



AT A GLANCE

SHARE INFORMATION^A

Shares Outstanding	11,914.2mn shares ^G
Free Float ^E	58.1%
Par Value	THB 4.0 / Share ^F
Market Capitalisation	THB 109.6bn / USD 3.4bn ^B
YTD daily traded value ^D	THB 521.7mn / USD 16.2mn ^B
Stock Identifiers	
Stock Exchange Symbol	BTS
Bloomberg / Reuters	BTS TB / BTS.BK

FROM THE EDITOR

Dear Investment Community,

In 1Q 14/15, net recurring profit (before MI) improved to THB 769.2mn, an increase of 22.7% YoY although net income attributable to the equity holders of the Company dropped 94.0% YoY to THB 650.2mn as there was no repeat of the due to the gain from BTSGIF transaction in 1Q 13/14.

Within our mass transit business, ridership grew 2.0% YoY to 51.3mn passenger trips (although fell QoQ largely as Q1 is the seasonal low due to the holiday period coupled with the impact of the curfew) and the average fare increased 6.8% YoY. O&M income also increased 33.8% YoY to THB 378.6mn from the full quarter effect of the operation of the Green line extension which began operations in December 2013. We still maintain our guidance of 6 – 9% revenue growth at the Core Network for FY 14/15 from a combination of organic growth, fare increase, the full year effect of services on the Silom extension line as well as feeders from new property developments along the BTS routes.

Our Media business rebounded sharply this quarter with revenue climbing 19.2% QoQ to THB 754.0mn as consumer confidence began to return. Modern trade revenue rebounded at a faster rate increasing 30.4% to THB 286.4mn. However, on a YoY basis, revenue still declined 26.4% indicating that the recovery has some way to go. We maintain VGI revenue growth guidance for FY 14/15 of 13 – 17% YoY despite lower than expected growth in 1Q 14/15. Our forecast excludes any impact from acquisitions. In 1Q 14/15, VGI acquired 24.9% of SET-listed MACO and continues to seek further acquisitions. On 8 August 2014, VGI's Board of Directors also approved the subscription to new shares in SET-listed Company Tong Hua Communications pcl (TH) which, subject to the relevant shareholders' approval and full subscription to the private placement will result in VGI holding approximately 27.0% of TH. More details can be seen within VGI's public releases.

The military intervention in May 2014 paved the way for reform and clarity on Thailand's political future and optimism was restored following protracted political stalemate. Under the administration of the National Council for Peace and Order, the THB 2.4tn infrastructure development plan was approved, including the development of 10 rail mass transit lines. According to the plan, the bidding for both Green Line extensions (north & south) is expected to be tendered within 2014 and completed within 2017 – 2019. Progress has also been made on the new Light Green Line extension from Bang Wa to Borommaratchachonnani (total route length of 7km; 6 stations) as BMA is currently in the process of hiring a consultant for the feasibility study of the project, with results expected to be announced in September 2014.

In line with the Company's confidence on its future prospects, our Board of Directors has approved a Share Repurchase programme on 8 August 2014. Under the programme, the Company is authorised to buy up to 600mn shares (equivalent to approximately 5% of the total issued shares) or THB 6bn. The Share repurchase period will span a maximum 6 month period from 25 August 2014 until 24 February 2015. In accordance with the disclosure requirements of the Stock Exchange of Thailand, progress of share repurchases will be reported to the Stock Exchange within 9am the day following each purchase (if any).

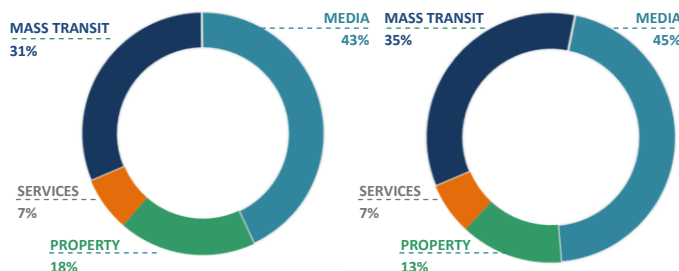
Further updates will be provided in November.

Yours faithfully,

Daniel Ross
Financial Director

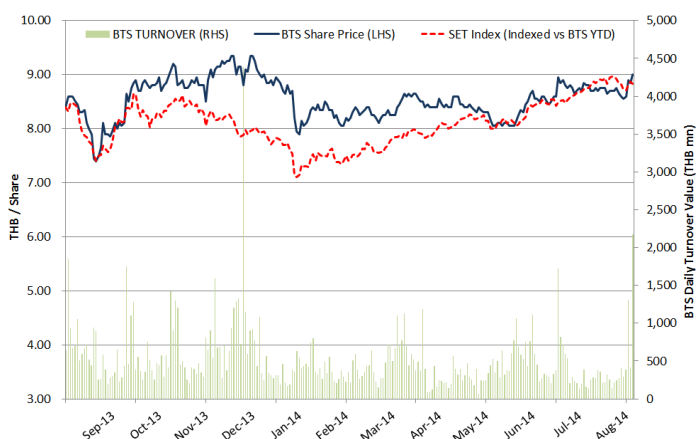
REVENUE BY BUSINESS UNIT

GROSS PROFIT BY BUSINESS UNIT^C



Source: Company

BTS last 12 months Share Price Performance^A:



