
I. Overview

Thaicom Plc ("the Company")'s consolidated revenue from sale of goods and rendering of services for Q2/2009 was Baht 1,753 million, up Baht 101 million or 6.1% from Q2/2008 due to increases in revenue from the satellite and telephone businesses. Compared to the previous quarter, despite a slight decrease in revenue for Q2/2009, its operating loss was decreased by 99.2% due to significantly lower cost and SG&A expenses.

Gain on exchange of Baht 364 million for Q2/2009 led to a net profit of Baht 199 million, whereas a loss on exchange of Baht 437 million for Q2/2008 resulted in a net loss of 282 million.

In August 2009, CSL announced it would pay a dividend of Baht 0.14 per share for the performance of the first six months of 2009; thus, the Company will receive a dividend of Baht 35 million, in line with its 39.9% ownership.

II. Business Summary

Transponder leasing and related business

Under the Australian Broadband Guarantee (ABG), IPSTAR service providers have been successfully deploying IPSTAR broadband satellite services to the retail market with end-user packages at metro comparable prices starting at only \$29.95/month. IPSTAR Australia Pty Ltd. ("IPA") also offers an open access policy to any service provider who would like to access the THACOM-4 satellite capacity and use it with their ground system of choice to deliver Australian rural broadband requirements.

In June 2009, the Company has officially inaugurated its fifteenth IPSTAR Gateway located in Jakarta, Indonesia. IPSTAR services in Indonesia will target government projects such as for Universal Service Obligation (USO) initiatives for voice and data, mobile backhaul solutions, and broadband access for corporate, SMEs and consumers.

Telephone business

A steady growth of mobile phone users in both Cambodia and Lao PDR made telephone operators recognize an increase in telephone subscribers, especially mobile prepaid subscribers. As of the end of Q2/2009, Lao Telecommunications Co., Ltd. ("LTC") and Mfone Company Limited ("Mfone")'s total subscribers were 1,104,421 and 950,264, increased by 29.1% and 65.6% respectively from 855,371 and 573,735 at the end of Q2/2008.

Internet and media business

In 2008, DTV Service Co., Ltd. ("DTV"), the Company's subsidiary, had a continued growth of DTV sales volume. The total number of DTV satellite television dish sets provided thus far by DTV as of the end of Q2/2009 was 440,744.

In July 2009, Cambodian DTV Network Limited ("CDN"), the Company's subsidiary, launched two new facilities including DECHO DTV Showroom & Service Centre and DECHO DTV Teleport Centre in order to facilitate DTV services and delivery the highest quality DECHO DTV broadcasting services to viewers across Cambodia.

CS LoxInfo Plc ("CSL")'s reported net profit rose by 56.0% from Q2/2008 mainly due to an increase in revenue from mobile content services as it could capture more customers resulting from effective management of marketing. With economic deceleration, revenue from leased line services in this quarter was slightly increased by 1.9% as compared to Q2/2008.

III. Consolidated Operating Results

Selected financial information on THCOM

Unit: MBt	Amount			Change		Amount		Change
	Q2/09	Q1/09	Q2/08	QoQ (%)	YoY (%)	1H/09	1H/08	YoY (%)
Revenue from sale of goods and rendering of services	1,753	1,758	1,652	-0.3%	6.1%	3,511	3,509	0.1%
Share of profits of associate	34	26	20	30.8%	70.0%	60	47	27.7%
Cost of sale of goods and rendering of services	1,433	1,525	1,243	-6.0%	15.3%	2,958	2,796	5.8%
SG&A expenses	321	355	284	-9.6%	13.0%	676	627	7.8%
EBIT*	(1)	(122)	125	99.2%	n.m.	(123)	86	n.m.
EBITDA**	684	647	775	5.7%	-11.7%	1,330	1,378	-3.5%
Net profit	199	(220)	(282)	n.m.	n.m.	(22)	(1)	-2100.0%
EPS (Baht)	0.18	(0.20)	(0.26)	n.m.	n.m.	(0.02)	(0.00)	n.m.

