

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 2010 and 2009

## **Review report of Independent Auditor**

To the Shareholders of The Post Publishing Public Company Limited

I have reviewed the accompanying consolidated balance sheet of The Post Publishing Public Company Limited and its subsidiaries as at 30 September 2010, the related consolidated statements of income for the three-month and nine-month periods ended 30 September 2010 and 2009, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2010 and 2009, and 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 reviews.

I conducted my reviews 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 reviews, 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.

I have previously audited 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 2009 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 10 February 2010. The consolidated and separate balance sheets as at 31 December 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited  
Bangkok: 3 November 2010

The Post Publishing Public Company Limited and subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		87,743	70,897	28,225	27,543
Trade accounts receivable	2				
Related party	3	-	-	6,688	-
Unrelated parties		393,244	360,641	302,024	293,940
Less: Allowance for doubtful accounts		(15,136)	(12,276)	(14,683)	(12,022)
Allowance for sales returns		(7,145)	(7,986)	(7,145)	(7,986)
Trade accounts receivable - net		370,963	340,379	286,884	273,932
Amounts due from related parties	3	4	10	134	50
Short-term loan to related party	3	-	-	6,120	-
Inventories - net	4	91,291	82,835	86,600	80,150
Deferred right to use equipment	5	4,145	-	-	-
Other current assets					
Prepaid corporate income tax		32,085	17,651	30,518	16,761
Others		17,187	18,574	12,888	12,187
<b>Total current assets</b>		<b>603,418</b>	<b>530,346</b>	<b>451,369</b>	<b>410,623</b>
<b>Non-current assets</b>					
Long-term loan to related party - net	3	-	480	-	480
Investments in subsidiaries	6	-	-	106,017	100,917
Investment in associate - net	7	-	-	-	-
Other long-term investment		16	16	16	16
Property, plant and equipment - net	8	1,028,132	1,105,901	1,023,716	1,102,700
Intangible assets					
Computer software - net	9	108,128	98,560	107,146	97,468
Other non-current assets					
Goodwill	6	53,769	53,769	-	-
Deferred tax assets		61,219	61,889	44,963	50,318
Others		1,683	1,429	423	232
<b>Total non-current assets</b>		<b>1,252,947</b>	<b>1,322,044</b>	<b>1,282,281</b>	<b>1,352,131</b>
<b>Total assets</b>		<b>1,856,365</b>	<b>1,852,390</b>	<b>1,733,650</b>	<b>1,762,754</b>

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

The Post Publishing Public Company Limited and subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2010</u>	<u>31 December 2009</u>	<u>30 September 2010</u>	<u>31 December 2009</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks		600,000	570,000	580,000	570,000
Short-term loans from minority shareholders of subsidiary		5,880	-	-	-
Trade accounts payable					
Related parties	3	4,978	5,213	19,664	20,264
Unrelated parties		93,928	85,068	53,436	43,007
Current portion of long-term loans	10	80,000	107,500	80,000	107,500
Other current liabilities					
Accrued expenses		64,793	53,371	58,693	50,402
Other accounts payable		23,329	20,702	21,629	20,702
Corporate income tax payable		3,394	5,443	-	-
Unearned subscription fee		73,444	68,681	69,009	64,443
Others		64,143	56,246	51,915	45,398
Total other current liabilities		229,103	204,443	201,246	180,945
<b>Total current liabilities</b>		<b>1,013,889</b>	<b>972,224</b>	<b>934,346</b>	<b>921,716</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	10	30,000	102,500	30,000	102,500
<b>Total non-current liabilities</b>		<b>30,000</b>	<b>102,500</b>	<b>30,000</b>	<b>102,500</b>
<b>Total liabilities</b>		<b>1,043,889</b>	<b>1,074,724</b>	<b>964,346</b>	<b>1,024,216</b>

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

The Post Publishing Public Company Limited and subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>30 September 2010</u>	<u>31 December 2009</u>	<u>30 September 2010</u>	<u>31 December 2009</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
505,000,000 ordinary shares of Baht 1 each	<u>505,000</u>	<u>505,000</u>	<u>505,000</u>	<u>505,000</u>
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	<u>261,976</u>	<u>227,166</u>	<u>218,804</u>	<u>188,038</u>
Equity attributable to the Company's shareholders	812,476	777,666	769,304	738,538
Minority interest - equity attributable				
to minority shareholders of subsidiary	-	-	-	-
<b>Total shareholders' equity</b>	<u>812,476</u>	<u>777,666</u>	<u>769,304</u>	<u>738,538</u>
<b>Total liabilities and shareholders' equity</b>	<u>1,856,365</u>	<u>1,852,390</u>	<u>1,733,650</u>	<u>1,762,754</u>
	-	-	-	-

