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 2008 and 2007

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 sheet as at 31 December 2008, and the related statements of income, changes in shareholders' equity and cash flows for the year 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 audit. The consolidated and separate financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group Public Company Limited, respectively, for the year ended 31 December 2007 were audited by another auditor whose report dated 22 February 2008 expressed an unqualified opinion on those statements.

I conducted my audit 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 audit provides 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 2008 and the results of operations and cash flows for the year 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.

(Vichien Thamtrakul)
Certified Public Accountant
Registration No. 3183

KPMG Phoomchai Audit Ltd.
Bangkok
20 February 2009

Nation Multimedia Group Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2008 and 2007

		Consolidated financial statements		Separate financial statements	
Assets	*Note*	2008	2007	2008	2007
			(in Baht)		
Current assets					
Cash and cash equivalents	*5*	256,573,195	167,974,892	125,963,437	86,109,299
Current investments in fixed deposits		-	435,372	-	-
Trade accounts receivable	*6*	747,764,537	851,710,815	503,041,039	649,168,651
Accrued income		47,842,492	68,744,003	10,441,030	9,062,426
Other receivables from related parties	*4*	18,019,126	82,611,972	172,068,952	162,959,305
Short-term loans to related parties	*4*	-	-	88,000,000	169,500,000
Inventories	*7*	451,314,079	215,879,338	322,906,925	84,666,808
Other current assets	*8*	88,656,903	96,345,087	44,029,017	62,917,952
Total current assets		**1,610,170,332**	**1,483,701,479**	**1,266,450,400**	**1,224,384,441**
Non-current assets					
Investments in subsidiaries and associates	*9*	49,202,604	112,319,618	553,596,879	523,146,879
Long-term investments in related parties	*10*	950,870	9,436,290	950,870	9,436,290
Long-term investments in other companies	*11*	11,853,181	12,648,190	11,853,181	12,648,190
Property, plant and equipment	*12*	1,259,783,514	1,716,448,932	496,370,495	1,128,774,781
Unused land and building	*13*	36,000,000	222,078,900	36,000,000	222,078,900
Accounts receivable under sale and lease back agreement	*12*	253,590,000	253,590,000	253,590,000	253,590,000
Intangible assets	*14*	119,557,363	114,522,908	100,026,180	99,416,455
Other non-current assets	*15*	195,707,170	222,996,368	168,920,581	186,663,106
Total non-current assets		**1,926,644,702**	**2,664,041,206**	**1,621,308,186**	**2,435,754,601**
Total assets		**3,536,815,034**	**4,147,742,685**	**2,887,758,586**	**3,660,139,042**

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 2008 and 2007

		Consolidated financial statements		Separate financial statements	
Liabilities and equity	*Note*	2008	2007	2008	2007
			(in Baht)		
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	*16*	650,189,625	878,985,340	553,083,291	751,714,791
Trade accounts payable	*17*	130,461,252	188,933,130	126,900,973	194,405,792
Current portion of long-term loans	*16*	357,008,000	12,008,000	290,000,000	5,000,000
Current portion of debentures	*16*	-	1,000,000,000	-	1,000,000,000
Short-term loans from related party	*4, 16*	-	-	5,000,000	34,000,000
Income tax payable		14,796,415	44,943,826	-	24,730,000
Other current liabilities	*18*	268,571,838	330,650,873	157,362,571	197,254,058
Total current liabilities		**1,421,027,130**	**2,455,521,169**	**1,132,346,835**	**2,207,104,641**
Non-current liabilities					
Long-term loans from financial institutions	*16*	932,016,950	613,899,525	678,040,950	592,915,525
Other non-current liabilities	*16, 19*	327,361,355	155,824,826	324,060,683	154,133,946
Total non-current liabilities		**1,259,378,305**	**769,724,351**	**1,002,101,633**	**747,049,471**
Total liabilities		**2,680,405,435**	**3,225,245,520**	**2,134,448,468**	**2,954,154,112**
Equity					
Share capital	*20*				
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	*23*				
Share premium	*21, 22*	4,136	4,136	4,136	4,136
Fair value changes		(2,493,608)	(1,943,603)	(2,493,608)	(1,943,603)
Deficit		(891,159,353)	(836,178,621)	(891,940,710)	(939,815,903)
Total equity attributable to equity holders of the Company		**754,091,475**	**809,622,212**	**753,310,118**	**705,984,930**
Minority interests		102,318,124	112,874,953	-	-
Total equity		**856,409,599**	**922,497,165**	**753,310,118**	**705,984,930**
Total liabilities and equity		**3,536,815,034**	**4,147,742,685**	**2,887,758,586**	**3,660,139,042**

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 2008 and 2007

	Note	Consolidated financial statements 2008	Consolidated financial statements 2007	Separate financial statements 2008	Separate financial statements 2007
			(in Baht)		
Revenues					
Revenue from sale of goods and rendering of services	*4*	2,730,017,537	3,006,928,848	2,089,384,774	2,243,934,332
Rental and service income	*4*	134,777,190	67,547,050	308,471,500	361,900,034
Interest income	*4*	20,763,040	24,236,876	31,512,743	35,518,927
Dividends income	*9*	-	-	65,599,989	-
Other income	*4, 25*	132,338,092	107,428,444	137,447,112	100,653,579
Share of profits from investments accounted for using the equity method	*4, 9*	1,610,460	2,357,852	-	-
Total revenues		**3,019,506,319**	**3,208,499,070**	**2,632,416,118**	**2,742,006,872**
Expenses					
Cost of sale of goods and rendering of services	*4*	1,789,089,490	1,852,679,687	1,484,371,182	1,551,371,057
Selling and administrative expenses	*4, 26*	1,056,516,898	1,299,063,604	973,778,812	1,240,851,682
Impairment loss of assets	*12, 13*	-	560,439,241	-	560,439,241
Share of losses from investments accounted for using the equity method	*4, 9*	64,774,365	48,790,468	-	-
Total expenses		**2,910,380,753**	**3,760,973,000**	**2,458,149,994**	**3,352,661,980**
Profit (loss) before interest and income tax expenses		**109,125,566**	**(552,473,930)**	**174,266,124**	**(610,655,108)**
Interest expense	*4, 28*	(135,370,951)	(174,512,593)	(126,390,931)	(165,517,947)
Income tax expense	*29*	(39,292,176)	(64,251,336)	-	(24,730,000)
Profit (loss) for the year		**(65,537,561)**	**(791,237,859)**	**47,875,193**	**(800,903,055)**
Attributable to:					
Equity holders of the Company		(54,980,732)	(797,514,878)	47,875,193	(800,903,055)
Minority interests		(10,556,829)	6,277,019	-	-
Profit (loss) for the year	*24*	**(65,537,561)**	**(791,237,859)**	**47,875,193**	**(800,903,055)**
Basic earnings (loss) per share	*30*	(0.33)	(4.84)	0.29	(4.86)

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2008 and 2007

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

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2008 and 2007

	Consolidated financial statements						
		Reserves					
	Issued and paid-up share capital	Share premium	Fair value changes	Deficit	Total equity attributable to equity holders of the Company	Minority interests	Total equity
				(in Baht)			
Balance at 1 January 2008	**1,647,740,300**	**4,136**	**(1,943,603)**	**(836,178,621)**	**809,622,212**	**112,874,953**	**922,497,165**
Changes in shareholders' equity for 2008							
Changes in fair value of investments in listed securities	-	-	(550,005)	-	(550,005)	-	(550,005)
Net expense recognised directly in equity	-	-	(550,005)	-	(550,005)	-	(550,005)
Loss for the year	-	-	-	(54,980,732)	(54,980,732)	(10,556,829)	(65,537,561)
Total recognised expense	-	-	(550,005)	(54,980,732)	(55,530,737)	(10,556,829)	(66,087,566)
Balance at 31 December 2008	**1,647,740,300**	**4,136**	**(2,493,608)**	**(891,159,353)**	**754,091,475**	**102,318,124**	**856,409,599**

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2008 and 2007

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

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2008 and 2007

	Separate financial statements				
		Reserves			Total equity
	Issued and paid-up share capital	Share premium	Fair value changes	Deficit	attributable to the Company's shareholders
			(in Baht)		
Balance at 1 January 2008	**1,647,740,300**	**4,136**	**(1,943,603)**	**(939,815,903)**	**705,984,930**
Changes in shareholders' equity for 2008					
Changes in fair value of investments in listed securities	-	-	(550,005)	-	(550,005)
Net expense recognised directly in equity	-	-	(550,005)	-	(550,005)
Profit for the year	-	-	-	47,875,193	47,875,193
Total recognised income and expense	-	-	(550,005)	47,875,193	47,325,188
Balance at 31 December 2008	**1,647,740,300**	**4,136**	**(2,493,608)**	**(891,940,710)**	**753,310,118**

