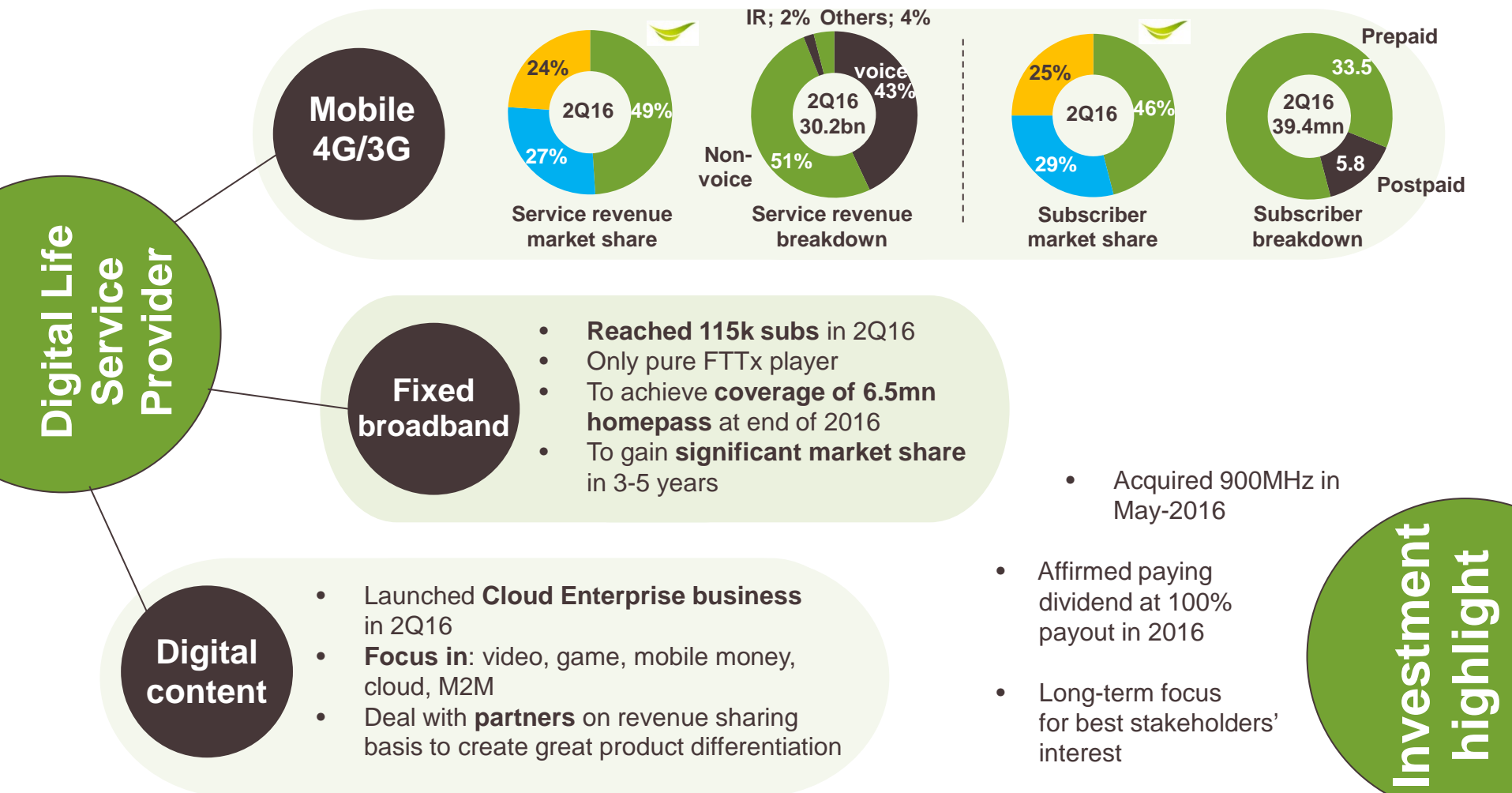


Investor Presentation 2Q16

Advanced Info Service Plc.

AIS at a glance

Digital Life Service Provider



2Q16 Highlights



- Service revenue (ex IC) in 2Q16 was contributed by growth in postpaid segment. However, when offset with weak prepaid segment amidst intense competition, the **service revenue (ex IC) was flat QoQ, and decreased by 1% YoY** or flat when excluding one-time item in 2Q15.
- As handset subsidy scaled down in this quarter, while there was one-time USO fee in 1Q16, **EBITDA improved 27% QoQ**. YoY EBITDA declined 5.8% due to handset subsidy. Likewise **net profit improved 19% QoQ** but declined 2.6% YoY.
- **900MHz license is effective from July 1st, 2016**. Service for 2G customers on 900MHz continued while partial spectrum is used for 3G/4G to enhance network coverage.
- **Revised guidance** with service revenue (ex IC) to slightly increase from previous year and **EBITDA margin around 38-39%** while CAPEX remains Bt40bn.

2Q16 Financial Highlights



Bt million	2Q15	1Q16	2Q16	% YoY	% QoQ	1H15	1H16	%YoY
Service revenue ex. IC	30,468	30,148	30,169	▼1.0%	▲0.1%	60,778	60,317	▼0.8%
Sales revenue	5,733	5,663	4,882	▼15%	▼14%	14,020	10,545	▼25%
Total revenue ex. construction	38,123	37,252	36,482	▼4.3%	▼2.1%	78,660	73,735	▼6.3%
Cost of service ex. IC	13,217	12,693	11,309	▼14%	▼11%	26,921	24,002	▼11%
Total SG&A	4,876	8,095	6,460	▲33%	▼20%	9,552	14,555	▲52%
NPAT	9,849	8,073	9,596	▼2.6%	▲19%	19,746	17,669	▼11%
EBITDA	18,068	13,415	17,012	▼5.8%	▲27%	36,141	30,427	▼16%
EBITDA margin	47.4%	36.0%	46.6%	▼80bps	▲1,060bps	45.9%	41.3%	▼460bps
Normalized EBITDA (Excluded one-time item in 1Q16)	18,068	15,623	17,012	▼5.8%	▲8.9%	36,141	32,635	▼9.7%
Sales margin	2.0%	-0.3%	2.3%	▲30bps	▲260bps	3.1%	0.9%	▼220bps
Capex	8,883	12,102	11,693	▲32%	▼3.4%	16,048	23,795	▲48%
EPS	3.31	2.72	3.23	▼2.4%	▲19%	6.64	5.94	▼11%

