

**Nation Broadcasting Corporation  
Public Company Limited**

Interim financial statements  
and  
Review Report of Certified Public Accountant

For the three-month and nine-month periods ended  
30 September 2011



**KPMG Phoomchai Audit Ltd.**

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## **Review Report of Certified Public Accountant**

### **To the Board of Directors of Nation Broadcasting Corporation Public Company Limited**

I have reviewed the accompanying statement of financial position of Nation Broadcasting Corporation Public Company Limited as at 30 September 2011, and the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010; and the related statements of changes in equity and cash flows for the nine-month periods ended 30 September 2011 and 2010. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with Financial Reporting Standards.

As explained in notes 2 and 3 to the interim financial statements, with effect from 1 January 2011, the Company has adopted certain new and revised financial reporting standards. The financial statements for the three-month and nine-month periods ended 30 September 2010, which are included in the accompanying financial statements for comparative purposes, have been restated accordingly.



I have previously audited the financial statements of Nation Broadcasting Corporation Public Company Limited for the year ended 31 December 2010 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 15 February 2011. As explained in notes 2 and 3 to the accompanying financial statements, those financial statements have been restated consequent to the adoption of certain new and revised financial reporting standards. I have audited the adjustments that were applied to the restatement of those financial statements and in my opinion those adjustments are appropriate and have been properly applied. Other than the audit of those adjustments, I have not performed any auditing procedures since that date of my audit report. The statement of financial position as at 31 December 2010, which is included in the accompanying financial statements for comparative purposes, is a component of those restated financial statements.

A handwritten signature in black ink, appearing to read 'Vichien Thamtrakul', written in a cursive style.

(Vichien Thamtrakul)  
Certified Public Accountant  
Registration No. 3183

KPMG Phoomchai Audit Ltd.  
Bangkok  
9 November 2011

# Nation Broadcasting Corporation Public Company Limited

## Statements of financial position

As at 30 September 2011 and 31 December 2010

Assets	Note	30 September 2011 (Unaudited)	31 December 2010
<i>(in thousand Baht)</i>			
<b><i>Current assets</i></b>			
Cash and cash equivalents		68,951	28,144
Current investments	5	45,000	90,000
Trade accounts receivable	6	176,765	167,505
Accrued income		44,529	50,861
Other receivables from related parties	4	143	2,451
Inventories		11,049	6,946
Other current assets		22,977	8,089
<b>Total current assets</b>		<b>369,414</b>	<b>353,996</b>
<b><i>Non-current assets</i></b>			
Equipment	7	94,904	75,229
Intangible assets		3,473	259
Withholding tax deducted at source		22,477	22,477
Other non-current assets		10,112	6,573
<b>Total non-current assets</b>		<b>130,966</b>	<b>104,538</b>
<b>Total assets</b>		<b>500,380</b>	<b>458,534</b>

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

# Nation Broadcasting Corporation Public Company Limited

## Statements of financial position

As at 30 September 2011 and 31 December 2010

Liabilities and equity	Note	30 September 2011 (Unaudited)	31 December 2010
		<i>(in thousand Baht)</i>	
<b>Current liabilities</b>			
Bank overdrafts		-	2,195
Trade accounts payable	8	46,947	29,372
Other payables to related parties	4	11,116	11,260
Accrued expenses		54,122	58,249
Other payables		13,999	14,545
Income tax payable		3,770	6,127
Other current liabilities		22,258	19,281
<b>Total current liabilities</b>		<b>152,212</b>	<b>141,029</b>
<b>Non-current liabilities</b>			
Employee benefit obligations	9	14,336	-
<b>Total liabilities</b>		<b>166,548</b>	<b>141,029</b>
<b>Equity</b>			
Share capital			
Authorised share capital		178,500	178,500
Issued and paid-up share capital	11	172,382	172,259
Premium on ordinary shares	11	96,490	96,203
Retained earnings			
Appropriated			
Legal reserve	10	12,800	8,700
Unappropriated		52,160	40,343
<b>Total equity</b>		<b>333,832</b>	<b>317,505</b>
<b>Total liabilities and equity</b>		<b>500,380</b>	<b>458,534</b>

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

# Nation Broadcasting Corporation Public Company Limited

## Statements of comprehensive income

For the three-month periods ended 30 September 2011 and 2010 (Unaudited)

