Business Briefing

July 5, 2010 at True Tower

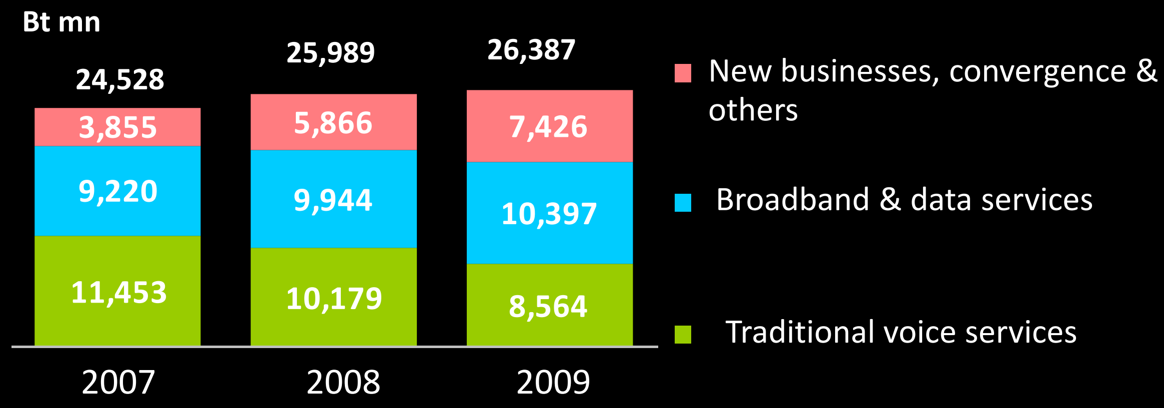
Agenda

- TrueOnline Overview
- Broadband Business
- Business data service
- International Gateway
- Fixed-line Business
- TrueOnline Strategy

true online Overview

TrueOnline: Business Structure

TrueOnline service revenue



Traditional voice

- Fixed-line telephone
- Public phone
- WE PCT

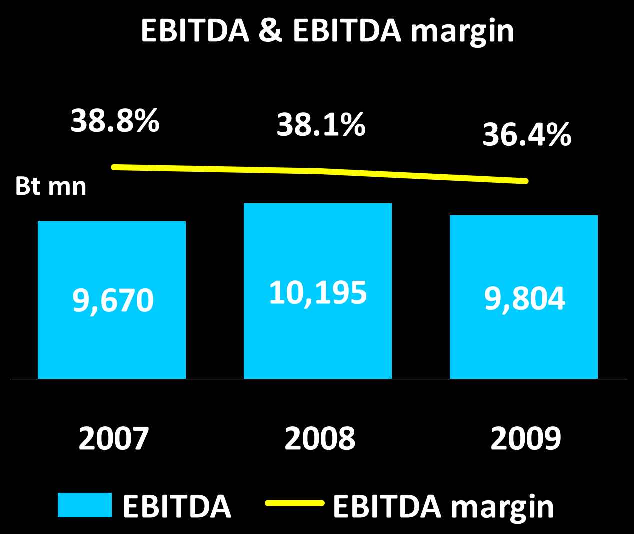
Broadband & Data services

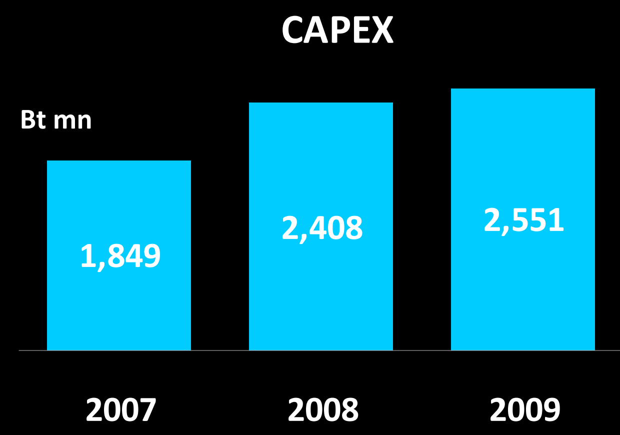
- Dial-up Internet
- Broadband
- Business Data services

Convergence & others

- Convergence
- TrueMoney
- Internet & data gateway
- Others (Online games, VoIP, etc.)

TrueOnline: Profitability & CAPEX trend





- EBITDA margin to stabilize after business transitioning to high growth, lower margin businesses
- Annual CAPEX plan for 2010
  - Online Group: Bt3.5bn
  - Broadband: Bt2.5bn in new technology roll-out and network expansion Focus shift to BMA outskirt and high potential provinces

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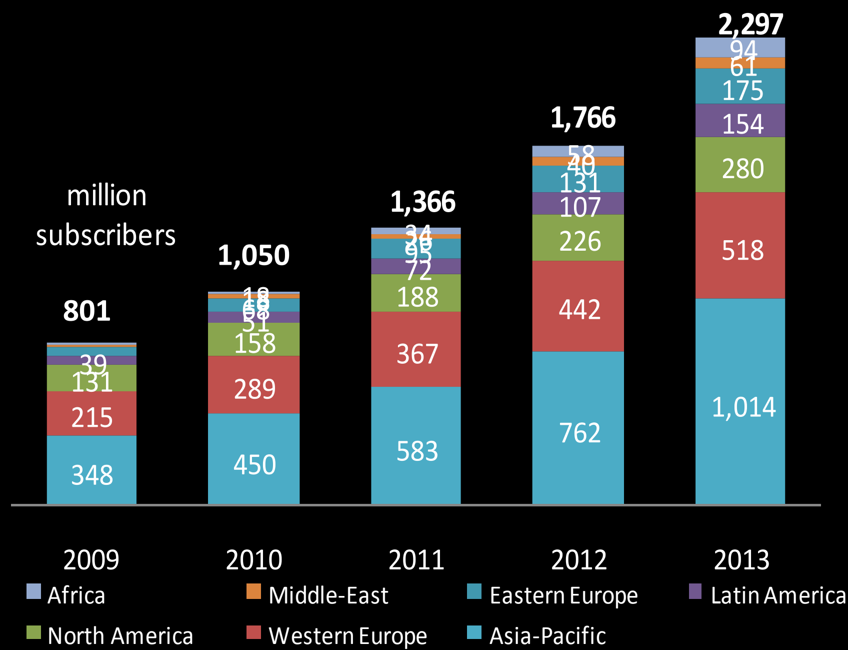
Strong growth potential for Broadband

Broadband subscribers by continent



Source: OVUM, Booz & Company analysis, Feb 2010

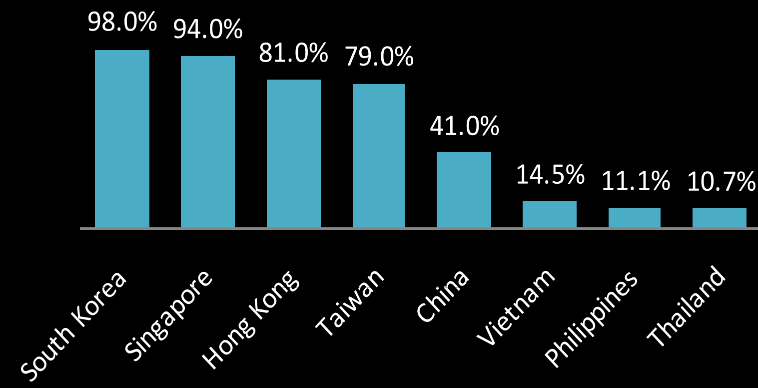
30%

Growth

From year 2010

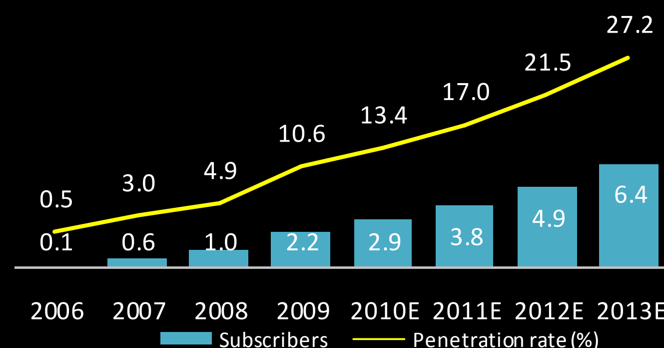
"Asia Pacific Growth ~33%, Higher than others "

