

FY2005 results in brief

The consolidated financial statements of the company and its subsidiaries for the year ended December 31, 2005 presented net loss of THB 433.1 million, representing THB 301.4 million change from net loss of THB 131.7 million during the same period last year. The key drivers of the result were as follows:

Total revenues for the year ended December 31, 2005 totaled 2,747.8 million, an increase of THB 369.9 million or 15.6% from the same period last year due to:

- Advertising income increased THB 328.8 million (73.8%), which was contributed by increase in advertising income from radio and TV business.
- Revenue from musical and other copyrights increased THB 121.3 million (36.8%) which was mainly from the increase in revenue from new media business (ringtone bundling and download) for THB 55.1 million as well as the increase in copyright income from motion pictures, tele-movie and drama-series.

Cost of sales and production increased from the same period last year by 7.1% (THB 133.9 million) as a result of increases in time slots and costs of TV programs and radio station, as well as the expansion in publishing business. However, such increases were offset by the drop of cost of music production and movie production.

Selling and administrative expenses increased THB 496.7 million or 81.2% mainly from allowance of obsolete inventories THB 108.7 million, allowance for sales return THB 49.9 million, allowance for impairment of intangible assets THB 174.9 million. In addition, there were higher employee expenses in image & artist management business and publishing business and sale promotion expenses due to our business expansion.

Excluding the abovementioned allowances made during the period, the company would present a net profit before interest expenses and income tax of THB 28.2 million.

Financial Highlight

	(Million Baht)		
	FY2004	FY2005	GROWTH
Total revenue	2,377.87	2,747.81	15.6%
Total cost of sales	1,878.82	2,012.71	7.1%
Gross profit	499.04	735.10	47.3%
Selling and administrative expense	612.15	1,108.93	81.2%
EBIT	(113.11)	(373.83)	(230.5)%
Net profit	(131.68)	(433.12)	(228.9)%

Revenue breakdown by business group

	(Million Baht)		
	FY2004	FY2005	GROWTH
Music	1,386.63	1,382.48	(0.3)%
Media	633.23	1,042.26	64.6%
Motion Pictures and Production Services	292.45	288.46	(1.4)%
Support	42.68	34.79	(18.5)%
Total revenue from operation	2,354.99	2,747.99	16.7%
Other revenue	22.88	(0.18)	(100.8)%
Total Revenue	2,377.87	2,747.81	15.6%

Revenue breakdown (%)

	FY2004	FY2005	GROWTH
Music	58.3%	50.3%	(13.7)%
Media	26.6%	37.9%	42.4%
Motion Pictures and Production Services	12.3%	10.5%	(14.6)%
Support	1.8%	1.3%	(29.5)%
Other revenue	1.0%	(0.0)%	(100.7)%
Total Revenue	100.0%	100.0%	0.0%

Sector Analysis

1. Music Business

(Million Baht)

	FY2004	FY2005	GROWTH
Sales	885.01	767.95	(13.2)%
Advertising	14.20	10.54	(25.8)%
Production Service	19.74	14.79	(25.1)%
Concert & Event	181.17	227.11	25.4%
Copyright	248.19	332.00	33.8%
Service	0.35	7.96	2,192.3%
Others	37.97	22.13	(41.7)%
Total Revenue	1,386.63	1,382.48	(0.3)%

Music Business group reported total revenue of 1,382.48 MB for FY2005, a slight decrease of 4.15 MB or 0.3 % from the previous year. Revenue from sales decreased by 13.2%, mainly due to a reduction in the number of music albums, including new albums and compilations of string and country music, released during 2005 compared to that of the previous year, resulting in lower net sales.

Revenue from concert production and marketing activities increased THB 45.94 million or 25.4% due to more activities in image & artist management business.

Music Albums Releases

(Albums)

	FY2004	FY2005	GROWTH
New	115	115	0.0%
Compilation	125	83	(33.6)%
Total	240	198	(17.5)%

However, main source of revenue in music business was still the sales of musical products including tape cassette, CDs, VCDs, and DVDs which accounts for 48% of total music revenue.

Proportion Sales in Units and Values

	% in Units	% in Value
Tape	13%	7%
CD	22%	21%
VCD	65%	72%
DVD	0%	0%
Total	100%	100%

Copyright Revenues

	(Million Baht)		
	FY2004	FY2005	GROWTH
New Media	132.33	187.51	41.7%
Music Copyright Collection	114.88	127.70	11.2%
Others	0.98	16.80	1,610.8%
Total Revenue	248.19	332.00	33.8%

A significant increase in copyright revenue derived from new media business (ringtone bundling and download) for THB 55.1 million or 41.7%, mostly contributed by wider range of downloadable contents through mobile phones, WAP services (wap.mobclub.net), growing wholesales business such as product bundling on imported mobile phones, and new businesses.