	Note	2011	2010
		<i>(in thousand Baht)</i>	
<b>Income</b>			
	4		
Revenue from sale of goods and rendering of services		169,102	164,207
Other income		141	1,037
<b>Total income</b>		<u>169,243</u>	<u>165,244</u>
<b>Expenses</b>			
Cost of sales and rendering of services	4	101,112	100,511
Selling expenses	4	17,824	18,094
Administrative expenses	4	10,026	6,590
Management benefit expenses	4	5,408	4,548
Finance costs		54	70
<b>Total expenses</b>		<u>134,424</u>	<u>129,813</u>
<b>Profit before income tax expense</b>		<b>34,819</b>	<b>35,431</b>
Income tax expense		(6,968)	(7,152)
<b>Profit for the period</b>		<u>27,851</u>	<u>28,279</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period</b>		<u>27,851</u>	<u>28,279</u>
<b>Profit attributable to:</b>			
Owners of the Company		27,851	28,279
Non-controlling interests		-	-
<b>Profit for the period</b>	13	<u>27,851</u>	<u>28,279</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		27,851	28,279
Non-controlling interest		-	-
<b>Total comprehensive income for the period</b>		<u>27,851</u>	<u>28,279</u>
<b>Earnings per share</b>			
	13		
Basic earnings per share <i>(in Baht)</i>		0.16	0.17
Diluted earnings per share <i>(in Baht)</i>		0.16	0.16

The accompanying notes are integral part of these financial statements.

# Nation Broadcasting Corporation Public Company Limited

## Statements of comprehensive income

For the three-month periods ended 30 September 2011 and 2010 (Unaudited)

	Note	2011	2010
		<i>(in thousand Baht)</i>	
<b>Income</b>			
	4		
Revenue from sale of goods and rendering of services		496,585	436,601
Other income		906	2,632
<b>Total income</b>	12	<u>497,491</u>	<u>439,233</u>
<b>Expenses</b>			
Cost of sales and rendering of services	4	288,927	263,702
Selling expenses	4	56,026	46,056
Administrative expenses	4	33,880	18,771
Management benefit expenses	4	16,224	13,048
Finance costs		202	190
<b>Total expenses</b>		<u>395,259</u>	<u>341,767</u>
<b>Profit before income tax expense</b>	12	<b>102,232</b>	<b>97,466</b>
Income tax expense		(21,646)	(17,005)
<b>Profit for the period</b>		<b>80,586</b>	<b>80,461</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period</b>		<u><b>80,586</b></u>	<u><b>80,461</b></u>
<b>Profit attributable to:</b>			
Owners of the Company		80,586	80,461
Non-controlling interests		-	-
<b>Profit for the period</b>	13	<u><b>80,586</b></u>	<u><b>80,461</b></u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		80,586	80,461
Non-controlling interest		-	-
<b>Total comprehensive income for the period</b>		<u><b>80,586</b></u>	<u><b>80,461</b></u>
<b>Earnings per share</b>			
	13		
Basic earnings per share <i>(in Baht)</i>		0.47	0.47
Diluted earnings per share <i>(in Baht)</i>		0.46	0.47

The accompanying notes are integral part of these financial statements.

## Nation Broadcasting Corporation Public Company Limited

### Statements of changes in equity

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
			Legal reserve	Unappropriated	Total equity
			<i>(in thousand Baht)</i>		
<b>Balance at 1 January 2010</b>	170,000	90,940	3,600	33,146	297,686
<b>Transaction with owners, recorded directly in equity</b>					
<b><i>Distributions to owners</i></b>					
Dividends to owners of the Company	14	-	-	(68,000)	(68,000)
<b>Total transaction with owners, recorded directly in equity</b>	-	-	-	(68,000)	(68,000)
Comprehensive income for the period	-	-	-	80,461	80,461
Transfer to legal reserve	10	-	4,100	(4,100)	-
<b>Balance at 30 September 2010</b>	170,000	90,940	7,700	41,507	310,147

