



November 11, 2005

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OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

The U.S. Securities and Exchange Commission  
450 Fifth Street N.W., Room 3011  
Office of International Corporate Finance, Mail Stop 3-2  
Washington, DC 20549  
UNITED STATES OF AMERICA

SUPPL

Attention: International Corporate Finance Office

Re: Information Filing to the Stock Exchange of Thailand of Advanced Info Service Public Company Limited

TO WHOM IT MAY CONCERN

Pursuant to Rule 12g3-2(b)(1)(iii) and on behalf of Advanced Info Service Public Company Limited (the "Company") (File No. 82-3236), the information described below is enclosed for your attention.

◆ **Stock Exchange of Thailand Filing, AIS-CP 143/2005 and AIS-CP 144/2005**

Subject: 1. Notification of the Resolutions of the Board of Directors' Meeting No. 6/2005 in relation to Appointment of Auditors and New Director  
2. Report of Financial Covenants Compliance

Date: November 11, 2005

Attachment: Submission of the Reviewed Financial Statements for the third quarter of Year 2005 and Management's Discussion and Analysis for the third quarter of Year 2005.

The supplement information is provided with respect to the Company's request for exemption under Rule 12g3-2(b), which was established on January 16, 1997.

This information is being furnished with the understanding that such information and documents will not be deemed "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and that neither this letter nor the furnishing of such documents and information shall constitute an admission for any purpose that this Company is subject to the Exchange Act.

Please acknowledge receipt of this letter and the enclosed materials by date stamping the enclosed return receipt copy of this letter and returning it to the Group Compliance by fax at (662) 299-5252 attention Ms. Saowanee Tengvongvatana.

If you have any questions, please do not hesitate to contact the undersigned in Bangkok, Thailand at (662) 299-5561 or by emailing [saowanee.t@shincorp.com](mailto:saowanee.t@shincorp.com)

Thank you for your attention in this matter.

Faithfully yours,

Mrs. Siripen Sitasuwan  
President & Group CFO  
Shin Corporation Plc.

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Enclosure

**Summary Translation Letter  
To the Stock Exchange of Thailand  
November 11, 2005**

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OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

AIS-CP 143/2005

November 11, 2005

**Subject:** Notification of the Resolutions of the Board of Directors' Meeting No. 6/2005 in relation to Appointment of Auditors and New Director

**To:** The President  
The Stock Exchange of Thailand

The Board of Directors' Meeting of Advanced Info Service Public Company Limited (the "Company") No. 6/2005 held on November 11, 2005 at Anantara Resort & Spa, Hua Hin, Prachuabkhirikhan, has made a resolution on the following matters:

1. Certified the minutes of the board of directors' meeting no. 5/2005 held on August 10, 2005.
2. Approved the balance sheets, statement of income, and cash flow statements for the third quarter of 2005 ended September 30, 2005.
3. Approved the appointment of the following auditors of PriceWaterhouseCoopers ABAS Ltd. as the Company's auditors for 2006:
  - Mr. Suchart Luengsurawat CPA. No. 2807
  - Ms. Nangnoi Charoenthaveesub CPA. No. 3044
  - Mr. Suwannee Bhuripanyo CPA No. 3371
  - Mr. Prasit Yuengsrikul CPA. No. 4174

One of these persons will be responsible for conducting the audit and giving comments on the Company's financial statements. The Audit fees for 2006 of the Company and the Consolidation are up to Baht 6,310,000 and 9,375,000 respectively, subject to the approval of the 2006 Annual General Meeting of Shareholders.

4. Approved the appointment of Mr. Vasukree Klapairee, the representative director of TOT Public Company Limited, as the Company's new director to replace Mrs. Tasanee Manorot.

**Summary Translation Letter  
To the Stock Exchange of Thailand  
November 11, 2005**

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Ref: AIS-CP144/05

November 11, 2005

Subject : Report of Financial Covenants Compliance  
Advanced Info Service Plc.

To The President  
The Stock Exchange of Thailand

Pursuance to the Terms and Conditions of the debentures of Advanced Info Service Plc. AIS063A, AIS06NA, AIS073A, AIS07OA, AIS093A, and AIS093B, the Company is required to maintain its debt to equity ratio at not more than 2:1. This ratio will be calculated from an unconsolidated financial statement of the Company on a quarterly basis. The Company is, in addition, required to report a default on any debt obligation if there is any.

We would like to notify you that as at 30 September, 2005 the debt to equity ratio of the Company are as follows:

| Debentures  | Debt to Equity ratio |            |
|---|----------------------|------------|
|   | Conditions           | Compliance |
| AIS063A   | ≤ 2:1                | 0.79       |
| AIS06NA,<br>AIS073A, AIS07OA,<br>AIS093A, AIS093B | ≤ 2:1                | 0.65       |

and we are in compliance with the conditions set forth in the Terms and Conditions of the above debentures.

## Overview

As at 3Q05, the Company and its subsidiaries (the Group) had the total of 16,093,200 mobile phone subscribers, comprising of 2,078,000 postpaid subscribers on GSM Advance and GSM 1800 and 14,014,800 prepaid subscribers on 1-2-Call!. The subscriber base grew 278,700 or 1.8% due mainly to an increase in 1-2-Call! subscribers.

In 3Q05, a Subsidiary "Advanced Mpay Co., Ltd." (mPAY) had a joint venture partner from Japan "NTT DoCoMo Inc." (DoCoMo) to operate the mobile electronic payment system. mPAY enables customers to conveniently make secured payment through mobile devices for their daily-life transactions such as good and services, utilities bill payment, online shopping, etc.

The continuous surge in oil price putting pressure on consumer spending and the impact of market price competitions in 2Q05 contributed to weaker service revenue in this quarter. Moreover, third quarter has long been the seasonally weakest quarter in the year. The Group generated total revenue of Baht 22,219 million for the period of 3Q05, a fall of 0.4% QoQ and 6.8% YoY.

The Group recorded its net profit of Baht 4,415 million for 3Q05, an increase of 5.9% from previous quarter. The profit increase mainly owed to a drop in selling and administrative expense and corporate income tax.

For the nine-month period, the Group showed the net profit of Baht 13,953 million, down 9.1% compared to the same period of previous year. Total revenue declined 5.2% YoY while total cost increased slightly by 0.5%. However, selling and administrative expense, interest expense, and corporate tax in total declined 14.9%.

*Net profit of 3Q05 increased 5.9% because of a decline in SG&A together with corporate tax*

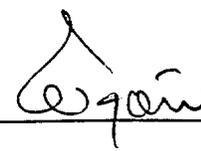
## Operating Results

Table 1: Selected financial information

|                    | Amount in Million Baht |              |              |          |              |
|--------------------|------------------------|--------------|--------------|----------|--------------|
|                    | 3Q05                   | % Change QoQ | % Change YoY | 9 Months | % Change YoY |
| Total Revenue      | 22,219                 | (0.4%)       | (6.8%)       | 68,249   | (5.2%)       |
| Total Cost         | 13,435                 | 3.1%         | 1.6%         | 39,463   | 0.5%         |
| Gross Margin       | 8,784                  | (5.3%)       | (17.2%)      | 28,786   | (12.1%)      |
| SG&A               | 2,433                  | (8.3%)       | (7.8%)       | 7,468    | (8.6%)       |
| Net Profit         | 4,415                  | 5.9%         | (16.2%)      | 13,953   | (9.1%)       |
| Diluted EPS (Baht) | 1.50                   | 6.4%         | (16.2%)      | 4.74     | (9.0%)       |

### Total Revenue

The Group generated total revenue of Baht 22,219 million in 3Q05, down 0.4% from that of 2Q05 and down 6.8% from that of 3Q04, due mainly to the decline of services revenue. For the nine-month period of 3Q05, total revenue was Baht 68,249 million, a decrease of 5.2% from the same period of last year.



**- Revenue from services and equipment rentals**

*Lower service revenue  
mainly due to price  
competitions*

The mobile service revenue was a majority part of revenue from service and equipment rentals. In 3Q05, mobile service revenue was Baht 18,989 million, a decrease of 4.0% from that of 2Q05. The fall in revenue was due to price competitions during 2Q05, weak market subscriber additions and seasonally weak period of the year. When compared to 3Q04, service revenue decreased by Baht 1,955 million or 9.3% YoY due mainly to the intensive price competition during 2Q05.

For the nine-month period service revenue was Baht 59,956 million, down by 4.6% from the same period of last year. Price competitions and weaker-than-expected market net additions had contributed to the lower revenues.

**- Revenue from sales**

*Sales Revenues  
up 27.8%*

Handset and accessory sales were major components in revenue from sales. In 3Q05, sales revenue were Baht 3,230 million, increased by Baht 703 million or 27.8% from 2Q05, and up by Baht 335 million or 11.6% compared to 3Q04. As the Group was selected as main authorized handset dealer from Nokia, revenue from sales was up starting from ended of 2Q05.

For the nine-month period, revenue from sales was Bath 8,293 million reduced by 9.4% from the same period of last year. The decrease in handset sales was a result of slower demand of handset market pushing down sales volume.

**Total Cost**

Total cost was Baht 13,435 million in 3Q05, increased by Baht 400 million from higher cost of handsets. When compared to 3Q04, total cost increased by Baht 206 million. Total cost for the nine-month period was Baht 39,463 million, being up Baht 211 million or 0.5% from the same period of last year.

**- Cost of services and equipment rentals**

*Higher cost driven  
mainly by higher  
network amortization*

Cost of services and equipment rentals were Baht 6,082 million in 3Q05, rose slightly by 0.3% from 2Q05 and 6.8% compared to 3Q04. The increment was due primarily to higher network amortization resulting from continuous expansion of mobile service network. For the nine-month period cost of services and equipment rentals rose by 8.6% from the same period of last year.

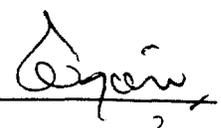
**- Concession fee and excise tax**

Concession fee and excise tax were Baht 4,455 million in 3Q05, decreasing by Baht 199 million from previous quarter and Baht 505 million from 3Q04.

For the nine-month period, concession fee and excise tax dropped 5.4% from the same period of last year in accordance with the decline in revenue from mobile service.

**- Cost of Sales**

Cost of sales was Baht 2,898 million, increased by Baht 581 million or 25.1% from prior period and increased by Baht 322 million or 12.5% compared to 3Q04 which was in-line with revenue from handsets sales. For the nine-month period, cost of sales dropped by Baht 409 million or 5.2% from the same period of last year.



**Selling and Administrative expenses**

*SG&A fell 8.3% QoQ from lower marketing expense and allowance for doubtful account*

Total selling and administrative expenses (SG&A) were Baht 2,433 million in 3Q05, accounted for 11.0% of total revenue. The SG&A decreased by Baht 220 million or 8.3% from that of 2Q05. Marketing expense dropped by Baht 183 million, allowance for doubtful account declined by Baht 143 million, while staff costs increased by Baht 74 million. Comparable with 3Q04, SG&A decreased by Baht 207 million or 7.8%.

For the nine-month period, SG&A decreased by Baht 702 million or 8.6% from the same period of last year. The main reasons were from marketing expense and allowance for doubtful account decreased by Baht 596 million and Baht 237 million respectively while staff cost increased by Baht 141 million.

**Income Tax**

*Lower Income tax from lower taxable profit*

In 3Q05, corporate income tax was Baht 1,711 million, down by Baht 449 million or 20.8% from that of 2Q05. Compared to 3Q04, it decreased by Baht 576 million or down 25.2%. For the nine-month period corporate tax decreased by Baht 1,499 million or 18.5% from the same period of last year. Apart from lower profit from operation, the declined tax was a result of introduction of cash card in September 2005. The introduction has changed timing of revenue recognition for tax calculation from at the point of card sales from the Company previously to when customers activate the cards to refill on their mobile phone accounts.

**Net Profit**

Net profit in 3Q05 increased 5.9% from that of 2Q05, and dropped by 16.2% compared to 3Q04. For the nine-month period, net profit decreased 9.1% from the same period of last year.

**Financial Position**

**1. Assets**

*Total assets decreased 3.3% from YE04 due to drop in cash and cash equivalent*

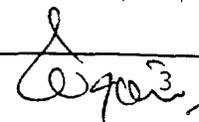
At the end of this quarter, total assets were Baht 117,120 million, decreased by Baht 4,047 million or 3.3% from YE04. As a percentage of total assets, current assets and non-current assets accounted for 14.2% and 85.8% respectively.

Table 2: Major assets component

|  | 30 September 2005 |                   | 31 December 2004 |                   |
|--|-------------------|-------------------|------------------|-------------------|
|  | Million Baht      | % of Total Assets | Million Baht     | % of Total Assets |
| Current Assets   | 16,595            | 14.2%             | 19,118           | 15.8%             |
| Plant, Property and Equipment, net (incl. Computer Software) | 10,096            | 8.6%              | 11,618           | 9.6%              |
| Assets under concession agreements, net                      | 76,886            | 65.6%             | 75,658           | 62.4%             |
| Other non current assets                                     | 13,543            | 11.6%             | 14,774           | 12.2%             |

**- Current Assets**

As at September 2005, current assets dropped by Baht 2,523 million or down 13.2% from YE04. This was mainly from the significant declining of cash and cash equivalent from Baht 9,449 million as at YE04 to Baht 7,382 million. Net trade account receivable decreased by Baht 663 million resulted from lower post-paid subscribers. Inventory increased by Baht 377 million.



## 2. Liabilities

*Total liabilities decreased 3.9% from YE04,* Total liabilities were Baht 51,028 million at end of 3Q05, decreased by Baht 2,053 million or 3.9% from YE04.

