

## 2Q05 results in brief

The consolidated financial statements of R.S. Promotion Public Company Limited and its subsidiaries for the three-month period ended June 30, 2005 (Q2/2005) presented net loss of THB 131.1 million, represented THB 34.9 million or 36.3% change from net loss of THB 96.2 million for the same period of the year 2004 (Q2/2004). The key drivers of the results were as follow:

Total revenues for the three-month period ended June 30, 2005 totaled THB 611.2 million, an increase of THB 142.6 million or 30.4% from the same period last year mainly due to:

- Advertising revenue increased by THB 86.3 million or 79.5%
- Revenue from copyrights rose by THB 51.1 million or 109.5%

Cost of sales and production increased from the same period last year by THB 50.9 million or 11.8% due to more productions of TV programs and operation of radio stations.

Selling and administrative expenses increased by THB 131.6 million or 107.3% from the same period last year as results of various allowances made, net of reversion items, totaling THB102.1 million compared to THB 4.9 million during Q2/2004. Increases in allowances derived from the following:

- Increase in impairment charges of movie and telemovie copyrights totaling THB 75.3 million which was made to reflect revenue potential of these assets based on current market situations.
- Increase in allowance for sales return amounted to 27.7 million since sales return estimation was adjusted to reflect to current market situation and actual returns incurred during the year.

Excluding all allowances made during the period, the company would present net loss before interest expense and income taxes of THB 22.3 million.

## Financial Highlight

(Million Baht)

	2Q04	1Q05	2Q05	QOQ	YOY
Total revenue	468.60	606.10	611.23	0.8%	30.4%
Total cost of sales	430.44	471.10	481.37	2.2%	11.8%
Gross profit	38.16	135.00	129.86	(3.8)%	240.3%
Selling and administrative expense	122.68	123.89	254.26	105.2%	107.3%
EBIT	(84.52)	11.11	(124.40)	(1,219.6)%	(47.2)%
Net profit	(96.17)	7.32	(131.14)	(1,891.6)%	(36.4)%

## Revenue breakdown by business group

(Million Baht)

	2Q04	1Q05	2Q05	QOQ	YOY
Music	244.77	309.49	296.34	(4.2)%	21.1%
Media	135.15	205.62	260.35	26.6%	92.6%
Motion Picture and Production Service	76.58	86.28	45.05	(47.8)%	(41.2)%
Support	11.68	4.68	9.35	99.8%	(19.9)%
Total revenue from operation	468.17	606.07	611.09	0.8%	30.5%
Other revenue	0.43	0.03	0.14	348.0%	(68.5)%
Total Revenue	468.60	606.10	611.23	0.8%	30.4%

**Revenue breakdown (%)**

	2Q04	1Q05	2Q05
Music	52.2%	51.1%	48.5%
Media	28.8%	33.9%	42.6%
Motion Picture and Production Service	16.3%	14.2%	7.4%
Support	2.5%	0.8%	1.5%
Other revenue	0.1%	0.0%	0.0%
Total Revenue	100.0%	100.0%	100.0%

**Sector Analysis**

**1. Music Business**

(Million Baht)

	2Q04	1Q05	2Q05	QOQ	YOY
Sales	135.02	150.62	149.35	(0.8)%	10.6%
Advertising	2.18	4.60	1.95	(57.6)%	(10.6)%
Production	7.97	5.92	6.57	10.9%	(17.6)%
Concert & Event	39.86	58.55	52.70	(10.0)%	32.2%
Copyright	44.67	84.59	80.71	(4.6)%	80.7%
Others	15.07	5.21	5.07	(0.14)%	(10.01)%
Total Revenue	244.77	309.49	296.34	(4.2)%	21.1%

Music Business group reported total revenue of 296.34 MB for the three-month period ended June 30, 2005, an increase of 51.58 MB or 21.1 % from the same period in a prior year. The main reason is the growth in copyright revenues which rose by 80.7% from the same period last year (Q2/2004).

**Music Albums Releases**

(Albums)

	2Q04	1Q05	2Q05
New	36	29	27
Compilation	15	16	20
Total	51	45	47

Main source of revenue in music business is sales of musical products including tape cassette, CDs, VCDs, and DVDs which accounts for 51.6% of total music revenue, yet its proportion dropped from 55.1% from last year (Q2/2004).

