

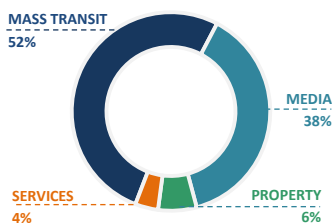


AT A GLANCE

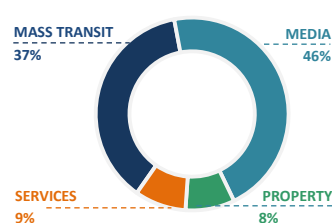
SHARE INFORMATION<sup>i</sup>

Shares Outstanding	11,940.4mn shares <sup>vii</sup>
Free Float	57.4% <sup>v</sup>
Par Value	THB 4.0 / Share <sup>vi</sup>
Market Capitalisation	THB 99.1bn / USD 2.8bn <sup>ii</sup>
YTD daily traded value <sup>iv</sup>	THB 171.6mn / USD 4.9mn <sup>ii</sup>
Stock Identifiers	
Stock Exchange Symbol	BTS
Bloomberg / Reuters	BTS TB / BTS.BK

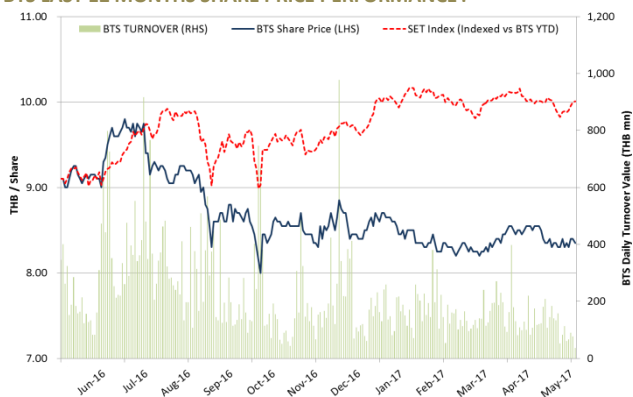
REVENUE BY BUSINESS UNIT



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	-1.78%	0.00%	-2.35%
SET Transport Index	6.73%	23.44%	26.19%
SET Index	8.05%	9.27%	12.88%
NIKKEI 225	13.44%	12.56%	28.81%
HANG SENG	8.55%	16.00%	29.52%
FTSE 100	1.91%	0.19%	10.68%
S&P 500	5.77%	8.01%	19.31%

CURRENCY MARKETS<sup>viii</sup>

	3 MO	6 MO	12 MO
USD vs THB	0.54%	4.45%	8.33%
EUR vs THB	1.72%	-1.57%	-2.16%
THB vs JPY	-3.78%	-3.84%	-4.69%
THB vs HKD	-0.25%	-4.41%	-8.18%
THB vs SGD	-0.49%	-1.70%	-1.94%
THB vs GBP	0.32%	-2.89%	-2.20%

Dear Investment Community,

On 10 October 2017, BSR JV successfully secured financing on favourable terms for the Pink and Yellow Lines via a syndicated loan between 3 major Thai banks. Construction of the two lines is expected to begin by January 2018, after receiving the 'notice-to-proceed' (NTP) from the government.

Delivery is on track for the first batch of new 4-carriage trains by early 2018, allowing for the full opening of the remaining Southern Green Line extension stations and the first station of the Northern Green Line extension by early 2019. As an interim solution to the current capacity constraints on the Silom Line, the new trains (with up to 10% more capacity) will be swapped with the existing rolling stock for the benefit of patrons and the Company. Upon delivery of the second batch of new 4-carriage trains by 2019, full operation of the remaining Northern Green Line extension stations is expected to begin by 2020.

Detailed designs are currently being drawn for dual-tracking Saphan Taksin (S6) station, which may take up to 3 months. Upon receiving final approval from Bangkok Metropolitan Administration (BMA), we expect construction to begin within early 2018 and to complete within 2-3 years. We expect final approval from the BMA for the construction of Suksa Witthaya (S4) station by early 2018 and construction to begin by 2018 taking up to 18 months to complete.

In our media business operating revenue grew 23.5% YoY to THB 792mn. Solid growth was recorded across all segments despite a 12.8% YoY decline in overall media adspend. Synergies from Rabbit Group continued to pick up steam this quarter with revenue of THB 87mn from 3 'station sponsorship' campaigns.

In our property business on 30 October 2017, the Board of Directors has resolved to approve the Entire Business Transfer (EBT) of Unicorn Enterprises Company Limited (UE) to our listed associate company U City. U City will also undergo capital raising and dispose of largely non-core or underperforming assets. All these transactions will occur simultaneously and are subject to shareholder approval on 4 January 2018.

Successfully completing these transactions will not only eliminate the current business overlap and potential conflict of interest between our property businesses, but would also benefit from greater economies of scale and more efficient resource allocation. U City as the designated property vehicle for BTS can focus on extracting more value from the mass transit premium with 88% of its asset base in close proximity to current or future mass transit lines as well as a greatly enhanced hospitality business and a more diversified future pipeline to mitigate business cycle risks.

