

Performance Results Analysis and Financial Status Analysis

CAT Telecom Public Company Limited Analysis of Business Performance for the Year 2013

Financial performance (extracted from the Company's financial statement)

In 2013, CAT Telecom Public company Limited or "CAT Telecom" earned total revenue of Bath 76,021 million and had a net profit of Baht 11,271 million. The significant figures for 2012 were as follows:

Revenues

CAT's total revenue for the year 2013 was Bath 76,021 million. It increased by 29.73% from the prior year due to the following factors:

Service Income

Service income for the year 2013 was Baht 35,095 million. It increased by 44.52% from prior year. This was mainly due to the increase in wireless communication revenue as a result of wholesale service on mobile network through HSPA network to Real Move.

Revenue from concession agreements

Revenue from concession agreements for the year 2013 was Bath 17,740 million. It decreased by 14.41% from the prior year.

Amortisation of deferred income from concession agreements

Amortisation of deferred income from concession agreements for the year 2013 was Baht 20,895. It increased by 78.69% from the prior year.

Other income

Other income was Baht 2,715 million. It increased by 21.86% from the prior year.

Cost of services

Total cost of services was Baht 35,859 million. It increased by 31.84% from the prior year. This was mainly due to expenses relating to wholesale service on mobile network through HSPA network and cross network service.

Depreciation of assets under concession agreements

The depreciation of assets under concession agreements was Baht 9,282 million. It increased by 0.07% from the prior year.

Selling expenses

The selling expenses were Baht 1,888 million. It increased by 11.58% from the prior year.

Administrative Expenses

The administrative expenses were Bath 3,614 million. It increased by 0.79% from the prior year.

Loss on impairment of assets

Loss on impairment of assets was Baht 11,845 million. It increased by 9,196.33% from the prior year. This was due to loss on impairment of DPC's and True Move's assets under concession agreements as a result of the expiration of the concession agreements on September 15, 2013.

Income Tax

Total income tax was Baht 2,004 million. It decreased by 47.96% from the prior year.

Net profit

The company had net profit baht 11,271 million. It decreased by 11.47% from the prior year because the increase in expenses was more than the rise in revenues. As a result, profit before tax decreased by Baht 3,307 million.

Statement of Financial Position and Significant Financial Information

Assets

As at 31 December 2013, the Company had total assets of Baht 175,802 million. They increased by Baht 22,907 million or 14.89% from the year 2012 due to the following factors:

- Cash and cash equivalents increased from Baht 4,891 million to Baht 7,160 million mainly due to the increase in fixed account balances.
- Trade accounts receivable and other receivables increased from Bath 15,238 million to Baht 31,809 million mainly due to the increase in service receivables and revenue sharing receivables.
- Property, plant and equipment increased from Baht 26,138 million to Baht 33,299 million mainly due to the reclassification of DPC's and True Move's assets, as a result of the expiration of the concession agreements on September 15, 2013, from assets under concession agreements to property, plant and equipment.
- Assets under concession agreements decreased from Baht 30,348 million to Baht 19,311 million mainly due to the impairment review according to the Procedure for Consumer Protection Act announced by NBTC and the reclassification of assets under concession agreements to property, plant and equipment when the concession agreements expired on September 15, 2013.

Sources of Funds

As at 31 December 2013, the Company had a total shareholder's equity of Baht 41,253 million. It decreased by Baht 6,886 million or 14.31% from the year 2012. For the year 2013, the Company had a net profit of Baht 11,271 million and paid dividends amounting to Baht 18,477 million.

As at 31 December 2013, the Company had total liabilities of Baht 134,549 million. They increased by Baht 29,793 million or 28.44% from the year 2012 due to the following factors:

- Accrued expenses increased due to recording expenses relating to wholesale service on mobile network through HSPA network.
- Current and non-current portions of deferred revenue of DPC and True Move decreased due to the expiration of the concession agreements.