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14 November 2014

Subject : Report on the Company's Operation Results for the third quarter of the year 2014  
To : The President of the Stock Exchange of Thailand

TT&T Public Company Limited ("the Company") would like to submit its financial report and financial statements reviewed by the Company's auditor for the second quarter of the year 2014 ended 30 September 2014. These financial statements were also

(✓) approved by the Company's Plan Administrator on 14 November 2014

In addition, stated herein below is the report on the Company's operational results:

- 1) Total revenue (excluding gain from foreign exchange rate, and gain on debt restructuring) of the Company and its subsidiaries in Q3-2014 was Baht 467.16 million, decreasing by Baht 52.36 million or 10% from Baht 519.52 million in the last year at the same quarter(3<sup>rd</sup> quarter of the year 2013). The main driven items were
  - 1.1 Revenue from Telephone Services (Expansion Joint-Investment Agreement) decreased by Baht 69.36 million or 15% from that of Q3-2013, resulting from weakening of voice service revenue, data service revenue and dropwire maintenance income, which was consistent with decreasing tendency of land line use.
  - 1.2 Revenue from Telecommunication Service increased by Baht 4.5 million or 88% from Q3-2013, mainly cause by the increase in broad band service revenue from subsidiaries.
  - 1.3 Revenue from Sales and Services increased by Baht 3.73 million or 20% from Q3-2013 due to the increase in value-added service income.
  - 1.4 Other income increased by 8.77 million or 39% from Q3-2013 mainly due to the increase in interest income and gain from fixed asset sale.
  
- 2) In Q3-2014, the Company and its subsidiaries' total operating expenses, (before loss on foreign exchange rate, doubtful debt, interest expense, and corporate income tax) were Baht 512.51 million decreasing by Baht 9.77 million or 2% from Baht 522.28 million in the 3<sup>rd</sup> quarter of the year 2013. Details are as follows
  - 2.1 Cost of sales and services approximately decreased by Baht 20.90 million or 7% from Baht 306.92 Million in Q3-2013 to Baht 286.02 million in Q3-2014 which was principally caused by decreasing in cost of telephone service, amortization from impairment, and drop wire maintenance.
  - 2.2 Selling and servicing expenses slightly increased by Baht 0.79 million or 5% from Baht 16.15 Million in Q3-2013 to Baht 16.94 Million in Q3-2014 which was mainly caused by increasing of marketing activity expense and marketing employee expense.
  - 2.3 Administration expenses increased by Baht 10.35 million or 5% from Baht 199.21 million in Q3-2013 to Baht 209.55 million in Q3-2014 which mainly resulted from the increase in employees related expenses, financial advisory, and legal consultant.

- 3) The Company and its subsidiaries recorded doubtful accounts and bad debt of Baht 5.25 million in Q3-2014 because the aging of account receivable increased, so the Company and its subsidiaries increasingly recorded doubtful accounts and bad debt in accordance with accounting standard which increased by Baht 6.91 million or 416% from Baht (1.66) million in Q3-2013 which the Company and its subsidiaries received collection payment from account receivables that were recorded doubtful accounts and bad debt already.
- 4) The operating result (before gain or loss from debt restructuring, financial cost, and gain or loss on foreign exchange rate) of the Company and its subsidiaries in Q3-2014 was Baht 50.61 million operating loss, compared to Baht 1.10 million operating profit in Q3-2013 which was mainly caused by the decrease in Revenue from Telephone Services (Expansion Joint-Investment Agreement)
- 5) The Company and its subsidiaries recorded financial cost of Baht 90.36 million in Q3-2014 which increased by Baht 3.62 million or 4.2% from Baht 86.75 million in Q3-2013.
- 6) In Q3-2014, the Company and its subsidiaries recorded Baht 16.48 million gain from foreign exchange rate due to Baht appreciation. However, the decrease in Revenue from Telephone Services (Expansion Joint-Investment Agreement) and increase in Selling and servicing expenses and administrative expenses resulted in the Company and its subsidiaries had net loss of Baht 124.59 million in Q3-2014 which decreased by Baht 15.26 million from net loss of Baht 139.85 million in Q3-2013.

#### **Financial Position as of 30 September 2014**

##### **Total Assets**

The Company and its subsidiaries had total assets of Baht 5,069 million. The main assets were Net Account Receivable of Baht 1,389 million or 27% of total assets. Other main assets were Property, plant and equipment of Baht 1,204 million or 24% of total assets, and Current investments-deposits with financial institutions of Baht 857 million or 17% of total assets.

##### **Total Liabilities**

The Company and its subsidiaries had total liabilities of Baht 29,797 million increased by Baht 105 million from that on June 30, 2014 because Account Payables increased by Bath 37 million and accrued interest under plan of the Business Rehabilitation Plan increased by Baht 87 million and Current portion of liabilities under Business Rehabilitation Plan increased by Baht 543 million. The main liabilities were Liabilities under Business Rehabilitation Plan of Baht 26,586 million or 89% of total liabilities which included Accrued Interest of the Business Rehabilitation Plan of Baht 643.09 million, Current portion of liabilities under Business Rehabilitation Plan of Baht 3,865 million, Over 1 year portion of Liabilities under Business Rehabilitation Plan of Baht 15,491 million, and Liabilities under Business Rehabilitation Plan pending for converting to equity of Baht 6,587 million. Apart from liabilities under Business Rehabilitation Plan, other main liabilities were Account Payable of Baht 2,861 million, and Other Liabilities of Baht 350 million.

##### **Shareholders' Equity**

The Company and its subsidiaries had Negative Shareholders' equity of Baht 24,728 million increasing loss by Baht 124.59 million from that on June 30,2014 which was resulted form Baht 124.59 million operating loss in Q3-2014.

Please kindly be informed accordingly.

Yours sincerely,  
Trin Indra-Opas  
Chief Financial Officer (CFO)