

2Q06 results in brief

The consolidated financial statements of the company and its subsidiaries for the three-month period ended June 30, 2006 presented net profit of THB 35.3 million, an increase of THB 166.5 million or 126.9% from that of the same period last year that presented a net loss of THB 131.1 million. The key drivers of the result were as follows:

Total revenues for the second quarter ended June 30, 2006 totaled 757.9 million, an increase of THB 146.7 million or 24 % from the same period last year due to:

- Advertising income increased by THB 59.1 million (30.3%), mainly due to a revenue growth in radio business and publishing business.
- Copyright revenue increased by THB 48.6 million (49.7%) which is a result of an increase in musical copyright revenue through downloading business as well as movie copyright revenue.
- Revenue from film production increased by THB 25.5 million as we released 2 movies in this quarter as compared to only one movie in the same period last year.
- Revenue from production service increased by THB 23.7 million(31.8%) due to a higher revenue from drama production

Cost of sales and production for this period totaled THB 538.62 million, increased from the same period last year by 11.9% (THB 57.2 million). This was led by an increase in the cost of film production as we have more releases as well as an expansion in publishing business since mid-2005, as well as in radio business.

Selling and administrative expenses totaled THB 174.05 million, a decrease of THB 80.2 million or 31.6 0%, mainly due to a decrease in an allowance for sales return and a reduction in impairments for intangible assets.

Financial Highlight

(Million Baht)

	2Q05	1Q06	2Q06	QOQ	YOY
Total revenue	611.23	792.12	757.97	(4.3)%	24.0%
Total cost of sales	481.37	620.19	538.63	(13.2)%	11.9%
Gross profit	129.86	171.93	219.35	27.6%	68.9%
Selling and administrative expense	254.26	159.87	174.04	(54.2)%	(46.1)%
EBIT	(124.40)	12.06	45.30	275.7%	136.4%
Net profit	(131.14)	7.84	35.31	350.1%	126.9%

Revenue breakdown by business group

(Million Baht)

	2Q05	1Q06	2Q06	QOQ	YOY
Music	296.34	350.04	294.64	(15.8)%	(0.6)%
Media	231.60	255.06	292.01	14.5%	26.1%
Motion Picture and Production Service	73.80	185.80	162.89	(12.3)%	120.7%
Support	9.35	1.08	(0.28)	(125.7)%	(103.0)%
Total revenue from operation	611.09	791.98	749.26	(5.4)%	22.6%
Other revenue	0.14	0.13	8.71	6,375.7%	6,304.5%
Total Revenue	611.23	792.12	757.97	(4.3)%	24.0%

Revenue breakdown (%)

	2Q05	1Q06	2Q06
Music	48.5%	44.2%	38.9%
Media	37.9%	32.2%	38.5%
Motion Picture and Production Service	12.1%	23.5%	21.5%
Support	1.5%	0.1%	0.0%
Total Revenue	100.0%	100.0%	100.0%

Sector Analysis
1. Music Business

(Million Baht)

	2Q05	1Q06	2Q06	QOQ	YOY
Product Sales	149.35	162.37	145.61	(10.3)%	(2.5)%
Concert & Event	52.70	68.94	43.36	(37.1)%	(17.7)%
Copyright	80.71	93.14	86.08	(7.6)%	6.6%
Others	13.58	25.58	19.59	(30.58)%	44.26%
Total Revenue	296.34	350.04	294.64	(15.8)%	(0.6)%

Music Business group reported total revenue of THB 294.64 million for the three-month period ended June 30, 2006, which is almost unchanged from the same period in a prior year. Even though revenue from product sales and concert and event dropped by 2.5% and 17.7% respectively, copyright revenue increased by 7% to cancel out the impact.

Music Albums Releases

(Albums)

	2Q05	1Q06	2Q06
New	27	22	18
Compilation	20	36	30
Total	47	58	48

New albums decreased according to our policy to be more focused on revenue generating potential on each album rather than the quantity of albums in each quarter.

Proportion Sales in Units and Values

	% in Units	% in Value
Tape	9%	5%
CD	30%	30%
VCD	62%	65%
DVD	0%	0%
Total	100%	100%

Copyright Revenues

	(Million Baht)				
	2Q05	1Q06	2Q06	QOQ	YOY
New Media	47.74	44.57	52.41	17.6%	9.8%
Music Copyright Collection	30.51	48.50	33.54	(30.8)%	9.9%
Others	2.47	0.07	0.13	96.0%	(94.8)%
Total Revenue	80.71	93.14	86.08	(7.6)%	6.6%

Revenues from New Media increased by almost 10% due mainly to higher revenue from bundling deal with the corporate clients as well as the popularity of our released album in the first quarter. Copyright collection revenue remained constant compared to the same period last year but dropped significantly from the previous quarter as there's no corporate deal coming in.

