



Translation

Overview

Financial Highlights

- Operating EBITDA¹ margin in 3Q 11/12 grew 53.6% YoY to THB 1,068.2mn
- Mass Transit business unit revenue increased 29.5% YoY to THB 1,345.5mn, surpassing the previous quarterly record
- Mass Transit business unit revenue increased 1.5% QoQ despite 3.6% drop in quarterly ridership on the back of flooding
- Total quarterly ridership of 43.5mn passengers in 3Q 11/12 represents 9.6% YoY growth
- Average ridership for 3Q 11/12 of 529,466 passengers / weekday represents 9.9% YoY growth
- Media revenue weakened only slightly; falling 3.8% QoQ to THB 503.5mn in spite of 'flood effect'
- Total operating revenue of THB 1,994.3mn in 3Q 11/12, representing growth of 22.7% YoY
- Profit attributable to the equity holders of the Company of THB 328.8mn

Quarterly Performance – 3Q 11/12

BTS Group Holdings Public Company Limited ("BTSG" or the "Company") and subsidiaries (together, the "Group") recorded consolidated total revenue of THB 2,131.2mn in 3Q 11/12, an increase of 25.3% (or THB 430.2mn) from THB 1,700.9mn in 3Q 10/11. Operating revenue also rose 22.7% to THB 1,994.3mn. The increase in operating revenues was on account of the improved revenue performance from the Mass Transit and Media business sectors. Revenues from the Mass Transit, Media, Property and Services businesses accounted for 67.5%, 25.2%, 5.5% and 1.8% of total operating revenues respectively.

Operating Revenue ² (THB mn)	3Q 11/12	% of Total ²	3Q 10/11	% Change (YoY)	3Q 11/12 margin ⁴	3Q 10/11 margin ⁴
Mass Transit ³	1,345.5	67.5%	1,038.9	29.5%	44.5%	40.7%
Media ³	503.5	25.2%	370.4	35.9%	59.0%	66.2%
Property ³	109.5	5.5%	182.7	-40.1%	32.1%	2.8%
Services ³	35.9	1.8%	33.7	6.5%	41.4%	81.8%
TOTAL²	1,994.3	100.0%	1,625.7	22.7%	47.4%	43.1%

¹ Operating EBITDA excludes non-recurring items

² Total operating revenue for 3Q 11/12 excludes other income of THB 136.9mn (3Q 10/11 THB 75.2mn) from gain on exchange, revenue from court-ordered compensation, interest income and others.

³ Mass Transit revenues include Fare box revenue as well as Service Income from Train Operation Management. Media revenues include advertising revenue from both BTS and non-BTS business. Property includes Sales from Real Estate, Rental and Service Income from commercial properties and hotel operations. Services business includes revenue from Thana City Golf and Sports Club Co. Ltd.

⁴ Gross profit margin

Total expenses rose by 7.0% to THB 1,388.8mn (and less than the increase in operating revenue) hence the Group saw an improvement in its operating gross margin to 47.4% compared with 43.1% in the previous year. Selling, service and administrative expenses fell 5.9% YoY or by THB 21.2mn to THB 338.0mn largely due to the reduction of sales and marketing expenses in relation to the Group's Property business.

This led to the improvement of operating EBITDA by 54.6% YoY to THB 1,068.2mn. Finance costs increased by 3.9% YoY or THB 13.5mn to THB 357.4mn (but were stable QoQ). The Group also realised non-recurring revenues totaling THB 11.5mn related to court-ordered compensation and there was a gain on exchange (THB 41.4mn) in relation to the Euro currency exposure of the purchase of rolling stock (35 middle cars). All these taken into account, the Group reported consolidated profit for the 3 month period of THB 348.1mn (a 1,296.2% increase from net profit of THB 24.9mn in 3Q 10/11) and profit attributable to the equity holders of the Company at THB 328.8mn (an increase of THB 317.3mn compared to 3Q 10/11).

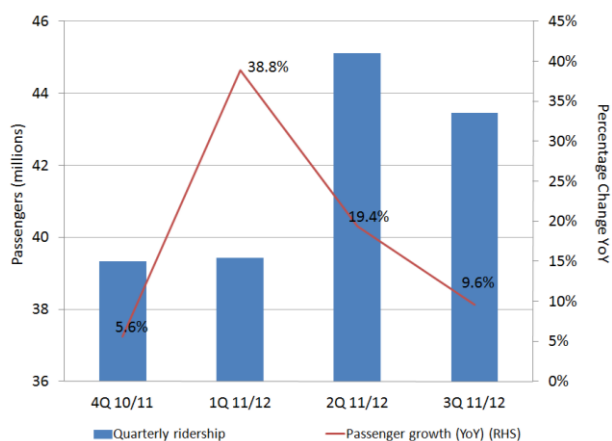
Total assets at 31 December 2011 stood at THB 67,171.3mn, a 5.2% increase from 31 March 2011 as the Company recorded the right of claim from acquisition of debts per rehabilitation plan at THB 741.5mn (3Q 11/12) and the increase in accrued income from court-ordered compensation plus accrued interest charges at THB 1,064.0mn (2Q 11/12). Long term debt (including current portion) also increased by THB 1,578.9mn as the Group drew down for the purchase of rolling stock and development of its Property projects.

