



Executive Summary:

True Group delivered another solid performance in the first quarter of 2017 with EBITDA growth of nearly 30% YoY and EBITDA margin increasing to 32% due to strong revenue growth and improved operating leverage. This was primarily driven by its relentless efforts in delivering superior product and service quality, adding more value offerings to consumers through convergence and privilege programs, as well as strengthening sales and distribution channels throughout the country.

The Group's cellular business led the growth with service revenue surging 24.3% YoY, significantly outgrowing the industry while securing the No.2 position both in terms of revenue and subscriber base. TrueMove H recorded 1.2 million net adds during the first quarter, lifted by ongoing success of its 4G and device-bundling campaigns featuring its comparative advantage on Carrier Aggregation. This drove TrueMove H's total subscriber base to 25.8 million, of which 6.3 million were postpaid and 19.5 million were prepaid subscribers, with a blended ARPU of Baht 207 in 1Q17. As a result, TrueMove H ended the first quarter with value and subscriber market shares increasing to 25.8% and 28.4%, respectively. These solid results were achieved despite competitive intensity where operators highlighted network quality and speeds particularly through device campaigns with unlimited data offerings to push postpaid and 4G subscriptions while prepaid subsidies were more targeted.

TrueOnline sustained its broadband leadership with the most stable and fastest Internet speed employing advanced fiber technology delivered to households across the country. Its broadband business continued to deliver solid performance both in terms of revenue and subscriber growth despite competition as all operators retained focus on speed and technology upgrades. A further expansion of the Group's fiber broadband offerings together with the valued convergence campaign "Speedy Internet, Popular Channels & High-Definition TV", received strong market response. This pushed TrueOnline's broadband subscriber base up by approximately 114k to reach 2.9 million with an ARPU of 600 Baht and consumer broadband revenue to grow by 14% YoY in 1Q17.

TrueVisions remains committed to enhancing its offerings through a large selection of high-quality content while developing its own-produced channels to match Thai consumers' preferences. TrueVisions' customer base continued to grow to more than 4 million at the end of 1Q17, driven mainly by more than 151,000 quarterly net adds of its paying subscriber base and an ARPU of Baht 317. Specialized sales teams have been put in place to promote the Group's full range of premium content to further grow revenue and paying subscriber base.

At the same time, True Group continued to build on the strength of its convergence platform and grew its postpaid convergence bundled subscriptions by 24% from the previous year to more than 2 million households. This ultimately affirms True's prime position as Thailand's fully-integrated, nationwide telecom operator that can deliver maximal value to customers.

True Group's **consolidated service revenue** grew 13.7% YoY to Baht 23.7 billion in 1Q17 largely due to an exceptional growth of the cellular business whose service revenue surged 24.3% YoY while strong response to the fiber broadband campaigns drove consumer broadband revenue up 14% from a year earlier. This solid revenue growth, capitalizing on incremental scale, fuelled **EBITDA** growth of 29.5% YoY to Baht 7.3 billion.

Costs related to enhancing network quality and coverage throughout the country for both cellular and fixed broadband businesses, service expansion and spectrum licenses amortization, however, pressured the Group's bottom line to record a **net loss of the parent company** totaling 1,151.6 million in 1Q17.

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Consolidated results:

True Group's consolidated service revenue increased 3.8% QoQ and 13.7% YoY to Baht 23.7 billion due to significant subscriber growth and accelerating demand for the Group's wired and wireless broadband services.

Product sales were Baht 3.7 billion, decreasing 38.8% QoQ on seasonality with the launch of the new iPhone models in the previous quarter and 14.0% YoY following valued-driven device-bundling campaigns and a greater selection of affordable smart devices.

