

**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 2011 and 2010



KPMG Phoomchai Audit Ltd.

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Audit Report of Certified Public Accountant

To the Shareholders of Nation Multimedia Group Public Company Limited

I have audited the accompanying consolidated and separate statements of financial position as at 31 December 2011 and 2010, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended of Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2011 and 2010 and the results of operations and cash flows for the years then ended of Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group Public Company Limited, respectively, in accordance with Financial Reporting Standards.

As explained in notes 2 and 3 to the financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the year ended 31 December 2010 have been restated accordingly.

(Vichien Thamtrakul)
Certified Public Accountant
Registration No. 3183

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2012

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	2011	2010	2011	2010
		(in Baht)			
Current assets					
Cash and cash equivalents	7	181,819,846	240,431,227	28,301,433	41,205,582
Trade accounts receivable	8	755,770,036	768,061,668	325,242,985	481,414,734
Accrued income		106,917,876	139,744,346	25,899,036	71,770,490
Other receivables from related parties	6	726,712	609,323	376,543,735	276,338,112
Short-term loans to related parties	6	-	-	128,000,000	185,000,000
Current portion of long-term loan to related party	6	-	-	60,000,000	84,000,000
Inventories	9	248,422,894	230,168,971	101,096,280	117,833,884
Other current assets	10	319,177,563	158,708,903	223,158,220	79,896,764
Total current assets		1,612,834,927	1,537,724,438	1,268,241,689	1,337,459,566
Non-current assets					
Investments in subsidiaries and associate	11	26,530,941	26,598,831	678,026,004	617,860,173
Long-term investments in related parties	12	951,500	951,560	951,500	951,560
Long-term investments in other companies	13	19,561,050	15,591,086	19,561,050	15,591,086
Long-term loan to related party	6	-	-	131,000,000	167,000,000
Property, plant and equipment	14	1,711,609,810	1,805,370,197	453,817,223	449,021,448
Unused land		36,000,000	36,000,000	36,000,000	36,000,000
Intangible assets	15	107,434,862	93,893,339	61,946,731	63,862,167
Restricted deposits	16, 18	2,500,000	3,773,486	-	-
Other non-current assets	17	235,388,897	186,093,353	179,021,509	147,675,178
Total non-current assets		2,139,977,060	2,168,271,852	1,560,324,017	1,497,961,612
Total assets		3,752,811,987	3,705,996,290	2,828,565,706	2,835,421,178

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

		Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity	Note	2011	2010	2011	2010
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	762,580,475	652,811,600	687,425,038	581,978,740
Trade accounts payable	19	167,571,816	156,647,532	304,340,252	281,437,335
Current portion of long-term loans					
from financial institutions	18	338,336,553	300,984,496	221,000,000	193,200,000
Current portion of finance lease liabilities	18	30,034,488	27,224,473	485,690	498,369
Accrued expenses		229,913,324	175,009,346	129,817,244	143,695,342
Income tax payable		8,081,951	22,185,899	-	-
Other current liabilities	20	324,144,583	236,776,775	174,833,752	100,891,702
Total current liabilities		1,860,663,190	1,571,640,121	1,517,901,976	1,301,701,488
Non-current liabilities					
Long-term loans from financial institutions	18	338,336,539	686,746,116	287,125,858	548,326,116
Finance lease liabilities	18	36,813,458	67,036,381	502,251	931,496
Employee benefit obligations	21	95,853,907	-	29,771,419	-
Other non-current liabilities	18, 22	120,566,326	129,824,729	119,366,359	127,349,251
Total non-current liabilities		591,570,230	883,607,226	436,765,887	676,606,863
Total liabilities		2,452,233,420	2,455,247,347	1,954,667,863	1,978,308,351
Equity					
Share capital	23				
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
Additional paid in capital	23				
Premium on ordinary shares		4,136	4,136	4,136	4,136
Premium on ordinary shares of subsidiary		75,590,441	75,940,998	-	-
Deficit		(630,162,035)	(656,378,076)	(776,459,251)	(789,274,363)
Other component of equity		2,612,658	(1,357,246)	2,612,658	(1,357,246)
Equity attributable to owners of the Company		1,095,785,500	1,065,950,112	873,897,843	857,112,827
Non-controlling interests		204,793,067	184,798,831	-	-
Total equity		1,300,578,567	1,250,748,943	873,897,843	857,112,827
Total liabilities and equity		3,752,811,987	3,705,996,290	2,828,565,706	2,835,421,178

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
		(in Baht)			
Income	6				
Revenue from sale of goods and rendering of services		2,643,186,775	2,696,706,555	961,107,299	1,732,489,627
Rental and service income		97,728,346	92,917,587	555,080	30,644,690
Investment income	27	3,308,213	4,397,143	75,498,006	107,465,454
Gain from a bargain purchase	5	-	90,827,396	-	-
Other income	28	53,344,928	50,122,809	47,053,760	35,009,058
Total income		2,797,568,262	2,934,971,490	1,084,214,145	1,905,608,829
Expenses					
Cost of sale of goods and rendering of services	6	1,637,271,495	1,704,556,796	410,263,656	1,006,063,892
Selling expenses	6, 29	292,698,059	225,165,115	183,340,866	243,776,685
Administrative expenses	6, 30	421,940,522	449,206,550	288,629,888	349,707,213
Management benefit expenses	31	132,612,114	129,904,594	68,368,902	80,018,424
Finance costs	6, 33	119,996,292	112,083,988	94,424,365	91,016,311
Total expenses		2,604,518,482	2,620,917,043	1,045,027,677	1,770,582,525
Share of profit (loss) of equity-accounted investees					
Associate		(67,890)	122,249,048	-	-
Profit before income tax expense		192,981,890	436,303,495	39,186,468	135,026,304
Income tax expense	34	(46,325,553)	(54,857,417)	-	-
Profit for the year		146,656,337	381,446,078	39,186,468	135,026,304
Other comprehensive income					
Net change in fair value of available-for-sale of investments	13, 25	3,969,904	976,877	3,969,904	976,877
Total comprehensive income for the year		150,626,241	382,422,955	43,156,372	136,003,181
Profit attribute to:					
Owners of the Company		104,277,580	313,624,504	39,186,468	135,026,304
Non-controlling interests		42,378,757	67,821,574	-	-
Profit for the year		146,656,337	381,446,078	39,186,468	135,026,304
Total comprehensive income attribute to:					
Owners of the Company		108,247,484	314,601,381	43,156,372	136,003,181
Non-controlling interests		42,378,757	67,821,574	-	-
Total comprehensive income for the year		150,626,241	382,422,955	43,156,372	136,003,181
Basic earnings per share	35	0.06	0.19	0.02	0.08

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2011 and 2010

Consolidated financial statements									
	Note	Issued and paid-up share capital	Share premium	Share premium of subsidiaries	Deficit	Other components of equity Fair value changes (in Baht)	Equity attributable to owners of the Company	Non- controlling interests	Total equity
Balance at 1 January 2010		1,647,740,300	4,136	58,419,867	(970,002,580)	(2,334,123)	733,827,600	116,548,187	850,375,787
Transactions with owners, recorded dircetly in equity									
Change in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control		-	-	17,521,131	-	-	17,521,131	-	17,521,131
Acquisition of non-controlling interests with a change in control		-	-	-	-	-	-	429,070	429,070
Total transactions with owners, recorded currently in equity		-	-	17,521,131	-	-	17,521,131	429,070	17,950,201
Comprehensive income for the year									
Profit or loss		-	-	-	313,624,504	-	313,624,504	67,821,574	381,446,078
Other comprehensive income	13, 25	-	-	-	-	976,877	976,877	-	976,877
Total comprehensive income for the year		-	-	-	313,624,504	976,877	314,601,381	67,821,574	382,422,955
Balance at 31 December 2010		1,647,740,300	4,136	75,940,998	(656,378,076)	(1,357,246)	1,065,950,112	184,798,831	1,250,748,943

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statements of changes in equity
For the years ended 31 December 2011 and 2010

Consolidated financial statements									
		Issued and paid-up share capital	Share premium	Share premium of subsidiaries	Deficit	Other components of equity Fair value changes (in Baht)	Equity attributable to owners of the Company	Non- controlling interests	Total equity
Balance at 1 January 2011 - as reported		1,647,740,300	4,136	75,940,998	-656,378,076	-1,357,246	1,065,950,112	184,798,831	1,250,748,943
Impact of changes in accounting policies	3	-	-	-	-78,061,539	-	-78,061,539	-6,995,335	-85,056,874
Balance at 1 January 2011 - adjusted		1,647,740,300	4,136	75,940,998	-734,439,615	-1,357,246	987,888,573	177,803,496	1,165,692,069
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-26,991,596	-26,991,596
<i>Changes in ownership interests in subsidiaries</i>									
Acquisition of non-controlling interests without a change in control		-	-	-350,557	-	-	-350,557	11,602,410	11,251,853
Total transactions with owners, recorded directly in equity		-	-	-350,557	-	-	-350,557	-15,389,186	-15,739,743
Comprehensive income for the year									
Profit or loss		-	-	-	104,277,580	-	104,277,580	42,378,757	146,656,337
Other comprehensive income	13, 25	-	-	-	-	3,969,904	3,969,904	-	3,969,904
Total comprehensive income for the year		-	-	-	104,277,580	3,969,904	108,247,484	42,378,757	150,626,241
Balance at 31 December 2011		1,647,740,300	4,136	75,590,441	-630,162,035	2,612,658	1,095,785,500	204,793,067	1,300,578,567

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2011 and 2010

	<i>Note</i>	Separate financial statements			Other components of equity Fair value changes	Equity attributable to owners of the Company
		Issued and paid-up share capital	Share premium	Deficit (in Baht)		
Balance at 1 January 2010		1,647,740,300	4,136	(924,300,667)	(2,334,123)	721,109,646
Comprehensive income for the year						
Profit or loss		-	-	135,026,304	-	135,026,304
Other comprehensive income	13, 25	-	-	-	976,877	976,877
Total comprehensive income for the year		-	-	135,026,304	976,877	136,003,181
Balance at 31 December 2010		1,647,740,300	4,136	(789,274,363)	(1,357,246)	857,112,827
Balance at 1 January 2011 - as reported		1,647,740,300	4,136	(789,274,363)	(1,357,246)	857,112,827
Impact of changes in accounting policies	3	-	-	(26,371,356)	-	(26,371,356)
Balance at 1 January 2011 - adjusted		1,647,740,300	4,136	(815,645,719)	(1,357,246)	830,741,471
Comprehensive income for the year						
Profit or loss		-	-	39,186,468	-	39,186,468
Other comprehensive income	13, 25	-	-	-	3,969,904	3,969,904
Total comprehensive income for the year		-	-	39,186,468	3,969,904	43,156,372
Balance at 31 December 2011		1,647,740,300	4,136	(776,459,251)	2,612,658	873,897,843

