
I. Overview

Performance overview

Thaicom Plc ("the Company")'s consolidated revenue from sales of goods and rendering of services for Q2/2016 totaled Baht 2,902 million, decreased by Baht 36 million or 1.2% from Baht 2,938 million for Q2/2015, mainly contributed by revenue drop from both satellite business and Internet and media businesses. However, SG&A expenses also decreased. As a result, an operating profit (EBIT) for Q2/2016 was Baht 710 million, up by Baht 58 million or 8.9% from Baht 652 million for Q2/2015, and the Company reported a consolidated net profit of Baht 591 million or Baht 0.54 per share for Q2/2016, an increase of Baht 19 million or 3.3% from Baht 572 million or Baht 0.52 per share for Q2/2015.

Compared to previous quarter, the consolidated revenue decreased by Baht 308 million or 9.6% from Baht 3,210 million, and generated operating profit (EBIT) dropped by Baht 110 million or 13.4% from Baht 820 million. The Company net profit decreased by Baht 109 million or 15.6% from Baht 700 million or Baht 0.64 per share, due mainly to a drop of revenue from conventional satellite services.

The Company's normalized net profit, excluding the impacts of gain (loss) from exchange rate, capital gain from selling of the investment, has grown from the same quarter of the previous year by 12.8%.

II. Business Summary

Satellite and related business

On 28 May 2016 (Thailand time), the Company was successfully launched the Thaicom 8 Satellite into the orbit using the Falcon 9 rocket by Space Exploration Technologies Corporation from Cape Canaveral, Florida, USA. The Thaicom 8 Satellite is one of the Company's strategies to create capacity and business expansion in order to serve customer's demand in both Thai and overseas markets with additional transponders, supporting the technological transition to high definition and ultra-high definition broadcasting.

On 16 June 2016, the Company received an ISO 22301:2012 Certificate (Business Continuity Management System: BCMS) from the British Standard Institution (BSI). The certification recognized the Company's effective management of the risk of potential business disruption through preventative measures and contingency plans demonstrating the Company's ability to provide the continuous network connectivity needed to support economic growth that is socially and environmentally sustainable.

On 27 June 2016, the Company was recognized as one of Thailand's most outstanding companies in the 2016 rankings by FinanceAsia, a well-known finance and investment magazine in Asia, with 2 honors, which were the third rank for Best Mid-Cap and fourth rank for Best CSR by the region's leading investors and analysts. These reflected the company's leadership and professional expertise in the satellite industry.

Internet and media business

Revenue from Media and Advertising on YellowPages and Voice Info Services and Mobile Content businesses by CS Loxinfo Plc (CSL) was in declining trend due to consumer behavior and technological changes, and Leased Line revenue also encountered with fierce competition, resulted to the revenue slowdown in this quarter. However, Internet Data Center (IDC) services continued in growth trend with the increase in number of subscribers, as the end of Q2/2016, of 12.9% compared to the same quarter of the previous year. In addition, CSL has expanded the ADSL for Condominium, and the number of subscribers as at the end of Q2/2016 was 8,372 subscribers, increased by 333.8% from Q2/2015.

Telephone business abroad

As of the end of Q2/2016, Lao Telecommunications Co., Ltd. (LTC) had total phone subscribers of 2,045,167 increased from 1,837,065 as at the end of Q2/2015, and ranks No.1 with 53.7% mobile's market share, up from 49.5% as at the end Q2/2015. The revenue also continued to increase especially the revenue from data business from both mobile and Internet SIM.

