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## I. Overview

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In Q3/2015, Thaicom Plc (“the Company”)’s consolidated revenue from sale of goods and rendering of services was Baht 3,147 million, up by Baht 209 million or 7.1% from Baht 2,938 million for Q2/2015, and up by Baht 116 million or 3.8% from Baht 3,031 million for Q3/2014. For 9M/2015, the consolidated revenue from sale of goods and rendering of services was Baht 9,159 million, increased by Baht 316 million or 3.6% from Baht 8,843 million for 9M/2014. This was due mainly to an increase in revenue from satellite business and Internet access and media businesses.

The Company reported a consolidated net profit (attributable to owner of the Company) of Baht 265 million, down by Baht 307 million or 53.7% from Baht 572 million compared to Q2/2015. Comparing with Q3/2014, the Company has a decrease of the consolidated net profit (attributable to owner of the Company) of Baht 14 million or 5.0% from Baht 279 million. For 9M/2015, the Company had the consolidated net profit (attributable to owner of the Company) of Baht 1,377 million, increased by Baht 201 million or 17.1% from Baht 1,176 million for 9M/2014.

The Company’s consolidated net profit in Q3/2015 was less than that of Q2/2015 and Q3/2014. This was mainly from the impact of currency exchange from the depreciation of the Thai Baht against the US dollar. As a result, the Company recorded a loss on foreign exchange rate, net after tax, of Baht 444 million in this quarter, mostly due to the revaluation of the loan for the Thaicom 6 project and of Shenington Investment Pte Limited for the payment of Lao Telecommunications Co., Ltd.’s concession extension fee, which will enhance LTC’s future business operation. Although impacted from currency exchange, there are compensations from other incomes such as gain from selling of the investment in Synertone Communication Corporation’s ordinary shares.

The Company generated a consolidated normalized net profit, excluding gain (loss) from exchange rate, capital gain from selling of the investment, and impairment loss for goodwill, of Baht 645 million up by Baht 126 million or 24.3% from Baht 519 million for Q2/2015 and up by Baht 163 million or 33.8% from Baht 482 million for Q3/2014. For 9M/2015, the Company reported a consolidated normalized net profit of Baht 1,652 million, increased by Baht 301 million or 22.3% from Baht 1,351 million for 9M/2014.

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## II. Business Summary

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

The Company has announced the appointment of Mr. Paiboon Panuwattanawong to take up the roles of Chief Executive Officer (CEO) and the authorized director of the Company, becoming effective since 1 October 2015. Ms. Suphajeer Suthumpun will assume the role of Advisor to the CEO to support the new CEO during the leadership transition period from 1 October to 31 December 2015.

On 17 August 2015, Ministry of Defense and the Company signed the Memorandum of Understanding (MOU) for collaboration of satellite communications and possibility in co-development of satellite project between government and the Company. This collaboration will also create and develop the capability in human resource, technology, and management which will maximize the benefits for the country in term of national security and other government’s operations

The Company was selected by the Stock Exchange of Thailand to be a “Thai Sustainability Investment” on the list of companies on Thailand Sustainability Investment 2015. The Company is one of the selected companies which pass 3 criteria specified by Global Reporting Initiative (GRIs); economic, social and environmental indicators. Furthermore, the Company was named on Thailand Top 50 Publicly Listed Companies Based on 2014 Total Scores, with score of 90 points and above. This reflects through the Company’s management efficiency and corporate governance standard.

In addition, the Company continues to maintain the standard of Corporate Governance Report in criteria “Excellence” for 3 consecutive years (2013 – 2015) in assessment resulted from the Corporate Governance Report of Thai Listed Companies 2015 by Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand. The Company was 1 of 55 listed companies to be awarded in the same level, out of the total 588 listed companies.

### Internet services and media businesses

CS Loxinfo Plc (“CSL”) has continuously grown in ICT business especially in Internet Data Center (IDC) and ICT Solution services.

