THAICOM Public Company Limited

23rd August 2014

at Le Meridien Chiang Mai Hotel

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Agenda

- Thaicom…Who We Are
- Financial Highlight
- Moving Forward
- Appendix



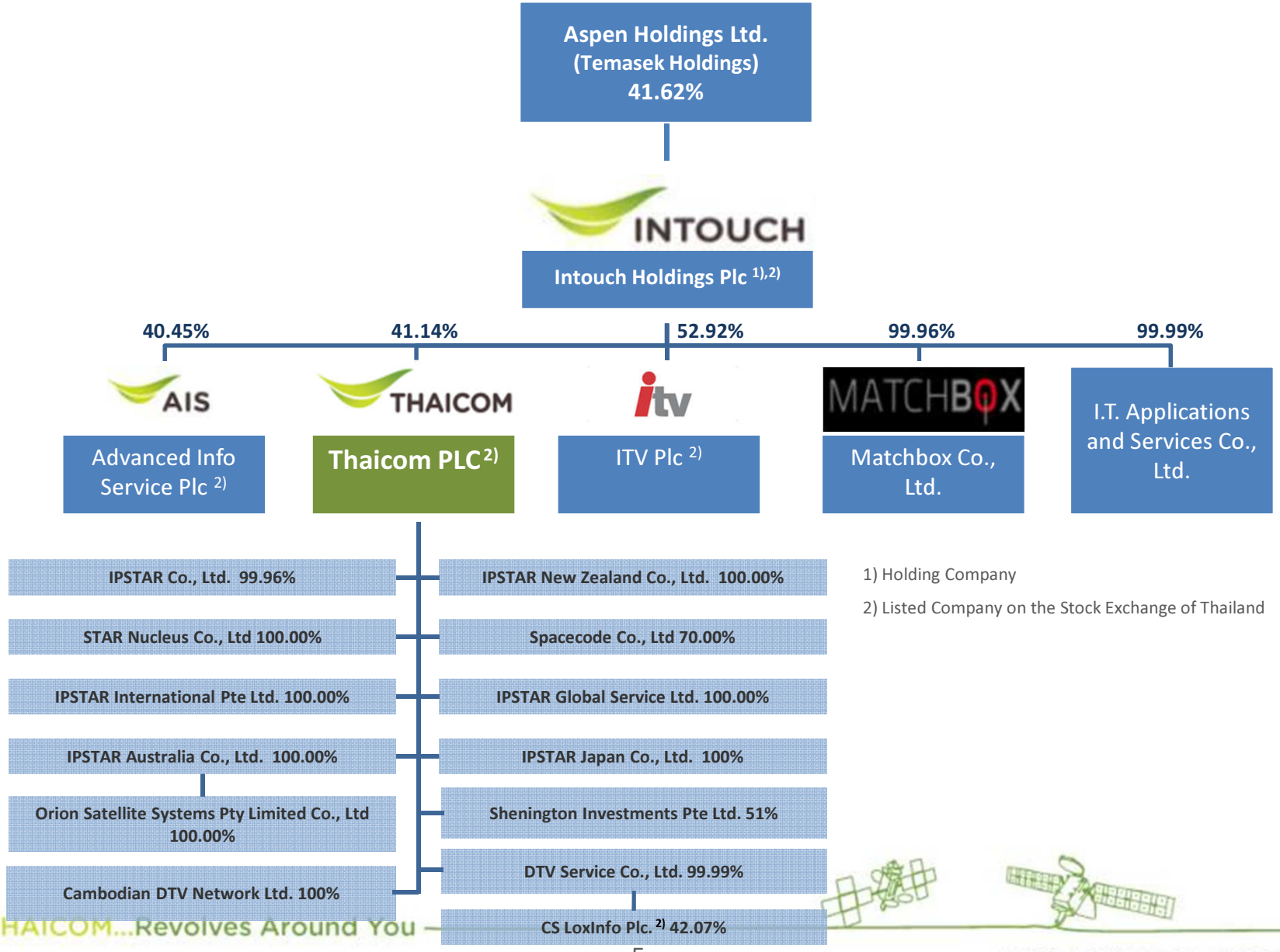
Who We Are

Our Company



- Thaicom Public Company Limited (formerly named Shin Satellite) was founded on 7th November 1991, part of Intouch Holdings Public Company Limited
- His Majesty King Bhumibol Adulyadej of Thailand graciously named the first national communications satellite, “THAICOM” which stands for “Thai Communications”.

Shareholding Structure



1) Holding Company

2) Listed Company on the Stock Exchange of Thailand

As of July 2014

Our Business Operations

Satellite:



Conventional Satellite



Broadband Satellite

Telephone:

LAO TELECOM



Regional Mobile Phone

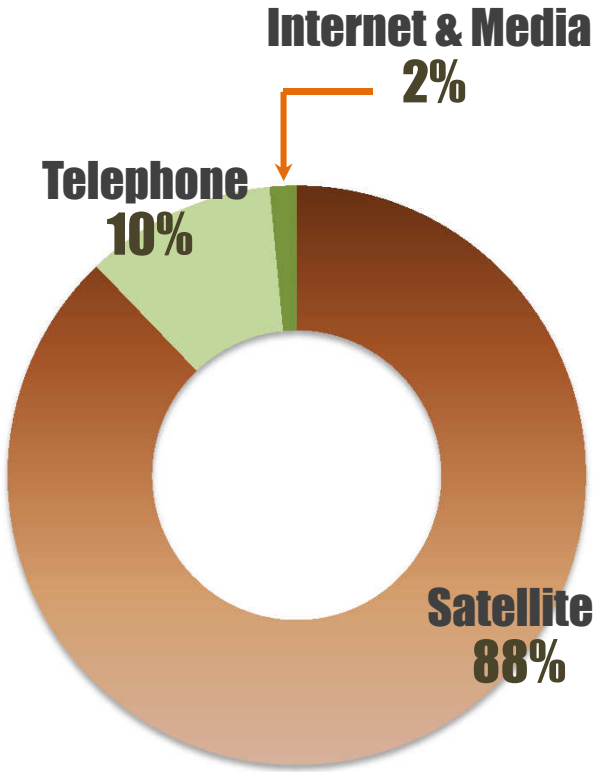
Internet and Media:

DTV



Platform Satellite TV

Revenue Contribution



*As of June 2014

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Our Satellite Fleet



THAICOM 1A
Launched: 1993
De-orbited: 2010



THAICOM 2
Launched: 1994
De-orbited: 2010



THAICOM 3
Launched: 1997
De-orbited: 2006

THAICOM 4, 5 & 6 operate under concession, whereas THAICOM 7 & 8 operate under 20-year license scheme.



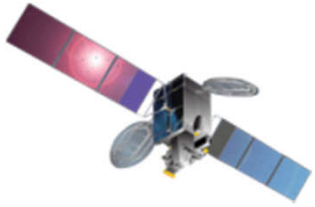
THAICOM 4
Launched: 2005
Utilization: 54%*



THAICOM 5
Launched: 2006
Utilization: 100%*



THAICOM 6
Launched: 2014
Utilization: 68%*



THAICOM 7
Target Launch: 3Q'14
Presale utilization: 50%*



THAICOM 8
Target Launch: 1H'16



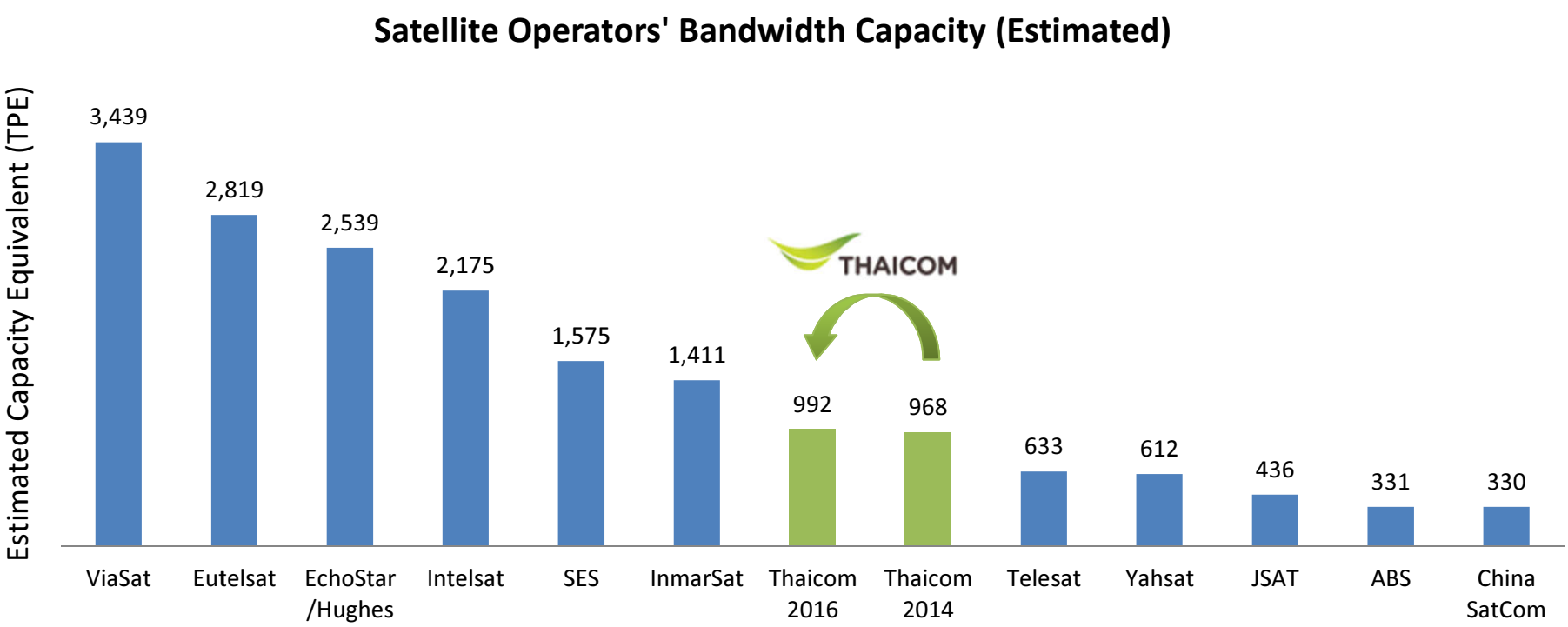


*As of June 2014

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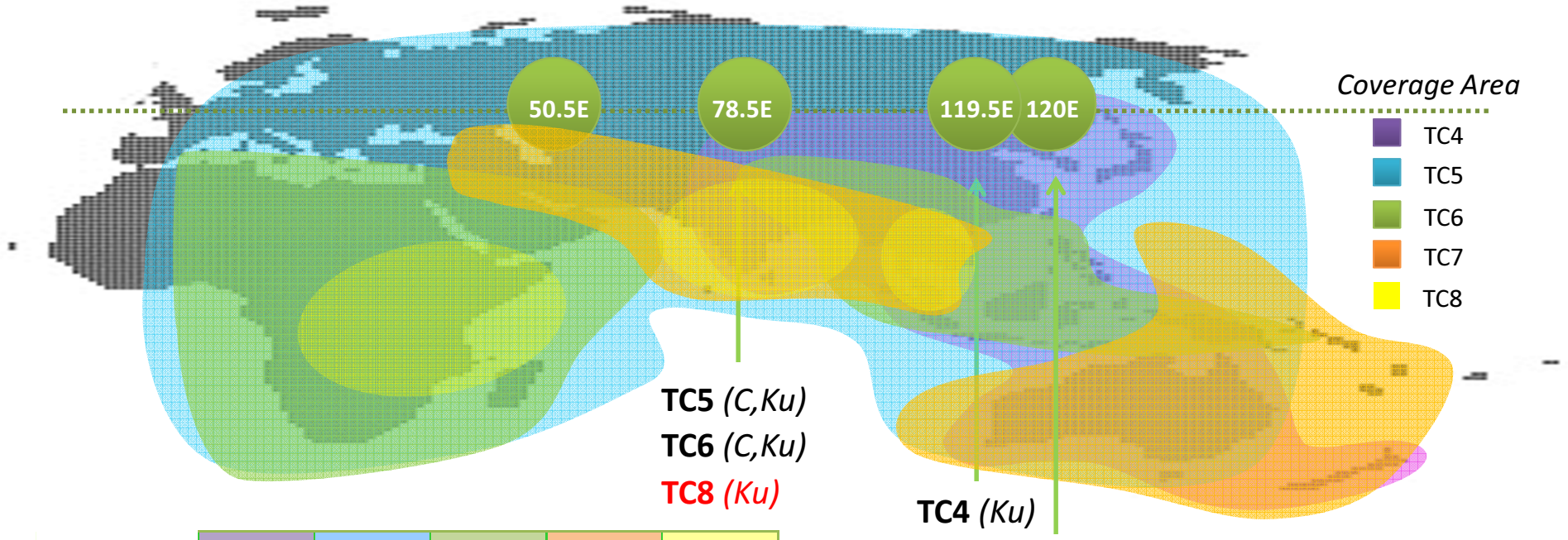
Our Capacity

