
I. Overview

23.0% yoy increase
in total revenue in
Q1/2012.

Growth in EBIT and
net cash flow from
operating activities

Thaicom Plc ("the Company")'s consolidated total revenue for Q1/2012 was Baht 1,945 million, up by Baht 364 million or 23.0% compared to Baht 1,581 million for Q1/2011, due to a revenue increase from satellite services. The revenue growth and the efficiency of cost and SG&A control resulted in an operating profit (EBIT) for Q1/2012 of Baht 135 million, up Baht 238 million from an operating loss for Q1/2011 of Baht 103 million. Net cash flow provided by operations for Q1/2012 was Baht 1,315 million, an increase of Baht 585 million from Q1/2011.

The Company reported a net profit of Baht 42 million and a gain on foreign exchange of Baht 12 million for Q1/2012, while the Company reported a net loss of Baht 167 million and a loss on foreign exchange of Baht 14 million for Q1/2011. Regardless of the impairment loss of investment of Baht 41 million, the Company would generate a net profit in Q1/2012 of Baht 83 million, an increase of Baht 37 million from a net profit before loss from extraordinary items of Baht 46 million in Q4/2011.

II. Business Summary

Transponder leasing and related business

In 2012, the Company will continue the 'Hot Bird' strategy, and focus on providing end-to-end satellite TV solutions to customers, and create values to services to strengthen customers sustainably in their businesses. This resulted to the Company's continued business growth in the broadcasting market. Currently, the total number of TV channels under the conventional satellite platform increased from 427 channels at the end of 2011 to more than 452 channels at the end of Q1/2012. In addition, the Company will focus on the pre-launch sales of Thaicom 6 capacity.

As a part of our Open Access Platform (OAP), operators in several countries have made use of the higher bandwidth capacity of IPSTAR by switching over from conventional satellites, without the need of having to change any ground systems and remote node modems.

Telephone business

As of the end of Q1/2012, Lao Telecommunications Co., Ltd. (LTC) and Mfone Company Limited (Mfone) had total phone subscribers of 1,321,888 and 413,982, respectively. Currently, the telecom market competition in Cambodia is high with nine mobile operators.

Internet and media business

DTV Service Co., Ltd. (DTV) keeps on giving significance to substituting the fish bone antenna with small satellite dish both in town and upcountry market enabling clear viewing of all TV channels. In addition, the Company will continue to develop new devices, e.g. HDTV box, and adjust prices to maintain their competitive position in the market with suitable application thus further facilitating customers for expansion of customer group and building up of customer satisfaction.

On 26 April 2012, the Company, DTV, and GMMZ jointly released the new GMMZ box Model HD1 by DTV with HDTV and satellite TV. There would be around 20-30 channels from content partners. Moreover, more bandwidth capacity provided by the Thaicom 6 satellite will provide more HD channels. DTV HD box can be installed with all brands of KU-band dish in the market.

The total number of Dtv satellite television dish sets sold thus far by DTV was 1,257,039 sets as of the end of Q1/2012, an increase of 256,078 sets from 1,000,961 sets at the end of Q1/2011.

CS LoxInfo Plc (CSL) reported a 1.9% increase in net profit over Q1/2011 and its revenue from sale of goods and rendering of services was close to revenue in Q1/2011. In Q1/2012, CSL reported a decrease in revenue from YellowPages Business due to the impact of flood crisis last year. CSL has postponed delivery and recognition of 2012 BKK-YP Book from January 2012 to May 2012. However, revenue from core products (Leased Line, IDC and ICT services) still has continuously grown.

