

Nation Multimedia Group

THE MULTIMEDIA GROUP
THAT REACH EVERY HOUSEHOLD

Co., Ltd. Public

2005 ● ● ● ● ●
Annual Report

NMG

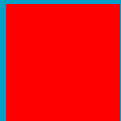
5-year Vision Statement



The Multimedia Group
that reach every household

NMG

Mission Statement



To inform, educate, entertain and
inspire in the most trustworthy,
timely and creative manner

NMG

Core Values



- Credibility
- Integrity
- Synergy
- Customer Focus
- Innovation

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**Name**

Nation Multimedia Group Public Company Limited

Head Office

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Fax

(66) 2317-1384, (66) 2317-1413

SET Listing Date

June 9, 1988

Public Company Registration

December 14, 1993 (PLC no. 226)

Business Line

The Company and Subsidiary Companies operate six business units as follows:

- Thai Business News
Production of Krungthep Turakij, Krungthep Turakij Bizweek, Bizbooks Publisher
- Thai Mass-circulation News
Production of Kom Chad Luek and Nation Weekender
- English News Business
Production of The Nation and Nation Junior
- Broadcasting Business
Owner and producer of Nation News Channel and broadcasting programs to other TV channels
Production of radio programs and new media business
- Edutainment Business
Production and distribution of education and entertainment media for children
Publishing under Nation Books
Providing foreign language and communication training
Providing distribution and media representation services to foreign language publications
- Printing Business
Printing service business

Registered Capital

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

Paid-up Capital

December 31, 2005 the Company has paid-up capital of Baht 1,647,479,960 consisting of 164,747,996 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

General Information

Summary of Financial Data and Investment

(in million baht)

1. Data from Consolidated Financial Statement	2005	2004	2003
• Sales and Service Income	2,878.31	3,206.75	2,839.61
• Total Revenues	3,474.18	3,388.97	3,146.54
• Gross Profit Margin	1,008.36	1,449.61	1,425.11
• Earning Before Interest, Taxes, Depreciation and Amortization and Extraordinary items *(see note): EBITDA	259.36	617.84	632.41
• Net Profit (loss)	(332.07)	113.56	150.94
• Total Assets	5,453.39	6,472.60	6,477.24
• Total Shareholders' Equity	1,816.41	2,169.23	2,223.05
2. Financial Ratios	2005	2004	2003
• Total Debts of Equity (x)	2.00	1.98	1.91
• Gross Profit Margin (%)	35.03%	45.20%	50.19%
• Net Profit (Loss) on Total Revenues	(9.56%)	3.35%	4.80%
• Return on Equity	(18.28%)	5.24%	6.79%
• Return on Total Assets	(6.09%)	1.75%	2.33%
• Earning (Loss) per Share (Baht)	(2.03)	0.70	0.95
• Dividend per Share (Baht)	-	0.45	0.55
• Book Value per Share (Baht)	11.03	13.36	13.75

Note: Extraordinary items are gain on sales of equipment, Gain on sales of investments, Allowance for doubtful accounts, Allowance for obsolete stocks, and related corporate taxes adjustment.*

Dividend Policy

Dividend payments policy is not exceeding 65% of net profit

Investments in Subsidiaries of Nation Multimedia Group Public Company Limited as of December 31, 2005

	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
WPS (Thailand) Co, Ltd.	325.00	99.99
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
OTHER 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, 2005

	Registered Capital (Million Baht)	Percentage of Investment
Yomiuri-Nation Information Service Co, Ltd.	4.00	44.98



*“the Multimedia Group
that reaches every
household”*

Chairman's Statement

As we anticipated since the beginning of the year, the year 2005 has witnessed economic slowdown for the Thai media industry. Overall the economy has been impacted by several factors such as a record high oil price and increasing interest rate. All of these factors prompted Thai corporations to be more prudent with their expenses including advertising spent, one of major revenue contributors to the media industry. In addition, the record high oil price also led to increases in the paper price, a major cost component for printed media companies. The paper price was consistently high throughout and had a direct impact on the bottom line of printed media companies.

Chairman 's Statement

In response to economic uncertainties in the past year, NMG has implemented several measures with the objective to ensure that our expenditure was controlled at an appropriate level. These measures included headcount control, reduction of waste in the printing process, % return of printed product and many more that have been implemented throughout 2005.

On the management front, NMG has embarked on corporate restructuring to decentralize decision-making authority, enhance flexibility and responsiveness to changes as well as to provide the foundation to develop new leaders for the company. The new structure consists of 6 business units including i) English media, ii) Business media, iii) Mass media, iv) Edutainment, v) Broadcasting & new media and vi) Printing services

In line with the above restructuring, NMG has spun off NMG's printing complex to be a separate profit center : WPS (Thailand) Co., Ltd. in order to generate additional revenue from the existing investment base and to secure strategic alliances with outside parties to enhance the competitive position of our printing complex.

In addition, NMG has continued our effort to improve our management system including performance-based pay, IT infrastructure upgrade as well as other systems to ensure that we are equipped with the foundation for future growth.

Positive news for NMG and the Thai printed media industry as a whole is the recognition that we received in the international newspaper arena in 2005. Kom Chad Luek (KCL), our flagship newspaper for the mass market, has been awarded "2005 Newspaper of the Year" from the World Association of Newspapers (WAN), a global association consisting of leading newspaper members from over 100 countries worldwide. KCL has been recognized for its high-quality editorial content as well as the ability to secure public acceptance in a short period of time.

Last, but not least, is our commitment to journalistic excellence. We will strive towards preserving our core values - Credibility, Integrity, Synergy, Customer focus and Innovation - all of which are helping our group to grow steadily and firmly towards our ideal goal, which is to be impartial, and which we have steadfastly maintained since the first day of operations.



(Thanachai Theerapattanavong)

Chairman

Audit committee's Report For 2005

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

In 2005, the Audit Committee had 4 meetings to fulfill its role and responsibilities in the oversight of the financial reporting practices in order that the company's financial reports are complete, sufficient and fairly presented, and the oversight of the internal control system in order that the system is adequate and efficient, including the oversight of transactions that might cause conflict of interest. Besides, the Audit Committee had several meetings with the Management to consider the restructuring of the company so that the company can be more efficient and more flexible, and encourage employees to utilize their full potentiality. The Audit Committee believe that the restructure will improve the company's revenue and increase its wealth. With regard to the internal control system, the Audit Committee works closely with the Internal Control department in preparing the 2005 Internal Audit Department's Action Plan to ensure that the internal control of the company is efficient.

In November 2005 and February 2006, the Audit Committee met with the company outside auditor to ask further information and discuss auditing process of the company's financial reports. The Audit Committee is of the opinion that the company's annual financial reports for the year 2005 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 be nominated as the auditors of the company for year 2006: Mr. Winid Silamongkol, registration No. 3378 or Ms. Nittaya Chetchotiros, registration No. 4439 or Mr. Thiridthong Thepmongkorn registration No. 3787 of KPMG Poomchai Audit Co., Ltd.



