

Overview

CS Loxinfo (CSL) reported a consolidated net profit for Q1/2010 of Baht 86 million or equivalent to Baht 0.15 per share, an increase of Baht 15 million or 21% over Q4/2009 from Internet Access Services Business and Voice Info Services and Mobile Content business due to efficiencies in expenses control and management.

Moreover, CSL had a net profit of Baht 50 million in the separate financial statements for Q1/2010 or Baht 0.09 per share, comprising of net profit from its operation of Baht 29 million and dividend received from a subsidiary Baht 21 million.

Operating Results

The consolidated financial statement for the three-months ending 31 March 2010 compared to the consolidated financial statement for three-months ending 31 December 2009.

CSL reported a consolidated net profit of Baht 86 million or Baht 0.15 per share, an increase of Baht 15 million or 21% over Q4/2009, from Internet Access Services and Mobile Content Services.

CSL's financial information

(Unit : million Baht)

Description	Q1/2010	Q4/2009	(%)
<i>Revenues from sales and services</i>	652	657	(1)
<i>Other incomes</i>	6	10	(40)
Total revenue	658	667	(1)
Cost of sales and services	354	358	(1)
SG&A expenses	179	202	(11)
Operating profit	125	107	17
Interest and income tax	38	35	9
Gain of minority interest	1	1	-
Net profit	86	71	21
EPS (Baht)	0.15	0.12	25

Total Revenue from sales and services

In Q1/2010, CSL earned Baht 652 million in total revenues from sales and services, decreasing by Baht 5 million or 1% from 2009. 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:

1) Revenue from Internet Access Services

In Q1/2010, revenue from Internet Access Services was Baht 373 million, an increase of Baht 12 million or 3% over Q4/2009, amounting to Baht 361 million.

- Revenue from Leased Line Services for Q1/2010 was Baht 278 million, an increase of Baht 5 million over Q4/2009 (Baht 273 million)
- Revenue from Dial up for Q1/2010 was Baht 10 million, a decrease of Baht 4 million or 29% from Q4/2009 (Baht 14 million). This was due to the change in technology and customer behavior that favored migration to Hi-speed internet services.
- Revenue from Broadband Internet Services for Q1/2010 was Baht 41 million, a decrease of Baht 4 million or 9% over Q4/2009 (Baht 45 million). This was due to intense price competition in the consumer market.
- Revenue from Internet Data Center Services (IDC) for Q1/2010 was Baht 22 million, roughly equivalent to that in Q4/2009
- Revenue from other services for Q1/2010 was Baht 18 million, an increase of Baht 13 million over Q4/2009 (Baht 5 million). This was due to an increase of revenue in sales of internet equipment for Leased Line Services.

2) Revenue from publishing the Thailand YellowPages

In Q1/2010, CSL recognized revenue from the publishing of the Thailand YellowPages amounting to Baht 141 million, a decrease of Baht 25 million or 15% from Q4/2009, amounting to Baht 166 million. This was due to a decrease in the sale of advertising space in the 2010 Thailand YellowPages Book, which was as a result of the economic downturn during 2009.

3) Revenue from Voice Info Services & Mobile Content Services

In Q1/2010, CSL recognized revenue from Voice Info Services and Mobile Content Services amounting to Baht 89 million, an increase of Baht 9 million or 11%, compared to Baht 80 million in Q4/2009. This was due to an increase in its customer base, which resulted from an efficient marketing plan.

4) Revenue from Print Classified Business

CSL recognized revenue from Print Classified Business for Q1/2010 of Baht 49 million, roughly equivalent to that in Q4/2009 (Baht 50 million).

Cost of sales and services

In Q1/2010, CSL had total costs for sales and services to the amount of Baht 354 million, a decrease of Baht 4 million or 1% from Q4/2009. The details are given below:

1) Cost of Internet services

In Q1/2010, costs associated with internet services was Baht 252 million, roughly equivalent to that in Q4/2009 (Baht 251 million).

2) Cost of publishing the Thailand YellowPages

In Q1/2010, CSL recognized costs of publishing the Thailand YellowPages of Baht 56 million, roughly equivalent to that in Q4/2009 (Baht 57 million).

3) Cost of Voice Info Services & Mobile Content Services

In Q1/2010, CSL recognized costs of Voice Info Services & Mobile Content Services of Baht 24 million, a decrease of Baht 4 million or 14% over Q4/2009, amounting to Baht 28 million. This was due to efficiencies in cost management.

