



Recapitalization Plan
HK/Singapore Roadshow
2 - 3 Dec 2008

true

Agenda



Proposed recapitalization plan

Benefits of recapitalization

Tentative timetable

True – operational and financial snapshot

Recapitalization plan: key details



- Total amount Bt 19.5 bn by way of rights offering
- Key terms:
 - A total of newly issued 10 bn shares to be offered to existing shareholders pro rata to their shareholdings
 - Priced at THB 1.95 per share, a closing price on Nov 4, a day prior to Board approval
 - In one tranche or multiple tranches
 - Existing shareholders can subscribe new shares in excess of their rights
 - Subscription ratio, subscription period and other terms will be determined by Board of Directors and/or authorized directors

Recapitalization plan: key details (cont' d)



- Shareholder approval required
 - Voting support not less than 75% of the total votes of shareholders attending the meeting
 - Rights to vote based on shareholding as of share register closing on 25 Nov 2008
 - EGM on 19 December 2008

Goals of the recapitalization



- Strengthen balance sheet
 - Debt reduction
- To fund new growth opportunities., i.e. 3G
- To purchase up to 6,000 mn BITCO shares, increasing ownership in BITCO/TrueMove up to 98.6% (from 75.3%)

Prioritizing uses of proceeds to yield best return for shareholders

Strengthening balance sheet



- Net debt to EBITDA would be reduced to approximately 3x (from 3.6x as of Q308)*
- Shareholders' equity would increase to THB 27.7 bn (from THB 8.2 bn as of Q308)*
- Improve profitability;
 - Lower interest expenses
 - Expected gain from debt buy back opportunity
- Prepare for turbulent financial market; remove overhang on funding needs

** Assuming full subscription; actual numbers may be different from the pro-forma net debt/EBITDA and shareholders' equity*

True will emerge as a much stronger company after recapitalization

True will have sufficient funding for growth opportunities



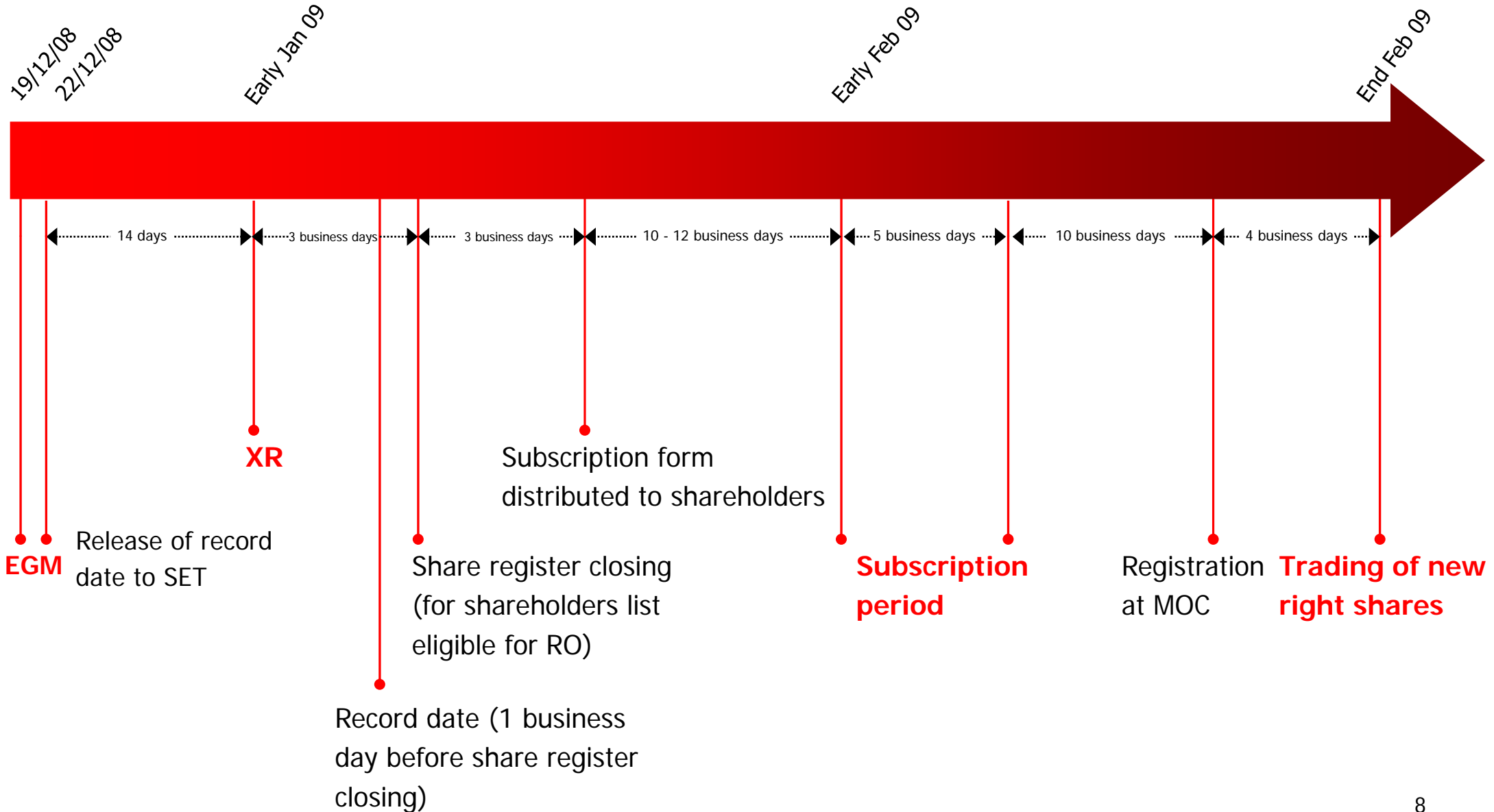
- 3G via 850 MHz under existing concession contract
 - Higher voice and non-voice capacity than 2G – better efficient use of investment
 - Under current concession scheme, neither upfront fee nor frequency auction
 - Better market opportunity from integrated content rich platform
- Continuously increasing Broadband penetration
- TrueVisions' mass market expansion

Increase shareholding in TrueMove



- Shareholding in BITCO/TrueMove will increase up to 98.6%
 - Uses of proceeds up to THB 3.5 bn
 - The share buyback was approved by shareholders
- Remove 'connected person' status, facilitating full integration of company strategy
- Pave the way to bring in a strategic partner or financial investor
- Better alternative than issuing new debt