(Mr. Pakorn Borimasporn)
Chairman of Audit Committee

Board of Directors



1. Thanachai Theerapattanavong

Chairman

2. Suthichai Yoon

Director

3. Thanachai Santichaikul

Vice Chairman

4. Pakom Borimaspom

Outside-Director and Chairman of The Audit Committee

5. Chaveng Chariyapisuthi

Outside-Director and Member of the Audit Committee

6. Nivat Changariyavong

Outside-Director and Member of the Audit Committee

7. Pana Janviroj

Director

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8. Adisak Limprungpatanakij

Director

9. Nissai Vejajiva

Outside-Director

10. Yothin Nengchamnon

Outside-Director

11. Narongsak Opilan

Outside-Director

Support Business Executive



1. Thanachai Santichaikul Group President
2. Thepchai Yong Group Executive Editor
3. Kriengsak Chalermtiragool Executive Vice President - Human Resources
4. Danai Kramgomut Executive Vice President - Business Development and Investment Relations

Management of 6 Business Units

1. Thai Business News

1. Prasert Lekavanichkajorn

President

2. Duangkamol Chotana

Editor

3. Phairin Nithipanich

Senior Vice President - Advertising Sales

4. Kriengkrai Panyaekavithoo

Senior Vice President - Advertising Sales

5. Phimchit Pomwilaichotkitkun

Senior Vice President - Marketing



2. General News

1. Phimpakan Yansrisirichai

President

2. Korkhet Chantalertluk

Editor

3. Prasai Kankriengwong

Senior Vice President - Advertising Sales

4. Benchawan Srisuthisaart

Senior Vice President - Circulation Sales

5. Orapim Luang-ou

Senior Vice President - Marketing



Management of 6 Business Units

3. English News Business

1. Pana Janviroj

President

2. Tulsathit Taptim

Editor

3. Jitjam Asawakeawmongkol

Senior Vice President - Advertising Sales

4. Nonticha Sorsansanee

Senior Vice President



4. Broadcasting Business

1. Adisak Limprungpatanakit

President

2. Pranot Vilapasuwan

Editor

3. Somkiat Kuentak

Senior Vice President - Advertising Sales

4. Sukanya Kukangwan

Senior Vice President - Marketing



Management of 6 Business Units

5. Edutainment Business

1. Kesery Kanjana-vanit

President

2. Wongsiri Miyaji

Chief Operation Officer

(Nation Books International Co., Ltd.)

3. Nantaporn Wongchestha

General Manager

(Nation Egmont Edutainment Co., Ltd.)

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6. Printing Business

1. Thanachai Santichaikul

Acting President

2. Hangcheng Sae-sow

Vice President - Operation

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Category of Information

Nation Multimedia Group

Founded in 1971 as an English-language newspaper, Nation Multimedia Group (NMG) has continued to expand its business throughout the last three and a half decades. Selected historical milestones include:

- 1987: Launch of “Krungthep Thurakij”, Thailand’s first daily business newspaper that has succeeded in maintaining its leadership position in the business segment since inception.
- 2000: Launch of “Nation Channel”, Thailand’s first 24-hr news TV station.
- 2001: Launch of “Kom Chad Luek”, mass-market newspaper. In 2005, Kom Chad Luek was awarded “Newspaper of the Year” from World Association of Newspapers (WAN), a global association with newspaper members from over 100 countries worldwide.

Currently, NMG is Thailand's largest media organizations on the Stock Exchange of Thailand and is widely acclaimed for our publications' credibility and insightful reporting.

With our determination to improve our services to the public domain and to ensure proper management mechanisms in place to cope with our expansion, NMG has embarked on a major corporate reorganization and restructured our various businesses into 6 Business Units comprising of

- English language publications: The Nation and Nation Junior
- Business publications: Krungthep Thurakij and Krungthep Thurakij BizWeek
- Mass market publications: Kom Chad Luek and Nation Weekend
- Broadcasting and new media: Nation Broadcasting, Nation Radio and other new media
- Edutainment: Children books, comics, education services and other related services
- Printing services: printing services for both internal and external customers

Business Publications

Krungthep Turakij

The country's highest circulated business daily continues its role as the must-read newspaper for business people and investors. With high standard, impartial and insightful reporting, Krungthep Turakij equips its business readers with up-to-the-minute news and analysis to make accurate decisions for their businesses.

www.bangkokbiznews.com

Krungthep Turakij Bizweek

A new broadsheet weekly printed with quality bonded paper to capture additional readers at the weekends. Bizweek focuses on presenting useful content that is practical and easy to understand in colorful format in response to the needs of new entrepreneurial generations.

www.bangkokbizweek.com

Mass Market Publications

Kom Chad Luek

The third highest mass circulation daily with emphasis on “creative difference” by offering high standard and socially responsible content that is appropriate for family readers

Since its inception in 2001, Kom Chad Luek was an instant success, commanding 3rd largest market share in the mass market segment. The success of Kom Chad Luek has defied conventional wisdom in newspaper business and led to Kom Chad Luek being awarded “Newspaper of the Year” from World Association of Newspaper (WAN) in 2005

www.komchadluek.net

Nation Weekender

A weekly news magazine with colorful photographers and columnists hard not to miss.

www.nationweekend.com

English language Publications

The Nation

The Group's flagship publication with regional reach. With over three and a half decades, The Nation is determined to deliver impartial and multi facet news reporting covering economics, politics as well as insight analysis in colorful features and stylish presentations. The Nation has also played a pivotal role in Asia News Network, an alliance of 14 leading newspapers from 12 Asian countries, with Bangkok chosen as the headquarters of the network.

www.nationmultimedia.com
www.asianewsnet.net

Nation Junior

A fortnightly magazine which has become one of the best selling magazines in the 17-18 year age group. Nation Junior is popularly used as an English-learning material in high schools.

www.nationjunior.com

Broadcasting and New Media

Nation Broadcasting

Nation Broadcasting Co., Ltd.: operates Thailand's first 24-hour independent TV news station, Nation Channel, which was launched in 2000 in order to provide up-to-the-minute news reporting to viewing customers. Nation Channel is currently aired in MMDS thru TTV Channel I covering Bangkok metropolitan area. Content is also re-broadcasted via provincial cable TV operators throughout the country

www.nationchannel.com

Nation Radio Network

Nation Radio Network Co., Ltd. was founded in 1992 to supply news content to radio stations. Currently, Nation Radio has been key supplier of on-the-hour news and news features and analyses to FM 90.5 MHz Business Radio in Bangkok metropolitan area as well as re-broadcast in many major provinces nationwide

www.nationradioonline.com

New Media

In order to respond to emerging channel of news consumption and consumer behavior, a new media division has been set up with the objective to customize content for new media channels such as TV broadcast via broadband Internet. In addition the division has been in charge of developing new content to serve different needs of various consumer segments through broadband Internet. This includes, for example, YourTV (TV program for the young generation), TLC station (provincial news station) and Biz Channel (Business news program)

Edutainment

Nation Egmont

Nation Group is the sole licensee for many books, magazines, encyclopedias, English-Thai dictionaries, educational materials etc., from Walt Disney, Warner Bros., Hit Entertainment, BBC, Chorion, Egmont Book, Kingfisher, with titles such as Scooby Doo, Bob the Builder, Animals in the Ancient World etc.

Magahit Menga Comics

Japanese titles include Doraemon, Crayon Shinchan, HunterXHuneter, Naruto, Digital Lady Chobits, Bleach, Eye Shiled 21, as well as Thai comic hits such as The 13th Knife, Apai Manee Saga. Nation Group also offers skill-enhancing activity & sticker books and coloring book.

Nation Books

have established itself as a leading Thai-language book publisher within a short time. Examples of top-selling pocket books from Thai authors include **Por Son Luk Hai Ruay** (Dad Teaches Kids: How to Get Rich) by Dr. Suwan Walaisathien, former Deputy Minister of Commerce and **Tips from Stock Guru** by Dr. Niwet Hemwachirawarakorn

Apart from publishing books by Thai authors, Nation Books also publishes best selling books translated from English, Korean and Japanese. Among the recent best selling titles include translated version of Hillary Clinton's Living History, and Juan Enriguez's As the Future Catches You, Riyu by Miyuki Miyabe and My Sassy Girl by Kim Ho Sik.

www.nationbook.com

Educational Services

With master franchise from UK Direct English, Nation Group offers professional training in international communication skills to the public. Direct English, a revolutionary method of learning English, has its first center in Thailand at Nation Tower, Bangna Trad Road (KM 4.5) and three franchise centers in Bangkok and Chiang Mai with more outlets planned in Bangkok and major cities in Thailand.

Nation Group, via Nation Educational Service co., Ltd., is the publisher of various people-oriented English self-learning materials for all ages, such as Disney's Key World Series and BBC's English for You

Other related services: Nation Group is the local distributor of the Asian Wall Street Journal and Yomiuri Shimbun, printed from the Bangkok printing office. The company is also the sales agent in Thailand for advertising in Yomiuri Shimbun, the daily newspaper with the world's largest circulation



Printing Services

World Printing Services Co., Ltd. (WPS): operates one of Asia's most modern and efficient printing facilities. WPS, located on 20-rai land on Bangna Trad Road KM 29, offers comprehensive printing services for both newspaper and commercial printing. Example customer portfolio includes Nation Group's publications, Asian Wall Street Journal, Yomiuri Shimbun and several leading magazines in Thailand.