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**

**Income statements**

**For the three-month periods ended 30 September 2010 and 2009**

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Sales and service income	11	456,935	376,611	398,569	308,166
Costs of sales and services		<u>(307,118)</u>	<u>(283,391)</u>	<u>(261,063)</u>	<u>(253,677)</u>
<b>Gross profit</b>		149,817	93,220	137,506	54,489
Selling expenses		(62,300)	(61,720)	(67,600)	(52,224)
Administrative expenses		(42,314)	(42,653)	(33,270)	(32,750)
Management's remuneration	3	<u>(18,989)</u>	<u>(17,527)</u>	<u>(12,155)</u>	<u>(12,715)</u>
<b>Income (loss) from sales and rendering of services</b>		26,214	(28,680)	24,481	(43,200)
Other income					
Gain on sales of equipment		327	427	327	427
Reversal of allowance for loss from loan to associate	3	480	-	480	-
Others		<u>5,890</u>	<u>5,184</u>	<u>6,439</u>	<u>4,710</u>
<b>Income (loss) before finance cost and income tax</b>		32,911	(23,069)	31,727	(38,063)
Finance cost		<u>(5,406)</u>	<u>(6,305)</u>	<u>(5,343)</u>	<u>(6,305)</u>
<b>Income (loss) before income tax</b>		27,505	(29,374)	26,384	(44,368)
Income tax	12	<u>(7,696)</u>	<u>6,177</u>	<u>(6,677)</u>	<u>11,006</u>
<b>Net income (loss) for the period</b>		<u>19,809</u>	<u>(23,197)</u>	<u>19,707</u>	<u>(33,362)</u>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		21,919	(23,197)	<u>19,707</u>	<u>(33,362)</u>
Minority interests of the subsidiary		<u>(2,110)</u>	-		
		<u>19,809</u>	<u>(23,197)</u>		
<b>Basic earnings per share (Baht)</b>					
Net income (loss) attributable to equity holders of the parent		<u>0.04</u>	<u>(0.05)</u>	<u>0.04</u>	<u>(0.07)</u>

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

(Unaudited but reviewed)

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

**Income statements**

**For the nine-month periods ended 30 September 2010 and 2009**

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Sales and service income	11	1,270,669	1,178,968	1,091,162	1,001,770
Costs of sales and services		<u>(887,987)</u>	<u>(891,956)</u>	<u>(776,654)</u>	<u>(797,076)</u>
<b>Gross profit</b>		382,682	287,012	314,508	204,694
Selling expenses		(168,643)	(165,318)	(162,924)	(148,981)
Administrative expenses		(117,350)	(120,493)	(95,286)	(100,499)
Management's remuneration	3	<u>(54,016)</u>	<u>(52,887)</u>	<u>(36,465)</u>	<u>(38,232)</u>
<b>Income (loss) from sales and rendering of services</b>		42,673	(51,686)	19,833	(83,018)
Other income					
Gain on sales of equipment		327	1,602	327	1,602
Dividend income from subsidiary	6	-	-	15,000	17,340
Reversal of allowance for loss from loan to associate	3	960	-	960	-
Others		<u>15,730</u>	<u>15,387</u>	<u>16,612</u>	<u>14,108</u>
<b>Income (loss) before finance cost and income tax</b>		59,690	(34,697)	52,732	(49,968)
Finance cost		<u>(16,674)</u>	<u>(20,727)</u>	<u>(16,611)</u>	<u>(20,727)</u>
<b>Income (loss) before income tax</b>		43,016	(55,424)	36,121	(70,695)
Income tax	12	<u>(13,106)</u>	10,917	<u>(5,355)</u>	21,901
<b>Net income (loss) for the period</b>		<u>29,910</u>	<u>(44,507)</u>	<u>30,766</u>	<u>(48,794)</u>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		34,810	(44,507)	<u>30,766</u>	<u>(48,794)</u>
Minority interests of the subsidiary		<u>(4,900)</u>	-		
		<u>29,910</u>	<u>(44,507)</u>		
<b>Basic earnings per share (Baht)</b>					
Net income (loss) attributable to equity holders of the parent		<u>0.07</u>	<u>(0.09)</u>	<u>0.06</u>	<u>(0.10)</u>

