

**Advanced Info Service Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month period ended
31 March 2015

and

Independent auditor's report
on review of interim financial information

Independent auditor's report on review of interim financial information

To the Board of Directors of Advanced Info Service Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Advanced Info Service Public Company Limited and its subsidiaries, and of Advanced Info Service Public Company Limited, respectively, as at 31 March 2015; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2015; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd.
Bangkok
8 May 2015

Advanced Info Service Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
Assets		2015	2014	2015	2014
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		23,417,784	14,258,066	8,099,855	1,679,292
Specifically-designated bank deposits	4	3,512,878	3,709,328	-	-
Current investments	5	1,563,309	1,542,449	-	-
Trade and other accounts receivable	3, 6	15,190,761	14,545,609	10,633,926	11,931,245
Short-term loans to related parties	3	84,500	95,000	36,663,900	35,589,760
Inventories		3,672,746	2,519,497	60,361	52,163
Other current assets		943,638	1,288,943	150,701	140,977
Total current assets		48,385,616	37,958,892	55,608,743	49,393,437
<i>Non-current assets</i>					
Investments in associate	7	-	-	-	-
Investments in subsidiaries	8	-	-	7,672,418	7,912,146
Other long-term investments	5	58,399	58,399	46,999	46,999
Property, plant and equipment	9	65,869,792	60,702,587	695,029	1,103,188
Intangible assets under					
the Agreements for operations	9	5,797,936	8,738,039	5,797,936	8,738,039
Goodwill		34,931	34,931	-	-
Spectrum license	9	12,383,694	12,624,410	-	-
Other intangible assets	9	2,737,754	2,504,683	100,018	112,533
Swap and forward contracts receivable	17	417,681	568,881	417,681	568,881
Deferred tax assets		1,174,439	1,441,856	306,210	667,900
Other non-current assets		1,935,023	1,717,885	1,017,194	999,139
Total non-current assets		90,409,649	88,391,671	16,053,485	20,148,825
Total assets		138,795,265	126,350,563	71,662,228	69,542,262

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 March	31 December	31 March	31 December
Liabilities and equity		2015	2014	2015	2014
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Trade and other accounts payable	3, 11	23,025,265	23,092,055	3,683,006	4,109,957
Current portion of long-term borrowings	10	3,221,131	2,571,631	3,207,714	2,560,792
Spectrum license payable		3,656,250	3,656,250	-	-
Accrued revenue sharing expenses		6,245,422	5,130,157	6,104,848	4,989,583
Unearned income - mobile phone service		2,355,080	2,183,175	568,871	628,771
Advanced receipts from customers		3,512,878	3,709,328	-	-
Income tax payable		3,898,508	2,195,546	-	-
Dividend payable	3, 16	17,717,715	-	17,717,715	-
Other current liabilities		215,439	367,976	125,489	330,908
Total current liabilities		63,847,688	42,906,118	31,407,643	12,620,011
<i>Non-current liabilities</i>					
Long-term borrowings	10	33,696,088	34,478,291	12,071,002	12,869,374
Employee benefit obligations		1,529,931	1,499,743	408,724	406,013
Deferred tax liabilities		2,127	-	-	-
Other non-current liabilities		666,962	601,656	31,180	33,269
Total non-current liabilities		35,895,108	36,579,690	12,510,906	13,308,656
Total liabilities		99,742,796	79,485,808	43,918,549	25,928,667
<i>Equity</i>					
Share capital					
Authorised share capital		4,997,460	4,997,460	4,997,460	4,997,460
Issued and paid-up share capital		2,973,095	2,973,095	2,973,095	2,973,095
Additional paid-in capital					
Premium on ordinary shares		22,372,276	22,372,276	22,372,276	22,372,276
Retained earnings					
Appropriated					
Legal reserve		500,000	500,000	500,000	500,000
Unappropriated		12,889,443	20,710,295	1,866,373	17,742,315
Other components of equity		203,434	194,733	31,935	25,909
Equity attributable to owners					
of the Company		38,938,248	46,750,399	27,743,679	43,613,595
Non-controlling interests		114,221	114,356	-	-
Total equity		39,052,469	46,864,755	27,743,679	43,613,595
Total liabilities and equity		138,795,265	126,350,563	71,662,228	69,542,262

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries
Statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Revenues					
Revenues from rendering of services and equipment rentals	3	32,248,963	30,802,636	11,797,973	20,070,341
Revenue from sale of goods	3	8,287,533	5,645,666	57	4,974
Construction income from the Agreements for operations		42,739	251,106	42,739	251,106
Total revenues		40,579,235	36,699,408	11,840,769	20,326,421
Costs					
Cost of rendering of services and equipment rentals	3	(12,588,566)	(10,330,659)	(5,908,381)	(7,957,323)
Revenue sharing expense		(2,841,113)	(4,617,814)	(2,841,113)	(4,617,814)
Cost of sale of goods		(7,966,978)	(5,513,759)	(57)	(4,923)
Construction cost from the Agreements for operations		(42,739)	(251,106)	(42,739)	(251,106)
Total costs		(23,439,396)	(20,713,338)	(8,792,290)	(12,831,166)
Gross profit		17,139,839	15,986,070	3,048,479	7,495,255
Selling and administrative expenses					
Selling expenses		(1,331,710)	(1,185,137)	(56,462)	(163,796)
Administrative expenses		(3,344,654)	(2,819,148)	(809,560)	(1,505,861)
Total selling and administrative expenses		(4,676,364)	(4,004,285)	(866,022)	(1,669,657)
Profit from sales, services and equipment rentals		12,463,475	11,981,785	2,182,457	5,825,598
Investment income	3	97,079	63,940	365,225	353,038
Other operating income	3	67,775	61,811	95,025	203,619
Impairment loss on investments in subsidiaries	8	-	-	(178,728)	-
Net foreign exchange gain (loss)		136,586	72,451	(3,622)	7,044
Management benefit expenses	3	(39,663)	(34,770)	(39,463)	(34,565)
Finance costs		(428,818)	(228,997)	(146,693)	(227,959)
Profit before income tax expense		12,296,434	11,916,220	2,274,201	6,126,775
Income tax expense	14	(2,399,753)	(2,442,659)	(432,428)	(1,268,071)
Profit for the period		9,896,681	9,473,561	1,841,773	4,858,704
Profit attributable to:					
Owners of the Company		9,896,863	9,480,549	1,841,773	4,858,704
Non-controlling interests		(182)	(6,988)	-	-
Profit for the period		9,896,681	9,473,561	1,841,773	4,858,704
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	15	3.33	3.19	0.62	1.63
Diluted earnings per share <i>(in Baht)</i>		3.33	3.19	0.62	1.63

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended 31 March		Three-month period ended 31 March	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Profit for the period	9,896,681	9,473,561	1,841,773	4,858,704
Other comprehensive income				
Net change in fair value of available-for-sale investments	2,722	3,223	-	-
Other comprehensive income for the period, net of income tax	2,722	3,223	-	-
Total comprehensive income for the period	9,899,403	9,476,784	1,841,773	4,858,704
Total comprehensive income attributable to:				
Owners of the Company	9,899,538	9,483,726	1,841,773	4,858,704
Non-controlling interests	(135)	(6,942)	-	-
Total comprehensive income for the period	9,899,403	9,476,784	1,841,773	4,858,704

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Consolidated financial statements										
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Total equity attributable to owners of the Company	Non-controlling interests	Total equity	
				Legal reserve	Unappropriated	Reserve for share-based payment	Gain on dilution of investment	Fair value changes in available-for-sale investments				Total other components of equity
<i>(in thousand Baht)</i>												
Three-month period ended 31 March 2014												
Balance at 1 January 2014		2,973,095	22,372,276	500,000	19,729,333	6,986	161,187	5,231	173,404	45,748,108	144,478	45,892,586
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owner of the Company</i>												
Share-based payment transaction	12	-	-	-	-	2,994	-	-	2,994	2,994	-	2,994
Dividends		-	-	-	(17,094,907)	-	-	-	-	(17,094,907)	-	(17,094,907)
Total contributions by and distributions to owner of the Company		-	-	-	(17,094,907)	2,994	-	-	2,994	(17,091,913)	-	(17,091,913)
<i>Changes in ownership interests in subsidiaries</i>												
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	(2)	(2)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	(2)	(2)
Total transactions with owners, recorded directly in equity		-	-	-	(17,094,907)	2,994	-	-	2,994	(17,091,913)	(2)	(17,091,915)
Comprehensive income for the period												
Profit		-	-	-	9,480,549	-	-	-	-	9,480,549	(6,988)	9,473,561
Other comprehensive income		-	-	-	-	-	-	3,177	3,177	3,177	46	3,223
Total comprehensive income for the period		-	-	-	9,480,549	-	-	3,177	3,177	9,483,726	(6,942)	9,476,784
Balance at 31 March 2014		2,973,095	22,372,276	500,000	12,114,975	9,980	161,187	8,408	179,575	38,139,921	137,534	38,277,455

