

Financial Statement and
Management Discussion and Analysis
of Annual Report 2014 in Brief

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RS Public Company Limited

I have audited the accompanying consolidated and separate financial statements of RS Public Company Limited and its subsidiaries, and of RS Public Company Limited, respectively, which comprise the consolidated and separate statement of financial position as at December 31, 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows statements for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above fairly, in all material respects, the financial position as at December 31, 2014, and the financial performance and cash flows for the year then ended of RS Public Company Limited and its subsidiaries, and of RS Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.



(Wimolsri Jongudomsombut)

Certified Public Accountant

Registration No. 3899

Karin Audit Company Limited

Bangkok

February 24, 2015

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014 AND 2013

	Notes	Baht			
		Consolidated		Separated	
		2014	2013	2014	2013
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	381,535,315.28	572,146,840.32	152,912,614.41	405,983,565.40
Temporary investment - fixed deposit with maturity of twelve months		4,464,839.90	4,390,940.36	-	-
Trade accounts receivable-net					
- Others-net	7	863,142,805.10	756,169,082.23	260,647,747.20	387,798,381.89
- Related parties-net	5,7	-	19,729,730.00	256,499,115.03	112,100,443.16
Short-term loans to related parties - net	5	-	-	329,699,999.99	165,988,658.58
Short-term loans to others - net		-	100,071.00	-	77,364.00
Inventories - net	8	159,855,842.36	63,312,140.45	7,678,274.17	35,901,210.65
Accrued income	5	147,699,485.69	233,716,271.28	104,456,562.46	114,211,237.94
Declared dividend	5	-	-	136,496,178.00	93,997,368.00
Revenue department receivable		30,592,899.02	11,140,103.31	2,431,043.85	-
Other current assets	5,9	138,922,018.32	87,582,947.62	47,540,310.37	45,467,602.82
Total Current Assets		<u>1,726,213,205.67</u>	<u>1,748,288,126.57</u>	<u>1,298,361,845.48</u>	<u>1,361,525,832.44</u>
NON-CURRENT ASSETS					
Investments in subsidiaries - net	10	-	-	624,853,389.59	371,392,178.76
Investments in associated company for under the equity method	11	5,406,090.08	5,495,813.48	-	-
Property plant and equipment - net	12	313,235,057.30	310,016,491.67	295,177,149.84	293,784,656.90
Deposit for broadcasting system equipment	13	74,995,500.00	-	74,995,500.00	-
License for operation right in spectrum of digital television	14	2,161,816,666.69	-	-	-
Advance payment of license for operation right in spectrum of digital television	14	-	38,000,000.00	-	-
Intangible assets - net	15	304,326,651.67	720,770,805.24	125,944,152.49	149,503,102.25
Withholding tax deducted at source		92,453,879.60	42,583,803.25	49,902,283.71	12,907,566.58
Deferred tax assets	16	97,723,291.59	73,118,568.85	74,278,730.59	32,840,926.59
Other non-current assets		37,358,405.41	47,936,237.33	32,436,857.50	40,713,910.46
Total Non-Current Assets		<u>3,087,315,542.34</u>	<u>1,237,921,719.82</u>	<u>1,277,588,063.72</u>	<u>901,142,341.54</u>
TOTAL ASSETS		<u><u>4,813,528,748.01</u></u>	<u><u>2,986,209,846.39</u></u>	<u><u>2,575,949,909.20</u></u>	<u><u>2,262,668,173.98</u></u>

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (Cont.)
AS AT DECEMBER 31, 2014 AND 2013

