



Annual Report 2002

บริษัท เนชั่น มัลติมีเดีย กรุ๊ป จำกัด (มหาชน)
รายงานประจำปี 2545





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

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

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

PAID-UP SHARE CAPITAL

- Baht 1,592,389,560 consisting of 159,238,956 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	2002	2001	2000
Sales and service income	2,627.94	1,931.64	1,634.38
Total revenues	2,896.06	2,086.21	1,775.15
Gross profit margin	1,295.48	928.94	824.87
Operating profit before gain on sales of fixed assets, bad debts on investment, provision for doubtful accounts, and loss on impairment assets	180.82	100.03	111.72
Net profit (loss)	(239.87)	100.03	32.11
Total assets	6,475.14	6,424.19	5,239.18
Total shareholders' equity	1,892.43	2,191.20	2,035.26
2. FINANCIAL RATIOS	2002	2001	2000
Debt to Equity (x)	2.42	1.93	1.57
Return before gain on sales of fixed assets, bad debts on investment etc. on total revenues	6.24%	4.79%	6.29%
Return on total revenues	(8.28)%	4.79%	1.81 %
Return before gain on sales of fixed assets, bad debts on investment etc. on equity	9.55%	4.57%	5.49%
Return on equity	(12.67)%	4.57%	1.57%
Return before gain on sales of fixed assets, bad debts on investment etc. on total assets	(2.79)%	1.56%	2.13%
Return on total assets	(3.70)%	1.56%	0.61%
Earnings before gain on sales of fixed assets, bad debts from investment etc. per share (Baht)	1.12	0.63	0.69
Earnings per share (Baht)	(1.49)	0.63	0.20
Dividend per share (Baht)	-	-	-
Book value per share (Baht)	11.88	13.80	12.82
INVESTMENT IN SUBSIDIARIES OF NATION MULTIMEDIA GROUP AS OF 31 DECEMBER 2002			
	Registered Capital Percentage (Million Baht) of Investment		
Nation Broadcasting Corporation	120.00	99.99	
Nation Radio Network (Invested by Nation Broadcasting Corporation)	3.00	99.98	
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	78.63	
Nation Information Technology	80.00	99.99	
INVESTMENT IN ASSOCIATES OF NATION MULTIMEDIA GROUP AS OF 31 DECEMBER 2002			
	Registered Capital Percentage (Million Baht) Investment		
Se-Education Public Company Limited	210.98	21.08	
Yomiuri-Nation Information Service Company Limited	4.00	44.98	
i-STT Nation Company Limited	75.00	40.00	



Message

MESSAGE from the Chairman

Finally 2002 is behind us. We are proud of our achievements last year amidst an improving economic environment.

This year, 2003 will be a year of content-improvement and product-focused. We have projected for a double-digit growth in both circulation and advertising revenue. This is due to our strong marketing plans with a few major initiatives that will take-off this year. Backed by enhanced and professional marketing personnel, we will keep the focus on our core values and strengths especially in publishing and other multimedia businesses; particularly our newspaper publishing; Kom Chad Luek, Krungthep Turakij and The Nation.





KOM CHAD LUEK

Nowhere is the realization of our potential more evident than in the successful roll out and growing market share in 2002. With over 32 years of experience and networking in the publishing business we can expect a continuous healthy growth in 2003. This is because we have clear business positioning strategies, and executions.

The highlight of Kom Chad Luek strategy for 2003 will be more on content. We plan to widen our content variety and improve our in-depth analysis in order to deliver better reading to the readers.

KRUNGTHER TURAKIJ

In 2002, we still held on to the number one position in the Thai daily business newspaper, which has been confirmed by several market researches and surveys. Despite some new entries in the market, our position remains strong as ever as we derive strength from our multimedia synergies. This year, 2003 would also see major shifts in business news analyses as we try to bring Krungthep Turakij to the forefront, on par to standards of international business newspapers. I am confident we are ideally positioned to both lead and benefit from these developing trends.

THE NATION

Our flagship newspaper has two main strategic themes this year. Firstly, we will increase its content variety to appeal to the younger generation and this will be done by adding a new “look and feel” to our product. Secondly, we will provide more in-depth news, covering areas of business, international and entertainment.

MULTIMEDIA BUSINESS

Our highlight for this year is Nation Broadcasting Corporation (Radio & Television). We foresee better opportunities and are confident we will be able to turn it around and begin to see the pay-off from these investments this year, after experiencing consecutive losses for the last few years.

Despite the losses, Nation Broadcasting has been our strategic media marketing arm in reaching out to a nationwide audience.

On the expenditure side, with the expected strong growth as mentioned above, we have a prudent plan based on three key cost factors:

MARKETING COST

This year, we have estimated this cost item to be reduced substantially. We are certain this can be achieved as there are ***no major costly marketing events such as last year's post-launch promotions of Kom Chad Luek, and Football World Cup.***

PERSONNEL COST

We foresee a minimal increase in the existing business. Senior executives have been recruited to fill the important positions and we will maximize the capabilities of our current pool of marketing & sales personnel and editorial team.

NEWSPRINT COST

Newsprint is a vital cost component in this business. We have planned well to cap this volatile pricing and we now have ample stock at a 10-year lowest in newsprint price. This is one of our competitive advantages over our competitors.

In terms of management, we are on the verge of implementing the Balanced Scorecard system to enhance our management efficiency. Our CRM and product-focused strategy will be able to serve our customers better and expand this base.

This year will see Nation Group becoming a more enhanced learning organization. We will focus on HR development and on teamwork.

The missions of this year in terms of efficiency are waste and cost reduction, shortening work processes, and setting specific KPI measurements.

In conclusion, I believe with above prudent and progressive growth plans, we will be able to maintain our forefront position in this multimedia business. The only uncontrollable factor is the looming war, which unfortunately will have a broad affect to everyone, every business.

We will continue to steer our company ahead toward greater innovation; exciting initiatives are in store in the coming years.

Thanachai Theerapatvong



AUDIT Committee's Report

• For the year 2002

The Audit Committee of Nation Multimedia Group Public Company Limited consists of 3 independent directors

- | | |
|-------------------------------|--------------------|
| 1. Mr. Pakorn Borimasporn | Committee Chairman |
| 2. Mr. Chaveng Chariyapisuthi | Committee member |
| 3. Mr. Nivat Changariyavont | Committee member |

The Audit Committee has fulfilled its responsibility for oversight of the financial reporting practices of the Company in order that the Company financial reports are fairly presented and sufficient, oversight of internal control system in order that it is adequate and efficient, as well as the compliance to relevant laws of the Company.