III. Consolidated Operating Results

Selected financial information on THCOM

Unit: MBt	Amount			Change	
	Q1/12	Q4/11	Q1/11	QoQ (%)	YoY (%)
Revenue from sale of goods and rendering of services	1,907	1,854	1,570	2.9%	21.5%
Share of profits of associate	45	22	44	104.5%	2.3%
Cost of sale of goods and rendering of services	1,404	1,322	1,306	6.2%	7.5%
SG&A expenses	368	377	367	-2.4%	0.3%
EBIT*	135	155	(103)	-12.9%	231.1%
EBITDA**	782	835	524	-6.3%	49.2%
Net profit (loss) before gain (loss) from extraordinary items (Impairment Loss / Loss from the effect of corporate tax rate change)	83	46	(167)	80.4%	149.7%
Impairment (Loss)***	(41)	-	-	-100.0%	-100.0%
(Loss) from the effect of corporate tax rate change ****	-	(360)	-	100.0%	-
Net profit (loss)	42	(314)	(167)	113.4%	125.1%
EPS (Baht)	0.04	(0.29)	(0.15)	113.8%	126.7%

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

** EBITDA = EBIT + Depreciation and Amortization

*** As at 31 March 2012, the management estimated the impairment loss of investment at the amount of Baht 41 million based on fair value. Such impairment loss was recognized in the financial statements for the three month period ended 31 March 2012.

**** In Q4/2011, the Company recognized the effect of corporate tax rate change from 30% to 23% in 2012 and 20% in 2013 onwards of Baht 360 million including THCOM's portion of Baht 351 million and CSL group's portion of Baht 9 million.

Sales and service income

Consolidated revenue from sale of goods and rendering of services in Q1/2012 was Baht 1,907 million, a rise of Baht 337 million or 21.5% compared to Baht 1,570 million in Q1/2011 due to an increase in revenue from the satellite business, offset by decreases in revenue from the telephone business and the Internet and media business.

Compared to Baht 1,854 million in Q4/2011, the consolidated revenue in Q1/2012 rose by Baht 53 million or 2.9% due to revenue increases from the Internet access and media business and the telephone business, offset by a decrease in revenue from the satellite business.

Revenue from sale of goods and rendering of services	Q1/12	Q4/11	Q1/11	%QoQ	%YoY
Satellite and related services	1,514	1,518	1,141	-0.3%	32.7%
Telephone services	297	295	321	0.7%	-7.5%
Internet access and media services	96	41	108	134.1%	-11.1%
Total	1,907	1,854	1,570	2.9%	21.5%

Satellite transponder leasing and related services

Revenue from satellite transponders and related services in Q1/2012 was Baht 1,514 million, a rise of Baht 373 million or 32.7% compared to Baht 1,141 million in Q1/2011. The satellite revenue growth was primarily contributed by IPSTAR service, and Thaicom 5 conventional satellite service.

Compared to Baht 1,518 million in Q4/2011, revenue from the satellite business in Q1/2012 declined by Baht 4 million or 0.3%.

Satellite and related services	Q1/12	Q4/11	Q1/11	%QoQ	%YoY
Thaicom 5	663	651	562	1.8%	18.0%
IPSTAR	851	867	579	-1.8%	47.0%
Sales	65	91	92	-28.6%	-29.3%
Services	786	776	487	1.3%	61.4%
Total	1,514	1,518	1,141	-0.3%	32.7%

18.0% yoy revenue increase from transponder leasing service and value-added services for conventional satellite business

- Revenue from the Thaicom conventional satellite business (Thaicom 5) for Q1/2012 was Baht 663 million, up by Baht 101 million or 18.0% from Baht 562 million in Q1/2011 due mainly to:
 - Revenue growth from satellite transponder leasing service provided to broadcasting satellite operators.
 - Revenue growth from value-added services e.g. teleport services including tape payout and digital signal compression

The demand for commercial satellite services from broadcasting satellite operators continues to be strong and growing with an increase in the number of television channels under the conventional satellite platform at 78.5 degrees east from 427 channels at the end of 2011 to 452 channels at the end of Q1/2012.

Compared to Baht 651 million in Q4/2011, the revenue from the Thaicom conventional satellite business increased by Baht 12 million or 1.8% mainly from teleport services.

47.0% yoy IPSTAR revenue increase mainly from 61.4% IPSTAR service revenue growth.

