

LIFESTYLE

entertainment

Quarterly Briefing

3Q10

MAJOR CINEPLEX GROUP PLC.

Paragon Cineplex, Siam Paragon

Nov 15, 2010



3Q10 QUARTERLY BRIEFING

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The Bottom Line

3Q10 & 9M10 Financial Review

Review of Revenue, EBITDA, Net profit
B/S snapshot

FY10-11 Outlook

Films line-up: 4Q10 & FY11
New capacities

FY11 Strategic Focus

3Q10 QUARTERLY BRIEFING

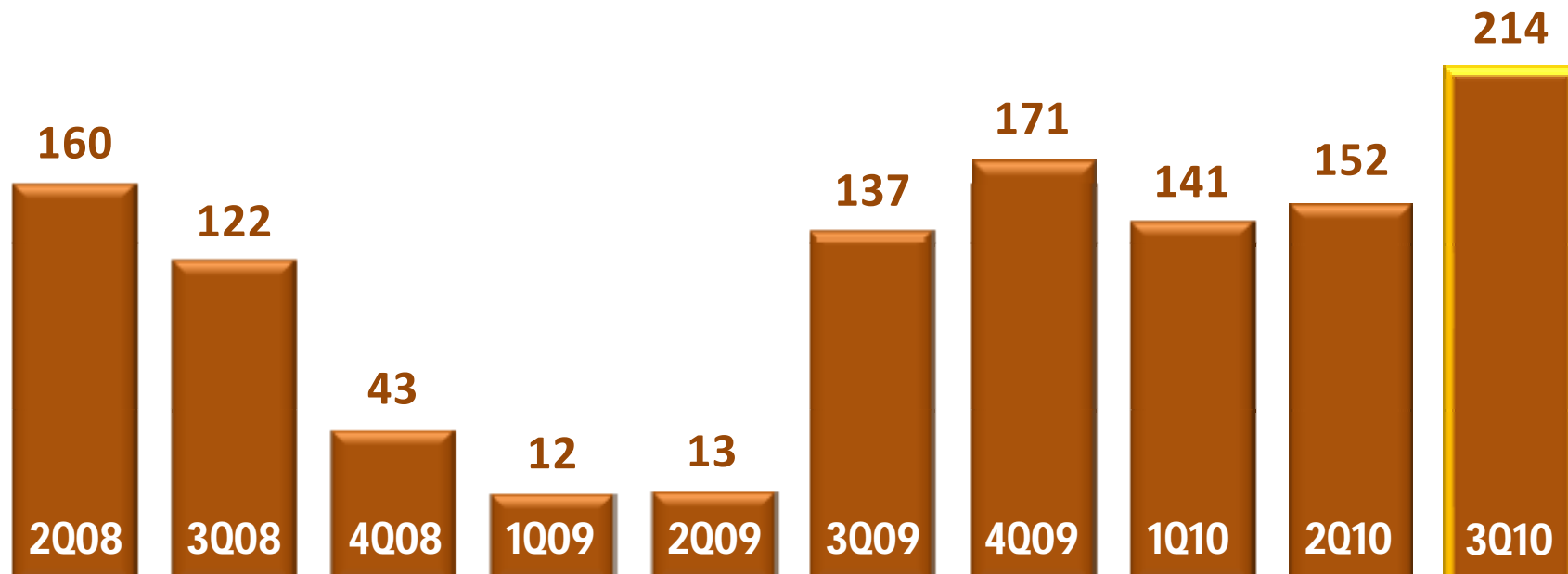
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Robust 3Q10 net profit straight from the core

- Strong sales with margin improvements virtually across all business units
- Associates contributing their shares of healthy net profits



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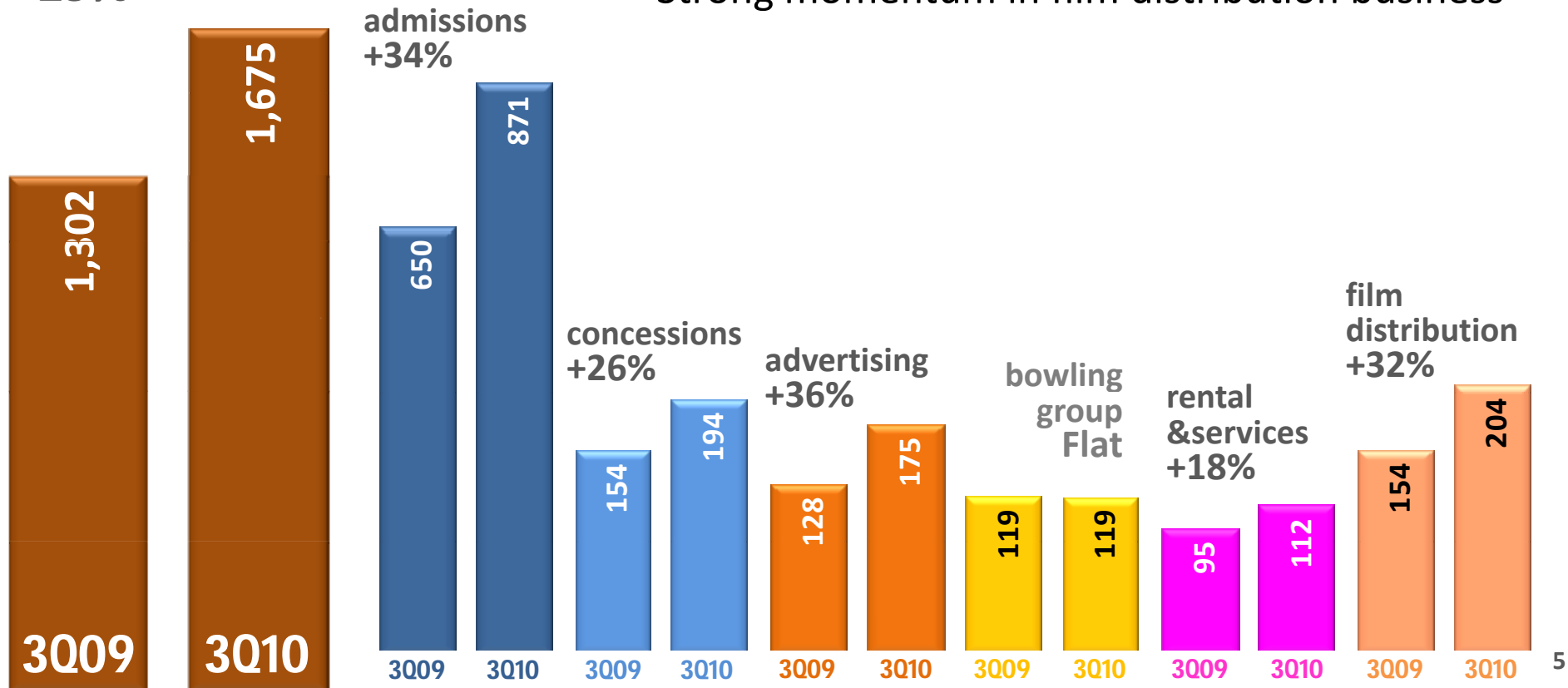


