

1Q 14/15 FINANCIAL HIGHLIGHTS

- **Quarterly ridership; 51.3mn trips in 1Q 14/15, representing 2.0% growth YoY**
Average fare also increased 6.8% YoY to THB 27.0 per trip
- **Train Operation & Maintenance (O&M) revenue rose 33.8% YoY to THB 378.6mn** primarily from the opening of new Silom line extension
- **Share of net profit from BTSGIF for 1Q 14/15 recorded at THB 166.4mn**, an increase of 33.9% YoY
- **Media business revenue of THB 754.0mn in 1Q 14/15**, a 19.2% increase QoQ, yet a 10.6% decrease YoY
- **Property business revenue of THB 319.4mn in 1Q 14/15**, dropping 66.4% YoY mainly from fewer transferred condominium units
- **Services business revenue¹ rose by 61.1% YoY to THB 125.8mn** mainly from the revenue generated from ChefMan Restaurants
- **Net recurring profit (before MI) improved to THB 769.2mn**, an increase of 22.6% YoY
- Net income attributable to the equity holders of the Company dropped 94.0% YoY to THB 650.2mn due to the gain from BTSGIF transaction in 1Q 13/14

ACCOUNTING AND RECLASSIFICATION

- On 17 April 2013, Bangkok Mass Transit System PCL (BTSC) sold the future net fare-box revenues under its concession contract with the Bangkok Metropolitan Administration (BMA) 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). In accordance with TFRS5 - Non-current Assets Held for Sale and Discontinued Operations, BTS Group Holdings Public Company Limited ("BTSG" or 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 statement of financial position, "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.
- From 1 April 2014, the Company and its subsidiaries (together, the "Group") have adopted TFRIC 12 – Service Concession Arrangements. This new standard provides accounting guidelines for concession operators for recognising and measuring the obligations and related rights in public-to-private service concession arrangements. BTSC (the subsidiary) provides services to procure electric trains (infrastructure) to be used in the provision of public services and to operate and maintain this infrastructure for a specified period of time under the 30-year O&M contract. BTSC is paid for its services over the period of the arrangement which is a public-to-private service concession arrangement. BTSC's management, therefore, considers this arrangement under the 30-year O&M contract to be within the scope of TFRIC 12. The effects of the changes are recognised retrospectively in the financial statements. For more information, please refer to Notes 1 and 2 to 1Q 14/15 financial statements.

1Q 14/15 PERFORMANCE

The Group recorded consolidated total revenue of THB 2,172.1mn in 1Q 14/15, which includes (1) dividend income of THB 24.0mn (increased by 744.1% YoY) from equity investment dividends as well as (2) interest income of THB 333.9mn (increased 7.0% YoY) mainly from interest earned on the sales proceeds from BTSGIF. However, the consolidated revenue dropped 86.6% or THB 13,980.0mn YoY from THB 16,152.1mn in 1Q 13/14. The reduction was primarily due to gain from the sale of net fare-box revenue to BTSGIF of THB 13,497.6mn which was recorded in 1Q 13/14. Despite (1) higher O&M revenue from additional service income from the Silom line extension and (2) 33.9% increase in share of net profit from BTSGIF, operating revenue² fell by 29.9% YoY to THB 1,744.2mn largely as a result of the reduction in Property revenue from fewer transferred units of Abstracts Phahonyothin Park Condominium in 1Q 14/15 and the softened Media revenue. Revenue from the Mass Transit, Media, Property and Services businesses accounted for 31.2%, 43.2%, 18.3% and 7.2% of total operating revenue, respectively.