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

	Consolidated financial statements											
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Total equity attributable to owners of the Company	Non-controlling interests	Total equity	
				Legal reserve	Unappropriated	Reserve for share-based payment	Gain on dilution of investment	Fair value changes in available-for-sale investments				Total other components of equity
<i>(in thousand Baht)</i>												
Three-month period ended 31 March 2015												
Balance at 1 January 2015		2,973,095	22,372,276	500,000	20,710,295	25,909	161,187	7,637	194,733	46,750,399	114,356	46,864,755
Transactions with owners, recorded directly in equity												
Share-based payment transaction	12	-	-	-	-	6,026	-	-	6,026	6,026	-	6,026
Dividends	16	-	-	-	(17,717,715)	-	-	-	-	(17,717,715)	-	(17,717,715)
Total transactions with owners, recorded directly in equity		-	-	-	(17,717,715)	6,026	-	-	6,026	(17,711,689)	-	(17,711,689)
Comprehensive income for the period												
Profit		-	-	-	9,896,863	-	-	-	-	9,896,863	(182)	9,896,681
Other comprehensive income		-	-	-	-	-	-	2,675	2,675	2,675	47	2,722
Total comprehensive income for the period		-	-	-	9,896,863	-	-	2,675	2,675	9,899,538	(135)	9,899,403
Balance at 31 March 2015		2,973,095	22,372,276	500,000	12,889,443	31,935	161,187	10,312	203,434	38,938,248	114,221	39,052,469

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Other components of equity	Total equity
				Retained earnings			
				Legal reserve	Unappropriated		
<i>(in thousand Baht)</i>							
Three-month period ended 31 March 2014							
Balance at 1 January 2014		2,973,095	22,372,276	500,000	17,928,486	6,986	43,780,843
Transactions with owners, recorded directly in equity							
Share-based payment transaction	12	-	-	-	-	2,994	2,994
Dividends		-	-	-	(17,094,907)	-	(17,094,907)
Total transactions with owners, recorded directly in equity		-	-	-	(17,094,907)	2,994	(17,091,913)
Comprehensive income for the period							
Profit		-	-	-	4,858,704	-	4,858,704
Total comprehensive income for the period		-	-	-	4,858,704	-	4,858,704
Balance at 31 March 2014		2,973,095	22,372,276	500,000	5,692,283	9,980	31,547,634

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	<i>Note</i>	Issued and paid-up share capital	Share premium	Separate financial statements		Other components of equity	Total equity
				Retained earnings			
				Legal reserve	Unappropriated		
<i>(in thousand Baht)</i>							
Three-month period ended 31 March 2015							
Balance at 1 January 2015		2,973,095	22,372,276	500,000	17,742,315	25,909	43,613,595
Transactions with owners, recorded directly in equity							
Share-based payment transaction	12	-	-	-	-	6,026	6,026
Dividends	16	-	-	-	(17,717,715)	-	(17,717,715)
Total transactions with owners, recorded directly in equity		-	-	-	(17,717,715)	6,026	(17,711,689)
Comprehensive income for the period							
Profit		-	-	-	1,841,773	-	1,841,773
Total comprehensive income for the period		-	-	-	1,841,773	-	1,841,773
Balance at 31 March 2015		2,973,095	22,372,276	500,000	1,866,373	31,935	27,743,679

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>					
Profit for the period		9,896,681	9,473,561	1,841,773	4,858,704
<i>Adjustments for</i>					
Depreciation	9	2,270,010	1,214,074	93,054	128,476
Amortisation of intangible assets	9	3,185,507	3,071,821	2,836,878	2,749,023
Impairment loss on investments in subsidiaries	8	-	-	178,728	-
Investment income		(97,079)	(63,940)	(365,225)	(353,038)
Finance costs		428,818	228,997	146,693	227,959
(Reversal of) Doubtful accounts and bad debts expenses	6	330,996	256,583	(2,550)	22,195
Share-based payment transaction		6,026	2,994	6,026	2,994
Allowance for obsolete, decline in value and write-off inventories		139,945	53,873	353	3,443
Loss on disposals and write-off of assets		227,128	239,593	156,609	234,528
Unrealised (gain) loss on exchange		(48,352)	(34,547)	2,071	(22,254)
Income tax expense		2,399,753	2,442,659	432,428	1,268,071
Cash provided by operation before changes in operating assets and liabilities		18,739,433	16,885,668	5,326,838	9,120,101
<i>Changes in operating assets and liabilities</i>					
Specifically-designated bank deposits		196,450	77,729	-	-
Trade and other accounts receivable		(589,997)	573,301	1,895,859	561,983
Inventories		(1,193,137)	467,984	(8,550)	5,421
Other current assets		355,029	(357,926)	-	-
Other non-current assets		(217,138)	(150,171)	(18,055)	(28,654)
Trade and other accounts payable		(1,070,938)	(2,115,431)	(424,305)	(1,644,005)
Accrued revenue sharing expenses		1,115,265	1,020,714	1,115,265	1,020,715
Unearned income - mobile phone service		171,905	347,896	(59,900)	(233,904)
Advanced receipts from customers		(196,450)	125,350	-	-
Other current liabilities		(209,248)	33,132	(205,419)	(5,249)
Swap and forward contracts payable (receivable)		56,212	1,242	(10)	9
Other non-current liabilities		17,597	22,918	(946)	(166,273)
Cash generated from operating activities		17,174,983	16,932,406	7,620,777	8,630,144
Income tax paid		(798,362)	(656,079)	(365,596)	(202,561)
Net cash from operating activities		16,376,621	16,276,327	7,255,181	8,427,583

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	97,896	78,018	61,158	27,930
Purchase of property, plant, equipment and intangible assets	(7,087,346)	(7,770,015)	(8,082)	(59,196)
Sale of equipment	3,763	5,272	312,579	23,335
Purchase of intangible assets under the Agreements for operations	(78,012)	(247,224)	(78,012)	(246,870)
Net changes (increase) decrease of short-term loans to subsidiaries and associate	10,500	-	(1,074,140)	(820,000)
Cash received from return of capital from subsidiary	-	-	75,000	-
Additional investment in subsidiaries	-	-	(14,000)	(2)
Net changes (increase) decrease in investments	(18,138)	74,646	-	-
Net cash used in investing activities	(7,071,337)	(7,859,303)	(725,497)	(1,074,803)
<i>Cash flows from financing activities</i>				
Interest paid	(103,829)	(161,086)	(102,986)	(160,833)
Other finance costs paid	(33,083)	(18,302)	(872)	(4,185)
Finance lease principal payments	(7,717)	(7,387)	(5,045)	(5,937)
Repayments of short-term loans from financial institutions	-	(4,000,000)	-	(4,000,000)
Repayments of long-term borrowings	-	(2,500,000)	-	(2,500,000)
Acquisition of non-controlling interests	-	(2)	-	-
Net cash used in financing activities	(144,629)	(6,686,777)	(108,903)	(6,670,955)
Net increase in cash and cash equivalents	9,160,655	1,730,247	6,420,781	681,825
Cash and cash equivalents at 1 January	14,258,066	11,473,121	1,679,292	3,964,631
Effect of exchange rate changes on balances held in foreign currencies	(937)	(3)	(218)	(3)
Cash and cash equivalents at 31 March	23,417,784	13,203,365	8,099,855	4,646,453
<i>Supplemental disclosures of cash flow information</i>				
Non-cash transactions				
Outstanding debts arising from investments in capital expenditures	11,548,129	15,379,722	93,225	560,653

The accompanying notes are an integral part of these financial statements.

Advanced Info Service Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

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Advanced Info Service Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2015 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 8 May 2015.

1 General information

Advanced Info Service Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 414 Intouch Tower, Phaholyothin Road, Phayathai, Bangkok, Thailand.

The Company was listed on the Stock Exchange of Thailand in November 1991.

Intouch Holdings Public Company Limited is a major shareholder, holding 40.45% (*31 December 2014: 40.45%*) of the share capital of the Company and is incorporated in Thailand. SingTel Strategic Investments Pte Ltd. is a shareholder holding 23.32% (*31 December 2014: 23.32%*) of the share capital of the Company and is incorporated in Singapore.

The major principal business operations of the Company and its subsidiaries (“the Group”) are telecommunication related businesses, including mobile phone network operator under the Agreements for Operations granted by TOT Public Company Limited (“TOT”) and CAT Telecom Public Company Limited (“CAT”), mobile phone network operator under the licenses granted by the National Broadcasting and Telecommunications Commission (“NBTC”), international direct dial service (IDD), international roaming services, a data communication service, a call center service, sale and distribution of handset and accessories, service provider of electronic payment and cash card and related supporting services.

There is no new license certificate granted during the three-month period ended 31 March 2015.

The Agreement for operation of Digital Phone Company Limited (“DPC”), a subsidiary, was expired on 15 September 2013. Thus, on 16 August 2013, NBTC has announced a temporary customer protection measure after the Agreement expired to assign the operator to provide continuing services to the subscribers for up to a further 1 year commencing from the Agreement expiration date. The operator must comply with the rules and conditions set forth in the announcement. On 17 July 2014, the National Council for Peace and Order (“NCPO”) has announced an order No. 94/2557 “Suspension the implementation of the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Communications Services” to instruct NBTC to postpone an auction for spectrum licenses for 1 year commencing from the Order date. During the postpone period, the operator has to comply with the NBTC’s announcement on 16 August 2013 to provide continuing services to the subscribers. The application of those rules and conditions has yet to be clarified in detail by NBTC (including expenses that may be deducted in arriving at a notional profit payable to the State). Consequently, the outcome of complying with this extension on DPC and the Group is, currently, uncertain.

