Thaicom Public Company Limited and its Subsidiaries

Interim financial statements
and
Independent Auditor's Report
on Review of Interim Financial Information

For the three-month period ended
31 March 2012

Independent Auditor's Report on Interim Financial Information

To the Board of Directors of Thaicom Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, as at 31 March 2012; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month periods ended 31 March 2012 and 2011; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

The comparative consolidated and separate statement of financial position as at 31 December 2011

I have previously audited the consolidated and separate financial statements of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, for the year ended 31 December 2011 in accordance with Thai Standards on Auditing and expressed an unqualified opinion on those financial statements in my report dated 14 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, which are included in the accompanying interim financial information for comparative purposes, are components of those financial statements. I have not performed any auditing procedures since the date of my audit report.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
10 May 2012

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 March 2012 and 31 December 2011

		Consolidated financial statements		Separate financial statements	
Assets	*Note*	31 March 2012 (Unaudited)	31 December 2011	31 March 2012 (Unaudited)	31 December 2011
		(in thousand Baht)			
Current assets					
Cash and cash equivalents		3,581,513	2,865,910	2,330,498	1,826,977
Trade and other accounts receivable	*4*	1,233,462	1,348,032	1,238,049	1,200,716
Amounts due from related parties	*3*	70,646	3,165	265,919	121,027
Short-term loan to a jointly-controlled entity	*3*	84,803	78,943	173,067	161,109
Inventories		202,763	241,325	121,592	157,557
Prepaid insurance		26,731	46,549	23,905	43,477
Other current assets		159,002	94,743	19,367	24,384
Total current assets		**5,358,920**	**4,678,667**	**4,172,397**	**3,535,247**
Non-current assets					
Long-term loans to subsidiaries	*3*	-	-	24,516	28,352
Investments in subsidiaries	*5*	-	-	1,665,383	693,815
Investments in jointly - controlled entity	*5*	-	-	137,639	137,639
Investments in assosiate	*5*	429,000	451,457	-	-
Property and equipment	*6*	6,639,219	6,611,264	2,868,682	2,645,391
Property and equipment under operating agreement	*6*	12,492,865	12,828,228	12,492,865	12,828,228
Deferred charges	*6*	108,130	105,470	107,020	104,218
Intangible assets	*6*	987,299	1,012,335	841,475	862,029
Deferred tax assets		819,252	838,407	678,946	701,395
Other non-current assets		683,433	689,733	700,464	665,026
Total non-current assets		**22,159,198**	**22,536,894**	**19,516,990**	**18,666,093**
Total assets		**27,518,118**	**27,215,561**	**23,689,387**	**22,201,340**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 March 2012 and 31 December 2011

		Consolidated financial statements		Separate financial statements	
Liabilities and equity	*Note*	31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current liabilities					
Trade and other accounts payable		658,678	727,875	369,051	345,477
Accounts payable - property and equipment		392,659	465,593	15,313	39,722
Amounts due to related parties	*3*	1,387	2,258	988,791	4,110
Short-term loan from other related party	*3*	85,205	79,295	-	-
Current portion of long-term loans	*8*	4,640,415	4,626,120	3,303,754	3,302,284
Advance receipts from customers		737,727	328,265	455,988	91,267
Accrued operating agreement fee		402,868	264,616	372,589	205,167
Income tax payable		150,506	146,268	-	-
Other current liabilities		111,109	140,796	70,324	81,106
Total current liabilities		**7,180,554**	**6,781,086**	**5,575,810**	**4,069,133**
Non-current liabilities					
Long-term loans	*8*	5,562,893	5,651,249	5,318,667	5,359,051
Employee benefits liabilities	*7*	164,164	167,308	91,862	95,542
Deferred tax liabilities		108,926	119,535	-	-
Other non-current liabilities		306,840	319,936	295,497	308,591
Total non-current liabilities		**6,142,823**	**6,258,028**	**5,706,026**	**5,763,184**
Total liabilities		**13,323,377**	**13,039,114**	**11,281,836**	**9,832,317**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 March 2012 and 31 December 2011

		Consolidated financial statements		Separate financial statements	
Liabilities and equity	*Note*	31 March 2012 (Unaudited)	31 December 2011	31 March 2012 (Unaudited)	31 December 2011
		(in thousand Baht)			
Equity					
Share capital :	*9*				
Authorised share capital		5,660,412	5,660,412	5,660,412	5,660,412
Issued and paid-up share capital		5,479,688	5,479,688	5,479,688	5,479,688
Additional paid-in capital :					
Premium on ordinary shares		4,301,990	4,301,990	4,301,990	4,301,990
Retained earnings					
Appropriated					
Legal reserve		413,853	413,853	413,853	413,853
Unappropriated		3,774,855	3,732,489	2,212,020	2,173,492
Other components of equity		188,269	211,349	-	-
Equity attributable to owners of the Company		**14,158,655**	**14,139,369**	**12,407,551**	**12,369,023**
Non-controlling interests		36,086	37,078	-	-
Total equity		**14,194,741**	**14,176,447**	**12,407,551**	**12,369,023**
Total liabilities and equity		**27,518,118**	**27,215,561**	**23,689,387**	**22,201,340**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
		(in thousand Baht)			
Income	*3*				
Revenues from sale of goods and rendering of services		1,906,816	1,570,090	1,205,655	959,125
Gain on foreign exchange rate		12,432	-	22,331	-
Other income		25,491	11,351	77,261	16,079
Total income		**1,944,739**	**1,581,441**	**1,305,247**	**975,204**
Expenses	*3*				
Cost of sale of goods and rendering of services		1,214,555	1,171,071	768,380	695,702
Operating agreements fee		189,227	135,181	182,922	128,704
Selling expenses		32,675	37,407	18,198	15,882
Administrative expenses		323,997	316,245	159,186	160,795
Directors and management benefit expenses		11,356	13,027	11,229	12,902
Net foreign exchange loss		-	13,870	-	175
Finance costs		116,201	119,979	104,355	102,181
Total expenses		**1,888,011**	**1,806,780**	**1,244,270**	**1,116,341**
Share of profit of associate	*5*	44,980	44,151	-	-
Profit (loss) before income tax expense		**101,708**	**(181,188)**	**60,977**	**(141,137)**
Income tax expense		(59,342)	14,767	(22,449)	30,831
Profit (loss) for the period		**42,366**	**(166,421)**	**38,528**	**(110,306)**
Profit (loss) attributable to:					
Owner of the Company		42,366	(167,087)	38,528	(110,306)
Non-controlling interest		-	666	-	-
Profit (loss) for the period		**42,366**	**(166,421)**	**38,528**	**(110,306)**
Earnings (loss) per share	*11*				
Basic		0.04	(0.15)	0.04	(0.10)
Diluted		0.04	(0.15)	0.04	(0.10)

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Profit (loss) for the period	**42,366**	**(166,421)**	**38,528**	**(110,306)**
Other comprehensive income				
Foreign currency translation differences	(24,162)	39,480	-	-
Other comprehensive income for the period, net of income tax	**(24,162)**	**39,480**	**-**	**-**
Total comprehensive income for the period	**18,204**	**(126,941)**	**38,528**	**(110,306)**
Total comprehensive income attributable to:				
Owners of the Company	19,196	(127,837)	38,528	(110,306)
Non-controlling interests	(992)	896	-	-
Total comprehensive income for the period	**18,204**	**(126,941)**	**38,528**	**(110,306)**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

