

NATION GROUP

ANNUAL REPORT 2001

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General Information

Name

- Nation Multimedia Group Public Company Limited

Head Office

- 44 Moo 10, Bangna-Trad Road (4.5 Km) Bangna, Bangkok 10260

Telephone

- (02) 317-0420, (02) 317-2131, (02) 325-5555

Fax

- (02) 317-1384, (02) 317-1413

SET Listing date

- June 9, 1988

Public Company Registration

- December 14, 1993 (PLC no. 226)

Business Line

- Owner of The Nation, Krungthep Turakij, Kom Chad Luek newspapers and other publications of Nation Multimedia Group

Registered Capital

- Baht 2,500,000,000 consisting of 250,000,000 Shares at Baht 10 par value

Paid-up Share Capital

- Baht 1,587,748,810 consisting of 158,748,881 Shares at Baht 10 par value

Chiang Mai Branch

- 24/1 Soi 5 Kor, Nantaram Road, Haiya, Muang District, Chiang Mai 50100
Tel: (053) 271-831 Fax: (053) 282-110

Khon Kaen Branch

- 67 Moo 8, Lao Na Dee Road, Muang District, Khon Kaen 80000
Tel: (043) 324-170 Fax: (043) 324-186

Hat Yai Branch

- 88/9 Kanchanawanich Road, Baan Pru, Hat Yai, Songkhla 90250
Tel: (074) 210-035-8 Fax: (074) 210-039

Summary of Financial Data and Investment



(in million baht)

1. Data from Consolidated Financial Statement	2001	2000	1999
Sales	1,931.64	1,634.38	1,287.73
Total revenue	2,086.21	1,775.15	1,507.11
Gross profit margin	928.94	824.87	665.57
Net profit (loss)	100.03	32.11	(378.65)
Total assets	6,424.19	5,239.18	4,853.62
Total shareholders' equity	2,191.20	2,035.26	1,993.25
2 Financial Ratios	2001	2000	1999
Debt to Equity (x)	1.93	1.57	1.44
Return on equity	4.79 %	1.81 %	(25.12) %
Return on assets	1.56 %	0.61 %	(7.80) %
Earning per share (Baht)	0.63	0.20	(3.33)
Dividend per share (Baht)	-	-	-
Book value per share (Baht)	13.80	12.82	12.64
Investment in Subsidiaries of Nation Multimedia Group as of 31 December 2001			
	Registered Capital Percentage (Million Baht) of Investment		
Nation Broadcasting Corporation	120.00	99.99	
Nation Radio Network (Invested by Nation Broadcasting Corporation)	3.00	99.97	
Nation Egmont Edutainment	50.00	50.00	
Nation Edutainment	50.00	98.70	
Nation International	1.00	99.94	
Nation Digital Media	100.00	99.99	
Thai Portal (Invested by Nation Digital Media)	100.00	60.00	
Nation Information Technology	80.00	99.99	
Investment in Associates of Nation Multimedia Group as of 31 December 2001			
	Registered Capital Percentage (Million Baht) of Investment		
Yomiuri-Nation Information Services	4.00	44.98	
i-STT Nation	75.00	40.00	



Message

from the Chairman

Based on its proven strengths and remarkable fiscal performance in 2001, the company has been able to transform itself into various successful business enterprises to maximize our potential and explore new and promising business opportunities. This year, we anticipated higher revenue and profit from our core activities related to our core businesses and also high

In the year 2000, the Nation Group achieved tremendous success following its phenomenal turnaround from weathering the economic crisis. Entering the 3rd millennium, the Nation Group

is already well established on its planned course of steady growth, revealing the inner strength that will convey it forward for many years to come, while contributing to the social well-being of the country.

Based on its proven strengths and remarkable fiscal performance in 2001, the Group has diversified into various successful business enterprises to maximize our capacity to capture the most promising business opportunities. This year, we anticipated higher revenue returns due primarily to increased activities related to our core businesses and also higher affiliate earnings.

By combining extensive operational activities with our highly experienced staff, many possessing a combined 30 years' experience in the mass communications sector, Nation Group made history by introducing a brand-new daily, Kom Chad Luek in October. Its proven quality, created by top-level journalism professionals, propelled Kom Chad Luek forward to win the third biggest market share within a mere 3-months of its launch, according to research conducted by ACNielsen.

In addition, we established Media Magnet Co., Ltd. to deal with the Group's special events and projects, including Nation Group's 30th anniversary photographic exhibition, special activities of nationejobs.com, projects to help university students master their studies, Kom Chad Luek Road Show and many more activities.

Nation Group also founded Digital Wave Consulting Co., Ltd.- www.digitalwave.co.th - to offer enterprise solutions, such as Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Enterprise Application Interface (EAI), and E-business transformation, to address the growing need of organizations of all sizes to apply modern information technology to achieve superior business practices. In addition www.comsaving.com was launched as a leading provider of online B2B marketplace for IT & OA. Using its own search engine, it helps buyers find the ideal seller, or supplier, in the national trade business, specifying product information, features, desired price range, or even a quotation. Buyers can then make a careful comparison of competitive prices proposed by targeted companies at no extra cost.



Strategic and incessant diversification by the Group, coupled with vital support from clients and patrons have resulted in a surge in revenues in 2001 by 212%. I'm positive that the seeds we have perseveringly sown will come to fruition this very year.

Our clients, advertisers, readers, listeners, viewers, our highly selective alliances, shareholders, excellent management team and valuable staff at all levels, all combine to define our business and our future. I would therefore like to express my thanks and appreciation to you all and especially to the many businesses and individuals who have supported our company from the beginning.

It is my fervent wish that this same level of valuable support and cooperation will continue as we rise united to meet the various challenges in the years ahead.

Thanachai Theerapatvong
Chairman & CEO

*The Group has diversified
capacity to capture the most
revenue returns due primarily to increased
her affiliate earnings.*

Audit Committee's Report • For the year 2001

The Audit Committee of Nation Multimedia Group Public Company Limited consists of three outside Directors. Mr. Pakorn Borimasporn is Chairman of Committee. Mr. Chaveng Chariyapisuthi and Mr. Nivat Changariyavont are member of Committee.

The Audit Committee has performed its duty to oversee the accuracy and sufficiency of the financial reports as well as to make sure that the internal control system is suitable and efficient including relevant laws has been complied. The Audit Committee met 4 times in 2001, and in February 2002 the committee had a meeting to review the annual financial reports for year 2001 before submitting them to Board of Directors for consideration. The Audit Committee also met with the company's auditor to listen to his opinion on the company financial reports for year 2001 and is of the opinion that the financial reports of the company for year 2001 are fairly presented and no transactions are found that might materially affect the financial reports.

The Audit Committee considered the nomination of auditor and proposed to the Board of Directors that the following persons be nominated as the company's auditors for the year 2002 at the annual general meeting of shareholders : Mrs. Sudchit Boonprakob, Registration No. 2991 or Mr. Vichien Thamtrakul, Registration No. 3183 or Mr. Methee Ratanasrimetha, Registration No. 3425 or Mr. Winid Silamongkol, Registration No. 3378 of SGV-Na Thalang & Co., Ltd.



