

**Thaicom Public Company Limited  
and its Subsidiaries**

Interim financial statements  
and  
Review Report of Certified Public Accountant

For the three-month and six-month periods ended  
30 June 2011

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

### **To the Board of Directors of Thaicom Public Company Limited**

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

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

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

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

I have previously audited the consolidated and separate financial statements for the year ended 31 December 2010 of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 16 February 2011. As explained in notes 2 and 3 to the accompanying financial statements, those financial statements have been restated consequent to the adoption of certain new and revised financial reporting standards. I have audited the adjustments that were applied to the restatement of those financial statements and in my opinion those adjustments are appropriate and have been properly applied. Other than the audit of those adjustments, I have not performed any auditing procedures since the date of my audit report. The consolidated and separate statements of financial position as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, are components of those restated financial statements.

(Winid Silamongkol)  
Certified Public Accountant  
Registration No. 3378

KPMG Phoomchai Audit Ltd.  
Bangkok  
10 August 2011

# Thaicom Public Company Limited and its Subsidiaries

## Statements of financial position

As at 30 June 2011 and 31 December 2010

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011 (Unaudited)	31 December 2010 (Restated)	30 June 2011 (Unaudited)	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		1,948,064	1,271,920	1,042,864	518,439
Trade accounts receivable and accrued income	5	1,122,044	1,022,742	997,570	772,643
Amounts due from related parties	4	3,685	1,480	144,224	122,981
Inventories		340,071	413,012	195,239	258,518
Prepaid insurance		29,137	63,406	26,953	61,115
Other current assets		204,852	253,628	63,146	115,881
<b>Total current assets</b>		<b>3,647,853</b>	<b>3,026,188</b>	<b>2,469,996</b>	<b>1,849,577</b>
<b>Non-current assets</b>					
Long-term loans and advance to subsidiaries	4	-	-	212,653	208,540
Investments in subsidiaries, jointly - controlled entities and associate	6	464,563	439,868	830,200	830,200
Property and equipment	7	5,922,189	5,262,646	1,826,044	1,089,280
Property and equipment under operating agreements	7	13,508,193	14,177,126	13,508,193	14,177,126
Deferred charges	7	89,186	41,053	87,459	38,942
Intangible assets	7	1,059,391	1,103,078	905,348	947,955
Deferred tax assets		1,196,078	1,157,837	1,087,806	1,053,434
Other non-current assets		708,272	660,312	680,790	632,223
<b>Total non-current assets</b>		<b>22,947,872</b>	<b>22,841,920</b>	<b>19,138,493</b>	<b>18,977,700</b>
<b>Total assets</b>		<b>26,595,725</b>	<b>25,868,108</b>	<b>21,608,489</b>	<b>20,827,277</b>

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

# Thaicom Public Company Limited and its Subsidiaries

## Statements of financial position

As at 30 June 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated		Separate	
		30 June 2011 (Unaudited)	31 December 2010 (Restated)	30 June 2011 (Unaudited)	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	9	398,458	-	398,458	-
Trade accounts payable		507,031	530,829	244,611	305,730
Accounts payable - property and equipment		788,745	920,780	165,639	28,454
Amounts due to related parties	4	6,835	3,635	45,593	52,578
Current portion of long-term loans	9	1,262,979	854,474	5,260	5,444
Advance receipts from customers		464,778	320,372	248,812	22,652
Accrued operating agreement fee		441,106	205,457	364,405	129,837
Accrued expenses		218,585	268,873	107,250	166,422
Income tax payable		38,320	131,345	-	-
Other current liabilities		209,166	163,582	133,986	88,080
<b>Total current liabilities</b>		<b>4,336,003</b>	<b>3,399,347</b>	<b>1,714,014</b>	<b>799,197</b>
<b>Non-current liabilities</b>					
Long-term loans	9	7,382,748	7,543,879	7,008,929	7,005,284
Employee benefit obligations	8	156,852	150,876	89,028	88,604
Deferred tax liabilities		125,275	130,806	-	-
Other non-current liabilities		114,746	99,971	104,736	89,173
<b>Total non-current liabilities</b>		<b>7,779,621</b>	<b>7,925,532</b>	<b>7,202,693</b>	<b>7,183,061</b>
<b>Total liabilities</b>		<b>12,115,624</b>	<b>11,324,879</b>	<b>8,916,707</b>	<b>7,982,258</b>

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

# Thaicom Public Company Limited and its Subsidiaries

## Statements of financial position

As at 30 June 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated		Separate	
		30 June 2011 (Unaudited)	31 December 2010 (Restated)	30 June 2011 (Unaudited)	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
<b>Equity</b>					
Share capital	10				
Authorised share capital		5,660,412	5,660,412	5,660,412	5,660,412
Issued and paid-up share capital		5,479,688	5,479,688	5,479,688	5,479,688
Premium on share capital		4,301,990	4,301,990	4,301,990	4,301,990
Retained earnings					
Appropriated					
Legal reserve		413,853	413,853	413,853	413,853
Unappropriated		4,030,870	4,222,515	2,496,251	2,649,488
Other components of equity		203,819	80,310	-	-
<b>Equity attributable to owners of the Company</b>		<b>14,430,220</b>	<b>14,498,356</b>	<b>12,691,782</b>	<b>12,845,019</b>
Non-controlling interests		49,881	44,873	-	-
<b>Total equity</b>		<b>14,480,101</b>	<b>14,543,229</b>	<b>12,691,782</b>	<b>12,845,019</b>
<b>Total liabilities and equity</b>		<b>26,595,725</b>	<b>25,868,108</b>	<b>21,608,489</b>	<b>20,827,277</b>
		-	-	-	-

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

# Thaicom Public Company Limited and its Subsidiaries

## Statements of income

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

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
<b>Income</b>	4				
Revenues from sale of goods and rendering of services		1,861,806	1,645,914	1,113,662	931,860
Net foreign exchange gain		-	-	10,568	11,276
Other income		29,226	39,794	25,770	45,212
<b>Total income</b>		<b>1,891,032</b>	<b>1,685,708</b>	<b>1,150,000</b>	<b>988,348</b>
<b>Expenses</b>	4				
Cost of sale of goods and rendering of services		1,275,154	1,328,119	759,239	813,996
Operating agreements fee		140,378	119,156	135,364	110,481
Selling expenses		50,504	51,633	21,180	16,529
Administrative expenses		332,076	253,750	165,914	138,652
Directors and management benefit expenses		11,368	11,217	11,242	11,090
Net foreign exchange loss		8,801	22,144	-	-
<b>Total expenses</b>		<b>1,818,281</b>	<b>1,786,019</b>	<b>1,092,939</b>	<b>1,090,748</b>
Share of profit of associate		42,886	40,399	-	-
<b>Profit (loss) before finance costs and income tax expense</b>		<b>115,637</b>	<b>(59,912)</b>	<b>57,061</b>	<b>(102,400)</b>
Finance costs		(120,698)	(130,992)	(103,533)	(110,602)
<b>Loss before income tax expense</b>		<b>(5,061)</b>	<b>(190,904)</b>	<b>(46,472)</b>	<b>(213,002)</b>
Income tax expense		(16,114)	38,045	3,541	55,194
<b>Loss for the period</b>		<b>(21,175)</b>	<b>(152,859)</b>	<b>(42,931)</b>	<b>(157,808)</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Company		(24,558)	(155,166)	(42,931)	(157,808)
Non-controlling interests		3,383	2,307	-	-
<b>Loss for the period</b>		<b>(21,175)</b>	<b>(152,859)</b>	<b>(42,931)</b>	<b>(157,808)</b>
<b>Loss per share</b>	13				
Basic <i>(in Baht)</i>		(0.02)	(0.14)	(0.04)	(0.14)
Diluted <i>(in Baht)</i>		(0.02)	(0.14)	(0.04)	(0.14)

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

## Thaicom Public Company Limited and its Subsidiaries

### Statements of comprehensive income

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

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
<b>Loss for the period</b>		<b>(21,175)</b>	<b>(152,859)</b>	<b>(42,931)</b>	<b>(157,808)</b>
<b>Other comprehensive income</b>	<i>11</i>				
Foreign currency translation differences		84,076	(1,496)	-	-
<b>Other comprehensive income for the period, net of income tax</b>		<b>84,076</b>	<b>(1,496)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>62,901</b>	<b>(154,355)</b>	<b>(42,931)</b>	<b>(157,808)</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		58,789	(156,755)	(42,931)	(157,808)
Non-controlling interests		4,112	2,400	-	-
<b>Total comprehensive income for the period</b>		<b>62,901</b>	<b>(154,355)</b>	<b>(42,931)</b>	<b>(157,808)</b>

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

## Thaicom Public Company Limited and its Subsidiaries

### Statements of income

For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
<b>Income</b>	4				
Revenues from sale of goods and rendering of services		3,431,896	3,429,674	2,072,787	2,029,282
Net foreign exchange gain		-	-	10,393	-
Other income		40,576	69,567	41,849	88,112
<b>Total income</b>		<b>3,472,472</b>	<b>3,499,241</b>	<b>2,125,029</b>	<b>2,117,394</b>
<b>Expenses</b>	4				
Cost of sale of goods and rendering of services		2,446,225	2,727,408	1,454,941	1,749,630
Operating agreements fee		275,559	245,135	264,068	224,333
Selling expenses		87,911	105,832	37,063	36,948
Administrative expenses		648,319	546,369	326,708	303,759
Directors and management benefit expenses		24,395	21,671	24,144	21,414
Net foreign exchange loss		22,671	51,126	-	20,560
<b>Total expenses</b>		<b>3,505,080</b>	<b>3,697,541</b>	<b>2,106,924</b>	<b>2,356,644</b>
Share of profit of associate	6	87,037	76,758	-	-
<b>Profit (loss) before finance costs and income tax expense</b>		<b>54,429</b>	<b>(121,542)</b>	<b>18,105</b>	<b>(239,250)</b>
Finance costs		(240,677)	(256,446)	(205,714)	(217,997)
<b>Loss before income tax expense</b>		<b>(186,248)</b>	<b>(377,988)</b>	<b>(187,609)</b>	<b>(457,247)</b>
Income tax expense		(1,347)	64,744	34,372	114,345
<b>Loss for the period</b>		<b>(187,595)</b>	<b>(313,244)</b>	<b>(153,237)</b>	<b>(342,902)</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Company		(191,645)	(316,462)	(153,237)	(342,902)
Non-controlling interests		4,050	3,218	-	-
<b>Loss for the period</b>		<b>(187,595)</b>	<b>(313,244)</b>	<b>(153,237)</b>	<b>(342,902)</b>
<b>Loss per share</b>	13				
Basic <i>(in Baht)</i>		(0.17)	(0.29)	(0.14)	(0.31)
Diluted <i>(in Baht)</i>		(0.17)	(0.29)	(0.14)	(0.31)

