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## I. Overview

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In Q2/2015, Thaicom Plc (“the Company”)’s consolidated revenue from sale of goods and rendering of services totaled Baht 2,938 million, down by Baht 29 million or 1.0% from Baht 2,967 million for Q2/2014, mainly contributed by revenue’s drop from the Internet services and media businesses. To compare with Q1/2015, the Company’s consolidated revenue was down by Baht 136 million or 4.4% from Baht 3,074 million due mainly to a decrease in sales revenue from conventional satellite business which were occasional sales depending on customer’s demand.

The Company reported a consolidated net profit (attributable to owner of the Company) of Baht 572 million, an increase of Baht 74 million or 14.9% compared to Q2/2014. To compare with Q1/2015, the Company had an increase of the consolidated net profit of Baht 32 million or 5.9%.

For 1H/2015, the Company generated the consolidated revenue from sale of goods and rendering of services totaled Baht 6,013 million, increased by Baht 201 million or 3.5% from Baht 5,812 million for 1H/2014, which was a result from the revenue from conventional satellite business together with share of profit of investment in joint ventures. The Company had the consolidated net profit of Baht 1,112 million, up by 24.0% compared to the same period of 2014.

In the separate financial statements, the Company reported revenue from sale of goods and rendering of services totaled Baht 1,771 million, an increase of Baht 21 million or 1.2% from Baht 1,750 million for Q2/2014 and for 1H/2015, the Company had the revenue of Baht 3,663 million, up by Baht 261 million or 7.6% from Baht 3,402 million for 1H/2014.

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## II. Business Summary

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### ***Transponder leasing and related business***

The ranking result of 2014 Top Fixed Satellite Service Operators by SpaceNews, a leading weekly newspaper and Web site of the global space industry, showed the Company as the eighth on the list in term of generating revenue, which was higher than rank the tenth in 2013. The reasons were from the Company launching of Thaicom 6 and 7 Satellites in to the orbit and an increase of Thaicom 4 (IPSTAR) utilization rate.

The result of 2015 annual review for the company and debenture rating by TRIS Rating Co.,Ltd, the Company still be affirmed the rating at “A-” for the second year, which reflects the Company’s strong market position, growth opportunity resulted from the demand for satellite services, and strong performance in satellite business. The Company also be remained the outlook at “Stable”, resulted from the ability to maintain its strong market position and deliver sound operating performance.

The Company progressed towards the business strategy by providing an end-to-end service to customers in the media industry and broadcasting. On 10 June 2015, the Company has developed and launched “2nd Screen” application platform on smart devices which helped to create innovation while watching television or movies for viewers and served for the customers’ lifestyles.

On 16 July 2015, the Channel 3 and 3HD Television Network started to air Gossip Girl TV series Thailand, a joint venture producer between Kantana Group Public Company Limited and Intouch Holdings Plc. This was the first experience to access the “2nd Screen” application on smart devices such as tablets and smart phones. The application provides additional contents including on-demand videos, uncensored versions of the show and bonus scenes, additional information about characters, actors and plotlines, as well as games, quizzes, shopping and social networking opportunities while the show is airing on the television. The application can be downloaded in Apple Store & Play Store.

### ***Internet services and media businesses***

As of the end of Q2/2015, CS Loxinfo Plc (CSL) continued to grow in ICT business with the number of subscriber’s growth for corporate leased lines of 2%, and Internet Data Center (IDC) of 5% compared to previous quarter

DTV Service Co., Ltd. (DTV) will focus on business expansion under DTV Multi Dwelling Unit Projects which served end-to-end solution services for condominiums, apartments, and hotels with various and suitable products. For platform services, DTV has developed platforms and applications to serve the customers’ needs.

### Telephone network business

Telecommunication business in Lao PDR has grown continuously, and the concession of Lao Telecommunications Co., Ltd. (LTC) to operate telecommunication business in Lao PDR has been extended another 25 years which will end in 2046 whereas the existing one ends in 2021. The Company provided loan to Sherington Investment Pte Limited (SHEN) to support LTC to extend its concession which will enhance the future business operation.

As at the end of Q2/2015, LTC had total phone subscribers of 1,837,065, increased from 1,596,464 as at the end of Q2/2014 and 1,769,834 as at the end of Q1/2015, respectively. LTC still ranks No.1 with 49.52% market share, up from 43.66% as at the end of Q2/2014 and 43.66% as at the end of Q1/2015 respectively.

