

LIFESTYLE

entertainment

Quarterly Briefing

2Q10

MAJOR CINEPLEX GROUP PLC.

Paragon Cineplex, Siam Paragon

Aug 17, 2010



2010 QUARTERLY BRIEFING

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The Bottom Line

2Q10 & 1H10 Financial review

Review of Revenue, EBITDA, Net profit

B/S snapshot

Interim dividend

FY10-11 Outlook

Films line-up: 2H10 & FY11

New capacities

In Conclusion

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The Bottom Line

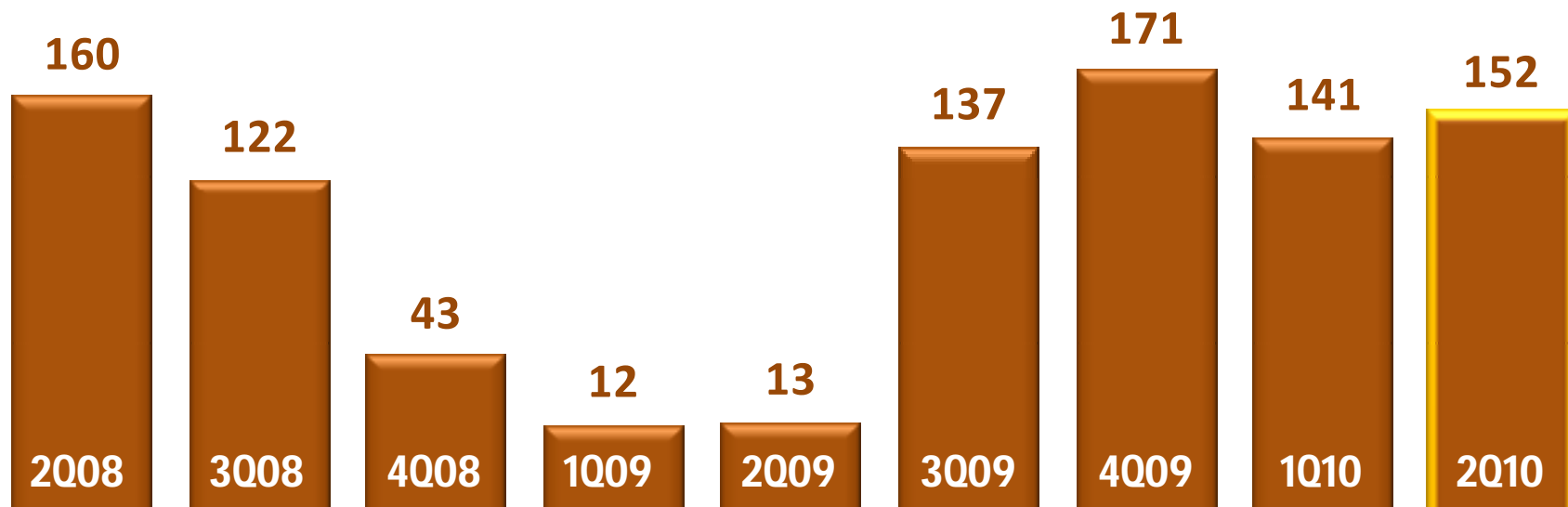
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2Q10 net profit remains on recovery path

- Stronger fundamentals of core cinema business
- Continued momentum in advertising media recovery
- Associates contributing their shares of healthy net profits

All of which taking place in a "rather challenging" quarter for many Thai Corporates



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2Q10 FINANCIAL REVIEW



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2Q10 Financial Review

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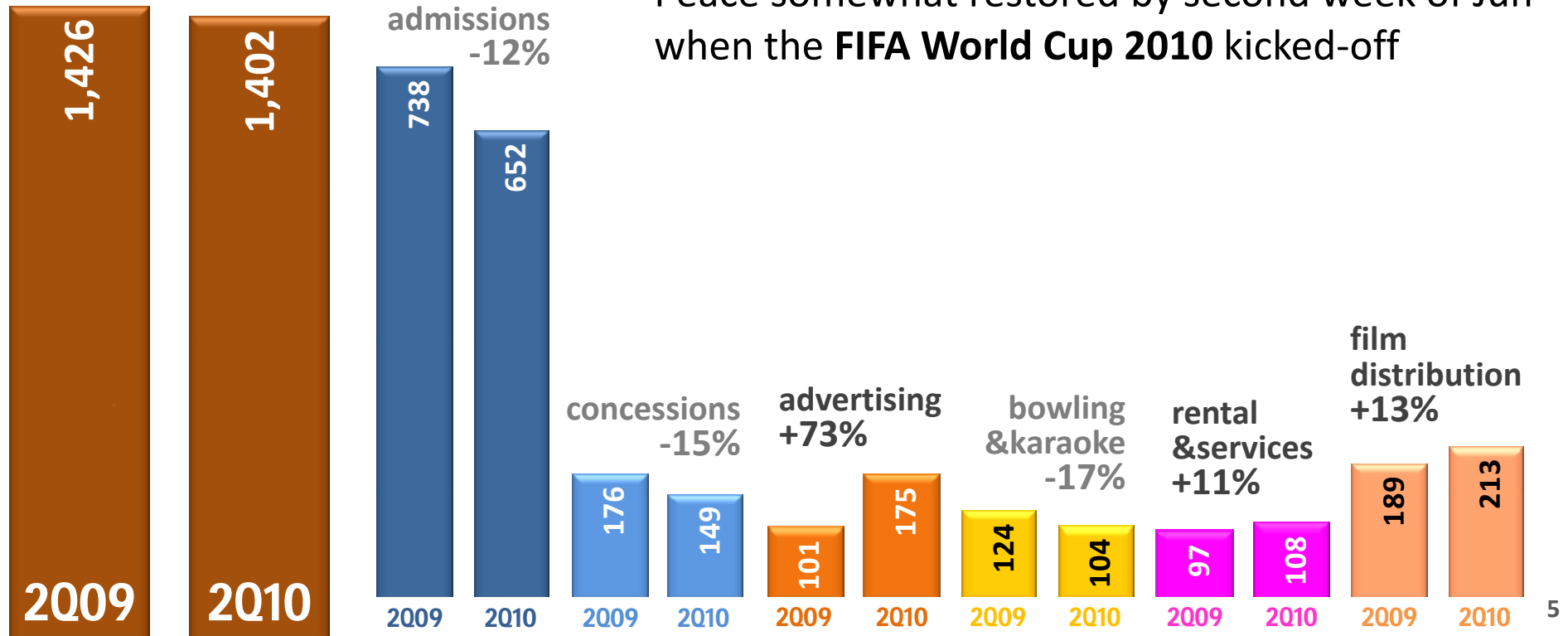


