

“GMM GRAMMY” Successful in Capital Increase following Shareholders’ Approval with High Demand from Institutional Investors, Striving for Digital TV Leader

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“The capital increase result was considered another success step for GMM Grammy underlying the strategic direction to become the country’s leader in media and total entertainment business with high growth potential and sustainable operations” said Ms. Boosba Daoreung, Group Chief Executive Officer of GMM Grammy Public Company Limited. She reinforced that the fund raising would strengthen financial position of the Company, cutting debt level, funding the investment in Digital TV business, and increasing operational flexibility. This would be a financial turnaround for Grammy, setting forth the competitiveness in regional market for the ultimate wealth of our shareholders and customers”

According to the Extraordinary General Meeting of Shareholders on 24 September 2014, approval was given to increase the Company’s registered capital of 183.63 million ordinary shares of Baht 1 each, with an offering of new shares to existing shareholders via Rights Offering up to 63.63 million on Pro rata basis of shares, and the rest offered to a limited number of selective investors via Private Placement. This opened up an opportunity for both local and international institutional investors to take part in the Company’s great journey to success.

Now the arrangement for capital increase has completed, with proceeding from RO under the ratio of 10 existing shares for 1 newly issued ordinary share at the price of THB 13.50 amounted to THB 766 million, while the remaining shares up to 126.88 million was offered under private placement with a highly positive response from local and international institutional investors, listed companies, as well as high net worth investors, resulting in total shares oversubscribed by PP up to 1.20x reflecting investors’ confidence in the Company’s growth prospects. Overall the Company will get proceeding from this capital increase at THB 2,479 million. Besides the funds obtained, not only would the company’s portfolio of investor expand with higher free float and liquidity, but also the financial ratio would be maintained at an appropriate level with interest-bearing debt to equity improving significantly from 3.19x down to 0.9x - 1.4x. At the same



time, analysts also posted positive outlook towards this capital increase, which potentially improved the security performance of Grammy based on improving financial strength and higher target prices, with preliminary assessment of profit turnaround and dividend payout by 2016.

Over the passing two years, Grammy has made a significant progress in its business development by expanding towards satellite TV platform, home shopping, and digital terrestrial TV, with our winning strategy to monetizing extensive content library, revitalizing music business, capturing market leading position in media and digital TV industry. Upon completion of capital increase, the Company will move forward to execute the business plan which focused on core businesses in total music management and dual digital TV channels. After divesting the loss-making Pay TV operation, 3Q14 bottom line results significantly improved by 82% Q-o-Q. The Company has high confidence in its strategy plan in the medium to long term will further drive earnings growth and sustainable returns in the coming future.

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