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



## Nation Broadcasting Corporation Public Company Limited

### Statements of changes in equity

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Total equity
				Legal reserve	Unappropriated		
<i>(in thousand Baht)</i>							
Balance at 1 January 2011 - as reported		172,259	96,203	8,700	40,343	317,505	
Impact of changes in accounting policy	3	-	-	-	(12,967)	(12,967)	
Balance at 1 January 2011 - adjusted		172,259	96,203	8,700	27,376	304,538	
Transaction with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Shares options exercised	11	123	-	-	-	123	
Share premium	11	-	287	-	-	287	
Dividends to owners of the Company	14	-	-	-	(51,702)	(51,702)	
<b>Total transactions with owners, recorded directly in equity</b>		<b>123</b>	<b>287</b>	<b>-</b>	<b>(51,702)</b>	<b>(51,292)</b>	
Comprehensive income for the period		-	-	-	80,586	80,586	
Transfer to legal reserve	10	-	-	4,100	(4,100)	-	
<b>Balance at 30 September 2011</b>		<b>172,382</b>	<b>96,490</b>	<b>12,800</b>	<b>52,160</b>	<b>333,832</b>	

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

# Nation Broadcasting Corporation Public Company Limited

## Statements of cash flows

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	2011	2010
	<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>		
Profit for the period	80,586	80,461
<i>Adjustments for</i>		
Depreciation	16,858	15,433
Amortisation of intangible assets	487	50
Investment income	(624)	(2,095)
Bad debt and doubtful debts expense	1,261	1,308
Gain on disposed of equipment	(183)	-
Income tax expense	21,646	17,005
	<u>120,031</u>	<u>112,162</u>
<b><i>Changes in operating assets and liabilities</i></b>		
Trade accounts receivable	(8,821)	(14,087)
Accrued income	4,632	(32,554)
Other receivables from related parties	2,307	1,870
Inventories	(4,103)	(4,498)
Other current assets	(14,887)	(3,714)
Withholding tax deducted at source	(10,559)	(8,141)
Other non-current assets	(3,540)	(2,277)
Trade accounts payable	17,575	17,933
Other payables to related parties	(145)	(65)
Accrued expenses	(4,127)	(1,238)
Other payables	(546)	20,854
Employee benefit obligations	1,369	-
Other current liabilities	2,978	1,343
Cash generated from operating activities	102,164	87,588
Income tax paid	(13,444)	(4,510)
<b>Net cash provided by operating activities</b>	<b><u>88,720</u></b>	<b><u>83,078</u></b>
<b><i>Cash flows from investing activities</i></b>		
Interest received	624	2,095
Current investments	45,000	47,000
Short-term loans to related party	-	(195,000)
Proceed from short-term loans to related party	-	195,000
Purchase of equipment	(36,640)	(63,380)
Sale of equipment	290	-
Transfer (purchase) of intangible assets	(3,700)	135
<b>Net cash provided by (used in) investing activities</b>	<b><u>5,574</u></b>	<b><u>(14,150)</u></b>

The accompanying notes are integral part of these financial statements.

# Nation Broadcasting Corporation Public Company Limited

## Statements of cash flow

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	2011	2010
	<i>(in thousand Baht)</i>	
<i>Cash flows from financing activities</i>		
Dividend paid to owners of the Company	(51,702)	(68,000)
Bank overdrafts	(2,195)	(817)
Proceeds from share options exercised	410	-
<b>Net cash used in financing activities</b>	<b>(53,487)</b>	<b>(68,817)</b>
<b>Net increase in cash and cash equivalents</b>	<b>40,807</b>	<b>111</b>
Cash and cash equivalents at 1 January	28,144	22,883
<b>Cash and cash equivalents at 30 September</b>	<b>68,951</b>	<b>22,994</b>

The accompanying notes are integral part of these financial statements.

# **Nation Broadcasting Corporation Public Company Limited**

## **Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

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**Nation Broadcasting Corporation Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim financial statements were authorised for issue by Board of Directors on 9 November 2011.

**1 General information**

Nation Broadcasting Corporation Public Company Limited, the “Company”, was incorporated in Thailand and has its registered office at 1858/51-62, Nation tower, 12<sup>th</sup> and 13<sup>th</sup> 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 period was Nation Multimedia Group Public Company Limited (62.10% shareholding), a company incorporated in Thailand.

The principal businesses of the Company are production of TV programs and radio programs and providing advertisements through TV media, radio media and new media forms.

**2 Basis for preparation of the interim financial statements**

**(a) Statement of compliance**

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the interim financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2010. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2010.

