

Advanced Info Service Plc.

SingTel Investor Day 2014

Singapore, 3 June 2014



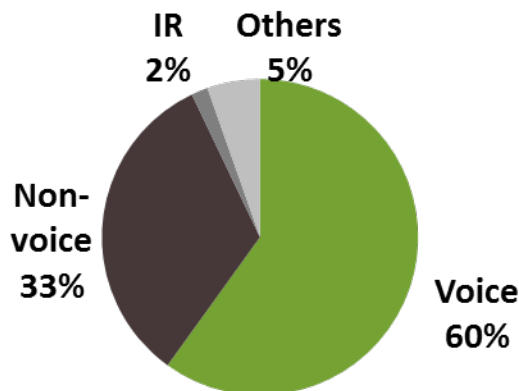
AIS at glance

No.1

**mobile operator
in Thailand**

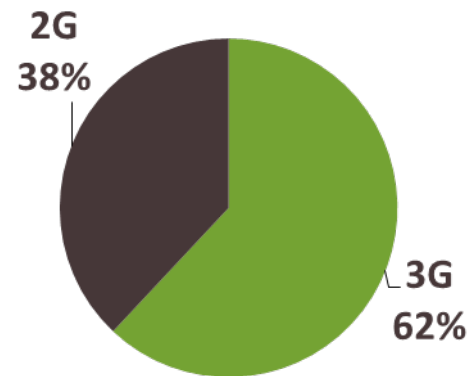
42m users

52% revenue market share



Breakdown of Service Revenue

26m 3G-2.1GHz users



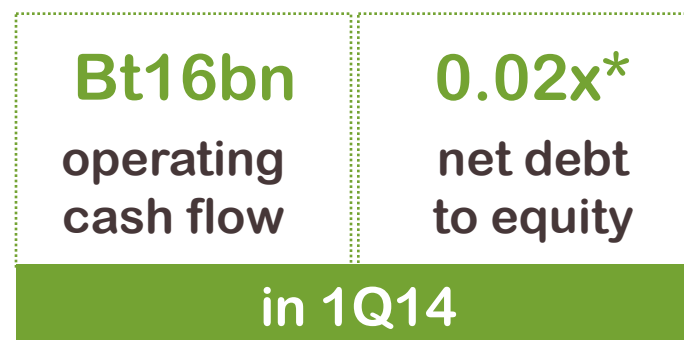
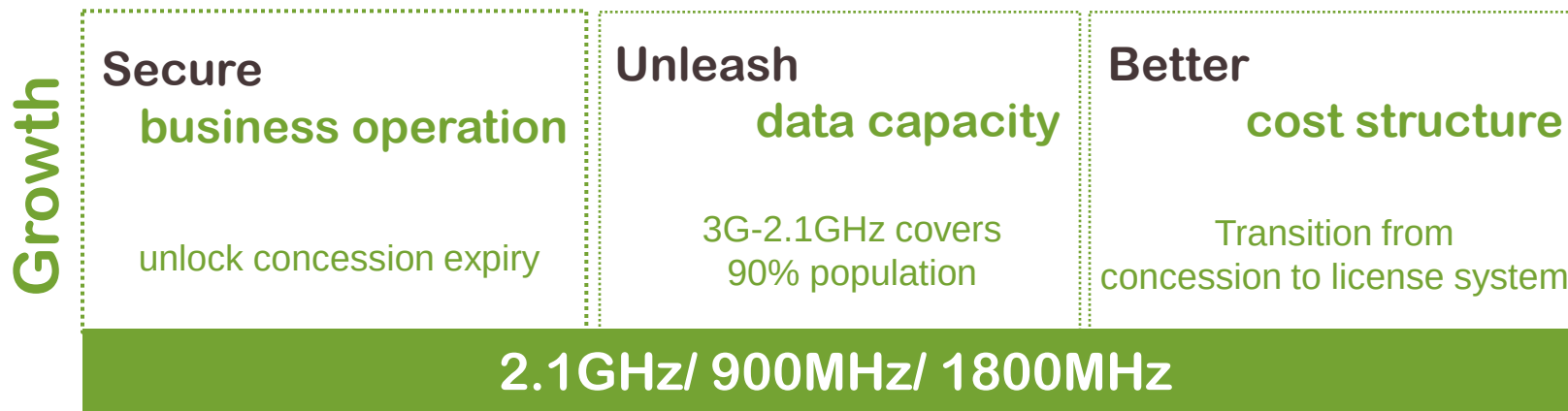
Breakdown of customers

Quick introduction

- Officially launched 3G-2.1GHz service in May-13 and expanded coverage to all 77 provinces with 90% population coverage under a 15-year license of 2x15MHz bandwidth.
- Provide nationwide 2G network on 900MHz under Built-Transfer-Operate contracts which will be expired in Sep-15.
- The 4G license auction is expected in Aug-14. The NBTC recently published the draft information memorandum on the 1800 MHz auction for public hearing expected in May-14. We managed to close down the GSM 1800MHz. The spectrum is ready to be handed back to the regulator for the upcoming auction.