Revenues flat yoy in 2Q10

- Two full months of **political protest** occupying inner-Bangkok Ratchaprasong intersection
- Subsequent riots in Bangkok & some provincial cities prompted **curfews** for about two weeks
- Peace somewhat restored by second week of Jun when the **FIFA World Cup 2010** kicked-off

Bt.million

Revenues -2%



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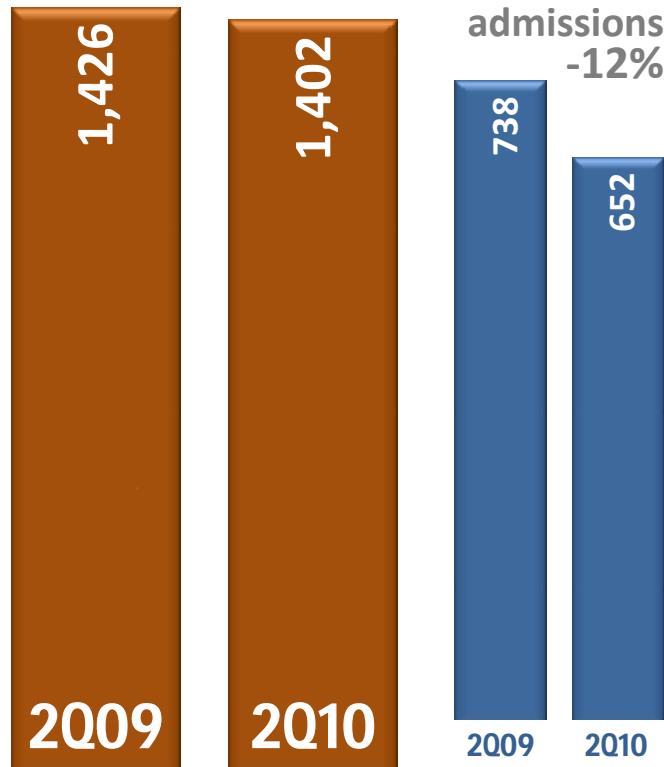


Minor “casualty” on cinema business

- No assets destruction, but flagship Paragon Cineplex forced to shut down for two months
- Some traffic surges in surrounding sites, but negatively offset by the curfews and 1st & 2nd rounds of World Cup play-off in 2H of Jun
- Opportunity loss in sales of Hollywood’s summer seasons blockbusters & 3D films

Bt.million

Revenues
-2%



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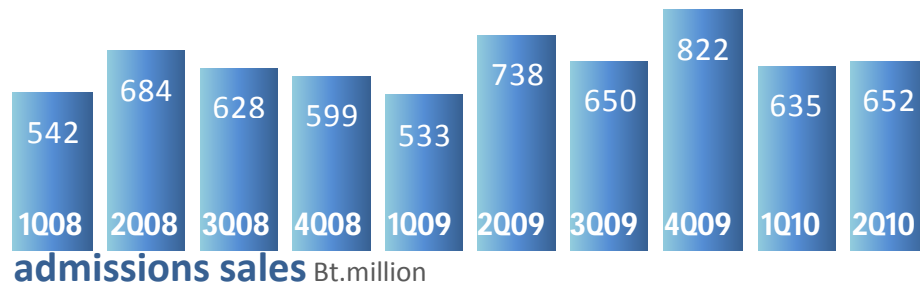
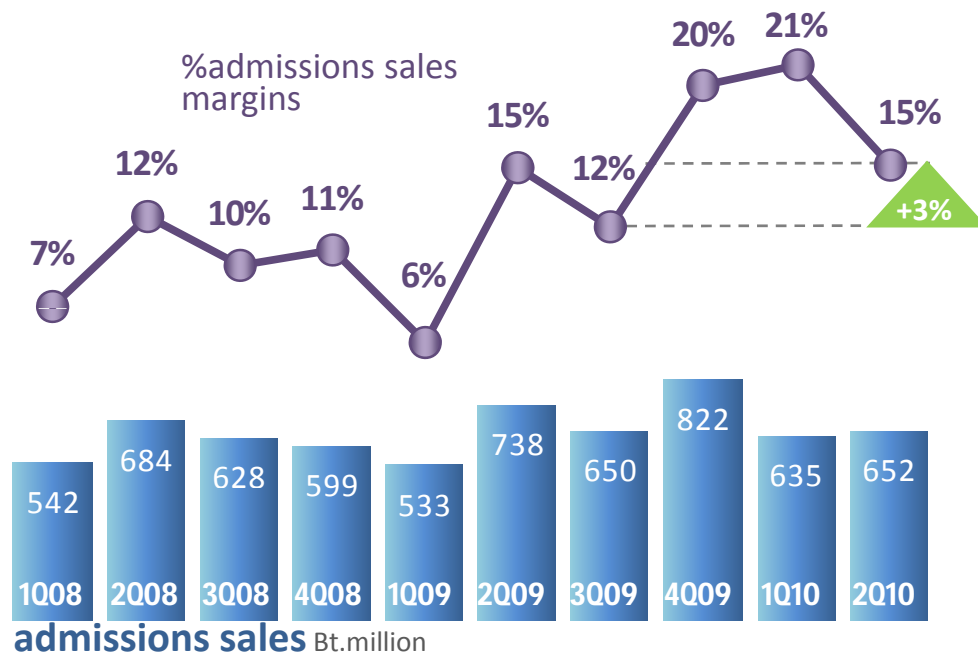
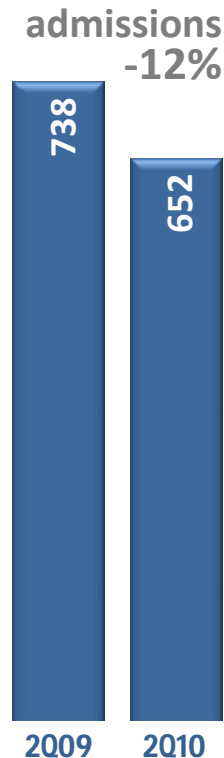
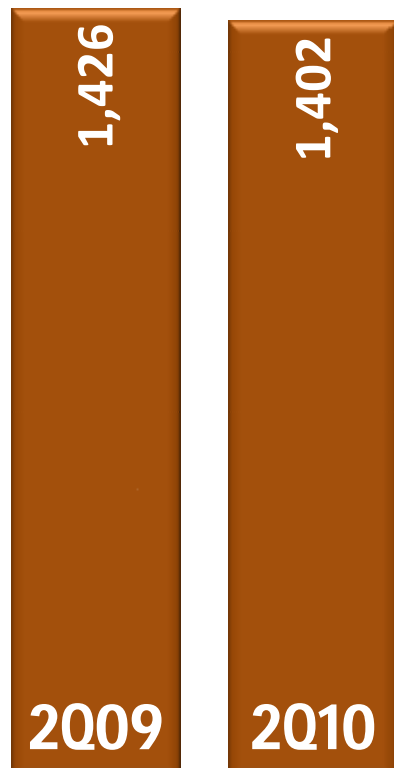
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Thus, admissions sales softer but some margin improvement remained

