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Agenda

1. Telenor in Asia
2. Market update
3. Financial update
4. Marketing
5. Network
6. Regulatory
7. Q & A
8. Distribution channels & Market visit
A strong regional provider of telecom services in Asia

**Telenor in Asia:**
18 years of experience  
160 million subscribers  
44% of Group revenues and OCF

**Telenor Pakistan**
Entry year: 2004  
28% revenue market share  
# 2 position in the market  
36.4 m subscriptions  
37% EBITDA margin

**Uninor - India**
Entry year: 2009  
10% customer market share  
#4-6 position in the 6 circles  
34.4 m subscriptions

**GrameenPhone - Bangladesh**
Entry year: 1996  
47% revenue market share  
# 1 position in the market  
50.3 m subscriptions  
54% EBITDA margin

**dtac - Thailand**
Entry year: 2001  
30% revenue market share  
# 2 position in the market  
27.8 m subscriptions  
37% EBITDA margin

**Telenor Myanmar**
Licence awarded in Feb 2014  
Service launch Sep 2014  
>2 m subscriptions

**DiGi - Malaysia**
Entry year: 1999  
30% revenue market share  
# 3 position in the market  
11.3 m subscriptions  
45% EBITDA margin

Subscriber numbers as of Q3 2014, Market position and footprint in 6 circles in India  
Revenues and operating cash flow YTD 2014
Our success formula in Asia

- Close to markets through decentralized operations
- Mass market operating model
- Competitive edge in mass market distribution
- Cost efficient operations
- Scan-Asian culture and leadership
- Business environment management
Business approach in Asia

- Understanding cash economy and pricing implications
- Manage competition in multi-SIM environment
- Granular approach, daily monitoring and actions
- Dynamic target setting
Internet for All is a strategic pillar for Telenor Group

- Internet for All
- Loved by customers
- Efficient operations

Empower Societies
Mobile data represents significant opportunity

- **1.2 bn people within our Asian footprint**
- **160 million subscribers**
- Under **30%** are active data users
- Device prices declining rapidly
- Low fixed-line penetration

*Source: Telenor and Analysys Mason*
Efficient operations through cluster model

**Going Granular**

- Regions
- Zones
- Clusters

Moving Away from Law of Averages

**Key Enablers**

1. Dynamic Target Setting
2. Measure & evaluate at micro level
3. Frequent Publishing – War room
4. Differential actions at micro level

**Engagement & Celebrating Success**
dtac performed very well until Q3/Q4 last year; heavy industry investments and competition have put pressure on market share

### Net Adds – Postpaid (thousand subs)

AIS 3G-2.1GHz service and TM 3G-850MHz & 4G-2.1GHz are likely to be a game changing as both continued to gain higher postpaid net add compared to dtac.

### Market Share of Subscribers – Postpaid

TM continued to gain postpaid sub MS, while dtac had loss since Q313

### Net Adds – Prepaid (thousand subs)

AIS continued to outperform peers in prepaid net add, despite aggressive TM marketing activities in rural markets, which impacted dtac's prepaid net add

### Market Share of Subscribers – Prepaid

- Since Q313, AIS continued to gain prepaid sub MS, while dtac continued to loss
- TM turned aggressive in prepaid in Q214, resulted in stable prepaid sub MS
Thai Consumers Love YouTube

2nd on YouTube viewing in the world

350 million+

66 million+

Thai Consumers Share & Communicate Much More

2012 2013 2014

44% Mobile data user penetration in 2014

3.1 Average Hours per day that people connect the Internet via smartphone

dtac Customers Love Smartphone

2012 2013 2014 2015

Other

4G

Compared With Europe

Source: GFK, Evus research report, Estimates Based on current LTE device share in the market plus future device trends, GlobalWebIndex, company press, dtac
Key challenges for Telenor in Thailand

Data explosion and radical change in consumer behavior impact go to market models

Current unlimited pricing models give low monetization of data growth

Current industry investments challenge long term profitability

Discussion on amendment of foreign ownership and foreign dominance law

Uncertain regulatory and spectrum roadmap
Thailand – a resilient market

Note:
1. Nominal GDP growth uses historical number from BoT.
2. PCI Growth uses historical number from NESDB. Future PCI growth is from BMI.
Consecutive downward revision of 2014 GDP forecast

