

THE POST PUBLISHING PUBLIC COMPANY LIMITED



60 YEARS OF TRUST



2006 ANNUAL REPORT

THE POST PUBLISHING PUBLIC COMPANY LIMITED

| | | | | | |
|------|------|------|------|------|------|
| | | | | | |
| 1946 | 1947 | 1948 | 1949 | 1950 | 1951 |
| | | | | | |
| 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
| | | | | | |
| 1958 | 1959 | 1960 | 1961 | 1962 | 1963 |
| | | | | | |
| 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
| | | | | | |
| 1970 | 1971 | 1972 | 1973 | 1974 | 1975 |
| | | | | | |
| 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
| | | | | | |
| 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
| | | | | | |
| 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
| | | | | | |
| 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
| | | | | | |
| 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |

OUR MISSION

We aim to be the best
in the business of news and information
in Thailand and the region,
reaching out to the world.





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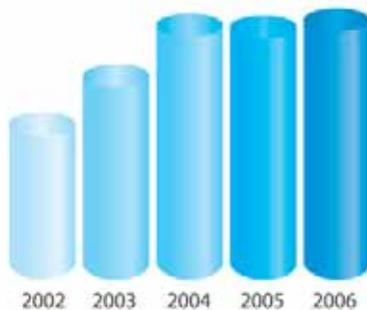
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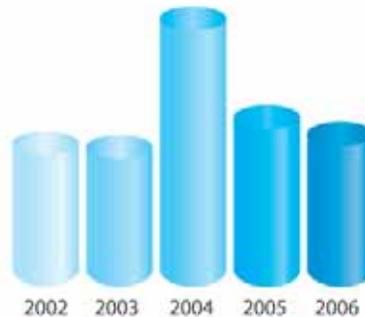
FINANCIAL HIGHLIGHTS

| (Unit: Million Baht) | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Sales Revenue | 1,126.2 | 1,473.3 | 1,839.2 | 1,825.3 | 1,876.7 |
| Other Revenue | 36.0 | 34.9 | 41.1 | 38.4 | 37.1 |
| Total Revenue | 1,162.2 | 1,508.2 | 1,880.3 | 1,863.7 | 1,913.7 |
| Net Profit | 104.1 | 100.8 | 194.2 | 122.8 | 111.0 |
| Return on Sales (%) | 9.0 | 6.7 | 10.3 | 6.6 | 5.8 |
| Total Assets | 1,010.0 | 1,117.7 | 1,348.8 | 1,652.4 | 1,890.9 |
| Total Liabilities | 145.4 | 245.4 | 402.1 | 722.9 | 960.4 |
| Shareholders' Equity | 864.5 | 872.4 | 946.7 | 929.5 | 930.5 |
| Return on Assets (%) | 10.3 | 9.0 | 14.4 | 7.4 | 5.9 |
| Return on Equity (%) | 12.0 | 11.6 | 20.5 | 13.2 | 11.9 |
| Earnings per share (Baht)* | 0.21* | 0.20* | 0.39 | 0.25 | 0.22 |

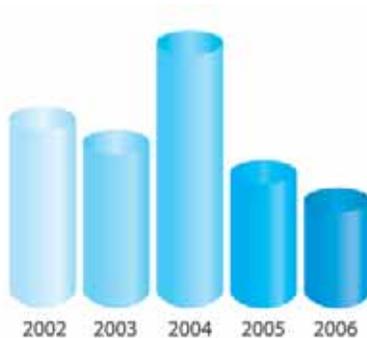
* For comparative purposes, the basic earnings per share have been recalculated using the number of shares after the shares split from 50 million ordinary shares (par value at Baht 10 each) into 500 million ordinary shares (par value at Baht 1 each) in the year 2004.



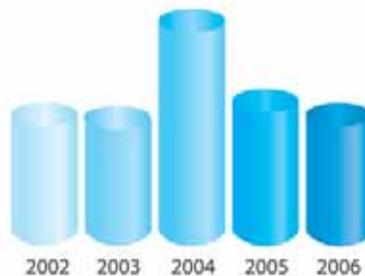
Sales Revenue



Net Profit



Return on Assets



Return on Equity



REPORT TO SHAREHOLDERS

To: The Shareholders of The Post Publishing Public Company Limited

2006 marked an auspicious year for Thailand, the occasion being the 60th Anniversary of His Majesty the King's Accession to the Throne. The Bangkok Post produced a series of twelve special publications profiling His Majesty's life and work over the past 60 years, published from 5 December 2005 to November 2006.

The year also was important for the company as it celebrated the 60th anniversary of the Bangkok Post, which remains as ever, the principal English-language newspaper in Thailand.

The newspaper industry experienced a negative growth on advertising sales last year, a reflection of unstable oil prices and political uncertainties.

Revenue showed a marginal growth compared to the year 2005. The net profit however, was slightly reduced as a result of higher production and selling costs.

Construction of the new printing and distribution centre at Bang Na-Trad Highway was completed in November and new press and post-production equipment are now being installed. Testing of all machinery and equipment should be ready by the first quarter of 2007. Once operational, this printing and distribution centre will be the most integrated newspaper production facility in Thailand.

We thank our readers, advertisers and staff for their continued loyalty, support and hard work throughout the year. With your help, we have achieved moderate success with our financial performance, generating a consolidated net income for the year of Baht 110.99 million.

The Board of Directors recommends that shareholders approve the full-year dividend of Baht 80 million or Baht 0.16 per share. The Company has already made an interim dividend payment of Baht 30 million or Baht 0.06 per share in December 2006. Subject to the approval of the shareholders, the final dividend will be Baht 50 million or Baht 0.10 per share.

Mr Chavalit Thanachanan
Chairman of the Board of Directors

Mr Suthikiati Chirathivat
Chairman of the Executive Committee



STATEMENT OF THE AUDIT COMMITTEE

To: The Shareholders of The Post Publishing Public Company Limited

The Audit Committee of The Post Publishing Public Company Limited comprises three Committee members who are independent directors, namely Dr Siri Ganjarerndee, the Committee Chairman, Mr Pichai Vasanong, and Mr John Thompson. Mrs Chantana Suebsin, the Chief Audit Executive, serves as Secretary of the Committee.

The Audit Committee performed its duties as empowered by the Board in accordance with the requirements of The Stock Exchange of Thailand, the Principles of Good Corporate Governance, and relevant laws and regulations. These include the reviews of annual and interim financial statements, internal reporting, and internal control procedures. It has also recommended the appointment and fees of the external auditors.

The Committee oversees compliance with applicable laws and regulations through the review of the Internal Audit Division with support from the Company Secretary. The Committee reports to and discusses its activities with the Board in the quarterly Board of Directors meetings.

During the year 2006, the Committee held four official meetings to review the

quarterly and annual financial statements and discuss matters arising therefrom with management. The Committee continued its efforts to enhance the roles of the Good Corporate Governance and the Risk Management as parts of corporate management.

The Committee reviewed and approved the scope of work and the audit plan for the Internal Audit Division, and reviewed its reports and recommendations.

Progress with implementation of recommendations of the Internal Audit Division is being monitored on a regular basis. The Committee also promoted the proficiency, the effectiveness, and the quality of internal audit services by giving appropriate advice and encouraging internal auditors to have appropriate development and training courses.

The Committee, in collaboration with both the internal auditors and external auditors, reviewed the efficiency and adequacy of the Company's internal controls. In the Committee's opinion, overall controls were generally appropriate for the current business operations.

The Committee reviewed the Annual Financial Statements for the year 2006, based on the information provided to the Committee. Preparation of the related statements complies in all material respects, in accordance with Generally Accepted Accounting Principles, with the regulatory requirements. The Committee therefore recommends that the Board present the Consolidated and Company Financial Statements for the year ended 31 December 2006 to the Shareholders for their approval.

The Committee considered the engagement of the Company's external auditor for the year 2007, and recommended that the Board proposes to Shareholders that Ms Saifon Inkaew, Certified Public Accountant Registration No 4434, and/or Ms Siraporn Ouaanunkun, Certified Public Accountant Registration No 3844, and/or Mr Supachai Phanyawattano, Certified Public Accountant Registration No 3930 of Ernst & Young Office Limited be appointed as the Company's auditors. The Committee also considered the proposed audit fee for the year 2007, taking into account the market rate and the workload. The proposed audit fee is deemed reasonable.

Attendance Record of the Audit Committee Members for the year 2006 is as follows:

| MEETING Date | 1 | 2 | 3 | 4 | TOTAL | % |
|----------------------|--------|-------|-------|-------|-------|-----|
| | 10 FEB | 4 MAY | 4 AUG | 3 NOV | | |
| Attendant | | | | | | |
| Dr Siri Ganjarerndee | 1 | 1 | 1 | 1 | 4 | 100 |
| Mr Pichai Vasanong | 1 | 1 | 1 | - | 3 | 75 |
| Mr John Thompson | 1 | 1 | 1 | 1 | 4 | 100 |

Dr Siri Ganjarerndee
Chairman of the Audit Committee
19 February 2007

PRODUCTS & BUSINESS OPERATIONS





NATURE OF BUSINESS

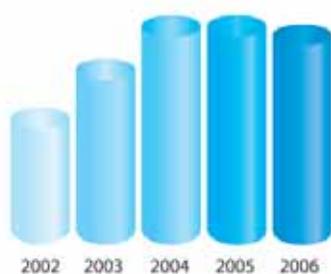
Summary

The Post Publishing Public Company Limited is the publisher and distributor of the Bangkok Post – an English-language newspaper, Post Today – a Thai-language business newspaper, and Student Weekly – an English-language magazine for high school and college students. The Company also has a commercial printing operation that offers general printing services for the Company and its subsidiaries, and outside customers as well. And in recent years, the Company's news and information businesses have expanded to include electronic and digital media.

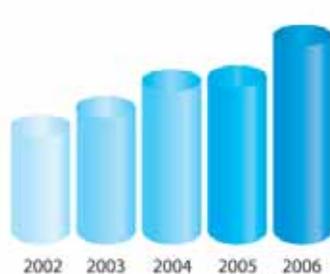
The Company's subsidiary companies: Hachette Filipacchi Post Company Limited, Hachette Filipacchi Post-ACP Company Limited, and HFPost-MC Company Limited, publish and distribute international magazines in Thai language. They are ELLE, ELLE Decoration, CLEO, and Marie Claire.

REVENUE

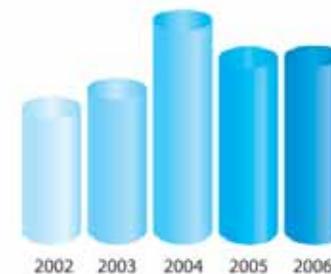
| (Unit: Million Baht) | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Advertising Sales Revenue | 769.4 | 1,063.2 | 1,326.0 | 1,326.4 | 1,276.8 |
| Newspaper Sales Revenue | 290.2 | 334.7 | 399.9 | 408.1 | 508.2 |
| Commercial Printing Service Revenue | 66.6 | 75.5 | 109.2 | 90.8 | 91.7 |
| Other Revenue | 36.0 | 34.8 | 45.2 | 38.4 | 37.1 |
| Total Revenue | 1,162.2 | 1,508.2 | 1,880.3 | 1,863.7 | 1,913.8 |



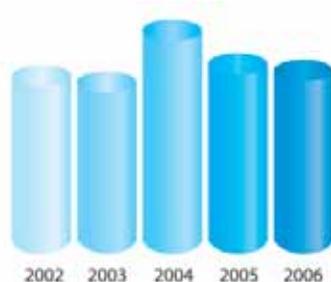
Advertising Sales Revenue



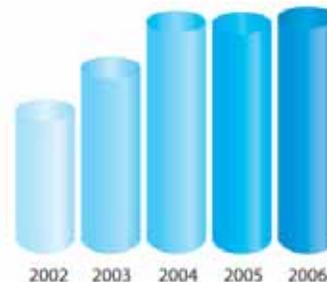
Newspaper Sales Revenue



Commercial Printing Service Revenue



Other Revenue



Total Revenue



COMPANY BUSINESS OPERATIONS

Major Achievements in 2006 and Outlook for 2007

To celebrate the 60th Anniversary of His Majesty the King's Accession to the Throne, the Bangkok Post produced a series of twelve special publications profiling His Majesty's life and works over the past 60 years. The series was published together with the Bangkok Post from December 2005 to November 2006.

Bangkok Post and Post Today successfully worked together on a Thai and English language book entitled **The Sixtieth Anniversary Celebrations of His Majesty's Accession to the Throne – A Pictorial Commemoration**. The book set a new record for book sales in Thailand. Over 900,000 copies were sold within a few weeks.

All of the Company's main websites were completely redesigned starting from late 2005 and continuing through 2006 and the new formats have proven to be a success in terms of both visitors and revenue. Web traffic, as measured by the number of visitors and page views, grew substantially in 2006. A job-matching career website, www.jobjob.co.th, was launched at the end of 2006.

Overall media expenditure in 2006 saw no growth over 2005. Major contributing sectors – property, high-end cars, mobile phones and retail – saw marketing and advertising expenditure reduced, in line with the slowing economy during 2006. Overall newspaper advertising declined by 11 per cent while the Company's total advertising revenue declined by 5 per cent. Supplements declined the most due to the fall in advertising from property development openings and delays in initial public offerings.

Better performers in 2006 were the banking and financial sectors and tourism-related services.

Revenue growth was negative for the year, largely because of economic uncertainties following the sharp rises in fuel prices and local political changes and other issues. However, the Bangkok Post and Post Today's **The Sixtieth Anniversary Celebrations of His Majesty's Accession to the Throne – A Pictorial Commemoration** made up most of the revenue shortfall.

Newsprint prices continued to rise throughout most of the year. Prices started to stabilise near the end of the year as China began exporting raw materials.

The Company continued to see increases in circulation of the Bangkok Post in every month of 2006. Post Today also saw a moderate increase over 2005 as it reached its 4th year of operations and has become firmly established with a strong readership in Thailand.

Media expenditure in January and February 2007 was adversely affected by the New Year bombings and continuing local political uncertainties that together led to a loss of confidence in the major advertising sectors. The initial forecast for media expenditure for 2007 is expected to be revised downward. With tighter control over costs and new ideas for generating revenue, the Company will continue to work hard toward achieving its aim to be the best in the business of news and information in Thailand and the region, reaching out to the world.

The Company's new printing plant at Bang Na-Trad Highway (Km 19) is completed and will be ready for commercial operations in the second quarter of 2007. It will offer higher quality printing on modern, computerised, high-speed presses, provide a better experience to readers of both the Bangkok Post and Post Today, and a better service to advertisers.



BANGKOK POST



2006 was an especially auspicious year for the Thai people as it marked the 60th Anniversary of His Majesty the King's Accession to the Throne. To join the whole kingdom in celebrating this joyous occasion, as far back as 2005, the Bangkok Post started producing a series of twelve special publications profiling His Majesty's life and work over the past 60 years. The first of these was published together with the Bangkok Post on 5 December 2005, to coincide with His Majesty's birthday, and the 12th and final publication in the series was published in November 2006.

In June 2006, the month of the actual anniversary of His Majesty's accession to the throne, the Thai Government hosted specially-invited monarchs from all over the world who came to participate in the ceremonies celebrating the grand event. To commemorate the regal occasion, the Bangkok Post with the cooperation of Post Today produced a lavishly illustrated record of the proceedings with a commentary in Thai and English. Entitled **The Sixtieth Anniversary Celebrations of His Majesty's Accession to the Throne – A Pictorial Commemoration**, the book obviously struck a chord with people as it set a new record for book sales in Thailand. Over 900,000 copies flew off the shelves within a matter of weeks.

In December, meanwhile, the Post published **Gardens of Goodwill** to commemorate the **Royal Flora Ratchaphruek 2006** flower and garden exhibition in Chiang Mai, another major event arranged to celebrate the anniversary of His Majesty's accession and also his forthcoming 80th birthday in December 2007. Packed with beautiful photos from the gardens, the book also sold very well.

On a general note, under the editorship of Mr Pattapong Chantranontwong, the Bangkok Post has continued to adhere to its long-standing tradition of fair and balanced reporting based on the principles of honesty and integrity. At the same time, it has also continued to evolve. Among other key developments, the editorship introduced a new section called **asia focus** as part of its ongoing drive to consolidate and enhance the Bangkok Post's status as the region's leading daily. The new two-page section focuses on business and investment developments and opportunities throughout Asean and in China and India. Currently packaged with Business Post, the medium-term objective is to develop it into a separate pullout section to complement the paper's other successful pull-outs and thereby continue to give our readers the widest ranging and best quality news, analysis and features.





POST TODAY



Post Today continued to improve its quality both in terms of design and content. At the same time, unlike its rivals, it kept its news-stand price unchanged.

The core objective of the improvements is to mould the paper into Thailand's leading daily newspaper, not just its leading business newspaper. These efforts are evidently paying off, as Post Today has become well-known in the market for being Thailand's fastest growing newspaper and for having more readers than any other business newspaper. One of Thailand's most reliable polling organisations, Suan Dusit University, has independently confirmed these findings.

These developments will proceed and pick up pace in 2007 as Post Publishing's new printing centre comes into operation. Not least, the coming year will see Post Today extend its distribution far beyond Bangkok, its neighbouring provinces and other key urban areas.

Meanwhile, Post Today will continue to focus on constantly improving its editorial quality, whether news, views or features. Above all, it will strive to maintain its emphasis on reliable and balanced reporting in keeping with its desire to be a leading media player and a major asset to Post Publishing.





STUDENT WEEKLY



It was another good year for Student Weekly in 2006. Well-known as Thailand's top English-language magazine, Student Weekly continued to see strong sales — to subscribers, to schools, and on newsstands — proving that it is a must-read magazine for hundreds of thousands of readers in Thailand.