EQUITY MARKETS^H

	3 MO	6 MO	12 MO
BTS TB	14.3%	11.5%	7.0%
SET Transport Index	14.2%	21.4%	10.9%
SET Index	10.4%	17.3%	6.1%
NIKKEI 225	6.6%	2.8%	11.1%
HANG SENG	12.7%	12.2%	13.0%
FTSE 100	-3.6%	-1.6%	-0.2%
S&P 500	2.8%	6.1%	14.2%

CURRENCY MARKETS^H

	3 MO	6 MO	12 MO
USD vs THB	1.5%	1.9%	1.8%
EUR vs THB	4.2%	3.7%	4.4%
THB vs JPY	-1.5%	-1.4%	1.3%
THB vs HKD	-1.5%	-1.8%	-1.7%
THB vs SGD	-1.3%	-0.5%	-0.8%
THB vs GBP	-2.0%	0.1%	-0.4%

BTS GROUP FINANCIAL SUMMARY (CONSOLIDATED)

INCOME STATEMENT (THB mn)	1Q 14/15	1Q 13/14	% YoY
Operating revenue	1,744.2	2,486.4	(29.9)%
Other recurring income	535.8	345.2	55.2%
Total recurring revenue	2,280.0	2,831.6	(19.5)%
Operating costs	770.0	1,238.4	(37.8)%
Operating selling and administrative expenses	397.0	436.2	(9.0)%
EBITDA	1,220.3	14,670.7	(91.7)%
Operating EBITDA	689.7	897.9	(23.2)%
Finance cost	133.6	192.5	(30.6)%
Non-operating gain (loss)	(6.9)	10,722.2	(100.1)%
EBT	974.6	14,386.3	(93.2)%
Income tax	212.3	3,036.8	(93.0)%
Minority interests	112.1	541.1	(79.3)%
Net income (loss) to equity holders of the parent	650.2	10,808.3	(94.0)%
EPS (THB per share)	0.0546	0.9473	(94.2)%

STATEMENT OF FINANCIAL POSITION (THB mn)	30 JUN 14	31 MAR 14	% Change
Cash and cash equivalents	7,469.5	8,668.5	(13.8)%
Current investments	23,762.7	23,496.3	1.1%
Trade and other receivables	1,419.5	1,074.5	32.1%
Real estate development costs-net	2,483.8	2,549.8	(2.6)%
Accrued income	375.6	671.7	(44.1)%
Other current assets	908.5	882.4	3.0%
Total current assets	36,419.6	37,343.1	(2.5)%
Investments in associates	14,454.8	13,899.0	4.0%
Other long-term investment-net	6,411.8	6,238.2	2.8%
Investment in properties - net	3,096.6	3,101.5	(0.2)%
Property, plant and equipment-net	7,676.1	7,674.0	0.0%
Other non-current assets	9,066.1	8,455.2	7.2%
Total non-current assets	40,705.4	39,367.9	3.4%
Total assets	77,125.0	76,711.1	0.5%
Short-term loan from financial institution	200.0	-	N.A.
Trade accounts payable	1,847.8	2,222.4	(16.9)%
Current portion of long-term loan	16.0	10.0	60.0%
Current portion of long-term debentures	3,609.8	3,607.6	0.1%
Other current liabilities	2,997.4	2,690.2	11.4%
Total current liabilities	8,671.1	8,530.2	1.7%
Long-term loan - net of current portion	1,202.0	230.0	422.6%
Long-term debentures-net of current portion	2,808.8	2,807.5	0.0%
Long-term provision - related party	1,275.6	1,266.9	0.7%
Deferred tax liabilities	3,010.7	3,037.1	(0.9)%
Other non-current liabilities	1,296.4	1,297.3	(0.1)%
Total non-current liabilities	9,593.4	8,638.7	11.1%
Total liabilities	18,264.5	17,169.0	6.4%
Issued and fully paid shares (mn shares)	11,914.2	11,914.2	0.0%
Issued and fully paid capital	47,656.9	47,656.9	0.0%
Share premium (discount)	1,797.2	1,797.2	0.0%
Retained earnings	4,228.6	3,578.4	18.2%
Other component of shareholder's equity	3,705.0	4,653.4	(20.4)%
Equity attributable to company's shareholders	57,387.8	57,685.9	(0.5)%
Non-controlling interest - equity attributable to minority	1,472.8	1,856.2	(20.7)%
Total shareholders' equity	58,860.5	59,542.2	(1.1)%
Total liabilities and shareholders' equity	77,125.0	76,711.1	0.5%

BTS GROUP FINANCIAL SUMMARY (CONSOLIDATED)

CASH FLOW STATEMENT FOR 3-MONTH PERIOD (THB mn)	1Q 14/15	1Q 13/14	% YoY
EBT	974.6	14,355.9	(93.2)%
Plus Profit before tax from discontinued operation	-	30.4	(100.0)%
Total	974.6	14,386.3	(93.2)%
Cash from (used in) operating activities	478.8	882.6	(45.7)%
Cash paid for interest expenses	(99.1)	(145.6)	N.A.
Cash paid for corporate income tax	(25.4)	(59.6)	N.A.
Returning of withholding tax	-	28.0	(100.0)%
Net cash from (used in) operating activities	354.4	705.4	(49.8)%
Net cash used in investing activities	(2,713.8)	6,220.0	(143.6)%
Net cash from (used in) financing activities	1,158.7	(4,081.1)	N.A.
Increase (decrease) in translation adjustment	1.6	0.3	467.1%
Net increase (decrease) in cash	(1,199.0)	2,844.5	(142.2)%
Cash at beginning of the period	8,668.5	3,513.3	146.7%
Cash at the end of the period	7,469.5	6,357.8	17.5%