- Revenue from the Thaicom 4 (IPSTAR) satellite business was Baht 851 million in Q1/2012, up by Baht 272 million or 47.0% from Baht 579 million in Q1/2011. This was contributed by:
 - Service revenue in Q1/2012 was Baht 786 million, a growth of Baht 299 million or 61.4% from Baht 487 million in Q1/2011. The main drivers of service growth were:
 - Higher bandwidth usage mainly in Australia, Malaysia, Japan, and Myanmar.
 - Full charge to customer in Japan. The Company has charged bandwidth usage fees in full to the customer in Japan since April 2011 on a monthly basis, while the Company charged it with a 50% discount for a 1-year advance payment for the service period of April 2010-March 2011.
 - Other Fees. Fees of gateway relocation in Malaysia and IPSTAR equipment installation were recorded in Q1/2012.
 - Sales revenue in Q1/2012 was Baht 65 million, a drop of Baht 27 million or 29.3% from Baht 92 million in Q1/2011 due mainly to:
 - User Terminal (UT) sales volume drop. This was the result of implementing Open Platform strategy to increase bandwidth sales by enabling other providers' ground system (including user terminal) to use the IPSTAR bandwidth.

Compared to Baht 867 million in Q4/2011, IPSTAR revenue decreased by Baht 16 million or 1.8% on:

- Sales revenue drop of Baht 26 million or 28.6% from Baht 91 million in Q4/2011 following lower UT sales volume, offset by
- Service revenue growth of Baht 10 million or 1.3% from Baht 776 million in Q4/2011 attributable to the fees of gateway relocation in Malaysia and IPSTAR equipment installation were recorded in Q1/2012.

Telephone services

The Company's revenue from telephone services in Q1/2012 was Baht 297 million, down by Baht 24 million or 7.5% compared to Baht 321 million in Q1/2011.

- Mfone
Currently, there are 9 mobile operators in Cambodia, leading to a price war and the intense competition in the market, and decreases in the number of telephone subscribers and in revenue from the mobile phone services in Cambodia.
- LTC
The mobile phone industry in Lao PDR also faces higher competition resulting in a drop in the number of telephone subscribers. However, the Lao Ministry of Post, Telecommunication, and Communication (MPTC) has controlled the mobile phone tariffs and disallowed free-airtime promotion to customers since Q3/2011. This resulted in higher average mobile phone revenue per subscriber and higher mobile phone revenue in Q1/2012 as compared to Q1/2011. LTC still ranks No.1 in Lao PDR's mobile phone market share.

Compared to Baht 295 million in Q4/2011, total telephone revenue in Q1/2012 rose by Baht 2 million or 0.7%.

- Mfone
The intense price competition in Cambodia's telephone market led to a decrease in the number of telephone subscribers and in revenue per minute of usage, resulting in lower mobile phone revenue in Cambodia.
- LTC
Average prepaid mobile revenue per subscriber and the number of telephone subscribers were higher than in Q4/2011, resulting in higher telephone revenue generated by LTC.

Internet access and media services

Revenue from Internet access and media services in Q1/2012 was Baht 96 million, down by Baht 12 million or 11.1% from Baht 108 million in Q1/2011.

- Dtv satellite dish sales
 - DTV Service Co., Ltd. (DTV) reported a rise in Dtv satellite dish sales volume in Thailand in Q1/2012 as compared to Q1/2011. However, with the intense price competition in satellite dish market, DTH satellite operators offer satellite dish sales and installation service with no monthly fees at competitive prices. The viewers can have a clear view of TV programs more than the existing free-to-air TV channels. Consequently, DTV developed a new low-cost IRD (Intergrated receiver decoder) box, "D-Khoom", with exclusive KU-band channels and started distributing "D-Khoom" IRD box at a lower price in Q4/2011, leading to lower revenue generated by DTV in Q1/2012 as compared to Q1/2011.
 - Cambodian DTV Network limited (CDN) had a decrease in IRD box sales volume in Cambodia, resulting in lower revenue generated by CDN.