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 2008 and 2007

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in Baht)			
Cash flows from operating activities				
Profit (loss) for the year	(65,537,561)	(791,237,859)	47,875,193	(800,903,055)
Adjustments for				
Depreciation and amortisation	177,705,830	229,070,611	103,220,765	135,189,856
Interest income	(1,030,826)	(4,504,662)	(11,780,529)	(15,786,713)
Recognised interest income from sale and lease back agreement	(19,732,214)	(19,732,214)	(19,732,214)	(19,732,214)
Interest expense	135,370,951	174,512,593	126,390,931	165,517,947
Dividends income	-	-	(65,599,989)	-
Doubtful debts expense	32,107,519	181,109,095	32,346,435	94,060,181
Loss on obsolete stocks	25,612,365	17,105,455	-	-
Impairment losses of investments	-	39,840,000	-	116,919,521
(Reversal) impairment losses of assets	(550,936,455)	560,439,241	(550,936,455)	560,439,241
Assets written-off	15,062,102	29,437,407	-	22,583,736
Withholding tax deducted at source written-off	5,240,746	8,042,024	-	-
Unused building written-off	-	4,021,837	-	4,021,837
Loss (gain) on disposal of property, plant and equipment	501,636,821	(38,491,628)	501,542,657	(1,828,539)
Loss on disposal of other non-current assets	2,879,827	231,673	2,879,827	231,673
Share of profits from investments accounted for using the equity method	(1,610,460)	(2,357,852)	-	-
Share of losses from investments accounted for using the equity method	64,774,365	48,790,468	-	-
Income tax expense	39,292,176	64,251,336	-	24,730,000
	360,835,186	**500,527,525**	**166,206,621**	**285,443,471**
Changes in operating assets and liabilities				
Trade accounts receivable	83,738,667	2,784,979	126,106,223	16,940,925
Accrued income	10,681,368	(32,518,472)	(1,378,604)	(3,207,535)
Inventories	(261,047,106)	1,459,319	(238,240,117)	25,035,080
Other receivables from related parties	71,838,742	243,837,234	(2,523,505)	317,757,145
Other current assets	3,473,019	34,179,489	25,981,087	22,149,989
Other non-current assets	(5,143,974)	9,628,226	(14,690,648)	(5,117,307)
Trade accounts payable	(58,471,878)	11,313,698	(67,504,820)	(45,925,733)
Other current liabilities	(46,314,086)	95,000,941	(24,817,074)	51,744,778
Other non-current liabilities	41,609,792	41,690,880	40,000,000	40,000,000
Interest paid	(150,602,249)	(183,912,998)	(141,566,344)	(174,681,153)
Income taxes paid	(69,439,586)	(122,098,381)	(24,730,000)	(50,735,618)
Net cash provided by (used in) operating activities	**(18,842,105)**	**601,892,440**	**(157,157,181)**	**479,404,042**

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 2008 and 2007

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
		(in Baht)		
Cash flows from investing activities				
Interest received	1,030,826	4,504,662	11,780,529	15,786,713
Dividend received	-	-	65,599,989	-
Current investments in fixed deposits	435,372	171,724	-	86,271
Short-term loans to related parties	-	-	(51,000,000)	(264,000,000)
Proceeds from short-term loans to related parties	-	109,315	132,500,000	294,000,000
Purchase of investments in subsidiaries and associates	(450,000)	(171,500,000)	(30,450,000)	(105,000,000)
Proceed from sales of long-term investments in related parties	8,730,424	-	8,730,424	-
Purchase of property, plant and equipment	(475,954,257)	(406,844,587)	(237,461,063)	(294,979,093)
Purchase of unused building	(110,195,135)	(43,864,380)	(110,195,135)	(43,864,380)
Purchase of intangible assets	(44,509,237)	(58,875,686)	(26,160,440)	(35,223,691)
Sale of property, plant and equipment	1,147,252,180	412,660,847	1,144,394,565	235,018,789
Sale of other non-current assets	2,245,000	1,150,000	2,245,000	1,150,000
Proceeds from reduction of shares of related parties	-	1,425,000	-	1,425,000
Net cash provided by (used in) investing activities	**528,585,173**	**(261,063,105)**	**909,983,869**	**(195,600,391)**
Cash flows from financing activities				
Bank overdrafts and short-term loans from financial institutions	(228,795,715)	118,628,350	(198,631,500)	126,590,019
Proceeds from short-term loans from related parties	-	-	5,000,000	14,000,000
Repayment of short-term loans from related parties	-	-	(34,000,000)	(5,000,000)
Proceeds from long-term loans from financial institutions	1,300,000,000	1,170,000,000	1,000,000,000	1,170,000,000
Repayment of long-term loans from financial institutions	(642,008,000)	(1,027,072,966)	(635,000,000)	(1,020,064,966)
Proceeds from long-term loans from other party	150,000,000	-	150,000,000	-
Repayment of long-term loans from other party	(341,050)	-	(341,050)	-
Transaction costs from loan	-	(24,411,177)	-	(24,411,177)
Repayment of debentures	(1,000,000,000)	(600,000,000)	(1,000,000,000)	(600,000,000)
Proceed from issuance of shares	-	14,476	-	14,476
Net cash used in financing activities	**(421,144,765)**	**(362,841,317)**	**(712,972,550)**	**(338,871,648)**
Net increase (decrease) in cash and cash equivalents	**88,598,303**	**(22,011,982)**	**39,854,138**	**(55,067,997)**
Cash and cash equivalents at beginning of year	167,974,892	189,986,874	86,109,299	141,177,296
Cash and cash equivalents at end of year	**256,573,195**	**167,974,892**	**125,963,437**	**86,109,299**

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

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These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 20 February 2009.

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 as at 31 December 2008 and 2007 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest 2008	Ownership interest 2007
			(%)	
Direct subsidiaries				
Nation Broadcasting Corporation Limited	Advertising media	Thailand	99.99	99.99
Nation Digital Media Co., Ltd.	Information services	Thailand	99.99	99.99
Nation International Co., Ltd.	Publishing	Thailand	99.94	99.94
Nation International Edutainment Public Company Limited. (Formerly Nation Books International Co., Ltd.)	Publishing	Thailand	99.99	99.99
WPS (Thailand) Co., Ltd.	Publishing services	Thailand	84.50	84.50
NML Co., Ltd.	Delivery of publishing	Thailand	99.99	99.99
Nation News Network Co., Ltd.	Publishing and distribution of English newspapers and advertising media	Thailand	99.99	-
Indirect subsidiaries				
Nation Radio Network Co., Ltd.	Advertising media	Thailand	99.97	99.97
Nation Edutainment Co., Ltd.	Publishing	Thailand	99.99	99.99
Nation Egmont Edutainment Co., Ltd.	Publishing	Thailand	49.99	49.99

2 Basis for preparation of the financial statements

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

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

The Group has adopted the following new and revised Thai Accounting Standards which were issued by the FAP during 2007 and effective for accounting periods beginning on or after 1 January 2008:

TAS 25 (revised 2007)	*Cash Flows Statements*
TAS 29 (revised 2007)	*Leases*
TAS 31 (revised 2007)	*Inventories*
TAS 33 (revised 2007)	*Borrowing Costs*
TAS 35 (revised 2007)	*Presentation of Financial Statements*
TAS 39 (revised 2007)	*Accounting Policies, Changes in Accounting Estimates and Errors*
TAS 41 (revised 2007)	*Interim Financial Reporting*
TAS 43 (revised 2007)	*Business Combinations*
TAS 49 (revised 2007)	*Construction Contracts*
TAS 51	*Intangible Assets*

The adoption of these new and revised TAS does not have any material impact on the consolidated or separate financial statements.

The FAP has issued during 2008 a number of revised TAS which are only effective for financial statements beginning on or after 1 January 2009 and have not been adopted in the preparation of these financial statements. These revised TAS are disclosed in note 34 to the financial statements.

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

The preparation of financial statements in conformity with TAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These judgements, estimates and assumptions are based on historical experience and various other factors, including management's assessment of the potential impact on the Group's operations and financial position of the global economic crisis. Actual results may differ from these estimates.

