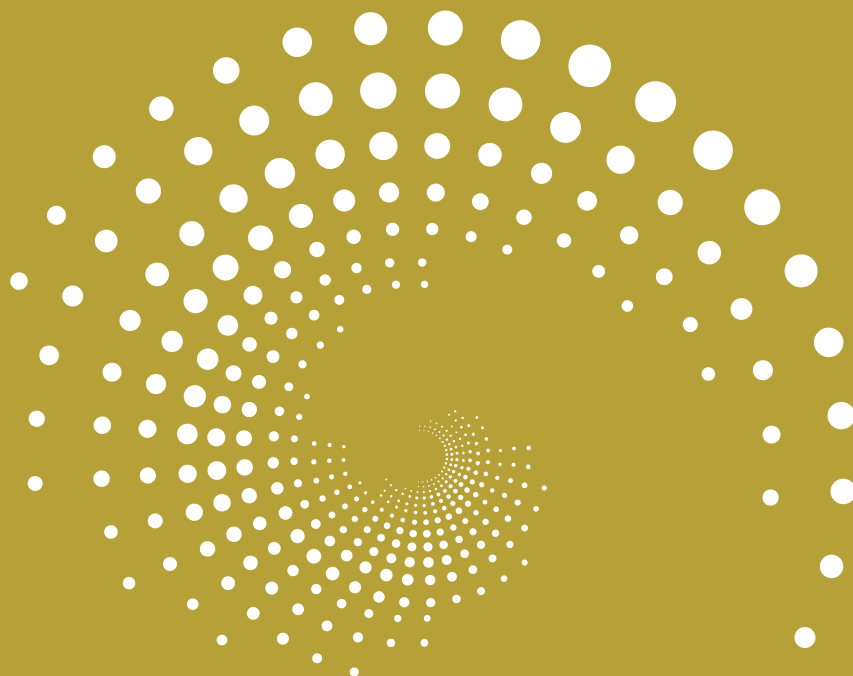




ANNUAL REPORT 2010
รายงานประจำปี ๒๕๕๓



NATION MULTIMEDIA GROUP PUBLIC CO., LTD
www.nationgroup.com



Vision Statement

The Multimedia Group that reaches every household

Mission Statement

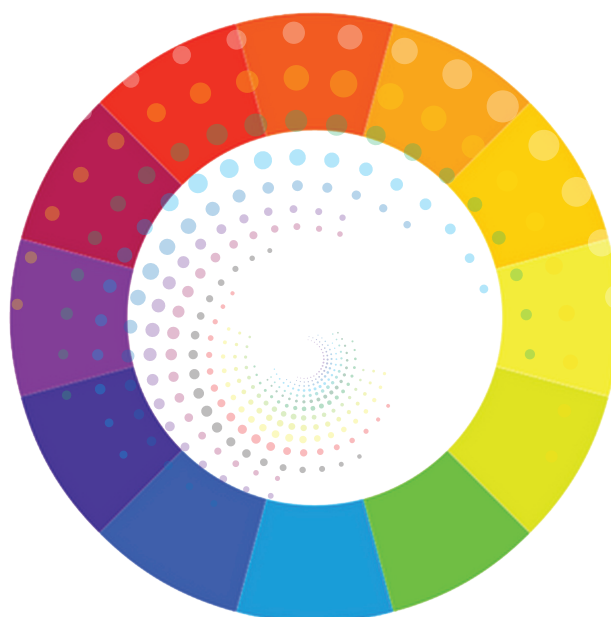
To inform, educate, entertain and inspire in the most trustworthy, timely and creative manner

Core Values

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

Contents

4	General Information
5	Summary of Financial Data and Investments
7	Message from the Chairman
8	Board of Directors
19	Management Team
36	Business Group Structure
37	Product and Services
42	Industry and Competition Overview
45	Risk Factors
51	List of Major Shareholders
52	Corporate Governance Report
70	Social Contribution Activities
76	Characteristics of the Business
77	Audit Committee's Report for the year 2010
78	Report on Responsibilities of the Board of Directors towards the Financial Report for the year 2010
79	The Results of the Consolidated Financial Statements
80	Financial Statement
146	Other Reference Persons



General Information

Name	: Nation Multimedia Group Public Company Limited
Head Office	: 1854 Bangna-Trad Road, Bangna, Bangkok 10260
Telephone	: (66) 2338-3333
Fax	: (66) 2338-3938
SET Listing Date	: June 9, 1988
Public Company Registration	: December 14, 1993 (PLC no. 0107536001524)
Business Line	: The Company and Subsidiary Companies operate seven business units as follows: <ul style="list-style-type: none"> • Thai News Business Unit Production of Krungthep Turakij • General News Business Unit Production of Kom Chad Luek and Nation Weekender • English News Business Unit Production of The Nation, Nation Junior Business training seminars and communication skills • Broadcasting Business Unit Owner and producer of Nation News Channel, MangoTV and broadcasting programs to other 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 • Printing Business Unit Printing service business • Logistics Business Unit
	Registered Capital
	Baht 2,500,000,000 consisting of 250,000,000 Shares at Baht 10 par value
Paid-up Capital	: December 31, 2010 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

Summary of Financial Data and Investments



(Unit : in Million Baht)

1. Data from Consolidated Financial Statements	2010	2009 (Restated)	2008 (Restated)
• Sales and Service Income	2,696.71	2,317.23	2,730.02
• Total Revenues	2,934.97	2,529.51	3,017.90
• Gross Profit Margin	1,006.42	614.96	940.93
• Profit Before Interest, Taxes, Depreciation, Amortization and Extraordinary items *(see note)	655.19	298.23	382.78
• Net Profit (Loss)	313.62	(46.50)	(54.98)
• Total Assets	3,706.00	3,308.19	3,536.82
• Total Shareholders' Equity	1,250.75	850.38	872.19
2. Financial Ratios	2010	2009 (Restated)	2008 (Restated)
• Total Debts to Equity (Times)	1.96	2.89	3.07
• Gross Profit Margin (%)	37.32%	26.54%	34.47%
• Net Profit (Loss) on Total Revenues	10.69%	(1.84%)	(1.82%)
• Return on Equity	25.07%	(5.47%)	(6.30%)
• Return on Total Assets	8.46%	(1.41%)	(1.55%)
• Earnings (Loss) per Share (Baht)	1.90	(0.28)	(0.33)
• Dividend per Share (Baht)	-	-	-
• Book Value per Share (Baht)	7.59	5.16	5.29

Note * : Extraordinary items are gain (loss) on sales of assets, gain on sales of investments, Gain from a bargain purchase, doubtful accounts, loss from obsolete stocks, loss from impairment of investments, loss from impairment of assets, other current assets and other assets written-off and employee early retirement benefits.

Dividend Policy

The company has a policy to pay dividend to shareholders of no less than 65 percent of net profit after corporate income tax, legal reserve requirement and other reserves. However, the dividend payment is subject to the investment plan, business necessity, and other suitable causes in the future. The Board of Director's resolution to pay dividend must be approved at the shareholder's meeting, except for payment of interim dividend at which the Board of Directors have authority to approve and must report such payment at the next shareholder's meeting.

Summary of Financial Data and Investments



(Unit : in Million Baht)

Investments in direct and indirect Subsidiaries of Nation Multimedia Group PCL as of December 31, 2010

	Registered Capital (Million Baht)	Percentage of Investments
PUBLISHING BUSINESS		
Nation International Edutainment PCL	85.00	77.65
Nation Edutainment Co, Ltd. (Invested by Nation International Edutainment PCL)	41.25	77.63
Nation Egmont Edutainment Co, Ltd. (Invested by Nation International Edutainment PCL)	50.00	38.82
Nation International Co, Ltd.	1.00	99.94
Nation News Network Co, Ltd.	100.00	99.99
Kom Chad Luek Media Co, Ltd. (Formerly Nation Digital Media Co, Ltd.)	100.00	99.99
Krungthep Turakij Media Co, Ltd. (Formerly Nation Education Co, Ltd.)	25.00	99.97
PRINTING SERVICES BUSINESS		
WPS (Thailand) Co, Ltd.	500.0	84.50
Nation Printing Services Co, Ltd. (Formerly Kyodo Nation Printing Services Co, Ltd.) (Invested by WPS (Thailand) Co, Ltd.)	350.0	84.49
BROADCASTING BUSINESS		
Nation Broadcasting Corporation PCL	178.50	62.14
SALE OF GOODS AND SERVICE ON INTERNET		
N Coupon Co, Ltd. (Invested by Nation International Edutainment PCL)	1.00	77.63
LOGISTIC SERVICES BUSINESS		
NML Co, Ltd.	10.00	99.99
Investments in Associated Company of Nation Multimedia Group PCL as of December 31, 2010		
	Registered Capital (Million Baht)	Percentage of Investments
Yomiuri-Nation Information Service Ltd.	4.00	45.00

Message from the Chairman



In July 2010, The Nation marked its 40th year of operations. It also marked the success of its concerted and prolonged effort to foster the overall enhancement of the organization. Our company has made a net profit from its achievement in publishing the country's second English language daily newspaper throughout the past 40 years. It has also provided content via a variety of products, with an aim to communicate news and information to differing groups of people through every channel available. The products include Krungthep Turakij, a Thai language daily, and Kom Chad Luek, a high-circulation mass newspaper. The business of our company has expanded to embrace television, radio, new media, books and events. The real strength of Nation Group differs from other media organizations in Thailand. We are distinct in offering fully integrated media services in Thai and English languages, for high-income clients through to middle and general market customers.

Throughout the past 40 years, we have remained committed to producing high-quality media, but we have faced many tough challenges along the way. We laughed with happiness and pride when we succeeded in our efforts but at times our eyes filled with the tears of frustration when a barrage of difficulties almost brought about the collapse of our business. Finally, we have survived everything thrown at us, from economic crisis like the devastating 'Tom Yum Kung' crisis, through political turmoil, coup d'états to a complete civil autocracy that was high-tech, complicated and subtle, and the uncivilized and unethical siege of our office. Indeed, it would be difficult for any media organization, with a just and independent standpoint like that of Nation Group, to avoid the various hazards and obstacles over the years, and survive as we have. Nonetheless, we stood firm in our efforts to improve our content and bring about innovations to deliver the "news", by synergizing various media, and "events". We have striven, under the vision of "Total Media Solutions" - which emphasizes an integration of various media of the Nation Group, to develop new products and services, and have introduced them to society.

Nation Group has existed for 40 years because of two pillars or foundations:

1. Journalistic ideology, which is the pride of every member of the organization.
2. Honourable endeavours to exist independently

Neither of these two elements can be missing. The most challenging task is how to balance them.

Throughout the past 40 years, we have accomplished the task to a considerable degree. Today Nation Group is the most complete media organization in the country. We provide content via both traditional media channels like newspapers, radio, television, and other printed materials, as well as through new media such as social networks, Internet, mobile Internet, smartphones and - most recently - tablets. While information and communications technology continues to develop rapidly and continuously, similarly the challenges facing Nation Group will never cease. We will continue keeping up with the onward march of development, diligently and sufficiently. Our 40 years of experience has given Nation Group everything necessary to meet the challenges of progress and change in the media industry, and to fully serve the needs of Thai society in all aspects. With firm standpoints and standards to which we have adhered for 40 years, as well as the unity of young-blood executives who have been trained and supported to develop to their full potential, we are confident that Nation Group will move forward resolutely and steadily to achieve our goals

Finally, on behalf of the board of directors, management and everyone in The Nation "family", I would like to take this opportunity to offer our heartfelt thanks to everyone that has provided steadfast and enduring encouragement and support over the years. We are confident that 2011 will be another year of dedication and hard work as well as being a year of unparalleled success and achievement. Thank you very much!

Board of Directors



Name Mr. Thanachai Theerapattanavong

Position Chairman

Age 66 years

Education Background

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

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 45)

No. of Shares Held as at Jan 25, 2011

- Mr.Thanachai Theerapattanavong 17,272,309 shares (10.48%)

Relationship with NMG's Executive

- N/A

Experience

- 1976 - Present Chairman
Nation Multimedia Group Plc.

Director of other listed company

- 2002 - Present Independent Director & Chairman of Audit Committee
Modernform Group Plc.

Director of other non - listed company

- 1991 - Present Executive Director
Yomiuri-Nation Information Service Co.,Ltd.
- 1996 - Present Director
Nation International Co.,Ltd.
- 1997 - Present Executive Director
Nation Edutainment Co.,Ltd.
- 2005 - Present Chairman
WPS (Thailand) Co.,Ltd.
- 2006 - Present Chairman
NML Co.Ltd.
- 2007 - Present Chairman
Nation Printing Service Co.,Ltd.
- 2010 - Present Chairman
Krungthep Turakij Media Co.,Ltd.
- 2011 - Present Chairman
Nation U Co.,Ltd.

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

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

Board of Directors



Name Mr.Thanachai Santichaikul

Position Vice Chairman

Age 57 Years

Education Background

- MBA,Thammasat University
- BA, Accountancy, Chulalongkorn University

Training Course (s)

Thai Institute of Directors Association

- Directors Certification Program (DCP # 18) Capital Market Academy - The Stock Exchange of Thailand
- Capital Market Academy Leadership Program (CMA # 1) King Prajadhipok's Institute
- Graduate Diploma in Politics and Governance in Democratic Systems for Executives Course, Class 11

No. of Shares Held as at Jan 25, 2011

- | | | |
|------------------------------|---------|----------------|
| • Mr.Thanachai Santichaikul | 251,769 | shares (0.15%) |
| • Mrs.Chatchada Santichaikul | 56,197 | shares (0.03%) |

Relationship with NMG's Executive

- N/A

Experience

1979 - 1993	Financial & Account Director	Nation Publishing Group Co.,Ltd.
1993 - 1994	Managing Director	Nation Publishing Group Co.,Ltd.
1995 - Aug, 1996	Vice Chairman	Nation Publishing Group Co.,Ltd.
Aug, 1996 - 2004	Vice Chairman	Nation Multimedia Group Plc.
2005 - 2007	Vice Chairman & Group President	Nation Multimedia Group Plc.
2008 - Present	Chief Executive Officer	Nation Multimedia Group Plc.

Director of other listed company

1996 - Present	Chairman	Nation International Edutainment Plc.
2006 - 2010	Chairman	Nation Broadcasting Corporation Plc.
2011	Director	Nation Broadcasting Corporation Plc.

Director of other non - listed company

1991 - Present	Executive Director	Yomiuri-Nation Information Service Co.,Ltd.
1996 - Present	Director	Nation International Co.,Ltd.
1997 - Present	Executive Director	Nation Edutainment Co.,Ltd.
1998 - Present	Executive Director	Nation Egmont Edutainment Co.,Ltd.
2010 - Present	Chairman	Kom Chad Luck Media Co.,Ltd.
2005 - Present	Executive Director	WPS (Thailand) Co.,Ltd.
2006 - Present	Executive Director	NML Co.Ltd.
2007 - Present	Executive Director	Nation Printing Service Co.,Ltd.
2008 - Present	Executive Director	Nation News Network Co.,Ltd.
2009 - Present	Executive Director	Krungthep Turakij Media Co.,Ltd.
2011	Executive Director	Nation U Co.,Ltd.

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	5/5
Annual General Meeting of Shareholders	1/1

Board of Directors



Name Mr. Suthichai Sae - Yoon
Position Director & Executive Director

Age 65 years

Education Background

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

Training Course (s)

- Thai Institute of Directors Association
- Director Accreditation Program (DAP # 54)

No. of Shares Held as at Jan 25, 2011

- | | | | |
|-------------------------|------------|--------|---------|
| • Mr.Suthichai Sae-Yoon | 14,600,054 | shares | (8.86%) |
| • Mrs.Nantawan Yoon | 283,000 | shares | (0.17%) |

Relationship with NMG's Executive

- N/A

Experience

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

Director of other listed company

2011	Chairman Nation Broadcasting Corporation Plc.
------	--

Director of other non - listed company

1994 - Present	Director Nation International Co.,Ltd.
2006 - Present	Director NML Co.Ltd.
2008 - Present	Chairman Nation News Network Co.,Ltd.
2011	Executive Director Nation U Co.,Ltd.

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	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 64 years

Education Background

- M.Eng in Electrical Engineering, Chulalongkorn University
- B.Eng in Electrical Engineering, Chulalongkorn University

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 17) - Fellow Member
- Capital Market Academy - The Stock Exchange of Thailand
- Capital Market Academy Leadership Program (CMA # 3)
- Thai Listed Companies Association (TLCA)
- Executive Development Program (EDP # 1)

No. of Shares Held as at Jan 25, 2011

- Mr. Pakorn Borimasporn 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 Public Co.,Ltd.
2010 - Present	Director L&E Solidstate Co.,Ltd.

Director of other listed company

1993 - Present	Chief Executive Officer Lighting & Equipment Plc.
2004 - Present	Chairman & Chairman of The Audit Committee Porn Prom Metal Plc.

Director of other non - listed company

1999 - Present	Chief Executive Officer L&E Manufacturing Co.,Ltd.
2010 - Present	Director L&E Solidstate Co.,Ltd.

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

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

Board of Directors



Name Mr. Chaveng Chariyapisuthi
Position Independent Director and Member of The Audit Committee
Age 66 years
Education Background

- Assumption Commercial College Bangkok (ACC)

Training Course (s)

- Thai Institute of Directors Association
- Director Accreditation Program (DAP # 36)
 - Understanding Fundamental Statement (UFS # 2)
 - Finance for Non-Finance Director (FN # 31)
 - Monitoring the System Internal Control and Risk Mgmt. # 1
 - Audit Committee Program # 20

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

1991 - Present	Executive Director SST Holding Co.,Ltd.
1991 - Present	Executive Director Siam Syndicate Technology Co.,Ltd.
1991 - Present	Executive Director Siam Steel works Co., Ltd.
2009 - Present	Executive Director Siam Asia Environment Co.,Ltd.

Director of other listed company

- N/A

Director of other non - listed company

1991 - Present	Executive Director SST Holding Co.,Ltd.
1991 - Present	Executive Director Siam Syndicate Technology Co.,Ltd.
1991 - Present	Executive Director Siam Steelwork Co.,Ltd.
2009 - Present	Executive Director Siam Asia Environment Co.,Ltd.

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

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

Board of Directors



Name Mr. Yothin Nerngchamnong
Position Independent Director and Member of The Audit Committee
Age 61 years
Education Background

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

Training Course (s)

Thai Institute of Directors Association

- Directors Certification Program (DCP # 36)

Capital Market Academy - The Stock Exchange of Thailand

- Capital Market Academy Leadership Program (CMA # 7)

No. of Shares Held as at Jan 25, 2011

- Mr. Yothin Nerngchamnong 100,000 shares (0.06%)

Relationship with NMG's Executive

- N/A

Experience

1980 - Present	Executive Director Modernform Group Plc.
1989 - Present	Director Modernform Tower Co.,Ltd.
1997 - Present	Director MFEC Plc.
2008 - Present	Chief Executive Director Thai Plaspac Plc.

Director of other listed company

1980 - Present	Executive Director Modernform Group Plc.
1997 - Present	Director MFEC Plc.
2008 - Present	Chief Executive Director Thai Plaspac Plc.

Director of other non - listed company

1989 - Present	Director Modernform Tower Co.,Ltd.
----------------	---------------------------------------

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

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

Board of Directors



Name Mr. Nissai Vejjajiva
Position Independent Director
Age 79 years

Education Background

- MBA (Political Economy) Stern School of Business, New York University
- BA (Economic), Boston University
- Diploma, National Defence College of Thailand, class 17

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 73)

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

1998 - Present Chairman of the Council of Rajabhat Mahasarakham University

Director of other listed company

- N/A

Director of other non - listed company

- N/A

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	2/5
Annual General Meeting of Shareholders	1/1



Board of Directors

Name Mr. Nivat Changariyavong

Position Director

Age 68 years

Education Background

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

Training Course (s)

- Thai Institute of Directors Association
- Director Accreditation Program (DAP # 36)

No. of Shares Held as at Jan 25, 2011

- Mr. Nivat Changariyavong 4,485,878 shares (2.72%)

Relationship with NMG's Executive

- N/A

Experience

1985 - Present	Managing Director Green Siam Co.,Ltd
1989 - Present	Director Evergreen International Hotel Property (Bangkok) Co.,Ltd.
1990 - Present	Director Evergreen International Holding (Thailand) Co.,Ltd.
2001 - Present	Chief Executive Officer Evergreen Shipping Agency (Thailand) Co.,Ltd.
2003 - Present	Director Evergreen Logistics (Thailand) Co.,Ltd.

Director of other listed company

- N/A

Director of other non - listed company

1985 - Present	Managing Director Green Siam Co.,Ltd
1989 - Present	Director Evergreen International Hotel Property (Bangkok) Co.,Ltd.
2001 - Present	Chief Executive Officer Evergreen Shipping Agency (Thailand) Co.,Ltd.
2003 - Present	Director Evergreen Logistics (Thailand) Co.,Ltd.

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	5/5
Annual General Meeting of Shareholders	1/1

Board of Directors



Name Mr. Sermsin Samalapa
Position Director
Age 42 years
Education Background

- Master of Science in Real Estate Development, Sloan School of Management and Center for Real Estate, Massachusetts Institute of Technology (MIT), Cambridge, MA, USA
- Bachelor of Architecture from Faculty of Architecture, Chulalongkorn University
- Effective Strategies for Media Companies, Executive Education from Harvard Business School, Harvard University Cambridge, MA, USA

Training Course (s)

- Thai Institute of Directors Association
- Director Accreditation Program (DAP # 24)

No. of Shares Held as at Jan 25, 2011

- Mr. Sermsin Samalapa 14,000,000 shares (8.50%)

Relationship with NMG's Executive

- N/A

Experience

1997 - 2002	Lecturer of Real Estate Finance, Faculty of Commerce and Accountancy Chulalongkorn University
1999 - 2002	Managing Director Thai Portal Company Limited
2003 - 2005	Chairman Pacific Assets Plc.
2003 - Present	President and Chief Executive Officer Natural Park Plc. and its subsidiaries
2003 - Present	Director Kempin Siam Company Limited
2003 - Present	Director Park Cuisine Company Limited
2004 - Present	Director Media Expertise International (Thailand) Company Limited
2006 - Present	Director Amphawa Restaurant Company Limited
2010 - Present	Chairman South-East Asia University
2010 - Present	Director Nation Multimedia Group Public Company Limited

Director of other listed company

2003 - Present	President and Chief Executive Officer Natural Park Plc.
----------------	--

Director of other non - listed company

2003 - Present	Director	Kempin Siam Company Limited
2003 - Present	Director	Park Cuisine Company Limited
2004 - Present	Director	Media Expertise International (Thailand) Company Limited
2006 - Present	Director	Amphawa Restaurant Company Limited

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

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

Remark : Started to be since Director November 9, 2010

Board of Directors



Name Mr. Pana Janviroj
Position Director
Age 52 years
Education Background
 • MA., Tufts University, USA

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 71)
- Thai Listed Companies Association, The Stock Exchange of Thailand
- Risk Management Seminar & Workshop

No. of Shares Held as at Jan 25, 2011

- Mrs. Pusadee Janviroj 12,450 shares (0.01%)

Relationship with NMG's Executive

- N/A

Experience

1988 - 1992	Senior Reporter - The Nation Nation Publishing Group Co.,Ltd.
1993 - 1994	Business Editor Nation Publishing Group Plc.
1994 - 1995	Executive Editor Nation Publishing Group Plc.
1995 - 1997	Editor - The Nation Nation Publishing Group Plc.
1997 - 1999	Group Assistant Publisher Nation Multimedia Group Plc.
2000 - 2004	Editor - The Nation Nation Multimedia Group Plc.
2005 - 2008	Chief Operating Officer of English News Business Unit Nation Multimedia Group Plc.
2008 - Present	President of English News Business Unit Nation News Network Co.,Ltd

Director of other listed company

- N/A

Director of other non - listed company

2008 - Present	President Nation News Network Co.,Ltd.
----------------	---

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	5/5
Annual General Meeting of Shareholders	1/1

Board of Directors



Name Mrs. Christine Debiais Brendle

Position Director

Age 51 years

Education Background

- M.B.A. Business Administration of Columbia University (New York)
- Diploma Ecole Superieure des Sciences Economiques, Et Commerciales in France

Training Course (s)

Thai Institute of Directors Association

- N/A

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

2006 - Present

Managing Director

Dow Jones Publishing Co.(ASIA), Inc.

Director of other listed company

- N/A

Director of other non - listed company

- N/A

Director of a competing company or a related business company

- N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors

-/5

Annual General Meeting of Shareholders

-/1

Executive Board



Name Mr. Thanachai Theerapattanavong

Position Chairman

Age 66 years

Education Background

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

Training Course (s)

Thai Institute of Directors Association

- Directors Certification Program (DCP # 45)

No. of Shares Held as at Jan 25, 2011

- Mr.Thanachai Theerapattanavong 17,272,309 shares (10.48%)

Relationship with NMG's Executive

- N/A

Experience

1976 - Present Chairman
Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Executive Board



Name Mr.Thanachai Santichaikul

Position Chief Executive Officer

Age 57 Years

Education Background

- MBA, Thammasat University
- BA, Accountancy, Chulalongkorn University

Training Course (s)

Thai Institute of Directors Association

- Directors Certification Program (DCP # 18)

Capital Market Academy - The Stock Exchange of Thailand

- Capital Market Academy Leadership Program (CMA # 1)

King Prajadhipok's Institute

- Graduate Diploma in Politics and Governance in Democratic Systems for Executive Course, Class 11

No. of Shares Held as at Jan 25, 2011

- | | | |
|------------------------------|---------|----------------|
| • Mr.Thanachai Santichaikul | 251,769 | shares (0.15%) |
| • Mrs.Chatchada Santichaikul | 56,197 | shares (0.03%) |

Relationship with NMG's Executive

- N/A

Experience

1979 - 1993	Financial & Account Director Nation Publishing Group Co.,Ltd.
1993 - 1994	Managing Director Nation Publishing Group Co.,Ltd.
1995 - Aug, 1996	Vice Chairman Nation Publishing Group Co.,Ltd.
Aug,1996 - 2004	Vice Chairman Nation Multimedia Group Plc.
2005 - 2007	Vice Chairman & Group President Nation Multimedia Group Plc.
2008 - Present	Vice Chairman & Chief Executive Officer Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	1/1
--	-----

Executive Board



Name Mr. Suthichai Yoon

Position Editor in Chief

Age 65 years

Education Background

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

Training Course (s)

Thai Institute of Directors Association

- Director Accreditation Program (DAP # 54)

No. of Shares Held as at Jan 25, 2011

- | | | |
|-------------------------|------------|----------------|
| • Mr.Suthichai Sae-Yoon | 14,600,054 | shares (8.86%) |
| • Mrs.Nantawan Yoon | 283,000 | shares (0.17%) |

Relationship with NMG's Executive

- N/A

Experience

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

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	1/1
--	-----

Management Team



Name Mr. Pana Janviroj
Position President of English News Business Unit
Age 52 years
Education Background

- MA., Tufts University, USA

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 71)
- Thai Listed Companies Association, The Stock Exchange of Thailand
- Risk Management Seminar & Workshop

No. of Shares Held as at Jan 25, 2011

- Mrs. Pusadee Janviroj 12,450 shares (0.01%)

Relationship with NMG's Executive

- N/A

Experience

1988 - 1992	Senior Reporter - The Nation Nation Publishing Group Co.,Ltd.
1993 - 1994	Business Editor Nation Publishing Group Plc.
1994 - 1995	Executive Editor Nation Publishing Group Plc.
1995 - 1997	Editor - The Nation Nation Publishing Group Plc.
1997 - 1999	Group Assistant Publisher Nation Multimedia Group Plc.
2000 - 2004	Editor - The Nation Nation Multimedia Group Plc.
2005 - Oct. 2010	Chief Operating Officer of English News Business Unit Nation Multimedia Group Plc.
Oct. 2010 - Present	President of English News Business Unit Nation News Network Co.,Ltd.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Management Team



Name Miss Duangkamol Chotana
Position President of Thai News Business Unit
Age 47 years
Education Background

- BA In Communication Arts, Chulalongkorn University

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 144)
- Thai Listed Companies Association, The Stock Exchange of Thailand
- Executive Development Program (EDP# 4)

No. of Shares Held as at Jan 25, 2011

- 4,410 shares (0.0027%)

Relationship with NMG's Executive

- N/A

Experience

1987 - 1990	Reporter Nation Publishing Group Co., Ltd.
1990 - 1999	Assistant Editor Nation Multimedia Group Plc.
1999 - 2000	Executive Editor Nation Multimedia Group Plc.
2000 - 2007	Editor Krungthep Turakij Nation Multimedia Group Plc.
2008 - Oct. 2010	Chief Operating Officer of Thai News Business Unit Nation Multimedia Group Plc.
Oct. 2010 - Present	President of Thai News Business Unit Krungthep Turakij Media Co.,Ltd.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	1/1
--	-----

Management Team



Name Miss Orapim Luang-On
Position President of General News Business Unit
Age 40 years
Education Background

- MA. In Marketing, Lincon University, New Zealand

Training Course (s)
Thai Institute of Directors Association

- Directors Certification Program (DCP # 143)

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

2002 - 2007	Senior Vice President - Marketing Nation Multimedia Group Plc.
2008 - Oct. 2010	Chief Marketing Officer Nation Multimedia Group Plc.
Oct. 2010 - Present	President of General News Business Unit Kom Chad Luek Media Co.,Ltd.

