

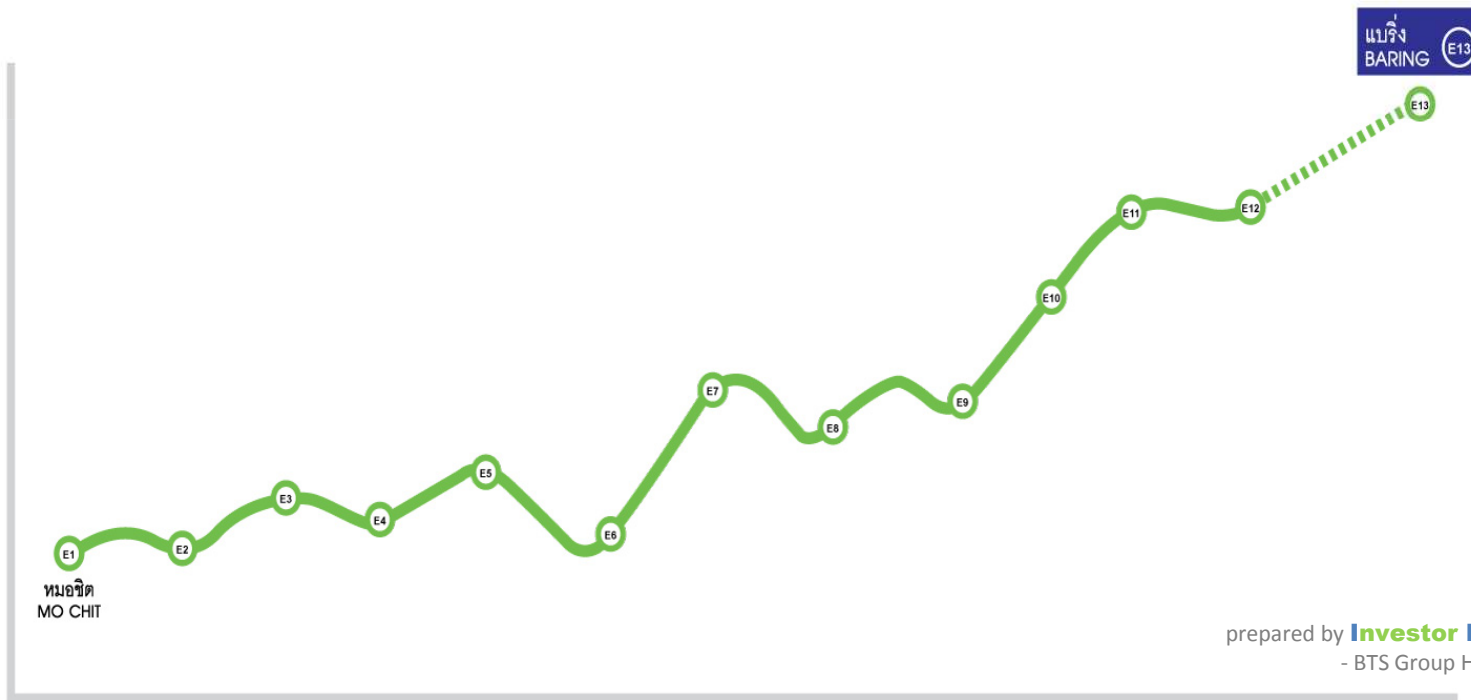
Strengthened results . .  
in the face of adversity



# BTS Group Holdings PCL

## 2Q 11/12 earnings presentation

16 November 2011



prepared by **Investor Relations** department  
- BTS Group Holdings PCL -

# Disclaimer



Investment involves risk. Prospective should understand the characteristics of Securities and study information about BTS Group Holdings Public Company Limited (the “Company”) before making a decision to invest in Securities.