Expected timetable



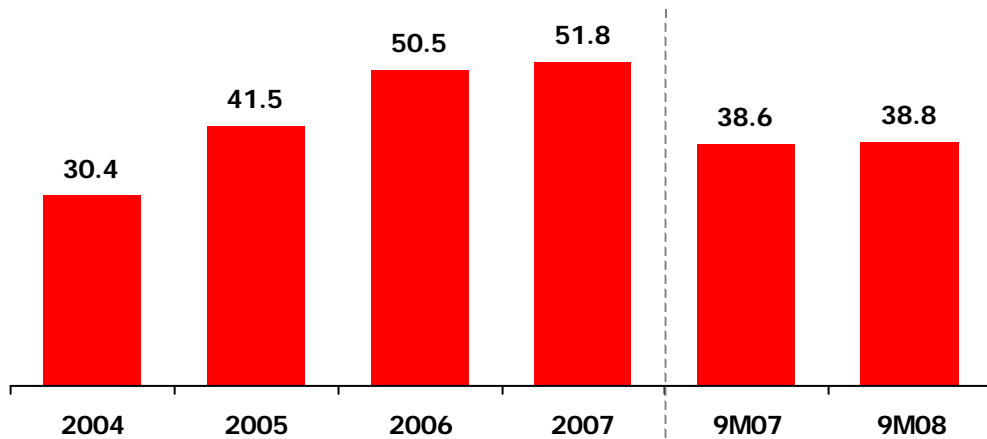
Operational & financial snapshot



Group financial performance

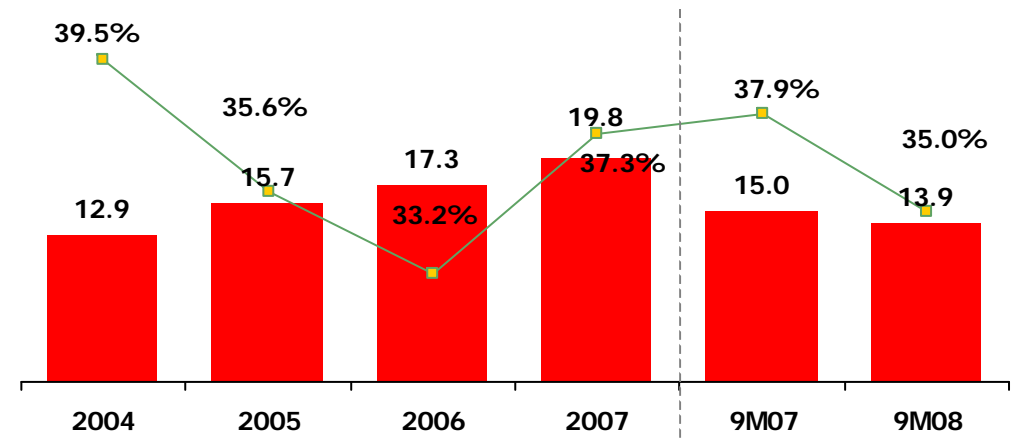


Service Revenues⁽¹⁾ (THB bn)



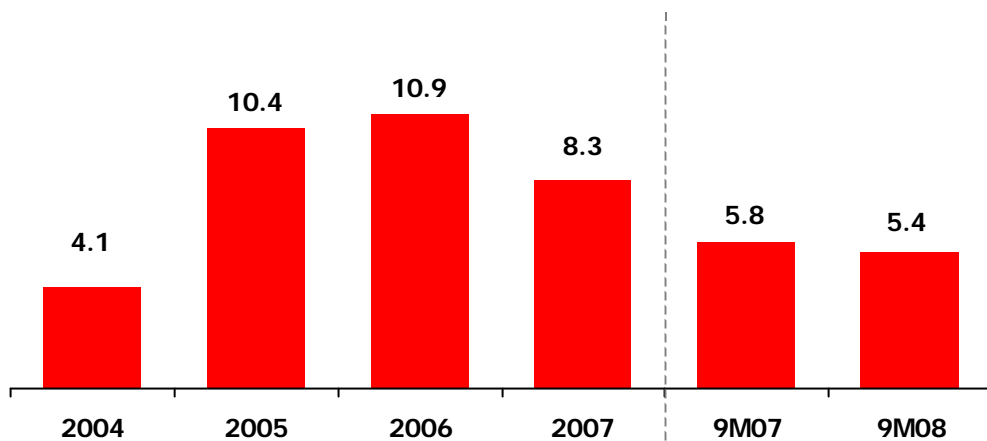
Note: (1) Revenue excludes I/C

EBITDA⁽¹⁾ (THB bn)

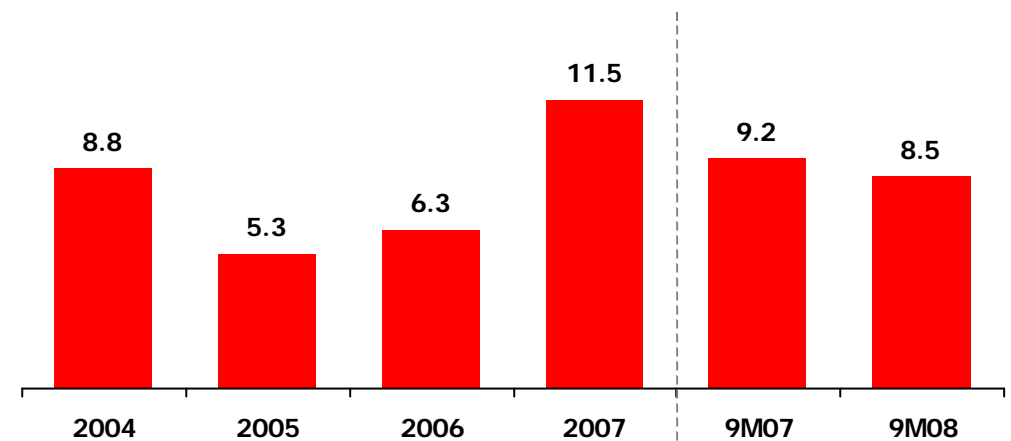


Note: (1) Margin excludes I/C revenue

Capex (THB bn)



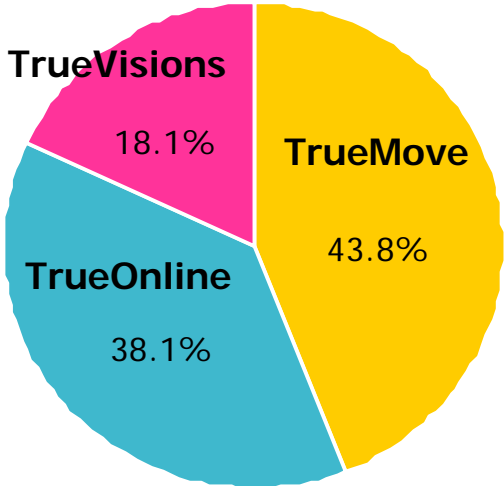
OpFCF (EBITDA – Capex) (THB bn)