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

## Thaicom Public Company Limited and its Subsidiaries

### Statements of comprehensive income

For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
<b>Loss for the period</b>		<b>(187,595)</b>	<b>(313,244)</b>	<b>(153,237)</b>	<b>(342,902)</b>
<b>Other comprehensive income</b>	<i>11</i>				
Foreign currency translation differences		124,284	(75,587)	-	-
<b>Other comprehensive income for the period, net of income tax</b>		<b>124,284</b>	<b>(75,587)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(63,311)</b>	<b>(388,831)</b>	<b>(153,237)</b>	<b>(342,902)</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		(68,319)	(390,816)	(153,237)	(342,902)
Non-controlling interests		5,008	1,985	-	-
<b>Total comprehensive income for the period</b>		<b>(63,311)</b>	<b>(388,831)</b>	<b>(153,237)</b>	<b>(342,902)</b>

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

**Thaicom Public Company Limited and its Subsidiaries**  
**Statements of changes in equity**  
**For the six-month periods ended 30 June 2011 and 2010 (Unaudited)**

<b>Consolidated financial statements</b>										
<b>Equity attributable to owners of the Company</b>										
	Retained earnings				Other components of equity					
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Total other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity
<i>Note</i>										
					<i>(in thousand Baht)</i>					
<b>Balance at 1 January 2010 - as reported</b>	<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>5,146,786</b>	<b>349,348</b>	<b>(108,967)</b>	<b>240,381</b>	<b>15,582,698</b>	<b>43,113</b>	<b>15,625,811</b>
Impact of changes in accounting policies	3	-	-	(118,565)	-	-	-	(118,565)	(69)	(118,634)
<b>Balance at 1 January 2010 - restated</b>	<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>5,028,221</b>	<b>349,348</b>	<b>(108,967)</b>	<b>240,381</b>	<b>15,464,133</b>	<b>43,044</b>	<b>15,507,177</b>
<b>Transactions with owners, recorded directly in equity</b>										
Unrealised loss from decrease in shareholding in a subsidiary and an associate	-	-	-	-	(16,358)	-	(16,358)	(16,358)	-	(16,358)
<b>Total transactions with owners, recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,358)</b>	<b>-</b>	<b>(16,358)</b>	<b>(16,358)</b>	<b>-</b>	<b>(16,358)</b>
<b>Comprehensive income for the period</b>										
Profit (loss) for the period	-	-	-	(316,462)	-	-	-	(316,462)	3,218	(313,244)
Other comprehensive income	11	-	-	-	-	(74,354)	(74,354)	(74,354)	(1,233)	(75,587)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(316,462)</b>	<b>-</b>	<b>(74,354)</b>	<b>(74,354)</b>	<b>(390,816)</b>	<b>1,985</b>	<b>(388,831)</b>
<b>Balance at 30 June 2010</b>	<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>4,711,759</b>	<b>332,990</b>	<b>(183,321)</b>	<b>149,669</b>	<b>15,056,959</b>	<b>45,029</b>	<b>15,101,988</b>

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

**Thaicom Public Company Limited and its Subsidiaries**  
**Statements of changes in equity**  
**For the six-month periods ended 30 June 2011 and 2010 (Unaudited)**

<b>Consolidated financial statements</b>											
<b>Equity attributable to owners of the Company</b>											
	Note	Retained earnings				Other components of equity					
		Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
<i>(in thousand Baht)</i>											
<b>Balance at 1 January 2011 - as reported</b>		<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>4,357,853</b>	<b>333,830</b>	<b>(253,520)</b>	<b>80,310</b>	<b>14,633,694</b>	<b>44,958</b>	<b>14,678,652</b>
Impact of changes in accounting policies	3	-	-	-	(135,338)	-	-	-	(135,338)	(85)	(135,423)
<b>Balance at 1 January 2011 - restated</b>		<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>4,222,515</b>	<b>333,830</b>	<b>(253,520)</b>	<b>80,310</b>	<b>14,498,356</b>	<b>44,873</b>	<b>14,543,229</b>
<b>Transactions with owners, recorded directly in equity</b>											
Unrealised gain from decrease in shareholding in an associate	6	-	-	-	-	183	-	183	183	-	183
<b>Net income recognised directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183</b>	<b>-</b>	<b>183</b>	<b>183</b>	<b>-</b>	<b>183</b>
<b>Comprehensive income for the period</b>											
Profit (loss) for the period		-	-	-	(191,645)	-	-	-	(191,645)	4,050	(187,595)
Other comprehensive income	11	-	-	-	-	-	123,326	123,326	123,326	958	124,284
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(191,645)</b>	<b>-</b>	<b>123,326</b>	<b>123,326</b>	<b>(68,319)</b>	<b>5,008</b>	<b>(63,311)</b>
<b>Balance at 30 June 2011</b>		<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>4,030,870</b>	<b>334,013</b>	<b>(130,194)</b>	<b>203,819</b>	<b>14,430,220</b>	<b>49,881</b>	<b>14,480,101</b>

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

**Thaicom Public Company Limited and its Subsidiaries**  
**Statements of changes in equity**  
**For the six-month periods ended 30 June 2011 and 2010 (Unaudited)**

		<b>Separate financial statements</b>				
		Issued and paid-up share capital	Premium on share capital	<u>Retained earnings</u>		Total equity
				Legal reserve	Unappropriated	
		<i>(in thousand Baht)</i>				
<b>Balance at 1 January 2010 - as reported</b>	<i>Note</i>	<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>3,476,747</b>	<b>13,672,278</b>
Impact of changes in accounting policies	3	-	-	-	(56,264)	(56,264)
<b>Balance at 1 January 2010 - restated</b>		<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>3,420,483</b>	<b>13,616,014</b>
<b>Comprehensive income for the period</b>						
Loss for the period		-	-	-	(342,902)	(342,902)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(342,902)</b>	<b>(342,902)</b>
<b>Balance at 30 June 2010</b>		<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>3,077,581</b>	<b>13,273,112</b>
<b>Balance at 1 January 2011 - as reported</b>						
		<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>2,714,387</b>	<b>12,909,918</b>
Impact of changes in accounting policies	3	-	-	-	(64,899)	(64,899)
<b>Balance at 1 January 2011 - restated</b>		<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>2,649,488</b>	<b>12,845,019</b>
<b>Comprehensive income for the period</b>						
Loss for the period		-	-	-	(153,237)	(153,237)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(153,237)</b>	<b>(153,237)</b>
<b>Balance at 30 June 2011</b>		<b>5,479,688</b>	<b>4,301,990</b>	<b>413,853</b>	<b>2,496,251</b>	<b>12,691,782</b>

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

**Thaicom Public Company Limited and its Subsidiaries**  
**Statements of cash flows**  
**For the six-month periods ended 30 June 2011 and 2010 (Unaudited)**

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
<b>Cash flows from operating activities</b>					
Loss for the period		(191,645)	(316,462)	(153,237)	(342,902)
<i>Adjustments for</i>					
Depreciation of property and equipment	7	543,861	550,083	181,907	190,825
Amortisation of property and equipment under operating agreements	7	669,842	669,780	669,842	669,780
Amortisation of deferred charges	7	11,892	8,439	11,427	8,021
Amortisation of intangible assets	7	49,772	53,828	44,827	48,074
Current service costs of employee	8	6,207	5,462	4,098	3,436
Interest income		(19,849)	(19,978)	(13,854)	(23,079)
Finance cost		240,677	256,446	205,714	217,997
(Gain) loss on exchange rate		98,242	(2,078)	2,240	105
Amortisation of borrowing costs	9	3,044	3,044	3,044	3,044
Allowance for doubtful accounts	5	44,870	4,312	2,978	5,729
Loss on non - controlling interest		4,050	3,218	-	-
Allowance for obsolete inventory		27,919	6,062	28,575	10,300
(Gain) loss on disposal of property and equipment		(581)	28	10	87
Write-off property and equipment	7	10,022	14,117	505	286
Share of profits of associate	6	(87,037)	(76,758)	-	-
Income tax expense		1,347	(64,744)	(34,372)	(114,345)
		<u>1,412,633</u>	<u>1,094,799</u>	<u>953,704</u>	<u>677,358</u>
<b>Changes in operating assets and liabilities</b>					
Trade accounts receivable and accrued income		(144,172)	22,776	(227,905)	(134,402)
Amounts due from related parties		(2,204)	(138)	(21,243)	(37,573)
Inventories		45,022	(9,252)	34,703	34,301
Prepaid insurance		34,269	61,586	34,162	60,773
Other current assets		51,629	(24,234)	54,606	(26,386)
Other non-current assets		(7,121)	20,492	(6,810)	18,805
Trade accounts payable		(23,797)	131,611	(61,119)	145,943
Amounts due to related parties		3,200	(147)	(6,985)	12,269
Advance receipts from customers		144,406	203,942	226,161	187,135
Accrued operating agreement fee		235,648	(234,707)	234,568	(218,974)
Accrued expenses		(46,614)	(22,221)	(59,422)	5,886
Other current liabilities		45,584	267,632	45,907	8,407
Other liabilities		14,776	(12,570)	15,563	(7,037)
Defined benefit obligations paid	8	(6,091)	-	(6,091)	-
Interest received		16,209	18,975	11,983	22,442
Cash generated from operating activities		<u>1,773,377</u>	<u>1,518,544</u>	<u>1,221,782</u>	<u>748,947</u>
Income tax paid		(218,465)	(132,810)	(41,757)	(41,590)
<b>Net cash from operating activities</b>		<u><b>1,554,912</b></u>	<u><b>1,385,734</b></u>	<u><b>1,180,025</b></u>	<u><b>707,357</b></u>

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

# Thaicom Public Company Limited and its Subsidiaries

## Statements of cash flows

For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
Dividends received		62,525	67,526	-	-
Additional investment in subsidiary		-	-	-	(16,700)
Payment of property and equipment		(919,654)	(355,674)	(782,542)	(122,960)
Payment for property and equipment under operating agreements		(802)	-	(802)	-
Proceeds from sale of property and equipment		1,304	627	397	274
Long-term loans and advance to related company		-	-	(4,817)	12,298
Payments for deferred charges		(60,026)	(732)	(59,944)	-
Purchase of intangible assets		(2,181)	(5,767)	(2,183)	(5,767)
<b>Net cash used in investing activities</b>		<b>(918,834)</b>	<b>(294,020)</b>	<b>(849,891)</b>	<b>(132,855)</b>
<b><i>Cash flows from financing activities</i></b>					
Received from short-term loans from financial institutions	9	395,646	-	395,646	-
Repayments of short-term borrowings		-	(80,869)	-	(73,351)
Proceeds from long-term borrowings	9	3,038	115,702	3,038	-
Repayments of long-term borrowings	9	(120,664)	(178,921)	(2,622)	(980)
Interest paid		(239,230)	(254,570)	(203,047)	(218,665)
<b>Net cash provided by (used in) financing activities</b>		<b>38,790</b>	<b>(398,658)</b>	<b>193,015</b>	<b>(292,996)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>674,868</b>	<b>693,056</b>	<b>523,149</b>	<b>281,506</b>
Cash and cash equivalents at 1 January		1,271,920	797,639	518,439	158,253
Effects of exchange rate changes on balances held in foreign currencies		1,276	650	1,276	650
<b>Cash and cash equivalents at 30 June</b>		<b>1,948,064</b>	<b>1,491,345</b>	<b>1,042,864</b>	<b>440,409</b>
<b><i>Non-cash transactions</i></b>					
Acquisition of property and equipment by issue of debt		202,435	51,663	161,269	8,061

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

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

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**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the Board of Directors on 10 August 2011.

