

Annual Report 2003

Nation Multimedia Group Public Company Limited

บริษัท เนชั่น มัลติมีเดีย กรุ๊ป จำกัด (มหาชน)

รายงานประจำปี 2546



vision

NMG

5-year Vision Statement



The **Multimedia Group**
that reach every **household**

Inspire

In the most trustworthy

NMG Mission Statement

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Annual Report 2003

To inform, educate, entertain and

inspire in the most trustworthy,

timely and creative manner

mission

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Nation Group

Annual Report
2003

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Annual Report 2003

General Information

Name

Nation Multimedia Group Public Company Limited

Head Office

44 Moo 10, Bangna-Trad Road Km 4.5, 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

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

Paid-up Share Capital

Baht 1,616,113,260 consisting of 161,611,326 Shares at Baht 10 per 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

General Information

NATION GROUP

Summary of Financial Data and Investment

(in million baht)

1. Data from Consolidated Financial Statement	2003	2002	2001
• Sales and Service Income	2,839.61	2,627.94	1,931.64
• Total Revenues	3,146.54	2,896.06	2,086.21
• Gross Profit Margin	1,425.11	1,295.48	928.94
• Operating profit before gain on sales of fixed assets, provision for loss on impairment of investments, provision for doubtful accounts	286.05	180.82	100.03
• Net Profit (loss)	150.94	(239.87)	100.03
• Total Assets	6,477.24	6,475.40	6,424.19
• Total Shareholders' Equity	2,223.05	1,892.68	2,191.20
2. Financial Ratios	2003	2002	2001
• Total Debts to Equity (x)	1.91	2.42	1.93
• Gross Profit Margin (%)	50.19%	49.30%	43.09%
• Operating Profit before gain on sales of fixed assets, provision for loss on impairment of investments, provision for doubtful accounts on Total Revenues	9.09%	6.24%	5.13%
• Net Profit (Loss) on Total Revenues	4.80%	(8.28)%	4.79%
• Return on Equity	6.79%	(12.67%)	4.57%
• Return on Total Assets	2.33%	(3.70)%	1.56%
• Earning (Loss) per Share (Baht)	0.95	(1.51)	0.63
• Interim Dividend per Share (Baht)	0.25	-	-
• Book Value per Share (Baht)	13.75	11.88	13.80
Investments in Subsidiaries of Nation Multimedia Group Public Company Limited as of December 31, 2003			
	Registered Capital (Million Baht)	Percentage of Investment	
PUBLISHING BUSINESS			
Nation Books International Co, Ltd.	1.00	99.93	
Nation Edutainment Co, Ltd.	50.00	98.70	
Nation Egmont Edutainment Co, Ltd.	50.00	50.00	
BROADCASTING BUSINESS			
Nation Broadcasting Corporation Co, Ltd.	120.00	99.99	
Nation Radio Network Co, Ltd. (Invested by Nation Broadcasting Corporation)	3.00	99.98	
INFORMATION TECHNOLOGY BUSINESS			
Nation Information Technology Co, Ltd.	80.00	99.99	
Nation Digital Media Co, Ltd.	100.00	99.99	
Investments in Associates Companies of Nation Multimedia Group Public Company Limited as of December 31, 2003			
	Registered Capital (Million Baht)	Percentage of Investment	
Yomiuri-Nation Information Service Co, Ltd.	4.00	44.98	

Message

► Message

from the Chairman

Last year, our media business operation indicated substantial development in all aspects: subject matter, presentation and channel of presentation. The phenomenal growth of the global media has had the effect of spurring on the global economy, which had a similar effect in Thailand. The economy in 2003 greatly improved, resulting in a similar improvement in Thailand's overall media business, including that of the Nation Group, which attracted a fair share of the rejuvenated business surge.

Testimony to the continuous effort, reflecting the proud success of Nation Group management and workforce during 2003, is the second ranking of Nation Group's main print media (Kom Chad Luek, Krungthep Turakij and The Nation newspapers) in the print media market, with earned income from this section (Display) at around Bt1,700 million. If income from the Classified section is added, the grand total will top Bt2,000 million, following the market leader, Thairath newspaper. Among public listed companies on the Stock Exchange of Thailand, however, Nation Group is the leader in the print media business through its income from advertising sources.

Print Media in Thailand

Categories	No. of Publications	Market Share	Nation Group Medias
Daily	11	62%	"Kom Chad Luek" in 3rd rank
Business	9	20%	"Krungthep Turakij" in 1st rank
English	3	9%	"The Nation" in 2nd rank
Sport	5	5%	
Entertainment	7	2%	
Chinese	3	1%	
Total	38		

Note : Data from MDR for the year 2003

However, in the study of all 38 newspapers in the market, the Nation Group's three titles are all inside the top ten rank: "Kom Chad Luek" is ranked third, "Krungthep Turakij" ranked fourth and "The Nation" ranked ninth.

Even though our business has progressed remarkably, our continuous pursuit for improvement is undiminished. (Kom Chad Luek alone was the No. 3 biggest advertisement billing gainer and Nation Group was No. 2 gainer in the whole market.)

The economy for 2004 shows an inclination for continuous growth, outpacing that of the previous year. We therefore have confidence that our media business operation will grow accordingly.

However, fierce competition is foreseeable, from existing competitors, newcomers and even rehabilitated companies. Success is largely dependent on each organization's internal factors, professionalism and experience.

With our company mission set for the next 5 years, "The Multimedia Group that reaches every household", we aim to better our performance in all aspects of our three flagship newspapers - The Nation, Krungthep Turakij and Kom Chad Luek. For The Nation and Krungthep Turakij, we plan to achieve a more focused reader base to outnumber our rivals, while maintaining the top position as leader in the Thai business daily sector with Krungthep Turakij.

As a leading content provider in Thailand's media world, we also provide content through many other media channels, such as mobile phones and the Internet to ensure additional income.

In our broadcasting business, improvements are scheduled to continue as planned, plus our considerable range of associated services via free TV, pay TV and other electronic channels.

