

**Executive Summary and Overview**

CS LoxInfo Plc. (“The Company”) had a consolidated consolidated profit for 3Q2015 of 86 million Baht or 0.14 Baht per share, an increase of 6 million Baht or 7% from 2Q2015. Thus was mainly due to an efficiency of cost management, and SG&A control of YellowPages Business and Voice Info Services and Mobile Content Business to compensate with the decrease of its revenue.

For 9M2015, the consolidated revenue of the Company was 2,231 million Baht, a decrease of 22 million Baht or 1% and had consolidated net profit of 248 million Baht or 0.42 Baht per share, a decrease of 56 million Baht or 18% from 9M14. This was due to growth of ICT Business cannot offset the decline of YellowPages Business and Voice Info Services and Mobile Content Business.

Otherwise, for 9M15 performance of the Separated financial statements (ICT Business segment), CSL had a net profit of 246 million Baht or 0.41 Baht per share which comprised of:-

- Net profit from operations of 191 million Baht, an increase of 22 million Baht or 13% over 9M14. This resulted from a continual growth of core products/services, especially in Internet Data Center Service and ICT Solution & Cloud Services.
- Dividend received from its subsidiary of 55 million Baht

**Business Summary**

**ICT Business**

Operated by CS LoxInfo Plc., The Leading total solution ICT Service Provider to corporate clients ICT Business, Not only its strenghts of being the leading corporate internet services and data center services but also having flexible ICT solution which meet customers’ needs, as well as smooth and reliable after sales-service.

As at the end of the end of 3Q2015, the Company had corporate client subscribers (small, medium and large) as follows:

	Unit: Subs		
Number of Subscribers	3Q2014	2Q2015	3Q2015
Leased line	5,420	5,669	5,652
Internet Data Center (IDC)	423	473	483

**Media and Advertising on YellowPages**

Operated by Teleinfo Media Plc. (“TMC”), a subsidiary, is the commercial search providers and largest directory publisher. Its database consisted of all type of products and services nationwide such as business listing for business to business (B2B) and business to customers (B2C).

Currently, TMC has been putting more effort into focusing on publishing various new vertical books in order to compensate for a decline in the sale of advertising space in the Thailand YellowPages, such as “Aroi”, “Factory Guide”, “Machine Parts & Hardware Tools”, and “Builder & Construction Guide” etc.

**Voice Info Services and Mobile Content Business**

This business comprises of 1) Outsourcing Call Center Services (Voice Info Services) that operated by Teleinfo Media Plc. ("TMC"), and 2) Mobile Content Services that operated by AD Venture Plc. ("ADV"). The main revenue streams of this business come from information inquiries via 1188 call center and outsourcing call center service for business and content products such as general news, entertainment news, and horoscope via Short Message Services (SMS) through all mobile phone networks and the Audiotex system (1900xxx).

Currently, ADV focuses on selecting/developing new contents to provide a variety of services in order to attract consumers' wants and usages, parallel with, developing various new applications for smart phones users and corporate segment in order to compensate for a decline of SMS Services revenue.

**Operating Results**

**The consolidated financial statement for the three-month periods ending 30 September 2015 compared to the consolidated financial statement for the three-month periods ending 30 June 2015**

	Unit: Million Baht		
	2Q2015	3Q2015	Change %
Revenues from sales and services	726	746	3
Other incomes	8	6	(25)
<b>Total revenue</b>	<b>734</b>	<b>752</b>	<b>2</b>
Cost of sales and services	455	454	-
SG&A expenses	173	185	7
Financial cost	5	5	-
<b>Net profit from operation</b>	<b>101</b>	<b>108</b>	<b>7</b>
Income tax	21	22	5
<b>Net income</b>	<b>80</b>	<b>86</b>	<b>8</b>
<b>Earnings per share</b>	<b>0.13</b>	<b>0.14</b>	

**Total Revenue from sales and services**

The Company earned 746 million Baht in total revenues from sales and services for 3Q2015. The main revenue streams were, firstly, ICT Business; secondly, Media and Advertising on YellowPages; and thirdly, Voice Info Services & Mobile Content Services business. The details are as below:

1) Revenue from ICT Business

Revenue from ICT Business for 3Q2015 was 579 million Baht, an increase of 18 million Baht or 3% from previous quarter. The details are as below:

<b>Revenue from ICT Business</b>	<b>2Q2015 (MB)</b>	<b>3Q2015 (MB)</b>	<b>Change (%)</b>
Leased Line	348	349	0
Internet Data Center (IDC)	65	67	3
ICT Solution services	130	137	5
Broadband	8	9	13
Other value added services	10	17	70
<b>Total</b>	<b>561</b>	<b>579</b>	<b>3</b>

