

Analyst Briefing 1H17

Advanced Info Service Plc.

10 August 2017



Agenda

Somchai Lertsutiwong, CEO

- 1H17 Wrap-up2017 Guidance and outlook
- Regulatory outlook

Hui Weng Cheong, President

Mobile:

- Improving market perception
- Data monetization in current pricing trend

FBB

- Market expands into FTTx
 Pure broadband to fixed-mobile convergence

Digital content

Video strategy of AIS

Somchai Lertsutiwong, CEO

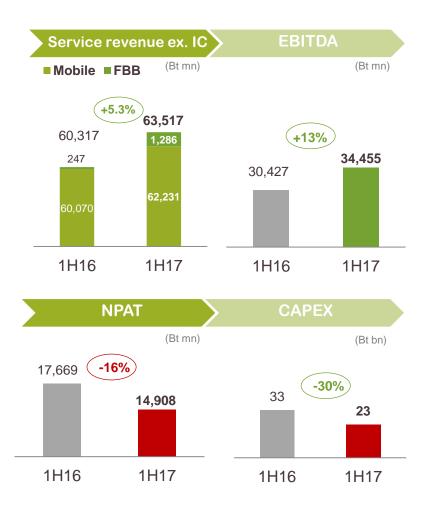
AIS' digital transformation



Somchai Lertsutiwong CEO

1H17 AIS saw an improving growth





Grew on organic demand for 4G and fibre technology



- Focused on 4G quality segments in postpaid, prepaid-to-postpaid, high-ARPU subscribers
- Improved "mobile data" perception with continued investment to enhance network quality, competitive 4G offerings, and spending to increase brand awareness
- Mobile revenue increased 3.6% YoY from 4G adoption and video consumption



- Increased subscriber base in 28 cities with higher experienced sales force and improving brand perception
- Offered competitive fibre offerings bundled with mobile
- FBB revenue increased 421% YoY with growing subscriber base and improving ARPU trend



- Built awareness and created differentiation in video content on mobile and fixed platforms
- Partnered with world class and local content providers

FY17 Guidance maintained with competitive positioning



Service revenue (ex. IC)

1H17: +5.3%

2H17 Outlook

- Mobile market remains competitive with handset subsidies continued in postpaid segment
- Fixed broadband continues to expand subscriber base and introduces FMC products
- Continues building differentiation through digital content



Guidance +4-5%

CAPEX

1H17: Bt23bn

2H17 Outlook

- Continues enhancing 4G capacity with 2CA/3CA
- Invests in FBB port capacity and last mile connections in both existing areas and potential new areas with targeted ROI



Guidance Bt40-45bn

EBITDA margin

1H17: 44.2%

2H17 Outlook

Remains flexibility in EBITDA margin for any strategic execution



Guidance 42-44%

Dividend

1H17: paid Bt3.51/share or equivalent to 70% of NPAT



Guidance Minimum 70% of NPAT

Regulatory outlook



Formation of new NBTC

Announcement and submission of application

- via general media
- <=30 days

Preliminary selection

- by committees to have 14 candidates
- <=30 days

Endorsement and submission to NLA

- by senator secretary
- <=30 days

Final selection

- by NLA via secret voting to have 7 members
- <=30 days

Endorsement and submission to PM

- by NLA
- <=20 days

Spectrum availability

Spectrum available	Bandwidth	Status
700MHz	45MHz	Under broadcasting analog concession, expiring in 2020
850MHz**	10MHz	DTAC's concession expires in 2018
1800MHz	45MHz	DTAC's concession expires in 2018
2100MHz	15MHz	TOT-AIS Partnership
2300MHz	64MHz	TOT-DTAC Partnership
2600MHz	144MHz	MCOT opens for partnership

Endorsement for Royal approval

• by PM

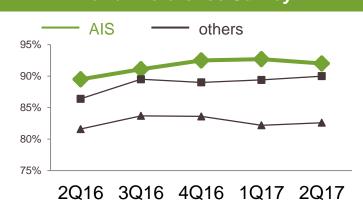


Hui Weng Cheong President

Mobile: Market perception continued improving



Brand Preference Survey



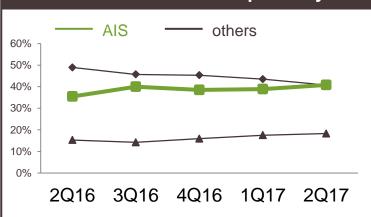
 Strongly-admired brand preference with service excellence throughout last year