Another goal that we would like to achieve is developing the company's operation more professionally and efficiently. A workforce is an important element in enabling any organization to reach its goal, so one of our main strategic aims is to promote greater teamwork. The company will provide employees with special training courses and seminars in order to develop our human resources and organization to become a Knowledge Based Organization. The company will also endeavor to improve sales & services, decrease repetitive work processes, while making itself ever more efficient and committed to improving its IT standard.

Other strategies we aim to improve upon are emphasizing quality, rather than quantity, and elevating work standards by using a Performance Based Appraisal system.

Lastly, we are committed to ensure careful planning and goal setting that will help the Nation Group grow steadily and proceed firmly towards the future with our ideal of being an impartial media, which we have steadfastly maintained from our first day until the present.



(Thanachai Theerapattanavong)
Chairman & CEO

Audit Committee's Report For 2003

The Audit Committee of Nation Multimedia Group Public Company Limited consists of 3 independent directors : **Mr. Pakorn Borimasporn is committee chairman, Mr. Chaveng Chariyapisuthi and Mr. Nivat Changariyavont** are committee members.

The Audit Committee has fulfilled its role and responsibility for the oversight of the financial reporting practices in order that the company financial reports are sufficient and fairly presented, and the oversight of the internal control system in order that the internal control system is adequate and efficient, as well as the oversight of transactions that may cause conflict of interest, etc. In year 2003, the company has doubled its personnel in the Internal Audit Department. There are two teams, one team performs the internal audit activities in accordance with the internal audit program, the other team performs the internal audit activities as per assignment. The above-mention will improve the efficiency and flexibility of the Internal Audit Department and effectively cope with the increasing workload. In addition, the Internal Audit Department has prepared the "Internal Audit Charter" to ensure that every employee will understand the purpose, framework and responsibility of the Internal Audit Department.

In February 2004, the Audit Committee met with the outside auditor to ask further information and discuss the auditing process of the company financial reports. The Audit Committee is of the opinion that the 2003 annual financial reports of the company are fairly presented and no transactions are found that might materially affect the financial reports.

The Audit Committee has considered the nomination of the outside auditor and proposed that the following persons of KPMG Poomchai Audit Co., Ltd. were nominated as the company's outside auditor for year 2004 : Mr. Winid Silamongkol, registration No. 3378 or Mr. Vairoj Jindamaneepitak, registration No. 3565 or Mr. Thiridthong Thepmongkorn, registration No. 3787 or Mr. Narong Luktharn, registration No. 4700 or Mr. Apichart Sayasit, registration No. 4229.



(Mr. Pakorn Borimasporn)
Chairman of Audit Committee

Board of Directors



(1)

- (1) Thanachai Theerapattanavong Chairman
- (2) Suthichai Yoon Director
- (3) Thanachai Santichaikul Director
- (4) Vanchai Sriherunrusmee Director and Secretary of The Board of Directors
- (5) Pakorn Borimasporn Outside-Director and Chairman of The Audit Committee
- (6) Chaveng Chariyapisuthi Outside-Director and member of the Audit Committee
- (7) Nivat Changariyavont Outside-Director and member of the Audit Committee
- (8) Philip Revzin Director
- (9) Pana Janviroj Director
- (10) Adisak Limprungpatanakij Director



(2)



(3)



(4)



(5)



(6)



(7)



(8)



(9)



(10)

Executive Management

Management and Marketing Executives

Thanachai Santichaikul	Vice Chairman
Vanchai Sriherunrusmee	Chief Financial Officer
Prasert Lekavanichkajorn	Chief Operating Officer - Krungthep Turakij and The Nation
Phimpakan Yansrisirichai	Chief Operating Officer - Kom Chad Luek
Kesery Kanjanavanich	Chief Operating Officer - Education, Children and International
Wongsiri Miyaji	Chief Operating Officer - Nation Books
Suphaphan Thaneeyavan	Chief Operating Officer - Marketing

Editorial Executives

Thepchai Yong	Editor - Nation group
Adisak Limprungpatanakit	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



executive
management

Category of Information



Printing Media Business

- The Nation
- Krungthep Turakij
- Kom Chad Luek
- Nation Weekender
- Nation Junior
- Pocketbooks
- Publisher and distributor of international publications
- Importer and producer of educational publications
- Joint-venture with SE-ED Book Center

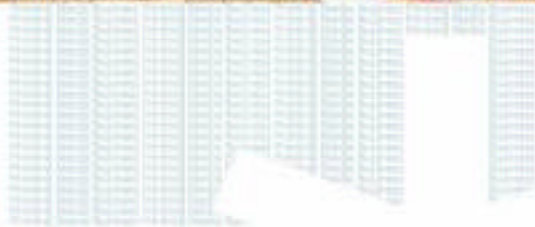
Television and Broadcasting Business

- Television
 - Nation Channel TTV. 1
 - Free TV
- Radio

Information Technology Business

- Internet
 - www.nationgroup.com
 - www.nationejobs.com
- Nation Online

Printing Media Business



Printing Media Business



The Nation

The Group's flagship publication, a Thai-owned English language newspaper, widely read among new-generation readers for its reliable and in-depth national and international news and coverage of economics, politics, society, technology, culture and entertainment.

Krungthep Turakij

A daily, Thai language, business and financial newspaper with the highest circulation, widely accepted for its unbiased and reliable news reporting. An established 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 over a brief span of time, with lively, in-depth and incisive news reporting on various topics, including up-to-date, interesting entertainment news by well-known columnists.





Nation Weekender

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

Nation Junior

A high-quality biweekly magazine for young English learners with language lessons and feature stories on the young scene. Nation Junior is also the organizer for the popular "Spelling Bee" competition that expands students' vocabulary and knowledge.

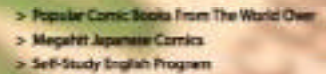
Newspapers and World-Renowned Magazines

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 (English and Chinese).