Yours faithfully,

Daniel Ross  
Chief Investment Officer

## BTS GROUP FINANCIAL SUMMARY (CONSOLIDATED)

INCOME STATEMENT FOR THE QUARTER ENDED (THB mn)	2Q 2017/18	2Q 2016/17	% YoY
Operating revenues	2,542.7	1,722.4	47.6%
Other recurring incomes	275.9	166.5	65.7%
<b>Total recurring revenues</b>	<b>2,818.6</b>	<b>1,888.9</b>	<b>49.2%</b>
Operating costs	1,247.3	691.9	80.3%
Selling and Administrative expenses	612.4	528.7	15.8%
<b>EBITDA</b>	<b>1,420.8</b>	<b>980.8</b>	<b>44.9%</b>
<b>Operating EBITDA</b>	<b>874.7</b>	<b>623.0</b>	<b>40.4%</b>
Finance cost	318.5	89.6	255.5%
Non-operating gain (loss)	270.0	178.9	50.9%
<b>EBT</b>	<b>910.2</b>	<b>754.5</b>	<b>20.6%</b>
Operating Income tax	168.9	133.2	26.8%
Minority interests	88.5	76.1	16.3%
<b>Net income(loss) to equity holders of the parent</b>	<b>653.0</b>	<b>548.1</b>	<b>19.1%</b>
<b>EPS (THB per share)</b>	<b>0.055</b>	<b>0.046</b>	<b>19.1%</b>
STATEMENT OF FINANCIAL POSITION (THB mn)	30 SEP 17	31 MAR 17	% Change
Cash and cash equivalents	9,025.2	15,094.5	(40.2)%
Current investments	7,218.8	6,375.9	15.7%
Trade and other receivables	2,095.4	2,175.9	(2.5)%
Real estate development costs	649.4	663.8	(2.2)%
Accrued income	374.0	344.2	15.3%
Other current assets	3,234.3	2,050.4	76.7%
<b>Total current assets</b>	<b>22,597.1</b>	<b>26,704.7</b>	<b>(14.1)%</b>
Investments in associates-net	19,348.6	20,006.8	(3.3)%
Other long-term investments-net	15,748.8	13,520.9	16.5%
Investment properties	1,233.2	799.9	54.2%
Property, plant and equipment	6,261.8	6,314.6	(0.8)%
Other non-current assets	35,703.7	26,304.3	33.7%
<b>Total non-current assets</b>	<b>78,296.0</b>	<b>66,946.6</b>	<b>16.3%</b>
<b>Total assets</b>	<b>100,893.1</b>	<b>93,651.3</b>	<b>7.7%</b>
Short-term loans from financial institutions	1,655.0	778.0	112.7%
Trade accounts payables	2,706.6	2,802.3	4.1%
Current portion of long-term loans	241.8	245.9	(1.7)%
Current portion of long-term debentures	-	0.0	N.A.
Other current liabilities	20,353.8	14,810.0	35.6%
<b>Total current liabilities</b>	<b>24,957.2</b>	<b>18,636.2</b>	<b>33.9%</b>
Long-term loans-net of current portion	1,912.0	1,933.0	(1.1)%
Long-term debentures – net of current portion	21,980.5	21,978.4	0.0%
Deferred tax liabilities	1,378.8	1,334.1	3.3%
Other non-current liabilities	2,234.9	2,239.5	(0.2)%
<b>Total non-current liabilities</b>	<b>2,429.3</b>	<b>2,348.0</b>	<b>3.5%</b>
<b>Total liabilities</b>	<b>29,935.5</b>	<b>29,833.0</b>	<b>0.3%</b>
Issued and fully paid shares (mn shares)	54,892.7	48,469.2	13.3%
Issued and fully paid capital	47,761.5	47,739.8	0.0%
Share premium	1,873.0	1,853.7	1.0%
Retained earnings	(7,194.3)	(6,198.1)	N.A.
Other components of shareholders' equity	2,626.3	2,110.7	24.4%
<b>Equity attributable to company's shareholders</b>	<b>41,238.6</b>	<b>42,133.8</b>	<b>(2.2)%</b>
Non-controlling interest-equity attributable to minority	4,761.8	3,048.3	56.9%
<b>Total shareholders' equity</b>	<b>46,000.4</b>	<b>45,182.1</b>	<b>1.8%</b>
<b>Total liabilities and shareholders' equity</b>	<b>100,893.1</b>	<b>93,651.3</b>	<b>7.7%</b>

## BTS GROUP FINANCIAL SUMMARY (CONSOLIDATED)

DEBT INFORMATION (THB mn)	30 SEP 17	31 MAR 17	% YoY
Interest bearing debt	44,494.6	38,309.6	16.1%
Adjusted net debt	14,007.2	6,188.0	126.4%

CASH FLOW STATEMENT FOR 6 MONTHS (THB mn)	6M 2017/18	6M 2016/17	% YoY
EBT	1,539.9	1,564.3	(1.6)%
Less: Loss before tax from discontinued operation	(20.4)	(29.2)	N.A.
<b>Cash from (used in) operating activities</b>	<b>477.6</b>	<b>(1,750.3)</b>	N.A.
Cash paid for interest expenses	(416.4)	(69.9)	N.A.
Cash paid for corporate income tax	(457.4)	(368.6)	N.A.
<b>Net cash from (used in) operating activities</b>	<b>(327.0)</b>	<b>(2,124.7)</b>	N.A.
<b>Net cash from (used in) investing activities</b>	<b>(10,825.2)</b>	<b>(109.4)</b>	N.A.
<b>Net cash from (used in) financial activities</b>	<b>5,042.7</b>	<b>2,393.7</b>	110.7%
Increase in transition adjustment	(0.2)	1.6	(111.3)%
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(6,109.7)</b>	<b>161.2</b>	(3889.5)%
Cash and cash equivalents classified as assets held for sale	(0.1)	-	N.A.
Effect of exchange rate for cash and cash equivalents	40.2	-	N.A.

## KEY FINANCIAL RATIOS

Profitability ratios	2Q 2017/18	2Q 2016/17	1Q 2017/18
Gross operating profit margin (%)	50.9%	59.8%	41.1%
Selling and administrative expenses to operating sales ratio (%)	24.1%	30.7%	17.6%
Operating EBITDA margin (%) <sup>A</sup>	34.4%	36.2%	29.5%
Accounting EBITDA margin (%)	45.6%	48.1%	32.5%
Recurring pre-tax profit margin (%) <sup>B</sup>	22.7%	30.6%	18.5%
Net recurring profit margin (%) <sup>B</sup>	16.7%	23.6%	13.3%
Accounting net profit margin (%) <sup>C</sup>	23.8%	30.7%	13.1%
ROA (%) <sup>D</sup>	2.5%	3.1%	2.4%
ROE (%) <sup>E</sup>	4.7%	4.2%	4.3%

Liquidity ratio	2Q 2017/18	2Q 2016/17	1Q 2017/18
Current ratio (times)	0.91x	0.58x	1.39x

Leverage ratios	2Q 2017/18	2Q 2016/17	1Q 2017/18
Total liabilities to total asset (times)	0.54x	0.34x	0.53x
Total liabilities to total equity (times)	1.19x	0.51x	1.14x
Interest bearing debt to equity (times)	0.97x	0.31x	0.92x
Adjusted net debt <sup>F</sup> to equity (times)	0.30x	0.01x	0.10x
Adjusted net debt <sup>F</sup> to operating EBITDA (times)	4.05x	0.16x	1.43x
Interest coverage (times) <sup>G</sup>	2.75x	6.96x	3.12x

Per share ratios <sup>H</sup>	2Q 2017/18	2Q 2016/17	1Q 2017/18
Basic earnings per share (THB)	0.06	0.05	0.03
Operating cash flow per share (THB)	(0.06)	(0.21)	0.03
Free cash flow per share (THB)	(0.07)	(0.23)	0.01
Enterprise value per share (THB)	12.02	9.91	10.83
Book value per share (THB)	3.88	3.88	3.99

## 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 shares of income / (loss) from investments in associates and JVs and gross revenue under profit from discontinued operation for the year

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

E Calculated based on accounting net profit (before MI) / 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

## 2Q 2017/18 FINANCIAL HIGHLIGHTS

- **Operating Revenue increased by 47.6% YoY to THB 2,542.8mn as a result of higher operating revenue from Mass Transit, Media and Property businesses**
- **Mass Transit Operation & Maintenance (excluding interest income from train procurement) revenue increased 14.8% YoY to THB 471.5mn** from the contractually agreed increase in the operating fee of the existing green line extensions and one additional station (Samrong: E15) on the Southern Green Line extension
- **Revenues from installation and construction services and train procurement service rose from THB 87.5mn to THB 580.9mn** chiefly from the provision of Electrical & Mechanical (E&M) works and train procurement service for the Southern and Northern Green Line extensions
- **New quarterly core network ridership record of 62.2mn trips, representing a 0.8% growth YoY**
- **Media business revenue of THB 969.9mn in 2Q 2017/18, a 22.8% or THB 180.4mn increase YoY** driven by a solid performance of our OOH Media business
- **Shares from investment in BTS-SIRI Joint Venture have turned to profit in this quarter** mainly due to transfers of 39% of total units in The Line Jatujak – Mochit condominium project
- **Operating EBITDA grew 40.4% YoY or THB 251.7mn to THB 874.7mn in 2Q 2017/18 largely as a result of the improvements in operating performance of Mass Transit and Media businesses**
- **Pre-tax recurring profit (before MI) of THB 640.3mn, an increase of THB 61.8mn or 10.7% from prior year** largely from the aforementioned improvement in operating performance as well as an increase in interest and investment income, being partially offset by higher finance cost
- **Reported net profit (before MI) rose by 18.8% YoY to THB 741.5mn**, predominantly from higher recurring profit and an extraordinary gain, mainly from the restructuring of Chef Man Business, but partially offset with an increase in share of net loss from associates/JVs

