



## Minutes of the 2011 Annual General Meeting of Shareholders

### GMM Grammy Public Company Limited

Wednesday 27 April 2011 at 2.00 p.m.

at the Meeting Room located on the 21<sup>st</sup> Floor, GMM Grammy Place  
50 Sukhumvit 21, Klongtoei-nuea, Wattana, Bangkok 10110

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#### **Meeting Commenced**

Mr. Paiboon Damrongchaitham, the Chairman of the Company, assigned Vice Chairman Ms. Boosaba Daorueng to act as Chairman of the Meeting (the “Chairman”). The Chairman welcomed all shareholders and presented the commencement address to the 2011 Annual General Meeting of Shareholders (the “AGM” or the “Meeting”).

The Chairman stated that the Company is well aware of the importance of Good Corporate Governance Policies, and strongly supports it to encourage greater transparency, and inspire confidence from shareholders, investors, and all stakeholders. Therefore, in organizing the AGM every year, the Company will consider the rights of shareholders and treat every person equally. Therefore, the Company has invited all shareholders to nominate qualified persons to stand for election as a Company Director as well as to propose the 2011 AGM of shareholder’s agenda on the Company’s website ([www.gmmgrammy.com](http://www.gmmgrammy.com)). However, there was neither proposal of director nominee nor the Meeting agenda submitted to the Company.

For the shareholders’ convenience in accessing the information and considering the agendas and related documents, the Company disclosed the entire set of documents related to the Invitation to attend the 2011 AGM of shareholders together with the 2010 Annual Report, proxy forms and all related documents in Thai and in English on the Company’s website, prior the Meeting occur at least 30 days, that is, from 25 March 2011.

The Chairman then introduced the Directors, Executive Directors, Member of the Audit Committee, Management of the Company and Auditors to the Meeting as follows:

#### **The Directors, Executive Directors and Member of the Audit Committees Present**, total of 11 persons:

- |                  |                 |   |
|------------------|-----------------|---|
| 1. Mr. Paiboon   | Damrongchaitham | Chairman of the Company / Director / Chairman of the Nomination and Remuneration Committee / Chairman of the Company Advisors |
| 2. Mr. Chai      | Nasyvanta       | Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee                  |
| 3. Mr. Dej       | Bulsuk          | Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee                    |
| 4. Mr. Weerawong | Chittmitrapap   | Independent Director / Member of the Audit Committee  |

5. Ms. Suvabha	Charoenying	Independent Director / Member of the Audit Committee
6. Ms. Boosaba	Daorueng	Director / Vice Chairman / Co-Chief Executive Officer / Chairman of the Risk Management Committee
7. Mr. Krij	Thomas	Director / Executive Director / Senior Executive Vice President (Music Business)
8. Ms. Suwimon	Chungjotikapisit	Director / Company Advisor
9. Mr. Takonkiet	Viravan	Director / Executive Director
10. Mr. Sataporn	Panichraksapong	Director / Executive Director / Member of the Risk Management Committee / Assistant Executive Vice President (Music Business)
11. Mr. Vichate	Tantiwanich	Executive Director / Chairman of the CG & Ethics Committee

**The Directors Absent**, total of 2 persons:

1. Ms. Saithip	Montrikul Na Audhaya	Director / Executive Director / Co-Chief Executive Officer
2. Mr. Kreingkam	Kanjanapokin	Director / Executive Director

**Management Present**, total of 3 persons:

1. Mr. Vuthi	Asvasermcharoen	Chief Financial Officer / Member of the Risk Management Committee / Member of the CG & Ethics Committee
2. M.L. Kornkasiwat	Kasemsri	Chief Operating Officer / Company Secretary / Member of the Risk Management Committee / Member of the CG & Ethics Committee
3. Mr. Chanchai	Phansopha	Chief Marketing Officer / Member of the Risk Management Committee / Member of the CG & Ethics Committee

**The Auditors of Ernst & Young Office Limited Present**, total of 2 persons:

1. Mr. Khitsada	Lerdwana	Auditor
2. Mr. Polkrit	Rattanaprukpan	Auditors' representative, the Company is honored by the presence of <b>Mr. Polkrit Rattanaprukpan</b> , who will serve as an " <b>Inspector</b> " and a witness of the vote counting process to ensure that the meeting proceeds according to the Company's rules and regulations.

The Chairman welcomed representatives from the Stock Exchange of Thailand / the Thai Institute of Directors / the Thai Listed Companies Association / the Right Protection Volunteer from the Thai Investors Association and other associations that honored the Company in observing the meeting that day.

### Informed the quorum

The Chairman informed the 2011 AGM that there were a total of **140 shareholders** present, comprising of 70 shareholders representing 325,905,740 shares present in person, 59 shareholders represented by proxy holding 107,024,000 shares and 11 shareholders with 10,257,473 shares assigned by proxy to Independent Directors, totalling **443,187,213 shares equivalent to 83.58%** of 530,264,947 outstanding shares, constituting a quorum.

To conduct the meeting, the Chairman delegated the task to **M.L.Kornkasiwat Kasemsri**, the Company Secretary, to act as the Conductor of the Meeting and the agenda which involving accounting and finance, the Chairman delegated the task to **Mr. Vuthi Asvasermcharoen**, Chief Financial Officer, to act as the Conductor of the Meeting only Agenda No. 3 to Agenda No. 6 (the “**Conductor**”) and convened the Meeting in accordance with the notified agendas.

Prior to the commencement of the Meeting, the Conductor had explained the voting process in detail to proxy holders, and indicated that counting votes was resolved in the meeting. These proceedings were recorded on video (4.40 minutes in duration), with details as follows:

1. According to Section 107(1) of the Public Company Act B.E. 2535, and Clause 31(1) of the Company’s Articles of Association, in general, the resolution shall be passed by the majority votes of the total number of votes of shareholders who attend the meeting and cast their votes whereby one share shall have one vote and in the case of an equality of votes, the Chairman shall have a casting vote.

2. In the event that the shareholder attends the Meeting in person or the shareholder grants the proxy holder the right to vote in the Meeting, the Conductor, will ask the Meeting at every agenda whether any shareholder disagrees or abstains on voting for the proposed agenda. If there is dissent, the Conductor will request that those shareholders reveal themselves and bring their ballot cards to the officials to be accounted for. If there are no contrary opinions or abstentions, it shall be deemed that the meeting unanimously approved the resolution put to vote.

3. In the case where the proxy holder represents the shareholder by proxy, it shall be deemed that the proxy holder shall have the number of votes equivalent to the total number of shares held by the proxy holder. Therefore, in such case, the number of votes given in the proxy for each agenda shall be counted as the votes for the resolution.

