

Normal consolidated net profit for Q3/2010 was Baht 92 million, slightly decreased from Q2/2010

### Overview

CSL reported a normal consolidated net profit for Q3/2010 of Baht 92 million or equivalent to Baht 0.16 per share, slightly decreased from Q2/2010. This consolidated net profit has received contributions from firstly, Baht 30 million from Internet Access Service, secondly, Publishing of the Thailand Yellow Pages Business Baht 17 million, thirdly, Voice Info Services & Mobile Content Services Business Baht 44 million, and lastly Print Classifieds Business Baht 1 million.

CS Loxinfo (CSL) had paid special incentives, as a reward to all staffs amounting to Baht 19 million (net off income tax). This caused CSL to have a consolidated net profit for Q3/2010 Baht 73 million or Baht 0.12 per share, and had a net profit Baht 82 million or Baht 0.14 per share in the Separate Financial Statement for Q3/2010.

### Operating Results

**The consolidated financial statement for the three-months ending 30 September 2010 compared to the consolidated financial statement for the three-months ending 30 June 2010.**

CSL reported a normal consolidated net profit for Q3/2010 of Baht 92 million or equivalent to Baht 0.16 per share which was a slight decrease from Q2/2010. In addition, CSL reported a consolidated net profit from operations of Baht 137 million, increasing by 2% over Q2/2010. This was due to continued growth of Voice & Mobile Content Business.

#### CSL's financial information

(Unit : million Baht)

Description	Q3/2010	Q2/2010	(%)
<i>Revenues from sales and services</i>	680	659	3
<i>Other incomes</i>	66	6	0
<b>Total revenue</b>	<b>686</b>	<b>665</b>	<b>3</b>
Cost of sales and services	374	355	5
SG&A expenses	175	176	(1)
<b>Operating profit</b>	<b>137</b>	<b>134</b>	<b>2</b>
Interest and income tax	44	38	16
Gain of minority interest	1	0	100
<b>Net income before one time item</b>	<b>92</b>	<b>96</b>	<b>(4)</b>
Extraordinary item (special incentive)	19	0	100
<b>Net profit</b>	<b>73</b>	<b>96</b>	<b>(24)</b>
<b>EPS (Baht)</b>	<b>0.12</b>	<b>0.16</b>	<b>(25)</b>

*Total revenue from sales and services for Q3/2010 increased 3% over Q2/2010 from ISP Business and Voice & Mobile Content Business*

### **Total Revenue from sales and services**

In Q3/2010, CSL earned Baht 680 million in total revenues from sales and services, an increase of Baht 21 million or 3% over Q2/2010. The main revenue streams were, firstly, Internet Access Services business; secondly, publishing of the Thailand YellowPages business; thirdly, Voice Info Services & Mobile Content Services business and lastly, Print Classified business. The details are as below:

*Revenue from ISP business for Q3/2010 has continuously grown. This was due to the growth of internet equipment and solution sales*

#### **1) Revenue from Internet Access Services**

In Q3/2010, revenue from Internet Access Services was Baht 398 million, an increase of Baht 18 million or 5% over the previous quarter (Baht 380 million). The details are as follows:

- Revenue from Leased Line Services for Q3/2010 was Baht 282 million, slight growth from the previous quarter (Baht 278 million)
- Revenue from Dial up for Q3/2010 was Baht 9 million, roughly equivalent to that in the previous quarter (Baht 9 million)
- Revenue from Broadband Internet Services for Q3/2010 was Baht 34 million, a decrease of Baht 3 million or 8% from the previous quarter (Baht 37 million). This was due to intense price competition in the consumer market
- Revenue from Internet Data Center Services (IDC) for Q3/2010 was Baht 24 million, roughly equivalent to that in the previous quarter (Baht 23 million)
- Revenue from other services for Q3/2010 was Baht 44 million, an increase of Baht 16 million or 57% over the previous quarter (Baht 28 million). This was due to the continuous growth of internet equipment and solution sales for corporate customers
- Revenue from uplink/downlink services for Q3/2010 was Baht 5 million, roughly equivalent to that in the previous quarter (Baht 5 million)

#### **2) Revenue from publishing the Thailand YellowPages**

In Q3/2010, CSL recognized revenue from the publishing of the Thailand YellowPages amounting to Baht 131 million, a decrease of Baht 5 million or 4% from the previous quarter (Baht 136 million). This was due to a decrease in the sale of advertising space in the 2010 Thailand YellowPages Book (for the Upcountry Book, which normally has invoiced and recognized in July 2010)

*Revenue from Voice Info Services and Mobile Content Service had continuous growth from Q2/2010 of 4%*

#### **3) Revenue from Voice Info Services & Mobile Content Services**

In Q3/2010, CSL recognized revenue from Voice Info Services and Mobile Content Services amounting to Baht 100 million, an increase of Baht 4 million or 4% over the previous quarter (Baht 99 million). This was due to an increase in its customer base, which resulted from an efficient marketing plan and various product offerings.

