	25,000	25,000	100	100	100,890	100,890
Post News Co., Ltd.	10,000	10,000	51	51	5,100	5,100
Total					106,017	106,017

The dividend income from subsidiary presented in the statements of comprehensive income is dividend from Post International Media Co., Ltd.

**8. Investment in associate**

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost - net		Carrying amount based on equity method - net	
			30 September	31 December	30 September	31 December	30 September	31 December
			2011	2010	2011	2010	2011	2010
			(%)	(%)				
Flash News Co., Ltd.	Production of radio programming	Thailand	40	40	10,000	10,000	2,704	2,704
Less: Allowance for loss from investment					(10,000)	(10,000)	(2,704)	(2,704)
Net					-	-	-	-

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost - net	
			30 September	31 December	30 September	31 December
			2011	2010	2011	2010
			(%)	(%)		
Flash News Co., Ltd.	Production of radio programming	Thailand	40	40	10,000	10,000
Less: Allowance for loss from investment					(10,000)	(10,000)
Net					-	-

(Unaudited but reviewed)

## 9. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2011</b>	1,003,526	995,782
Acquisitions during period - at cost	28,393	25,116
Receipt of transfer from deferred right to use equipment - at net book value	3,266	-
Depreciation for period	(87,073)	(84,356)
<b>Net book value as at 30 September 2011</b>	<b>948,112</b>	<b>936,542</b>

## 10. Computer software

Movements of the computer software account during the nine-month period ended 30 September 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2011</b>	108,367	107,347
Acquisitions during period - at cost	9,379	8,660
Receipt of transfer from deferred right to use equipment - at net book value	823	-
Amortisation for the period	(13,456)	(13,095)
Reversal of allowance for impairment	835	835
<b>Net book value as at 30 September 2011</b>	<b>105,948</b>	<b>103,747</b>

**11. Long-term loans**

The balance represents the Company's long-term Baht loans from local banks which are summarised below.

			(Unit: Thousand Baht)	
Loan	Interest rate (%)	Repayment schedule	30 September 2011	31 December 2010
1	Fixed rate as stipulated in the loan agreement	Semi-annual installments of Baht 25 million each, commencing February 2010	-	50,000
2	Fixed rate for the first two years and thereafter at a rate referenced to the Minimum Loan Rate	Quarterly installments of Baht 7.5 million each, commencing October 2010	30,000	52,500
3	Fixed rate for the first two years and thereafter at a rate referenced to the Minimum Loan Rate	Quarterly installments of Baht 25 million each, commencing September 2011	475,000	-
Total			505,000	102,500
Less: Current portion			(130,000)	(80,000)
Long-term loans - net of current portion			375,000	22,500

The long-term loan agreements of the Loans 2 and 3 contain certain covenant pertaining to the maintenance of financial ratio.

Movements in the long-term loans account during the nine-month period ended 30 September 2011 are summarised below.

	Thousand Baht
Balance as at 1 January 2011	102,500
Add: Additional in period	500,000
Less: Repayment	(97,500)
Balance as at 30 September 2011	505,000

**12. Sales and service income**

Sales and service income for the three-month and nine-month periods ended 30 September 2011 included the revenues from sales of goods and advertising arising from exchanges of dissimilar goods or services with other companies totaling approximately Baht 7.7 million and Baht 28.4 million, respectively (Separate financial statements: Baht 10.6 million and Baht 37.9 million, respectively) (2010: Baht 20.5 million and Baht 48.7 million, respectively (Separate financial statements: Baht 34.4 million and Baht 61.7 million, respectively)).



(Unaudited but reviewed)

### 13. Income tax

Income tax for the three-month and nine-month periods ended 30 September 2011 and 2010 consists of the following:

(Unit: Thousand Baht)

	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current income tax	5,944	3,384	-	-
Relating to origination and reversal of temporary differences	(1,534)	2,325	(1,010)	(316)
Utilisation of tax loss carried forward	13,839	1,987	11,242	6,993
Income tax as included in statement of comprehensive income	<u>18,249</u>	<u>7,696</u>	<u>10,232</u>	<u>6,677</u>

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current income tax	15,429	12,436	-	-
Adjustment in respect of current income tax of previous year	-	(77)	-	(77)
Relating to origination and reversal of temporary differences	(1,810)	(1,086)	(873)	(1,407)
Utilisation of tax loss carried forward	27,157	1,833	23,048	6,839
Income tax as included in statement of comprehensive income	<u>40,776</u>	<u>13,106</u>	<u>22,175</u>	<u>5,355</u>

Current income tax was calculated on profit before income tax, after adding back disallowable expenses and deducting income which is exempted for tax computation purposes, using the estimated effective tax rate for the year.