The Meeting Attendance / Meeting held (Frequency)
Annual General Meeting of Shareholders 1/1

Management Team



Name Mr. Pongsak Srisod
Position President and Editor of General News Business Unit
Age 54 years
Education Background

- BA. in Political Science, Ramkhamhaeng University

Training Course (s)

- Thai Institute of Directors Association
- N/A

No. of Shares Held as at Jan 25, 2011

- 3,300 shares (0.0020 %)

Relationship with NMG's Executive

- N/A

Experience

1978 - 1980	Reporter Premier Marketing Co.,Ltd.
1981	Reporter Matupum Newspaper Matupum Co.,Ltd.
1982 - 1991	Reportor The Nation Nation Publishing Group Co.,Ltd.
1992	Assistnat Assignment Editor Nation Publishing Group Co.,Ltd.
1992	Editor Saim Post Post Publishing Plc.
1994 - 1995	News Editor Nation Publishing Group Co.,Ltd.
1996 - 1997	Editor Nation Weekend Nation Multimedia Group Plc.
1998 - Oct. 2010	Editor Kom Chad Luek & Nation Weekend Nation Multimedia Group Plc.
Oct. 2010 - Present	President and Editor of General News Business Unit Kom Chad Luek Media Co.,Ltd.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders -/1

Management Team



Name Mr.Thongchai Bunsaringkaranont
Position President of Printing Business Unit
Age 51 years
Education Background

- Bachelor of Laws, Thammasart University

Training Course (s)
 Thai Institute of Directors Association

- Directors Certification Program (DCP # 143)

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

1998 - 2000	Manager Advertising Administration Nation Multimedia Group Plc.
2001 - 2007	Vice President Advertising Administration Nation Multimedia Group Plc.
2008 - Oct. 2010	Assistant Senior Vice President Advertising Administration Nation Multimedia Group Plc.
Oct. 2010 - Present	President of Printing Business Unit WPS (Thailand) Co.,Ltd.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	-/1
--	-----

Management Team



Name Miss Phimpakan Yansrisirichai
Position Chief Operating Officer - Advertising
Age 52 years

Education Background

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

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 71)
- Thai Listed Companies Association, The Stock Exchange of Thailand
- Risk Management Seminar & Workshop
- Executive Development Program (EDP # 6)

No. of Shares Held as at Jan 25, 2011

- 89,825 shares (0.05%)

Relationship with NMG's Executive

- N/A

Experience

1998 - 2001	General Manager Nation Multimedia Group Plc.
2001 - 2005	Chief Operating Officer Nation Multimedia Group Plc.
2005 - 2007	President - General News Business Unit Nation Multimedia Group Plc.
2008 - Present	Chief Operating Officer - Advertising Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	1/1
--	-----

Management Team



Name Miss Nutvara Seangwarin
Position Senior Vice President - Advertising
Age 43 years
Education Background

- Master of Business Administration, National Institute of Development Administration
- BA. Business Administration, Business Computer, Kasem Bundit University

Training Course (s)

- Thai Institute of Directors Association
- N/A

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

1993 - 1994	Account Executive Nation Multimedia Group Plc.
1995 - 1996	Account Supervisor Nation Multimedia Group Plc.
1997 - 1999	Account Manager Nation Multimedia Group Plc.
2000 - 2001	Senior Account Manager Nation Multimedia Group Plc.
2002 - 2003	Vice President Nation Multimedia Group Plc.
2004 - 2006	Assistant Senior Vice President Nation Multimedia Group Plc.
2007 - Present	Senior Vice President Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders -/1

Management Team



Name Mrs. Orapin Ngam - Wongwan
Position Senior Vice President - Advertising
Age 45 years

Education Background

- Master of public Administration Program, National Institute of Development Administration
- BA. of management science, Business Administration Program, Sukhothia Thammathirat Open University

Training Course (s)

- Thai Institute of Directors Association
- N/A

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

1990 - 1991	Account Executive Nation Publishing Group Co.,Ltd.
1992 - 1994	Account Supervisor Nation Multimedia Group Plc.
1995 - 1999	Account Manager Nation Multimedia Group Plc.
2000 - 2001	Senior Account Manager Nation Multimedia Group Plc.
2002 - 2003	Vice President Nation Multimedia Group Plc.
2004 - 2006	Asistant Senior Vice President Nation Multimedia Group Plc.
2007 - Present	Senior Vice President Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders -/1

Management Team



Name Mrs. Benchawan Srisuthisaart
Position Senior Vice President - Circulation
Age 55 years
Education Background

- Master of public Administration Program, National Institute of Development Administration
- Gradurate Diploma Program in Education Administration, Dhonburi Rajaphat University

Training Course (s)

- Thai Institute of Directors Association
- N/A

No. of Shares Held as at Jan 25, 2011

- 20,560 shares (0.01%)

Relationship with NMG's Executive

- N/A

Experience

1989 - 1990	Direct Sales Manager Nation Publishing Group Co.,Ltd.
1991 - 1992	Sales Director Nation Multimedia Group Plc.
1993 - 2001	Vice President Nation Multimedia Group Plc.
2003 - Present	Senior Vice President Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	1/1
--	-----

Management Team



Name Miss Parnsap Yomanage
Position Senior Vice President - Advertising
Age 55 years
Education Background

- B.Ed. Faculty Education, Chulalongkorn University

Training Course (s)
 Thai Institute of Directors Association

- N/A

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

1995 - 1998	Editor Nation Multimedia Group Plc.
1999 - 2006	Vice President Nation Multimedia Group Plc.
2007 - 2008	Editor Special Project Nation Egmont Edutainment Co.,Ltd.
2008 - Present	Senior Vice President Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	-/1
--	-----

Management Team



Name Miss Phairin Nithipanich
Position Senior Vice President - Advertising
Age 50 years
Education Background

- BA. Faculty of Science, Psychology, Ramkhamhaeng University

Training Course (s)

- Faculty of Commerce and Accountancy, Chulalongkorn University
- Strategy Management Program

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

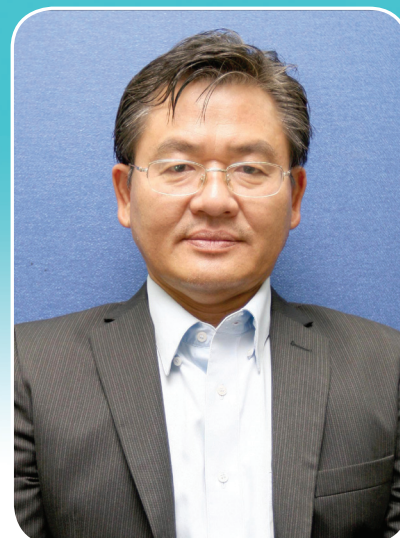
Experience

1992 - 1993	Manager Nation Multimedia Group Plc.
1993 - 2003	Vice President Nation Multimedia Group Plc.
2004 - Present	Senior Vice President Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders -/1

Management Team



Name Mr. Vithoon Pungprasert
Position Senior Editor Kom Chad Luek
Age 57 years
Education Background

- Master of public Administration Program, National Institute of Development Administration
- BA. in Political Science, Ramkamhaeng University

Training Course (s)

- Thai Institute of Directors Association
- N/A

No. of Shares Held as at Jan 25, 2011

- 5,000 shares (0.0030%)

Relationship with NMG's Executive

- N/A

Experience

1978 - 1981	Reporter The Nation Nation Publishing Group Co.,Ltd.
1982 - Aug 1989	Assistant Editor Nation Publishing Group Co.,Ltd.
Aug. 1989 - Oct. 1989	Editor Nation Multimedia Group Plc.
Oct. 1989 - 1992	Editor Krungthepturakij Nation Multimedia Group Plc.
1993 - 1996	Assistant to Group Editor Nation Multimedia Group Plc.
1997 - 2009	Assistant to Editor in Chief Nation Multimedia Group Plc.
2010 - Nov. 2010	Senior Editor Kom Chad Luek Nation Multimedia Group Plc.
Nov. 2010 - Present	Senior Editor Kom Chad Luek Kom Chad Luek Media Co.,Ltd

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders -/1

Management Team



Name Mr. Supoth Piansiri
Position Assistant Senior Vice President - Accounting
Age 42 years
Education Background

- Bachelor Degree of Accounting (Auditing), 2nd Class Hons., The University of The Thai Chamber of Commerce
- Certified Public Accountants (Thailand) Registration No.4666

Training Course (s)

- Faculty of Commerce and Accountancy, Chulalongkorn University
- Strategy Management Program

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

2003	Senior Manager SGV-Na Thalang & Co.,Ltd.
2003 - 2006	Associate Director KPMG Phoomchai Audit Ltd.
2007 - 2009	Vice President - Accounting Nation Multimedia Group Plc.
2010 - Present	Assistant Senior Vice President - Accounting Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Management Team



Name Miss Mathaya Osathanond
Position Assistant Senior Vice President - Finance
Age 42 years

Education Background

- BA. Accounting, Faculty of Commerce and Accountancy, Thammasat University

Training Course (s)

- Thai Institute of Directors Association
- N/A

No. of Shares Held as at Jan 25, 2011

- N/A

Relationship with NMG's Executive

- N/A

Experience

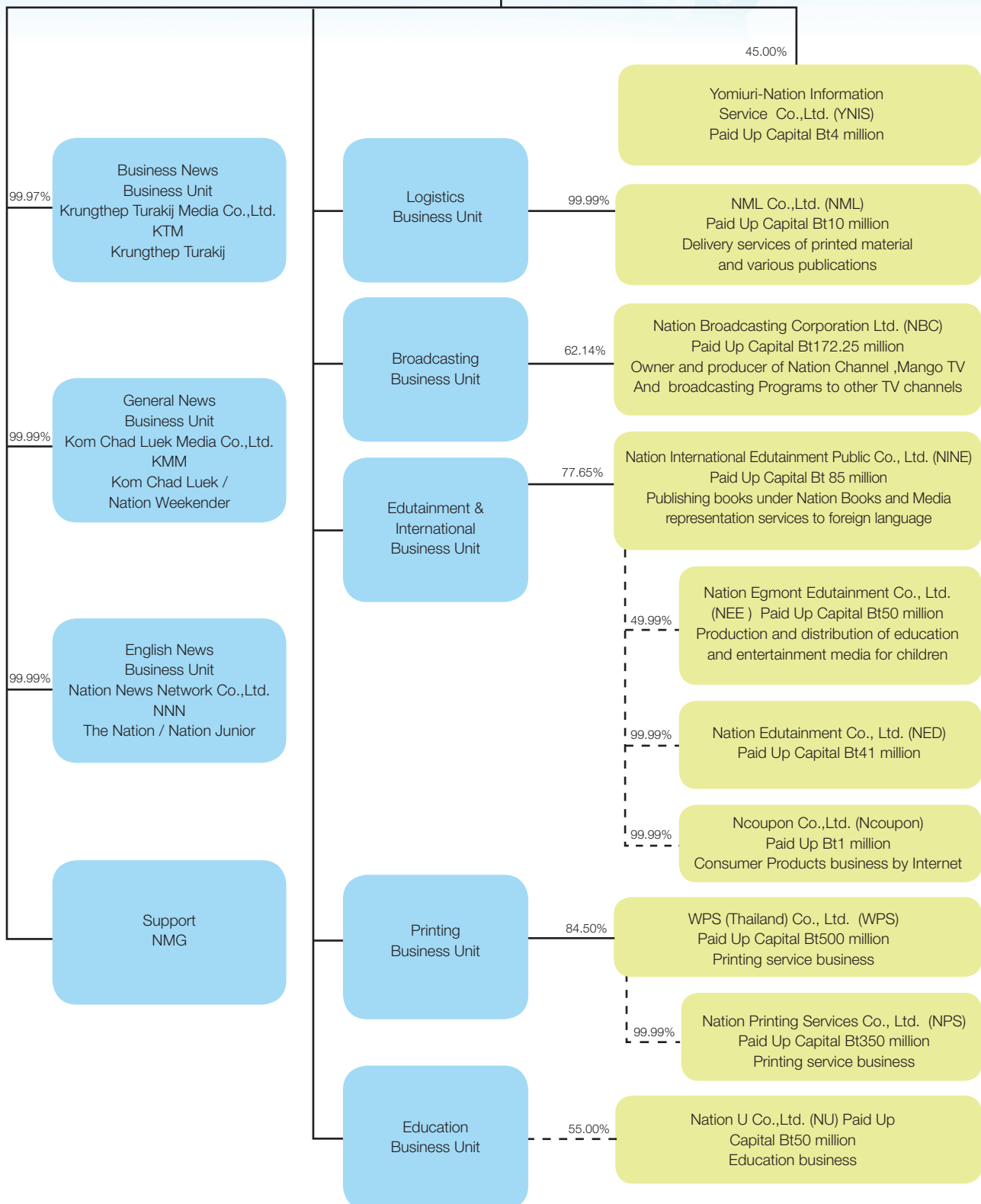
1996 - 1997	Manager Accounting Nation Multimedia Group Plc.
1998 - 2000	Manager Finance Nation Multimedia Group Plc.
2001 - 2002	Senior Manager Finance Nation Multimedia Group Plc.
2003 - 2005	Vice President - Finance Nation Multimedia Group Plc.
2006 - Present	Assistant Senior Vice President - Finance Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	1/1
--	-----

Business Group Structure

Nation Multimedia Group Public Company



*As at February 2011

Product and Services

Thai-language Business News Unit Krungthep Media Company Limited (KTM)

Producer and distributor of Krungthep Turakij, Thailand's "leading brand" business daily newspaper which has been widely accepted in Thai business circles for over two decades for its high standard of news presentation in business, finance, investment, politics, society and lifestyle. Krungthep Turakij has become "the bible" for all readers needing a steadfast source of accurate and timely information, incisive stories and in-depth and impartial analysis. The newspaper offers accurate and precise information in a creative package as an effective tool for decision-makers.

HYPERLINK "<http://www.bangkokbiznews.com>" www.bangkokbiznews.com

General News Business Unit Kom Chad Luek Media Company Limited (KMM)

Producer and distributor of "Kom Chad Luek" a Thai language daily offering readers a "new choice" with news presented by a highly experienced editorial team and leading columnists in various fields with an aim to provide a "creative difference" in news and pictures as well as to emphasize socially responsible content that is appropriate for all family readers.

HYPERLINK "<http://www.komchadluek.net>" www.komchadluek.net

Producer and distributor of "Nation Weekender," a weekly news magazine offering incisive, in-depth and often alternative analyses of current affairs that has become widely trusted and respected for its high standard and quality of news presentation among readers. Nation Weekender provides impartial, accurate and in-depth news in an innovative and creative presentation with well-known columnists to answer the needs of readers in every target group.

HYPERLINK "<http://www.nationweekend.com>" www.nationweekend.com

English News Business Unit Nation News Network Company Limited (NNN)

Producer and distributor of "The Nation," English language daily newspaper and the group's flagship publication. For more than 40 years, The Nation has forged a strong reputation for its accurate, independent news reporting and highly relevant content. The newspaper focuses on English language business news that provides insightful information on business, finance and political analyses for administrators and those who need to use these factors in their decision making, both in Thailand and Asia.

HYPERLINK "<http://www.nationmultimedia.com>" www.nationmultimedia.com

Nation Junior, fortnightly English language magazine, which has become one of the best-selling magazines in the Thai teenage marketing group. Nation Junior has been popularly used as an English language learning and teaching tool in high schools for around 16 years and operates a successful website with various features and formats relevant to teenagers.

HYPERLINK "<http://www.nationjunior.com>" www.nationjunior.com

The Nation has joined forces with other international media producers of the Asia News Network (ANN), an alliance of leading newspapers, consisting of 21 members from 18 countries in the Asian region, to exchange news reports and pictures.

HYPERLINK "<http://www.asianewsnet.net>" www.asianewsnet.net

Product and Services

Edutainment and International Business Unit

Nation International Edutainment Public Company Limited (NINE)

Publishing Business

Pocket Book

The company is a printer and distributor of educational and entertainment pocketbooks and print media for youth, appealing to a broad spectrum of readers. With copyright licenses from leading authors and publishers, both in Thailand and overseas, Nation Books publishes and “Bizbook publishes” a wide selection of publications to meet the varied needs of different target groups. Especially popular are pocketbooks on management, novels, language and learning aids, as well as books on religion, psychology, philosophy and general topics.

Books and Media for Children

Nation Egmont Edutainment Company Limited is an importer, publisher and distributor of educational and entertainment books and media for children and youth under the age of 18. It has copyright authorization rights from many of the world’s leading publishers in Europe, America and Australia, including Walt Disney and Warner Bros., and is also a distributor for NED.

Popular children’s books and edutainment media published and produced by Nation Egmont include Disney’s Classic Tales and skill-enhancing activities, The Adventures of Tin Tin, Disney Puen Nong magazine, the Thai editions of various children’s literature, Warner Bros.’s Scooby-Doo and You series, etc.

HYPERLINK “<http://www.nationegmont.com>” www.nationegmont.com

Nation Edutainment Company Limited is a publisher and distributor of educational and entertainment print media for youth, with young people under the age of 18 representing the main target group. The company’s products comprise popular comics published under copyright licenses for publishers in Thailand, Japan, Korea and other Asian countries, such as Shueisha Inc., Shogakukan and Kodansha.

Nation Edutainment’s highly popular cartoons and children’s literature include the weekly comic magazines “Boom”, Doraemon series, Dragonball, Bleach, Naruto and Death Note; and Thai comics “ApaiManee Saga” and “The 13th Knife”, etc.

HYPERLINK “<http://www.ned-comics.com>” www.ned-comics.com

NINE operates as a sales representative and distributor for 16 international publications including The Wall Street Journal Asia, The Yomiuri Shimbun, Fortune, Time and Newsweek, etc., through subscriptions, bookstands and book shops, as well as bulk channels. NINE also sells advertising space for Thai copies of The Yomiuri Shimbun, print-to-order copies of The Wall Street Journal Asia and The Yomiuri Shimbun, and delivery-to-order foreign newspapers and magazines.

Broadcasting Business Unit

Broadcasting Business Unit

Nation Broadcasting Corporation Public Company Limited (NBC)

Nation Broadcasting Corporation, a subsidiary of Nation Group, provides and produces a wide variety of news and information content in various formats for broadcast via television, radio, and new media. The company operates three main business lines:

1. Television Broadcasting Business

The company produces and supplies news and other content in various formats for broadcast via several free TV channels as well as subscribed TV channels like cable TV and satellite TV. The company has also

Product and Services

expanded into related businesses by optimizing use of existing resources, such as information, images and personnel. Currently, news and information content produced by the company includes:

1.) Nation Channel The company established “Nation Channel,” the country’s first 24-hour news station in the year 2000. For this station, the company is responsible for management, content production and supply, sale of advertising, rental of airtime, as well as broadcasting of TV programs via various other channels, including, local cable TV, satellite TV, websites, BTS train media and mobile phone media.

2.) Mango TV On June 12, 2010, the company established Thailand’s latest entertainment station - 24-hour Mango TV. The company is responsible for management, content production and supply, sale of advertising, rental of airtime, and broadcasting of Mango TV programs via various other channels, including local cable TV, satellite TV, websites, BTS train media and mobile phone media.

3.) TV programs produced jointly with free TV channels The company jointly produces news and information programs for TV jointly with several free TV channels. Revenue is generated from the sale of advertising and the expansion of products and services as part of the programs. As of February 2011, the company jointly produces six programs with various free TV channels:

1. Reung den yen nee	Mon - Fri 17.30 - 18.30 Channel 3
2. 4-4-2 Weekend	Sun 01.00 - 01.30 Channel 5
3. Khao kon kon khao	Mon - Fri 21.30 - 22.15 Channel 9
4. Chao khao kon kon khao chao	Mon - Fri 06.00 - 07.30 Channel 9
5. Jab krasae lae lok	Thur 23.00 - 23.50 Channel 11
6. Chik krob kid kab kon run mai	Sun 22.00 - 23.00 Channel 11
http://www.nationchannel.com	

4.) Related businesses As the company’s television broadcasting operations, including the Nation Channel news station and programs broadcast via free TV channels, have become well accepted by the viewing public, the company has diversified into related activities to leverage its content, information, personnel, facilities and reputation, in order to create optimal benefit. The company uses its more popular or controversial programs in the production of products such as VCDs or DVDs, or to organize seminars, tours and other special events.

2. Radio Broadcasting Business

The company has forged business alliances to produce content for broadcast via F.M. radio stations. In this business, the company profits from the sale of advertising. It is a co-producer of programs for several radio stations, such as F.M. 90.5 MHz and F.M. 102.0 MHz. The company also co-produces breaking news content for F.M. 90.5 MHz, F.M. 102.0 MHz, A.M. 1107 KHz and local radio stations.

3. New Media Business

The company utilizes its strength in content to create products and services for new media:

1.) Website Business The company has launched websites to present a variety of products and services. All of the websites offer news and information content. The company is responsible for the development and maintenance of various systems for the websites of Nation Group. It also acts as a sales agent for advertising space on NMG’s websites and those of other companies.

2.) Mobile Information and Message Service The company has developed content from its TV and radio programs, as well as print media, to serve the modern lifestyle of the new generation through a variety of new media formats. The company provides news reports and other content for mobile phones via SMS (Short Message Service) and MMS (Multimedia Messaging Service).

Product and Services

Printing Business Unit

WPS (Thailand) Company Limited (WPS) is a subsidiary of Nation Multimedia Group Plc., which holds 84.5% of the registered capital of Bt500 million. The company provides a wide variety of high-quality printing services for the local and overseas markets, particularly the print products of Nation Group.

WPS (Thailand) Company Limited provides modern printing services using the latest Cold-set Web Offset printers for the print products of Nation Multimedia Group Plc. and Nation News Network Company Limited, including Kom Chad Luek, Krungthep Turakij and The Nation newspapers, biweekly and weekly magazines Nation Junior and Nation Weekender, as well as teaching aids for Aksorn Charoen Tat and newspapers for renowned international publications such as The Wall Street Journal Asia and Yomiuri Shimbun.

Nation Printing Service Company Limited (NPS) is a subsidiary of WPS (Thailand) Company Limited offering print services with an emphasis on quality and high print runs. The company serves two main groups of customers – Nation Group companies, including cartoons, pocketbooks, and advertising media, and other clients, including magazines, journals, catalogues, brochures, etc. Modern machinery and technology together with experience and expertise which offers diversified printing services, including prepress, printing and post-print services through to specialized services such as hard-cover production and commercial web printing and has been entrusted with the work of top-name customers, such as Sawasdee flight magazine of Thai Airways International as well as the work of leading international print shops, winning awards for quality printing both in Thailand, with the Thai Print Award, and internationally with the Asia Print Award.

Logistics Business Unit

NML Company Limited (NML) provides logistics services of newspapers and other print products of Nation Group, particularly Kom Chad Luek, Krungthep Turakij, The Nation, The Wall Street Journal and Yomiuri Shimbun, both in the metropolitan area and to provincial areas nationwide. The company operates logistics services for Nation Group and more than 50 other clients, 24 hours a day, seven days a week. The major services offered are as follows:

Transport Department

The company provides nationwide packing and logistics services for print media utilizing various delivery modes including point-to-point, express, door-to-door, reverse logistics, etc. NML currently takes care of logistics for print media of Nation Group and many more companies, including Book Smile, Se-Ed, Amarin Book, Thaiwatanapanish (TWP), Aksorn Charoen Tat (ACT), Chula Books, Asia Books, Nanmee Books and the Tourism Authority of Thailand (O-SoTho).

Delivery of Print Materials to Subscribers

The company offers sorting, wrapping and delivery of print media to subscribers, newsstands and agents using GIS (Geographic Information System), which takes into account the addresses of all subscribers and delivery points to ensure the most efficient delivery routing.

Currently, NML delivers print media of the Nation Group and its clients, for example, The Nation, Krungthep Turakij, Kom Chad Luek, Yomiuri Shimbun and The Wall Street Journal Asia. Additionally, the company delivers media for clients, such as True Visions Magazine (UBC), Dara Daily newspaper and weekender, WHO magazine, Go Genius magazine and Lem Prot magazine.

Express delivery service

Door-to-door express delivery service within Bangkok and surrounding areas with same-day delivery. Delivery to provincial areas is made within the next working day or within the specified day definite. In the event of loss or damage to goods, full compensation is made to the customer.

Product and Services

Additional services include:

- 1) Packaging service
 - Packing and bundling
 - Labeling and tagging
- 2) Mail Service
 - Stock handling
 - Process labeling, tagging
 - Process packing
 - Process sorting by post code
 - Delivery to Post Office
 - Delivery by NML Messengers
- 3) Collection and payment service
- 4) Pick up and return on demand service
- 5) Express document delivery service Office messenger service with monthly payment
- 6) Work-to-order service
 - One-day work (Bangkok metropolis)
 - One-day work (city outskirts)
 - Half-day work (Bangkok and surrounding area)
 - Express works, specific point 7) Direct mail services

Industry and Competition Overview

Overall Economy

At the end of 2009, the economy was in a period of recovery, but by the second quarter of 2010 this was reversed as a result of domestic political turmoil. After things calmed down again, the economy has shown a continuous expansion. In particular, the advertising sector rebounded with the Football World Cup 2010, held between June and July, which enabled the sector to record a far better growth rate than that of 2009. Overall, the Thai economy expanded by 7.8% in 2010 through a combination of various factors, including the world economic recovery, plus strong domestic demand, especially by private investment in consumer products.

A major factor supporting growth in the advertising industry was the Football World Cup competition. Although advertising budgets were slashed during the period of political strife in March - May 2010, the business sector subsequently expanded its marketing activities, including increased advertising budgets to activate purchasing power at the beginning of the year. By the end of the year, entrepreneurs, manufacturers and service providers had noticeably hiked their turnover for the high season of the year, as during this important festive season, consumers usually tend to spend much more money than in the previous quarters, ensuring the overall advertising industry experienced a high growth rate.

In 2011, the Thai economy is expected to expand at normal levels of around 4.5% from domestic purchasing. Consumption and investment are expected to continuously expand from the year 2010 as consumers and investors gain confidence, following the continuous expansion of the global economy.

Company Business consists of seven lines, as follows:

1. **Thai-language business news publications:** Managed by Krungthep Turakij Media Co., Ltd., producer and distributor of “Krungthep Turakij” business daily. Target customers include business people, young-generation executives, academics, government officials, marketing executives, university students and well-educated readers.
2. **Thai-language general news publications:** Managed by Kom Chad Luek Media Co., Ltd., producer and distributor of “Kom Chad Luek” mass-circulation daily, and “The Nation Weekender” weekly news analysis magazine. Target customers are general news readers.
3. **English-language News Publications:** Managed by Nation News Network Co., Ltd., producer and distributor of “The Nation” daily newspaper and “Nation Junior” magazine. Target customers include Thais who follow the political and economic scenarios, young-generation readers and foreign residents in Thailand.
4. **Broadcasting Business:** Managed by Nation Broadcasting Corporation Public Co., Ltd., producer of “Nation Channel” 24-hour news station, “Mango TV” satellite TV, as well as the producer of TV and free TV programs, such as “Khao Kon Kon Khao” and “Cheepajorn Lok with Suthichai Yoon”. Target customers are the general public.
5. **Edutainment and foreign-related businesses:** These businesses are managed by Nation International Edutainment Public Company Limited and its two subsidiaries: Nation Edutainment Company Limited and Nation Egmont Edutainment Company Limited. Their business operations include:
 - Production of copyright pocket books from both domestic and international sources.