## SIGNIFICANT EVENTS

<b>BTS GROUP</b>	<b>25 July 2017:</b> The Annual General Meeting of Shareholders 2017 approved the general mandate for the increase of BTS Group Holdings Public Company Limited's (the Company's) registered capital not exceeding THB 2,384mn (or approximately 5% of the Company's paid-up capital) to specific investors (private placement). In addition, the Company paid a final dividend of approximately THB 2,073mn or THB 0.175 per share on 18 August 2017, bringing the total annual dividend paid to THB 4,026mn (or THB 0.34 per share). Based on the closing share price on 26 May 2017 at THB 8.30 (one day before BOD date), this is equivalent to a dividend yield of 4.0%.
<b>MASS TRANSIT</b>	<p><b>1 October 2017:</b> According to the announcement of the fare adjustment on the Core Network made on 1 September 2017, fares of Single Journey Tickets (SJT), Rabbit monthly pass and Rabbit senior tickets in the Core Network have been increased, effective from 1 October 2017 onwards.</p> <p><b>10 October 2017:</b> BSR JV (comprises of the Company, Sino-Thai Engineering &amp; Construction PCL (STEC) and Ratchaburi Electricity Generating Holding PCL (RATCH)) signed the syndicated loan agreement between Bangkok Bank, Siam Commercial Bank and Krungthai Bank at a total value of up to THB 63.4bn for the financing of both Pink and Yellow lines (total length of 64.9km). The loan term is 17 years and 3 months spread across 15 payments starting from the first operation date.</p>
<b>MEDIA</b>	<b>30 June 2017:</b> Master Ad Company Limited (MACO), our subsidiary, successfully acquired 70% in Co-mass Company Limited (CO-MASS) through its wholly-owned subsidiary, Eye On Ads Company Limited. Currently, CO-MASS has 113 static billboards and 7 digital billboards in strategic locations across 23 provinces in Thailand and more than 19 years' experience in outdoor media advertising.
<b>PROPERTY</b>	<b>30 October 2017:</b> BTS Group's Board of Directors approved the property restructuring of the Company through a number of simultaneous transactions which includes (i) the entire business transfer of Unicorn Enterprise Company Limited (UE), a wholly-owned subsidiary of the Company, to U City Public Company Limited (U City), our associated company and (ii) the subscription of the newly issued preferred shares of U City. Contingent on U City's shareholder approval, U City will become the dedicated property development vehicle for BTS Group.

**SERVICES**

**6 October 2017:** The Company has completed the disposal of Chef Man Group Subsidiaries; (i) Man Kitchen Co., Ltd. (MK), (ii) Primary Kitchen Co., Ltd. (PK), (iii) KMJ 2016 Co., Ltd. (KMJ), (iv) Little Corner co., Ltd. (LC – held by MK) on 8 June 2017 and (v) Man Food Products Co., Ltd. (MFP) on 6 October 2017, to Man Food Holdings Co., Ltd. (MFH). A reference was made on 8 June 2017 that the Company has entered into a joint venture agreement with Bangkok Ranch Public Company Limited (BR), a listed and leading purveyor of duck meat, and Mr. Wai Yin Man (Chef Man) to jointly invest and hold 41%, 41% and 18% in MFH, respectively. With the addition of BR's extensive food processing expertise, this will enable MFH to scale-up and integrate its business domestically and internationally.

**2Q 2017/18 PERFORMANCE**

The Group recorded consolidated total revenue of THB 2,983.9mn in 2Q 2017/18. This represented an increase of 54.8% YoY or THB 1,055.9mn from THB 1,928.0mn in 2Q 2016/17. The revenue growth was largely from (i) an increase in revenues from installation and construction services and train procurement service under concession agreement of THB 493.4mn - mostly from the provision of E&M works and the train procurement service for the Southern (Bearing to Samut Prakan) and Northern (Mo Chit – Khu Kot) Green Line extensions, (ii) a recognition of a gain on sales and change in status of investment of THB 251.1mn from the restructuring of Chef Man Business. Chef Man's subsidiaries (MK, PK, KMJ and LC), changed their status from subsidiaries to jointly controlled entities, held by the Company, BR and Chef Man under MFH. As a result, on 4 August 2017 these four aforesaid companies were deconsolidated from the Company's consolidated financial statements, (iii) growth in service income of THB 221.9mn from higher Mass Transit, Media, and Property business, (iv) an increase in interest income of THB 156.2mn mainly from (a) financial institutions resultantly from as yet undeployed cash proceeds of the BTSC debenture (issued on 10 November 2016), (b) loans to related parties and (c) receivables under concession agreements mainly from the provision of E&M works and the train procurement service for the Southern and Northern Green Line extensions and (v) an increase in other revenues of THB 109.5mn. However, the increase was partially offset with (vi) no recognition of an extraordinary gain on a reversal of creditors per debt rehabilitation plan of THB 174.4mn which was recorded in 2Q 2016/17.

Total operating revenue<sup>1</sup> in 2Q 2017/18 grew by 47.6% YoY or THB 820.4mn to THB 2,542.8mn largely as a result of higher operating revenue from Mass Transit, Media and Property businesses which increased by 105.3%, 22.8% and 12.1% respectively. The growth was chiefly from a recognition of services revenue of the provision of E&M works and train procurement service for Southern and Northern Green Line extensions as well as higher consolidated revenue from acquisitions in the Media business and the healthy performance of all of its business units in particular. Nevertheless, the increase in operating revenue was partially offset with a 36.0% YoY or THB 53.3mn decrease in Services operating revenue primarily from the deconsolidation of Chef Man Group's contribution on 4 August 2017 (and recorded under "share of net profit/ (loss) from investment in MFH (JV)" from 4 August 2017 onwards). Please see more details in *NTFS 8.1.1*.

Revenues from the Mass Transit, Media, Property and Services businesses accounted for 51.9%, 38.1%, 6.3% and 3.7% of total operating revenue, respectively.

