

2016 Half-Year Analyst Meeting

Advanced Info Service Plc.

17 August 2016

Agenda

Mr.Somchai Lertsutiwong, CEO

01	1H16 Wrap up
02	Competitive landscape and strategy in 2H16

Mr.Hui Weng Cheong, COO

03	Mobile business strategy: Network quality enhancement & Handset strategy
04	AIS Fibre development & competition
05	Introduction to Cloud business

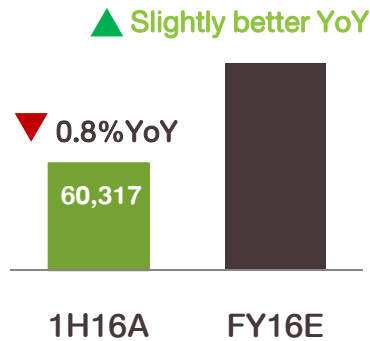
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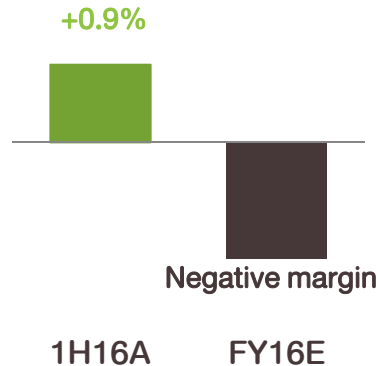
1H16 Wrap-up and FY16 Revised Guidance

Service revenue ex. IC

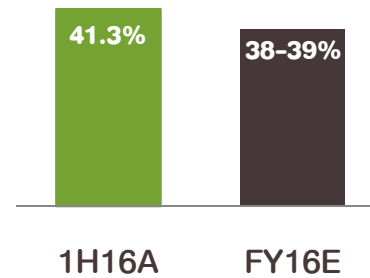
(Bt mn)