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 2011 and 2010

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	146,656,337	381,446,078	39,186,468	135,026,304
<i>Adjustments for</i>				
Depreciation	183,098,231	157,002,846	26,977,791	33,407,435
Amortisation	45,518,453	61,666,920	22,657,829	38,356,492
Investment income	(3,308,213)	(2,752,792)	(75,498,006)	(105,821,103)
Recognised interest income from sale and lease back agreement	-	(1,644,351)	-	(1,644,351)
Finance costs	119,996,292	112,083,988	94,424,365	91,016,311
Doubtful debts expense (reversal)	7,106,228	(2,511,507)	(1,443,448)	(2,719,464)
Loss on obsolete stocks (reversal)	(5,802,107)	2,944,654	3,147,649	-
Gain from a bargain purchase	-	(90,827,396)	-	-
Loss on disposal of plant and equipment	3,838,026	8,704,601	2,798,328	4,970,568
Loss on disposal of other non-current assets	-	1,688,016	-	1,688,016
Gain on disposal of investments in subsidiaries	-	(3,074,920)	-	(5,600,000)
Impairment losses on investments in subsidiaries	-	-	-	5,425,000
Reversal of impairment loss on investments in subsidiaries and long-term investments in other companies	-	(358,206)	-	(5,783,206)
Share of (profit) loss of equity-accounted investees, net of income tax	67,890	(122,249,048)	-	-
Income tax expense	46,325,553	54,857,417	-	-
	543,496,690	556,976,300	112,250,976	188,322,002
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	8,865,490	(66,711,648)	159,013,268	(100,161,815)
Accrued income	32,826,470	(31,020,396)	45,871,454	2,377,407
Other receivables from related parties	(117,389)	26,948,224	(99,623,608)	(77,536,744)
Proceeds from account receivable under sale and lease back agreement	-	253,590,000	-	253,590,000
Inventories	(12,451,815)	117,039,909	13,589,955	116,281,747
Other current assets	(133,092,246)	(18,592,812)	(147,784,255)	(11,536,294)
Other non-current assets	(49,927,480)	18,798,533	(31,978,267)	23,910,742
Trade accounts payable	10,924,284	(88,763,270)	22,902,917	104,871,226
Other current liabilities	125,558,058	(187,241,658)	57,089,003	(181,357,244)
Employee benefit obligations	10,797,032	-	3,400,063	-
Other non-current liabilities	(394,906)	(62,471,854)	880,602	(3,288,702)
Cash generated from operating activities	536,484,188	518,551,328	135,612,108	315,472,325
Income taxes paid	(60,429,501)	(47,066,768)	-	-
Net cash from operating activities	476,054,687	471,484,560	135,612,108	315,472,325

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

Nation Multimédia Group Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2011 and 2010

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in Baht)			
<i>Cash flows from investing activities</i>				
Interest received	2,539,737	1,439,498	28,530,626	27,587,932
Dividends received	768,476	1,313,294	46,967,381	78,233,171
Short-term loans to related parties	-	-	-	(225,000,000)
Proceeds from short-term loans to related parties	-	-	57,000,000	85,000,000
Long-term loans to related parties	-	-	-	(288,000,000)
Proceeds from long-term loans to related parties	-	-	60,000,000	99,000,000
Purchase of investments in subsidiaries and associate	-	(25,338,162)	(60,165,831)	(17,325,603)
Proceed from sale of investment in subsidiary	-	9,600,000	-	9,600,000
Sale of equipment	13,758,381	42,810,175	7,524,847	288,039,816
Purchase of equipment	(115,809,159)	(393,771,360)	(42,096,742)	(304,804,734)
Restricted deposits	1,273,486	(3,773,486)	-	-
Purchase of intangible assets	(55,706,927)	(50,322,488)	(17,567,744)	(20,108,962)
Sale of other non-current assets	-	355,140	-	355,140
Net cash from (used in) investing activities	(153,176,006)	(417,687,389)	80,192,537	(267,423,240)
<i>Cash flows from financing activities</i>				
Interest paid	(111,033,676)	(112,083,988)	(85,461,749)	(86,581,264)
Dividend paid to non-controlling interests of subsidiaries	(26,991,596)	(34,680,204)	-	-
Bank overdrafts and short-term loans from financial institutions	109,768,875	60,104,028	105,446,297	50,198,392
Proceeds from short-term loans from related parties	-	-	-	170,000,000
Repayment of short-term loans from related parties	-	(10,000,000)	-	(180,000,000)
Finance lease payments	(27,412,908)	6,734,200	(529,848)	1,429,865
Proceeds from long-term loans from financial institutions	32,499,600	312,498,000	-	240,000,000
Repayment of long-term loans from financial institutions	(349,456,863)	(364,791,438)	(239,300,000)	(269,520,000)
Cash paid for fees of long-term loan	-	(3,600,000)	-	(3,600,000)
Repayment of long-term loans from other party	(8,863,494)	(13,608,762)	(8,863,494)	(13,608,762)
Proceeds from sales of increment of ordinary share of subsidiaries	-	36,000,000	-	-
Cash paid for issuing increment of ordinary share of subsidiaries	-	(2,647,894)	-	-
Net cash used in financing activities	(381,490,062)	(126,076,058)	(228,708,794)	(91,681,769)
Net decrease in cash and cash equivalents	(58,611,381)	(72,278,887)	(12,904,149)	(43,632,684)
Cash and cash equivalents at 1 January	240,431,227	312,710,114	41,205,582	84,838,266
Cash and cash equivalents at 31 December	181,819,846	240,431,227	28,301,433	41,205,582

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

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Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 27 February 2012.

1 General information

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

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

The principal businesses of the Company are the publishing and distribution of newspapers, providing advertising and news services. Details of the Company’s subsidiaries and jointly-controlled entity as at 31 December 2011 and 2010 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)		
			2011	2010	
Direct subsidiaries					
Nation International Edutainment Public Company Limited	Importing, publishing and distributing publications	Thailand	78.46	77.65	
Nation Broadcasting Corporation Public Company Limited	Production of TV programs and radio programs and providing advertisements through TV media, radio media and new media forms	Thailand	61.99	62.14	
Nation News Network Co., Ltd.	Publishing and distribution of English newspapers and advertising media	Thailand	99.99	99.99	
NML Co., Ltd.	Delivery of publishing	Thailand	99.99	99.99	
Kom Chad Luek Media Co., Ltd.	Publishing and distribution of newspapers and advertising media	Thailand	99.99	99.99	
Krungthep Turakij Media Co., Ltd.	Publishing and distribution of newspapers, advertising media and education media	Thailand	99.97	99.97	

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2011	2010
Nation International Co., Ltd.	Publishing	Thailand	99.94	99.94
WPS (Thailand) Co., Ltd.	Publishing services	Thailand	84.50	84.50
Nation U Co., Ltd.	Education services	Thailand	55.00	-
Indirect subsidiaries				
Nation Printing Services Co., Ltd.	Publishing services	Thailand	84.49	84.49
Nation Edutainment Co., Ltd.	Publishing	Thailand	78.45	77.63
N Coupon Co., Ltd.	Sale of goods and service on internet	Thailand	78.45	77.63
Indirect jointly-controlled entity				
Nation Egmont Edutainment Co., Ltd.	Publishing	Thailand	39.22	38.82

Initial public offering

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

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

2 Basis for preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) and guidelines promulgated by the Federation of Accounting Professions ("FAP"), applicable rules and regulations of the Thai Securities and Exchange Commission.

During 2010 and 2011, the FAP issued the following new and TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements

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TFRS	Topic
TAS 28 (revised 2009)	Investments in Associates
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TIC 31	Revenue - Barter Transactions Involving Advertising Services

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 39.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- available-for-sale financial assets are measured at fair value

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

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

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statement is included in the following note:

Note 21 Measurement of defined benefit obligations

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3 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for property, plant and equipment
- Accounting for employee benefits

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 3(b) to 3(d) below. Other new and revised TFRS did not have any material impact on the accounting policies, financial position or performance of the Group. The impact of the changes on the financial statements for the years ended 31 December 2011 is summarised as follows:

	Consolidated financial statements	Separate financial statements
<i>Note</i>	2011	2011
	<i>(in thousand Baht)</i>	
Statement of financial position		
Equity at 31 December 2010	1,250,749	857,113
Impact of the adoption prospectively of:		
TAS 19 Employee benefits	3(d), 21 <u>(85,057)</u>	<u>(26,371)</u>
Equity at 1 January 2011	<u>1,165,692</u>	<u>830,742</u>
Statement of comprehensive income for the year ended 31 December 2011		
Increase (decrease) in profit before income tax as a result of the adoption of:		
TAS 16 Property, plant and equipment	3(c) 16,866	-
TAS 19 Employee benefits	3(d), 21 <u>(10,797)</u>	<u>(3,400)</u>
Increase (decrease) in profit	<u>6,069</u>	<u>(3,400)</u>
Increase (decrease) in basic earnings per share (in Baht)	<u>0.004</u>	<u>(0.002)</u>

(b) Presentation of financial statements

From 1 January 2011, the Group has adopted TAS 1 (Revised 2009) Presentation of Financial Statements. Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

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Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(c) Accounting for property, plant and equipment

From 1 January 2011, the Group has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

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

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard. The changes have had the following impact on the 2011 financial statements.

	Consolidated financial statements (in thousand Baht)
Statement of financial position as at 31 December 2011	
Increase (decrease) in cost of property, plant and Equipment	-
Decrease in accumulated depreciation	16,866
Increase in carrying amount of property, plant and equipment	16,866
Statement of comprehensive income for the year ended 31 December 2011	
Decrease in depreciation charge resulting in: Cost of sale of goods and rendering of services	16,866
Increase in profit	16,866
Increase in basic earnings per share (in Baht)	0.01

(d) Accounting for employee benefits

From 1 January 2011, the Group has adopted TAS 19 Employee Benefits.

Under the new policy, the Group's liability for post-employment benefits obligations is recognised in the financial statements based on calculations performed by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

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The Group's and the Company's liability for post-employment benefits obligations as at 1 January 2011 has been determined to be Baht 78.06 million and Baht 26.37 million, respectively. The Group has opted to record this liability as an adjustment to retained earnings as at 1 January 2011, in accordance with the transitional provisions of TAS 19. The impact on the 2011 financial statements was as follows:

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Statement of financial position		
Deficit at 31 December 2010 - as reported	656,378	789,274
Increase in employee benefit obligations	78,062	26,371
Deficit at 1 January 2011	734,440	815,645
Statement of comprehensive income for period ended 31 December 2011		
Increase in employee expenses resulting in:		
Increase in cost of sale of goods and rendering of services	5,150	603
Increase in administrative expenses	5,647	2,797
Decrease in profit	10,797	3,400
Decrease in basic earnings per share (in Baht)	0.007	0.002

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Company, its subsidiaries and jointly-controlled entities (together referred to as the "Group") and the Group's interest in associate is equity-accounted.

