

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

Income statement

For the year ended 31 December 2014

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Continuing operations					
Revenues					
Sales of goods		2,677,334,425	2,275,712,562	787,369,153	1,001,678,302
Service income		6,312,421,976	7,514,833,169	1,554,131,867	1,739,392,635
Revenues from copyrights		831,784,628	821,605,631	724,643,940	754,682,192
Interest income		59,962,516	48,800,357	242,135,970	63,023,109
Dividend received		12,358,292	34,337,903	352,288,011	514,848,922
Gains on sale of other long-term investments		147,048,607	-	147,048,607	-
Other income		209,953,406	294,536,592	78,049,660	108,783,315
Total revenues		10,250,863,850	10,989,826,214	3,885,667,208	4,182,408,475
Expenses					
Cost of sales and services		6,963,108,343	6,990,752,783	1,928,034,297	2,362,166,247
Selling and servicing expenses		827,708,812	1,006,545,192	27,003,499	46,855,569
Administrative expenses		3,186,776,454	3,185,432,214	1,231,756,091	1,306,654,382
Loss on sale of investment in subsidiaries		-	-	42,680,792	148,499,604
Loss on impairment of investment in subsidiaries	1.3, 12	-	-	4,367,821,521	37,999,500
Total expenses		10,977,593,609	11,182,730,189	7,597,296,200	3,902,175,302
Profit (loss) before share of profit from investments in associates, finance cost and income tax expenses					
		(726,729,759)	(192,903,975)	(3,711,628,992)	280,233,173
Share of profit from investments in associates	14	17,556,456	15,976,285	-	-
Profit (loss) before finance cost and income tax expenses		(709,173,303)	(176,927,690)	(3,711,628,992)	280,233,173
Finance cost		(307,172,990)	(134,564,612)	(222,440,488)	(60,461,379)
Profit (loss) before income tax expenses		(1,016,346,293)	(311,492,302)	(3,934,069,480)	219,771,794
Income tax expenses	28	31,653,765	(91,210,971)	(29,208,574)	34,431,079
Profit (loss) for the year from continuing operations		(984,692,528)	(402,703,273)	(3,963,278,054)	254,202,873
Discontinued operations					
Loss for the year from discontinued operations	29	(1,228,996,181)	(818,448,462)	-	-
Profit (loss) for the year		(2,213,688,709)	(1,221,151,735)	(3,963,278,054)	254,202,873

The accompanying notes are an integral part of the financial statements.

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

Income statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit (loss) attributable to:					
Equity holders of the Company					
Profit (loss) for the year from continuing operations		(1,085,018,645)	(464,261,312)	(3,963,278,054)	254,202,873
Loss for the year from discontinued operations		<u>(1,228,996,181)</u>	<u>(818,448,462)</u>	<u>-</u>	<u>-</u>
Profit (loss) for the year attributable to equity holders of the Company		(2,314,014,826)	(1,282,709,774)	<u>(3,963,278,054)</u>	<u>254,202,873</u>
Non-controlling interests of the subsidiaries					
Profit for the year from continuing operations		100,326,117	61,558,039		
Profit for the year from discontinued operations		<u>-</u>	<u>-</u>		
Profit for the year attributable to non-controlling interests of the subsidiaries		<u>100,326,117</u>	<u>61,558,039</u>		
		<u>(2,213,688,709)</u>	<u>(1,221,151,735)</u>		
Basic earnings per share					
	30				
Profit (loss) attributable to equity holders of the Company		<u>(3.51)</u>	<u>(2.27)</u>	<u>(6.02)</u>	<u>0.45</u>
Basic earnings per share for continuing operations					
Profit (loss) from continuing operations attributable to equity holders of the Company		<u>(1.65)</u>	<u>(0.82)</u>	<u>(6.02)</u>	<u>0.45</u>