Table 3: Major liabilities component

|   | 30 September 2005 |                        | 31 December 2004 |                        |
|---|-------------------|------------------------|------------------|------------------------|
|   | Million Baht      | % of Total liabilities | Million Baht     | % of Total liabilities |
| Other Current Liabilities                                       | 16,094            | 31.6%                  | 16,423           | 31.0%                  |
| Concession right payable, accrued concession fee and excise tax | 8,390             | 16.4%                  | 7,017            | 13.2%                  |
| Long-term borrowings and debentures, net <sup>1</sup>           | 26,449            | 51.8%                  | 29,521           | 55.6%                  |
| Other non-current liabilities                                   | 95                | 0.2%                   | 119              | 0.2%                   |

<sup>1</sup> Long-term borrowings and debentures, net including current-portion within 1 year and portion over 1 year

### - Other Current Liabilities

As at September 2005, other current liabilities decreased by Baht 329 million or 2.0% from YE04. During this period, the Group made a new short-term loan from bank of Baht 1,500 million. Income tax payable dropped by Baht 3,105 million as the payment of corporate tax was due in August 2005. Trade account payable was up Baht 1,152 million.

### - Concession right payable, accrued concession fee and excise tax

As at September 2005, current portion of concession right payable and accrued concession fee and excise tax accounted for Baht 8,390 million, up by Baht 1,373 million or 19.6%. As the annual concession fee payment for postpaid revenue is due in the month of November each year, the balance of accrued concession fee as at second and third quarter are usually higher than the balance at the end of fourth quarter.

### - Long-term borrowings and debentures, net

As at September 2005, net long-term borrowings and debentures were Baht 26,449 million, a decrease of Baht 3,073 million or 10.4% from YE04. For the nine-month period ended September 2005, the Group made a total repayment for long-term debentures of Baht 3,000 million. The current portion of long-term debentures and borrowings were Baht 4,243 million and the portion over 1 year amounted to Baht 22,206 million. The current portion and the portion over 1 year represented 16.0% and 84.0% of total long-term debentures and borrowings, respectively.

## 3. Shareholders' Equities

*Total Equities fell down by 2.9% from YE04 due to two dividend payments*

As at September 2005, the Group had total equity of Baht 66,093 million, decreased by Baht 1,994 million or 2.9% from YE04. Net income for the nine-month period was Baht 13,953 million.

The Company declared its dividend payment for the performance of second half of 2004 at 2.60 baht per share in total of Baht 7,653 million which was paid on April 11,

2005. During the third quarter, the Company declared an interim dividend payment for the performance of first half of 2005 at 3.00 Baht per share in total of Baht 8,839 million, which was paid on September 6, 2005.

During the first quarter of 2005, in accordance with SEC regulations, the Company took a capital reserve for treasury stock of Baht 83 million apart from inappropriate retained earnings.

In addition, the additional issued and fully paid-up share capital as at end of 3Q05 increased subject to an exercise of ESOP totaling 4.18 million shares. The Company presented advanced receipt of Baht 51 million.

A subsidiary recognized a fair value reserved of available-for-sale securities of Baht 20 million as unrealized gain in Shareholder's Equity.

The Group had an unrealized gain from dilution of investment in subsidiary of Baht 158 million incurred in the third quarter of 2005.

#### 4. Liquidity

For the period of 3Q05, the Group's consolidated net cash flow decreased by Baht 2,085 million principally resulting from net cash inflow from operating activities of Baht 27,324 million. Net cash outflow from investing activities was Baht 11,843 million as a result of network expansion investment. In addition, net cash outflow from financing activities was Baht 17,566 million from : a) the repayment of long-term debentures and financial lease amounting to Baht 3,096 million, b) total dividend payment of Baht 16,492 million, c) additional short-term loan from bank of Baht 1,500 million, d) cash receipt from additional share in a Subsidiary from minority interest totaling Baht 315 million, e) dividend paid to minority interest by Baht 23 million, f) cash receipt from share capital increased and subscription by Baht 231 million.



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**ADVANCED INFO SERVICE PUBLIC  
COMPANY LIMITED**

**INTERIM CONSOLIDATED AND COMPANY  
FINANCIAL STATEMENTS (UNAUDITED)**

**30 SEPTEMBER 2005**

PricewaterhouseCoopers ABAS Ltd.  
15th Floor Bangkok City Tower  
179/74-80 South Sathorn Road  
Bangkok 10120  
Telephone 66 (0) 2344 1000  
66 (0) 2286 9999  
Facsimile 66 (0) 2286 5050  
P.O. Box 800 Bangkok 10500  
www.pwc.com/thailand

**AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

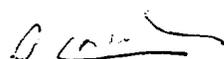
To the Shareholders of Advanced Info Service Public Company Limited

I have reviewed the accompanying consolidated and company balance sheets as at 30 September 2005 and the related consolidated and Company statements of income for the three-month and nine-month periods ended 30 September 2005 and 2004, and the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2005 and 2004 of Advanced Info Service Public Company Limited and its subsidiaries and of Advanced Info Service Public company Limited. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the interim financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the consolidated and company financial statements for the year ended 31 December 2004 of Advanced Info Service Public Company Limited and its subsidiaries and of Advanced Info Service Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 17 February 2005. The consolidated and company balance sheets as at 31 December 2004, presented for comparative purposes, are part of the financial statements which I have audited and issued a report thereon as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

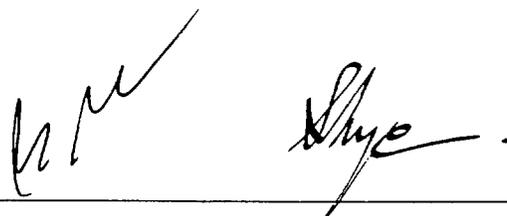


PRASAN CHUAPHANICH  
Certified Public Accountant  
(Thailand) No. 3051  
PricewaterhouseCoopers ABAS Limited

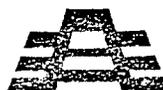
Bangkok  
11 November 2005



ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
บริษัท อีไอเอส จำกัด (มหาชน)



|   | Notes | Consolidated                                  |  | Company                                       |  |
|---|-------|---|--|---|--|
|   |       | Unaudited<br>30 September<br>2005<br>Baht'000 | Audited<br>31 December<br>2004<br>Baht'000 | Unaudited<br>30 September<br>2005<br>Baht'000 | Audited<br>31 December<br>2004<br>Baht'000 |
| <b>ASSETS</b>   |       |   |  |   |  |
| <b>Current Assets</b>   |       |   |  |   |  |
| Cash and cash equivalents   |       | 7,381,722                                     | 9,449,330                                  | 1,546,778                                     | 1,535,118                                  |
| Short-term investments  | 16    | 292,714                                       | 186,208                                    | -   | -  |
| Trade accounts receivable, net                                      | 6     | 5,098,053                                     | 5,761,004                                  | 4,384,405                                     | 6,041,577                                  |
| Amounts due from related parties and loan<br>to a subsidiary        | 16    | 1,366   | 445  | 66,724  | 25,607                                     |
| Inventories, net  |       | 1,414,177                                     | 1,037,199                                  | -   | -  |
| Spare part inventories for mobile phone<br>network maintenance, net |       | 207,282                                       | 244,998                                    | 193,995                                       | 221,788                                    |
| Advances to suppliers   |       | 311   | 56,965                                     | 311   | 56,965                                     |
| Other current assets  | 7     | 2,199,550                                     | 2,381,737                                  | 1,878,193                                     | 2,265,313                                  |
| <b>Total Current Assets</b>   |       | <b>16,595,175</b>                             | <b>19,117,886</b>                          | <b>8,070,406</b>                              | <b>10,146,368</b>                          |
| <b>Non-Current Assets</b>   |       |   |  |   |  |
| Investments in subsidiaries, net                                    | 8     | -   | -  | 29,702,487                                    | 27,938,774                                 |
| Property, plant and equipment, net                                  | 9     | 8,694,950                                     | 10,161,944                                 | 8,376,296                                     | 9,904,614                                  |
| Other assets  |       |   |  |   |  |
| Computer software, net  | 9     | 1,401,402                                     | 1,456,115                                  | 1,384,293                                     | 1,456,115                                  |
| Assets under concession<br>agreements, net                          | 9     | 76,886,358                                    | 75,657,773                                 | 68,642,894                                    | 66,359,237                                 |
| Concession rights, net  | 9     | 3,619,633                                     | 3,960,750                                  | -   | -  |
| Goodwill, net   | 9     | 9,295,673                                     | 10,170,851                                 | -   | -  |
| Other assets, net   | 9     | 627,281                                       | 642,281                                    | 521,639                                       | 523,693                                    |
| <b>Total Non-Current Assets</b>                                     |       | <b>100,525,297</b>                            | <b>102,049,714</b>                         | <b>108,627,609</b>                            | <b>106,182,433</b>                         |
| <b>Total Assets</b>   |       | <b>117,120,472</b>                            | <b>121,167,600</b>                         | <b>116,698,015</b>                            | <b>116,328,801</b>                         |



ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
 บริษัท แอดวานซ์ อินโฟร์ เซอร์วิส จำกัด (มหาชน)

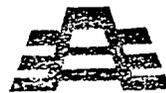
*[Handwritten signatures]*

|   | Notes | Consolidated                     |                                 | Company                          |                                 |
|---|-------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
|   |       | Unaudited                        | Audited                         | Unaudited                        | Audited                         |
|   |       | 30 September<br>2005<br>Baht'000 | 31 December<br>2004<br>Baht'000 | 30 September<br>2005<br>Baht'000 | 31 December<br>2004<br>Baht'000 |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                 |       |                                  |                                 |                                  |                                 |
| <b>Current Liabilities</b>                                  |       |                                  |                                 |                                  |                                 |
| Short-term loans from financial institutions                | 11    | 1,500,000                        | -                               | 1,500,000                        | -                               |
| Trade accounts payable                                      | 10    | 5,942,084                        | 4,790,179                       | 5,664,812                        | 4,318,775                       |
| Amounts due to and short-term loans<br>from related parties | 16    | 362,420                          | 419,121                         | 7,976,443                        | 3,001,486                       |
| Current portion of long-term borrowings                     | 11    | 13,473                           | 97,475                          | 13,142                           | 97,147                          |
| Current portion of long-term<br>debentures, net             | 11    | 4,229,024                        | 3,975,850                       | 4,229,024                        | 3,975,850                       |
| Forward and swap contracts payable, net                     |       | 18,984                           | -                               | 18,984                           | -                               |
| Concession right payable                                    | 12    | 4,738,868                        | 4,621,462                       | -                                | -                               |
| Accrued concession fee and excise tax                       |       | 3,650,854                        | 2,395,994                       | 3,200,082                        | 2,121,309                       |
| Other current liabilities                                   | 13    | 8,271,100                        | 11,213,210                      | 6,710,265                        | 10,036,957                      |
| <b>Total Current Liabilities</b>                            |       | <b>28,726,807</b>                | <b>27,513,291</b>               | <b>29,312,752</b>                | <b>23,551,524</b>               |
| <b>Non-Current Liabilities</b>                              |       |                                  |                                 |                                  |                                 |
| Unearned income   |       | 81,407                           | 105,960                         | -                                | -                               |
| Long-term borrowings  | 11    | 19,080                           | 26,004                          | 17,522                           | 25,223                          |
| Long-term debentures, net                                   | 11    | 22,187,377                       | 25,422,126                      | 22,187,377                       | 25,422,126                      |
| Deposits from customers                                     |       | 13,066                           | 13,051                          | -                                | -                               |
| <b>Total Non-Current Liabilities</b>                        |       | <b>22,300,930</b>                | <b>25,567,141</b>               | <b>22,204,899</b>                | <b>25,447,349</b>               |
| <b>Total Liabilities</b>                                    |       | <b>51,027,737</b>                | <b>53,080,432</b>               | <b>51,517,651</b>                | <b>48,998,873</b>               |
| <b>Shareholders' Equity</b>                                 |       |                                  |                                 |                                  |                                 |
| <b>Share capital</b>  |       |                                  |                                 |                                  |                                 |
| Authorised share capital                                    |       | 5,000,000                        | 5,000,000                       | 5,000,000                        | 5,000,000                       |
| Issued and fully paid-up share capital                      | 14    | 2,949,363                        | 2,945,188                       | 2,949,363                        | 2,945,188                       |
| Premium on share capital                                    | 14    | 20,656,624                       | 20,470,525                      | 20,656,624                       | 20,470,525                      |
| Treasury stock  |       | (83,130)                         | (83,130)                        | (83,130)                         | (83,130)                        |
| Advanced receipts for share subscription                    | 14    | 51,483                           | 11,051                          | 51,483                           | 11,051                          |
| <b>Retained earnings</b>                                    |       |                                  |                                 |                                  |                                 |
| Appropriated - Legal reserve                                |       | 500,000                          | 500,000                         | 500,000                          | 500,000                         |
| Appropriated - Capital reserve for treasury stock           |       | 83,130                           | -                               | 83,130                           | -                               |
| Unappropriated  |       | 40,861,708                       | 43,483,254                      | 40,861,708                       | 43,483,254                      |
| <b>Total Parent's Shareholders' Equity</b>                  |       | <b>65,019,178</b>                | <b>67,326,888</b>               | <b>65,019,178</b>                | <b>67,326,888</b>               |
| Fair value reserve of available-for-sale<br>securities      |       | 19,755                           | 14,268                          | -                                | -                               |
| Unrealised gain on dilution of investment                   |       | 161,186                          | 3,040                           | 161,186                          | 3,040                           |
| Minority interests  |       | 892,616                          | 742,972                         | -                                | -                               |
| <b>Total Shareholders' Equity, net</b>                      |       | <b>66,092,735</b>                | <b>68,087,168</b>               | <b>65,180,364</b>                | <b>67,329,928</b>               |
| <b>Total Liabilities and Shareholders' Equity</b>           |       | <b>117,120,472</b>               | <b>121,167,600</b>              | <b>116,698,015</b>               | <b>116,328,801</b>              |

The notes on pages 10-36 are an integral part of these interim financial statements.

