
I. Overview

Performance overview

Thaicom Plc ("the Company")'s consolidated revenue from sales of goods and rendering of services for Q3/2016 totaled Baht 2,791 million, decreased by Baht 356 million or 11.3% from Baht 3,147 million for Q3/2015, mainly contributed by revenue drop from both satellite business and Internet and media businesses, together with higher costs and expenses related to the Thaicom 8 Satellite. As a result, an operating profit (EBIT) for Q3/2016 was Baht 509 million, down by Baht 307 million or 37.6% from Baht 816 million for Q3/2015. However, the Company reported a consolidated net profit of Baht 434 million or Baht 0.40 per share for Q3/2016, an increase of Baht 169 million or 63.8% from Baht 265 million or Baht 0.24 per share for Q3/2015. This was due to an increase of net foreign exchange gain as a result of the efficiency of foreign exchange risk management and share of profit of investment in joint venture of telephone business. The Company generated normalized profit, excluding net foreign exchange gain, of Baht 365 million for Q3/2016.

Compared to the previous quarter, the consolidated revenue from sales of goods and rendering of services decreased by Baht 111 million or 3.8% from Baht 2,902 million, and generated operating profit (EBIT) dropped by Baht 201 million or 28.3% from Baht 710 million. The Company net profit also decreased by Baht 157 million or 26.6% from Baht 591 million or Baht 0.54 per share, due mainly to the decrease of revenue from satellite services and the increase of costs and expenses related to the Thaicom 8 Satellite.

For 9M/2016, the Company reported the net profit of Baht 1,725 million or Baht 1.57 per share. For the separate financial statements, the Company reported the net profit of Baht 2,491 million or Baht 2.27 per share which was higher than the profit of consolidated financial statement. This was due to the dividends from subsidiaries amounting to Baht 1,420 million, which reflected the efficiency in cash management. The Company's net profit excluding dividends was Baht 1,071 million.

II. Business Summary

Satellite and related business

During Q3/2016, the Company has signed the contract for providing services on the Thaicom 8 Satellite with both IPM Company Limited, a leading DTH provider in Thailand and Infosat-Laos, a leading Direct-to-Home (DTH) satellite TV operator in Lao People's Democratic Republic. These have affirmed "Hot Bird" position at 78.5 degrees East, currently co-located with the Thaicom 5, Thaicom 6, and the Thaicom 8 Satellites.

TRIS Rating has reaffirmed the Company and its senior unsecured debenture ratings for 2016 annual review at "A-" for 3 consecutive years. This reflects the Company' established market position as the sole satellite communications service provider in Thailand and the market leader for broadband satellite service in the Asia-Pacific region. The ratings also take into consideration the Company's cash flow stability and sound financial flexibility. The "Stable" outlook reflects the ability to compete in the market and to maintain the good operating performance continuously.

On 13 September 2016, the Company has partnered with Kantana Group Public company Limited to lead the trend in interactive applications, allowing television programs to engage their viewers in real time, with "The Kantana Play" application, designed to deliver a new and fun-filled experience to viewers through their smart devices which will go live in time for audiences to enjoy on The Face Thailand Season 3. This smart device application is a trend of broadcast industry's future which viewers can access to additional program-related content and personally invested in programs through their smartphones, tablets, or other smart devices.

On 20 October 2016, International Satellite Company Limited (ISC), a Company's subsidiary, has entered into a satellite procurement contract with China Great Wall Industry Corporation (CGWIC), the China's leader in satellite construction and commercial launch services. The satellite project is valued at approximately USD 208 million, or Baht 7,280 million. The Company has been entrusted to conduct a new satellite project for a business partner who leases all satellite capacity with advanced service fees, which will serve as the source of funding for the construction of the satellite. The project is expected to contribute the incremental revenue for the Company and to strengthen broadband and mobility services in the Asia Pacific region. The satellite is expected to be launched around end of 2019.