Deliver both growth & shareholder return

Transitional period of telecom industry



*Apr-14,AWN, wholly owned by AIS, issued Bt16.6bn debenture. Including such item, net debt to equity stood at 0.45x.

Benefit from rising 3G adoption

Regulatory fee saving

20-30%

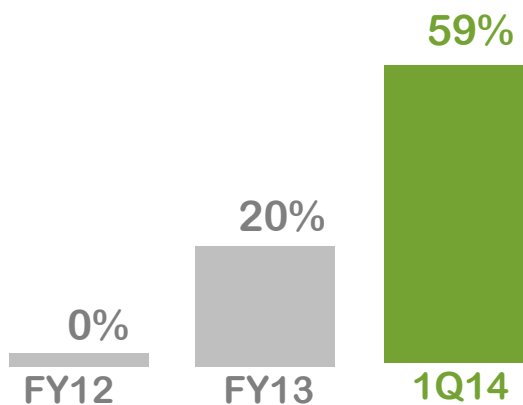
Revenue sharing on 900/1800MHz
BTO agreement

vs

5.25%

License fee on 2100MHz

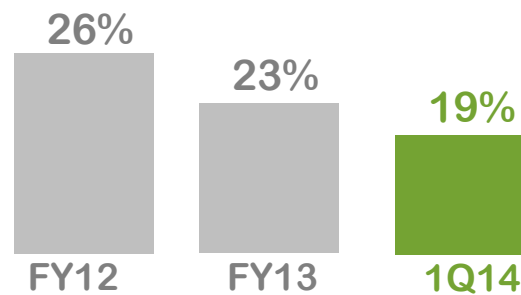
% 3G Revenue



**3G subscribers reached 62%
of total subs in 1Q14**

Regulatory fee

% to service revenue include net IC



**Lower regulatory fee
from 3G migration**

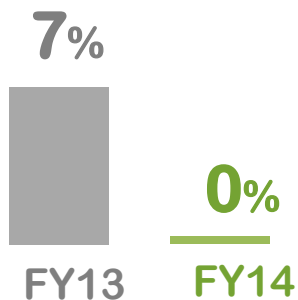
3G Strategies

The best 3G network at competitive price

To realized Regulatory fee saving on 3G-2.1GHz

Push
3G migration & subscription

Increase
3G handset adoption



ZERO
handset margin



AIS 3G	ชุดโปรโมชั่น 3G ใหม่				ชุดโปรโมชั่น 3G 5u-q-ใหม่!	
	โปรโมชั่น	จำนวน	รายละเอียด	จำนวน	โปรโมชั่น	จำนวน
mobile	399	400	โปรโมชั่น 3G ใหม่	10	โปรโมชั่น 3G ใหม่	10
acer	299	300	โปรโมชั่น 3G ใหม่	10	โปรโมชั่น 3G ใหม่	10
ZTE F286	399	400	โปรโมชั่น 3G ใหม่	10	โปรโมชั่น 3G ใหม่	10

Mid- to low-end
smartphone + package

- ↑ 700 direct sales
- ↑ Dealers' incentive
- ↑ Customer touch points
- AIS 3G centers
- Shop expansion & renovation

Distribution channel



Updates 3G-2.1GHz Migration & Network expansion



**Population
Coverage**



**3G to total
subscribers**



**3G device
penetration**

80%



FY13

90%



1Q14

95%



**Target
Mid-14**

40%
(16m)



FY13

62%
(26m)



1Q14

75%
(~32-33m)



**Target
FY14**

50%
(8m)



FY13

46%
(12m)



1Q14

50%
(~16m)