Subsidiaries

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

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

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Jointly-controlled entity

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

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Associate

Associate is entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investment in associate is accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and is recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

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(c) Cash and cash equivalents

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

(d) Trade and other accounts receivable

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

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

(e) Inventories

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

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

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

Costs are determined by the following principles:

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

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

(f) Investments

Investments in subsidiaries, jointly-controlled entity and associate

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

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Investments in other equity securities

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

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

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

Disposal of investments

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

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

(g) Property, plant and equipment

Recognition and measurement

Owned assets

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within income or expense in profit or loss.

Leased assets

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

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Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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

Land improvements	5	years
Buildings and improvements	5 and 20	years
Leased assets improvements	5 and 10	years
Machinery and equipment	2 - 12	years
Furniture, fixtures and office equipment	5	years
Transportation equipment	5	years

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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The estimated useful lives for the current and comparative periods are as follows:

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

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss 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 recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

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

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

Reversals of impairment

An impairment loss in respect of available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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(j) Interest-bearing liabilities

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

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(l) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or other benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Shares options exercised

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

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(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(n) Revenue

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

Sale of goods and services rendered

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

Newspapers subscription income is recognised on a time-proportion basis over the relevant subscription period.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Investment

Revenue from investments comprises dividend and interest income from investments and bank deposits.

Dividend income

Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in the statement of income as it accrues.

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(o) Finance costs

Interest expenses and similar costs are charged to the statement of income in the period in which they are incurred.

(p) Lease payments

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(q) Income tax

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

In determining the amount of current tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(r) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

5 Change of status to subsidiary, acquisition of business and business transfer

On 22 June 2010, WPS (Thailand) Co., Ltd., a subsidiary, acquired shares of Nation Printing Services Co., Ltd. ("NPS") (formerly Kyodo Nation Printing Services Co., Ltd.) at 51.01% from two former shareholders by payment in cash of Baht 8.03 million. Consequently, the percentage of shareholding of such subsidiary in NPS increased from 48.99% to 99.99% therefore the status of investment had been changed from an associate to a subsidiary. In addition, the subsidiary registered the change in name with the Ministry of Commerce on 24 June 2010.

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

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

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

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

On 1 July 2011, a subsidiary ("WPS (Thailand) Co., Ltd."), entered into an agreement to transfer the total assets and liabilities with Nation Printing Services Co., Ltd, a subsidiary of such subsidiary for restructuring the Group's operations. As indicated in the agreement, the transferred date was 1 July 2011.

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The acquirer's net assets and liabilities as at 1 July 2011 comprised the followings:

(in thousand Baht)

Cash and cash equivalents	7,781
Trade accounts receivable	66,474
Inventories	14,277
Other current assets	434
Building improvement and equipment	371,928
Other non-current assets	6,372
Trade accounts payable	(76,334)
Short-term loans from related parties	(130,000)
Other current liabilities	(35,466)
Long-term loans from financial institutions	(51,000)
Liabilities under finance lease agreements	(75,918)
Other non-current liabilities	(1,924)
Net carrying amounts of identifiable assets and liabilities	96,624
Less Consideration paid	(96,624)
Add Cash acquired	7,781
Net cash inflow	7,781

6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Nation Broadcasting Corporation Public Company Limited	Thailand	Subsidiary, 61.99% shareholding in 2011 and 62.14% shareholding in 2010, some common directors
Nation International Edutainment Public Company Limited	Thailand	Subsidiary, 78.46% shareholding in 2011 and 77.65% shareholding in 2010, some common directors
Kom Chad Luek Media Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
NML Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Nation News Network Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Krungthep Turakij Media Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding, some common directors
Nation International Co., Ltd.	Thailand	Subsidiary, 99.94% shareholding, some common directors
WPS (Thailand) Co., Ltd.	Thailand	Subsidiary, 84.50% shareholding, some common directors
Nation U Co., Ltd.	Thailand	Subsidiary, 55% shareholding, some common directors
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
N Coupon Co., Ltd.	Thailand	99.98% shareholding by Nation International Edutainment Public Company Limited, some common directors
Nation Egmont Edutainment Co., Ltd.	Thailand	Jointly-controlled entity, 49.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
Nation Printing Services Co., Ltd.	Thailand	99.99% shareholding by WPS (Thailand) Co., Ltd., some common directors (dissolution and in process of liquidation in 2011)
Yomiuri-Nation Information Service Limited	Thailand	Associate, 45% shareholding, some common directors
Thai Portal Co., Ltd.	Thailand	Related party, 19% shareholding by Kom Chad Luek Media Co., Ltd.
Nation Properties Co., Ltd.	Thailand	Related party, 18% shareholding
Media Magnet Co., Ltd.	Thailand	Related party, 8.6% shareholding
Media Expertise International (Thailand) Ltd.	Thailand	A director is related to the Company
Media Pulse Co., Ltd.	Thailand	A director is related to the Company
Nation Tuahtai Co., Ltd.	Thailand	Related party, 19% shareholding (dissolution and in process of liquidation)
Nation Printing Complex Co., Ltd.	Thailand	Related party, 19% shareholding (dissolution and in process of liquidation)

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

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

Significant transactions for the years ended 31 December 2011 and 2010 with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods and rendering of services	-	-	776,291	326,974
Investment income	-	-	74,690	104,322
Other income	-	-	17,012	15,775
Sale of machinery and equipment	-	-	-	254,000
Printing, cost of service and expenses	-	-	41,312	284,445
Finance costs	-	-	-	1,255
Jointly-controlled entity				
Sales of goods and rendering of services	63,216	63,877	972	3,290
Investment income	1,360	1,140	-	-
Printing, cost of service and expenses	3,990	4,185	1,671	717
Associate				
Sales of goods and rendering of services	3,523	21,968	121	121
Investment income	-	1,000	-	1,000
Printing, cost of service and expenses	-	26,201	-	10,378
Finance costs	-	185	-	185
Other related parties				
Sales of goods and rendering of services	6,031	1,450	2,222	767
Other expenses	3,000	3,000	-	1,500

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Balances as at 31 December 2011 and 2010 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
Nation International Edutainment Public Company Limited	-	-	420	4,557
Nation Edutainment Co., Ltd.	-	-	4,221	9,136
Nation News Network Co., Ltd.	-	-	-	2,846
Kom Chad Luek Media Co., Ltd.	-	-	46,740	27,070
Krungthep Turakij Media Co., Ltd.	-	-	5,608	5,528
WPS (Thailand) Co., Ltd.	-	-	5,726	-
N Coupon Co., Ltd.	-	-	1	-
Jointly-controlled entity				
Nation Egmont Edutainment Co., Ltd.	56,566	44,598	-	183
Associate				
Yomiuri-Nation Information Service Limited	275	535	-	-
Other related parties				
Media Expertise International (Thailand) Ltd.	34,505	32,724	15,587	15,295
Media Pulse Co., Ltd.	3,873	3,873	3,873	3,873
Others	6,250	6,282	6,211	6,211
	101,469	88,012	88,387	74,699
Less allowance for doubtful accounts	(40,824)	(40,824)	(25,082)	(25,081)
Net	60,645	47,188	63,305	49,618
Bad and doubtful debts expense for the year	-	806	-	1,674

<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
Nation Broadcasting Corporation Public Company Limited	-	-	10,430	14,290
Nation International Edutainment Public Company Limited	-	-	5,492	3,120
Nation International Co., Ltd.	-	-	330	300
Nation Edutainment Co., Ltd.	-	-	2,827	1,373
WPS (Thailand) Co., Ltd.	-	-	59,527	72,046
NML Co., Ltd.	-	-	67,762	73,469
Nation News Network Co., Ltd.	-	-	9,346	6,472
Krungthep Turakij Media Co., Ltd.	-	-	156,623	57,680
Kom Chad Luek Media Co., Ltd.	-	-	62,154	42,543
Nation Printing Services Co., Ltd.	-	-	-	3,561
N Coupon Co., Ltd.	-	-	760	-

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<i>Other receivables - related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Jointly-controlled entity				
Nation Egmont Edutainment Co., Ltd.	-	-	562	870
Associate				
Yomiuri-Nation Information Service Limited	11	11	11	11
Other related parties				
Thai Portal Co., Ltd.	17,345	17,345	-	-
Media Expertise International (Thailand) Ltd.	13,434	14,016	13,278	13,860
Media Pulse Co., Ltd.	1,623	1,623	1,567	1,567
Others	3,502	3,384	3,493	3,376
	<u>35,915</u>	<u>36,379</u>	<u>394,162</u>	<u>294,538</u>
Less allowance for doubtful accounts	<u>(35,188)</u>	<u>(35,770)</u>	<u>(17,618)</u>	<u>(18,200)</u>
Net	<u>727</u>	<u>609</u>	<u>376,544</u>	<u>276,338</u>
Bad and doubtful debts expense (reversal) for the year	<u>-</u>	<u>(413)</u>	<u>-</u>	<u>(413)</u>

<i>Short-term loans to related parties</i>	Consolidated		Separate	
	Interest rate	financial statements	financial statements	financial statements
	2011	2010	2011	2010
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>	
Subsidiaries				
NML Co., Ltd.	5.83-6.70	5.90-6.37	-	3,000
WPS (Thailand) Co., Ltd.	5.83-6.70	-	-	125,000
Nation Printing Services Co., Ltd.	-	5.90-6.37	-	-
			<u>-</u>	<u>140,000</u>
			<u>-</u>	<u>-</u>
Less allowance for doubtful accounts			<u>-</u>	<u>-</u>
Short-term loans to related parties, net			<u>128,000</u>	<u>185,000</u>
Bad and doubtful debts expense for the year			<u>-</u>	<u>-</u>

Movements during the years ended 31 December 2011 and 2010 of short-term loans to related parties were as follows:

<i>Short-term loans to related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	185,000	107,000
Increase	-	-	-	225,000
Decrease	-	-	(57,000)	(85,000)
Transfer to long-term	-	-	-	(62,000)
At 31 December	<u>-</u>	<u>-</u>	<u>128,000</u>	<u>185,000</u>

