

# LIFESTYLE entertainment

Q3  
2009



## Major Cineplex Group Plc. Quarterly Results Briefing

Nov 16, 2009

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- New capacities
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- PVR Investment
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## 3Q09 Quarterly Results Briefing

# 3Q09 Headlines Recap



## Key Drivers

- Politics is “simmering”
- Flu 2009 awareness peaked in Jul-Aug
- Signs of economic recovery:
  - Business/consumer confidence indexes improved
  - Exports picking up & Tourists return
  - Unemployment rate fall
- TKK stimulus fund disbursed in Sep, expecting positive GDP growth in 4Q09
- Map Ta Put overhang

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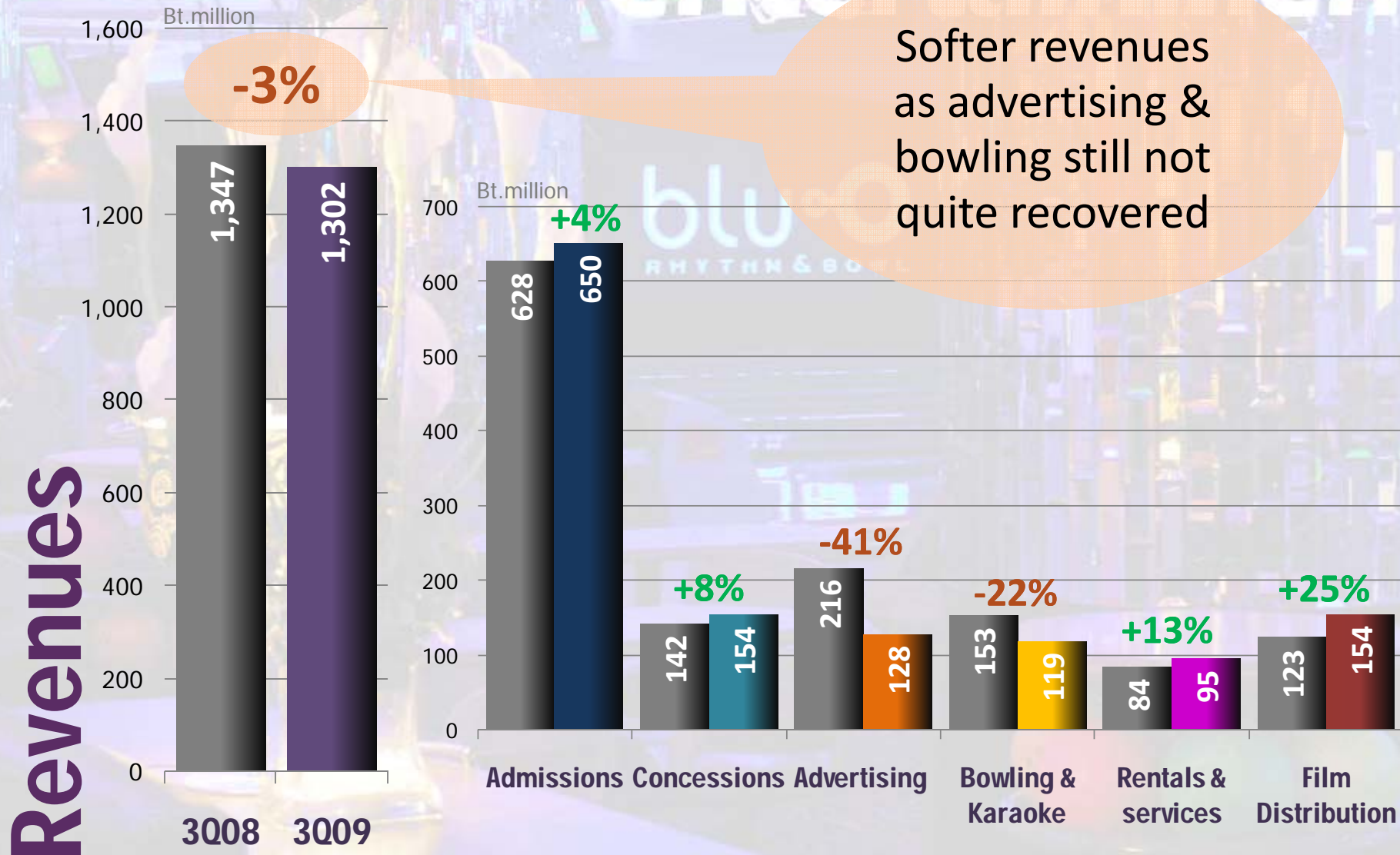
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## 3Q09 Review

