
I. Overview

Revenue of Q3/07 rose 280%.

Shin Satellite Plc's total revenues for Q3/2007 were Baht 6,879 million, an increase of 280% over Q3/2006 due to a gain of Baht 5,127 million on the sale of 49% shares in Shenington to Asia Mobile Holdings Pte Ltd ("AMH") completed in July 2007. As the Company recognized revenue and expense in the decreasing proportions from 100% to 51% from Cambodia Shinawatra Company Limited ("CamShin"), and from 49% to 24.99% from Lao Telecommunications Company Limited ("LTC"), its consolidated sales and service income and cost decreased from Q3/2006. A continuation of the Baht appreciation resulted in a gain on exchange of Baht 287 million, an increase of 99% over Baht 144 million in Q3/2006.

Q3/07 net profit increased by Baht 3,890 million

The Company reported a net profit of Baht 3,195 million for the first nine months of 2007, up Baht 4,034 million over a net loss of Baht 839 million in the same period last year. In this quarter, its net profit was Baht 3,143 million, an increase of Baht 3,890 million over a net loss of Baht 747 million in Q3/2006.

With the adoption of a new accounting policy in Q1/2007 regarding changing the accounting methods for the investments in subsidiaries and associates from the equity method to the cost method as reported in the separate financial statement, the Company had to restate some financial figures on the balance sheets as at December 31, 2006 and on the income statement for the third quarter and the first nine months of 2006, on the separate financial statement in order to be comparable to Q3/2007 and 9M/2007 figures.

II. Business Summary

Transponder leasing and related business

Under the Australian Government's Broadband Connect program providing funding, IPSTAR Australia Pty., Ltd. ("IPA") has been offering the most competitive satellite broadband services together with various applications on the IPSTAR platform such as VoIP, Video Conferencing, Video Services, thus achieving the highest monthly growth in satellite broadband services in the country. As a result, IPA has received the 2007 ACOMMS: Communications Alliance & Commsday Awards, "Telecommunications Carrier/Service Provider Awards of Excellence for the Competitive & Growth- SME" in July 2007. The ACOMMS Awards are managed by cooperation between the Communications Alliance and the Communications Day, a respected Australian industry publication.

In September 2007, the Company has signed a Cooperation Agreement with TIME dotCom Berhad ("TIME"), a Malaysia's leading Telecommunications solutions provider, to deploy IPSTAR broadband satellite services in Malaysia within Q4/2007. Also, the Company has forged an alliance with TNR Telecoms Incorporation to operate the IPSTAR gateway in the Philippines and to provide IPSTAR services. The second generation gateway will be installed in the Philippines within the end of this year.

In this quarter, UT sales volume totaled 6,850 UTs. Currently, the total number of UTs provided by the Company at the end of Q3/2007 was 93,153.

Telephone business

Because of a steady growth of telephone subscribers in both Cambodia and Lao PDR, especially mobile prepaid subscribers, as of the end of Q3/2007, LTC and CamShin have 732,137 and 444,899 subscribers respectively, increases of 24.1% and 53.3% from 590,117 and 290,155 subscribers in Q3/2006.

Due to the sale of 49% shares in Shenington to AMH, Shenington has changed the status from subsidiary to joint venture of the Company and the Company has recognized revenue and expense in the decreasing proportions from 100% to 51% from CamShin, and from 49% to 24.99% from LTC since July 26, 2007. This resulted in decreases in revenue and expense from the telephone network business compared to the previous quarter and Q3/2006.

Internet and media business

In this quarter, the Company's subsidiary, Shin Broadband Internet (Thailand) Co., Ltd. ("SBI") has launched new service namely HD Cinema, the High Definition Television (HDTV) service which provides video-on-demand using the THAICOM 4 platform by monthly transmitting High Definition Television programs to subscriber terminals instead of previous programs. Subscribers can choose to view any program they need at any time.

CS LoxInfo Plc ("CSL")'s performance in Q3/2007 was better than the previous quarter due to an increase in revenue and the effectiveness of cost management. Publishing of the Thailand YellowPages and from leased lines services generated an increase in CSL's revenue. CSL has continuously put more effort on sales and expanded customer base in business or corporate segments by concentrating on the quality of service and value added services, to meet customer needs.