(Mr. Pakorn Borimasporn)

Chairman of Audit Committee



Board of Directors

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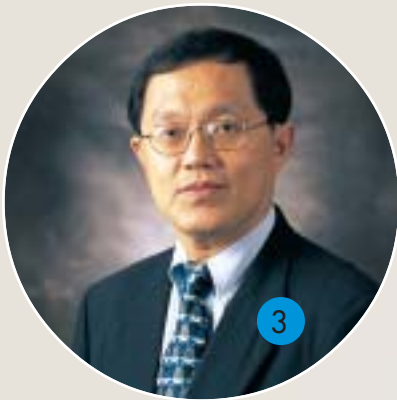
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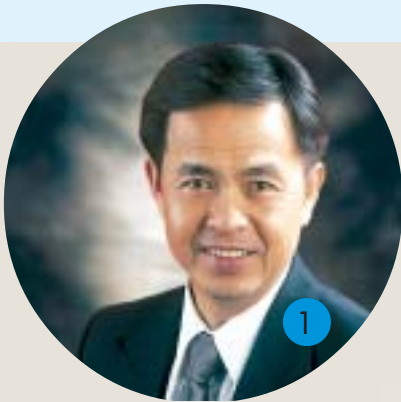
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- | | | |
|---|-------------------------|--|
| 1 | Thanachai Theerapatvong | • Chairman |
| 2 | Suthichai Yoon | • Director |
| 3 | Thanachai Santichaikul | • Director |
| 4 | Vanchai Sriherunrusmee | • Director and Secretary to the Board of Directors |
| 5 | Chaveng Chariyapisuthi | • Outside-Director and Member of the Audit Committee |
| 6 | Nivat Changariyavont | • Outside-Director and Member of the Audit Committee |



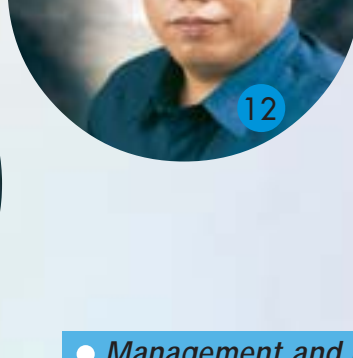
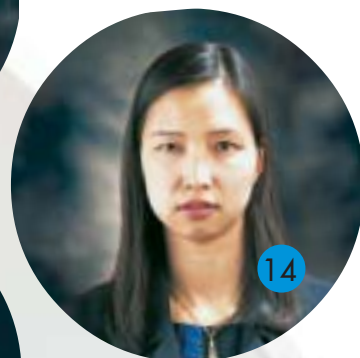
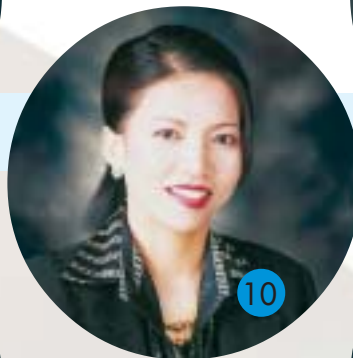
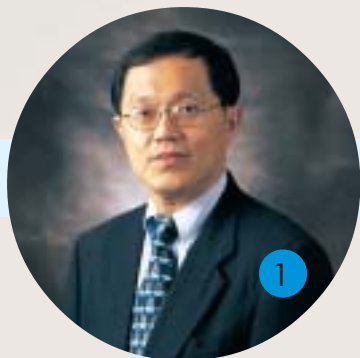
7 Pakorn Borimasporn	• Outside-Director and Chairman of the Audit Committee
8 Vorasit Pokachaiyapat	• Director
9 Gary M. Lawrence	• Director
10 Pana Janviroj	• Director
11 Adisak Limprungpatanakit	• Director
12 Philip Revzin	• Director

Executive Management



Editorial Executives

- | | | |
|---|------------|-------------------|
| 1 | Thepchai | Yong |
| 2 | Pana | Janviroj |
| 3 | Adisak | Limprungpatanakit |
| 4 | Duangkamol | Chotana |
| 5 | Vithoon | Pungprasert |
| 6 | Pongsak | Srisod |
| 7 | Andrew | Biggs |



- | | |
|--------------|------------------|
| 1 Thanachai | Santichaikul |
| 2 Vanchai | Sriherunrasmee |
| 3 Prasert | Lekavanichkajorn |
| 4 Aeumsree | Boonhachairat |
| 5 Phippakarn | Yansrisirichai |
| 6 Kesery | Kanjana-vanit |
| 7 Duangjai | Lorlertwit |

● Management and Marketing Executives

- | | |
|--------------|-------------|
| 8 Sermisin | Samalapa |
| 9 Sirinporn | Sombun |
| 10 Nina | Techasith |
| 11 Nantaporn | Wongchestha |
| 12 Hangcheng | Sow |
| 13 Nonticha | Sorsansanee |
| 14 Mathaya | Osathanond |
| 15 Naphaporn | Ua-fua |

Category

of Information

NATION
GROUP



Printing Media Business

The Nation

Krungthep Turakij

Nation Weekender

Nation Junior

Kom Chad Luek

Publisher and distributor of worldwide print media

- Nation International Co., Ltd.

Importer and producer of educational print media (comics)

- Nation - Egmont Edutainment Co., Ltd.

Joint-venture into Se-Ed Book Center

Television and Broadcasting Business

Television

- Nation Broadcasting Corporation Co., Ltd.

Cable Television

- Nation Channel (UBC 8)

Radio

- Nation Radio Network Co., Ltd.

Digital Media Business

Internet (Nation Digital Media Co., Ltd.)

- www.nationgroup.com
- www.thailand.com (Thai Portal Co., Ltd.)
- www.nationejobs.com
- www.digitalwave.co.th
- www.comsaving.com

Media Magnet Co., Ltd.

Nation Online

- Nation Information Technology Co., Ltd.

i-SST- Nation Co. Ltd

The Nation

Printing Media Business

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The Nation

A Thai-owned English newspaper widely read among new generation readers for its reliable news and coverage of economics, politics, society, technology, culture and entertainment.

Krungthep Turakij

A daily business and financial newspaper with the highest circulation, and is widely accepted, unbiased and reliable in its news reporting. A favourite among business people, executives and people from all walks of life.

Kom Chad Luek

A daily mass-circulation newspaper which has received wide acceptance and support from readers in a brief span of time with its lively, in-depth and sharp news reporting on various topics which include interesting entertainment news by well-known columnists.

Nation Weekender

A widely-read and entertaining weekly magazine containing in-depth articles on various topics, something for the literary set and popular columnists.

Nation Junior

A high quality bi-weekly magazine for young English learners with language lessons and features stories on the youth scene. Nation Junior is also the organizer for the popular "Spelling Bee" competition, a competition that expands students vocabulary and knowledge.



Printing Media Business

Popular comic books from the USA and Japan

such as the classic Snow White; Disney and Me Magazine and edutainment materials for kids from Disney, Barney - a licensed educational comics series, Noddy, plus popular Japanese comics such as Crayon Shin Chan, Doraemon, Pokemon and Digimon as well as Thai comic hits, including Pra Apai Manee Saga, Meed Thi Sib-sam (13th Knife), The Search.



Self-study English Program

such as the highly popular English For You from BBC for students and working people; Disney's World of English, Mother Goose - Children English Musical Program.

