FY 14/15 FINANCIAL HIGHLIGHTS

- **Ridership increased 1.9% YoY** to 218.7mn trips. **Average fare also increased 1.6% YoY** to THB 26.9 per trip
- **Share of net profit from investment in BTSGIF for FY 14/15 reached THB 724.2mn** (increased by 18.2% YoY or THB 111.8mn)
- **Train Operation & Maintenance (O&M) revenue rose 23.2% YoY to THB 1,549.3mn** primarily from the full year operation of Green Line – Silom extension (Wongwian Yai to Bang Wa)
- **BTS-related Media revenue of THB 1,775.5mn in FY 14/15, representing 7.0% growth YoY**
- **Property business revenue of THB 1,354.8mn**, dropping 53.8% YoY mainly from fewer transferred condominium units
- **Services business revenue[1] rose by 37.3% YoY to THB 547.8mn** mainly from the revenue generated from ChefMan Restaurants
- **Pre-tax recurring profit margin (before MI) improved to 40.4%** in FY 14/15 compared to 36.2% in FY 13/14
- **Net recurring profit (before MI) was THB 2,820.0mn, increasing 10.0% YoY** from THB 2,563.0mn in FY 13/14
- **Net profit (before MI) of THB 3,340.2mn, a decline of 75.3% due to no repeat of THB 13.5bn gain on sale of net farebox revenues in FY 13/14**
- **Full year dividend to shareholders[2] of THB 7,094.9mn, equivalent to a dividend yield of 6.38%**

ACCOUNTING AND RECLASSIFICATION

From 1 April 2014, BTS Group Holdings Public Company Limited (“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 3 and 4 to FY 14/15 financial statements*.

BUSINESS IMPACT ANALYSIS

Sluggish recovery of the Thai economy and political uncertainties continued to plague the nation in the first half of 2014, causing GDP to contract by 0.1% in 1H 2014 from a growth of 4.1% in 1H 2013. During the second half of the year, political reform under the military regime helped restore confidence in Thailand, with expansion in both the expenditure and production contributing to the accelerated economic growth. In spite of this improvement, GDP for 2014 grew merely 0.7% against 2.9% in 2013[3]. This proved to be a challenging year for BTS Group, particularly in the Media business, which was harder hit by the consumption slowdown. As a result, we have missed some of our full year targets, although we continue to demonstrate resilience in our core business in relation to Mass Transit and BTS-related Media. (See more details in *Segmental Performance section.)*

For our **Mass Transit** business, Core Network fare-box revenue grew 3.5% YoY to THB 5.88bn in FY 14/15, below our 6 – 9% target range. The decelerated growth was primarily attributable to the shortened operating hours during the military-imposed curfew and the change in school and university terms to align with that of AEC. In contrast, O&M revenue rose 23.2% YoY to THB 1,549.3mn, exceeding the 17% target. This was mainly due to the full year effect of the operation of the Bang Wa extension, the contractually agreed increase in the operating fee of Green Line – Sukhumvit extension as well as the additional scope of work in the BRT contract.

Our **Media** business, which is more vulnerable to economic cyclicality, was adversely affected by the domestic consumption slowdown. Total Thai advertising expenditure fell 8.4%[4] YoY and our media revenue also fell in line with this trend, contracting by 6.3% YoY and missing the targeted revenue growth of 0 – 3%.

Subdued consumer sentiment and decline in the number of tourists also affected our **Property** business, dampening sales of our Residential Property. Our Residential Property revenue amounted to THB 415.7mn in FY 14/15, missing our targeted revenue of THB 800mn. On the Commercial Property side, despite an 8.2% increase in recurring revenue YoY to THB 932.3mn, this fell slightly short of the THB 1,000mn revenue target.

SIGNIFICANT EVENTS

- **30 April 2014**: BTS Land Co. Ltd., a wholly-owned subsidairy of BTS Group, established a joint venture company named Bangkok Payment Solutions Company Limited. This joint venture company will be the vehicle for developing software and providing technology services, including technology associated with Thailand's mass transit and payment systems.