Driven by the management's vision, the Printing Complex continues to invest and upgrade its printing facilities including recent investment in a state-of-the-art commercial press as well as ancillary printing machines in pre- and post-press operations to ensure highest printing quality and punctual delivery.

CAL LEN DAR



Marketing Activities 2005



Kom Chad Luek Awards

The award is granted to individuals in the entertainment industry, including artists and backup teams, whose works have received public acclaim in that particular year. The Kom Chad Luek Awards aim to raise new standards in Thailand's entertainment business and act as an inspiration for entertainers to strive for better works. The awards ceremony is held at the beginning of the year.

6-12th Judprakai Jazz Concert

The Jazz Concert was organized 6 times consecutively throughout 2005 at the Small Hall, Thailand Cultural Center. Many leading jazz performers in Thailand participated in the concerts.





King's Cup Basketball Championship 2005

The King's Cup Basketball Championship is organized annually to promote talented young basketball players in Thailand and engender a love of sport. The competition, to win a trophy graciously presented by His Majesty the King, was played under two main categories. The match was played in two rounds, on February 27-March 6, 2005 at 12th Floor, 30 Years Sport Complex Building, Sripatum University; and the final round on March 7-8, 2005 at the Nimibutr Building, International Stadium.

Young News Reporters Save the World Project

Nation Channel in cooperation with the Siam Cement Group jointly organized training courses in the production of short eco-movies, with information on techniques, script writing, sound work and editing. The project was launched to help promote environmental awareness among young people. The training was held in two courses, on March 18-20, 2005 at Huai Kha Khaeng Wildlife Sanctuary, Uthai Thani, and on October 14-16, 2005 at Bangpoo Resort, Samut Prakarn.

www.nationmultimedia.com

The Nation's website www.nationmultimedia.com has also grown in leaps and bounds becoming one of the top 10 most visited news-related websites in Thailand; and the only English-language site in this top category. The Nation's breaking news service and general news on Mobile SMS and Wap also made their debut in 2005.





Zian Zone Seminar

This seminar aimed to set up a community for stock market investors to facilitate exchange of information and ideas for more efficient investment. Discussions were held on the first Tuesday of every month.

The 2nd Annual junior IMPAC Dublin Literary Awards for Thailand

The 2nd Annual junior IMPAC Dublin Literary Awards for Thailand, an essay contest for high school students, successfully expended nationally through our partnerships with The Phuket Gazette and City Life Chiang Mai.

Japanese Festival #5

To present opportunities for young Thais to show their talent and ability and to enable them to use their spare time beneficially, BOOM, a weekly cartoon magazine, arranged the fifth Japanese Festival on June 25, 2005 in front of the Central World Plaza. All BOOM readers were welcome to the event, although participants in the activities were limited to 15-21-year olds. The activities included a Japanese-style rock contest, Cos'play contest, Japanese martial arts, Japanese cartoon exhibition, exhibition of cartoons drawn by Thai artists, and sales of Japanese cartoon books at discount prices.

Krungthep Turakij Exclusive Club

The club was launched for all members of Krungthep Turakij Newspaper to participate in wide-ranging activities, such as hot yoga at Absolute Yoga on June 11-12, 2005 for 80 persons; Chinese-style Boxing; and Cooking with ABC Cooking Studio on August 6-7, 2005.

“New City, Changing Opportunities, Golden Area for Business” Seminar

This event was organized on June 21, 2005 at the Dusit Thani Hotel as a training seminar highlighting new golden business areas. Many people participated in the event.





Bangkok Business Challenge

"Bangkok Business Challenge" is a business case competition for students at Master's Degree level. This year the project was supported by the Graduate Institute of Business Administration Sasin of Chulalongkorn University; Krungthep Turakij Newspaper, a daily business newspaper of Nation Multimedia Group Plc.; Kiatnakin Securities Plc.; and the Market for Alternative Investment. The competition provided an opportunity to students, a vital resource of our country, to use their knowledge and capability to plan and propose their business project. The winners received awards from His Majesty the King. The activity has drawn interest and cooperation from universities, students, sponsors, and members of the general public.

Judprakai Feature Award

The Feature Award contest aimed to provide knowledge and skills in article writing for university level students nationwide. The contest's ultimate aim is to create a new generation of writers in Thailand.



Disney's Family Road show

Realizing the importance of education, "Disney Puaen Nong", a monthly magazine, has arranged "Disney's Family Road Show" to trigger interest in English among children and to create an active atmosphere in which children can enjoy studying English. The road show places importance on enhancing creativity among children, which is considered crucial to the learning process. Target groups include notable primary schools in Bangkok in which English learning campaigns exist. Currently, there are 20 primary schools participating in this project; the participant schools must have 800-1000 students to be eligible. Activities under this project are usually arranged during July-December for two hours each time. Activities encompass performances, games, and English Q&A.



Disney and Me Talent Contest

“Disney Puaen Nong” staged the “Disney and Me Talent Contest” on July 17, 2005 at Central City Bangna. The contest was open to 4-10-year-old kids to compete in singing and dancing. The main objective of this contest is to help Thai children develop their English skills and boost their confidence.

The contests were organized in categories as follows:

- * Solo singing: English songs such as sound track songs of Walt Disney movies.
- * Dancing (group performances, 3-5 persons per group): Thai dance and modern dance

Promotion for Readers - “Win a New Car”

Following the opening of “Kom Chad Luek Classifieds”, the “Win a New Car” promotion was introduced to repay KCL readers and the public during July-September, 2005. Coupons in the newspaper were sent in by readers for the chance to win prizes worth 2.3 million baht including a brand new KIA Carens automobile worth 1.2 million baht.

Business Fair

The Business Fair was organized on August 12-14, 2005, at the Queen Sirikit International Convention Centre, to create new perspectives for entrepreneurs in Thailand. Lots of advice and information was available on doing business, raising capital, etc. The Business Fair attracted business people and would-be entrepreneurs from all walks of life.

Joint seminar with Thanachart

In-depth seminars covering all aspects of stock investment were held under four main topics: "Selection of Stock Exchange before New Government", "Follows foreigner's rule, no mistakes", Stock Astrology, Exceptional Episode of Stock Analysis, and "Sift Basic Stock". The seminars attracted a large number of participants.



5th Anniversary of Nation Channel

Celebrations were organized to publicize the progress and future plans of Thailand's sole 24-hour news channel and to allow members of the public to meet and talk with the TV presenters. The activity was held on August 26-28, 2005 at Hall 6, Impact Arena, Muang Thong Thani.

The 3rd Annual World Film Festival of Bangkok

The 3rd Annual World Film Festival of Bangkok broadened its influence and credibility regionally with the presence of Oscar-winning director Roman Polanski attending to accept the "Lotus" Award for dedication to the cinematic art. His latest film "Oliver Twist" made its Asian Premier as the opening film at the Festival.

4th Anniversary Prize Draw

Kom Chad Luek celebrated its 4th anniversary with its readers in four different regions of Thailand with a prize draw promotion held during September-November, 2005. The promotion was open to readers nationwide. Coupons were divided into four different groups in accordance with the four regions of Thailand, with separate prize draws for each area. The first prize for each area was a brand new Nissan Frontier pick-up truck. The promotion earned a very strong response from the public with the number of coupons reaching up to 5 million.





Nation Weekender joins in the 4th Anniversary celebrations of Kom Chad Luek

Nation Weekender organized a variety of games, booths and exhibitions to celebrate the 4th anniversary of Kom Chad Luek. The event was held at Impact Arena.

