



Nation Multimedia Group Public Co., Ltd.



ANNUAL REPORT 2007

รายงานประจำปี ๒๕๕๐

NMG

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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General Information

Name

Nation Multimedia Group Public Company Limited

Head Office

1854 Bangna-Trad Road KM 4.5, Bangna, Bangkok 10260

Telephone

(66) 2338-3333

Fax

(66) 2338-3936

SET Listing Date

June 9, 1988

Public Company Registration

December 14, 1993 (PLC no. 226)

Business Line

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

- **Thai News Business Unit**
Production of Krungthep Turakij, Krungthep Turakij Bizweek, Bizbooks Publisher
- **General News Business Unit**
Production of Kom Chad Luek and Nation Weekender
- **English News Business Unit**
Production of The Nation and Nation Junior
- **Special Events and Special Publications Business Unit**
- **Broadcasting Business Unit**
Owner and producer of Nation News Channel and broadcasting programs toother TV channels
Production of radio programs and new media business
- **Edutainment & International Business Unit**
Publishing under Nation Books
Production and distribution of education and entertainment media for children
Providing foreign language and communication training
Providing distribution and media representation services to foreign language publications
- **Printing Business Unit**
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, 2007 the Company has paid-up capital of Baht 1,647,740,300 consisting of 164,774,030 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) 200-151

Khon Kaen Branch

67 Moo 8, Lao Na Dee Road, Muang District, Khon Kaen 80000.

Tel: (043) 324-170 Fax: (043) 324-243

Hat Yai Branch

88/9 Kanchanawanich Road, Baan Pru, Hat Yai, Songkhla 90250.

Tel: (074) 210-035-8 Fax: (074) 210-039

Nation Group History



Nation Multimedia Group was founded in 1971 to publish the country's first Thai-owned and run English newspaper. Throughout the 37 years since establishment, the Group is committed to maintaining highest standard of journalism with our ideal goal to help facilitating the Thais toward knowledge-based society. Nation Multimedia Group has continually expanded our operations and currently is one of the largest multimedia companies in Thailand.

1971

The Voice of the Nation was founded as the country's first Thai-owned and run English-language newspaper on July 1, 1971

1976

Business Review Co., Ltd. was established to publish The Nation Review newspaper, forerunner of The Nation.

1987

Krungthep Turakij was launched as a daily business newspaper by a group of experienced journalists from The Nations business news desk. Krungthep Turakij is currently the best-selling daily business newspaper in Thailand.

1988

The company changed its name from "Business Review Co., Ltd." to "Nation Publishing Group Co., Ltd." in preparation for listing on the Thai stock market.

Following listing on the Thai stock exchange, the company was awarded one of the top ten leading companies in Thailand and one of the top 200 leading companies in Asia in 1998 by Far Eastern Economic Review magazine.

1990

The company received the license to locally print and distribute The Asian Wall Street Journal and Yomiuri Shimbun newspapers.

1992

Nation Radio was established to serve consumer demand for timely, accurate news in this growing media channel, drawing on the existing professional journalistic resources of The Nation and Krungthep Turakij.

Two new publications were also launched in this year: Nation Weekender and Nation Junior.

1996

In line with the company's growing media diversification, Nation Publishing Group was renamed Nation Multimedia Group Public Company Limited.

1998

Nation Egmont Edutainment Co., Ltd. was established as a joint venture with Egmont International Holding A/S of Denmark to produce and distribute foreign educational and entertaining publications under license, including several highly popular comic books from Japan.

Nation Group History

2000

Nation Channel, Thailand's first 24-hour news station, began broadcasting through UBC and subsequently TTV. Nation Channel currently enjoys the top audience ratings of any channel in Thailand.

2001

With strong demand in the newspaper market, the daily newspaper Kom Chad Luek was launched as the newest alternative for Thai readers. Kom Chad Luek, now the third best-selling newspaper in Thailand, was named "Newspaper of the Year 2005" by the World Association of Newspapers (WAN) in Seoul, Korea.

2002

Nation Books was established to meet the needs of readers and support rising demand in the pocketbook market. Nation Books publications include collections of articles by new and well-known columnists from the group's diverse media network as well as works translated from other languages.

2004

The weekly news publication Krungthep Turakij BizWeek was launched to cater to a new generation of Thai business entrepreneurs.

2005

The printing business was spun off with the establishment of WPS (Thailand) Co., Ltd. on July 1, 2005.

2006

Nation Group reorganized its operating structure from 6 Business Units to 7 Business Units by adding Special Events and Publications Business Unit. The effort was aimed to enhance flexibility in response to emerging opportunity.

Edutainment Business Unit was also restructured to enable expansion in the future.

2007

A joint venture between Nation Group and Kyodo Printing, Kyodo Nation Printing Services Co., Ltd., was launched to provide commercial printing services for both domestic and export market

In addition, the company is fully aware of corporate responsibilities to Thai society at large and has commenced several projects to promote the development of the Kingdom as a whole. Some of the projects include

- "Plik Fuen Kuen Fun Karn Suk Sa project" : The project was originally set up to support the Thais who suffered from Tsunami in Southern Thailand. Currently the project has expanded its scope to help Thai people, with focus on educational assistance, recover from all natural disaster throughout the Kingdom.

- "Mobile Library project" : Using an innovative mobile study transport, the foundation was set up with support from Thai Red Cross to promote non-formal education and a reading culture throughout Thailand.

Summary of Financial Data and Investments

(Unit: in Million Baht)

1. Data from Consolidated Financial Statements	2007	2006	2005
• Sales and Service Income	3,006.93	2,914.21	2,878.31
• Total Revenues	3,208.50	3,087.85	3,474.18
• Gross Profit Margin	1,154.25	1,148.72	1,008.36
• Profit Before Interest, Taxes, Depreciation, Amortization and Extraordinary items *(see note) : EBITDA	556.30	374.25	259.36
• Net Profit (Loss)	(797.51)	(154.22)	(332.07)
• Total Assets	4,147.74	5,115.29	5,452.74
• Total Shareholder's Equity	922.50	1,675.04	1,816.41

2. Financial Ratios	2007	2006	2005
• Total Debts to Equity (Times)	3.50	2.05	2.00
• Gross Profit Margin (%)	38.39%	39.42%	35.03%
• Net Profit (Loss) on Total Revenues	(24.86%)	(4.99%)	(9.56%)
• Return on Equity	(86.45%)	(9.21%)	(18.28%)
• Return on Total Assets	(19.23%)	(3.01%)	(6.09%)
• Earning (Loss) per Share (Baht)	(4.84)	(0.94)	(2.03)
• Dividend per Share (Baht)	-	-	-
• Book Value per Share (Baht)	5.60	10.17	11.03

Note * : Extraordinary items are gain on sales of assets, gain on sales of investments, allowance for doubtful accounts, allowance for obsolete stocks, allowance for impairment loss of investments, allowance for impairment loss of assets, accounts receivable and accrued income written-off, employee early retirement benefits, and related corporate taxes adjustment.

Dividend Policy

Dividend payment policy is not exceeding 65% of net profit

Summary of Financial Data and Investments

Investments in Subsidiaries of Nation Multimedia Group Public Company Limited As of December 31, 2007

	Registered Capital (Million Baht)	Percentage of Investments
PUBLISHING BUSINESS		
Nation Books International Co, Ltd.	70.00	99.99
Nation Edutainment Co, Ltd.		
(Invested by Nation Books International Co, Ltd.)	41.25	99.98
Nation Egmont Edutainment Co, Ltd.	50.00	49.99
(Invested by Nation Books International Co, Ltd.)		
BROADCASTING BUSINESS		
Nation Broadcasting Corporation Limited	240.00	99.99
Nation Radio Network Co, Ltd.	3.00	99.97
(Invested by Nation Broadcasting Corporation Limited)		
PRINTING SERVICES BUSINESS		
WPS (Thailand) Co, Ltd.	500.00	84.50
LOGISTIC SERVICES BUSINESS		
NML Co, Ltd.	5.00	99.99

Investments in Associated Companies of Nation Multimedia Group Public Company Limited as of December 31, 2007

	Registered Capital (Million Baht)	Percentage of Investments
Yomiuri-Nation Information Service Limited	1.00	44.98
Kyodo Nation Printing services Co., Ltd.	350.00	48.99
(Invested by WPS (Thailand) Co, Ltd.)		



Message from the Chairman

The year 2007 marked the 36th anniversary of Nation Multimedia Group and was a very significant milestone for our company. Last year's economic slowdown and ongoing political uncertainties contributed towards a negative effect on advertising expenditure, one of our key sources of revenue. The prices of oil and newsprint, which are our major cost components, have continued to rise to record high level, having a direct impact on our cost structure.

Message from the Chairman

It is well recognized that newspaper finds it very difficult to adjust its retail price. However, after maintaining the same price for over the last 7 years, our newspaper prices have successfully been increased by 20%. The 10% size reduction of the Nation and Krungthep Turakij newspapers also helped the company to cut paper cost. Moreover, the Thai Baht appreciation lowered the cost of imported paper. These three factors considerably helped alleviate negative effect on the increasing prices of oil and newsprint.

Throughout 2007, we concentrated on prudent management in all aspects of our business and strict control of all cost levels, with prime objectives to maintain our leadership in the newspaper business, which is our core business, and to secure additional revenue from other related activities. Also, we stayed focus on adjusting our corporate structure to fully utilize content and human resources to achieve increased revenue and foster sustainable growth in the future.

In 2008, we anticipate the political situation will be clearer due to the formation of the new government in early 2008, which should contribute to a certain degree to economic recovery and boost consumer spending, particularly in property and automobile sectors. The overview of advertising industry subsequently should be brighter than the previous year.

However, the uncertainty of the US economy and persistent high oil prices are likely to pose negative effect on the overall economic growth. Furthermore, the rising demand for paper from China and India, coupled with the US presidential election and the 2008 Olympic Game should drive the price of paper, which is our major cost, to go up, which we will further closely follow.

In 2008, in addition to the ongoing cost control and paper use control measures, we plan for development in many areas including the use of advanced technology to catch up the changing world and promote the company's sustainable growth under the concept "Changes for Growth". The details are as follows:

* Reorganize Information Infrastructure

We will emphasize on developing editorial personnel and make full use of modern IT technology to increase news gathering efficiency, news value and credibility. Every editorial work process will be reorganized under the concept "Multimedia Convergence Newsroom" or "Integrated Newsroom", where editorial staff of all media types "converge" to produce news content to be distributed through various channels to readers regardless of time and place.

We have studied the "Multimedia Convergence Newsroom" concept from several world's leading newspapers and well realize that this concept is appropriate for Nation Multimedia Group, whose business is diversifying from our core printed media into broadcasting and moving forward with new media business such as internet, mobile phone, etc. The study on several international newspapers that had successfully reorganized work process revealed that office layout is very critical to implementing the "Multimedia Convergence Newsroom" concept. Most of these papers had open-plan design office for editorial department (instead of high-rise building as our current office) and used modern IT technology to improve entire work process, from field job to editorial process of news writing through to content transmission to readers via various media, no matter it be print or digital, in a timely manner.

The company subsequently has a policy to redesign work process and reorganize workplace in line with this new concept. We are looking for a new office with open-plan design to enable convenient and efficient work process reorganization, so we decided to sell all of our office buildings on Bangna ñ Trad road to decrease unnecessary assets. We will relocate to a new place, which will be equipped with advanced IT technology to match our new work process.

* Reorganize Corporate Structure

We will still maintain our focus on developing "the New Generation Management and Leaders" who will lead the

Message from the Chairman

organization in the future. They will be encouraged to play more important roles in management for both printed media which are still the main business of the company, as well as new media which is getting more and more important. In addition, we will ensure continued development of Marketing and Sales workforce with the goal for these staff to be able to effectively provide one-stop services to clients. The investment in information technology will be provided for this workforce as same as editorial employees, to improve working process to be more efficient.

* Reorganize Financial Structure

The decision to sell the office building will strengthen the company's Balance Sheet and reduce burden from our interest payment. The expected saving is at 150 million Baht per year, after deducting additional expense that will take place from new office. The company also reorganizes loan structure which was previously based on short-term financing to long-term loan, to be in line with the company's investment structures. At the end of last year, the company completed this financial rearrangement by signing a Syndicated Loan Agreements with 3 leading commercial banks in Thailand which are Kasikorn Bank, Bangkok Bank and Siam Commercial Bank.

* Capture New Revenue Opportunity

The plan is divided into 3 practices as follows: 1) Launching new print to fill the demand gap in current market. 2) Creating new revenue opportunity from New Media and, 3) Seeking income from special events in response to increasing demands from clients/advertisers who want "Below the Line" services.

The 2007 advertising spent in all media was at 101,462 million Baht (AC Nielsen). 53% of such advertising spent was allocated to TV media, 23.50 % to newspapers, and the rest shared among radio, magazines and so fourth. It can be noticed that newspapers commanded far lesser market share than TV. Furthermore, the two leading English language newspapers in Thailand controlled even smaller market share compare to the

whole newspaper market. With close analysis and observance, these two English language newspapers do not have clear reader segmentation. It is impossible for readers from all walks of lives to satisfy the same contents or have the same demand of the same newspapers.

Thus, Nation Group decided to produce compact-size free English language newspaper called "Daily Xpress", to extend English language newspaper reader base. The Daily Xpress is aimed to penetrate the target group of age between 25-35 years old, who are well educated with high purchase powers and modern lifestyles. Since the grand opening on the 5th of March 2008, preliminary market survey indicated that Daily Xpress gained excellent feedback. This assures Nation Group that, Daily Xpress will make increasing income to our English language newspaper business (The Nation, Nation Junior, Daily Xpress).

We are confident that the above plans will lay out a solid foundation, both on the operation side and financial side, for our group. Last, but not least, is our ongoing firm commitment to journalism excellence. We will continue to strive towards preserving our core values, Credibility, Integrity, Synergy, Customer focus and Innovation, all of which enable our group to grow steadily and firmly towards our ideal goal, to be an impartial presenter of the facts, which we have steadfastly maintained since the first day of our operation.



Thanachai Theerapattanavong
Chairman

Board of Directors



Name Mr. Thanachai Theerapattanavong

Position Chairman & Chairman of The Executive Board

Age 63 years

Education Background

- MA. in Political Science, Ramkhamhaeng University
- BA in Political Science, Ramkhamhaeng University
- Assumption Commercial College Bangkok (ACC)

Training Course

Thai Institute of Directors Association:

- Directors Certification Program (DCP)

No. of Shares Held as at Oct 31, 07

- 16,158,640 shares (9.81%)

Relationship with NMG's Executive

- N/A

Experience

- 1976 - Present Chairman : Nation Multimedia Group Plc.

Being Director of other listed company

- Independent Director & Chairman of the Audit Committee
Modernform Group Plc.

Being Director of other company or

Being a director of a competing or a related business company

- Executive Director : Nation Edutainment Co., Ltd.
- Chairman : WPS (Thailand) Co., Ltd.
- Director : Nation International Co., Ltd.
- Director : Nation Digital Media Co., Ltd.
- Executive Director : Yomiuri-Nation Information Service Co., Ltd.
- Executive Director : Kyodo Nation Printing Services Co., Ltd.
- Director : Nation Properties Co., Ltd.
- Director : NML Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1

Board of Directors



Name **Mr. Thanachai Santichaikul**

Position Vice Chairman & Chief Executive Officer

Age 54 years

Education Background

- MBA Thammasat University
- BA Accountancy, Chulalongkorn University

Training Course

Thai Institute of Directors Association:

- Directors Certification Program (DCP)

Capital Market Academy - The Stock Exchange of Thailand:

- Capital Market Academy Leadership Program

No. of Shares Held as at Oct 31, 07

- Mr. Thanachai Santichaikul 307,966 shares (0.18%)

Relationship with NMG's Executive

- N/A

Experience

- 1979 - 1993 : Vice President Account & Finance Department
Nation Publishing Group Co., Ltd.
- 1993 - 1994 : Managing Director Nation Publishing Group Plc.
- 1995 - 2004 : Vice Chairman Nation Multimedia Group Plc.
- 2005 - 2007 : Vice Chairman & Group President
Nation Multimedia Group Plc.
- 2008 : Vice Chairman & Chief Executive Officer
Nation Multimedia Group Plc.

Being Director of other listed company

- N/A

Being Director of other company or

Being a director of a competing or a related business company

- Executive Director : Nation Broadcasting Corporation Co., Ltd.
- Executive Director : Nation Radio Network Co., Ltd.
- Executive Director : Nation Books International Co., Ltd.
- Executive Director : Nation Egmont Edutainment Co., Ltd.
- Executive Director : Nation Edutainment Co., Ltd.
- Executive Director : WPS (Thailand) Co., Ltd.
- Executive Director : Yomiuri-Nation Information Service Co., Ltd.
- Executive Director : Nation Properties Co., Ltd.
- Director : Nation International Co., Ltd.
- Director : Nation Digital Media Co., Ltd.
- Director : NML Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1

Board of Directors



Name Mr. Suthichai Yoon

Position Director & Executive Director

Age 62 years

Education Background

- Assumption Commercial College Bangkok (ACC)
- Saengthong School, Had Yai, Songkhla

Training Course

Thai Institute of Directors Association:

- Director Accreditation Program (DAP)

No. of Shares Held as at Oct 31, 07

- 14,600,054 shares (8.86%)

Relationship with NMG's Executive

- N/A

Experience

- 1971 - Present : Editor in Chief Nation Multimedia Plc.

Being Director of other listed company

- N/A

Being Director of other company or

Being a director of a competing or a related business company

- Executive Director : Nation Broadcasting Corporation Co., Ltd.
- Executive Director : Nation Radio Network Co., Ltd.
- Director : Nation International Co., Ltd.
- Director : Nation Digital Media Co., Ltd.
- Director : Nation Properties Co., Ltd.
- Director : NML Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1

Board of Directors



Name **Mr. Pakorn Borimasporn**

Position Independent Director and Chairman of The Audit Committee

Age 61 years

Education Background

- MA. in Electrical Engineering, Chulalongkorn University
- BA in Electrical Engineering, Chulalongkorn University

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP 17)

Capital Market Academy - The Stock Exchange of Thailand :

- Capital Market Academy Leadership Program (CMA 3)

No. of Shares Held as at Oct 31, 07

- 26,900 Shares (0.02%)

Relationship with NMG's Executive

- N/A

Experience

- 1993 - Present : Chief Executive Officer
Lighting & Equipment Plc.
- 1999 - Present : Chief Executive Officer
L & E Manufacturing Co., Ltd.
- 2004 - Present : Chairman & Chairman of The Audit Committee
Porn Prom Metal Plc.

Being Director of other listed company

- Chief Executive Office
Lighting & Equipment Plc.
- Chairman & Chairman of The Audit Committee
Porn Prom Metal Plc.

Being Director of other company or

Being a director of a competing or a related business company

- Chief Executive Officer : L&E Manufacturing Co., Ltd.
- Director : Nation Broadcasting Corporation Co., Ltd.
- Director : Nation Radio Network Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Audit Committee 4/4
- Annual General Meeting of Shareholders 1/1

Board of Directors



Name Mr. Nivat Changariyavong

Position Independent Director and Member of The Audit Committee

Age 65 years

Education Background

- Honorary Doctorate in Business Administration, Rajabhat Institute Chiang Rai, Thailand
- Assumption Commercial College Bangkok (ACC)

Training Course

Thai Institute of Directors Association :

- Directors Accreditation Program(DAP)

No. of Shares Held as at Oct 31, 07

- 4,485,878 Share (2.72%)

Relationship with NMG's Executive

- N/A

Experience

- 1979 - Present : Managing Director, Green Siam Co., Ltd

Being Director of other listed company

- N/A

Being Director of other company or

Being a director of a competing or a related business company

- Managing Director : Green Siam Co., Ltd

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 4/5
- Audit Committee 4/4
- Annual General Meeting of Shareholders 1/1

Board of Directors



Name Mr. Chaveng Chariyapisuthi

Position Independent Director and Member of The Audit Committee

Age 63 Years

Education Background

- Assumption Commercial College Bangkok (ACC)

Training Course

Thai Institute of Directors Association :

- Director Accreditation Program (DAP)
- Understanding Fundamental Statement (UFS)
- Finance for Non-Finance Director (FN)
- Monitoring the System Internal Control and Risk Mgmt
- Audit Committee Program

No. of Shares Held as at Oct 31, 07

- N/A

Relationship with NMG's Executive

- N/A

Experience

- 1991 - Present : Executive Director, SST Holding Co., Ltd.
Executive Director, Siam Syndicate Trading Co., Ltd.
Executive Director, Siam Steelwork Co., Ltd.

Being Director of other listed company

- N/A

Being Director of other company or

Being a director of a competing or a related business company

- Executive Director : SST Holding Co., Ltd.
- Executive Director : Siam Syndicate Trading Co., Ltd.
- Executive Director : Siam Steelwork Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Audit Committee 4/4
- Annual General Meeting of Shareholders 1/1

Board of Directors



Name Mr. Nissai Vejjajiva

Position Independent Director

Age 76 years

Education Background

- MBA (Political Economy) Stern School of Business, New York University
- BA (Economic), Boston University
- Certificate of National Defence College of Thailand

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

No. of Shares Held as at Oct 31, 07

- N/A

Relationship with NMG's Executive

- N/A

Experience

- 1998 - Present
President of the Board of Rajabhat Mahasarakham University

Being Director of other listed company

- N/A

Being Director of other company or

Being a director of a competing or a related business company

- Director : Nation Broadcasting Corporation Co., Ltd.
- Director : Nation Radio Network Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1

Board of Directors



Name Mr. Yothin Nerngchamnonng

Position Independent Director

Age 58 years

Education Background

- MA. in Political Science, Ramkamhaeng University
- BA. Political Science, Ramkamhaeng University
- Assumption Commercial College Bangkok (ACC)

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

No. of Shares Held as at Oct 31, 07

- 2,500,000 shares (1.52%)

Relationship with NMG's Executive

- N/A

Experience

- 1989 - Present : Chief Executive Officer, Thai Plaspac Plc.
Executive Director, Modernform Group Plc.
Director, MFEC Plc.

Being Director of other listed company

- Executive Director : Modernform Group Plc.
- Chief Executive Officer : Thai Plaspac Plc.
- Director : MFEC Plc.

Being Director of other company or

Being a director of a competing or a related business company

- Director : Dermal, Wellness International Co., Ltd.
- Director : Dermal Concept Co., Ltd.
- Director : Modernform Tower Co., Ltd.
- Director : Leonard Drake (Thai) Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1

Board of Directors



Name Mr. Pana Janviroj

Position Director & Executive Director

Age 49 years

Education Background

- MA., Tufts University, USA

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

Listed Company Associate, The Stock Exchange of Thailand :

- Risk Management Seminar & Workshop

No. of Shares Held as at Oct 31, 07

- 12,450 share (0.01%)

Relationship with NMG's Executive

- N/A

Experience

- 1984 - Present : President of English News Business Unit
Nation Multimedia Group Plc.

Being Director of other listed company

- N/A

Being Director of other company or

Being a director of a competing or a related business company

- Director : Nation Digital Media Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders -

Board of Directors



Name Mr. Adisak Limprungpatanakij

Position Director & Executive Director

Age 47 years

Education Background

- BA. Faculty of Commerce and Accountancy, Thammasart University

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

No. of Shares Held as at Oct 31, 07

- 70,000 share (0.04%)

Relationship with NMG's Executive

- N/A

Experience

- 1985 - Present : President of Broadcasting Business Unit
Nation Multimedia Group Plc.

Being Director of other listed company

- N/A

Being Director of other company or

Being a director of a competing or a related business company

- Director : Nation Broadcasting Corporation Co., Ltd.
- Director : Nation Radio Network Co., Ltd.
- Director : Nation Digital Media Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1

Board of Directors



Name Mr. Narongsak Opilan

Position Director & Non-Executive Director

Age 32 Years

Education Background

- BA. Architectural Design, Rangsit University, Thailand
- Certificate in English for International Business, University of California, Berkeley San Francisco, USA

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

No. of Shares Held as at Oct 31, 07

- 2,060,000 share (1.25%)

Relationship with NMG's Executive

- N/A

Experience

- 2002 - 2005 : General Manager Administration and Marketing, TS Interseats Co., Ltd.
- 2006 - 2008 : Managing Director, TS Interseats Co., Ltd.
- 2004 - Present : Managing Director Thai Summit Eastern Seaboard Auto Part Co., Ltd.