Diversified portfolio reduces exposure to single business sector **true**

- True has unique position in Thai telecom industry; sole fully integrated player
- Broadband, Pay-TV perform well despite economic downturn

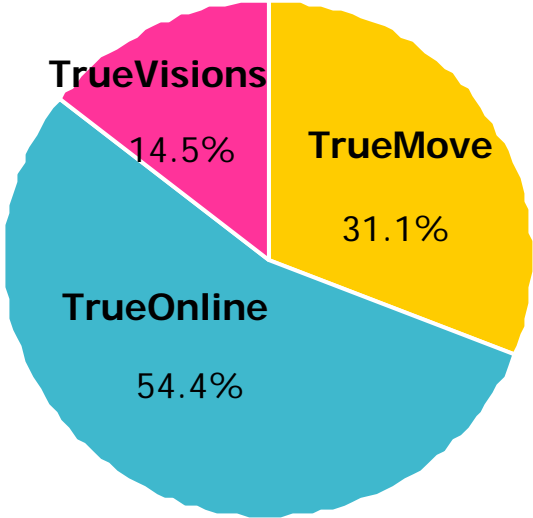
Revenue split



9M08

Revenue Bt 38,826 mn ^{1/}

EBITDA split

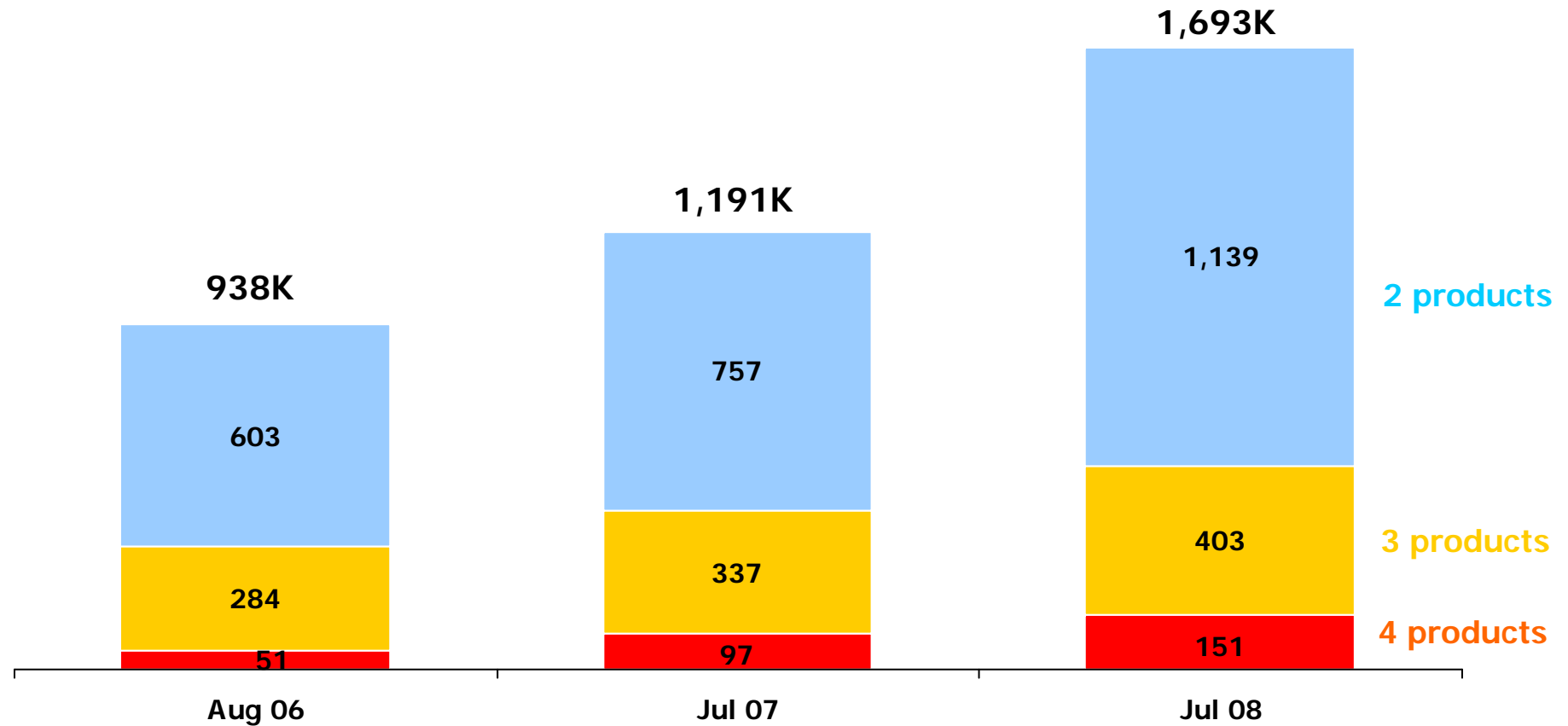


9M08

EBITDA Bt 13,940 mn

^{1/} Service revenue excl. IC

Convergence strategy is working

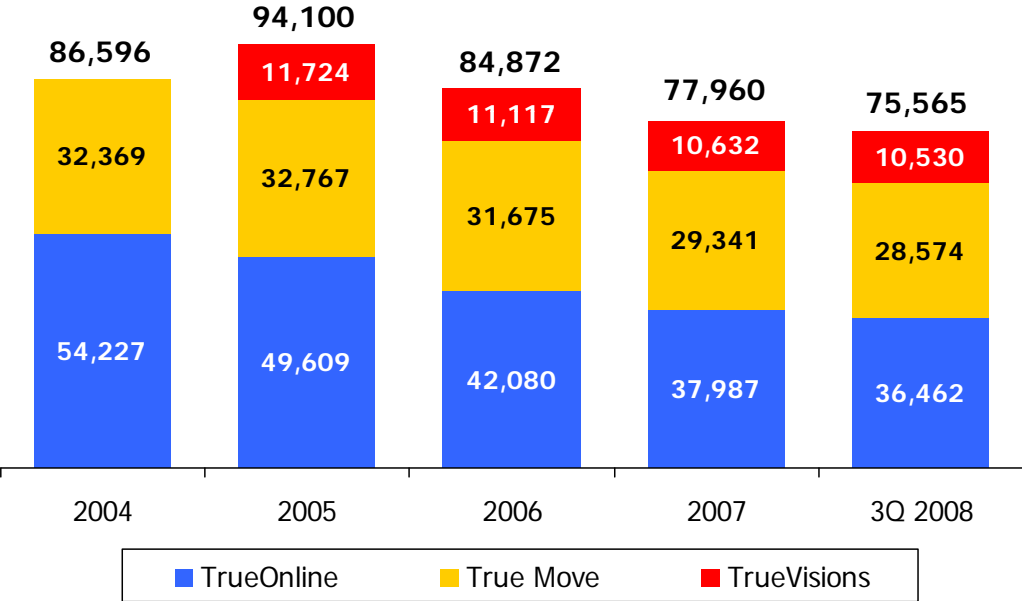