Anniversary Celebration

The anniversary celebration is held in October every year to celebrate Kom Chad Luek's annual achievement and to return benefit to the readers for their support. The celebrations normally feature various edutainment activities and booths; and are well received every year



Krungthep Turakij Biz Discovery Seminar

Krungthep Turakij, in collaboration with Muang Thai Life Assurance Co., Ltd., organized a seminar series, “Krungthep Turakij Biz Discovery”, to experience the world of business overseas under the topic “Excavate China...searching for Trade and Investment Opportunity” on November 11, and “Africa Rush.....New Market, Big Challenge for Thai Business” on November 14. The seminars were delivered by experts in their respective fields.

The Thailand Championship 2005 for Northeastern Folksong

This competition to contest a trophy graciously presented by Her Royal Highness Princess Sirindhorn was organized by the Northeastern Arts and Cultures Research Institution, Mahasarakham University in collaboration with the Office of the National Culture Commission, Mahasarakham Culture Council and Nation Channel. The activity was introduced to encourage the development of traditional northeastern singing, folk songs and also to promote northeastern art and culture for the people of Isan and all Thais. The competition comprised two rounds: first round on November 17-28, and final round on December 10, 2005 at the Football Field, Mahasarakham University.





Nation Super League Basketball Tournament

The Basketball Community in Thailand, in cooperation with Nation Multimedia Group Plc., organized the Nation Super League Basketball Tournament. The tournament attracted skilled athletes from around the country, enhancing the sport of basketball and encouraging young people to play more basketball. The tournament served as an excellent warm-up event for the Basketball Thailand Championship 2006, to compete for a trophy from His Majesty the King. The event was held in two categories: Men's Devetion A and Women's Devetion . The schedule of events was as follows:

- 1st Court November 1-3, 2005,
at the Sports Field, Udonthani Rajabhat University
- 2nd Court November 18-20, 2005,
at the Gymnasium, Khon Kaen University
- 3rd Court November 10-12, 2005,
at MCC Hall, The Mall, Nakhon Ratchasima
- 4th Court November 17-19, 2005,
at the Gymnasium, Provincial Sport Field, Nakhon Sawan

International Conference on Energy

The Nation also organised a series of events with indepth and insightful contents beyond the national boundaries. These included the timely international conference on energy with leading speakers from Asia and other parts of the world.

The Blue House Jazz Orchestra Live in Bangkok

Krungthep Turakij Newspaper in cooperation with the Office of the National Culture Commission, Ministry of Culture and the Swedish Embassy in Thailand organized the "Blue House Jazz Orchestra" concert on the occasion of His Majesty the King's birthday and in honor of the 60-year anniversary of His Majesty the King's accession to the throne. The concert was organized on December 3, 2005 at the Main Hall of the Culture Ministry. Proceeds from the event, after deducting expenses, were donated to The Chaipattana Foundation under Patronage of His Majesty King Bhumipol Adulyadej. His Majesty the King graciously assigned His Royal Highness Crown Prince Maha Vajiralongkorn and Her Royal Highness Princess Srirasmi, the Royal Consort of the Crown Prince, to preside over the concert.



“Chevy Colorado” Prize Draw

Kom Chad Luek celebrated the New Year by handing out brand new, 800,000-baht Chevy Colorado multi-purpose pick-up trucks. Readers nationwide were invited to enter the draw by sending coupons cut from the newspapers between December 1, 2005 - February 10, 2006.

Pre O-Net Project

Nation Channel in collaboration with Dhurakij Pundit University organized the Pre O-Net Project to help students nationwide prepare for the entrance exams. All students took a mock test via Internet under simulated conditions and time limits on December 4-5, 2005 at Dhurakij Pundit University and nationwide on December 6-10, March 2005.

Property Guide

Our special publications continued to dominate the market with quality offerings. The Quarterly Property Guide, focused on middle to top-end residential and office projects, has seen strong growth in advertising pages and reader demand. We also introduced two unique, high-end supplements on luxury watches. The Tsunami photo magazine went through six printings during 2005.



Nation's Hole-in-One Golf Tournament 2006

Nation's Hole-in-One golf tournament 2006 proceeds into its third year. The project was organized to honor golfers who have succeeded in attaining holes-in-one. Golfers are invited to compete in Nation's Hole-in-One Monthly Golf Tournament and 10 winners in each month pass through to the tournament final, the Nation's Swing Challenge, which will be held in December 2006.

Nation on Tour

Nation Weekender's joined the "Nation on Tour" project to offer the media channels of Nation Group to academic institutions and communities through a variety of activities.

Under this project, a discussion with Nation Weekender's columnists was organized on July 4-6, 2005, in Nakornsawan Province. The seminar was attended by distinguished guests including Phanupong Kongjan, Pitch Pongsawat, Saksiri Meesuebsom, Dr. Chanwaree Srisukkho. On August 25-27, 2005, a discussion with Nation Weekender's columnists was organized in Chiangmai. Renowned columnists such as Siewjan Ramprai, Komsan Nantajit and Pornchai Saenyamoon attended the event.



Social Activities

Corporate Social Responsibility

Nation HR Forum 2005 by Nation Group

To publicize the latest concepts in human resources management to top executives and management in the human resources department, Nation Multimedia Group, in collaboration with the National Institute of Development Administration, organized the 2nd Nation HR Forum 2005. Seminar topics included HR Scorecard, HR's Critical Issue in 2005, Latest Mode of Talent Selection and Development and HR as a Business Partner. About 2,000 executives from prestigious organizations joined the event.

Family Library Foundation

The Family Library Foundation was initiated in 2005 with objectives to promote non-formal education and a reading culture among children, youngsters and members of the public in remote areas. With cooperation from the Thai Red Cross Society, Nation Multimedia Group took two bus mobile libraries with stocks of 3,000 quality and up-to-date books, modern audio-visual equipment and a wireless internet system, to provide book services in provinces such as Saraburi, Nakorn Sawan, Chiang Mai, Nakhon Si Thammarat, Pang-Nga, Songkla, Chonburi, Udon Thani, Khonkaen and Nakhon Ratchasima.

Social Activities



With strong cooperation from the Thai Red Cross Society, public offices and schools in visiting provinces, as well as impressive feedback from service users both students and members of the public, the foundation was committed to enhancing its capacity to serve wider areas in the following years, by increasing the number of bus mobile libraries, seeking new partners and raising funds in support of this beneficial activity.

Nation Multimedia Group also held the Nation Exclusive Golf Club-Charity 2005 at Pattana Sports Club golf course in November 2005 to donate net proceeds to the Family Library Foundation to support the bus mobile library project. Over 40 leading organizations from both public and private sectors participated in this charity golf in a fun and friendly atmosphere, with the presentation of numerous prizes from sponsors.

Social Volunteer Club

Nation Multimedia Group's Social Volunteer Club, in association with My School Club and its business partners, funded the construction of a study building for Yoongthong Pitthayakhom school in Na Kae sub-district, Na Yoong district, Udon Thani province. The Club, on behalf of Nation Multimedia Group, joined the "Education Recovery" project, a joint effort between Kom Chad Luek newspaper and My School Club, to present playground equipment and educational materials to students in the tsunami-stricken areas in Ranong and Pang-Nga provinces.



Social Activities

Additionally, the Social Volunteer Club donated educational materials, necessary items and cash for lunch project to students at Baan Pajee School, Teod Thai sub-district, Mae Fah Luang district, Chiang Rai province.

Education and Children Activities

Nation Books constantly organized launch parties for new books and a number of activities including a science fiction short story writing contest, the 2nd Nation Books Award, training courses for new writers at universities, publication of “Jai Tid Dao, Tao Tid Sai” book, which is a compilation of letters that students nationwide have written to the prime minister. Part of the proceeds from book sales was donated in the form of scholarships to underprivileged students with excellent academic records, and books were donated to libraries across the country.

Education and children activities included the popular annually-held Japanese Festival, which encouraged teenagers to show their talent and creativity through Cos’ Play - costume contest of cartoon’s characters - and bands contest, Comics Cosmo that created a new generation of Thai cartoonists, the basketball contest Dunk Anti Drugs, Sing & Dance Contest, Talent Contest, Kindergarten Sport Competition and Disney’s Family Road Show at schools. Books were also constantly donated to the “Reading to Weave the Future” project with the collaboration of public and private agencies.