<table>
<thead>
<tr>
<th></th>
<th>Original forecast</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; revision</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; revision</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; revision</th>
</tr>
</thead>
<tbody>
<tr>
<td>FPO&lt;sup&gt;1&lt;/sup&gt;</td>
<td>3.5 – 4.5%&lt;br&gt;(Dec-13)</td>
<td>2.1 – 3.1%&lt;br&gt;(Mar-14)</td>
<td>1.5 – 2.5%&lt;br&gt;(Jul-14)</td>
<td>1.2 – 1.7%&lt;br&gt;(Oct-14)</td>
</tr>
<tr>
<td>BOT&lt;sup&gt;2&lt;/sup&gt;</td>
<td>4.8%&lt;br&gt;(Oct-13)</td>
<td>2.7%&lt;br&gt;(Mar-14)</td>
<td>1.5%&lt;br&gt;(Jun-14)</td>
<td>1.5%&lt;br&gt;(Sep-14)</td>
</tr>
<tr>
<td>NESDB&lt;sup&gt;3&lt;/sup&gt;</td>
<td>4.0 – 5.0%&lt;br&gt;(Nov-13)</td>
<td>3.0 – 4.0%&lt;br&gt;(Feb-14)</td>
<td>1.5 – 2.5%&lt;br&gt;(May-14)</td>
<td>1.5 – 2.0%&lt;br&gt;(Aug-14)</td>
</tr>
</tbody>
</table>

**Reasons for revision**

- Demand was expected to slow down in 1<sup>st</sup> half of 2014 from prolonged political protest
- Government investment fell behind schedule
- Lower than expected GDP growth in Q114 due to political situation
- Slower recovery in export and tourism than anticipated

1. Fiscal Policy Office, Ministry of Finance
2. Bank of Thailand
3. National Economic and Social Development Board
Weak economic environment

PCI gradually improved, driven by consumption of non-durable goods
consumption of durable goods hampered by high level of household debt

declining agricultural prices and farm income

tourism gradually improved, but no. of tourist arrivals were still below last year level

slow recovery in export from slowdown in global demand
Market growth driven by mobile data

Total market service revenue (excl. IC)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Market Service Revenue (THB billion)</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q213</td>
<td>55.5</td>
<td>8.3%</td>
</tr>
<tr>
<td>Q313</td>
<td>55.7</td>
<td>7.7%</td>
</tr>
<tr>
<td>Q413</td>
<td>56.1</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q114</td>
<td>56.0</td>
<td>0.8%</td>
</tr>
<tr>
<td>Q214</td>
<td>56.5</td>
<td>1.7%</td>
</tr>
<tr>
<td>Q314</td>
<td>56.2</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Total subscribers

<table>
<thead>
<tr>
<th>Quarter</th>
<th>No. of subs (in million)</th>
<th>Penetration rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q113</td>
<td>85.9</td>
<td>133%</td>
</tr>
<tr>
<td>Q213</td>
<td>87.7</td>
<td>136%</td>
</tr>
<tr>
<td>Q313</td>
<td>89.8</td>
<td>139%</td>
</tr>
<tr>
<td>Q413</td>
<td>92.7</td>
<td>143%</td>
</tr>
<tr>
<td>Q114</td>
<td>94.8</td>
<td>146%</td>
</tr>
<tr>
<td>Q214</td>
<td>95.2</td>
<td>147%</td>
</tr>
<tr>
<td>Q314</td>
<td>96.2</td>
<td>148%</td>
</tr>
</tbody>
</table>