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# 2Q 11/12 Overview

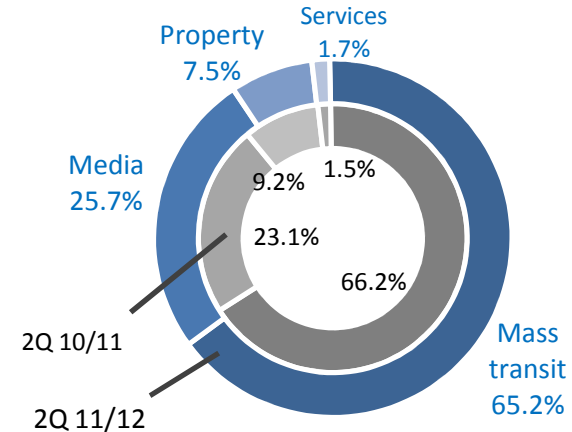
Operating revenue increased 36.1% YoY to THB 2.03bn



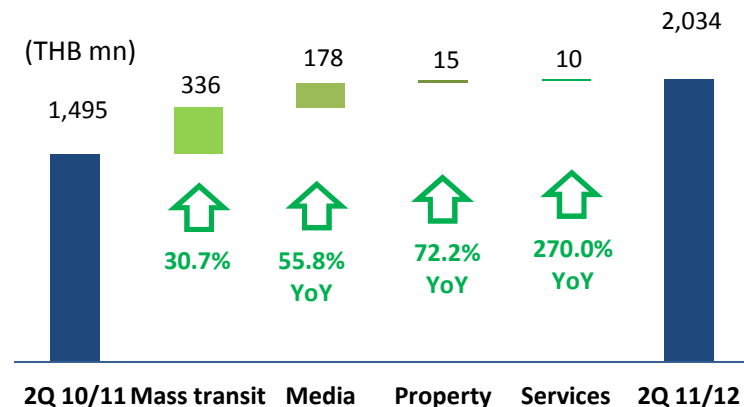
## P&L snapshot 2Q 11/12 (THB mn)

Income Statement (THB mn)	2Q 11/12	2Q 10/11	% YoY
Operating Revenues	2,034	1,495	36.1%
Gross profit	1,017	587	73.3%
Operating EBITDA	1,074	557	92.8%
Accounting EBITDA	2,137	1,272	68.0%
Net profit	1,282	591	116.8%
Gross operating profit margin (%)	50.0%	39.3%	
EBITDA margin (%) *	68.3%	57.2%	
Operating EBITDA margin (%)	52.8%	37.2%	
Net profit margin (%) *	41.0%	26.6%	

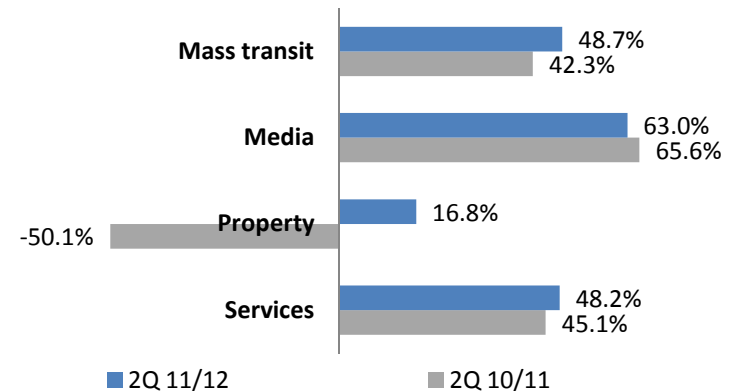
## Operating revenue 2Q 11/12



## Revenue comparison (YoY)



## Gross profit margin (%) by unit



\* Based on total revenue

# 2Q 11/12 Highlights

Another record quarter for Mass Transit and Media business



## Major developments by business unit in 2Q 11/12

### Mass transit

- ❖ New historic record for revenue and ridership
- ❖ Total quarterly ridership grew 19.4% YoY to THB 45.1mn passengers in 2Q 11/12
- ❖ New average quarterly passengers record of 541,275 per weekday represented 16.6% YoY growth
- ❖ On nut – Bearing extension opening is a key growth factor in 2Q 11/12