2009 Fixed-line Broadband Penetration



Source: True Corp & Point Topic, March 2010

Thailand Broadband penetration forecast



Source: Company

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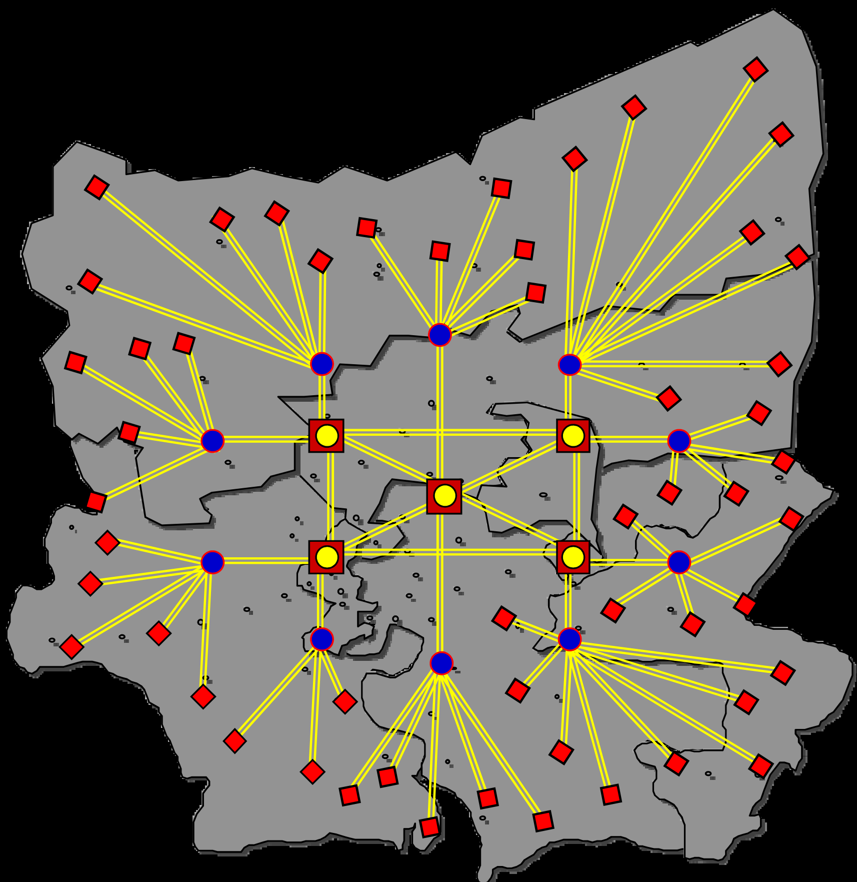
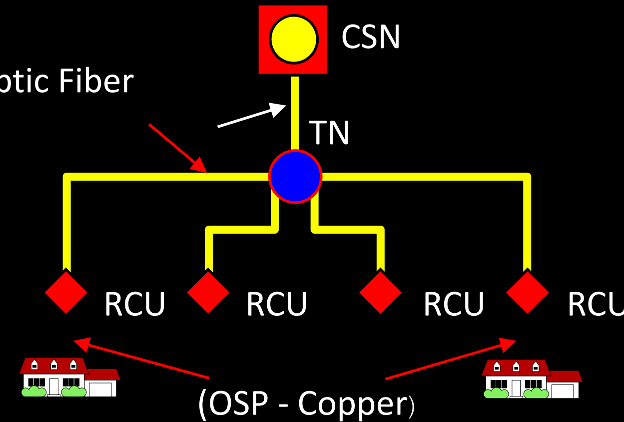
Competitive advantage with superior network

True PSTN Network in
Bangkok Metropolitan Area (BMA)





Fiber and advanced electronics = greater reliability and stability

Shorter "last mile" connection improves Broadband performance – avg. within 3km

Costly and difficult to replicate

Fiber rich (>240,000 core Km in BMA; >300,000 nation-wide)

780++ RCUs (instead of 70-80 central offices)

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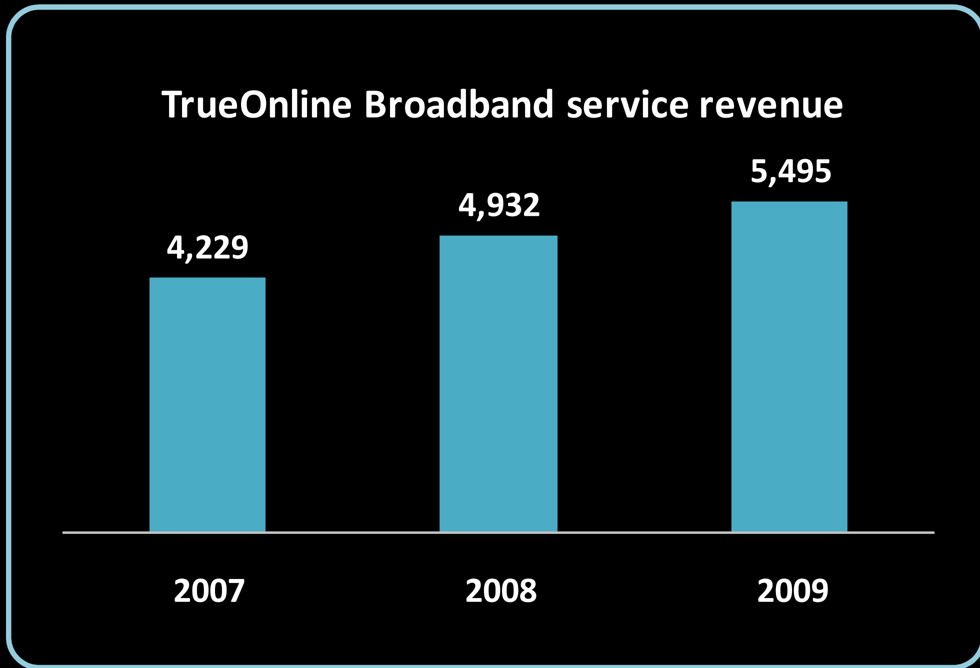
true online Broadband