In 2002, the Audit Committee had 4 meetings to consider the financial reports and internal control system including discussion with management and internal audit department for various issues that can be summarized as follows:

- Adopt Audit Committee Charter to replace the working framework of the Audit Committee adopted since January 2000 when the Committee was first established.
- Review the quarterly financial reports and annual financial reports before forwarding them to Board of Directors. In case that certain information is not adequate, management is asked to provide further information to Board of Directors for consideration.
- Review performance reports of the internal audit department and discuss with the internal audit department to improve the internal control system, e.g. improvement in management of the over-due account receivables and improvement in regional branches performance etc.

On February 18, 2003, the Audit Committee had a meeting with outside auditor to ask further information and auditing process of the 2002 annual financial reports and is of the opinion that the 2002 annual financial reports are fairly presented and no transactions are found that might materially affect the financial reports.

The Audit Committee considered the nomination of the auditor and proposed to the Board of Directors that the following persons be nominated as the Company's auditors for the year 2003: Mrs. Sudchit Boonprakob, registration No. 2991 or Mr. Vairoj Jindamaneepitak, registration No. 3565 or Mr. Pisit Chiwaruangroch, registration No. 2803 or Mr. Winid Silamongkol, registration No. 3378 of KPMG Poomchai Audit Co., Ltd.

Mr. Pakorn Borimasporn
Chairman of Audit Committee



FOR THE YEAR 2002



Nation Multimedia Group

Board of

BOARD OF DIRECTORS



Directors

- | | |
|----------------------------------|---|
| 1. MR. THANACHAI THEERAPATVONG | CHAIRMAN |
| 2. MR. SUTHICHA YOUN | DIRECTOR |
| 3. MR. THANACHAI SANTICHAIKUL | DIRECTOR |
| 4. MR. VANCHAI SRIHERUNRUSMEE | DIRECTOR AND SECRETARY OF THE BOARD |
| 5. MR. PAKORN BORIMASPORN | OUTSIDE-DIRECTOR
AND CHAIRMAN OF THE AUDIT COMMITTEE |
| 6. MR. CHAVENG CHARİYAPISUTHI | OUTSIDE-DIRECTOR
AND MEMBER OF THE AUDIT COMMITTEE |
| 7. MR. NIVAT CHANGARIYAVONT | OUTSIDE-DIRECTOR
AND MEMBER OF THE AUDIT COMMITTEE |
| 8. MR. PHILIP REVZIN | DIRECTOR |
| 9. MR. VORASIT POKACHAIYAPAT | DIRECTOR |
| 10. MR. PANA JANVIROJ | DIRECTOR |
| 11. MR. ADISAK LIMPRUNGPATANAKIJ | DIRECTOR |
| 12. MR. GARY M. LAWRENCE | DIRECTOR |



EXECUTIVE MANAGEMENT

EXECUTIVE Management

EDITORIAL EXECUTIVES

Thepchai Yong	Editor - Nation group
Adisak Limprungpatanakij	Editor - Kom Chad Luek and Nation Channel
Pana Janviroj	Editor - The Nation
Duangkamol Chotana	Editor - Krungthep Turakij
Vithoon Pungprasert	Assistant group editor - Radio
Pongsak Srisod	Editor - Nation Weekender

MANAGEMENT AND MARKETING EXECUTIVES

Thanachai Santichaikul	Vice Chairman
Vanchai Sriherunrasmee	Chief Financial Officer
Supachai Soonthornphadoongsin	President and CEO - Magazines & Book Business
Prasert Lekavanichkajorn	Chief Operating Officer - The Nation
Suphaphan Thaneeyavan	Chief Operating Officer - Krungthep Turakij
Phimpakan Yansrisirichai	Chief Operating Officer - Kom Chad Luek
Duangjai Lorlertwit	Chief Operating Officer - Nation Channel
Kaveepol Supataravanich	Chief Operating Officer - Integrated Marketing Communications
Kesery Kanjanavanich	Chief Operating Officer - Education, Children and International
Wongsiri Miyaji	Chief Operating Officer - Nation Books
Aeumsree Boonhachairat	Chief Operating Officer - Magazine
Sermisin Samalapa	Chief Operating Officer - Information Technology



Category of Information



Category of Information





CATEGORY OF INFORMATION

PRINTING MEDIA BUSINESS

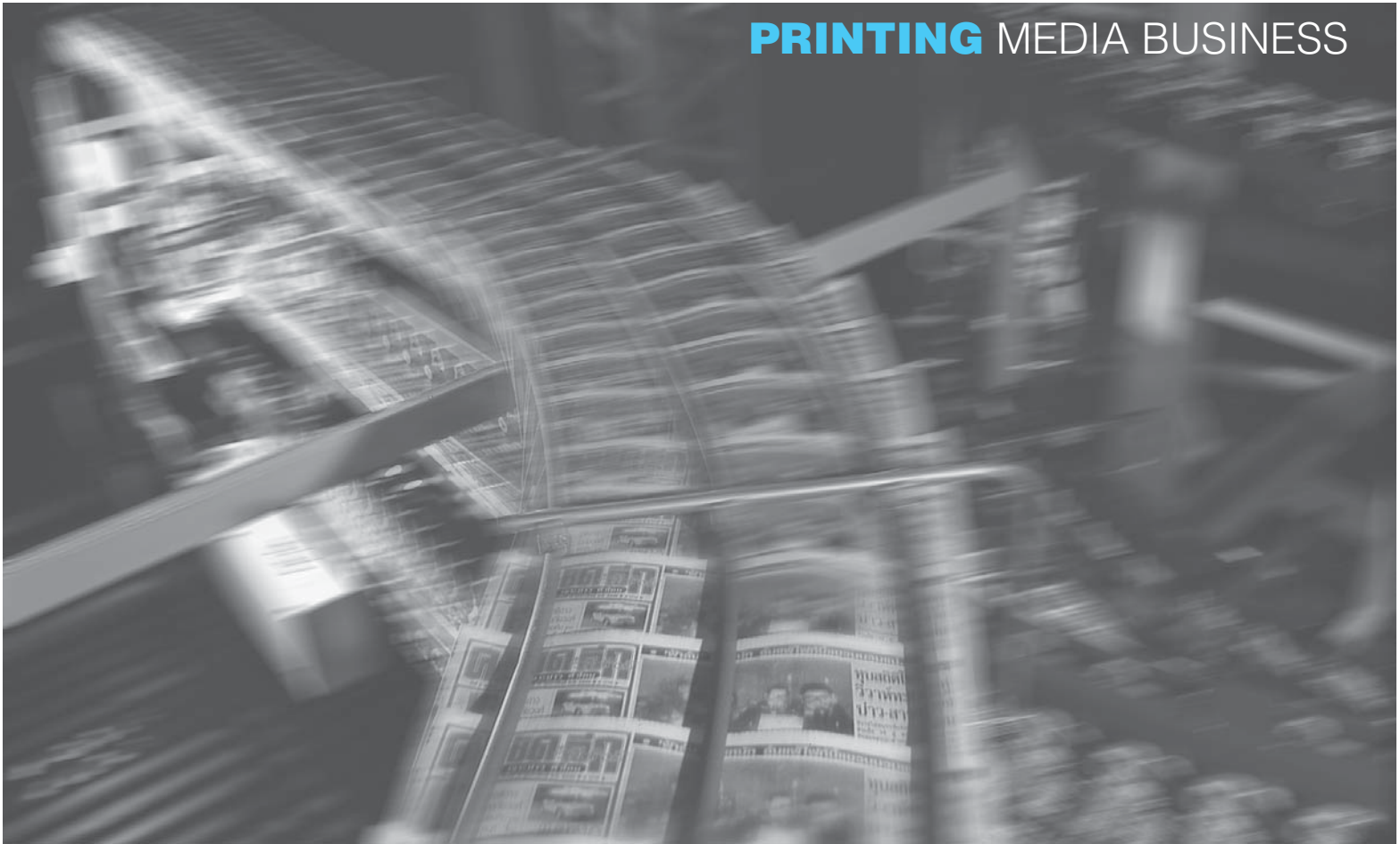
- The Nation
- Krungthep Turakij
- Nation Weekender
- Nation Junior
- Kom Chud Luek
- Pocketbooks
 - Nation Books International Co., Ltd.
- Publisher and distributor of international publications
 - Nation International Co., Ltd.
- Importer and producer of educational publications
 - Nation Egmont Edutainment Co., Ltd.
- Joint-venture with Se-ed Book Center