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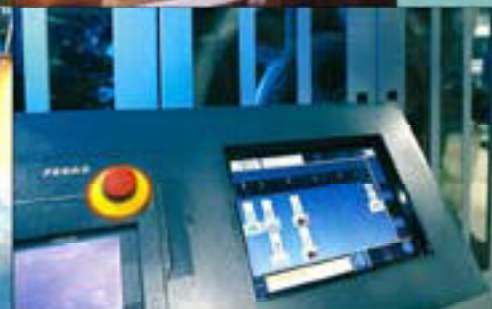
- > Walt Disney Warner Bros.
- > Hi! Entertainment, NBC, Orion, Symantec Books
- > Krigeliter, Scooby Doo
- > Dorsetton, Crayon Shinchan
- > Hunter/Kurter, Naruto, Digital
- > Lady Chablis, Beach, Eye Shield 21

Magazine Business



Media Expertise International (Thailand) Co., Ltd. (MEI), NMG's affiliated company, has been established to operate the magazine business both by purchasing foreign copyrights and by in-house development and publishing in Thailand. In early February 2004, the first magazine entitled "HAIR", which is a renowned British hairstyle copyright magazine, was launched on the market. In April and May 2004, the American copyright magazine "Sports Illustrated" will be launched. The first two editions of this magazine, to be launched in April and May, will cover swimming suits and golf. MEI aims to launch more high-quality magazines throughout 2004 and 2005.

Printing Complex

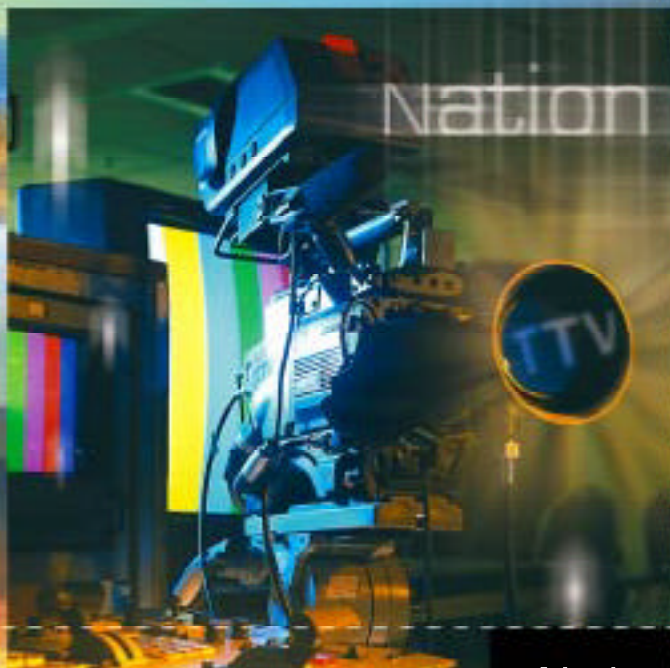


Driven by Nation Multimedia Group's business-wise management vision, Nation Multimedia Group has invested on a state-of-the-art printing complex on Bangna Trad Road, Km 29 on the 52-rai land. The complex serves the fast growing circulation of all publications as well as that of foreign clients-the Yomiuri Shimbun and the Asian Wall Street Journal. It also offers better printing quality and ensures punctual delivery.

» Nation Multimedia Group

Telecasting and Broadcasting Business





Nation Broadcasting Corporation Ltd.

- > CableTV : Cable TV, Cable TV, Cable TV, Cable TV
- > FreeTV : Free TV, Free TV, Free TV, Free TV
- > Radio : Radio, Radio, Radio, Radio
- > Event : Event, Event, Event, Event

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 Free Cable TV, Free TV, Radio and Events.

Nation Channel : Thailand's First 24-Hour TV News Station

Produced and broadcasted by Nation News Station from Nation Tower, via cable TV - UBC 8 since June 1, 2000, then relocated to free cable TV - TTV1 since May 2003, Nation Channel aims 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 stations, Nation Channel reports news in both Thai and English in addition to its range of quality TV programs for the new generation, 24-hour/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. The current program for Free TV is:

"Kaew Yok Pang": a program that will help you make smart investments in the stock market. Monday - Friday, Modernnine TV, 01.00 - 01.30 p.m.

Radio

Nation Radio is the leader in radio program production for FM 90.5 MHz Business Radio. Nation News team is equipped with news bureaus that are all over the country as well as overseas. Its knowledge and information is both reliable and accurate. Nation Radio reports news stories, including both local and international news, with an informed and insightful analysis of all major issues in each broadcast.

Telecasting and Broadcasting Business *Radio

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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 - 15.00 hrs., 18.30 - 19.00 hrs., and 19.30 - 20.30 hrs., Monday to Friday.

- **KASETSART 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. Songkhla Campus.

News reports at the beginning of each hour. Between 06.00 - 24.00 hrs., daily.

FM 89.5 MHz
FM 90.5 MHz
AM 1107 KHz
AM 612 KHz
AM 1314 KHz
AM 1269 KHz

FFWD>>

Digital Media Business



www.nationgroup.com

www.nationjobs.com



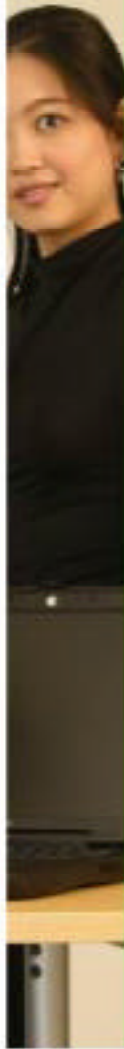
Digital Business

www.nationgroup.com

Very popular among Internet users at home and abroad, nationgroup.com is packed with hot news from The Nation newspaper and information in the business, finance and marketing world from Krungthep Turakij newspaper, as well as hot issues from Kom Chad Luek. In addition, visitors can surf for other information on Nation Multimedia Group on nationgroup.com including classifieds ads, listen to radio programmes on FM 90.5 MHz live, submit subscription applications or purchase product online, participate in an editorial chat room, or post their opinions.

www.nationjobs.com

With ads posted for over 4,000 positions, this is Thailand's largest job placement web site, which also provides information on human resources development by experts on labour law and management. nationjobs.com can respond to those looking for all kinds of jobs at all levels. In addition, it incorporates special features such as the questions and answers on employment by experts, free posting of recruitment ads, e-mail accounts, and the e-mail-based job alert service.



