The Results of the Consolidated Financial Statement

The consolidated financial statement of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended December 31, 2006, represented a net loss from operating before allowance of Bt 7.88 million. An inclusion of allowance for doubtful debt of trade accounts receivable with related companies, write off for accounts receivable and accrued income total of Bt 68.24 million, allowance for obsolete stock of Bt 9.43 million, allowance for impairment of assets of Bt 9.64 million and compensation for early retirement of Bt 59.03 million would be resulted in net loss after extra ordinary items of Bt 154.22 million, compared to the same period of last year which showed net loss before allowance and extra ordinary items of Bt 252.45 million. The main reasons are as the following substances.

1. Sales and services revenue for the year 2006 increased by 1 percent compared to the same period of 2005. This is due to 16 percent growing of circulation revenue, which is from the increasing of newspaper 11 percent, pocket books, cartoons and magazines 22 percent, and printing services along with international magazine 9 percent. On the other hand, advertising revenue from publishing dropped 8 percent while advertising revenue from broadcasting increased by 15 percent. Since business expansion in logistic with exterior customers, resulted in 50 percent growing of this revenue.

2. Cost of sales for the year 2006 decreased by 7 percent compared to the same period of 2005. This is from 8 percent dropping of printing cost. As of maximizing efficiency of production policy which resulted in 11 percent dropping of paper consumption even though the cost of paper has increased 7 percent from last year. Moreover, production cost of TV decreased by 50 percent as a result of television programs and airtime restructuring.

3. Selling and administrative expenses for the year 2006 increased by 3 percent compared to the same period of 2005. This is primary due to the transportation expenses increased by 7 percent according to gasoline price as well as business expansion in logistic with exterior customers that is related to the rising in revenue from this section. Besides, the modification of sales promotion policy in directing to target customers which resulted in 10 percent dropping of sales promotion expense compared to last year.

Conclusion:

The group reported a net loss from operating before allowance of Bt 7.88 million for the year of 2006. An inclusion of allowance for doubtful debt of trade accounts receivable with related companies, write off for accounts receivable and accrued income total of Bt 68.24 million, allowance for obsolete stock of Bt 9.43 million, allowance for impairment of assets of Bt 9.64 million and compensation for early retirement of Bt 59.03 million would be resulted in net loss after extra ordinary items of Bt 154.22 million, compared to the same period of last year which showed net loss before allowance and extra ordinary items of Bt 252.45 million.

Consequently, Financial Statements as of December 31, 2006, the company reported deficit of Bt 154.22 million and share premium of Bt 115.56 million.