During 2010 and 2011, the FAP issued the following new and revised Thai Financial Reporting Standards (TFRS) relevant to the Company’s operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases

**Nation Broadcasting Corporation Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

TFRS	Topic
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 24 (revised 2009)	Related Party Disclosures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TFRS 2	Share-based Payment
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TIC 31	Revenue-Barter Transactions Involving Advertising Services

The adoption of these new and revised TFRS has resulted in changes in the Company's accounting policies. The effects of these changes are disclosed in note 3. Except for these changes, accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2010.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other 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 interim financial statements. These new and revised TFRS are disclosed in note 17.

**(b) *Presentation currency***

The interim financial statements are prepared and presented in thousand Baht unless otherwise stated.

**(c) *Use of estimates***

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

Except as disclosed below, in preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2010. Changes principally derive from the adoption of new and revised TFRS from 1 January 2011.

***Estimates***

***Measurement of defined benefit obligations***

The calculation of the defined benefit obligation is sensitive to the assumptions on discount rate, salary increase and mortality rate as set out in note 9.

**Nation Broadcasting Corporation Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

**3 Changes in accounting policy**

**(a) Overview**

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Company has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for employee benefits

Details of the new accounting policy adopted by the Company and the impact of the changes on the financial statements are included in notes 3(b) to 3(c) below. The impact of the changes on the 2011 financial statements is summarised as follows:

	<i>Note (in thousand Baht)</i>
<b>Statement of financial position</b>	
Equity at 31 December 2010	317,505
Impact of the adoption prospectively of:	
TAS 19 Employee benefits	3(c), 9 <u>(12,967)</u>
<b>Equity at 1 January 2011</b>	<b><u>304,538</u></b>
<b>Statement of comprehensive income for the three-month period ended 30 September 2011</b>	
Decrease in profit before income tax as a result of the adoption of:	
TAS 19 Employee benefits	3(c), 9 <u>457</u>
<b>Decrease in profit</b>	<b><u>457</u></b>
<b>Decrease in earnings per share:</b>	
- Basic earnings per share ( <i>in Baht</i> )	<u>0.003</u>
- Diluted earnings per share ( <i>in Baht</i> )	<b><u>0.003</u></b>
<b>Statement of comprehensive income for the nine-month period ended 30 September 2011</b>	
Decrease in profit before income tax as a result of the adoption of:	
TAS 19 Employee benefits	3(c), 9 <u>1,369</u>
<b>Decrease in profit</b>	<b><u>1,369</u></b>
<b>Decrease in earnings per share:</b>	
- Basic earnings per share ( <i>in Baht</i> )	<u>0.008</u>
- Diluted earnings per share ( <i>in Baht</i> )	<b><u>0.008</u></b>

**(b) Presentation of financial statements**

The Company has adopted TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

# Nation Broadcasting Corporation Public Company Limited

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

As a result, the Company presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

### (c) *Accounting for employee benefits*

The Company has adopted TAS 19 Employee Benefits.

Under the new policy, the Company's liability in respect of post-employment benefits is recognised in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The Company's liability for post-employment benefits as at 1 January 2011 has been determined to be Baht 12.97 million. The Company has opted to record the entire amount of this liability as an adjustment to retained earnings as at 1 January 2011, in accordance with the transitional provisions of TAS 19. The impact on the 2011 financial statements was as follows:

	<i>(in thousand Baht)</i>
<b>Statement of financial position at 30 September 2011</b>	
Retained earnings at 31 December 2010 - as reported	40,343
Increase in employee benefit obligations	(12,967)
<b>Retained earnings at 1 January 2011</b>	<u><u>27,376</u></u>
<b>Statement of comprehensive income for the three-month period ended 30 September 2011</b>	
Increase in employee expenses resulting in:	
Increase in cost of sales and rendering of services	224
Increase in administrative expenses	233
<b>Decrease in profit</b>	<u><u>457</u></u>
<b>Decrease in earnings per share:</b>	
- Basic earnings per share <i>(in Baht)</i>	0.003
- Diluted earnings per share <i>(in Baht)</i>	<u><u>0.003</u></u>
<b>Statement of comprehensive income for the nine-month period ended 30 September 2011</b>	
Increase in employee expenses resulting in:	
Increase in cost of sales and rendering of services	670
Increase in administrative expenses	699
<b>Decrease in profit</b>	<u><u>1,369</u></u>
<b>Decrease in earnings per share:</b>	
- Basic earnings per share <i>(in Baht)</i>	0.008
- Diluted earnings per share <i>(in Baht)</i>	<u><u>0.008</u></u>