Karaoke customers at end of June 30, 2006

	(Units)		
Products	2Q05	1Q06	2Q06
Station	36,508	34,554	33,118
Booth	8,570	12,520	14,319
Shop	20,420	22,379	23,793
JukeBox	1,180	768	685
Total	66,678	70,221	71,916

2. Media Business

	(Million Baht)				
Revenue Breakdown	2Q05	1Q06	2Q06	QOQ	YOY
Sales	1.66	6.26	7.94	27.0%	377.3%
Advertising	192.89	209.03	247.58	18.4%	28.3%
Drama production	20.17	33.28	38.26	15.0%	89.7%
Others	16.87	6.5	(1.77)	(467.23)%	(1,053.11)%
Total Revenue	231.60	255.06	292.01	14.5%	26.1%

Media Breakdown

	(Million Baht)				
	2Q05	1Q06	2Q06	QOQ	YOY
TV	156.56	155.60	172.47	10.8%	10.2%
Radio	80.71	100.55	125.73	25.0%	55.8%
Publishing	1.82	21.35	28.80	34.9%	1,483.1%
Other	21.74	8.03	(1.06)	(113.2)%	(104.9)%
Total	260.83	285.53	325.93	14.2%	25.0%

Media business reported total revenues of THB 292.01 million, an increase of 26% from last year as both advertising revenue and drama production revenue grew significantly. TV business improved by 10.2% due mainly to a huge growth from drama production business. Radio business grew by 56% while publishing business has grown from a very low base and hence represent a huge growth.

Music Programs as of June 30, 2006

No.	MV Programs	Day	Time		Channel
1	POP UP LIVE	Sat - Sun	0:15	1:30	5
2	TV RELAX	Tue	14:05	14:30	5
3	DJ CENTER*	Sat - Sun	1:30	2:00	5
4	MAX CHANNEL	Mon - Fri	12:43	13:08	5
5	SOD CHEUN*	Mon - Fri	16:30	16:55	5
6	HONG SON	Mon	0:25	1:20	7
7	SAO KOON SONG*	Mon - Wed	1:30	2:00	7
		Sun	1:00	1:30	7
8	2 NITE LIVE	Wed - Thu	0:25	1:20	7
9	HUA JAI SA PAI PAE	Mon	1:15	2:00	9
10	SIAM PLAZA	Fri	0:30	1:30	9
11	KOO PUAN KUAN PLENG*	Sat	2:30	3:00	9
12	MUENG THAI CHAI LEOY*	Sun	0:30	1:00	9

*** Music program for looktung music**

At the end of June 30, 2006, we had 12 music programs and 14 non-music programs, including 2 drama series, 3 teen programs, and 9 variety programs that were currently on-air.

Non-Music Programs as of June 30, 2006

No.	Non MV Programs	Type	Day	Time		Channel
1	KRANG NEUNG MUER RAO RAK KAN	Drama	Sat - Sun	11:00	11:45	3
2	KHAO KRONG PAK KLONG TALAD	Variety	Mon - Fri	5:30	6:00	5
3	RAI WAN BUN TERNG	Variety	Mon - Fri	11:00	11:30	5
4	SUP SIP FOR FIVE	Variety	Mon - Fri	11:30	11:55	5
5	MUENG THAI VARIETY	Variety	Mon - Fri	21:20	22:00	5
6	FRONT@FIVE	Variety	Sat	8:05	8:30	5
7	LA MAI DIARY	Variety	Sat	10:30	11:25	5
8	PERD MUENG PRAK	Variety	Sat	14:00	15:00	5
9	ASSAJAN SHOW	Variety	Sat	16:05	17:00	5
10	FAMILY CIRCLE	Variety	Sun	8:05	8:30	5
11	SUPER T	Teen	Sun	12:20	12:45	5
12	TEEN CLUB	Teen	Sun	15:30	15:55	5
13	D-CLUB	Teen	Sun	18:05	19:00	5
14	PUEN SAP 4X4	Drama	Sun	16:05	17:00	9

Production revenues derived from the following:

	2Q05	1Q06	2Q06
Dramas produced to the Network (Series)	6	2	2
Dramas (Episodes)	37	27	29

List of Dramas produced to the Network in 2Q06

No.	Dramas	Day	Time		Channel
1	MUNGKORN SON PAYAK	Fri-Sun	20:30	22:15	3
2	HI MA TAI PRAJAN	Wed-Thu	20:30	22:15	3

For radio business, total revenues increased by roughly 56% from the same period in the year earlier (Q2/2005) due to a constant higher popularity rating of our 3 radio stations especially 93 Cool FM and 106 Latte FM while 88.5 FM Max slightly improved. The newly managed 90 Mix FM started to gain better popularity rating and hence contributed higher revenue in this quarter.

