

## RS PLANS FOR SURGE IN EARNINGS AS 3G TECHNOLOGY APPROACHES

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THE NATION

Entertainment and sports content provider RS has set its sights on sustainable earnings growth of not less than Bt300 million in the next three years (2011-13) from the upcoming 3G wireless broadband network and the growing technologies in the global market.

Chief executive officer Surachai Chetchotisak said the upcoming third-generation technology was a "big opportunity" for content providers to boost revenue.

A challenge for RS is to benefit from 3G after its gains from the 2010 football World Cup.

"We admit that the World Cup boosted our revenue and profit this year, but the main contributor of earnings is still music and digital content," he said.

The World Cup contributed earnings of about Bt100 million, but Surachai believes that its core business will still generate impressive revenue and profit in coming years.

"The expected profit this year is Bt330 million, Bt200 million of which is from music and digital content.

"That is why we believe that even without the special profit from the World Cup, our earnings are going to be strong," he said.

RS projects annual earnings of at least Bt300 million during the next three years before soaring in 2014 from the next World Cup.

RS has secured the broadcast licence for the 2014 Fifa World Cup after its success with the 2010 tournament.

It will also bid for the broadcasting rights to the Euro 2012 tournament, and expects to know by the end of this year whether it was successful.

"We witnessed losses for three years before seeing profits last year and this year. The corporate reorganisation and the growth of technology have ensured that RS will see a bright financial performance," he said.

### EXCLUSIVE INTERVIEW

The company is developing its content to have more variety, believing that creativity is more important than money, Surachai said.

The company has cash flow of Bt200 million, from which the budget for developing content for 3G will come.

"We will not allocate huge money for content development but we will focus on creating content to add value.

"The challenge of a content provider is to gain benefit from 3G for both music and non-musical content," he said.

RS was making a business plan for next year, including the music and digital platform for the 3G technology.

Surachai said the company had prepared itself over the past three years for welcoming the 3G technology, adding that it had rearranged music content by focusing on three segments: music for teens, country music, and music for white-collar listeners.

The platform for music content in the third generation could include karaoke or cartoon characters via device applications, he said.

The arrival of 3G would help boost the proportion of revenue from music



SURACHAI, eyes role of content-application provider for 3G.

and digital content to more than 50 per cent.

RS is talking with network operators to provide content applications for 3G.

Surachai also believes satellite television will be a bright spot for RS next year.

RS just entered the satellite TV field this year with two channels but believes it can achieve top ratings.

He said agencies are willing to spend money on satellite TV because of the fast growth of this business, adding that leading content providers have entered the business to lift the standard of satellite TV. The company will open two more channels in the fourth quarter of this year, a sports channel and a variety TV channel.

He said the company could not give more details on the new channels, particularly the sports channel.

"We can only tell you that we have secured a famous licence," he said.