The Results of the Consolidated Financial Statement

The consolidated financial statement of Nation Multimedia Group Public Company Limited and its subsidiaries for the first six months ended June 30,2006, represented a net profit from operating of Bt 16.84 million. An inclusion of allowance for doubtful debt together with an allowance for obsolete stock of Bt 13.06 million and compensation for early retirement of Bt 44.83 million would be resulted in net loss after extra ordinary items of Bt 41.05 million, compared to the same period of last year which showed net loss before extra ordinary items of Bt 32.28 million.

For the second quarter (April - June) ended the same date, represented a net operating profit of Bt 4.47 million. An inclusion of allowance for doubtful debt together with an allowance for obsolete stock of Bt 3.64 million and compensation for early retirement of Bt 37.39 million would be resulted in net loss after extra ordinary items of Bt 36.56 million, compared to the same period of last year which showed net loss before extra ordinary items of Bt 18.47 million. The main reasons are as the following substances.

1. Sales and services revenue for the first six months increased by 5 percent compared to the same period of 2005. This is due to the 17 percent growing of circulation revenue, which is from the increasing of newspaper 13 percent, pocket books, cartoons and magazines 24 percent, and printing services along with international magazine 24 percent. On the other hand, advertising revenue dropped 2 percent relevant to the dropping of advertising business ondition. However, the decreasing rate of the company advertising revenue is still lower than industry average rate.

2. Cost of sales for the first six months has slightly increased compared to the same period of 2005, primarily due to the 12 percent higher in cost of paper. Because of controlling of paper consumption and returning policy, resulted in 9 percent dropping of paper consumption. Conversely, production cost of TV decreased by 43 percent as a result of television programs and airtime restructuring.

3. Selling and administrative expenses for the first six months increased by 2 percent compared to the same period of last year. This is mostly due to transportation expenses according to gasoline price. On the contrary, with sales promotion expense controlling policy, this expense has dropped 9 percent as well.

Conclusion:

The group reported a net profit from operating of Bt 16.84 million for the first six months of 2006. An inclusion of allowance for doubtful debt together with an allowance for obsolete stock of Bt 13.06 million and compensation for early retirement of Bt 44.83 million would be resulted in net loss after extra ordinary items of Bt 41.05 million, compared to the same period of last year which showed net loss before extra ordinary items of Bt 32.28 million.