Industry and Competition Overview

- Advertising sales agent for foreign publications and distributor in Thailand and the ASEAN region for foreign newspapers, such as The Asian Wall Street Journal and Yomiuri Shimbun, as well as a range of popular international foreign magazines, such as Fortune, Time Magazine, Newsweek and Business Week.
- Production, import and distribution of educational and entertainment publications for children using media from both domestic and international sources.

6. **Print Business:** Managed by WPS (Thailand) Co., Ltd. as a provider of newspaper printing services to the Nation Group, including Kom Chad Luek, Krungthep Turakij and The Nation newspapers. In addition, Nation Printing Service Co., Ltd., a subsidiary company, performs high-quality, high-volume printing of comic books for the Nation Group, including pocket books, print ads and various jobs for external customers, such as magazines, journals, catalogues and brochures.

7. **Logistics Business:** Managed by NML Co., Ltd. as the logistics provider for print products, such as newspapers and all print products of the Nation Group. The company's main duty is to distribute the Group's newspapers, including Kom Chad Luek, Krungthep Turakij, The Nation, The Wall Street Journal Asia and The Yomiuri Shimbun in Bangkok and surrounding areas, and all provinces nationwide, as well as providing a competitive range of logistics services for external customers.

Competition in the Publishing Business

"Krungthep Turakij" remains a leading business daily with more than half the market share in advertising, though it faces increasingly fierce competition from "Post Today" and "Manager". "Kom Chad Luek", the general daily newspaper retains the third largest advertising market share after "Thai Rath" and "Daily News". "The Nation" English-language newspaper has only one competitor: "The Bangkok Post". "The Nation" holds approximately 38 per cent of the market share in advertising.

"Nation Books" is facing increasingly strong competition from a growing number of pocket book publishers in the market. Quality and variety of content remain key factors in determining readers' choices. Nation Books' main competitors include Amarin Printing, Nanmee Books, Matichon, Kledthai, Dokya, Workpoint, Than Printing and Polyplus Publishing.

The edutainment products/comics for children segment continues to expand, although new edutainment publishers are entering the market. This sector shows a tendency to expand as the new generation, with higher levels of education, is willing to invest more in the education of their children. The Company's competitors vary according to each product. Disney 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

For 2011, it is anticipated that the publishing business will continue to expand as a result of the increase of advertising through print media, encouraged by growth in the economy and increased consumer confidence. Additionally, the advertising and publishing segments are expected to grow as a result of publicity campaigns for the government's policies, such as the Thai Khem Khaeng scheme, tourism promotion and the anticipated general election in 2011, contributing to an increased demand for printed materials.

In 2011, the book market is likely to be better than the previous year, as the political turmoil has ceased

A hand in a red sleeve is shown in the upper right corner, moving a small chess piece. Below it, a row of various chess pieces (pawns, knights, kings, etc.) is visible, also in a red-tinted style. The background is a gradient of red and orange with a pattern of white dots of varying sizes.

Industry and Competition Overview

and the overall economy of the country has returned to growth mode. The government has a policy to promote reading as a “national agenda” with tax incentives. Tax reductions are allowed for corporations to encourage reading for the development of their personnel. When they purchase books for their organizations, double the cost can be taken as tax expenditure. For individuals, tax reductions on book purchases cannot exceed 10 per cent of their income after other expenditures and reductions are excluded. The government’s tax incentives are expected to be supportive factors for the book business in 2011, which will help foster growth of at least 5 per cent or Bt20 billion in value.

The growth trend of e-books is not expected to emerge soon, but is at least 3-5 years ahead, as prices of e-book readers remain high, averaging around Bt15,000 each. Thai people will become more interested with prices in the Bt5,000 - 7,000 range or under. Nonetheless, publishers have not neglected the market. Most are now studying the business and preparing to quickly adjust to the technology. The e-book business poses an opportunity for publishers to generate income, as well as from sales of conventional print books.

Besides, several other growth factors should be closely monitored, including national political stability. Although the current government has launched economic stimulus packages to inject money into the system, operations connected with the packages may face obstacles if parliament is dissolved or another political movement comes to the fore, as was the case last year. This would affect both the economic recovery and private-sector investor confidence. Other contributing factors include the world’s fragile economic recovery, fluctuations in the Thai baht exchange rates, global oil prices, which are likely to increase, as well as the minimum wage increase which could result in higher production costs. These key factors will prompt entrepreneurs to adjust their operations and prepare contingency measures for possible problems to ensure the survival of their business.

Risk Factors

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

1. Business operation risk

1.1 Risk from advertising industry situation

Major revenue of NMG comes from newspaper business; mainly from advertisement sales. In 2010, the company generated advertising revenue of Bt1,857 billion, an increase of 25% from last year's Bt1,488 billion, accounting for 69% of total revenue. The company's cost structure was mostly comprised of fixed costs; its performance therefore largely relied on the situation within the advertising industry by which it relied on economic conditions domestically and internationally. This was no different from most newspapers in the country whose businesses are largely dependent on advertising revenue. In 2010, Thailand enjoyed a continuous economic growth from 2009 with a short period of slowdown, due to political unrest, before another bout of growth after the government managed to control the situation. The situation has created a feeling of confidence among consumers leading to the increase in advertisement/PR spendings by business sectors to increase sales volume. However, an economic slowdown would cause the opposite situation.

To cushion any impact of a sluggish advertising industry as a result of a changing economic situation, NMG has implemented several measures/plans/activities by taking advantage of its multimedia channels to publicize its products and services, with the use of improved sales strategies and total media solution to achieve a competitive edge over its competitors. The company also emphasized more on generating revenue through below-the-line activities created to serve customers both in the public and private sectors, such as organizing seminars for major customers, which helped maintain its revenue. At the same time, the company concentrated on strict management of expenses.

1.2 Risk from subsidiaries management

NMG has a clear business operation structure. As an integrated multimedia company with supporting businesses such as printing, transport and broadcasting - as a content provider - and edutainment and foreign-related activities to strengthen business and increase its competitiveness, the company established a number of subsidiaries in order to achieve optimal business performance and more efficient management. Without efficient and productive management and supervision of subsidiaries, there might be non-compliance within the company's directions and strategies, and conflict of interest between subsidiaries, which would affect the overall performance of the company.

To minimize the risk arising from subsidiaries management, NMG has adhered to good corporate governance to lay firm foundations for sustainable business and create maximum value for the group of companies. The company has appointed its top executives as members of the Board of its subsidiaries in order to synergize the Group's policies, strategies and business directions, as well as to supervise business expansion of subsidiaries to be in compliance with the Group's policies. In the fourth quarter of 2010, the company has registered its previous business units to new subsidiaries. They are

1. Krungthep Turakij Media Co.,Ltd (KTM). The company operates print media business and other business-related media with Krungthep Turakij newspaper as its main product (beginning its operation in the fourth Quarter of 2010). NMG holds 99.97% of the company's shares.

2. Kom Chad Luek Co., Ltd. (KMM). The company operates print media business and other Thai language general news content with Kom Chad Luek newspaper and Nation Weekender magazine as its main products (beginning their operation in the fourth Quarter of 2010). NMG holds 99.99% of the company's shares.

Risk Factors

Another subsidiary which was established in 2009, with NMG holding 99.99 % of its shares, is Nation News Network Co., Ltd. (NNN). The company runs print media business and other English language news content with The Nation newspaper and Nation Junior magazine as its main products.

To accommodate the above mentioned structural change of KTM and KMM, NMG transferred personnel whose duties directly served those two companies; Editorial teams Marketing teams, some members of Accounting and Finance Department. While the central support units: Editorial teams of Nation News Agency, Marketing Department, Accounting and Finance Department, Photography team and other support units such as Administration, Human Resource Department and Purchasing Department, still operate under the mother company. And to maximize sales synergy and maintain the strength and standard of the sales services to customers, the Sales Department stays under NMG.

Registering the good performance business units as the company's subsidiaries will open door to new business opportunities and allow management flexibility. The strong quality media synergy will enable NMG to help building up and sustain good society in Thailand. However, some subsidiaries are still incurring losses. For these subsidiaries, the company has to make improvements in management and operational efficiency to enable all of them to be stronger and support each other efficiently.

2. Production risk

2.1 Risk from content production

For print media, content quality is a major factor in promoting consumer loyalty. NMG's major products are newspapers under the names The Nation, Krungthep Turakij and Kom Chad Luek. Apart from print media, content is broadcasted on TV and radio, internet and mobile phone. Each newspaper has its own character of content presentation, so quality control of content plays a key role in consumer loyalty. Achieving quality content requires a systematic news production process, teamwork among news editorial teams and well-trained personnel to produce and present news, which are the heart of print media. To lower the risk from content production and ensure quality content, NMG's editorial team focuses on teamwork and specialization to cover all aspects of news coverage, especially insightful news reports. The Company has upgraded its content production process by introducing new technologies to promote faster and more convenient work, while simultaneously cutting production costs. Training and personnel development is organized continuously to ensure that every editorial staffer can work as a substitute for others, to minimize risk from personnel loss, which might affect the quality of news content.

2.2 Key personnel retention risk

NMG is publicly accredited for its media professionalism. Since personnel plays a vital role in the quality of content production, the company is dedicated to develop a team of capable editorial staff instead of being dependent on individuals, to lower the risk of losing key editorial individuals and the subsequent impact on the company. Currently, the company has a total of 366 staff employed in editorial departments of NNN, KTM and KMM, comprising reporters, rewriters, editors, photographers and production staff. The news editorial centers which can also share content such as the regional offices and photography team are still managed by NMG.

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. These departments and personnel are under NMG management.

Risk Factors

NMG has consistently emphasized human resource development. The company organizes both in-house and external trainings for staff to enhance their work skills and enable them to keep pace with the changing business and technology. Succession plans, in which senior management are encouraged to participate in key decision making and decentralize authority and responsibilities to sub-level management has been created, as part of its goal towards decentralization. The decentralization system aims to promote a more effective operation, decrease work redundancy and prepare new generation management to respond to external changes, highly competitive markets and diversified target groups in a timely manner. As well, it enables NMG to create new business opportunities towards sustainable growth, while retaining the core values of credibility, integrity, synergy, customer focus and innovation.

With such a system, in which work is passed from top executives and distributed to every management level, if the company loses a key employee, it will not pose a major impact to the company. At the same time, NMG also concentrates on the synergy of all business units to achieve maximum benefit.

2.3 Technology risk

New innovations from technology development such as digital technology and wireless communication have changed the face of the communication and telecommunication industries and created borderless connections. NMG has consistently developed its information technology system to keep abreast of the changing technology, lower the risk from business opportunity losses and boost its competitiveness. The company intends to continue the development of such database development systems and news reporting by using new technologies to provide timely news content through various media and to help manage costs and expenses in preparation for the transition from print media to digital media in the future. NMG has consistently invested in the improvement of content for new media in order to understand consumer behaviour and accumulate experience to achieve advantages in penetrating markets of target groups in the future.

2.4 Risk from the volatility of raw material prices

Newsprint, as one of NMG's major raw materials, represents 30% of the company's cost of goods sold and 70% of total raw material expenses. During the past year, the ratio between imported and domestic newsprint was 58% : 42%. Being a commodity product, newsprint prices are determined by the balance of global demand and supply, which is the main factor setting the reference price of newsprint in the world market. As a result, the company is exposed to any volatility in newsprint prices, which may subsequently have a direct impact on the company's production cost and bottom line profit.

NMG's management, with years of experience in newsprint procurement, has developed a comprehensive understanding of the newsprint price cycle. In 2010, the global economic has begun to recover with gradual increase leading to the situation where the consumers' demand is higher than the newsprint production. Natural disaster in Chile also adds to the production problem causing the price of newsprint to rise 5%-10% of the previous year. However, this situation only slightly affects the company's production costs in 2010, thanks to the continuously strong Thai baht.

NMG has still employed a paper-usage control policy stringently and effective management of distribution points to lower newspaper returns. In addition, the company purchased forward contract agreements to hedge against foreseeable exchange risks. The price of newsprint is therefore not likely to have a major impact on the company's production cost. However, the company will continue to closely follow the newsprint price situation.

Risk Factors

3. Management risk

3.1 Policy determination from management

The Media business is a significant medium to publicize news and information to the public. Considered as an opinion leader of society in politics and the economy, the media business requires management with long experience and expertise in mass communications to operate the business ethically and transparently. Realizing that presenting news ethically and objectively is the heart of the media profession, NMG's Board and major shareholders have never interfered in the editorial team's daily news presentation. Instead, they outlined the news presentation guidelines for editorial teams of each NMG medium under its Corporate Governance policy and closely supervised the operation to be in accordance with determined policy.

4. Financial risk

4.1 Debt obligation risk

As of December 31, 2010, NMG and its subsidiaries had a loan liability from financial institutions of Bt1.641 billion, divided into a short-term loan for capital flow in the overdraft account, trust receipt and short-term promissory note of Bt653 million, and a long-term loan of Bt988 million.

If NMG fails to make debt repayment, or does not comply with the financial proportion requirement, or terms and conditions as specified in such loan contracts, creditors will have the right to request immediate repayment.

The company presented financial projection documents, completed on the basis of prudence, to creditors for consideration. Such documents inform the creditors of the tendency of the company's performance, cash flow current and the use of a strict investment policy, making investment only in the group's related businesses.

4.2 Exchange rate risk

The Thai currency exchange system is a managed floating system with an exchange rate dependent on demand and supply of Thai currency against other currencies. Fluctuations in foreign exchange rates have an effect on the company's production costs. The company's major raw material is newsprint paper, 84% of which is imported using US\$ currency. The company is therefore exposed to foreign currency exchange risks through importing newsprint paper.

However, to help counteract this situation, the company adopted a policy for hedging against foreign currency exchange risks, by placing forward contracts on orders for newsprint paper. As of December 31, 2010, the cost of imported newsprint paper amounted to 5% of total debts, but it did not affect the financial statement, although the foreign exchange rate was fluctuating.

4.3 Risk from external financial sources

The company has various external financial sources, such as loan credit limits from many banks and financial institutes. As of 31 December 2010, the company and its affiliated companies had a total loan credit limit of Bt2,891 billion and used credit of Bt1,660 billion. Thus, the available credit line stands at Bt795 million, or 28% of total loan credit. In addition, at present, the company has no policy to expand its business and current external financial sources are sufficient to meet the company's operation.

Risk Factors

4.4 Risk from impairment of accounts receivable

The company acknowledges the risk from the prevention of doubtful debts, as remarked in the financial statement, whereby the company has established policies for debt collection and allowances for doubtful accounts. The company considers the amount of doubtful accounts by estimating the current financial status of debtors, combined with its past experience of debt collection. In addition, the company has a policy to set an allowance for doubtful accounts using an income margin, the allowance for doubtful accounts stands at 1% of advertising income, while income from agents stands at 25% of returned domestic books and 65% of returned foreign books. The company also has a policy for a maximally decrease margin of 12-month debts. As of December 31, 2010, the over 12-month debts (total financial statement) stood at Bt94 million and 6-12 month debts stood at Bt34 million. The company has already set the allowance of doubtful debts to cover those amounts: the allowance for returned goods (total financial statement) as of December 31, 2010 was Bt140 million and the allowance for returned goods was Bt24 million. However, the company has a Debt Collection Unit to continuously collect all debts setting allowances.

4.5 Risk from the impact of International Financial Reporting Standards (IFRS)

As the Federation of Accounting Professions changed the Thai Accounting Standard (TAS) to International Financial Reporting Standards (IFRS) the company was affected under Accounting Standard Issue 16, regarding land, buildings and equipment; and Accounting Standard Issue 19, regarding employee benefits effective in 2011, for all listed companies as follows:

1. Accounting Standard Issue 16, regarding land, buildings and equipment. The method to calculate fixed assets' depreciation will change by separating the component approach. The company's fixed asset valuation, such as machinery has to be calculated using a component approach. Now, the company is having the component life of each machine calculated to obtain the actual depreciation amount, compared with the previous total depreciation period of 10 years for each machine.
2. Accounting Standard Issue 19 regarding employee benefits. The provision of compensation in accordance with the labour law for all employees. When the company establishes these provisions, it will affect accumulated profit, which will show a decrease. The company is considering the impact on the combined financial statement or the company's financial statement that might happen from the newly issued Accounting Standards.

5 Risk Factors of Investors

5.1 Risk from deficit

The company is at risk of a deficit. As of December 31, 2010 (the company financial statement) the company had a total deficit of Bt789.20 million, Bt135 million lower than the previous year. The main reason for the loss was caused by accounting transactions, such as the 2006 company acknowledged share of loss from an investment of Bt74.07 million and doubtful debt of Bt47.72 million; and the 2007 company acknowledged impairment of Bt560 million assets and the allowance of doubtful debt of 94 million baht, amongst others.

In addition, the Company has implemented a policy to organize its corporate structure to ensure sustainable growth. It has listed two of its affiliates - Nation Broadcasting Corporation Public Company Limited (NBC) and Nation International Edutainment Public Company Limited (NINE) - on the mai in 2009 and 2010, respectively. These two affiliates, as well as the Company's financial statements, have clearly become stronger. Dividends the Company has earned from the two affiliates have been used to reduce debt, enhancing the overall financial strength of the Company.

Risk Factors

The dividends of many other affiliates also show strong potential as these companies have increased revenue streams and improve the effectiveness of their executive boards, resulting in the overall growth of the Company. However, some affiliates are still loss making. The Company plans to more closely control and improve management systems in loss-making affiliates, ultimately to transform losses to profits. It is expected that this year, business profits for these affiliates will improve.

5.2 Risk from reduction of proportional profit, or voting rights of common shareholders, as a result of listing affiliates on the MAI

The company listed its subsidiary, Nation International Edutainment Plc., on MAI in 2010. Then it offered 15 million shares for sale (increasing the 70 million authorized shares to 85 million) to increase capital, as well as launching an Initial Public Offering of its holding in NINE of 4 million shares, totalling 19 million shares offered, at a price of Bt2.40 per share. The company also offered NMG's shareholders pre-emptive rights to buy 9 million shares. With the completion of the share offering, NMG's proportional ownership in NINE dropped from 99.99% to 77.65% of NINE's paid-up capital, which is equal to 85 million shares.

The net capital the company gained from the mentioned IPO of NINE shares, of Bt9.31 million, was used for paying back a loan in November 2010. With the capital of Bt36 million raised from its share offering, NINE plans to invest in expanding its operations in 2011, for example, expanding the print business, developing business on new media, producing animation series and children's programmes on TV and character management and improving the IT system for the warehouse and inventory management. The capital will also be used as working capital by NINE.

NMG's lower share holding proportion in NINE will affect NMG and its shareholders as follows:

1. **Control Dilution** - Since NMG's share holding proportion in NINE is lower, its authorization to control its affiliates is reduced in line with the share holding proportion. However, after its affiliate announced its IPOs, NMG remains the major shareholder, with a share holding proportion of 77.65%, on December 31, 2010. With NMG's share holding proportion over 50% in this company, NINE remains an affiliate of NMG, as in the past.
2. **Price Dilution** - As the spin-off of affiliates does not require NMG to offer capital increase shares by itself, NMG's capital base and number of shares remain the same. NMG predicts there will be no price dilution directly affecting NMG shares. For instance, 30 days before launching NINE's share offering, the NMG share price was Bt9.02 per share, with the most recent price, as of December 2010, averaging Bt11.36 per share. With the completion of NINE's share offering, NMG made a profit of Bt5.60 million.

However, offering NINE's shares might affect the proportion of profit the company acknowledged from the business profit of its affiliate. Acknowledging a lower profit for NINE, the company's profit in its financial statement might also be reduced. Nonetheless, it is expected that following NINE's listing on the MAI, NINE's profit is likely to increase through fund-raising in the MAI. In addition, NMG traded NINE common shares, while announcing the affiliate's IPO at the same time allowing the company to gain Bt5.60 million in profit from such arrangements. The company also received dividend from NINE's shares, which was announced in May, 2010 at Bt0.21 per share, totalling Bt14.70 million and in December 2011 at Bt0.10 per share totalling Bt6.50 million making a grand total of Bt21.20 million.

List of Major Shareholders

The top ten shareholders as of January 25, 2011 are ranked as follows:

Name	Shares	% Holding
1. Mr. Thanachai Theerapattanavong	17,272,309	10.48
2. Mrs. Mayulee Suksrivong	16,972,938	10.30
3. Mr. Suthichai Yoon	14,600,054	8.86
4. Mr. Sermsin Samalapa	14,000,000	8.50
5. Dow Jones & Company, Inc., New York	12,000,000	7.28
6. Mr. Suthep Wongvoraseth	10,000,000	6.07
7. Mr. Stephane Colette Alfred De Baets	5,442,900	3.30
8. Mr. Vithawat Lertbunnapong	5,000,000	3.03
9. Ms. Varunee Tantasuralerk	4,500,000	2.73
10. Mr. Nivat Changariyavong	4,485,878	2.72
Others	60,499,951	36.72
Total	164,774,030	100.00

Remark

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

- Mr. Thanachai Theerapattanavong
- Mr. Suthichai Yoon
- Mr. Nivat Changariyavong
- Dow Jones & Company, Inc., New York (As a strategic partner for a long period of time. In previous shareholders' meetings, Dow Jones authorize Mr. Thanachai Theerapattanavong to vote on behave of them.)

2. Mr. Nivat Changariyavong related to Green Siam Co., Ltd

Corporate Governance Report

Nation Multimedia Group PLC's board of directors strongly believes that good corporate governance principles and system will 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, stakeholders and related parties. Corporate governance also promotes sustainable growth, which will contribute to the company's success, and enable the company to achieve its ultimate goal of rendering the most optimized value to shareholders.

The company's board of directors thus sets corporate governance policy in line with the Stock Exchange of Thailand's code of best practices and 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 current corporate governance policy is the 3rd edition which has been consented by the board of directors and first announced on November 10, 2006 and annually revised to be in line with the Stock Exchange of Thailand's corporate governance principles for listed companies, the current corporate governance policy has been updated three times so far. In 2009 the company's board of directors revised the policy twice on February 20, 2009 and on February 24, 2010. The policy was then announced to staff at all levels to acknowledge and strictly adhere to.

Communication of the corporate governance policy

The board well recognizes the practice of corporate governance to coincide with the company's vision and commitment. As main factor that drive operation is the employees of the company and subsidiaries, the policy has been communicated to employees by publicizing through internal website and publishing 'Nation's Way' as a tool for employees who cannot access website to follow the procedure in their operations, including management has closely monitored to ensure that all aspects of the policies has been put into practice. In addition, in order to develop understanding with all stakeholders, the company has publicized good corporate governance principles through the company's website for interested persons and investors' acknowledgement. If the shareholder would like to receive the copy of mentioned policies, please contact the corporate secretary and fill in the document request form which will be delivered with annual report in order to develop understanding on the company's good corporate governance.

Monitoring of the practice of corporate governance policy

From the determination to continuously improve the company's good governance since good corporate governance policy has been introduced in 2006, the evaluation result for the company's corporate governance and organizing of ordinary shareholders' meeting has been progressive and in 2010 the evaluation for organizing of ordinary shareholders' meeting was outstanding and, the evaluation result for the company's corporate governance by Thai Institute of Directors was outstanding (5 stars).

In 2010 the company adhered to the Stock Exchange of Thailand's corporate governance principles for listed companies in 2006 covering 5 areas namely;

1. Rights of Shareholders
2. Equitable treatment of shareholders
3. Role of stakeholders
4. Information disclosure and transparency policies
5. Board of Directors' responsibility

Corporate Governance Report

1. Rights of Shareholders 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 stated in the corporate governance principles. The Company values and respects the shareholders' rights by adhering to the principles regulated by law.

The Company has a policy to treat every shareholder with equality. Realizing that the shareholders are entitled to the rights to access to receive sufficient and timely information of the company and the company protects the interests of the shareholders more than what is required by the law, Investor Relations Division was set up to provide information, respond to enquiries and the website: www.nationgroup.com publicizes the company's information for investors both in Thai and English, which has been constantly updated. The information provided includes latest information and investor's newsletter. Apart from that, the Company organizes shareholder's meeting quarterly according to the Stock Exchange of Thailand's arranged timetable for shareholders to inquire, ask for explanation and express their opinions with equality.

Organizing Shareholder Meeting

The board of directors recognizes the importance of annual shareholder meeting whereby the shareholders can participate and monitor the Company's operations. In organizing the shareholder meeting the Company follows AGM Checklist published by Thai Investors Association, The Listed Companies Association and SEC as follows:

Prior to the shareholder meeting

Prior to the shareholder meeting on April 27, 2010, the Company circulated letters to shareholders, through the Stock Exchange of Thailand's system and www.nationgroup.com, who hold 1 or more shares during the period of shareholding day to the proposed day no less than 1 year, to propose the board of director's candidate with qualifications and the shareholder's consent from January 4 to February 4, 2010. No candidate's name was proposed for the board of directors.

The Company asked the shareholders to propose the general meeting agenda through www.nationgroup.com from January 4 to February 4, 2010. No additional agenda was proposed.

The company has reported the result of the shareholders' nomination for the director candidate and has announced the right to propose the meeting agenda on the company's website on February 8, 2010.

The Company also asked the shareholders to send questions for the general meeting in advance through www.nationgroup.com or fax number 0-2338-3938 from March 26 to April 5, 2010 so that the board of directors and management team could arrange for explanation at the meeting. No question was sent in advance.

In conducting a general shareholder meeting the Company has appointed Thailand Securities Depository Co., Ltd., serving as the Company's registrar, to circulate meeting invitation letter to the shareholders 20 days prior to the meeting date. The invitation letter was also posted on www.nationgroup.com from March 26, 2010 which is one month prior to the meeting date. The meeting invitation letter gave information regarding meeting date, time, venue, agenda and important information relating to issues required for decision at the meeting as well as relevant rules, regulations and steps in casting votes.

Corporate Governance Report

The Company suggested that the shareholders who were unable to attend the meeting assigned authority to Mr. Pakorn Borismaspor, Independent Director and Chairman of the Audit Committee, who has no benefit in issues being considered, to represent and cast vote for them. In the general shareholder meeting in 2010 there were 45 shareholders assigning authority to the suggested Independent Director to cast votes for them.

On the general shareholder meeting day

At the shareholder meeting the Company treated the shareholders equally by assigning receptionists to facilitate the shareholders, prepare parking spaces, direction signs and catering.

Chairman of the Board and Chairman of Executive Board, Vice Chairman and Chief Executive Officer, Chairman of Audit Committee, Members of Audit Committee, Independent Directors, Non Executive Directors, Executive Directors and Auditors from KPMG Poomchai Co., Ltd. attended the meeting for the shareholders to ask questions.

Holding Shareholder Meeting

Prior to the meeting, Chairman of the Board, acting as the meeting's Chairman, requested that CD and presentation be turned on to inform rules and regulations for the meeting including the vote casting procedure to the assembly. The Chairman allowed the shareholders to inquire and express their opinions openly and assigned Chief Executive Officer and some Executive Directors to answer all the inquiries. Summaries of questions from the shareholders and explanations as well as the other relevant details were recorded in minute. The Company did not abruptly distribute additional document with important information or add uninformed agenda at the meeting.

In the general shareholder meeting in 2010 the Company used Thailand Securities Depository's barcode system to register and count votes for each agenda item for 3rd time. On the agenda of appointing the Company's director, the Company allowed the shareholders to cast votes for the director individually and recorded procedures of votes casting, votes counting and the meeting's consensus thoroughly. Votes were classified into in agreement, not in agreement and refrain from voting.

Procedure after Shareholder Meeting

The minute of the meeting, with detail of votes casting and the shareholders' inquiries of each item in agenda, was submitted to the Stock Exchange of Thailand within 14 days and video recording the meeting as well as the minute were available for the shareholders on the company's website www.nationgroup.com.

2. Equitable treatment of shareholders

The company has a policy to ensure the equitable treatment for all shareholders, including small shares shareholders and overseas shareholders, as well as to ensure that the caretaking process is neither complicated nor incurring unnecessary high costs. Shareholders are entitled to the rights to access to sufficient and timely information. The shareholders have the rights to participate in decision making and acknowledging the Company's decision on important circumstances stipulated by law or the Company's regulations.

