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14 February 2012

Subject: Submission of the Audited Financial Statements for the Year 2011

To: The President
Stock Exchange of Thailand

Enclosure: (1) One Set of the Audited Financial Statements for 2011 – Thai Language Version
(2) One Set of the Audited Financial Statements for 2011 – English Language Version
(3) Management Discussion and Analysis for 2011

Thaicom Company Limited (“the Company”) would like to submit its audited financial statements for the year 2011, ended December 31, 2011 together with an explanation of changes in operating results.

The Company reported consolidated total revenue for 2011 of Baht 7,404 million and consolidated net loss for 2011 of Baht 490 million. This is an explanation of the changes in operating results of the consolidated financial statements.

1. The Company’s consolidated revenues from sale of goods and rendering of services for 2011 amounted to Baht 7,254 million, an increase of Baht 544 million or 8.3% over the previous year (Baht 6,700 million). This was due to the following reasons:
 - Revenue from satellite transponders and related services in 2011 was Baht 5,682 million, an increase of Baht 1,084 million or 23.6% compared to Baht 4,598 million last year. This was mainly because of an increase in IPSTAR service revenue following increased bandwidth usage.
 - Revenue from telephone services in 2011 was Baht 1,167 million, decreased by Baht 286 million or 19.7% over the previous year (Baht 1,453 million) due to high competition in the telecom market in Cambodia and Lao PDR.
 - Revenue from Internet access and media services in 2011 was Baht 405 million, a decrease of Baht 244 million or 37.6% from Baht 649 million in 2010 due to a Dtv satellite dish sales drop.
2. The Company’s consolidated expenses for 2011 amounted to Baht 7,565 million, a decrease of Baht 345 million or 4.4% over the previous year (Baht 7,910 million). This was due to the following reasons:
 - Cost relating to Internet and media services in 2011 was Baht 323 million, a decrease of Baht 179 million or 35.7% from Baht 502 million in 2010 due to an increase in cost of Dtv satellite dish sales corresponding to the sales drop.
 - Cost relating to telephone services in 2011 was Baht 1,260 million, decreased by Baht 106 million or 7.8% from Baht 1,366 million in 2010. Mfone reported decreases in cost of electricity resulting from its efficiency in cost control, interconnection charge, and revenue sharing cost corresponding to the revenue drop. LTC reported increases in depreciation cost for the expanded telephone network in Lao PDR, and cost of inter-roaming.

- Cost relating to satellite transponders and related services in 2011 was Baht 3,890 million, a decrease of Baht 93 million or 2.3% from Baht 3,983 million in 2010 due largely to decreases in cost of in-orbit insurance of the Thaicom 4 (IPSTAR) satellite and the Thaicom 5 satellite, cost of transponder rental for the global digital television service, offset by an increase in operating agreement fee following the revenue growth.
 - Selling and administrative expenses in 2011 were Baht 1,528 million, an increase of Baht 55 million or 3.7% compared to Baht 1,473 million in 2010. This was mainly due to higher staff expenses, obsolete stock provision, offset by lower marketing expenses.
 - Net foreign exchange loss was Baht 85 million in 2011, a decrease of Baht 5 million from Baht 90 million in 2010.
 - Finance costs totaled Baht 479 million in 2011, down by Baht 17 million, or 3.4%, compared with Baht 496 million in 2010. This was because there was no interest expense from the payment of operating agreement fee in 2011. Finance costs mostly comprised of debenture interests.
3. Share of profit of associates in 2011 was Baht 141 million, down by Baht 27 million or 16.1% from Baht 168 million in 2010.
 4. Other income for 2011 was Baht 150 million, an increase of Baht 43 million or 40.2% compared to Baht 107 million in 2010, largely contributed by a gain from sale of the existing IPSTAR gateway in Malaysia to MEASAT Satellite Systems Sdn. Bhd. of Baht 29 million and a compensation of Baht 18 million from flood insurance claimed by DTV, recognized in Q4/2011.
 5. In 2011, the Company reported income tax expense of Baht 483 million including 1) income tax expense for 2011 of Baht 132 million and 2) the effect of corporate tax rate change of Baht 351 million, while the Company recognized the future benefit arising from losses carried forward that reduced the future tax base as an income tax receivable of Baht 135 million in 2010.

Yours faithfully,

(Mr. Vuthi Asvasermcharoen)
Chief Financial Officer
Thaicom Public Company Limited