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

3 Significant accounting policies

(a) Basis of consolidation

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

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

Subsidiaries

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

Associates

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

(b) Foreign currencies

Foreign currency transactions

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

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

(c) Derivative financial instruments

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

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

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

(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

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

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

(f) Inventories

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

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

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

Costs are determined by the following method:

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

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

(g) Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. 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 being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity. The exceptions are impairment losses of investments which are recognised in the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

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

Disposal of investments

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

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

(h) Property, plant and equipment

Owned assets

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

Depreciation

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

Land improvements	5	years
Buildings and improvements	5, 20 and 30	years
Leasehold improvements	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.

(i) Intangible assets

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

Amortisation

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

Computer program and license-software	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.

(j) Impairment

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

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

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

Calculation of recoverable amount

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

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

Reversals of impairment

An impairment loss in respect of 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.

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

(k) Interest-bearing liabilities

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

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

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

Share based payments

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

(n) Provisions

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

(o) Revenue

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

Sale of goods and services rendered

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

Rental income

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

Interest and dividend income

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

(p) Expenses

Operating leases

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

Finance costs

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

(q) Income tax

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

4 Related party transactions and balances

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

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

Name of entities	Country of incorporation/ Nationality	Nature of relationships
Nation Broadcasting Corporation Limited	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation Digital Media Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation International Co., Ltd.	Thailand	Subsidiary, 99.94% shareholding, some common directors
Nation International Edutainment Public Company Limited. (Formerly Nation Books International Co., Ltd.)	Thailand	Subsidiary, 99.99% shareholding, some common directors
WPS (Thailand) Co., Ltd.	Thailand	Subsidiary, 84.50% shareholding, some common directors
NML Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors

Name of entities	Country of incorporation/ Nationality	Nature of relationships
Nation News Network Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation Radio Network Co., Ltd.	Thailand	99.97% shareholding by Nation Broadcasting Corporation Limited, some common directors
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited., some common directors
Nation Egmont Edutainment Co., Ltd.	Thailand	49.99% shareholding by Nation International Edutainment Public Company Limited., some common directors
Yomiuri-Nation Information Service Limited	Thailand	Associate, 44.98% shareholding, some common directors
Kyodo Nation Printing Services Co., Ltd.	Thailand	Associate, 48.99% shareholding, some common directors
Nation Properties Co., Ltd.	Thailand	Related party, 18% shareholding
Thai Portal Co., Ltd.	Thailand	19% shareholding by Nation Digital Media Co., Ltd.
Media Expertise International (Thailand) Ltd.	Thailand	A director is related to the Company
Media Magnet Co., Ltd.	Thailand	Related party, 8.6% shareholding
Media Pulse Co., Ltd.	Thailand	A director is related to the Company
Nation Tuahthai Co., Ltd.	Thailand	Related party, 19% shareholding
Nation Printing Complex Co., Ltd.	Thailand	Related party, 19% shareholding
Yomiuri Shimbun Co., Ltd.	Japan	Shareholder of Yomiuri-Nation Information Service Limited, 45% shareholding

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	Fixed rate which approximates loan rate of the financial institutions
Expenses	Negotiable rate which approximates market rate
Interest expense on borrowings	Fixed rate which approximates loan rate of the financial institutions

Significant transactions for the years ended 31 December 2008 and 2007 with related parties were as follows:

	Consolidated financial statements		**Separate financial statements**	
	2008	2007	2008	2007
	(in thousand Baht)			
Subsidiaries				
Sales of goods and rendering of services	-	-	325,109	339,813
Interest income	-	-	1,151	15,069
Other income	-	-	58,684	38,179
Printing, cost of service and other expenses	-	-	543,920	371,773
Interest expense	-	-	643	2,222
Associates				
Sales of goods and rendering of services	129,920	720	2,322	720
Printing, cost of service and other expenses	152,330	-	88,199	-
Other related parties				
Interest income	-	159,739	-	159,739
Other expenses	-	61,801	-	61,043

Balances as at 31 December 2008 and 2007 with related parties were as follows:

Trade accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Subsidiary				
Nation Radio Network Co., Ltd.	-	-	-	1,590
Associates				
Kyodo Nation Printing Services Co., Ltd.	51,864	24,886	-	-
Yomiuri-Nation Information Service Limited	627	456	-	-
Other related parties				
Media Expertise International (Thailand) Ltd.	36,074	57,123	17,664	19,597
Media Pulse Co., Ltd.	4,215	9,555	4,215	6,356
NPG Training & Conference Resort Co., Ltd.	-	5,306	-	5,297
Yumiuri Shimbun Co., Ltd.	20,279	-	-	-
Others	3,838	4,944	3,755	4,942
	116,897	**102,270**	**25,634**	**37,782**
Less allowance for doubtful accounts	(45,345)	(65,679)	(25,634)	(30,753)
allowance for goods return	(1,104)	-	-	-
Net	**70,448**	**36,591**	**-**	**7,029**
Bad and doubtful debts expenses(reversal) for the year	**(3,125)**	**52,750**	**227**	**21,518**

Other receivables - related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Subsidiaries				
Nation Edutainment Co., Ltd.	-	-	6,317	7,157
Nation Broadcasting Corporation Limited	-	-	17,589	19,575
Nation International Co., Ltd.	-	-	-	27,110
Nation Radio Network Co., Ltd.	-	-	208	69
Nation International Edutainment Public Company Limited. (Formerly Nation Books International Co., Ltd.)	-	-	7,492	5,918
Nation Egmont Edutainment Co., Ltd.	-	-	957	3,399
WPS (Thailand) Co., Ltd.	-	-	112,145	91,837
NML Co., Ltd.	-	-	23,103	9,216
Nation News Network Co., Ltd.	-	-	297	-
Others	-	-	-	1
Associate				
Kyodo Nation Printing Services Co., Ltd.	14,480	52,608	477	252
Yomiuri-Nation Information Service Limited	61	58	11	58

	Consolidated financial statements		**Separate financial statements**	
	2008	2007	2008	2007
	(in thousand Baht)			
Other related parties				
NPG Training & Conference Resort Co., Ltd.	-	109,145	-	37,545
Media Magnet Co., Ltd.	7	7	7	7
Thai Portal Co., Ltd.	17,345	17,413	-	-
Media Expertise International (Thailand) Ltd.	13,486	17,762	13,153	17,307
Media Pulse Co., Ltd.	1,505	1,109	1,384	988
Others	3,553	2,565	3,533	1,560
	50,437	**200,667**	**186,673**	**221,999**
Less allowance for doubtful accounts	(32,418)	(118,055)	(14,604)	(59,040)
Net	**18,019**	**82,612**	**172,069**	**162,959**
Bad and doubtful debts expenses (reversal) for the year	**(7,246)**	**60,956**	**(6,636)**	**15,694**

Short-term loans to related parties

	Interest rate		**Consolidated financial statements**		**Separate financial statements**	
	2008	2007	2008	2007	2008	2007
	(% per annum)		*(in thousand Baht)*			
Subsidiaries						
Nation Broadcasting Corporation Limited	-	7	-	-	-	35,500
WPS (Thailand) Co., Ltd.	7	7	-	-	43,000	117,000
NML Co., Ltd.	7	7	-	-	45,000	17,000
			-	-	88,000	169,500
Other related parties						
NPG Training & Conference Resort Co., Ltd.	-	-	-	438,350	-	438,350
Nation Tuahthai Co., Ltd.	-	-	3,700	3,700	3,700	3,700
			3,700	442,050	3,700	442,050
			3,700	442,050	91,700	611,550
Less allowance for doubtful accounts			(3,700)	(442,050)	(3,700)	(442,050)
Short-term loans to related parties, net			**-**	**-**	**88,000**	**169,500**
Bad and doubtful debts expenses for the year			**-**	**-**	**-**	**-**

Movements during the years ended 31 December 2008 and 2007 of short-term loans to related parties were as follows:

Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Subsidiaries				
At 1 January	-	-	169,500	199,500
Increase	-	-	51,000	264,000
Decrease	-	-	(132,500)	(294,000)
At 31 December	**-**	**-**	**88,000**	**169,500**
Other related parties				
At 1 January	442,050	442,159	442,050	442,050
Increase	-	-	-	-
Decrease	(438,350)	(109)	(438,350)	-
At 31 December	**3,700**	**442,050**	**3,700**	**442,050**
Total short-term loans to related parties				
At 1 January	442,050	442,159	611,550	641,550
Increase	-	-	51,000	264,000
Decrease	(438,350)	(109)	(570,850)	(294,000)
At 31 December	**3,700**	**442,050**	**91,700**	**611,550**

Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Subsidiaries				
Nation International Edutainment Public Company Limited. (Formerly Nation Books International Co., Ltd.)	-	-	10,347	16,189
Nation Egmont Edutainment Co., Ltd.	-	-	156	1,778
Nation International Co., Ltd.	-	-	320	-
WPS (Thailand) Co., Ltd.	-	-	60,031	66,666
Nation Broadcasting Corporation Limited	-	-	17,527	12,278
Nation Radio Network Co., Ltd.	-	-	-	420
Nation Edutainment Co., Ltd.	-	-	-	56
NML Co., Ltd.	-	-	2,570	11,753
Associate				
Kyodo Nation Printing Services Co., Ltd.	28,588	43,080	15,735	26,641

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Other related parties				
Nation Properties Co., Ltd.	-	193	-	2
Media Expertise International (Thailand) Ltd.	-	1,496	-	1,496
Yumiuri Shimbun Co., Ltd.	33,401	-	-	-
Others	2,750	750	2,750	750
Total	**64,739**	**45,519**	**109,436**	**138,029**

Other payables to related parties

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Subsidiaries				
Nation International Edutainment Public Company Limited. (Formerly Nation Books International Co., Ltd.)	-	-	4,168	4,637
Nation Egmont Edutainment Co., Ltd.	-	-	1,357	6,444
WPS (Thailand) Co., Ltd.	-	-	728	1,600
Nation Digital Media Co., Ltd.	-	-	-	2,233
Nation Broadcasting Corporation Limited	-	-	2,371	2,965
Nation Radio Network Co., Ltd.	-	-	-	326
Nation Edutainment Co., Ltd.	-	-	628	574
NML Co., Ltd.	-	-	2,558	1,077
Associate				
Kyodo Nation Printing Services Co., Ltd.	-	20	-	-
Other related parties				
Nation Properties Co., Ltd.	-	672	-	604
Others	25	169	25	26
Total	**25**	**861**	**11,835**	**20,486**

Short-term loans from related party

	Interest rate		Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007	2008	2007
	(% per annum)		*(in thousand Baht)*			
Subsidiaries						
Nation Broadcasting Corporation Limited	7	-	-	-	5,000	-
Nation International Edutainment Public Company Limited. (Formerly Nation Books International Co., Ltd.)	-	7	-	-	-	34,000
Total			**-**	**-**	**5,000**	**34,000**

Movements during the years ended 31 December 2008 and 2007 of short-term loans from related parties were as follows:

Short-term loans from related parties

	Consolidated financial statements		**Separate financial statements**	
	2008	2007	2008	2007
	(in thousand Baht)			
Subsidiaries				
At 1 January	-	-	34,000	25,000
Increase	-	-	5,000	14,000
Decrease	-	-	(34,000)	(5,000)
At 31 December	**-**	**-**	**5,000**	**34,000**

Significant agreements with related parties

Lease agreements

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

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

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

Joint venture agreement

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

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Cash on hand	880	-	480	700
Cash at banks – current accounts	5,395	56,817	1,300	16,075
Cash at banks – savings accounts	160,707	111,158	68,987	29,992
Others	89,591	-	55,196	39,342
Total	**256,573**	**167,975**	**125,963**	**86,109**

Cash and cash equivalents of the Group as at 31 December 2008 and 2007 were denominated entirely in Thai Baht.

6 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
		(in thousand Baht)			
Related parties	*4*	116,897	102,270	25,634	37,782
Other parties		863,904	1,056,600	642,822	830,279
		980,801	**1,158,870**	**668,456**	**868,061**
Less allowance for doubtful accounts		(195,887)	(265,451)	(150,372)	(202,913)
allowance for goods returned		(37,150)	(41,708)	(15,043)	(15,979)
Total		**747,764**	**851,711**	**503,041**	**649,169**
Bad and doubtful debts expenses for the year		**20,207**	**120,153**	**20,072**	**82,098**

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Related parties				
Within credit terms	33,042	12,677	1,537	1,264
Overdue:				
Less than 6 months	28,393	25,702	1,346	2,832
6-12 months	15,507	18,936	1,264	10,392
Over 12 months	39,955	44,955	21,487	23,294
	116,897	102,270	25,634	37,782
Less allowance for doubtful accounts	(45,345)	(65,679)	(25,634)	(30,753)
allowance for goods return	(1,104)	-	-	-
Net	**70,448**	**36,591**	**-**	**7,029**

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Other parties				
Within credit terms	602,837	831,748	473,766	696,655
Overdue:				
Less than 6 months	129,343	99,397	69,788	40,634
6-12 months	24,870	14,468	16,276	7,640
Over 12 months	106,854	110,987	82,992	85,350
	863,904	1,056,600	642,822	830,279
Less allowance for doubtful accounts	(150,542)	(199,772)	(124,738)	(172,160)
allowance for goods returned	(36,046)	(41,708)	(15,043)	(15,979)
Net	**677,316**	**815,120**	**503,041**	**642,140**
Total	**747,764**	**851,711**	**503,041**	**649,169**

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

Trade accounts receivable of the Group as at 31 December 2008 and 2007 were denominated entirely in Thai Baht.

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Finished goods - books	263,003	236,638	47,655	41,719
Raw materials	320,849	87,919	312,130	80,150
Stores, supplies and others	3,368	1,418	756	1,253
Work in process	1,361	1,558	1,361	540
Raw material in transit	561	561	561	561
Total	**589,142**	**328,094**	**362,463**	**124,223**
Less allowance for obsolete stocks	(137,828)	(112,215)	(39,556)	(39,556)
Net	**451,314**	**215,879**	**322,907**	**84,667**

8 Other current assets

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Other receivables	62,460	89,733	60,127	75,403
Advances to employees	4,555	7,776	3,340	5,984
Prepaid expenses	19,227	23,035	8,438	16,964
Input VAT pending	16,766	14,448	7,375	6,967
Revenue department receivable	18,845	2,551	-	-
Others	2,784	1,415	270	213
	124,637	**138,958**	**79,550**	**105,531**
Less allowance for doubtful accounts	(35,981)	(42,613)	(35,521)	(42,613)
Total	**88,656**	**96,345**	**44,029**	**62,918**

9 Investments in subsidiaries and associates

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
At 1 January	112,320	19,804	523,147	495,974
Share of net loss of investments - equity method	(63,164)	(46,433)	-	-
Unrealised gain on sale of fixed assets	-	(32,454)	-	-
Acquisitions	450	171,500	30,450	105,000
Dividend income	(500)	-	-	-
Allowance for impairment	-	-	-	(77,433)
Liquidation of subsidiary	-	-	-	(571)
Others	97	(97)	-	177
At 31 December	**49,203**	**112,320**	**553,597**	**523,147**

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2008 and 2007

Investments in subsidiaries and associates as at 31 December 2008 and 2007, and dividend income for the years ended 31 December 2008 and 2007 were as follows:

Consolidated financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity, net		Dividend income for the years ended 31 December	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	(%)		*(in thousand Baht)*											
Associates														
Yomiuri-Nation Information Service Limited	44.98	44.98	2,000	1,000	900	450	23,721	22,162	-	-	23,721	22,162	500	-
Kyodo Nation Printing Services Co., Ltd.	41.40	41.40	350,000	350,000	171,500	171,500	25,482	90,158	-	-	25,482	90,158	-	-
Total			**352,000**	**351,000**	**172,400**	**171,950**	**49,203**	**112,320**	**-**	**-**	**49,203**	**112,320**	**500**	**-**

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the years ended 31 December	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	(%)		*(in thousand Baht)*									
Subsidiaries												
Nation Broadcasting Corporation Limited	99.99	99.99	240,000	240,000	239,994	239,994	145,770	145,770	94,224	94,224	-	-
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	-	-
Nation International Co., Ltd.	99.94	99.94	1,000	1,000	1,000	1,000	575	575	425	425	-	-
Nation International Edutainment Public Company Limited. (Formerly Nation Books International Co., Ltd.)	99.99	99.99	70,000	70,000	69,999	69,999	-	-	69,999	69,999	65,100	-
WPS (Thailand) Co., Ltd.	84.50	84.50	500,000	500,000	422,500	422,500	68,049	68,049	354,451	354,451	-	-
NML Co., Ltd.	99.99	99.99	10,000	5,000	10,000	5,000	5,000	5,000	5,000	-	-	-
Nation News Network Co., Ltd.	99.99	-	25,000	-	25,000	-	-	-	25,000	-	-	-
Associate												
Yomiuri-Nation Information Service Limited	44.98	44.98	2,000	1,000	900	450	-	-	900	450	500	-
Total			**948,000**	**917,000**	**869,383**	**838,933**	**315,786**	**315,786**	**553,597**	**523,147**	**65,600**	-