4. Votes casted by those holding Proxy Forms “A” and “B” cannot be split according to each agenda article. Votes casted by those holding Proxy Form “C” can split their votes. And those who hold these forms are only granted to foreign shareholders who have appointed a custodian in Thailand to manage their shares.

5. Each shareholder is permitted to have only one proxy attending and voting at the meeting. Having multiple proxies holding shares and separately casting votes is not permitted.

6. In voting for **Agenda 7**, to approve the appointment of directors to replace those who are due to retire on rotation: this will be done in accordance with the Company’s Good Corporate Governance policies which are in line with the AGM Checklist quality assessment program. This program was organized by the Thai Investors Association, the Thai Listed Companies Association and the Securities and Exchange Commission. Therefore, all shareholders are requested to vote for **each individual appointment**.

The Conductor will call each individual Director nominee to receive votes. Only shareholders **who disagree with the nomination or choose to abstain** are requested to show themselves and their ballots for greater convenience when tallying their votes.

Nonetheless, for this particular agenda, **the Company will exclude votes of directors with conflicts of interests** from the total vote count, along with their shares and related right to vote.

7. An act for casting the vote which does not comply with the form prescribed above is considered null and void.

8. In every agenda, the shareholder or the proxy who wishes to propose any other comments or queries is required to introduce his or her name and position as a shareholder or proxy to the Meeting before proceeding.

9. After the Meeting is adjourned, the shareholder and the proxy holder should hand their ballot paper to the Company’s staff as further evidence.

The Conductor then commenced the Meeting according to the following agenda:

**Agenda 1: To certify the minutes of the 2010 Annual General Meeting of Shareholders.**

The Conductor proposed that the Meeting consider and certify the minutes of the 2010 Annual General Meeting of Shareholders held on 26 April 2010. The Minutes, with attachments of Questions and Answers, and Clarification from the Directors and Management team. They were circulated to each shareholder prior to this Meeting as Enclosure No. 1 attached to the invitation letter. The said minutes was also posted on the Company’s website ([www.gmmgrammy.com](http://www.gmmgrammy.com)) within 14 days after the meeting.

The Conductor invited shareholders and proxies to speak up if they had any queries or amendments to the minutes of the meeting but no questions were raised. The Conductor then requested the Meeting to vote.

After due consideration, the Meeting by majority votes certified the minutes of the 2010 Annual General Meeting of Shareholders, with the following results:

Shareholders entitled to vote	Number of Votes	Percentage
Certified	443,052,213	99.9695
Not certified	-	-
Abstained	135,000	0.0305

**Agenda 2: To acknowledge 2010 operational results and certify the Company’s Annual Report.**

Before the Conductor announced the results of the 2010 annual performance, the Conductor requested that all shareholders and proxies view a video clip outlining various business operations of the Group over the past year. (The duration of the clip was 7.05 minutes). After the screening, the Conductor proceeded to summarize the Group’s performance in 2010, as follows:

### Overall Performance in 2010

In 2010, the Company adjusted and developed its music business so that revenue streams primarily came from three business lines: digital music, artist management, and show business. This was accomplished by reducing the production capacity of physical products (CD/VCD/DVD), and ramping up sales of digital music to better match the lifestyles of consumer behavior that has shifted in tandem with modern technological innovations. The Company believes that making these changes will support and strengthen GMM Grammy's contents so that it can be more readily deployed in a wider range of revenue generating channels.

Beneath the new business model, the Company emphasizes on being an **"Entertainment and Multimedia Business"** which consist of star businesses as follows:

- ***Digital Business*** Over the past year, digital music business revenues rose to a satisfactory level, with the greatest growth due to monthly subscription services and income from every mobile telephone operator.
- ***Neo Artist Management Business***, which focuses on locating and developing artists. The emphasis rests solely on grooming every artist so they can work in any field in the entertainment business. Thus, these artists are trained to sing, dance, act, and develop their emotional quotient to endure the pressures of the industry. The Company is confident that this new business model and investment in individual artists will yield better returns than the old business model.
- ***Satellite Television Business***, which operated a total of six channels in 2010: Fan TV, Bang Channel, Green Channel, Acts Channel, Money Channel, and Saranair Channel. The last is a new channel that aired its pilot program in October 2010. The variety shows are produced by a company jointly-owned with Lucks 666 Company Limited.

Even though, the company reduces the emphasis on physical products in music business, it places increasingly importance on other businesses, such as;

- ***Show Business***, is one of the best ways to make use of music content and Grammy's artists. Last year, the Company organized two music festivals, namely Big Mountain #1 and #2 (In February and December, 2010) which showcases creativity for such event in Thailand. Besides offering a wide expanse for artist to perform and welcoming the largest audience, other forms of entertainment and activities were available to ensure that all thoroughly enjoyed themselves throughout the duration of the festival which lasted three days and two nights.

Furthermore, the Company organized the gigantic concert, "Body Slam Live in Krahm" at Rajamangala National Stadium which brought more than 40,000 audiences.

- ***Producing programs for free television channels*** continued to expand, particularly in primetime dramas, sit-coms, and reality shows such as The Star 6. These popular programs are not only widely acclaimed, but they are also means of developing new artists, especially through variety shows and dramas targeting teenaged viewers, which are genres that Grammy excels in, and remains a leader.

- **Radio Business**, The radio business line's revenues rose from expanding through organizing show business performances activities through radio programs, and providing various tourism related services. The response from the audience continues to be positive.
- **Publishing Business** The publishing business line has increasingly shifted over to new media. For instance, Maxim is published in an e-gazine. Content from this business line will also be increasingly applied to satellite business, as well as selling content through new electronic gadgets such as the iPad.
- **Movie Business**, produced a total of three films, of which "Kuen Muen Ho" ('Hello Stranger') brought in Baht 126.3 million, making it the highest box office revenue making Thai film screened in 2010.
- **Event Marketing**, Index Creative Village Plc. and its subsidiaries earn revenue from government sector and private sector. In 2010, it organized the gigantic task which is creating Thailand Pavilion Booth in World Expo 2010 in Shanghai, China.

Above all, the GMM Grammy Group continues to uphold its intention to conduct its business on the basis of ethical and good corporate governance principles, and demonstrating corporate social responsibility (CSR) until it is embedded in the corporate culture. This will be achieved by integrating the organization's vision, duties, strategies, and goals, to inspire confidence in shareholders, investors, and every stakeholder, and lead the Company to greater business success. At the same time, the Company will continue its unceasing support and development of education, sports, communities, society, and the environment.