		Consolidated financial statements									
				Retained earnings		Other components of equity					
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
						(in thousand Baht)					
Balance at 1 January 2011 - as reported		**5,479,688**	**4,301,990**	**413,853**	**4,357,853**	**333,830**	**(253,520)**	**80,310**	**14,633,694**	**44,958**	**14,678,652**
Impact of changes in accounting policies		-	-	-	(135,338)	-	-	-	(135,338)	(85)	(135,423)
Balance at 1 January 2011 - restated		**5,479,688**	**4,301,990**	**413,853**	**4,222,515**	**333,830**	**(253,520)**	**80,310**	**14,498,356**	**44,873**	**14,543,229**
Transactions with owners, recorded directly in equity											
Unrealised loss from decrease in shareholding in a subsidiary and an associate	*5*	-	-	-	-	155	-	155	155	-	155
Total transactions with owners, recorded directly in equity		**-**	**-**	**-**	**-**	**155**	**-**	**155**	**155**	**-**	**155**
Comprehensive income for the period											
Profit (loss)		-	-	-	(167,087)	-	-	-	(167,087)	666	(166,421)
Other comprehensive income		-	-	-	-	-	39,250	39,250	39,250	230	39,480
Total comprehensive income for the period		**-**	**-**	**-**	**(167,087)**	**-**	**39,250**	**39,250**	**(127,837)**	**896**	**(126,941)**
Balance at 31 March 2011		**5,479,688**	**4,301,990**	**413,853**	**4,055,428**	**333,985**	**(214,270)**	**119,715**	**14,370,674**	**45,769**	**14,416,443**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

		Consolidated financial statements									
				Retained earnings		Other components of equity					
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
						(in thousand Baht)					
Balance at 1 January 2012 - as reported		**5,479,688**	**4,301,990**	**413,853**	**3,732,489**	**331,366**	**(120,017)**	**211,349**	**14,139,369**	**37,078**	**14,176,447**
Transactions with owners, recorded directly in equity											
Unrealised gain from decrease in shareholding in an associate	*5*	-	-	-	-	90	-	90	90	-	90
Total transactions with owners, recorded directly in equity		**-**	**-**	**-**	**-**	**90**	**-**	**90**	**90**	**-**	**90**
Comprehensive income for the period											
Profit		-	-	-	42,366	-	-	-	42,366	-	42,366
Other comprehensive income		-	-	-	-	-	(23,170)	(23,170)	(23,170)	(992)	(24,162)
Total comprehensive income for the period		**-**	**-**	**-**	**42,366**	**-**	**(23,170)**	**(23,170)**	**19,196**	**(992)**	**18,204**
Balance at 31 March 2012		**5,479,688**	**4,301,990**	**413,853**	**3,774,855**	**331,456**	**(143,187)**	**188,269**	**14,158,655**	**36,086**	**14,194,741**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	Separate financial statements				
			Retained earnings		
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Total equity
			(in thousand Baht)		
Balance at 1 January 2011 - as reported	**5,479,688**	**4,301,990**	**413,853**	**2,714,387**	**12,909,918**
Impact of changes in accounting policies	-	-	-	(64,899)	(64,899)
Balance at 1 January 2011 - restated	**5,479,688**	**4,301,990**	**413,853**	**2,649,488**	**12,845,019**
Comprehensive income for the period					
Loss	-	-	-	(110,306)	(110,306)
Total comprehensive income for the period	**-**	**-**	**-**	**(110,306)**	**(110,306)**
Balance at 31 March 2011	**5,479,688**	**4,301,990**	**413,853**	**2,539,182**	**12,734,713**
Balance at 1 January 2012 - as reported	**5,479,688**	**4,301,990**	**413,853**	**2,173,492**	**12,369,023**
Comprehensive income for the period					
Profit	-	-	-	38,528	38,528
Total comprehensive income for the period	**-**	**-**	**-**	**38,528**	**38,528**
Balance at 31 March 2012	**5,479,688**	**4,301,990**	**413,853**	**2,212,020**	**12,407,551**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		(in thousand Baht)			
Cash flows from operating activities					
Profit (loss) for the period		42,366	(167,087)	38,528	(110,306)
Adjustments for					
Depreciation of property and equipment	*6*	276,068	264,907	72,752	87,073
Amortisation of property and equipment under operating agreements	*6*	335,925	333,067	335,925	333,067
Amortisation of deferred charges	*6*	9,973	4,652	9,830	4,437
Amortisation of intangible assets	*6*	24,688	24,853	22,340	22,352
Impairment on assets	*1*	41,000	-	-	-
Current services costs of employee	*7*	3,198	3,103	2,107	2,049
Interest income		(18,852)	(8,242)	(13,092)	(5,342)
Finance cost		116,202	119,979	104,355	102,181
(Gain) loss on exchange rate		(13,125)	71,368	(50,205)	(629)
Amortisation of borrowing costs	*8*	4,401	1,514	1,526	1,514
Allowance for doubtful accounts	*4*	(20,062)	26,627	640	7,744
Profit on non-controlling interest		-	666	-	-
Allowance for obsolete inventory		5,777	10,651	4,957	10,548
(Gain) loss on disposal of property and equipment		(2,365)	(421)	(45,140)	31
Write-off property and equipment	*6*	-	7,248	-	307
Share of profits of associate	*5*	(44,980)	(44,151)	-	-
Income tax expense		59,342	(14,767)	22,449	(30,831)
		819,556	633,967	506,972	424,195
Changes in operating assets and liabilities					
Trade and other accounts receivable		144,475	(111,922)	(31,718)	(160,185)
Amounts due from related parties		46	(544)	(146,872)	(4,030)
Inventories		33,354	(11,413)	31,577	22,442
Prepaid insurance		19,818	28,124	19,572	27,751
Other current assets		(76,744)	101,228	(5,699)	78,545
Other non-current assets		(778)	(22,493)	(778)	(22,730)
Trade and other accounts payable		(54,558)	(133,792)	26,260	(147,982)
Amounts due to related parties		(871)	2,370	13,113	2,413
Advance receipts from customers		409,462	247,476	364,721	327,338
Accrued operating agreement fee		138,251	112,832	167,422	113,954
Other current liabilities		(40,211)	(16,861)	(8,746)	7,683
Other non-current liabilities		(13,095)	11,773	(13,093)	11,957
Defined benefit obligations paid	*7*	(7,086)	(6,000)	(7,086)	(6,000)
Interest received		16,113	4,845	11,121	3,675
Income tax paid		(72,388)	(109,788)	(27,410)	(28,544)
Net cash provided by operating activities		**1,315,344**	**729,802**	**899,356**	**650,482**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the three-month periods ended 31 March 2012 and 2011 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		(in thousand Baht)			
Cash flows from investing activities					
Payment for property and equipment		(480,834)	(166,446)	(415,974)	(101,342)
Payment for property and equipment under operating agreements		(513)	(699)	(513)	(699)
Proceeds from sale of property and equipment		3,581	804	144,612	343
Short-term loan to a jointly-controlled entity	*3*	(8,007)	-	(16,340)	-
Proceeds from long-term loan to subsidiaries	*3*	-	-	3,060	(1,175)
Payments for deferred charges		(12,633)	(18,513)	(12,633)	(18,440)
Purchase of intangible assets		(2,309)	(909)	(1,929)	(773)
Net cash used in investing activities		**(500,715)**	**(185,763)**	**(299,717)**	**(122,086)**
Cash flows from financing activities					
Proceeds from long-term borrowings	*8*	-	3,528	-	3,528
Repayments of long-term borrowings	*8*	(2,186)	(1,315)	(1,340)	(1,262)
Proceeds from other related party	*3*	8,040	-	-	-
Interest paid		(117,880)	(119,353)	(107,778)	(103,169)
Net cash used in financing activities		**(112,026)**	**(117,140)**	**(109,118)**	**(100,903)**
Net increase in cash and cash equivalents		**702,603**	**426,899**	**490,521**	**427,493**
Cash and cash equivalents at 1 January		2,865,910	1,271,920	1,826,977	518,439
Effect of exchange rate changes on balances held in foreign currencies		13,000	760	13,000	760
Cash and cash equivalents at 31 March		**3,581,513**	**1,699,579**	**2,330,498**	**946,692**
Non-cash transactions					
Acquisition of property and equipment by issue of debt		9,781	54,626	9,781	17,281

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2012 (Unaudited)

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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 10 May 2012.

