

OVERVIEW

Translation

FINANCIAL HIGHLIGHTS

- **Total operating revenue¹ of THB 2,542.7mn in 1Q 13/14**, representing an increase of 16.0% YoY
- **Net cash from operating activities increased by 210.0% to THB 767.8mn**
- **Gain (before tax) from the sales of net fare-box revenue to BTSGIF of THB 13,497.6mn** recorded in 1Q 13/14
- **Net income attributable to the equity holders** of the Company increased 5,463.4% YoY to THB 10,823.8mn. **Recurring net profit margin** increased to 22.5% from 9.9% in 1Q 12/13
- **8.4% YoY growth in total quarterly ridership to 50.3mn passengers in 1Q 13/14. Average fare also increased 3.5% YoY** to THB 25.3 per trip
- **Revenue for Media business** of THB 843.5mn in 1Q 13/14, representing 32.3% growth YoY
- **Property business** net profit of THB 111.1mn in 1Q 13/14

Note: On 17 April 2013, Bangkok Mass Transit System Plc (BTSC) sold the future net fare-box revenues under its concession contract with the Bangkok Metropolitan Administration for the BTS SkyTrain Core Network (original mass transit line in Bangkok, covering 23 stations in Sukhumvit and Silom lines, with a combined track length of 23.5km) 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 as at 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 Note 23 to the financial statements.

QUARTERLY PERFORMANCE - 1Q 13/14

BTS Group Holdings Public Company Limited ("BTSG" or the "Company") and subsidiaries (together, the "Group") recorded consolidated total revenue of THB 16,045.1mn in 1Q 13/14. This represented an increase of 1,358.2% (or THB 14,944.7mn) from THB 1,100.4mn in 1Q 12/13. The increase was primarily due to both stronger operating performance as well as the gain from the sale of net fare-box revenue to BTSGIF. Despite the sale of net fare-box revenues and consequent exclusion from the financial statements from 17 April 2013 onwards, operating revenue¹ (see below) still grew 16.0% YoY to THB 2,542.7mn. The increase in operating revenues was on account of the improved performance from Media, Property and Services business sectors (see segmental performance for more details). Revenues from the Mass Transit, Media, Property and Services businesses accounted for 26.4%, 33.2%, 38.8% and 1.6% of total operating revenue, respectively.

Operating Revenue ¹ (THB mn)	1Q 13/14	% of Total ¹	1Q 12/13	% of Total ¹	% Change (YoY)	1Q 13/14 Margin ⁴	1Q 12/13 Margin ⁴
Mass Transit²	671.2	26.4%	1,393.6	63.6%	(51.8%)	57.0%	50.1%
Media	843.5	33.2%	637.4	29.1%	32.3%	59.8%	57.5%
Property³	987.2	38.8%	155.1	7.1%	536.4%	40.3%	23.4%
Services	40.7	1.6%	5.8	0.3%	595.4%	36.5%	N/A
TOTAL¹	2,542.7	100.0%	2,192.0	100.0%	16.0%	51.1%	49.6%

Operating costs increased by 12.6% YoY to THB 1,243.3mn largely coming from Media and Property business sectors (see segmental performance for more details). As the increase in costs was less than the increase in revenue, together with the share of net profit in BTSGIF, this led the Group operating gross profit margin⁴ to improve to 51.1% from 49.6% in the previous year. However, despite the improved operational performance in Media, Property and Services businesses, coupled with the recognition of share of net profit from BTSGIF, the Group operating EBITDA⁵ margin decreased from 51.3% in 1Q 12/13 to 38.4% in this quarter due to the higher proportion contribution of lower margin O&M business and increase in SG&A expenses primarily from Media and Property by 20.4% YoY or by THB 74.0mn to THB 436.2mn.