## 3Q09 Quarterly Results Briefing

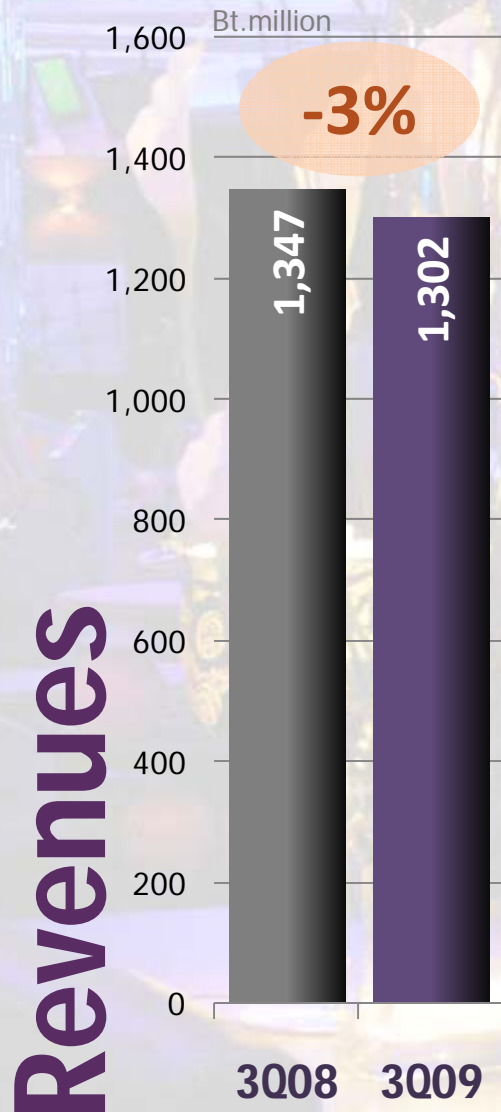
# 3Q09 Financial Review



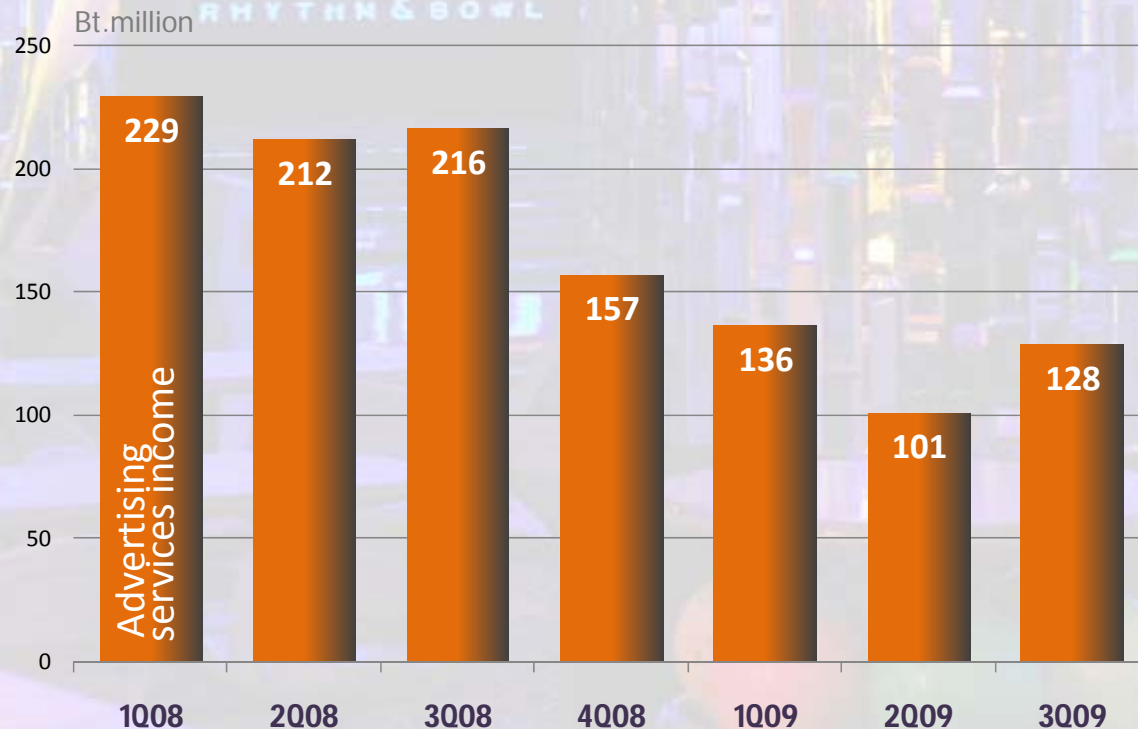
Softer revenues as advertising & bowling still not quite recovered

## 3Q09 Quarterly Results Briefing

# 3Q09 Financial Review



- The worst however seems to have passed
- ADEX momentum picked up with early signs of economic recovery locally & worldwide and less severe political sentiment
- Sustainability still remains questionable

