



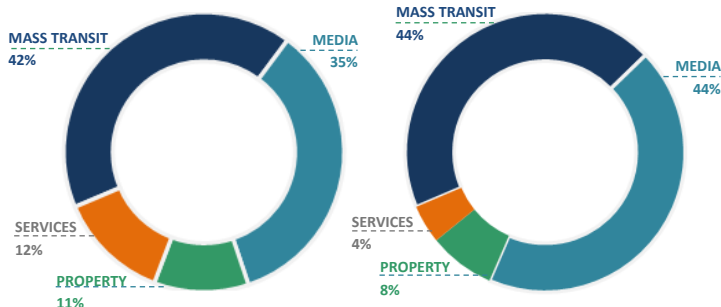
AT A GLANCE

SHARE INFORMATION<sup>i</sup>

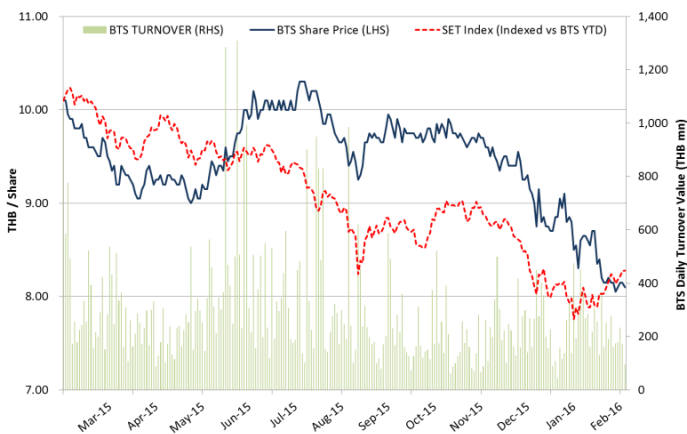
Shares Outstanding	11,929.3mn shares <sup>vii</sup>
Free Float <sup>v</sup>	57.3%
Par Value	THB 4.0 / Share <sup>vi</sup>
Market Capitalisation	THB 96.6bn / USD 2.7bn <sup>ii</sup>
YTD daily traded value <sup>iv</sup>	THB 283.9mn / USD 8.0mn <sup>ii</sup>
Stock Identifiers	
Stock Exchange Symbol	BTS
Bloomberg / Reuters	BTS TB / BTS.BK

REVENUE BY BUSINESS UNIT

GROSS PROFIT BY BUSINESS UNIT<sup>iii</sup>



BTS LAST 12 MONTHS SHARE PRICE PERFORMANCE<sup>i</sup>:



EQUITY MARKETS<sup>viii</sup>

	3 MO	6 MO	12 MO
BTS TB	-15.1%	-15.5%	-19.3%
SET Transport Index	11.8%	15.9%	3.4%
SET Index	-6.2%	-7.4%	-18.7%
NIKKEI 225	-20.2%	-24.2%	-11.0%
HANG SENG	-17.1%	-24.4%	-23.8%
FTSE 100	-9.9%	-14.9%	-16.8%
S&P 500	-10.8%	-11.1%	-10.5%

CURRENCY MARKETS<sup>viii</sup>

	3 MO	6 MO	12 MO
USD vs THB	1.67%	0.28%	2.22%
EUR vs THB	-3.24%	-1.96%	-1.74%
THB vs JPY	7.24%	10.74%	4.39%
THB vs HKD	-2.17%	-0.68%	-2.71%
THB vs SGD	0.51%	0.51%	0.00%
THB vs GBP	-6.00%	-6.91%	-3.51%

FROM THE EDITOR

Dear Investment Community,

BTS Group reported another quarter of strong ridership numbers, reaching a new historical high of 51.9mn trips in 3Q 15/16 on the Core Mass Transit Network. Furthermore, ridership on the Core Network for 9 months grew 6.9% YoY, tracking above the FY 15/16 guidance of 4-6%. We also achieved our target on the average fare, which grew 2.0% YoY for the same period mainly from the adjustment in card promotions on the monthly passes, which became effective since July 2015. We anticipate with renewed optimism that the MOU for the transfer of the Green Line extension projects will be signed shortly. Other new contracts on the rail mass transit lines are expected to roll out within this year (for updates on the timing, please refer to our latest presentations).

We continue to focus our efforts on the **property** sector following on from the successful launch of 3 Sansiri joint venture projects valued at THB 11bn in 2015. The partnership plans to launch 6 additional projects in 2016 worth THB 23bn, with income recognition from the first project as early as FY 16/17. In 3Q 15/16, we disposed of 50% of the shares in Nuvo Line to Sansiri with the intention to turn this into another joint venture for residential real estate development. However, our financial statements will continue to be dampened by share of losses prior to FY 18/19 when most of the projects will start to transfer, although losses are expected to gradually decline as it offsets with incoming profit from transferred projects. Apart from this, BTS Group has begun to amalgamate its various property companies and assets to be held under one wholly-owned entity in order to streamline financial reporting and management line. The restructuring process is expected to extend over the next 3-6 months. As a result, reported income tax for this quarter was negative as tax deductible expenses associated with the subsidiary transfers exceeded taxable income. This is a temporary impact and we can expect further income tax and expenses associated with the property restructuring in the next 3-6 months. Finally, our 50%-owned associate bid for, and won the auction for a 48-rai (77,987sqm) land plot on Phaholyothin Road which is located 200m from the future Green Line extension station (N10). This acquisition affirms our strategy to position ourselves as the prime beneficiary of Bangkok's mass transit network expansion across our business units.

BTS Group recorded quarterly earnings in 3Q 15/16 with total consolidated revenue dropping 31.2% to THB 1,607.3mn primarily from our Media and Property businesses and net profit attributable to the equity holders of the Company dropping 38.1% to THB 607.4mn. This was mainly from a reduction in interest income and share of losses from property associates/JVs. Recurring pre-tax profit margin dropped slightly to 40.4% (versus 41.6% in 3Q 14/15); however, net recurring profit margin (before MI) improved to 44.1% (versus 29.8% in 3Q 14/15) from the temporary effect of negative income tax.

On 5 February 2016, the 2015/16 interim dividend of THB 4,022.3mn (or THB 0.34 per share) was paid (a dividend yield of 7.5% based on BTS share price of THB 8.55 as of 8 January 2016 (one day before BOD date) on an annualised basis. This is the first dividend payment in the final year of the committed dividend period, with at least THB 4,000mn remaining to be paid out this year. Further guidance on the dividend policy following the committed period will be provided within mid-year.