Operating Revenue ² (THB mn)	1Q 14/15	% of Total ²	1Q 13/14	% of Total ²	% Change (YoY)	1Q 14/15 GP Margin ⁵	1Q 13/14 GP Margin ⁵
Mass Transit ³	545.0	31.2%	615.0	24.7%	(11.4)%	61.7%	53.9%
Media	754.0	43.2%	843.5	33.9%	(10.6)%	58.8%	59.8%
Property ⁴	319.4	18.3%	949.9	38.2%	(66.4)%	40.3%	39.5%
Services ¹	125.8	7.2%	78.0	3.1%	61.1%	51.9%	47.5%
TOTAL²	1,744.2	100.0%	2,486.4	100.0%	(29.9)%	55.9%	50.2%

Total consolidated expenses and SG&A reached THB 1,232.4mn in 1Q 14/15, a reduction of THB 497.1mn or 28.7% YoY largely from the decrease in sales of real estate and SG&A expenses. Operating costs decreased by 37.8% YoY to THB 770.0mn which was in line with the reduction in total operating revenue. Nonetheless, as operating costs decreased more than the decline in operating revenue, the Group operating gross profit margin⁵ improved to 55.9% from 50.2% in the previous year.

Although operating revenue in Mass Transit, Media, and Property businesses declined, the Group operating EBITDA⁶ margin improved from 36.1% in the previous year to 39.5% due to the lower contribution of lower margin Property business. Finance costs fell by 30.6% or THB 58.9mn to THB 133.6mn, primarily as the Group repaid outstanding debt. Income tax expense fell 93.0% YoY or by THB 2,824.6mn to THB 212.3mn due to the income tax on the gain from BTSGIF transaction in 1Q 13/14.

As a result of higher income from investment in associates (share of net profit in BTSGIF), improved performance from O&M business, an increase in interest income and dividend income as well as a reduction in finance costs, recurring pre-tax profit⁷ margin for this quarter improved to 43.0% from 34.1% in 1Q 13/14. A decrease in recurring income tax⁸ to THB 212.3mn (versus THB 337.3mn in 1Q 13/14) resulted in net recurring profit⁷ improving 22.6% YoY to THB 769.2mn in 1Q 14/15. Taking into account all the aforesaid transactions, the Group recorded a consolidated profit of THB 762.3mn (decreasing 93.3% YoY) and profit attributable to the equity holders of the Company of THB 650.2mn (increasing 94.0% YoY).

¹ Services revenue includes sales from BSS, revenue from Carrot, revenue from HHT construction and revenue from ChefMan Restaurants. Note that transactions related to ChefMan Restaurants were reclassified from Property business to Services business in 4Q 13/14.

² Operating revenue from the operational performances from 4 BUs and share of net profit (loss) from BTSGIF, EXCLUDES interest income, dividend income and non-recurring items

³ Mass Transit revenues include:

- i) Fare-box revenue for 16 days from 1 – 16 April 2013 (before BTSGIF transaction) - included in 'Mass Transit revenue for 1Q 13/14'
- ii) Share of net profit (loss) from BTSGIF (included in 'Share of profit from investments in associates and joint venture' in Statement of comprehensive income)
- iii) Service Income from Train & Bus Operation Management (included in 'Service income' under 'Revenues from provision of operating services')

⁴ 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.

⁵ Operating gross profit margin calculated based on the operational performances from 4 BUs and share of net profit (loss) from BTSGIF

⁶ Operating EBITDA calculated based on the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, EXCLUDES interest income, dividend income, non-recurring items from sales of net fare-box revenue to BTSGIF and other non-recurring items

⁷ Recurring profit calculated based on the operational performances from 4 BUs, share of net profit (loss) from BTSGIF and other associates and joint venture, as well as including other recurring items which are interest income and other recurring items (before MI)

⁸ Recurring corporate income tax excludes the portion related to BTSGIF transactions