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

Operating Revenue <sup>1</sup> (THB mn)	2Q 2017/18	% of Total <sup>1</sup>	2Q 2016/17	% of Total <sup>1</sup>	% Change (YoY)	2Q 2017/18 GP Margin <sup>6</sup>	2Q 2016/17 GP Margin <sup>6</sup>
<b>Mass Transit<sup>2</sup></b>	1,318.5	51.9%	642.3	37.3%	105.3%	43.8%	64.6%
<b>Media<sup>3</sup></b>	969.9	38.1%	789.5	45.8%	22.8%	68.1%	65.7%
<b>Property<sup>4</sup></b>	159.4	6.3%	142.3	8.3%	12.1%	32.2%	37.8%
<b>Services<sup>5</sup></b>	95.0	3.7%	148.3	8.6%	(36.0)%	6.3%	28.8%
<b>TOTAL<sup>1</sup></b>	<b>2,542.8</b>	<b>100.0%</b>	<b>1,722.3</b>	<b>100.0%</b>	<b>47.6%</b>	<b>50.9%</b>	<b>59.8%</b>

Total consolidated expenses amounted to THB 1,843.4mn in 2Q 2017/18, an increase of THB 661.9mn or 56.0% YoY mainly from (i) an increase in cost of installation and construction services and train procurement service under concession agreement of THB 468.8mn, which are largely costs related to the provision of E&M works and the train procurement service for the aforesaid Southern and Northern Green Line extensions, (ii) an increase in cost of services of THB 101.2mn largely due to higher operating costs chiefly related to Media and Property businesses and

(iii) a net increase in selling and administrative expenses of THB 84.6mn mainly from the consolidation of newly acquired Media businesses both in Outdoor and Digital Services.

Operating costs increased by 80.2% YoY to THB 1,247.3mn primarily from recognising costs for the provision of E&M works and train procurement service for the Southern and Northern Green Line extensions as well as costs related to Media and Property businesses.

As operating revenue increased more than operating costs, operating gross profit<sup>6</sup> grew 25.7% YoY to THB 1,295.5mn. Nonetheless, operating gross profit margin decreased to 50.9% from 59.8% in prior year, mainly due to higher revenue contributions of services income for the provision of E&M works and train procurement, which have lower margins. Group operating EBITDA<sup>7</sup> increased by THB 251.7mn or 40.4% YoY to THB 874.7mn. Operating EBITDA margin, however, decreased to 34.4% in 2Q 2017/18 from 36.2% in 2Q 2016/17 mainly from the aforesaid lower operating gross profit margin.

Other recurring revenue increased by THB 109.3mn or 65.6% YoY to THB 275.8mn. The growth was mainly from the abovementioned increase in interest and investment income of THB 162.4mn being partially offset with an increase in share of net loss from associates/JVs (not including share of profit in BTSGIF) of THB 72.4mn. Finance costs increased by 255.5% YoY or THB 228.9mn to THB 318.5mn primarily from the interest expense of BTSC debenture (THB 183.5mn) together with the increase in interest expense of bills of exchange. Taking this into account, pre-tax recurring profit<sup>8</sup> for this quarter was THB 640.3mn, an increase of THB 61.8mn or 10.7% from the same period last year largely from the improvement in operating performances as well as an increase in interest and investment income, being partially offset by higher finance cost.

Reported income tax expense was THB 168.8mn, versus THB 130.3mn in 2Q 2016/17. The 29.5% YoY increase was primarily from higher pre-tax profit compared to last year. Taking into account all the aforesaid transactions, the Group's consolidated net profit stood at THB 741.5mn (increasing 18.8% YoY) and profit attributable to the equity holders of the Company was THB 652.9mn (increasing 19.1% YoY) predominantly from higher recurring profit together with extraordinary gain from the restructuring of Chef Man business, being partially offset by an increase in share of net loss from associates/JVs. The net profit margin attributable to the equity holders of the Company<sup>9</sup> in 2Q 2017/18 was 21.0% (versus 25.4% in 2Q 2016/17).

<sup>1</sup> Operating revenue from the operational performance of 4 BUs EXCLUDES interest income, dividend income and non-recurring items

<sup>2</sup> Mass Transit revenue includes:

- 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') and Interest Income from Train Procurement as well as Interest Income under purchase and installation of operating system agreement
- iii) Services Income from the provision of E&M works and the train procurement service

<sup>3</sup> Media revenue includes performances of VGI Group and Rabbit Group. Rabbit group (classified to be under Digital Services Business) comprises of BSS & BSSH and subsidiaries but excludes two companies which are Bangkok Payment Solutions Co., Ltd. (BPS) – under former subsidiary; BSSH and Rabbit Rewards Co., Ltd. (RR).

<sup>4</sup> Property includes Sales from Real Estate, Rental and Service Income, Revenue from group of Hotels and Service income related to Thana City Golf & Sports Club Co., Ltd.

<sup>5</sup> Services revenue includes revenue from Rabbit Rewards, BPS, HHT construction and ChefMan Restaurants (up to 3 August 2017). Since 4 August 2017, four ChefMan Group's subsidiaries performances (MK, PK, KJM and LC) were no longer be consolidated but treated as "share of net profit/ (loss) from investment in Joint venture" instead.

<sup>6</sup> Operating gross profit calculated based on the operational performance of 4 BUs

<sup>7</sup> Operating EBITDA calculated based on the operational performance of 4 BUs EXCLUDES interest income, dividend income, share of net profit (loss) from other associates (except from BTSGIF) and joint ventures and other non-recurring items

<sup>8</sup> Recurring profit calculated based on the operational performance of 4 BUs and other associates and joint ventures as well as other recurring items which are interest income and other recurring items (before MI)

<sup>9</sup> Net profit margin calculated from net profit attributable to the equity holders of the Company / total revenue per financial statement + share of profit/ (loss) from investments in JVs and associates + gross revenue under profit / (loss) from discontinued operation for the year (if any)

## SEGMENTAL PERFORMANCE

### MASS TRANSIT BUSINESS

Total Mass Transit revenue was THB 1,318.5mn, a significant increase of 105.3% YoY, primarily due to (i) the recognition of services revenue and interest income for the provision of E&M works and the train procurement service for the Southern and Northern Green Line extensions, (ii) an increase in share of net profit from investment in BTSGIF as well as (iii) higher O&M revenue.

**O&M revenue** (excluding interest income from train procurement) rose by 14.8% or THB 60.6mn YoY to THB 471.5mn. The increase was mainly attributable to the contractually agreed increase in the operating fee of the existing Green Line – Sukhumvit extension and Silom extension together and the additional operating fee of Samrong station (the first station of Southern Green Line extension which was opened in April 2017). The interest income from the provision of E&M works and the procurement of train also rose from the previous year (up 152.2% YoY or THB 49.2mn) to THB 81.5mn mainly as a result of the aforementioned provision of services.