1 General information

Thaicom Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 414 Phaholyotin Road, Samsen Nai, Phayathai, Bangkok 10400.

The Company was listed on the Stock Exchange of Thailand in January 1994.

The Company's major shareholders during the financial period was Shin Corporation Public Company Limited (41.14% shareholding) which is incorporated in Thailand.

The Company, its subsidiaries, associate, and jointly controlled entities (Collectively referred to as "the Group") are primarily involved in transponder services for domestic and international communications, sale of user terminal of iPSTAR, broadband content services, sale of direct television equipment, Internet data center services, Internet services, satellite uplink-downlink services, printing and publishing of business telephone directories, banner advertising, telephone network services, mobile contents, and engineering and development services on communication technology and electronics, which are mainly operated under agreements for operation.

The Group has operations in 10 countries; Thailand, Singapore, Cambodia, Lao PDR, Australia, New Zealand, the United States of America, Mauritius, the British Virgin Islands and Japan.

The Company obtained agreements for operation from the Ministry of Transport and Communications for a period of 30 years to operate and administer satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a 30-year period, service charges from users of the transponders. These agreements for operation have been transferred to the Ministry of Information Communication and Technology and will be expired in 2021.

Details of the Company's subsidiaries and jointly controlled entities as at 31 March 2012 and 31 December 2011 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2012	31 December 2011
Direct subsidiaries				
DTV Service Company Limited	Providing meeting center via internet and broadband content services and sale of direct television equipment	Thailand	100	100
iPSTAR Company Limited	Providing Thaicom 4 transponder services	The British Virgin Islands	99.96	99.96

Name of the entity	Type of business	Country of incorporation	Ownership Interest (%)	
			31 March 2012	31 December 2011
Star Nucleus Company Limited	Providing broadband technological services via Thaicom 4 satellite	The British Virgin Islands	100	100
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	70	70
IPSTAR International Pte Limited	Providing Thaicom 4 transponder services	Singapore	100	100
IPSTAR Global Services Company Limited	Providing Thaicom 4 transponder service	Mauritius	100	100
Cambodian DTV Network Limited	Sale of direct television equipment	Cambodia	100	100
IPSTAR Australia Pty Limited	Sale of user terminal of Thaicom 4 and providing Thaicom 4 transponder services in Australia.	Australia	100	100
Indirect subsidiaries				
Subsidiaries of iPSTAR Company Limited				
IPSTAR New Zealand Company Limited	Sale of user terminal of Thaicom 4 and providing Thaicom 4 transponder services in New Zealand	New Zealand	100	100
Jointly-controlled entities				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
Subsidiaries of Shenington Investments Pte Limited				
Mfone Company Limited	Providing fixed line, mobile phone and Internet services	Cambodia	51	51
Jointly- controlled of Shenington Investments Pte Limited				
Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99

As at 31 March 2012, a subsidiary of jointly-controlled entities has deficits of Baht 707.35 million *(31 December 2011: Baht 600.05 million)* and capital deficiency of Baht 329.83 million (*31 December 2011: Baht 212.15 million)*. However, the Company's management believed a subsidiary of a jointly-controlled entity will continue its operations to generate cash inflow and fulfill all of its current financial obligation. Accordingly, its financial statements entities have been prepared based on a going concern basis.

As at 31 March 2012, the management estimated the impairment loss of investment at the amount of Baht 41 million based on fair value. Such impairment loss was recognised in the financial statements as at 31 March 2012.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) *Interim Financial Reporting;* guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2011. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2011.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2011.

(b) Presentation currency

The interim financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) Use of estimates and judgements

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates

Measurement of defined benefit obligations

The calculation of the defined benefit obligation is sensitive to the assumptions on mortality and future salary rates as set out in note 7.

Allowance

The calculation of the allowance for doubtful accounts of trade accounts receivable, allowance for obsolete and damaged inventories and others are related to the assumptions on analysis of payment histories and future expectations of customer payments, slow-moving information of inventories and recoverable amounts.

Utilisation of assets

The assumption of the useful lives and residual value of plant and equipment, assets under the Agreements for operations and intangible assets are reviewed on an ongoing basis.

3 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Shin Corporation Public Company Limited ("Shin") (incorporated in Thailand), which owns 41.14% (*31 December 2011: 41.14%*) of the Company's shares. Transactions with Shin Group, Cedar Group, Aspen Group, and Temasek Group are recognised as related party transactions of the Group.

Sales and service transactions with related parties were conducted under normal commercial terms and conditions, which were the same as for other customers. Consulting and management services were charged at an agreed percentage of assets. Transactions between the Company and Codespace, Inc. were conducted based on hourly rates plus reimbursement of actual expenses.

Significant transactions for the three-month period ended 31 March 2012 and 2011 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2012	2011	2012	2011
	(in thousand Baht)			
Sales				
Sales and services income				
Subsidiaries	-	-	361,989	217,024
Jointly-controlled entities	296	3,658	-	267
Associate	2,550	2,555	2,520	2,520
Related parties under common control	17,377	16,138	12,964	12,980
Other related party	52	273	-	-
Other income				
Subsidiaries	-	-	59,007	13,548
Jointly-controlled entities	907	295	1,851	603
Total	**21,182**	**22,919**	**438,331**	**246,942**
Expense				
Purchases of goods and services				
Subsidiaries	-	-	13,525	9,627
Jointly-controlled entities	933	963	1,851	1,965
Associate	5,470	4,417	5,470	4,374
Related parties under common control	322	97	74	6
Other related party	3,370	9,348	3,345	3,421
Selling and administrative expenses				
Subsidiaries	-	-	558	272
Jointly-controlled entities	2,299	27	4,692	56
Associate	725	642	675	502
Related parties under common control	1,599	3,003	1,483	2,404
Director and management benefit expenses	11,186	12,865	11,059	12,740
Total	**25,904**	**31,362**	**42,732**	**35,367**

Balances as at 31 March 2012 and 31 December 2011 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	(in thousand Baht)			
Trade accounts receivable and accrued income - related parties				
Trade accounts receivable				
Subsidiaries	-	-	574,150	219,790
Jointly-controlled entities	28,838	29,306	2,696	3,455
Associate	909	899	899	899
Related parties under common control	12,313	8,635	4,459	4,487
Other related party	158	158	-	-
Total	**42,218**	**38,998**	**582,204**	**228,631**
Accrued income				
Subsidiaries	-	-	1,004	252,714
Jointly-controlled entity	-	339	-	-
Associate	5,040	2,520	5,040	2,520
Related parties under common control	4,407	4,463	4,290	4,343
Total	**9,447**	**7,322**	**10,334**	**259,577**
Total trade accounts receivable and accrued income - related parties	**51,665**	**46,320**	**592,538**	**488,208**
Less allowance for doubtful accounts	(2,168)	-	(2,696)	-
Net	**49,497**	**46,320**	**589,842**	**488,208**
Amounts due from related parties				
Parent company	103	-	103	-
Subsidiaries	-	-	171,694	27,103
Jointly-controlled entities	2,985	3,165	94,091	93,924
Associate	67,558	-	31	-
Total	**70,646**	**3,165**	**265,919**	**121,027**
Short-term loan to a jointly-controlled entity	**84,803**	**78,943**	**173,067**	**161,109**

As at 31 March 2012, the short-term loan to a jointly-controlled entity bears interest at the rate of 2.97% - 3.49% per annum *(31 December 2011: 3.04% - 3.55%)* and is repayable when requested.