- **6 August 2014:** The Company paid a final dividend of THB 2,501.4mn (equivalent to THB 0.21 per share). Based on the share price at 22 May 2014 (one day before the Board of Directors' meeting), this was equivalent to an annual dividend yield of 7.37%.

- **8 August 2014:** The Board of Directors of BTS Group approved a share repurchase programme not exceeding THB 6,000mn (or approximately 5% of the total issued shares). The repurchase period was from 25 August 2014 until 24 February 2015. At the conclusion of this programme, the Company had repurchased 0.8% of total issued shares in the amount of THB 925.2mn.

- **15 October 2014:** The Executive Committee approved (1) the entry into the Strategic Alliance Framework Agreement with Sansiri Public Company Limited ("SIRI") to exclusively partner together on the developments of residential projects for sale located within 500m of all rail mass transit stations, (2) to establish a 50:50 joint venture company with SIRI to develop the first residential project near BTS Mo Chit Station and (3) to sell approximately 5-rai (8,000sqm) of land to this joint venture for the development of the first project.

- **24 November 2014:** The Board of Directors approved in principal for the Company to dispose of all ordinary shares in two subsidiaries; BTS Assets Co., Ltd. ("BTSA") and Kamkoong Property Co., Ltd. ("KKP") that engage in real estate business. BTS Group will receive in exchange newly issued shares of Natural Park Public Company Limited ("NPARK") at the closing date. In addition, BTS Group will receive warrants of NPARK at a ratio of 2 newly issued ordinary shares issued to the Company for 1 unit of NPARK–W2 Warrants.

- **19 December 2014:** The first joint venture between BTS Group and SIRI named BTS Sansiri Holding One Limited ("JVCo1") was incorporated. BTS Group and SIRI each hold 50% of the shares of this joint venture company.

- **9 January 2015:** The Board of Directors approved the interim dividend payment from the operating results of the six-month period (April 2014 – September 2014) and the retained earnings at THB 0.30 per share or approximately THB 3,547mn in total.

- **2 February 2015:** BTS Group and AEON Thana Sinsap (Thailand) Public Company Limited ("AEONTS") announced a long-term business co-operation. The AEON Rabbit Member Card will enable members to use both the Rabbit functions and obtain consumer loans from AEONTS. Under the securitisation project, the SPV will buy up to THB 5,000mn loan receivables under co-branded AEON Rabbit Member Cards.

- **13 March 2015:** The second joint venture between BTS Group and SIRI named BTS Sansiri Holding Two Limited ("JVCo2") was incorporated. BTS Group and SIRI each hold 50% of the shares in this joint venture company.

- **31 March 2015:** BTS Group reorganised its corporate structure (effective 1 April 2015) by adding an Advisory Board, as well as new positions of Chief Executive Officer ("CEO") and Deputy Chief Executive Officer ("Deputy CEO") to its organisational structure. The Board of Directors passed the resolution to appoint Mr. Kavin Kanjanapas and Mr. Kong Chi Keung, both existing Executive Directors, to the CEO and Deputy CEO positions, respectively.

- **20 April 2015:** The completion of the disposal of all ordinary shares in two subsidiaries, (i) BTSA, the owner of Eastin Grand Hotel Sathorn Bangkok and land plots at Phaholyothin Road and (ii) KKP, the owner of land plots at Phayathai Road to U City Public Company Limited ("U City Plc."), previously known as "NPARK". The total sales consideration was THB 9,404.1 million and BTS Group received 35.64% of the newly issued ordinary shares as well as warrants of U City Plc in exchange for the sale.

- **15 May 2015:** The Company's Executive Committee approved the establishment of 7 additional new joint venture companies between BTS Group and SIRI ("JVCo3 to JVCo9") to accommodate the development plan of new residential projects for sale in the next 12 months. BTS Group and SIRI each invested in 50% shares in each joint venture company.