**Target
FY14**



AIS LAVA 4.5"
Bt2,690

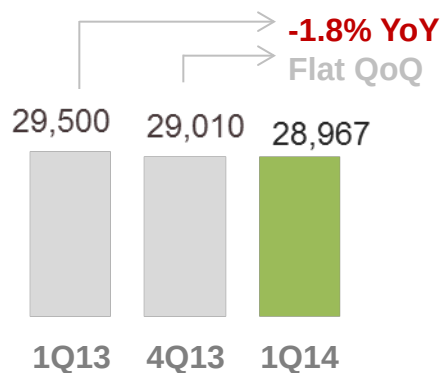


**Samsung
Hero 3G**
Bt1,390

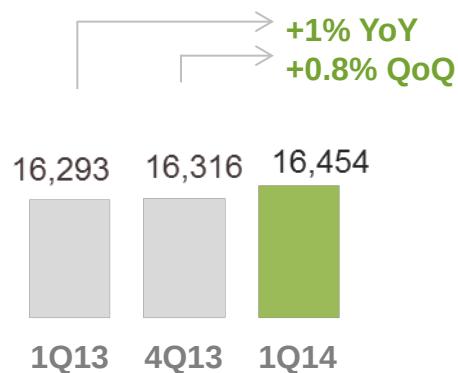
1Q14 financial highlight

(Unit: Bt mn)

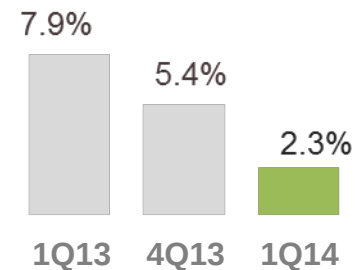
Service revenue ex. IC



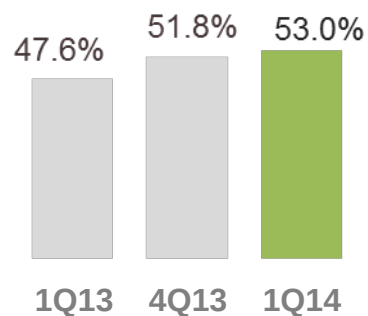
EBITDA



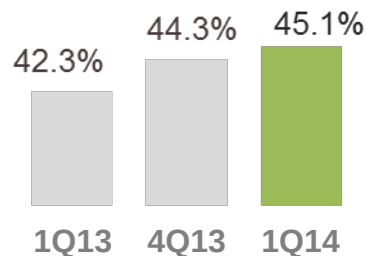
Sales margin



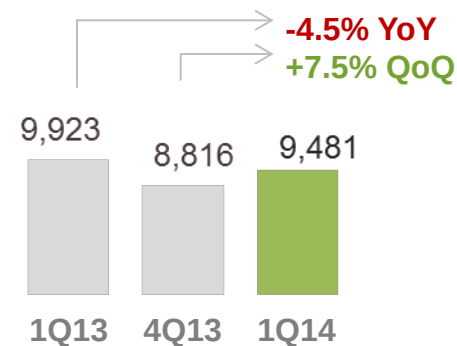
% Service margin



% EBITDA margin



Net profit



2014 guidance (maintained)

6 – 8%

**Service revenue
(excluding IC)**

- Contracted voice market
- Accelerated non-voice growth in 2H13

75%

**3G 2.1GHz subscribers
(50% using 3G devices)**

Flat

**Consolidated
EBITDA margin**

- Flat from FY13 at 43.4% due to zero handset strategy

+300bps

Service margin

- Increase 300bps from last year to 52%

Bt40_{bn}

FY14 CAPEX

- 95% population coverage
- 20k 3G BTS & additional small cells
- Faster fiber optic rollout
- AIS shop expansion & renovation

18%

**Depreciation
& Amortization**

Incl. network, license fee, and fixed asset in SG&A

4G auction timeline *Indicative draft*

2014

April	Draft Information Memorandum (IM)
May	Public hearing
June	Official IM
June	Application submit
July	Announce prequalification bidders
August	Auction
September	Announced winning bidder
September	License award

Future growth

900/1800MHz BTO assets

- **1800MHz** for 4G LTE
Expected auction in Aug-14
- **900MHz** to strengthen 3G
Expected auction in Nov-14