Calendar
of Activities

calendar²⁰⁰³

Calendar of Activities 2003

■ March 2003

Meet 4 Professionals

Krungthep Turakij newspaper organized free training courses on Finance-Investment and Marketing for subscribers. Four training subjects: round-table discussion, young ladies, money and assets, as well as strategic planning, were hosted by finance and investment experts Dr. Suwit Mesinsee, Suwapa Charoenying, Viwan Tarahirunchote, Dr. Nives Hemvachiravarakorn and Dolchai Boonrattavech.

Bangkok Business Challenge 2002

Krungthep Turakij, in collaboration with SASIN Graduate Institute of Business Administration, Chulalongkorn University and Kiatnakin Finance Plc. organized a business plan competition for graduated students majoring in Business Administration nationwide, with cash prizes worth Bt 800,000 for the winners, graciously granted by His Majesty the King. The winning team was announced on March 7-8, 2003, at the Imperial Queen's Park Hotel, Sukhumvit Soi 22.

Blue One Love Live Freedom Concert

The Nation readers participated in a quiz to win 10 free tickets for the "Blue One Love Live Freedom" Concert, which took place on March 24, 2003, at the Indoor Stadium Hua Mark.

Thai Cup

Football competitions were held between March 24-August 31, 2003, in various provinces regionally, including Nakhon Sawan, Khon Kaen, Chonburi, Lopburi, and Phatthalung. The competitions aimed to encourage support for both international and local sports, and included football matches, local sports, a cheer leader competition, a country song contest and a food fair.





1st Bangkok International Book Fair 2003

31st Bangkok Book Fair

This event took place on March 27-April 7, 2003, at the Plenary Hall, Queen Sirikit National Convention Center to promote sales and attract new subscribers. New subscribers and subscribers renewing their subscriptions received many special privileges and prizes from The Nation booth at the fair.

1st Painting Exhibition by Suchart Sawasdisri

Krungthep Turakij's Jud Prakai-Sao Sawasdee hosted master painter Suchart Sawasdisri's 1st Exhibition, March 28-April 30, 2003, at Suan Pakkad Palace, Sri Ayudhya Road, featuring the artist's relationship with changing Thai and global society through a selection of water-colors, oils and prints, Chinese ink, acrylic paints and other media.

Red Cross Fair

Held from March 28-April 5, 2003, at Suan Amporn, Sanam Suapa, the Red Cross Fair was promoted by Kom Chad Luek newspaper and included a Kom Chad Luek booth and various entertainment shows performed on stage for the enjoyment of the large audience.

■ April 2003

The 3rd The Nation Movie Preview (Johnny English)

The Nation provided fun activities for members and readers, who faxed answers to a quiz in the newspaper to win free tickets to see Johnny English before its release, on April 17, 2003, at Grand EGV 4, Siam Discovery Center. The event was well received by The Nation subscribers, VIP audiences, mass media and supporters.

The Nation Promotional Booth - Dance Day 2003

The Nation joined this promotion of exercise among teenagers through dance activities with a booth for member subscriptions at Benjasiri Park, Sukhumvit Road, Bangkok, between 16.00-22.00 hrs.



■ June 2003

The 3rd Kom Chad Luek Agents' Party

Nation Multimedia Group Plc. (NMG) held the 3rd consecutive annual "Thank You" celebration between June 9-10, 2003, at the Majestic Beach Resort to express NMG's gratitude and appreciation to its many agents for their crucial support for Kom Chad Luek newspaper during the year 2003 and to further strengthen the ongoing relationship between NMG and all its agents.

Kom Chad Luek Car Lucky Draw

As part of the company's PR promotion, this event aimed to thank readers of Kom Chad Luek newspaper for their support and required them to cut out coupons from Kom Chad Luek newspapers and send them to the company. A Lucky Draw was held each month with a brand new car as the main prize, with other additional prizes and publicity activities from Victory Monument to Suan Lum Night Bazaar.

■ July 2003

Education-Fun-Fair

Organized during July 4-6, 2003 at Queen Sirikit National Convention Center, this Fair was arranged to promote youth education. A large number of booths from many educational institutes were represented, presenting comprehensive advice on education to parents and students. There were also entertaining stage performances, encouraging youth to show their talents and spend their leisure time creatively.

Disney and Me Talent Contest 2003

A Disney and Me Talent Contest 2003 was held on July 5, 2003, at the Ballroom, Queen Sirikit National Convention Center, to promote and encourage English learning among youth. Participants displayed their various talents through their individual performances in the International Singing Contest, Theatricals and Modern Dance of the contest's "**Sing, Play and Dance**" theme.

Japanese Festival # 3

Japanese Festival #3 was held on July 6, 2003, between 13.00-19.00 hrs. at Discovery Plaza, Siam Discovery Center to encourage teenagers to spend their leisure time usefully. The festival enabled teenagers to show their individual talents and creativity. Events included a Japanese Style Band Contest, Dress-alike Japanese Cartoon Character Contest, Japanese Cartoon Exhibition, and many games from the sponsors.

"Headlights for Day Driving" Campaign

H.E. Mr. Jaturon Chaisaeng, Deputy Prime Minister, presided over the Motorcycle Safety Drive Campaign with Nation Group Management in July 2003, at Nation Tower Building, to encourage safer driving and reduce road accidents involving motorcyclists under the project slogan: "Headlights for Day Driving".



■ August 2003

Kids' Sports 2003

Kid's Sports 2003, at Thunder Dome, Muang Thong Thani Arena, was held to promote an interest in sports and exercise for good health among youngsters, while supporting family-related activities which included cheerleaders and cheering team competitions and parades.

