
I. Overview

Thaicom Plc (the Company)'s consolidated total revenue for Q1/2013 was Baht 1,913 million, up by Baht 93 million or 5.1% compared to Baht 1,820 million for Q1/2012. The Company reported revenue increases from satellite and telephone services, a gain on foreign exchange rate, and a decrease in cost from satellite services.

In addition, the Company had higher share of profit of associate and lower finance costs. Such higher income and lower expenses resulted in net profit from continuing operations of Baht 382 million, up by Baht 221 million or 137.3% from Baht 161 million in Q1/2012. Including net loss from discontinued operation of Mfone Company Limited (Mfone), a subsidiary of jointly-controlled entity, the Company's net profit were Baht 330 million or Baht 0.30 per share for Q1/2013, and Baht 42 million for Q1/2012.

In the separate financial statements for Q1/2013, the Company had net profit of Baht 193 million or Baht 0.18 per share, up by Baht 154 million from Baht 39 million for Q1/2012.

At the annual general meeting of the shareholders of the Company held on 28 March 2013, the shareholders approved the appropriation of dividend of Baht 0.40 per share, amounting to Baht 438 million. The dividend was paid to shareholders on 24 April 2013.

II. Business Summary

Transponder leasing and related business

The Company signed a Definitive Agreement with Synertone Communication Corporation and China Telecom Satellite Communications Limited to proceed with the sale of IPSTAR Bandwidth in China. IPSTAR capacity availability over the Chinese market is approximately 24% of IPSTAR's total capacity. The sale of IPSTAR bandwidth in China will provide a wide range of benefits for all parties to the deal. The Company has reached one of its most important goals. With capacity utilization in China, the Company has gone far beyond the break-even point of IPSTAR. For our partner in China, the deal will provide a valuable asset to expand communications infrastructure throughout the country, and the ability to rapidly provide services to un-served and underserved areas using IPSTAR services and solutions.

TOT Public Company Limited (TOT) recently extended the IPSTAR broadband satellite's bandwidth leasing contract, running from this year until 2021. The renewed deal also sees TOT's lease of greater bandwidth from IPSTAR, increasing its potential for leadership in broadband service in Thailand in response to the Government projects for public benefits. TOT is still appointed to be the Company's exclusive National Service Operator (NSO) to distribute IPSTAR bandwidth in Thailand.

NBN Company Limited (NBN Co) has increased its bandwidth usage, resulting in IPSTAR service revenue growth in Australia.

The Thaicom 6 satellite is in the final testing stage. The demand for commercial satellite services from broadcasting satellite operators continues to be strong and growing. Major Thai and Indian broadcasters signed additional transponder reservation agreements. Currently, 60% of Thaicom 6's total transponders are reserved.

Telephone business

As of the end of Q1/2013, LTC, providing telecom services in Lao PDR, had total phone subscribers of 1,389,618, increased from 1,319,027 at the end of Q1/2012. Although LTC had a decrease in mobile phone subscriber base in Q3/2012 as compared to Q1/2012 (due to mobile prepaid subscribers' registration for using service; as a result, most of customers who hold multi-SIM cards had churned out and kept only a regular number), its marketing activities, emphasis on proper network expansion and the quality of service contributed to a continued increase in LTC's mobile subscriber base since Q3/2012. LTC still ranks No.1 in Lao PDR's mobile phone market share.

On 14 February 2013, the Court appointed the administrator. As a result, Mfone fell under the control of the Court and the administrator and the Company Group lost the control over Mfone. Subsequently, on 15 March 2013, the Court ordered Mfone to proceed the liquidation under the laws of Cambodia and ordered the administrator to implement the liquidation process. However, the insolvency proceedings of Mfone would have no significant adverse financial impacts on the Company's consolidated and stand-alone performance of 2013, as the Company Group has entirely recognized allowance for impairment on net assets of Mfone since 31 December 2012, and has already provisioned of related expenses for this eventuality in the financial statements for 2012.

Internet and media business

The total number of Dtv satellite television dish sets sold thus far by DTV Service Co., Ltd. (DTV) was 1,415,302 sets as of the end of Q1/2013, an increase of 158,263 sets from 1,257,039 sets at the end of Q1/2012. Currently, the market competition of satellite dish and set-top box has been relatively high. In addition, cable and satellite TV operators aim to increase their subscriber base by initiating strategy moves in different ways to cope with the oncoming launch of digital TV system. Competitive TV contents, prepaid pay-TV system, or hybrid box which is a new alternative box for customer to view contents delivered from a satellite and digital terrestrial TV system in the same box, are examples of implemented strategies. In the meantime, sales of satellite dish and receiver box have generated lower revenue due to price competition.