Radio air-time advertising rates as at June 30, 2006

No.	Station	Price (Baht/30 Sec)	Broadcast (Hr/Day)	Advertising Time (Min/Day)
1	88.5 FM MAX	2,400	24.0	140.0
2	90.0 MIX FM	3,000	24.0	125.0
3	93.0 COOL FM	4,500	24.0	150.0
4	106.0 LIFE FM	3,000	24.0	126.0

AC Nielsen's top rating radio stations as of June 2006 (Survey#6 2006, All People 12+)

No.	Station	Operators	No. of Listeners (In Thousands)	% Share of Listeners
1	95.0 Look Tung Ma Ha Na Korn	MCOT	1,915	22.0
2	97.5 Seed FM	MCOT	1,863	21.4
3	93.0 Cool FM	Sky High Network	1,237	14.2
4	95.5 Virgin Hitz	Virgin BEC Tero	1,304	15.0
5	88.5 FM Max	Sky High Network	741	8.5

Results from the research conducted by AC Nielsen showed that we have 20.1 % share of total listeners in Bangkok Metropolitan area.

As for the publishing business, a high growth is a result of new product line added to our portfolio namely "dara daily", a daily entertainment newspaper, "front" magazine, "FAME" magazine and pocket books.

3. Motion Pictures and Production Service

	(Million Baht)				
	2Q05	1Q06	2Q06	QOQ	YOY
Motion Picture	14.96	5.68	40.49	612.8%	170.6%
Production Service	40.68	161.20	60.15	(62.7)%	47.9%
Copyright	16.69	13.90	60.21	333.2%	260.7%
Others	1.21	5.9	2.04	(189.21)%	68.59%
Total Revenue	73.54	185.8	163.12	(13.9)%	121.81%

Revenues by Sources

	(Million Baht)				
	2Q05	1Q06	2Q06	QOQ	YOY
Motion Pictures	32.86	24.60	102.74	317.7%	212.6%
Production Services	40.68	161.20	60.15	(62.7)%	47.9%

As for motion picture, total revenues tripled the figure of the same period last year. The main reasons were a big increase in almost every revenue channel combined with the number of movies released. VCD right revenue of 1 movie were booked in the same quarter last year while there are 3 movies booked in this quarter.

Production service revenue grew by almost 50% compared to the same period last year but dropped significantly from the previous quarter since there are no sizable projects coming in this quarter.

Outlook in 3Q06

- Business Outlook
 - First EP album will be launched in late August. Lower cost is expected to materialize in Q4 onwards.
 - Digital distribution for music will be our focus from Q3 onwards
 - Sizable events will start to continue in mid-Q3
 - Projects created by RSI-dream will start to make contribution in Q4 onwards
 - There will be no movie released in Q3 and 2 movies are planned to release in Q4
 - Dara Daily will issue a special weekend issue in the second half of August.

- Corporate Outlook

Special shareholders meeting will be held in late Q3 to

- clear-out retained loss and be prepared for the first dividend payout.
- Reduce par value from 5 Bt to 1 Bt