Largest Satellite Operator in Asia Pacific (7th Globally)



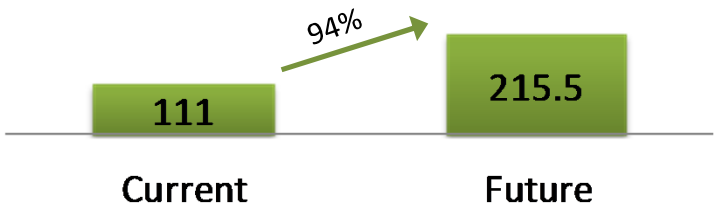
Note:
** Thaicom's capacity Y2014 includes THAICOM 4 , THAICOM 5, THAICOM 6 and THAICOM 7 satellites*
*** Thaicom's capacity Y2016 includes THAICOM 4 , THAICOM 5, THAICOM 6, THAICOM 7 and THAICOM 8 satellites*
**** Other satellite operators' capacities (estimated) are as of July 2014*
***** TPE = 36MHz transponder equivalent*

Our Satellite Footprints



	TC4		TC5		TC6		TC7		TC8	
	119.5°E		78.5°E		78.5°E		120°E		78.5°E	
	C	Ku	C	Ku	C	Ku	C	Ku	C	Ku
Indochina	-	✓	✓	✓	✓	✓	✓	-	-	✓
SEA	-	✓	✓	-	✓	-	-	-	-	-
South Asia	-	✓	✓	-	-	-	✓	-	-	✓
North Asia	-	✓	✓	-	-	-	-	-	-	-
Australasia	-	✓	✓	-	-	-	✓	-	-	-
ME, Africa	-	-	✓	-	✓	-	-	-	-	✓
Total TPE	881		40		33		14		24	

Revenue from Conventional Satellites (MUSD)[2]



Note:

1. *TPE = 36 MHz transponder equivalents*
2. *Compare Current (2013) and Future (estimated future revenue after TC7 & TC8 are fully utilized) revenues from conventional satellites*

Our Broadcast Services

Asia's "Hot Bird" for Satellite TV

Covering More than

120

COUNTRIES



Hosting

677 (116 HD)

SATELLITE TV CHANNELS

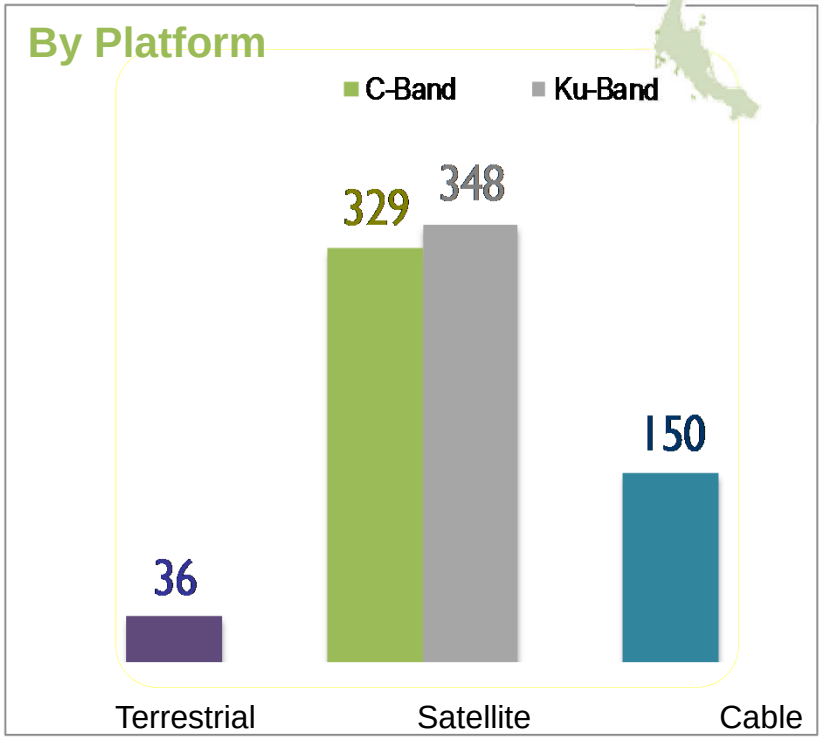
No.1 in Thailand and Indochina

A key player in South Asia



16 Million viewers or

70% of total TV HOUSEHOLDS



Remark: As of 1H14 *Source : Thaicom PLC, Value Partners, Casbaa*

Our Broadband Services



PRESENCE in

13 COUNTRIES

17 GATEWAYS

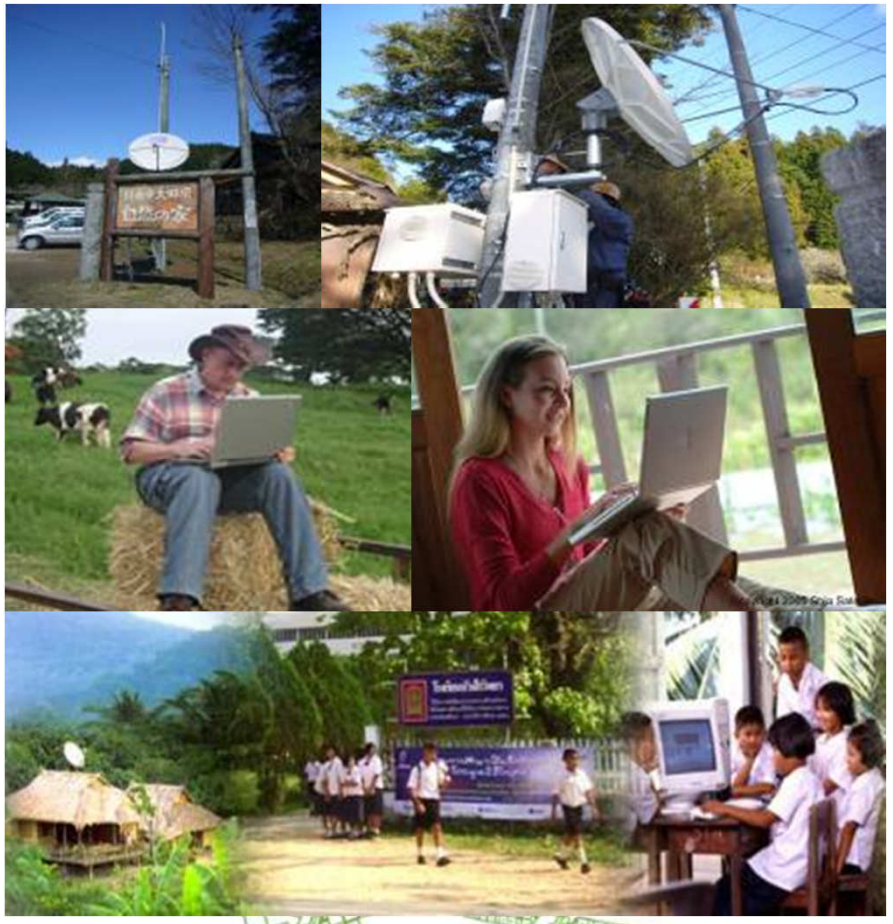
5,000 small-cell 3G sites in Japan

90,000 broadband users in Australia and New Zealand

26,000 schools & **5,500** rural telephony project sites in Thailand

6,000 communities/villages/schools in Malaysia

The first and only High Throughput Satellite (HTS) in Asia Pacific



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The Journey's Just Begun…

THAICOM







Profit Turn Around

2011

NBNCo Bringing broadband to life

MEASAT

HD

TC6

In Pursuit of Growth

2012

中国电信 CHINA TELECOM

NTT docomo

KDDI

SYNERTONE

eAccess

AFRICOM-1

SoftBank

TC7

Sustainable & Profitable Growth

2013

Excellent CG Scoring 2013

Gilat

SYNERTONE

TOT

ROW 44

Kantana

SOLUTION

THAICOM...Revolves Around You

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2014 New Frontiers



Our New Frontiers

- New birds: TC6, TC7, TC8
- New territories: Africa, South Asia
- New solutions: Mobility, CDN
- New partnerships: Gilat, Global Eagle
- New standards: HD, UHD, DTT
- New investments: Orion Sat
- New contributions: NASA, TC 10K





Our Awards & Distinctions

SPACENEWS A Breakout Year: Top Fixed Service Satellite Operators (2013)

MIC Ministry of Internal Affairs and Communications — IPSTAR Receive an Award from Japan's MIC on Radio Wave Day (2012)

EUROMONEY Asia-Pacific Communications Deal of the Year 2011 – Thaicom 6 (2012)

2010/2011 Board of the Year Award for Distinctive Practices (2012)

Top Operators World Teleport Association — Corporate Social Responsibility Award from the World Teleport Association (2011)

IR magazine — Certificate of Excellence, Best investor relations by a Thai company (2009)

IOD Thai Institute of Directors

2013 Board of the Year Award



FinanceAsia

Thailand's...

- 1 Best Mid-Cap Company
- 1 Best CEO
- 6 #6 Best CSR

Corporate Governance Score

THAICOM

Excellent CG Scoring 2013

Our Awards and Distinctions

A new component in the SET50 Index

Top 50 ASEAN CG Scorecard



A- with Stable outlook

Rank #10 in Global Top Fixed Satellite Service Operators

SPACENEWS The List | 2013 Top Fixed Satellite Service Operators

Rank	Company	Location	2013 Revenue	2012 Revenue	Satellites in Orbit	Satellites on Order
1	Intelsat	Luxembourg	$2.64 billion	$2.61 billion	55	7
2	SES	Luxembourg	$2.56 billion	$2.41 billion	55	3
3	Eutelsat	France	$1.79 billion	$1.66 billion	37	6
4	Telesat	Canada	$838.6 million	$846.0 million	10	1
5	Sky Perfect Jsat	Japan	$594.9 million	$659.4 million	16	3
6	Arabsat	Saudi Arabia	$341 million	$300.5 million	6	1
7	Star One	Brazil	$330 million	$315 million	7	2
8	SingTel Optus	Australia	$281 million	$341 million	4	1
9	Hispasat	Spain	$277.3 million	$264.4 million	7	2
10	THAICOM	Thailand	$245.8 million	$239.7 million	3	2
11	China Satcom	China	$230 million	$205 million	11	2
12	AsiaSat	Hong Kong	$193.4 million	$243.2 million	4	3
13	Nilesat	Egypt	$180.9 million	$165.8 million	2	0
14	Russian Satellite Communications Co.	Russia	$176.8 million	$209 million	11	4
15	Indian Space Research Organisation	India	$170 million	$160 million	8	5

Rank #3 in terms of Revenue per Satellite

Financial Highlights

Overall Performance

THCOM share performance relative to Thailand SET % Growth 2008 – 2014



THCOM Share Performance:

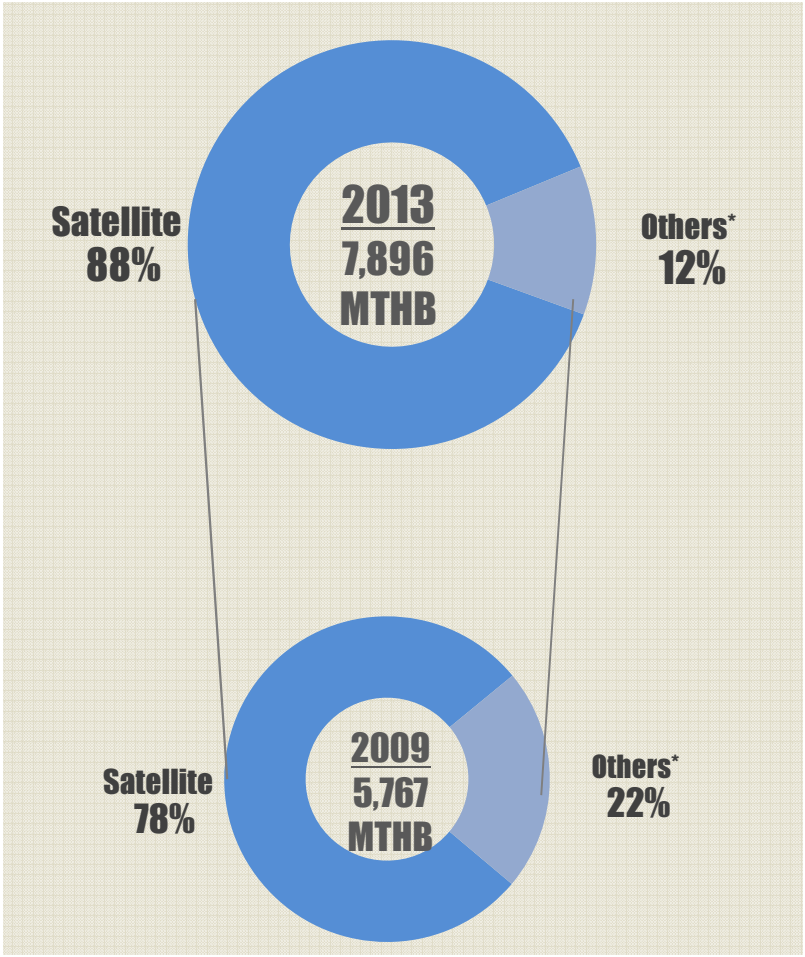
Overview

Share price*:	39.25 Bht or ~ 1.23 USD
Diluted Shares Outstanding:	1.096 billion shares
Market Cap:	43.01 billion Bht or ~1.35 billion USD
BV/share	14.03 Bht or ~ 0.42 USD
PBV	2.80

*As at 20 Aug 2014
1 USD = 31.85 THB

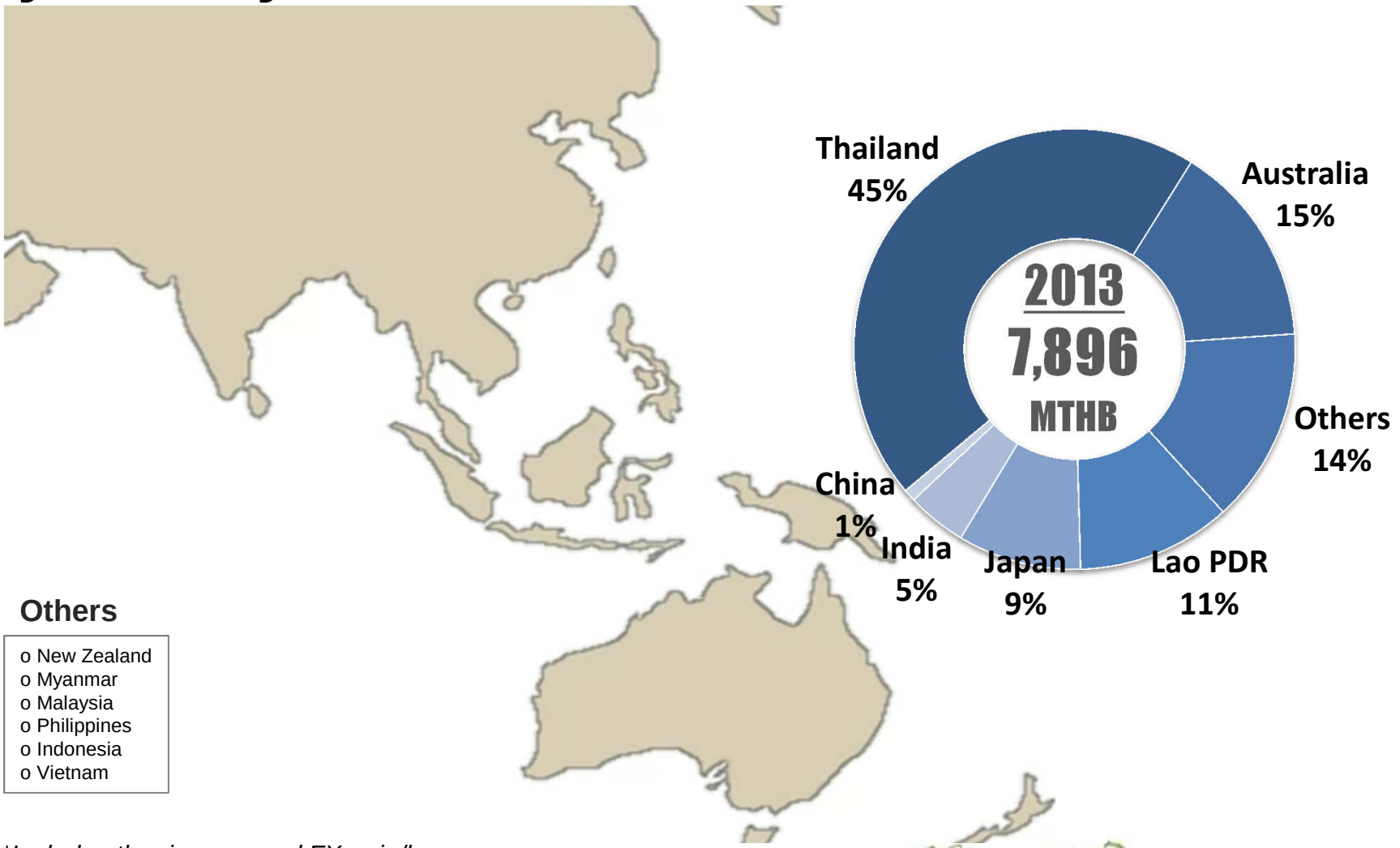
% Revenue break up 2009 vs. 2013:

Core satellite business contribution to revenue is increasing



** Excluding revenues from discontinued operation (Mfone)*

Consolidated revenues contribution by country



Others

- o New Zealand
- o Myanmar
- o Malaysia
- o Philippines
- o Indonesia
- o Vietnam

**Include other income and FX gain/loss*

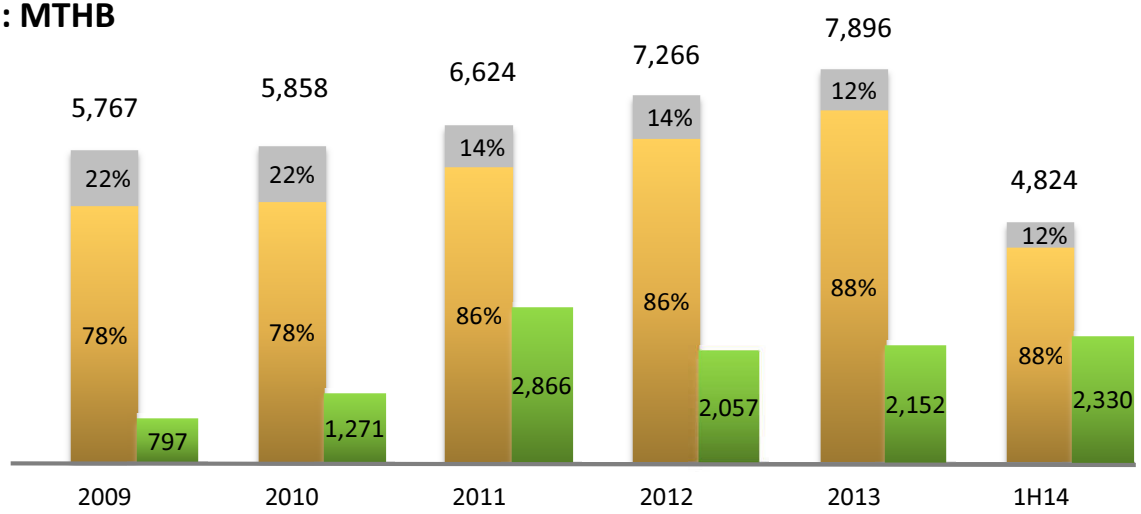
Bottom Line Grew Significantly from Satellite Performance

Revenue grew continuously with strong cash flow.

Y2011, ending cash increased due to TC6 loan drawdown and dropped in Y2012 due to bond repayment.

Consolidated Sale & Services Revenues

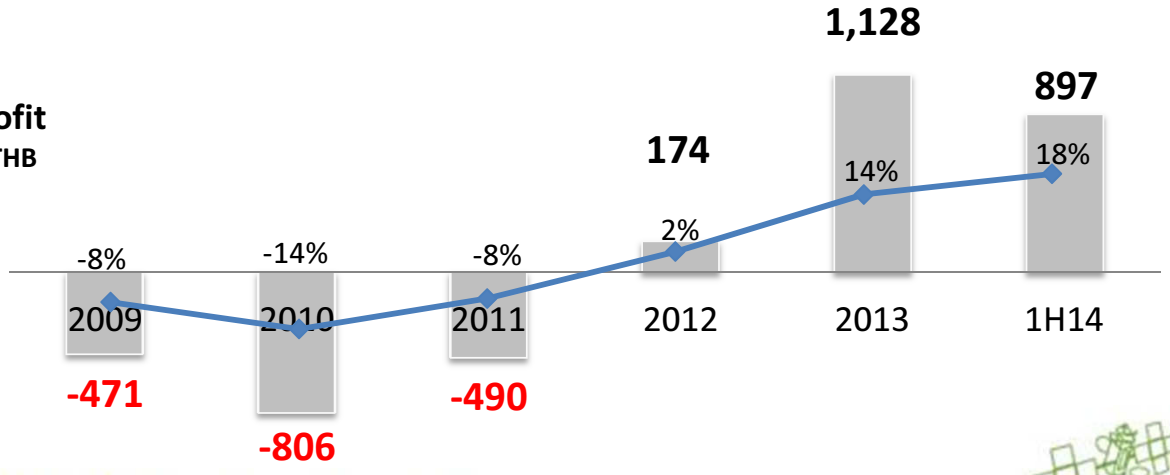
Unit: MTHB



Net Profit

Unit: MTHB

Continuously improvement of net profit margin.