#### **4) Revenue from Print Classified Business**

In Q3/2010, CSL recognized revenue from Print Classified Business of Baht 48 million, an increase of Baht 4 million or 9% from the previous quarter (Baht 44 million).

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

In Q3/2010, CSL had total costs for sales and services to the amount of Baht 374 million, an increase of Baht 19 million or 9% from the previous quarter (Baht 355 million). The details are given below:

#### 1) Cost of Internet services

In Q3/2010, costs associated with internet services were Baht 278 million, a increase of Baht 23 million or 9% from the previous quarter (Baht 255 million). This resulted from an increase of costs associated with the sales of internet equipment and solution sales for corporate customers.

#### 2) Cost of publishing the Thailand YellowPages

In Q3/2010, CSL recognized costs of publishing the Thailand YellowPages of Baht 49 million, a decrease of Baht 6 million or 11% from the previous quarter (Baht 55 million). This was due to efficiencies in printing costs of the 2010 Thailand YellowPages Book control and management, to offset a decrease in its revenue.

#### 3) Cost of Voice Info Services & Mobile Content Services

In Q3/2010, CSL recognized costs of Voice Info Services & Mobile Content Services of Baht 24 million, roughly equivalent to that in the previous quarter (Baht 23 million).

#### 4) Cost of Print Classified Business

In Q3/2010, CSL recognized costs from Print Classified Business of Baht 23 million, roughly equivalent to that in the previous quarter (Baht 22 million).

*Total SG&A maintained as previous quarterly, because of efficiencies in SG&A control*

### **Selling and Administrative Expenses**

In Q3/2010, CSL had total selling and administrative expenses of Baht 175 million, roughly equivalent to that in the previous quarter (Baht 176 million). The details are given below:

#### 1) Selling and administrative expenses of Internet services

In Q3/2010, selling and administrative expenses of internet services was Baht 79 million, slightly increased from the previous quarter (Baht 76 million). This was due to a decrease in bad debt provision which resulted from efficiencies in A/R collection.

#### 2) Selling and administrative expenses of the publishing of the Thailand YellowPages

In Q3/2010, CSL recognized selling and administrative expenses of the publishing of the Thailand YellowPages of Baht 61 million, a decrease of Baht 4 million or 6% from the previous quarter (Baht 65 million). This was due to a decrease in marketing and general administrative expenses, which resulted from efficiencies in SG&A control, to offset the decrease of its revenue.

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

In Q3/2010, CSL recognized selling and administrative expenses of Voice Info Services & Mobile Content Services of Baht 12 million, roughly equivalent to that in the previous quarter (Baht 12 million).

4) Selling and administrative expenses of Print Classified Business

In Q3/2010, CSL recognized selling and administrative expenses from Print Classified business of Baht 23 million, roughly equivalent to that in the previous quarter (Baht 23 million).

**Extraordinary item**

In Q3/2010, CSL paid a special incentive, as a reward to all staffs totalling Baht 19 million (net off income tax).

**The consolidated financial statement for the three-months ending 30 September 2010 compared to the consolidated financial statement for the three-months ending 30 September 2009.**

CSL reported a consolidated net profit for Q3/2010 of Baht 92 million or equivalent to Baht 0.16 per share. In addition, CSL reported a consolidated net profit from operations of Baht 137 million, increasing by 32% from the same period last year. The details are as follows:

**CSL's financial information**

(Unit : million Baht)

Description	Q3/2010	Q3/2009	(%)
<i>Revenues from sales and services</i>	680	644	6
<i>Other incomes</i>	66	7	(14)
<b>Total revenue</b>	<b>686</b>	<b>651</b>	<b>5</b>
Cost of sales and services	374	358	5
SG&A expenses	175	189	7
<b>Operating profit</b>	<b>137</b>	<b>104</b>	<b>32</b>
Interest and income tax	44	24	83
Gain of minority interest	1	1	0
<b>Net income before one time item</b>	<b>92</b>	<b>79</b>	<b>16</b>
Extraordinary item (special incentive)	19	0	100
<b>Net profit</b>	<b>73</b>	<b>79</b>	<b>(8)</b>
<b>EPS (Baht)</b>	<b>0.12</b>	<b>0.14</b>	<b>(14)</b>