Movements during the three-month periods ended 31 March 2012 and 2011 of short-term loan to a jointly-controlled entity were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
At 1 January	78,943	-	161,109	-
Increase	8,007	-	16,340	-
Unrealised loss on exchange rate	(2,147)	-	(4,382)	-
At 31 March	**84,803**	**-**	**173,067**	**-**

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	(in thousand Baht)			
Other current assets - related parties				
Subsidiaries	-	-	322	357
Jointly-controlled entity	1,261	621	2,574	1,267
Related parties under common control	12	-	10	-
Total	**1,273**	**621**	**2,906**	**1,624**
Long term loan to a subsidiary	**-**	**-**	**24,516**	**28,352**

As at 31 March 2012, the long-term loan to subsidiaries bears interest at the rate of 6.26% per annum *(31 December 2011: 6.27% - 6.33%).*

Movements during the three-month periods ended 31 March 2012 and 2011 of long-term loans to a subsidiary were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
At 1 January	-	-	28,352	208,540
Decrease	-	-	(3,060)	1,175
Loss on exchange rate	-	-	(776)	(131)
At 31 March	**-**	**-**	**24,516**	**209,584**

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	(in thousand Baht)			
Trade accounts payable - related parties				
Subsidiary	-	-	355	201
Jointly-controlled entity	370	328	332	332
Associate	5,644	5,547	5,631	5,533
Related parties under common control	6,616	7,882	115	263
Total	**12,630**	**13,757**	**6,433**	**6,329**
Amounts due to related parties				
Subsidiaries	-	-	987,408	1,234
Jointly-controlled entity	670	1,248	1,367	2,547
Related parties under common control	82	379	16	329
Other related party	635	631	-	-
Total	**1,387**	**2,258**	**988,791**	**4,110**
Advances receipts from customers - related parties				
Subsidiary	-	-	27,175	29,684
Jointly-controlled entity	254	261	-	-
Related party under common control	6	6	-	-
Total	**260**	**267**	**27,175**	**29,684**
Accrued expenses - related parties				
Subsidiary	-	-	69,213	4,129
Jointly-controlled entity	2,429	936	4,958	1,910
Associate	1,185	1,070	1,185	1,070
Related parties under common control	1,029	452	1,037	422
Other related party	3,435	2,837	2,169	2,228
Total	**8,078**	**5,295**	**78,562**	**9,759**
Other current liabilities - related parties				
Subsidiary	-	-	3,039	2,031
Related parties under common control	160	144	160	144
Total	**160**	**144**	**3,199**	**2,175**
Short term loan from other related party	**85,205**	**79,295**	-	-

Movements during the three-month periods ended 31 March 2012 and 2011 of short term loan from other related party was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
At 1 January	79,295	-	-	-
Increase	8,041	-	-	-
Unrealised gain on exchange rate	(2,131)	-	-	-
At 31 March	**85,205**	**-**	**-**	**-**

As at 31 March 2012, the short-term loan from other related party bear interest at the rate of 2.97% - 3.49% per annum *(31 December 2011: 3.04% - 3.55%)* and is repayable when requested.

Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2012	2011	2012	2011
	(in thousand Baht)			
Short-term employee benefits	11,186	12,865	11,059	12,740
Long-term benefits				
- Current service costs, included in administrative expenses	170	162	170	162
- Interest on obligation, included in finance costs	179	162	179	162
Total	**11,535**	**13,189**	**11,408**	**13,064**

From time to time directors of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers.

Directors' remuneration

The directors' remuneration represent monthly compensation, annual remuneration, and meeting fees whereas the directors benefit approved by the shareholders of the Company at their Annual General Meetings. The directors' remuneration is as part of directors and management benefit expenses presented in the statement of income.

Commitments for related parties

The Company had issued letters of comfort to the bankers of a subsidiary of jointly-controlled entity. Under the terms of the letters of comfort, the Company must hold its interests in its subsidiaries of jointly-control entities at the ratio as specified in the letters until the loans are fully repaid. The Company also confirms to the banks that the Company will provide necessary financial support to these subsidiaries of jointly-controlled entities to ensure that these subsidiaries of jointly-controlled entities will be able to meet their repayment obligations under their related loan agreements.

As at 31 March 2012, the Company had commitment from issuing the letter of comfort to the bankers of a subsidiary of jointly-controlled entity in the amount of USD 2.2 million *(31 December 2011: USD 2.2 million).*

Significant agreements with related parties

a. The Company entered into an agreement with an associated company, under which the associate was committed to provide uplink data service for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately Baht 6.29 million *(31 December 2011: approximately Baht 8.39 million).*

b. The Company entered into an agreement with a jointly-controlled entity, under which the jointly-controlled entity was committed to responsible for ensuring the IPSTAR gateway system perform in accordance with the industry standard and provide maintenance service in Cambodia for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately USD 0.1 million *(31 December 2011: approximately USD 0.16 million).*

c. The Company and subsidiary entered into agreements with subsidiaries, under which the Company and subsidiaries were committed to pay royalty fee 1% of revenue from sale or lease of IPSTAR gateway, 1% of revenue from sale or lease of IPSTAR User terminal and 3% of revenue from sale or service of IPSTAR bandwidth.

d. The Company entered into agreements with subsidiaries, jointly-controlled entities and associate, under which the Company was committed to provide transponder service, IPSTAR bandwidth service and advisory service. Subsidiaries, jointly-controlled entities and associate were committed to pay the Company for the service of the agreements at approximately USD 110.88 million and Baht 5.04 million *(31 December 2011: approximately USD 115.94 million and Baht 7.56 million)*. The service fees of contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.

e. The Company had entered into agreements with a certain related party, under which the related party was committed to maintain accounting program service for a period of one year with an option to renew. The Company was committed to pay for services in respect of the agreements at approximately Baht 3.64 million per year *(31 December 2011, the Company was not committed to pay).*

4 Trade and other accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(in thousand Baht)			
Trade accounts receivable					
Related parties	*3*	42,218	38,998	582,204	228,631
Other parties		1,006,243	1,248,340	488,292	661,734
		1,048,461	**1,287,338**	**1,070,496**	**890,365**
Accrued income					
Related parties	*3*	9,447	7,322	10,334	259,577
Other parties		202,530	133,066	200,671	122,680
		211,977	**140,388**	**211,005**	**382,257**
Other accounts receivable					
Prepaid expenses		61,229	69,250	7,759	9,427
Advance payments		58,095	50,799	43,339	36,272
Others		91,275	78,539	9,977	5,810
		210,599	**198,588**	**61,075**	**51,509**
Total trade accounts receivable accrued income and other accounts receivable		**1,471,037**	**1,626,314**	**1,342,576**	**1,324,131**
Less allowance for doubtful accounts		(237,575)	(278,282)	(104,527)	(123,415)
Net		**1,233,462**	**1,348,032**	**1,238,049**	**1,200,716**

	2012	2011	2012	2011
	(in thousand Baht)			
(Reversal of) bad and doubtful debts expenses for the three - month period ended 31 March	**(20,062)**	**26,627**	**640**	**7,744**

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	(in thousand Baht)			
Within credit terms	343,817	480,365	213,531	328,315
Overdue:				
Less than 3 months	340,900	272,420	671,975	309,383
3 - 6 months	62,868	105,149	44,020	56,847
6 - 12 months	56,748	110,336	32,014	53,535
Over 12 months	244,128	319,068	108,956	142,285
	1,048,461	**1,287,338**	**1,070,496**	**890,365**
Less allowance for doubtful accounts	(237,575)	(278,282)	(104,527)	(123,415)
Net	**810,886**	**1,009,056**	**965,969**	**766,950**

The normal credit term for general customers were granted by the Group ranging 30 - 60 days.