	Notes	Baht			
		Consolidated		Separated	
		2014	2013	2014	2013
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade accounts payable and others payable		152,568,581.95	185,014,991.00	99,463,875.48	119,104,178.19
Trade accounts payable and others - related	5	-	1,658,956.85	56,670,641.01	10,331,967.25
Current portion of liability under financial lease agreements	18	7,655,314.73	5,139,978.04	7,655,314.73	5,139,978.04
Current portion of payable for cost of license for operation right in spectrum	14	302,500,000.00	-	-	-
Current portion of employee benefit obligations	20	4,406,669.00	11,010,934.00	4,406,669.00	11,010,934.00
Current portion of long-term loan	19	-	286,915,000.00	-	-
Short-term loans from related parties	5	-	8,000,000.00	246,045,000.00	45,045,000.00
Unearned revenues - related parties	5	-	-	35,403,079.94	26,591,759.00
Unearned revenues - others		206,545,244.51	196,724,885.77	31,586,607.21	23,605,780.49
Accrued expenses	5	563,155,440.72	463,323,470.06	261,766,322.68	282,739,010.55
Other current liabilities	17	152,319,470.74	164,381,962.76	77,295,901.85	118,151,062.58
Total Current Liabilities		1,389,150,721.65	1,322,170,178.48	820,293,411.90	641,719,670.10
NON-CURRENT LIABILITIES					
Liabilities under financial lease agreements	18	5,103,488.90	12,758,804.61	5,103,488.90	12,758,804.61
Payable for cost of license for operation right in spectrum - net	14	1,584,000,000.00	-	-	-
Provision liabilities on investment in subsidiaries	10	-	-	2,949,108.90	1,421,988.91
Employee benefit obligations	20	60,944,814.91	38,756,284.08	52,300,564.79	32,499,061.36
Deferred tax liabilities	16	6,102,159.69	30,874,254.44	-	-
Other non-current liabilities		9,693,925.12	11,393,744.07	916,093.51	9,330,772.91
Total Non-Current Liabilities		1,665,844,388.62	93,783,087.20	61,269,256.10	56,010,627.79
Total Liabilities		3,054,995,110.27	1,415,953,265.68	881,562,668.00	697,730,297.89

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2014 AND 2013

		Baht				
		Consolidated		Separated		
Notes		2014	2013	2014	2013	
LIABILITIES AND EQUITY						
EQUITY						
Share capital						
Authorized share capital						
	1,026,000,280 ordinary shares : Baht 1 per share	22	1,026,000,280.00	1,026,000,280.00	1,026,000,280.00	1,026,000,280.00
	Issued and paid - up share capital	22	1,022,346,046.00	953,866,816.00	1,022,346,046.00	953,866,816.00
	Treasury shares	23	(74,671,816.00)	(74,671,816.00)	(74,671,816.00)	(74,671,816.00)
	Premium on share capital		255,224,631.68	193,593,324.68	255,224,631.68	193,593,324.68
	Advance receipts for share subscription	22	-	30,061,062.80	-	30,061,062.80
	Difference between the purchase price of investment in subsidiaries					
	under common control and their net book value		(16,593,839.52)	(16,593,839.52)	-	-
	Retained earnings (Deficits)					
	Appropriated - Legal reserve		69,910,357.66	52,994,862.01	69,910,357.66	52,994,862.01
	Appropriated - Treasury share reserve	23	74,671,816.00	74,671,816.00	74,671,816.00	74,671,816.00
	Unappropriated		397,585,773.29	353,341,831.97	346,906,205.86	334,421,810.60
	Equity attributable to owners of the Company		1,728,472,969.11	1,567,264,057.94	1,694,387,241.20	1,564,937,876.09
	Non - controlling interests		30,060,668.63	2,992,522.77	-	-
	Total equity		1,758,533,637.74	1,570,256,580.71	1,694,387,241.20	1,564,937,876.09
	TOTAL LIABILITIES AND EQUITY		4,813,528,748.01	2,986,209,846.39	2,575,949,909.20	2,262,668,173.98