Competitive Landscape and Strategy in 2H16



Scaled-down 2G handset subsidy

- Acquisition of 900MHz enables 2G service continuity
- Extended period for 2G migration causes softened free handset subsidy
- Stay competitive to protect market share

Network quality enhancement

- 900MHz supports both coverage and capacity for all networks
- Continue to invest in new technology and innovation
- Target 4G to cover 80% of pop. coverage by end-2016 while ensuring best customer experience

Customer perception improvement

- Focus on valuable product proposition in mid and high tier segments
- Endorse “digital lifestyle” through branding

4G

1800MHz

15MHz

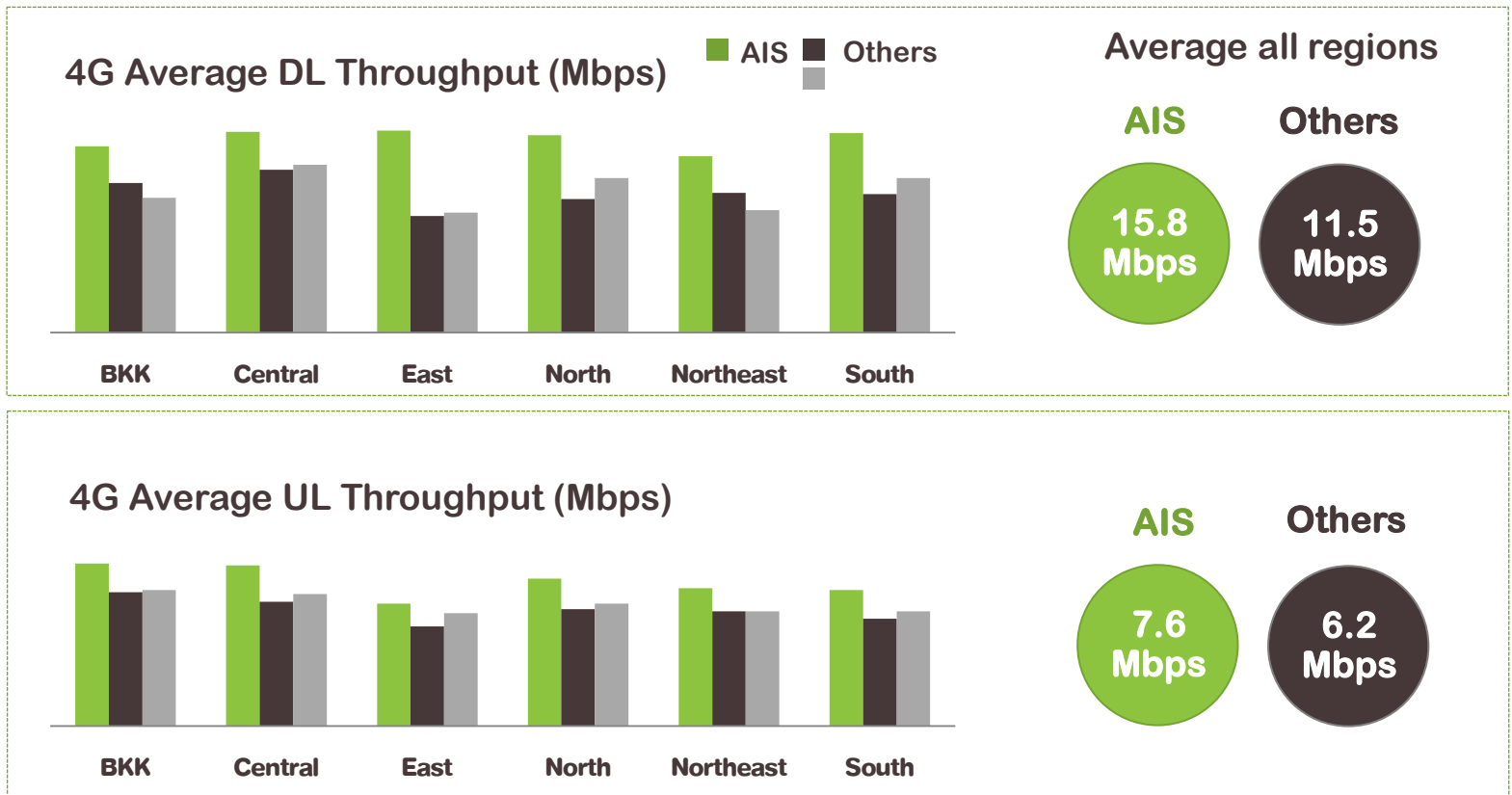
900MHz

5MHz

Network Quality Highly Enhanced (i)

Quickly rolled out while ensuring best customer experience
Currently covering 50% 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