SEGMENTAL PERFORMANCE

MASS TRANSIT BUSINESS

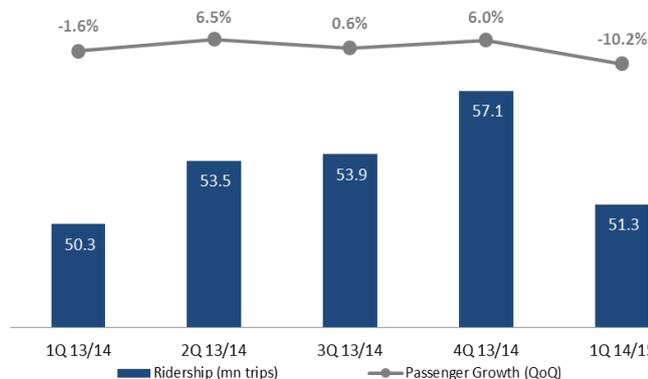
Total Mass Transit revenue³ dropped 11.4% YoY to THB 545.0mn. As a result of the sale of net fare-box revenue to BTSGIF, fare-box revenue decreased from THB 207.7mn in 1Q 13/14 to THB 0.0mn this quarter, and costs and SG&A related to the Core Network dropped from THB 134.7mn to THB 0.0mn (note that in 1Q 13/14, BTSG recorded transactions related to the Core Network for 16 days before the completion of the BTSGIF transaction on 17 April 2013). O&M revenue increased YoY by 33.8% or THB 95.6mn to THB 378.6mn. Furthermore, the Company recorded a share of net profit from its investment in BTSGIF units of THB 166.4mn in 1Q 14/15, an increase of 33.9% YoY.

In order to enable analysis of underlying performance on a comparable basis to previous years, the following section analyses fare-box revenues, O&M revenues and their associated costs and SG&A of 1Q 14/15 and 1Q 13/14 irrespective of whether BTSG or BTSGIF had the rights to such revenues.

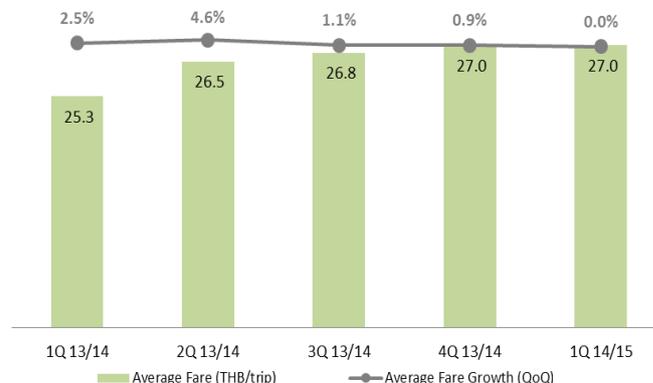
Total revenue from the Mass Transit business increased by 13.5% YoY to THB 1,765.6mn supported by an increase in fare-box revenue and an increase in O&M income. Fare-box revenue increased 8.9% (or THB 113.8mn) to THB 1,387.0mn on account of ridership growth (up 2.0% YoY to 51.3mn trips) and the increased average fare (which rose by 6.8% YoY to THB 27.0 per trip, following the fare hike on 1 June 2013). Key ridership growth factors included organic growth and the commencement of 4 stations (from Wongwian Yai – Bang Wa) of the Silom line extension, which fed more passengers to the Core Network. To accommodate the increasing patronage, the Company introduced additional carriages into service (all trains on the Sukhumvit line were extended from 3-car trains to 4-car trains since May 2013 and all of the new five 4-car trains became available for service in February 2014). O&M revenue rose by 33.8% or THB 95.6mn YoY to THB 378.6mn, mainly attributable to the additional service income from the Silom line extension which opened on 5 December 2013.

Cost of Mass Transit revenue, including SG&A, decreased by 2.4% or THB 23.8mn YoY to THB 983.6mn largely driven by the decline in payroll expenses, offset with the higher costs of train operation and maintenance which increased in line with higher O&M revenue. Total Mass Transit revenue growth, together with declining SG&A expenses, led to an improvement in the operating EBITDA margin to 66.3% in 1Q 14/15 (versus 59.6% in 1Q 13/14).

Historical Quarterly Ridership and % QoQ Growth



Historical Quarterly Average Fare and % QoQ Growth



MEDIA BUSINESS

Our Media business revenue rebounded 19.2% from the previous quarter to THB 754.0mn from the effect of the seasonal low period in 4Q 13/14 (Jan – Mar) as well as the improving economy following the establishment of clearer political direction in late May 2014. The overall economy of Thailand in 1Q 14/15 improved from the previous quarter helped by the pickup in household and business confidence. Consumer confidence index rose to 75.1 in June, the highest in more than 8 months.