Internet and media business

Revenue from Media and Advertising on YellowPages and Voice Info Services and Mobile Content businesses by CS Loxinfo Plc (CSL) have continuously declined due to changes of consumer behavior and technology. However, the Company has changed strategy to be more carefully selecting the products and services, and focusing on development and improvement of the product packages, together with cost management. CSL has also continued to expand Internet broadband in condominiums, resulting in the number of subscribers as the end of Q3/2016 of 8,994 subs, the growth of 192.1% compared to Q3/2015. Moreover, the revenue from Internet Data Center (IDC) service has also continued to grow from corporate customer base.

Telephone business abroad

As of the end of Q3/2016, Lao Telecommunications Co., Ltd. (LTC) had total phone subscribers of 2,030,339 subs, continued to increase from 1,891,640 subs as at the end of Q3/2015, and still rank No.1 with 53.8% mobile's market share, up from 51.0% as at the end Q3/2015. The revenue also continued to increase, especially from data business from both mobile and Internet SIM.

III. Consolidated Operating Results

Selected financial information on THCOM

Unit: MBt	Amount			Change		Amount		Change YoY (%)
	Q3/2016	Q2/2016	Q3/2015	QoQ (%)	YoY (%)	9M/16	9M/15	
Revenue from sales of goods and rendering of services	2,791	2,902	3,147	-3.8%	-11.3%	8,903	9,159	-2.8%
Cost of sales of goods and rendering of services	1,757	1,734	1,824	1.3%	-3.7%	5,285	5,440	-2.8%
SG&A expenses	525	458	507	14.6%	3.6%	1,579	1,597	-1.1%
EBIT from continuing operations*	509	710	816	-28.3%	-37.6%	2,039	2,122	-3.9%
EBITDA from continuing operations**	1,290	1,394	1,514	-7.5%	-14.8%	4,187	4,204	-0.4%
Share of profit (loss) of investment in joint venture	51	62	(13)	-17.7%	n/a	154	110	40.0%
Profit for the period	477	637	315	-25.1%	51.4%	1,863	1,521	22.5%
Profit attributable to: non-controlling interest	43	46	50	-6.5%	-14.0%	138	144	-4.2%
Profit attributable to: owner of the Company	434	591	265	-26.6%	63.8%	1,725	1,377	25.3%
Earnings per share (Baht)	0.40	0.54	0.24	-25.9%	66.7%	1.57	1.26	24.6%
Other extraordinary items***	69	9	(380)	666.7%	n/a	161	(275)	n/a
Normalized profit***	365	582	645	-37.3%	-43.4%	1,564	1,652	-5.3%
Normalized profit per share (Baht)	0.33	0.53	0.59	-37.3%	-43.4%	1.43	1.51	-5.3%

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

** EBITDA = EBIT + Depreciation and Amortization

*** Normalized net profit = Net profit to owner of the Company excluding extraordinary items, which are net gain (loss) from foreign exchange and gain (loss) from selling of investment (others extraordinary items are net after tax)

Revenue from sales of goods and rendering of services

Consolidated revenue from sales of goods and rendering of services for Q3/2016 was Baht 2,791 million, a decrease of Baht 356 million or 11.3% from Baht 3,147 million for Q3/2015. Compared to Q2/2016, the revenue decreased by Baht 111 million or 3.8% from Baht 2,902 million. These were mainly due to the decrease of revenue from both domestic satellite and Internet and media businesses.

Revenue from sales of goods and rendering of services	Q3/16	Q2/16	Q3/15	%QoQ	%YoY	9M/16	9M/15	%YoY
Satellite and related services	2,032	2,131	2,303	-4.6%	-11.8%	6,557	6,772	-3.2%
Internet and media services*	780	793	862	-1.6%	-9.5%	2,413	2,439	-1.1%
Consolidation eliminations	(21)	(22)	(18)	-4.5%	16.7%	(67)	(52)	28.8%
Total	2,791	2,902	3,147	-3.8%	-11.3%	8,903	9,159	-2.8%

* Include revenue from sales and services generated by DTV Service Co., Ltd. (DTV), Cambodian DTV Network Ltd (CDN), and CSL

Satellite and related services

Revenue from satellite and related services for Q3/2016 was Baht 2,032 million, a decrease of Baht 271 million or 11.8% from Baht 2,303 million for Q3/2015. Compared to the previous quarter, the revenue from satellite and related services decreased by Baht 99 million or 4.6% from Baht 2,131 million. These were mainly from the decrease of both revenue from conventional satellite and the Thaicom 4 Broadband Satellite businesses.