Major Developments in 3Q 11/12

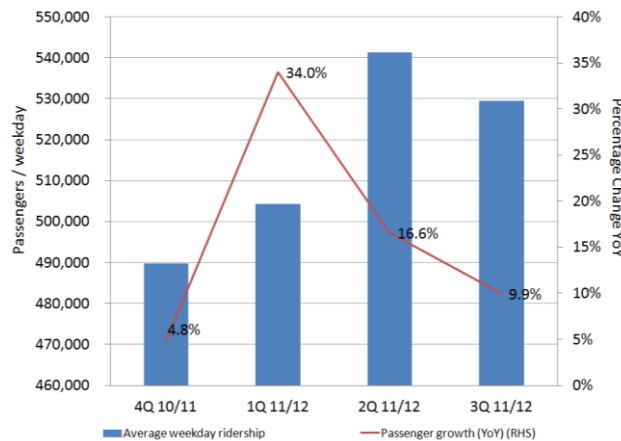
Mass Transit Business

Ridership fell by 3.6% from the previous quarterly record (45.1mn passengers achieved in 2Q 11/12) totaling 43.5mn passengers, due to the flooding in the Bangkok metropolitan area during early October through November 2011. Whilst central Bangkok and most the stations on BTS SkyTrain were not in the flood affected area, the flooding severely disrupted the commuting patterns of Bangkok's residents and several additional national holidays were declared. However, 3Q 11/12 ridership still grew 9.6% on a YoY basis, owing largely to the new On nut – Bearing extension which opened on 12th August 2011. Average ridership per weekday also followed a similar trend, falling 2.2% QoQ but rising 9.9% YoY to 529,466 passengers per weekday.

Historical Quarterly Ridership (passengers / quarter)



Historical Average Weekday Ridership (passengers / weekday)



In spite of the 3.6% QoQ fall in ridership, overall Mass Transit revenue still increased by 1.5% or THB 19.8mn QoQ to THB 1,345.5mn. This was primarily due to the increased contribution of operation and maintenance (O&M) revenue from new extensions. O&M revenue rose 13.5% or THB 32.1mn QoQ to THB 269.6mn. Farebox revenue fell slightly by 1.1% or THB 12.2mn QoQ to THB 1,075.9mn as a 2.6% increase in the average fare (from THB 24.12 to THB 24.75 per trip) partially offset the decline in ridership.

On a YoY basis, Mass Transit revenue increased by 29.5% or THB 306.5mn, supported by a 9.6% increase in total ridership, a 2.3% increase in the average fare (from 24.19 THB / trip to THB 24.75 per trip) and a 240.0% increase in O&M income. The significant increase in O&M income relates to the On nut – Bearing extension and includes revenue from both pre-operation and operation contracts.

Cost of revenues rose 9.9% or THB 67.3mn QoQ (21.2% or THB 130.5mn YoY) to THB 746.7mn from higher staff costs. The YoY increase was due to higher employees required for the On nut – Bearing extension and higher depreciation (from higher ridership, new signaling system and new trains). SG&A expenses fell THB 20.9mn or 13.8% QoQ due to a decline in selling expenses, professional fees, and gain/(loss) on FOREX. The YoY decline of SG&A expenses by THB 23.2mn or 15.0% was largely due to a decrease in FOREX loss. As such, the operating EBITDA margin of the mass transit business was 64.3% (compared to 68.3% in 2Q 11/12 and 55.1% in 3Q 10/11).

Media Business

The Group's Media business revenue fell by 3.8% or THB 19.8mn QoQ to THB 503.5mn primarily due to the decline in modern trade media revenue. Many modern trade branches had to be shut due to the flooding and the supply chain was disrupted severely which caused many advertisers to withdraw or delay advertising spend during November and December 2011. YoY revenue growth reached 35.9% or THB 133.0mn as a result of additional modern trade contracts secured during the year as well as the growth from BTS related media. Revenue from BTS-related media reached THB 301.1mn; representing growth of 4.4% or 12.8mn QoQ (largely due to seasonal factors) or 29.6% or 68.8mn YoY from a combination of higher occupancy / additional cars. Revenue from non-BTS media reached THB 202.4mn; representing a decline of 13.9% or THB 32.6mn QoQ (due to aforementioned flooding impact) or an increase of 46.5% or THB 64.2mn YoY (due to additional contracts signed with modern trade partners).

Cost of revenues increased 6.6% or THB 12.7mn QoQ (64.5% or THB 80.9mn YoY) to THB 206.3mn with the YoY increase also as a result of the additional contracts signed in the modern trade sector which began to generate revenue in 2Q 11/12. The QoQ increase largely came from higher production costs related to both BTS and non-BTS media. Consequently the operating EBITDA margin of the Media business dropped to 51.0% compared to 56.0% in 2Q 11/12.

