

Analysis of Business Performance

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

In 2014, CAT Telecom Public company Limited ("CAT Telecom") generated revenue totalling Baht 55,516 million and net profit totalling 3,554 million. The significant figures for 2014 were as follows:

Revenues

The Company's total revenue for the year 2014 was Baht 55,516 million. It decreased by 25.16% from the prior year resulted from the following factors:

Service Income

Service income for the year 2014 was Baht 37,058 million. It increased by 14.22% from the prior year as a result of growth of a wireless communication business, which is mainly from providing wholesale service on mobile network through HSPA network to Real Move.

Revenue from concession agreements

Revenue from concession agreements for the year 2014 was Baht 8,818 million. It decreased by 52.47% from the prior year because of the end of the agreements with two concessionaires, DPC and TRUE MOVE, on September 15, 2013. This also resulted in a decrease in deferred income and depreciation of asset transferred under concession agreements in 2014 comparing to 2013.

Amortisation of deferred income from concession agreements

Amortisation of deferred income from concession agreements for the year 2014 was Baht 7,293 million. It decreased by 65.25% from the prior year.

Other income

Other income was Baht 2,320 million. It increased by 6.67% from the prior year.

Cost of services

Total cost of services was Baht 35,402 million. It increased by 1.10% from the prior year. This was mainly due to expenses relating to wholesale service on mobile network through HSPA network and roaming service.

Depreciation of assets under concession agreements

The depreciation of assets under concession agreements was Baht 6,712 million. It decreased by 65.96% from the prior year.

Selling expenses

The selling expenses were Baht 1,939 million. It increased by 2.73% from the prior year.

Administrative Expenses

The administrative expenses were Baht 3,370 million. It decreased by 6.76% from the prior year.

Loss on impairment of assets

Loss on impairment of assets was Baht 585 million. It decreased by 71.35% from the prior year.

Remittance to NBTC under section 84 of the Act on organisation to assign radio frequency

Remittance to NBTC under section 84 was Baht 3,865 million. It increased by 1,051.55% from the prior year.

Income Tax

Total income tax was Baht 26 million. It decreased by 99.40% from the prior year.

The company generated net profit for the year totalling Baht 3,554 million. It decreased by 51.40% from the prior year because of the decrease of revenues and expenses. As a result, profit before income tax decreased by Baht 8,066 million.

Statement of Financial Position and Significant Financial Information

Assets

As at 31 December 2014, total assets was presented at Baht 182,107 million. They increased by Baht 13,837 million or 8.22% from the end of 2013 due to the following factors:

- Cash and cash equivalents decreased from Baht 7,160 million to Baht 1,420 million. This mainly resulted from the decrease in fixed deposits.
- Short-term investments decreased from Baht 55,894 million to Baht 50,923 million. This mainly resulted from the decrease in fixed deposits with maturities of between 6 months and 12 months.
- Trade and other receivables increased from Baht 31,984 million to Baht 56,160 million. This was mainly caused by the increase in domestic service receivables.
- Property, plant and equipment increased from Baht 30,099 million to Baht 32,443 million. This mainly resulted from the purchase of fixed assets during the year.
- Assets under concession agreements decreased from Baht 19,311 million to Baht 14,939 million. This mainly resulted from the depreciation for the year.

Sources of Funds

As at 31 December 2014, the Company presented total shareholder's equity at Baht 33,587 million. It increased by Baht 838 million or 2.56% from the end of 2013. For the year 2014, the Company generated a net profit of Baht 3,554 million and paid dividends totalling Baht 2,826 million.

As at 31 December 2014, the Company presented total liabilities at Baht 148,520 million. They increased by Baht 12,999 million or 9.59% from the end of 2013 due to the following factors:

- Accrued expenses increased due to expenses relating to wholesale service on mobile network through HSPA network.
- Dividend payable decreased from Baht 8,000 million to Baht 2,000 million because the Company paid the dividend to the Ministry of Finance in the amount of Baht 6,000 million.
- Current and non-current portions of deferred income from concession agreements with DPC and True Move decreased as a result of the end of the agreements.