



Thailand – Country overview

Country outlook

- Population: 64 million
- GDP growth: 4.2% (June 2012)

Mobile industry

- Regulator: NBTC
- Concessioner: CAT and TOT
- Concession scheme with annual revenue sharing to be paid to CAT/TOT
- Three major players: AIS, dtac, and TrueMove



A photograph of a woman with short dark hair, wearing a black and white striped long-sleeved shirt, smiling and looking at a purple smartphone. The photo is partially overlaid by a decorative graphic of overlapping white leaves or petals on the right side.

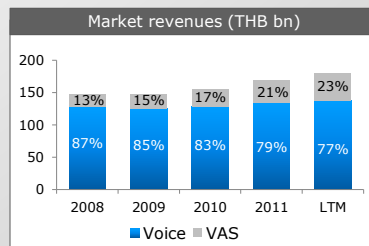
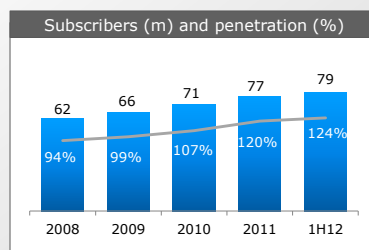
dtac is the 2nd largest mobile operator in Thailand

- 23.6 million mobile subscribers
- 30% subscriber market share
- Total revenues of THB 79.3 billion in 2011
- Operating cash flow of THB 10.4 billion in 1H 2012
- 3G on 850 MHz (on concession) launched in August 2011
- 90% YoY data revenue growth in 1H 2012



Maturing market with continued growth from data

- More than 120% SIM penetration in 2012
- Market growth mainly driven by data usage
- Mobile will be a primary mean to access the Internet
- More than 35% of Internet users access the web via mobile devices
- Strong VAS revenue growth at faster speed after 3G on 850 MHz launch



LTM = Last twelve months (Q311-Q212)



Data demand driven by social media and smartphone penetration

- **Social networking** the online driver
 - Bangkok ranks #1 in terms of Facebook users (8.7 million users)
 - 70% of online users have a Facebook account
- Growing **smartphone penetration**
 - 2.5 million units expected to be sold in 2012, approx. 67% increase from 2011
 - Smartphone prices yet to come down to drive handset penetration



Source: www.socialbakers.com and wearesocial.net



Opportunity for mobile data due to low Internet penetration

North

Mobile voice: 88%
 Mobile data: 10%
 Fixed-line voice: 22%
 Fixed-line Internet: 12%

Northeast

Mobile voice: 86%
 Mobile data: 11%
 Fixed-line voice: 16%
 Fixed-line Internet: 10%

Central

Mobile voice: 90%
 Mobile data: 11%
 Fixed-line voice: 18%
 Fixed-line Internet: 7%

Bangkok

Mobile voice: 98%
 Mobile data: 17%
 Fixed-line voice: 34%
 Fixed-line Internet: 27%

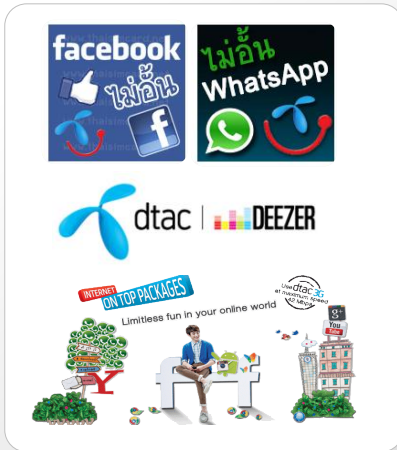
South

Mobile voice: 93%
 Mobile data: 11%
 Fixed-line voice: 18%
 Fixed-line Internet: 14%

Source: Roland Berger, TNS Thailand (Nov.-Dec. 2010, n=1,400 consumers)



dtac's customer centricity leads to innovations



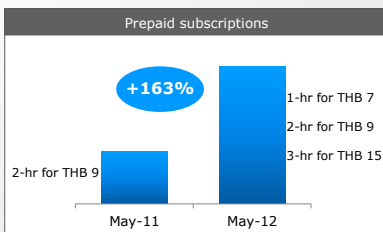
- Content-based products to stimulate usage e.g. unlimited weekly Facebook and WhatsApp
- New music streaming service through an exclusive partnership with Deezer, the 1st global music streaming launch in Asia
- Varieties of on-top Internet packages e.g. hourly, daily, weekly, monthly packages to boost appetite for data consumption in different segments



Smart pricing drives usage and profitability

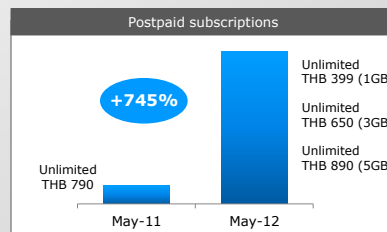
"Bite Size" for light users

- Portfolio of affordable hourly / daily / weekly data packages
- Available for both Internet and content-based
- Pay as you go



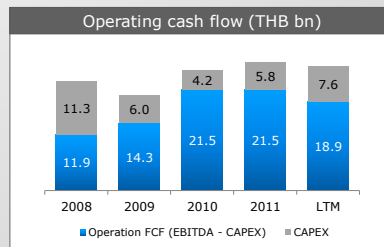
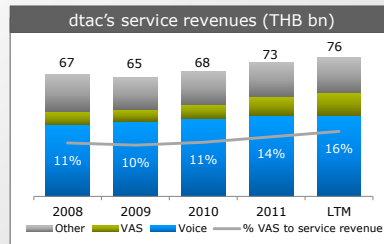
"Unlimited" for heavy users

- Diversified unlimited data packages for mid- to high-end customers
- Lower entry price with up-selling through speed booster packages
- Monthly subscription