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<i>Long-term loan to related party</i>	<i>Interest rate</i>		Consolidated		Separate	
	2011	2010	financial statements		financial statements	
	<i>(% per annum)</i>		2011	2010	2011	2010
Subsidiary						
Current portion						
WPS (Thailand) Co., Ltd.	7.79-8.85	7.52-7.73	-	-	60,000	84,000
After one year						
WPS (Thailand) Co., Ltd.	7.79-8.85	7.52-7.73	-	-	131,000	167,000
Total long-term loan to related party			-	-	191,000	251,000

Movements during the years ended 31 December 2011 and 2010 of long-term loans to related party were as follows:

<i>Long-term loan to related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	251,000	-
Increase	-	-	-	288,000
Transfer from short-term	-	-	-	62,000
Decrease	-	-	(60,000)	(99,000)
At 31 December	-	-	191,000	251,000

<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
Nation Broadcasting Corporation Public Company Limited	-	-	1,494	5,259
Nation International Edutainment Public Company Limited	-	-	3,215	4,621
Nation International Co., Ltd.	-	-	320	320
WPS (Thailand) Co., Ltd.	-	-	3,586	-
NML Co., Ltd.	-	-	-	464
Nation Edutainment Co., Ltd.	-	-	-	43
Nation News Network Co., Ltd.	-	-	42,481	44,899
Kom Chad Luek Media Co., Ltd.	-	-	66,451	76,085
Krunthep Turakij media Co., Ltd.	-	-	154,226	112,544
Nation Printing Service Co., Ltd.	-	-	-	4,057
N Coupon Co., Ltd.	-	-	845	-
Jointly-controlled entity				
Nation Egmont Edutainment Co., Ltd.	-	-	92	896
Other related party				
Media Expertise International (Thailand) Ltd.	2,356	-	2,343	-
Total	2,356	-	275,053	249,188

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<i>Other payables - related parties</i>		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Subsidiaries					
Nation Broadcasting Corporation Public Company Limited		-	-	54	1,991
Nation International Edutainment Public Company Limited		-	-	575	1,385
WPS (Thailand) Co., Ltd.		-	-	1,145	934
NML Co., Ltd.		-	-	404	402
Nation News Network Co., Ltd.		-	-	237	288
Kom Chad Luek Media Co., Ltd.		-	-	29,971	-
Krungthep Turakij Media Co., Ltd.		-	-	2,003	30
N Coupon Co., Ltd.		-	-	2,119	-
Jointly-controlled entity					
Nation Egmont Edutainment Co., Ltd.		-	-	511	47
Associate					
Yomiuri-Nation Information Service Limited		4	21	4	21
Other related parties					
Others		89	106	18	25
Total		93	127	37,041	5,123

<i>Short-term loans from related parties</i>		Consolidated financial statements		Separate financial statements	
Interest rate		2011	2010	2011	2010
<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiary					
Nation Broadcasting Corporation Public Company Limited		-	5.86-6.00	-	-
Associate					
Yomiuri-Nation Information Service Limited		-	1.85	-	-
Total		-	-	-	-

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Movements during the years ended 31 December 2011 and 2010 of short-term loans from related parties were as follows:

<i>Short-term loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	-	-
Increase	-	-	-	170,000
Decrease	-	-	-	(170,000)
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Associate				
At 1 January	-	10,000	-	10,000
Increase	-	-	-	-
Decrease	-	(10,000)	-	(10,000)
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total short-term loans from related parties				
At 1 January	-	10,000	-	10,000
Increase	-	-	-	170,000
Decrease	-	(10,000)	-	(180,000)
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Significant agreements with related parties

Short-term loan agreement

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

On 1 July 2011, the Company has entered into the 2nd change in short-term loan agreement memorandum with an indirect subsidiary ("Nation Printing Services Co., Ltd.") whereby the Company permitted such indirect subsidiary to change the contract party in the loan agreement to a subsidiary ("WPS (Thailand) Co., Ltd."), commencing on 1 July 2011 onwards. As at the memorandum date, such subsidiary issued the promissory note amounting to Baht 130 million to the Company.

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Long-term loan agreement

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

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

On 20 January 2011, the Company has entered into the change in loan agreement memorandum with a subsidiary (“WPS (Thailand) Co., Ltd.”) whereby the Company permitted such subsidiary to repay in monthly installments of not less than Baht 5 million from January 2011 to June 2011 and repay in monthly installments of not less than Baht 9 million from July 2011.

On 20 July 2011, the Company has entered into the 2nd change in long-term loan agreement memorandum with a subsidiary (“WPS (Thailand) Co., Ltd.”) whereby the Company permitted such subsidiary to repay in monthly installments of not less than Baht 5 million from July 2011 to December 2012 and repay in monthly installments of not less than Baht 9 million from January 2013.

Lease agreements

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

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

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Cash on hand	1,022	2,162	271	298
Cash at banks - current accounts	2,225	538	1,889	500
Cash at banks - savings accounts	119,469	78,648	26,141	6,065
Highly liquid short-term investments	59,104	159,083	-	34,342
Total	181,820	240,431	28,301	41,205

Cash and cash equivalents of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

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8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Related parties	6	101,469	88,012	88,387	74,699
Other parties		810,703	843,876	329,161	505,534
Total		912,172	931,888	417,548	580,233
Less allowance for doubtful accounts		(129,446)	(139,838)	(75,523)	(85,322)
allowance for goods returned		(26,956)	(23,988)	(16,782)	(13,496)
Net		755,770	768,062	325,243	481,415
Bad and doubtful debts (reversal) expense for the year		7,106	(2,221)	(1,433)	(2,307)

Aging analyses for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Related parties					
Within credit terms		58,177	47,930	31,615	45,559
Overdue:					
Less than 6 months		528	236	24,676	6,775
6-12 months		1,670	1,996	4,908	1,591
Over 12 months		41,094	37,850	27,188	20,774
		101,469	88,012	88,387	74,699
Less allowance for doubtful accounts		(40,824)	(40,824)	(25,082)	(25,081)
allowance for goods return		-	-	-	-
		60,645	47,188	63,305	49,618
Other parties					
Within credit terms		566,684	625,931	220,535	372,066
Overdue:					
Less than 6 months		133,778	130,117	58,511	89,093
6-12 months		29,020	31,813	10,261	6,745
Over 12 months		81,221	56,015	39,854	37,630
		810,703	843,876	329,161	505,534
Less allowance for doubtful accounts		(88,622)	(99,014)	(50,441)	(60,241)
allowance for goods returned		(26,956)	(23,988)	(16,782)	(13,496)
		695,125	720,874	261,938	431,797
Net		755,770	768,062	325,243	481,415

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

Trade accounts receivable of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

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9 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Finished goods - books	164,794	181,905	3,307	43,146
Raw materials	85,155	119,272	59,201	89,277
Stores, supplies and others	21,465	7,725	692	705
Production / work in process	8,002	14,120	157	157
Raw material in transit	40,887	24,105	40,887	24,105
	<u>320,303</u>	<u>347,127</u>	<u>104,244</u>	<u>157,390</u>
Less allowance for obsolete stocks	<u>(71,880)</u>	<u>(116,958)</u>	<u>(3,148)</u>	<u>(39,556)</u>
Net	<u>248,423</u>	<u>230,169</u>	<u>101,096</u>	<u>117,834</u>

10 Other current assets

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Other receivables	204,264	59,196	191,235	44,766
Advances to employees	8,614	22,964	4,103	21,294
Prepaid expenses	34,570	17,355	15,528	8,283
Input value added tax pending	40,661	35,784	12,876	10,073
Withholding tax deducted at source	59,239	51,725	36,012	30,096
Others	8,543	6,300	-	-
	<u>355,891</u>	<u>193,324</u>	<u>259,754</u>	<u>114,512</u>
Less allowance for doubtful accounts	<u>(36,713)</u>	<u>(34,615)</u>	<u>(36,596)</u>	<u>(34,615)</u>
Net	<u>319,178</u>	<u>158,709</u>	<u>223,158</u>	<u>79,897</u>

11 Investments in subsidiaries and associate

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
At 1 January		26,599	25,474	617,860	604,535
Share of losses of equity-accounted associate		(68)	(48,685)	-	-
Acquisitions		-	8,933	60,166	17,325
Disposal		-	-	-	(4,000)
Change of status to subsidiary	5	-	(8,033)	-	-
Dividend received		-	(1,000)	-	-
Share of losses exceeds the carrying amount of investment in associate		-	49,910	-	-
At 31 December		<u>26,531</u>	<u>26,599</u>	<u>678,026</u>	<u>617,860</u>

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Investments in subsidiaries and associate as at 31 December 2011 and 2010, and dividend income from investments for the years ended were as follows:

Consolidated financial statements															
Associate	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income		
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
	(%)		(in thousand Baht)												
Yomiuri-Nation Information Service Limited	45.00	45.00	4,000	4,000	1,800	1,800	26,531	26,599	-	-	26,531	26,599	-	1,000	

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	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(%)		(in thousand Baht)									
Subsidiaries												
Nation Broadcasting Corporation Public Company Limited	61.99	62.14	173,438	172,259	113,942	111,587	-	-	113,942	111,587	42,864	55,620
Nation International Edutainment Public Company Limited	78.46	77.65	85,000	85,000	70,060	65,999	-	-	70,060	65,999	3,335	21,300
Kom Chad Luek Media Co., Ltd.	99.99	99.99	25,000	100,000	99,990	99,990	96,392	96,392	3,598	3,598	-	-
NML Co., Ltd.	99.99	99.99	50,000	10,000	50,000	10,000	10,000	10,000	40,000	-	-	-
Nation News Network Co., Ltd.	99.99	99.99	50,000	50,000	50,000	50,000	-	-	50,000	50,000	-	-
Krungthep Turakij Media Co., Ltd.	99.97	99.97	25,000	25,000	25,000	25,000	-	-	25,000	25,000	-	-
Nation International Co., Ltd.	99.94	99.94	1,000	1,000	1,000	1,000	1,000	1,000	-	-	-	-
WPS (Thailand) Co., Ltd.	84.50	84.50	500,000	500,000	422,500	422,500	62,624	62,624	359,876	359,876	-	-
Nation U Co., Ltd.	55.00	-	25,000	-	13,750	-	-	-	13,750	-	-	-
Associate												
Yomiuri-Nation Information Service Limited	45.00	45.00	4,000	4,000	1,800	1,800	-	-	1,800	1,800	-	1,000
Total					848,042	787,876	170,016	170,016	678,026	617,860	46,199	77,920

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

	Ownership (%)	Current assets	Non- current assets	Total assets	Current liabilities <i>(in thousand Baht)</i>	Total liabilities	Total revenues	Total expenses	Net profit (loss)
2011									
Nation Egmont Edutainment Co., Ltd.	39.22	<u>84,362</u>	<u>4,249</u>	<u>88,611</u>	<u>63,611</u>	<u>64,360</u>	<u>74,027</u>	<u>79,404</u>	<u>(5,377)</u>
2010									
Nation Egmont Edutainment Co., Ltd.	38.82	<u>84,793</u>	<u>8,274</u>	<u>93,067</u>	<u>62,782</u>	<u>62,782</u>	<u>83,643</u>	<u>83,996</u>	<u>(353)</u>

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

	Reporting date	Owner-ship (%)	Total assets	Total liabilities <i>(in thousand Baht)</i>	Total revenues	Net profit (loss)
2011						
Yomiuri-Nation Information Service Limited	31 December	45.00	<u>60,782</u>	<u>1,824</u>	<u>16,351</u>	<u>(151)</u>
2010						
Yomiuri-Nation Information Service Limited	31 December	45.00	<u>61,399</u>	<u>2,290</u>	<u>24,463</u>	<u>2,697</u>

On 27 January 2011, the extraordinary shareholders' meeting of a subsidiary, Kom Chad Luek Media Co., Ltd. passed the resolution to decrease the share capital of such subsidiary from Baht 100 million (divided into 10 million shares at Baht 10 par value) to Baht 25 million (divided into 2.5 million shares at Baht 10 par value) in order to decrease the deficit. Such subsidiary registered the decrease in authorised share capital with the Ministry of Commerce on 7 March 2011.