Advanced Info Service Public Company Limited  
 Statements of Income (Unaudited)  
 For the three-month periods ended 30 September 2005 and 2004

|  | Consolidated                                  |   | Company                                       |   |
|--|---|---|---|---|
|  | Unaudited<br>30 September<br>2005<br>Baht'000 | Unaudited<br>30 September<br>2004<br>Baht'000 | Unaudited<br>30 September<br>2005<br>Baht'000 | Unaudited<br>30 September<br>2004<br>Baht'000 |
| <b>Revenues</b>  |   |   |   |   |
| Revenues from services and equipment rentals             | 18,988,612                                    | 20,943,969                                    | 17,716,726                                    | 19,292,391                                    |
| Sales  | 3,229,946                                     | 2,894,587                                     | -   | -   |
| <b>Total revenues</b>                                    | <b>22,218,558</b>                             | <b>23,838,556</b>                             | <b>17,716,726</b>                             | <b>19,292,391</b>                             |
| <b>Cost</b>  |   |   |   |   |
| Cost of services and equipment rentals                   | 6,081,192                                     | 5,691,837                                     | 6,521,141                                     | 5,462,860                                     |
| Concession fee and excise tax                            | 4,455,115                                     | 4,960,558                                     | 4,035,018                                     | 4,601,400                                     |
| Cost of sales  | 2,898,268                                     | 2,576,208                                     | -   | -   |
| <b>Total cost</b>  | <b>13,434,575</b>                             | <b>13,228,603</b>                             | <b>10,556,159</b>                             | <b>10,064,260</b>                             |
| <b>Gross profit</b>                                      | <b>8,783,983</b>                              | <b>10,609,953</b>                             | <b>7,160,567</b>                              | <b>9,228,131</b>                              |
| Selling and administrative expenses                      | 2,432,679                                     | 2,640,037                                     | 2,157,138                                     | 2,275,918                                     |
| <b>Profit from sales, services and equipment rentals</b> | <b>6,351,304</b>                              | <b>7,969,916</b>                              | <b>5,003,429</b>                              | <b>6,952,213</b>                              |
| Other operating income                                   | 127,727                                       | 136,145                                       | 218,974                                       | 101,985                                       |
| Net gain on exchange rate                                | 28,916  | 1,872   | 27,161  | 4,655   |
| Directors' remuneration                                  | (1,135)                                       | (1,095)                                       | (1,120)                                       | (1,095)                                       |
| <b>Operating results</b>                                 | <b>6,506,812</b>                              | <b>8,106,838</b>                              | <b>5,248,444</b>                              | <b>7,057,758</b>                              |
| Share of net profit of investments                       |   |   |   |   |
| - equity method  | 8   | -   | 818,867                                       | 563,839                                       |
| <b>Profit before interest and tax</b>                    | <b>6,506,812</b>                              | <b>8,106,838</b>                              | <b>6,067,311</b>                              | <b>7,621,597</b>                              |
| Interest expense   | (393,636)                                     | (539,033)                                     | (387,061)                                     | (468,975)                                     |
| Income tax   | (1,711,233)                                   | (2,286,981)                                   | (1,264,990)                                   | (1,883,522)                                   |
| <b>Profit before minorities</b>                          | <b>4,401,943</b>                              | <b>5,280,824</b>                              | <b>4,415,260</b>                              | <b>5,269,100</b>                              |
| (Loss)/profit attributable to minorities, net            | (13,317)                                      | 11,724  | -   | -   |
| <b>Net profit for the period</b>                         | <b>4,415,260</b>                              | <b>5,269,100</b>                              | <b>4,415,260</b>                              | <b>5,269,100</b>                              |
| <b>Basic earnings per share (Baht)</b>                   | 4   |   |   |   |
| Net profit for the period                                | 1.50  | 1.79  | 1.50  | 1.79  |
| <b>Diluted earnings per share (Baht)</b>                 | 4   |   |   |   |
| Net profit for the period                                | 1.50  | 1.79  | 1.50  | 1.79  |



ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
 บริษัท อีไอเอส จำกัด (มหาชน)

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The notes on pages 10 to 33 are an integral part of these interim financial statements.

Advanced Info Service Public Company Limited  
 Statements of Income (Unaudited)  
 For the nine-month periods ended 30 September 2005 and 2004

|  | Consolidated                                  |   | Company                                       |   |
|--|---|---|---|---|
|  | Unaudited<br>30 September<br>2005<br>Baht'000 | Unaudited<br>30 September<br>2004<br>Baht'000 | Unaudited<br>30 September<br>2005<br>Baht'000 | Unaudited<br>30 September<br>2004<br>Baht'000 |
| <b>Revenues</b>  |   |   |   |   |
| Revenues from services and equipment rentals             | 59,955,693                                    | 62,868,620                                    | 55,415,599                                    | 57,937,285                                    |
| Sales  | 8,293,246                                     | 9,147,706                                     | -   | -   |
| <b>Total revenues</b>                                    | <b>68,248,939</b>                             | <b>72,016,326</b>                             | <b>55,415,599</b>                             | <b>57,937,285</b>                             |
| <b>Cost</b>  |   |   |   |   |
| Cost of services and equipment rentals                   | 17,969,078                                    | 16,550,130                                    | 18,831,758                                    | 16,041,100                                    |
| Concession fee and excise tax                            | 14,058,899                                    | 14,858,422                                    | 12,866,749                                    | 13,794,534                                    |
| Cost of sales  | 7,435,309                                     | 7,843,074                                     | -   | -   |
| <b>Total cost</b>  | <b>39,463,286</b>                             | <b>39,251,626</b>                             | <b>31,698,507</b>                             | <b>29,835,634</b>                             |
| <b>Gross profit</b>                                      | <b>28,785,653</b>                             | <b>32,764,700</b>                             | <b>23,717,092</b>                             | <b>28,101,651</b>                             |
| Selling and administrative expenses                      | 7,467,179                                     | 8,171,556                                     | 6,718,822                                     | 6,946,432                                     |
| <b>Profit from sales, services and equipment rentals</b> | <b>21,318,474</b>                             | <b>24,593,144</b>                             | <b>16,998,270</b>                             | <b>21,155,219</b>                             |
| Other operating income                                   | 426,155                                       | 545,036                                       | 460,288                                       | 483,975                                       |
| Net gain on exchange rate                                | 18,895  | 20,129  | 20,312  | 4,141   |
| Directors' remuneration                                  | (4,067)                                       | (3,735)                                       | (4,037)                                       | (3,735)                                       |
| <b>Operating results</b>                                 | <b>21,759,457</b>                             | <b>25,154,574</b>                             | <b>17,474,833</b>                             | <b>21,639,600</b>                             |
| Share of net profit of investments                       |   |   |   |   |
| - equity method  | 8   | -   | 2,746,309                                     | 1,896,855                                     |
| <b>Profit before interest and tax</b>                    | <b>21,759,457</b>                             | <b>25,154,574</b>                             | <b>20,221,142</b>                             | <b>23,536,455</b>                             |
| Interest expense   | (1,187,306)                                   | (1,665,506)                                   | (1,123,175)                                   | (1,423,763)                                   |
| Income tax   | (6,602,522)                                   | (8,102,066)                                   | (5,144,512)                                   | (6,769,619)                                   |
| <b>Profit before minorities</b>                          | <b>13,969,629</b>                             | <b>15,387,002</b>                             | <b>13,953,455</b>                             | <b>15,343,073</b>                             |
| Profit attributable to minorities, net                   | 16,174  | 43,929  | -   | -   |
| <b>Net profit for the period</b>                         | <b>13,953,455</b>                             | <b>15,343,073</b>                             | <b>13,953,455</b>                             | <b>15,343,073</b>                             |
| <b>Basic earnings per share (Baht)</b>                   | 4   |   |   |   |
| Net profit for the period                                | 4.74  | 5.22  | 4.74  | 5.22  |
| <b>Diluted earnings per share (Baht)</b>                 | 4   |   |   |   |
| Net profit for the period                                | 4.74  | 5.21  | 4.74  | 5.21  |



*[Handwritten signatures]*

The notes on pages 10 to 33 are an integral part of these interim financial statements.

Advanced Info Service Public Company Limited  
 Statements of Changes in Shareholders' Equity (Unaudited)  
 For the nine-month periods ended 30 September 2005 and 2004

|  | Consolidated (Baht'000)          |                          |                 |  |                |                                    |                                  |                    |   |                    |                   |
|--|----------------------------------|--------------------------|-----------------|--|----------------|------------------------------------|----------------------------------|--------------------|---|--------------------|-------------------|
|  | Issued and paid-up share capital | Premium on share capital | Treasury Stock  | Advance receipt for share subscription | Legal reserve  | Capital reserve for treasury stock | Unappropriated retained earnings | Fair Value reserve | Unrealised gain on dilution of investment | Minority interests | Total             |
| <b>Opening balance 2005</b>                                  | 2,945,188                        | 20,470,525               | (83,130)        | 11,051                                 | 500,000        | -                                  | 43,483,254                       | 14,268             | 3,040                                     | 742,972            | 68,087,168        |
| Net profit for the period                                    | -                                | -                        | -               | -                                      | -              | -                                  | 13,953,455                       | -                  | -   | -                  | 13,953,455        |
| Dividend paid (Note 5)                                       | -                                | -                        | -               | -                                      | -              | -                                  | (16,491,871)                     | -                  | -   | -                  | (16,491,871)      |
| Transfer of advanced receipts to additional shares (Note 14) | 253                              | 10,798                   | -               | (11,051)                               | -              | -                                  | -                                | -                  | -   | -                  | -                 |
| Additional shares (Note 14)                                  | 3,922                            | 175,301                  | -               | -                                      | -              | -                                  | -                                | -                  | -   | 315,000            | 494,223           |
| Advanced receipt for share subscription (Note 14)            | -                                | -                        | -               | 51,483                                 | -              | -                                  | -                                | -                  | -   | -                  | 51,483            |
| Fair value reserve of available-for-sale securities          | -                                | -                        | -               | -                                      | -              | -                                  | -                                | 5,487              | -   | -                  | 5,487             |
| Unrealised gain (loss) on dilution of investment             | -                                | -                        | -               | -                                      | -              | -                                  | -                                | 158,146            | -   | (158,146)          | -                 |
| Capital reserve for treasury stock                           | -                                | -                        | -               | -                                      | -              | 83,130                             | (83,130)                         | -                  | -   | -                  | -                 |
| Dividend received  | -                                | -                        | -               | -                                      | -              | -                                  | -                                | -                  | -   | (23,384)           | (23,384)          |
| Profit attributable to minorities                            | -                                | -                        | -               | -                                      | -              | -                                  | -                                | -                  | -   | 16,174             | 16,174            |
| <b>Closing balance 30 September 2005</b>                     | <b>2,949,363</b>                 | <b>20,656,624</b>        | <b>(83,130)</b> | <b>51,483</b>                          | <b>500,000</b> | <b>83,130</b>                      | <b>40,861,708</b>                | <b>19,755</b>      | <b>161,186</b>                            | <b>892,616</b>     | <b>66,092,735</b> |
| <b>Opening balance 2004</b>                                  | 2,938,525                        | 20,169,275               | (83,130)        | 25,526                                 | 500,000        | -                                  | 35,720,063                       | -                  | -   | 355,945            | 59,626,204        |
| Net profit for the period                                    | -                                | -                        | -               | -                                      | -              | -                                  | 15,343,073                       | -                  | -   | -                  | 15,343,073        |
| Dividend paid  | -                                | -                        | -               | -                                      | -              | -                                  | (12,494,858)                     | -                  | -   | -                  | (12,494,858)      |
| Acquisition of investment in subsidiary                      | -                                | -                        | -               | -                                      | -              | -                                  | -                                | -                  | -   | 1,726              | 1,726             |
| Additional shares  | 5,905                            | 267,890                  | -               | (25,526)                               | -              | -                                  | -                                | -                  | -   | -                  | 248,269           |
| Advanced receipt for share subscription                      | -                                | -                        | -               | 11,806                                 | -              | -                                  | -                                | -                  | -   | -                  | 11,806            |
| Advanced receipt for share subscription of a subsidiary      | -                                | -                        | -               | -                                      | -              | -                                  | -                                | -                  | -   | 118,540            | 118,540           |
| Fair value reserve of available-for-sale securities          | -                                | -                        | -               | -                                      | -              | -                                  | -                                | 5,488              | -   | -                  | 5,488             |
| Profit attributable to minorities                            | -                                | -                        | -               | -                                      | -              | -                                  | -                                | -                  | -   | 43,929             | 43,929            |
| <b>Closing balance 30 September 2004</b>                     | <b>2,944,430</b>                 | <b>20,437,165</b>        | <b>(83,130)</b> | <b>11,806</b>                          | <b>500,000</b> | <b>-</b>                           | <b>38,568,278</b>                | <b>5,488</b>       | <b>-</b>                                  | <b>520,140</b>     | <b>62,904,177</b> |

The notes on pages 10 to 33 are an integral part of these interim financial statements.