AIS: 89%



Other: 74%



Other: 86%

● Good coverage

● Bad coverage

Continue 2G to 3G handset migration

Protect market share with attractive offerings



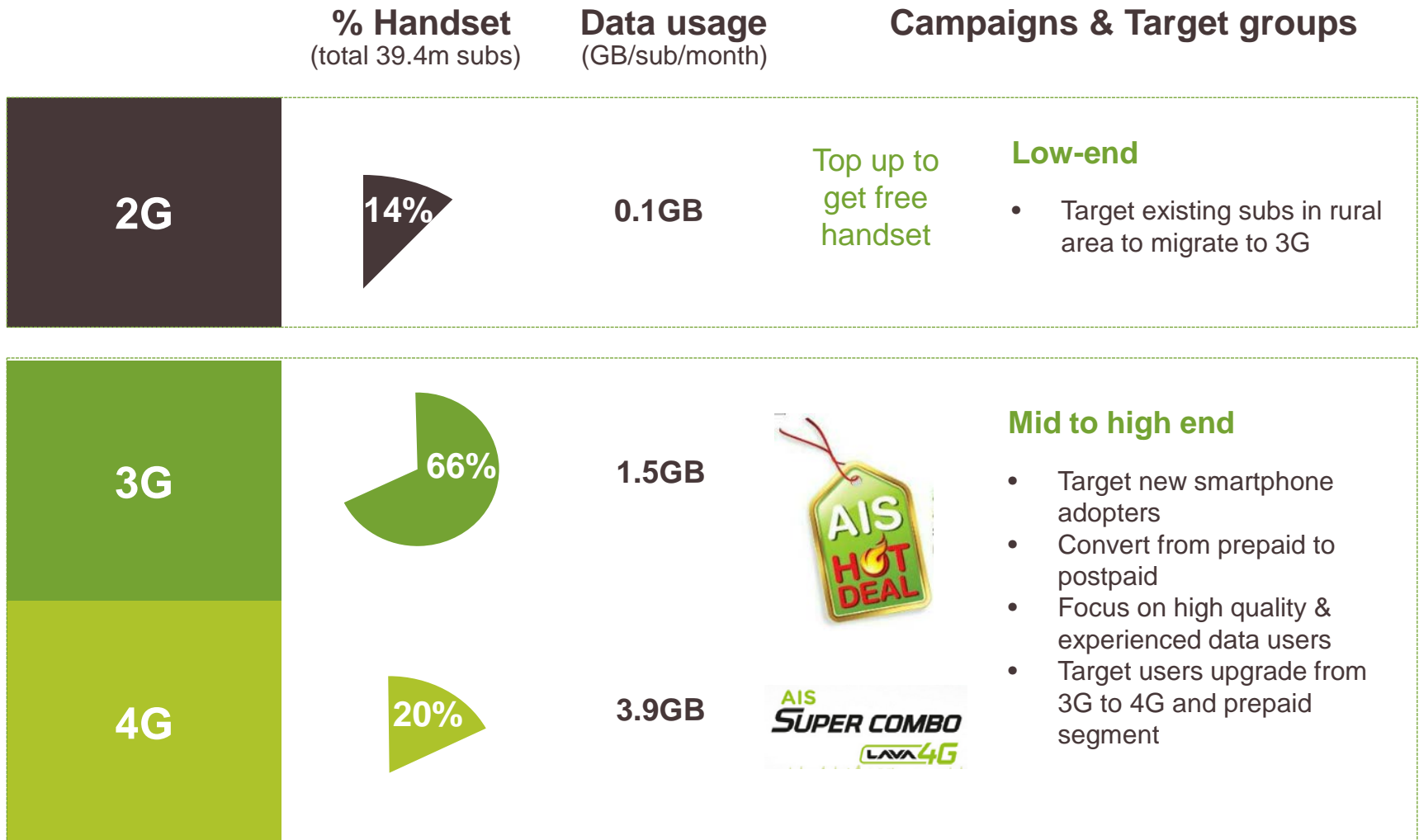
Handset offerings

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	3G Smartphone 3.5"	3G Smartphone 4.0"	4G Smartphone 4.0"
	890-Baht FREE	1,690-Baht FREE	2,190-Baht FREE	2,490-Baht FREE

2H16 Handset strategy

Attractive handset offerings match needs of each segment



Data as of Jun-16

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

Free



Galaxy J2 Bt4,800

LAVA 4G VoLTE 5.0 Bt3,590



Package
4G Max Speed
Bt488 up

**50%
OFF**



iPhone 6s Bt26,900 (16GB)

iPhone 6s Bt30,900 (64GB)

iPhone 6s Plus Bt35,100 (64GB)