5 Investments in subsidiaries, jointly-controlled entities and an associate

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2012	2011	2012	2011
	(in thousand Baht)			
At 1 January	451,457	439,868	831,454	830,200
Acquisition	-	-	971,568	-
Share of net profits of investments in associate - equity method	44,980	44,151	-	-
Unrealised gain from decrease in shareholding in an associate	90	155	-	-
Dividend income	(67,527)	(62,525)	-	-
At 31 March	**429,000**	**421,649**	**1,803,022**	**830,200**

Investments in subsidiaries, jointly-controlled entities and associate as at 31 March 2012 and 31 December 2011, and dividend income from those investments for the three-month periods ended 31 March 2012 and 2011 were as follows:

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost		Equity		Impairment		Equity - net of impairment		Dividend income for three-month period ended	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 March 2011
	(%)				*(in million Baht)*									
Associate														
CS Loxinfo Public Company Limited	42.07	42.07	148	148	1,482	1,482	429	451	-	-	429	451	68	63
Total					**1,482**	**1,482**	**429**	**451**	**-**	**-**	**429**	**451**	**68**	**63**

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		Cost - net of impairment		Dividend income for three-month ended	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 March 2011
	(%)				*(in million Baht)*							
Subsidiaries												
DTV Service Company Limited	100.00	100.00	Baht 399 million	Baht 399 million	399	399	-	-	399	399	-	-
Spacecode LLC	70.00	70.00	USD 4 million	USD 4 million	118	118	-	-	118	118	-	-
iPSTAR Company Limited	99.96	99.96	USD 2 million	USD 2 million	154	154	-	-	154	154	-	-
Star Nucleus Company Limited	100.00	100.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	-	-	1	1	-	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	-	-	1	1	-	-
Cambodian DTV Network Company Limited	100.00	100.00	USD 600,000	USD 600,000	21	21	-	-	21	21	-	-
IPSTAR Australia Pty Limited	100.00	-	AUD 6.95 million	-	971	-	-	-	971	-	-	-
Total					**1,665**	**694**	**-**	**-**	**1,665**	**694**		
Jointly-controlled entity												
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	**138**	**138**	**-**	**-**	**138**	**138**	**-**	**-**

Significant movements in investments in subsidiaries, jointly controlled entities and an associate for the three-month period ended 31 March 2012 were as follows:

Subsidiary

a) Acquisition of additional ordinary shares in IPSTAR Australia Pty Limited ("IPA")

On 23 February 2012, the Company acquired all the ordinary shares of IPA from iPSTAR Co., Ltd., totaling of 6.95 million shares, equivalent to 100% shareholding, at the price of USD 4.6 per share, totaling of USD 31.97 million. As a result of this acquisition, there was no impacted on the consolidated financial statements of the Company. Also IPA has changed the status from an indirect subsidiary to a direct subsidiary of the Company.

Associate

b) Dividend payment of CS Loxinfo Public Company Limited ("CSL")

At the annual general meeting of the shareholders of CSL held on 29 March 2012, the shareholders approved the appropriation of dividend of Baht 0.27 per share, amounting to Baht 160 million. The dividend was paid to shareholders on 24 April 2012.

c) Increase of share capital and reduction of share capital

Increase of share capital

At the annual general meeting of the shareholders of CSL held on 29 March 2012, a resolution was passed to approve the issuance of 175,000 additional ordinary shares to support the change in the exercise ratio, equivalent to 0.03% of the total issued and paid-up share capital of CSL. As a result of the proposed dividend payment, the exercise ratio of the warrants issued under ESOP-Grant V has been affected. CSL has registered the increased share capital to the Ministry of Commerce on 23 April 2012.

Reduction of share capital

At the annual general meeting of the shareholders of CSL held on 29 March 2012, a resolution was passed to reduce the ordinary shares because the warrant of CSL for ESOP-Grant IV expired on 30 May 2011, in number of 2,311,557 shares, equivalent to 0.39% of the total issued and paid-up shares capital of CSL. CSL has registered the decreased share capital to the Ministry of Commerce on 20 April 2012.

Commitments

According to the joint venture agreement between the Group and the Government of the Lao People's Democratic Republic, the Group must transfer all of LTC's shares to the Government of the Lao People's Democratic Republic, without any charges or compensation, on the expiration date of the joint venture agreement in 2021.

6 Capital expenditure and commitments

	Consolidated financial statements			
	Property and equipment	Property and equipment under agreements for operation	Deferred charges	Intangible assets
	(in thousand Baht)			
Transactions during the three-month period ended 31 March 2012				
Opening net book value	6,611,264	12,828,228	105,470	1,012,335
Additions	412,275	562	12,633	2,309
Disposal, net	(1,156)	-	-	-
Transfer, net	(569)	-	-	-
Write-offs, net	(6)	-	-	(53)
Depreciation / amortisation charges	(276,068)	(335,925)	(9,973)	(24,688)
Foreign currency translation adjustments	(106,521)	-	-	(2,604)
Closing net book value	**6,639,219**	**12,492,865**	**108,130**	**987,299**
As at 31 March 2012				
Cost	13,328,324	21,142,850	722,459	1,667,628
Less accumulated depreciation / amortisation	(6,660,513)	(8,649,985)	(614,329)	(680,329)
Less accumulated impairment loss	(28,592)	-	-	-
Net book value	**6,639,219**	**12,492,865**	**108,130**	**987,299**

The gross amount of the Group's fully depreciated property and equipment that was still in use as at 31 March 2012 amounted to Baht 2,795.60 million *(31 December 2011: Baht 2,653.68 million).*

As at 31 March 2012 the accumulated impairment loss of Baht 28.6 million *(31 December 2011: Baht 28.6 million)* comprised an impairment loss for analogue mobile telephone network of a jointly- controlled entity which ceased its operation in 2005 amounting to Baht 16.2 million and an impairment loss for rural telephone network of another jointly- controlled entity amounting to Baht 12.4 million.

As at 31 March 2012, net book value of property and equipment includes property and equipment under agreements for operation of a jointly-controlled entity, Mfone Company Limited ("Mfone"), of approximately Baht 1,844.54 million *(31 December 2011: Baht 1,997.73 million)*. According to the agreement, Mfone must transfer its ownership of the property and equipment to the government of Cambodia on the expiration date of the agreements for operation, on 4 March 2028 (Note 12 b).

	Separate financial statements			
	Property and equipment	Property and equipment under agreements for operation	Deferred charges	Intangible assets
	(in thousand Baht)			
Transactions during the three-month period ended 31 March 2012				
Opening net book value	2,645,391	12,828,228	104,218	862,029
Additions	395,940	562	12,632	1,928
Disposal, net	(99,328)	-	-	(142)
Transfer, net	(569)	-	-	-
Depreciation / amortisation charges	(72,752)	(335,925)	(9,830)	(22,340)
Closing net book value	**2,868,682**	**12,492,865**	**107,020**	**841,475**
As at 31 March 2012				
Cost	5,789,458	21,142,850	690,586	1,459,218
Less accumulated depreciation / amortisation	(2,920,776)	(8,649,985)	(583,566)	(617,743)
Net book value	**2,868,682**	**12,492,865**	**107,020**	**841,475**

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 March 2012 amounted to Baht 2,053.94 million *(31 December 2011: Baht 2,049.28 million)*.

As at 31 March 2012, borrowing costs of Baht 23.66 million *(31 December 2011: Baht 11.28 million)* arising on financing specifically entered into for assets under construction.