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:

	Ownership (%)	Total assets	Total liabilities	Total revenues	Profit (loss)
			(in thousand Baht)		
2008					
Yomiuri-Nation Information Service Limited	44.98	55,896	3,158	23,023	3,580
Kyodo Nation Printing Services Co., Ltd.	41.40	854,168	744,195	365,836	(141,317)
Total		**910,064**	**747,353**	**388,859**	**(137,737)**
2007					
Yomiuri-Nation Information Service Limited	44.98	52,268	3,000	24,653	5,242
Kyodo Nation Printing Services Co., Ltd.	41.40	947,942	697,515	189,122	(99,573)
Total		**1,000,210**	**700,515**	**213,775**	**(94,331)**

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

At the Extraordinary Shareholders' Meetings of a subsidiary, Nation Information Technology Co., Ltd., held on 14 July 2007 and 31 July 2007, a special resolution was passed to liquidate the subsidiary. The subsidiary registered for liquidation with the Ministry of Commerce on 21 August 2007. The liquidation of the subsidiary was ended up on 17 April 2008.

At the extraordinary shareholders' meetings of Nation Books International Co., Ltd. held on 17 October 2008, the shareholders passed resolutions on the significant following matters:

a) Convert the Nation Books International Co., Ltd. into a public company and apply for listing on the Market for Alternative Investment.

b) Change the par value from Baht 100 per share to Baht 1 per share. As a result, the number of shares was changed from 700,000 shares at Baht 100 par value to 70,000,000 shares at Baht 1 par value. The Company registered the change in par value with the Ministry of Commerce on 5 November 2008.

c) Increase the authorized share capital from Baht 70,000,000 (divided into 70,000,000 ordinary shares at Baht 1 par value) to Baht 85,000,000 (divided into 85,000,000 ordinary shares at Baht 1 par value) by issuance of 15,000,000 new ordinary shares at Baht 1 par value totalling Baht 15,000,000 and registered the said authorized share capital increase with the Ministry of Commerce on 5 November 2008.

d) Change name to "Nation International Edutainment Public Company Limited" and registered the change in the Company's name with the Ministry of Commerce on 5 November 2008.

On 9 October 2008, the management committee of the Company established to register Nation News Network Co., Ltd. with the authorized share capital Baht 100 million (divided into 10,000,000 shares at Baht 10 par value). The management committee of the Company approved to pay for share subscription in such subsidiary at Baht 2.5 per share, amounting to Baht 25 million.

At the Extraordinary Shareholders' Meetings of a subsidiary, NML Co., Ltd., held on 22 December 2008, it was resolved to increase the share capital by Baht 5 million (divided into 500,000 shares at Baht 10 par value) by offer of new shares to the existing shareholders. The management committee of the Company approved the increase in its investments in the subsidiary, as the existing shareholder, by acquiring the 500,000 new shares in the subsidiary at par value of Baht 10 per share, amounting to Baht 5 million.

10 Long-term investments in related parties

	Nature of business	Consolidated financial statements Ownership interest 2008	2007	Paid-up capital 2008	2007	Amount 2008	2007
		(%)		*(in thousand Baht)*			
At fair value							
Equity securities available for sale							
- Se-Education Public Company Limited	Publishing	-	-	323,921	323,765	1	1
At cost							
Other equity securities held to maturity							
- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	300,000	54,000	54,000
- Thai Portal Co., Ltd.	Internet services	19.00	19.00	100,000	100,000	6,092	6,092
- Media Expertise International (Thailand) Ltd.	Publishing	-	5.66	-	150,000	-	8,485
- Media Magnet Co., Ltd.	Consulting and Marketing event	8.60	19.00	11,000	5,000	950	950
- Others						2,180	2,180
						63,222	71,707
Less allowance for impairment loss						(62,272)	(62,272)
						950	9,435
Total						**951**	**9,436**

	Nature of business	Ownership interest 2008	Ownership interest 2007	Paid-up capital 2008	Paid-up capital 2007	Amount 2008	Amount 2007
		Separate financial statements					
		(%)		*(in thousand Baht)*			
At fair value							
Equity securities available for sale							
- Se-Education Public Company Limited	Publishing	-	-	323,921	323,765	1	1
At cost							
Other equity securities held to maturity							
- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	300,000	54,000	54,000
- Media Expertise International (Thailand) Ltd.	Publishing	-	5.66	-	150,000	-	8,485
- Media Magnet Co., Ltd.	Consulting and Marketing event	8.60	19.00	11,000	5,000	950	950
- Others						2,180	2,180
						57,130	65,615
Less allowance for impairment loss						(56,180)	(56,180)
						950	9,435
Total						**951**	**9,436**

11 Long-term investments in other companies

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
At fair value				
Equity securities available for sale	3,385	3,839	3,385	3,839
At cost				
Other equity securities held to maturity	11,888	12,229	11,888	12,229
Less allowance for impairment loss	(3,420)	(3,420)	(3,420)	(3,420)
	8,468	**8,809**	**8,468**	**8,809**
Total	**11,853**	**12,648**	**11,853**	**12,648**

12 Property, plant and equipment

	Consolidated financial statements							
	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
				(in thousand Baht)				
Cost								
At 1 January 2007	608,828	1,715,850	28,740	184,614	891,447	97,994	20,285	3,547,758
Additions	470	11,911	-	310,990	43,530	13,725	26,218	406,844
Transfers	(31,500)	27,210	215	-	5,245	-	(45,633)	(44,463)
Disposals	-	(1,908)	-	(343,263)	(2,579)	(10,839)	-	(358,589)
At 31 December 2007 and 1 January 2008	**577,798**	**1,753,063**	**28,955**	**152,341**	**937,643**	**100,880**	**870**	**3,551,550**
Additions	10,993	18,519	1,282	377,197	30,216	8,607	29,140	475,954
Transfers	-	-	-	(33)	824	(791)	-	-
Disposals	(112,531)	(1,349,526)	(18,291)	(196,657)	(168,345)	(21,749)	(870)	(1,867,969)
At 31 December 2008	**476,260**	**422,056**	**11,946**	**332,848**	**800,338**	**86,947**	**29,140**	**2,159,535**
Accumulated depreciation								
At 1 January 2007	5,909	383,457	17,228	59,111	740,160	58,617	-	1,264,482
Depreciation charge for the year	2,591	71,214	1,396	36,040	39,044	14,695	-	164,980
Transfers	-	154	-	-	(154)	-	-	-
Disposals	-	(276)	-	(5,534)	(697)	(10,366)	-	(16,873)
At 31 December 2007 and 1 January 2008	**8,500**	**454,549**	**18,624**	**89,617**	**778,353**	**62,946**	-	**1,412,589**
Depreciation charge for the year	2,272	39,889	1,379	20,277	54,618	12,634	-	131,069
Transfers	-	-	-	(24)	935	(380)	-	531
Disposals	(9,059)	(422,450)	(12,018)	(35,744)	(145,978)	(19,188)	-	(644,437)
At 31 December 2008	**1,713**	**71,988**	**7,985**	**74,126**	**687,928**	**56,012**	-	**899,752**

	Consolidated financial statements							
	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
				(in thousand Baht)				
Allowance for impairment losses								
At 1 January 2007	-	-	-	-	-	-	-	-
Additions	14,777	404,852	103	-	2,780	-	-	422,512
Disposals	-	-	-	-	-	-	-	-
At 31 December 2007 and 1 January 2008	**14,777**	**404,852**	**103**	**-**	**2,780**	**-**	**-**	**422,512**
Additions	-	-	-	-	-	-	-	-
Disposals	(14,777)	(404,852)	(103)	-	(2,780)	-	-	(422,512)
At 31 December 2008	-	-	-	-	-	-	-	-
Net book value								
At 31 December 2007	**554,521**	**893,662**	**10,228**	**62,724**	**156,510**	**37,934**	**870**	**1,716,449**
At 31 December 2008	**474,547**	**350,068**	**3,961**	**258,722**	**112,410**	**30,935**	**29,140**	**1,259,783**