Corporate Governance Report

- In the Shareholders' meeting the Company has a policy to treat the equal right of every shareholder. No item shall be included in the agenda if it's not informed to the shareholders in advance to ensure the shareholders have sufficient time to make decisions. The shareholder has a right to vote as per the number of shares one holds. Each share counts for 1 vote and there is no special voting right.
- Shareholders with 1 share and above can propose to add agenda items of the general meeting in 2010 as well as nominate a person with appropriate qualifications to sit in the board of directors from January 4 - February 4, 2010. The company shall make available the information through the Stock Exchange of Thailand's information channel and the company's website with transparent steps and procedures in line with the extra procedure on rights of small shares shareholders. However, in 2010 there is no additional proposed agenda and board of directors' nomination.
- Shareholders who are unable to attend the meeting may authorize independent director who has no conflict of interest with the meeting agenda to attend and cast the ballot. Moreover, shareholders can download the proxy form from the Company's website.

Policy to prevent from inside information

The Company sets the policy to prevent the directors and the management from abusing their power, taking advantage of or devastating other shareholders as follows:

1. Directors, management and any staff who have an access to inside information shall not disclose the inside information to the third parties.
2. Directors, management and any staff who have been involved in making the financial statement or other relevant information shall not transact the company's shares within one month prior to the date the financial statement is announced.

Information disclosure

The board of directors has set a guideline for information disclosure of directors and executives and prevention of conflict of the interest as follows. The directors and executives have to report the movement of their shareholding to the SEC and SET and should there be any transaction trading, the SEC must be notified within 3 days after the trading. The directors and executives must report the information on their conflict of the interest as well as those involved according to the SEC's announcement Torjor 2/2009 which the company has enacted since July 1, 2009.

1. The directors and executives must report the information on their conflict of the interest as well as those involved annually. The company's secretary is responsible for collecting and updating the information and having this information ready for disclosure to the board of directors, should they require for cross-transaction consideration between companies and directors and / or executives or involved parties who have conflict of interest.
2. In case that there is a change in the information disclosure, it needs to be updated immediately and reported within 7 days.
3. The company's secretary is responsible for sending a copy of the conflict of interest report to the chairman, the audit committee chairman within 7 days after the company receives such report.

Corporate Governance Report

In 2010 the directors and executives transacting their shareholding have reported to the SEC and do not trade the company's share a month prior to the financial statement announcement.

Report on shareholding

In 2010 the company has set a policy that the directors and executives must report their shareholding to the board of directors annually and at least once a year. The directors have reported their shareholding in the board of director's meeting on February 16, 2011.

The cross-transaction between the company and its subsidiaries

The company has set the standard to oversee the cross-transaction between the company and its subsidiaries, joint ventures and affiliates with the same status with the person that may have the conflict of interest, benefits or possible conflict of interest in the future. Should such cross-transaction arises, it must follow the normal trading practice transacting with the third party. In the case that price cannot be compared with the third party, both involving parties will jointly consider and set the appropriate price. Audit committee shall examine the transaction and give opinions about the necessity of the transaction as well as the appropriateness in terms of prices

In 2010 the company and its subsidiaries did not have cross-transaction with joint ventures and affiliates with the same status with the person that may have the conflict of interest, benefits or possible conflict of interest in the future. Other cross-transaction items, whereby the appropriateness and transaction value being considered by audit committee, can be viewed in the accompanying notes as an integral part of financial statements.

3. Role of Stakeholders

Apart from caretaking and ensuring the shareholders' rights, the board of directors has set a policy to take care of all stakeholders, not only on the impact of the business operations, but also on the community.

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

In supervising the company's business, stakeholders are classified in several groups as employees, customers, shareholders, investors, trading partners, creditors, trade competitors, society, government agencies, neighboring communities and independent auditors. The Board of Directors has maintained a policy to protect the rights of each group of stakeholders in accordance with related laws or agreements shareholders have made with the company, and has aimed to boost cooperation between stakeholders and the company to ensure a more productive performance and sustainable growth by disclosing relevant and sufficient information. Hence, the board of directors set Ethics of Nation Group's directors, management and employees on November 10, 2006 and have them updated on February 20, 2009. In 2010 there is a little adjustment on the editor's guideline responding to the changing situation (Ethics of Nation Group's directors, management and employees can be viewed at www.nationgroup.com).

Corporate Governance Report

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

1 Ethics on responsibilities to the media profession

Over the past 18 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 "newscrew" 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 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, listens 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
- 3.11 Guidelines for mistakes recovery
- 3.12 Guidelines for reporting the Company's activities
- 3.13 Guidelines and ethics on Nation Social Media

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 inform of the news reporting guidelines, undesirable statements and pictures. The Company has also reinforced the parties involved to perform accordingly.

2 Ethics on responsibilities to shareholders

The company determines to act in a trustworthy manner and ensure the best interests of the shareholders by placing high priority on the corporate steady growth and sustainable return. The company shall operate in a transparent manner with credible accounting system. The company's Investor Relations Division was set up to communicate with the investors and shareholders who would like to make inquiries and seek explanation on relating issues.

The board of directors realizes that for the past few years the company has made a loss. Thus, the company has been diligently improving its operations in every aspect so as to optimize investment value to the shareholders.

In 2010 the company's performance was improved from that of the last year with net profit of 313 million baht or 1.90 baht per share. The company has 100 million baht operation profit, assets increased by 400 million baht, shareholder's equity increased by 400 million baht, gross profit of 37.62% compared to that of 26.54% in 2009, ROE 25.07% in 2010 compared to that of -5.47% in 2009. Although the company was not able to pay the dividend due to its collective debts of 789 million baht, lowering from 924 millions baht last year, there is an indication that the company's financial status has become better and had tendency to be on the up.

3 Ethics on relations to customers

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.

Emphasizing on the customers' satisfaction, the company consistently organizes a series of activities to relate with each customer segment, particularly the printed media customers which accounts for a large number of the company's customers. Questionnaires were sent to survey the customers' opinions in terms of content and format. Invitations were made for the customers to participate in various activities such as academic seminars, booth fairs, lucky draw, Kom Chad Luek awards ceremony, The Nation 40th anniversary, "Nation Hole in One" which has been organized for 5 consecutive years and organizing trips for agency clients.

4 Ethics on responsibilities to employees

The company realizes that human resource is the most valuable asset that drives the organization to a success. Therefore, the company is determined to develop the quality of employees as well as enhance the corporate culture, ensure positive work environment, promote team work to build up the employees' confidence, encourage an election of staff representative to actively involve in managing staff welfares as stipulated by law. Furthermore, the company facilitated setting up "Thai Mass Media Labor Union" according to the Labor Relations Act BE 2518 to protect the interest of the employees and promote good relationship between the employees and the employers as well as among the employees themselves.

Corporate Governance Report

In terms of human resources development, the company sent its staff to attend both internal and external training courses. For instance, the company set up internal training courses to educate sales staff on the role of new technology, trend of printed media overseas and new media, sales technique to enhance individual capability and company's product knowledge as well as its business operations using both internal and external trainers. The training courses took 20 hours and have been organized for 2 consecutive years.

In terms of human resources development, the company organizes training courses on new programs to improve the work process, trains the reporters on the usage of new media communication technology and social media as well as the basic qualifications and ethics of journalists.

According to Federation of Accounting Professionals and the Securities and Exchange Commission's announcement that listed companies have to prepare financial statements in accordance to new accounting standards based on International Financial Reporting Standards enforcing from 2011 onwards, specialists were invited to train involving departments such as accounting, HR, IT, maintenance, administration, purchasing, financial and credit of the company and subsidiary so as to prepare for the change.

The company enabled its staff to express opinions, suggestion, and claims or inform of any irregularity to the management at various channels such as through the elected representatives who have monthly meeting with the management. The employees can also express their views through the website: nationhouse which is the intranet system or send the comments directly to the management via e-mail which is available on the intranet system.

Compensation and welfares

The company hires HR consulting firm to study the company's compensation and welfare policy as well as succession planning in order to raise the employees' capability and be fair and transparent in managing its people. The company starts to adopt pay for performance policy, study IFRS regarding the employees' welfare after their retirement enacted in 2011. Thus, the company sources statistics specialist to calculate the appropriate welfare for retired employees so as to propose to the company's board of directors for approval and adjust their 2011 budget.

To provide financial security to the employees who may leave the company or retire the company has set up a provident fund where it is from deducting certain percentage of the employee's salary and the company's joint fund as well as its gain.

Human Rights

The company has set a guideline in business ethics that all the employees will be treated with respect, prestige and humanity. The employees must not perform any act of legal injury, threats against other employees of different nationality, sexes, religions, ages or physical or mental handicap.

During the past year, there is no dispute between the company and employees. The company receives cooperation from labor union in giving information and building good understanding among the employees and the company.

Corporate Governance Report

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

The company realizes the importance of equality and honesty in business practice as well as the mutual benefits with trade partners. The company strictly abides by law and regulations as well as the business ethics. In regards to the competition, The company adheres to the rules of fair competition and in regards to loans and repayment and trading partners, the company adheres to good practice and fair treatment respectively.

Over four years, the company received support from three major banks: Bangkok Bank, Kasikornbank and Siam Commercial Bank in terms of financing syndicate loans worth 1.7 billion baht. With long term trading relationship and being abided by the repayment term, these banks regard the company as premium customer. On December 31, 2010 the outstanding of the company's syndicate loans was at 576 million baht.

The company always takes relations with trade partners into consideration i.e. cooperation with trade partners to provide delivery and distribution services of printed materials by NML which is one of the company's subsidiary and to utilize each department's resources to the optimum. In addition, the company joins hands with trade competitors i.e. the company allied itself with other printed media companies to protest against printed media content being exploited by other media channel such as television, radio and internet, including cooperation with major printing houses and newspapers to negotiate terms with color classification shops and advertising agencies.

The company does not have any dispute relating to trade partners, competitors, trade creditors and financial institutions.

6 Ethics on social responsibility and environment

As the news content producer and distributor to various media, 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.

In 2010, the company was involved in the almost all aspects of community service activities (Detail as stated in Social Contribution Activities).

As a media company, our staff have not only constantly communicated and listened to the stakeholders' comments and suggestions through various social and business functions, but the management and directors also have opportunities to meet with stakeholders on a regular basis. Furthermore, the company's call center is always available to take complaints and ready to solve any dissatisfaction should they arise. The company has constantly responded to such complaints and suggestions.

In 2010 the company enabled all stakeholders to submit complaints and suggestions to Chairman of the Board or Audit Director or Independent Director through website: nationgroup.com or by mail to Nation Multimedia Group PLC. 1854 Bangna-Trad Road, Bangna, Bangkok 10260.

Corporate Governance Report

The company's secretary is responsible for receiving the messages addressed to the board of directors and proceeds to sub-committee or involved director to summarize the suggestion and propose to the board of directors.

Chapter 4

Information disclosure and transparency policies

The board of directors ensures that the company provides its 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 and reliable footing.

To observe the corporate governance principles, the company requires the directors and 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 for the document to 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 recognizes the significant of the preserve of confidential data and/or internal information, so that the company issues 'corporate supervision policy', which prohibits anyone in the company's management or internal agencies who have an access to the inside information from disclosing such information to the outside parties or non-related persons, except for the case that the disclosure was meant to benefit the company's operation. They shall be barred from buying, selling, transferring, or accepting the company's securities by using the company's confidential data and/or the inside information in a manner to cause harmful effect to the company either directly or indirectly.

In the past year, the company has disclosed the company's financial reports and non financial reports accurately, 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 and 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.

The company's annual report 2010 provides the following information:

1. Vision, mission and value of the organization
2. List of directors as well as their work and educational backgrounds, their family relationship with the management, their service in other listed companies and their holding of the company's securities
3. Shareholders' structure
4. Risk factor
5. Corporate Governance Report
6. Supervision policy and compliance policy
7. Directors' remuneration and number of the board meeting's attendance
8. Board of Directors' performance in the past year and the training record of the board
9. Audit Committee's performance in the past year

Corporate Governance Report

10. Remuneration policy for directors and high-level management
11. The remuneration for service in the board of directors and other assignments for the company and its subsidiaries
12. Annual report of the Audit Committee
13. The Board's accountability report to the financial statements with the required content, endorsed by Chairman of the Board and Chief Executive Officer
14. Explanation and analysis of the financial status of the management
15. Accurate and complete financial statements in accordance with the accounting standard
16. Financial statements and operating results

The company has disclosed the following information at www.nationgroup.com

1. Roles, duties and responsibilities of the board, executive directors, sub-committee and Chief Executive Officer
2. List of related transaction or conflict of interests
3. Business ethics
4. Corporate Governance Policy
5. Audit Committee's charter
6. Quarterly and annual financial statements

Investor Relations Section

Investor Relations section is responsible for communicating with the shareholders, institute investors, and analysts in an equal and fair manner. The investor relations section answers the queries related to the company's and its operations for investors through the company's website, telephone or other channels. The company is aware of the distribution of the company's important information by meeting with investors in opportunity day held at the Stock Exchange of Thailand at least twice a year. In 2010, the company met investors 3 times.

Corporate Secretary Department

The company recognizes the significance of pursuing in compliance with the regulations required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws in accurate, complete and transparent manner, which passed through the sequential consideration and inspection. The corporate secretary takes charge of assisting the Chairman of the board of directors in monitoring the board of directors, sub-committee and all directors to perform in accordance to relevant laws, regulations, and rules. Moreover, the corporate secretary is responsible for preparing the documents in line with the meeting's agenda, which are sufficient for consideration and making decisions by the board, recording the minute of meeting cautiously and correctly to present that the board has considered all the proposed agenda cautiously, faithfully, and responsibly. Also, corporate secretary has the responsibility to keep a register of directors, a notice calling meeting, a minute of meeting of the board of directors and Shareholders, a report on conflict of interest, and a report on interest filed by a director or an executive whereas the corporate secretary has performed the duty according to the guideline completely.

Corporate Governance Report

Chapter 5

Roles, Duties and Responsibilities of the Board of Directors

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, executive directors and chief executive officer 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 executive officer nor being an independent director. However, he holds a position of the chairman of the executive 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 that the management executes 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 the company with Mr.Suthichai Yoon and MR.Sunida Kittiyakorn and Mr.Thammanoon Mahapharaya. The company's operation is thus in line with the overall media management culture.

Counterbalance of non-executive directors

In 2010, the board of directors consists of 11 members, four of them are independent directors, and another four are executive directors while the other three are non- executive directors. Independent directors account for more than one third in the board to ensure the effective check and balance system.

The four independent directors are fully qualified according to the Company's definition of the independent directors and current requirements of the Securities and Exchange Commission in 2008. Three out of four independent directors are members of audit committee. One of them is the chairman of audit committee and two of them are members of audit committee.

Appointment of the Board of Directors

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. The company's directors shall not hold the status as the directors of more than 5 other listed companies on the Stock Exchange of Thailand concurrently and shall not be the directors in competing companies or have conflict of interest with the company's business. In the case that the directors hold the position in other companies, those company names, types of business and positions of the directors shall be disclosed in the director profile. In 2010, none of the company's directors held the position as the directors for more than five listed companies.

Corporate Governance Report

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 has appointed Mrs Warangkana Kanyakapradit as the company's secretary since 2006 to perform the duty according to relevant requirements stipulated by the Securities and Exchange Act. The secretary summarizes the important issues regarding the implementation guidelines and the revised requirements of the Securities and Exchange of Commission and the 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 approves the important issues relating to the company's operation such as the business plan, the operation budget, financial goal, and business strategy that Chief Executive Officer proposes as well as regularly monitors the operations according to policy and plans.

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 is not entitled to hold any position in the sub-committee. Sub-committees are chaired by independent directors.

The process to name sub-committees is transparent and without any interference from the management. The company's board of directors didn't set up a nomination committee to nominate the sub-committee members or the remuneration committee. Instead, the entire board of directors shall jointly nominate the names and consider the qualifications 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 sub-committee's nomination is performed such way so as to ensure that they are capable, possess leadership quality, skills and experience, have vision as well as are able to devote their times and efforts to perform their duties for the best interests of the company. As the company is in media business, the directors shall be objective, not taking side nor involving in any politics. Furthermore, they should have a thorough understanding of the media culture and business ethics.

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.

Conflict of Interests

The Board of Directors acknowledges the importance of the potential conflict of interest. Therefore, the company has announced the conflict of interest policy which prevents the company's directors, management and employees to operate the business which can be competing with the company. If it is necessary to do so, the board of directors will ensure that the transaction will be transparent and fair. The consideration will be thorough as if the transaction was executed with the third party, whereby the directors, the management or the employees involved shall not be allowed to take part in approval process. Furthermore, the Stock Exchange of Thailand's regulations shall be strictly observed. Related transactions between the company and its subsidiaries, or associated companies in 2009 were presented before the audit committee and the board of directors in

Corporate Governance Report

February 2010 and the company has disclosed with details and necessary reasons in the Annual Disclosure Report (56-1 form).

Internal Control

The Company's board of directors has recognized its duties and responsibilities, as the Directors of the listed company, to supervise the Company to present its financial statements with complete, correct and transparent accounting information in order to protect the company's assets, prevent from corruption, irregular proceedings and cross transaction that may lead to conflict of interests. The board adheres to accredited accounting standards, applies appropriate accounting policy and consistently adheres to it. Furthermore, the board also takes into consideration justification, the company's utmost benefit, abiding to related laws and regulations, discretion in compiling consolidated financial statements of the company and its subsidiaries, including any financial information presented in the annual report.

In order to strengthen the stakeholders' confidence towards the Company's financial report, the Board of Directors has appointed the Audit Committee, consisting of independent directors whose qualifications meet the Stock Exchange of Thailand's requirements and relevant rules and regulations. The Audit Committee has the duty to review the accuracy of the Company's financial report, its operation and the transparent, correct and complete disclosures of related parties' transactions or transactions that may lead to any conflict of interest. The Audit Committee ensures that the Company's risk management system, internal control, internal audit and corporate governance are adequate, appropriate and effective, as well as the adequacy, completeness and suitability of monitoring procedures in compliance with laws of securities and exchange, regulations of the Stock Exchange of Thailand and relevant rules and regulations.

During 2010, the Audit Committee convened four meetings, each of which took approximately four hours in order to accomplish its duties as specified in the Audit Committee Charter. All three members of the Audit Committee attended all meetings. In addition, there were additional meeting agenda with independent auditors, key internal audit personnel, and top executives of the Company in the relevant matters. From the aforementioned meetings, the Audit Committee was of the opinion that the annual financial statements 2010 of the Company were presented fairly and did not find any items that may impact the Financial Statements. The Audit Committee was of the opinion that the Company's internal control system was appropriate, adequate and efficient, as being taken care by three experienced internal audit personnel. Cross transactions performed in the ordinary course of business were reasonable and no irregular item was found. It was determined that the Company has appropriately complied with the Act of securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as to related laws. The Audit Committee agreed that the company's current Independent Auditor for the year 2010 was suitable due to his independence and experience.

The Audit Committee reported to the Board of Directors after reviewing the financial statements and report, including the internal auditor's report every quarter. The Board of Directors was of the opinion that the Company's overall internal control system was satisfactory, ensuring the creditability of the company's financial statements and consolidated financial statements for the year ended December 31, 2010. The Company appropriately safeguarded assets to prevent any illicit use by management or employees, operated as specified procedures, and had cautious, adequate, and appropriate internal control systems in all respects - organization and environment, risk management, management control, information and communication and monitoring system to achieve goals and objectives in order to align with the circumstances and be able to resolve problems instantly.

Corporate Governance Report

Furthermore, the Company provided the procedures to review and assess the appropriateness and adequacy of the internal control system in all respects continuously in order to ensure that the Company's internal control is being updated to the changing circumstances, flawlessly so as to create no loss or inefficiency.

The Company's auditor gave the audit's comments and recommendations which reported directly to the Audit Committee on February 11, 2011. The recommendations did not show any significant issues in regards to the financial statements as follows:

1. Performance of the subsidiary NPS in 2010 was likely to decrease continuously, particularly international sales generated from former shareholders' customers. If no replacement of old customers occurs, the production capacity will become void and asset depreciation might be taken into account. The Management reported that though revenue generated by large numbers of foreign customers declined steadily, the Company usually earned little profit or recorded loss. However, the Management recognized such impacts and subsequently cut expenses and implemented the Early Retirement scheme. As a result, the Company's fourth quarter performance experienced a lower loss and it is expected that the company's performance in 2011 should improve.
2. The Company should consider goods delivery criteria according to the interco term, as it was found that some material and accounts payable lists, totally amounting to three million baht were not recorded. Following this recommendation, the Company already made adjustments on such lists.
3. Upon examining the Company's IT management, the Audi Committee made recommendations to the Company for improvement in such aspects as segregation of duties of personnel, fire prevention systems in the Data Center and prudence in Change Management. The Company acknowledged the recommendations and has subsequently upgraded its IT system for higher efficiency.

During 2010, the internal audit department accorded related audit issues some internal control systems in which the Company released guidelines and procedures in operation to control and expedite the operation of such issues with the relevant departments as per the following aspects:

1. To record sale details in the advertising system comprehensively and accurately.
2. Complimentary advertisements must be approved by authorized persons as a process.
3. The newly developed system for any work process must serve all parts of the work in that work process.

The Board of Directors' Meeting

The Board of Directors' meeting is scheduled in advance with a minimum of once a quarter and special meetings are held as required. Agenda are clearly announced prior to the meetings with routine agenda to follow up on the operational results. The company's secretary is responsible for sending invitation letters informing approved agenda by the chairman and the chief executive officer together with relating documents to all directors 7 days in advance. This is to allow time for the directors to review the information prior to the meeting. Should any director wishes to propose additional agenda or requires the management to update the progress on any particular issue, he or she can inform of such intention to the chairman of the board or the company's secretary.

Generally, each board meeting takes 3-4 hours. The chairman of the board gives equal opportunity for all directors to independently express their ideas and opinions. The board of directors views that to prevent

Corporate Governance Report

the unintentional leakage of information; the management will report the result of the company operation only in the month that the meeting being held. Independent directors and non-executive directors have met regularly to discuss the management issues without the presence of the management. Should there be any concerning issues, the management will be notified to solve or improved.

In 2010, five board of directors' meetings were held, with written minute of each meeting. Meeting minutes are approved by the board of directors and available for inspection by directors and relating parties.

Attendance for each director in 2010 is as follows:

	Name	Position	Number of meeting	Attendance
1	Mr. Thanachai Theerapattanavong	Chairman of the Board and Chairman of 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. Chaveng Chariyapisuthi	Independent Director and Member of Audit Committee	5	5
5	Mr. Yothin Nerngchamnong	Independent Director and Member of Audit Committee	5	4
6	Mr. Pakorn Borimasporn	Independent Director and Chairman of Audit Committee	5	5
7	Mr. Pana Janviroj	Director	5	5
8	Mr. Nissai Vejajiva	Independent Director	5	2
9	Mr. Nivat Changariyavong	Non executive Director	5	5
10	Mr. Narongsak Opilan	Non executive Director	5	2
11	Mrs. Christine Debiais Brendle	Non executive Director	5	0

Evaluation of the Board of Directors' Performance

The board of directors arranges for self-performance evaluation of the entire board every year. In 2010 the evaluation was executed in December with the new evaluation form provided by the Stock Exchange of Thailand. The result of the performance evaluation is acknowledged in the board of directors' meeting No.1/2011, on February 16, 2011 and will be used as a guideline to improve the board of directors' performance.

Directors' remuneration

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

Corporate Governance Report

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

In 2009 and 2010, remunerations for Directors are as follows:

Name/Position	Annual Remuneration 2010				Annual Remuneration 2009			
	Remuneration	Meeting Allowance	Other	Total	Remuneration	Meeting Allowance	Other	Total
Independent Director: • Mr.Nissai Vejajiva	200,000.-	-	-	200,000.-	200,000.-	-	-	200,000.-
Non Executive Director: • Mr.Nivat Changariyavong	200,000.-	-	-	200,000.-	200,000.-	-	-	200,000.-
• Mr.Sermsin Samalapa	34,000.-	-	-	34,000.-	-	-	-	-
• Mr.Narongsak Opilan	-	-	-	-	200,000.-	-	-	200,000.-
• Mrs.Christine Debiais Brendle	200,000.-	-	-	200,000.-	200,000.-	-	-	200,000.-
Chairman of Audit Committee: • Mr.Pakorn Borimasporn	400,000.-	-	-	400,000.-	400,000.-	-	-	400,000.-
Audit Committee: • Mr.Chaveng Chariyapisuthi	300,000.-	-	-	300,000.-	300,000.-	-	-	300,000.-
• Mr.Yothin Nerngchamnon	300,000.-	-	-	300,000.-	300,000.-	-	-	300,000.-
Executive Director: • Mr.Thanachai Theerapattanavong • Mr.Thanachai Santichaikul • Mr.Suthichai Yoon • Mr.Pana Janviroj • Mr.Adisak Limprungpatanakij	None	-	-	None	None	-	-	None
Total	1,634,000.-			1,800,000.-	1,634,000.-			1,800,000.-

Note:

- Executive Directors are not entitled to director's compensation.
- Mr.Sermsin Samalapa has been appointed in replace of Mr.Narongsak Opilan in November 2010.

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 being briefed by the chief executive officer and the company's secretary regarding the company's structure, supervision policy, internal control with relating documents.

The board of directors and high level management value training courses and seminars to enhance directors' knowledge and capability in performing their duties (Detail can be viewed in each director's profile).

Corporate Governance Report

The company has a policy to provide additional relevant knowledge to the directors, the audit committee, the company's secretary, high-level management and internal audit division by attending the training courses and seminars with Thai Institute of Directors and other agencies i.e. seminar on new accounting standard, newly-revised Securities and Exchange Supervision Act, courses with Thai Capital Market Management and the trainings in other fields relating to IT and audit.

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 intention of the founders as well as to pass on the good corporate culture to the next generations. The company therefore instructed 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 company has continued pursuing according to the succession plan. Year 2010, Nation Group has moved forward to 40 years; there is a main change that reflects the company's strengths noticeably. Businesses in the Group have grown, split, developed, expanded and spread out to be 7 subsidiaries, prompting with the promoting of 7 newly professional managements. This progress is in line with the succession plan that the business operations will not adhere to just one or two managements. It is eligible to say that "the second era" of Nation Group is truly attained through new management styles that are absolutely differentiated from the former one. 7 new managements will take charge of each business line with particular executive directors and the chairman of the board of directors to supervise businesses. They can drive their businesses independently and swiftly through the efficient delegation of authorization power. In the meantime, the outstanding status as 'full-scaled multimedia' with synergy power between subsidiaries in the Group still remains.

Social Contribution and Environmental Activities 2010

As Thailand's largest quality multimedia company, NMG recognizes the roles and duties of the media in providing information that may have an impact or influence the thoughts of people in order to create a good society, preserve Thai culture and develop young people as a driving force and valuable resource of the country. The company has collaborated with several organizations to hold a number of social contribution activities, as well as participated in socially beneficial activities sponsored by other organizations. Social contribution activities organized in 2010 were as follows:

Activities to promote and develop education for youth and people

Family Library Foundation

The Family Library Foundation was established for over five years to promote non-formal education and a reading culture among children, youngsters and members of the public in remote areas. In cooperation with the Thai Red Cross Society, the Foundation provides two mobile bus libraries containing 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 the provinces. The mobile bus library was graciously named "Bannathorn" - which means a mobile



vehicle transporting many books to share with others - by H.R.H. Princess Maha Chakri Sirindhorn on May 22, 2006. The Foundation also participated in many other activities throughout 2010 such as Royal Navy Medical Mobile Unit "Vejchapaha" at Wat Paknam, A. Dermbangnangbuat, Suphanburi Province; Happy Family Camp at Raimakham District Administration Organization, A.Banlaad, Phetburi Province; The Decade of Reading Activity at Sakolnakorn Pattanasuksa School, A.Muang, Sakolnakorn Province; Children's Day Activity at Muangthong Thani Stadium, Nonthaburi Province and Jamran Vidhya School, A.Wangmuang, Saraburi Province; 1st Mobile Library Activity at Wat Chulamani School and 2nd Mobile Library Activity at Bangbal School, A.Bangbal, Ayudhaya Province; Traveling Library Activity at Sarasas Vites Thonburi School; Traveling Library for Elementary Level at Arunpradit, St. Francis and Wat Sribua schools.