Yours faithfully,

Daniel Ross  
Chief Investment Officer

## BTS GROUP FINANCIAL SUMMARY (CONSOLIDATED)

INCOME STATEMENT FOR 3 MONTHS (THB mn)	3Q 15/16	3Q 14/15	% YoY
Operating revenue	1,476.6	1,839.3	(19.7)%
Other recurring income	242.5	397.0	(38.9)%
<b>Total recurring revenue</b>	<b>1,719.0</b>	<b>2,236.3</b>	<b>(23.1)%</b>
Operating costs	621.4	839.3	(26.0)%
Operating selling and administrative expenses	344.7	388.0	(11.2)%
<b>EBITDA</b>	<b>807</b>	<b>1,549</b>	<b>(47.9)%</b>
<b>Operating EBITDA</b>	<b>625.6</b>	<b>716.7</b>	<b>(12.7)%</b>
Finance cost	58.9	78.3	(24.8)%
Non-operating gain (loss)	(75.4)	434.9	(117.3)%
<b>EBT</b>	<b>632.0</b>	<b>1,365.7</b>	<b>(53.7)%</b>
Operating income tax	(63.4)	264.2	(124.0)%
Minority interests	1,476.6	120.1	1129.1%
<b>Net income to equity holders of the parent</b>	<b>607</b>	<b>981</b>	<b>(38.1)%</b>
<b>EPS (THB per share)</b>	<b>0.0513</b>	<b>0.0830</b>	<b>(38.2)%</b>

STATEMENT OF FINANCIAL POSITION (THB mn)	31 DEC 15	31 MAR 15	% Change
Cash and cash equivalents	1,827.0	10,111.9	(81.9)%
Current investments	4,292.4	6,371.4	(32.6)%
Trade and other receivables	1,304.2	1,218.1	7.1%
Real estate development costs-net	630.9	2,237.8	(71.8)%
Accrued income	303.6	577.9	(47.5)%
Other current assets	1,274.9	5,485.9	(76.8)%
<b>Total current assets</b>	<b>9,633.0</b>	<b>26,003.0</b>	<b>(63.0)%</b>
Investments in associates-net	21,119.9	14,011.6	50.7%
Other long-term investments-net	8,916.9	9,548.4	(6.6)%
Investment properties	1,446.9	1,480.0	(2.2)%
Property, plant and equipment	5,478.0	5,510.4	(0.6)%
Other non-current assets	17,186.4	10,258.0	67.5%
<b>Total non-current assets</b>	<b>54,148.2</b>	<b>40,808.4</b>	<b>32.7%</b>
<b>Total assets</b>	<b>63,781.2</b>	<b>66,811.5</b>	<b>(4.5)%</b>
Short-term loans from financial institutions	1,620.0	530.0	205.7%
Trade accounts payables	1,780.7	1,922.3	(7.4)%
Current portion of long-term loans	1,118.4	26.0	4201.4%
Current portion of long-term debentures	1,346.9	1,467.7	(8.2)%
Other current liabilities	2,462.9	2,849.4	(13.6)%
<b>Total current liabilities</b>	<b>8,328.8</b>	<b>6,795.4</b>	<b>22.6%</b>
Long-term loans-net of current portion	182.8	1,187.1	(84.6)%
Long-term debentures-net of current portion	-	1,345.1	(100.0)%
Long-term provisions-related party	1,309.2	1,244.0	5.2%
Deferred tax liabilities	2,110.0	2,616.2	(19.3)%
Other non-current liabilities	1,874.0	1,611.2	16.3%
<b>Total non-current liabilities</b>	<b>5,476.0</b>	<b>8,003.6</b>	<b>(31.6)%</b>
<b>Total liabilities</b>	<b>13,804.8</b>	<b>14,799.0</b>	<b>(6.7)%</b>
Issued and fully paid shares (mn shares)	11,929.3	11,919.3	0.1%
Issued and fully paid capital	47,717.4	47,677.0	0.1%
Share premium	1,834.6	1,807.6	1.5%
Retained earnings	1,604.3	474.8	237.9%
Other components of shareholders' equity	(2,519.5)	769.0	(427.6)%
<b>Equity attributable to company's shareholders</b>	<b>48,636.8</b>	<b>50,728.4</b>	<b>(4.1)%</b>
Non-controlling interest-equity attributable to minority	1,339.5	1,284.1	4.3%
<b>Total shareholders' equity</b>	<b>49,976.3</b>	<b>52,012.5</b>	<b>(3.9)%</b>
<b>Total liabilities and shareholders' equity</b>	<b>63,781.2</b>	<b>66,811.5</b>	<b>(4.5)%</b>

## BTS GROUP FINANCIAL SUMMARY (CONSOLIDATED)

DEBT INFORMATION (THB mn)	31 DEC 15	31 MAR 15	% YoY
Interest bearing debt	5,063.2	4,555.9	11.1%
Net debt	3,236.1	(5,556.1)	N.A.

CASH FLOW STATEMENT FOR 9 MONTHS (THB mn)	3Q 15/16	3Q 14/15	% YoY
EBT	5,412.0	3,330.8	62.5%
Plus Profit before tax from discontinued operation	3.9	(47.9)	N.A.
<b>Profit before tax</b>	<b>5,415.9</b>	<b>3,282.9</b>	<b>65.0%</b>
<b>Cash from operating activities</b>	<b>1,832.6</b>	<b>1,296.4</b>	<b>41.4%</b>
Cash paid for interest expenses	(128.1)	(252.5)	N.A.
Cash paid for corporate income tax	(1,997.4)	(1,628.4)	N.A.
<b>Net cash used in operating activities</b>	<b>(292.9)</b>	<b>(584.4)</b>	<b>N.A.</b>
<b>Net cash from (used in) investing activities</b>	<b>(3,201.8)</b>	<b>6,408.8</b>	<b>(150.0)%</b>
<b>Net cash used in financing activities</b>	<b>(4,858.4)</b>	<b>(7,265.0)</b>	<b>N.A.</b>
Increase in translation adjustment	0.4	1.4	(68.8)%
<b>Net decrease in cash and cash equivalents</b>	<b>(8,352.7)</b>	<b>(1,439.3)</b>	<b>N.A.</b>
Cash and cash equivalents classified as assets held for sale	67.8	-	N.A.
Cash and cash equivalents at beginning of the period	10,111.9	8,668.5	16.7%
<b>Cash and cash equivalents at the end of the period</b>	<b>1,827.0</b>	<b>7,229.2</b>	<b>(74.7)%</b>

## KEY FINANCIAL RATIOS

PROFITABILITY RATIOS	3Q 15/16	3Q 14/15	2Q 15/16
Gross operating profit margin (%)	57.9%	54.4%	58.0%
Selling and administrative expenses to operating sales ratio (%)	23.3%	21.1%	22.1%
Operating EBITDA margin (%) <sup>A</sup>	42.4%	39.0%	42.3%
Accounting EBITDA margin (%)	46.5%	57.7%	42.3%
Recurring pre-tax profit margin (%) <sup>B</sup>	40.4%	41.6%	31.6%
Net recurring profit margin (%) <sup>B</sup>	44.1%	29.8%	25.3%
Accounting net profit margin (%) <sup>C</sup>	39.3%	41.1%	28.2%
ROA (%) <sup>D</sup>	7.5%	4.1%	8.1%
ROE (%) <sup>E</sup>	9.4%	5.2%	10.2%

LIQUIDITY RATIO	3Q 15/16	3Q 14/15	2Q 15/16
Current ratio (times)	1.16x	4.74x	1.91x

LEVERAGE RATIOS	3Q 15/16	3Q 14/15	2Q 15/16
Total liabilities to total assets (times)	0.22x	0.20x	0.21x
Total liabilities to total equity (times)	0.28x	0.25x	0.27x
Interest bearing debt to equity (times)	0.10x	0.08x	0.06x
Net debt to equity (times)	0.06x	(0.05)x	0.03x
Net debt to operating EBITDA (times)	1.22x	(1.09)x	0.62x
Interest coverage (times) <sup>F</sup>	10.63x	9.15x	10.17x