However, for 9M/2016, the Company generated revenue from satellite and related services total of Baht 6,557 million, down by Baht 215 million or 3.2% from Baht 6,772 million for 9M/2015. This was a result of the revenue drop from conventional satellite services, offsetting with the increase of revenue from the Thaicom 4 Broadband Satellite business.

Satellite and related services	Q3/16	Q2/16	Q3/15	%QoQ	%YoY	9M/16	9M/15	%YoY
Conventional*	1,067	1,082	1,243	-1.4%	-14.2%	3,421	3,665	-6.7%
Thaicom 4 Broadband	965	1,049	1,060	-8.0%	-9.0%	3,136	3,107	0.9%
Services	958	990	1,005	-3.2%	-4.7%	2,907	2,924	-0.6%
Sales	7	59	55	-88.1%	-87.3%	229	183	25.1%
Total	2,032	2,131	2,303	-4.6%	-11.8%	6,557	6,772	-3.2%

* Include the Thaicom 5 6 7 and 8 Satellites

- Revenue from the Thaicom conventional satellite business for Q3/2016 was Baht 1,067 million, dropped by Baht 176 million or 14.2% from Baht 1,243 million for Q3/2015, due mainly to:
 - Overall transponder utilization rate decreased since one of the Thai major customers ceased to operate its business,
 - The decrease of transponder utilization also resulting in a drop of revenue from value-added services, e.g. teleport services such as digital signal compression.

Compared to the previous quarter, the revenue from the Thaicom conventional satellite business decreased by Baht 15 million or 1.4% from Baht 1,082 million, due mainly to the decrease of overall transponder utilization rate and the revenue from value-added services, offsetting with revenue increased from the Thaicom 8 Satellite.

For 9M/2016, the revenue from the Thaicom conventional satellite business was Baht 3,421 million, down by Baht 244 million or 6.7% from the revenue of 9M/2015 amounted to Baht 3,665 million, due mainly to:

- The decrease of transponder utilization, which also resulting in a drop of revenue from value-added services,
- The decrease of sales from satellite equipment to satellite broadcasting operators, which incurred occasionally based on customers' demand, offsetting with
- The increase of service revenue from the Thaicom 8 Satellite.
- Revenue from the Thaicom 4 Broadband Satellite business was Baht 965 million for Q3/2016, down by Baht 95 million or 9.0% from Baht 1,060 million for Q3/2015. Compared to the previous quarter, the revenue decreased Baht 84 million or 8.0% from Baht 1,049 million. This was mainly contributed by:

- Service revenue decreased in Australia following the decrease of bandwidth usage from the National Broadband Network (NBN) contract, together with service price adjustment to reflect market price for some customers according to new contracts, offsetting with the increase of service revenue from increasing bandwidth usage in India,
- The decrease of satellite equipment sales, which incurred occasionally based on customers' demand.

For 9M/2016, revenue from the Thaicom 4 Broadband Satellite business was Baht 3,136 million, up by Baht 29 million or 0.9% from Baht 3,107 million for 9M/2015, due mainly from;

- Revenue growth of satellite broadband equipment sales, offsetting with
- The decrease of revenue in Australia and price adjustment for some customers, offsetting with the increase of service revenue from India.