Factors contributing to revenue growth QoQ came from all three business segments:

BTS-related Media continued to grow resiliently to THB 427.9mn with increased revenue of THB 39.3mn (or 10.1% QoQ) mainly coming from i) the increase in capacity from Platform Truss LEDs and ii) the increase in occupancy from LCDs in train. **Modern Trade Media** saw 30.4% or THB 66.8mn revenue growth compared to the previous quarter driven by stronger FMCG spending momentum as consumer confidence picked up following the clearer political direction. Hence, it is expected that the economy will soon recover to normalcy, which will also support the Modern Trade Media performance. **Office Building & Other Media** also showed significant growth (THB 15.5mn or 64.5% QoQ) from the aforementioned positive factors.

As a result of the improvement in operational performance in BTS-related Media, which is the biggest contributor to total Media revenue as well as the economies of scale, the operating EBITDA improved to 50.2% versus 42.8% in 4Q 13/14. However, Media revenue contracted 10.6% (or THB 89.6mn) YoY mainly owing to weaker economic momentum due to the previous political uncertainty. The decrease was primarily from the reduction in Modern Trade Media revenue, offset with the growth in BTS-related Media revenue.

BTS-related Media revenue of THB 427.9mn represented growth of 4.3% or THB 17.7mn YoY despite the domestic political uncertainty and economic slowdown. The key growth drivers were (1) the increase in capacity from Platform Truss LEDs and Platform Screen Doors and (2) increased merchandising revenue as a result of the increase in rental rate of merchandising space on the BTS stations, coupled with the increased occupancy of small rental shops on stations, which grew with increased ridership. Revenue from **Modern Trade Media** reached THB 286.4mn, a decrease of 26.4% or THB 102.6mn YoY as a result of weakening consumer spending and political disruptions. **Office Building & Other Media** revenue was THB 39.6mn, decreasing by 10.4% YoY or THB 4.6mn. This decrease was primarily due to consumption slowdown and political instabilities.

Cost of services decreased 8.5% or THB 28.9mn YoY to THB 310.4mn and Media SG&A also decreased by 4.0% or THB 4.1mn YoY to THB 98.5mn which was in line with the reduction in total revenue. However, operating EBITDA remained unchanged YoY at 50.2%.

PROPERTY BUSINESS

Property operating revenue dropped a significant 66.4% YoY or THB 630.4mn to THB 319.4mn which was largely attributable to the decline in Residential Property revenue as a result of fewer transferred condominium units of Abstracts Phahonyothin Park (Tower A) compared to 1Q 13/14.

Residential Property revenue decreased by 82.5% YoY or THB 626.4mn to THB 132.4mn in 1Q 14/15. This decrease was mainly driven by a decline in sales of real estate of THB 626.4mn (largely in relation to 42 transferred units of Abstracts Phahonyothin Park Tower A in this quarter versus 225 transferred units in 1Q 13/14).

Commercial Property revenue reached THB 184.7mn, merely decreasing by 2.1% YoY or THB 3.9mn despite the political deadlock which resulted in a slowdown in the tourism industry.

Operating costs decreased at the same rate as the reduction in operating revenues. The decrease of 66.8% YoY or THB 384.1mn to THB 190.6mn was mainly from a decline in costs from transferred units of Abstracts Phahonyothin Park and costs related to Eastin Grand Hotel Sathorn. Property SG&A expenses also decreased by 29.7% YoY or THB 54.1mn to THB 127.8mn largely from a reduction in selling and marketing expenses related to Abstracts Condominium project. As a result of a decrease in sales of real estate from the aforesaid reasons, the operating EBITDA contracted to 12.3% compared to 24.2% in 1Q 13/14.