Advanced Info Service Public Company Limited  
 Statements of Changes in Shareholders' Equity (Unaudited) (continued)  
 For the nine-month periods ended 30 September 2005 and 2004

|  | Company (Baht'000)               |                          |                 |  |                |                                    |                                  |   |                   |
|--|----------------------------------|--------------------------|-----------------|--|----------------|------------------------------------|----------------------------------|---|-------------------|
|  | Issued and paid-up share capital | Premium on share capital | Treasury Stock  | Advance receipt for share subscription | Legal reserve  | Capital reserve for treasury stock | Unappropriated retained earnings | Unrealised gain on dilution of investment | Total             |
| <b>Opening balance 2005</b>                                  | 2,945,188                        | 20,470,525               | (83,130)        | 11,051                                 | 500,000        | -                                  | 43,483,254                       | 3,040                                     | 67,329,928        |
| Net profit for the period                                    | -                                | -                        | -               | -                                      | -              | -                                  | 13,953,455                       | -   | 13,953,455        |
| Dividend paid (Note 5)                                       | -                                | -                        | -               | -                                      | -              | -                                  | (16,491,871)                     | -   | (16,491,871)      |
| Transfer of advanced receipts to additional shares (Note 14) | 253                              | 10,798                   | -               | (11,051)                               | -              | -                                  | -                                | -   | -                 |
| Additional shares (Note 14)                                  | 3,922                            | 175,301                  | -               | -                                      | -              | -                                  | -                                | -   | 179,223           |
| Advanced receipts for share subscription (Note 14)           | -                                | -                        | -               | 51,483                                 | -              | -                                  | -                                | -   | 51,483            |
| Unrealised gain on dilution of investment                    | -                                | -                        | -               | -                                      | -              | -                                  | -                                | 158,146                                   | 158,146           |
| Capital reserve for treasury stock                           | -                                | -                        | -               | -                                      | -              | 83,130                             | (83,130)                         | -   | -                 |
| <b>Closing balance 30 September 2005</b>                     | <b>2,949,363</b>                 | <b>20,656,624</b>        | <b>(83,130)</b> | <b>51,483</b>                          | <b>500,000</b> | <b>83,130</b>                      | <b>40,861,708</b>                | <b>161,186</b>                            | <b>65,180,364</b> |
| <b>Opening balance 2004</b>                                  | 2,938,525                        | 20,169,275               | (83,130)        | 25,526                                 | 500,000        | -                                  | 35,720,063                       | -   | 59,270,259        |
| Net profit for the period                                    | -                                | -                        | -               | -                                      | -              | -                                  | 15,343,073                       | -   | 15,343,073        |
| Dividend paid  | -                                | -                        | -               | -                                      | -              | -                                  | (12,494,858)                     | -   | (12,494,858)      |
| Additional shares  | 5,905                            | 267,890                  | -               | (25,526)                               | -              | -                                  | -                                | -   | 248,269           |
| Advanced receipts for share subscription                     | -                                | -                        | -               | 11,806                                 | -              | -                                  | -                                | -   | 11,806            |
| <b>Closing balance 30 September 2004</b>                     | <b>2,944,430</b>                 | <b>20,437,165</b>        | <b>(83,130)</b> | <b>11,806</b>                          | <b>500,000</b> | <b>-</b>                           | <b>38,568,278</b>                | <b>-</b>                                  | <b>62,378,549</b> |

The notes on pages 10 to 33 are an integral part of these interim financial statements.

Advanced Info Service Public Company Limited  
 Statements of Cash Flows (Unaudited)  
 For the nine-month periods ended 30 September 2005 and 2004

|   | Notes | Consolidated                                  |   | Company                                       |   |
|---|-------|---|---|---|---|
|   |       | Unaudited<br>30 September<br>2005<br>Baht'000 | Unaudited<br>30 September<br>2004<br>Baht'000 | Unaudited<br>30 September<br>2005<br>Baht'000 | Unaudited<br>30 September<br>2004<br>Baht'000 |
| <b>Cash flows from operating activities</b>                         | 15    | 27,324,105                                    | 28,511,749                                    | 22,903,406                                    | 25,133,936                                    |
| <b>Cash flows from investing activities:</b>                        |       |   |   |   |   |
| Net changes in short-term investments                               |       | (101,019)                                     | 12,689  | -   | -   |
| Net changes in advances to suppliers                                |       | 56,653  | 269,043                                       | 56,653  | 268,398                                       |
| Proceeds from disposals of property and equipment                   |       | 12,806  | 15,126  | 83,905  | 3,350   |
| Acquisitions of subsidiaries, net of cash acquired                  | 8     | -   | (472)   | (213,000)                                     | (2,413)                                       |
| Cash invested in long-term investments in a subsidiary              | 8     | -   | -   | (250,000)                                     | (177,450)                                     |
| Purchases of property, plant and equipment                          |       | (2,556,127)                                   | (2,594,842)                                   | (2,482,801)                                   | (2,548,214)                                   |
| Purchases of assets under concession agreements                     |       | (9,254,956)                                   | (6,229,773)                                   | (8,849,891)                                   | (5,725,836)                                   |
| Dividend received from subsidiaries                                 |       | -   | -   | 1,603,741                                     | 117,600                                       |
| <b>Net cash payments to investing activities</b>                    |       | <b>(11,842,643)</b>                           | <b>(8,528,229)</b>                            | <b>(10,051,393)</b>                           | <b>(8,064,565)</b>                            |
| <b>Cash flows from financing activities:</b>                        |       |   |   |   |   |
| Proceed from short-term loans from banks                            |       | 1,500,000                                     | -   | 1,500,000                                     | -   |
| Repayments of short-term loans from financial institutions          |       | -   | (30,000)                                      | -   | -   |
| Proceeds from short-term loans from a subsidiary                    | 16    | -   | -   | 7,500,000                                     | -   |
| Repayment of loans from a subsidiary                                | 16    | -   | -   | (2,500,000)                                   | (500,000)                                     |
| Repayments of long-term borrowings                                  |       | -   | (3,007,449)                                   | -   | -   |
| Repayments of long-term debentures                                  | 11    | (3,000,000)                                   | (3,000,000)                                   | (3,000,000)                                   | (3,000,000)                                   |
| Finance lease principal payments                                    | 11    | (96,641)                                      | (106,986)                                     | (96,307)                                      | (100,094)                                     |
| Cash receipts from additional share in a subsidiary from minorities | 8     | 315,000                                       | -   | -   | -   |
| Net proceeds from capital increase                                  | 14    | 3,922   | 5,371   | 3,922   | 5,371   |
| Net proceeds from share premium                                     | 14    | 175,301                                       | 242,898                                       | 175,301                                       | 242,898                                       |
| Advanced receipts for share subscription                            | 14    | 51,483  | 11,806  | 51,483  | 11,806  |
| Advanced receipts for share subscription of a subsidiary            |       | -   | 118,540                                       | -   | -   |
| Payments of dividend  | 5     | (16,491,871)                                  | (12,494,858)                                  | (16,491,871)                                  | (12,494,858)                                  |
| Payments of dividend to minorities                                  |       | (23,384)                                      | -   | -   | -   |
| <b>Net cash payments from financing activities</b>                  |       | <b>(17,566,190)</b>                           | <b>(18,260,678)</b>                           | <b>(12,857,472)</b>                           | <b>(15,834,877)</b>                           |
| <b>Net increase in cash and cash equivalents</b>                    |       | <b>(2,084,728)</b>                            | <b>1,722,842</b>                              | <b>(5,459)</b>                                | <b>1,234,494</b>                              |
| <b>Opening balance</b>  |       | <b>9,449,331</b>                              | <b>8,636,841</b>                              | <b>1,535,118</b>                              | <b>1,479,409</b>                              |
| Unrealised gain on exchange rate of cash and cash equivalents       |       | 17,119  | 5,113   | 17,119  | 5,113   |
| <b>Closing balance</b>  |       | <b>7,381,722</b>                              | <b>10,364,796</b>                             | <b>1,546,778</b>                              | <b>2,719,016</b>                              |

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
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The notes on pages 10 to 33 are an integral part of these interim financial statements.

Supplemental disclosures of cash flow information

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows for the nine-month periods ended 30 September 2005 and 2004 comprise:

|   | Consolidated                                      |   | Company   |   |
|---|---|---|---|---|
|   | Unaudited<br>30 September<br>2005<br>Million Baht | Unaudited<br>30 September<br>2004<br>Million Baht | Unaudited<br>30 September<br>2005<br>Million Baht | Unaudited<br>30 September<br>2004<br>Million Baht |
| Cash and deposits at financial institutions                       | 5,725   | 2,297   | 796   | 883   |
| Short-term investments with maturities<br>of three months or less | 1,657   | 8,068   | 751   | 1,836   |
| Total cash and cash equivalents                                   | 7,382   | 10,365  | 1,547   | 2,719   |

Interest paid, income tax and non-cash investing activities

Interest paid, income tax paid and non-cash investing activities for the nine-month periods ended 30 September 2005 and 2004 comprise:

|                 | Consolidated                                      |   | Company   |   |
|-----------------|---|---|---|---|
|                 | Unaudited<br>30 September<br>2005<br>Million Baht | Unaudited<br>30 September<br>2004<br>Million Baht | Unaudited<br>30 September<br>2005<br>Million Baht | Unaudited<br>30 September<br>2004<br>Million Baht |
| Interest paid   | 1,142   | 1,517   | 1,155   | 1,467   |
| Income tax paid | 9,712   | 8,803   | 7,449   | 7,804   |

Interest paid and income tax paid

|                 |       |       |       |       |
|-----------------|-------|-------|-------|-------|
| Interest paid   | 1,142 | 1,517 | 1,155 | 1,467 |
| Income tax paid | 9,712 | 8,803 | 7,449 | 7,804 |

Non-cash investing activities

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| Outstanding debts arising from investment<br>in property, plant and equipment and assets<br>under concession agreements | 3,575 | 2,398 | 3,454 | 2,262 |
|---|-------|-------|-------|-------|

## 1 Accounting policies

These interim consolidated and Company financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 41, "Interim Financial Reporting" and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act., B.E. 2535.

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2004, except as discussed below.

As a result of the Federation of Accounting Profession (FAP) approval of three new accounting standards on 12 May 2005, the Company has adopted TAS 52, 'Events After Balance Sheet Date', TAS 53, 'Provisions, Contingent Liabilities, Contingent Assets' and TAS 54, 'Discontinuing Operations' in the second quarter of 2005. The adoption of three new standards did not have material impact on the interim consolidated and company financial statements presented.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

Income tax expense is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

These interim financial statements should be read in conjunction with the 2004 annual financial statements.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

These interim consolidated and company financial statements have been approved for issue by the Board of Directors on 11 November 2005.



ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
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Advanced Info Service Public Company Limited  
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2 Segment information

Financial information by business segment for the three-month and nine-month periods ended 30 September 2005 and 2004 are as follows:

|   | Consolidated (Million Baht)                    |          |                    |         |                   |      |          |          |
|---|--|----------|--------------------|---------|-------------------|------|----------|----------|
|   | For the three-month periods ended 30 September |          |                    |         |                   |      |          |          |
|   | Mobile phone and call center services          |          | Mobile phone sales |         | Datatnet services |      | Group    |          |
|   | 2005   | 2004     | 2005               | 2004    | 2005              | 2004 | 2005     | 2004     |
| <b>Revenues:</b>                              |  |          |                    |         |                   |      |          |          |
| Revenues from services and equipment rentals  | 18,820   | 20,802   | 25                 | 18      | 144               | 124  | 18,989   | 20,944   |
| Sales   | -  | -        | 3,229              | 2,892   | 1                 | 3    | 3,230    | 2,895    |
| Total revenues                                | 18,820   | 20,802   | 3,254              | 2,910   | 145               | 127  | 22,219   | 23,839   |
| <b>Operating expenses:</b>                    |  |          |                    |         |                   |      |          |          |
| Cost of sales, services and equipment rentals | (10,429)                                       | (10,568) | (2,906)            | (2,581) | (100)             | (80) | (13,435) | (13,229) |
| Selling and administrative expenses           | (2,275)  | (2,470)  | (93)               | (135)   | (65)              | (35) | (2,433)  | (2,640)  |
| Operating profit                              | 6,116  | 7,764    | 255                | 194     | (20)              | 12   | 6,351    | 7,970    |

  
 ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
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2 Segment information (continued)

|   | Consolidated (Million Baht)                    |          |                    |         |                  |       |          |          |
|---|--|----------|--------------------|---------|------------------|-------|----------|----------|
|   | For the three-month periods ended 30 September |          |                    |         |                  |       |          |          |
|   | Mobile phone and call center services          |          | Mobile phone sales |         | Datanet services |       | Group    |          |
| 2005  | 2004   | 2005     | 2004               | 2005    | 2004             | 2005  |          | 2004     |
| <b>Revenues:</b>                              |  |          |                    |         |                  |       |          |          |
| Revenues from services and equipment rentals  | 59,483   | 62,452   | 76                 | 67      | 397              | 349   | 59,956   | 62,868   |
| Sales   | -  | -        | 8,291              | 9,139   | 2                | 9     | 8,293    | 9,148    |
| Total revenues                                | 59,483   | 62,452   | 8,367              | 9,206   | 399              | 358   | 68,249   | 72,016   |
| <b>Operating expenses:</b>                    |  |          |                    |         |                  |       |          |          |
| Cost of sales, services and equipment rentals | (31,760)                                       | (31,165) | (7,458)            | (7,870) | (246)            | (217) | (39,464) | (39,252) |
| Selling and administrative expenses           | (7,105)  | (7,748)  | (202)              | (326)   | (160)            | (97)  | (7,467)  | (8,171)  |
| Operating profit                              | 20,618   | 23,539   | 707                | 1,010   | (7)              | 44    | 21,318   | 24,593   |

Operating profit



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**3 Operating profit**

The following items have been charged to the operating profit during the interim period :

|  | Consolidated                         |                                      | Company                              |                                      |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|  | 30 September<br>2005<br>Million Baht | 30 September<br>2004<br>Million Baht | 30 September<br>2005<br>Million Baht | 30 September<br>2004<br>Million Baht |
| Depreciation on property and equipment<br>(Note 9)                                   | 3,683                                | 3,240                                | 3,621                                | 3,178                                |
| Amortisation of intangible assets: (Note 9)  |                                      |                                      |                                      |                                      |
| - Computer software  | 386                                  | 347                                  | 385                                  | 347                                  |
| - Assets under concession agreements   | 9,505                                | 8,775                                | 7,975                                | 7,291                                |
| - Concession right   | 341                                  | 341                                  | -                                    | -                                    |
| - Positive goodwill  | 875                                  | 875                                  | -                                    | -                                    |
| - Deferred charges   | 116                                  | 88                                   | 102                                  | 55                                   |
| (Reversal)/loss on obsolete spare parts for<br>mobile phone network maintenance, net | (135)                                | 128                                  | (145)                                | 135                                  |
| Loss on write-off of deferred charges<br>(Note 9)                                    | 4                                    | -                                    | 4                                    | -                                    |
| Doubtful accounts and bad debts  | 396                                  | 632                                  | 380                                  | 567                                  |
| Staff costs  | 2,128                                | 1,698                                | 1,543                                | 1,452                                |
| Marketing expense  | 2,010                                | 2,605                                | 1,874                                | 2,391                                |
| Number of staff (persons)  | 5,321                                | 4,865                                | 3,906                                | 3,535                                |

**4 Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of paid-up ordinary shares in issue during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares which are the weighted average number of ordinary shares which would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The assumed proceeds from exercise of warrants should be considered to have been received from the issue of shares at fair value. These represent warrants where the exercise price is less than the average market price of the Company's shares during the three-month and nine-month periods ended 30 September 2005 and 2004.