Smarten by Peptin Genius Generation

"Smart by Peptin Genius Generation" is a tutoring project under the cooperation between Nation Group and Peptine, aimed to give guidance to senior high school students in regards to their own potentials so as to plan their studies and future goals. To enhance equal educational opportunities for all students, both in Bangkok and the provinces, the company together with the sponsor organized career specific tuition for direct university entrance exams in Bangkok and regions between August-September 2010. Surrounding area was set into zones for counseling, aptitude testing, exhibitions and popular faculty introduction. In addition, the company provided distance tutoring live broadcast via broadband internet to allow students unable to attend the venues in person to benefit from tutoring activity.



Krungthep Turakij's 2010 CSR Projects

Nation Group, as a responsible media organization, has organized a series of corporate social responsibility (CSR) activities to establish partnership between business organizations and general public under the motto of "connecting business & society." In the year 2010, Krungthep Turakij has worked with partners from government, private and social public sectors under the 5 main themes as follows:



Social Contribution Activities

1. Thailand Reformation Theme, including the following activities

- **Seminar: “Business Cooperation for Society Forum: Thailand Reformation Driving Force”**, on 7 July 2010, was a forum for business and social public leaders to present visions and eliminate any differences that may lead to social disunity, and present the result to the government. The main partners include Thai Health Promotion Foundation (THPF), Thai Social Enterprise Office (TSEO), and Change Fusion Institute under Foundation for Thailand Rural Reconstruction Movement (under royal patronage)
- **Campaign: “What shall we do for Thailand tomorrow”**, invited Krungthep Turakij’s readers to present their opinions on what they want to do for the country in the near future. 1,400 outstanding ideas were selected and sent to the Prime Minister in the seminar “Business for Society: Thailand Reformation Driving Force.”
- **“Ideas for Thailand” Project**, during July-November 2010, invited general public to submit ideas that may change Thailand for a better future up to 5 ideas per person. The submitter of the most voted idea will receive 100,000 Baht prize from the Office of Prime Minister, who will later turn such idea into a reality. This project was jointly organized by the Office of Prime Minister, Department of Public Relation, Change Fusion Institute under Foundation for Thailand Rural Reconstruction Movement (under royal patronage), DFM Radio Ruam Duay Chuay Kan, and i-Care Organization.
- **“Volunteer Street Fair 2010” Project**, in December 2010, introduced more than 300 volunteer organizations across the country in a festive gift fair at Benjasiri Garden. This project was jointly organized by Volunteer Spirit Network, Change Fusion Institute, TV Thai, Siam Commercial Foundation, and my socialmotions.

2. Social Enterprise Theme, including the following activities

- **Seminar: “Social Enterprise: A Growth Opportunity”**, in October 2010
- **Pocket book: “50SE: A Growth Opportunity”**, in October 2010
- **International seminar: “Regional Social Enterprise: Knowledge & Partnership Symposium”**, in November 2010. Social enterprise is a new trend that reflects the tangibility of triple bottom line profit business. The government has provided support to SE via legal mechanism and established the Thai Social Enterprise Office (TSEO). Krungthep Turakij and its partners took this chance to organize a seminar and produce various media to promote the awareness in social enterprise in domestic and Asian region levels. The partnerships in above 3 activities include Thai Social Enterprise Office (TSEO), Thai Health Promotion Foundation (THPF), Change Fusion Institute, British Council, SE Network, UnLtd Thailand, Japan Foundation, Ashoka under the support from i-Care, PTT CHE.
- **Social Entrepreneur Business Plan (SEBP) Competition 2010**, in November 2010, aimed to encourage new generation to become social entrepreneurs with strong awareness in social and environmental responsibility. It was Thailand’s first business plan competition with an emphasis on social enterprise. This project was jointly organized by Faculty of Commerce and Accountancy, Chulalongkorn University, TYPN, British Council, CSRI, and Change Fusion Institute.



3. Anti-Corruption Theme, including the following activities



- **“Anti-Corruption Round Table Seminar”**, an open stage for all social institutes of national level who declared to take collective actions to stop corruption. The series of seminar are organized every two months and publicized via Krungthep Turakij and Nation Group’s media since August 2010. This project was jointly organized by Thai Institute of Directors (IOD), Office of the National Anti-Corruption Commission, Thai Chamber of Commerce, and Thai Listed Companies Association.
- **Publication of private business leaders’ opinion survey regarding collective action coalition**, which was organized by

Social Contribution Activities

Thai Institute of Directors (IOD), Commission, Thai Chamber of Commerce, Joint Foreign Chambers of Commerce, Thai Listed Companies Association and Thai Bankers Association.

- “Khun Duangkamol Chotana”, Krungthep Turakij’s editor, was a guest instructor in Focus Group’s seminar under the topic of “Collective Action Coalition for Anti-Corruption of the Thailand Private Sector”, which was organized by the IOD on 2 November 2010.

- “Nation Group” was praised by the IOD as one of 27 leading companies that express their initiative intention in anti-corruption coalition of Thailand private sector on 9 November 2010. The list of coalition companies was presented to the Prime Minister during the 14th International Anti-Corruption Conference (IACC) in Thailand on 10 -13 November 2010.

4. Financial Theme, including the following activity

- **Happy Kids Money Camp**, under the support of Siam Cement Group (SCG), was a financial edutainment activity for elementary-junior high school students, aiming to educate children of the value of money and how to set the goal in life using sufficiency economy concept.



5. Award Theme, including the following activities



- **Jood Prakai Awards 2010 Project**, intends to promote the public’s expression and creativity to reflect and present various aspects relating to Thailand through short stories, documentaries and play scripts since 2007. This project was organized by “Krungthep Turakij Literature Team” and was supported by PTT Group.

- **Thailand Boutique Awards 2010 Project**, aiming to promote the boutique hotel business, a new trend among hotel operators with less than 50 rooms, was organized by KTC under the support of Thailand Tourism Authority and Master Card.



- **Thailand’s Most Innovative Companies 2010 Project**, aiming to provide a comprehensive ranking of innovative organizations, both service and non-service, was organized in cooperation with Faculty of Commerce and Accountancy, Chulalongkorn University.

- **6 Business Organizations Contributing to the Communities (Than Khun Pan Din) Project**, aiming to praise and support small business organizations across the country that are socially responsible and help preserve the Thai culture and way of life. This project was organized in cooperation with the Department of Culture Promotion, Ministry of Culture.



Social Contribution Activities

Krungthep Turakij's awards

1. **Professional Ethics Promotion Award 2010**, daily newspaper category, by National Press Council of Thailand.
2. **Best Children's Right News and Documentary Award 2010**, from the article "Haukathi's Hardships" by Issara Institute, Thailand Mass Media Development Foundation, under the support of Unicef Thailand.
3. **12th Green Globe Award 2010**, mass media category, by Green Globe Institute.

Social Contribution Activities

Than Khun Pan Din Project

Nation Multimedia PLC. continued the Than Khun Pan Din Project for the fourth consecutive years in 2010 under the theme of "76 role models for 60 million do-gooders across Thailand", and added another category for the award: "Outstanding Business Organizations Contributing to the Communities." Getting started in 2007 to celebrate H.M. the King 80th birthday, the project awards people throughout the country and publicizes their good deeds with an objective to encourage other members of society to follow their lead.

As our country still has many people who do good in society, community and the country, all of them should be honored as role models for the general people. In the first year, the project awarded only 10 individuals in industrial sector, and later expanded to award one good person from each province nationwide and was renamed "76 Outstanding Contributors to the Communities and 6 Role Model Youths". In 2010, as mentioned above, another category was added to award 6 outstanding local business organizations contributing to the communities, therefore the total sum of the awards is now 88. Each award will be considered for individuals and organizations in each region starting from Northern, Northeastern, Southern and Central. This project is opened to all people with no regard to sex, age or disability, who have produced creative works that benefit the community with sustainability in various fields such as children and adolescents development, agriculture, anti-drug campaign, etc. The award winners need not to be famous, but should be a good role model for other people in the community to follow and enlarge the circle of social contribution even further.



Flood Victims' Relief



Nation Multimedia Group PLC. organized a volunteer project to provide 1,800 survival bags to flood victims at Amphur Thatako and 200 bags to victims at Amphur Phayuhakhiri, Nakornsawan Province. The caravan of donation bags was joined by a number of Nation Group's staffs and Khun Thanachai Santichaikul, CEO.

Kom Chad Luek's Sharing to Society

Kom Chad Luek newspaper perceives education as a key foundation for national development. Thus, it sets up an activity "Kom Chad Luek's Sharing to Society 9th Anniversary Celebration" and invites general public to give back to the society. Kom Chad Luek readers can bid for celebrity's belongings through Kom Chad Luek newspaper. Money from the auction bidding will be donated to various schools in need of learning equipments in remote areas including:

Social Contribution Activities



- Banhintaek School, Nakornsawan Province
- Mae Fah Luang Thai Hilltribe Community Learning Center, Kanjanaburi Province
- Volunteer Camp, Trad Province

Computers donation project

Nation Multimedia Group PLC. donated 11 computers and 1 book collection plus a bookshelf to the students of Bankrungkak School, A.Bang-rakam, Phitsanulok Province.



Career Enhancement Nation HR Forum 2010



Jobs by Nation Group's seminars in management and human resources management were organized for 7 consecutive years to share ideas and information to improve human resources management in accordance with companies' business strategies. The seminars also prepared participants to cope with the changing business world by providing academic knowledge and experts' experience & insight, implementation strategy for practitioners, and case studies and solutions in HR related issues. Organized by "Jobs by Nation Group," in collaboration with the National Institute of Development

Administration (NIDA), the project has been well received by executives and representatives of prestigious Thai and foreign companies. In 2010, one seminar (22nd) was organized under the topic of "Talent Management."

Kom Chad Luek Career Training

Kom Chad Luek Career Training, held on a monthly basis, aimed to enhance people's career skills i.e. cooking, appliances fixing, art and photographing. In addition, this project also promotes folk knowledge and wisdom by organizing agri-ecological tour consistently.



Your Career 2010

Due to the government's measure against unemployment arising from economic crisis, Nazionejobs (www.nazionejobs.com) responded to the government's policy by holding Your Career 2010 Fair to help relieve the crisis and the theme was **"Put the right man on the right job"**.



The objective of Your Career 2010 was to act as a forum to provide job opportunity for both applicants and employers so that companies were able to examine applicant information and recruit employees who matched their exact requirements. Your Career 2010 was organized in a format of a lively, fun-filled job fair. Applicants were allowed to apply to over 100 companies, using an integrated computer system over 400 machines. Advanced Internet registration and completion of a single application form gave applicants the chance to request direct interviews with the participating companies during

Social Contribution Activities

the event. Areas were designated as job interview zones for participating companies. A number of test activities were held such as English language proficiency tests, attitude and capability tests, enabling applicants to evaluate themselves and leverage their test results to apply for a job.

Cultural and Entertainment Activities

7th Kom Chad Luek Awards

The annual “Kom Chad Luek Awards” are presented to individuals, both stars and behind-the-scenes workers, 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.



Music Club

Music Club encourages employees to express their musical capabilities in a variety of activities for the benefit of society. In 2010, the Club organized musical performances at public venues and donated income from these performances to Banglamung Home for Boys on March 20 at A.Banglamung, Chonburi.

Characteristics of the Business

Structure of Sales and Service Income

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

(Unit : Million Baht)

Products/ Services	Operated by	2010		2009		2008	
		Amount	%	Amount	%	Amount	%
Production and distribution newspapers and advertising media	<ul style="list-style-type: none"> • Nation Multimedia Group PCL • Kom Chad Luek Media Co., Ltd. 	2,023	75%	1,792	77%	2,374	87%
Production and distribution English newspapers and advertising media	<ul style="list-style-type: none"> • Nation News Network Co., Ltd. 						
Production and distribution newspapers, advertising media and education media	<ul style="list-style-type: none"> • Krungthep Turakij Media Co., Ltd. 						
Production educational books and comics	<ul style="list-style-type: none"> • Nation Edutainment Co., Ltd. • Nation Egmont Edutainment Co., Ltd. 						
Production and distribution pocket books	<ul style="list-style-type: none"> • Nation International Edutainment PCL 						
Printing services	<ul style="list-style-type: none"> • WPS (Thailand) Co., Ltd. • Nation Printing Service Co., Ltd. 						
Production programs and advertising media on Television and Radio	<ul style="list-style-type: none"> • Nation Broadcasting Corporation PCL 	597	22%	458	20%	307	11%
Logistic services	<ul style="list-style-type: none"> • NML Co., Ltd 	77	3%	67	3%	49	2%
Sale of goods and services on internet	<ul style="list-style-type: none"> • N Coupon Co., Ltd. 						
	Total	2,697	100%	2,317	100%	2,730	100%

Audit Committee's Report for the year 2010

The Audit Committee of Nation Multimedia Group Public Company Limited comprised of three independent directors : Mr. Pakorn Borimasporn is committee chairman, Mr. Chaveng Chariyapisuthi and Mr. Yothin Nuengchamnong are committee members.

In the year 2010, The Audit Committee had organized 4 meetings, each meeting takes approximately 4 hours to carry out its duty as specified in the Audit Committee Charter. All the three members attended all the meetings. In every meeting, there are agenda for meeting with the company's Independent Auditor and agenda for meeting with the Internal Auditor. The Audit Committee had also had meeting with high level management for relevant agendas. The Audit Committee is of the opinion that.

1. The company's 2010 financial reports are fairly presented and no transactions are found that might materially affect the financial reports.
2. The company's internal control system is appropriate, sufficient and efficient. At present, there are three experienced internal auditors to carry out the task.
3. The related-party transactions in 2010 are general and normal business transactions, they are reasonable and no abnormal transactions are found.
4. The company has complied to the laws of securities and stock exchange as well as regulations and other laws relevant to the company's business.
5. Mr. Vichien Thamtrakul, auditor registration number 3183 was the company's Independent Auditor for the year 2010 and was his third term as the company Independent Auditor. He is knowledgeable and independent as well as has long experience in the auditing activities and therefore is suitable for the job.

As for the appointment of the company's Independent Auditor for the year 2011, the Audit Committee proposes that the following persons from KPMG Poomchai Audit Co.,Ltd. : Mr. Vichien Thamtrakul, Registration No. 3183 or Mr. Winid Silamongkol No.3378 or Mr. Charoen Phosamritlert No. 4068 be appointed as the company's Independent Auditor for the year 2011.



(Mr. Pakorn Borimasporn)
Chairman of Audit Committee

Nation Multimedia Group Public Company Limited

Report on Responsibilities of the Board of Directors towards the Financial Report for the year 2010

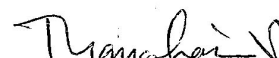
The Company's Board of Directors recognizes the significance of its duties and responsibilities, as directors of a listed company. The Board of Directors ensures that the Company's financial report contains accurate, transparent and full accounting records that reflect the Company's actual financial 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 2010.

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 and notification of the Capital Market Supervisory Board 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, notification of the Capital Market Supervisory Board and relevant rules and regulations. The Audit Committee had already reported to the Company's Board of Directors and presented them with the Audit Committee Report as an addendum to the annual registration statement (form 56-1) and annual report of the Company.

The Board of Directors is of the opinion that the financial statements for the year ended 31 December 2010 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 2010 represented an operating profit before income tax, share of net profit from associates, gain from a bargain purchasing of investment, reversal of doubtful debt and allowance for obsolete stock of Baht 155.83 million. An inclusion of income tax of Baht 54.86 million, share of net profit from associates of Baht 122.25 million, gain from a bargain purchasing of investment of Baht 90.83 million, reversal of doubtful debt of Baht 2.51 million and allowance for obsolete stock of Baht 2.94 million resulted in operations for the year 2010 had net profit of Baht 313.62 million. Compared to the same period of last year, it showed a net loss of Baht 46.50 million. The significance of group operation results was summarized as follows:

1. Revenue from sales and services for the year 2010 increased by 16% compared to the same period of 2009. The main reason is from advertising revenue increased by 25% as print ads rose by 22% and there were advertising revenue increased in broadcast business unit by 34%, new media increased by 16% as well. Moreover, circulation revenue decreased by 5% resulting from 3% dropped in newspaper circulation as well as pocket books and comic books dropped by 7%. In addition, revenue from logistic services increased by 17 %.
2. Cost of sales and operating expenses for the year 2010 increased by 6% compared to the same period of 2009, primarily due to the raising of paper and production supplies by 9% while the cost of books decreased by 64% related to the decreased of revenue.

Conclusion:

The group reported an operating profit for the year ended 31 December 2010 before income tax, share of net profit from associates, gain from a bargain purchasing of investment, reversal of doubtful debt and allowance for obsolete stock of Baht 155.83 million. An inclusion of income tax of Baht 54.86 million, share of net profit from associates of Baht 122.25 million, gain from a bargain purchasing of investment of Baht 90.83 million, reversal of doubtful debt of Baht 2.51 million and allowance for obsolete stock of Baht 2.94 million resulted in net profit of Baht 313.62 million. Compared to the same period of last year, it showed a net loss of Baht 46.50 million.

**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 2010 and 2009



KPMG Phoomchai Audit Ltd.

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

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด

ชั้น 50-51 เอ็มไพร์ทาวเวอร์ Tel: +66 2677 2000
195 ถนนสาทรใต้ Fax: +66 2677 2222
กรุงเทพฯ 10120 www.kpmg.co.th

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 2010 and 2009, and the related statements of income, changes in 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 2010 and 2009 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 discussed in Note 3 (n) to the financial statements, the Company changed its basis of recognition of the newspapers subscription income.

(Vichien Thamtrakul)
Certified Public Accountant
Registration No. 3183

KPMG Phoomchai Audit Ltd.
Bangkok
16 February 2011

Nation Multimedia Group Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2010 and 2009

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
(in Baht)					
Current assets					
Cash and cash equivalents	6	124,174,806	160,710,114	41,205,582	84,838,266
Current investments	7	120,029,907	152,000,000	-	-
Trade accounts receivable	8	768,061,668	648,387,731	481,414,734	378,946,169
Accrued income		139,744,346	108,723,950	71,770,490	74,147,896
Other receivables from related parties	5	609,323	27,145,507	276,338,112	198,388,654
Accounts receivable under sale and lease back agreement due within one year		-	253,590,000	-	253,590,000
Short-term loans to related parties	5	-	-	185,000,000	107,000,000
Current portion of long-term loan to related party	5	-	-	84,000,000	-
Inventories	9	230,168,971	295,973,332	117,833,884	234,115,632
Other current assets	10	158,708,903	113,933,037	79,896,764	68,360,470
Total current assets		1,541,497,924	1,760,463,671	1,337,459,566	1,399,387,087
Non-current assets					
Investments in subsidiaries and associates	11	26,598,831	25,473,790	617,860,173	604,534,570
Long-term investments in related parties	12	951,560	951,207	951,560	951,207
Long-term investments in other companies	13	15,591,086	14,256,356	15,591,086	14,256,356
Long-term loan to related party	5	-	-	167,000,000	-
Property, plant and equipment	14	1,805,370,197	1,162,965,967	449,021,448	468,921,888
Unused land		36,000,000	36,000,000	36,000,000	36,000,000
Intangible assets	15	93,893,339	101,208,933	63,862,167	78,762,281
Other non-current assets	16	186,093,353	206,871,813	147,675,178	174,103,028
Total non-current assets		2,164,498,366	1,547,728,066	1,497,961,612	1,377,529,330
Total assets		3,705,996,290	3,308,191,737	2,835,421,178	2,776,916,417

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 2010 and 2009

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
		(Restated)		(Restated)	
(in Baht)					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	652,811,600	592,707,572	581,978,740	531,780,348
Trade accounts payable	18	156,647,532	183,676,154	281,437,335	176,566,110
Current portion of long-term loans	17	300,984,496	367,048,000	193,200,000	280,000,000
Short-term loans from related parties	5, 17	-	10,000,000	-	10,000,000
Current portion of liabilities					
under finance lease agreements	17	27,224,473	-	498,369	-
Income tax payable		22,185,899	14,395,250	-	-
Other current liabilities	19	411,786,121	446,909,481	244,587,044	421,509,239
Total current liabilities		1,571,640,121	1,614,736,457	1,301,701,488	1,419,855,697
Non-current liabilities					
Long-term loans from financial institutions	17	686,746,116	671,988,007	548,326,116	490,060,008
Liabilities under finance lease agreements	17	67,036,381	-	931,496	-
Other non-current liabilities	17, 20	129,824,729	171,091,486	127,349,251	145,891,066
Total non-current liabilities		883,607,226	843,079,493	676,606,863	635,951,074
Total liabilities		2,455,247,347	2,457,815,950	1,978,308,351	2,055,806,771
Equity					
Share capital	21				
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	1,647,740,300	1,647,740,300	1,647,740,300
Reserves	22				
Premium on ordinary shares		4,136	4,136	4,136	4,136
Premium on ordinary shares of subsidiaries		75,940,998	58,419,867	-	-
Unrealised losses					
Fair value changes on investments		(1,357,246)	(2,334,123)	(1,357,246)	(2,334,123)
Deficit		(656,378,076)	(970,002,580)	(789,274,363)	(924,300,667)
Total equity attributable to equity holders					
of the Company		1,065,950,112	733,827,600	857,112,827	721,109,646
Minority interests		184,798,831	116,548,187	-	-
Total equity		1,250,748,943	850,375,787	857,112,827	721,109,646
Total liabilities and equity		3,705,996,290	3,308,191,737	2,835,421,178	2,776,916,417

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 2010 and 2009

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009 (Restated)	2010	2009 (Restated)
		(in Baht)			
Income	5				
Revenue from sale of goods and rendering of services		2,696,706,555	2,317,226,534	1,555,585,670	1,637,173,952
Rental and service income		92,917,587	108,168,427	30,644,690	198,916,734
Interest income		3,083,849	21,599,704	29,232,283	28,234,413
Dividends income	11	313,294	125,731	78,233,171	50,875,715
Gain from a bargain purchase	4	90,827,396	-	-	-
Other income	24	51,122,809	82,386,677	211,913,015	146,149,152
Total income		2,934,971,490	2,529,507,073	1,905,608,829	2,061,349,966
Expenses	5				
Cost of sale of goods and rendering of services		1,690,290,824	1,702,267,839	1,006,063,892	1,334,703,337
Selling expenses	25	225,165,115	166,012,292	243,776,685	249,438,835
Administrative expenses	26	463,472,522	406,106,975	349,707,213	285,472,475
Management benefit expenses	27	129,904,594	108,814,855	80,018,424	81,148,575
Total expenses		2,508,833,055	2,383,201,961	1,679,566,214	1,950,763,222
Share of net profits (losses) from investments in associates (net of income tax expenses)		122,249,048	(46,160,766)	-	-
Profit before finance costs and income tax expenses		548,387,483	100,144,346	226,042,615	110,586,744
Finance costs	5, 29	(112,083,988)	(118,160,752)	(91,016,311)	(94,822,622)
Profit (loss) before income tax expense		436,303,495	(18,016,406)	135,026,304	15,764,122
Income tax expense	30	(54,857,417)	(32,281,207)	-	-
Profit (loss) for the year		381,446,078	(50,297,613)	135,026,304	15,764,122
Profit (loss) attributable to:					
Equity holders of the Company	31	313,624,504	(46,499,624)	135,026,304	15,764,122
Minority interests		67,821,574	(3,797,989)	-	-
Profit (loss) for the year		381,446,078	(50,297,613)	135,026,304	15,764,122
Basic earnings (loss) per share	31	1.90	(0.28)	0.82	0.09

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2010 and 2009

Consolidated financial statements (Restated)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Premium on ordinary shares of subsidiaries	Unrealised gains (losses) from fair value changes	Deficit	Total equity attributable to equity holders of the Company	Minority interests	Total equity
					<i>(in Baht)</i>				
Balance at 1 January 2009		1,647,740,300	4,136	-	(2,493,608)	(875,378,877)	769,871,951	102,318,124	872,190,075
Cumulative effects of restatement	3	-	-	-	-	(48,124,079)	(48,124,079)	-	(48,124,079)
Restated balance		1,647,740,300	4,136	-	(2,493,608)	(923,502,956)	721,747,872	102,318,124	824,065,996
Premium on ordinary share of subsidiary		-	-	58,419,867	-	-	58,419,867	-	58,419,867
Unrealised gains									
Investments in listed securities									
Net change in fair value recognised in equity		-	-	-	159,485	-	159,485	-	159,485
Net income recognised directly in equity		-	-	58,419,867	159,485	-	58,579,352	-	58,579,352
Loss for the year		-	-	-	-	(46,499,624)	(46,499,624)	(3,797,989)	(50,297,613)
Total recognised income and expense		-	-	58,419,867	159,485	(46,499,624)	12,079,728	(3,797,989)	8,281,739
Increase in minority interests		-	-	-	-	-	-	18,028,052	18,028,052
Balance at 31 December 2009		1,647,740,300	4,136	58,419,867	(2,334,123)	(970,002,580)	733,827,600	116,548,187	850,375,787
Balance at 1 January 2010		1,647,740,300	4,136	58,419,867	(2,334,123)	(928,419,137)	775,411,043	116,548,187	891,959,230
Cumulative effects of restatement	3	-	-	-	-	(41,583,443)	(41,583,443)	-	(41,583,443)
Restated balance		1,647,740,300	4,136	58,419,867	(2,334,123)	(970,002,580)	733,827,600	116,548,187	850,375,787
Premium on ordinary share of subsidiary		-	-	17,521,131	-	-	17,521,131	-	17,521,131
Unrealised gains									
Investments in listed securities									
Net change in fair value recognised in equity		-	-	-	976,877	-	976,877	-	976,877
Net income recognised directly in equity		-	-	17,521,131	976,877	-	18,498,008	-	18,498,008
Profit for the year		-	-	-	-	313,624,504	313,624,504	67,821,574	381,446,078
Total recognised income		-	-	17,521,131	976,877	313,624,504	332,122,512	67,821,574	399,944,086
Increase in minority interests		-	-	-	-	-	-	429,070	429,070
Balance at 31 December 2010		1,647,740,300	4,136	75,940,998	(1,357,246)	(656,378,076)	1,065,950,112	184,798,831	1,250,748,943

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2010 and 2009

	Note	Separate financial statements (Restated)				Total equity attributable to equity holders of the Company
		Issued and paid-up share capital	Premium on ordinary shares	Unrealised profits (losses) from fair value changes (in Baht)	Deficit	
Balance at 1 January 2009		1,647,740,300	4,136	(2,493,608)	(891,940,710)	753,310,118
Cumulative effects of restatement	3	-	-	-	(48,124,079)	(48,124,079)
Restated balance		1,647,740,300	4,136	(2,493,608)	(940,064,789)	705,186,039
Unrealised profits						
Investments in listed securities						
Net change in fair value recognised in equity		-	-	159,485	-	159,485
Net income recognised directly in equity		-	-	159,485	-	159,485
Profit for the year		-	-	-	15,764,122	15,764,122
Total recognised income		-	-	159,485	15,764,122	15,923,607
Balance at 31 December 2009		1,647,740,300	4,136	(2,334,123)	(924,300,667)	721,109,646
Balance at 1 January 2010		1,647,740,300	4,136	(2,334,123)	(882,717,224)	762,693,089
Cumulative effects of restatement	3	-	-	-	(41,583,443)	(41,583,443)
Restated balance		1,647,740,300	4,136	(2,334,123)	(924,300,667)	721,109,646
Unrealised gains						
Investments in listed securities						
Net change in fair value recognised in equity		-	-	976,877	-	976,877
Net income recognised directly in equity		-	-	976,877	-	976,877
Profit for the year		-	-	-	135,026,304	135,026,304
Total recognised income		-	-	976,877	135,026,304	136,003,181
Balance at 31 December 2010		1,647,740,300	4,136	(1,357,246)	(789,274,363)	857,112,827