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GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit (loss) for the year	<u>(2,213,688,709)</u>	<u>(1,221,151,735)</u>	<u>(3,963,278,054)</u>	<u>254,202,873</u>
Other comprehensive income:				
Actuarial losses - net of income tax expenses	-	(32,957,248)	-	(5,627,559)
Exchange differences on translation of financial statements in foreign currency	(105,950)	(1,339,716)	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax expenses	35,124,596	88,804,015	35,124,596	(264,212,496)
Reversal of loss (gain) on change in value of available-for-sale investments - net of income tax expenses	<u>(75,226,226)</u>	<u>161,838,192</u>	<u>(75,226,226)</u>	<u>-</u>
Other comprehensive income for the year	<u>(40,207,580)</u>	<u>216,345,243</u>	<u>(40,101,630)</u>	<u>(269,840,055)</u>
Total comprehensive income for the year	<u><u>(2,253,896,289)</u></u>	<u><u>(1,004,806,492)</u></u>	<u><u>(4,003,379,684)</u></u>	<u><u>(15,637,182)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(2,354,222,406)	(1,060,522,805)	<u>(4,003,379,684)</u>	<u>(15,637,182)</u>
Non-controlling interests of the subsidiaries	<u>100,326,117</u>	<u>55,716,313</u>		
	<u><u>(2,253,896,289)</u></u>	<u><u>(1,004,806,492)</u></u>		

The accompanying notes are an integral part of the financial statements.

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

Statement of cash flows

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit (loss) before tax from continuing operations	-1,016,346,293	-311,492,302	-3,934,069,480	219,771,794
Loss before tax from discontinued operations	-1,228,996,181	-818,448,462	-	-
Profit (loss) before tax	(2,245,342,474)	(1,129,940,764)	(3,934,069,480)	219,771,794
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	392,502,447	350,241,749	49,876,415	52,142,359
Amortisation	944,547,227	376,693,688	74,907,637	61,836,714
Amortisation of spectrum license	257,280,730	-	-	-
Reversal of allowance for doubtful accounts	(9,151,439)	(35,692,951)	(9,709,173)	(9,056,967)
Reduction of cost of inventory to net realisable value (reversal)	(33,335,645)	203,584,529	(135,837,153)	207,907,599
Provision for sales returns (reversal)	(109,369,949)	108,088,209	(2,393,617)	(536,516)
Allowance for impairment of investments in subsidiaries	-	-	4,367,821,521	37,999,500
Allowance for impairment of investments in associates	-	-	-	5,000,000
Allowance for impairment of intangible assets	188,500,548	-	190,347,107	-
Loss (gain) on sale of investments in subsidiaries	(9,643,351)	-	42,680,792	148,499,604
Loss (gain) on returning investments of associates	(1,593,019)	-	2,985,234	-
Gain on sale of other long-term investments	(147,048,945)	(114,395,297)	(147,048,607)	(24,200,000)
Loss (gain) on disposal of equipment	21,868,399	4,651,926	7,536,994	(1,601,442)
Dividend received	(12,358,292)	(34,337,903)	(352,288,011)	(514,848,922)
Share of profit from investments in associates	(17,556,456)	(15,976,285)	-	-
Long-term employee benefit expenses	24,460,178	39,546,915	11,954,131	20,651,133
Interest income	(59,962,516)	(49,100,220)	(242,135,970)	(63,023,109)
Interest expenses	307,172,990	139,285,489	222,440,488	60,461,378
Profit (loss) from operating activities before changes in operating assets and liabilities	(509,029,567)	(157,350,915)	147,068,308	201,003,125
Decrease (increase) in operating assets				
Trade and other receivables	(219,431,085)	396,488,570	705,207,694	28,739,125
Prepaid expenses	170,406,075	50,616,841	77,558,645	(51,287,964)
Inventories	(64,049,033)	84,195,979	232,250,433	(22,880,152)
Advance payments	80,851,679	21,047,356	26,107,277	(5,849,626)
Other current assets	(93,823,099)	(302,256,582)	30,617,006	50,533,847
Other non-current assets	(638,202,657)	(408,516,814)	(118,414,946)	(149,790,681)
Increase (decrease) in operating liabilities				
Trade and other payables	(90,475,621)	(9,627,331)	(124,486,833)	(89,233,132)
Unearned income	(119,037,956)	36,244,637	11,645,543	5,459,249
Other current liabilities	76,894,176	(107,389,527)	(7,170,296)	4,257,444
Provision for long-term employee benefits	(8,027,000)	(6,545,378)	(8,027,000)	(4,342,340)
Other non-current liabilities	6,009,533	7,555,541	-	-
Cash flows from (used in) operating activities	(1,407,914,555)	(395,537,623)	972,355,831	(33,391,105)
Cash paid for interest expenses	(349,918,379)	(151,768,569)	(226,009,560)	(48,795,595)
Cash paid for income tax	(273,626,233)	(291,783,245)	(80,796,921)	(64,366,526)
Net cash flows from (used in) operating activities	(2,031,459,167)	(839,089,437)	665,549,350	(146,553,226)

The accompanying notes are an integral part of the financial statements.

