

THOUGHTS TURN TO SPRING
GMM Grammy mulls acquiring Spring News,
which seems uninterested. **B8**

Grammy plots Spring takeover

POST REPORTERS

GMM Grammy Plc, the country's largest entertainment company, says it is mulling the acquisition of Spring News in a bid to add more news content and sell the programmes to others.

The company has expressed an interest in acquiring a major stake in Spring Corporation, the operator of Spring News, said Pramote Rattavinich, the managing director of Family Knowhow Co Ltd, which runs TV's Money Channel.

"Paiboon Damrongchaitam, Grammy's chairman, asked me to hook him up with Spring's executives, as he's interested in the possibility of becoming involved in Spring," said Mr Pramote.

He said the Money Channel, a 50-50 joint venture between Grammy and the Stock Exchange of Thailand (SET), is itself in advanced talks regarding a partnership deal with Spring News, he said.

At this stage, the Money Channel has agreed to buy news and sports programming from Spring News, as such content is not their strengths, said Mr Pramote.

In turn, Spring News may buy some programming from the Money Channel, especially business and investment, which are the Money Channel's strong points.

"It's all about programme exchanges. Initially, Spring News will provide content for us but in the future may consider using our investment and stock analyses in its slot too," said Mr Pramote.

He said while so far there have been no talks between the Money Channel

and Spring News regarding stake acquisition, on Grammy's side Mr Paiboon has expressed interest in such a deal, although no steps have been taken yet.

"But it's still very early. They've not talked about this seriously yet," said Mr Pramote.

Asked by a reporter about the potential for such a deal, Mr Pramote would only answer: "I have nothing to say."

Meanwhile, a source close to Spring News said such a deal is unlikely to materialise.

"I've heard Spring does not want to sell, while Grammy has not yet shown a strong interest," said the source.

Spring News is operated by Spring Corporation, a subsidiary of the SET-listed Solution Corner (1998) or SLC.

Recently, Chai Bunnag, a major shareholder in SLC, took greater control of Spring by sending Suthichai Bunnag to chair the executive board, succeeding Kosit Suvinitjit, who is also a major shareholder in SLC, and bringing in Senator Somkiat Onvimol, who is also a popular news anchor and programme editor, to run the channel.

Currently, Spring News, positions itself as a 24-hour news station, appearing on three pay-TV services including through the GMM Z satellite unit as well as the radio and internet.

Despite its huge popularity among audiences in only a few years, the channel is losing money — revenue is less than 10 million baht a month, while costs are about 12 million.

Previously, there was speculation that

Spring News had been in talks to sell a stake to Grammy for 200 million baht.

But Mr Pramote stressed that speculation regarding Grammy acquiring Spring News through a joint venture with the SET's Family Knowhow is absolutely groundless.

"Family Knowhow has never entered into talks for such deal. How could we when we're not 100% owned by Grammy? The SET also holds half our shares," he said.

Mr Pramote said Grammy is interested in buying Spring News because it foresees the potential of getting into content distribution.

"There are hundreds of newly opened digital TV channels right now, and they all need good content to attract an audience. If Grammy really does acquire Spring, it will not use Spring's content only on Grammy's GMM Z satellite TV, but may also sell it to other channels," said Mr Pramote.

Grammy's GMM Z satellite subsidiary, established last year, debuted with the Uefa 2012 football tournament, which helped it to sell a little over 1 million set-top boxes.

However, now that the tournament is over, it must find new content to maintain its audience and box sales.

GMM Z announced it would pay 3 billion baht for content including foreign programming to expand its set-top box customer base to 3 million this year.

Shares of GRAMMY closed yesterday on the SET at 24.40 baht, down 30 satang, in trade worth 81 million baht.



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