Children's Day Activities

To celebrate Children's Day in January, Nation Multimedia Group held numerous edutainment activities to entertain and educate youngsters, such as a radio and TV program production tour, junior news announcer contest, Nation Book's book corner, cartoon painting course and fun games with numerous prizes.

Donations for Southern Flood Victims

Kom Chad Luek newspaper, in conjunction with the Bangkok Metropolitan Administration and media of Nation Multimedia Group, set up a donation center, from which consumer products, foodstuffs, medicines and cash went to flood victims in the south. This is one example of the many socially beneficial activities organized continuously by Kom Chad Luek.



The 8th Annual Intensive Tutoring for Entrance Exam Project

This project was set up to enhance educational opportunities for high school students nationwide and to help them prepare for the entrance exams. Qualified teachers in all subjects provided intensive tuition in the four regions of the country: Northeastern region on September 30-October, 2005 at Khon Kaen University, Khon Kaen; Central region on October 1-6, 2005 at University of the Thai Chamber of Commerce, Bangkok; Northern region on October 1-6, 2005 at Chiang Mai University, Chiang Mai; and Southern region on October 1-6, 2005 at Valailuk University, Nakorn Sri Thammarat. The activities were recorded and broadcast for those students that missed these useful activities.

Social Activities

Brighten Your Future With Reading

This program was launched to promote a reading culture among Thai youth and to steer them away from drug abuse. Ultimately this would help create a knowledge-based, learning society, which is important in sustainable national development. The project was carried out throughout the year with consistent support from sponsors. English educational media and world-class edutainment products were distributed to many schools in all regions of Thailand. The project's sponsors were:

- * Siam Cement Group's Social Foundation - Nation Group
- * Royal Thai Army

Dunk Anti Drugs #12

Under the "Dunk Anti Drugs" project, on December 24, 2005, BOOM staged a girls basketball contest for the 12th consecutive year. The event was held in a multi-purpose area in front of the Nimibutra Building. The intention of this project is to promote the beneficial use of free time among young people so that they will stay away from drugs. This project has received an overwhelming positive response, with growing numbers of participants over the years.



Cash donated by Nation Multimedia Group's Music Club was presented to Phrabat Namphu Temple in Lopburi province.

In-house Activities



2



7



8

In-house Activities



1



5

In-house Activities

1. Scholarships for staff children: Scholarships are provided for the children of staff members studying at all levels from kindergarten to university with no limit on the number of children.
2. Long-service Awards: Certificates and gold were presented to loyal staff who have remained with the company for 10, 15, 20, 25 and 30 years.
3. Merit Making: Nine monks from surrounding temples were invited to the company on the first Monday of each month to receive alms from staff. Religious ceremonies were also held on special occasions such as the first working day of the year and on the company's birthday, July 1.
4. Day-care Center: To ease the burden of staff with young children during the school holidays, the company established a day-care center during the months March - May and October every year. Kindergarten teachers were on hand to take care of children with useful and entertaining activities.
5. Sports Day: The company's sports day activities are organized in November - December every year. The company encourages staff to participate in sports activities by supporting clubs for training and competition both in-house and outside the company, such as the Golf Club, Football Club, Basketball Club, Aerobics Club, etc., with continuous activities all year.
6. Annual Physical Check-up: Qualified doctors and nurses provide health checks for all staff in November every year.
7. Staff Party: A year-end party is held annually to allow staff to participate in a variety of entertainment activities.
8. Academic Activities: Training courses in areas such as management, special techniques, including the principles of thinking and the right attitude for happy working, are organized on a regular basis to encourage and develop the working knowledge and skills of all staff.

Characteristics of the Business

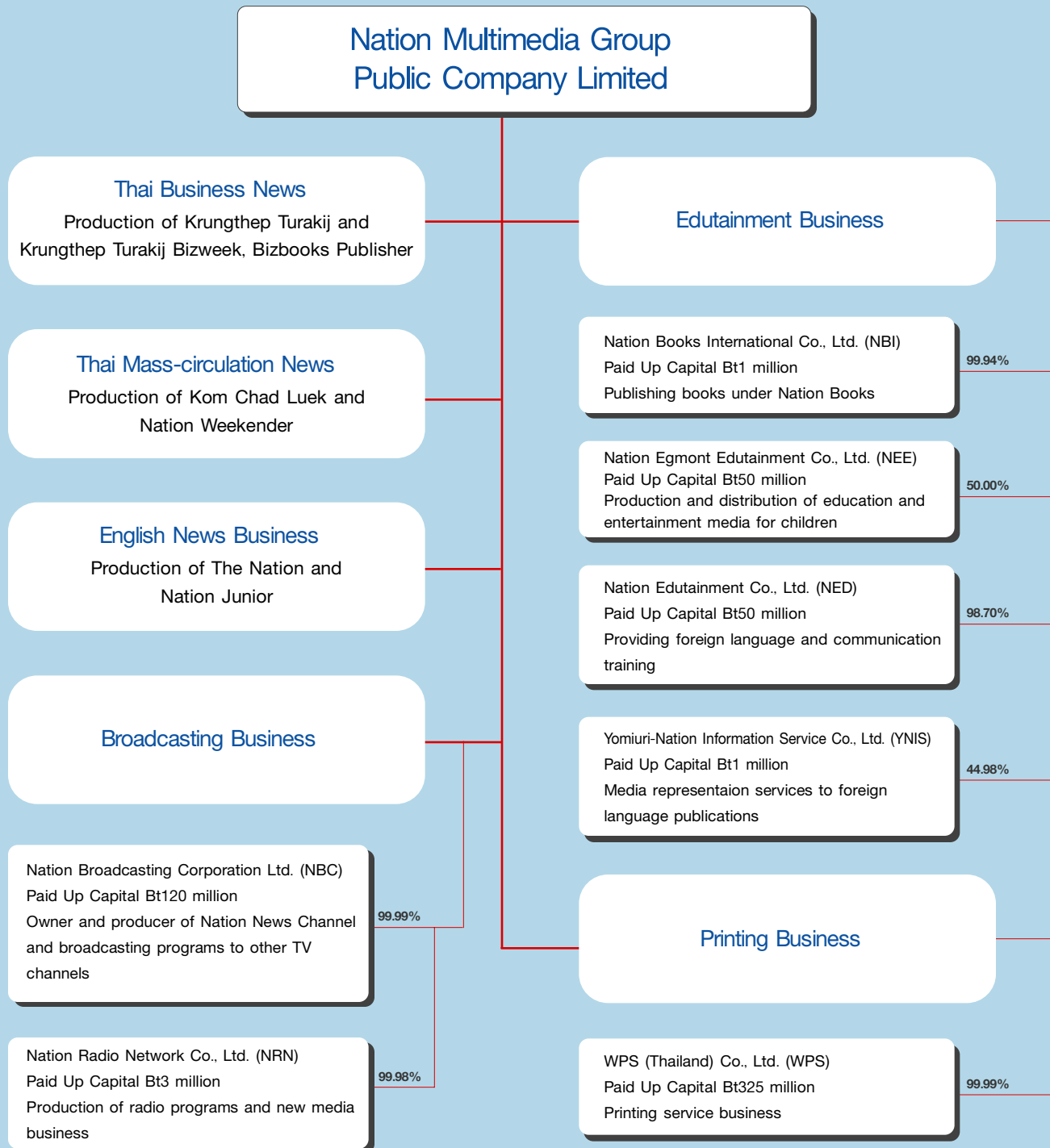
Structure of Sales and Service Income

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	2005		2004		2003	
		Amount	%	Amount	%	Amount	%
Produce and distribute newspapers Produce educational books and comics Produce and distribute pocket books Printing services	Nation Multimedia Group Nation Edutainment Nation Egmont Edutainment Nation Books International WPS (Thailand)	2,697	94%	2,968	93%	2,647	93%
Advertising media and Production Programs through Television	Nation Broadcasting Corporation	149	5%	206	6%	157	5%
Advertising media and Production Programs through Radio	Nation Radio Network	33	1%	30	1%	27	1%
Information services	Nation Information Technology Nation Digital Media	-	-	3	-	9	1%
	Total	2,879	100%	3,207	100%	2,840	100%

Business Group Structure



Industry Overview

Overall Economy

Compared to 2004, Thailand's overall economy in 2005 experienced a minor slowdown which was primarily a result of oil price volatility and increasing interest rates. The sluggish economic outlook brought about a high degree of uncertainty and caused Thai businesses to be cautious with their spending. Corporate advertising budgets were tightly reined in which led to stagnation in revenue for the media industry as a whole. In addition, the paper price, a major raw material for the printed media industry, remained at a consistently high level throughout the year and inevitably effected the performance of the printed media industry in 2005.