- Coping with 2-month Crisis at Paragon Cineplex
- “Dynamic pricing” reinforcing sales while traffic flow being affected
- Longer useful life of assets lessen burden of fixed depreciation costs

Bt.million
Revenues
 -2%



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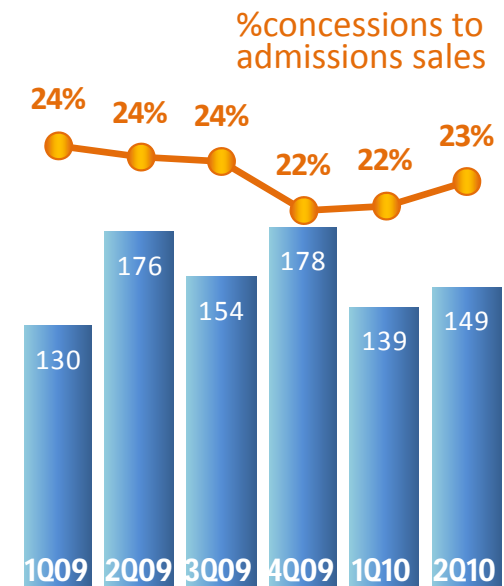
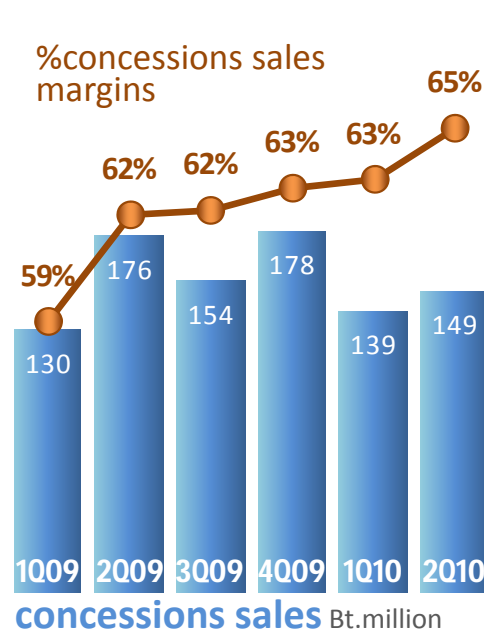
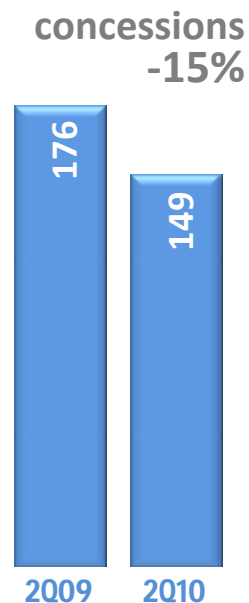
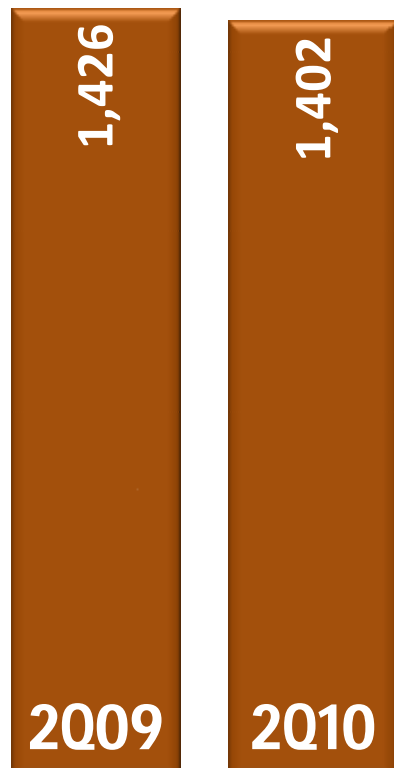
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Thus, concessions sales also softer but profitability also on the rise

- Lower traffic hampers sales
- Costs savings measures help expanding margins
- Ratio of concessions-to-admissions sales rebound
- Traffic in 2H10 & better product line-up expected to improve sales