For Media and Advertising on YellowPages business, Teleinfo Media Plc. (“TMC”) has been putting more effort into publishing and distributing new advertising print vertical books, such as “Aroi”, “Factory Guide”, “Machine Parts & Hardware Tools”, and “Builder & Construction Guide”, in order to compensate for the decline in the sale of advertising space in Thailand YellowPages. These vertical books achieved well responses by customers due to their niches that can penetrate into specific target groups.

### Telephone network business

As at the end of Q3/2015, Lao Telecommunications Co., Ltd. (“LTC”) had grown continuously in both profit from operation and number of subscribers. LTC ranks No.1 with market share 51.02%, up from 49.52% as at the end of Q2/2015 and from 45.39% as at the end of Q3/2014. This was the first quarter LTC achieved market share above 50%. LTC had total mobile subscribers of 1,891,640, increased from 1,837,065 subscribers as at the end of Q2/2015 and 1,617,493 subscribers as at the end of Q3/2014, respectively.

## III. Consolidated Operating Results

### Selected financial information on THCOM

Unit: MBt	Amount			Change		Amount		Change YoY (%)
	Q3/15	Q2/15	Q3/14 (Restated)	QoQ (%)	YoY (%)	9M/15	9M/14 (Restated)	
Revenue from sale of goods and rendering of services	3,147	2,938	3,031	7.1%	3.8%	9,159	8,843	3.6%
Cost of sale of goods and rendering of services	1,824	1,757	1,788	3.8%	2.0%	5,440	5,222	4.2%
SG&A expenses	507	529	1,144	-4.2%	-55.7%	1,597	2,247	-28.9%
EBIT from continuing operations*	816	652	99	25.2%	724.2%	2,122	1,374	54.4%
EBITDA from continuing operations **	1,514	1,347	1,301	12.4%	16.4%	4,204	3,809	10.4%
Share of profit (loss) of investment in joint ventures	(13)	77	45	-116.9%	-128.9%	110	112	-1.8%
Profit for the period	315	618	10	-49.0%	3,050.0%	1,521	1,033	47.2%
Net profit (loss) attributable to: non-controlling interest	50	46	(269)	8.7%	-118.6%	144	(142)	-201.4%
Net profit attributable to: owner of the Company	265	572	279	-53.7%	-5.0%	1,377	1,176	17.1%
Earnings per share (Baht)	0.24	0.52	0.25	-53.8%	-4.0%	1.26	1.07	17.8%
Other extraordinary items***	(380)	53	(203)	-817.0%	87.2%	(275)	(175)	57.1%
<b>Normalized net profit***</b>	<b>645</b>	<b>519</b>	<b>482</b>	<b>24.3%</b>	<b>33.8%</b>	<b>1,652</b>	<b>1,351</b>	<b>22.3%</b>
Normalized net profit (loss) per share	0.59	0.47	0.44	24.3%	33.8%	1.51	1.23	22.3%

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

\*\* EBITDA = EBIT + Depreciation and Amortization

\*\*\* Normalized net profit = Net profit excludes extraordinary items, which are foreign exchange loss, impairment loss for goodwill, and gain from selling of investment (Others extraordinary items are net after tax)

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

Consolidated revenue from sale of goods and rendering of services for Q3/2015 was Baht 3,147 million, an increase of Baht 209 million or 7.1% compared to Baht 2,938 million for Q2/2015, and an increase of Baht 116 million or 3.8% from Baht 3,031 million for the same quarter of last year. This was due to an increase in revenue from both satellite business and Internet access and media businesses.

For 9M/2015, the consolidated revenue from sale of goods and rendering of services was Baht 9,159 million, increased by Baht 316 million or 3.6% from Baht 8,843 million for 9M/2014, contributed by satellite business and Internet access and media businesses.