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Advanced Info Service Public Company Limited  
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4 Earnings per share (continued)

| For the three-month periods ended   | Consolidated         |                      | Company              |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30 September<br>2005 | 30 September<br>2004 | 30 September<br>2005 | 30 September<br>2004 |
| <b>Basic earnings per share (Baht)</b>  |                      |                      |                      |                      |
| Net profit attributable to shareholders<br>(Million Baht)   | 4,415                | 5,269                | 4,415                | 5,269                |
| Weighted average number of paid-up<br>ordinary share in issue during the<br>period (Million shares) | 2,946                | 2,940                | 2,946                | 2,940                |
| Basic earnings per share (Baht)   | 1.50                 | 1.79                 | 1.50                 | 1.79                 |
| <b>Diluted earnings per share (Baht)</b>  |                      |                      |                      |                      |
| Effect of dilutive potential ordinary<br>shares (Million shares)                                    | 1                    | 7                    | 1                    | 7                    |
| Weighted average number of ordinary<br>shares for diluted earnings per share<br>(Million shares)    | 2,947                | 2,947                | 2,947                | 2,947                |
| Diluted earnings per share (Baht)   | 1.50                 | 1.79                 | 1.50                 | 1.79                 |
|   |                      |                      |                      |                      |
| For the nine-month periods ended  | Consolidated         |                      | Company              |                      |
|   | 30 September<br>2005 | 30 September<br>2004 | 30 September<br>2005 | 30 September<br>2004 |
| <b>Basic earnings per share (Baht)</b>  |                      |                      |                      |                      |
| Net profit attributable to shareholders<br>(Million Baht)   | 13,953               | 15,343               | 13,953               | 15,343               |
| Weighted average number of paid-up<br>ordinary share in issue during the period<br>(Million shares) | 2,945                | 2,939                | 2,945                | 2,939                |
| Basic earnings per share (Baht)   | 4.74                 | 5.22                 | 4.74                 | 5.22                 |
| <b>Diluted earnings per share (Baht)</b>  |                      |                      |                      |                      |
| Effect of dilutive potential ordinary shares<br>(Million shares)                                    | 1                    | 7                    | 1                    | 7                    |
| Weighted average number of ordinary shares for<br>diluted earnings per share (Million shares)       | 2,946                | 2,946                | 2,946                | 2,946                |
| Diluted earnings per share (Baht)   | 4.74                 | 5.21                 | 4.74                 | 5.21                 |



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5 Dividend

During the three-month period ended 30 September 2005, at the Board of Directors meeting held on 10 August 2005, it was approved to declare an interim dividend for 2,946.17 million shares of Baht 3.00 each, totaling Baht 8,838.51 million. Dividends of Baht 8,838.26 million were paid to the shareholders on 6 September 2005. The remaining amount of Baht 0.25 million pertained to shareholders that were not entitled to receive the dividend and thus the Company did not pay such amount.

6 Trade accounts receivable, net

|   | Consolidated                         |                                     | Company                              |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht |
| Trade accounts receivable:                                      |                                      |                                     |                                      |                                     |
| Third parties   | 3,523                                | 4,052                               | 2,080                                | 2,304                               |
| Related parties (Note 16)                                       | 170                                  | 130                                 | 1,028                                | 2,251                               |
| Accrued income  | 2,105                                | 2,539                               | 1,916                                | 2,316                               |
| Total trade accounts receivable                                 | 5,798                                | 6,721                               | 5,024                                | 6,871                               |
| <u>Less</u> allowance for doubtful accounts<br>of third parties | (700)                                | (960)                               | (640)                                | (829)                               |
| Total trade accounts receivable, net                            | 5,098                                | 5,761                               | 4,384                                | 6,042                               |

Outstanding trade accounts receivable from third parties can be aged as follows:

|   | Consolidated                         |                                     | Company                              |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht |
| Current - 3 months  | 5,266                                | 6,143                               | 3,675                                | 4,267                               |
| Overdue 3 - 6 months  | 213                                  | 281                                 | 191                                  | 250                                 |
| Overdue 6 - 12 months   | 61                                   | 124                                 | 56                                   | 67                                  |
| Overdue over 12 months  | 88                                   | 43                                  | 74                                   | 36                                  |
| Total   | 5,628                                | 6,591                               | 3,996                                | 4,620                               |
| <u>Less</u> allowance for doubtful accounts<br>of third parties | (700)                                | (960)                               | (640)                                | (829)                               |
| Total trade accounts receivable<br>- third parties, net         | 4,928                                | 5,631                               | 3,356                                | 3,791                               |

The directors are of the opinion that allowance for doubtful accounts of the Group and bank guarantees received from dealers by a subsidiary are sufficient to cover exposure to the bad debt risk.

Concentrations of credit risk with respect to trade accounts receivable are limited due to the Group's large number of customers. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade accounts receivable.



ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
 บริษัท อีไอเอส จำกัด

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Advanced Info Service Public Company Limited  
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7 Other current assets

|                      | Consolidated                         |                                     | Company                              |                                     |
|----------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|                      | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht |
| Other receivables    | 291                                  | 467                                 | 288                                  | 460                                 |
| Prepaid expenses     | 1,492                                | 1,720                               | 1,425                                | 1,671                               |
| Others               | 417                                  | 195                                 | 165                                  | 134                                 |
| Other current assets | 2,200                                | 2,382                               | 1,878                                | 2,265                               |

8 Investments in subsidiaries, net

Movements in investments in subsidiaries for the nine-month period ended 30 September 2005 comprise:

|  | Company<br>30 September<br>2005<br>Million Baht |
|--|---|
| <b>Transactions during the nine-month period ended 30 September 2005</b> |   |
| Opening net book amount  | 27,939  |
| Dividend income  | (1,604)   |
| Acquisitions   | 213   |
| Addition   | 250   |
| Unrealised gain on dilution of investment                                | 158   |
| Share of net profit of investments - equity method                       | 2,746   |
| Closing net book amount  | 29,702  |

On 5 August 2005, Advanced Mpay Company Limited, a subsidiary, registered an increase in share capital from Baht 210 million (21 million shares at par value of Baht 10 each) to Baht 300 million (30 million shares at par value of Baht 10 each) with the Ministry of Commerce. The newly issued shares were offered to NTT DoCoMo Inc. (incorporated in Japan) at Baht 35 each or in the total of Baht 315 million. The purpose of the capital increase is to support payment business via mobile phone. Advanced Info Service Public Company Limited owns 69.99% of the subsidiary's share capital upon the completion of the transaction, reducing from 99.99%. The subsidiary received a payment for the capital increase in full on 3 August 2005.

On 21 September 2005, the Company invested in AIS International Network Company Limited ("AIN"), AIS Wireless Communication Network Company Limited ("ACN") and AIS Wire Network Company Limited ("AWN") of 10,000 ordinary shares with a par value of Baht 100 per share, totaling Baht 1 million at each subsidiary. Total shares invested represent 99.99 % ownership in each subsidiary.



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Advanced Info Service Public Company Limited  
 Audited Condensed Notes to the Interim Consolidated and Company Financial Statements  
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Investments in subsidiaries, net (continued)

The nature and carrying value of investments in subsidiaries can be summarised as follows:

| Subsidiaries  | Nature of business   | Country of incorporation | Nature of relationship | Paid-up capital (Million Baht) | Investment portion (%) | Cost (Million Baht) | Accumulated   |                  |                       |                  | Unrealised gain on dilution of investment (Million Baht) |                  |                   |                  |                   |                  |
|---|--|--------------------------|------------------------|--------------------------------|------------------------|---------------------|---|------------------|-----------------------|------------------|--|------------------|-------------------|------------------|-------------------|------------------|
|   |  |                          |                        |                                |                        |                     | share of profit (loss) in subsidiaries (Million Baht) |                  | Equity (Million Baht) |                  | Dividend (Million Baht)                                  |                  | 30 September 2005 |                  | 31 December 2004  |                  |
|   |  |                          |                        |                                |                        |                     | 30 September 2005                                     | 31 December 2004 | 30 September 2005     | 31 December 2004 | 30 September 2005  | 31 December 2004 | 30 September 2005 | 31 December 2004 | 30 September 2005 | 31 December 2004 |
| Mobile from Advance Co., Ltd.                                 | Currently ceased operations.   | Thailand                 | Shareholder            | 240.00                         | 99.99                  | 600.00              | 8,563.83  | 8,561.18         | 267.52                | 283.59           | (18.72)  | (117.60)         | -                 | -                |                   |                  |
| Advanced Datanetwork Communications Co., Ltd.                 | Service provider of voice/data communications via telephone line and broadband   | Thailand                 | Shareholder            | 957.52                         | 51.00                  | 597.82              | (111.78)  | (75.28)          | 489.08                | 525.58           | -  | -                | -                 | 3.04             |                   |                  |
| Datanetwork Solutions Co., Ltd.                               | Service provider of voice/data communications via telephone line   | Thailand                 | Shareholder            | 1.00                           | 49.00                  | 8.00                | 17.54   | 16.41            | 25.54                 | 24.40            | -  | -                | -                 | -                |                   |                  |
| Advanced Contact Center Co., Ltd.                             | Service provider of call center  | Thailand                 | Shareholder            | 272.00                         | 99.99                  | 810.96              | (276.45)  | (505.02)         | 534.51                | 305.94           | -  | -                | -                 | -                |                   |                  |
| Digital Phone Co., Ltd.                                       | Importer and distributor of cellular phones and related accessories, cellular phone rental and service provider of digital mobile phone system in 1800 MHz | Thailand                 | Shareholder            | 14,621.86                      | 98.55                  | 23,300.00           | 6,085.04  | 3,498.69         | 27,800.02             | 26,798.69        | (1,585.02)   | -                | -                 | -                |                   |                  |
| Data Line Thai Co., Ltd.                                      | Service provider of Internet   | Thailand                 | Shareholder            | 15.00                          | 65.00                  | 2.41                | (2.07)  | (1.84)           | 0.34                  | 0.57             | -  | -                | -                 | -                |                   |                  |
| Advanced Magic Co., Ltd. (Formerly Bridge Alliance Co., Ltd.) | Distributor of cash card business  | Thailand                 | Shareholder            | 250.00                         | 99.99                  | 250.00              | (22.58)   | -                | 227.42                | -                | -  | -                | -                 | -                |                   |                  |
| Advanced MPay Co., Ltd.                                       | Service provider of payment business via mobile phone  | Thailand                 | Shareholder            | 210.00                         | 69.99                  | 210.00              | (13.08)   | -                | 355.06                | -                | -  | -                | -                 | 158.15           |                   |                  |

Advanced Info Service Public Company Limited  
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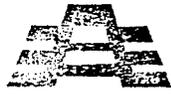
Investments in subsidiaries, net (continued)

The nature and carrying value of investments in subsidiaries can be summarised as follows:

| Subsidiaries                                 | Nature of business         | Country of incorporation | Nature of relationship | Paid-up capital (Million Baht) | Investment portion (%) | Cost (Million Baht) | Company - 30 September 2005 / 31 December 2004 |                  |   |                  | Unrealised gain on dilution of investment (Million baht) |                         |                  |                   |                  |
|--|----------------------------|--------------------------|------------------------|--------------------------------|------------------------|---------------------|--|------------------|---|------------------|--|-------------------------|------------------|-------------------|------------------|
|  |                            |                          |                        |                                |                        |                     | Equity (Million Baht)                          |                  | Accumulated share of profit (loss) in subsidiaries (Million Baht) |                  |  | Dividend (Million Baht) |                  |                   |                  |
|  |                            |                          |                        |                                |                        |                     | 30 September 2005                              | 31 December 2004 | 30 September 2005   | 31 December 2004 |  | 30 September 2005       | 31 December 2004 | 30 September 2005 | 31 December 2004 |
| AIS International Network Co., Ltd.          | Currently not in operation | Thailand                 | Shareholder            | 1.00                           | 99.99                  | 1.00                | -  | 1.00             | -   | -                | -  | -                       | -                |                   |                  |
| AIS Wireless Communication Network Co., Ltd. | Currently not in operation | Thailand                 | Shareholder            | 1.00                           | 99.99                  | 1.00                | -  | 1.00             | -   | -                | -  | -                       | -                |                   |                  |
| AIS Wire Network Co., Ltd.                   | Currently not in operation | Thailand                 | Shareholder            | 1.00                           | 99.99                  | 1.00                | -  | 1.00             | -   | -                | -  | -                       | -                |                   |                  |
| Investments in subsidiaries, net             |                            |                          |                        |                                |                        |                     | 25,782.19                                      | 14,240.45        | 11,494.14   | 29,702.49        | 27,938.77  | (1,603.74)              | (117.60)         | 158.15            | 3.04             |

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ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
 บริษัท อ信息服务 จำกัด