The Company and its subsidiaries place importance on social responsibility. Below are some of the projects that the Company and its subsidiaries make a contribution to the society. They can be divided into 5 categories as follows:

**1. Projects that Support Education**

- GMM Grammy PCL donated four million baht to Mae Chee Sansanee Sthirasuta to contribute towards building Savika Sikalai's "Sanuk Sanan Tang Panya Hall" ('Hall of Fun and Wisdom') which will be used to present films and recordings about Dhamma.
- GMM Grammy Plc and artists raise funds to donate to Wisukam Foundation which offers scholarships to the Ministry of Commerce's civil servants and staff's children in honor of the Ministry of Commerce's 90th Anniversary celebrations.
- "School Bus" program by GMM Grammy TV Co., Ltd. aired on Channel 5 (Free TV) offered to take artists, stars, and singers to relive their salad days by revisiting their schools, and share memorable anecdotes of their childhood, and invite teachers and students to participate in creative activities to benefit the school, society, or financially straitened scholars, and donate funds to be used by the school for various activities. In 2010, celebrities visited 45 schools and donated a total of Baht 880,000.

**2. Projects and Activities for Children and Youths**

For instance, gives gifts on Children's Day, hosts activities for National Youth Day and various educational and cultural activities such as donating books, charity luncheon, and offering moral support for disadvantaged children.

### 3. Projects and Activities for Disadvantaged Children

- Green Wave FM 106.5 organized a “Green Fan Club: Super Star Charity Night” concert attended by numerous artists and DJs on the 29 May, 2010 at the Aksara King Power Complex. Proceeds net of dinner and expenses amounted to Baht 350,000 was presented to the “Tai Fah Diew Gan” Project. The funds will be used to support orphans from the civil unrest in the three Southern provinces.
- Green Wave FM 106.5’s Green Fan Club invited artists and DJs to participate in “Kord Nee Oon Tueng Nong” (‘This Hug Reaches The Little Ones’). Celebrities sold hugs to raise funds for charity. The proceeds and donations were sufficient to get 3,500 new warm coats for impoverished children in Nong Khai province.

### 4. Social Projects and Activities

- GMM Grammy PCL jointly donated 100,000 baht to assist victims of the Haiti earthquake to the “Thai People Help Haiti Fund” campaign. Bird-Thongchai McIntyre also donated 100,000 baht.
- Grammy Channel and Hat Yai Cable 93, along with public and private agencies in Hat Yai, Songkhla province, organized a “Mahakam Ruam Palang Ruam Jai Khon Thai Chuay Gun” provide moral support to those who suffered from floods with donations of necessities. There were also call-in donations to many Grammy artists and celebrities who manned the telephones.
- Green Wave FM 106.5 organized its annual “Green Charity Fair”. Movie stars, singers, and actors brought their personal belongings for an auction, sold food from stalls, sold secondhand goods, and played games at booths, which raised Baht 400,000 for 16 foundations.
- Green Concert No. 13: Seven Divos” Proceeds from selling tickets for the final dress rehearsal, souvenirs at the concert, and donations from concert goers amounting to Baht 5,470,000 was donated to seven special women who devoted their lives to society and now require assistance.
- A-Time Media Co., Ltd. joined hands with Habitat for Humanity (Thailand) organized a charity drive “Hai Baan, Hai Cheewit” (‘Give a Home, Give a Life’) which was broadcasted. Donations were earmarked to restore and repair homes that were damaged by disasters throughout the country, bringing in total donations of Baht 902,605.
- The Company organized its annual blood drive with employees, Srinakarin University and various organizations, the local community, and the general public. Throughout 2010, the Blood Drive occurred four times.

### 5. Environmental Projects and Activities

- Green Wave FM 106.5 organized a “Refresh the Sea” activity in Bang Saen beach, Chonburi Province. The resultant microbial masses are tossed along the beach to improve the clarity of the water.

- Kui Gun Frank-Frank” talkshow on Acts Channel and COCKPIT invited The Star singers to participate in environmental activities in three places with the cooperation of local communities: mangrove planting in Samut Sakorn province, planting fan palms in Nakorn Ratchasima province and planting coral in Chonburi province.

Furthermore, In the year 2010 GMM Grammy Plc. receives an awards such as;

1. Honor of “The organization’s success in developing commercially used intellectual property rights that support and assert the rights of the owner and operators” from Ministry of Commerce.
2. Honor of “Innovation Leading to the Economic Recovery” in “Thailand’s Most Innovative Companies 2010” from Ministry of Science Technology,

and there were other awards which GRAMMY received over the past year.

After declaring the Company’s 2010 operational results, the Conductor invited shareholders to ask questions then gather questions and explanations in the last part of Minutes of the 2011 Annual General Meeting. As this Agenda was for information to shareholders; therefore, there was no cast of votes. The Conductor, then, continues to the next agenda

**Agenda 3: To approve the Company’s Balance Sheet and the Profit and Loss Statement for year ended 31 December 2010.**

The Conductor declared the Meeting that according to the Public Company Act B.E. 2535, the Company has to prepare the latest Balance Sheet and Profit and Loss Statement as at the end of the Company's fiscal year, to be presented and approved at the Annual General Meeting. The Company and its’ subsidiaries’ Balance Sheet and Profit and Loss Statement for the year as at 31 December 2010, has been duly audited and certified by auditors from **Ernst and Young Office Limited**, and reviewed by the Company’s Board of Directors and Audit Committee, and presented to the Meeting. A summary of key information is as follows:

(Unit: Baht in Million)	2010	2009	Increase / (Decrease)	% Change
Total Assets	7,565.1	6,925.8	639.3	+9.2%
Total Liabilities	3,750.0	3,440.4	309.6	+9.0%
Minority Interest	627.9	501.2	126.7	+25.3%
Shareholders’ Equity	3,187.2	2,984.2	203.0	+6.8%
Total Revenue	8,812.3	8,124.3	688.0	+8.5%
Net Profit	523.3	510.8	12.5	+2.4%
Earning per Share (Baht/Share)	0.99	0.97	0.02	+2.1%

**Remark:** Details from the Balance Sheet and Profit and Loss Statement as at 31 December 2010 appears in the 2010 Annual Report, page 099.