- **25 May 2015:** The Board of Directors approved the final dividend payment of up to THB 3,548.6mn or THB 0.30 per share, taking the total annual dividend paid to THB 7,094.9mn, subject to shareholders' approval. Based on the share price as of 22 May 2015 (one day before BOD date), this is equivalent to a dividend yield of 6.38%.

FY 14/15 PERFORMANCE

The Group recorded consolidated total revenue* of THB 8,123.6mn in FY 14/15. This represented a decline of 64.1% or THB 14,477.6mn YoY from THB 22,601.3mn in FY 13/14. The decrease was primarily due to extraordinary gains recognised in FY 13/14 from (1) the sale of net fare-box revenue to BTSGIF of THB 13,497.6mn and (2) the sale of land at Bang Pakong and Bangna KM 18 of THB 379.3mn as well as (3) a decrease in revenue from sales of real estate of THB 1,646.6mn and (4) a reduction in interest income of THB 291.6mn. This decrease was partially offset with (5) an increase in service income of THB 449.3mn largely from the increase in Mass Transit and Services revenues (see details in *Segmental Performance section*) and (6) the gain on sale of 5-rai land at Mo Chit to SIRI-JVCo1 of THB 367.5mn in 3Q 14/15.

Despite higher train O&M revenue and an increase in share of net profit from BTSGIF, operating revenue[5] fell by 16.8% YoY to THB 7,102.1mn largely as a result of the reduction in Property revenue from fewer transferred units of Abstracts Phahonyothin Park Condominium in FY 14/15 as well as the softened Media revenue. Revenue from the Mass Transit, Media, Property and Services businesses accounted for 32.0%, 41.2%, 19.1% and 7.7% of total operating revenue, respectively.

Operating Revenue[5] (THB mn)	FY 14/15	% of Total[5]	FY 13/14	% of Total[5]	% Change (YoY)	FY 14/15 GP Margin[8]	FY 13/14 GP Margin[8]
Mass Transit[6]	2,273.5	32.0%	2,077.3	24.3%	9.4%	64.1%	57.9%
Media	2,926.0	41.2%	3,121.2	36.6%	(6.3)%	59.5%	60.5%
Property[7]	1,354.8	19.1%	2,934.1	34.4%	(53.8)%	43.9%	40.2%
Services[1]	547.8	7.7%	399.0	4.7%	37.3%	26.5%	28.2%
TOTAL[5]	**7,102.1**	**100.0%**	**8,531.7**	**100.0%**	**(16.8)%**	**55.5%**	**51.4%**

Total consolidated expenses and SG&A* reached THB 4,446.9mn in FY 14/15, a reduction of THB 788.9mn or 15.1% YoY mainly from the decline in cost of sales of real estate of THB 1,016.5mn as well as from selling and marketing expenses related to sales of Abstracts Condominium project. Operating costs decreased by 23.7% YoY to THB 3,162.8mn, which was in line with the reduction in total operating revenue. Nonetheless, as operating costs decreased at a higher rate than the decline in operating revenues, the Group operating gross profit margin[8] improved to 55.5% from 51.4% in the previous year.

As a result of the aforementioned changes, the Group operating EBITDA[9] was THB 2,836.2mn, a decrease of THB 263.5mn or 8.5% YoY. However, the operating EBITDA[9] margin improved to 39.9% in FY 14/15 (versus 36.3% in FY 13/14) from higher contribution of higher margin Mass Transit business as well as from lower contribution of lower margin Property business. Finance costs fell by 35.8% YoY or THB 224.6mn to THB 403.5mn primarily as the Group repaid the third tranche of BTSC debentures during 2Q 14/15.

Other recurring income[10] fell by 4.2% YoY or THB 65.3mn to THB 1,506.7mn largely from the reduced interest income received from the sinking fund of the third tranche of BTSC debenture portion. However, pre-tax recurring profit margin[10] for this year improved to 40.4% from 36.2% in FY 13/14 and net recurring profit margin (before MI) was THB 2,820.0mn, increasing 10.0% YoY from THB 2,563.0mn in FY 13/14 consequent to the improved recurring gross profit margin as well as a reduction in finance costs.