Broadband: Revenue growth in double digits



Revenue CAGR at 14% per year

Broadband: Subscribers

~720k Broadband subscribers

Broadband Subscribers

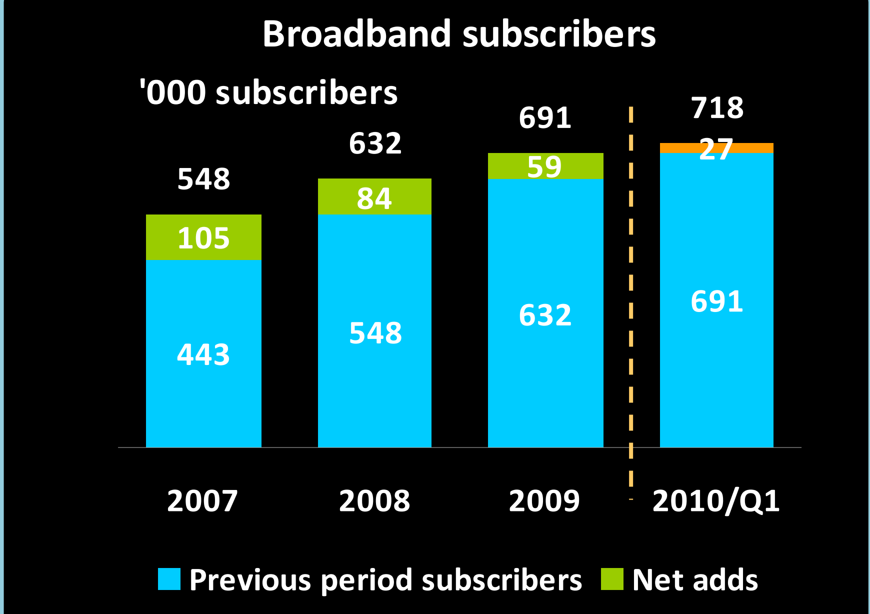
12 %

CAGR
over 3 years

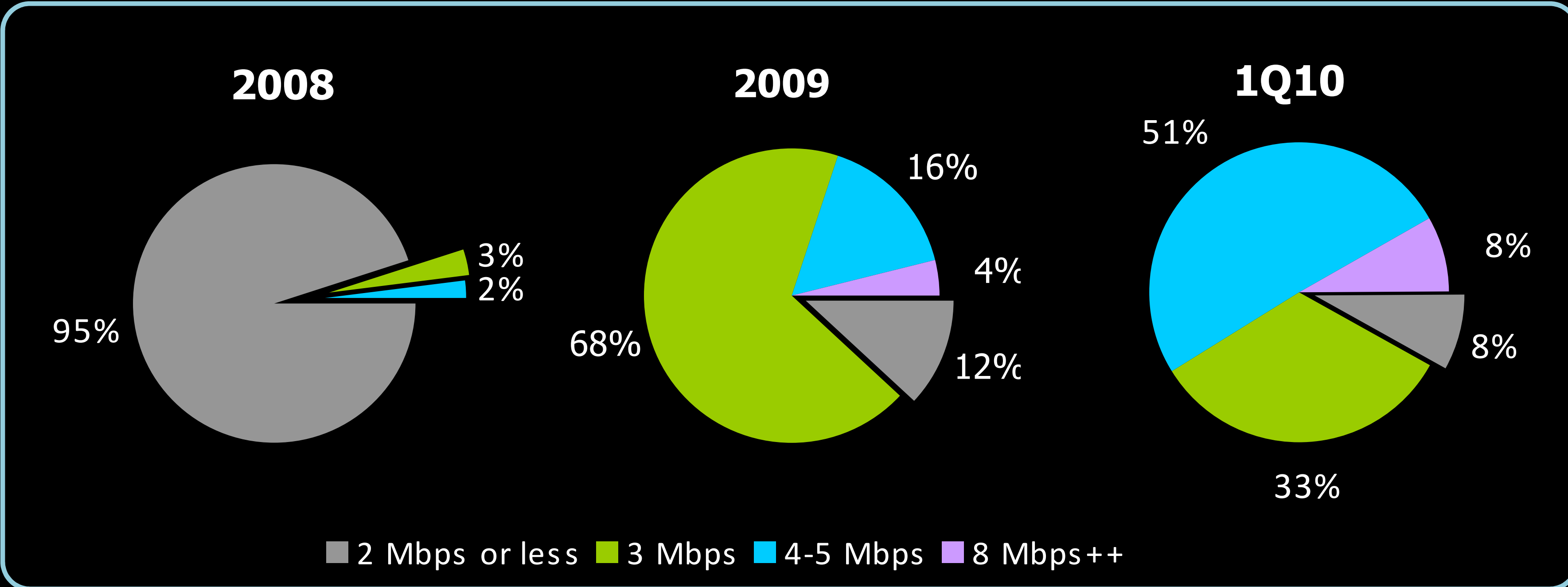
Wi-Fi Subscribers

187 %

CAGR
over 3 years



Broadband: Subscribers by speed



Subscribers migrated to higher speed,
resulting in highest ARPU in the market at Bt702 in 1Q10

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Broadband: Services

Various packages designed to meet unique demands of each customer group

	Download Speed	Upload Speed	Free Wi-Fi	Monthly fee
ULTRA hi-speed Internet true online 50 Mbps	30 Mbps – 50 Mbps	2 Mbps – 3 Mbps	4 Mbps	Bt 3,600 –Bt 5,600
	4 Mbps – 16 Mbps	512 kbps (Lite) – 1 Mbps (Premium)	2 Mbps	Bt 599 – Bt2,199 (Online) Bt 799-Bt2,399 (Premium)
eco hi-speed Internet	2Mbps	256 kbps	1 Mbps	Bt 399 (for 100 hrs of use)

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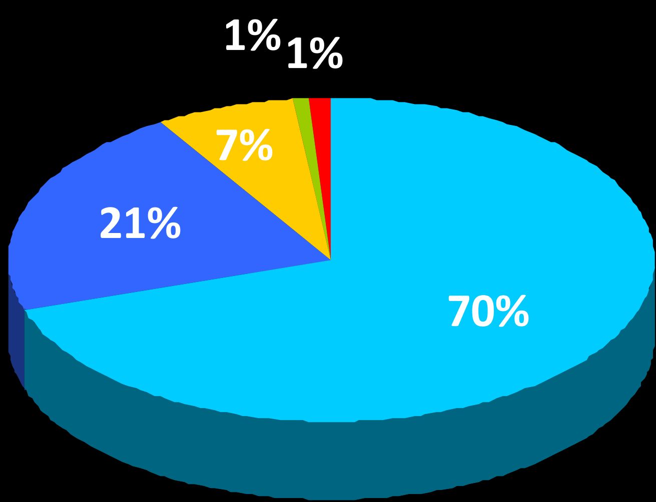
Broadband: Value share