### Group Financial Standing as of 2010 Year-Ended

In 2010, the Group's total assets stood at 7,565.1 million baht, which was 639.3 million baht more than 2009. This was a result of a 526 million baht increase in current assets from short-term investments, trade accounts receivables from unrelated parties, and accrued income. Fixed assets increased by 113 million baht generated from various long-term investments. Total liabilities amounted to 3,750.0 million baht, which is 309.6 million baht higher than that in 2009 from trade accounts payable from unrelated parties, accrued expenses, and unearned income. Nonetheless, short-term and long-term loans this past year reduced by 228 million baht from 2009, making financial disbursements slightly lower this year.

### Revenue Contribution by Business Line:

Unit: Million Baht

Revenue Source	2010	2009	% Change
<b>Total Music Business</b> 3,328 MB, 38% (-7%)			
Music Business, Digital, and Copyrights	2,408	2,663	-10%
Concert Business	314	304	+3%
Artist Management	606	605	+0%
<b>Media Business</b> 4,948 MB, 56% (+26%)			
Television Business	1,940	1,647	+18%
Satellite Television Business	356	117	+204%
Radio Business	663	580	+14%
Publishing Business	183	189	-3%
Events and Creation Agency	1,806	1,388	+30%
Movie Business	211	329	-36%
Other revenue	325	303	+7%
<b>Total Revenue</b>	<b>8,812</b>	<b>8,125</b>	<b>+8%</b>

In 2010, GMM Grammy Group generated 8,812.3 million baht in total revenues, or a 8% increase over 2009 figures. This growth was primarily due to the media business, which accounted for 56% of the Group's total revenues, from producing television programs especially prime time dramas and sit-coms, which had always been popular, and satellite television. Presently, there are a total of six satellite channels: Fan TV, Bang Channel, Green Channel, Acts Channel, Saranair Channel, and Money Channel which saw revenue grow 204% compared to the previous year. The event creation and management business expanded as a result of being commissioned to construct the Thailand Pavilion for the 2010 World Expo in Shanghai, China. The radio business revenues also improved with a rise in advertisement spots. However, the publishing business continued to contract in line with industry trends. Revenues from the movie business reduced due to screening one film less than the preceding year. The three films are: The Little Comedian (Baan Chan Talok Wai Gorn (Por Son Wai)), Hello Stranger (Guan Muen Ho), and Cool Gel Attacks (Kradeub). The bulk of the year's revenues was due to Hello Stranger (Guan Muen Ho), which was an award-winning success, and the year's top Thai film, raking in the highest box office revenues of 126 million baht.

The **Total Music Business line** contributed to 38% of the Group's total revenues, consisting of revenue from the sale of music products and copyrights, artist management fees, and organizing concerts. This figure is a 7% reduction from 2009 due to lower demand for physical music products such as CDs and VCDs. In part, this was a result of many major artists releasing fewer albums or postponing their plans as the political instability during Quarter 2/2010 was not conducive to promoting their work.

**Net profit** in 2010 was 523.3 million baht, a 2.4% increase over 510.8 million baht in 2009. Costs of sales and production, and total expenses in distributing and managing amounted to 8,001.3 million baht. This 8% increase led from the Group's decision to expand two business lines that have continued to grow, namely the Event Creation and Management Business which was boosted by the Thailand Pavilion at the 2010 World Expo in Shanghai, and the satellite television business which currently produces programs aired in six channels.

The Conductor opened up the floor to shareholders and proxy holders to ask questions. The questions and answers have been summarized and attached at the end of the minutes. Thereafter, the Conductor requested that the meeting vote.

After careful consideration of the details of the Company's performance, the resolution was passed with majority votes passing the balance sheet and profit and loss statements for the year as at 31 December, 2010 with the following results:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	443,052,213	99.9695
Disapproved	-	-
Abstained	135,000	0.0305

**Agenda 4: To approve the alternative of accounting practices as a result of enforcing Thai Accounting Standard 19: Employee Benefits, is effective from 2011 which will be effected on the Company's financial statements and to approve the amount of past service cost, that is going to reduce the Company's retain earning as at 1 January 2011.**

The Conductor declared the Meeting that due to the Oversight Committee on Account Professions' announcement of Regulation No. 77/17 on September 2010, International Accounting Standard 19 on Employee Benefits on financial statements will be enforced as of 1 January 2011.

**Applicability:**

International Accounting Standard 19 is applied to listed companies and its subsidiaries that are controlled by a centralized administration.

The Board proposes that the Meeting approve the alternative of accounting practices as a result of enforcing Thai Accounting Standard 19: Employee Benefits, is effective from 2011 which will be effected on the Company's financial statements and to approve the amount of past service cost, that is going to reduce the Company's retain earning as at 1 January 2011. There are four possible options, as follows:

### Four options for Calculating Employee Benefits and their Impact on the Company's Financial Statements

[Unit: Baht Million]

Option	Calculating Method	Impact from past service cost		Impact from current service cost
		Retained Earnings	Profit & Loss	Profit & Loss
1	Adjust the entire amount into the profit and loss statement in 2011. The amount is booked as a cost or selling and administrative expenses.	-	(210.99)	(29.20)
2	Through profit or loss on a straight-line basic over up to 5 years (from 2011 - 2015). The amount is booked as a cost or selling and administrative expenses.*	-	(42.20)	(29.20)
3	Adjust the amount retrospective to 2010 financial statements	(182.85)	(28.14)	(29.20)
4	Adjust the past service cost to reduce retained earnings as at 1 January 2011.	(210.99)	-	(29.20)

Note: \* For Option 2, the Company has to show the actual figure of its employee benefits obligations in the Notes to Financial Statements to illustrate that there are obligations for the next four years of Baht 42.20 million, amounting to Baht 168.79 million.

To protect shareholders' interests in terms of dividend payments so that they will be close to the past years, and to minimize the impact on the Company's Profit and Loss Statements in 2010 and 2011, the Board of Directors decided to propose and request a vote through resolution for **Option 4 which is to adjust the past service cost against retained earnings as at 1 January 2011**, at the Annual General Meeting. Therefore, the Company will see a Baht 210.99 million reduction on its retained earnings. The effect on the Company's profit and loss statements from current service cost will be Baht 29.20 million until retirement ages.

As the impact on the Company's financial statements in selecting the option to deduct the entire amount of the past service cost from retained earnings as at 1 January 2011, affects shareholders' equities, therefore the Board of Directors proposes that the Meeting approve the amount of the past service cost to reduce retained earnings as at 1 January 2011, in amount totaling to Baht 210.99 million as shown in the table above. Therefore, the approval from the AGM of Shareholders (for Agenda 4) will be as follows:

1. Ask for the approval of resolution for Option 4 which is to adjust the past service cost against retained earnings as at 1 January 2011 according to Board of Directors' opinion
2. Ask for the approval of the amount of the past service cost to reduce retained earnings as at 1 January 2011, in amount totaling to Baht 210.99 million.