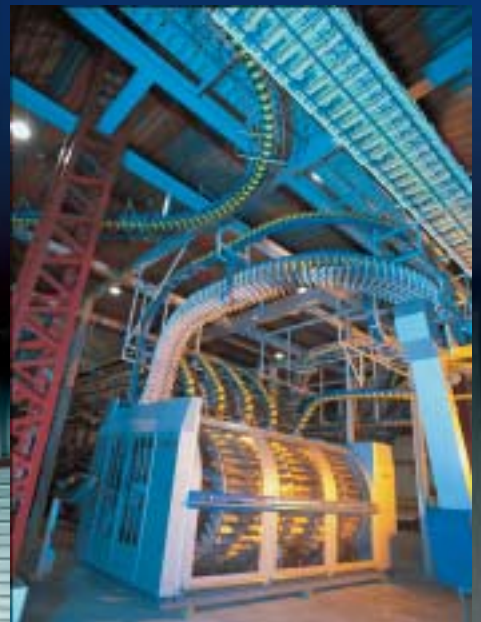
Newspapers and world-renowned magazines:

Nation Group is a via-satellite publisher of The Asian Wall Street Journal, Yomiuri Shimbun and distributor of many worldwide publications such as Time, Fortune, Forbes Global, Business Week International, Far Eastern Economic Review, Business Traveller, Asian Boating, Reader's Digest (in English and Chinese).



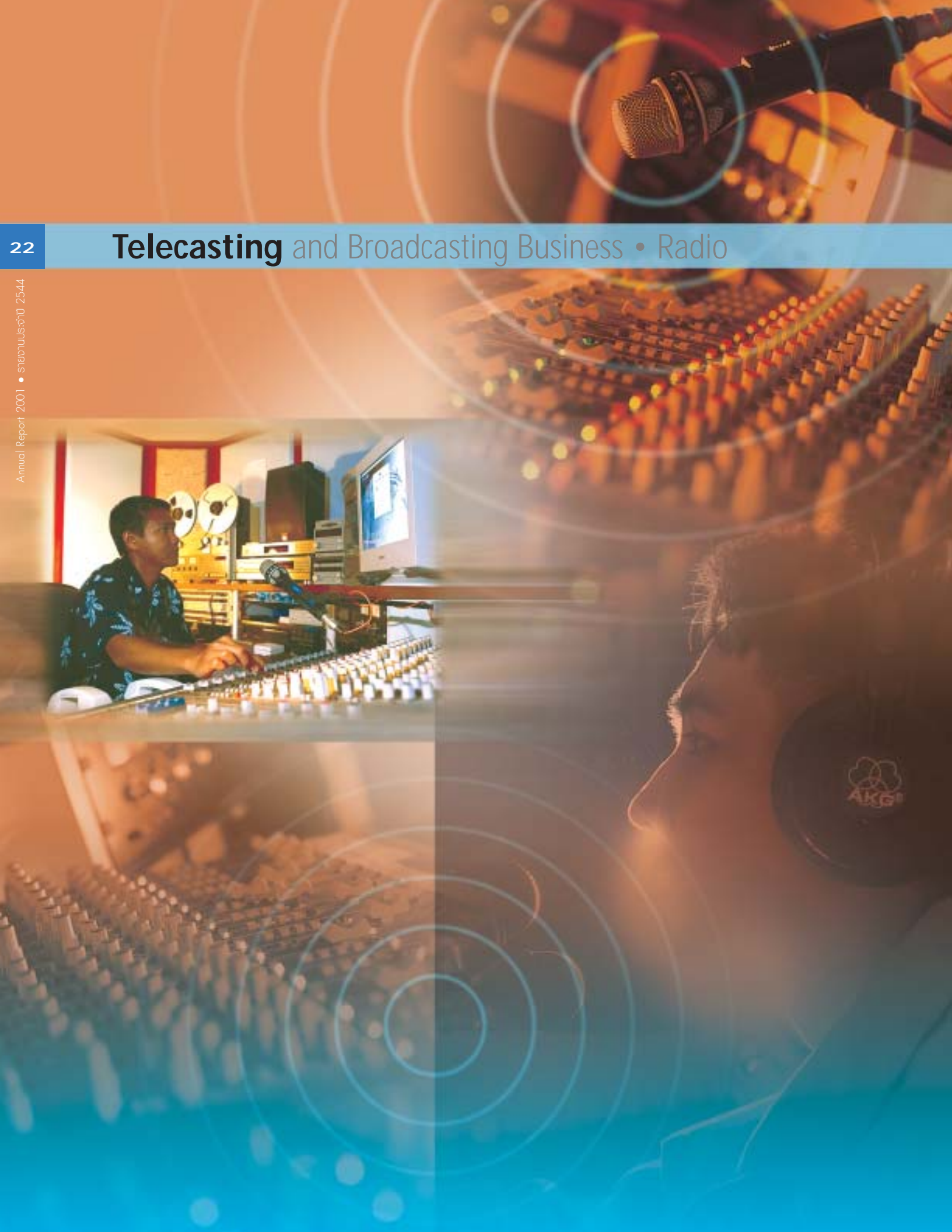


Printing Complex





The company has constructed a new printing complex on the area covering 52 rais, located on Bangna-Trad Road KM.29.5, Bangboa District, Samutprakarn. The total investment is Bt 1.1 billion. The printing complex with state-of-the-art printing and mailroom equipment is able to support a full ranges of printing activities such as color separation, film output, plate making, printing, binding, stitching and stacking. The complex commenced its operation since October 2001. All machines are fully automated with high-speed and flexible printing ability including inserting and packaging. The new printing complex with sufficient capacity and state-of-the-art printing and mailroom equipment will be able to effectively support a high volume printing of Kom Chad Luek.





Nation Radio Network Co., Ltd.
produces a series of leading radio
programs for the following radio
stations:

• **FM 89.5 MHz**

Broadcasts news reports at the beginning of each hour.

Between 06.00 - 24.00 hrs., daily.

• **FM 90.5 MHz Business News Station**

Provides analyses of important news items and reports the progress of hot-news items in politics, social issues, economics and marketing, both domestic and abroad. Daily interviews with various hot-news personalities, zooming in right to the point, and includes money market and securities market news. Plus broker advice, with links between government and private sectors, to tackle investors' problems.

Between 08.00 - 12.30 hrs., 13.00 - 15.00 hrs., 18.30 - 19.00 hrs., and 19.30 - 20.30 hrs., Monday to Friday.

• **FM 101.0 MHz and AM 1107 KHz**

Offers supplementary lessons and extensive education guidance for high school students nationwide in "Nation Entrance" program.

Live daily

Between 21.00 - 24.00 hrs.

• **FM 102.5 MHz**

News reports at the beginning of each hour.

Between 06.00 - 24.00 hrs., daily.

• **Kasertsart Bangkhen Campus Station**
Network 76 provinces nationwide.

Via 4 stations:

AM 1107 KHz, K.U. Bangkhen Campus; AM 612 KHz, K.U. Chiang Mai Campus; AM 1314 KHz, K.U. Khon Kaen Campus; and AM 1269 KHz, K.U. Song Khla Campus.

News reports at the beginning of each hour.

Between 06.00 - 24.00 hrs., daily.