As at the end of Q1/2012, accumulated DTV sales volume was 1,257,039 sets, up 256,078 sets from 1,000,961 sets at the end of Q1/2011.

- Internet access services in Lao PDR and Cambodia

Internet revenue generated by LTC was higher following an increase in the number of subscribers, while Internet revenue generated by Mfone was lower in Q1/2012.

Compared to Baht 41 million in Q4/2011, revenue from Internet access and media services in Q1/2012 rose by Baht 55 million or 134.1%.

- DTV satellite dish sales
 - DTV had an increase in Dtv satellite dish sales volume in Thailand, resulting in higher revenue in Q1/2012.
 - CDN had a rise in IRD box sales volume in Cambodia, resulting in higher revenue generated by CDN in Q1/2012.
- Internet access services in Lao PDR and Cambodia

Internet revenue generated by LTC was lower, while Internet revenue generated by Mfone was higher in Q1/2012.

Cost of sales and service

The Company reported consolidated cost of sale and services for Q1/2012 of Baht 1,404 million, an increase of Baht 98 million or 7.5% compared to Baht 1,306 million in Q1/2011, on a cost increase from the satellite business, offset by cost decreases from the telephone business, and the Internet and media business. For Q1/2012, total cost accounted for 73.6% of total sales and service income, down from 83.2% in Q1/2011.

Compared to Baht 1,322 million in Q4/2011, total cost of sales and service for Q1/2012 rose by Baht 82 million or 6.2% on cost increases from the satellite business, the telephone business, and the Internet access and media business.

Cost of sale of goods and rendering of services	Q1/12	Q4/11	Q1/11	%QoQ	%YoY
Satellite and related services	1,017	984	890	3.4%	14.3%
Telephone services	315	299	334	5.4%	-5.7%
Internet access and media services	72	39	82	84.6%	-12.2%
Total	1,404	1,322	1,306	6.2%	7.5%

Cost of satellite transponder leasing and related services

Cost relating to transponder leasing and related services in Q1/2012 was Baht 1,017 million, an increase of Baht 127 million or 14.3% from Baht 890 million in Q1/2011, and an increase of Baht 33 million or 3.4% from Baht 984 million in Q4/2011.

Satellite and related services	Q1/12	Q4/11	Q1/11	%QoQ	%YoY
Thaicom 5	253	254	237	-0.4%	6.8%
IPSTAR	764	730	653	4.7%	17.0%
Total	1,017	984	890	3.4%	14.3%

- Cost relating to the Thaicom conventional satellite (Thaicom 5) was Baht 253 million, an increase of Baht 16 million or 6.8% from Baht 237 million in Q1/2011 mainly caused by higher operating agreement fee following the revenue growth.
- Cost relating to the Thaicom 4 (IPSTAR) satellite was Baht 764 million, up by Baht 111 million or 17.0% from Baht 653 million in Q1/2011 primarily due to:

- An increase in cost of IPSTAR service was mainly from:
 - Higher gateway operation cost in China
 - Higher operating agreement fee in line with the IPSTAR bandwidth revenue growth.
- A decrease in cost of IPSTAR sales was mainly from:
 - Lower cost of UT sales following the UT sales drop.
 - Lower warranty cost for UTs sold in Australia.

Compared to Baht 730 million in Q4/2011, cost relating to the Thaicom 4 (IPSTAR) satellite rose by Baht 34 million or 4.7% due mainly to:

- An increase in cost of IPSTAR service was mainly from higher gateway operation cost in China.
- A decrease in cost of IPSTAR sales was mainly from:
 - Lower cost of UT sales following the UT sales drop.
 - Lower warranty cost for UTs sold in Australia.

Cost of telephone services

Cost relating to the telephone business for Q1/2012 amounted to Baht 315 million, a decrease of Baht 19 million or 5.7% from Baht 334 million in Q1/2011.