Nationwide households using multiple True products up 42% Y-o-Y

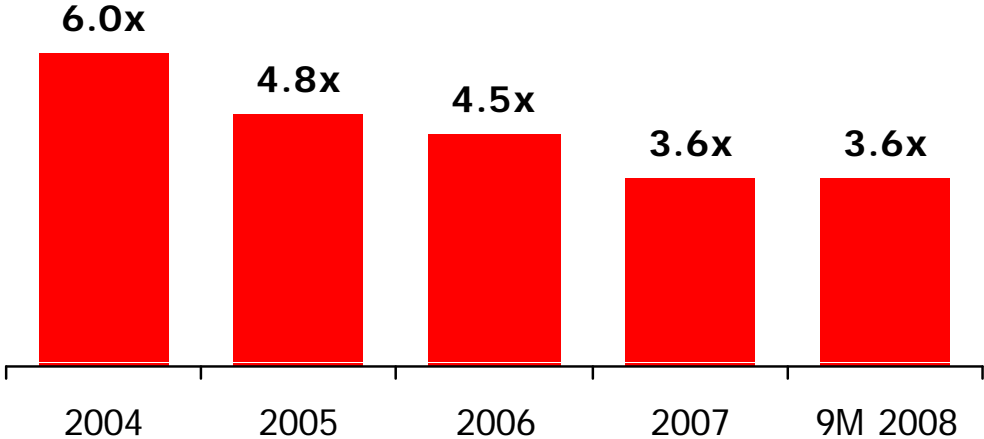
Deleveraging continues



Debt composition (Bt mn)



Net debt/EBITDA



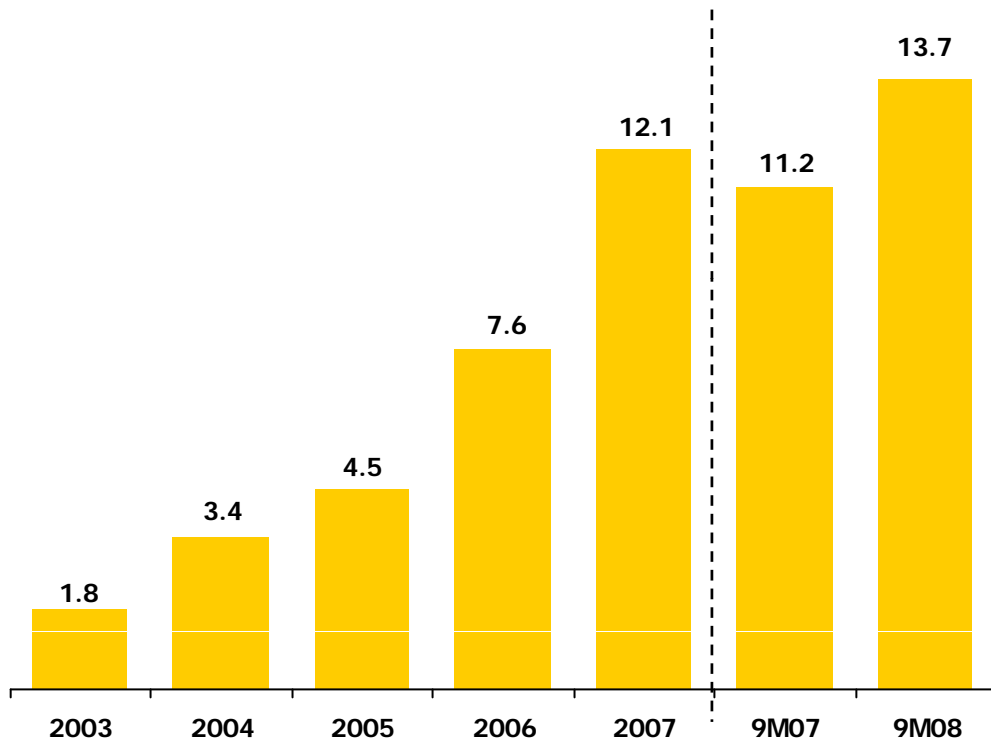
Note: - Figures do not include finance lease and debt issuance costs
 - TrueVisions' debt includes all long-term loans for TrueVisions acquisition

Note 1/ Net debt excluding finance lease
 2/ 2005 debt excluding bridging loan for TrueVisions acquisition

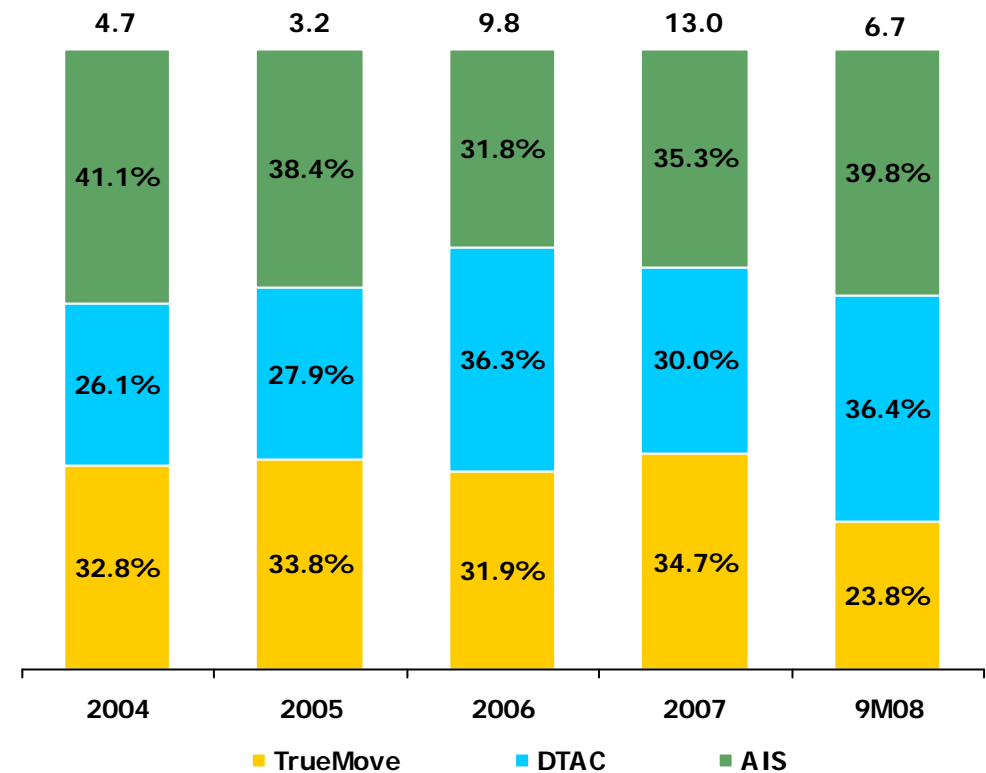
TrueMove: consistently gains market share