As at 31 March 2012, property and equipment included a project in progress of Baht 2,082.89 million *(31 December 2011: Baht 1,720.64 million)* relating to the Thaicom 6 project. The Thaicom 6 project will be fully operational with the launch of Thaicom 6 satellite within 2013. According to the operating agreement made with the Ministry of Information Communication and Technology ("MICT"), the Company must transfer its ownership of the Thaicom 6 satellite to MICT on the date of completion of construction and installation.

Capital expenditure commitments

Capital expenditure contracted but not provided for at the reporting date were as follows:

		Consolidated financial statements		Separate financial statements	
	Currency	31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(in thousand)			
THAICOM 4 Project	USD	26	26	26	26
THAICOM 6 Project	USD	74,018	85,274	74,018	85,274
120°E Project	USD	171,000	171,000	171,000	171,000
Telephone network	USD	1,364	7,601	-	-
Total	USD	246,408	263,901	245,044	256,300
Total equivalent to Thai Baht		**7,635,799**	**8,400,472**	**7,593,543**	**8,158,513**

The Company signed a cooperation agreement to preserve the orbital location of 120 degrees East by cooperating investment with Asia Satellite Telecommunications Company Limited in the total amount of USD 171 million for 15 years for the whole project.

7 Employee benefit obligations

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	(in thousand Baht)			
Present value of unfunded obligations	164,164	167,308	91,862	95,542
Statement of financial position obligation	**164,164**	**167,308**	**91,862**	**95,542**

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2012	2011	2012	2011
	(in thousand Baht)			
Defined benefit obligations at 1 January	167,308	150,876	95,542	88,604
Benefits paid by the plan	(7,086)	(6,000)	(7,086)	(6,000)
Current service costs and interest	5,634	5,222	3,406	3,258
Unrealised gain from foreign exchange rate	(1,692)	-	-	-
Defined benefit obligations at 31 March	**164,164**	**150,098**	**91,862**	**85,862**

Expense recognised in profit or loss:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2012	2011	2012	2011
	(in thousand Baht)			
Current service costs of employee	3,198	3,103	2,107	2,049
Interest on obligation	2,436	2,119	1,299	1,209
Total	**5,634**	**5,222**	**3,406**	**3,258**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	%			
Discount rate	4.98	4.98	5.00	5.00
Future salary increases	6.00	6.00	6.00	6.00

8 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	(in thousand Baht)			
Current				
Current portion of long-term borrowings				
Loans from financial institutions	154,560	111,335	-	-
Loans from others	1,188,045	1,217,885	5,944	5,384
Total current portion of long-term borrowings	1,342,605	1,329,220	5,944	5,384
Current portion of long-term debentures	3,297,810	3,296,900	3,297,810	3,296,900
Total current	4,640,415	4,626,120	3,303,754	3,302,284
Non-current				
Long-term borrowings				
Loans from financial institutions	1,822,929	1,913,893	1,599,193	1,642,717
Loans from others	46,400	44,408	25,910	23,386
Total long-term borrowings	1,869,329	1,958,301	1,625,103	1,666,103
Long-term debentures	3,693,564	3,692,948	3,693,564	3,692,948
Total non-current	5,562,893	5,651,249	5,318,667	5,359,051
Total Interest-bearing liabilities	**10,203,308**	**10,277,369**	**8,622,421**	**8,661,335**

As at 31 March 2012, borrowings from others are borrowings of subsidiary of jointly-controlled entities of Baht 1,175.18 million *(31 December 2011: Baht 1,206.38 million*) for the purpose of the telecommunication project. The weighted average interest rate is 4.83% per annum *(31 December 2011:* 4.73*% per annum)*. As at 31 March 2012, an aforementioned borrowing was reclassified to current portion of long term-borrowings in full amount.

Long-term debentures were as follows:

As at 31 March 2012, the Company issued 2 tranches of Baht 7,000 million, with a par value of Baht 1,000 each, unsubordinated and unsecured with having registered and bond holders representative debentures as follow:

Issue date	No. of units (Million)	Amount (Million Baht)	Interest rate (per annum)	Term of interest payment	Principal payment term	Outstanding balance as at 31 March 2012 *(in million Baht)*
6 November 2009	3.3	3,300	5.25%	Quarterly	Entirely redeemed on 6 November 2012	3,300
6 November 2009	3.7	3,700	6.15%	Quarterly	Entirely redeemed on 6 November 2014	3,700
Total debentures						7,000
Less bond issuing cost						(9)
Net						**6,991**

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios.

The movements in the borrowings can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	(in thousand Baht)	
For the three-month period ended 31 March 2012		
Opening net book value	10,277,369	8,661,335
Proceeds from long-term borrowings, net of financial costs	4,424	4,424
Repayment of long-term borrowings	(2,186)	(1,340)
Amotisation of finance costs	4,401	1,526
Gain on exchange rate	(80,700)	(43,524)
Closing net book value	**10,203,308**	**8,622,421**

Some subsidiaries have to maintain the financial ratios restricted in the long-term agreements.

Credit facilities

As at 31 March 2012, available credit facilities for loans from local and oversea banks are Baht 768 million and USD 6 million (*31 December 2011: Baht 798 million and USD 26 million*).

Facility agreement in relation to the financing of the Thaicom 6 satellite project

The Company entered into a Loan Agreement with a local bank on 29 August 2011 for USD 137 million, for the purpose of the Thaicom 6 satellite project. The term of the loan is 10 years with the interest rate based on margins over the London Inter-Bank Offer Rate ("LIBOR"). In addition, the Company must comply with the conditions in the Loan Agreement in respect of maintaining certain financial ratios, dividend payment policy, guarantee, sale or transfer of assets and investment.

9 Share capital

Three-month period ended 31 March	*Par value per share (Baht)*	2012 Number	2012 Amount	2011 Number	2011 Amount
		(thousand shares / thousand Baht)			
Authorised					
At 31 March					
- ordinary shares	*5*	**1,132,082**	**5,660,412**	**1,132,082**	**5,660,412**
Issued and paid-up					
At 1 January					
- ordinary shares	*5*	1,095,938	5,479,688	1,095,938	5,479,688
At 31 March					
- ordinary shares	*5*	**1,095,938**	**5,479,688**	**1,095,938**	**5,479,688**

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

10 Segment information

Segment information is presented in respect of the Group's business and geographic segments. The primary format, business segments / geographic segments is based on the Group's management and internal reporting structure.

Business segments

The Group comprises the following main business segments:

Segment 1	Services relating to the satellite business and the transponder services segment
Segment 2	Sales and services relating to the Internet and media business
Segment 3	Sales and services relating to the telephone network business in Cambodia and the Lao People's Democratic Republic.
Segment 4	Others

Geographic segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers.

The areas of operation in Thailand are principally satellite business services, internet and media services and printing and publishing of business telephone directories services. Cambodia and Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia main activities are sales and services relating to satellite business.