Business Fair 2003 SME Revolution

Sponsored annually by Krungthep Turakij, at the Queen Sirikit National Convention Center, on August 8-10, 2003, the Business Fair 2003 provided wide ranging information on the SME business sector, featuring 10 seminars, 16 workshops and 70 booths, providing prime opportunities for budding entrepreneurs to put forward their proposals to SME fund sources and commercial banks.

Krungthep Turakij Seminars

Motivation seminars by Krungthep Turakij newspaper in the four regions of the nation, between August and September 2003, included "Opportunity and Effects following the Second Bridge construction over the Mekong River" at Mukdahan Grand Hotel, Mukdahan province; "Development Plan for Songkhla and its Business Future" at Southern Education Center, Songkhla province; "Crisis Traffic in Chiang Mai" at Chiang Mai Orchid Hotel, Chiang Mai province; and "Politics and the Development of the Northeastern Region" at the Simathani Hotel in Nakhon Ratchasima province.

Future Fair for U

A Future Fair for U was held between August 2003 and February 2004 at Rajabhat Institutes and many other universities nationwide. The Fair aimed to provide students with relevant information, knowledge and suggestions concerning their future careers and included a variety of job opportunities. There were also various booths with interesting information and materials, as well as entertaining stage performances during the Fair.

Thai Cup Final Round

The final round was held on August 31, 2003 at Chonburi Municipal Football Stadium and included football and free-kick competitions, as well as a Food Festival.



■ October 2003

Amazing Savings and Investment Opportunities

Krungthep Turakij and National Asset Management Co., Ltd. together sponsored a Training Course in Personal Money Management entitled "**Amazing Savings and Investment Opportunities**" , by Trakuljit Jittasaiyaphan and Suwapha Charoenying, which was held at Conference Room B, Nation Tower, Bangna-Trad Road, on October 27, 2003.

■ November 2003

Dunk Anti Drugs # 10

Held on November 8, 2003 at the Multipurpose area, in front of Nimibut Stadium, this activity aims to provide Thai youth throughout the country with an opportunity to display their basketball skills and use their spare time in productive activities for good health and social development as an alternative to anti-social and drug-related behavior.

Productivity Expo 2003

Held on November 14-16, 2003 at the Queen Sirikit National Convention Center.

Number 1 Sports Kids 2003

Lots of sports and athletics activities for students, aged 6-8, to encourage a love of sports and exercise, encouraging kindness and harmony among participants, while enhancing family participation activities, such as a 20 m race, a relay race 4x30 m., football team game (males), cheerleader teams and parades, contests, etc.

This event was organized on November 15-16 at the MCC Hall, The Mall, Bangkok.



Safe investments... Keep your Savings

Organized on November 19, 2003 at the Ballroom 2-3, Grand Hyatt Erawan, Rajchadamri, this seminar offered personal investment advice from Dr. Nivet Hemvachiravarakorn, M.L. Pakakaew Boonleang, and Dr. Tanawat Pholvichai.

Kom Chad Luek 2nd Anniversary

Held on November 29-30, 2003, at MCC Hall, The Mall Bangkok, this event celebrated the 2nd Anniversary of Kom Chad Luek newspaper under the theme "Healthy Living with Kom Chad Luek". A number of interesting activities and booths were presented featuring products and services to enhance good health.

Round-Table Seminar - Business Opportunities 2004

Krungthep Turakij newspaper held a round-table seminar on November 25-December 9, 2003 at Meeting Room B, Nation Tower, Bangna-Trad Road, to highlight "Business Opportunities 2004". The seminar focused on 10 issues by experts and professional management representatives from various business sectors.

Calendar of Activities 2003

■ December 2003



The University of the Thai Chamber of Commerce's Future Fair for U: Press Conference

On December 12, 2003, the Minister of Labour, H.E. Mr. Uraiwan Thienthong, was guest of honour at a Press Conference to announce details of a cooperation agreement between the Ministry and the University of the Thai Chamber of Commerce (UTCC) regarding the Future Fair for U, to be held at UTCC, which aims to provide information, suggestions and advice regarding students' future careers.

NMG Agents' Party

On December 22, 2003, at The Capital Club, Sukhumvit 24, the NMG Agents' Party was held to express Nation Multimedia Group Plc. (NMG)'s gratitude and appreciation to its many agents for their essential support for Kom Chad Luek newspaper during the year 2003 and to further strengthen the ongoing relationship between NMG and its agents.