Being Director of other listed company

- N/A

Being Director of other company or

Being a director of a competing or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 4/5
- Annual General Meeting of Shareholders -

Executive Board



Name Mr. Thanachai Theerapattanavong

Position Chairman & Chairman of The Executive Board

Age 63 years

Education Background

- MA. in Political Science, Ramkamhaeng University
- BA in Political Science, Ramkamhaeng University
- Assumption Commercial College Bangkok (ACC)

Training Course

Thai Institute of Directors Association:

- Directors Certification Program (DCP)

No. of Shares Held as at Oct 31, 07

- 16,158,640 shares (9.81%)

Relationship with NMG's Executive

- N/A

Experience

- 1976 - Present : Chairman, Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1



Name Mr. Suthichai Yoon

Position Director & Executive Director

Age 62 years

Education Background

- Assumption Commercial College Bangkok (ACC)
- Saengthong School, Had Yai, Songkhla

Training Course

Thai Institute of Directors Association :

- Director Accreditation Program (DAP)

No. of Shares Held as at Oct 31, 07

- 14,600,054 shares (8.86%)

Relationship with NMG's Executive

- N/A

Experience

- 1971 - Present : Editor in Chief, Nation Multimedia Plc.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1

Executive Board



Name Mr. Thanachai Santichaikul

Position Vice Chairman & Chief Executive Officer

Age 54 Years

Education Background

- MBA Thammasat University
- BA Accountancy, Chulalongkorn University

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

Capital Market Academy - The Stock Exchange of Thailand :

- Capital Market Academy Leadership Program

No. of Shares Held as at Oct 31, 07

- 307,966 shares (0.18%)

Relationship with NMG's Executive

- N/A

Experience

- 1979 - 1993 : Vice President, Account & Finance Department
Nation Publishing Group Co., Ltd.
- 1993 - 1994 : Managing Director, Nation Publishing Group Plc.
- 1998 - 2004 : Vice Chairman, Nation Multimedia Group Plc.
- 2005 - 2007 : Vice Chairman & Group President,
Nation Multimedia Group Plc.
- 2008 : Vice Chairman & Chief Executive Officer,
Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1

Management Team



Name Mr. Thanachai Santichaikul

Position Vice Chairman & Chief Executive Officer

Age 54 Years

Education Background

- MBA Thammasat University
- BA Accountancy, Chulalongkorn University

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

Capital Market Academy - The Stock Exchange of Thailand :

- Capital Market Academy Leadership Program

No. of Shares Held as at Oct 31, 07

- 307,966 shares (0.18%)

Relationship with NMG's Executive

- N/A

Experience

- 1979 - 1993 : Vice President, Account & Finance Department
Nation Publishing Group Co., Ltd.
- 1993 - 1994 : Managing Director, Nation Publishing Group Plc.
- 1998 - 2004 : Vice Chairman, Nation Multimedia Group Plc.
- 2005 - 2007 : Vice Chairman & Group President,
Nation Multimedia Group Plc.
- 2008 : Vice Chairman & Chief Executive Officer,
Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1



Name Mr. Adisak Limprungpatanakij

Position Director & Executive Director

Age 47 years

Education Background

- BA. Faculty of Commerce and Accountancy, Thammasart University

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

No. of Shares Held as at Oct 31, 07

- 70,000 share (0.04%)

Relationship with NMG's Executive

- N/A

Experience

- 1985 - Present : President of Broadcasting Business Unit
Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders 1/1

Management Team



Name Mr. Pana Janviroj

Position Director & Executive Director

Age 49 years

Education Background

- MA., Tufts University, USA

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

Listed Company Associate, The Stock Exchange of Thailand :

- Risk Management Seminar & Workshop

No. of Shares Held as at Oct 31, 07

- 12,450 share (0.01%)

Relationship with NMG's Executive

- N/A

Experience

- 1984 - Present : President of English News Business Unit
Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Board of Director 5/5
- Annual General Meeting of Shareholders -



Name Ms. Phimpakan Yansrisirichai

Position Chief Operating Officer - Advertising

Age 48 years

Education Background

- BA in the Faculty of Humanities, Ramkhamhaeng University
- Certificate in English with Business Studies,
London Guildhall University

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

Listed Company Associate, The Stock Exchange of Thailand :

- Risk Management Seminar & Workshop

No. of Shares Held as at Oct 31, 07

- 89,825 share (0.05%)

Relationship with NMG's Executive

- N/A

Experience

- 1997 - 2007 : President of General News Business Unit,
Nation Multimedia Group Plc.
- 2008 : Chief Operating Officer-Advertising
Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Annual General Meeting of Shareholders 1/1

Management Team



Name Ms. Kesery Kanjana-vanit

Position President of Edutainment & International Business Unit

Age 48 Years

Education Background

- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University in Corporation with Northwestern University
- BA. Science, Duke University, USA

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

Listed Company Associate, The Stock Exchange of Thailand :

- Risk Management Seminar & Workshop

No. of Shares Held as at Oct 31, 07

- 53,050 share (0.03%)

Relationship with NMG's Executive

- N/A

Experience

- 1980 - Present : President of Edutainment Business
Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Annual General Meeting of Shareholders 1/1



Name Ms. Aeumsree Boonhachairat

Position Chief Operating Officer - Advertising

Age 48 years

Education Background

- BA. Assumption University

Training Course

Thai Institute of Directors Association :

- Directors Certification Program (DCP)

Listed Company Associate, The Stock Exchange of Thailand :

- Risk Management Seminar & Workshop

No. of Shares Held as at Oct 31, 07

- 1,200 share (.00%)

Relationship with NMG's Executive

- N/A

Experience

- 1984 - 2003 : Chief Operating Officer
Nation Multimedia Group Plc.
- 2003 - May 2006 : Chief Operating Officer
Inspire Entertainment Co., Ltd.
- June 2006 - Present : President of Special Events & Special Publication
Nation Multimedia Group Plc.
- 2008 : Chief Operating Officer-Advertising
Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Annual General Meeting of Shareholders -

Management Team



Name Ms. Duangkamol Chotana

Position Chief Operating Officer of Thai News Business Unit

Age 45 years

Education Background

- BA. Communication Arts, Chulalongkorn University

Training Course

Thai Institute of Directors Association :

- N/A

No. of Shares Held as at Oct 31, 07

- 4,410 share (.00%)

Relationship with NMG's Executive

- N/A

Experience

- 2003 - 2007 : Editor, Krungthep Turakij

Nation Multimedia Group Plc.

- 2008

: Chief Operating Officer - Thai News Business Unit

Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Annual General Meeting of Shareholders -



Name Ms. Orapim Luang-On

Position Chief Operating Officer - Marketing

Age 37 years

Education Background

- MA. Marketing, Lincon University, USA

Training Course

Thai Institute of Directors Association :

- N/A

No. of Shares Held as at Oct 31, 07

- N/A

Relationship with NMG's Executive

- N/A

Experience

- 2002 - 2007 : Senior Vice President - Marketing

Nation Multimedia Group Plc.

- 2008

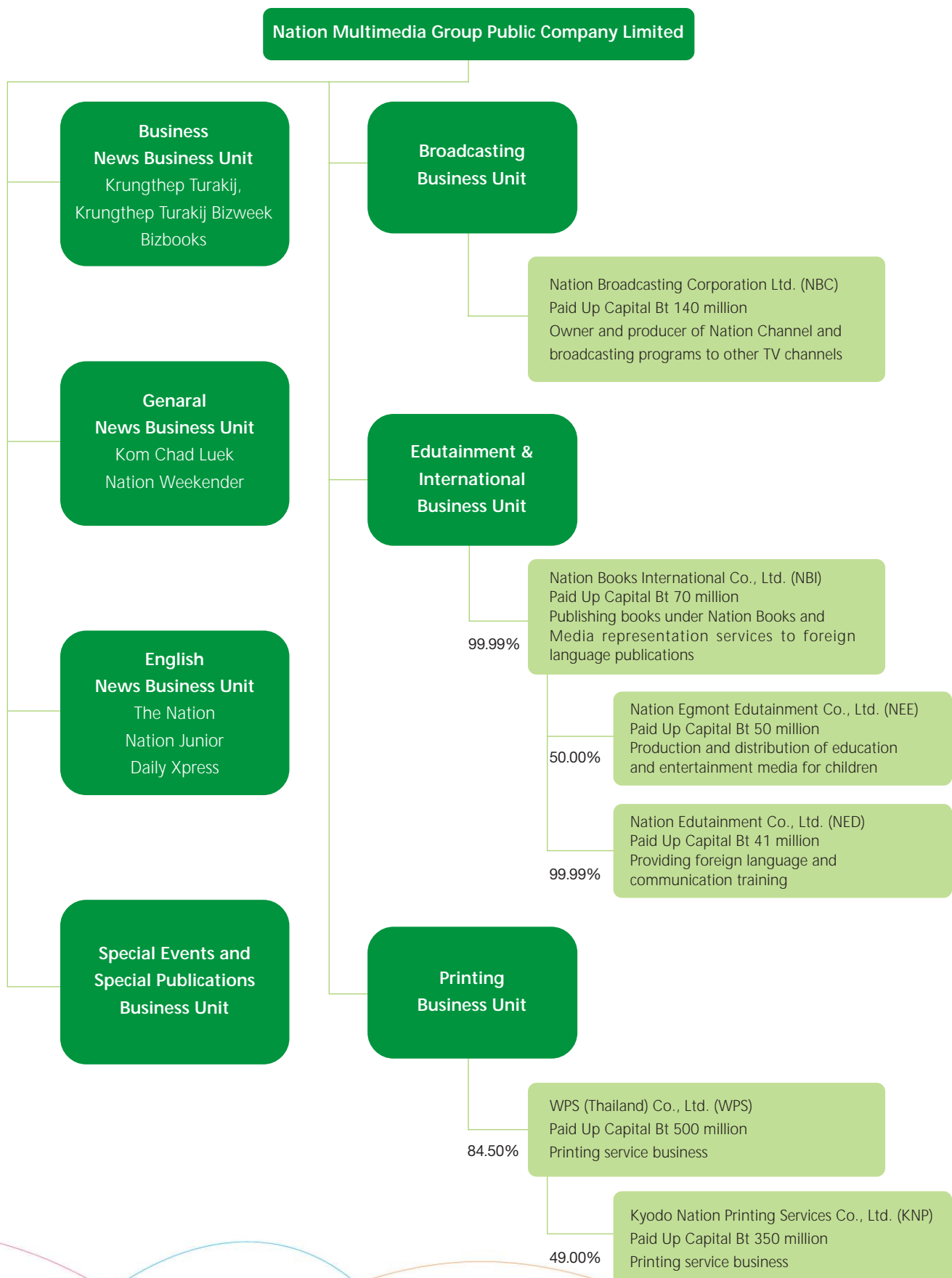
: Chief Marketing Officer

Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

- Annual General Meeting of Shareholders -

Business Group Structure



Thai News Business Unit

Krungthep Turakij:

The country's largest circulation Thai business daily continues its role as the must-read newspaper for business people, investors and anyone interested in today's dynamic business world with its wealth of diverse and independent coverage about business, economic, financial, and political news with in-depth analyses on future trends for business readers to make accurate decisions for their businesses. Backed by high-standard, prudent, up-to-the-minute and insightful news reporting, Krungthep Turakij has enjoyed overwhelming success over two decades.

www.bangkokbiznews.com

Krungthep Turakij Bizweek:

A new broadsheet printed weekly on quality, bonded paper in a colorful format to capture additional readers on the weekends. A weekly business newspaper with practical and easy-to-understand content covering business, economy, politics, finance, marketing and IT, Bizweek aims to help decision makers in real-life situations. Bizweek also creates business opportunities and answers the needs of the new generation, active business persons and entrepreneurs at all levels who dare to think differently and act in new ways.

www.bangkokbizweek.com

General News Business Unit

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 and, also, the break-through ideas presented through content and new form of advertising, eg, Kom Chad Luek shopping guide, etc.

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 in recognition of its journalistic and graphic quality and its ability to combine excellence with economic viability, winning the trust and support of readers and advertisers alike.

www.komchadluek.net

Nation Weekender:

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

www.nationweekend.com

Product and Services

English News Business Unit

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 on major national events, business, lifestyle, as well as insightful analysis . The Nation is also active on the internet with www.nationmultimedia.com becoming Thailand's number one English-language news website. Regionally, Asia News Network, which The Nation helped founded, now has 16 members from 14 countries - becoming the world's most active newspaper alliance.

www.nationmultimedia.com

www.asianewsnet.net

Nation Junior:

A fortnightly magazine which has become one of the best selling magazines for the teenage group. Nation Junior is popularly used as an English-learning material in high schools and operates a successful website with features including VDO and photos.

www.njconnex.com

Daily Xpress Newspaper:

Thailand's first free English daily newspaper in compact size to respond to the needs of a new generation. Xpress features a modern and attractive design at the cutting edge of global printing trends with a daily circulation of up to 100,000 copies, which is expected to reach a mass market of younger readers. It was officially launched on March 4, 2008, and made its debut copy on March 5, 2008.

www.dailyexpress.net

Broadcasting Business Unit

Nation Broadcasting Corporation, a subsidiary of Nation Multimedia Group Plc., is a producer of radio and television programs, as well as a pioneer in new media providing content through various digital media such as mobile phones and the internet.

Nation Broadcasting:

Operated by Nation Broadcasting Corporation, Nation Broadcasting Co., Ltd. has supplied news reporting and knowledge programs to several local TV stations for over 15 years, and operates Nation Channel, Thailand's first 24-hour news station.

As Thailand's number one in the news arena, Nation Broadcasting focuses on providing up-to-the-minute and in-depth news coverage, unbiased news analyses with a team of experienced and quality news personalities including Suthichai Yoon, Kanok Ratwongsakul, Theera Thanpaibul, Jomkwan Laopetch, Veenarat Laohapakakul and more.

Nation Broadcasting's popular news reporting and news talk programs broadcast through free TV include:

1. Cheep pa jorn lok with Suthichai Yoon:
Wednesday 22.00 - 23.00 hrs, Modern Nine TV
2. Cheep pa jorn lok wan nee: Monday - Friday,
07.30 - 07.45 hrs, Modern Nine TV
3. Khao kon kon khao: Monday - Friday, 21.30 - 22.00
hrs, Modern Nine TV
4. E-Life E-Business: Monday - Tuesday, 09.30 - 10.00
hrs, Modern Nine TV
5. Jamook mod: Monday - Friday, 06.30 - 07.45 hrs,
Channel 7
6. Kor khao: Friday, 23.45 - 00.15 hrs, Channel 7
7. Siam chao nee: Monday - Friday, 06.00 - 07.05 hrs,
Channel 5
8. Reung den yen nee: Monday - Friday, 17.30 - 18.30
hrs, Channel 3

www.nationchannel.com

Nation Radio Network:

Nation Radio Network Co., Ltd. provides news content and analyses, and breaking news to radio stations. Its programs are divided into two types:

1. Program reporting news and movements of interesting events

To report local and international news coverage, as well as movements of significant events in politics, economy and society. Using the local news source of the Nation's News Center and international sources such as AFP, Reuters and AP via the wire services, Nation Radio Network can present up-to-the-minute news. In addition, the program highlights interviews of people involving the hot news of the day and the reporting of the movements of capital and stock markets and securities trading.

2. On-the-hour news program

To report daily on-the-hour news (except during the time of regular news program broadcast live by stations) in the form of breaking news by the Nation's reporters nationwide.

Currently, Nation Radio Network Co., Ltd. supplies news content to several radio stations such as F.M.90.5 Mhz., F.M.95.75 Mhz. and A.M. 1107Khz.
www.nationradioonline.com

New Media:

The New Media Business Unit is in charge of applying communication technologies to create added value to news coverage in order to respond to the changing lifestyles of a new generation. News content from newspapers, radio or television is presented through various new media channels, for example, the internet, mobile phones, IPTV and such electronic devices as IPOD and MP3.

Edutainment & International Business Unit

Books and Media for Adults:

Nation Books International Co., Ltd., a quality publisher under the umbrella of Nation Multimedia Group Plc., publishes a wide selection of knowledge books, which readers can trust. The publisher's outstanding books are recognized both in terms of quality contents and sales volume include the Thai editions of *As the Future Catches You*, *Living History* Hillary Rodham Clinton, *Blue Ocean Strategy*, *The Long Tail*, and *It's Me* by Charlot Tonavanik, *Just Speak Out!* by Nina, *The End of ITV*, *Lek Kanit Pichit Samong Seum (Math Conquers Alzheimer)*, and the most recent best-selling titles - English language teaching series by Christopher Wright, and several others.

www.nationbook.com

Books and Media for Children:

Nation Egmont Edutainment Co., Ltd., an importer, publisher and distributor of books and educational media for children and youth, has been granted rights by the world's leading publishers such as Walt Disney, Warner Bros., Scholastic, Hit Entertainment, BBC, Chorion, Egmont Books and Kingfisher.

Popular children's books and edutainment media published and produced by Nation Egmont Edutainment include Disney's *Classic Tales* and skill enhancing activities, *The Adventures of Tin Tin*, *Disney Puen Nong* magazine, the Thai editions of children's literatures such as Warner Bros.'s *Scooby-Doo* and *You* series, Enid Blyton's *No Boys* series, Thomas Brezina's *Hot Dogs* series, and many more.

www.nationegmont.com

Nation Edutainment Co., Ltd. holds the rights to translate and publish comic magazines, cartoons and the children's literatures of several leading Asian publishers, particularly from

Japan. It also holds the license of the Thai comic "Apai Manee Saga", which is translated into French and published in France, and has published "the 13th Knife", the all-time favourite Thai comic, for over 10 years. The 13th Knife was consequently transformed into digital format to be distributed through various digital media.

Nation Edutainment's highly popular cartoons and children's literature covers weekly comic magazine "Boom", Doraemon series, Dragonball, Bleach, Naruto, Death Note, the Thai edition of "Detective Umemiseu Kiyoshiro" series and many more.

www.ned-comics.com

Educational Services

Nation Edutainment Co., Ltd. also provides educational services, effective professional training to improve working, communication, and foreign language skills for organizations, public and students under the brand name "Nation Educational Services" and "Direct English."

Nation Educational Services focuses on three main areas as follows:

- Business-related training courses providing various useful techniques, strategies, and business skills for corporations and the public to apply to their work.
 - Study tour for youth who wish to expand their English language learning through overseas travel experience during the school holidays.
 - Examination preparation courses for those who are preparing to further their studies at Bachelor, Master and Doctorate levels both in Thailand and abroad.
- www.nation-education.com

Edutainment & International Business Unit

Nation Edutainment has been authorized by the UK-based DE & LG Limited to act as the Master Franchisee for Direct English in Thailand and Indochina. DE & LG Limited has developed a new approach to English language training called "Assisted Learning", which is globally accepted for its effectiveness through the use of advanced multimedia. It presently operates 100 franchises in 20 countries across the world under the brand "Direct English" and "Linguaphone".

www.directenglish.co.th

Printing, Advertising and Distribution Services for Overseas Publishers

The International Business Unit provides overseas publishers many services including printing, advertising, distribution and delivery. The company is also a center of subscribed-member sales for newspapers and other print materials in Thailand and overseas. The company can penetrate specific markets of general customers who are the target of various print materials. These markets include hotel guests, airlines, and many institutes and organizations throughout the country as well as neighboring countries in Southeast Asia.

The International Business Unit's services are as follows;

1. Printing Services - The company is widely recognized as a leader in the printing business and has been selected to print the Asian Wall Street Journal and Yomiuri Shimbun newspapers in Thailand using satellite signal transmission from head offices located overseas. The company also handles distribution in Thailand and other Southeast Asian countries.
2. Distribution and Shop Display Services for newspapers and magazines through sales agents nationwide.
3. Delivery Services of both newspapers and magazines to general subscribed members, hotel guests, airlines, and many other institutes and organizations throughout the country and in South East Asian countries.
4. Advertising Services for Yomiuri Shimbun and Nation Egmont Edutainment's Publications.

The International Business Unit provides services to many newspapers and magazines including the Asian Wall Street Journal, Yomiuri Shimbun, all newspapers under the Nation Group, Time Magazine, Fortune, Newsweek, Far Eastern Economic Review, Forbes Asia, Reader's Digest, Harvard Business Review, Business Traveler Asia Pacific and all magazines under The Nation.

Printing Business Unit



WPS (Thailand) Co., Ltd. is one of the region's most modern and efficient printing facilities that offers comprehensive printing services for all types of printing. The company provides printing services to local and overseas clients including many leading newspapers and magazines such as print materials under Nation Group, Asian Wall Street Journal and Yomiuri Shimbun.

With 30 years of experience in printing, WPS developed the country's printing business and embarked on another groundbreaking milestone by establishing a joint-venture company with Kyodo Printing Co., Ltd., one of the largest printing service providers in Japan. The Joint Venture Company is called "Kyodo Nation Printing Service Co., Ltd." (KPN).

This joint-venture company utilizes modern machinery and technology combined with deep expertise and professional experience in this service. The company is able to offer a wide variety of printing services such as graphic design, pre-press, press, post-press and other special services including hard cover and commercial web printing, to meet the demands of local and overseas clients. In reflection of the superior quality of its printing services, the company received the Gold Award at the 2nd Thai Print Awards in 2007.

Special Events and Special Publications Business Unit

Special Publications

For special occasions, many companies seek a novel way of promoting their activities, in addition to normal PR channels. Occasions such as anniversaries, grand openings, new product launches, and listing on the Stock Exchange of Thailand or Market for Alternative Investment can be presented in a variety of attractive and outstanding publication formats including magazines, tabloids, handbooks, newspaper-covers and wrappers. Special Publications can be presented in three languages and inserted into Nation Multimedia Group's newspapers and Yomiuri Shimbun, Japanese newspaper. With the latest production technology in the country, the company produces publications with many types of format, sizes and in full color. The company also produces company profiles, catalogs, brochures, documents used in many events, VDO/VCD presentations and e-supplements, an additional PR channel for clients via www.nationmultimedia.com.

IMC Special Events

The company is a leader in organizing all types of marketing event including recreational events, entertainment, business and events that contribute to society. The events are organized by professional marketing people with expertise and experience in organizing special events. They are well equipped with tools to analyze, research and refine their creative ideas into various types of events to address the needs of clients. In addition, the company is able to collaborate with other organizations that specialize in specific areas. This, together with Nation Group's multimedia channels that can reach target groups at all levels, place the company in the position to organize all types of special events for various companies and clients.

The previous special events include:

Film events - World Film Festival

Music events - Colour Your Life European Jazz

Sport events - Nation Hole-in-One Hall of Fame

Educational events -Reviewing Knowledge before Universities' Entrance Examination

International seminars - International Conference " Asia's Emerging Response to Climate Change" and " Asian Financial Outlook: The Next 10 years"

National seminars - Taking Bangkok Forward " Saneh Bangkok"

Events for society - 1 Degree of Change for Thailand - the campaign against global warming

National image support events - AOT's Colour of Blessing at Suvarnabhumi Airport.

Overall Economy

Thailand witnessed only slight economic growth in 2007 due to concerns over external factors such as US economy, as well as global oil price and paper prices that remained at a high level throughout the year. In addition, many internal factors, especially domestic political uncertainty, had an adverse impact on Thailand's economic development.

The rising oil and paper prices had a direct impact on the publishing business. Furthermore, over the first 9 months of the year, advertising spent slowed down as many companies were more conservative with their advertising budgets. Since advertising is the main income for publishing companies, the slow down in advertising spent had direct impact to the entire publishing industry. However, with a general election by the end of 2007, the political situation became less volatile, which boosted confidence among business community and resulted in a slight increase in overall advertising expenditure. Based on Nielsen Media Research, the overall advertisement spent for printed media in 2007 increased by 3 percent from the previous year.

While the Company anticipates Thailand's political setting to continue to improve from last year, the Thai economy is still subject to many external risk factors, including global economic slowdown as a result of US economy. Such external factor, coupled with Thai Baht appreciation and high oil price, will adversely affect Thailand's export and the overall economic development for the year to come.