Mobile Data Leadership Survey



 Keep expanding network coverage and enhancing capacity, resulting in continuously improving mobile data perception

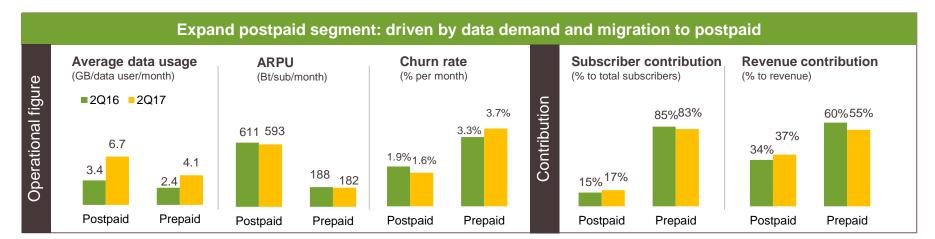
Total CAPEX **Bt23bn**in 1H17

2CA and 3CA network quality enhancement

Source: AIS

Mobile: Growth driven by postpaid segment





Postpaid: Build 4G adoption through VDO content

Postpaid offering is designed to encourage high ARPU subscription with more value and differentiation through VDO contents at worry-free data usage

Segmented plans and handset offerings



Discounted 4G devices from leading brands

Monthly plans

Target high end with full 4G speed in large bucket with FUP*, and target mid-tier with buffet plan with speed cap



Added value and differentiation with video contents

Prepaid: Focus on segmentation

Entertainment



Super Play SIM

- Unlimited music
- Free 2GB AIS PLAY

Teenagers



ZEED SIM

- 12GB YouTube
- Free JOOX
- 5GB Super WiFi

Roamers



SIM2FLY

- Popular outbound roamer SIM
- Bt399 for Asia
- · 4GB for 8 days

^{*}fair usage policy is applied through speed throttle down once reach data allowance

Price plans: Target better ARPU and build differentiation on postpaid



STOP	Monthy Fee (Baht)	Total 4G/3G (at max speed)	4G/3G	4G/3G with application	Call all network (minutes)	Enjoy Free
In NON-	299 399	750MB* 3GB*	750MB 3GB	-	100 150	PREMIER FOR 3 months
iEntertain NON-STOP	499 599 699	8GB* 12GB* 16GB*	4GB 6GB 8GB	4GB 6GB 8GB	200 250 300	For 12 months

- 1) with FUP speed is reduced after reach the data usage limit
- 2) AIS Premier and HOOQ only applicable with Bt499 packages and above
- 3) AIS WIFI is included in all packages.

•	Attract new data users and encourage
	higher ARPU subscription through premium
	VDO contents e.g. AIS Premier and HOOQ

 4G speed with FUP at 128kbps after reaching the data usage limit

*applications

AUS AUS	HCOO		Atime	BEC		
TAN D	HODG		ONLINE	RADIO	COOLISM	200
AIS PLAY	H000	JOOX	AtimeOnline	BEC-Tero Radio	COOLISM	HEADSHOT

	Monthly Fee (Bt)	4G/3G Unlimited max speed at	Call within AIS (mins)	Enjoy Free
	350	512kbps	100	PREMIER HIB
H	450	1mbps	100	1 month
Buffet NET	550	4mbps	200	1 month
Bufi	600	6mbps	200	12 months

1) AIS WIFI is included in all packages.