Galaxy S7 edge
Bt26,900

iPad pro 9.6inch Bt27,600



Package
4G Max Speed
Bt888 up

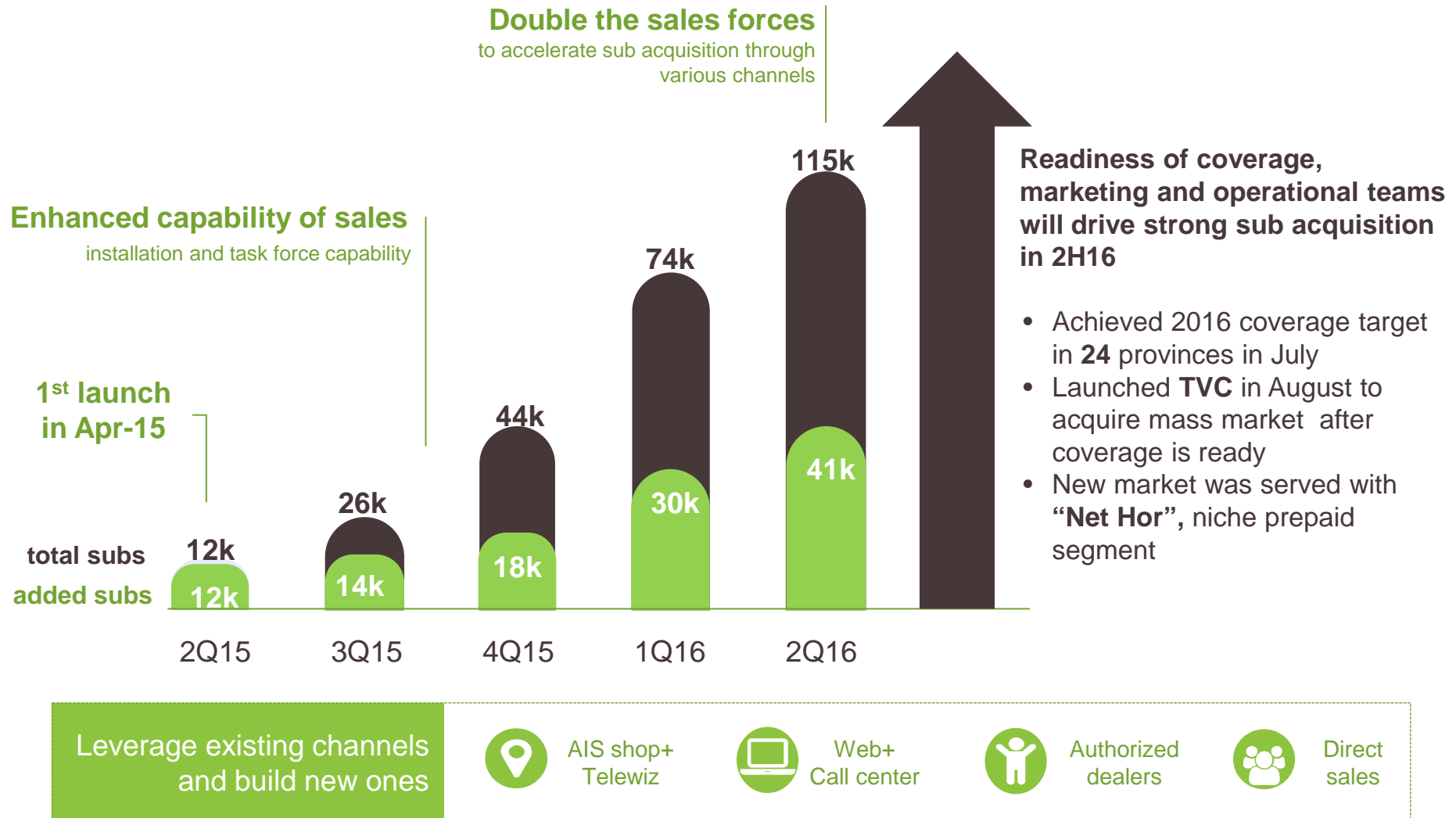
Strengthen brand activities

Enhance customer perception on data service

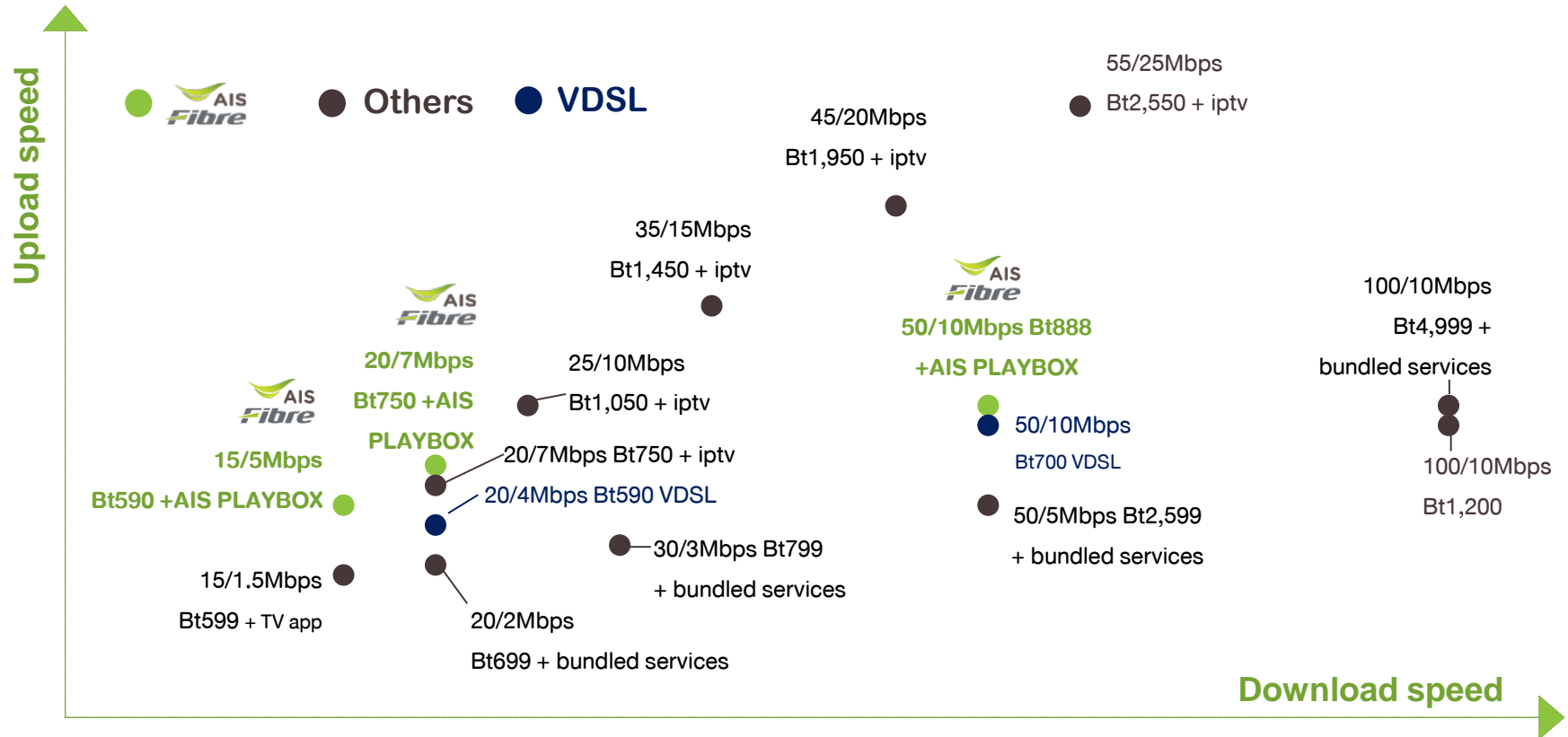


Fixed broadband:

Ramp up after building service foundation in 2015



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.

Digital service: AIS Business Cloud



AIS Business Cloud with a vision to be Thailand's Leading Cloud Service Provider

- **Target** : business customers of all sizes with
 - (1) Nationwide 4G and fibre network,
 - (2) AIS's best in country, state-of-the-art data center facilities,
 - (3) Best-in-class cloud software including the microsoft 365, Vmware NSX, NetAPP, Check Point and many more,
 - (4) Professional manage service teams to enable AIS to be end-to-end single service provider.
- **Opportunity** : to expand AIS to the new revenue stream under digital business for B2B and B2B2C in every industry.



Managed Services

24x7 service & monitoring, IT professional services, IT consultancy



Software as a Service

Top quality, wide varieties of cloud application services



Backup as a Service

The world class secured "banking level" backup services



Infrastructure as a Service

The first in Thailand secured build-in network virtualization infrastructure



Data Centers

The best Tier-4 data centers in Thailand



Networks of Businesses

The largest local fibre and wireless networks with global alliances

Guidance for 2016 (revised)






	1H16-Actual	2016 Revised
Service revenue (ex IC)	-0.8%	Slightly increase (revised up from flat)
Handset sales	-25% YoY	Decline (revised down from flat)
Handset margin	0.9%	negative margin (revised down from 3-4%)
EBITDA margin	41.3%	38-39% (revised up from 37-38%)
CAPEX	Bt23.8bn	Bt40bn (maintained)
Dividend	N/A	Maintain 100% payout ratio

APPENDIX

Marking the leading position

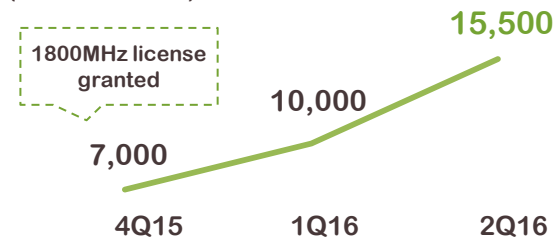
and customer's perception with the best quality network