- Revenue from Leased line services was maintained. This was mainly resulted from an intense in price competition in telecom business, parallele with, the number of subscribers slightly decreased from previous quarter. (The number of subscribers for 3Q2015 = 5,652 subs, and 2Q2015 = 5,669 subs)
- Revenue from Internet Data Center (IDC) services grew up 3% over previous quarter due to the growth of new corporate customers.
- Revenue from ICT Solution services increased by 5% over previous quarter due to the percentage of completion in ICT project sales.
- Other value added services increased 7 million Baht over previous quarter. This was mainly come from the revenue recognition from prepaid internet cards, which had already expired.

2) Revenue from Media and Advertising on YellowPages

Revenue from Media and Advertising on YellowPages for 3Q2015 was 59 million Baht, an increase by 2% over previous quarter (58 million Baht). This was due to the publishing and distribution of a vertical book ("Machine Parts & Hardware Tools") in this quarter.

3) Revenue from Voice Info Services & Mobile Content Business

Revenue from Voice Info Services and Mobile Content Business for 3Q2015 was 108 million Baht slightly increased from previous quarter (107 million Baht).

**Cost of sales and services**

Costs for sales and services for 3Q2015 was 454 million Baht, roughly equivalent to that in previous quarter. The details are given below:

1) Cost of ICT Business

Cost associated with ICT Business for 3Q2015 was 364 million Baht, roughly equivalent to that in previous quarter. This was due to an efficient in the internet network cost management.

2) Cost of Media and Advertising on YellowPages

Cost of Media and Advertising on YellowPages Business for 3Q2015 was 22 million Baht, roughly equivalent to that in previous quarter. This was due to cost control to compensate with its declining revenues.

3) Cost of Voice Info Services & Mobile Content Business

Cost of Voice Info Services & Mobile Content Business for 3Q2015 was 68 million Baht, a slightly decrease from previous quarter (69 million Baht). This was due to cost control to compensate with its declining revenues.

**Selling and Administrative Expenses**

Selling and administrative expenses for 3Q2015 was 185 million Baht, an increase of 12 million Baht or 7% from previous quarter (173 million Baht). The details are given below:

1) Selling and administrative expenses of ICT Business

Selling and administrative expenses of ICT Business for 3Q2015 was 129 million Baht, an increase of 14 million Baht or 12% from previous quarter (115 million Baht) from higher marketing expenses and activities spending, compared to previous quarter.

2) Selling and administrative expenses of Media and Advertising on YellowPages

Selling and administrative expenses of Media and advertising on YellowPages for 3Q2015 was 46 million Baht, a decrease of 1 million Baht or 2% from previous quarter (47 million Baht). This was due to SG&A control to compensate with its declining revenues.

3) Selling and administrative expenses of Voice Info Services & Mobile Content Business

Selling and administrative expenses of Voice Info Services & Mobile Content Business for 3Q2015 was 10 million Baht, a decrease of 1 million Baht or 9% from previous quarter (11 million Baht). This was due to SG&A control to compensate with its declining revenues.

**The consolidated financial statement for the three-months ending 30 September 2015 compared to the consolidated financial statement for the three-months ending 30 September 2014.**

	Unit: Million Baht		
	3Q2014	3Q2015	Change %
Revenues from sales and services	711	746	5
Other incomes	4	6	50
<b>Total revenue</b>	<b>715</b>	<b>752</b>	<b>5</b>
Cost of sales and services	422	454	8
SG&A expenses	183	185	1
Financial cost	4	5	25
<b>Profit from operation</b>	<b>106</b>	<b>108</b>	<b>2</b>
Income tax	20	22	10
<b>Profit before one-time item</b>	<b>86</b>	<b>86</b>	-
Impairment loss for goodwill (YellowPages Business)	550	-	(100)
<b>Net Income (Loss)</b>	<b>(464)</b>	<b>86</b>	<b>118</b>
<b>Earnings per share</b>	<b>(0.78)</b>	<b>0.14</b>	<b>118</b>

**Total Revenue from sales and services**

The Company earned 746 million Baht in total revenues from sales and services for 3Q2015. The main revenue streams were, firstly, ICT Business; secondly, Media and Advertising on YellowPages; and thirdly, Voice Info Services & Mobile Content Services business. The details are as below:

1) Revenue from ICT Business

Revenue from ICT Business for 3Q2015 was 579 million Baht, an increase of 48 million Baht or 9% as compared to the same period of last year (531 million Baht). The details are as below:

<b>Revenue from ICT Business</b>	<b>3Q2014 (MB)</b>	<b>3Q2015 (MB)</b>	<b>Change (%)</b>
Leased Line	345	349	1
Internet Data Center (IDC)	58	67	16
ICT Solution services	105	137	30
Broadband	11	9	(18)
Other value added services	12	17	42
<b>Total</b>	<b>531</b>	<b>579</b>	<b>9</b>

Revenue from core products which are 1) Leased Line services, 2) Internet Data Center services (IDC), and 3) ICT Solution services had continuously grown as compared to the same period of last year. This was a result from the growth of new customers and bandwidth usage for our corporate customers.

Moreover, revenue from Broadband services still decreased due to an intense price competition. However, currently, the Company started to launch new marketing strategy in some selected areas that can be competitive which expects that it can grow in long term.

Other value added services increased 5 million Baht. This was mainly come from the revenue recognition from prepaid internet cards, which had already expired.

2) Revenue from Media and Advertising on YellowPages

Revenue from Media and Advertising on YellowPages for 3Q2015 was 59 million Baht, a decrease of 8 million Baht or 12% as compared to the same period of last year (67 million Baht). This was due to the continual decline from the sale of advertising space in the Thailand YellowPages Books since the print media industry trend is still weak and the impact of the slowdown economy. While, online services (YellowPages Online) had slightly growth and had lower price when compared to print media, so it could not compensate to a decline in the sale of advertising space in the Thailand YellowPage.

3) Revenue from Voice Info Services & Mobile Content Business

Revenue from Voice Info Services and Mobile Content Business for 3Q2015 was 108 million Baht, a decrease of 5 million Baht or 4% as compared to the same period of last year (113 million Baht). This was resulted from customers' behavior and technology change.

### **Cost of sales and services**

Costs for sales and services for 3Q2015 was 454 million Baht, an increase of 32 million Baht or 8% as compared to the same period of last year (422 million Baht). The details are given below:

1) Cost of ICT Business

Cost associated with ICT Business for 3Q2015 was 364 million Baht, an increase of 21 million Baht or 6% from the same period of last year (343 million Baht). This was resulted from cost of ICT Solution services, which rely on the percentage of project sales completion.

2) Cost of Media and Advertising on YellowPages

Cost of Media and Advertising on YellowPages for 3Q2015 was 22 million Baht, roughly equivalent to that in the same period of last year. This was resulted from a publishing cost control to compensate with the decrease of its revenue.

3) Cost of Voice Info Services & Mobile Content Business

Cost of Voice Info Services & Mobile Content Business for 3Q2015 was 68 million Baht, an increase of 10 million Baht or 17% as compared to the same period of last year (58 million Baht). This was resulted from the higher content cost and the research and development cost for the application on smartphone services in order to create a variety of products/services to serve to attract customers' wants and usages in both of consumers and corporate markets.

### **Selling and Administrative Expenses**

Selling and administrative expenses for 3Q2015 was 185 million Baht, slightly increased from the same period of last year (183 million Baht). The details are given below:

1) Selling and administrative expenses of ICT Business

Selling and administrative expenses of ICT Business for 3Q2015 was 129 million Baht, an increase of 6 million Baht or 5% as compared to the same period of last year (123 million Baht). This was resulted from higher marketing expenses and activities spending to boost its sales.

2) Selling and administrative expenses of Media and Advertising on YellowPages

Selling and administrative expenses of Media and advertising on YellowPages for 3Q2015 was 46 million Baht, a decrease 1 million Baht or 2% as compared to the same period of last year (47 million Baht). This was due to SG&A control to compensate with its declining revenues.

3) Selling and administrative expenses of Voice Info Services & Mobile Content Business

Selling and administrative expenses of Voice Info Services & Mobile Content Business for 3Q2015 was 10 million Baht, a decrease of 3 million Baht or 23% as compared to the same period of last year (13 million Baht). This was due to SG&A control to compensate with its declining revenues.

### Impairment loss for goodwill

In 3Q2014, the Company has recognized an impairment loss for goodwill (in the Consolidated FS) and an impairment loss for investment (in the Separated FS) of Teleinfo Media Public Company Limited (YellowPages Business, a subsidiary) in amount of 550 million Baht and 443 million Baht in the interim financial statements for nine-month periods ended 30 September 2014, respectively. This was due to the advertising space sales in YellowPages books continuously decreasing. However, the loss from impairment is a non-cash item that has no impact on the liquidity of the Company.