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

		Baht			
		Consolidated		Separated	
Notes		2014	2013	2014	2013
Revenues	5, 28				
Revenue from media		3,356,834,828.71	1,986,274,871.39	883,264,568.72	877,926,179.65
Revenue from music distribution		457,816,855.99	777,175,118.49	405,395,848.35	718,297,721.50
Revenue from event business		458,514,472.14	692,561,390.30	321,838,996.38	388,666,279.14
Revenue from other services		33,285,277.26	5,451,570.64	105,535,214.67	5,451,570.64
Total sales and services income		4,306,451,434.10	3,461,462,950.82	1,716,034,628.12	1,990,341,750.93
Cost of sales and services	5, 28	(2,924,664,109.26)	(2,109,270,664.75)	(1,419,941,766.28)	(1,271,369,794.66)
Gross profit		1,381,787,324.84	1,352,192,286.07	296,092,861.84	718,971,956.27
Other income	5	26,619,606.55	22,354,459.07	534,624,870.70	258,044,444.07
Gross profit before expenses		1,408,406,931.39	1,374,546,745.14	830,717,732.54	977,016,400.34
Other expenses					
Selling expenses	5	(207,553,837.62)	(213,511,313.84)	(69,752,854.25)	(119,485,795.16)
Administrative expenses	5	(649,935,128.48)	(659,218,688.96)	(503,645,674.55)	(521,634,781.55)
Reversal of provision for (loss) on investment in subsidiaries - net		-	-	54,659,082.41	120,176,393.95
Amortization of employee benefit expenses		(8,591,009.77)	(8,705,066.60)	(7,930,865.21)	(7,864,998.96)
Total expenses		(866,079,975.87)	(881,435,069.40)	(526,670,311.60)	(528,809,181.72)
Profit before finance costs and income tax		542,326,955.52	493,111,675.74	304,047,420.94	448,207,218.62
Finance costs	5	(26,685,649.25)	(17,293,523.69)	(7,175,311.91)	(3,147,180.67)
Profit before income tax		515,641,306.27	475,818,152.05	296,872,109.03	445,060,037.95
Income tax	16	(118,015,992.84)	(83,561,310.90)	41,437,804.00	(31,406,734.33)
Profit for the year		397,625,313.43	392,256,841.15	338,309,913.03	413,653,303.62
Other comprehensive income					
Defined benefit plan actuarial gain		1,567,124.20	-	2,044,733.00	-
Other comprehensive income for the year		1,567,124.20	-	2,044,733.00	-
		399,192,437.63	392,256,841.15	340,354,646.03	413,653,303.62

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (Cont.)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Notes	Baht			
		Consolidated		Separated	
		2014	2013	2014	2013
Attributable profit for the year to					
Owner of the Company		370,956,749.69	394,491,532.39	338,309,913.03	413,653,303.62
Non - controlling interests		26,668,563.74	(2,234,691.24)	-	-
Net profit (Loss)		397,625,313.43	392,256,841.15	338,309,913.03	413,653,303.62
Attributable Other comprehensive income to					
Owner of the Company		1,157,442.40	-	2,044,733.00	-
Non - controlling interests		409,681.80	-	-	-
Net profit (Loss)		1,567,124.20	-	2,044,733.00	-
Earnings per share					
	26				
Owner of the Company (Baht)		0.3770	0.4364	0.3438	0.4576
Number of ordinary shares (Shares)		983,957,561	903,953,050	983,957,561	903,953,050
Diluted earnings per share					
	26				
Owner of the Company (Baht)		0.3770	0.4116	0.3438	0.4316
Weighted average number of diluted ordinary shares (Shares)		983,957,561	958,410,122	983,957,561	958,410,122

