

Digital Era



ANNUAL REPORT 2012
Nation Broadcasting Corporation Public Company Limited



VISION

To be the media institution of the future by being the top
producer of valuable news and programmes

MISSION

Inspiring to be an institution that produces journalists,
news anchors and (TV) programme producers

Creating a 24-hour news station that has the loyal following of
a committed audience and also be the best producer of TV and
radio programmes

Continuously committing all efforts and embracing
developments in every new media innovation to create
new opportunities

Maintain credibility which is the core value
of the organisation and observe journalistic ethics

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General Information

Name

Nation Broadcasting Corporation Public Company Limited

Symbol

NBC

Core Business

Production of TV programs and radio programs and providing, news and advertisements through TV media, radio media and new media forms

Head Office

1858/51-62, 12th, 13th Floor, Bangna-Trad Road,
Bangna, Bangkok 10260

Registration

PLC no. 0107552000103

Telephone

(66) 2338-3645

Fax

(66) 2338-3973

Registered Capital

Baht 178,500,000

Paid-up Capital

Baht 176,870,000 (December 28, 2012)

The Company's Shareholding Exceeded 10% of Paid Capital. (December 31, 2012)

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Direct Subsidiaries				
NBC Nextmedia Co., Ltd. 1858/61-62 12th, 13th Floor Bangna-Trad Road, Bangna, Bangkok	Advertising media	99.99	20,000,000	10,000,000
NBC Next Vision Co., Ltd. 1858/61-62 12th, 13th Floor Bangna-Trad Road, Bangna, Bangkok	Produce and conduct business as content provider with multimedia Channels including TV.	99.99	1,000,000	250,000
NBC Next Screen Co., Ltd. 1858/61-62 12th, 13th Floor Bangna-Trad Road, Bangna, Bangkok	Produce and conduct business as content provider with multimedia Channels including TV.	99.99	1,000,000	250,000

Summary of Financial Data and Investments

Unit : Million Baht

1. Selected data from consolidated financial statements	2012	2011	2010
■ Revenues from sales and services	737.08	666.50	625.35
■ Total revenues	740.42	668.32	628.39
■ Gross profit	197.32	265.73	234.29
■ Profit before interest, taxes, depreciation, amortization and extraordinary items * (please see note)	102.18	139.20	144.93
■ Net profit	48.02	87.08	100.70
■ Total assets	580.76	481.70	458.53
■ Total shareholders' equity	360.07	322.07	317.51
2. Financial ratios	2012	2011	2010
■ Debt to equity ratio (times)	0.61	0.50	0.44
■ Gross profit margin (%)	26.77%	39.87%	37.47%
■ Net profit margin (%)	6.49%	13.03%	16.02%
■ Return on equity (%)	14.08%	27.23%	32.74%
■ Return on total assets (%)	9.04%	18.52%	24.08%
■ Earnings per share (Baht)	0.28	0.51	0.59
■ Dividend per share (Baht) ** (please see note)	0.18	0.30	0.44
■ Book value per share (Baht)	2.05	1.87	1.86

* Note : Extraordinary items include gain (loss) on disposal of assets, doubtful debts expenses, loss on obsolete stocks, and withholding tax deducted at source written-off.

** Dividend :

On April 25, 2012, the Annual General Shareholders Meeting of the Company approved to pay dividend to shareholders at a rate of 0.30 Baht per share, amounting to 51.72 Million Baht. The said dividend was paid to shareholders during 2011.

On May 10, 2012, the meeting of the Board of Directors of the Company approved to pay the interim dividend to shareholders at a rate of 0.06 Baht per share for an operating result from January 1 to March 31, 2012, amounting to 10.41 Million Baht. The said dividend was paid to shareholders during 2012.

On August 9, 2012, the meeting of the Board of Directors of the Company approved to pay the interim dividend to shareholders at a rate of 0.06 Baht per share for an operating result from April 1 to June 30, 2012, amounting to 10.41 Million Baht. The said dividend was paid to shareholders during 2012.

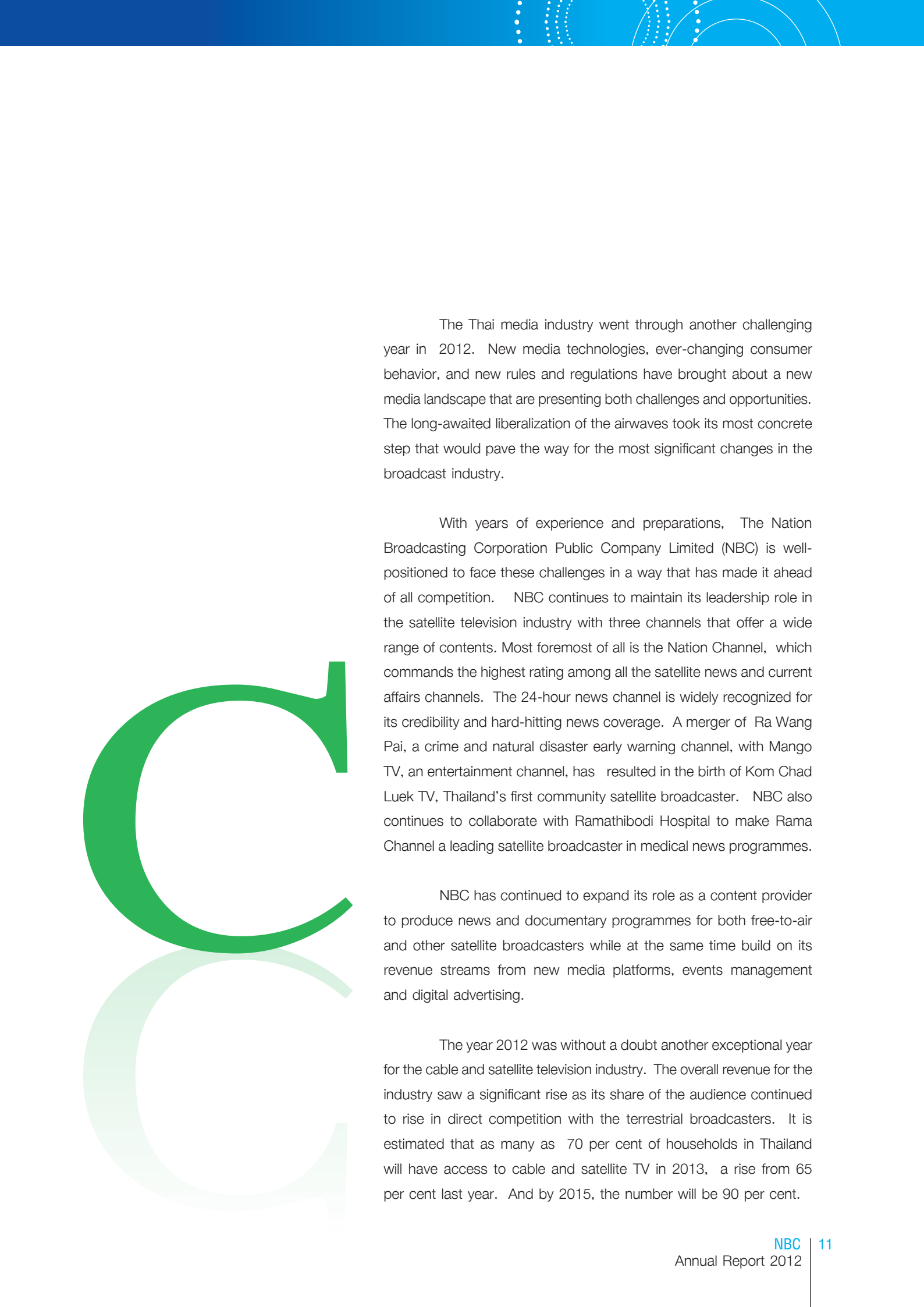
On February 14, 2012, the meeting of the Board of Directors of the Company agreed to propose to the Annual General Shareholders Meeting 2012 on April 24, 2013 for considering to pay dividend for the 2012 operating year at a rate of 0.18 Baht per share. The Board of Directors took into consideration the payment of interim dividend out of the accumulated profit to the Shareholders at 0.12 Baht per share, totaling 20.82 million Baht and resolved to put forth in the 2013 Annual General Meeting of Shareholders for the approval of final dividend payment to the Shareholders at 0.06 Baht per share, totaling 10.56 million Baht.

Dividend Payment Policy

The Company dividend policy is to pay dividend to shareholders at not less than 40% of its net profit after deducting corporate taxes, legal and other required and appropriate reserves. The said dividend payment ratio may be altered subject to financial status, operating performance, investment plan and other necessities and appropriateness in the future approved by the Board of Directors and/or shareholders of the company. The resolution of the Board of Directors proposed for dividend payment has to be approved from Shareholders Meeting, except for interim dividend payment for which the Board of Directors is authorized to approve and reports to the shareholders to be acknowledged in the following meeting. ■

Message from the Chairman





The Thai media industry went through another challenging year in 2012. New media technologies, ever-changing consumer behavior, and new rules and regulations have brought about a new media landscape that are presenting both challenges and opportunities. The long-awaited liberalization of the airwaves took its most concrete step that would pave the way for the most significant changes in the broadcast industry.

With years of experience and preparations, The Nation Broadcasting Corporation Public Company Limited (NBC) is well-positioned to face these challenges in a way that has made it ahead of all competition. NBC continues to maintain its leadership role in the satellite television industry with three channels that offer a wide range of contents. Most foremost of all is the Nation Channel, which commands the highest rating among all the satellite news and current affairs channels. The 24-hour news channel is widely recognized for its credibility and hard-hitting news coverage. A merger of Ra Wang Pai, a crime and natural disaster early warning channel, with Mango TV, an entertainment channel, has resulted in the birth of Kom Chad Luek TV, Thailand's first community satellite broadcaster. NBC also continues to collaborate with Ramathibodi Hospital to make Rama Channel a leading satellite broadcaster in medical news programmes.

NBC has continued to expand its role as a content provider to produce news and documentary programmes for both free-to-air and other satellite broadcasters while at the same time build on its revenue streams from new media platforms, events management and digital advertising.

The year 2012 was without a doubt another exceptional year for the cable and satellite television industry. The overall revenue for the industry saw a significant rise as its share of the audience continued to rise in direct competition with the terrestrial broadcasters. It is estimated that as many as 70 per cent of households in Thailand will have access to cable and satellite TV in 2013, a rise from 65 per cent last year. And by 2015, the number will be 90 per cent.

2013 will probably be the most significant year for NBC as it plans to take a major step into digital television. NBC is making every effort to ensure that it will become an operator of one of the new television channels that the National Broadcasting and Telecommunication Commission will put up for auction in late 2013. NBC has embarked on a recapitalization plan to secure funding for its first free-to-air news and current affairs channel. We intend not only to operate Thailand's best news and current affairs TV station but also to become a "game-changer" in the nascent digital television industry.

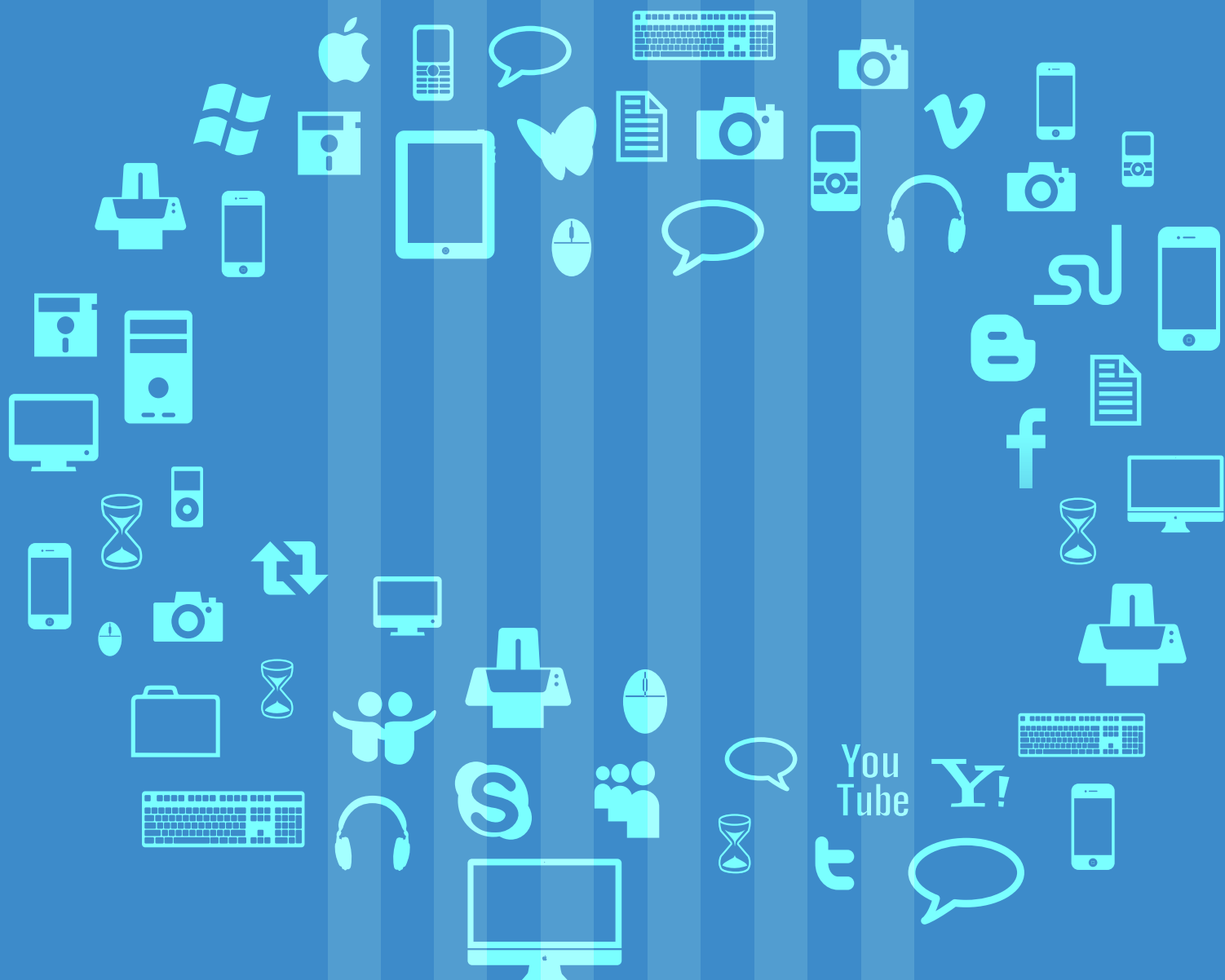
While we adapt and devise new strategies to deal with the fast-changing media landscape, we never neglect our commitment to excellence in journalism. And while we persist to relentlessly maintain our editorial standard, we also put top priority in offering the best value to our customers and shareholders. The management and all employees of NBC are also ever conscious of our responsibility toward the society. That's why we always consider a strict adherence to journalistic ethics and good governance as a cornerstone of our policy.

And with this guiding principle, we are confident that NBC will turn 2013 into a year in which it will be a "game-changer". ■



Mr. Suthichai Yoon

Chairman



Board of Director





Board of Director

Mr. Suthichai Yoon

Chairman

Age

67 years

Education Background

- Assumption Commercial College Bangkok (ACC)
- Saengthong School , Had Yai , Songkhla

Training Course (s)

Thai Institute of Directors Association

Director Accreditation Program (DAP # 54)

No. of Shares Held as at December 28, 2012

Mr.Suthichai Yoon	1,622,238	shares (0.92%)
Mrs.Nantawan Yoon	31,444	shares (0.02%)

Relationship with NBC's Executiv

N/A

Experience

1971 - 2012

Editor in Chief

Nation Multimedia Group Plc.

2011 - Present

Chairman

Mar 6, 2012 - Present

Chairman

Nation Multimedia Group Plc.

Apr 17, 2012 - Present

Chairman

Nation International Edutainment Plc.



Director of other listed company

Mar 6, 2012 - Present	Chairman	Nation Multimedia Group Plc.
Apr 17, 2012 - Present	Chairman	Nation International Edutainment Plc.

Director of other non - listed company

1994 - Present	Director	Nation International Co.,Ltd.
2006 - Present	Director	NML Co.Ltd.
2008 - Present	Chairman	Nation News Network Co.,Ltd.
2011 - Present	Executive Director	Nation U Co.,Ltd.
2012 - Present	Director	NBC Nextmedia Co., Ltd.
2012 - Present	Director	Nation Edutainment Co.,Ltd.
2012 - Present	Director	Nation Kids Co., Ltd

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	6/6
Annual General Meeting of Shareholders	1/1

Board of Director

Mr.Sermisin Samalapa

Director

Age

45 years

Education Background

- Master of Science in Real Estate Development, Sloan School of Management and Center for Real Estate, Massachusetts Institute of Technology (MIT), Cambridge, MA, USA
- Bachelor of Architecture from Faculty of Architecture, Chulalongkorn University
- Effective Strategies for Media Companies, Executive Education from Harvard Business School, Harvard University Cambridge, MA, USA

Training Course (s)

Thai Institute of Directors Association

- Director Accreditation Program (DAP # 24)

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

1997 - 2011

Lecturer of Real Estate Finance, Faculty of Commerce and Accountancy
Chulalongkorn University

1999 - 2011

Managing Director

Thai Portal Company Limited

2003 - 2011

Chairman

Pacific Assets Public Company Limited

2003 - 2011

President and Chief Executive Officer

Natural Park Public Company Limited and its subsidiaries



2003 - 2011

Director

Kempin Siam Company Limited

2010 - 2011

Chairman

South-East Asia University

2010 - Present

Director

Nation Multimedia Group Plc.

2011 - Present

Director

Nation-U Company Limited

2011 - Present

Director

Nation Broadcasting Corporation Plc.

2011 - Present

Director

Nation International Edutainment Plc.

Director of other listed company

2010 - Present

Director

Nation Multimedia Group Plc.

2011 - Present

Director

Nation International Edutainment Plc.

Director of other non - listed company

2011 - Present

Director

Nation-U Company Limited

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors

6/6

Annual General Meeting of Shareholders

1/1

Board of Director

Mr.Adisak Limprungpatanakij

President

Age

52 years

Education Background

BA, Accounting, Thammasat University

Training Course (s)

Thai Institute of Directors Association

■ Director Certification Program (DCP#71)

No. of Shares Held as at December 28, 2012

Mr.Adisak Limprungpatanakij 100,010 shares (0.06%)

Mrs.Kamolthip Limprungpatanakij 315,800 shares (0.18%)

Relationship with NBC's Executive

N/A

Experience

1982 - 1985

Repoter

Matuphoom Daily and Matuphoom Business Weekly

1985 - 1992

Reporter - The Nation

Nation Publishing Group Co.,Ltd.

1992 - 1999

Editor - Krungthep Turakij

Nation Publishing Group Co.,Ltd.

1998 - 1999

President of The Economic Reporters Association

2000 - 2008

Editor - Nation Channel and Nation Radio

Nation Broadcasting Corporation Co., Ltd.

2001 - 2004

Editor - Kom Chad Luek

Nation Digital Media Co., Ltd.



2009 - 2010

President of Satellite Television Association (Thailand)

2009 - Present

President

Nation Broadcasting Corporation Plc.

2012 - Present

Director

Nation Multimedia Group Plc.

Director of other listed company

2012 - Present

Director

Nation Multimedia Group Plc.

Director of other non - listed company

2010 - Present

Director

Kom Chad Luek Co., Ltd.

2012 - Present

Director

NBC Nextmedia Co., Ltd.

2012 - Present

Director

NML Co.Ltd.

2012 - Present

Executive Director

Nation U Co.,Ltd.

2012 - Present

Director

NBC Next Vision Co.,Ltd.

2012 - Present

Director

NBC Next Screen Co.,Ltd.

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors

6/6

Annual General Meeting of Shareholders

1/1

Board of Director

Mr. Supong Limtanakool

Independent Director and Chairman of The Audit Committee

Age

60 years

Education Background

- Doctor of Business Administration in International Marketing, University of San Gabriel, Irvine, California, U.S.A.
- Master of Science in Marketing & Consumer Behavior, California State University
- Bachelor of Arts in Economics, California State University

Training Course (s)

Thai Institute of Directors Association

- Director Certification Program (DCP#99)

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

2006 - 2008

The National Legislative Assembly Expert

2007

Subcommittee of Universiade International University Sports

2007

Constitution Drafting Assembly Expert

2007

Subcommittee of taxi and limousine audit

Savarnabhumi Airport

2009 - Present

Vice President for External Affairs

Bangkok University



2007 - Present
 Member of The Audit Committee
 Thai Polycons Plc.
 2009 - Present
 Independent Director and Chairman of The Audit Committee
 Nation Broadcasting Corporation Plc.

Director of other listed company

2007 - Present	Member of The Audit Committee	Thai Polycons Plc.
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Director of other non - listed company

2009 - Present	Vice President for External Affairs	Bangkok University
2012 - Present	Director	Thai Tinsplate MFG Co., LTD.

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	5/6
Audit Committee	3/4
Annual General Meeting of Shareholders	1/1

Board of Director



Mr. Metha Soonthornjit

Independent Director and Member of The Audit Committee

Age

52 years

Education Background

- MMM, The Graduate School of Public Administration, NIDA
- LL.B. Ramkhamhaeng University

Training Course (s)

Thai Institute of Directors Association

Director Certification Program (DCP#118)

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

2003 - 2004

Managing Director

Lawman Standard Co., Ltd.

2005 - Present

Manager

Lawman Standard Co., Ltd.

2009 - Present

Member of The Audit Committee

Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

2005 - Present Manager Lawman Standard Co., Ltd.

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	6/6
Audit Committee	4/4
Annual General Meeting of Shareholders	1/1

Board of Director

Mr. Kittichai Lattisophonkul

Independent Director and Member of The Audit Committee

Age

64 years

Education Background

■ BA, Accounting, Chulalongkorn University

Training Course (s)

Thai Institute of Directors Association

Director Accreditation Program (DAP # 97)

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

1972-1974

Internal Control Staff

Esso Standard (Thailand) Co., Ltd.