## III. Consolidated Operating Results

### Selected financial information on THCOM

Unit: MBt	Amount			Change		Amount		Change
	Q2/15	Q1/15	Q2/14 (Restated)	QoQ (%)	YoY (%)	1H/15	1H/14 (Restated)	YoY (%)
Revenue from sale of goods and rendering of services	2,938	3,074	2,967	-4.4%	-1.0%	6,013	5,812	3.5%
Cost of sale of goods and rendering of services	1,757	1,859	1,686	-5.5%	4.2%	3,617	3,434	5.3%
SG&A expenses	529	561	557	-5.7%	-5.0%	1,091	1,103	-1.1%
EBIT from continuing operations*	652	654	724	-0.3%	-9.9%	1,305	1,275	2.4%
EBITDA from continuing operations **	1,347	1,343	1,374	0.3%	-2.0%	2,690	2,508	7.3%
Share of profit of investment in joint ventures	77	46	42	67.4%	83.3%	124	67	85.1%
Profit before income tax expense	733	735	684	-0.3%	7.2%	1,468	1,266	16.0%
Net profit	618	588	556	5.1%	11.2%	1,206	1,023	17.9%
<b>Net profit attributable to owners of the Company</b>	<b>572</b>	<b>540</b>	<b>498</b>	<b>5.9%</b>	<b>14.9%</b>	<b>1,112</b>	<b>897</b>	<b>24.0%</b>
Net profit attributable to owners of the Company per share (Baht)	0.52	0.49	0.45	6.1%	15.6%	1.01	0.82	23.2%

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

\*\* EBITDA = EBIT + Depreciation and Amortization

### Revenue from sale of goods and rendering of services

Consolidated revenue from sale of goods and rendering of services for Q2/2015 was Baht 2,938 million, a decrease of Baht 29 million or 1.0% compared to Baht 2,967 million for Q2/2014, and a decrease of Baht 136 million or 4.4% compared to Baht 3,074 million for Q1/2015. However, the consolidated revenue from sale of goods and rendering of services for 1H/2015 totaled Baht 6,013 million increased Baht 201 million or 3.5% from Baht 5,812 million for 1H/2014, contributed by increasing in revenue from satellite business.

Revenue from sale of goods and rendering of services	Q2/15	Q1/15	Q2/14 (Restated)	%QoQ	%YoY	1H/15	1H/14 (Restated)	%YoY
Satellite and related services	2,160	2,309	2,158	-6.5%	0.1%	4,469	4,261	4.9%
Internet services and media businesses*	795	782	833	1.7%	-4.6%	1,577	1,603	-1.6%
Consolidation eliminations	(17)	(17)	(24)	0.0%	-29.2%	(33)	(52)	-36.5%
<b>Total</b>	<b>2,938</b>	<b>3,074</b>	<b>2,967</b>	<b>-4.4%</b>	<b>-1.0%</b>	<b>6,013</b>	<b>5,812</b>	<b>3.5%</b>

\* Include revenue from sales and services generated by DTV Service Co., Ltd. (DTV) and Cambodian DTV Network Ltd. (CDN), and CS Loxinfo Public Company Limited (CSL)

Satellite transponder leasing and related services

Revenue from satellite transponders and related services for Q2/2015 was Baht 2,160 million, a rise of Baht 2 million or 0.1% compared to Baht 2,158 million for Q2/2014, due to conventional satellite service. However, the revenue decreased Baht 149 million or 6.5% compared to Baht 2,309 million for Q1/2015, contributed by sales revenue from satellite equipment to broadcasting satellite operators in Q1/2015. The revenue was absent in Q2/2015.