**1 General information**

Thaicom Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 414 Phaholyotin Road, Samsen Nai, Phayathai, Bangkok 10400.

The Company was listed on the Stock Exchange of Thailand in January 1994.

The Company’s major shareholders during the financial period was Shin Corporation Public Company Limited which is incorporated in Thailand, with 41.14% shareholding.

The Company, its subsidiaries, associate, and jointly controlled entities (Collectively referred to as “the Group”) are primarily involved in transponder services for domestic and international communications, sale of user terminal of iPSTAR, broadband content services, sale of direct television equipment, Internet data center services, Internet services, satellite uplink-downlink services, printing and publishing of business telephone directories, banner advertising, telephone network services, mobile contents, and engineering and development services on communication technology and electronics, which are mainly operated under agreements for operation.

The Group has operations in 10 countries; Thailand, Singapore, Cambodia, Lao PDR, Australia, New Zealand, the United States of America, Mauritius, the British Virgin Islands and Japan.

The Company obtained agreements for operation from the Ministry of Transport and Communications for a period of 30 years to operate and administer satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a 30-year period, service charges from users of the transponders. These agreements for operation have been transferred to the Ministry of Information Communication and Technology and will be expired in 2021.

Details of the Company’s subsidiaries and jointly controlled entities as at 30 June 2011 and 31 December 2010 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2011	31 December 2010
<i>Direct subsidiaries</i>				
DTV Service Company Limited	Providing meeting center via internet and broadband content services and sale of direct television equipment	Thailand	100	100
iPSTAR Company Limited	Providing iPSTAR transponder services	The British Virgin Islands	99.94	99.94
Star Nucleus Company Limited	Providing broadband technological services via Thaicom 4 satellite	The British Virgin Islands	70	70

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

Name of the entity	Type of business	Country of incorporation	Ownership Interest (%)	
			30 June 2011	31 December 2010
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	70	70
IPSTAR International Pte Limited	Providing iPSTAR transponder services	Singapore	100	100
IPSTAR Global Services Company Limited	Providing iPSTAR transponder service	Mauritius	100	100
Cambodian DTV Network Limited	Sale of direct television equipment	Cambodia	100	100
<b><i>Indirect subsidiaries</i></b>				
<i>Subsidiary of DTV Service Company Limited</i>				
NTU (Thailand) Company Limited	Provide organizing services related to conduct training, educational seminar and spread the various kind of knowledge.	Thailand	88.52	88.52
<i>Subsidiaries of iPSTAR Company Limited</i>				
IPSTAR Australia Pty Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in Australia.	Australia	100	100
IPSTAR New Zealand Company Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in New Zealand	New Zealand	100	100
<b><i>Jointly-controlled entities</i></b>				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
<i>Subsidiaries of Shenington Investments Pte Limited</i>				
Mfone Company Limited	Providing fixed line, mobile phone and Internet services	Cambodia	51	51
<b><i>Jointly- controlled of Shenington Investments Pte Limited</i></b>				
Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

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

**(a) Statement of compliance**

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

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

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

The Group's accounting policies and methods of computation applied in the interim financial statements for the three-month and six-month periods ended 30 June 2011 are consistent with those applied in the financial statements for the year ended 31 December 2010, except for the changes in the Group's accounting policies. The effects of these changes are disclosed in note 3.

**(b) Presentation currency**

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

**(c) Use of estimates and judgements**

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

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

***Estimates***

***Measurement of defined benefit obligations***

The calculation of the defined benefit obligation is sensitive to the assumptions on discount rate, salary increases and mortality rate as set out in note 8.

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

*Allowance*

The calculation of the allowance for doubtful accounts of trade accounts receivable, allowance for obsolete and damaged inventories and others are related to the assumptions on analysis of payment histories and future expectations of customer payments, slow-moving information of inventories and recoverable amounts.

*Utilisation of assets*

The assumption of the useful lives and residual value of plant and equipment, assets under the Agreements for operations and intangible assets are reviewed on an ongoing basis.

**3 Changes in accounting policies**

*(a) Overview*

From 1 January 2011, consequent to the adoption of new and revised Thai Financial Reporting Standards (“TFRS”) as set out in note 32 of the financial statements for the year ended 31 December 2010, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for business combinations
- Accounting for acquisitions of non-controlling interests
- Accounting for property, plant and equipment
- Accounting for borrowing costs
- Accounting for employee benefits
- Accounting for share-based payment

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 3(b) to 3(i) below.

*(b) Presentation of financial statements*

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

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

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

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

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

*(c) Accounting for business combinations*

The Group has adopted TFRS 3 Business Combinations (revised 2009) and TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all business combinations on or after 1 January 2011. The new policy for accounting for business combinations, together with information on the previous policy, is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standards. There have been no business combinations during 2011 and, accordingly, adoption of these two revised standards has had no impact on profit or earnings per share for the three-month and six-month periods ended 30 June 2011.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

*Acquisitions on or after 1 January 2011*

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquiree's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

*Acquisitions between 1 January 2008 and 31 December 2010*

Goodwill represented the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

*Acquisitions prior to 1 January 2008*

Goodwill was measured in the same way as described in the preceding paragraph. However, both positive and negative goodwill were amortised over their estimated useful life of 10 years. On 1 January 2008, on adoption of the former TAS 43 (revised 2007), the Group discontinued amortising goodwill. Negative goodwill carried in the financial statements as at 31 December 2007 was derecognised by crediting unappropriated retained earnings on 1 January 2008.

**(d) *Accounting for acquisitions of non-controlling interests (previously termed 'minority interests')***

The Group has adopted TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all acquisitions of non-controlling interests in subsidiaries. The new policy for accounting for acquisitions of non-controlling interests, together with information on the previous policy, is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standard. There have been no acquisitions of non-controlling interests during the three-month period ended 31 March 2011 and, accordingly, adoption of this revised standard has had no impact on profit or earnings per share for the three-month and six-month periods ended 30 June 2011.

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Previously, goodwill was recognised on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

*(e) Accounting for property, plant and equipment*

The Group has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on the profit and earnings per share for the three-month and six-month periods ended 30 June 2011 and 2010.

*(f) Accounting for borrowing costs*

The Group has adopted TAS 23 (revised 2009) Borrowing Costs.

Under the revised standard, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Under the former standard, there was also an option to expense borrowing costs on qualifying assets when incurred.

It was the Group's policy under the former TAS 23 to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Consequently the adoption of the revised standard has had no impact on reported profit or earnings per share.

*(g) Accounting for employee benefits*

The Group has adopted TAS 19 Employee Benefits.

Under the new policy, the Group's liability for post-employment benefits and other long-term employee benefit obligations is recognised in the financial statements based on calculations performed at least once in three years by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The change in accounting policy has been applied retrospectively and the Group's 2010 financial statements, which are included in the Group's 2011 financial statements for comparative purposes, have been restated accordingly. The impact on the consolidated and separated financial statements was in note 3 (i).

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

**(h) Accounting for share-based payments**

The Group has adopted TFRS 2 Share-based Payment.

Under TFRS 2, share-based payment awards granted to employees are recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The Group has not applied the above accounting policy for share-based payment awards granted before 1 January 2011 in accordance with transitional provisions of TFRS 2. The adoption of TFRS 2 has had no material impact on the profit and earnings per share for the three-month and six-month periods ended 30 June 2011.

**(i) The adjustment of financial statements to comply with new accounting policy**

The retrospective adjustments to comply TAS 19 Employee Benefits were as follows:

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
<b>Statements of financial position as at 1 January 2010</b>						
<b>Assets</b>						
<b>Non-current assets</b>						
Investments in subsidiaries, jointly-controlled entities and associate	418,505	(17,975)	400,530	813,500	-	813,500
Deferred tax assets	868,081	34,173	902,254	763,184	24,113	787,297
<b>Total</b>		<b>16,198</b>			<b>24,113</b>	
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accrued expenses	232,547	3,139	235,686	143,775	2,862	146,637
<b>Total</b>		<b>3,139</b>			<b>2,862</b>	
<b>Non-current liabilities</b>						
Long-term employee benefit obligations	-	131,691	131,691	-	77,515	77,515
<b>Total</b>		<b>131,691</b>			<b>77,515</b>	
<b>Total</b>		<b>134,830</b>			<b>80,377</b>	
<b>Equity</b>						
Unappropriated retain earnings	5,146,786	(118,565)	5,028,221	3,476,747	(56,264)	3,420,483
Non-controlling interests	43,113	(69)	43,044	-	-	-
<b>Total</b>		<b>(118,634)</b>			<b>(56,264)</b>	

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
<b>Statements of financial position as at 31 December 2010</b>						
<b>Assets</b>						
<b>Non-current assets</b>						
Investments in subsidiaries, jointly-controlled entities and associate	459,264	(19,396)	439,868	830,200	-	830,200
Deferred tax assets	1,118,532	39,305	1,157,837	1,025,621	27,813	1,053,434
<b>Total</b>		<b>19,909</b>			<b>27,813</b>	
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accrued expenses	256,991	4,457	261,448	162,314	4,108	166,422
<b>Total current liabilities</b>		<b>4,457</b>			<b>4,108</b>	
<b>Non-current liabilities</b>						
Long-term employee benefit obligations	-	150,876	150,876	-	88,604	88,604
<b>Total</b>		<b>150,876</b>			<b>88,604</b>	
<b>Total</b>		<b>155,333</b>			<b>92,712</b>	
<b>Equity</b>						
Unappropriated retain earnings	4,357,853	(135,338)	4,222,515	2,714,387	(64,899)	2,649,488
Non-controlling interests	44,958	(85)	44,873	-	-	-
<b>Total</b>		<b>(135,423)</b>			<b>(64,899)</b>	
<b>Consolidated financial statements</b>						
<b>Separate financial statements</b>						
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
<b>Statements of income</b>						
<b>for the three-month period ended 30 June 2010</b>						
Share of profit of associate	40,754	(355)	40,399	-	-	-
Administrative expenses	(250,843)	(2,907)	(253,750)	(136,776)	(1,876)	(138,652)
Directors and management benefit expenses	(11,063)	(154)	(11,217)	(10,936)	(154)	(11,090)
Finance costs	(128,927)	(2,065)	(130,992)	(109,548)	(1,054)	(110,602)
Income tax	36,761	1,284	38,045	54,269	925	55,194
<b>Total</b>		<b>(4,197)</b>			<b>(2,159)</b>	
<b>Loss attributable to</b>						
Owners of the Company	(150,973)	(4,193)	(155,166)	(155,649)	(2,159)	(157,808)
Non-controlling interests	2,311	(4)	2,307	-	-	-
		<b>(4,197)</b>			<b>(2,159)</b>	
<b>Earnings per share</b>						
Basic	(0.14)		(0.14)	(0.14)		(0.14)
Diluted	(0.14)		(0.14)	(0.14)		(0.14)