KEY FINANCIAL RATIOS

PROFITABILITY RATIOS	1Q 14/15 ⁺	1Q 13/14*	4Q 13/14
Gross operating profit margin (%)	55.9%	51.1%	52.8%
Selling and administrative expenses to operating sales ratio (%)	22.8%	17.2%	24.3%
Operating EBITDA margin (%) ^A	39.5%	38.4%	36.7%
Accounting EBITDA margin (%)	52.1%	89.9%	42.9%
Recurring pre-tax profit margin (%) ^B	43.0%	34.5%	35.0%
Net recurring profit margin (%) ^B	33.7%	22.5%	29.8%
Accounting net profit margin (%) ^C	32.6%	69.9%	25.2%
ROA (%) ^D	3.8%	17.9%	18.9%
ROE (%) ^E	4.9%	22.6%	24.6%
LIQUIDITY RATIO			
Current ratio (times)	4.20x	5.94x	4.31x
LEVERAGE RATIOS			
Total liabilities to total asset (times)	0.24x	0.23x	0.22x
Total liabilities to total equity (times)	0.31x	0.31x	0.28x
Net debt to equity (times)	0.01x	0.05x	(0.02 x)
Net debt to operating EBITDA (times)	0.12x	0.61x	(0.35 x)
Interest coverage (times) ^F	5.16x	5.07x	5.00x
PER SHARE RATIOS ^G			
Basic earnings per share (THB)	0.0546	0.9487	0.0347
Operating cash flow per share (THB)	0.030	0.067	0.027
Free cash flow per share (THB)	0.015	0.030	0.014
Enterprise value per share (THB)	9.43	8.69	9.11
Book value per share (THB)	4.94	5.34	5.02

NOTE:

* Includes profit from discontinued operation

+ Restated to reflect effects from TFRIC 12 and TFRIC 4

A Excludes non-operating items and interest income

B Calculated based on recurring profit (before MI) / total recurring revenue

C Calculated based on accounting net profit (before MI) / total accounting revenue includes shares of income from investments in associates

D Calculated based on accounting net profit (before MI) / average total assets

E Calculated based on accounting net profit (before MI) / average total shareholders' equity

F Calculated based on operating EBITDA / finance cost

G Calculated based on weighted average number of shares at par value of THB 4.0 per share

FINANCIAL HIGHLIGHTS

- **Quarterly ridership; 51.3mn trips in 1Q 14/15, representing 2.0% growth YoY**
Average fare also increased 6.8% YoY to THB 27.0 per trip
- **Train Operation & Maintenance (O&M) revenue rose 33.8% YoY to THB 378.6mn** primarily from the opening of new Silom line extension
- **Share of net profit from BTSGIF for 1Q 14/15 recorded at THB 166.4mn**, an increase of 33.9% YoY
- **Media business revenue of THB 754.0mn in 1Q 14/15**, a 19.2% increase QoQ, yet a 10.6% decrease YoY
- **Property business revenue of THB 319.4mn in 1Q 14/15**, dropping 66.4% YoY mainly from fewer transferred condominium units
- **Services business revenue¹ rose by 61.1% YoY to THB 125.8mn** mainly from the revenue generated from ChefMan Restaurants
- **Net recurring profit (before MI) improved to THB 769.2mn**, an increase of 22.6% YoY
- Net income attributable to the equity holders of the Company dropped 94.0% YoY to THB 650.2mn due to the gain from BTSGIF transaction in 1Q 13/14

ACCOUNTING AND RECLASSIFICATION

- On 17 April 2013, Bangkok Mass Transit System PCL (BTSC) sold the future net fare-box revenues under its concession contract with the Bangkok Metropolitan Administration (BMA) for the BTS SkyTrain Core Network (original mass transit line in Bangkok, covering 23 stations in Sukhumvit and Silom lines, with a combined track length of 23.5km) to BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). In accordance with TFRS5 - Non-current Assets Held for Sale and Discontinued Operations, BTS Group Holdings Public Company Limited ("BTSG" or the "Company") is required to separately present the assets, liabilities and profitability of the asset held for sale in the financial statements. As such, in the statement of financial position, "Elevated rail project costs" have been re-classified to "Non-current assets held for sale", and revenue net of costs and expenses from the Core Network have been presented as a single line item 'profit from discontinued operations' within the income statement.
- From 1 April 2014, the Company and its subsidiaries (together, the "Group") have adopted TFRIC 12 – Service Concession Arrangements. This new standard provides accounting guidelines for concession operators for recognising and measuring the obligations and related rights in public-to-private service concession arrangements. BTSC (the subsidiary) provides services to procure electric trains (infrastructure) to be used in the provision of public services and to operate and maintain this infrastructure for a specified period of time under the 30-year O&M contract. BTSC is paid for its services over the period of the arrangement which is a public-to-private service concession arrangement. BTSC's management, therefore, considers this arrangement under the 30-year O&M contract to be within the scope of TFRIC 12. The effects of the changes are recognised retrospectively in the financial statements. For more information, please refer to Notes 1 and 2 to 1Q 14/15 financial statements.