Satellite and related services	Q2/15	Q1/15	Q2/14 (Restated)	%QoQ	%YoY	1H/15	1H/14 (Restated)	%YoY
Conventional*	1,142	1,280	1,115	-10.8%	2.4%	2,422	2,175	11.4%
IPSTAR	1,018	1,029	1,043	-1.1%	-2.4%	2,047	2,086	-1.9%
Sales	58	71	44	-18.3%	31.8%	129	124	4.0%
Services	960	958	999	0.2%	-3.9%	1,918	1,962	-2.2%
<b>Total</b>	<b>2,160</b>	<b>2,309</b>	<b>2,158</b>	<b>-6.5%</b>	<b>0.1%</b>	<b>4,469</b>	<b>4,261</b>	<b>4.9%</b>

\* Include the Thaicom 5 6 and 7 satellites and the interim satellite acquired by the Company to provide services ahead of the launch of the Thaicom 6 satellite

- Revenue from the Thaicom conventional satellite business for Q2/2015 was Baht 1,142 million, up by Baht 27 million or 2.4% from Baht 1,115 million for Q2/2014, due mainly to:
  - Revenue increase for the Thaicom 6 Satellite due to value-added services,
  - Revenue from the Thaicom 7 Satellite which started to generate revenue since the end of 2014.

Compared to Q1/2015, the revenue from the Thaicom conventional satellite business decreased Baht 138 million or 10.8% from Baht 1,280 million, mainly contributed by;

- Sales revenue from satellite equipment to broadcasting satellite operators amounting Baht 182 million in Q1/2015. The revenue incurred occasionally based on customer's demand, and was absent in this quarter,
- Revenue growth from the Thaicom 7 Satellite, driven by an increase in utilization from 30% as at the end of Q1/2015 to 58% as at the end of Q2/2015.

For 1H/2015, the revenue from the Thaicom conventional satellite business was Baht 2,422 million, up by Baht 247 million or 11.4% from the revenue in 1H/2014 due mainly to:

- Revenue growth from satellite transponder leasing service from the Thaicom 6 Satellite following the growing demand of broadcasting services. The number of television channels under the conventional satellite platform at 78.5 degrees east increased from 677 channels at the end of Q2/2014 to 766 channels at the end of Q2/2015,
- An increase in revenue from the Thaicom 7 Satellite.

- Revenue from the Thaicom 4 (IPSTAR) satellite business was Baht 1,018 million in Q2/2015, down by Baht 25 million or 2.4% from Baht 1,043 million in Q2/2014. This was contributed by:
  - A drop in service revenue of Baht 39 million or 3.9% in Q2/2015 resulting from the impact of currency exchange from the appreciation of the Thai Baht against the Australian dollar and Japanese Yen, respectively. However, the overall bandwidth usage in Q2/2015 increased from Q1/2015, offset with
  - A higher sales revenue of Baht 14 million or 31.8% in Q2/2015, due mainly to a higher user terminal (UT) sales, especially in Australia, Japan, and India.

Compared to Q1/2015, the revenue from the Thaicom 4 (IPSTAR) satellite business decreased Baht 11 million or 1.1% from Baht 1,029 million, mainly driven by;

- A decrease in sales of gateway equipment which was occasional, offset with
- Higher user terminal (UT) sales, and the service revenue from bandwidth leasing service was in line with the previous quarter.

For the first six months of 2015, revenue from the Thaicom 4 (IPSTAR) satellite business was Baht 2,047 million, down by Baht 39 million or 1.9% from Baht 2,086 million due mainly from;

- Decrease of service revenue from the impact of currency exchange from the appreciation of the Thai Baht against the Australian dollar and Japanese Yen, respectively, offset with the increase of service revenue from an increase of bandwidth leasing service in Asia,

- Decrease of gateway equipment sales, offset with
- Increase of user terminal (UT) sales, especially in Australia and Japan.

#### Internet access and media services

The Company's revenue from Internet access and media services for Q2/2015 was Baht 795 million, down by Baht 38 million or 4.6% compared to Baht 833 million for Q2/2014, which was mainly contributed by;

- Revenue decrease in ICT business from CSL, down by Baht 22 million or 3.7% due to the revenue recognition of ICT project sales, which relied on the percentage of completion method,
- Media and Advertising on YellowPages from CSL revenue drop of Baht 11 million or 15.9% from the continual decline from the sale of advertising space in the Thailand YellowPages Books,
- Revenue decrease in Voice Info Services and Mobile Content business from CSL amounted to Baht 34 million or 24.1%, offset with
- Higher sales and service revenue from Cambodian DTV Network Ltd. (CDN) amounted to Baht 31 million or 110.7%, resulted from an increase of satellite receiver sets' revenue in Cambodian.