1974-1975

Account Supervisor

ICI (Thailand) Co., Ltd.

1975-1978

Accountant

Diethelm Co., Ltd.

1978-1981

Account Supervisor

Johnson & Johnson (Thailand) Co., Ltd.

1981-1983

Inventory Cost Accountant

Colgate-Palmolive (Thailand) Co., Ltd.

1983-1984

Internal Audit Manager

Colgate-Palmolive (Thailand) Co., Ltd.



1984-1987

Budget & Costing Manager

Colgate-Palmolive (Thailand) Co., Ltd.

1988-1990

Financial Planning Manager

Colgate-Palmolive (Thailand) Co., Ltd.

1991

Trade Marketing Manager

Colgate-Palmolive (Thailand) Co., Ltd.

1991-2011

Executive Vice President, Finance

Modernform Group Public Company Limited

2011 - Present

Independent Director and Chairman of The Audit Committee

Nation Broadcasting Corporation Plc.

2012 - Present

Director

Modernform Group Public Company Limited

Director of other listed company

2012 - Present

Director

Modernform Group Public Company Limited

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors 5/6

Audit Committee 4/4

Annual General Meeting of Shareholders 1/1

Board of Director

Miss Aeumsree Boonhachairat

Director

Age

53 years

Education Background

BBA, Assumption University

Training Course (s)

Thai Institute of Directors Association

- Director Certification Program (DCP#82)
- Executive Development Program (EDP#8)

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

2003 - 2006

Chief Operating Officer
Inspire Entertainment Co.,Ltd.

2006 - 2007

President - Special Publications Business Unit
Nation Multimedia Group Plc.

2008 - 2009

Chief Operating Officer - Advertising
Nation Multimedia Group Plc.

2009 -Present

Director
Nation Broadcasting Corporation Plc.



Director of other listed company

N/A

Director of other non - listed company

2012 - Present	Director	NBC Next Vision Co.,Ltd.
2012 - Present	Director	NBC Next Screen Co.,Ltd.

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	6/6
Annual General Meeting of Shareholders	1/1

Board of Director

Miss Duangkamol Chotana

Director

Age

50 years

Education Background

B.A. Communication Arts, Chulalongkorn University

Training Course (s)

Thai Institute of Directors Association

■ Director Certification Program (DCP#144)

■ Executive Development Program (EDP#4)

No. of Shares Held as at December 28, 2012

Miss Duangkamol Chotana 40,490 shares (0.02%)

Relationship with NBC's Executive

N/A

Experience

1987 - 1990

Reporter

Nation Publishing Group Co.,Ltd.

1990 - 1999

Assistant Editor

Nation Multimedia Group Plc.

1999 - 2000

Executive Editor

Nation Multimedia Group Plc.

2000 - 2007

Editor Krungthep Turakij

Nation Multimedia Group Plc.

2008 - 2010

Chief Operating Officer of Thai News Business Unit

Nation Multimedia Group Plc.

2010 - Present

President of Thai News Business Unit



Krungthep Turakij Media Co.,Ltd.
 2011 - Present
 Director
 Nation Broadcasting Corporation Plc.
 2012 - Present
 President
 Nation Multimedia Group Plc.

Director of other listed company

2012 - Present
 President Nation Multimedia Group Plc.

Director of other non - listed company

2010 - Present	Executive Director	Krungthep Turakij Media Co.,Ltd.
2012 - Present	Director	Nation Edutainment Co., Ltd.
2012 - Present	Director	Nation News Network Co., Ltd.
2012 - Present	Director	Kom Chad Luek Media Co., Ltd
2012 - Present	Director	WPS (Thailand) Co., Ltd.
2012 - Present	Director	NML Co.Ltd.
2012 - Present	Director	Nation U Co., Ltd.
2012 - Present	Director	Bangkok Business Broadcasting Co., Ltd.

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	6/6
Annual General Meeting of Shareholders	1/1

Board of Director



Mrs. Suphanee Dechaburananon

Independent Director

Age

61 years

Education Background

- BA (Economics), Chulalongkorn University
- MA (Economics), Ottawa University, Ottawa, Canada

Training Course (s)

Thai Institute of Directors Association

N/A

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

1993-1998

Associate Board Members of Ogilvy & Mather
Ogilvy & Mather (Thailand) Co., Ltd.

1994-1998

Media Planning Director
Ogilvy & Mather (Thailand) Co., Ltd.

1999 - 2005

Group Executive Director
MindShare (Thailand)

2006-2008

Chairman/Director of Trading & Strategy
GroupM

2009-2011

Chairman

GroupM

2012 - Present

Independent Director

Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	4/6
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Annual General Meeting of Shareholders	-
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Board of Director



Mr.Sivaporn Chomsuwan

Director

Age

53 years

Education Background

- MBA, Oklahoma City University
- BA, Accounting, Thammasat University

Training Course (s)

Thai Institute of Directors Association

- Director Accreditation Program (DAP# 64)
- Director Certification Program (DCP#101)

No. of Shares Held as at December 28, 2013

N/A

Relationship with NBC's Executive

N/A

Experience

2009 -Present

Independent Director and Member of The Audit Committee
Nation Broadcasting Corporation Plc.

2009 -Present

Managing Director
Amarin Book Center Co.,Ltd

2011 - 2012

Executive Vice President
Nation International Edutainment Plc.

Apr 17, 2012 - Present

Director
Nation Broadcasting Corporation Plc.

Apr 24, 2012 - Present

President
Nation International Edutainment Plc.

Remark :Mr.Sivaporn Chomsuwan to replace Mr.Thanachai Santichaikul

Director of other listed company

Apr 24, 2012 - Present

President

Nation International Edutainment Plc.

Director of other non - listed company

2008 - Present	Director	Memotion Co., Ltd.
2012 - Present	Director	Nation Egmont Edutainment Co., Ltd.
2012 - Present	Director	Nation Edutainment Co., Ltd.
2012	Director	Ncoupon Co., Ltd.
2012 - Present	Director	Yomiuri-Nation Information Service Co., Ltd.
2012 - Present	Director	WPS (Thailand) Co., Ltd.
2012 - Present	Director	Nation Kids Co., Ltd.

Director of a competing company or a related business company

N/A

The Meeting Attendance / Meeting held (Frequency)

Board of Directors	4/6
Annual General Meeting of Shareholders	1/1

Management Team

Mr. Pranot Vilapasuwan

Executive Editor, Television News

Age

49 years

Education Background

B.A. Sociology and Anthropology, Thammasat University

Training Course (s)

Thai Institute of Directors Association

N/A

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

1999 - 2009

Director and Editor

Nation Broadcasting Corporation Co.,Ltd.

2009

Vice President - Television News

Nation Broadcasting Corporation Plc.

2010 - Present

Executive Editor - Television News

Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A



Miss Kwanruan Thaworntaweewong

Senior Vice President, Television Programs

Age

48 years

Education Background

B.Sc. Agriculture, Kasetsart University

Training Course (s)

Thai Institute of Directors Association

-N/A

No. of Shares Held as at December 28, 2012

Miss Kwanruan Thaworntaweewong 100,000 shares (0.06%)

Relationship with NBC's Executive

N/A

Experience

1990 - 2009

Vice President - Program Department
Nation Broadcasting Corporation Co.,Ltd.

2009

Vice President - Television Programs
Nation Broadcasting Corporation Plc.

2010 - Present

Senior Vice President - Television Programs
Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A



Management Team

Mrs. Nongnat Hanwilai

Senior Vice President, Organization Startegy & CSR

Age

50 years

Education Background

- M.A. Development Communication, Chulalongkorn University
- B.A. Mass Communication Chiangmai University

Training Course (s)

Thai Institute of Directors Association

N/A

No. of Shares Held as at December 28, 2012

Mrs.Nongnat Hanwilai 30,000 shares (0.02%)

Relationship with NBC's Executive

N/A

Experience

1987 - 2009

Editor

Nation Multimedia Group Plc.

2009

Vice President of Radio Business Unit

Nation Broadcasting Corporation Plc.

2010 - Present

Senior Vice President - Organization Startegy & CSR

Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A



Mr.Kanok Ratwongsakul

Senior Vice President - Reporter

Age

49 years

Education Background

B.A. Journalism and Mass Communication, Thammasat University

Training Course (s)

Thai Institute of Directors Association

N/A

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

1996 - 2009

Assistant Chief Operating Officer

Nation Broadcasting Corporation Co.,Ltd.

2009

Vice President - News Reporter

Nation Broadcasting Corporation Plc.

2010 - Present

Senior Vice President - Reporter

Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A



Management Team

Mrs.Suwannee Wacharapasakorn

Senior Finance Manager

Age

45 years

Education Background

BBA, Accounting, Srinakharinwirot University

Training Course (s)

Thai Institute of Directors Association

N/A

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

1997 - 2009

Accounting Manager

Nation Properties Co., Ltd.

2009 - 2012

Finance Manager

Nation Broadcasting Corporation Plc.

2012 - Present

Senior Finance Manager

Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A



Mr. Supawat Sa-nguan-ngam

Assistant Vice President - Accounting

Age

40 years

Education Background

B.A. Accounting, Bangkok University

Training Course (s)

Thai Institute of Directors Association

N/A

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

2001- 2004

Senior Accounting

Unithai Shipyard and Engineering Ltd.

2004- 2008

Senior Accounting Manager

Nation Multimedia Group Plc.

2009 - 2012

Senior Accounting Manager

Nation Broadcasting Corporation Plc.

2012 - Present

Assistant Vice President - Accounting

Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A



Management Team

Miss Chamaiporn Kongpech

Senior Vice President - Radio &Event

Age

52 years

Education Background

M.A. Applied Sociology, Kasetsart University

Training Course (s)

Thai Institute of Directors Association

N/A

No. of Shares Held as at December 28, 2012

N/A

Relationship with NBC's Executive

N/A

Experience

2003

Editorial- Economic news - Kom Chad Luek
Nation Multimedia Group Plc.

2003-2009

Editorial-Economic news
Nation Broadcasting Corporation Plc.

2009

Vice President, Radio & Business Development
Nation Broadcasting Corporation Plc.

2010 - Present

Senior Vice President - Radio & Event
Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A



Mrs.Wararak Leelertphan

Senior Vice President

Age

43 years

Education Background

B.A. Communication Arts, Bangkok University

Training Course (s)

Thai Institute of Directors Association

N/A

No. of Shares Held as at December 28, 2012

Mrs.Wararak Leelertphan 64,000 shares (0.04%)

Relationship with NBC's Executive

N/A

Experience

2006- 2007

Vice President

Nation Multimedia Group Plc.

2008

Asst. Senior Vice President

Nation Multimedia Group Plc.

2009

Senior Vice President

Nation Multimedia Group Plc.

2010 - Present

Senior Vice President

Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A



ผู้บริหารระดับสูง



Miss Chutintra Wattanakul

Senior Vice President - New Media

Age

44 years

Education Background

B.A. Sociology and Anthropology, Thammasat University

Training Course (s)

Thai Institute of Directors Association

N/A

No. of Shares Held as at December 28, 2012

Miss Chutintra Wattanakul 32,000 shares (0.02%)

Relationship with NBC's Executive

N/A

Experience

2006- 2010

New Media Development Director
Nation Broadcasting Corporation Plc.

2010 - Present

Senior Vice President - New Media
Nation Broadcasting Corporation Plc.

Director of other listed company

N/A

Director of other non - listed company

N/A

Director of a competing company or a related business company

N/A

Business Company Structure



*Remark : *NBC has changed the program channels. Production and broadcasting of Mango TV and Ra Wang Pai channels were terminated. Their Frequency Bands have been broadcasted on Kom Chad Luek TV channel since December 2012.*

The co-production of ASEAN TV channel was terminated since October 2012.

Business networks

Television Broadcasting Business

The company provides and produces news and knowledge content in a variety of formats to reach the target customers. In addition, the company has expanded its existing to relating businesses by utilizing resources such as news content, news pictures and news crew. At present, the company has been operating as the followings.

1. Nation Channel

The company set up and has operated entirely television channels which are production, program provider, broadcast, and advertising & airtime sale. Its main income is from selling advertising, being outsourced to produce program, short documentaries and selling airtime. In 2012, there are four owned established and operating channels as the details below:



1.Nation Channel, news station

broadcasted since year 2000

Concept

24 news and knowledge station aiming to provide accurate, fair, up-to-date content with news analysis and in-depth information from experienced reporter team.

Distribution

- Local TV cable
- Satellite TV Thaicom-5via C-Band 12355 MHz
- Satellite TV Thaicom-5 via KU-Band 3545 MHz
- www.nationchannel.com
- All network mobile phones
- Application on iPad and iPhone
- TV monitor on BTS train and station



2. Mango TV, entertaining station

broadcasted since June 12, 2010

Concept

The co-operation entertaining news station with business partner, Friends of Mango: FOM with fresh and modern presentation to meet all angles of nowadays customers' lifestyles.

Distribution

- Local TV cable
- Satellite TV Thaicom-5 via C-Band 3545 MHz
- Satellite TV PSI O2 via C-Band, Channel 12
- Satellite TV Infosat Zimple, Channel 8
- Yellow Satellite TV DTV via KU-Band, Channel 34
- www.mangotv.tv
- Application on iPad and iPhone



3. Ra Wang Pai, news station

broadcasted since October 1, 2011

Concept

News station aiming to provide criminal, traffic, weather, natural disaster affected to people or communities news. The resources are collected from Government and Private section and reported by citizen reporter.

Distribution

- Local TV cable
- Satellite TV Thaicom-5 via C-Band 3958 MHz
- www.rawangpai.com and www.ราชวังภัย.com
- Mobile phones and smart phones
- Application on iPad and iPhone
- Application on tablet
- Online social media



4. RAMA channel

Concept

Health knowledge station aiming to provide knowledge of health, disease treatment and medical research from Faculty of Medicine Ramathibodi Hospital.

Distribution

- Local TV cable
- True visions channel 47, 80
- www.ramachannel.tv
- Mobile phones and smart phones

*** Since December 2012, the company has changed program channels. Thus, there are 3 owned established and operated stations left which are Nation Channel news station, RAMA Channel, and Kom Chad Luek TV. Kom Chad Luek TV news station is the synergy among Mango TV entertainment station, Ra Wang Pai news station, and Kom Chad Luek newspaper. Its detail is as follow:



1.Kom Chad Luek TV news station

broadcasted since December 3, 2012

[Concept]

Safety awareness news station for community, content included local news, natural disaster, daily news, local problem and community help request, plus entertainment and sport program. The content and team are co-operated with Kom Chad Luek newspaper.

[Distribution]

- Local TV cable
- Satellite TV Thaicom-5via C-Band 3545 MHz watching via Satellite dish:
 1. PSI channel 87
 2. Big4 channel 16
 3. Dynasat channel 18
 4. QSAT channel 40
- Watching via set top box
 1. GMM-Z channel 106
 2. SunBox channel 22
- www.komchadluek.net and www.rawangpai.com
- Application on iPad and iPhone

2. TV Programs co-produced with free TV stations

The company co-produces news and knowledge programs with free TV channels and receives advertising sale sharing and PR of the company's products and services. In 2012, the programs with free TV channels are decreased with the reason that free TV channel providers have changed their program plan. However, the company still remains the programs on channel 3 and channel 5 as follows:



Reung Den Yen Nee

[Concept]

Daily news report or talk of town news report.

[Distribution]

- MON-FRI
- 17.30-18.30 P.M.



TOWARD 2015 Dern Na Su Pra Cha Com Asean

[Concept]

Economy and business issue of private enterprise toward AEC.

[Distribution]

- TUE
- 9.10-9.35 A.M.

Relating Businesses

In 2012, the company has fully operated the entertainment business with the first production of musical live performance 'Reya The Musical' written by Taitao Sucharitkul while the music and English lyrics is composed by Somtow Sucharitkul, and the main actress is Chompoo Araya A. Hargate. This first musical live performance had performed 20 rounds with over 12,000 audiences.

As the television channels and programs broadcasting on free TV channels become popular among audiences, the company has a policy to bring its core competencies which are content, quality of human resources, readiness of equipments and the company's reputation to expand to relating businesses for its highest benefit. The contents of popular TV program or talk of town issues are brought to create to several products and activities to meet with consumers' needs, increase the company's revenue, and promote the company's reputation and image to broader target audiences.

The products, services, activities and events are as followings:

VCD and DVD production and distribution	Bring popular TV program recording tape to produce to VDO and DVD and sell to general public. The examples produced in 2012 are 500 years Siam-Portuguese relationship documentary, music CD, Reya The Musical Live Performance, "Confucius" Chinese series.
Seminars	Bring popular TV programs or talk of town issues to organize to seminars for interested people. The examples of seminars held in 2012 are Digital Marketing training, "Anchor Dreammaker" training, "Smart Apartment Solution" training.
Travel activities	Organize travel activities for academic learning and commercial business study to allow the audiences travelling with moderator and production team. The example activities in 2012 are "Travel to experience the Royal Development project nationwide", "Travel to Hunan Province in China to experience the real Confucius after the series had on air".
Special Events	Organize entire marketing activities which are social, recreation, and academic activities servicing from creating, operating, producing and broadcasting advertising. The examples in 2012 are "12 years Nation Channel Digital Media Landscape exhibition", "Thai Youth Disaster Prevention" road show event cooperated with Bangchak Petroleum Plc. to high school students.

Radio Business

The company co-produces radio programs with alliance to broadcast on FM frequency which its revenue comes from selling advertising. In 2012 the company co-produced radio programs and broadcasted on FM 90.5 MHz and FM 102 MHz. Furthermore, the company co-produces on-the-hour news program and broadcasted on FM 90.5 MHz and other radio channels in Smart Bomb Company Limited networking, Kasetsart University radio station broadcasted nationwide which are A.M.1107 KHz. in Bangkok, A.M.612 KHz. in Chiang Mai, A.M.1314 KHz. in Khon Kan, A.M.1269 KHz. in Song Khla, and community radio stations over the country. Details are as follows:

Radio Station	Broadcasting Time & Covered Area	Concept	Target Audience
F.M. 90.5 MHz.	Monday-Friday ■ 8.00 A.M.-15.00 P.M. & 18.30-20.00 P.M. ■ Bangkok & vicinity area, Ayudhaya, Ratchaburi, Petchburi, Supanburi, Chachengsao, Samusongkram	■ News updates on political, economics, social, marketing, international issues, including in depth analysis and interview with people in news. ■ The anchors are from Nation Radio, Nation Channel news station, and field experts. ■ Short news updates on current issues ■ Short news updates on business issues	■ Business people, executives. ■ Students and general public. ■ Aged 25 up.
F.M. 102.5 MHz.	MON-SUN ■ 5.00 A.M.-23.00 P.M. ■ Bangkok and vicinity area	■ Variety styled news and knowledge programs on day to day issues. ■ The anchors are from Nation Channel and field experts.	■ Working adults. ■ Aged 25 up.
Kasetsart University radio station A.M. 1107 KHz A.M. 1107 KHz.	■ Everyday, on the hour ■ Nationwide	■ Short news updates on current issues	■ General public.
More than 30 community radio stations over the country	■ Everyday, on the hour ■ Nationwide	■ Short news updates on current issues	■ General public.

Besides radio broadcasting, the company has broadcasted radio stations FM 90.5 MHz and FM 102 MHz through new media to expand distribution channels to the target audiences. The new media are:

■ Internet broadcasting via www.nationradio.co.th, mobile phone, smart phone, window phone, and social media such as www.twitter.com/NTRadio_NBC, www.facebook.com/radio.nbc.

■ Satellite radio signal to broadcast to the households installing satellite signal receiver in which FM 90.5 MHz is broadcasted via C-Band (black satellite dish) and FM 102 MHz is broadcasted via KU-Band (yellow satellite dish).

New Media Business

The company brings its competitive advantage that is readiness in contents to expand to new products and services broadcasting via new media such as website and mobile devices i.e. mobile phone, smart phone, and tablet in order to meet with the consumers' changing lifestyle. Details of the company's new media business are as follows:

1. Website Business

The company develops websites to present its products and services. All of which contain news, knowledge and information updates. The company also gains income from selling advertisement on websites. In 2012, there are the company's websites as below:



www.nationchannel.com

Website presenting Nation Channel's news program



www.oknation.net

Blog for the public to share news and information



<http://radio.nationchannel.com/>

Website presenting co-produced FM 90.5 MHz and FM 102 MHz radio programs



<http://77.nationchannel.com>

Website for news video clips from 76 provinces



<http://breakingnews.nationchannel.com>

Website presenting Nation Channel's short news, the Nation and feeding the news to other NMG and partners' websites



www.247friend.net

Website to review academic knowledge for youth preparing for university admissions

In addition to the year 2012, the company provides services to NMG in terms of enhancing website systems, caretaking the systems and being NMG websites' advertising sales representative as well as other trading partners' representative. Advertising income is shared proportionately with partners according to each agreement made. Currently, the websites of trading partners in the care of the company are as follows:

www.nationmultimedia.com	:	English news website of NMG
www.komchadluek.net	:	Kom Chad Luek newspaper and Satellite TV website
www.pantip.com	:	The biggest resources website in Thailand
www.exteen.com	:	Blog for the public to share news and information
www.beartai.com	:	IT Blog and website
www.eduzone.com	:	Academic blog and website

2. News on Mobile Phone Business

The company uses news content from the company's television and radio stations as well as that of business partners to provide the services to meet with consumers' needs and modern lifestyles. In 2012, the company provides content through mobile devices, for example mobile phone, smart phone, and tablet.