Finance costs decreased YoY by 48.4% or THB 180.4mn to THB 192.5mn. The reduction was mainly due to the full conversion of BTSG convertible bonds as well as other debt repayment, leading to a reduction in interest costs. Consolidated Group Income tax rose to THB 3,040.8mn on higher profit (including gain from sale of net fare-box revenue to BTSGIF) as well as a higher BTSC income tax following the expiry of tax losses carried forward at BTSC in December 2012. Recurring net profit margin⁶ for 1Q 13/14 was 22.5%, compared to 9.9% in 1Q 12/13 due to the recognition of share of net profit in BTSGIF and the increase in interest income from proceeds from BTSGIF. Taking into account all the aforesaid transactions, the Group recorded a consolidated profit of THB 11,365.3mn (increasing 5,356.9% YoY) and profit attributable to the equity holders of the Company of THB 10,823.8mn (increasing 5,463.4% YoY).

¹ Operating revenue from the operational performances from 4 BUs and share of net profit (loss) from BTSGIF, EXCLUDES interest income, non-recurring items which are dividend income, gain from sales of net fare-box revenue to BTSGIF and other non-recurring items

² Mass Transit revenues include:

- i) 16-day fare-box revenue of THB 207.7mn (presented a gross amount of fare-box revenue in NTFS 23);
- ii) share of net profit (loss) from BTSGIF of THB 124.3mn (included in 'share of income (loss) from investments in associates' in Statement of comprehensive income)
- iii) service income from Train Operation Management of THB 339.3mn (included in 'service income' under 'revenue from providing of train operation service' of THB 346.8mn per NTFS 33)

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.

⁴ Operating gross profit margin calculated based on the operational performances from 4 BUs and share of net profit (loss) from BTSGIF

⁵ Operating EBITDA calculated based on the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, EXCLUDES non-recurring items which are dividend income, interest income, gain from sales of net fare-box revenue to BTSGIF, other non-recurring items

⁶ Net recurring profit calculated based on the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, as well as including other recurring items which are interest income and other recurring items

BALANCE SHEET AND CASH FLOW

Total assets as of 30 June 2013 stood at THB 79,623.9mn, an 18.8% increase from 31 March 2013. Total current assets reduced by 22.2% to THB 40,601.0mn mainly due to the de-recognition of non-current assets held for sale of THB 42,123.1mn from the Group balance sheet, in accordance with TFRS 5 following the sale of future net fare-box revenues. This was partially offset with i) the increase in cash by THB 2,844.5mn and ii) the increase in current investment by THB 27,586.9mn, reflecting the cash from sales proceeds from BTSGIF. Total non-current assets rose by 163.4% to THB 39,022.9mn largely from i) the increase in investment in associates by THB 14,210.2mn, primarily from the Group's investment in one-third of the units of BTSGIF and ii) THB 9,300.5mn of sales proceeds from BTSGIF placed at a financial institution in order to secure the principal and interest payment obligations with respect to BTSC's Long Term Debentures (note that this was classified into short-term portion of THB 2,499.3mn and long-term portion of THB 6,801.2mn).

Total liabilities rose from 31 March 2013 by 12.9% or THB 2,132.9mn to stand at THB 18,662.3mn largely due to i) deferred tax liabilities of THB 2,865.3mn which was initially recognised from this quarter in accordance with TAS12 Income Taxes; ii) provision for future liabilities from Special Business Tax levied on BTSGIF, to be absorbed by the Company of THB 1,033.8mn, which offset with the effect of iii) repayment of bank loans (THB 2,585.4mn). Total equity increased by THB 10,459.8mn or 20.7% to THB 60,961.6mn. This increase was attributable to i) increase in retained earnings of THB 8,771.6mn largely from the gain from the sale of future net fare-box revenues to BTSGIF and ii) increase in paid-up capital by THB 1,184.6mn to THB 45,611.2mn resulting from issuance of additional 296.2mn ordinary shares from the second exercise of BTS-W2, which brought issued and fully paid-up shares to increase to 11,402.8mn shares.