Bt.million
Revenues
-2%



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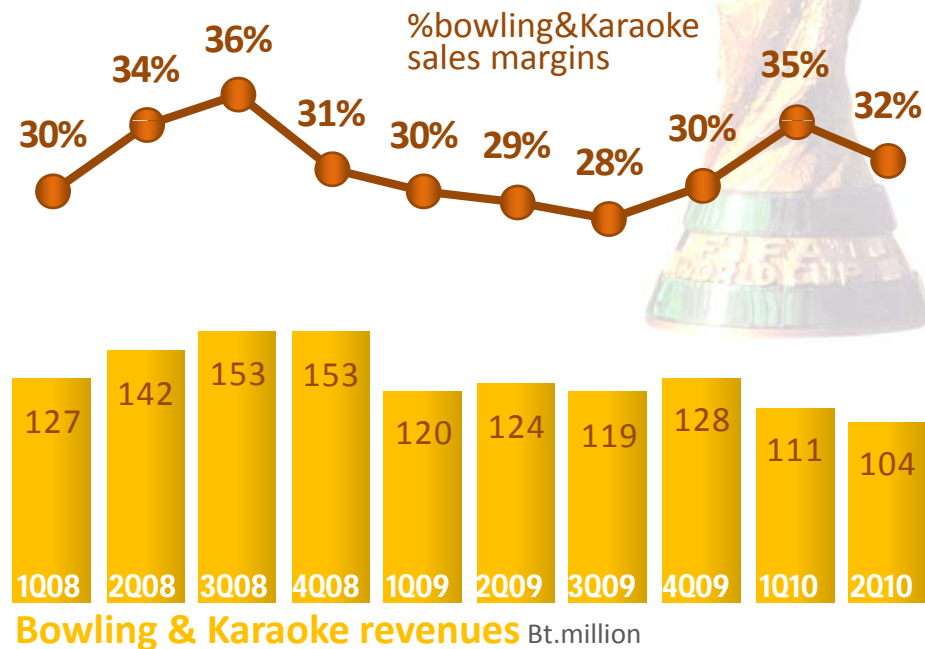
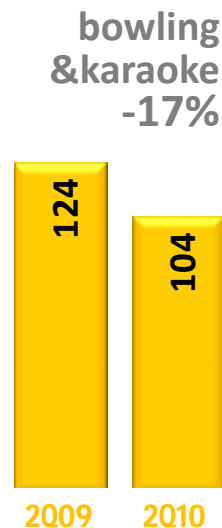
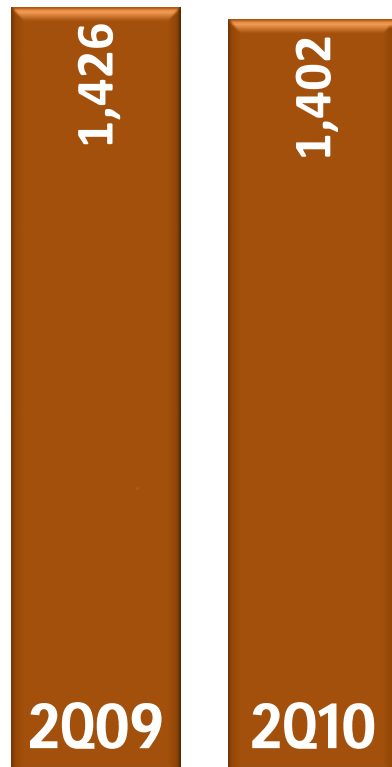


Slightly higher toll for Major Bowl

- Curfews directly hit revenues
- World Cup fever kept traffic away
- Revenues seems to be picking up in Jul with a tactical move to transform blu-O into “cool hangouts”

Bt.million

Revenues
-2%



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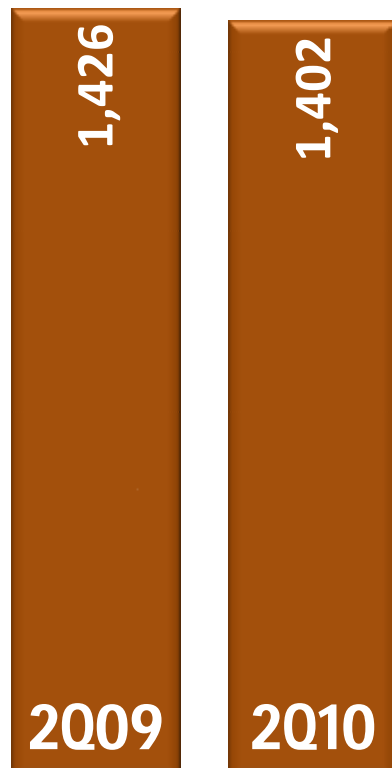


Rental & services also hindered

- Riots hinder rental & services revenues at Metropolis, Big-C Rajadamri
- Big-C renovation underway with the new & improved reopening expected at the beginning of 2011
- Upside expected to be contributed by the new Standalone in the meantime

Bt.million

Revenues -2%



rental & services +11%



rental & services income Bt.million

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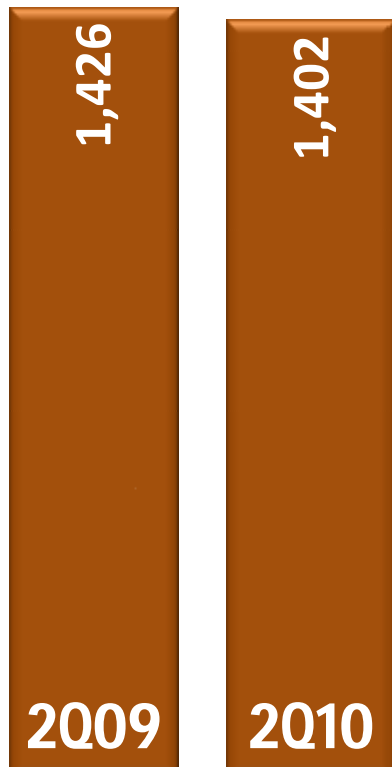


