Half Year 2014

19th August 2014

Stock Exchange of Thailand

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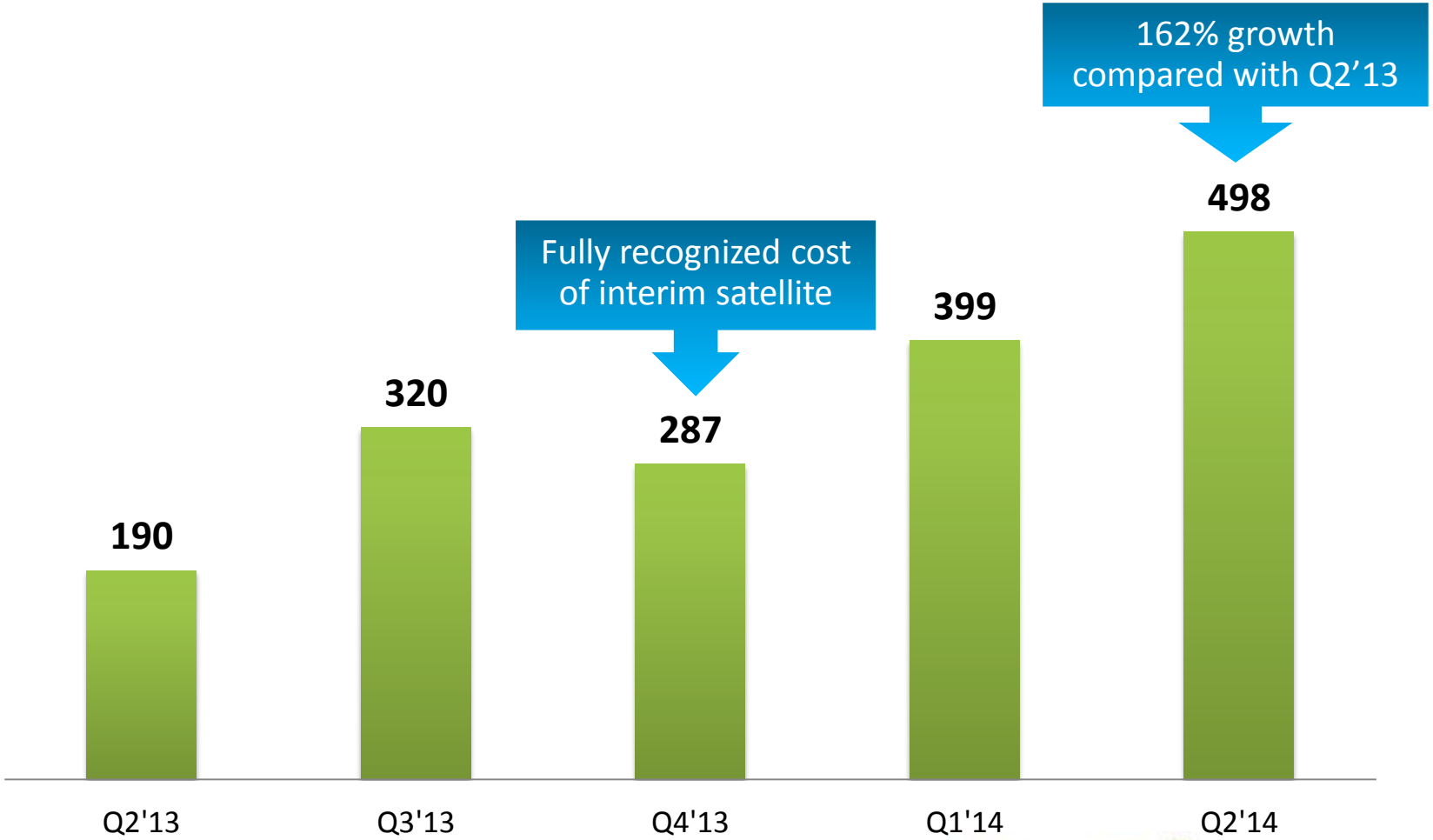
Strong Growth in Consolidated Net Profit

Consolidated Results

:MTHB



Generate profit for 12 quarters in a row.

Agenda



- Key Highlights
- Broadcast Landscape in Thailand
- Financial Highlights
- Moving Forward

Key Highlights of Half Year 2014

Continued positive financial performance

- *Consolidated net profit of Q2'14 grew 162% YoY.*



THAICOM 8 breakthrough

- *NBTC awarded a license @78.5E for THAICOM 8; expect to launch in 1H'16*



Additional revenue from Conventional

- *Commercialized services to support Digital Terrestrial TV (DTT)*
  - *For MUX operators (TV5 and MCOT) since Mar'14*
  - *For Must Carry channels (26 C & 26 Ku) since Apr'14*
- *Number of satellite TV channels @78.5E increased from 641 channels in 2013 to 677 channels (116 HD channels) in 1H'14*



End-to-End solutions

- *Signed service agreement with Nok Air for In-flight Connectivity solution in Mar; expected to start the service in Q3'14*
- *Launched a 2nd Screen App "MCONNECT" for MCOT in May'14*