On 24 February 2011, the Board of Directors of the Company passed resolution to register a new subsidiary, Nation U Co., Ltd. with the authorised share capital of Baht 50 million (divided into 5 million shares at Baht 10 par value). Thereafter, on 22 September 2011, the Board of Directors' meeting of such subsidiary passed the resolution to approve an additional call-up share capital of 25% from Baht 12.5 million (divided into 5 million shares at Baht 2.5 par value) to Baht 25 million (divided into 5 million shares at Baht 5 par value), totally of Baht 13.75 million. Such subsidiary registered the call-up of share capital with the Ministry of Commerce on 17 October 2011.

In March 2011, the Company acquired additional shares in Nation International Edutainment Public Company Limited of 0.7 million shares (0.81% of registered and paid-up share capital of such subsidiary) amounting to Baht 4.06 million that increased the Company's shareholding to 78.46% of the registered share capital of such subsidiary.

At the annual general meeting of shareholders of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 5 April 2011, the shareholders approved the appropriation of dividend of Baht 0.44 per share, amounting to Baht 75.03 million for the financial year 2010. The dividend of Baht 0.34 per share, amounting to Baht 57.80 million was paid to shareholders as the interim dividend during the year 2010, and the dividend of Baht 0.10 per share, amounting to Baht 17.23 million was paid to the shareholders during the year 2011.

At the annual general meeting of shareholders of a subsidiary ("Nation International Edutainment Public Company Limited") held on 7 April 2011, the shareholders approved the appropriation of dividend of Baht 0.15 per share, amounting to Baht 12.75 million for the financial year 2010. The dividend of Baht 0.10 per share, amounting to Baht 8.50 million was paid to shareholders as the interim dividend during the year 2010, and the dividend of Baht 0.05 per share, amounting to Baht 4.25 million was paid to the shareholders during the year 2011.

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 12 May 2011, the Board approved the appropriation of interim dividend of Baht 0.10 per share, amounting to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

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On 15 May 2011, the directors, management and/or employees of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) exercised the warrants to purchase ordinary shares 123,000 units totalling of Baht 0.4 million which the subsidiary has share premium amounted to Baht 0.3 million. The subsidiary registered the paid-up share capital from such exercise with the Ministry of Commerce on 20 May 2011.

On 28 July 2011, the extraordinary shareholders’ meeting of a subsidiary (NML Co., Ltd.) passed the resolutions to approve the increase in authorised share capital of such subsidiary from Baht 10 million (divided into 1 million shares at Baht 10 par value) to Baht 50 million (divided into 5 million shares at Baht 10 par value) by issuance of new ordinary shares 4 million shares at Baht 10 par value totalling of Baht 40 million. Such subsidiary registered the increase in authorised share capital with the Ministry of Commerce on 29 July 2011.

At the Board of Directors’ meeting of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 9 August, 2011, the Board of Directors approved the appropriation of interim dividend to shareholders of Baht 0.10 per share, amounting to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

At the Board of Directors’ meeting of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 26 October 2011, the Board of Directors approved the Treasury Stock Program by the objective to manage its excess liquidity management, increase in return on equity and earnings per share ratios with a limit of Baht 50 million by repurchasing at 10 million ordinary shares equivalent to 5.80% of total paid-up shares of the subsidiary with the repurchased price not to exceed 115 percent of the average closing price on the Stock Exchange of Thailand (SET) over the 5 trading days before each share purchase is made. The period of repurchase of shares through the SET is from 10 November 2011 to 9 May 2012 and these repurchase shares will be sold from 10 November 2012 to 9 November 2015 (after 6 months from the date of completing the repurchase of ordinary share, but not more than 3 years).

At the Board of Directors’ meetings of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 9 November, 2011, the Board of Directors approved the appropriation of interim dividend of Baht 0.10 per share, amounting to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

On 15 November 2011, the directors, management and/or employees of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) exercised the warrants to purchase ordinary shares 1,056,000 units totalling of Baht 3.5 million which the subsidiary has share premium amounted to Baht 2.5 million. The subsidiary registered the paid-up share capital from the such exercise with the Ministry of Commerce on 24 November 2011.

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

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

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

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

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

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

At the Board of Directors’ meeting of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 4 June 2010, the Board of Directors approved the appropriation of interim dividend of Baht 0.10 per share, amounted to Baht 17.0 million. The dividend was paid to shareholders during the year 2010.

At the Board of Directors’ meeting of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 6 August 2010, the Board of Directors approved the appropriation of interim dividend of Baht 0.12 per share, amounted to Baht 20.4 million. The dividend was paid to shareholders during the year 2010.

As at 27 October 2010, the extraordinary shareholders’ meeting of Nation Education Co., Ltd., a subsidiary of the Company, passed the resolution to change name to “Krunghthep Turakij Media Co., Ltd.”. Such subsidiary registered the change of name with the Ministry of Commerce on 27 October 2010.

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

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

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

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

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

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

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12 Long-term investments in related parties

Consolidated financial statements													
	Nature of business	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
		(%)						(in thousand Baht)					
Other non-marketable equity securities													
- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	300,000	54,000	54,000	54,000	54,000	-	-	-	-
- Thai Portal Co., Ltd.	Internet services	19.00	19.00	100,000	100,000	6,092	6,092	6,092	6,092	-	-	-	-
- Media Magnet Co., Ltd.	Consulting and marketing event	8.60	8.60	6,500	6,500	950	950	-	-	950	950	-	-
- Others						2,181	2,181	2,180	2,180	1	1	-	-
Total						63,223	63,223	62,272	62,272	951	951	-	-

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Separate financial statements													
	Nature of business	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
		(%)						(in thousand Baht)					
Other non-marketable equity securities													
- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	300,000	54,000	54,000	54,000	54,000	-	-	-	-
- Media Magnet Co., Ltd.	Consulting and marketing event	8.60	8.60	6,500	6,500	950	950	-	-	950	950	-	-
- Others						2,181	2,181	2,180	2,180	1	1	-	-
Total						57,131	57,131	56,180	56,180	951	951	-	-

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13 Long-term investments in other companies

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<i>A fair value</i>				
Equity securities available-for-sale	<u>12,053</u>	<u>8,083</u>	<u>12,053</u>	<u>8,083</u>
<i>At cost</i>				
Other non-marketable equity securities	7,569	7,569	7,569	7,569
Less allowance for impairment	<u>(61)</u>	<u>(61)</u>	<u>(61)</u>	<u>(61)</u>
	<u>7,508</u>	<u>7,508</u>	<u>7,508</u>	<u>7,508</u>
Total	<u>19,561</u>	<u>15,591</u>	<u>19,561</u>	<u>15,591</u>

Movements during the years ended 31 December 2011 and 2010 of equity securities available-for-sale were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Available-for-sale securities				
At 1 January	8,083	7,107	8,083	7,107
Purchases during the year	-	-	-	-
Sales during the year	-	-	-	-
Valuation adjustment	<u>3,970</u>	<u>976</u>	<u>3,970</u>	<u>976</u>
At 31 December	<u>12,053</u>	<u>8,083</u>	<u>12,053</u>	<u>8,083</u>

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14 Property, plant and equipment

	Consolidated financial statements							
	Land and improvements	Building and improvements	Leased assets improvements	Machinery and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
Cost								
At 1 January 2010	476,260	426,212	15,746	314,779	742,212	71,094	26,042	2,072,345
Additions	-	1,913	43,989	667,743	95,081	38,690	3,663	851,079
Transfers	-	1,273	-	-	457	-	(4,460)	(2,730)
Disposals	-	(251)	(383)	(7,109)	(398,583)	(39,094)	(3,603)	(449,023)
At 31 December 2010 and 1 January 2011	476,260	429,147	59,352	975,413	439,167	70,690	21,642	2,471,671
Additions	-	782	1,624	94	78,078	18,103	17,128	115,809
Transfers	-	767	(6,537)	(42,078)	13,007	(1,125)	(11,130)	(47,096)
Disposals	-	-	-	(51,475)	(66,686)	(10,326)	(2,127)	(130,614)
At 31 December 2011	476,260	430,696	54,439	881,954	463,566	77,342	25,513	2,409,770
Depreciation								
At 1 January 2010	2,899	97,407	10,436	90,787	657,040	50,810	-	909,379
Depreciation charge for the year	1,186	25,899	3,779	74,902	41,377	9,860	-	157,003
Disposals	-	-	(149)	(275)	(392,683)	(6,974)	-	(400,081)
At 31 December 2010 and 1 January 2011	4,085	123,306	14,066	165,414	305,734	53,696	-	666,301
Depreciation charge for the year	3,472	25,929	4,008	93,584	48,291	7,814	-	183,098
Transfers	(2,361)	-	7,758	(47,663)	4,411	(366)	-	(38,221)
Disposals	-	-	-	(42,399)	(61,695)	(8,924)	-	(113,018)
At 31 December 2011	5,196	149,235	25,832	168,936	296,741	52,220	-	698,160

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Consolidated financial statements								
	Land and improvements	Building and improvements	Leased assets improvements	Machinery and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
Net book value								
At 1 January 2010								
Owned assets	473,361	328,805	5,310	223,992	85,172	19,236	26,042	1,161,918
Assets under finance leases	-	-	-	-	-	1,048	-	1,048
	473,361	328,805	5,310	223,992	85,172	20,284	26,042	1,162,966
At 31 December 2010 and 1 January 2011								
Owned assets	472,175	305,841	45,286	803,313	133,433	16,213	21,642	1,797,903
Assets under finance leases	-	-	-	6,686	-	781	-	7,467
	472,175	305,841	45,286	809,999	133,433	16,994	21,642	1,805,370
At 31 December 2011								
Owned assets	471,064	281,461	28,607	603,216	166,825	24,607	25,513	1,601,293
Assets under finance leases	-	-	-	109,802	-	515	-	110,317
	471,064	281,461	28,607	713,018	166,825	25,122	25,513	1,711,610