Continued momentum in advertising media recovery

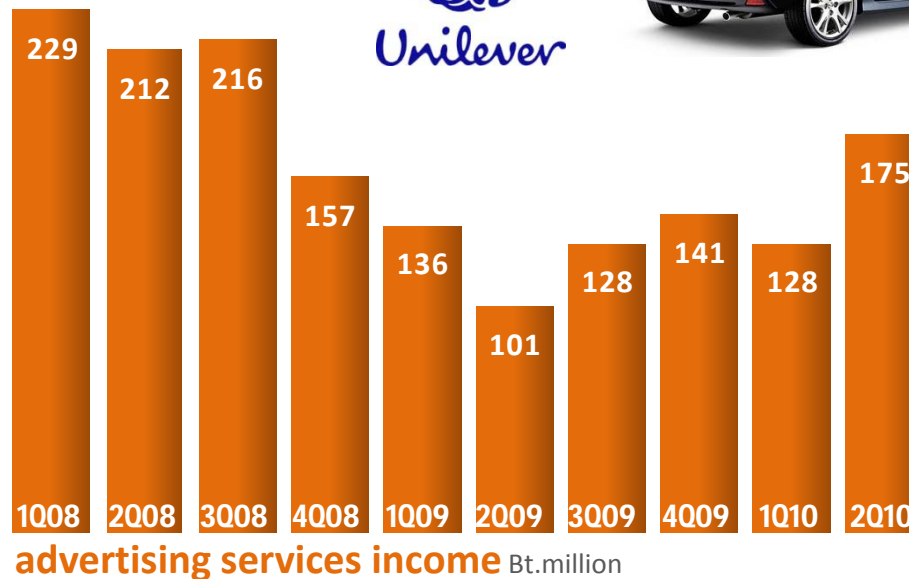
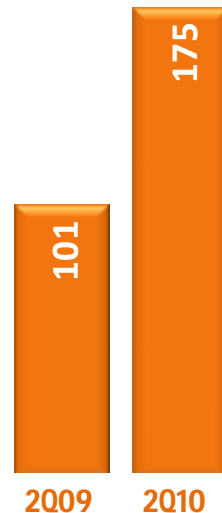
- Improving local economic conditions
- Strong local consumption
- Upbeat consumer & business confidence

Bt.million

Revenues -2%



advertising
+73%



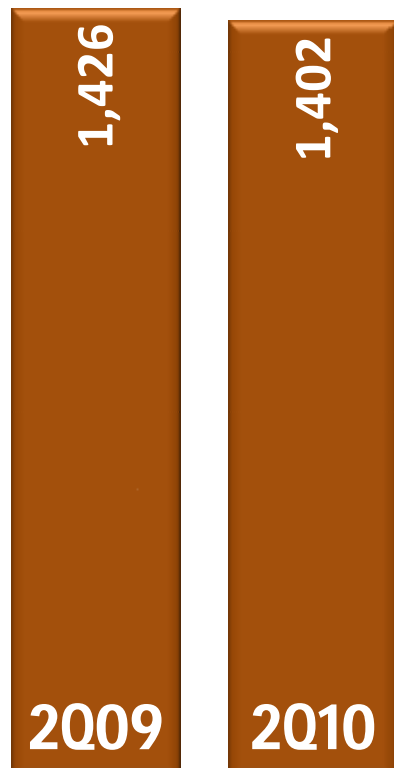
advertising services income Bt.million

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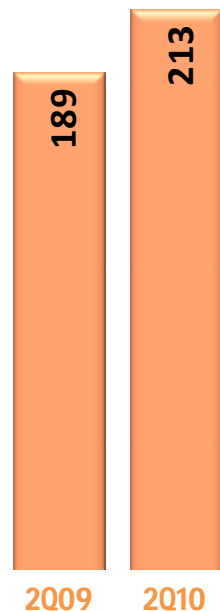
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Bt.million
Revenues
 -2%



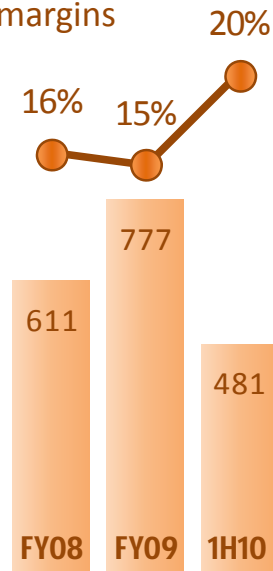
film
 distribution
 +13%



Strength in film distribution business

- M39 released two films during this challenging time
- Seasonally low for distribution businesses with some windfall on home distribution during the political upheaval