TrueMove subscribers (m)



Total net adds (m)



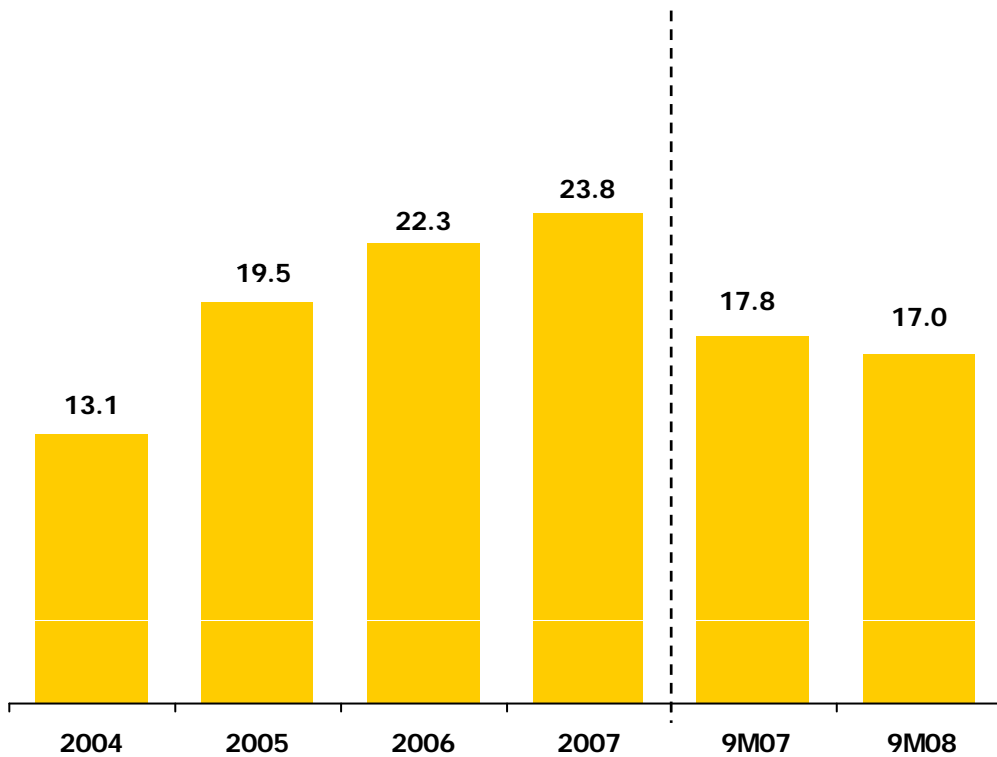
About 1/3 share in market net adds achieved for 4 consecutive years; same target for FY08

TrueMove: strong subscriber growth offsetting



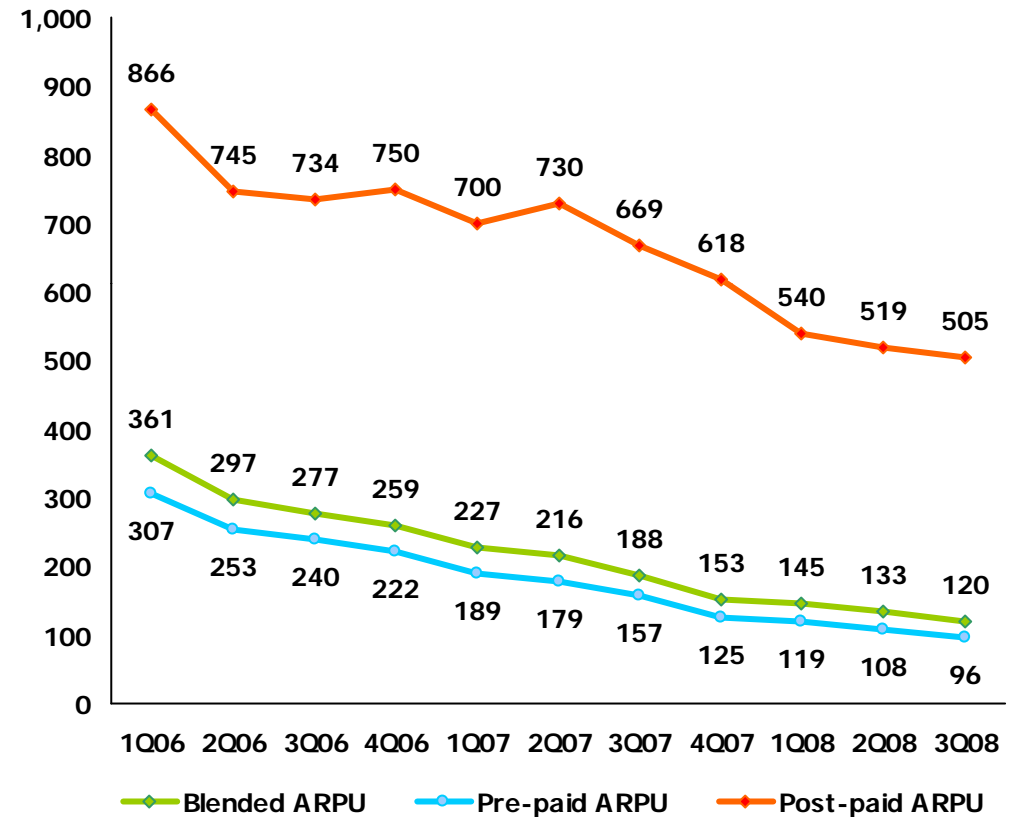
ARPU declines

Service revenue⁽¹⁾ (THB bn)