Reported income tax expenses was THB 733.0mn, a decline of THB 3,055.1mn or 80.6% YoY primarily from the reduction in tax expenses in relation to (1) capital gain on BTSGIF transaction of THB 2,700.0mn in FY 13/14 and (2) BTSC capital reduction of THB 406.7mn (that occurred in November 2013) which were not repeated this year. Taking into account all the aforesaid transactions, the Group recorded a consolidated profit of THB 3,340.2mn (decreasing 75.3% YoY) and profit attributable to the equity holders of the Company of THB 2,944.0mn (decreasing 76.6% YoY).

** Total consolidated revenue and cost excludes train procurement service income and cost of train procurement service under concession agreement of THB 49.8mn (FY 13/14: THB 866.8mn) to reflect the performance analysis. These two items are the impact from the adoption of TFRIC12 – Service Concession Arrangements which deems that BTSC has to procure rolling stocks for the public sector entity*

[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] *Subject to shareholders' approval of the final dividend of THB 0.30 per share. Dividend yield based on share price as of date prior to Board of Directors' approval of relevant dividend payment*

[3] *Source:* www.nesdb.go.th *(January – December 2014)*

[4] *Source: The Nielsen Company Limited Co., Ltd. (April 2014 – March 2015); excludes Digital TV and Cable TV*

[5] *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*

[6] *Mass Transit revenues include:*

- *i) Share of net profit (loss) from BTSGIF (included in 'Share of profit from investments in associates' in Statement of comprehensive income)*
- *ii) Service Income from Train & Bus Operation Management (included in 'Service income' under 'Revenues from provision of operating services')*
- *iii) Farebox revenues for 16 days in FY 13/14*

[7] *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.*

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

[9] *Operating EBITDA calculated based on the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, EXCLUDES interest income, dividend income, share of net profit (loss) from other associates (except from BTSGIF) and joint venture, non-recurring items from sales of net fare-box revenue to BTSGIF and other non-recurring items*

[10] *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)*

SEGMENTAL PERFORMANCE

MASS TRANSIT BUSINESS

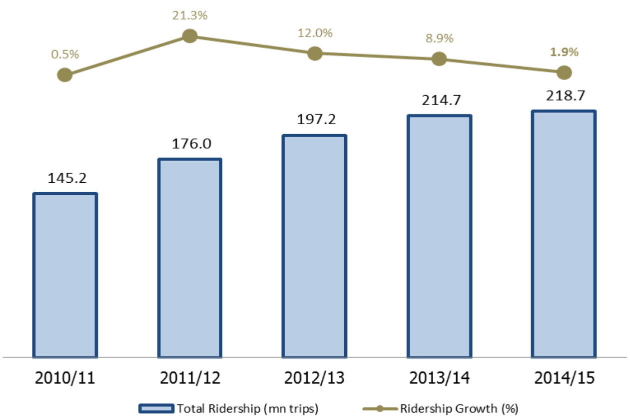
Total Mass Transit revenue[6] increased 9.4% YoY to THB 2,273.5mn supported by an increase in O&M income and an increase in share of net profit from BTSGIF. O&M revenue rose by 23.2% or THB 292.1mn YoY to THB 1,549.3mn, mainly attributable to (1) the full year operation of Green Line – Silom extension from Wongwian Yai to Bang Wa (which began operations in December 2013), (2) the contractually agreed increase in the operating fee of Green Line – Sukhumvit extension as well as (3) the additional scope of work in the BRT contract. These increases were offset with a decline in fare-box revenues of THB 207.7mn or 100% from 16 days' worth of revenue that was consolidated in the FY 13/14 accounts prior to the sale to BTSGIF.

Fare-box revenue of the core system rose by 3.5% YoY or THB 197.0mn to THB 5,874.1mn, attributable to both ridership growth (up 1.9% YoY to 218.7mn trips) and average fare increase (which rose by 1.6% YoY to THB 26.9 per trip). Further, we saw a reduction in payroll and selling costs of 15.1% YoY which led to an improved margin on the Core network.