**Note :*

FM 101.0 MHz

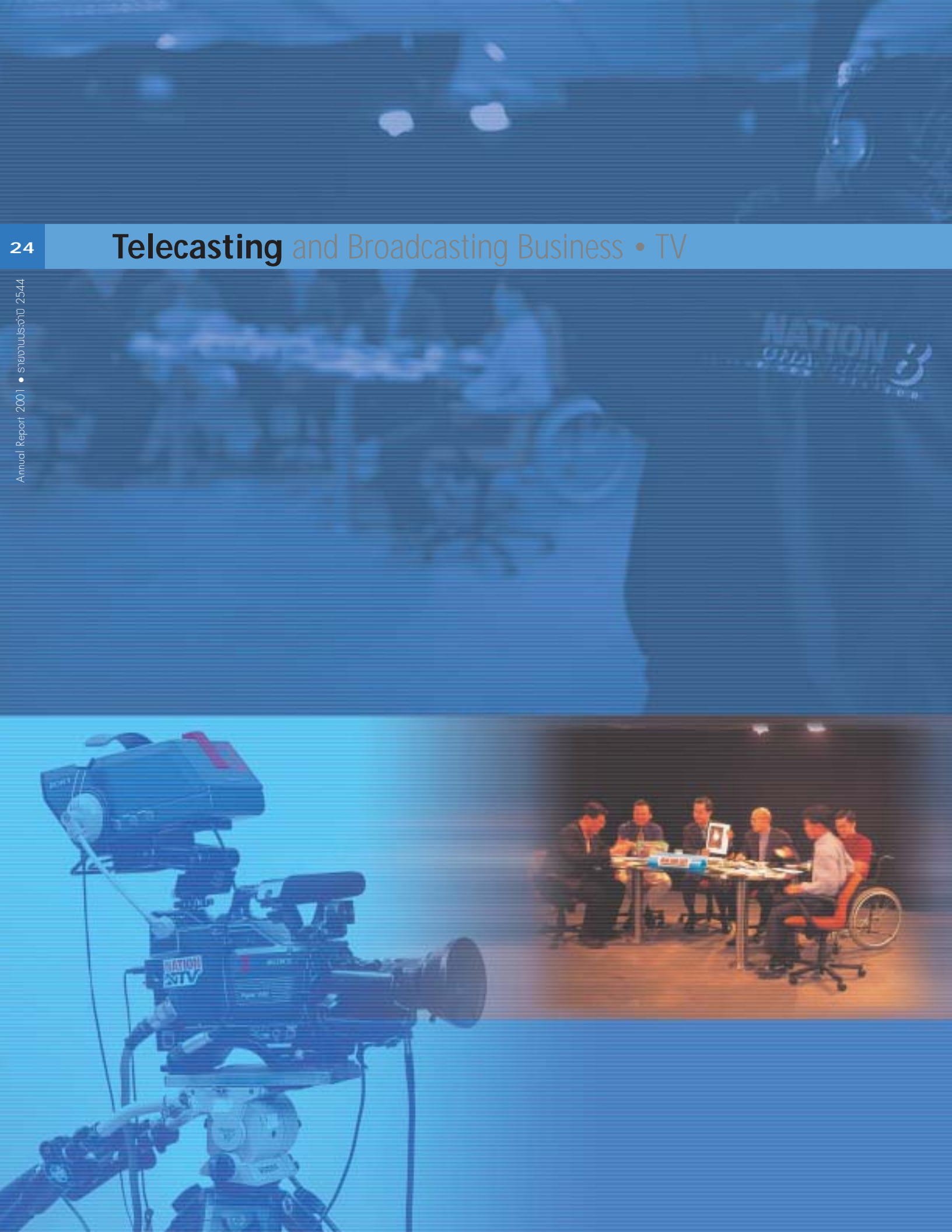
ceased operation in May 2001

FM 102.5 MHz

ceased operation in April 2001



Telecasting and Broadcasting Business • TV



Nation Channel UBC 8 Heading Towards its second year as Thailand's best TV news channel

Nation Channel UBC 8, Thailand's first 24-hour TV news channel, started broadcasting on January 1, 2000. Nation channel is starting its second year determined to upgrade the quality of news reporting and production of entertainment programs.

From its first day, **Nation Channel's** experienced news reporters have presented with accuracy speed and reliability of all kinds of stories on politics, the economy, society, culture, and entertainment, on both the local and international scene. It has earned wide acclaim among UBC Cable TV's 400,000 plus members nationwide.



In addition, Nation TV produces many quality TV programs for other TV channels, such as:

- **Comprehensive Entrance Exam Tutorial**

Monday-Friday, 5.00-5.30 hrs., Channel 3

- **School-age.com**

Thursdays, 17.00-17.30 hrs., Channel 5

- **Nation News Talk**

Tuesdays, 21.30-22.15 hrs., Channel 9

CMOT

- **NJ Saturday**

Saturdays, 15.30-16.30 hrs., Channel 9

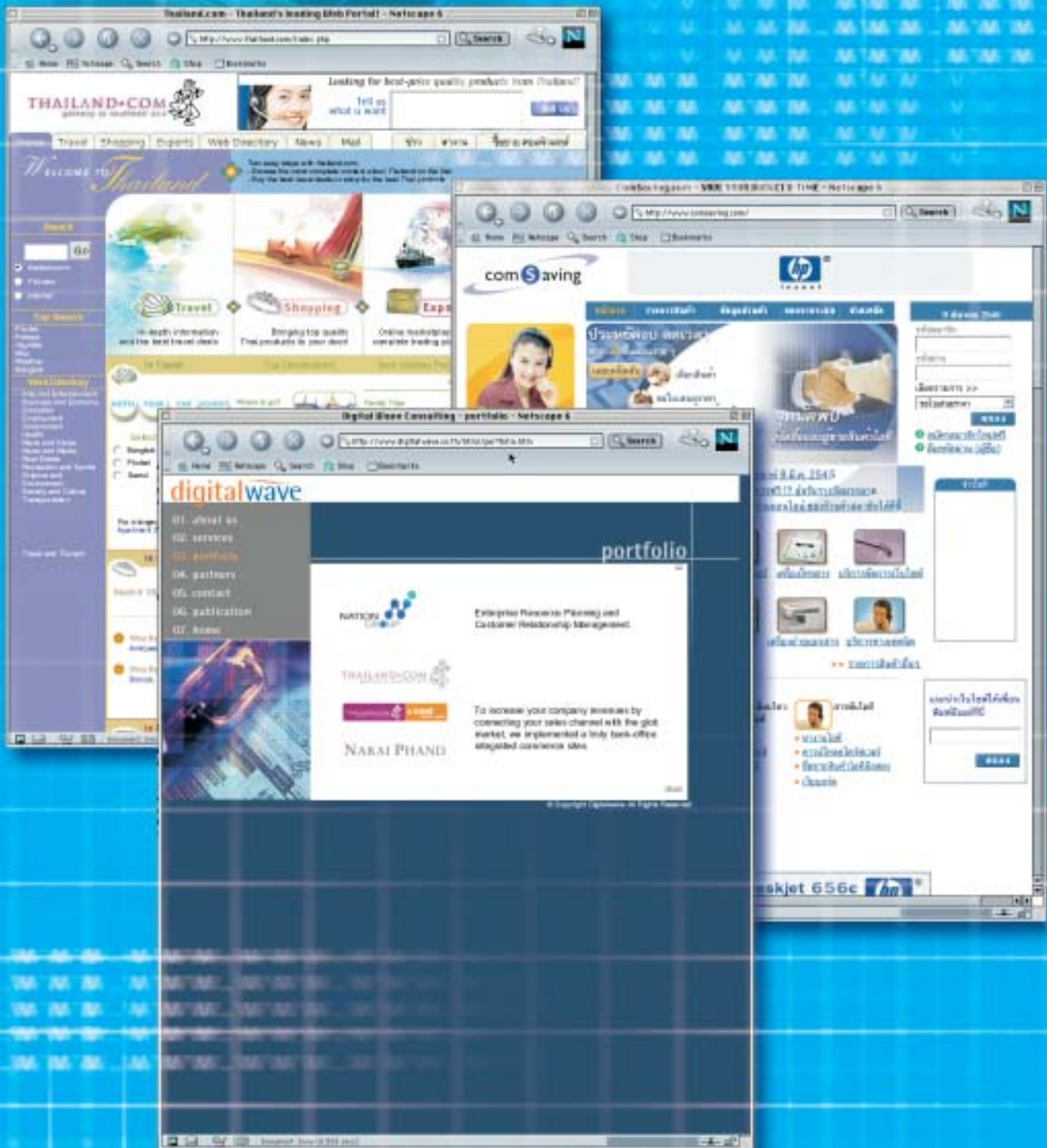
MCOT

- **Some Facts & Truths Behind The News**

Monday-Friday, 22.00-22.30 hrs., Channel 11



Digital Media Business



www.thailand.com

This world-class web portal provides a wide range of up-dated information concerning all aspects of tourism and complete business services in Thailand, such as business-to-business, business-to-customer and export facts and figures.