CS LoxInfo Plc (CSL) reported a 36.4% increase and a 58.7% increase in net profit over Q1/2012 and Q4/2012 respectively. Its revenue growth was contributed by Internet access and ICT services business, publishing of the Thailand YellowPages business, and voice info services & mobile content services business.

III. Consolidated Operating Results

Selected financial information on THCOM

Unit: MBt	Amount			Change	
	Q1/13	Q4/12	Q1/12	QoQ (%)	YoY (%)
Revenue from sale of goods and rendering of services	1,774	1,860	1,782	-4.6%	-0.4%
Share of profits of associate	62	39	45	59.0%	37.8%
Cost of sale of goods and rendering of services	1,073	1,091	1,179	-1.6%	-9.0%
SG&A expenses	406	434	305	-6.5%	33.1%
(Reversal of) Impairment losses on non-current assets held for abandonment	(51)	(76)	41	32.9%	-224.4%
EBIT from continuing operations*	295	335	298	-11.9%	-1.0%
EBITDA from continuing operations **	811	867	837	-6.5%	-3.1%
Profit (loss) from continuing operations	382	249	161	53.4%	137.3%
Profit (Loss) from discontinued operation, net of income tax*	(51)	(125)	(119)	59.2%	57.1%
Net profit (loss)	330	124	42	166.1%	685.7%
EPS (Baht)	0.30	0.11	0.04	172.7%	650.0%

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

** EBITDA = EBIT + Depreciation and Amortization

Sales and service income

Consolidated revenue from sale of goods and rendering of services in Q1/2013 was Baht 1,774 million, a decrease of Baht 8 million or 0.4% compared to Baht 1,782 million in Q1/2012 due to a revenue drop from Internet and media business, offset by revenue increases from satellite business and telephone business.

Compared to Baht 1,860 million in Q4/2012, the consolidated revenue in Q1/2013 declined by Baht 86 million or 4.6% due to a revenue decrease from satellite business, offset by revenue increases from telephone business and Internet access and media business.

Revenue from sale of goods and rendering of services	Q1/13	Q4/12	Q1/12	%QoQ	%YoY
Satellite and related services	1,542	1,633	1,522	-5.6%	1.3%
Telephone services	193	179	177	7.8%	9.0%
Internet access and media services	59	52	92	13.5%	-35.9%
Consolidation eliminations	(20)	(4)	(9)	-400.0%	-122.2%
Total	1,774	1,860	1,782	-4.6%	-0.4%

Satellite transponder leasing and related services

Revenue from satellite transponders and related services in Q1/2013 was Baht 1,542 million, an increase of Baht 20 million or 1.3% compared to Baht 1,522 million in Q1/2012. The satellite revenue growth was primarily contributed by Thaicom 5 conventional satellite service. Compared to Baht 1,633 million in Q4/2012, revenue from satellite business in Q1/2013 declined by Baht 91 million or 5.6%.

Satellite and related services	Q1/13	Q4/12	Q1/12	%QoQ	%YoY
Thaicom 5	734	744	683	-1.3%	7.5%
IPSTAR	808	889	839	-9.1%	-3.7%
Sales	62	112	83	-44.6%	-25.3%
Services	746	777	756	-4.0%	-1.3%
Total	1,542	1,633	1,522	-5.6%	1.3%

7.5% yoy revenue increase from value-added services for conventional satellite business

- Revenue from the Thaicom 5 satellite business for Q1/2013 was Baht 734 million, up by Baht 51 million or 7.5% from Baht 683 million in Q1/2012 due mainly to:
 - Revenue growth from value-added services e.g. teleport services including tape playout and digital signal compression,
 - Revenue growth from leasing uplink satellite equipment to a broadcasting satellite operator, Offset by
 - Revenue drop from the appreciation of the Thai Baht against the US dollar.

Compared to Baht 744 million in Q4/2012, the revenue from the Thaicom 5 satellite business decreased by Baht 10 million or 1.3% mainly from the appreciation of the Thai Baht against the US dollar, offset by a revenue increase from leasing uplink satellite equipment to a broadcasting satellite operator.