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Details of the Company's subsidiaries and associate as at 31 March 2015 and 31 December 2014 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2015	31 December 2014
Advanced Internet Revolution Co., Ltd.	On liquidation process	Thailand	99.99	99.99
Advanced Datanetwork Communications Co., Ltd. * (* Indirect subsidiary)	Service provider of online data communications service via telephone land line and optical fiber	Thailand	51.00	51.00
Advanced Contact Center Co., Ltd.	Service provider of call center	Thailand	99.99	99.99
Digital Phone Co., Ltd.	Service provider of digital mobile phone system in 1800 MHz frequency	Thailand	98.55	98.55
Advanced Magic Card Co., Ltd.	Distributor of cash card business	Thailand	99.99	99.99
Advanced Mpay Co., Ltd.	Service provider of electronic payment and cash card	Thailand	99.99	99.99
AIN GlobalComm Co., Ltd.	Service provider of international telephone service/gateway	Thailand	99.99	99.99
Advanced Wireless Network Co., Ltd.	Service provider of cellular telephone network in 2.1-GHz frequency, distributor of handsets and international telephone service	Thailand	99.99	99.99
Super Broadband Network Co., Ltd.	Network operator and telecom service operator i.e. internet (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Internet Protocol Virtual Private Network (IP VPN), voice over IP, and IP Television	Thailand	99.99	99.99

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Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2015	31 December 2014
Wireless Device Supply Co., Ltd.	Importer and distributor of handset and accessories	Thailand	99.99	99.99
Fax Lite Co., Ltd.	Operate in land and building rental and service, and related facilities	Thailand	99.98	99.98
MIMO Tech Co., Ltd.	Operate IT, content aggregator, and outsourcing service for billing and collection	Thailand	99.99	99.99
Advanced Broadband Network Co., Ltd.	Currently not start the operation	Thailand	99.99	99.98
Associate				
Information Highway Co., Ltd.	Transmission network provider	Thailand	29.00	29.00

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2014) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2014. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2014.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2014 except that the Group/Company has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2015. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

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(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

(c) Judgements and estimates

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's/Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2014.

3 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

During the period, the Group/Company has entered into a number of transactions with related parties, the terms of which are negotiated in the ordinary course of business and according to normal trade conditions. Purchases of products and services are charged at reasonable prices and those prices are comparable to the market rate with general trading conditions. Consulting and management service fees are charged on a mutually agreed basis as a percentage of assets.

Relationships with related parties that control or jointly control the Group/Company or are being controlled or jointly controlled by the Group/Company or have transactions with the Group/Company were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Subsidiaries	Thailand	More than 50% shareholding or being controlled.
Intouch Holdings Public Company Limited and its related parties ("INTOUCH Group")	Thailand and Laos	Intouch Holdings Public Company Limited ("INTOUCH") is a major shareholder, 40.45% shareholding and has some joint directors.
SingTel Strategic Investments Pte Ltd. and its related parties ("SingTel Group")	Singapore	SingTel Strategic Investments Pte Ltd. ("SingTel") is a major shareholder, 23.32% shareholding.

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Name of entities	Country of incorporation / nationality	Nature of relationships
Information Highway Co., Ltd.	Thailand	Associate
Other related parties	Thailand	Other parties have some joint directors and directors of related parties.

Significant transactions for the three-month periods ended 31 March 2015 and 2014 with related parties were as follows:

Three-month period ended 31 March	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Service income				
Subsidiaries	-	-	9,385	8,224
INTOUCH Group	10	12	5	6
SingTel Group	187	100	22	41
Other related parties	1	-	-	-
Total	198	112	9,412	8,271
Sales of property and other assets				
Subsidiaries	-	-	311	19
Interest income				
Subsidiaries	-	-	345	336
Associate	1	-	-	-
Total	1	-	345	336
Other income				
Subsidiaries	-	-	72	167
INTOUCH Group	3	1	1	-
Total	3	1	73	167
Rental and other service expenses				
Subsidiaries	-	-	2,366	4,087
INTOUCH Group	134	146	9	17
SingTel Group	424	285	16	22
Total	558	431	2,391	4,126
Advertising expense				
INTOUCH Group	11	22	1	1
Sale promotion expense				
Subsidiaries	-	-	4	16
Commission expense				
Subsidiaries	-	-	92	617
Management employee benefit expense				
Short-term employee benefit	38	34	37	34
Share-based payments	2	1	2	1
Total	40	35	39	35

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<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Finance costs				
Subsidiaries	-	-	-	27
Dividend paid				
INTOUCH	7,167	6,915	7,167	6,915
SingTel	4,132	3,987	4,132	3,987
Total	11,299	10,902	11,299	10,902

Balances as at 31 March 2015 and 31 December 2014 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Trade and other accounts receivable				
Trade accounts receivable				
Subsidiaries	-	-	2,936	5,049
INTOUCH Group	6	5	2	2
SingTel Group	25	17	23	-
	31	22	2,961	5,051
Accrued income				
Subsidiaries	-	-	2,727	2,292
INTOUCH Group	5	5	-	-
SingTel Group	3	3	2	3
	8	8	2,729	2,295
Total trade accounts receivable	39	30	5,690	7,346
Other accounts receivable				
- <i>Accrued interest income</i>				
Subsidiaries	-	-	742	444
Total other accounts receivable	-	-	742	444
Total trade and other accounts receivable	39	30	6,432	7,790
Short-term loans to related parties				
Subsidiaries	-	-	36,664	35,590
Associate	85	95	-	-
Total	85	95	36,664	35,590

As at 31 March 2015, the Group has short-term loans to associate bearing interest at the rate of 5.25% per annum (*31 December 2014: 5.25% per annum*) and the Company has short-term loans at call to subsidiaries represent promissory notes, bearing interest at the average rate of 3.87% per annum (*31 December 2014: 3.83% per annum*).

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Movements during the three-month periods 31 March 2015 and 2014 of loans to related parties of the Company were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Short-term loans to related parties				
At 1 January	95	-	35,590	35,387
Increase	-	-	1,877	2,350
Decrease	(10)	-	(803)	(1,530)
At 31 March	85	-	36,664	36,207

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			

Long-term rental deposit

Subsidiary	-	-	692	655
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Trade and other accounts payable

Trade accounts payable

Subsidiaries	-	-	736	886
INTOUCH Group	3	30	-	1
SingTel Group	124	21	-	20
Total trade accounts payable	127	51	736	907

Other accounts payable

- Other payable

Subsidiaries	-	-	188	308
INTOUCH Group	1	30	-	1
	1	30	188	309

- Accrued expenses

Subsidiaries	-	-	748	810
INTOUCH Group	70	118	-	19
SingTel Group	116	12	8	10
	186	130	756	839

Total other accounts payable

	187	160	944	1,148
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Total trade and other accounts payable

	314	211	1,680	2,055
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Dividend payable

INTOUCH	7,167	-	7,167	-
SingTel	4,132	-	4,132	-
Total	11,299	-	11,299	-

Long-term debentures

INTOUCH	17	17	-	-
Other related parties	17	17	-	-
Total	34	34	-	-

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Significant agreements with related parties

The Group/Company has entered into agreements with related parties and has commitment for receipts and payments according to rates under the terms and conditions stipulated in the agreements. The significant agreements with related parties are as follows:

- 1) The Group has entered into interconnection and national roaming agreements among its related parties. The suspension or termination of the agreement shall be referred to the regulations and conditions of the National Telecommunications Commission.
- 2) The Group has entered into site share agreements among its related parties to provide site area including related facilities for installation of telecommunication equipment. The counterparty has a right to terminate the agreement by giving advance written notice to the counterparty of not less than 60 days.
- 3) The Group has received a service of a call center from Advanced Contact Center Co., Ltd. (“ACC”), a subsidiary. ACC will provide service and required information including resolving problem requests from the customers of the Group.
- 4) Advanced Contact Center Co., Ltd., a subsidiary, has entered into a call center service agreement with Teleinfo Media Plc. (“TMC”), a related party. TMC will arrange the agents and provide call center operation to execute each of incoming call service. The counterparty has a right to terminate the agreement by giving the counterparty a written notice for 30 days in advance.
- 5) The Company and its related parties have entered into an agreement with Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd, its subsidiaries, to provide payment service for goods/service purchased through electronic payments and cash card. The counterparty has a right to terminate the agreement by giving advance written notice of not less than 30 days.
- 6) Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd, its subsidiaries, have entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to distribute electronic money and cash card. The counterparty has a right to terminate the agreement by giving advance written notice of not less than 15 days.
- 7) The Company and its subsidiaries have entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to provide card packaging. The counterparty has a right to terminate the agreement by giving advance written notice of not less than 30 days.
- 8) The Company and its subsidiaries have entered into an international roaming service agreement with the SingTel Group, related parties. The counterparty has a right to terminate the agreement by giving a written notice of 60 days in advance.
- 9) The Company and its subsidiaries have entered into an agreement with MIMO Tech Co., Ltd., a subsidiary, of providing or aggregating the variety of content as value added services on mobile network or wireless device. The counterparty has a right to terminate the agreement by giving a written notice of 30 days in advance.
- 10) The Company and its subsidiaries have entered into an agreement with its related parties to provide or aggregate the variety of content as value added services on mobile network or wireless device. The counterparty has a right to terminate the agreement by giving advance written notice to the counterparty of not less than 30 days.

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- 11) The Company and its subsidiary have entered into a satellite transponder lease agreement with Thaicom Public Company Limited, a related party, for a monthly fee according to the rate and condition specified in the agreement. The agreements of the Company and its subsidiary are valid until 21 June 2015 and 19 November 2017, respectively.
- 12) MIMO Tech Co., Ltd., a subsidiary, has entered into agreements with I.T. Applications and Services Company Limited, a related party, to receive computer system maintenance services. The agreement is valid for one year and is renewable on an annual basis. The counterparty has a right to terminate the agreement by giving advance written notice of 3 months.