ThaiPortal.com Co., Ltd.'s useful alliances include Meet World Trade Thailand Co., Ltd.; Thai Import and Export Center; and Naraiphand Co., Ltd., a well-known Thai handicrafts outlet, very popular with overseas customers. Customers worldwide can access Naraiphand's complete product range at www.naraiphand.com offering a 24-hour international standard service using the latest technology with the highest degree of security.

This sophisticated level of response resulted in thaiportal.com receiving export promotional privileges from the Department of Export Promotion as the e-commerce center for Thailand's exports.

www.digitalwave.co.th

Digital Wave Co., Ltd. is an information technology consulting business providing modern business organizations with innovative computer systems design and implementing services, which include CRM (Customer Relationship Management), ERP (Enterprise Resource Planning), EAI (Enterprise Application Interface) and e-Commerce, considered suitable for the growing needs of customers' business. All systems encourage the efficiency of the organization's management to achieve the highest revenues while gaining an advantage over their competitors. Digital Wave's experienced staff are able to closely assist and support all customers, cooperating together to achieve customers' maximum success.

www.comsaving.com

comsaving.com is a computer purchasing service website offering keen competitive prices. The website is an ideal center for organizations and business enterprises to purchase computers and office equipment which will result in considerable time and budget cost savings. The website has an intelligent search system for over 10,000 product items with descriptive details and dealers' contact details. Quotations may be accessed via the Internet from over 100 dealers with no charge, offering the best deals in the shortest possible time. See the special promotion activities from many famous dealers every week. www.comsaving.com is a web center that has gained a reliable and trustworthy reputation from more than 10,000 members.



Calendar of Activities Year 2001



at Kerd 2001 • รายงานประจำปี 2544

ASIAN CINEMA

DOCUMENTARIES & SHORTS

WORLD CINEMA

Bangkok!

ภาพถ่าย ระดับ
ในแนวคิดสะท้อนความเปลี่ยนแปลง

รับใบสมัครได้ตั้งกองกิจกรรมนักศึกษา
ร้านบูธอิเล็กทรอนิกส์พรสมสืบ ร้านซีอีโอ
ส่งผลงานภายใน 31 ตุลาคม

January

- Nation Exit Poll reports election results in front of polling stations via Nation Group's multimedia facilities, in cooperation with many organizations nationwide.
- Launch of "Silk Knot" a 30-episode mini-series semi-documentary broadcast via ITV.

February

- Thailand Public Speaking Competition 2001, organized by Nation Junior magazine in cooperation with the Education Ministry and English Speaking Association of Thailand, to choose both a high school and university student to compete in the International Public Speaking Competition in England in May.
- Nation's Shipping & Transportation Amity Golf Tournament 2001 to foster cordial relations between Nation Group management and executives of other companies and business alliances. Introduction of Nation Group's "Shipping & Transportation" advertising media via the Internet.
- Seminar on Internet for HR to identify benefits and advantages of using the Internet to enhance human resource management. HR personnel from many leading organizations attended this seminar.

March

- Nation Group attends Ad Fest seminar in advertising arena, to exhibit Nation Group's print media advertisement masterpiece.
- "Senior-teaches-junior camp", a tutoring camp for high school students about to take the University Entrance Exam, plus an introduction to universities and faculties of particular interest
- Nation Group attends the 29th National Week of Books to introduce its new publication while offering entertainment activities
- Nation Group presents its websites: nationjobs.com, nationgroup.com, and thailand.com in CITE 2001, an exhibition joined by wide variety of web organizers: E-application, E-Government, E-Access, E-Solution, E-Business
- Nation Group press conference concerning the Overseas Chinese Basketball Tournament





April

- Nation Ent' magazine organizes the 3rd Entrance Clinic, an exhibition to introduce the various faculties available to successful Entrance Examination students.
- Grand opening of "3 Decades of Changes in Thai Society" photographic exhibition and launch of The Nation newspaper's new design. Both events celebrate the Nation Group's 30th anniversary of recording and chronicling all aspects of Thai society, culture, economics, politics, science, technology, etc., via Nation Group's multimedia facilities. Highlighted on Nation Channel UBC 8.
- Top Company Vote was a project for readers of The Nation and Krungthep Turakij newspaper and visitors of www.nationgroup.com to vote for a company they would like to work for via the Jobs Classified page in those two newspapers and the website.
- Press conference to officially launch Thailand.com/Meet Worldtrade website.

May

- Cocktail Reception & Fashion Show, plus "3 Decades of Changes in Thai Society" photographic exhibition. Launch of FEMME magazine's new design at a fashion show of the 70s, 80s and 90s by famous superstars and super models from each decade
- The "3 Decades of Changes in Thai Society" photographic exhibition was held simultaneously at Siam Square, Sala Daeng, and Chidlom BTS stations
- Press conference to formally launch comsaving.com, a website to facilitate economic computer purchases
- Exhibition of pictures by handicapped artists

June

- The "3 Decades of Changes in Thai Society" photographic exhibition plus a round-table seminar on the Thai Entertainment Arena over the past three decades.
- The "3 Decades of Changes in Thai Society" photographic exhibition plus a round-table seminar on top people in the Thai mass communications sector
- Nation Junior magazine Fun With English project to promote the study of the English language among students in 20 high schools in Bangkok and another 40 in all four regions of Thailand.



July

- Community Creates Community project to provide education and entertainment media materials to libraries in Bangkok and provinces by Ministry of Education representatives and project supporters, to help improve students' knowledge.
- The "3 Decades of Changes in Thai Society" photographic exhibition in the Northern Region to celebrate Nation Group's 30th Anniversary at Chiang Mai Orchid Hotel, Central Airport Plaza and Library of Chiang Mai University.
- Nation Group 30th Anniversary presentation ceremony of Book Donation for Community project to raise knowledge of community in Chiang Mai.
- Japanese Festival promoting worthy, creative and useful leisure activities for Thai youth.
- Launch of "Pra Apai Manee Saga" Thai comic book.
- "nationejobs.com Universities road-show" project in cooperation with Chulalongkorn, Chiang Mai, Khon Kaen, Prince of Songkhla, Assumption, Sri Prathum, Thai Chamber of Commerce and Kasem Bandit universities, between July 17 - November 30, presenting a variety of relevant activities to assist new graduates with employment application techniques
- The "3 Decades of Changes in Thai Society" photographic exhibition in the Sala Prakiaw Building at Chulalongkorn University