9 Capital expenditure and commitments

| Consolidated (Million Baht)  |                        |                   |                                    |                   |                           |          |
|--|------------------------|-------------------|------------------------------------|-------------------|---------------------------|----------|
|  | Property and equipment | Computer software | Assets under concession agreements | Concession rights | Goodwill and other assets | Total    |
| <b>Transactions during the nine-month period ended 30 September 2005</b>         |                        |                   |                                    |                   |                           |          |
| Opening net book value   | 10,162                 | 1,456             | 75,658                             | 3,961             | 10,813                    | 102,050  |
| Additions  | 2,251                  | 299               | 10,765                             | -                 | 105                       | 13,420   |
| Disposals, net   | (35)                   | -                 | -                                  | -                 | (4)                       | (39)     |
| Transfer, net  | -                      | 32                | (32)                               | -                 | -                         | -        |
| Depreciation/amortisation charges  | (3,683)                | (386)             | (9,505)                            | (341)             | (991)                     | (14,906) |
| Closing net book value   | 8,695                  | 1,401             | 76,886                             | 3,620             | 9,923                     | 100,525  |
| <b>At 30 September 2005</b>  |                        |                   |                                    |                   |                           |          |
| Cost   | 24,329                 | 2,967             | 145,107                            | 6,993             | 15,483                    | 194,879  |
| <u>Less</u> accumulated depreciation/amortisation allowance for asset impairment | (15,634)               | (1,566)           | (64,251)                           | (3,373)           | (5,560)                   | (90,384) |
| Net book value   | 8,695                  | 1,401             | 76,886                             | 3,620             | 9,923                     | 100,525  |

Additions include Baht 5.72 million (2004: Baht 6.64 million) assets leased under finance leases (where the Group is the lessee).

| Company (Million Baht)   |                        |                   |                                    |              |          |
|--|------------------------|-------------------|------------------------------------|--------------|----------|
|  | Property and equipment | Computer software | Assets under concession agreements | Other assets | Total    |
| <b>Transactions during the nine-month period ended 30 September 2005</b>         |                        |                   |                                    |              |          |
| Opening net book value   | 9,904                  | 1,456             | 66,359                             | 523          | 78,242   |
| Additions  | 2,182                  | 299               | 10,291                             | 105          | 12,877   |
| Disposals, net   | (89)                   | (18)              | -                                  | (4)          | (111)    |
| Transfer, net  | -                      | 32                | (32)                               | -            | -        |
| Depreciation/amortisation charges  | (3,621)                | (385)             | (7,975)                            | (102)        | (12,083) |
| Closing net book value   | 8,376                  | 1,384             | 68,643                             | 522          | 78,925   |
| <b>At 30 September 2005</b>  |                        |                   |                                    |              |          |
| Cost   | 23,439                 | 2,950             | 129,006                            | 750          | 156,145  |
| <u>Less</u> accumulated depreciation/amortisation allowance for asset impairment | (15,063)               | (1,566)           | (56,393)                           | (228)        | (73,250) |
| Net book value   | 8,376                  | 1,384             | 68,643                             | 522          | 78,925   |

Additions include Baht 4.60 million (2004: Baht 5.60 million) assets leased under finance leases (where the Company is the lessee).



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9 Capital expenditure and commitments (continued)

Capital expenditure commitments with third parties

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

|   | Consolidated                             |   |
|---|--|---|
|   | 30 September<br>2005<br>Currency Million | 31 December<br>2004<br>Currency Million |
| <b>Assets under concession agreements</b> |  |   |
| Thai Baht                                 | 2,826                                    | 4,106                                   |
| US Dollars                                | 129                                      | 112                                     |
| Japanese Yen                              | 888                                      | 1,829                                   |
| Euro                                      | 2  | 6                                       |
| <b>Property and equipment</b>             |  |   |
| Thai Baht                                 | 161                                      | 116                                     |
| US Dollars                                | 3  | 23                                      |
| <b>Service maintenance agreements</b>     |  |   |
| Thai Baht                                 | 1,196                                    | 1,007                                   |
| US Dollars                                | 13                                       | 8                                       |
| Japanese Yen                              | 149                                      | 117                                     |
|   | Company                                  |   |
|   | 30 September<br>2005<br>Currency Million | 31 December<br>2004<br>Currency Million |
| <b>Assets under concession agreements</b> |  |   |
| Thai Baht                                 | 2,767                                    | 3,984                                   |
| US Dollars                                | 123                                      | 99                                      |
| Japanese Yen                              | 888                                      | 1,829                                   |
| Euro                                      | 2  | 6                                       |
| <b>Property and equipment</b>             |  |   |
| Thai Baht                                 | 155                                      | 116                                     |
| US Dollars                                | 3  | 23                                      |
| <b>Service maintenance agreements</b>     |  |   |
| Thai Baht                                 | 1,190                                    | 1,007                                   |
| US Dollars                                | 12                                       | 8                                       |
| Japanese Yen                              | 149                                      | 117                                     |

As at 30 September 2005, the Group has commitments under letters of credit with overseas suppliers amounting to approximately Baht 51.88 million (31 December 2004: Baht 82.56 million) on a consolidated basis and Baht Nil (31 December 2004: Baht Nil) on a company basis.

The Group has entered into lease and related service agreements for office spaces, cars, and base stations for periods ranging from 1 month to 8 years with options to renew. As at 30 September 2005, the Group is committed to pay for rental and related services in respect of the agreements as follows:

|                             |  | Consolidated<br>Million Baht | Company<br>Million Baht |
|-----------------------------|--|------------------------------|-------------------------|
| Payment due - within 1 year | <br>ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED<br>บริษัท อีไอเอส อินโฟ เซอร์วิส จำกัด | 607                          | 503                     |
| - within 2 to 5 years       |  | 634                          | 564                     |
| - over 5 years              |  | 1                            | 1                       |

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10 Trade accounts payable

|                              | Consolidated      |                  | Company           |                  |
|------------------------------|-------------------|------------------|-------------------|------------------|
|                              | 30 September 2005 | 31 December 2004 | 30 September 2005 | 31 December 2004 |
|                              | Million Baht      | Million Baht     | Million Baht      | Million Baht     |
| Trade accounts payable:      |                   |                  |                   |                  |
| Third parties                | 5,840             | 4,732            | 5,097             | 3,554            |
| Related parties (Note 16)    | 102               | 58               | 568               | 765              |
| Total trade accounts payable | 5,942             | 4,790            | 5,665             | 4,319            |

11 Borrowings

|                  | Consolidated      |                  | Company           |                  |
|------------------|-------------------|------------------|-------------------|------------------|
|                  | 30 September 2005 | 31 December 2004 | 30 September 2005 | 31 December 2004 |
|                  | Million Baht      | Million Baht     | Million Baht      | Million Baht     |
| Current          | 5,742             | 4,073            | 5,742             | 4,073            |
| Non-current      | 22,207            | 25,448           | 22,205            | 25,447           |
| Total borrowings | 27,949            | 29,521           | 27,947            | 29,520           |

The movements in the above borrowings can be analysed as follows:

|  | Consolidated<br>Million Baht | Company<br>Million Baht |
|--|------------------------------|-------------------------|
| <b>For the nine-month period ended 30 September 2005</b> |                              |                         |
| Opening net book value                                   | 29,521                       | 29,520                  |
| Additions  | 1,506                        | 1,505                   |
| Repayments   | (3,096)                      | (3,096)                 |
| Amortisation of bond issuing cost                        | 18                           | 18                      |
| Closing net book value                                   | 27,949                       | 27,947                  |

Long-term debentures

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios.

The carrying amounts and fair values of long-term debentures (gross of issue costs) as at 30 September 2005 are as follows:

|                      | Consolidated                     |                             | Company                          |                             |
|----------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
|                      | Carrying amounts<br>Million Baht | Fair values<br>Million Baht | Carrying amounts<br>Million Baht | Fair values<br>Million Baht |
| Long-term debentures | 26,450                           | 26,812                      | 26,450                           | 26,812                      |

Fair values for traded debentures have been determined based on quoted selling prices from The Thai Bond Dealing Center at the close of the business on the balance sheet date.

12 Concession right payable

Digital Phone Company Limited ("DPC"), a subsidiary, acquired its concession under an assignment agreement from Total Access Communication Public Company Limited ("TAC."). Under the assignment agreement, DPC has outstanding amounts due to TAC. As set out in the financial statements for the year ended 31 December 2003 and 2004, DPC is in arbitration with TAC with respect to principal and interest outstanding. On 30 June 2003 and 28 October 2003, TAC submitted the case to the Arbitration Institute for settlement of amounts due on 30 September 2002 and 2003 comprising principal and interest according to the agreement totalling USD 35.5 million and called for payment with an additional interest charge on the overdue payment of USD 1.3 million and with interest to be charged at 9.50% per annum on overdue payment, as punitive damages, until the payment is made. These principal and interest (excluding interest on overdue amounts) are included in the total concession payable of Baht 4,739 million (31 December 2004 : Baht 4,621 million). DPC has engaged legal advisors and submitted its case to the Arbitration Institute for settlement. The arbitration process is not completed in this period. According to the agreement, the interest rate exposure on the concession right payable is fixed at a rate of 9.50% per annum. These financial statements include full recognition of the concession payable and interest according to the agreement but have not provided accrued interest charge for overdue payment. DPC's management believes that settlement of this arbitration should not have a material unfavourable effect on the financial statements.

13 Other current liabilities

|  | Consolidated                         |                                     | Company                              |                                     |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|  | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht |
| Income tax payable                     | 1,309                                | 4,414                               | 891                                  | 3,195                               |
| Unearned income - mobile phone service | 3,932                                | 4,612                               | 4,436                                | 5,123                               |
| Advanced received from cash card       | 1,152                                | -                                   | -                                    | -                                   |
| Accrued bonus                          | 248                                  | 433                                 | 213                                  | 387                                 |
| Accrued interest expense               | 153                                  | 250                                 | 199                                  | 250                                 |
| Value added tax payable, net           | 145                                  | 286                                 | 93                                   | 220                                 |
| Other payables                         | 656                                  | 400                                 | 536                                  | 319                                 |
| Other current liabilities              | 676                                  | 818                                 | 342                                  | 543                                 |
| Total other current liabilities        | 8,271                                | 11,213                              | 6,710                                | 10,037                              |

14 Share capital and premium

|  | Number of<br>shares<br>Million shares | Ordinary<br>shares<br>Million Baht | Share<br>premium<br>Million Baht | Total<br>Million Baht |
|--|---------------------------------------|------------------------------------|----------------------------------|-----------------------|
| <b>For the nine-month period ended<br/>30 September 2005</b> |                                       |                                    |                                  |                       |
| <b>Issued and paid-up share capital</b>                      |                                       |                                    |                                  |                       |
| Opening balance  | 2,945                                 | 2,945                              | 20,471                           | 23,416                |
| Issue of shares  | 4                                     | 4                                  | 186                              | 190                   |
| Closing balance  | 2,949                                 | 2,949                              | 20,657                           | 23,606                |



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14 Share capital and premium (continued)

During the nine-month period ended 30 September 2005, the Company registered the increase in share capital with the Ministry of Commerce for 4.17 million ordinary shares from the exercise of 4.07 million warrants, 0.25 million warrants of which were exercised during the quarter ended 31 December 2004. The capital increase results in an increase in paid-up share capital and share premium of Baht 4.17 million and Baht 186.10 million, respectively.

As at 30 September 2005, the total authorised number of ordinary shares is 2,949.36 million shares (31 December 2004: 2,945.19 million shares) with a par value of Baht 1.00 per share (31 December 2004: Baht 1.00 per share). All issued shares are fully paid.

**Warrants granted to directors and employees**

The Company has granted warrants at Baht nil per unit to directors and employees. The warrants are in registered form and non-transferable. Term of warrant is not exceeding 5 years. Details of warrants are as follows:

| Grant date  | 27/03/2002<br>(Grant I) | 30/05/2003<br>(Grant II) | 31/05/2004<br>(Grant III) | 31/05/2005<br>(Grant IV) |
|---|-------------------------|--------------------------|---------------------------|--------------------------|
| Warrants (Million units)  | 14.00                   | 8.47                     | 9.00                      | 9.22                     |
| Exercise price per unit   | 48.00                   | 43.38                    | 91.79                     | 106.66                   |
| Exercise ratio  | 1:1                     | 1:1                      | 1:1                       | 1:1                      |
| First adjustment to exercise price per unit and ratio (effective from 20 August 2003 onwards) |                         |                          |                           |                          |
| - Price   | 47.73                   | 43.14                    | -                         | -                        |
| - Ratio   | 1:1.00559               | 1:1.00559                | -                         | -                        |
| Second adjustment to exercise price per unit and ratio (effective from 31 March 2004 onwards) |                         |                          |                           |                          |
| - Price   | 47.40                   | 42.84                    | -                         | -                        |
| - Ratio   | 1:1.01261               | 1:1.01261                | -                         | -                        |
| Third adjustment to exercise price per unit and ratio (effective from 25 August 2004 onwards) |                         |                          |                           |                          |
| - Price   | 47.15                   | 42.63                    | 91.35                     | -                        |
| - Ratio   | 1:1.01751               | 1:1.01751                | 1:1.00484                 | -                        |
| Fourth adjustment to exercise price per unit and ratio (effective from 7 March 2005 onwards)  |                         |                          |                           |                          |
| - Price   | 46.78                   | 42.30                    | 90.64                     | -                        |
| - Ratio   | 1:1.02549               | 1:1.02549                | 1:1.01272                 | -                        |
| Fifth adjustment to exercise price per unit and ratio (effective from 22 August 2005 onwards) |                         |                          |                           |                          |
| - Price   | 46.16                   | 41.74                    | 89.44                     | 105.25                   |
| - Ratio   | 1:1.03927               | 1:1.03927                | 1:1.02633                 | 1:1.01344                |

Fifth adjustment to exercise price and exercise ratio of warrant grant I, grant II, grant III and grant IV

At the Board of Directors' meeting held on 10 August 2005, the Board passed a resolution to approve the fifth adjustment of the exercise price of warrants grant I, grant II, grant III and grant IV from Baht 46.78 per unit to Baht 46.16 per unit, from Baht 42.30 per unit to Baht 41.74 per unit, from Baht 90.64 per unit to Baht 89.44 per unit and from Baht 106.66 per unit to Baht 105.25 per unit, respectively. In addition, the exercise ratio was approved to be changed from 1:1.02549 to 1:1.03927 for both grant I and grant II, from 1:1.01272 to 1:1.02633 for grant III and from 1:1 to 1:1.01344 for grant IV. The new exercise price and exercise ratio were effective from 22 August 2005 onwards.