Current	Bandwidth	Status
2100MHz License until 2027	15MHz 	<ul style="list-style-type: none">Fully deployed 3GOver 98% population coverage32,000 3G base stations (small cells included)
1800MHz License until 2033	15MHz 	<ul style="list-style-type: none">Fully deployed 4GReached 50% population coverage (target 80% by year end 2016)15,500 4G base stations
900MHz License until 2031	10MHz 	<ul style="list-style-type: none">Deployed 5MHz for 2GDeployed 5MHz for 3G/4GOver 98% population coverage on 2G

Accelerating 4G network rollout

(base stations)



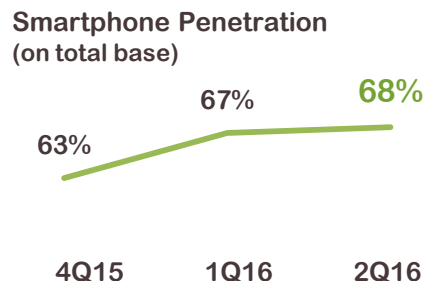
- Exceeded 14,000 base stations target
- New spectra helps strengthen network quality especially **speed & coverage**.
- Quick 4G network rollout is critical to gain customers' perception as "The Best Network Provider".

Mobile:

increasing data usage to drive revenue growth



Smartphones and 4G phones are more popular due to affordable prices



4G handsets on AIS customer base = 7.5mn subs

Attractive pricing helps boost data usage



Growing active data users

Postpaid



Postpaid data users
76%

Total postpaid
5.8mn subs

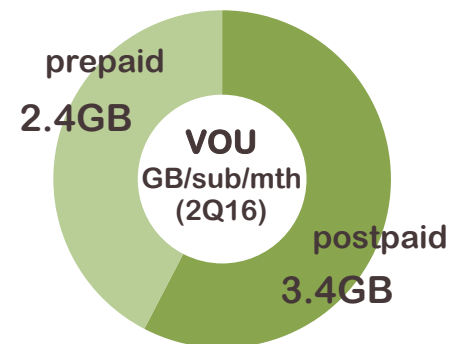
Prepaid



Prepaid data users
53%

Total prepaid
33.5mn subs

Accelerating VoU



Mobile data revenue

Bt14bn

+25% YoY

(contributing 45% of service revenue ex. IC in 2Q16)

Channel expansion to strengthen competitiveness



100+ AIS shop

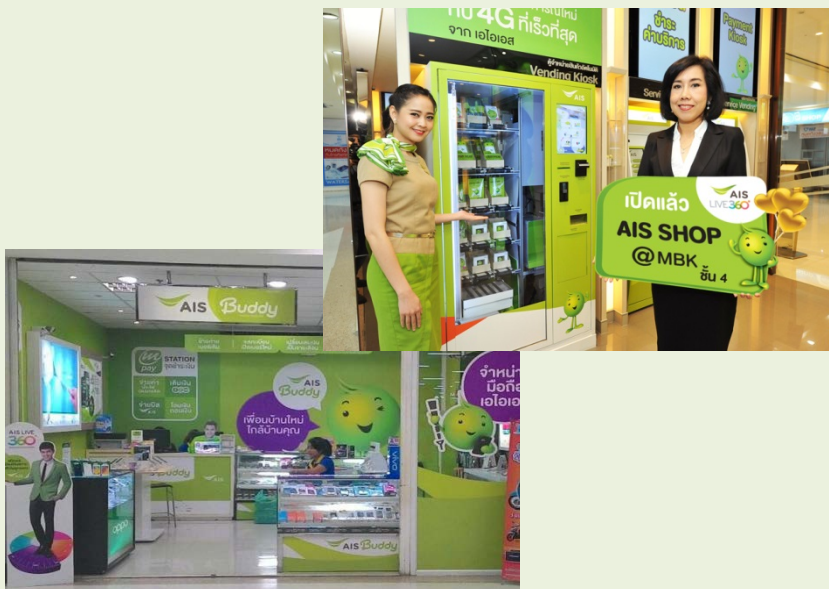
to increase AIS's brand awareness with excellent services

400+ Telewiz shop

Some were uplifted to enhance service standard and image.

1,000+ AIS Buddy

Increased to help expand the coverage for wider customer base



Partnership with retailers

to leverage their expertise in retail business

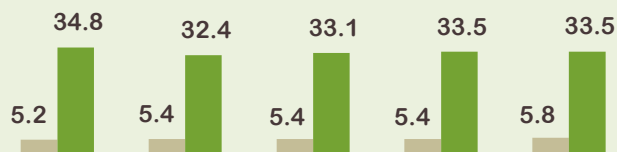


- AIS partners with iStudio with more than 60 branches in strategic areas.
- It serves as a new channel to offer AIS products and services, as well as reaching high-end customers.

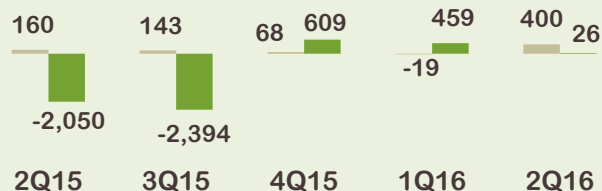
Trend of higher data usage reflected

Total of 39.4mn subscribers in 2Q16

Ending subscriber (mn) ■ postpaid ■ prepaid



Net addition (thousand)

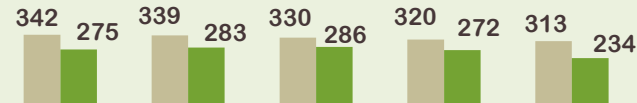


ARPU (Bt/sub/month)

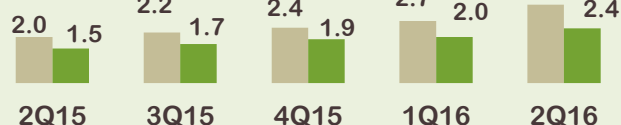
■ postpaid ■ prepaid



MOU (minute/sub/month)



VOU (GB/sub/month)



- Total subscriber base decreased 1.8% YoY from effect of prepaid identification while increased 1.1% QoQ due to an increase in postpaid.
- Net addition of prepaid subscribers slightly improved due to pressure from intense competition in the segment.
- Net addition of postpaid subscribers improved mainly from prepaid-to-postpaid migration and attractive handset offerings.

