



Executive Summary:

True Group continued to report improving operating leverage in the second quarter of 2017 with robust EBITDA growth of 37.8% YoY to Baht 8.7 billion and EBITDA margin jumping to 36.1%. This was predominantly driven by accelerating revenue of its cellular business and the Group's cost control initiatives. True Group's network superiority, value-driven convergence propositions and high-quality content remain its key competitive advantages to stay ahead of the competition. Capitalizing on these strengths, the Group's digital platform and Big Data technology will further amplify revenue and subscriber base as True Group's offerings fulfill consumers' preferences and lifestyles in this digital age. These together with effective cost management should further improve performance in the second half.

The Group's cellular business continued to gain both revenue and subscriber market share amid competitive intensity where operators focused primarily on postpaid acquisition with unlimited and competitive device-bundling price plans as well as bundled content. Meanwhile, prepaid subsidies were tapered off and more targeted. **TrueMove H's** top network position has been key driver for its outstanding revenue and subscriber growth. In 2Q17, it gained both postpaid and prepaid customers and expanded the total subscriber base to 26.2 million, adding another 424k net subscribers compared to a net decrease of 880k subscribers for the other two major industry players combined. As a result, TrueMove H's subscriber market share increased to 29.0%.

The Group's non-voice and mobile data strategy continued to bear fruit, fuelling TrueMove H's service revenue up 17.4% YoY to Baht 16.8 billion and value market share to 26.0% in 2Q17. TrueMove H's recent collaboration with TrueID, combining digital content including movies, TV, music, sports, lifestyles and exclusive privileges in one application, addresses consumers' rising demand for digital consumption and will further expedite TrueMove H's market share gain going forward.

The broadband Internet market has been focusing on fiber expansion while competitive propositions such as content bundling or speed upgrades were also provided to attract consumers and encourage higher-tiered subscriptions. **TrueOnline's** fiber offerings continued to gather momentum with consumer broadband revenue growing 13% from a year earlier while increasing True Group's convergence subscriptions and customers' stickiness. The business lifted its broadband Internet revenue to Baht 5.6 billion and subscriber base to 2.96 million in 2Q17. Its further expansion to new territories, both upcountry as well as in the Bangkok and Metropolitan Area, is expected to stimulate the Group's revenue growth and the country's broadband penetration.

TrueVisions' successful penetration into the mass segment and the strengthening of its premium offerings with world-class quality content fueled service revenue up 3.5% YoY to Baht 3.1 billion in the second quarter of 2017 with the total customer base of 4.1 million. The business will retain focus on providing the best viewing and HD experience as well as adding its wide variety of popular content to True Group's digital platform, including TrueID and True TV box which offer online streaming content, to serve the needs of customers in every lifestyle.

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Consolidated results:

True Group's consolidated service revenue increased 10% YoY to Baht 24.0 billion mainly due to strong growth of the cellular and consumer broadband segments, bolstered by popularity of social media, online communication and VDO streaming. During the second quarter, the Group focused heavily on upgrading broadband copper customers to the licensed fiber network; Group service revenue still grew 2% QoQ despite this and the overall seasonality impact.

Product sales surged 34.7% QoQ and 40.3% YoY to Baht 5.0 billion, underpinned by strong response to the Group's valued-driven device campaigns ranging from mass- to high-tier segments. Sales margin improved to a positive of Baht 41 million, compared to losses of Baht 162 million in 1Q17 and Baht 212 million in 2Q16.

Regulatory cost dropping 3.2% QoQ and 2.0% YoY to Baht 1.0 billion as revenue sharing related to the traditional fixed-line phone service continued to decline. Positive impact from the USO rate reduction (from 3.75% to 2.5%) in 2Q17 also contributed to regulatory cost decrease.

Net IC expense was Baht 85 million, increasing QoQ given higher net off-net traffic but decreasing YoY following the IC rate reduction from Baht 0.34 per minute to Baht 0.27 per minute starting this year.