Broadcast Landscape in Thailand





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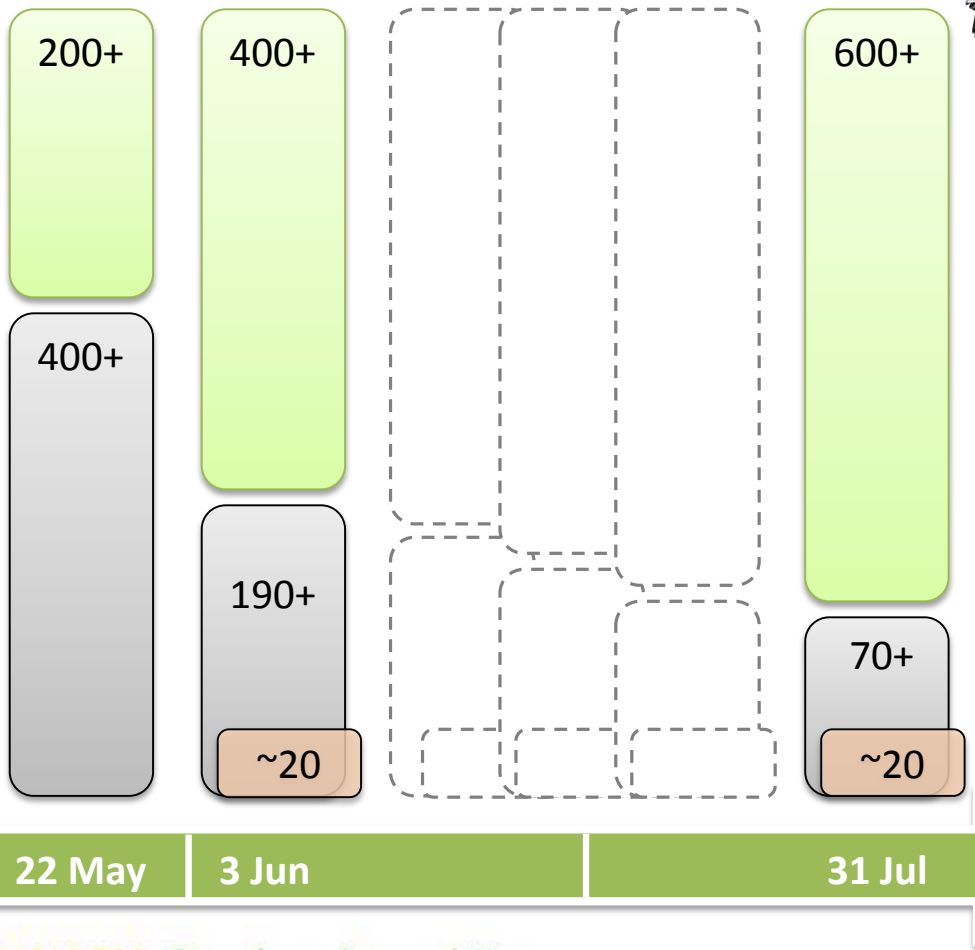
Broadcast Landscape in Thailand

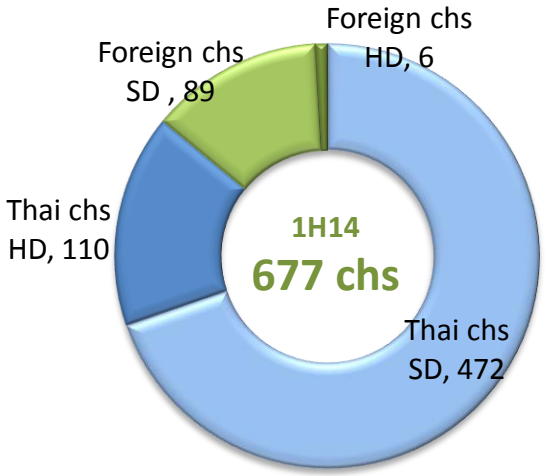
Satellite TV Situation after NCPO

Satellite TV channels resume broadcasting after being suspended:





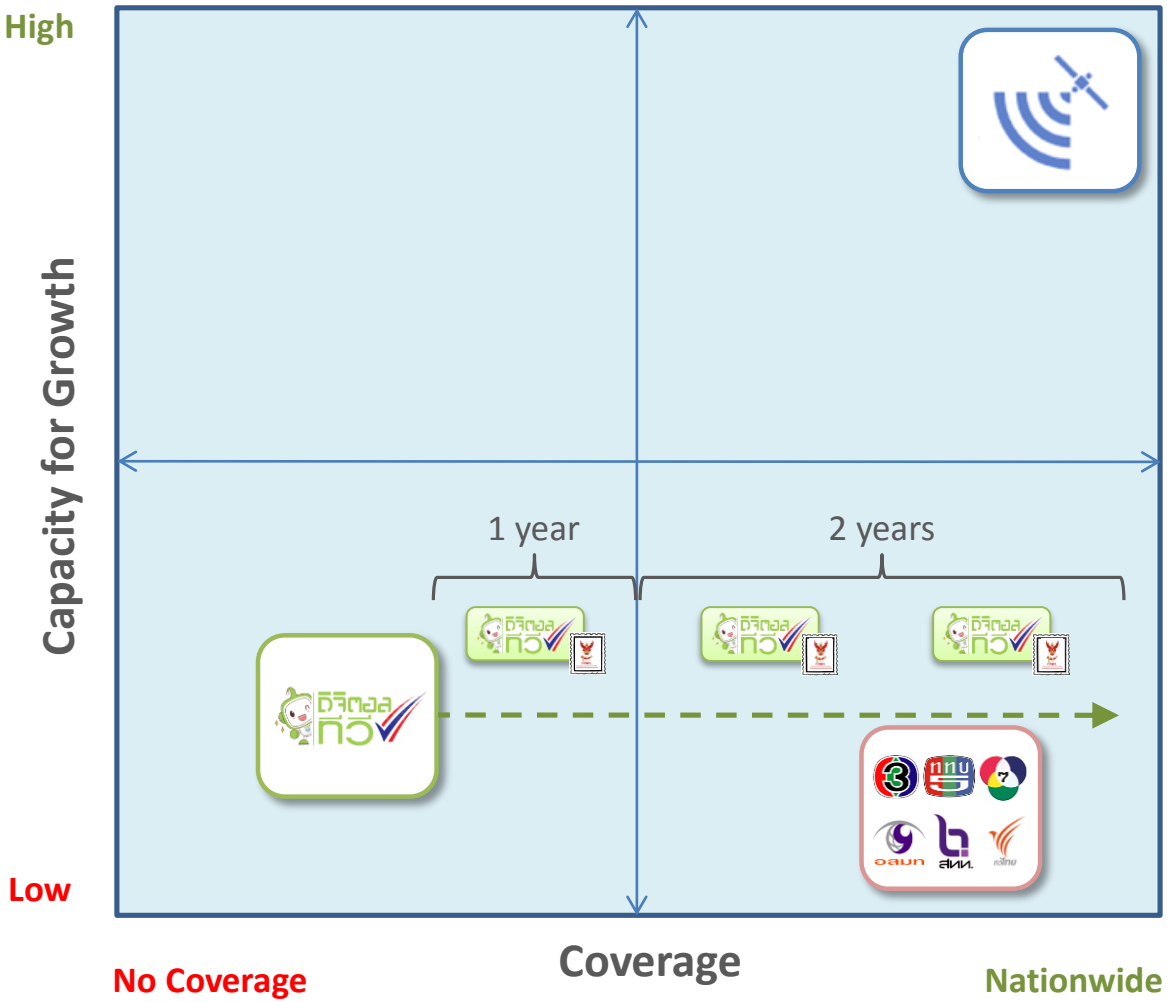
Satellite TV channels on THAICOM @78.5E

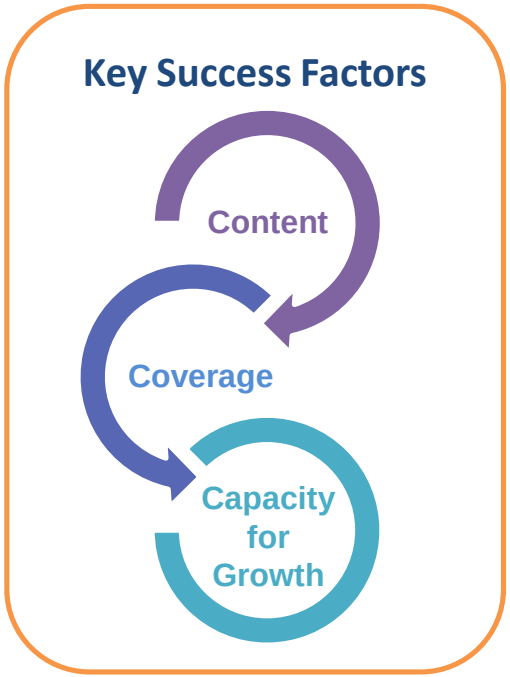


- Active Channels
- Suspended Channels
- Terminated Channels

Broadcast Landscape in Thailand

Satellite TV Positioning





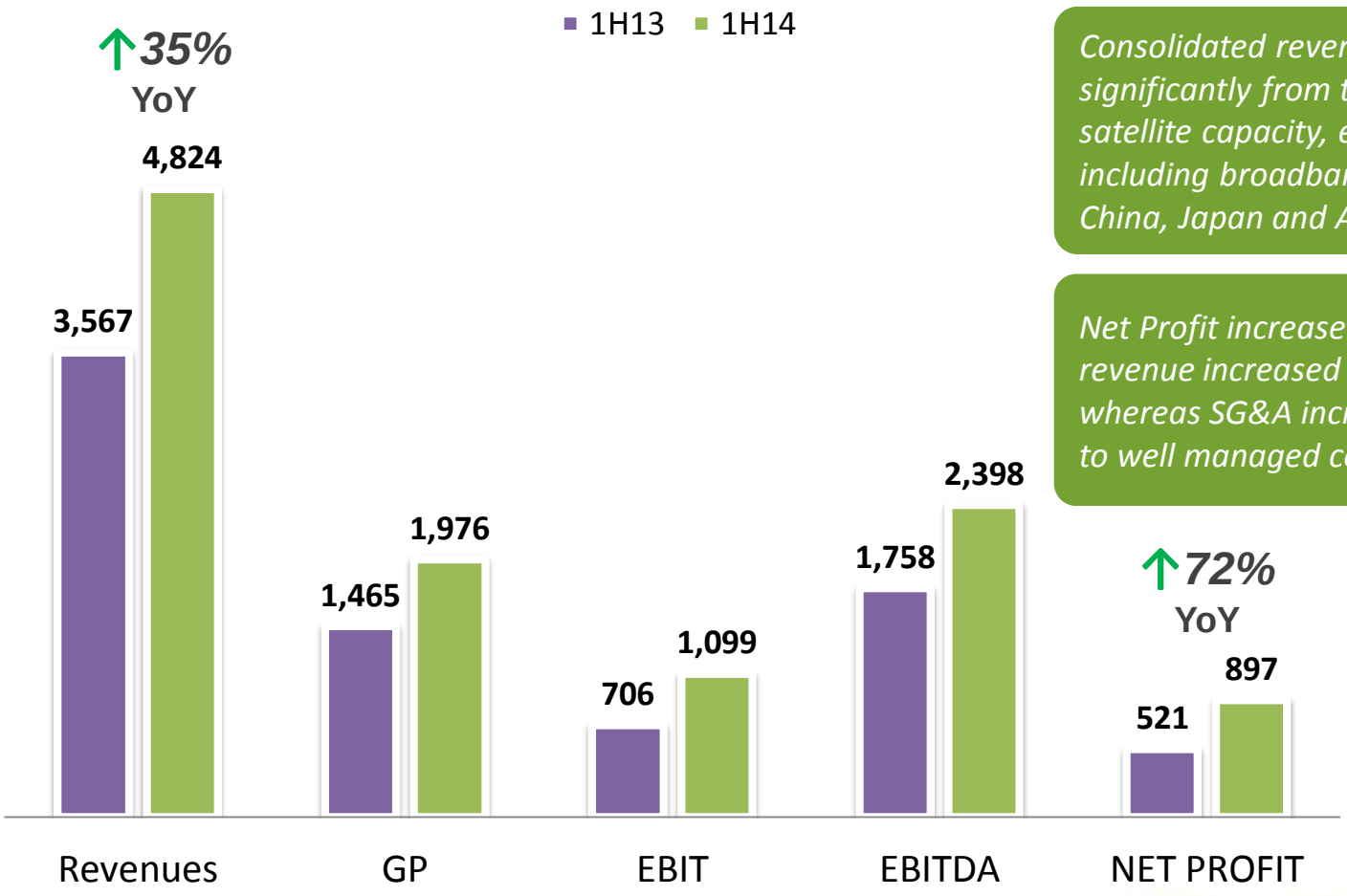


Financial Highlights