Note : (1) Excluding I/C

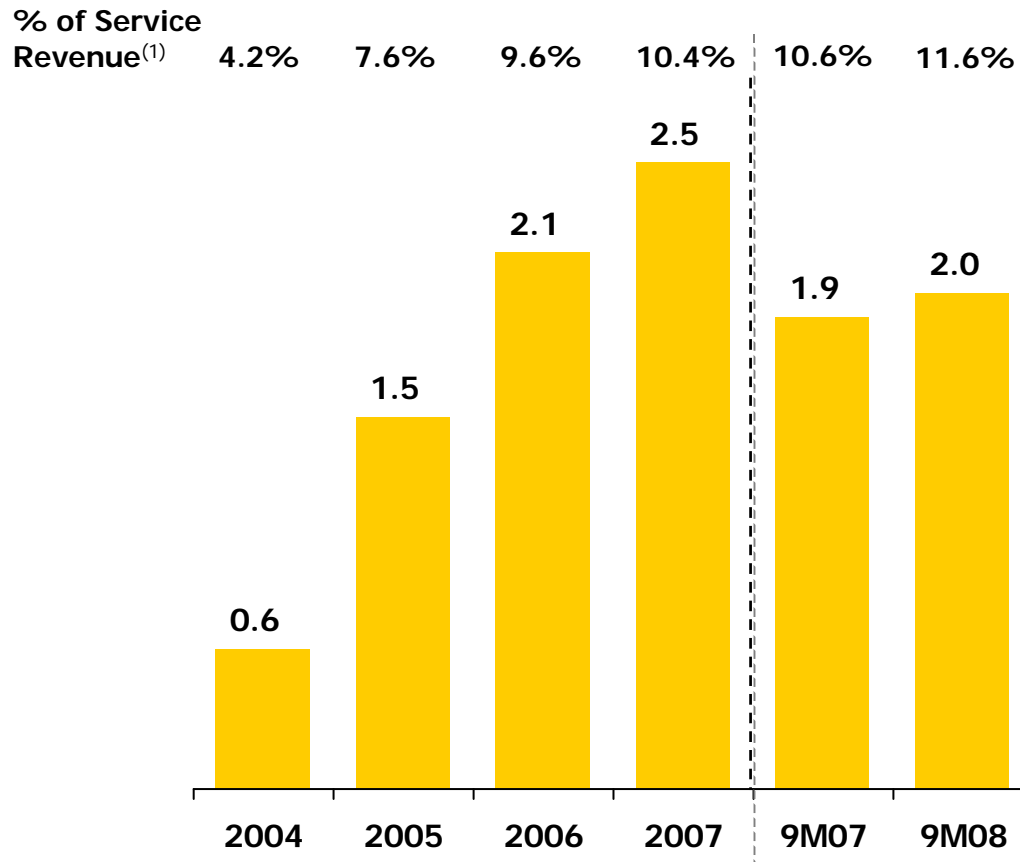
ARPU trend (THB)



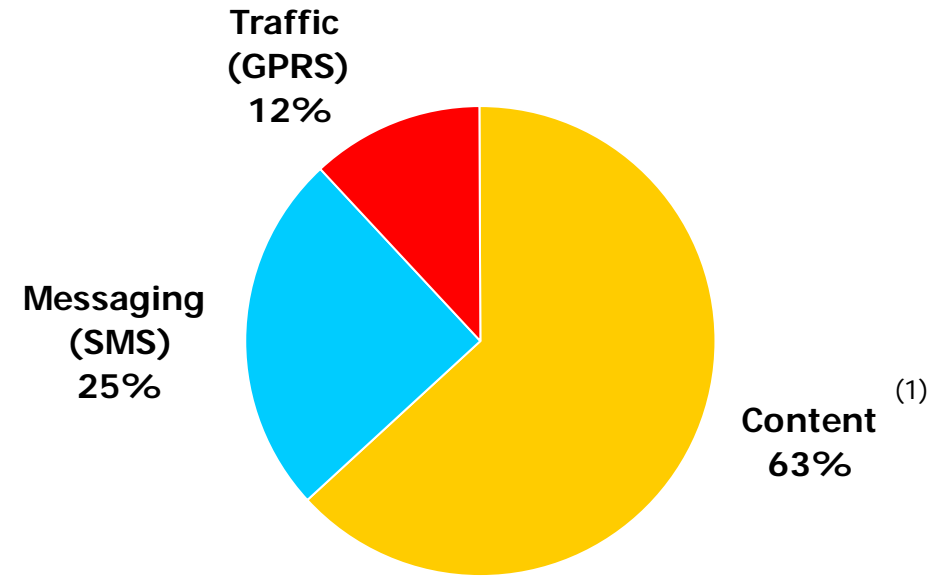
TrueMove : growing non-voice business



Non-voice revenues (THB bn)



Non-voice revenue contributors

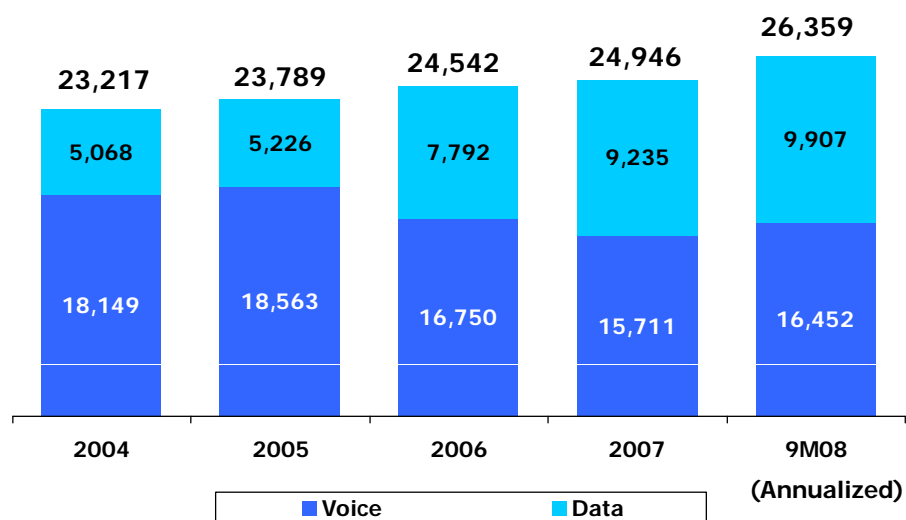


Note: (1) Majority consist of Ring Back Tones

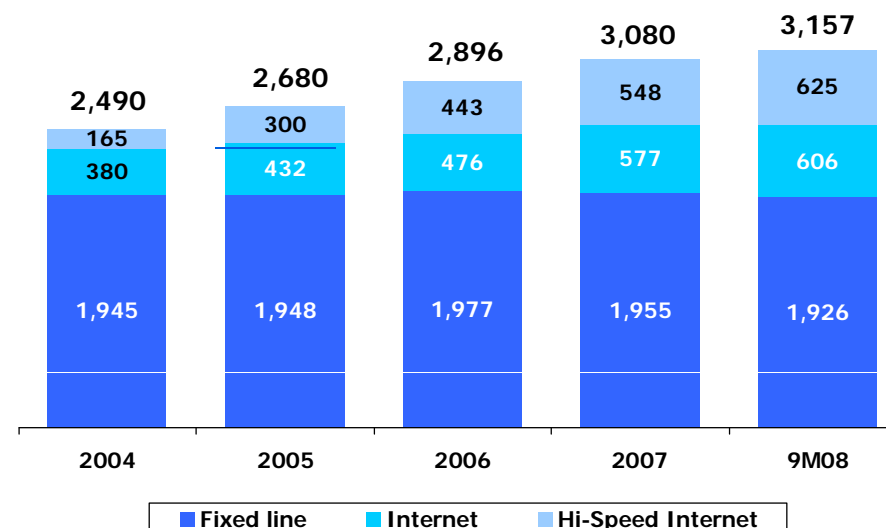
TrueOnline: turnaround with non voice growth offsetting voice decline