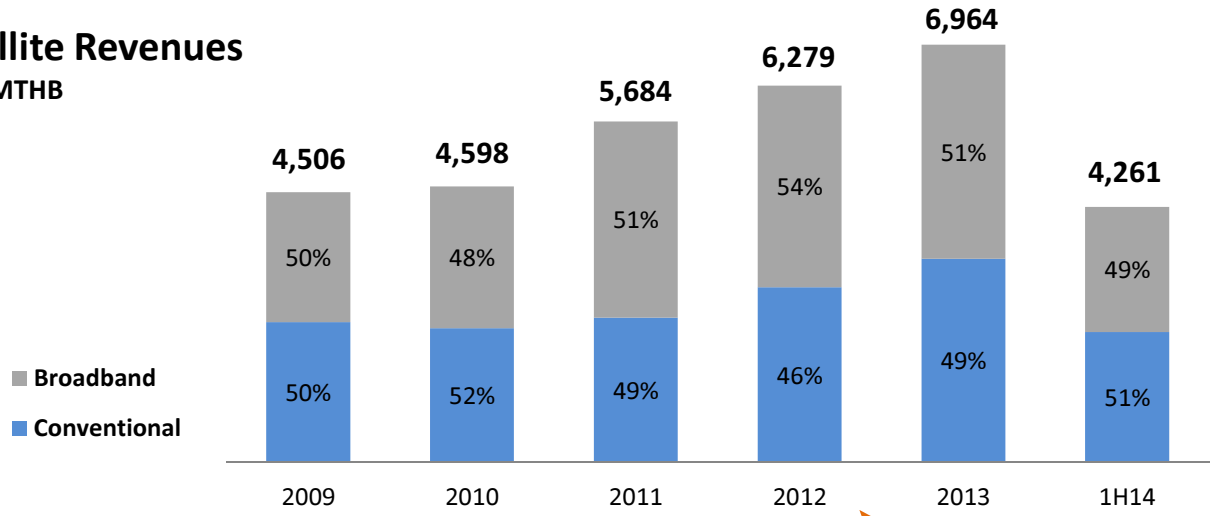


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Strong Satellite Performances with Improving Margin

Satellite Revenues

Unit: MTHB

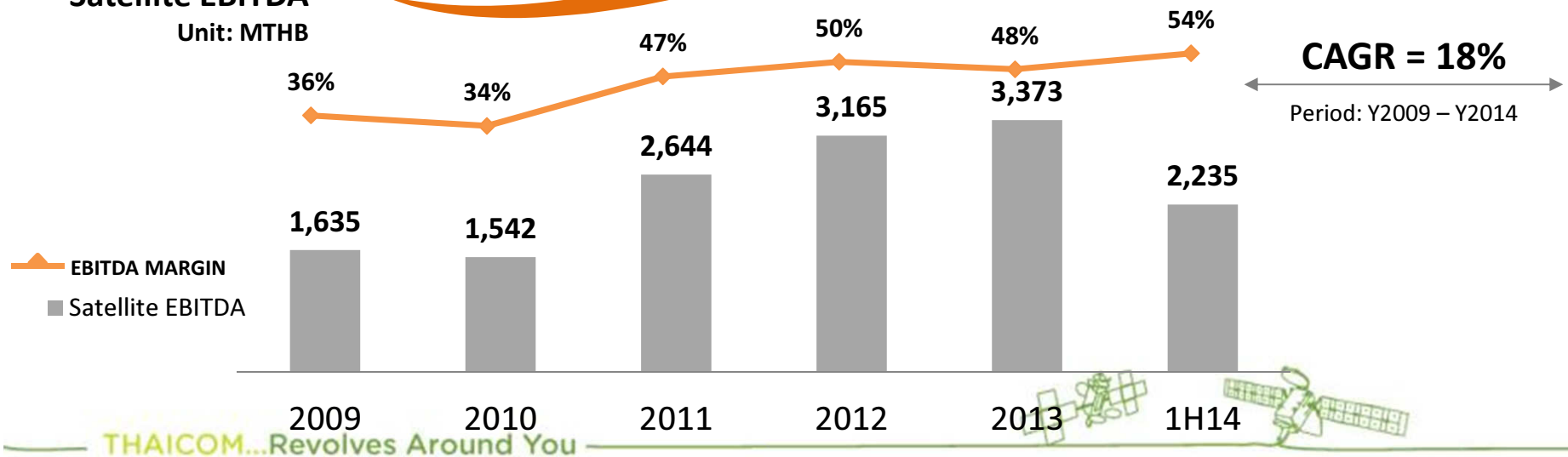


Y2011, EBITDA improved since revenue growth significantly from broadband market expansion in Australia and Malaysia, together with effective cost management.

Y2013, EBITDA Margin dropped to 48% due to cost of interim satellite

Satellite EBITDA

Unit: MTHB



CAGR = 18%

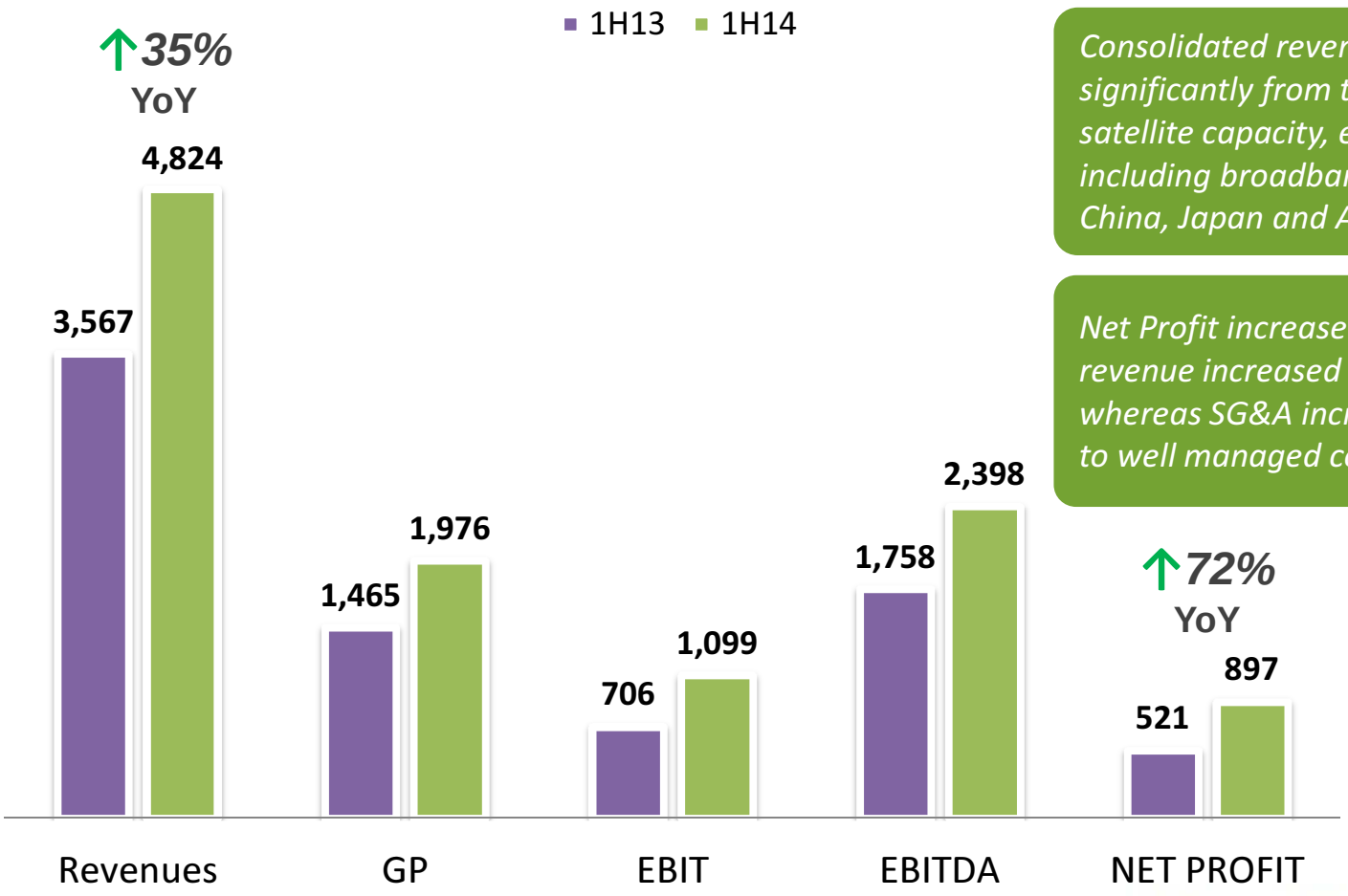
Period: Y2009 – Y2014

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1H14: Top & Bottom lines grew significantly

Key Financial Highlights (Consolidated.)

:MTHB

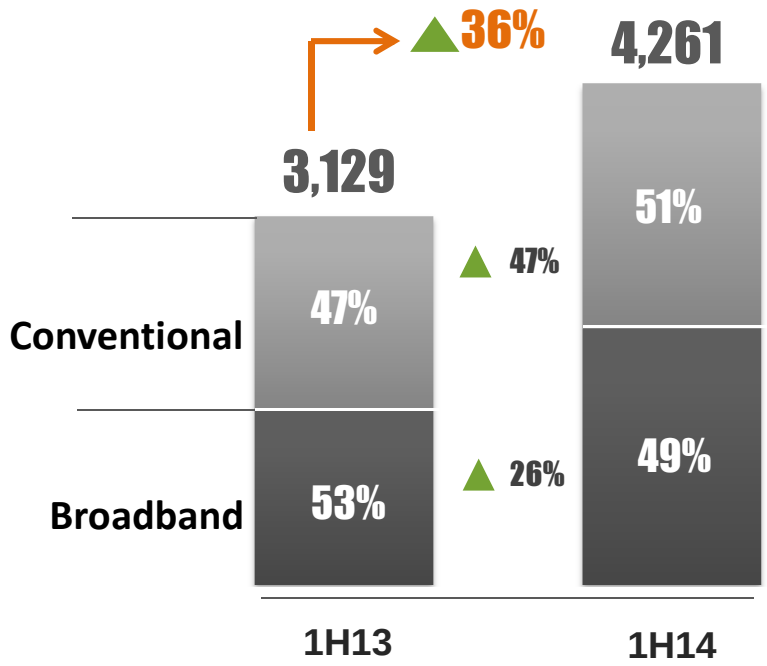


Consolidated revenue grew significantly from the demand on more satellite capacity, especially for TC6, including broadband revenue from China, Japan and Australia

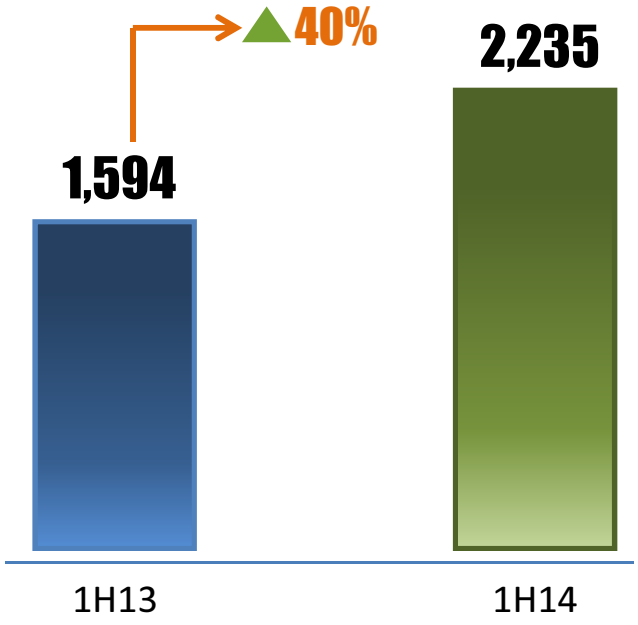
Net Profit increased 72% YoY since revenue increased considerably whereas SG&A increased only 8% due to well managed costs.