Total market service revenue (excl. IC)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Market share of service revenue (excl. IC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q213</td>
<td>31.9% AIS, 8.3% dtac, 23.8% True Mobile</td>
</tr>
<tr>
<td>Q313</td>
<td>31.2% AIS, 7.7% dtac, 23.9% True Mobile</td>
</tr>
<tr>
<td>Q413</td>
<td>31.5% AIS, 3.0% dtac, 25.4% True Mobile</td>
</tr>
<tr>
<td>Q114</td>
<td>31.1% AIS, 0.8% dtac, 25.7% True Mobile</td>
</tr>
<tr>
<td>Q214</td>
<td>30.7% AIS, 1.7% dtac, 25.6% True Mobile</td>
</tr>
<tr>
<td>Q314</td>
<td>29.6% AIS, 0.8% dtac, 25.9% True Mobile</td>
</tr>
</tbody>
</table>

% VAS of service revenues (excl. IC)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>% VAS of service revenues (excl. IC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q213</td>
<td>29.7%</td>
</tr>
<tr>
<td>Q313</td>
<td>31.8%</td>
</tr>
<tr>
<td>Q413</td>
<td>33.0%</td>
</tr>
<tr>
<td>Q114</td>
<td>35.7%</td>
</tr>
<tr>
<td>Q214</td>
<td>38.1%</td>
</tr>
<tr>
<td>Q314</td>
<td>40.3%</td>
</tr>
</tbody>
</table>

* Mobile Internet is roughly 70% - 80% of VAS revenues.
## dtac at a glance

<table>
<thead>
<tr>
<th>Subscribers</th>
<th>Total revenues</th>
<th>Revenue market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.8 million subs (Q314)</td>
<td>65 THB billion (9M14)</td>
<td>30.5% service revenues ex IC (9M14)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% 3G coverage</th>
<th>Distribution network</th>
<th>Market capitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>88% of population (Q314)</td>
<td>200k distribution points (Q314)</td>
<td>249 THB billion (Q314)</td>
</tr>
</tbody>
</table>
Aggressive competition

- Transition from concession to license
- ADVANC catching up on data growth
- True Move trying to fill up its network
Building Internet position

**Q314**
- continued after initial 2.1 GHz rollout
- densification and quality enhancement

**Q414–Q115**
- best 3G&4G networks in BMA and 30 major cities
- +6,500 base stations

**Positioning**
- leading Internet provider
- best experience on top 20 Internet services
FINANCIAL UPDATE
Fridtjof Rusten
Chief Financial Officer
Revenue mix shifting toward non-voice services

**subscriber base**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013 Q2</th>
<th>2013 Q3</th>
<th>2013 Q4</th>
<th>2014 Q1</th>
<th>2014 Q2</th>
<th>2014 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million Subs</td>
<td>27.2</td>
<td>27.5</td>
<td>27.9</td>
<td>28.2</td>
<td>28.0</td>
<td>27.8</td>
</tr>
</tbody>
</table>

**ARPU**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013 Q2</th>
<th>2013 Q3</th>
<th>2013 Q4</th>
<th>2014 Q1</th>
<th>2014 Q2</th>
<th>2014 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>THB/brub/month</td>
<td>259</td>
<td>231</td>
<td>232</td>
<td>224</td>
<td>224</td>
<td>218</td>
</tr>
<tr>
<td>ARPU incl. IC</td>
<td>214</td>
<td>209</td>
<td>210</td>
<td>208</td>
<td>203</td>
<td>197</td>
</tr>
<tr>
<td>ARPU ex. IC</td>
<td>214</td>
<td>209</td>
<td>210</td>
<td>208</td>
<td>203</td>
<td>197</td>
</tr>
</tbody>
</table>

**service revenues ex. IC**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013 Q2</th>
<th>2013 Q3</th>
<th>2013 Q4</th>
<th>2014 Q1</th>
<th>2014 Q2</th>
<th>2014 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>THB billion</td>
<td>17.7</td>
<td>17.4</td>
<td>17.7</td>
<td>17.4</td>
<td>17.3</td>
<td>16.6</td>
</tr>
<tr>
<td>Voice</td>
<td>1.4</td>
<td>1.3</td>
<td>1.5</td>
<td>1.4</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>VAS</td>
<td>5.4</td>
<td>5.9</td>
<td>6.3</td>
<td>6.6</td>
<td>6.9</td>
<td>7.0</td>
</tr>
<tr>
<td>Others</td>
<td>11.0</td>
<td>10.2</td>
<td>9.8</td>
<td>9.4</td>
<td>9.2</td>
<td>8.4</td>
</tr>
</tbody>
</table>

