



INET ACC 0362 /2016

May 13, 2016

Subject : Clarification on results of business operations for the 1st quarter of year 2016

To : The President The Stock Exchange of Thailand

Internet Thailand Public Company Limited (“INET”) would like to submit its audited consolidated financial statements and separate financial statements for the Q1/2016. We would like to clarify the reasons why the operation result of the Company and its subsidiaries (“the Company”) of the Q1/2016 increased more than 20% compared to Q1/2015. The clarifications are as follows:

Total revenues of the Company and its subsidiaries at the end of Q1/ 2016 were amounting to Baht 201.57 million increased from Baht 131.73 million in Q1/2015 by Baht 69.84 million or 53.01%. The majority increase due to growth of 87% revenue from Cloud service and thanks to growth of 38 and 9% in revenues from Internet access service and Co-Location service, respectively.

Cost of services and cost of sales amounting to Baht 145.78 million in Q1/ 2016, increase from Baht 95.34 million Q1/ 2015 by Baht 50.44 million or 52.91%. Costs of services were proportional to revenue growth and were mainly attributed to depreciation resulting from recognition of completed projects as asset. Gross profit margin in Q1/2016 equal to 26.23% which was closed to 26.79% recorded in Q1/ 2015.

Selling and administrative expenses in Q1/ 2016 amounting to Baht 40.21 million, rising by Baht 11.68 million or 40.94% from Q1/2015 and Finance costs totaled Baht 7.30 million compared with Baht 5.49 million in Q1/ 2015 was increased due to interest from financial lease agreements. The Company and its subsidiaries recorded a net profit of Baht 11.19 million increase from Baht 4.72 million in Q1/ 2015 by Baht 6.47 million or 137.08% with a net profit margin 5.55% of total revenue.

Besides, the Company gained profit sharing from its associated company, Netbay Co., Ltd (25% shareholding) at Baht 4.82 million.

As at March 31, 2016, the Company’s total assets were amounting to Baht 1,328.07 million which grew from Baht 1,183.95 million as at March 31, 2015 by Baht 144.12 million or 12.17% due mainly to an increase in leasehold improvements. Total liabilities of Baht 814.60 million, increased from Baht 682.19 million as at March 31, 2015 by Baht 132.41 million or 19.41% which was caused mainly by increase in liability under financial lease agreements.

Shareholders’ equity as of March 31, 2016 were Baht 513.47 million, growing by Baht 11.71 million or 2.33% and the Company’s retained earnings (Unappropriated) equal to Baht 7.48 million. And book value per share was Baht 2.05 (Par value per share was Baht 1).

Best regards,


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