Characteristics of the Business

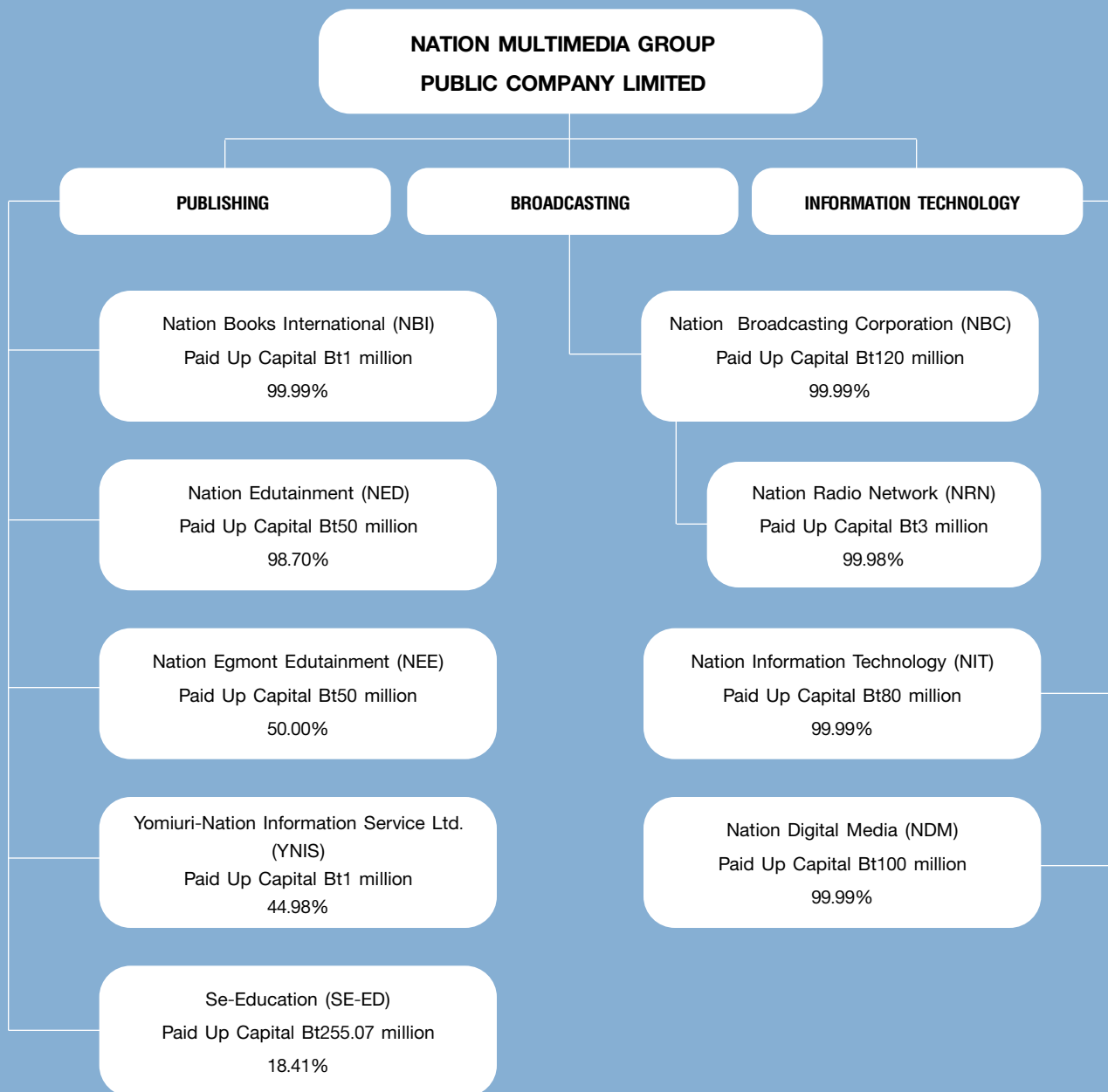
Structure of Sales and Service Income

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

: Million Baht

Products/ Services	Operated By	2003		2002		2001	
		Amount	%	Amount	%	Amount	%
Produce and distribute newspapers Produce educational books and comics Produce and distribute pocket books	Nation Multimedia Group Nation Edutainment Nation Egmont Edutainment Nation Books International	2,647	93%	2,486	94%	1,705	89%
Television Program	Nation Broadcasting Corporation	157	5%	107	4%	138	7%
Radio Programs	Nation Radio Network	27	1%	18	1%	23	1%
On-line news and Information services	Nation Information Technology Nation Digital Media	9	1%	17	1%	66	3%
	Total	2,840	100%	2,628	100%	1,932	100%

Business Group Structure



Industrial Condition and Competition



From 2000 to 2003, the advertising industry, a main factor that affects the company's business operation, witnessed continuous improvement. In 2003, the advertising industry expanded by 18%, amounting to THB 70,000 million. The expenses inherent in the advertising industry depend on the Country's GDP. As a result, in 2004, we expect continuous growth in the advertising industry arising from investment credit, the economic recovery, as well as the market share competition.

Publishing Business

The publishing business is NMG's major source of revenue, bringing the company profit from almost 90% of total sales and service income. The company is the publisher and distributor of daily Thai and English newspapers that reach every group of readers, namely "Kom Chad Luek", a general daily newspaper, "Krungthep Turakij", a daily business newspaper, and "The Nation", an English language newspaper. The main components of growth are reaching their target groups 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.

Competitive Atmosphere

The Nation newspaper's only competitor is the Bangkok Post-50 : 50 market share

Krungthep Turakij newspaper remains the leader among daily business newspapers, possessing more market share than the nearest two rivals combined Poo Chad Karn and Post Today

Kom Chad Luek's competitors are Thai Rath, Daily News, and Kao Sod. Presently, we are third in the total daily newspaper market share.

Future Trends in the Industry

Advertising industry trends in 2004 foresee continuous growth in every kind of media, especially newspapers, depending on the economic recovery. In 2004, the severe competitiveness is expected in consumer products, communication business, property business, as well as banking and finance business. This is a result of confidence in the economic recovery of both producers and customers. Expenditure is also likely to rise. Consequently, the company believes that the printing business, our main source of revenue, will continually grow, depending on the growth in the overall advertising industry.

Broadcasting Business

The broadcasting business, especially television, is 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 24-hour news cable station emphasizes news presentation with up-to-date, in-depth, and unbiased analyses. The Nation Channel is an efficient content provider, broadcasting through Free TV, Cable TV, as well as Radio.

Future Trends in the Industry

Over the past few years, people have been more interested in news and the current situation. Television and radio have become more popular media, resulting in strong growth in the sound and picture broadcasting business. Because of the severe competition of program production, programs are variously presented with higher quality of production and content.