1Q 14/15 QUARTERLY PERFORMANCE

The Group recorded consolidated total revenue of THB 2,172.1mn in 1Q 14/15, which includes (1) dividend income of THB 24.0mn (increased by 744.1% YoY) from equity investment dividends as well as (2) interest income of THB 333.9mn (increased 7.0% YoY) mainly from interest earned on the sales proceeds from BTSGIF. However, the consolidated revenue dropped 86.6% or THB 13,980.0mn YoY from THB 16,152.1mn in 1Q 13/14. The reduction was primarily due to gain from the sale of net fare-box revenue to BTSGIF of THB 13,497.6mn which was recorded in 1Q 13/14. Despite (1) higher O&M revenue from additional service income from the Silom line extension and (2) 33.9% increase in share of net profit from BTSGIF, operating revenue² fell by 29.9% YoY to THB 1,744.2mn largely as a result of the reduction in Property revenue from fewer transferred units of Abstracts Phahonyothin Park Condominium in 1Q 14/15 and the softened Media revenue. Revenue from the Mass Transit, Media, Property and Services businesses accounted for 31.2%, 43.2%, 18.3% and 7.2% of total operating revenue, respectively.

Operating Revenue ² (THB mn)	1Q 14/15	% of Total ²	1Q 13/14	% of Total ²	% Change (YoY)	1Q 14/15 GP Margin ⁵	1Q 13/14 GP Margin ⁵
Mass Transit ³	545.0	31.2%	615.0	24.7%	(11.4)%	61.7%	53.9%
Media	754.0	43.2%	843.5	33.9%	(10.6)%	58.8%	59.8%
Property ⁴	319.4	18.3%	949.9	38.2%	(66.4)%	40.3%	39.5%
Services ¹	125.8	7.2%	78.0	3.1%	61.1%	51.9%	47.5%
TOTAL²	1,744.2	100.0%	2,486.4	100.0%	(29.9)%	55.9%	50.2%

Total consolidated expenses and SG&A reached THB 1,232.4mn in 1Q 14/15, a reduction of THB 497.1mn or 28.7% YoY largely from the decrease in sales of real estate and SG&A expenses. Operating costs decreased by 37.8% YoY to THB 770.0mn which was in line with the reduction in total operating revenue. Nonetheless, as operating costs decreased more than the decline in operating revenue, the Group operating gross profit margin⁵ improved to 55.9% from 50.2% in the previous year.

Although operating revenue in Mass Transit, Media, and Property businesses declined, the Group operating EBITDA⁶ margin improved from 36.1% in the previous year to 39.5% due to the lower contribution of lower margin Property business. Finance costs fell by 30.6% or THB 58.9mn to THB 133.6mn, primarily as the Group repaid outstanding debt. Income tax expense fell 93.0% YoY or by THB 2,824.6mn to THB 212.3mn due to the income tax on the gain from BTSGIF transaction in 1Q 13/14.

As a result of higher income from investment in associates (share of net profit in BTSGIF), improved performance from O&M business, an increase in interest income and dividend income as well as a reduction in finance costs, recurring pre-tax profit⁷ margin for this quarter improved to 43.0% from 34.1% in 1Q 13/14. A decrease in recurring income tax⁸ to THB 212.3mn (versus THB 337.3mn in 1Q 13/14) resulted in net recurring profit⁷ improving 22.6% YoY to THB 769.2mn in 1Q 14/15. Taking into account all the aforesaid transactions, the Group recorded a consolidated profit of THB 762.3mn (decreasing 93.3% YoY) and profit attributable to the equity holders of the Company of THB 650.2mn (increasing 94.0% YoY).

¹ Services revenue includes sales from BSS, revenue from Carrot, revenue from HHT construction and revenue from ChefMan Restaurants. Note that transactions related to ChefMan Restaurants were reclassified from Property business to Services business in 4Q 13/14.

² Operating revenue from the operational performances from 4 BUs and share of net profit (loss) from BTSGIF, EXCLUDES interest income, dividend income and non-recurring items

³ Mass Transit revenues include:

- i) Fare-box revenue for 16 days from 1 – 16 April 2013 (before BTSGIF transaction) - included in 'Mass Transit revenue for 1Q 13/14'
- ii) Share of net profit (loss) from BTSGIF (included in 'Share of profit from investments in associates and joint venture' in Statement of comprehensive income)
- iii) Service Income from Train & Bus Operation Management (included in 'Service income' under 'Revenues from provision of operating services')

⁴ Property includes Sales from Real Estate, Rental and Service Income, Construction & Services Businesses and Service income related to Thana City Golf & Sports Club Co., Ltd.