1H14: Strong revenue growth led by conventional satellite at 47% YoY

Satellite Revenues MTHB



Satellite EBITDA MTHB



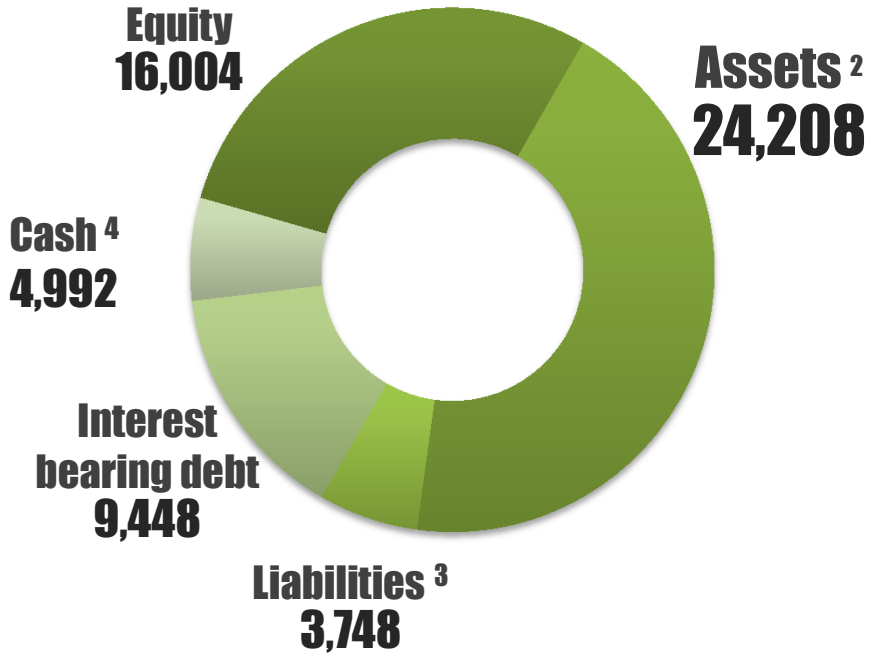
Conventional revenue boost up from TC6

Satellite EBITDA increase 40% YoY

1H14: Financial position remains strong

D/E Ratio at 0.59x [1]

Unit: MTHB



1. Interest-bearing Debt / Equity
2. Exclude Cash and Current Investment
3. Exclude Interest-Bearing Debt
4. Include current investments from Synertone shares and B/E, total of 2,662 MTHB.

1H14 results of strong cash from operation

Consolidated CF	1H13*	1H14
CF from Operating	1,962	2,549
CF from Investing	(794)	(2,829)
CF from Financing	(368)	459
Cash Ending	2,880	2,330

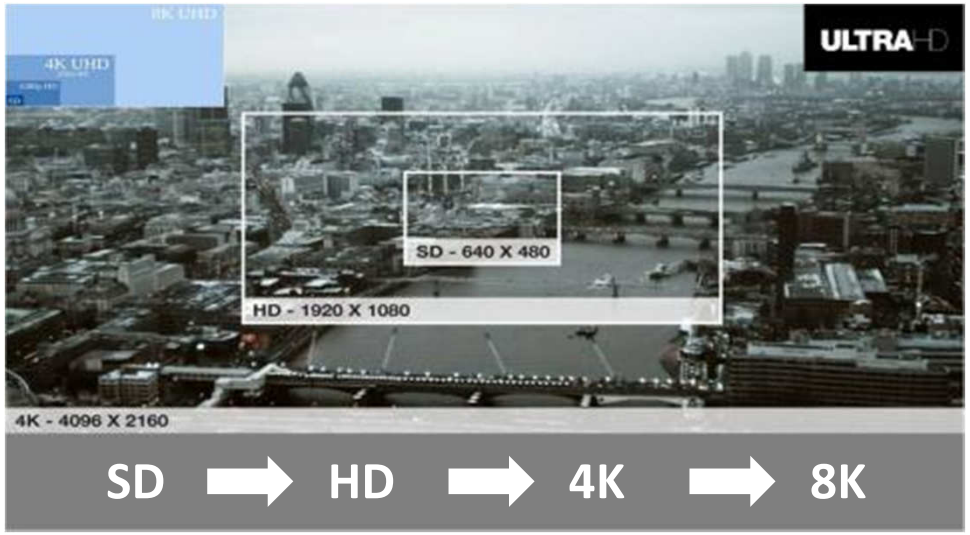
* Restated

Moving Forward

Broadcast Service:

To support HD & Ultra HD broadcasting

Higher Broadcast Resolution

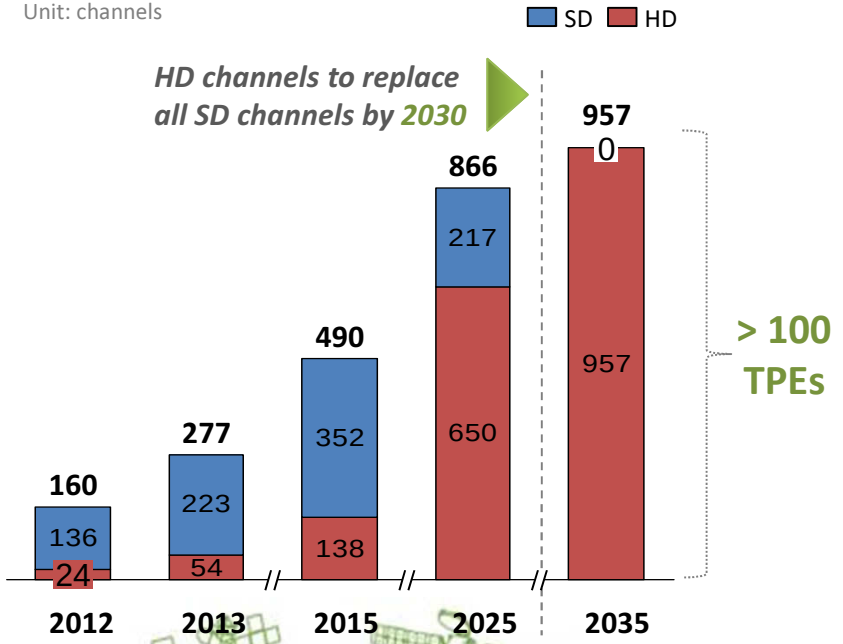


- ✓ Lower TV/IRD costs
- ✓ More households
- ✓ More channels
- ✓ **More demand for satellite bandwidth**

Projected pay DTH channels in Thailand

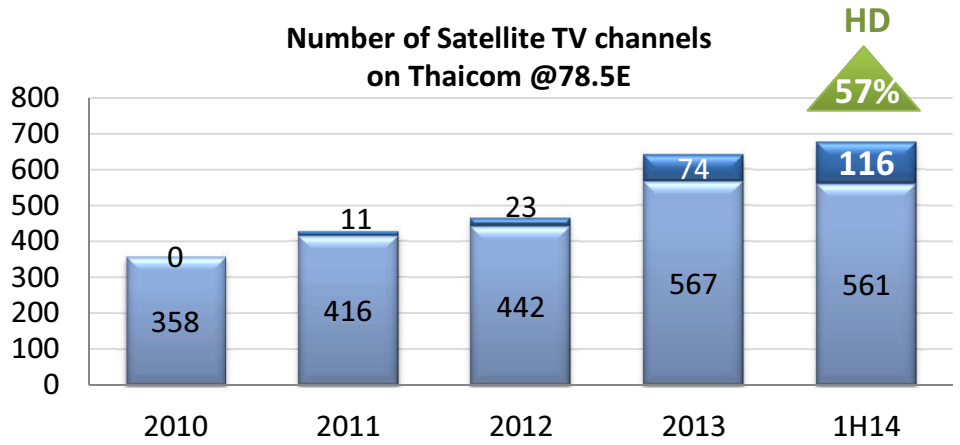
HD channels to grow 45% CAGR, 2012-2020 and 8% CAGR, 2020-2035

Unit: channels



Source : Value Partners

Number of Satellite TV channels on Thaicom @78.5E



Source : Thaicom PLC

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Broadcast Service:

To support HD & Ultra HD broadcasting

French Open (May-Jun): 1st 4K transmissions over DTT network

4K Cable TV (Apr): Korean cable operator UMAX launched the world's first 4K broadcasting services

Channel 4K (Jun): Japan launched the world's first regular 4K television service, via JSAT



Sony transmitted 2 World Cup games, including final, in 4K via a Eutelsat satellite to a Vue multiplex theater in London

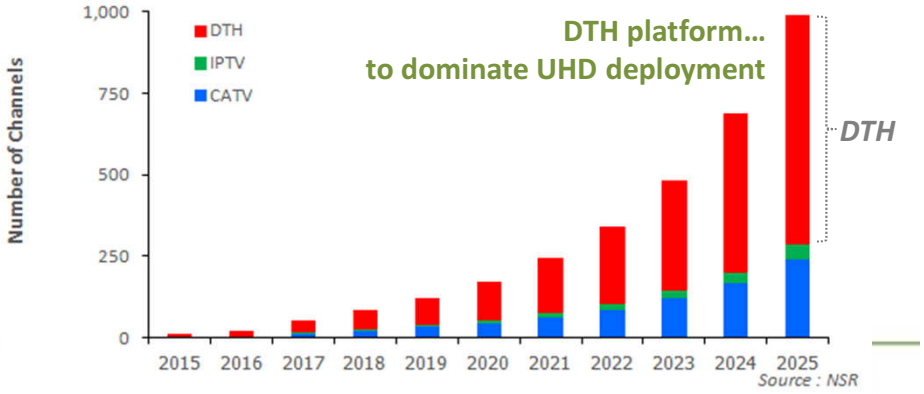
NHK broadcasted 9 World Cup games in 8K to 4 cities in Japan & 3 locations in Rio de janeiro

FIFA 2014 World Cup (Jun-Jul): 3 matches , which include the final, were covered in 4K



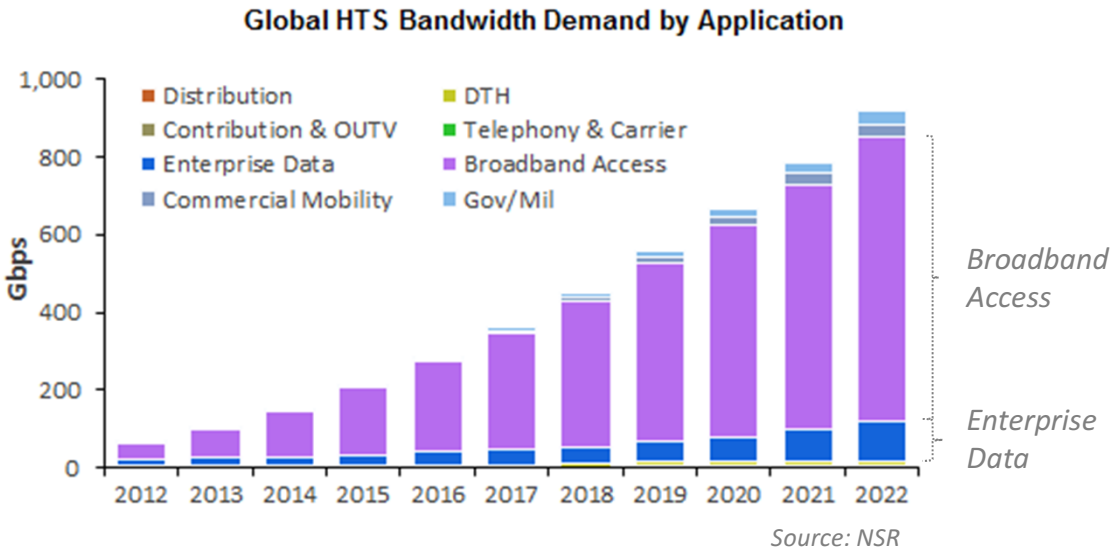
Sony has also partnered with FIFA to produce the official World Cup film in 4K

Global UltraHD via Satellite Channels By Platform - Baseline



Broadband Service:

To support exponential growth in broadband services



Source: NSR

- ✓ More subscribers & consumption
- ✓ More backhaul/offloading
- ✓ Mobility requirements
- ✓ Business continuity concerns
- ✓ **More demand for satellite bandwidth**

Mobility Services:



More Data Consumption



Source: Cisco VNI, 2013
The percentages within parenthesis next to the legend denote the relative traffic shares in 2012 and 2017.