TELEVISION AND BROADCASTING BUSINESS TELEVISION

- 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
- Nation Online
 - Nation Information Technology Co., Ltd.
- i-STT Nation Co., Ltd.
- Media Magnet Co., Ltd.



PRINTING MEDIA BUSINESS





PRINTING MEDIA BUSINESS



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





PRINTING MEDIA BUSINESS

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).



S



TELECASTING

Telecasting and Broadcasting
Business • Radio





TELECASTING AND BROADCASTING BUSINESS • RADIO

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.

► **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.



TELECASTING AND BROADCASTING BUSINESS • TV

NATION BROADCASTING CORPORATION LTD.

Nation Broadcasting Corporation Ltd. is an independent enterprise responsible for establishing, implementing and managing policies, plans and all aspects of broadcasting business management, which incorporates all forms of broadcasting media, including Cable TV, Nation Channel, Free TV and Radio.

NATION CHANNEL: FIRST 24-HOUR TV NEWS STATION IN THAILAND

Produced and broadcast by Nation News Station from Nation Tower, via cable TV - UBC 8. Its brief, is to independently report news without restriction and to accord international calibre to Thai news for broadcast in Thailand and abroad.

Considered a new phenomenon among other Thai TV news stations, Nation Channel reports news in both Thai and English in addition to its range of quality TV programs for the new generation, 24-hours/day. It is widely popular with both Thai and foreign viewers for its up-to-date news from all perspectives, news analyses and international standard broadcasting team.

FREE TV.

Nation TV is an independent producer of many TV productions on Free TV - both serious drama series, such as "Silk Knot" on ITV, and variety shows, such as Chaosua Siam on TV5. Current programs for Free TV include:

- **Luang Louk Kon Dang (Celebrity Lifestyle):** every Saturday, TV.5, 11.00-11.35 pm.
- **Chong Tang Ngern Tong (Money and Business) Live:** Monday to Friday, TV. 5, 09.45-10.35 am.
- **Modern Lifestyle:** New trends for modern people. Monday - **Intelligent Lady**, Tuesday - **House of Animal Lovers**, Wednesday - **Health Lovers**, Thursday - **Live Well with Style**, Friday - **Happy Friday**, TV 9, 07.00-07.35 am.