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Baht													
Consolidated													
	Notes	Issued and		Difference between the			Retained earnings (deficits)			Equity attributable		Total	
		Paid-up	Premium on	Treasury	purchase price of	Advance receipts	Appropriated		Treasury share	to owners of	Non - Controlling		
		Share Capital	Share Capital	shares	investment in subsidiaries	under common control	and their net book value	for share subscription	Legal reserve	reserve	Unappropriated	the Company	interests
Ending balance as at December 31, 2012		882,692,428.00	129,536,375.48	(74,671,816.00)	(16,593,839.52)	17,224,830.00		32,312,196.83	74,671,816.00	251,059,896.36	1,296,231,887.15	5,235,451.60	1,301,467,338.75
Increase in share capital	22	71,174,388.00	64,056,949.20	-	-	(17,224,830.00)		-	-	-	118,006,507.20	-	118,006,507.20
Advance receipts for share subscription		-	-	-	-	30,061,062.80		-	-	-	30,061,062.80	-	30,061,062.80
Dividend	24	-	-	-	-	-		-	-	(271,526,931.60)	(271,526,931.60)	(8,237.59)	(271,535,169.19)
Legal reserve		-	-	-	-	-		20,682,665.18		(20,682,665.18)	-	-	-
Profit and comprehensive income for the year		-	-	-	-	-		-	-	394,491,532.39	394,491,532.39	(2,234,691.24)	392,256,841.15
Ending balance as at December 31, 2013		953,866,816.00	193,593,324.68	(74,671,816.00)	(16,593,839.52)	30,061,062.80		52,994,862.01	74,671,816.00	353,341,831.97	1,567,264,057.94	2,992,522.77	1,570,256,580.71
Increase in share capital	22	68,479,230.00	61,631,307.00	-	-	-		-	-	-	130,110,537.00	-	130,110,537.00
Advance receipts for share subscription		-	-	-	-	(30,061,062.80)		-	-	-	(30,061,062.80)	-	(30,061,062.80)
Dividend	24	-	-	-	-	-		-	-	(310,954,755.12)	(310,954,755.12)	(10,099.68)	(310,964,854.80)
Legal reserve		-	-	-	-	-		16,915,495.65	-	(16,915,495.65)	-	-	-
Profit for the year		-	-	-	-	-		-	-	370,956,749.69	370,956,749.69	26,668,563.74	397,625,313.43
Comprehensive income for the year	20	-	-	-	-	-		-	-	1,157,442.40	1,157,442.40	409,681.80	1,567,124.20
Ending balance as at December 31, 2014		1,022,346,046.00	255,224,631.68	(74,671,816.00)	(16,593,839.52)	-		69,910,357.66	74,671,816.00	397,585,773.29	1,728,472,969.11	30,060,668.63	1,758,533,637.74

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

		Baht							
		Separate							
		Issued and			Retained earnings (deficits)				
		Paid-up	Premium on	Advance receipts			Appropriated		
Notes	Share Capital	Share Capital	Treasury shares	for share subscription	Legal reserve	Treasury share reserve	Unappropriated	Total	
	Ending balance as at December 31, 2012	882,692,428.00	129,536,375.48	(74,671,816.00)	17,224,830.00	32,312,196.83	74,671,816.00	212,978,103.76	1,274,743,934.07
	Increase in share capital	71,174,388.00	64,056,949.20	-	(17,224,830.00)	-	-	-	118,006,507.20
	Advance receipts for share subscription	-	-	-	30,061,062.80	-	-	-	30,061,062.80
	Dividend	-	-	-	-	-	-	(271,526,931.60)	(271,526,931.60)
	Legal reserve	-	-	-	-	20,682,665.18	-	(20,682,665.18)	-
	Profit and comprehensive income for the year	-	-	-	-	-	-	413,653,303.62	413,653,303.62
	Ending balance as at December 31, 2013	953,866,816.00	193,593,324.68	(74,671,816.00)	30,061,062.80	52,994,862.01	74,671,816.00	334,421,810.60	1,564,937,876.09
	Increase in share capital	68,479,230.00	61,631,307.00	-	-	-	-	-	130,110,537.00
	Advance receipts for share subscription	-	-	-	(30,061,062.80)	-	-	-	(30,061,062.80)
	Dividend	-	-	-	-	-	-	(310,954,755.12)	(310,954,755.12)
	Legal reserve	-	-	-	-	16,915,495.65	-	(16,915,495.65)	-
	Profit for the year	-	-	-	-	-	-	338,309,913.03	338,309,913.03
	Comprehensive income for the year	-	-	-	-	-	-	2,044,733.00	2,044,733.00
	Ending balance as at December 31, 2014	1,022,346,046.00	255,224,631.68	(74,671,816.00)	-	69,910,357.66	74,671,816.00	346,906,205.86	1,694,387,241.20