Compare to Q1/2015, revenue from Internet access and media services increased by Baht 13 million or 1.7% from Baht 782 million. This was due mainly to:

- Higher sales and service revenue from CDN amounted to Baht 31 million, offset with
- Revenue decrease in sales and service from CSL and DTV businesses.

For 1H/2015, revenue from Internet access and media services was Baht 1,577 million, down by Baht 26 million or 1.6% from Baht 1,603 million due mainly from lower in;

- Media and Advertising on YellowPages revenue from CSL amounted to Baht 37 million or 23.8%
- Voice Info Services and Mobile Content revenue from CSL amounted to Baht 63 million or 22.3%,  
Offset with higher in
- sales and service revenue from CDN amounted to Baht 38 million or 76.0%,
- Revenue in ICT business from CSL amounted to Baht 36 million or 3.2% due to the growth of corporate leased lines and Internet Data Center (IDC).

#### Other Income

In Q2/2015, the Company generated other income totaled Baht 288 million, mainly from the capital gain from selling of the investment in Synertone Communication Corporation (Synertone)'s ordinary shares.

#### **Cost of sale of goods and rendering of services**

The Company reported consolidated cost of sale of goods and rendering of services for Q2/2015 of Baht 1,757 million, an increase of Baht 71 million or 4.2% compared to Baht 1,686 million for Q2/2014, due to increases in cost from its satellite business, offset with decreases in costs from its Internet and media businesses. Compared to Q1/2015, the Company reported lower consolidated cost of sale of goods and rendering of services of Baht 102 million or 5.5% from Baht 1,859 million.

The Company's consolidated cost of sale of goods and rendering of services for Q2/2015 was Baht 3,617 million, an increase of Baht 183 million or 5.3% compared to Baht 3,434 million for 1H/2014 as a result of higher costs from its satellite business.

Cost of sale of goods and rendering of services	Q2/15	Q1/15	Q2/14 (Restated)	%QoQ	%YoY	1H/15	1H/14 (Restated)	%YoY
Satellite and related services	1,271	1,384	1,184	-8.2%	7.3%	2,655	2,500	6.2%
Internet services and media businesses*	500	491	529	1.8%	-5.5%	991	988	0.3%
Consolidation eliminations	(14)	(16)	(27)	-12.5%	-48.1%	(29)	(54)	-46.3%
<b>Total</b>	<b>1,757</b>	<b>1,859</b>	<b>1,686</b>	<b>-5.5%</b>	<b>4.3%</b>	<b>3,617</b>	<b>3,434</b>	<b>5.3%</b>

\* Include cost from sales and services generated by DTV Service Co., Ltd. (DTV) and Cambodian DTV Network Ltd. (CDN), and CS Loxinfo Public Company Limited (CSL)

#### Cost of satellite transponder leasing and related services

Cost relating to transponder leasing and related services for Q2/2015 was Baht 1,271 million, an increase of Baht 87 million or 7.3% from Baht 1,184 million for Q2/2014, due to an increase in cost relating to conventional satellite business and IPSTAR business.

Compare to Q1/2015, the cost relating to transponder leasing and related services decreased by Baht 113 million or 8.2% from Baht 1,384 million, due to an increase in cost relating to conventional satellite business especially in cost of equipment sales.

The total cost for 1H/2015 increased from 1H/2014 following the increase in the cost for Q2/2015 which was due to both higher costs relating to conventional satellite business and IPSTAR business.

Satellite and related services	Q2/15	Q1/15	Q2/14 (Restated)	%QoQ	%YoY	1H/15	1H/14 (Restated)	%YoY
Conventional*	597	713	533	-16.3%	12.0%	1,310	1,181	10.9%
IPSTAR	674	671	651	0.4%	3.5%	1,345	1,319	2.0%
<b>Total</b>	<b>1,271</b>	<b>1,384</b>	<b>1,184</b>	<b>-8.2%</b>	<b>7.3%</b>	<b>2,655</b>	<b>2,500</b>	<b>6.2%</b>

\* Include the Thaicom 5 6 and 7 satellites and the interim satellite acquired by the Company to provide services ahead of the launch of the Thaicom 6 satellite

- Cost relating to the conventional satellite business was Baht 597 million for Q2/2015, up by Baht 64 million or 12.0% from Baht 533 million for Q2/2014, mainly caused by:
  - Operating fee under Agreement for Operation of Domestic Communication Satellites (concession agreement) to Ministry of Information and Communication Technology following the revenue growth from the Thaicom 6 Satellite,
  - Depreciation cost and operating fee under Telecom Operation License to the National Broadcasting and Telecommunications Commission following the revenue from the Thaicom 7 Satellite.