Property Business

Property revenue for the Group fell by 28.1% or THB 42.7mn QoQ (40.1% or THB 73.2mn YoY) to THB 109.5mn as the Group completed its work in relation to its Baan Aur Athorn (National Housing Association) in 2Q 11/12. As such the Group recorded no revenue from construction services in 3Q 11/12 (3Q 10/11 THB 95.1mn; 2Q 11/12 THB 42.6mn). Revenue in relation to transfer of units at Abstracts Sukhumvit 66/1 was stable, as the company transferred 15 units contributing THB 48.2mn (2Q 11/12; 14 units).

Cost of revenues fell 41.3% or THB 52.2mn QoQ (THB 58.1% or THB 103.1mn YoY) to THB 74.4mn again as a result of the absence of any contribution from Baan Aur Athorn project. Property gross profit reached THB 35.1mn representing an increase of 578.5% or THB 29.9mn YoY (37.3% or THB 9.5mn increase QoQ) due to the lack of lower margin Baan Aur Athorn business.

Services Business

Our Services business saw another steady quarter, with revenue of THB 35.9mn (representing a 9.4% QoQ and 6.5% YoY increase) from Thana City Golf. The division's gross profit margin was 41.4%.

Absolute Hotel Services Co. Ltd (AHS) continued with the acquisition of 8 new management contracts under the Eastin, U Hotels & Resorts brand, and other unbranded hotels during the period.

New contracts secured

U Hotels & Resorts	Eastin Hotels / Residence and Eastin Easy	Unbranded
Indochina	India	Indochina
U Soc Son (near Hanoi) - 80 villas opening 2013	Eastin Easy Kolkata - 90 rooms opening 2012	Hoa Binh Conference Hotel - 125 rooms opening 2014
U Cat Ba Island - 80 villas opening 2013	Eastin Easy Amritsar - 42 rooms operating and under re-branding	
U Aranya Hue (Vietnam) - 80 keys, 2013		
	Thailand:	India
	Eastin Easy Siam Piman - 44 keys, 2011	Riva Beach Resort Goa - 44 rooms opening 2012

Hip Hing Construction (Thailand) continues to make good progress with its construction management work at the BTS Group's hotel project at Surasak (93% completed), Abstracts Sukhumvit 66/1 ("The Moon" phase 100% completed and "The Sun" 100% completed) and Abstracts Phahonyothin Park (42% completed) as of 31 Dec 2011.

Financial Ratios

Key financial ratios	3Q 11/12	3Q 10/11	2Q 11/12
<i>Profitability ratios</i>			
Gross profit margin (%)	47.3%	43.0%	50.0%
Selling and administrative expenses to sales ratio (%)	16.3%	21.3%	15.7%
EBITDA margin (%) ^B	52.7%	42.6%	68.3%
Operating EBITDA margin (%) ^A	53.6%	42.5%	55.3%
EBT margin (%) ^B	18.1%	3.5%	44.4%
Net profit margin (%)	15.4%	0.7%	41.0%
ROA (%)	2.53%	1.17%	2.13%
ROE (%)	4.48%	1.98%	3.67%
<i>Leverage</i>			
Total liability to total asset (times)	0.43x	0.41x	0.42x
Total liability to total equity (times)	0.77x	0.69x	0.72x
Net debt to equity (times)	0.62x	0.55x	0.60x
Net debt to operating EBITDA (times)	22.14x	28.63x	20.32x
Interest coverage (times)	3.00x	2.09x	3.14x
<i>Per share ratios</i>			
Earnings per share (THB)	0.0057	0.0002	0.0224
Operating cash flow per share (THB)	0.009	0.005	0.005
Free cash flow per share (THB)	-0.005	-0.021	0.000
Enterprise value per share (THB)	1.14	1.24	1.02
Book value per share (THB)	0.66	0.67	0.66

^A Based on operating and recurring revenue only

^B Includes non-recurring revenue and expenses



Management Outlook

For 4Q 11/12 we expect mass transit business to post another strong quarter now that the interruption from the flooding has passed. As such, we fully expect that our 15% FY 11/12 ridership growth target will be met. For FY 12/13 we expect ridership to grow by approximately 15% compared to FY 11/12E ridership based on the full year effect of the On nut – Bearing Extension (opened in August 2011), the anticipated opening of Wongwian Yai – Bang Wa extension and new trains expected to be in service by end of 2012.

Within Media, we expect any flooding impact to be largely offset by growth from new contracts procured. For FY 12/13 we expect revenues to grow by at least 40% compared to FY 11/12E, due the full year effect of new contracts signed with our Modern Trade partners as well as continued strength of our mass transit media.

Although the floods had a very severe impact on the Thai economy in 2011, this should result in knock-on growth for 2012. Aided by the post-flood re-build and anticipated infrastructure investment, consensus GDP growth for 2012 is expected at around 5%. The Thai Central bank has reduced rates by 0.5% since November 2011 as inflation concerns ease relative to economic growth priority. The Thai economy as always is exposed to external influences but BTS business portfolio should be well positioned to withstand any such impact.

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Rangsin Kritalug

(Director)