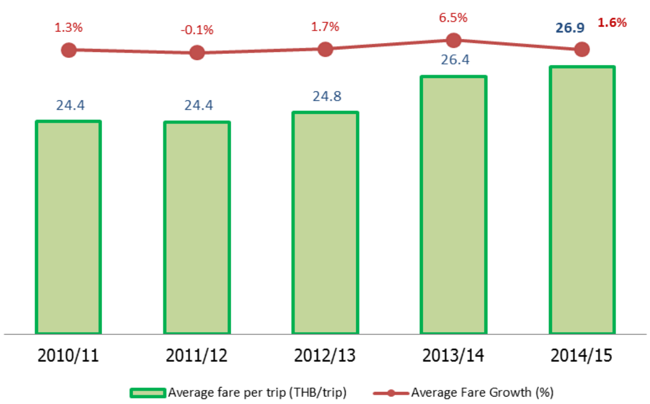
Share of net profit from investment in BTSGIF in FY 14/15 increased by THB 111.8mn or 18.2% YoY to THB 724.2mn. This increase came from the aforementioned increase in the Core network performance, the full year effect of the extension operation, as well as a revision of amortisation method for fund set-up cost (from 3 years to the end of concession to be in line with other BTSGIF related items).

Cost of Mass Transit revenue, including SG&A expenses, decreased by 11.6% or THB 106.5mn YoY to THB 815.3mn as there was no cost of fare-box revenue in FY 14/15 (THB 86.5mn in FY 13/14). However, this was partially offset with the higher O&M costs which increased in line with O&M revenue. As operating cost and SG&A expenses decreased while operating revenue increased, the operating EBITDA margin improved to 64.8% in FY 14/15 (56.4% in FY 13/14).

Historical ridership and % YoY growth for past 5 years



Historical average fare and % YoY growth for past 5 years



MEDIA BUSINESS

In 2014, economic activities in Thailand continued to slow down as a result of the decline in annual government budget spending, contraction in exports as well as private investments and also other factors attributed to domestic consumption slowdown, which affected our Media business.

Media revenue contracted 6.3% (or THB 195.2mn) YoY to THB 2,926.0mn. The decline was from Modern Trade Media, was atrributable to the continued lacklustre consumer demand (advertising expenditure falling 8.4% YoY[4]) as well as the expiry of Tesco Lotus contracts during December 2014 and February 2015. Nevertheless, this was offset with BTS-related Media and Office Building and Other Media, which continued to grow resiliently from the previous year by 7.0% and 7.4%, respectively. These media segments outperformed the declining growth of other media sectors in the advertising industry, mainly due to the continued ridership growth and ability to reach its target market effectively.

BTS-related Media continued to demonstrate resilience with revenue of THB 1,775.5mn, an increase of THB 115.6mn or 7.0% YoY mainly owing to (1) the increase in capacity of new media on BTS SkyTrain platforms (Platform Truss LEDs and Platform Screen Doors), (2) increase in revenue from merchandising space from higher rent and increased utilisation and (3) the addition of 5 new trains which started to generate media revenue from April 2014.

Our ***Modern Trade Media*** revenue was THB 972.1mn, a decline of 24.9% YoY. The decrease was primarily the result of the gradual expiration of all Tesco Lotus contracts from December 2014 to February 2015.

Office Building and Other Media revenue grew 7.4% YoY to THB 178.4mn as a result of (1) full year revenue recognition of the additional buildings from the previous year coupled with the revenues generated from 28 new buildings from October 2014 onwards (a total of 103 buildings as of end of FY 14/15) and (2) revenue from selling agent business such as selling media on Thai AirAsia airplanes.