Strong revenues growth across BUs

- Admission sales, the largest revenue stream, gone up by 34%
- Healthy recovery in advertising continues
- Strong momentum in film distribution business

Bt.million

Revenues +29%



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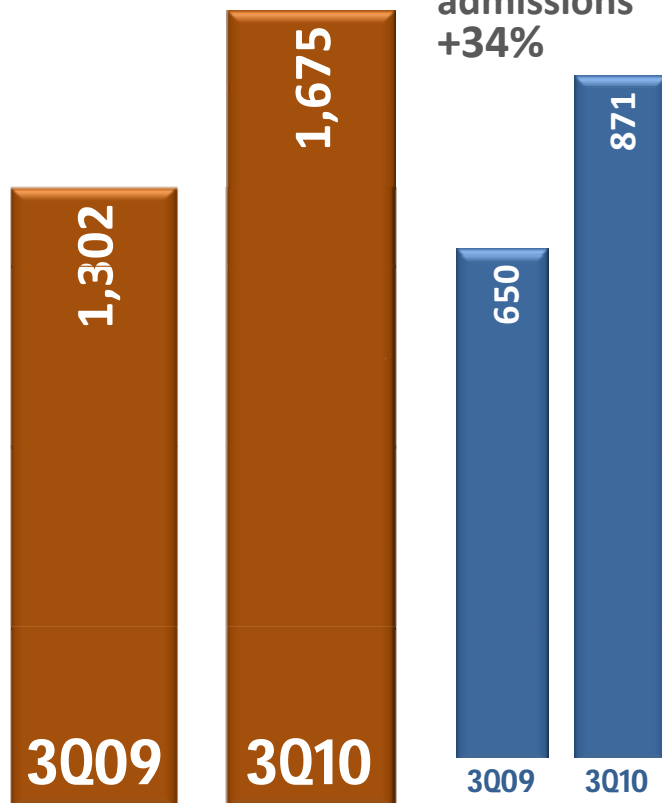


Record high admission sales

- 3Q10 registered new historic high admission sales with excellent films mix
- Three Thai films rank among the top-5 with good supports from the Twilight Saga: Eclipse & Resident Evil: Afterlife

Bt.million

Revenues +29%



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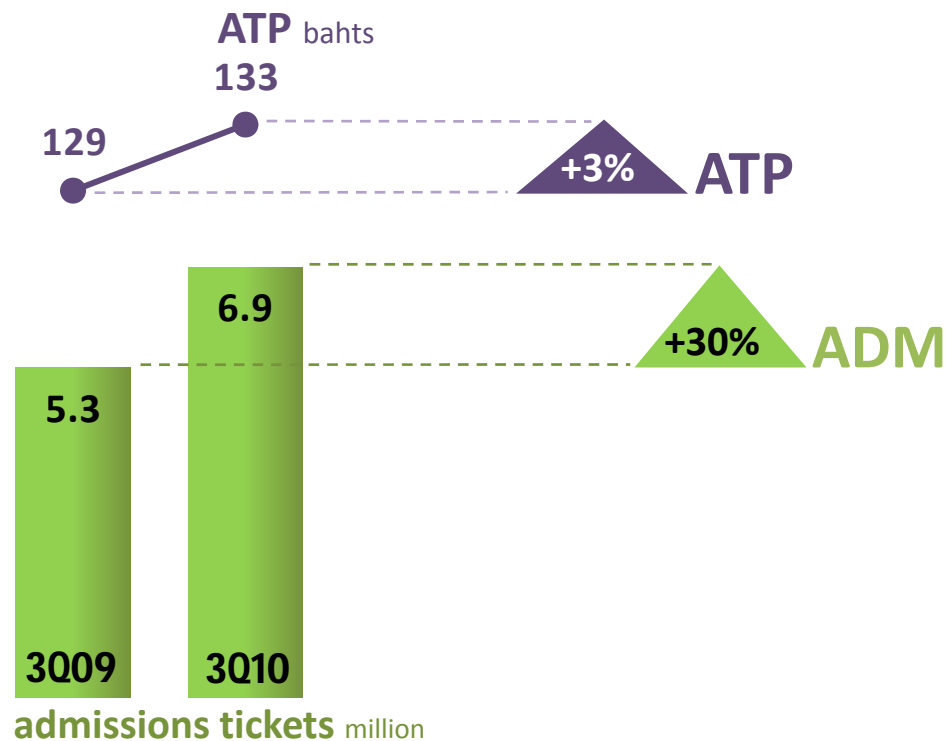
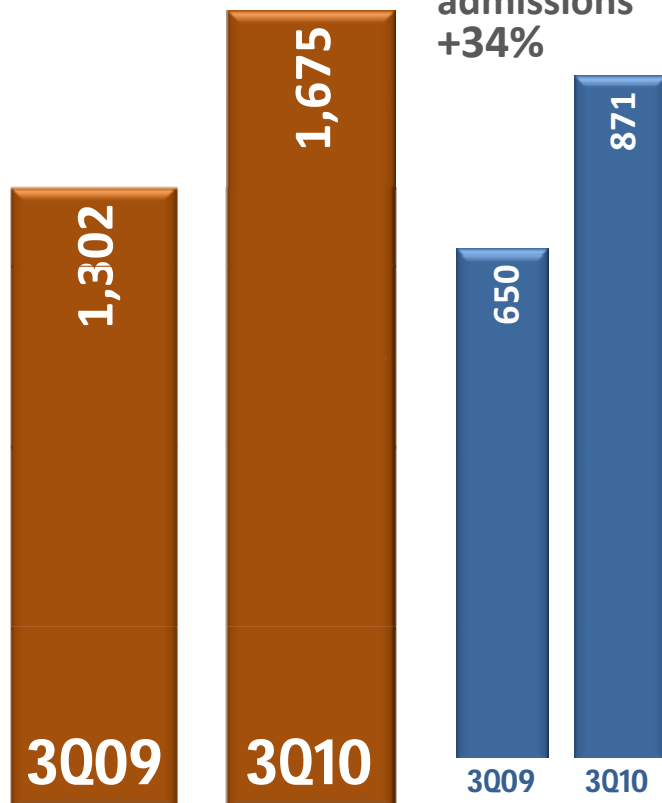


Growth more from higher traffic

- Admission counts gone up by 30% yoy, main catalyst for the robust sales
- ATP growth helps added another 3% yoy