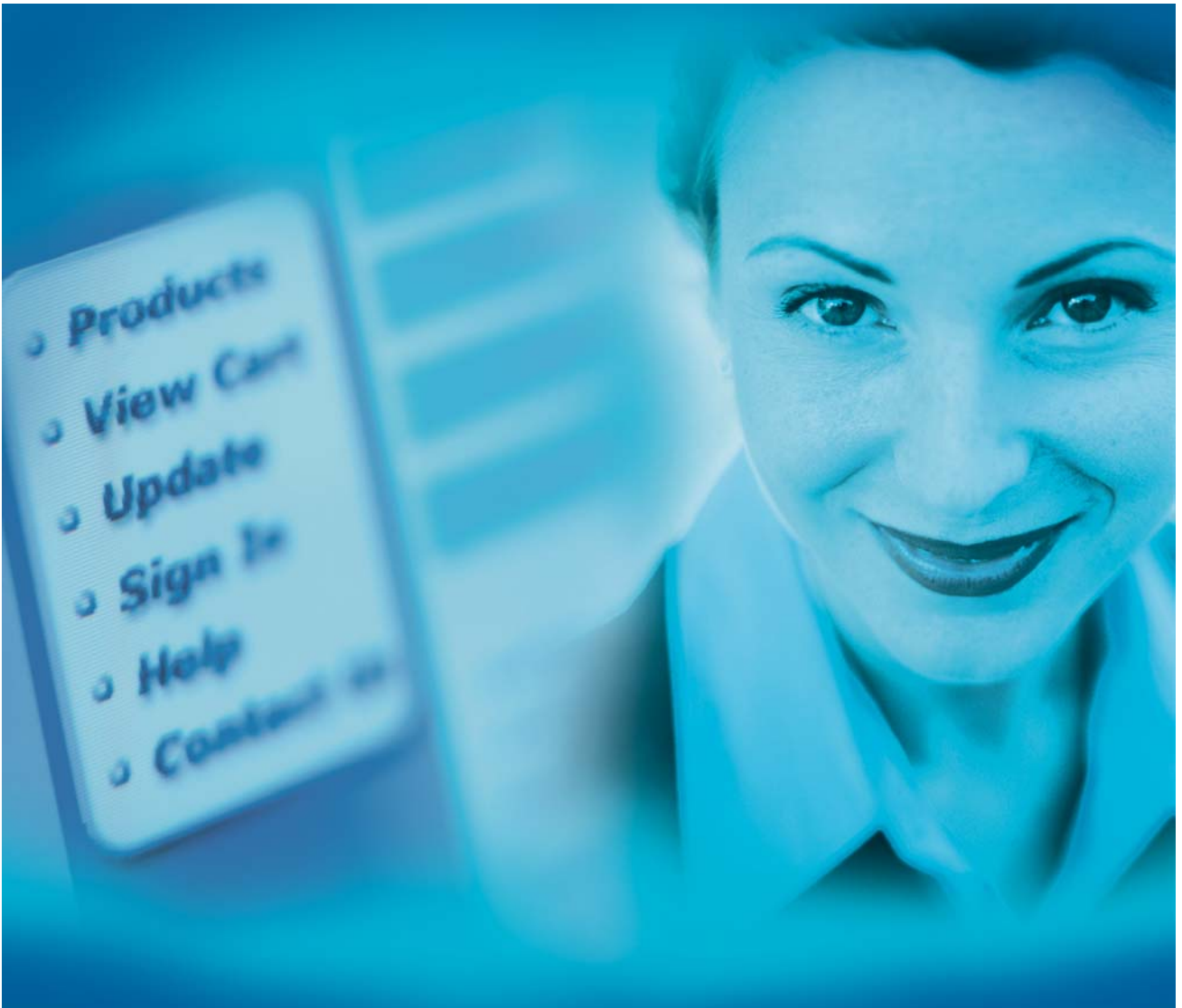
RADIO

Nation Radio is the leader in radio program production for FM 90.5 MHz Business Radio. Nation news stations are located in all regions of the country and also overseas. Its knowledge and information is both reliable and accurate. Nation radio reports all news stories, both local and international news, with an informed and insightful analysis of all major issues in each broadcast.





MEDIA E



DIGITAL A BUSINESS

WWW.THAILAND.COM

Being a world class web portal, the site provides a wide range of updated information on tourism and business in Thailand such as facts on business-to-business, business-to-customer and export activities.

Thailand.com's sophisticated services earned it an award from the Department of Export Promotion as an e-commerce expert centre of Thailand.

Nation Group is also a joint partner in I-STT-nation which provides infrastructure and e-business solutions including a 24-hour Internet Data Centre service.

WWW.DIGITALWAVE.CO.TH

Digital wave is engaged in information technology consulting business, providing modern business organizations with innovative computer systems designing and implementation which include CRM (customer relationship management), ERP (enterprise resource planning), EAI (enterprise application interface) and e-commerce, for the growing needs of customers. All systems are designed to boost the efficiency of the organization's management to achieve the highest revenues and gain and advantage over their competitors. Digital Wave's experienced staff is able to closely assist and support all customers to ensure customers' maximum success.

WWW.COMSAVING.COM

Comsaving.com is web site specialised in computer purchasing service. The site is an ideal place for organizations and business enterprises to purchase computers and office equipment in a short period and at competitive prices. The web site has an intelligent search system for over 10,000 product items with descriptive details and dealers' contact details. Quotations from over 100 dealers can be obtained free of charge, aimed at offering the best deals in the shortest possible time. Visitors can also experience special promotion activities for many famous dealers every week. Comsaving.com has attracted more than 10,000 members.



Digital Media Business





CALENDAR OF ACTIVITIES YEAR 2002





CALENDAR

2002

FEBRUARY

FEBRUARY 1, 2002

Thank You Party for advertising agencies

Kom Chad Luek Newspaper held Thank You Party for advertising agencies at Dusit Thani Hotel for giving warm welcome to the new daily and presenting circulation report, conveyed by AC Nielsen, showing Kom Chad Luek being at the top 3 among the biggest-selling daily newspapers in a short period of time

FEBRUARY 4-8, 2002

Three decades of changes photographic exhibition
The Nation and leading supporters organized "Three decades of changes" photographic exhibition celebrating The Nation's 30th anniversary of its founding at ABAC University, Bangna campus.

FEBRUARY 5, 2003

"Double Lucky Draw with Kom Chad Luek" Campaign

Kom Chad Luek Newspaper organized award presentation ceremony for lucky subscribers and patrons from the "Double Bonus" campaign at Seacon Sqaure Shopping Center.

MARCH

MARCH 15-17, 2002

Three decades of changes photographic exhibition

The Nation and leading supporters organized "Three decades of changes" photographic exhibition celebrating The Nation's 30th anniversary of its founding at Central Plaza Ratchada Rama III.

MARCH 18, 2002

Press conference for "Millionaire 30 million with Kom Chad Luek" Campaign (got this name from KCL Marketing Team)

Held at the Regent, readers had chances to win great prizes, simply send coupons in Kom Chad Luek to guess which team is going to crown FIFA championship 2002. The campaign lasted fully 4 months in Kom Chad Luek with a lot of funs and games.

MARCH 22, 2002

Thank You Party for Kom Chad Luek distributors nationwide

The party was to express gratitude and appreciation for good welcoming of the fledgling daily at the Montien Riverside Hotel.

MARCH 30, 2002

Bangkok 220: Kite Flying Festival
Nation Group, in cooperation with BMTA and leading business enterprises organized a series of special event to commemorate 220th anniversary of Rattanakosin period at Sanam Luang. The activities included bike rally around Rattanakosin Island and demonstration of kites of various kinds.



APRIL

APRIL 3, 2002

4th Clinic Entrance

Guidance program for M. 6 students who were deciding to submit entrance points to choose faculty and university. Students obtained guideline from Ministry of the University Affair experts and present university students.

APRIL 10-16, 2002

Three decades of changes photographic exhibition

The Nation and leading supporters organized "Three decades of changes" photographic exhibition celebrating The Nation's 30th anniversary of its founding at Central City Bangna.

APRIL 21, 2002

Bangkok 220 Rose Parade

Nation Group, in cooperation with BMTA and leading business enterprises organized the second event in a series called Rose Parade at Rajdamnern road and Sanam Luang. At the event, crowds were stunned with a spectacular view of the float parade adorned with myriad beautiful flowers.



MAY

MAY 29, 2002

Seminar - "Investment in Low Interest Rate: How to gain profit?"

The seminar was held at Asia Hotel to celebrate the 2nd anniversary of Nation Channel. Dr. Somkid Jatusripitak, Deputy Prime Minister and Minister of Finance honorably addressed speech to the seminar, which attended by a great number of distinguished guests from all business sectors.



JUNE

JUNE 17, 2002

Splitting the retail strategy...creating an opportunity for Thai business
Krungthep Turakij newspaper organized a seminar "Splitting the retail strategy...creating an opportunity for Thai business" at the Landmark Hotel, which attracted around 350 persons with related activities from the government sector, retailers, suppliers and consumers.