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Baht			
	Consolidated		Separated	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit	397,625,313.43	392,256,841.15	338,309,913.03	413,653,303.62
Adjustments to reconcile net profit to net cash provided				
by (used in) operating activities:				
Depreciation and amortization	880,392,135.53	278,241,584.44	122,130,281.93	72,398,539.15
Allowance for doubtful accounts (reversal) and written off withholding tax	4,496,200.21	(13,719,557.85)	969,873.33	23,390,963.66
Reversal allowance for decline in value of inventory	(7,434,689.20)	(12,401,873.31)	(5,984,266.37)	(12,392,664.25)
Reversal allowance for sales return - net	(37,732,515.83)	(10,972,821.07)	(37,559,288.83)	(8,991,868.07)
Allowance for impairment of assets	19,719,003.57	28,295,932.11	15,647,438.69	14,004,948.30
Share of loss from investments in associated company accounted for under the equity method	89,723.37	109,693.75	-	-
Reversal allowance for impairment - investment in subsidiaries	-	-	(57,461,210.83)	(103,520,224.85)
Allowance for doubtful accounts - loan to subsidiaries	-	-	1,275,008.42	(13,046,005.48)
Provision for loss on investment in subsidiaries (reversal)	-	(2,252,756.11)	1,527,119.99	(3,610,163.21)
Gain on sales investment in subsidiary	-	-	-	126,375.45
Provision for damage from litigation case	1,755,860.90	-	-	-
Loss (gain) on sales and written off equipment	312,985.20	514,948.69	412,045.26	-
Provision for employee benefits	17,151,390.03	17,230,318.96	15,521,824.43	15,052,406.04
Dividend income	-	-	(407,907,925.25)	(176,961,762.40)
Unrealized gain on exchange rates	(2,054.86)	(67,220.87)	-	(85,345.39)
Interest income	(2,957,029.53)	(4,760,639.17)	(16,324,064.05)	(15,746,838.42)
Interest expenses	26,685,649.25	17,293,523.69	7,175,311.91	3,147,180.67
Income tax	118,015,992.84	83,561,310.90	(41,437,804.00)	31,406,734.33
Profit from operating activities before changes in operating assets and liabilities	1,418,117,964.91	773,329,285.31	(63,705,742.34)	238,825,579.15
(INCREASE) DECREASE IN OPERATING ASSETS:				
Trade accounts receivable	(86,613,861.14)	(94,808,004.79)	(19,062,292.05)	62,761,643.09
Inventories	(88,999,043.12)	89,721,037.85	34,284,172.44	1,811,324.66
Other current assets	(936,436.94)	62,001,610.97	5,807,855.58	27,424,666.06
Other non - current assets	10,577,831.94	(9,162,724.04)	8,277,052.96	(13,885,128.26)
INCREASE (DECREASE) IN OPERATING LIABILITIES:				
Accounts payable and others payable	(51,990,670.32)	(6,046,574.47)	8,531,158.77	(66,506,524.15)
Other current liabilities	70,519,546.48	300,942,894.53	(8,021,652.80)	100,320,070.20
Other non - current liabilities	(3,455,679.40)	3,020,419.17	(8,414,679.40)	3,285,459.17
Proceed from refunding withholding tax	882,995.54	11,774,533.31	-	-
Payment of income tax	(155,762,635.34)	(146,491,625.44)	(36,994,717.13)	(80,692,925.22)
Net Cash Provided by (used in) Operating Activities	1,112,340,012.61	984,280,852.40	(79,298,843.97)	273,344,164.70