Publishing Business

The Company's publishing business consists of 5 Business Units as follows:

1. Thai-language business publications: The Company is a publisher and distributor of "Krungthep Turakij" business daily and "Krungthep Turakij BizWeek" weekly business magazine, and "Bizbook" business pocket books. Targeted customers include business people, young executives, academics, government officials, marketing executives and university students.

2. Thai-language general news publications: The Company is a publisher and distributor of "Kom Chad Luek" mass-circulation daily, and "The Nation Weekender" a weekly news analysis magazine. The targeted customers are mass market.

3. English-language news publications: The Company is a publisher and distributor of "The Nation", an English-language daily newspaper, and "Nation Junior" fortnightly English-language magazine for young readers who seek English knowledge. The targeted readers are Thais who follow the political and economic situations, foreigners living in Thailand, young readers and high school students.

4. Special events and special publications: As the Company is a leading multimedia provider, including printed media, television and radio, websites as well as event marketing, the Company is well positioned to offer total advertising solution to meet requirement from advertising customers. These offerings include both above-the-line advertising as well as below-the-line activities to reach any target audience. In addition, Special publications can be presented in three languages - Thai, English and Japanese, and inserted into Krungthep Turakij, The Nation and Yomiuri Shimbun newspapers. E-supplements are also available as additional advertising channels via www.nationmultimedia.com.

The above-mentioned 4 Business Units are under the management of Nation Multimedia Group Public Company Limited.

5. Edutainment and foreign-related business: These businesses are under the management of Nation Books International Co., Ltd., Nation Edutainment Co., Ltd., and Nation Egmont Edutainment Co., Ltd., and include the following businesses:

- * Publish and distribute domestic and international pocket books

- * Advertising sales agent and distribution sales agent for foreign publications in Thailand and ASEAN such as Asian Wall Street Journal, the Yomiuri Shimbun, Fortune, Time and Business Week

* Produce, import and distribute educational and entertainment publications for children

* Provide English training ("Direct English") as well as managerial seminars and workshops

Competition in Publishing Business

"Krungthep Turakij" is the leading business daily with more than half of the market share (both readers and advertising) in business daily segment. The other two newspapers in this segment include "Post Today" and "Manager"

"Krungthep Turakij BizWeek", the weekly business newspaper, ranks third in its segment after "Thansettakij" and "Prachachat Turakij" (Both the two business newspapers are published every three days)

"Kom Chad Luek", the third largest newspaper in mass market segment, after "Thai Rath" and "Daily News"

"The Nation", the English-language newspaper has only one competitor: "Bangkok Post". "The Nation" holds approximately 35-40 per cent of the market share.

"Nation Books" is facing strong competition due to an increasing number of pocket book publishers in the market. Quality and variety of content are key factors to determine the readers' choices. The book publishing industry is rather fragmented with key players such as Amarin Printing, Nanmee Books and Matichon.

Edutainment products/ comics for children segment is growing. New edutainment publishers have entered the market. The market is expected to expand due to increasing awareness on importance for education. The Company's competitors are varied and depend on product. For example, Disney's licensed books face competition from Aksara Pipat while the Japanese comic books compete directly with products from Vibulkit and Siam Sport Publishing.

Future Trends in the Publishing Business

The picture of the industry in 2008 is expected to improve due to a variety of internal factors especially political factors that are starting to improve which should subsequently have positive impact on publishing business.

However, principal factors such as paper price and the US economy need to be closely monitored since they directly affect the export sector and Thailand's overall economic growth and, thus, Thailand's advertising industry.

The Company expects Thailand's publishing industry to continue its development to meet the ever changing market. New printed format (such as free sheet) will be introduced to the Thai market to satisfy new generation with different lifestyle. Many ongoing developments will continue its trend, such as more collaboration between content providers and newspaper operators, more penetration of new media such as weblogs and broadband, as well as the convergence of multimedia. These developments will likely intensify competition, yet provide alternative to fulfill readers' changing behaviors.

Key success factors for publishing companies will be: presenting interesting, accurate and impartial news content, controlling costs and productivity, and leveraging content through the new media to better serve consumer needs.

Edutainment business is likely to foresee steady growth due to the increasing awareness for the importance of reading and education as well as the fact Thailand's reading rate is still relatively low compared to developed countries.

Broadcasting Business Unit

Nation Multimedia Group is a content provider of content, news and information to the public through a variety of media. Besides publishing, NMG provides content through such media as TV, radio, mobile phone and internet. Such operation is under the management of its subsidiary: Nation Broadcasting Corporation.

Operated under the name "Nation TV", Nation Broadcasting Corporation manages Nation Channel, a news station broadcasted via Channel 1 of TTV. The news network cover a broad arrays of content, both local and international news events, and include politics, economics, social, art, culture, and health. News stories are presented with in-depth information and analyses to keep the public informed and better prepared for future development. Nation Channel emphasizes up-to-date and unbiased news reporting under the slogan "In news reporting, we are the One". In addition, the Company

produces and jointly produces programs with business allies for broadcasting through various channels such as free TV, cable TV, internet broadband, as well as to air programs for Thais living overseas through NAT TV and Global Networks.

Nation Broadcasting Corporation also produces and supplies news content through radio under the name “Nation Radio”, targeting those who on the move. Nation Radio emphasizes breaking news and news analyses. Programs can be categorized into two types:

1. Program reporting news and movements of interesting events

To report local and international news coverage, as well as movements of interesting events relating to politics, economics and social news, supported by Nation's News Center and wire services from AFP, Reuters and AP.

2. On-the-hour news program

To report daily on-the-hour news (except during station's live broadcast) with breaking news by Nation's reporters nationwide.

Competition in Broadcasting Business

Driven by new technology, ever-changing social development as well as uncertainty in political situation, the public's appetite for updated news has significantly increased during the last couple years. TV stations and radio stations have consequently adjusted their strategies to concentrate more on news reporting, all of which intensified competition among news reporting programs and forced content provider to improve their presentation, accuracy and timeliness of reporting.

The Company is well aware of the importance of quality, speed, credibility, and objectivity of news reporting, and, thus, has set a policy to continue to upgrade the quality of our broadcasting programs. The Company will make full use of our qualified personnel and comprehensive news database to differentiate ourselves. In addition, emphasis has been placed on impartial news reporting, examination and cross-checking, as well as variety of presentation to gain acceptance from public at large.

Future Trends in the Broadcasting Business

A survey from Nielsen Media Research on the expenditure on various types of media in 2007 shows that TV advertising was 53,484 million Baht, representing 58 per cent of Thailand's total advertising spent. TV advertising spending on TV grew by 3 per cent from the previous year. While advertising expenditure on TV is higher than any other media, other alternatives, especially new media, are growing fast. If the economy expands, advertising via TV is set to grow accordingly as the advertisers are likely to increase their advertising budgets to promote their goods and services.

News programs and news talk programs have seen a constant increase in audiences. This has increased the opportunity for news and documentary producers to produce more programs to supply the various station networks and will lead to the increase in competition in this market. Given the increased competition, program producers will need to find their own differentiation to address audience's needs. This, in turn, will upgrade Thai TV standard and pave the way for the export of Thai documentaries and news documentaries. Further, with new technology, TV producer will have more channels to access and interact with their audience.

New Media

New media, such as Internet and mobile phone, is another channel to provide news content to serve the different needs of customers quickly and conveniently. The Company provides news content both in Thai and English via mobile phone SMS for all networks under the brand “Nation News on Mobile” services. The Company also operates Weblogs “OK Nation”, a new online community where everyone can be a reporter.

Although revenues from new media are still small, new media have experienced considerable growth over the past couple years. The Company has therefore emphasized on deploying new technologies and developing human resources to make full use of new media technology and to respond to the demands of new generation customers with the expectation for this business segment to potentially generate significant revenues for the company in future.

There are a number of risk factors that have a significant impact on NMG's operating performance. Such risk factors and NMG's corresponding measures to manage them are described as follows:

1. Operation risk

1.1 Raw material risk

Newsprint, as one of NMG's major raw materials, representing 37% of the company's cost of goods sold, and 80% of total raw material expenses. During the past year, the ratio between imported and domestic newsprint was 70% : 30%. Being a commodity product, newsprint prices are determined by the balance of global demand and supply. As a result, the company is exposed to any volatility in newsprint prices, which may subsequently have direct impact on the company's production cost and bottom line profit.

NMG's management, with over 36 years' experience in newsprint procurement, has developed a comprehensive understanding of the newsprint price cycle. For instance, when the newsprint price is expected to rise, NMG's management will consider stocking more newsprint inventory and impose a more stringent policy on paper usage without compromising the quality of our newspapers.

Although newsprint price remained at a high level in the year 2007, it did not pose a vital impact on the company's operation, because of its paper-usage control policy. This included effective management of distribution points to lower newspaper returns, size adjustments of the Nation and Krungthep Turakij newspapers to be smaller, as well as the control of the numbers of newspaper pages and proportion of color printing.

In 2008, the company anticipates that the newsprint price is likely to increase due to the US presidential election, Olympic game and a high price of raw materials of newsprint, which may affect the company's production cost. Nonetheless, the company will follow the previous year's policy to closely control paper usage. The Thai Baht appreciation in 2007 helped lower the company's import cost of newsprint. NMG also managed to purchase forward contract agreements to hedge against foreseeable exchange risks with regard to paper planned

for use 6 months in advance. The price of newsprint thereby did not pose important impact on the company's production cost. However, the company will closely follow the newsprint price situation.

1.2 Key personnel retention risk

NMG is publicly accredited for its media professionalism. The company is committed to develop a team of capable editorial staff instead of being dependent on individuals, to lower the risk of losing key editorial individuals and impact on the company. It has currently a total of 654 staff employed in editorial departments of the Nation, Krungthep Turakij, Krungthep Turakij Bizweek and Kom Chad Luek newspapers, comprising reporters, rewriters, editors and photographers.

In addition to editorial staff, key management personnel from various departments including Sales, Marketing, Circulation and other supporting units, all play significant roles in the overall success of the company.

NMG has consistently emphasized on human resource development, particularly its succession plan. Senior management are encouraged to participate in key decision making, which in turn, is part of our goal towards decentralization. To achieve this objective, NMG has been restructured into 7 Business Units including Thai Business Daily, Thai Mass Market Daily, English Language Daily, Special Events and Special Publications, Broadcasting, Edutainment and Printing Services. The organization restructure aims to promote a more effective operation, decrease work redundancy, decentralize authority to new generation management, and provide ample opportunity to develop new generation management who can appropriately respond to external changes, highly competitive market and diversified target groups in a timely manner. As well, it enables NMG to create new business opportunities to sustain its growth, while retaining its core value of credibility, integrity, synergy, customer focus and innovation, exploring potential to better utilize existing

With such decentralized system, in which work are delegated from top executives and distributed to every management level, if the company lose a key personnel, it will not pose any impact on the company. At the same time, NMG also concentrates on the synergy of all business units to achieve maximum benefits.

1.3 Collection Risk

NMG has set aside provisions to manage bad debt in accordance with its policy (stated in the note to its financial statement) based on each customer's financial standing and its own debt collection experience. The company has also set allowance for doubtful accounts in proportion to revenue, for example, 1% of advertising revenue since the third quarter of 2007 is set aside for allowance for doubtful debt (increased from last year's 0.75%). In addition, the company set a target to minimize any outstanding receivables beyond 12 months. As per the company's consolidated financial statement ending 31 December 2007, the total amount of receivables beyond 12 months and between 6-12 months were approximately 110 million baht and 14 million baht respectively. The company set aside provisions to manage bad debt which fully covered these receivables, with allowance for doubtful debt of 200 million baht (according to consolidated financial statement ending 31 December 2007). Despite its doubtful debt provision, NMG, via its Credit Department, continues to follow up accounts with outstanding bad debt issues.

1.4 Risk from subsidiary's financial performance

1.4.1 Television Business

NMG holds 99.99% ownership in Nation Broadcasting Corporation (NBC), which is a broadcasting business. In 2007, revenue from its television business was 9.5% of NMG's total revenue. Television revenue consists of advertising revenue from TV programs that NMG produces or jointly produces with free TV stations such as TV Channels 3, 5, 7, 9, as well as Nation Channel (TTV1), which is broadcast through local cable TV in the provinces. NMG also supplies programs to satellite TV such as TGN (Thai Global Network) operated by Samart,

with objective to expand viewer bases.

NBC is exposed to the risk of TV stations' program adjustments, especially with free TV stations. However, in 2007, all free TV stations placed emphasis on improving their in-house TV programs, as well as setting up partnership with content producers, including NBC, to broaden their viewer bases, which increased revenue from advertising. Through this development, NBC has seen a considerable increase in the proportion of its revenue from free TV in 2007, making profit for the first time after years of loss.

Furthermore, to tackle the predicted economic slowdown in 2008, NBC has focused on boosting its revenue via Nation Channel and free TV, by formulating sales strategy called "Media for Below the Line", cooperating with sales department to sell Multimedia Package or Customized Package such as Advertorial on TV, and organizing activities to generate additional revenue from such channels as VCD or workshop.

After the Thai Public Broadcasting Service Act was approved by the Legislative Council on 21 December 2007, and came into effect after it had been published in the Royal Gazette, it is expected that this Act would enable more competition in television business, which thereby provides NBC with greater opportunity to win satellite TV concession.

1.4.2 Radio Business

Since early 2007, the radio business has been transferred to be operated by Nation Broadcasting Corporation (previously operated under Nation Radio Network Co., Ltd.) NBC has a contract to rent airtime from a third-party, it is therefore exposed to the risk of the third party's interference or contract cancellation. Nonetheless, revenue from radio business only accounts for 0.7% of NMG's total revenue.

1.4.3 New Media

New Media such as "Nation News on Mobile" is transmission services of news and information via mobile phone in the forms of SMS and MMS of all networks. Both Thai and English news and information of all types are provided to serve

customer needs. NMG has leveraged its contents from Nation Channel for use through New Media and collaborated with its 2 partner websites - www.pantip.com (www.bloggang.com) and www.exteen.com - to create integrated media.

Moreover, NMG has developed BLOG to encourage the public to participate in news reporting and expressing their views via www.oknation.net. The company has continuously provided news content through new media to meet the demands of new generation customers. In 2007, revenue from New Media and Internet was approximately 66 million baht, representing 2.2% of NMG's total revenue.

1.5 Technology Risk

NMG always focuses on providing quality content to various media including print, radio, television, internet and new media such as broadband and mobile phone. The company currently has no policy to invest in network and hardware infrastructure.

Despite changing technology, consumers will still have a demand for news reporting. NMG is suitably equipped to meet the demand with a comprehensive database of news content, ready to supply to various media. Even though revenue from new media is presently not substantial, the company intends to continue the development of such database development system in preparation for the transition from convention media to digital media in the future. NMG has persistently invested in the improvement of content for new media such as Weblog - www.oknation.net/blog - to promote the news community, as well as developed Blog - www.oknation.net - to create social networking and citizen reporters with objective to stand at the forefront of Thailand's new media industry. At the same time, NMG will continue to develop new advertising products by synergizing existing media including print, TV, radio and internet, to enable our clients to reach their targeted customers in the most effective manner.

2. Financial risk

2.1 Exchange rate risk

Thai currency exchange system is a managed float system

with an exchange rate dependent on demand and supply of Thai currency against other currencies. Fluctuated foreign exchange rate has effects on company's production cost. The company's major material is newsprint, 70% of which is imported using US\$ currency. The company is therefore exposed to currency exchange risk caused by importing newsprint. However, the company has a policy of hedging against currency exchange risk by placing a forward contract upon placing an order for newsprint. The company also benefited from Thai Baht appreciation during the year 2007, resulting in lower newsprint cost in Thai Baht term. For the year 2008, the company anticipates to purchase forward contracts to cover all newsprint paper purchased throughout 2008 at the exchange rate of 30-31 Baht per 1 USD (compared to last year's average exchange rate at 33.8084 Bath per 1 USD). With Thai Baht appreciation, the company expects to save 8 - 11% on newspaper purchase for the year 2008.

2.2 Borrowing risk

As of December 2007, the company and affiliated companies' borrowing obligation was amounted to 2,505 million Baht. This amount includes short-term loan from financial institutes, overdraft account, trust receipt and short-term promissory note totaling 879 million Baht, long-term loan of 626 million Baht and outstanding debenture of 1,000 million Baht.

In August 2007, the company signed a Syndication Loan Agreement with 3 financial institutes for the amount of 1,870 million Baht loan (equal amount from each financial institute). The objective of the syndication loan is to adjust our financing structure to be in line with company's cash flow and to prepare to pay off outstanding debentures due in 2008 and 2009 as well as the existing long-term loan. The amount of this 1,870 million Baht is divided into 2 tranches as follows:

* Tranche 1 of 865 million Baht was fully withdrawn in August 2007 and it will be due within 5 years subject to selling the company and the affiliated companies' certain properties. In December 2007, the affiliated company, NPG Training and Conference Resort Co., Ltd. sold its property (Majestic Resort

Hotel) and gave back 267 million Baht to NMG. NMG later paid 250 million Baht back to this account. Thus, the remaining balance is 615 million Baht.

* Tranche 2 of 1,005 million Baht with 5 year duration. 5 million Baht of this Tranche was withdrawn in August 2007 to pay the long-term loan. The remaining amount of 1,000 million Baht will be withdrawn to pay debentures on 26 February 2008 and 18 March 2008, 500 million Baht each time. The installments will be due every 3 month since March 2008 to June 2012. Payment structure will be subject to company's cash flow as follows: 20 million Baht in 2008, 290 million Baht in 2009, 270 million Baht in 2010, 400 million Baht in 2011, and 55 million Baht in 2012. The company is obliged to follow certain terms and conditions as specified in the agreement.

According to NMG Directors' resolution on the 23 January 2008, there was an approval in selling properties which are head office building (with spaces of 14,212 square meters, located at 1854, Bangna-Trad Rd., Kwaeng Bangna, Khet Bangna, Bangkok, with the deed number 32439 and 247619 and the space of 4 rais 3 ngans) and office units in Nation Tower (with total spaces at approximately 44,950.32 square meters, located at 1858, Bangna-Trad Rd., Kwaeng Bangna, Khet Bangna, Bangkok). All properties' value, as stated in the account of 31 December 2007, is at 1,366 million Baht. The objectives and benefits of selling these properties are:

1. To pay back creditors. This will decrease debt burden and interest expense, it will also increase financial liquidity to the company.
2. To improve operational process both news operation in integrated content management and smart office management.

In the Terms and conditions in this agreement, the Executive Board was authorized to consider the approval and make agreements related to these property sales. In the Executive Board meeting on 1 February 2008, the latest proposal to purchase these properties was at 955 million Baht. According to the estimation of related expenses, this net price is lower than the value in Net Book Value around 550.90 million Baht.

The company recorded the Impairment Loss of these properties at the amount of 550.90 million Baht on 31 December 2008.

To sell these properties, the company needs to propose to the creditor for the consent of exemption of financial ratio (which are D/E Ratio) from not over 2.5:1 to 3.25:1 during the quarter 4/2007 to the quarter 2/2008, and Tangible Net Worth from not less than 1,000 million Baht to 800 Baht during the quarter 4/2007 to the quarter 4/2008. On 31 December 2007, D/E Ratio was at 2.72 times and the total amount of shareholders' was 922 million Baht. After receiving money from the sales of properties, the company will pay back the loan in quarter 1/2008, so the D/E Ratio will decrease to 2.05 times.

On 12 February 2008, the debenture holders' meeting agree to approve a reschedule of the maturity due date (or the date of paying the principal and interest to the debenture holders) from 26 February 2009 to 18 March 2008. On 18 March 2008, debenture holders will receive the principal and interest of the debentures, which will be last calculated at 17 March 2008. In addition, there is no change of the date of paying the principal and interest of the debenture on the 26 February 2008, the debenture holders will receive the same capital money and interest.

2.3 Risk from external financial sources

The company has external financial sources such as loan credit limit from many banks and financial institutes. As of 31 December 2007, the company and its affiliated companies has total loan credit limit at 3,718 million Baht and credit used at 1,610 million Baht. Thus, the available credit line is at 2,107 million Baht. In addition, the shareholder's meeting also approved 30.23 million shares for capital increase (private placement). If the shares are offered at current market price (February 2008) at 8.30 Baht, approximately, the company will receive another 250 million Baht. Furthermore, the company is exploring potential to better utilize existing assets, including seeking alliance to co-invest in subsidiary companies or joint venture companies to diversify investment risk, and having plan to list affiliated companies in the SET or MAI, so that the

company may receive capital gain in the future. Moreover, more financial source can be secured from selling idle properties such as lands in provinces and lands around a printing house (Bangna-Trad Km 29).

2.4 Risk from bad debt and lending to affiliated companies

As of 31 December 2007, the company and its affiliated companies has outstanding receivables and borrowing from affiliated company, NPG Training and Conference Resort (NTR) co.,Ltd., amounted to 552.81 million Baht, which is divided as follows: 438.35 million Baht borrowings (1996-1998) and 114.45 million Baht accrued interest (1996-2002)

However, the company has set provision for doubtful debt of 525.31 million Baht during the year 1997-2005. Thus, the remaining amount is at 27.50 million Baht. During the year 2007, the company receives money back from NTR as follows;

- * NTR paid back 1 million Baht a month, for totally 12 million Baht according to Debt Compromise Agreement, which stated that NTR agreed to pay money back 1 million Baht each month since September 2006.

- * On 27 December 2007, NTR sold properties and transfer the after-sales money (after deducting necessary expenses) of 267 million Baht to NMG.

However, NTR agreed to pay NMG and its affiliated companies 325 million Baht, which is already paid with 267 million Baht on 27 December 2007. The remaining amount of 55 million Baht will be paid in 6 months since the date of hotel sales.

3. Legal risk and others

3.1 Effects on shareholders ratio risk

As of 31 December 2007, the company has no risk of shareholder's ratio due to the time limitation of the Warrant to Purchase of Common Shares certificate which was expired since 20 August 2007. 39,426,526 warrants were issued to the existing shareholders. During the past 5 years, 437,849 warrants were exercised, and the remaining 38,989,710 warrants were not exercised.

3.2 Risk from Printing Act B.E. 2550

The company has no risk from Printing Act. The act has positive impact on the company since it is more convenient to apply for printing permit. The Printing Act became effective on 19 December 2007. The Executive Board agreed to revise the company's regulations to be in accordant with the Printing Act. This needs approval from shareholders' meeting that will be held on 21 April 2008. The revision will be about foreigners' shareholding ratio. Foreigners shall have right to hold shares not over 30 percent of all shares. Foreigners currently hold shares at 17.44 percent of all shares. Thus the company has no risk from the Printing Act.

3.3 Risk from Computer Crime Act B.E. 2550

The Computer Crime Act B.E. 2550 was promulgated in the Government Gazette on 18 June 2007. This law relates to the company because the company is the service provider of Group 2 (company that has network system). The law allows the extension of time to become effective in 1 more year, so it will be due on 23 August 2008.

As stated in Section 26, a service provider must store computer traffic data for at least ninety days from the date on which the data is input into a computer system.

The company realizes the importance of operating its business legally and the importance of any risk that may be happened from this case, so it managed to provide the information system for traffic data and other related information systems to identify users. The company also issued new policy related to information system's security, to put in internal organization practice. This includes providing employees the seminars and knowledge of regulations, ways of practice, things to be avoided, things to be abstained from, and any danger caused by insufficient security measures, that could be happen to the company and the employees.

For the organization's information system security, the company systemically implemented the ISO 27001 and other measures into its system, according to this law's intention.

List of Major Shareholders

The top ten shareholders as of January 14, 2008 are ranked as follows:

Name	Shares	% Holding
1. Mrs. Somporn Cheungrungruangkij	26,706,000	16.21
2. Mr. Thanachai Theerapattanavong	16,158,640	9.81
3. Mr. Suthichai Yoon	14,600,054	8.86
4. Dow Jones & Company, Inc., New York	12,000,000	7.28
5. Mr. Thaveechat Jurangkul	8,893,800	5.40
6. American International Assurance Co., Ltd-APEX	7,940,791	4.82
7. American International Assurance Co., Ltd-TIGER	4,916,067	2.98
8. Mr. Nivat Changariyavont	4,485,878	2.72
9. Mr. Sumroeng Manoonpol	3,970,400	2.41
10. Mrs. Supaporn Chuenvichitr	3,641,911	2.21
Others	61,460,309	37.30
Total	164,774,030	100.00

Remark

The following are shareholders in the same group and will cast their votes in the same direction:

- Mr. Thanachai Theerapattanavong
- Mr. Suthichai Yoon
- Dow Jones & Company, Inc., New York

These shareholders hold total of 42,758,694 shares, representing 25.95% of paid up capital.