JUNE 25 - JULY 10, 2002

Love Project

To celebrate Nation Channel's 2nd Anniversary, activities were held at 10 high schools throughout Bangkok with Dr. Phansak Sukraruek, compere of the Love Clinic program, to provide information and knowledge concerning sex and drugs for young people. Various young movie stars joined in to provide guides on the way to lead their young lives. Mr. Krishna Chairat was the announcer throughout all the activities.



JULY

Feature Award

Krungthep Turakij newspaper organized a feature contest between July 2002 and January 2003 for higher educational institutes throughout the nation, with a total prize of 100,000 Baht. The prizewinner was announced at the end of January 2003. The newspaper also held a workshop for feature writing for 60 students on August 17 - 19, 2002, at Phuriphiman Resort, Nakhon Ratchasima province.

JULY 3, 2002

A seminar "Government meets the private sector on national strategy" at the Dusit Thani Hotel on the topic "National strategy...increasing competitiveness for a Thailand free from the economic trap" and "What are the benefits for the private sector in such strategies".

JULY 6, 2002

Japanese Festival #2

A project to enable teenagers to show their skills and creativity in line with government policy. Many useful activities for youth were held at the Plaza Arcade, Siam Discovery Shopping Centre.

JULY 7, 2002

Bangkok 220 - "A Charm of Civilized Siam"

Nation Group, in cooperation with BMTA and leading business enterprises organized a series of special events to commemorate the 220th Anniversary of the Rattanakosin Period in the chapter "A Charm of Civilized Siam" at Discovery Plaza, Siam Discovery Center. Activities in the festival included a rally on BTS sky train, a fashion show contest for R.E. 440, and other entertaining activities.

AUGUST

AUGUST 3 - 4, 2002

"Great Kindergarten Sport 2002" Project

This project aims to promote children's interest in sports and exercise, to install children's love and harmony with each other and to promote the strengthening of family relationships by participating in the various activities, held at Muangthong Thani Stadium.

AUGUST 24, 2002

"Disney & Me Talent Contest 3" Project

This project, held at the Impact Arena, Muangthong Thani, Hall 5, was organized to improve and develop English, and to promote the creation and expression by youth throughout the country.

AUGUST 27, 2002

Launch of "Bangkok Business Challenge 2002" Project

Krungthep Turakij newspaper organized Thailand's first business plan contest "Bangkok Business Challenge 2002" with a winners' prize of 800,000 Baht in cash plus the award of the King Bhumiphol Royal Trophy. The contest was open to Master's Degree graduates in business, in order to prepare Thai students for global competition and to give the opportunity to businessmen to select a good business plan for sound investment.

AUGUST 31, 2002

Bangkok 220 on Canvas

Nation Group, in cooperation with BMTA and leading business enterprises organized a series of special events to commemorate the 220th Anniversary of the Rattanakosin Period with the display of "Bangkok 220 on Canvas" at the Queen Sirikit National Convention Center. The festival included a drawing contest with the topic, "A Charm of Bangkok in My Heart", featuring paintings and drawings from famous artists. Artworks sold at the exhibition resulted in contributions to the Children's Foundation.





CALENDAR 2002

OCTOBER

OCTOBER 1, 2002

Launch of Nation Book Publisher
Nation Group established Nation Book International Co., Ltd. to produce a wide variety of pocket-books and held a reception to announce its publishing rights in Thailand to "My Sassy Girl", which is the best selling book in South Korea. Mr. Kim Ho Shig, the book's Korean author, also attended the reception held at RCK Tower, as well as many other authors, writers, translators and mass media representatives.

OCTOBER 1-5, 2002

The 5th Annual Intensive Tutoring for Entrance Exam Project
Nation Group, in cooperation with MAMA organized an Intensive Tutoring for Entrance Exam Project activity for the 5th successive year. The activity enhanced educational opportunities and equivalent for all high school students. Almost 20,000 students participated in this activity and more than 30 teachers traveled through the 4 regions of the country to conduct the intensive tuition, for 5 days, in 6 subjects, before the first round of the entrance examination in October. Tutoring activities were held at Bangkok University in the Central region, Chiang Mai University in the Northern region, Khon Kaen University in the Northeastern region and Valailuk University in the Southern region.

OCTOBER 12, 2002

A seminar for Home Lovers
The "Easy living style" program celebrated its 1st Anniversary at The Peninsula Hotel, Ekaphong Trithong, where an instructor of Silpakorn University and the Easy living style team organized a seminar to assist home lovers with ideas for their home decoration by interior designers and architects from many institutions throughout the country, free of charge.

OCTOBER 17-18, 2002

Future with China
Nation Group and leading business enterprises organized an international conference entitled, "Future with China" at the Dusit Thani Hotel.

OCTOBER 21, 2002

Reverence to the Great King Chulalongkorn
Nation Group, in cooperation with BMTA and leading business enterprises organized a series of special events to commemorate the 220th Anniversary of the Rattanakosin Period with a "Reverence to the Great King Chulalongkorn" at the Memorial of King Rama V. Many activities from various organizations were held to pay reverence to King Rama V.

OCTOBER 26-27, 2002

A Walk of Success : Krungthep Turakij-Business Companion
Krungthep Turakij newspaper organized "A Walk of Success : Krungthep Turakij-Business Companion" on the occasion of its 15th Anniversary. The event, Money & Investment Mini Expo, was held at the Queen Sirikit National Convention Center and included a seminar in 6 topics, training in 4 subjects and an exhibition.



CALENDAR 2002

NOVEMBER

NOVEMBER 19, 2002

Bangkok 220: The Charm of the Riverside

Nation Group, in cooperation with BMTA and leading business enterprises organized a series of special events to commemorate the 220th Anniversary of the Rattanakosin Period with a "Bangkok 220: The Charm of the Riverside" at Suan Santichaiprakarn Park. Activities included a boat rally along the Bangkok-noi Canal and a light-and-sound show to present Banglumpu's history which grew together with the Rattanakosin Period.

NOVEMBER 23, 2002

Dunk Anti-Drugs # 9

Nation Egmont offered a challenge to youth between 13-22 years from all over the country to join in productive activities during their spare time by playing Basketball. As our youth is the nation's most valuable human resource, it is important to support organized activities, in accordance with government policy, that provide strong support for all anti-drugs activities among youth through sporting competition. The Dunk Anti-Drugs Basketball Competition was held at the Manifold Purposes Yard, Suanlum Night Plaza.