Bt.million

Revenues +29%

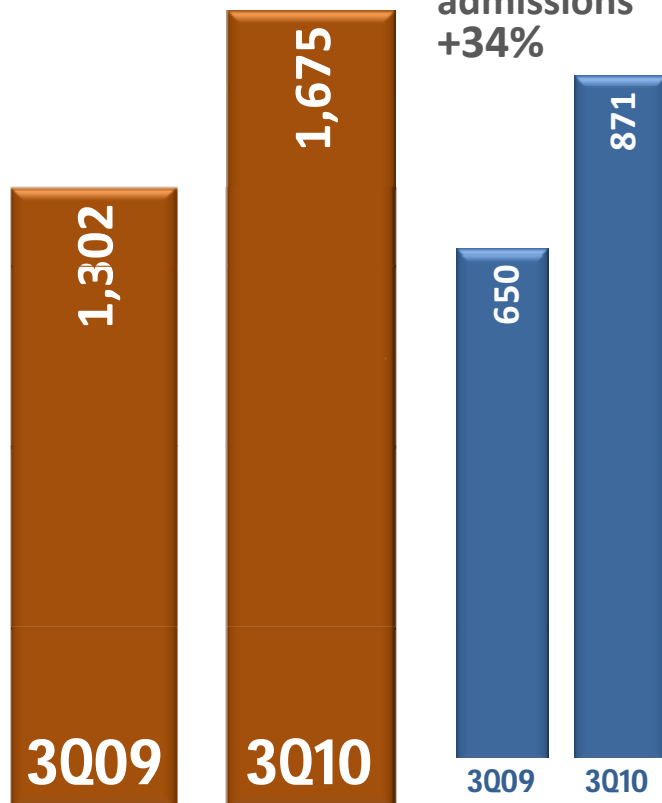


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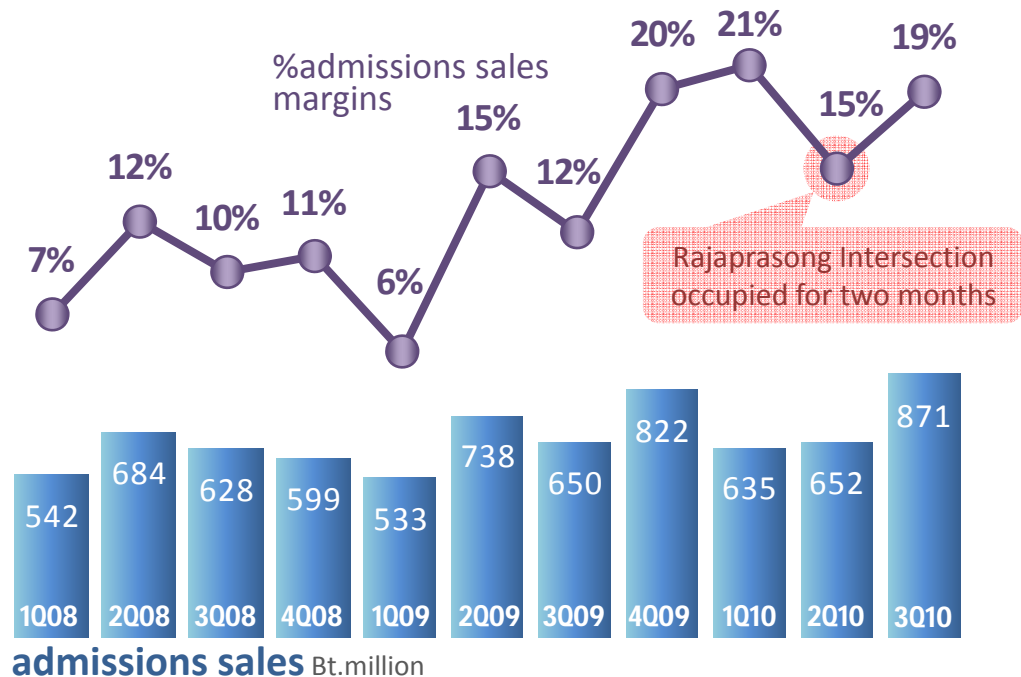


Bt.million
Revenues
+29%



Healthy margin resumed

- Full-quarter contribution from Paragon Cineplex after two-month political havoc in inner-BKK
- No significant integration effect, thus 3Q10 admission sales margin is considered normalized for admissions sales around Bt.870m



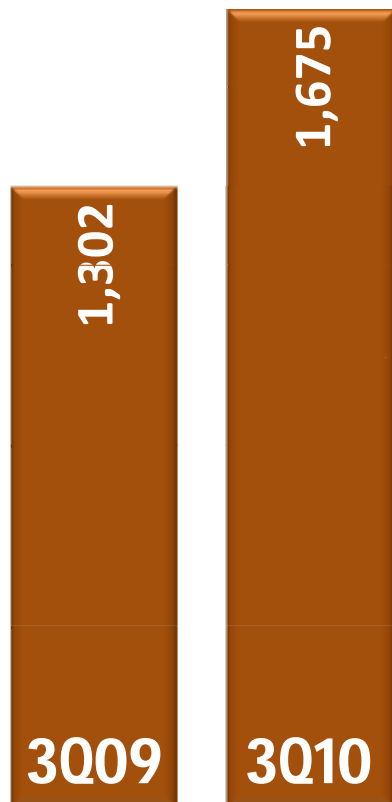
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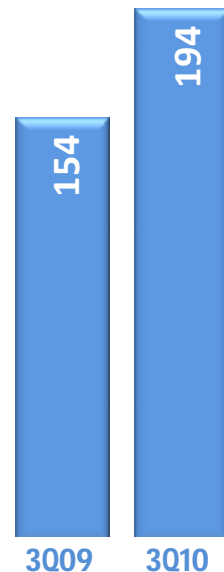
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Bt.million
Revenues
+29%

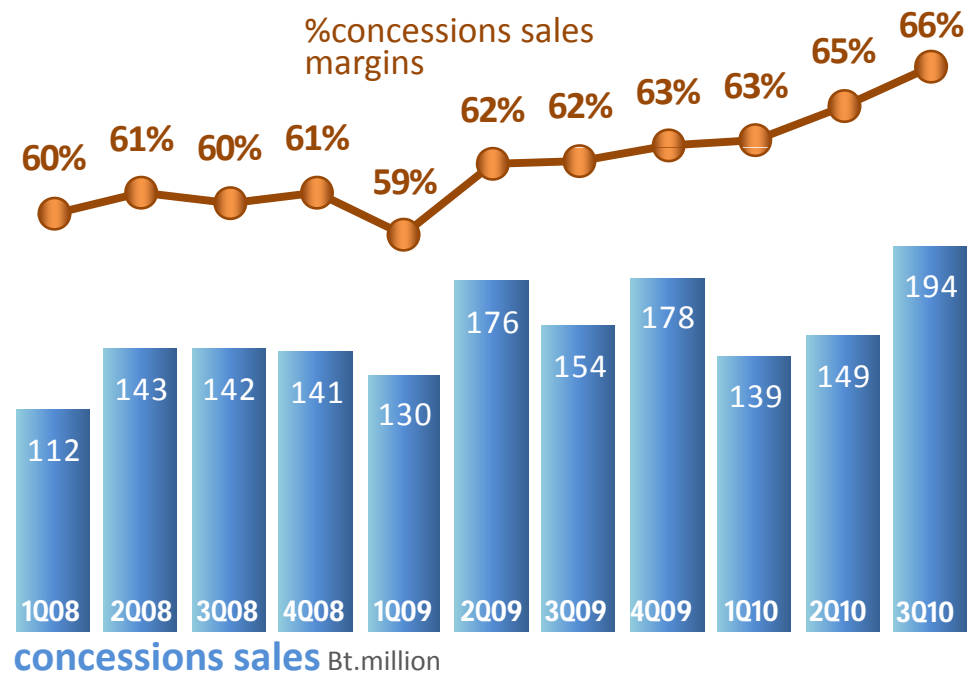


concessions
+26%



Concessions sales also at record high

- Concessions also registered a healthy growth rate of 26%
- Lower rate than admissions because of higher ATP base
- Margin rising mostly from lower costs