Corporate Governance Report

Corporate Governance Policy

The company's board of directors strongly believes that the corporate governance principles would ensure the company's effective, transparent and accountable management and raise the level of credibility and confidence in the Company as perceived by shareholders, investors, interested persons and related parties. Corporate governance also promotes sustainable growth, which will contribute to the company's success, and enable the company to achieve its primary goal of rendering the best interests to shareholders. This report is made to gather the policies and key requirements that the board, management and employees shall uphold and conform to in performing their duties to achieve the company's vision and commitment.

Vision The Multimedia Group that reaches every household.
Mission To inform, educate, entertain and inspire in the most trustworthy, timely and creative manner.

The principles of corporate governance reflect the company's core values and guidelines as follows:

Credibility: Credibility in business operation and news reporting.
Integrity: Honesty to media profession and perform business ethically.
Synergy: Recognize the value of multimedia and synergy of various parties, both internally and externally, to provide utmost interests for customers, shareholders and employees.
Customer Focus: To provide excellent services to maximize customer satisfaction.
Innovation: Innovation in products, marketing, sales, services and management system.

The board of directors is in charge of enforcing strict compliance to corporate governance policy, and periodically adjusting the policy to suit circumstances and meet shareholders' expectations, ensuring shareholders' interests are well protected.

The corporate governance policy was approved by the Board of Directors and first announced on November 10, 2006. It has been revised on November 9, 2007.

The principles of Corporate Governance are categorized into 5 sections as follows:

- 1) Rights of shareholders
- 2) Equitable treatment of shareholders
- 3) Role of the stakeholders
- 4) Information Disclosure and Transparency
- 5) The Board of Directors' responsibilities

Rights and Equitable Treatment of shareholders

The Company realizes that the shareholders are entitled to the company's ownership right. Shareholders control the management by appointing the company's board of directors to act and make key decisions for them, as stipulated in the good governance policy. The company realizes the importance of the shareholders and respects their rights by complying with the rules and regulations of the relevant laws.

The company has a policy to ensure the equitable treatment for all shareholders. Shareholders are entitled to the rights to access to sufficient and timely information. The company protects the interests of the shareholders more than what required by the law. The website: www.nationgroup.com publicizes the company information for investors both in Thai and English, which has been constantly updated, as well as the letters to investors. Moreover, the company regularly meets investors at least twice a year according to the schedule prepared by the Stock Exchange of Thailand. However, the company could not arrange for the

Corporate Governance Report

company visit in 2007 because of the construction works at the company's office on KM 4.5, Bang Na Trad where a fence was built, roads were reconstructed and landscape works were underway. Besides, the company modified its warehouse in its printing house compound at KM 29. Nonetheless, in 2008, the company plans to organize the shareholders' visit, if opportunity arises. The company will inform the shareholders of the latest development via the circulating letter posted on www.nationgroup.com later.

To observe the corporate governance principles, the company requires the management to report any changes of their securities holdings to the Securities and Exchange Commission and the Stock Exchange of Thailand as well as provide the copies thereof to the company's secretary. The company's secretary will provide the document for the directors and the management in November so that they can update their information thereof. Then, the secretary will collect the shareholding reports to present to the board of directors once a year.

The company's corporate supervision policy prohibits anyone in the company's management or internal agencies who has an access to the inside information from disclosing such information to the outside parties or non-related persons. Besides, they shall be barred from transacting the company's securities within one month before the company's financial statement is disclosed to the public.

The company assigned the company's secretary to collect the information concerning the interests of the management directors and relevant parties and update such information. Such information shall be ready at all times to be disclosed to the board of directors during the meeting between the company and directors or the management with interests or those who are involved with the matter.

The company organized the shareholders' meeting, No. 1/2550, on 23 April 2007. The company assigned Thailand Securities Depository Co., Ltd., which is the company's share registrar to send the invitation letters to the shareholders prior to the meeting around 10 days. The invitation letter was posted on www.nationgroup.com website 28 days before the meeting. The invitation letter provides the information on the date, time, venue and agenda items of the meeting as well as the useful and relevant information for the shareholders to make the decisions during the meeting. Shareholders were also informed of the meeting regulations as well as the procedure to cast the vote.

On 26 February 2007, the company sent the letters to the shareholders through the Stock Exchange of Thailand's system and www.nationgroup.com website to enable every shareholder (no requirements on shareholding limit) to request the board of directors to include additional agenda items of the meeting. Shareholders could make such request by filling out the proposed agenda items, objectives and reasons in the form that could be downloaded from www.nationgroup.com website and send it to the company from 27 February to 12 March 2007. As it turned out, a shareholder requested to include the agenda item how to deal with the potential non-performing loan and the management of the company and its subsidiaries to ensure the maximum efficiency and benefits in the meeting. The board of directors viewed that such item could be included in the agenda item regarding the company's performance. And the shareholder agreed to include the proposed item to the agenda to approve and certify the company's performance.

On 4 January 2007, the company sent the letters to shareholders through the Stock Exchange of Thailand's system and www.nationgroup.com website to invite no less than 25 minority shareholders with no less than 10 per cent of the sold shares collectively (in accordance with the requirements stipulated by the Public Company Act) to nominate a person to be the company's director by making such nomination, together with submitting the document materials regarding the nominated person's qualification and his or her consent, for at least three months before the general shareholders' meeting. The nomination was

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opened from 5 to 26 January 2007. However, none of shareholders nominated any person to sit in the company's board of directors.

As for shareholders who could not attend the meeting, the company suggested them to authorize Mr. Pakorn Borimasporn, an independent director and Chairman of the Audit Committee, who had no interest in the agenda item, as their proxies. During the general shareholders' meeting, No. 1/2550, 54 shareholders authorized the Chairman of the Audit Committee who is the independent director authorized by the company to vote on their behalf.

The company's secretary collected the inquiries that the shareholders submitted to the board of directors via www.nationgroup.com website before the meeting date. And the directors have responded to every question during the shareholders' meeting.

On the general shareholders meeting, No. 1/2550, the company facilitated the attendance of the shareholders by preparing the staff to answer about the venue of the meeting, preparing the car parking space and the direction signs.

Chairman of the board, vice chairman, president, chairman of the audit committee, audit directors, independent directors, management directors and the management attended the shareholders' meeting to answer the questions raised by the shareholders. One of non-management directors could not attend the meeting. A management director and a high-level executive could not attend the meeting because they were engaged in overseas business trip of the company. The company recorded the name of directors who were present and not present at the meeting in the minutes of the meeting.

The chairman of the board presided over the meeting. Before the meeting started, the chairman informed the meeting of the regulations of the meeting and the procedure to cast the votes. And the chairman opened the floor to the shareholders to inquire and express their opinions on every issue in a straightforward manner. Besides, the president, the chairman of audit committee and some management directors have responded to every question raised by the shareholders. The important points of the discussions and summaries thereof have been recorded. The company didn't distribute any additional materials to the shareholders' meeting nor add any agenda items of the meeting without informing the shareholders in advance.

The company used the ballot during the votes to decide on important agendas such as the directors' appointment. During the election of the directors, the shareholders elected individual candidates. The company has completely recorded the method of voting, vote counting and the meeting resolution — categorized into approval vote, non-approval vote and abstained — in the minutes of the meeting.

The company made available the result of the meeting through the company's website within 14 days from the shareholders' meeting date. However, it did not provide the forum for the shareholders to express their opinions about the minutes of the meeting.

Role of persons with interest

The rights of interested persons will be protected in compliance with relevant laws. The Board of Directors approved to establish a procedure to foster cooperation between interested persons and the company to enhance wealth, financial strength and sustainable business for the company.

In supervising the company's business, interested persons are classified in several groups such as employees, customers, shareholders, investors, trading partners, creditors, trade competitors, society, neighboring communities and independent auditors. The Board of Directors has maintained a policy to protect the rights of each group of interested persons in accordance with related laws or agreements shareholders have made with the company, and aims to boost cooperation between interested persons and

Corporate Governance Report

the company to ensure a more productive performance and sustainable growth. At the same time, important related information shall be sufficiently disclosed to interested persons. The company set the business ethics of the organization in various aspects on 10 November 2006 and considered to revise them during an annual revision on 9 November 2007 (The business ethics manual of Nation Group's directors, management and employees are available at www.nationgroup.com.)

Ethics of Nation Group's directors, management and employees consist of:

Ethics on responsibilities to society and environment

1 Ethics on responsibilities to shareholders

The company determines to act in an accountable manner and ensure the best interests of the shareholders by placing high priority on the corporate's steady growth and sustainable return. The company shall operate in a transparent manner with credible accounting system. The company's Investor Relations Department was set up to communicate with the investors and shareholders who desire to make an inquiry and seek explanation on related issues.

2 Ethics on relations with customers and members of the public

The company determines to ensure that the customers and public shall be satisfied with the company's quality products and services with the reasonable prices. Besides, the company determines to maintain this positive and sustainable relationship with them.

3 Ethics on responsibilities to the media profession

Over the past 36 years, the company has strictly observed the code of conducts of media profession. This is a major reason why the company's media and staff have earned the credibility and trust from the society in spite of some difficult periods when there were political pressures. Our staff performs their duty as the credible media without leaving any principles behind.

"Nation Way" code of conduct was drafted as the professional guidelines for the Group's editorial staff at every level. The content covers the basic ethical standard for the "newsmen" at every level as well as how they behave in the public both on-duty and off-duty.

The Group's news staff at every level shall strictly observe the following principles without any exceptions so that we could continue to maintain the credibility and trust of the society.

"Nation Way" Code of Conduct is categorized as follows:

- 3.1 Ethical requirements of the media professionals
- 3.2 Ethics of Nation Group's media
- 3.3 Responsibilities to the readers, listeners and audience
- 3.4 Commitment to the media profession and organization
- 3.5 Guidelines for news reporting and desirable behavior with the sources
- 3.6 Special privileges and conflict of interest
- 3.7 Guidelines for participating in political and social activities
- 3.8 Guidelines for the advertisement, marketing and sale departments
- 3.9 Guidelines for copyrights and freelancing jobs
- 3.10 Guidelines for reporters in various beats

Corporate Governance Report

The company has the measures to prevent the problems from the libel and defamation charges arisen from news reports by providing the training course for the staff in the news department to keep them informed of the news reporting guidelines, undesirable statements and pictures. Due to the effective campaign to educate the staff on these issues, the number of court cases arisen from the news reports has been substantially dropped from the previous year.

4 Ethics on relations with trade partners, competitors and trade creditors

The company realizes the importance of equality principle and honesty in the business operation as well as the mutual interest with trade partners. Nation Group's trade partners strictly follow the rules and regulations as well as observe the business ethics. As for the competition, Nation Group observes the rules of productive competition and adheres to the fair guidelines concerning the loans and repayment as well as the forming of trading alliance. The company didn't have any dispute regarding trade competitors over the past year.

5 Ethics on responsibilities to employees

The company realizes that human resource is the most valuable asset which drives the organization to a success. Therefore, the company has determined to develop the quality of employees as well as to enhance the corporate culture, ensure positive work environment, promote team work to make the employees feel confident with the company.

6 Ethics on social responsibility and environment

Being a multimedia company, the company shares the national concern over the quality of life and the information consumption of Thais. Therefore, the company has a mission to present quality and useful news to the society and public. The company also participated in the efforts to improve the living standard of Thai society. As a business operator in Thailand, the company cares about the environmental impact to the society as a result of rapid material development.

Over the past year, the company's operation didn't leave any impact on the environment or disrupting the neighboring communities or the society. The company has almost every aspect of social promotion activities especially in the educational field (the details can be seen in the social activity chapter). The company has listened to comments and proposals from the interested parties directly through the direct meetings with the management who has an opportunity to meet with interested persons on a regular basis. And the company has constantly responded to such proposals and comments.

Information disclosure and transparency policies

The board of directors has the duty to provide for the company's information including financial reports and non financial reports in a manner that is accurate, complete, timely and transparent through the easy-to-access channel to the interested parties on an equal footing.

In the past year, the company has disclosed the company's financial reports and non financial reports fully, completely, timely, in a transparent manner and in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand through the information disclosing channels of the Stock Exchange of Thailand the company's website. The company fully complied with the Securities and Exchange of Commission and the Stock Exchange of Thailand's requirements on the disclosure of information over the past year.

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The company's annual report 2007 provides the following information:

- 1 Accurate and complete financial reports in accordance with the accounting standard
- 2 Board of Directors' performance in the past year and the training record of the board
- 3 Audit Committee's performance in the past year
- 4 Remuneration policy for the directors and high-level management
- 5 The compensation for serving in the board and other assignments for the company and its subsidiaries
- 6 Supervision policy and policy compliance
- 7 The Board's accountability report to the financial reports with the required content, endorsed by the chairman of the board and the chairman of the management
- 8 Business ethics

The company has disclosed the followings on the website www.nationgroup.com:

- 1 Supervision policy and the result of the policy compliance
- 2 Business ethics
- 3 Shareholding structure
- 4 Board of directors' structure
- 5 Vision and mission
- 6 Environmental and social policy and the result of the policy execution
- 7 Annual reports
- 8 Financial statements
- 9 News releases

Board of Directors' responsibilities

Roles, duties and responsibilities of the board

The Board of Directors has an important duty in supervising the business operation to ensure the best interests of the company. The board of directors is accountable to the shareholders and independent from the management.

The Board of Directors has clearly stipulated the duties and responsibilities of the board of directors and the management to ensure the independent judgments of the board to serve the best interests of the company and shareholders. Besides, the monitoring and supervision procedure is in place to ensure the company operates in a manner consistent with the relevant law and business ethics stipulated by the board.

The Chairman of the Board does not hold the position of the Chief Operation Officer nor being an independent director. However, he holds the position of the chairman of the management directors. This is because the company is the only full-scale multimedia company in Thailand. The company realizes the importance of being a credible media company. The sensitivity and quality of news reporting have an influence over the public's thoughts. To ensure the management is executed in accordance with the intention of the founders that the company shall not be used for commercial or political benefits, most of international media companies are run by the founders. Chairman of the Board is one of the founders who co-founded up the company with Mr. Suthichai Yoon and M.R. Sunida Kittiyakorn and Mr. Thammanoon Mahapharaya. The company's operation is thus in line with the overall media management culture.

Corporate Governance Report

The board of directors consists of 11 members, five of them are independent directors, and another five are management directors while the other one is a non-management director. Independent directors account for more than one third in the board to ensure the effective check and balance system.

The five independent directors are fully qualified according to the Company's definition of the independent directors and current requirements of the Securities and Exchange Commission. Three out of five independent directors are members of audit committee. One of them is the chairman of audit committee.

According to the company's requirement, one third of the directors shall vacate their offices when their tenures end every year. The company can re-appoint the directors whose tenure end to their same positions again for another term. The company does not set the requirements on the term limit according to the requirement of the Securities and Exchange Commission. And the company has a policy to require the directors to service no more than 5 other listed companies on the Stock Exchange of Thailand concurrently. And the company's board shall approve of such service by considering whether there is conflict of interest with the company's business. In 2007, none of the company's directors was the directors for more than five listed companies.

High-level management of the company will not hold any position in other companies, except for the subsidiaries and the joint ventures. If any member of the high level management sits in the board of other companies, such service shall be reported in form 56-1.

The company appointed the secretary since 2006 to give legal advices and recommendations on regulations relating to issues that the board of directors has to consider. The secretary summaries the important issues regarding the implementation guidelines and the revised requirements of the Securities and Exchange of Commission and Stock exchange of Thailand as well as the newly-enacted laws that the board should be aware of in performing their duties. The secretary shall collect information regarding the directors and related parties, take care of the board's activities and work with the management to ensure the board of directors' resolutions have been duly executed.

The board of directors shall consider to approve the important issues relating to the company's operation such as the business plan, the operation budget, financial goal, and business strategy that the chairman of the management proposed as well as monitor the operation to ensure that the work operations were executed in accordance with such objectives.

Sub-committee

The company's board of directors appointed the sub-committee to help them screen the information relating to the operations by setting the qualifications and responsibility in the requirements for each sub-committee. The members of the sub-committees are independent directors. Chairman of the board will not hold any position in the sub-committee. Sub-committees are chaired by Independent directors.

Members of the sub-committees shall be the directors who are capable, possessing the leadership quality, skill and experience, having the vision as well as being able to devote their times and efforts to perform their duties for the best interests of the company. Operating the media business, the directors thus shall be objective without any political connection. The directors should understand the media culture and ethics. Therefore the company's board of directors didn't set up a nomination committee to nominate the sub-committee members or the remuneration committee. The entire board of directors shall jointly nominate the names and consider the qualification and appropriateness of the nominated candidates. Then, the chairman of the board shall propose the qualified candidates to be approved during the shareholders' meeting. The process to name sub-committees is transparent without any interference from the management.

Corporate Governance Report

At present, the company has one sub-committee, namely the Audit Committee. The detail over its duties and responsibilities is appeared on the Chapter regarding the Structure of the Company's Board of Directors.

Conflicts of Interests

To prevent the incident where the conflicts of interest may arise, the board of directors has carefully looked into areas where the potential conflicts of interest may happen.

The Board of Directors acknowledges the importance of the potential conflicts of interest. They have complied with the Stock Exchange of Thailand's regulations. Related transactions between the Company and its subsidiaries, or associated companies are carefully and appropriately considered, using the same prices and conditions applicable to normal business procedures. The company's related transactions are disclosed with details and necessary reasons in the Annual Disclosure Report (56-1 form).

Internal Control System

The company realizes that a good internal control system will lessen the loss of resources, time and business opportunities. It also helps in increasing efficiency in operations in order to offer the utmost benefits to interested parties. The company stresses the importance of internal control at both managerial and non-managerial level. It clearly designates roles, responsibilities and authorizations of staff and sets a Corporate Index. The use of the company's assets is also carefully monitored. The responsibilities of each staff member are divided; supervisors and evaluators are separated to ensure a proper system of balance and checks. Moreover, the company maintains an internal control system over finance.

The company provides Internal Auditors to assist the Audit Committee and the board of directors. The Internal Auditors assure that the main operations and key financial activities of the company maintain the designated directions. They also handle Compliance Control and check on the conciseness of the internal control system, staff operations, and adherence to the company's rules. These regulatory checks are made in order to find improvements that best suit current circumstances, as well as to create a complete independent balance. The board of directors requires the Internal Auditors to report directly to the Audit Committee. The Audit Committee consulted with KPMG Phoomchai Holdings Co., Ltd. every three months.

The Board of Directors has acknowledged Audit Committee reports on financial statements, financial reports and operational results of the Audit Department and been informed of the result of the operation of the internal control department on a regular basis at least once every three months. No significant errors that might affect the company's financial statements have been found. Operations proceeded as planned, with strict and proper internal control and protection of asset to avoid the misuse of asset by management and staff.

The board of directors considered to approve the code of conduct for the audit committee in writing, which has passed the review by the audit committee to ensure the effective operation on an annual basis.

Risk Management

The Board of Directors realizes the importance of risk management that helps lessen the possibility of loss and also guarantees the existence and longevity of the organization. The company promotes knowledge of risk management to the management team in accordance with the procedures of Corporate Governance. The company aims to make risk management part of its organizational culture, to be upheld by employees at all times. At present, enterprise-wide risk management policy has not been made in writing. The agency directly responsible for risk management has not been set up.

Corporate Governance Report

At present, each agency is responsible for its risk management effort under its work scope including the warning system and the technical errors — as part of its work routine, including alarming system and possible technical errors. The management has the duty to revise the sufficiency of risk management system. The management is currently acting to ensure the measurable risk management system as assigned by the company's board of directors will be in place.

Board of Directors Meeting

Board of Directors meetings for each year are held at least once every 3 months. Other special meetings are held as required. Agendas are clearly stated before the meetings. There are also regular agendas to follow up the operational results, for which the company's secretary sends out invitations attached with agenda documents to all directors, 7 days in advance, allowing the directors to review the information in advance of the meetings. If any director wishes to propose additional agenda item or require the management to update the progress on any particular issue, he or she can inform of such intention to the chairman of the management or the company's secretary.

Generally, each meeting takes 3-4 hours. The chairman of the board provided an equal opportunity for all directors to independently express their ideas and opinions. The Board of Directors viewed that to prevent the unintentional leakage of information; the management will report the result of the company operation only in the months that the meetings are held. Independent directors and non-management directors have met to discuss the management issues without the presence of the management on the regular basis. If there are issues of concerns, they will inform of such concerns to the management.

In 2007, six Board of Directors meetings were held, with the minutes of each meeting recorded in writing. Meeting reports were approved by the Board of Directors and are available for inspection by directors and other concerned persons.

In 2006 and 2007, remunerations for Directors and Management are as follows:

The Evaluation of the Directors' performance

The board of directors provided for the performance evaluation for each individual director and the entire board every year. For 2007, the evaluation was executed in December with the same evaluation format as the previous year. The result of the performance evaluation is made known during the board of directors' meeting No.2/2008, on 21 February 2008. During this evaluation, the company improved the agenda items regarding the risk management and enhanced the completion of information for each agenda item before the meeting to allow sufficient time for the directors to study the materials in advance so that they would thoroughly consider the proposed agenda items for the best interests of the company. The management and the secretary shall proceed with the instructions of the directors onwards.

Directors' remuneration

The Company sets a clear and transparent policy regarding remunerations of Directors and Management. Set at competitive rates for this economic sector, remunerations are high enough to attract Directors who have the required qualifications. Remunerations are approved at the shareholders' meetings. Directors tasked with more responsibilities and duties shall have appropriate level of remunerations in line with their newly-assigned duties and responsibilities.

Corporate Governance Report

Attendances for each director in 2007 are as follows:

Name	Position	Number of the meetings held	Attendance
1. Mr.Thanachai Theerapattanavong	Chairman of the Board and the Chairman of the Executive Board	5	5
2. Mr.Suthichai Yoon	Executive Director	5	5
3. Mr.Thanachai Santichaikul	Vice Chairman and Chief Executive Officer	5	5
4. Mr.Pakorn Borimasporn	Independent Director and Chairman of The Audit Committee	5	5
5. Mr.Nivat Changariyavong	Independent Director and Member of The Audit Committee	5	4
6. Mr.Chaveng Chariyapisuthi	Independent Director and Member of The Audit Committee	5	5
7. Mr.Nissai Vejajiva	Independent Director	5	5
8. Mr.Yothin Nerngchamnong	Independent Director	5	5
9. Mr.Narongsak Opilan	Non-Executive Director	5	4
10. Mr.Pana Janviroj	Executive Director	5	5
11. Mr.Adisak Limprungpatanakij	Executive Director	5	5

Remunerations for Directors and Management

The Company's guidelines for the remunerations of the chairman of the management and the high-level management are in accordance with the terms and policies stipulated by the board of directors. The remunerations will reflect the company's and individual's performance. The company's board of directors evaluated the performance of the chairman of the management and assigned the chairman of the board to inform the criteria and result of evaluation to the chairman of the management. The management board shall approve the result of the performance evaluation of high-level management as proposed by the chairman of the management. The board of directors assigned the management board to consider appropriate level of remuneration to the chairman of the management and high level of management.

Director and Management Development Plan

Every new director will attend the basic orientation program conducted by the chairman of the board, regarding the company's nature of business, history, background, the company's location and branches, the corporate culture as well as be briefed by the chairman of the management and the company's secretary about the company's structure, supervision policy, internal control as well as the necessary document materials.

The company has a policy to provide additional relevant information to the directors, the audit committee, the company's secretary, high-level management and the internal audit agency by organizing the training courses and seminars with Thai Institute of Directors and other agencies. The seminars were aimed to provide information on, for instance, the new account standard and the newly-revised law on the Securities and Exchange Supervision Act, the study on the Thai capital management and the training on other fields relating to IT audit, among others.

