

OVERVIEW

Translation

FINANCIAL HIGHLIGHTS

- **Annual operating revenue of THB 10,375.5mn in FY 12/13, representing an increase of 34.4% YoY**
- Operating EBITDA¹ in FY 12/13 reaching THB 5,273.0mn, or 27.3% growth YoY
- **Cash from operating activities increases by 101.5% to THB 6.04bn**
- Mass transit revenue in FY 12/13 increased 19.5% YoY to THB 6,015.5mn
- **Record ridership on BTS SkyTrain achieved**; 12.0% ridership growth to 197.2mn passengers in FY 12/13. **Average fare also increases 1.7% YoY** to THB 24.8 per trip.
- **Record revenue for Media business achieved**; THB 2,794.7mn in FY 12/13 or 42.7% growth YoY
- Net income attributable to the equity holders of the Company, increasing 18.2% YoY to THB 2,488.3mn
- **Full year dividend to shareholders of THB 4,359.1mn, equivalent to a dividend yield of 4.65%⁶**

Note: On 17 April 2013, Bangkok Mass Transit System plc (BTSC) sold the future net farebox revenues under its concession contract with the Bangkok Metropolitan Administration for the BTS SkyTrain Core Network to BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). Although the transaction occurred in 1Q 13/14, in accordance with TFRS5 - Non-current Assets Held for Sale and Discontinued Operations, the Company is required to separately present the assets, liabilities and profitability of the asset held for sale in the financial statements. As such, in the balance sheet for 31 March 2013 "Elevated rail project costs" have been re-classified to "Non-current assets held for sale" and revenue net of costs and expenses from the Core network have been presented as a single line item 'profit from discontinued operations' within the Income Statement. For more information, please refer to Notes 27 and 49 to the financial statements. Within the MD&A, in order to present certain figures on a comparable basis to previous quarters, certain mass transit revenue figures include the net revenue from the Core network.

FY 12/13 ANNUAL PERFORMANCE

BTS Group Holdings Public Company Limited ("BTSG" or the "Company") and subsidiaries (together, the "Group") recorded consolidated total revenue of THB 6,713.5mn in FY12/13. This represented an increase of 35.5% (or THB 1,758.5mn) from THB 4,955.0mn in FY 11/12. The increase was primarily due to both stronger operating performance as well as the proceeds from divestment of non-core Property assets (land plots in Bangkok and Phuket). Operating revenue (see below) also grew 34.4% YoY to THB 10,375.5mn. The increase in operating revenues was on account of the improved performance from the Mass transit, Media, and Property business sectors (see segmental performance for more details). Revenues from the Mass transit, Media, Property and Services businesses accounted for 58.0%, 26.9%, 14.7% and 0.4% of total operating revenue, respectively.

Operating Revenue ⁴ (THB mn)	FY 12/13	% of Total ⁴	FY 11/12	% of Total ⁴	% Change (YoY)	FY 12/13 Margin ⁵	FY 11/12 Margin ⁵
Mass transit²	6,015.5	58.0%	5,031.9	65.2%	19.5%	48.2%	45.7%
Media	2,794.7	26.9%	1,958.8	25.4%	42.7%	59.1%	59.0%
Property³	1,522.7	14.7%	728.3	9.4%	109.1%	36.8%	26.6%
Services	42.6	0.4%	0.7	0.0%	N/A	N/A	N/A
TOTAL⁴	10,375.5	100.0%	7,719.8	100.0%	34.4%	48.8%	47.2%

¹ Operating EBITDA excludes non-recurring items

² Mass transit revenues include 'Fare-box revenue' as well as 'Service Income from Train Operation Management'. As per the introductory note to the MD&A, however, the net farebox revenues from the Core BTS SkyTrain network is now recorded as a separate line item "Profit from discontinued" in accordance with TFRS5. More details can be seen in note 27 to the financial statements)

³ 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. Note that income related to Thana City Golf & Sports Club Co., Ltd. was reclassified from Services Business to Property business in 4Q 11/12.