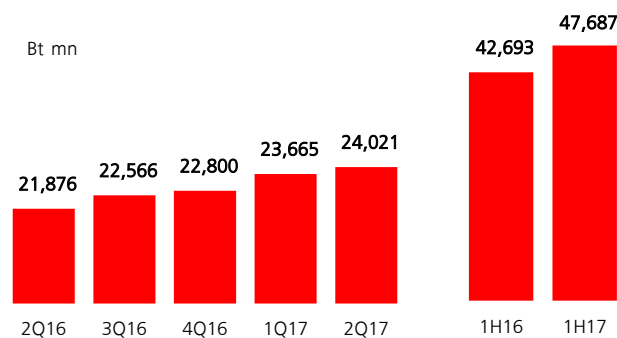
Core operating expense (comprising cost of providing services excl. IC and other S&A) was Baht 19.0 billion, flat (+0.1%) QoQ while rising 4.2% YoY driven by personnel-related expenses.

EBITDA surged 18.8% QoQ and 37.8% YoY to Baht 8.7 billion on solid revenue growth and corporate-wide cost controls. This pushed EBITDA margin up to 36.1% compared to 31.6% in 1Q17 and 29.8% in 2Q16.

Normalized Statements of Income (Loss) - Consolidated

(Unaudited) (Baht in millions unless otherwise indicated)	2Q17	1Q17	2Q16 (Restated)	% Change		1H17	1H16 (Restated)	% Change
				QoQ	YoY			
Revenues								
Revenue from providing services	29,968	28,763	27,206	4.2	10.2	58,732	51,924	13.1
Interconnection revenue	1,183	1,170	1,270	1.1	(6.9)	2,352	2,582	(8.9)
Network rental revenue	4,764	3,928	4,060	21.3	17.3	8,693	6,649	30.7
Service revenue	24,021	23,665	21,876	1.5	9.8	47,687	42,693	11.7
Revenue from product sales	4,973	3,693	3,546	34.7	40.3	8,667	7,841	10.5
Operating expenses								
Total cost of providing services	21,382	21,069	19,462	1.5	9.9	42,451	37,309	13.8
Regulatory costs	1,023	1,057	1,044	(3.2)	(2.0)	2,081	2,056	1.2
Interconnection cost	1,268	1,222	1,386	3.8	(8.5)	2,491	2,920	(14.7)
Cost of providing services excl. IC	13,277	13,237	13,081	0.3	1.5	26,514	24,481	8.3
Depreciation and amortization	5,813	5,553	3,951	4.7	47.1	11,366	7,852	44.8
Cost of sales	4,932	3,856	3,758	27.9	31.2	8,788	8,143	7.9
Selling and administrative expenses	8,226	8,167	7,000	0.7	17.5	16,393	13,546	21.0
Depreciation and amortization	2,489	2,408	1,835	3.3	35.7	4,897	3,355	46.0
Others	5,737	5,759	5,166	(0.4)	11.1	11,496	10,191	12.8
EBITDA	8,704	7,326	6,317	18.8	37.8	16,030	11,975	33.9
Depreciation and amortization	(8,302)	(7,962)	(5,786)	4.3	43.5	(16,264)	(11,207)	45.1
Operating profit	402	(636)	532	NM	(24.3)	(233)	768	NM
Interest expense (net)	(1,408)	(1,315)	(1,114)	7.1	26.3	(2,722)	(2,172)	25.3
Interest income	200	127	56	56.8	258.9	327	98	234.7
Interest expense	(1,607)	(1,442)	(1,170)	11.5	37.4	(3,049)	(2,269)	34.4
Other financial fees	(32)	(30)	(26)	8.8	22.4	(62)	(39)	59.9
Finance cost related to Licences	(598)	(597)	(134)	0.1	347.3	(1,196)	(270)	342.7
Income tax (expense) revenue	94	(538)	83	NM	13.0	(444)	(194)	(128.7)
Current tax	9	(62)	(63)	NM	NM	(53)	(367)	85.5
Deferred income tax	85	(475)	146	NM	(41.8)	(390)	173	NM
Share of results in subsidiaries and associates	432	1,796	399	(75.9)	8.4	2,228	3,698	(39.8)
(Income) loss attributable to non-controlling interests	3	(6)	(3)	NM	NM	(3)	8	NM
Foreign exchange gain (loss)	(63)	(384)	(45)	83.6	(39.5)	(447)	(224)	(99.6)
Other (expenses) income	(76)	558	227	NM	NM	482	504	(4.4)
Net profit (loss) to shareholders of the Company	(1,245)	(1,152)	(82)	(8.1)	NM	(2,397)	2,079	NM
Non-controlling interests	(3)	6	3	NM	NM	3	(8)	NM
Net profit (loss) for the period	(1,249)	(1,146)	(79)	(9.0)	NM	(2,394)	2,071	NM