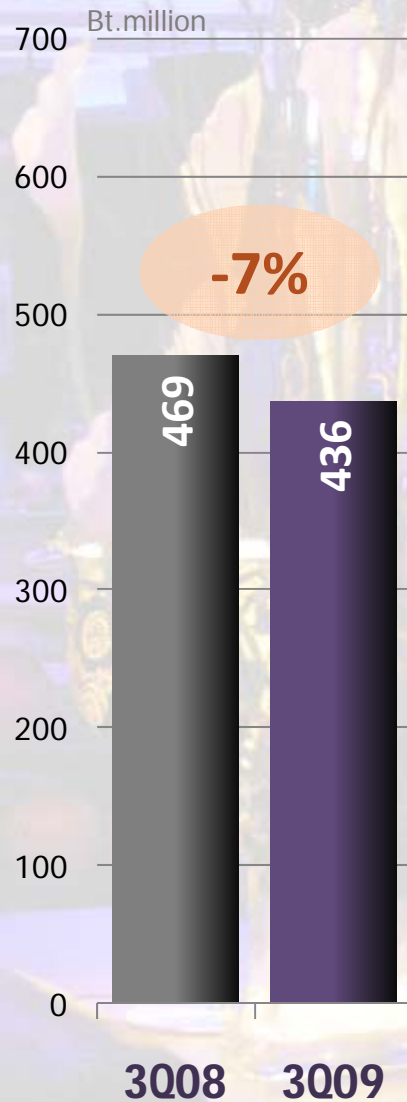


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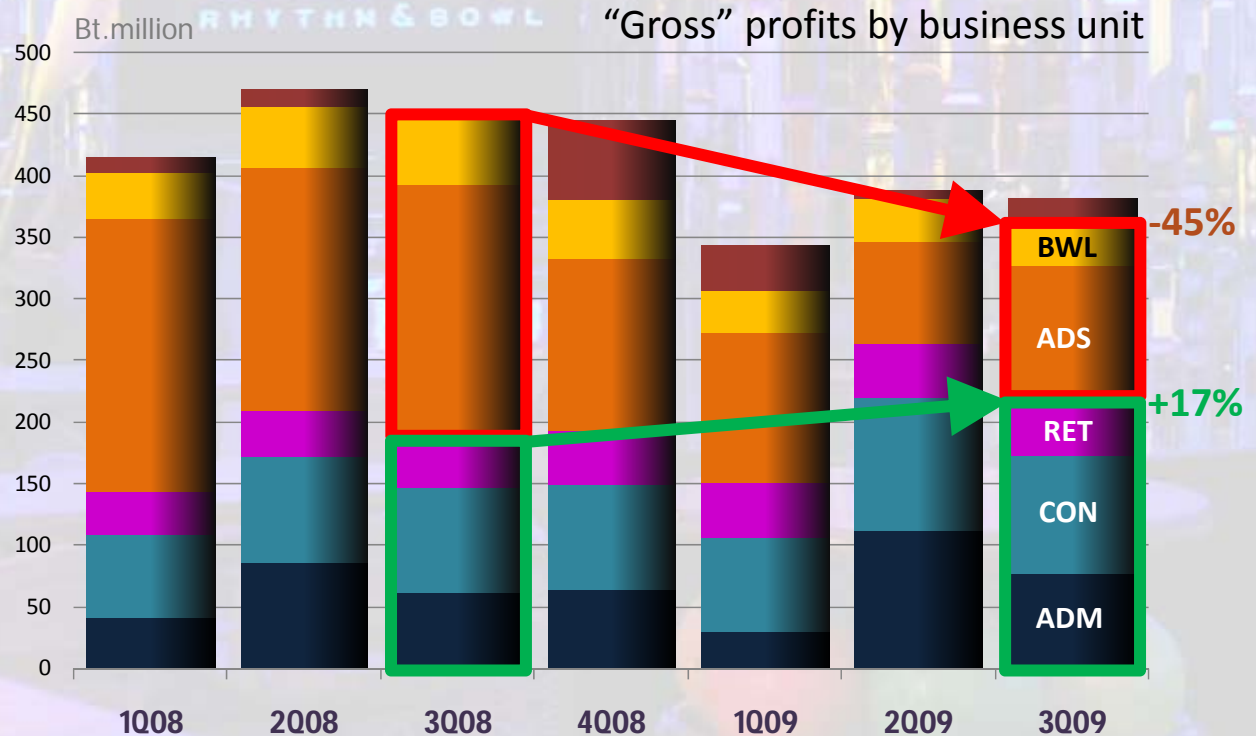
## 3Q09 Financial Review



EBITDA

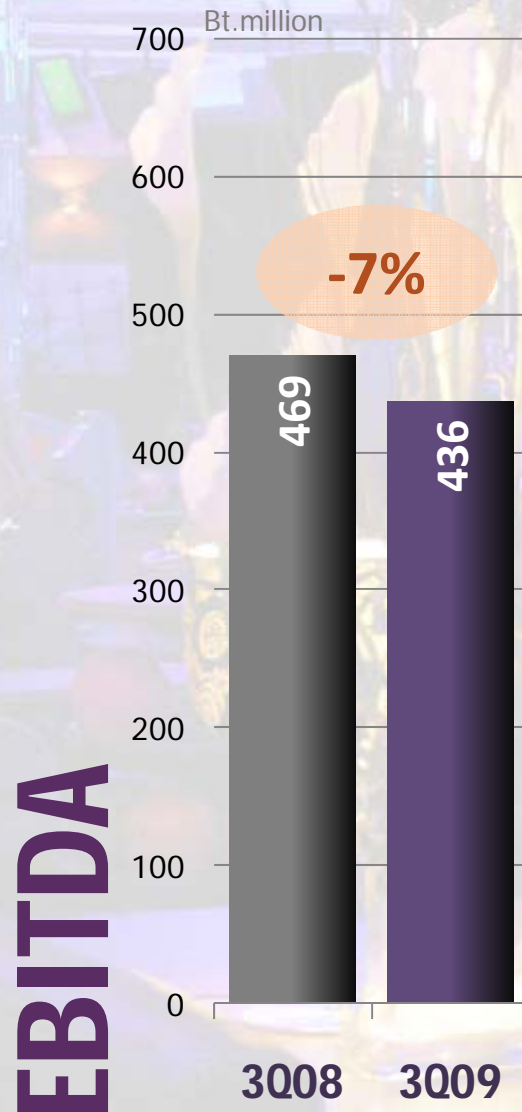


- Core EBITDA thus still soft yoy as advertizing improved but not yet fully recovered, while bowling slip further
- Core biz (Admissions, Concessions, & Retails) however sustaining yoy growth