**vas revenues**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013 Q2</th>
<th>2013 Q3</th>
<th>2013 Q4</th>
<th>2014 Q1</th>
<th>2014 Q2</th>
<th>2014 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of service revenues ex. IC</td>
<td>30.3%</td>
<td>34.1%</td>
<td>35.6%</td>
<td>37.8%</td>
<td>39.6%</td>
<td>42.4%</td>
</tr>
</tbody>
</table>

**Note:** Q1 2014 and Q2 2014: ARPU incl. IC and ARPU ex. IC are estimated.
Continuous improvement in regulatory costs

### dtac vs dtm sub

<table>
<thead>
<tr>
<th></th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>dtac</td>
<td>27.2</td>
<td>27.5</td>
<td>27.9</td>
<td>28.2</td>
<td>28.0</td>
<td>27.8</td>
</tr>
<tr>
<td>DTN</td>
<td>27.2</td>
<td>27.5</td>
<td>15.9</td>
<td>12.4</td>
<td>8.9</td>
<td>8.0</td>
</tr>
</tbody>
</table>

### % smartphone penetration

<table>
<thead>
<tr>
<th></th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>dtac</td>
<td>26.0%</td>
<td>29.1%</td>
<td>32.7%</td>
<td>33.9%</td>
<td>37.2%</td>
<td>41.2%</td>
</tr>
<tr>
<td>DTN</td>
<td>25.6%</td>
<td>25.6%</td>
<td>25.6%</td>
<td>25.6%</td>
<td>25.6%</td>
<td>25.6%</td>
</tr>
</tbody>
</table>

### % regulatory cost

<table>
<thead>
<tr>
<th></th>
<th>Concession</th>
<th>License</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30%</td>
<td>5.25%</td>
</tr>
</tbody>
</table>

### % regulatory cost (ex. IC)

<table>
<thead>
<tr>
<th></th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>dtac</td>
<td>32.1%</td>
<td>32.1%</td>
<td>28.5%</td>
<td>25.6%</td>
<td>21.6%</td>
<td>21.6%</td>
</tr>
<tr>
<td>DTN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Strong financial matrices

**EBITDA margin**

- Q213: 30.4%
- Q313: 33.4%
- Q413: 32.1%
- Q114: 36.6%
- Q214: 36.4%
- Q314: 37.3%

**operating free cash flow**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating CF (EBITDA-capex)</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q213</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>Q313</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>Q413</td>
<td>6.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Q114</td>
<td>3.0</td>
<td>5.3</td>
</tr>
<tr>
<td>Q214</td>
<td>4.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Q314</td>
<td>2.0</td>
<td>5.8</td>
</tr>
</tbody>
</table>

**dividend payment**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>THB per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q213</td>
<td>1.28</td>
</tr>
<tr>
<td>Q313</td>
<td>1.32</td>
</tr>
<tr>
<td>Q413</td>
<td>1.42</td>
</tr>
<tr>
<td>Q114</td>
<td>1.58</td>
</tr>
<tr>
<td>Q214</td>
<td>1.57</td>
</tr>
<tr>
<td>Q314</td>
<td></td>
</tr>
</tbody>
</table>

**financial ratios**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net debt:equity</th>
<th>Net debt:EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q213</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Q313</td>
<td>0.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Q413</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Q114</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Q214</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Q314</td>
<td>0.5</td>
<td></td>
</tr>
</tbody>
</table>
Outlook 2014

- Slightly below 2013 level
- Service revenues ex. IC: 35-37%
- EBITDA margin: 13.0
- Minimum capex (in THB billion)
Bright prospect for Thai telcos

Country
- Large population
- Well-placed in AEC
- Urbanization

Economy
- Resilient economy
- Rising of middle class
- Increase efficiency/productivity

Industry
- 3-player market
- Low fixed broadband penetration

Consumer
- Data-centric consumer
- Social media enthusiasts
Looking ahead

Service Rev is expected to grow slightly faster than PCI since data continue to behave as an additional source of revenue but SIM penetration is expecting to be low.