Group service revenue excl IC



Depreciation and amortization expenses were Baht 8.3 billion, increasing 4.3% QoQ on continued network and service expansion and 43.5% YoY due primarily to the spectrum license amortization.

Interest expense (net) rose to Baht 1.4 billion on additional borrowings to support business expansion including working capital requirements.

Income tax revenue was Baht 94 million due to forward-looking utilization of the Group's tax loss carry forward by recognizing deferred tax assets.

These resulted in the Group reporting a **net loss to shareholders of the parent company** totaling Baht 1.2 billion in 2Q17.

TrueMove H

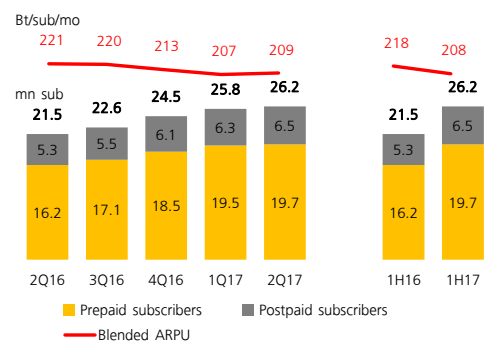
TrueMove H continued to outperform the industry with **cellular service revenue** increasing 17.4% YoY and 2.7% QoQ to Baht 16.8 billion in 2Q17 from growth in both postpaid and prepaid segments.

Non-voice revenue grew 24.9% YoY and 4.7% QoQ to Baht 10.5 billion, representing 62% of the Group's cellular service revenue, supported by TrueMove H's network strength and its data-driven campaigns.

Voice revenue rose slightly QoQ (+0.7%) and increased 2.6% YoY to Baht 5.3 billion as TrueMove H continued its success in penetrating into the mass segment.

Revenue from international roaming and other services decreased 7.0% QoQ on seasonality with lower inbound traffic but increased 36.1% YoY to Baht 964.3 million partly due to more tourist arrivals compared to the same period last year.

TrueMove H customers and blended ARPU



Service revenue breakdown - TrueMove H

Unit: Bt mn	2Q17	1Q17	2Q16	% Change	
				QoQ	YoY
Voice	5,332	5,295	5,197	0.7	2.6
Non-voice	10,466	9,997	8,378	4.7	24.9
IR and others	964	1,037	709	(7.0)	36.1
Cellular service revenue	16,762	16,329	14,284	2.7	17.4

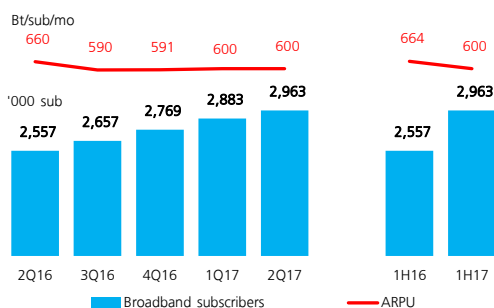
TrueOnline

TrueOnline's **service revenue** was Baht 7.0 billion, flat QoQ while softening 1.0% YoY on lower contribution from fixed-line voice service and the impact of the 1800 MHz 2G network shutdown since the third quarter of last year.

Traditional voice revenue declined to Baht 716 million given ongoing shift towards mobile and online communications.

Revenues from Broadband, Internet and Business Data Service increased 2.2% QoQ and 3.7% YoY to Baht 5.6 billion following positive response to the Group's fiber propositions. The consumer broadband segment continued to grow well with revenue rising 13% YoY. Business data service, however, was pressured by the 2G network shutdown; excluding this, revenues from Broadband, Internet and Business Data Service grew 6% YoY.