At the Board of Directors meeting held on August 9, 2007, the Board approved Share-Repurchase Program for financial management purposes which have the maximum amount for the share repurchase not exceeding Baht 225 million to utilize the Company's excess liquidity and increase ROE. The cumulative number of shares repurchased up to 30 September 2007 was 4.6 million ordinary shares or 0.73% of the total number of shares or equivalent to Baht 19.7 million.

III. Consolidated Operating Results

Accounting policy

Following the Notification of the Federation of Accounting Professions (FAP) no.26/2006 TAS 44 (revised-2007), Consolidated Financial Statements and Separate Financial Statements, the Company is required to change the accounting methods for the investments in subsidiaries and associates from the equity method to the cost method as reported in the separate financial statement. The Company restated its financial statement by using the historical cost as the cost of the investment in a subsidiary of the separate financial statement.

As a result of the adoption of this accounting policy, the Company restated some financial figures on the balance sheets as at December 31, 2006 and on the income statement for the third quarter of 2006, of the separate financial statements as follows;

Company F/S		Before Adjust	Adjust-increase (decrease)	After Adjust
Unit: million Baht	Adjustments			
Balance sheet	Investments	2,800	(1,786)	1,014
	Deferred tax assets	470	14	484
	<i>Adjustment on assets</i>		<i>(1,772)</i>	
	Net liabilities in subsidiaries	97	(97)	-
	<i>Adjustment on liabilities</i>		<i>(97)</i>	
	Unrealised cumulative gains on dilution of investment in a subsidiary	376	(376)	-
	Cumulative foreign currency translation adjustment	(311)	311	-
	Retained earnings - Unappropriated	3,492	(1,610)	1,882
	<i>Adjustment on equity</i>		<i>(1,675)</i>	

Company F/S				
Unit: million Baht	Adjustments	Before Adjust	Adjust-increase (decrease)	After Adjust
Income statement	Dividend income	163	(163)	-
	Share of net results from investments -equity method	376	(4)	372
	Net profit	(747)	(167)	(914)
	<i>Adjustment on Income statement</i>		(167)	

The Company would like to provide additional information to better clarify the issue as follows:

- After restating, the income statement of the separate financial statements shows net income for the three-month period ended September 30, 2007 and the comparable period in 2006 increased by Baht 1,319 million and decreased by Baht 167 million respectively (that is, increased by Baht 1.21/share and decreased by Baht 0.16/share respectively). This is because the separate financial statement did not include proportionately the performance of subsidiaries and associates, whereas it solely included the performance of the parent company. TAS44 allows the Company to realize gains from investments in subsidiaries and associates only when it receives dividends from such subsidiaries and associates.
- The effect from restating other items on the balance sheets as at December 31, 2006 of the separate financial statements is as follows;
 - Investment in subsidiaries and associates, recorded at the historical cost, is shown in a separate financial statement to have a book value of Baht 1,014 million.
 - Deferred tax assets increased by Baht 14 million to Baht 484 million.
 - The separate financial statement did not include net liabilities in subsidiaries, unrealized cumulative gains on dilution of investment in a subsidiary, cumulative foreign currency translation adjustment.
 - Retained earnings on the balance sheets decreased by Baht 1,610 million to Baht 1,882 million.

Selected financial information on SATTEL

	Amount (MBt)			Change	
	Q3/07	Q2/07	Q3/06	QoQ (%)	YoY (%)
Sales and service income	1,397	1,794	1,634	-22.1%	-14.5%
Gain on sales of investment	5,127	-	-	n.a.	n.a.
Share of net results from associate	41	24	25	70.8%	64.0%
Cost of sales and services	1,292	1,457	1,380	-11.3%	-6.4%
SG&A expenses	310	376	264	-17.6%	17.4%
Loss on write-off of property and equipment under concession	-	-	981	n.a.	n.a.
EBIT*	(205)	(39)	(10)	n.a.	n.a.
EBITDA**	489	672	703	-27.3%	-30.5%
Net profit	3,143	(83)	(747)	n.a.	n.a.
EPS (Baht)	2.88	(0.08)	(0.68)	n.a.	n.a.

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

** EBITDA = EBIT + Depreciation and Amortization

Sales and service income

Consolidated sales and service income in Q3/2007 was Baht 1,397 million, a decrease of Baht 237 million or 14.5%, compared to Baht 1,634 million in Q3/2006, and a decrease of Baht 397 million or 22.1% from Baht 1,794 million in the previous quarter. This resulted from decreases in revenue from the telephone network business as a result of lower recognition of income contributed by LTC and CamShin following the sales of 49% stake in Shenington and revenue from satellite and related services, offset by revenue growth from the Internet and media business.