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	Separate financial statements							
	Land and improvements	Building and improvements	Leased assets improvements	Machinery and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
Cost								
At 1 January 2010	367,126	3,787	6,154	59,355	530,502	60,295	18,000	1,045,219
Additions	-	-	-	255,082	14,909	34,356	-	304,347
Transfers	-	-	-	-	457	-	-	457
Disposals	-	-	-	(253,457)	(398,378)	(39,094)	-	(690,929)
At 31 December 2010 and 1 January 2011	367,126	3,787	6,154	60,980	147,490	55,557	18,000	659,094
Additions	-	-	1,037	10	20,224	17,051	3,774	42,096
Disposals	-	-	-	(44,500)	(4,237)	(9,213)	-	(57,950)
At 31 December 2011	367,126	3,787	7,191	16,490	163,477	63,395	21,774	643,240
Depreciation								
At 1 January 2010	-	2,795	4,279	45,720	477,519	45,984	-	576,297
Depreciation charge for the year	-	189	291	5,932	19,641	7,354	-	33,407
Disposals	-	-	-	-	(392,658)	(6,974)	-	(399,632)
At 31 December 2010 and 1 January 2011	-	2,984	4,570	51,652	104,502	46,364	-	210,072
Depreciation charge for the year	-	189	293	2,011	19,054	5,431	-	26,978
Disposals	-	-	-	(39,563)	(87)	(7,977)	-	(47,627)
At 31 December 2011	-	3,173	4,863	14,100	123,469	43,818	-	189,423

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	Separate financial statements							
	Land and improvements	Building and improvements	Leased assets improvements	Machinery and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
Net book value								
At 1 January 2010								
Owned assets	367,126	992	1,875	13,635	52,983	14,311	18,000	468,922
Assets under finance leases	-	-	-	-	-	-	-	-
	367,126	992	1,875	13,635	52,983	14,311	18,000	468,922
At 31 December 2010 and 1 January 2011								
Owned assets	367,126	803	1,584	7,760	42,988	9,193	18,000	447,454
Assets under finance leases	-	-	-	1,568	-	-	-	1,568
	367,126	803	1,584	9,328	42,988	9,193	18,000	449,022
At 31 December 2011								
Owned assets	367,126	614	2,328	985	40,008	19,577	21,774	452,412
Assets under finance leases	-	-	-	1,405	-	-	-	1,405
	367,126	614	2,328	2,390	40,008	19,577	21,774	453,817

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The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2011 amounted to Baht 266.28 million and Baht 121.46 million, respectively (2010: Baht 292.3 million and Baht 264.5 million, respectively).

Security

At 31 December 2011, the Group's and the Company's properties with a net book value of Baht 867.29 million and Baht 634.82 million, respectively (2010: Baht 922.95 million and Baht 659.62 million, respectively) were subject to secure loans from financial institutions (see note 18).

15 Intangible assets

	Consolidated financial statements			
	Computer program and software licenses	License fees - Books	Computer program under installation	Total
Cost				
At 1 January 2010	77,204	44,009	32,002	153,215
Additions	5,109	29,419	15,794	50,322
Transfers	38,587	-	(38,587)	-
Disposals	(2,573)	-	-	(2,573)
At 31 December 2010 and 1 January 2011	118,327	73,428	9,209	200,964
Additions	14,153	31,369	10,185	55,707
Transfers	10,751	-	(10,572)	179
Disposals	-	-	-	-
At 31 December 2011	143,231	104,797	8,822	256,850
Amortisation				
At 1 January 2010	29,079	22,927	-	52,006
Amortisation charge for the year	33,601	21,464	-	55,065
At 31 December 2010 and 1 January 2011	62,680	44,391	-	107,071
Amortisation charge for the year	21,190	21,154	-	42,344
At 31 December 2011	83,870	65,545	-	149,415
Net book value				
At 1 January 2010	48,125	21,082	32,002	101,209
At 31 December 2010 and 1 January 2011	55,647	29,037	9,209	93,893
At 31 December 2011	59,361	39,252	8,822	107,435

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	Separate financial statements			
	Computer program and software licenses	License fees - Books <i>(in thousand Baht)</i>	Computer program under installation	Total
Cost				
At 1 January 2010	76,352	-	31,235	107,587
Additions	4,885	-	15,794	20,679
Transfers	37,250	-	(37,820)	(570)
Disposals	(1,713)	-	-	(1,713)
At 31 December 2010 and 1 January 2011	116,774	-	9,209	125,983
Additions	8,338	-	9,230	17,568
Transfers	10,572	-	(10,572)	-
At 31 December 2011	135,684	-	7,867	143,551
Amortisation				
At 1 January 2010	28,825	-	-	28,825
Amortisation charge for the year	33,296	-	-	33,296
At 31 December 2010 and 1 January 2011	62,121	-	-	62,121
Amortisation charge for the year	19,483	-	-	19,483
At 31 December 2011	81,604	-	-	81,604
Net book value				
At 1 January 2010	47,527	-	31,235	78,762
At 31 December 2010 and 1 January 2011	54,653	-	9,209	63,862
At 31 December 2011	54,080	-	7,867	61,947

16 Restricted deposits

As at 31 December 2011, the savings account of an indirect subsidiary held with a local financial institution of Baht 2.5 million has been pledged as collateral for long-term loan from financial institution of Baht 10 million.

17 Other non-current assets

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
Merchandises under barter trade	11,286	5,606	6,851	5,085
Withholding tax deducted at source	189,359	153,639	161,196	131,163
Golf membership	9,571	10,203	9,571	10,203
Refundable deposits	12,420	8,938	1,083	1,058
Others	12,753	7,707	321	166
Total	235,389	186,093	179,022	147,675

The amortisation charge included in the Group's and the Company's statements of income for the year ended 31 December 2011 were approximately Baht 0.6 million and Baht 0.6 million, respectively (2010: Baht 0.6 million and Baht 0.4 million, respectively).

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18 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
		(in thousand Baht)			
Current					
Bank overdrafts					
- unsecured		61,675	48,174	51,994	27,341
Short-term loans from financial institutions					
- unsecured		700,905	604,638	635,431	554,638
Bank overdrafts and short- term loans from financial institutions		762,580	652,812	687,425	581,979
Current portion of long-term loans from financial institutions					
- unsecured		-	7,276	-	-
- secured		338,337	293,708	221,000	193,200
Current portion of long-term loans		338,337	300,984	221,000	193,200
Current portion of finance lease liabilities		30,034	27,225	486	498
Total current interest-bearing liabilities		1,130,951	981,021	908,911	775,677
Non-current					
Long-term loans from financial institutions					
- secured		338,337	686,746	287,126	548,326
Long-term loans from other party					
- unsecured	22	118,486	127,349	118,486	127,349
Long-term loans		456,823	814,095	405,612	675,675
Finance lease liabilities		36,813	67,036	502	932
Total non-current interest- bearing liabilities		493,636	881,131	406,114	676,607

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

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Within one year	1,100,917	953,796	908,425	775,179
After one year but within five years	456,823	814,095	405,612	675,675
Total	1,557,740	1,767,891	1,314,037	1,450,854

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

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Land and equipment	867,291	922,945	634,822	659,622

As at 31 December 2011, the Group and the Company had unutilised credit facilities totalling 1,533 million and Baht 1,159 million, respectively (2010: Baht 1,231 million and Baht 946 million, respectively).

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

Consolidated financial statements						
	2011			2010		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	30,034	3,742	33,776	27,225	5,786	33,011
After one year but within five years	36,813	1,554	38,367	67,036	5,337	72,373
Total	66,847	5,296	72,143	94,261	11,123	105,384

Separate financial statements						
	2011			2010		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	486	50	536	498	88	586
After one year but within five years	502	11	513	932	61	993
Total	988	61	1,049	1,430	149	1,579

Interest-bearing liabilities of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

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Bank overdrafts and short-term loans from financial institutions

As at 31 December 2011, the Group and the Company had overdraft lines and other credit facilities with certain local financial institutions totalling approximately Baht 1,605 million and Baht 1,388 million, respectively (2010: Baht 1,434 million and Baht 1,253 million, respectively).

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 2011, the Company has loan outstanding of Baht 393 million (2010: Baht 576 million).

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

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

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

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

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On 18 February 2010, the Company has entered into a credit agreement with two local financial institutions amounted to Baht 240 million to pay the remaining rental due from the cancellation of the sale and lease back agreement and to purchase the printing machines and equipment. Such loan bears interest at the average MLR (Average Minimum Loan Rate) and is repayable in 48 monthly instalments of varying amounts ending December 2013. As at 31 December 2011, the Company has loans outstanding of Baht 120.23 million (*2010: Baht 173.63 million*). This loan is secured by a pledge over the printing machines and equipment.

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

In 2008, a subsidiary entered into a long-term loan agreement with a local financial institution in amount of Baht 300 million for purchasing printing machine and others. The loan bears interest at Minimum Loan Rate (MLR) in first year and thereafter at the MLR plus specified rates in the agreements. This loan is repayable in 48 monthly installments of varying amounts commencing from January 2009 to December 2012. As at 31 December 2011, the subsidiary has loan outstanding of Baht 94.92 million (*2010: Baht 174.96 million*). This loan was secured by pledging printing machine.

In September 2009, a jointly-controlled entity has entered into a long-term loan agreement with a local financial institution totalling Baht 30 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement. Such loan agreement was guaranteed by a subsidiary and major shareholders of the jointly-controlled entity and savings account of such jointly-controlled entity amounted to Baht 7.6 million. As at 31 December 2011, the jointly-controlled entity has repaid the entire amount of loans.

In September 2009, an indirect subsidiary has entered into a long-term loan agreement with a local financial institution totalling Baht 10 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement. Such loan agreement was guaranteed by a subsidiary and savings account of such indirect subsidiary amounting to Baht 2.5 million. As at 31 December 2011, an indirect subsidiary has drawn down the entire amount of the loan.

In 2011, a subsidiary has entered into an interest rate swap contract with a local financial institution to cover risk of interest rate by conversion from floating rate at MLR to fixed rate at 7.05% (*2010: 6%*).