SMS (Short Message Service) and MMS (Multimedia Messaging Service) service, News and up-to-date issues on mobile phones through every network. News on mobile phone's services are categorized in accordance with consumer's needs i.e. business news, English news and general news. The company gains income from providing the company's contents through SMS and MMS subscription, and gains revenue sharing from providing marketing service. The SMS, MMS, and business partners' services in 2012 are as follows:

SMS

Service	Format	Service fee
Nation Tan Khao	Important news and issues updated from Nation Channel	49 Baht/Month
Nation English Breaking News	English news from The Nation	49 Baht/Month
NiThaiVisa	English news from Thai visa and The Nation	49 Baht/Month
Krungthep Turakij Hot News	News and updates on economic and finance from Krungthep Turakij	49 Baht/Month
Kom Chad Luek Hot News	News and updates on current issues from Kom Chad Luek	29 Baht/Month
Kom Chad Luek 7 Baht	News and updates on current issues from Kom Chad Luek	7 Baht/Week
Kom Chad Luek Mini	News and updates on current issues from Kom Chad Luek	4 Baht/Week
NationEduzones	Educational news update, university entrance, and local and foreign scholarship	29 Baht/Month
Nation Oil Alert	Oil prices updates alert	1 Baht/Time
Enjoy English with NJ	English learning	29 Baht/Month

SMS

SMS + MMS By Suthichai Yoon	Analyze hot issues by Suthichai Yoon	59 Baht/Month
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Application service, information receiver via mobile devices such as mobile phone, smart phone, and tablet. The company gains revenue from application download service. The applications being own developed and presented to the customers in 2012 are as follow:

Application for Nation Channel in which the service is free of charge on the purpose to expand TV channels to reach broader customers. The application has been downloaded over 150,000 times to create benefit to the sale of advertising. ■

Industry and Competition



TV Media Industry

Media Landscape on TV media industry since 2013 will be totally changed as regard to the spectrum refarming of broadcasting and TV industry by National Broadcasting and Telecommunication Commission (NBTC).

With regard to the NBTC's roadmap "Go Digital" in 2013, NBTC has changed the Terrestrial Television Broadcasting Signal from analog to digital. The frequency of 48 Digital TV channels (Digital Free TV) has been rearranged with the permission for 15 years comprising of 3 businesses which are 12 community service channels, 12 public service channels, and 24 business service channels. The licensing request on the community and public service channels is by Beauty



Overview

Contest, whereas that of the business service channel is by auction during July to August 2013.

NBTC has arranged 24 business service channels that require the licensing auction. To that, there are 3 for youth channels, 7 for news channels, 7 for Standard Definition (SD) variety channels, and 7 for High Definition (HD) variety channels.

Furthermore, this change has affected the Satellite TV industry under NBTC's license to the 4 percent higher cost of fee. Yet, the NBTC's license is for 15 years and can be an assurance for business operation.

NBTC has also expanded the coverage of digital television frequency network nationwide to 22 million households within 5 years since 2013. The expansion plan is 50 percent coverage in the first year, 80 percent coverage in the second year, 90 percent in the third year, 95 percent in the fourth year, and 100 percent in the fifth year.

To support the household audiences nationwide, NBTC established the financial supportive plan to free away the discount coupons to 22 households nationwide on their purchases of digital televisions and set top boxes. The financial budget is from the price estimation of digital TV auction on 24 business channels.

As NBTC has a precise timeline on digital television frequency coverage network nationwide within 5 years together with the contract signed to International Telecommunication Union (ITU) on the release of digital television in Asia Pacific region since 2015, Thai households are able to presently watch television via 3 main platforms. First is Terrestrial

Television platform or Free TV 6 stations with the household access 98 percent, second is Cable Television platform and third is Satellite Television platform, both with the household access over 60 percent.

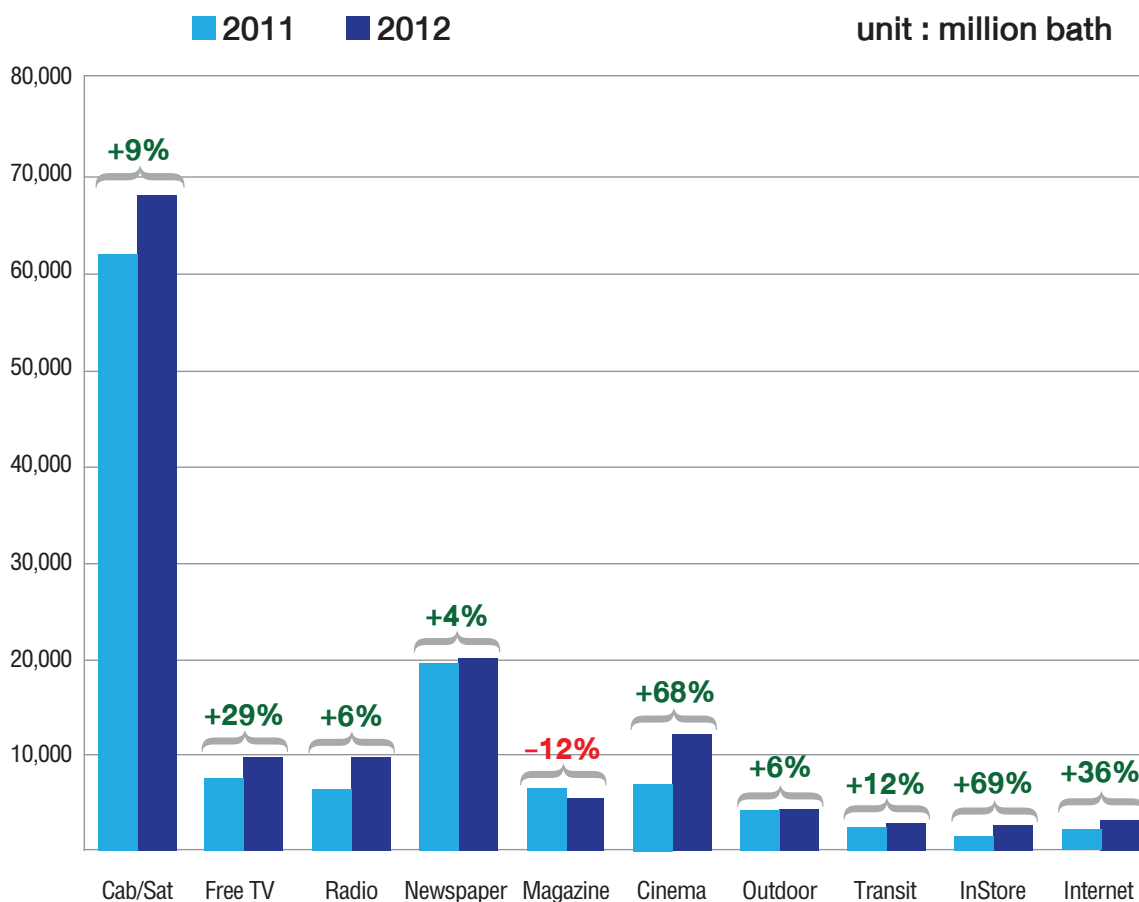
In January 30, 2013, the first happening in 50 years round in Thailand Broadcasting Television Industry is that NBTC has released the frequency licensing to cable TV and satellite TV providers over 300 licenses. Overall licenses to operate television business in different platforms are approximately 1,000 licenses which are around 600 television

channels (satellite TV, cable TV), and around 400 network licenses (satellite dish, cable TV, and platform providers).

Graph 1 shows the statistics report from Nielsen, Intensive Watch and Digital Advertising Association of Thailand (DAAT) in 2012 that advertising budget on free TV, cable TV, and digital media is valued 135,428 million Baht, growing 13 percent from 2011.

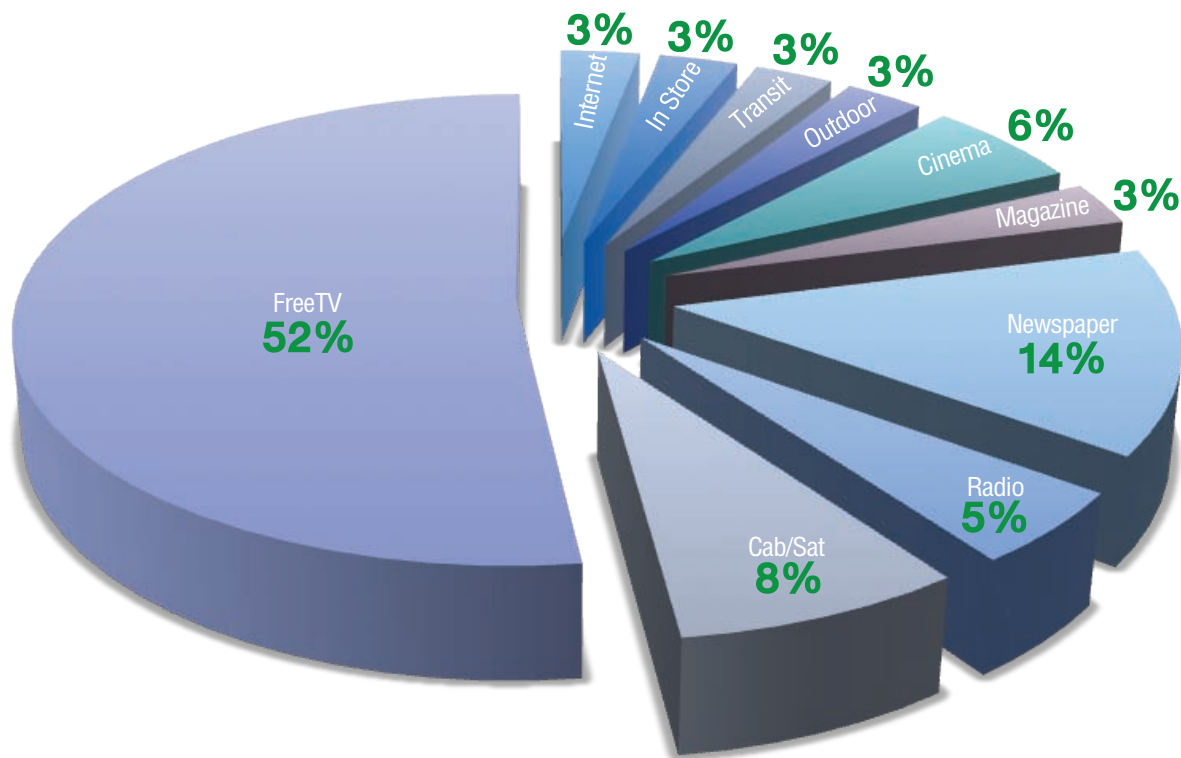
Advertising budget on free TV is valued 68,105 million Baht, rising 9 percent. Cable and satellite TV (cab/sat) is valued 9,653 million Baht, growing 29

Advertising Budget in 2012 and 2011



Graph 1

Advertising Budget Projection in 2013 divided by Media Categories

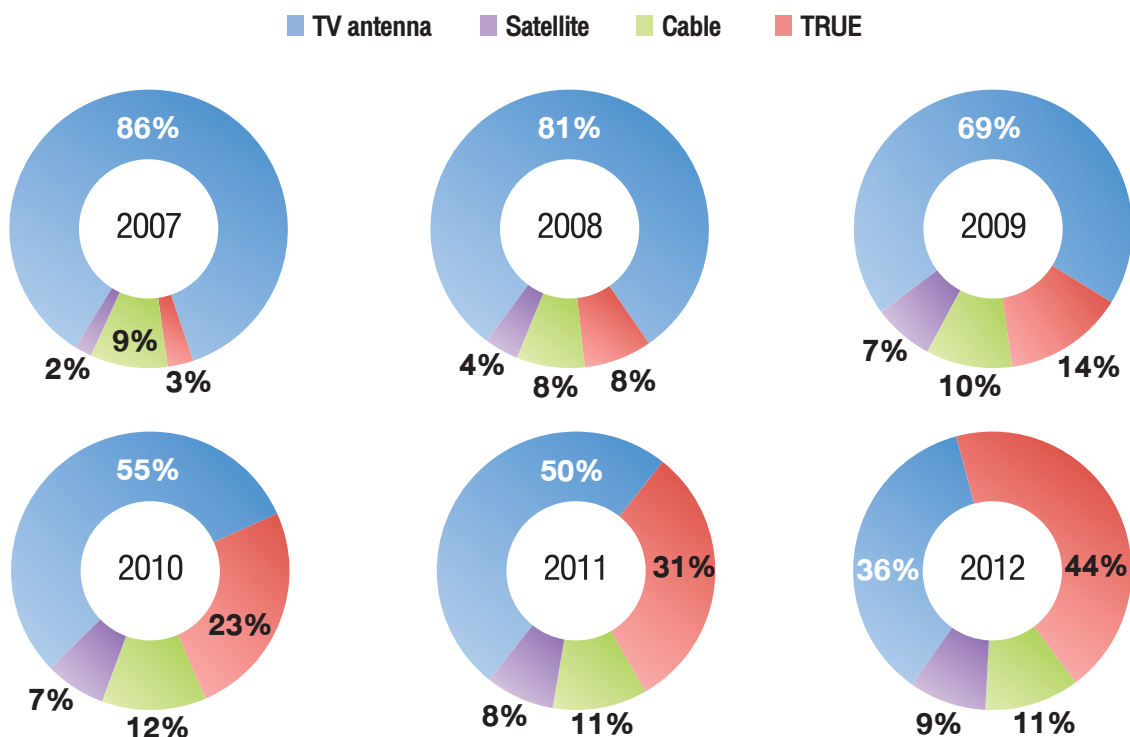


Graph 2

percent. Radio media is valued 6,618 million Baht, increasing 6 percent. Newspaper media is valued 20,047 million Baht, growing 4 percent. Magazine media is valued 5,664 million Baht, decreasing 12 percent. Media in cinema is valued 12,123 million Baht, growing 68 percent. Billboard is valued 4,525 million Baht, rising 6 percent. Transit media is valued 2,960 million Baht, increasing 12 percent. In-store media is valued 2,732 million Baht, growing 69 percent. Digital media is valued 3,000 million Baht, increasing 36 percent.

Graph 2 shows the overall advertising industry projection in 2013 by Media Agency Association of Thailand (MAAT) that the industry is projected to grow 10 percent or value 1.49 hundred billion Baht, rising from 2012, 1.35 hundred billion Baht. The proportion on advertising budget is divided to free TV 52 percent, newspaper 14 percent, cable and satellite TV 8 percent, media in cinema 6 percent, radio 5 percent and other media which are magazine, billboard, in-store media, transit media, and internet hold the same proportion which is 3 percent per each media.

Percentage of total Cab/Sat and TV antenna



Graph 3

The advertising budget on free TV is rising 50 percent from 2012 and projected to grow 52 percent in 2013. Even though platform on cable and satellite TV is expanding in the previous time, free TV gains the highest household access over 98 percent. Free TV is still the most influential and main media on advertising budget spending. Yet, with its limitation on advertising period regulation, 12 minutes per an hour, advertising provided on prime time is not sufficient for customers demand. This turns to be an opportunity for satellite TV with high rating.

Graph 3 shows the estimation of TV rating on cable and satellite TV platform (cab/sat) by Nielsen and Thai Official Satellite TV online that the ratings from 2007 to 2012 were 14 percent, 19 percent, 31 percent, 45 percent, 50 percent, and 64 percent respectively and is projected to be 78 percent in 2013 from 22 million households in Thailand.

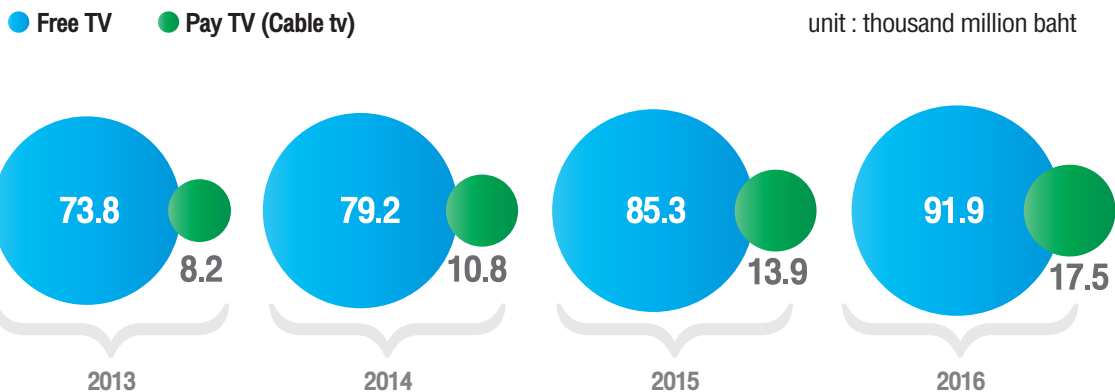
The television rating platforms in 2012 are divided to satellite TV 44 percent, local cable

TV 11 percent, True Visions 9 percent and TV antenna 36 percent. The projection in 2013 will be 58 percent for satellite TV, 11 percent for local cable TV, 9 percent for True Visions, and 22 percent for TV antenna.

The expansion of cable and satellite TV is from the development of satellite TV content provider and more communication on satellite by various brand marketers. At the same time, high rating satellite TV gains more advertising budget from various marketers and media agencies. Thus, its advertising fee is increasing continually in which the high rating channels can rise up their fee 50 percent.

The above expansion is align with the statistics report of advertising budget on cable and satellite TV from Nielsen and Intensive Watch in 2012 at 9,653 million Baht, growing 29 percent from 2011 valued 7,496 million Baht or 7 percent proportion in advertising industry. In 2013, the growth is expecting to be 27 percent, valued 12,216 million Baht increasing 8 percent and

The Projection of Advertising Budget in 2013 – 2016



Graph 4

gain opportunity to grow continuously as regard to the incremental rating of cable and satellite TV in Thailand.

Whereas Cable And Satellite Broadcasting Association of Asia (CASBAA) estimates the access to Thailand cable and satellite TV in 2012 at 14.9 million households, in 2013 at 18.6 million households, in 2014 at 20.5 million households, and in 2015 at 21.5 million households or almost 100 percent from the total 22 million Thai households nationwide.

Graph 4 shows the projection of advertising budget growth rate on free TV and pay TV (cable TV) in Thailand during 2013 – 2016 by CASBAA and Magna Global, world media agency that its tendency is growing continually.

In 2013, free TV advertising is valued 7.38 ten billion Baht, growing 5.9 percent while pay TV is valued 8.2 billion Baht, growing 56.3 percent.

In 2014, free TV advertising is valued 7.92 ten billion Baht, growing 7.4 percent while pay TV is valued 1.08 ten billion Baht, growing 31.8 percent.

In 2015, free TV advertising is valued 8.53 ten billion Baht, growing 7.7 percent while pay TV is valued 1.39 ten billion Baht, growing 28.6 percent.

In 2016, free TV advertising is valued 9.19 ten billion Baht, growing 7.6 percent while pay TV is valued 1.75 ten billion Baht, growing 26 percent.

PricewaterhouseCoopers (PwC) estimates that the advertising budget on Thailand cable and satellite TV will grow in the highest rate compared to those in Asia region or average growth is at 41 percent per year during 2011 – 2015.

The tendency of media perception in the near future is “Internet TV” platform on smart TV, smart phones, and tablets as well as VDO content platform. In 2011, the advertising budget on these platforms is 892.8 million Baht whereas in 2012 its value is 1,338 million Baht, growing 50 percent. In 2016, the advertising budget is expected to be 4,000 million Baht, rising 4 times from 2011.

The service of 3G mobile phones on the Frequency Band of 2.1 GHz nationwide within 2013 will lead to the high growth in telecommunication industry and data consumption on mobile broadband. NBTC projected the value of telecommunication market compared to the economic projection of Office of the National Economics and Social Development Board (NESDB) in 2013 to be valued 3 hundred billion Baht in which that in 2012 is valued 2.7 hundred billion Baht.

The growth rate from 2011 to 2012 is 9.7 percent. The major services in telecommunication market are mobile phones 76 percent, fix line phones 13 percent, and internet 11 percent. In 2016, the industry is expanding to 5.4 hundred billion Baht as regard to the recovery of world economy, the expansion of domestic demand particularly

household expenditure, Government expenditure, and manufacturing investment.

As the 3G service on the Frequency Band of 2.1 GHz has encouraged the growth of telecommunication industry in 2013. There are 3 main services that are the growth of communication devices from 2G to 3G, the growth opportunity of Mobile Application, and other services on applying the basic communication structure to further benefit for various industries both Government and Private sections.

In addition, mobile operators projected the overall telecommunication industry in 2013 to grow continually. There are 2 main services that are air time service to rise approximately 7 percent with over 60 percent is from data usage, and mobile phone selling service to increase over 15 percent with more than 7 million from smart phones while more than 1 million from tablets.

The consumers' behaviors in 2013 are the connection to Online and Social Network at all times via their up-to-date mobile devices that satisfy their needs both work and personal life at any time any where and real time.

However, the growth tendency of cable and satellite TV platforms, complete 3G service, and consumers' behaviors on multi-screen content consumption is the company's opportunity. As a content provider on news and knowledge in various platforms, the company strongly believes that its competitive advantage is strengthened and the company will have been the leader in TV media industry in this digital era.

Radio Media Industry

After the industry and business have affected from the flooding situation in 2011 to the beginning of 2012, the recovery has been taken over 3 months. Nonetheless, some of the advertising budgets have been hold and the media spending has been declined as regard to the effect of flooding situation.

(From Graph 1) The statistics report from Nielsen, Intensive Watch and Digital Advertising

Association of Thailand (DAAT) in 2012 shows that radio media is growing continuously with advertising budget valued 6,618 million Baht, 6 percent growth from 2011 which valued 6,251 million Baht, the fourth rank following television, printing, and cinema media respectively. Yet, the proportion on budget spending is similar to that of the major media such as television, printing and magazine which have been declined. In 2011, advertising budget in radio media is 5.21 percent of the overall advertising budget, whereas in 2012 it declined to 4.88 percent.

Since new media such as out of home media, internet, cable and satellite TV, media on mobile phones as well as the consumers' behaviors on digital media have changed the Media Landscape apparently. The consumers spend their times less on main media while spend more times on new media. Advertising budget; therefore, is expanding to other new media and has an impact on the decline of radio media advertising budget.

Nonetheless, the providers have made their moves as regard to the development of media and consumers' behavior. Some have expanded from radio program production to satellite TV station platform such as Green Wave of GMM Grammy Plc. turning itself to be Green Channel TV station, whereas Click Radio Co.,Ltd. has expanded its business to satellite TV with the establishment of Apple Channel station. All providers still focus their radio service on website and mobile application to expand their audiences. The mobile application service is expected to be more popular as regard to National Broadcasting and Telecommunication Commission (NBTC) has released 3G license on the Frequency Band of 2.1 GHz which increases the speed of data exchange on mobile network.