* EBIT = Sales and service income – Cost of sales and service – SG&A

** EBITDA = EBIT + Depreciation and Amortization

n.m. = not meaningful

Sales and service income

Consolidated revenue from sale of goods and rendering of services in Q2/2009 was Baht 1,753 million, an increase of Baht 101 million or 6.1% compared to Baht 1,652 million in Q2/2008 due to increases in revenue from the telephone business and revenue from the satellite business offset by a decrease in revenue from the Internet access and media business. Compared with Baht 1,758 million for Q1/2009, the revenue for Q2/2009 was slightly declined by Baht 5 million or 0.3%. This was because of decreases in revenue from the telephone and satellite businesses, offset by a rise in revenue from the Internet access and media business.

Consolidated revenue from sale of goods and rendering of services for 1H/2009 was Baht 3,511 million, a rise of Baht 2 million or 0.1% rise from Baht 3,509 million in 1H/2008 due to an increase in revenue from the telephone business, offset by decreases in revenue from the satellite business and the Internet access and media business.

Revenue from sale of goods and rendering of services	Q2/09	Q1/09	Q2/08	%QoQ	%YoY	1H/09	1H/08	%YoY
Satellite and related services	1,075	1,081	1,033	-0.6%	4.1%	2,156	2,392	-9.9%
Telephone services	560	591	455	-5.2%	23.1%	1,151	878	31.1%
Internet and media services	118	86	164	37.2%	-28.0%	204	239	-14.6%
Total	1,753	1,758	1,652	-0.3%	6.1%	3,511	3,509	0.1%

Satellite transponder leasing and related services

Revenue from satellite transponders and related services in Q2/2009 was Baht 1,075 million, an increase of Baht 42 million or 4.1% compared to Baht 1,033 million in the same period last year but a decrease of Baht 6 million or 0.6% over Baht 1,081 million in Q1/2009. However, revenue from satellite business for 1H/2008 dropped by 9.9% from the same period last year.

Satellite and related services	Q2/09	Q1/09	Q2/08	%QoQ	%YoY	1H/09	1H/08	%YoY
Thaicom 1A, 2, 5 and related services	565	588	572	-3.9%	-1.2%	1,153	1,128	2.2%
IPSTAR services	510	493	461	3.4%	10.6%	1,003	1,264	-20.6%
<i>Sales</i>	229	223	234	2.7%	-2.1%	452	832	-45.7%
<i>Services</i>	281	270	227	4.1%	23.8%	551	432	27.5%
Total	1,075	1,081	1,033	-0.6%	4.1%	2,156	2,392	-9.9%

- Revenue from the Thaicom conventional satellite business for Q2/2009 was Baht 565 million, a decrease of Baht 7 million or 1.2% from Baht 572 million in Q2/2008 mainly due to revenue from Engineering Consultancy service in Q2/2008. Compared to Baht 588 million in Q1/2009, the revenue dropped by Baht 23 million or 3.9% because of some expired contracts with customers and the appreciation of Baht against USD.

However, new contracts with customers in 1H/2009 led to an increase in revenue from the Thaicom conventional satellite business of Baht 25 million or 2.2%, as compared to Baht 1,128 million in 1H/2008.

IPSTAR service revenue from bandwidth usage rose by 23.8% YoY.

- IPSTAR service revenue was Baht 510 million in Q2/2009, up by Baht 49 million or 10.6% from Baht 461 million in Q2/2008 because of an increase in IPSTAR service revenue following increased bandwidth usage mainly in Australia, Indonesia, Cambodia, Vietnam and New Zealand. Despite a growth of UT sales volume largely from Australia, UT sales revenue dropped by Baht 5 million or 2.1% due to appreciation of Baht against AUD in this quarter.