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

(Unaudited but reviewed)

The Post Publishing Public Company Limited and subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements					
	Equity attributable to the parent's shareholders			Minority interest -		
	Ordinary shares - issued and fully paid	Retained earnings Appropriated - statutory reserve	Unappropriated	Equity attributable to the parent's shareholders	equity attributable to minority shareholders of subsidiary	Total
<b>Balance as at 31 December 2008</b>	500,000	50,500	355,097	905,597	-	905,597
Net loss for the period	-	-	(44,507)	(44,507)	-	(44,507)
<b>Total income and expenses recognised during the period</b>	-	-	(44,507)	(44,507)	-	(44,507)
<b>Dividend (Note13)</b>	-	-	(30,000)	(30,000)	-	(30,000)
<b>Balance as at 30 September 2009</b>	<u>500,000</u>	<u>50,500</u>	<u>280,590</u>	<u>831,090</u>	<u>-</u>	<u>831,090</u>
<b>Balance as at 31 December 2009</b>	500,000	50,500	227,166	777,666	-	777,666
Net income (loss) for the period	-	-	34,810	34,810	(4,900)	29,910
<b>Total income and expenses recognised during the period</b>	-	-	34,810	34,810	(4,900)	29,910
<b>Increase in minority interest from investments</b>						
<b>by the minority shareholders</b>	-	-	-	-	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>

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



(Unaudited but reviewed)

**The Post Publishing Public Company Limited and subsidiaries**  
**Statements of changes in shareholders' equity (continued)**  
**For the nine-month periods ended 30 September 2010 and 2009**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>			<b>Total</b>
	<b>Ordinary shares - issued and fully paid</b>	<b>Retained earnings Appropriated - statutory reserve</b>	<b>Unappropriated</b>	
<b>Balance as at 31 December 2008</b>	500,000	50,500	309,068	859,568
Net loss for the period	-	-	(48,794)	(48,794)
<b>Total income and expenses recognised during the period</b>	-	-	(48,794)	(48,794)
<b>Dividend (Note 13)</b>	-	-	(30,000)	(30,000)
<b>Balance as at 30 September 2009</b>	<u>500,000</u>	<u>50,500</u>	<u>230,274</u>	<u>780,774</u>
<b>Balance as at 31 December 2009</b>	500,000	50,500	188,038	738,538
Net income for the period	-	-	30,766	30,766
<b>Total income and expenses recognised during the period</b>	-	-	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>

