1Q14 Opp Day

"New Frontiers"

14th May 2014

11th Floor, Stock Exchange of Thailand

THAICOM PLC. Proprietary & Confidential

Agenda



- **Key Highlights**
  - **Financial Highlights**
- **Operations Highlights**
- **Industry Trend & Moving Forward**

Key Highlights of 1Q14

Continued positive financial performance

- *Consolidated net operating profit grew 21% YoY*



Broadcast business highlights

- *Thaicom 6 @78.5E commenced services in Feb 2014*
- *Recognized revenue from DTT Multiplex operator since Mar 2014*



Broadband business highlights

- *Australia's NBN continues to increase bandwidth usage*
- *Japan's SBM procured System Integration sales to support mobile backhaul and maritime projects*

First revenues from new investment

- *Recognized revenue from Orion Satellite Systems since Feb 2014*



Thaicom 8 breakthrough

- *Successfully acquired approval from NBTC to operate TC-8 under existing license @78.5E to provide additional future growth*

DTT – Digital Terrestrial Television
SBM – SoftBank Mobile Corp.



Financial Highlights

TFRIC 12
Public-to-private service concession agreements

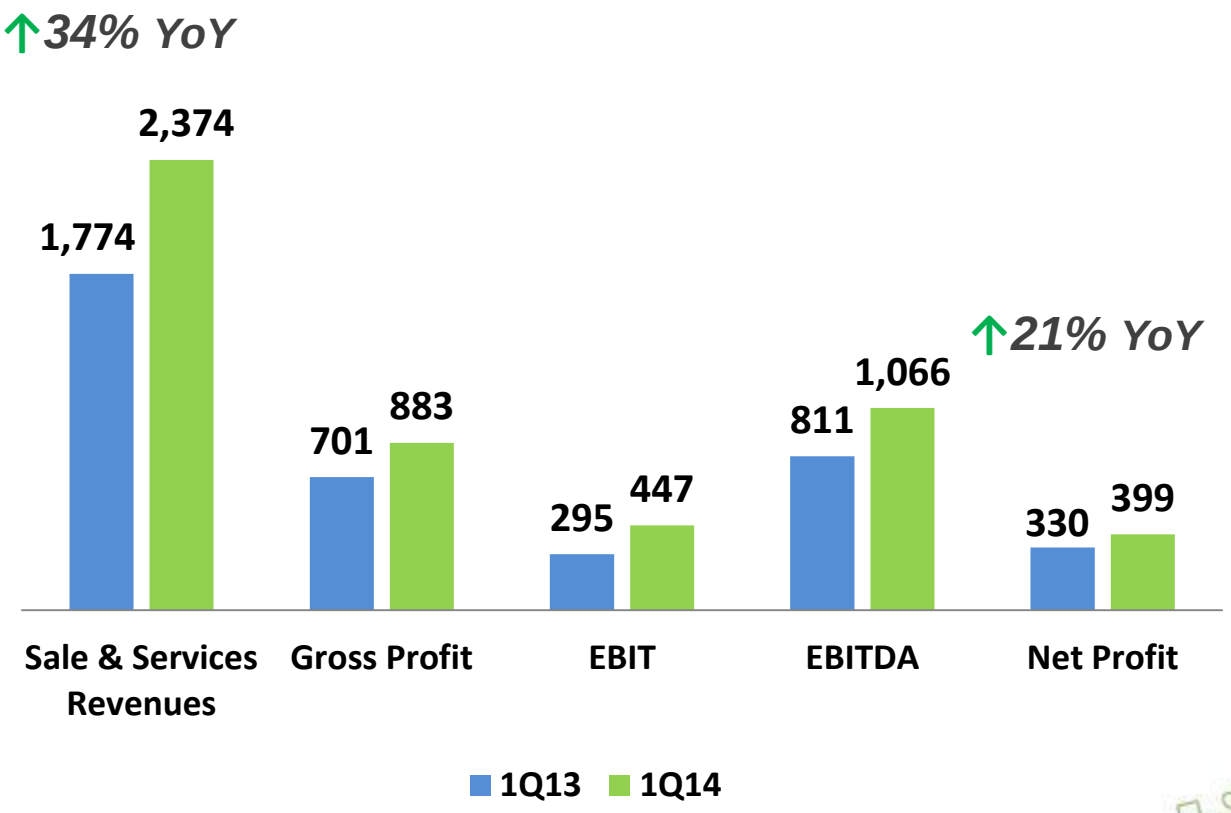
What must comply	Only the satellite and equipment which are operated under operating agreement and under construction progress must comply to TFRIC 12
Impact to P/L	**NO IMPACT**
Impact to B/S	**NO IMPACT**
Impact to Ratio	**YES**