Revenue (Bt mn)



Subscribers ^{1/} ('000 Lines)



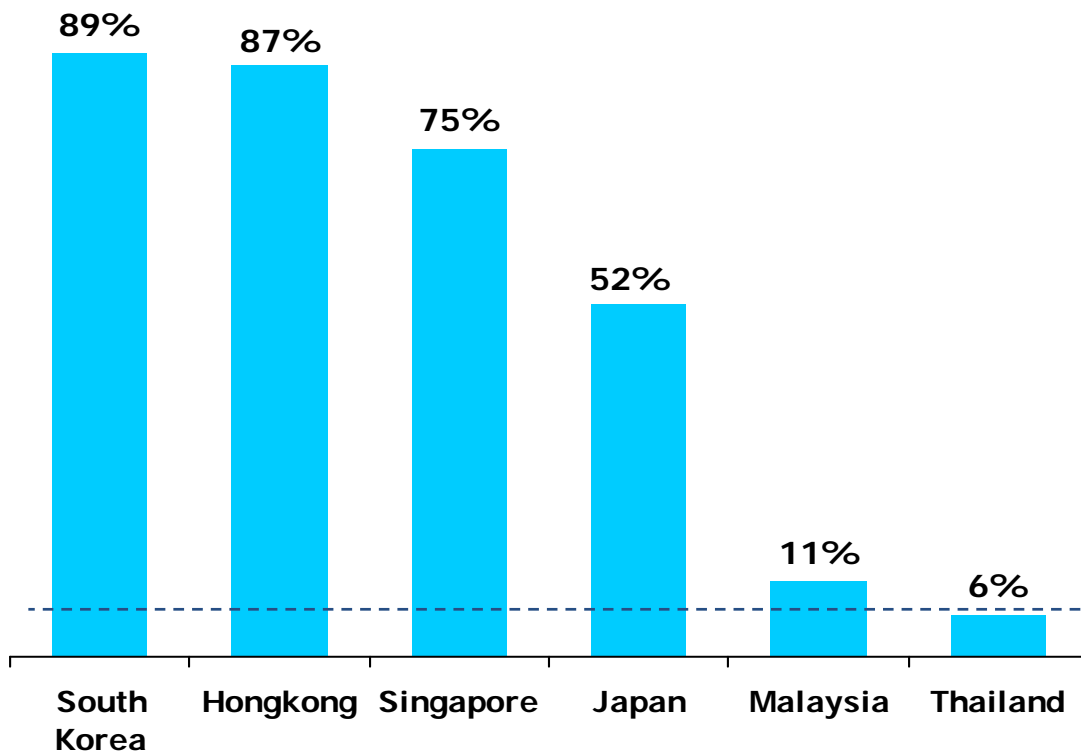
Note : ^{1/} Customers may subscribe to more than 1 service

Broadband growing rapidly, great opportunities to expand further



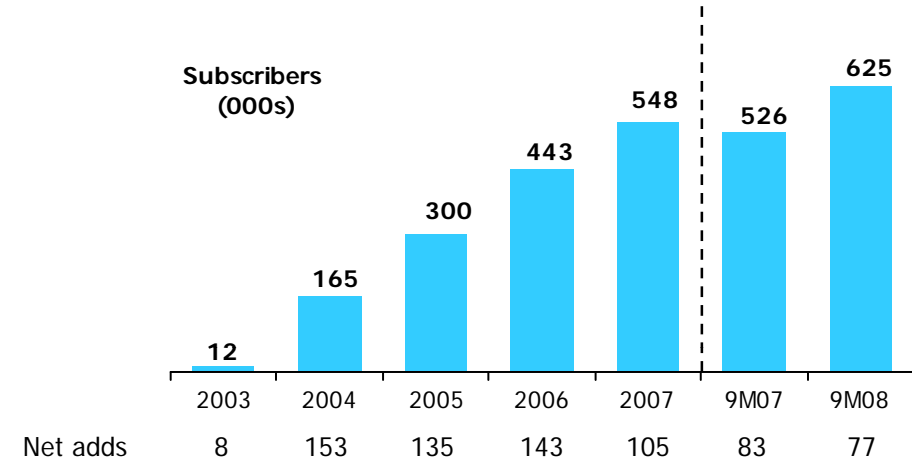
Broadband penetration rate has room to grow ...