PER SHARE RATIOS <sup>G</sup>	3Q 15/16	3Q 14/15	2Q 15/16
Basic earnings per share (THB)	0.0513	0.0830	0.0401
Operating cash flow per share (THB)	(0.085)	(0.022)	(0.009)
Free cash flow per share (THB)	(0.180)	(0.118)	(0.020)
Enterprise value per share (THB)	9.56	9.61	10.08
Book value per share (THB)	4.22	4.81	4.23

## NOTE:

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 including share 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

### 3Q 15/16 FINANCIAL HIGHLIGHTS

- **New quarterly ridership record of 59.1mn trips, 4.7% growth YoY. Average fare of THB 27.83 per trip, an increase of 3.5% YoY**
- **Share of net profit from investment in BTSGIF in 3Q 15/16 increased by 13.2% YoY to THB 219.1mn**
- Total Media revenue declined by 34.4% YoY and 3.0% QoQ to THB 511.7mn although **revenue from Office Building Media grew 41.7% YoY and 9.1% QoQ to THB 66.2mn**
- Following the successful launches of The Line Jatujak - Mochit and The Line Sukhumvit 71, **The Line Ratchathewi was also 100% pre-sold with average selling price of approximately THB 266k/sqm**
- **Services business revenue<sup>1</sup> rose by 36.9% YoY to THB 189.5mn** mainly from services revenue generated from development of fare collection system for mass transit by Bangkok Payment Solutions Co., Ltd. ("BPS") and ChefMan Restaurants
- **Pre-tax recurring profit (before MI) was THB 694.0mn in 3Q 15/16**, dropping 25.4% YoY and reported net profit (before MI) was THB 682.1mn, a decrease of 38.1% YoY mainly from a reduction in services revenue, lower interest income, a decline in non-recurring gains (i.e. gain on sales of assets, warrants and investments) as well as an increase in share of net loss from associates/JVs

### ACCOUNTING AND RECLASSIFICATION

From 1 April 2014, BTS Group Holdings Public Company Limited ("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.

### SIGNIFICANT EVENTS

- **6 October 2015:** The Company completed the disposal of 50% shares in Nuvo Line Agency Co., Ltd. ("Nuvo Line") to Sansiri Public Co., Ltd. ("SIRI"). The intention is to turn Nuvo Line into another 50:50 joint venture company under the strategic alliance framework agreement ("SAFA") between the Company and SIRI. As a result of the completion of this transaction, the Company's shareholding in Nuvo Line has been decreased from 100% to 50% and Nuvo Line has changed its status from a subsidiary to a joint venture company of BTS Group.
- **7 October 2015:** The Company established Keystone Estate Co., Ltd., a new subsidiary, to invest in the property business. This wholly-owned subsidiary of Unicorn Enterprise Co., Ltd. has an initial capital of THB 10,000,000.
- **15 October 2015:** Bayswater Co., Ltd., a 50% owned affiliate of BTS Group, won the auction for 48-2-96.8 rai (77,987.2sqm) land plot located at Phaholyothin Road near Ratchayothin intersection.
- **16 November 2015:** The Company and SIRI approved the establishment of 5 new 50:50 joint venture companies to accommodate the development plan of new residential projects for sale under the SAFA.
- **18 November 2015:** BSS Holdings Co., Ltd. ("BSSH"), a wholly-owned subsidiary of the Company, and Logistics (Thailand) Co., Ltd. ("LT") have invested 80% and 20%, respectively, in a new joint venture company named RabbitPay System Co., Ltd.
- **27 November 2015:** BSSH has completed the acquisition of shares in a group of companies which offers online insurance and financial products (25% in ASK Hanuman Co., Ltd., 51% in ASK Direct Co., Ltd. and 51% in ASK Broker Association Co., Ltd.). The objective of this investment is to expand our services business to cover e-services pursuant to the service business development plan of BTS Group.
- **December 2015:** The Company established 4 new subsidiaries, Ratburana Property Co., Ltd., Kingkaew Assets Co., Ltd., The Community One Co., Ltd. and The Community Two Co., Ltd. to invest in the property business. These wholly-owned subsidiaries each have initial capital of THB 10,000,000.
- **11 January 2016:** The Board of Directors approved the interim dividend payment from the operating results of the six-month period (1 April 2015 – 30 September 2015) and the retained earnings at THB 0.34/share or THB 4,022.3mn in total. Based on the share price as of 8 January 2016 at THB 8.55 (one day before BOD date), this is equivalent to a dividend yield of 7.49% on an annualised basis.

### 3Q 15/16 PERFORMANCE

The Group recorded consolidated total revenue of THB 1,607.3mn in 3Q 15/16. This represented a decrease of 31.2% YoY or THB 729.6mn from THB 2,336.9mn in 3Q 14/15. The decrease was primarily due to (1) a decrease in gain on the sale of assets of THB 369.1mn (mainly from gain on sale of 5-rai land at Mo Chit to BTS Sansiri Holding One Limited of THB 367.5mn in 3Q 14/15) which was not repeated in 3Q 15/16, (2) a reduction in service income of THB 190.4mn mainly from softened Property and Media revenues (see details in *Segmental Performance* section), (3) a decline in interest income of THB 125.2mn mainly from the decrease in investment balance under the treasury management. The decrease was partially offset with (4) an increase in dividend income of THB 136.2mn.

Despite higher Mass Transit revenue and an increase in revenue from Services business unit, operating revenue<sup>2</sup> fell by 19.7% YoY or THB 362.7mn to THB 1,476.6mn largely as a result of the reduction in Property revenue as well as Media revenue from the discontinuation of Modern Trade Media business. Property operating revenue contracted from the previous year, which resulted from the divestment of Eastin Grand Hotel Sathorn ("EGS") to U City PCL ("U City") and the divestment of 50% shares in Nuvo Line to SIRI in October 2015 (see details in *Segmental Performance* section). Revenue from the Mass Transit, Media, Property and Services businesses accounted for 41.6%, 34.7%, 10.9% and 12.8% of total operating revenue, respectively.

#### Operating Revenue and Operating Gross Profit Margin by BU

Operating Revenue <sup>2</sup> (THB mn)	3Q 15/16	% of Total <sup>2</sup>	3Q 14/15	% of Total <sup>2</sup>	% Change (YoY)	3Q 15/16 GP Margin <sup>5</sup>	3Q 14/15 GP Margin <sup>5</sup>
<b>Mass Transit<sup>3</sup></b>	613.9	41.6%	579.9	31.5%	5.9%	61.5%	60.1%
<b>Media</b>	511.7	34.7%	780.1	42.4%	(34.4)%	73.1%	57.6%
<b>Property<sup>4</sup></b>	161.4	10.9%	340.9	18.5%	(52.7)%	40.5%	46.4%
<b>Services<sup>1</sup></b>	189.5	12.8%	138.4	7.5%	36.9%	20.0%	31.7%
<b>TOTAL<sup>2</sup></b>	<b>1,476.6</b>	<b>100.0%</b>	<b>1,839.3</b>	<b>100.0%</b>	<b>(19.7)%</b>	<b>57.9%</b>	<b>54.4%</b>

Total consolidated expenses and SG&A reached THB 1,045.3mn in 3Q 15/16, a decrease of THB 47.0mn or 4.3% YoY mainly from (1) a decline in cost of services of THB 105.3mn mainly from lower costs of Media and Commercial Property businesses (see details in *Segmental Performance* section) as well as (2) a reduction in cost of sales of real estate of THB 46.2mn following the divestment of 50% shares in Nuvo Line to SIRI in October 2015. However, the decrease was partially offset with (3) an increase in administrative expenses of THB 121.1mn largely from expenses related to the transfers of assets under the property business restructuring.