Revenue from sale of goods and rendering of services	Q3/15	Q2/15	Q3/14 (Restated)	%QoQ	%YoY	9M/15	9M/14 (Restated)	%YoY
Satellite and related services	2,303	2,160	2,287	6.6%	0.7%	6,772	6,549	3.4%
Internet services and media businesses*	862	795	771	8.4%	11.8%	2,439	2,374	2.7%
Consolidation eliminations	(18)	(17)	(27)	5.9%	-33.3%	(52)	(80)	-35.0%
<b>Total</b>	<b>3,147</b>	<b>2,938</b>	<b>3,031</b>	<b>7.1%</b>	<b>3.8%</b>	<b>9,159</b>	<b>8,843</b>	<b>3.6%</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 Q3/2015 was Baht 2,303 million, a rise of Baht 143 million or 6.6% compared to Baht 2,160 million for Q2/2015, due to the increase of revenue from conventional satellite and the Thaicom 4 Broadband Satellite services. Compared with Q3/2014, the revenue increased Baht 16 million or 0.7% from Baht 2,287 million, due to the increase of revenue from conventional satellite services.

Comparing 9M/2015 with 9M/2014, the revenue from satellite transponders and related services increased Baht 223 million or 3.4%, contributed by the increase of revenue from conventional satellite services.

Satellite and related services	Q3/15	Q2/15	Q3/14 (Restated)	%QoQ	%YoY	9M/15	9M/14 (Restated)	%YoY
Conventional*	1,243	1,142	1,130	8.8%	10.0%	3,665	3,306	10.9%
Thaicom 4 Broadband	1,060	1,018	1,157	4.1%	-8.4%	3,107	3,243	-4.2%
Services	1,005	960	999	4.7%	0.6%	2,924	2,961	-1.2%
Sales	55	58	158	-5.2%	-65.2%	183	282	-35.1%
<b>Total</b>	<b>2,303</b>	<b>2,160</b>	<b>2,287</b>	<b>6.6%</b>	<b>0.7%</b>	<b>6,772</b>	<b>6,549</b>	<b>3.4%</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 Q3/2015 was Baht 1,243 million, up by Baht 101 million or 8.8% from Baht 1,142 million for Q2/2015, and also up by Baht 113 million or 10.0% from Q3/2014, due mainly to:
  - Revenue growth from the Thaicom 7 Satellite due to an increase in utilization.

For 9M/2015, the revenue from the Thaicom conventional satellite business was Baht 3,665 million, an increase of Baht 359 million or 10.9% from Baht 3,306 million for 9M/2015, mainly contributed by;

  - Revenue growth from transponder leasing service due to the growing demand of broadcasting services and the Thaicom 7 Satellite. As at the end of Q3/2015, the number of television channels under the conventional satellite platform at 78.5 degrees east was 774 channels (648 SD and 126 HD), increased from 683 channels (567 SD and 116 HD) as at the end of Q3/2014,
  - Revenue growth from sale of satellite equipment to broadcasting satellite operators in Q1/2015.
- Revenue from the Thaicom 4 Broadband Satellite business was Baht 1,060 million in Q3/2015, up by Baht 42 million or 4.1% from Baht 1,018 million in Q2/2015. This was contributed by;
  - Service revenue increase of Baht 45 million or 4.7% from Baht 960 million in the previous quarter. This was resulted from an increase of bandwidth revenue from India and Myanmar together with the share of service revenue from China, offset with the impact of currency exchange from the appreciation of the Thai Baht against the Australian dollar. The overall bandwidth usage for the Thaicom 4 Broadband Satellite as at the end of Q3/2015 was 57.5%, increased from 57.0% as at the end of Q2/2015. Offset with,
  - Less sales revenue of Baht 3 million or 5.2% from Baht 58 million in Q2/2015, due mainly to a drop of user terminal (UT) sales in Australia, India, and Myanmar offset with the a rise of sales in Japan and Thailand.