Compared to the previous quarter, cost relating to the Thaicom conventional satellite business in Q2/2015 decreased by Baht 116 million or 16.3% from Baht 713 million, due mainly to lower:

- Cost of satellite equipment following sales to broadcasting satellite operators in Q/2015, which was absent in Q2/2015,  
Offset with
- Higher operating fee under Telecom Operation License to the National Broadcasting and Telecommunications Commission following the revenue growth from the Thaicom 7 Satellite.

Comparing 1H/2015 and 1H/2014, cost relating to the Thaicom conventional satellite business totaled Baht 1,310 million, up by Baht 129 million or 10.9%, due to an increase in:

- The operating fees following revenue growth from the Thaicom 6 and 7 Satellites,
  - Depreciation cost on the Thaicom 6 and 7 Satellites, offset with cost and transponder rental from acquiring an interim satellite to provide services at 78.5 degrees East orbital slot ahead of the launch of the Thaicom 6 Satellite,
  - Cost of satellite equipment following sales to broadcasting satellite operators.
- Cost relating to the Thaicom 4 (IPSTAR) satellite for Q2/2015 was Baht 674 million, up by Baht 23 million or 3.5% from Baht 651 million for Q2/2014, primarily due to:

- Operating fee under Agreement for Operation of Domestic Communication Satellites (concession agreement) to Ministry of Information and Communication Technology following the IPSTAR bandwidth revenue growth,
- Higher cost of user terminal (UT) following the revenue's growth especially in Australia, Japan, and India.

Compared to Q1/2015, cost relating to the Thaicom 4 (IPSTAR) satellite for Q2/2015 increased by Baht 3 million or 0.4% from Baht 671 million. This was due to higher cost of user terminal (UT) following the revenue's growth.

For the first six months of 2015, cost relating to the Thaicom 4 (IPSTAR) satellite business totaled Baht 1,345 million, rose by Baht 26 million or 2% from Baht 1,319 million for the first six months of 2014, due mainly to increases in:

- Operating agreement fee following the IPSTAR bandwidth revenue growth,
- Cost of user terminal (UT) following an increase in sales income,  
Offset with a decrease in:
- Cost of sales of equipment for installation of satellite application network.

#### Cost of Internet access and media services

Cost relating to the Internet access and media services for Q2/2015 amounted to Baht 500 million, a decrease of Baht 29 million or 5.5% from Baht 528 million for Q2/2014, due mainly from:

- Lower cost of ICT business from CSL amounted to Baht 28 million or 7.1% following the revenue drop from the recognition of revenue from ICT Solution services,
- Lower cost of Media and Advertising on YellowPages amounted to Baht 9 million or 29.0%,
- A decrease in cost of DTV's sales and services amounted to Baht 10 million or 50.0% as a result of cost control,  
Offset with,
- An increase in cost of Voice Info Services & Mobile Content Business amounted to Baht 8 million or 13.1%, resulted from higher cost of content,
- An increase in cost of CDN's sales and services amounted to Baht 11 million or 45.8% following an increase in sales.

Compared to the previous quarter, the cost relating to Internet access and media services for Q2/2015 was up by Baht 9 million or 1.8% from Baht 491 million, due mainly to:

- Higher cost of CDN's sales and services amounted to Baht 11 million or 45.8% following an increase in sales of satellite receiver sets.

For 1H/2015 the cost relating to Internet access and media services was Baht 991 million, up by Baht 3 million or 0.3% due mainly from;

- An increase in cost of ICT business amounted to Baht 20 million or 27.0% following the revenue growth,
- An increase in cost of Voice Info Services & Mobile Content Business amounted to Baht 19 million or 16.3%, resulted from higher cost of content,
- An increase in cost of sales and services amounted to Baht 17 million or 39.5%  
Offset with,
- A decrease in cost of Media and Advertising on YellowPages amounted to Baht 20 million or 31.2%,
- A decrease in cost of DTV's sales and services amounted to Baht 33 million or 66.0%

#### **Selling and administrative expenses**

SG&A expenses, including directors and management benefit expenses, totaled Baht 529 million for Q2/2015, a decrease of Baht 28 million or 5.0% from Baht 557 million for Q2/2014, due mainly to lower:

- Provision for obsolete inventory for Internet access and media businesses,
- Marketing expenses for the satellite business, and Internet access and media businesses.