III. Consolidated Operating Results

Selected financial information on THCOM

Unit: MBt	Amount			Change		Amount		Change YoY (%)
	Q2/2016	Q1/2016	Q2/2015	QoQ (%)	YoY (%)	1H/16	1H/15	
Revenue from sales of goods and rendering of services	2,902	3,210	2,938	-9.6%	-1.2%	6,112	6,013	1.6%
Cost of sales of goods and rendering of services	1,734	1,794	1,757	-3.3%	-1.3%	3,528	3,617	-2.5%
SG&A expenses	458	596	529	-23.2%	-13.4%	1,054	1,091	-3.4%
EBIT from continuing operations*	710	820	652	-13.4%	8.9%	1,530	1,305	17.2%
EBITDA from continuing operations **	1,394	1,503	1,347	-7.3%	3.5%	2,897	2,690	7.7%
Share of profit of investment in joint venture	62	41	77	51.2%	-19.5%	103	124	-16.9%
Profit for the period	637	749	618	-15.0%	3.1%	1,386	1,206	14.9%
Profit attributable to: non-controlling interest	46	49	46	-6.1%	0.0%	95	94	1.1%
Profit attributable to: owner of the Company	591	700	572	-15.6%	3.3%	1,292	1,112	16.2%
Earnings per share (Baht)	0.54	0.64	0.52	-15.6%	3.8%	1.18	1.01	16.8%
Other extraordinary items***	9	83	56	-89.2%	-83.9%	92	107	-14.0%
Normalized profit***	582	617	516	-5.7%	12.8%	1,200	1,005	19.4%
Normalized profit per share (Baht)	0.53	0.56	0.47	-5.7%	12.8%	1.09	0.92	19.4%

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

** EBITDA = EBIT + Depreciation and Amortization

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

Revenue from sales of goods and rendering of services

Consolidated revenue from sales of goods and rendering of services for Q2/2016 was Baht 2,902 million, a decrease of Baht 36 million or 1.2% from Baht 2,938 million for Q2/2015. Compared to Q1/2016, the revenue decreased by Baht 308 million or 9.6% from Baht 3,210 million. These were due to the decrease of revenue from both satellite and Internet and media businesses.

Revenue from sales of goods and rendering of services	Q2/16	Q1/16	Q2/15	%QoQ	%YoY	1H/16	1H/15	%YoY
Satellite and related services	2,131	2,394	2,160	-11.0%	-1.3%	4,525	4,469	1.3%
Internet and media services*	793	840	795	-5.6%	-0.3%	1,633	1,577	3.6%
Consolidation eliminations	(22)	(24)	(17)	-8.3%	29.4%	(46)	(33)	39.4%
Total	2,902	3,210	2,938	-9.6%	-1.2%	6,112	6,013	1.6%

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

Satellite and related services

Revenue from satellite related services for Q2/2016 was Baht 2,131 million, a decrease of Baht 29 million or 1.3% from Baht 2,160 million for Q2/2015. Compared to the previous quarter, the revenue from satellite related services decreased by Baht 263 million or 11.0% from Baht 2,394 million. These were mainly from the decrease of revenue from conventional satellite services.

However, for 1H/2016, the Company generated revenue from satellite related services total of Baht 4,525 million, up by Baht 56 million or 1.3% from Baht 4,469 million for 1H/2015. This was contributed by revenue growth from the Thaicom 4 Broadband Satellite business, offset with lower revenue from conventional satellite services.

Satellite and related services	Q2/16	Q1/16	Q2/15	%QoQ	%YoY	1H/16	1H/15	%YoY
Conventional*	1,082	1,272	1,142	-14.9%	-5.3%	2,354	2,422	-2.8%
Thaicom 4 Broadband	1,049	1,122	1,018	-6.5%	3.0%	2,171	2,047	6.1%
Services	990	959	960	3.2%	3.1%	1,949	1,918	1.6%
Sales	59	163	58	-63.8%	1.7%	222	129	72.1%
Total	2,131	2,394	2,160	-11.0%	-1.3%	4,525	4,469	1.3%

* Include the Thaicom 5 6 and 7 satellites

- Revenue from the Thaicom conventional satellite business for Q2/2016 was Baht 1,082 million, dropped by Baht 60 million or 5.3% from Baht 1,142 million for Q2/2015, due mainly to:
 - Overall transponder utilization rate decreased following broadcasting industry trend slowing down, in line with economic downtrend,
 - Decrease of transponder utilization also contributed to a drop of revenue from value-added services, e.g. teleport services including tape playout and digital signal compression.

Compared to the previous quarter, the revenue from the Thaicom conventional satellite business decreased by Baht 190 million or 14.9% from Baht 1,272 million, due mainly to the decrease of overall transponder utilization rate and the revenue from value-added services.