Operating costs decreased by 26.0% YoY to THB 621.4mn. As operating costs decreased at a higher rate than the decline in operating revenues, the Group operating gross profit margin<sup>5</sup> improved to 57.9% from 54.4% in the previous year.

As a result of the aforementioned changes, the Group operating EBITDA<sup>6</sup> was THB 625.6mn, a decrease of THB 91.1mn or 12.7% YoY. However, the operating EBITDA<sup>6</sup> margin improved to 42.4% in 3Q 15/16 (versus 39.0% in 3Q 14/15) from higher contribution of higher margin Mass Transit business as well as from lower contribution of Modern Trade Media businesses. Finance costs fell by 24.8% YoY or THB 19.4mn to THB 58.9mn primarily as the Group repaid the fourth tranche of BTSC debentures (THB 1,468.9mn) during 2Q 15/16.

Other recurring income<sup>7</sup> fell by THB 154.6mn or 38.9% YoY to THB 242.5mn largely from the increase in share of net loss from investments in joint ventures/associates (not including share of profit in BTSGIF) of THB 96.8mn and a decrease in gain on sales of equity investments of THB 64.0mn to THB 3.8mn. Despite lower finance costs, pre-tax recurring profit<sup>7</sup> for this quarter was THB 694.0mn, decreasing 25.4% YoY from THB 930.7mn in 3Q 14/15 as a result of lower operating revenue and the reduction in other recurring income. Reported income tax expense was THB -50.1mn (3Q 14/15: THB 264.2mn) as tax deductible expenses were higher than taxable income in this quarter.

Taking into account all the aforesaid transactions, the Group recorded a consolidated net profit of THB 682.1mn (decreasing 38.1% YoY) and profit attributable to the equity holders of the Company of THB 607.4mn (decreasing 38.1% YoY). Net profit margin attributable to the equity holders of the Company in 3Q 15/16 was 37.8% (versus 42.0% in 3Q 14/15).



<sup>1</sup> Services revenue includes sales from BSS, revenue from Carrot, revenue from BPS, revenue from HHT construction and revenue from ChefMan Restaurants.

<sup>2</sup> 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

<sup>3</sup> Mass Transit revenues include:

- i) Share of net profit (loss) from BTSGIF (included in 'Share of profit (loss) from investments in associates' in Statement of comprehensive income)
- ii) Service Income from Train & Bus Operation Management (included in 'Service income' under 'Revenues from provision of operating services')

<sup>4</sup> 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.

<sup>5</sup> Operating gross profit calculated based on the operational performances from 4 BU and share of net profit (loss) from BTSGIF

<sup>6</sup> Operating EBITDA calculated based on the operational performances from 4 BU and share of net profit (loss) from BTSGIF; EXCLUDES interest income, dividend income, share of net profit (loss) from other associates (except from BTSGIF) and joint ventures, non-recurring items from sales of net fare-box revenue to BTSGIF and other non-recurring items

<sup>7</sup> Recurring profit calculated based on the operational performances from 4 BU and share of net profit (loss) from BTSGIF and other associates and joint ventures as well as other recurring items which are interest income and other recurring items (before MI)

SEGMENTAL PERFORMANCE

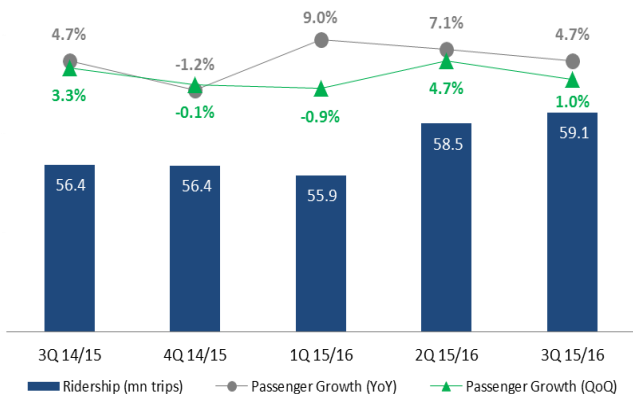
MASS TRANSIT BUSINESS

Total **Mass Transit** revenue<sup>3</sup> increased 5.9% YoY to THB 613.9mn supported by an increase in share of net profit from BTSGIF and higher O&M income. O&M revenue rose by 2.2% or THB 8.6mn YoY to THB 394.9mn, mainly attributable to the contractually agreed increase in the operating fee of Green Line – Sukhumvit extension and Silom extension.

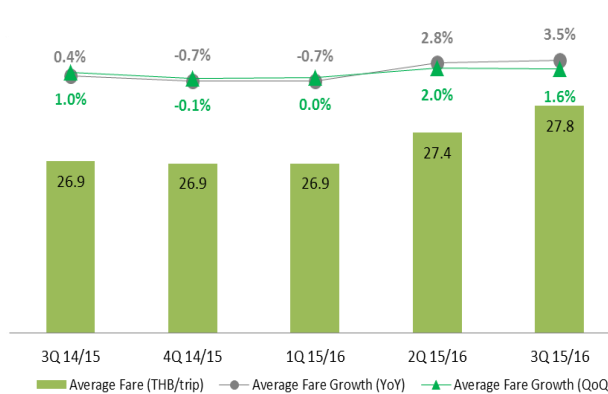
Fare-box revenue of the core system rose by 8.4% YoY or THB 126.7mn to THB 1,644.1mn attributable to ridership growth and the increase in average fare. Total quarterly ridership peaked this quarter at 59.1mn trips, up 4.7% YoY mainly from organic growth. Average fare was THB 27.83 per trip, an increase of 3.5% YoY from the adjustment in card promotions on the monthly passes, which became effective since July 2015. Share of net profit from investment in BTSGIF in 3Q 15/16 increased by THB 25.5mn or 13.2% YoY to THB 219.1mn, which resulted from the increase in core network performance.

Cost of Mass Transit revenue increased by THB 5.0mn or 2.1% YoY to THB 236.3mn largely from higher repair and maintenance expenses and wages. As operating cost increased at a lower rate than the increase in operating revenue, the operating EBITDA margin improved YoY (62.4% in 3Q 15/16 versus 60.7% in 3Q 14/15).