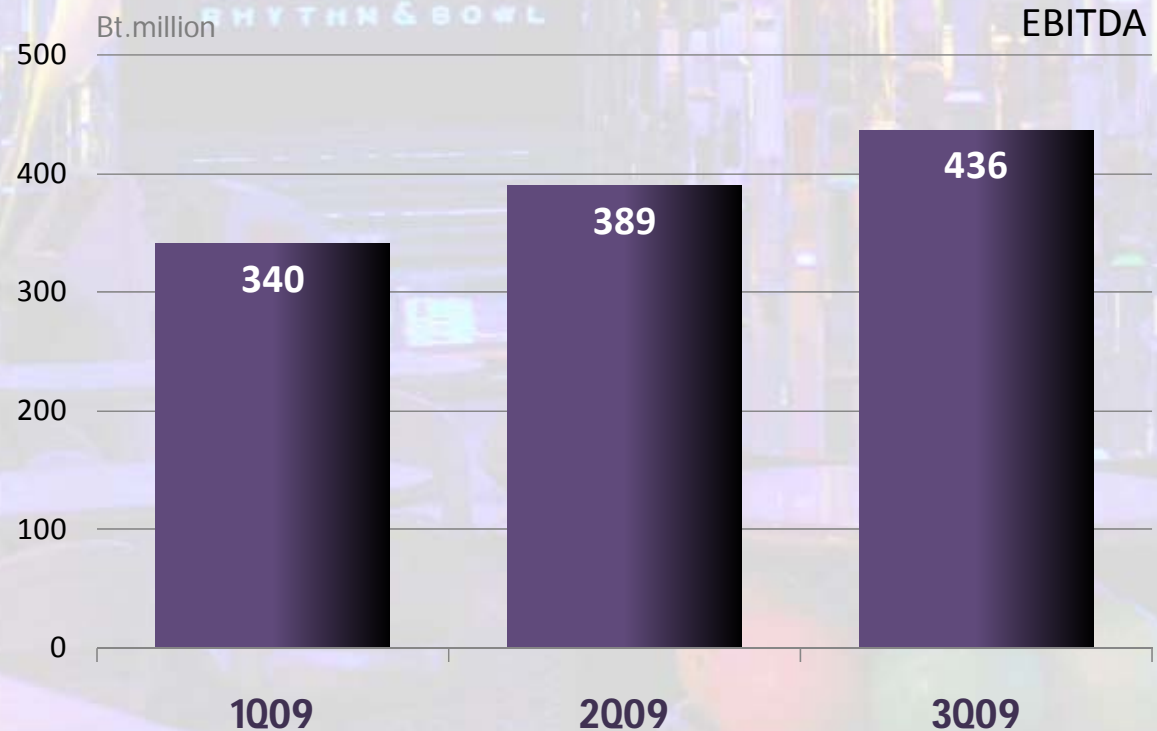


## 3Q09 Quarterly Results Briefing

# 3Q09 Financial Review



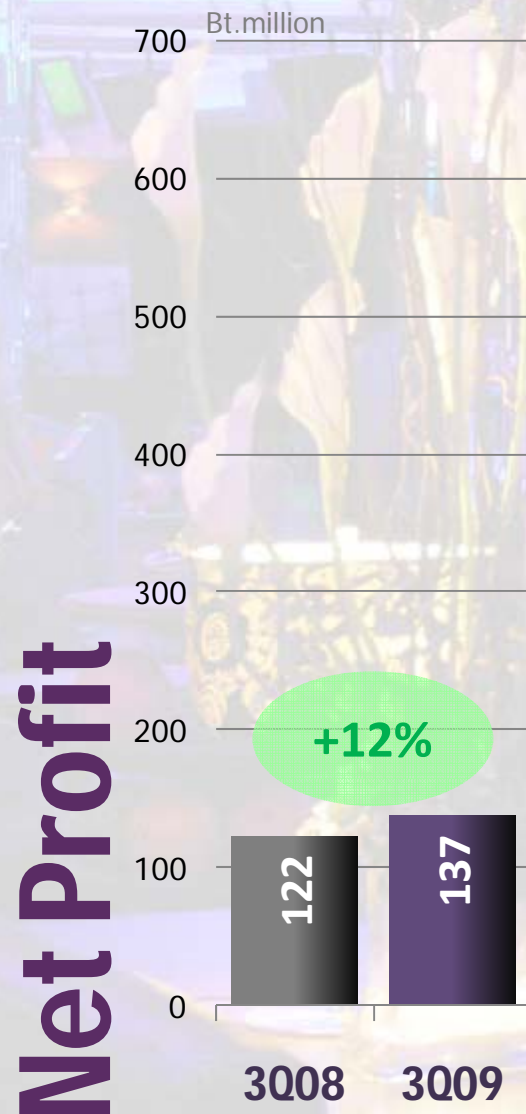
- Core EBITDA thus still soft yoy as advertizing improved but not yet fully recovered, while bowling slip further
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EBITDA: Core EBIT adding (or subtracting) all non-cash and one-off items

## 3Q09 Quarterly Results Briefing

# 3Q09 Financial Review



12% net profit growth mainly from:

- ~Bt.80m Gain on sales of MVD to MPIC, strategically intended to create an integrated film distribution company
- Equity income improved as MPIC no longer make loss while CAWOW's net loss narrowing

	3Q08	3Q09
SFD	7.6	5.6
MPIC	-10.8	0.0
MJLF	16.1	23.6
CAWOW	-11.5	-7.6
PVR blu-O	0.0	2.5
Others	5.6	3.2
<b>Total</b>	<b>7.1</b>	<b>27.3</b>