Corporate Governance Report

Remuneration Paid to the Directors in 2006-2007				
Names of Directors	Year 2007		Year 2006	
	Annual remuneration (Baht)	Annual Meeting allowance (Baht)	Annual remuneration (Baht)	Annual Meeting allowance (Baht)
1. Mr.Thanachai Theerapattanavong	(None)	(None)	(None)	(None)
2. Mr.Suthichai Yoon	(None)	(None)	(None)	(None)
3. Mr.Thanachai Santichaikul	(None)	(None)	(None)	(None)
4. Mr.Pana Janviroj	(None)	(None)	(None)	(None)
5. Mr.Adisak Limprungpanakij	(None)	(None)	(None)	(None)
6. Mr.Pakorn Borimasporn	400,000	(None)	400,000	(None)
7. Mr.Nivat Changariyavong	300,000	(None)	300,000	(None)
8. Mr.Chaveng Chariyapisuthi	300,000	(None)	200,000	(None)
9. Mr.Nissai Vejajiva	200,000	(None)	200,000	(None)
10. Mr.Yothin Nerngchamnong	200,000	(None)	200,000	(None)
11. Mr.Narongsak Opilan	200,000	(None)	200,000	(None)
Total	1,600,000		1,600,000	

Note: Executive Directors are not subject to director compensation.

Succession plans

The company's board of directors realizes that the organization's efficiency is a result of its staff. The sustainable growth of the company depends on whether the company will be able to create the qualified personnel to execute the company's mission and continue the intent of the founders as well as to pass on the good corporate culture to the next generations. The company therefore instructs the management to place the priority on the effective management and human resource development with clear directions to achieve the company's vision, mission and value.

The first phase of succession plan is categorized into two phrases. The first one is the succession for the chairman of the management and the high-level management. Regarding the lower-tiered management, the company is at present restructuring the enterprise-wide human resource management and development. The company is recruiting the talented staff to strengthen the company's operation and hire the human resource consultant to give advices on how to leverage this goal. Besides, the company has conducted the human resource development work plan in a systematical manner as well as the tangible implementation so that the result can be measured. The management will forward the plans for the board of directors' approval in a later stage.

Social Contribution Activities

For 36 years the Nation Group has successfully provided multimedia services to a wide spectrum of the public in Thailand, beginning with its flagship English-language publication The Nation. Today, the Nation Group's many media sources cater to all areas of society by age groups, gender, education, occupation, and location. Nation Group maintains the trust of the people by adhering to its core values of providing relevant facts, news and information, together with insightful and unbiased opinions and commentaries on current events that are its hallmark and strength. Nation Group is also committed to contributing to the social fabric of the country by ensuring its multimedia sources provide essential information that will impact people's daily life through shared skills and knowledge. In addition, the Group supports and encourages all people in the pursuit of honest livelihoods, fair competition, merit-making activities and clarity and respect for other people's perceptions and beliefs.

Nation Group is also firmly committed to community development through organizing and sponsoring various activities and events of benefit to the public. Nation Group's social contribution activities in the year 2007 were as follows:

Annual Activities 2007

1. Educational Activities

1.1 Family Library Foundation

The Family Library Foundation was established three years ago to promote non-formal education through reading to children, youngsters and members of the public in remote areas. In cooperation with the Thai Red Cross Society, it provides two mobile bus libraries containing large stocks of many thousands of quality, up-to-date books, modern audio-visual equipment and a wireless Internet system, for the use and benefit of people and youngsters living in isolated provinces. The Foundation also participated in many other activities throughout 2007, such as the 36th Anniversary of Nation Group in Chiang Mai, the Launch of Center for Technology Learning at

Nakornsawan, Children's Book Day at Queen Sirikit National Convention Center etc.

On 22 May 2006, HRH Princess Maha Chakri Sirindhorn graciously named the family mobile library - "Bannathorn" - which means a mobile vehicle transporting many books to share with others.

1.2 The 10th Annual Intensive Tutoring for Entrance Exam Project

The "Intensive Tutoring for Entrance Exam" project, in cooperation between Nation Group and MAMA products, was set up to encourage and help senior high school students nationwide to prepare for the university entrance exams (O-Net/



Social Contribution Activities

A-Net). Suitably qualified teachers in all subjects provide intensive tuition in accordance with the requirements of the “admissions” system. Tutoring was held between October 1-6, 2007 and organized in the four regions of the country, at the same time, to enhance equal educational opportunities for all students, both in Bangkok and the provinces.

For students unable to attend the venues in person, tutoring activities were also broadcasted to more than 80 schools nationwide via hi-speed Internet at <https://mamaonet.truelife.com>



1.3 Nation HR Forum 2007

Seminar activities for top executives and management in human resources were organized to share ideas and information and to promote a definition of “human resources” in accordance with their companies’ business strategies. The project is organized by “Jobs by Nation Group,” in collaboration with the National Institute of Development Administration (NIDA) with a positive response from executives and representatives of prestigious Thai and foreign companies for over four consecutive years. In 2007, 4 forums were organized, covering critical issues facing HR professionals: 1. Knowledge Management: The Impetus for Today’s Business

Performances 2. HRIS: The Performance Booster 3. The Hidden Crisis of Wage Earners 4. Staying on Top: Winning the HR Challenges 2008

1.4 Book for the Youths

The project’s objective is to promote reading behavior among students by inviting students, teachers and parents to visit the 35th National Book Fair and Bangkok International Book Fair 2007 at Queen Sirikit National Convention Center. Nation Group arranged transportation and meals to groups of students and teachers during the visit. In addition, Nation Group provided each of 128 students from 3 schools in Phitsanulok, all of which were affected by flood disasters in 2006, with 400-Baht vouchers to purchase books during their visit.



1.5 Brighten Up Your Smile: Educational Support Program for Youths in 3 Southern Provinces

To celebrate Nation Group’s 36th anniversary, the company ran a comprehensive campaign to raise funds to support young people in 3 Southern provinces. The campaign was highly successful, with 1,100,000 Baht in donations from the public and 400,000 Baht from Nation Group, totaling 1,500,000 Baht. With the support of the Southern Border Provinces Administration Center (SBPAC) in Yala, 21 schools were identified as having had an adverse impact caused by incidents in Southern provinces. On September 18, 2007 the fund was donated to the principals

and teachers of those schools for use in purchasing sporting equipment, toys, TV, DVD and various teaching media to support their scholastic activities.



Social Contribution Activities

2. Sport Activities

2.1 7th Elementary Schools' Sport Contest - No.1 Kid's Sports 2007

"Disney & Me" magazine organized the 7th Elementary Schools' Sport Contest - No.1 Kid's Sports 2007 on September 22-23, 2007 at MCC Hall, The Mall Bangkapi. The event successfully promoted awareness of sport activities among elementary students aged between 6 - 8 years old. Many sport contests were arranged including 30m run, 8 x 30m relay, shot-put, long jump, high jump, soccer, as well as cheerleading contest, parade and stadium decoration.

3 Entertainment Activities

3.1 4th Kom Chad Luek Awards

The annual "Kom Chad Luek Awards" are presented to individuals, both stars and behind-the-scenes people, who extol quality and have accomplished outstanding achievements in the field of entertainment. It is also held to support and raise the morale of individuals in show business and encourage the creation of quality productions, as well as to promote improvements in the standards of the Thai entertainment industry. The Kom Chad Luek Awards ceremony is held near the beginning of each New Year with the 4th annual events held on January 17, 2007 at BEC Tero Hall, Lumpini Night Bazaar.



3.2 Music Club

Music Club encourages employees to express their musical capabilities in a variety of activities for the benefit of society. In 2007, the Club organized 2 musical performances at public venues: Rajvitee Foster Home on July 27, 2007 and Children Foundation, Nakorn Pathom on September 23, 2007. Income from these performances is donated to the respective charitable organizations.



3.3 5th World Film Festival

The World Film Festival is organized to support the Thai film industry and develop international cultural exchanges, in addition to positioning Thailand as the hub of the film industry in the ASEAN region. The event is a cooperative effort by The Nation newspaper, Tourism Authority of Thailand, Thai Airways International Pcl., and Major Group. The 5th Festival was held during October 25 - November 4, 2007 at Esplanade Cineplex. Many quality films were screened, featuring Asian films, international films, documentaries, short films and classic films. A variety of seminars as well as workshops were organized by film experts, directors and academics to promote better understanding of the process of film making.

3.4 Disney and Me Talent Contest

Singing and Dance contest with the theme "Disney and Me Talent Contest" was organized as an opportunity to encourage talent and creativity and promote English learning through entertainment activities to youths between 4-10 years old. The Contest was held on September 15, 2007 at Forum Zone, Central-World.

Social Contribution Activities

4. Social Contribution Activities

4.1 Present flower bouquet to Police General Hospital

To mark the 6th anniversary of Kom Chad Luek, on October 16, 2007, Nation staff presented 102 flower bouquets to Pol. Maj. Somyos Deemak, Deputy Chief of Police General Hospital, who distributed the floral arrangements to hospital patients.



4.2 Nation Camp

Nation Camp was founded to improve the quality of life of less privileged students throughout the country as well as those impacted by various natural disasters in Thailand. Founded by the goodwill of the Nation Group's employees together with members of the public, Nation Camp's key principle is to ensure social assistance is provided to those who are truly in need. In 2007, Nation Camp initiated many assistance programs such as the donation of 300 blankets to a hill tribe at Inthanon Peak, Chiang Mai



4.3 Eat Well, Live Well

The 1st Eat Well, Live Well festival was held March 2-4, 2007 at Nation Headquarters as part of Nation Group's 36th anniversary celebration program. The objective of the Festival is to promote quality of life among Bangkok residences, enhance relationships within and among the Nation Group's community and increase awareness of quality living for all. Many activities were organized, such as an Exhibition on Sufficiency Economy, sufficiency home decoration, cooking contest, drawing contest, and more.



Characteristics of the Business

Structure of Sales and Services Income

Nation Multimedia Group Public Company Limited and Subsidiaries have the structure of sales and services income grouped by products and services as follows:

Unit : Million Baht

Products/ Services	Operated by	2007		2006		2005	
		Amount	%	Amount	%	Amount	%
Production and distribution newspapers Production educational books and comics Production and distribution pocket books Printing services	<ul style="list-style-type: none"> • Nation Multimedia Group Public Company Limited • Nation Edutainment Co., Ltd. • Nation Egmont Edutainment Co., Ltd. • Nation Books International Co., Ltd. • WPS (Thailand) Co., Ltd. 	2,664	89%	2,710	93%	2,697	94%
Production Programs and Advertising media on Television	• Nation Broadcasting Corporation Limited	297	10%	164	6%	149	5%
Production Programs and Advertising media on Radio	• Nation Radio Network Co., Ltd.	6	0%	40	1%	33	1%
Logistic Services	• NML Co., Ltd	40	1%	-	-	-	-
	Total	3,007	100%	2,914	100%	2,879	100%

Audit Committee's Report

for 2007

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

The Audit Committee has fulfilled its roles and responsibilities to oversee that the financial reports are correct and accurate, the internal control systems are adequate and efficient and to review that the company has complied with relevant laws and regulations. In 2007, the Audit Committee had 4 meetings with the company's Independent Auditor to review and consider details of the company's financial reports. The Audit Committee has the opinion that the company's financial reports for the year 2007 are fairly presented and no transactions are found that might materially affect the financial reports. With regard to the internal control system, the Audit Committee had 4 meetings with the Internal Audit Manager to review the auditing plan as well as to improve the efficiency of the internal control system. In addition, the Audit Committee also met with the Company Secretary, the company's Legal Department and the Management to review that the company has complied with relevant laws and regulations.

As for the appointment of the company's Independent Auditor for the year 2008, the Audit Committee propose the following persons from KPMG Poomchai Audit Co., Ltd. : Mr. Vichien Thamtrakul, registration No. 3183 or Mr. Charoen Phosamritlert, registration No. 4068 or Mr. Thirdthong Thepmongkorn registration No. 3787 or Ms. Wilai Buranakittisopon registration No. 3920 to be the company's Independent Auditor for the year 2008.



(Mr. Pakorn Borimasporn)
Chairman of Audit Committee

Report on Responsibilities of the Board of Directors towards the Financial Report for the year 2007

The Company's Board of Directors recognizes the significance of its duties and responsibilities, as directors of a listed company under the supervision of the Stock Exchange of Thailand. The Board of Directors ensures that the Company's financial report contains accurate, transparent and full accounting records that reflect the Company's actual financial status and operational results. The Company's financial statements are adequately disclosed to prevent any fraud or mismanagement of the company's assets. The Company adheres to conform with recognized accounting standards that are fair and circumspect in the financial reporting processes of the Company and its Subsidiaries in the year ended 31 December 2007.

In order to strengthen the confidence of the shareholders, investors and other related parties, the Board of Directors establishes the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand to review and ensure accuracy and sufficiency of the financial report, including transparent and complete disclosure of connected transactions or transactions with possible conflict of interest. The Audit Committee ensure the Company's risk management system, internal control, internal audit systems and corporate governance are appropriate and effective in compliance with laws of securities and exchange, regulations of the Stock Exchange of Thailand and relevant rules and regulations.

The Board of Directors is of the opinion that the financial statements for the year ended 31 December 2007 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management and audited by the Company's auditor, reflect accurate and complete financial status, operational results and cash flow in accordance with generally accepted accounting standards, rules, regulations and laws relating to the Company's businesses.



Thanachai Theerapattanavong
Chairman



Thanachai Santichaikul
Chief Executive Officer

The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2007 represented a profit from operating before income tax and share of losses from associates of Baht 107.23 million. An inclusion of income tax of Baht 57.81 million (not included tax from machinery sold of Baht 6.44 million), share of losses from associates of Baht 46.43 million, realized gain from machinery sold net of tax of Baht 32.48 million, bad debt and allowance for doubtful debt of trades and related parties according to the policy to adjust the set up rate of allowance for doubtful debt and obsolete stock total of Baht 210.77 million, allowance for impairment of investment, property, plant and equipment total of Baht 615.88 million and compensation for early retirement of Baht 6.33 million would be resulted in net loss of Baht 797.51 million comparing to last year which showed a net loss of Baht 154.22 million.

However, the above allowances and impairments reflected only on accounting transactions but did not have any effects on the company's cash flow. The cash flow from operating activities for the year 2007 increased Baht 150.77 million, from Baht 349.76 million in 2006 to Baht 500.53 million in 2007. The significance of company's operation results are summarized as follows:

1. Revenue from sales and services for the year 2007 increased by 3 % compared to the year 2006. The main reason for the growth was the 7 % increased in advertising revenue due to there was 67% increased in advertising from broadcasting including 81% increased from new media revenue, whereas print advertising dropped only 2 % even there was an economic slowdown and unstable political condition. In addition, service from printing, international magazine representative and logistic increased 33 % accordingly. However, circulation revenue dropped by 10% which stemmed from 11% dropping of newspaper circulation compared to last year as there were extra publications for an occasion of the 60th anniversary of HM the King's accession to the throne.

Also circulation revenue from pocket books, cartoons and international magazines decreased 5 % as well.

2. Cost of sale and operating expenses for the year 2007 decreased 0.33 % (not included allowance for doubtful debt and other allowances for impairment total of Baht 826.65 million) compared to the year 2006, primarily due to 17% drop in printing cost as a result of declining in paper utilization rate in compliance with the company's production controlling policy. Moreover, the use of sound logistic management practices also resulted in 2% drop in transportation cost even though the gasoline price was fluctuated. However, sales promotion expenses increased 7% due to there were extra events such as "36-year Nation" and "Tan-Khun-Phan-Din" to stimulate revenue.

3. The company has taken into account of allowance for doubtful debt from barter receivables and adjusted the rate of allowance for doubtful debt from 0.75% to 1% of monthly income.

Conclusion:

The group reported a net profit from operating before income tax and share of losses from associates total of Baht 107.23 million for the year ended 31 December 2007. An inclusion of income tax of Baht 57.81 million (not included tax from machinery sold of Baht 6.44 million), share of losses from associates of Baht 46.43 million, realized gain from machinery sold net of tax of Baht 32.48 million, bad debt and allowance for doubtful debt of trades and related parties including allowance for obsolete stock total of Baht 210.77 million, allowance for impairment of investment, property, plant and equipment total of Baht 615.88 million and compensation for early retirement of Baht 6.33 million would be resulted in net loss of Baht 797.51 million comparing to last year which showed a net loss of Baht 154.22 million.

On the other hand, the cash flow from operating activities for year 2007 increased Baht 150.77 million, from Baht 349.76 million in 2006 to Baht 500.53 million in 2007.

The Results of the Consolidated Financial Statements

The Group would like to inform that the company changed its accounting policy for recording investments in subsidiaries and associates in separate financial statements from the equity method to the cost method, in compliance with Notification No.26/2006 regarding Accounting Standard No.44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" requires a parent company which has investments in subsidiaries and associates and is not classified as a "held for sale" investment, to record such investment in accordance with either the cost method or with the recognition and measurement basis for financial instruments (when an announcement is made), instead of the equity method currently used.

The change in accounting policy resulted in net profit (loss) of the separate financial statements not equal to net profit (loss) of the consolidated financial statements and this change has been applied retrospectively for the 2006 financial statements, which are included in the 2007 financial statements for comparative purpose. The effected details are as follows:

Effects for the year to separate financial statements (Million Baht)		
	2007	2006
Net loss		
Equity Method	(797.52)	(154.22)
Cost Method	(800.90)	(154.88)
Increase	(3.38)	(0.66)
Decrease in earnings per Share (Baht/ Share)	(0.02)	(0.004)
Investments in Subsidiaries and associates	Effects to Financial Statements As of 31 December 2006 (Million Baht)	
Equity Method	596.22	
Cost Method	495.97	
Decrease	(100.25)	
Deficit		
Equity Method	(154.22)	
Cost Method	(254.47)	
Increase	(100.25)	

However, such change of accounting policy effects the related accounting transactions of investments in subsidiaries and associates in the separate financial statements only and does not have any effects on the consolidated financial statements or business fundamentals of Nation Multimedia Group Public Company Limited.

**Nation Multimedia Group Public Company Limited
and its Subsidiaries**

**Annual financial statements
and
Audit Report of Certified Public Accountant**

**For the years ended
31 December 2007 and 2006**



KPMG Phoomchai Audit Ltd.

Empire Tower, 50th - 51st Floors
195 South Sathorn Road
Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูเก็ต สอบบัญชี จำกัด

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Audit Report of Certified Public Accountant

To the Shareholders of Nation Multimedia Group Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2007 and 2006, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended of Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2007 and 2006 and the results of operations and cash flows for the years then ended of Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group Public Company Limited, respectively, in accordance with generally accepted accounting principles.

As described in note 30 to the financial statements, the Company's financial statements for the year ended 31 December 2006 have been restated for the effects of the change in accounting policy for investments in subsidiaries and associates from the equity method of accounting to the cost method, and are now termed "separate" financial statements.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2008

Nation Multimedia Group Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2007 and 2006

Assets	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
		(in Baht)			
					(Restated)
Current assets					
Cash and cash equivalents	5	167,974,892	189,986,874	86,109,299	141,177,296
Current investments in fixed deposits		435,372	607,096	-	86,271
Trade accounts receivable	6	851,710,815	974,456,852	649,168,651	748,207,411
Accrued income		68,744,003	48,554,123	9,062,426	18,183,483
Other receivables from related parties	4	82,611,972	132,508,094	162,959,305	240,750,074
Short-term loans to related parties	4	-	260,898,464	169,500,000	456,557,786
Inventories	7	215,879,338	234,444,112	84,666,808	109,701,888
Other current assets	8	96,345,087	177,475,338	62,917,952	145,578,181
Total current assets		1,483,701,479	2,018,930,953	1,224,384,441	1,860,242,390
Non-current assets					
Investments in subsidiaries and associates	9	112,319,618	19,804,165	523,146,879	495,974,237
Long-term investments in related parties	10	9,436,290	11,610,927	9,436,290	11,610,927
Long-term investments in other parties	11	12,648,190	12,276,996	12,648,190	12,276,996
Property, plant and equipment	12	1,716,448,932	2,283,275,522	1,128,774,781	1,642,082,226
Unused land and building	13	222,078,900	274,659,645	222,078,900	274,659,645
Accounts receivable under sale and lease back agreement	12	253,590,000	253,590,000	253,590,000	253,590,000
Intangible assets		114,522,908	111,952,813	99,416,455	87,346,800
Other non-current assets	14	222,996,368	129,188,286	186,663,106	79,736,945
Total non-current assets		2,664,041,206	3,096,358,354	2,435,754,601	2,857,277,776
Total assets		4,147,742,685	5,115,289,307	3,660,139,042	4,717,520,166

The accompanying notes are an integral part of these financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2007 and 2006

Liabilities and shareholders' equity	Note	Consolidated financial statements		The Company financial statements	
		2007	2006	2007	2006
		(in Baht)			
					(Restated)
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	15	878,985,340	760,356,990	751,714,791	625,124,772
Trade accounts payable	16	188,933,130	173,534,965	194,405,792	236,247,058
Current portion of long-term loans	15	12,008,000	174,508,000	5,000,000	167,500,000
Current portion of debentures	15	1,000,000,000	600,000,000	1,000,000,000	600,000,000
Short-term loans from related party	4, 15	-	-	34,000,000	25,000,000
Income tax payable		44,943,826	15,830,265	24,730,000	-
Other current liabilities	17	330,650,873	251,598,612	197,254,058	159,026,900
Total current liabilities		2,455,521,169	1,975,828,832	2,207,104,641	1,812,898,730
Non-current liabilities					
Long-term loans from financial institutions	15	613,899,525	330,556,966	592,915,525	302,564,966
Debentures	15	-	1,000,000,000	-	1,000,000,000
Other non-current liabilities	18	155,824,826	133,866,160	154,133,946	133,866,160
Total non-current liabilities		769,724,351	1,464,423,126	747,049,471	1,436,431,126
Total liabilities		3,225,245,520	3,440,251,958	2,954,154,112	3,249,329,856
Shareholders' equity					
Share capital	19				
Authorised share capital		2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
Issued and paid-up share capital		1,647,740,300	1,647,729,960	1,647,740,300	1,647,729,960
Reserves	22				
Share premium	20, 21	4,136	115,558,105	4,136	115,558,105
Fair value changes		(1,943,603)	(40,626,802)	(1,943,603)	(40,626,802)
Deficit		(836,178,621)	(154,221,848)	(939,815,903)	(254,470,953)
Total equity attributable to the Company's shareholders		809,622,212	1,568,439,415	705,984,930	1,468,190,310
Minority interest		112,874,953	106,597,934	-	-
Total shareholders' equity		922,497,165	1,675,037,349	705,984,930	1,468,190,310
Total liabilities and shareholders' equity		4,147,742,685	5,115,289,307	3,660,139,042	4,717,520,166

The accompanying notes are an integral part of these financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statements of income
For the years ended 31 December 2007 and 2006

		Consolidated financial statements		The Company financial statements	
	Note	2007	2006	2007	2006 (Restated)
		(in Baht)			
Revenues					
Revenue from sale of goods and rendering of services	4	3,006,928,848	2,914,212,553	2,243,934,332	2,316,551,050
Rental and service income	4	67,547,050	44,135,206	361,900,034	389,410,552
Interest income	4	24,236,876	23,605,567	35,518,927	33,331,798
Other income	4, 24	107,428,444	105,042,245	100,653,579	122,229,098
Share of profits from investments accounted for using the equity method	4, 9	2,357,852	859,845	-	-
Total revenues		3,208,499,070	3,087,855,416	2,742,006,872	2,861,522,498
Expenses					
Cost of sale of goods and rendering of services	4	1,852,679,687	1,765,495,317	1,551,371,057	1,702,455,137
Selling and administrative expenses	4,25	1,299,063,604	1,263,071,536	1,240,851,682	1,148,245,338
Impairment loss of assets	12,13	560,439,241	3,550,893	560,439,241	3,550,893
Share of losses from investments accounted for using the equity method	4,9	48,790,468	-	-	-
Total expenses		3,760,973,000	3,032,117,746	3,352,661,980	2,854,251,368
Profit (loss) before interest and income tax expenses		(552,473,930)	55,737,670	(610,655,108)	7,271,130
Interest expense	4,27	(174,512,593)	(171,467,233)	(165,517,947)	(162,148,986)
Income tax expense	28	(64,251,336)	(27,532,396)	(24,730,000)	-
Loss after tax		(791,237,859)	(143,261,959)	(800,903,055)	(154,877,856)
Net profit of minority interest		(6,277,019)	(10,959,889)	-	-
Net loss		(797,514,878)	(154,221,848)	(800,903,055)	(154,877,856)
Loss per share	29				
Basic		(4.84)	(0.94)	(4.86)	(0.94)
Diluted		(4.84)	(0.94)	(4.86)	(0.94)