Internet and media services

The Company's revenue from Internet and media services for Q3/2016 was Baht 780 million, down by Baht 82 million or 9.5% compared to Baht 862 million for Q3/2015, mainly contributed by:

- The decrease of sales revenue from CDN by Baht 65 million or 63.1% from decreasing sales of satellite receiver sets,
- Revenue decreased from CSL by Baht 18 million or 2.4% compared to Q3/2015 from Media and Advertising on YellowPages and Voice Info Services and Mobile Content businesses, offsetting with higher revenue from Internet Data Center (IDC) and Internet broadband in condominiums,
- Revenue increased from DTV by Baht 1 million or 7.7% from D Channel Platform services.

To compared with the previous quarter, the revenue from Internet and media services decreased by Baht 13 million or 1.6% from Baht 793 million. This was due mainly to:

- The decrease of sales revenue from CDN by Baht 31 million or 44.9% following the drop of satellite receiver sets sales,
- Revenue decreased from DTV by Baht 1 million or 6.7%, offsetting with
- Revenue increased from CSL by Baht 19 million or 2.7%, mainly from ICT business.

The revenue from Internet and media services for 9M/2016 was Baht 2,413 million, down by Baht 26 million or 1.1%, mainly contributed by the decrease of:

- Sales and service revenue from CSL by Baht 30 million or 1.4%, due to the slowdown in Media and Advertising on YellowPages and Voice Info Services and Mobile Content businesses,
- Sales revenue from CDN by Baht 2 million or 1.3% from decreasing sales of satellite receiver sets, offsetting with,
- Revenue increased from DTV by Baht 6 million or 17.3% from D Channel Platform.

Cost of sales of goods and rendering of services

The Company reported consolidated cost of sales of goods and rendering of services for Q3/2016 of Baht 1,757 million, a decrease of Baht 67 million or 3.7% compared to Baht 1,824 million for Q3/2015, due to the decrease of cost from Internet and media businesses.

To compare with the previous quarter, the cost of sales of goods and rendering of services increased by Baht 23 million or 1.3% from Baht 1,734 million from the increase of satellite business costs, offsetting with the decrease of cost from Internet and media businesses.

For 9M/2016, the consolidated cost of sales of goods and rendering of services was Baht 5,285 million, decreased by Baht 155 million or 2.8% from Baht 5,440 million for 9M/2015, contributed by the decrease of cost from satellite business, and Internet and media businesses.

Cost of sales of goods and rendering of services	Q3/16	Q2/16	Q3/15	%QoQ	%YoY	9M/16	9M/15	%YoY
Satellite and related services	1,283	1,253	1,279	2.4%	0.3%	3,823	3,934	-2.8%
Internet and media businesses*	496	504	561	-1.6%	-11.6%	1,531	1,552	-1.4%
Consolidation eliminations	(22)	(23)	(16)	-4.3%	37.5%	(69)	(46)	50.0%
Total	1,757	1,734	1,824	1.3%	-3.7%	5,285	5,440	-2.8%

* Include cost of sales and services generated by DTV, CDN, and CSL

Cost of satellite and related services

Cost relating to satellite and related services for Q3/2016 was Baht 1,283 million, an increase of Baht 4 million or 0.3% from Baht 1,279 million for Q3/2015, and also increased by Baht 30 million or 2.4% from Baht 1,253 million for Q2/2016, due to the increase of cost relating to the conventional satellite business, offset with the decrease of cost relating to the Thaicom 4 Broadband business.

The total cost for 9M/2016 compared to 9M/2015 decreased Baht 111 million or 2.8% following the decrease of the costs of conventional satellite and the Thaicom 4 Broadband businesses.

Satellite and related services	Q3/16	Q2/16	Q3/15	%QoQ	%YoY	9M/16	9M/15	%YoY
Conventional*	663	599	612	10.7%	8.3%	1,836	1,921	-4.4%
Thaicom 4 Broadband	620	654	667	-5.2%	-7.0%	1,987	2,013	-1.3%
Total	1,283	1,253	1,279	2.4%	0.3%	3,823	3,934	-2.8%

* Include the Thaicom 5 6 7 and 8 Satellites

Cost relating to the conventional satellite business for Q3/2016 was Baht 663 million, up by Baht 51 million or 8.3% from Baht 612 million for Q3/2015. These was mainly caused by:

- The depreciation and in-orbit insurance of the Thaicom 8 Satellite, which has been fully recognized in Q3/2016, offsetting with
- The decrease of operating fees, the revenue sharing to the government agencies, following revenue drop.