⁴ Total operating revenue for FY 12/13 and FY 11/12 exclude other income from dividend income, interest income, reversal of allowance for diminution in value of civil works awaiting transfer, revenue from court-ordered compensation, gain from sales of investments in subsidiary, gain (loss) on exchange, and others

⁵ Operating gross profit margin

⁶ Subject to shareholders' approval of the final dividend. Dividend yield based on share price as of date prior to Board of Director approval of relevant dividend payment

Although total expenses rose by 51.3% YoY to THB 4,188.0mn in relation to the growth of Mass transit, Media and Property business sectors, the Group demonstrated a strong operating performance with its operating gross profit margin increasing to 48.8% from 47.2% in the previous year as a result of operating leverage in such three business sectors. Despite the fact that SG&A expenses increased 45.7% YoY or by THB 398.9mn to THB 1,271.1mn (mainly due to the increase in Mass transit, Media and Property SG&A expenses), operating EBITDA improved by 27.3% YoY to THB 5,273.0mn.

Finance costs decreased YoY by 12.9% or THB 184.1mn to THB 1,247.8mn. The reduction was mainly due to debt reduction, specifically from continued conversion of BTSG convertible bonds, maturity of the first tranche of BTSC Debenture (THB 2,500.0mn in Aug 2012) as well as other debt repayment. Consolidated Group Income tax rose by 154.4% to THB 439.2mn on



higher profit as well as a higher BTSC income tax following the expiry of tax losses carried forward at BTSC in December 2012. All the above taken into account, the Group recorded a consolidated profit (increasing 22.4% YoY to THB 2,736.1mn) and profit attributable to the equity holders of the Company (an increase of 18.2% YoY to THB 2,488.3mn).

BALANCE SHEET AND CASH FLOW

Total assets as of 31 March 2013 stood at THB 67,031.1mn, a 0.2% increase from 31 March 2012. Total non-current assets reduced by 74.9% to THB 14,800.8mn largely as i) Elevated rail project costs were re-classified as in accordance with TFRS5 (see note 27 to the financial statements) and ii) Land and projects awaiting development fell by 100.0% or THB 2,676.3mn as the Group sold a land plot in Phuket and transferred land plots of THB 1,440.4mn to Investment properties. Total liabilities decreased from 31 March 2012 by 45.2% or THB 13,528.3mn to stand at THB 16,428.4mn largely due to the conversion of all BTSG convertible bonds (THB 8,648.3mn), the first tranche repayment of BTSC debenture (THB 2,500.0mn) in Aug 2012, as well as repayment of bank loans (THB 1,977.9mn). On the equity side, total equity increased by THB 13,670.5mn or 37.0% to THB 50,602.7mn. This increase was attributable to i) increase in paid-up capital to THB 44,426.5mn resulting from additional 1,956.5mn ordinary shares issued from the conversion of all convertible bonds and the first exercise of BTS-W2 which brought issued and fully paid-up shares to increase to 11,106.6mn shares and ii) surplus from sale of shares in the subsidiary, VGI Global Media. Note that the gain on sale of VGI shares was recorded in the consolidated balance sheet as equity under 'surplus from the changes in the ownership interests in subsidiaries' but not recorded in the profit & loss account, as the changes in the Company's ownership interest in a subsidiary did not result in a loss of control.