Compared to Q3/2014, the revenue from the Thaicom 4 Broadband Satellite business decreased Baht 97 million or 8.4% from Baht 1,157 million, mainly driven by;

- Less sales revenue amounted Baht 103 million or 65.2% from Baht 158 million, resulting from a decrease of user terminal (UT) sales, following the Company's Open Access Platform (OAP) strategy which allows satellite technology equipment vendors who had the appropriate solutions for customers' requirement to access the THAICOM 4 Broadband Satellite. This will help customers to have alternative choices and increase bandwidth capacity of the Company. Together with, less revenue from installation for in-flight connectivity services with Nok Airlines Public Company Limited. (Nok Air).

For the first nine months of 2015, revenue from the Thaicom 4 Satellite business was Baht 3,107 million, down by Baht 136 million or 4.2% from Baht 3,243 million for 9M/2014, due mainly from;

- A decrease of service revenue amounted Baht 37 million or 1.2% from Baht 2,961 million, resulting from revenue drop in Australia and Japan from the impact of currency exchange. However, the overall bandwidth usage for the Thaicom 4 Broadband Satellite increased from 54.1% as at the end of Q3/2014 to be 57.5% as at the end of Q3/2015,
- Sales revenue drop of Baht 99 million or 35.1% from Baht 282 million, resulting from a decrease of user terminal (UT), following the Company's Open Access Platform (OAP) strategy and less revenue from installation for in-flight connectivity services with Nok Air.

#### Internet access and media services

The Company's revenue from Internet access and media services for Q3/2015 was Baht 862 million, up by Baht 67 million or 8.4% compared to Baht 795 million for Q2/2015, which was mainly contributed by;

- An increase of sales and service revenue from Cambodian DTV Network Ltd. (CDN) amounted to Baht 44 million or 74.6%, resulting from an increase of satellite receiver sets' sales revenue in Cambodia,
- Revenue increase in ICT business from CSL by Baht 18 million or 3.2% due to the revenue growth from Internet Data Center (IDC) and ICT Solution Services.

Compare to Q3/2014, revenue from Internet access and media services increased by Baht 91 million or 11.8% from Baht 771 million. This was due mainly to an increase in:

- Sales and service revenue from CDN amounted to Baht 68 million or 194.3% from satellite receiver sets' revenue.
- Revenue increase in ICT business from CSL by Baht 48 million or 9.0% due to the revenue growth from Internet Data Center (IDC), ICT Solution services and other value added services, offset with
- Decreasing in sales and service revenue from DTV Service Co., Ltd. ("DTV"), Media and Advertising on YellowPages and Voice Info Services and Mobile Content businesses.

For 9M/2015, revenue from Internet access and media services was Baht 2,439 million, up by Baht 65 million or 2.7% from Baht 2,374 million, due mainly from the increase of;

- Revenue from CDN by Baht 110 million or 129.4% from an increase of satellite receiver sets' sales revenue,
- Revenue in ICT business from CSL by Baht 83 million or 5.1% due to the revenue growth from Leased Line, Internet Data Center (IDC) and ICT Solution services, offset with
- A decrease of revenue from DTV, Media and Advertising on YellowPages and Voice Info Services and Mobile Content businesses following print media industry trend, consumer behavior and technological change.

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

The Company reported consolidated cost of sale of goods and rendering of services for Q3/2015 of Baht 1,824 million, an increase of Baht 67 million or 3.8% compared to Baht 1,757 million for Q2/2015, due to increases in cost from its satellite business and Internet and media businesses. Compared to Q3/2014, the Company's consolidated cost of sale of goods and rendering of services increased by Baht 36 million or 2.0% from Baht 1,788 million as a result of higher costs from Internet and media businesses.

For 9M/2015, the Company's consolidated cost of sale of goods and rendering of services was Baht 5,440 million, an increase of Baht 218 million or 4.2% compared to Baht 5,222 million for 9M/2014 as a result of higher costs from satellite business and Internet and media businesses.