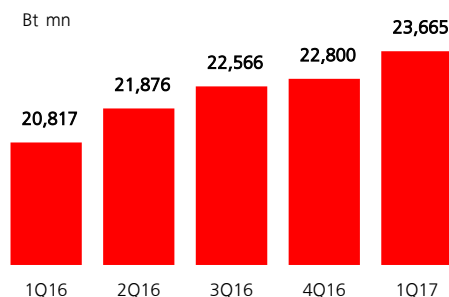
Regulatory cost increased 4.4% from the previous year to Baht 1.1 billion due to solid growth of the cellular service revenue while revenue sharing related to the traditional fixed-line phone service continued to decline.

Core operating expense (comprising cost of providing services excl. IC and other S&A) declined 4.6% QoQ on lower marketing and advertising expenses but increased 15.7% YoY to Baht 19.0 billion due to incremental expenses related to network, content and personnel.

EBITDA improved 10.0% QoQ and 29.5% YoY to Baht 7.3 billion following service revenue growth given the Group's higher operating leverage. Lower core operating expense also drove EBITDA up from the previous quarter.

Depreciation and amortization expenses increased 24.2% QoQ and 46.9% YoY to Baht 8.0 billion as a result of continued network and service expansion nationwide as well as the spectrum licenses amortization.

Group service revenue excl IC



Interest expense was Baht 1.4 billion, increasing on higher debt level to support business expansion including working capital requirements.

Income tax expense increased from the same period last year to Baht 538 million due mainly to a reversal of provision for contingent liability.

True Group reported a net loss to shareholders of the parent company totaling Baht 1.15 billion in 1Q17.

Normalized Statements of Income (Loss) - Consolidated

(Unaudited) (Baht in millions unless otherwise indicated)	1Q17	4Q16	3Q16	2Q16	1Q16	% Change	
		(Restated)	(Restated)	(Restated)	(Restated)	QoQ	YoY
Service revenue	23,665	22,800	22,566	21,876	20,817	3.8	13.7
Network rental revenue	3,928	3,939	3,939	4,060	2,589	(0.3)	51.7
Interconnection revenue	1,170	1,382	1,343	1,270	1,312	(15.3)	(10.8)
Product sales	3,693	6,039	2,946	3,546	4,296	(38.8)	(14.0)
Total revenues	32,457	34,159	30,794	30,752	29,014	(5.0)	11.9
Total cost of providing services	21,069	19,495	21,473	19,462	17,847	8.1	18.1
Regulatory costs	1,057	273	1,093	1,044	1,013	287.6	4.4
Cost of providing services excl. IC	13,237	13,725	13,237	13,081	11,399	(3.6)	16.1
Interconnection cost	1,222	1,454	1,428	1,386	1,534	(15.9)	(20.3)
Depreciation and amortization	5,553	4,043	5,714	3,951	3,901	37.4	42.4
Cost of sales	3,856	5,870	3,311	3,758	4,385	(34.3)	(12.1)
Selling and administrative expenses	8,167	8,548	7,518	7,000	6,546	(4.4)	24.8
Depreciation and amortization	2,408	2,367	2,232	1,835	1,520	1.7	58.4
Others	5,759	6,180	5,286	5,166	5,025	(6.8)	14.6
Total operating expenses	33,092	33,912	32,301	30,220	28,777	(2.4)	15.0
EBITDA	7,326	6,657	6,439	6,317	5,657	10.0	29.5
Depreciation and amortization	(7,962)	(6,410)	(7,946)	(5,786)	(5,421)	24.2	46.9
Operating profit	(636)	247	(1,507)	532	236	NM	NM
Interest income	127	145	199	56	42	(12.4)	202.7
Interest expense	(1,442)	(1,287)	(1,115)	(1,170)	(1,099)	12.1	31.2
Other financial fees	(30)	(39)	(30)	(26)	(12)	(23.4)	140.1
Finance cost related to Licences	(597)	(598)	(555)	(134)	(136)	(0.0)	338.3
Income tax (expense) revenue	(538)	(390)	94	83	(277)	37.9	93.9
Current tax	(62)	124	(17)	(63)	(304)	NM	(79.5)
Deferred income tax	(475)	(514)	111	146	27	(7.5)	NM
Share of results in subsidiaries and associates	1,796	479	432	399	3,299	274.9	(45.6)
(Income) loss attributable to non-controlling interests	(6)	11	(26)	(3)	11	NM	NM
Foreign exchange gain (loss)	(384)	354	(285)	(45)	(179)	NM	(114.7)
Other (expenses) income	558	(1,276)	253	227	277	NM	101.4
Net profit (loss) to shareholders of the Company	(1,152)	(2,353)	(2,540)	(82)	2,162	51.1	NM
Non-controlling interests	6	(11)	26	3	(11)	NM	NM
Net profit (loss) for the period	(1,145)	(2,364)	(2,515)	(79)	2,150	51.5	NM