August

- Nation Group and the Communications Authority of Thailand organized an "Impressive Thai Stamp" essay competition and a postcard painting competition at "The 14th National Stamp Exhibition" with special prizes and monetary rewards
- "Seminars for English Teachers in High Schools" were held at Chiang Mai Orchid Hotel, Chiang Mai (July 28); Kosa Hotel, Khon Kaen (August 4); and Prince of Songkhla University (August 17). More than 1,000 English teachers, from high schools nationwide, attended the seminars
- "Nation Junior's Spelling Bee 2001" competitions for senior high school students nationwide were held at Central Airport Plaza, Chiang Mai (July 29); Oasis Plaza, Khon Kaen (August 5); Prince of Songkhla University (August 18); and Central City Department Store, Bangkok (September 1)
- Winners from Thailand's 4 regions received scholarships to study English in Australia for a month, trophies from the Prime Minister, and Certificates from the Ministry of Education.
- The "3 Decades of Changes in Thai Society" photographic exhibition to celebrate Nation Group's 30th Anniversary in Northeast Region at Kosa Hotel, Oasis Plaza, and Food & Service Center of Khon Kaen University.
- Basketball match to promote harmony between Nation Group Senior Team and a team of Khon Kaen University staff members
- The "3 Decades of Changes in Thai Society" photographic exhibition in Southern Region, to celebrate Nation Group's 30th Anniversary, at J.B. Hotel, Hat Yai and Hat Yai Campus of Prince of Songkhla University
- Nation Group 30th Anniversary presentation ceremony of Book Donation for Community project at Hat Yai Campus of Prince of Songkhla University
- Basketball match to promote harmony between Nation Group Senior Team and Tung Lung Team at Phatong Wittaya Foundation School in Hat Yai, Songkhla.
- Launched "Direct English" English language Training Center





September

- "Tob Tuan Kwam Roo Soo Maha Wittayalai" project to improve high school students' knowledge in Thai, English, mathematics, chemistry, physics and social sciences, between September 29 - October 2 at Khon Kaen, Chiang Mai, Rangsit and Walailuck Universities
- Nation Group, in cooperation with British-American Tobacco Thailand, organized a "Co-operation to keep Saen Sab Canal clean" project to mobilize people's awareness of maintaining the environment of this historic canal. Bangkok Governor Samuk Sundaravej received Bt300,000 to support the project on September 22, at Santichai Prakarn Park
- "Kom Chad Luek" newspaper launch party for advertising houses.
- The "3 Decades of Changes in Thai Society" photographic exhibition at Muang Thong Thane.
- Press release for Bangkok Film Festival 2001



October

- "Mong Muang Parn Lenses" (See Cities through Viewfinder) - a photography contest for high school students
- Official Press Release for Kom Chad Luek newspaper
- Official reception introducing Kom Chad Luek newspaper to the public
- Kom Chad Luek Fair
- Kom Chad Luek Road Show
- The 6th National Books and Educational Materials Fair
- The "3 Decades of Changes in Thai Society" photographic exhibition at the Queen Sirikit National Convention Center
- The "3 Decades of Changes in Thai Society" photographic exhibition to celebrate Nation Group's 30th anniversary at Royal Garden Plaza, Pattaya (October 23-28)
- "HR Management Trends in 2002 & English Language Usage in HR" joint seminars presented by nationejobs.com, Direct English and the Personnel Management Association of Thailand (PMAT)



November

- "Rong Len Tenrabum" Talent Contest encouraging worthy, creative and useful leisure activities for Thai youth
- Bangkok Film Festival 2001 "The 4th Bangkok Film Festival 2001" (November 16-25) at United Artists Theatre, The Emporium and Imperial Queen's Park Hotel
- The 17th World Basketball Invitational Tournament for Chinese. Nation Group, in association with TAT, THAI, SAT and Senior Basketball Club jointly hosted the tournament at Indoor Stadium, Hua Mark, Gymnasium, RU and The Mall Convention Center, The Mall Bangkok. A Cheerleading Contest also took place for high school and university students with winning teams receiving trophies from H.R.H Princess Bajarakitiyabha, scholarships and presents worth Bt300,000 in total.
- The 8th Dunk Anti Drugs street basketball competition organized by Boom Comic Magazine with lots of fun activities, games and a pop concert
- The "3 Decades of Changes in Thai Society" photographic exhibition to celebrate Nation Group's 30th anniversary at The Mall Convention Center, The Mall Bangkok (November 22-25)



- Round-table seminar "New Direction of RU - a Global University" to celebrate Ramkhamhaeng University's 30th anniversary, with many distinguished guests, alumni, current students and many activities
- Opportunity:Thailand an International Conference organized by Nation Group in cooperation with BOI, Department of Export Promotion and TAT, on business during crisis, the direction of government and investment trends, with Suthichai Yoon as MC
- Happy 1st Anniversary celebration of nationejobs.com (November 1)
- A seminar on Human Resources Management "HR 2002" Day was held by the Personnel Management Association of Thailand (PMAT), Krungthep Turakij and The Nation newspapers
- Number 1 Sports Kids - sports event for kids between 6-8 years to encourage sportsmanship and a liking for sports
- Official launch of Kom Chad Luek newspaper in Chiang Mai
- Opening and Closing ceremonies of the 17th World Basketball Invitational Tournament for Chinese



December

- Kindergarten Sports Day 2001 (December 1-2) at Fashion Island Department Store
- The "3 Decades of Changes in Thai Society" photographic exhibition to celebrate Nation Group's 30th anniversary at Royal Phuket City, Phuket (December 14)
- "The Prospects for Land Resource Management and Tourism in Phuket" seminar organized by The Nation Newspaper and local tabloid, Phuket Gazette
- Nation Ent' and Kasem Bundit University jointly organized "Entrance Quiz 2001", a national academic competition for high school students; winners received scholarships worth over Bt200,000. Students also learned techniques on how to succeed in the Entrance Exam from well-known tutors.
- Official launch of Kom Chad Luek newspaper in the South - in Songkhla province
- Official launch of Kom Chad Luek newspaper in the Northeast - in Khon Kaen province.



Characteristics of the Business

Income Structure

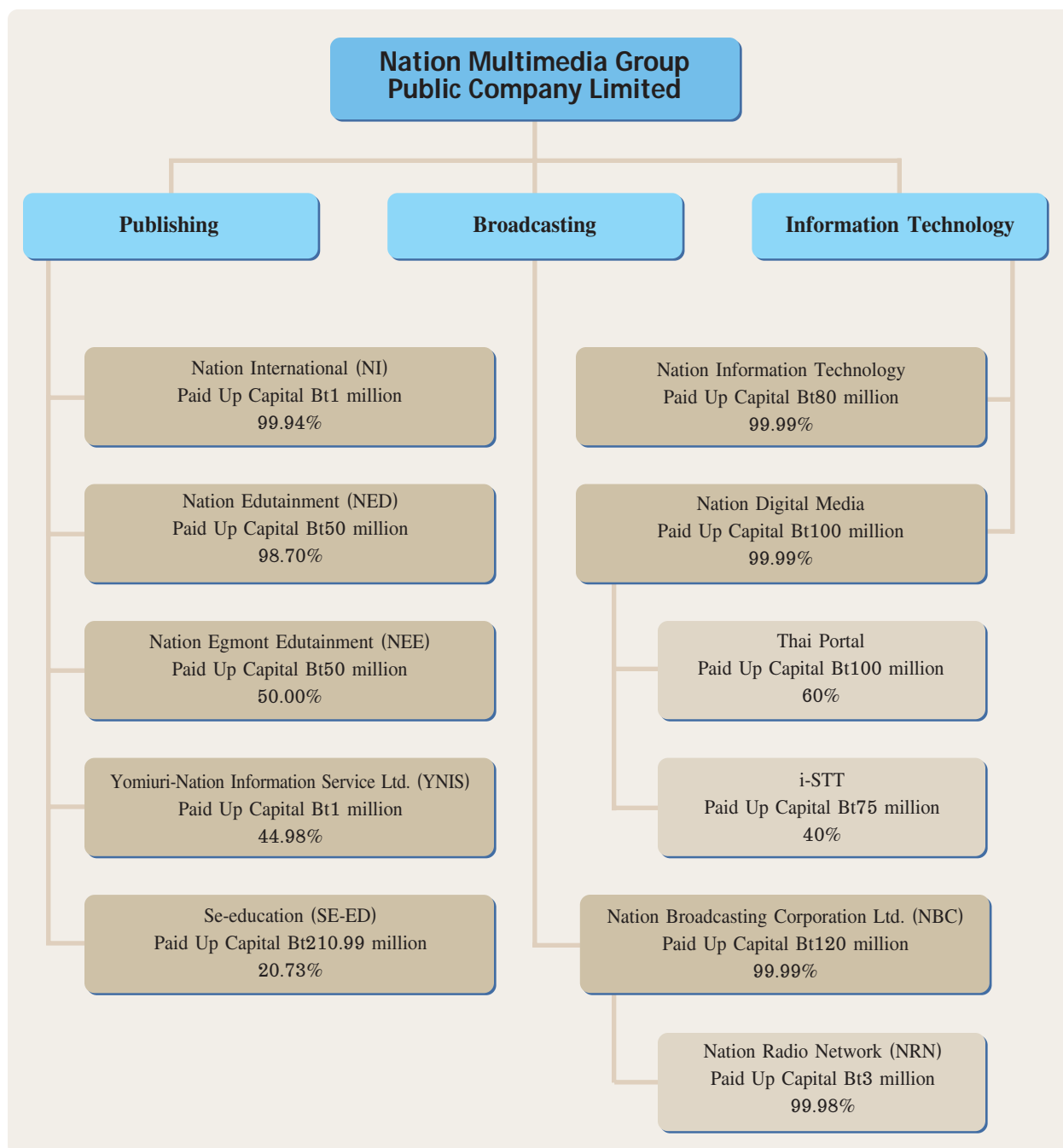
The income structure grouped by products and services of Nation Multimedia Group Public Company Limited and Subsidiaries is as follows:

: Million Baht

Products/Services	Operated by	2001		2000		1999	
		Rev.	%	Rev.	%	Rev.	%
<ul style="list-style-type: none">• Produce and distribute newspapers• Produce educational comics• Import newspapers and magazines	<ul style="list-style-type: none">• Nation Multimedia Group• Nation Edutainment• Nation Egmont Edutainment• Nation International	1,705	89%	1,495	91%	1,165	90%
<ul style="list-style-type: none">• Television programs	<ul style="list-style-type: none">• Nation Broadcasting	138	7%	105	6%	86	7%
<ul style="list-style-type: none">• Radio programs	<ul style="list-style-type: none">• Nation Radio Network	23	1%	26	2%	32	3%
<ul style="list-style-type: none">• On-line news and information services	<ul style="list-style-type: none">• Nation Information Technology• Nation Digital Media• Thai Portal	66	3%	8	1%	5	0%
	Total	1,932	100%	1,634	100%	1,288	100%



Business Group Structure



Industry Condition and Competition

1. Publishing Business

The Nation Group's advertising revenue in 2001 increased from the 2000 level as a result of steady economic expansion. In 2001, the Nation Group has launched the new local Thai language newspaper, Kom Chad Luek, to reach readers of all levels under the slogan, "Sharp in all news, Clear in all aspects and Deep in all contents". The newspaper covers a wide spectrum of news ranging from politics, social, economics, sports, and entertainment. The Nation Group's newspapers are reaching their target group more effectively than ever before. By maintaining our competitive edge in presenting true facts with in-depth and up-to-date analyses from our high caliber editorial teams together with effective sales promotion, the Nation Group maintain its position at the forefront of the media industry.

Competitive Atmosphere

Since we have a wide range of printing facilities, our rivals have been classified according to each print media, as follows:

The Nation newspaper only rival is the Bangkok Post

Krungthep Turakij newspaper only rival as a daily business newspaper is Phu Chatkarn Daily

Nation Junior magazine only rival is Student Weekly

Nation Weekender magazine rivals are Matichon Sud Sapda, Siam Rath Sapda Wichan, etc.

Kom Chad Luek rivals are Thai Rath, Daily News, Matichon and Kao Sod

Future Trends in the Industry

In 2002, the sluggish world economy will slow industry growth in the first half. However,

an expansion is anticipated in the second half of the year, especially in the field of advertising spending on mobile phone promotion and properties businesses. In addition, various economic stimulation policies such as decreasing interest rates would result in more spending on advertisements, which would draw more demand from consumers. As a consequence, we believe that the publishing media will still be among the top options chosen by clients.

2. Broadcasting Business

Broadcasting business, especially television, has been the most popular medium due to its capacity for the dissemination of news, information, and entertainment to audiences with no limitation on knowledge, occupation, and earnings. The Nation Channel, Thailand's first-ever 24-hour news cable station emphasizes on news presentation with up-to-date, in-depth, and unbiased analyses. At present, the Nation Channel is continuing to gain rapid credibility and popularity among Thai and expatriate pay-TV viewers nationwide.

Future Trends in the Industry

Future development in the economic and social sectors, indicate people will be more interested in valuable news and information. This increases the opportunities and scope for producers in news programs in television and radio. Moreover, the designation of the Nation Broadcasting Commission to overlook broadcasting business has intensified competition in the industry. At the same time, it also creates chances for newcomers who want to be part of the industry. Competition will also result in a decline in operating costs, a positive factor for the industry as a whole and The Nation Group, as content provider, will be able to respond better to customer demand.

The economic recovery since 2000 until the third quarter of 2001 encouraged spending on advertising, generating a continuous growth in advertising business. At the same time, a reorganizing process was implemented throughout the industry. Technology and human resources were utilized to their full extent to achieve cost effectiveness. The recovery process, however, has been interrupted to some degree by the September 11 event. Meanwhile, continuous improvement of all media- publishing, television, radio, and internet - has provided a significant competitive edge for the Nation Group.

Competitive Atmosphere

The competition has intensified with gradual economic recovery and has resulted in increasing numbers of news and valuable information programs. The Nation Group is in a better position compared to others as most of our television and radios programs are well accepted by audiences nationwide. In addition, an established multimedia provider has lower operating costs compared to its rival.

3. Internet Business

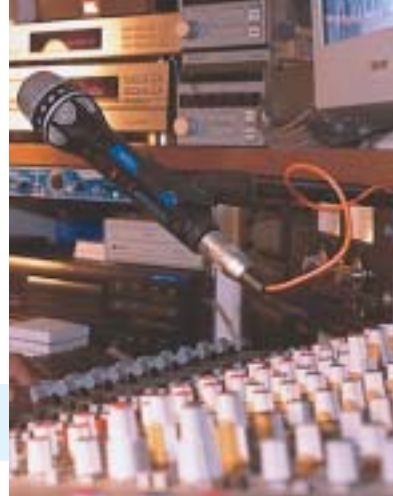
Future Trends in the Industry

Expansion of Internet business will enhance the marketing opportunities for the advertising industry due to its widespread penetration of customers. Considering its ability to reach specific target groups, advertising spending on the Internet will gain a competitive edge over other media and should result in a strong growth in the near future.

Competitive Atmosphere

Government policy to encourage Thai people to communicate through the Internet has helped Internet business expand. Moreover, service providers have improved their content and features to be more user- friendly.

At present, due to the slowdown of the economy, the Nation Group has limited investment in the Internet business. However, we still believe in its potential in the future. The web-site "Thailand.com" of our Internet investment arm - Thai Portal, has been selected by the Department of Export Promotion as one of its official web ports for exporters who want to display products and contact other traders worldwide through the Internet.



