The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2011 represented an operating profit before income tax of Baht 150.60 million. An inclusion of income tax of Baht 46.32 million resulted in operations for the year 2011 had profit of Baht 104.28 million. Compared to the same period of last year, it showed an operating profit of Baht 155.40 million (exclusion of income tax of Baht 54.86 million, share of net profit from investment in associates of Baht 122.25 million and gain from a bargain purchasing of investment of Baht 90.83 million, if included those transactions, operations for the year 2010 had net profit of Baht 313.62 million). The significance of Group's operation results was summarized as follows:

1. Revenue from sales and services for the year 2011 decreased by 2% compared to the same period of 2010. The main reason is from circulation revenue decreased by 11% which was from 12% dropped in newspaper circulation as well as circulation revenue from cartoon and inter-magazines dropped by 5%. However, advertising revenue increased by 1% as advertising revenue increased in broadcast business unit by 15% whereas advertising from publishing decreased by 3% and advertising from new media decreased by 9%.

2. Cost of sales and operating expenses for the year 2011 decreased by 1% compared to the same period of 2010, primarily due to the 16% dropped in paper and production supply cost as a result of declining in paper utilization rate in compliance with the company's production controlling policy.

However, there was a severe flooding across Thailand especially, in Bangkok and its vicinity from the end of third quarter and continuing to fourth quarter. This incident caused profit for the year 2011 decrease compared to last year due to the decrease of circulation revenue while selling and administrative expenses remained stable.

Conclusion: The Group reported an operating profit before income tax for the year ended 31 December 2011 was at Baht 150.60 million. An inclusion of income tax of Baht 46.32 million resulted in profit of Baht 104.28 million. Compared to the same period of last year, it showed an operating profit of Baht 155.40 million (exclusion of income tax of Baht 54.86 million, share of net profit from investment in associates of Baht 122.25 million and gain from a bargain purchasing of investment of Baht 90.83 million, if included those transactions, operations for the year 2010 had net profit of Baht 313.62 million).