- Prepaid ARPU declined QoQ due to migration of high-tier customers to postpaid.
- Postpaid ARPU stable QoQ but dropped YoY as postpaid base expanded toward mid-tier
- Lower voice usage reflected in declining MOU in both postpaid and prepaid segment.
- VOU continued to increase from attractive price plan and mobile campaigns with high data allowance especially from 4G usage.

2Q16 Revenue Breakdown



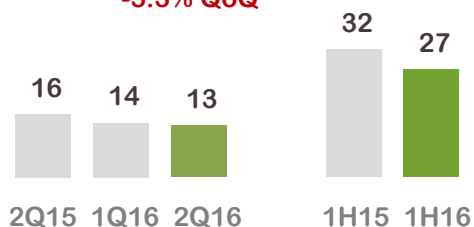
Voice revenue

(Bt bn)

-18% YoY

-17% YoY

-5.3% QoQ



- Declining trend in voice usage as substituted by data consumption

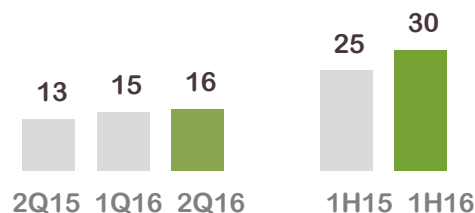
Non-voice revenue

(Bt bn)

+20% YoY

+20% YoY

+4.6% QoQ



- Growing data usage driven by 3G/4G adoption and smartphone penetration

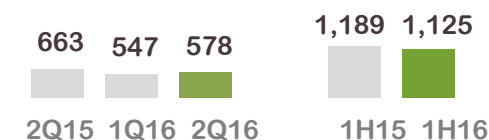
IR revenue

(Bt mn)

-13% YoY

-5.4% YoY

+5.6% QoQ



- QoQ growth driven by outbound roamers during holiday season
- Declined YoY from 2G shutdown

FBB & other revenues

(Bt bn)

+11% YoY

+3.0% YoY

+1.6% QoQ



- Increased YoY mainly from growth in fixed broadband subscribers

Sales margin

(Bt mn)

% margin

+2%

+2.3%

+3.1% +0.9%



- Normal handset sales remained positive margin
- Less handset sales due to more subsidy in the market

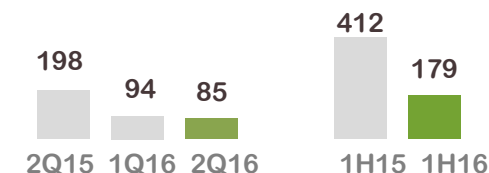
Net IC

(Bt mn)

-57% YoY

-57% YoY

-9.3% QoQ



- YoY declined from IC rate adjustment starting 3Q15
- QoQ dropped due to lower IC revenue while cost maintained

2Q16 Cost Breakdown



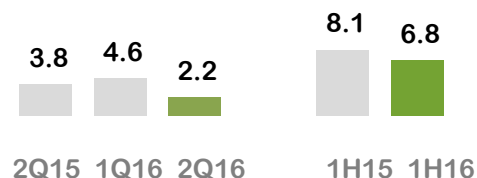
Regulatory fee

(Bt bn)

-42% YoY

-16% YoY

-52% QoQ



- Decreased QoQ from one-time USO fee in 1Q16 or normalized -6.7% QoQ
- Accounted for 7.4% of service revenue (ex IC)

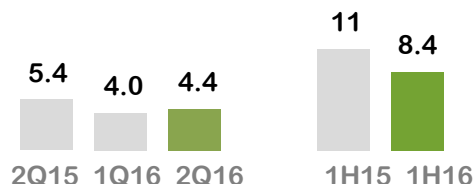
D&A

(Bt bn)

-19% YoY

-22% YoY

+11% QoQ



- Increased QoQ from network expansion
- Decreased YoY due to fully-amortized 2G assets

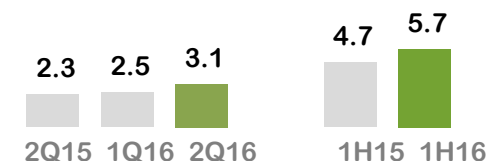
Network Opex

(Bt bn)

+34% YoY

+20% YoY

+23% QoQ



- Increased YoY and QoQ from 4G rollout and enhancing 3G capacity

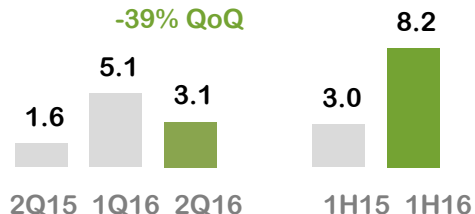
Marketing

(Bt bn)

+92% YoY

+177% YoY

-39% QoQ



- Handset subsidy increased YoY but dropped QoQ.
- Subsidy was Bt3.4bn in 1Q16 and Bt1.6bn in 2Q16.

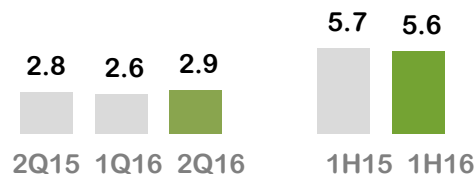
Admin & Staff

(Bt bn)

+4.0% YoY

-3.1% YoY

+11% QoQ

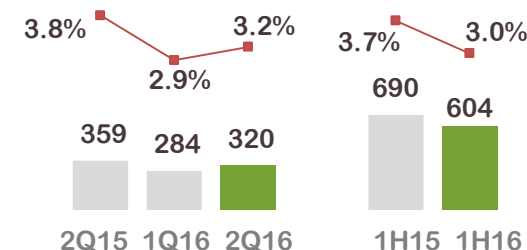


- Increased YoY from channel expansion and QoQ from adjustment of staff cost in 1Q16