BMA

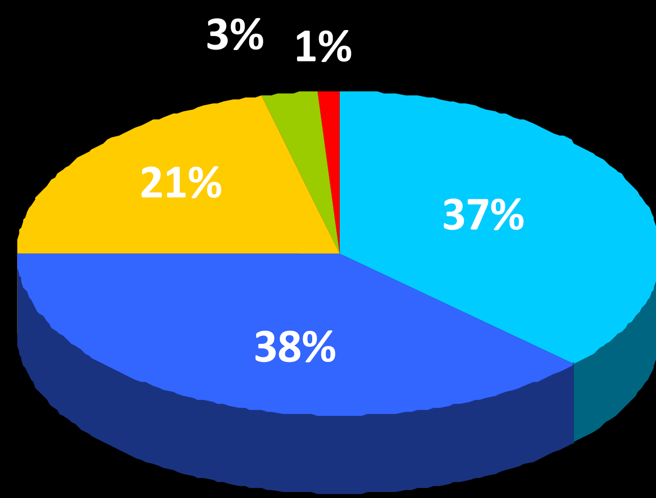
Market Value
Bt 7.8 bn



True
TOT
3BB
CAT
Other

Nationwide

Market Value
Bt 15.2 bn



70 %

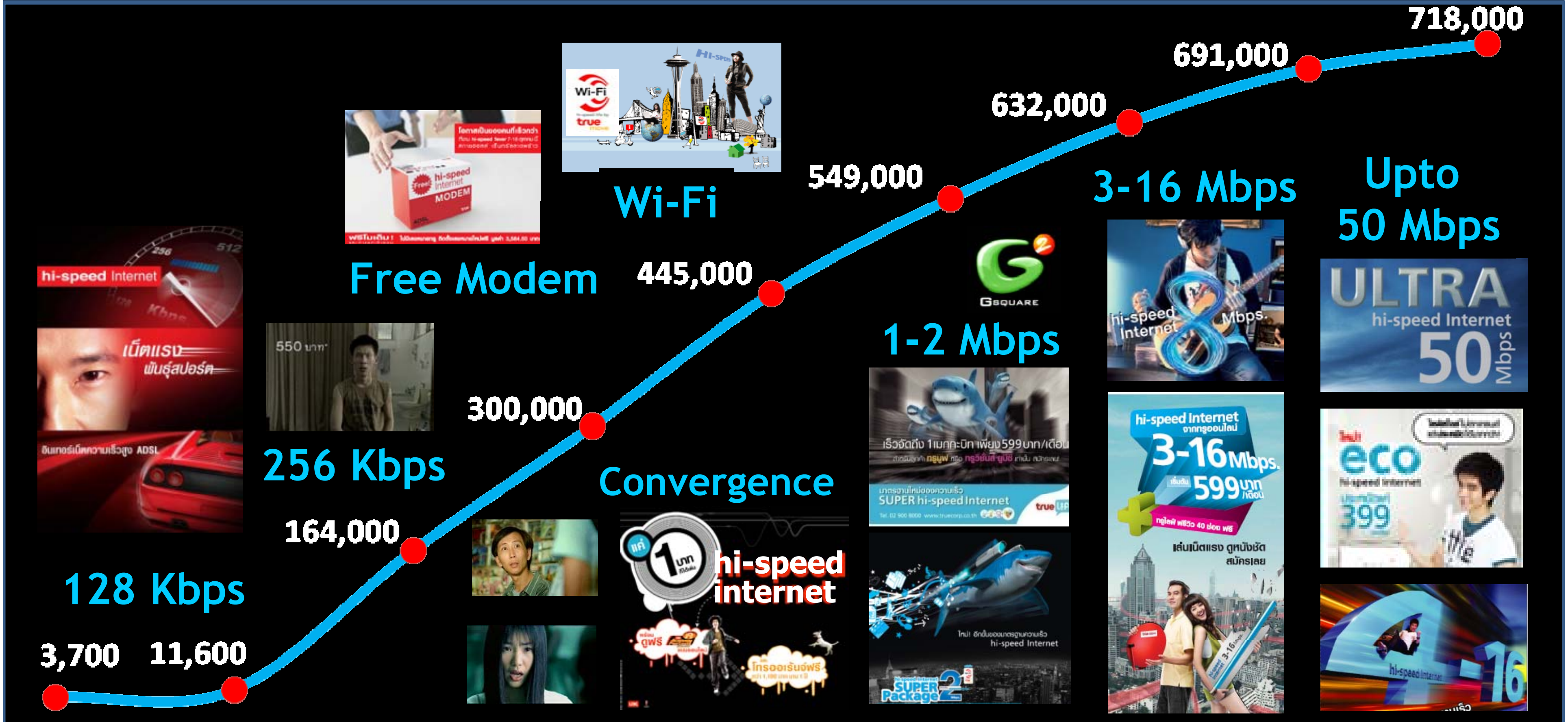
BMA
Value Share

37 %

Nationwide
Value Share

Broadband: Market development

Broadband Subscribers



Introduction	Take Off	Growth	Leadership	Metro Leader	Leader in Speed &Quality
TVC "Ferrari" 10,000 entrance 1,299.- 128kbps Unlimited	TVC "Pee-pee" 2 month ent. 550.- 256kbps LocalNet	Rebranding TVC "Life is yours" Free Modem 590.- 256kbps TVC "Pre Pay hi-speed" 360.- '06 hi-speed WiFi pay +250.-	2 "Shark" TVCs New Standard 599.- 1 Mbps/890.- 2 Mbps Convergence Wi-Fi TMV TVS	First to launched 8 &16 Mbps in the midst of high competition	1st to launched 30 Mbps

2002 2003 2004 2005 2006 2007 2008 2009 1Q2010

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Broadband: 2010 Market Outlook

- 4-50 Mbps Speed
- New Era of Technology
  - Cloud computing
  - Web 3.0
  - IPV6
  - Next Generation Network (NGN)
  - Next Generation Broadband Network (NBN)
  - Self Generated Content
- Convergence Partnership in mobile broadband market
- HD content championship

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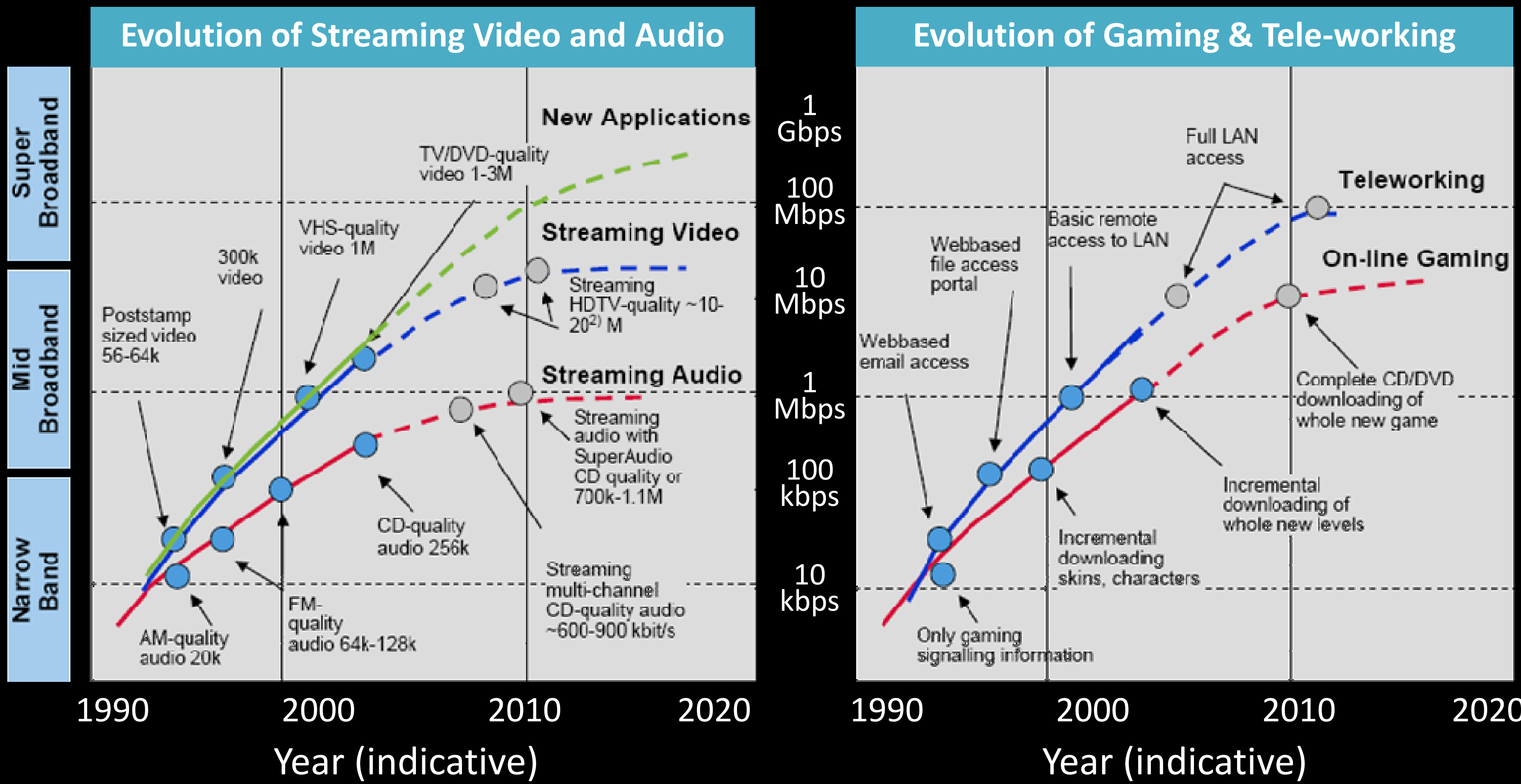
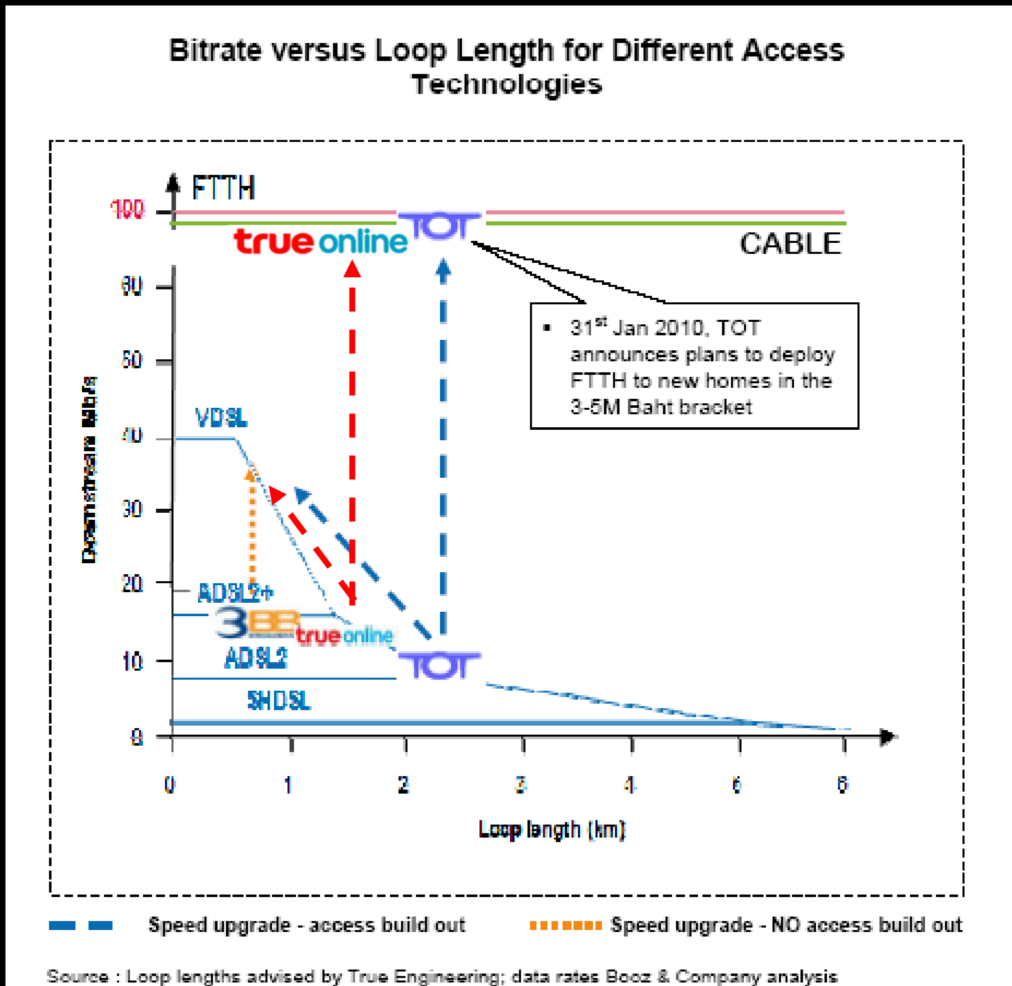
Broadband: advanced apps & HD Content drives demand for higher speed