⁵ Operating gross profit margin calculated based on the operational performances from 4 BUs and share of net profit (loss) from BTSGIF

⁶ Operating EBITDA calculated based on the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, EXCLUDES interest income, dividend income, non-recurring items from sales of net fare-box revenue to BTSGIF and other non-recurring items

⁷ Recurring profit calculated based on the operational performances from 4 BUs, share of net profit (loss) from BTSGIF and other associates and joint venture, as well as including other recurring items which are interest income and other recurring items (before MI)

⁸ Recurring corporate income tax excludes the portion related to BTSGIF transactions

SEGMENTAL PERFORMANCE

MASS TRANSIT

Total Mass Transit revenue³ dropped 11.4% YoY to THB 545.0mn. As a result of the sale of net fare-box revenue to BTSGIF, fare-box revenue decreased from THB 207.7mn in 1Q 13/14 to THB 0.0mn this quarter, and costs and SG&A related to the Core Network dropped from THB 134.7mn to THB 0.0mn (note that in 1Q 13/14, BTSG recorded transactions related to the Core Network for 16 days before the completion of the BTSGIF transaction on 17 April 2013). O&M revenue increased YoY by 33.8% or THB 95.6mn to THB 378.6mn. Furthermore, the Company recorded a share of net profit from its investment in BTSGIF units of THB 166.4mn in 1Q 14/15, an increase of 33.9% YoY.

In order to enable analysis of underlying performance on a comparable basis to previous years, the following section analyses fare-box revenues, O&M revenues and their associated costs and SG&A of 1Q 14/15 and 1Q 13/14 irrespective of whether BTSG or BTSGIF had the rights to such revenues.

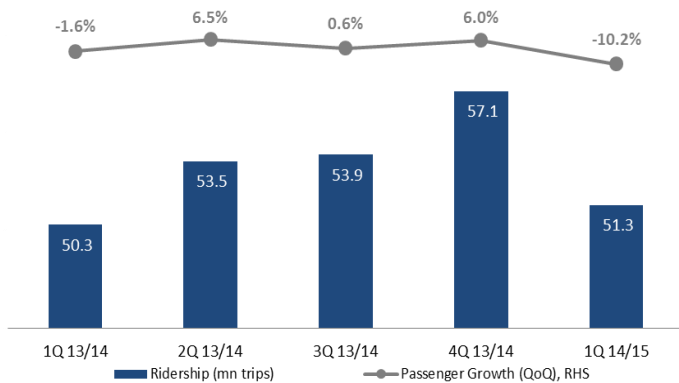
	1Q 14/15	1Q 13/14	% YoY
Total Ridership (million trips)	51.3	50.3	2.0%
Average weekday ridership (trip)	649,575	630,658	3.0%
Average Fare (THB / trip)	27.0	25.3	6.8%

Total revenue from the Mass Transit business increased by 13.5% YoY to THB 1,765.6mn supported by an increase in fare-box revenue and an increase in O&M income. Fare-box revenue increased 8.9% (or THB 113.8mn) to THB 1,387.0mn on account of ridership growth (up 2.0% YoY to 51.3mn trips) and the increased average fare (which rose by 6.8% YoY to THB 27.0 per trip, following the fare hike on 1 June 2013). Key ridership growth factors included organic growth and the commencement of 4 stations (from Wongwian Yai – Bang Wa) of the Silom line extension, which fed more passengers to the Core Network. To accommodate the increasing patronage, the Company introduced additional carriages into service (all trains on the Sukhumvit line were extended from 3-car trains to 4-car trains since May 2013 and all of the new five 4-car trains became available for service in February 2014). O&M revenue rose by 33.8% or THB 95.6mn YoY to THB 378.6mn, mainly attributable to the additional service income from the Silom line extension which opened on 5 December 2013.

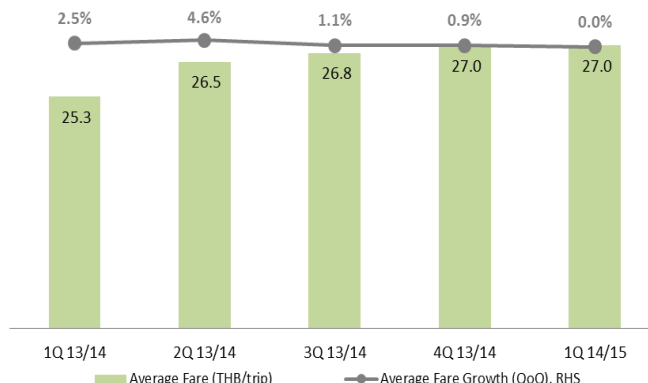
Cost of Mass Transit revenue, including SG&A, decreased by 2.4% or THB 23.8mn YoY to THB 983.6mn largely driven by the decline in payroll expenses, offset with the higher costs of train operation and maintenance which increased in line with higher O&M revenue. Total Mass Transit revenue growth, together with declining SG&A expenses, led to an improvement in the operating EBITDA margin to 66.3% in 1Q 14/15 (versus 59.6% in 1Q 13/14).



Historical Quarterly Ridership and % QoQ Growth



Historical Quarterly Ridership and % QoQ Growth



MEDIA

Our Media business revenue rebounded 19.2% from the previous quarter to THB 754.0mn from the effect of the seasonal low period in 4Q 13/14 (Jan – Mar) as well as the improving economy following the establishment of clearer political direction in late May 2014. The overall economy of Thailand in 1Q 14/15 improved from the previous quarter helped by the pickup in household and business confidence. Consumer confidence index rose to 75.1 in June, the highest in more than 8 months.