SERVICES BUSINESS

Services business revenue increased YoY by THB 47.7mn or 61.1% to THB 125.8mn. This increase was primarily due to the growth in revenue generated from ChefMan Restaurants of THB 27.5mn as well as a growth in royalty fee recognised from the co-ordination between BSS and its business partner from the issuance of the co-branded rabbit cards of THB 3.8mn. Operating costs increased by 47.9% YoY or THB 19.6mn to THB 60.5mn, increasing at a lower rate than operating revenue. There was also THB 62.1mn SG&A expenses, an increase of 56.7% YoY. Key costs and SG&A items were mainly from staff costs, food & beverage cost at ChefMan Restaurants and depreciation expenses (for hardware, software and machines).

STATEMENT OF FINANCIAL POSITION

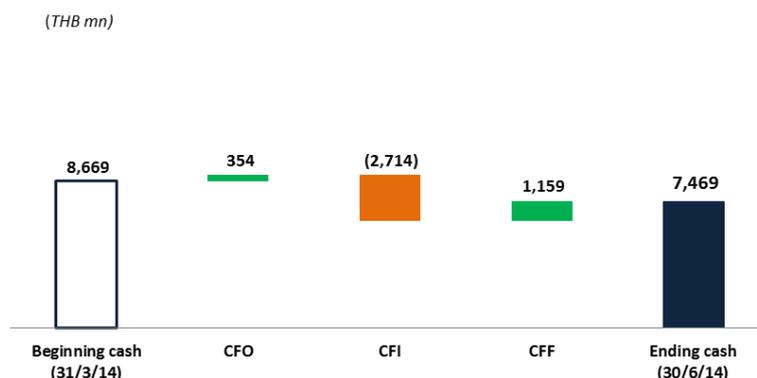
Total assets as of 30 June 2014 stood at THB 77,125.0mn, an increase of THB 413.9mn or 0.5% from 31 March 2014. The key changes are (1) the increase in investments in associates of THB 555.8mn, which consists mainly of the investment in Master Ad Public Company Limited (MACO) of THB 685.9mn, (2) increase in restricted deposits of THB 574.5mn which was cash collateral placed with banks and (3) the reduction in cash of THB 1,199.0mn (see further details in Cash Flow section).

Total liabilities increased from 31 March 2014 by 6.4% or THB 1,095.5mn to stand at THB 18,264.5mn largely due to an increase in loans from financial institutions of THB 1,178.0mn, of which THB 200.0mn was used by VGI to purchase MACO shares and THB 972.0mn were loans taken to invest in offshore deposits and investments. **Total equity** decreased by THB 681.6mn or 1.1% to THB 58,860.5mn mainly attributable to (1) a reduction in surplus from the changes in the ownership interests in subsidiaries of THB 867.3mn primarily as a result of the Company increasing its shareholding in subsidiary VGI in this quarter, (2) a decrease in non-controlling interest of the subsidiaries of THB 383.4mn due to the purchases of investments in subsidiaries (VGI and Nuvo Line) during the period, yet offset with (3) an increase in retained earnings of THB 650.2mn. As of 30 June 2014, total issued and fully paid-up shares stood at 11,914.2mn shares.

CASH FLOW

Cash and cash equivalents as of 30 June 2014 reached THB 7,469.5mn. Net cash from operating activities declined 49.8% to THB 354.4mn compared to THB 705.4mn in the previous year. Key contributors of the decrease were the lower operating revenue of Property and Media businesses. Net cash used in investing activities was THB 2,713.8mn as BTS (1) increased its stake in VGI from 61.84% to 64.65% (THB 1,140.3mn), (2) increase in long-term investment of THB 1,088.0mn and (3) investment in MACO of THB 681.2mn. Net cash from financing activities was THB 1,158.7mn mainly from the increase in loans from financial institutions and no dividend payment during the period (the Company paid dividend of THB 2,046.0mn in May 2013).