# Nation Broadcasting Corporation Public Company Limited

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### 4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company 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 Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Nation Multimedia Group Public Company Limited	Thailand	Parent, 62.10% shareholding, some common directors
Nation International Edutainment Public Company Limited	Thailand	78.46% 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
Kom Chad Luek Media Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Krungthep Turakij Media Co., Ltd.	Thailand	99.97% shareholding by parent, some common directors
WPS (Thailand) Co., Ltd.	Thailand	84.50% shareholding by parent, some common directors
Nation Printing Services Co., Ltd.	Thailand	99.99% shareholding by WPS (Thailand) Co., Ltd., some common directors (dissolution and in process of liquidation in 2011)
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
Nation Egmont Edutainment Co., Ltd.	Thailand	49.99% shareholding by Nation International Edutainment Public Company Limited, some common directors

# Nation Broadcasting Corporation Public Company Limited

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Thai Portal Co., Ltd.	Thailand	Related party, 19% shareholding by Kom Chad Luek Media Co., Ltd.
Nation Properties Co., Ltd.	Thailand	Related party, 18% shareholding by parent

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

Transactions	Pricing policies
Rendering of services and others	General market price
Interest income on loans	Approximates loan rate of the financial institutions
Cost of services and expenses	Actual cost allocation rate and negotiable rate

Significant transactions for the three-month and nine-month periods ended 30 September 2011 and 2010 and with related parties were as follows:

<i>Three-month periods ended 30 September</i>	2011	2010
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Revenue from rendering of services	2,340	5,135
Investment income	-	310
Cost of services and expenses	9,536	15,469
<b>Related parties</b>		
Revenue from rendering of services	499	1,247
Investment income	-	261
Cost of services and expenses	7,766	3,159
<i>Nine-month periods ended 30 September</i>	2011	2010
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Revenue from rendering of services	11,786	12,721
Investment income	-	1,255
Cost of services and expenses	28,280	43,308
<b>Related parties</b>		
Revenue from rendering of services	1,860	1,875
Investment income	-	261
Cost of services and expenses	20,385	7,260

**Nation Broadcasting Corporation Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

Balances as at 30 September 2011 and 31 December 2010 with related parties were as follows:

*Trade accounts receivable from related parties*

	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Nation Multimedia Group Public Company Limited	2,731	5,138
<b>Related parties</b>		
Nation International Edutainment Public Company Limited	1,257	496
Nation News Network Co., Ltd.	405	662
Others	644	24
<b>Total</b>	<u>5,037</u>	<u>6,320</u>
	2011	2010
	<i>(in thousand Baht)</i>	
Bad and doubtful debts expense for the :		
- three-month periods ended 30 September	<u>-</u>	<u>-</u>
- nine-month periods ended 30 September	<u>-</u>	<u>-</u>

*Other receivables from related parties*

	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Nation Multimedia Group Public Company Limited	64	2,129
<b>Related parties</b>		
Thai Portal Co., Ltd.	447	447
Nation International Edutainment Public Company Limited	1	55
Nation Egmont Edutainment Co., Ltd.	-	12
Krungthep Turakij Media Co., Ltd.	14	-
Others	64	255
	<u>590</u>	<u>2,898</u>
Less allowance for doubtful accounts	(447)	(447)
<b>Total</b>	<u>143</u>	<u>2,451</u>
	2011	2010
	<i>(in thousand Baht)</i>	
Bad and doubtful debts expenses for the :		
- three-month periods ended 30 September	<u>-</u>	<u>-</u>
- nine-month periods ended 30 September	<u>-</u>	<u>-</u>

# Nation Broadcasting Corporation Public Company Limited

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### *Short-term loans to related parties*

	<b>Interest rate</b>		<b>30 September</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>	
<b>Parent</b>				
Nation Multimedia Group				
Public Company Limited	-	5.86	-	-
<b>Related party</b>				
WPS (Thailand) Co., Ltd.	-	5.86-6.00	-	-
<b>Total</b>			<u>-</u>	<u>-</u>