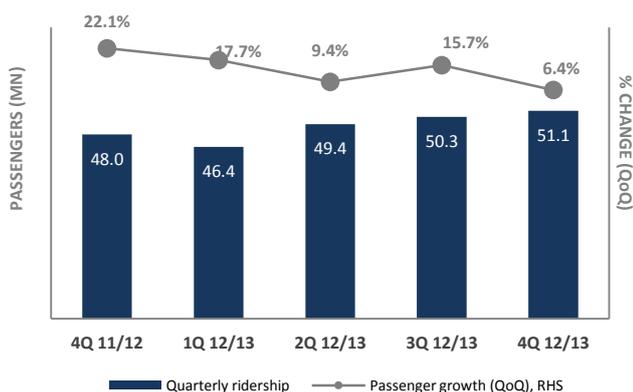
For the year ended 31 March 2013, net cash provided from operating activities was at THB 4,683.1mn compared to THB 1,755.8mn in the previous year. Key contributors of the increase were improved profit and a reduction in accrued income following receipt of payment from the Treasury Department. Net cash generated from investing activities stood at THB 4,979.8mn. Key items were proceeds from the sale of investment in subsidiaries (Kamala, Nana, and VGI) and cash received from issuance of ordinary shares of the subsidiaries (VGI IPO). Net cash used in financing activities was at THB 7,494.7mn mainly from debt repayment and dividend payment. As a result, the consolidated cash flow statements showed an increase of THB 2,180.0mn in cash and cash equivalents to THB 3,513.3mn from the previous year of THB 1,333.2mn.

SEGMENT PERFORMANCE

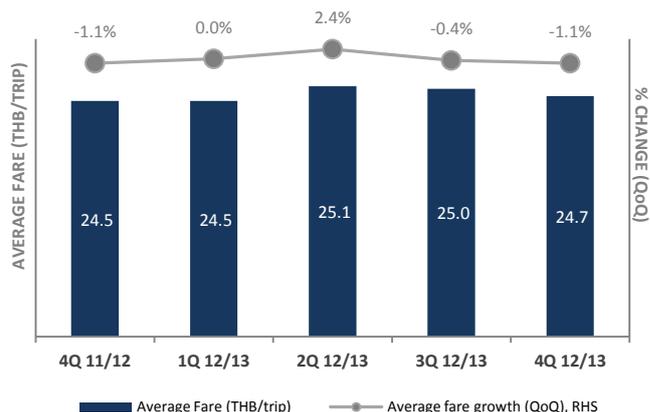
MASS TRANSIT BUSINESS

Total revenue from our Mass transit business increased by 19.5% YoY to THB 6,015.5mn supported by an increase in fare-box revenue and an increase in train operating & management (O&M) income. Fare-box revenue increased 13.9% (or THB 598.7mn) to THB 4,895.5mn on account of ridership growth and increased average fare (which rose by 1.7% YoY to THB 24.8 per trip). Annual ridership reached a new record of 197.2mn passengers, up 12.0% YoY and within our target range of 12% - 15%). Key growth factors included i) organic growth; ii) increased popularity of Mass transit in Bangkok, especially from the Property development along the core network; iii) the full year effect of the opening of the Sukhumvit line (On nut – Bearing) extension which opened in August 2011 and iv) the introduction into service of new carriages (all trains on the Sukhumvit line were extended from 3-car trains to 4-car trains). Average weekday ridership also reached a new record (603,534 passengers per weekday), increasing 11.4% YoY. Income from train operating management rose by 52.4% or THB 384.9mn YoY to THB 1,120.0mn, mainly related to the full year effect of the Sukhumvit line (On nut – Bearing extension) and the increased revenue from the revised O&M contract for Silom line extension.

Historical Quarterly Ridership (mn passengers / quarter)



Historical Quarterly Average Fare (THB / trip)



Cost of Mass transit revenue, including SG&A increased 14.8% or THB 463.0mn YoY tied to higher ridership (but less than the increase in operating revenue as a result of economies of scale). Key cost items were mainly from depreciation recorded (from higher ridership, new signaling system and new trains) and employee costs which mainly rose from the full year effect of the On nut – Bearing extension as well as the indirect impact of the increased minimum wage. As higher SG&A expenses were offset by the improved economies of scale across Mass transit network, the operating EBITDA margin of the Mass transit business was steady at 65.9% (66.6% in FY 11/12).

MEDIA BUSINESS

Our Media business achieved 42.7% (or THB 835.8mn) revenue growth YoY to THB 2,794.7mn, exceeding the targeted growth of 40%. Factors contributing to our record revenue came from the revenue growth across all three business segments.