Revenue from music copyright collection outperformed the previous year by 11.2% due to higher average subscribers on Karaoke shop and booth which yield a higher monthly fee.

Average karaoke customers for the years

	(Units)		
	FY2004	FY2005	GROWTH
Station	42,164	38,293	(9.2)%
Booth	6,432	10,036	56.0%
Shop	18,546	22,359	20.6%
JukeBox	1,429	1,291	(9.7)%
Total	68,571	70,688	3.1%

2. Media Business

	(Million Baht)		
	FY2004	FY2005	GROWTH
Sales	0.02	20.11	120,125.2%
Advertising	425.10	763.28	79.6%
Production Service	205.72	211.90	3.0%
Concert & Event	0.25	1.66	555.3%
Copyright	0.44	1.22	179.3%
Service	1.08	43.50	3,924.0%
Others	0.62	0.59	(4.2)%
Total Revenue	633.23	1,042.26	64.6%

Media Breakdown

	(Million Baht)		
	FY2004	FY2005	GROWTH
TV	470.46	601.69	27.9%
Radio	141.92	325.35	129.2%
Publishing	14.15	50.21	254.8%
Other	6.69	65.01	871.3%
Total	633.23	1,042.26	64.6%

Media business reported total revenues of 1,042.26 MB, a huge growth of 64.6 % from last year. More interestingly, media business rose in its contribution to overall revenues from 26.6% in the earlier year to 37.9% in 2006, which is in the opposite direction of music business.

TV business alone grew by 27.9%, compare to year 2004. The increase in TV advertising income derived from an increase air-time in non-music TV programs, especially in prime time slots e.g. Muangthai Variety, and drama-series program.

Music Programs as of December 31, 2005

No.	MV Programs	Day	Time		Channel
1	POP UP LIVE	Sat - Sun	0:15	1:30	5
2	POP UP LIVE วันหยุด	Holiday	11:00	12:00	5
3	T-UNITED	Sat	11:05	12:00	5
4	SATURNDAY SHOW	Sat	16:00	16:55	5
5	TV RELAX	Tue	14:05	14:30	5
*6	BUN TERNG YOK KAM LUNG 2 (บันเทิงยกกำลัง 2)	Thu	14:05	14:30	5
*7	DJ CENTER	Sat - Sun	1:30	2:00	5
8	ROOM	Mon	0:15	1:15	7
9	HOLIDAY MENU	Holiday	12:15	13:00	7
10	2 NITE LIVE	Wed - Thu	0:15	1:15	7
*11	SAO KOON SONG (สาวคุณสอง)	Mon - Wed	1:30	2:00	7
		Sun	1:00	1:30	7
12	BACKPACKER	Mon	0:15	1:15	9
13	MUN TOOK MORE (มันทุก ม.)	Fri	0:30	1:30	9
*14	PRA CHAN NON DUAK (พระจันทร์นอนดิ๊ก)	Tue	3:00	4:00	9
15	SEE SAW SCENE	Sat	11:30	12:00	9

*** Music program for looktung music**

At the end of December 31, 2005, we had 10 non-music programs, including 1 drama series, 1 sit -com program, and 8 variety programs that were currently on-air.

Non-Music Programs as of December 31, 2005

No.	Non MV Programs	Type	Day	Time		Channel
1	NAI KRA JOK (นายกระจอก)	Drama	Sat - Sun	11:00	11:45	3
2	PERD MUENG PRAK (เปิดเมืองแปลก)	Variety	Sat	14:00	15:00	5
3	RAI WAN BUN TERNG (รายวันบันเทิง)	Variety	Mon - Fri	11:00	11:30	5
4	SHOW HERE	Variety	Mon - Fri	11:30	12:00	5
5	MUENG THAI VARIETY (เมืองไทยวาไรตี้)	Variety	Mon - Fri	21:10	21:50	5
6	D-CLUB	Variety	Sun	18:05	19:00	5
7	FRONT@FIVE	Variety	Sat	8:05	8:30	5
8	FAMILY CIRCLE	Variety	Sun	8:05	8:30	5
9	ROD DUAN KA BUAN SUD TAI (รถด่วนขบวนสุดท้าย)	Sit Com	Sun	16:05	17:00	9
10	@WOMAN	Variety	Sun	9:30	10:00	ITV

Despite the increase in production service revenue, a fewer number of governmental projects and episodes of drama series were delivered during this year, when compared to that of the year earlier. Such indirect correlation was the result of higher revenue yielded from each governmental project and higher revenue per episode of drama series produced to the TV networks.