Compared to the previous quarter, the revenue was increased by Baht 17 million or 3.4% due to higher bandwidth usage mainly in Australia and Cambodia, and a slight increase in UT sales revenue despite a drop in the UT sales volume mainly from Australia. The depreciation of Baht against AUD resulted in the sales revenue increase.

Telephone services

Q2/09 revenue from telephone service rose by 23.1% YoY.

The Company's revenue from the telephone service business in Q2/2009 was Baht 560 million, an increase of Baht 105 million, or 23.1% compared to Baht 455 million in Q2/2008 due to growth of telephone subscribers in both Cambodia and Lao PDR, especially a significant growth rate of prepaid mobile phone subscribers. As at the end of Q2/2009, LTC and Mfone had 1,104,421 and 950,264 subscribers, increases of 29.1% and 65.6% from 855,371 and 573,735 subscribers at the end of Q2/2008 respectively.

Compared to the previous quarter, the revenue was dropped by Baht 31 million or 5.2% due to lower usage per subscriber. However, LTC and Mfone had increases of 6.8% and 2.7% from 1,033,839 and 925,002 subscribers at the end of Q1/2009 respectively.

Internet and media services

Revenue from the Internet access and media business in Q2/2009 was Baht 118 million, a decrease of Baht 46 million or 28.0% from Baht 164 million in Q2/2008. This was mainly caused by a DTV sales decrease. Compared to Baht 86 million in Q1/2009, revenue was increased by Baht 32 million or 37.2%, due to a DTV sales increase. As at the end of Q2/2009, accumulated DTV sales volume was 440,744 sets, up 215,981 sets from the end of Q2/2008.

Cost of sales and service

The Company reported total cost for Q2/2009 of Baht 1,433 million, an increase of Baht 190 million or 15.3% compared to Baht 1,243 million in Q2/2008, due to increases in cost of sales and services from the satellite business and the telephone business offset by a decrease in cost from the Internet and media business. Compared with Baht 1,525 million for Q1/2009, total cost was decreased by Baht 92 million or 6.0% due to decreases in cost from the satellite business and the telephone business offset by an increase in cost from the Internet and media business.

Management's Discussion and Analysis: THCOM

Total cost for 1H/2009 was Baht 2,958 million, a rise of Baht 162 million or 5.8% from Baht 2,796 million in the same period last year because of an increase in cost of the telephone business offset by decreases in cost of sales and services from the satellite business and the Internet and media business. The cost accounted for 84.2% of sales and service income in 1H/2009, going up from 79.7% in 1H/2008.

Cost of sale of goods and rendering of services	Q2/09	Q1/09	Q2/08	%QoQ	%YoY	1H/09	1H/08	%YoY
Satellite and related services	1,002	1,067	899	-6.1%	11.5%	2,069	2,187	-5.4%
Telephone services	346	391	207	-11.5%	67.1%	737	411	79.3%
Internet and media services	85	67	137	26.9%	-38.0%	152	198	-23.2%
Total	1,433	1,525	1,243	-6.0%	15.3%	2,958	2,796	5.8%

Cost of satellite transponder leasing and related services

Cost relating to transponder leasing and related services in Q2/2009 was Baht 1,002 million, an increase of Baht 103 million or 11.5% from Baht 899 million in the same period last year but a decrease of Baht 65 million or 6.1% from Baht 1,067 million in Q1/2009. Cost associated with transponder leasing and related services in 1H/2009 decreased by 5.4% from the same period of last year.

Satellite and related services	Q2/09	Q1/09	Q2/08	%QoQ	%YoY	1H/09	1H/08	%YoY
Thaicom 1A, 2, 5 and related services	298	319	318	-6.6%	-6.3%	617	625	-1.3%
IPSTAR services	704	748	581	-5.9%	21.2%	1,452	1,562	-7.0%
Total	1,002	1,067	899	-6.1%	11.5%	2,069	2,187	-5.4%

- Cost relating to the Thaicom conventional satellite and related business was Baht 298 million, a decrease of Baht 20 million or 6.3% from Baht 318 million in Q2/2008 mainly due to no further depreciation of the fully depreciated Thaicom 1 satellite.