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 2010 and 2009**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities</b>				
Net income (loss) before tax	43,016	(55,424)	36,121	(70,695)
Adjustments to reconcile net income (loss) before tax to net cash provided by (paid from) operating activities				
Allowance for doubtful debts (reversal)	2,860	(2,051)	2,661	-
Reversal for sales returns	(841)	(3,181)	(841)	(3,181)
Allowance for diminution in value of inventories (reversal)	3,747	(2,664)	3,777	(2,403)
Reversal of allowance for loss from loan to associate	(960)	-	(960)	-
Depreciation and amortisation	101,825	95,638	98,031	94,134
Dividend income from subsidiary	-	-	(15,000)	(17,340)
Gain on sales of equipment	(327)	(1,602)	(327)	(1,602)
Interest expenses	16,674	20,727	16,611	20,727
Income from operating activities before changes in operating assets and liabilities	165,994	51,443	140,073	19,640
Decrease (increase) in operating assets				
Trade accounts receivables	(32,603)	30,009	(14,772)	12,006
Amounts due from related parties	6	(1)	(84)	(7)
Inventories	(12,203)	130,915	(10,227)	129,575
Other current assets	1,387	9,430	(701)	13,686
Other non-current assets	(254)	250	(191)	212
Increase (decrease) in operating liabilities				
Trade accounts payable	8,625	(15,692)	9,829	(11,268)
Other current liabilities	25,175	(30,902)	19,497	(34,764)
Cash flows from operating activities	156,127	175,452	143,424	129,080
Cash paid for interest expenses	(17,486)	(21,520)	(17,423)	(21,520)
Cash paid for corporate income tax	(28,916)	(26,421)	(13,757)	(12,490)
<b>Net cash flows from operating activities</b>	<b>109,725</b>	<b>127,511</b>	<b>112,244</b>	<b>95,070</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 2010 and 2009**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Cash flows from investing activities</b>				
Dividend received from subsidiary	-	-	15,000	30,000
Investment in subsidiary	-	-	(5,100)	-
Loan to subsidiary	-	-	(6,120)	-
Cash received from repayment of loan to associate	1,440	-	1,440	-
Proceeds from sales of equipment	680	2,667	680	2,667
Cash paid for purchase of right to use equipment	(6,148)	-	-	-
Cash paid for purchase of equipment	(7,583)	(35,373)	(5,475)	(34,275)
Cash paid for purchase of computer software	(22,048)	(38,787)	(21,987)	(38,549)
<b>Net cash flows used in investing activities</b>	<b>(33,659)</b>	<b>(71,493)</b>	<b>(21,562)</b>	<b>(40,157)</b>
<b>Cash flows from financing activities</b>				
Short-term loans from banks	30,000	53,217	10,000	53,217
Short-term loans from minority shareholders of subsidiary	5,880	-	-	-
Long-term loan from bank	-	40,000	-	40,000
Repayment of long-term loans from banks	(100,000)	(100,000)	(100,000)	(100,000)
Cash investment in subsidiary by minority shareholders of subsidiary	4,900	-	-	-
Dividend paid	-	(30,000)	-	(30,000)
<b>Net cash flows used in financing activities</b>	<b>(59,220)</b>	<b>(36,783)</b>	<b>(90,000)</b>	<b>(36,783)</b>
<b>Net increase in cash and cash equivalents</b>	<b>16,846</b>	<b>19,235</b>	<b>682</b>	<b>18,130</b>
Cash and cash equivalents at beginning of period	70,897	71,438	27,543	14,332
<b>Cash and cash equivalents at end of period</b>	<b>87,743</b>	<b>90,673</b>	<b>28,225</b>	<b>32,462</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash item				
Increase in accounts payable from purchase of right to use equipment	395	-	-	-
Increase in accounts payable from purchase of equipment	1,570	3,010	1,238	2,596
Increase (decrease) in accounts payable from purchase of computer software	378	(3,297)	378	(3,297)

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 2010 and 2009**

**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 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 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of 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 2009, except that beginning as from the second quarter of 2010, there was a change in the composition of subsidiaries in which the Company invested in a new subsidiary (Post News Company Limited), as discussed in Note 6 to the financial statements.

In addition, beginning as from the second quarter of 2010, the Company has additionally adopted the following basis of consolidation.

Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

#### **1.4 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 2009. In addition, beginning as from the second quarter of 2010, the Company and its subsidiaries have additionally adopted the following significant accounting policy.

##### **Deferred right to use equipment and amortisation**

Right to use equipment is measured on initial recognition at cost. Following initial recognition, right to use equipment is carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Right to use equipment with finite life is amortised on a systematic basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for the right to use equipment with a finite useful life is reviewed at least at each financial year end. The amortisation expense is recognised in the income statement.

Amortisation of the right to use of equipment is calculated by reference to cost on a straight-line basis over the life of the period of the agreement to produce the news on the television program which is one year.

#### **1.5 Adoption of new accounting standards**

During the nine-month period ended 30 September 2010, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- a) Accounting standards that will become effective in fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements  
(revised 2009)

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 17 (revised 2009)	Leases
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
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
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

b) Accounting standards that will become effective in fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

(Unaudited but reviewed)

## 2. Trade accounts receivable

The outstanding balances of trade accounts receivable as at 30 September 2010 and 31 December 2009 are aged, based on due date, as follow:

Age of receivables	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<u>Related party</u>				
Not yet due	-	-	1,338	-
Past due				
Up to 3 months	-	-	4,012	-
3 – 6 months	-	-	1,338	-
Total	-	-	6,688	-
<u>Unrelated parties</u>				
Not yet due	176,934	162,436	126,364	121,674
Past due				
Up to 3 months	176,708	172,019	139,068	147,713
3 – 6 months	17,763	11,598	14,940	10,993
7 – 12 months	13,153	6,078	12,966	5,151
Over 12 months	8,686	8,510	8,686	8,409
Total	393,244	360,641	302,024	293,940
Total trade accounts receivable	393,244	360,641	308,712	293,940
Less : Allowance for doubtful accounts	(15,136)	(12,276)	(14,683)	(12,022)
Allowance for sales returns	(7,145)	(7,986)	(7,145)	(7,986)
Trade accounts receivable - net	370,963	340,379	286,884	273,932