Cost of sale of goods and rendering of services	Q3/15	Q2/15	Q3/14 (Restated)	%QoQ	%YoY	9M/15	9M/14 (Restated)	%YoY
Satellite and related services	1,279	1,271	1,328	0.6%	-3.7%	3,934	3,827	2.8%
Internet services and media businesses*	561	500	486	12.2%	15.4%	1,552	1,475	5.2%
Consolidation eliminations	(16)	(14)	(26)	14.3%	-38.5%	(46)	(80)	-42.5%
<b>Total</b>	<b>1,824</b>	<b>1,757</b>	<b>1,788</b>	<b>3.8%</b>	<b>2.0%</b>	<b>5,440</b>	<b>5,222</b>	<b>4.2%</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 Q3/2015 was Baht 1,279 million, an increase of Baht 8 million or 0.6% from Baht 1,271 million for Q2/2015, due to an increase in cost relating to conventional satellite business, offset with a decrease in the Thaicom 4 Broadband Satellite business.

Compare to Q3/2014, the cost relating to transponder leasing and related services decreased by Baht 49 million or 3.7% from Baht 1,328 million, due to a decrease in cost relating to the Thaicom 4 Broadband Satellite business, offset with a higher cost in conventional satellite business.

The total cost for 9M/2015 increased Baht 107 million or 2.8% from 9M/2014 following the increase in conventional satellite business, offset with a lower cost of the Thaicom 4 Broadband Satellite business.

Satellite and related services	Q3/15	Q2/15	Q3/14 (Restated)	%QoQ	%YoY	9M/15	9M/14 (Restated)	%YoY
Conventional*	621	597	566	4.0%	9.7%	1,930	1,746	10.5%
Thaicom 4 Broadband	658	674	762	-2.4%	-13.6%	2,004	2,081	-3.7%
<b>Total</b>	<b>1,279</b>	<b>1,271</b>	<b>1,328</b>	<b>0.6%</b>	<b>-3.7%</b>	<b>3,934</b>	<b>3,827</b>	<b>2.8%</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 Thaicom conventional satellite business was Baht 621 million for Q3/2015, up by Baht 24 million or 4.0% from Baht 597 million for Q2/2015, mainly caused by:
  - An increase of operating fee under Telecom Operation License to the National Broadcasting and Telecommunications Commission ("NBTC") following an increase in revenue from the Thaicom 7 Satellite.

Compared to Q3/2014, cost relating to the Thaicom conventional satellite business increased by Baht 55 million or 9.7% from Baht 566 million, due mainly to an increase of:

- Operating fee under Telecom Operation License to NBTC following an increase in revenue of the Thaicom 7 Satellite, and
- Depreciation cost on the Thaicom 7 Satellite which has recorded since Q4/2014.

Comparing 9M2015 with 9M/2014, cost relating to the Thaicom conventional satellite business increased by Baht 184 million or 10.5%, due to an increase of:

- Operating fee under Telecom Operation License to NBTC following an increase in revenue from the Thaicom 7 Satellite,
- Depreciation cost on the Thaicom 6 and 7 Satellites, offset with cost of 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, and
- Cost of satellite equipment following sales to broadcasting satellite operators in Q1/2015.

- Cost relating to the Thaicom 4 Broadband Satellite services for Q3/2015 was Baht 658 million, down by Baht 16 million or 2.4% from Baht 674 million for Q2/2015, primarily due to:
  - Lower cost of sales resulted from user terminal (UT) sales' drop in Australia, India, and Myanmar, offset with

- An increase of Operating fee under Agreement for Operation of Domestic Communication Satellites (concession agreement) to Ministry of Information and Communication Technology ("MICT") following the bandwidth revenue growth.