November 2006 saw Student Weekly reveal a brand new, eye-catching design, highlighted by modern, cutting-edge page design and attention-grabbing cover photography.

Student Weekly continued to provide readers with up-to-date and original interviews with celebrities making news both at home and around the globe. Ronan Keating, Simon Webbe, 50 Cent, The Click Five and The Backstreet Boys were just a few of the big names who took the time to talk with Student Weekly.

Locally, such acts as Girly Berry, Big Ass, Thongchai McIntyre and Golf-Mike were reader favourites that Student Weekly interviewed.

While the stars certainly shined in 2006, the year also saw the continued improvement of Student Weekly's industry-leading education section. Extra content was added and sections were rethought, all in the hopes of making learning the English language both fun and fruitful. By adding a cartoon of the world's first grammar-wielding superhero, Grammarman, Student Weekly proved that fun and education aren't mutually exclusive.





HACHETTE FILIPACCHI POST COMPANY LIMITED



The Thai magazine industry in 2006 was greatly affected by the poor economy and political instability which lead to a decrease in advertising spending in the women's magazine market.

Nevertheless, **ELLE**, **CLEO** and **MARIE CLAIRE**, under the management of Hachette Filipacchi Post Company Limited, managed to maintain their 2005-level advertising market shares. ELLE and CLEO continued to rank number one and two, respectively, among international women's titles

Further supporting its position as Thailand's leading publisher of international women's titles, the magazines in the portfolio were identified as three of the top five best-selling women's magazine titles in its news-stand survey.

Meanwhile, **ELLE DECORATION**, the prominent home and decorative magazine under the management of the company, achieved the second-largest market share in its sector in terms of advertising.

Looking ahead to 2007, Hachette Filipacchi Post Company Limited and its associated companies share a strong determination to further develop the quality of all four magazines in the portfolio and to gain even greater trust from both readers and advertisers.





ADVERTISING



The Classified team continued to strengthen its leadership in the market, offering its customers higher value-added services. These included organising campaigns and seminars for **Personnel Wanted** customers and conducting activities to increase reader interactivity. Also on the positive side, Classified's well-established **Serviced Apartments Directory**, distributed with the Bangkok Post, remained popular with readers and advertisers alike.

Classified continued to improve its presentation on the Internet. A new job website — www.jobjob.co.th — was soft-launched in the fourth quarter of 2006, to ensure that Post Classified job ads are easily accessible both in print and online. jobjob.co.th provides an intelligent job-matching service, offering a range of special tools for job seekers and recruiters alike. With help from the marketing department, the website should serve Classified very well in 2007, thereby helping to drive growth in both readership and advertising revenues.

In 2006, the **Display** department set about its mission of turning crisis into opportunity with determination.

- A series of 15 special wrap-around sections commemorating the 60th Anniversary of His Majesty's Accession to the Throne were produced for both the Bangkok Post and Post Today, successfully attracting additional revenue.
- The travel section of Post Today launched a new column entitled **20 Routes to Honour HM the King**, a joint sponsorship with TAT and Toyota Motor (Thailand).
- Post Today organised a highly successful **Future Leaders** campaign whereby advertisers donated a portion of the cost of their advertisements for scholarships for bright but needy students.

As in previous years, the Holiday Time sections in both papers fully met the sales target. Display also stepped up its support of special features and creative publications in the Bangkok Post and Post Today, apart from pushing R.O.P. advertising. Display also redoubled its efforts to maintain good relations with both agencies and direct customers, as it continued to build on past successes to sell more advertising in Post's two magazine-format publications — **Guru** and **The Magazine**.





SUPPLEMENTS, CREATIVE + SPECIAL PUBLICATIONS



A general slowdown in business activity naturally constrained revenues of the Special Publications Advertising Department. Nevertheless, the department was still able to generate 73% of its revenue target for the Bangkok Post. The situation was brighter for Post Today supplements which recorded a 20% growth over 2005.

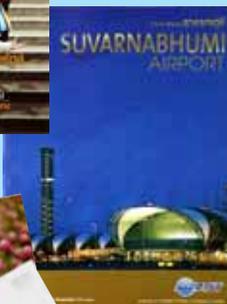
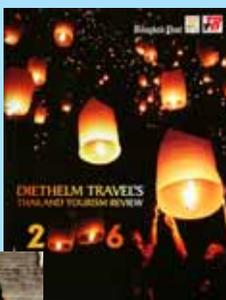
In order to maximise advertising revenue for the company in 2006, the department came up with several creative supplements on a variety of topics, as follows:

- Shop in Style Handbook
- Doo Dee Sookabhap Dee (Looking Good, Feeling Good)
- Baan Meu Song (Pre-owned Housing)
- Quality Healthcare
- SET 100
- International Education in Thailand

At the same time, the department has continued to maximise advertising revenues from the Bangkok Post's **Economic Reviews** and Post Today's **Ban Teuk Prathes Thai** (Thailand Records), both of which are published twice yearly.

Outstanding publications in Bangkok Post and Post Today supplements portfolio of 2006 included glossy, well-designed publications marking the 60th anniversary of His Majesty the King's Accession to the Throne, the fifth Diethelm Travel's yearly in-depth review of the tourism industry in Thailand, a shopping guidebook for the Hong Kong Tourism Authority, International Education in Thailand, the fourth Serviced Apartments Directory, and the grand opening of Thailand's new gateway – Suvarnabhumi Airport.

Property-hospitality supplements that comprise almost 35% of the total volume of publications saw reasonable growth. Publications that marked special achievements in the business and industrial sectors continued to be strong contributors to the company's revenues. Prominent organisations in both the public and private sectors, including the Board of Investment, Diethelm, Thai Tinsplate, Central, and Le Raffine, all managed to impress their clients with glossy brochure-like supplements, full of trendy graphics and upbeat slogans, for which the department has in latter years, become renowned in the market.





POST DIGITAL



Although a relatively new division of the Company, Post Digital took major strides in 2006. Both existing and new products and media enjoyed good growth and generated increased revenue.

SMS news services in both English and Thai were launched in 2005 and expanded to include more mobile phone service providers in 2006, resulting in a big jump in subscriptions and revenue.

The power of the **instant news** SMS bulletins was especially evident during the major political events last year – the coup and the bombings in Bangkok.

Similarly strong coverage was evident on the two main websites operated by Post Digital: **www.bangkokpost.com** and **www.posttoday.com**. After both undergoing complete redesigns, the sites introduced a new **Breaking News** feature operating around the clock. Again, this has proved to be highly popular and website traffic at both sites grew substantially in 2006.

During 2006, Post Digital, through its partner Newspaper Direct, successfully launched Thailand's first electronic newspapers (E-paper) at the Press Display website. Anyone with an Internet connection, anywhere in the world, can now read both the Bangkok Post and Post Today online, in exactly the same form and with the same look and feel as the printed newspaper delivered every morning.

At the end of 2006, Post Publishing Plc launched **www.jobjob.co.th**, a job matching **genius website**, which also came under the administration of Post Digital.

Post Digital was also busy working on plans to launch a **smart edition** of the Bangkok Post in early 2007. The smart edition will justify its label with a range of special functions and features, including sound files, text translation into various languages and blogs.

Post Digital also plans to increase traffic and revenue at all four sites through ongoing community creation initiatives in 2007.





MARKETING & NEWSPAPER SALES



The Marketing Department played an important role in carrying out strategy and communication plans to increase circulation sales growth of the Bangkok Post and Post Today in 2006. Subscription sales substantially increased during both of the Book Fair events in March and October 2006.

Emphasis was placed on providing additional benefit to readers through entertainment and sports events, including Disney on Ice and the ATP Thailand Tennis Tournament, for which the company acted as co-sponsors.

Brand awareness and exposure for all the company's products increased through the use of campaigns including TV commercials, radio spots, print advertisements, events and online promotions. The 60th anniversary of the Bangkok Post was celebrated through a comprehensive campaign with the anniversary event on 1 August 2006 being the highlight.

In addition, the department also managed the launch and promotion of new products of the company such as www.jobjob.co.th, the new career website from Post Digital and the continuing promotion of Bangkok Post's Guru and The Magazine publications, as well as supporting the company's relationship with readers and advertising clients.

The year that marked the 60th anniversary of the Bangkok Post was indeed significant for the company. Against a background of slowing economic growth, the Circulation Department still managed to increase sales of the Bangkok Post sufficiently to achieve its distribution target despite higher cover and subscription prices. Sales of Post Today also saw a moderate increase over 2005. Now almost four years in the industry, Post Today is already firmly established with a strong readership in Thailand.

The Circulation Department expects to further accentuate distribution of both newspapers in 2007. As the company switches production to its new cutting-edge printing facility, both production and distribution functions will be taken to a higher level, allowing us to better respond to our current readership's needs while also attracting more new readers into the fold.





COMMERCIAL PRINTING



2006 was a successful year for the Post Publishing's commercial printing operations – Allied Printers.

Competition in the printing industry is increasingly intense resulting in very aggressive pricing. Nevertheless, thanks to the excellent efforts of the staff, Allied Printers achieved a higher revenue than in 2005. In addition, the department exercised more stringent cost controls which together resulted in better margins.

For 2007, Allied Printers has set two commercial printing targets:

- The first target is to further develop quality of work and maximise customer satisfaction. This will be achieved by enhancing operational efficiency.
- The second is to implement a pro-active marketing strategy with the aim of achieving service excellence and making a most favourable impression on customers. This will raise Allied Printers' profile and promote its positive image in the marketplace, especially with regard to its one-stop service and its creative capacity, which are already widely acclaimed in the market.

Overall, it is envisaged that these efforts will propel Allied Printers to a yet higher level of operational excellence and profit in the years to come.





NEW PRINTING & DISTRIBUTION CENTRE



Construction of the new printing and distribution centre at Km 19 of the Bang Na-Trad Highway, which started in mid 2005, has been completed and equipment and machinery installations are in progress. The new complex, on a 19-rai plot of land about a 10-minute drive from Suvarnabhumi Airport, is expected to be operational in April 2007.

Comprising an 8,500-square-metre printing plant and the 1,200-square-metre newsprint warehouse, the new plant will house state-of-the-art production equipment. This will include a new **KBA Prisma**, the first 4/1 or double width/single plate around press in Southeast Asia. The new press, equipped with full computer control and pre-setting features to ensure the highest efficiency and printing quality, is capable of printing up to 75,000 copies of 32 full-colour pages per hour. This will significantly increase the Post Publishing's printing capacity and colour capabilities to meet the growing demands of the market.

A comprehensive mailroom and post-press system being installed at the new plant includes an additional mechanical inserting capacity, a gripper conveyor system to transport printed copies from the press to the adjoining mailroom and also complete bundle-packing equipment. All the mailroom equipment from Schur Packaging Systems a/s is connected in line and synchronised with the new press.

Two **Agfa Polaris XEV** computer-to-plate (CTP) machines will enable direct transmission of the newspaper pages from the city editorial office to output as printing plates at the new printing plant, completely eliminating films from the pre-press process.

Once operational, the new printing and distribution centre will be the most integrated newspaper production facility in Thailand.





HUMAN RESOURCES



Human Resources is one of the key driving forces behind the company's success, as measured by its achievement of its set targets, its mission, and its vision.

The Post Publishing Plc's mission is to **aim to be the best in the business of news and information in Thailand and the region, reaching out to the world.**

To achieve this, the Post's staff must not only be highly skilled but also have a good attitude and strong values. Such are the key elements in the organisation's success.

Core values every member of staff must keep in mind include:

1. **Honesty and ethical behaviour**
2. **Innovation and initiative**
3. **Teamwork**
4. **Customer service**
5. **Efficiency, friendliness**
6. **Staff advancement**

Once a clear direction is established, the human resources department will play a vital role in supporting the company's strategic business plans, especially in terms of recruitment, remuneration, training and career development. As such, both the company and staff will enjoy the benefits of success.

This year, The Post Publishing Plc will move its production operation to a new cutting-edge printing facility. To make sure the move is successful, the staff concerned must have the necessary knowledge and skills to utilise the latest technology – technology that is equal to the best in the world. The HR department is ensuring that they are equipped accordingly.

Aside from this, the HR Department implements several schemes to support both staff and the organisation. These include communicating targets, missions, and visions to every level of staff who are also required to thoroughly understand and implement the company's core values.

HR is also active in developing career management systems, including implementing job rotation, so as to continuously develop staff and prepare them for possible future promotions.

For success, all these HR projects depend on the continued support of all parties involved. Fortunately, that support continues to be forthcoming. That fact is greatly appreciated by the HR department, just as it is manifested in the company's fulfilment of its mission to be the leader in its field.





THE BANGKOK POST FOUNDATION



The 60th Anniversary of the Bangkok Post in 2006 was also a special year for the Bangkok Post Foundation. Donations to the Foundation almost tripled in 2006. For the newspaper's 60th anniversary reception, well-wishers were asked not to bring flowers but to make donations to the Foundation instead. The response was overwhelming – over three million baht was donated in one evening.

The number of scholarships in 2006 did not increase as planned, remaining at 140 throughout the country. But a number of students supported by the Foundation over the years graduated and obtained university degrees.

Interest among donors in the Foundation's work remains high. Discussions were underway towards the end of 2006, which may result in the Foundation doing more work with Thai orphans in the field of education. Should these discussions bear fruit, the work of the Foundation is certain to increase.



THE POST PUBLISHING PUBLIC COMPANY LIMITED
AND SUBSIDIARY
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2006 AND 2005





MANAGEMENT DISCUSSION, ANALYSIS AND OPERATION RESULTS

Overall Picture

The economy in 2006 faced a number of negative factors, ranging from rising interest rates to political instability. On the positive side, oil prices started to moderate in the second half of the year. Overall, the economy was driven primarily by exports last year, as domestic demand continued to slow. Exports totalled US\$128 billion in 2006, 17.4% higher than the year before.

Net Sales

The company recorded a total 2006 revenue of Baht 1,877 million, slightly higher by Baht 52 million or 3% than in 2005. Bangkok Post and Post Today advertising revenue showed no growth in 2006. This was a reflection of the whole industry that grew less than 5% overall last year, due to the political uncertainty and sluggish economy. Print media was one of the advertising industry's least performing segments.

Net Earnings

The company earned a net profit after tax of Baht 111 million in 2006, down by Baht 12 million or 9.8% from 2005. The lower profit in 2006 was mainly due to flat growth in advertising sales and increased printing and sales costs.

Operating Costs

The cost of goods sold in 2006 was Baht 1,154 million, an increase of Baht 22 million or 2% from 2005. This was due to higher printing costs for both the newspaper and commercial printing.

Liquidity

Over the past two years, the Company has been building a new printing and distribution facility at Bang Na-Trad. Investment for this project includes the purchase of land for Baht 105 million. In 2006, capital expenditure on the project, including buildings and printing equipment, amounted to approximately Baht 400 million. Against this background, the Company's net borrowings at the end of 2006 increased to Baht 577 million, up by Baht 363 million from December of the previous year. At 1:1, the Company's debt to equity ratio in 2006 was quite acceptable. The bank borrowing to equity ratio was 0.7:1. As the capital commitments to the project have mostly been accounted for in the last two years, borrowing is expected to start falling from 2007 onwards.