The Option that was approved at the 2011 Annual General Meeting will be implemented in the Company's subsidiaries and its' jointly controlled entities, in compliance with the Accounting Standard.

The Conductor invited shareholders and the proxy holders if there were questions but no question was raised. The Conductor then requested the Meeting to vote.

After due consideration, the Meeting by majority vote approved the resolution for Option 4 which is to adjust the past service cost against retained earnings as at 1 January 2011 and the amount of the past service cost to reduce retained earnings as at 1 January 2011, in amount totaling to Baht 210.99 million with the following results:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	443,041,713	99.9672
Disapproved	-	-
Abstained	145,500	0.0328

**Agenda 5: To approve the appropriation of net profit for statutory reserves.**

According to Section 116 of the Public Company Act B.E. 2535 and the Company's Articles of Association Clause 38, "The Company has to allocate not less than 5% of annual net profits as statutory reserves, net of accumulated losses (if any), until the value of statutory reserves is not less than 10% of registered capital unless the Company has another rule or regulation that otherwise specifies a higher reserve."

Nonetheless, at the end of 2008, the Company has fully set the statutory reserve requirement of 10% of the Company's registered capital, of 53,055,610 baht. Therefore, **there is no need to set aside additional statutory reserves.**

The Board proposes the Meeting for evaluation and approval that there is no need to set additional statutory reserves since the Company has already fully set aside the requisite 10% of its registered capital of 53,055,610 baht.

The Conductor invited shareholders if there were questions but no question was raised. The Conductor then requested the Meeting to vote.

After due consideration, the Meeting unanimously approved not to set additional statutory reserves by the following voting:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	443,187,213	100.00
Disapproved	-	-
Abstained	-	-

**Agenda 6: To acknowledge an interim dividend payment and approve the appropriation of the net profit on dividend payments for 2010 operational results.**

The Conductor declared the Meeting that the Company has a policy paying the dividends to shareholders at a rate of not less than 40% of net profit after corporate taxes. According to the Public Company Act B.E. 2535 and the Company's Articles of Association Clause 37, **"the Board of Directors may consider allocate interim dividend payments to shareholders if the Company has adequate profits and reports these payouts at the next shareholders' meeting."**

On the basis of 2010 operational results, the separate financial statement's net profit after corporate taxes amounted to Baht 500.1 million. Therefore, the Board of Directors has considered and proposed that the Company pay dividends for the whole year of 2010 at a rate of Baht 0.81 per share, totaling Baht 429.5 million or 85.9% of separate financial statement's net profit which exceeds the Company's dividend payout policy.

However, the Board of Directors' resolution No. 4/2010 held on 11 August 2010 had already approved an interim dividend payment for the first half-year operational results of 2010, at a rate of Baht 0.40 per share, for 530,264,947 shares, totaling Baht 212.1 million, paid out to shareholders on 9 September 2010. Consequently, the Board of Directors proposed the Meeting approve the payment of the remaining dividend at a rate of **Baht 0.41 per share to 530,264,947 shares, totaling to Baht 217.4 million**. The remaining dividend will be paid on 24 May 2011 whilst the shareholder register book for the right to receive the dividend shall be recorded on 10 May 2011 (Record Date). Also, 11 May 2011 shall be the book closing date on which the shareholder list as specified in section 225 of the Securities and Exchange Act shall be compiled. Details comparing past dividend payment records are as follows:

Details of dividend payment	2010 (separate)	2009 (separate)	2008 (separate)	2007 (separate)
Net Profits (Million Baht)	500.1	485.8	681.2	463.1
Retained Earnings (Million Baht)	341.1	225.5	376.0	273.4
Earnings per Share (Baht)	0.94	0.92	1.39	0.95
<b>Rate of Dividend Payment:</b>				
· Interim Dividend Payment (Baht/Share)	0.40	0.55	0.60	0.13
· Annual Dividend Payment (Baht/Share)	0.41	0.32	0.65	0.52
<b>Total Dividends Payment (Baht per Share)</b>	<b>0.81</b>	<b>0.87</b>	<b>1.25</b>	<b>0.65</b>
Number of Shares (Million share) - previous	530.3	530.3	490.0	490.0
Number of Shares (Million share) - new			530.3	
Total Dividend Payouts (Million Baht)	429.5	461.3	638.7	318.5
Dividend Payout Ratio (%)	85.9	95.0	93.8	68.8

The Conductor invited shareholders if there were questions but no question was raised. The Conductor then requested the Meeting to vote.

After due consideration, the Meeting acknowledged the interim dividend payment and unilaterally approved the 2010 annual dividend payment plan as proposed by the Board of Directors by the following voting:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	443,187,213	100.00
Disapproved	-	-
Abstained	-	-

**Agenda 7: To approve the appointment of directors to replace those who are due to retire on rotation.**

The Conductor declared the Meeting that pursuant to the Public Limited Company Act B.E. 2535 and Clause 14 of the Company's Articles of Associations that one-third of all Directors shall be retired in rotation each year. This year, the directors due for retirement on rotation comprise of 4 persons (from 12 Directors), namely:

- (1) Mr. Paiboon Damrongchaitham Chairman / Chairman of the Company Advisory / Chairman of the Nomination and Remuneration Committee
- (2) Mr. Krij Thomas Director / Executive Director / Senior Executive Vice President (Music Business)
- (3) Mr. Sataporn Panichraksapong Director / Executive Director / Member of Risk Management Committee / Assistant Executive Vice President (Music Business)
- (4) Mr. Kreingkarn Kanjanapokin Director / Executive Director

The Nomination and Remuneration Committee (the "Committee") except those with conflicts of interest in this agenda, has considered and are in agreement that the four aforementioned directors, who are due to retire on rotation, have qualifications complying with the Public Listed Company Act B.E. 2535 and are knowledgeable, competent, experienced and deemed beneficial to the Company, performed their duties well as Directors.

Pursuant to the Company's Good Corporate Governance Policy, the Conductor requested shareholders to appoint each director individually and indicated that shareholders should show themselves with the ballot to the Company's staff **only** if there is a disagreement or abstention. Background information of the four directors had been enclosed with the AGM invitation letter. Prior to vote casting, the Conductor presented brief background information in brief of the proposed Directors as follows;

**[1] Mr. Paiboon Damrongchaitham** (Age: 62 years), has been appointed Director of the Company since 25 March 1994 (17 Years and 1 Month).