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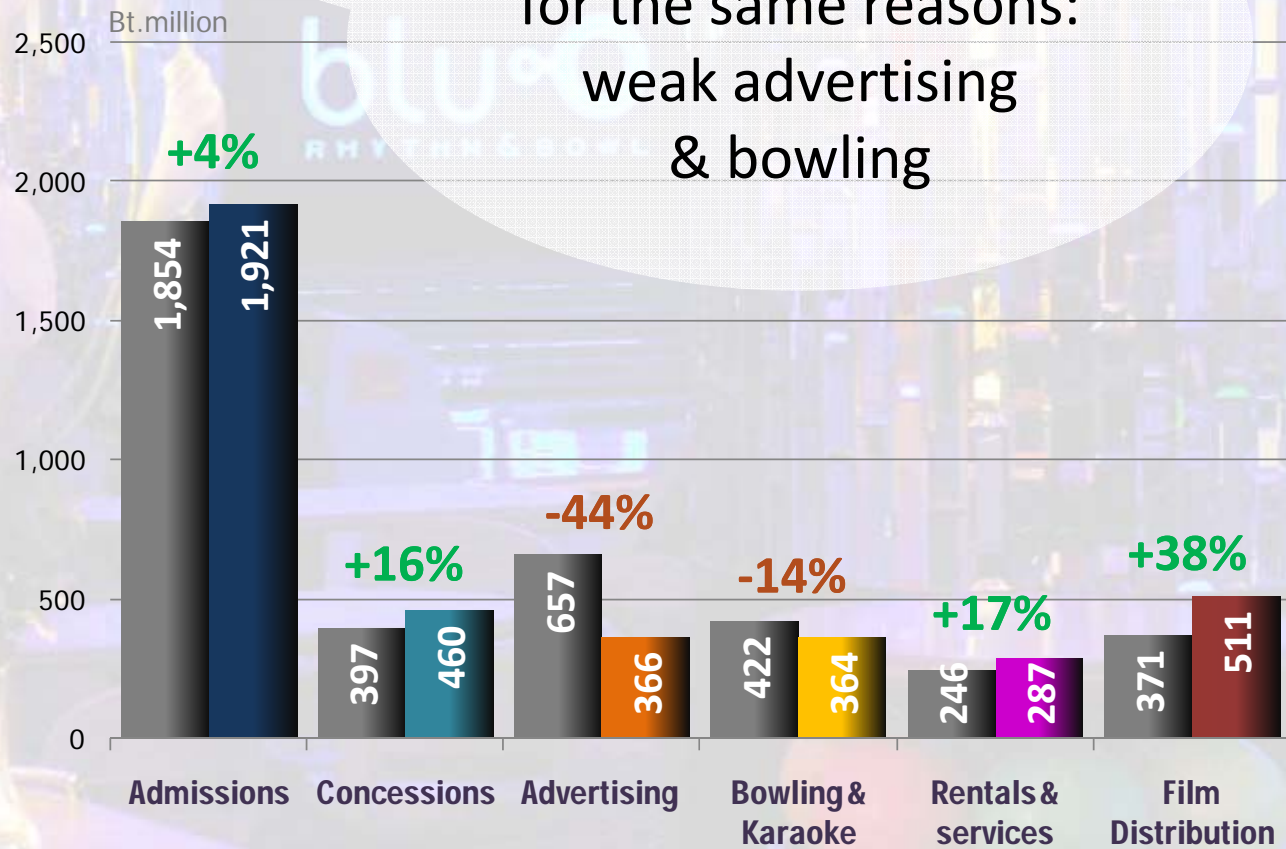
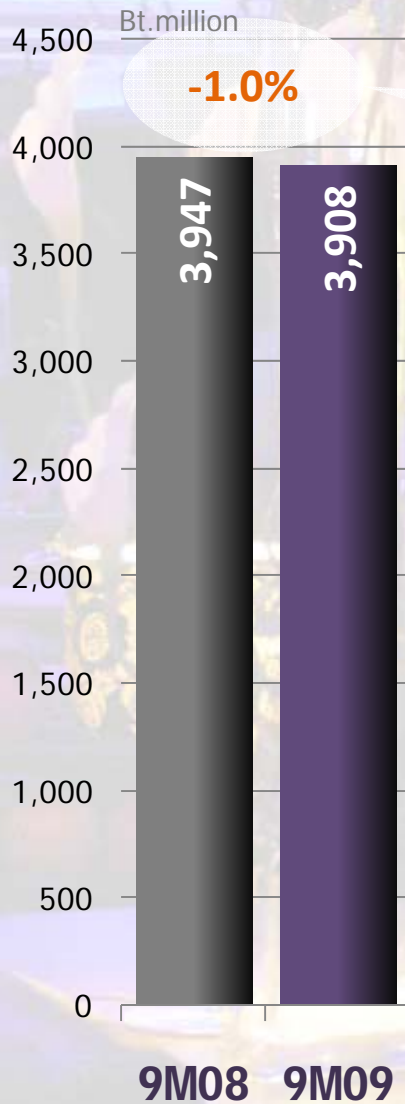
## 9M09 Review