Note:
1. Nominal GDP growth uses historical number from BoT.
2. PCI Growth uses historical number from NESDB. Future PCI growth is from BMI.
Customer behavior is changing from heavy voice to heavy data...

Thai people spend significantly more time on data services than voice calls...

... they use their mobile at home and even more while travelling

online via mobile

3.1 Hours**

call on voice service

9 minutes*

Note: Time spent on mobile internet of other countries (hrs/person/day)

<table>
<thead>
<tr>
<th>Country</th>
<th>Malaysia</th>
<th>UK</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.1</td>
<td>1.6</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Source: NBTC, GlobalWebindex, Remark: * updated as of May 2014, 268 minutes/month, ** GlobalWebindex survey conducted in January 2014
Thailand is expecting high growth in both data users and smartphone penetration

Data users & Smartphone penetration expected to grow rapidly

<table>
<thead>
<tr>
<th>Year</th>
<th>Smartphone Pen.</th>
<th>Data User Pen.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>35%</td>
<td>44%</td>
</tr>
<tr>
<td>2017</td>
<td>61%</td>
<td>80%</td>
</tr>
</tbody>
</table>

No.2 country in the world, the most Line users

Note: No.1 is Japan

Apple considered Thailand as 1st Tier country,

55,000 iPhone6s was sold out in first week

Note: data user penetration as of 2012 – 2013 is actual market data from Ovum, assumption of 2014 base on dtac’s current data and 2015 – 2017 forecast based on dtac ambition

Source: Ovum forecast
We aspire to become the leading Internet operator…

“Preferred operator with the best experience on services that customers use the most”

<table>
<thead>
<tr>
<th>What it is…</th>
<th>…What it is not</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Best experience on popular services”</td>
<td>2GB of up to 42 Mbps</td>
</tr>
<tr>
<td></td>
<td>150 minutes any net</td>
</tr>
<tr>
<td></td>
<td>Free 50 messages</td>
</tr>
</tbody>
</table>
… through both emotional and functional propositions…
... to regain our place in customers’ hearts
dtac has seen strong growth in mobile data usage and revenue, while voice declines slightly.

Avg. usage of dtac post-paid users by services

Data usage has strong growth

Voice usage slightly declines

Communication apps become popular

People spend less on voice service

Avg. usage of dtac post-paid users by services

Communication apps become popular

People spend less on voice service
Therefore, we have begun offering industry-leading data centric pricing plans...

Unlimited voice call to all networks

Full speed 4G/3G internet (no speed throttling / FUP)
… while also leveraging partnerships to explore new and innovative distribution channel

First Facebook official partner in Thailand

Facebook provide exclusive marketing tools through its platform

dtac can upsell / cross-sell products inside the Facebook platform
‘Internet for All’ helps improve quality of life
Key takeaways

dtac is positioned to capture data growth potential.

dtac aims to drive the industry to monetize data.

dtac differentiates by being the preferred partner for top Internet services.

We stay close to market through on ground activities.
Pledge – by March 31, 2015

1. Best data network in BKK + 30 cities

2. Best 4G in BKK + 30 cities
Best data network in BKK + 30 cities

Best Network

- Consistently good experience on top 20 Internet services
- Good voice call experience
- Content delivery
  - International Internet connectivity
  - Availability of network
  - Direct connection with top service partners
  - Local caching service

BMA (including outdoor and in-door malls)

1 – 2 districts in 30 major cities
Best Internet experience in BMA and top 30 cities: 6,500 sites within Q115

- Quick 3G coverage gain through 850MHz in rural areas
- Address pockets of poor coverage as well as enhance capacity and LTE experience through 2.1Ghz in Dense Urban
- 30% of our plan will be completed within this year and the rest within 31st March 2015
Enhancing our 3G Coverage through 850MHz

- Previously our presence of 3G-850 was focused to high populated areas
- With additional sites within Q1-15
  - Our indoor and road coverage will be enhanced in a short span of time
  - This will go in parallel to our long term plan of significant rollout in 2100Mhz in the coming years
Why 4G now?