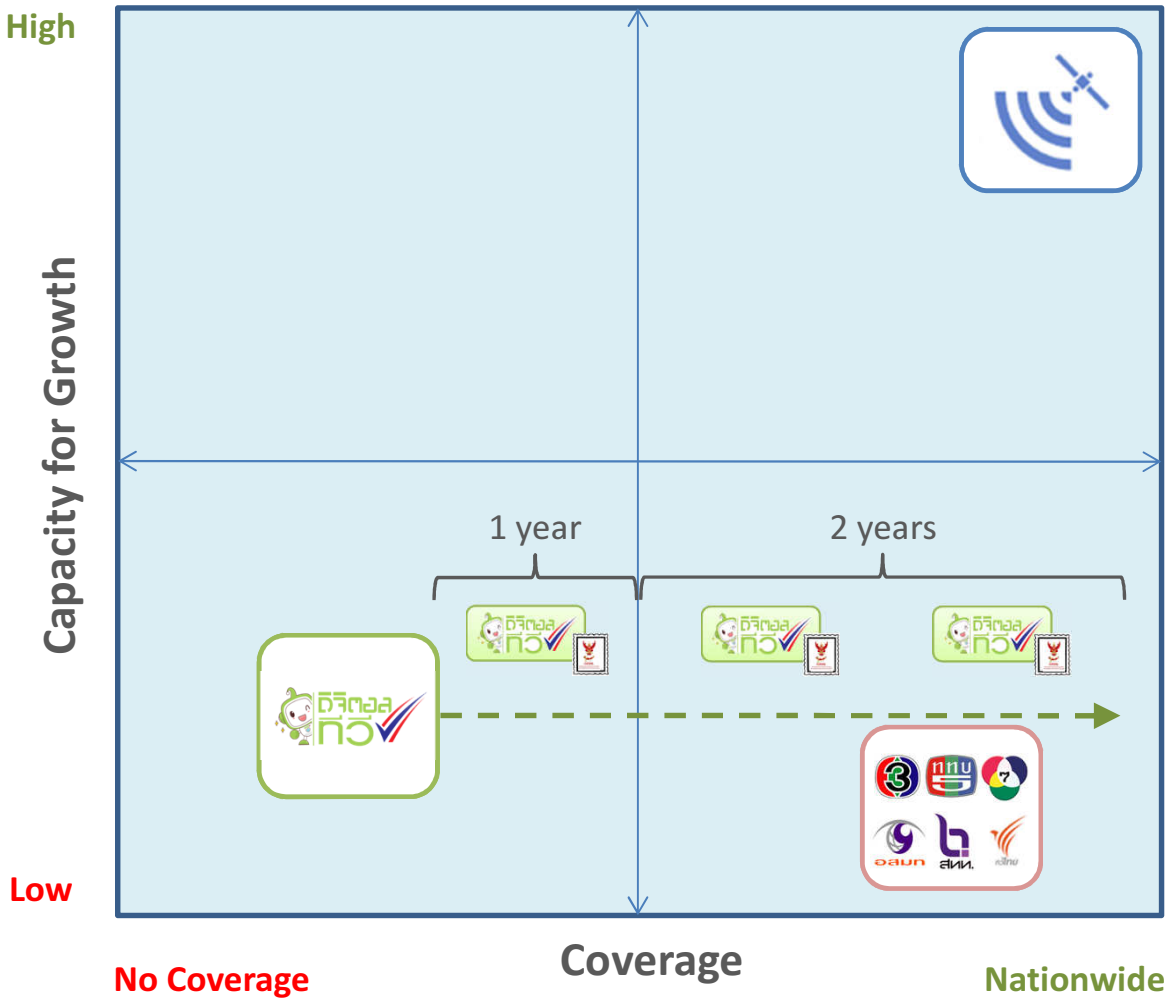
Business Continuity & Resiliency



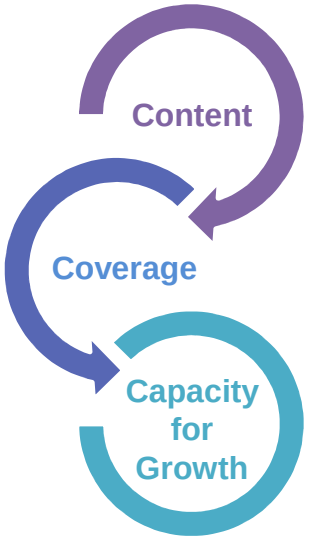
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Broadcast Landscape in Thailand:

Satellite TV Positioning

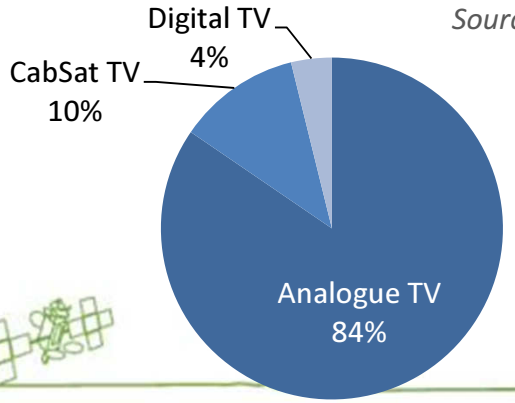


Key Success Factors



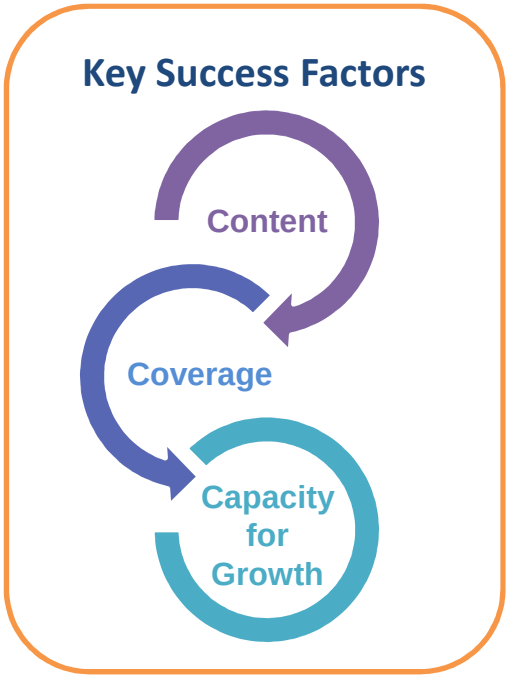
Ads Revenue Share (Jan-May'14)

Source: Nielsen



Broadcast Landscape in Thailand:

Thaicom's roles to strengthen Satellite TV platform



- ✓ Provide a neutral platform as an incubator for SME satellite TV operators
- ✓ Cooperate with all stakeholders to monitor content on satellite TV platform
- ✓ Support a proper TV rating system for satellite TV channels
- ✓ Develop new technology/value-added solutions for satellite TV operators

Broadband Service:

To capture opportunities in markets with headroom for growth

CHINA: ~100%

Main segment: Government project & mobility
Customer: Synertone
Opportunity: Revenue sharing

INDIA: ~20%

Main segment: Enterprise data
Customer: Antrix (BSNL)
Opportunity: Expand enterprise & telco mkts

MALAYSIA: ~55%

Main segment: Government project
Customer: Measat
Opportunity: 100% utilization



Note: % shows utilization over capacity of each country

INDONESIA: ~15%

Main segment: Telco/Gov
Customer: Metrasat/SPs
Opportunity: OAP strategy (for consumer BB) & expand telco mkt

PHILIPPINES: ~10%

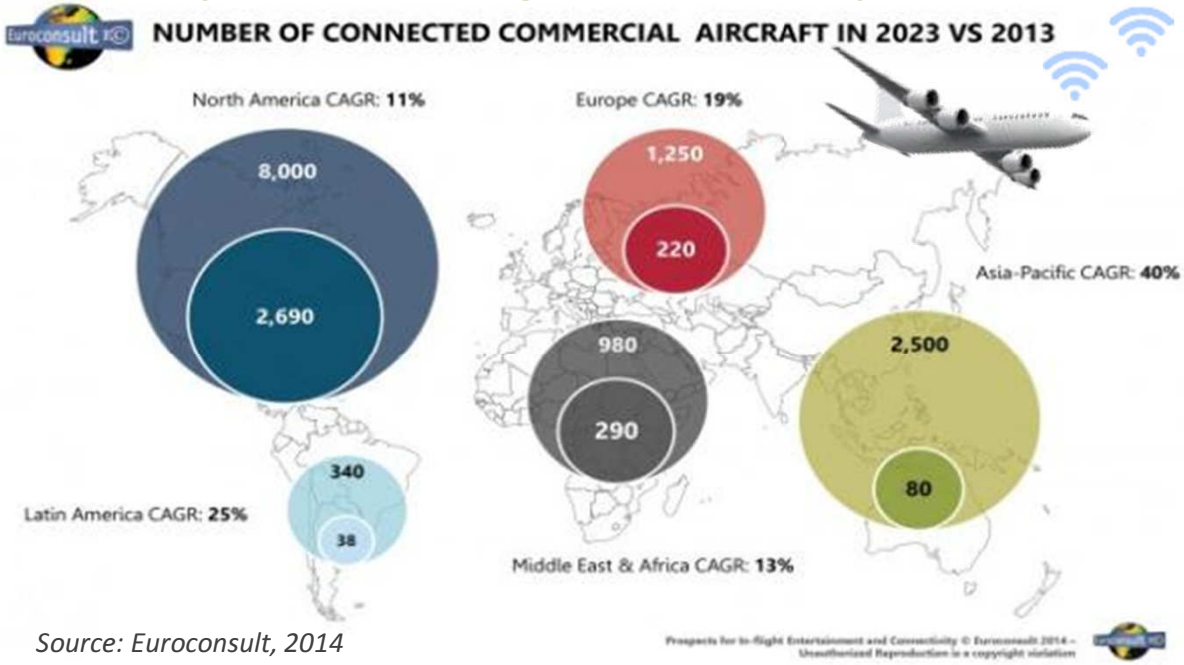
Main segment: Enterprise/Retail
Customer: Service providers
Opportunity: OAP strategy & expand Gov/Telco and BC beam

AUSTRALIA: ~40%

Main segment: Consumer broadband
Customer: NBNCo & ABG
Opportunity: Extend NBN & expand enterprise mkt

Convergence Value Added Service:

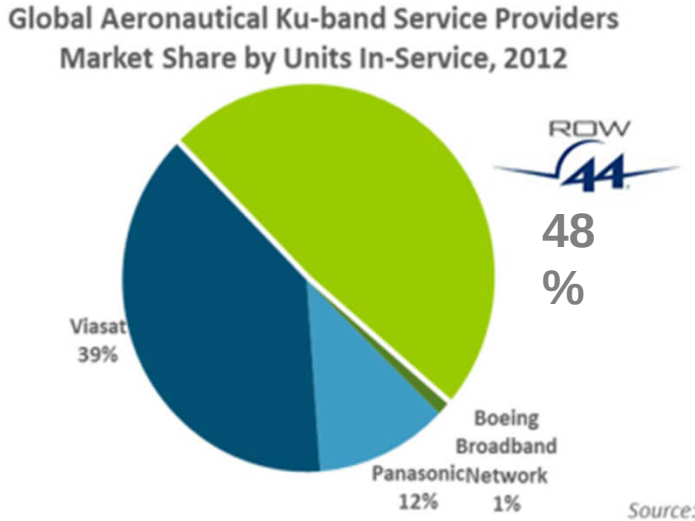
To expand our In-flight Connectivity business



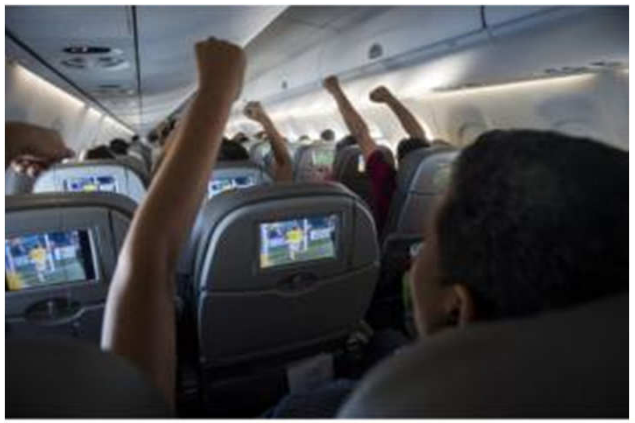
Source: Euroconsult, 2014

Euroconsult's 2013 Figures:

- ✓ **59** airlines (**3,000+** commercial aircrafts) provide IFC through satellite or Air-to-Ground (ATG) networks
- ✓ IFC services generated around **$440** million in revenue from airline passengers



Source: NSR

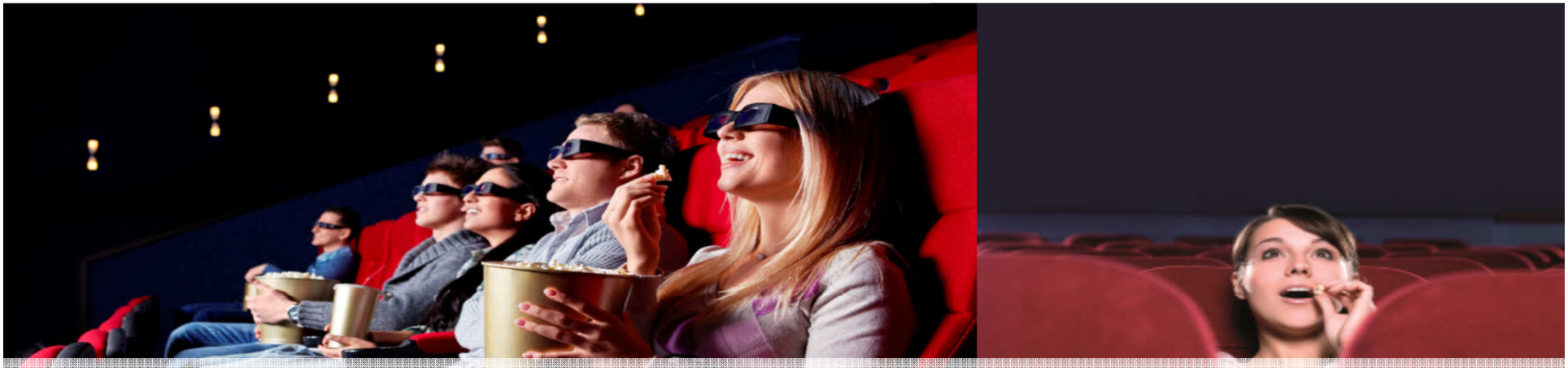


Germany's 1-0 victory over Argentina in the World Cup final was watched in real-time by **40,000** airline passengers

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Convergence Value Added Service:

To expand our end-to-end Content Delivery Network solutions



First to provide Digital Cinema Package (DCP) delivery, an end-to-end digital distribution of Hollywood movies to cinemas, in Asia-Pacific; expected the service to start in Q4'14



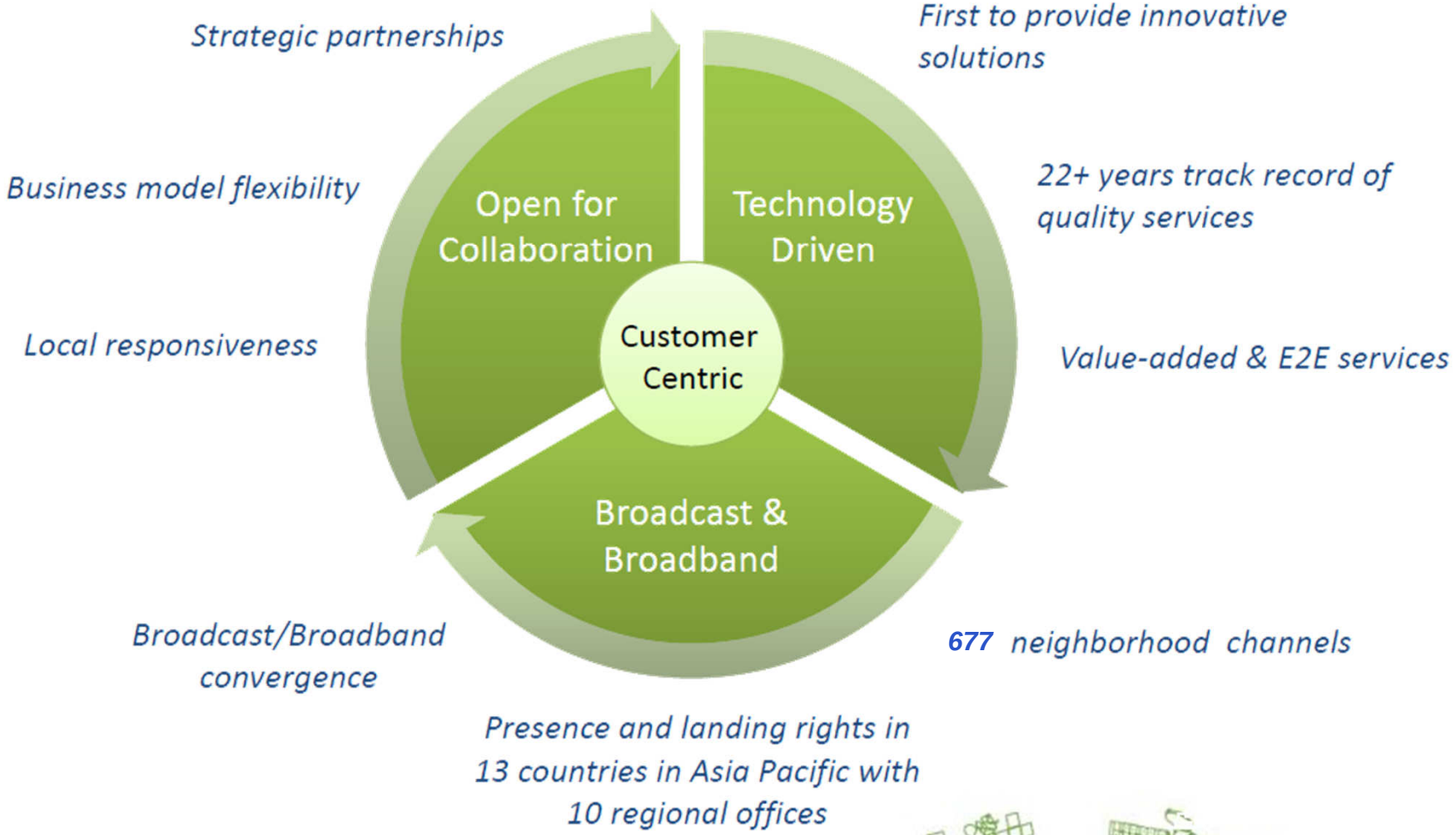
*Our **first** commercialized end-to-end 2nd Screen solution, MConnect for MCOT*


2014 NEW FRONTIERS
to be a Leading Asian Satellite Operator

Appendix

Our Positioning

Unique Value Proposition



THAICOM PLC. Proprietary & Confidential

Our Services: Broadcast

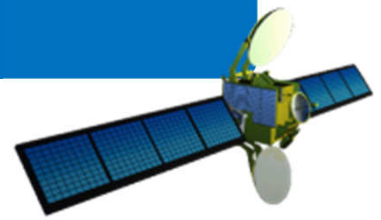


Conventional Satellite:

THAICOM 5 and THAICOM 6 @78.5E

THAICOM

Asia's "Hot Bird" for Satellite TV Platform



- Cover 120+ countries in Asia, Australia, Africa & Europe
- 677 TV channels (116 HD channels)
- 16 million households in Thailand
- No.1 in Thailand and Indochina countries
- One of the key players in South Asia

and more…



Conventional Satellite

Key Market Segments





Broadcasting

"National TV Broadcast"

"Direct-to-Home"

"Video Distribution"

"Distance Learning"

"HDTV"

78.5°E – the prime orbital slot for Satellite TV platform

Telecommunication

"Cellular Backhaul"

"VSAT"

"Government Communications"

THAICOM PLC. Proprietary & Confidential

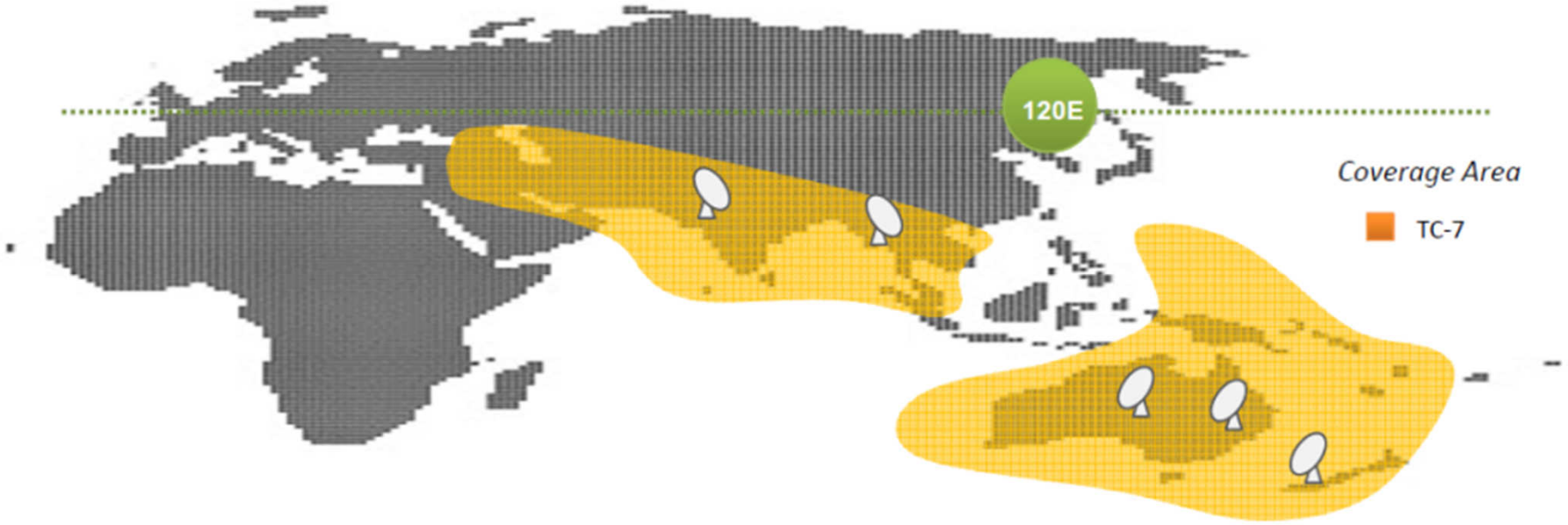
THAICOM 6 Marketing Plan



Africa:

- ✓ Selective markets & solutions
- ✓ Leverage our experiences from Asia market (existing relationships, E2E services/solutions & business flexibility)
- ✓ Long term: boost eyeballs for video contribution/distribution & develop “Hot Bird” strategy