- Revenue from the Thaicom 4 (IPSTAR) satellite business for Q1/2013 was Baht 808 million, down by Baht 31 million or 3.7% from Baht 839 million in Q1/2012. This was due mainly to:
 - Service revenue in Q1/2013 was Baht 746 million, a drop of Baht 10 million or 1.3% from Baht 756 million in Q1/2012 due to the appreciation of the Thai Baht against the US dollar. However, bandwidth usage was higher mainly in Myanmar, New Zealand, China, Philippines, Thai, Cambodia, and Indonesia.

- Sales revenue in Q1/2013 was Baht 62 million, a drop of Baht 21 million or 25.3% from Baht 83 million in Q1/2012 due mainly to User Terminal (UT) sales drop. This was the result of implementing Open Platform strategy to increase bandwidth sales by enabling other providers' ground system (including UT) to use the IPSTAR bandwidth.

Compared to Baht 889 million in Q4/2012, IPSTAR revenue decreased by Baht 81 million or 9.1% on:

- Service revenue drop of Baht 31 million or 4.0% from Baht 777 million, attributable to the appreciation of the Thai Baht against the US dollar; meanwhile bandwidth usage increased.
- Sales revenue drop of Baht 50 million or 44.6% from Baht 112 million due to the sales of gateway equipment in Q4/2012 in Malaysia and Myanmar and UT sales revenue drop.

Telephone services

9.0% yoy and 7.8%
qoq revenue
increase for
telephone services

The Company's revenue from telephone services in Q1/2013 was Baht 193 million, up by Baht 16 million or 9.0% compared to Baht 177 million in Q1/2012, and up by Baht 14 million or 7.8% from Baht 179 million in Q4/2012. The revenue growth was driven by:

- A revenue increase from mobile phone revenue (prepaid and postpaid), resulting from continued promotions and marketing activities for users and dealers, and service quality, leading to an increase in subscriber base and average revenue per subscriber (ARPU),
- A revenue increase from international call and international roaming services.

Internet access and media services

Revenue from Internet access and media services in Q1/2013 was Baht 59 million, down by Baht 33 million or 35.9% from Baht 92 million in Q1/2012 due mainly to a revenue decrease in sale of Dtv satellite dish and IRD box, following a drop in Dtv sales volume and lower price from its price adjustment to match the competitors' price in the market. As at the end of Q1/2013, accumulated Dtv sales volume was 1,415,302 sets, up 158,263 sets from 1,257,039 sets at the end of Q1/2012.

In addition, Internet revenue generated by LTC in Q1/2013 was higher following an increase in the number of subscribers mainly from wireless broadband internet-HSPA service.

Compared to Baht 52 million in Q4/2012, revenue from Internet access and media services in Q1/2013 rose by Baht 7 million or 13.5%, due mainly to its marketing service provided to a company in the Group. Internet revenue generated by LTC in Q1/2013 was higher following an increase in the number of HSPA subscribers.

Cost of sales and service

The Company reported consolidated cost of sale and services for Q1/2013 of Baht 1,073 million, a decrease of Baht 106 million or 9.0% compared to Baht 1,179 million in Q1/2012, on cost decreases from satellite business and the Internet and media business, offset by a cost increase from telephone business. For Q1/2013, total cost accounted for 60.5% of total sales and service income, down from 66.2% in Q1/2012.

Compared to Baht 1,091 million in Q4/2012, total cost of sales and service for Q1/2013 decreased by Baht 18 million or 1.6% on a cost decrease from satellite business, offset by cost increases from telephone business, and Internet access and media business.

Cost of sale of goods and rendering of services	Q1/13	Q4/12	Q1/12	%QoQ	%YoY
Satellite and related services	910	943	1,017	-3.5%	-10.5%

Cost of sale of goods and rendering of services	Q1/13	Q4/12	Q1/12	%QoQ	%YoY
Telephone services	115	92	93	25.0%	23.7%
Internet access and media services	57	54	84	5.6%	-32.1%
Consolidation eliminations	(9)	2	(15)	-550.0%	40.0%
Total	1,073	1,091	1,179	-1.6%	-9.0%

Cost of satellite transponder leasing and related services

Cost relating to transponder leasing and related services in Q1/2013 was Baht 910 million, a decrease of Baht 107 million or 10.5% from Baht 1,017 million in Q1/2012, and a decrease of Baht 33 million or 3.5% from Baht 943 million in Q4/2012.