The accompanying notes are an integral part of these financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2007 and 2006

Consolidated financial statements

	Note	Reserves			Retained earnings (deficit)			Total equity attributable to the Company's shareholders	Advanced receipts from share subscription	Minority interest	Total shareholders' equity
		Issued and paid-up share capital	Share premium	Fair value changes	Appropriated To legal reserve	Deficit (in Baht)					
Balance at 1 January 2006		1,647,479,960	344,629,265	(42,169,372)	20,793,702	(249,964,862)	1,720,768,693	77,500,000	18,138,045	1,816,406,738	
Changes in shareholders' equity for 2006											
Changes in fair value of investments in listed securities		-	-	1,542,570	-	-	1,542,570	-	-	1,542,570	
Net income recognised directly in shareholders' equity		-	-	1,542,570	-	(154,221,848)	1,542,570	-	-	1,542,570	
Net profit (loss)		-	-	-	-	(154,221,848)	(154,221,848)	-	10,959,889	(143,261,959)	
Total recognised income and expense		-	-	1,542,570	-	(154,221,848)	(152,679,278)	-	10,959,889	(141,719,389)	
Issue of share capital											
- ordinary shares	19,20,22	250,000	100,000	-	-	-	350,000	-	-	350,000	
Transfer legal reserve and share premium to reduce deficit	21	-	(229,171,160)	-	(20,793,702)	249,964,862	-	-	-	-	
Issue of shares by subsidiary to minority interest		-	-	-	-	-	-	(77,500,000)	77,500,000	-	
Balance at 31 December 2006		1,647,729,960	115,558,105	(40,626,802)	-	(154,221,848)	1,568,439,415	-	106,597,934	1,675,037,349	

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2007 and 2006

	Note	Consolidated financial statements					Minority interest	Total shareholders' equity
		Issued and paid-up share capital	Reserves	Fair value changes	Deficit (in Baht)	Total equity attributable to the Company's shareholders		
			Share premium					
Balance at 1 January 2007		1,647,729,960	115,558,105	(40,626,802)	(154,221,848)	1,568,439,415	106,597,934	1,675,037,349
Changes in shareholders' equity for 2007								
Recognised impairment loss of investments in listed securities		-	-	39,840,000	-	39,840,000	-	39,840,000
Changes in fair value of investments in listed securities		-	-	(1,156,801)	-	(1,156,801)	-	(1,156,801)
Net income recognised directly in shareholders' equity		-	-	38,683,199	-	38,683,199	-	38,683,199
Net profit (loss)		-	-	-	(797,514,878)	(797,514,878)	6,277,019	(791,237,859)
Total recognised income and expense		-	-	38,683,199	(797,514,878)	(758,831,679)	6,277,019	(752,554,660)
Issue of share capital		10,340	-	-	-	14,476	-	14,476
- ordinary shares	19, 20, 22		4,136	-	-		-	
Transfer share premium to reduce deficit	21	-	(115,558,105)	-	115,558,105	-	-	-
Balance at 31 December 2007		1,647,740,300	4,136	(1,943,603)	(836,178,621)	809,622,212	112,874,953	922,497,165

The accompanying notes are an integral part of these financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2007 and 2006

Separate financial statements (Restated)

	Note	Reserves					Retained earnings (deficit)		Total equity attributable to the Company's shareholders
		Issued and paid-up share capital	Share premium	Fair value changes	Appropriated Legal reserve	Deficit			
							(in Baht)		
Balance at 1 January 2006	30	1,647,479,960	344,629,265	(42,169,372)	20,793,702	(249,964,862)	1,720,768,693		
Change in accounting policy		-	-	-	-	(99,593,097)	(99,593,097)		
Restated balance		1,647,479,960	344,629,265	(42,169,372)	20,793,702	(349,557,959)	1,621,175,596		
Changes in shareholders' equity for 2006									
Changes in fair value of investments in listed securities		-	-	1,542,570	-	-	1,542,570		
Net income recognised directly in shareholders' equity		-	-	1,542,570	-	-	1,542,570		
Net loss		-	-	-	-	(154,877,856)	(154,877,856)		
Total recognised income and expense		-	-	1,542,570	-	(154,877,856)	(153,335,286)		
Issue of share capital - ordinary shares	19, 20, 22	250,000	100,000	-	-	-	350,000		
Transfer legal reserve and share premium to reduce deficit	21	-	(229,171,160)	-	(20,793,702)	249,964,862	-		
Balance at 31 December 2006		1,647,729,960	115,558,105	(40,626,802)	-	(254,470,953)	1,468,190,310		

The accompanying notes are an integral part of these financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2007 and 2006

Separate financial statements (Restated)

	Note	Issued and paid-up share capital	Reserves			Total equity attributable to the Company's shareholders
			Share premium	Fair value changes (in Baht)	Deficit	
Balance at 1 January 2007	30	1,647,729,960	115,558,105	(40,626,802)	(154,221,848)	1,568,439,415
Change in accounting policy		-	-	-	(100,249,105)	(100,249,105)
Restated balance		1,647,729,960	115,558,105	(40,626,802)	(254,470,953)	1,468,190,310
Changes in shareholders' equity for 2007						
Recognised impairment loss of investments in listed securities		-	-	39,840,000	-	39,840,000
Changes in fair value of investments in listed securities		-	-	(1,156,801)	-	(1,156,801)
Net income recognised directly in shareholders' equity		-	-	38,683,199	-	38,683,199
Net loss		-	-	-	(800,903,055)	(800,903,055)
Total recognised income and expense		-	-	38,683,199	(800,903,055)	(762,219,856)
Issue of share capital - ordinary shares	19, 20, 22	10,340	4,136	-	-	14,476
Transfer share premium to reduce deficit	21	-	(115,558,105)	-	115,558,105	-
Balance at 31 December 2007		1,647,740,300	4,136	(1,943,603)	(939,815,903)	705,984,930

The accompanying notes are an integral part of these financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statements of cash flows
For the years ended 31 December 2007 and 2006

	Consolidated financial statements		The Company financial statements	
	2007	2006	2007	2006 (Restated)
	(in Baht)			
Cash flows from operating activities				
Net loss	(797,514,878)	(154,221,848)	(800,903,055)	(154,877,856)
<i>Adjustments for</i>				
Depreciation and amortisation	229,070,611	241,435,810	135,189,856	131,243,089
Interest income	(4,504,662)	(3,873,353)	(15,786,713)	(13,599,584)
Recognised interest income from sale and lease back agreement	(19,732,214)	(19,732,214)	(19,732,214)	(19,732,214)
Interest expense	174,512,593	171,467,233	165,517,947	162,148,986
Doubtful debts expense	181,109,095	46,337,101	94,060,181	51,092,170
Loss on obsolete stocks	17,105,455	9,432,239	-	-
Impairment losses of investments	39,840,000	6,091,741	116,919,521	31,530,505
Impairment losses of assets	560,439,241	3,550,893	560,439,241	3,550,893
Other current assets and other non-current assets written-off	29,437,407	11,503,122	22,583,736	10,795,594
Withholding tax deducted at source written-off	8,042,024	6,617,553	-	-
Loss on sale of investments in subsidiaries	-	-	-	1,715,161
Unused building written-off	4,021,837	-	4,021,837	-
Gain on disposal of property, plant and equipment	(38,491,628)	(6,484,372)	(1,828,539)	(4,357,316)
Gain on disposal of other non-current assets	231,673	-	231,673	-
Share of profits from investments accounted for using the equity method	(2,357,852)	(859,845)	-	-
Share of losses from investments accounted for using the equity method	48,790,468	-	-	-
Net profit of minority interest	6,277,019	10,959,889	-	-
Income tax expense	64,251,336	27,532,396	24,730,000	-
	500,527,525	349,756,345	285,443,471	199,509,428
Changes in operating assets and liabilities				
Trade accounts receivable	2,784,979	21,931,545	16,940,925	164,693,608
Accrued income	(32,518,472)	18,077,144	(3,207,535)	36,678,184
Inventories	1,459,319	170,227,403	25,035,080	196,658,718
Other receivables from related parties	243,837,234	131,120,259	317,757,145	251,537,179
Other current assets	34,179,489	25,456,704	22,149,989	3,352,066
Other non-current assets	9,628,226	13,165,610	(5,117,307)	16,822,777
Trade accounts payable	11,313,698	(35,968,565)	(45,925,733)	(44,235,987)
Other current liabilities	95,000,941	75,075,238	51,744,778	(21,209,645)
Other non-current liabilities	41,690,880	59,736,466	40,000,000	39,736,466
Interest paid	(183,912,998)	(173,241,163)	(174,681,153)	(163,866,027)
Income taxes paid	(122,098,381)	(103,695,260)	(50,735,618)	(55,472,527)
Net cash provided by operating activities	601,892,440	551,641,726	479,404,042	624,204,240

The accompanying notes are an integral part of these financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statements of cash flows
For the years ended 31 December 2007 and 2006

	Consolidated financial statements		The Company financial statements	
	2007	2006	2007	2006 (Restated)
	<i>(in Baht)</i>			
Cash flows from investing activities				
Interest received	4,504,662	3,873,353	15,786,713	13,599,584
Decrease in current investments in fixed deposits	171,724	211,298	86,271	18,877
Short-term loans to related parties	-	-	(264,000,000)	(255,500,000)
Proceeds from short-term loans to related parties	109,315	3,560,686	294,000,000	155,170,000
Purchase of investments in subsidiaries and associates	(171,500,000)	-	(105,000,000)	(204,000,000)
Purchase of long-term investments in other parties	-	(3,006,266)	-	(3,006,266)
Sales of investments in subsidiaries	-	-	-	50,775,596
Purchase of property, plant and equipment	(406,844,587)	(122,876,893)	(294,979,093)	(41,854,540)
Purchase of unused building	(43,864,380)	(11,808,720)	(43,864,380)	(11,808,720)
Purchase of intangible assets	(58,875,686)	(99,878,607)	(35,223,691)	(10,860,903)
Sale of property, plant and equipment	412,660,847	8,967,087	235,018,789	6,305,027
Sale of other non-current assets	1,150,000	-	1,150,000	-
Proceeds from reduction of shares of related parties	1,425,000	-	1,425,000	35,500,000
Net cash used in investing activities	(261,063,105)	(220,958,062)	(195,600,391)	(265,661,345)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	118,628,350	(246,327,654)	126,590,019	(293,190,656)
Proceeds from short-term loans from related parties	-	-	14,000,000	25,000,000
Repayment of short-term loans from related parties	-	(10,000,000)	(5,000,000)	(36,900,000)
Proceeds from long-term loans from financial institutions	1,170,000,000	185,000,000	1,170,000,000	150,000,000
Repayment of long-term loans from financial institutions	(1,027,072,966)	(201,670,454)	(1,020,064,966)	(152,435,034)
Transaction costs from loan	(24,411,177)	-	(24,411,177)	-
Repayment of debentures	(600,000,000)	-	(600,000,000)	-
Proceed from issuance of shares	14,476	350,000	14,476	350,000
Net cash used in financing activities	(362,841,317)	(272,648,108)	(338,871,648)	(307,175,690)
Net increase (decrease) in cash and cash equivalents	(22,011,982)	58,035,556	(55,067,997)	51,367,205
Cash and cash equivalents at beginning of year	189,986,874	131,951,318	141,177,296	89,810,091
Cash and cash equivalents at end of year	167,974,892	189,986,874	86,109,299	141,177,296

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2007 and 2006

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Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2007 and 2006

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 22 February 2008.

1 General information

Nation Multimedia Group Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 1854, Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok, Thailand.

The Company was listed on the Stock Exchange of Thailand in June 1988.

The principal activities of the Company are the publishing and distribution of newspapers, providing advertising and news services. Details of the Company's subsidiaries as at 31 December 2007 and 2006 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2007	2006
(%)				
<i>Direct subsidiaries</i>				
Nation Broadcasting Corporation Limited	Advertising media	Thailand	99.99	99.99
Nation Information Technology Co., Ltd.	Information services	Thailand	-	99.99
Nation Digital Media Co., Ltd.	Information services	Thailand	99.99	99.99
Nation International Co., Ltd.	Publishing	Thailand	99.94	99.94
Nation Books International Co., Ltd.	Publishing	Thailand	99.99	99.99
WPS (Thailand) Co., Ltd.	Publishing services	Thailand	84.50	84.50
NML Co., Ltd.	Delivery of publishing	Thailand	99.99	-
<i>Indirect subsidiaries</i>				
Nation Radio Network Co., Ltd.	Advertising media	Thailand	99.97	99.97
Nation Edutainment Co., Ltd.	Publishing	Thailand	99.99	99.99
Nation Egmont Edutainment Co., Ltd.	Publishing	Thailand	49.99	49.99

2 Basis for preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and with generally accepted accounting principles in Thailand.

During 2007, the FAP issued the following revised TAS relevant to the Company's operations and effective for accounting periods beginning on or after 1 January 2007:

TAS 44 (revised 2007) *Consolidated and Separate Financial Statements*

TAS 45 (revised 2007) *Investments in Associates*

The adoption of these revised TAS has resulted in a change in the Company's accounting policy for interests in subsidiaries and associates in the separate financial statements of the Company. The effects of this change are disclosed in note 30.

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In addition to the above revised TAS, the FAP has issued during 2007 a number of other new and revised TAS which are only effective for financial statements beginning on or after 1 January 2008 and have not been adopted in the preparation of these financial statements. These new and revised TAS are disclosed in note 33.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Accordingly, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

Significant intra-group transactions between the Company and its subsidiaries are eliminated on consolidation.

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associates are those companies in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risk arising from financing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the statement of income when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of income.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the balance sheet date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the average cost and specific identification method formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Costs are determined by the following method:

Finished goods and work-in-process - books	- Average cost method
Raw materials	- Specific identification method
Store, supplies and others	- Average cost method

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

(g) Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. This is a change of accounting policy, the effects of which are disclosed in note 30. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Marketable equity securities are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity. The exceptions are impairment losses, which are recognised in the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

Equity securities which are not marketable are stated at cost less impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of income.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5	years
Buildings and improvements	5, 20 and 30	years
Leasehold improvements	10	years
Machinery and equipment	5 and 10	years
Furniture, fixtures and office equipment	5	years
Transportation equipment	5	years

No depreciation is provided on land and assets under construction and installation.

(i) Intangible assets

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is charged to the statement of income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets. The estimated useful lives are as follows:

Computer software	5 years
License fees	3 years commencing from production date of books and the numbers of books sold

(j) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.

Calculation of recoverable amount

The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the statement of income.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

Contributions to defined contribution pension plans are recognised as an expense in the statement of income as incurred.

Share based payments

No compensation cost or obligation is recognized when share options are issued under employee incentive programmes. When options are exercised, equity is increased by the amount of the proceeds received.

(n) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(n) Revenue

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Rental income

Rental income is recognized in the statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income.

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

(o) Expenses

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease.

Finance costs

Interest expenses and similar costs are charged to the statement of income in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(p) Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

4 Related party transactions and balances

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

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The followings are relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group.

Name of entities	Country of incorporation/ nationality	Nature of relationships
Nation Broadcasting Corporation Limited	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation Digital Media Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation International Co., Ltd.	Thailand	Subsidiary, 99.94% shareholding, some common directors
Nation Books International Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
WPS (Thailand) Co., Ltd.	Thailand	Subsidiary, 84.50% shareholding, some common directors
NML Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation Radio Network Co., Ltd.	Thailand	99.97% shareholding by Nation Broadcasting Corporation Limited, some common directors
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation Books International Co., Ltd., some common directors
Nation Egmont Edutainment Co., Ltd.	Thailand	49.99% shareholding by Nation Books International Co., Ltd., some common directors
Yomiuri-Nation Information Service Limited	Thailand	Associate, 44.98% shareholding, some common directors
Kyodo Nation Printing Services Co., Ltd.	Thailand	Associate, 48.99% shareholding, some common directors
Nation Properties Co., Ltd.	Thailand	Related party, 18% shareholding
Thai Portal Co., Ltd.	Thailand	19% shareholding by Nation Digital Media Co., Ltd.
Media Expertise International (Thailand) Ltd.	Thailand	Related party, 5.66% shareholding

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Media Pulse Co., Ltd.	Thailand	Related party
NPG Training & Conference Resort Co., Ltd.	Thailand	99.99% shareholding by Nation Properties Co., Ltd.
Nation Tuathai Co., Ltd.	Thailand	Related party, 19% shareholding
Nation Printing Complex Co., Ltd.	Thailand	Related party, 19% shareholding

The pricing policies for particular types of transactions are explained further below:

	Pricing policies
Sale of goods, rendering of services and others	General market price
Interest income on loans	Fixed rate which approximates loan rate of the financial institutions
Expenses	Negotiable rate which approximates market rate
Interest expense on borrowings	Fixed rate which approximates loan rate of the financial institutions

Significant transactions for the years ended 31 December 2007 and 2006 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
Subsidiaries				
Sales of goods and rendering of services	-	-	339,813	392,274
Interest income	-	-	15,069	10,826
Other income	-	-	38,179	25,865
Printing and cost of service	-	-	371,773	468,035
Interest expense	-	-	2,222	1,316
Loss on sale of investments	-	-	-	1,715
Income from sale of printing machine	-	-	232,966	-
Associates				
Sales of goods and rendering of services	720	870	720	870
Income from sale of printing machine	334,993	-	-	-
Interest expense	-	357	-	357
Other related parties				
Interest income	159,739	2,504	159,739	2,458
Other expenses	61,801	61,689	61,043	60,808

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For the years ended 31 December 2007 and 2006

Balances as at 31 December 2007 and 2006 with related parties were as follows:

Trade accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
Subsidiaries				
Nation International Co., Ltd.	-	-	-	2,721
Nation Radio Network Co., Ltd.	-	-	1,590	1,590
WPS (Thailand) Co., Ltd.	-	-	-	38
Associate				
Yomiuri-Nation Information Service Limited	456	-	-	-
Other related parties				
NPG Training & Conference Resort Co., Ltd.	5,306	5,225	5,297	5,225
Media Expertise International (Thailand) Ltd.	57,123	78,494	19,597	29,685
Media Pulse Co., Ltd.	9,555	21,709	6,356	6,699
Kyodo Nation Printing Services Co., Ltd.	24,886	-	-	-
Others	4,944	6,523	4,942	5,433
	102,270	111,951	37,782	51,391
Less allowance for doubtful accounts	(65,679)	(12,937)	(30,753)	(9,235)
Net	36,591	99,014	7,029	42,156
Bad and doubtful debts expenses for the year	52,750	12,937	21,518	9,235

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Other receivables – related parties

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
Subsidiaries				
Nation Edutainment Co., Ltd.	-	-	7,157	9,423
Nation Broadcasting Corporation Limited	-	-	19,575	12,000
Nation International Co., Ltd.	-	-	27,110	68,150
Nation Radio Network Co., Ltd.	-	-	69	1,184
Nation Books International Co., Ltd.	-	-	5,918	7,283
WPS (Thailand) Co., Ltd.	-	-	91,837	91,448
Nation Egmont Edutainment Co., Ltd.	-	-	3,399	6,011
NML Co., Ltd.	-	-	9,216	-
Others	-	-	1	1,770
Associate				
Yomiuri-Nation Information Service Limited	58	-	58	-
Other related parties				
NPG Training & Conference Resort Co., Ltd.	109,145	225,602	37,545	157,422
Nation Printing Complex Co., Ltd.	-	35,428	-	35,428
Nation Tuahthai Co., Ltd.	-	34,723	-	34,723
NPG Marketing Services Co., Ltd.	-	26,079	-	26,008
Media Magnet Co., Ltd.	7	3,841	7	3,841
Thai Portal Co., Ltd.	17,413	21,367	-	22
Media Expertise International (Thailand) Ltd.	17,762	27,885	17,307	27,200
Media Pulse Co., Ltd.	1,109	559	988	437
Kyodo Nation Printing Services Co., Ltd.	52,608	-	252	-
Others	2,565	7,693	1,560	7,886
	200,667	383,177	221,999	490,236
Less allowance for doubtful accounts	(118,055)	(250,669)	(59,040)	(249,486)
Net	82,612	132,508	162,959	240,750
Bad and doubtful debts expenses for the year	60,956	504	15,694	504

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Short-term loans to related parties

	Interest rate		Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006	2007	2006
	(%)		(in thousand Baht)			
Subsidiaries						
Nation Broadcasting Corporation Limited	7	7	-	-	35,500	145,500
WPS (Thailand) Co., Ltd.	7	7	-	-	117,000	54,000
NML Co., Ltd.	7	-	-	-	17,000	-
			-	-	169,500	199,500
Other related parties						
NPG Training & Conference Resort Co., Ltd.	-	-	438,350	438,350	438,350	438,350
Others	-	-	3,700	3,809	3,700	3,700
			442,050	442,159	442,050	442,050
			442,050	442,159	611,550	641,550
Less allowance for doubtful accounts			(442,050)	(181,261)	(442,050)	(184,992)
Short-term loans to related parties, net			-	260,898	169,500	456,558
Bad and doubtful debts expenses for the year			-	-	-	-

Movements during the years ended 31 December 2007 and 2006 of short-term loans to related parties were as follows:

Short-term loans to related parties

	Consolidated		The Company	
	2007	2006	2007	2006
	(in thousand Baht)			
Subsidiaries				
At 1 January	-	-	199,500	95,500
Increase	-	-	264,000	245,500
Decrease	-	-	(294,000)	(141,500)
At 31 December	-	-	169,500	199,500
Other related parties				
At 1 January	442,159	445,720	442,050	445,720
Increase	-	109	-	-
Decrease	(109)	(3,670)	-	(3,670)
At 31 December	442,050	442,159	442,050	442,050
Total short-term loans to related parties				
At 1 January	442,159	445,720	641,550	541,220
Increase	-	109	264,000	245,500
Decrease	(109)	(3,670)	(294,000)	(145,170)
At 31 December	442,050	442,159	611,550	641,550

Nation Multimedia Group Public Company Limited and its Subsidiaries

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For the years ended 31 December 2007 and 2006

Trade accounts payable › related parties

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
Subsidiaries				
Nation Books International Co., Ltd.	-	-	16,189	14,490
Nation International Co., Ltd.	-	-	-	40,684
WPS (Thailand) Co., Ltd.	-	-	66,666	116,188
Nation Digital Media Co., Ltd.	-	-	-	1,314
Nation Broadcasting Corporation Limited	-	-	12,278	5,057
Nation Radio Network Co., Ltd.	-	-	420	1,977
Nation Egmont Edutainment Co., Ltd.	-	-	1,778	96
Nation Edutainment Co., Ltd.	-	-	56	-
NML Co., Ltd.	-	-	11,753	-
Other related parties				
Media Magnet Co., Ltd.	-	790	-	87
Nation Properties Co., Ltd.	193	191	2	-
Kyodo Nation Printing Services Co., Ltd.	43,080	-	26,641	-
Media Expertise International (Thailand) Ltd.	1,496	-	1,496	-
Others	750	-	750	-
Total	45,519	981	138,029	179,893

Other payables to related parties

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
Subsidiaries				
Nation Books International Co., Ltd.	-	-	4,637	8,295
Nation International Co., Ltd.	-	-	-	2,687
WPS (Thailand) Co., Ltd.	-	-	1,600	1,041
Nation Digital Media Co., Ltd.	-	-	2,233	-
Nation Broadcasting Corporation Limited	-	-	2,965	3,278
Nation Radio Network Co., Ltd.	-	-	326	529
Nation Egmont Edutainment Co., Ltd.	-	-	6,444	510
Nation Edutainment Co., Ltd.	-	-	574	756
NML Co., Ltd.	-	-	1,077	-
Associate				
Yomiuri-Nation Information Service Limited	-	-	-	17
Other related parties				
Nation Properties Co., Ltd.	672	-	604	394
Kyodo Nation Printing Services Co., Ltd.	20	-	-	-
Media Expertise International (Thailand) Ltd.	-	-	-	65
Others	169	-	26	750
Total	861	-	20,486	18,322

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Short-term loans from related party

	Interest rate		Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006	2007	2006
	(%)		(in thousand Baht)			
Subsidiary						
Nation Book International Co., Ltd.	7	7	-	-	34,000	25,000

Movements during the years ended 31 December 2007 and 2006 of short-term loans from related parties were as follows:

Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
Subsidiary				
At 1 January	-	-	25,000	26,900
Increase	-	-	14,000	25,000
Decrease	-	-	(5,000)	(26,900)
At 31 December	-	-	34,000	25,000
Associate				
At 1 January	-	10,000	-	10,000
Increase	-	-	-	-
Decrease	-	(10,000)	-	(10,000)
At 31 December	-	-	-	-
Total short-term loans from related parties				
At 1 January	-	10,000	25,000	36,900
Increase	-	-	14,000	25,000
Decrease	-	(10,000)	(5,000)	(36,900)
At 31 December	-	-	34,000	25,000

Significant agreements with related parties

Lease agreements

In 2005, the Company entered into lease agreements with a subsidiary to lease out printing machines and related equipment. Under these agreements, the subsidiary has a commitment to pay the monthly rental fees as specified in the agreements. These agreements are for periods of from 12 months to 57 months. Under the agreements, the subsidiary has the option either to return the leased printing machines and related equipment to the Company or to purchase at the prices as specified in the agreements.