Broadband customers and ARPU



Service revenue breakdown - TrueOnline

Unit: Bt mn	2Q17	1Q17	2Q16	% Change	
				QoQ	YoY
Traditional voice	716	900	1,214	(20.5)	(41.0)
Broadband, Internet and Business Data Service	5,617	5,495	5,414	2.2	3.7
Others	702	640	478	9.7	46.9
Total	7,035	7,035	7,106	(0.0)	(1.0)

TrueVisions

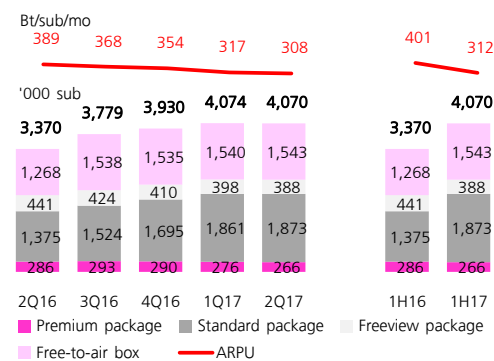
TrueVisions' **service revenue** was Baht 3.1 billion, up 0.8% QoQ and expanded 3.5% YoY predominantly due to higher subscription and installation revenues.

Subscription and installation revenue grew 4.0% YoY to Baht 2.0 billion due to ongoing success of the Group's convergence packages which pushed TrueVisions' paying subscriber base up 29% from the same period last year. The QoQ decline of 1.4% was driven by seasonality with the end of English Premier League season in May.

Advertising revenue increased 11.0% QoQ and 2.4% YoY, amid industry's declining trend, to Baht 482 million supported by TrueVisions' full range of content and its stronger presence in the mass segment.

Music Entertainment and other revenues rose 1.1% QoQ and 3.0% YoY to Baht 606 million due to SM True concerts arranged during the quarter.

TrueVisions customers and ARPU



Service revenue breakdown - TrueVisions

Unit: Bt mn	2Q17	1Q17	2Q16	% Change	
				QoQ	YoY
Subscription and installation	2,030	2,059	1,952	(1.4)	4.0
Music entertainment & others	606	600	589	1.1	3.0
Advertising	482	434	470	11.0	2.4
Total	3,118	3,092	3,011	0.8	3.5

Revenue profile

(Baht in millions unless otherwise indicated)