Satellite and related services	Q1/13	Q4/12	Q1/12	%QoQ	%YoY
Thaicom 5	272	261	249	4.2%	9.2%
IPSTAR	638	682	768	-6.5%	-16.9%
Total	910	943	1,017	-3.5%	-10.5%

- Cost relating to the Thaicom 5 satellite business in Q1/2013 was Baht 272 million, an increase of Baht 23 million or 9.2% from Baht 249 million in Q1/2012, and an increase of Baht 11 million or 4.2% from Baht 261 million in Q4/2012, mainly caused by cost of uplink satellite equipment leased by a broadcasting satellite operator.
- Cost relating to the Thaicom 4 (IPSTAR) satellite in Q1/2013 was Baht 638 million, down by Baht 130 million or 16.9% from Baht 768 million in Q1/2012 primarily due to lower gateway operation cost in China.

Compared to Baht 682 million in Q4/2012, cost relating to the Thaicom 4 (IPSTAR) satellite declined by Baht 44 million or 6.5% due mainly to lower cost of gateway equipment and cost of UT sales following the sales drop.

Cost of telephone services

Cost relating to the telephone business for Q1/2013 amounted to Baht 115 million, an increase of Baht 22 million or 23.7% from Baht 93 million in Q1/2012, and an increase of Baht 23 million or 25.0% from Baht 92 million in Q4/2012, due mainly to cost of inter-roaming.

Cost of Internet access and media services

Cost relating to the Internet access and media business in Q1/2013 was Baht 57 million, down by Baht 27 million or 32.1% from Baht 84 million in Q1/2012, due mainly to lower cost of DTV satellite dish and IRD box sales, following its revenue decrease. As compared to Baht 54 million in the previous quarter, cost relating to the Internet access and media business increased by Baht 3 million or 5.6%.

Selling and administrative expenses

SG&A expenses, including directors and management benefit expenses, totaled Baht 406 million in Q1/2013, an increase of Baht 101 million, or 33.1%, compared to Baht 305 million in Q1/2012, mainly from satellite business which had increases in staff expenses, marketing expenses, and provision for doubtful debt in Q1/2013 while reporting a reversal of bad debt provision for IPSTAR customers in Q1/2012. Telephone business also reported SG&A increase mainly from staff expenses. Internet and media business had no change in SG&A.

10.5% yoy and
3.5% qoq cost
decrease for
satellite business

Compared to Baht 434 million in Q4/2012, SG&A expenses in Q1/2013 decreased by Baht 28 million or 6.5% on lower marketing expenses and obsolete stock provision from Internet and media business.

Gain on foreign exchange rate

In Q1/2013, the Company reported a gain on foreign exchange of Baht 119 million. This was impacted by a gain on foreign exchange from the revaluation of borrowings for the Thaicom 6 project as a result of the appreciation of the Thai Baht against the US dollar.

Share of profit of associates

Share of profit of associates in Q1/2013 was Baht 62 million, up by Baht 17 million or 37.8% from Baht 45 million in Q1/2012, and up by Baht 23 million or 59% from Baht 39 million in Q4/2012. These were contributed by a 36.4% increase in CSL's net profit over Q1/2012 and a 58.7% increase over Q4/2012 which resulted from:

- Higher operating profit as a result of revenue growth from Internet access and ICT services business, publishing of the Thailand YellowPages business, and voice info services & mobile content services business,
- Extraordinary item (net of corporate income tax) of Baht 23 million from getting discount for the internet network rental fee from supplier.

Finance costs

Finance costs totaled Baht 66 million in Q1/2013, down by Baht 46 million, or 41.1% compared with Baht 112 million in Q1/2012. This was because of the repayment of the principal amount of Baht 3,300 million of the debentures on 6 November 2012, resulting in a decrease in debenture interests in Q1/2013 as compared to Q1/2012. Finance costs in Q1/2013 mostly comprised of interests on the debentures of Baht 3,700 million redeemable on 6 November 2014.

Income tax expense

In Q1/2013, the Company reported income tax expense of Baht 99 million, an increase of Baht 32 million or 47.8% from Baht 67 million in Q1/2012.

Loss from discontinued operation, net of income tax

The Company's consolidated statements of income for the three-month periods ended 31 March 2013 and 31 March 2012 has separated Mfone's operating result under "Loss from discontinued operation, net of income tax" to show the discontinued operations separately from continuing operations.