**Education:**

- Bachelor of Arts (Mass Communication) (Honors), Chulalongkorn University
- Doctoral of Business Administration (Honors), Christian University

**Present positions in the Company:**

- Chairman / Chairman of the Nomination and Remuneration Committee / Chairman of the Company Advisor

**Present position in other companies:** (1 company)

- Director / Vice Chairman, Family Know How Co., Ltd.

**Present position in other companies that may cause any conflict of interests to the Company:**

- None

**Percentage of Share Holding:**

- As at 24 March 2011, Mr. Paiboon held 288, 823, 030 shares (54.47%) and Guert Fah Co., Ltd. Held 5,882,600 shares (1.11%), totally equivalent to 55.58% of paid up capital.

In addition, Mr. Paiboon has no legal disputes. Her meeting attendance in 2010 is as follows:

- The Board of Directors : Attended Meetings 5/5 times
- The Executive Committee : Attended Meetings 12/12 times
- Shareholders Meeting in 2010 : Attended Meetings 1/1 time
- The Nomination and Remuneration Committee : Attended Meeting 1/1 time

The Company excluded Mr. Paiboon's 294,705,630 votes from this agenda.

After due consideration, the Meeting by majority vote approved the reappointment of Mr. Paiboon Damrongchaitham as a Company Director for another term, with results as follows:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	146,324,149	98.5470
Disapproved	2,157,434	1.4530
Abstained	-	-

[2] **Mr. Krij Thommas** (Age: 51 years), has been appointed Director of the Company since 28 April 2008 (3 Years).

**Education:**

- Bachelor of Arts (Mass Communications), Chulalongkorn University

**Present positions in the Company:**

- Director / Executive Director / Senior Executive Vice President (Music Business) / Managing Director (Grammy Gold)

**Present position in other companies:** (1 company)

- Managing Director, Krij Thomas Co.,Ltd.

**Present position in other companies that may cause any conflict of interests to the Company:**

- Being a founder, a director with authority and a shareholder of Krij Thomas Co.,Ltd. This company has registered capital of Baht 1,000,000 and is involved in the entertainment and advertising, with activities similar to GMM Grammy Plc.'s business.

**Percentage of Share Holding:**

- As at 24/3/11, Mr. Krij held 1,320,000 shares, equivalent to 0.25% of paid up capital

In addition, Mr. Chai has no legal disputes. Her meeting attendance in 2010 is as follows:

- The Board of Directors : Attendance the Meeting totaling 5/5 times
- The Executive Committee : Attendance the Meeting totaling 11/12 times
- The 2010 AGM : Attendance the Meeting totaling 1/1 time

The Company excluded Mr. Krij's 1,320,000 votes from this agenda.

After due consideration, the Meeting by majority vote approved the reappointment of Mr. Krij Thommas as a Company Director for another term, with results as follows:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	441,357,213	99.8846
Disapproved	509,900	0.1154
Abstained	100	0.0000

[3] **Mr. Sataporn Panichraksapong** (Age: 43 years), has been appointed Director of the Company since 27 April 2009 (2 Years).

**Education:**

- Bachelor of Journalism and Mass Communications (Cinematography), Thammasat University

**Present positions in the Company:**

- Director / Executive Director / Member of Risk Management Committee / Assistant Executive Vice President (Music Business)

**Present position in other companies:** (2 companies)

- Managing Director, GMM TV Co., Ltd. (formally known as Grammy Television Co., Ltd.)
- Director, GMM Media Plc.

**Present position in other companies that may cause any conflict of interests to the Company:**

- Worked as Deputy Managing Director - Music Business Group, RS Promotion Plc. from 2002 to 2005 which is entertainment company and has similar to the Company's businesses.

**Percentage of Share Holding:**

- As at 24/3/11, Mr. Sataporn held 200,000 shares, equivalent to 0.04% of paid up capital

In addition, Mr. Sataporn has no legal disputes. Her meeting attendance in 2010 is as follows:

- The Board of Directors : Attendance the Meeting totaling 5/5 times
- The Executive Committee : Attendance the Meeting totaling 12/12 times
- The 2010 AGM : Attendance the Meeting totaling 1/1 time
- The Risk Management Committee : Attendance the Meeting totaling 1/1 time

The Company excluded Mr. Sataporn's 200,000 votes from this agenda

The Conductor requested the Meeting to vote which results showed that, the Meeting by majority vote approved the reappointment of Mr. Sataporn Panichraksapong as a Company Director for another term, with results as follows:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	442,972,913	99.9968
Disapproved	8,100	0.0018
Abstained	6,200	0.0014



[4] **Mr. Kreingkarn Kanjanapokin** (Age: 49 years), has been appointed Director of the Company since 27 April 2009 (2 Years).

**Education:**

- Bachelor of Political Science, Chiang Mai University

**Director Training Program:** by Thai Institute of Directors (IOD):

- Financial Statement for Directors Program, 2008
- Director Accreditation Program (DAP), class 30/2004

**Present positions in the Company:**

- Director / Executive Director

**Present position in other companies:** (2 companies)

- Director, GMM Media Plc.
- Director / Co-Chief Executive Officer, Index Creative Village Plc

**Other Present works:**

- Special Speaker, Master Degree, School of Communication Arts, University of the Thai Chamber of Commerce, Bangkok University and National Institute of Development Administration (NIDA)
- Special Speaker, Famous Institutes and Organization.

**Present position in other companies that may cause any conflict of interests to the Company:**

- None

**Percentage of Share Holding:**

- As at 24/3/11, Mr. Kreingkarn held 1,866,200 shares, equivalent to 0.35% of paid up capital

In addition, Mr. Kreingkarn has no legal disputes. Her meeting attendance in 2010 is as follows:

- The Board of Directors : Attendance the Meeting totaling 4/5 times
- The Executive Committee : Attendance the Meeting totaling 8/12 times
- The 2010 AGM : Attendance the Meeting totaling 1/1 time

The Company excluded Mr. Kreingkarn's 1,866,200 votes from this agenda

The Conductor requested the Meeting to vote which results showed that, the Meeting by majority vote approved the reappointment of Mr. Kreingkarn Kanjanapokin as a Company Director for another term, with results as follows:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	437,849,340	99.2134
Disapproved	3,465,473	0.7852
Abstained	6,200	0.0014

**Agenda 8: To consider and approve the Board of Directors' remuneration in 2011 and acknowledge the Audit Committee's remuneration in 2011.**

The Conductor declared that the Committee has reviewed the Board of Directors' and the Audit Committee's remuneration for 2011, and has carefully considered and evaluated the payment to be appropriate to the duties and responsibilities of each position, the expected value of their contributions to the Company and the compensation benchmarked against their peers in the same industry. Details are as follows:

### **8.1) The Board of Directors' remuneration for the year 2011**

The Committee considered and proposes the Shareholder Meeting approve the Board of Directors' remuneration for the year 2011 at a rate not exceeding 1% of the Company's net profit or Baht 6,000,000. This proposal is identical with the remuneration criteria approved in 2010.