Three-Months Cash Flow Snapshot



KEY FINANCIAL RATIOS

	1Q 14/15 ⁺	1Q 13/14 [*]	4Q 13/14
Profitability ratios			
Gross operating profit margin (%)	55.9%	51.1%	52.8%
Selling and administrative expenses to operating sales ratio (%)	22.8%	17.2%	24.3%
Operating EBITDA margin (%) ^A	39.5%	38.4%	36.7%
Accounting EBITDA margin (%)	52.1%	89.9%	42.9%
Recurring pre-tax profit margin (%) ^B	43.0%	34.5%	35.0%
Net recurring profit margin (%) ^B	33.7%	22.5%	29.8%
Accounting net profit margin (%) ^C	32.6%	69.9%	25.2%
ROA (%) ^D	3.8%	17.9%	18.9%
ROE (%) ^E	4.9%	22.6%	24.6%
Liquidity ratio			
Current ratio (times)	4.20x	5.94x	4.31x
Leverage ratios			
Total liabilities to total asset (times)	0.24x	0.23x	0.22x
Total liabilities to total equity (times)	0.31x	0.31x	0.28x
Net debt to equity (times)	0.01x	0.05x	(0.02 x)
Net debt to operating EBITDA (times)	0.12x	0.61x	(0.35 x)
Interest coverage (times) ^F	5.16x	5.07x	5.00x
Per share ratios^G			
Basic earnings per share (THB)	0.0546	0.9487	0.0347
Operating cash flow per share (THB)	0.030	0.067	0.027
Free cash flow per share (THB)	0.015	0.030	0.014
Enterprise value per share (THB)	9.43	8.69	9.11
Book value per share (THB)	4.94	5.34	5.02

Note:

* Includes profit from discontinued operation

⁺ Restated to reflect effects from TFRIC 12 and TFRIC 4

^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 from investments in associates

^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

MANAGEMENT OUTLOOK

For our Mass Transit business, we still maintain our guidance of 6 – 9% revenue growth at the Core Network for FY 14/15 from a combination of organic growth, fare increase, the full year effect of the Silom extension line as well as feeders from new property developments along the BTS routes.

The military intervention in May 2014 paved the way for reform and clarity on Thailand's political future. Under the administration of the National Council for Peace and Order, the THB 2.4tn infrastructure development plan was approved, including the development of 10 rail mass transit lines. According to the plan, the bidding for both Green Line extensions (north & south) is expected to be tendered within 2014 and completed within 2017 – 2019. Some progress has also been made on the new Light Green Line extension from Bang Wa to Borommaratchachonnani (total route length of 7km; 6 stations) as BMA is currently in the process of hiring a consultant for the feasibility study of the project, with results expected to be announced in September 2014. Furthermore, BMA has plans to construct a 2-km walkway from Bangna station to Udomsuk station, with the process taking approximately one year to implement. The walkway will provide more convenience and safety for passengers commuting to the Bangna area and is expected to positively impact ridership once completed. Another project currently under discussion by the BMA is the transformation of the existing Bus Rapid Transit (BRT) system to a monorail system, with the route further extending to the Sathorn area. If the project is implemented, it will feed more passengers to the BTS Core Network and BTSC will have high opportunity to operate the system.

On the **Media** side, we maintain revenue growth guidance for FY 14/15 to grow 13 – 17% YoY despite lower than expected growth in 1Q 14/15. This excludes any impact from acquisitions. In 1Q 14/15, VGI acquired 24.9% of SET-listed MACO and continues to seek further acquisitions.

Within the **Services** business, rabbit can now be used for purchases as well as for topping up at Mini Big C branches across Bangkok metropolitan area. Starting from September 2014, rabbit will also be able to top-up value and be used at Siam Paragon department store's food court. In regards to the National Common Ticketing System, BTSC, as part of the BVS consortium, offered the lowest bid for the design and implementation of the Central Clearing House system. The consortium is currently in the process of negotiating the contract terms, which is expected to finalise within September 2014.

On 8 August 2014, BTSG Board of Directors approved a share repurchase programme to purchase up to 600mn shares (or approximately 5% of the total issued shares). In accordance with the relevant regulations, the repurchase period will span a maximum of 6 months, dating from 25 August 2014 until 24 February 2015.

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Rangsin Kritalug

(Executive Director and Chief Operating Officer)