The competition in 2013 is not too different from that in 2012; since the existing providers who own the concession agreement still remain protection from NBTC for the next 4-5 years while the Government section who owns the frequency band notifies its necessary to own the frequency band to NBTC.

New Media Industry

Media Agency Association of Thailand (MAAT) revealed that in 2012 Thai people own 2.5 mobile devices per person in average. Content development in 2013; thus takes more significant role after the big providers in telecommunication industry acquiring 3G license on the frequency band 2.1 GHz. These providers then focus more on application and content development to match with the consumers' behavior.

MAAT also unveiled that mobile application plays more important role on website usage with the interesting growth. In 2012, the application for smart phones in Thailand is valued 1,447 million Baht, increasing 36 percent compared to that in 2011 with its value 1,065 million Baht.

The certain instance is LINE application which is downloaded by Thai people over 10 million persons in 2012 while the world LINE download record is 100 million people since January 2013. MAAT expected that the growth of LINE users will be as higher as those of Facebook, over 18 million people revealed in 2012. LINE becomes the marketing device for brand builder; therefore, many companies have created their LINE's official account to reach the target on LINE.

For the reasons to surf on internet or mobile phones, InMobi, the agency specialized in advertising on mobile internet found that Thai people use their mobile phones the most on the purpose of social media communication, followed by for entertainment, email usage, information search, and financial service.

(From Graph 1) The statistics report from Nielsen, Intensive Watch and Digital Advertising Association of Thailand (DAAT) in 2012 shows that advertising budget on internet is valued 3,000 million Baht with the growth rate 36 percent from 2011 valued 2,200 million Baht. Most importantly, advertising budget on internet is rising continually in which the proportion to the overall advertising budget is 2 percent in 2012.

In 2013, Digital Advertising Association of

Thailand (DAAT) projected that the digital budget will grow 3 percent of overall advertising budget or be valued 4,500 million Baht. The digital budget value comprises of all digital media which are website, search engine, banner, and content development.

Kasikorn Research Center also expected that after the 3G license auction on the frequency band of 2.1 GHz, the providers acquired the licenses particularly those who have a 3G service problem on existing frequency band should accelerate on expanding their network and providing their services at Bangkok and vicinity area within the end of quarter one in 2013. The sales promotion for 2G customers to move to 3G will be provided which in turn to be a benefit for the providers on their lower cost of the annual revenue payment.

The significant business tendency after 3G service is provided on the Frequency Band 2.1 GHz is the content providers will develop their new services on mobile communication channels to fulfill the consumers' needs on online content consumption. Moreover, 3G service on the Frequency Band 2.1 GHz has encouraged more investment on telecommunication infrastructure business valued 125,000 million Baht within 3 years and stimulated the change of mobile to support 3G.

With the above supportive issues, Kasikorn Research Center expected that data service is the major drive on the growth of mobile phone business in 2013, the market proportion of data service is 32.5 percent rising from 25.8 percent in 2012 and the growth rate is approximately 35.6 – 44.0 percent with its total value 66,000 – 70,000 million Baht. The growth of data service market will then encourage the growth of mobile phone service market in 2013 to be at 11.5 – 14.2 percent with the total market value 210,000 – 214,900 million Baht compared to that in 2012 valued 188,300 million Baht. ■

Company's operating resulting depends on advertisement industry

As media landscape has been changing rapidly and affecting consumer's information consuming behavior which opens wide for media in various formats, consequently the branded products and agencies have planned and deliberated on the fragmented advertisement spending.

In the television media business, it held that digital television license auction is a significant turning point over the media industry. Transition from traditional analog systems to digital television broadcasting increases the new free TV channels and it is anticipated that TV advertisement spending will grow accordingly.

Risk Factors

However, before becoming the digital TV system completely, it is expected that the same TV channels increase the rate of advertisement service charges prior to the stiff competition. Meanwhile, the gold opportunity will be seized by the small and medium content operators who are potential to take the amount of money through auction of the new channels. Undertaking of TV programme production and time rent will result in the distribution in amount of money through various channels increasingly.

While the company's main revenue comes from the advertisements time sales through the satellite TV channels; "Channel Nations" and the "Komchadluek", where user behavior and advertising agencies have still gained the monies from the free TV and audience rating is used as measurement tool for ad time buying.

Among the fierce competition and seizing the audience rating, the advertisement revenues through free TV channels with extended time of news category is regarded a competitor with the Nation Channel, 24-hours news channel. Since the Nation has major target groups; the middle classes with high purchasing power, and live in Bangkok and its vicinity and municipalities, the ad spending for products and services by the Nation Channel has still targeted at the urban middle classes (urban lifestyle).

On the other hand, “Komchadluek” presents the content, news, and programmes penetrating the mass target groups to support the ad monies, meaning that the company’s products have a distribution of risks targeting at any groups from the top level to the grassroots level.

Besides, according to the Media Agency Association of Thailand (MAAT)’s forecast, ad industry is expected to grow over 10% by 2013, or 1.49 billion worth of the industry, which is considered the highest. Cable TV and satellite TV groups are expected to grow by 30% with money values of more than U.S. \$ 12 billion in 2556.

Free TV media is still a top choice for product category and brands that use the free TV as communication channel. Obviously in 2012, the growth in TV advertising is of 68,105 million, grows by 9%. Consequently, the channels with high rating increase the advertising charges. Current rate for advertising during primetime is up to 500,000 Baht per a minute.

While consumers have demonstrated a widely-dispersed consumption in the content through various digital media, the analysis conducted by the Media Agency Association of Thailand (MAAT) evaluates the price adjustment (inflation) based on the ad charges (cost inflation) and calculates along with the variable ad charges varied with the number of audiences (Cost Per Rating Point: CPRP), overall, it shows that price adjustment by media in 2012 is 6%.

In 2012 free TV ad charges increases by 7.2% and it is estimated by 8.7% in 2013. While the audience base is likely to decline, the dispersed consumption in content through the digital media channels, especially online media for replaying, the decreased number of the free TV audiences means the increased budgets in accessing to this target groups.

In free TV, the rising price situation is regarded the opportunity of the alternative media and satellite TV channels which spending on advertisement is

similar, with the featured platforms that access to over 60% households throughout Thailand, while ad rates are much lower. For the channels with high rating; advertising cost reaches a minimum of 10,000 Baht per a minute, so price increase is possible with the changing market situation.

However, the factors required to keep an eye on the potential impact on the overall advertising industry include external factors such as the economic crisis in Europe and the United States, the political situation regarding to a furtherance of the Amnesty Decree that might lead to new conflicts and political rallies.

In addition, it also needs to keep an eye on flood situation closely even though there was no flood in 2012 because the government has no long-term plans to tackle with and prevent flood. Thus, the 2012 flood situation has been stilled monitored and gets ready for response plan over the industries that have been severely affected in 2011. Similarly, the advertisement industry has been slow down during the 2011 great flood and recovery period lasts two quarters; 4th quarter in 2011 and 1st quarter in 2012.

As the products and brands have been affected for whatsoever causes, the ad budget is cost that will decrease at a sudden. Because the company’s major revenues come from advertisement income, many risk factors; both internal and external factors, must be monitored.

New competitors enter into a business.

Television Media

The satellite TV industry has been growing since 2008 and currently both cable TV-based programmes and satellite-based programmes have been broadcasted through C Band whilst KU Band has applied for a non-spectrum broadcasting license to the NBTC, totaled 640 channels.

It is regarded that competition in the

satellite TV industry has been fierce; however, it's lesser than that of the past few years. Because minor channels without distinctive selling points have closed down constantly from now on, the competition among the medium to large operators has been really stiff.

Over the past years, the satellite TV new stations have emerged in the similar channel to the Nation Channel, they include Spring News, Tnews, VoiceTV, DailyTV, Media News, Matichon TV, alliances with the WorkPoint TV, similar to the satellite many other TV news channels, variety channels, as well as Komchadluek

However the company has features on news content, especially, the Nation Channel which is stepping into the 13th year. It is a 24-hour news channel that has been ranked number one news channel category. It has also developed the content to present all new platforms in the digital age, either broadcasted through www.nationchannel.com, the Nation Channel application accommodates the consumers in the online world and 3G age.

Also, the company has been equipped with personnel and database from the development of a Convergent Newsroom that combines the use of media in all third the Nation newspapers; including the Nation, Bangkokbiz, and Komchadluek, so that the database will be further developed in the TV media and news media, as well as create a wide variety of presenting the news on all respects of areas. With such advantages, a media company has been interested by the target customers continuously this year.

Radio Media

The growth in various media has changed with customer behavior and lifestyles; the radio media has been affected with the stiffer competition; including competition among the same operators to seize the declining market shares and ad budget through radio media.

In addition, the external competition with

other media that has been popular increasingly, resulting that radio media operators have adapted to increase the competitiveness, such as increasing the number of channels in listening through the radio medium.

As such, the competition in the media business in 2012 will be more intense in the future when the NBTC which has been appointed to carry out the broadcasting license to operators, this results in the liberalization of radio and the growing number of the new operators. In addition, the radio media business is more likely to be modified in the presentation format through new media models when it emerges the 3G license auction on a new frequency 2.1 GHz, which results that Thailand increases the hi-speed wireless communication networks covering the most parts of the country, and this will become a risk factor for the inadaptable classic radio media.

In the radio media business opportunity, the NBC takes the opportunity on hand to facilitate the marketing by promoting the potential of TV media and accessibility anytime anywhere. Regarding the FM.102 MHz, it does not only focus on the working adults group, but it is used as wave linking a signal and rerun the popular programmes on the Nation Channel; for examples Komchadluek "Intense News Nation People" whilst FM.90.5 MHz use the signal link, for examples, "Kep Tok Chao" and rerun on the night shift.

In addition, the Nation Radio has consolidated its affiliates and jointly formats the policy so as to improve the wave to be more recognized by the audiences more broadly, as well as increase the station rating in the "Working Station" dimension so that the audiences can follow-up the knowledge throughout a day without missing the important news; either be a variety of news programmes, political, economical, social, trading and investment, overseas news, sport news, auto and lifestyle that meets the consumer's need and leverage the earning through the following ways.

Improve the coherent and consistent programme aspects

Assign the famous MC who is specialized and professional.

Advertise and promote through various channels; e.g. radio, television and newspapers affiliates and social media

Develop the alliances building activity along with the audiences while earning additional revenues.

New Media

This form of media has been growing constantly as resulted of the increasing number of the Internet users. As a result, new forms of media have been interested by the advertising agencies (Advertising Agency) and product owners in increasing the ad channels for their products and services. In 2012, total ad budget is worth 100,000 million Baht, online ad is 2.74% or approximately 3,000 million Baht, up to 50% increases from the past year. Over the past 3-4 years,

Online advertising spending increased an average 30 to 40 percent every year, and in the year 2013, online ad spending is expected to grow by up to 4 percent, or approximately 4 Billion baht.

At the same time, various information providers have utilized their existing content to improve the new products and services that support the operation on smart phones which are currently popular, to seize the popularity of the consumers, and advertising budget through new media such as newspapers or magazines in digital application in watching mobile-based TV or tablets.

In the meanwhile, the NBCT has opened the 3G license auction on new 2.1 GHz frequency band and the communication service providers with 3G licenses can open its coverage service in the 3G network across the country. Because the 3G network is optimized to transmit data very speedily and can support data transfer in a wide range of more advanced services such as online multimedia information, mobile-based online meetings, etc.,

this would be attractive to an increasing number of additional services and information through mobile devices, 3G networks of no less than 4 million clients by the mid year 2012 and no less than 7 million people by the end of the same year.

In addition, since it accelerates an expansion of the service providers' 3G networks extensively and increases the 3G network customer bases by the year 2012, it expects that there will result in the cooperation between 3G network service providers and content owners to improve the services where the information can be accessed through various mobile devices, and to improve the online data, thereby resulting in the growing incomes from sales and value-added services through mobiles. Kasikorn Research Center expects that in the year 2012, all kinds of mobile phone markets will worth of 178,300 - 181,900 million Baht, or grow by 8.1 – 10.3 percent as compared to the year 2011, total market value of 164,900 million Baht. Such a forecasted figures has resulted from the growth in the use of data services, which it is expected the growth is of approximately 33.6 to 38.1 percent, representing approximately 46,600 to 48,200 million baht, while voice services such as calling melody and ringtone, expects to grow approximately 1.3 to 2.8 percent.

These expose the company the opportunities. It's said that NBC has emphasized the new media business constantly and never ceases to develop and examine the new advance technology to accommodate the consumers in the multi-screen-based information age, for examples, conducting the digital magazine and to participate as alliances and joint all companies' operators to distribute the applications most beneficially to the consumers.

It also has partnered with TV manufacturers brands including Samsung, Sony, LG and Panasonic for the application development on smart TV, which are highly popular today, as well as to equip the personnel, set up the development team, research and development (R & D) in the new media business continuity.

In spite of a rapidly-changing media business and it might become a risk factor in case of failure of adaptableness. However, with a preparation in all respects of areas, the NBC assures its readiness of the steady growth of the new media business.

Legal amendment on broadcasting operation.

On April 4, 2012, Government Gazette published the Notification of the National Broadcasting Commissions of Thailand (NBCT), Re: Master Plan for Frequency Management B.E2012, the Master Plan for Broadcasting No1. (B.E 2012-2016), and the Master Plan for Telecommunication No.1 (B.E. 2012-2016).

In essence, the said NBCT Notification is purported to issue the licenses for non-spectrum business, cable TV, and satellite TV. The License is valid for 15 years. It is the first time during the 60 years of the broadcasting business in Thailand that has converted from concession system to license issuance.

However, the cable TV and satellite TV companies came under the supervision of the NBTC, resulting that the operators have incurred the increasing cost; that is to say, from pay 2% of the revenues to the NBTC, and 2% of the revenues to the broadcasting research and development fund, the television and telecommunications services for public interest, totaled 4%.

Meanwhile, under the plan for system transformation into the digital radio and television system, the NBTC has assigned new 48 channels of

the digital TV, comprising 12 public service channels, 12 community service channel, which both types have been characterized of license issuance based on the qualification requirement set out in the NBCT Notification or the Beauty Contest.

Besides, the NBTC has assigned 24 business channels that are required to join the license auction. They include four types of channels; 3 Kid and Youth channels, 7 news channels, 7 variety standard definition SD channels, and 7 HD channels.

Of the changing rules of the NBTC, mostly is business more than risks, which offer the companies to enter into the free TV business because it has been the digital TV frequency allocation as free digital terrestrial TV to 22 million households across the country within 5-year length as provided by the NBTC that the digital TV networks will cover across all parts of the country.

Besides, the company operates a media business on the satellite TV news programmes, it has the

Opportunity to participate in the license auction for business service channel and news channel for additional expansion of the digital TV business

Meanwhile, changes in the law and such rules are also risk factors that the satellite TV business under NBTC licenses has incurred the additional fees charged by total 4 percent under the supervision of the long-term license of 15 years, shall be protected by the NBCT and is also regarded the collateral in business operation. ■

List of Major Shareholders

Name of top ten shareholders as of December 28, 2012 at closing book dated:

No.	Name	Shares	% Total Share
1.	Nation Multimedia Group Public Company Limited	107,515,252	60.788
2.	Mr. Passakorn Jessadawarangkul	11,869,100	6.711
3.	Mr. Rachain Kritsaralum	5,212,100	2.947
4.	Ms. Jintana Karnjanakamnerd	4,600,099	2.601
5.	Mr. Suthichai Sae-Yoon	1,622,238	0.917
6.	Mr. Polpat Aramruangsakul	1,368,900	0.774
7.	Mr. Suttipong Vesvarut	1,112,100	0.629
8.	Thai NVDR Company Limited	1,061,932	0.600
9.	Dr. Pitsanukorn Suttisawan	1,000,000	0.565
10.	Dr. Pramook Wongthanakiat	1,000,000	0.565
	Other	40,508,279	22.903
Total		176,870,000	100

Source : Thailand Securities Depository Co., Ltd.

Remark : The shareholders from the same entity and voted unanimously, which was Nation Multimedia Group Public Co., Ltd., to have its major shareholder : Mr.Suthichai Sae-Yoon, another major shareholder of the Company, assume the position of Chairman.

Types of Shareholders – Share allotment by nationality

Shareholder by Nationality	Number of Shareholders	Number of Share	% Total Share
Thai Shareholder	1,308	176,765,846	99.94
Foreign Shareholder	5	104,154	0.06
Total of Shareholders	1,313	176,870,000	100.00
* Nation Broadcasting Corporation Plc's regulation stipulates that "non-Thai shareholders are not allowed to hold the Company's stake in excess of 25% of total issued shares"			

Group of major shareholders who has significant impact on the formulation of management policies

-None-

Name of shareholders who conceal their true identity

-None-

Corporate Governance Report

Nation Broadcasting Corporation PLC's Board of Directors strongly believes that good corporate governance principles and system will ensure the company's effective, transparent and accountable management and raise the level of credibility and confidence in the Company as perceived by shareholders, investors, stakeholders and related parties. Corporate governance also promotes sustainable growth, which will contribute to the company's success, and enable the company to achieve its ultimate goal of rendering the most optimized value to shareholders.

The company's Board of Directors thus sets corporate governance policy in line with the Stock Exchange of Thailand's code of best practices and is in charge of enforcing strict compliance to corporate governance policy, and periodically adjusting the policy to suit circumstances and meet shareholders' expectations, ensuring shareholders' interests are well protected.

The current corporate governance policy is the 1st edition which has received the consent of the Board of Directors and was first announced on May 20, 2009. It is set that the policy be revised annually to comply with the code of best practices for listed companies introduced in 2006 by the Stock Exchange of Thailand. In 2009, the board reviewed and approved the policy to be partially adjusted on August 6, 2009 and announced it to all employees for acknowledgement and strict adherence.

Communication of the Corporate Governance Policy

The board well recognizes the practice of corporate governance to coincide with the company's vision and commitment. As a main factor driving the operations of the company and subsidiaries is the employees, the policy has been communicated to staff by publicizing it through the internal website and publishing 'Nation's Way' as a tool for employees who cannot access the website to follow the procedure in their operations. Management has closely monitored adherence to the policy to ensure that all aspects of the policy has been put into practice. In addition, in order to develop understanding with all stakeholders, the company has publicized good corporate governance principles through the company's website for interested persons and the acknowledgement of investors. If any shareholder would like to receive a copy of the aforementioned policies, please contact the corporate secretary and fill in the document request form which will be delivered with the annual report in order to develop an understanding of the company's good corporate governance policy.

Monitoring of the Practice of Corporate Governance Policy

From a commitment to continuously improve the company's good governance since the good corporate governance policy was introduced in 2006, the evaluation result for the organizing of the ordinary shareholders' meeting has been increasingly outstanding in successive years. In 2012, the evaluation result for the organizing of the annual general meeting for the year 2011 was at the "well-done" level and the evaluation result for the company's good corporate governance, as evaluated by the Thai Institute of Directors, was at the very-good level (four stars).

In 2012 the company's corporate governance principles covered five areas, namely:

1. Rights of Shareholders
2. Equitable treatment of shareholders
3. Role of stakeholders
4. Information disclosure and transparency policies
5. Board of Directors' responsibility

1. Rights of Shareholders and Equitable Treatment of Shareholders

The Company realizes that the shareholders are entitled to the company's ownership rights. Shareholders control the management by appointing the company's Board of Directors to act and make key decisions for them as stated in the corporate governance principles. The Company values and respects the shareholders' rights by adhering to the principles regulated by law.

The Company has a policy to treat every shareholder with equality. Realizing that the shareholders are entitled to the rights to access and receive sufficient and timely information of the company and the company protects the interests of the shareholders more than what is required by the law, the Investor Relations Division was set up to provide information and respond to enquiries. The website: www.nbc.co.th publicizes the company's information for shareholders and investors both in Thai and English. The information provided includes the latest information and the investor's newsletter. Apart from that, the Company organizes shareholder's meetings quarterly according to the Stock Exchange of Thailand's arranged timetable for shareholders to inquire, request explanations and express their opinions with equality.

Organizing Shareholders' Meetings

In conducting the annual general meeting for the year 2012 on April 25, 2012, the company appointed Thailand Securities Depository Co., Ltd. to serve as the company's registrar, to circulate meeting invitation letters to the shareholders about 9 days prior to the meeting date. The invitation letter, both in Thai and English, is also posted on the company's website 30 days prior to the meeting date, to allow time for the shareholders to study relevant information.

- Chairman of the Board, Vice Chairman, President, Chairman of the Audit Committee, Members of the Audit Committee, Independent Directors, Executive Directors, Executives and Auditors from KPMG Poomchai Co., Ltd. attended the meeting for the shareholders to ask questions.

- The company circulated letters to shareholders, through the Stock Exchange of Thailand's system and the company's website, for those who hold 1 or more shares during the period of shareholding day to the proposed day for no less than 1 year, to propose qualified director candidates and to gain shareholders' consent from November 24, 2011 to January 31, 2012. No candidates were proposed for the Board of Directors.

- The company asked the shareholders to propose the general meeting agenda through the company's website from November 24, 2011 to January 31, 2012. No additional agenda were proposed.

- The overall proposition of the director's candidates and additional agenda for the annual general meeting were reported on the company's website on February 9, 2012.

- The company also asked the shareholders to send questions for the annual general meeting of the year 2012 in advance through the company's website or by fax number 0-2338-3938 from March 23 to April 12, 2012 so that the Board of Directors and management team could arrange for explanations at the meeting. No questions were sent in advance.

- The meeting invitation letter gave information regarding meeting date, time, venue, agenda and important information relating to issues required for decision at the meeting as well as relevant rules, regulations and steps in casting votes.

- In the annual general meeting, the company proposes payment for directors for approval every year. Information proposed to the shareholders for acknowledgement and approval includes payment for each director with comparisons with the preceding year, clearly stated policies and criteria relating to specification of payment for directors.