### Media

- ❖ New record quarterly revenue of THB 523.3mn, growth of 51.6% YoY
- ❖ Revenue from BTS-related media increased 32.3% YoY to THB 288.7mn (higher occupancy rate of on-station media and increase in pricing on In-train LCD)
- ❖ New contracts signed for Tesco Lotus and BigC in Q3 10/11 and Q2 11/12 led to 84.7% YoY increase in revenue from non-BTS media to THB 234.6mn



### Property

- ❖ Property revenue grew 11.1% YoY to THB 152.2mn
- ❖ Revenue from commercial property grew 24.3% YoY to THB 41.9mn due to the improvement of occupancy of the Group's hotel business



### Services

- ❖ 11 new hotel management contracts have been acquired
- ❖ Bangkok Bank confirmed to be BSS's retail partner acquirer



# Mass Transit

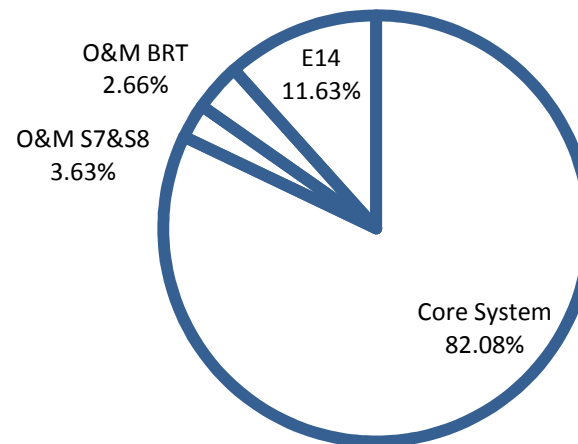
Operating EBITDA jumped 55.2% YoY to THB 888.2mn



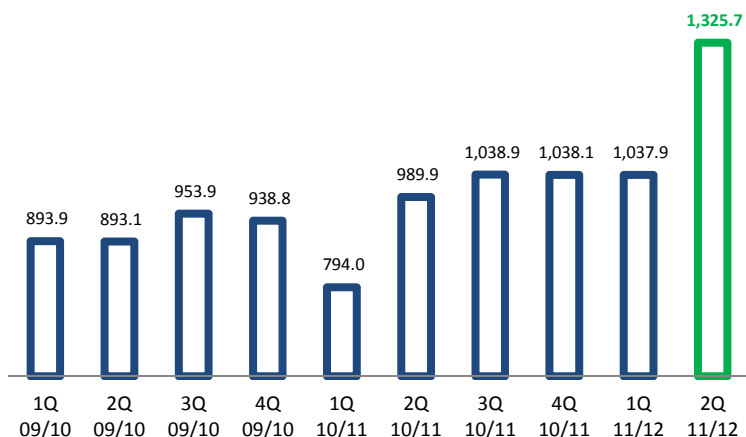
## Performance

Mass transit (THB mn)	2Q 11/12	2Q 10/11	YoY	1Q 11/12	QoQ
Revenue	1,325.7	989.9	33.9%	1,037.9	27.7%
Costs of revenue	679.5	570.9	19.0%	560.6	21.2%
Gross Profit	646.2	418.9	54.2%	477.3	35.4%
EBIT	494.2	287.1	72.1%	335.2	47.4%
<b>Operating EBITDA</b>	<b>888.2</b>	<b>572.2</b>	<b>55.2%</b>	<b>653.4</b>	<b>33.8%</b>
Gross margin (%)	48.7%	42.3%		46.0%	
Operating EBITDA margin (%)	67.0%	57.8%		63.0%	
EBIT margin (%)	37.3%	29.0%		32.3%	

## Revenue breakdown



## Historical revenue (THB mn)



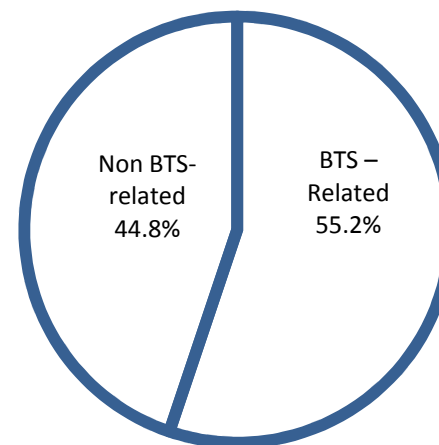
## Key factors

- Total ridership reached 49.1mn passengers in 2Q 11/12. QoQ increase of 14.4% primarily due to the operation of the On nut – Bearing extension
- Income related to the operation and pre-operation of the On nut – Bearing extension led to 189.8% QoQ increase in O&M revenue
- Average fare stable at THB 24.1 in 2Q 11/12
- Operating EBITDA margin improved strongly to 67.0% compared to 57.8% YoY