## 3. 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.

	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		
	2010	2009	2010	2009	2010	2009	2010	2009	
<b>Transactions with subsidiaries</b>									
(eliminated from the consolidated financial statements)									
Purchase of goods	-	-	7.9	6.8	-	-	23.5	21.0	Market price
Rental income	-	-	1.5	1.5	-	-	4.7	4.6	Market price
Advertising income	-	-	15.2	0.6	-	-	15.4	3.3	Market price
Television production service income	-	-	16.0	-	-	-	26.7	-	Contract price
Advertising expenses	-	-	15.3	0.6	-	-	16.1	3.2	Market price
Management fee income	-	-	0.5	-	-	-	0.8	-	Contract price

(Unaudited but reviewed)

(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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<b>Transactions with jointly controlled entity</b> (eliminated from the consolidated financial statements at the Company's proportionated interest)									
Purchase of goods	4.4	4.7	9.0	9.5	13.5	14.9	27.5	30.3	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	-	0.2	-	Market price
<b>Transactions with associate</b>									
Advertising income	-	-	-	-	-	0.6	-	0.6	Market price
Interest income	-	-	-	-	0.1	0.1	0.1	0.1	Interest rate with reference to MOR per annum

The balances of the accounts as at 30 September 2010 and 31 December 2009 between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>30 September 2010</u>	<u>31 December 2009</u>	<u>30 September 2010</u>	<u>31 December 2009</u>
<b><u>Trade accounts receivable - related party</u></b>				
<b>Subsidiary</b>				
Post News Co., Ltd.	-	-	6,688	-
Total trade accounts receivable - related party	-	-	6,688	-
<b><u>Amounts due from related parties</u></b>				
<b>Subsidiaries</b>	-	-	126	37
<b>Jointly controlled entity and associate</b>	4	10	8	13
Total amounts due from related parties	4	10	134	50
<b><u>Short-term loan to related party</u></b>				
<b>Subsidiary</b>				
Post News Co., Ltd.	-	-	6,120	-



(Unaudited but reviewed)

During the second quarter of 2010, Post News Company Limited received a loan of Baht 6.1 million from the Company. The loan is repayable on demand and carries interest at the rate with reference to Minimum Loan Rate a commercial bank charges to its prime customers.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
<b><u>Long-term loan to related party</u></b>				
<b>Associate</b>				
Flash News Co., Ltd.	960	2,400	960	2,400
Less: Allowance for loss from loan	(960)	(1,920)	(960)	(1,920)
Loan to related party - net	-	480	-	480

During the third quarter of 2008, Flash News Company Limited received a loan of Baht 2.4 million from the Company. The loan is repayable on demand and carries interest at the rate with reference to Minimum Overdraft Rate the commercial banks charge to their prime customers. In January 2010, April 2010 and September 2010, that company made loan repayments totaling Baht 1.5 million to the Company.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
<b><u>Trade accounts payable - related parties</u></b>				
<b>Subsidiaries</b>				
Post International Media Co., Ltd.	-	-	8,851	7,947
Post-IM Plus Co., Ltd.	-	-	653	1,679
Total trade accounts payable - subsidiaries	-	-	9,504	9,626
<b>Jointly controlled entity</b>				
Post-ACP Co., Ltd.	4,978	5,213	10,160	10,638
Total trade accounts payable - jointly controlled entity	4,978	5,213	10,160	10,638
<b>Total trade accounts payable - related parties</b>	<b>4,978</b>	<b>5,213</b>	<b>19,664</b>	<b>20,264</b>

Management's remuneration

During the three-month and nine-month periods ended 30 September 2010, the Company and its subsidiaries paid salaries, bonus, meeting allowances and gratuities to their directors and management. The amount of the management's remuneration is separately presented in the income statements.

Guarantee obligations with related party

The Company has outstanding guarantee obligation with a subsidiary, as described in Note 15.5 (a) to the financial statements.