- Mfone reported a decrease in cost of interconnection charge.
- Offset by LTC's cost increases in:
 - Depreciation cost for its expanded telephone network.
 - Cost of inter-roaming.

Compared to Baht 299 million in Q4/2011, the telephone cost for Q1/2012 increased by Baht 16 million or 5.4% on the following:

- Mfone's lower costs of electricity and maintenance resulting from its efficiency in cost control.
- Offset by LTC's cost increase in cost of inter-roaming.

Cost of Internet access and media services

Cost relating to the Internet access and media business in Q1/2012 was Baht 72 million, down by Baht 10 million or 12.2% from Baht 82 million in Q1/2011.

- DTV reported a drop in cost mainly from the production of television programs for D-Channel.
- CDN reported lower cost of IRD box sales in Cambodia, following its revenue drop.

Compared to Baht 39 million in Q4/2011, cost of Internet access and media services in Q1/2012 rose by Baht 33 million or 84.6%.

- DTV reported higher cost of DTV satellite dish sales in Thailand, following its revenue increase.
- CDN reported higher cost of IRD box sales in Cambodia, following its revenue increase.

Selling and administrative expenses

SG&A expenses, including directors and management benefit expenses, totaled Baht 368 million in Q1/2012, an increase of Baht 1 million, or 0.3%, compared to Baht 367 million in Q1/2011 due mainly to:

- The Company recorded an impairment loss of Baht 41 million resulting from the estimation of the impairment loss of investment in a subsidiary of jointly-controlled entities; offset by
- The reversal of bad debt provision for IPSTAR customers.

Compared to Baht 377 million in Q4/2011, SG&A expenses in Q1/2012 decreased by Baht 9 million or 2.4% on:

- Lower staff, marketing and administrative expenses for the telephone services in Cambodia and Lao PDR, and for DTV; offset by
- The impairment loss of Baht 41 million as stated above.

Loss on exchange rate

In Q1/2012, the Company reported a gain on foreign exchange of Baht 12 million. This was impacted by:

- The appreciation of the Thai Baht against the US dollar, so the revaluation of borrowings for the Thaicom 6 project led to a gain on foreign exchange for the Company's Satellite Group; offset by
- The appreciation of the Singapore dollar against the US dollar, so the revaluation of loans to a subsidiary and accrued income led to a loss on foreign exchange for Shenington Investments Pte Ltd. ("SHEN").

The Company reported a loss on exchange rate of Baht 14 million, mainly contributed by IPSTAR Co., Ltd. ("IPSTAR")'s unrealized loss on exchange rate resulting from the revaluation of advance receipts from customers in Japan since Japanese yen has appreciated against USD and IPSTAR presents its financial statements in USD.

Share of profit of associates

Share of profit of associates in Q1/2012 was Baht 45 million, up by Baht 1 million or 2.3% from Baht 44 million in Q1/2011, due to a 1.9% increase in CSL's net profit over Q1/2011 due mainly to 1) the impact of the reduction in the corporate income tax rate to 23% in 2012 leading to a decrease in income tax expenses as compared to the same period last year (the corporate tax rate for the year 2011 was 30%), offset by 2) lower operating profit resulting from a decrease in revenue from the publishing of the Thailand YellowPages for Q1/2012 due to the impact of flood crisis last year so that CSL has postponed delivery and recognition of 2012 BKK-YP Book from January 2012 to May 2012. However, revenue from core products (Leased Line, IDC and ICT services) still has continuously grown.

Finance costs

Finance costs totaled Baht 116 million in Q1/2012, down by Baht 4 million, or 3.3%, compared with Baht 120 million in Q1/2011. Finance costs mostly comprised of debenture interests.

Income tax expense

In Q1/2012, the Company reported income tax expense of Baht 59 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 15 million in Q1/2011.

The corporate income tax rate is reduced to 23% in 2012 (under Royal Decree No. 530 B.E. 2554 dated 21 December 2011), while the corporate tax rate for the year 2011 was 30%.