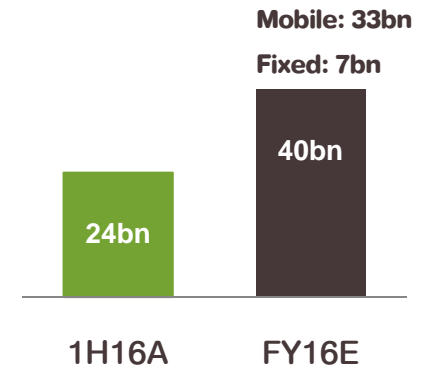
Handset margin



Consolidated EBITDA margin



Cash CAPEX



1H16A

- Intense competition and uncertainty on 2G service

FY16E

- 2G revenue protected
- Growth from 3G/4G and fixed broadband

- Slight margin from high-end handsets

- Focus more on smartphone discounts while full subsidy scaled down

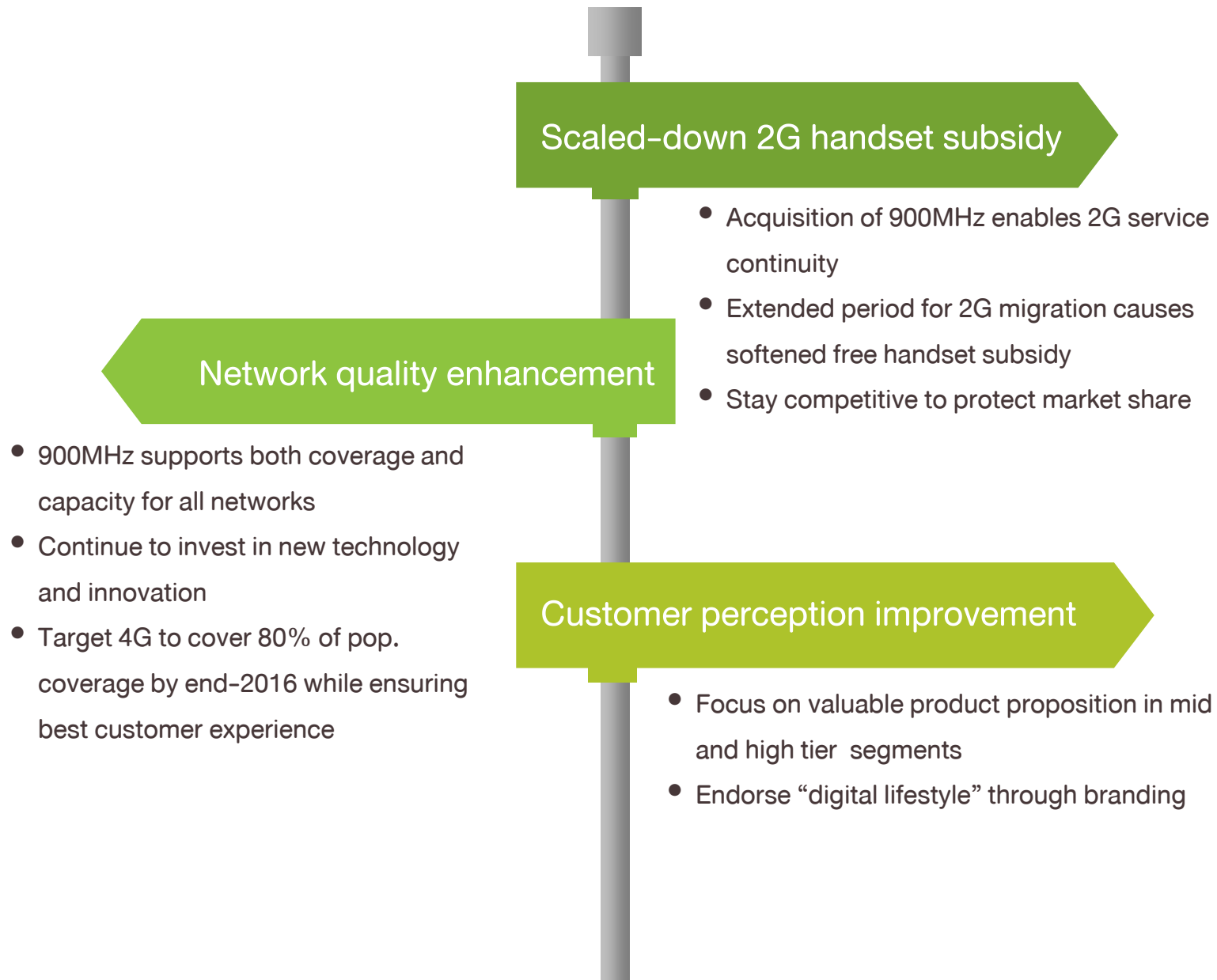
- Subsidy cost and continued investment pressured EBITDA

- Slightly better revenue offset by costs of handset campaigns and TOT deal

- Accelerated investment after license acquisitions

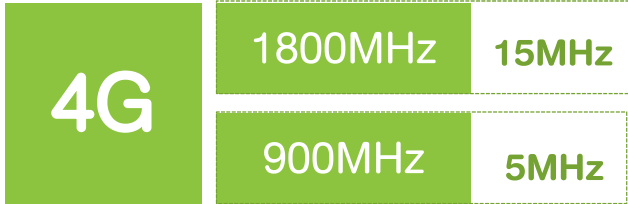
- 4G quick expansion
- Fixed broadband to cover 6.5mn homes in 24 cities