Top & Bottom lines grew significantly

Key Financial Highlights (Consolidated.)

:MTHB

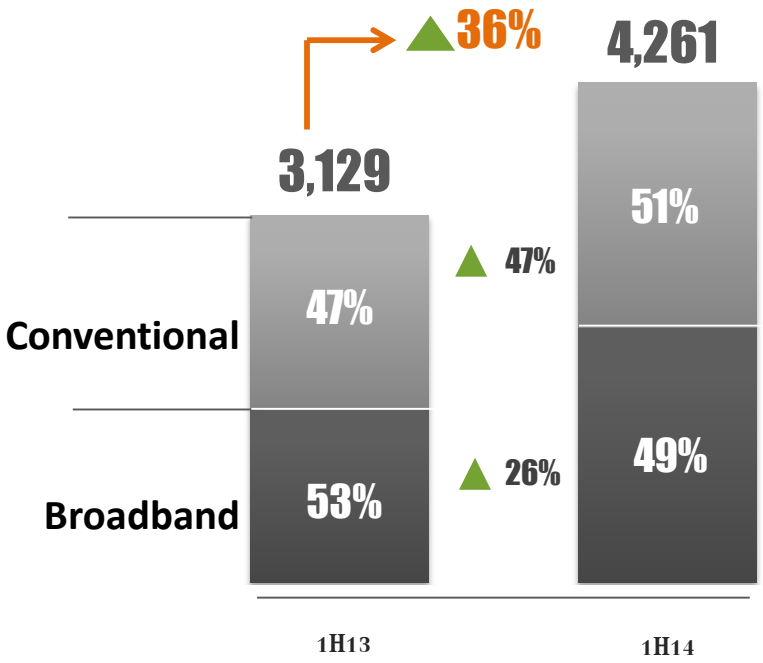


Consolidated revenue grew significantly from the demand on more satellite capacity, especially for TC6, including broadband revenue from China, Japan and Australia