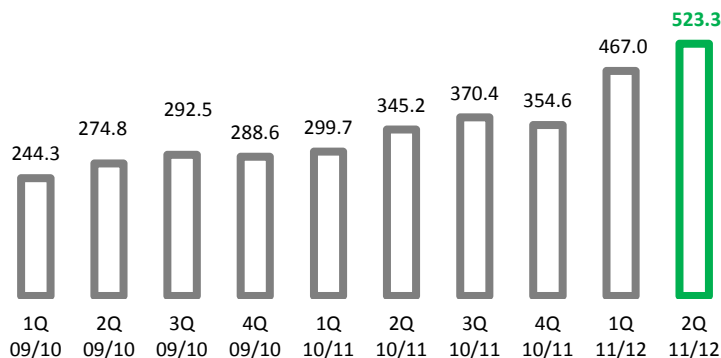
### Performance

Media (THB mn)	2Q 11/12	2Q 10/11	YoY	1Q 11/12	QoQ
Revenue	523.3	345.2	51.6%	467.0	12.1%
Costs of revenue	193.6	118.7	63.1%	173.8	11.4%
Gross Profit	329.7	226.5	45.6%	293.2	12.5%
EBIT	260.7	170.5	52.9%	238.8	9.1%
<b>Operating EBITDA</b>	<b>292.0</b>	<b>194.0</b>	<b>50.5%</b>	<b>270.1</b>	<b>8.1%</b>
Gross margin (%)	63.0%	65.6%		62.8%	
Operating EBITDA margin (%)	55.8%	56.2%		57.8%	
EBIT margin (%)	49.8%	49.4%		51.1%	

### Revenue breakdown



### Historical revenue (THB mn)



### Key factors

- New record quarterly revenue of THB 523.3mn, growth of 51.6% YoY
- Revenue from BTS-related media increased 32.3% YoY to THB 288.7mn (higher occupancy rate of on-station media and increase in pricing on In-train LCD)
- New contracts signed for Tesco Lotus and Big C in Q3 10/11 and Q2 11/12 led to 84.7% YoY increase in revenue from non-BTS media to THB 234.6mn