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
<b>Statements of income</b>						
<b>for the six-month period ended 30 June 2010</b>						
Share of profit of associate	77,468	(710)	76,758	-	-	-
Administrative expenses	(540,555)	(5,814)	(546,369)	(300,007)	(3,752)	(303,759)
Directors and management benefit expenses	(21,363)	(308)	(21,671)	(21,106)	(308)	(21,414)
Finance costs	(252,316)	(4,130)	(256,446)	(215,889)	(2,108)	(217,997)
Income tax	62,176	2,568	64,744	112,495	1,850	114,345
<b>Total</b>		<b>(8,394)</b>			<b>(4,318)</b>	
<b>Loss attributable to</b>						
Owners of the Company	(308,076)	(8,386)	(316,462)	(338,584)	(4,318)	(342,902)
Non-controlling interests	3,226	(8)	3,218	-	-	-
		<b>(8,394)</b>			<b>(4,318)</b>	
<b>Earnings per share</b>						
Basic	(0.28)		(0.29)	(0.31)		(0.31)
Diluted	(0.28)		(0.29)	(0.31)		(0.31)

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

The changes in the financial statements for the three-month and six-month periods ended 30 June 2011 (current period), which are impacted from applying the new accounting policy

	Consolidated financial statements			Separate financial statements		
	Before recognition	Recognised	After recognition	Before recognition	Recognised	After recognition
<i>(in thousand Baht)</i>						
<b>Statements of financial position as at 30 June 2011</b>						
<b>Assets</b>						
<b>Non-current assets</b>						
Investments in subsidiaries, jointly-controlled entities and associate	483,907	(19,344)	464,563	830,200	-	830,200
Deferred tax assets	1,155,637	40,441	1,196,078	1,059,865	27,941	1,087,806
<b>Total</b>		<b>21,097</b>			<b>27,941</b>	
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accrued expenses	214,128	4,457	218,585	103,142	4,108	107,250
<b>Total current liabilities</b>		<b>4,457</b>			<b>4,108</b>	
<b>Non-current liabilities</b>						
Long-term employee benefit obligations	-	156,852	156,852	-	89,028	89,028
<b>Total</b>		<b>156,852</b>			<b>89,028</b>	
<b>Total</b>		<b>161,309</b>			<b>93,136</b>	
<b>Equity</b>						
Unappropriated retain earnings	4,170,987	(140,117)	4,030,870	2,561,446	(65,195)	2,496,251
Non-controlling interests	49,976	(95)	49,881	-	-	-
<b>Total</b>		<b>(140,212)</b>			<b>(65,195)</b>	

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

	Consolidated financial statements			Separate financial statements		
	Before recognition	Recognised	After recognition	Before recognition	Recognised	After recognition
<i>Statements of income</i>						
<i>for the three-month period ended 30 June 2011</i>						
Share of profit of associate	43,178	(292)	42,886	-	-	-
Administrative expenses	(329,226)	(2,850)	(332,076)	(164,118)	(1,796)	(165,914)
Directors and management benefit expenses	(11,206)	(162)	(11,368)	(11,080)	(162)	(11,242)
Finance costs	(118,579)	(2,119)	(120,698)	(102,325)	(1,208)	(103,533)
Income tax	(17,406)	1,292	(16,114)	2,591	950	3,541
<b>Total</b>		<b>(4,131)</b>			<b>(2,216)</b>	
<b>Loss attributable to</b>						
Owners of the Company	(20,432)	(4,126)	(24,558)	(40,715)	(2,216)	(42,931)
Non-controlling interests	3,388	(5)	3,383	-	-	-
		<b>(4,131)</b>			<b>(2,216)</b>	
<b>Loss per share</b>						
Basic	(0.02)		(0.02)	(0.04)		(0.04)
Diluted	(0.02)		(0.02)	(0.04)		(0.04)

	Consolidated financial statements			Separate financial statements		
	Before recognition	Recognised	After recognition	Before recognition	Recognised	After recognition
<i>Statements of income</i>						
<i>for the six-month period ended 30 June 2011</i>						
Share of profit of associate	87,680	(643)	87,037	-	-	-
Administrative expenses	(642,527)	(5,792)	(648,319)	(323,025)	(3,683)	(326,708)
Directors and management benefit expenses	(30,071)	5,676	(24,395)	(29,820)	5,676	(24,144)
Finance costs	(236,440)	(4,237)	(240,677)	(203,297)	(2,417)	(205,714)
Income tax	(2,158)	811	(1,347)	34,245	127	34,372
<b>Total</b>		<b>(4,185)</b>			<b>(297)</b>	
<b>Loss attributable to</b>						
Owners of the Company	(187,469)	(4,176)	(191,645)	(152,940)	(297)	(153,237)
Non-controlling interests	4,059	(9)	4,050	-	-	-
		<b>(4,185)</b>			<b>(297)</b>	
<b>Loss per share</b>						
Basic	(0.17)		(0.17)	(0.14)		(0.14)
Diluted	(0.17)		(0.17)	(0.14)		(0.14)

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

**4 Related party transactions and balances**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Shin Corporation Public Company Limited (“Shin”) (incorporated in Thailand), which owns 41.14% (31 December 2010: 41.14%) of the Company’s shares. Transactions with Intouch Group, Cedar Group, Aspen Group, and Temasek Group are recognised as related party transactions of the Group.

Sales and service transactions with related parties were conducted under normal commercial terms and conditions, which were the same as for other customers. Consulting and management services were charged at an agreed percentage of assets. Transactions between the Company and Codespace, Inc. were conducted based on hourly rates plus reimbursement of actual expenses.

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Sales</b>				
<b>Sales and services income</b>				
Subsidiaries	-	-	284,151	259,387
Associate	2,532	6,953	2,520	6,919
Jointly-controlled entities	4,101	3,981	1,292	644
Related parties under common control	15,878	15,963	12,741	13,823
Other related party	250	486	-	-
<b>Other income</b>				
Subsidiaries	-	-	9,239	15,866
Jointly-controlled entities	295	252	603	514
Related parties under common control	53	-	-	-
<b>Total</b>	<b>23,109</b>	<b>27,635</b>	<b>310,546</b>	<b>297,153</b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Expense</b>				
<b>Purchases of goods and services</b>				
Subsidiaries	-	-	10,402	10,684
Associate	5,392	2,835	5,349	2,835
Jointly-controlled entities	894	957	1,821	1,954
Related parties under common control	208	16	8	16
Other related party	3,532	3,444	3,469	3,443
<b>Selling and administrative expenses</b>				
Subsidiaries	-	-	482	-
Associate	957	-	881	453
Jointly-controlled entities	-	1,354	-	1,094
Related parties under common control	4,056	7,557	3,833	4,617
Director and management benefit expenses	11,206	11,063	11,080	10,936
<b>Total</b>	<b>26,245</b>	<b>27,226</b>	<b>37,325</b>	<b>36,032</b>

Significant transactions for the six-month periods ended 30 June 2011 and 2010 with related parties were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Sales</b>				
<b>Sales and services income</b>				
Subsidiaries	-	-	501,175	563,398
Associate	5,086	9,175	5,040	9,109
Jointly-controlled entities	7,760	12,713	1,560	2,425
Related parties under common control	32,016	32,806	25,721	27,864
Other related party	523	813	-	-
<b>Other income</b>				
Subsidiaries	-	-	22,787	31,852
Jointly-controlled entities	591	504	1,205	1,029
Related parties under common control	53	-	-	-
<b>Total</b>	<b>46,029</b>	<b>56,011</b>	<b>557,488</b>	<b>635,677</b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b><i>Expense</i></b>				
<b><i>Purchases of goods and services</i></b>				
Subsidiaries	-	-	20,030	21,071
Associate	9,808	5,111	9,723	5,111
Jointly-controlled entities	1,857	1,935	3,787	3,949
Related parties under common control	305	26	14	26
Other related party	12,880	11,561	6,890	7,094
<b><i>Selling and administrative expenses</i></b>				
Subsidiaries	-	-	753	1,679
Associate	1,599	2,018	1,383	1,624
Jointly-controlled entities	27	-	56	-
Related parties under common control	7,059	16,035	6,238	9,040
Other related party	-	317	-	-
Directors and management benefit expenses	24,071	21,363	23,820	21,106
<b>Total</b>	<b><u>57,606</u></b>	<b><u>58,366</u></b>	<b><u>72,694</u></b>	<b><u>70,700</u></b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
<i>(in thousand Baht)</i>				
<b>Trade accounts receivable and accrued income - related parties</b>				
<i>Trade accounts receivable - related parties</i>				
Subsidiaries	-	-	396,938	37,683
Associate	-	-	-	-
Jointly-controlled entities	27,486	20,973	2,712	2,309
Related parties under common control	8,199	7,495	4,539	4,551
Other related party	956	520	-	-
<b>Total</b>	<b>36,641</b>	<b>28,988</b>	<b>404,189</b>	<b>44,543</b>
<i>Accrued income - related parties</i>				
Subsidiaries	-	-	7,045	199,215
Associate	840	2,487	840	2,487
Jointly-controlled entities	1,007	1,372	-	1,478
Related parties under common control	5,022	4,476	4,272	4,287
<b>Total</b>	<b>6,869</b>	<b>8,335</b>	<b>12,157</b>	<b>207,467</b>
<b>Total trade accounts receivable and accrued income from related parties</b>	<b>43,510</b>	<b>37,323</b>	<b>416,346</b>	<b>252,010</b>
<b>Amounts due from related parties</b>				
Parent	39	98	39	98
Subsidiaries	-	-	48,230	37,486
Associate	899	924	899	924
Jointly-controlled entities	2,747	458	95,056	84,473
<b>Total</b>	<b>3,685</b>	<b>1,480</b>	<b>144,224</b>	<b>122,981</b>
<b>Other current assets - related parties</b>				
Subsidiaries	-	-	578	11,771
Jointly-controlled entities	-	186	-	313
Related parties under common control	8	16	-	16
<b>Total</b>	<b>8</b>	<b>202</b>	<b>578</b>	<b>12,100</b>
<b>Long-term loans and advances to subsidiary</b>				
	-	-	212,653	208,540

As at 30 June 2011, the short-term loan to a subsidiary bears interest at the rate of 6.00-6.73% per annum (31 December 2010: 6.00 – 6.73% per annum) and is repayable within three months.