DECEMBER

DECEMBER 5, 2002

Bangkok 220: The Charm of China Town Nation Group, in cooperation with BMTA and leading business enterprises organized a series of special events to commemorate the 220th Anniversary of the Rattanakosin Period with a visit to appreciate "The Charm of China Town" at Oadian Square, on Yaowaraj Road. The activities included a walk rally around the Yaowaraj Road area, the BMTA Fair and the "Lighting a Candle Ceremony" to bless His Majesty the King on his birthday.

DECEMBER 11-27, 2002

News Vote 2002

Audiences were given an opportunity to vote for what they considered the top news item in the year 2002 via Nation Channel UBC 8's annual activity. The top 3 news items were: 1) The Best of Thai - Paradorn Srichapan; 2) Surrender of Duangchalerm and Judgment to execute Major Chalermchai; and 3) World Cup Soccer Fever.

DECEMBER 13, 2002

Entrance Quiz 2002

This national competition for high school students from all over the country was held at Kasembandit University. More than 100 student teams (2 persons in each team), both Science and Arts majors, competed in educational competitions. Students of Science major had to compete in 4 subjects: Mathematics, Chemistry, Physics and Biology and 3 subjects for Arts major students: English, Social Studies and Thai. The competition began in the morning with theoretical papers containing 100 multiple choice questions to be completed within 2 hours to select 20 best teams to compete in the practical performance in the afternoon. The winner of the Science major was the team from Samsen School and the winner of the Arts major was the team from Khemasiri Memorial School.

DECEMBER 14-15, 2002

Kids' Sports 2002

Nation Egmont provided encouragement for all kids interested in sports activities who enjoy exercise to keep healthy. This project was held to establish harmony and the learning of winning and losing. It also encouraged family ties with a variety of sports activities at MCC Hall, The Mall, Ngamwongwan.

DECEMBER 14, 2002

On Air Talent Contest

Nation Group in cooperation with leading business enterprises organized an MC contest "On Air Talent Contest" at Major MEGA Complex, Rangsit. The contest was divided into two categories: News and Variety programs. Many youth joined in and enjoyed taking part in the contest.

DECEMBER 24, 2002

A round table seminar entitled "Bio-technology - Opportunity and Challenge for Thai Business" was held at the Meeting Room, Floor 9, Nation Tower.

DECEMBER 31, 2002

Bangkok 220 Countdown Festival

Nation Group, in cooperation with BMTA and leading business enterprises organized a series of special events to commemorate the 220th Anniversary of the Rattanakosin Period. It was the last of these organized activities throughout the year and featured the Countdown Ceremony to say farewell to the Old Year and welcome in the New Year 2003 at the Activity Yard of the Rama VIII bridge on the Thonburi bank of the Chao Phraya River.



CHARACTERISTICS OF THE BUSINESS

INCOME STRUCTURE

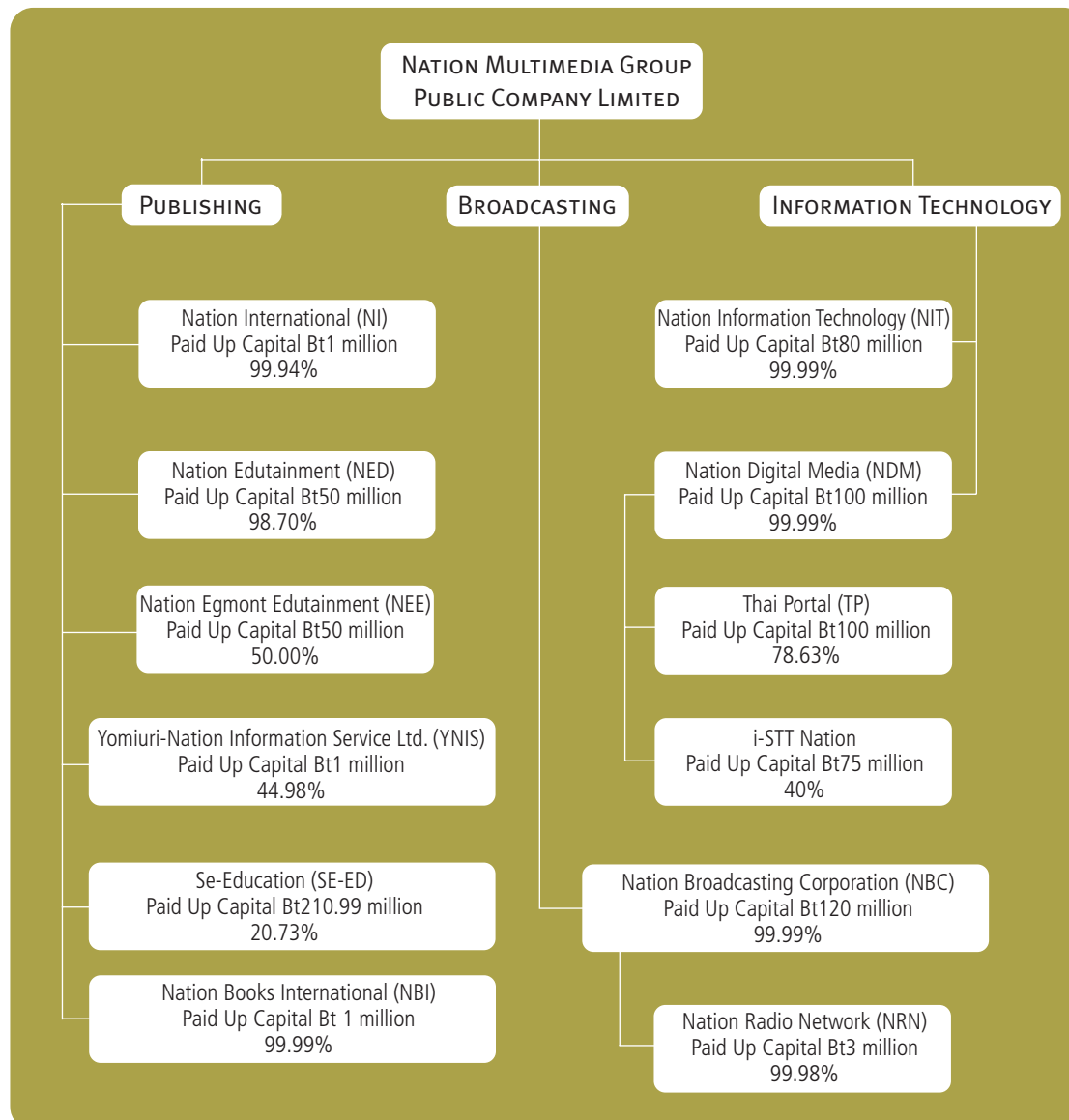
The income structure grouped by products and services of Nation Multimedia Group Public Company Limited and Subsidiaries is as follows:

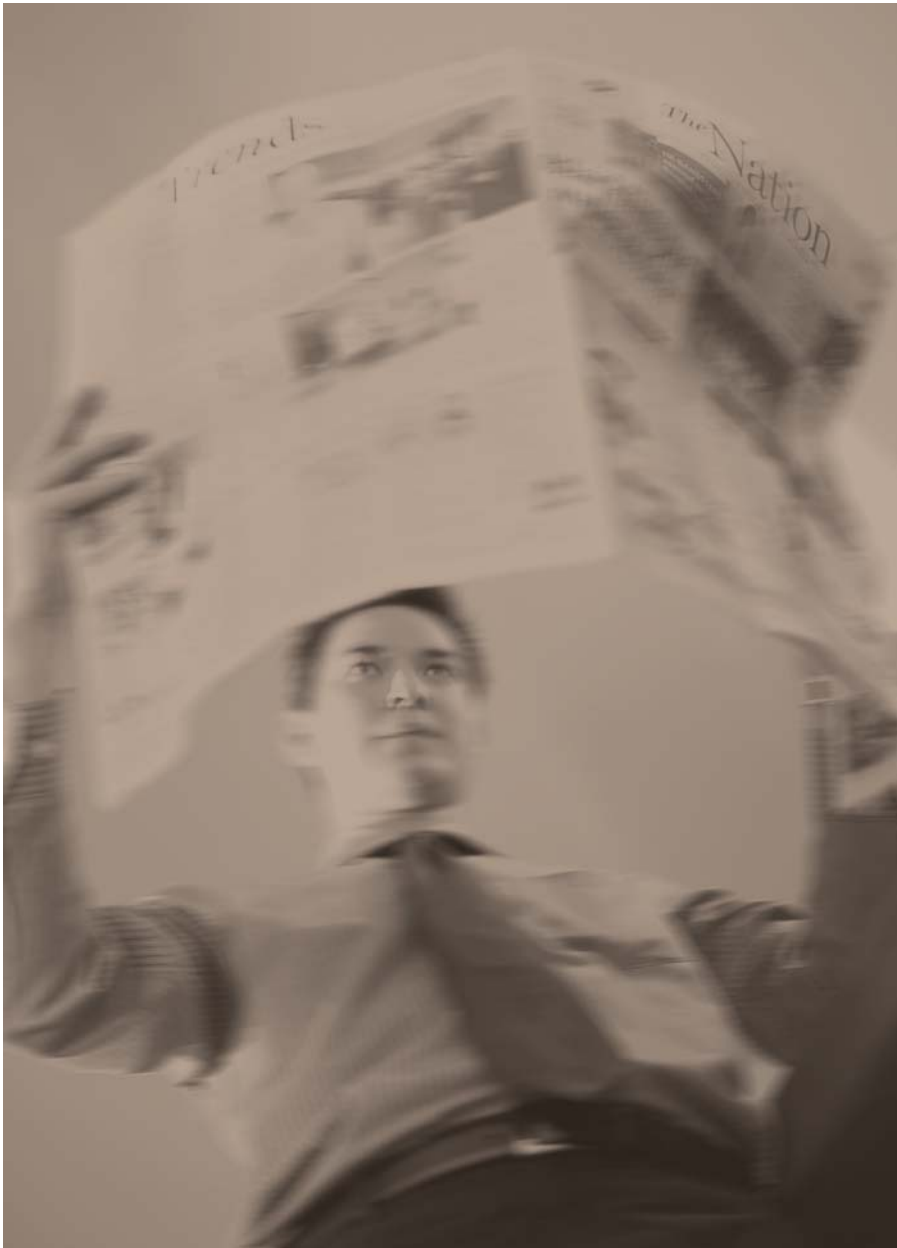
: Million Baht

Products/Services	Operated by	2002		2001		2000	
		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	2,486	94%	1,705	89%	1,495	91%
<ul style="list-style-type: none">• Television Programs	<ul style="list-style-type: none">• Nation Broadcasting Corporation	107	4%	138	7%	105	6%
<ul style="list-style-type: none">• Radio Programs	<ul style="list-style-type: none">• Nation Radio Network	18	1%	23	1%	26	2%
<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	17	1%	66	3%	8	1%
	Total	2,628	100%	1,932	100%	1,634	100%



BUSINESS GROUP STRUCTURE





The economic recovery during the period 2000 until 2002 encouraged spending on advertising, generating a continuous improvement at an average of 15% per annum, and the growth for 2003 is expected at about 15%-18%, nearly the same as last year. The growths of advertising rely on macroeconomic factors such as war which may affect advertising budgets.

INDUSTRY CONDITION AND COMPETITION

1. PUBLISHING BUSINESS

Publishing income was a major source of The Nation Group's revenues, accounting for almost 90% of sales and service income. The company produces and distributes Thai and English daily newspapers. The main components of growth 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. "Kom Chad Luek" especially has reached a wide target group, effecting a greater market share.

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 - 50 : 50

Krungthep Turakij newspaper only rival as a daily business newspaper is Phu Chatkarn Daily - 80 : 20

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

FUTURE TRENDS IN THE INDUSTRY

Advertising industry trends in 2003 are expected growth of 15% - 18%. Newspaper media is expected to record the highest growth of around 25% - 30% from consumer products, energy beverages, communication business and property business budgets which are severely competitive. Additionally in 2003, Government policies will stimulate economic and money supply from decreasing tax rates, interest rates for synergy of working capital. In quarter 1, the growth of advertising will be stable because of the uncertain factor of war conditions, which affect payment budgeting. Since these war factors are clear, advertising industry growth will expand rapidly. The company believes that the printing business is still a major aspect of revenue and will experience continuous improvement.



2. BROADCASTING BUSINESS

Broadcasting business, especially television, remains a 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 Group emphasizes on news presentation with up-to-date, in-depth, and unbiased analyses through channel 5, 9, ITV, cable TV, and including F.M.90.5 radio station.

FUTURE TRENDS IN THE INDUSTRY

In the past few years, people have become more interested in valuable news and information, and they consider television and radio as the most favorable media. The severe competition among television and radio programs has resulted in a variety of program presentations, and high production quality. Therefore, this business has high potential for growth and the advertising industry is likely to grow continuously as well.

COMPETITIVE ATMOSPHERE

The competition has intensified due to the increasing numbers of news and information programs. The Nation Group, as content provider, is in a better position to reach audiences nationwide. In addition, the experienced staff, high caliber editorial teams, and its status as an established multimedia provider has resulted in lower operating costs compared to its rivals.