For 1H/2016, the revenue from the Thaicom conventional satellite business was Baht 2,354 million, down by Baht 68 million or 2.8% from the revenue in 1H/2015 due mainly to:

- Decrease of transponder utilization which also contributed to a drop of revenue from value-added services,
 - Decrease of sales revenue from satellite equipment to broadcasting satellite operators which incurred occasionally based on customer's demand.
- Revenue from the Thaicom 4 Broadband Satellite business was Baht 1,049 million for Q2/2016, up by Baht 31 million or 3.0% from Baht 1,018 million for Q2/2015. This was contributed by:

- An increase of service revenue from increasing bandwidth usage, especially in India. The overall bandwidth usage for the Thaicom 4 Broadband Satellite as at the end of Q2/2016 has increased from Q2/2015,

- Revenue decrease from Australia following the decrease of bandwidth usage from the National Broadband Network (NBN) contract. However, the NBN bandwidth usage still over the minimum usage requirement in the contract.

Compared to Q1/2016, the revenue from the Thaicom 4 Broadband Satellite business decreased Baht 73 million or 6.5% from Baht 1,112 million, mainly driven by:

- Decrease of sales revenue from satellite equipment to broadcasting satellite operators which incurred occasionally based on customer's demand,
- Revenue decrease from Australia following the decrease of bandwidth usage, offset with
- An increase of service revenue from India, following increasing bandwidth usage, and Japan from currency exchange due to the appreciation of Japanese Yen against Thai Baht.

For 1H/2016, revenue from the Thaicom 4 Broadband Satellite business was Baht 2,171 million, up by Baht 124 million or 6.1% from Baht 2,047 million for 1H/2015 due mainly from;

- Revenue from sales growth due to sales of satellite broadband equipment to a mobile operator in Japan in Q1/2016,
- An increase of service revenue from India and Japan offset with the decrease of service revenue from Australia.

Internet and media services

The Company's revenue from Internet and media services for Q2/2016 was Baht 793 million, down by Baht 2 million or 0.3% compared to Baht 795 million for Q2/2015, mainly contributed by:

- Revenue decrease from CSL by Baht 17 million or 2.3% compared to Q2/2015, offset with
- An increase of sales revenue from CDN by Baht 10 million or 16.9% from increasing sales of satellite receiver sets,
- Revenue increase from DTV by Baht 5 million or 50% from higher service revenue due to the increase of D Channel Platform services and sales equipment from system installation to customers.

To compared with the previous quarter, the revenue from Internet and media services for Q2/2016 decreased by Baht 47 million or 5.6% from Baht 840 million. This was due mainly to:

- Revenue decrease from CSL by Baht 36 million or 4.8%, mainly from ICT business,
- A decrease of sales revenue from CDN by Baht 13 million or 15.4% from lower sales of satellite receiver sets, offset with
- Revenue increase from sales equipment from system installation from DTV by Baht 2 million or 11.4%.

The revenue from Internet and media services for 1H/2016 was Baht 1,633 million, up by Baht 56 million or 3.6%, mainly contributed by an increase of:

- Sales revenue from CDN by Baht 63 million or 72.1% from increasing sales of satellite receiver sets,
- Revenue increase from DTV by Baht 3 million or 16.1% from higher service revenue due to the increase of D Channel Platform services and sales equipment from "Digital Head-End Solution" project, offset with
- Sales and service revenue decrease from CSL by Baht 11 million or 0.8% due to the slowdown in Media and Advertising on YellowPages and Voice Info Services and Mobile Content businesses.

Cost of sales of goods and rendering of services

The Company reported consolidated cost of sales of goods and rendering of services for Q2/2016 of Baht 1,734 million, a decrease of Baht 23 million or 1.3% compared to Baht 1,757 million for Q2/2015, due to the decrease in cost from its satellite business.

To compare with the previous quarter, the cost of sales of goods and rendering of services decreased by Baht 60 million or 3.3% from Baht 1,794 million from the decrease in both satellite business and Internet and media businesses.

For 1H/2016, the consolidated cost of sale of goods and rendering of services was Baht 3,528 million, decreased by Baht 89 million or 2.5% from Baht 3,617 million for 1H/2015, contributed by the decrease of cost from satellite business, offset with the increase of cost from Internet and media businesses.