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

Movements during the six-month periods ended 30 June 2011 and 2010 of long-term loans and advance to a subsidiary were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	-	-	208,540	334,076
Decrease	-	-	-	(5,295)
Unrealised (gain) loss on exchange rate	-	-	4,113	(8,226)
<b>At 30 June</b>	<b>-</b>	<b>-</b>	<b>212,653</b>	<b>320,555</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Trade accounts payable - related parties</b>				
Subsidiaries	-	-	344	726
Associate	12,570	11,546	12,541	11,518
Jointly-controlled entities	298	274	332	332
Related parties under common control	6,600	7,974	40	417
<b>Total</b>	<b>19,468</b>	<b>19,794</b>	<b>13,257</b>	<b>12,993</b>
<b>Amounts due to related parties</b>				
Subsidiaries	-	-	40,082	49,469
Jointly-controlled entities	802	82	838	167
Related parties under common control	5,386	887	4,673	879
Other related party	647	2,666	-	2,063
<b>Total</b>	<b>6,835</b>	<b>3,635</b>	<b>45,593</b>	<b>52,578</b>
<b>Advance receipts from customers - related parties</b>				
Associate	-	46	-	-
Related parties under common control	-	11	-	-
<b>Total</b>	<b>-</b>	<b>57</b>	<b>-</b>	<b>-</b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Accrued expenses</b>				
<b>- related parties</b>				
Subsidiaries	-	-	9,204	33,952
Associate	882	268	882	268
Jointly-controlled entities	908	890	1,853	1,815
Related parties under common control	111	710	169	303
Other related party	2,100	-	2,100	-
<b>Total</b>	<b>4,001</b>	<b>1,868</b>	<b>14,208</b>	<b>36,338</b>
<b>Other current assets</b>				
<b>- related parties</b>				
Subsidiaries	-	-	20,244	58
Related parties under common control	160	160	160	160
<b>Total</b>	<b>160</b>	<b>160</b>	<b>20,404</b>	<b>218</b>
<b>Other non - current liabilities</b>				
<b>jointly-controlled entities</b>	<b>31</b>	<b>40</b>	<b>42</b>	<b>54</b>

**Key management personnel compensation**

Key management personnel compensation comprised:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Three-month period ended 30 June</b>				
Short-term employee benefits	11,206	11,063	11,080	10,936
Long-term benefits				
- Current service costs, included in administrative expenses	162	154	162	154
- Interest on obligation, included in finance costs	162	147	162	147
<b>Total</b>	<b>11,530</b>	<b>11,364</b>	<b>11,404</b>	<b>11,237</b>
<b>Six-month period ended 30 June</b>				
Short-term employee benefits	24,071	21,363	23,820	21,106
Long-term benefits				
- Current service costs, included in administrative expenses	324	308	324	308
- Interest on obligation, included in finance costs	324	294	324	294
<b>Total</b>	<b>24,719</b>	<b>21,965</b>	<b>24,468</b>	<b>21,708</b>

From time to time directors of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers.

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

***Warrants of Shin Corporation Public Company Limited granted to directors which are management of the Company***

Shin Corporation Public Company Limited (“Shin”), the parent company, issued warrants which are in registered form, are non-transferable and have no offering price, to directors who are management of the Company. The term of the warrant is not exceeding five years. As at 30 June 2011, the details were as follows:

	<b>Issued date</b>	<b>Issued (units)</b>	<b>Exercise ratio (unit : share)</b>	<b>Exercise price (Baht/share)</b>	<b>Exercise period</b>	
					<b>First</b>	<b>Last</b>
ESOP - Grant I	27 March 2002	18,336,300	1 : 1.06942	16.645	Expired on 26 March 2007	
ESOP - Grant II	30 May 2003	12,222,100	1 : 1.13918	11.999	Expired on 29 May 2008	
ESOP - Grant III	31 May 2004	8,823,100	1 : 1.20475	30.222	Expired on 30 May 2009	
ESOP - Grant IV	31 May 2005	8,329,800	1 : 1.29023	32.367	Expired on 30 May 2010	
ESOP - Grant V	31 July 2006	7,823,000	1 : 1.35408	27.827	31 July 2007	30 July 2011

***Directors’ remuneration***

The directors’ remuneration represent monthly compensation, annual remuneration, and meeting fees whereas the directors benefit approved by the shareholders of the Company at their Annual General Meetings. The directors’ remuneration is as part of directors and management benefit expenses presented in the statement of income.

***Commitments with related parties***

The Company had issued letters of comfort to the bankers of subsidiaries. Under the terms of the letters of comfort, the Company must hold its interests in its subsidiaries at the ratio as specified in the letters. The Company also confirms to the banks that the Company will provide necessary financial support to these subsidiaries to ensure that these subsidiaries will be able to meet their repayment obligations under their related loan agreements.

***Significant agreements with related parties***

- a. The Company had entered into an agreement with an associated company, under which the associate was committed to provide uplink data service for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately Baht 12.59 million (31 December 2010: approximately Baht 16.79 million).
- b. The Company had entered into an agreement with a jointly-controlled entity, under which the jointly-controlled entity was committed to responsible for ensuring the IPSTAR gateway system perform in accordance with the industry standard and provide maintenance service in Cambodia for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately USD 0.28 million (31 December 2010: approximately USD 0.40 million).
- c. The Company and subsidiary had entered into agreements with subsidiaries, under which the Company and subsidiaries were committed to pay royalty fee 1% of revenue from sale or lease of IPSTAR gateway, 1% of revenue from sale or lease of IPSTAR User terminal and 3% of revenue from sale or service of IPSTAR bandwidth.

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and six-month periods ended 30 June 2011 (Unaudited)

- d. The Company had entered into agreements with subsidiaries, associate and jointly-controlled entities, under which the Company was committed to provide transponder service, IPSTAR bandwidth service and advisory service. Subsidiaries, associate and jointly-controlled entities were committed to pay the Company for the service of the agreements at approximately USD 126.43 million and Baht 2.52 million (*31 December 2010: approximately USD 134.75 million and Baht 7.56 million*). The service fees of some contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.
- e. The Company had entered into agreements with a certain related party, under which the related party was committed to maintain accounting program service for a period of one year with an option to renew. The Company was committed to pay for services in respect of the agreements at approximately Baht 2.37 million per year (*31 December 2010, the Company was not committed to pay*).

## 5 Trade accounts receivable and accrued income

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
<i>(in thousand Baht)</i>					
Trade accounts receivable					
Related parties	4	36,641	28,988	404,189	44,543
Other parties		1,343,172	1,189,904	706,804	637,604
<b>Total</b>		<b>1,379,813</b>	<b>1,218,892</b>	<b>1,110,993</b>	<b>682,147</b>
Accrued income					
Related parties	4	6,869	8,335	12,157	207,467
Other parties		62,332	85,947	61,554	76,877
<b>Total</b>		<b>69,201</b>	<b>94,282</b>	<b>73,711</b>	<b>284,344</b>
<b>Total trade accounts receivable and accrued income</b>		<b>1,449,014</b>	<b>1,313,174</b>	<b>1,184,704</b>	<b>966,491</b>
Less allowance for doubtful accounts		(326,970)	(290,432)	(187,134)	(193,848)
<b>Net</b>		<b>1,122,044</b>	<b>1,022,742</b>	<b>997,570</b>	<b>772,643</b>
<b>Bad and doubtful debts expense for the six-month period ended 30 June</b>		<b>44,870</b>	<b>4,312</b>	<b>2,978</b>	<b>5,729</b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2011 (Unaudited)**

Aging analysis for trade accounts receivable were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Within credit terms	595,111	483,600	611,049	277,359
Overdue:				
Less than 3 months	324,515	242,573	144,011	105,846
3 - 6 months	29,983	91,644	132,006	75,169
6 - 12 months	47,232	86,555	20,750	28,528
over 12 months	382,972	314,520	203,177	195,245
<b>Total</b>	<b>1,379,813</b>	<b>1,218,892</b>	<b>1,110,993</b>	<b>682,147</b>
Less allowance for doubtful accounts	(326,970)	(290,432)	(187,134)	(193,848)
<b>Net</b>	<b>1,052,843</b>	<b>928,460</b>	<b>923,859</b>	<b>488,299</b>

The normal credit term for general customers were granted by the Group ranging 30 - 60 days.

**6 Investments in subsidiaries, jointly-controlled entities and an associate**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	439,868	400,530	830,200	813,500
Share profits of associate	87,037	76,758	-	-
Acquisitions	-	-	-	16,700
Unrealised gain from decrease in shareholding in an associate	183	341	-	-
Dividend income	(62,525)	(67,526)	-	-
<b>At 30 June</b>	<b>464,563</b>	<b>410,103</b>	<b>830,200</b>	<b>830,200</b>

**Thaicom Public Company Limited and its Subsidiaries**  
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Investments in subsidiaries, jointly-controlled entities and associate as at 30 June 2011 and 31 December 2010, and dividend income from those investments for the six-month periods ended 30 June 2011 and 2010 were as follows:

	Consolidated financial statements												Dividend income for	
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		six months ended	
	30 June 2011	31 December 2010 (%)	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	30 June 2010
<i>Associate</i>														
CS Loxinfo Public Company Limited	42.11	42.19	148	148	1,482	1,482	465	440	-	-	465	440	63	68
<b>Total</b>					<b>1,482</b>	<b>1,482</b>	<b>465</b>	<b>440</b>	<b>-</b>	<b>-</b>	<b>465</b>	<b>440</b>	<b>63</b>	<b>68</b>

**Thaicom Public Company Limited and its Subsidiaries**  
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	Separate financial statements										Dividend income for	
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		six months ended	
	30	31	30	31	30	31	30	31	30	31	30	30
	June	December	June	December	June	December	June	December	June	December	June	June
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(%)				(in million Baht)							
<b>Subsidiaries</b>												
DTV Service Company Limited	100.00	100.00	Baht 399 million	Baht 399 million	399	399	-	-	399	399	-	-
Spacecode LLC	70.00	70.00	USD 4 million	USD 4million	119	119	-	-	119	119	-	-
iPSTAR Company Limited	99.94	99.94	USD 2 million	USD 2million	152	152	-	-	152	152	-	-
Star Nucleus Company Limited	70.00	70.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	-	-	1	1	-	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	-	-	1	1	-	-
Cambodian DTV Network Company Limited	100.00	100.00	USD 600,000	USD 600,000	21	21	-	-	21	21	-	-
<b>Jointly-controlled entity</b>												
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	137	137	-	-	137	137	-	-
<b>Total</b>					<b>830</b>	<b>830</b>	<b>-</b>	<b>-</b>	<b>830</b>	<b>830</b>	<b>-</b>	<b>-</b>

**Thaicom Public Company Limited and its Subsidiaries**  
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Significant movements in investments in subsidiaries, jointly controlled entities and an associate for the six-month period ended 30 June 2011 were as follows:

*Subsidiary*

**a) Dividend payment of Ipstar Australia Pty Company Limited (“IPA”)**

In the second quarter 2011, IPA declared dividends from 2010 operation of AUD 4 million. The dividend of AUD 1 million was paid on May 2011.

*Jointly-controlled entity*

**b) Dividend payment of Lao Telecommunications Company Limited (“LTC”)**

During 2010, the shareholders meetings of LTC approved the dividend from 2009 operation of USD 35 million. The dividend of USD 22.5 million was paid during 2010 and 2011.

On 15 February 2011, at the Annual General Meeting of the shareholders, the shareholders approved the appropriation of dividend from 2010 operation of USD 15 million.

*Associate*

**c) Dividend payment of CS Loxinfo Public Company Limited (“CSL”)**

At the Annual General Meeting of the shareholders of CSL held on 30 March 2011, the shareholders approve the appropriation of dividend payment of the CSL of Baht 0.25 per share, amounting to Baht 148 million. The dividend was paid on 25 April 2011.

**d) Increase and reduction of Share Capital of CS Loxinfo Public Company Limited (“CSL”)**

*Increase of Share Capital*

At the annual general meeting of the shareholders of CSL held on 30 March 2011, a resolution was passed to approve the issuance of 750,000 additional ordinary shares to reserve for the change in the exercise ratio, equivalent to 0.13% of the total issued and paid-up share capital of CSL. As a result of the proposed dividend payment, the exercise ratio of the warrants issued under ESOP-Grant IV and ESOP Grant V has been affected. CSL has registered the increased share capital to the Ministry of Commerce on 22 April 2011.