The Board of Directors' remuneration	2011 (proposed year)	2010	2009
Amount not exceed (Baht)	6,000,000	6,000,000	6,000,000

The remuneration comprises meeting fees and annual bonuses allocated by the Chairman of the Nomination and Remuneration Committee. The criteria of payment remains unchanged from 2010, as follows:

**Meeting fees** (paid to Directors who attend the meeting only) (Unit : Baht / person / meeting)

Position	2011 (proposed year)	2010	2009
Chairman	13,000	13,000	13,000
Independent Director (each)	13,000	13,000	13,000
Director (each)	3,000	3,000	3,000

**Annual bonuses:** (Paid once) Criteria for payment remains the same as in 2010.

- Total annual bonuses for the Board of Directors will not exceed Baht 6,000,000, net of total meeting fees paid in 2011. However, the actual bonus to be paid from this remaining amount depends on the Company's overall performance in 2010.
- Payments are allocated according to individual attendance records, with the Chairman of the Board of Directors apportioned twice the amount paid to Directors.

### **8.2) The Sub-Committees' remuneration for the year 2011**

The Committee considered and proposes the Shareholder Meeting acknowledge the Audit Committee's remuneration for 2011 in the amount not exceeding Baht 650,000, unchanged from the remuneration approved in 2010, as follows: (Unit : Baht)

Position	2011 (proposed year)	2010	2009
Chairman of the Audit Committee	200,000	200,000	200,000
Member of the Audit Committee (each)	150,000	150,000	150,000
Other Sub-Committees*	-None-	-None-	-None-

\*Other Sub-Committees, namely the Executive Committee, Nomination and Remuneration Committee, the Risk Management Committee and the Sub-CG and Ethics **have not been determined**.

In 2010 and 2009, the Company compensated the Board of Directors and the Audit Committee a total of Baht 5,740,000 and Baht 5,746,000 respectively, (this depends on the Company's performance, and the number of meetings attended by each Director). Details on remuneration for each individual appear in the 2010 Annual Report, page 56-59.

The Conductor invited shareholders if there were questions but no question was raised. The Conductor then requested the Meeting to vote.

After due consideration, the Meeting by majority vote approved the Board of Directors' remuneration for the year 2011 and acknowledged the Audit Committee's remuneration for the year 2011 according to the proposed opinion from the Board of Directors and the Committee, as follows:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	443,037,913	99.9663
Disapproved	8,100	0.0018
Abstained	141,200	0.0319

**Agenda 9: To approve the appointment of the Company's auditor and consider 2011 audit fees.**

The Conductor notified to the Meeting that pursuant to the Public Limited Company Act B.E. 2535, shareholders are responsible for the appointment and determination of the Company auditor's annual audit fee, the Audit Committee has considered and agreed to propose that the Board of Directors and the Meeting to appoint Ernst & Young Office Limited, ("**Ernst & Young**"), the Company's auditor since 1995 (15 years), as the auditor of the Company and its affiliates for the fiscal year ending December 31, 2010, and that any one of the individuals below be responsible to audit and provide an opinion on the financial statements of the Company and its affiliates.

1. Mr. Narong Puntawong, CPA No. 3315 or,  
(certified in the Company's financial statements for 9 years, since 1997 - 2005)
2. Mr. Supachai Phanyawattano, CPA No. 3930 or,  
(never certified in the Company's financial statements)
3. Mr. Termphong Opanaphan CPA No. 4501  
(never certified in the Company's financial statements)

\* The proposal to change the Auditor who certifies the Company's financial statements and accounts from **Ms. Sriraporn Ouannankun**, CPA No. 3844 (who has certified the Company's books from 2006 - 2010 for a total of 5 years) has now been changed to Mr. Termphong Opanaphan, CPA No. 4501. This is done in compliance with the Securities and Exchange Commission regulation Gor Lor Tor Chor (Wor) 43/2548 announced on 4 November 2005 on "Auditor Rotation" whose key points are summarized as follows: **"Listed companies have to rotate their auditors (who certify their financial statements) every five years. The Company is permitted to employ other auditors from the same accounting firm. When the new auditor is employed, the listed company is required to give the previous auditor a leave of at least two fiscal periods before rotating the auditor back into service."**

**The Company's affiliates' Auditors:**

1. Mr. Ruth Chaowanagawi, CPA No. 3247 (only for the Company's affiliates) or, (certified in the Company's financial statements for 2.5 years, since 1995 - 1996 and January - June 2006)
2. Mr. Khitsada Lerdwana, CPA No. 4958 (only for the Company's affiliates) or, (never certified in the Company's financial statements)
3. Mr. Termphong Opanaphan CPA No. 4501 (never certified in the Company's financial statements)

In the event that the aforementioned auditors are unable to perform their duties, Ernst & Young will replace the person with another auditor from their firm to audit the accounts and give an opinion on the financial statements of the Company and its affiliates. The auditors have no relationship in any circumstances and have neither conflict of interest with the Company and its affiliates nor the management and major shareholders of the Company and its affiliates.

**Audit fees:**

The Audit Committee considered and proposed to the Board of Directors and the Meeting to approve audit fees for 2011 of GMM Grammy Plc. in the amount not exceeding **Baht 2,850,000**. This amount does not include additional audit fees which may incur from future business restructuring. This audit fee is 1.8% higher than the fees paid in 2010 as the Group has many businesses and there was considerable complexity in consolidating the accounts. The Company's audit fees are deemed appropriate when compared to that paid by other companies in the same industry. (However, the increasing by 1.8% of audit fee in 2011 is very lower than the increasing by 6% of audit fee in 2010)

In addition, the Board considered and agreed with the Audit Committee and proposes the Meeting to acknowledge the audit fees of the Company and its affiliates totaling Baht 9,295,000. This audit fee is a 1.5% increase over 2010 fees due to the complexity of consolidating the group's accounts. This amount does not include audit fees of Index Creative Village Plc's Group (formerly known as "Index Event Agency Plc"), or audit fees of the new entities that may be acquired and consolidated as a result of business expansion in future.