The Company recorded net loss of Baht 51 million for Mfone's operation for the period from 1 January 2013 to 14 February 2013 (the loss of control date), down by Baht 68 million or 57.1% from net loss of Baht 119 million for Q1/2012.

IV. Financial Position

At the end of Q1/2013, the Company reported total assets of Baht 24,405 million, a decrease of Baht 1,406 million or 5.4% from Baht 25,811 million at the end of 2012. This was mainly because of:

- Exclusion of the non-current assets held for abandonment from the consolidated financial statement for the three-month periods ended 31 March 2013 due to the loss of control over Mfone since 14 February 2013,

- Year-to-date accumulated depreciation and amortization of PP&E and PP&E under operating agreements,
Offset by
- Additions to PP&E mainly consisting of assets for the satellite business and the telephone business expansion in Lao PDR.

THCOM's asset components

Assets	March 31, 2013		December 31, 2012	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	4,885	20.0	5,809	22.5
Investment in associates	442	1.8	456	1.8
PP&E, net	5,663	23.2	5,647	21.9
PP&E under the concession agreement, net	11,149	45.7	11,482	44.5

Liquidity

At the end of Q1/2013, the Company had a current ratio of 1.82x, up from 1.51x at the end of 2012 due mainly to higher cash and cash equivalents.

Investments

Investment in CSL was presented as “investments in associate” item. At the end of Q1/2013 the Company's investment in CSL was Baht 442 million, a decrease of Baht 14 million or 3.1% from Baht 456 million at the end of 2012, reflecting the dividend income from CSL of Baht 75 million, offset by a proportionate recognition of CSL's net profit for Q1/2013 amounting to Baht 62 million.

Property, plant and equipment

Property, Plant and Equipment (PP&E) at the end of Q1/2013 was Baht 5,663 million, an increase of Baht 16 million or 0.3% from Baht 5,647 million at the end of 2012. This was due mainly to:

- Additions to PP&E of Baht 215 million for Q1/2013 largely consisting of assets under construction for the Thaicom 6 project and for the telephone business expansion in Lao PDR,
Offset by
- Accumulated depreciation and amortization of PP&E of Baht 147 million in Q1/2013.

PP&E under operating agreements

PP&E under operating agreements at the end of Q1/2013 was Baht 11,149 million, a decrease of Baht 333 million or 2.9% from Baht 11,482 million at the end of 2012 mostly due to depreciation expenses in Q1/2013.

Borrowings and Shareholders' equity

The Company's net borrowings at the end of Q1/2013 were Baht 7,122 million, a decrease of Baht 39 million from Baht 7,161 million at the end of 2012. This was mainly attributable to a gain on exchange rate of Baht 155 million, offset by proceeds from long-term borrowings of Baht 86 million mostly for the Thaicom 6 project.

The Company's *shareholders' equity* at the end of Q1/2013 was Baht 14,090 million, a decrease of Baht 149 million from Baht 14,239 million at the end of 2012, reflecting:

- Dividends to owners of the Company of Baht 438 million,
- Translation loss relating to financial statements of foreign operations of Baht 41 million, Offset by
- Net profit for Q1/2013 of Baht 330 million.

With lower net borrowings and shareholders' equity for the three month period ended March 31, 2013, the ratio of net borrowings to equity at the end of Q1/2013 was 0.51x, slightly up from 0.50x at the end of 2012.

Cash flow

Net cash flow provided by operating activities for Q1/2013 was Baht 925 million, down by Baht 390 million or 29.7% from Baht 1,315 million in Q1/2012 due mainly to lower advance receipts from customers. In 2013, the Company would receive advance payment from IPSTAR customer in Thailand in Q2/2013 and Q4/2013, while receiving advance payment from this customer in Q1/2012 for the year 2012.

Net cash flow used in investing activities for Q1/2013 was Baht 195 million, mostly for the Thaicom 6 project, and the telephone business expansion in Lao PDR. For Q1/2012, net cash flow used in investing activities was Baht 501 million.

Net cash flow provided by financing activities for Q1/2013 was Baht 25 million mainly comprising of proceeds from long-term borrowings for the Thaicom 6 project, offset by interest payment most of which consisted of debenture interests and interests on long-term borrowings for the Thaicom 6 project. For Q1/2012, net cash flow used in financing activities was Baht 112 million.

The Company had ending cash of Baht 3,006 million on 31 March 2013.

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.