Source: Booz & Company analysis, Feb 2010

Broadband: Technology shift in the market



True
ADSL, VDSL, Cable, FTTx

TOT
ADSL, FTTx

3BB
ADSL, VDSL

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Business
Data
Services

Data Communication service for business customers

High speed Data Communication Services
(MPLS IP VPN, Metro Ethernet)

Medium/low speed data Communication Services
(DDN, IP Leased line)

CPE managed services
(customer router provisioning, operation and maintenance)

Internet services

Multimedia managed services

Network architect services

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Business data: Target customers

Business or government entities who deploy data or multimedia communication infrastructure both internally and externally

- banking & financial institution
- retail & distribution
- government
- telecom provider
- Industrial & manufacturing
- services
- education
- internet service provider

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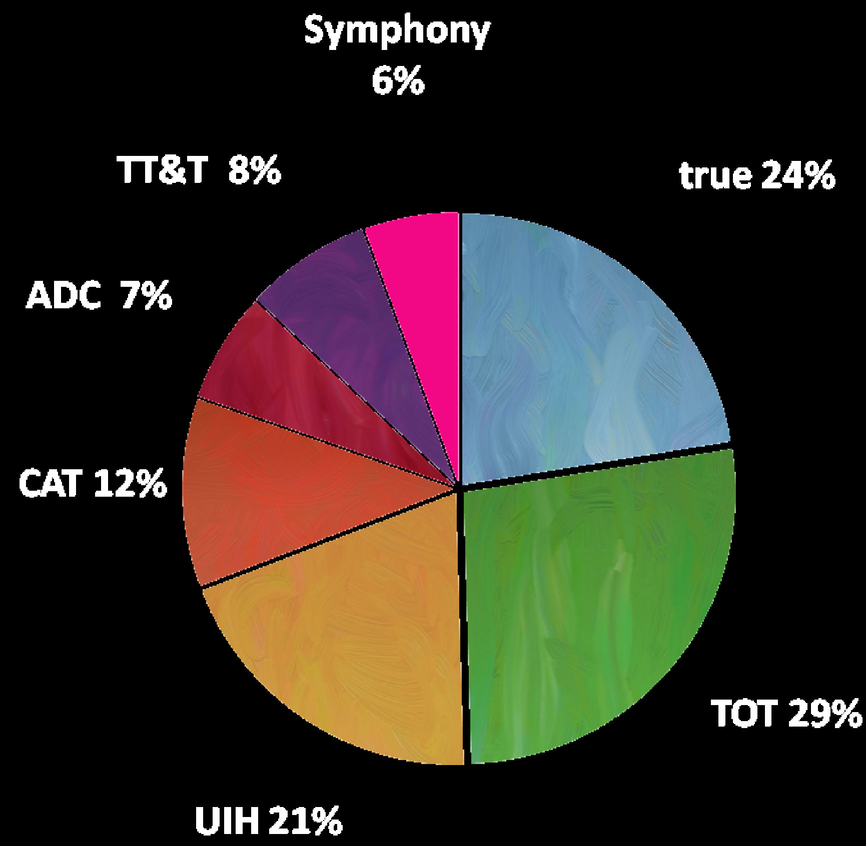
Business data: Market value & share