Historical ridership and growth (%)



Historical average fare and growth (%)



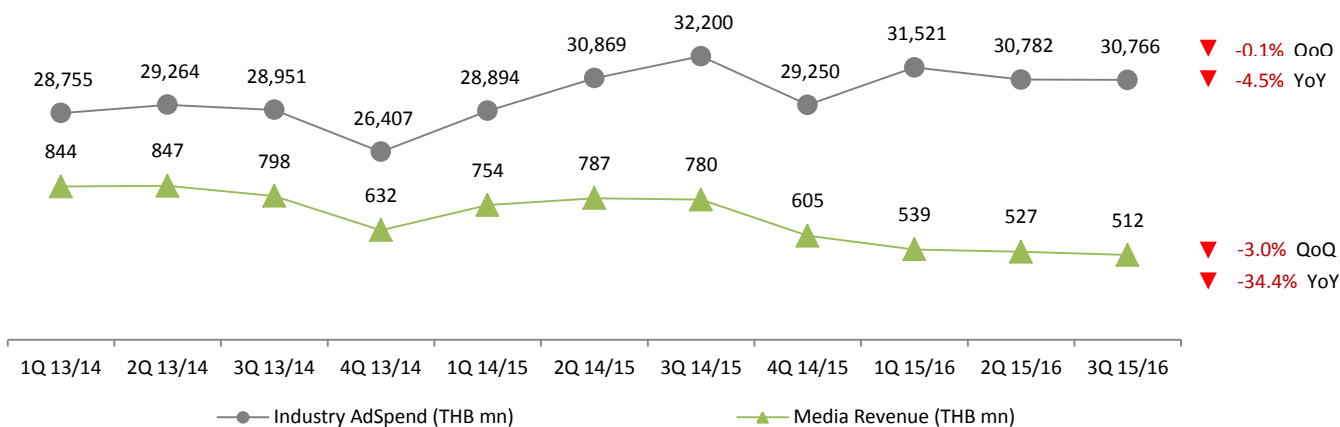




**MEDIA BUSINESS**

Thailand’s GDP growth is expected to remain muted from the slowdown in the global economy. The Thai media industry is generally proportionally sensitive to fluctuations in economic conditions and as a result, advertisement spending decreased by 4.5% YoY and 0.1% QoQ (Source: The Nielsen Company (Thailand) Limited).

**Thai Advertising Spending VS Media Revenue (THB mn)**



Sources: The Nielsen Company (Thailand) Limited

Media revenue declined by 34.4% YoY to THB 511.7mn primarily as a result of the discontinuation of Modern Trade Media business and also dropped 3.0% QoQ reflecting a slow down in economic activities. However, the decrease was partially offset with Office Building and Other Media, which continued to grow resiliently by 41.7% YoY and 9.1% QoQ.

**BTS-related Media** revenue decreased by 8.4% YoY, from THB 486.1mn in 3Q 14/15 to THB 445.2mn mainly due to a decrease in BTS media occupancy as a result of the economic slowdown. The decrease in revenue was partially offset by the expansion into 7 new BTS extension stations, which started to generate income in 1Q 15/16.

**Modern Trade Media** revenue was THB 0.0mn, a decline of 100.0% YoY from THB 247.3mn in the previous year. This business has been discontinued since May 2015.

**Office Building and Other Media** revenue was THB 66.2mn, increasing 41.7% from THB 46.7mn in the previous year. Key growth drivers came from the increase in additional office buildings from 103 buildings to 123 buildings, as well as package adjustments, which became effective since October 2015, to match the increasing number of viewers. Revenue from Other Media also increased YoY mainly from the commission fee for being a sole agent for Midas Global Media Limited.

Cost of revenue decreased 58.4% YoY or THB 192.9mn to THB 137.6mn mainly from the reduction in costs associated with the discontinuation of Modern Trade Media. The decrease was partially offset with (1) higher depreciation of the new digital media (Platform Truss LEDS, Platform Screen Doors and E-Posters), static media and the infrastructure on the 7 new BTS extension stations, (2) expenses associated with the management of the 7 new BTS extension stations and (3) rental cost of digital screens at Victory Monument. As a result of the discontinuation of the lower margin Modern Trade Media business, the operating EBITDA margin in this quarter improved to 66.6% (versus 49.0% in 3Q 14/15).

More commentary on Media business can be found in VGI Global Media’s management discussion and analysis for 3Q 15/16. <http://vqi.listedcompany.com/misc/MDNA/20160126-vqi-mdna-3q20152016-en.pdf>

**PROPERTY BUSINESS**

On 31 October 2015, The Line Ratchathewi, the third condominium project under the BTS-SIRI joint venture, was launched. The project sold out completely within the pre-sale period with total project value of THB 2.9bn and average selling price of approximately THB 266k/sqm. However, the Company recorded share of loss from BTS-SIRI joint ventures of THB 70.0mn mainly from the selling and marketing expenses related to The Line projects.

Property operating revenue was THB 161.4mn, decreasing 52.7% YoY from THB 340.9mn in 3Q 14/15 due to the reduction in both Residential Property and Commercial Property revenue.

**Residential Property** revenue decreased by 86.8% YoY or THB 77.6mn to THB 11.8mn in 3Q 15/16. This decrease was mainly driven by no revenue recognition from Abstracts Phahonyothin Park (Tower A) under Nuvo Line in this quarter, following the divestment of 50% shares in Nuvo Line to SIRI in October 2015. The remaining units of Abstracts Phahonyothin Park (Tower A) were all transferred this quarter and recorded as share of profit from BTS-SIRI joint venture instead.

**Commercial Property** revenue reached THB 149.3mn, a reduction of 40.2% YoY or THB 100.2mn mainly driven by a decrease in revenue from EGS following the disposal of the hotel to U City since 20 April 2015. However, the decrease was partially offset with the increase in revenue from U Sathorn Hotel of THB 41.1mn. The Company also recognised share of loss from U City of THB 34.2mn in this quarter.