Offset by

- An increase in staff expenses for the satellite business,
- An increase in provision for doubtful debts for the satellite business, and Internet access and media businesses.

Compared to Q1/2015, SG&A expenses for Q2/2015 declined by Baht 32 million or 5.7%, due mainly to:

- Lower marketing expenses for the satellite business, and Internet access and media businesses,

- Lower in provision for doubtful debts for the satellite business,

Offset by

- Higher staff expenses for both the satellite business, and Internet access and media businesses.

For 1H/2015, SG&A expenses amounted to Baht 1,091 million, down by Baht 12 million or 1.1% from Baht 1,103 million for 1H/2014, mainly contributed by:

- A decrease in Provision for obsolete inventory for Internet access and media businesses,

- A decrease in marketing expenses for the satellite business,

Offset by

- An increase in staff expenses for the satellite business,
- An increase in provision for doubtful debts for the satellite business.

#### **Loss on exchange rate**

In Q2/2015, the Company reported a loss on foreign exchange rate of Baht 202 million. This was largely impacted by the revaluation of borrowings for the Thaicom 6 project as a result of the depreciation of the Thai Baht against the US dollar.

#### **Finance costs**

Finance costs totaled Baht 82 million in Q2/2015, down by Baht 13 million, or 13.7%, compared with Baht 95 million in Q2/2014, due to lower average interest rate on long-term debentures and loan for the Thaicom 6 project.

#### **Share of profit of investment in joint ventures**

Share of profit of investment in joint venture in telephone business for Q2/2015 was Baht 77 million, up by Baht 35 million or 83.3% from Baht 42 million for Q2/2014, due to an increase of LTC's revenue from Baht 265 million for Q2/2014 to Baht 324 million in Q2/2015. This was because:

- Revenue growth from sales of fixed wireless handset and SIM card,
- An increase in revenue from prepaid and postpaid mobile phone services, resulting from higher mobile phone subscriber base,
- Higher revenue from fixed wireless service,
- Revenue Growth from HSPA Internet broadband services.

Compared to the previous quarter, the Company's share of profit of investment in joint venture in telephone business increased Baht 31 million or 67.4% from Baht 46 million. This was due to the revenue growth from sales of fixed wireless handset and SIM card and HSPA Internet broadband services, together with and the efficiency of cost and SG&A expenses control.

Share of profit of investment in joint venture in telephone business for 1H/2015 totaled Baht 124 million, up by Baht 57 million or 85.1%, resulted from significant growth from sales and service revenue.

#### **Income tax expense**

In Q2/2015, the Company reported income tax expense of Baht 115 million, down by Baht 14 million or 10.8% from Baht 129 million in Q2/2014.

### Net profit

The Company reported a consolidated net profit for the period of Baht 618 million for Q2/2015, a growth of Baht 62 million or 11.2% from Baht 556 million for Q2/2014, and reported a profit attributable to owner of the Company of Baht 572 million or Baht 0.52 per share for Q2/2015, an increase of Baht 74 million or 14.9% from Baht 498 million for Q2/2014 and also increased Baht 32 million or 5.9% from Baht 540 million for Q1/2015. These were mainly contributed by an increase of revenues from selling of the investment in Synertone's shares, and the growth of LTC's operating result, offset by the impact from currency exchange.

## IV. Financial Position

At the end of Q2/2015, the Company reported total assets of Baht 31,805 million, a decrease of Baht 83 million or 0.3% from Baht 31,888 million at the end of 2014. This was mainly because of:

- Depreciation and amortization of PP&E and intangible assets under operating agreements,
- Lower current investments from selling investment in Synertone ordinary shares, together with the revaluation adjustment of existing ordinary shares in accordance with the market price  
Offset by
- Higher cash and cash equivalents.