%film distribution
 margins



Film distribution revenues

Bt.million



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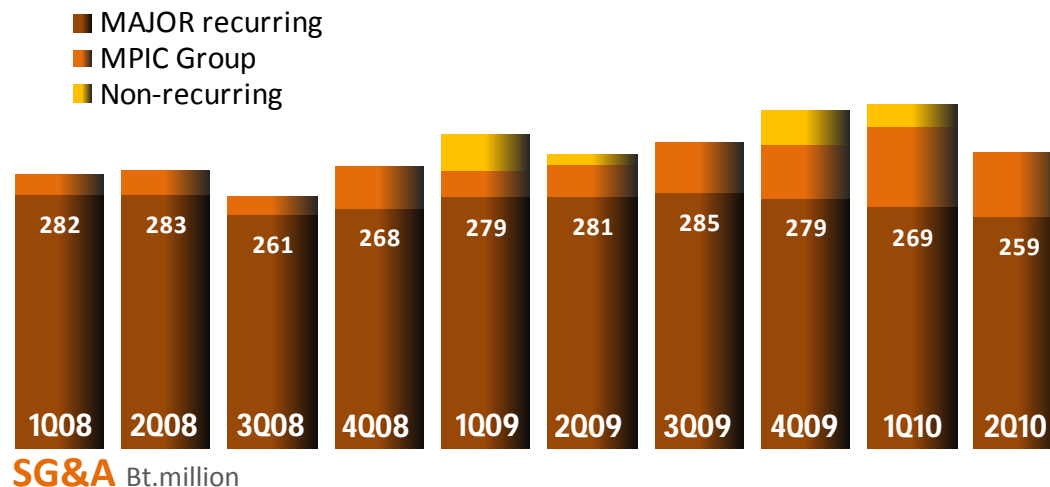
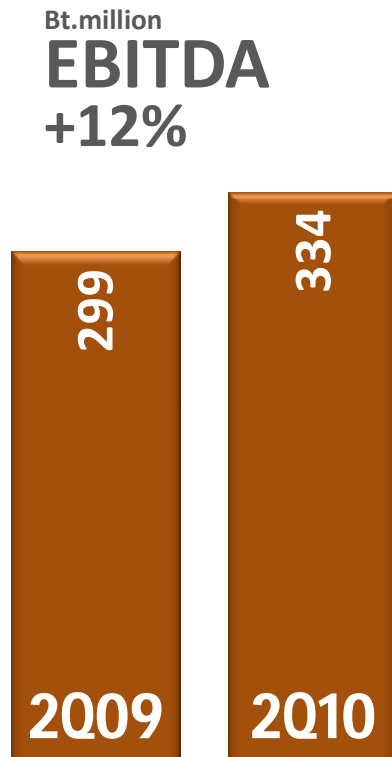
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Relatively strong EBITDA yoy despite flat revenues

- Margins expanding for admissions & concessions sales
- Recovery of ads revenues
- OPEX well under control



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No value destruction on bottom line

- Recovery in the core cinema businesses
- Only strong associates remaining in portfolio, all of which contributing their healthy shares of net profits



MJLF

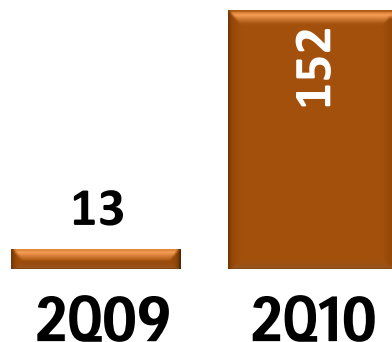


blu°O



Bt.million

Net profit
+11.4x



Share of net profit from associates Bt.million

	2Q09	1Q10	2Q10
SFD	2.1	4.3	4.4
MPIC	-2.7	0.0	0.0
MJLF	21.1	20.2	20.6
CAWOW	-45.4	0.0	0.0
Others	9.4	6.0	7.4
Total	-15.5	30.5	32.4

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1H10 FINANCIAL REVIEW



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1H10 Financial Review

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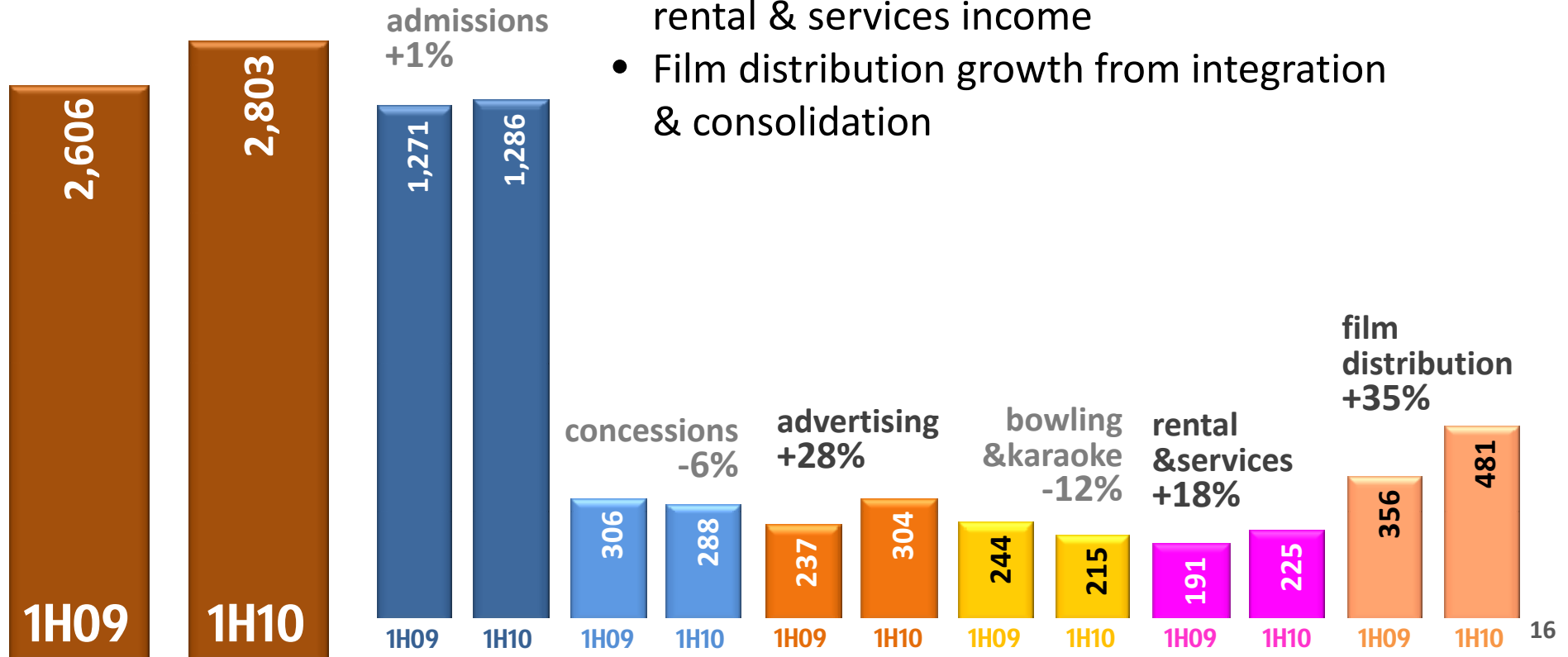