# 3Q09 Quarterly Results Briefing

# 9M09 Financial Review



## Revenues



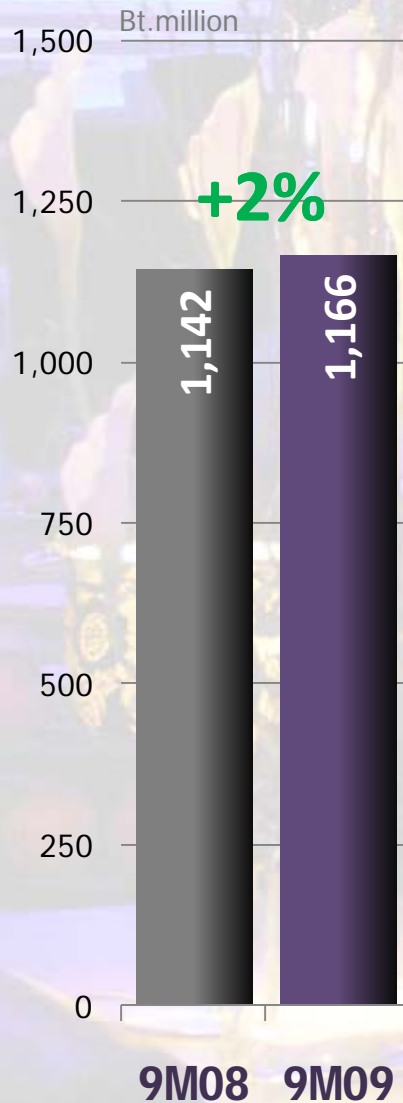
Revenue drops slightly for the same reasons:  
weak advertising & bowling

## 3Q09 Quarterly Results Briefing

# 9M09 Financial Review



EBITDA



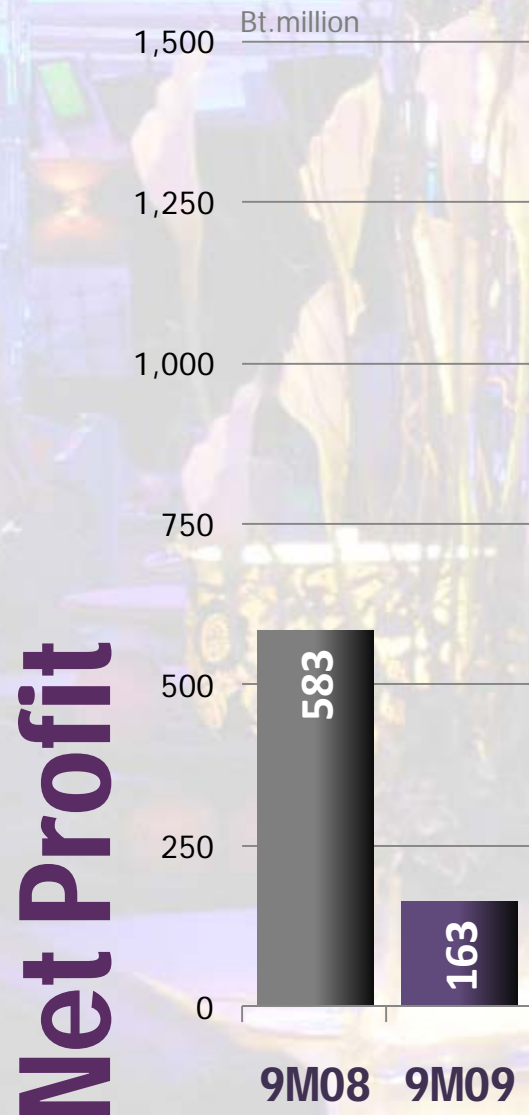
Core EBITDA up about 2% due to:

- Many well-performing blockbusters, both from Hollywood & Thai in 2Q09 & 3Q09
- “Dynamic Pricing” driving up average ticket & concession prices
- Costs savings efforts bearing fruits, especially in 3Q09



## 3Q09 Quarterly Results Briefing

# 9M09 Financial Review



9M08 net profit is exceptionally high by ~Bt.200m because of:

- Gain from share swap with MPIC
- Gain from sales of CWP leaseholds
- Upfront leases at Suzuki Ave.

Modest 9M09 net profit because of:

- Political havoc & recession severely affecting advertising & bowling sales
- Series of non-cash exps (i.e. provisions for A/R, assets impairment, loss from factoring) weighing down net profit
- Negative equity incomes in 2Q09 due to CAWOW's closure of one club
- Gain on sales of MVD in 3Q09 not enough to offset all these exps