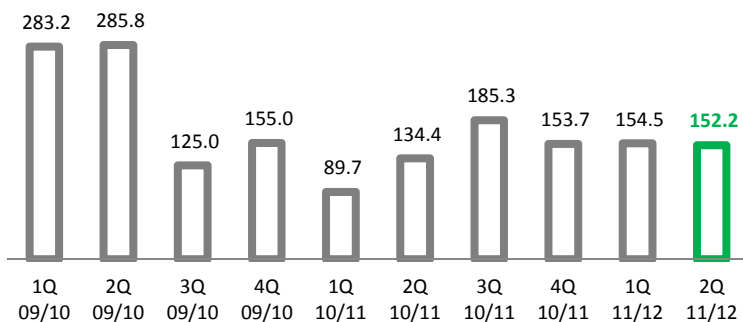
# Property

Revenue jumped 11.1% YoY to THB 152.2mn

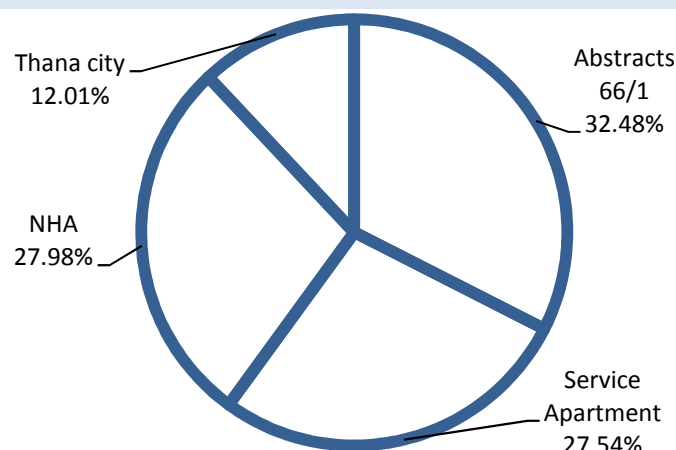
## Performance

Property (THB mn)	2Q 11/12	2Q 10/11	YoY	1Q 11/12	QoQ
Revenue	152.2	137.0	11.1%	154.5	-1.5%
Costs of revenue	126.6	205.6	-38.4%	125.0	1.3%
Gross Profit	25.6	(68.6)	137.5%	29.5	-13.3%
EBIT	(50.6)	(161.0)	17.5%	(47.2)	0.8%
<b>Operating EBITDA</b>	<b>(29.2)</b>	<b>(143.3)</b>	<b>1.2%</b>	<b>(10.5)</b>	<b>-178.1%</b>
Gross margin (%)	16.8%	-50.1%		19.1%	
Operating EBITDA margin (%)	-19.2%	-104.6%		-6.8%	
EBIT margin (%)	-33.2%	-117.5%		-30.6%	

## Historical revenue (THB mn)



## Revenue breakdown



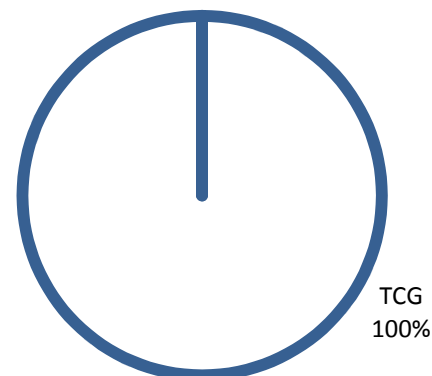
## Key factors

- A slight fall (1.5% QoQ to THB 67.7mn) in property revenue (14 units of Abstracts Sukhumvit 66/1 transferred compared to 18 units in Q1 11/12)
- Revenue from service apartment grew 24.3% YoY to THB 41.9mn due to the improvement of occupancy of the Group's hotel business
- Profitability greatly improved YoY due to no repeat of Abstracts brand launch costs & lack of loss from impairment in Real Estate inventory of TC

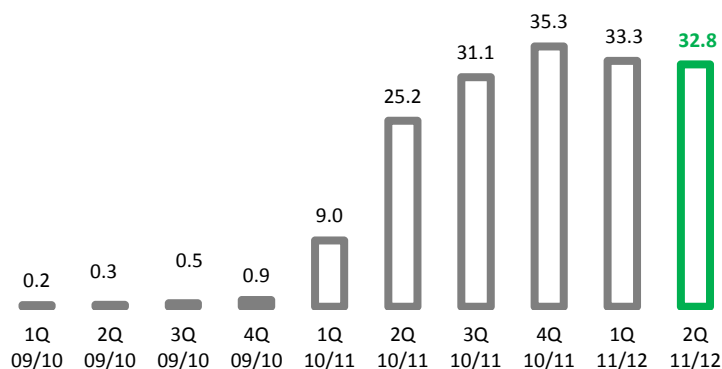
### Performance

Service	2Q 11/12	2Q 10/11	YoY	1Q 11/12	QoQ
Revenue	32.8	22.6	45.3%	33.3	-1.5%
Costs of revenue	17.0	12.4	37.4%	15.5	9.8%
Gross Profit	15.8	10.2	54.9%	17.8	-11.4%
EBIT	(3.2)	(2.1)	55.1%	0.8	-475.5%
<b>Operating EBITDA</b>	<b>2.7</b>	<b>1.0</b>	<b>NA</b>	<b>2.0</b>	<b>-233.3%</b>
Gross margin (%)	48.2%	45.6%		53.6%	
Operating EBITDA margin (%)	8.2%	4.4%		6.2%	
EBIT margin (%)	-9.7%	-3.0%		2.5%	