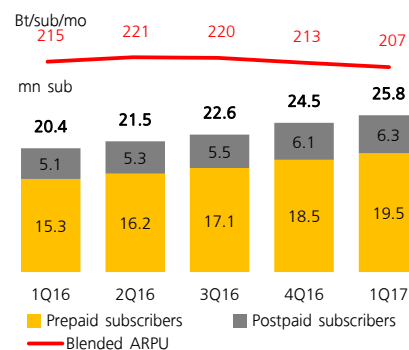
TrueMove H

TrueMove H's cellular service revenue expanded 4.9% QoQ and 24.3% YoY to Baht 16.3 billion in 1Q17, amid 0.5-percent QoQ contraction and 1.2-percent YoY growth of the other major mobile players combined. The key driver remained **non-voice revenue** which grew 34.1% YoY and 6.6% QoQ to Baht 10.0 billion, representing 61% of the Group's cellular service revenue, given higher mobile Internet usage for both postpaid and prepaid users.

Voice revenue was Baht 5.3 billion, increasing 7.2% YoY on TrueMove H's penetration into the mass postpaid and prepaid segments but softening 1.7% QoQ following consumers' rising trend towards data usage.

Revenue from international roaming and other services increased 29.0% QoQ and 38.8% YoY to Baht 1.0 billion, supported by higher contributions from inbound roaming and international calling traffic to TrueMove H's customers.

TrueMove H customers and blended ARPU



Service revenue breakdown - TrueMove H

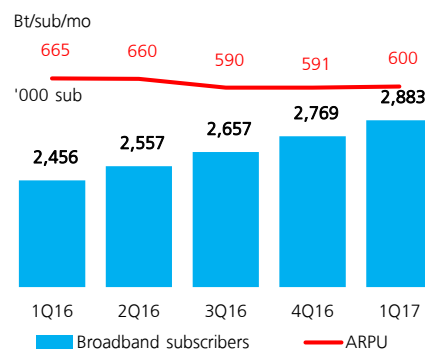
Unit: Bt mn	1Q17	4Q16	1Q16	% Change	
				QoQ	YoY
Voice	5,295	5,386	4,942	(1.7)	7.2
Non-voice	9,997	9,374	7,452	6.6	34.1
IR and others	1,037	804	747	29.0	38.8
Cellular service revenue	16,329	15,565	13,141	4.9	24.3

TrueOnline

TrueOnline's service revenue was Baht 7.0 billion, flat (+0.8%) YoY while increasing 3.2% QoQ due mainly to strong growth of consumer broadband revenue while revenue from **traditional voice services** continued to decline to Baht 900 million as consumer behavior has shifted towards mobile usage and online communication.

Revenues from **Broadband, Internet and Business Data Service** increased 4% QoQ, YoY to Baht 5.5 billion largely due to continued solid growth of consumer broadband revenue, leveraging on the Group's expanded fiber footprint in the BMA and upcountry areas as well as its popular convergence packages. Business data service, however, was pressured by the 2G network shutdown in the third quarter of last year; excluding this, revenues from Broadband, Internet and Business Data Service grew 7% YoY.