### Total Revenue from sales and services

In Q3/2010, CSL earned Baht 680 million in total revenues from sales and services, increasing by Baht 36 million or 6% from the same period last year (Baht 644 million). This mainly resulted from the continuous growth of ISP Business and Mobile Content Business. The details are as follows:

*Revenue from Internet Access services for Q3/2010 increased 13% over Q3/2009 due to the continuous growth of leased line services and internet equipment & solution sales*

#### 1) Revenue from Internet Access services

In Q3/2010, revenue from internet access services was Baht 398 million, an increase of Baht 45 million or 13% from the same period last year (Baht 353 million). The details are given below:

- Revenue from Leased Line Services for Q3/2010 was Baht 282 million, an increase of Baht 23 million or 9% from the same period last year (Baht 259 million)
- Revenue from dial up for Q3/2010 was Baht 9 million, a decrease of Baht 4 million or 31% from the same period last year (Baht 13 million). This was due to changes in technology and customer behavior that favored migration to Hi-speed internet services.
- Revenue from Broadband Internet Services for Q3/2010 was Baht 34 million, a decrease of Baht 14 million or 29% from the same period last year (Baht 48 million). This was due to intense price competition in the consumer market
- Revenue from Internet Data Center Services (IDC) for Q3/2010 was Baht 24 million, an increase of Baht 5 million or 26% from the same period last year (Baht 19 million). This came as a result of the Company having an initiative, in putting more effort on emphasizing sales and expanding its' corporate customer base in this market, where there is potential for growth.
- Revenue from other services for Q3/2010 was Baht 44 million, an increase of Baht 35 million from the same period last year (Baht 9 million). This was due the growth of internet equipment & solution sales, due to the Company having an initiative, in putting more effort on emphasizing sales and expanding its' corporate customer base in this market, where there is potential for growth.
- Revenue from uplink/downlink services for Q3/2010 was Baht 5 million, roughly equivalent to that in the same period last year (Baht 5 million)

#### 2) Revenue from publishing the Thailand YellowPages

In Q3/2010, CSL recognized revenue from the publishing of the Thailand YellowPages of Baht 131 million, decreasing by Baht 35 million or 21% from the same period of last year (Baht 166 million). This was due to a decrease in the sale of advertising space in the 2010 Thailand YellowPages Book.

#### 3) Revenue from Voice Info Services & Mobile Content

In Q3/2010, CSL recognized revenue from Voice Info Services & Mobile Content amounting to Baht 103 million, increasing Baht 29 million or 39% from the same period last year (Baht 74 million). This comes from an increase in its customers which resulted from an efficient marketing plan and various product offerings.

*Total Revenue from Voice & Mobile Content Services increased Baht 29 million from Q3/2009 due to an efficient marketing plan and various product offerings*

4) Revenue from Print Classified Business

In Q3/2010, CSL recognized revenue from Print Classified Business for Q2/2010 of Baht 48 million, slightly decreased from the same period last year (Baht 51 million). This comes from revenue from book sales (magazines & pocket books)

*Cost of sales and services for Q3/2010 increased by 4% from last year. This mainly comes from cost of ISP Business*

**Cost of sales and services**

In Q3/2010, CSL had total costs of Baht 374 million, an increase of Baht 16 million or 4%, compared to the same period last year (Baht 358 million). The details are given below:

1) Cost of Internet services

In Q3/2010, costs associated with internet services were Baht 278 million, an increase of Baht 32 million or 13% from the same period last year (Baht 246 million). This mainly comes from the cost of selling equipment and solution sales for corporate customers.

2) Cost of publishing the Thailand YellowPages

In Q3/2010, CSL recognized costs of publishing the Thailand YellowPages of Baht 49 million, a decrease of Baht 7 million or 13% from the same period last year (Baht 56 million). This resulted from efficiencies in printing cost management of the 2010 Thailand YellowPages Book, to offset a decrease in its revenue.

3) Cost of Voice Info Services & Mobile Content

In Q3/2010, CSL recognized costs of Voice Info Services & Mobile Content service of Baht 24 million, a decrease of Baht 6 million or 20% from the same period last year (Baht 30 million). This was due to efficient cost management.

4) Cost of Print Classified Business

In Q3/2010, CSL recognized costs from Print Classified Business of Baht 23 million, a decrease of Baht 3 million or 12% from the same period last year (Baht 26 million). This resulted from efficiencies in printing cost management, to offset a decrease in its revenue.

*Total SG&A for Q3/2010 decreased by 7% from YellowPages Business*

**Selling and Administrative Expenses**

In Q3/2010, CSL had total selling and administrative expenses of Baht 175 million, a decrease of Baht 14 million or 7% from the same period last year (Baht 189 million). The details are given below:

1) Selling and administrative expenses of Internet services

In Q3/2010, selling and administrative expenses of internet services were Baht 79 million, a slight increase from the same period last year (Baht 78 million).