### Revenue breakdown



### Historical revenue (THB mn)



### Key factors

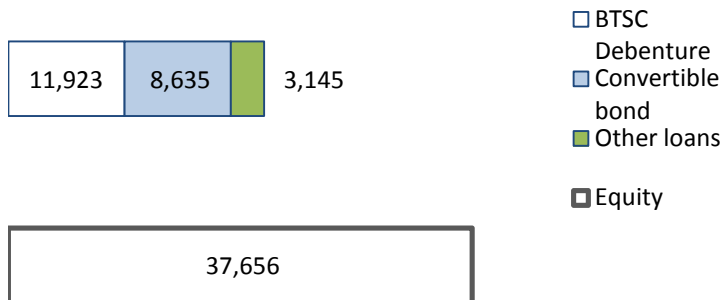
- Revenue from Thana City Golf remain stable QoQ at THB 32.8mn
- This represented 45.3% increase YoY as Thana City Golf was partly under renovation during Q2 10/11



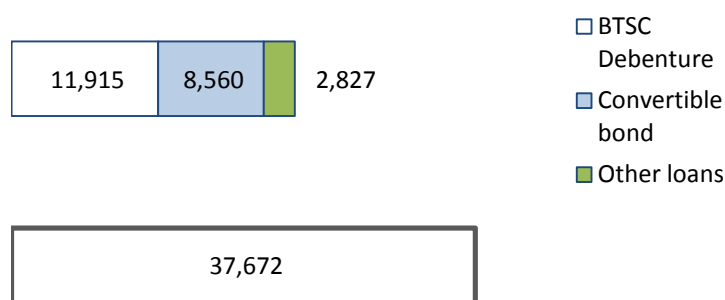
# Capital structure

Net debt to equity ratio at 30 Sep 11 = 0.60x (0.56x at 30 Jun 2011)

## 30 Sep 2011

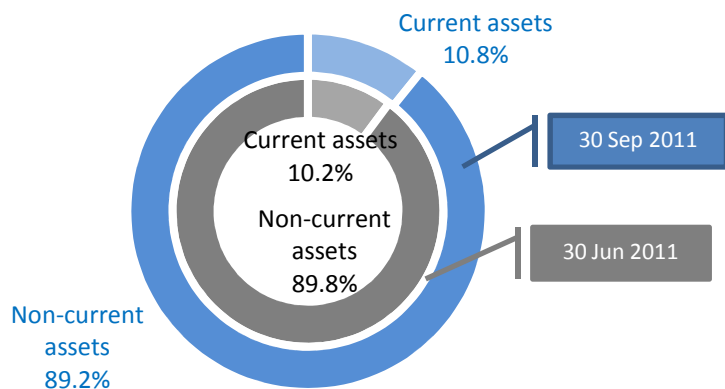


## 30 Jun 2011

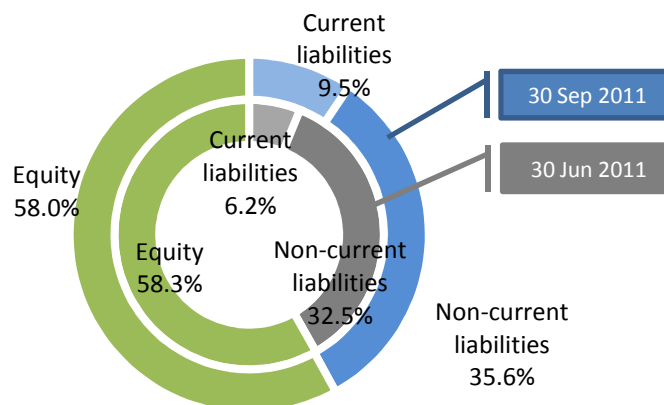


June 2011: increased paid-up capital by THB 831.3mn (through issuance of 1.3bn new shares)