4) Cost of Print Classified Business

In Q1/2010, CSL recognized costs from Print Classified Business of Baht 22 million, roughly equivalent to that in Q4/2009.

Selling and Administrative Expenses

In Q1/2010, CSL had total selling and administrative expenses of Baht 179 million, a decrease of Baht 23 million or 11% from Q4/2009. The details are given below:

1) Selling and administrative expenses of Internet services

In Q1/2010, selling and administrative expenses of internet services was Baht 80 million, a decrease of Baht 4 million, or 5% from Q4/2009, amounting to Baht 84 million. This resulted from a decrease in marketing expenses.

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

In Q1/2010, CSL recognized selling and administrative expenses of the publishing of the Thailand YellowPages of Baht 64 million, a decrease of Baht 16 million or 20% from Q4/2009, amounting to Baht 80 million. This was due to a decrease of bad debt provision.

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

In Q1/2010, CSL recognized selling and administrative expenses of Voice Info Services & Mobile Content Services was Baht 11 million, a decrease of Baht 3 million, or 21% from Q4/2009, amounting to Baht 14 million. This resulted from a decrease in marketing expenses.

4) Selling and administrative expenses of Print Classified Business

In Q1/2010, CSL recognized selling and administrative expenses from Print Classified business of Baht 24 million, roughly equivalent to that in Q4/2009.

The consolidated financial statement for the three-months ending 31 March 2010 compared to the consolidated financial statement for the three-months ending 31 March 2009.

CSL reported consolidated net profit in Q1/2010 of Baht 86 million, an increase of Baht 27 million or 46% over Q1/2009 due to efficiencies in expenses and cost control and management. The details are given below:

CSL's selected financial information

(Unit : million Baht)

Description	Q1/2010	Q1/2009	(%)
<i>Revenues from sales and services</i>	652	645	1
<i>Other income</i>	6	5	20
Total revenue	658	650	1
Cost of sales and services	354	381	(7)
SG&A expenses	179	191	(6)
Operating profit	125	78	60
Interest and income tax	38	20	90
Loss (gain) of minority interest	(1)	1	200
Net profit	86	59	46
EPS (Baht)	0.15	0.10	50

Total Revenue from sales and services

In Q1/2010, CSL earned Baht 652 million in total revenues from sales and services, increasing by Baht 7 million or 1% over Q1/2009, amounting to Baht 645 million. 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:

1) Revenue from Internet Access services

In Q1/2010, revenue from internet access services was Baht 373 million, roughly equivalent to that in Q1/2009. The details are given below:

- Revenue from leased line services for Q1/2010 was Baht 278 million, roughly equivalent to that in Q1/2009 (Baht 276 million)
- Revenue from dial up for Q1/2010 was Baht 10 million, a decrease of Baht 6 million or 38% from Q1/2009 (Baht 16 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 Q1/2010 was Baht 41 million, a decrease of Baht 14 million or 25% over Q1/2009 (Baht 55 million). This was due to intense price competition in the consumer market.
- Revenue from Internet Data Center Services (IDC) for Q1/2010 was Baht 22 million, an increase of Baht 5 million, compared to Q1/2009 (Baht 17 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 Q1/2010 was Baht 18 million, an increase of Baht 14 million over Q1/2009 (Baht 4 million). This was due to an increase of revenue in sales on internet equipment for leased line services.

2) Revenue from publishing the Thailand YellowPages

In Q1/2010, CSL recognized revenue from the publishing of the Thailand YellowPages of Baht 141 million, decreasing by Baht 27 million or 16% from Q1/2009, amounting to Baht 168 million. This was due to a decrease in the sale of advertising space in the 2010 Thailand YellowPages Book, which was a result of the economic downturn during 2009.

3) Revenue from Voice Info Services & Mobile Content

In Q1/2010, CSL recognized revenue from Voice Info Services & Mobile Content amounting to Baht 89 million, increasing Baht 36 million or 68%, compared to Baht 53 million in Q1/2009. This comes from an increase in its customers which resulted from an efficient marketing plan.

4) Revenue from Print Classified Business

CSL recognized revenue from Print Classified Business for Q1/2010 of Baht 49 million, roughly equivalent to that in Q1/2009 (Baht 50 million).

Cost of sales and services

In Q1/2010, CSL had total costs of Baht 354 million, a decrease of Baht 27 million or 7% from Q1/2009, amounting to Baht 381 million. The details are given below:

1) Cost of Internet services

In Q1/2010, costs associated with internet services were Baht 252 million, a decrease of Baht 15 million or 6% over Q1/2009, amounting to Baht 267 million due to efficiencies in internet network cost management.