Compared to Q3/2014, cost relating to the Thaicom 4 Broadband Satellite for Q3/2015 decreased by Baht 104 million or 13.6% from Baht 762 million. And for 9M/2015, cost relating to the Thaicom 4 Broadband Satellite business was Baht 2,004 million, down by Baht 77 million or 3.7% from Baht 2,081 million for 9M/2014. This was due to the decrease of:

- Cost relating to installation for in-flight connectivity with Nok Air,
- Cost of user terminal (UT) following a decrease in sales income, offset with
- Operating agreement fee following the bandwidth revenue growth.

#### Cost of Internet access and media services

Cost relating to the Internet access and media services for Q3/2015 was Baht 561 million, an increase of Baht 61 million or 12.2% from Baht 500 million for Q2/2015, due mainly from an increase of;

- Cost of CDN's sales and services amounted to Baht 45 million or 128.6% following an increase in sales revenue from satellite receiver sets,
- Cost of DTV's sales and services amounted to Baht 17 million or 170.0% as a result of DTV's sales promotion.

Compared to the Q3/2014, the cost relating to Internet access and media services was up by Baht 75 million or 15.4% from Baht 486 million, due mainly to an increase of;

- Cost of CDN's sales and services amounted to Baht 52 million or 185.7% following an increase in sales of satellite receiver sets,
- Cost of ICT business amounted to Baht 21 million or 6.1% following the revenue growth.

Comparing with 9M/2015, the cost relating to Internet access and media services was up by Baht 77 million or 5.2%, due mainly from an increase of;

- Cost of CDN's sales and services amounted to Baht 69 million or 97.2% following an increase in sales of satellite receiver sets,
- Cost of ICT business amounted to Baht 41 million or 3.9% following the revenue growth,  
Offset with,
- A decrease of cost of DTV's sales and services amounted to Baht 44 million or 51.2% following revenue drop.

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

SG&A expenses, including directors and management benefit expenses, were Baht 507 million for Q3/2015, a decrease of Baht 22 million or 4.2% from Baht 529 million for Q2/2015, due mainly to a decrease of;

- Staff expenses for the Internet access and media businesses,
- Provision for doubtful debts for the satellite business,
- Marketing expenses for the satellite business and Internet access and media businesses,  
Offset by
- An increase of staff expenses for the satellite business.

Compared to Q3/2014, SG&A expenses for Q3/2015 declined by Baht 637 million or 55.7% from Baht 1,114 million, due mainly to:

- Impairment loss for goodwill of TMC, of Baht 550 million in Q3/2014,
- Less marketing expenses for the satellite business, and Internet access and media businesses,
- Less of provision for doubtful debts for the satellite business.

For 9M/2015, SG&A expenses were Baht 1,597 million, down by Baht 650 million or 28.9% from Baht 2,247 million for 9M/2014, mainly contributed by:

- Impairment loss for goodwill of TMC in Q3/2014,
- Reversal of Provision for obsolete inventory of satellite receiver sets sold by DTV,
- A decrease in marketing expenses for the satellite business, and Internet access and media businesses,  
Offset by
- An increase in staff expenses for the satellite business, and Internet access and media businesses,
- An increase in provision for doubtful debts for the satellite business and Internet access and media businesses.

**Gain (Loss) on exchange rate**

In Q3/2015, the Company recognized a loss on foreign exchange rate, net after tax, of Baht 444 million, resulting from the depreciation of the Thai Baht against the US dollar, which significantly affected the revaluation of borrowings for the Thaicom 6 project. Compare with Q2/2015, the Company had a loss on foreign exchange rate, net after tax, of Baht 161 million, and had a gain of Baht 28 million in Q3/2014, respectively.

**Finance costs**

Finance costs were Baht 86 million in Q3/2015, up by Baht 4 million, or 4.8% from Baht 82 million in Q2/2015, due to the increase of short term loan for the payment of LTC's concession extension fee.

Compared to Q3/2014, the Company's finance costs decreased by Baht 12 million or 12.2% from Baht 98 million, resulted from a decrease of the Thaicom 6 project loan principal, offset with an increase of short term loan for the payment of LTC's concession extension fee and lower average interest rate on long-term debentures.