	Monthly fee (Baht)	4G Internet	3G Internet*	Call all network (minutes)	Enjoy Movies Free
出世	1,099		16GB	650	PREMIER TH
S≥	1,299	Unlimited	20GB	850	3 month
MAX	1,499	at Max Speed	25GB	1,200	3 month
25	1,899	IVIAX Opecu	30GB	2,000	12 month

- Offer unlimited data usage at different speed for diverse needs e.g. chat, social networks, music, HD video streaming
- Encourage customer to move from prepaid to postpaid subscription with worry-free plan

 Serve high-end heavy data users with real unlimited max speed experience

FBB: Expand subscriber and revenue base

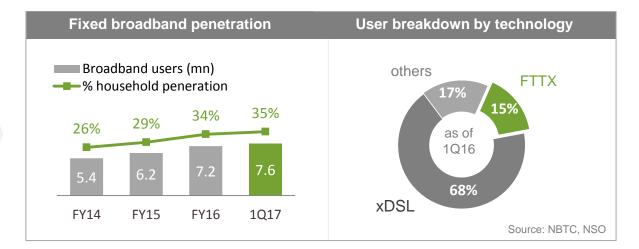




Thai fixed broadband market

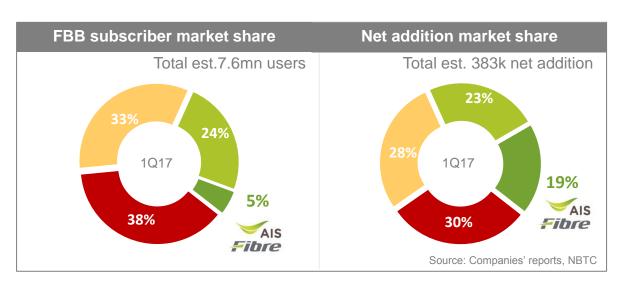
Key drivers:

- Low fixed broadband penetration (39% of 21.5m households)
- Majority of existing users connect through xDSL



Key strategy

- Increase subscriber base in existing areas
- Expand into potential new areas that meet investment criteria
- Introduce competitive segmented pricing and FMC products
- CAPEX allocated for Bt5bn in 2017



FBB: Adding value through bundling packages

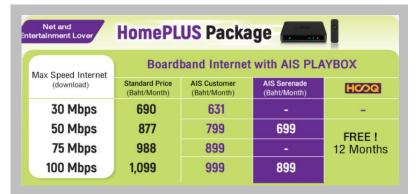


Pure broadband

Broadband + contents

mobile	
contents +	
broadband +	

May Speed Internet	Broadband Internet Value Package			
Max Speed Internet (download)	Standard Price (Baht/Month)	AIS Customer (Baht/Month)		
30 Mbps	590	531		
50 Mbps	777	699		
75 Mbps	888	799		
100 Mbps	999	899		







Monthly Fee (Bt)	FBB mbps (DL/UL)	Entertainment	MOBILE Unlimited speed at
599	30/10	NA	1Mbps
799	50/20	PLATINUM # 12 months 3 months	4Mbps
1,799	100/40	HOOQ.	CMbno
1,999	200/50	PLATINUM	6Mbps

- Offer competitive pricing with segmented packages to serve different needs of customers
- Focus on ARPU accretion Encourage customers to subscribe to high-end packages with more value for money and attractive campaigns
- Leverage synergy of the three core businesses (FMC) to acquire new subscribers while create stickiness and differentiation.

Digital service: Differentiate via AIS video strategy



Variety & exclusivity of VDO library

Premium Content

Exclusive and world-class contents



Core video subscription linear & on-demand

Additional subscription video on-demand (SVOD)













HBO Go





Freemium Local

Local content leaders



Special on-demand Special episodes, short clips, live concerts



Linear free-to-air channels









Multi-platform delivery



Mobile: AIS PLAY
Personal entertainment

FBB: AIS PLAYBOX
Home entertainment



Bundled subscription model

VDO package for Mobile



Build awareness through short-term free-trial period to educate customers and increase stickiness

VDO package for FBB





Offer more worth-the-money proposition to customers compared to common pay TV service



Somchai Lertsutiwong CEO

Gear toward Digital Transformation



ACHIEVE SUSTAINABLE GROWTH

Digital services Commercial Mobile Money Video Business AIS BizCloud



Cloud



Agriculture



Public health



IoT

Education Startup

Digital customer services





speech recognition IVR



social media





eService app



Promote cost efficiency through digital channels and optimized human touch points for revenue generation tasks

Culture of innovation



Internal innovation program



Weekly InnSpire talk



Encourage innovative sense among employees to be ready for digital disruption era

Empowered Thai economy and well-being through expertise in telco and infrastructure



Q&A





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