Production revenues derived from the following:

	FY2004	FY2005
Dramas produced to the Network (Series)	11	12
Dramas (Episodes)	185	159
Governmental Projects (Projects)	26	22

List of Dramas produced to the Network in year 2005

No.	Dramas	Day	Time	Channel
1	HOI AN CHAN RAK TER (ฮอยอันเงินรักเธอ)	Fri-Sun	20.30 22.00	3
2	RAK KONG NAI DOK MAI (รักของนายดอกไม้)	Fri-Sun	20.30 22.15	3
3	MON RAK LOTTERY (มนต์รักล็อตเตอรี่)	Mon-Fri	19.15 20.00	3
4	SU SAB BU ROOD TEEN KWAI (สภาพบุรุษตื่นควาย)	Mon-Sun	19:15 20:00	3
5	YOR YAK TOD YOONG (ย.ยักษ์ยอดยุ่ง)	Mon-Fri	18:45 19:15	3
6	YAI BAI BA (ยายไบบ้า)	Mon-Tue	20.30 22.3	7
7	BAN TUK RAK BOON LUE (บันทึกรักของบุญลือ) 1	Sat	13:00 14:00	7
8	BAN TUK RAK BOON LUE (บันทึกรักของบุญลือ) 2	Sat	13:00 14:00	7
9	RAK WAN LA NID (รักวันละนิด) 1	Sat	13:00 14:00	7
10	RAK WAN LA NID (รักวันละนิด) 2	Sat	13:00 14:00	7
11	RAK NID NID TONG SIT UP (รักนิด ๆ ต้องซิทอัพ) 2	Sun	13:00 14:00	7
12	RAK NID NID TONG SIT UP (รักนิด ๆ ต้องซิทอัพ) 3	Sun	13:00 14:00	7

For radio business, total revenues increased sharply by 129.2% from the year earlier due to constant higher popularity rating of our 3 radio stations, namely 93 Cool FM, 106 Life FM and 88.5 FM Max, as a result of careful conduct of research and better understanding in lifestyles of targeted groups of listeners.

Radio air-time advertising rates as at December 31, 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 December 2005 (Survey#1 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	1,647	19.30%
2	93.0 Cool FM	Sky High Network	1,281	15.00%
3	97.5 Seed FM	MCOT	1,077	12.60%
4	95.5 Virgin Hitz	Virgin BEC Tero	1,196	14.00%
5	103.0 Virgin Soft	Virgin BEC Tero	779	9.10%

Results from the research conducted by AC Nielsen showed that we gained 20.8% share of total listeners in Bangkok Metropolitan area.

For publishing business, total revenues grew by over 250%, the highest among our media businesses. Such growth was contributed by sales revenue and advertising revenue from our re-launch of FRONT magazine during July 2005, the newly-launched daily entertainment newspapers, namely Dara Daily, and BOSS magazine. Dara Daily and BOSS

magazine were published under News Generation Co.,Ltd., the company RS acquired during the year 2005. All of which gained positive response from both agencies and readers.

3. Motion Pictures and Production Service

	(Million Baht)		
	FY2004	FY2005	GROWTH
Sales	46.63	9.79	(79.0)%
Advertising	6.24	0.54	(91.3)%
Motion Picture	87.10	102.66	17.9%
Production Service	68.98	55.45	(19.6)%
Copyright	81.46	118.20	45.1%
Service	0.01	0.04	310.9%
Others	2.03	1.78	(12.4)%
Total Revenue	292.45	288.46	(1.4)%

Revenues by Sources

Breakdown	(Million Baht)		
	FY2004	FY2005	GROWTH
Motion Pictures	164.94	225.68	36.8%
Telemovie Business	35.50	3.75	(89.4)%
Production Services	92.01	59.03	(35.8)%

As for overall motion picture and production services, total revenues remained almost the same from year to year. Net increase in copyright revenue from motion pictures and tele-movie, mainly from the increase in revenue recognized from sale of VCD copyright, international copyright and free TV, offset by decrease in revenue from sale of tele-movie which the company has no longer produced.

Outlook in Q106

- Revenue breakdown of music business will remain the same in the first quarter as the revenue stream from artist management, licensing business, showbiz and new media will start to substantially grow in the second quarter onwards.
- Advertising revenue from TV program is expected to increase year-on-year as the revenue from government projects has higher contribution.
- Advertising revenue from radio business is expected to be the same compared to the same period of last year. However, there should be higher marketing expense due to a newly launch of 90 Mix FM
- Drama series production revenue is expected to increase year-on-year as there's higher number of episode delivered to the clients.
- Advertising revenue from magazine business will decrease slightly from the previous quarter as we plan to publish FAME magazine on a quarterly basis instead of once every two month as we did last year. As for the daily newspaper, advertising revenue may slightly decline from the previous quarter due to a seasonality effect in advertising market.
- There will be 2 movies released in this quarter but the expectation for box office revenue is not positive.
- Government projects and sport event will have higher contribution to the overall media business.