The Group comprises the following main geographic segments:

Segment 1	Thailand
Segment 2	Cambodia
Segment 3	The Lao People's Democratic Republic
Segment 4	Australia
Segment 5	China
Segment 6	India
Segment 7	Japan
Segment 8	Others

Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 31 March 2012 and 2011 were as follows:

	Satellite business services		Internet services and media		Telephone network		Others		Consolidation eliminations		Consolidated financial statements	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
						(in thousand Baht)						
Revenues	1,522,471	1,157,097	96,369	91,553	297,325	338,829	-	-	(9,349)	(17,389)	1,906,816	1,570,090
Shares of profit of associate	-	-	44,980	44,151	-	-	-	-	-	-	44,980	44,151
Cost of sales and services	(1,017,479)	(892,661)	(81,550)	(96,593)	(315,467)	(330,127)	-	-	10,714	13,129	(1,403,782)	(1,306,252)
Selling and administrative expenses	(246,180)	(260,962)	(15,312)	(18,279)	(102,089)	(66,700)	(6,021)	(22,217)	1,574	1,479	(368,028)	(366,679)
Segment results	258,812	3,474	44,487	20,832	(120,231)	(57,998)	(6,021)	(22,217)	2,939	(2,781)	179,986	(58,690)
Other income											25,491	11,351
Net gain (loss) on foreign exchange											12,432	(13,870)
Gain (loss) before interest expenses and income tax											217,909	(61,209)
Finance costs											(116,201)	(119,979)
Operating gain (loss)											101,708	(181,188)
Income tax											(59,342)	14,767
Non-controlling interests											-	(666)
Net profit (loss)											**42,366**	**(167,087)**

Revenue and results, based on geographical segments, in the consolidated financial statements for the three-month periods ended 31 March 2012 and 2011 were as follows:

	2012	2011
	(in thousand Baht)	
Segment revenue		
Thailand	789,542	688,248
Cambodia	165,953	215,020
Lao PDR	187,679	154,485
Australia	283,182	183,921
China	2,435	3,644
India	64,497	61,808
Japan	200,434	117,902
Others	258,074	189,213
Total	**1,951,796**	**1,614,241**
Segment results		
Thailand	260,673	351,338
Cambodia	(108,032)	(110,738)
Lao PDR	44,445	17,632
Australia	56,713	23,991
China	(162,420)	(122,071)
India	(37,688)	(45,289)
Japan	52,465	(17,686)
Others	73,830	(155,867)
Total	**179,986**	**(58,690)**

11 Earnings (loss) per share

Basic earnings (loss) per share

The calculation of basic earnings (loss) per share for the three-month periods ended 31 March 2012 and 2011 was based on the earnings (loss) for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during each period as follows:

	Consolidated financial statements		**Separate financial statements**	
Three-month period ended 31 March	2012	2011	2012	2011
	(in thousand Baht / thousand shares)			
Profit (loss) attributable to ordinary shareholders of the Company(basic)	**42,366**	**(167,087)**	**38,528**	**(110,306)**
Number of ordinary shares outstanding	**1,095,938**	**1,095,938**	**1,095,938**	**1,095,938**
Earnings (loss) per share (basic) ***(in Baht)***	**0.04**	**(0.15)**	**0.04**	**(0.10)**

Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share for the three-month periods ended 31 March 2012 and 2011 was based on the earnings (loss) for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2012	2011	2012	2011
	(in thousand Baht / in thousand shares)			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	42,366	(167,087)	38,528	(110,306)
Profit (loss) attributable to ordinary shareholders of the Company(diluted)	**42,366**	**(167,087)**	**38,528**	**(110,306)**
Number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Number of ordinary shares outstanding (diluted)	**1,095,938**	**1,095,938**	**1,095,938**	**1,095,938**
Earnings (loss) per share (diluted) ***(in Baht)***	**0.04**	**(0.15)**	**0.04**	**(0.10)**

12 Commitments with non-related parties

a) Agreement for operation of domestic communication satellite

The Company was permitted by the Ministry of Transport and Communications, under an agreement dated 11 September 1991 and an amendment thereto dated 22 March 1992, to operate and administer certain satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a thirty-year period, service charges from users of the transponders. The agreements for operation have been transferred to the Ministry of Information Communication and Technology ("MICT").

Under the aforementioned agreement, the Company must pay an annual fee to MICT based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 31 March 2012, the remaining minimum fee is Baht 716 million *(31 December 2011: Baht 731 million).* In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipments to MICT on the date of completion of construction and installation.

b) Assets transfer commitment under telephone network agreement in Cambodia

Mfone Company Limited ("Mfone"), a jointly-controlled entity in Cambodia, has obtained agreements for operation from the Directorate of Posts and Telecommunications of Cambodia to operate a domestic telephone network under an agreement dated 4 March 1993 and an amendment thereto dated 4 March 1997, for a period of 35 years. Under the agreement, Mfone will transfer its ownership of all fixed assets to the Government of Cambodia on the expiration date of the agreement in 2028 (Note 6).

c) Shareholder agreement

Lao Telecommunications Company Limited ("LTC") is a joint venture, which was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by the Government of the Lao People's Democratic Republic and Shinawatra Computer and Communications Public Company Limited, the former name of Shin Corporation Public Company Limited. According to the aforementioned Joint Venture Contract, LTC has the right to provide telecommunication services - fixed line phone, mobile phone, international facilities, internet and paging - within the Lao PDR for 25 years. Currently, Shenington Investments Pte Company Limited, which is a jointly-controlled entities of the Company, owns 49% of LTC's registered shares. At the end of the 25th year, in 2021, the Group has to transfer all of LTC's shares to the Government of the Lao People's Democratic Republic without any charges (Note 5). According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years. As at 31 March 2012, LTC has remaining additional investment of approximately USD 66.88 million *(31 December 2011: USD 67.33 million)*.

d) Agreements for operation of the Company, a subsidiary company and associated company for the satellite uplink-downlink and Satellite Internet services and Internet services in Thailand

CS Loxinfo Public Company Limited ("CSL"), which is an associate of the Company, entered into agreements for operation with CAT Telecom Public Company Limited ("CAT") for a period of 22 years from 9 August 1994 to 8 August 2016 to provide satellite uplink-downlink and internet services.

Currently, the National Broadcasting and Telecommunications Commission ("NBTC") (previously termed "the National Telecommunications Commission ("NTC") is responsible for granting licenses to provide telecommunication services and internet access services in Thailand. The Company, DTV Service Company Limited, a company's subsidiary and CSL operate the business to provide internet and telecommunication services under licenses granted by NTC as follow:

Type of license	Issued Date	Period
License of the Company		
Telecom Operation License Type I	16 August 2011	5 years
License of DTV Service Company Limited		
Internet Operation License Type I	18 October 2009	5 years
Licenses of CSL		
Internet Operation License Type II	26 April 2007	5 years
Internet Operation License Type I	8 September 2009	5 years
Telecom Operation License Type I	11 October 2009	5 years
Telecom Operation License Type III	20 December 2007	15 years

e) Obligation under "Financing and Project Agreement"

Lao Telecommunications Company Limited ("LTC") entered into a "Financing and Project Agreement" with the government of the Lao People's Democratic Republic ("government") and an organisation in Germany (KfW, Frankfurt am Main) on 25 October 2004 of an amount not exceeding Euro 6.5 million (approximately Baht 267.63 million) for the procurement and installation of Phase VI of a rural telecommunication network. Under the agreement, the ownership of network assets will be transferred to LTC through loan at 30% of the network assets' value excluding consulting services project and interest rate of loan 4% per year. As at 31 March 2012, LTC has recognised the network assets relating to Phase VI and the related portion of the loan in the amount of Kip 18.44 billion (approximately Baht 71.91 million) and has paid loan repayment for the loan in the amount of Kip 1.84 billion (approximately Baht 7.01 million).

f) Obligation from shares buy back options

On 23 October 2003, the Company and Codespace Inc. entered into a "Memorandum of Agreement", which provides Codespace Inc. an option to sell 2.2 million shares of iPSTAR Co., Ltd. to the Company, with the condition that the Company has the first option to purchase these shares. If the offered price per share is greater than the higher of USD 1 or fair market value at offering date, the Company has the right to refuse. If the offered price per share is equal to the higher of USD 1 or fair market value at offering date, the Company has to purchase those shares from Codespace Inc. The Company believes that Codespace Inc. will not exercise the option because according to the result of the financial analysis of the Company, the value per share of iPSTAR Co., Ltd.'s shares is higher than USD 1. As of 31 March 2012, the remaining share option was 0.08 million shares *(31 December 2011: 0.08 million shares)*.