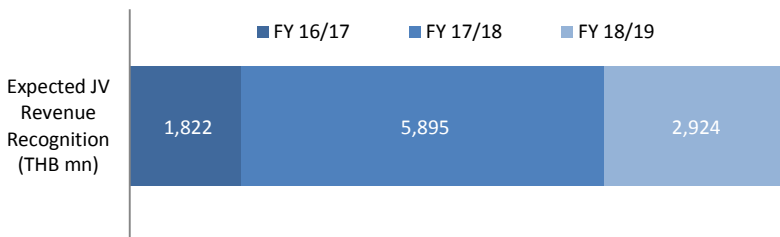
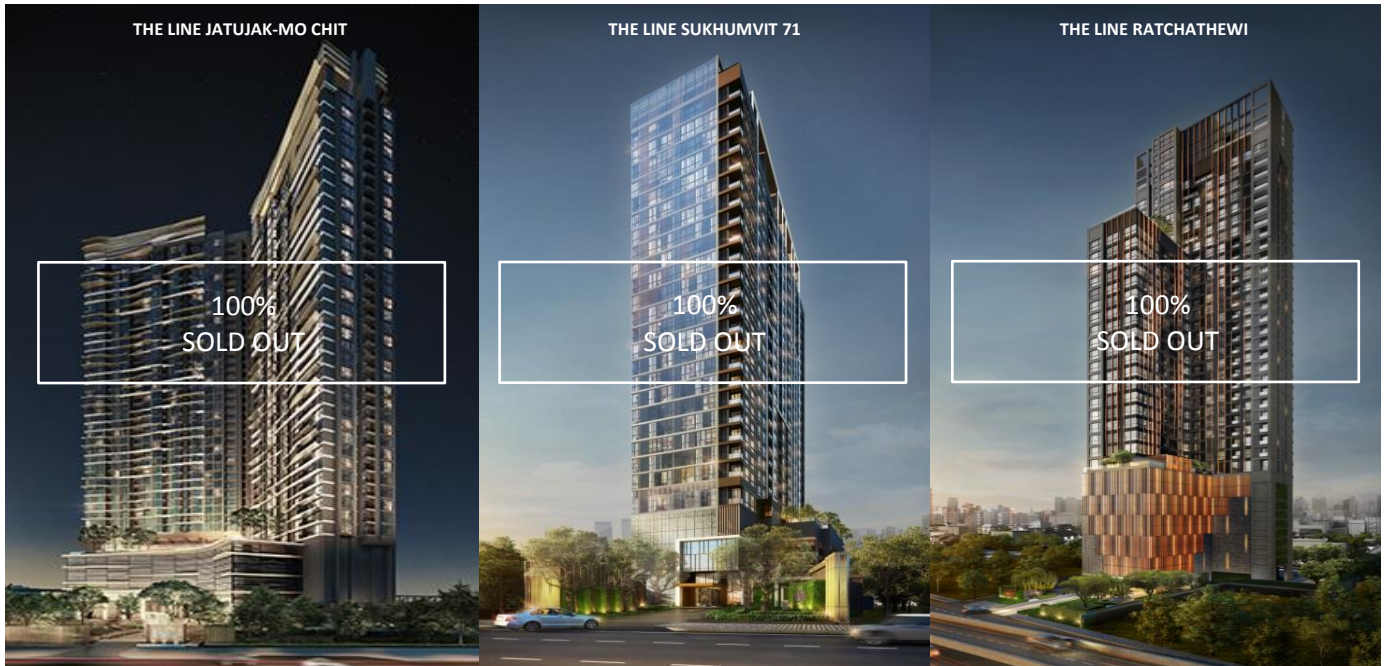
Operating costs decreased 47.5% YoY or THB 86.9mn to THB 95.9mn mainly as there was no costs related to the transfer of units of Abstracts Phahonyothin Park (Tower A) in this quarter (following the divestment of 50% shares in Nuvo Line to SIRI) as well as no costs related to EGS (following the disposal of the hotel to U City). Property SG&A expenses also decreased by 43.5% YoY or THB 62.0mn to THB 80.6mn largely from the reduction in expenses related to EGS and Abstracts Phahonyothin Park (Tower A). The operating EBITDA margin dropped to 5.6% in 3Q 15/16 (15.7% in 3Q 14/15).



**RESIDENTIAL PROPERTY SUMMARY**

**THE LINE PROJECTS**

- Target project value revised up to THB 100bn (from THB 25-30bn) to be developed over 5 years under “Strategic Alliance Framework Agreement”
- Approximately THB 11bn in project value launched in 2015
- Expected equity IRR ≈ 17% and NPAT margin ≈ 12%



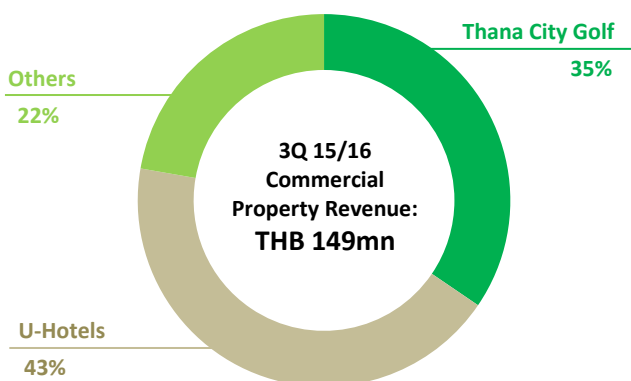
**NOTE:**

- Calculated based on 3 launched joint venture projects
- Equity method is applied to joint venture transactions
- Calculated based on BTS Group's fiscal year

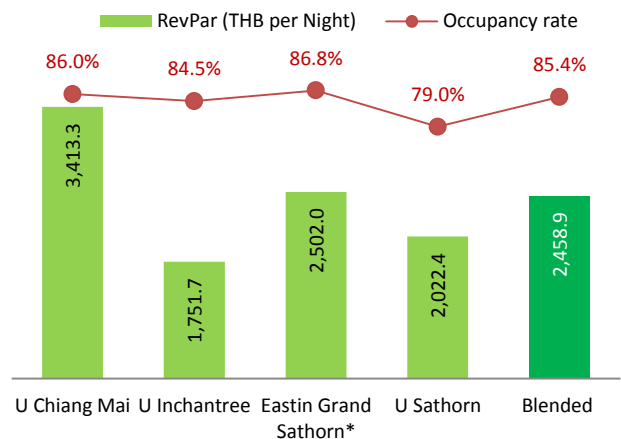
For detailed information on the Joint Venture strategy, please refer to Sansiri's 2016 Business Plan Conference presentation at: <http://www.sansiri.com/pdf/Presentation/sansiri-2016-upwards-and-beyond.pdf>

**COMMERCIAL PROPERTY SUMMARY**

**COMMERCIAL PROPERTY REVENUE BREAKDOWN**



**REVPAR & OCCUPANCY BY HOTEL**



\* Eastin Grand Hotel Sathorn (EGS) was divested to U City since 20 Apr 2015

## SERVICES BUSINESS

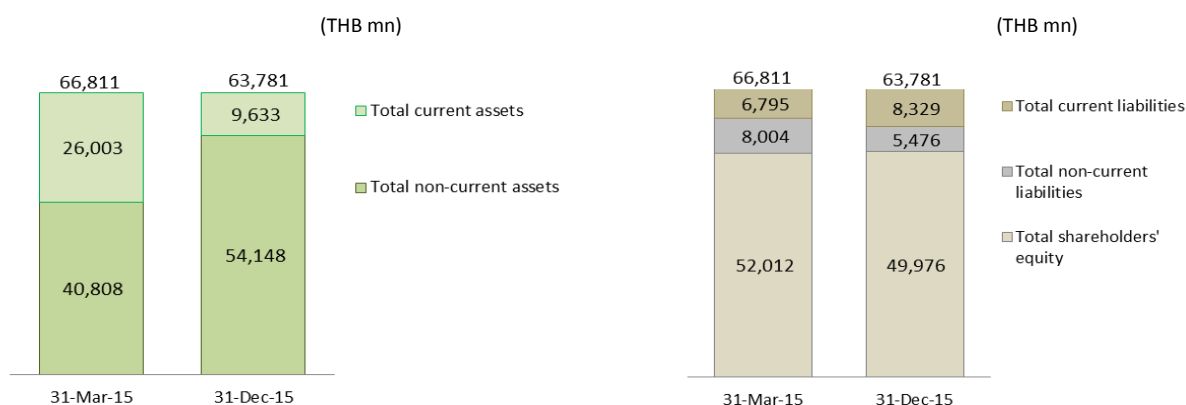
**Services** business revenue increased by THB 51.1mn or 36.9% YoY to THB 189.5mn. This increase was primarily due to (1) growth in services revenue generated from development of fare collection system for mass transit by BPS which increased by THB 25.9mn YoY, (2) an increase in revenue from ChefMan Restaurants, which increased by THB 15.0mn or 18.5% YoY to THB 96.3mn as well as (3) an increase in royalty fee on Rabbit card of THB 8.5mn YoY.