For the year 2006, we anticipate high degree of economic uncertainty. We believe that the degree of impact from various negative factors, especially oil and paper prices, will be less severe than in the previous year. Thailand's export growth will continue to be the key factor driving economic growth. The Government's policy regarding tax exemption for paper and printing machinery will directly benefit printing industry. However, political uncertainty during the beginning of 2006 is likely to deter major investment projects and, thus, Thailand's overall economic development.

Publishing Business

The publishing business is NMG's major source of income, contributing almost 90 percent of total revenue. The company is the publisher and distributor of several daily Thai and English newspapers targeting every group of readers. NMG's major publications include "Kom Chad Luek", a mass-market daily newspaper, "Krungthep Turakij", a daily business newspaper, "The Nation", an English language newspaper, and "Krungthep Turakij BizWeek", a weekly business newspaper.

Competitive Environment

The Nation newspaper's only competitor is the Bangkok Post, each commanding an approximately equal market share in the daily English newspaper segment.

Krungthep Turakij newspaper remains the leader among daily business newspapers with more market share than all the other competing newspapers combined.

Kom Chad Luek's competitors are Thai Rath, Daily News, Matichon and Kao Sod. Presently, Kom Chad Luek is the third largest newspaper in the mass-market segment. In 2005, Kom Chad Luek was recognized as "Newspaper of The Year" by the World Association of Newspapers (WAN), a global association of newspapers with members from over 100 countries worldwide.

Krungthep Turakij BizWeek was launched in mid 2004 and has successfully captured a substantial share of the weekly business newspaper segment with emphasis on different content and reporting format to respond to a new generation reader base.

Future Trends

We anticipate that, with several positive factors on the horizon, advertising expenditure is likely to increase moderately in 2006. However, with high paper costs, publishing companies will still need to generate additional revenue and may need to adjust product pricing to compensate for the existing high cost structure.

Industry Overview

In addition, 2006 will witness continual development in the printed media industry such as the launch of new business models (e.g. free copies) in response to changing customer behavior, cooperation among content providers and newspaper media to enhance competitiveness, as well as high penetration of new media (e.g. Internet) and convergence across media. All of these factors will result in a higher degree of competition and greater variety of offerings to various consumer segments.

Credible news reporting, cost management and efficiency improvement will remain key success factors for any newspaper. Furthermore, newspaper companies will need to find business models that allows their existing content to be leveraged through new avenues to meet consumer demand at the right time.

Broadcasting Business

The company, through subsidiary Nation Broadcasting Co., is one of the leading content providers and operates Thailand's first 24-hour news cable station, Nation Channel, with emphasis on news presentation with up-to-date, in-depth, and unbiased analyses. The company also supplies content to other free-to-air stations, provincial cable TV operators and radio stations (Nation Ratio Network) throughout Thailand.

Competitive Environment

Broadcasting, especially television, is the most popular medium with over 90% penetration in Thai households and, thus, commands a hefty share of overall advertising expenditure. Despite the delay in setting up the National Broadcasting Committee, a government body in charge of deregulating the broadcasting industry, we still believe that broadcasting deregulation is on the way with the ultimate goal to promote competition, ensure quality broadcasting and increase avenues of information to audiences in the Kingdom.

The year 2005 has seen continual development from the previous year including improvement of TV programs produced by TV operators themselves and alliances among TV operators and major content providers to increase viewer bases and prepare for free-market competition in the future.

Future Trends

We expect trends from the previous year to continue. Competition in broadcasting will be more intense. TV program improvement and partnership among TV operators and content providers will remain the key strategies to prepare for upcoming deregulation. Key success factors in TV broadcasting will depend on the ability to deliver content that best meets consumer expectations in order to secure advertising revenue.

New Media Businesses

Several new media such as mobile phone and broadband Internet have continued to grow at an unprecedented pace in 2005. This trend signifies the importance of new media and the implication for media companies to prepare for such opportunities. During 2005, NMG launched several new applications to capitalize on these opportunities, for example: "Nation News on Mobile" - SMS news reporting via mobile phone, "Your TV" - Internet TV programs created by the young generation for audiences of similar interests.

We believe that new media will continue to grow for many years to come. NMG will ensure continual development of new media products to increase our understanding of new consumer segments and accumulation of experience to enhance our competitive position in the future.

List of Major Shareholders

The top ten shareholders as of January 23, 2006 are ranked as follows:

Name	Shares	% Holding
1. Mrs. Somporn Cheungrungruangkij	26,143,420	15.87
2. Mr. Thanachai Theerapattanavong	16,158,640	9.81
3. Mr. Suthichai Yoon	14,600,054	8.86
4. American International Assurance Co., Ltd.	13,633,038	8.29
5. Dow Jones & Company, Inc., New York	12,000,000	7.28
6. Mr. Thaveechat Jurangkul	12,000,000	7.28
7. Mr. Sumroeng Manoonpol	6,068,600	3.68
8. Mr. Nivat Changariyavont	4,485,878	2.72
9. Mrs. Supaporn Chuenvichitr	3,641,911	2.21
10. Thai NVDR Co., Ltd.	3,305,921	2.01
11. Thailand Securities Depository Company Limited For Depository / Others	52,710,534	31.99
Total	164,747,996	100.00

Board of Directors

Name	Position	No. of Shares Held as at Dec 31, 05	Qualifications	Year	Experience
1. Mr. Thanachai Theerapattanavong	Chairman	9.81%	<ul style="list-style-type: none"> - Honorary Doctorate in Business Administration, (General Management) South East Asia University, Thailand. - Honorary Doctorate in Business Administration, (Marketing) Rajabhat Institute Chiang Rai, Thailand. - Master's Degree in Political Science, Ramkamhaeng University - BA in Political Science, Ramkamhaeng University - Directors Certification Program from Thai Institute of Director Association 	1976-Present	Nation Multimedia Group
2. Mr. Suthichai Yoon	Director	9.19%	<ul style="list-style-type: none"> - Assumption Commercial College Bangkok (ACC) 	1971-Present	Nation Multimedia Group
3. Mr. Thanachai Santichaikul	Vice Chairman	0.19%	<ul style="list-style-type: none"> - MBA-Thammasat University - BA Accountancy, Chulalongkorn University - Directors Certification Program from Thai Institute of Director Association 	1979-Present	Nation Multimedia Group
4. Mr. Pakorn Borimasporn	Outside-Director and Chairman of the Audit Committee	0.005%	<ul style="list-style-type: none"> - Master's Degree in Electrical Engineering, Chulalongkorn University - Directors Certification Program from Thai Institute of Director Association 	1993-Present	Chief Executive Officer Lighting & Equipment Public Co., Ltd.
5. Mr. Chaveng Chariyapisuthi	Outside-Director and Member of the Audit Committee	None	<ul style="list-style-type: none"> - Assumption Commercial College Bangkok (ACC) - Directors Certification Program from Thai Institute of Director Association 	1991-Present	Executive Director SST Holding
6. Mr. Nivat Changariyavong	Outside-Director and Member of the Audit Committee	2.72%	<ul style="list-style-type: none"> - Assumption Commercial College Bangkok (ACC) - Honorary Doctorate in Business Administration, Rajabhat Institute Chiang Rai, Thailand. - Directors Certification Program from Thai Institute of Director Association 	1979-Present	Managing Director Green Siam Co., Ltd.
7. Mr. Pana Janviroj	Director	0.04%	<ul style="list-style-type: none"> - Master's Degree, Tufts University, USA 	1984-Present	Nation Multimedia Group
8. Mr. Adisak Limprungpatanakij	Director	0.06%	<ul style="list-style-type: none"> - BA-Faculty of Commerce and Accountancy, Thammasat University 	1985-Present	Nation Multimedia Group
9. Mr. Nissai Vejajiva	Outside-Director	None	<ul style="list-style-type: none"> - MBA (Political Economy) Stern School of Business, New York University 	2001-Present 2004-Present	Advisor to the Minister of Foreign Affairs President : TVT Co., Ltd.
10. Mr. Yothin Nerngchamnon	Outside-Director	1.85%	<ul style="list-style-type: none"> - Master's Degree in Political Science, Ramkamhaeng University - BA-Political Science, Ramkamhaeng University - Directors Certification Program from Thai Institute of Director Association 	1989-Present	Executive Director Modernform Group Public Co., Ltd.
11. Mr. Narongsak Opilan	Outside-Director	1.25%	<ul style="list-style-type: none"> - BA, Architectural Design, Rangsit University, Thailand - Certificate in English for International Business, University of California, Berkeley, San Francisco, U.S.A. - Directors Certification Program from Thai Institute of Director Association 	2002-Present 2004-Present	General Manager Administration and Marketing TS Interseats Co., Ltd. Managing Director Thai Summit Eastern Seaboard Auto Part Co., Ltd.