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Annual lease fees as specified in the agreements are as follows:

Lease fees in year	In thousand Baht
2005	257,139
2006	310,292
2007	291,997
2008	266,642
2009	205,886
2010	272,048

Joint venture agreement

On 15 November 2006, WPS (Thailand) Co., Ltd. (WPS), a subsidiary of the Company entered into a joint venture agreement with two foreign companies to set up Kyodo Nation Printing Services Co., Ltd., a joint venture for operating commercial printing business. The joint venture's registered capital was Baht 350 million (divided into 3,500,000 shares at Baht 100 par value). WPS invested in 1,714,999 shares and paid in capital by selling commercial printing machine and related equipment at the amount of Baht 337.6 million, which value was appraised by an independent appraisal company to the joint venture. The joint venture was registered with the Ministry of Commerce on 22 January 2007.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
Cash at banks and on hand	56,817	100,581	56,117	99,020
Cash at banks > savings accounts	111,158	89,406	29,992	42,157
Total	167,975	189,987	86,109	141,177

Cash and cash equivalents of the Group as at 31 December 2007 and 2006 were denominated entirely in Thai Baht.

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2007	2006	2007	2006
		(in thousand Baht)			
Related parties	4	102,270	111,951	37,782	51,391
Other parties		1,056,600	1,119,796	830,279	910,739
		1,158,870	1,231,747	868,061	962,130
Less allowance for doubtful accounts		(265,451)	(231,050)	(202,913)	(201,242)
allowance for goods returned		(41,708)	(26,240)	(15,979)	(12,681)
Total		851,711	974,457	649,169	748,207
Bad and doubtful debts expenses for the year		120,153	56,237	82,098	47,211

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	12,677	21,997	1,264	9,486
Overdue:				
Less than 6 months	25,702	29,042	2,832	6,913
6-12 months	18,936	33,589	10,392	8,759
Over 12 months	44,955	27,323	23,294	26,233
	102,270	111,951	37,782	51,391
Less allowance for doubtful accounts	(65,679)	(12,937)	(30,753)	(9,235)
Net	36,591	99,014	7,029	42,156
Other parties				
Within credit terms	831,748	774,450	696,6556	661,024
Overdue:				
Less than 6 months	99,397	128,179	40,634	63,295
6-12 months	14,468	19,129	7,640	14,413
Over 12 months	110,987	198,038	85,350	172,007
	1,056,600	1,119,796	830,279	910,739
Less allowance for doubtful accounts	(199,772)	(218,113)	(172,160)	(192,007)
allowance for goods returned	(41,708)	(26,240)	(15,979)	(12,681)
Net	815,120	875,443	642,140	706,051
Total	851,711	974,457	649,169	748,207

The normal credit term granted by the Group is 90 days.

Trade accounts receivable of the Group as at 31 December 2007 and 2006 were denominated entirely in Thai Baht.

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Finished goods – books	236,638	205,856	41,719	41,373
Raw materials	87,919	109,496	80,150	98,819
Stores, supplies and others	1,418	11,995	1,253	8,227
Work in process	1,558	1,646	540	278
Raw material in transit	561	561	561	561
Total	328,094	329,554	124,223	149,258
Less allowance for obsolete stocks	(112,215)	(95,110)	(39,556)	(39,556)
Net	215,879	234,444	84,667	109,702

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For the years ended 31 December 2007 and 2006

8 Other current assets

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Other receivables	89,733	54,142	75,403	52,867
Advances to employees	7,776	14,139	5,984	11,765
Prepaid expenses	23,035	20,978	16,964	19,271
Input VAT pending	14,448	27,955	6,967	11,692
Revenue department receivable	2,551	6,895	-	-
Others	1,415	60,286	213	56,903
	138,958	184,395	105,531	152,498
Less allowance for doubtful accounts	(42,613)	(6,920)	(42,613)	(6,920)
Total	96,345	177,475	62,918	145,578

9 Investments in subsidiaries and associates

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
At 1 January	19,804	18,944	495,974	395,670
Share of net profits (loss) of investments - equity method	(46,433)	860	-	-
Unrealised gain on sale of fixed assets	(32,454)	-	-	-
Acquisitions	171,500	-	105,000	301,500
Allowance for impairment	-	-	(77,433)	(31,530)
Disposals	-	-	-	(134,166)
Decrease share capital	-	-	-	(35,500)
Liquidation of subsidiary	-	-	(571)	-
Others	(97)	-	177	-
At 31 December	112,320	19,804	523,147	495,974

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Investments in subsidiaries and associates as at 31 December 2007 and 2006 were as follows:

	Ownership interest		Paid-up capital		Consolidated financial statements (in thousand Baht)				Impairment		At equity - net	
	2007	2006	2007	2006	Cost method	Equity method		2007	2006	2007	2006	
		(%)										
Associates												
Yomiuri-Nation Information Service Limited	44.98	44.98	1,000	1,000	450	450	19,804	-	-	22,162	19,804	
Kyodo Nation Printing Services Co., Ltd.	48.99	-	350,000	-	171,500	-	-	-	-	90,158	-	
Total			351,000	1,000	171,950	450	19,804	-	-	112,320	19,804	

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For the years ended 31 December 2007 and 2006

	Ownership interest		Paid-up capital		Separate financial statements (Restated)				At cost - net	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(%)				(in thousand Baht)					
					Cost method	Impairment				
Subsidiaries										
Nation Broadcasting Corporation Limited	99.99	99.99	240,000	140,000	239,994	139,994	145,770	139,994	94,224	-
Nation Information Technology Co., Ltd.	-	99.99	-	44,500	-	59,500	-	58,609	-	891
Nation Digital Media Co., Ltd.	99.99	99.99	100,000	100,000	99,990	99,990	96,392	92,539	3,598	7,451
Nation International Co., Ltd.	99.94	99.94	1,000	1,000	1,000	1,000	575	-	425	1,000
Nation Books International Co., Ltd.	99.99	99.99	70,000	70,000	69,999	69,999	-	-	69,999	69,999
WPS (Thailand) Co., Ltd.	84.50	84.50	500,000	500,000	422,500	422,500	68,049	6,317	354,451	416,183
NML Co., Ltd.	99.99	-	5,000	-	5,000	-	5,000	-	-	-
Associate										
Yomiuri-Nation Information Service Limited	44.98	44.98	1,000	1,000	450	450	-	-	450	450
Total			917,000	856,500	838,933	793,433	315,786	297,459	523,147	495,974

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The following summarised financial information on associated companies which have been accounted for using the equity method is not adjusted for the percentage of ownership held by the Company:

	Owner- ship (%)	Total assets	Total liabilities (in thousand Baht)	Total revenues	Net profit/ (loss)
2007					
Yomiuri-Nation Information Service Limited	44.98	52,268	3,000	24,653	5,242
Kyodo Nation Printing Services Co., Ltd.	48.99	947,942	697,515	189,122	(99,573)
Total		1,000,210	700,515	213,775	(94,331)
2006					
Yomiuri-Nation Information Service Limited	44.98	46,049	2,022	20,355	1,909

At the Extraordinary Shareholders' Meeting of a subsidiary, Nation Broadcasting Corporation Limited, held on 24 February 2006, it was resolved to increase the share capital by Baht 20 million (2 million shares at Baht 10 per share) by offer to the existing shareholders. The management committee of the Company approved the increase in its investments in the subsidiary, as the existing shareholder, by acquiring the increased 2 million shares in the subsidiary at par value of Baht 10 per share, amounting to Baht 20 million.

According to the Board of Directors' meeting of the Company held on 14 June 2006, the meeting resolved to restructure the Edutainment Business, which consists of 3 subsidiary companies as follows:

1. Nation Books International Co., Ltd. (NBI)
2. Nation Edutainment Co., Ltd. (NED)
3. Nation Egmont Edutainment Co., Ltd. (NEE)

The details of the restructuring are as follows:

1. NED increased its registered and paid-up share capital from Baht 50 million (divided into 500,000 shares at Baht 100 par value) to Baht 165 million (divided into 16,500,000 shares at Baht 100 par value). The Company invested in common shares of NED totalling Baht 115 million (divided into 1,150,000 shares at Baht 100 par value). The percentage of securities holding by the Company in NED increased from 98.70% to 99.61%.
2. NBI increased its registered and paid-up share capital from Baht 1 million (divided into 10,000 shares at Baht 100 par value) to Baht 70 million (divided into 700,000 shares at Baht 100 par value). The Company invested in common shares of NBI totalling Baht 69 million (divided into 690,000 shares at Baht 100 par value). The percentage of securities holding by the Company in NBI increased from 99.93% to 99.99%.

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For the years ended 31 December 2007 and 2006

3. The Company disposed of all its investment in the common shares of NED, totalling 1,643,500 shares, to NBI at the total price of Baht 30.3 million resulting in a gain on sales of investments of Baht 4.9 million.
4. The Company also disposed of all its investments in the common shares of NEE, totalling 24,966 shares, to NBI at the price of Baht 20.6 million resulting in a loss on sales of investments of Baht 4.4 million.

At the Extraordinary Shareholders' Meetings of a subsidiary, Nation Information Technology Co., Ltd., held on 9 August 2006 and 28 August 2006, it was resolved to decrease the share capital by Baht 35.5 million from Baht 80 million (divided into 8,000,000 shares at Baht 10 par value) to Baht 44.5 million (divided into 4,450,000 shares at Baht 10 par value). The subsidiary repaid the decrease in share capital of Baht 35.5 million to the shareholders and registered the decrease in share capital with the Ministry of Commerce on 20 December 2006.

At the Extraordinary Shareholders' Meetings of a subsidiary, Nation Broadcasting Corporation Limited, held on 27 May 2007 and 14 June 2007, it was resolved to increase the share capital by Baht 100 million (divided into 10 million shares at Baht 10 par value) by offer of new shares to the existing shareholders. The management committee of the Company approved the increase in its investments in the subsidiary, as the existing shareholder, by acquiring the 10 million new shares in the subsidiary at par value of Baht 10 per share, amounting to Baht 100 million.

At the Extraordinary Shareholders' Meetings of a subsidiary, Nation Information Technology Co., Ltd., held on 14 July 2007 and 31 July 2007, a special resolution was passed to liquidate the subsidiary. The subsidiary registered for liquidation with the Ministry of Commerce on 21 August 2007 and procedures have been taken to liquidate the subsidiary.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2007 and 2006

10 Long-term investments in related parties

	Nature of business	Consolidated financial statements				
		Ownership interest		Paid-up capital		Amount
		2007	2006	2007	2006	
(in thousand Baht)						
At fair value						
Equity securities available for sale						
	-Se-Education Public Company Limited	Publishing	-	-	323,706	332,895
At cost						
Other equity securities held to maturity						
	- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	54,000
	- Thai Portal Co., Ltd.	Internet services	19.00	19.00	100,000	6,092
	- Media Expertise International (Thailand) Ltd.	Publishing	5.66	5.66	150,000	8,485
	- Media Magnet Co., Ltd.	Consulting and Marketing event	19.00	19.00	5,000	2,375
	- Others				2,180	2,930
					71,707	73,882
	Less allowance for impairment loss				(62,272)	(62,272)
					9,435	11,610
	Total				9,436	11,611

Nation Multimedia Group Public Company Limited and its Subsidiaries

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	Nature of business	Separate financial statements				
		Ownership interest 2007	2006 (%)	Paid-up capital 2007	2006 (in thousand Baht)	Amount 2007 2006
At fair value						
Equity securities available for sale						
- Se-Education Public Company Limited	Publishing	-	-	323,706	332,895	1
At cost						
Other equity securities held to maturity						
- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	300,000	54,000
- Media Expertise International (Thailand) Ltd.	Publishing	5.66	5.66	150,000	150,000	8,485
- Media Magnet Co., Ltd.	Consulting and Marketing event	19.00	19.00	5,000	5,000	2,375
- Others						2,930
Less allowance for impairment loss						67,790
						(56,180)
						11,610
Total					9,436	11,611

Nation Multimedia Group Public Company Limited and its Subsidiaries

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11 Long-term investments in other companies

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
<i>At fair value</i>				
Equity securities available for sale	3,839	5,067	3,839	5,067
<i>At cost</i>				
Other equity securities held to maturity	12,229	10,629	12,229	10,629
Less allowance for impairment loss	(3,420)	(3,419)	(3,420)	(3,419)
	8,809	7,210	8,809	7,210
Total	12,648	12,277	12,648	12,277

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12 Property, plant and equipment

Consolidated financial statements

	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Transportation equipment	Asset under construction and installation	Total
Cost								
At 1 January 2006	606,828	1,669,909	26,155	131,294	868,745	92,120	3,661	3,398,712
Additions	2,000	8,602	3,210	59,256	24,824	8,864	16,120	122,876
Transfers	-	37,339	-	(3,444)	734	17,148	504	52,281
Disposals	-	-	(625)	(2,492)	(2,856)	(20,138)	-	(26,111)
At 31 December 2006 and 1 January 2007	608,828	1,715,850	28,740	184,614	891,447	97,994	20,285	3,547,758
Additions	470	11,911	-	310,990	43,530	13,725	26,218	406,844
Transfers	(31,500)	27,210	215	-	5,245	-	(45,633)	(44,463)
Disposals	-	(1,908)	-	(343,263)	(2,579)	(10,839)	-	(358,589)
At 31 December 2007	577,798	1,753,063	28,955	152,341	937,643	100,880	870	3,551,550
Accumulated depreciation								
At 1 January 2006	4,981	316,147	14,792	45,764	678,420	62,157	-	1,122,261
Depreciation charge for the year	928	67,310	2,760	15,143	64,312	14,664	-	165,117
Disposals	-	-	(324)	(1,796)	(2,572)	(18,204)	-	(22,896)
At 31 December 2006 and 1 January 2007	5,909	383,457	17,228	59,111	740,160	58,617	-	1,264,482
Depreciation charge for the year	2,591	71,214	1,396	36,040	39,044	14,695	-	164,980
Transfers	-	154	-	-	(154)	-	-	-
Disposals	-	(276)	-	(5,534)	(697)	(10,366)	-	(16,873)
At 31 December 2007	8,500	454,549	18,624	89,617	778,353	62,946	-	1,412,589
Allowance for impairment losses	14,777	404,852	103	-	2,780	-	-	422,512
Net book value								
At 31 December 2006	602,919	1,332,393	11,512	125,503	151,287	39,377	20,285	2,283,276
At 31 December 2007	554,521	893,662	10,228	62,724	156,510	37,934	870	1,716,449

Notes to the financial statements

For the years ended 31 December 2007 and 2006

	Separate financial statements							Total
	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Transportation equipment	Asset under construction and installation	
Cost								
At 1 January 2006	440,396	1,304,891	6,959	61,090	601,515	87,320	-	2,502,171
Additions	-	6,001	2,910	998	19,723	5,688	6,534	41,854
Transfers	-	37,339	-	-	-	16,416	-	53,755
Disposals	-	-	-	(1,766)	(1,805)	(19,548)	-	(23,119)
At 31 December 2006 and 1 January 2007	440,396	1,348,231	9,869	60,322	619,433	89,876	6,534	2,574,661
Additions	-	2,339	-	232,966	40,525	12,505	6,644	294,979
Transfers	(31,500)	665	-	-	(665)	-	(13,178)	(44,678)
Disposals	-	-	-	(232,966)	-	(10,562)	-	(243,528)
At 31 December 2007	408,896	1,351,235	9,869	60,322	659,293	91,819	-	2,581,434
Accumulated depreciation								
At 1 January 2006	2,050	244,765	3,505	24,462	509,535	59,115	-	843,432
Depreciation charge for the year	852	48,401	723	5,898	40,534	13,910	-	110,318
Disposals	-	-	-	(1,766)	(1,791)	(17,614)	-	(21,171)
At 31 December 2006 and 1 January 2007	2,902	293,166	4,228	28,594	548,278	55,411	-	932,579
Depreciation charge for the year	2,102	50,355	662	5,972	35,039	13,776	-	107,906
Transfers	-	154	-	-	(154)	-	-	-
Disposals	-	-	-	-	-	(10,338)	-	(10,338)
At 31 December 2007	5,004	343,675	4,890	34,566	583,163	58,849	-	1,030,147
Allowance for impairment losses	14,777	404,852	103	-	2,780	-	-	422,512
Net book value								
At 31 December 2006	437,494	1,055,065	5,641	31,728	71,155	34,465	6,534	1,642,082
At 31 December 2007	389,115	602,708	4,876	25,756	73,350	32,970	-	1,128,775

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The gross carrying amounts of fully depreciated plant and equipment that was still in use as at 31 December 2007 amounted to Baht 522.2 million (2006: Baht 455.4 million) in the consolidated balance sheets and Baht 588.6 million (2006: Baht 525.4 million) in the separate's balance sheets.

In 2005, the Company entered into a sale and lease back agreement with a local financial institution covering a web offset printing machine and related equipment amounting to approximately Baht 1,037.0 million. The sale price was determined based on the fair value appraised by an independent appraiser (American Appraisal (Thailand) Co., Ltd.). The Company received cash amounting to Baht 800 million at the agreement date and will receive cash amounting to Baht 253.6 million (including value added tax) in March 2010. The Company has a commitment to pay equal monthly rental fees over 59 months amounting to Baht 13.0 million and Baht 213 million in the last month, totalling approximately Baht 979.4 million, starting from April 2005 up to March 2010. The Company will record all rental fees as expenses on a straight line basis amounting to Baht 16.3 million in each month until the end of the agreement. Under the agreement, the Company has an option to return the leased printing machine and equipment or to purchase at the fair market value but at a price not higher than Baht 237 million, which is close to the estimated market price of the machine after 5 years use, as confirmed by the foreign company that sold the machine to the Company.

The Board of Directors of the Company's Meetings held on 10 August 2007 and 9 November 2007 approved in principle to sell the Company's land and office building that included unused building (Note 13). Subsequently, on 23 January 2008, the Board of Directors approved the sale of these assets.

The Management Committee Meeting held on 1 February 2008 acknowledged that the last price offered for such assets is Baht 955 million. This price, net of the estimate related expenses, is less than the net book value by approximately Baht 550.9 million. The Company, accordingly, recorded an allowance for impairment in value of such assets as at 31 December 2007 of Baht 550.9 million.

13 Unused land and building

	Consolidated financial statements / Separate financial statements		
	Land	Building (in thousand Baht)	Total
Cost			
At 1 January 2006	-	300,190	300,190
Additions	-	11,809	11,809
Transfers	-	(37,339)	(37,339)
At 31 December 2006 and 1 January 2007	-	274,660	274,660
Additions	-	43,864	43,864
Transfers	44,678	-	44,678
Disposals	-	(4,022)	(4,022)
Allowance for impairment losses	(8,678)	(128,423)	(137,101)
At 31 December 2007	36,000	186,079	222,079

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For the years ended 31 December 2007 and 2006

14 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
Other receivables	-	35,693	-	35,693
Merchandises under barter trade	15,691	8,811	15,516	8,506
Withholding tax deducted at source	180,202	68,635	144,810	38,561
Golf membership, net	12,012	12,544	12,012	12,543
Refundable deposits	3,725	4,751	2,731	3,963
Condominium units not used in operations	11,262	14,318	11,262	14,318
Others	6,380	26,808	6,608	8,525
	229,272	171,560	192,939	122,109
Less				
- allowance for doubtful accounts	-	(35,693)	-	(35,693)
- allowance for loss on impairment of condominium units not used in operations	(6,276)	(6,679)	(6,276)	(6,679)
Total	222,996	129,188	186,663	79,737

The amortization charge included in the statement of income for the year ended 31 December 2007 was approximately Baht 1.8 million (2006: Baht 1.8 million) for the Group and Baht 1.8 million (2006: Baht 1.8 million) for the Company.

15 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2007	2006	2007	2006
		(in thousand Baht)			
Current					
Bank overdrafts					
- unsecured		40,427	78,041	8,156	47,809
Short-term loans from financial institutions					
- unsecured		838,558	682,316	743,559	577,316
Bank overdrafts and short-term loans from financial institutions		878,985	760,357	751,715	625,125
Current portion of long-term loans					
- unsecured		12,008	174,508	5,000	167,500
Current portion of debentures					
- unsecured		1,000,000	600,000	1,000,000	600,000
Short-term loans from related parties					
- unsecured	4	-	-	34,000	25,000
		1,890,993	1,534,865	1,790,715	1,417,625

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		Consolidated financial statements		Separate financial statements	
	Note	2007	2006	2007	2006
		(in thousand Baht)			
Non-current					
Long-term loans from financial institutions - unsecured		613,899	330,557	592,915	302,565
Debentures - unsecured		-	1,000,000	-	1,000,000
		613,899	1,330,557	592,915	1,302,565
Total		2,504,892	2,865,422	2,383,630	2,720,190

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
Within one year	1,890,993	1,534,865	1,790,715	1,417,625
After one year but within five years	613,899	1,330,557	592,915	1,302,565
Total	2,504,892	2,865,422	2,383,630	2,720,190

Interest-bearing liabilities of the Group as at 31 December 2007 and 2006 were denominated entirely in Thai Baht.

Bank overdrafts and short-term loans from financial institutions

As at 31 December 2007, the Company and subsidiaries had overdraft lines and other credit facilities with certain local financial institutions totalling approximately Baht 3,718 million (2006: Baht 2,838 million) and Baht 3,428 million (2006: Baht 2,528 million) for the Company.

Long-term loans from financial institutions

On 14 August 2007, the Company entered into a Syndicate Loan Agreement with three local financial institutions for stand by credit of Baht 1,870 million to plan for the repayments of the Company's existing loans and debentures. As at 31 December 2007, the Company partially drew-down Baht 870 million from this facility.

These loans have various interest rates and term of repayments separated by tranches as follows:

- Tranche 1 in the amount of Baht 865 million bears interest at the average Minimum Loan Rate (average MLR) of lenders for the first year and thereafter at the average MLR plus specified rates in the agreement. This loan shall be repaid within 5 years commencing from the agreement date (14 August 2007). This loan was secured by all of a related party's land including properties. In this regard, within the repayment period, all cash proceeds net of related expenses from sale of the Company's own assets and the related party's land including properties as specified in the Syndicate Loan Agreement are to be used, in whole or in part, to repay the loan.

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In December 2007, the related company sold its land including properties and partially repaid Baht 267 million to the Company. The Company has used these proceeds to repay Baht 250 million of the syndicated loan.