RS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Cont.)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Baht			
	Consolidated		Separated	
	2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	3,139,316.62	4,570,363.25	14,668,194.67	15,653,879.79
Increase in short-term loans to related parties and related persons	(91,000,000.00)	-	(833,120,000.00)	(397,050,000.00)
Receipts from short-term loans to related parties and related persons	91,000,000.00	-	670,000,000.00	574,775,000.00
Decrease in short-term loans to others	100,071.00	1,308,739.00	77,364.00	1,049,684.00
Cash received from decreasing in registered share capital	-	-	-	40,000,000.00
Payment of investments in subsidiaries	-	-	(196,000,000.00)	-
Temporary investments - fixed deposit with maturity of twelve months	(73,899.54)	(85,252.62)	-	-
Cash received for dividend income	-	-	365,409,115.25	82,964,394.40
Increase (decrease) in payable for purchase on assets	17,887,359.28	(2,148,615.07)	17,887,359.28	(2,148,615.07)
Purchase of fixed assets	(85,721,413.81)	(121,262,499.54)	(74,408,790.60)	(114,682,874.96)
Proceeds from disposal of fixed assets	465,203.60	1,267,431.34	112,130.37	117,009.37
Advance payment of license for operation right in spectrum of digital television	-	(38,000,000.00)	-	-
Deposit for broadcasting system equipment	(74,995,500.00)	-	(74,995,500.00)	-
Increase in intangible assets	(298,758,992.24)	(313,589,855.37)	(41,726,648.83)	(50,123,561.04)
Net Cash Used in Investing Activities	(437,957,855.09)	(467,939,689.01)	(152,096,775.86)	150,554,916.49
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payment of interest expenses	(13,523,322.94)	(17,452,200.86)	(6,630,070.84)	(3,448,289.73)
Receipt of short-term loans from financial institutions	755,000,000.00	25,000,000.00	755,000,000.00	25,000,000.00
Repayment of short-term loans from financial institutions	(755,000,000.00)	(111,000,000.00)	(755,000,000.00)	(75,000,000.00)
Receipts of long-term loans from financial institutions	65,000,000.00	205,915,000.00	-	-
Repayment of long-term loans from financial institutions	(351,915,000.00)	(240,000,000.00)	-	-
Repayment of liability under financial lease	(5,139,979.02)	(4,786,804.05)	(5,139,979.02)	(4,786,804.05)
Increase in short-term loans from related parties	-	8,000,000.00	719,000,000.00	50,500,000.00
Decrease in short-term loans from related parties	(8,000,000.00)	-	(518,000,000.00)	(89,550,000.00)
Repayment to payable for cost of license for operation right in spectrum	(340,500,000.00)	-	-	-
Dividend paid	(310,964,854.80)	(271,535,169.19)	(310,954,755.50)	(271,526,931.60)
Increase in share capital	100,049,474.20	118,006,507.20	100,049,474.20	118,006,507.20
Advance receipts for share subscription	-	30,061,062.80	-	30,061,062.80
Net Cash Used in Financing Activities	(864,993,682.56)	(257,791,604.10)	(21,675,331.16)	(220,744,455.38)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(190,611,525.04)	258,549,559.29	(253,070,950.99)	203,154,625.81
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEARS	572,146,840.32	313,597,281.03	405,983,565.40	202,828,939.59
CASH AND CASH EQUIVALENTS AT THE ENDING OF THE YEARS	381,535,315.28	572,146,840.32	152,912,614.41	405,983,565.40
ADDITION INFORMATION				
1. Purchases of vehicle for under lease agreement.	-	1,414,659.26	-	1,414,659.26
2. Cost of license for peration right in spectrum payable	2,227,000,000.00	-	-	-

Summary of Management Discussion and Analysis

The consolidated financial statements of RS Public Company Limited and its subsidiaries (“the Company”) for the year ended December 31, 2014 shows Total Sales and Services Income of Baht 4,306.5 million, Cost of Sales and Services of Baht 2,924.7 million, and Selling and Administrative Expenses and Other Expenses of Baht 866.1 million. Net Profit for the period Attributable to the Owner of the Company was Baht 371.0 million, which represents a decrease from that of the same period last year of Baht 23.5 million, or 6.0 percent. This change can be explained primarily due to:

Revenue : Revenue from sales and services at the end of fiscal year December 31, 2014, amounted to Baht 4,306.5 million, a net increase of Baht 845.0 million comparing to 2013, or at 24.4 percent, which could be separately explained as per each business group as follows:

Revenue from Media Business : Revenue from the overall media business was comprised of earnings from television and radio media. In 2014, the company earned 3,356.8 million baht from its media business, which represented an increase of 1,370.6 million baht from that of 2013, or 69.0 percent.