REPORT OF INDEPENDENT AUDITOR

**To: The Board of Directors and Shareholders of
The Post Publishing Public Company Limited**

I have audited the accompanying consolidated balance sheets of The Post Publishing Public Company Limited and its subsidiaries as at 31 December 2006, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of The Post Publishing Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. The consolidated financial statements of The Post Publishing Public Company Limited and its subsidiaries and the separate financial statements of The Post Publishing Public Company Limited as at 31 December 2005 and for the year then ended, as presented herein for comparative purposes, were audited by another auditor in the same office. His report dated 3 February 2006, expressed an unqualified opinion on those financial statements.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of The Post Publishing Public Company Limited and its subsidiary and of The Post Publishing Public Company Limited as at 31 December 2006, and the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Saifon Inkaew
Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited
Bangkok: 14 February 2007



THE POST PUBLISHING PUBLIC COMPANY LIMITED AND SUBSIDIARY

BALANCE SHEETS

AS AT 31 DECEMBER 2006 AND 2005

(Unit: Baht)

| | Note | Consolidated | | The Company Only | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | | 2006 | 2005 | 2006 | 2005 |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | | 42,691,035 | 185,340,369 | 5,540,269 | 158,298,292 |
| Trade accounts receivable – net | 6 | 304,279,347 | 314,852,570 | 268,410,314 | 281,182,936 |
| Amounts due from related parties | 7 | 84,986 | 57,137 | 133,802 | 94,769 |
| Inventories – net | 8 | 155,800,883 | 112,253,800 | 151,989,865 | 109,073,366 |
| Other current assets | | 31,319,733 | 24,100,720 | 30,293,669 | 23,086,242 |
| TOTAL CURRENT ASSETS | | 534,175,984 | 636,604,596 | 456,367,919 | 571,735,605 |
| NON-CURRENT ASSETS | | | | | |
| Loan to related party | 7 | 5,497,800 | - | - | - |
| Investments accounted for under equity method | 9 | - | 4,062,590 | 68,766,643 | 58,984,959 |
| Other long-term investments | | | | | |
| Investment in other company | 10 | 16,124 | 16,124 | 16,124 | 16,124 |
| Property, plant and equipment – net | 11 | 1,278,230,204 | 583,270,563 | 1,276,013,801 | 579,877,914 |
| Other non-current assets | | | | | |
| Advances for purchase of equipment | | - | 344,345,665 | - | 344,345,665 |
| Deferred tax assets | 18 | 9,571,923 | 8,204,954 | 9,571,923 | 8,204,954 |
| Intangible assets – net | 12 | 62,406,508 | 74,715,579 | 62,406,508 | 74,715,579 |
| Others | | 987,848 | 1,148,449 | 578,531 | 729,394 |
| TOTAL NON-CURRENT ASSETS | | 1,356,710,407 | 1,015,763,924 | 1,417,353,530 | 1,066,874,589 |
| TOTAL ASSETS | | 1,890,886,391 | 1,652,368,520 | 1,873,721,449 | 1,638,610,194 |

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



THE POST PUBLISHING PUBLIC COMPANY LIMITED AND SUBSIDIARY
BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2006 AND 2005

(Unit: Baht)

| | Note | Consolidated | | The Company Only | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | 2006 | 2005 | 2006 | 2005 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| Short-term loans from banks | 13 | 270,000,000 | - | 70,000,000 | - |
| Accounts payable – trade | | | | | |
| Related parties | 7 | 16,676,589 | 16,811,297 | 20,736,025 | 20,853,519 |
| Unrelated parties | | 102,619,021 | 70,103,418 | 92,503,406 | 60,160,592 |
| Current portion of long-term loans | 14 | 100,000,000 | 50,000,000 | 100,000,000 | 50,000,000 |
| Other current liabilities | | | | | |
| Accrued expenses | | 83,728,711 | 117,859,891 | 82,621,247 | 116,550,239 |
| Corporate income tax payable | | 8,971,849 | 4,558,572 | 6,348,071 | 2,664,199 |
| Unearned subscription fee | | 69,064,267 | 62,608,200 | 67,573,625 | 60,975,891 |
| Others | | 57,818,842 | 50,909,700 | 53,431,790 | 47,888,312 |
| Total other current liabilities | | 219,583,669 | 235,936,363 | 209,974,733 | 228,078,641 |
| TOTAL CURRENT LIABILITIES | | 708,879,279 | 372,851,078 | 693,214,164 | 359,092,752 |
| NON-CURRENT LIABILITIES | | | | | |
| Long-term loans – net of current portion | 14 | 250,000,000 | 350,000,000 | 250,000,000 | 350,000,000 |
| Loss in associated company in excess of cost of investment | 9 | 1,499,827 | - | - | - |
| TOTAL NON-CURRENT LIABILITIES | | 251,499,827 | 350,000,000 | 250,000,000 | 350,000,000 |
| TOTAL LIABILITIES | | 960,379,106 | 722,851,078 | 943,214,164 | 709,092,752 |
| SHAREHOLDERS' EQUITY | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 505,000,000 ordinary shares at Baht 1 each | | 505,000,000 | 505,000,000 | 505,000,000 | 505,000,000 |
| Issued and fully paid | | | | | |
| 500,000,000 ordinary shares at Baht 1 each | | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 |
| Retained earnings | | | | | |
| Appropriated – statutory reserve | 15 | 50,500,000 | 50,500,000 | 50,500,000 | 50,500,000 |
| Unappropriated | | 380,007,285 | 379,017,442 | 380,007,285 | 379,017,442 |
| | | 430,507,285 | 429,517,442 | 430,507,285 | 429,517,442 |
| TOTAL SHAREHOLDERS' EQUITY | | 930,507,285 | 929,517,442 | 930,507,285 | 929,517,442 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 1,890,886,391 | 1,652,368,520 | 1,873,721,449 | 1,638,610,194 |

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

Mr David Armstrong
Chief Operating Officer

Mr Supakorn Vejjajiva
Deputy Chief Operating Officer



THE POST PUBLISHING PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF INCOME

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

| | Note | Consolidated | | The Company Only | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | 2006 | 2005 | 2006 | 2005 |
| Sales and service income | 16 | 1,876,650,073 | 1,825,309,653 | 1,743,183,708 | 1,698,341,284 |
| Costs of sales and services | | (1,153,613,970) | (1,132,140,573) | (1,087,242,062) | (1,070,830,939) |
| Gross profit | | 723,036,103 | 693,169,080 | 655,941,646 | 627,510,345 |
| Selling and administrative expenses | | (596,634,917) | (560,815,169) | (549,551,556) | (518,172,028) |
| Income from sales and rendering of services | | 126,401,186 | 132,353,911 | 106,390,090 | 109,338,317 |
| Other income | | 37,057,720 | 38,366,058 | 34,413,056 | 36,498,221 |
| INCOME FROM OPERATIONS | | 163,458,906 | 170,719,969 | 140,803,146 | 145,836,538 |
| Share of profit (loss) from investments accounted for under equity method | | (5,562,417) | (3,376,279) | 9,781,684 | 13,571,689 |
| INCOME BEFORE INTEREST EXPENSES AND INCOME TAX | | 157,896,489 | 167,343,690 | 150,584,830 | 159,408,227 |
| Interest expenses | | (3,287,335) | (524,006) | (3,287,184) | (523,934) |
| Income tax | 18 | (43,619,311) | (44,004,326) | (36,307,803) | (36,068,935) |
| NET INCOME FOR THE YEAR | | 110,989,843 | 122,815,358 | 110,989,843 | 122,815,358 |
| Basic earnings per share | 19 | | | | |
| Net income | | 0.22 | 0.25 | 0.22 | 0.25 |

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



THE POST PUBLISHING PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

| | CONSOLIDATED | | | |
|---------------------------------------|---|-------------------------------------|--------------------|--------------------|
| | Ordinary shares – issued and fully paid | Retained earnings | | Total |
| | | Appropriated – statutory reserve | Unappropriated | |
| Balance as at 31 December 2004 | 500,000,000 | 50,500,000 | 396,202,084 | 946,702,084 |
| Net income for the year | - | - | 122,815,358 | 122,815,358 |
| Dividends (Note 20) | - | - | (140,000,000) | (140,000,000) |
| Balance as at 31 December 2005 | 500,000,000 | 50,500,000 | 379,017,442 | 929,517,442 |
| Net income for the year | - | - | 110,989,843 | 110,989,843 |
| Dividends (Note 20) | - | - | (110,000,000) | (110,000,000) |
| Balance as at 31 December 2006 | 500,000,000 | 50,500,000 | 380,007,285 | 930,507,285 |

| | THE COMPANY ONLY | | | |
|---------------------------------------|---|-------------------------------------|----------------|--------------------|
| | Ordinary shares – issued and fully paid | Retained earnings | | Total |
| | | Appropriated – statutory reserve | Unappropriated | |
| Balance as at 31 December 2004 | 500,000,000 | 50,500,000 | 396,202,084 | 946,702,084 |
| Net income for the year | - | - | 122,815,358 | 122,815,358 |
| Dividends (Note 20) | - | - | (140,000,000) | (140,000,000) |
| Balance as at 31 December 2005 | 500,000,000 | 50,500,000 | 379,017,442 | 929,517,442 |
| Net income for the year | - | - | 110,989,843 | 110,989,843 |
| Dividends (Note 20) | - | - | (110,000,000) | (110,000,000) |
| Balance as at 31 December 2006 | 500,000,000 | 50,500,000 | 989,843 | 930,507,285 |

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



THE POST PUBLISHING PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

| | Consolidated | | The Company Only | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2006 | 2005 | 2006 | 2005 |
| Cash flows from operating activities | | | | |
| Net income for the year | 110,989,843 | 122,815,358 | 110,989,843 | 122,815,358 |
| Adjustments to reconcile net income for the year to net cash provided by (paid from) operating activities:- | | | | |
| Allowance for doubtful debts (reversal) | 688,587 | 559,690 | 299,673 | (299,673) |
| Allowance for sales returns (reversal) | 2,810,815 | (3,038,503) | 2,627,432 | 423,000 |
| Allowance for inventory obsolescence (reversal) | 4,938,983 | 249,327 | 4,039,542 | (799,543) |
| Share of loss (profit) from investments accounted for under equity method | 5,562,417 | 3,376,279 | (9,781,684) | (13,571,689) |
| Depreciation and amortisation | 73,546,558 | 76,255,926 | 71,827,831 | 74,167,254 |
| Loss (gain) on disposal of fixed assets | 1,446,613 | (2,520,422) | 1,446,540 | (2,520,422) |
| Decrease (increase) in deferred income tax | (1,366,968) | 5,592,349 | (1,366,968) | 5,592,349 |
| | 198,616,848 | 203,290,004 | 180,082,209 | 185,806,634 |
| Decrease (increase) in operating assets:- | | | | |
| Trade accounts receivable | 7,073,821 | (1,251,060) | 9,845,517 | (1,786,557) |
| Amounts due from related parties | (27,849) | (12,485) | (39,033) | (24,864) |
| Inventories | (48,486,066) | 182,717,637 | (46,956,041) | 183,928,454 |
| Other current assets | (7,219,013) | (11,864,420) | (7,207,427) | (11,470,469) |
| Other non-current assets | 160,601 | 801,600 | 150,863 | 816,227 |
| Increase (decrease) in operating liabilities:- | | | | |
| Trade accounts payable | 32,515,603 | 12,976,980 | 32,342,814 | 6,472,982 |
| Amounts due to related parties | (134,708) | - | (117,494) | - |
| Accrued expenses | (34,131,180) | 44,459,898 | (33,928,992) | 46,113,565 |
| Corporate income tax payable | 4,413,277 | (20,715,669) | 3,683,872 | (19,877,123) |
| Unearned subscription fee | 6,456,067 | 8,543,045 | 6,597,734 | 8,719,337 |
| Other current liabilities | (914,408) | (1,543,002) | (2,280,072) | 86,120 |
| Net cash flows from operating activities | 158,322,993 | 417,402,528 | 142,173,950 | 398,784,306 |

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



THE POST PUBLISHING PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

| | Consolidated | | The Company Only | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2005 | 2006 | 2005 |
| Cash flows from investing activities | | | | |
| Redemption of investments in debt securities held to maturity | - | 30,000,000 | - | 30,000,000 |
| Repayment from loans to associated company (lending to) | (5,497,800) | 9,996,000 | - | - |
| Cash paid for additional investment in associated company | - | (10,404,000) | - | - |
| Proceeds from sales of equipment | 2,089,903 | 3,043,239 | 2,089,903 | 3,043,239 |
| Advances for purchase of equipment | - | (201,498,000) | - | (201,498,000) |
| Purchases of property, plant and equipment | (406,200,295) | (229,306,172) | (405,657,741) | (228,057,004) |
| Purchase of intangible assets | (1,364,135) | (28,465,602) | (1,364,135) | (28,465,602) |
| Net cash flows used in investing activities | (410,972,327) | (426,634,535) | (404,931,973) | (424,977,367) |
| Cash flows from financing activities | | | | |
| Receipt of short-term loans from banks | 290,000,000 | 90,000,000 | 290,000,000 | 90,000,000 |
| Repayments of short-term loans from banks | (20,000,000) | (210,000,000) | (20,000,000) | (210,000,000) |
| Receipt (repayment) of long-term loans | (50,000,000) | 400,000,000 | (50,000,000) | 400,000,000 |
| Dividend paid | (110,000,000) | (140,000,000) | (110,000,000) | (140,000,000) |
| Net cash flows from financing activities | 110,000,000 | 140,000,000 | 110,000,000 | 140,000,000 |
| Net increase (decrease) in cash and cash equivalents | (142,649,334) | 130,767,993 | (152,758,023) | 113,806,939 |
| Cash and cash equivalents at beginning of year | 185,340,369 | 54,572,376 | 158,298,292 | 44,491,353 |
| Cash and cash equivalents at end of year | 42,691,035 | 185,340,369 | 5,540,269 | 158,298,292 |
| Supplemental cash flows information:- | | | | |
| Cash paid during the year for | | | | |
| Interest expenses | 15,860,928 | 9,145,425 | 15,860,782 | 9,145,354 |
| Corporate income tax | 52,383,902 | 58,915,118 | 45,801,799 | 50,141,182 |
| Non-cash item | | | | |
| Increase in accounts payable from purchase of equipment | 7,823,549 | 2,807,056 | 7,823,549 | 2,807,056 |

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



THE POST PUBLISHING PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

1. CORPORATE INFORMATION

The Post Publishing Public Company Limited ("the Company") was incorporated as a limited company and transformed to be a public company under Thai laws. The Company is domiciled in Thailand and is principally engaged in the publishing and distribution of newspapers, magazines and books. Its registered address is 136 Sunthorn Kosa Road, Kwang Klong Toey, Khet Klong Toey, Bangkok.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547, except for the early adoption of Accounting Standard No. 56 "Accounting for Income Tax" which is in line with International Accounting Standard (IAS) No. 12 "Income Taxes" (revised 1996).

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 14 September 2001, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on an historical cost basis except where otherwise disclosed in the accounting policies.

3. BASIS OF CONSOLIDATION

3.1 The consolidated financial statements include the financial statements of the Company and the following subsidiary and joint-venture companies.

| Company | Equity interest of the Company (per cent) | | Country of incorporation | Principal activity |
|--|---|------|--------------------------|--|
| | 2006 | 2005 | | |
| Subsidiary | | | | |
| Job Job Company Limited (Formerly known as "Siam Communications Limited") | 100 | 100 | Thailand | Dormant |
| Joint ventures | | | | |
| Hachette Filipacchi Post Company Limited | 51 | 51 | Thailand | Publishing and distribution of magazines |
| Hachette Filipacchi Post-ACP Company Limited | 26 | 26 | Thailand | Publishing and distribution of magazines |

3.2 The assets, liabilities, revenues and expenses of the joint ventures that were included in the consolidated financial statements are as follows:-

| | (Unit: Million Baht) | | | |
|---------------------|--|--------|--|-------|
| | Hachette Filipacchi Post Company Limited | | Hachette Filipacchi Post-ACP Company Limited | |
| | 2006 | 2005 | 2006 | 2005 |
| Current assets | 59.4 | 53.1 | 22.5 | 15.9 |
| Non-current assets | 8.1 | 3.5 | 0.3 | 0.5 |
| Current liabilities | (16.0) | (13.0) | (5.4) | (5.0) |
| Net assets | 51.5 | 43.6 | 17.4 | 11.4 |
| Total revenues | 125.9 | 119.8 | 37.0 | 35.4 |
| Total expenses | 122.1 | 112.4 | 31.0 | 29.3 |

3.3 Material balances and transactions between the Company, its subsidiary and joint ventures have been eliminated from the consolidated financial statements.

3.4 Investments in the subsidiary and joint ventures as recorded in the Company's books of account are eliminated against the equity of the subsidiary and joint ventures.



4. ADOPTION OF NEW ACCOUNTING STANDARDS

In October 2006, the Federation of Accounting Professions issued Notification No. 26/2006 regarding Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" (Amendment No. 1), under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method rather than the equity method. Entities that are not ready to adopt the cost method in 2006 can continue to use the equity method through the end of 2006 and adopt the cost method as from 1 January 2007.

In this regard, the Company has elected to adopt the change in 2007. Adoption of the change in 2007 will necessitate the restatement of the Company's 2006 separate financial statements to be presented for comparative purposes along with the financial statements for 2007. The restatement will have the effect of decreasing net income in the separate income statement for 2006 by approximately Baht 9.8 million (Baht 0.02 per share) and decreasing net worth in the balance sheet at 31 December 2006 by approximately Baht 56.0 million.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, which is generally when goods are dispatched to the customers as ordered. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Newspaper subscription income

Newspaper subscription income is recognised on the time-proportion basis over the subscription period.

Rendering of services

Service income is recognised when services have been rendered taking into account the stage of completion.

Advertising service income is recognised when the service has been rendered. The service is generally considered to be rendered when the publication carrying the advertisement is issued.

Interest income

Interest income is recognised as interest accrues based on the effective rate method.

Dividend income

Dividend income is recognised when the right to receive the dividend is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experience and analysis of debtor aging.

5.4 Inventories

Inventories are valued at the lower of cost (determined by the first-in, first-out method) and net realisable value.

5.5 Investments

- a) Investments in subsidiary and joint ventures in the separate financial statements of the Company, and investment in associated companies are accounted for under the equity method.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

5.6 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).



Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:-

| | | |
|--|------|-------|
| Buildings | 20 | years |
| Machinery and equipment | 3-15 | years |
| Office furniture, equipment and vehicles | 5 | years |

Depreciation is included in determining income.

No depreciation is provided for land, building under construction, and machinery and equipment under installation.

5.7 Capitalisation of interest costs

The interest costs of borrowings for use in the acquisition of building and equipment are capitalised as part of the costs of those assets, with capitalisation ceasing when those assets are ready for intended use or when the development is suspended until active development resume.

5.8 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over the expected future period, for which the assets are expected to generate economic benefit, as follows:-

| | | |
|----------|----|-------|
| Licenses | 10 | years |
| Software | 10 | years |

The amortisation is included in determining income.

5.9 Deferred income tax

Deferred income tax is calculated based on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, by using the enacted tax rate at the balance sheet date.

The Company recognises deferred tax liabilities for taxable temporary differences and recognises deferred tax assets for deductible temporary differences. The Company recognises deferred tax assets to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each balance sheet date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

5.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.11 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated into Baht at the exchange rates ruling on the balance sheet date.

Gains and losses on exchange are included in determining income.

5.12 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

5.13 Employee benefits

Salary, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

5.14 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.



5.15 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling on the balance sheet. Gains and losses from the translation are included in determining income or include in the acquisition costs of the asset.