BTS-related Media revenue was THB 1,379.4mn, representing growth of 22.6% or THB 254.7mn YoY. The growth in BTS-related revenue came from i) increased occupancy on existing In-Train static and digital Media and added capacity (12 additional 4-car trains that were added in 2011, from which the Company fully recognised revenue in FY 12/13); ii) the increased utilisation from On-Station Media and iii) the increase in rent for long-term contracts of merchandising space on the BTS stations which became effective in FY 12/13, coupled with the increased occupancy of small rental shops on the stations, which grew with an increase of 12.0% ridership.

Revenue from Modern Trade Media reached THB 1,249.6mn, representing growth of 65.7% or 495.5mn YoY largely due to i) significantly higher earnings from static Media, Media production and radio in relation to additional contracts signed with Tesco Lotus and Big C in sales floor areas in 2H 11/12 and ii) a low base effect from last year's flooding.

Office Building & other Media revenue reached THB 165.8mn, representing growth of 107.0% or THB 85.7mn YoY. The increase was driven by i) additional rights for advertising Media in 4 additional office buildings; ii) the adjustment in sales strategy by bundling Office Building Media with BTS-related Media; iii) business expansion by acting as a sole sales agent for mega-LED screens at Watgate, Rama 9 and Rama 4 junctions as well as Victory Monument and iv) obtaining rights to advertise in Chulalongkorn University's bus system.

Cost of revenue increased 42.1% or THB 338.2mn YoY to THB 1,141.7mn, which is in line with sales growth. Media SG&A increased 42.4% or THB 109.2mn YoY to THB 366.9mn as a result of i) increase in selling expenses as commissions increased which is in line with sales growth and ii) increase in the number of employees to support Modern Trade operations from the acquisition of additional sales floor licenses in Tesco Lotus and Big C. The operating EBITDA margin of the Media business decreased to 50.8% in FY 12/13 (52.3% in FY 11/12) due to the higher revenue contribution from the lower margin business of Modern Trade media.

PROPERTY BUSINESS

In FY 12/13, revenue from the group's Property business showed a significant improvement increasing by 588.6% to THB 5,014.9mn. The increase was attributable to i) the disposal of the Group's entire investment in Kamala Beach Resort & Hotel Management Co., Ltd. (THB 1,643.0mn in 2Q 12/13); ii) the divestment of Kampoo Property Company Limited (land plot next to Nana BTS SkyTrain station) (THB 1,849.2mn in 3Q 12/13); and iii) an improvement in operating revenue.

Property operating revenue increased by THB 794.4mn YoY to THB 1,522.7mn. The increase in operating performance was primarily driven by i) revenue in relation to 198 units transferred from Abstracts Phahonyothin Park (started transferring in December 2012) and ii) revenue from Eastin Grand Hotel operations at Surasak BTS SkyTrain station which had its grand opening in October 2012. Presales of Abstracts Phahonyothin Park and Abstracts Sukhumvit 66/1 reached 84% and 86% respectively as of 31 March 2013.

Operating costs rose at a lower rate than operating revenues. An increase of THB 428.2mn YoY to THB 962.6mn was mainly from costs from transferred units of Abstracts Phahonyothin Park and the newly completed Eastin Grand Hotel. Property SG&A expenses increased by THB 229.9mn or 66.9% YoY to THB 573.8mn mainly driven by expenses related to transfers from Abstracts Phahonyothin Park, including transfer fees, marketing expenses, sales commission and depreciation expenses of Eastin Grand Hotel. Due to the improved operating performance, coupled with the aforementioned sale of land of Kamala and Nana, this resulted in a positive net profit of THB 890.9mn for our Property business this year.