Sales and service income	Q3/07	Q2/07	Q3/06	%QoQ	%YoY
Satellite and related services	865	1,057	1,014	-18.2%	-14.7%
Telephone services	470	694	601	-32.3%	-21.8%
Internet and media services	62	43	19	44.2%	226.3%
Total	1,397	1,794	1,634	-22.1%	-14.5%

Satellite transponder leasing and related services

Revenue from satellite transponders and related services in Q3/2007 was Baht 865 million, a decrease of Baht 149 million or 14.7%, compared to Baht 1,014 million in the same period last year, and decreased by Baht 192 million or 18.2% from Baht 1,057 million in the previous quarter.

Satellite and related services	Q3/07	Q2/07	Q3/06	%QoQ	%YoY
Thaicom 1A, 2, 3, 5 and related services	518	571	649	-9.3%	-20.2%
IPSTAR services	347	486	365	-28.6%	-4.9%
Total	865	1,057	1,014	-18.2%	-14.7%

- Revenue from the Thaicom conventional satellite business for Q3/2007 was Baht 518 million, a decrease of Baht 131 million or 20.2%, from Baht 649 million in Q3/2006, and decreased by Baht 53 million or 9.3% from Baht 571 million in the previous quarter. A reduction in Conventional Thaicom transponder utilization, and a loss from the continued appreciation of the Thai Baht, led to a drop in such revenue.
- IPSTAR service revenue was Baht 347 million in Q3/2007, a decrease of Baht 18 million or 4.9%, compared to Baht 365 million in the same period last year, and a decrease of Baht 139 million or 28.6% from Baht 486 million in the previous quarter. This was because the Company sold 6,850 UTs in Q3/2007, a decrease of 2,956 UTs or 30.1% from 9,806 UTs in Q3/2006, and a decrease of 4,266 UTs or 38.4% from 11,116 UTs in Q2/2007; however, revenue from transponder leasing on Thaicom 4 (IPSTAR) was higher than that in Q3/2006 and Q2/2007.

Telephone services

The Company's revenue from the telephone service business in Q3/2007 was Baht 470 million, a decrease of Baht 131 million, or 21.8%, compared to Baht 601 million in Q3/2006, and a decrease of Baht 224 million or 32.3% from Baht 694 million in the previous quarter. This was due to a reduction in recognition of revenue of LTC and CamShin following the sale of 49% shares in Shenington to AMH. However, the growth of telephone subscribers in both Cambodia and Lao PDR, especially a significant growth rate of prepaid mobile phone subscribers, led to an increase in revenues generated from LTC and CamShin. As at the end of Q3/2007, LTC and CamShin had 732,137 and 444,899 subscribers respectively, increases of 24.1% and 53.3% from 590,117 and 290,155 subscribers in Q3/2006.

Q3/07 revenue from telephone business reduced 21.8% due to sale of investment.

Internet and media services

Q3/07 revenue from Internet and media services rose 226.3% from Q3/06.

Revenue from the Internet access and media business in Q3/2007 was Baht 62 million, an increase of Baht 43 million or 226.3% from Baht 19 million in Q3/2006, and an increase of Baht 19 million or 44.2% from Baht 43 million in Q2/2007. This was due to an increase in revenue from DTV sales first incurred in Q1/2007 resulting from a steady growth in DTV sales. As at the end of Q3/2007, DTV sales volume was 50,326 sets. Also, revenue from HDTV service, providing much clearer pictures and higher solution than traditional format with video-on-demand technology using the THAICOM 4 platform, was first incurred in this quarter.

Cost of sales and service

The Company reported total cost for Q3/2007 of Baht 1,292 million, a decrease of Baht 88 million or 6.4%, compared to Baht 1,380 million in Q3/2006, and a decrease of Baht 165 million or 11.3% from Baht 1,457 million in Q2/2007, due to a reduction in cost of sales and services from all businesses. The cost accounted for 92.5% of sales and service income, going up from 84.5% in Q3/2006.

Cost of sales and services	Q3/07	Q2/07	Q3/06	%QoQ	%YoY
Satellite and related services	1,006	1,074	1,082	-6.3%	-7.0%
Telephone services	235	328	279	-28.4%	-15.8%
Internet and media services	51	55	19	-7.3%	168.4%
Total	1,292	1,457	1,380	-11.3%	-6.4%

Cost of satellite transponder leasing and related services

Cost relating to transponder leasing and related services in Q3/2007 was Baht 1,006 million, a decrease of Baht 76 million or 7.0% from Baht 1,082 million in the same period last year, and decreased by Baht 68 million or 6.3% from 1,074 million in Q2/2007.