Separate financial statements

	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
				(in thousand Baht)				
Cost								
At 1 January 2007	440,396	1,348,231	9,869	60,322	619,433	89,876	6,534	2,574,661
Additions	-	2,339	-	232,966	40,525	12,505	6,644	294,979
Transfers	(31,500)	665	-	-	(665)	-	(13,178)	(44,678)
Disposals	-	-	-	(232,966)	-	(10,562)	-	(243,528)
At 31 December 2007 and 1 January 2008	**408,896**	**1,351,235**	**9,869**	**60,322**	**659,293**	**91,819**	**-**	**2,581,434**
Additions	-	-	-	190,196	22,132	7,133	18,000	237,461
Transfers	-	-	-	-	-	-	-	-
Disposals	(41,770)	(1,345,698)	(3,715)	(191,163)	(152,347)	(19,676)	-	(1,754,369)
At 31 December 2008	**367,126**	**5,537**	**6,154**	**59,355**	**529,078**	**79,276**	**18,000**	**1,064,526**
Accumulated depreciation								
At 1 January 2007	2,902	293,166	4,228	28,594	548,278	55,411	-	932,579
Depreciation charge for the year	2,102	50,355	662	5,972	35,039	13,776	-	107,906
Transfers	-	154	-	-	(154)	-	-	-
Disposals	-	-	-	-	-	(10,338)	-	(10,338)
At 31 December 2007 and 1 January 2008	**5,004**	**343,675**	**4,890**	**34,566**	**583,163**	**58,849**	**-**	**1,030,147**
Depreciation charge for the year	1,123	16,820	414	11,284	30,152	11,447	-	71,240
Transfers	-	-	-	-	-	-	-	-
Disposals	(6,127)	(357,725)	(1,316)	(6,005)	(144,212)	(17,846)	-	(533,231)
At 31 December 2008	**-**	**2,770**	**3,988**	**39,845**	**469,103**	**52,450**	**-**	**568,156**

Separate financial statements

	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
				(in thousand Baht)				
Allowance for impairment losses								
At 1 January 2007	-	-	-	-	-	-	-	-
Additions	14,777	404,852	103	-	2,780	-	-	422,512
Disposals	-	-	-	-	-	-	-	-
At 31 December 2007 and 1 January 2008	**14,777**	**404,852**	**103**	**-**	**2,780**	**-**	**-**	**422,512**
Additions	-	-	-	-	-	-	-	-
Disposals	(14,777)	(404,852)	(103)	-	(2,780)	-	-	(422,512)
At 31 December 2008	-	-	-	-	-	-	-	-
Net book value								
At 31 December 2007	**389,115**	**602,708**	**4,876**	**25,756**	**73,350**	**32,970**	**-**	**1,128,775**
At 31 December 2008	**367,126**	**2,767**	**2,166**	**19,510**	**59,975**	**26,826**	**18,000**	**496,370**

The gross carrying amounts of fully depreciated plant and equipment that was still in use as at 31 December 2008 amounted to Baht 510.6 million *(2007: Baht 522.2 million)* in the consolidated balance sheets and Baht 436.3 million *(2007: Baht* 588.6 *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.

The Board of Directors of the Company's Meetings held on 10 August 2007 and 9 November 2007 approved in principle to sell the Company's land and office building that included unused building. Subsequently, on 23 January 2008, the Board of Directors of the Company approved to sell the Company's land, head office buildings and Nation Tower building. The Company has to first purchase certain office space in the buildings from the present owners for an amount not exceeding Baht 130 million. During 2008, the Company purchased the office space in the buildings from the present owners in amount of Baht 110.2 million.

The Management Committee's Meeting held on 1 February 2008 acknowledged that the last price offered for such assets is Baht 955 million. This sale price is lower than the net book value of Company's assets, cost of purchase office space back and the estimated related expenses by approximately Baht 550.9 million. The Company, accordingly, recorded an allowance for impairment in value of such assets as at 31 December 2007 of Baht 550.9 million. During 2008, the Company reversed Baht 45.7 million of the allowance for impairment because of the decrease in rates of property transfers and special business tax.

On 25 April 2008, the Company entered into a promise to sale and purchase agreement of the Company's land, head office buildings and Nation Tower building with a local company at the price of Baht 955 million. The book value of the assets sold net of accumulated depreciation and allowance for impairment loss was Baht 953 million. As at 30 April 2008, the Company transferred the rights of the assets to the purchaser and received cash in full amount.

13 Unused land and building

	Consolidated financial statements / Separate financial statements		
	Land	Building	Total
		(in thousand Baht)	
Cost			
At 1 January 2007	-	274,660	274,660
Additions	-	43,864	43,864
Transfers	44,678	-	44,678
Disposals	-	(4,022)	(4,022)
Allowance for impairment losses	(8,678)	(128,423)	(137,101)
At 31 December 2007 and 1 January 2008	**36,000**	**186,079**	**222,079**
Additions	-	110,195	110,195
Reversal of allowance for impairment losses	-	128,423	128,423
Disposals	-	(424,697)	(424,697)
At 31 December 2008	**36,000**	**-**	**36,000**

14 Intangible assets

	Consolidated financial statements			
	Program computer	License fee-Software	Program computer under installation	Total
		(in thousand Baht)		
At 1 January 2007	78,597	20,275	8,750	107,622
Additions	11,357	23,561	23,866	58,784
Transfers	12,228	-	(12,228)	-
Amortisation charge for the year	(23,154)	(28,729)	-	(51,883)
At 31 December 2007 and 1 January 2008	**79,028**	**15,107**	**20,388**	**114,523**
Additions	15,381	17,882	11,246	44,509
Transfers	6,919	-	(6,919)	-
Amortisation charge for the year	(25,578)	(13,897)	-	(39,475)
At 31 December 2008	**75,750**	**19,092**	**24,715**	**119,557**

	Separate financial statements			
	Program computer	License fee-Software	Program computer under installation	Total
		(in thousand Baht)		
At 1 January 2007	78,597	-	8,750	87,347
Additions	11,357	-	23,866	35,223
Transfers	12,228	-	(12,228)	-
Amortisation charge for the year	(23,154)	-	-	(23,154)
At 31 December 2007 and 1 January 2008	**79,028**	**-**	**20,388**	**99,416**
Additions	15,188	-	10,972	26,160
Transfers	6,919	-	(6,919)	-
Amortisation charge for the year	(25,550)	-	-	(25,550)
At 31 December 2008	**75,585**	**-**	**24,441**	**100,026**

15 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Merchandises under barter trade	-	15,691	-	15,516
Withholding tax deducted at source	169,241	180,202	152,202	144,810
Golf membership, net	10,567	12,012	10,567	12,012
Refundable deposits	3,253	3,725	3,034	2,731
Condominium units not used in operations	-	11,262	-	11,262
Others	12,646	6,380	3,117	6,608
	195,707	229,272	168,920	192,939
Less				
- allowance for loss on impairment of condominium units not used in operations	-	(6,276)	-	(6,276)
Total	**195,707**	**222,996**	**168,920**	**186,663**

The amortization charge included in the statement of income for the year ended 31 December 2008 was approximately Baht 1.3 million *(2007: Baht 1.8 million)* for the Group and Baht 1.3 million *(2007: Baht 1.8 million)* for the Company.

16 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
		(in thousand Baht)			
Current					
Bank overdrafts					
- unsecured		35,804	40,427	33,697	8,156
Short-term loans from financial institutions					
- unsecured		614,386	838,558	519,386	743,559
Bank overdrafts and short-term loans from financial institutions		**650,190**	**878,985**	**553,083**	**751,715**
Current portion of long-term loan from financial institutions					
- unsecured		7,008	12,008	-	5,000
- secured		350,000	-	290,000	-
Current portion of debentures					
- unsecured		-	1,000,000	-	1,000,000
Short-term loans from related parties					
- unsecured	*4*	-	-	5,000	34,000
		1,007,198	**1,890,993**	**848,083**	**1,790,715**

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
		(in thousand Baht)			
Non-current					
Long-term loans from financial institutions					
- unsecured		13,976	613,899	-	592,915
- secured		918,041	-	678,040	-
Long-term loans from other party					
- unsecured	*19*	149,659	-	149,659	-
		1,081,676	**613,899**	**827,699**	**592,915**
Total		**2,088,874**	**2,504,892**	**1,675,782**	**2,383,630**

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

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Within one year	1,007,198	1,890,993	848,083	1,790,715
After one year but within five years	1,081,676	613,899	827,699	592,915
Total	**2,088,874**	**2,504,892**	**1,675,782**	**2,383,630**

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

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Land and equipment	486,968	-	300,052	-

Interest-bearing liabilities of the Group as at 31 December 2008 and 2007 were denominated entirely in Thai Baht.