Bad debt

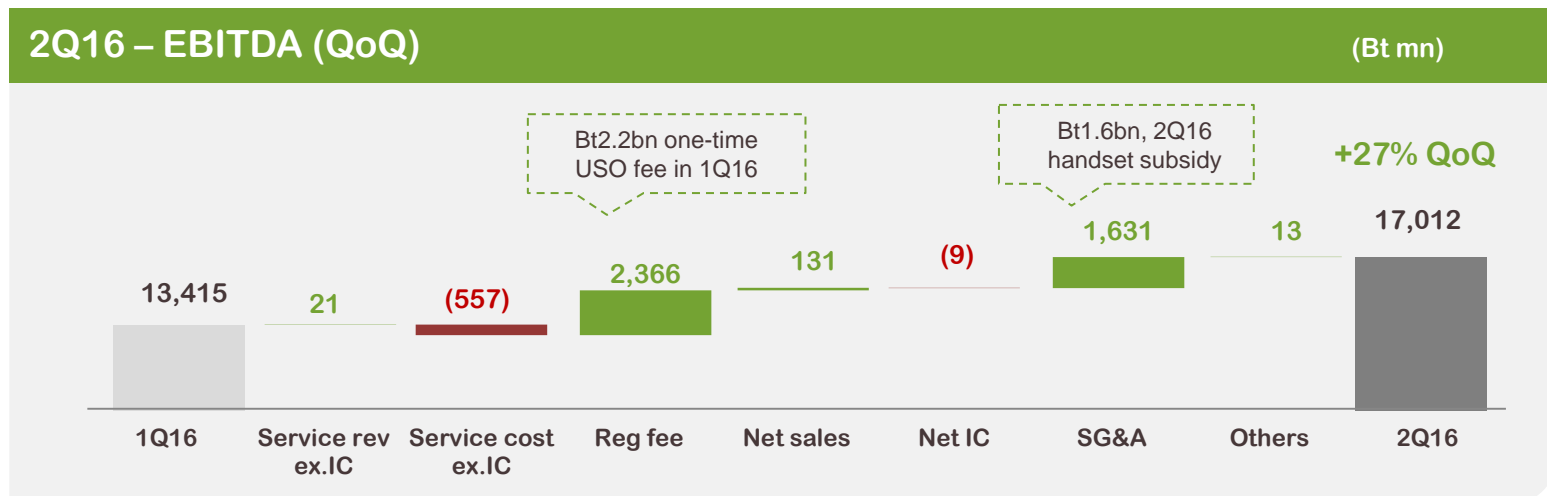
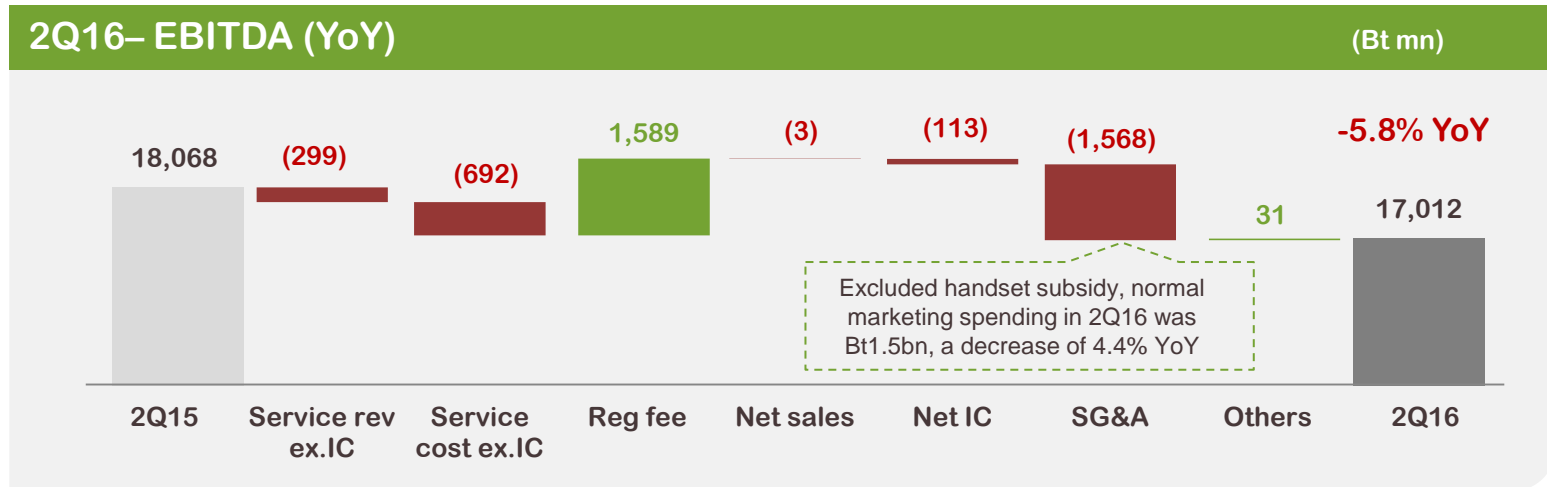
% to postpaid revenue

(Bt mn)

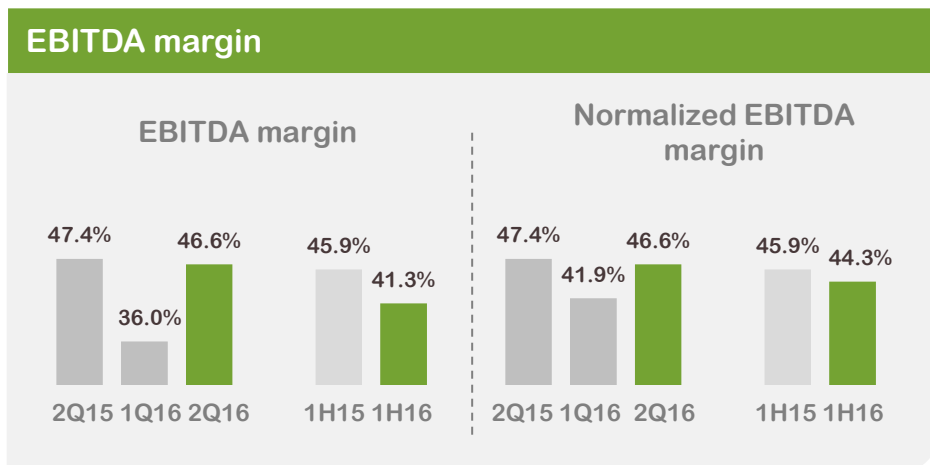


- Bad debt compared to postpaid revenue is in manageable level.