Competitive Atmosphere

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

IT Business

Future Trends in the Industry

Expansion of the Internet business in Thailand is in its initial stage and the number of consumers is limited compared to the developing and developed countries. Considering its ability to reach specific target groups, the company expects strong growth and large expansion of the Internet business in the near future. Acting as a content provider, we can provide information services via various modern channels, for example, sending content via mobile phones.



major shareholders

List of Major Shareholders

The top ten shareholders as of August 25, 2003 are ranked as follows:

Name	Shares	%Holding
1. Mr. Thanachai Theerapattanavong	13,896,910	8.72
2. Mr. Suthichai Yoon	13,048,591	8.19
3. Dow Jones & Company, Inc., New York	12,000,000	7.53
4. American International Assurance Co., Ltd. (2 accounts)	10,633,038	6.67
5. Mrs. Somporn Chuengrungruangkij	7,830,920	4.91
6. Thai NVDR Co., Ltd.	5,962,253	3.74
7. Mrs. Supaporn Chuenwijit	3,641,911	2.29
8. Green Siam Co., Ltd.	3,184,779	2.00
9. Mr. Pak Vivaddhanakasem	3,102,300	1.95
10. Bank of Tokyo-Mitsubishi (Luxembourg) S.A.	3,000,000	1.88
Thailand Securities Depository Company Limited for Depository/ Other	83,054,799	52.12
รวม	159,355,501	100.00

Board of Directors' Information

Name	Position	No. of Shares Held as at Aug 25, 03	Qualifications	Year	Experience
1. Mr. Thanachai Theerapattanavong	Chairman	8.72%	- Honorary Doctorate in Business Administration, (General Management) South East Asia University, Thailand. - Honorary Doctorate in Business Administration, (Marketing) Rajabhat Institute Chiang Rai, Thailand. - BA in Political Science, Ramkamhaeng University	1976-Present	Nation Multimedia Group
2. Mr. Suthichai Yoon	Director	9.03%	Assumption Commercial College Bangkok (ACC)	1971-Present	Nation Multimedia Group
3. Mr. Thanachai Santichaikul	Director	0.08%	Bachelor's Degree-Accounting Chulalongkorn University MBA-Thammasat University	1979-Present	Nation Multimedia Group
4. Mr. Vanchai Sriherunrusmee	Director and Secretary of The Board	0.19%	Bachelor's Degree-Accounting Thammasat University MBA (Finance) Long Island University New York, USA	1995-Present	Nation Multimedia Group
5. Mr. Chaveng Chariyapisuthi	Outside-Director and Member of the Audit Committee	None	Assumption Commercial College Bangkok (ACC)	1991-Present	Executive Director SST Holding
6. Mr. Nivat Changariyavont	Outside-Director and Member of the Audit Committee	1.62%	- Honorary Doctorate in Business Administration, Rajabhat Institute Chiang Rai, Thailand.	1979-Present	Managing Director Green Siam Co., Ltd.
7. Mr. Pakorn Borimasporn	Outside-Director and Chairman of the Audit Committee	0.01%	Master's Degree in Electrical Engineering, Chulalongkorn University	1993-Present	Managing Director Lighting & Equipment Co., Ltd.
8. Mr. Pana Janviroj	Director	0.02%	Master's Degree, Tufts University, USA	1984-Present	Nation Multimedia Group
9. Mr. Adisak Limprungpatanakij	Director	0.04%	BA-Faculty of Commerce And Accountancy, Thammasat University	1985-Present	Nation Multimedia Group
10. Mr. Philip Revzin	Director	None	Bachelor's Degree, Stanford University Master's Degree, Columbia University	1974-Present	Dow Jones & Company

Remark Number of shares held includes shares held by relatives

Corporate Governance of 2003

The Company's Board of Directors is aware of the significance of good corporate governance in order to raise the transparency, competitiveness and credibility of the Company to the shareholders, investors, and related parties. The Board of Directors continuously performs according to the Code of Best Practices for the directors of a listed company under the supervision of the Stock Exchange of Thailand. 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 effectively with the Code of Best Practices. 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 reports, the audit system, and internal control systems, including the Company's financial report.

Equitable Treatment to all Shareholders and Shareholders' Meetings

The Company strictly adheres to the principles of good corporate governance and guidelines as recommended by The Stock Exchange of Thailand on shareholders' rights by sending an invitation letter together with an annual report and proxy to all shareholders whose names appeared in the shareholders registration as at the registered closing date of the Company. In addition, the company also publicized the meeting convention and meeting agendas in both Thai and English newspapers for 3 consecutive days before the meeting date.

In 2003 the Company had shareholders meetings. The first meeting was the Annual General Meeting of Shareholders No. 1/2003 held on March 25, 2003, to which 9 directors attended and 2 directors did not attend. The second meeting was the Extraordinary Meeting of Shareholders No. 1/2003 held on September 12, 2003, to which 9 directors attended and 1 director did not attend. The Board of Directors allowed the participants to express their opinions and ask questions pertaining to each agenda and recorded the details in the minutes of the meeting.

Meeting of the Board of Directors

The company formally determines the schedule of the Board of Directors meetings in advance. For the year 2003 there were 4 Board of Directors' meetings and each meeting lasted about 3-4 hours. The company sent an invitation letter together with the meeting agenda and documents to each director 7 days before the meeting and recorded the minutes of the meeting. The minutes certified by the Board of Directors are kept for further verification by the Board and related persons.

The meeting attendance of the Board of Directors in 2003 was as follows:

Name	Meeting Frequency	Attendance
1. Mr. Thanachai Theerapattanavong	4	4
2. Mr. Suthichai Yoon	4	4
3. Mr. Thanachai Santichaikul	4	4
4. Mr. Vanchai Sriherunrusmee	4	4
5. Mr. Chaveng Chariyapisuthi	4	3
6. Mr. Nivat Changariyavont	4	2
7. Mr. Pakorn Borimasporn	4	4
8. Mr. Pana Janviroj	4	4
9. Mr. Adisak Limprungpatanakij	4	4
10. Mr. Philip Revzin	4	-
11. Mr. Gary M. Lawrence (resignation on March 1, 2003)	1	-
12. Mr. Vorasit Pokachaiyapat (resignation on July 4, 2003)	2	2

Directors' Reporting

The Board of Directors are responsible for the consolidated financial statements and financial information in the annual report. Such financial statements are formulated according to generally accepted accounting standards. In addition, the company has disclosed the significant information, both financial and non-financial, based on the facts, constantly and extensively.

Internal Control System and Internal Audit

The Company's Board of Directors has set up and maintains effective internal control systems by appointing the Audit Committee to monitor the quality and credibility of the accounting system, audit

system, and internal control system, including the Company's financial report. In 2003, the Company's Board of Directors has acknowledged the reviewed report of the Audit Committee and the operating results of the internal audit department. Additionally, the Company's Board of Directors has judged that the internal control is sufficient and appropriate, and has no critical shortcomings, which affect the expression of the auditor's opinion in the financial statements.