- The company suggested that the shareholders who were unable to attend the meeting assigned authority to an Independent Director who has no benefit in issues being considered to represent and cast votes for them. The company enclosed a proxy form, in which the shareholders can specify their vote for each agenda item, with the meeting invitation letter.

- In the annual general meeting of the year 2012, the company proposed Mr. Metha Soonthornjit, Independent Director and the Member of Audit Committee, as the attorney. Thirty-seven shareholders assigned authority to the Independent Director to represent and cast votes for them.

- Prior to the meeting, the company informed shareholders of the rules and regulations for the meeting including the vote casting procedure, vote counting and ballot instruction to the assembly. The Chairman allowed the shareholders to inquire and express their opinions openly and assigned some Executive Directors to answer all the inquiries. Summaries of questions from the shareholders and explanations as well as the other relevant details were recorded in the minutes.

- The company used the barcode system to register attendees and count votes for each agenda item. On the agenda of appointing the company's director, the company allowed the shareholders to cast votes for the director individually and recorded procedures of votes casting, votes counting and the meeting's consensus thoroughly. Votes were classified into 'in agreement', 'not in agreement' and 'refrain from voting'.

- The minutes of the meeting, with details of votes casting and the shareholders' inquiries for each item in the agenda, were submitted to the Stock Exchange of Thailand and the SET's Board of Governors within 14 days and a video recording of the meeting as well as the minutes were available for shareholders on the company's website.

2. Equitable Treatment of Shareholders

The board has regularly controlled and checked up on the company's corporate governance structure to ensure equitable treatment for all shareholders, including small shares shareholders and overseas shareholders, as well as to ensure that the caretaking process is neither complicated nor incurring unnecessarily high costs. The shareholders have the right to participate in decision making and acknowledging the company's decisions on important circumstances as stipulated by law or the company's regulations.

- In the shareholders' meeting the company has a policy to treat the right of every shareholder equally. No item shall be included in the agenda and no important information shall be changed if it's not informed to the shareholders in advance. Moreover, no document containing additional important information shall be provided in the meeting, to ensure the shareholders have sufficient time to make decisions.

- All shareholders have a right to vote as per the number of shares one holds. Each share counts for 1 vote and there is no special voting right.

- Shareholders with 1 share and above can propose to add agenda items for the general meeting in 2012 as well as nominate a person with appropriate qualifications to sit in the Board of Directors from November 24, 2011 – January 31, 2012. The company shall make available the information through the Stock Exchange of Thailand's information channel and the company's website with transparent steps and procedures in line with the extra procedure on rights of small shares shareholders. However, in 2012 there were no additional proposed agenda or Board of Directors nominations.

- Shareholders who are unable to attend the meeting may authorize an independent director who has no conflict of interest with the meeting agenda to attend and cast the ballot. Shareholders can download the proxy form from the Company's website.

● No transactions shall be mutually made with any joint-venture or related companies, as it may lead to significant conflict of interest.

Policy to Prevent Insider Information

The company maintains a policy to prevent the directors and management from abusing their power, by taking advantage of or damaging other shareholders as follows:

1. Directors, management and any staff who have access to inside information shall not disclose the inside information to third parties.
2. Directors, management and any staff shall not transact the company's shares within one month prior to the date the financial statements are announced.

Information Disclosure

The Board of Directors has set guidelines for directors and executives of the company and its subsidiaries to disclose information on any conflicts of interest and those involved, in accordance with Section 89/14 of the Securities and Exchange Act B.E. 2551, to ensure transparency and prevent any conflicts of interest, as follows. The directors and executives have to report any movements in their shareholdings to the SEC and SET and should there be any transaction trading, the SEC must be notified within 3 days after the trading. The directors and executives must report any information on their conflicts of interest as well as those involved according to the SEC's announcement Torjor 2/2009 which the company has followed since July 1, 2009.

The directors and executives must report any information on their conflicts of interest as well as those involved annually. The company's secretary is responsible for collecting and updating the information and having this information ready for disclosure to the Board of Directors, should they require, for cross-transaction consideration between companies and directors and / or executives or involved parties who have conflicts of interest.

In case that there is a change in the information disclosure, it needs to be updated immediately and reported within 7 days.

The company's secretary is responsible for sending a copy of the conflict of interest report to the chairman, the audit committee chairman within 7 days after the company receives such report.

In 2012, information was reported on one occasion without cross-transactions in conflicts of interest with the company.

Report on Shareholding

In 2012 the company set a policy that the directors and executives must report their shareholding to the Board of Directors annually and at least once a year. The directors have reported their shareholdings at the board of director's meeting on February 14, 2013.

Cross-transactions between the Company and its Subsidiaries

The company has set the standard to oversee cross-transactions between the company and its subsidiaries, joint ventures and affiliates with the same status with the person that may have any conflict of interest, benefits or possible conflict of interest in the future. Should such a cross-transaction arise, it must follow the normal trading practice transacting with a third party. In the case that the price cannot be compared with a third party, both involved parties must jointly consider and set an appropriate price. The audit committee shall examine the transaction and give opinions about the necessity of the transaction as well as the appropriateness in terms of prices.

In 2012 the company and its subsidiaries had cross-transactions with other related companies under market price conditions. Other cross-transaction items, whereby the appropriateness and transaction

value is being considered by the audit committee, can be viewed in the accompanying notes as an integral part of the financial statements.

3. Role of Stakeholders

Apart from caretaking and ensuring the shareholders' rights, the Board of Directors has set a policy to take care of all stakeholders, not only regarding the impact of the business operations, but also on the community.

The rights of stakeholders will be protected in compliance with relevant laws. The Board of Directors approved the establishment of a procedure to foster cooperation between stakeholders and the company to enhance wealth, financial strength and sustainable business for the company.

In supervising the company's business, stakeholders are classified in several groups as employees, customers, shareholders, investors, trading partners, creditors, trade competitors, society, government agencies, neighboring communities and independent auditors. The Board of Directors has maintained a policy to protect the rights of each group of stakeholders in accordance with related laws or agreements shareholders have made with the company, and has aimed to boost cooperation between stakeholders and the company to ensure a more productive performance and sustainable growth by disclosing relevant and sufficient information. Hence, the Board of Directors set organizational ethics covering various areas on November 10, 2006 and lately reviewed them on April 21, 2009. (Ethics of Nation Broadcasting Corporation's directors, management and employees can be viewed at the company's website.)

Ethics of Nation Group's directors, management and employees consist of:

1 Ethics on responsibilities to the media profession

Over the past 19 years, the company has strictly observed the **code of conduct of the media profession**. This is a major reason why the company's media and staff have earned credibility and trust from society in spite of some difficult periods when there were political pressures. Our staff perform their duty as a credible media organization, closely and consistently adhering to principles.

The "Nation Way" code of conduct was drafted as professional guidelines for the Group's editorial staff at every level. The content covers the basic ethical standard for the **"news crew"** at every level as well as how they behave in public, both on-duty and off-duty.

The Group's news staff at every level shall strictly observe the following principles without any exceptions so that we can continue to maintain the credibility and trust of society.

"Nation Way" Code of Conduct is categorized as follows:

- 3.1 Ethical requirements of the media professionals
- 3.2 Ethics of Nation Group's media
- 3.3 Responsibilities to the readers, listeners and audience.
- 3.4 Commitment to the media profession and organization
- 3.5 Guidelines for news reporting and desirable behavior with the sources
- 3.6 Special privileges and conflicts of interest
- 3.7 Guidelines for participating in political and social activities
- 3.8 Guidelines for the advertisement, marketing and sale departments.
- 3.9 Guidelines for copyright and freelancing jobs
- 3.10 Guidelines for reporters in various beats
- 3.11 Guidelines for mistakes recovery
- 3.12 Guidelines for reporting the Company's activities

3.13 Guidelines and ethics on Nation Social Media

The Company has measures to prevent problems from libel and defamation charges arising from news reports by providing training courses for staff in the news department to keep them informed of the news reporting guidelines, undesirable statements and pictures. The Company has also reinforced the parties involved to perform accordingly. Throughout the last year, the number of charges leveled against the company considerably decreased from a year earlier.

2 Ethics on responsibilities to shareholders

The company is committed to act in a trustworthy manner and ensure the best interests of the shareholders by placing high priority on steady corporate growth and sustainable returns. The company shall operate in a transparent manner with a credible accounting system. The company's Investor Relations Division was set up to communicate with investors and shareholders who would like to make inquiries and seek explanations on related issues.

3 Ethics on relations to customers

The company is committed to ensure that the customers and public shall be satisfied with the company's quality products and services and with reasonable prices. Besides, the company determines to continuously and seriously enhance its standards as well as maintain a positive and sustainable relationship with its customers.

Emphasizing customer satisfaction with the content and format of its programs, the company consistently organizes activities to interact with customers such as the TV viewers through Nation Channel and Free TV, which accounts for a large segment of the company's total customers. For example, the company invited customers to "Weave the Dream of the Reporters" seminar, trips with TV anchors and the production team such as the royal projects for the free TV audience, and the "Sawasdee Jazz" and "World Film 2012" for movie lovers.

4 Ethics on responsibilities to employees

The company realizes that human resources are the most valuable asset that drives the organization to success. The company is committed to develop the quality of employees as well as enhance the corporate culture, promote employees' physical and mental health, ensure a positive work environment, promote team work to build up the employees' confidence, and encourage the election of staff representatives to get actively involved in managing staff welfare as stipulated by the law. Furthermore, the company facilitated the setting up of a "Thai Mass Media Labor Union" according to the Labor Relations Act B.E. 2518 to protect the interests of the employees and promote good relations between employees and employers as well as among the employees themselves.

In terms of human resources development, the company organizes training courses on new programs to improve the work process for broadcasting, trains reporters on the usage of new media communications technology and social media as well as the basic qualifications and ethics of journalists.

The company encourages its staff to express opinions, suggestions, and claims or inform of any irregularities to the management via various channels such as through the representatives, elected as stipulated by law, who have monthly meetings with the management. The employees can also express their views through the website: nationhouse which is an intranet system or send their comments directly to the management via e-mail which is available on the intranet system.

Compensation and welfare

The company has hired an HR consulting firm to study the company's compensation and welfare policy as well as succession planning in order to raise the employees' capability and to be fair and transparent in managing its people. The company has started to adopt IFRS regarding the employees'

welfare after their retirement and the company's financial security. Therefore, the company has provided a provident fund which accumulates a certain percentage of the employee's salary together with the company's joint fund and the return on investment.

Human Rights

The company has set guidelines in business ethics that all the employees will be treated with respect, prestige and humanity. The employees must not perform any act of legal injury, threats against other employees of different nationality, sexes, religions, ages or physical or mental handicap.

During the past year, there have been no disputes between the company and its employees. The company has received cooperation from the labor union in providing information and building strong understanding among the employees and the company.

5 Ethics on relations with trade partners, competitors and trade creditors

The company realizes the importance of equality and honesty in business practice as well as the mutual benefits with trade partners. The company strictly abides by laws and regulations as well as business ethics. In regards to the competition, the company adheres to the rules of fair competition and in regards to loans and repayment and trading partners, the company adheres to good practice and fair treatment, respectively.

The company does not have any disputes relating to trade partners, competitors, trade creditors and financial institutions.

6 Ethics on social responsibility and environment

As a news content producer and distributor to various media, the company shares national concerns over the quality of life and the information consumption of Thais. Therefore, the company has a mission to present quality and useful news to society and the public. The company also participates in efforts to improve the living standard of Thai society. As a business operator in Thailand, the company cares about the environment. In 2012, the company was involved in almost all aspects of community service activities (details as stated in Social Contribution Activities in the Annual Report (56-2)).

As a media company, our staff have not only constantly communicated and listened to the stakeholders' comments and suggestions through various social and business functions, but the management and directors also have opportunities to meet with stakeholders on a regular basis. Furthermore, the company's call center is always available to take complaints and is ready to solve any dissatisfactions should they arise. The company has constantly responded to such complaints and suggestions.

In 2012 the company enabled all stakeholders to submit complaints and suggestions to the Chairman of the Board or Audit Director or Independent Director through the website: nbc.co.th or by mail to Nation Broadcasting Corporation PLC. 1858/51-62 TCIF Tower, 12A, Bangna-Trad Road, Bangna, Bangkok 10260.

The company's secretary is responsible for receiving the messages addressed to the Board of Directors and proceeds to a sub-committee or an involved director to summarize the suggestion and propose actions to the Board of Directors.

4. Information disclosure and transparency policies

The Board of Directors ensures that the company provides its information including financial reports and non financial reports in a manner that is accurate, complete, timely and transparent through easy-to-access channels to interested parties on an equal and reliable footing.

To observe corporate governance principles, the company requires the directors and management to report any changes of their securities holdings to the Securities and Exchange Commission and the

Stock Exchange of Thailand as well as provide the copies thereof to the company's secretary. The company's secretary will provide for the document to be forwarded to the directors and the management in November so that they can update their information. Then, the secretary will collect the shareholding reports to present to the Board of Directors at least once a year.

The company recognizes the importance of preserving confidential data and/or internal information, and the company has issued a 'corporate supervision policy', which prohibits anyone in the company's management or internal agencies who have access to any inside information from disclosing such information to outside parties or non-related persons, except in the case that the disclosure was meant to benefit the company's operations. They shall be barred from buying, selling, transferring, or accepting the company's securities by using the company's confidential data and/or inside information in a manner to cause harm to the company either directly or indirectly.

In the past year, the company has disclosed the company's financial reports and non-financial reports accurately, completely, timely, in a transparent manner and in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand through the information disclosure channels of the Stock Exchange of Thailand and the company's website. The company fully complied with the Securities and Exchange Commission and the Stock Exchange of Thailand's requirements on the disclosure of information over the past year.

The company's annual report 2012 provides the following information:

Vision, mission and values of the organization

List of directors as well as their work and educational backgrounds, their family relationship with the management, their service in other listed companies and their holding of the company's securities

Shareholders' structure

Risk factors

Corporate Governance Report

Supervision policy and compliance policy

Directors' remuneration and board meeting attendance

Board of Directors' performance in the past year and the training record of the board

Audit Committee's performance in the past year

Remuneration policy for directors and high-level management

The remuneration for service in the Board of Directors and other assignments for the company and its subsidiaries

Annual report of the Audit Committee

The Board's accountability report to the financial statements with the required content, endorsed by the Chairman of the Board and the President.

Explanation and analysis of the financial status of the management

Accurate and complete financial statements in accordance with accounting standards

Financial statements and operating results

The company has disclosed the following information at www.nbc.co.th

1. Roles, duties and responsibilities of the directors, executive directors, sub-committee and President

2. List of related transactions or conflicts of interest

3. Business ethics

4. Corporate Governance Policy

5. Audit Committee's charter

6. Quarterly and annual financial statements

Investor Relations Section

The Investor Relations Section is responsible for communicating with the shareholders, institutional investors, and analysts in an equal and fair manner. The investor relations section answers queries related to the company and its operations for investors through the company's website, by telephone or via other channels. The company facilitates the distribution of important information by meeting with investors in the Opportunity Day event regularly held at the Stock Exchange of Thailand. In 2011, the company attended the event three times.

Company Secretary Department

The company recognizes the significance of working in compliance with the regulations required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws in an accurate, complete and transparent manner, which passes through sequential consideration and inspection. The company secretary takes charge of assisting the Chairman of the Board of Directors in monitoring the Board of Directors, sub-committee and all directors to perform in accordance with relevant laws, regulations, and rules. Moreover, the company secretary is responsible for preparing documents in line with the meeting's agenda, which are sufficient for consideration and making decisions by the board, recording the minutes of meetings accurately and correctly to demonstrate that the board has considered all the proposed agenda fully, faithfully, and responsibly, as a normal person operating the same business should do in the same situation. Also, the company secretary has the responsibility to keep a register of directors, a notice calling meetings, minutes of meetings of the Board of Directors and Shareholders, a report on conflicts of interest, and a report on interest filed by a director or an executive in carrying out duties in full compliance with the guidelines.

5. Responsibilities of the Board of Directors

Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has an important duty in supervising business operations to ensure the best interests of the company. The Board of Directors is accountable to the shareholders and independent from the management.

The Board of Directors has clearly stipulated the duties and responsibilities of the Board of Directors, executive directors and president to ensure the independent judgments of the board to serve the best interests of the company and shareholders. Besides, a monitoring and supervision procedure is in place to ensure the company operates in a manner consistent with the relevant laws and business ethics stipulated by the board

Counterbalance of non-executive directors

In 2012, the Board of Directors consists of ten members, four of them are independent directors, two are executive directors while the other four are non-executive directors. Independent directors account for one third of the board. In the annual general meeting of the year 2012, the board proposed that the shareholders appoint one more independent director to ensure an effective check and balance system.

The four independent directors are fully qualified according to the Company's definition of the independent directors, approved by the board, and the requirements of the Securities and Exchange Commission issued in 2008. The four independent directors are members of the audit committee. One of them is the chairman of the audit committee, two of them are members of the audit committee, and one of them is the independent director.

Appointment of the Board of Directors

According to the company's requirement, one third of the directors shall vacate their offices when their tenures end every year. The company can re-appoint directors whose tenure ends to their same positions again for another term. The company does not set requirements on the term limit according to the requirement of the Securities and Exchange Commission. The company's president shall not hold the status of director in more than 5 other listed companies on the Stock Exchange of Thailand concurrently. The company's directors shall not be directors in competing companies or have conflicts of interest with the company's business. In the case that the directors hold positions in other companies, those company names, types of business and positions of the directors shall be disclosed in the director profile. In 2012, none of the company's directors or executives held positions as directors in more than five listed companies.

The high-level management of the company will not hold any position in other companies, except for subsidiaries and joint ventures. If any member of the high-level management sits in the board of other companies, such service shall be reported in form 56-1.

The company has appointed Miss Jurairat Maipranet as the company's secretary since 2009 to perform duties according to relevant requirements as stipulated by the Securities and Exchange Act. The secretary summarizes the important issues regarding the implementation guidelines and the revised requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as the newly-enacted laws that the board should be aware of in performing their duties. The secretary shall collect information regarding the directors and related parties, take care of the board's activities and work with the management to ensure the Board of Directors' resolutions have been duly executed.

The Board of Directors approves the important issues relating to the company's operation such as the business plan, the operation budget, financial goals, and business strategy that the Chief Executive Officer proposes as well as regularly monitors the operations according to policy and plans.

Sub-committee

The company's Board of Directors appointed sub-committees to help them screen information relating to the operations by setting the qualifications and responsibility in the requirements for each sub-committee. The members of the sub-committees are independent directors. The Chairman of the Board is not entitled to hold any position in the sub-committees. Sub-committees are chaired by independent directors.

The process to name sub-committees is transparent and without any interference from the management. The company's Board of Directors didn't set up a nomination committee to nominate the sub-committee members or the remuneration committee. Instead, the entire Board of Directors shall jointly nominate the names and consider the qualifications and appropriateness of the nominated candidates. Then, the Chairman of the Board shall propose the qualified candidates to be approved during the shareholders' meeting. The sub-committee's nomination is performed in such a way as to ensure that

they are capable, possess leadership qualities, skills and experience, have vision as well as are able to devote their time and effort to perform their duties for the best interests of the company. As the company is in the media business, the directors shall be objective, not taking sides nor getting involved in any politics. Furthermore, they should have a thorough understanding of the media culture and business ethics.

At present, the company has one sub-committee, namely the Audit Committee. The duties and responsibilities of the Audit Committee are detailed in the Chapter covering the Structure of the Company's Board of Directors.

Conflicts of Interest

The Board of Directors acknowledges the importance of the potential for conflicts of interest. Therefore, the company has announced its conflicts of interest policy which prevents the company's directors, management and employees operating any business which can come into competition with the company, as well as getting involved in a transaction that is likely to lead to a conflict of interest with the company. If it is necessary to do so, the Board of Directors will ensure that the transaction will be transparent and fair. The consideration will be thorough as if the transaction was executed with a third party, whereby the directors, the management or the employees involved shall not be allowed to take part in the approval process. Furthermore, the Stock Exchange of Thailand's regulations shall be strictly observed. Related transactions between the company and its subsidiaries, or associated companies in 2012 were presented before the audit committee and the Board of Directors in February 2012 and the company has disclosed with details and necessities/reasons in the Annual Disclosure Report (56-1 form).

The Board of Directors' Meeting

The Board of Directors' meeting is scheduled in advance with a minimum of once a quarter and special meetings are held as required. Agenda are clearly announced prior to the meetings with routine agenda to follow up on the operational results. The company's secretary is responsible for sending invitation letters informing approved agenda by the chairman and the president together with related documents to all directors 7 days in advance. This is to allow time for the directors to review the information prior to the meeting. Should any director wish to propose additional agenda or require the management to update the progress on any particular issue, he or she can inform their intention to the chairman of the board or the company's secretary.

Generally, each board meeting takes 2-3 hours. The chairman of the board gives equal opportunity for all directors to independently express their ideas and opinions. The Board of Directors views that to prevent the unintentional leakage of information, the management will report the results of the company's operations only in the month that the meeting is being held. Independent directors and non-executive directors have met regularly to discuss the management issues without the presence of the management. Should there be any issues of concern, the management will be notified to solve or improve them.

In 2012, five Board of Directors' meetings were held, with written minutes for each meeting. Meeting minutes are approved by the Board of Directors and available for inspection by directors and related parties.

Attendance for each director in 2012 is as follows:

	Name	Position	Number of meetings	Attendance
1.	Mr. Suthichai Sae-Yoon	Chairman of the Board and Chairman of Executive Board	6	6
2.	Mr. Adisak Limprungpatanakij	President	6	6
3.	Mr. Spong Limtanakool	Independent Director and Chairman of Audit Committee	6	5
4.	Mr. Metha Soonthornjit	Independent Director and Member of Audit Committee	6	6
5.	Mr. Kittichai Lattisophonkul	Independent Director and Member of Audit Committee	6	5
6.	Mrs. Supanee Dechaburananont	Independent Director	6	4
7.	Mr. Serm sin Samalapa	Director	6	6
8.	Miss Aeumsree Boonhachairat	Director	6	6
9.	Mr. Sivaporn Chomsuwan	Director	6	4
10.	Miss Duangkamol Chotana	Non-executive Director	6	6

Note:

Mr. Sivaporn Chomsuwan has been appointed in place of Mr. Thanachai Santichaikul in April 2012.