Operating costs increased by 60.3% YoY or THB 57.0mn to THB 151.5mn. There was also THB 69.5mn of SG&A expenses, an increase of 31.5% YoY. Key costs and SG&A items were mainly from food & beverage cost at ChefMan Restaurants and staff costs.

## Share of Income / (Loss) from Investments in Joint Ventures & Associates (as of 30 December 2015)

	Effective Holding (%)	Amount (THB mn)
<b>Shares on investments in Joint Ventures</b>		
ATS (AEON-rabbit)	51.00%	4
Bayswater	50.00%	(5)
BTS-SIRI JV Projects	50.00%	(70)
<b>Total</b>		<b>(71)</b>
<b>Shares on investments in Associates</b>		
Absolute Hotel Services Co., Ltd.	50.00%	5
BTSGIF	33.33%	219
MACO	18.22%	11
U CITY	35.64%	(34)
<b>Total</b>		<b>200</b>

## FINANCIAL POSITION



**Total assets** as of 31 December 2015 stood at THB 63,781.2mn, a decrease of THB 3,030.3mn or 4.5% from 31 March 2015. Total current assets stood at THB 9,633.0mn, decreasing by 63.0% or THB 16,370.0mn. The decrease was primarily attributed to (1) a reduction in cash and cash equivalents of THB 8,284.9mn (see further details in *Cash Flow* section), (2) the decrease in “non-current assets classified as held for sale” of THB 4,576.2mn following the de-recognition of assets in relation to the disposal of shares in BTS Assets Co., Ltd. (“BTSA”) and Kamkoong Property Co., Ltd. (“KKP”) to U City on 20 April 2015, (3) a decline in current investments of THB 2,079.0mn from investment in subsidiaries and (4) a decrease in real estate development costs of THB 1,606.9mn following the divestment of 50% shares in Nuvo Line to SIRI in October 2015.

Total non-current assets was THB 54,148.2mn, an increase of 32.7% or THB 13,339.7mn primarily attributable to (1) an increase in investments in associates of THB 7,108.3mn mainly from the 35.64% investment in U City (of THB 7,394.6mn) and (2) an increase in investment in joint ventures (up THB 1,047.5mn or 919.0%) largely from the investments in BTS-Sansiri Joint Venture projects and Nuvo Line and (3) an increase in loans to related parties of THB 4,819.6mn or 634.9% YoY mainly from long-term loans to Bayswater (THB 3,901.3mn) and BTS-Sansiri Joint Venture projects.



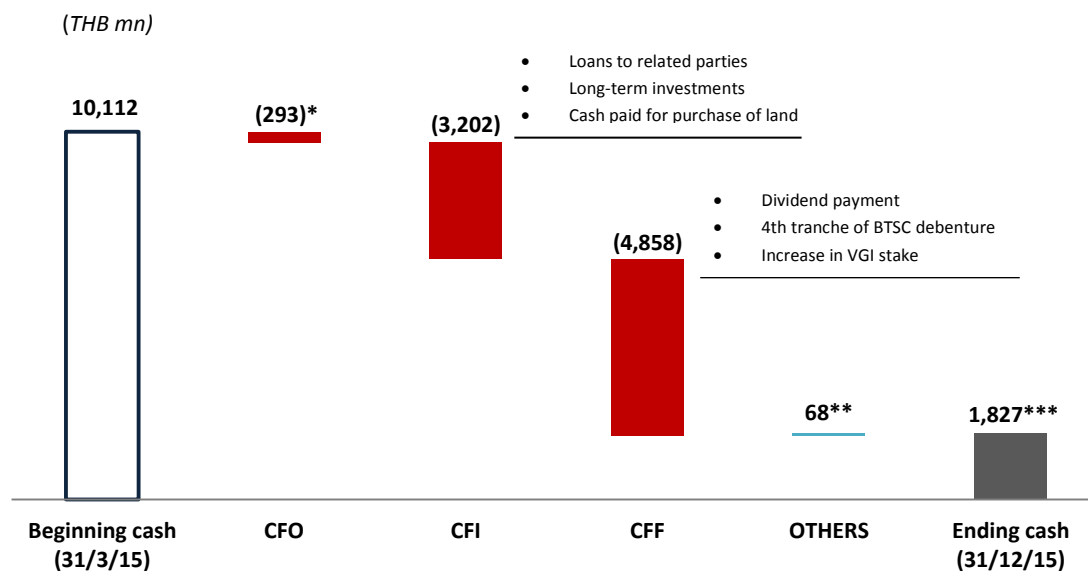
**Total liabilities** decreased from 31 March 2015 by 6.7% or THB 994.1mn to stand at THB 13,804.8mn largely due to (1) the fourth tranche repayment of BTSC debentures in August 2015, (2) the decrease in “liabilities directly associated with assets classified as held for sale” of THB 515.8mn mainly from the de-recognition of liabilities (related to U City transaction). However, the decrease was partially offset with (3) higher loans from financial institutions of THB 1,178.0mn as well as (4) an increase in bill of exchange payable of THB 795.2mn which was issued for Treasury Management purposes.

**Total equity** decreased by THB 2,036.1mn or 3.9% to THB 49,976.3mn mainly attributable to (1) a reduction in surplus from the changes in the ownership interests in subsidiaries of THB 1,418.7mn which was primarily the result of the Company increasing its shareholding in VGI from 69.6% to 74.3%, (2) a decline in other components of shareholders' equity of THB 1,290.2mn as a result of recognition of deficit on changes in value of investments. However, the decrease was partially offset with (3) the reduction in unappropriated deficit of THB 1,129.5mn. As of 31 December 2015, total issued and fully paid-up shares stood at 11,929.3mn shares.

**CASH FLOW**

For the nine months ended 31 December 2015, **cash and cash equivalents** reached THB 1,827.0mn, a decrease of 81.9% or THB 8,284.9mn. Despite lower Media and Property revenues, cash from operating activities was THB 1,832.6mn, increasing 41.4% or THB 536.2mn primarily from the decrease in trade and other receivables. After deducting cash paid for corporate income tax of THB 1,997.4mn (9M 14/15: THB 1,628.4mn) and cash paid for interest expenses of THB 128.1mn (9M 14/15: THB 252.5mn), **net cash used in operating activities** was THB 292.9mn. **Net cash used in investing activities** was THB 3,201.8mn. The key components are (1) an increase in net loans to related parties of THB 4,878.9mn mainly from long-term loans to Bayswater and BTS Sansiri Joint Venture projects, (2) the decrease in current investment of THB 4,023.4mn largely from investment in subsidiaries, (3) net cash paid for purchases of other long-term investments of THB 2,822.8mn, (4) cash paid for purchase of land and projects awaiting development of THB 975.7mn as well as (5) dividend received of THB 1,229.0mn. **Net cash used in financing activities** was THB 4,858.4mn mainly from (1) dividend payment of THB 3,546.7mn, (2) cash paid for purchases of investments in subsidiaries of THB 1,543.2mn (increase in shareholding in VGI), (3) the cash paid for the repayment of the fourth tranche of BTSC debenture of THB 1,468.9mn and (4) net increase in short-term loans from financial institutions of THB 1,090.0mn.