Broadband customers and ARPU



Service revenue breakdown - TrueOnline

Unit: Bt mn	1Q17	4Q16	1Q16	% Change	
				QoQ	YoY
Traditional voice	900	1,064	1,275	(15.4)	(29.4)
Broadband, Internet and Business Data Service	5,495	5,290	5,263	3.9	4.4
Others	640	461	442	38.8	44.7
Total	7,035	6,815	6,981	3.2	0.8

TrueVisions

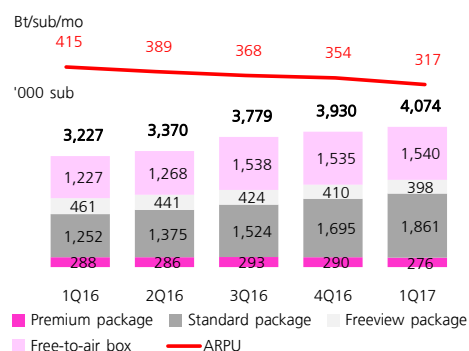
TrueVisions' service revenue was Baht 3.1 billion, increasing 3.0% QoQ mainly due to advertising revenue growth and 2.9% YoY following higher subscription and installation revenues.

Subscription and installation revenue softened 2.2% QoQ but increased 7.6% YoY to Baht 2.1 billion, representing 67% of TrueVisions' service revenue, underpinned by strong momentum of the Group's convergence propositions and growing subscriptions to the mass-tiered packages.

Advertising revenue was flat YoY but grew 37% QoQ to Baht 434 million in line with the industry's trend.

Music Entertainment and other revenues were Baht 600 million, increasing 3.4% QoQ but decreasing 8.6% from a high base in the first quarter of last year, which held several major events including Girls Generation concert and Golf Tour Thailand Classic 2016.

TrueVisions customers and ARPU



Service revenue breakdown - TrueVisions

Unit: Bt mn	1Q17	4Q16	1Q16	% Change	
				QoQ	YoY
Subscription and installation	2,059	2,105	1,913	(2.2)	7.6
Music entertainment & others	600	580	656	3.4	(8.6)
Advertising	434	317	436	37.0	(0.5)
Total	3,092	3,002	3,005	3.0	2.9

Revenue profile

(Baht in millions unless otherwise indicated)

	1Q17	4Q16	3Q16	2Q16	1Q16	% Change	
						QoQ	YoY
TrueVisions	3,094	3,003	3,304	3,049	3,049	3.0	1.5
Service revenue	3,092	3,002	3,179	3,011	3,005	3.0	2.9
- Subscription and installation	2,059	2,105	2,010	1,952	1,913	(2.2)	7.6
- Music entertainment & others	600	580	648	589	656	3.4	(8.6)
- Advertising	434	317	520	470	436	37.0	(0.5)
Product sales	2	2	126	38	44	10.8	(96.0)
Intersegment elimination	(673)	(602)	(792)	(734)	(581)	11.9	(15.9)
TrueVisions after elimination	2,421	2,401	2,513	2,315	2,468	0.8	(1.9)
TrueMove H	24,995	26,777	22,967	23,032	21,101	(6.7)	18.5
Service revenue	16,329	15,565	14,866	14,284	13,141	4.9	24.3
- Voice	5,295	5,386	5,272	5,197	4,942	(1.7)	7.2
- Non-Voice	9,997	9,374	8,797	8,378	7,452	6.6	34.1
- IR and others	1,037	804	797	709	747	29.0	38.8
Network rental revenue & IC	4,989	5,211	5,173	5,221	3,791	(4.3)	31.6
Product sales	3,677	6,000	2,928	3,527	4,168	(38.7)	(11.8)
Intersegment elimination	(824)	(786)	(467)	(312)	(326)	4.9	153.0
TrueMove H after elimination	24,171	25,991	22,500	22,720	20,775	(7.0)	16.3
TrueOnline	7,180	6,963	6,866	7,240	7,230	3.1	(0.7)
Service revenue	7,035	6,815	6,694	7,106	6,981	3.2	0.8
- Traditional voice	900	1,064	1,143	1,214	1,275	(15.4)	(29.4)
- Broadband, Internet and Business Data Service	5,495	5,290	5,100	5,414	5,263	3.9	4.4
- Others	640	461	451	478	442	38.8	44.7
Network rental revenue (FOC)	110	110	110	110	110	0.0	0.0
Product sales	35	38	61	23	139	(8.5)	(75.1)
Intersegment elimination	(1,315)	(1,196)	(1,084)	(1,524)	(1,460)	9.9	(10.0)
TrueOnline after elimination	5,865	5,767	5,782	5,717	5,770	1.7	1.6
Normalized consolidated revenues	35,269	36,743	33,138	33,321	31,381	(4.0)	12.4
Total intersegment elimination	(2,813)	(2,584)	(2,343)	(2,569)	(2,367)	8.9	18.8
Normalized consolidated revenues - net	32,457	34,159	30,794	30,752	29,014	(5.0)	11.9