The Company and its affiliates did not incur any non-audit service fees with Ernst & Young/person/a company related with Ernst & Young, details of audit fees as follows, (Unit : Baht)

Company	2011-Audit fees (proposed year)	2010-Audit fees	% Change
GMM Grammy Plc.	2,850,000	2,800,000	1.8%
GMM Grammy's affiliates	6,445,000	6,356,000	1.4%
<b>Total (Baht)</b>	<b>9,295,000*</b>	<b>9,156,000</b>	<b>1.5%</b>
Non-audit service fees	-None-	-None-	-

\* excluding the audit fees of the Company's affiliates in abroad are (1) Global Music and Media (China) Limited (or "GMM~C") in Hong Kong, for HKD 20,000 and (2) GMM~C in China, for RMB 4,000.

The Conductor invited shareholders to ask the question but no question were raised, so the Conductor requested the Meeting to vote.

After due consideration, the Meeting by majority vote approved the appointment of the Company's auditor and fixed the audit fee for the year 2011, acknowledging the audit fees of the Company and its affiliates, noting that the audit fee increased during the year 2010, according to the Board of Directors and Audit Committee's opinion, as follows:

Shareholders entitled to vote	Number of Votes	Percentage
Approved	443,052,213	99.9695
Disapproved	135,000	0.0305
Abstained	-	-

#### **Agenda 10 : To consider other issues.**

The Conductor invited shareholders whether there were questions concerning any of these agendas. Questions raised during the Meeting, together with answers and explanations from relevant Directors and members of the management team have been summarized in the attachment of this minute of meeting.

Before the chairman prorogue, The Conductor announced that the Company is pleased to inform the shareholders that the GMM Grammy Plc.'s annual report is now available for download as interactive e-Book on iPad on [www.gmmgrammy.com](http://www.gmmgrammy.com) since 18 May 2011 onward. That means the Company is the first company that presents a new form of annual report.

The Chairman expressed her gratitude to all shareholders attending this Meeting and asked shareholders and proxy holders give the ballot papers to the Company's staff as evidence of their attendance. She then declared the Meeting adjourned.

**The Meeting was adjourned:** 4.15 p.m.

Signed                   - Boosaba Daorueng - Chairman of the Meeting  
(Ms. Boosaba Daorueng)

Signed                   - ML. Kornkasiwat Kasemsri - Corporate Secretary  
(ML. Kornkasiwat Kasemsri)

## Summary of Questions and Answers

### The 2011 Annual General Meeting of Shareholders

Wednesday 27 April 2011 at 2.00 p.m.

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Miss Piyarat Khunjit was authorised by the Thai Investors Association to ask the following three questions:

**Question 1:** How will the Company benefit from investing funds equivalent to 5% of the Office Mate Public Company Limited's registered capital?

**Answer:** Mr. Chanchai Phansopha, Chief Marketing Officer replied that the decision to invest in Office Mate Plc on the 21 April 2011 was made because there would be benefits accrued to shareholders by increasing the distribution channel of the company's physical products (CDs/VCDs/DVDs). Office Mate is an experienced organization with a strong foundation in logistics management, especially in distributing stationery and office supplies through its catalogue. Orders are placed through its Call Centers, online (e-Commerce), and through a customized systems for different client organizations (e-Procurement). Office Mate presently has more than 80,000 target corporate customers nationwide and is looking to expand to retail consumers (B2C). Therefore, the Company believes that investing the amount equivalent to 5% of Office Mate's registered capital (considered a minor shareholder) will increase the Company's capacity to retain its foothold on consumers that purchase physical products, which will, in the near future, produce increased business synergies.

**Question 2:** How will the restructuring of the management team affect the Company?

**Answer:** Mr. Charnchai indicated that changes to the management team may result in short-term effects such as some members of the management team shouldering additional responsibilities. Due to professionalism, team members will be able to effectively manage their duties and achieve their targets. As for members of the management who have left the Company because they desire greater freedom at work, a number of them continue to collaborate with the Company. The third group consists of newly appointed members of the management team who were brought in to support new and develop future business lines, such as e-commerce and digital business which require experts from those fields.

**Question 3:** What are the operational policies for 2011?

**Answer:** Mr. Charnchai announced that the primary area that the Company will emphasize and prioritize in 2011 is the Satellite Business, which is considered one of the rising stars amongst its many businesses. Over the past year, the Company operated six channels, namely: Fan TV, Bang Channel, Green Channel, Acts Channel, Money Channel, and the newest channel, Saranair Channel, unveiled in October 2010. The business has shown steady growth, and in 2011, four key channels broke even and have begun to generate satisfactory profits. At the same time, on 18 April, 2011, the

Company launched three new channels: JKN Channel, Play Channel and JSL Channel owned by joint-venture companies. In terms of managing channel content and other areas of the satellite business, the Company still believes that there are high growth prospects due to the positive reception in terms of selling satellite television advertisements. Because the way advertisements are sold in this media differs markedly from the way advertisement spots are sold on free television channels, the Company has to continue to focus on strengthening the capacity of this business line.

The next business that is given high priority is the Digital Business which has shown a significant rise growth in gross profit margins from 50% to 55%, indicating the Company's capacity to generate profit from its sales. However, towards the end of December 2010, the Company increased the price of downloads and is currently studying the effects of this move on sales. Nevertheless, downloads remain a fundamental contribution to Digital Business revenues.

The Company sees its potential in the international music business line through its collaborations with many famous independent music publishers. For instance, the latest ventures include SSh I Norden AB from Sweden which is managed by IMAGEM (the world's top music publishing company) to better manage the quality of its lyrics and songs in Asia. The four primary countries involved in this venture are Thailand, China, Malaysia, and Vietnam. This joint-venture will enable the Company to build upon its existing music business, and has bright growth prospects.

The fourth business is Show Biz which performed on par with the preceding year. This is a line of business that is predicated on various products from other business and artists in the Company, and is a way of generating additional revenue for them.

Lastly, the event marketing and management business in 2009 which generated revenues of THB 1,806 million grew 30% compared to 2008 which had revenues of THB 1,388 million. Over the past year, Index Creative Village Plc, a subsidiary in the Company, was hired to produce the Thailand Pavilion at the World Expo 2010 in Shanghai, China.

M.L. Kornkasiwat Kasemsri, the Company Secretary, added that organizational restructuring of its people will follow changes in its businesses, especially the rising stars such as satellite television. In 2008, the business' revenues were less than THB 10 million, but had risen to THB 117 million in 2009. In 2010, its revenues had increased to more than THB 356 million, and it is expected that its performance in 2011 will continue to be satisfactory. Therefore, increasing personnel in growing businesses should be considered normal business practice, in line with the business' continued expansion.

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