The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the nine- month period ended 30 September 2007 represented a profit from operating before income tax and share of losses from associates of Baht 7.76 million. An inclusion of income tax of Baht 28.6 million (not included tax from machinery sold of Baht 4.82 million) , share of losses from associates of Baht 29.28 million, realized gain from machinery sold for this period net of tax of Baht 33.26 million, bad debt and allowance for doubtful debt of trades and related parties according to the adjustment of allowance for doubtful debt total of Baht 163.76 million, allowance for impairment of investment and land including of obsolete stock total of Baht 56.85 million and compensation for early retirement of Baht 6.33 million would be resulted in net loss of Baht 243.80 million comparing to the same period of last year which showed a net loss of Baht 59 million.

However, the above allowances and impairments reflected only on accounting transactions but did not have any effects on the company's cash flow. The cash flow from operating activities for the nine-month period of 2007 increased Baht 42.23 million, from Baht 251.89 million at the same period of 2006 to Baht 294.12 million in 2007. The significance of company's operation results are summarized as follows:

1. Revenue from sales and services for 9 months decreased by 0.8 % compared to the same period of 2006. The main reason for the decline was the 9 % decreased in circulation revenue which stemmed from 13% dropping of newspaper circulation compared to last year as there were extra publications for an occasion of the 60th anniversary of HM the King's accession to the throne. Meanwhile circulation revenue from pocket books, cartoons and international magazines increased 3 % and service from printing, international magazine representative and logistic increased 20 % accordingly. For advertising revenue, it increased 1% because there was 57% increase in broadcasting advertising revenue including 88% increase from new media revenue, whereas print advertising dropped 7 % due to an economic slowdown.

2. Cost of sale and operating expenses for 9 months decreased 3.4 % (not included allowance for doubtful debt and other allowances for impairment total of Baht 220.61 million) compared to the same period of 2006, primarily due to 15% drop in printing cost as a result of declining in paper utilization rate in compliance with the company's production controlling policy. Moreover, the use of sound logistic management practices also resulted in 6% drop in transportation cost even though the gasoline price was fluctuated. However, the cost of books increased relating to the increase of circulation revenue from pocket books, cartoons and international magazines.

3. The company has taken into account of allowance for doubtful debt from barter receivables and adjusted the rate of allowance for doubtful debt from 0.75% to 1% of monthly income.

Conclusion:

The group reported a net profit from operating before income tax and share of losses from associates total of Baht 7.76 million for the nine-month period ended 30 September 2007. An inclusion of income tax of Baht 28.6 million (not included tax from machinery sold of Baht 4.82 million), share of losses from associates of Baht 29.28 million, realized gain from machinery sold for this period net of tax of Baht 33.26 million, bad debt and allowance for doubtful debt of trades and related parties total of Baht 163.76 million, allowance for impairment of investment and land including of obsolete stock total of Baht 56.85 million and compensation for early retirement of Baht 6.33 million would be resulted in net loss of Baht 243.80 million comparing to the same period of last year which showed a net loss of Baht 59 million.

On the other hand, the cash flow from operating activities for nine months of 2007 increased Baht 42.23 million, from Baht 251.89 million at the same period of 2006 to Baht 294.12 million in 2007.

The Group would like to inform that the company changed its accounting policy for recording investments in subsidiaries and associates in separate financial statements from the equity method to the cost method, in compliance with Notification No.26/2006 regarding Accounting Standard No.44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" requires a parent company which has investments in subsidiaries and associates and is not classified as a "held for sale" investment, to record such investment in accordance with either the cost method or with the recognition and measurement basis for financial instruments (when an announcement is made), instead of the equity method currently used.

The change in accounting policy resulted in net profit (loss) of the separate financial statements not equal to net profit (loss) of the consolidated financial statements and this change has been applied retrospectively for the 2006 financial statements, which are included in the 2007 interim financial statements for comparative purpose. The effected details are as follows:

	Effects for the periods to separate financial statements (Million Baht)			
	Quarter 3/2007	**9 months 2007**	**Quarter 3/2006**	**9 months 2006**
Net loss				
Equity Method	(238.91)	(243.80)	(17.95)	(59.00)
Cost Method	(248.97)	(283.34)	(24.27)	(46.18)
Increase (decrease)	10.06	39.54	6.32	12.82
Increase (decrease) in earnings per Share (Baht/ Share)	(0.06)	(0.24)	(0.04)	0.08

Investments in Subsidiaries and associates	**Effects to Financial Statements As of 31 December 2007 (Million Baht)**
Equity Method	596.22
Cost Method	495.97
Decrease	(100.25)
Deficit	
Equity Method	(154.22)
Cost Method	(254.47)
Increase	(100.25)

However, such change of accounting policy effects the related accounting transactions of investments in subsidiaries and associates in the separate financial statements only and does not have any effects on the consolidated financial statements or business fundamentals of Nation Multimedia Group Public Company Limited.