Factors contributing to revenue growth QoQ came from all three business segments:

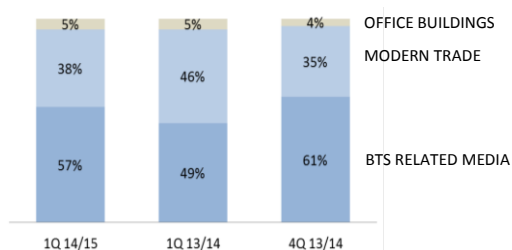
BTS-related Media continued to grow resiliently to THB 427.9mn with increased revenue of THB 39.3mn (or 10.1% QoQ) mainly coming from i) the increase in capacity from Platform Truss LEDs and ii) the increase in occupancy from LCDs in train. **Modern Trade Media** saw 30.4% or THB 66.8mn revenue growth compared to the previous quarter driven by stronger FMCG spending momentum as consumer confidence picked up following the clearer political direction. Hence, it is expected that the economy will soon recover to normalcy, which will also support the Modern Trade Media performance. **Office Building & Other Media** also showed significant growth (THB 15.5mn or 64.5% QoQ) from the aforementioned positive factors.

As a result of the improvement in operational performance in BTS-related Media, which is the biggest contributor to total Media revenue as well as the economies of scale, the operating EBITDA improved to 50.2% versus 42.8% in 4Q 13/14. However, Media revenue contracted 10.6% (or THB 89.6mn) YoY mainly owing to weaker economic momentum due to the previous political uncertainty. The decrease was primarily from the reduction in Modern Trade Media revenue, offset with the growth in BTS-related Media revenue.

BTS-related Media revenue of THB 427.9mn represented growth of 4.3% or THB 17.7mn YoY despite the domestic political uncertainty and economic slowdown. The key growth drivers were (1) the increase in capacity from Platform Truss LEDs and Platform Screen Doors and (2) increased merchandising revenue as a result of the increase in rental rate of merchandising space on the BTS stations, coupled with the increased occupancy of small rental shops on stations, which grew with increased ridership. Revenue from **Modern Trade Media** reached THB 286.4mn, a decrease of 26.4% or THB 102.6mn YoY as a result of weakening consumer spending and political disruptions. **Office Building & Other Media** revenue was THB 39.6mn, decreasing by 10.4% YoY or THB 4.6mn. This decrease was primarily due to consumption slowdown and political instabilities.

Cost of services decreased 8.5% or THB 28.9mn YoY to THB 310.4mn and Media SG&A also decreased by 4.0% or THB 4.1mn YoY to THB 98.5mn which was in line with the reduction in total revenue. However, operating EBITDA remained unchanged YoY at 50.2%.

CONTRIBUTION OF REVENUE (MEDIA BUSINESS)



OPERATING PROFIT MARGIN (MEDIA BUSINESS)

	1Q 14/15	1Q 13/14	4Q 13/14
Operating gross profit margin (overall) *	58.8%	59.8%	54.1%
Operating EBITDA margin (overall)	50.2%	50.2%	42.8%

* Operating gross profit margin excludes the cost of concession payable to BTSC



PROPERTY

Property operating revenue dropped a significant 66.4% YoY or THB 630.4mn to THB 319.4mn which was largely attributable to the decline in Residential Property revenue as a result of fewer transferred condominium units of Abstracts Phahonyothin Park (Tower A) compared to 1Q 13/14.

Residential Property revenue decreased by 82.5% YoY or THB 626.4mn to THB 132.4mn in 1Q 14/15. This decrease was mainly driven by a decline in sales of real estate of THB 626.4mn (largely in relation to 42 transferred units of Abstracts Phahonyothin Park Tower A in this quarter versus 225 transferred units in 1Q 13/14).

Commercial Property revenue reached THB 184.7mn, merely decreasing by 2.1% YoY or THB 3.9mn despite the political deadlock which resulted in a slowdown in the tourism industry.

Operating costs decreased at the same rate as the reduction in operating revenues. The decrease of 66.8% YoY or THB 384.1mn to THB 190.6mn was mainly from a decline in costs from transferred units of Abstracts Phahonyothin Park and costs related to Eastin Grand Hotel Sathorn. Property SG&A expenses also decreased by 29.7% YoY or THB 54.1mn to THB 127.8mn largely from a reduction in selling and marketing expenses related to Abstracts Condominium project. As a result of a decrease in sales of real estate from the aforesaid reasons, the operating EBITDA contracted to 12.3% compared to 24.2% in 1Q 13/14.