Remark Number of shares held includes shares held by relatives

Corporate Governance

Policy on Corporate Governance

The Company's Board of Directors is well aware of the significance and intention that good corporate governance reflects the strength and efficiency of an organization by raising the levels of transparency, competitiveness and credibility of the Company as perceived by shareholders, investors, and other related parties. The Board of Directors performs its duties in accordance with the Code of Best Practices for directors of a listed company under the supervision of the Stock Exchange of Thailand. In addition, the Board of Directors has the authority and duty 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, ensuring management performs its duty transparently and conforms effectively to the Code of Best Practices. Furthermore, the Board of Directors has strengthened the Code of Best Practices by appointing an 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, 10-14 days in advance, an invitation, together with a copy of the annual report and a proxy form to all shareholders whose names appear in the shareholders registration list at the registered closing date of the Company meeting. Shareholders are then able to inspect relevant information before the meeting. The Company also publicizes the meeting convention and meeting agendas in both Thai and English newspapers for 3 consecutive days prior to the meeting date. In addition, each agenda contains the Board of Directors' opinion to facilitate shareholders' consideration in voting on each agenda. The company also offers alternatives to shareholders, by enabling independent Directors to act as proxies for shareholders unable to attend the meeting.

In 2005, the Annual General Meeting of Shareholders No. 1/2005, took place at the company's head office on April 25, 2005, at which all 13 directors attended. 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.

Rights of Stakeholders

The Company equally and fairly recognizes the rights of all stakeholders, such as employees, management, customers, creditors, shareholders, or other involved parties in accordance with laws and related rules and regulations to ensure the rights of stakeholders are well and fairly protected.

Leadership and Vision

The Board of Directors possesses a proven record of leadership and vision and independent decision-making for the best interests of the Company and shareholders. The Board of Directors has participated in determination of strategies, business plans and budgets, including supervision for management to comply with specified business plans effectively and efficiently.

In 2005, the Board of Directors reorganized the company's structure by establishing six new, separate, business units:

- | | |
|--------------------------|-------------------------------|
| 1. Thai Business News | 2. Thai Mass-circulation News |
| 3. English News Business | 4. Broadcasting Business |
| 5. Edutainment Business | 6. Printing Business |

The objectives of this structural re-organization are to decentralize management authority, empower the new generation management teams and foster independence and efficiency of administrative management. In the light of this change, Nation Group will not only be able to cope with changes and competitors efficiently, but will be able to fully respond to diversified market needs better, as well. Above all, new and diverse business opportunities will be fruitfully pursued by each of the companies to ensure their continuous growth.

Conflict of Interests

The Board of Directors acknowledges conflicts of interest and related transactions, including performing in accordance with the Stock Exchange of Thailand's regulations. The related transactions between the Company and its subsidiary, or associated companies were carefully and appropriately reconsidered, using the same prices and conditions applicable to normal business. At the same time, the Company's related transactions are disclosed with details and necessary reasons in the Annual Disclosure Report (56-1 Form).

Corporate Governance

Business Ethics

The Board of Directors sets the policy and enforcement of business ethics for directors, management and all employees to uphold as a guideline in performing their various duties in accordance with their duty, loyalty, honesty and justice. In addition, this also applies to conduct with the Company and Stakeholders, and includes fair and independent news presentation.

Balance of Power for Non-Executive Directors

At present, January, 2006, the Board of Directors consists of 11 members as follows:

- 5 Directors - Management
- 3 Directors - Independent Directors
- 3 Directors - Outside-Directors, but not Management

There are 3 Independent Directors, or 27.28% of total Directors.

Remunerations for Directors and Management

The Board of Directors fixed the appropriate remuneration for directors, which was approved at the shareholders meeting. Remuneration for the 6 Independent Directors and Outside-Directors who are not management for 2005, totaled Bt1.600 million, as follows:

Name	Position	Amount of Remuneration (Baht)
1. Mr. Pakorn Borimasporn	Outside Director and Chairman of Audit Committee	400,000
2. Mr. Chaveng Chariyapitsuthi	Outside Director and Member of Audit Committee	300,000
3. Mr. Nivat Changariyavong	Outside Director and Member of Audit Committee	300,000
4. Mr. Nissai Vejajiva	Outside-Director	200,000
5. Mr. Yothin Nerngchamnon	Outside-Director	200,000
6. Mr. Narongsak Opilan (appointed April 25, 2005)	Outside-Director	200,000
Total		1,600,000

Remarks : Remuneration does not apply to Directors who are also management, as they have a salary and bonus status.

In 2005, remuneration related to salary and bonus for directors, represented by employees and senior management, totaling 24 persons, amounted to Bt 113.81 million as well as remuneration in terms of provident fund amounting to Bt. 5.19 million.

Meetings of the Board of Directors

The time schedule of the Board of Directors meetings were set a year in advance. For the year 2005 there were 5 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 2005 was as follows:

Name	Meeting	
	Frequency	Attendance
1. Mr. Thanachai Theerapattanavong	5	5
2. Mr. Suthichai Yoon	5	5
3. Mr. Thanachai Santichaikul	5	5
4. Mr. Chaveng Chariyapitsuthi	5	5
5. Mr. Nivat Changariyavong	5	5
6. Mr. Pakorn Borimasporn	5	5
7. Mr. Pana Janviroj	5	3
8. Mr. Adisak Limprungpatanakij	5	5
9. Mr. Nissai Vejajiva	5	5
10. Mr. Yothin Nerngchamnon	5	5
11. Mr. Narongsak Opilan (appointment, April 25, 2005)	5	3
12. Mr. Vanchai Sriherunrusmee (resignation, January 1, 2006)	5	5
13. Ms. Winnie Hutton Wong (resignation, November 11, 2005)	5	3

Directors' Reporting

The Board of Directors is 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 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 2005, the Company's Board of Directors acknowledged the reviewed report of the Audit Committee and the operating results of the internal audit department. Additionally, the Company's Board of Directors judged the internal control as sufficient and appropriate, and has no critical shortcomings, which affect the expression of the auditors opinion in the financial statements.

In 2005 there were 4 Audit Committee meetings and each meeting lasted about 3-4 hours. The meeting attendance of the Audit Committee members in 2005 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 Changariyavong Audit Committee	4	3

Relations with Investors

The Board of Directors is aware of the significance of correct, extensive and transparent disclosures and of financial statements and information disclosures of the Company to investors, shareholders and related persons via the Online access of the Stock Exchange of Thailand (SET) and Website "nationgroup.com". The company regularly liaises closely with the Securities Analysts Association to present disclosures for current and future operating results and new activities of the company to investors and other interested persons.