Estimated market value in 2009 = Bt 13.4 bn

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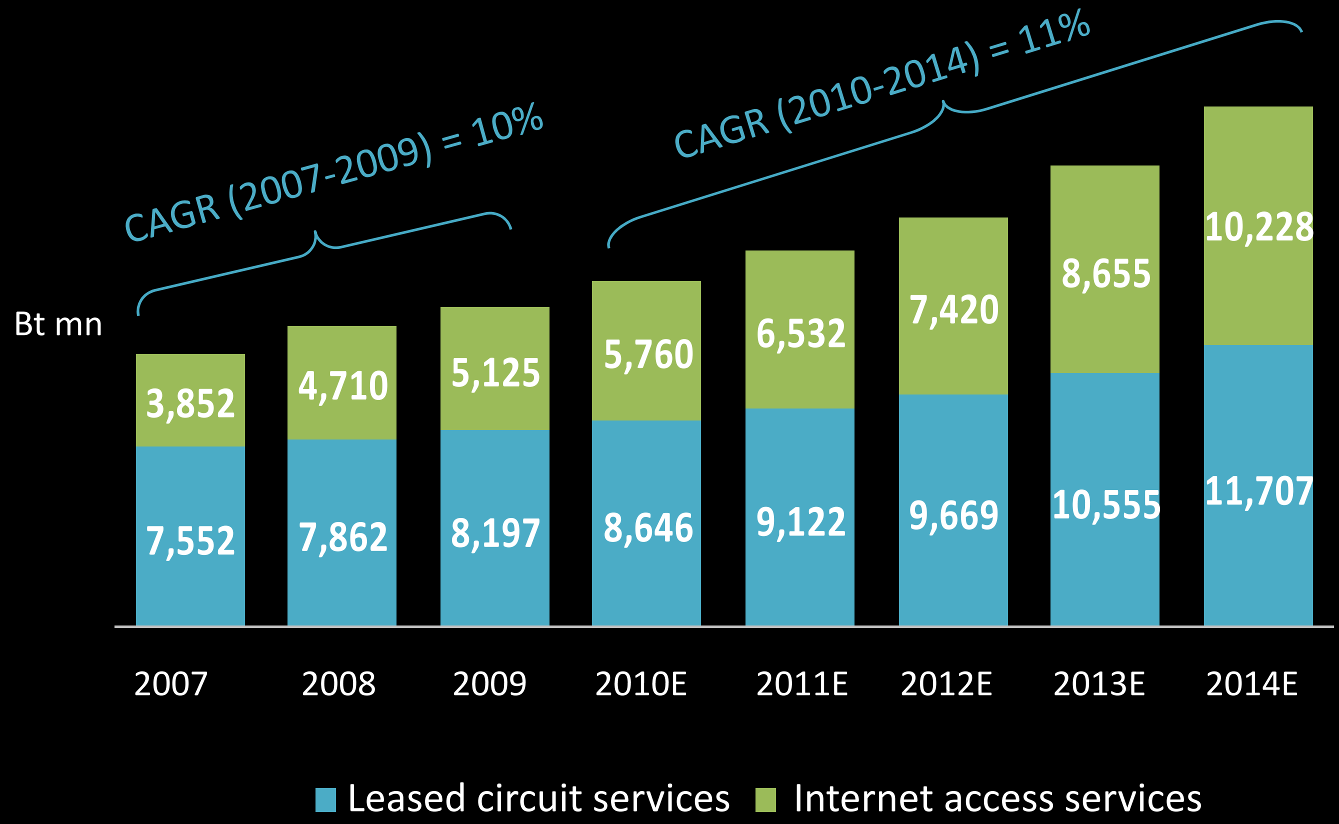
Business data: Market trend

- business transaction through internet
- business continuity and remote office
- video conference and digital signage
- out-tasking of non-core business
- cloud computing

Business data: Market overview 2007-2014E



Source: Frost & Sullivan, Nectec&SIPA

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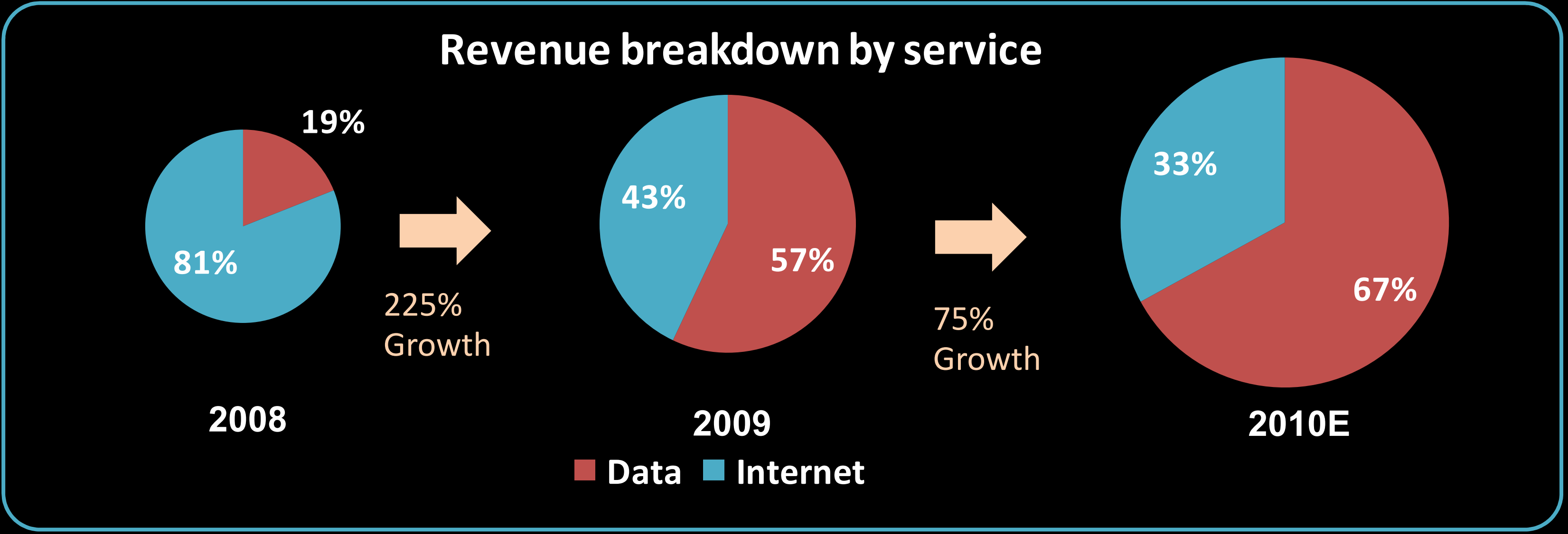
true online International Gateway

Int'l Gateway: Business & revenue structure

- Key supporting vehicle to Broadband business
  - reduce bandwidth cost thru its own gateway
  - leverage for lower bandwidth price from CAT
- Generate external revenue thru 2 key services:
  - International <u>Internet</u> Bandwidth service
  - International <u>Data</u> Connectivity services
- 2010 expected revenue to TRUE group ~ Bt 300mn
- Data gateway service as a key growth driver (100% growth from 2009)



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Int’l Gateway network utilized by True Group

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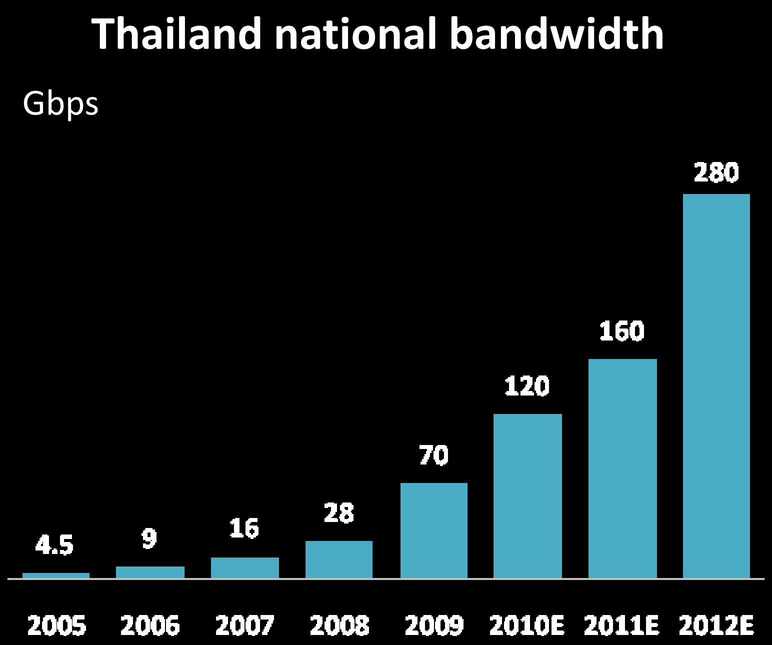
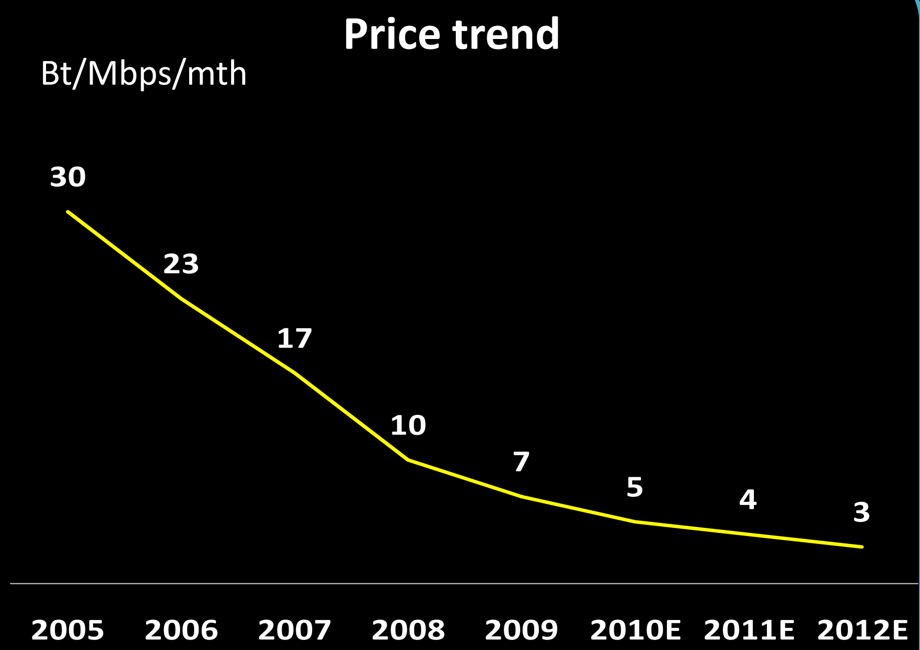
Int'l Gateway: Bandwidth consumption & price trend