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

Statement of cash flows (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities				
Acquisition of equipment	(592,945,627)	(518,299,220)	(125,252,064)	(63,899,221)
Decrease in accounts payable - purchase of assets	-	(2,714,523)	-	-
Cash paid to purchase additional investments in subsidiaries	(6,820,042)	-	(6,701,784,544)	(97,508,898)
Cash received from disposal of investments in subsidiaries	19,778,813	-	6,774,543	-
Net decrease in cash due to sale of investments in subsidiaries (Note 31)	(782,468,863)	-	-	-
Cash received from returning investments of associates	6,966,519	-	14,746	-
Cash paid to purchase additional investments in associates	(10,656,630)	(22,487,426)	-	-
Cash received from sale of other long-term investments	188,736,513	1,456,410,000	188,736,175	27,400,000
Cash paid to purchase other long-term investments	(5,423,338)	(741,500)	(4,823,338)	-
Cash received from disposal of equipments	51,315,374	22,011,596	10,900,408	6,432,355
Decrease (increase) in loans to related parties	404,531,727	1,233,865	1,555,517,000	(1,580,957,000)
Dividend received from subsidiaries and associates	11,949,040	41,501,678	301,926,667	594,314,812
Dividend received from other long-term investments	12,358,292	34,337,903	10,759,092	5,925,503
Cash received from non-controlling interests of subsidiaries				
from investments in subsidiaries	33,217,500	55,951,000	-	-
Interest income	68,611,555	39,711,431	219,896,210	42,581,171
Decrease (increase) in current investments	988,703,718	(1,509,687,100)	875,000,000	(1,875,000,000)
Cash paid for spectrum license	(1,130,000,000)	-	-	-
Net cash flows used in investing activities	<u>(742,145,449)</u>	<u>(402,772,296)</u>	<u>(3,662,335,105)</u>	<u>(2,940,711,278)</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from banks	(3,323,157,852)	1,220,246,425	(1,418,000,000)	1,674,000,000
Increase (decrease) in short-term loans from related parties	-	-	(99,500,000)	1,363,000,000
Cash received from long-term loans	5,410,264,900	142,789,741	3,900,000,000	-
Repayment of long-term loans	(2,318,867,085)	(287,024,163)	(2,300,000,000)	(280,000,000)
Repayment of liabilities under finance lease agreements	(24,548,348)	(21,185,001)	(13,899,553)	(6,792,060)
Dividend paid to non-controlling interest of subsidiaries	(113,444,495)	(63,944,190)	-	-
Proceeds from increase in share capital	2,450,665,911	1,060,529,890	2,450,665,911	1,060,529,890
Net cash flows from financing activities	<u>2,080,913,031</u>	<u>2,051,412,702</u>	<u>2,519,266,358</u>	<u>3,810,737,830</u>
Decrease in translation adjustments	<u>(105,950)</u>	<u>(1,339,716)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(692,797,535)</u>	<u>808,211,253</u>	<u>(477,519,397)</u>	<u>723,473,326</u>
Cash and cash equivalents at beginning of year	<u>1,653,068,457</u>	<u>844,857,204</u>	<u>863,469,373</u>	<u>139,996,047</u>
Cash and cash equivalents at end of year	<u>960,270,922</u>	<u>1,653,068,457</u>	<u>385,949,976</u>	<u>863,469,373</u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash transactions:				
Assets purchases which payment has yet to be made	8,147,421	-	14,751,911	7,189,160
Increase in assets from finance lease agreements	18,838,945	12,378,027	9,243,653	4,718,506
Unpaid investment in associates	-	-	-	5,000,000
Disposal of investment in subsidiaries which not yet receipt	-	-	-	(1,509,994)
Unpaid investment in subsidiaries	-	-	-	19,509,500

The accompanying notes are an integral part of the financial statements.