*Reduction of Share Capital*

At the Annual General Meeting of the shareholders of CSL held on 30 March 2011, the shareholders approve the reduction the ordinary shares because the warrant of CSL for ESOP-Grant II and ESOP-Grant III expired on 30 April 2010 and on 30 May 2010 respectively, in number of 21,518,736 shares, equivalent to 3.63% of the total issued and paid-up shares capital of CSL. CSL has registered the decreased share capital to the Ministry of Commerce on 21 April 2011.

**Commitments**

According to the joint venture agreement between the Group and the Government of the Lao People’s Democratic Republic, the Group must transfer all of LTC’s shares to the Government of the Lao People’s Democratic Republic, without any charges or compensation, on the expiration date of the joint venture agreement in 2021.

**Thaicom Public Company Limited and its Subsidiaries**  
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**7 Capital expenditure and commitments**

**Consolidated financial statements**

	Property and equipment	Property and equipment under agreements for operation (in thousand Baht)	Deferred charges	Intangible assets
<b>Transactions during the six-month period ended 30 June 2011</b>				
Opening net book value	5,262,646	14,177,126	41,053	1,103,078
Additions	1,118,953	909	60,025	3,918
Disposal, net	(723)	-	-	-
Write-offs, net	(10,022)	-	-	-
Depreciation / amortisation charges	(543,861)	(669,842)	(11,892)	(49,772)
Foreign currency translation adjustments	95,196	-	-	2,167
<b>Closing net book value</b>	<b>5,922,189</b>	<b>13,508,193</b>	<b>89,186</b>	<b>1,059,391</b>
<b>As at 30 June 2011</b>				
Cost	11,888,331	21,139,084	675,764	1,663,030
Less accumulated depreciation / amortisation	(5,937,550)	(7,630,891)	(586,578)	(603,639)
Less accumulated impairment loss	(28,592)	-	-	-
<b>Net book value</b>	<b>5,922,189</b>	<b>13,508,193</b>	<b>89,186</b>	<b>1,059,391</b>

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 30 June 2011 amounted to Baht 2,557.13 million (31 December 2010: Baht 2,363.32 million).

**Separate financial statements**

	Property and equipment	Property and equipment under agreements for operation (in thousand Baht)	Deferred charges	Intangible Assets
<b>Transactions during the six-month period ended 30 June 2011</b>				
Opening net book value	1,089,280	14,177,126	38,942	947,955
Additions	919,583	909	59,944	2,220
Disposal, net	(407)	-	-	-
Write-offs, net	(505)	-	-	-
Depreciation / amortisation charges	(181,907)	(669,842)	(11,427)	(44,827)
<b>Closing net book value</b>	<b>1,826,044</b>	<b>13,508,193</b>	<b>87,459</b>	<b>905,348</b>
<b>As at 30 June 2011</b>				
Cost	4,698,637	21,139,084	641,854	1,455,601
Less accumulated depreciation / amortisation	(2,872,593)	(7,630,891)	(554,395)	(550,253)
<b>Net book value</b>	<b>1,826,044</b>	<b>13,508,193</b>	<b>87,459</b>	<b>905,348</b>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 30 June 2011 amounted to Baht 2,024.29 million (31 December 2010: Baht 1,863.68 million).

**Thaicom Public Company Limited and its Subsidiaries**  
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Borrowing costs for the six-month period ended 30 June 2011 of Baht 0.25 million arising on financing specifically entered into for assets under construction, were capitalised during the period.

As at 30 June 2011, property and equipment included a project in progress of Baht 721.06 million relating to the Thaicom 6 project. The Thaicom 6 project will be fully operational with the launch of Thaicom 6 satellite within 2013. According to the operating agreement made with the Ministry of Information Communication and Technology (“MICT”), the Company must transfer its ownership of the Thaicom 6 satellite to MICT on the date of completion of construction and installation.

As at 30 June 2011 the accumulated impairment loss of Baht 28.6 million (*31 December 2010: Baht 28.6 million*) comprised an impairment loss for analogue mobile telephone network of a jointly controlled entity which ceased its operation in 2005 amounting to Baht 16.2 million and an impairment loss for rural telephone network of another jointly controlled entity amounting to Baht 12.4 million.

As at 30 June 2011, property and equipment includes property and equipment under agreements of operation of a jointly-controlled entity, Mfone Company Limited (“Mfone”), of approximately Baht 2,157.74 million (*31 December 2010: Baht 2,317.96 million*). According to the agreement, Mfone must transfer its ownership of the property and equipment to the government of Cambodia on the expiration date of the agreements of operation, on 4 March 2028 (Note 14b).

**Capital expenditure commitments**

Capital expenditure contracted but not provided for at the reporting date were as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		<i>(in thousand)</i>			
THAICOM 4 Project	USD	188	270	188	270
THAICOM 6 Project	USD	117,810	-	117,810	-
Telephone network	USD	9,300	12,296	-	-
Total	USD	<u>127,298</u>	<u>12,566</u>	<u>117,998</u>	<u>270</u>
<b>Total equivalent to Thai Baht</b>		<b><u>3,932,021</u></b>	<b><u>380,692</u></b>	<b><u>3,644,758</u></b>	<b><u>8,169</u></b>

**Thaicom Public Company Limited and its Subsidiaries**  
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**8 Employee benefit obligations**

The Group and the Company adopted TAS 19 – Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 3 (i).

The statement of financial position obligation was determined as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	156,852	150,876	89,028	88,604
<b>Statement of financial position obligation</b>	<b><u>156,852</u></b>	<b><u>150,876</u></b>	<b><u>89,028</u></b>	<b><u>88,604</u></b>

Movement in the present value of the defined benefit obligations:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Six-month period ended 30 June</i>	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	150,876	131,691	88,604	77,515
Benefits paid by the plan	(6,091)	-	(6,091)	-
Current service costs of employee and interest on obligation	10,444	9,592	6,515	5,544
Loss on exchange rate	1,623	-	-	-
<b>Defined benefit obligations at 30 June</b>	<b><u>156,852</u></b>	<b><u>141,283</u></b>	<b><u>89,028</u></b>	<b><u>83,059</u></b>

Expense recognised in profit or loss:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Six-month period ended 30 June</i>	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Current service costs of employee	6,207	5,462	4,098	3,436
Interest on obligation	4,237	4,130	2,417	2,108
<b>Total</b>	<b><u>10,444</u></b>	<b><u>9,592</u></b>	<b><u>6,515</u></b>	<b><u>5,544</u></b>

**Thaicom Public Company Limited and its Subsidiaries**  
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Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
				%
Discount rate at	4.98	4.98	5.00	5.00
Future salary increases	6.00	6.00	6.00	6.00

**9 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in thousand Baht)</i>			
<b>Current</b>				
Short-term loans from financial institutions	398,458	-	398,458	-
<i>Current portion of long-term borrowings</i>				
Loans from financial institutions	199,100	190,214	-	-
Loans from others	1,063,879	664,260	5,260	5,444
Total current portion of long-term borrowings	1,262,979	854,474	5,260	5,444
<b>Non-current</b>				
<i>Long-term borrowings</i>				
Loans from financial institutions	347,764	459,725	-	-
Loans from others	48,231	100,445	22,176	21,575
Total long-term borrowings	395,995	560,170	22,176	21,575
Long term bond	6,986,753	6,983,709	6,986,753	6,983,709
Total Non-current	7,382,748	7,543,879	7,008,929	7,005,284
<b>Total</b>	<b>9,044,185</b>	<b>8,398,353</b>	<b>7,412,647</b>	<b>7,010,728</b>

**Thaicom Public Company Limited and its Subsidiaries**  
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Long-term debentures were as follows:

As at 30 June 2011, the Company issued 2 tranches of Baht 7,000 million, with a par value of Baht 1,000 each, unsubordinated and unsecured with having registered and bond holders representative debentures as follow:

<b>Issue date</b>	<b>No. of units (Million)</b>	<b>Amount (Million Baht)</b>	<b>Interest rate per annum</b>	<b>Term of interest payment</b>	<b>Principal payment term</b>	<b>Outstanding balance as at 30 June 2011</b>
						<i>(in million Baht)</i>
6 November 2009	3.3	3,300	5.25%	Quarterly	Entirely redeemed on 6 November 2012	3,300
6 November 2009	3.7	3,700	6.15%	Quarterly	Entirely redeemed on 6 November 2014	3,700
Total debentures						7,000
Less bond issuing cost						(13)
<b>Net</b>						<b>6,987</b>

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios

**Thaicom Public Company Limited and its Subsidiaries**  
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The movements in the borrowings can be analysed as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<i>For the six-month period ended 30 June 2011</i>		
Opening net book value	8,398,353	7,010,728
Proceeds from short-term loans	395,646	395,646
Proceeds from long-term borrowings, net of financial costs	3,038	3,038
Repayment of long-term borrowings	(120,664)	(2,622)
Amortisation of finance costs	3,044	3,044
Increase from change in status from accounts payable - property and equipment	331,478	-
Loss on exchange rate	33,290	2,813
<b>Closing net book value</b>	<b><u>9,044,185</u></b>	<b><u>7,412,647</u></b>

**Credit facilities**

As at 30 June 2011, available credit facilities for loans from local and oversea banks are Baht 657.8 million and USD 17.6 million (31 December 2010: Baht 799 million and USD 26 million).

**10 Share capital and warrants**

	<i>Par value per share (Baht)</i>	2011		2010	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
<i>Authorised capital</i>					
At 30 June					
<b>ordinary shares</b>	5	<b><u>1,132,082</u></b>	<b><u>5,660,412</u></b>	<b><u>1,132,082</u></b>	<b><u>5,660,412</u></b>
<i>Issued and paid up</i>					
At 1 January					
ordinary shares	5	<u>1,095,938</u>	<u>5,479,688</u>	<u>1,095,938</u>	<u>5,479,688</u>
<b>At 30 June</b>					
<b>ordinary shares</b>	5	<b><u>1,095,938</u></b>	<b><u>5,479,688</u></b>	<b><u>1,095,938</u></b>	<b><u>5,479,688</u></b>

**Warrants**

As at 30 June 2011, the Company has five ESOP schemes allocated to directors and employees of the Company and its subsidiaries. The warrants are in registered form, are non-transferable and have no offering price. The terms of the warrants do not exceed five years. The five ESOP are ESOP - Grant I, ESOP-Grant II, ESOP-Grant III, ESOP-Grant IV and ESOP-Grant V were expired during 2007 – 2011.