Cash Flow

True Group's primary capital resources in 1Q17 were **cash flows from financing activities** totaling Baht 22.7 billion, driven by additional borrowings to support the Group's ongoing business expansion.

Cash flows from operating activities was a negative of Baht 8.4 billion in 1Q17 driven by working capital requirements and certain settlements related to the HSPA agreement with CAT.

Cash flows used in investing activities decreased to Baht 8.4 billion in 1Q17 compared to a high base in the first quarter of last year with the first installment of the 900 MHz spectrum license.

Cash flow			
(Baht in millions unless otherwise indicated)			
	31 Mar 17	31 Mar16 (Restated)	% change
Cash flow			
Cash flows from operating activities	(8,431)	1,979	NM
Cash flows (used in) from investing activities	(8,368)	(16,646)	(49.7)
Cash flows (used in) from financing activities	22,722	17,039	33.4
Net (decrease) increase in cash and cash equivalents	5,924	2,372	149.7
Beginning cash balance and effects of exchange rate changes	50,179	10,581	374.2
Ending cash balance	56,103	12,953	333.1

Balance Sheet

True Group's assets increased 3.6% from the end of 2016 to Baht 465.1 billion mainly due to higher property, plant and equipment as well as cash.

Property, plant and equipment, net increased 4.1% from the end of 2016 to Baht 149.5 billion due to ongoing network and service expansion of the Group's cellular and broadband businesses.

Intangible assets, net decreased to Baht 137.6 billion from Baht 139.7 billion at the end of 2016 due to spectrum licenses amortization during the period.

Investment in subsidiaries, associates and joint ventures (net) rose to Baht 19.6 billion compared to 18.2 billion at the end of 2016 as a result of DIF's incremental investment value following its asset reappraisal in the first quarter.

Trade account receivables (net) increased 4.8% from the end of 2016 to Baht 34.3 billion following the Group's business expansion.

True Group's total liabilities increased 5.4% from the end of 2016 to Baht 334.5 billion mainly due to additional borrowings to support the Group's continued business expansion which drove **Interest bearing debt** (short-term and long-term borrowings excluding financial leases) to Baht 135.1 billion.

Trade accounts payable dropped from the end of 2016 to Baht 59.0 billion following vendor payments and settlement on the HSPA agreement.

Shareholders' equity declined to Baht 130.6 billion driven by net loss during the first quarter.