	CONSOLIDATED	
	Q1'13	Q1'14
EBITDA margin **after** TFRIC 12	40%	42%
EBITDA margin **before** TFRIC 12	43%	45%
Net profit margin **after** TFRIC 12	18%	16%
Net profit margin **before** TFRIC 12	19%	17%



Bottom line grew significantly from satellite performance

Key Financial Highlights (Consolidated.) :MTHB

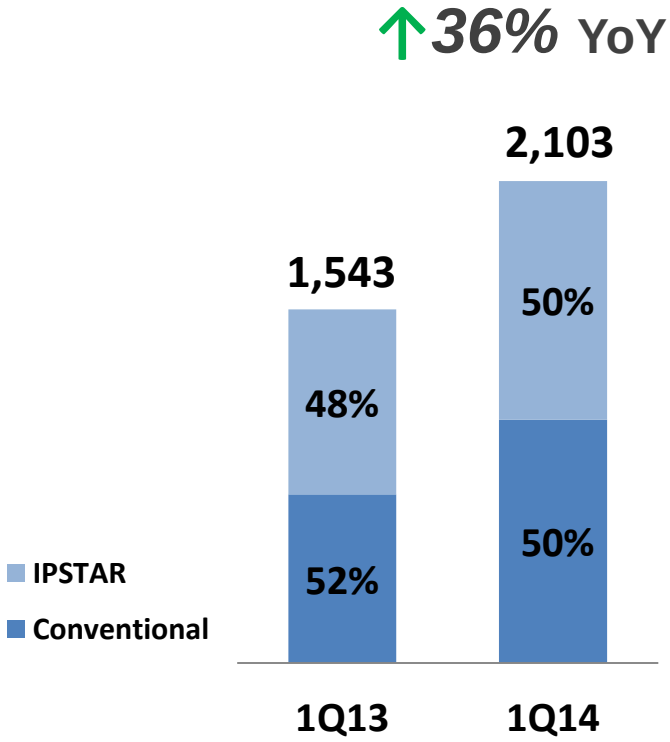


- Satellite contributed 88% of total consolidated revenues
- Revenues increase mainly from more capacity on conventional satellites
- Expenses were reduced due to good management