**Thaicom Public Company Limited and its Subsidiaries**  
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**11 Other comprehensive income**

The component of other comprehensive income is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>				
<b><i>For the three-month period ended 30 June</i></b>				
Currency translation differences	84,076	(1,496)	-	-
Tax related to the component of other comprehensive income	-	-	-	-
<b>Total other comprehensive income for the period, net of tax</b>	<b>84,076</b>	<b>(1,496)</b>	<b>-</b>	<b>-</b>
<b><i>For the six-month period ended 30 June</i></b>				
Currency translation differences	124,284	(75,587)	-	-
Tax related to the component of other comprehensive income	-	-	-	-
<b>Total other comprehensive income for the period, net of tax</b>	<b>124,284</b>	<b>(75,587)</b>	<b>-</b>	<b>-</b>

The tax impact to the component of other comprehensive income is as follows:

	<b>Consolidated financial statements</b>					
	Amount before tax	2011 Tax income (expense)	Net of tax	Amount before tax	2010 Tax income (expense)	Net of tax
<i>(in thousand Baht)</i>						
<b><i>For the three-month period ended 30 June</i></b>						
Foreign currency translation differences	84,076	-	84,076	(1,496)	-	(1,496)
<b>Total other comprehensive income for the period</b>	<b>84,076</b>	<b>-</b>	<b>84,076</b>	<b>(1,496)</b>	<b>-</b>	<b>(1,496)</b>
<b><i>For the six-month period ended 30 June</i></b>						
Foreign currency translation differences	124,284	-	124,284	(75,587)	-	(75,587)
<b>Total other comprehensive income for the period</b>	<b>124,284</b>	<b>-</b>	<b>124,284</b>	<b>(75,587)</b>	<b>-</b>	<b>(75,587)</b>

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**12 Segment information**

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

*Business segments*

The Group comprises the following main business segments:

Segment 1	Services relating to the satellite business and the transponder services segment
Segment 2	Sales and services relating to the Internet and media business
Segment 3	Sales and services relating to the telephone network business in Cambodia and the Lao People's Democratic Republic.
Segment 4	Others

*Geographic segments*

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers.

The areas of operation in Thailand are principally satellite business services, internet and media services and printing and publishing of business telephone directories services. Cambodia and Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia main activities are sales and services relating to satellite business.

The Group comprises the following main geographic segments:

Segment 1	Thailand
Segment 2	Cambodia
Segment 3	The Lao People's Democratic Republic
Segment 4	Australia
Segment 5	China
Segment 6	India
Segment 7	Others

**Thaicom Public Company Limited and its Subsidiaries**  
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Revenue and results, based on business segments, in the consolidated financial statements for the three-month and six-month periods ended 30 June 2011 and 2010 were as follows:

**For the three-month periods ended 30 June**

	<b>Satellite business services</b>		<b>Internet services and media</b>		<b>Telephone network</b>		<b>Others</b>		<b>Consolidation eliminations</b>		<b>Consolidated financial statements</b>	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	<i>(in thousand Baht)</i>											
Revenues	1,477,076	1,158,682	146,246	132,581	256,085	373,571	-	-	(17,601)	(18,920)	1,861,806	1,645,914
Shares of profit of associate	-	-	42,886	40,399	-	-	-	-	-	-	42,886	40,399
Cost of sale and services	(997,200)	(1,007,352)	(111,183)	(112,309)	(323,307)	(344,450)	-	-	16,158	16,836	(1,415,532)	(1,447,275)
Selling and administrative expenses	<u>(299,666)</u>	<u>(206,037)</u>	<u>(19,997)</u>	<u>(27,354)</u>	<u>(66,650)</u>	<u>(75,518)</u>	<u>(8,648)</u>	<u>(8,865)</u>	<u>1,013</u>	<u>1,174</u>	<u>(393,948)</u>	<u>(316,600)</u>
Segment results	180,210	(54,707)	57,952	33,317	(133,872)	(46,397)	(8,648)	(8,865)	(430)	(910)	95,212	(77,562)
Other income											29,226	39,794
Loss on foreign exchange											(8,801)	(22,144)
Gain (loss) before interest expenses and income tax											115,637	(59,912)
Finance cost											(120,698)	(130,992)
Operating income (loss)											(5,061)	(190,904)
Income tax											(16,114)	38,045
Non-controlling interests											(3,383)	(2,307)
<b>Net loss</b>											<b>(24,558)</b>	<b>(155,166)</b>

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2011 (Unaudited)

### For the six-month periods ended 30 June

	Satellite business services		Internet services and media		Telephone network		Others		Consolidation eliminations		Consolidated financial statements	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	<i>(in thousand Baht)</i>											
Revenues	2,634,174	2,369,695	237,799	277,690	594,914	815,174	-	-	(34,991)	(32,885)	3,431,896	3,429,674
Shares of profit of associate	-	-	87,037	76,758	-	-	-	-	-	-	87,037	76,758
Cost of sale and services	(1,889,861)	(2,071,908)	(207,776)	(230,405)	(653,434)	(698,165)	-	-	29,287	27,935	(2,721,784)	(2,972,543)
Selling and administrative expenses	(560,628)	(445,708)	(38,275)	(52,605)	(133,349)	(144,664)	(30,866)	(33,950)	2,493	3,055	(760,625)	(673,872)
Segment results	183,685	(147,921)	78,785	71,438	(191,869)	(27,655)	(30,866)	(33,950)	(3,211)	(1,895)	36,524	(139,983)
Other income											40,576	69,567
Loss on foreign exchange											(22,671)	(51,126)
Gain (loss) before interest expenses and income tax											54,429	(121,542)
Finance cost											(240,677)	(256,446)
Operating income (loss)											(186,248)	(377,988)
Income tax											(1,347)	64,744
Non-controlling interests											(4,050)	(3,218)
<b>Net loss</b>											<b>(191,645)</b>	<b>(316,462)</b>

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Revenue and results, based on geographical segments, in the consolidated financial statements for the three-month and six-month periods ended 30 June 2011 and 2010 were as follows:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<b>Segment revenue</b>				
Thailand	703,338	645,348	1,391,587	1,322,473
Cambodia	228,315	268,220	443,335	568,554
Lao PDR	138,801	182,430	293,285	374,200
Australia	304,090	286,036	488,010	594,030
China	3,524	10,070	7,168	21,412
India	101,518	10,137	163,326	42,542
Others	425,106	284,072	732,222	583,221
<b>Total</b>	<b><u>1,904,692</u></b>	<b><u>1,686,313</u></b>	<b><u>3,518,933</u></b>	<b><u>3,506,432</u></b>
<b>Segment results</b>				
Thailand	302,326	279,404	653,668	565,267
Cambodia	(80,527)	(111,449)	(191,265)	(157,096)
Lao PDR	1,169	64,963	18,800	120,999
Australia	82,349	51,194	106,340	87,929
China	(127,731)	(110,793)	(249,802)	(219,547)
India	(39,565)	(90,731)	(84,854)	(170,661)
Others	(42,809)	(160,150)	(216,362)	(366,874)
<b>Total</b>	<b><u>95,212</u></b>	<b><u>(77,562)</u></b>	<b><u>36,525</u></b>	<b><u>(139,983)</u></b>

### 13 Loss per share

#### *Basic loss per share*

The calculation of basic loss per share for the three-month and six-month periods ended 30 June 2011 and 2010 was based on the loss for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during each period as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>Three-month period ended 30 June</i>				
		(Restated)		(Restated)
	<i>(in thousand Baht / thousand shares)</i>			
<b>Loss attributable to ordinary shareholders of the Company (basic)</b>	<b><u>(24,558)</u></b>	<b><u>(155,166)</u></b>	<b><u>(42,931)</u></b>	<b><u>(157,808)</u></b>
<b>Number of ordinary shares outstanding</b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>
<b>Loss per share (basic) (in Baht)</b>	<b><u>(0.02)</u></b>	<b><u>(0.14)</u></b>	<b><u>(0.04)</u></b>	<b><u>(0.14)</u></b>

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010 (Restated)	2011	2010 (Restated)
<i>Six-month period ended 30 June</i>				
	<i>(in thousand Baht / thousand shares)</i>			
<b>Loss attributable to ordinary shareholders of the Company (basic)</b>	<b><u>(191,645)</u></b>	<b><u>(316,462)</u></b>	<b><u>(153,237)</u></b>	<b><u>(342,902)</u></b>
<b>Number of ordinary shares outstanding</b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>
<b>Loss per share (basic) (in Baht)</b>	<b><u>(0.17)</u></b>	<b><u>(0.29)</u></b>	<b><u>(0.14)</u></b>	<b><u>(0.31)</u></b>

***Diluted loss per share***

The calculation of diluted loss per share for the three-month and six-month periods ended 30 June 2011 and 2010 was based on the loss for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010 (Restated)	2011	2010 (Restated)
<i>Three-month period ended 30 June</i>				
	<i>(in thousand Baht / in thousand shares)</i>			
<b>Loss attributable to ordinary shareholders of the Company (diluted)</b>	<b><u>(24,558)</u></b>	<b><u>(155,166)</u></b>	<b><u>(42,931)</u></b>	<b><u>(157,808)</u></b>
Number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Effect of shares warrants on issue	-	-	-	-
<b>Number of ordinary shares outstanding (diluted)</b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>
<b>Loss per share (diluted) (in Baht)</b>	<b><u>(0.02)</u></b>	<b><u>(0.14)</u></b>	<b><u>(0.04)</u></b>	<b><u>(0.14)</u></b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2011	2010 (Restated)	2011	2010 (Restated)
<i>Six-month period ended 30 June</i>				
	<i>(in thousand Baht / in thousand shares)</i>			
<b>Loss attributable to ordinary shareholders of the Company (diluted)</b>	<b><u>(191,645)</u></b>	<b><u>(316,462)</u></b>	<b><u>(153,237)</u></b>	<b><u>(342,902)</u></b>
Number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Effect of shares warrants on issue	-	-	-	-
<b>Number of ordinary shares outstanding (diluted)</b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>	<b><u>1,095,938</u></b>
<b>Loss per share (diluted) (in Baht)</b>	<b><u>(0.17)</u></b>	<b><u>(0.29)</u></b>	<b><u>(0.14)</u></b>	<b><u>(0.31)</u></b>

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**14 Commitments with non-related parties**

**a) Agreement for operation of domestic communication satellite**

The Company was permitted by the Ministry of Transport and Communications, under an agreement dated 11 September 1991 and an amendment thereto dated 22 March 1992, to operate and administer certain satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a thirty-year period, service charges from users of the transponders. The agreements for operation have been transferred to the Ministry of Information Communication and Technology (“MICT”).

Under the aforementioned agreement, the Company must pay an annual fee to MICT based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 30 June 2011, the remaining minimum fee is Baht 777 million (*31 December 2010: Baht 806 million*). In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipments to MICT on the date of completion of construction and installation.

**b) Assets transfer commitment under telephone network agreement in Cambodia**

Mfone Company Limited (“Mfone”), a jointly-controlled entity in Cambodia, has obtained agreements for operation from the Directorate of Posts and Telecommunications of Cambodia to operate a domestic telephone network under an agreement dated 4 March 1993 and an amendment thereto dated 4 March 1997, for a period of 35 years. Under the agreement, Mfone will transfer its ownership of all fixed assets to the Government of Cambodia on the expiration date of the agreement in 2028 (Note 7).

**c) Shareholder agreement**

Lao Telecommunications Company Limited (“LTC”) is a joint venture, which was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by the Government of the Lao People’s Democratic Republic and Shinawatra Computer and Communications Public Company Limited. According to the aforementioned Joint Venture Contract, LTC has the right to provide telecommunication services - fixed line phone, mobile phone, international facilities, internet and paging - within the Lao PDR for 25 years. Currently, Shenington Investments Pte Company Limited, which is a joint venture of the Company, owns 49% of LTC’s registered shares. At the end of the 25th year, in 2021, the Group has to transfer all of LTC’s shares to the Government of the Lao People’s Democratic Republic without any charges (Note 6). According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years. As at 30 June 2011, LTC has remaining additional investment of approximately USD 77.72 million (*31 December 2010: USD 81.45 million*).