On 24 September 2010, an indirect subsidiary has entered into a long term-loan agreement with a local financial institution in the amount of Baht 60 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement and repayable in 36 monthly instalments of varying amounts ending October 2013. However, in July 2011, such indirect subsidiary has repaid the entire amount of loan (*2010: Baht 57 million*).

On 18 July 2011, a subsidiary has entered into a long term-loan agreement with a local financial institution in the amount of Baht 70 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement and repayable in 36 monthly instalments of varying amounts ending July 2014. As at 31 December 2011, such subsidiary has loan outstanding of Baht 64 million. This loan is secured by pledge over the machinery.

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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 2011, the Company has loan outstanding of Baht 118.5 million (2010: Baht 127.3 million).

19 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Related parties	6	2,356	-	275,053	249,188
Other parties		165,216	156,648	29,287	32,249
Total		167,572	156,648	304,340	281,437

20 Other current liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Revenue department payable		10,098	12,069	6,294	4,489
Output value added tax pending		86,669	78,156	34,288	40,298
Other payable - related parties	6	93	127	37,041	5,123
Other payable - others		22,510	30,590	5,843	10,363
Advance received		165,468	94,990	74,832	32,779
Others		39,307	20,845	16,536	7,840
Total		324,145	236,777	174,834	100,892

21 Employee benefit obligations

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Statement of financial position</i>		
Statement of financial position-obligations at 31 December 2011	95,854	29,771
<i>Year ended 31 December 2011</i>		
<i>Statement of comprehensive income</i>		
Recognised in profit or loss	10,797	3,400

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The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 3 (d). As stated in note 3 (d), the Group has opted to record the amount of the transitional obligation as at 1 January 2011, totalling Baht 85.06 million for the Group and Baht 26.37 million for the Company, as an adjustment to retained earnings as at 1 January 2011.

The Group operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements	Separate financial statements
<i>Year ended 31 December 2011</i>	<i>(in thousand Baht)</i>	
Defined benefit obligations at 1 January 2011	85,057	26,371
Current service costs and interest	10,797	3,400
Defined benefit obligations at 31 December 2011	95,854	29,771

Expense recognised in profit or loss:

	Consolidated financial statements	Separate financial statements
<i>Year ended 31 December 2011</i>	<i>(in thousand Baht)</i>	
Current service costs	6,832	2,161
Interest on obligation	3,965	1,239
Total	10,797	3,400

The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements	Separate financial statements
<i>Year ended 31 December 2011</i>	<i>(in thousand Baht)</i>	
Cost sales of goods and rendering of services	5,150	603
Administrative expenses	5,647	2,797
Total	10,797	3,400

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements	Separate financial statements
	(%)	
Discount rate	4.7	4.7
Future salary increases	4.0-7.0	4.0-7.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

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22 Other non-current liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Long-term loan from other party	18	118,486	127,349	118,486	127,349
Others		2,080	2,476	880	-
Total		120,566	129,825	119,366	127,349

23 Share capital

	Par value per share (in Baht)	Number	2011 Baht (thousand shares / thousand Baht)	2010 Number Baht	
Authorised					
At 1 January					
- ordinary shares	10	250,000	2,500,000	250,000	2,500,000
Reduction in par value					
- from Baht 10 to Baht 1	1	2,250,000	-	-	-
At 31 December					
- ordinary shares	10	-	-	250,000	2,500,000
- ordinary shares	1	2,500,000	2,500,000	-	-
Issued and paid up					
At 1 January					
- ordinary shares	10	164,774	1,647,740	164,774	1,647,740
Reduction in par value					
- from Baht 10 to Baht 1	1	1,482,966	-	-	-
At 31 December					
- ordinary shares	10	-	-	164,744	1,647,740
- ordinary shares	1	1,647,740	1,647,740	-	-

At the extraordinary shareholders' meeting held on 13 June 2011, the shareholders approved the change in par value of the Company's ordinary shares from Baht 10 per share to Baht 1 per share, resulting to the change in the number of shares from 250 million shares at Baht 10 par value to 2,500 million shares at Baht 1 par value. The Company registered the change in par value of ordinary shares with the Ministry of Commerce on 22 June 2011.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

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.

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Expenses for issuing new ordinary share of subsidiary

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

24 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

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.

Other component of equity

Fair value changes

The fair value changes in equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

25 Other comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2011	2010	2011	2010
<i>For the year ended</i>					
<i>31 December</i>					
Other comprehensive income					
Net change in fair value of available-for-sale investments					
	13	3,970	976	3,970	976
Total other comprehensive income for the year		3,970	976	3,970	976

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26 Segment information

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

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

Business segments

The Group comprises the following main business segments:

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

Geographic segments

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

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Business segment results

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue and expenses														
Revenue from sales of goods and rendering of services	3,164	2,492	500	457	244	253	666	625	262	234	(2,193)	(1,364)	2,643	2,697
Rental and service income	1	31	7	14	98	88	-	-	-	-	(8)	(40)	98	93
Investment income	29	29	-	-	4	3	1	3	-	-	(31)	(32)	3	3
Gain from a bargain purchase	-	91	-	-	-	-	-	-	-	-	-	-	-	91
Other income	476	218	18	282	10	10	-	-	-	-	(450)	(459)	54	51
Share of profit (loss)	111	222	-	-	-	-	-	-	-	-	(120)	(50)	(9)	172
Total income	3,781	3,083	525	753	356	354	667	628	262	234	(2,802)	(1,945)	2,789	3,107
Cost of sales of goods and rendering of services	2,331	1,742	370	370	252	250	401	391	247	233	(1,964)	(1,281)	1,637	1,705
Selling expense	583	323	6	6	18	13	85	63	-	-	(399)	(180)	293	225
Administrative expenses	541	455	55	37	47	45	48	31	18	19	(287)	(138)	422	449
Management benefit expense	95	95	4	1	11	14	23	20	-	-	-	-	133	130
Finance costs	95	91	52	48	3	2	-	-	2	3	(32)	(32)	120	112
Share of loss (profit)	-	50	-	50	-	-	-	-	-	-	(9)	(50)	(9)	50
Total expenses	3,645	2,756	487	512	331	324	557	505	267	255	(2,691)	(1,681)	2,596	2,671
Profit (loss) before income tax expense	136	327	38	241	25	30	110	123	(5)	(21)	(111)	(264)	193	436
Income tax expense	15	5	-	19	7	9	24	22	-	-	-	-	46	55
Profit (loss) for the year	121	322	38	222	18	21	86	101	(5)	(21)	(111)	(264)	147	381

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Business segment financial position

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Assets and liabilities														
Cash and cash equivalents	45	59	1	7	30	48	86	117	20	9	-	-	182	240
Trade accounts receivable	733	712	105	173	147	133	187	168	41	47	(457)	(465)	756	768
Accrued income	72	142	12	9	10	11	41	51	4	2	(32)	(75)	107	140
Other receivables from related parties	410	280	1	32	35	24	-	2	10	-	(455)	(337)	1	1
Short-term loans to related parties	128	185	-	-	3	-	-	-	-	-	(131)	(185)	-	-
Current portion of long-term loan to related party	60	84	-	-	-	-	-	-	-	-	(60)	(84)	-	-
Inventories	105	118	37	35	94	70	12	7	-	-	-	-	248	230
Other current assets	262	46	15	30	9	9	18	9	14	10	1	55	319	159
Total current assets	1,815	1,626	171	286	328	295	344	354	89	68	(1,134)	(1,091)	1,613	1,538
Investments in subsidiaries and associate	911	883	-	-	-	-	-	-	-	-	(884)	(857)	27	26
Long-term investment in related parties	1	1	-	-	-	-	-	-	-	-	-	-	1	1
Long-term investment in other parties	20	16	-	-	-	-	-	-	-	-	-	-	20	16
Long-term loan to related party	131	167	-	-	-	-	-	-	-	-	(131)	(167)	-	-
Property, plant and equipment	472	460	1,100	1,238	4	5	109	75	5	6	21	21	1,711	1,805
Unused land	36	36	-	-	-	-	-	-	-	-	-	-	36	36
Intangible assets	64	66	-	-	39	27	3	-	1	1	-	-	107	94
Restricted deposits	-	-	-	-	3	4	-	-	-	-	-	-	3	4
Other non-current assets	186	148	10	1	1	5	34	29	4	3	-	-	235	186
Total non-current assets	1,821	1,777	1,110	1,239	47	41	146	104	10	10	(994)	(1,003)	2,140	2,168
Total assets	3,636	3,403	1,281	1,525	375	336	490	458	99	78	(2,128)	(2,094)	3,753	3,706

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Business segment financial position

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(in million Baht)													
Bank overdrafts and short-term loans from financial institutions	688	582	72	64	3	5	-	2	-	-	-	-	763	653
Trade accounts payable	457	365	74	153	131	118	39	29	13	48	(546)	(556)	168	157
Current portion of long-term loans from financial institutions	221	193	112	101	5	7	-	-	-	-	-	-	338	301
Short-term loans from related parties	-	-	185	-	3	-	-	-	3	45	(191)	(45)	-	-
Current portion of liabilities under finance lease agreement	-	1	30	26	-	-	-	-	-	-	-	-	30	27
Current portion of long-term loans from related party	-	-	-	248	-	-	-	-	-	-	-	(248)	-	-
Accrued expenses	164	155	8	7	26	24	51	58	13	7	(32)	(76)	230	175
Income tax payable	-	3	-	7	6	6	2	6	-	-	-	-	8	22
Other current liabilities	484	291	65	88	37	31	61	46	63	31	(386)	(250)	324	237
Total current liabilities	2,014	1,590	546	694	211	191	153	141	92	131	(1,155)	(1,175)	1,861	1,572
Long-term loans from financial institutions	287	548	47	138	4	-	-	-	-	-	-	-	338	686
Long-term loans from related party	-	-	131	143	-	-	-	-	-	-	(131)	(143)	-	-
Liabilities under finance lease agreements	1	1	36	66	-	-	-	-	-	-	-	-	37	67
Employee benefit obligations	62	-	6	-	7	-	15	-	6	-	-	-	96	-
Other non-current liabilities	117	127	-	-	-	-	-	-	3	3	-	-	120	130
Total non-current liabilities	467	676	220	347	11	-	15	-	9	3	(131)	(143)	591	883
Total liabilities	2,481	2,266	766	1,041	222	191	168	141	101	134	(1,286)	(1,318)	2,452	2,455
Capital expenditure	72	332	1	466	34	32	63	70	2	1	-	-	172	901
Depreciation	30	35	125	99	2	1	24	20	2	2	-	-	183	157
Amortisation	30	33	-	-	16	21	-	-	-	1	-	-	46	55
Loss on disposal of assets	3	8	1	1	-	-	-	-	-	-	-	-	4	9