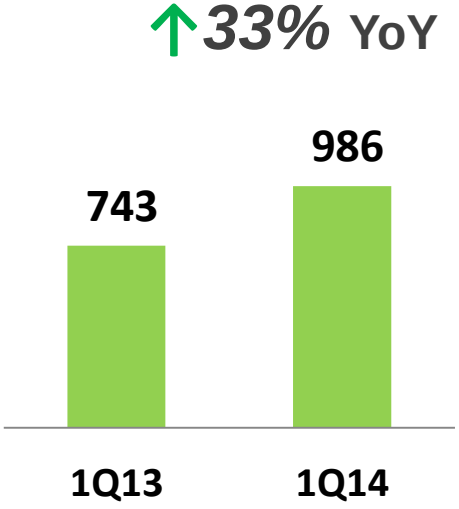
More capacity boosts satellite revenues

Satellite Revenues

Unit: MTHB



Satellite EBITDA



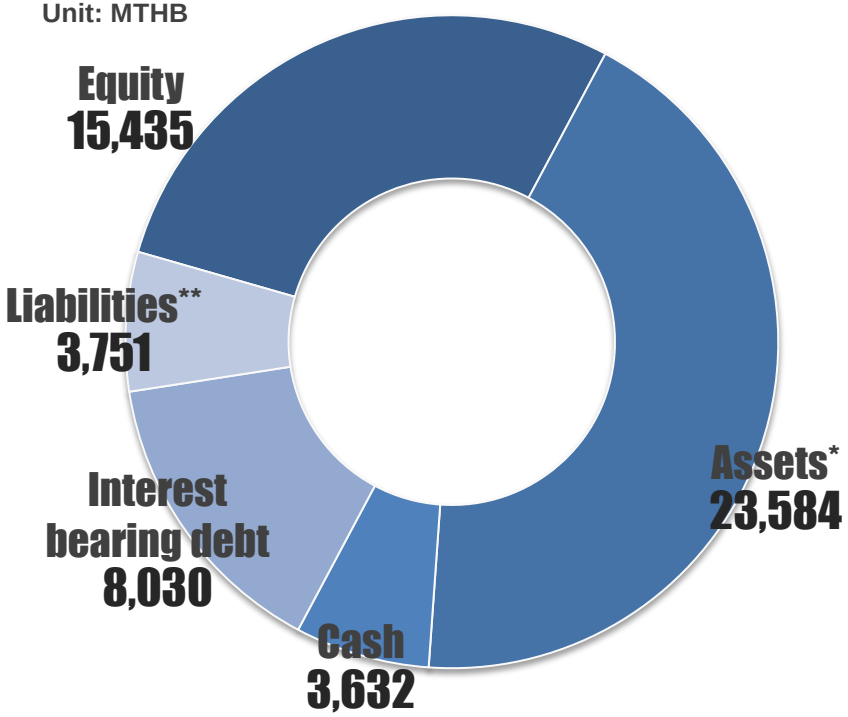
- Additional IPSTAR bandwidth usage, and Synertone deal increased IPSTAR revenues 30% yoy
- TC-6 capacity boosts conventional revenues 44% yoy

Financial position remains good on continuing strong operational performance

D/E Ratio at 0.52x

Cash balance still in good position, even with start of TC-6 loan repayment

Unit: MTHB



Consolidated CF	1Q13	1Q14
CF from Operating	921	995
CF from Investing	(191)	(451)
CF from Financing	25	(391)
Cash Ending***	2,795	2,309