**Proportion Sales in Units and Values**

	% in Units	% in Value
Tape	24%	11%
CD	19%	21%
VCD	57%	69%
DVD	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Copyright Revenues**

	(Million Baht)				
	2Q04	1Q05	2Q05	QOQ	YOY
New Media	22.30	53.71	47.74	(11.1)%	114.1%
Music Copyright Collection	27.54	30.32	30.51	0.6%	10.8%
Others	(5.17)	0.57	2.47	333.0%	147.7%
Total Revenue	44.67	84.59	80.71	(4.6)%	80.7%

Revenues from New Media sharply increased by 114.1%, mostly from content downloads through mobile phones, growing wholesales business and new businesses. Moreover, music copyright collection revenues improved from the prior year by 10.8 % due to a higher subscriber on Karaoke shop which yield a higher monthly fee.

**Karaoke customers at end of June 30, 2005**

	(Units)		
Products	2Q04	1Q05	2Q05
Station	41,833	39,371	37,717
Booth	5,911	8,273	8,843
Shop	17,656	20,469	20,779
JukeBox	1,388	1,352	1,279
Total	66,789	69,466	68,617

**2. Media Business**

	(Million Baht)				
	2Q04	1Q05	2Q05	QOQ	YOY
Sales	(0.05)	1.13	1.66	46.9%	3,758.2%
Advertising	106.41	169.23	192.89	14.0%	81.3%
Production	28.48	32.99	48.92	48.3%	71.7%
Copyright	0.16	0.88	0.04	(95.0)%	(73.1)%
Service	0.00	3.97	12.49	214.3%	0.0%
Others	0.14	(2.59)	2.68	203.3%	1,814.5%
Total Revenue	135.15	205.62	260.35	26.6%	92.6%

**Media Breakdown**

	(Million Baht)				
	2Q04	1Q05	2Q05	QOQ	YOY
TV	103.07	127.16	156.08	22.7%	51.4%
Radio	29.31	71.76	80.71	12.5%	175.3%
Publishing	3.59	1.74	1.82	4.7%	(49.4)%
Other	(0.83)	4.96	21.74	338.1%	2,730.9%
Total	135.15	205.62	260.35	26.6%	92.6%

Media business reported total revenues of 260.35 MB, a significant increase of 92.6 % from last year. More importantly, media business rose in its contribution to overall revenues by 47.7%, from 28.8% in the earlier year to 42.6% during this period.

Revenue from TV business grew by 51.4% due to increase in numbers of non-music programs in prime time slot since Q1/2005 such as "Muang Thai Variety" and drama series.

**Music Programs as of June 30, 2005**

No.	MV Programs	Day	Time		Channel
1	1000MIC	Tue	1:00	2:30	3
2	TVRELAX	Tue	14:05	14:30	5
3	T-UNITED	Sat	11:05	12:00	5
4	SATURDAYSHOW	Sat	15:05	15:55	5
5	POP-UP LIVE	Sat - Sun	0:05	1:30	5
* 6	DJ CENTER	Sat - Sun	1:30	2:00	5
* 7	BANTERNGYOKKAMLANG 2	Mon	14:05	14:30	5
8	ROOM	Mon	0:15	1:15	7
9	2NITELIVE	Wed-Thu	0:15	1:15	7
10	HOLIDAY MENU	Holiday	13:00	14:00	7
* 11	SAOKOONSONG	Sun - Wed	1:30	2:00	7
12	BACKPACKER	Tue	1:05	2:00	9
13	KOMCENTER	Sat	0:30	1:30	9
14	SEESAWSCENE	Sat	11:30	12:00	9
* 15	KOOPUANKUANPLANG(Changed from HANSARATREE)	Fri - Sun	2:30	3:00	9
* 16	MUANGTHAI CHAILEOI	Sun	0:30	1:00	9

**\* Music program for looktung music**

At the end of June 30, 2005, we had 12 non-music programs, including 2 drama series, 5 variety programs, 2 game shows, 1 sports program, 1 sit-com, and 1 talk show that were currently on-air.