Movements during the nine-month periods ended 30 September 2011 and 2010 of short-term loan to related parties were as follows:

### *Short-term loans to related parties*

#### *Nine-month periods ended 30 September*

	<b>2011</b>	<b>2010</b>
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
At 1 January	-	-
Increase	-	170,000
Decrease	-	(170,000)
<b>At 30 September</b>	<u>-</u>	<u>-</u>
<b>Related party</b>		
At 1 January	-	-
Increase	-	25,000
Decrease	-	(25,000)
<b>At 30 September</b>	<u>-</u>	<u>-</u>
<b>Total short-term loans to related parties</b>		
At 1 January	-	-
Increase	-	195,000
Decrease	-	(195,000)
<b>At 30 September</b>	<u>-</u>	<u>-</u>

### *Trade accounts payable - related parties*

	<b>30 September</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Nation Multimedia Group Public Company Limited	202	4,912
<b>Related parties</b>		
Nation International Edutainment Public Company Limited	14	-
WPS (Thailand) Co., Ltd.	1,465	-
Nation News Network Co., Ltd.	1,553	2,600
Kom Chad Luek Media Co., Ltd.	3,823	-
Krungthep Turakij Media Co., Ltd.	7,131	-
<b>Total</b>	<u>14,188</u>	<u>7,512</u>

**Nation Broadcasting Corporation Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

*Other payables - related parties*

	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Nation Multimedia Group Public Company Limited	10,965	9,379
<b>Related parties</b>		
Nation International Edutainment Public Company Limited	1	391
WPS (Thailand) Co., Ltd.	-	1,423
Others	150	67
<b>Total</b>	<u>11,116</u>	<u>11,260</u>

**5 Current investments**

	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>	
Short-term investments at financial institutions	<u>45,000</u>	<u>90,000</u>

**6 Trade accounts receivable**

	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>	
Related parties	5,037	6,320
Other parties	177,814	167,921
	<u>182,851</u>	<u>174,241</u>
Less allowance for doubtful accounts	(6,086)	(6,736)
<b>Total</b>	<u>176,765</u>	<u>167,505</u>
	2011	2010
	<i>(in thousand Baht)</i>	
Bad and doubtful debts expenses (reversal) for the:		
- three-month periods ended 30 September	<u>(803)</u>	<u>335</u>
- nine-month periods ended 30 September	<u>(439)</u>	<u>1,285</u>

**Nation Broadcasting Corporation Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

Aging analyses for trade accounts receivable were as follows:

	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>	
<b>Related parties</b>		
Within credit terms	3,861	3,882
Overdue:		
Less than 6 months	957	-
6-12 months	-	2,433
Over 12 months	219	5
	<u>5,037</u>	<u>6,320</u>
Less allowance for doubtful accounts	-	-
	<u>5,037</u>	<u>6,320</u>
<b>Other parties</b>		
Within credit terms	140,915	135,768
Overdue:		
Less than 6 months	29,073	19,607
6-12 months	3,097	8,205
Over 12 months	4,729	4,341
	<u>177,814</u>	<u>167,921</u>
Less allowance for doubtful accounts	<u>(6,086)</u>	<u>(6,736)</u>
	<u>171,728</u>	<u>161,185</u>
<b>Net</b>	<u>176,765</u>	<u>167,505</u>

The normal credit term granted by the Company is 90 days.

**Nation Broadcasting Corporation Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

**7 Equipment**

Acquisitions disposals and transfers of equipment during the nine-month periods ended 30 September 2011 and 2010 were as follows:

*Nine-month periods ended  
30 September*

	2011		2010	
	Acquisitions and transfers in - cost	Disposal and transfer out -net book value <i>(in thousand Baht)</i>	Acquisitions and transfers in - cost	Disposal and transfer out -net book value
Leased assets improvements	609	-	1,530	-
Operating equipment	32,451	-	59,704	-
Furniture, fixtures and office equipment	1,086	-	814	-
Vehicles	-	107	856	-
Assets under installation	2,494	-	4,062	3,586
<b>Total</b>	<b><u>36,640</u></b>	<b><u>107</u></b>	<b><u>66,966</u></b>	<b><u>3,586</u></b>