4 Specifically-designated bank deposits

In order to comply with the Notification of the Bank of Thailand applicable to the electronic cash card business, the subsidiaries' held deposits at call with banks equal to the subsidiaries' outstanding balance of advance receipts from customers which cannot be used for other purposes apart from payments to service providers as at 31 March 2015 amounting to Baht 3,513 million (*31 December 2014: Baht 3,709 million*).

5 Other investments

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
<i>Current investments</i>				
Available-for-sale securities	1,563	1,542	-	-
<i>Other long-term investments</i>				
Fixed deposit at financial institutions - pledged	11	11	-	-
Other non - marketable equity securities	47	47	47	47
	58	58	47	47
Total	1,621	1,600	47	47

Fixed deposit at financial institutions

As at 31 March 2015, fixed deposits at financial institutions of the Group bear interest rates at 1.50 % per annum (*31 December 2014: 1.50% per annum*).

Available-for-sale securities

As at 31 March 2015, the Group had debt securities held through private funds, managed by independent fund manager and bear interest rates at 0.37% - 5.63% per annum (*31 December 2014: 0.37% - 5.63% per annum*).

Advanced Info Service Public Company Limited and its Subsidiaries
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Movements during the three-month periods ended 31 March 2015 and 2014 of available-for-sale of marketable equity and debt securities were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Current investments				
Available-for-sale securities				
At 1 January	1,542	1,485	-	-
Increase during the period	559	557	-	-
Decrease during the period	(538)	(536)	-	-
At 31 March	1,563	1,506	-	-

6 Trade and other accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014
		<i>(in million Baht)</i>			
Trade accounts receivable					
Related parties:	3				
- Trade accounts receivable		31	22	2,961	5,051
- Accrued income		8	8	2,729	2,295
		<u>39</u>	<u>30</u>	<u>5,690</u>	<u>7,346</u>
Other parties:					
- Trade accounts receivable		5,462	5,889	876	1,038
- Accrued income		6,053	5,478	1,773	1,795
		<u>11,515</u>	<u>11,367</u>	<u>2,649</u>	<u>2,833</u>
Total trade accounts receivable		11,554	11,397	8,339	10,179
<i>Less</i> allowance for doubtful accounts		(1,012)	(982)	(219)	(235)
Trade accounts receivable, net		10,542	10,415	8,120	9,944
Other accounts receivable		4,649	4,130	2,514	1,987
Total trade and other accounts receivable		15,191	14,545	10,634	11,931
		2015	2014	2015	2014
		<i>(in million Baht)</i>			
(Reversal of) bad and doubtful debts expense for the three-month period ended 31 March		331	257	(3)	22

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Aging analyses for trade accounts receivable are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Related parties				
Current - overdue 3 months	35	30	5,675	7,335
Overdue 3 - 6 months	4	-	4	-
Overdue 6 - 12 months	-	-	11	11
	<u>39</u>	<u>30</u>	<u>5,690</u>	<u>7,346</u>
Other parties				
Current - overdue 3 months	9,168	9,028	689	834
Overdue 3 - 6 months	287	305	23	52
Overdue 6 - 12 months	96	117	37	80
Overdue over 12 months	1,964	1,917	1,900	1,867
	<u>11,515</u>	<u>11,367</u>	<u>2,649</u>	<u>2,833</u>
<i>Less allowance for doubtful accounts</i>	<u>(1,012)</u>	<u>(982)</u>	<u>(219)</u>	<u>(235)</u>
	<u>10,503</u>	<u>10,385</u>	<u>2,430</u>	<u>2,598</u>
Net	<u>10,542</u>	<u>10,415</u>	<u>8,120</u>	<u>9,944</u>

The normal credit term granted by the Group/Company ranges from 14 days to 30 days.

As at 31 March 2015, the Group/Company had the outstanding balance of accrued income of revenue sharing in international direct dial service (IDD) of Baht 1,579 million and Baht 1,570 million, respectively (31 December 2014: Baht 1,574 million and Baht 1,565 million, respectively). Part of that outstanding is presented in overdue 12 months of Baht 1,545 million and Baht 1,536 million, respectively (31 December 2014: Baht 1,515 million and Baht 1,506 million, respectively).

On 16 January 2013, the Company has submitted a dispute to the Arbitration Institute demanding TOT Public Company Limited (“TOT”) to pay this receivable plus interest, the total amount of Baht 1,526 million.

On 26 November 2013, Digital Phone Company Limited, a subsidiary, has submitted a dispute to the Central Administrative Court demanding CAT Public Company Limited (“CAT”) to pay this receivable plus interest, the total amount of Baht 11 million.

7 Investments in associate

	Consolidated	
	financial statements	
	2015	2014
	<i>(in million Baht)</i>	
At 1 January	-	-
Invest in share capital	-	-
Share loss from investment in associate	-	-
At 31 March	<u>-</u>	<u>-</u>

On 9 June 2014, Super Broadband Network Company Limited (“SBN”), a subsidiary, has invested in 145,000 shares of Information Highway Co., Ltd. (“IH”) by Baht 25 per share, totaling Baht 3.6 million, representing 29% of ownership.

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On 24 September 2014, Advanced Broadband Network Company Limited (“ABN”), a subsidiary, has purchased investment in IH from SBN by 145,000 shares of Baht 25 per share, totaling Baht 3.6 million, representing 29% of ownership.

8 Investments in subsidiaries

	Separate financial statements	
	2015	2014
	<i>(in million Baht)</i>	
At 1 January	7,912	7,912
Increase in investment in subsidiary	14	-
Decrease in share capital of subsidiary	(75)	-
Allowance for impairment	(179)	-
At 31 March	<u>7,672</u>	<u>7,912</u>

Increase in share capital of a subsidiary

On 19 January 2015, Advanced Broadband Network Co., Ltd. (“ABN”), a subsidiary, registered the increase in the share capital from Baht 1 million (10,000 ordinary shares, Baht 100 par value) to Baht 15 million (150,000 ordinary shares, Baht 100 par value) with the Ministry of Commerce. The purpose of the capital increase is for future investment. The Company paid for the increased shares by Baht 100 per share, totaling Baht 14 million and holds 99.99% of the issued share capital.

Decrease in share capital of a subsidiary

On 12 January 2015, the Company received return share capital of Advanced Internet Revolution Co., Ltd. (“AIR”), a subsidiary, in amount of Baht 75 million.

Impairment loss on investment

The Company recorded impairment loss on investment in Advanced Internet Revolution Co., Ltd. (“AIR”), a subsidiary, for the three-month period ended 31 March 2015 of Baht 179 million from the review of the carrying amount of AIR. Currently, AIR is in the process of liquidation.

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Investments in subsidiaries as at 31 March 2015 and 31 December 2014 were as follows:

Separate financial statements

	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	31	31	31	31	31	31	31	31	31	31	for the three-month	
	March	December	March	December	March	December	March	December	March	December	period ended 31 March	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)				(in million Baht)							
Subsidiaries												
Advanced Internet Revolution Co., Ltd.	99.99	99.99	165	240	525	600	(514)	(335)	11	265	-	-
Advanced Contact Center Co., Ltd.	99.99	99.99	272	272	811	811	-	-	811	811	-	-
Digital Phone Co., Ltd.	98.55	98.55	3,655	3,655	12,493	12,493	(8,230)	(8,230)	4,263	4,263	-	-
Advanced Magic Card Co., Ltd.	99.99	99.99	250	250	250	250	-	-	250	250	-	-
Advanced Mpay Co., Ltd.	99.99	99.99	300	300	336	336	-	-	336	336	-	-
AIN GlobalComm Co., Ltd.	99.99	99.99	100	100	100	100	-	-	100	100	-	-
Advanced Wireless Network Co., Ltd.	99.99	99.99	1,350	1,350	1,485	1,485	-	-	1,485	1,485	-	-
Super Broadband Network Co., Ltd.	99.99	99.99	300	300	300	300	-	-	300	300	-	-
Wireless Device Supply Co., Ltd.	99.99	99.99	50	50	50	50	-	-	50	50	-	-
Fax Lite Co., Ltd.	99.98	99.98	1	1	1	1	-	-	1	1	-	-
MIMO Tech Co., Ltd.	99.99	99.99	50	50	50	50	-	-	50	50	-	-
Advanced Broadband Network Co., Ltd.	99.99	99.98	15	1	15	1	-	-	15	1	-	-
Total					16,416	16,477	(8,744)	(8,565)	7,672	7,912	-	-

Advanced Info Service Public Company Limited and its Subsidiaries
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9 Capital expenditures

Acquisitions, disposals and transfers of capital expenditures during the three-month periods ended 31 March 2015 and 2014 were as follows:

	Consolidated financial statements							
	2015				2014			
	Property, plant and equipment	Intangible assets under the Agreements for operations	Intangible assets	Total <i>(in million Baht)</i>	Property, plant and equipment	Intangible assets under the Agreements for operations	Intangible assets	Total
<i>Cost</i>								
At 1 January	99,813	147,306	19,300	266,419	71,643	171,300	20,972	263,915
Additions	7,512	43	353	7,908	7,888	251	141	8,280
Transfer and reclassify	-	-	-	-	-	(58)	-	(58)
Disposal and write-off	(12,231)	(6,064)	-	(18,295)	(364)	(7,140)	(5)	(7,509)
At 31 March	95,094	141,285	19,653	256,032	79,167	164,353	21,108	264,628
<i>Depreciation, amortisation and impairment losses</i>								
At 1 January	(39,110)	(138,568)	(4,171)	(181,849)	(35,721)	(150,800)	(5,193)	(191,714)
Depreciation and amortisation	(2,270)	(2,825)	(361)	(5,456)	(1,214)	(2,739)	(333)	(4,286)
Transfer and reclassify	-	-	-	-	-	24	-	24
Disposal and write-off	12,156	5,906	-	18,062	356	6,905	4	7,265
At 31 March	(29,224)	(135,487)	(4,532)	(169,243)	(36,579)	(146,610)	(5,522)	(188,711)
<i>Net book value</i>								
At 1 January	60,703	8,738	15,129	84,570	35,922	20,500	15,779	72,201
At 31 March	65,870	5,798	15,121	86,789	42,588	17,743	15,586	75,917

