

## Some media firms report satisfactory Q2 results but wary of volatile economy

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THE NATION

SOME LISTED media companies reported decent growth in the second quarter, indicating a recovery, but they expressed concern over the current situation because of the volatile economy.

Major Cineplex Group reported to the Stock Exchange of Thailand that its net profit in second quarter surged by 9.89 per cent to Bt490 million from Bt445.87 million in the same three months of last year.

Speaking to *The Nation* at the grand opening of its second overseas branch in Vientiane last week, Vicha Poolvaraluck, chairman of Major Cineplex Group, said the financial performance reflected the overall movie business in Thailand. Hollywood blockbuster films are a key driver this year while local movies remain popular upcountry.

He said adding more screens to the Major Cineplex network was another supporting factor for business growth. The group plans to have 612 screens by the end of this year, up from 557 now.

Taking these revenue drivers into consideration, the company aims to see at least a 10-per-cent surge in net profit this year.

Plan B Media also reported outstanding financial results in the second quarter. According to the company's financial report, Plan B continued to gain significant market share and grow at a higher rate than the industry's.

Total revenue in the second quarter increased by 64.3 per cent to 565.9 million from the same period last year, mainly driven by its diversification strategy and advertising inventory management through an alliance with

Hello Bangkok, an out-of-home advertising-media agency, and acquisition of Triple Play, a digital-media operator at Suvarnabhumi Airport.

Although some companies that have entered the digital-television business were very busy with cost management related to licence fees and content development, financial results in the second quarter appeared to be satisfactory.

After a long struggle, MCOT posted a 7-per-cent increase in second-quarter revenue to Bt948 million, mainly driven by its TV business. It said this was a direct result of the revamp of its TV programmes to boost ratings and improve advertising utilisation.

Of total MCOT revenue in the quarter, 44 per cent was from TV business, followed by radio with 25 per cent, joint operations with 13 per cent, new media with 5 per cent, digital TV transmission at 7 per cent, and others with 6 per cent.

BEC World, the parent company of the Channel 3, 3SD and 3 Family TV stations, reported that its second-quarter revenue was Bt3.711 billion, a 5.6-per-cent quarter-on-quarter increase, because of the momentum of high season. However, the company also began facing higher costs from the introduction of two new digital channels, 3SD and 3 Family, in April.

Workpoint Entertainment, a new player in the digital terrestrial TV business, saw a 34-per-cent revenue surge to Bt688 million in the second quarter. The Workpoint Creative TV digital channel had been gradually rising and ranked No 3 in the market after Channel 7 and Channel 3.

Meanwhile, RS generated Bt835.8 million in the second quarter from its three core businesses. It

reported Bt588.5 million from media business, Bt86 million from music business, and Bt95.2 million from event business.

RS chief financial officer Darm Nana said that in this economic climate, popular TV stations such as Channel 8, Channel 2, Sabaidee TV, and You Channel were still attractive to advertisers.

However, if there is no significant improvement in the economy during the remaining months of the year, the media industry could be hurt. Wannee Ruttanaphon, chairwoman of the Media Agency Association of Thailand, said in a previous interview that the industry could suffer an 8-per-cent drop in advertising spending as corporates tighten their belts.

She acknowledged that the poor economy was directly influencing advertising expenditures.