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	3Q05	4Q05	FY05	1Q06	2Q06
Product sales	240.92	160.72	255.10	274.93	931.66	153.46	151.83	269.33	223.24	797.84	169.45	153.56
Advertising	90.47	108.61	111.47	135.00	445.54	173.83	194.92	201.29	204.31	774.36	221.38	254.04
Motion pictures	32.27	32.04	(0.14)	22.93	87.10	24.09	14.96	47.18	16.56	102.80	5.68	40.49
Production service	97.86	60.98	80.47	84.79	324.10	54.34	74.63	54.17	130.08	313.22	193.37	98.34
Concert and event	40.48	38.74	32.34	67.57	179.12	58.55	54.36	57.81	58.06	228.77	73.02	41.34
Copyright	49.71	46.64	90.22	143.51	330.08	134.18	97.70	112.13	107.41	451.43	107.04	146.29
Service	4.01	3.70	3.67	2.62	14.01	4.45	14.54	14.49	21.05	54.53	9.34	6.23
Revenues from copyright infringement	12.46	10.74	5.26	2.23	30.68	2.30	2.34	3.64	1.88	10.16	1.96	2.29
Others	3.86	6.00	(1.03)	3.86	12.69	0.86	5.81	1.21	6.99	14.88	10.75	6.68
Goodwill from subsidiaries	0.43	0.43	22.09	(0.07)	22.88	0.03	0.14	(0.49)	0.14	(0.18)	0.13	8.71
Total revenue	572.46	468.60	599.44	737.36	2,377.87	606.10	611.23	760.77	769.71	2,747.81	792.12	757.97
Cost of sales and services	482.17	430.44	462.16	504.06	1,878.82	471.10	481.37	539.90	520.34	2,012.71	620.19	538.63
Gross profit	90.30	38.16	137.28	233.30	499.04	135.00	129.86	220.88	249.37	735.10	171.93	219.35
SG&A	124.86	122.68	161.27	203.34	612.15	123.89	254.26	381.61	349.17	1,108.93	159.87	174.04
Directors' remuneration												
EBIT	(34.56)	(84.52)	(23.99)	29.96	(113.11)	11.11	(124.40)	(160.73)	(99.81)	(373.83)	12.06	45.30
Interest expense	1.01	1.52	1.86	1.92	6.32	1.82	1.37	1.51	1.83	6.54	2.04	2.87
Income Taxes	6.20	10.13	(0.97)	(3.34)	12.02	2.31	5.36	15.85	29.21	52.72	2.96	6.54
Net profit of minority shares	0.00	0.00	0.01	(0.24)	(0.23)	0.34	(0.01)	(0.18)	(0.18)	(0.03)	0.78	(0.59)
Net profit	(41.77)	(96.17)	(24.88)	31.14	(131.68)	7.32	(131.14)	(178.27)	(131.02)	(433.12)	7.84	35.31
No. of shares**	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00
EPS	(0.30)	(0.69)	(0.18)	0.22	(0.94)	0.05	(0.94)	(1.27)	(0.94)	(3.09)	0.06	0.25

Profitability

	1Q04	2Q04	3Q04	4Q04	FY2004	1Q05	2Q05	3Q05	4Q05	FY2005	1Q06	2Q06
Overall gross margin	15.8%	8.1%	22.9%	31.6%	21.0%	22.3%	21.2%	29.0%	32.4%	26.8%	21.7%	28.9%
Overall EBIT margin	(6.0)%	(18.0)%	(4.0)%	4.1%	(4.8)%	1.8%	(20.4)%	(21.1)%	(13.0)%	(13.6)%	1.5%	6.0%
Overall net margin	(7.3)%	(20.5)%	(4.2)%	4.2%	(5.5)%	1.2%	(21.5)%	(23.4)%	(17.0)%	(15.8)%	1.0%	4.7%
SG&A / Total revenues	21.8%	26.2%	26.9%	27.6%	25.7%	20.4%	41.6%	50.2%	45.4%	40.4%	20.2%	23.0%

Growth QOQ

(%)	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06
Product sales	18.0%	(33.3)%	58.7%	7.8%	(44.2)%	(1.1)%	77.4%	(17.1)%	(24.1)%	(9.4)%
Advertising	14.6%	20.1%	2.6%	21.1%	28.8%	12.1%	3.3%	1.5%	8.4%	14.8%
Motion pictures	11.7%	(0.7)%	(100.4)%	16,599.3%	5.1%	(37.9)%	215.3%	(64.9)%	(65.7)%	612.8%
Production house	44.6%	(37.7)%	31.9%	5.4%	(35.9)%	37.3%	(27.4)%	140.1%	48.7%	(49.1)%
Concert and event	15.0%	(4.3)%	(16.5)%	109.0%	(13.4)%	(7.2)%	6.3%	0.4%	25.8%	(43.4)%
Copyright	(12.1)%	(6.2)%	93.5%	59.1%	(6.5)%	(27.2)%	14.8%	(4.2)%	(0.3)%	36.7%
Service	(14.2)%	(7.6)%	(0.8)%	(28.7)%	69.8%	226.9%	(0.4)%	45.3%	(55.6)%	(33.2)%
Revenues from copyright infringement	(77.7)%	(13.8)%	(51.1)%	(57.6)%	3.3%	1.5%	55.7%	(48.4)%	4.1%	17.2%
Others	110.7%	55.3%	(117.2)%	474.4%	(77.7)%	574.1%	(79.2)%	478.2%	53.7%	(37.8)%
Goodwill from subsidiaries	(1.4)%	0.0%	5,021.5%	(100.3)%	142.9%	348.0%	(457.7)%	128.3%	(2.2)%	6,375.7%
Total revenue	15.3%	(18.1)%	27.9%	23.0%	(17.8)%	0.8%	24.5%	1.2%	2.9%	(4.3)%
Cost of sales and services	23.8%	(10.7)%	7.4%	9.1%	(6.5)%	2.2%	12.2%	(3.6)%	19.2%	(13.2)%
Gross profit	(15.6)%	(57.7)%	259.7%	69.9%	(42.1)%	(3.8)%	70.1%	12.9%	(31.1)%	27.6%
SG&A	(14.9)%	(1.7)%	31.5%	26.1%	(39.1)%	105.2%	50.1%	(8.5)%	(54.2)%	8.9%
EBIT	12.9%	144.5%	71.6%	224.9%	(62.9)%	(1,219.6)%	29.2%	37.9%	112.1%	275.7%
Net Profit	7.4%	130.2%	74.1%	225.2%	(76.5)%	(1,891.6)%	35.9%	26.5%	106.0%	350.1%