## Assets breakdown



## Liabilities and equity breakdown



# Summary of income statement



## 2Q 11/12 income statement (THB mn)

Income Statement (THB mn)	2Q 11/12	2Q 10/11	% YoY	1Q 11/12	% QoQ
Operational revenues	2,033.9	1,494.7	36.1%	1,692.7	20.2%
Other operational incomes	45.0	19.6	129.4%	45.2	-0.5%
<b>Total revenues</b>	<b>2,078.9</b>	<b>1,514.3</b>	<b>37.3%</b>	<b>1,737.9</b>	19.6%
Operational costs	1,016.6	907.6	12.0%	874.9	16.2%
Selling and Administrative expenses	326.3	342.9	-4.9%	336.2	-3.0%
Other operational expenses	-	-	N.A.	-	N.A.
Income (loss) from investment in associates	0.2	0.5	-49.6%	(2.7)	N.A.
<b>Operating EBIT</b>	<b>736.3</b>	<b>264.2</b>	<b>178.7%</b>	<b>524.1</b>	40.5%
<b>Operating EBITDA</b>	<b>1,073.6</b>	<b>556.7</b>	<b>92.9%</b>	<b>562.4</b>	90.9%
Finance cost	355.5	334.1	6.4%	353.5	0.6%
Non-operational gain (loss)	1,008.7	704.5	43.2%	28.9	3391.1%
<b>EBT</b>	<b>1,389.4</b>	<b>634.6</b>	<b>118.9%</b>	<b>199.5</b>	596.4%
Income tax	52.0	30.4	71.1%	42.5	22.2%
Minority interests	55.8	13.1	327.4%	20.6	170.7%
<b>Net profit (loss)</b>	<b>1,281.6</b>	<b>591.2</b>	<b>116.8%</b>	<b>136.3</b>	839.9%
<b>EPS (THB per share)</b>	<b>0.0224</b>	<b>0.0106</b>	<b>111.9%</b>	<b>0.0024</b>	839.9%

### \* Non-recurring items

2Q 11/12: 1) Allowance for loss in value of civil works of THB 705.2mn 2) Compensation (interest charges) related to the allowance of THB 344.2mn

2Q 10/11: 1) Gain on deposit of assets as guarantee for debt settlement of THB 708.5mn 3) provision for impairment of asset of THB 81.6mn

# Summary of balance sheet



Balance Sheet (THB mn)	30 Sep 2011	31 March 2011	%YoY
Cash and cash equivalents	1,052.3	1,825.4	-42.4%
Account receivables	645.0	571.9	12.8%
Real estate development costs	3,031.9	2,947.7	2.9%
Other current assets	2,302.8	948.2	142.9%
<b>Total current assets</b>	<b>7,032.1</b>	<b>6,293.3</b>	<b>11.7%</b>
Elevated project costs	44,205.4	44,443.0	-0.5%
Land and project under development	2,822.8	2,692.9	4.8%
Investment properties	2,322.6	2,345.5	-1.0%
Property, plant and equipment	5,800.8	5,337.5	8.7%
Other non-current assets	2,717.8	2,713.9	0.1%
<b>Total non-current assets</b>	<b>57,869.4</b>	<b>57,532.9</b>	<b>0.6%</b>
<b>Total assets</b>	<b>64,901.5</b>	<b>63,826.2</b>	<b>1.7%</b>
Short-term loan from financial institution	200.0	500.0	-60.0%
Account Payable	159.4	267.5	-40.4%
Account Payable from subsidiaries' acquisition	-	-	N.A.
Other current liabilities	5,783.3	2,894.3	99.8%
<b>Total current liabilities</b>	<b>6,142.7</b>	<b>3,661.7</b>	<b>67.8%</b>
Long-term loan - net of current portion	2,505.6	1,785.3	40.3%
Long-term debenture - net of current portion	9,432.4	11,906.6	-20.8%
Convertible debentures - liability component	8,634.6	8,486.8	1.7%
Other non-current liabilities	9,165.3	8,963.2	2.3%
<b>Total non-current liabilities</b>	<b>21,103.2</b>	<b>22,655.0</b>	<b>-6.8%</b>
Registered capital at Par THB 1 each	77,219.1	77,219.1	0.0%
Convertible debentures - equity component	-	-	N.A.
Share premium (discount)	350.7	-	N.A.
Retained earnings	(1,352.2)	(1,475.8)	N.A.
Other shareholders' equity	367.5	481.7	-23.7%
Equity attributable to company's shareholders	35,966.5	34,775.1	3.4%
Non-controlling interest - equity attributable to minority	1,689.0	2,734.4	-38.2%
<b>Total shareholders' equity</b>	<b>37,655.5</b>	<b>37,509.5</b>	<b>0.4%</b>
<b>Total liabilities and shareholders' equity</b>	<b>64,901.5</b>	<b>63,826.2</b>	<b>1.7%</b>