SERVICES BUSINESS

Our Services business saw FY 12/13 revenues increase by THB 41.8mn YoY to THB 42.6mn. This increase was primarily due to the growth of Rabbit card sales (common ticketing cards for Bangkok's Mass transit network and retail e-payment card which were launched in May 2012), which reached over 1 million cards by 31 March 2013 and the increase of revenue of HHT construction services. There was also THB 98.1mn cost of revenue as well as THB 101.0mn SG&A expenses related to the establishment of the Rabbit card and Carrot Rewards programme.

KEY FINANCIAL RATIOS

<i>Profitability ratios*</i>	FY 12/13	FY 11/12	FY 10/11
Gross operating profit margin (%)	48.8%	47.2%	43.0%
Selling and administrative expenses to operating sales ratio (%)	16.6%	15.8%	21.7%
Accounting EBITDA margin (%)	63.9%	74.4%	47.0%
Operating EBITDA margin (%) ^A	50.8%	53.6%	43.3%
Accounting net profit margin (%) ^B	40.8%	45.1%	4.5%
Net recurring profit margin (%) ^C	17.4%	13.2%	-5.5%
ROA (%) ^D	4.1%	3.3%	0.5%
ROE (%) ^D	5.4%	6.1%	0.8%
<i>Leverage ratios</i>			
Total liability to total asset (times)	0.25x	0.45x	0.41x
Total liability to total equity (times)	0.32x	0.81x	0.70x
Net debt to equity (times)	0.17x	0.67x	0.56x
*Net debt to operating EBITDA (times)	1.60x	5.97x	8.19x
*Interest coverage (times) ^E	4.23x	2.89x	1.59x
<i>Per share ratios</i>			
*Earnings per share (THB) ^F	0.2490	0.2311	0.0302
*Operating cash flow per share (THB) ^F	0.469	0.193	0.166
*Free cash flow per share (THB) ^F	0.279	-0.090	-0.365
Enterprise value per share (THB)	10.18	1.21	1.12
Book value per share (THB) ^F	5.06	4.05	4.48

Note:

* Includes profit from discontinued operation

^A Excludes non-recurring items

^B Calculated based on accounting net profit (before MI) / total accounting revenue

^C Calculated based on net recurring profit (before MI) / total recurring revenue

^D Calculated based on accounting net profit (before MI)

^E Calculated based on operating EBITDA / finance cost

^F Calculated based on weighted average number of shares at par value of THB 4.0

MANAGEMENT OUTLOOK

As of May 2013, all regular-service trains on the Sukhumvit line have now been extended to 4-cars long. Delivery of an additional five 4-car trains will also be completed within CY 2013 as BTSC completes its second-phase capacity expansion programme. In light of this service enhancement and general increase in operating costs since its last Effective Fare hike in March 2007, BTSC announced a fare increase which will take effect on 1 June 2013. We estimate that this will result in an increase of the average fare by around 6.5% in FY13/14. Progress continues with the BMA's construction of the Silom line (Bang Wa) extension. This is expected to be fully operational in December 2013 (2 stations have commenced trial operations already). We expect that the ridership for FY 13/14 will grow 7% - 10% from FY 12/13. Service income from train operation (O&M) is also expected to grow by 25% on the back of this in FY 13/14

For our Media business we expect to see another strong year with an expected 30% revenue growth, driven by the growth coming from both Mass transit Media (additional rolling stock advertising space, increased occupancy at non-prime stations, price increases) and In-store Media (increase in modern trade media occupancy and consequent increase in efficiency, additional 10 office buildings under contract).

Further, for our Property business, all of the remaining units of Abstracts condominium developments are expected to be sold and transferred in FY 13/14. Abstracts Projects are expected to contribute revenue to the Group of approximately THB 2.4bn in FY13/14. Within our Services business, we are targeting to reach 2.0 million Rabbit card holders within FY 13/14.

In April 2013, BTSC sold the remaining Net Farebox Revenues under BTSC's concession agreement with the BMA to Thailand's first Infrastructure Fund, BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). This transaction will be recorded in 1Q 13/14 financial statements when we will bring you more details.

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Rangsin Kritalug

(Executive Director and Chief Operating Officer)