Strong operational performance drives solid cash flow

- Strong revenue growth from increased 3G 850 MHz coverage and innovative pricing and services
 - 18% VAS to service revenue in Q2 2012
 - 57% of VAS revenue came from mobile Internet in Q2 2012
- Continue to deliver solid operating cash flow

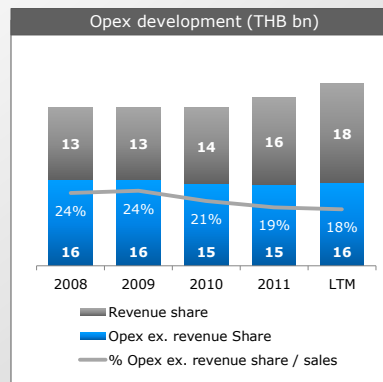


LTM = Last twelve months (Q311-Q212)



Strong bottom line despite pressure from regulatory costs

- Increased revenue sharing rate from 25% to 30% in September 2011
- Stable opex/sales excl. regulatory cost
- Implementation of cost efficiency program in 2010
- Continued focus on operational efficiency to mitigate increased regulatory cost



LTM = Last twelve months (Q311-Q212)



Transformation: From mass voice to mass data

- Modernising our “life network”
- Enhancing our capabilities for future growth
- Winning by listening
- Transitioning from concession to licence



Modernising our “life network” for quality and efficiency

- 100% completion of 2G network swap in Bangkok and southern region
 - Nationwide completion by end of 2012
- 5,000 3G sites on 850 MHz for better data experience by end of 2012, covering +55% of population
- dtac wifi “walk and play” to offload data traffic from existing 2G and 3G networks
 - Wifi in 125 shopping malls within 2013
- Network reliability



Enhancing capabilities for increased customer experience



- Strengthen device supply chain management through an exclusive agreement with Brightstar
- Renovate service outlets to be more retail-oriented
- Convergent billing platform – Pre/Post
- New distribution management system
- Enhance business intelligence and customer analytic capabilities
- Accelerate on-line sales and self-service



Winning by listening to our customers and employees

- 3,000+ employees with hands-on experience on customer centricity to gain better customer insights
- Organisation optimisation creates a strong platform for growth
 - Benchmarking for best-in-class organisation and competitive salaries/benefits for all levels of employees
 - Developing employee/culture to enhance productivity and performance
 - Strengthening leadership and management capability with end-to-end accountability



Transition to licensing gives fundamental advantages

	Concession	Licence
Grantor	CAT	NBTC
Ownership of assets	CAT	dtac
Upfront regulatory cost	No	Licence fee
Annual regulatory cost	30% of service revenue	5.75% of service revenue
New technology application	Limited – the agreement must be amended case by case	No limitation – technology neutral for all spectrums

- 3G auction on 2.1 GHz planned for October 2012
- Improved level playing field for all operators
- Transition to lower regulatory cost depending on:
 - 3G network coverage expansion
 - 3G handset penetration
 - Operational support (Customer's migration consent, 3G enable-SIM, and clearing house)



Strengthening focus on data and operational efficiency

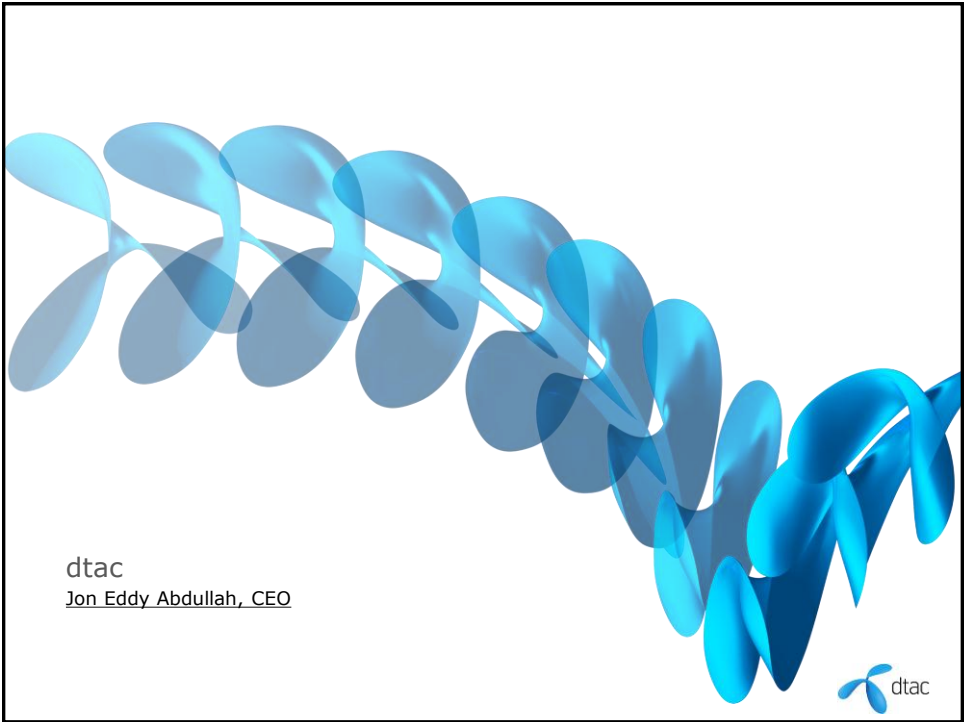
Current outlook for 2012

- Maintain market position
- High single digit revenue growth
- Capex of THB 8-9 billion
- Operating cash flow of THB 18-19 billion

Ambitions beyond 2012

- Taking a #1 position on small screen data
- Advance our data revenue position to #1 in the industry
- Regain share of voice via pricing, CLM and key expansion up-country





dtac
Jon Eddy Abdullah, CEO