THAICOM 7 Marketing Plan

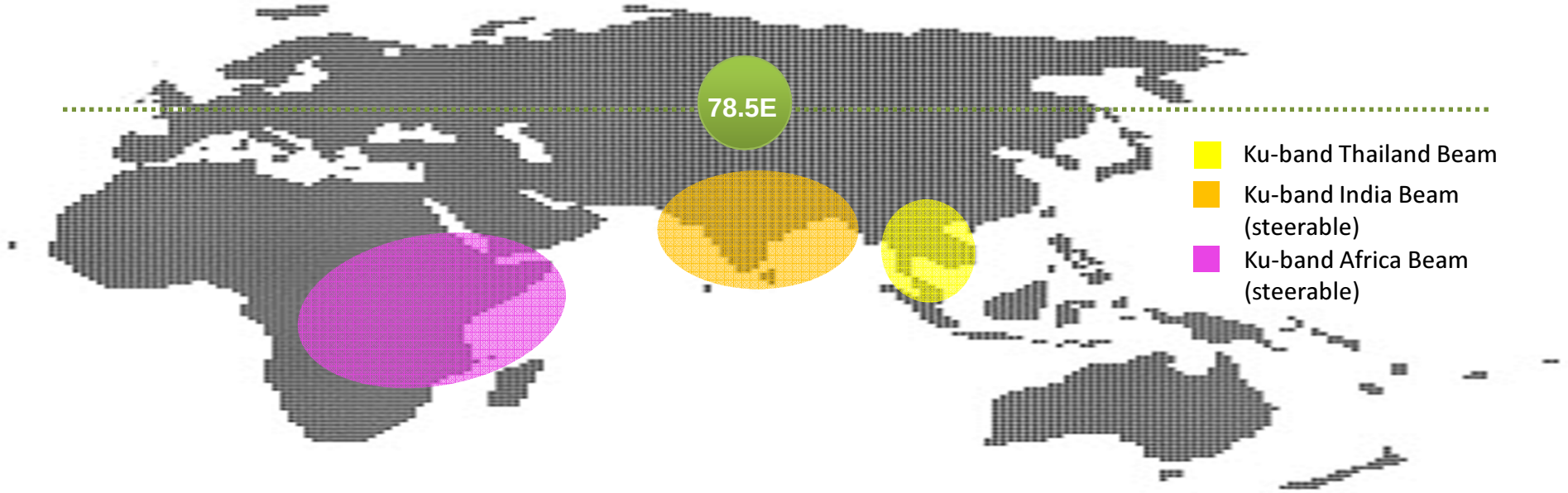


South Asia, Southeast Asia & Oceania:

- ✓ Traffic optimization among THAICOM fleets
- ✓ Selective markets & solutions
- ✓ Content Delivery Network (CDN)
- ✓ Long term: boost eyeballs for video contribution/distribution & develop “Hot Bird” strategy at 120E

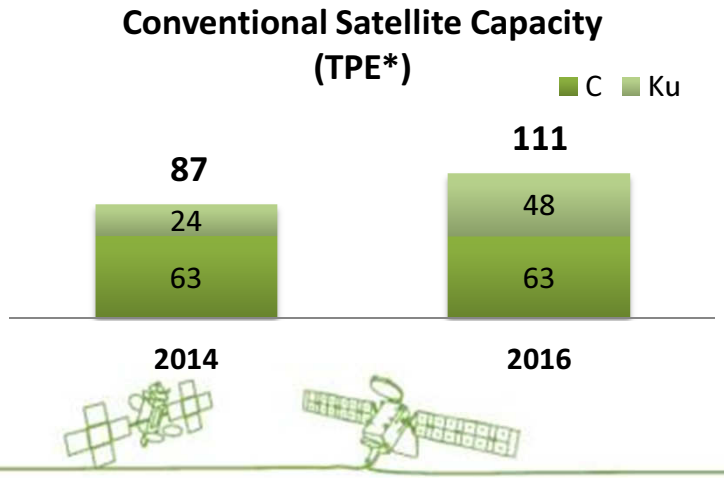
THAICOM 8…Meeting future needs

To double Ku-band capacity in 2016



Manufacturer	: Orbital Sciences Corp.
Launcher	: Space Exploration Technologies Corp.
Orbital Slot	: 78.5°E
Capacity	: 24 Ku-band transponders
Lifetime	: 16 years
Target Launch	: mid 2016 (estimated)

Note: TPE = 36 MHz transponder equivalents

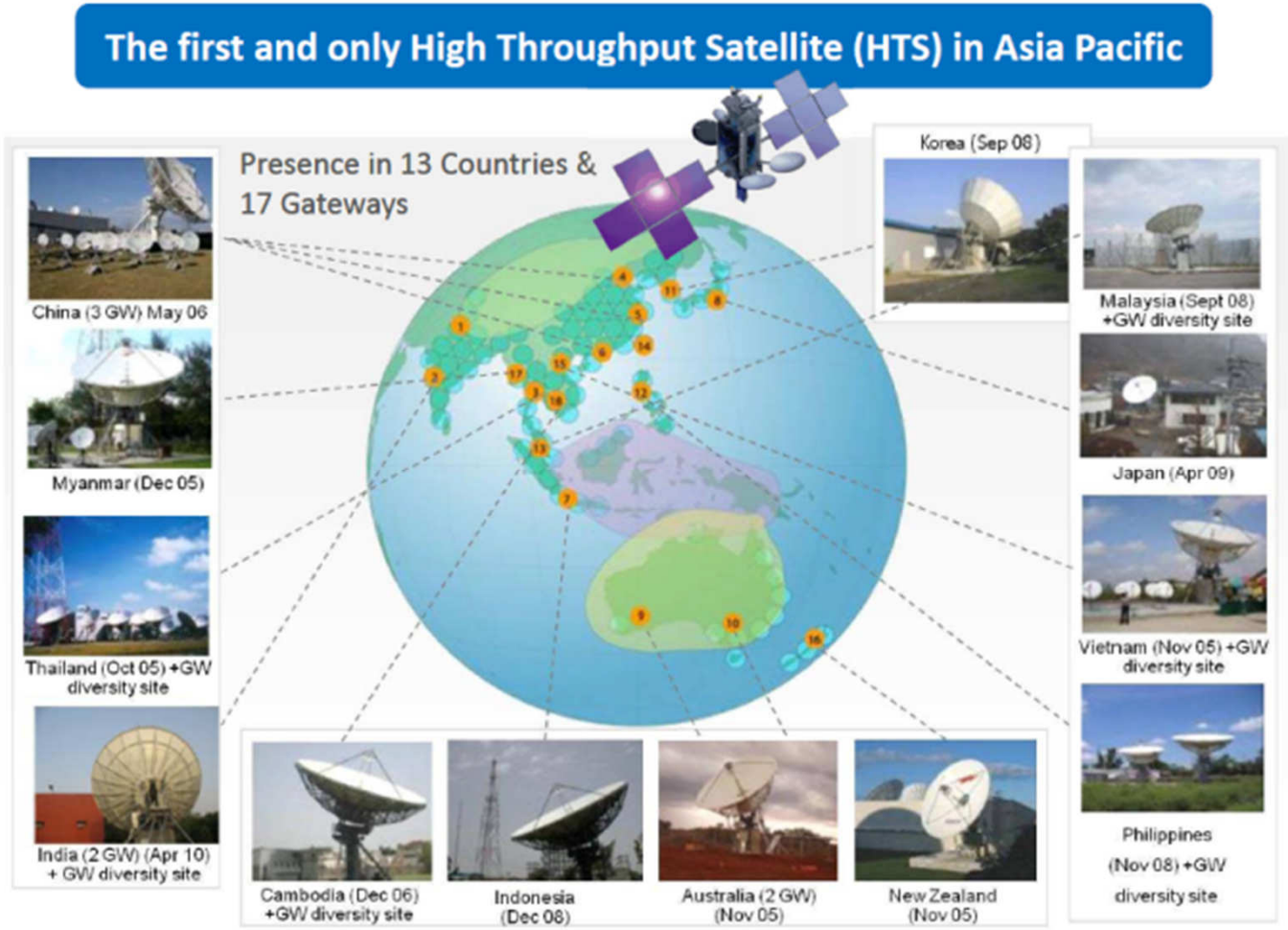


Our Services: Broadband

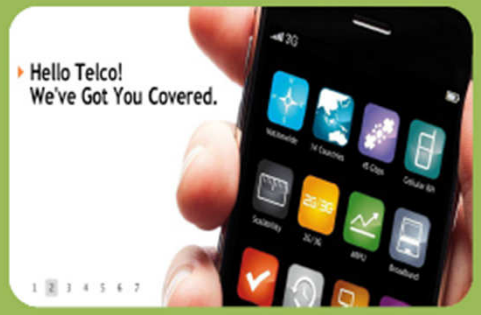


Broadband Satellite

THAICOM 4 (IPSTAR) @119.5E



IPSTAR Key Market Segments







Telco Backhaul & Enterprise

"Cellular Backhaul"

"Rural Telephony"

"Corporate Networks"

Government/USO* Program & Retail Market

"e-Government"

"Distance Learning"

"National Broadband Network"

Mobility

"Emergency Communications"

"Satcom-on-the-move"

"In-flight Connectivity"

(*Universal Service Obligation)

Other Businesses

Telephone Business: Lao Telecom

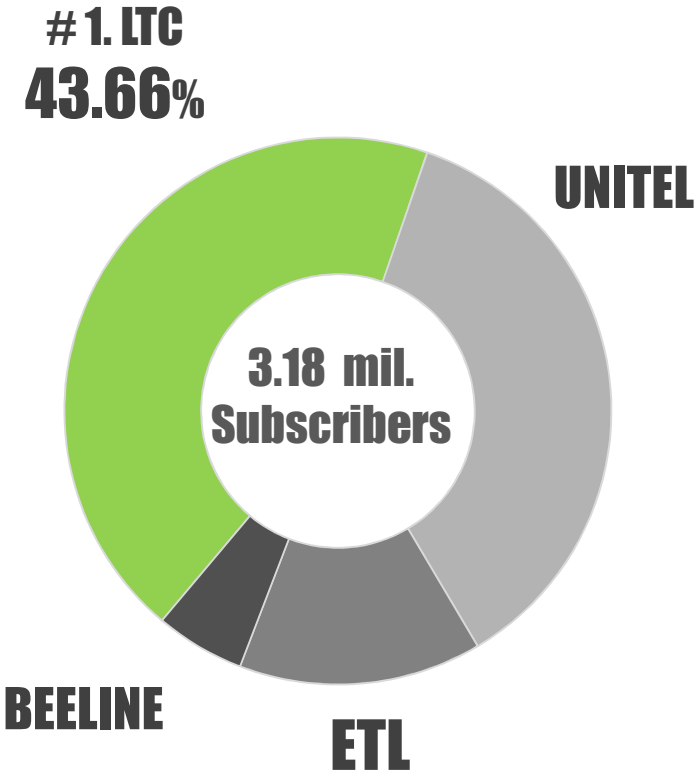
- *Owned through Shenington Investments Pte., (49%)*
- *#1 position in market share*
- *Continuing revenue growth from increased voice and data usage, with improved ARPU*
- *Service coverage and improved signal strength for 2G & 3G network was completed*
- *Second company in SE Asia to provide 4G service*

Going Forward

- *Continued focus on dealer network to ensure quality of service and improved distribution*
- *Strengthen brand perception and recognition through segment strategies*
- *Focus on provincial communities to protect our market and regain subscribers*
- *Focus on value added service with enriched data content and applications*
- *Improve network infrastructure and blind spot areas*
- *Customer-centric: enhance customer experience*

Lao Mobile Market SHARE

As of June 2014



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Internet & Media Business: DTV





DTV

true visions



DTV Strategies

To strengthen Thailand's satellite TV ecosystem through maximization of "eye-balls" and to enhance Thaicom's Neutral Platform as a channel incubator. Success cases: GMM One, Nation, RS, Channel 8, Voice TV, etc.

To stimulate demand of HD and UHD content through deployment of newer and more efficient technologies such as DVB-S2

To support THAICOM's new value-added end-to-end broadcast strategy such as Second-Screen and Multiscreen solutions

To expand the DTV network to AEC markets

Internet & Media Business: CS Loxinfo

ICT Business

- Large telco dump price of internet
- Business use integrated ICT on cloud
- IDC (Internet Data Center) will be the center for cloud
- *Moving toward ICT service on cloud*
- *Invest IDC and Staff ICT knowledge*

Directories Business

- Sustain Print directory while building online presence
- Expand & Develop more Vertical print products
- Launch new product (Business Assistant Services)

Mobile Content Business

- Mobile phone is changing to smart phone
- Find more contents (other than horoscope)
- Convert content from SMS service to be application service
- Build revenue from corporate mobile digital marketing solution

