

## Tris firm on True outlook

Tris Rating holds the view that the reported legal dispute and regulatory actions will have no immediate effect on the credit ratings of True Corporation Plc (TRUE) and its mobile subsidiary True Move H Universal Communication Co (TUC).

True was ordered by the arbitration tribunal to pay a penalty to TOT Plc for breaching the joint operation and joint investment agreement to provide high-speed internet (ADSL) service, or allowing other parties to make use of the system's equipment to provide ADSL service. The penalty is reportedly more than 94 billion baht.

True plans to file an appeal in court.

True is also fighting a resolution from the National Broadcasting and Telecommunications Commission (NBTC) ordering True Move Co, a subsidiary of TUC, to pay 3.4 billion baht to the regulator. The payment

is related to the revenue it received from providing wireless telecom service on the 1800-megahertz frequency spectrum during the subscriber protection period. True has vowed to take further legal action.

In Tris Rating's view, neither of the two disputes is expected to be resolved soon. Any litigation arising from the decision by the arbitration tribunal or the regulatory action will take time to be resolved. In both instances, court challenges and successive appeals will likely take years until they are finished.

Tris Rating believes there is a low probability of any near-term material effect on the financial profiles of True and TUC, and does not expect True will need to make any provisions at the moment.

Both TRUE and TUC are rated BBB+ with stable outlooks by Tris Rating.