- Improve Internet experience for both 3G & 4G users
- Build 4G position to differentiate from competitor
- With 4G, dtac becomes the only operator which best fulfils the wide spectrum of customer needs (2G, 3G and 4G)
- More efficient use of spectrum
- Better UL throughput
- Lower Latency
dtac holds the largest spectrum bandwidth

Note: * Only 25.3 MHz used, ** 3G wholesale agreement with CAT
Planned 25 MHz of 1800MHz & 17.5 MHz of 900MHz auctions in 2014 have been postponed

**Jul-14**
NCPO ordered the delay of 4G auction by one year

- CAT/TOT long-term business plans
- Roles and responsibilities of Telecom and Broadcasting regulator
- 2G customers on 900MHz and 1800MHz

NBTC must revise the relevant laws and regulations to ensure transparency, fairness, efficiency, and utmost effectiveness, by taking into account "national security and public interest".
Adequate capacity to cope with data growth during auction delay

- Coverage and capacity enhancement through sector additions
- LTE on 3rd carrier provides better spectral efficiency
- Further capacity need fulfilled by densification
Wifi to complement cellular network

- Along with rollout plans on 3G & 4G, dtac plans to expand its Wifi presence
- In the long term, we believe in complete integration of mobile network and Wifi solution into one system
- We also have an optimistic view of Voice over Wifi, and we believe this would be a better option to current indoor solutions such as Femto Cell
- We are assessing and working closely with our Partners to exploit the full potential of future Wifi
REGULATORY ISSUES

Sigve Brekke
Head of Asian Operations, Telenor Group
Interim Chief Executive Officer, dtac
National Council for Peace and Order’s 3-Steps Political Roadmap:
Reconciliation, Reform, and Election

22 May 2014  
**Coup d’Etat**
The military junta called **NCPO**
governs the country

22 July 2014  
**Provisional Constitution**

31 July 2014  
**National Legislative Assembly (220)**
- to nominate the PM and Cabinet

21 Aug 2014  
**Prime Minister** Gen. Prayuth C.

30 Aug 2014  
**Cabinet (34)**

2 Oct 2014  
**National Reform Council (250)**

Oct 2014  
**Constitution Drafting Committees (36)** 10 months for new Constitution Drafting

Q3 2015  
**New Constitution**

Early 2016?  
**General Election**
Summary of current situation

Concession frequency (850 & 1800MHz) vs. Licensed frequency (2.1GHz)

**Revenue share:**
- Concession frequency: 30%
- Licensed frequency: 5.25%

**Right to use concession spectrum:**
- Concession frequency: Right to use concession spectrum
- Licensed frequency: Right to use licensed spectrum

**Ownership of assets:**
- Concession frequency: Ownership of assets belong to CAT
- Licensed frequency: Ownership of assets belong to CAT

**Build telco assets under BTO agreement:**
- Concession frequency: Build telco assets under BTO agreement
- Licensed frequency: Lease concession assets from dtac (e.g. transmission, towers)

**Dispute over ownership of some assets:**
- Dispute over ownership of some assets

**dtac may lose access to these asset post-2018:**
- All of transmission
- ~1,000 towers (transferred)
- ~10,000 towers (at risk)
- Network equipment on 850 and 1800 spectrum

**Dispute with CAT over non-competing clause:**
## Strengthen relationships with CAT & TOT

<table>
<thead>
<tr>
<th>Who are they</th>
<th>Key issues</th>
<th>dtac position</th>
</tr>
</thead>
</table>
| **CAT Telecom Public Company Limited ("CAT")** | • State owned enterprise  
• Mobile telecom concessions owner on 850/1800MHz with dtac  
• Wholesale on 850MHz with TRUE | • Transfer of tower and equipment  
• 850/1800MHz spectrum auction  
• Future Infrastructure sharing | • Cooperate with CAT to find win-win solution  
• Support NBTC to create fair environment  
• Willing to rent infrastructure and do business with CAT |
| **TOT Public Company Limited ("TOT")** | • State owned enterprise  
• Mobile telecom concession owner on 900MHz with AIS  
• Operate 2.1GHz network with MVNO model | • Access Charge  
• Future Infrastructure sharing | • Strong legal case  
• Willing to rent infrastructure and do business with TOT |
Potential for asset sharing