Source: NECTEC



Source: Company

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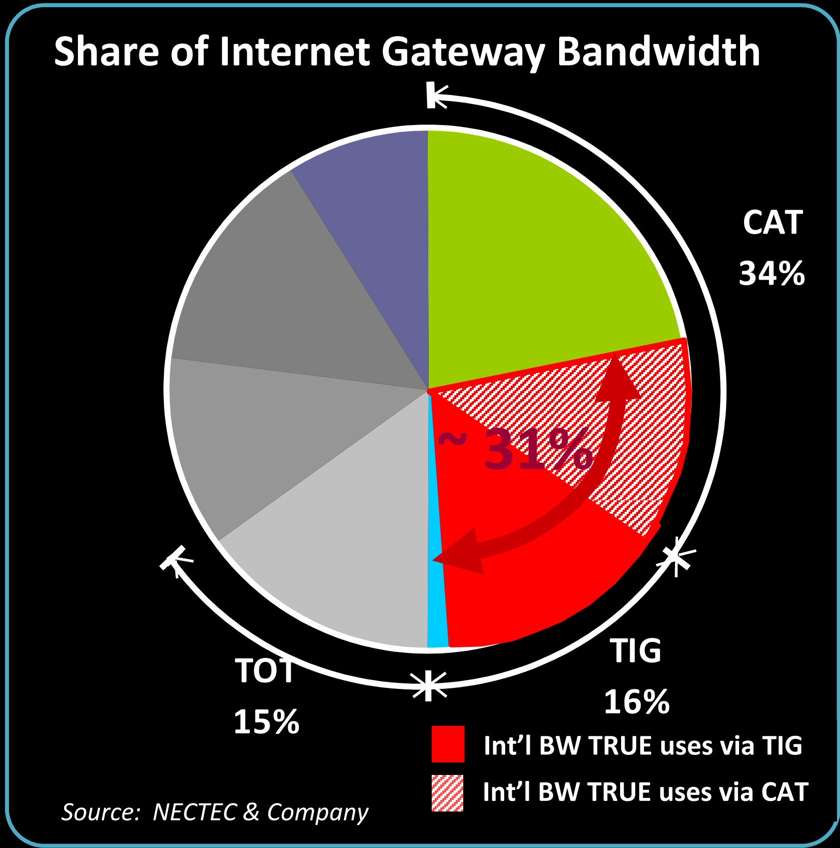
Int'l Gateway: Market share



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Int’l Gateway: Market opportunities

Internet Services

- Internet bandwidth exponentially grows
- Internet price, though compensated by BW growth
- Inter Internet + Thai content traffic sales to Laos and Cambodia

International Data Services

- International Data Opportunity as alternative in recently opened-up monopolistic market
- Increasing demand for Ethernet over IPLC
- Connectivity to neighboring countries Laos, Cambodia including Vietnam
- Exploring other source of revenue generation from submarine

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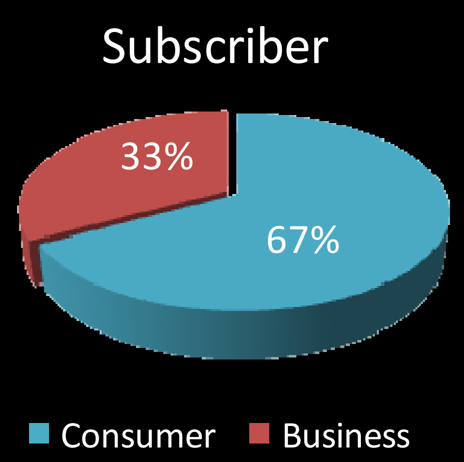
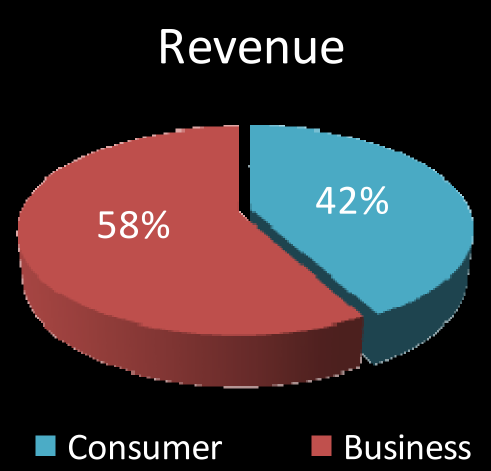
true online Fixed line

Fixed line: Revenue & subscriber profile

- 2 customer segments: Consumer (residential) and Business
- Business segment is more attractive in terms of value
- Broadband take-up rises to 50-60% of residential fixed-line subscribers
  - Support transformation of business from voice to non-voice