	2Q17	1Q17	2Q16	% Change		1H17	1H16	% Change
				QoQ	YoY			YoY
TrueVisions	3,125	3,094	3,049	1.0	2.5	6,219	6,098	2.0
Service revenue	3,118	3,092	3,011	0.8	3.5	6,210	6,017	3.2
- Subscription and installation	2,030	2,059	1,952	(1.4)	4.0	4,089	3,866	5.8
- Music entertainment & others	606	600	589	1.1	3.0	1,206	1,245	(3.1)
- Advertising	482	434	470	11.0	2.4	915	906	1.0
Product sales	7	2	38	298.4	(81.4)	9	82	(89.3)
Intersegment elimination	(720)	(673)	(734)	6.9	(1.9)	(1,393)	(1,315)	5.9
TrueVisions after elimination	2,406	2,421	2,315	(0.6)	3.9	4,826	4,784	0.9
TrueMove H	27,555	24,995	23,032	10.2	19.6	52,550	44,133	19.1
Service revenue	16,762	16,329	14,284	2.7	17.4	33,092	27,425	20.7
- Voice	5,332	5,295	5,197	0.7	2.6	10,627	10,138	4.8
- Non-Voice	10,466	9,997	8,378	4.7	24.9	20,463	15,830	29.3
- IR and others	964	1,037	709	(7.0)	36.1	2,002	1,456	37.5
Interconnection revenue	1,184	1,171	1,272	1.1	(6.9)	2,355	2,584	(8.9)
Network rental revenue	4,654	3,818	3,950	21.9	17.8	8,472	6,428	31.8
Product sales	4,955	3,677	3,527	34.7	40.5	8,632	7,695	12.2
Intersegment elimination	(813)	(824)	(312)	(1.4)	160.7	(1,637)	(638)	156.8
TrueMove H after elimination	26,742	24,171	22,720	10.6	17.7	50,913	43,495	17.1
TrueOnline	7,173	7,180	7,240	(0.1)	(0.9)	14,353	14,471	(0.8)
Service revenue	7,035	7,035	7,106	(0.0)	(1.0)	14,069	14,087	(0.1)
- Traditional voice	716	900	1,214	(20.5)	(41.0)	1,616	2,490	(35.1)
- Broadband, Internet and Business Data Service	5,617	5,495	5,414	2.2	3.7	11,111	10,677	4.1
- Others	702	640	478	9.7	46.9	1,342	920	45.8
Network rental revenue (FOC)	110	110	110	0.0	0.0	221	221	0.0
Product sales	28	35	23	(19.2)	20.4	63	163	(61.4)
Intersegment elimination	(1,379)	(1,315)	(1,524)	4.9	(9.5)	(2,694)	(2,984)	(9.7)
TrueOnline after elimination	5,794	5,865	5,717	(1.2)	1.4	11,659	11,487	1.5
Normalized consolidated revenues	37,853	35,269	33,321	7.3	13.6	73,122	64,702	13.0
Total intersegment elimination	(2,911)	(2,813)	(2,569)	3.5	13.3	(5,724)	(4,936)	16.0
Normalized consolidated revenues - net	34,942	32,457	30,752	7.7	13.6	67,398	59,765	12.8

Cash Flow

True Group's primary capital resources in 1H17 were **cash flows from financing activities** totaling Baht 21.4 billion which decreased from a high base in the same period last year with the capital increase in June 2016.

Cash flows from operating activities (net) was a negative of Baht 9.3 billion in 1H17 driven by working capital requirements, certain settlements related to the HSPA agreement with CAT and interest payments. Excluding net payments for interest and tax, cash flows from operating activities in the second quarter was positive Baht 0.7 billion.

Cash flows used in investing activities in 1H17 declined YoY to Baht 15.3 billion due mainly to last year's payment related to the 900 MHz spectrum license.

Cash flows statement

(Baht in millions unless otherwise indicated)

	30 Jun 17	30 Jun 16 (Restated)	% change
Cash flows from operating activities before interest and tax	(7,378)	4,252	NM
Net interest and tax paid	(1,934)	(1,913)	1.1
Cash flows from operating activities (net)	(9,312)	2,339	NM
Cash flows (used in) from investing activities	(15,347)	(27,360)	(43.9)
Cash flows (used in) from financing activities	21,387	87,788	(75.6)
Net (decrease) increase in cash and cash equivalents	(3,272)	62,767	NM
Beginning cash balance and effects of exchange rate changes	50,176	10,561	375.1
Ending cash balance	46,904	73,328	(36.0)

Balance Sheet

True Group's assets expanded 3.3% from the end of 2016 to Baht 463.9 billion due mainly to higher property, plant and equipment.

Property, plant and equipment, net grew 9.3% from the end of 2016 to Baht 157.0 billion given continued expansion of the Group's cellular and broadband businesses.

Intangible assets, net decreased 3.8% from the end of 2016 to Baht 134.4 billion due to the amortization of spectrum licenses during the period.

Trade account receivables (net) increased 14.4% from the end of 2016 to Baht 37.5 billion as the Group's businesses continued to expand.

True Group's total liabilities increased 5.4% from the end of 2016 to Baht 334.5 billion mainly due to higher **Interest bearing debt** (short-term and long-term borrowings excluding financial leases) which reached Baht 134.4 billion in order to support the Group's continued business expansion including working capital requirements.

Trade accounts payable dropped from the end of 2016 to Baht 61.1 billion following vendor payments and certain settlement on the HSPA agreement.

Shareholders' equity declined to Baht 129.4 billion driven by net loss during the period.