Cost of sales of goods and rendering of services	Q2/16	Q1/16	Q2/15	%QoQ	%YoY	1H/16	1H/15	%YoY
Satellite and related services	1,253	1,286	1,271	-2.6%	-1.4%	2,539	2,655	-4.4%
Internet and media businesses*	504	531	500	-5.1%	0.8%	1,035	991	4.4%
Consolidation eliminations	(23)	(23)	(14)	0.0%	64.3%	(46)	(29)	58.6%
Total	1,734	1,794	1,757	-3.3%	-1.3%	3,528	3,617	-2.5%

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

Cost of satellite and related services

Cost relating to satellite and related services for Q2/2016 was Baht 1,253 million, a decrease of Baht 18 million or 1.4% from Baht 1,271 million for Q2/2015, due to the decrease in cost relating to the Thaicom 4 Broadband business.

Compared to Baht 1,286 million for Q1/2016, cost relating to satellite and related services for Q2/2016 decreased by Baht 33 million or 2.6%, due to the decreases of cost relating to the Thaicom 4 Broadband business, offset with the increase of cost relating to the conventional satellite business.

The total cost for 1H/2016 decreased Baht 116 million or 4.4% from 1H/2015 following the decrease in conventional satellite business.

Satellite and related services	Q2/16	Q1/16	Q2/15	%QoQ	%YoY	1H/16	1H/15	%YoY
Conventional*	599	574	597	4.4%	0.3%	1,173	1,310	-10.5%
Thaicom 4 Broadband	654	712	674	-8.1%	-3.0%	1,366	1,345	1.6%
Total	1,253	1,286	1,271	-2.6%	-1.4%	2,539	2,655	-4.4%

* Include the Thaicom 5 6 7 and 8 satellites

- Cost relating to the conventional satellite business was Baht 599 million for Q2/2016, up by Baht 2 million or 0.3% from Baht 597 million for Q2/2015. Compared with Q1/2016, the cost relating to the conventional satellite business increased by Baht 25 million or 4.4% from Baht 574 million. These were mainly caused by:
 - An increase of traffic transfer cost within Thaicom satellites in order to manage and maximize overall existing transponder usage, offset with
 - A decrease of operating fees, the revenue sharing to the government agencies, following revenue drop.

Comparing 1H/2016 with 1H/2015, cost relating to the conventional satellite business decreased by Baht 137 million or 10.5% from Baht 1,310 million, due mainly to:

- A decrease of cost of equipment following the decrease of equipment sales, offset with
- An increase of traffic transfer cost within Thaicom satellites.

- Cost relating to the Thaicom 4 Broadband Satellite business for Q2/2016 was Baht 654 million, decreased by Baht 20 million or 3.0% from Baht 674 million for Q2/2015, primarily due to:
 - Lower depreciation cost, resulting from the increase of fully-depreciated assets, offset by
 - Higher operating fees, the revenue sharing to the government agencies, following the increase of overall bandwidth usage.

Compared with Q1/2016, cost relating to the Thaicom 4 Broadband Satellite business for Q2/2016 dropped by Baht 58 million or 8.1% from Baht 712 million, due to the decrease of cost of equipment following the decrease of broadband equipment sales.

For 1H/2016, cost relating to the Thaicom 4 Broadband Satellite business increased by Baht 21 million or 1.6% from Baht 1,345 million, mainly contributed by the increase of:

- Cost of gateway equipment,
- Operating fees, the revenue sharing to the government agencies, following revenue drop, offset with
- Lower depreciation cost.

Cost of Internet and media services

Cost relating to the Internet and media services for Q2/2016 amounted to Baht 504 million, an increase of Baht 4 million or 0.8% from Baht 500 million for Q2/2015, due mainly to the increase of:

- Cost of CDN's sales of Baht 20 million or 57.1% following an increase of sales of satellite receiver sets, and
- Cost of sales and service of DTV of Baht 3 million or 30.0% following sales and service revenue growth, offset with
- Lower cost of sales and service from CSL following revenue drop and an efficient in Internet network cost management from ICT business, offset with higher cost of content and application development from Voice Info Services & Mobile Content Business. As a result, total cost of CSL decreased by Baht 19 million or 4.2%.

