

The Results of the Consolidated Financial Statement

The consolidated financial statement of Nation Multimedia Group Public Company Limited and its subsidiaries for the first nine months ended September 30, 2006, represented a net loss from operating of Bt 3.98 million. An inclusion of allowance for doubtful debt with related companies of Bt 0.92 million, allowance for impairment of investments of Bt 6.09 million and compensation for early retirement of Bt 48.01 million would be resulted in net loss after extra ordinary items of Bt 59.00 million, compared to the same period of last year which showed net loss before extra ordinary items of Bt 290.41 million.

For the third quarter (July – September) ended the same date, represented a net operating loss of Bt 7.76 million. An inclusion of allowance for doubtful debt with related companies of Bt 0.92 million, allowance for impairment of investments of Bt 6.09 million and compensation for early retirement of Bt 3.18 million would be resulted in net loss after extra ordinary items of Bt 17.95 million, compared to the same period of last year which showed net loss before extra ordinary items of Bt 234.83 million. The main reasons are as the following substances.

1. Sales and services revenue for the first nine months increased by 3 percent compared to the same period of 2005. This is due to the 14 percent growing of circulation revenue, which is from the increasing of newspaper 9 percent, pocket books, cartoons and magazines 21 percent, and printing services along with international magazine 15 percent. On the other hand, advertising revenue from publishing dropped 4 percent while advertising revenue from broadcasting increased by 14 percent.
2. Cost of sales for the first nine months decreased by 5 percent compared to the same period of 2005. This is because of the controlling of production and paper consumption which resulted in 8 percent dropping of printing cost even though the cost of paper has increased 9 percent from last year. Moreover, production cost of TV decreased by 49 percent as a result of television programs and airtime restructuring.
3. Selling and administrative expenses for the first nine months decreased by 5 percent compared to the same period of 2005. This is primary due to the modification of sales promotion policy in directing to target customers which resulted in 14 percent dropping of sales promotion expense. Conversely, transportation expenses increased by 6 percent according to gasoline price and business expansion in logistic with exterior customers as well.

Conclusion:

The group reported a net loss from operating of Bt 3.98 million for the first nine months of 2006. An inclusion of allowance for doubtful debt with related companies of Bt 0.92 million, allowance for impairment of investments of Bt 6.09 million and compensation for early retirement of Bt 48.01 million would be resulted in net loss after extra ordinary items of Bt 59.00 million, compared to the same period of last year which showed net loss before extra ordinary items of Bt 290.41 million.