**Non-Music Programs as of June 30, 2005**

No.	Non MV Programs	Type	Day	Time		Channel
1	RAKBANCHAM	Dramas	Sat-Sun	10:20	11:05	3
2	SAMRANRAT	Game Show	Sat	14:00	14:45	3
3	RAIWANBANTERNG	Variety	Mon-Fri	11:00	11:30	5
4	SHOW HERE	Game Show	Mon-Fri	11:30	12:00	5
5	FRONT	Variety	Sat	8:00	8:30	5
6	MORE MOM	Variety	Sun	8:00	8:30	5
7	D CLUB	Variety	Sat	18:00	19:00	5
8	MUCH ROOM	Talk Show	Sun	18:00	19:00	5
9	MUANGTHAIVARIETY	Variety	Mon-Fri	21:30	22:00	5
10	KAM PEE KEE LA	Sports Program	Mon-Sun	19:45	19:46	5
11	LAST TRAIN	Sit-Com	Sun	16:00	17:00	9
12	TEP TIDA RONG NGAN	Dramas	Sat-Sun	21:00	22:00	9

Production revenue rose by 71.7% from the same period last year. Such increase mainly derived from drama series production as well as governmental projects as we have gained recognition from TV networks as reliable and committed to producing quality drama series. Moreover, 9 governmental projects had been delivered compared to only 7 projects delivered during Q2/2004.



Production revenues derived from the following:

	(Units)		
	2Q04	1Q05	2Q05
No. of Drama Series	3	4	6
No. of Episodes Delivered	28	43	37
No. of Governmental Projects Delivered	7	2	9

**List of Dramas produced to the Network in 2Q05**

No.	Dramas	Day	Time		Channel
1	KON LA WAI HUA JAI DEAW KAN	Mon-Sun	19:15	20:15	3
2	SU PAB BU ROOD TEEN KWAI	Mon-Sun	19:15	20:15	3
3	YOR YAK YOD YOONG	Mon-Fri	18:45	19:15	3
4	RAK NID NID TONG SIT UP	Sun	13:00	14:00	7
5	RAK WAN LA NID	Sat	13:00	14:00	7
6	BAN TUK RAK BOON LUE	Sat	13:00	14:00	7

For radio business, overall revenues increased by THB 51.42 million or 175.8% which resulted from higher popularity rating of 93 Cool FM and 88.5 FM Max, and also from the addition of 106 Life FM which has begun its operation since July last year.

**Radio air-time advertising rates as at June 30, 2005**

No.	Station	Price (Baht/30 Sec)	Broadcast (Hr/Day)	Advertising Time (Min/Day)
1	88.5 FM MAX	2,400	19.5	120.0
2	93.0 COOL FM	4,500	21.0	180.0
3	106.0 LIFE FM	3,000	18.5	150.0

**AC Nielsen's top rating radio stations as of June 2005 (Survey#7 2005, All People 12+)**

No.	Station	Operators	No. of Listeners (000's)	% Share of Listeners
1	95.0 Look Tung Ma Ha Na Korn	MCOT	1,878	15.90%
2	93.0 Cool FM	Sky High Network	1,603	9.40%
3	98.0 Look Tung Rak Thai	BNT	1,022	7.10%
4	95.5 Virgin Hitz	Virgin BEC Tero	1,163	6.90%
5	106.0 Life FM	Sky High Network	884	6.50%

Results from the research conducted by AC Nielsen showed that we gained 24.2% share of total listeners in Bangkok Metropolitan area.

Revenues contributed by publishing business had dramatically declined by 49.4 % from the same period last year as we were in the process of re-launching our magazine in the third quarter.

### 3. Motion Pictures and Production Services

(Million Baht)

	2Q04	1Q05	2Q05	QOQ	YOY
Sales	25.74	1.70	0.81	(52.4)%	(96.9)%
Advertising	0.02	0.00	0.08	0.0%	276.5%
Motion Picture	32.04	24.09	14.96	(37.9)%	(53.3)%
Production	16.59	11.44	11.17	(2.4)%	(32.7)%
Copyright	1.81	48.71	16.95	(65.2)%	838.5%
Service	0.02	0.00	0.03	0.0%	110.9%
Others	0.36	0.34	1.04	207.9%	187.9%
<b>Total Revenue</b>	<b>76.58</b>	<b>86.28</b>	<b>45.05</b>	<b>(47.8)%</b>	<b>(41.2)%</b>

#### Revenues by Sources

(Million Baht)

	2Q04	1Q05	2Q05	QOQ	YOY
Motion Pictures	46.29	71.07	32.86	(53.8)%	(29.0)%
Production Service	30.23	13.35	11.93	(10.6)%	(60.5)%

As for overall motion picture and production services, total revenues dropped by 41.2%. A main reason is a declining production services revenue which dropped by 60.5% as the figure in 2Q/2004 included revenue from producing talk show totaling THB 13.26 million. In addition, revenues from motion pictures declined by 29.0% since "The Bullet Wife" was the only motion picture released in Q2/2005 compared to 2 motion pictures released during the same period last year (Q2/2004).