Compared to Q1/2016, the cost relating to Internet and media services was down by Baht 27 million or 5.1% from Baht 531 million, due mainly to:

- Lower cost of sales and service from CSL by Baht 23 million or 5.0% following a drop in sales and service revenue,
- A decrease in cost of CDN's sales of Baht 6 million or 9.9% due to lower sales revenue, offset with
- An increase in cost of DTV's sales and service of Baht 2 million or 18.5%, following increasing sales and service revenue.

For 1H/2016, the cost relating to Internet and media services totaled Baht 1,035 million, up by Baht 44 million or 4.4% from Baht 991 million for previous year, due mainly to the increase of:

- Cost of CDN's sales of Baht 57 million or 96.4% following sales revenue growth,
- Sales and service cost from DTV by Baht 7 million or 41.6% following sales and service revenue growth, offset with
- Lower cost of sales and service from CSL by Baht 20 million or 2.2%, due to revenue drop and an efficient in Internet network cost management from ICT business, offset with higher cost of content and application development from Voice Info Services & Mobile Content Business.

Selling and administrative expenses

SG&A expenses, including directors and management benefit expenses, totaled Baht 458 million for Q2/2016, a decrease of Baht 71 million or 13.4% from Baht 529 million for Q2/2015, due mainly to:

- A decrease in provision for doubtful debts for the satellite business resulting from cash received from customer in doubtful account,
- A decrease in staff expenses for the satellite business,
Offset by
- An increase in marketing expenses for the satellite business.

Compared with Q1/2016, SG&A expenses for Q2/2016 decreased by Baht 138 million or 23.2% from Baht 596 million for, mainly caused by:

- A decrease in provision for doubtful debts for the satellite business due to cash received in this quarter from customer in doubtful account, whereas there was additional provision recorded according for a customer amounting to Baht 84 million in Q1/2016,
Offset by
- An increase in marketing expenses for the satellite business.

For 1H/2016, SG&A expenses amounted to Baht 1,054 million, down by Baht 37 million or 3.4%, mainly contributed by:

- A decrease in staff expenses for the satellite business,
- A decrease in provision for doubtful debts for Internet and media businesses,
- A decrease in marketing expenses for Internet and media businesses,
Offset by
- An increase in provision for doubtful debts for the satellite business.

Gain on exchange rate

In Q2/2016, the Company reported a gain on foreign exchange of Baht 5 million. This was largely impacted by the revaluation of borrowings for the Thaicom 6 and 8 projects and for Shenington Investments Pte Ltd (SHEN) to support LTC's business as a result of the appreciation of the Thai Baht against the US Dollar.

Finance costs

Finance costs totaled Baht 73 million for Q2/2016, down by Baht 9 million or 11.0% from Baht 82 million for Q2/2015, due mainly to

- A decrease of the Thaicom 6 project loan principal,
- A decrease of average interest rate as a result of refinancing the Thaicom 6 project loan in order to optimize financing cost, offset with
- An increase of short-term loans to support LTC's concession extension fee.

Share of profit of investment in joint venture

Share of profit of investment in joint venture in telephone business for Q2/2016 was Baht 62 million, down by Baht 15 million or 19.5% from Baht 77 million for Q2/2015. This was contributed by:

- Higher SHEN's finance cost from the borrowing for LTC's concession extension fee, offset by
- An increase in operating result from LTC due to revenue growth especially from mobile and Internet SIM data service.

Compared to the previous quarter, the Company's share of profit increased Baht 21 million or 51.2% from Baht 41 million. This was due to:

- Withholding tax for dividend received from LTC in Q1/2016,
- An increase in operating result from LTC due to higher revenue especially from data usage of Internet SIM, together with higher sales revenue from mobile phone equipment and SIM card.

Share of profit of investment in joint venture in telephone business for 1H/2016 totaled Baht 103 million, down by Baht 21 million or 16.9% from Baht 124 million for 1H/2015, mainly resulted from:

- Higher withholding tax in Q1/2016 following higher dividend received from LTC compared to the previous year,
- Higher SHEN's finance cost from the borrowing, offset by
- An increase in operating result from LTC due to higher revenue from data usage and sales revenue from mobile phone equipment and SIM card.