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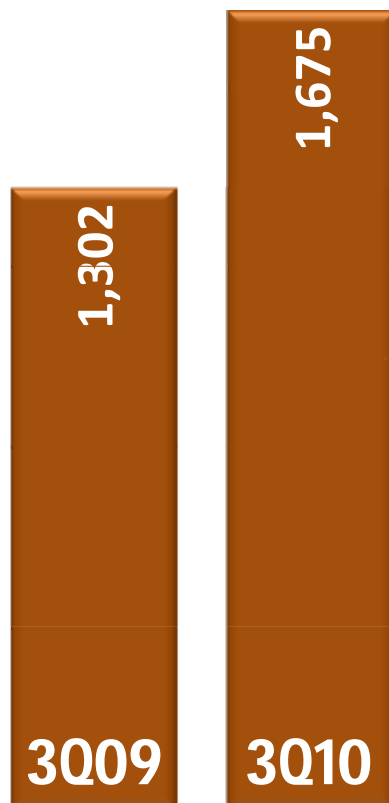


Bowling group stabilizing yoy

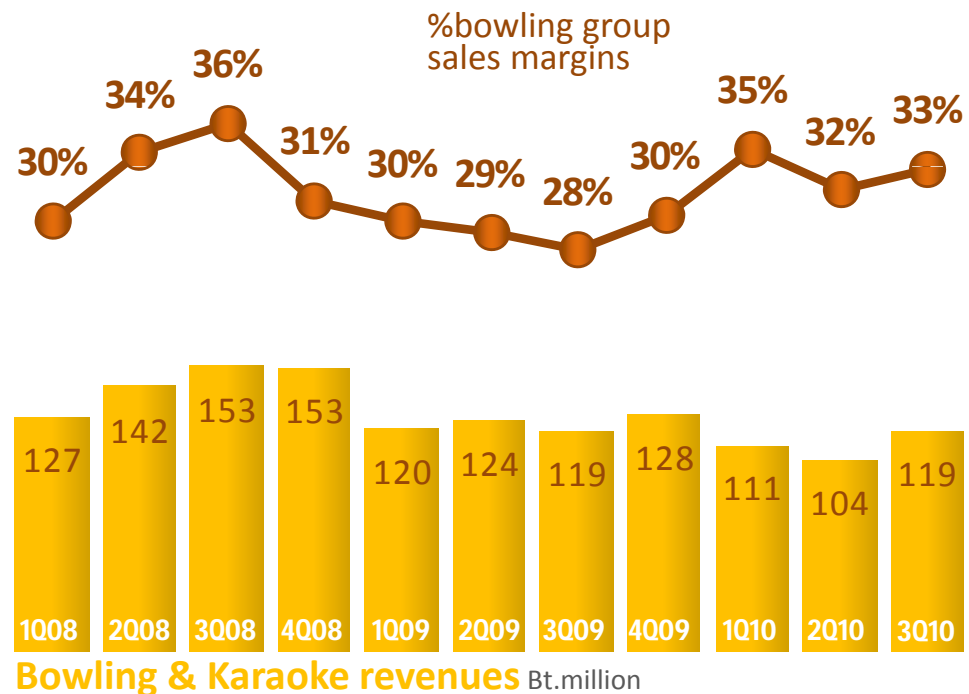
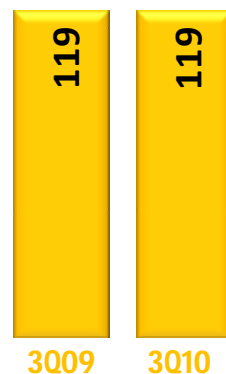
- Quarterly sales stabilizing in 3Q10
- Some positive turnaround sign evidenced in Sep-10 with strong momentum for tournament sales

Bt.million

Revenues
+29%



bowling group
Flat



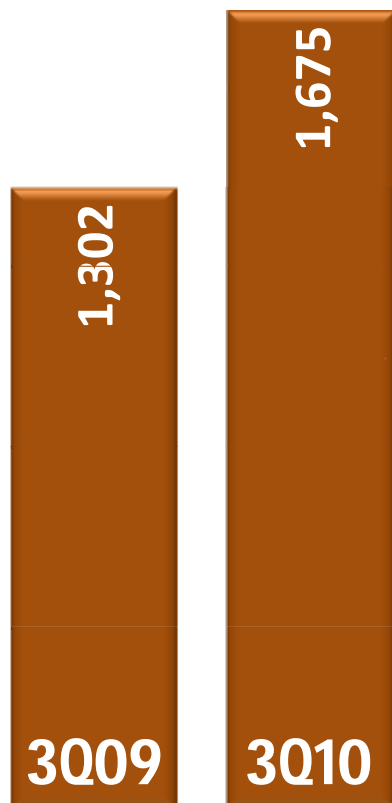
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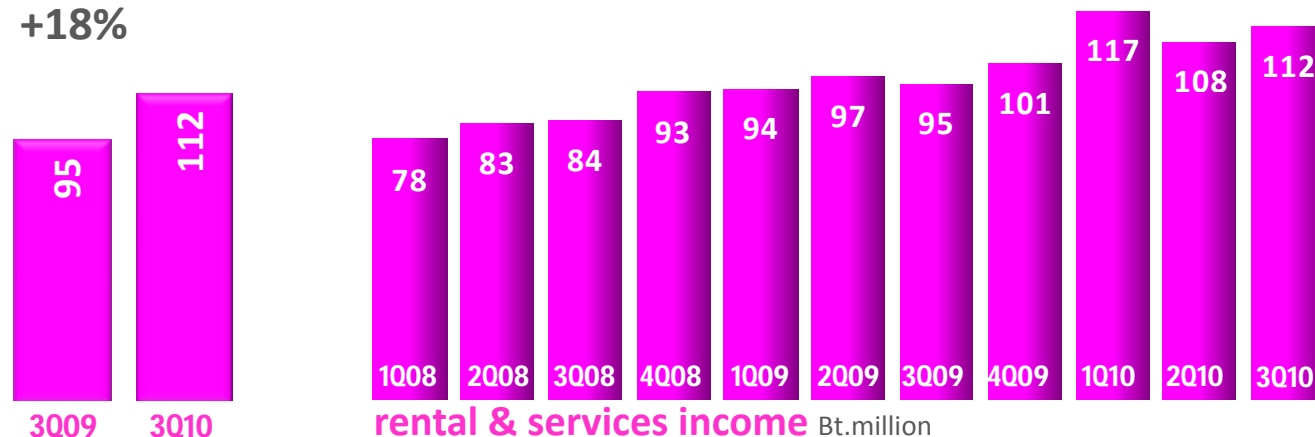
Bt.million
Revenues
+29%