**8 Trade accounts payable**

	Note	30 September 2011 <i>(in thousand Baht)</i>	31 December 2010
Related parties	4	14,188	7,512
Other parties		32,759	21,860
<b>Total</b>		<b><u>46,947</u></b>	<b><u>29,372</u></b>

**9 Employee benefit obligations**

*(in thousand Baht)*

Statement of financial position - obligations at 30 September 2011

14,336

*Three-month period ended 30 September 2011*

Statement of comprehensive income - recognised in profit or loss

457

*Nine-month period ended 30 September 2011*

Statement of comprehensive income charge - recognised in profit or loss

1,369

The Company adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 3 (c). As stated in note 3 (c), the Company has opted to record the entire amount of the transitional obligation as at 1 January 2011, totaling Baht 12.97 million, as an adjustment to retained earnings as at 1 January 2011.

The Company operates defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

# Nation Broadcasting Corporation Public Company Limited

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

Movement in the present value of the defined benefit obligations:

*Nine-month period ended 30 September 2011* (in thousand Baht)

Defined benefit obligations at 1 January 2011	12,967
Current service costs and interest	1,369
<b>Defined benefit obligations at 30 September 2011</b>	<b>14,336</b>

Expense recognised in profit or loss:

*Three-month period ended 30 September 2011* (in thousand Baht)

Current service costs	305
Interest on obligation	152
<b>Total</b>	<b>457</b>

*Nine-month period ended 30 September 2011* (in thousand Baht)

Current service costs	914
Interest on obligation	455
<b>Total</b>	<b>1,369</b>

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

*Three-month period ended 30 September 2011* (in thousand Baht)

Cost of sales and rendering of services	224
Administrative expenses	233
<b>Total</b>	<b>457</b>

*Nine-month period ended 30 September 2011* (in thousand Baht)

Cost of sales and rendering of services	670
Administrative expenses	699
<b>Total</b>	<b>1,369</b>

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

	(%)
Discount rate	4.7
Future salary increases	4.0 - 7.0

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



# Nation Broadcasting Corporation Public Company Limited

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### 10 Reserves

#### *Legal reserve*

Section 116 of the Public Companies Act B.E. 2535 requires that a 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.

### 11 Warrants

At the annual general shareholders' meeting 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 the such exercise with the Ministry of Commerce on 20 May 2011.

On 30 September 2011 the Company's directors, management and/or employees exercised the warrants to purchase ordinary shares 2,382,000 units totalling of Baht 7.9 million which the Company has share premium amounted to Baht 5.6 million and the Company reserved 6,118,000 ordinary shares at Baht 1 par value for the outstanding exercisable warrants.

**Nation Broadcasting Corporation Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

**12 Segment information**

*Information about reportable segments:*

<b>Business segments:</b>	<b>TV advertising media</b>		<b>Radio advertising media</b>		<b>New media advertising</b>		<b>Total</b>	
<b>Nine-month periods ended 30 September</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Revenue from external customers	<u>390,170</u>	<u>326,025</u>	<u>23,183</u>	<u>19,879</u>	<u>84,138</u>	<u>93,329</u>	<u>497,491</u>	<u>439,233</u>
Segment profit (loss) before income tax	<u>76,004</u>	<u>60,461</u>	<u>1,463</u>	<u>(6,729)</u>	<u>24,765</u>	<u>43,734</u>	<u>102,232</u>	<u>97,466</u>

*(in thousand Baht)*

# Nation Broadcasting Corporation Public Company Limited

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### 13 Earnings per share

#### *Basic earnings per share*

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2011 and 2010 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

#### *Three-month periods ended 30 September*

	2011 <i>(thousand Baht/ thousand shares)</i>	2010 <i>(thousand Baht/ thousand shares)</i>
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>27,851</u></b>	<b><u>28,279</u></b>
Number of ordinary shares outstanding 1 January	172,259	170,000
Effect of share issued on 27 May	<u>123</u>	<u>-</u>
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b><u>172,382</u></b>	<b><u>170,000</u></b>
<b>Basic earnings per share (in Baht)</b>	<b><u>0.16</u></b>	<b><u>0.17</u></b>