Net profit

The Company reported a profit attributable to owner of the Company of Baht 591 million for Q2/2016, a growth of Baht 19 million or 3.3% from Baht 572 million for Q2/2015. This was mainly contributed by additional profit from reversal of provision for doubtful debts.

To compare with the previous quarter, the company net profit dropped by Baht 109 million or 15.6% from Baht 700 million, due mainly to a drop in sales and service revenue.

IV. Financial Position

At the end of Q2/2016, the Company reported total assets of Baht 34,036 million, an increase of Baht 444 million or 1.3% from Baht 33,592 million at the end of 2015. This was mainly because of the increase in:

- Cash, cash equivalents, and current investments, mostly were short-term deposits at financial institutions as a result of profit generated from operating activities,
- PP&E, mostly were the additional assets from the Thaicom 8 project, offset by
- Depreciation and amortization of PP&E and intangible assets under operating agreements for 1H/2016.

THCOM's asset components

Assets	June 30, 2016		December 31, 2015	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	9,129	26.8%	8,005	23.8%
Property, plant and equipment	9,665	28.4%	9,032	26.9%
Intangible assets under operating agreement	10,221	30.0%	11,227	33.4%

Trade accounts receivable and accrued income

As at the end of Q2/2016, the Company had net trade accounts receivable and accrued income (excluded other account receivable) of Baht 1,856 million (or 5.5% of total assets), comprising of receivables from other parties and related parties, representing 93% and 7% of total trade accounts receivable and accrued income, respectively.

The Company had an allowance for doubtful accounts of Baht 303 million or 20.6% of total trade accounts receivable, mainly from the provision for doubtful debt for a customer under rehabilitation, amounting to Baht 84 million. As a result, the allowance for doubtful account increased from Baht 231 million or 13.0% as at the end of 2015. Trade and other accounts receivable and accrued income as at the end of Q2/2016 decreased by Baht 273 million from the end of 2015.

Liquidity

At the end of Q2/2016, the Company had a current ratio of 1.91x, up from 1.83x at the end of 2015 due mainly to:

- An increase in cash, cash equivalents, and current investments from the profit of 1H/2016,
- A decrease of short-term loans to support LTC's concession extension fee resulted from partial repayment, offset with
- An increase of current portion of long-term loans for the Thaicom 6 and 8 satellites.

Property, plant and equipment

Property, Plant and Equipment (PP&E) at the end of Q2/2016 was Baht 9,665 million, an increase of Baht 633 million or 7.0% from Baht 9,032 million at the end of 2015. 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 1H/2016.

Borrowings and Shareholders' equity

The Company's net borrowings at the end of Q2/2016 were Baht 11,393 million, a decrease of Baht 357 million or 3.0% from Baht 11,750 million at the end of 2015, mainly attributable to the impact from the revaluation of borrowing from the appreciation of Thai Baht against US dollar and partial short-term loan repayment.

The Company's shareholders' equity at the end of Q2/2016 was Baht 18,644 million, increased by Baht 533 million or 2.9% from Baht 18,111 million at the end of 2015, reflecting from the net profit for 1H/2016 of Baht 1,292 million, offset with dividend payment to owners of the Company and CSL of Baht 712 million and Baht 69 million (CSL declared the dividend payment amounting to Baht 119 million, payable proportionately to THCOM of Baht 50 million and others shareholders of Baht 69 million).

As at the end of Q2/2016, the ratio of net borrowings to equity was 0.61x, down from 0.65x at the end of 2015.

Cash flows

Net cash provided by operating activities for 1H/2016 was Baht 3,312 million, an increase of Baht 603 million or 22.3% from Baht 2,709 million for 1H/2015, due mainly to an increase in operational profit.

Net cash used in investing activities for 1H/2016 was Baht 1,480 million, most of which were short-term deposits at financial institutions and the payment for the assets of the Thaicom 8 project.

Net cash used in financing activities for 1H/2016 was Baht 1,133 million, mainly comprising of short-term loans to support LTC's concession extension fee repayment.

The Company had ending cash and cash equivalents of Baht 4,093 million as at the end of Q2/2016.

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