Television Media Business : Revenue from the main television media businesses primarily resulted from the operations of terrestrial digital television in the general category with standard resolution, such as “Channel 8” (which officially began to air during Quarter 2/2014); and 3 channels in the satellite TV system, including “Channel 2”, “Sabaidee TV” and “You Channel”. Revenue also came from sports licensing via the “Sun Channel”, as well as from sales of the “Sun Box” set-top boxes. This year, there was also revenue generated from live broadcasts of the FIFA World Cup 2014. In 2014, revenue from the television media business comprised 65.0 percent of the revenue derived from overall sales and services; this represented an increase compared to that of the previous year, which was 41.0 percent.

On the whole, revenue from the television media business in 2014 increased from that of the year before, especially from “Channel 8” and “Channel 2”, which enjoyed higher utilization rates and benefitted from increased average advertising costs per minute. The latter reflected an adjustment that was implemented during the middle of the past year. The programs that were the most popular included “Siang Sawan Pichit Fan” and dramas. There were 5 drama series that began airing in 2014, including “Sap Sang”, “Dong Dok Ngiv”, “Pua Chua Krao”, “Ching Rak Hak Sawat” and “Mia Teuan” on “Channel 8”. Also, “Kon Dang Nang Clear”, “Show Muan Duan Mike” (which began to air at the end of 2014) and “Game Dara Cha-la-la” were broadcasted on “Channel 2”. Also, from market survey results from AGB Nielsen Media Research (Thailand) Ltd., it was found that, since the official launch of digital TV, “Channel 8” was among the top channels out of 30 digital television channels (including 6 analog TV channels), and “Channel 2” ranked among the top satellite television channels

in the variety and entertainment category (rankings do not include digital TV channels). The same case applied to “Sabaidee TV” and “You Channel”.

Live Broadcasts of World Cup 2014 : This year, there was revenue from the final round of the World Cup 2014, with live broadcasts of the final 64 matches. Every match was shown live on free-to-air channels; live broadcasts were shared among various television stations, including “Channel 5”, “Channel 7”, “Channel 8” and “Channel 11”. Live broadcasts were offered via subscription (Pay TV) on the “World Cup Channel” through the “Sun Box – World Cup version” model. Most of the revenue was derived from sales of advertising, sales of the “Sun Box” set-top boxes, subscription sales, platform (bundling) sales and subsidies received from the Office of the National Broadcasting and Telecommunications Commission (NBTC).

Radio Media Business: Revenue derived from the radio media business came from the operation of 3 stations: “COOL Fahrenheit 93”, “Sabaidee Radio 88.5” and “COOL Celsius 91.5”. In 2014, revenue from the radio media business comprised 12.9 percent of the revenue derived from overall sales and services; this represented a decrease compared to that of the previous year, which was 16.0 percent. On the whole, the revenue for the year did not change from that of the previous year. The “COOL Fahrenheit 93” station continued to remain in the number one spot in the Easy Listening category and “Sabaidee Radio 88.5” enjoyed a ranking among the top stations. These results were from a market survey conducted by AGB Nielsen Media Research (Thailand) Ltd.

Revenue from Music Distribution Business : Revenue from the music distribution business consisted of revenue from physical sales, digital business and copyright collection. In 2014, the company earned revenue from the music distribution business in the amount of 457.8 million baht, representing a decrease of 319.4 million baht from that of 2013, or 41.1 percent. Revenue from this business comprised 10.6 percent of the revenue derived from overall sales and services; this represented a decrease compared to that of the previous year, which was 22.5 percent. The main causes included a decrease in the revenue from physical album sales and music downloads. This reflects the contraction of the market due to changing consumer behavior spurred by technological advances and the growth of smartphone usage. Presently, consumers, especially those in the target market, are able to listen to music and watch music videos on the Internet, which does not require them to spend any money. Also, the political situation contributed to the country’s economic slowdown, which dampened consumers’ spending behavior. However, the company’s share of advertising revenue increased from content sharing through Youtube.