5.16 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

6. TRADE ACCOUNTS RECEIVABLE

The outstanding balances of trade accounts receivable as at 31 December 2006 and 2005 are aged, based on due date, as follows:

(Unit: Baht)

| | Consolidated | | The Company Only | |
|---------------------------------------|--------------|--------------|------------------|--------------|
| | 2006 | 2005 | 2006 | 2005 |
| Age of receivables | | | | |
| Not yet due | 154,525,684 | 165,447,026 | 126,545,747 | 146,650,592 |
| Pass due | | | | |
| Up to 3 months | 153,960,295 | 154,876,284 | 145,855,146 | 141,218,054 |
| 3-6 months | 7,744,360 | 3,385,680 | 7,355,813 | 2,665,207 |
| 7-12 months | 1,920,668 | 1,912,002 | 1,831,983 | 1,727,146 |
| Over 12 months | 10,047,057 | 9,650,893 | 10,047,057 | 9,220,264 |
| Total accounts receivable | 328,198,064 | 335,271,885 | 291,635,746 | 301,481,263 |
| Less: Allowance for doubtful accounts | (14,707,467) | (14,018,880) | (12,500,000) | (12,200,327) |
| : Allowance for sales returns | (9,211,250) | (6,400,435) | (10,725,432) | (8,098,000) |
| Trade accounts receivable – net | 304,279,347 | 314,852,570 | 268,410,314 | 218,182,936 |

7. RELATED PARTY TRANSACTIONS

During the years, the Company and its subsidiary had significant business transactions with related parties. These transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies, were made principally at prevailing market rates. Below is a summary of those transactions.

(Unit: Million Baht)

| | Consolidated | | The Company Only | |
|--|--------------|------|------------------|------|
| | 2006 | 2005 | 2006 | 2005 |
| Transactions with joint ventures | | | | |
| Purchase of goods | 41.4 | 42.0 | 64.6 | 65.6 |
| Printing service income | - | 0.2 | - | 0.4 |
| Rental income | 2.5 | 2.5 | 4.9 | 5.1 |
| Transactions with associated company | | | | |
| Purchase of goods | 10.1 | 10.8 | 10.1 | 10.8 |
| Lending (weighted average balance outstanding during the year) | 2.9 | 5.4 | - | - |

The balances of the accounts as at 31 December 2006 and 2005 between the Company and those related companies are as follows:

(Unit: Baht)

| | Consolidated | | The Company Only | |
|---|--------------|--------|------------------|--------|
| | 2006 | 2005 | 2006 | 2005 |
| Amounts due from related parties | | | | |
| Joint ventures and associated company: | 84,986 | 57,137 | 133,802 | 94,769 |
| | 84,986 | 57,137 | 133,802 | 94,769 |
| Loan to related party | | | | |
| Associated company: | | | | |
| HFPost-MC Co., Ltd. | 5,497,800 | - | - | - |
| | 5,497,800 | - | - | - |



(Unit: Baht)

| | Consolidated | | The Company Only | |
|---|--------------|------------|------------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| Trade accounts payable – related parties | | | | |
| Joint ventures: | | | | |
| Hachette Filipacchi Post Co., Ltd. | 4,606,166 | 4,392,565 | 7,459,344 | 7,173,917 |
| Hachette Filipacchi Post-ACP Co., Ltd. | 8,089,973 | 8,058,595 | 10,224,445 | 10,348,465 |
| Associated company: | | | | |
| HFPPost-MC Co., Ltd. | 3,980,450 | 4,360,137 | 3,052,236 | 3,331,137 |
| | 16,676,589 | 16,811,297 | 20,736,025 | 20,853,519 |

The above loans are repayable on demand and carry interest at the rate of 6.5 per cent per annum.

Directors and management's remuneration

In 2006, the Company paid meeting allowances and gratuities to their directors and management totaling Baht 11.0 million (2005: Baht 10.9 million).

8. INVENTORIES

(Unit: Baht)

| | Consolidated | | The Company Only | |
|--|--------------|-------------|------------------|-------------|
| | 2006 | 2005 | 2006 | 2005 |
| Finished goods | 12,021,070 | 6,407,889 | 9,938,893 | 5,225,153 |
| Raw materials | 116,727,454 | 86,808,554 | 116,663,970 | 86,749,260 |
| Raw materials in transit | 29,106,721 | 11,544,090 | 29,106,721 | 11,544,090 |
| Others | 6,570,357 | 11,179,003 | 2,822,823 | 8,057,863 |
| Total | 164,425,602 | 115,939,536 | 158,532,407 | 111,576,366 |
| Less: Allowance for stock obsolescence | (8,624,719) | (3,685,736) | (6,542,542) | (2,503,000) |
| Inventories – net | 155,800,883 | 112,253,800 | 151,989,865 | 109,073,366 |

9. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD/SHARE OF LOSS IN ASSOCIATED COMPANY IN EXCESS OF COST OF INVESTMENT

These represent investments in ordinary shares of the following companies:-

(Unit: Baht)

| | Paid Capital | | Equity interest (per cent) | | 2006 | | 2005 | |
|--|--------------|------------|----------------------------|------|---|-------------------|---|-------------------|
| | 2006 | 2005 | 2006 | 2005 | Carrying amounts based on equity method | | Carrying amounts based on equity method | |
| | | | | | Cost | Cost | Cost | Cost |
| Investments in subsidiary | | | | | | | | |
| Job Job Company Limited (Formerly known as "Siam Communications Limited") | 25,000 | 25,000 | 100 | 100 | 25,000 | 117,295 | 25,000 | 126,065 |
| Total | | | | | 25,000 | 117,295 | 25,000 | 126,065 |
| Investments in joint ventures | | | | | | | | |
| Hachette Filipacchi Post Co., Ltd. | 25,000,000 | 25,000,000 | 51 | 51 | 12,750,000 | 52,749,247 | 12,750,000 | 43,418,482 |
| Hachette Filipacchi Post-ACP Co., Ltd. (51 per cent owned by Hachette Filipacchi Post Co., Ltd.) | 10,000,000 | 10,000,000 | 26 | 26 | - | 17,399,928 | - | 11,377,822 |
| Total | | | | | 12,750,000 | 70,149,175 | 12,750,000 | 54,796,304 |



(Unit: Baht)

| | Paid Capital | | Equity interest (per cent) | | 2006 | | 2005 | |
|--|---|------------|----------------------------|------|-------------------|---|-------------------|---|
| | 2006 | 2005 | 2006 | 2005 | Cost | Carrying amounts based on equity method | Cost | Carrying amounts based on equity method |
| | Investment in associated company | | | | | | | |
| HFPPost-MC Co., Ltd. (Owned by Hachette Filipacchi Post Co., Ltd.) | 50,000,000 | 50,000,000 | 26 | 26 | 13,005,000 | (1,499,827) | 13,005,000 | 4,062,590 |
| Total | | | | | 13,005,000 | (1,499,827) | 13,005,000 | 4,062,590 |
| Total investments accounted for under equity method | | | | | 25,780,000 | 68,766,643 | 25,780,000 | 58,984,954 |
| Add: Share of loss in the associated company in excess of cost of investment, classified as liability in the balance sheet | | | | | | 1,499,827 | | - |
| Investment classified as investments accounted for under equity method | | | | | | 70,266,470 | | 58,984,959 |

HFPPost-MC Company Limited has paid-up capital of Baht 50 million, consisting of Baht 25.5 million in ordinary shares and Baht 24.5 million in preference shares. Hachette Filipacchi Post Company Limited holds all of the ordinary shares of this company, with 34.2 per cent of the voting rights and is entitled to dividend payment at the rate of 49 per cent of the declared dividend.

10. INVESTMENT IN OTHER COMPANY

Investment in other company represents investment in ordinary shares of the following company:-

(Unit: Baht)

| | Paid-up Capital | Equity interest (per cent) | 2006 | 2005 |
|----------------------------------|-----------------|----------------------------|--------|--------|
| Singapore Press Holdings Limited | 27,393,300,000 | 0.00 | 16,124 | 16,124 |

11. PROPERTY, PLANT AND EQUIPMENT

Consolidated

(Unit: Thousand Baht)

| | Land | Buildings | Machinery and equipment | Office furniture, equipment and vehicles | Building under construction, and machinery and equipment under installation | Total |
|---|---------|-----------|-------------------------|--|---|-----------|
| Cost | | | | | | |
| 31 December 2005 | 185,919 | 583,592 | 544,130 | 154,241 | 72,009 | 1,539,891 |
| Additions | - | - | 7,983 | 1,267 | 391,539 | 400,789 |
| Interest capitalised | - | - | - | - | 13,235 | 13,235 |
| Disposals/written-off | - | - | (15,345) | (4,505) | - | (19,850) |
| Transfer in from advances for purchase of equipment | - | - | - | - | 344,346 | 344,346 |
| Transfers in (transfers out) | - | - | 1,541 | - | (1,541) | - |
| 31 December 2006 | 185,919 | 583,592 | 538,309 | 151,003 | 819,588 | 2,278,411 |
| Accumulated depreciation | | | | | | |
| 31 December 2005 | - | 387,094 | 442,362 | 127,164 | - | 956,620 |
| Depreciation for the year | - | 29,179 | 25,643 | 8,418 | - | 63,240 |
| Depreciation of disposals / written-off | - | - | (15,190) | (4,489) | - | (19,679) |
| 31 December 2006 | - | 416,273 | 452,815 | 131,093 | - | 1,000,181 |



| | Consolidated | | | | | (Unit: Thousand Baht) |
|---|--------------|-----------|-------------------------|--|---|-----------------------|
| | Land | Buildings | Machinery and equipment | Office furniture, equipment and vehicles | Building under construction, and machinery and equipment under installation | Total |
| Net book value | | | | | | |
| 31 December 2005 | 185,919 | 196,498 | 101,768 | 27,077 | 72,009 | 583,271 |
| 31 December 2006 | 185,919 | 167,319 | 85,494 | 19,910 | 819,588 | 1,278,230 |
| Depreciation charged for the year (included in income statements) | | | | | | |
| 2005 (Baht 54.1 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | 68,033 |
| 2006 (Baht 52.8 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | 63,240 |

| | The Company Only | | | | | (Unit: Thousand Baht) |
|---|------------------|-----------|-------------------------|--|---|-----------------------|
| | Land | Buildings | Machinery and equipment | Office furniture, equipment and vehicles | Building under construction, and machinery and equipment under installation | Total |
| Cost | | | | | | |
| 31 December 2005 | 185,919 | 583,592 | 544,130 | 143,101 | 72,008 | 1,528,750 |
| Additions | - | - | 7,983 | 724 | 391,540 | 400,247 |
| Interest capitalised | - | - | - | - | 13,235 | 13,235 |
| Disposals/written-off | - | - | (15,345) | (2,210) | - | (17,555) |
| Transfer in from advances for purchase of equipment | - | - | - | - | 344,346 | 344,346 |
| Transfers in (transfers out) | - | - | 1,541 | - | (1,541) | - |
| 31 December 2006 | 185,919 | 583,592 | 538,309 | 141,615 | 819,588 | 2,269,023 |
| Accumulated depreciation | | | | | | |
| 31 December 2005 | - | 387,094 | 442,362 | 119,416 | - | 948,872 |
| Depreciation for the year | - | 29,179 | 25,643 | 6,699 | - | 61,521 |
| Depreciation of disposals/written-off | - | - | (15,190) | (2,194) | - | (17,384) |
| 31 December 2006 | - | 416,273 | 452,815 | 123,921 | - | 993,009 |
| Net book value | | | | | | |
| 31 December 2005 | 185,919 | 196,498 | 101,768 | 23,685 | 72,008 | 579,878 |
| 31 December 2006 | 185,919 | 167,319 | 85,494 | 17,694 | 819,588 | 1,276,014 |
| Depreciation charged for the year (included in income statements) | | | | | | |
| 2005 (Baht 54.1 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | 65,944 |
| 2006 (Baht 52.8 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | 61,521 |

During the current year, the Company capitalised borrowing costs of Baht 13.2 million (2005: Baht 8.4 million) as cost of building under construction, and machinery and equipment under installation.

As at 31 December 2006, certain equipment items have been fully depreciated but are still in use. The original cost of those assets before deducting accumulated depreciation amounted to Baht 523 million (2005: Baht 478 million) (The Company only: Baht 519 million, 2005: Baht 475 million).



12. INTANGIBLE ASSETS

(Unit: Thousand Baht)

| | 2006 | 2005 |
|---|----------|----------|
| Copyrights and software | 124,236 | 130,357 |
| Less: Accumulated amortisation | (61,829) | (55,641) |
| Net | 62,407 | 74,716 |
| Amortised expenses included in the income statements for the year | 10,306 | 8,223 |

The current year's amortisation of Baht 8.9 million (2005: Baht 6.8 million) has been charged to manufacturing cost, with the remaining Baht 1.4 million (2005: Baht 1.4 million) charged to selling and administrative expenses.

As at 31 December 2006, the remaining useful life of the intangible assets is 1-10 years.

13. SHORT-TERM LOANS FROM BANKS

The short-term loans from banks as at 31 December 2006 carry interest at a rate referenced to the Money Market Rate granted by the local commercial banks.

14. LONG-TERM LOANS

| | (Unit: Baht) | |
|--|---------------|--------------|
| | 2006 | 2005 |
| Long-term loans | 350,000,000 | 400,000,000 |
| Less: Current portion | (100,000,000) | (50,000,000) |
| Long-term loans – net of current portion | 250,000,000 | 350,000,000 |

The balance represents long-term Baht loans from a local bank, repayable in eight semi-annual installments commencing August 2006. Interest rate is fixed for the first two years and thereafter at a rate referenced to the Minimum Loan Rate.

15. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 per cent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 per cent of the registered capital. The statutory reserve is not available for dividend distribution.

16. SALES AND SERVICE INCOME

These include sales and advertising revenues of approximately Baht 80.6 million (2005: Baht 85.9 million) arising from exchanges of dissimilar goods or services with other companies.

17. NUMBER OF EMPLOYEES AND RELATED COSTS

| | Consolidated | | The Company Only | |
|--|--------------|-------|------------------|-------|
| | 2006 | 2005 | 2006 | 2005 |
| Number of employees at end of year (persons) | 1,479 | 1,525 | 1,377 | 1,425 |
| Employee costs for the year (million baht) | 643 | 600 | 578 | 573 |

18. DEFERRED TAX ASSETS/INCOME TAX

The income tax expenses for the years 2006 and 2005 consist of the following:-

| | (Unit: Baht) | | | |
|---|--------------|------------|------------------|------------|
| | Consolidated | | The Company Only | |
| | 2006 | 2005 | 2006 | 2005 |
| Current income tax | 44,986,279 | 38,411,977 | 37,674,771 | 30,476,586 |
| Decrease (increase) in deferred tax assets | (1,366,968) | 5,592,349 | (1,366,968) | 5,592,349 |
| Income tax as included in income statements | 43,619,311 | 44,004,326 | 36,307,803 | 36,068,935 |



Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the year ended 31 December 2006 and 2005 was as follows:

| | (Unit: Baht) | | | |
|---|--------------|-------------|------------------|-------------|
| | Consolidated | | The Company Only | |
| | 2006 | 2005 | 2006 | 2005 |
| Accounting profit | 154,609,154 | 166,819,684 | 147,297,646 | 158,884,293 |
| Applicable tax rate – 25% | 38,652,288 | 41,704,921 | 36,824,411 | 39,721,073 |
| Tax effect of net non-deductible expenses | 4,967,023 | 2,299,405 | (516,608) | (3,652,138) |
| Income tax as included in income statements | 43,619,311 | 44,004,326 | 36,307,803 | 36,068,935 |

As at 31 December 2006 and 2005 the components of deferred tax assets were summarised as follows:

| | (Unit: Baht) | |
|----------------------------------|------------------|------------------|
| | 2006 | 2005 |
| Deferred tax assets | | |
| Allowance for doubtful accounts | 3,125,000 | 3,050,000 |
| Allowance for sales returns | 1,431,980 | 1,183,875 |
| Allowance for stock obsolescence | 1,635,635 | 625,750 |
| Accrued expenses | 3,379,297 | 2,305,700 |
| Others | 11 | 1,039,629 |
| Total deferred tax assets | 9,571,923 | 8,204,954 |

As at 31 December 2006, the temporary differences associated with investment in subsidiary and joint ventures for which deferred tax liability has not been recognised aggregate to Baht 16.8 million (2005: Baht 12.6 million) and the temporary differences associated with investment in associated company for which deferred tax assets has not been recognised aggregate to Baht 4.4 million (2005: Baht 2.7 million).

19. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

20. DIVIDENDS

| Dividends | Approved by | Total dividends (baht) | Dividend per share (Baht per share) |
|------------------------------------|---|---------------------------|---|
| Final dividends on 2004 earnings | Annual General Meeting of the shareholders on 22 April 2005 | 100,000,000 | 0.20 |
| Interim dividends on 2005 earnings | Board of Directors' meeting on 11 November 2005 and Annual General Meeting of the shareholders on 21 April 2006 | 40,000,000 | 0.08 |
| | Total for 2005 | <u>140,000,000</u> | |
| Final dividends on 2005 earnings | Annual General Meeting of the shareholders on 21 April 2006 | 80,000,000 | 0.16 |
| Interim dividends on 2006 earnings | Board of Directors' meeting on 10 November 2006 | 30,000,000 | 0.06 |
| | Total for 2006 | <u>110,000,000</u> | |

21. FINANCIAL INFORMATION BY SEGMENT

The operations of the Company and subsidiary involve a single industry segment, the publishing and distribution of newspapers, magazines and books, and are carried on only in Thailand. As a result, all the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

22. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rates of 7 per cent to 8 per cent of basis salary. The fund, which



is managed by the Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2006, the Company contributed Baht 24.0 million (2005: Baht 22.8 million) to the fund.

23. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2006, the Company had the following commitments and contingent liabilities:-

- The Company has outstanding commitments totaling Baht 77 million in respect of the purchase of equipment and the construction of a building (2005: Baht 258 million).
- Bank guarantees totaling Baht 4.1 million (2005: Baht 3.2 million) issued in the normal course of business of the Company.
- Commitments to purchase newsprint totaling USD 0.9 million or equivalent to Baht 32 million (2005: USD 1.2 million or equivalent to Baht 49 million).
- The Company has been named a defendant in 3 libel suits and 3 labour suits arising in the ordinary course of its business. Although the final outcome of the suits cannot be determined at this stage, it is the management's opinion that the resolution of these matters will not have any material adverse effect on the Company's financial statements as a whole.

24. FINANCIAL INSTRUMENTS

24.1 Financial risk management

The financial instruments of the Company and subsidiary, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise deposits with financial institutions, trade accounts receivable, loans to related party, accounts payable, short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and subsidiary are exposed to credit risk primarily with respect to trade accounts receivable and loans to related party. The management manages the risk by adopting appropriate credit control policies and procedures and therefore the Company and subsidiary do not expect to incur material financial losses. In addition, the Company and subsidiary has a large customer do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans as stated in the balance sheets.

Interest rate risk

The exposure of the Company and subsidiary to interest rate risk relates primarily to its deposits with financial institutions, loans to related party, short-term loans from banks and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2006 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

| | Fixed interest rates | | | | | Total | Effective interest rate |
|------------------------------|----------------------|-----------|--------------|------------------------|----------------------|-------|-------------------------|
| | Within 1 year | 1-5 years | Over 5 years | Floating interest rate | Non-interest bearing | | |
| | (Million Baht) | | | | | | (% p.a.) |
| Financial Assets | | | | | | | |
| Cash and cash equivalent | - | - | - | 38.2 | 4.5 | 42.7 | 0.5% - 1% |
| Trade accounts receivable | - | - | - | - | 304.3 | 304.3 | - |
| Loans to related party | - | - | 5.5 | - | - | 5.5 | 6.5% |
| | - | - | 5.5 | 38.2 | 308.8 | 352.5 | |
| Financial liabilities | | | | | | | |
| Short-term loans from banks | - | - | - | 270.0 | - | 270.0 | (1) |
| Trade accounts payable | - | - | - | - | 119.3 | 119.3 | - |
| Long-term loans | - | - | - | 350.0 | - | 350.0 | (2) |
| | - | - | - | 620.0 | 119.3 | 739.3 | |

(1) Reference to the Money Market Rate granted by the local commercial banks

(2) Fixed until February 2007 and thereafter at a rate reference to the Minimum Loan Rate



Foreign currency risk

The exposure of the Company and subsidiary to foreign currency risk arises mainly from purchase of goods and services, and equipment that are denominated in foreign currencies. The Company and subsidiary seek to reduce this risk by entering into forward exchange contracts.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2006 are summarised below.

| Foreign currency | Financial assets (Million) | Financial liabilities (Million) | Average exchange rate as at 31 December 2006 (Baht per 1 foreign currency unit) |
|------------------|-------------------------------|------------------------------------|---|
| US dollar | - | 0.7 | 36.09 |

24.2 Fair values of financial instruments

Since the majority of the financial assets and financial liabilities of the Company and subsidiary are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

25. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's authorised directors on 14 February 2007.

BUSINESS STRUCTURE & OPERATING POLICIES





CORPORATE GOVERNANCE

The Company tried to practice the principles of good corporate governance as laid down in the **Principles of Good Corporate Governance for Listed Companies 2006** published by The Stock Exchange of Thailand. This was an updated version of the 15 principles announced in March 2002. More principles were added to make the principles comprehensive and comparable to the Principles of Corporate Governance of the Organisation for Economic Co-operation and Development 2004.

1. Rights of Shareholders

The Company provided shareholders with information on the date, time, venue, and all agenda items including the election of directors with complete support data in advance of the Annual General Meeting of Shareholders. The Company sent the Notice of the Meeting and support data to shareholders at least seven days prior to the date of the Meeting.

Five directors were due to retire by rotation at the 2006 Annual General Meeting of Shareholders. One director did not offer himself for re-election. In addition to the re-election of the four retiring directors for another term, the Meeting elected a new director to replace the director who retired by rotation and did not offer himself for re-election, and appointed two more directors. Details of the three persons nominated as directors and their work experience was presented in the Meeting. The Company did not post the Notice of the Meeting and support data on its website for shareholders to study prior to the distribution of the Notice of the Meeting.

The Company facilitated shareholders' participation and voting in the Meeting. The time of the Meeting was during office hours. The Meeting took place at the Bangkok Post Building with enough parking spaces for shareholders and their proxies. Shareholders who could not attend the Meeting and could not appoint a proxy were able to appoint independent directors attending the Meeting as their proxy. The Company also covered the stamp duty for affixing the proxy forms.

At the 2006 Annual General Meeting of Shareholders, the Chairman of the Board of Directors chaired the Meeting and allocated appropriate time for discussion and encouraged shareholders to express their opinions and ask questions about each agenda item. More than half of the members of the Board of Directors attended the Meeting, including the Chairman of the Executive Committee, the Chairman of the Audit Committee, and members of the Nomination and Remuneration Committee.

2. Equitable Treatment of Shareholders

The Company has facilitated shareholders who wish to propose additional appropriate agenda items to the Annual General Meeting of Shareholders and to nominate candidates who have appropriate qualifications to be directors of the

Company at the 2007 Annual General Meeting of Shareholders to be held in April 2007. A shareholder or group of shareholders that wishes to propose any additional appropriate agenda item to the Annual General Meeting of Shareholders and/or to nominate candidates who have appropriate qualifications for directors of the Company must possess the following qualifications:

- Hold a minimum of 100,000 shares in the Company
- Hold the said shares consecutively for at least one year prior to the date of the proposal
- Provide evidence of the said holding of shares to the Company, including copies of share certificates and a letter of confirmation issued by a securities brokerage company, Thailand Securities Depository Company Limited and The Stock Exchange of Thailand
- Provide evidence of identity such as copies of identification card, passport, and all necessary corporate documents.

The Qualified Shareholder should submit the Proposal for Additional Agenda of the Annual General Meeting of Shareholders and/or the Proposal for Nomination of Candidates for Directors of the Company together with a Resume of Candidates Nominated for Directors of the Company, as the case may be, to the Company Secretary within a specific date in order to allow the Company, relevant sub-committees of the Board and the Board of Directors sufficient time to review and evaluate all Proposals and to proceed with the necessary procedures in respect of the Annual General Meeting of Shareholders.

The Company encourages the use of proxy forms on which shareholders can express their vote. In 2006, the Company provided shareholders with proxies listed under the Announcement of the Business Development Department, Ministry of Commerce. Shareholders may appoint any one of the following four independent directors — Mr Chavalit Thanachanan or Mr Pichai Vasnasong or Dr Siri Ganjarerndee or Mr John Thomson — as their proxy. The election of Directors utilises a process in which shareholders are able to vote for individual nominees.

The Company provided voting cards for each agenda item. For transparency and future reference, the Company collected voting cards expressing disapproval and abstention.

The Company presented reports of shareholdings held by directors, management, and independent auditors of the Company to each meeting of the Board of Directors for acknowledgement.

3. Role of Stakeholders

The Company tried to promote cooperation among stakeholders so as to ensure its financial stability and sustainability. Stakeholders included but were not limited to readers, advertisers, employees, agents, shareholders, and lenders. The Company conducts readership surveys to



determine the preferences of readers of its publications so that it can adjust its design and content to make them more attractive to them.

The Company directs the Audit Committee to review the Company's procedures for handling allegations, for example arrangements for facilitating staff of the Company to raise concerns in confidence about possible improprieties in matters of financial reporting, controls or any other matters. The Audit Committee also ensures that the arrangements are in place for independent investigation, follow-up action, and proper reporting.

4. Disclosures and Transparency

In addition to disclosing annual accounts filings, annual reports, and information as specified in relevant regulations through the prescribed channels of The Stock Exchange of Thailand, the Company discloses information, both in Thai and English, via other channels such as its website. For example, the Company has posted the annual reports for 1999 to 2005 on its website. The Company has also posted details of procedures for individual shareholders or groups of shareholders wishing to propose any additional appropriate agenda items for consideration by the Annual General Meeting of Shareholders and/or to nominate candidates who have appropriate qualifications to be directors of the Company on the Company's website and encourages shareholders to fully exercise their rights.

The Company discloses the roles and responsibilities of the Board of Directors and its various sub-committees in its annual report under the heading of Responsibilities of the Board. The Company also disclosed the number of meetings and attendance records of each director during 2006 in the annual report under the heading of Attendance Record Year 2006.

The Annual General Meeting of Shareholders approved in advance to pay remuneration for the year to directors on a lump-sum basis and empowered the Board of Directors to consider the allocation of such remuneration for each director as it deemed fit. The Company disclosed the remuneration of each individual director during 2006 in its annual report under the heading of Remuneration for Directors and Executives.

5. Responsibilities of the Board

5.1 Board Structure

The Company has five independent directors equivalent to one-third of the Board. Regarding the terms of office of directors, one-third of the directors must retire from office at each Annual General Meeting of Shareholders. The directors who have been longest in office shall retire. A retiring director is eligible for re-election. The Company does not use a stricter definition of Independent Directors than the minimum qualifications specified by the Office of the Securities and Exchange Commissions and The Stock Exchange of Thailand. As such, independent directors should have the following qualifications:

- Hold not more than 5 per cent of the Company's total outstanding shares
- Is not an executive, employee, or advisor who receives compensation from the Company
- Does not have any family relationship or any material business relationship with the Company in such a way that the independent director can no longer express an independent opinion.

The Company discloses sufficient information regarding directors, including type of director, education and work experience, in the Annual Report under the heading of Board of Directors.

The Company separates the roles and responsibilities of the Chairman of the Board of Directors and Chief Operating Officer in order to achieve a balance of power. The Board of Directors appointed an independent director as the Chairman of the Board of Directors. In order to ensure independence of each sub-committee of the Board of Directors, the Chairman of the Board of Directors does not serve either as Chairman or a member of any committees of the Board of Directors.

The Company has a Company Secretary reporting to the Board of Directors who provides legal advice, takes care of the Board of Directors' activities, and monitors compliance with the Board of Directors' resolutions.

5.2 Sub-Committees of the Board of Directors

In addition to the Audit Committee, which is required under the listing rules of The Stock Exchange of Thailand, the Company, in compliance with good corporate governance practices, has set up a Nomination and Remuneration Committee and has authorised that committee to review, evaluate and make recommendations to the Board of Directors in relation to the following:

- Processes for reviewing and evaluating the performance of the Board and members of the Board
- The appropriate number and qualifications of independent directors
- The selection process for independent directors and nomination of independent directors to the Board
- Remuneration and incentive policies for the Board and sub-committees of the Board
- Professional indemnity and liability insurance for members of the Board and senior executives
- The succession plan and selection process for the Chief Operating Officer and senior executives to be implemented by the Executive Committee or the Chief Operating Officer, as the case may be
- The process for evaluating the Chief Operating Officer and senior executives performed by the Executive Committee or the Chief Operating Officer, as the case may be
- Remuneration and incentive policies for the Chief Operating Officer and senior executives to be implemented by the Executive Committee or the Chief Operating Officer, as the case may be.



In order for it to perform its duties transparently and independently, the Committee comprises two independent directors and one non-executive director. The Chairman of the Nomination and Remuneration Committee is an independent director. In order to ensure independence of the Nomination and Remuneration Committee, the Chairman of the Board of Directors does not serve either as the Chairman or as a Member of the Nomination and Remuneration Committee.

5.3 Roles and Responsibilities of the Board of Directors

The Board of Directors is responsible for managing the operations of the Company in accordance with its articles of association and resolutions of Shareholders' Meetings. The Board of Directors reviews and approves key business matters and monitors implementation by the Management to ensure efficiency and effectiveness. The Board of Directors has a Code of Conduct in place so that all Management and staff understand and abide by the ethical business standards of the Company.

5.4 Board Meetings

Meetings of the Board of Directors, the Executive Committee and the Audit Committee are set in advance each year and each director is notified of the schedules so that they can manage their time to attend the meetings.

To allow the Board of Directors to monitor management performance continuously and promptly, the Board of Directors meets every three months and the Executive Committee meets every month except for the month in which the Board of Directors holds its meeting.

The Chairman of the Executive Committee and Chief Operating Officer ensure that the agenda for the meetings of the Board of Directors include all-important issues. Each Director is free to propose issues to the meetings.

The Company sends the notices of the meetings and relevant documents to each director seven days in advance of the meeting date. Additional documents may be distributed during the meeting.

The Company appropriately allocates sufficient meeting time to allow for complete presentations by the management and comprehensive discussion by the directors. The Board of Directors encourages the Chief Operating Officer to invite the management to attend the Board of Directors Meeting to make presentations on issues for which they are directly responsible. The Board of Directors thereby has the opportunity to learn more about the activities of senior managers and can prepare a succession plan accordingly.

The Company provides up-to-date contact information for each director, including telephone number and email address, in order that all directors have access to necessary information via the Chief Operating Officer or Company Secretary and non-executive directors are able to conveniently contact each other directly.

5.5 Board Self-assessment

The Audit Committee has conducted a self-assessment. The Board of Directors has not conducted a self-assessment.

5.6 Remuneration

The Annual General Meeting of Shareholders approved remuneration for the Board of Directors on a lump-sum basis and empowered the Board of Directors to consider the allocation of such remuneration for each director as it deemed fit. The Company disclosed the 2006 remuneration of each individual director in the annual report under the heading of Remuneration for Directors and Executives.

The Chief Operating Officer approved remuneration of the Management and the Executive Committee approved the remuneration of the Chief Operating Officer. Such remuneration is in accordance with the Company's annual budget, which is approved by the Board of Directors. The Remuneration is in the form of salaries and bonuses, and corresponds to the Company's performance and to the appraised performance of the Chief Operating Officer and each senior manager.

5.7 Board of Directors and Management Training

The Company encourages training for directors, management and staff. Training may be in-house or arranged at other institutions. The Company recently sent two directors, Mr David Armstrong and Mr Supakorn Vejajiva, to attend a seminar on Characteristics of Effective Directors, which was organised by the Thai Institute of Directors. In 2007, Mr David Armstrong will attend the Director Certification Program (DCP).

The Company also arranged an internal seminar for all levels of management on the topic of **Implementing Totally Good Corporate Governance Into Business Practices**.

The Management and the Company Secretary provide all new directors with the necessary documents and useful introductory information concerning the Company.

The Company does not have a succession plan. However, the Chief Operating Officer encourages executive development and prepares training and development programmes for the Management and staff on a regular basis.



MANAGEMENT STRUCTURE

The Board of Directors

The Board of Directors consists of 15 persons as follows:

Independent Directors, five persons as follows:

1. Mr Chavalit Thanachanan,
Chairman of the Board of Directors
2. Mr John Thompson
3. Mr Lindley John Holloway
4. Mr Pichai Vasnasong
5. Dr Siri Ganjarerndee

Non-Executive Directors, seven persons as follows:

1. Mr Chai Nasylvanta
2. Mr Chartsiri Sophonpanich
3. Mr Ek-rit Boonpiti
4. Mr Kuok Khoon Ean
5. Ms Nancy Valiente
6. Mr Suthikiati Chirathivat
7. Mr Worachai Bhicharnchitr

Executive Directors, three persons as follows:

1. Mr David John Armstrong
2. Mr Johannes B van der Linden
3. Mr Supakorn Vejajiva

Mr Puck Bhengsri, Company Secretary, serves as the secretary of the Board of Directors.

Remarks:

1. Mr Sudhitham Chirathivat retired by rotation in the 2006 Annual General Meeting of Shareholders on 21 April 2006 and did not offer himself for re-election.
2. Mr Suthichai Chirathivat resigned on 11 May 2006.
3. Mr Chai Nasylvanta, Mr Ek-rit Boonpiti and Mr Supakorn Vejajiva were elected at the 2006 Annual General Meeting of Shareholders on 21 April 2006.

Authorities of the Board of Directors

The Board of Directors has responsibilities to manage the operation of the Company in accordance with the Articles of Association of the Company and resolutions of Shareholders' Meetings. The Board of Directors may delegate one or more directors or any other persons to carry out any task on behalf of the Board of Directors, and all such delegations shall be in writing signed by the authorised directors of the Company. At present, authorised directors of the Company comprise:

1. Mr Kuok Khoon Ean
2. Mr Johannes B van der Linden
3. Mr David John Armstrong
4. Mr Worachai Bhicharnchitr
5. Mr Supakorn Vejajiva
6. Mr Suthikiati Chirathivat

The Board of Directors has set up sub-committees in order to help it control and monitor the operation of the Company and report to the Board of Directors on a regular basis. These sub-committees are:

- **The Executive Committee**
- **The Audit Committee**
- **The Nomination and Remuneration Committee**

The Executive Committee

The Board of Directors appoints the Executive Committee which should comprise no more than eight directors and no less than five directors (except the Chairman of the Board of Directors). The Executive Committee shall appoint one of its members as Chairman of the Executive Committee. The Chairman of the Executive Committee should not be a full-time employee of the Company.

The Executive Committee is now comprised of the following directors:

1. Mr Suthikiati Chirathivat, Chairman
2. Mr David John Armstrong
3. Mr John B van der Linden
4. Mr Kuok Khoon Ean
5. Mr Worachai Bhicharnchitr

Mr Puck Bhengsri, Company Secretary, serves as the secretary of the committee.

Remarks: Mr David John Armstrong was appointed as member of the Executive Committee on 11 May 2006.

