

1Q 2016: Management Discussion and Analysis

1Q 2016 Highlights

In 1Q-2016, Samart Telcoms Public Company Limited or "SAMTEL" reported the consolidated revenues of THB 1,460 million and net profit of THB 56 million.

Financial Performance

Revenues

The consolidated total revenues for 1Q-2016 was THB 1,460 million, increased by THB 85 million or 6.2% from last year mainly from the following:

Revenue from sales and contract work and service income

Revenue from sales and contract work and service income was THB 1,449 million, total increased by THB 95 million or 7.0% compared to last year, because of increased in both of service income and revenue from sales and contract work.

Other income

Other income was THB 11 million, decreased by THB 10 million from last year due to decreased in gain on exchange rate and there was gain from sales trading securities in 1Q-2015.

Cost of sales and contract work and service income

Cost of sales and contract work and service income was THB 1,194 million, increased from last year by THB 182 million or 18.0%.

Gross Profit

Gross profit was THB 255 million decreased from last year by THB 87 million or 25.5%. Gross profit margin was 17.6% decrease from 25.2% in last year due to gross profit margin at the beginning of some new projects are lower than average.

Selling Expenses, Administrative Expenses, and Other Expenses

Selling expenses, administrative expenses, and other expenses were THB 156 million, decreased from last year by THB 36 million mainly decreased from advertising and promotion expenses, and diminish in value of investment in trading securities, and there was penalties from the delay in 1Q-2016,

Finance Cost & Corporate Income Tax

Finance cost was THB 44 million, increased from last year by THB 9 million, mainly due to the increase of loans from banks compared with the same period of last year. Corporate income tax was THB 11 million, decreased by THB 4 million.

Net Profit

The consolidated net profit attributable to equity holders of the company was THB 56 million, decreased by THB 64 million or 53.4% compared to last year.

Financial Position

Assets

At the end of 1Q-2016, SAMTEL reported the total assets of THB 9,744 million, decreased by THB 295 million or 2.9% compared to the end of 2015, mainly resulting from the decrease of trade receivables and inventories.

Source of financing

At the end of 1Q-2016, SAMTEL reported total liability of THB 6,232 million, decreased of THB 349 million or 5.3% compared to the end of 2015, mainly from the decrease of loans from banks.

SAMTEL reported the total shareholders' equity of THB 3,512 million, increased by THB 54 million or 1.5% from the end of 2015.