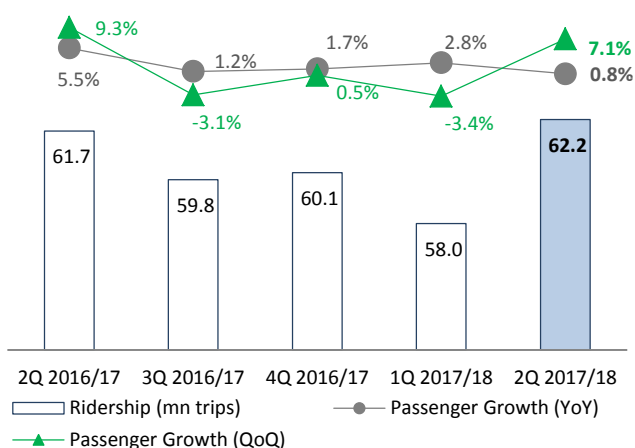


Fare-box revenue of the core network continued to grow at 0.6% YoY or THB 9.6mn to THB 1,726.2mn chiefly driven by an increase in ridership (up 0.8% YoY to 62.2mn trips), but partly offset by a slight decrease in average fare (drop 0.2% YoY to THB 27.8 per trip). Moreover, **share of net profit from investment in BTSGIF** increased by 23.9% YoY or THB 47.6mn to THB 246.6mn. The increase was from the application of a revised calculation method concerning the acquisition of rolling stocks. In the Company’s financial statements, the rolling stocks acquisition costs attributable to BTSGIF (previously deducted as an expense in share of net profit from BTSGIF) will no longer be expensed (but will be treated as CAPEX that is depreciated over time when calculating share of net profit from BTSGIF under the equity method) since 3Q 2016/17.

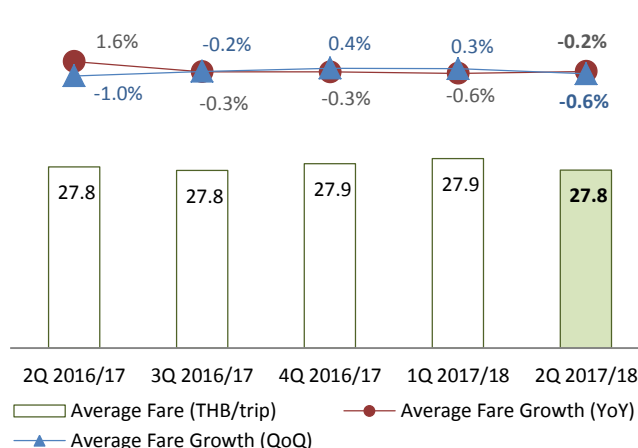
More commentary on Core Network performance can be found in *2Q 2017/18 BTSGIF management discussion and analysis*.

Additionally, in 2Q 2017/18, the Company recognised **services revenue from the provision of E&M works and the train procurement service** of THB 0.5bn for the aforesaid Southern and Northern Green Line extensions according to progress of work completion.

5-quarter Historical Ridership and % Growth



5-quarter Historical Average Fare and % Growth



Cost of Mass Transit revenue increased in line with the increase in revenue. This increased by THB 513.2mn or 225.8% YoY to THB 740.4mn largely from the recognition of cost of services related to the provision of E&M works and train procurement service for the aforesaid Southern and Northern Green Line extensions. The operating EBITDA margin declined to 44.5% from 65.8% in previous year as a result of the higher contribution of the abovementioned services which have a lower margin. Excluding the provision of E&M works and train procurement service, the operating EBITDA margin of the Mass Transit business stood at 66.1% (versus 65.8% in 2Q 2016/17).

**MEDIA BUSINESS**

VGI, our media company, was able to achieve a further significant increase in revenue, as a result of our strategic realignment. VGI is now successfully established in the market as an integrated, increasingly sophisticated media company that is the leading OOH nationwide media in Thailand. While overall advertising expenditures fell by 11.4% YoY to 26,351mn in 2Q 2017/18, VGI continues to outperform the overall market posting significant revenue growth of 22.8% YoY to THB 969.9mn, driven by the healthy performance of OOH Media business segment.

**OOH Media** includes Transit, Outdoor and Office Building and Other Media. OOH media contributed 92% of total Media revenue or THB 890.5mn. Revenue from OOH media increased by THB 187.5mn, or 26.7% YoY largely as a result of higher prices, synergies from the Digital Services segment as well as positive order intake in the Outdoor media product group.

**Transit Media** revenue rose by 21.6% to THB 575.8mn attributable to strong organic growth, price increases, especially in our static media network as well as higher demand for new campaign media. The integration of the digital services business is continuing to progress according to plan and we are increasingly able to leverage synergies.

**Outdoor Media** revenue was THB 231.7mn, increasing 51.6% YoY from THB 152.9mn in 2Q 2016/17 mainly due to the rolling out of new digital media, which consists of 21 LED billboards across 19 provinces. In the same period, this business segment also benefitted from the consolidation of Multi Sign Co. Ltd., (Multi Sign) and COMASS Co. Ltd., (COMASS) which were acquired by MACO - our outdoor media company - in October 2016 and July 2017, respectively.

Meanwhile, **Office Building and Other Media** segment recorded revenue at THB 83.0mn, increasing 8.3% YoY. Revenue growth in 2Q 2017/18 was mainly driven by the expansion of the office building media network and price increase. VGI successfully added 8 new contracts to the

office building portfolio during 1H 2017/18. With a total of 170 buildings under management (1,309 digital screens), VGI is currently the largest office building media provider in Thailand capturing most of the market share in Grade A & B office buildings.

**Digital Services Business** contributed 8% of total Media revenue or THB 79.4mn. Revenue decreased by THB 7.1mn or 8.2% YoY.

Cost of Sales increased 14.4% YoY from THB 270.7mn to THB 309.8mn, primarily due to the consolidation of the abovementioned newly acquired businesses. As revenue grew at a faster rate than cost, operating EBITDA margin for Media in this quarter improved to 53.5% from 45.7% in the previous year.

More commentary on Media business can be found in *2Q 2017/18 VGI Global Media’s management discussion and analysis*:

<http://vgi.listedcompany.com/misc/MDNA/20171030-vgi-mdna-2q20172018-en.pdf>

**PROPERTY BUSINESS**

Property operating revenue in this quarter was THB 159.4mn, increasing 12.1% YoY from THB 142.3mn in the prior year due to the overall improvement in the operating performance of our property business.

**Residential Property** revenue increased by THB 8.7mn or 130.9% YoY to THB 15.3mn in 2Q 2017/18 from higher housing unit sales.

In September 2017, we have transferred 325 units or 39% of backlog has been recognised in our second transferred condominium project under BTS-SIRI Joint Venture: The Line Jatujak – Mochit (totaling 841 units and valued at THB 5.8bn) and we target to complete the transfer all units of this project by FY 2018/19.

