



INET ACC. 1199/2017

November 13, 2017

Subject: Management's Discussion and Analysis for Q3/2017

To: The President of The Stock Exchange of Thailand

Enclosure: 1. A Set of the Management's Discussion and Analysis for Q3/2017
(Thai / English)

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 September 30, 2017.

The operation result of the Company and its subsidiaries ("the Company") of the 3 months period ended September 30, 2017 amounting to Baht 39.68 million, decreased 28% from Q3/2016. Please see further details in the Management's Discussion and Analysis for Q3/2017 as attached.

Best regards,



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1. CONSOLIDATED RESULTS OF OPERATIONS

The consolidated financial statement for 3 months period ended of September 30, 2017 compared with the results of consolidated financial statement for 3 months period ended of September 30, 2016.

Unit : Thousand Baht

	Q3/2016	Q3/2017	%YoY
Revenue from Service and Sales	225,105	251,027	11.52%
Cost of Service and Sales	(167,377)	(182,114)	8.80%
Gross Profit	57,728	68,913	19.38%
Other Revenue	45,498	52,642	15.70%
Selling and Administrative Expenses	(41,813)	(72,341)	73.01%
Finance Cost	(7,588)	(8,197)	8.03%
Share of loss from investment in joint venture	23	201	773.91%
Share of profit from investment in associated company	4,725	(132)	-102.79%
Profit before Income Tax	58,573	41,086	-29.86%
Income Tax Expense	(3,256)	(1,410)	-56.70%
Net Profit	55,317	39,676	-28.28%

Total Revenue from sales and services

Total revenues for the Company and its subsidiaries at the end of Q3/2017 were amounting to Baht 303.67 million, increased by Baht 33.07 million or 12.22 % from Q3/2016 due to the total revenues from services and sales for the Company at Baht 251.03 million increase by Baht 25.92 million or 11.52% from Q3/2016 that main revenues increase from Co-Location services 37% and Internet access services 19% respectively.

And other revenue in Q3/2017 amounting to Baht 52.64 million, It has increased Baht 7.15 million or 15.72% from Q3/2016 due to due to the fact that selling the associated stocks, NETBAY Public Company Limited. As the result the ratio of shareholding stocks remain 6.26%

Cost of sales and services

Cost of services and sales for Q3/2017 amounting to Baht 181.55 million, increased by Baht 14.18 million or 8.47%. Costs of services were proportional to revenue growth and were mainly attributed to depreciation resulting from recognition of completed projects as asset.

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Management Discussion and Analysis

Selling and Administrative Expense

Selling and administrative expenses in Q3/2017 amounting to Baht 72.34 million increased by Baht 41.81 million or 73.01%. Due to the company focused on investment in the personnel expenses for supporting the expansion. And Finance costs totaled Baht 8.20 million, increased by Baht 0.61 million or 8.03% from Q3/2016. Due to the interest from financial lease agreements.

Gross Profit and Net Profit

Gross profit margin for Q3/2017 equal to 22.69 %, which was increased from 21.33% recorded in Q3/2016. Net profit for Q3/2017 amounting to Baht 39.68 million, decreased by Baht 15.64 million or 28.28%. Due to the company focused on investment in the personnel expenses for supporting the expansion. And Net profit Margin equal to 13.07% of total revenue.

2. Financial Position

Assets

As at September 30, 2017, the Company's total assets were amounting to Baht 3,773.58 million increased by Baht 1,184.86 million or 31.40% from December 31, 2016. Due to the main cause was the company had the increase in Investments in available-for-sale securities and leasehold improvements and equipment.

Liabilities and Equity

Liabilities

Total liabilities of Baht 2,017.49 million, increased by Baht 781.34 million or 38.73% from December 31, 2016 due to the main reason is the increase in long-term loans from financial institutions.

Total Equity

Shareholders' equity as of September 30, 2017 were Baht 1,756.09 million, growing by Baht 403.51 million or 22.98% from December 2016 due to the increasing of retained earnings and book value per share was Baht 3.51 (Par value per share was Baht 1). 