For the three months ended 30 June 2013, net cash from operating activities was at THB 767.8mn compared to THB 247.7mn in the previous year. Key contributors of the increase were improved profit, cash received from units transferred of Abstracts Phahonyothin Project as well as the decrease in cash paid for interest expenses. Net cash from investing activities stood at THB 6,157.6mn. Key items include excess cash remaining from the proceeds from the sale of net fare-box revenue to BTSGIF, after the reinvestment in BTSGIF, and placed or invested in 3-month and over tenor deposits and instruments. Net cash used in financing activities was THB 4,081.1mn, mainly from debt repayment and dividend payment of THB 2,046.0mn. As a result, the consolidated cash flow statements showed an increase of THB 2,844.5mn in cash and cash equivalents to THB 6,357.8mn from the previous year (ended 30 March 2013) of THB 3,513.3mn.

SEGMENTAL PERFORMANCE

MASS TRANSIT BUSINESS

In accordance with the financial statements, total Mass Transit² revenue dropped 51.8% YoY to THB 671.2mn. As a result of the sale of net fare-box revenue to BTSGIF, fare-box revenue decreased 81.7% YoY to THB 207.7mn (In 1Q 13/14, BTSG recorded fare-box revenue for 16 days before the sale of future net fare-box revenues to BTSGIF on 17 April 2013). Costs and SG&A decreased 56.2% YoY to THB 350.9mn in line with the decrease in fare-box revenue.

In order to enable analysis of underlying performance on a comparable basis to previous quarters, the following section analyses fare-box revenues, O&M revenues and their associated costs and SG&A for the full quarters of 1Q 13/14 and 1Q 12/13 irrespective of whether BTSG or BTSGIF had the rights to such revenues.

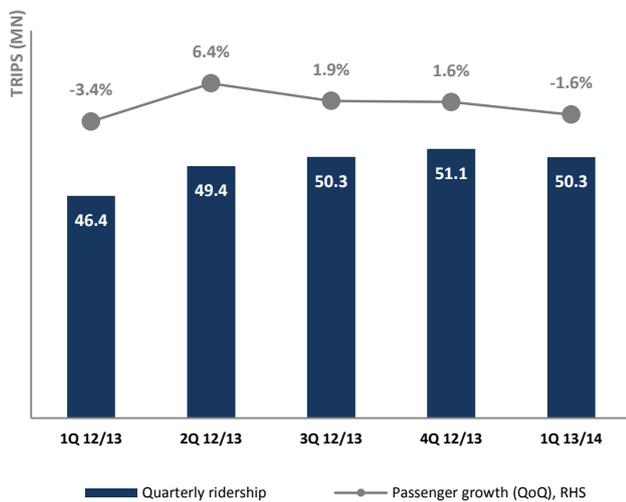
Total revenue from the Mass Transit business increased by 15.7% YoY to THB 1,612.5mn supported by an increase in fare-box revenue and an increase in train operating & management (O&M) income. Fare-box revenue increased 12.1% (or THB 137.9mn) to THB 1,273.2mn on account of ridership growth (up 8.4% YoY to 50.3mn trips) and the increased average fare (which rose by 3.5% YoY to THB 25.3 per trip, following the recent fare hike on 1 June 2013). Key ridership growth factors included the commencement of trial operations in 2 stations of the Silom line (Bang Wa) extension, which fed more passengers