	PROJECT SUMMARY Type: Mid-High End Condominium Location: Phahonyothin Road, North Bangkok. 250m from new BTS station Site area: 33,420sqm (20-3-55 rai)				PRESOLD UNITS AS OF 30 JUN 14
		#Units	GFA (sqm)	NFA (sqm)	
	Tower A	1,012	62,091	42,818	
	Tower B	1,012	62,091	42,818	
	Tower C	1,012	62,091	42,818	
	Total	3,036	189,273	128,455	

	EASTIN GRAND HOTEL SATHORN PROJECT SUMMARY Type: Four Star Hotel Location: Sathorn Road, Direct access to BTS Surasak Site area: 3,828sqm. (2-1-57 rai) Construction completed: Apr 2012 Soft Opening: May 2012 Official Launch: Oct 2012 Average Occupancy Rate: 62% (1Q 14/15)			U SATHORN BANGKOK PROJECT SUMMARY Type: Four Star Hotel Location: Sathorn Bangkok Site: 16-0-81 Rai (3 fl, 86 rooms) Land Tenure: Leasehold, 30 Years Lease Contract With Treasury Department Expected Operation: November 2014	

SERVICES

Services business revenue increased YoY by THB 47.7mn or 61.1% to THB 125.8mn. This increase was primarily due to the growth in revenue generated from ChefMan Restaurants of THB 27.5mn as well as a growth in royalty fee recognised from the co-ordination between BSS and its business partner from the issuance of the co-branded rabbit cards of THB 3.8mn. Operating costs increased by 47.9% YoY or THB 19.6mn to THB 60.5mn, increasing at a lower rate than operating revenue. There was also THB 62.1mn SG&A expenses, an increase of 56.7% YoY. Key costs and SG&A items were mainly from staff costs, food & beverage cost at ChefMan Restaurants and depreciation expenses (for hardware, software and machines).

STATEMENT OF FINANCIAL POSITION

Total assets as of 30 June 2014 stood at THB 77,125.0mn, an increase of THB 413.9mn or 0.5% from 31 March 2014. The key changes are (1) the increase in investments in associates of THB 555.8mn, which consists mainly of the investment in Master Ad Public Company Limited (MACO) of THB 685.9mn, (2) increase in restricted deposits of THB 574.5mn which was cash collateral placed with banks and (3) the reduction in cash of THB 1,199.0mn (see further details in Cash Flow section).

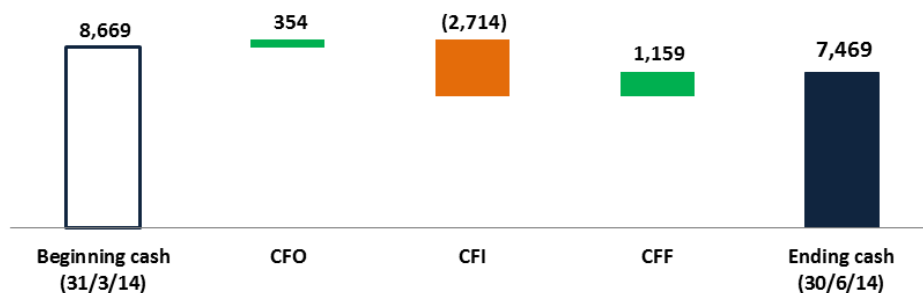
Total liabilities increased from 31 March 2014 by 6.4% or THB 1,095.5mn to stand at THB 18,264.5mn largely due to an increase in loans from financial institutions of THB 1,178.0mn, of which THB 200.0mn was used by VGI to purchase MACO shares and THB 972.0mn were loans taken to invest in offshore deposits and investments. **Total equity** decreased by THB 681.6mn or 1.1% to THB 58,860.5mn mainly attributable to (1) a reduction in surplus from the changes in the ownership interests in subsidiaries of THB 867.3mn primarily as a result of the Company increasing its shareholding in subsidiary VGI in this quarter, (2) a decrease in non-controlling interest of the subsidiaries of THB 383.4mn due to the purchases of investments in subsidiaries (VGI and Nuvo Line) during the period, yet offset with (3) an increase in retained earnings of THB 650.2mn. As of 30 June 2014, total issued and fully paid-up shares stood at 11,914.2mn shares.

CASH FLOW

Cash and cash equivalents as of 30 June 2014 reached THB 7,469.5mn. Net cash from operating activities declined 49.8% to THB 354.4mn compared to THB 705.4mn in the previous year. Key contributors of the decrease were the lower operating revenue of Property and Media businesses. Net cash used in investing activities was THB 2,713.8mn as BTS (1) increased its stake in VGI from 61.84% to 64.65% (THB 1,140.3mn), (2) increase in long-term investment of THB 1,088.0mn and (3) investment in MACO of THB 681.2mn. Net cash from financing activities was THB 1,158.7mn mainly from the increase in loans from financial institutions and no dividend payment during the period (the Company paid dividend of THB 2,046.0mn in May 2013).

Three-Months Cash Flow Snapshot

(THB mn)



BTS GROUP IN THE COMMUNITY

The BTS Group is committed to improving the lives of people, through its vision of being a leading provider of mass transit services. The Group has also initiated many special Corporate Social Responsibility (CSR) projects in both Bangkok and other provinces of Thailand. Activities cover a broad spectrum of social concerns, with a focus on environmental impact. The Group continuously participates in community development in areas including religion, education, sport, public health and encourages staff involvement in all these efforts.

22 MAY 2014 'the 12th Sky Clinic'

Dr. Anat Arbhabhira (centre), Chairman of Management Committee, the BTS SkyTrain recently presided over the '12th Sky Clinic' Activity held at Sanam Pao, BTS Station from 22 -25 May, 2014, in conjunction with the Liver Foundation and 8 hospitals such as: Vibhavadi Hospital, Mettapracharak Hospital, Chulabhorn Hospital, Ekachai Hospital; Chaophya Hospital, RSU Healthcare Co.Ltd., and Thai Traditional Medicine College. The 4-day activity provided public free health check ups, covering 8 types of health stations such as Diabetes Disease, Cancer, Eye Disease, Bone and Joint, Thai Traditional Medicine and Alternative and Liver Disease. The opening ceremony was highlighted by a discussion and demonstration of 'Thai Acupressure on Ten Principle Lines' conduct by Archarn Sippakorn Sopitnapakul, specialist of Thai Traditional Medicine from Rangsit University.