IV. Financial Position

At the end of Q1/2012, the Company reported total assets of Baht 27,518 million, an increase of Baht 302 million or 1.1% from Baht 27,216 million at the end of 2011. This was mainly because of higher cash and cash equivalents, and additions to PP&E mainly consisting of assets for the satellite business, offset by the year-to-date accumulated depreciation and amortization of PP&E and PP&E under operating agreements.

THCOM's asset components

Assets	March 31, 2012		December 31, 2011	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	5,359	19.5	4,679	17.2
Investment in associates	429	1.6	451	1.7
PP&E, net	6,639	24.1	6,611	24.3
PP&E under the concession agreement, net	12,493	45.4	12,828	47.1

Liquidity

At the end of Q1/2012, the Company had a current ratio of 0.75 times, up from 0.69 at the end of 2011 due mainly to higher cash and cash equivalents.

Investments

Investment in CSL was presented as "investment in subsidiaries, jointly controlled entities and associate" item. At the end of Q1/2012 the Company's investment in CSL was Baht 429 million, a decrease of Baht 22 million or 4.9% from Baht 451 million at the end of 2011, reflecting the dividend income from CSL of Baht 68 million, offset by a proportionate recognition of CSL's net profit for Q1/2012 amounting to Baht 45 million, the unrealized gain from the reduction in investment in the associate of Baht 0.09 million.

Property, plant and equipment

Property, Plant and Equipment (PP&E) at the end of Q1/2012 was Baht 6,639 million, an increase of Baht 28 million or 0.4% from Baht 6,611 million at the end of 2011. This was due mainly to:

- Additions to PP&E of Baht 412 million for Q1/2012 largely consisting of assets under construction for the Thaicom 6 project and satellite equipment.

Offset by:

- Accumulated depreciation and amortization of PP&E of Baht 276 million in Q1/2012.

PP&E at the end of Q1/2012 also included assets under operating agreements of Mfone of approximately Baht 1,845 million, down by Baht 153 million from Baht 1,998 million at the end of 2011.

PP&E under operating agreements

PP&E under operating agreements at the end of Q1/2012 was Baht 12,493 million, a decrease of Baht 335 million from Baht 12,828 million at the end of 2011 mostly due to depreciation expenses in Q1/2012.

Borrowings and Shareholders' equity

The Company's *net borrowings* at the end of Q1/2012 were Baht 10,203 million, a decrease of Baht 74 million from Baht 10,277 million at the end of 2011. This was mainly attributable to a gain on exchange rate of Baht 81 million.

The Company's *shareholders' equity* at the end of Q1/2012 was Baht 14,195 million, an increase of Baht 19 million from Baht 14,176 million at the end of 2011, reflecting:

- Net profit for Q1/2012 of Baht 42 million.

Offset by:

- Translation loss relating to financial statements of foreign operations of Baht 24 million.

With lower net borrowings and higher shareholders' equity for the three month period ended March 31, 2012, the ratio of net borrowings to equity at the end of Q1/2012 was 0.719 times, slightly down from 0.725 times at the end of 2011.

Cash flow

80.1% yoy increase in operating cash flow driven by operational improvement.

Net cash flow provided by operating activities for Q1/2012 was Baht 1,315 million, rose by Baht 585 million or 80.1% from Baht 730 million in Q1/2011, due mainly to:

- Operational improvement for Q1/2012. Operating profit for Q1/2012 was Baht 135 million, while operating loss was Baht 103 million for Q1/2011.
- Cash receipts from collecting trade and other accounts receivable.

Net cash flow used in investing activities for Q1/2012 was Baht 501 million, mostly for the Thaicom 6 project, and for satellite equipment. For Q1/2011, net cash flow used in investing activities was Baht 186 million.

Net cash flow used in financing activities for Q1/2012 was Baht 112 million due mainly to interest payment of Baht 118 million most of which consisted of debenture interests. For Q1/2011, net cash flow used in financing activities was Baht 117 million.

The Company had ending cash of Baht 3,582 million on 31 March 2012.

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.