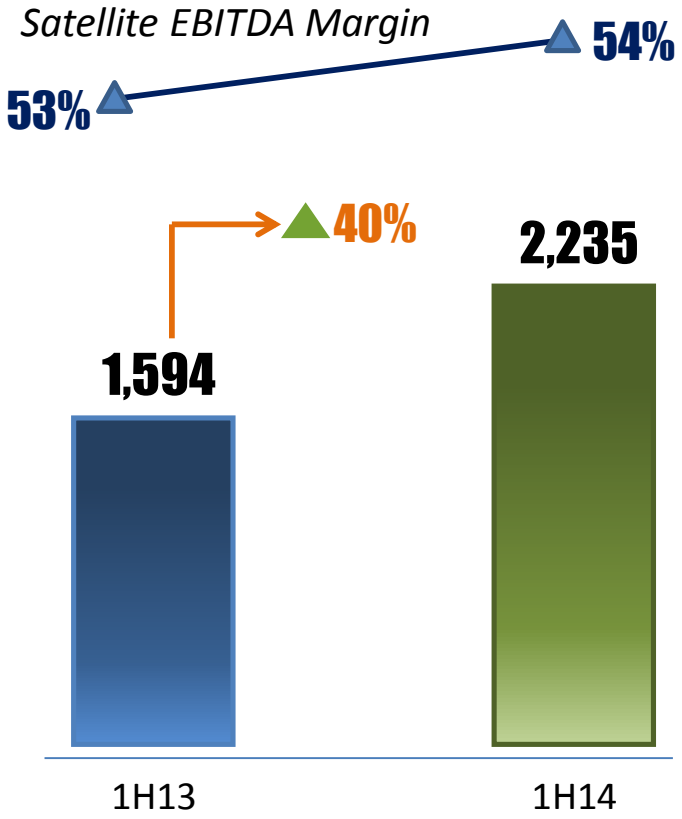
Net Profit increased 72% YoY since revenue increased considerably whereas SG&A increased only 8% due to well managed costs.

Half Year 2014: Strong revenue growth led by conventional satellite at 47% YoY

Satellite Revenues MTHB



Satellite EBITDA MTHB



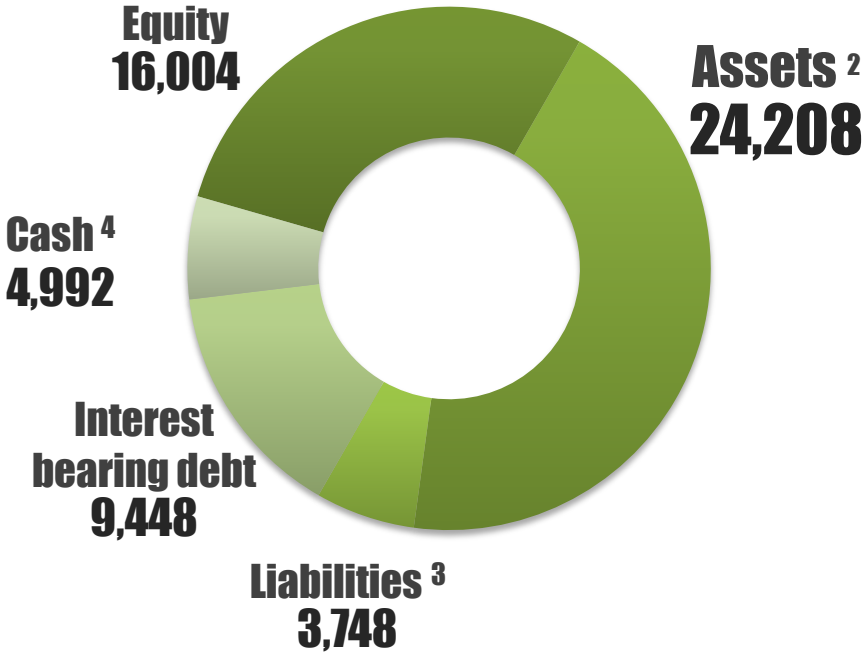
Conventional revenue boost up from TC6

Satellite EBITDA increase 40% YoY

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





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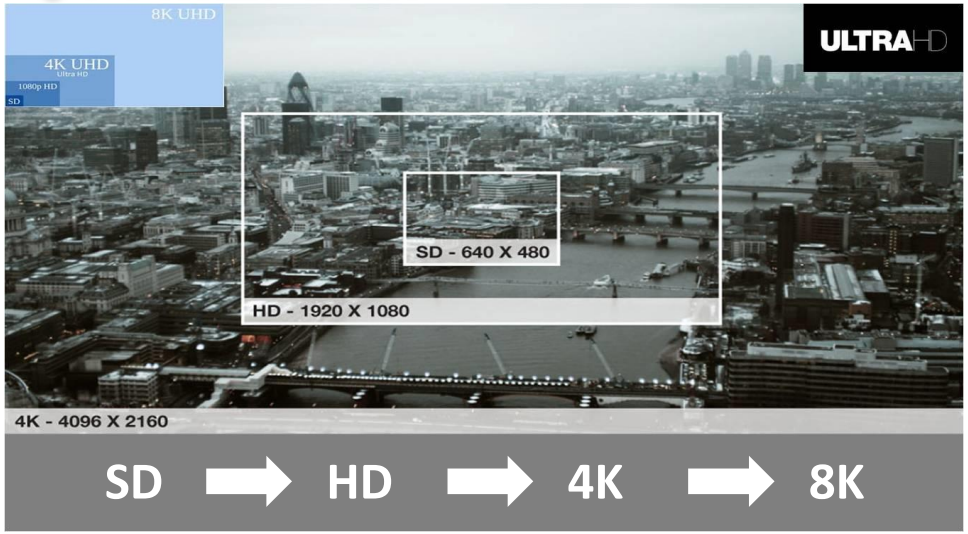
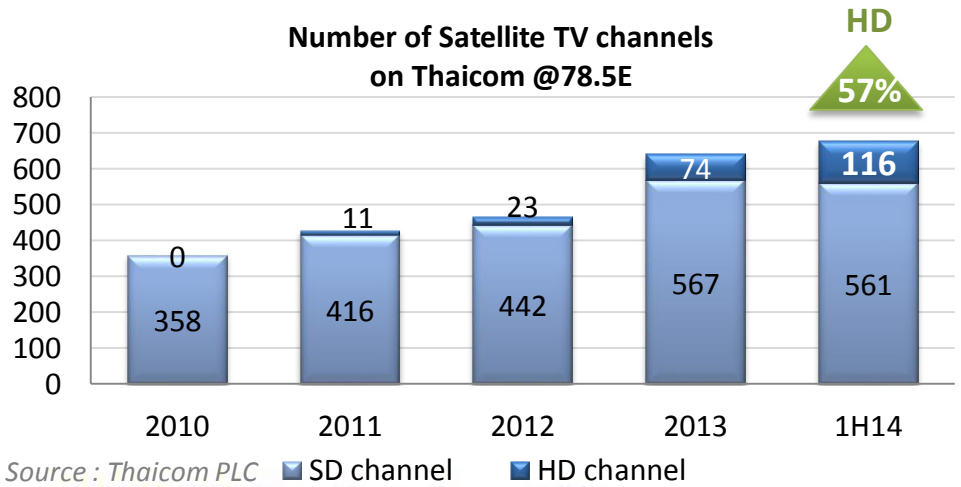
Broadcast Service:

To support HD & Ultra HD broadcasting

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

Higher Broadcast Resolution



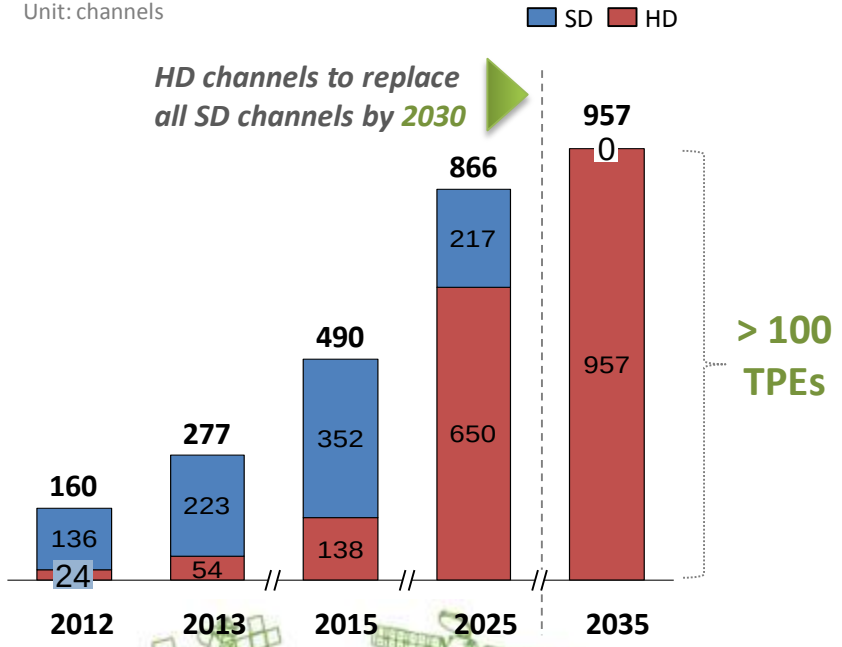


Source : Thaicom PLC

Projected pay DTH channels in Thailand

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

Unit: channels



Source : Value Partners

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



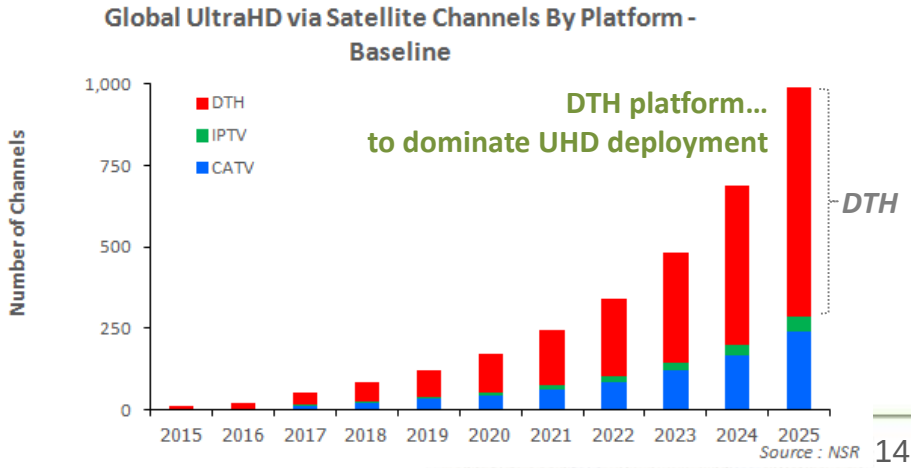
Sony transmitted 2 World Cup games, including final, in 4K via a Eutelsat satellite to a Vue multiplex theater in London

