

1Q 2015: Management Discussion and Analysis

1Q 2015 Highlights

In 1Q-2015, Ssmart Telcoms Public Company Limited or "SAMTEL" reported the consolidated revenues of THB 1,375 million and net profit of THB 120 million.

Financial Performance

Revenues

The consolidated total revenues for 1Q-2015 was THB 1,375 million, decreased from last year by THB 702 million or 33.8% mainly from the following:

Revenue from sales and services

Revenue from sales and services was THB 1,354 million, decreased by THB 702 million or 34.1% comparing to last year, mainly resulting from the lower revenue recognition of turnkey projects.

Other income

Other income was THB 21 million, increased from last year by THB 0.5 million.

Cost of Sales and Services

Cost of sales and services was THB 1,012 million, decreased by THB 642 million or 38.8% comparing to last year.

Gross Profit

Gross profit was THB 342 million, decreased by BHT 60 million or 15%. Gross profit margin was 25.2% increase from 19.5% of last year mainly due to increase in gross profit of turnkey projects.

Selling Expenses, Administrative Expenses, and Other Expenses

Selling expenses, administrative expenses, and other expenses were THB 193 million, increased from last year by THB 65 million, mainly due to increase in advertising and promotion and other expenses and diminish in value of investment in trading securities.

Finance Cost

Finance cost was THB 36 million, decreased from last year by THB 29 million, mainly from loan repayment.

Corporate Income Tax

Corporate income tax was THB 16 million, decreased by THB 5 million mainly from deferred tax.

Net Profit

The consolidated net profit attributable to equity holders of the company was THB 120 million, decreased by THB 90 million or 42.9% from last year.

Financial Position

Assets

As of 31 March 2015, SAMTEL reported the total assets of THB 8,914 million, decreased by THB 25 million or 0.3% comparing to the year ended 2014, mainly resulting from the decrease of plant and equipment due to the depreciation.

Source of financing

As of 31 March 2015, SAMTEL reported total liability of THB 5,316 million, a decrease of THB 143 million or 2.6% compared with the year ended 2014 mainly from decrease in trade payable.

SAMTEL reported the total shareholder's equity of THB 3,598 million, an increase of THB 119 million or 3.4% compared with year ended 2014.