Production services revenues derived from the following:

(Million Baht)

	2Q04	1Q05	2Q05	QOQ	YOY
Commercial Films	11.12	5.59	6.17	10.5%	(44.5)%
Computer Graphic	3.09	2.34	2.63	12.3%	(15.0)%
Others	16.02	5.42	3.12	(42.3)%	(80.5)%

#### Outlook in Q305

- Musical product sales will be stable as the number of albums released will be similar to that of the first two quarters.
- New media revenue is expected to be stable despite the slow down of the industry. Wholesale business will help smooth out the revenue stream in the third quarter.
- Media-TV will gradually improve in its utilization after a small pricing restructure.
- Media-Radio will be adversely affected from the budget control by major advertising spenders. Established station like Cool FM will perform well above the industry but growing stations like FM Max and Life FM will get the negative impact from the spending shrinkage.
- Media-Publishing will start to gain more revenue after a re-launch of our new magazines under the "front:" brand umbrella.
- Higher-than-expected box office revenue from "the dumber heroes" will improve the movie business performance in the third quarter.

#### Disclaimer

"Some statements made in this presentation are forward-looking statements, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue", "plan" or other similar words. The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements."

**Income Statement**

	1Q04	2Q04	3Q04	4Q04	FY04	1Q05	2Q05
<b>Product sales</b>	240.92	160.72	255.10	274.93	931.66	153.46	151.83
<b>Advertising</b>	90.47	108.61	111.47	135.00	445.54	173.83	194.92
<b>Motion pictures</b>	32.27	32.04	(0.14)	22.93	87.10	24.09	14.96
<b>Production house</b>	97.86	60.98	80.47	84.79	324.10	54.34	74.63
<b>Concert and event</b>	40.48	38.74	32.34	67.57	179.12	58.55	54.36
<b>Copyright</b>	49.71	46.64	90.22	143.51	330.08	134.18	97.70
<b>Service</b>	4.01	3.70	3.67	2.62	14.01	4.45	14.54
<b>Revenues from copyright infringement</b>	12.46	10.74	5.26	2.23	30.68	2.47	2.23
<b>Others</b>	3.86	6.00	(1.03)	3.86	12.69	0.70	5.92
<b>Goodwill from subsidiaries</b>	0.43	0.43	22.09	(0.07)	22.88	0.03	0.14
<b>Total revenue</b>	572.46	468.60	599.44	737.36	2,377.87	606.10	611.23
<b>Cost of sales and services</b>	482.17	430.44	462.16	504.06	1,878.82	471.10	481.37
<b>Gross profit</b>	90.30	38.16	137.28	233.30	499.04	135.00	129.86
<b>SG&amp;A</b>	124.86	122.68	161.27	203.34	612.15	123.89	254.26
Directors' remuneration							
<b>EBIT</b>	(34.56)	(84.52)	(23.99)	29.96	(113.11)	11.11	(124.40)
<b>Interest expense</b>	1.01	1.52	1.86	1.92	6.32	1.82	1.37
<b>Income Taxes</b>	6.20	10.13	(0.97)	(3.34)	12.02	2.31	5.36
<b>Net profit of minority shares</b>	0.00	0.00	0.01	(0.24)	(0.23)	0.34	(0.01)
<b>Net profit</b>	(41.77)	(96.17)	(24.88)	31.14	(131.68)	7.32	(131.14)
<b>No. of shares**</b>	140.00	140.00	140.00	140.00	140.00	140.00	140.00
<b>EPS</b>	(0.30)	(0.69)	(0.18)	0.22	(0.94)	0.05	(0.94)