Growth YOY

(%)	1Q04	2Q04	3Q04	4Q04	FY2004	1Q05	2Q05	3Q05	4Q05	FY2005	1Q06	2Q06
Music sales	48.4%	(22.2)%	(4.0)%	34.7%	11.1%	(36.3)%	(5.5)%	5.6%	(18.8)%	(14.4)%	10.4%	1.1%
Advertising	(19.5)%	(4.7)%	18.8%	70.9%	11.6%	92.2%	79.5%	80.6%	51.3%	73.8%	27.4%	30.3%
Motion pictures	(29.8)%	(29.0)%	(101.0)%	(20.6)%	(35.0)%	(25.3)%	(53.3)%	34,047.6%	(27.8)%	18.0%	(76.4)%	170.6%
Production house	117.9%	15.8%	63.2%	25.3%	51.1%	(44.5)%	22.4%	(32.7)%	53.4%	(3.4)%	255.9%	31.8%
Concert and event	30.3%	(1.8)%	38.1%	92.1%	38.7%	44.7%	40.3%	78.8%	(14.1)%	27.7%	24.7%	(24.0)%
Copyright	135.1%	(4.9)%	128.1%	153.8%	98.5%	169.9%	109.5%	24.3%	(25.2)%	36.8%	(20.2)%	49.7%
Service	136.2%	742.2%	45.1%	(44.0)%	49.9%	10.9%	292.6%	294.4%	703.7%	289.3%	109.9%	(57.1)%
Revenues from copyright infringement	(5.0)%	(25.0)%	0.0%	(96.0)%	(63.2)%	(81.5)%	(78.2)%	(30.7)%	(15.7)%	(66.9)%	(15.1)%	(2.0)%
Others	56.8%	1,173.2%	(105.4)%	110.8%	184.2%	(77.7)%	(3.1)%	217.2%	81.0%	17.2%	1,146.3%	15.0%
Goodwill from subsidiaries	0.8%	(0.3)%	4,952.0%	(118.2)%	1,219.0%	(93.0)%	(68.5)%	(102.2)%	294.5%	(100.8)%	343.1%	6,304.5%
Total revenue	31.4%	(10.2)%	18.1%	48.5%	21.2%	5.9%	30.4%	26.9%	4.4%	15.6%	30.7%	24.0%
Cost of sales and services	98.5%	26.3%	29.8%	29.4%	41.4%	(2.3)%	11.8%	16.8%	3.2%	7.1%	31.6%	11.9%
Gross profit	(53.1)%	(78.9)%	(9.5)%	118.0%	(21.0)%	49.5%	240.3%	60.9%	6.9%	47.3%	27.4%	68.9%
SG&A	53.8%	1.8%	46.3%	38.6%	33.5%	(0.8)%	107.3%	136.6%	71.7%	81.2%	29.0%	(31.5)%
EBIT	(131.0)%	(240.4)%	(157.9)%	175.5%	(165.2)%	132.1%	(47.2)%	(569.9)%	(433.1)%	(230.5)%	8.5%	136.4%
Net Profit	(161.1)%	(285.5)%	(194.0)%	180.1%	(222.1)%	117.5%	(36.4)%	(616.6)%	(520.8)%	(228.9)%	7.2%	126.9%