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 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010	2009 (Restated)	2010	2009 (Restated)
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	381,446,078	(50,297,613)	135,026,304	15,764,122
<i>Adjustments for</i>				
Depreciation and amortisation	218,669,766	173,214,949	71,763,927	70,878,991
Interest income	(1,439,498)	(1,867,490)	(27,587,932)	(8,502,199)
Recognised interest income from sale and lease back agreement	(1,644,351)	(19,732,214)	(1,644,351)	(19,732,214)
Finance costs	112,083,988	118,160,752	91,016,311	94,822,622
Dividends income	(313,294)	(125,731)	(78,233,171)	(50,875,715)
Doubtful debts expense (reversal)	(2,511,507)	14,176,581	(2,719,464)	19,050,093
Loss on obsolete stocks	2,944,654	12,148,141	-	-
Withholding tax deducted at source written-off	-	3,826,490	-	-
Gain from a bargain purchase	(90,827,396)	-	-	-
Loss (gain) on disposal of assets	8,704,601	(11,499,916)	4,970,568	(1,733,831)
Loss on disposal of other non-current assets	1,688,016	-	1,688,016	-
Gain on disposal of investments in subsidiaries	(3,074,920)	(21,391,695)	(5,600,000)	(28,500,000)
Loss on impairment of investments in subsidiaries	-	-	5,425,000	-
Reversal of impairment loss of investments in subsidiaries and long-term investments in other companies	(358,206)	(3,000,000)	(5,783,206)	(28,769,722)
Share of net losses (gain) from investments in associates	(122,249,048)	46,160,766	-	-
Unrealised loss on exchange rate	-	904,040	-	860,563
Income tax expense	54,857,417	32,281,207	-	-
	557,976,300	292,958,267	188,322,002	63,262,710
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(66,711,648)	28,915,177	(100,161,815)	70,624,391
Accrued income	(31,020,396)	9,424,251	2,377,407	7,055,484
Other receivables from related parties	26,948,224	(15,454,561)	(77,536,744)	(30,634,621)
Proceeds from account receivable under sale and lease back agreement	253,590,000	-	253,590,000	-
Inventories	117,039,909	121,241,100	116,281,747	88,791,293
Other current assets	(18,592,812)	(166,558,508)	(11,536,294)	(161,394,486)
Other non-current assets	18,798,533	111,948,852	23,910,742	118,962,154
Trade accounts payable	(88,763,270)	75,355,535	104,871,226	48,804,574
Other current liabilities	(187,241,658)	(64,968,133)	(181,357,244)	27,042,096
Other non-current liabilities	(62,471,854)	40,371,686	(3,288,702)	20,267,786
Interest paid	(112,083,988)	(118,160,752)	(86,581,264)	(94,822,622)
Income taxes paid	(47,066,768)	(38,492,675)	-	-
Net cash provided by operating activities	360,400,572	276,580,239	228,891,061	157,958,759

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 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010	2009 (Restated)	2010	2009 (Restated)
	(in Baht)			
<i>Cash flows from investing activities</i>				
Interest received	1,439,498	1,867,490	27,587,932	8,502,199
Dividends received	313,294	125,731	78,233,171	50,875,715
Current investments	31,970,093	(152,000,000)	-	-
Short-term loans to related parties	-	-	(225,000,000)	(26,000,000)
Proceeds from short-term loans to related parties	-	-	85,000,000	7,000,000
Long-term loan to related party	-	-	(288,000,000)	-
Proceeds from long-term loan to related party	-	-	99,000,000	-
Purchase of investments in subsidiaries and associate	(25,338,162)	(40,167,969)	(17,325,603)	(40,167,969)
Proceed from sales of investments in subsidiaries	9,600,000	43,500,000	9,600,000	43,500,000
Purchase of equipment	(393,771,360)	(49,557,358)	(304,804,734)	(16,081,750)
Purchase of intangible assets	(50,322,488)	(36,651,030)	(20,108,962)	(7,560,804)
Sale of equipment	42,810,175	40,190,807	288,039,816	8,602,559
Sale of other non-current assets	355,140	-	355,140	-
Net cash provided by (used in) investing activities	(382,943,810)	(192,692,329)	(267,423,240)	28,669,950
<i>Cash flows from financing activities</i>				
Bank overdrafts and short-term loans from financial institutions	60,104,028	(57,482,054)	50,198,392	(21,302,943)
Proceeds from short-term loans from related parties	-	10,000,000	170,000,000	45,000,000
Repayment of short-term loans from related parties	(10,000,000)	-	(180,000,000)	(40,000,000)
Increase in liabilities under finance lease agreements	6,734,200	-	1,429,865	-
Proceeds from long-term loans from financial institutions	312,498,000	-	240,000,000	-
Repayment of long-term loans from financial institutions	(364,791,438)	(254,758,000)	(269,520,000)	(202,750,000)
Cash paid for fees of long-term loan	(3,600,000)	-	(3,600,000)	-
Repayment of long-term loans from other party	(13,608,762)	(8,700,937)	(13,608,762)	(8,700,937)
Dividend paid to minority interests of subsidiaries	(34,680,204)	(9,750,000)	-	-
Proceeds from sales of increment of ordinary share of subsidiaries	36,000,000	145,000,000	-	-
Cash paid for issuing increment of ordinary share of subsidiaries	(2,647,894)	(4,060,000)	-	-
Net cash used in financing activities	(13,992,070)	(179,750,991)	(5,100,505)	(227,753,880)
Net decrease in cash and cash equivalents	(36,535,308)	(95,863,081)	(43,632,684)	(41,125,171)
Cash and cash equivalents at beginning of year	160,710,114	256,573,195	84,838,266	125,963,437
Cash and cash equivalents at end of year	124,174,806	160,710,114	41,205,582	84,838,266

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Note	Contents
1	General information
2	Basis for preparation of the financial statements
3	Significant accounting policies
4	Change of status to subsidiary and acquisition of business
5	Related party transactions and balances
6	Cash and cash equivalents
7	Current investments
8	Trade accounts receivable
9	Inventories
10	Other current assets
11	Investments in subsidiaries and associates
12	Long-term investments in related parties
13	Long-term investments in other companies
14	Property, plant and equipment
15	Intangible assets
16	Other non-current assets
17	Interest-bearing liabilities
18	Trade accounts payable
19	Other current liabilities
20	Other non-current liabilities
21	Share capital
22	Share premium and reserve
23	Segment information
24	Other income
25	Selling expenses
26	Administrative expenses
27	Employee benefit expenses
28	Expenses by nature
29	Finance costs
30	Income tax expenses
31	Earnings (loss) per share
32	Financial instruments
33	Commitments with non-related parties
34	Contingent liability
35	Events after the reporting period
36	Thai Financial Reporting Standards (TFRS) not yet adopted
37	Reclassification of accounts

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 16 February 2011.

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 businesses of the Company are the publishing and distribution of newspapers, providing advertising and news services. Details of the Company’s subsidiaries and jointly-controlled entity as at 31 December 2010 and 2009 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2010	2009
(%)				
Direct subsidiaries				
Nation International Edutainment Public Company Limited	Publishing	Thailand	77.65	99.99
Nation Broadcasting Corporation Public Company Limited	Advertising media	Thailand	62.14	62.83
NML Co., Ltd.	Delivery of publishing	Thailand	99.99	99.99
Nation News Network Co., Ltd.	Publishing and distribution of English newspapers and advertising media	Thailand	99.99	99.99
Kom Chad Luek Media Co., Ltd. (Formerly Nation Digital Media Co., Ltd.)	Publishing and distribution of newspapers and advertising media	Thailand	99.99	99.99
Krungthep Turakij Media Co., Ltd. (Formerly Nation Education Co., Ltd.)	Publishing and distribution of newspapers, advertising media and education media	Thailand	99.97	99.97
Nation International Co., Ltd.	Publishing	Thailand	99.94	99.94
WPS (Thailand) Co., Ltd.	Publishing services	Thailand	84.50	84.50
Indirect subsidiaries				
Nation Printing Services Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	Publishing services	Thailand	84.49	-
Nation Edutainment Co., Ltd.	Publishing	Thailand	77.63	99.99
N Coupon Co., Ltd.	Sale of goods and service on internet	Thailand	77.63	-
Indirect jointly-controlled entity				
Nation Egmont Edutainment Co., Ltd.	Publishing	Thailand	38.82	49.99

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

The Board of Directors' meeting of the Company held on 10 February 2009, the meeting passed resolutions on the significant following matters:

1. To approve the listing of the two subsidiaries, 99.99% shareholding namely Nation International Edutainment Public Company Limited ("NINE") and Nation Broadcasting Corporation Limited ("NBC"), on the Market for Alternative Investments ("MAI") as follows:
 - 1.1 To approve the spin-off plan and the listing of NINE to the Company's shareholders and the Initial Public Offering ("IPO") to the public by offering 15,000,000 newly issued common shares of NINE at Baht 1 par value equivalent to 17.65% of the total paid-up capital after the IPO.
 - 1.2 To approve the spin-off plan and the listing of NBC to the Company's shareholders and the IPO to the public by offering 50,000,000 newly issued common shares of NBC at Baht 1 par value equivalent to 29.41% of its total paid-up capital after the IPO.
2. To approve the selling of the existing common shares of NINE held by the Company not exceeding 14,000,000 shares as part of NINE's IPO.
3. To approve the allocation of the increase in common share of NINE to the Company's shareholders in proportionate to their shareholding percentage in the Company (Pre-emptive right) not exceeding 9,000,000 shares at Baht 1 par value equivalent to 10.59% of its total paid-up capital after the IPO.
4. To approve the change of NBC's capital structure as follows:
 - 4.1 To approve the reduction of the registered capital of NBC from Baht 240,000,000 to Baht 120,000,000 by a reduction of number of common shares to 12,000,000 shares at Baht 10 par value to decrease in the deficit.
 - 4.2 To approve the conversion of NBC from limited company to public company.
 - 4.3 To approve the change in par value of NBC's common share from Baht 10 per share to Baht 1 per share.
 - 4.4 To approve the increase in the registered capital of NBC from Baht 120,000,000 to Baht 170,000,000 by issuing 50,000,000 newly common shares at Baht 1 par value to the Company's shareholders and IPO to the public.
 - 4.5 To approve the listing of NBC on the MAI.
5. To approve the selling of the existing common shares of NBC held by the Company not exceeding 15,000,000 shares as part of NBC's IPO.
6. To approve the allocation of the increase in common share of NBC to the Company's shareholders in proportionate to their shareholding percentage in the Company (Pre-emptive right) not exceeding 20,000,000 shares at Baht 1 par value equivalent to 11.76% of its total paid-up capital after the IPO.
7. To approve to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the overall Spin-off and listing plans of two subsidiaries on MAI.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

8. To approve to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the allocation of the increase in common shares of two subsidiaries to the Company's shareholders in proportionate to their shareholdings percentage in the Company.
9. To approve to convene the Extraordinary General Meeting of Shareholders No.1/2009 on 20 March 2009.

At the extraordinary shareholders' meeting, held on 20 March 2009, the meeting passed resolutions on the significant following matters:

1. Approve the listing of two subsidiaries namely Nation International Edutainment Public Company Limited ("NINE") and Nation Broadcasting Corporation Limited ("NBC"), on the Market for Alternative Investments ("MAI"):
 - 1.1 To approve the listing plan of NINE on the MAI
 - 1.2 To approve the listing plan of NBC on the MAI
2. Approve the allocation of the increase in common shares of two subsidiaries, Nation International Edutainment Public Company Limited ("NINE") and Nation Broadcasting Corporation Limited ("NBC") to the Company's shareholders in proportionate to their shareholding percentage in the Company (Pre-emptive right).
 - 2.1 Approve the allocation of the increase in common shares of NINE not exceeding 9,000,000 shares to the Company's shareholders in proportionate to their shareholding percentage.
 - 2.2 Approve the allocation of the increase in common shares of NBC not exceeding 20,000,000 shares to the Company's shareholders in proportionate to their shareholding percentage.
3. Acknowledge the selling of the existing common shares of NINE held by the Company not exceeding 14,000,000 shares as part of NINE's IPO.
4. Acknowledge the selling of the existing common shares of NBC held by the Company not exceeding 15,000,000 shares as part of NBC's IPO.

In October 2010, a subsidiary ("Nation International Edutainment Public Company Limited") offered its new common shares to the public by issuing 15,000,000 common shares. The new shares sold to subscribers at a price of Baht 2.40 per share (Baht 1 paid in capital and Baht 1.40 share premium). Such subsidiary registered the increase in paid-up share capital with the Ministry of Commerce on 9 November 2010 and the shares of the subsidiary began trading in the Market for Alternative Investment on 17 November 2010. Directly attributable expenses of the initial public offering amounted to Baht 2.65 million were deductible from the premium on share capital received from new investors.

In addition, the Company sold 4 million shares together with the public offering at Baht 2.40 per share amounted to Baht 9.60 million which decreased the Company's proportionate shareholding from 99.99% to 77.65% of the registered and paid-up share capital.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

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 and presented in Thai Baht. All financial information presented in Thai Baht has been 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 financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and guidelines promulgated by the Federation of Accounting Professions (“FAP”); applicable rules and regulations of the Thai Securities and Exchanges Commission; and with generally accepted accounting principles in Thailand.

During 2010, the FAP announced the re-numbering of the following TFRS.

Former no.	Revised no.	Topic
TAS 11	TAS 101	Doubtful Account and Bad Debts
TAS 26	TAS 102	Income Recognition for Real Estate Business
TAS 27	TAS 103	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
TAS 34	TAS 104	Accounting for Troubled Debt Restructuring
TAS 40	TAS 105	Accounting for Investment in Debt and Equity Securities
TAS 42	TAS 106	Accounting for Investment Companies
TAS 48	TAS 107	Financial Instruments Disclosure and Presentation

The Group has adopted the revised Framework for the Preparation and Presentation of Financial Statements (revised 2009), which was issued by the FAP during 2010 and effective on 26 May 2010. The adoption of the revised framework does not have any material impact on the consolidated or separate financial statements.

The FAP has issued during 2010 a number of new and revised TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised standards and interpretations are disclosed in note 36 to the financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company, its subsidiaries and jointly-controlled entities (together referred to as the “Group”) and the Group’s interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity 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. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group’s proportionate share of the entities’ assets, liabilities, revenue and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. The consolidated financial statements include the Group’s share of the income, expenses and equity movements of associates, 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.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(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 reporting 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.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

(c) Cash and cash equivalents

Cash and cash equivalents 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.

(d) 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.

(e) Inventories

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

Cost 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 production overheads based on normal operating capacity.

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

Costs are determined by the following method:

Finished goods and work-in-process - books	- Weighted average cost method/ average cost method
Raw materials	- Specific identification method/ average cost method
Store, supplies and others	- Average cost method
Work in process	- Cost of production under process of production and film will be recognized as cost when rights are transferred and delivered or broadcasted
Printing in process	- Average cost method

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

(f) Investments

Investments in subsidiaries, jointly-controlled entity and associates

Investments in subsidiaries, jointly-controlled entity and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. 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 any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

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.

(g) Property, plant and equipment

Owned assets

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

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of income.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

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 and 20	years
Leased assets improvements	5 and 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.

(h) Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Computer program and software licenses	5	years
License fees-Books	Based on the higher amount of amortisation between a straight-line basis over three years and calculation based on the numbers of books published and sold under the license agreements.	

(i) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting 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 if 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.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. 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 a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

(j) Interest-bearing liabilities

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

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(l) Employee benefits

Defined contribution plans

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

Share based payments

The employee share option programme allows certain of the Group's directors and employees to acquire shares of the Group under certain conditions. The proceeds received on exercise of the options, net of any directly attributable transaction costs, are credited to share capital and share premium when the options are exercised.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

(m) Provisions

A provision is recognised 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.

Newspapers subscription income is recognized on a time-proportion basis over the relevant subscription period, while in prior years it was recognized when collected the fee from subscribers. The change, became effective as from the current year, was made so that revenues would better match expenses. The Company restated the consolidated and separate financial statements as though the new basis had always been applied. Consequently, the change has the effect in decrease of profit for the year 2010 amounted to Baht 11.97 million (2009: loss for the year decreased Baht 6.54 million). Earnings per share for the year 2010 decreased Baht 0.07 (2009: loss per share decreased Baht 0.04). The deficit as at 1 January 2010 increased Baht 41.58 million (1 January 2009: increased Baht 48.12 million) and other current liabilities as at 31 December 2009 increased Baht 41.58 million.

Rental income

Rental income is recognized in the statement of income on a straight-line basis over the term of the lease.

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.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

(o) Expenses

Lease payments

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. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

(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 reporting date, and any adjustment to tax payable in respect of previous years.

4 Change of status to subsidiary and acquisition of business

On 22 June 2010, a subsidiary (“WPS (Thailand) Co., Ltd.”) acquired shares on Nation Printing Services Co., Ltd. (“NPS”) (formerly Kyodo Nation Printing Services Co., Ltd.) at 51.01% from 2 former shareholders by paid in cash of Baht 8.03 million. Consequently, percentage of shareholding of such subsidiary in NPS increased from 48.99% to 99.99% and changed the status from an associate to be a subsidiary.

Therefore, in the year of 2010, the consolidated financial statements included the balance sheet as at 31 December 2010 and the statement of income for the period from 22 June 2010 to 31 December 2010 of Nation Printing Services Co., Ltd. As a result of the Group attaining significant management control over its financial and operating policies since 22 June 2010.

The acquired business contributed total revenue of Baht 143.62 million and the net losses of Baht 46.15 million for the period from 22 June 2010 to 31 December 2010 to the consolidated financial statements of the Group. If the acquisition had occurred on 1 January 2010, the consolidated total revenue and consolidated net loss for the year ended 31 December 2010 would have been Baht 294.99 million and Baht 195.05 million, respectively.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

The acquiree's net assets at the acquisition date comprised of the followings:

	Recognised values as at 22 June 2010	Fair value adjustments (in thousand Baht)	Carrying amounts as at 22 June 2010
Cash and deposits at financial institutions	9,520	-	9,520
Trade accounts receivable	50,741	-	50,741
Inventories	54,180	-	54,180
Other current assets	23,221	-	23,221
Building improvement and equipment	454,578	(33,871)	488,449
Other non-current assets	1,201	-	1,201
Trade accounts payable	(106,000)	-	(106,000)
Short-term loans from related parties	(151,000)	-	(151,000)
Current portion of liabilities under finance lease agreements	(22,317)	-	(22,317)
Other current liabilities	(39,187)	-	(39,187)
Liabilities under finance lease agreements	(81,132)	-	(81,132)
Net identifiable assets and liabilities	193,805	(33,871)	227,676
Interest acquired (%)	51.01		
Net identifiable assets and liabilities - acquired	98,860		
Gain from a bargain purchase	(90,827)		
The consideration transfer in exchange for the acquisition	8,033		

5 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.

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 were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Nation Broadcasting Corporation Public Company Limited	Thailand	Subsidiary, 62.14% shareholding in 2010 and 62.83% shareholding in 2009, some common directors
Nation International Edutainment Public Company Limited	Thailand	Subsidiary, 77.65% shareholding in 2010 and 99.99% shareholding in 2009, some common directors
Kom Chad Luek Media Co., Ltd. (Formerly Nation Digital Media Co., Ltd.)	Thailand	Subsidiary, 99.99% shareholding, some common directors
NML Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation News Networks Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Name of entities	Country of incorporation/ nationality	Nature of relationships
Krungthep Turakij Media Co., Ltd. (Formerly Nation Education Co., Ltd.)	Thailand	Subsidiary, 99.97% shareholding, some common directors
Nation International Co., Ltd.	Thailand	Subsidiary, 99.94% shareholding, some common directors
WPS (Thailand) Co., Ltd.	Thailand	Subsidiary, 84.50% shareholding, some common directors
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
N Coupon Co., Ltd.	Thailand	99.98% shareholding by Nation International Edutainment Public Company Limited, some common directors
Nation Egmont Edutainment Co., Ltd.	Thailand	Jointly-controlled entity, 49.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
Nation Printing Services Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	Thailand	99.99% shareholding in 2010 and 48.99% shareholding in 2009 by WPS (Thailand) Co., Ltd., some common directors
Yomiuri-Nation Information Service Limited	Thailand	Associate, 45% shareholding, some common directors
Thai Portal Co., Ltd.	Thailand	19% shareholding by Kom Chad Luek Media Co., Ltd. (Formerly Nation Digital Media Co., Ltd.)
Nation Properties Co., Ltd.	Thailand	Related party, 18% shareholding
Media Magnet Co., Ltd.	Thailand	Related party, 8.6% shareholding
Media Expertise International (Thailand) Ltd.	Thailand	A director is related to the Company
Media Pulse Co., Ltd.	Thailand	A director is related to the Company
Nation Tuahthai Co., Ltd.	Thailand	Related party, 19% shareholding (liquidated and in the process of dissolution)
Nation Printing Complex Co., Ltd.	Thailand	Related party, 19% shareholding (liquidated and in the process of dissolution)

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

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

Transactions	Pricing policies
Sale of goods, rendering of services and others	General market price
Interest income on loans	Approximates loan rate of the financial institutions.
Cost of services and expenses	Actual cost allocation rate and negotiable rate.
Interest expense on borrowings	Approximates loan rate of the financial institutions.

Significant transactions for the years ended 31 December 2010 and 2009 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods and rendering of services	-	-	163,282	295,779
Interest income	-	-	27,402	7,232
Other income	-	-	180,919	75,923
Sale of machinery and equipment	-	-	254,000	-
Printing, cost of service and expenses	-	-	816,455	551,469
Finance costs	-	-	1,255	303
Jointly-controlled entity				
Sales of goods and rendering of services	65,017	66,251	3,290	2,029
Printing, cost of service and expenses	4,185	2,579	717	1,070
Associates				
Sales of goods and rendering of services	21,968	50,070	121	647
Printing, cost of service and expenses	26,201	91,048	10,378	40,528
Finance costs	185	-	185	-
Other related parties				
Other income	1,450	5,386	767	4,564
Other expenses	3,000	2,595	1,500	1,783

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Balances as at 31 December 2010 and 2009 with related parties were as follows:

Trade accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Subsidiaries				
Nation International Edutainment Public Company Limited	-	-	4,557	-
Nation Edutainment Co., Ltd.	-	-	9,136	-
Nation News Network Co., Ltd.	-	-	2,846	-
Kom Chad Luek Media Co., Ltd. (Formerly Nation Digital Media Co., Ltd.)	-	-	27,070	-
Krungthep Turakij Media Co., Ltd. (Formerly Nation Education Co., Ltd.)	-	-	5,528	-
Jointly-controlled entity				
Nation Egmont Edutainment Co., Ltd.	44,598	42,209	183	-
Associates				
Nation Printing Services Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	-	55,836	-	-
Yomiuri-Nation Information Service Limited	535	265	-	-
Other related parties				
Media Expertise International (Thailand) Ltd.	32,724	30,475	15,295	12,898
Media Pulse Co., Ltd.	3,873	3,873	3,873	3,873
Others	6,282	6,315	6,211	6,211
	88,012	138,973	74,699	22,982
Less allowance for doubtful accounts	(40,824)	(40,018)	(25,081)	(22,982)
allowance for goods return	-	(2,895)	-	-
Net	47,188	96,060	49,618	-
Bad and doubtful debts expenses (reversal) for the year	806	(5,992)	1,674	(5,108)

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Other receivables - related parties

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Subsidiaries				
Nation Broadcasting Corporation Public Company Limited	-	-	14,290	13,447
Nation International Edutainment Public Company Limited	-	-	3,120	7,876
Nation International Co., Ltd.	-	-	300	150
Nation Edutainment Co., Ltd.	-	-	1,373	5,726
WPS (Thailand) Co., Ltd.	-	-	72,046	103,749
NML Co., Ltd.	-	-	73,469	50,047
Nation News Network Co., Ltd.	-	-	6,472	15,106
Krungthep Turakij Media Co., Ltd. (Formerly Nation Education Co., Ltd.)	-	-	57,680	564
Kom Chad Luek Media Co., Ltd. (Formerly Nation Digital Media Co., Ltd.)	-	-	42,543	-
Nation Printing Services Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	-	-	3,561	-
Jointly-controlled entity				
Nation Egmont Edutainment Co., Ltd.	-	-	870	1,368
Associates				
Nation Printing Services Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	-	26,922	-	177
Yomiuri-Nation Information Service Limited	11	-	11	-
Other related parties				
Thai Portal Co., Ltd.	17,345	17,345	-	-
Media Expertise International (Thailand) Ltd.	14,016	14,440	13,860	14,273
Media Pulse Co., Ltd.	1,623	1,627	1,567	1,567
Others	3,384	3,009	3,376	2,951
	36,379	63,343	294,538	217,001
Less allowance for doubtful accounts	(35,770)	(36,197)	(18,200)	(18,613)
Net	609	27,146	276,338	198,388
Bad and doubtful debts expenses (reversal) for the year	(413)	4,006	(413)	4,006

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Short-term loans to related parties

	Interest rate		Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009	2010	2009
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiaries						
WPS (Thailand) Co., Ltd.	6	7	-	-	-	62,000
NML Co., Ltd.	5.90-6.40	7	-	-	45,000	45,000
Nation Printing Services Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	5.90-6.37	-	-	-	140,000	-
			-	-	185,000	107,000
<i>Less allowance for doubtful accounts</i>			-	-	-	-
Short-term loans to related parties, net			-	-	185,000	107,000
Bad and doubtful debts expenses for the year			-	-	-	-

Movements during the years ended 31 December 2010 and 2009 of short-term loans to related parties were as follows:

Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	107,000	88,000
Increase	-	-	225,000	26,000
Decrease	-	-	(85,000)	(7,000)
Transfer out to long-term	-	-	(62,000)	-
At 31 December	-	-	185,000	107,000
Other related parties				
At 1 January	-	3,700	-	3,700
Increase	-	-	-	-
Decrease	-	(3,700)	-	(3,700)
At 31 December	-	-	-	-
Total short-term loans to related parties				
At 1 January	-	3,700	107,000	91,700
Increase	-	-	225,000	26,000
Decrease	-	(3,700)	(85,000)	(10,700)
Transfer out to long-term	-	-	(62,000)	-
At 31 December	-	-	185,000	107,000

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Long-term loan to related party

Subsidiary	Interest rate		Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009	2010	2009
	(% per annum)		(in thousand Baht)			
Current portion						
WPS (Thailand) Co., Ltd.	7.52-7.73	-	-	-	84,000	-
After one year						
WPS (Thailand) Co., Ltd.	7.52-7.73	-	-	-	167,000	-
Total long-term loan to related party			-	-	251,000	-

Long-term loan to related party

Subsidiary	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
At 1 January	-	-	-	-
Increase	-	-	288,000	-
Transfer from short-term	-	-	62,000	-
Decrease	-	-	(99,000)	-
At 31 December	-	-	251,000	-

Trade accounts payable - related parties

Subsidiaries	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Nation Broadcasting Corporation Public Company Limited	-	-	5,259	10,708
Nation International Edutainment Public Company Limited	-	-	4,621	7,477
Nation International Co., Ltd.	-	-	320	320
WPS (Thailand) Co., Ltd.	-	-	-	72,974
NML Co., Ltd.	-	-	464	19,283
Nation Edutainment Co., Ltd.	-	-	43	-
Nation News Network Co., Ltd.	-	-	44,899	-
Kom Chad Luek Media Co., Ltd. (Formerly Nation Digital Media Co., Ltd.)	-	-	76,085	-
Krunthep Turakij media Co., Ltd. (Formerly Nation Education Co., Ltd.)	-	-	112,544	-
Nation Printing Service Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	-	-	4,057	-
Jointly-controlled entity				
Nation Egmont Edutainment Co., Ltd.	-	-	896	757

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Associate				
Nation Printing Service Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	-	25,865	-	6,889
Other related party				
Media Expertise International (Thailand) Ltd.	-	1,532	-	1,532
Total	<u>-</u>	<u>27,397</u>	<u>249,188</u>	<u>119,940</u>

Other payables to related parties

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Subsidiaries				
Nation Broadcasting Corporation Public Company Limited	-	-	1,991	2,488
Nation International Edutainment Public Company Limited	-	-	1,385	953
WPS (Thailand) Co., Ltd.	-	-	934	1,252
Nation Edutainment Co., Ltd.	-	-	-	12
NML Co., Ltd.	-	-	402	2,325
Nation News Network Co., Ltd.	-	-	288	71,403
Krungthep Turakij Media Co., Ltd. (Formerly Nation Education Co., Ltd.)	-	-	30	56
Jointly-controlled entity				
Nation Egmont Edutainment Co., Ltd.	-	-	47	690
Associates				
Nation Printing Services Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	-	2	-	-
Yomiuri-Nation Information Service Limited	21	82	21	82
Other related parties				
Others	106	107	25	26
Total	<u>127</u>	<u>191</u>	<u>5,123</u>	<u>79,287</u>

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Short-term loans from related parties

Subsidiary	Interest rate		Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009	2010	2009
	(% per annum)		(in thousand Baht)			
Nation Broadcasting Corporation Public Company Limited	5.86-6.00	7.00	-	-	-	-
Associate						
Yomiuri-Nation Information Service Limited	1.85	1.85	-	10,000	-	10,000
Total			<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>

Movements during the years ended 31 December 2010 and 2009 of short-term loans from related parties were as follows:

Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Subsidiary				
At 1 January	-	-	-	5,000
Increase	-	-	170,000	35,000
Decrease	-	-	(170,000)	(40,000)
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Associate				
At 1 January	10,000	-	10,000	-
Increase	-	10,000	-	10,000
Decrease	(10,000)	-	(10,000)	-
At 31 December	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total short-term loans from related parties				
At 1 January	10,000	-	10,000	5,000
Increase	-	10,000	170,000	45,000
Decrease	(10,000)	-	(180,000)	(40,000)
At 31 December	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>

Significant agreements with related parties

Short-term loan agreement

On 22 June 2010, the Company entered into a short-term loan agreement with an indirect subsidiary ("Nation Printing Services Co., Ltd") amounted to Baht 150 million. At the date of the agreement, the Company provided loan to such indirect subsidiary of Baht 141 million. The remaining loan of Baht 9 million was drawdown in July 2010. This loan bears interest at the cost of borrowing of the Company plus 0.5% per annum. Subsequently, in December 2010, the Company entered into the change in loan agreement memorandum by extending the period of loan repayment for 7 months which is due on December 2010 to July 2011.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Long-term loan agreement

On 25 February 2010, the Company entered into a long-term loan agreement with a subsidiary (“WPS (Thailand) Co., Ltd.”) amounted to Baht 288 million and converted a short-term loan amount of Baht 62 million to long-term loan, totalling a new long-term loan of Baht 350 million. This loan bears interest at the average rate of MLR of two local banks plus the cost of borrowing.