**4. 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 2010 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
<b>Balance as at 1 January 2010</b>	14,128	4,015
Less: Record of allowance for diminution in value of inventories during the period	<u>3,747</u>	<u>3,777</u>
<b>Balance as at 30 September 2010</b>	<u><u>17,875</u></u>	<u><u>7,792</u></u>

**5. 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 15.7 to the financial statements. Ownership of the equipment will be transferred to the government agency from the date the equipment is transferred.

Movements of the deferred right to use equipment account during the nine-month periods ended 30 September 2010 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
<b>Net book value as at 1 January 2010</b>	-
Acquisitions during period - at cost	6,543
Amortisation for the period	<u>(2,398)</u>
<b>Net book value as at 30 September 2010</b>	<u><u>4,145</u></u>

**6. 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 2010	31 December 2009
Job Job Company Limited	25	100	25	25
Post-IM Plus Company Limited (Another 51% owned by Post International Media Company Limited)	50,000	49	2	2
Post International Media Company Limited	25,000	100	100,890	100,890
Post News Company Limited	10,000	51	5,100	-
Total			106,017	100,917

During the second quarter of 2010, the Company invested in 51,000 new ordinary shares of a new subsidiary (Post News Company Limited) at a par value of Baht 100 each, a total price of Baht 5.1 million. This represents 51 percent of the paid-up capital of the subsidiary.

During the second quarter of 2010, the Company received dividend from Post International Media Company Limited amounting to Baht 15.0 million. The Company recorded this amount as a dividend income in the separate income statement for the second quarter of 2010.

During the second quarter of 2009, the Company received dividend from the Post International Media Company Limited amounting to Baht 30.0 million. The Company recorded the dividend of Baht 12.7 million as a deduction against investments in subsidiaries since such amount is considered to be a recovery of investment which the remaining balance of Baht 17.3 million was recorded as dividend income in the separate income statement for the second quarter of 2009.

During the second quarter of 2010, Post International Media Company Limited received a dividend amounting to Baht 17.9 million from Post-ACP Company Limited, a jointly controlled entity which is 51% held by Post International Media Company Limited. The dividend was recorded in the second quarter of 2010.

During the second quarter of 2009, Post International Media Company Limited received a dividend amounting to Baht 17.9 million from Post-ACP Company Limited. The dividend was recorded in the second quarter of 2009.

(Unaudited but reviewed)

The excess of the investment cost over the fair value of the identifiable assets and liabilities of Post International Media Company Limited as at the purchase date is Baht 59.3 million. The amount was presented as goodwill in the consolidated balance sheets. Later, the amount of the goodwill reduced Baht 5.5 million, remaining Baht 53.8 million in the balance sheets. This was as a result of the adoption of the accounting policy for income tax by Post International Media Company Limited during 2009.

## 7. Investment in associate

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				
	Shareholding percentage	Investment cost		Carrying amounts based on equity method - net	
		(%)	30 September 2010	31 December 2009	30 September 2010
Flash News Company Limited	40	10,000	10,000	2,704	2,704
Less: Allowance for loss from investment				(2,704)	(2,704)
Net				-	-

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Shareholding percentage	Carrying amounts based on cost method - net		
		(%)	30 September 2010	31 December 2009
Flash News Company Limited	40	10,000	10,000	
Less: Allowance for loss from investment		(10,000)	(10,000)	
Net		-	-	

## 8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2010 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2010</b>	1,105,901	1,102,700
Acquisitions during period - at cost	9,153	6,713
Disposals during period - net book value at disposal date	(252)	(252)
Depreciation for period	(86,670)	(85,445)
<b>Net book value as at 30 September 2010</b>	<b>1,028,132</b>	<b>1,023,716</b>

## 9. Computer software

Movements of the Computer software account during the nine-month period ended 30 September 2010 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2010</b>	98,560	97,468
Acquisitions during period - at cost	22,426	22,365
Disposals during period - net book value at disposal date	(101)	(101)
Amortisation for period	(12,757)	(12,586)
<b>Net book value as at 30 September 2010</b>	<u>108,128</u>	<u>107,146</u>

## 10. 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 2010	31 December 2009
1	Fixed rate for the first two years and thereafter at a rate referenced to the Minimum Loan Rate	Semi-annual installments of Baht 50 million each, commencing August 2006	-	50,000
2	Fixed rate as stipulated in the loan agreement	Semi-annual installments of Baht 25 million each, commencing February 2010	50,000	100,000
3	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	60,000	60,000
Total			<u>110,000</u>	<u>210,000</u>
Less: Current portion			(80,000)	(107,500)
Long-term loans - net of current portion			<u>30,000</u>	<u>102,500</u>

The long-term loan agreement of the Loan No.3 contains certain covenant pertaining to the maintenance of financial ratio.