Consolidated Balance Sheet

(Baht in millions unless otherwise indicated)

	30 Jun 17	31 Dec 16	% change
Cash and cash equivalents	46,904	50,184	(6.5)
Trade accounts receivable, net	37,474	32,749	14.4
Other receivables	4,045	4,061	(0.4)
Other current assets	39,332	35,684	10.2
Total current assets	127,755	122,678	4.1
Property, plant and equipment, net	157,050	143,688	9.3
Goodwill, net	11,403	11,403	0.0
Intangible assets, net	134,407	139,746	(3.8)
Deferred income tax assets	5,052	5,376	(6.0)
Other non-current assets	28,214	26,069	8.2
Total non-current assets	336,126	326,282	3.0
Total assets	463,881	448,960	3.3
Short-term borrowings	50,430	37,572	34.2
Trade accounts payable	61,070	64,422	(5.2)
Other payables	35,987	34,093	5.6
Current portion of long-term borrowings	21,647	20,654	4.8
Other current liabilities	4,771	4,104	16.3
Total current liabilities	173,905	160,844	8.1
Long-term borrowings	70,256	60,490	16.1
Deferred income tax liabilities	2,078	1,995	4.2
Liabilities under agreements and licenses for operations	73,674	77,652	(5.1)
Employee benefit obligations	2,091	1,982	5.5
Other non-current liabilities	12,479	14,269	(12.5)
Total non-current liabilities	160,578	156,389	2.7
Total liabilities	334,483	317,233	5.4
Issued and fully paid-up share capital	133,473	133,473	0.0
Unappropriated retained earning (deficit)	(29,685)	(27,288)	(8.8)
Premium/discount (on share capital) and other items	25,609	25,543	0.3
Total shareholders' equity	129,398	131,728	(1.8)
Total liabilities and shareholders' equity	463,881	448,960	3.3

Selected financial & operational statistics

	1H17	2Q17	1Q17	2016	4Q16	3Q16	2Q16	1Q16	2015
CONSOLIDATED KEY FINANCIAL RATIOS ^{1/}									
Consolidated									
Net debt/EBITDA (Times)	3.0	3.0	3.0	2.5	2.5	2.3	2.1	4.3	3.7
Net debt/Equity ratio (Times)	0.7	0.7	0.6	0.5	0.5	0.4	0.4	1.3	1.1
Share price - end of period (Baht)	6.20	6.20	6.80	7.15	7.15	6.95	7.20	7.60	6.70
TrueOnline									
Customers ('000 subs)									
Fixed-line ^{2/}	1,040	1,040	1,146	1,256	1,256	1,349	1,425	1,470	1,507
Broadband Internet	2,963	2,963	2,883	2,769	2,769	2,657	2,557	2,456	2,388
ARPU (Baht/sub/month)									
Fixed-line	216	219	214	214	213	214	213	216	223
Broadband Internet	600	600	600	629	591	590	660	665	668
TrueMove H									
Customers ('000 subs)									
Post-paid	6,494	6,494	6,259	6,060	6,060	5,520	5,306	5,061	4,726
Pre-paid	19,694	19,694	19,505	18,465	18,465	17,087	16,166	15,298	14,381
Total	26,188	26,188	25,764	24,526	24,526	22,607	21,473	20,359	19,107
ARPU (Baht/sub/month)									
Post-paid	493	486	500	505	507	506	507	501	492
Pre-paid	116	119	113	122	116	127	127	120	90
Blended	208	209	207	217	213	220	221	215	171
TrueVisions									
Customers ('000 subs)									
Premium package	4,070	4,070	4,074	3,930	3,930	3,779	3,370	3,227	3,063
Standard package	266	266	276	290	290	293	286	288	292
Standard package	1,873	1,873	1,861	1,695	1,695	1,524	1,375	1,252	1,108
FreeView package	388	388	398	410	410	424	441	461	479
Free-to-air box	1,543	1,543	1,540	1,535	1,535	1,538	1,268	1,227	1,184
ARPU (Baht/sub/month)									
	312	308	317	379	354	368	389	415	523

Note:

^{1/} Debt ratios exclude finance leases.^{2/} No. of lines