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14 Share capital and premium (continued)

Warrant grant IV

At the Executive Committee of the Company held on 27 September 2005, passed a resolution to allot the warrants grant IV to employees. On 17 October 2005, 0.22 million units were approved to be granted to employees of the group at the exercise price of Baht 105.25 per unit and the exercise ratio at 1:1.01344. The approval of the grant and related details were previously approved at the Annual General Meeting of the Company's shareholders held on 30 March 2005.

Movements in the number of warrants outstanding are as follows:

|  | <u>Directors</u><br><u>Million units</u> | <u>Employees</u><br><u>Million units</u> | <u>Total</u><br><u>Million units</u> |
|--|--|--|--------------------------------------|
| <b>For the nine-month period ended 30 September 2005</b> |  |  |                                      |
| Opening balance  | 1.84                                     | 19.27                                    | 21.11                                |
| Granted  | 3.03                                     | 6.19                                     | 9.22                                 |
| Exercised  | (0.11)                                   | (4.45)                                   | (4.56)                               |
| Closing balance  | <u>4.76</u>                              | <u>21.01</u>                             | <u>25.77</u>                         |

Exercised warrants

During the nine-month period ended 30 September 2005, 0.11 million units and 4.45 million units were exercised by the Company's directors and employees, respectively. The exercises of 3.82 million warrants during this period, and of 0.25 million warrants during the quarter ended 31 December 2004, increased paid-up share capital and premium on share capital by Baht 4.17 million and Baht 186.10 million, respectively.

The Company registered the increase in share capital with the Ministry of Commerce from the remaining exercised warrants of 0.74 million units or 0.76 million shares on 4 October 2005. The Company received advanced payment from shareholders for the 0.76 million shares in the amount of Baht 51.48 million in the quarter ended 30 September 2005 (Note 18).

The exercise of warrants complied with the terms and conditions of the issuance of warrants which were approved by the Company's shareholders.



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15 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities for the nine-month periods ended 30 September 2005 and 2004:

|   | Notes | Consolidated                      |                                   | Company                           |                                   |
|---|-------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   |       | 30 September 2005<br>Million Baht | 30 September 2004<br>Million Baht | 30 September 2005<br>Million Baht | 30 September 2004<br>Million Baht |
| <b>Cash flows from operating activities:</b>  |       |                                   |                                   |                                   |                                   |
| Net profit for the period   |       | 13,953                            | 15,343                            | 13,953                            | 15,343                            |
| Adjusted by:  |       |                                   |                                   |                                   |                                   |
| Depreciation  | 9     | 3,683                             | 3,240                             | 3,621                             | 3,178                             |
| Amortisation of computer software   | 9     | 386                               | 347                               | 385                               | 347                               |
| Amortisation of assets  |       |                                   |                                   |                                   |                                   |
| under concession agreements   | 9     | 9,505                             | 8,775                             | 7,975                             | 7,291                             |
| Amortisation of concession right  | 9     | 341                               | 341                               | -                                 | -                                 |
| Amortisation of goodwill  | 9     | 875                               | 875                               | -                                 | -                                 |
| Amortisation of deferred charges  | 9     | 116                               | 88                                | 102                               | 55                                |
| Amortisation of forward and swap premium  |       | 21                                | 2                                 | 21                                | 3                                 |
| Amortisation of bond issuing cost   | 11    | 18                                | 25                                | 18                                | 25                                |
| (Reversal)/loss on write-off obsolete spare parts<br>for mobile phone network maintenance |       | (135)                             | 128                               | (145)                             | 135                               |
| Loss on write-off of deferred charge  |       | 4                                 | -                                 | 4                                 | -                                 |
| Doubtful accounts and bad debts   |       | 396                               | 632                               | 380                               | 567                               |
| (Reversal)/loss on obsolete inventories and<br>diminution in value of finished goods      |       | (17)                              | 69                                | -                                 | -                                 |
| Loss on disposals of fixed assets   |       | 17                                | 12                                | 18                                | 14                                |
| Loss on write-off property, plant and<br>equipment  |       | 5                                 | -                                 | 5                                 | -                                 |
| Gain on write-off deposits from customers   |       | -                                 | (69)                              | -                                 | (69)                              |
| Unrealised loss on changes in fair value<br>of investments                                |       | -                                 | 10                                | -                                 | -                                 |
| Unrealised loss on foreign exchange rate  |       | 4                                 | 1                                 | 4                                 | 2                                 |
| Realised unearned income  |       | (24)                              | -                                 | -                                 | -                                 |
| Realised gain on foreign exchange rate for<br>loans                                       |       | -                                 | (35)                              | -                                 | -                                 |
| Share of net profit in subsidiaries   | 8     | -                                 | -                                 | (2,746)                           | (1,897)                           |
| Share of net profit from subsidiaries to<br>minority interests                            |       | 16                                | 44                                | -                                 | -                                 |
| <b>Net income before changes in operating<br/>    assets and liabilities</b>              |       | <b>29,164</b>                     | <b>29,828</b>                     | <b>23,595</b>                     | <b>24,994</b>                     |
| <b>Changes in operating assets and liabilities</b>  |       |                                   |                                   |                                   |                                   |
| - Trade accounts receivable   |       | 264                               | (647)                             | 1,274                             | (196)                             |
| - Amounts due from related parties  |       | (1)                               | -                                 | (41)                              | 16                                |
| - Inventories   |       | (360)                             | (486)                             | -                                 | -                                 |
| - Spare part inventories for mobile<br>network maintenance                                |       | 173                               | (51)                              | 172                               | (48)                              |
| - Forward and swap contracts receivable   |       | -                                 | 24                                | -                                 | -                                 |
| - Other current assets  |       | 161                               | (532)                             | 364                               | (494)                             |
| - Other assets  |       | (106)                             | (112)                             | (104)                             | (89)                              |
| - Trade accounts payable  |       | (360)                             | (1,045)                           | (100)                             | (753)                             |
| - Amounts due to related parties  |       | (57)                              | (96)                              | (25)                              | (172)                             |
| - Forward and swap contracts payable  |       | 14                                | -                                 | 14                                | -                                 |
| - Concession rights payable, accrued concession<br>fee and excise tax                     |       | 1,372                             | 2,348                             | 1,079                             | 2,103                             |
| - Deposits from customers   |       | -                                 | (1)                               | -                                 | (7)                               |
| - Other current liabilities   |       | (2,940)                           | (718)                             | (3,325)                           | (220)                             |
| <b>Cash flows from operating activities</b>   |       | <b>27,324</b>                     | <b>28,512</b>                     | <b>22,903</b>                     | <b>25,134</b>                     |

16 Related party transactions

Shin Corporation Public Company Limited is a major shareholder, holding 42.85 % (at 31 December 2004: 42.90%) of the share capital of the Company. SingTel Strategic Investments Pte Ltd. is a shareholder, holding 19.26 % (at 31 December 2004: 19.28%) of the share capital of the Company.

The principal shareholder of the Company's major shareholder is the Shinawatra family. Transactions related to companies in which the Shinawatra family are the principal shareholders or directors are recognised as related parties to the Company.

During the period, the Group has entered into a number of transactions with related parties, the terms of which are negotiated on arm lengths basis in the ordinary course of business and according to normal trade conditions. Consulting and management service fees are charged on a mutually agreed basis as a percentage of assets. Treasury fees, which are included in consulting and management service fees, are charged on a percentage of transaction amount. The Group uses external appraisers to evaluate property rental rate in the case that market rate is not available.

The Group has transactions with related parties for the three-month and nine-month periods ended 30 September 2005 and 2004 as follows:

a) Sales of goods and services

| For the three-month periods ended                              | Consolidated      |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 30 September 2005 | 30 September 2004 | 30 September 2005 | 30 September 2004 |
|  | Million Baht      | Million Baht      | Million Baht      | Million Baht      |
| <b>Service income</b>  |                   |                   |                   |                   |
| Subsidiaries   | -                 | -                 | 83                | 124               |
| Shin Corporation and its related parties                       | 30                | 25                | 8                 | 7                 |
| SingTel Strategic Investments Pte Ltd. and its related parties | 161               | 58                | 161               | 58                |
| <b>Total service income</b>                                    | <b>191</b>        | <b>83</b>         | <b>252</b>        | <b>189</b>        |
| <b>Other income</b>  |                   |                   |                   |                   |
| Subsidiaries   | -                 | -                 | 72                | 26                |
| Shin Corporation and its related parties                       | 8                 | -                 | 4                 | -                 |
| SingTel Strategic Investments Pte Ltd.                         | -                 | 2                 | -                 | 2                 |
| <b>Total other income</b>                                      | <b>8</b>          | <b>2</b>          | <b>76</b>         | <b>28</b>         |
| <b>Sales of prepaid cards</b>                                  |                   |                   |                   |                   |
| Subsidiary   | -                 | -                 | 10,076            | 15,577            |
|  |                   |                   |                   |                   |
| For the nine-month periods ended                               | Consolidated      |                   | Company           |                   |
|  | 30 September 2005 | 30 September 2004 | 30 September 2005 | 30 September 2004 |
|  | Million Baht      | Million Baht      | Million Baht      | Million Baht      |
| <b>Service income</b>  |                   |                   |                   |                   |
| Subsidiaries   | -                 | -                 | 234               | 333               |
| Shin Corporation and its related parties                       | 78                | 71                | 25                | 19                |
| SingTel Strategic Investments Pte Ltd. and its related parties | 444               | 266               | 444               | 266               |
| <b>Total service income</b>                                    | <b>522</b>        | <b>337</b>        | <b>703</b>        | <b>618</b>        |
| <b>Other income</b>  |                   |                   |                   |                   |
| Subsidiaries   | -                 | -                 | 143               | 72                |
| Shin Corporation and its related parties                       | 16                | -                 | 8                 | -                 |
| SingTel Strategic Investment Pte Ltd.                          | -                 | 2                 | -                 | 2                 |
| <b>Total other income</b>                                      | <b>16</b>         | <b>2</b>          | <b>151</b>        | <b>74</b>         |

16 Related party transactions (continued)

a) Sales of goods and services (continued)

| For the nine-month periods ended     | Consolidated         |                      | Company              |                      |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                      | 30 September<br>2005 | 30 September<br>2004 | 30 September<br>2005 | 30 September<br>2004 |
|                                      | Million Baht         | Million Baht         | Million Baht         | Million Baht         |
| Sales of prepaid cards<br>Subsidiary | -                    | -                    | 33,962               | 35,897               |

b) Purchases of services

| For the three-month periods ended   | Consolidated         |                      | Company              |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30 September<br>2005 | 30 September<br>2004 | 30 September<br>2005 | 30 September<br>2004 |
|   | Million Baht         | Million Baht         | Million Baht         | Million Baht         |
| <b>Rental and other service expenses</b>  |                      |                      |                      |                      |
| Subsidiaries  | -                    | -                    | 1,621                | 816                  |
| Shin Corporation and its related parties  | 279                  | 212                  | 259                  | 194                  |
| SingTel Strategic Investments Pte Ltd.<br>and its related parties   | 78                   | 28                   | 78                   | 28                   |
| Total rental and other service expenses   | 357                  | 240                  | 1,958                | 1,038                |
| <b>Advertising expense - net*</b>   |                      |                      |                      |                      |
| Related parties of Shin Corporation<br>(Advertising expense - gross**<br>- Consolidated 2005: 336 Million Baht<br>2004: 428 Million Baht<br>- Company 2005: 329 Million Baht<br>2004: 424 Million Baht) | 127                  | 144                  | 117                  | 136                  |
| Total advertising expenses  | 127                  | 144                  | 117                  | 136                  |

\* Net balance represents fee charged on advertising production and gross margin of media work at advertising agency.

\*\* Gross balance represents total advertising expense charged to the Group and the Company. The Group and the Company record such expense at gross in the statements of income.

**Promotion expense**

|                         |   |   |   |    |
|-------------------------|---|---|---|----|
| Subsidiaries            | - | - | 4 | 24 |
| Total promotion expense | - | - | 4 | 24 |

**Consulting and management fees**

|  |    |    |    |    |
|--|----|----|----|----|
| Shin Corporation and its related parties | 52 | 54 | 51 | 53 |
| Total consulting and management fees     | 52 | 54 | 51 | 53 |

| For the nine-month periods ended                                  | Consolidated         |                      | Company              |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30 September<br>2005 | 30 September<br>2004 | 30 September<br>2005 | 30 September<br>2004 |
|   | Million Baht         | Million Baht         | Million Baht         | Million Baht         |
| <b>Rental and other service expenses</b>                          |                      |                      |                      |                      |
| Subsidiaries  | -                    | -                    | 4,190                | 2,433                |
| Shin Corporation and its related parties                          | 778                  | 628                  | 725                  | 578                  |
| SingTel Strategic Investments Pte Ltd.<br>and its related parties | 221                  | 134                  | 221                  | 134                  |
| Total rental and other service expenses                           | 999                  | 762                  | 5,136                | 3,145                |

16 Related party transactions (continued)

b) Purchases of services (continued)

| For the nine-month periods ended        | Consolidated      |                   | Company           |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 30 September 2005 | 30 September 2004 | 30 September 2005 | 30 September 2004 |
|   | Million Baht      | Million Baht      | Million Baht      | Million Baht      |
| <b>Advertising expense - net*</b>       |                   |                   |                   |                   |
| Related parties of Shin Corporation     | 395               | 567               | 376               | 525               |
| (Advertising expense - gross**          |                   |                   |                   |                   |
| - Consolidated 2005: 1,320 Million Baht |                   |                   |                   |                   |
| 2004: 1,692 Million Baht                |                   |                   |                   |                   |
| - Company 2005: 1,311 Million Baht      |                   |                   |                   |                   |
| 2004: 1,677 Million Baht                |                   |                   |                   |                   |
| <b>Total advertising expenses</b>       | <b>395</b>        | <b>567</b>        | <b>376</b>        | <b>525</b>        |

\* Net balance represents fee charged on advertising production and gross margin of media work at advertising agency.  
 \*\* Gross balance represents total advertising expense charged to the Group and the Company. The Group and the Company record such expense at gross in the statements of income.