**Share of profit (loss) of investment in joint ventures**

Share of loss of investment in joint venture in telephone business for Q3/2015 was Baht 13 million, down by Baht 90 million or 116.9% from the gain of Baht 77 million for Q2/2015, due to an increase of;

- A loss on foreign exchange rate in Shenington Investment Pte Limited ("SHEN") from the revaluation of borrowings for the payment of LTC's concession extension fee, of which the Company shared proportionately of Baht 79 million, while in Q2/2015, the Company proportionately recognized a gain of Baht 2 million.
- Finance costs from the borrowings which the Company recognized proportionately Baht 12 million, offset with
- Share of profit from LTC, resulting from revenue growth in Q3/2015 amounted to Baht 332 million, increased from Baht 324 million in Q2/2015 following the revenue growth in Fixed Wireless and Internet SIM (HSPA).

Compared to Q3/2014, the Company's share of profit (loss) of investment in joint venture in telephone business decreased Baht 58 million or 128.9% from a share of profit of Baht 45 million. For 9M/2015, the Company's share of profit was Baht 110 million, down by Baht 2 million or 1.8% from Baht 112 million for 9M/2014. These were contributed by higher loss on foreign exchange rate from SHEN, offset with share of profit from LTC, which has continuously grown from Fixed Wireless, Internet SIM (HSPA), and sales of fixed wireless handset and SIM card.

**Income tax expense**

In Q3/2015, the Company reported income tax expense of Baht 66 million, down by Baht 77 million or 53.8% from Baht 143 million in Q3/2014.

### Net profit

The Company reported a consolidated net profit for the period of Baht 315 million for Q3/2015, decreased by Baht 303 million or 49.0% from Baht 618 million for Q2/2015, and reported a profit attributable to owner of the Company of Baht 265 million, a decrease of Baht 307 million or 53.7% from Baht 572 million for Q2/2015. To compare with Q3/2014, the Company's net profit for the period increased Baht 305 million or 3,050% from Baht 10 million for Q3/2014, while the profit attributable to owner of the Company decreased by Baht 14 million or 5.0% from Baht 279 million for Q3/2014.

However, when excluding the impacts of gain (loss) from exchange rate, capital gain from selling of the investment in Synertone Communication Corporation ("Synertone")'s ordinary shares, and impairment loss for goodwill of TMC, the Company's normalized net profit for Q3/2015 was Baht 645 million, an increase of Baht 126 million or 24.3% from Baht 519 million in Q2/2015 and Baht 163 million or 33.8% from Baht 482 million in Q3/2014, respectively. This was contributed by the continuous growth of satellite and related services' revenue, especially from the Thaicom 7 Satellite service, together with the revenue from ICT business from CSL and revenue from CDN.

For 9M/2015, the Company reported the consolidated net profit for the period of Baht 1,521 million, increase by Baht 488 million or 47.2% from Baht 1,033 million for 9M/2014, and reported the profit attributable to owner of the Company of Baht 1,377 million (Baht 1.26 per share), an increase of Baht 201 million or 17.1% from Baht 1,176 million (Baht 1.07 per share) for 9M/2014. The Company's normalized net profit was Baht 1,652 million, up by Baht 301 million or 22.3% from Baht 1,351 million for 9M/2014.

## IV. Financial Position

At the end of Q3/2015, the Company reported total assets of Baht 32,247 million, an increase of Baht 359 million or 1.1% from Baht 31,888 million at the end of 2014. This was mainly because of the increase of:

- Long-term loans to SHEN, to support for the payment of LTC's concession extension fee which will enhance LTC's future business operation,
- PP&E, mostly the assets of the Thaicom 8 Satellite project, offset by
- Depreciation and amortization of PP&E and intangible assets under operating agreements,
- Less current investments from selling investment in Synertone ordinary shares, together with the revaluation adjustment of existing ordinary shares in accordance with the market price.