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
Product sales	240.92	160.72	255.10	274.93	931.66	153.46	151.83	269.33	223.24	797.84
Advertising	90.47	108.61	111.47	135.00	445.54	173.83	194.92	201.29	204.31	774.36
Motion pictures	32.27	32.04	(0.14)	22.93	87.10	24.09	14.96	47.18	16.56	102.80
Production house	97.86	60.98	80.47	84.79	324.10	54.34	74.63	54.17	130.08	313.22
Concert and event	40.48	38.74	32.34	67.57	179.12	58.55	54.36	57.81	58.06	228.77
Copyright	49.71	46.64	90.22	143.51	330.08	134.18	97.70	112.13	107.41	451.43
Service	4.01	3.70	3.67	2.62	14.01	4.45	14.54	14.49	21.05	54.53
Revenues from copyright infringement	12.46	10.74	5.26	2.23	30.68	2.30	2.34	3.64	1.88	10.16
Others	3.86	6.00	(1.03)	3.86	12.69	0.86	5.81	1.21	6.99	14.88
Goodwill from subsidiaries	0.43	0.43	22.09	(0.07)	22.88	0.03	0.14	(0.49)	0.14	(0.18)
Total revenue	572.46	468.60	599.44	737.36	2,377.87	606.10	611.23	760.77	769.71	2,747.81
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
Gross profit	90.30	38.16	137.28	233.30	499.04	135.00	129.86	220.88	249.37	735.10
SG&A	124.86	122.68	161.27	203.34	612.15	123.89	254.26	381.61	349.17	1,108.93
Directors remuneration										
EBIT	(34.56)	(84.52)	(23.99)	29.96	(113.11)	11.11	(124.40)	(160.73)	(99.81)	(373.83)
Interest expense	1.01	1.52	1.86	1.92	6.32	1.82	1.37	1.51	1.83	6.54
Income Taxes	6.20	10.13	(0.97)	(3.34)	12.02	2.31	5.36	15.85	29.21	52.72
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)
Net profit	(41.77)	(96.17)	(24.88)	31.14	(131.68)	7.32	(131.14)	(178.27)	(131.02)	(433.12)
No. of shares**	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)

Profitability

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

Growth QOQ

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

Growth YOY

(%)	1Q04	2Q04	3Q04	4Q04	FY2004	1Q05	2Q05	3Q05	4Q05	FY2005
Music sales	48.4%	(22.2)%	(4.0)%	34.7%	11.1%	(36.3)%	(5.5)%	5.6%	(18.8)%	(14.4)%
Advertising	(19.5)%	(4.7)%	18.8%	70.9%	11.6%	92.2%	79.5%	80.6%	51.3%	73.8%
Motion pictures	(29.8)%	(29.0)%	(101.0)%	(20.6)%	(35.0)%	(25.3)%	(53.3)%	34,047.6%	(27.8)%	18.0%
Production house	117.9%	15.8%	63.2%	25.3%	51.1%	(44.5)%	22.4%	(32.7)%	53.4%	(3.4)%
Concert and event	30.3%	(1.8)%	38.1%	92.1%	38.7%	44.7%	40.3%	78.8%	(14.1)%	27.7%
Copyright	135.1%	(4.9)%	128.1%	153.8%	98.5%	169.9%	109.5%	24.3%	(25.2)%	36.8%
Service	136.2%	742.2%	45.1%	(44.0)%	49.9%	10.9%	292.6%	294.4%	703.7%	289.3%
Revenues from copyright infringement	(5.0)%	(25.0)%	0.0%	(96.0)%	(63.2)%	(81.5)%	(78.2)%	(30.7)%	(15.7)%	(66.9)%
Others	56.8%	1,173.2%	(105.4)%	110.8%	184.2%	(77.7)%	(3.1)%	217.2%	81.0%	17.2%
Goodwill from subsidiaries	0.8%	(0.3)%	4,952.0%	(116.2)%	1,219.0%	(93.0)%	(68.5)%	(102.2)%	294.5%	(100.8)%
Total revenue	31.4%	(10.2)%	18.1%	48.5%	21.2%	5.9%	30.4%	26.9%	4.4%	15.6%
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%
Gross profit	(53.1)%	(78.9)%	(9.5)%	118.0%	(21.0)%	49.5%	240.3%	60.9%	6.9%	47.3%
SG&A	53.8%	1.8%	46.3%	38.6%	33.5%	(0.8)%	107.3%	136.6%	71.7%	81.2%
EBIT	(131.0)%	(240.4)%	(157.9)%	175.5%	(165.2)%	132.1%	(47.2)%	(569.9)%	(433.1)%	(230.5)%
Net Profit	(161.1)%	(285.5)%	(194.0)%	180.1%	(222.1)%	117.5%	(36.4)%	(616.6)%	(520.8)%	(228.9)%