Satellite and related services	Q3/07	Q2/07	Q3/06	%QoQ	%YoY
Thaicom 1A, 2, 3, 5 and related services	340	350	380	-2.9%	-10.5%
IPSTAR services	666	724	702	-8.0%	-5.1%
Total	1,006	1,074	1,082	-6.3%	-7.0%

- Cost relating to the Thaicom conventional satellite and related business was Baht 340 million, a decrease of Baht 40 million or 10.5% from Q3/2006, because of a reduction in cost of Turnkey service and no amortization and cost of in-orbit insurance of the unutilized Thaicom 3 satellite, offset by a rise in amortization and cost of in-orbit insurance of the Thaicom 5 satellite. Compared to Baht 350 million in Q2/2007, the cost of conventional satellite services for Q3/2007 was reduced by Baht 10 million or 2.9%.
- Cost of providing IPSTAR services was Baht 666 million, a decrease of Baht 36 million or 5.1% from Q3/2006, and a decrease of Baht 58 million or 8.0% from Q2/2007, due to a decrease in cost of UT sales corresponding to a decrease in the sales volume, offset by a rise in cost relating to the Thaicom 4 satellite; for instance, concession fee to MICT.

Cost of telephone services

Cost relating to the telephone business for Q3/2007 amounted to Baht 235 million, a decrease of Baht 44 million or 15.8% from Baht 279 million in Q3/2006, a decrease of Baht 93 million or 28.4% from Baht 328 million in Q2/2007. This was because the Company recognizes cost incurred by CamShin and LTC corresponding to the new investment proportion, following the sale of 49% shares in Shenington to AMH. However, both LTC and CamShin's cost of sales and services increased from Q3/2006. There was a rise in LTC's amortization of expanded telephone network in Lao PDR. Increases in revenue sharing to the Ministry of Post and Telecommunications in Cambodia from 7% to 10% of revenue before expenses in 2007, electricity cost, depreciation of increasing equipment used in telephone network stations since the third quarter of 2006, and Interconnection Charge from a promotion for calling to all networks that led to a rise in outgoing calls across networks.

Cost of Internet access and media services

Cost relating to the Internet access and media business in Q3/2007 was Baht 51 million, an increase of Baht 32 million or 168.4% from Baht 19 million in Q3/2006, because of increases in the cost of DTV sales and High-definition television (HDTV) service. Cost relating to the Internet access and media business in Q3/2007 decreased by Baht 4 million or 7.3% from Baht 55 million in the previous quarter due to a decrease in cost of Internet service of LTC and CamShin which was recorded according to new investment proportion offset by a rise in cost of DTV sales corresponding to a rise in the sales volume.

Selling and administrative expenses

SG&A expenses, including directors' remuneration, were Baht 310 million in Q3/2007, an increase of Baht 46 million, or 17.4%, compared to Baht 264 million in Q3/2006. This was due to a bad debt of Baht 25 million mainly caused by customers in India, a Baht 16 million increase in staff cost, and a Baht 15 million rise in marketing expenses arising from promotions in the satellite and telephone businesses. SG&A expenses in Q3/2007 decreased by Baht 66 million or 17.6% from Baht 376 million in Q2/2007 as the Company recognized expenses of CamShin and LTC in the decreasing proportions.

Interest expense

Interest expense was Baht 177 million, a decrease of Baht 81 million, or 31.4%, compared to Baht 258 million in Q3/2006 due to loan repayment for the Thaicom 4 and Thaicom 5 projects in this quarter.

Gain on sales of investment

Gain on sales of investment was Baht 5,127 million due to the sale of 49% shares in Shenington to AMH.

Gain on exchange rate

Because of the strengthening of the Thai Baht since 2006, the Company reported a gain of Baht 287 million from foreign exchange for Q3/2007, while it recorded a gain of Baht 144 million for Q3/2006. The Thai Baht appreciated by approximately Baht 0.74 and Baht 0.5 against the USD in this quarter and the previous quarter respectively, resulting in an increase of Baht 74 million in gain on exchange rate from Q2/2007 to Q3/2007.