THCOM's asset components

Assets	September 30, 2015		December 31, 2014 (Restated)	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	6,561	20.3%	7,072	22.2%
Investments in joint ventures	1,319	4.1%	1,083	3.4%
PP&E, net	8,730	27.1%	8,353	26.2%
Intangible assets under operating agreement	11,737	36.4%	13,249	41.5%

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

As of 30 September 2015, the Company had net trade accounts receivable and accrued income of Baht 1,876 million or 5.8% of total assets, comprising of those from other parties and related parties, representing 93.8% and 6.2% of total trade accounts receivable and accrued income, respectively.

The Company had an allowance for doubtful accounts of Baht 264 million or 16.0% of total trade accounts receivable, in line with the percentage as of 31 December 2014. Trade and other accounts receivable and accrued income as of 30 September 2015 increased by Baht 174 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 Q3/2015, the Company had a current ratio of 1.56x, down from 1.77x at the end of 2014 due mainly to the decrease of:

- Cash and cash equivalents, partially used for lending to SHEN to support LTC's concession extension,
- 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,  
Offset by
- An increase in short-term loans from financial institutions for lending to SHEN to support LTC's concession extension.

### **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 Q3/2015, the Company's investment in joint ventures was Baht 1,319 million, an increase of Baht 236 million or 21.7% from Baht 1,083 million at the end of 2014, reflecting a proportionate recognition of a net profit for 9M/2015 amounted to Baht 110 million, together with foreign currency translation adjustment amounted to Baht 126 million.

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

Property, Plant and Equipment (PP&E) at the end of Q3/2015 was Baht 8,730 million, an increase of Baht 377 million or 4.5% from Baht 8,353 million at the end of 2014. This was due mainly to;

- Additions to PP&E for the assets of the Thaicom 8 project, offset by
- Depreciation and amortization of PP&E in 9M/2015.

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

Intangible assets under operating agreement at the end of Q3/2015 was Baht 11,737 million, a decrease of Baht 1,512 million or 11.4% from Baht 13,249 million at the end of 2014 due to amortization expenses in 9M/2015.

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

The Company's net borrowings at the end of Q3/2015 were Baht 11,645 million, an increase of Baht 544 million or 4.9% from Baht 11,101 million at the end of 2014, mainly attributable to;

- An increase of short-term loans from financial institutions for lending to SHEN to support LTC's concession extension,
- Impact from the revaluation of borrowings resulting from the depreciation of the Thai Baht against the US dollar,  
Offset by
- Repayment of long-term borrowings for the Thaicom 6 project,
- Repayment of short-term borrowing of CSL.

As at the end of Q3/2015, the Company's shareholders' equity was Baht 17,561 million, an increase of Baht 276 million or 1.5% from Baht 17,285 million as at the end of 2014, reflecting from a net profit for 9M/2015 of Baht 1,378 million, offset by dividend payment to owners of the Company of Baht 712 million and the revaluation adjustment of Synertone existing ordinary shares.

As at the end of Q3/2015, the ratio of net borrowings to equity was 0.66x, up from 0.64x as at the end of 2014.

### **Cash flow**

*Net cash flow provided by operating activities* for 9M/2015 was Baht 3,184 million, an increase of Baht 314 million or 10.9% from Baht 2,870 million for 9M/2014, due mainly to an increase of operational profit in 2015.

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*Net cash flow used in investing activities* for 9M/2015 was Baht 2,435 million, most of which were;

- Cash outflow as a long-term loan to SHEN, LTC's holding company, and
- Cash outflow for the payment of the assets of Thaicom 8 project.

*Net cash flow used in financing activities* for 9M/2015 was Baht 1,120 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,  
Offset by
- Proceeds from short-term borrowings for lending to SHEN.

The Company had ending cash of Baht 2,388 million as of 30 September 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.