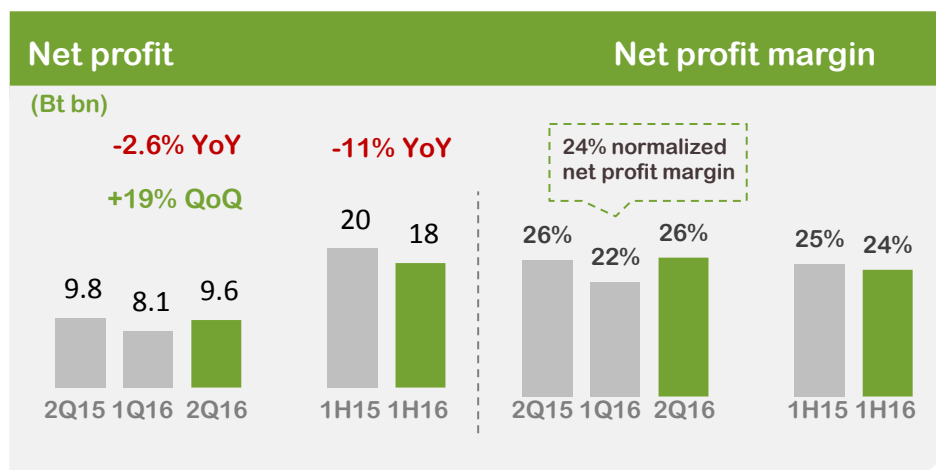
Handset subsidy pressured EBITDA YoY but better QoQ



Profitability improved on both EBITDA and net profit



- 2Q16 EBITDA margin dropped YoY mainly from handset subsidy but improved QoQ due to the lower handset migration along with low base from one-time USO expense in 1Q16.
- 1H16 EBITDA margin dropped YoY due to handset subsidy cost, especially in 1Q16.
- Normalized EBITDA margin reflected EBITDA if excluding the one-time USO in regulatory fee.



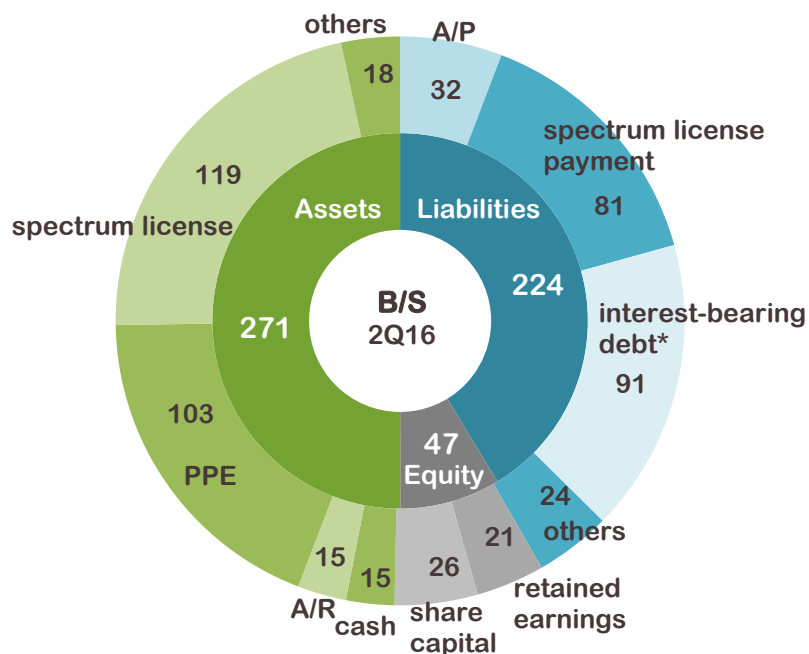
- 2Q16 net profit dropped YoY from higher SG&A and network opex offset with lower reg fee, while improved QoQ from the slow down of handset subsidy and low base in 1Q16.
- Normalized net profit margin in 1Q16 excluded the one-time USO fee of Bt2,208mn and deferred tax asset of Bt919mn
- 1H16 net profit dropped YoY due to stable top line and higher SG&A, network opex and finance cost compensating with lower regulatory fee, D&A and income tax.

Strong balance sheet for strategic executions



2Q16 Balance Sheet

(Bt bn)



Net debt to EBITDA = 1.12x

Financial position remained strong

Debt to Equity = 1.94x

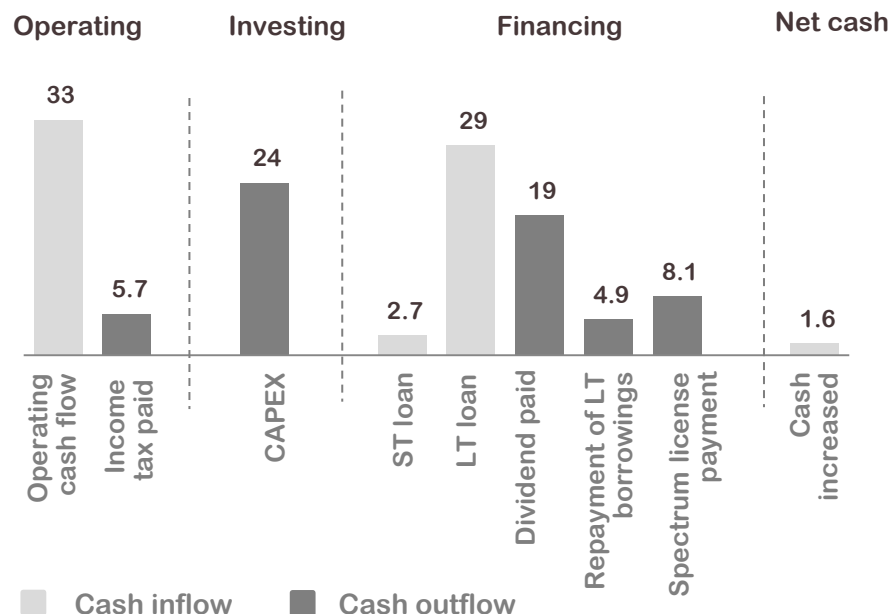
Higher leverage from spectrum acquisition

ROE = 91%

Maintain efficient share capital while continue 100% payout of earnings as dividend

1H16 Cash flow

(Bt bn)



CAPEX to sales = 39%

Investment to quickly rollout 4G coverage while continued enhancing 3G coverage and capacity

Average finance costs = 4.1%

Maintain investment grade credit ratings:

- Fitch – national rating AA+ (THA), outlook – stable
- S&P – BBB+, outlook- negative

*interest-bearing debt excludes net forward/swap receivable of Bt920mn



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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