Compared with Q2/2016, the cost relating to the conventional satellite business increased by Baht 64 million or 10.7% from Baht 599 million. These was mainly due to:

- The depreciation and in-orbit insurance of the Thaicom 8 Satellite, offsetting with
- The decrease of operating fees, the revenue sharing to the government agencies, associated with the lower revenue.

Comparing 9M/2016 with 9M/2015, cost relating to the conventional satellite business decreased by Baht 85 million or 4.4% from Baht 1,921 million, due mainly to:

- The decrease of equipment cost following the decrease of equipment sales,
- The decrease of operating fees, the revenue sharing to the government agencies, following revenue drop, offsetting with
- The depreciation and in-orbit insurance of the Thaicom 8 Satellite.

- Cost relating to the Thaicom 4 Broadband Satellite business for Q3/2016 was Baht 620 million, decreased by Baht 47 million or 7.0% from Baht 667 million for Q3/2015, and compared with Q2/2016, the cost dropped by Baht 34 million or 5.2% from Baht 654 million, primarily due to:

- Lower cost of broadband equipment following the sales drop,
- Lower operating fees, the revenue sharing to the government agencies, following the decrease of overall bandwidth usage.

For 9M/2016, cost relating to the Thaicom 4 Broadband Satellite business decreased by Baht 26 million or 1.3% from Baht 2,013 million, mainly contributed by the decrease of other service cost.

Cost of Internet and media services

Cost relating to the Internet and media services for Q3/2016 amounted to Baht 496 million, the decrease of Baht 65 million or 11.6% from Baht 561 million for Q3/2015, due mainly to the decrease of:

- Cost of CDN's satellite receiver sets of Baht 47 million or 58.8% following a decrease of sales, and
- Cost of DTV of Baht 15 million or 55.6%, due to DTV's sales promotion in Q3/2015, offsetting with the increase of service cost following revenue growth,
- Cost of sales and service of CSL following revenue drop and an efficiency of Internet network cost management from ICT business, offsetting with higher cost of content and application development from Voice Info Services & Mobile Content Business. As a result, total cost of CSL decreased by Baht 3 million or 0.7%.

Compared to Q2/2016, the cost relating to Internet and media services was down by Baht 8 million or 1.6% from Baht 504 million, due mainly to:

- The decrease of cost of CDN's satellite receiver sets of Baht 22 million or 40.0%, following sales drop,
- The decrease of DTV's service cost of Baht 1 million or 7.7%, following the drop of service revenue, offsetting with
- The increase of service cost of CSL by Baht 15 million or 3.4%, mainly from cost relating to ICT Solution service following higher revenue.

For 9M/2016, the cost relating to Internet and media services totaled Baht 1,531 million, down by Baht 21 million or 1.4% from Baht 1,552 million for the same period of the previous year, due mainly to the decrease of:

- Cost of sales and service of CSL by Baht 24 million or 1.8%, due to the decrease of ICT business cost, offsetting with the increase of the content and application development cost from Voice Info Services & Mobile Content Business,
- Cost of sale from DTV by Baht 8 million or 18.1% from DTV's sales promotion in Q3/2015, contrasting with higher cost of service following revenue from D Channel Platform services, Offsetting with,
- The increase of cost of CDN of Baht 11 million or 7.9% from cost of service and license fee, offsetting with lower cost of sales following sales revenue drop.