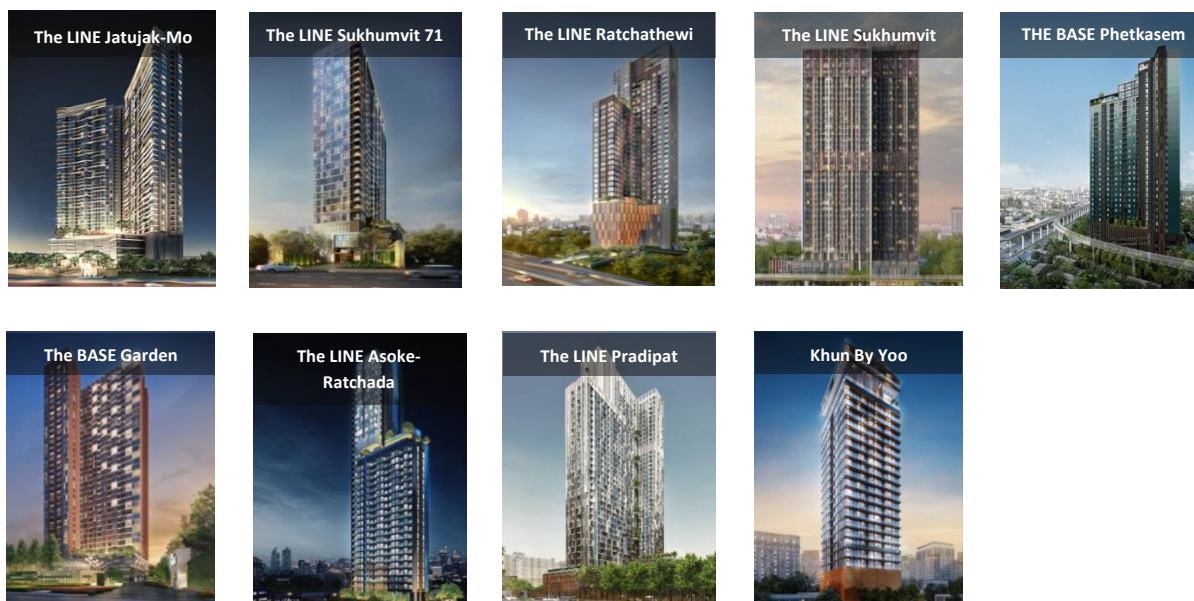
The Company recognised a share of profit from BTS-SIRI JV of THB 189.6mn (compared to THB -28.3mn in previous year) largely as a result of transferred revenue recognition of the aforesaid condominium and a recognition of a gain on sales of land upon transfer of units, which were previously deferred when the Company divested 50% to the BTS-SIRI JV.

**Commercial Property** revenue rose by 6.3% YoY or THB 8.5mn to THB 144.1mn. The increase was chiefly from improving overall hotel performance in this quarter. The Company, however, recognised a share of loss from U City, our associate, of THB 335.9mn (compared to THB 26.6mn in prior year) mainly from the impairment of Avani Khon Kaen Hotel and Convention Center, which was revalued.

Operating costs increased by THB 19.6mn or 22.1% YoY to THB 108.0mn, which is in line with the increase in operating revenue. Property SG&A expenses declined by 0.6% YoY or THB 0.5mn to THB 80.6mn.

**RESIDENTIAL PROPERTY SUMMARY**

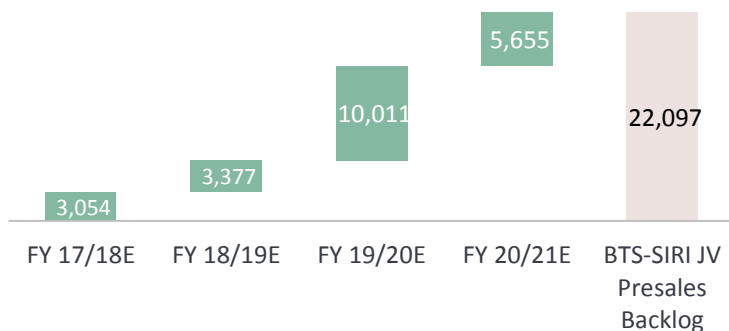
**THE LINE PROJECTS**







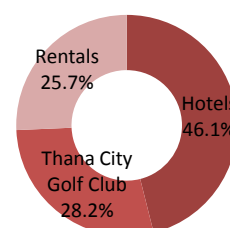
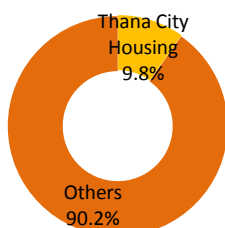
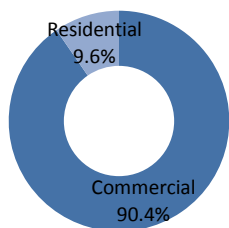
**BACKLOG OF BTS-SIRI JV PROJECTS**



**NOTE:**

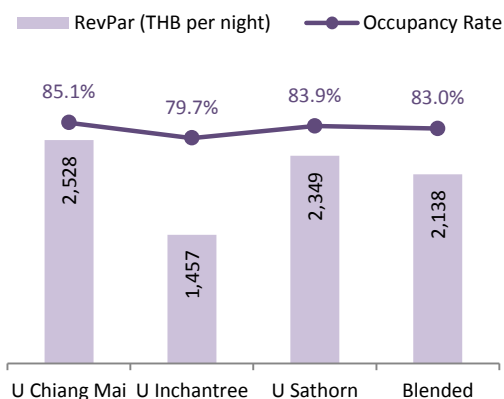
- Calculated based on 9 launched joint venture projects
- Calculated based on BTS Group's fiscal year