Such loan is repayable in monthly instalments of not less than Baht 9 million on the 25th of each month starting on 26 February 2010.

Lease agreements

In 2005, the Company entered into lease agreements with a subsidiary to lease out printing machines and related equipment. Under these agreements, such 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. 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.

In addition, on 25 February 2010, the Company sold such printing machines and equipment to a subsidiary amounted to Baht 254 million.

Joint venture agreement

On 15 November 2006, WPS (Thailand) Co., Ltd. (WPS), a subsidiary of the Company, entered into a joint venture agreement with 2 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 machines and related equipment at the amount of Baht 337.6 million, which value was appraised by an independent appraisal company to such joint venture. The joint venture was registered with the Ministry of Commerce on 22 January 2007.

Subsequently, on 22 June 2010, WPS acquired 1,785,000 shares of Kyodo Nation Printing Services Co., Ltd. from 2 foreign companies as discussed in note 4 to the financial statements and registered the change of name to “Nation Printing Services Co., Ltd.” with the Ministry of Commerce on 24 June 2010.

6 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Cash on hand	2,162	845	298	273
Cash at banks - current accounts	538	8,428	500	3,765
Cash at banks - savings accounts	82,422	127,099	6,065	59,562
Others	39,053	24,338	34,342	21,238
Total	124,175	160,710	41,205	84,838

Cash and cash equivalents of the Group as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

7 Current investments

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Short-term investments at financial institutions	120,030	152,000	-	-

Current investments of the Group as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Related parties	5	88,012	138,973	74,699	22,982
Other parties		843,876	651,314	505,534	457,473
		931,888	790,287	580,233	480,455
Less allowance for doubtful accounts		(139,838)	(115,697)	(85,322)	(88,265)
allowance for goods returned		(23,988)	(26,202)	(13,496)	(13,243)
Net		768,062	648,388	481,415	378,947
Bad and doubtful debts (reversal) expenses for the year		(2,221)	(22,165)	(2,307)	(17,292)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	47,930	51,401	45,559	-
Overdue:				
Less than 6 months	236	18,086	6,775	1,888
6-12 months	1,996	26,366	1,591	1,825
Over 12 months	37,850	43,120	20,774	19,269
	88,012	138,973	74,699	22,982
Less allowance for doubtful accounts	(40,824)	(40,018)	(25,081)	(22,982)
allowance for goods return	-	(2,895)	-	-
Net	47,188	96,060	49,618	-

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	625,931	506,558	372,066	351,993
Overdue:				
Less than 6 months	130,117	82,709	89,093	53,450
6-12 months	31,813	3,296	6,745	1,679
Over 12 months	56,015	58,751	37,630	50,351
	843,876	651,314	505,534	457,473
Less allowance for doubtful accounts	(99,014)	(75,679)	(60,241)	(65,283)
allowance for goods returned	(23,988)	(23,307)	(13,496)	(13,243)
Net	720,874	552,328	431,797	378,947
Total	768,062	648,388	481,415	378,947

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

Trade accounts receivable of the Group as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Finished goods - books	181,905	170,437	43,146	44,688
Raw materials	119,272	225,812	89,277	220,384
Stores, supplies and others	7,725	2,883	705	600
Production/ work in process	14,120	1,561	157	430
Raw material in transit	24,105	7,568	24,105	7,569
	347,127	408,261	157,390	273,671
Less allowance for obsolete books	(116,958)	(112,288)	(39,556)	(39,556)
Net	230,169	295,973	117,834	234,115

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Other receivables	59,196	41,135	44,766	39,055
Advances to employees	22,964	16,644	21,294	14,321
Prepaid expenses	17,355	17,652	8,283	6,779
Input VAT pending	35,784	13,158	10,073	8,357
Withholding tax deducted at source	51,725	61,247	30,096	35,685
Others	6,300	270	-	336
	193,324	150,106	114,512	104,533
Less allowance for doubtful accounts	(34,615)	(36,173)	(34,615)	(36,173)
Total	158,709	113,933	79,897	68,360

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

11 Investments in subsidiaries and associates

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
At 1 January		25,474	49,203	604,535	553,597
Share of net losses of investments in associates		(48,685)	(46,161)	-	-
Acquisitions		8,933	-	17,325	40,168
Disposal		-	-	(4,000)	(15,000)
Change of status to subsidiary	4	(8,033)	-	-	-
Reversal of impairment of investment	24	-	-	-	25,770
Dividend received		(1,000)	-	-	-
Share of losses exceeds the carrying amount of investments in associates		49,910	22,432	-	-
At 31 December		<u>26,599</u>	<u>25,474</u>	<u>617,860</u>	<u>604,535</u>

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Investments in subsidiaries and associates as at 31 December 2010 and 2009, and dividend income for the years ended 31 December 2010 and 2009 were as follows:

Consolidated financial statements												Dividend income for the years ended 31 December	
Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity, net			
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
(%)		(in thousand Baht)											
Associates													
Yomiuri-Nation Information Service Limited													
45.00	45.00	4,000	2,000	1,800	900	26,599	25,474	-	-	26,599	25,474	1,000	-
Nation Printing Services Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)													
-	41.40	-	350,000	-	171,500	-	-	-	-	-	-	-	-
Total		4,000	352,000	1,800	172,400	26,599	25,474	-	-	26,599	25,474	1,000	-

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

	Separate financial statements										Dividend income for the years ended 31 December	
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		2010	2009
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	(%)		(in thousand Baht)									
<i>Subsidiaries</i>												
Nation Broadcasting Corporation Public Company Limited	62.14	62.83	172,259	170,000	111,587	110,162	-	-	111,587	110,162	55,620	15,750
Nation International Edutainment Public Company Limited	77.65	99.99	85,000	70,000	65,999	69,999	-	-	65,999	69,999	21,300	35,000
Kom Chad Luek Media Co., Ltd. (Formerly Nation Digital Media Co., Ltd.)	99.99	99.99	100,000	100,000	99,990	99,990	96,392	96,392	3,598	3,598	-	-
NML Co., Ltd.	99.99	99.99	10,000	10,000	10,000	10,000	10,000	5,000	-	5,000	-	-
Nation News Network Co., Ltd.	99.99	99.99	50,000	50,000	50,000	50,000	-	-	50,000	50,000	-	-
Krungthep Turakij Media Co., Ltd. (Formerly Nation Education Co., Ltd)	99.97	99.97	25,000	10,000	25,000	10,000	-	-	25,000	10,000	-	-
Nation International Co., Ltd.	99.94	99.94	1,000	1,000	1,000	1,000	1,000	575	-	425	-	-
WPS (Thailand) Co., Ltd.	84.50	84.50	500,000	500,000	422,500	422,500	62,624	68,049	359,876	354,451	-	-
<i>Associate</i>												
Yomiuri-Nation Information Service Limited	45.00	45.00	4,000	2,000	1,800	900	-	-	1,800	900	1,000	-
Total			947,259	913,000	787,876	774,551	170,016	170,016	617,860	604,535	77,920	50,750

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

The following summarised financial information on interest in jointly-controlled entity which have been included in the consolidated financial statements represents the Group's share:

	Ownership (%)	Current assets	Non- current assets	Total assets	Current liabilities <i>(in thousand Baht)</i>	Total liabilities	Total revenues	Total expenses	Net profit (loss)
2010									
Nation Egmont Edutainment Co., Ltd.	38.82	<u>84,793</u>	<u>8,274</u>	<u>93,067</u>	<u>62,782</u>	<u>62,782</u>	<u>83,643</u>	<u>83,996</u>	<u>(353)</u>
2009									
Nation Egmont Edutainment Co., Ltd.	49.99	<u>80,742</u>	<u>3,894</u>	<u>84,636</u>	<u>53,998</u>	<u>53,998</u>	<u>94,199</u>	<u>98,115</u>	<u>(3,916)</u>

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

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	Profit (loss)
2010					
Yomiuri-Nation Information Service Limited	45.00	<u>61,399</u>	<u>2,290</u>	<u>24,463</u>	<u>2,697</u>
2009					
Yomiuri-Nation Information Service Limited	45.00	59,400	2,766	22,178	3,896
Nation Printing Services Co., Ltd. (Formerly Kyodo Nation Printing Services Co., Ltd.)	41.40	<u>740,258</u>	<u>735,501</u>	<u>414,340</u>	<u>(107,948)</u>
Total		<u>799,658</u>	<u>738,267</u>	<u>436,518</u>	<u>(104,052)</u>

On 13 March 2009, the management committee of the Company established to register Nation Education Co., Ltd. with the authorized share capital Baht 10 million (divided into 100,000 shares at Baht 100 par value). The management committee of the Company approved to pay for share subscription in such subsidiary at Baht 25 per share, amounting to Baht 2.5 million.

At the ordinary shareholders' meetings of Nation International Edutainment Public Company Limited, a subsidiary of the Company, held on 20 March 2009, the shareholders passed resolutions to approve the allocation of the increase in common share as follows:

1. allocate the increase in common shares, not exceeding 9,000,000 shares to the Parent's shareholders in proportionate to their shareholding percentage.
2. allocate the increase in common shares in 1, not exceeding 20,646 shares to the directors and the management.
3. allocate the increase in common shares of 6,000,000 shares and issue the remaining shares from 1 and 2 to the Initial Public Offering.

At the extraordinary shareholders' meetings of Nation Broadcasting Corporation Limited, a subsidiary of the Company, held on 21 April 2009, the shareholders passed resolutions on the significant following matters:

1. Convert Nation Broadcasting Corporation Limited into a public company and apply for listing on the Market for Alternative Investment.
2. Change in the par value from Baht 10 per share to Baht 1 per share. As a result, the numbers of shares was changed from 12,000,000 shares at Baht 10 par value to 120,000,000 shares at Baht 1 par value. The subsidiary registered the change in par value with the Ministry of Commerce on 4 May 2009.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

3. Increase in its authorized share capital from Baht 120,000,000 (divided into 120,000,000 common shares at Baht 1 par value) to Baht 170,000,000 (divided into 170,000,000 common shares at Baht 1 par value) by issuance of 50,000,000 new common shares at Baht 1 par value totalling Baht 50,000,000. The subsidiary registered the increase in capital with the Ministry of Commerce on 4 May 2009.
4. Change name to “Nation Broadcasting Corporation Public Company Limited”. The subsidiary registered the change in the subsidiary’s name with the Ministry of Commerce on 4 May 2009.
5. Approve the allocation of the increase in common shares capital as follows:
 - 5.1 allocate the increase in common shares, not exceeding 20,000,000 shares to the Parent’s shareholders in proportionate to their shareholding percentage.
 - 5.2 allocate the increase in common shares in 5.1, not exceeding 42,129 shares to the directors and the management.
 - 5.3 allocate the increase in common shares of 30,000,000 shares and issue the remaining shares from 5.1 and 5.2 to the Initial Public Offering.

At the extraordinary shareholders’ meetings of an indirect subsidiary (Nation Radio Network Co., Ltd.) was held on 24 July 2009, the resolution was passed to liquidate the indirect subsidiary. Such indirect subsidiary was registered for liquidation with the Ministry of Commerce on 30 July 2009 and completed the dissolution on 30 December 2009.

At the Board of Directors’ meetings of a subsidiary, Nation News Network Co., Ltd, held on 15 October 2009, it was resolved to make an additional call-up of 25% of share capital (at Baht 2.5 per share) amounted to Baht 25 million. Total paid-up share capital is up to 50% of total share capital (at Baht 5 per share), amounted to Baht 50 million. Such subsidiary registered the additional call-up of share capital with the Ministry of Commerce on 21 October 2009.

At the Board of Directors’ meetings of a subsidiary, Nation Education Co., Ltd, held on 15 October 2009, it was resolved to make an additional call-up of 75% of share capital (at Baht 75 per share) amounted to Baht 7.5 million. Total paid-up share capital is up to 100% of total share capital (at Baht 100 per share), amounted to Baht 10 million. Such subsidiary registered the additional call-up of share capital with the Ministry of Commerce on 21 October 2009.

In October 2009, Nation Broadcasting Corporation Public Company Limited, subsidiary of the Company, offered its common shares to the public by issuing 50,000,000 common shares. The new shares sold to subscribers at a price of Baht 2.90 per share (Baht 1 paid in capital and Baht 1.90 share premium). The subsidiary registered the increase in paid-up capital with the Ministry of Commerce on 9 November 2009 and the shares of the subsidiary began trading in the Market for Alternative Investment on 11 November 2009. Directly attributable expenses of initial public offering amounted to Baht 4.06 million were deducted from the premium on share capital received from new investors.

In November 2009, the Company sold 15 million shares of Nation Broadcasting Corporation Public Company Limited, a subsidiary together with the public offering of such subsidiary at Baht 2.90 per share amounted to Baht 43.50 million which decreased the Company’s proportionate shareholding from 99.99% to 61.76% of the registered and paid-up share capital of such subsidiary. Subsequently, the Company acquired additional shares in such subsidiary of 1.8 million shares (1.06% of registered and paid-up share capital of such subsidiary) amounted to Baht 5.2 million to increase the Company’s shareholding to 62.83% of registered share capital.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

At the annual general shareholders' meeting of a associate ("Yomiuri-Nation Information Service Limited") held on 20 April 2010, the shareholders passed resolutions to approve an additional call-up of 50% of total share capital from Baht 2,000,000 (divided into 40,000 shares at Baht 50 par value) to Baht 4,000,000 (divided into 40,000 shares at Baht 100 par value). The associate registered the additional call-up of share capital with the Ministry of Commerce on 30 April 2010.

At the annual general shareholders' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 23 April 2010, the shareholders approved the appropriation of dividend of Baht 0.71 per share, amounted to Baht 49.7 million. The dividend amount of Baht 35 million was paid to shareholders as an interim dividend during the year 2009, and the dividend amount of Baht 14.7 million was paid to shareholders during the year 2010.

At the annual general shareholders' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 26 April 2010, the shareholders passed resolutions on the following significant matters:

- Approve the appropriation of dividend of Baht 0.33 per share, amounted to Baht 56.1 million. The dividend amount of Baht 25.5 million was paid to shareholders as an interim dividend during the year 2009 and the dividend amounted to Baht 30.6 million was paid to shareholders during the year 2010.
- Increase in the subsidiary's authorised share capital to reserve for the exercisable warrants – ESOP from Baht 170,000,000 (divided into 170,000,000 ordinary shares at Baht 1 par value) to Baht 178,500,000 (divided into 178,500,000 ordinary shares at Baht 1 par value) by issuance of 8,500,000 new ordinary shares at Baht 1 par value totalling Baht 8,500,000. Such subsidiary registered the increased in authorised share capital with the Ministry of Commerce on 7 May 2010.
- Approve the issuance of 8,500,000 units of warrants under the Employee Stock Option Program (ESOP) for sale to the subsidiary's directors, management and/or employees. The details are as follows:

Description	Details
Type of Warrants	No value
Terms of warrants	3 years from the issuance date of warrant
Propose to sell to	The subsidiary's directors, management and/or employees
Issue and sell quantities	8,500,000 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 3.33 per share
Exercise period and proportion	Twice a year on 15 May and 15 November in each year, to exercise not more than 30% in the first year, not more than 30% in the second year and not more than 40% in the third year.

- Approve the allotment of the increase capital to reserve for the exercisable of Warrants – ESOP to the subsidiary's directors, management and/or employees of the subsidiary.

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 4 June 2010, the Board of Directors passed resolutions to approve the payment of interim dividend to shareholders of Baht 0.10 per share, amounted to Baht 17.0 million. The dividend was paid to shareholders during 2010.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 6 August 2010, the Board of Directors passed resolution to approve the payment of interim dividend to shareholders of Baht 0.12 per share, amounting to Baht 20.4 million. The dividend was paid to shareholders during 2010.

As at 27 October 2010, the extraordinary shareholders' meeting of Nation Education Co., Ltd., a subsidiary of the Company. The resolution was passed to change name to "Krungthep Turakij Media Co., Ltd.". Such subsidiary registered the change of name with the Ministry of Commerce on 27 October 2010.

As at 28 October 2010, the extraordinary shareholders' meeting of Nation Digital Media Co., Ltd., a subsidiary of the Company. The resolution was passed to change name to "Kom Chad Luek Media Co., Ltd.". Such subsidiary registered the change of name with the Ministry of Commerce on 28 October 2010.

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 5 November 2010, the Board of Directors passed resolution to approve the interim dividend to shareholders of Baht 0.12 per share, amounted to Baht 20.4 million. The dividend was paid to shareholders during 2010.

On 15 November 2010, the directors, management and/or employees of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") exercised the warrants to purchase ordinary shares 2,259,000 units totalling of Baht 7.5 million which the subsidiary has share premium amounted to Baht 5.3 million. The subsidiary registered the paid-up share capital from the such exercise with the Ministry of Commerce on 24 November 2010. As at 31 December 2010, a subsidiary reserved 6,241,000 ordinary shares at Baht 1 par value for the outstanding exercisable warrants.

At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 22 November 2010, the Board of Directors passed resolutions to approve the interim dividend to shareholders of Baht 0.10 per share, amounted to Baht 8.5 million. The dividend was paid to the shareholders during 2010.

On 27 December 2010, the management committee of a subsidiary ("Nation International Edutainment Public Company Limited") established to invest in N Coupon Co., Ltd. with the authorized share capital Baht 1 million (divided into 10,000 shares at Baht 100 per share). The management committee of such subsidiary approved to pay for the share subscription in the such company at Baht 100 per share, amounted to Baht 1 million.

On 27 December 2010, the extraordinary shareholders' meeting of Krungthep Turakij Media Co., Ltd. (Formerly Nation Education Co., Ltd.), the shareholders passed resolutions to approve the increase in such subsidiary's authorized share capital from Baht 10 million divided into 100,000 ordinary shares at Baht 100 par value to Baht 25 million divided into 250,000 ordinary shares at Baht 100 par value. Such subsidiary registered the increase in authorized share capital with the Ministry of Commerce on 28 December 2010.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

12 Long-term investments in related parties

	Nature of business	Consolidated financial statements					
		Ownership interest		Paid-up capital		Amount	
		2010	2009	2010	2009	2010	2009
		(%)		(in thousand Baht)			
<i>At cost</i>							
Other equity securities held to maturity							
- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	300,000	54,000	54,000
- Thai Portal Co., Ltd.	Internet services	19.00	19.00	100,000	100,000	6,092	6,092
- Media Magnet Co., Ltd.	Consulting and marketing event	8.60	8.60	6,500	6,500	950	950
- Others						2,181	2,181
						63,223	63,223
<i>Less allowance for impairment loss</i>						(62,272)	(62,272)
Total						951	951

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

	Nature of business	Separate financial statements					
		Ownership interest		Paid-up capital		Amount	
		2010	2009	2010	2009	2010	2009
		(%)				(in thousand Baht)	
<i>At cost</i>							
Other equity securities held to maturity							
- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	300,000	54,000	54,000
- Media Magnet Co., Ltd.	Consulting and marketing event	8.60	8.60	6,500	6,500	950	950
- Others						2,181	2,181
						57,131	57,131
<i>Less allowance for impairment loss</i>						(56,180)	(56,180)
Total						951	951

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

13 Long-term investments in other companies

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>At fair value</i>				
Equity securities available for sale	<u>8,083</u>	<u>7,107</u>	<u>8,083</u>	<u>7,107</u>
<i>At cost</i>				
Other equity securities held to maturity	7,569	7,569	7,569	7,569
Less allowance for impairment loss	<u>(61)</u>	<u>(420)</u>	<u>(61)</u>	<u>(420)</u>
	<u>7,508</u>	<u>7,149</u>	<u>7,508</u>	<u>7,149</u>
Total	<u>15,591</u>	<u>14,256</u>	<u>15,591</u>	<u>14,256</u>

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

14 Property, plant and equipment

	Consolidated financial statements							
	Land and improvements	Building and improvements	Leased assets improvements	Machinery and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
Cost								
At 1 January 2009	476,260	422,056	26,891	317,903	800,338	86,947	29,140	2,159,535
Additions	-	5,906	3,164	5,035	31,769	3,683	-	49,557
Transfers	-	-	(1,090)	-	(5,548)	-	-	(6,638)
Disposals	-	(1,750)	(13,219)	(8,159)	(84,347)	(19,536)	(3,098)	(130,109)
At 31 December 2009 and 1 January 2010	476,260	426,212	15,746	314,779	742,212	71,094	26,042	2,072,345
Additions	-	1,913	43,989	667,743	95,081	38,690	3,663	851,079
Transfers	-	1,273	-	-	457	-	(4,460)	(2,730)
Disposals	-	(251)	(383)	(7,109)	(398,583)	(39,094)	(3,603)	(449,023)
At 31 December 2010	476,260	429,147	59,352	975,413	439,167	70,690	21,642	2,471,671
Accumulated depreciation								
At 1 January 2009	1,713	71,988	20,966	61,146	687,927	56,012	-	899,752
Depreciation charge for the year	1,186	25,669	2,088	31,149	45,293	10,158	-	115,543
Transfers	-	-	(547)	-	(3,950)	-	-	(4,497)
Disposals	-	(250)	(12,071)	(1,508)	(72,230)	(15,360)	-	(101,419)
At 31 December 2009 and 1 January 2010	2,899	97,407	10,436	90,787	657,040	50,810	-	909,379
Depreciation charge for the year	1,186	25,899	3,779	74,902	41,377	9,860	-	157,003
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	(149)	(275)	(392,683)	(6,974)	-	(400,081)
At 31 December 2010	4,085	123,306	14,066	165,414	305,734	53,969	-	666,301

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

	Consolidated financial statements							
	Land and improvements	Building and improvements	Leased assets improvements	Machinery and equipment <i>(in thousand Baht)</i>	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
<i>Net book value</i>								
At 1 January 2009	474,547	350,068	5,925	256,757	112,411	30,935	29,140	1,259,783
At 31 December 2009 and 1 January 2010	473,361	328,805	5,310	223,992	85,172	20,284	26,042	1,162,966
At 31 December 2010	472,175	350,841	45,286	809,999	133,433	16,994	21,642	1,805,370

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

	Separate financial statements							
	Land and improvements	Building and improvements	Leased assets improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>							
Cost								
At 1 January 2009	367,126	5,537	6,154	59,355	529,078	79,276	18,000	1,064,526
Additions	-	-	-	-	16,082	-	-	16,082
Transfers	-	-	-	-	-	-	-	-
Disposals	-	(1,750)	-	-	(14,658)	(18,981)	-	(35,389)
At 31 December 2009 and 1 January 2010	367,126	3,787	6,154	59,355	530,502	60,295	18,000	1,045,219
Additions	-	-	-	255,082	14,909	34,356	-	304,347
Transfers	-	-	-	-	457	-	-	457
Disposals	-	-	-	(253,457)	(398,378)	(39,094)	-	(690,929)
At 31 December 2010	367,726	3,787	6,154	60,980	147,490	55,557	18,000	659,094
Accumulated depreciation								
At 1 January 2009	-	2,770	3,988	39,845	469,103	52,450	-	568,156
Depreciation charge for the year	-	275	291	5,875	21,632	8,339	-	36,412
Transfers	-	-	-	-	-	-	-	-
Disposals	-	(250)	-	-	(13,216)	(14,805)	-	(28,271)
At 31 December 2009 and 1 January 2010	-	2,795	4,279	45,720	477,519	45,984	-	576,297
Depreciation charge for the year	-	189	291	5,932	19,641	7,354	-	33,407
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(392,658)	(6,974)	-	(399,632)
At 31 December 2010	-	2,984	4,570	51,652	104,502	46,364	-	210,072
Net book value								
At 1 January 2009	367,126	2,767	2,166	19,510	59,975	26,826	18,000	496,370
At 31 December 2009 and 1 January 2010	367,126	992	1,875	13,635	52,983	14,311	18,000	468,922
At 31 December 2010	367,126	803	1,584	9,328	42,988	9,193	18,000	449,022

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

The gross carrying amounts of fully depreciated plant and equipment that was still in use as at 31 December 2010 amounted to Baht 292.3 million (2009: Baht 504.0 million) in the consolidated balance sheets and Baht 264.5 million (2009: Baht 456.2 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 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.

On 23 February 2010, the Company cancelled the sale and lease back agreement with a local financial institution on the basis that the Company paid the remaining amount and other costs amounting to Baht 242.77 million (including value added tax). In addition, the Company exercised an option to purchase the printing machine and equipment amounting to Baht 237 million.

15 Intangible assets

	Consolidated financial statements			
	Computer program and software licenses	License fees - Books	Computer program under installation	Total
	<i>(in thousand Baht)</i>			
At 1 January 2009	75,750	19,092	24,715	119,557
Additions	1,271	27,819	7,561	36,651
Transfers	183	(2,902)	(274)	(2,993)
Amortisation charge for the year	(29,079)	(22,927)	-	(52,006)
At 31 December 2009 and 1 January 2010	48,125	21,082	32,002	101,209
Additions	5,109	29,419	15,794	50,322
Transfers	38,587	-	(38,587)	-
Disposals	(2,573)	-	-	(2,573)
Amortisation charge for the year	(33,601)	(21,464)	-	(55,065)
At 31 December 2010	55,647	29,037	9,209	93,893

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

	Separate financial statements			
	Computer program and software licenses	License fees - books	Computer program under installation	Total
	(in thousand Baht)			
At 1 January 2009	75,585	-	24,441	100,026
Additions	-	-	7,561	7,561
Transfers	767	-	(767)	-
Amortisation charge for the year	(28,825)	-	-	(28,825)
At 31 December 2009 and 1 January 2010	47,527	-	31,235	78,762
Additions	4,885	-	15,794	20,679
Transfers	37,250	-	(37,820)	(570)
Disposals	(1,713)	-	-	(1,713)
Amortisation charge for the year	(33,296)	-	-	(33,296)
At 31 December 2010	54,653	-	9,209	63,862

16 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Merchandises under barter trade	5,606	5,691	5,085	5,550
Withholding tax deducted at source	153,639	174,791	131,163	152,277
Golf membership, net	10,203	12,944	10,203	12,944
Refundable deposits	8,938	6,964	1,058	1,674
Others	7,707	6,482	166	1,658
Total	186,093	206,872	147,675	174,103

The amortization charge included in the statements of income for the year ended 31 December 2010 was approximately Baht 0.6 million (2009: Baht 0.6 million) for the Group and Baht 0.4 million (2009: Baht 0.6 million) for the Company.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

17 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Current					
Bank overdrafts					
- unsecured		48,174	12,547	27,341	1,620
Short-term loans from financial institutions					
- unsecured		604,638	580,160	554,638	530,160
Bank overdrafts and short-term loans from financial institutions		652,812	592,707	581,979	531,780
Current portion of long-term loan from financial institutions					
- unsecured		7,276	7,008	-	-
- secured		293,708	360,040	193,200	280,000
Short-term loan from related party					
- unsecured	5	-	10,000	-	10,000
		953,796	969,755	775,179	821,780
Non-current					
Long-term loans from financial institutions					
- unsecured		-	6,968	-	-
- secured		686,746	665,020	548,326	490,060
Long-term loans from other party					
- unsecured	20	127,349	140,958	127,349	140,958
		814,095	812,946	675,675	631,018
Total		1,767,891	1,782,701	1,450,854	1,452,798

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

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Within one year	953,796	969,755	775,179	821,780
After one year but within five years	814,095	812,946	675,675	631,018
Total	1,767,891	1,782,701	1,450,854	1,452,798

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
		<i>(in thousand Baht)</i>		
Land and equipment	1,202,806	586,504	336,052	336,052

Interest-bearing liabilities of the Group as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

Bank overdrafts and short-term loans from financial institutions

As at 31 December 2010, the Group and the Company had overdraft lines and other credit facilities with certain local financial institutions totalling approximately Baht 1,434 million (2009: Baht 1,354 million) and Baht 1,253 million (2009: Baht 1,193 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.