2) Selling and administrative expenses of the publishing of the Thailand YellowPages

In Q3/2010, CSL recognized selling and administrative expenses of the publishing of the Thailand YellowPages of Baht 61 million, a decrease of Baht 15 million or 20% from the same period last year (Baht 76 million). This was mainly from a decrease in marketing expenses and bad debt provision due to efficiencies in SG&A control and A/R collection.

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

In Q3/2010, CSL recognized selling and administrative expenses of Voice Info Services & Mobile Content of Baht 12 million, roughly equivalent to that in the same period last year (Baht 12 million).

4) Selling and administrative expenses of Print Classified Business

In Q3/2010, CSL recognized selling and administrative expenses from Print Classified Business of Baht 23 million, roughly equivalent to that in the same period last year (Baht 23 million).

**Extraordinary item**

In Q3/2010, CSL paid a special incentive, as a reward to all staffs totalling Baht 19 million (net off income tax).

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**Financial Position**

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Balance Sheet as at 30 September 2010, CSL had total assets of Baht 1,976 million, slightly decreased from the end of last year when total assets stood at Baht 1,983 million. Details are given below:

The major asset components comprise of the following:

Assets	30 September 2010		31 December 2009	
	Amount (MB)	% of total Assets	Amount (MB)	% of total Assets
Cash and cash equivalents	259	13	286	15
Trade accounts receivable and accrued income, net	307	15	305	15
Inventories	133	7	91	5
Other current assets	52	3	45	2
<b>Current assets</b>	<b>750</b>	<b>38</b>	<b>727</b>	<b>37</b>
PP&E, net	434	22	464	23
Goodwill, net	595	30	595	30
Other assets	197	10	197	10
<b>Total assets</b>	<b>1,976</b>	<b>100</b>	<b>1,983</b>	<b>100</b>
Short-term loan from financial institution	0	0	30	2
Trade accounts and other payable	286	14	293	15
Unearned income and advances received from customers	301	15	196	10
Current portion of long-term loan	80	4	43	2
Other current liabilities	121	6	130	6
<b>Current liabilities</b>	<b>787</b>	<b>39</b>	<b>692</b>	<b>35</b>
Long-term loan from financial institutions	174	9	234	12
Other liabilities	8	1	9	0
<b>Total liabilities</b>	<b>969</b>	<b>49</b>	<b>935</b>	<b>47</b>
<b>Total shareholder's equity</b>	<b>1,007</b>	<b>51</b>	<b>1,048</b>	<b>53</b>

As at 30 September 2010, CSL had current assets of Baht 750 million, an increase of Baht 23 million or 3% from last year. The details are as follows:

- Cash and cash equivalent decreased Baht 27 million or 9%. This mainly came from the repayment of long term loan and special incentive for staffs
- Inventories increased Baht 42 million or 46%, which resulted from reserved paper for printing of the Thailand YellowPages Book of Teleinfo Media (Public) Company Limited and internet equipment for ISP customers
- Other current assets increased Baht 7 million or 16% which was mainly comes from prepaid maintenance for the internet network and equipment of Internet Access Business.

#### Liabilities and Shareholder's Equity

As at 30 September 2010, CSL had total liabilities of Baht 969 million, an increase of Baht 34 million or 4% from the end of year 2009. The details are as follows:

- Repayment of a short term loan from a financial institution Baht 30 million in February 2010
- Trade accounts and other payable decreased Baht 7 million, which mainly comes from the payment of A/P - internet equipment of ISP Business

- Unearned income and advances received from customers increased Baht 105 million from the advances received from customers for 2010 Thailand YellowPages advertising sales of Teleinfo Media (Public) Company Limited (TMC). TMC will recognize this transaction by using the straight-line method over the period of their advertisement in Thailand YellowPages.
- Repayment of long term loan Baht 23 million of CSL and WATTA
- Other current liabilities decreased Baht 9 million from the end of last year due to accrued expenses decreased

#### Shareholders' Equity

As at 30 September 2010, CSL had shareholders' equity of Baht 1,007 million, an increase of Baht 41 million or 4% from the end of year 2009. The details are given as below:-

- Net profit for nine-month periods ended 30 September 2010 of Baht 256 million
- Cash received from share capital which resulted from the exercising of the rights in pursuance with the ESOP Program of Baht 8 million
- Dividend payment for the year 2009 (Baht 0.27 per share) and 2010 interim dividend (Baht 0.25 per share) totaling Baht 305 million

"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."