Rental & services climbing back up

- Rental & services incomes show some sign of improvement after being hindered in 2Q10
- Big-C Rajadamri, still close for renovation with the new & improved reopening still expected at the beginning of 2011
- Improved occupancy elsewhere help push sales slightly higher qoq

rental
& services
+18%



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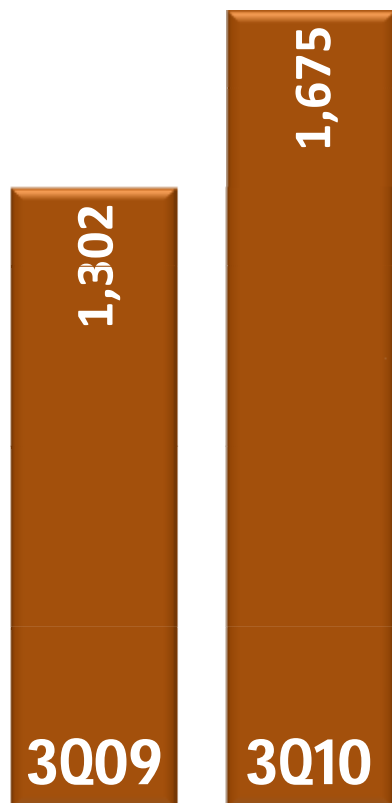


Advertising media sales remain healthy

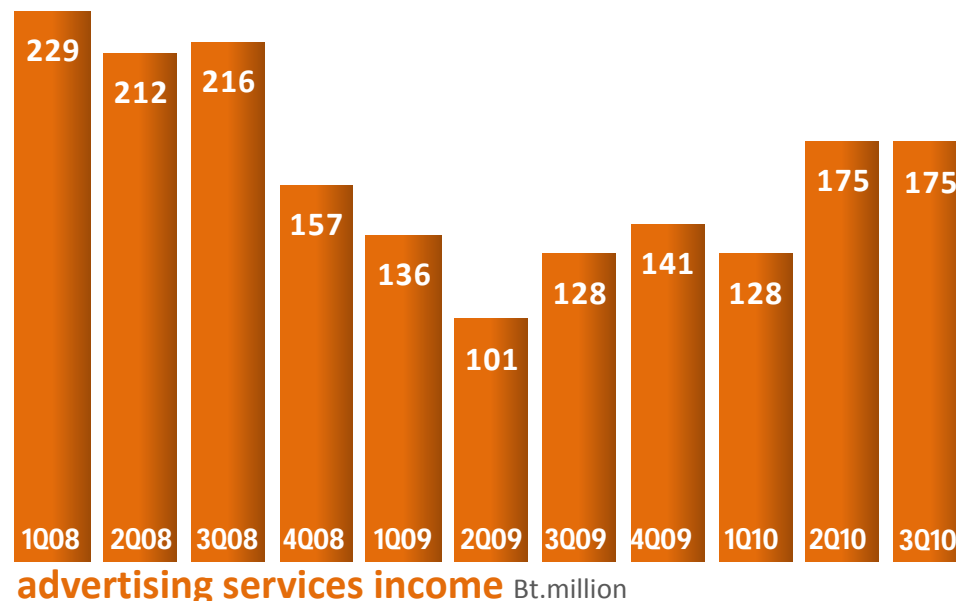
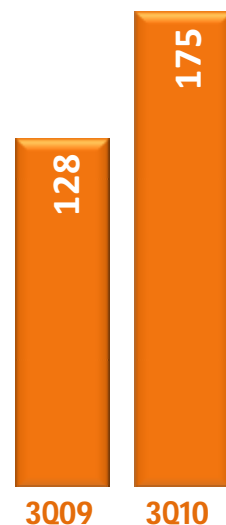
- Local economic conditions continue to be strong
- Series of GDP upward revisions
- Exports still grow in excess of 20% in 3Q10 despite THB relatively stronger
- Consumer confidence index edging up
- Local consumptions healthy

Bt.million

Revenues +29%



advertising
+36%



advertising services income Bt.million

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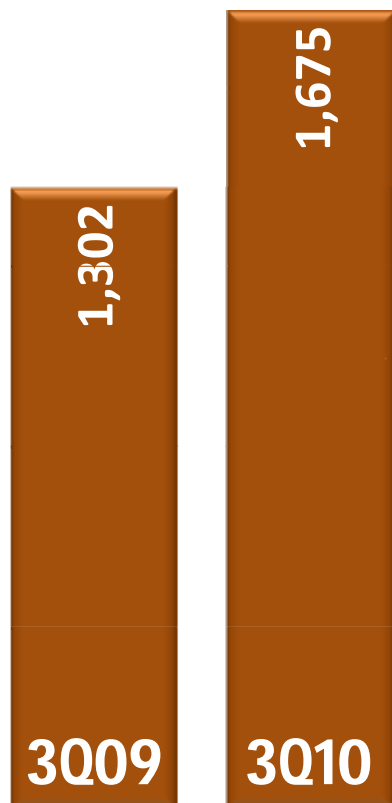
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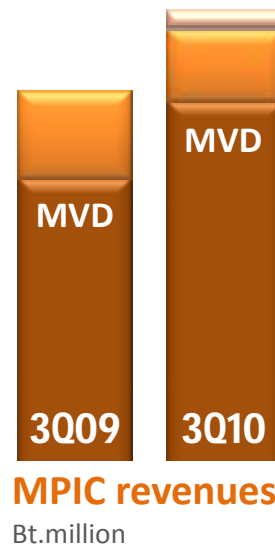
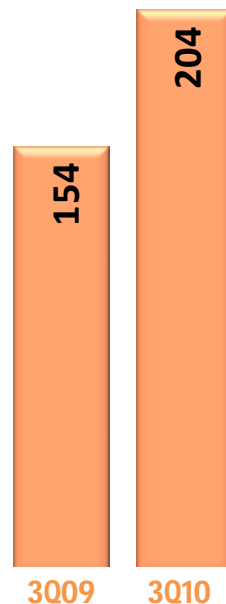
Strong momentum for film distribution

- No film releases by M39 in 3Q10
- MVD's DVD/VCD distribution progressing well with 27% growth yoy