Bank overdrafts and short-term loans from financial institutions

As at 31 December 2008, the Group and the Company had overdraft lines and other credit facilities with certain local financial institutions totalling approximately Baht 3,061 million *(2007: Baht 3,718 million)* and Baht 2,533 million *(2007: Baht 3,428 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 2008, the Company has loan outstanding of Baht 985 million.

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

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 2008, the subsidiary has loan outstanding of Baht 20.98 million.

On 25 December 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 2008, the subsidiary has loan outstanding of Baht 300 million. The loan was secured by pledging printing machine.

Debentures

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

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

The Debenture Holder's Meeting held on 12 February 2008 approved the resolutions to correct the final redemption date from 26 February 2009 to 18 March 2008 and during 2008, the Company repaid the entire debenture amount of Baht 1,000 million.

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

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 2008, the Group has unutilised credit facilities totalling Baht 1,125 million *(2007: Baht 2,107 million)*.

17 Trade accounts payable

		Consolidated financial statements		**Separate financial statements**	
	Note	2008	2007	2008	2007
			(in thousand Baht)		
Related parties	*4*	64,739	45,519	109,436	138,029
Other parties		65,722	143,414	17,465	56,376
Total		**130,461**	**188,933**	**126,901**	**194,405**

18 Other current liabilities

		Consolidated financial statements		**Separate financial statements**	
	Note	2008	2007	2008	2007
			(in thousand Baht)		
Accrued expenses		150,768	151,997	64,563	73,364
Revenue department payable		20,079	28,488	18,511	28,198
Output VAT pending		53,939	59,355	38,865	40,367
Other payable - related parties	*4*	25	861	11,835	20,486
Other payable - others		18,837	52,120	3,372	2,867
Deposit and advance receipt		9,866	17,102	8,966	16,337
Others		15,057	20,728	11,250	15,635
Total		**268,571**	**330,651**	**157,362**	**197,254**

19 Other non-current liabilities

	Note	Consolidated financial statements 2008	Consolidated financial statements 2007	Separate financial statements 2008	Separate financial statements 2007
		(in thousand Baht)			
Deferred interest income from sale and lease back		24,665	44,398	24,665	44,398
Accrued machine rental		149,736	109,736	149,737	109,736
Long-term loan from other party	*16*	149,659	-	149,659	-
Others		3,301	1,691	-	-
Total		**327,361**	**155,825**	**324,061**	**154,134**

20 Share capital

	Par value per share (in Baht)	2008 Number	2008 Baht	2007 Number	2007 Baht
		(thousand shares / thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	*10*	250,000	2,500,000	250,000	2,500,000
At 31 December					
- ordinary shares	*10*	**250,000**	**2,500,000**	**250,000**	**2,500,000**
Issued and fully paid					
At 1 January					
- ordinary shares	*10*	164,774	1,647,740	164,773	1,647,730
Issue of new shares	*10*	-	-	1	10
At 31 December					
- ordinary shares	*10*	**164,774**	**1,647,740**	**164,774**	**1,647,740**

21 Warrants

Shareholder warrants

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

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

22 Transfer of premium on share capital

In 2007, the Company transferred the balance of premium on share capital of Baht 115.6 million to set off against the accumulated losses of the Company as at 31 December 2006. The transfer of share premium was approved by the annual meeting of the shareholders of the Company on 23 April 2007.

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

23 Reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution (see transfer of premium on share capital in note 22).

Fair value changes

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

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (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.

24 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.

The Group comprises the following main business segments:

Segment 1	Publishing and advertising
Segment 2	Printing service
Segment 3	Edutainment
Segment 4	Broadcasting and new media
Segment 5	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.

Business segment results

	Segment 1		**Segment 2**		**Segment 3**		**Segment 4**		**Segment 5**		**Eliminations**		**Total**	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
							(in million Baht)							
Revenue from sales of goods and rendering of services	2,089	2,244	438	474	413	545	342	329	194	170	(746)	(755)	2,730	3,007
Rental and service income	308	362	18	18	104	-	-	-	-	-	(295)	(313)	135	67
Interest income	32	36	-	-	1	2	-	-	-	4	(12)	(18)	21	24
Other income	137	91	27	72	15	27	14	2	-	-	(61)	(84)	132	108
Share of profits from investments accounted for using the equity method	71	55	-	-	-	-	-	2	-	-	(69)	(55)	2	2
Total revenue	**2,637**	**2,788**	**483**	**564**	**533**	**574**	**356**	**333**	**194**	**174**	**(1,183)**	**(1,225)**	**3,020**	**3,208**
Cost of sales of goods and rendering of services	1,484	1,551	425	475	332	365	258	259	193	155	(903)	(952)	1,789	1,853
Selling and administrative expenses	974	1,166	66	56	130	118	63	50	25	73	(201)	(164)	1,057	1,299
Impairment loss of assets	-	560	-	-	-	-	-	-	-	-	-	-	-	560
Share of losses from investments accounted for using the equity method	108	117	65	81	-	-	-	-	-	-	(108)	(149)	65	49
Total expenses	**2,566**	**3,394**	**556**	**612**	**462**	**483**	**321**	**309**	**218**	**228**	**(1,212)**	**(1,265)**	**2,911**	**3,761**
Profit (loss) before interest and income tax expenses	**71**	**(606)**	**(73)**	**(48)**	**71**	**91**	**35**	**24**	**(24)**	**(54)**	**29**	**40**	**109**	**(553)**
Interest expense	(126)	(166)	(14)	(15)	-	(1)	(4)	(10)	(2)	1	11	17	(135)	(174)
Income tax expense	-	(25)	(13)	(6)	(27)	(32)	-	(1)	-	-	-	-	(40)	(64)
Profit (loss) for the year	**(55)**	**(797)**	**(100)**	**(69)**	**44**	**58**	**31**	**13**	**(26)**	**(53)**	**40**	**57**	**(66)**	**(791)**

Business segment financial position

	Segment 1		**Segment 2**		**Segment 3**		**Segment 4**		**Segment 5**		**Eliminations**		**Total**	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
							(in million Baht)							
Cash and cash equivalents	126	86	-	5	84	72	15	3	31	2	-	-	256	168
Current investments in fixed deposits	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Trade accounts receivable	503	649	115	105	128	161	109	90	18	26	(125)	(180)	748	851
Accrued income	10	9	-	-	9	11	8	48	21	-	-	-	48	68
Other receivables from related parties	172	163	15	54	22	42	3	5	3	31	(197)	(212)	18	83
Short-term loans to related parties	88	169	-	-	-	34	5	-	-	-	(93)	(203)	-	-
Inventories	323	85	8	7	107	111	5	6	-	-	8	7	451	216
Other current assets	44	63	26	11	4	5	9	14	6	4	(1)	-	88	97
Total current assets	**1,266**	**1,225**	**164**	**182**	**354**	**436**	**154**	**166**	**79**	**63**	**(408)**	**(588)**	**1,609**	**1,484**
Investments in subsidiaries and associates	573	627	25	90	-	63	-	6	-	-	(549)	(674)	49	112
Long-term investment in related parties	1	10	-	-	-	-	-	-	-	-	-	-	1	10
Long-term investment in other parties	12	13	-	-	-	-	-	-	-	-	-	-	12	13
Property, plant and equipment	496	1,129	684	499	3	3	52	72	3	1	22	12	1,260	1,716
Unused land and building	36	222	-	-	-	-	-	-	-	-	-	-	36	222
Accounts receivable under sale and lease back agreement	254	254	-	-	-	-	-	-	-	-	-	-	254	254
Intangible assets	100	99	-	-	19	16	-	-	-	-	-	-	119	115
Other non-current assets	169	187	-	26	2	-	18	10	7	-	-	(1)	196	222
Total non-current assets	**1,641**	**2,541**	**709**	**615**	**24**	**82**	**70**	**88**	**10**	**1**	**(527)**	**(663)**	**1,927**	**2,664**
Total assets	**2,907**	**3,766**	**873**	**797**	**378**	**518**	**224**	**254**	**89**	**64**	**(935)**	**(1,251)**	**3,536**	**4,148**