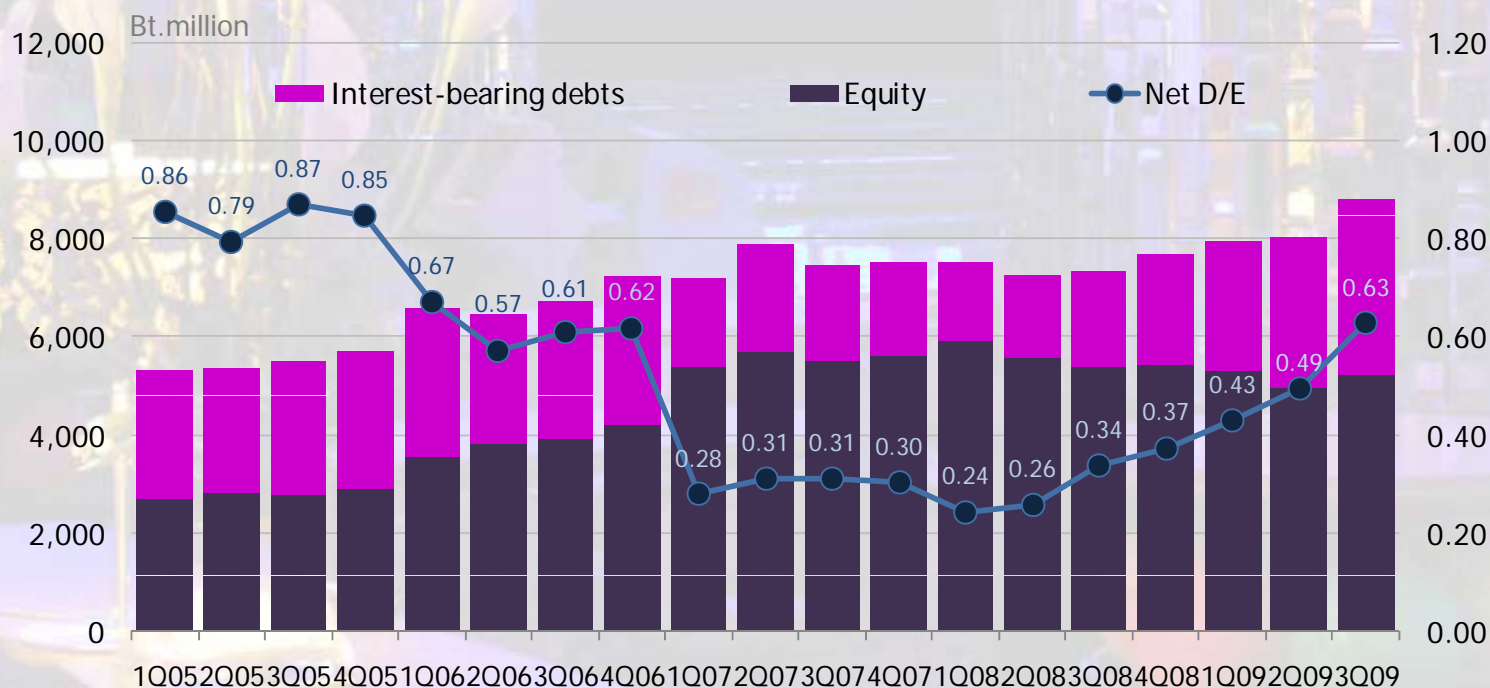
# 3Q09 Quarterly Results Briefing

## 9M09 Financial Review



Bt. Million	Dec 31, 08		Sep 30, 09		%Chg
Total assets	9,669	100%	10,380	100%	4%
Total liabilities	4,247	44%	5,150	50%	16%
Total equity	5,422	56%	5,230	50%	-4%
<b>D/E ratio (TL/TE)</b>	<b>0.78</b>		<b>0.98</b>		
<b>Net D/E ratio</b>	<b>0.37</b>		<b>0.63</b>		

B/S snapshot



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FY09-FY10  
Outlook

# 3Q09 Quarterly Results Briefing FY09-10 Outlook



Films line-up: 4Q09





# 3Q09 Quarterly Results Briefing

## FY09-10 Outlook



New capacities

		FY08	FY09	FY10	
<b>New screens</b>		<b>35</b>	<b>23</b>	<b>30</b>	
BKK	Srinakarin	5	Ratanathibate	Samsen	6
BKK vicinity & Provincial	Salaya	5	Korat	Mahachai	4
	Ayudhya	4	Additional screens	Saraburi	4
	Petchaboon	4	Amatanakorn		
	Navanakorn	4			
	Navanakorn	4			
	Thanyaburi	4			
	Banpong	5		TBC	16
<b>New lanes</b>		<b>10</b>	<b>48</b>	<b>30</b>	
BKK			Ratanathibate		24
BKK vicinity & Provincial	Ayudhya	10			
International			New Delhi	TBC	30

As of Nov 2009

# 3Q09 Quarterly Results Briefing

## FY09-10 Outlook



- Grand opening in mid-Dec
- Upfront leases to be booked in 4Q09
- Full-year growth contribution in FY10
  - 16 cinema screens
  - 24 bowling lanes
  - 1 ice-skating rink
  - ~10,000 sq.m. of retail space