Respectable 8% revenues growth

- Strong films in 1Q10 helps absorb weakness in 2Q10
- Strong advertising recovery
- New standalone contributing growth in rental & services income
- Film distribution growth from integration & consolidation

Bt.million

Revenues +8%



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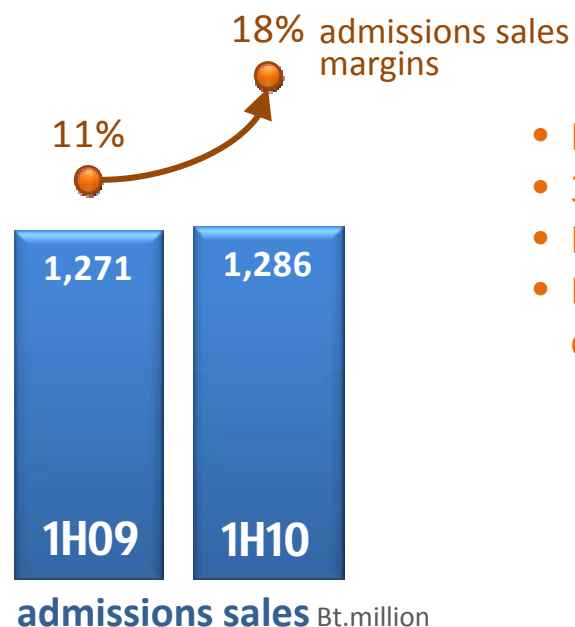
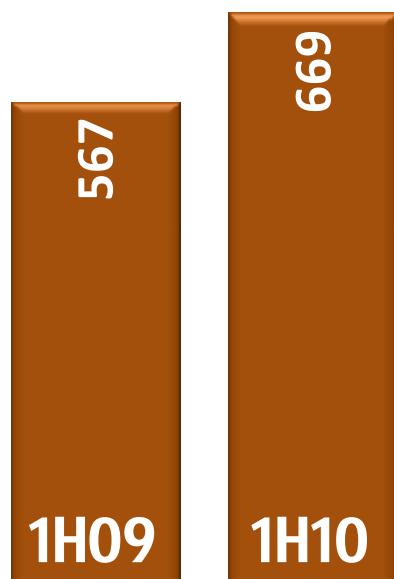
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Stronger EBITDA growth

- 7% improvement in admissions sales margins
- 3% improvement in concessions sales margins
- Return of high-margin advertising business

Bt.million
EBITDA
+18%



- Higher ATP
- 3D films profitability
- Integration effects
- Longer useful life of assets

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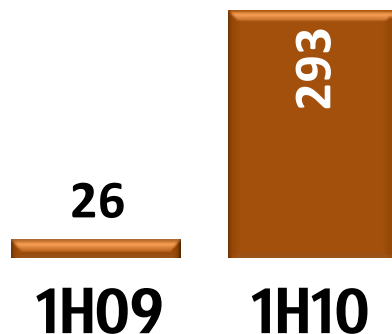
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Bottom line even stronger

- Stronger core operations
- Upfront leases at the new Standalone, Esplanade Cineplex Ngamwongwan-Kaerai
- Healthy profits contribution from associates

Bt.million
Net profit
+11.4x



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B/S Snapshot

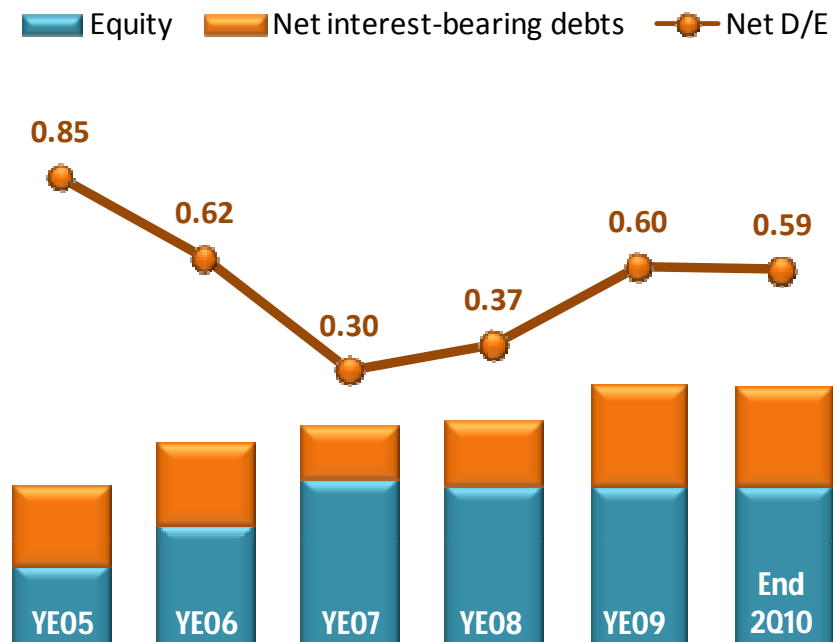
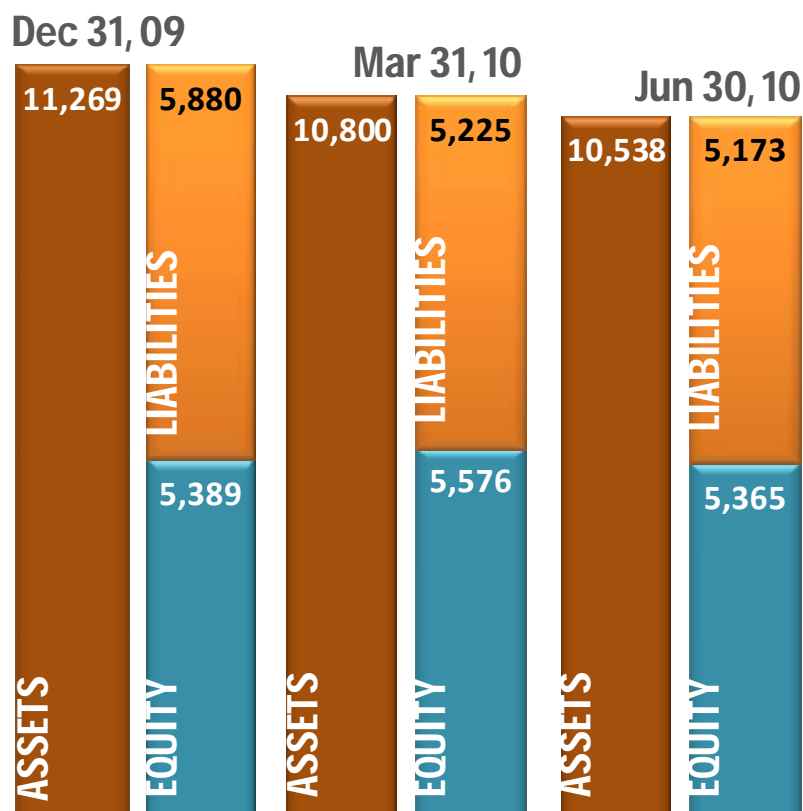
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Bt.million	Dec 31,09	Jun 30, 10	%chg
Assets	11,269	10,538	-6%
Liabilities	5,880	5,173	-12%
Equity	5,389	5,365	0%