Bt.million
Revenues
+29%



film
distribution
+32%



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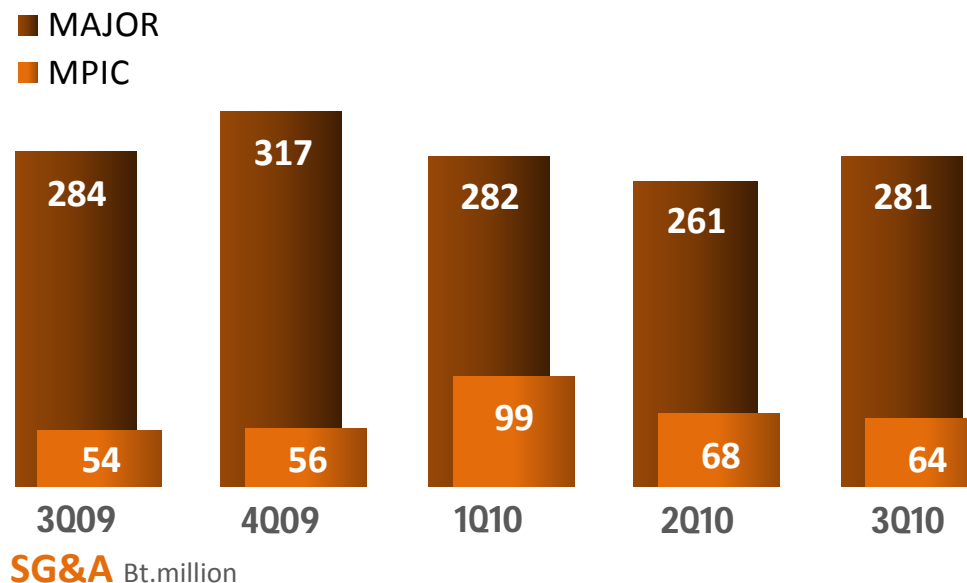
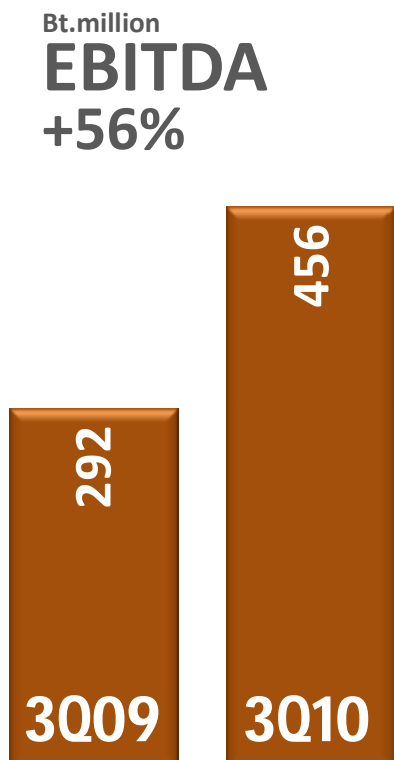
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Stronger EBITDA growth

- Margins expansion across all BUs
- Stronger ads revenues yoy
- OPEX relatively in-line



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No value destruction at bottom line

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



MJLF



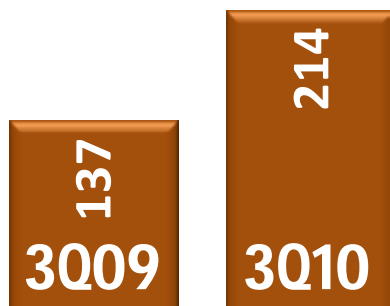
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Bt.million

Net profit

+56%



Share of net profit from associates Bt.million

	3Q09	2Q10	3Q10
SFD	5.6	4.4	7.2
MJLF	23.6	20.6	23.2
CAWOW	-7.6	0.0	0.0
Others	5.8	7.4	5.9
Total	27.3	32.4	36.2

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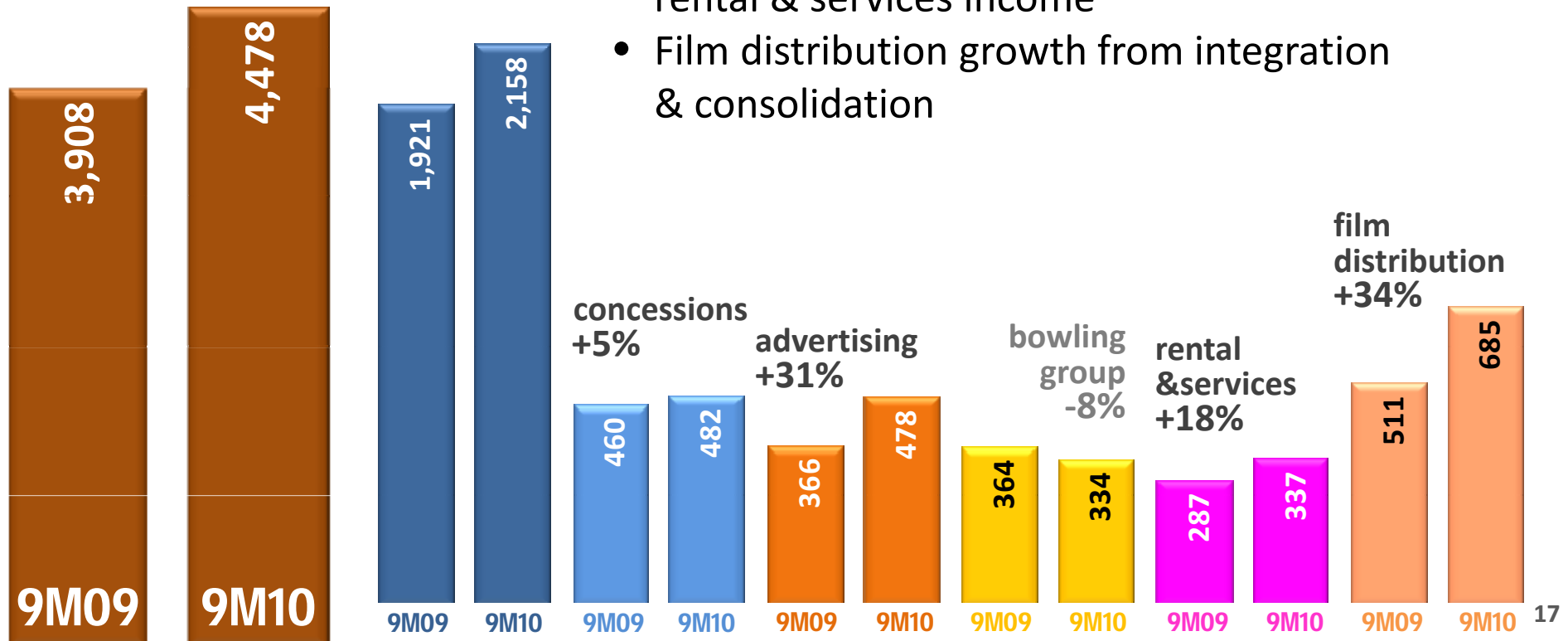


Healthy revenues growth of 15% yoy

- Strong films in 3Q10 helps boost 9M10 admissions sales
- Strong advertising recovery
- New standalone contributing growth in rental & services income
- Film distribution growth from integration & consolidation