**Promotion expense**

|                                |          |          |           |           |
|--------------------------------|----------|----------|-----------|-----------|
| Subsidiaries                   | -        | -        | 27        | 47        |
| <b>Total promotion expense</b> | <b>-</b> | <b>-</b> | <b>27</b> | <b>47</b> |

**Consulting and management fees**

|   |            |            |            |            |
|---|------------|------------|------------|------------|
| Shin Corporation and its related parties    | 156        | 170        | 154        | 167        |
| <b>Total consulting and management fees</b> | <b>156</b> | <b>170</b> | <b>154</b> | <b>167</b> |

| For the three-month periods ended | Consolidated      |                   | Company           |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                   | 30 September 2005 | 30 September 2004 | 30 September 2005 | 30 September 2004 |
|                                   | Million Baht      | Million Baht      | Million Baht      | Million Baht      |
| <b>Interest expense</b>           |                   |                   |                   |                   |
| Subsidiary                        | -                 | -                 | 32                | -                 |
| Directors of related parties      | 1                 | 1                 | 1                 | 1                 |
| <b>Total interest expense</b>     | <b>1</b>          | <b>1</b>          | <b>33</b>         | <b>1</b>          |

| For the nine-month periods ended | Consolidated      |                   | Company           |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | 30 September 2005 | 30 September 2004 | 30 September 2005 | 30 September 2004 |
|                                  | Million Baht      | Million Baht      | Million Baht      | Million Baht      |
| <b>Interest expense</b>          |                   |                   |                   |                   |
| Subsidiary                       | -                 | -                 | 53                | 1                 |
| Directors of related parties     | 2                 | 2                 | 2                 | 2                 |
| <b>Total interest expense</b>    | <b>2</b>          | <b>2</b>          | <b>55</b>         | <b>3</b>          |

c) Dividend paid

| For the three-month periods ended      | Consolidated      |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 30 September 2005 | 30 September 2004 | 30 September 2005 | 30 September 2004 |
|  | Million Baht      | Million Baht      | Million Baht      | Million Baht      |
| Shin Corporation                       | 3,791             | 2,717             | 3,791             | 2,717             |
| SingTel Strategic Investments Pte Ltd. | 1,704             | 1,221             | 1,704             | 1,221             |
| <b>Total dividend paid</b>             | <b>5,495</b>      | <b>3,938</b>      | <b>5,495</b>      | <b>3,938</b>      |

Advanced Info Service Public Company Limited  
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16 Related party transactions (continued)

c) Dividend paid (continued)

| For the nine-month periods ended       | Consolidated      |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 30 September 2005 | 30 September 2004 | 30 September 2005 | 30 September 2004 |
|  | Million Baht      | Million Baht      | Million Baht      | Million Baht      |
| Shin Corporation                       | 7,077             | 5,371             | 7,077             | 5,371             |
| SingTel Strategic Investments Pte Ltd. | 3,181             | 2,414             | 3,181             | 2,414             |
| Total dividend paid                    | 10,258            | 7,785             | 10,258            | 7,785             |

d) Purchases of property, equipment, computer software, and cost of mobile phone network

| For the nine-month periods ended    | Consolidated      |                   | Company           |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | 30 September 2005 | 30 September 2004 | 30 September 2005 | 30 September 2004 |
|                                     | Million Baht      | Million Baht      | Million Baht      | Million Baht      |
| Related parties of Shin Corporation | -                 | 1                 | -                 | 1                 |

e) Outstanding balance arising from sales/purchases of goods/services and loan to/from related parties

|   | Consolidated      |                  | Company           |                  |
|---|-------------------|------------------|-------------------|------------------|
|   | 30 September 2005 | 31 December 2004 | 30 September 2005 | 31 December 2004 |
|   | Million Baht      | Million Baht     | Million Baht      | Million Baht     |
| <b>Short-term investments</b>                             |                   |                  |                   |                  |
| Shin Corporation  | 180               | 175              | -                 | -                |
| <b>Trade accounts receivable</b>                          |                   |                  |                   |                  |
| Subsidiaries  | -                 | -                | 872               | 2,133            |
| Shin Corporation and its related parties                  | 17                | 17               | 3                 | 5                |
| Related parties of SingTel Strategic Investments Pte Ltd. | 153               | 113              | 153               | 113              |
| Total trade accounts receivable                           | 170               | 130              | 1,028             | 2,251            |
| <b>Amounts due from related parties</b>                   |                   |                  |                   |                  |
| Subsidiaries  | -                 | -                | 66                | 26               |
| Shin Corporation and its related parties                  | 1                 | -                | -                 | -                |
| Total amounts due from related parties                    | 1                 | -                | 66                | 26               |
| <b>Short-term loans to a related party</b>                |                   |                  |                   |                  |
| Subsidiary  | -                 | -                | 1                 | -                |
| <b>Trade accounts payable</b>                             |                   |                  |                   |                  |
| Subsidiaries  | -                 | -                | 476               | 711              |
| Shin Corporation and its related parties                  | 50                | 33               | 40                | 29               |
| Related parties of SingTel Strategic Investments Pte Ltd. | 52                | 25               | 52                | 25               |
| Total trade accounts payable                              | 102               | 58               | 568               | 765              |



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16 Related party transactions (continued)

e) Outstanding balance arising from sales/purchases of goods/services and loan to/from related parties (continued)

|   | Consolidated                         |                                     | Company                              |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht |
| <b>Amounts due to related parties</b>                     |                                      |                                     |                                      |                                     |
| Subsidiaries  | -                                    | -                                   | 120                                  | 99                                  |
| Shin Corporation and its related parties                  | 353                                  | 413                                 | 347                                  | 396                                 |
| Related party of SingTel Strategic Investments Pte., Ltd. | 9                                    | 6                                   | 9                                    | 6                                   |
| <b>Total amounts due to related parties</b>               | <b>362</b>                           | <b>419</b>                          | <b>476</b>                           | <b>501</b>                          |
| <b>Accrued interest expense</b>                           |                                      |                                     |                                      |                                     |
| Subsidiary  | -                                    | -                                   | 47                                   | 7                                   |
| <b>Total accrued interest expense</b>                     | <b>-</b>                             | <b>-</b>                            | <b>47</b>                            | <b>7</b>                            |
| <b>Short-term loans from a related party</b>              |                                      |                                     |                                      |                                     |
| Subsidiary  | -                                    | -                                   | 7,500                                | 2,500                               |

As at 30 September 2005, loan from a subsidiary represents a promissory note with maturity of less than one year, bearing interest at the rate of 3.25 % per annum (as at 31 December 2004: 3.25% per annum). Repayment term is at call. (as at 31 December 2004 : paid during the quarter ended 31 March 2005).

|  | Consolidated                         |                                     | Company                              |                                     |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|  | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht | 30 September<br>2005<br>Million Baht | 31 December<br>2004<br>Million Baht |
| <b>Long-term debentures</b>                      |                                      |                                     |                                      |                                     |
| Major shareholder of Shin Corporation            | 10                                   | 10                                  | 10                                   | 10                                  |
| Directors of the Company and its related parties | 37                                   | 37                                  | 37                                   | 37                                  |
| <b>Total long-term debentures</b>                | <b>47</b>                            | <b>47</b>                           | <b>47</b>                            | <b>47</b>                           |

f) Commitments with related parties

The Group has entered into lease and related service agreements for office spaces, cars and base stations for periods ranging from 1 month to 8 years with options to renew. At 30 September 2005, the Group is committed to pay for rental and related services in respect of the agreements as follows:

|                             | Consolidated<br>Million Baht | Company<br>Million Baht |
|-----------------------------|------------------------------|-------------------------|
| Payment due - within 1 year | 340                          | 334                     |
| - within 2 to 5 years       | 517                          | 516                     |
| - over 5 years              | 222                          | 222                     |



ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
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16 Related party transactions (continued)

f) Commitments with related parties (continued)

The Company has entered into agreements with a subsidiary of a major shareholder under which the related party provides satellite transponder services. The Company is committed to pay for transponder services amounting to approximately Baht 5.82 million per month (at 31 December 2004: Baht 5.60 million per month).

The Company has entered into agreements with a related party under which the related party provides consulting and management services and other central services for a twelve-month period. The Company is committed to pay for such services under these agreements amounting to approximately Baht 15.15 million per month, and plus the rate per event as prescribed in the agreements (at 31 December 2004: Baht 16.71 million per month).

The Company has entered into agreements with a related party under which the related party provides computer system services and repair and maintenance services for software and hardware for a twelve-month period. The Company is committed to pay for such services under these agreements amounting to approximately Baht 2.03 million per month (at 31 December 2004: Baht 1.72 million per month).

g) Shin Corporation's warrants

Shin Corporation Public Company Limited ("SHIN"), a major shareholder, has granted its warrants at Baht nil per unit to the Company's directors. SHIN does not charge the Company for the grant of these warrants.

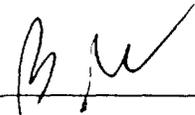
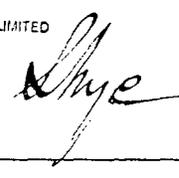
Certain directors of the Company are also directors of SHIN. Warrants granted to these directors (directors of both the Company and SHIN) are also included in the details below.

| Grant date  | 27/03/2002<br>(Grant I) | 30/05/2003<br>(Grant II) | 31/05/2004<br>(Grant III) | 31/05/2005<br>(Grant IV) |
|---|-------------------------|--------------------------|---------------------------|--------------------------|
| Warrants (Million units)  | 18.34                   | 15.59                    | 8.82                      | 16.00                    |
| Exercise price per unit   | 17.80                   | 13.67                    | 36.41                     | 41.76                    |
| Exercise ratio  | 1:1                     | 1:1                      | 1:1                       | 1:1                      |
| First adjustment to exercise price per unit and ratio (effective from 25 August 2004 onwards) |                         |                          |                           |                          |
| - Price   | 17.70                   | 13.60                    | 36.21                     | -                        |
| - Ratio   | 1:1.00540               | 1:1.00540                | 1:1.00540                 | -                        |
| Second adjustment to exercise price per unit and ratio (effective from 8 March 2005 onwards)  |                         |                          |                           |                          |
| - Price   | 17.57                   | 13.49                    | 35.93                     | -                        |
| - Ratio   | 1:1.01327               | 1:1.01327                | 1:1.01327                 | -                        |
| Third adjustment to exercise price per unit and ratio (effective from 23 August 2005 onwards) |                         |                          |                           |                          |
| - Price   | 17.34                   | 13.31                    | 35.46                     | 41.21                    |
| - Ratio   | 1:1.02671               | 1:1.02671                | 1:1.02671                 | 1:1.01326                |

Movement in the number of SHIN's warrants are as follows:

|  | Million units |
|--|---------------|
| <b>For the nine-month period ended 30 September 2005</b> |               |
| Opening balance  | 30.98         |
| Granted  | 16.00         |
| Exercised  | (1.00)        |
| Closing balance  | 45.98         |

  
 ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
 บริษัท อีไอเอส จำกัด (มหาชน)

16 Related party transactions (continued)

g) Shin Corporation's warrants (continued)

During the nine-month period ended 30 September 2005, the Company's directors exercised 1 million units of warrants to acquire 1.01 million ordinary shares of SHIN.

h) Special reward program

Advanced Datanetwork Communication Company Limited, a subsidiary, has granted the rights to receive special reward program to the director of the subsidiary. The program will be granted the rights once a year for 5 consecutive years. The rights will be exercised after the first year but within 3 years after the grant date. Calculation of special reward program shall be based on the improvement of the subsidiary's operational performance on the exercised date comparing with that of the grant date of the subsidiary. However, such program will not exceed each person's budget. Details of special reward program are as follow:

| Project no. | Grant date    | No. of rights<br>(Million units) | Maximum budget not exceeding<br>(Million Baht) |
|-------------|---------------|----------------------------------|--|
| 1           | 30 April 2002 | 3.41                             | 3.88   |
| 2           | 2 May 2003    | 1.62                             | 2.04   |
| 3           | 30 April 2004 | 0.81                             | 2.34   |

Movement in the number of rights to receive special reward is as follows:

|  | Million units |
|--|---------------|
| <b>For the nine-month period ended 30 September 2005</b> |               |
| Beginning balance  | 3.03          |
| Granted  | -             |
| Exercised  | (1.95)        |
| Closing balance  | 1.08          |

1.95 million units were exercised during the nine-month period ended 30 September 2005. The subsidiary paid for the exercised rights in the total amount of Baht 0.52 million.

17 Contingencies

At 30 September 2005, the Group has commitments with local banks relating to letters of guarantee issued by the banks in respect of custom duties, electricity use and other transactions in the ordinary course of business amounting to approximately Baht 1,613.68 million (31 December 2004 : Baht 1,484.44 million) on a consolidated basis and Baht 1,217.64 million (31 December 2004 : Baht 1,129.84 million) on a Company basis.



ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
 บริษัท แอดวานซ์ อินโฟร์ เซอร์วิส จำกัด (มหาชน)

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18 Post balance sheet events

Warrants granted to directors and employees - exercised

As mentioned in Note 14, during the three-month period ended 30 September 2005, the Company's warrants of 0.22 million units, 0.14 million units and 0.38 million units were exercised at Baht 46.16 each, Baht 41.74 each and Baht 89.44 each, respectively. The Company registered the increase in the share capital with the Ministry of Commerce on 4 October 2005.

In October 2005, a total of 0.28 million units, being 0.10 million units, and 0.17 million units and 0.01 million units of the Company's warrants were exercised at Baht 46.16 each, 41.74 and Baht 89.44 each, respectively. The Company registered the increase in the share capital with the Ministry of Commerce on 2 November 2005.

As a result of these two transactions, the total issued and paid up share capital and premium on share capital of the Company will increase from Baht 2,949.36 million to Baht 2,950.42 million, and from Baht 20,656.62 million to Baht 20,720.17 million, respectively.



ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED  
บริษัท แอดวานซ์ อินโฟร์ เซอร์วิส จำกัด (มหาชน)

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