In 2003 there were 4 Audit Committee meetings and each meeting lasted about 3 hours. The meeting attendance of the Board of Directors in 2003 was as follows:

Name	Meeting Frequency	Attendance
1. Mr. Pakorn Borimasporn Chairman, Audit Committee	4	4
2. Mr. Chaveng Chariyapisuthi Audit Committee	4	4
3. Mr. Nivat Changariyavont Audit Committee	4	3

Relations with Investors

The Board of Directors is aware of the significance of the correct, extensive and transparent disclosure and of the financial statements and information disclosure of the Company to investors, shareholders and related persons via the Web Site "nationgroup.com". The company holds an analyst meeting every quarter by joining with the Securities Analysts Association in order to disclose the operating results and new activities of the company to the investors, and other persons.

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
โทร. 02-229-2800

(2) Certified Public Accountant

1. Mr. Winid Silamongkol
Registration No. 3378 and/or
2. Mr. Vairoj Jindamaneepitak
Registration No. 3565 and/or
3. Mr. Thirdthong Thepmongkorn
Registration No. 3787 and/or
4. Mr. Narong Luktharn
Registration No. 4700 and/or
5. Mr. Apichart Sayasit
Registration No. 4229
KPMG Phoomchai Audit Company Limited
195 Empire Tower, 21 Floor, Sathorn Road, Sathorn, Yannawa, Bangkok 10120
Tel: 02-677-2000

(3) Financial Consultant

Asset Plus Securities Public Company Limited
193/111-115 Lake Rajada Building, 27th Floor, New Rachadapisek 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 affect the company's business operation are as follows:

1. Newsprint, which is the main raw material of the printing business, is classified as a commodity product whose prices could change, depending largely on changes in supply and demand. Fluctuations in newsprint prices directly affect the production cost. Since the company closely monitors price movements, coupled with over 32 years' experience in the printing business, the company deeply understands the cycle of newsprint prices. Due to the price reduction of newsprint in the world market in 2002, the Company decided to order and import enough newsprint for all production needs in 2003. As a result, our production cost would not be severely affected by increments in newsprint prices from 2003 to 2004. Moreover, risks on the volatility of currency exchange 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 the 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. The company has set a clear investment policy, considering printing-related business as our only core business, as well as reducing investment risk by searching for business joint ventures. Businesses which cannot reach set goals must be scaled down or cease operations. In addition, we maintain a policy to use our resources to achieve maximum benefit.

4. Besides the working capital from earnings before interest, tax and depreciation and amortization (EBITDA) amounted to about 600 - 650 million baht in 2003. The Company's funding sources arose from the issue of debentures, increasing credit lines from banks and financial institutions as well as private placements that received approval in the Shareholders' Meeting. The sale of non-performing assets and the listing of our subsidiaries on the SET were other sources.

5. The broadcasting business, operated by subsidiaries, in which the Company pays the station rental fees and shares the advertising revenue with the station owner, may be affected by the changing program content of the owner. Consequently, the operating results of the broadcasting business account for only 6%-7% of total revenues. Nonetheless, more earning channels can be sourced by independently producing programs without the monopoly of any TV stations. With government plans to liberalize radio frequencies, the Company would be able to run its own radio station, with reduced rental fees, thus increasing net profit.

6. The change of technology doesn't affect the Company's operations as we act as a content provider, being able to provide news via every kind of media including newspaper, television, radio, and mobile phone. As a result, there is no need for the Company to invest heavily in networks and equipments. No matter how much technological equipments change or cost cheaply, it would not severely affect our business operation.

Legal Cases - None -

The Result of the Consolidated Financial Statements

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended December 31, 2003 showed a net profit of Bt 150.94 million, an increase of Bt 390.81 million compared to 2002. Combining the profit of 2003 with the provision on impairment of investment and the allowance for doubtful debt of Bt 135.11 million, would result in an operating profit of Bt 286.05 million. The main reasons behind this are described as follows:

1. Advertising revenue for the year ended 2003 increased by 11 percent compared to the same period of 2002. In the publishing business, advertising revenue from the display section grew 21 percent. In the broadcasting business, revenue grew by 51 percent.

2. Circulation revenue for the year ended 2003 increased by 2 percent compared to the year ended 2002. This is mainly due to newly published pocket books from the third quarter, which drew a good response from readers. As a result, circulation revenue of pocket books increased by 81 percent. Moreover, with a competing daily business newspaper launched in the year 2003, which covered the same target customers as our company, the company was still able to maintain its customer base and perform as a market leader in the daily business newspaper segment. Circulation revenue from newspaper for the year ended 2003 is maintained at the same level as 2002.

3. Cost of sales for the fourth quarter increased by 6 percent compared to the same period of 2002, due mainly to increases in production costs in the broadcasting business and high circulation cost owing to the increment of circulation revenue, while the cost of newsprint decreased by 16 percent.

4. Selling and administrative expenses for year ended 2003 increased by 10 percent compared to the same period of last year. This is mainly due to distribution and transportation expenses, which were incurred to provide faster delivery of newspapers to subscribers and wider coverage of newspaper distribution. Another contributing factor is due to lower sales promotions and more controlled spending compared to the year ended 2002. In year 2002, numerous promotion events were held in order to launch Kom Chad Luek newspaper. However, in 2003 selective promotion events were held to reach a wider market in the publishing business for both the company and its subsidiaries. In considering the company's performance, the company has controlled its selling and administrative expenses, resulting an increase in sales revenue.

Conclusion: The Group reported a net profit of Bt 150.94 million for the year ended 2003, an increase of Bt 390.81 million compared to the year ended 2002. In combining the provision on impairment of investment and the allowance for doubtful debt of Bt 135.11 million, this would result in a net operating profit of Bt 286.05 million.



Core Values

- » Credibility
- » Integrity
- » Synergy
- » Customer Focus
- » Innovation