**PROPERTY REVENUE BREAKDOWN**

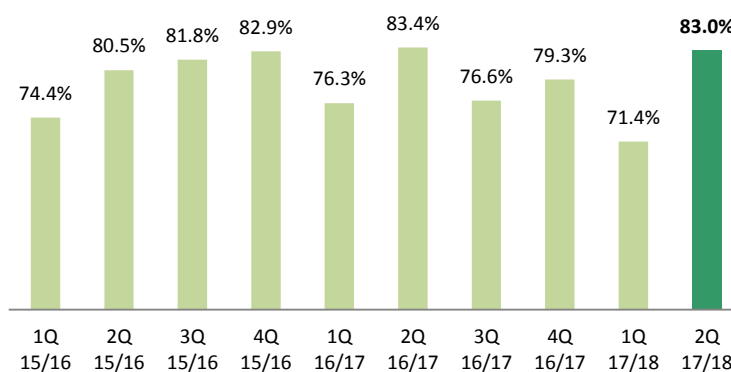


**COMMERCIAL PROPERTY SUMMARY**

**2Q 2017/18 REVPAR & OCCUPANCY BY HOTEL**



**HISTORICAL HOTEL BLENDED OCCUPANCY**



**SERVICES BUSINESS**

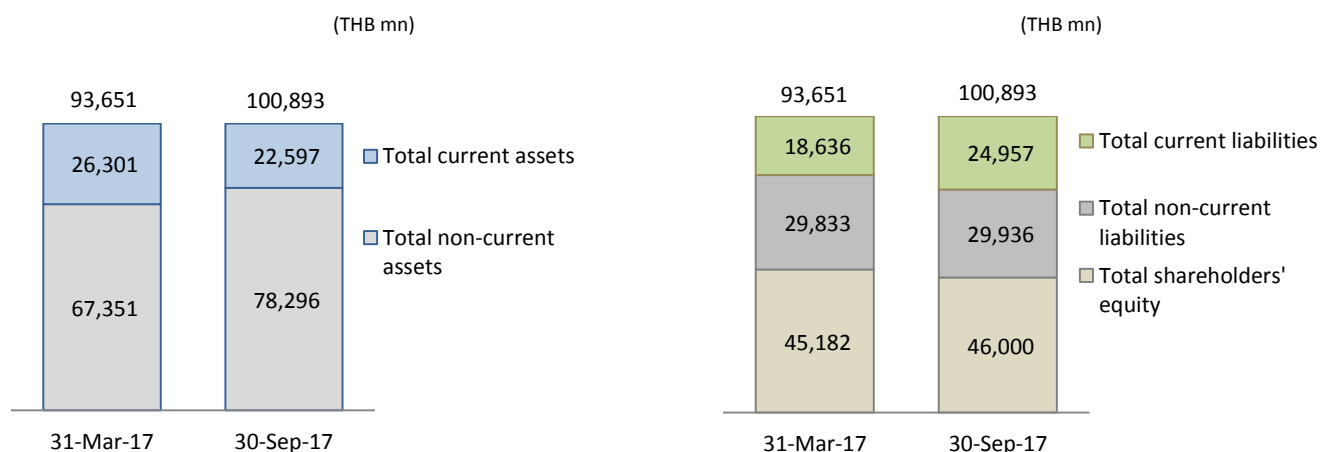
Services business revenue decreased by THB 53.3mn or 36.0% YoY to THB 95.0mn. The decline in revenue was largely due to the restructuring of Chef Man business. Following this transaction, since 4 August 2017, four ChefMan Group's subsidiaries performances (MK, PK, KMJ and LC) were no longer be consolidated but treated as "share of net profit/ (loss) from investment in Joint venture" instead. The decline, however, was partially offset with an increase in the revenue generated from HHT construction Co., Ltd. (HHT).

Operating costs decreased by 15.7% YoY or THB 16.6mn to THB 89.0mn while SG&A expenses amounted to THB 41.5mn, a decrease of THB 23.0mn or 35.6% YoY. This was in-line with the decrease in revenue largely from the aforesaid deconsolidation of Chef Man financial statements.

## Share of Income / (Loss) from Investments in Joint Ventures &amp; Associates

Amount (THB mn)	2Q 2017/18	2Q 2016/17
<b>Share of income/ (loss) from investments in joint ventures</b>		
ATS (AEON-rabbit)	5.9	3.4
Bayswater	(10.5)	(32.0)
BTS-SIRI JV Projects	189.6	(28.3)
Man Food Holdings	(0.4)	-
Keystone Estate and Keystone Management	0.6	-
Rabbit LINE Pay	(20.3)	(9.3)
<b>Total</b>	<b>164.8</b>	<b>(66.3)</b>
<b>Share of income/ (loss) from investments in associates</b>		
Absolute Hotel Services (AHS)	1.8	1.5
Aero Media	2.0	0.1
BTSGIF	246.6	199.0
Demo Power	3.4	-
MACO's associates	1.7	1.5
U City	(335.9)	(26.6)
<b>Total</b>	<b>(80.5)</b>	<b>175.5</b>

## FINANCIAL POSITION



**Total assets** as of 30 September 2017 stood at THB 100,893.1mn, an increase of THB 7,241.9mn or 7.7% from 31 March 2017. Total current assets stood at THB 22,597.1mn, decreasing by 14.1% or THB 3,703.5mn. The decrease was primarily attributed to (i) a decrease in cash & cash equivalents of THB 6,069.3mn (see cash movement in *Cash Flow* section) and (ii) a decline in advances to contractors of THB 227.5mn largely from the recognition of costs related to E&M works of the aforesaid Southern and Northern Green Line extensions projects. The reduction was partially offset with (iii) an increase in investment in derivative instruments of THB 1,468.9mn and an increase in current investments of THB 980.0mn which are under treasury management and (iv) an increase in asset classified as held for sale of THB 108.6mn. Following the restructuring of Chef Man Business, the Company presented assets, liabilities and equities related to the abovementioned MFP (subsequently sold to MFH on 6 October 2017), separately as 'held for sale' (please see *NTFS 28* for more details).

Total non-current assets were THB 78,296.0mn, an increase of 16.3% or THB 10,945.4mn primarily due to (i) an increase in deposit and advances for asset acquisitions of THB 6,387.6mn largely from an advance payment for civil works and E&M works of the Pink and Yellow lines of THB 6,177mn, (ii) an increase in other long term investments of THB 2,227.8mn, (iii) the increase in receivables under purchase and installation of operating system agreement of THB 1,412.8mn as well as (iv) net current portion of receivable under concession agreements of

THB 561.1mn largely from the provision of E&M works and the train procurement service for the Southern and Northern Green Line extensions, (v) an increase in investment property of THB 433.3mn, (vi) an increase in estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquiree of THB 281.6mn after the acquisition of CO-MASS by MACO on 30 June 2017 and (vii) an increase in net current portion of loans to related parties of THB 228.3mn to THB 9,453.9mn mainly from loans to BTS-SIRI Joint Venture projects. The increase was partially offset with (viii) a reduction in investments in associates of THB 658.2mn mainly from (a) BTSGIF (share of profit in BTSGIF was more than offset with dividend income) and U City (mainly from share of loss in U City) and (ix) a decline in rights of claim from acquisition of debts per rehabilitation plan of THB 255.5mn to nil as the creditor already received the transfers of ownership and redemption from mortgage of last secured asset.

**Total liabilities** increased from 31 March 2017 by 13.3% or THB 6,423.5mn to stand at THB 54,892.7mn largely due to (i) an increase in bills of exchange payable of THB 5,331.1mn, (ii) an increase in net loan from financial institutions of THB 851.9mn and (iii) an increase in other non current liability of THB 135.4mn. **Total equity** increased from 31 March 2017 by THB 818.3mn or 1.8% YoY to THB 46,000.4mn mainly attributable to (i) an increase in non-controlling interest of the subsidiaries of THB 1,726.8mn, chiefly from STEC and RATCH's stake (totaling 25%) in the issuing of ordinary shares in Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd. of THB 1.75bn according to total registered capital requirement of THB 3.5bn for each project under the consolidation the Pink Line and the Yellow Line projects, (ii) an increase in other components of shareholders' equity of THB 515.7mn, being partially offset with (iii) an increase in unappropriated deficits of THB 1,009.5mn mainly from final dividend payment for FY 2016/17 of THB 2,073mn in August 2017, being partially offset with 1H 2017/18 net profit of THB 1,057.5mn and (iv) a decrease in surplus from the changes in the ownership interests in subsidiaries of THB 458.3mn which largely stemmed from the the Company increased its shareholding in VGI from 71.6% to 72.4% as well as additional 4.7% acquisition of MACO (resulting in a total holdings in MACO from 33.7% to 35.4%). As of 30 September 2017, total issued and fully paid-up shares of BTS Group stood at 11,940.4mn shares. Return on equity for 2Q 2017/18 was 4.7%, which increased from 4.2% in 2Q 2016/17.