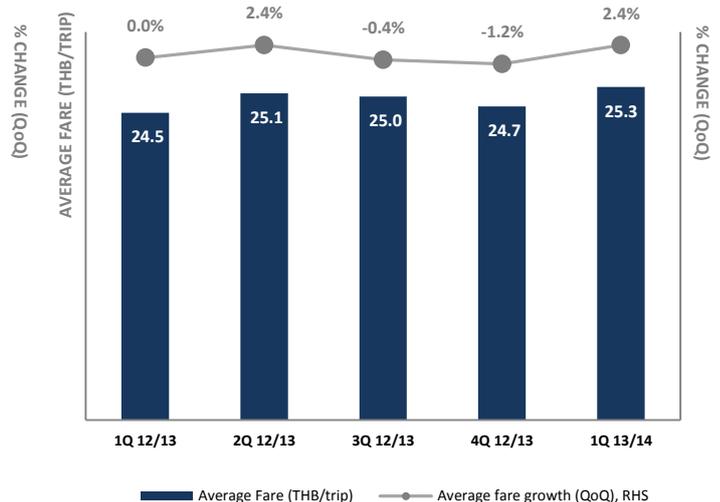
to the Core Network and the introduction of additional carriages into service (all trains on the Sukhumvit line were extended from 3-car trains to 4-car trains since May 2013). Income from train operating management rose by 31.3% or THB 81.0mn YoY to THB 339.3mn, mainly attributable to the additional service income from the Silom line extension from Wongwian Yai (S8) to Pho Nimit (S9) in January 2013, and to Talat Phlu (S10) in February 2013.

Cost of Mass Transit revenue, including SG&A rose by 28.1% or THB 225.4mn YoY to THB 1,026.8mn, tied to higher ridership. Key cost items were mainly from depreciation recorded (from higher ridership and new trains) and employee bonus. As costs and SG&A increased greater than the revenue growth, this led to the reduction in operating EBITDA margin to 61.7% in 1Q 13/14 (versus 66.9% in 1Q 12/13).

Historical Quarterly Ridership (mn trips / quarter)



Historical Quarterly Average Fare (THB / trip)



MEDIA BUSINESS

Our Media business revenue rose 32.3% (or THB 206.1mn) YoY to THB 843.5mn. Factors contributing to our Media revenue came from the revenue growth across all three business segments.

BTS-related Media revenue was THB 410.2mn, representing growth of 39.2% or THB 115.5mn YoY. This was mainly due to i) increase in capacity from the trains as a result of BTSC's 35 single-car trains installation; ii) increase in advertising space in non-prime stations; iii) the increase in rent for long-term contracts of merchandising space on the BTS stations which became effective this year, coupled with iv) the increased occupancy of small rental shops on the stations, which grew with increased ridership.

Revenue from Modern Trade Media reached THB 389.1mn, representing growth of 26.6% or 81.8mn YoY primarily due to full year recognition of revenue from additional contracts of sales floor areas.

Office Building & Other Media revenue reached THB 44.2mn, representing growth of 24.8% or THB 8.8mn YoY. The increase was mainly due to i) adjustment in selling strategy by bundling Office Building media with BTS-related digital media; ii) higher sales from additional office buildings and iii) the rights to advertise in Chulalongkorn University's bus system (CU Bus).

Cost of revenue increased 25.3% or THB 68.6mn YoY to THB 339.3mn, as well as Media SG&A, which increased 13.7% or THB 12.4mn YoY to THB 102.6mn, in line with sales growth. As a result of the improvement in operational performance and economies of scale, the operating EBITDA margin of the Media business grew to 50.2% in 1Q 13/14 (47.2% in 1Q 12/13).

PROPERTY BUSINESS

Property operating revenue grew by THB 832.1mn YoY to THB 987.3mn. The increase in operating performance was primarily driven by i) revenue in relation to 225 transferred units of Tower A 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 condominium projects reached 87% as of 30 June 2013.

Operating costs rose at a lower rate than operating revenues. An increase of THB 471.0mn YoY to THB 589.8mn was mainly from costs from transferred units of Abstracts Phahonyothin Park and costs related to Eastin Grand Hotel. Property SG&A expenses increased by THB 95.0mn or 90.5% YoY to THB 200.0mn 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, the Property business proved to be profitable this quarter, with operating EBITDA margin improving to 23.8% and net profit reaching THB 111.1mn.

SERVICES BUSINESS

1Q 13/14 services business revenues increased by THB 34.8mn YoY to THB 40.7mn. 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). There was also THB 25.8mn cost of revenue as well as THB 21.5mn SG&A expenses related to the establishment of the Rabbit card and Carrot Rewards programme.