Other Reference Persons

(1) Security Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building, 4th Floor, Rachadapisek Road,
Klongtoey, Bangkok 10110 Tel: (66) 2229-2800

(2) Certified Public Accountant

1. Mr. Winid Silamongkol
Registration No. 4439 and/or
2. Ms. Nittaya Chetchotiros
Registration No. 3565 and/or
3. Mr. Thirddthong Thepmongkorn
Registration No. 3787

KPMG Phoomchai Audit Company Limited
195 Empire Tower, 21st Floor, Sathorn Road, Yannawa, Bangkok 10120
Tel: (66) 2677-2000

Audit Fee

1. The audit fee of the Company and subsidiaries for the year 2005 is Bt 3,323,000
2. Non-audit fee
-None-

(3) Financial Consultant

Asia Plus Securities Public Company Limited
175 Sathorn City Tower, 11th Floor, South Sathorn Road, Sathorn, Bangkok 10120
Tel: (66) 2285-1888

Ayudhya Securities Company Limited (AYS)
898 Ploenchit Tower, 4th Floor, Ploenchit Road, Pathumwan, Bangkok 10330
Tel: (66) 2658-6767

(4) Legal Consultant

Baker & McKenzie Limited
990 Abdulrahim Place, 22nd - 25th Floor, Rama IV Road, Silom, Bangrak,
Bangkok 10500 Tel: (66) 2636-2000

Pow & Associates Law Office Limited
2 Silom Center Building, 20th Floor, Silom Road, Bangrak, Bangkok 10500
Tel. (66) 2632-6697



Risk Factors

Global Risk Factors

- **Newsprint** is one of NMG's major raw materials. Being a commodity product, newsprint price is determined by the balance of global demand and supply and, thus, is beyond the company's control. In 2005, newsprint price increased about 20% compared to the previous year, and is expected to remain at this level for the year 2006.

NMG management, with over 33 years experience in newsprint procurement, closely monitors newsprint purchases and has set forth a prudent policy to ensure adequate inventory levels while taking into account trends in newsprint pricing.

Because newsprint is purchased in foreign currency, NMG's policy is to have forward contract agreements to cover all transactions in order to hedge against any currency exchange risk

In 2005, management issued additional measures to alleviate any impact from newsprint price. These measures include stringent monitoring of newspaper return, reduction of waste in the printing process as well as control of total newspaper pages and 4-color printing. NMG is also exploring potential to adjust retail price to compensate for a higher cost level.

- **Oil** is one of the key factors that may affect overall economic development. The record increase in oil price in 2005 has impacted NMG in many fronts, including a rise in transportation cost as well as a slow down of customers' advertising expenditure, thus, impacting NMG's advertising revenue.

In addition to the measures mentioned above, NMG has implemented several initiatives to control our costs. These include headcount control and reduction of other operating expenses. NMG also explored potential to generate additional revenue from below-the-line activities as well as the launch of supplementary products such as classified section in Kom Chad Luek to generate additional revenue.

- **Interest rate** has continued to follow an upward trend throughout 2005. The increase in interest rates has a direct impact on our interest expenses. There is also a second order effect to our advertising revenue, as advertising customers become more discreet with their spending.

In order to mitigate the impact from any interest rate increase, NMG is exploring opportunities to maximize the use of NMG's assets base. For example, NMG is securing outside printing orders to increase usage of our existing printing machines. NMG is also considering the possibility of forming strategic joint ventures with outside parties to reduce our investment burden and to consider the sell-off of non-performing assets to free up cashflow and pay off the company's debt.

Risk Factors



- **Technology** continues to revolutionize how audiences consume content. Development of new media in the past year, driven by mobile phone and broadband Internet, has proven to capture significant amount of eyeballs and has been recognized as one of the cost-effective media for advertising. Last year has seen a number of advertising budgets, such as classified, being relocated to these new channels.

As a content provider, NMG realizes the importance of such opportunities and has persistently invested in the development of content for new media, including SMS on mobile and broadband Internet TV. This investment in new media will ensure that we are well equipped to capitalize on this opportunity in the coming years.

Domestic Risk Factors

In addition to global risk factors above, the management is well aware of domestic risk factors that may hinder the company's performance. Such factors include:

- **Political risk** is one of the key factors that may impact the degree of investors' confidence in Thailand as well as advertising expenditure, a key revenue source for NMG.
- **Economic** uncertainty during the previous year, coupled with impact from Tsunami and bird's flu outbreak during the first half of 2005, has deterred advertiser confidence and spending and has a direct impact on NMG's revenue.
- **Competition** continues to intensify from conventional paper-based competitors and new media such as Internet. Both conventional and new competitors offer alternatives for consumers to uptake news content and for customers to place advertising.

NMG will continue to emphasize quality content to fulfill consumers' needs and ensure a superior level of service to maintain relationships with advertising customers in order to secure NMG's revenue base.

- **Regulation:** the Thai government has established a policy to set up the National Broadcasting Committee (NBC) as a central body to deregulate the Thai broadcasting industry. Industry deregulation is expected to open up various channels for broadcasting and, thus, create opportunity for NMG in the future.

In addition, NMG will also benefit from the government's recent measure to reduce the import tariffs on newsprint, printing consumables and printing machines.

NMG has issued several measures, in response to domestic risk factors cited above, with key objectives to ensure a proper level of expenditure and enhanced utilization of NMG's existing assets base.

Internal Factors

- **Investment policy:** NMG has a policy to invest only in core and related businesses. NMG also considers potential to jointly invest with strategic partners in order to secure competitive advantages and reduce investment risk. NMG also has an established policy to reduce our stake in non-performing investments if such investments do not deliver adequate returns within a pre-determined period. In addition, the company has periodically reviewed the use of our existing assets base to ensure maximum asset utilization.
- **Management:** NMG is aware that talent development and retention is essential to ensure the company's sustainable growth. In the past year, NMG has reorganized company structure with the objective to decentralize decision-making authority, provide opportunity to develop new leadership generation as well as to ensure company's flexibility and responsiveness to future expansion. Together with such reorganization, we will continue to ensure adherence to company's code of ethics, both business conduct and journalism practice, and to implement tangible programs to enhance our corporate governance standard.
- **Policy on debt collection:** NMG has established a prudent policy on debt collection by setting aside provision on doubtful receivables based on past and current performance of our customers. In addition, the company has policies to reduce aging receivables, especially over 12 months, as much as possible.

The Results of the Consolidates Financial Statement

According to the 12 months of 2005 ended the same date represented a net loss of Bt 332.07 million would be included profit from fixed assets sold Bt 341.09 million, profit from investment Bt 100.51 million, allowance for doubtful debt Bt 317.86 million, an allowance for obsolete stock of Bt 61.53 million, income tax from asset sold and investments as well as income tax Bt 279.36 million, In addition to the following substances.

1. Sales and services revenue for the 12 months decreased by 9 percent compared to the same period of 2004. This is due to the 15 percent dropping of advertising revenue which is from publishing and broadcasting, 13 percent and 23 percent respectively. On the other hand, circulation revenue has slightly increased from last year and printing services for international magazines has increased by 32 percent.
2. Cost of sales for the 12 months increased by 6 percent compared to the same period of 2004, primarily due to the increasing 3 % of cost of printing which is resulted from the 20 percent higher in cost of paper. However, with the controlling of paper consumption and returning, effected in 12 percent dropping of paper quantity. Moreover, cost of books raised 24 % and production cost of TV and machines rental expenses have raised.
3. Selling and administrative expenses for the 12 months decreased by 8 % compared to the same period of last year. This is because of the achievement in reducing 32 % of promotion expenses. In spite of this, transportation expenses grown by 8 percent because of the higher in gasoline price.
4. Interest expenses for the 12 months decreased 16 percent resulted from paid off short term debt by selling some assets.

Conclusion:

The group reported a net loss of Bt 332.07 million for the 12 months of 2005, This loss took account of profit from asset sold Bt 341.09 million, profit from investment Bt 100.51 million, allowance for doubtful debt Bt 317.86 million, an allowance for obsolete stock of Bt 61.53 million, income tax from fixed assets sold and investment as well as income tax Bt 279.36 million.

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