Authorities of the Executive Committee

The Executive Committee will delegate to and define the responsibilities and authorities of the Chief Operating Officer and will have authority and responsibility in the following matters:

1. To review the current business and all activities of the Company and its subsidiaries on a monthly basis.
2. To authorise other items of expenditure not presented for approval to the Board of Directors in the annual budget and not exceeding in aggregate Baht 20 million.
3. To approve contracts, open bank accounts, borrow or lend money by means of overdrafts or otherwise as it deems fit and to report such actions forthwith to the Board of Directors.
4. To determine the Company's organisation, employment policies and signatory authorities.
5. To appoint senior members of the management team and fix their remuneration and employment terms, except the Chief Operating Officer of the Company and the Bangkok Post Editor.

The Audit Committee

The Audit Committee is comprised of the following directors:

1. Dr Siri Ganjarerndee, Chairman
2. Mr John Thompson
3. Mr Pichai Vasnasong

Ms Chantana Suebsin, Chief Audit Executive, serves as the secretary of the committee.

Authorities of the Audit Committee

1. Risk Management

Evaluate on a regular basis the adequacy and efficiency of the Company's risk management process.

2. Internal Controls

2.1 Evaluate whether management is performing



adequately, providing strong leadership and setting the appropriate **control environment** by communicating the importance of internal controls and management of risk and ensuring that all employees have a proper understanding of their roles and responsibilities.

- 2.2 Consider the efficiency and adequacy of the Company's internal controls over annual and quarterly financial reporting and internal audit reports, including information technology security and control.
- 2.3 Consider how management is held to account for the evaluation and coverage of losses and the security of computer systems and applications, and the contingency plans for the financial or operational information processing in the event of a system breakdown.
- 2.4 Satisfy themselves whether and to what extent internal control recommendations made by internal and external auditors are implemented by management.

3. Financial Reporting

3.1 General

- 1) Gain an understanding of the current areas of the greatest financial risk and how management is managing these effectively.
- 2) Discuss with the internal and external auditors any potential or actual fraud, illegal acts, deficiencies in internal control or other similar issues.
- 3) Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impacts on the financial statements.
- 4) Ask management and the internal and external auditors about significant risks and exposures and the plans to minimise such risks.
- 5) Review any legal matters that could significantly impact the financial statements.

3.2 Annual Financial Statements

- 1) Review the annual financial statements and determine whether they are complete and consistent with the information known to the Committee members; assess whether the financial statements reflect appropriate accounting principles.
- 2) Pay particular attention to complex and/or unusual transactions.
- 3) Focus on judgmental areas, for example those involving valuation of assets and liabilities; warranty, product or environmental liability; litigation reserves; and other commitments and contingencies.
- 4) Meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered.
- 5) Recommend to the Board whether or not to endorse the Accounts for the approval of shareholders.

3.3 Quarterly Financial Statements

Assess the fairness of quarterly statements and disclosures, and obtain explanations from management and internal and external auditors

concerning actual financial results, changes in financial ratio in relation to the changes in the Company's operations and financial practices, unusual events or transactions, financial and operating controls, and adequate and appropriate disclosures.

4. Internal Audit

- 1) Review the activities and organisational structure of the internal audit function and ensure that no unjustified restrictions or limitations are imposed.
- 2) Review the qualifications of internal audit personnel and supervise the hiring, promotion, replacement, reassignment, remuneration or dismissal of the Chief Audit Executive.
- 3) Review the effectiveness of the internal audit function.
- 4) Meet separately with the Chief Audit Executive to discuss any matters that the Committee or the internal auditors believe should be discussed privately.
- 5) Ensure that significant findings and recommendations made by the internal auditors are received and discussed on a timely basis.
- 6) Ensure that management timely responds to recommendations of the internal auditors.

5. External Audit

- 1) The Audit Committee shall have procedures to ensure the independence and objectivity of the external auditor annually.
- 2) Consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services acquired by the Company.
- 3) Approve non-audit work performed by the external auditor.
- 4) Make recommendations to the Board regarding the appointment of the external auditors.
- 5) Review the external auditors' proposed audit scope and approach and ensure no unjustified restrictions or limitations are placed on the scope.
- 6) Review the performance of the external auditors.
- 7) Monitor the external firm's compliance with applicable ethical guidance and ensure that the fees paid are reasonable.
- 8) Enquire as to the degree of coordination of work between the external auditor and internal audit function to ensure it is appropriate under the circumstances.
- 9) Meet separately with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed privately.
- 10) Ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis.
- 11) Review the representation letters to the external auditor before signing by the management and give particular consideration to matters where representation has been requested relating to non-standard issues.
- 12) As part of the ongoing monitoring process, the Audit Committee shall review the management letter and ensure that management timely responds to recommendations of the external auditors.



6. Compliance with Laws and Regulations

- 1) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance with laws and regulations.
- 2) Obtain regular updates from management and or Internal Audit regarding compliance matters.
- 3) Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements.
- 4) Review the findings of any examinations by regulatory agencies.

7. Compliance with the Company's Policies, Procedures and Code of Conduct

- 1) Ensure that the Company's policies, procedures and Code of Conduct are in writing and that arrangements are made for all employees to be aware of it.
- 2) Evaluate whether management is setting the appropriate **tone at the top** by communicating the importance of the policies, procedures and the Code of Conduct and the guidelines for acceptable behaviour.
- 3) Review the process for monitoring compliance with the policies, procedures and Code of Conduct.
- 4) Obtain regular updates from management regarding compliance with the above.

8. Whistle Blowing

- 1) The Audit Committee shall review the Company procedures for handling allegations from whistle blowers.
- 2) The Audit Committee shall review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting, controls or any other matters.
- 3) The Audit Committee shall ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action, and that any matters relevant to its own responsibilities are brought to its attention.

9. Reporting Responsibilities

- 1) Regularly update the Board about the Committee's activities and make appropriate recommendations.
- 2) Ensure that the Board is aware of matters, which may significantly impact the financial condition or affairs of the business.

10. Other Responsibilities

- 1) Perform other oversight functions as requested by the Board.
- 2) If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- 3) Review and update this charter and propose changes for approval by the Board.
- 4) Evaluate the Committee's own performance on a regular basis.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is now comprised of the following directors:

1. Mr Pichai Vasnasong, Chairman
2. Dr Siri Ganjarerndee
3. Mr Worachai Bhicharnchitr

Mr Puck Bhengsri, Company Secretary, serves as the secretary of the committee.

Authorities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has responsibilities to review, evaluate and make recommendations to the Board in relation to:

1. The process for the review of the performance and evaluation of the Board and members of the Board.
2. The appropriate number and qualification of independent directors.
3. The selection process for independent directors.
4. The nomination of independent directors to the Board.
5. Remuneration and incentive policies for the Board and sub-committees of the Board.
6. Professional indemnity and liability insurance for members of the Board and senior executives.
7. The succession plan and selection process for the Chief Operating Officer and senior executives that shall be performed by the Executive Committee or the Chief Operating Officer.
8. The process for evaluation of the Chief Operating Officer and senior executives that shall be performed by the Executive Committee or the Chief Operating Officer.
9. Remuneration and incentive policies for Chief Operating Officer and senior executives that shall be implemented by the Executive Committee or the Chief Operating Officer.
10. Other functions as requested by the Board.

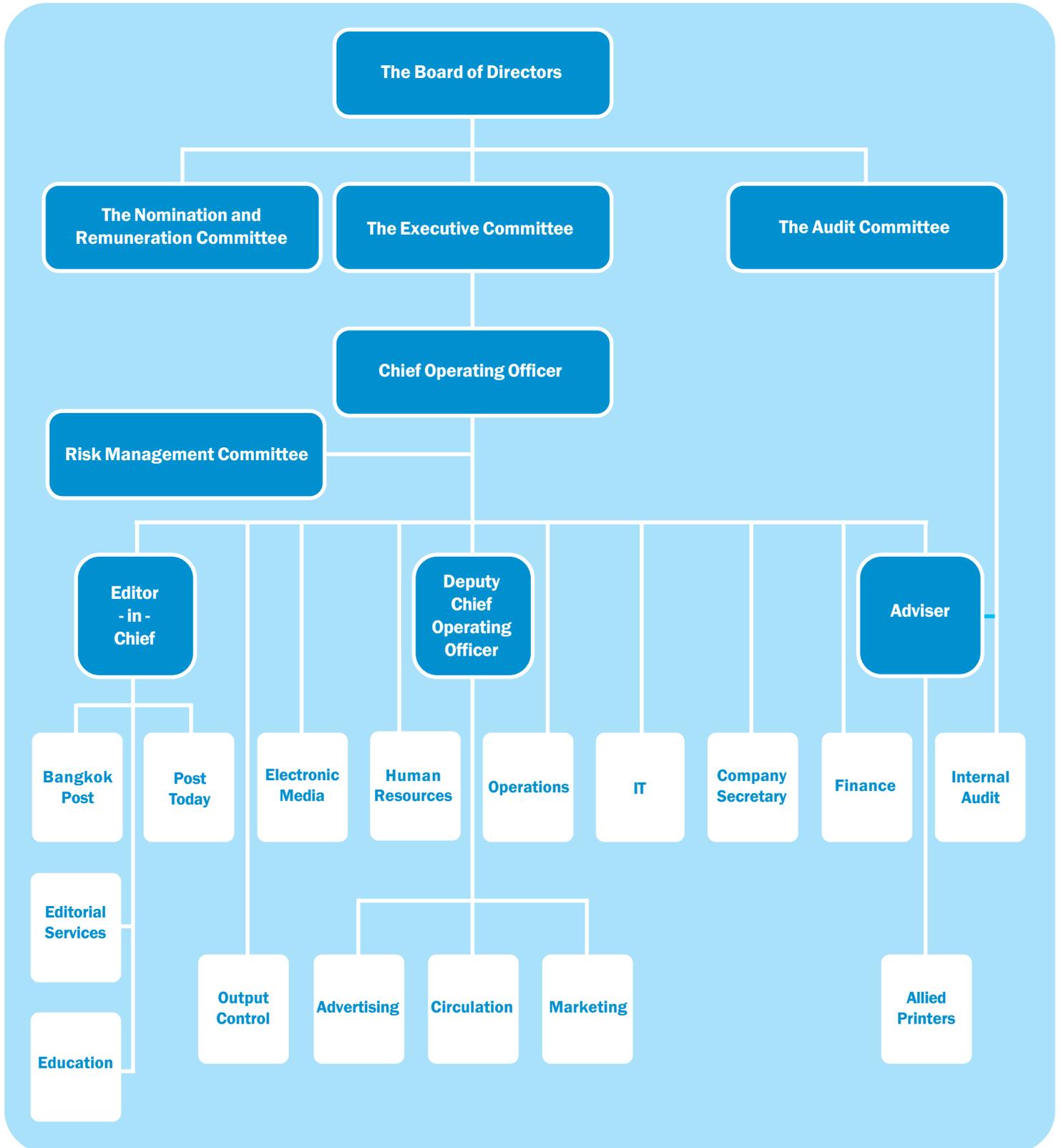
Risk Management Committee

The Management has set up a Risk Management Committee as a sub-committee of the Management with the following responsibilities:

1. Prepare the Company's Risk Management Policy for consideration and approval by the Company's Management.
2. Determine corporate risk management strategies to assess risks and define a structure for risk management to reduce risks to acceptable levels.
3. Collect and analyse data.
4. Propose corporate risk management, control measures and implementation plans to the Company's Management.
5. Monitor corporate risk management.
6. Report to the Company's Management.
7. Create a culture of personal responsibility to recognise and properly deal with risks among employees at all levels of the Company.

ORGANISATION

THE POST PUBLISHING PUBLIC COMPANY LIMITED





BOARD OF DIRECTORS



MR CHAVALIT THANACHANAN
Independent Director &
Chairman of the
Board of Directors

Post Director for 10 years,
Thai, 77

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- Honorary PhD in Commerce and Accountancy, Thammasat University, 1990
- BA Economics, University of Manchester, England, 1954

TRAINING:

Thai Institute of Directors:
• Director Certification Program Class 1/2000

POSITIONS:

In listed companies: None

In non-listed companies:

- Since 1991: Chairman, Bangkok Life Assurance
- Since 2001: Chairman, Thai Tinplate Mfg Co, Ltd
- Since 2002: Chairman, Professor Sangvian Indaravijaya Foundation

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- 2001-2003: Chairman, The Stock Exchange of Thailand
- 1999-2005: Chairman, Thai Institute of Directors
- 1997-2004: Chairman, Bank of Asia Plc
- 1990: Governor, Bank of Thailand
- 1987-1990: Deputy Governor, Bank of Thailand

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 5 out of 5
- Shareholders' Meeting: Attended 1 out of 1



MR SUTHIKIATI CHIRATHIVAT
Director &
Chairman of the
Executive Committee

Post Director for 25 years,
Thai, 64

SHAREHOLDING: 12.69%

RELATIONSHIP:

- Daughter married to Mr Supakorn Vejajiva

EDUCATION:

- Honorary PhD in Mass Communications, Ramkhamhaeng University
- MA Political Science, Ramkhamhaeng University
- BA Political Science, Ramkhamhaeng University
- National Defense College of Thailand (Joint Public and Private Sectors Class No 1)

POSITIONS:

In listed companies:

- Chairman of the Executive Board, Central Plaza Hotel Plc
- Executive Vice Chairman, Central Pattana Plc

In non-listed companies:

- Executive Vice Chairman, Central Group of Companies
- Director, Hachette Filipacchi Post Co, Ltd
- Director, Hachette Filipacchi Post-ACP Co, Ltd
- Director, HFPost-MC Co, Ltd

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- Member of the National Legislative Assembly
- Senator

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 5 out of 5
- Shareholders' Meeting: Attended 1 out of 1
- The Executive Committee's Meetings: Attended 6 out of 6



DR SIRI GANJARERNDÉE
Independent Director,
Chairman of the Audit
Committee & Member of the
Nomination and Remuneration
Committee

Post Director for 7 years,
Thai, 58

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- PhD in Monetary Economics, Econometrics & Operations Research, Monash University, Australia
- M Economics (Economic Statistics and Monetary Economics), University of Sydney, Australia
- B Economics (Honours) Economic Statistics, University of Sydney, Australia

TRAINING:

Thai Institute of Directors:

- Audit Committee Program (ACP 6/2005)
- Director Certification Program (DCP 60/2004)
- Director Accreditation Program (DAP 4/2003)

POSITIONS:

In listed companies:

- Since 2005: Independent Director and Audit Committee Member, Prasit Patana Plc
- Since 2004: Independent Director and Audit Committee Member, Indorama Polymers Plc
- Since 2001: Independent Director and Audit Committee Member, Land and Houses Plc
- Since 2000: Independent Director and Audit Committee Member, The Thai Vegetable Oil Plc

In non-listed companies:

- Since 2003: Director and Audit Committee Member, Thai Rating and Information Services Co, Ltd
- Since 1996: Advisor to the Board, TSFC Securities Ltd

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- 2002-2003: President & Chief Executive Officer, Thai Military Bank Plc
- 1991-1998: Senior Assistant Governor, Bank of Thailand

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 5 out of 5
- Shareholders' Meeting: Attended 1 out of 1
- The Audit Committee's Meetings: Attended 4 out of 4
- The Nomination and Remuneration Committee's Meetings: Attended 3 out of 3



MR PICHAI VASNASONG
Independent Director,
Chairman of the Nomination
and Remuneration Committee
& Member of the
Audit Committee

Post Director for 6 years
Thai, 77

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:

- Honorary PhD in Communications, Sukhothai Thammathirat Open University
- Honorary PhD in Communications, Chulalongkorn University
- B Architecture, Chulalongkorn University

TRAINING:
Thai Institute of Directors:
• Director Certification Program (DCP 2000); Chairman 2000

POSITIONS:
In listed companies:
• Since 2005: Chairman of Corporate Governance Committee, Samart Corporation Plc
• Since 1999: Chairman of the Audit Committee, Samart Corporation Plc
• Since 1993: Chairman, Samart Corporation Plc
In non-listed companies:
• Director, Thai Institute of Directors
• Advisor to the Executive Board, Royal Thai Army Radio and Television Channel 5
• Advisor, Mc Thai Co, Ltd
• Academic Director, Rangsit University
• Academic Director, The University of the Thai Chamber of Commerce
In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- Advisor to Prime Minister General Prem Tinsulanonda
- Advisor to Foreign Affairs Minister General Siddhi Savetsila
- Advisor to Minister of Finance Sommai Huntrakul
- Senator

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 4 out of 5
- Shareholders' Meeting: Attended 0 out of 1
- The Audit Committee's Meetings: Attended 3 out of 4
- The Nomination and Remuneration Committee's Meetings: Attended 3 out of 3



MR JOHN THOMPSON
Independent Director &
Member of the
Audit Committee

Post Director for 1.6 years,
Thai, 42

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:

- BA (Honours), London University, England
- Associate Chartered Accountant (ACA), The Institute of Chartered Accountants in England & Wales (ICAEW), England

TRAINING:
Thai Institute of Directors:
• Director Accreditation Program (DAP)

POSITIONS:
In listed companies: None
In non-listed companies:
• Since 2005: Managing Director, TMB Macquarie Securities
In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- 1999-2005: Head of Equities, ING Securities (Thailand) Co, Ltd; Managing Director, ING Securities (Thailand) Co, Ltd
- 1997-1999: Head of Equities, ABN Amro Asia Securities Plc
- 1996-1997: Head of Sales, Nava Standard Chartered Securities
- 1995-1996 Head of Equities, Seamico Securities Plc
- 1992-1995 Head of Research, Cazenove & Co
- 1988-1992: Chartered Accountant, PriceWaterhouse (UK)

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 5 out of 5
- Shareholders' Meeting: Attended 1 out of 1
- The Audit Committee's Meetings: Attended 4 out of 4



MR LINDLEY J HOLLOWAY
Independent Director

Post Director for 5 years,
Singaporean, 77

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:

- B Economics, University of Leeds, United Kingdom

POSITIONS:
In listed companies: None
In non-listed companies: None
In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- Deputy Chairman and Chief Executive, South China Morning Post Publishers Ltd
- Director, News International London Plc
- News Corporation, London
- Chief Executive and Managing Director, Singapore Press Holdings

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 2 out of 5
- Shareholders' Meeting: Attended 0 out of 1



MR CHAI NASYLVANTA
Director

Post Director for 0.6 year,
Thai, 48

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:

- MBA (Finance), University of Pennsylvania, USA
- B Electrical Engineering, Chulalongkorn University

POSITIONS:
In listed companies:
• Since 2005: Director, Total Access Communication Plc
• Since 2005: Member of the Nomination and Remuneration Committee, GMM Media Plc
• Since 2002: Independent Director and Chairman of the Audit Committee, GMM Media Plc
• Since 1999: Independent Director and Member of the Audit Committee, GMM Grammy Plc
• Since 1995: Independent Advisor, United Communication Industry Plc

In non-listed companies:
• Since 1992: Director, Aon (Thailand) Ltd
• Since 1991: Director, Marketing and Imaging Advertising Co, Ltd
• Since 1989: Director, Aon Group (Thailand) Ltd
In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- 1984-1995: Senior Vice President, Project Finance Department, Bangkok Bank Plc

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 3 out of 3
- Shareholders' Meeting: Attended 0 out of 0 (Elected director on the Annual General Meeting of Shareholders 2006)



MR CHARTSIRI SOPHONPANICH
Director

Post Director for 14 years,
Thai, 47

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- M Management, Sloan School of Management, The Massachusetts Institute of Technology, USA
- M Chemical Engineering, The Massachusetts Institute of Technology, USA
- B Chemical Engineering, Worcester Polytechnic Institute, USA

TRAINING:

Thai Institute of Directors:

- Director Accreditation Program (DAP 2004)
- The Rule of the Chairman Program (2/2001)
- Director Certification Program (DCP 3/2000)

POSITIONS:

In listed companies:

- Since 1994: President, Bangkok Bank Plc
- Since 2002: Director, Thai Airways International Plc

In non-listed companies:

- Since 2002: Director, Asset Management Corporation
- Since 2001: Director, Visa International (Asia Pacific)

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 5 out of 5
- Shareholders' Meeting: Attended 0 out of 1



MR EK-RIT BOONPITI
Director

Post Director for 0.6 year,
Thai, 44

SHAREHOLDING: 2%

RELATIONSHIP: None

EDUCATION:

- MS Marketing, Thammasat University, 1994
- B Business (Transport Economics), Royal Melbourne Institute of Technology (RMIT), Australia, 1988

POSITIONS:

In listed companies:

- 2005-Present: Executive Director and Sr Executive Vice President, Thai Central Chemical Plc

In non-listed companies:

- 2005-Present: Managing Director and Director, Crystal Jade Restaurant
- 2005-Present: MD and Director, Crystal Jade-My Bread Co, Ltd
- 2005-Present: MD and Director, Crystal Jade Confectionery Co, Ltd
- 2004-Present: Executive Director and MD, Crystal Jade La Mian Xiao Long Bao Co, Ltd
- 1999-Present: Managing Director, MC Broker Co, Ltd
- 1996-Present: Managing Director, Metro Resources Plc

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- 2004-2005: Senior Vice President, Corporate Planning & Internal Audit Depts, Thai Central Chemical Plc
- 2001-2004: Senior Vice President, Corporate Planning Dept, Thai Central Chemical Plc
- 1999-2001: Advisor to Corporate Planning Office, Thai Central Chemical Plc
- 1998-2003: Executive Director and Deputy Chairman, Mayne Transport Co, Ltd
- 1998-2003: Executive Director and Deputy Chairman, Mayne Logistics Co, Ltd
- 1988-2005: Executive Director, Metro Co, Ltd

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 3 out of 3
- Shareholders' Meeting: Attended 0 out of 0 (Elected director on the Annual General Meeting of Shareholders 2006)



MR KUOK KHOON EAN
Director &
Member of the
Executive Committee

Post Director for 7 years,
Malaysian, 51

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- B Economics, Nottingham University, United Kingdom, 1977

POSITIONS:

In listed companies:

- Since 2000: Executive Chairman, South China Morning Post (SCMP) Group Ltd (Hong Kong)

In non-listed companies:

- Since 1978: Director, Kerry Holdings Ltd (Hong Kong)

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- 2000: Executive Director, SCMP Group Ltd (Hong Kong)
- 1998: Chairman, SCMP Group Ltd (Hong Kong)

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 0 out of 5
- Shareholders' Meeting: Attended 0 out of 1
- The Executive Committee's Meetings: Attended 1 out of 6



MS NANCY VALIENTE
Director

Post Director for 1.7 years,
Filipino, 42

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- MBA, Wharton School University of Pennsylvania, USA, 1993

- BS Business Administration and Accountancy, University of the Philippines, 1986

TRAINING:

- Member of HK Institute of Directors

POSITIONS:

In other listed companies:

- Since 2003: Chief Financial Officer, South China Morning Post (SCMP) Group Ltd
- Since 2000: SCMP Group Ltd

In non-listed companies:

- Since 2003: Director, SCMP Publishers Ltd
- Since 2005: Director, Dymocks Franchise Systems (China) Ltd

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- 1993-2000: Vice President, Merrill Lynch
- 1989-1991: Associate Corporate Finance Director, Jardine Fleming Exchange Capital
- 1986-1989: Senior Auditor, Arthur Andersen

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 4 out of 5;
- Shareholders' Meeting: Attended 1 out of 1



MR WORACHAI BHICHARNCHITR
Director,
Member of the
Executive Committee &
Member of the Nomination
and Remuneration Committee

Post Director for 12 years,
 Thai, 52

SHAREHOLDING: 3.42%

RELATIONSHIP: None

EDUCATION:

- M Law, New York University, NY, USA, 1979
- B Law, Thammasat University, 1976
- National Defense College of Thailand, 1998

POSITIONS:

In listed companies: None

In non-listed companies:

- Since 1989: Managing Director, Vickery & Worachai Ltd

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 5 out of 5
- Shareholders' Meeting: Attended 1 out of 1
- The Executive Committee's Meetings: Attended 6 out of 6
- The Nomination and Remuneration Committee's Meetings: Attended 3 out of 3



MR DAVID JOHN ARMSTRONG
Director,
Member of the
Executive Committee &
Chief Operating Officer

Post director for 3 years,
 Australian, 59

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- BA History, University of New South Wales, Australia, 1971

TRAINING:

Thai Institute of Directors:

- The Characteristics of Effective Directors
- Director Certification Program (DCP 83/2007)

POSITIONS:

In listed companies: None

In non-listed companies: None

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- 2005-2006: Editorial Director of South China Morning Post, South China Morning Post Publishers (SCMP) Ltd
- 2003-2005: Editor-in-Chief of South China Morning Post, SCMP Publishers Ltd
- 2002-2003: Senior Corporate Executive, News Limited
- 1996-2002: Editor-in-Chief of The Australian
- 1993-1996: Editor, Editor-in-Chief of South China Morning Post, SCMP Publishers Ltd
- 1992-1993: Editor, Canberra Times

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 5 out of 5
- Shareholders' Meeting: Attended 1 out of 1
- The Executive Committee's Meetings: Attended 4 out of 4 (Appointed as Member of the Executive Committee on 11 May 2006)



MR JOHANNES BERNARDUS VAN DER LINDEN
Director,
Member of the
Executive Committee &
Adviser

Post Director for 17 years,
 Dutch, 81

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- Registered Accountant (RA), NIVRA, The Netherlands, 1967

TRAINING:

Thai Institute of Directors:

- Director Accreditation Program Class 56/2006

POSITIONS:

In listed companies: None

In non-listed companies:

- Director, Hachette Filipacchi Post Co, Ltd

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

- 1987-1998: General Committee, The Royal Bangkok Sports Club
- 1979-1989: Managing Director, Multi Credit Corporation of Thailand
- 1974-1979: Finance Director, Shell Group

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 5 out of 5
- Shareholders' Meeting: Attended 1 out of 1
- The Executive Committee's Meetings: Attended 5 out of 6



MR SUPAKORN VEJAJIVA
Director &
Deputy Chief Operating Officer

Post Director for 0.6 year,
 Thai, 39

SHAREHOLDING: 0.5%

RELATIONSHIP:

- Wife is daughter of Mr Suthikiati Chirathivat

EDUCATION:

- BA in International Relations (Honours), Gonville and Caius College, Cambridge University, England, 1988

TRAINING:

Thai Institute of Directors:

- The Characteristics of Effective Directors

POSITIONS:

In listed companies: None

In non-listed companies:

- Since 2004: Director, SKFM Securities Co, Ltd
- Since 2006: Director, The Magazine Association of Thailand

In other companies which materially compete directly or have any related business with the Company (possible conflict of interest): None

CAREER:

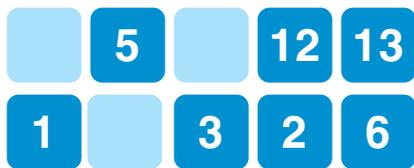
- 2004-2005: Marketing Director, The Post Publishing Plc
- 2002-2004: Circulation and Marketing Comm Director, The Post Publishing Plc
- 2000-2002: Managing Director, Quamnet (Thailand) Co, Ltd
- 1998-2000: Investment Banking Executive, Lehman Brothers Thailand Co, Ltd
- 1994-1997: Director of Securities Department, SCB Securities Co, Ltd
- 1991-1994: Assistant Vice President of International Equity Sales Department, Phatra Thanakit Co, Ltd
- 1989-1991: Equity Research Analyst, Cazenove & Co, UK

MEETING ATTENDANCE IN 2006:

- The Board of Directors' Meetings: Attended 3 out of 3
- Shareholders' Meeting: Attended 0 out of 0 (Elected director on the Annual General Meeting of Shareholders 2006)



MANAGEMENT COMMITTEE



LEFT



RIGHT



- | | |
|--|-------------------------------------|
| 1 Mr Suthikiati Chirathivat | Chairman of the Executive Committee |
| 2 Mr David Armstrong | Chief Operating Officer |
| 3 Mr Supakorn Vejajiva | Deputy Chief Operating Officer |
| 4 Mr Johannes Bernardus van der Linden | Adviser |
| 5 Mr Kittiwijakprasert | Financial Director |
| 6 Mr Pichai Chuensuksawadi | Editor-in-Chief |
| 7 Ms Chantana Suebsin | Chief Audit Executive |
| 8 Mr Lersak Jaturapol | Operations Director |
| 9 Mr Pornchai Saengaroon | Human Resources Director |
| 10 Mr Puck Bhengsi | Company Secretary |
| 11 Mr Kowit Sanandang | Electronic Media Director |
| 12 Mr Pattnapong Chantranontwong | Editor, Bangkok Post |
| 13 Mr Nha-Kran Loahavilai | Editor, Post Today |
| 14 Mr Aikhamol Chongkhadikij | IT Director |



MANAGEMENT COMMITTEE



DIRECTOR & CHAIRMAN OF THE EXECUTIVE COMMITTEE

Mr Suthikiati Chirathivat
Thai, 64

SHAREHOLDING: 12.69%

RELATIONSHIP:

- Daughter married to Mr Supakorn Vejajiva

EDUCATION:

- Honorary PhD in Mass Communications, Ramkhamhaeng University
- MA Political Science, Ramkhamhaeng University
- BA Political Science, Ramkhamhaeng University
- National Defense College of Thailand (Joint Public and Private Sectors Class No 1)

CAREER:

- Chairman of the Executive Board, Central Plaza Hotel Plc
- Executive Vice Chairman, Central Pattana Plc
- Executive Vice Chairman, Central Group of Companies
- Director, Hachette Filipacchi Post Co, Ltd
- Director, Hachette Filipacchi Post-ACP Co, Ltd
- Director, HFPost-MC Company Limited
- Member of the National Legislative Assembly
- Senator

DIRECTOR, MEMBER OF THE EXECUTIVE COMMITTEE & CHIEF OPERATING OFFICER

Mr David John Armstrong
Australian, 59

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- BA History, University of New South Wales, Australia, 1971

TRAINING:

Thai Institute of Directors:

- The Characteristics of Effective Directors
- Director Certification Program (DCP)

CAREER:

- 2005-2006: Editorial Director, South China Morning Post, South China Morning Post (SCMP) Publishers Limited
- 2003-2005: Editor-in-Chief, South China Morning Post, SCMP Publishers Ltd
- 2002-2003: Senior Corporate Executive, News Limited
- 1996-2002: Editor-in-Chief, The Australian
- 1993-1996: Editor, Editor-in-Chief, South China Morning Post, SCMP Publishers Ltd
- 1992-1993: Editor, Canberra Times

DIRECTOR & DEPUTY CHIEF OPERATING OFFICER

Mr Supakorn Vejajiva
Thai, 39

SHAREHOLDING: 0.5%

RELATIONSHIP:

- Wife is daughter of Mr Suthikiati Chirathivat

EDUCATION:

- BA International Relations (Honours), Gonville and Caius College, Cambridge University, England, 1988

TRAINING:

Thai Institute of Directors:

- The Characteristics of Effective Directors

CAREER:

- Since 2004-present: Director, SKFM Securities Co, Ltd
- 2006-present: Director, The Magazine Asso of Thailand
- 2004-2005: Marketing Director, The Post Publishing Plc
- 2002-2004: Circulation and Marketing Comm Director, The Post Publishing Plc
- 2000-2002: Managing Director, Quamnet (Thailand) Co, Ltd
- 1998-2000: Investment Banking Executive, Lehman Brothers Thailand Co, Ltd
- 1994-1997: Director of Securities Department, SCB Securities Co, Ltd
- 1991-1994: Assistant Vice President of International Equity Sales Department, Phatra Thanakit Co, Ltd
- 1989-1991: Equity Research Analyst, Cazenove & Co, UK

CHIEF AUDIT EXECUTIVE

Ms Chantana Suebsin
Thai, 54

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- Certified Internal Auditor (CIA), USA
- M Accountancy (Finance), Chulalongkorn University, 1979
- B Accountancy (Finance), Chulalongkorn University, 1974

TRAINING:

- IIA's Endorsed Internal Auditing Program, Chulalongkorn University

CAREER:

- 1992-1999: Vice President, Internal Audit Department, Asia Credit Plc
- 1974-1992: Section Head, Internal Audit Department, Bangkok Bank Plc

EDITOR, BANGKOK POST

Mr Pattnapong Chantranontwong
Thai, 53

SHAREHOLDING: 0.01%

RELATIONSHIP: None

EDUCATION:

- BA Economics, Thammasat University, 1978

TRAINING:

- Diploma for Justice Management, The Juridical Institute, The Judiciary

CAREER:

- 2002-2006: Editor, Post Today, The Post Publishing Plc
- 1999-2002: Business Editor, Bangkok Post, The Post Publishing Plc

EDITOR, POST TODAY

Mr Nha-Kran Loahavilai
Thai, 41

SHAREHOLDING: None

RELATIONSHIP: None

EDUCATION:

- MS Computer Science, Rangsit University, 1997
- BA Journalism, Chulalongkorn University, 1985

CAREER:

- 2003-2006: News Editor, Post Today, The Post Publishing Plc
- 1998-2002: Columnist & Assistant Chief, News, Daily News Newspaper



DIRECTOR, MEMBER OF THE EXECUTIVE COMMITTEE & ADVISER

Mr Johannes Bernardus van der Linden
Dutch, 81

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:
• Registered Accountant (RA), NIVRA, The Netherlands, 1967
TRAINING:
Thai Institute of Directors:
• Director Certification Program (DCP 57/2006)
CAREER:
• Present: Director, Hachette Filipacchi Post Co, Ltd
• 1987-1998: General Committee, The Royal Bangkok Sports Club
• 1979-1989: Managing Director, Multi Credit Corporation of Thailand
• 1974-1979: Finance Director, Shell Group

FINANCIAL DIRECTOR

Mr Kitti Wijakprasert Thai, 58

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:
• B Accounting (2nd class Honours), Chulalongkorn University, 1971
TRAINING:
Corporate Finance:
• University of Michigan, USA
CAREER:
• 1978-1989: Financial Controller, Subsidiaries of Colgate-Palmolive in Indonesia, Hong Kong and Thailand
• 1971-1977: Management Accountant, ICI (Thailand) Limited

EDITOR-IN-CHIEF

Mr Pichai Chuensuksawadi Thai, 50

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:
• B Journalism, Queensland University, Australia, 1979
• B Pol Science, James Cook University of North Queensland University, Australia, 1976
CAREER:
• 1994-2002: Editor, Bangkok Post, The Post Publishing Plc
• 1993-1994: Special Assistant to the ASEAN Secretary General Dato'Ajit Singh
OTHERS:
• Board Member, Ifra (international newspaper & media publishing association)
• Chairman of the Organising Committee, Ifra Asia Pacific
• Chairman, The Bangkok Post Foundation
• Chairman, Phud Hong Leper Foundation
• Chairman, The Bangkok Post Provident Fund
• Member, The Press Council of Thailand

COMPANY SECRETARY

Mr Puck Bhengsri Thai, 47

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:
• MS Investment Mgmt, Pace University, NY, USA, 1985
• MBA, Long Island University, NY, USA, 1984
• Cert for Tax Administration, University of Southern California, USA, 1982
• B Accountancy, Chulalongkorn University, 1981
TRAINING:
Thai Institute of Directors:
• Role of the Compensation Committee Program (RCC 1/2006)
• DCP Refresher Course 1/2005
CAREER:
• 1997-present: Executive Director, Siam City Insurance Co, Ltd
• 1985-2006: Director, Bangkok First Investment & Trust Plc
• 2004-2006: Director, Tawana Hotel Co, Ltd
• 2004-2005: Managing Director, Finans Asset Management Co, Ltd
• 2000-2004: Director and Deputy Managing Director, BFIT Securities Co, Ltd
• 2001-2004: Director, The Thai Bond Dealing Centre
• 2000-2003: Director, Investment Banking Club, Association of Securities Companies