Competitive Landscape and Strategy in 2H16



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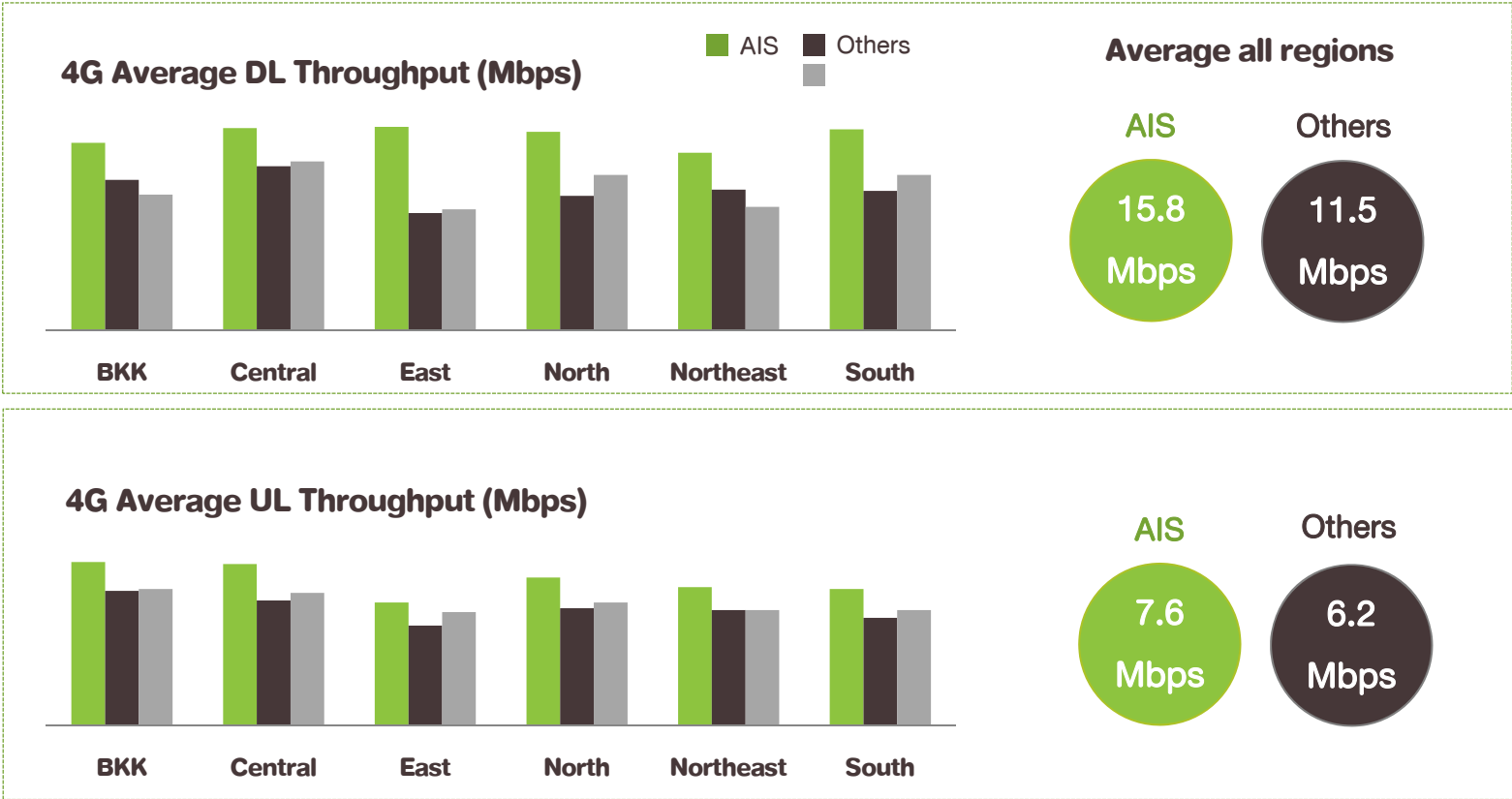


Network quality highly enhanced (i)

Quickly rolled out for the best customer experience

Currently covering 55% of population, targeting 80% by end-2016

Drive Test



Data as of Jun-16

3G	2100MHz	15MHz
	900MHz	5MHz

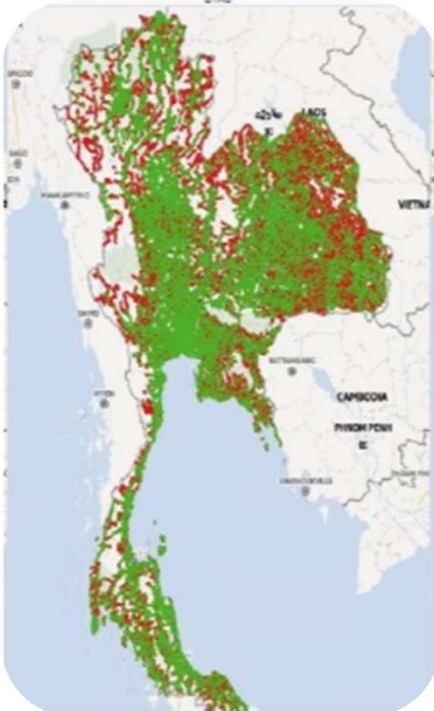
Network quality highly enhanced (ii)