**Nine-Months Cash Flow Snapshot**



\* After tax (THB 1,997.4mn) and interest expense (THB 128.1mn)

\*\* Cash and cash equivalents of BTSa and KKP as well as Nuvo Line (presented as assets held for sale at beginning and ending of the year)

\*\*\* Excluding BTSC sinking fund and THB 12.8bn liquid investments

## 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.



### 'BTS GROUP THAI ELEPHANT CONSERVATION'

On 26 Oct 2015, Khun Keeree Kanjanapas, chairman of BTS Group, the Board of Directors and management organised the 'BTS Group Thai Elephant Conservation' event by adopting 10 elephants at the Save Elephants Foundation in Mae Tang District, Chiang Mai province in order to save Thai elephants. Khun Kunjana Silapa-Archa was the honorable guest at the event.

### 'THE NEXT STATION-HAPPINESS'

The Next Station-Happiness is the core CSR project organised monthly by BTS Group and originated from Khun Keeree Kanjanapas. This project is aimed at community development to deliver happiness and assistance to people. The Company has provided basic necessities and consumable products such as rice, canned fish, fish sauce, sugar, cooking oil, clothing, medicine, etc. to people in remote areas and underprivileged provinces all over the country. Furthermore, the Company provided free physical checkups and mobile health units which were supported by Vibhavadee Hospital.



### 'Next Station Happiness by BTS Group No. 5'

On 13 Nov 2015, Khun Keeree Kanjanapas, chairman of BTS Group, the Board and management donated basic necessities and consumable products as well as machinery and equipment, including 10 sets of notebook computers, to the Lion Mahajak 9 Border Patrol Police School and villagers in Chiang Mai Province.



### 'THE SUSTAINABILITY REPORT AWARD 2015'

On 15 Dec 2015, the CSR Club under the Thai Listed Companies Association (TLCA) organised the Sustainability Report Award 2015 event. BTS Group won the 'Recognition' award, with Khun Rangsin Kritalug, executive director and COO of BTS Group receiving the award from Khun Chaiwat Uthaiwan, Vice Chairman of TLCA.



### 'Next Station Happiness by BTS Group No. 6'

On 15 Dec 2015, Khun Keeree Kanjanapas (chairman of BTS Group), the Board, management, M.L. Sukhumphan Boriphath (Bangkok Governor) and Khun Amorn Kitchawengkul (Bangkok Deputy Governor), in cooperation with Vibhavadee Hospital, provided support to build the playground and provided educational aids, sport suit, school bag as well as free physical checkup and mobile health units supported by Vibhavadee Hospital. On this occasion, the Group hosted lunch to students and people living in the community at Wat Tanod School, Bangkok.



## SUMMARY COVERAGE AND ANALYST RECOMMENDATIONS (UPDATED FROM OCT 2015 – 29 JAN 2016)

Company Name	Recc	Target Price	Report Date	Sales*	EBITDA*	Net Profit*	Analyst Name
2015/16E (THB mn)							
KTZMICO Securities	Buy	10.50	29-Jan-16	5,219	1,939	1,809	Raenoo Bhandasukdi
Finansia Syrus	Sell	8.00	25-Jan-16	5,391	3,247	1,414	Jitra Amornthum
Kasikorn Securities	Underperform	7.30	15-Jan-16	5,204	1,651	1,416	Piyachat Ratanasuvan
IV Global	Buy	10.50	12-Jan-16	5,432	2,707	2,504	Rattana Leenutaphong
DBS Vickers Securities	Hold	9.73	12-Jan-16	5,986	3,994	2,172	Sombat Agekavanpattana
Deutsche Bank	Hold	9.23	7-Dec-15	5,871	2,385	1,896	Kris Sintusarn
BofA Merrill Lynch	Buy	10.90	27-Nov-15	5,751	2,200	2,201	Kaseedit Choonawat
JP Morgan	Neutral	9.90	26-Nov-15	5,496	2,395	2,226	Sumedh Samant
SCB Securities	Buy	12.00	10-Nov-15	5,623	2,934	1,873	Sirima Dissara
Bualuang Securities	Buy	11.60	10-Nov-15	6,230	2,298	2,556	Suppata Srisuk
Trinity Securities	Buy	11.85	10-Nov-15	7,755	2,727	2,867	Duladeth Bik
Kim Eng Securities	Buy	12.10	10-Nov-15	5,988	3,336	2,360	Jaroonpan Wattanawong
Credit Suisse	Buy	12.20	9-Nov-15	5,610	2,499	1,977	Warayut Luangmeeakul
Phillip Securities	Buy	11.40	29-Oct-15	6,457	3,790	2,145	Siam Tiyanont
UBS	Neutral	10.65	20-Oct-15	5,616	1,923	2,412	Eric Lin
Summary		Target Price		Sales*	EBITDA*	Net Profit*	
2015/16E (THB mn)							
<b>Average</b>		<b>10.52</b>		<b>5,842</b>	<b>2,668</b>	<b>2,122</b>	<i>*Excludes non-recurring items</i>
<b>Max</b>		<b>12.20</b>		<b>7,755</b>	<b>3,994</b>	<b>2,867</b>	
<b>Min</b>		<b>7.30</b>		<b>5,204</b>	<b>1,651</b>	<b>1,414</b>	

Sources: 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)

62 The Stock Exchange of Thailand Building,  
Rachadapisek Road, Klongtoey,  
Bangkok 10110, Thailand  
Website: <http://www.set.or.th/tsd>

Telephone: +66 (02) 009 9000

Facsimile: +66 (02) 009 9991

E-mail: SETContactCenter@set.or.th

## Investor Relations:

For enquiries from Institutional investors and securities analysts, please contact:  
Investor Relations Department, BTS Group Holdings Pcl., 15F TST Tower, 21 Viphavadi-Rangsit Rd, Jompol, Jatujak, Bangkok 10900

Telephone: (02) 273 8611-5

Email: [ir@btsgroup.co.th](mailto:ir@btsgroup.co.th)

## Financial Calendar: The Quarter Ahead

Event	Date
<b>3Q 2015/16 Earnings Released</b>	11 Feb 2016
<b>3Q 2015/16 Analyst Meeting</b>	16 Feb 2016 (2pm-4pm)
<b>End of 4Q and FY 2015/16</b>	31 Mar 2016
<b>4Q and FY 2015/16 Earnings Released</b>	30 May 2016
<b>4Q and FY 2015/16 Analyst Meeting</b>	2 Jun 2016 (2pm-4pm)

## Notes:

<sup>i</sup> Data as of 10 Feb 2016 Sources: Company and Bloomberg<sup>ii</sup> Based on exchange rate of 1 USD = THB 35.37 as of 10 Feb 2016<sup>iii</sup> Assumes no cost of concession payable by VGI to BTSC<sup>iv</sup> Source: Bloomberg, data as of 10 Feb 2016<sup>v</sup> Source: BTS Group Holdings PCL as of 11 Feb 2016<sup>vi</sup> New par value (THB 4.0 per share) and numbers of new outstanding shares are effective since 7 Aug 2012<sup>vii</sup> Source: BTS Group Holdings PCL as of 10 Feb 2016<sup>viii</sup> Source: Bloomberg, data as of 10 Feb 2016

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