Mrs. Supanee Dechaburananont was appointed in accordance with the consensus of the annual general meeting of the year 2012 on April 25, 2012.

Evaluation of the Board of Directors' Performance

The Board of Directors arranges for self-performance evaluation of the entire board every year. In 2011 the evaluation was executed in December with the new evaluation form provided by the Stock Exchange of Thailand. The result of the performance evaluation is acknowledged in the Board of Directors' meeting No.1/2013, on February 14, 2013 and will be used as a guideline to improve the Board of Directors' performance.

Directors' Remuneration

The Company sets a clear and transparent policy regarding remunerations of directors. Set at competitive rates for this industrial sector, remunerations are high enough to attract directors who have the required qualifications. Remunerations are approved at the shareholders' meetings. Directors tasked with more responsibility and duties shall have appropriate levels of remuneration in line with their newly-assigned duties and responsibilities.

The Company's guidelines for the remunerations of the president and high-level management are in accordance with the terms and policies stipulated by the Board of Directors. The remunerations reflect the company's and individual's performance. The company's Board of Directors evaluates the performance of the president and assigns the chairman of the board to inform the criteria and results of the evaluations to the president. The executive board shall approve the results of the performance evaluation of high-level management as proposed by the president. The Board of Directors assigned the executive board to consider appropriate levels of remuneration to the president and high-level management.

In 2011 and 2012, remunerations for Directors are as follows:

Name/Position	Annual Remuneration 2012				Annual Remuneration 2011			
	Remuneration	Meeting Allowance	Other	Total	Remuneration	Meeting Allowance	Other	Total
Chairman of the Board : Mr. Suthichai Sae-Yoon	400,000.-	-	-	400,000.-	400,000.-	-	-	400,000.-
Chairman of Audit Committee : Mr. Supong Limtanakool	400,000.-	-	-	400,000.-	400,000.-	-	-	400,000.-
Member of Audit Committee : Mr. Metha Soonthornjit Mr. Kittichai Lattisophonkul	300,000.- 300,000.-	- -	- -	300,000.- 300,000.-	300,000.- -	- -	- -	300,000.- -
Independent Director : Mrs. Supanee Dechaburananont	200,000.-	-	-	200,000.-	-	-	-	-
Non-executive Director : Mr. Thanachai Santichaikul Mr. Semsin Samalapa Miss Duangkamol Chotana Mr. Sivaporn Chomsuwan	50,000.- 200,000.- 200,000.- 150,000.-	- - - -	- - - -	50,000.- 200,000.- 200,000.- 150,000.-	200,000.- - 200,000.- 225,000.-	- - - -	- - - -	200,000.- - 200,000.- 225,000.-
Non-executive Director : Mr. Adisak Limprungsatanakij Miss Aeumsree Boonhachairat Mrs. Lakana Ratwongsakul	200,000.- 200,000.- -	- - -	- - -	200,000.- 200,000.- -	200,000.- 200,000.- 150,000.-	- - -	- - -	200,000.- 200,000.- 150,000.-
Total	2,600,000.-	-	-	2,600,000.-	2,275,000.-	-	-	2,275,000.-

Director and Management Development Plan

Every new director will attend a basic orientation program conducted by the chairman of the board, regarding the company's nature of business, history, background, the company's location and branches, the corporate culture as well as being briefed by the president and the company's secretary regarding the company's structure, supervision policy, internal control with related documents.

The Board of Directors and high-level management value training courses and seminars to enhance directors' knowledge and capability in performing their duties (details can be viewed in each director's profile).

The company has a policy to provide additional relevant knowledge to the directors, the audit committee, the company's secretary, high-level management and internal audit division by attending training courses and seminars with the Thai Institute of Directors and other agencies i.e. seminars on new accounting standards and newly-revised Securities and Exchange Supervision Act, courses with Thai Capital Market Management and training courses in other fields relating to IT and auditing.

Succession plans

The company's Board of Directors realizes that the organization's efficiency is a result of its staff. The sustainable growth of the company depends on whether the company will be able to create the qualified personnel to execute the company's mission and continue the intention of the founders as well as to pass on good corporate culture to the next generations. The company has therefore instructed the management to give priority to effective management and human resource development with clear directions to achieve the company's vision, mission and values.

Internal Control and Audit

The company's board of directors has recognized its duties and responsibilities, as the Directors of the listed company, to supervise the Company to present its financial statements with complete, correct and transparent accounting information in order to protect the company's assets, prevent from corruption, irregular proceedings and cross transaction that may lead to conflict of interests. The board adheres to accredited accounting standards, applies appropriate accounting policy and consistently adheres to it. Furthermore, the board also takes into consideration justification, the company's utmost benefit, abiding to related laws and regulations, discretion in compiling consolidated financial statements of the company and its subsidiaries, including any financial information presented in the annual report.

In order to strengthen the stakeholders' confidence towards the Company's financial report, the Board of Directors has appointed the Audit Committee, consisting of independent directors whose qualifications meet the Stock Exchange of Thailand's requirements and relevant rules and regulations. The Audit Committee has the duty to review the accuracy of the Company's financial report, its operation and the transparent, correct and complete disclosures of related parties' transactions or transactions that may lead to any conflict of interest. The Audit Committee ensures that the Company's risk management system, internal control, internal audit and corporate governance are adequate, appropriate and effective, as well as the adequacy, completeness and suitability of monitoring procedures in compliance with laws of securities and exchange, regulations of the Stock Exchange of Thailand and relevant rules and regulations.

During 2012, the Audit Committee convened four meetings, each of which took approximately four hours in order to accomplish its duties as specified in the Audit Committee Charter. All three members of the Audit Committee attended all meetings. In addition, there were additional meeting agenda with independent auditors, key internal audit personnel, and top executives of the Company in the relevant matters. From the aforementioned meetings, the Audit Committee was of the opinion that the annual financial statements 2012 of the Company were presented fairly and did not find any items that may impact the Financial Statements. The Audit Committee was of the opinion that the Company's internal

control system was appropriate, adequate and efficient, as being taken care by three experienced internal audit personnel. Cross transactions performed in the ordinary course of business were reasonable and no irregular item was found. It was determined that the Company has appropriately complied with the Act of securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as to related laws. The Audit Committee agreed that the company's current Independent Auditor for the year 2012 was suitable due to his independence and experience.

The Audit Committee reported to the Board of Directors after reviewing the financial statements and report, including the internal auditor's report every quarter. The Board of Directors was of the opinion that the Company's overall internal control system was satisfactory, ensuring the creditability of the company's financial statements and consolidated financial statements for the year ended December 31, 2012. The Company appropriately safeguarded assets to prevent any illicit use by management or employees, operated as specified procedures, and had cautious, adequate, and appropriate internal control systems in all respects – organization and environment, risk management, management control, information and communication and monitoring

system to achieve goals and objectives in order to align with the circumstances and be able to resolve problems instantly.

Furthermore, the Company provided the procedures to review and assess the appropriateness and adequacy of the internal control system in all respects continuously in order to ensure that the Company's internal control is being updated to the changing circumstances, flawlessly so as to create no loss or inefficiency.

As the examination of financial statement ended December 31, 2012, the Company's auditor gave the audit's comments and recommendations which reported directly to the Audit Committee on February 14, 2013. The recommendations did not show any significant issues in regards to the financial statements and the Company has recently improved according to the recommendations as follows:

1. Some cross transaction documents were not updated.
2. Upon examining items in the analysis account receivable age and ledger, some differences were found.

Furthermore, upon examining the Company's internal control of the IT management, the Audit Committee made recommendations to the Company for improvement and the Company acknowledged the recommendations and is implementing the improvement within the first quarter of 2012 as follows:

- 1) The control and the right to access the IT system should be allowed only to the authorized personnel.
- 2) Data security verification for data transfers between networks.

During 2012, the internal audit department accorded related audit issues some internal control systems in which the Company released guidelines and procedures in operation to control and expedite the operation with related departments as follows:

- 1) The Company should review the criteria of advertising discount on TV, adjust and make understanding on the regulations, and follow up the advertising fee invoice in order to collect the money within due date.

- 2) The Company should control the asset of technique equipments concisely and record the asset account as regard to the information of suppliers and received documents in order to be assured of the existed asset and correct detail.

- 3) The Company should summarize the cost of outsource production and submit the monthly report to the executive directors in order for their consideration on expense control. ■

Focus on neutral content – Build safety awareness community

Nation Broadcasting Corporation Public Company Limited (NBC) has realized the significance of Corporate Social Responsibility. Therefore, to provide content, accurate and fair information to all stake holders following the code of ethics is the major concern. The content via TV, Radio, and online media is needed to be useful, knowledge incremental, creditable, and all problems raised must lead to the problem solved by the in-charge. NBC has received various awards on program provided and its personnel.

Moreover, NBC in 2012, takes great social responsibility both internally and externally. For the internal, NBC has provided good quality of life, freedom on media profession to editorial team, and up-to-date knowledge through their working life.

Corporate Social

For the external, CSR activities have been organized. With NBC's media, the main news station "Kom Chad Luek TV" has created social community which many volunteers have joined NBC's CSR activities on safety awareness and social problem solving.





Responsibility

(CSR) 2012

Internal CSR

Providing knowledge and developing capability of all level employees for their career advancement. Various kinds of trainings have been held which are technology, management, field expert skill, and new media equipment.

Creating Reduce Reuse Recycle Campaign to the use of electricity and water, or pool car when traveling home in order to reduce global warming.

Organizing internal sport competition to encourage employees to exercise for their good health as well as external sport competition to create long term relationship with other organizations. Also, supporting music club for internal and external activities to increase employees' happiness.

Organizing activities for employees' families to create engagement such as Nation Family Day event or educational scholarship to their children.

Supporting Credit Union of NBC and

allowing employees to be a member for their future savings and reserved fund.

Examining code of ethics with NBC's employees.

External CSR Relief Thailand Campaign

Regarding to Thailand flood disaster in 2011 and its recovery at the end of the year, NBC, at the beginning of 2012 organized "Relief Thailand" team from Ra Wang Pai news station and Nation Group together with 17 private enterprise partners, Community Organizations Development Institute, Sub District Community Organization Council, Department of Skill Development, Technical Colleges from 5 provinces, and volunteers from Ruamkatanyu Foundation to



hold the flood recovery activity in 10 flood provinces which are Nakornsawan, Pathumthanee, Saraburi, Singburi, Angthong, Lopburi, Ayudthaya, Chainat, Nakornpathom and Nontaburi during January 11 – March 13, 2012. The activities are included repairing damaged houses, temples, schools, toilets, public community buildings as well as providing school and sport equipments, and organizing seminar of preparation on unexpected natural disaster.

Donation Paint Campaign

Although the flood situation has been recovered and NBC also set up “Relief Thailand” campaign to help flood victims, there are still flood sufferers needed an assistance particularly schools and temples, which are the major social keystone in Thailand. With limited Government budget, some damaged houses, temples, and schools that have not been repaired still deserved the recovery assistance.

During May to July 2012, NBC organized “Donation Paint” campaign to recover the public places which are 29 schools, 12 temples, an abbey, a Masjid, a Tambon Health Promoting Hospital in Nakornsawan, Chainat, Angthong, Ayudthaya, Lopburi, Saraburi, Nakornpathom, Kanjanaburi, Samutsakorn, Samutsongkram, Nontaburi, Srakaew, Nakornrachasima, Surin, Burerum, Nakorn Sri Thammarach and Bangkok.

The main sponsor on this campaign is Thai DNT Paint Company Limited. It donated interior and exterior paint valued over 1 Million Baht while other partners donated other equipments. Workforce volunteers are from Weekend Boat Club, Kon Tam Tang Club, Thai Paramotor Club, and the undergraduate from Faculty of Home Economics Technology, Rajamangala University of Technology Phra Nakhon (Chotivej Campus).

Thai Youth Disaster Prevention Campaign

The disaster that occurred continually and heavily has brought us the way to prevent and handle all kinds of natural disasters such as flood, storm, earthquake, fire and so on. The preparation should be educated to the young for their own help and furtherance in case of disaster happens. Thus, NBC organized “Thai Youth Disaster Prevention” campaign to educate and make preparation to the natural disaster and cultivate social responsibility to the youth.

This campaign is cooperated among National Disaster Warning Center, Asian Disaster Preparedness Center (ADPC), Department of Disaster Prevention and Mitigation, and King Mongkut’s Institute of Technology Ladkrabang. Disaster prevention training had been held to the youth in

the topics of different kinds of disasters, how to handle when it happens, knowledge of survival bag, urgent contact, knowledge of electricity, first aid to injury people, and Q-Methodology questionnaire arrangement to test the youth's knowledge and understanding for further appropriate plan.

The campaign's performance from 20 participating schools both in Bangkok and up-country areas revealed that students in flood area had a better understanding than those in Bangkok.

Accident Reduction During Songkran Festival Campaign

During Songkran and New Year festival, there have always been car accidents caused life and property lost. NBC as a media realized the role of social responsibility; therefore the content policy is aimed to reduce the accident. Nation Channel, Ra Wang Pai station, and Social Media have worked closely with Accident Prevention Network to provide the special news report, news and spot news for this "Accident Reduction" campaign.

Moreover, NBC produced "Driver Safety Guide" handbook containing safely driving instruction, nationwide risk area notification, and emergency contact to the public for free.



To help the accident victim more, NBC in cooperation with Sawang Prateep Foundation arranged "Rescue Caravan" to keep an eye and prevent accident during 7 dangerous days of Songkran period.



Ra Wang Pai Ra Wang Fire

Ra Wang Pai news station (presently Kom Chad Luek TV) is cooperative with Bangkok Fire producing "Ra Wang Pai Ra Wang Fire" manual to provide fire prevention information including fire cause, survival kit, property protection from fire, technique for fire extinguisher use, must-know symbol, and first aid when fire.

6. 3rd Year Warmth Giving to Children

NBC has organized "Warm Giving to Children" campaign consecutively to the 3rd year on providing clothes, educational equipments, sport equipments, consumption goods, food, and toys to the poor children in remote area. In 2012, the recreation activity was held to the students, mostly Hmong Hill Tribe, at Ban Huai Nam Sai School and Ban Huai Nam Sai School (Rong Kla Wittaya branch) located on Phuhinrongkla National Park area, Petchaboon province.

NBC's CSR in 2012 has engaged in completely process which are CSR in process and CSR after process. The business operation is responsible for society in terms of process and networking connection for public. Media and content provided are to prevent danger and solve problem to the social community in order to also reflect the role of public supporter. ■

Characteristics of Business

Structure of revenues from sales of goods and rendering of services

Nation Broadcasting Corporation (Public) Company Limited and its subsidiaries structured revenues from sales of goods and rendering of services by type of products and services as follows:

Unit: million Baht

Products / Services	2012		2011		2010	
	Amount	%	Amount	%	Amount	%
Revenues from television broadcasting	550.57	74.36	523.40	78.32	467.41	74.38
Revenues from radio media	33.41	4.51	31.54	4.72	33.25	5.29
Revenues from new media business	153.09	20.68	111.56	16.69	124.62	19.83
Other revenues	3.34	0.45	1.82	0.27	3.11	0.50
Total revenues	740.41	100.00	668.32	100.00	628.39	100.00

Audit Committee's Report For the Year 2012

Attn. Shareholders of
Nation Broadcasting Corporation Public Company Limited

The Audit Committee

The Audit Committee of Nation Broadcasting Corporation Public Company Limited comprises three independent directors: Dr. Supong Limtanakool - Committee Chairman; Mr. Metha Soonthornjit and Mr. Kittichai Lattisophonkul - Committee Members.

During 2012, the Audit Committee arranged four meetings, each took a few hours, implementing the responsibilities specified in the Audit Committee Charter. The Audit Committee attended all meetings, along with the company's Independent Auditor, Internal Audit Manager and Chief Executives to discuss all relevant issues.

The Committee's opinions:

Financial Statements : The Audit Committee reviewed all quarterly financial statements, including the Annual Financial Statement for the year 2012, with management and the company's Independent Auditor. The audit inspected the financial reports of the company and its affiliates to ensure they had been organized correctly and properly, especially in their individual subject matter, in accordance with generally accepted accounting principles and that they disclosed all complete and credible information as well as applied financial reports standard and guidelines promulgated by Federation of Accounting Professions. In addition, the Committee reviewed the information disclosure and operations on mutual transactions between the company, its affiliates and its joint ventures, as well as connected transactions, in order to ensure the company had complied with and fulfilled all approved business practices and regulations as required by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Internal Control System : The Audit Committee considered organization structure of Internal Audit Department to make sure independent of operation. The Committee considered the Internal Audit System Plan for the Year 2012, with due concern for possible risk factors that might adversely affect the company's operations. The Committee also made suggestions and provided guidance on adjusting the plan to be compatible the current situation. In addition, the Committee resolutely pursued the implementation of adjustments on significant issues for the administrative section, as specified in the Audit Report. For the year 2013, the auditor could not find any material discrepancy for the internal control of the company.

Compliance with laws on securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as other laws relative to the company's business : In February 2012, the Audit Committee arranged a meeting with the Company Secretary at which it was determined that the company had appropriately complied with all laws on securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as with other laws relative to the company's business.

Auditors : The Audit Committee are agreed that the company's current Independent Auditor for the year 2012, Mr. Vichien Thamtrakul, auditor registration No. 3183, is a suitable, independent, knowledgeable and long-experienced auditor. With regard to the appointment of the company's Independent Auditor for the year 2013, the Audit Committee proposes the following persons from KPMG Poomchai Audit Co., Ltd. for due consideration as the company's Independent Auditor for the year 2013: Mr. Winid Silamongkol, registration No. 3378; Mr. Vichien Thamtrakul, registration No. 3183; Mr. Veerachai Ratanajaratkul, registration No. 4323; Ms. Vannaporn Jongperadechanon, registration No. 4098

Connected Transactions : The Audit Committee considered all connected transactions that might cause conflicts of interest with the company and subsidiaries. The Committee shall examine the transaction and give opinions about the necessity of the transaction as well as the appropriateness in terms of prices by considering from relevant market factors and comparable prices with the third party, if possible. The Committee shall disclose the information for the relevant items according to the requirement of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as the accounting standard as required by the Federation of Accounting Professions. The Committee believes such the transactions are accurate, general business transactions that the company has implemented under the principles of Good Corporate Governance.

From its operations under the auspices of the Audit Committee Charter, the Audit Committee has determined that the company has delegated the implementation of management under the principles of Good Corporate Governance that eventually contribute to transparency and integrity. This has resulted in a firm trust with shareholders, investors and relevant parties and in a flawless, efficient Internal Control System of the company. Connected transactions that might have conflicts of interest have proved to be accurate, general business transactions of a reasonable nature. Additionally, no irregular material transactions have been found. It has therefore been determined that the company has properly complied with the relevant provisions of the law, as well as appropriate rules and regulations of official regulating organizations.

The Financial Statement ending December 31, 2012, has disclosed sufficient information and contains no problematic situations, or transactions that could materially affect the company's financial statement, which has been organized correctly in its subject matter in accordance with generally accepted accounting principles.



.....
(Dr. Supong Limtanakool)
Chairman of the Audit Committee

Nation Broadcasting Corporation Public Co., Ltd. Report on Responsibilities of the Board of Directors towards the Financial Report for the year 2012

The Company's Board of Directors recognizes the significance of its duties and responsibilities, as directors of a listed company. The Board of Directors ensures that the Company's financial report contains accurate, transparent and full accounting records that reflect the Company's actual financial status and operational results. The Company's financial statements are adequately disclosed to prevent any fraud or mismanagement of the company's assets. The Company adheres to conform with recognized accounting standards that are fair and circumspect in the financial reporting processes of the Company and its Subsidiaries in the year ended 31 December 2012.

In order to strengthen the confidence of the shareholders, investors and other related parties, the Board of Directors establishes the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand and notification of the Capital Market Supervisory Board to review and ensure accuracy and sufficiency of the financial report, including transparent and complete disclosure of connected transactions or transactions with possible conflict of interest. The Audit Committee ensure the Company's risk management system, internal control, internal audit systems and corporate governance are appropriate and effective in compliance with laws of securities and exchange, regulations of the Stock Exchange of Thailand, notification of the Capital Market Supervisory Board and relevant rules and regulations. The Audit Committee had already reported to the Company's Board of Directors and presented them with the Audit Committee Report as an addendum to the annual registration statement (form 56-1) and annual report of the Company.

The Board of Directors is of the opinion that the financial statements for the year ended 31 December 2012 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management and audited by the Company's auditor, reflect accurate and complete financial status, operational results and cash flow in accordance with generally accepted accounting standards, rules, regulations and laws relating to the Company's businesses.



Mr. Suthichai Yoon
Chairman



Adisak Limprungpatanakij
President

The Results of the Consolidated Financial Statements

The Consolidated financial statements of Nation Broadcasting Corporation Public Company Limited and its subsidiaries for the year ended 31 December 2012 represented group's operating profit before income tax of Baht 62.28 million. An inclusion of income tax of Baht 14.26 million, resulted a profit of Baht 48.02 million for the year 2012. Compared to the same period of last year, it showed a profit of Baht 87.08 million. The significance of Group's operating results were summarized as follows:

Revenue from sales and services for the year 2012 was Baht 737.08 million, which increased by 11% compared to the same period of last year. The main reasons were:

- TV Advertising revenue increased by 6% primary due to the increased of Nation Channel & Kom Chad Luek TV and set up TV production on Rama Channel for Ramathibody Foundation.
- Radio advertising revenue increased by 10% from radio stations : F.M. 90.5 MHz and F.M. 102 MHz.
- New Media revenue increased by 33% from Website revenues.

Moreover, there is additional revenue from special event Show Biz business "Reya The Musical" this is the new line of business.