- b) Tranche 2 in the amount of Baht 1,005 million bears interest at the average Minimum Loan Rate of lenders (average MLR). This loan is repayable in 18 quarterly installments of varying amounts commencing from March 2008 to June 2012.

On 17 January 2008, the Company received a consent letter from the loan syndicate for the Company to sell off its land and office building. The letter included amendments to the required financial ratio and tangible net worth and consent that the Company has not defaulted in the Syndicate Loan Agreement.

Under the terms of the above loan agreements, the Company is required to comply with certain conditions and restrictions specified in the agreements.

Debentures

On 8 January 2004, the Company filed the securities offering statement and prospectus to The Office of the Securities and Exchange Commission to offer the public the following debentures:

1. Debenture of Nation Multimedia Group Public Company Limited no. 1/2547 - the first lot, maturity on 26 February 2007 of 600,000 debentures at Baht 1,000 face value, totalling Baht 600 million, which has a three-year-term, registered name form, unsecured, non-subordinated, with the representative of debenture holders and interest at the rate of 4.5% per annum. This debenture was entirely sold on 26 February 2004.

On 26 February 2007, the Company obtained a loan from a local financial institution and issued promissory notes to local financial institutions to fully repay the debentures and accrued interest.

2. Debenture of Nation Multimedia Group Public Company Limited no. 1/2547 - the second lot of 1,000,000 debentures at Baht 1,000 face value, totalling Baht 1,000 million, which has a five-year-term amortized (the first repayment of Baht 500 million will be on 26 February 2008 and the second repayment of Baht 500 million will be on 26 February 2009), registered name form, unsecured, non-subordinated, with the representative of debenture holders and interest at the rate of 5.25% per annum. This debenture was entirely sold on 26 February 2004.

Under the terms of the debentures, the Company must comply with the specified covenants principally pertaining to performance, dividend payment and maintenance of certain financial ratios in the consolidated financial statements through the terms of the debentures.

The Debenture Holders' Meeting held on 12 February 2008 approved the resolutions to correct the final redemption date from 26 February 2009 to 18 March 2008.

As at 31 December 2007, the Group had unutilised credit facilities totalling Baht 2,107 million (2006: Baht 1,573 million).

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16 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2007	2006	2007	2006
		<i>(in thousand Baht)</i>			
Related parties	4	45,519	981	138,029	179,893
Other parties		143,414	172,554	56,376	56,354
Total		188,933	173,535	194,405	236,247

Trade accounts payable of the Group as at 31 December 2007 and 2006 were denominated entirely in Thai Baht.

17 Other current liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2007	2006	2007	2006
		<i>(in thousand Baht)</i>			
Accrued expenses		151,997	139,005	73,364	71,856
Revenue department payable		28,488	8,298	28,198	6,662
Output VAT pending		59,355	59,685	40,367	38,169
Other payable - related parties	4	861	-	20,486	18,322
Other payable - others		52,120	16,020	2,867	333
Deposit and advance receipt		17,102	10,812	16,337	9,476
Others		20,728	17,779	15,635	14,209
Total		330,651	251,599	197,254	159,027

18 Other non-current liabilities

		Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
		<i>(in thousand Baht)</i>			
Deferred interest income from sale and lease back		44,398	64,130	44,398	64,130
Accrued machine rental		109,736	69,736	109,736	69,736
Others		1,691	-	-	-
Total		155,825	133,866	154,134	133,866

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19 Share capital

	Par value per share (in Baht)	2007 Number	2007 Baht (thousand shares / thousand Baht)	2006 Number	2006 Baht
Authorised					
At 1 January					
- ordinary shares	10	250,000	2,500,000	250,000	2,500,000
At 31 December					
- ordinary shares	10	250,000	2,500,000	250,000	2,500,000
Issued and fully paid					
At 1 January					
- ordinary shares	10	164,773	1,647,730	164,748	1,647,480
Issue of new shares	10	1	10	25	250
At 31 December					
- ordinary shares	10	164,774	1,647,740	164,773	1,647,730

20 Warrants

Shareholder warrants

The Annual General Meeting of the Company's shareholders on 25 March 2002 approved the issue of 39,426,525 units of warrants to shareholders. One warrant carried the right to purchase one common share in the Company at Baht 14 per share. The term of the warrants was 5 years from 22 August 2002, the date of issue, which expired on 22 August 2007.

During 2007, holders of 1,034 (2006: 25,000) units of warrants exercised their rights to purchase 1,034 (2006: 25,000) common shares in the Company at Baht 14 per share for a total consideration of Baht 14,476 (2006: Baht 350,000). The outstanding unexercised warrants expired on 22 August 2007.

21 Transfer of legal reserve and premium on share capital

In 2006, the Company transferred the legal reserve of Baht 20.8 million and a portion of premium on share capital of Baht 229.2 million to set off all of the accumulated losses of the Company brought forward as at 1 January 2006, before restatement, totalling Baht 250.0 million. The transfer of legal reserve and premium on share capital was approved by the annual meeting of the shareholders of the Company on 24 April 2006.

In 2007, the Company transferred the remaining balance as at 1 January 2007 of premium on share capital, amounting to Baht 115.6 million, to set off against the accumulated losses of the Company. The transfer of share premium was approved by the annual meeting of the shareholders of the Company on 23 April 2007.

The transfer of the legal reserve and share premium to set off against the accumulated losses of the Company was made in accordance with Section 119 of the Public Companies Act B.E. 2535.

22 Reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution (see transfer of premium on share capital in note 21).

Fair value changes

Fair value changes recognised in shareholders' equity relate to cumulative net changes in the fair value of available-for-sale investments less impairment losses thereon recognised in the statement of income.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution (see transfer of legal reserve in note 21).

23 Segment information

Segment information is presented in respect of the Group's business segments based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group comprises the following main business segments:

<i>Segment 1</i>	Publishing and advertising
<i>Segment 2</i>	Printing service
<i>Segment 3</i>	Edutainment
<i>Segment 4</i>	Broadcasting and new media
<i>Segment 5</i>	Others

Geographic segments

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

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Business segment results

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(in million Baht)													
Revenue from sales of goods and rendering of services	2,244	2,317	474	575	545	440	329	247	170	-	(755)	(665)	3,007	2,914
Rental and service income	362	389	18	5	-	-	-	-	-	-	(313)	(350)	67	44
Interest income	36	33	-	2	2	-	-	3	4	1	(18)	(15)	24	24
Other income	91	113	72	7	27	12	2	18	-	-	(84)	(45)	108	105
Share of profits from investments accounted for using the equity method	55	28	-	-	-	-	2	-	-	-	(55)	(27)	2	1
Total revenue	2,788	2,880	564	589	574	452	333	268	174	1	(1,225)	(1,102)	3,208	3,088
Cost of sales of goods and rendering of services	1,551	1,702	475	582	365	271	259	227	155	-	(952)	(1,017)	1,853	1,765
Selling and administrative expenses	1,166	1,092	56	34	118	106	50	50	73	8	(164)	(27)	1,299	1,263
Impairment loss of assets	560	4	-	-	-	-	-	-	-	-	-	-	560	4
Share of losses from investments accounted for using the equity method	117	74	81	-	-	-	-	-	-	-	(149)	(74)	49	-
Total expenses	3,394	2,872	612	616	483	377	309	277	228	8	(1,265)	(1,118)	3,761	3,032
Profit (loss) before interest and income tax expenses	(606)	8	(48)	(27)	91	75	24	(9)	(54)	(7)	40	16	(553)	56
Interest expense	(166)	(162)	(15)	(5)	(1)	(3)	(10)	(16)	1	-	17	15	(174)	(171)
Income tax expense	(25)	-	(6)	-	(32)	(23)	(1)	(5)	-	-	-	-	(64)	(28)
Profit (loss) after tax	(797)	(154)	(69)	(32)	58	49	13	(30)	(53)	(7)	57	31	(791)	(143)
Net profit of minority interest	-	-	-	-	-	-	-	-	-	-	(6)	(11)	(6)	(11)
Net profit (loss)	(797)	(154)	(69)	(32)	58	49	13	(30)	(53)	(7)	51	20	(797)	(154)

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Business segment financial position

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(in million Baht)													
Cash and cash equivalents	86	141	5	-	72	39	3	8	2	-	-	-	168	190
Current investments in fixed deposits	1	-	-	-	-	-	-	-	-	-	-	-	1	-
Trade accounts receivable	649	748	105	205	161	185	90	80	26	-	(180)	(245)	851	974
Accrued income	9	18	-	7	11	10	48	13	-	-	-	-	68	48
Other receivables from related parties	163	240	54	-	42	33	5	6	31	119	(212)	(264)	83	134
Short-term loans to related parties	169	457	-	-	34	25	-	-	-	-	(203)	(221)	-	261
Inventories	85	110	7	14	111	95	6	8	-	-	7	7	216	234
Other current assets	63	146	11	24	5	4	14	4	4	-	-	-	97	178
Total current assets	1,225	1,860	182	250	436	391	166	119	63	122	(588)	(723)	1,484	2,019
Investments in subsidiaries and associates	627	596	90	-	63	59	6	15	-	-	(674)	(650)	112	20
Long-term investment in related parties	10	12	-	-	-	-	-	-	-	-	-	-	10	12
Long-term investment in other parties	13	12	-	-	-	-	-	-	-	-	-	-	13	12
Property, plant and equipment	1,129	1,642	499	532	3	4	72	89	1	-	12	16	1,716	2,283
Unused land and building	222	275	-	-	-	-	-	-	-	-	-	-	222	275

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Business segment financial position

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
(in million Baht)														
Accounts receivable under sale and lease back agreement	254	254	-	-	-	-	-	-	-	-	-	-	254	254
Intangible assets	99	87	-	24	16	-	-	-	-	-	-	-	115	111
Other non-current assets	187	80	26	18	-	-	10	32	-	-	(1)	(1)	222	129
Total non-current assets	2,541	2,958	615	550	82	87	88	136	1	(635)	(663)	(635)	2,664	3,096
Total assets	3,766	4,818	797	800	518	478	254	255	64	122	(1,251)	(1,358)	4,148	5,115

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Business segment financial position

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(in million Baht)													
Bank overdrafts and short-term loans from financial institutions	752	625	68	64	-	14	58	57	1	-	-	-	879	760
Trade accounts payable	194	236	107	145	147	187	16	39	2	74	(278)	(507)	188	174
Current portion of long-term loans	5	168	7	7	-	-	-	-	-	-	-	-	12	175
Current portion of debentures	1,000	600	-	-	-	-	-	-	-	-	-	-	1,000	600
Short-term loans from related parties	34	25	117	54	-	-	36	146	17	-	(204)	(225)	-	-
Income tax payable	25	-	-	-	20	14	-	1	-	-	-	-	45	15
Other current liabilities	198	159	71	29	86	60	52	20	42	-	(118)	(16)	331	252
Total current liabilities	2,208	1,813	370	299	253	275	162	263	62	74	(600)	(748)	2,455	1,976
Long-term loans from financial institutions	593	302	21	28	-	-	-	-	-	-	-	-	614	330
Debentures	-	1,000	-	-	-	-	-	-	-	-	-	-	-	1,000
Other non-current liabilities	154	134	-	-	-	-	-	-	2	-	-	-	156	134
Total non-current liabilities	747	1,436	21	28	-	-	-	-	2	-	-	-	770	1,464
Total liabilities	2,955	3,249	391	327	253	275	162	263	64	74	(600)	(748)	3,225	3,440
Capital expenditure	295	42	338	71	1	2	5	8	1	-	(233)	-	407	123
Depreciation	108	110	29	30	2	2	22	24	-	-	4	3	165	169
Amortisation	27	21	-	-	35	52	2	-	-	-	-	-	64	73
Gain on disposal of assets	2	4	69	1	-	1	-	-	-	-	(33)	-	38	6

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24 Other income

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Transportation and distribution income	-	39,976	-	39,976
Income from sale of supplies	15,623	20,027	15,363	13,653
Office facilities and service income	-	3,190	42,426	33,641
Gain on disposal of property, plant and equipment	38,492	6,484	1,829	4,357
Others	53,313	35,365	41,036	30,602
Total	107,428	105,042	100,654	122,229

25 Selling and administrative expenses

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Distribution	22,245	159,635	132,807	155,257
Marketing	211,465	196,713	203,333	176,631
Personnel	361,942	384,783	290,136	323,329
Administrative	235,711	226,262	194,715	197,244
Depreciation	105,670	107,645	96,335	99,183
Employee early retirement benefits	6,328	41,309	6,328	38,217
Other current assets and other non-current assets written-off	29,437	11,503	22,584	10,796
Doubtful debts expense	181,109	46,337	94,060	51,092
Impairment loss of investments	39,840	6,092	116,920	31,531
Others	105,317	82,793	83,634	64,965
Total	1,299,064	1,263,072	1,240,852	1,148,245

26 Personnel expenses

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Wages and salaries	616,761	606,691	466,988	472,681
Contribution to defined contribution plans	30,467	31,635	23,400	25,087
Others	131,837	186,626	85,485	134,773
Total	779,065	824,952	575,873	632,541

(number of employees)

Number of employees as at 31 December	1,896	1,998	1,221	1,449
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For the years ended 31 December 2007 and 2006

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rate of 5% of their basic salaries and by the Group from 5% to 7.5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

27 Interest expense

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
		(in thousand Baht)			
Interest expense relating to					
Related parties	4	-	357	2,222	1,673
Financial institutions		174,513	171,110	163,296	160,476
Total		174,513	171,467	165,518	162,149

28 Income tax

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
<i>(in thousand Baht)</i>				
Current tax expense	39,521	27,532	-	-
Under provided in prior year	24,730	-	24,730	-
Total	64,251	27,532	24,730	-

The current tax expense in the consolidated and separate statements of income are more than the amount determined by applying the Thai corporation tax rate to the accounting profit for the year principally because of the different treatment for accounting and taxation purposes of certain items of income and expense, in particular, allowance for doubtful accounts, obsolete stock, impairment loss of investments and property, and because losses suffered by certain subsidiaries cannot be set-off against the profits of the Company and other subsidiaries of the Group for tax purposes.

29 Loss per share

Basic loss per share

The calculation of basic loss per share for the years ended 31 December was based on the net loss attributable to ordinary shares and the weighted average number of shares outstanding during the year as follows:

Net loss attributable to ordinary shareholders (basic)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
<i>(in thousand Baht)</i>				
Net loss attributable to ordinary shareholders (basic)	(797,515)	(154,222)	(800,903)	(154,878)

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Weighted average number of ordinary shares (basic)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Issued ordinary shares at 1 January	164,773	164,748	164,773	164,748
Effect of shares issued during the year	1	19	1	19
Weighted average number of ordinary shares (basic)	164,774	164,767	164,774	164,767

Diluted loss per share

There was no calculation of diluted loss per share for the year ended 31 December 2007 as all unexercised warrants expired during the year (Note 20).

The calculation of diluted loss per share in the consolidated and separate financial statements for the year ended 31 December 2006 was based on the consolidated and separate net loss attributable to ordinary shareholders of Baht 154.2 million and Baht 154.9 million, respectively and the weighted average number of ordinary shares outstanding during the year of 164,767 thousand shares.

30 Changes in accounting policies

The following change of accounting policy by the Company has no effect on the consolidated financial statements of the Group.

Until 31 December 2006, the Company accounted for its investments in subsidiary companies and associates in its financial statements using the equity method.

During 2007, the FAP issued the following revised TAS which are effective for accounting periods beginning on or after 1 January 2007:

TAS 44 (revised 2007)	<i>Consolidated and Separate Financial Statements</i>
TAS 45 (revised 2007)	<i>Investments in Associates</i>

These revised TAS require a parent company which has an investment in a subsidiary company or an associate company, which is not classified as a "held for sale" investment, to record such investment in accordance with either the cost method or with the recognition and measurement basis for financial instruments (when a TAS on financial instruments is issued and becomes effective), instead of the equity method currently used.

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Starting from 1 January 2007, the Company has, accordingly, changed its accounting policy for its investments in subsidiary companies and associate companies in its financial statements from the equity method to the cost method. The change in accounting policy has been applied retrospectively and the Company's 2006 financial statements, which are included in the Company's 2007 financial statements for comparative purposes, have been restated accordingly. The effects of the change in accounting policy on the Company's annual 2007 and 2006 financial statements are as follows:

	Separate financial statements	
	2007	(Restated) 2006
	(in thousand Baht)	
<i>Investment in subsidiaries and associates</i>		
Balance at 1 January before change in accounting policy	596,223	495,263
Decrease in related earnings	(100,249)	(99,593)
Allowance for loss from investments in subsidiaries recorded by equity method	(15,731)	(84,236)
Increase in allowance for doubtful accounts	15,731	84,236
Net decrease	(100,249)	(99,593)
Balance at 1 January after change in accounting policy	495,974	395,670
<i>Retained earnings</i>		
Balance at 1 January before change in accounting policy	(154,222)	(249,965)
Decrease in share of profits from investments accounted for using the equity method, net	212,941	305,755
Increase in loss on impairment of investments	(297,459)	(321,112)
Increase in doubtful accounts	(15,731)	(84,236)
Net decrease	(100,249)	(99,593)
Balance at 1 January after change in accounting policy	(254,471)	(349,558)
<i>Net loss</i>		
Net loss for the year before change in accounting policy	(797,515)	(154,222)
Increase in share of profits from investments accounted for using the equity method, net	61,843	45,759
Increase in loss on impairment of investments	(71,661)	(31,531)
Decrease (increase) in doubtful accounts	6,430	(13,169)
Increase in loss on sale of investments in subsidiaries	-	(1,715)
Net increase	(3,388)	(656)
Net loss for the year after change in accounting policy	(800,903)	(154,878)
Decrease in earnings per share (Baht)	(0.02)	(0.004)

31 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not issue derivative financial instruments for speculative or trading purposes.

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Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (Note 15). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or reprice were as follows:

	Effective interest rates	Consolidated financial statements		
		Within 1 year	After 1 year but within 5 years	Total
	(% per annum)	(in thousand Baht)		
2007				
Current				
Bank overdraft	7.10 - 8.00	40,427	-	40,427
Short-term loans from financial institutions	3.80 - 6.77	838,558	-	838,558
Long-term loans from financial institutions	MLR	12,008	-	12,008
Debentures	5.25	1,000,000	-	1,000,000
Non-current				
Long-term loans from financial institutions	MLR	-	613,899	613,899
Total		1,890,993	613,899	2,504,892
2006				
Current				
Bank overdraft	7.00 - 8.75	78,041	-	78,041
Short-term loans from financial institutions	3.25 - 6.89	682,316	-	682,316
Long-term loans from financial institutions	MLR	174,508	-	174,508
Debentures	4.5	600,000	-	600,000
Non-current				
Long-term loans from financial institutions	MLR	-	330,557	330,557
Debentures	5.25	-	1,000,000	1,000,000
Total		1,534,865	1,330,557	2,865,422

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	Effective interest rates (% per annum)	Consolidated financial statements		
		Within 1 year	After 1 year but within 5 years	Total
		(in thousand Baht)		
2007				
Current				
Bank overdraft	7.10 - 8.00	8,156	-	8,156
Short-term loans from financial institutions	3.80 - 6.45	743,559	-	743,559
Long-term loans from financial institutions	MLR	5,000	-	5,000
Debentures	5.25	1,000,000	-	1,000,000
Short-term loans from related parties	7	34,000	-	34,000
Non-current				
Long-term loans from financial institutions	MLR	-	592,915	592,915
Total		1,790,715	592,915	2,383,630
2006				
Current				
Bank overdraft	7.00 - 8.75	47,809	-	47,809
Short-term loans from financial institutions	3.25 - 6.75	577,316	-	577,316
Long-term loans from financial institutions	MLR	167,500	-	167,500
Debentures	4.5	600,000	-	600,000
Short-term loans from related parties	7	25,000	-	25,000
Non-current				
Long-term loans from financial institutions	MLR	-	302,565	302,565
Debentures	5.25	-	1,000,000	1,000,000
Total		1,417,625	1,302,565	2,720,190

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the balance sheet date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

At 31 December, the Company was exposed to foreign currency risk in respect of purchases denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
		(in thousand Baht)			
United States Dollars					
Estimated forecast purchases	74,675	245,000	74,675	245,000	
Currency forwards	74,675	245,000	74,675	245,000	
Net exposure	-	-	-	-	

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Group takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Cash and cash equivalents and current investments - the carrying values are approximate to their fair values due to the relatively short-term maturity of these financial instruments.

The fair value of trade and short-term other receivables is taken to approximate the carrying value.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the balance sheet date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Trade accounts payable and other payables - the carrying amounts of these financial liabilities are approximate to their fair values due to the relatively short-term maturity of these financial instruments.

Long-term loans from financial institutions > the carrying amounts of these financial liabilities are approximate to their fair values because the subordinated loans bear interest at a floating rate, which is considered to be the market rate.

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Debentures with a fixed rate of interest, the fair value of these liabilities is estimated using the discounted cash flow model based on the average interest rates currently being offered for loans with similar terms to borrowers of similar credit quality, which are presented below:

	2007		2006	
	Carrying amount	Fair value	Carrying amount	Fair value
	(in million Baht)			
Debentures	-	-	600	597
Debentures	1,000	1,019	1,000	963
Total	1,000	1,019	1,600	1,560

32 Commitments

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	(in thousand Baht)			
<i>Non-cancellable operating lease commitments</i>				
Within one year	213,292	291,997	213,292	291,997
After one year but within five years	394,855	738,122	394,855	738,122
Total	608,147	1,030,119	608,147	1,030,119
<i>Other commitments</i>				
Unused letters of credits for goods and supplies	17,394	43,300	17,394	43,300
Forward and swap contracts	74,675	245,000	74,675	245,000
Guarantee credit lines of subsidiaries with financial institutions	-	-	135,000	135,000
Total	92,069	288,300	227,069	423,300

- a) The Company had commitments under two rental agreements of Web Off-set printing machine and related equipment with two local financial institutions on a monthly basis up to September 2008 and March 2010.
- b) As at 31 December 2007, the Company had forward contracts with several local banks totalling of U.S. Dollars 2.2 million against Baht 74.7 million (2006: U.S. Dollars 6.9 million against Baht 245.0 million).

33 Thai Accounting Standards (TAS) not yet adopted

The Group has not adopted the following TAS that have been issued as of the balance sheet date but are not yet effective. These TAS will become effective for financial periods beginning on or after 1 January 2008.

TAS 25 (revised 2007)	<i>Cash Flows Statements</i>
TAS 29 (revised 2007)	<i>Leases</i>
TAS 31 (revised 2007)	<i>Inventories</i>

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Notes to the financial statements

For the years ended 31 December 2007 and 2006

TAS 33 (revised 2007)	<i>Borrowing Costs</i>
TAS 35 (revised 2007)	<i>Presentation of Financial Statements</i>
TAS 39 (revised 2007)	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
TAS 41 (revised 2007)	<i>Interim Financial Reporting</i>
TAS 43 (revised 2007)	<i>Business Combinations</i>
TAS 49 (revised 2007)	<i>Construction Contracts</i>
TAS 51	<i>Intangible Assets</i>

The adoption and initial application of these TAS is not expected to have any material impact on the Group's financial statements.

34 Reclassification of accounts

Certain accounts in the 2006 financial statements have been reclassified to conform with the presentation in the 2007 financial statements.

Reference Persons

(1) Security Registrar (Common Share)

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building, 4th Floor,
Rachadapisek Road, Klongtoey, Bangkok 10110 Tel: (02) 229-2800

(2) Certified Public Accountant

1. Mr. Winid Silamongkol
Registration No. 3378 and/or

2. Mr. Thirddthong Thepmongkorn
Registration No. 3787 and/or

3. Ms. Wilai Buranatittisophon
Registration No. 3920

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 2007 is Bt 4,160,000
2. Non-audit fee
-None-

(3) Financial Consultants

1. Kasikornbank Public Company Limited
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2. Asia Plus Securities Public Company Limited
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(4) Legal Consultants

1. Siam Niti Law Office Company Limited
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Tel. (66) 2937-5000

2. Pow & Associates Law Office Limited
2 Silom Center Building, 20th Floor, Silom Road, Bangkok 10500
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(5) Investor Relations

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