**Profitability**

	1Q04	2Q04	3Q04	4Q04	FY2004	1Q05	2Q05
Overall gross margin	15.8%	8.1%	22.9%	31.6%	21.0%	22.3%	21.2%
Overall EBIT margin	(6.0)%	(18.0)%	(4.0)%	4.1%	(4.8)%	1.8%	(20.4)%
Overall net margin	(7.3)%	(20.5)%	(4.2)%	4.2%	(5.5)%	1.2%	(21.5)%
SG&A / Total revenues	21.8%	26.2%	26.9%	27.6%	25.7%	20.4%	41.6%

**Growth QOQ**

(%)	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05
Product sales	18.0%	(33.3)%	58.7%	7.8%	(44.2)%	(1.1)%
Advertising	14.6%	20.1%	2.6%	21.1%	28.8%	12.1%
Motion pictures	11.7%	(0.7)%	(100.4)%	16,599.3%	5.1%	(37.9)%
Production house	44.6%	(37.7)%	31.9%	5.4%	(35.9)%	37.3%
Concert and event	15.0%	(4.3)%	(16.5)%	109.0%	(13.4)%	(7.2)%
Copyright	(12.1)%	(6.2)%	93.5%	59.1%	(6.5)%	(27.2)%
Service	(14.2)%	(7.6)%	(0.8)%	(28.7)%	69.8%	226.9%
Revenues from copyright infringement	(77.7)%	(13.8)%	(51.1)%	(57.6)%	10.7%	(9.5)%
Others	110.7%	55.3%	(117.2)%	474.4%	(81.9)%	746.6%
Goodwill from subsidiaries	(1.4)%	0.0%	5,021.5%	(100.3)%	142.9%	348.0%
Total revenue	15.3%	(18.1)%	27.9%	23.0%	(17.8)%	0.8%
Cost of sales and services	23.8%	(10.7)%	7.4%	9.1%	(6.5)%	2.2%
Gross profit	(15.6)%	(57.7)%	259.7%	69.9%	(42.1)%	(3.8)%
SG&A	(14.9)%	(1.7)%	31.5%	26.1%	(39.1)%	105.2%
EBIT	12.9%	144.5%	71.6%	224.9%	(62.9)%	(1,219.6)%
Net Profit	7.4%	130.2%	74.1%	225.2%	(76.5)%	(1,891.6)%

**Growth YOY**

(%)	1Q04	2Q04	3Q04	4Q04	FY2004	1Q05	2Q05
Music sales	48.4%	(22.2)%	(4.0)%	34.7%	11.1%	(36.3)%	(5.5)%
Advertising	(19.5)%	(4.7)%	18.8%	70.9%	11.6%	92.2%	79.5%
Motion pictures	(29.8)%	(29.0)%	(101.0)%	(20.6)%	(35.0)%	(25.3)%	(53.3)%
Production house	117.9%	15.8%	63.2%	25.3%	51.1%	(44.5)%	22.4%
Concert and event	30.3%	(1.8)%	38.1%	92.1%	38.7%	44.7%	40.3%
Copyright	135.1%	(4.9)%	128.1%	153.8%	98.5%	169.9%	109.5%
Service	136.2%	742.2%	45.1%	(44.0)%	49.9%	10.9%	292.6%
Revenues from copyright infringement	(5.0)%	(25.0)%	0.0%	(96.0)%	(63.2)%	(80.2)%	(79.2)%
Others	56.8%	1,173.2%	(105.4)%	110.8%	184.2%	(81.9)%	(1.3)%
Goodwill from subsidiaries	0.8%	(0.3)%	4,952.0%	(116.2)%	1,219.0%	(93.0)%	(68.5)%
Total revenue	31.4%	(10.2)%	18.1%	48.5%	21.2%	5.9%	30.4%
Cost of sales and services	98.5%	26.3%	29.8%	29.4%	41.4%	(2.3)%	11.8%
Gross profit	(53.1)%	(78.9)%	(9.5)%	118.0%	(21.0)%	49.5%	240.3%
SG&A	53.8%	1.8%	46.3%	38.6%	33.5%	(0.8)%	107.3%
EBIT	(131.0)%	(240.4)%	(157.9)%	175.5%	(165.2)%	132.1%	47.2%
Net Profit	(161.1)%	(285.5)%	(194.0)%	180.1%	(222.1)%	117.5%	36.4%