Coverage strengthened by 900MHz

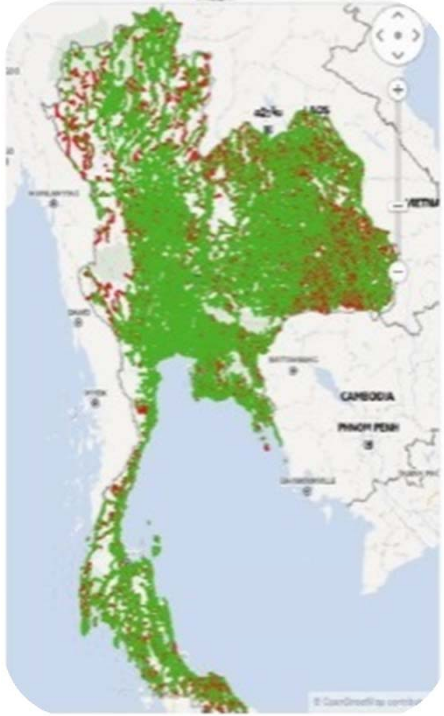
Data as of Jun-16



AIS: 89%



Other: 74%



Other: 86%

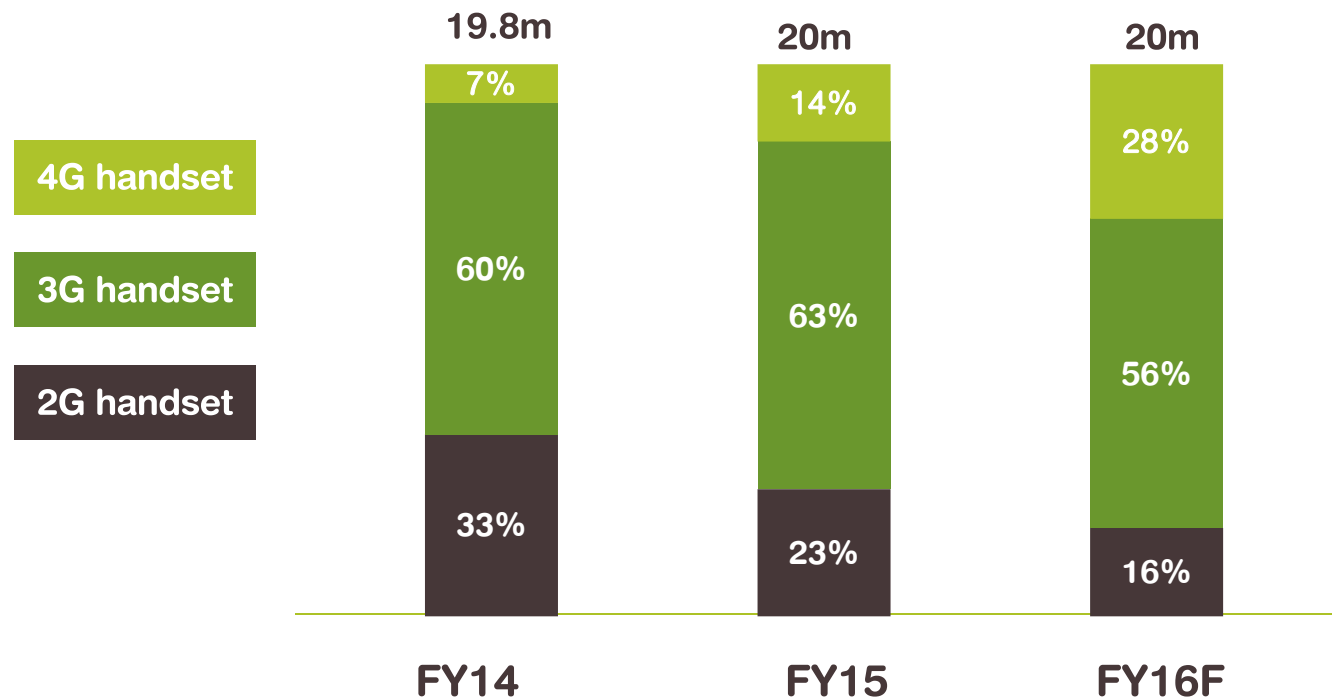
- Good coverage
- Bad coverage

Thailand handset market

3G handset continues to be a mainstream while
4G handset popularity increases sharply


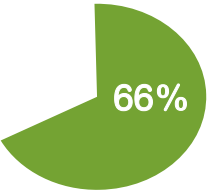

New handset sales

(unit, % contribution)



2H16 Handset strategy

Attractive handset offerings match the needs of each segment

	% Handset (total 39.4m subs)	Data usage (GB/sub/month)	Campaigns & Target groups
2G	 <p>14%</p>	0.1GB	<p><i>Top up to get free handset</i></p> <p>Low-end</p> <ul style="list-style-type: none"> Target existing subs in rural area to migrate to 3G
3G	 <p>66%</p>	1.5GB	<p>Mid to high end</p> <ul style="list-style-type: none"> Target new smartphone adopters Convert from prepaid to postpaid Focus on high quality & experienced data users Target users upgrade from 3G to 4G and prepaid segment
4G	 <p>20%</p>	3.9GB	



Continue 2G to 3G handset migration

Protect market share with attractive offerings

Handset offerings

Attract 2G handset users to migrate to 3G handset by topping up to get free handset