g) Operating lease commitments

As at 31 March 2012 and 31 December 2011, the Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		Consolidated financial statements		Separate financial statements	
	Currency	31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(in thousands)			
Within one year	THB	10,276	19,567	10,276	19,567
	YEN	19,636	4,347	4,347	4,347
	USD	6,940	6,740	5,301	5,441
	Rupee	5,352	5,352	5,352	5,352
	Rupiah	27,000	40,500	27,000	40,500
	Ringgit	38	54	38	54
	KIP	43,695	147,994	-	-
	PHP	1,613	2,061	1,613	2,061
	AUD	162	164	-	-
Total Baht equivalent		243,315	247,481	181,315	200,219
After one year but within five years	THB	16,515	16,418	16,515	16,418
	YEN	21,925	1,087	-	1,087
	USD	12,591	12,784	6,404	6,405
	Rupee	4,815	6,153	4,815	6,153
	Ringgit	3	4	3	4
	KIP	553,119	689,103	-	-
	AUD	593	633	-	-
Total Baht equivalent		439,507	451,114	218,114	224,738
After five years	THB	12,131	13,017	12,131	13,017
	USD	4,458	4,830	3,096	3,416
	YEN	8,600	-	-	-
	KIP	143,154	134,235	-	-
Total Baht equivalent		154,085	167,292	108,057	121,747
Grand total Baht equivalent		**836,907**	**865,887**	**507,486**	**546,704**

h) Other commitments

The Group had contingencies with banks, whereby the banks issued letters of guarantee, letters of credit and other guarantees in respect of business contracts, for the following amounts:

		Consolidated financial statements		Separate financial statements	
	Currency	31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(in thousands)			
Minimum operating agreement fee payable to Ministry of Information Communication and Technology	THB	62,000	62,000	62,000	62,000
IPSTAR equipment sales	THB	887	644	887	644
Satellite space leasing by customers	USD	2,328	2,398	2,328	2,398
	THB	487,000	492,198	487,000	492,198
Forward contracts	USD	7,916	-	7,916	-
Letters of credit	USD	250	250	-	-
Others	THB	3,332	3,332	3,322	3,322

13 Contingent liabilities

Assessment for income tax in India

The Tax Authority in India ('the Tax Authority'), has held that the payments received by the Company for providing Transponder Services ('TPS') to its Indian Customers and non-resident customers targeting Indian audience ('the Customer') was Royalty under both the Indian Income Tax Act ('the Act'), and the Double Taxation Avoidance Agreement between Thailand and India ('the DTAA') and subject to withholding tax at the rate of 15% on gross basis. But the Company considered income from Transponder Services to be business income, and as the Company does not have permanent establishment in India, such incomes are not taxable in India.

The Tax Authority still insists on its consideration and has raised the tax demand including surcharge, education cess and interest aggregating to Rs. 779.5 million (approximately Baht 466 million) against the said payment received by it from the customers and also levied penalty of Rs. 566.1 million (approximately Baht 339 million) for the Assessment Year ('AY') 1998-1999 to 2007-2008 (1 April 1997 to 31 March 2007).

So far, The Company had received Withholding Tax Certificates ('WTC') from its customers until AY 2007-2008 net amounting to Rs. 487.6 million (approximately Baht 292 million), in which part of the amount is substituted and paid by the customer on behalf of the Company. The Company had also deposited Rs. 460.2 million (approximately Baht 275 million). The deposit is presented as non-current assets in the statements of financial position.

On 4 March 2011 Income Tax Appellate Tribunal (ITAT) gave its decision that the Company's income from transponder services in India was not a royalty and as the company has no permanent establishment in India, such income was not taxable in India.

As the consequence, the Company does not have to pay interest and penalty imposed by the Revenue Department of India, and ITAT also decided that the demand for penalty for the assessment year 1998-99, 1999-00, 2000-01, 2001-02 and 2002-03 made by the Revenue Department of India against the Company be cancelled. The Revenue Department of India did not appeal against the ITAT's decision on penalty for the said assessment years to the High Court of Delhi and the ITAT's decision on penalty was final. On 30 December 2011, the Tax authority notified the partial return of deposit placed by the Company against the penalty for the Assessment Year ('AY') 1998-1999 to 2001-2002 and interest, aggregating to Rs. 162.4 million (approximately Baht 97 million.)

Further to ITAT decision as stated in the preceding paragraphs, the Company is in the process of requesting the refund of the remaining deposit and withholding tax from the Tax Authority. Upon the final decision of the Supreme court and the receipt of refund, the Company will forward the Customer the amount they substituted on behalf of the Company.

On September 28, 2011, the Tax Authority has filed an appeal against the decision of High Court on 17 February 2011 which decided that the Company's income from transponder services in India was not a royalty, to the Supreme Court. At the moment, this issue is still under the consideration of the Supreme Court.

If the Supreme court decides finally that the Company's income is taxable in India, the total tax liability demanded by the said Authority of Rs. 779.5 million (approximately Baht 466 million) will be charged as expense immediately, but the Company will not be required to make any additional tax payment as the amount of WTC and the deposit made by the Company fully cover the tax demand.

14 Other events

a) According to the judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions rendered on 26 February 2010, concerns the Company and its affiliated companies in many aspects. The Company is of the opinion that the consequence of the judgment is limited to the holding that some property of the person holding political position was improperly acquired by an abuse of power while being in a political position. The judgment does not contain any order indicating that the Company or its affiliated companies shall take any actions as the Company is not involved to the case. The Company and its affiliated companies have been operating to the best of its ability in accordance with the law and the agreements and in good faith. The Company and its affiliated companies have every right available under the law and agreements to provide the facts to prove its innocence and good faith in any proceeding which may be initiated by the relevant government agencies in accordance with the law and justice.

b) On 19 April 2007, Mr. Supong Limthanakul brought legal actions against the National Telecommunications Commission ("NTC"), the office of the NTC and the Ministry of Information and Communication Technology ("MICT") in the Central Administrative Court ("CAC") on the ground that the three state agencies neglected to perform their duties in overseeing whether the Company has been carrying on its telecommunications business lawfully after the sale of Shin Corporation Public Company Limited's shares to the new shareholder.

CAC issued an order dated 8 April 2009 making the Company the fourth respondent in order to allow the Company to file the Reply to the petitioner's claim including evidence, documentary or otherwise to CAC and the Company filed the Reply and supporting evidence in July 2009. On 10 June 2011, CAC has dismissed the verdict.

On 8 July 2011, Mr. Supong Limthanakul has filed an appeal with the Supreme Administrative Court ("SAC"). The case is under consideration by SAC. On 23 September 2011, the Company has filed an argument against appeal with the Supreme Administrative Court ("SAC").

The Company is of the opinion that it will not be adversely affected in any way as the actions were brought against NTC, office of the NTC and MICT for neglecting to perform their duties and will not constitute a cause for terminating the operating agreement as the Company has fully complied with the terms and conditions of the operating agreement.

15 Reclassification of accounts

Certain accounts in the statements of cash flows for the three-month period ended 31 March 2011 have been reclassified to conform to the presentation in the 2012 interim financial statements as follows:

	2011					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in thousand Baht)					
Statement of cash flows						
Trade and other accounts receivable	3,054	(114,976)	(111,922)	(98,600)	(61,585)	(160,185)
Other current assets	(13,748)	114,976	101,228	16,960	61,585	78,545
Trade and other accounts payable	(85,065)	(48,727)	(133,792)	(82,421)	(65,561)	(147,982)
Accrued expenses	(48,727)	48,727	-	(65,561)	65,561	-
Cash flows from operating activities		-			-	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.