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	Separate financial statements							Total
	2015			2014				
	Property, plant and equipment	Intangible assets under the Agreements for operation	Intangible assets	Total <i>(in million Baht)</i>	Property, plant and equipment	Intangible assets under the Agreements for operation	Intangible assets	
Cost								
At 1 January	24,291	146,058	474	170,823	27,723	169,752	2,893	200,368
Additions	11	43	-	54	64	251	-	315
Transfer and reclassify	-	-	-	-	-	(58)	-	(58)
Disposal and write-off	(12,955)	(6,064)	-	(19,019)	(488)	(6,879)	(7)	(7,374)
At 31 March	11,347	140,037	474	151,858	27,299	163,066	2,886	193,251
Depreciation, amortisation and impairment losses								
At 1 January	(23,188)	(137,320)	(362)	(160,870)	(26,143)	(149,261)	(2,734)	(178,138)
Depreciation and amortisation	(93)	(2,825)	(12)	(2,930)	(128)	(2,737)	(12)	(2,877)
Transfer and reclassify	-	-	-	-	-	24	-	24
Disposal and write-off	12,629	5,906	-	18,535	467	6,643	7	7,117
At 31 March	(10,652)	(134,239)	(374)	(145,265)	(25,804)	(145,331)	(2,739)	(173,874)
Net book value								
At 1 January	1,103	8,738	112	9,953	1,580	20,491	159	22,230
At 31 March	695	5,798	100	6,593	1,495	17,735	147	19,377

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Part of assets under the Agreement for operations is 13,198 towers that the Company has transferred to TOT Public Company Limited and is 152 towers and 115 containers that Digital Phone Company Limited, a subsidiary, has transferred to CAT Public Company Limited. The Group is of the opinion that the Tower and the Container are not the tools and equipment specified under the Agreement. Therefore, the Group shall not be obligated to transfer the Tower and the Container. The Group has also submitted the disputes to the Dispute Reconciliation Office, Justice Court Office requesting the Arbitral Tribunal to give an award that the said assets are not the property as stipulated in the Agreement in July 2014.

10 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Current				
Current portion of long-term borrowings	3,191	2,540	3,191	2,540
Current portion of finance lease liabilities	30	32	17	21
	<u>3,221</u>	<u>2,572</u>	<u>3,208</u>	<u>2,561</u>
Non-current				
Long-term borrowings, net	17,032	17,819	12,032	12,819
Long-term debentures, net	16,576	16,575	-	-
Finance lease liabilities	88	84	39	50
	<u>33,696</u>	<u>34,478</u>	<u>12,071</u>	<u>12,869</u>
Total	<u>36,917</u>	<u>37,050</u>	<u>15,279</u>	<u>15,430</u>

Under the terms and conditions of the long-term borrowings and debentures, the Group/Company has to comply with certain restrictions and maintain certain financial ratios.

The carrying amounts and fair values of long-term debentures (gross of issue costs) as at 31 March 2015 and 31 December 2014 are as follows:

	Consolidated financial statements			
	Carrying amount		Fair values*	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Long-term debentures	<u>16,600</u>	<u>16,600</u>	<u>17,817</u>	<u>17,734</u>

* Fair values for traded debentures have been determined based on quoted selling prices from The Thai Bond Market Association at the close of the business on the reporting date.

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Movement during the three-month periods ended 31 March 2015 and 2014 of interest-bearing liabilities were as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	37,050	24,658	15,430	29,037
Additions	9	6	4	6
Repayments	(8)	(6,507)	(5)	(6,506)
Terminate cost	-	-	(15)	-
Unrealised gain on foreign exchange	(141)	(158)	(141)	(158)
Amortisation	7	6	6	6
At 31 March	<u>36,917</u>	<u>18,005</u>	<u>15,279</u>	<u>22,385</u>

11 Trade and other accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014
		<i>(in million Baht)</i>			
Trade accounts payable					
Related parties	3	127	51	736	907
Other parties		12,214	11,852	410	379
Total		<u>12,341</u>	<u>11,903</u>	<u>1,146</u>	<u>1,286</u>
Other accounts payable		<u>10,684</u>	<u>11,189</u>	<u>2,537</u>	<u>2,824</u>
Total trade and accounts payable		<u>23,025</u>	<u>23,092</u>	<u>3,683</u>	<u>4,110</u>

12 Share-based payment

The performance share plan

Grant I

In March 2013, the Annual General Meeting of shareholders No.1/2013 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan (“Project”). The major information is listed below:

Approved date:	27 March 2013
Number of warrants offered:	405,800 Units
Exercise price:	206.672 Baht/share
Number of reserved shares:	405,800 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share

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Grant II

In March 2014, the Annual General Meeting of shareholders No.1/2014 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan (“Project”). The major information is listed below:

Approved date:	26 March 2014
Number of warrants offered:	680,000 Units
Exercise price:	211.816 Baht/share
Number of reserved shares:	680,000 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share

Grant III

In March 2015, the Annual General Meeting of shareholders No.1/2015 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan (“Project”). The major information is listed below:

Approved date:	24 March 2015
Number of warrants offered:	872,200 Units
Exercise price:	249.938 Baht/share
Number of reserved shares:	872,200 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share
Offer period:	Within one year from the date on which the issuance and offer of the warrant under the program is approved by the 2015 annual general meeting of shareholders

Movements in the number of outstanding warrants are as follows:

	At 1 January 2015	Transaction during the period			At 31 March 2015
		Issued	Exercised (in units)	Forfeited	
ESOP – Grant I					
- Directors	19,824	-	-	-	19,824
- Employees	352,476	-	-	-	352,476
	372,300	-	-	-	372,300
ESOP – Grant II					
- Directors	29,816	-	-	-	29,816
- Employees	611,768	-	-	-	611,768
	641,584	-	-	-	641,584
Total	1,013,884	-	-	-	1,013,884

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Fair value measurement

The Group measured the expense of the Project by reference to the fair value of the equity instrument granted at the grant date using the Monte Carlo Simulation technique. The major assumptions are as below:

Grant I

Weighted average fair value at the grant date	183.499 Baht/share
Share price at the grant date	262.000 Baht/share
Exercise price	206.672 Baht/share
Expected volatility	23.51%
Expected dividend	4.16%
Risk-free interest rate	3.07%

Grant II

Weighted average fair value at the grant date	101.617 Baht/share
Share price at the grant date	240.000 Baht/share
Exercise price	211.816 Baht/share
Expected volatility	25.15%
Expected dividend	5.00%
Risk-free interest rate	3.08%

For the three-month period ended 31 March 2015, the Group/Company recognised share-based payment expense at Baht 6 million and Baht 6 million, respectively on the consolidated and separate financial statements (*For the three-month period ended 31 March 2014: Baht 3 million and Baht 3 million, respectively*).

13 Segment information

The Group comprises the following operating segments:

<i>Segment 1</i>	Mobile phone and call center services
<i>Segment 2</i>	Mobile phone sales
<i>Segment 3</i>	Datanet and broadband services

Information about reportable segments:

	Mobile phone and call center services		Mobile phone sales		Datanet and broadband services		Total reportable segments	
	2015	2014	2015	2014	2015	2014	2015	2014
<i>Three-month period ended 31 March</i>								
External revenue	32,039	30,824	8,297	5,672	243	203	40,579	36,699
Segment profit (loss) before income tax expense	12,406	12,132	(165)	(247)	55	31	12,296	11,916

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Diluted earnings per share

The calculation of diluted earnings per share for the three-month periods ended 31 March 2015 and 2014 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	9,897	9,481	1,842	4,859
Profit attributable to ordinary shareholders of the Company (diluted)	9,897	9,481	1,842	4,859
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Effect of share-based payment	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	2,973	2,973	2,973	2,973
Earnings per share (diluted) (in Baht)	3.33	3.19	0.62	1.63

16 Dividends

At the annual general meeting of the shareholders of the Company held on 24 March 2015, the shareholders approved the appropriation of dividend of Baht 12.00 per share. The Company paid an interim dividend at the rate of Baht 6.04 per share on 2 September 2014 therefore the remaining dividend to be paid is Baht 5.96 per share, amounting to Baht 17,718 million. The dividend was paid to shareholders on 22 April 2015.

17 Financial instruments

Financial instruments carried at fair value

The fair values of financial assets together with the carrying amounts in the consolidated statement of financial position are as follows.

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
31 March 2015					
<i>Current</i>					
Equity/Debt securities available for sale	1,563	-	1,563	-	1,563

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	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
31 December 2014					
<i>Current</i>					
Equity/Debt securities available for sale	1,542	-	1,542	-	1,542

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset of liability.