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

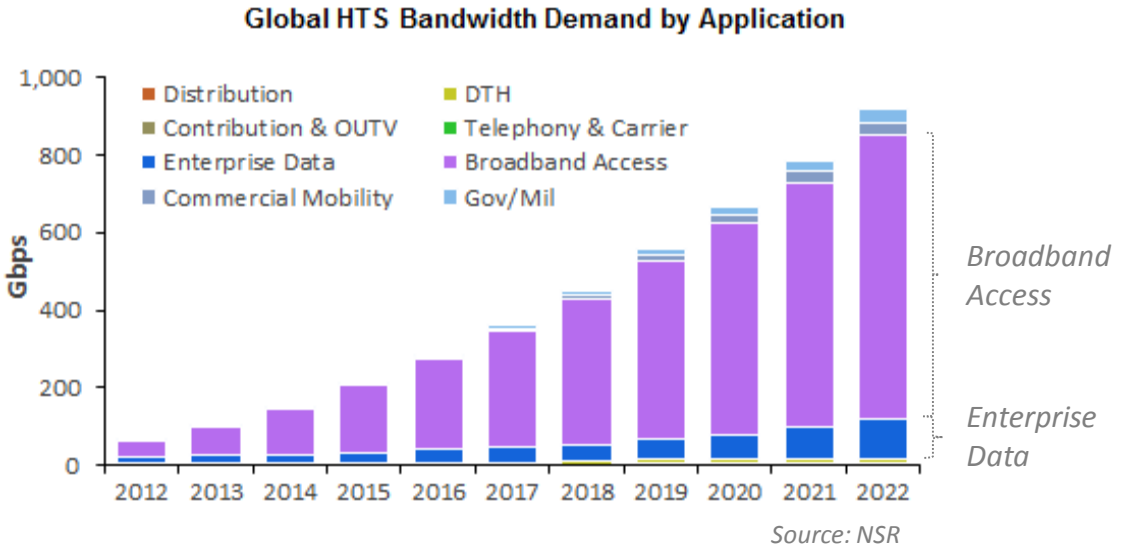


Sony has also partnered with FIFA to produce the official World Cup film in 4K



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



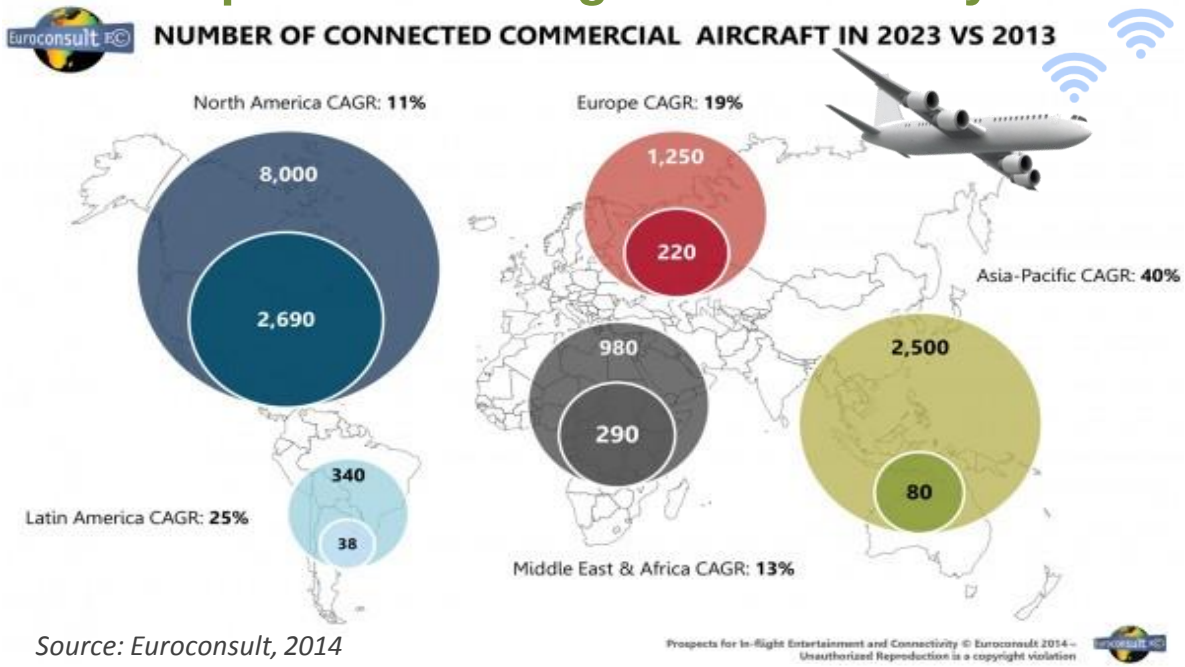
Source: Cisco VNI, 2013
The percentages within parenthesis next to the legend denote the relative traffic shares in 2012 and 2017.