Revenue from Event Management Business : Revenue from the event business consisted of revenue from concert organization and marketing activities, artists’ management and contract productions. In 2014, revenue from the event business amounted to 458.5 million baht, a decrease of 234.0 million baht from 2013, or 33.8 percent. Revenue from

this business comprised 10.7 percent of the revenue derived from overall sales and services; this represented a decrease compared to that of the previous year, which was 20.0 percent. This decrease in revenue was mainly due to the decline of contract production volumes. Some programs slowed operations due to the impact of the political situation. Also, the amount of concerts and marketing events dropped, compared to the previous year. The main concerts and activities that were held included “Kid Tueng D2B Concert 2014”, “Kamikaze Dance Nayramit Concert 2014”, “Concert Khon Tai Hua Jai Suea”, “Sabaidee Sunjorn 57”, “Sabaidee Road Show” and “School Music Lover”, among others.

Cost of Sales and Services : Cost of sales and services of 2,924.7 million baht increased by 815.4 million baht from last year, or 38.7 percent. This was mainly due to realized costs from the World Cup 2014 live broadcasts, as well as increased costs from “Channel 8” digital television, which reflected rising costs related to digital TV license cost, multiplexer cost and transmission cost, as well as investments in equipment, staffing, content production and the purchase of various program licenses in order to enhance the quality of content, including dramas, news and variety shows. The main goals were to boost overall average viewership, as well as strengthen competitiveness in the television industry. In addition, the company recorded the amortization of other sport media rights in the proportion of revenue that increased.

Selling and Administrative Expenses, Other Expenses, and Financial Cost : Selling and administrative expenses, and other expenses amounted to 866.1 million baht, a decrease of 15.4 million baht from that of the previous year, or 1.7 percent. This was mainly due to the decrease in expenses related to staffing; it also reflects the company’s shift in marketing plans and the lowering of promotional expenses. Finance costs amounted to 26.7 million baht, a 9.4 million baht increase from that of the last year, or 54.3 percent. This is mainly attributed to fees tied to the guarantees pledged by financial institutions to the NBTC and TPBS – the multiplexer service provider.

Gross Profit Margin, Net Profit Margin and Return On Equity (ROE) : In 2014, the Company earned a gross profit margin of 32.1 percent; its net profit margin was 8.6 percent, and the shareholders’ return on equity was 22.5 percent. These figures represented a drop from those of 2013, which were 39.1 percent, 11.3 percent and 27.6 percent, respectively. The main reason for this decrease can be attributed to the decrease in revenue from the digital business and physical album sales. Also, there was an increase in the business cost for the television business, including both digital and satellite television.

Financial Position

Total assets as of 31 December 2014 were 4,813.5 million baht, which reflected an increase of 61.2 percent from that of the previous year. The main reason was that, in 2014, the Company recorded its digital television license as an asset, based on the value stated in the licensing agreement, which had a net balance of 2,161.8 million baht, or 44.9 percent of total assets. At the same time, net tangible assets decreased 57.8 percent, due to the amortization of sports licenses during the year.

Total liabilities as of 31 December 2014 were 3,055.0 million baht, which reflected an increase from 2013 of 115.8 percent. The main reason was due to the recording of debt associated with the digital television license in the net amount of 1,886.5 million baht, or 61.8 percent of total liabilities. In 2014, the Company also fully repaid its outstanding loans from financial institutions, per the conditions stipulated in the loan agreements.

As for the parent company's shareholders' equity, as of 31 December 2014, it stood at 1,728.5 million baht, an increase from 2013 of 10.3 percent. The main reason was the share prices received from warrant holders of RS-W2 who exercised their rights in the amount of 100.0 million baht, as well as operating profits from the year. At the same time, there were also dividend payments of 311.0 million baht.

Cash Flow

For the year ending 31 December 2014, the Company had cash and cash equivalents in the amount of 381.5 million baht, decreasing from that of last year by 190.6 million baht. The main reason was due to the use of cash for financing activities in the amount of 865.0 million baht, including the repayment of long term loans from financial institutions, costs of the digital television license, and the payment of dividends. This also included cash used in investment activities in the amount of 437.9 million baht, for the payment of sports licenses and investment in production related equipment.