The Group/Company determines Level 2 fair values for debt securities using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

Financial instruments not carried at fair value

As at 31 March 2015 and 31 December 2014, net swap and forward receivables (payables) are as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<i>(in million Baht)</i>				
<i>Swap contracts:</i>				
Swap contracts receivable	11,082	11,221	11,082	11,221
Swap contracts payable**	(10,499)	(10,499)	(10,499)	(10,499)
Total swap contracts receivable/(payable)	583	722	583	722
<i>Forward contracts:</i>				
Forward contracts receivable	4,775	471	192	197
Forward contracts payable**	(4,847)	(484)	(207)	(209)
Total forward contracts payable	(72)	(13)	(15)	(12)
<i>Total swap and forward contracts:</i>				
Swap and forward contracts receivable	15,857	11,692	11,274	11,418
Swap and forward contracts payable**	(15,346)	(10,983)	(10,706)	(10,708)
Total swap and forward contracts receivable/(payable)	511	709	568	710

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	Consolidated financial statements		Separate financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
<i>Current assets (liabilities)</i>				
Other current assets	150	141	150	141
Other current liabilities	(57)	(1)	-	-
Total current assets (liabilities)	93	140	150	141
<i>Non-current assets (liabilities)</i>				
Swap and forward contracts receivable	418	569	418	569
Total non-current assets	418	569	418	569
Total	511	709	568	710

The nominal amounts and fair values of swap and forward contracts as at 31 March 2015 and 31 December 2014 are as follows:

	Consolidated financial statements			
	Nominal amounts**		Fair values*	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Swap contracts	10,499	10,499	10,831	10,945
Forward contracts	4,847	484	4,832	477
Total	15,346	10,983	15,663	11,422

	Separate financial statements			
	Nominal amounts**		Fair values*	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	<i>(in million Baht)</i>			
Swap contracts	10,499	10,499	10,831	10,945
Forward contracts	207	209	195	200
Total	10,706	10,708	11,026	11,145

*The fair value of swap and forward contracts is the adjusted value of the original contracts which the Company entered with the commercial banks with the market price on the reporting date in order to reflect the current value of the contracts.

**The nominal amount of swap and forward contracts is the value of the original contracts which the Company entered with the commercial banks and must be repaid at the maturity date.

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18 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2015	2014	2015	2014
	<i>(in million)</i>			
Capital commitments				
<i>Contracted but not provided for</i>				
Intangible assets under the Agreements for operations				
Thai Baht	48	69	48	69
United States Dollars	2	3	2	3
Buildings and equipment				
Thai Baht	18,452	18,765	15	30
United States Dollars	231	314	-	-
Japanese Yen	78	97	-	-
Service maintenance agreements				
Thai Baht	1,785	1,651	209	607
United States Dollars	47	16	14	6
Japanese Yen	48	12	29	10
	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Non-cancellable operating lease				
Commitments				
Within one year	1,969	1,722	288	292
After one year but within five years	2,402	2,073	216	262
After five years	1	-	-	-
Total	4,372	3,795	504	554
Other commitments				
Forward and swap contracts	15,346	10,983	10,706	10,708
Bank guarantees:				
- The Agreements for operation	1,460	1,460	1,460	1,460
- Spectrum license payable	3,912	3,912	-	-
- Others	1,069	1,029	317	313
Total	21,787	17,384	12,483	12,481

The Group has entered into lease and related service agreements for office space, cars, computers and base station for periods ranging from 1 year to 15 years with options to renew.

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19 Contingent liabilities

Pursuant to the letter dated 18 January 2013, the Revenue Department has challenged the Company and Digital Phone Company Limited (“DPC”), a subsidiary, to pay surcharge of Baht 128 million and Baht 6 million, respectively, regarding the withholding tax on revenue sharing payment after excise tax deduction by giving the opinion that the excise tax is a part of revenue sharing. Therefore, the Company and DPC will be liable to pay the shortage of withholding tax amount of excise Tax which came from the revenue sharing payment without excise tax deduction. The Company and DPC have submitted the appeal to the Commission of Appeal. At present, the said cases are pending on the consideration process of the Commission of Appeal.

20 Significant events, commercial disputes and litigation

The Company

1) The opinion of the Council of State relating to the amendments or supplements to the Agreement for Operation

Pursuant to the letter of the Ministry of Information and Communication Technology to the Council of State requesting opinion on whether the amendments or supplements to the agreement between TOT Public Company Limited who is the Telephone Organization of Thailand at that time (“TOT”) and Advanced Info Service Public Company Limited after the enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 are legitimately effected and in case those amendments or supplements to the Agreement are not legitimately effected according to such Act, what guidelines TOT should implement.

The Council of State was of the opinion by its Memorandum of the Council of State no. 291/2550 on Enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 (in the case of the Agreement Permitting Undertaking of Cellular Mobile Telephone Services, “the Agreement” between TOT Public Company Limited and Advanced Info Service Public Company Limited) that

*“... since TOT being the contracting party in this case acted on behalf of the State by virtue of the authority and duty pursuant to Telephone Organization of Thailand Act, the executed Agreement thus represents the agreement between the State and the private sector in order to authorise the private sector to provide public services to the public on behalf of the State. The State therefore is obligated to perform according to those stipulated in that Agreement.

However, since the amendments to the Agreement upon which the consultation is being sought were not legitimately carried out according to the Act on Private Participation in State Undertaking, B.E. 2535 which was in force at the time of effecting those amendments because those amendments had not been proposed for the consideration of the Coordination committee according to Section 22 and not forwarded to the Cabinet, being the organ charged with the authority to approve of the amendments to the Agreement pursuant to the Act as aforesaid, the amendments made to the Agreement with TOT as the contracting party were therefore carried out without legal authority.

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However, the procedures to amend the Agreement represent administrative juristic acts which are capable of being separated from the amendments to the Agreement already effected and those amendments to the Agreement are still in force so long as they are not rescinded or extinguished by statute of limitation or by other causes. In case the Cabinet, vested with the authority under the law and having considered the causes for the rescission, the impact, and the propriety on the basis of the State's and the public interest, is of the opinion that the illegitimate procedures have resulted in damage that warrants rescinding the amendments to the Agreement already effected, the Cabinet may legitimately rescind such amendments to the Agreement. However, if the Cabinet, upon having considered the same, deems it justified, with regard to the State's or the public interest and the continuity of providing public services, the Cabinet may exercise its discretion to grant approval for the procedures to further amend the Agreement, as appropriate, with the unit owning the project and the Coordination committee pursuant to Section 22 being the parties to submit the facts, justifications, and opinion for the consideration of the Cabinet."

*The above clauses in "... " represent some parts of the Memorandum of the Council of State no. 291/2550. The full text Memorandum of the Council of State is available only in Thai language.

In addition, the Coordinating Committee according to Clause 22 has already submitted the opinion regarding the amendments of the Agreement of the Company to the Minister of the Information and Communications Technology.

2) *The deduction of excise tax from the revenue sharing between the Company and TOT Public Company Limited ("TOT")*

On 22 January 2008, TOT Public Company Limited ("TOT") submitted a dispute under the black case no. 9/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding the Company to pay additional payment of revenue sharing under the Cellular Mobile Phone Contract in the amount of Baht 31,463 million under the Cellular Mobile Phone Contract plus interest at the rate of 1.25 percent per month computing from the default date on 10 January 2007 until the full payment is made.

This amount is the same as an excise tax that the Company had delivered to Excise Department during 28 January 2003 to 26 February 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003. Thus, the Company has fully complied with the Cabinet's resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet. Moreover, TOT had sent letter no. Tor Sor Tor. Bor Yor./843 dated 10 March 2003 stating that the Company has fully complied with the Cabinet's resolution and the Company's burden remains at the same percentage rate as specified in the contract and the submission of the said excise tax return shall not affect the terms of the contract.

On 20 May 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarised that the Company was not in breach of the Agreement since the Company has completely made the payment of the revenue sharing and all debt was therefore paid in full. Therefore, TOT has no right to re-claim for the alleged deficit amount.

On 22 September 2011, TOT has submitted the black case no. 1918/2554 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

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3) *Interconnection agreement in accordance with the announcement of National Telecommunication Commission (“NTC”)*

According to Telecommunication Business Operation Act B.E. 2544 and the announcement of National Telecommunication Commission (“NTC”) regarding the Use and Interconnect of Telecommunication Network B.E. 2549, the Company has entered into an interconnection (“IC”) agreement with other operators approved by NTC and the effective period of the agreement is listed below:

Operators	Effective period
1) Total Access Communication PCL.	30 November 2006 onwards
2) Truemove Company Limited	16 January 2007 onwards
3) Digital Phone Company Limited	1 June 2009 onwards
4) CAT Telecom Public Company Limited	7 April 2010 onwards
5) Advanced Wireless Network Company Limited	1 April 2013 onwards
6) dtac TriNet Company Limited	1 July 2013 onwards
7) Real Future Co., Ltd	1 July 2013 onwards

On 31 August 2007, TOT Public Company Limited (“TOT”) has filed a lawsuit against NTC to the Central Administrative Court to revoke the said announcement. On 15 September 2010, the Central Administrative Court has dismissed the case which TOT filed to revoke the announcement of NTC regarding the Use and Interconnect of Telecommunication Network B.E. 2549. TOT has appealed such dismissal to the Supreme Administrative Court. On 4 February 2008 TOT sent a letter to the Company informing that the Company should wait for the final judgment of the Court. Should the Company undertake the IC agreements per the NTC announcement before the final judgment of the Court, TOT shall not recognise the Company’s related actions and the Company must be responsible for such actions.

Having considered the said TOT’s letter, related laws and the legal counsel’s opinion, the Company’s management is of the opinion that non-compliance by the Company with the IC agreements shall be deemed violating the said NTC announcement. Therefore, the Company has decided to comply with the IC agreements in line with the current legal provisions.