Compared to Q1/2009, Thaicom conventional cost for Q2/2009 was decreased by Baht 21 million or 6.6% mainly due to no further depreciation of the fully depreciated Thaicom 1 satellite in Q2/2009 as the Thaicom 1 satellite was lastly depreciated in January and February 2009 for Q1/2009.

- Cost of providing IPSTAR services was Baht 704 million, an increase of Baht 123 million or 21.2% from Baht 581 million in Q2/2008, mainly due to increases in cost of UT sales corresponding to higher UT sales volume, in **operating agreement** fee following higher revenues, and in gateway operation expenses.

Compared to Q1/2009, IPSTAR cost for Q2/2009 was decreased by Baht 44 million or 5.9% largely resulting from drops in cost of UT sales corresponding to the lower UT sales volume, and in depreciation cost.

Cost of telephone services

Cost relating to the telephone business for Q2/2009 amounted to Baht 346 million, an increase of Baht 139 million or 67.1% from Baht 207 million in Q2/2008. Mfone reported increases in depreciation of expanded telephone network, and cost of electricity from expanded base stations. LTC reported increases in cost of inter-roaming and in depreciation of expanded telephone network.

Compared to Q1/2009, cost was dropped by Baht 45 million or 11.5% mainly due to Mfone's one-time write-off for asset retirement of USD 3.3 million made in January 2009, offset by a rise in depreciation cost for the completed project phase 9 & 10 in Cambodia started taking depreciation in June 2009.

Cost of Internet access and media services

Cost relating to the Internet access and media business in Q2/2009 was Baht 85 million, a decrease of Baht 52 million or 38.0% from Baht 137 million in Q2/2008, because of a decrease in cost of DTV sales corresponding to the sales drop. Compared to Baht 67 million in Q1/2009, the cost rose by Baht 18 million or 26.9% following the DTV sales growth.

Selling and administrative expenses

SG&A expenses, including directors' remuneration, were Baht 321 million in Q2/2009, an increase of Baht 37 million, or 13.0%, compared to Baht 284 million in Q2/2008. This was due to increases in staff expenses and in Mfone's and LTC's marketing expenses. Compared to the previous quarter, SG&A expenses were decreased by Baht 34 million or 9.6% from Baht 355 million mainly due to a decrease in doubtful debt, offset by increases in staff expenses and marketing expenses from the satellite business and the telephone business in Cambodia.

Finance cost

Finance cost decreased by 25.6% from Q2/08.

Finance cost was Baht 90 million, a decrease of Baht 31 million, or 25.6%, compared with Baht 121 million in Q2/2008 due to loan repayments for the Thaicom 4 and Thaicom 5 projects in Q4/2008 and Q2/2009, and for DTV in Q3/2008 and Q1/2009.

Gain on exchange rate

As the Thai Baht had appreciated, the Company reported a gain of Baht 364 million on foreign exchange for Q2/2009, compared to a loss on exchange of Baht 437 million in Q2/2008. Most of the gain and loss on exchange rate were unrealized.

Share of net results from investment – equity method

The share of net results from investment in Q2/2009 was Baht 34 million, increased by Baht 14 million or 70.0% from Baht 20 million in Q2/2008 and rose by Baht 8 million or 30.8% over Baht 26 million in Q1/2009. This was due to 56.0% and 32.2% increases in CSL's net profit from Q2/2008 and Q1/2009 respectively, resulting from an increase in revenue from Mobile Content services and decreased SG&A expenses. However, the write-off of Loxserve's remaining goodwill in amount of Baht 16 Million in Q2/2008 also led to CSL's significant year-on-year growth of net profit in this quarter.