Wired-broadband services

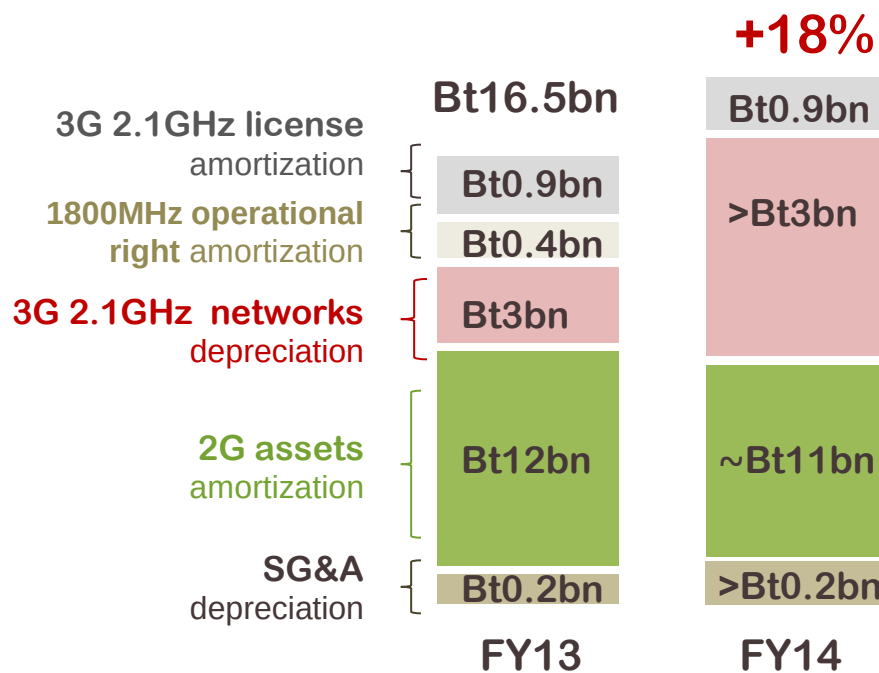
- Target **DENSE** residential areas
- **Leverage** extensive nationwide **fiber transmission**
- **Minimal investment** in last mile extension

Capture potential growth in the future

Appendix

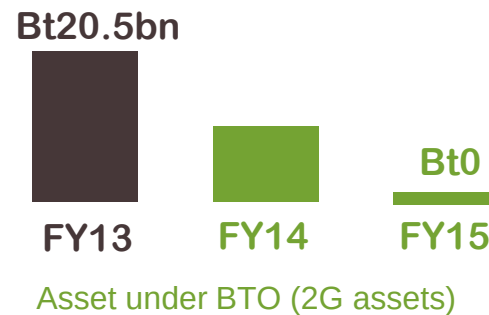
Depreciation & Amortization

Breakdown of D&A



Rising 3G investment will result in higher D&A but partly offset by lower 2G amortization

The value of 2G network assets will be depleted in FY15



Tier pricing – volume base

Fair usage policy: no real unlimited data offers

Monthly fee	Voice (minutes)	Data	Throttling	Wifi
Bt299	100	500MB unlimited	64Kbps	unlimited
Bt399	150	750MB unlimited	64Kbps	unlimited
Bt599	300	1.5GB unlimited	64Kbps	unlimited
Bt799	400	2GB unlimited	128Kbps	unlimited
Bt999	500	3GB unlimited	256Kbps	unlimited

3G device bundling promotions

For postpaid subscribers buying new 3G handset

50% package discount for 6 months



Low-ends
smartphone

Mid-ends
smartphone

High ends
smartphone

AIS 3G	โปรโมชั่น 3G ใหม่					โปรโมชั่น 3G 50-0-100	
	โปรโมชั่น	ส่วนลด	ค่าบริการ	ค่าบริการ	ค่าบริการ	ส่วนลด	ค่าบริการ
Acer Liquid Z3	399	400	ค่าบริการ	ค่าบริการ	ค่าบริการ	ส่วนลด	ค่าบริการ
Acer Liquid Z3 mini	399	300	ค่าบริการ	ค่าบริการ	ค่าบริการ	ส่วนลด	ค่าบริการ
Acer Liquid Z3 mini 2	399	300	ค่าบริการ	ค่าบริการ	ค่าบริการ	ส่วนลด	ค่าบริการ
Acer Liquid Z3 mini 3	399	300	ค่าบริการ	ค่าบริการ	ค่าบริการ	ส่วนลด	ค่าบริการ

~~Bt399~~

Bt199

~~Bt599~~

Bt299

~~Bt799~~

Bt399

~~Bt999~~

Bt499



3G handsets discount

Condition:

- subscribes monthly package
- pays 6 months package upfront fee