KEY FINANCIAL RATIOS

<i>Profitability ratios*</i>	1Q 13/14	1Q 12/13	4Q 12/13
Gross operating profit margin (%)	51.1%	49.6%	48.0%
Selling and administrative expenses to operating sales ratio (%)	17.2%	16.5%	16.9%
Accounting EBITDA margin (%)	90.6%	51.7%	46.1%
Operating EBITDA margin (%) ^A	38.4%	51.3%	46.4%
Accounting net profit margin (%) ^B	69.9%	9.3%	16.3%
Net recurring profit margin (%) ^C	22.5%	9.9%	17.5%
ROA (%) ^D	17.3%	3.4%	3.9%
ROE (%) ^D	22.6%	6.1%	5.2%
<i>Leverage ratios</i>			
Total liability to total asset (times)	0.23x	0.45x	0.25x
Total liability to total equity (times)	0.31x	0.80x	0.33x
Net debt to equity (times)	0.05x	0.66x	0.17x
*Net debt to operating EBITDA (times)	0.61x	5.72x	1.66x
*Interest coverage (times) ^E	5.07x	3.02x	5.29x
<i>Per share ratios^F</i>			
*Basic earnings per share (THB)	0.9487	0.0213	0.0400
*Operating cash flow per share (THB)	0.067	0.027	0.136
*Free cash flow per share (THB)	0.027	-0.027	0.108
Enterprise value per share (THB)	8.13	7.76	11.49
Book value per share (THB)	5.34	4.08	5.05

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

On 1 June 2013, BTS implemented a fare hike and we estimate that this will result in an increase of 6.5% to the average fare from THB 24.80 / trip (in FY 12/13) to THB 26.40 / trip for FY 13/14. In spite of this increase, ridership in June 2013 grew 8.7% YoY and 1Q 13/14 quarterly ridership rose 8.4% YoY, still within the targeted range of 7% - 10% annual growth. Progress on the BMA's construction of the Silom line (Bang Wa) extension continues, and the extension is expected to be fully operational by December 2013. Delivery of the five new 4-car trains will be completed by the end of 2013.

On the Media side, where 1Q 13/14 revenue grew 32.3% YoY, expected full year revenue growth is still maintained at 30%. The growth is driven by new media from BTS-related Media, increased occupancy in Modern Trade Media and additional buildings under contract for Office Building & Other Media. Moreover, in order to enhance share liquidity, VGI recently proposed a stock split (1 existing share: 10 new shares) from THB 1.00 to THB 0.10 par value per share, which will result in an increase in number of shares from 330mn shares to 3,300mn shares, subject to the shareholders' approval on 19 September 2013.

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. Within the Services business, over 1.5 million Rabbit cards were issued as of July 2013. This number is expected to reach over 2.0 million cards within FY 13/14. In addition, Rabbit, in collaboration with AIS, will launch the AIS mPAY Rabbit by October 2013. This will enable customers to use mobile phones that support Near Field Communication (NFC) technology as a common ticketing system across the BTS mass transit system network and retail e-payment. As of 31 July 2013, we have over 34 brand partners and over 620 shops with 760 readers that support Rabbit's retail e-payment. We target to increase merchant partners to 1,500 shops by FY 13/14.

On 9 August 2013, BTS Group's Board of Directors approved the payment of an interim dividend in the amount of THB 2,189.98mn equivalent of THB 0.19 per share. This is in line with the policy to pay no less than THB 6bn in FY 13/14 (followed by no less than THB 7bn in FY 14/15 and no less than THB 8bn in FY 15/16). It is the intention of the Group to continue to pay dividends at least twice yearly. Looking forward, our attention turns to focus on securing contracts for future mass transit extension lines and we look forward to bringing you updates of our progress in the coming quarters.

.....
Rangsin Kritalug

(Executive Director and Chief Operating Officer)