*** Exclude current investment*

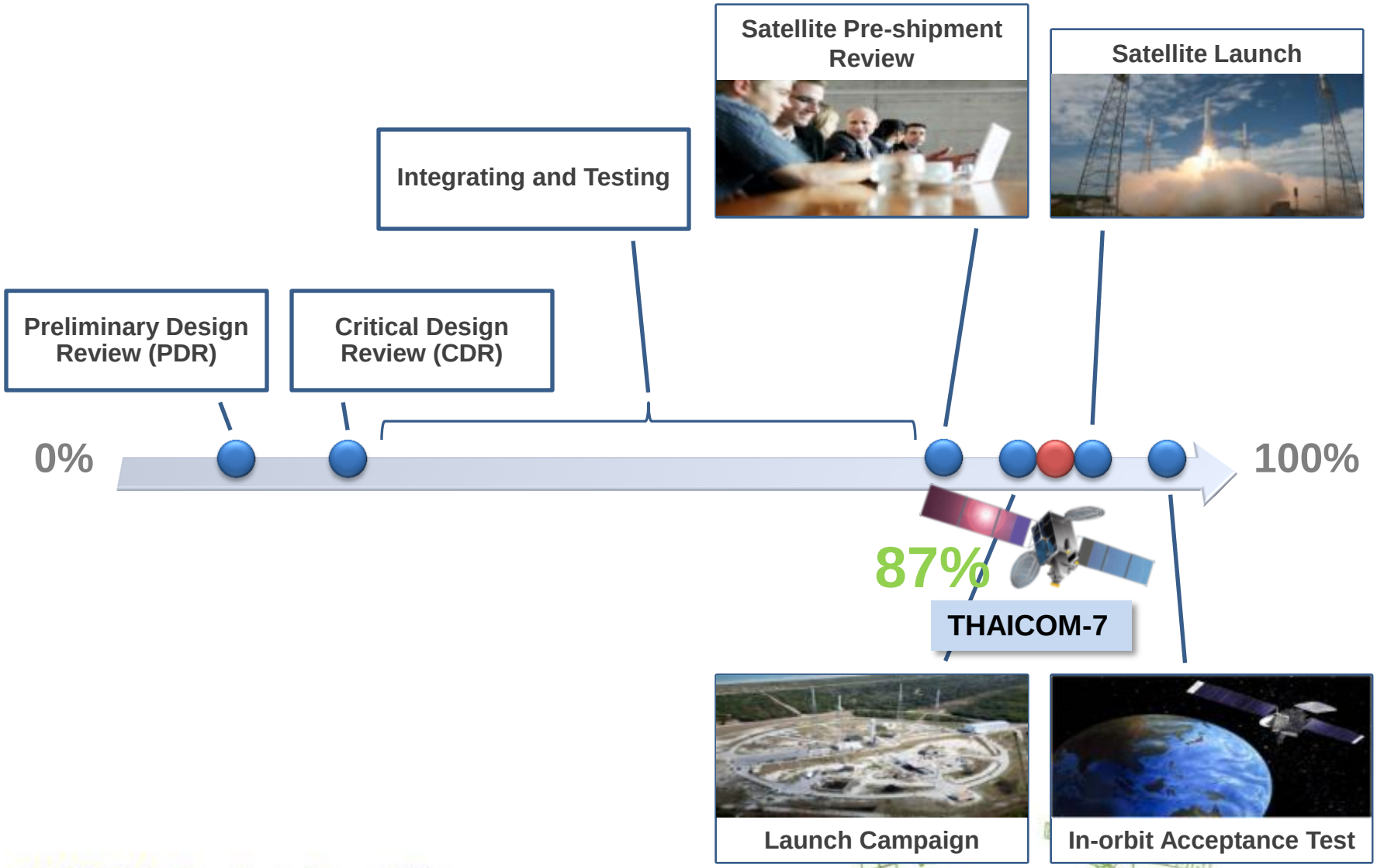
* Exclude Cash and Short-term Investment
** Exclude Interest-Bearing Debt



Operations Highlights

Satellite Business

Progress of the New Satellite Program

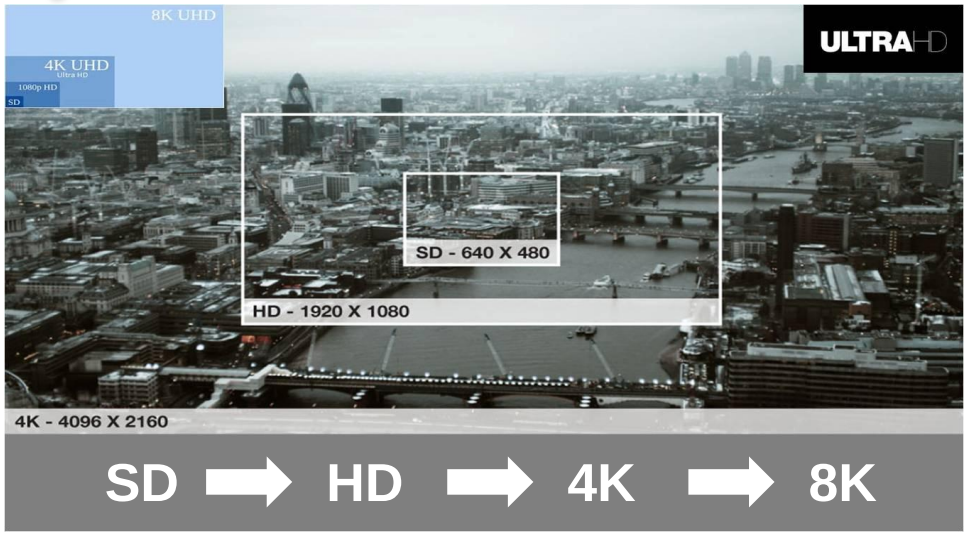


Industry Trend & Moving Forward

Global Industry Trend:

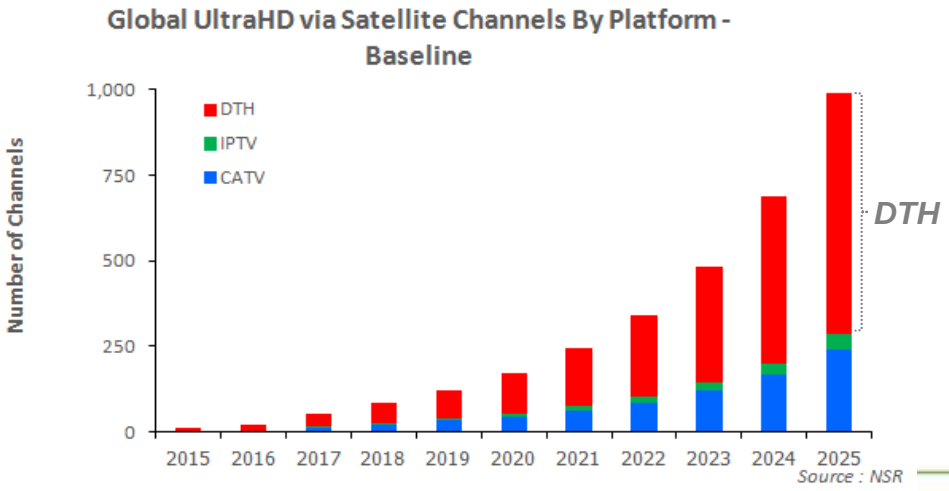
Higher Bandwidth Required for Broadcast Services

Higher Broadcast Resolution



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

FIFA WORLD CUP Brasil

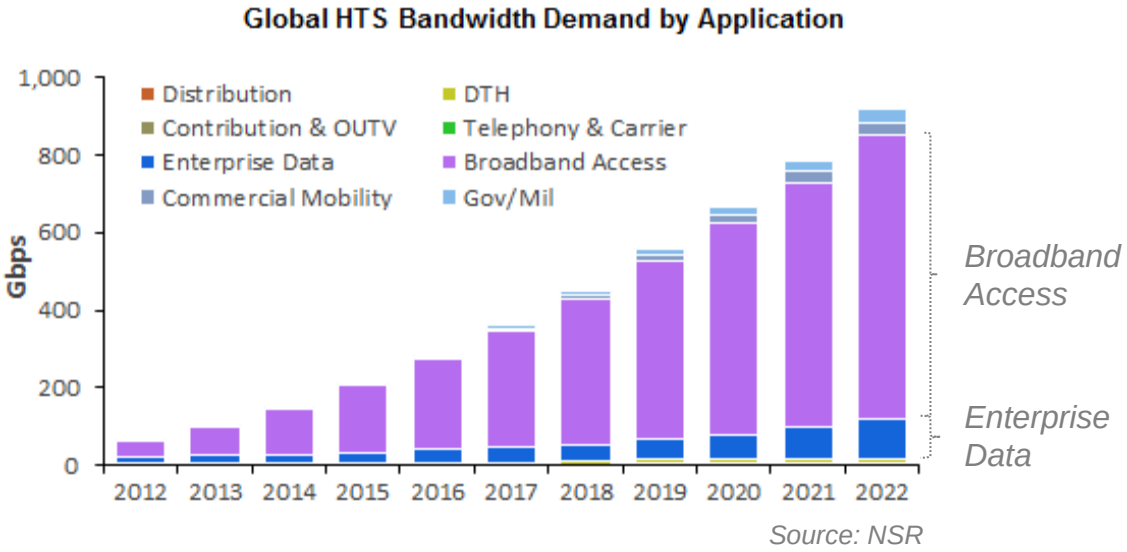




Source: www.ultrahdtv.net, strategy analytics

Global Industry Trend:

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



Domestic Industry Trend:

Digital Terrestrial Television (DTT)
to be the baseline infrastructure for broadcasting in Thailand



Satellite TV to provide additional Free and Pay channels, to support DTT multiplex operators (content feed) and to support DTT channel operators (must carry)

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Digital Terrestrial Television…

from Day 1 there are **few viewers.**



MUST CARRY via Satellite is the answer!