OPERATIONS DIRECTOR

Mr Lersak Jaturapol Thai, 52

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:
• M Public and International Affairs, University of Pittsburgh, USA, 1985
• BA International Relations, Chulalongkorn University, 1976
CAREER:
• 1998-2000: Production Director, The Post Publishing Plc
• 1995-1998: Production Manager, The Post Publishing Plc
• 1984-1993: Managing Editor, The Nation Publishing Group

ELECTRONIC MEDIA DIRECTOR

Mr Kowit Sanandang Thai, 53

SHAREHOLDING: 0.002%
RELATIONSHIP: None
EDUCATION:
• MBA, Thammasat University, 1985
• B Economics, Thammasat University, 1978
TRAINING:
Economic Writing:
• International Institute for Journalism, Berlin
NSK/CAJ Fellowship, Japan
CAREER:
• 2004-2005: Editor, Bangkok Post, The Post Publishing Plc
• 2002-2004: Executive Editor, The Post Publishing Plc
• 2000-2002: Deputy Editor (Admin), The Post Publishing Plc

HUMAN RESOURCES DIRECTOR

Mr Pornchai Saengaroon Thai, 53

SHAREHOLDING: None
RELATIONSHIP: None
EDUCATION:
• MBA (Executive Programme) Kasetsart University, 1999
• BA Pol Science, Chulalongkorn University, 1974
TRAINING:
HR Management:
• Toyota Corp and Mitsubishi, Japan
The Boss Certificate:
• Management and Psychology Institute
CAREER:
• 2000-2004: Sr Vice President, HR, Kiatnakin Bank Plc
• 1995-1999: Sr Vice President, HR, IFCT
• 1979-1995: HR Manager, Michelin Siam, The Siam Cement Group

IT DIRECTOR

Mr Aikhamol Chongkhadikij Thai, 52

SHAREHOLDING: 0.01%
RELATIONSHIP: None
EDUCATION:
• BS Electrical Engineering, University of London, UK, 1977
TRAINING:
Thai Oil Plc
CAREER:
• 1980-1996: Computer Manager, The Post Publishing Plc
• 1979-1980: Engineer, National Semiconductor Co, Ltd
• 1978-1979: Engineer, Alcom Research Co, Ltd



BOARD OF DIRECTORS AND MANAGEMENT NOMINATION AND SELECTION

The Articles of Association of the Company state that the directors shall be elected at the Shareholders Meeting in accordance with the following rules and procedures:

1. Each shareholder shall have one vote for each share for which the shareholder is the registered holder.
2. A shareholder or proxy may vote only for as many persons as there are vacancies on the Board of Directors to be filled. A shareholder or proxy may not cast more than one vote for any person in respect of each share that the shareholder holds or that their proxy represents, and may not allot any portion of their votes to other persons.
3. After the vote, the candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied in such a way as the number of Directors is exceeded, the remaining appointments shall be made by drawing lots.

At each Annual General Meeting, one-third of the directors or if the number is not a multiple of three, then the number closest to one-third, must retire from office. The directors who have been longest in office

shall retire. A retiring director is eligible for re-election.

Any vacancy occurring in the Board of Directors otherwise than by completion of a vacating director's term of office shall be filled by resolution of the Board of Directors, unless the remaining period of the vacating director's term of office is less than two months. The resolution of the Board of Directors to such effect shall be adopted by the affirmative votes of at least three-fourths of the remaining directors. However, in the event that the number of vacancies in the Board of Directors is such that the number of remaining directors does not constitute a quorum, the remaining directors may act on behalf of the Board of Directors only to summon a General Meeting solely for the purpose of electing replacement directors. The said General Meeting must be held within one month from the date on which the number of vacancies resulted in the number of remaining directors being less than a quorum. Any person appointed or elected as a replacement director shall retain his or her office only during such time as the vacating director was entitled to retain the same.

The Nomination and Remuneration Committee has responsibilities to make recommendations to the Board of Directors

in relation to the selection process for independent directors and nomination of independent directors.

The Company shall facilitate shareholders who hold a minimum of 100,000 shares of the Company, hold the said shares consecutively for at least one year prior to the proposed date, provide evidence of the said holding of shares to the Company such as copies of share certificates and a letter of confirmation issued by a securities brokerage company, Thailand Securities Depository Company Limited and The Stock Exchange of Thailand, and provide identification papers such as copies of the identification card, passport, and all necessary corporate documents to nominate candidates who have appropriate qualifications and possess no prohibited characteristics for directors of the Company. Details of the procedure are posted on the Company's website.

Except for the positions of Chief Operating Officer of the Company and Bangkok Post Editor where the Board of Directors must approve the appointments, the Executive Committee is authorised to approve the appointment of senior members of the Management and fix their remuneration and employment terms.

REMUNERATION FOR DIRECTORS AND EXECUTIVES

a) Cash compensation for directors in 2006

| Name | Position | (Bht '000) Director's Fee |
|-------------------------------------|---|------------------------------|
| 1 Mr Chavalit Thanachanan | Independent Director & Chairman of Board of Directors | 1,989 |
| 2 Mr Suthikiati Chirathivat | Director & Chairman of the Executive Committee | 1,673 |
| 3 Mr Worachai Bhicharnchitr | Director, Member of the Executive Committee & Member of the Nomination & Remuneration Committee | 1,443 |
| 4 Dr Siri Ganjarerndee | Independent Director, Chairman of the Audit Committee & Member of the Nomination & Remuneration Committee | 1,341 |
| 5 Mr Pichai Vasanong | Independent Director, Chairman of the Nomination & Remuneration Committee & Member of the Audit Committee | 860 |
| 6 Mr Kuok Khoon Ean | Director & Member of the Executive Committee | 827 |
| 7 Mr John Thompson | Independent Director & Member of the Audit Committee | 808 |
| 8 Mr Chartsiri Sophonpanich | Director | 465 |
| 9 Ms Nancy Valiente | Director | 413 |
| 10 Mr Lindley John Holloway | Independent Director | 311 |
| 11 Mr Chai Nasylvanta | Director | 310 |
| 12 Mr Ek-rit Boonpiti | Director | 310 |
| 13 Mr Suthichai Chirathivat | Director & Member of the Executive Committee | 194 |
| 14 Mr Sudhitham Chirathivat | Director | 52 |
| 15 Mr David John Armstrong | Director, Member of the Executive Committee & Chief Operating Officer | 0 |
| 16 Mr John Bernardus van der Linden | Director, Member of the Executive Committee & Adviser | 0 |
| 17 Mr Supakorn Vejajiva | Director & Deputy Chief Operating Officer | 0 |
| | | 10,996 |

b) Cash compensation for senior executives in 2006 = Baht 64.6 million

c) Other compensation i.e. contribution to provident fund = Baht 2.6 million



INDEPENDENT DIRECTOR NOMINATION AND SELECTION

The Company does not use a stricter definition of Independent Directors than the minimum qualifications specified by the Office of The Securities and Exchange Commissions and The Stock Exchange of Thailand. As such, independent directors should have the following qualifications:

- Hold not more than 5 per cent of the Company's total outstanding shares
- Is not an executive, employee, or adviser who receives compensation from the Company
- Does not have any family relationship or any material business relationship with the Company in such a way that the independent director can no longer express an independent opinion.

The Nomination and Remuneration Committee is responsible for making recommendations to the Board of Directors in relation to the appropriate number and qualifications of independent directors, the selection process for independent directors, and nomination of independent directors to the Board.

ATTENDANCE RECORD YEAR 2006

| Name | Board of Directors | Executive Directors | Audit Committee | Nomination & Remuneration Committee |
|---|--------------------|---------------------|-----------------|-------------------------------------|
| 1. Mr Chavalit Thanachanan — Independent Director & Chairman of the Board of Directors | 5/5 | | | |
| 2. Mr Chai Nasyivanta ³ — Director | 3/3 | | | |
| 3. Mr Chartsiri Sophonpanich — Director | 5/5 | | | |
| 4. Mr David John Armstrong ⁴ — Director & Member of the Executive Committee | 5/5 | 4/4 | | |
| 5. Mr Ek-rit Boonpiti ³ — Director | 3/3 | | | |
| 6. Mr John Thompson — Independent Director & Member of the Audit Committee | 5/5 | | 4/4 | |
| 7. Mr Johannes Bernardus van der Linden — Director, Member of the Executive Committee & Adviser | 5/5 | 5/6 | | |
| 8. Mr Kuok Khoon Ean ⁵ — Director & Member of the Executive Committee | 0/5 | 1/6 | | |
| 9. Mr Lindley John Holloway ⁵ — Independent Director | 2/5 | | | |
| 10. Ms Nancy Valiente ⁵ — Director | 4/5 | | | |
| 11. Mr Pichai Vasanong — Independent Director, Chairman of the Nomination & Remuneration Committee & Member of the Audit Committee | 4/5 | | 3/4 | 3/3 |
| 12. Dr Siri Ganjarende — Independent Director, Chairman of the Audit Committee & Member of the Nomination & Remuneration Committee | 5/5 | | 4/4 | 3/3 |
| 13. Mr Supakorn Vejajiva ³ — Director | 3/3 | | | |
| 14. Mr Suthikiati Chirathivat — Director & Chairman of the Executive Committee | 5/5 | 6/6 | | |
| 15. Mr Worachai Bhicharnchitr — Director, Member of the Executive Committee & Member of the Nomination & Remuneration Committee | 5/5 | 6/6 | 3/3 | |
| 16. Mr Suthichai Chirathivat ² — Director & Member of the Executive Committee | 0/2 | 0/2 | | |
| 17. Mr Sudhitham Chirathivat ¹ — Director | 0/2 | | | |

Remarks

¹ Mr Sudhitham Chirathivat retired by rotation in the 2006 Annual General Meeting of Shareholders on 21 April 2006 and did not offer himself for re-election.

² Mr Suthichai Chirathivat resigned on 11 May 2006.

³ Appointed at the 2006 Annual General Meeting of Shareholders on 21 April 2006.

⁴ Appointed as a member of the Executive Committee on 11 May 2006.

⁵ Not a resident of Thailand.



INTERNAL CONTROL AND INTERNAL AUDIT

The Company realises the importance of good internal control and internal auditing systems. Therefore, it has established an Internal Audit Division, which directly reports to the Audit Committee, to review operations and evaluate internal control systems.

The Audit Committee discharges its duties and responsibilities within its delegated authority from the Board of Directors, as laid down in the Audit Committee Charter. The Audit Committee Charter is in accordance with the Audit Committee Best Practices and Good Corporate Governance guidelines set out by The Stock Exchange of Thailand and related laws and regulations. The Internal Audit Division provides services to all departments in conformity with the Internal Audit Charter and Internal Audit Professional Practices Framework. This Framework includes the Code of Ethics and International Standards for the Professional Practice of Internal Auditing, to uphold efficiency and standardisation of the internal audit works.

To ensure that potential losses are prevented, the Company emphasises adequate and appropriate internal control systems in its operations. The Internal Audit Division evaluates internal controls for the various units and activities including finance, operations, risk management and good governance, and regularly reports its findings to the Audit Committee and executive management. The Company also places a high value on continuous monitoring and improvement of internal control systems in order to always be efficient, effective and in tune with the changing operational environment.

The Company also realises the importance of continuous improvement of internal auditors' knowledge and proficiency. Moreover, in order to maintain the quality of internal audit services, the Company gives full support for adequate development of the Internal Audit Division by encouraging the auditors to attend appropriate professional training courses and seminars.

The Company's Internal Control Systems and Internal Auditing can be summarised as follows:

- The Audit Committee determines the adequacy and appropriateness of the Company's internal control systems from the Internal Audit Division and independent external auditors' reports. The Company thereby ensures that the financial reporting is reliable and that business operations are efficient and in accordance with laws, regulations and related policies. Senior executives are invited to attend Audit Committee meetings to discuss any relevant issues. When the Audit Committee finds material deficiencies and makes recommendations accordingly, it reports to the Board of Directors to ensure prompt corrective action.
- The Internal Audit Division reviews the Company's operations using risk-based prioritisation. In performing its duties, the Internal Audit Division applies a systematic, disciplined approach to reviewing, evaluating and improving the effectiveness of risk management, controls, and governance processes. It also provides consultative services to management for more effective and efficient operations. Audit reports are presented to the executive management to consider improvements. The Audit Committee also receives regular reports. In case of material observations or recommendations, the Chief Audit Executive will firstly report to the Audit Committee and to the Chief Operating Officer for urgent corrective actions.
- In terms of auditing operations, the Internal Audit Division sets policies and identifies measures for ongoing quality assurance of the auditing operation. Close supervision is provided and meetings are held with heads of relevant divisions at the end of each audit. Questions regarding the performance of the auditor will be discussed with a view to improving the audit quality.
- The Internal Audit Division monitors corrective actions in due time, and regularly follows up and reports to the Audit Committee and senior executives as deemed appropriate.

INVESTOR INFORMATION





MAJOR SHAREHOLDERS

The top ten major shareholders of The Post Publishing Public Company Limited as of 24 November 2006 are as follows:

| Name | Number of Shares | Percentage |
|---|--------------------|------------|
| 1 GMM Media Public Company Limited | 118,000,000 shares | 23.60% |
| 2 South China Morning Post Publishers Limited | 106,375,750 shares | 21.28% |
| 3 Mr Suthikiati Chirathivat | 63,428,150 shares | 12.69% |
| 4 Bangkok Bank Plc | 18,463,480 shares | 3.69% |
| 5 Mr Worachai Bhicharnchitr | 17,088,000 shares | 3.42% |
| 6 Vacharapol Company Limited | 13,911,790 shares | 2.78% |
| 7 Sea-Yong Partnership Limited | 12,817,510 shares | 2.56% |
| 8 Mrs Nijaporn Charanajit | 12,620,620 shares | 2.52% |
| 9 Shangri-La Hotel Plc | 10,892,730 shares | 2.18% |
| 10 Mr Ek-rit Boonpiti | 10,000,000 shares | 2.00% |

Source: Thailand Securities Depository Company Limited

PAYMENT OF DIVIDEND POLICY

The Post Publishing's policy is to maintain approximately 60% of its net profits for the payment of dividends each year. The fluctuation of payment will depend on capital spending commitment and liquidity of the company's cash flows.

INSIDE INFORMATION USAGE CONTROL

The Company presented reports of shareholdings submitted to them by directors, management, and independent auditors of the Company to each Meeting of the Board of Directors for acknowledgement.



RISK FACTORS

Risk factors that are significant for the Company are namely:

1. Raw materials

The Company's business is essentially publishing, for which newsprint is the most essential raw material. Newsprint prices vary depending on supply and demand. The Company follows a careful purchasing plan and maintains a reasonable stock and these measures have helped to reduce risk exposure in this area.

2. Foreign currency risk

The Company's exposure to foreign currency risk relates primarily to its purchases of certain products, services and machinery, which are denominated in foreign currency. To avoid foreign currency fluctuation risk, the Company periodically utilises forward exchange contracts, as it deems appropriate.

3. Interest rate risk

Interest rate risk derived from future fluctuations in market interest rates will affect the Company's operating results and cash flow. The Company's exposure to interest rate risk relates primarily to its deposits with financial institutes, advances for related businesses and short-term and long-term loans from banks. However, the interest rate risk is minimal since the Company's liabilities are mostly short-term and the interest rate for long-term loans is more or less the same as the market rate.

4. Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable and lending to related businesses. However, by exercising prudent credit policies and having a diversified customer base, the Company does not anticipate material losses from collection of trade accounts receivable. In addition, the Company has set aside an approximate allowance for doubtful or actual deficit accounts that might occur from a failure to collect billings from debtors that are no longer on the Company's paying list.

5. Risks from not receiving remuneration from investment

The Company has invested in subsidiaries, joint-venture businesses and associated companies. Therefore, there is some risk that remuneration may not be received from any such investment as per the set target. In order to eliminate such risk, the Company closely follows up the performances of subsidiaries and its investment projects. It also analyses and compares the results of such investments with its set target and reports its findings to the Management and Board as per schedule. In doing so, any necessary improvements or amendments can be made in good time.



LEGAL DISPUTES

The Company has no legal dispute of which will have any material adverse effect to the company's operations.

OBLIGATIONS IN ISSUING NEW SHARES

None

OUTSTANDING DEBENTURES OR BILL OF EXCHANGE

None

TRANSACTIONS WITH PERSONS THAT MAY HAVE A CONFLICT OF INTEREST

None



CORPORATE INFORMATION

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- www.posttoday.com
- www.student-weekly.com
- www.jobjob.co.th

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CORPORATE DATA

The Post Publishing Public Company Limited publishes and distributes the Bangkok Post, an English-language daily newspaper, Post Today, a Thai-language business daily newspaper, Student Weekly, a weekly English-language magazine, and Guru, a weekly English-language lifestyle magazine inserted in the Bangkok Post every Friday. The Company also operates a job matching on line, SMS real-time news, and also provides commercial printing services operated by Allied Printers.

- The ordinary shares of the company are traded in The Stock Exchange of Thailand (SET) under the symbol POST.
- Share capital registered: 505,000,000 ordinary shares at Baht 1 each.
- Share capital issued and fully paid: 500,000,000 ordinary shares at Baht 1 each.

LEGAL COUNSEL

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