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27 Investment income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
<i>Dividend income</i>					
Subsidiaries	6, 11	-	-	46,199	76,920
Associate	6, 11	-	1,000	-	1,000
Others		768	313	768	313
		<u>768</u>	<u>1,313</u>	<u>46,967</u>	<u>78,233</u>
<i>Interest income</i>					
Subsidiaries	6	-	-	28,491	27,402
Jointly-controlled entity	6	1,360	1,140	-	-
Others		1,180	1,944	40	1,830
		<u>2,540</u>	<u>3,084</u>	<u>28,531</u>	<u>29,232</u>
Total		<u>3,308</u>	<u>4,397</u>	<u>75,498</u>	<u>107,465</u>

28 Other income

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Income from sale of supplies	27,375	24,791	17,882	13,369
Office facilities and service income	882	7,857	-	-
Gain on disposal of investments in subsidiary	-	3,075	-	5,600
Others	25,088	14,400	29,172	16,040
Total	<u>53,345</u>	<u>50,123</u>	<u>47,054</u>	<u>35,009</u>

29 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Distribution	14,528	9,533	15,676	86,470
Marketing	129,876	133,032	78,881	102,111
Personnel	122,860	82,600	80,660	55,196
Others	25,434	-	8,124	-
Total	<u>292,698</u>	<u>225,165</u>	<u>183,341</u>	<u>243,777</u>

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30 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Personnel	185,721	172,993	124,889	138,325
Administrative	157,024	182,918	113,675	132,183
Depreciation	42,770	43,767	22,992	27,476
Employee early retirement benefits	908	7,106	908	2,933
Amortisation of other current assets and other non-current assets	22,877	33,978	22,651	33,928
Doubtful debts expense (reversal)	7,106	2,871	(1,433)	8,937
Others	5,535	5,574	4,948	5,925
Total	421,941	449,207	288,630	349,707

31 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Management				
Wages and salaries	119,833	117,626	64,709	75,475
Contribution to defined contribution plans	6,089	5,800	2,129	2,805
Others	6,690	6,479	1,531	1,738
	132,612	129,905	68,369	80,018
Other employees				
Wages and salaries	550,714	483,582	167,613	228,927
Contribution to defined contribution plans	29,648	26,853	9,509	15,225
Others	245,046	237,621	68,632	102,488
	825,408	748,056	245,754	346,640
Total employee benefit expense	958,020	877,961	314,123	426,658

Defined contribution plans

The defined contribution plans comprise provident fund 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 at the rate ranging from 5% to 7.5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

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32 Expenses by nature

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

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Change in finished goods		(12,452)	117,040	13,590	116,282
Raw materials and supplies used		403,483	478,864	261,999	496,318
Delivery		199,376	182,946	5,991	3,104
Administrative		157,024	182,918	113,675	132,183
Distribution and marketing		144,404	142,565	94,557	188,581
Personnel	31	958,020	877,961	314,123	426,658
Depreciation and amortisation		228,617	218,670	49,636	71,764
Others		406,050	307,869	97,032	244,676
Total costs, selling expenses, administrative expenses and management benefit expenses		<u>2,484,522</u>	<u>2,508,833</u>	<u>950,603</u>	<u>1,679,566</u>

33 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Interest expense:					
Related parties	6	-	-	-	1,440
Financial institutions		105,020	103,499	85,090	80,991
Other parties		14,976	8,585	9,334	8,585
Total interest expense		<u>119,996</u>	<u>112,084</u>	<u>94,424</u>	<u>91,016</u>

34 Income tax expense

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

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35 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2011 and 2010 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares adjusted for the change in the number ordinary shares as if the share split of 1,647,740,000 shares had occurred at the beginning of the earliest year presented.

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht/ thousand shares)</i>			
Profit attributable to ordinary shareholders (basic)	104,278	313,625	39,186	135,026
Number of ordinary shares outstanding	1,647,740	1,647,740	1,647,740	1,647,740
Earnings per share (basic) (in Baht)	0.06	0.19	0.02	0.08

36 Financial instruments

Financial risk management policies

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

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

Capital management

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

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from borrowings (Note 18). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

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The effective interest rates of interest-bearing liabilities as at 31 December and the periods in which those liabilities mature or re-price 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
2011				
Current				
Bank overdraft	MOR	61,675	-	61,675
Short-term loans from financial institutions	4.50 - 7.63	700,905	-	700,905
Current portion of long-term loans from financial institutions	Average MLR, MLR plus 1%, MLR minus 1.5% and MLR minus 0.5%	338,337	-	338,337
Non-current				
Long-term loans from financial institutions	Average MLR, MLR plus 1%, MLR minus 1.5% and MLR minus 0.5%	-	338,337	338,337
Long-term loans from other party	MLR	-	118,486	118,486
Total		<u>1,100,917</u>	<u>456,823</u>	<u>1,557,740</u>
2010				
Current				
Bank overdraft	MOR	48,174	-	48,174
Short-term loans from financial institutions	4.25 - 7.40	604,638	-	604,638
Current portion of long-term loans from financial institutions	Average MLR and MLR plus 0.50%	300,984	-	300,984
Non-current				
Long-term loans from financial institutions	Average MLR	-	686,746	686,746
Long-term loans from other party	MLR	-	127,349	127,349
Total		<u>953,796</u>	<u>814,095</u>	<u>1,767,891</u>

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		Separate financial statements		
	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2011				
Current				
Bank overdraft	MOR	51,994	-	51,994
Short-term loans from financial institutions	4.50 - 6.80	635,431	-	635,431
Current portion of long-term loans from financial institutions	Average MLR	221,000	-	221,000
Non-current				
Long-term loans from financial institutions	Average MLR	-	287,126	287,126
Long-term loans from other party	MLR	-	118,486	118,486
Total		908,425	405,612	1,314,037
2010				
Current				
Bank overdraft	MOR	27,341	-	27,341
Short-term loans from financial institutions	4.25 - 7.40	554,638	-	554,638
Current portion of long-term loans from financial institutions	Average MLR and MLR plus 0.50%	193,200	-	193,200
Non-current				
Long-term loans from financial institutions	Average MLR	-	548,326	548,326
Long-term loans from other party	MLR	-	127,349	127,349
Total		775,179	675,675	1,450,854

Foreign currency risk

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

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

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
United States Dollars				
Estimated forecast purchases	36,991	10,076	36,991	10,076
Currency forward contracts	<u>(36,991)</u>	<u>(10,076)</u>	<u>(36,991)</u>	<u>(10,076)</u>
Net exposure	-	-	-	-

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Credit risk

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

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

Liquidity risk

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

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

The fair value of investments in equity, which are held available sales, is determined by reference to their quoted bid price at the reporting date.

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

37 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<i>Non-controllable operating lease commitments</i>				
Within one year	49,630	55,470	5,346	4,520
After one year but within five years	146,201	124,833	-	40
After five years	72,789	92,303	-	-
Total	268,620	272,606	5,346	4,560
<i>Other commitments</i>				
Unused letters of credits	36,991	11,869	36,991	11,869
Forward contracts	36,991	10,076	36,991	10,076
Guarantee credit lines of subsidiaries with financial institutions	-	-	130,000	130,000
Bank guarantees	25,248	4,371	11,319	-
Total	99,230	26,316	215,301	151,945

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- a) The Group has entered into a lease and service agreements for its office premises and facilities with a local company for a period of 2 years, commencing from 30 April 2009 to 29 April 2011. The Group has an option to renew for a further period of one year under the same condition.
- b) A subsidiary has entered into news supply agreement with a foreign company for a period of 4 years, commencing 1 June 2011 to 31 May 2016 with an option to renew.
- c) A subsidiary has entered into service agreements covering television broadcasting satellite service with a local company. The details are as follows:

<u>Contract date</u>	<u>Contract period</u>	<u>Periods</u>	<u>Total fee</u>
1 October 2009 (Amendment on 11 May 2010)	1 November 2009 to 31 October 2019	10 years	USD 4.3 million
4 February 2010 (Amendment on 11 May 2010)	15 February 2010 to 31 March 2020	10 years	USD 3.2 million
12 September 2011	1 October 2011 To 30 September 2016	5 years	USD 1.2 million

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

38 Events after the reporting period

- a) At the Board of Directors' meeting of a subsidiary (Nation Broadcasting Corporation Public Company Limited) held on 14 February 2012, the Board of Directors approved to set up NBC Nextmedia Co., Ltd, which has an authorised share capital of Baht 20 million (divided into 2,000,000 shares at Baht 10 par value).
- b) At the Board of Directors' meetings of a subsidiary (Nation International Edutainment Public Company Limited) held on 15 February 2012, the Board of Directors' passed resolutions to approve the payment of dividend to shareholders of Baht 0.15 per share, amounting to Baht 12.75 million.
- c) At the Board of Directors' meeting of the Company held on 27 February 2012, the Board of Directors has passed resolutions to approve an additional call-up share capital of 50% of Nation U Co., Ltd. from Baht 25 million (divided into 5 million shares at Baht 5 par value) to Baht 50 million (divided into 5 million shares at Baht 10 par value). In addition, the Board has also passed resolutions to invest in such subsidiary by acquiring shares from its existing shareholder, resulting to increase the Company's proportionate shareholding from 55% to 90%.

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39 Thai Financial Reporting Standards (TFRS) not yet adopted

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

TFRS	Topic	Year effective
TAS 12	Income Taxes	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

TAS 12 – Income taxes

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

Management is presently considering the potential impact of adopting and initially applying these new and revised TFRS on the consolidated and separate financial statements.

TAS 21– The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Group is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Group's reported assets, liabilities or retained earnings.

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40 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2010 and the statement of comprehensive income for the year ended 31 December 2010 which are included in the 2011 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2011 financial statements as follows:

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. <i>(in thousand Baht)</i>	Before reclass.	Reclass.	After reclass.
Statement of financial position						
Cash and cash equivalents	124,175	116,257	240,432	-	-	-
Short term investments	120,030	(120,030)	-	-	-	-
Restricted deposits	-	3,773	3,773	-	-	-
Accrued expenses	-	175,009	175,009	-	143,695	143,695
Other current liabilities	411,786	(175,009)	236,777	244,587	(143,695)	100,892
Statement of comprehensive income						
Revenue from sale of goods and rendering of services	-	-	-	1,555,586	176,904	1,732,490
Interest income	3,084	(3,084)	-	29,232	(29,232)	-
Dividend income	313	(313)	-	78,233	(78,233)	-
Investment income	-	4,397	4,397	-	107,465	107,465
Other income	51,123	(1,000)	50,123	211,913	(176,904)	35,009
Cost of sale of goods and rendering of services	1,690,291	14,266	1,704,557	-	-	-
Administrative expenses	463,473	(14,266)	449,207	-	-	-