Top up	Bt100	Bt300	Bt500	Bt1000
Free Handset				
	3G Feature Phone 890-Baht FREE	3G Smartphone 3.5" 1,690-Baht FREE	3G Smartphone 4.0" 2,190-Baht FREE	4G Smartphone 4.0" 2,490-Baht FREE

Leveraging existing quality customer base

Acquire new mid to high end 3G & 4G customers

Handset offerings

Encourage AIS “Serenade” high quality customers to register new numbers or transfer from another network

<p>Free</p>	<div style="display: flex; align-items: center; justify-content: space-around;"> <div style="text-align: center;">  Galaxy J2 Bt4,800 </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  LAVA 4G VoLTE 5.0 Bt3,590 </div> <div style="text-align: center;">  </div> <div style="margin-left: 20px;"> <p>+</p> <p>Package 4G Max Speed Bt488 up</p> </div> </div>
<p>50% OFF</p>	<div style="display: flex; align-items: center; justify-content: space-around;"> <div style="text-align: center;">  iPhone 6s Bt26,900 (16GB) iPhone 6s Bt30,900 (64GB) iPhone 6s Plus Bt35,100 (64GB) </div> <div style="text-align: center;">  Galaxy S7 edge Bt26,900 </div> <div style="text-align: center;">  iPad pro 9.6inch Bt27,600 </div> <div style="margin-left: 20px;"> <p>+</p> <p>Package 4G Max Speed Bt888 up</p> </div> </div>