THCOM's asset components

Assets	June 30, 2015		December 31, 2014 (Restated)	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	7,606	23.9%	7,072	22.2%
Investments in joint ventures	1,241	3.9%	1,083	3.4%
PP&E, net	8,579	27.0%	8,353	26.2%
Intangible assets under operating agreement	12,246	38.5%	13,249	41.5%

### Trade accounts receivable, accrued income, and other accounts receivable

As of 30 June 2015, the Company had net trade accounts receivable and accrued income of Baht 1,765 million or 5.5% of total assets, comprising of other parties and related parties which represented 93.7% and 6.3% of total trade accounts receivable and accrued income, respectively.

The Company had an allowance for doubtful accounts of Baht 255 million or 16.4% of total trade accounts receivable, increased from 16.0% as of 31 December 2014. Trade and other accounts receivable and accrued income as of 30 June 2015 increased by Baht 85 million from the end of 2014, due mainly to an increase in trade account receivable for the satellite business and Internet access and media businesses.

### Liquidity

At the end of Q2/2015, the Company had a current ratio of 1.90x, down from 1.77x at the end of 2014 due mainly to:

- An increase in cash and cash equivalents,
- A decrease in short-term loans from financial institutions  
Offset by
- A decrease in current investments from selling of the investment in Synertone's shares and the revaluation adjustment of existing ordinary shares in accordance with the market price.

### **Investments in joint ventures**

Investment in SHEN, the shareholder of LTC for telephone business was presented as "investment in joint ventures" item. At the end of Q2/2015, the Company's investment in joint ventures totaled Baht 1,241 million, an increase of Baht 158 million or 14.5% from Baht 1,083 million at the end of 2014, reflecting a proportionate recognition of a net profit for 1H/2015 amounted to Baht 124 million offset with foreign currency translation adjustment amounted to Baht 35 million.

### **Property, plant and equipment**

Property, Plant and Equipment (PP&E) at the end of Q2/2015 was Baht 8,579 million, a decrease of Baht 226 million or 2.7% from Baht 8,353 million at the end of 2014. This was due mainly to;

- Depreciation and amortization of PP&E in 1H/2015,  
Offset by
- Additions to PP&E for the assets of Thaicom 8 project.

### **Intangible assets under operating agreement**

Intangible assets under operating agreement at the end of Q2/2014 was Baht 12,246 million, a decrease of Baht 1,003 million or 7.5% from Baht 13,249 million at the end of 2014 due to amortization expenses in 1H/2015.

### **Borrowings and Shareholders' equity**

The Company's net borrowings at the end of Q2/2015 were Baht 10,602 million, a decrease of Baht 499 million or 4.4% from Baht 11,101 million at the end of 2014, mainly attributable to;

- Repayment of long-term borrowings for the Thaicom 6 project
- Repayment of short-term borrowing of CSL and short-term borrowing for the Thaicom 8 project,  
Offset by
- The impact of currency exchange from the depreciation of the Thai Baht against US dollar.

As at the end of Q2/2015, the Company's shareholders' equity was Baht 17,317 million, an increase of Baht 32 million in line with the Company's shareholders' equity as at the end of 2014, reflecting from dividend payment to owners of the Company of Baht 712 million and the revaluation adjustment of Synertone existing ordinary shares.

With lower net borrowings and higher shareholders' equity as at the end of Q2/2015, the ratio of net borrowings to equity was 0.61x, down from 0.64x as at the end of 2014.

### **Cash flow**

*Net cash flow provided by operating activities* for 1H/2015 was Baht 2,709 million, an increase of Baht 160 million or 6.2% from Baht 2,549 million for 1H/2014, due mainly to an increase in operational profit offset by increase in payments from changes in working capital.

*Net cash flow used in investing activities* for 1H/2015 was Baht 299 million, most of which were;

- Cash outflow for the payment of the assets of Thaicom 8 project,  
Offset with,
- Cash inflow from selling of the investment in Synertone's shares,
- Cash inflow from loan repayment from a joint venture.

*Net cash flow used in financing activities* for 1H/2015 was Baht 1,563 million, mainly comprising of repayment of short-term borrowings for the Thaicom 8 project, and repayment of long-term borrowings for the Thaicom 6 project, together with dividend payment to shareholders.

The Company had ending cash of Baht 3,616 million on 30 June 2015.

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.