### Financial Position

The major asset components comprise of the following:

Unit: Million Baht	31 December 2014		30 September 2015	
	MB	% of total assets	MB	% of total assets
Cash and cash equivalents	386	21	298	17
Trade accounts receivable, accrued income and other receivable	491	26	480	27
Other current assets	44	2	29	2
<b>Total current assets</b>	<b>921</b>	<b>49</b>	<b>807</b>	<b>46</b>
Property, plant and equipment – net	815	43	801	46
Other non-current assets	159	8	142	8
<b>Total assets</b>	<b>1,895</b>	<b>100</b>	<b>1,750</b>	<b>100</b>
Short term loan from financial institution	230	12	190	11
Trade and other accounts payable	436	23	378	22
Current portion of long-term loans from financial institution	60	3	60	3
Unearned income and advances received	186	10	146	8
Other current liabilities	42	2	36	2
<b>Total current liabilities</b>	<b>954</b>	<b>50</b>	<b>810</b>	<b>46</b>
Long term loan from financial institution	160	8	150	8
Other non-current liabilities	169	9	168	10
<b>Total liabilities</b>	<b>1,283</b>	<b>68</b>	<b>1,128</b>	<b>64</b>
<b>Total equity</b>	<b>612</b>	<b>32</b>	<b>622</b>	<b>36</b>

### Assets

As at 30 September 2015, the Company had total assets of 1,750 million Baht, a decrease of 145 million Baht or 8% from the end of 2014. This was due to the following:

- Cash and cash equivalents decreased 88 million Baht or 23% over the end of last year. This was resulted from the 1HF2015 interim dividend payment and loan from financial institution settlement.
- Other current assets decreased 15 million Baht or 34% from the end of last year. This was resulted from ICT project sales had completed and delivered to our customers.
- Property, plant and equipment decreased 14 million Baht or 2% from the end of last year due to the amortization during the period and some of the fully depreciated internet equipment that can be used.
- Other non-current assets decreased 17 million Baht or 11% from the end of last year due to the amortization of the intangible assets (software) during the period and some of the fully amortization of intangible assets that can be used.

## Liabilities and equity

### Liabilities

As of 30 September 2015, the Company had total liabilities of 1,128 million Baht, a decrease of 155 million Baht or 12% from the end of last year. This was due to the following:

- Short-term loans from the financial institution decreased 40 million Baht from the repayment during the period.
- Trade and other accounts payable decreased 58 million Baht or 13% from A/P internet equipment repayment of ICT Business.
- Unearned income and advances received from customers decreased 40 million Baht or 22% due to the continual decline from the sale of advertising space in 2015 Thailand Yellow Pages – Bangkok Book (which had been invoiced since May 2015), in parallel with, the monthly basis recognition of advances received of the sale of advertising space in telephone over the useful life of the telephone directory.

### Total Equity

As of 30 September 2015, the Company had total equity of 622 million Baht, an increase of 10 million Baht or 2% from the end of last year. This was due to the following:

- Net profit for the first nine-month periods of Y2015 of 248 million Baht
- Dividend payment totally 238 million Baht, which consisted of;
  - 2HF2014 dividend payment (which paid from 2HF2014 performance) of 95 million Baht (0.16 Baht per share), and
  - 1HF2015 dividend payment (which paid from 1HF2015 performance) of 143 million Baht (0.24 Baht per share)

### Cash Flow Statement

Net cash inflow provided by operating activities for 9M2015 was 334 million Baht and the net cash outflow used in investing activities was 111 million Baht, which mostly for normal CAPEX of ICT Business.

Net cash outflow used in financing activities for 9M2015 was 311 million Baht. This was mainly come from the repayment of loan from financial institutions and dividend payment to its shareholders.

As at 30 September 2015, the Company had ending cash of 298 million Baht in consolidated financial statements and of 132 million Baht in the Separated financial statements, respectively.

### Liquidity

The liquidity of CSL remained a healthy status. At the end of 3Q2015, current ratio of the Company stated at 1.00x, roughly equivalent to that in last year which stated at 0.97x. This was due to a decrease in loans from financial institutions.

Moreover, the Company's leverage ratio was still low with net debt to EBITDA of 0.89x, roughly equivalent to that in last year. The average cost of debt in 3Q15 remained the same at 2.5% p.a. (as at 31 December 2015 = 2.6% pa.)

“This document contains certain forward-looking statements. They refer to future events and to the future financial performance of the Companies. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe” or “continue”. Although the Companies believe that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.