



INET ACC 0590 /2016

Aug 11, 2016

Subject : Clarification on results of business operations for the 2nd 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 3 months period ended June 30, 2016. We would like to clarify the reasons why the operation result of the Company and its subsidiaries (“the Company”) of the 3 months period ended June 30, 2016 increased more than 20% compared to the 3 months period ended June 30, 2015. The clarifications are as follows:

Total revenues of the Company and its subsidiaries at the end of Q2/ 2016 were amounting to Baht 207.61 million increased from Baht 129.07 million in Q2/ 2015 by Baht 78.54 million or 60.85%. The majority increase due to growth of 88.17% revenue from Cloud services and thanks to growth of 35.62 and 35.45% in revenues from and Co-Location services and Internet access services, respectively.

Cost of services and cost of sales amounting to Baht 153.71 million in Q2/ 2016, increase from Baht 99.24 million Q2/ 2015 by Baht 54.47 million or 54.88%. 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 Q2/ 2016 equal to 25.96% which was increased from 23.11% recorded in Q2/ 2015.

Selling and administrative expenses in Q2/ 2016 amounting to Baht 45.21 million, rising by Baht 18.22 million or 67.48% from Q2/ 2015 and Finance costs totaled Baht 8.34 million compared with Baht 5.67 million in Q2/ 2015 was increased due to interest from financial lease agreements. The Company and its subsidiaries recorded a net profit of Baht 5.84 million increase from Baht 1.54 million in Q2/ 2015 by Baht 4.30 million or 279% with a net profit margin 2.81% of total revenue.

Besides, the Company gained profit sharing from its associated company, Netbay Co., Ltd (20% shareholding) at Baht 5.66 million.

As at June 30, 2016, the Company’s total assets were amounting to Baht 1,549.25 million which grew from Baht 1,183.95 million as at December 31, 2015 by Baht 365.30 million or 30.85% due mainly to an increase in leasehold improvements. Total liabilities of Baht 1,009.57 million, increased from Baht 682.19 million as at December 31, 2015 by Baht 327.37 million or 47.99% which was caused mainly by increase in liability under financial lease agreements.

Shareholders’ equity as of June 30, 2016 were Baht 539.69 million, growing by Baht 37.93 million or 7.56% and book value per share was Baht 2.16 (Par value per share was Baht 1).

Best regards,


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