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

- a) 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.

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 and in May 2008, the Company repaid the remaining debts of Baht 615 million of the syndicate loan.

- b) Tranche 2 in the amount of Baht 1,005 million. During 2008 and 2007, the Company drew-down Baht 1,000 million and Baht 5 million, respectively, to repay debentures amount of Baht 1,000 million in 2008. The loan bears interest at the average Minimum Loan Rate of lenders (average MLR). This loan is repayable in 18 quarterly instalments of varying amounts commencing from March 2008 to June 2012. As at 31 December 2010, the Company has loan outstanding of Baht 576 million (2009: Baht 782 million).

On 30 September 2009, the Company received a letter of consent for changing in term of the Syndicate Loan Agreement from three local financial institutions to approve a grace period on loan repayments of Tranche 2 from September to December 2009. Thereafter, the loan is repayable in 10 quarterly installments of varying amounts within June 2012.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

On 17 February 2010, the Company received a letter of consent relating to the following change in the terms of the Syndicate Loan Agreement from three local financial institutions:

- The Company could obtain a long-term loan amounted to Baht 240 million from two local financial institutions to pay the remaining rental due from the cancellation of the sale and lease back agreement and to purchase the printing machines and equipment.
- Extend the period of loan repayments of Tranche 2 which is due from June 2012 to December 2013 repayable in monthly installments of varying amounts.
- Sale printing machines and equipment to subsidiary together with long-term loan to subsidiary for purchasing printing machines.

Under the terms of the above agreements, the Company is required to comply with certain conditions and restrictions specified in the agreements or the letter of consent from the lenders.

On 18 February 2010, the Company has entered into a credit agreement with two local financial institutions amounted to Baht 240 million to pay the remaining rental due from the cancellation of the sale and lease back agreement and to purchase the printing machines and equipment. Such loan bears interest at the average MLR (Average Minimum Loan Rate) and is repayable in 48 monthly instalments of varying amounts ending December 2013. As at 31 December 2010, the Company has loans outstanding of Baht 173.63 million. This loan is secured by a pledge over the printing machines and equipment.

In 2006, a subsidiary entered into a long-term loan agreement with a local financial institution in amount of Baht 35 million. The loan bears interest at the Minimum Loan Rate (MLR) in first year and thereafter at the MLR plus specified rates in the agreements. This loan is repayable in monthly installments of Baht 584,000 with totaling 60 installments commencing from January 2007 to December 2011. Under the term of the loan agreements, the subsidiary is required to comply with certain condition and restrictions specified in the agreements. As at 31 December 2010, the subsidiary has loan outstanding of Baht 6.97 million (2009: *Baht 13.98 million*).

In 2008, a subsidiary entered into a long-term loan agreement with a local financial institution in amount of Baht 300 million for purchasing printing machine and others. The loan bears interest at Minimum Loan Rate (MLR) in first year and thereafter at the MLR plus specified rates in the agreements. This loan is repayable in 48 monthly installments of varying amounts commencing from January 2009 to December 2012. As at 31 December 2010, the subsidiary has loan outstanding of Baht 174.96 million (2009: *Baht 255 million*). This loan was secured by pledging printing machine.

In September 2009, a jointly-controlled entity has entered into a long-term loan agreement with a local financial institution for totaling amount of Baht 30 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement. Such loan agreement was guaranteed by a subsidiary and major shareholder of the jointly-controlled entity and savings deposits amounted to Baht 7.5 million. During 2010, the jointly-controlled entity has drawn down the loan totaling amounted of Baht 25 million. As at 31 December 2010, the jointly-controlled entity has loan outstanding of Baht 7.28 million.

On 19 March 2010, a subsidiary has entered into an interest rate swap contract with a local financial institution to cover risk of interest rate by conversion from floating rate at MLR to fixed rate at 6%.

On 24 September 2010, an indirect subsidiary has entered into a long term-loan agreement with a local financial institution for the amount of Baht 60 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement and repayable in 36 monthly instalments of varying amounts ending October 2013. As at 31 December 2010, the indirect subsidiary has loan outstanding of Baht 57 million. This loan is secured by pledge over the machinery.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Long-term loan from other party

During 2008, the Company has entered into memorandum with a local party to provide advertising and related services whereby the latter party provides loan to the Company amount of Baht 150 million. The Company shall repay the loan to the party by deducting from the advertising fee net of discount. The Company is committed to pay the service fee at the rate stipulated in the agreement and interest at the Minimum Loan Rate (MLR) of a local bank. The memorandum has an initial term of 3 years which shall automatically be extended for successive terms of 3 years. As at 31 December 2010, the Company has loan outstanding of Baht 127.3 million (2009: Baht 140.9 million).

As at 31 December 2010, the Group has unutilised credit facilities totalling Baht 1,231 million (2009: Baht 805 million).

Liabilities under finance lease agreements

Liabilities under finance lease agreements as at 31 December were payable as follows:

	Consolidated financial statements					
	2010			2009		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in thousand Baht)</i>					
Within one year	27,225	5,786	33,011	-	-	-
After one year but within five years	67,036	5,337	72,373	-	-	-
Total	94,261	11,123	105,384	-	-	-

	Separate financial statements					
	2010			2009		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in thousand Baht)</i>					
Within one year	498	88	586	-	-	-
After one year but within five years	932	61	993	-	-	-
Total	1,430	149	1,579	-	-	-

18 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Related parties	5	-	27,397	249,188	119,940
Other parties		156,648	156,279	32,249	56,626
Total		156,648	183,676	281,437	176,566

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

19 Other current liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2010	2009 (Restated)	2010	2009 (Restated)
		<i>(in thousand Baht)</i>			
Accrued expenses		175,009	108,063	143,695	48,574
Revenue department payable		12,069	6,625	4,489	5,449
Output VAT pending		78,156	61,298	40,298	34,586
Other payable - related parties	5	127	191	5,123	79,287
Other payable - others		30,590	11,899	10,363	3,233
Accrued machine rental		-	189,736	-	189,736
Deposit and advance received		94,990	53,531	32,779	51,016
Others		20,845	15,566	7,840	9,628
Total		411,786	446,909	244,587	421,509

20 Other non-current liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2010	2009 (in thousand Baht)	2010	2009
Deferred interest income from sale and lease back		-	4,933	-	4,933
Long-term loan from other party	17	127,349	140,958	127,349	140,958
Share of losses exceeds the carrying amount of investment		-	22,432	-	-
Others		2,476	2,768	-	-
Total		129,825	171,091	127,349	145,891

21 Share capital

	<i>Par value per share (in Baht)</i>	2010		2009	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
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 paid-up					
At 1 January					
- ordinary shares	10	164,774	1,647,740	164,774	1,647,740
At 31 December					
- ordinary shares	10	164,774	1,647,740	164,774	1,647,740

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

22 Share premium and 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.

Expenses for issuing new ordinary share

Directly attributable expenses of issuing new ordinary shares are accounted for a deduction from the premium on those ordinary shares.

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 (if any), 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.

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.

23 Segment information

Segment information is presented in respect of the Group’s business segments. The primary format business segments is 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.

Business segments

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.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Business segment results

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	(Restated)													
	<i>(in million Baht)</i>													
Revenue from sales of goods and rendering of services	2,492	1,871	457	399	253	263	625	463	234	229	(1,364)	(908)	2,697	2,317
Rental and service income	31	199	14	15	88	96	-	-	-	-	(40)	(202)	93	108
Interest income	29	28	-	-	3	-	3	1	-	-	(32)	(8)	3	21
Gain from a bargain purchase	91	-	-	-	-	-	-	-	-	-	-	-	91	-
Other income	218	135	282	13	10	8	-	4	-	-	(459)	(77)	51	83
Share of profits from investments accounted for using the equity method	222	81	-	-	-	-	-	-	-	-	(50)	(79)	172	2
Total income	3,083	2,314	753	427	354	367	628	468	234	229	(1,945)	(1,274)	3,107	2,531
Cost of sales of goods and rendering of services	1,742	1,530	370	348	250	260	391	322	218	206	(1,281)	(963)	1,690	1,703
Selling expense	323	125	6	-	13	10	63	28	34	3	(214)	-	225	166
Administrative expenses	455	468	37	31	45	58	31	39	-	34	(104)	(224)	464	406
Management benefit expense	95	89	1	-	14	11	20	8	-	-	-	-	130	108
Share of losses from investments accounted for using the equity method	50	63	50	48	-	-	-	-	-	-	(50)	(63)	50	48
Total expenses	2,665	2,275	464	427	322	339	505	397	252	243	(1,649)	(1,250)	2,559	2,431
Profit (loss) before finance costs	418	39	289	-	32	28	123	71	(18)	(14)	(296)	(24)	548	100
Finance costs	(91)	(95)	(48)	(26)	(2)	-	-	(2)	(3)	(3)	32	8	(112)	(118)
Income tax expense	(5)	-	(19)	(18)	(9)	(14)	(22)	-	-	-	-	-	(55)	(32)
Profit (loss) for the year	322	(56)	222	(44)	21	14	101	69	(21)	(17)	(264)	(16)	381	(50)

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Business segment financial position

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	<i>(in million Baht)</i>													
Cash and cash equivalents	59	89	7	1	22	42	27	23	9	6	-	-	124	161
Current investments	-	-	-	-	30	5	90	147	-	-	-	-	120	152
Trade accounts receivable	712	449	173	154	133	132	168	117	47	49	(465)	(253)	768	648
Accrued income	142	84	9	1	11	10	51	23	2	2	(75)	(12)	140	108
Other receivables from related parties	280	199	32	28	24	16	2	3	-	2	(337)	(221)	1	27
Accounts receivable under sale and lease back agreement due within one year	-	254	-	-	-	-	-	-	-	-	-	-	-	254
Short-term loans to related parties	185	107	-	-	-	-	-	-	-	-	(185)	(107)	-	-
Current portion of long-term loan to related party	84	-	-	-	-	-	-	-	-	-	(84)	-	-	-
Inventories	118	234	35	6	70	54	7	2	-	-	-	-	230	296
Other current assets	46	73	30	20	9	5	9	8	10	8	55	-	159	114
Total current assets	<u>1,626</u>	<u>1,489</u>	<u>286</u>	<u>210</u>	<u>299</u>	<u>264</u>	<u>354</u>	<u>323</u>	<u>68</u>	<u>67</u>	<u>(1,091)</u>	<u>(593)</u>	<u>1,542</u>	<u>1,760</u>
Investments in subsidiaries and associates	883	652	-	-	-	-	-	-	-	-	(856)	(626)	27	26
Long-term investment in related parties	1	1	-	-	-	-	-	-	-	-	-	-	1	1
Long-term investment in other parties	16	14	-	-	-	-	-	-	-	-	-	-	16	14
Long-term loan to related party	167	-	-	-	-	-	-	-	-	-	(167)	-	-	-
Property, plant and equipment	460	470	1,238	631	5	3	75	29	6	9	21	21	1,805	1,163
Unused land	36	36	-	-	-	-	-	-	-	-	-	-	36	36
Intangible assets	66	79	-	-	27	19	-	-	1	3	-	-	94	101
Other non-current assets	148	175	1	1	5	-	29	26	3	5	-	-	186	207
Total non-current assets	<u>1,777</u>	<u>1,427</u>	<u>1,239</u>	<u>632</u>	<u>37</u>	<u>22</u>	<u>104</u>	<u>55</u>	<u>10</u>	<u>17</u>	<u>(1,002)</u>	<u>(605)</u>	<u>2,165</u>	<u>1,548</u>
Total assets	<u>3,403</u>	<u>2,916</u>	<u>1,525</u>	<u>842</u>	<u>336</u>	<u>286</u>	<u>458</u>	<u>378</u>	<u>78</u>	<u>84</u>	<u>(2,093)</u>	<u>(1,198)</u>	<u>3,707</u>	<u>3,308</u>

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Business segment financial position

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009 (Restated)
	<i>(in million Baht)</i>													
Bank overdrafts and short-term loans from financial institutions	582	532	64	60	5	-	2	1	-	-	-	-	653	593
Trade accounts payable	365	217	153	118	118	111	29	23	48	39	(556)	(324)	157	184
Current portion of long-term loans	193	280	101	87	7	-	-	-	-	-	-	-	301	367
Short-term loans from related parties	-	10	-	62	-	-	-	-	45	45	(45)	(107)	-	10
Current portion of liabilities under finance lease agreement	1	-	26	-	-	-	-	-	-	-	-	-	27	-
Current portion of long-term loans from related party	-	-	248	-	-	-	-	-	-	-	(248)	-	-	-
Income tax payable	3	-	7	-	6	14	6	-	-	-	-	-	22	14
Other current liabilities	446	466	95	49	55	51	104	56	38	24	(326)	(199)	412	447
Total current liabilities	1,590	1,505	694	376	191	176	141	80	131	108	(1,175)	(630)	1,572	1,615
Long-term loans from financial institutions	548	490	138	182	-	-	-	-	-	-	-	-	686	672
Current portion of long-term loans from related party	-	-	143	-	-	-	-	-	-	-	(143)	-	-	-
Liabilities under finance lease agreements	1	-	66	-	-	-	-	-	-	-	-	-	67	-
Other non-current liabilities	127	146	-	22	-	-	-	-	3	3	-	-	130	171
Total non-current liabilities	676	636	347	204	-	-	-	-	3	3	(143)	-	883	843
Total liabilities	2,266	2,141	1,041	580	191	176	141	80	134	111	(1,318)	(630)	2,455	2,458
Capital expenditure	310	24	720	9	1	47	67	12	1	1	(251)	(7)	848	86
Depreciation	35	37	99	52	1	1	20	24	2	1	-	-	157	115
Amortisation	33	35	-	-	21	23	-	-	1	-	-	-	55	58
Gain (loss) on disposal of assets	(8)	6	(1)	-	-	(1)	-	5	-	1	-	-	(9)	11

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

24 Other income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Income from sale of supplies		24,791	15,429	13,369	10,448
Office facilities and service income		7,857	-	180,430	76,129
Gain on disposal of equipment		-	11,500	-	1,734
Gain on disposal of investments in subsidiaries		3,075	21,392	5,600	28,500
Reversal of impairment loss of investments in subsidiary	11	-	-	-	25,770
Others		15,400	34,066	12,514	3,568
Total		51,123	82,387	211,913	146,149

25 Selling expenses

		Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Distribution		9,533	7,175	86,470	123,959
Marketing		133,032	89,400	102,111	70,579
Personnel		82,600	69,437	55,196	54,901
Total		225,165	166,012	243,777	249,439

26 Administrative expenses

		Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Personnel		311,889	239,534	218,343	184,329
Administrative		57,284	94,972	52,165	47,034
Depreciation		44,771	42,973	27,476	30,537
Employee early retirement benefits		7,106	1,138	2,933	1,138
Amortisation of other current assets and other non-current assets		33,978	29,498	33,928	29,448
Doubtful debts expense (reversal)		2,871	(3,438)	8,937	(8,444)
Others		5,574	1,430	5,925	1,430
Total		463,473	406,107	349,707	285,472

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

27 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>Management</i>				
Wages and salaries	117,626	103,398	75,475	77,715
Contribution to defined contribution plans	5,800	5,221	2,805	3,344
Others	6,479	196	1,738	90
	129,905	108,815	80,018	81,149
<i>Other employees</i>				
Wages and salaries	601,208	542,227	304,402	333,985
Contribution to defined contribution plans	32,653	30,365	16,963	18,630
Others	244,100	183,249	105,293	96,355
	877,961	755,841	426,658	448,970
Total	1,007,866	864,656	506,676	530,119

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.

28 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Purchase paper and raw materials		272,768	281,080	197,417	221,506
Purchase books		19,258	64,726	160,832	110,764
Printing cost		115,496	62,092	187,938	323,982
Change in finished goods		65,804	155,728	116,282	88,791
Delivery cost		182,946	201,989	3,104	20,002
Other production costs		386,902	308,889	185,555	261,315
Administrative expenses		57,284	94,971	52,165	47,034
Distribution and marketing expenses	25	142,565	96,575	188,581	194,538
Personnel expenses	27	1,007,866	864,656	506,676	530,119
Depreciation and amortisation expenses		218,670	173,215	71,764	70,879
Doubtful debt expenses (resersal)		(2,512)	14,177	(2,719)	19,050

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

29 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Interest expense relating to					
Related parties	5	-	-	1,440	303
Financial institutions		103,499	108,430	80,991	84,788
Other party		8,585	9,731	8,585	9,731
Total		112,084	118,161	91,016	94,822

30 Income tax

The current tax expense in the consolidated statements of income are more or less 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, and tax loss carried forward in previous fiscal years, 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 other subsidiaries of the Group for tax purposes.

31 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2010 and 2009 were based on the profit (loss) for the years attributable to equity holders of the Company and the weighted average number of shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
		(Restated)		(Restated)
	<i>(in thousand Baht/ thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders	313,625	(46,500)	135,026	15,764
Number of ordinary shares outstanding	164,774	164,774	164,774	164,774
Earnings (loss) per share (basic) <i>(in Baht)</i>	1.90	(0.28)	0.82	0.09

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

32 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 hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interest and also monitors the level of dividends to ordinary shareholders.

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 (Note 17).

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:

Consolidated financial statements				
	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2010				
Current				
Bank overdraft	MOR	48,174	-	48,174
Short-term loans from financial institutions	4.25 – 7.40	604,638	-	604,638
Long-term loans from financial institutions	MLR and MLR plus 0.50%	300,984	-	300,984
Non-current				
Long-term loans from financial institutions	MLR	-	686,746	686,746
Long-term loans from other party	MLR	-	127,349	127,349
Total		953,796	814,095	1,767,891

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Consolidated financial statements				
	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2009				
Current				
Bank overdraft	MOR	12,547	-	12,547
Short-term loans from financial institutions	3.90 – 8.30	580,160	-	580,160
Long-term loans from financial institutions	MLR and MLR plus 0.50%	367,048	-	367,048
Short-term loans from related party	1.85	10,000	-	10,000
Non-current				
Long-term loans from financial institutions	MLR	-	671,988	671,988
Long-term loans from other party	MLR	-	140,958	140,958
Total		969,755	812,946	1,782,701

Separate financial statements				
	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2010				
Current				
Bank overdraft	MOR	27,341	-	27,341
Short-term loans from financial institutions	4.25 – 7.40	554,638	-	554,638
Long-term loans from financial institutions	MLR and MLR plus 0.50%	193,200	-	193,200
Non-current				
Long-term loans from financial institutions	MLR	-	548,326	548,326
Long-term loans from other party	MLR	-	127,349	127,349
Total		775,179	675,675	1,450,854

2009				
Current				
Bank overdraft	MOR	1,620	-	1,620
Short-term loans from financial institutions	3.80 – 7.75	530,160	-	530,160
Long-term loans from financial institutions	MLR and MLR plus 0.50%	280,000	-	280,000
Short-term loans from related party	1.85	10,000	-	10,000
Non-current				
Long-term loans from financial institutions	MLR	-	490,060	490,060
Long-term loans from other party	MLR	-	140,958	140,958
Total		821,780	631,018	1,452,798

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 reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

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	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Estimated forecast purchases	10,076	37,205	10,076	37,205
Currency forwards	<u>(10,076)</u>	<u>(37,205)</u>	<u>(10,076)</u>	<u>(37,205)</u>
Net exposure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 reporting 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.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. 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. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

The fair value of financial assets and liabilities is taken to approximate the carrying value.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

33 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Commitments				
Within one year	35,779	269,264	4,520	238,971
After one year but within five years	98,243	85,706	40	-
After five years	92,303	56,802	-	-
Total	226,325	411,772	4,560	238,971
Other commitments				
Unused letters of credits	11,869	38,878	11,869	38,878
Forward contracts	10,076	37,205	10,076	37,205
Guarantee credit lines of subsidiaries with financial institutions	-	-	130,000	130,000
Bank Guarantees	4,371	5,095	-	-
Total	26,316	81,178	151,945	206,083

- a) The Group has entered into a lease and service agreements for its the office premises and facilities with a local company for the period of 2 years, commencing from 30 April 2009 to 29 April 2011. The Group has an option to renew for a further period of one year under the same condition.
- b) A subsidiary has entered into news supply agreement with a foreign company for a period of 4 years, commencing 1 June 2006 to 31 May 2011 with an option to renew.
- c) A subsidiary has entered into service agreements covering television broadcasting satellite service with a local company. The details are as follows:

Contract date	Contract period	Periods	Total fee
1 October 2009 (Amendment on 11 May 2010)	1 November 2009 to 31 October 2019	10 years	USD 4.3 million
4 February 2010 (Amendment on 11 May 2010)	15 February 2010 to 31 March 2020	10 years	USD 3.2 million

- d) The jointly-controlled entity entered into two warehouse rental agreements with a local company. The jointly-controlled entity agrees to pay rental fees at the rate specified in the agreements. The agreements have durations for 3 years, expiring on 30 November 2013 and 31 December 2013, respectively.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

34 Contingent liability

In September 2009, an indirect subsidiary has entered into long-term loan agreement with a local financial institution for totalling amount of Baht 10 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement. Such loan was guaranteed by subsidiary and saving account amounted to Baht 2.5 million. As at 31 December 2010, such indirect subsidiary has not yet drawn down the loan.

35 Event after the reporting date

- a) On 20 January 2011, the Company has entered into the change in loan agreement memorandum with a subsidiary (“WPS (Thailand) Co., Ltd.”) whereby the Company permitted such subsidiary to repay in monthly installments of not less than Baht 5 million from January 2011 to June 2011 and repay in monthly installments of not less than Baht 9 million since July 2011.
- b) On 27 January 2011, the extraordinary shareholders’ meeting of Kom Chad Luek Media Co., Ltd. (Formerly Nation Digital Media Co., Ltd.), passed resolution to decrease in share capital from Baht 100 million (divided into 10 million shares at Baht 10 par value) to Baht 25 million (divided into 2.5 million shares at Baht 10 par value) to decrease in the deficit.
- c) At the Board of Directors’ meeting of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 14 February 2011, passed resolutions to approve the payment of dividend to shareholders of Baht 0.05 per share, amounting to Baht 4.25 million.
- d) At the Board of Directors’ meeting of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 15 February 2011, passed resolutions to approve the payment of dividend to shareholders of Baht 0.10 per share, amounting to Baht 17.2 million.

36 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TAS/TFRS	Topic	Year effective
TAS 1 (revised 2009)	Presentation of Financial Statements	2011
TAS 2 (revised 2009)	Inventories	2011
TAS 7 (revised 2009)	Statement of Cash Flows	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	2011
TAS 10 (revised 2009)	Events after the Reporting Period	2011
TAS 12	Income tax	2013
TAS 16 (revised 2009)	Property, Plant and Equipment	2011
TAS 17 (revised 2009)	Leases	2011
TAS 18 (revised 2009)	Revenue	2011
TAS 19	Employee Benefits	2011
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2011
TAS 23 (revised 2009)	Borrowing Costs	2011
TAS 24 (revised 2009)	Related Party Disclosures	2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	2011

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

TAS/TFRS	Topic	Year effective
TAS 28 (revised 2009)	Investments in Associates	2011
TAS 33 (revised 2009)	Earnings per Share	2011
TAS 34 (revised 2009)	Interim Financial Reporting	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	2011
TAS 38 (revised 2009)	Intangible Assets	2011
TFRS 2	Share-based Payment	2011
TFRS 3 (revised 2009)	Business Combinations	2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	2011

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and is presently considering the potential initial impact on the consolidated and separate financial statements.

TAS 16 (revised 2009) - Property, plant and equipment

The principal changes introduced by the revised TAS 16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The revised TAS 16 permits as a transitional provision that these changes may be introduced prospectively from the year of introduction. Management intends to adopt this transitional provision and accordingly the introduction of the revised TAS 16 from 1 January 2011 has no impact on the financial statements of 2010 or prior years. Management is currently reviewing the impact on the financial statements of introducing the revised TAS 16 from 1 January 2011.

TAS 19 - Employee benefits

There is currently no Thai accounting standard covering employee benefits and the Group does not presently account for the costs of post-employment benefits under defined benefit plans; other long-term employee benefits; and termination benefits until such costs are incurred. The new TAS 19 includes the requirements to recognise and account for such costs in the period in which the service is performed. The requirements are complex and require actuarial assumptions to measure the obligation and expense. Moreover, the obligations are measured on a discounted basis because they may be settled many years after the employees render the related service. The transitional provisions of TAS 19 permit the transitional liability to be recognised and accounted for in one of four different ways:

1. retrospectively
2. immediately in equity (retained earnings) at the transition date
3. immediately in profit or loss at the transition date
4. as an expense on a straight-line basis over up to five years from the transition date.

Management is currently reviewing the impact on the financial statements of introducing the revised TAS 19 from 1 January 2011.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

37 Reclassification of accounts

Certain accounts in the 2009 financial statements have been reclassified to conform to the presentation in the 2010 financial statements as follows:

	Consolidated			2009		
	financial statements			Separate		
	Before reclass.	Reclass.	After reclass. (in million Baht)	Before reclass.	Reclass.	After reclass.
<i>Balance sheet</i>						
Trade accounts receivable	719,150	(70,762)	648,388	449,709	(70,762)	378,947
Accrued income	37,962	70,762	108,724	3,385	70,762	74,147
Other current assets	266,210	(152,277)	113,933	220,637	(152,277)	68,360
Other non-current assets	54,595	152,277	206,872	21,826	152,277	174,103
<i>Statement of income for the year</i>						
Cost of sale of goods and rendering of services	1,650,593	51,675	1,702,268	1,288,038	46,665	1,334,703
Selling expenses	234,652	(68,640)	166,012	172,144	77,295	249,439
Administrative expenses	389,141	16,965	406,106	409,432	(123,960)	285,472

Other Reference Persons

- **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

- **Certified Public Accountant**

1. Mr. Vichien Thamtrakul
Registration No. 3183 and/or
2. Mr. Charoen Phosamritlert
Registration No. 4068 and/or
3. Ms. Boonsri Chotpaiboonpun
Registration No. 3756

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 2010 is Bt 4,590,000
2. Non-audit fee
-None-

- **Financial Advisor**

1. JayDee Partners Company Limited
170/29-30 Ocean Tower 1, 11st Floor, Sukhumvit 16, Rachadapisek Road,
Klong Toei, Bangkok 10110
Tel. (66) 2661-8803-5
2. DBS Vickers Securities (Thailand) Co., Ltd.
989 Siam Tower, 9th, 14th -15th Floor, Rama I Road,
Pathumwan, Bangkok 10330,
Tel.(66) 2657-7000

- **Legal Consultants**

1. S.A.T. Associates Legal & Tax Company Limited
702 Chaophya Tower (Shangri-La Hotel)
89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok 10500
Tel. (66) 630-7637-8
2. Pow & Associates Law Office Limited
2 Silom Center Building, 20th Floor, Silom Road, Bangkok 10500
Tel. (66) 2632-6697
3. Thanathip & Partners Legal Counsellors Limited
17th Floor, Tonson Tower 900 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Tel. (66) 2689-4925

- **Investor Relations**

Mrs. Warangkana Kalayanapradit
Company Secretary
Nation Multimedia Group Public Company Limited
1854 Bangna-Trat Road, Bangna, Bangkok 10260
Tel: (66) 2338-3456
Email: investor@nationgroup.com
Website: <http://www.nationgroup.com>