## CASH FLOW

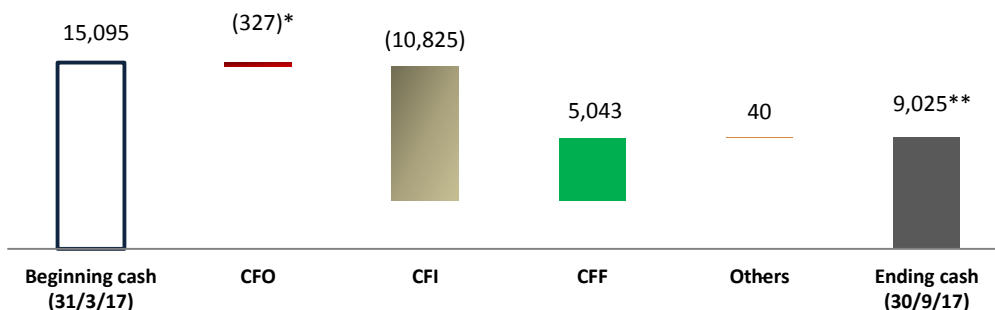
For the six months ended 30 September 2017, **cash and cash equivalents** stood at THB 9,025.2mn, a decrease of 40.2% or THB 6,069.3mn. Cash from operating activities was THB 477.6mn (vs cash used in operating activities of THB 1,750.3mn in 1H 2016/17). This derives from profit before tax of THB 1,519.4mn, partially offset with (i) non-cash reconciling items of THB 177.0mn and (ii) changes in net working capital of THB 864.8mn (this includes investment in E&M works and trains procurement for the Southern and Northern Green Line extensions of THB 1.2bn). After deducting net cash paid for corporate income tax of THB 451.1mn (1H 2016/17: THB 368.6mn) and net cash paid for interest expenses of THB 353.6mn (1H 2016/17: THB 5.8mn), **net cash used in operating activities** was THB 327.0mn.

**Net cash used in investing activities** was THB 10,825.2mn. The key components were (i) advance paid for purchase of assets of THB 6,289.4mn largely from an advance payment for civil works and E&M works of the Pink and Yellow lines, (ii) net cash paid for acquisitions of current and other long-term investments of THB 3,255.3mn, (iii) net cash paid for acquisitions of investments in derivative instruments of THB 1,458.8mn, (iv) net cash paid for purchases of equipment of THB 440.5mn mainly for Media Business, (v) cash paid for purchases of investments in subsidiaries of THB 314.8mn following the acquisition of CO-MASS by MACO, (vi) dividend income of THB 920.8mn and (vii) interest income of THB 379.9mn.

**Net cash from financing activities** was THB 5,042.7mn. The key components were (i) a net increase in bills of exchange payables of THB 5,187.7mn, (ii) cash received from non-controlling interests for issuances of ordinary shares of subsidiaries of THB 1,750.0mn following the consolidation of Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd., (iii) a net increase in loans from financial institutions of THB 851.9mn, (iv) dividend paid of THB 2,066.3mn and (v) net cash paid for purchases of investments in subsidiaries of THB 448.7mn mainly from the additional acquisition of VGI and MACO.

Six-Months Cash Flow Snapshot

(THB mn)



\* After corporate income tax of THB 451.1mn, interest expenses of THB 353.6mn and investment in E&M works and trains procurement for the Southern and Northern Green Line extensions of THB 1.2bn

\*\* Excluding liquid investments of THB 21.5bn

BTS GROUP IN THE COMMUNITY

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. Our CSR activities cover a broad spectrum of social concerns including religion, education, sport and public health and we encourage staff involvement in all these efforts.

BTS Group participates in making 9,999 sandalwood flowers

On 13 Sep 2017, management and staff across all of BTS Group’s businesses participated in producing a total of 9,999 sandalwood flowers in remembrance and respect for the Royal Cremation of His Majesty the late King Bhumibol Adulyadej.



BTS Group decorates Memorial Arch at the walkway of BTS National Stadium station with marigolds

On 3 October 2017, members of the Board of Directors of BTS Group and management team together decorated the Memorial Arch on the walkway of BTS National Stadium station with marigold flowers to commemorate the Royal Cremation of His Majesty the late King Bhumibol Adulyadej



### BTS Group hosted the annual Kathin Festival

On 7 October 2017, members of the Board of Directors of BTS Group led staff in the participation of the annual Kathin Ceremony at Khao Lek Temple in Nakhon Si Thammarat Province. During the festival 81 scholarships valued at THB 2,000-3,000 each were presented to deserving students in 16 schools. At the merit making ceremony, a cash donation from staff and the Company of THB 3.1mn were also presented to the temple.



### SUMMARY COVERAGE AND ANALYST RECOMMENDATIONS (UPDATED FROM 16 AUG 2017 – 13 NOV 2017)

Company Name	Recc	Target Price	Report Date	Sales	EBITDA	Net Profit*	Analyst Name
				2017/18E (THB mn)			
CIMB Securities	Add	10.50	6-Nov-17	11,986	4,424	2,137	Piyachanok Somsueb
Kasikorn Securities	Buy	9.80	6-Nov-17	12,298	3,486	1,974	Korakot Sawetkruttamat
KTZMICO Securities	Buy	10.50	1-Nov-17	14,061	2,827	2,710	Raenoo Bhandasukdi
TISCO	Buy	10.80	19-Oct-17	14,079	4,449	1,897	Sirilak Konwai
UOB	Buy	10.40	11-Oct-17	13,708	2,284	2,352	Siwakorn Mitsantisuk
RHB OSK Securities	Buy	9.80	27-Sep-17	7,622	2,398	1,452	Naruedom Mujjalinkool
Bualuang Securities	Buy	11.70	16-Aug-17	15,575	2,660	2,029	Suppata Srisuk
KGI Securities	Outperform	10.60	16-Aug-17	8,810	4,141	2,356	Parin Kitchatornpitak
JP Morgan	Neutral	8.90	16-Aug-17	12,254	4,552	2,237	Sumedh Samant
<b>Average</b>		<b>10.22</b>		<b>12,266</b>	<b>3,469</b>	<b>2,127</b>	<i>*Excludes non-recurring items</i>
<b>Max</b>		<b>12.60</b>		<b>15,575</b>	<b>4,552</b>	<b>2,710</b>	
<b>Min</b>		<b>8.27</b>		<b>7,622</b>	<b>2,284</b>	<b>1,452</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)

93 Ratchadaphisek Road, Dindaeng,  
Bangkok 10400, Thailand

Website: <http://www.set.or.th/tsd>

Telephone: +66 (02) 009 9000

Facsimile: +66 (02) 009 9991

E-mail: [SETContactCenter@set.or.th](mailto: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
2Q 2017/18 Analyst Meeting	14 August 2017 (2pm-4pm)
End of 3Q 2017/18	31 December 2017
3Q 2017/18 Earnings Released	14 February 2018
3Q 2017/18 Analyst Meeting	19 February 2018 (2pm-4pm)

#### Notes:

<sup>i</sup> Data as of 16 Jun 2017 Sources: Company and Bloomberg

<sup>ii</sup> Based on exchange rate of 1 USD = THB 33.297 as of 16 Jun 2017

<sup>iii</sup> Assumes no cost of concession payable by VGI to BTSC

<sup>iv</sup> Source: Bloomberg, data as of 16 Jun 2017. 1-year daily average

<sup>v</sup> Source: BTS Group Holdings PCL, The Stock Exchange of Thailand as of 13 Jun 2017

<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 16 Jun 2017

<sup>viii</sup> Source: Bloomberg, data as of 16 Jun 2017

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