As of 2009: 1.86 mn subscribers | Bt 7,703 mn

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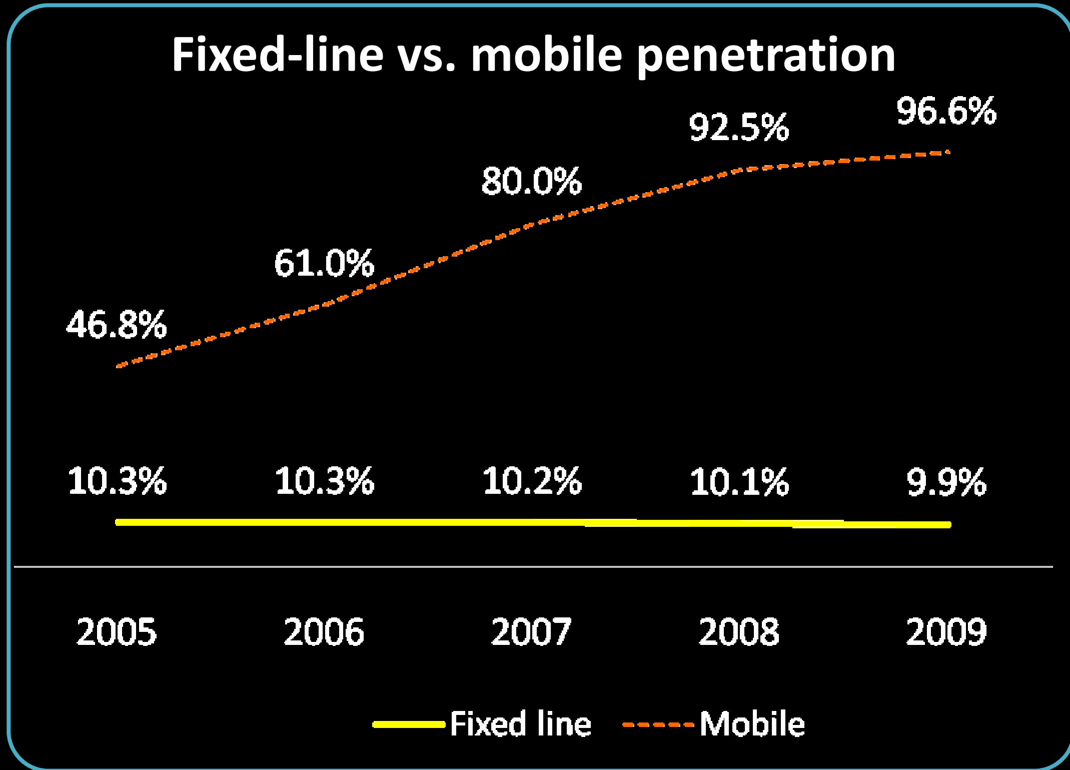
Fixed line to mobile migration continues



- Fixed line to mobile penetration continues as fixed line tariff is effectively higher than mobile
- As of Mar '10, nationwide mobile penetration was close to 100% (132% in BMA)

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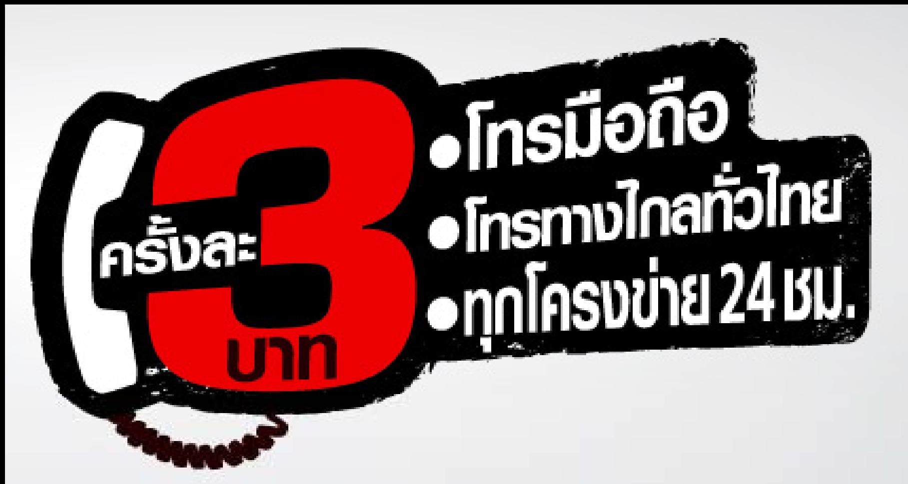
Per-call promotion to slow down revenue decline



Features

- Register via www.truecorp.co.th or dial to 02-900-8888 from Mar 24 – May 31, 2010
- Validity period until Aug 31, 2010
- Customers can make domestic calls (mobile & fixed-line) at a flat rate of Bt 3 per call 24/7
- Promotion open to both new and existing residential customers

- 240 K of subscribers registered to the promotion (~ 20% take-up rate)
- No. of calls increased >120% ,
- no. of minutes increased >600%

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TrueOnline: Outlook & Strategies

- Broadband/Data continued to offset traditional voice declines
- Transformation – expect to bear fruit in the next 2-3 years
- **Business Data Services:**
  - Focus on differentiation through convergence, service excellence
  - Position as solution leader
  - Leverage on partner, increase coverage areas
- **International Gateway:**
  - Increase Internet service to sustain future revenue;
  - Expand int'l data market by targeting enterprise customers and building relationship with int'l carriers for wholesale revenue
  - Improve overall EBITDA margin through permanent, lower-cost infrastructure
- **Fixed-line**
  - Tariff rebalancing (i.e., Bt3/call campaign)
  - Maintain revenue through competitive pricing, AE approach, total solution and customization by account
  - Continuing negotiation on IC

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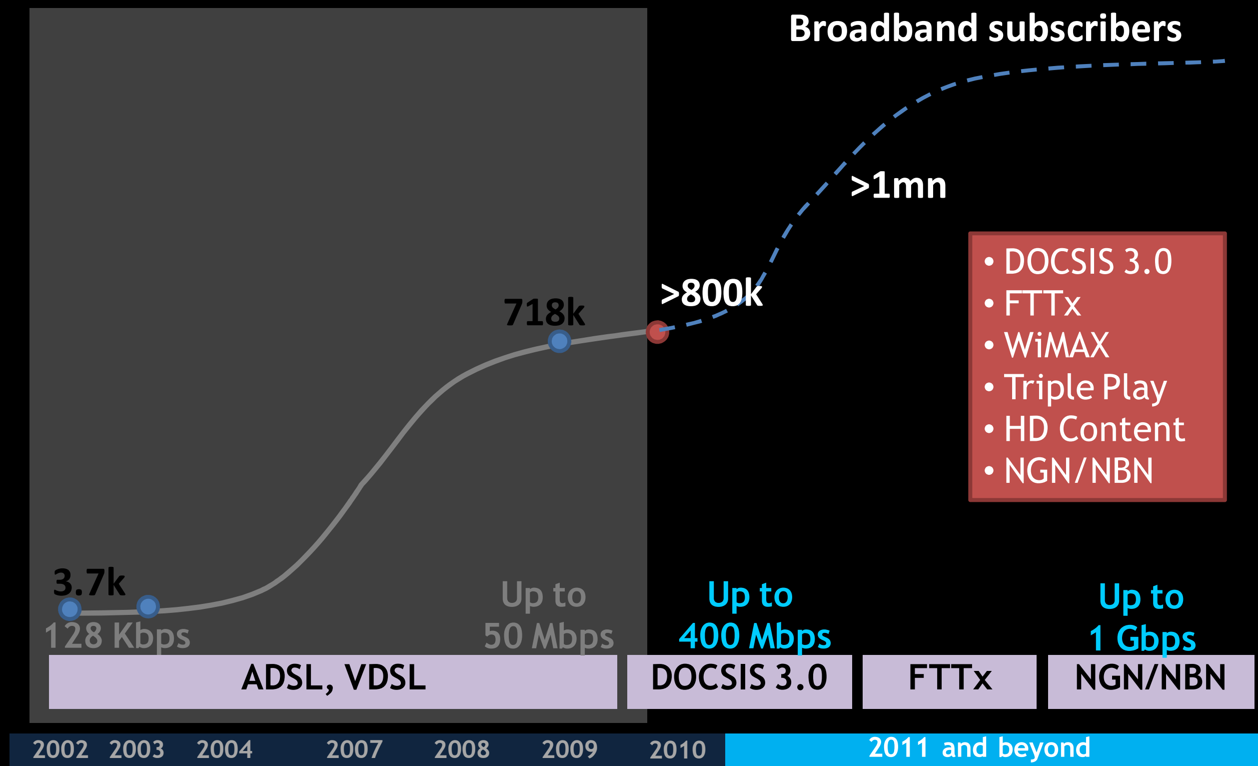
TrueOnline: Outlook & Strategies (cont'd)

Broadband:

- Speed & quality leader; Ultra Broadband positioning
- Competitive pricing
- Penetrating selected high-demand province
- Triple-play & convergence
- Proactive & comprehensive retention
- Vertical market focus

Create the next S-Curve through new technologies




THANK YOU
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