**d) Agreements for operation of a subsidiary company and associated company for the satellite uplink-downlink and Satellite Internet services and Internet services in Thailand**

CS Loxinfo Public Company Limited (“CSL”), which is an associate of the Company, entered into agreements for operation with CAT Telecom Public Company Limited (“CAT”) for a period of 22 years from 9 August 1994 to 8 August 2016 to provide satellite uplink-downlink and internet services.

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Currently, the National Telecommunications Commission (“NTC”) is responsible for granting licenses to provide internet access services in Thailand. DTV Service Company Limited, the Company’s subsidiary, and CSL operate the business to provide internet and telecommunication services under licenses granted by NTC as follow:

<b>Type of license</b>	<b>Issued Date</b>	<b>Period</b>
<b>License of DTV Service Company Limited</b>		
Internet Operation License Type I	18 October 2009	5 years
Telecom Operation License Type I	19 July 2010	5 years
<b>Licenses of CSL</b>		
Internet Operation License Type II	26 April 2007	5 years
Internet Operation License Type I	8 September 2009	5 years
Telecom Operation License Type I	11 October 2009	5 years
Telecom Operation License Type III	20 December 2007	15 years

**e) Obligation under “Financing and Project Agreement”**

Lao Telecommunications Company Limited (“LTC”) entered into a “Financing and Project Agreement” with the government of the Lao People’s Democratic Republic (“government”) and an organisation in Germany (KfW, Frankfurt am Main) on 25 October 2004 of an amount not exceeding Euro 6.5 million (approximately Baht 289.36 million) for the procurement and installation of Phase VI of a rural telecommunication network. Under the agreement, the ownership of network assets will be transferred to LTC through loan at 30% of the network assets’ value excluding consulting services project and interest rate of loan 4% per year. LTC has recognised the network assets relating to Phase VI and the related portion of the loan in the amount of Baht 70.1 million in last year. During 2010 and 2011, LTC has paid loan repayment for the loan of Phase IV & V in the amount of Baht 19.9 million.

**f) Obligation from shares buy back options**

On 23 October 2003, the Company and Codespace Inc. entered into a “Memorandum of Agreement”, which provides Codespace Inc. an option to sell 2.2 million shares of iPSTAR Co., Ltd. to the Company, with the condition that the Company has the first option to purchase these shares. If the offered price per share is greater than the higher of USD 1 or fair market value at offering date, the Company has the right to refuse. If the offered price per share is equal to the higher of USD 1 or fair market value at offering date, the Company has to purchase those shares from Codespace Inc. The Company believes that Codespace Inc. will not exercise the option because according to the result of the financial analysis of the Company, the value per share of iPSTAR Co., Ltd.’s shares is higher than USD 1. Therefore, the Company does not recognise this obligation as its liabilities in these interim financial statements. As of 30 June 2011, the remaining share option was 0.12 million shares (*31 December 2010: 0.12 million shares*).

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**g) Operating lease commitments**

As at 30 June 2011 and 31 December 2010, the Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
<i>(in thousands)</i>					
Within one year	THB	44,408	41,323	44,408	41,323
	YEN	4,347	362	4,347	362
	USD	6,870	7,306	5,270	5,713
	Rupee	4,721	4,622	4,721	4,622
	Rupiah	10,022	39,500	10,022	39,500
	Ringgit	93	116	93	116
	KIP	144,935	-	-	-
	PHP	2,437	2,977	2,437	2,977
	AUD	90	89	-	-
	Total equivalent Baht		<u>268,059</u>	<u>272,220</u>	<u>215,076</u>
After one year but within five years	THB	26,925	43,201	26,925	43,201
	YEN	3,623	453	3,623	453
	USD	15,172	10,731	9,064	4,582
	Rupee	7,777	4,532	7,777	4,532
	Ringgit	21	67	21	67
	KIP	554,395	614	-	-
	PHP	492	1,970	492	1,970
	AUD	32	86	-	-
Total equivalent Baht		<u>506,454</u>	<u>376,431</u>	<u>314,544</u>	<u>187,477</u>
After five years	THB	14,788	16,559	14,788	16,559
	USD	5,925	2,389	4,056	-
	KIP	7,655	187,009	-	-
Total equivalent Baht		<u>197,819</u>	<u>89,640</u>	<u>140,077</u>	<u>16,559</u>
<b>Grand total equivalent Baht</b>		<b><u>972,332</u></b>	<b><u>738,291</u></b>	<b><u>669,697</u></b>	<b><u>425,258</u></b>

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**h) Other commitments**

The Group had contingencies with banks, whereby the banks issued letters of guarantee, letters of credit and other guarantees in respect of business contracts, for the following amounts:

	Currency	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		<i>(in thousands)</i>			
Minimum operating agreement fee payable to Ministry of Information Communication and Technology	THB	222,000	222,000	222,000	222,000
IPSTAR equipment sales	THB	502	522	502	522
Satellite space leasing by customers	USD	1,600	1,442	1,600	1,442
	THB	490,016	487,000	490,016	487,000
IPSTAR Gateway	USD	-	379	-	379
Forward contracts	AUD	2,996	2,318	-	-
	THB	620,227	730,702	620,227	730,702
Letters of credit	USD	250	472	-	222
Others	THB	3,497	3,405	3,322	3,322

**15 Contingent liabilities**

**Assessment for income tax in India**

The Tax Authority in India ('the said Authority'), has held that the payments received by the Company for providing Transponder Services ('TPS') to its Indian Customers and non-resident customers targeting Indian audience ('the Customer') was Royalty under both the Indian Income Tax Act ('the Act'), and the Double Taxation Avoidance Agreement between Thailand and India ('the DTAA') and subject to withholding tax at the rate of 15% on gross basis. But the Company considered income from Transponder Services to be business income, and as the Company does not have permanent establishment in India, such incomes are not taxable in India.

The Tax Authority has raised the tax demand including surcharge, education cess and interest aggregating to Rs. 779.5 million (approximately Baht 531 million) against the said payment received by it from the customers and also levied penalty of Rs. 566.1 million (approximately Baht 386 million) for the Assessment Year ('AY') 1998-99 to 2007-08 (1 April 1997 to 31 March 2007).

The Company had received Withholding Tax Certificates ('WTC') from its Customers until AY 2007-2008 net amounting to Rs. 487.9 million (approximately Baht 333 million), in which part of the amount is substituted and paid by the Customer on behalf of the Company. The Company had also deposited Rs. 460.2 million (approximately Baht 314 million). The Company presents the deposit as non-current assets in the Statements of financial position.

Since the management and Tax Advisor in India are of the opinion that the income from the TPS is not subject to Tax in India, the Company did not make any provision for the liability against the balance amount of Rs. 397.5 million (approximately Baht 271 million), payable to the said Authority.

On 4 March 2011 Income Tax Appellate Tribunal (ITAT) (Special Bench) gave its decision that the Company's income from transponder services in India was not a royalty and as the company has no permanent establishment in India, such income was not taxable in India. The Company does not have to pay interest and penalty imposed by the Revenue Department of India.

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Further to ITAT decision as stated in the preceding paragraphs, the Company is in the process of requesting the refund of deposit and withholding tax. Upon the finally decision of the Supreme court and the receipt of refund, the Company will forward part of the receipt to the Customer up to the amount they substituted on behalf of the Company.

The Revenue department of India has filed an appeal against the ITAT decision to the High Court of Delhi. The Company believed the appeal would finally be filed further to the Supreme Court. If the Supreme court decides finally that the Company's income is taxable in India, the total tax liability demanded by the said Authority of Rs. 779.5 million (approximately Baht 531 million) which will be charged as expense immediately, but the Company will not be required to make any additional tax payment as the amount of WTC and the deposit made by the Company fully cover the tax demand. This, however, does not include the Penalty and the interest related to the Penalty already assessed in the amount of Rs. 566.1 million (approximately Baht 386 million) which will be charged as expenses if there is a final judgement that the Company is liable for Penalty and interest related to such Penalty, which the Company has already placed deposit against part of the Penalty and interest related to such Penalty leaving the total liability for Penalty and interest related to such Penalty in the amount of Rs. 397.5 million (approximately Baht 271 million) as stated in the preceding paragraphs together with interest at the maximum rate not exceeding one (1) percent per month as from the date of receipt of the Demand Notice until the date the payment.

## **16 Other events**

- a) According to the judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions rendered on 26 February 2010, concerns the Company and its affiliated companies in many aspects. The Company is of the opinion that the consequence of the judgment is limited to the holding that some property of the person holding political position was improperly acquired by an abuse of power while being in a political position. The judgment does not contain any order indicating that the Company or its affiliated companies shall take any actions as the Company is not involved to the case. The Company and its affiliated companies have been operating to the best of its ability in accordance with the law and the agreements and in good faith. The Company and its affiliated companies have every right available under the law and agreements to provide the facts to prove its innocence and good faith in any proceeding which may be initiated by the relevant government agencies in accordance with the law and justice.
- b) On 19 April 2007, Mr. Supong Limthanakul brought legal actions against the National Telecommunications Commission ("NTC"), the office of the NTC and the Ministry of Information and Communication Technology ("MICT") in the Central Administrative Court ("CAC") on the ground that the three state agencies neglected to perform their duties in overseeing whether the Company has been carrying on its telecommunications business lawfully after the sale of Shin Corporation Public Company Limited's shares to the new shareholder.

CAC issued an order dated 8 April 2009 making the Company the fourth respondent in order to allow the Company to file the Reply to the petitioner's claim including evidence, documentary or otherwise to CAC and the Company filed the Reply and supporting evidence in July 2009.

On 10 June 2011, CAC has dismissed the verdict and On 10 July 2011, Mr Supong Thanakun has filed an appeal with the Supreme Administrative Court ("SAC"). The case is under consideration by SAC.

The Company is of the opinion that it will not be adversely affected in any way as the actions were brought against NTC, office of the NTC and MICT for neglecting to perform their duties and will not constitute a cause for terminating the operating agreement as the Company has fully complied with the terms and conditions of the operating agreement.

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**17 Events after the reporting period**

At the Board of Directors' meeting of CSL held on 10 August 2011, the directors passed a resolution to approve the interim dividends of Baht 0.27 per share, totaling Baht 160 million.

**18 Reclassification of accounts**

Certain accounts in the statements of financial position as at 31 December 2010 and the statements of income for the six-months period ended 30 June 2010 have been reclassified to conform to the presentation in the 2011 interim financial statements as follows:

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>					
<b>Statement of financial position</b>						
Accrued expenses	261,448	7,425	268,873	-	-	-
Other current liabilities	171,007	<u>(7,425)</u>	163,582	-	<u>-</u>	-
		<u>-</u>			<u>-</u>	
<b>Statements of cash flows</b>						
Interest paid	(254,570)	254,570	-	(218,665)	218,665	-
<b>Cash flows from operating activities</b>	<b>1,131,163</b>	<b>254,570</b>	<b>1,385,733</b>	<b>488,692</b>	<b>218,665</b>	<b>707,357</b>
Interest paid	-	(254,570)	(254,570)	-	(218,665)	(218,665)
<b>Cash flows from financing activities</b>	<b>(144,088)</b>	<b>(254,570)</b>	<b>(398,658)</b>	<b>(74,331)</b>	<b>(218,665)</b>	<b>(292,996)</b>

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.