Bt.million

Revenues +15%



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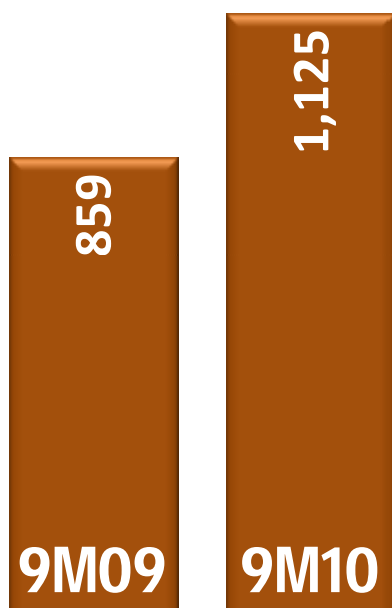
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Stronger EBITDA growth

- Blended “gross” margin improvement of 6%
- Higher contribution of advertising sales
- OPEX relatively in-line

Bt.million
EBITDA
+31%



BU with “gross” margin improvements

Margins	9M09	9M10	Δ
Admissions	11%	19%	7%
Concessions	61%	65%	4%
Bowling group	29%	33%	5%
Film distribution	12%	24%	12%

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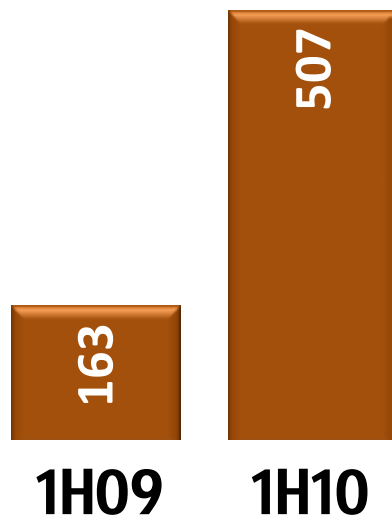


Bottom line even stronger

- Much stronger core operations
- Healthy profits contribution from associates, no value destruction at the bottom line

Bt.million

Net profit
+3.1x



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B/S Snapshot

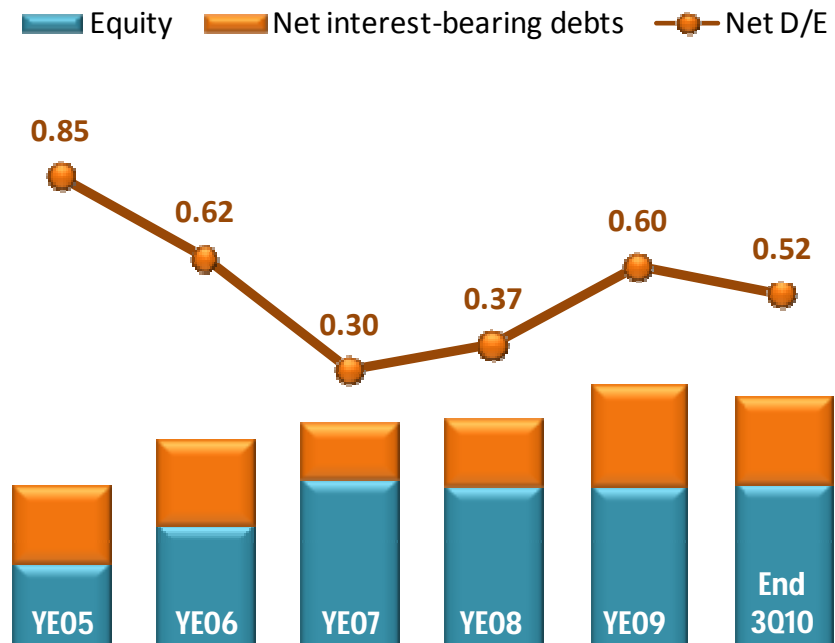
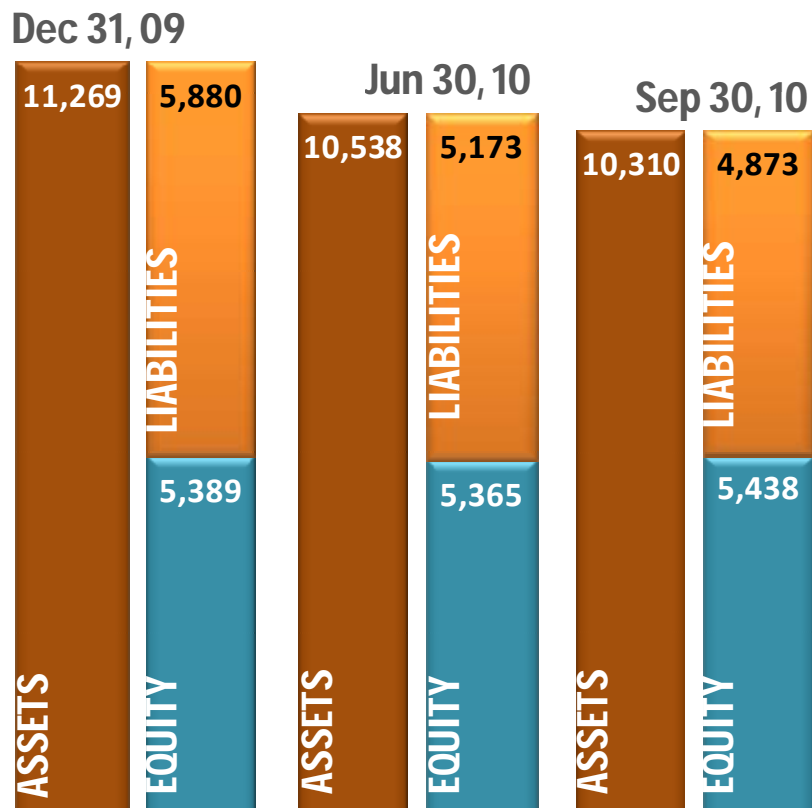
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Bt.million	Dec 31,09	Sep 30, 10	%chg
Assets	11,269	10,310	-9%
Liabilities	5,880	4,873	-17%
Equity	5,389	5,438	1%