Business segment financial position

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
							(in million Baht)							
Bank overdrafts and short-term loans from financial institutions	553	752	50	68	-	-	47	58	-	1	-	-	650	879
Trade accounts payable	127	194	112	107	107	147	9	16	24	2	(249)	(278)	130	188
Current portion of long-term loans	290	5	67	7	-	-	-	-	-	-	-	-	357	12
Current portion of debentures	-	1,000	-	-	-	-	-	-	-	-	-	-	-	1,000
Short-term loans from related parties	5	34	43	117	-	-	-	36	45	17	(93)	(204)	-	-
Income tax payable	-	25	-	-	15	20	-	-	-	-	-	-	15	45
Other current liabilities	157	198	42	71	79	86	51	52	12	42	(73)	(118)	268	331
Total current liabilities	**1,132**	**2,208**	**314**	**370**	**201**	**253**	**107**	**162**	**81**	**62**	**(415)**	**(600)**	**1,420**	**2,455**
Long-term loans from financial institutions	678	593	254	21	-	-	-	-	-	-	-	-	932	614
Other non-current liabilities	324	154	-	-	1	-	-	-	3	2	-	-	328	156
Total non-current liabilities	**1,002**	**747**	**254**	**21**	**1**	**-**	**-**	**-**	**3**	**2**	**-**	**-**	**1,260**	**770**
Total liabilities	**2,134**	**2,955**	**568**	**391**	**202**	**253**	**107**	**162**	**84**	**64**	**(415)**	**(600)**	**2,680**	**3,225**
Capital expenditure	392	295	220	338	14	1	6	5	1	1	(189)	(233)	444	407
Depreciation	71	108	33	29	1	2	24	22	1	-	-	4	130	165
Amortisation	27	27	-	-	14	35	1	2	-	-	-	-	42	64
Gain on disposal of assets	49	2	-	69	-	-	-	-	-	-	-	(33)	49	38

25 Other income

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Income from sale of supplies	21,743	15,623	16,872	15,363
Office facilities and service income	-	-	60,233	42,426
Gain on disposal of property, plant and equipment	49,300	38,492	49,394	1,829
Others	61,295	53,313	10,948	41,036
Total	**132,338**	**107,428**	**137,447**	**100,654**

26 Selling and administrative expenses

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Distribution	16,226	22,245	144,386	132,807
Marketing	217,993	211,465	222,001	203,333
Personnel	338,488	361,942	281,656	290,136
Administrative	212,346	235,711	127,943	194,715
Depreciation	67,349	105,670	58,147	96,335
Employee early retirement benefits	61,910	6,328	60,989	6,328
Other current assets and other non-current assets written-off	15,062	29,437	-	22,584
Doubtful debts expense	32,108	181,109	32,346	94,060
Impairment loss of investments	-	39,840	-	116,920
Others	95,035	105,317	46,310	83,634
Total	**1,056,517**	**1,299,064**	**973,778**	**1,240,852**

27 Personnel expenses

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Wages and salaries	560,397	616,761	413,732	466,988
Contribution to defined contribution plans	44,578	30,467	33,442	23,400
Others	133,553	131,837	77,762	85,485
Total	**738,528**	**779,065**	**524,936**	**575,873**
	(number of employees)			
Number of employees as at 31 December	1,677	1,896	1,020	1,221

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 Interest expense

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
		(in thousand Baht)			
Interest expense relating to					
Related parties	*4*	-	-	643	2,222
Financial institutions		130,628	174,513	121,005	163,296
Other party		4,743	-	4,743	-
Total		**135,371**	**174,513**	**126,391**	**165,518**

29 Income tax

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	(in thousand Baht)			
Current tax expense	39,292	39,521	-	-
Under provided in prior year	-	24,730	-	24,730
Total	**39,292**	**64,251**	**-**	**24,730**

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

30 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2008 and 2007 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:

Profit (loss) for the year attributable to ordinary shareholders (basic)

	Consolidated financial statements		**Separate financial statements**	
	2008	2007	2008	2007
	(in thousand Baht/ thousand shares)			
Profit (loss) attributable to ordinary shareholders (basic)	**(54,981)**	**(797,515)**	**47,875**	**(800,903)**
Number of ordinary shares outstanding	164,774	164,774	164,774	164,774
Earnings (loss) per share (basic) ***(in Baht)***	**(0.33)**	**(4.84)**	**0.29**	**(4.86)**

Weighted average number of ordinary shares (basic)

	Consolidated financial statements		**Separate financial statements**	
	2008	2007	2008	2007
	(in thousand shares)			
Issued ordinary shares at 1 January	164,774	164,773	164,774	164,773
Effect of shares issued during the year	-	1	-	1
Weighted average number of ordinary shares (basic)	**164,774**	**164,774**	**164,774**	**164,774**

31 Financial instruments

Financial risk management policies

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

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.

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 16).

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
2008				
Current				
Bank overdraft	MOR	35,804	-	35,804
Short-term loans from financial institutions	4.25 – 7.75	614,386	-	614,386
Long-term loans from financial institutions	MLR and MLR plus 0.50%	357,008	-	357,008
Non-current				
Long-term loans from financial institutions	MLR	-	932,017	932,017
Long-term loans from other party	MLR	-	149,659	149,659
Total		**1,007,198**	**1,081,676**	**2,088,874**
2007				
Current				
Bank overdraft	7.10 - 8.00	40,427	-	40,427
Short-term loans from financial institutions	3.80 - 6.77	838,558	-	838,558
Long-term loans from financial institutions	MLR	12,008	-	12,008
Debentures	5.25	1,000,000	-	1,000,000
Non-current				
Long-term loans from financial institutions	MLR	-	613,899	613,899
Total		**1,890,993**	**613,899**	**2,504,892**

	Separate financial statements			
	Effective interest rates	Within 1 year	After 1 year but within 5 years	Total
	(% per annum)		*(in thousand Baht)*	
2008				
Current				
Bank overdraft	MOR	33,697	-	33,697
Short-term loans from financial institutions	3.80 – 7.75	519,386	-	519,386
Long-term loans from financial institutions	MLR and MLR plus 0.50%	290,000	-	290,000
Short-term loans from related party	MOR	5,000	-	5,000
Non-current				
Long-term loans from financial institutions	MLR	-	678,040	678,040
Long-term loans from other party	MLR	-	149,659	149,659
Total		**848,083**	**827,699**	**1,675,782**
2007				
Current				
Bank overdraft	7.10 - 8.00	8,156	-	8,156
Short-term loans from financial institutions	3.80 - 7.75	743,559	-	743,559
Long-term loans from financial institutions	MLR	5,000	-	5,000
Debentures	5.25	1,000,000	-	1,000,000
Short-term loans from related party	7	34,000	-	34,000
Non-current				
Long-term loans from financial institutions	MLR	-	592,915	592,915
Total		**1,790,715**	**592,915**	**2,383,630**

Foreign currency risk

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

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

	Consolidated financial statements		**Separate financial statements**	
	2008	2007	2008	2007
		(in thousand shares)		
United States Dollars				
Estimated forecast purchases	81,955	74,675	81,955	74,675
Currency forwards	81,955	74,675	81,955	74,675
Net exposure	-	-	-	-

Credit risk

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

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

Liquidity risk

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

Fair values

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

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

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

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

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

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

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

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

	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
	(in million Baht)			
Debentures	-	-	**1,000**	**1,019**

32 Commitments with non-related parties

	Consolidated financial statements		**Separate financial statements**	
	2008	2007	2008	2007
	(in thousand Baht)			
Non-cancellable operating lease commitments				
Within one year	155,884	213,292	155,884	213,292
After one year but within five years	238,971	394,855	238,971	394,855
Total	**394,855**	**608,147**	**394,855**	**608,147**
Other commitments				
Unused letters of credits	29,164	17,394	29,164	17,394
Forward contracts	81,955	74,675	81,955	74,675
Guarantee credit lines of subsidiaries with financial institutions	-	-	130,000	135,000
Total	**111,119**	**92,069**	**241,119**	**227,069**

a) The Company had commitments under a rental agreement of Web Off-set printing machine and related equipment with a financial institution on a monthly basis up to March 2010.

b) As at 31 December 2008, the Company had forward contracts with several local banks totalling of U.S. Dollars 2.3 million against Baht 82.0 million *(2007: U.S. Dollars 2.2 million against Baht 74.7 million)*.

33 Events after the balance sheet date

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") are 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.

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 (Pre-emptive right).

9. To approve to convene the Extraordinary General Meeting of Shareholders on 20 March 2009.

34 Thai Accounting Standards not yet adopted

The Group has not adopted the following TAS that have been issued as of the balance sheet date but are not yet effective. These TAS will become effective for financial periods beginning on or after 1 January 2009.

TAS 36 (revised 2007) Impairment of Assets

TAS 54 (revised 2007) *Non-current Assets Held for Sale and Discontinued Operations*

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