Share of net results from investment – equity method

The share of net results from investment in Q3/2007 was Baht 41 million, increased by Baht 16 million or 64.0% from Baht 25 million in Q3/2006, and rose by Baht 17 million or 70.8% from Q2/2007, due to a 62% increase in CSL's net profit especially from the Publishing of the Thailand YellowPages and its Voice Info service.

Income tax expense

The Company's income tax expense in Q3/2007 was Baht 1,955 million mainly caused by the gain on sale of investment while the Thaicom 3 satellite has not been utilized since Q3/2006 so that the Company recognized the future benefit arising from losses carried forward that reduced the future tax base as an income tax receivable of Baht 329 million in Q3/2006. Income tax expense in this quarter was Baht 1,904 million more than that in Q2/2007 due to tax on the gain on the sale of investment.

IV. Financial Position

At the end of Q3/2007, the Company reported total assets of Baht 30,736 million, a decrease of Baht 2,098 million or 6.4% from Baht 32,834 million at the end of 2006. This was mainly because the Company recorded assets of CamShin and LTC in decreasing proportion following the sales of 49% shares of Shenington to AMH. Property, plant and equipment item was significantly dropped by this transaction.

SATTEL's asset components

	September 30, 2007		December 31, 2006	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Assets				
Current assets	4,433	14.4	2,479	7.6
Investment in associates	689	2.2	686	2.1
PP&E, net	4,534	14.8	6,822	20.8
PP&E under the concession agreement, net	19,209	62.5	20,489	62.4
Intangible assets	1,328	4.3	1,389	4.2

Liquidity

At the end of Q3/2007, the Company had a current ratio of 1.05 times, up from 0.39 at the end of 2006. This was because of a decrease of Baht 2,870 million in the current portion of long-term loans according to a new loan repayment schedule of the Thaicom 4 and Thaicom 5 projects.

Investments

Investment in CSL was presented as an "investment in an associate" item. At the end of Q3/2007 the Company's "investment in an associate" was Baht 689 million, an increase of Baht 3 million or 0.4% from Baht 686 million at the end of 2006, reflecting a proportionate recognition of CSL's net profit for the first nine months of 2007 amounted to Baht 88 million offset by a dividend paid of Baht 85 million.

Property, plant and equipment

Property, Plant and Equipment (PP&E) at the end of Q3/2007 was Baht 4,534 million, a decrease of Baht 2,288 million from Baht 6,822 million at the end of last year. This was mainly due to a sale of 49% shares in Shenington to AMH leading to a reduction in recognition of PPE of CamShin and LTC.

PP&E under concession agreements

PP&E under concession agreements at the end of Q3/2007 was Baht 19,209 million, a decrease of Baht 1,280 million from Baht 20,489 million at the end of 2006, totally due to an amortization in the first nine months.

Intangible assets

Intangible assets at the end of Q3/2007 were Baht 1,328 million, a decrease of Baht 61 million, compared to Baht 1,389 million at the end of 2006, due to its depreciation and amortization offset by increased intangible assets arising from the development of UT.

Borrowings and Shareholders' equity

The Company's net borrowings at the end of Q3/2007 were Baht 10,061 million, a decrease of Baht 5,885 million from Baht 15,946 million at the end of 2006. This was mainly due to long-term loan repayment for the Thaicom 4 and Thaicom 5 projects of USD 141 million or Baht 4,776 million resulting in a decrease in long-term loans from financial institutions.

The Company's shareholders' equity at the end of Q3/2007 was Baht 16,880 million, an increase of Baht 3,302 million from 13,578 million at the end of 2006, reflecting net profit of Baht 3,195 million for the first nine months of 2007 offset by a decrease of Baht 102 million in loss from foreign currency translation adjustment.

Net borrowings to equity at the end of Q3/2007 were 0.60 times, down from 1.17 times at the end of 2006, due to loan repayment for the Thaicom 4 and Thaicom 5 projects so that it can strengthen overall financial status.

Cash flow

The Company's cash flows from operating activities for the first nine months ended September 30, 2007 were Baht 1,333 million. Net cash inflows provided by investing activities were Baht 3,795 million, mainly due to proceeds from sale of long term investment of USD 200 million offset by payments for property and equipment for the expansion of telephone network. The Company had net cash outflow from financing activities in Q3/2007 of Baht 4,852 million mainly due to long-term loan repayment for the Thaicom 4 and Thaicom 5 projects of USD 141 million by using the proceeds from the sale of Shenington.

The Company had ending cash of Baht 638 million on September 30, 2007.

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.