#### *Nine-month periods ended 30 September*

	2011 <i>(thousand Baht/ thousand shares)</i>	2010 <i>(thousand Baht/ thousand shares)</i>
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>80,586</u></b>	<b><u>80,461</u></b>
Number of ordinary shares outstanding 1 January	172,259	170,000
Effect of share issued on 27 May	<u>57</u>	<u>-</u>
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b><u>172,316</u></b>	<b><u>170,000</u></b>
<b>Basic earnings per share (in Baht)</b>	<b><u>0.47</u></b>	<b><u>0.47</u></b>

# Nation Broadcasting Corporation Public Company Limited

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

### *Diluted earnings per share*

The calculations of diluted earnings per share for the three-month and nine-month periods ended 30 September 2011 and 2010 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary share as follows:

#### *Three-month periods ended 30 September*

	2011	2010
	<i>(thousand Baht/ thousand shares)</i>	
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b>27,851</b>	<b>28,279</b>
Weighted average number of ordinary shares outstanding (basic)	172,382	170,000
Effect of exercise of shares options	2,894	3,978
<b>Weighted average number of ordinary shares outstanding (diluted)</b>	<b>175,276</b>	<b>173,978</b>
<b>Diluted earnings per share (in Baht)</b>	<b>0.16</b>	<b>0.16</b>

#### *Nine-month periods ended 30 September*

	2011	2010
	<i>(thousand Baht/ thousand shares)</i>	
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b>80,586</b>	<b>80,461</b>
Weighted average number of ordinary shares outstanding (basic)	172,316	170,000
Effect of exercise of shares options	3,014	2,162
<b>Weighted average number of ordinary shares outstanding (diluted)</b>	<b>175,330</b>	<b>172,162</b>
<b>Diluted earnings per share (in Baht)</b>	<b>0.46</b>	<b>0.47</b>

## 14 Dividends

At the annual general meeting of shareholders held on 5 April 2011, the shareholders approved the appropriation of dividend of Baht 0.44 per share, amounted to Baht 75.03 million as the operating result 2010. 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 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 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 annual general meeting of shareholders held on 26 April 2010, the shareholders passed resolutions to approve the appropriation of dividend of Baht 0.18 per share, amounting to Baht 30.6 million. The dividend was paid to shareholders during the year 2010.

At the Board of Directors' meetings held on 4 June 2010, the Board of Directors approved the appropriation of interim dividend of Baht 0.10 per share, amounted to Baht 17.0 million. The dividend was paid to shareholders during the year 2010.

**Nation Broadcasting Corporation Public Company Limited**  
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**For the three-month and nine-month periods ended 30 September 2011 (Unaudited)**

At the Board of Directors' meetings held on 6 August 2010, the Board of Directors approved the appropriation of interim dividend of Baht 0.12 per share, amounted to Baht 20.4 million. The dividend was paid to shareholders during the year 2010.

**15 Commitments with non-related parties**

	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>	
<b>Commitments</b>		
Within one year	40,045	27,138
After one year but within five years	143,740	92,101
After five years	77,537	92,303
<b>Total</b>	<b>261,322</b>	<b>211,542</b>
<b>Other commitment</b>		
Bank guarantees	7,767	3,786

- a) The Company has entered into lease and service agreements for its the office premises and facilities with a local company for the period of 2 years, commencing from 30 April 2009 to 29 April 2011. The Company has an option to renew for a further period of one year under the same condition.
- b) The Company has entered into news supply agreement with a foreign company for a period of 4 years, commencing from 1 June 2011 to 31 May 2016 with an option to renew.
- 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 4.3 million
4 February 2010 (Amendment on 11 May 2010)	15 February 2010 to 31 March 2020	10 years	USD 3.2 million
12 September 2011	1 October 2011 to 30 September 2016	5 years	USD 1.2 million

**16 Events after the reporting period**

At the Board of Directors' meetings held on 9 November 2011, the Board of Directors approved the appropriation of interim dividend of Bah 0.10 per share, amounted to Baht 17.24 million.

At the Board of Director's meeting held on 26 October 2011, the Board of Directors approved the Treasury Stock Program by the objective to manage its excess liquidity management, increase in return on equity and earnings per share ratios with a limit of Baht 50 million by repurchasing ordinary shares at 10 million shares equivalent to 5.80% of total paid-up shares of the Company. The period of repurchase of shares is from 10 November 2011 to 9 May 2012 and these repurchase shares will be sold from 10 November 2012 to 9 November 2015 (after 6 months from the date of completing the repurchase of ordinary share, but not more than 3 years)