Household penetration rate

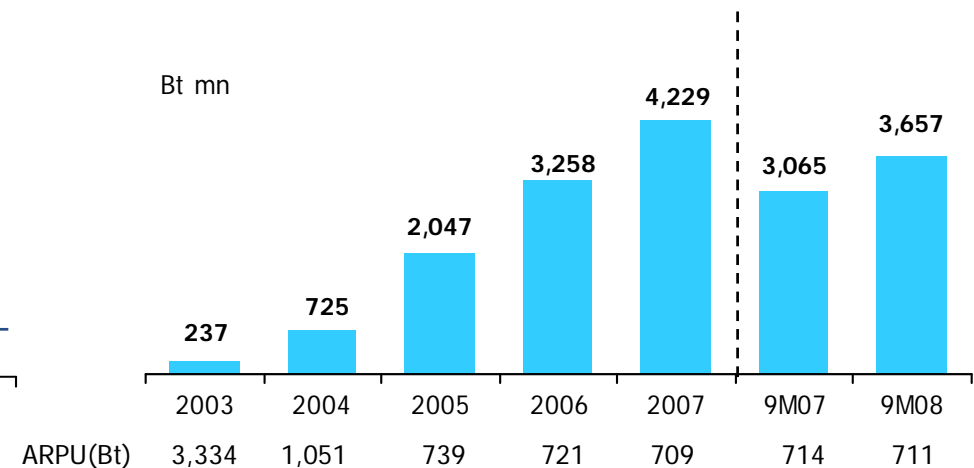


Source : OEDC, IMF, BuddeComm, KBank 2007

True Broadband subscribers



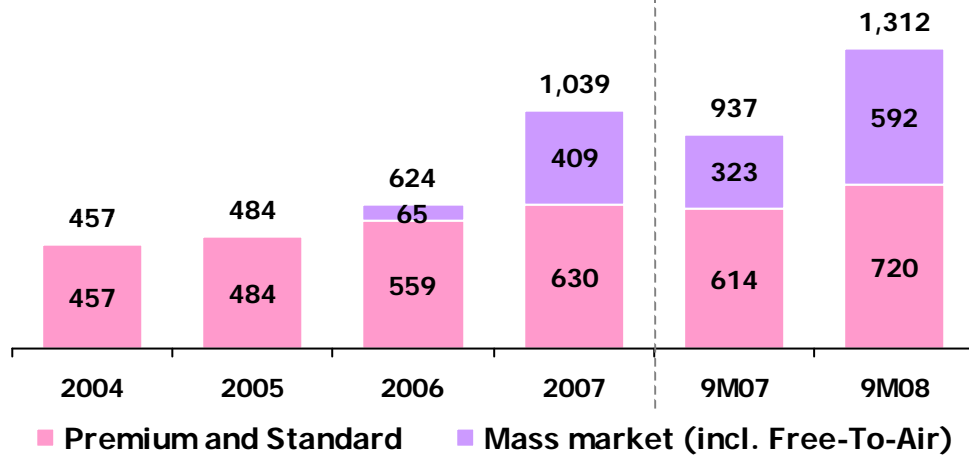
True Broadband revenue



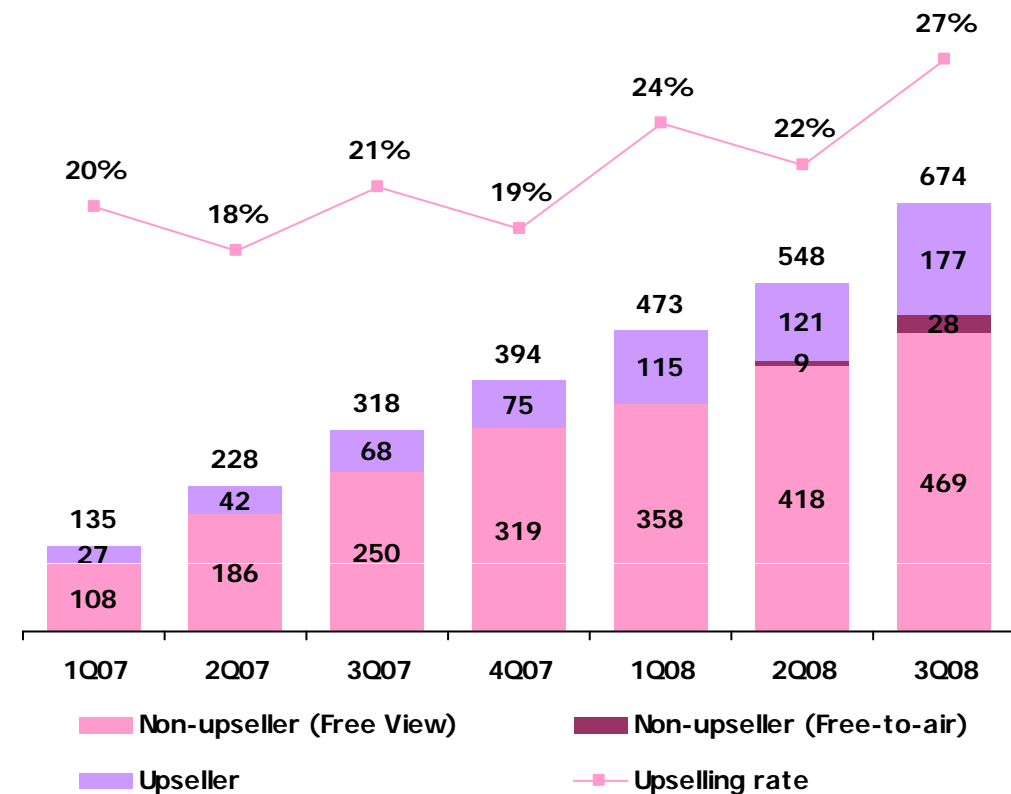
TrueVisions: paying subscribers rise strongly, mass market strategy successful



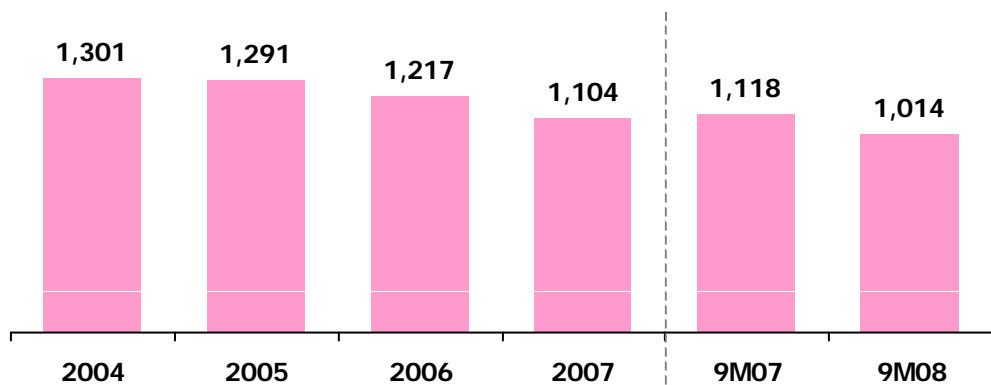
Subscribers ('000)



Bundled promotion with TrueMove



ARPU (THB)





Q&A



Appendix

Share capital pre and post recapitalization



Share capital

	<u>Registered Shares</u>	<u>Baht</u>	<u>Paid-up Shares</u>	<u>Baht</u>
Pre recapitalization				
Common share	5,345,053,839	53,450,538,390	3,803,845,173	38,038,451,730
Preferred share	699,333,982	6,993,339,820	699,333,982	6,993,339,820
Total	6,044,387,821	60,443,878,210	4,503,179,155	45,031,791,550
Capital reduction				
Reserve for expired ESOP 2003	11,180,788	111,807,880		
Reserve for IFC	29,941,283	299,412,830		
Reserve for rights offering (relating to CP injecting equity into BITCO)	700,000,000	7,000,000,000		
Total	741,122,071	7,411,220,710		
After capital reduction				
Common share	4,603,931,768	46,039,317,680		
Preferred share	699,333,982	6,993,339,820		
Total	5,303,265,750	53,032,657,500		
Capital increases				
Reserve for rights offering	10,000,000,000	100,000,000,000	10,000,000,000	100,000,000,000
Reserve for IFC	29,941,283	299,412,830		
Total	10,029,941,283	100,299,412,830	10,000,000,000	100,000,000,000
Post recapitalization				
Common share	14,633,873,051	146,338,730,510	13,803,845,173	138,038,451,730
Preferred share	699,333,982	6,993,339,820	699,333,982	6,993,339,820
Total	15,333,207,033	153,332,070,330	14,503,179,155	145,031,791,550



Thank you

“Safe Harbor” Statement



This presentation contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Discussion of factors that may affect future results is contained in our recent filings with the Securities and Exchange Commission.