Movements in the long-term loans account during the nine-month period ended 30 September 2010 are summarised below.

	Thousand Baht
Balance as at 1 January 2010	210,000
Less: Repayments	(100,000)
Balance as at 30 September 2010	<u>110,000</u>

**11. Sales and service income**

Sales and service income for the three-month and nine-month periods ended 30 September 2010 included the revenues from sales of goods and advertising totaling approximately Baht 20.0 million and Baht 47.3 million, respectively, (2009: Baht 18.4 million and Baht 50.1 million, respectively) arising from exchanges of dissimilar goods or services with other companies.

**12. Income tax**

The income tax of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2010 and 2009 consist of the following:

	(Unit: Thousand Baht)			
	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current income tax	3,384	4,732	-	-
Decrease (increase) in deferred tax assets	4,312	(10,909)	6,677	(11,006)
Income tax as included in income statements	<u>7,696</u>	<u>(6,177)</u>	<u>6,677</u>	<u>(11,006)</u>

	(Unit: Thousand Baht)			
	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current income tax	12,436	10,847	-	-
Prior's year tax	-	(485)	-	(485)
Decrease (increase) in deferred tax assets	670	(21,279)	5,355	(21,416)
Income tax as included in income statements	<u>13,106</u>	<u>(10,917)</u>	<u>5,355</u>	<u>(21,901)</u>

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

**13. Dividends**

Dividends	Approved by	Total dividends (Baht)	Dividend per share (Baht per share)
Final dividends on 2008 income	Annual General Meeting of the shareholders on 10 April 2009	<u>30,000,000</u>	0.06
<b>Total for the nine-month period ended 30 September 2009</b>		<u>30,000,000</u>	

**14. Segment information**

The Company and its subsidiaries' current significant business operations involve the publishing and distribution of newspapers, magazines and books. The business operations are carried on only in Thailand. As a result, all the revenues, operating profits (loss) and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

**15. Commitments and contingent liabilities****15.1 Capital commitments**

As at 30 September 2010 and 31 December 2009, the Company had capital commitments and related service commitments relating to the purchase of equipment as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
Payable within:				
1 year	28.6	35.5	25.8	35.5
2 to 5 years	97.3	117.5	97.3	117.5

**15.2 Newsprint purchase commitments**

As at 30 September 2010, the Company had outstanding commitments of approximately USD 0.4 million or equivalent to Baht 11.4 million (31 December 2009: USD 0.2 million or equivalent to Baht 5.8 million) in respect of the purchase of newsprint.

**15.3 Operating lease commitments**

A subsidiary has entered into lease agreements in respect of the lease of vehicles. As at 30 September 2010, the subsidiary has commitments under these agreements, which are payable within one year, of approximately Baht 1.8 million.

**15.4 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 agreements period can be summarised below.

<u>Agreement</u>	<u>Agreement period</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

### **15.5 Guarantees**

- (a) As at 30 September 2010, the Company has guaranteed a bank credit facility of a subsidiary amounting to Baht 10.2 million.
- (b) As at 30 September 2010, there are outstanding bank guarantees of approximately Baht 10.3 million (31 December 2009: Baht 4.4 million) issued in the normal course of business of the Company.

### **15.6 Litigation**

The Company has been named a defendant in 2 libel suits and 2 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.

### **15.7 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 term of the contract is one year, commencing from May 2010.



**16. Reclassification**

Certain amounts in the financial statements for the three-month and nine-month periods ended 30 September 2009 have been reclassified to conform to the current period's classification but with no effect to previously reported net loss or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	period end 30 September 2009		period end 30 September 2009	
	As	As previously	As	As previously
	<u>reclassified</u>	<u>reported</u>	<u>reclassified</u>	<u>reported</u>
Selling expenses	61,720	76,572	165,318	201,367
Administrative expenses	42,653	27,801	120,493	84,444

**17. Approval of interim financial statements**

These interim financial statements were approved for issue by the Company's authorised directors on 3 November 2010.