Ratanathibate

# 3Q09 Quarterly Results Briefing

## FY09-10 Outlook

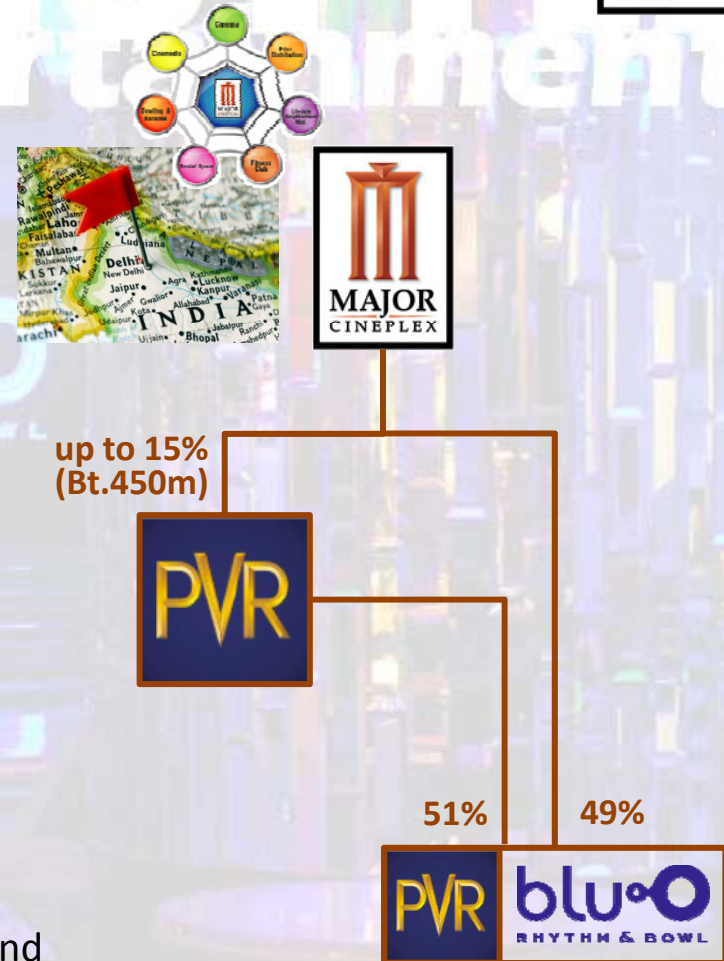


### PVR Investment

- BOD approved up to Bt.450m investment in PVR Ltd. or 15% of total paid-up shares by:
  - PP of 2,557,000 newly issued ordinary shares @ Rs.165/share
  - Remaining investment to be purchased thru secondary market
- PVR's EGM in mid-Dec to approve capital increase, so transaction expected to complete within 2Q10

#### About PVR:

- Registered and listed on the Bombay Stock Exchange and the National Stock Exchange of India.
- India's largest cinema chain operating 108 screens of multiplex cinemas in 26 locations and 14 states across India.
- Fully-integrated business model: film production, exhibition, & distribution



# 2Q09 Quarterly Results Briefing

## FY09-10 Outlook



“The Bottom line”

- Core business regaining strength
- Decent films line-up in 4Q09 should continue to support the recovery pace
- Newest standalone, Ratanathibate, and strong Thai films expected to contribute to growth in FY10
- Admission ticket price management to maximize on revenue potentials at each branch
- Continued asset relocation to improve on the asset utilization and overall profit generating ability
- Leverage on group & partners strength

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## THANK YOU

Major Cineplex Group Plc.  
**Quarterly Results Briefing**

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# 3Q09 Quarterly Results Briefing



## Appendix: Detailed P&L

Major Cineplex Group Public Company Limited							
Consolidated Statements of Income							
Bt. Thousand	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09
<b>Revenues</b>							
Admissions	541,615	684,451	627,522	598,775	532,905	738,037	650,492
Concessions sales	112,268	142,645	142,210	141,001	129,887	175,907	154,006
Advertising services income	229,215	211,755	216,197	156,895	136,117	101,098	128,498
Bowling and Karaoke services income	126,727	142,235	153,162	152,642	120,356	124,118	119,081
Rentals and services income	78,397	83,233	84,246	92,735	93,831	97,345	95,375
Sales of VCD/DVD and film rights	127,450	119,946	123,329	239,804	166,959	189,407	154,452
<b>Total revenues</b>	<b>1,215,671</b>	<b>1,384,266</b>	<b>1,346,667</b>	<b>1,381,854</b>	<b>1,180,055</b>	<b>1,425,912</b>	<b>1,301,905</b>
<b>Costs</b>							
Cost of film exhibition and theatre	501,026	599,053	566,436	535,574	503,243	626,691	573,684
Cost of concessions	45,239	56,194	56,609	55,453	53,754	66,897	58,337
Cost of advertising services	7,863	13,296	7,456	16,494	15,053	18,452	15,465
Cost of bowling and Karaoke services	89,039	93,391	97,316	105,047	84,696	88,243	86,069
Cost of rentals and services	42,709	46,801	47,771	49,421	49,178	54,370	53,898
Cost of sales of VCD/DVD and film rights	114,515	105,765	120,404	174,891	131,510	183,879	132,532
<b>Total costs</b>	<b>800,390</b>	<b>914,499</b>	<b>895,992</b>	<b>936,880</b>	<b>837,434</b>	<b>1,038,533</b>	<b>919,985</b>
<b>Gross profits</b>	<b>415,280</b>	<b>469,766</b>	<b>450,675</b>	<b>444,974</b>	<b>342,620</b>	<b>387,379</b>	<b>381,920</b>
Selling and administrative expenses	303,081	308,735	281,122	312,347	347,195	326,893	337,945
<b>EBIT</b>	<b>112,199</b>	<b>161,031</b>	<b>169,553</b>	<b>132,627</b>	<b>-4,574</b>	<b>60,486</b>	<b>43,975</b>
Disposal of investments	108,542	5,273		852		1,467	82,120
Profit on disposals of property and equipment				-24,428			3,673
Other operating income	121,077	20,994	20,670	60,450	40,198	27,498	28,052
<b>Operating profit</b>	<b>341,818</b>	<b>187,298</b>	<b>190,223</b>	<b>169,501</b>	<b>35,624</b>	<b>89,452</b>	<b>157,820</b>
Share of profit of investments - equity	91,128	51,285	7,113	-48,763	23,920	-15,474	27,311
<b>Profit before interest and tax</b>	<b>432,946</b>	<b>238,584</b>	<b>197,336</b>	<b>120,738</b>	<b>59,544</b>	<b>73,977</b>	<b>185,131</b>
Interest expense	-23,245	-21,309	-26,150	-17,532	-30,052	-30,785	-32,143
Income tax	-108,391	-58,889	-50,213	-40,584	-17,066	-29,889	-15,580
<b>Profit before minorities</b>	<b>301,310</b>	<b>158,386</b>	<b>120,973</b>	<b>62,622</b>	<b>12,425</b>	<b>13,303</b>	<b>137,408</b>
Profit attributable to minorities, net	123	1,148	1,423	-19,630	-149	0	-366
<b>Net profit</b>	<b>301,433</b>	<b>159,534</b>	<b>122,397</b>	<b>42,993</b>	<b>12,277</b>	<b>13,303</b>	<b>137,042</b>