Cost, operating expenses and financial cost for the year 2012 was Baht 678.13 million, which increased by 22% compared to the same period of last year. The main reasons were:

- Cost of sales and services increased by 35% due to the production cost of Kom Chad Luek TV including production cost on Rama Channel for Ramathibody Foundation.
- Selling and administrative expenses decreased by 12% due to the Group has a policy to maintain of expenses monitor.

Conclusions:

The Group reported operations for the year ended 31 December 2012 represented group's operating profit before income tax of Baht 62.28 million. An inclusion of income tax of Baht 14.26 million, resulted in profit of Baht 48.02 million for the year 2012. Compared to the same period of last year, it showed a profit of Baht 87.08 million.

Signature



(Mr. Adisak Limprungsatanakij)

Position President

Authorized to sign on behalf of the company



**Nation Broadcasting Corporation
Public Company Limited
and its Subsidiaries**

**Financial statements for the year ended
31 December 2012
and
Independent Auditor's Report**



KPMG Phoomchai Audit Ltd.

Empire Tower, 50th-51st Floors
195 South Sathorn Road
Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูเก็ต สอบบัญชี จำกัด

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Independent Auditor's Report

To the shareholders of Nation Broadcasting Corporation Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Nation Broadcasting Corporation Public Company Limited and its subsidiaries, and of Nation Broadcasting Corporation Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

KPMG Phoomchai Audit Ltd., a Thai limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of Nation Broadcasting Corporation Public Company Limited and its subsidiaries, and of Nation Broadcasting Corporation Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'Vichien Thamtrakul', followed by a horizontal line.

(Vichien Thamtrakul)
Certified Public Accountant
Registration No. 3183

KPMG Phoomchai Audit Ltd.
Bangkok
15 February 2013

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated	Separate	
		financial statements	financial statements	
		31 December	31 December	
Assets	Note	2012	2012	2011
			(in Baht)	
Current assets				
Cash and cash equivalents	5	87,396,197	76,767,216	86,083,908
Trade accounts receivable	6	198,710,073	198,710,073	178,638,721
Accrued income		55,806,287	55,806,287	40,720,600
Other receivables from related parties	4	21,649,596	21,796,804	255,016
Inventories	7	17,949,688	17,949,688	11,916,088
Other current assets	8	38,794,435	38,789,471	17,720,872
Total current assets		420,306,276	409,819,539	335,335,205
Non-current assets				
Investment in subsidiaries	9	-	10,500,000	-
Equipment	10	146,175,999	146,175,999	108,981,339
Intangible assets	11	3,620,905	3,620,905	3,522,755
Withholding tax deducted at source		1,512,396	1,512,396	22,476,972
Other non-current assets	12	9,145,767	9,145,767	11,380,051
Total non-current assets		160,455,067	170,955,067	146,361,117
Total assets		580,761,343	580,774,606	481,696,322

The accompanying notes are an integral part of these financial statements.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated	Separate	
		financial statements	financial statements	
		31 December	31 December	
Liabilities and equity	<i>Note</i>	2012	2012	2011
			<i>(in Baht)</i>	
<i>Current liabilities</i>				
Trade accounts payable	13	37,183,406	37,183,406	30,070,435
Other payables to related parties	4	12,577,155	12,577,155	10,427,312
Accrued expenses		67,656,039	67,623,039	51,029,485
Other payables		54,598,943	54,485,853	22,676,593
Income tax payable		-	-	2,440,484
Other current liabilities	14	32,706,886	32,706,886	28,190,290
Total current liabilities		204,722,429	204,576,339	144,834,599
<i>Non-current liability</i>				
Employee benefit obligations	15	15,964,838	15,964,838	14,792,785
Total non-current liability		15,964,838	15,964,838	14,792,785
Total liabilities		220,687,267	220,541,177	159,627,384
<i>Equity</i>				
Share capital	16, 19			
Authorised share capital		178,500,000	178,500,000	178,500,000
Issued and paid-up share capital		176,870,000	176,870,000	173,438,000
Treasury shares	17	(5,153,851)	(5,153,851)	(4,535,543)
Premium on ordinary shares	16, 19	106,947,100	106,947,100	98,950,540
Retained earnings				
Appropriated				
Legal reserve	18	15,700,000	15,700,000	13,100,000
Treasury shares reserve	18	5,153,851	5,153,851	4,535,543
Unappropriated		60,556,976	60,716,329	36,580,398
Total equity		360,074,076	360,233,429	322,068,938
Total liabilities and equity		580,761,343	580,774,606	481,696,322

The accompanying notes are an integral part of these financial statements.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of comprehensive income

		Consolidated financial statements	Separate financial statements	
		For the year ended 31 December	For the year ended 31 December	
	Note	2012	2012	2011
			(in Baht)	
Income				
Revenue from sale of goods and rendering of services	4	737,079,087	737,079,087	666,497,130
Other income	21	3,336,645	3,152,006	1,821,414
Total income		740,415,732	740,231,093	668,318,544
Expenses				
Cost of sale of goods and rendering of services	4	539,759,656	539,759,656	400,765,630
Selling expenses	22	59,994,954	59,994,954	84,672,664
Administrative expenses	23	53,904,486	53,561,474	48,535,270
Management benefit expenses	24	24,188,425	24,188,425	23,108,940
Finance costs		282,789	281,809	313,283
Total expenses		678,130,310	677,786,318	557,395,787
Profit before income tax expense		62,285,422	62,444,775	110,922,757
Income tax expense	26	(14,260,576)	(14,260,576)	(23,842,667)
Profit for the year		48,024,846	48,184,199	87,080,090
Other comprehensive income		-	-	-
Total comprehensive income for the year		48,024,846	48,184,199	87,080,090
Profit attributable to:				
Owners of the Company		48,024,846	48,184,199	87,080,090
Non-controlling interests		-	-	-
Profit for the year		48,024,846	48,184,199	87,080,090

The accompanying notes are an integral part of these financial statements.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Consolidated		Separate
	financial		financial statements
	statements		
	For the year ended		For the year ended
	31 December		31 December
<i>Note</i>	2012	2012	2011
		<i>(in Baht)</i>	
Total comprehensive income attributable to:			
Owners of the Company	48,024,846	48,184,199	87,080,090
Non-controlling interests	-	-	-
Total comprehensive income for the year	48,024,846	48,184,199	87,080,090
Earnings per share	27		
Basic earnings per share	0.28	0.28	0.51
Diluted earnings per share	0.28	0.28	0.50

The accompanying notes are an integral part of these financial statements.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Consolidated financial statements					
		Issued and paid-up share capital	Treasury shares	Retained earnings			Total equity
				Share premium	Legal reserve (in Baht)	Treasury shares reserve	
Year ended 31 December 2012							
Balance at 1 January 2012		173,438,000	-4,535,543	98,950,540	13,100,000	4,535,543	322,068,938
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Shares options exercised	16, 19	3,432,000	-	-	-	-	3,432,000
Share premium	16, 19	-	-	7,996,560	-	-	7,996,560
Treasury shares purchased	17	-	-618,308	-	-	-	-618,308
Dividends to owners of the Company	28	-	-	-	-	-	-20,829,960
Total contributions by and distributions to owners of the Company		3,432,000	-618,308	7,996,560	-	-	-10,019,708
Total transactions with owners, recorded directly in equity		3,432,000	-618,308	7,996,560	-	-	-10,019,708
Comprehensive income for the year	18	-	-	-	-	-	48,024,846
Transfer to legal reserve		-	-	-	2,600,000	-	-2,600,000
Transfer to treasury shares reserve	18	-	-	-	-	618,308	-618,308
Balance at 31 December 2012		176,870,000	-5,153,851	106,947,100	15,700,000	5,153,851	360,074,076

The accompanying notes are an integral part of these financial statements

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of changes in equity

		Separate financial statements						
		Retained earnings						
		Issued and paid-up share capital	Treasury shares	Share premium	Legal reserve (in Baht)	Treasury shares reserve	Unappropriated	Total equity
Note								
Year ended 31 December 2011								
		172,259,000	-	96,203,470	8,700,000	-	27,376,351	304,538,821
Balance at 1 January 2011								
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
16, 19	Shares options exercised	1,179,000	-	-	-	-	-	1,179,000
16, 19	Premium on ordinary shares	-	-	2,747,070	-	-	-	2,747,070
17	Treasury shares purchased	-	-4,535,543	-	-	-	-	-4,535,543
28	Dividends to owners of the Company	-	-	-	-	-	-68,940,500	-68,940,500
Total contributions by and distributions to owners of the Company								
		1,179,000	-4,535,543	2,747,070	-	-	-68,940,500	-69,549,973
Total transactions with owners, recorded directly in equity								
		1,179,000	-4,535,543	2,747,070	-	-	-68,940,500	-69,549,973
18	Comprehensive income for the year	-	-	-	-	-	87,080,090	87,080,090
18	Transfer to legal reserve	-	-	-	4,400,000	-	-4,400,000	-
18	Transfer to treasury shares reserve	-	-	-	-	4,535,543	-4,535,543	-
		173,438,000	-4,535,543	98,950,540	13,100,000	4,535,543	36,580,398	322,068,938
Balance at 31 December 2011								

The accompanying notes are an integral part of these financial statements

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements									
					Retained earnings				
		Issued and paid-up share capital	Treasury shares	Share premium	Legal reserve (in Baht)	Treasury shares reserve	Unappropriated	Total equity	
Note									
Year ended 31 December 2012									
	Balance at 1 January 2012	173,438,000	-4,535,543	98,950,540	13,100,000	4,535,543	36,580,398		322,068,938
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
16, 19	Shares options exercised	3,432,000	-	-	-	-	-		3,432,000
16, 19	Premium on ordinary shares	-	-	7,996,560	-	-	-		7,996,560
17	Treasury shares purchased	-	-618,308	-	-	-	-		-618,308
28	Dividends to owners of the Company	-	-	-	-	-	-20,829,960		-20,829,960
Total contributions by and distributions to owners of the Company									
		3,432,000	-618,308	7,996,560	-	-	-20,829,960		-10,019,708
Total transactions with owners, recorded directly in equity									
	Comprehensive income for the year								
18	Transfer to legal reserve	-	-	-	-	-	48,184,199		48,184,199
18	Transfer to treasury shares reserve	-	-	-	2,600,000	-	-2,600,000		-
						618,308	-618,308		-
	Balance at 31 December 2012	176,870,000	-5,153,851	106,947,100	15,700,000	5,153,851	60,716,329		360,233,429

The accompanying notes are an integral part of these financial statements

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements	Separate financial statements	
	For the year ended 31 December 2012	For the year ended 31 December 2012 2011	
		(in Baht)	
<i>Cash flows from operating activities</i>			
Profit for the year	48,024,846	48,184,199	87,080,090
<i>Adjustments for</i>			
Depreciation	36,357,353	36,357,353	24,352,400
Amortisation of intangible assets	1,011,750	1,011,750	701,828
Investment income	(1,877,091)	(1,692,453)	(1,103,848)
Employee benefit obligations	1,985,987	1,985,987	-
Finance costs	282,789	281,809	313,283
Bad debt and doubtful debts expense	2,468,357	2,468,357	3,688,455
Gain on disposal of equipment	(384,229)	(384,229)	-
Loss on written-off of equipment	432,972	432,972	467,900
Income tax expense	14,260,576	14,260,576	23,842,667
	102,563,310	102,906,321	139,342,775
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	(22,539,710)	(22,539,710)	(13,122,593)
Accrued income	(15,085,687)	(15,085,687)	8,440,400
Other receivables from related parties	(21,394,580)	(21,541,788)	2,195,710
Inventories	(6,033,600)	(6,033,600)	(4,970,133)
Other current assets	1,403,409	1,408,372	(9,631,536)
Withholding tax deducted at source	(14,610,895)	(14,610,895)	(14,085,258)
Other non-current assets	2,234,284	2,234,284	(4,807,429)
Trade accounts payable	7,112,971	7,112,971	698,081
Other payables to related parties	2,149,843	2,149,843	(832,840)
Accrued expenses	16,626,554	16,593,555	(7,219,683)
Other payables	31,922,351	31,809,261	8,132,235
Other current liabilities	4,516,597	4,516,597	8,909,206
Employee benefit obligations	(813,934)	(813,934)	1,826,436
Cash generated from operating activities	88,050,913	88,105,590	114,875,371
Income tax paid	(3,602,562)	(3,602,562)	(13,443,956)
Net cash from operating activities	84,448,351	84,503,028	101,431,415

The accompanying notes are an integral part of these financial statements.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated financial statements	Separate financial statements	
	For the year ended 31 December 2012	For the year ended 31 December 2012	2011
		(in Baht)	
<i>Cash flows from investing activities</i>			
Interest received	1,877,091	1,692,453	1,103,848
Net cash outflow on acquisition of subsidiaries	-	-10,500,000	-
Purchase of equipment	(74,544,544)	(74,544,544)	(58,869,016)
Sale of equipment	415,888	415,888	296,449
Purchase of intangible assets	(582,000)	(582,000)	(3,965,000)
Net cash used in investing activities	(72,833,565)	(83,518,203)	(61,433,719)
<i>Cash flows from financing activities</i>			
Interest paid	(282,789)	(281,809)	(313,283)
Dividends paid to owners of the Company	(20,829,960)	(20,829,960)	(68,940,500)
Bank overdrafts	-	-	(2,194,919)
Proceeds from exercise of share options excrcised	11,428,560	11,428,560	3,926,070
Purchase of treasury shares	(618,308)	(618,308)	(4,535,543)
Net cash used in financing activities	(10,302,497)	(10,301,517)	(72,058,175)
Net increase (decrease) in cash and cash equivalents	1,312,289	(9,316,692)	(32,060,479)
Cash and cash equivalents at 1 January	86,083,908	86,083,908	118,144,387
Cash and cash equivalents at 31 December	87,396,197	76,767,216	86,083,908

The accompanying notes are an integral part of these financial statements.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

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Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 15 February 2013.

1 General information

Nation Broadcasting Corporation Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1858/51-62, 12th, 13th floors, Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok, Thailand.

The Company was listed on the Market for Alternative Investment in November 2009.

The parent company during the financial year was Nation Multimedia Group Public Company Limited (61.10% of shareholding and 61.99% of shareholding in 2012 and 2011, respectively), which is incorporated in Thailand.

The principal activities of the Company are production of TV programs and radio programs and providing advertisements through TV media, radio media and new media forms. Details of the Company’s subsidiaries as at December 2012 and 2011 was as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
Direct subsidiaries				
NBC Nextmedia Co., Ltd.	Advertising media	Thailand	99.99	-
NBC Next Screen Co., Ltd.	Production of TV program and advertisements through TV media	Thailand	99.99	-
NBC Next Vision Co., Ltd.	Production of TV program and advertisements through TV media	Thailand	99.99	-

2 Basis of preparation of the financial statements

As disclosed in note 9, during the year the Company has established new subsidiaries – NBC Nextmedia Co., Ltd, NBC Next Screen Co., Ltd and NBC Next Vision Co., Ltd. Accordingly, Consolidated financial statement are presented for the year ended 31 December 2012 only.

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

As at December 2012, the FAP has issued and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 32.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following note:

Note 15 Measurement of defined benefit obligations

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee depending on the level of influence retained.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Costs are determined by the following principles:

Finished goods	- Average cost principle
Work in progress	- Costs of productions, which are in process of production and film, will be recognised as costs when rights are transferred and delivered or broadcasted.
	- Work in progress, which is cost of planning and preparation, is stated at cost.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(f) *Investments*

Investments in subsidiaries

Investments in subsidiaries entities in the separate financial statements of the Company are accounted for using the cost method.

(g) *Equipment*

Recognition and measurement

Owned assets

Equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised net within income or expense in profit or loss.

Subsequent costs

The cost of replacing a part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of equipment. The estimated useful lives are as follows:

Leased assets improvements	5	years
Operating equipment	3, 5 and 10	years
Furniture, fixtures and office equipment	3 and 5	years
Vehicles	5	years

No depreciation is provided on assets under installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(h) *Intangible assets*

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Computer program and software licenses	5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(j) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges.

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(l) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The calculation is performed by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or other benefit if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Shares options exercised

The employee share option programme allows certain of the Group's directors and employees to acquire shares of the Group under certain conditions. The proceeds received on exercise of the options, net of any directly attributable transaction costs, are credited to share capital and share premium when the options are exercised.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(n) Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(o) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Interest income

Interest income is recognised in profit or loss as it accrues.

(p) Finance costs

Interest expenses and similar costs are charged to profit or loss in the period in which they are incurred.

(q) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(r) *Income tax*

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

In determining the amount of current tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(s) *Earnings per share*

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and other related parties are described as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Nation Multimedia Group Public Company Limited	Thailand	Parent, 61.10% shareholding in 2012 and 61.99% shareholding in 2011, some common directors
NBC Nextmedia Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
NBC Next Screen Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
NBC Next Vision Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation International Edutainment Public Company Limited	Thailand	78.46% shareholding by parent, some common directors

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
Kom Chad Luek Media Co., Ltd	Thailand	99.99% shareholding by parent, some common directors
NML Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Nation News Network Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Krungthep Turakij Media Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Nation U Co., Ltd.	Thailand	90% shareholding by parent, some common directors
WPS (Thailand) Co., Ltd.	Thailand	84.50% shareholding by parent, some common directors
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
N Coupon Co., Ltd.	Thailand	99.98% shareholding by Nation International Edutainment Public Company Limited, some common directors (liquidated and dissolution on 14 December 2012)
Nation Egmont Edutainment Co., Ltd.	Thailand	49.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
Nation University	Thailand	University license holding by Nation U Co., Ltd.
Thai Portal Co., Ltd.	Thailand	Related party, 19% shareholding by Kom Chad Luek Media Co., Ltd.
Nation Properties Co., Ltd.	Thailand	Related party, 19.80% shareholding by parent
Nation Printing Services Co., Ltd.	Thailand	99.99% shareholding by WPS (Thailand) Co., Ltd., some common directors (liquidated and dissolution on 18 October 2012)

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

The pricing policies for particular types of transactions are explained further below:

Transactions

Rendering of services and others
Cost of services and expenses

Pricing policies

General market price
Actual cost allocation rate and negotiable rate

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial Statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Parent			
Revenue from rendering of services	3,402	3402	13,181
Cost of services and expenses	38,836	38,836	40,680
Other related parties			
Revenue from rendering of services	10,271	10,271	4,274
Cost of services and expenses	25,845	25,845	25,483

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Parent			
Nation Multimedia Group Public Company Limited	2,343	2,343	1,512
Other related parties			
Nation International Edutainment Public Company Limited	326	326	1,232
Nation News Network Co., Ltd.	321	321	165
Krungthep Turakij Media Co., Ltd.	893	893	1,973
Kom Chad Luek Media Co., Ltd	428	428	335
Nation University	1,508	1,508	-
Total	5,819	5,819	5,217
Bad and doubtful debts expense for the year	-	-	-

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

Other receivables from related parties

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	(in thousand Baht)		
Parent			
Nation Multimedia Group Public Company Limited	1,037	1,037	36
Subsidiaries			
NBC Nextmedia Co., Ltd.	-	137	-
NBC Next Screen Co., Ltd.	-	5	-
NBC Next Vision Co., Ltd.	-	5	-
Other related parties			
Thai Portal Co., Ltd.	447	447	447
Nation News Network Co., Ltd.	442	442	1
Nation International Edutainment Public Company Limited	2,981	2,981	19
Nation Egmont Edutainment Co., Ltd.	30	30	4
Krungthep Turakij Media Co., Ltd.	7,922	7,922	134
Kom Chad Luek Media Co., Ltd	189	189	12
Nation University	9,000	9,000	-
Others	49	49	49
	22,097	22,244	702
Less allowance for doubtful accounts	(447)	(447)	(447)
Net	21,650	21,797	255
Bad and doubtful debts expense for the year	-	-	-

Trade accounts payable - related parties

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	(in thousand Baht)		
Parent			
Nation Multimedia Group Public Company Limited	-	-	321
Other related parties			
Nation International Edutainment Public Company Limited	3	3	10
Nation News Network Co., Ltd.	1,972	1,972	1,037
Kom Chad Luek Media Co., Ltd	4,292	4,292	1,388
Krungthep Turakij Media Co., Ltd.	2,804	2,804	2,105
WPS (Thailand) Co., Ltd.	1,291	1,291	1,349
Total	10,362	10,362	6,210

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

Other payables - related parties

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	(in thousand Baht)		
Parent			
Nation Multimedia Group Public Company Limited	11,611	11,611	10,109
Other related parties			
Nation International Edutainment Public Company Limited	250	250	241
Krungthep Turakij Media Co., Ltd	242	242	13
Kom Chad Luek Media Co., Ltd	109	109	4
NML Co., Ltd.	49	49	15
Nation University	300	300	-
Others	16	16	45
Total	12,577	12,577	10,427

5 Cash and cash equivalents

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	(in thousand Baht)		
Cash on hand	492	492	362
Cash at banks - current accounts	21	-	-
Cash at banks - savings accounts	32,383	31,275	45,722
Highly liquid short-term investments	54,500	45,000	40,000
Total	87,396	76,767	86,084

Cash and cash equivalents of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

6 Trade accounts receivable

		Consolidated financial statements 2012	Separate financial statements 2012	2011
		(in thousand Baht)		
Related parties	4	5,819	5,819	5,217
Other parties		199,548	199,548	178,630
Total		205,367	205,367	183,847
Less allowance for doubtful accounts		(6,657)	(6,657)	(5,208)
Net		198,710	198,710	178,639
Bad and doubtful debts expense for the year		2,468	2,468	1,988

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Related parties			
Within credit terms	3,645	3,645	4,095
Overdue:			
Less than 6 months	1,722	1,722	-
6-12 months	233	233	903
Over 12 months	219	219	219
	<u>5,819</u>	<u>5,819</u>	<u>5,217</u>
Less allowance for doubtful accounts	-	-	-
	<u>5,819</u>	<u>5,819</u>	<u>5,217</u>
Other parties			
Within credit terms	83,528	83,528	129,024
Overdue:			
Less than 6 months	84,494	84,494	40,923
6-12 months	13,175	13,175	4,705
Over 12 months	18,351	18,351	3,978
	<u>199,548</u>	<u>199,548</u>	<u>178,630</u>
Less allowance for doubtful accounts	(6,657)	(6,657)	(5,208)
	<u>192,891</u>	<u>192,891</u>	<u>173,422</u>
Net	<u>198,710</u>	<u>198,710</u>	<u>178,639</u>

The normal credit term granted by the Group ranges from 7 days to 90 days.