Income tax expense

The Company's income tax expense in Q2/2009 was Baht 113 million while the Company recognized the future benefit arising from losses carried forward that reduced the future tax base as an income tax receivable of Baht 115 million in Q2/2008.

IV. Financial Position

At the end of Q2/2009, the Company reported total assets of Baht 28,105 million, a decrease of Baht 316 million or 1.1% from Baht 28,421 million at the end of 2008. This was mainly because of the depreciation and amortization of PP&E under **operating** agreements, offset by an increase in PP&E arose from phase 9 & 10 telephone network expansion in Cambodia and phase-15 telephone network expansion in Lao PDR.

THCOM's asset components

Assets	June 30, 2009		December 31, 2008	
	Amount	% of	Amount	% of
	(MBt)	Total assets	(MBt)	Total assets
Current assets	2,801	10.0	3,063	10.8
Investment in associates	386	1.4	381	1.3
PP&E, net	6,149	21.9	5,515	19.4
PP&E under the operating agreement, net	16,289	58.0	17,069	60.1

Liquidity

At the end of Q2/2009, the Company had a current ratio of 0.69 times, down from 0.86 at the end of 2008. This was because of an increase of Baht 762 million in the current portion of long-term loans.

Investments

Investment in CSL was presented as "investment in subsidiaries, jointly controlled entities and associate" item. At the end of Q2/2009 the Company's "investment in an associate" was Baht 386 million, an increase of Baht 5 million or 1.3% from Baht 381 million at the end of 2008, reflecting a proportionate recognition of CSL's net profit for 1H/2009 amounted to Baht 60 million, offset by a dividend paid of Baht 55 million.

Property, plant and equipment

Property, Plant and Equipment (PP&E) at the end of Q2/2009 was Baht 6,149 million, an increase of Baht 634 million or 11.5% from Baht 5,515 million at the end of last year. This was mainly due to purchase of assets of Baht 1,270 million in 1H/2009 most of which were assets for the expansion of telephone network in Cambodia and Lao PDR, offset by a depreciation and amortization of PP&E of Baht 556 million. PP&E at the end of Q2/2009 also included the assets under **operating** agreements of Mfone of approximately Baht 3,180 million, up Baht 1,771 million from Baht 1,409 million at the end of 2008.

PP&E under **operating agreements**

PP&E under **operating** agreements at the end of Q2/2009 was Baht 16,289 million, a decrease of Baht 780 million from Baht 17,069 million at the end of 2008 mostly due to depreciation and amortization expenses in 1H/2009.

Borrowings and Shareholders' equity

The Company's net borrowings at the end of Q2/2009 were Baht 8,730 million, a decrease of Baht 580 million from Baht 9,310 million at the end of 2008. This was mainly due to a loan repayment for the Thaicom 4 and Thaicom 5 projects, and repayments of long-term borrowings made by Mfone and DTV.

The Company's shareholders' equity at the end of Q2/2009 was Baht 16,054 million, a decrease of Baht 49 million from 16,103 million at the end of 2008, reflecting a translation loss relating to financial statements of foreign operations of Baht 26 million, and a net loss for 1H/2009 of Baht 22 million.

With lower net borrowings and shareholders' equity for the six-month period ended June 30, 2009, net borrowings to equity at the end of Q2/2009 were 0.54 times, down from 0.58 times at the end of 2008.

Cash flow

The Company's cash inflow from operating activities for 1H/2009 was Baht 1,401 million. Net cash outflow from investing activities was Baht 583 million, mainly due to payments for satellite equipment and the expansion of telephone network. The Company had net cash outflows from financing activities of Baht 777 million mainly due to long-term loan repayments total of Baht 793 million including loan repayments for the Thaicom 4 and Thaicom 5 projects and the expansion of telephone network in Cambodia, and a loan repayment made by DTV.

The Company had ending cash of Baht 1,217 million on June 30, 2009.

This document contains certain forward-looking statements. They refer to future events and to the future financial performance of the Companies. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue." Although the Companies believe that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.