



INET ACC. 0591/2018

August 14, 2018

Subject: Management's Discussion and Analysis for Q2/2018

To: The President of The Stock Exchange of Thailand

Enclosure: 1. A Set of the Management's Discussion and Analysis for Q2/2018

(Thai / English)

Internet Thailand Public Company Limited ("INET") would like to submit its audited consolidated financial statements and separate financial statements for the 6 months period ended June 30, 2018.

The operation result of the Company and its subsidiaries ("the Company") of the 6 months period ended June 30, 2018 amounting to Baht 104.72 million. Please see further details in the Management's Discussion and Analysis for Q2/2018 as attached.

Best regards,

Ms. Morragot Kulatumyotin

Managing Director



Management's Discussion and Analyst (MD&A) and Operating Results for the second quarter of 2018

Internet Thailand Public Company Limited and its subsidiaries

Business Overview

Industry and Competition Tendency

The newly implemented Digital Economy Policy (Thailand 4.0) by the government to ensure Thailand's economy longevity provided more opportunity for IT services in Thailand both Hard and Soft Infrastructure to grow which is in line with the Company's main services: Cloud Solutions, Internet Access, and Co-Location.

The Company's services are at an international standard with certifications. In the past year, the Company has been expanding its standards to match the variety of target groups such as HealthCare and Financial Institution. The Company's focus on maintaining its standard resulted in a gain in trust and confidence of organizations to use the Company's services leading to an increase in business and is expected to increase even more. The Internet Access and Network is a highly competitive market with competitors ranging from small to large organizations resulting in Network Providers having an advantage which the Company is one. The Company's strategy to compete is to offer Internet Access as an IT Transformation Solution and offering opportunities for customers to use its service before deciding to purchase them.

Company's Strategy:

to achieve the set goal, the Company has laid out its strategies as below:

- Marketing
- Maintaining High Quality Services
- Managing the Budget

Operating Results of Quarter 2 of 2018

The net income of INET and its subsidiaries was Baht 48.63 Million, Baht 104.72 Million for 3 months and 6 months respectively. Company also had a total revenue increasing for 3 months by Baht 124.54 Million or 58.50% and increasing for 6 months by Baht 191.19 Million or 40.76% mainly due to the ICT services that INET provides along with the gaining trust and confidence in customers resulting in INET being one of the leading company in technology business.

Operating Results

Unit: Million Baht

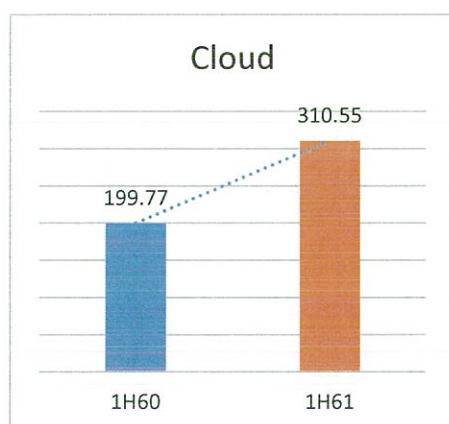
List	1H60	1H61	% Increase (Decrease)
Revenue	469.03	660.22	40.76%
Cost	(373.78)	(493.00)	31.90%
Gross Profit	95.25	167.22	75.55%
Other Revenue	413.07	143.61	-65.23%
SG&A	(169.66)	(153.84)	-9.33%
Share profit (loss) associates and investment in joint ventures	5.33	(1.13)	-121.22%
Interest	(13.71)	(22.01)	60.58%
EBT	330.28	133.85	-59.48%
Tax	(70.07)	(29.13)	-58.43%
Net Profit	260.21	104.72	-59.76%

Operating Results for each service

Unit: Million Baht

Service	1H60	1H61	% Increase (Decrease)
Cloud Services	199.77	310.55	55.45%
Co-Location	81.11	105.18	29.67%
Internet Access	124.82	174.77	40.02%
EDC	14.01	19.61	39.97%
Other	49.32	50.11	1.61%
Total Revenue	469.03	660.22	40.76%

Cloud Services:



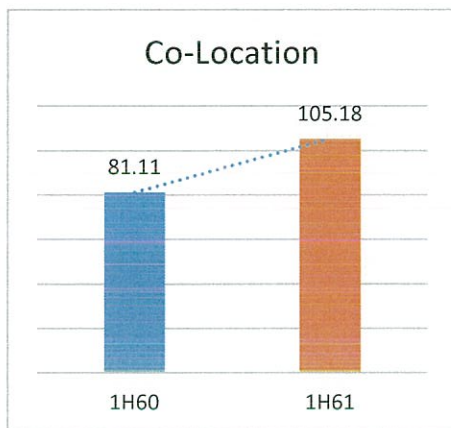
Cloud Services provides computer resources through internet connection with safety standards from ISO being ISO/IEC 27001 and ISO/IEC 20000.