According to the Agreement to operate cellular mobile telephone service, the Company has to pay the higher of stipulated annual minimum payment or the percentage of service revenues prior to deducting expenses and taxes. However, the Company had to comply with the regulation while TOT would like to wait for the final judgment of the Court. As a result, the Company anticipated entering into a negotiation with TOT in relation to a calculation method of the revenue sharing. The Company calculated the revenue sharing from the net IC revenue which is similar to other operators in the telecommunication industry on a conservative basis. The revenue sharing amount to be paid to TOT is subject to the final judgment of the Court in relation to revoking the announcement of NTC and a negotiation between TOT and the Company. The Company will make adjustment in the financial statement in the period when the issue has been agreed. The Company’s management is certain that it will not incur significant expense more than the revenue sharing amount which the Company has recorded.

However, after having considered the letter from TOT, the relevant laws and the comments of the legal consultant, the management of the Company is of the opinion that non-compliance with the above Interconnection Agreement would be in conflict with the announcement of NTC regarding the Use and Interconnect of Telecommunication Network. Therefore, the Company decided to comply with the said Agreements which are in line with the legal provisions currently in force by issuing invoices to collect the interconnection charge from the contractual parties.

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On 30 December 2008, the Company has remitted the revenue sharing incurred from the interconnection of the telecommunication network since February 2007 to June 2008 in the amount of Baht 761 million based on the rate and calculation method of the Company to TOT. Later, the Company and TOT had set up the negotiation committee to seek for the conclusion but it could not be done as TOT required the Company to pay revenue sharing calculated on gross interconnection charges received by the Company at the rate specified in the Agreement without deduction of interconnection charges which the Company has to pay to other operators. Thus, on 26 January 2011, TOT sent a letter demanding the Company to pay the revenue sharing on the interconnection charges of the Agreement for operations year 17th - 20th in the amount of Baht 17,803 million plus interest at the rate of 1.25% per month. But the Company disagreed and sent a letter opposing the said claim to TOT and the Company has submitted the dispute to the Alternative Dispute Resolution Office, the Arbitration Institute ref. black no. 19/2554 on 9 March 2011 requesting the Arbitral Tribunal to give an award that TOT has no right to claim for such revenue sharing.

On 29 July 2014, TOT has submitted a dispute no. 55/2557 demanding the Company to pay additional payment for the revenue sharing on the interconnection charges of the operation years 21st - 22nd in the amount of Baht 9,984 million plus interest at 1.25% per month on its outstanding and computing from the default date until the full payment is made. In addition, TOT has requested this case to be under the same consideration with the black case no. 19/2554 to the Arbitral Tribunal. At present, the said disputes are pending on the Arbitration process.

4) Obligations of the bank guarantees in connection with the Agreement for Operations

According to the Agreement, the Company has the duties to deliver the bank guarantees to TOT Public Company Limited ("TOT") to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the operation year back.

TOT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 17th - 21st for a total value of Baht 7,007 million by claiming that the Company had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges where the disputes of which have been pending the consideration of the Arbitral Tribunal.

On 11 May 2011 and on 5 October 2012, the Company has submitted the disputes to the Alternative Dispute Resolution Office, the Arbitration Institute, black case no. 40/2554 and 119/2555 requesting the Arbitral Tribunal to award an order to TOT to return the bank guarantees to the Company because the Company has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects.

On 10 February 2014, the Arbitral Tribunal has given the arbitration award to order TOT to return the bank guarantees for the operation year 17th - 21st to the Company. On 16 May 2014, TOT has submitted the black case no. 660/2557 to the Central Administrative Court to revoke the Arbitral Tribunal's award.

On 19 May 2014, the Company has submitted the black case no. 666/2557 to the Central Administrative Court requesting TOT to return the bank guarantees for the 17th - 21st operation year to the Company according to the arbitration award and pay the bank guarantees fee of Baht 6.65 million which had been paid by the Company to the banks as well as interest at 7.5% per annum computing from the date that Company paid to the banks. Currently, this black case is in the Central Administrative Court procedure.

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5) *900 MHz subscribers migration to 3G 2100 MHz*

On 25 September 2014, TOT Public Company Limited (“TOT”) has submitted a dispute under the black case no. 80/2557 to the Arbitration Institute demanding the Company to pay compensation from the 900 MHz subscribers porting to 3G 2100 MHz provided by its subsidiary in the amount of Baht 9,126 million plus interest at 7.5% per annum from 25 September 2014 until the full payment is made.

Currently, the case is in the Arbitration process. The Company’s management believes that the Company has correctly and fully complied with the related conditions of the Agreement in all respects then the outcome of the said dispute shall be settled favourably and has no considerable impact on the financial statements of the Company.

Digital Phone Company Limited (“DPC”)

1) *The deduction of excise tax from the revenue sharing between DPC and CAT Telecom Public Company Limited (“CAT”)*

On 9 January 2008, CAT Telecom Public Company Limited (“CAT”) submitted a dispute under the black case no. 3/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC, a subsidiary, to pay additional payment of revenue sharing under the Digital Personal Communication Network Contract in the amount of Baht 2,449 million plus penalty at the rate of 1.25% per month of the unpaid amount of each year computing from the default date until the full payment is made which total penalty calculated up to December 2007 is Baht 1,500 million, totalling Baht 3,949 million.

Later, on 1 October 2008, CAT has submitted the petition to adjust the amount claimed to Baht 3,410 million which calculated from the outstanding revenue sharing up to January 2008 including penalty for Baht 790 million and value added tax for Baht 171 million.

This amount is the same as an excise tax that DPC had delivered to Excise Department during 16 September 2003 to 15 September 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003. Moreover, CAT has sent a letter No. CAT 603 (Kor Tor.) 739 notifying DPC to comply with such Cabinet’s resolution. Thus, DPC has correctly and fully complied with the Cabinet’s resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet.

On 1 March 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarised that DPC was not in breach of the Agreement since DPC has completely made the payment of the revenue sharing and all debt was therefore paid in full. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty and the value added tax.

On 3 June 2011, CAT has submitted the black case no. 1259/2554 to the Central Administrative Court to revoke the Arbitral Tribunal’s award. Presently, the said case is pending on the Central Administrative Court process.

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2) *The deduction of access charge from revenue sharing between DPC and CAT Telecom Public Company Limited (“CAT”)*

Pursuant to the resolution of the meeting on 14 January 2004 between TOT Public Company Limited (“TOT”), CAT Telecom Public Company Limited (“CAT”), Digital Phone Company Limited (“DPC”), a subsidiary, and True Move Company Limited (“True Move”) by the Minister of the Information and Communications Technology Ministry, the Chairman, that TOT consented to reduce access charge of mobile phone from revenue sharing which TOT received from CAT in the amount of Baht 22 /number/month to DPC and True Move starting from the 6th operation year as Total Access Communication Public Company Limited (“DTAC”) had received from TOT.

On 12 October 2006 TOT sent a letter to CAT that TOT could not reduce access charge of mobile phone to DPC and True Move and demanding CAT to pay the access charge that DPC and True Move have deducted as a discount of access charge plus legal interest rate computing from the default date until the fully payment is made.

On 29 July 2008, CAT submitted a dispute under black case no. 68/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 154 million (additional consideration of the 7th -10th operation year) plus value added tax and interest at the rate 1.25 percent per month of the above principal amount starting from the default date of each year since the 7th -10th operation year until the full payment is made.

On 15 October 2009, CAT submitted a dispute under black case no. 96/2552 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 22 million (additional consideration of the 11th operation year) including the penalty at the rate of 1.25 percent per month which calculated up to 15 October 2009, total amount of claim is Baht 26 million.

On 23 March 2012, the Arbitral Tribunal has dismissed the said two disputes by giving the reason which can be summarised that CAT has not yet paid the discount Baht 22/number/month to TOT. Moreover, CAT cannot prove that DPC has breached the Agreement and has made the payment of revenue sharing incorrectly. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty fine and the value added tax.

On 25 June 2012, CAT has submitted the black case no. 1016/2555 to the Central Administrative Court to revoke the Arbitral Tribunal’s award, and on 16 September 2014, the Central Administrative Court has issued the dismissal order of this case. On 15 October 2014, CAT has appealed such dismissal to the Supreme Administrative Court. At present, the said case is pending for consideration of the Supreme Administrative Court.

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3) *Access charge payment between DPC, CAT Telecom Public Company Limited (“CAT”) and TOT Public Company Limited (“TOT”)*

On 9 May 2011, TOT Public Company Limited (“TOT”) has submitted the black case no. 1099/2554 to the Central Administrative Court against CAT Telecom Public Company Limited (“CAT”) as the defendant no. 1 and Digital Phone Company Limited (“DPC”) as the defendant no. 2 demanding CAT and DPC to pay the access charge amounting to Baht 2,436 million plus value added tax and interest calculated up to 9 May 2011, total amount of claim is Baht 2,954 million plus interest until the full payment is made as follows:

- 1) Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 432 million.
- 2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 2,331 million.
- 3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 191 million. Part of this demand is the same amount as CAT has claimed according to the dispute under black case no. 68/2551 mentioned above but different in terms of the calculation period and interest.

Later, 31 July 2014 TOT has submitted a petition for revision to adjust the access charge amounting to Baht 5,454 million calculated up to 16 September 2013 which is the date of the Agreement for operation period ended plus valued add tax and interest calculated up to 10 July 2014 plus interest calculated from 10 July 2014 until full payment is made as follows.