37 List of Major Shareholders

The top ten shareholders as of 2 April 2001 are ranked as follows:

Name	Shares	% Holding
1. Morgan Stanley & Co. International Limited	15,971,420	10.06
2. Mr. Thanachai Theerapatvong	13,896,910	8.75
3. Albouys Nominees Limited	12,565,180	7.91
4. Dow Jones & Company, Inc., New York	12,000,000	7.56
5. Mr. Suthichai Yoon	11,653,990	7.34
6. American International Assurance Co., Ltd. (3 accounts)	10,390,493	6.55
7. Sirivich Holding Co., Ltd.	6,217,800	3.92
8. Haward Resources Limited	6,170,982	3.89
9. Bank of Tokyo-Mitsubishi (Luxembourg) S.A	4,272,500	2.69
10. HSBC (Singapore) Nominees Pte Ltd.	1,603,555	1.01
Others	64,019,751	40.32
Total	158,762,581	100.00

Board of Directors and Executive Management

Name	Position	No. of Shares Held as at 28 Dec.01	Qualifications	Year	Experience
1. Mr. Thanachai Theerapatvong	Chairman	13,896,910	Assumption Commercial College Bangkok (ACC)	1976-Present	Nation Multimedia Group
2. Mr. Suthichai Yoon	Director	13,048,591	Assumption Commercial College Bangkok (ACC)	1971-Present	Nation Multimedia Group
3. Mr.Thanachai Santichaikul	Director	149,926	MBA-Thammasat University	1979-Present	Nation Multimedia Group
4. Mr.Vanchai Sriherunrusmee	Director and Secretary of the Board	305,300	MBA(Finance) -Long Island University New York, USA	1995-Present	Nation Multimedia Group
5. Mr.Pakorn Borimasporn	Outside-Director and Chairman of the Audit Committee	8,000	Master's Degree -Electrical Engineering Chulalongkorn University	1993-Present	Managing Director -Lighting & Equipment Co., Ltd.
6. Mr.Chaveng Chariyapisuthi	Outside-Director and Member of the Audit Committee	None	Vocational Education	1991-Present	Executive Director -SST Holding



Board of Directors and Executive Management

Name	Position	No. of Shares Held as at 28 Dec.01	Qualifications	Year	Experience
7. Mr.Nivat Changariyavant	Outside-Director and Member of the Audit Committee	4,000	Assumption Commercial College Bangkok (ACC)	1979-Present	Managing Director -Green Siam Co., Ltd.
8. Mr. Philip Revzin	Director	None	Bachelor's Degree Stanford University Master's Degree Columbia University	1974-Present	Dow Jones & Company
9. Mr.Vorasisit Pokachaiyapat	Director	None	Master's Degree -MIS Massachusetts, USA	1991-Present	Executive Director -Finansa Ltd.
10. Mr.Pana Janviroj	Director	28,000	Master's Degree -Tufts University, USA	1984-Present	Nation Multimedia Group
11. Mr.Adisak Limprungsatanakij	Director	18,000	BA.-Faculty of Commerce and Accountancy -Thammasat University	1985-Present	Nation Multimedia Group
12. Mr.Gary M. Lawrence	Director	None	McGill University -LIB 1985	1998 - Present	Capital Z Asia Lehman Brothers, Inc.

Other Reference Persons

(1) Security Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building, 4th Floor,
6-7 Rachadapisek Road, Klongtoey, Bangkok 10110 Tel: 0-2359-1200

(2) Certified Public Accountant

- 1. Mr.Vichian Dhamtrakul
Registration No. 3183 and/or
 - 2. Mr.Vinij Silamongkol
Registration No. 3378 and/or
 - 3. Mr.Methee Ratanasrimetha
Registration No. 3425 and/or
 - 4. Mrs.Sudchit Boonprakob
Registration No. 2991
- SGV-Na Thalang & Co Ltd
989 Siam Tower 20th - 22nd Floor, Rama I Road, Pathumwan Bangkok 10330
Tel. 0-2658-0611

(3) Financial Consultant

- 1. **Vickers Ballas Securities Co., Ltd.**
989 Siam Tower, 14th-16th Floor, Rama I Road, Pathumwan,
Bangkok 10330
Tel: 0-2658-7222

(4) Legal Consultant

- 1. **Baker & McKenzie**
999 Abdulrahilm Place, 22nd - 25th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10110
Tel: 0-2636-2000
- 2. **Allen & Overy (Thailand) Co., Ltd.**
130 Sindhorn Building III, Wireless Road, Bangkok 10330
Tel: 0-2263-7600



Risks Factors

Factors that are related and might have some affect on the companies are as follows:

1. Newsprint, which is the main raw material for the newspaper business, is classified as a commodity product where price change depends largely on change in demand and supply. The company closely monitors price movements, and currently maintains a 6-month newsprint supply. In importing newsprint, risks on the volatility of currency exchanges are covered by forward contract agreements.
2. The company established a standard policy on debt collection by setting aside provision on doubtful receivables based on past and current performances of our customers. In addition, the group has policies to reduce aging of receivables, over 12 months, as much as possible.
3. Policies on investment and solutions for impairment in investment have been carefully laid down and constantly adjusted to fit the current situation. The company has set a clear standpoint by not making additional investment in companies that produce lower than expected revenue within a predetermined period.
4. Other sources of funds besides issuing debentures and through bills of exchange (B/E) are using credit lines from banks, listing stocks of subsidiaries in the MAI.
5. In terms of the broadcasting business operated by our subsidiaries, where station rental fees are fixed but advertising revenues are varied, profits might not grow as anticipated. However, as the government plans to liberalize radio frequencies, which would allow the company to run its own radio station, rental fees will be reduced and can be fixed, thus increasing net profit.
6. The Internet business is expected to change and expand very rapidly. Income from this source is therefore very promising in the near future. In minimizing downside risks, the company has a clear policy of limiting investment if the loss continues.

Legal Cases

-No-

Explanation and Analysis from the Management

The consolidated financial statement of the Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended December 31, 2001 showed a net profit of Bt100.04 million, an increase of Bt67.93 million or 212 percent compared to the same period of 2000. The main reasons behind the difference are as follows.

1. Sales and services income in 2001 increased by 10 percent from the same period of 2000. The increase was due mainly to an increase in revenue from display advertising and broadcasting which grew 18 percent and 22 percent, respectively. The new daily newspaper - Kom Chad Luek has also been a crucial support for a strong growth in advertising revenue.

2. Circulation revenue posted a healthy growth at 40 percent compared to the same period of 2000 owing mainly to the introduction of the Kom Chad Luek newspaper. The revenue through subscription channel has grown substantially since the launching on October 16, 2001. Moreover, revenue from comic books jumped 59 percent compared to the same period of 2000.

3. Cost of sales in 2001 increased by 17 percent when compared to the same period of last year. It was in corresponding with an increase in revenue, particularly from the Kom Chad Luek.

4. Selling and administrative expenses increased by 12 percent when compared to the same period of last year, due mainly to spending on activities and sales promotion of the company's 30th anniversary project and the commencing of the Kom Chad Luek newspaper. In addition, it is the result of the employment of new staffs to support the business expansion.

Conclusion:

The Group reported a net profit in 2001 of Bt100.04 million, or 212 percent increase from the same period of last year due mainly to the introduction of the Kom Chad Luek newspaper which resulted in an enormous increase in advertising and circulation revenue. Moreover, costs and expenses were satisfactorily controlled. The combination of these factors resulted in an increase in net profit from operation.