2) Cost of publishing the Thailand YellowPages

In Q1/2010, CSL recognized costs of publishing the Thailand YellowPages of Baht 56 million, a decrease of Baht 6 million or 10% over Q1/2009, amounting to Baht 62 million. This resulted from the Company managing the cost of printing of the 2010 Thailand YellowPages Book, to offset a decrease in its revenue.

3) Cost of Voice Info Services & Mobile Content

In Q1/2010, CSL recognized costs of Voice Info Services & Mobile Content service of Baht 24 million, a decrease of Baht 2 million or 8% over Q1/2009, amounting Baht 26 million. This was due to efficient cost management.

4) Cost of Print Classified Business

In Q1/2010, CSL recognized costs from Print Classified Business of Baht 22 million, a decrease of Baht 4 million or 15% from Q1/2009, amounting to Baht 26 million due to efficiencies in printing cost management.

Selling and Administrative Expenses

In Q1/2010, CSL had total selling and administrative expenses of Baht 179 million, a decrease of Baht 12 million or 6% from Q1/2009, amounting to Baht 191 million. The details are given below:

1) Selling and administrative expenses of Internet services

In Q1/2010, selling and administrative expenses of internet services were Baht 80 million, an increase of Baht 6 million or 8%, comparing to Q1/2009, amounting to Baht 74 million, due to higher marketing campaign expenses than in Q1/2009.

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

In Q1/2010, CSL recognized selling and administrative expenses of the publishing of the Thailand YellowPages of Baht 64 million, a decrease of Baht 15 million or 19%, comparing to Q1/2009, amounting to Baht 79 million from extraordinary bad debt provision in Q1/2009.

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

In Q1/2010, CSL recognized selling and administrative expenses of Voice Info Services & Mobile Content of Baht 11 million, roughly equivalent to that in Q1/2009, amounting to Baht 12 million.

4) Selling and administrative expenses of Print Classified Business

In Q1/2010, CSL recognized selling and administrative expenses from Print Classified Business of Baht 24 million, roughly equivalent to that in Q1/2009, amounting to Baht 26 million.

Financial Position

Balance Sheet as at 31 March 2010, CSL had total assets of Baht 2,257 million, an increase by 14% 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	31 March 2010		31 December 2009	
	Amount (MB)	% of total Assets	Amount (MB)	% of total Assets
Cash and cash equivalents	383	17	286	15
Trade accounts receivable and accrued income, net	452	20	305	15
Inventories	114	5	91	5
Other current assets	55	2	45	2
Current assets	1,004	44	727	37
PP&E, net	464	21	464	23
Goodwill, net	595	26	595	30
Other assets	194	9	197	10
Total assets	2,257	100	1,983	100

Short-term loan from financial institution	-	-	30	2
Trade accounts and other payable	297	13	293	15
Unearned income and advances received from customers	424	19	196	10
Current portion of long-term loan from financial institution	82	4	43	2
Other current liabilities	115	5	130	6
Current liabilities	918	41	692	35
Long-term loan from financial institutions	195	9	234	12
Other liabilities	8	0	9	0
Total liabilities	1,121	50	935	47
Total shareholder's equity	1,136	50	1,048	53

As at 31 March 2010, CSL had current assets of Baht 1,004 million, an increase of Baht 277 million from last year. This was mainly due to,

- Cash and cash equivalent increased Baht 97 million or 34%. This mainly comes from Thailand YellowPages Business and Mobile Content Business
- Trade accounts receivable and accrued income increased Baht 147 million or 48% because of account receivable of Thailand YellowPages advertising, which had been invoiced at the beginning of year 2010
- Inventories increased Baht 23 million or 25%, which resulted from reserved paper for printing of the Thailand YellowPages Book of Teleinfo Media (Public) Company Limited
- Other current assets increased Baht 10 million or 22% which was mainly comes from prepaid maintenance for the internet network and equipment.

Liabilities and Shareholder's Equity

As at 31 March 2010, CSL had total liabilities of Baht 1,121 million, an increase of Baht 186 million or 20% from the end of year 2009. This was mainly due to:

- Unearned income and advances received from customers increased Baht 228 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 a short term loan from a financial institution Baht 30 million
- Other current liabilities decreased Baht 15 million from accrued expenses.

Shareholders' Equity

As at 31 March 2010, CSL had shareholders' equity of Baht 1,136 million, an increase of Baht 88 million or 8% from the end of year 2009, which resulted from a net profit for Q1/2010.

"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."