Selling and administrative expenses

SG&A expenses, including directors and management benefit expenses, totaled Baht 525 million for Q3/2016, an increase of Baht 18 million or 3.6% from Baht 507 million for Q3/2015, due mainly to:

- The increase of provision for doubtful debts for the satellite business,
- The increase of marketing expenses for the satellite business, Offsetting by
- The decrease of staff expenses for the satellite business,
- The decrease of marketing expenses for Internet and media businesses,
- The decrease of reversal of provision for obsolete inventory of satellite receiver sets sold by DTV which was recognized in Q3/2015,

Compared with Q2/2016, SG&A expenses for Q3/2016 increased by Baht 67 million or 14.6% from Baht 458 million for, mainly caused by:

- The increase of provision for doubtful debts for the satellite business while there were the reversal of the provision in the previous quarter, resulting from the customer payment, Offsetting by
- The decrease of marketing expenses for the satellite business,
- The decrease of staff expenses for the satellite business.

For 9M/2016, SG&A expenses amounted to Baht 1,579 million, down by Baht 18 million or 1.1%, mainly contributed by:

- The decrease of staff expenses for the satellite business,
- The decrease of marketing expenses for Internet and media businesses, Offsetting by
- The increase of provision for doubtful debts for the satellite business.

Gain on exchange rate

In Q3/2016, the Company reported a gain on foreign exchange of Baht 88 million. This was largely impacted by the revaluation of USD borrowings for the satellite business and for Shenington Investments Pte Ltd (SHEN) to support LTC's business as a result of the appreciation of the Thai Baht against the US Dollar.

Finance costs

Finance costs totaled Baht 108 million for Q3/2016, up by Baht 22 million or 25.6% from Baht 86 million for Q3/2015, due mainly to interest expense of the Thaicom 8 project which fully recognized in Q3/2016.

Share of profit (loss) of investment in joint venture

Share of profit of investment in joint venture in telephone business for Q3/2016 was Baht 51 million, up by Baht 64 million from a loss of Baht 13 million for Q3/2015. This was contributed by:

- In Q3/2015, the Company had a loss on foreign exchange in SHEN from the revaluation of borrowings for the payment of LTC's concession extension fee, of which the Company recognized proportionately, offsetting with
- The increase of SHEN's financial cost from the borrowing for LTC's concession extension fee.

Compared to the previous quarter, the Company's share of profit decreased Baht 11 million or 17.7% from Baht 62 million. This was due to the decrease of operating result from LTC.

Share of profit of investment in joint venture in telephone business for 9M/2016 totaled Baht 154 million, up by Baht 44 million or 40% from Baht 110 million for 9M/2015, mainly resulted from:

- The increase of operating result from LTC, due to higher revenue from data usage and sales revenue from mobile phone equipment and SIM card,
- Proportionate recognition of the loss on foreign exchange in SHEN for 9M/2015, offsetting with
- The increase of SHEN's financial cost from the borrowing.

Net profit

The Company reported a profit attributable to owner of the Company of Baht 434 million for Q3/2016, a growth of Baht 169 million or 63.8% from Baht 265 million for Q3/2015. This was mainly contributed by:

- The increase of foreign exchange gain,
- Share of profit of investment in joint venture in telephone business, offsetting with
- The decrease of revenue from both satellite and Internet and media businesses,
- The increase of costs and expenses relating to the Thaicom 8 Satellite.

To compare with the previous quarter, the company net profit dropped by Baht 157 million or 26.6% from Baht 591 million, due mainly to:

- The decrease of revenue,
- The increase of costs and expenses relating to the Thaicom 8 Satellite.
- The additional profit from reversal of provision for doubtful debts in Q2/2016, offsetting with
- The increase of gain on foreign exchange.

For 9M/2016, the Company reported the net profit of Baht 1,725 million or Baht 1.57 per share. For the separate financial statements, the Company reported the net profit of Baht 2,491 million or Baht 2.27 per share which was higher than the profit of consolidated financial statement. This was due to the dividends from subsidiaries amounting to Baht 1,420 million, which reflected the efficiency in cash management. The Company's net profit excluding dividends was Baht 1,071 million.