13 JUN 2014 'Give for Children'

BTS Group recently launched a 'Give Project', which is a key element of the group's CSR policy for 2014. The act of giving is at the heart of every caring society, providing help, comfort, support and sponsorship to those in need nationwide. With this in mind, the Company organized a CSR activity entitled 'Give for Children', which is a part of the 'Give Project', sharing happiness and support through the construction of bathroom facilities at the Mae Fah Luang Non Formal and Informal Education Centre Tanaowasri, Suan Peung District, Ratchaburi Province. At the launch party, the company hosted lunch and presented school stationary and other necessary provisions to children at the Education Centre, which the area is under the Patronage of Her Majesty the Queen.





SUMMARY COVERAGE AND ANALYST RECOMMENDATIONS

Company Name	Recommendation	Target Price	Report Date	Sales*	EBITDA*	Net Profit*	Analyst Name
				2014/15E (THB mn)			
Bualuang Securities	Buy	9.90	28-Jul-14	7,339	2,579	2,289	Suppata Srisuk
KTZMICO Securities	Buy	10.00	23-Jul-14	7,239	2,618	2,577	Raenoo Bhandasukdi
BofA Merrill Lynch	Neutral	8.10	23-Jul-14	7,383	2,964	2,682	Kaseedit Choonawat
BNP Paribas	Buy	10.70	17-Jul-14	7,488	3,514	2,686	Somkij Oranchatchawan
UBS	Buy	9.40	15-Jul-14	7,572	2,694	2,557	Eric Lin
Thanachart Securities	Buy	9.50	17-Jun-14	7,503	2,859	2,348	Saksid Phadthanarak
Phillip Securities	Buy	9.70	3-Jun-14	7,828	3,178	2,418	Siam Tiyanont
IV Global	Buy	9.20	29-May-14	8,387	3,059	2,556	Rattana Leenutaphong
SCB Securities	Buy	10.00	29-May-14	8,292	3,526	2,404	Sirima Dissara
Finansia Syrus	Buy	10.00	29-May-14	8,372	4,890	2,375	Amnart Ngosawang
Credit Suisse	Buy	9.80	29-May-14	7,338	3,175	2,839	Warayut Luangmettakul
DBS Vickers Securities	Buy	9.35	29-May-14	7,888	5,402	2,553	Sombat Agekavanpattana
Krungsri Securities	Buy	10.70	27-May-14	7,811	2,357	2,421	Sittidath Prasertprung
Kim Eng Securities	Buy	11.40	26-May-14	7,012	3,247	2,498	Jaroonpan Wattanawong
JP Morgan	Neutral	8.20	26-May-14	6,961	3,496	2,376	Sumedh Samant
Asia Plus Securities	Buy	11.20	26-May-14	7,604	3,992	2,884	Suwat Wattanapornprom
TISCO	Buy	9.60	26-May-14	7,774	4,269	3,574	Monchai Mokaranuraksa
Trinity Securities	Buy	11.20	26-May-14	7,626	2,263	1,930	Duladeh Bik
Jefferies	Buy	10.00	9-Apr-14	7,445	3,221	2,654	Avin Sony
CIMB Securities	Buy	9.70	11-Feb-14	6,526	2,361	2,703	Praphan Yukhunthorntham
Summary		Target Price		Sales*	EBITDA*	Net Profit*	
				2014/15E (THB mn)			
Average		9.88		7,569	3,283	2,566	<i>*Excludes non-recurring items</i>
Max		11.40		8,387	5,402	3,574	
Min		8.10		6,526	2,263	1,930	

Source: Broker reports, Bloomberg, SETTrade

SHAREHOLDER CONTACT AND REFERENCE INFORMATION

Shareholder Services:

For any matters relating to your shareholding such as transfer of shares, change of name and address and loss of share certificates should be addressed in writing to the Registrar:

The Thailand Securities Depository Co., Ltd. (TSD)

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Financial Calendar: The Quarter Ahead

Event	Date
1Q 2014/15 Earnings Released	8 August 2014
Analyst Meeting for 1Q 2014/15	14 August 2014
End of 2Q 2014/15	30 September 2014
2Q 2014/15 Earnings Released	7 November 2014
Analyst Meeting 2Q 2014/15	12 November 2014

Notes:

^A Data as of 7 August 2014. Source: Company and Bloomberg

^B Based on exchange rate of 32.252 as of 7 August 2014

^C Assumes no cost of concession payable by VGI to BTSC

^D Source: Bloomberg, data as of 7 August 2014

^E Source: BTS Group Holding Public Co.Ltd. as of 10 June 2014

^F New par value (THB 4.0 per share) and numbers of new outstanding shares are effective since 7 Aug 2012

^G Source: BTS Group Holding Public Co.Ltd. as of 7 August 2014

^H Source: Bloomberg, data as of 7 August 2014

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