Strengthen brand activities

Enhance customer perception on data service

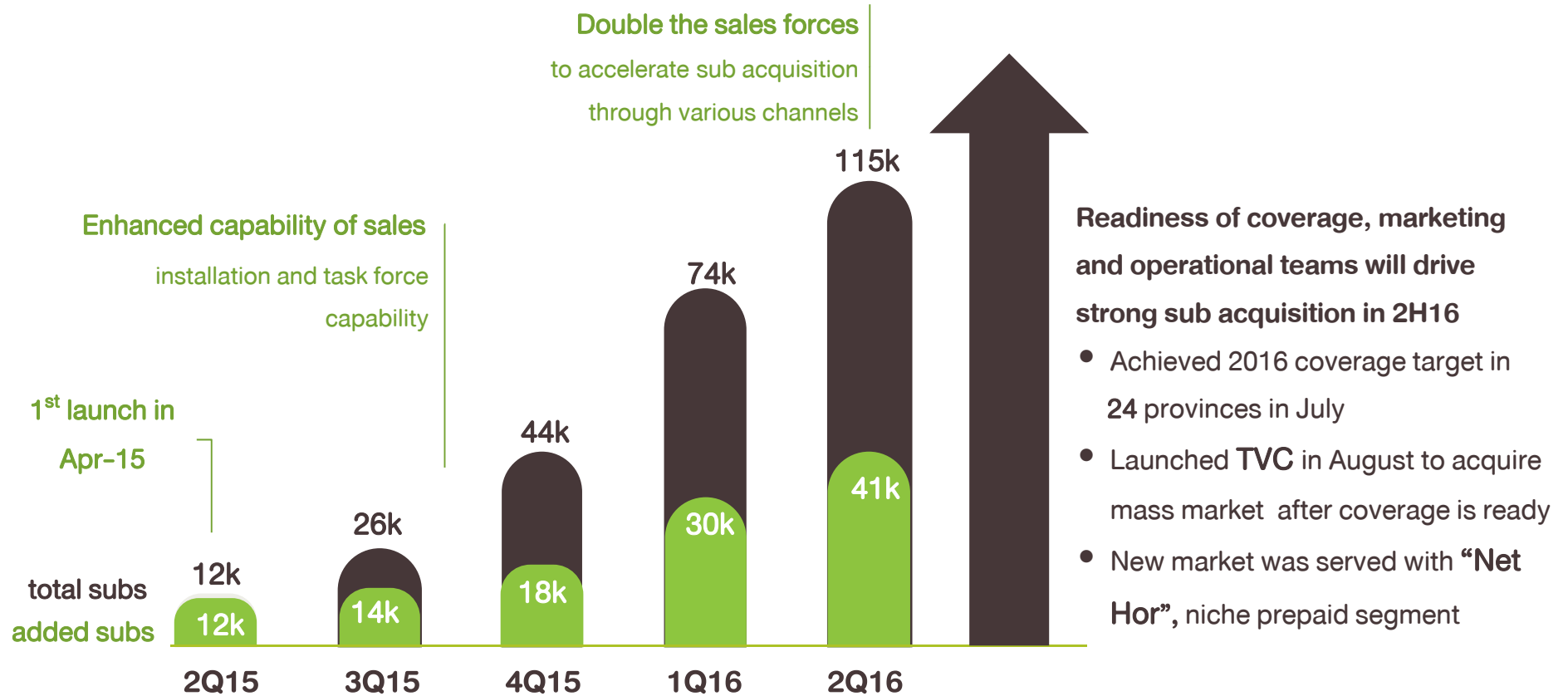


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Fixed broadband:

Ramp up after building service foundation in 2015



Leverage existing channels and build new ones



AIS shop+
Telewiz



Web+
Call center

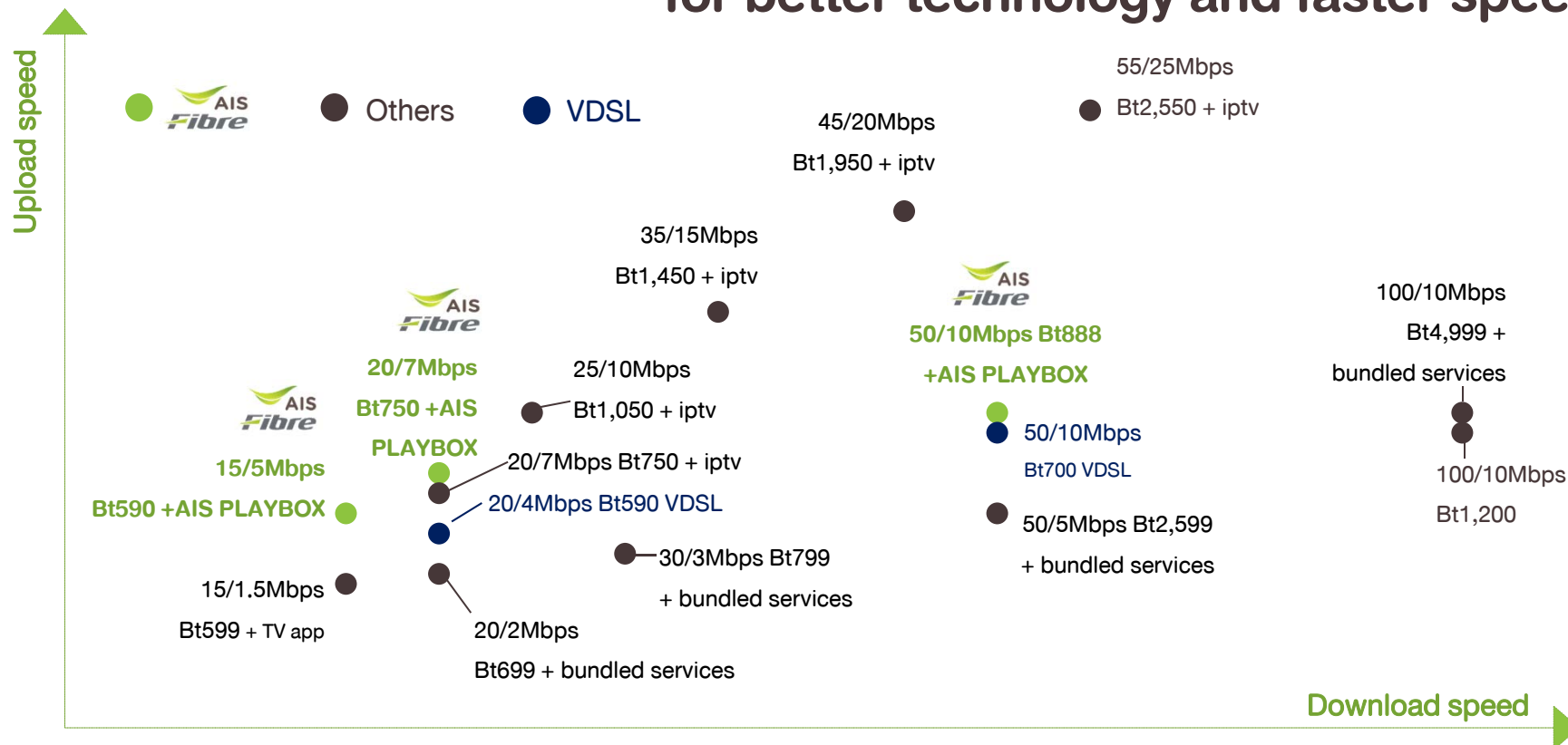


Authorized
dealers



Direct
sales

Fixed broadband: Competition driven by demand for better technology and faster speed



Customers demand for technology upgrade that provide better speed

- AIS beats limitation of old ADSL technology and leads market standard towards 50Mbps fibre optic speed
- New starting price of Bt590bt helps reach and acquire customers faster, targeting upgrade from ADSL
- Special discount offered to new customers also helps boost sub acquisition

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A green, stylized cloud shape with a white drop shadow, centered on a light gray background. Inside the cloud, the words "Enterprise" and "Cloud" are written in a white, sans-serif font, stacked vertically.

Enterprise Cloud

AIS Enterprise Cloud

Products and services

 <p>Managed Service</p>	<p>IT services Service & Monitoring IT consulting</p>
 <p>SaaS</p>	<p>Cloud storage Security Productivity</p>   
 <p>IaaS</p>	<p>Enterprise cloud Integrated backup service</p>  
 <p>Data Center</p>	<p>AIS-Owned World Class Data Center Carrier Graded Tier 4 with ISO 27001 Certification at 2 Locations</p>
 <p>Network</p>	<p>AIS International & Domestic Enterprise Data Network Partnered with Global Network Service Providers</p>

AIS Enterprise Cloud

High standard of cloud service





Disclaimers

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “intend”, “estimate”, “continue” “plan” or other similar words.

The statements are based on our management’s assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.

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