IV. Financial Position

As at the end of Q3/2016, the Company reported total assets of Baht 31,981 million, the decrease of Baht 1,611 million or 4.8% from Baht 33,592 million as at the end of 2015. This was mainly because of the decrease of:

- Cash, cash equivalents, due mainly from short-term loans repayment,
- Depreciation and amortization of PP&E and intangible assets under operating agreements for 9M/2016, offsetting by
- The increase of current investments, mostly short-term deposits at financial institutions as a result of profit generated from operating activities,
- The increase of PP&E, mostly were the additional assets from the Thaicom 8 project.

THCOM's asset components

Assets	September 30, 2016		December 31, 2015	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	7,776	24.3%	8,005	23.8%
Property, plant and equipment	9,503	29.7%	9,032	26.9%
Intangible assets under operating agreement	9,713	30.4%	11,227	33.4%

Trade accounts receivable and accrued income

As at the end of Q3/2016, the Company had net trade accounts receivable and accrued income of Baht 1,892 million (or 5.9% of total assets), comprising of receivables from other parties and related parties, representing 94% and 6% of total trade accounts receivable and accrued income, respectively.

The Company had an allowance for doubtful accounts of Baht 309 million or 19.7% of total trade accounts receivable, mainly from the provision for doubtful debt for a customer under rehabilitation. As a result, the allowance for doubtful account increased from Baht 231 million or 13.4% as at the end of 2015. Trade and other accounts receivable and accrued income as at the end of Q3/2016 decreased by Baht 187 million from the end of 2015.

Liquidity

As at the end of Q3/2016, the Company had a current ratio of 2.77x, up from 1.83x as at the end of 2015, due mainly to:

- The increase of current investments from the profit of 9M/2016,
- The decrease of short-term loans from the total repayment of the Thaicom 8 project loan, including the partial repayment of LTC's loan for concession extension fee, Offsetting with
- The increase of current portion of long-term loans for the Thaicom 6 and 8 satellites,
- The decrease of cash and cash equivalents, due mainly for the short-term loans repayment.

Property, plant and equipment

Property, Plant and Equipment (PP&E) as at the end of Q3/2016 was Baht 9,503 million, the increase of Baht 471 million or 5.2% from Baht 9,032 million as at the end of 2015. This was due mainly to

- Additions to PP&E for the assets of the Thaicom 8 project, offsetting by
- Depreciation and amortization of PP&E in 9M/2016.

Borrowings and Shareholders' equity

The Company's net borrowings as at the end of Q3/2016 were Baht 10,194 million, the decrease of Baht 1,556 million or 13.2% from Baht 11,750 million as at the end of 2015, mainly attributable to the short-term loan repayment and the impact from the revaluation of the borrowings from the appreciation of Thai Baht against US dollar and partial short-term loan repayment.

The Company's shareholders' equity as at the end of Q3/2016 was Baht 18,984 million, increased by Baht 873 million or 4.8% from Baht 18,111 million as at the end of 2015, reflecting from the net profit for 9M/2016 of Baht 1,725 million, offsetting with dividend payment to owners of the Company and CSL of Baht 712 million and Baht 145 million (CSL declared the dividend payment amounting to Baht 250 million, payable proportionately to THCOM of Baht 105 million and others shareholders of Baht 145 million).

As at the end of Q3/2016, the ratio of net borrowings to equity was 0.54x, down from 0.65x as at the end of 2015.

Cash flows

Net cash provided by operating activities for 9M/2016 was Baht 3,248 million, the increase of Baht 64 million or 2.0% from Baht 3,184 million for 9M/2015, due mainly to the increase of net profit, net of investment income and gain from foreign exchange.

Net cash used in investing activities for 9M/2016 was Baht 1,516 million, most of which were short-term deposits at financial institutions and private funds, together with the payment for the assets of the Thaicom 8 project.

Net cash used in financing activities for 9M/2016 was Baht 2,360 million, mainly comprising repayment of short-term loans of the Thaicom 8 project and LTC for concession extension fee, and dividend payment to shareholders.

The Company had ending cash and cash equivalents of Baht 2,774 million as at the end of Q3/2016.

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