- 1) Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 1,289 million.
- 2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 3,944 million.
- 3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 221 million.

At present, the said case is pending consideration of the Central Administrative Court. The Company’s management believes that the outcome of the said case shall be in favour of DPC and have no material impact on the consolidated financial statements of the Group since DPC has correctly and fully complied with the law and the relating Agreements in all respects.

4) *To deliver and transfer ownership of towers and equipments of power supply between DPC and CAT Telecom Public Company Limited (“CAT”)*

On 3 February 2009, CAT Telecom Public Company Limited (“CAT”) has submitted a dispute under the black case no. 8/2552 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC, a subsidiary, to deliver and transfer ownership of 3,343 towers including 2,653 equipments of power supply under the Digital PCN (“Personal Communication Network Agreement”). Failure to do so, DPC must reimburse Baht 2,230 million to CAT. DPC considers that all disputed assets, towers and the equipment of power supply are not the property as stipulated in the Agreement.

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On 18 July 2012, the Arbitral Tribunal has given the arbitration award to dismiss the said disputes under the reason that the request by CAT to demand the delivery of the assets from DPC was the premature exercise of legal claim under the contract.

On 25 October 2012, CAT has submitted the black case no. 2757/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

5) The reduction of roaming fee between DPC and CAT Telecom Public Company Limited ("CAT")

Starting from 1 July 2006, CAT Telecom Public Company Limited ("CAT") allowed Digital Phone Company Limited ("DPC"), a subsidiary, to reduce roaming fee per minute from Baht 2.10 to Baht 1.10 to be in line with the decrease of mobile phone service fee. The approval has been renewed for 3-month period several times thereafter until 31 March 2007. After that, CAT did not notify DPC of any changes until on 24 March 2008, CAT had sent a letter to notify DPC to charge roaming fee at Baht 2.10 per minute starting from 1 April 2007. On 8 May 2008, DPC sent a request letter to CAT to reconsider the roaming fee adjustment. The reason for such request was based on the market environment where the prevailing mobile phone service charge to consumers in the market was significantly lower than the specified roaming fee. Such high roaming fee is therefore unreasonable for DPC to provide the roaming service to any operators. In the letter, DPC informed CAT that during the period when CAT is reconsidering the request, DPC will charge roaming fee at Baht 1.10 per minute according to the previous agreed terms and conditions. On 31 March 2009, CAT has approved DPC to charge roaming fee at Baht 1.10 per minute during 1 January 2009 - 31 March 2009. Moreover, DPC has entered into the national roaming agreement with the Company to charge roaming fee at Baht 1.10 per minute approved by National Telecommunication Commission ("NTC") on 16 June 2009.

On 15 July 2010, CAT has submitted a dispute under black case no. 62/2553 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th - 12th operation year that DPC reduced roaming fee per minute from Baht 2.10 to Baht 1.10 during 1 April 2007 - 31 December 2008 amounting to Baht 1,636 million plus penalty computing up to March 2010 of Baht 364 million, totaling Baht 2,000 million and penalty at the rate of 1.25 percent per month from April 2010 until the full payment is made by alleging that CAT had approved the said roaming fee reduction up to 31 March 2007 only.

On 12 September 2011, CAT has submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute; black case no. 89/2554 demanding DPC to make additional payment of revenue sharing of 12th operation year which DPC reduced roaming fee from Baht 2.10 per minute to Baht 1.10 per minute during 1 April 2009 - 15 June 2009 in the amount of Baht 113 million plus penalty at the rate of 1.25% per month from 1 April 2009 until full payment is made.

At present, the said dispute is pending on the Arbitration process. The Company's management believes that the outcome of the said dispute shall have no material impact on the consolidated financial statements of the Group since DPC has correctly and fully complied with the law and the relating Agreements in all respects.

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6) *The damage arisen from uncollectible international call service charges between DPC and CAT Telecom Public Company Limited (“CAT”)*

On 8 April 2011, CAT Telecom Public Company Limited (“CAT”) submitted a dispute under black case no. 32/2554 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay Baht 33 million including interest at the rate of 15% per annum of the claimed amount, total amount of claim Baht 35 million by alleging that DPC has committed a breach of the Digital PCN (Personal Communication Network) 1800 Service Agreement due to subscriber fraud on the Digital PCN 1800 Service Agreement between DPC and subscribers for 1,209 numbers during 1997 - 2003 causing damages to CAT where CAT was unable to collect the international call service charges occurred from the use of such numbers.

On 28 May 2013, the Arbitral Tribunal reached its decision to dismiss such dispute by stating that it is not about breach of the agreement but whether there has been a wrongful act. Therefore, the dispute is not within the Jurisdiction of the Arbitral Tribunal.

On 6 September 2013, CAT has submitted the black case no. 1767/2556 to the Central Administrative Court to revoke the Arbitral Tribunal’s award. Presently, the said case is pending on the Central Administrative Court process.

7) *Revenue sharing on interconnection charge between DPC and CAT Telecom Public Company Limited (“CAT”)*

On 24 August 2012, CAT has submitted a dispute under black case no. 110/2555 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th - 14th operation year amounting to Baht 183 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full payment is made.

On 1 April 2014, CAT has submitted a dispute under black case no. 26/2557 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 15th operation year amounting to Baht 141 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full payment is made.

Such amount represents the revenue sharing which CAT calculated on gross interconnection charge received by DPC from other operators at the percentage rate specified in the Agreement without deduction of interconnection charge which DPC has to pay to other operators.

At present, the said dispute is pending on the Arbitration procedures. The Company’s management believes that the outcome of the said dispute shall be settled favourably and has no material impact on the consolidated financial statements of the Company since DPC has correctly and fully complied with the law and the related conditions of the Agreement in all respects.

8) *Obligations of the bank guarantees in connection with the Agreements for Operations*

According to the Agreement, Digital Phone Company Limited (“DPC”) has the duties to deliver the bank guarantees to CAT Telecom Public Company Limited (“CAT”) to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the operation year back.

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CAT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 10th - 14th for a total value of Baht 2,606 million by claiming that DPC had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges, the discount of Access Charges and the reduction of the rate of roaming charge where the disputes of which have been pending the consideration of the Arbitral Tribunal.

On 8 October 2012, DPC has submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, black case no. 120/2555 requesting the Arbitral Tribunal to award an order to CAT to return the bank guarantees to DPC because DPC has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects. At present, the above mentioned disputes are in the process of consideration of the Arbitral Tribunal.

AIN Globalcomm Company Limited (“AIN”)

The international direct dialling service by using the symbol “+” between AIN and CAT Telecom Public Company Limited (“CAT”)

On 7 March 2008, CAT Telecom Public Company Limited (“CAT”) has submitted the black case no. 1245/2551 to the Civil Court against Advanced Info Service Public Company Limited (“the Company”) as the defendant no. 1 and AIN Globalcomm Company Limited, a subsidiary, as the defendant no. 2 requesting the Company and the subsidiary to pay compensation with interest rate at 7.5% per annum for damage up to the date of case submission equalling to Baht 130 million. The reason is to change traffic of the international direct dialling service by the Company and the subsidiary during 1-27 March 2007 through the Company subscriber by using the symbol “+” dialling from no. 005 of the subsidiary, instead of no. 001 of CAT without the prior notification to subscriber. On 4 September 2008, CAT submitted a petition revision to adjust compensation for Baht 583 million (including interest) because CAT was damaged consecutively until 7 March 2008.

On 19 November 2008 CAT submitted the request for the order of provisional remedial measure before delivery of judgment to cease the Company and the subsidiary to transfer the traffic 001 or symbol “+” of CAT to traffic 005 of the subsidiary. On 26 February 2009, the Civil Court dismissed the CAT’ request and on 20 March 2009, CAT has appealed the dismissal. On 16 August 2012, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court and CAT has submitted the petition to the Supreme Court on 19 October 2012. On 3 February 2015, the Supreme Court has issued an order confirming the dismissal order of the Appeal Court.

On 17 December 2009, the Civil Court has dismissed the case as the facts cannot be proved that CAT has either an exclusive right to use the symbol “+” or the right to prohibit the Company and AIN to use the symbol “+” and it cannot also be proved that the changing of the connection setting of the international direct dialling service from using the symbol “+” for the code 001 of CAT to “+” for the code 005 of AIN has caused the subscribers who use international direct dialling service to believe that they are using the code 001 of CAT, therefore, the acts of the Company have not infringed any right of CAT and also of AIN which CAT alleged to jointly commit the wrongful act against the Company and have not infringed the right of CAT as well. CAT has appealed to the Court of Appeal on 10 March 2010. Subsequently, on 27 June 2013, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court and CAT has submitted the petition to the Supreme Court on 16 September 2013. Presently, the said case is pending on the Supreme Court process.

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21 Reclassification of accounts

Certain accounts in the 2014 financial statement have been reclassified to conform to the presentation in the 2015 financial statements as follows:

	2014					
	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in million Baht)</i>					
Statement of financial position						
Trade accounts receivable	10,415	(10,415)	-	9,944	(9,944)	-
Other receivable	5,901	(5,901)	-	1,987	(1,987)	-
Trade and other accounts receivable	-	14,545	14,545	-	11,931	11,931
Other current assets	686	603	1,289	-	-	-
Other non-current assets	550	1,168	1,718	-	-	-
Trade accounts payable	11,903	(11,903)	-	1,286	(1,286)	-
Other payable	11,189	(11,189)	-	2,824	(2,824)	-
Trade and other accounts payable	-	23,092	23,092	-	4,110	4,110
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.