“Assets light” continues

- CA turning into revenues
- Closing of non-performing branches
- LT-Debts being paid back & refinanced by lower-cost debentures



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Interim Dividend

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	1H09	1H10
EPS (Bahts)	0.03	0.35
DPS (Bahts)	0.00	0.20
Payout ratio	0%	57%

Interim dividend of Bt0.20/share

- Record date: Aug 25, 2010
- Payout date: Sep 3, 2010

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2Q10

FY10-11 OUTLOOK





3Q10 films





4Q10 films



FY11 films

Hollywood blockbusters listed on www.imdb.com as of Aug 2010

- Transformers 3
- Mission: Impossible IV
- Harry Potter and the Deathly Hallows: Part II
- Pirates of the Caribbean: On Stranger Tides
- The Twilight Saga: Breaking Dawn - Part 1
- The Fast and the Furious 5
- X-Men

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New Capacities

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As of Aug 2010

	FY08		FY09		FY10	
New screens	35		23		25	
BKK	Srinakarin	5	Namwongwan	16	Samsen	6
					Paradise Park	2
					Additional screens	
BKK vicinity & Provincial	Salaya	5	Korat	2	Mahachai	5
	Ayudhya	4	Additional screens		Saraburi	4
	Petchaboon	4	Amatanakorn	5	Kampangpetch	4
	Navanakorn	4				
	Navanakorn	4				
	Thanyaburi	4				
	Banpong	5			TBC	4
New lanes	10		48		24	
BKK			Namwongwan	24		
BKK vicinity & Provincial	Ayudhya	10				
International			New Delhi	24	Vasant Kunj	24

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In Conclusion

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Bottom line remains on recovery path despite “challenging” external factors in 2Q10

Stronger fundamentals of core cinema business help sustain margins improvement yoy

Full potential of strong line-up & 3D films in 2H10 with the flagship Paragon Cineplex resuming operations

Positive momentum for advertising business driven by improving local economy

FY11 shaping up to be a strong year for Hollywood

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Thank You

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Bt. Thousand	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10
Revenues						
Admissions	532,905	738,037	650,492	822,218	634,790	651,556
Concessions sales	129,887	175,907	154,006	178,289	139,064	148,948
Advertising services income	136,117	101,098	128,498	140,784	128,448	175,299
Bowling and Karaoke services income	120,356	124,118	119,081	127,635	111,341	103,521
Rentals and services income	93,831	97,345	95,375	101,144	117,072	107,855
Sales of VCD/DVD and film rights	166,959	189,407	154,452	266,280	267,977	213,321
Others	0	0	0	0	1,502	1,957
Total revenues	1,180,055	1,425,912	1,301,905	1,636,350	1,400,194	1,402,456
Costs						
Cost of film exhibition and theatre	503,243	626,691	573,684	661,222	502,666	552,120
Cost of concessions	53,754	66,897	58,337	66,296	51,377	52,597
Cost of advertising services	15,053	18,452	15,465	26,182	23,964	19,091
Cost of bowling and Karaoke services	84,696	88,243	86,069	89,132	72,734	70,600
Cost of rentals and services	49,178	54,370	53,898	59,217	74,889	70,325
Cost of sales of VCD/DVD and film rights	131,510	183,879	132,532	213,874	214,240	169,669
Others	0	0	0	0	53	572
Total costs	837,434	1,038,533	919,985	1,115,922	939,923	934,974
Gross profits	342,620	387,379	381,920	520,427	460,272	467,482
Selling expenses	92,782	86,269	73,736	121,929	109,858	100,591
Administrative expenses	245,810	232,716	257,175	240,451	253,303	216,867
Directors' remuneration	8,603	7,908	7,034	11,155	16,904	11,397
Selling and administrative expenses	347,195	326,893	337,945	373,535	380,066	328,855
EBIT	-4,574	60,486	43,975	146,892	80,206	138,627
Disposal of investments		1,467	82,120	15,889	19,400	252
Upfront lease income				9,464	45,545	
Other operating income	40,198	27,498	31,725	51,475	27,830	36,953
Operating profit	35,624	89,452	157,820	223,720	172,981	175,832
Share of profit of investments - equity	23,920	-15,474	27,311	11,236	30,535	32,661
Profit before interest and tax	59,544	73,977	185,131	234,957	203,516	208,492
Financial costs	-30,052	-30,785	-32,143	-40,389	-35,023	-36,617
Income tax	-17,066	-29,889	-15,580	-30,267	-26,403	-19,803
Profit before minorities	12,425	13,303	137,408	164,301	142,090	152,073
Profit attributable to minorities, net	-149	0	-366	6,802	-907	-569
Net profit	12,277	13,303	137,042	171,103	141,183	151,503

Appendix Detailed P&Ls