Trade accounts receivable of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

7 Inventories

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Finished goods	9,306	9,306	9,013
Work in progress	8,644	8,644	2,903
Total	<u>17,950</u>	<u>17,950</u>	<u>11,916</u>

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

8 Other current assets

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Other receivables	846	846	4,680
Prepaid expenses	7,016	7,016	6,346
Input value added tax pending	4,229	4,229	3,015
Advances to employees	1,898	1,898	1,835
Withholding tax deducted at source	22,479	22,477	-
Others	2,326	2,323	1,845
Total	38,794	38,789	17,721

9 Investments in subsidiaries

	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>	
At 1 January	-	-
Acquisitions	10,500	-
At 31 December	10,500	-

On 14 February 2012, the Board of Directors of the Company approved to establish a company, NBC Nextmedia Co., Ltd, which has a registered share capital of Baht 20 million (divided into 2 million shares at Baht 10 par value) and called-up share capital of 50%. The subsidiary was registered with the Ministry of Commerce on 6 March 2012.

On 26 November 2012, the Board of Directors of the Company approved to establish, NBC Next Screen Co., Ltd and NBC Next Vision Co., Ltd, which have a registered share capital of Baht 1 million and Baht 1 million, respectively (divided into 100,000 shares at Baht 10 par value) and called-up share capital of 25%. The subsidiaries were registered with the Ministry of Commerce on 30 November 2012.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

Investment in subsidiaries as at 31 December and dividend income from investments for the years ended were as follows:

Name of Subsidiaries	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(%)</i>											
	<i>(in thousand Baht)</i>											
Direct Subsidiaries												
NBC Nextmedia Co., Ltd.	99.99	-	10,000	-	10,000	-	-	-	10,000	-	-	-
NBC Next Screen Co., Ltd.	99.99	-	250	-	250	-	-	-	250	-	-	-
NBC Next Vision Co., Ltd.	99.99	-	250	-	250	-	-	-	250	-	-	-
Total			10,500		10,500		-		10,500		-	

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

10 Equipment

	Consolidated financial statements				
	Leased assets improvements	Operating equipment	Furniture, fixtures and office equipment (in thousand Baht)	Assets under installation	Total
Cost					
At 1 January 2012	9,906	249,351	5,134	629	269,221
Additions	1,600	64,722	572	5,785	74,545
Transfers	339	3,904	-	(4,771)	(528)
Disposals/written-off	(341)	(736)	-	-	(3,428)
At 31 December 2012	11,504	317,241	5,706	1,643	339,810
Accumulated depreciation					
At 1 January 2012	6,510	147,337	2,977	-	160,240
Depreciation charge for the year	1,085	34,176	786	-	36,357
Disposals/written-off	-	(612)	-	-	(2,963)
At 31 December 2012	7,595	180,901	3,763	-	193,634
Net book value					
At 1 January 2012	3,396	102,014	2,157	629	108,981
At 31 December 2012	3,909	136,340	1,943	1,643	146,176

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

	Separate financial statements				
	Leased assets improvements	Operating equipment	Furniture, fixtures and office equipment (in thousand Baht)	Assets under installation	Total
Cost					
At 1 January 2011	8,411	255,241	4,238	476	273,070
Additions	727	45,607	1,304	11,231	58,869
Transfers	768	10,310	-	(11,078)	-
Disposals/written-off	-	(61,807)	(408)	-	(62,718)
At 31 December 2011 and 1 January 2012	9,906	249,351	5,134	629	269,221
Additions	1,600	64,722	572	5,785	74,545
Transfers	339	3,904	-	(4,771)	(528)
Disposals/written-off	(341)	(736)	-	-	(3,428)
At 31 December 2012	11,504	317,241	5,706	1,643	339,810
Accumulated depreciation					
At 1 January 2011	5,826	185,977	2,602	-	197,841
Depreciation charge for the year	684	22,544	747	-	24,352
Disposals/written-off	-	(61,184)	(372)	-	(61,953)
At 31 December 2011 and 1 January 2012	6,510	147,337	2,977	-	160,240
Depreciation charge for the year	1,085	34,176	786	-	36,357
Disposals/written-off	-	(612)	-	-	(2,963)
At 31 December 2012	7,595	180,901	3,763	-	193,634
Net book value					
At 1 January 2011	2,585	69,264	1,636	476	75,229
At 31 December 2011 and 1 January 2012	3,396	102,014	2,157	629	108,981
At 31 December 2012	3,909	136,340	1,943	1,643	146,176

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

The gross amount of the Group's fully depreciated equipment that was still in use as at 31 December 2012 amounted to Baht 123.2 million (2011: Baht 123.4 million).

11 Intangible assets

	Consolidated financial statements		
	Computer program and software licenses	Computer program under installation	Total
	(in thousand Baht)		
Cost			
At 1 January 2012	4,390	-	4,390
Additions	582	-	582
Transfers	322	206	528
At 31 December 2012	5,294	206	5,500
Amortisation			
At 1 January 2012	867	-	867
Amortisation for the year	1,012	-	1,012
At 31 December 2012	1,879	-	1,879
Net book value			
At 1 January 2012	3,523	-	3,523
At 31 December 2012	3,415	206	3,621
	Separate financial statements		
	Computer program and software licenses	Computer program under installation	Total
	(in thousand Baht)		
Cost			
At 1 January 2011	425	-	425
Additions	3,965	-	3,965
Transfers	-	-	-
At 31 December 2011 and 1 January 2012	4,390	-	4,390
Additions	582	-	582
Transfers	322	206	528
At 31 December 2012	5,294	206	5,500
Amortisation			
At 1 January 2011	165	-	165
Amortisation for the year	702	-	702
At 31 December 2011 and 1 January 2012	867	-	867
Amortisation for the year	1,012	-	1,012
At 31 December 2012	1,879	-	1,879
Net book value			
At 1 January 2011	260	-	260
At 31 December 2011 and 1 January 2012	3,523	-	3,523
At 31 December 2012	3,415	206	3,621

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

12 Other non-current assets

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Refundable deposits	7,367	7,367	7,237
Others	1,779	1,779	4,143
Total	9,146	9,146	11,380

13 Trade accounts payable

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Related parties	10,362	10,362	6,210
Other parties	26,821	26,821	23,860
Total	37,183	37,183	30,070

Note

4

14 Other current liabilities

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Output value added tax pending	15,831	15,831	13,298
Revenue Department payable	7,677	7,677	3,795
Others	9,199	9,199	11,097
Total	32,707	32,707	28,190

15 Employee benefit obligations

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Statement of financial position obligations for:			
Post-employment benefits	15,965	15,965	14,793

Year ended 31 December

Statement of comprehensive income:
Recognised in profit or loss:
Post-employment benefits

	1,986	1,986	1,826
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Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

The Group and the Company operates a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Defined benefit obligations at 1 January	14,793	14,793	12,967
Transfer in (out)	186	186	-
Benefits paid by the plan	(1,000)	(1,000)	-
Current service costs and interest	1,986	1,986	1,826
Defined benefit obligations at 31 December	15,965	15,965	14,793

Expense recognised in profit or loss

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Current service costs	1,294	1,294	1,219
Interest on obligation	692	692	607
Total	1,986	1,986	1,826

The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Cost of sales of goods and rendering of services	944	944	894
Administrative expenses	1,042	1,042	932
Total	1,986	1,986	1,826

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements 2012	Separate financial statements 2012	2011
		<i>(%)</i>	
Discount rate	4.7	4.7	4.7
Future salary increases	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

16 Share capital

	Par value per share (in Baht)	2012		2011	
		Number	Baht	Number	Baht
		(thousand shares / thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	1	178,500	178,500	178,500	178,500
At 31 December					
- ordinary shares	1	178,500	178,500	178,500	178,500
Issued and paid-up					
At 1 January					
- ordinary shares	1	173,438	173,438	172,259	172,259
Issue of new shares	1	3,432	3,432	1,179	1,179
At 31 December					
- ordinary shares	1	176,870	176,870	173,438	173,438

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Company ('Treasury shares' (see note 17)) all rights are suspended until those shares are reissued.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

17 Treasury shares

The treasury shares account within equity comprises the cost of the Company's own shares held by the Group.

As at 31 December 2012, the Group held 0.89 million shares of the Company's shares (31 December 2011: 0.79 million shares) comprising 0.51% (31 December 2011: 0.45%) of the Company's issued share capital, at a total cost of Baht 5.15 million (31 December 2011: Baht 4.54 million) as follows:

	2012		2011	
	Number	Baht	Number	Baht
<i>(in thousand shares/thousand Baht)</i>				
The Company	892	5,154	787	4,536

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

18 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Group/Company. The treasury shares reserve is not available for dividend distribution.

19 Warrants

At the annual general meeting of the shareholders No. 1/2010 held on 26 April 2010, the shareholders passed resolutions to approve the issuance 8,500,000 units of warrants under the Employee Stock Option Program (ESOP) to sell to the Company's directors, management and/or employees. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	3 years from the issuance date of warrant
Propose to sell to	The Company's directors, management and/or employees
Issue and sell quantities	8,500,000 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 3.33 per share
Exercise period and proportion	Twice a year on 15 May and 15 November in each year, to exercise not more than 30% in the first year, not more than 30% in the second year and not more than 40% in the third year.

On 15 May 2011, the Company's directors, management and/or employees exercised the warrants to purchase ordinary shares 123,000 units totalling of Baht 0.4 million which the Company has share premium amounted to Baht 0.3 million. The Company registered the paid-up share capital from such exercise with the Ministry of Commerce on 20 May 2011.

On 15 November 2011, the Company's directors, management and/or employees exercised the warrants to purchase ordinary shares 1,056,000 units totalling of Baht 3.5 million which the Company has share premium amounted to Baht 2.5 million. The Company registered the paid-up share capital from such exercise with the Ministry of Commerce on 24 November 2011.

On 15 May 2012, the Company's directors, management and/or employees exercised the warrants to purchase ordinary shares 1,036,900 units totalling of Baht 3.5 million which the Company has share premium amounted to Baht 2.4 million. The Company registered the paid-up share capital from such exercise with the Ministry of Commerce on 24 May 2012.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

On 15 November 2012, the Company's directors, management and/or employees exercised the warrants to purchase ordinary shares 2,395,100 units totalling of Baht 7.98 million which the Company has share premium amounted to Baht 5.58 million. The Company registered the paid-up share capital from such exercise with the Ministry of Commerce on 23 November 2012.

On 31 December 2012, the Company's directors, management and/or employees exercised the warrants to purchase ordinary shares 6,870,000 units (*2011: 3,438,000 units*) totalling of Baht 22.88 million (*2011: Baht 11.45 million*) which the Company has share premium amounted to Baht 16.01 million (*2011: Baht 8.01 million*) and the Company reserved 1,630,000 ordinary shares (*2011: 5,062,000 ordinary shares*) at Baht 1 par value for the outstanding exercisable warrants.

20 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

Segment 1	TV advertising media.
Segment 2	Radio advertising media.
Segment 3	New media advertising.

Geographic segments

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

Business segment results

	TV advertising media		Radio advertising media		New media advertising		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>							
Revenue from sales of goods and rendering of services	551	523	33	31	153	112	737	666
Other income	3	2	-	-	-	-	3	2
Total revenues	554	525	33	31	153	112	740	668
Cost of sales of goods and rendering of services	416	313	23	24	101	64	540	401
Selling expenses	44	69	4	5	12	11	60	85
Administrative expenses	49	43	-	1	5	4	54	48
Unallocated expenses	24	23	-	-	-	-	24	23
Total expenses	533	448	27	30	118	79	678	557
Profit before finance costs and income tax expenses	21	77	6	1	35	33	62	111
Income tax expense	(5)	(17)	(1)	-	(8)	(7)	(14)	(24)
Profit for the year	16	60	5	1	27	26	48	87

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

Business segment financial position

	TV advertising media		Radio advertising media		New media advertising		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>							
Assets and liabilities								
Trade accounts receivable	157	151	7	8	35	19	199	178
Accrued income	45	35	2	1	9	4	56	40
Inventories	18	12	-	-	-	-	18	12
Other current assets	36	10	1	-	-	2	37	12
Total current assets	256	208	10	9	44	25	310	242
Equipment	125	101	8	1	13	7	146	109
Intangible assets	-	-	-	-	4	4	4	4
Other non-current assets	7	11	2	-	-	-	9	11
Total non-current assets	132	112	10	1	17	11	159	124
Unallocated assets	-	-	-	-	-	-	112	116
Total assets	388	320	20	10	61	36	581	482
Trade accounts payable	36	22	-	-	1	-	37	22
Accrued expenses	36	31	3	1	28	15	67	47
Other current liabilities	87	48	-	-	-	4	87	52
Unallocated liabilities	-	-	-	-	-	-	30	39
Total liabilities	159	101	3	1	29	19	221	160
Capital expenditure	75	55	-	1	-	3	75	59
Depreciation	35	22	-	-	2	2	37	24
Amortisation	1	-	-	-	-	1	1	1

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

21 Other income

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Interest income	1,877	1,692	1,104
Others	1,460	1,460	717
Total	3,337	3,152	1,821

22 Selling expenses

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Personnel	19,243	19,243	18,375
Marketing	37,714	37,714	62,802
Office expenses	2,932	2,932	3,383
Others	106	106	112
Total	59,995	59,995	84,672

23 Administrative expenses

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Personnel	16,874	16,874	13,940
Administrative	32,260	31,917	29,540
Bad and doubtful debts	2,468	2,468	3,689
Others	2,302	2,302	1,366
Total	53,904	53,561	48,535

24 Employee benefit expenses

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	<i>(in thousand Baht)</i>		
Management			
Wages and salaries	20,924	20,924	20,155
Pension costs to defined contribution plans	1,560	1,560	1,476
Others	1,704	1,704	1,478
Total	24,188	24,188	23,109

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	(in thousand Baht)		
Other employees			
Wages and salaries	114,889	114,889	99,791
Pension costs to defined contribution plans	5,516	5,516	4,720
Others	43,927	43,927	43,367
	164,332	164,332	147,878
Total employee benefit expense	188,520	188,520	170,987

Defined contribution plans

The defined contribution plans comprise a provident fund established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rate of 5% of their basic salaries and by the Group at rates ranging from 5% to 7.5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

25 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements 2012	Separate financial statements 2012	2011
	Note	(in thousand Baht)		
Air time cost		600	600	8,737
Cost of production		336,218	336,218	215,355
Employee benefit expenses	24	188,520	188,520	170,987
Depreciation and amortisation		37,369	37,369	25,054
Travelling expenses		18,874	18,874	20,475
Sharing expenses		17,928	17,928	17,233
Marketing expense	22	37,714	37,714	62,802
Office expenses		32,729	32,729	30,672
Other expenses		7,896	7,553	5,767
Total cost, selling expenses, administrative expenses and management benefit expenses		677,848	677,505	557,082

26 Income tax expense

Royal Decree No. 467 B.E. 2550 grants companies listed on the Stock Exchange of Thailand under the regulation of the Stock Exchange of Thailand governing the approval of listed companies on the Market for Alternative Investment (MAI) and listed within 31 December 2009, a reduction in the corporate income tax rate from 30% to 20% for taxable profit for the three consecutive accounting periods beginning on or after 1 January 2010.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

27 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for own shares held as follows:

	Consolidated financial statements 2012 (in thousand Baht/ thousand shares)	Separate financial statements 2012 2011	
Profit attributable to ordinary shareholders of the Company (basic)	48,025	48,184	87,080
Number of ordinary shares outstanding at 1 January	172,651	172,651	172,259
Effect of own shares held	(100)	(100)	(51)
Effect of shares options exercised on 15 May	629	629	74
Effect of shares options exercised on 15 November	255	255	95
Weighted average number of ordinary shares outstanding (basic)	173,435	173,435	172,377
Earnings per share (basic) (in Baht)	0.28	0.28	0.51

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for own shares held for the effects of all dilutive potential ordinary shares and shares-options exercise as follows:

	Consolidated financial statements 2012 (in thousand Baht)	Separate financial statements 2012 2011	
Profit attributable to ordinary shareholders of the Company (diluted)	48,025	48,184	87,080
Weighted average number of ordinary shares outstanding (basic)	173,435	173,435	172,377
Effect of exercise of shares options	582	582	2,440
Weighted average number of ordinary shares outstanding (diluted)	174,017	174,017	174,817
Earnings per share (diluted) (in Baht)	0.28	0.28	0.50

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

28 Dividends

At the annual general meeting of shareholders of the Company held on 5 April 2011, the shareholders approved the appropriation of dividend of Baht 0.44 per share, amounted to Baht 75.03 million for the 2010 operating result. The dividend of Baht 0.34 per share, amounted to Baht 57.80 million was paid to shareholders as the interim dividend during the year 2010 and the dividend of Baht 0.10 per share, amounted to Baht 17.23 million was paid to shareholders during the year 2011.

At the Board of Directors' meetings of the Company held on 12 May 2011, the Board of Directors approved the appropriation of interim dividend of Baht 0.10 per share, amounted to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

At the Board of Directors' meetings of the Company held on 9 August 2011, the Board of Directors approved the appropriation of interim dividend of Baht 0.10 per share, amounted to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

At the Board of Directors' meetings of the Company held on 9 November 2011, the Board of Directors approved the appropriation of interim dividend of Baht 0.10 per share, amounted to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

At the annual general meeting of shareholders of the Company held on 25 April 2012, the shareholders approved the appropriation of dividend of Baht 0.30 per share, amounted to Baht 51.72 million. The dividend was paid to shareholders during the year 2011.

At the Board of Directors' meetings of the Company held on 10 May 2012, the Board of Directors approved the appropriation of interim dividend of Baht 0.06 per share, amounted to Baht 10.41 million. The dividend was paid to shareholders during the year 2012.

At the Board of Directors' meetings of the Company held on 9 August 2012, the Board of Directors approved the appropriation of interim dividend of Baht 0.06 per share, amounted to Baht 10.42 million. The dividend was paid to shareholders during the year 2012.

29 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interest and also monitors the level of dividends to ordinary shareholders.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of financial assets and liabilities is taken to approximate the carrying value.

30 Commitments with non-related parties

	Consolidated financial statements 2012	Separate financial statements 2012	2011
	(in thousand Baht)		
Non-cancellable operating lease commitments			
Within one year	43,251	43,251	39,001
After one year but within five years	133,202	133,202	142,997
After five years	46,987	46,987	72,789
Total	223,440	223,440	254,787
Other commitment			
Bank guarantees	8,009	8,009	7,521

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

- a) The Company has entered into a lease and service agreements for its office premises and facilities with a local company for the period of 2 years, commencing from 30 April 2009 to 30 November 2014 with an option to be renewable.
- b) The Company has entered into news supply agreement with a foreign company for a period of 5 years, commencing from 1 June 2011 to 31 May 2016 with an option to be renewable.
- c) The Company has entered into service agreements covering television broadcasting satellite service with a local company. The details are as follows:

<u>Contract date</u>	<u>Contract period</u>	<u>Periods</u>	<u>Total fee</u>
1 October 2009 (Amendment on 11 May 2010)	1 November 2009 to 31 October 2019	10 years	USD 4.40 million
4 February 2010 (Amendment on 11 May 2010)	15 February 2010 to 31 March 2020	10 years	USD 3.20 million
12 September 2011	1 October 2011 to 30 September 2016	5 years	USD 1.20 million

31 Events after the reporting period

At the Board of Directors' meeting of the company held on 15 February 2013, the Board of Directors' passed the following resolutions:

- a) Approved the appropriation of interim dividend to shareholders of Baht 0.06 per share, amounting to Baht 10.56 million.
- b) Approved the increase in authorised share capital of 353,740,000 ordinary shares at Baht 1 par value to offer to the existing shareholders at the ratio of 1 new share for 2 exiting shares held with the price of Baht 3.00.
- c) Approved the increase in authorised share capital of 176,870,000 ordinary shares at Baht 1 par value to reserve for the exercise of warrants issued and offer to existing shareholders as the allotment as described in b) with the proportion ratio of 1 warrant to 1 existing shares held with no value.
- d) Approved the increase in authorised share capital of 8,798,905 ordinary shares at Baht 1 par value to reserve for the exercise warrants issued under the Employee Stock Option Program (ESOP) to sell to the directors, management and/or employees of the Company and/or the subsidiaries.
- e) Approved the increase in authorised share capital of 2,435,057 ordinary shares to reserve for the exercise warrants issued under the 1st Employee Stock Option Program (ESOP), consequently from the exercised price adjustment.

Such interim dividends and increase in authorised share capital are subjected to final approval in the shareholders' meeting.

32 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

TFRS	Topic	Year effective
TAS 12	Income Taxes	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TFRS 8	Operating Segments	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

TAS 12 – Income taxes

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

The Group will adopt TAS 12 with effect from 1 January 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position as at 31 December 2012 and 2011 will be adjusted accordingly. Management estimates that the impact on the statements of financial position as at 31 December 2012 and 2011 will be as follows:

	Consolidated financial statements 2012	Separate financial statements 2012	2011
		(in thousand Baht)	
Statement of financial position			
Estimated changes as a result of the adoption retrospectively of TAS 12-Income Taxes:			
Increase in deferred tax assets	4,864	4,864	4,340
Increase in retained earning	4,864	4,864	4,340

The impact on the statements of comprehensive income for 2013 and subsequent periods is not presently determinable.

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Group is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Group's reported assets, liabilities or retained earnings.



Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

TFRS 8 – Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Group's financial statements.

Other Reference Persons

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Audit Fee

1. The audit fee of the Company and subsidiaries for the year 2012 is Bt 905,000
 2. Non-audit fee
- None-
-

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Digital Era



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