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Ref No. TC 187/17

11 May 2017

Subject: Submission of the Reviewed Financial Statements for the First Quarter of Year 2017

To: The President

Stock Exchange of Thailand

- Enclosure: (1) One Set of the Reviewed Financial Statements for the First Quarter of Year 2017 – Thai Language Version
(2) One Set of the Reviewed Financial Statements for the First Quarter of Year 2017 – English Language Version
(3) Management Discussion and Analysis for the First Quarter of Year 2017

Thaicom Public Company Limited (“the Company”) would like to submit its reviewed financial statements for the first quarter of year 2017, ended 31 March 2017, together with an explanation of changes in operating results.

The Company reported consolidated total revenue for Q1/2017 of Baht 2,877 million and consolidated net profit for Q1/2017 of Baht 259 million. These are the explanation of the changes in operating results of the consolidated financial statements.

1. The Company’s consolidated total revenue for Q1/2017 was Baht 2,877 million, a decrease of Baht 494 million or 14.7% over the same period last year (Baht 3,371 million). This was due to the main following reasons:
 - Revenue from satellite and related services in Q1/2017 was Baht 1,956 million, a decrease of Baht 438 million or 18.3% compared to Baht 2,394 million in the same period of last year. The overall transponder utilization rate of conventional satellites decreased significantly, mainly because of the churn of Thai major clients from Q2/2016 onwards, together with the decrease of revenue from the Thaicom 4 Broadband Satellite in Australia following the decrease of bandwidth usage from the National Broadband Network (NBN) contract.



- Revenue from Internet and media services in Q1/2017 was Baht 807 million, a decrease of Baht 33 million or 3.9% over the same period of last year (Baht 840 million). This was due mainly to revenue decrease from CS Loxinfo Plc (CSL) from Media and Advertising on YellowPages and Voice Info Services and Mobile Content Businesses.
2. The Company's consolidated expenses for Q1/2017 were Baht 2,519 million, an increase of Baht 59 million or 2.4% over the same period of last year (Baht 2,460 million). This was due to the following reasons:
- Cost relating to satellite and related services in Q1/2017 was Baht 1,383 million, an increase of Baht 97 million or 7.5% from Baht 1,286 million in Q1/2016. This was because of the cost relating to the Thaicom 8 Satellite such as depreciation and in-orbit insurance and the increase in percentage of the revenue sharing under Agreement for Operation of Domestic Communication Satellites (Concession Agreement) to Ministry of Digital Economy and Society from 20.5% to 22.5% (maximum rate) since 11 September 2016 according to the terms and conditions of the Concession Agreement, offsetting with the decrease of operating fees, the revenue sharing.
 - Cost relating to Internet and media services in Q1/2017 was Baht 514 million, a decrease by Baht 17 million or 3.2% from Baht 531 million in Q1/2016, This was because of the decrease of cost of sales and services from CSL, mainly from Media and Advertising on YellowPages and ICT businesses.
 - Selling and administrative expenses in Q1/2017 were Baht 543 million, a decrease of Baht 53 million or 8.9% compared to Baht 596 million in Q1/2016. This was due mainly to the decrease of provision for doubtful debts for the satellite business, significantly resulting from the additional provision recorded according to conservative basis for a customer under rehabilitation, amounting Baht 84 million during Q1/2016.
 - Finance costs were Baht 106 million in Q1/2017, an increase of Baht 36 million, or 51.4%, compared with Baht 70 million in Q1/2016. This was the additional interest expense of the Thaicom 8 project which has commercialized since Q3/2016, offsetting with the decrease of interest expense of short-term loans since the Company already had repaid all short-term loans for both the satellite business and the loan for Lao Telecommunications Co., Ltd. (LTC)'s concession extension.
3. Share of profit of investment in joint ventures for Q1/2017 was Baht 24 million, a decrease of Baht 17 million or 41.5% from Baht 41 million in Q1/2016. This was contributed by an increase of withholding tax from dividend received from LTC, together with one-time adjustment of unearned income from revenue of prepaid service. Excluded the one-time item, normalized share of profit for Q1/2017 was Baht 44 million, increased from Q1/2016.



4. Net profit of Q1/2017 was Baht 259 million, a decrease of Baht 441 million or 63.0% from Baht 700 million for Q1/2016. This was mainly contributed by the decrease of sales and service revenue from both satellite business and Internet and media businesses, together with costs relating to the Thaicom 8 Satellite, and the decrease of share of profit of investment in joint venture.

Yours faithfully,

(Mr. Vuthi Asvasermcharoen)
Chief Financial Officer
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