- **AIS**
  - Barter model
  - Leasing model for 2.1GHz
  - Tower co model
  - Transmission

- **True**
  - Leasing model from True GIF
  - Take ownership stake in True GIF
  - Transmission

- **CAT/TOT**
  - Leasing model
  - Tower co model
  - Transmission
## Current regulatory issues

<table>
<thead>
<tr>
<th>Issues</th>
<th>dtac position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change of NBTC status</strong> from an independent regulatory body to a government unit</td>
<td>Regulator should treat all operators equally and fairly</td>
</tr>
<tr>
<td><strong>Change in Frequency Allocation Act</strong> (Section 45*)</td>
<td><strong>Transparency</strong> of the spectrum allocation process regardless of allocation methods</td>
</tr>
<tr>
<td><strong>Revision of bidding rule</strong> post spectrum auction deferral</td>
<td>Fair terms and conditions, and <strong>equal opportunity</strong> for all participants</td>
</tr>
</tbody>
</table>

* Section 45: Telecom spectrum licenses shall only be awarded by auction method.
Advocate industry alignment on spectrum roadmap

**MHz**

(License expiry)

<table>
<thead>
<tr>
<th></th>
<th>900</th>
<th>1800</th>
<th>2100</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIS</td>
<td>17.5 (2015)</td>
<td>12.6 (2013)</td>
<td>15.0 (2027)</td>
</tr>
<tr>
<td>dtac</td>
<td>10.0 (2018)</td>
<td>25.3 (2018)</td>
<td>15.0 (2027)</td>
</tr>
<tr>
<td>true move</td>
<td>15.0 (2025)</td>
<td>12.6 (2013)</td>
<td>15.0 (2027)</td>
</tr>
</tbody>
</table>

**45.1 MHz**

**50.3 MHz**

**42.6 MHz**

Note: * Only 25.3 MHz used, ** 3G wholesale agreement with CAT*
DISTRIBUTION CHANNELS

Ukrit Salyapongs
Head of Integrated Sales & Service Strategy Division
Thailand is a diverse country with different geography and business opportunities. 

- **77 Provinces**
- **925 Amphur**
- **7,425 Tumbon**

**Demographics**

- **Thai Population**: 67 Million
- **Yearly International Tourists**: 43 Million
- **dtac subscribers**: 27 Million
Our channels are developed to meet & serve different customer segments

**dtac’s owned channels**

<table>
<thead>
<tr>
<th>Branded retail shop</th>
<th>Direct Sale</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Service hall</td>
<td>• Prepaid products and services</td>
<td>• Official dtac website</td>
</tr>
</tbody>
</table>

**Other channels**

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Telecom retailers</td>
<td>• Key accounts</td>
</tr>
<tr>
<td>• Non-telecom retailers</td>
<td>• Modern trades</td>
</tr>
<tr>
<td></td>
<td>• IT chain stores</td>
</tr>
</tbody>
</table>
Branded Retail Outlets
Direct Sales
Online

dtac website

dtac mobile application
Retailers
Partners
We have to manage these channels more effectively to drive growth and support our strategic directions.

<table>
<thead>
<tr>
<th></th>
<th>Prepaid SIM</th>
<th>Postpaid SIM</th>
<th>Refill</th>
<th>Financial Service</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retailers</strong></td>
<td>✅</td>
<td></td>
<td>✅</td>
<td>✅</td>
<td></td>
</tr>
<tr>
<td><strong>Direct Sales</strong></td>
<td>✅</td>
<td></td>
<td>✅</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Branded Shops</strong></td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td></td>
</tr>
<tr>
<td><strong>Partners</strong></td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 200,000+ retailers
- 500+ salespersons
- 325 shops (COCO & FOFO) @ end of 2014
- Telecom Chain Store: 1,300+ Outlets
- Modern Trade: 10,000+ Outlets
- Banks as Payment & Refill Channel: 7,800+ branches and 30,000+ ATM