The Company has expanded its service to match with the different needs of customers along with receiving standardized certifications in those areas. The expanding Cloud Services, the trust and confidence from customers, and the policy of allowing customers to test the service before purchasing marks the readiness of the Company in providing Cloud Services.

The Revenue from Cloud Services in the second quarter of 2018 is Baht 310.55 Million, increasing by Baht 110.78 Million or 55.45% from the second quarter of 2018.

This is a result from the Company expanding the service into many platforms allowing INET to enter many target groups along with "Service on Top" such as VDI and Zimbra Mail that can satisfy the diverse group of customers.

Co-Location:

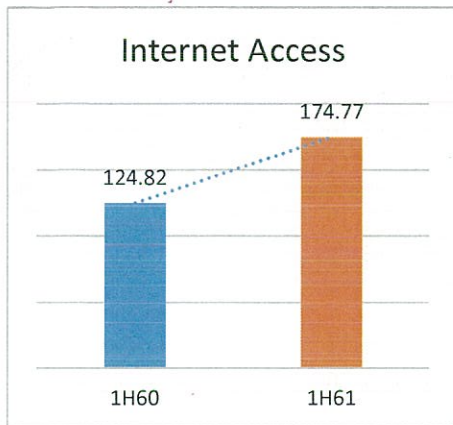


Co-Location service offer data centers used to manage information with efficiency and safety with the capability to handle any emergency cases. The service also provides storage of servers for organization that are looking for a stable and safe data center and store them in the given areas.

The Internet Data Center of INET (INET-IDC) is the main operation center for the Co-Location service for any organization or business that are looking to present its information through the Internet or Intranet both in public and private network. There are 3 INET-IDC: Bangkok Thai Tower (INET-IDC1), Thai Summit Tower (INET-IDC2), and Kaeng Khoi, Saraburi (INET-IDC3). The Company's goal is to connect all three data centers with standardized security and readiness for service at all time.

The revenue from Co-Location in the second quarter of 2018 is Baht 105.18 Million, increasing by Baht 24.07 Million or 29.67% from the first quarter of 2017. The opening of INET-IDC3 in the first quarter of 2017 gives the Company the opportunity to provide more services coincidentally increasing the sale and constant improvement of the INET-IDC to ensure that the Co-Location service remains at a high standard and quality to create trust and confidence in customers.

Internet Access:



The Company provides internet access at different speeds for different businesses. The service covers every province allowing every customer to access the internet. This internet access can be connected through internet broadband and leased lines. The Company maintains its bandwidth to match the needs of its customers. To improve the service even more, the Company has improved the system by introducing Software-Define Network to help manage and reduce the risk of human error. This gained the Company trusts and recognition of large organizations resulting in an increase in customers.

The revenue from Internet Access in the second quarter of 2018 is Baht 174.77 Million, increasing by Baht 49.95 Million or 40.02% from the second quarter of 2017. Co-Location and Cloud services requires Network as a medium for communication to function. The importance of Network results in the Company improving and innovating new services to match with the current usage of Network along with maintaining its standard and ensure its quality with a Service Level Agreement (SLA) of 99.90%.

Statement of Financial Position

As of the second quarter of 2018, the Company has a total asset of Baht 4,373.54 Million, increasing by Baht 167.30 Million or 3.98% from Baht 4,206.24 Million in the year 2017. The purchase of land, buildings, and equipment which is according to the business plan and business expansion resulted in the increase of value of assets. The Company's total liabilities as of the second quarter of 2018 is Baht 2,566.88 Million, increasing by Baht 256.96 Million or 11.12% from Baht 2,309.92 Million in the year 2017 as a result from managing its cash flow in accordance to its business plan with the ability to analyze and pay off the liabilities effectively.

Unit: Million Baht

List	Y2017	1H18	% Increase (Decrease)
Asset			
Current Assets	988.30	677.34	-31.46%
Non-current Assets	3,217.94	3,696.20	14.86%
Total Assets	4,206.24	4,373.54	3.98%
Liabilities and Shareholders' Equity			
Current Liabilities	988.98	1,145.21	15.80%
Non-current Liabilities	1,320.94	1,421.67	7.63%
Shareholders' Equity	1,896.32	1,806.66	-4.73%
Total Liabilities and Shareholders' Equity	4,206.24	4,373.54	3.98%