Business Continuity & Resiliency



Convergence Value Added Service:

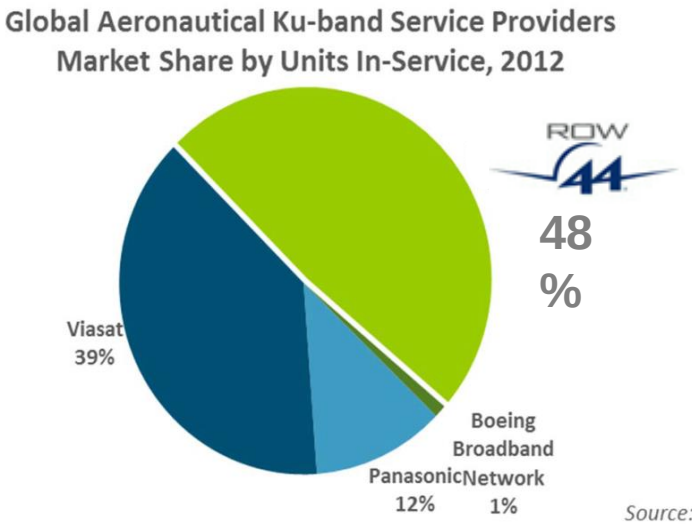
To expand our In-flight Connectivity business



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

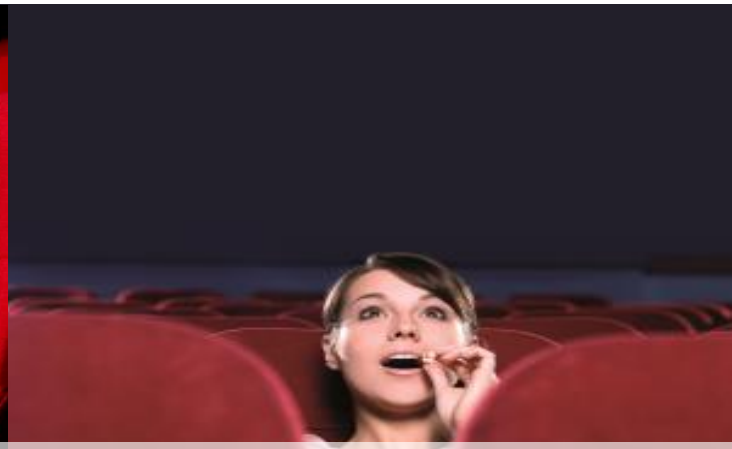


Germany's 1-0 victory over Argentina in the World Cup final was watched in real-time by **40,000** airline passengers

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*

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Appendix





Key Highlights : DTV



Monetize DTV platform with Pay-TV service

- *Collaboration with True Visions to add True Visions' content package as a Top-Up service over DTV's customer base (service starts Q3/2014)*



Moving Forward

Expand DTV Platform customer base

- *Create collaboration with content partners to expand more to C-Band market*
- *Speed up HD Box deployment with new low cost HD-Box*
- *Continue to find additional partnerships with other platforms to share common channels and strengthen DTV's platform*

Key Highlights : Lao Telecom

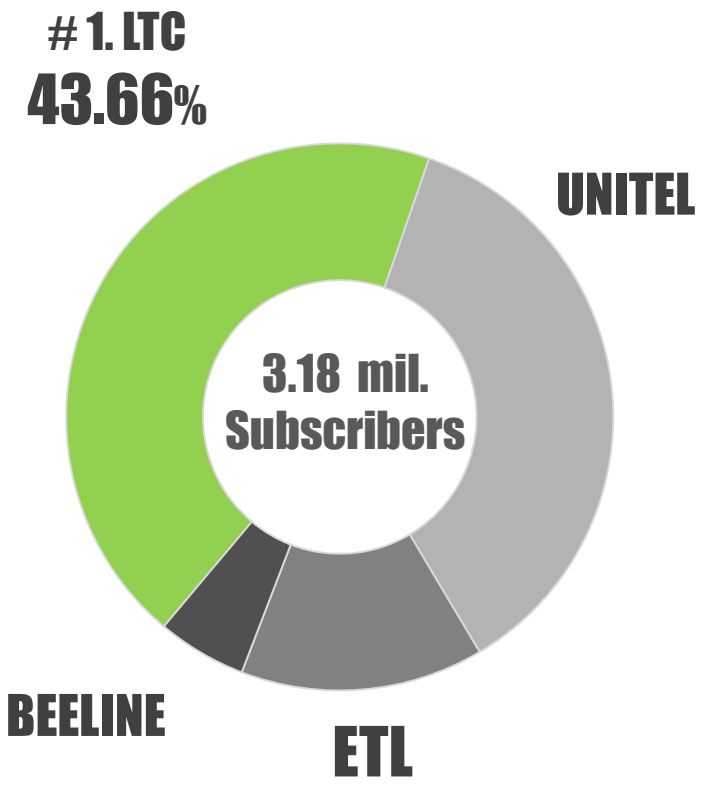
- *Owned through Shenington Investments Pte., (49%)*
- *#1 position in market share*
- *Continuing revenue growth from increased voice and data usage, with improved ARPU*
- *Service coverage and improved signal strength for 2G & 3G network was completed*
- *Second company in SE Asia to provide 4G service*

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



TFRIC 12
Public-to-private service concession agreements

What must comply	Only the satellite and equipment which are operated under operating agreement and under construction progress must comply to TFRIC 12
Impact to P/L	**NO IMPACT**
Impact to B/S	**NO IMPACT**
Impact to Ratio	**YES**

	CONSOLIDATED	
	Q2'13	Q2'14
EBITDA margin after TFRIC 12	49%	54%
EBITDA margin before TFRIC 12	53%	54%
Net profit margin after TFRIC 12	10%	20%
Net profit margin before TFRIC 12	11%	20%