**14. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, as follows:

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the period (Thousand Baht)	41,427	21,919	24,133	19,707
Weighted average number of ordinary shares (Thousand shares)	500,000	500,000	500,000	500,000
Earnings per share (Baht per share)	0.08	0.04	0.05	0.04

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the period (Thousand Baht)	90,050	34,810	75,403	30,766
Weighted average number of ordinary shares (Thousand shares)	500,000	500,000	500,000	500,000
Earnings per share (Baht per share)	0.18	0.07	0.15	0.06

**15. Dividend**

Dividend	Approved by	Total dividend (Baht)	Dividend per share (Baht per share)
Final dividend on 2010 income	Annual General Meeting of the shareholders on 22 April 2011	45,000,000	0.09
<b>Total for the nine-month period ended 30 September 2011</b>		<u>45,000,000</u>	

## 16. Segment information

The Company and its subsidiaries' significant business operations involve the publishing and distribution of newspapers, magazines and books, and production of television programming. The business operations are carried on only in Thailand. However, during the periods, the Company and its subsidiaries did not have significant business transactions relating to the segment of television programming. Therefore, there are no presentation of financial information by segment pertain to the aforementioned industry segment and geographic area.

## 17. Commitments and contingent liabilities

### 17.1 Long-term service commitments

As at 30 September 2011 and 31 December 2010, the Company had commitments relating to the developing and maintaining of computer systems as follows:

	(Unit: Million Baht)	
	<u>30 September 2011</u>	<u>31 December 2010</u>
Payable within:		
1 year	27.9	23.7
2 to 4 years	64.7	90.9

### 17.2 Newsprint purchase commitment

As at 30 September 2011, the Company had outstanding commitment in respect of the purchase of newsprint amounting to USD 0.3 million or equivalent to Baht 8.4 million (31 December 2010: USD 0.2 million or equivalent to Baht 7.5 million).

### 17.3 Long-term service commitments

Two subsidiaries entered into trademark agreements under which foreign companies granted their permission to use their trademarks. The subsidiaries are obliged to pay the counterparties service fees, which are calculated in accordance with the conditions and at rates stipulated in the agreements. The agreement terms can be summarised below.

<u>Agreement</u>	<u>Agreement terms</u>
1	From 1 March 2007
2	7 years from 1 January 2008 and can be renewed for another 7 years under the stipulated conditions
3	From May 2009 to December 2014 and can be renewed for another 5 years under the stipulated conditions
4	From June 2011 to December 2015

#### **17.4 Guarantees**

- (a) As at 30 September 2011 and 31 December 2010, the Company has guaranteed a bank credit facility of a subsidiary amounting to Baht 10.2 million.
- (b) As at 30 September 2011, there are outstanding bank guarantees of approximately Baht 19.7 million (31 December 2010: Baht 10.2 million) issued in the normal course of business of the Company.

#### **17.5 Litigation**

The Company has been named a defendant in a libel suit and two labor suits arising in the ordinary course of its business. Although the final outcome of the suits cannot be determined at this stage, it is the management's opinion that the resolution of these matters will not have any material adverse effect on the Company's financial statements as a whole.

#### **17.6 Significant agreement**

A government agency selected the Company as a co-producer of daily television news programming. The Company agreed to compensate the government agency in terms of cash, and through provision of equipment, news production staff and advertising service, in accordance with the conditions and amounts specified in the agreement. The contract is expiring in April 2013.

### **18. Event after the reporting period**

#### **Change in corporate income tax rate**

As at 30 September 2011, the Company and its subsidiaries have deferred tax assets of Baht 58.1 million (Separate financial statements: Baht 45.0 million), which were recorded based on the applicable corporate income tax rate of 30% that was in effect at the end of the reporting period. However, on 11 October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% from 2013. If the Company and its subsidiaries were to apply these new rates in its tax calculation, its deferred tax assets outstanding as at 30 September 2011 would be reduced by approximately Baht 12.8 million (Separate financial statements: Baht 9.3 million).

The Company and its subsidiaries will recognise the above tax effect in its financial statements when the law governing income tax rate reduction is enacted.

**19. Approval of interim financial statements**

These interim financial statements were approved for issue by the Company's authorised directors on 28 October 2011.