3. INTERNET BUSINESS

FUTURE TRENDS IN THE INDUSTRY

As the internet business in Thailand is currently in the introductory stage compared to other developed and developing countries, this business is deemed to have a strong growth and opportunities to expand in the near future.

COMPETITIVE ATMOSPHERE

Internet business has played an important role as it receives support from the government, as well as the availability of service facilities. As a consequence, service providers have improved their strategies, content and features to be more effective in the environment of strong competition.

LIST OF MAJOR SHAREHOLDERS

THE TOP TEN SHAREHOLDERS AS OF JUNE 14, 2002 ARE RANKED AS FOLLOWS:

NAME	SHARES	% HOLDING
1. Thai NVDR Co., Ltd.	14,982,985	9.42
2. Mr. Thanachai Theerapatvong	13,896,910	8.74
3. Mr. Suthichai Yoon	13,048,591	8.21
4. Dow Jones & Company, Inc., New York	12,000,000	7.55
5. Albouys Nominees Limited	11,603,859	7.30
6. American International Assurance Co., Ltd. (2 accounts)	10,633,038	6.68
7. Morgan Stanley & Co. International Limited	9,741,320	6.13
8. Bank of Tokyo-Mitsubishi (Luxembourg) S.A	4,398,900	2.77
9. Mr. Pak Vivaddhanakasem	3,102,300	1.95
10. Mr. Nivat Changariyavont	2,583,578	1.62
Others	63,023,400	39.63
Total	159,014,881	100.00



BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

NAME	POSITION	NO. OF SHARES HELD AS AT DEC. 27, 02	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	Assmption Commercial College Bangkok (ACC)	1971-Present	Nation Multimedia Group
3. Mr. Thanachai Santichaikul	Director	95,226	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 DEC. 27, 02	QUALIFICATIONS	YEAR	EXPERIENCE
7. Mr. Nivat Changariyavont	Outside-Director and Member of the Audit Committee	2,583,578	Assumption Commercial College Bangkok (ACC)	1979-Present	Managing Director -Green Siam Co., Ltd.
8. Mr. Philip Revzin	Director	None	Bachelor's Degree -Standford University Master's Degree -Columbia University	1974-Present	Dow Jones & Company
9. Mr. Vorasit Pokachaiyapat	Director	None	Master's Degree -MIS Massachusetts, USA	1991-Present	Executive Director -Finansa Securities Public Co., Ltd.
10. Mr. Pana Janviroj	Director	28,000	Master's Degree -Tufts University, USA	1984-Present	Nation Multimedia Group
11. Mr. Adisak Limprungpatanakij	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.



CORPORATE GOVERNANCE

The Company's Board of Directors strictly and continuously performs according to the Code of Best Practices for the directors of the listed company under the supervision of the Stock Exchange of Thailand, e.g. Function and Responsibilities of the Company's Board of Directors, Appointment by term of the Board of Directors, Remuneration for Directors, Board of Directors and Shareholders Meeting and Financial Report. In addition, the Board of Directors has authorities and duties to manage in accordance with the regulations of the Company under the criteria, notifications, and provisions of the law. The Board of Directors is also responsible for stating the policy and direction in operating the business, monitors the management to perform its duty transparently and conforms with the Code of Best Practices effectively. Furthermore, the Board of Directors has strengthened the Code of Best Practices by appointing the Audit Committee to monitor the quality and credibility of accounting system, audit system, and internal control system, including the Company's financial report.

INTERNAL INFORMATION CONTROL

The Company has the policy and method to forbid the executives using inside information for personal benefits. For securities trading, the Company has safeguarded the undisclosed information in secret and allowed the concerned executives to acknowledge only. In addition, the executives have to report the trading of their Company's securities holding according to the articles of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) in the subject of rules, conditions and method to prepare and disclose the securities holding report to protect against the use of inside information for securities trading and the argument of the appropriateness of insider's securities trading. The Company's executives have steadily followed the rules of SEC and SET.

INTERNAL CONTROL

The Company's Board of Directors has appointed the Audit Committee to monitor the quality and credibility of accounting system, audit system, and internal control system, including the Company's financial report. In 2002, the Company's Board of Directors has acknowledged the reviewed report of the Audit Committee and the operating results of internal audit department continuously. Additionally, the Company's Board of Directors has judged that the internal control is sufficient and appropriate, and has no critical shortcomings, which affect to the expression of the auditor's opinion in the financial statement.

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: (02) 229-2800

(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: (02) 658-0611

(3) **FINANCIAL CONSULTANT**

Asset Plus Securities Public Company Limited
193/111-115 Lake Rajada Building, 27th Floor, New Rajadapisek Road, Klongtoey,
Klongtoey, Bangkok 10110 Tel: (02) 661-9988

(4) **LEGAL CONSULTANT**

BAKER & MCKENZIE
990 Abdulrahim Place, 22nd - 25th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10110
Tel: (02) 636-2000



RISKS FACTORS

FACTORS THAT ARE RELATED AND MIGHT HAVE SOME AFFECT ON THE COMPANIES ARE AS FOLLOWS:

1. Newsprint is the main raw material for the newspaper business, which is classified as a commodity product. However, the prices of newsprint fluctuate and depend largely on demand and supply movements, which do affect the company on the cost of production. From its 30 years' experience in the publishing business, the company has closely monitored newsprint price movements and the price of the newsprint in the year 2002 was considered as a lowest for a decade. According to the resume statement, the company has ordered a large amount of newsprint in order to cover all production in the year 2003, whereas the import of newsprint will be done slowly throughout 2003. In the year 2003, the newsprint market has resumed on the price movement of the newsprint and the price in 2003 is likely to go up but this will not affect our company in importing newsprint, as the risk on volatility of currency exchange will be covered by forward contract agreements.
2. The company established a standard policy on debt collection by setting aside provision on doubtful receivables based on the past and current performances of our customers. In addition, the company 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. In the year 2002, the company has set the loss on impairment of long-term investment at the amount of 353 million baht which appears in the financial report for the year ended 2002. In year 2003, the company plans to invest in a new printing machine for a product line expansion at the approximate amount of 500 million baht. The sources of this fund support are provided by local banks and leasing companies.
4. Other sources of funds besides working capital from earning before interest, tax, depreciation and amortization (EBITDA) for the amount of 600 - 700 million baht in the year 2002, were from issuing debenture and through B/E (Bill of Exchange), using credit lines from banks, finance institutions and increasing capital through private placement, which was approved in the shareholders' meeting.
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

-None-