# Summary of cash flow statement



Cash Flow Statement (THB mn)	2Q 11/12	1Q 11/12	%QoQ
Income (loss) before tax	1,389.4	199.5	596.4%
Adjustment to reconcile income (loss) before tax:			
Depreciation and amortisation	71.3	69.9	2.0%
Spare parts and elevated project costs amortisation	320.9	250.6	28.1%
Other adjustments	(642.6)	342.0	-287.9%
Decrease (Increase) in operating assets	(383.5)	(288.6)	N.A.
Increase (Decrease) in operating liabilities	(128.6)	96.0	-234.0%
Cash paid for interest expenses	(298.9)	(189.4)	N.A.
Cash paid for corporate income tax	(50.8)	(23.1)	N.A.
Cash received for interest income	2.5	4.7	-46.5%
<b>Net cash from (used in) operating activities</b>	<b>279.6</b>	<b>471.0</b>	<b>-40.6%</b>
Increase in elevated rail project costs	(190.8)	(36.5)	N.A.
Increase in advances for asset acquisitions	195.8	(204.9)	N.A.
Cash paid for purchases of property, plant and equipment	(271.7)	(317.6)	N.A.
Cash paid for purchases of condominiums and fixtures for lease	0.0	0.0	N.A.
Cash paid for purchase of investment in subsidiaries	0.0	0.0	N.A.
Others	(46.6)	(19.5)	N.A.
<b>Net cash used in investing activities</b>	<b>(313.3)</b>	<b>(578.5)</b>	<b>N.A.</b>
Dividend paid	(1,286.7)	0.0	N.A.
Increase in long-term loan	622.1	389.9	59.6%
Cash paid for long-term loans	(3.8)	0.0	N.A.
Cash received from issuance of ordinary shares	0.0	0.0	N.A.
Cash received from issuance of convertible debentures	0.0	0.0	N.A.
Others	(354.4)	0.0	N.A.
<b>Net cash from (used in) financial activities</b>	<b>(1,022.8)</b>	<b>389.9</b>	<b>-362.3%</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,050.8)</b>	<b>277.6</b>	
Cash and cash equivalents at beginning of the period	2,103.1	1,825.4	
<b>Cash and cash equivalents at the end of the period</b>	<b>1,052.3</b>	<b>2,103.1</b>	

# Flood Impact and Outlook

## Mass transit

- Full service operation has been maintained
- Depot, electricity sources and Saphan Taksin station have flood protection in place
- No asset damage
- October ridership fell 6% MoM (+8% YoY)
- Maintain minimum 15% ridership growth target
- Assuming flood impact all resolved in December

## Media

- 10 BigC & 12 Tesco Lotus stores shut during the flood
- No material asset damage and VGI has procured all risk insurance (including flood)
- Product launch delays and advertising budget has been severely cut
- Nov and Dec advertising budget will be worst hit
- Normally recovery period for industry is gradual over 6 months but expect Mass Transit to be faster
- Full Year revenue growth forecast revised to +20%

## Property

- So far no project site flooded
- No asset damage
- Expect Abstracts Phahonyothin Park to complete construction within Calendar Year 2012
- Slower sales and buyer interest during flooding period
- Potential delay to the opening of Hotel at Surasak BTS

## Services

- No asset damage or impact to costs
- Possible delay to roll out schedule of common ticketing system but still aim for launch within 1Q 12/13

# Q&A