Consolidated Balance Sheet			
(Baht in millions unless otherwise indicated)			
	31 Mar 17	31 Dec 16	% change
Cash and cash equivalents	56,103	50,184	11.8
Trade accounts receivable, net	34,329	32,749	4.8
Other receivables	3,935	4,061	(3.1)
Other current assets	38,933	35,684	9.1
Total current assets	133,301	122,678	8.7
Property, plant and equipment, net	149,522	143,688	4.1
Goodwill, net	11,403	11,403	0.0
Intangible assets, net	137,614	139,746	(1.5)
Deferred income tax assets	4,926	5,376	(8.4)
Other non-current assets	28,352	26,069	8.8
Total non-current assets	331,816	326,282	1.7
Total assets	465,117	448,960	3.6
Short-term borrowings	56,311	37,572	49.9
Trade accounts payable	59,045	64,422	(8.3)
Other payables	37,317	34,093	9.5
Current portion of long-term borrowings	24,510	20,654	18.7
Other current liabilities	4,976	4,104	21.3
Total current liabilities	182,160	160,844	13.3
Long-term borrowings	61,912	60,490	2.4
Deferred income tax liabilities	2,020	1,995	1.3
Liabilities under agreements and licenses for operations	73,957	77,652	(4.8)
Employee benefit obligations	2,037	1,982	2.8
Other non-current liabilities	12,393	14,269	(13.1)
Total non-current liabilities	152,319	156,389	(2.6)
Total liabilities	334,479	317,233	5.4
Issued and fully paid-up share capital	133,473	133,473	0.0
Unappropriated retained earning (deficit)	(28,439)	(27,288)	(4.2)
Premium/discount (on share capital) and other items	25,605	25,543	0.2
Total shareholders' equity	130,638	131,728	(0.8)
Total liabilities and shareholders' equity	465,117	448,960	3.6

Selected financial & operational statistics

	1Q17	2016	4Q16	3Q16	2Q16	1Q16	2015
CONSOLIDATED KEY FINANCIAL RATIOS ^{1/}							
Consolidated							
Net debt/EBITDA (Times)	3.0	2.5	2.5	2.3	2.1	4.3	3.7
Net debt/Equity ratio (Times)	0.6	0.5	0.5	0.4	0.4	1.3	1.1
Share price - end of period (Baht)	6.80	7.15	7.15	6.95	7.20	7.60	6.70
TrueOnline							
Customers ('000 subs)							
Fixed-line	1,146	1,256	1,256	1,349	1,425	1,470	1,507
Broadband Internet	2,883	2,769	2,769	2,657	2,557	2,456	2,388
ARPU (Baht/sub/month)							
Fixed-line	214	214	213	214	213	216	223
Broadband Internet	600	629	591	590	660	665	668
TrueMove H							
Customers ('000 subs)							
Post-paid	6,259	6,060	6,060	5,520	5,306	5,061	4,726
Pre-paid	19,505	18,465	18,465	17,087	16,166	15,298	14,381
Total	25,764	24,526	24,526	22,607	21,473	20,359	19,107
ARPU (Baht/sub/month)							
Post-paid	500	505	507	506	507	501	492
Pre-paid	113	122	116	127	127	120	90
Blended	207	217	213	220	221	215	171
Pay TV (TrueVisions)							
Customers ('000 subs)							
Premium package	4,074	3,930	3,930	3,779	3,370	3,227	3,063
Standard package	276	290	290	293	286	288	292
FreeView package	1,861	1,695	1,695	1,524	1,375	1,252	1,108
Free-to-air box	398	410	410	424	441	461	479
Free-to-air box	1,540	1,535	1,535	1,538	1,268	1,227	1,184
ARPU (Baht/sub/month)	317	379	354	368	389	415	523

Note:

^{1/} Debt ratios exclude finance leases.

Restatement

Restatement

On 4 December 2015, a subsidiary, TUC was granted the 1800MHz Bandwidth licence by NBTC. The licence authorised TUC to provide mobile service under those spectrums for 18 years. During 2016, the Group identified additional directly attributable costs of acquisition of licence, which should have been capitalised as initial cost of licence.

The adjustments to the statement of comprehensive income for the three-month period ended 31 March 2016 are as follows:

Statement of comprehensive income

	Consolidated financial information		
	As previously		As restated
	reported	Adjustment	
	Baht Million	Baht Million	Baht Million
For the three-month period ended			
31 March 2016			
Cost of providing services	17,833.31	13.44	17,846.75
Finance cost	1,478.45	(206.92)	1,271.53