

# GMM Grammy, Major form karaoke JV

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THE NATION

Music and entertainment giant GMM Grammy has formed a 50:50 joint venture with leading cinema operator Major Cineplex Group to run a karaoke business.

The new JV, K Arena Co Ltd, was established last week with registered capital of Bt20 million.

Chief financial officer Premon Pinskul said the new company would operate karaoke entertainment spots, including food and beverage services and singing lessons for both youths and general customers. This business will allow GMM Grammy to distribute additional products and services such as CDs, DVDs and karaoke-related products.

The company's first-quarter revenue saw an 18-per-cent surge to Bt2.83 billion, while net profit witnessed a 13-per-cent drop to Bt146 million from Bt168 million because of last year's floods.

Group chief executive officer Boosaba Daorueng said business had recovered in the quarter.

Broadcasting was a key driver of income, seeing 120-per-cent growth to Bt208 million from last year. This resulted from the operation of GMM Z, the subsidiary for satellite set-top boxes, sports content management, pay-TV and home-shopping TV services.

"This business unit is expected to grow, as some of the existing Bt6-billion in advertising expenditure of existing free-TV channels will move to satellite TV channels," said the group CEO.

Additionally, GMM Grammy's music, media and film production businesses continue to grow. The film "ATM" produced by GMM Tai Hub generated Bt150 million in revenue in the first quarter, and the unit expects to see more income from selling DVDs and VCDs.

Boosaba added that media and movies saw a 25-per-cent surge to Bt1.38 billion from the same period last year, while the firm's music business, including both physical and digital products, witnessed a 0.8-per-cent drop to Bt976 million. In the first three months, the firm released 75 new music albums, concerts and musical plays.