Healthy balance sheets

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



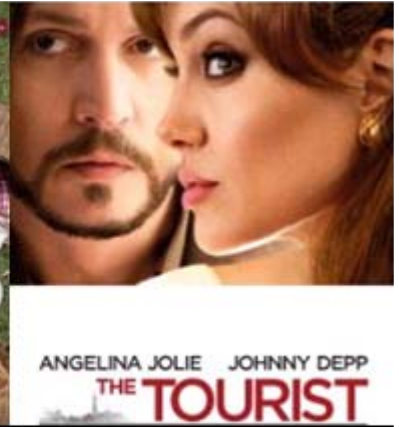
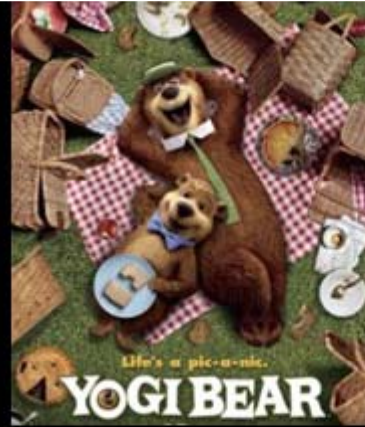
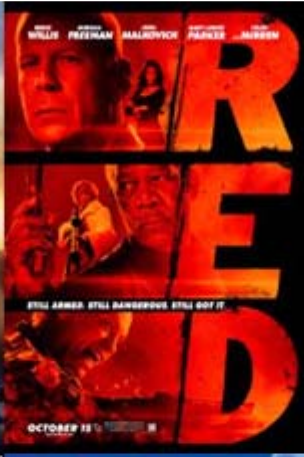
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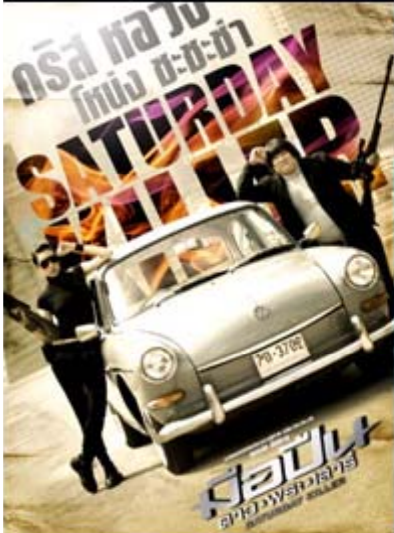
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FY10-11 OUTLOOK





4Q10 films



FY11 films

Top-5 films each year

	FY07		FY08		FY09		FY10		FY11	
Hollywood	SpiderMan 3	190	Mummy 3	130	2012	230	Avatar	300	Transformer 3	
	Harry Potter 5	165	007 Quantum	90	Transformer 2	210	Harry Potter 7.1	Nov-10	MI:4	
	Transformers	125	IronMan	80	Harry Potter 6	130	IronMan 2	175	Harry Potter 7.2	
	Pirates Carib 3	125	Hancock	75	Terminator 4	100	Resident Evil 4	110	Pirates Carib 4	
	Resident Evil 3	90	Dark Knight	75	Fast Furious 4	100	Twilight 3	110	Twilight 4	
						Clash of Titans	95	Fast Furious 5		
Thai	KingNaresuan2	250	OngBak 2	120	RodFaiFah	140	GuanMuenHo	130	King Naresuan 3	
	KingNaresuan1	250	TengNong 2	100	5-Prang	100	32-Thanwa	110	King Naresuan 4	
	Bodyguard 2	100	PidTermYai	85	WongKumLao	100	SingLekLek	100		
	TengNong	90	4-Prang	80	Saranair	95	Tukky	90		
	May-Na-Rok	90			Yam-Yasothorn 2	95	Saranair 2	90		



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New Capacities

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As of Nov 2010

	FY08		FY09		FY10	
New screens	35		23		21	
BKK	Srinakarin	5	Namwongwan	16	Samsen	6
					Paradise Park	2
					Additional screens	
BKK vicinity	Salaya	5	Korat	2	Mahachai	5
& Provincial	Ayudhya	4	Additional screens		Saraburi	4
	Petchaboon	4	Amatanakorn	5	Kampangpetch	4
	Navanakorn	4				
	Navanakorn	4				
	Thanyaburi	4				
	Banpong	5				
New lanes	10		48			
BKK			Namwongwan	24		
BKK vicinity	Ayudhya	10				
& Provincial						
International			New Delhi	24		

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FY11 Strategic Focus

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- More focus on existing assets given solid film line-up
- Driving same store growth for further margin improvement
 - Increase cinema occupancy
 - Improve ticketing convenience
 - Understanding customers: CRM
- Digital & 3D films to help manage ATP
- Further inroad into India while exploring other international markets

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Thank You

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Bt. Thousand	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
Revenues							
Admissions	532,905	738,037	650,492	822,218	634,790	651,556	871,354
Concessions sales	129,887	175,907	154,006	178,289	139,064	148,948	193,829
Advertising services income	136,117	101,098	128,498	140,784	128,448	175,299	174,565
Bowling, Karaoke, Ice skating services income	120,356	124,118	119,081	127,635	111,341	103,521	118,820
Rentals and services income	93,831	97,345	95,375	101,144	117,072	107,855	112,160
Sales of VCD/DVD and film rights	166,959	189,407	154,452	266,280	267,977	213,321	204,176
Others	0	0	0	0	1,502	1,957	0
Total revenues	1,180,055	1,425,912	1,301,905	1,636,350	1,400,194	1,402,456	1,674,904
Costs							
Cost of film exhibition and theatre	503,243	626,691	573,684	661,222	502,666	552,120	702,340
Cost of concessions	53,754	66,897	58,337	66,296	51,377	52,597	65,075
Cost of advertising services	15,053	18,452	15,465	26,182	23,964	19,091	21,970
Cost of bowling, Karaoke, Ice skating services	84,696	88,243	86,069	89,132	72,734	70,600	79,229
Cost of rentals and services	49,178	54,370	53,898	59,217	74,889	70,325	72,000
Cost of sales of VCD/DVD and film rights	131,510	183,879	132,532	213,874	214,240	169,669	138,124
Others	0	0	0	0	53	572	0
Total costs	837,434	1,038,533	919,985	1,115,922	939,923	934,974	1,078,738
Gross profits	342,620	387,379	381,920	520,427	460,272	467,482	596,166
Selling expenses	92,782	86,269	73,736	121,929	109,858	100,591	90,461
Administrative expenses	245,810	232,716	257,175	240,451	253,303	216,867	244,106
Directors' remuneration	8,603	7,908	7,034	11,155	16,904	11,397	10,380
Selling and administrative expenses	347,195	326,893	337,945	373,535	380,066	328,855	344,947
EBIT	-4,574	60,486	43,975	146,892	80,206	138,627	251,219
Disposal of investments		1,467	82,120	15,889	19,400	252	837
Upfront lease income				9,464	45,545		
Other operating income	40,198	27,498	31,725	51,475	27,830	36,953	28,581
Operating profit	35,624	89,452	157,820	223,720	172,981	175,832	280,638
Share of profit of investments - equity	23,920	-15,474	27,311	11,236	30,535	32,661	36,231
Profit before interest and tax	59,544	73,977	185,131	234,957	203,516	208,492	316,869
Financial costs	-30,052	-30,785	-32,143	-40,389	-35,023	-36,617	-34,060
Income tax	-17,066	-29,889	-15,580	-30,267	-26,403	-19,803	-64,221
Profit before minorities	12,425	13,303	137,408	164,301	142,090	152,073	218,588
Profit attributable to minorities, net	-149	0	-366	6,802	-907	-569	-4,439
Net profit	12,277	13,303	137,042	171,103	141,183	151,503	214,150

Appendix Detailed P&Ls