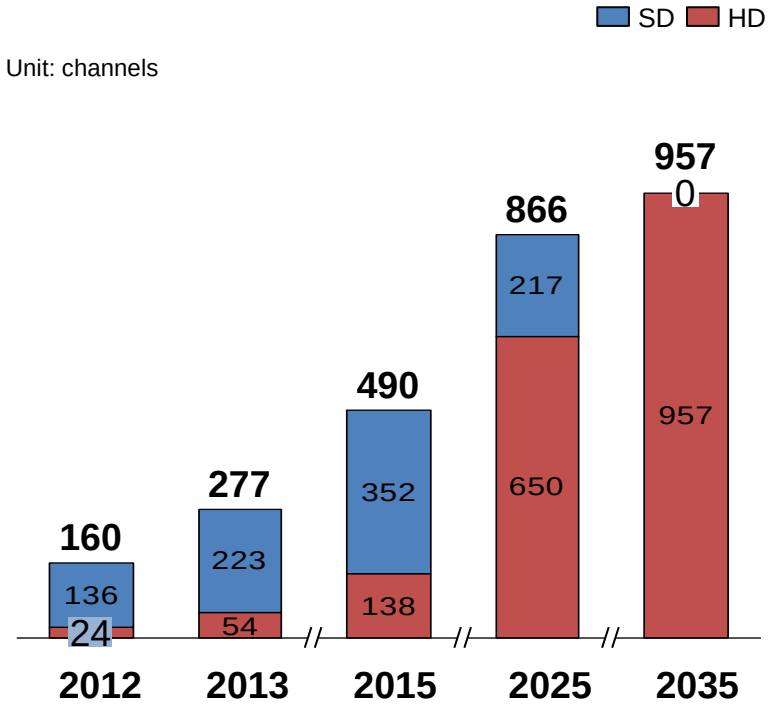
= **70%** of total TV Households

Domestic Industry Trend:

Strong growth in HD channels will drive demand for Ku-band transponders

Projected pay DTH channels in Thailand

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



Source : Value Partners

Key Findings:

- *Thai pay DTH operators are currently in low category with ~100 channels and could be expected to offer ~200 channels*
- *HD channels to grow 45% CAGR from 24 channels in 2012 to ~470 channels in 2020*
- *HD channels to replace all SD channels by 2030*



2014 NEW FRONTIERS

to be a Leading Asian Satellite Operator

Appendix





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TFRIC 12 - Public-to-private service concession agreements

TFRIC 12	Guidance on the accounting by operators for public-to-private service concession agreements under which the grantor controls and regulates the services provided; to whom they are provided; and at what price; and also controls any significant residual interest in the related infrastructure at the end of the agreement term.
Satellites were operated under operating agreement	Impact to satellite was operated under operating agreement and under construction progress: Thaicom 6 and equipment
Impact to PL	*Recognized revenue and cost from construction under operating agreement which no profit margin, so no impact to gross profit/EBIT/EBITDA/NI*
Impact to BS	*Recognized intangible asset from the right to operate satellite instead of PPE under operating agreement, so no impact to balance sheet*
Impact to Ratio	*Impact to gross margin/ EBITDA margin/ NI margin due to revenue from TFRIC 12*

1Q3 (restated) vs. 1Q14

MTHB	1Q13 (restated)	1Q14
Revenue	110	168
Cost	110	168

Moving Forward…New Frontiers

- New birds: TC-6, TC-7, TC-8
- 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





DTV



1Q 2014 Results

- *Successful Collaboration deal with True Visions which provides additional channels to DTV Box (63SD, 3HD)*
- *Launched new product and bundling campaign*
  - *New SD-Box (D-Touch) bundled with free True Visions Knowledge Package**
  - *HD-Box (HD1) bundled with free True Visions Super Sport Package**

** Free of charge until end of 2014*



Moving Forward

Monetized DTV platform with Pay-TV service

- *On process to provide top-up service from True Vision package over DTV's customer base (within Q2/2014)*

New model of HD Box

- *Plans for a new model HD-Box which will comply with and be eligible for DTT subsidy coupon from NBTC*