Cost of revenue decreased 3.8% or THB 46.4mn YoY to THB 1,185.1mn mainly from a decrease in costs of Modern Trade Media, yet offset with higher depreciation expenses of new digital media and equipment on BTS stations such as Platform Truss LEDs and Platform Screen Doors. Media SG&A also decreased by 7.3% or THB 29.0mn YoY to THB 370.7mn largely resulting from the decrease in SG&A expenses in Modern Trade sector. Consequently, as a result of lower contribution of lower margin Modern Trade business, the operating EBITDA margin improved to 52.3% (versus 50.6% in FY 13/14).

Subsequent to the end of the fiscal quarter, VGI has decided to discountinue its operations with modern trade partners and as such, there were additional expenses in 4Q 14/15, which were: (1) provision of initial damages incurred from terminating the agreement with Big C of THB 215mn (before tax) and (2) provision for the difference between revenue sharing and minimum guarantee of THB 53mn. More commentary can be found in *VGI Global Media's management discussion and analysis for FY 14/15*.

PROPERTY BUSINESS

Property operating revenue dropped a significant 53.8% YoY or THB 1,579.3mn to THB 1,354.8mn, 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 previous year. Separately, the Group also recognised the gain on sale of 5-rai land at Mo Chit to SIRI-JVCo1 of THB 367.5mn in this year (FY 13/14: THB 379.3mn from the sale of land at Bang Pakong and Bangna KM 18).

Residential Property revenue decreased by 79.8% YoY or THB 1,647.1mn to THB 415.7mn in FY 14/15. This decrease was mainly driven by a decline in sales of real estate of THB 1,646.6mn (largely in relation to 113 transferred units of Abstracts Phahonyothin Park (Tower A) in this year versus 610 transferred units in FY 13/14).

Commercial Property revenue reached THB 932.3mn, an increase of 8.2% YoY or THB 70.4mn mainly supported by an improvement in the Groups hotel business performance and Thana City Golf Course.

Operating costs decreased 56.7% YoY or THB 996.2mn to THB 759.6mn mainly from a decline in costs from transferred units of Abstracts Phahonyothin Park. Property SG&A expenses also decreased by 17.9% YoY or THB 124.9mn to THB 573.4mn largely from the reduction in selling and marketing expenses related to Abstracts Condominium project. As a result of the decrease in sales of real estate from the aforesaid reasons, the operating EBITDA margin declined to 13.4% in FY 14/15 compared to 21.5% in FY 13/14.

SERVICES BUSINESS

Services business revenue increased YoY by THB 148.8mn or 37.3% to THB 547.8mn. This increase was primarily due to growth in the revenue generated from ChefMan Restaurants (which increased by THB 90.9mn or 41.3% YoY to THB 310.6mn) as well as growth in the revenue from Bangkok Smartcard Systems (BSS). BSS enjoyed a 37.5% or THB 51.9mn increase in revenue to THB 190.3mn primarily from stronger marketing and co-promotion of rabbit cards of THB 37.9mn.

Operating costs increased by 40.6% YoY or THB 116.3mn to THB 402.8mn. There was also THB 187.5mn of SG&A expenses, an increase of 27.7% 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 31 March 2015 stood at THB 66,811.5mn, a decrease of THB 9,899.7mn or 12.9% from 31 March 2014. Total current assets stood at THB 26,002.7mn, decreasing by 30.4% or THB 11,340.4mn primarily attributed to (1) a decrease in current investment of THB 17,124.9mn, mainly from the reduction in collateralised debenture (which was used to repay the third tranche of BTSC debentures of THB 3,611.3mn and the reclassification of the fourth tranche of BTSC debentures of THB 1,466.2mn to current portion from long-term portion), as well as treasury management which increased its weighting towards longer term investments and (2) a reduction in real estate development costs to THB 312.0mn as condominium units were transferred to buyers. This was partially offset with (3) the reclassification of assets, liabilities and equities related to BTSA and KKP (presented as "assets held for sale") of THB 4,576.2mn in accordance with TFRS 5 following the disposal of shares in the two subsidiaries to U City Plc. (for more details, see note 28 in the financial *statements*) and (4) an increase in cash of THB 1,443.4mn (see further details in *Cash Flow section*).

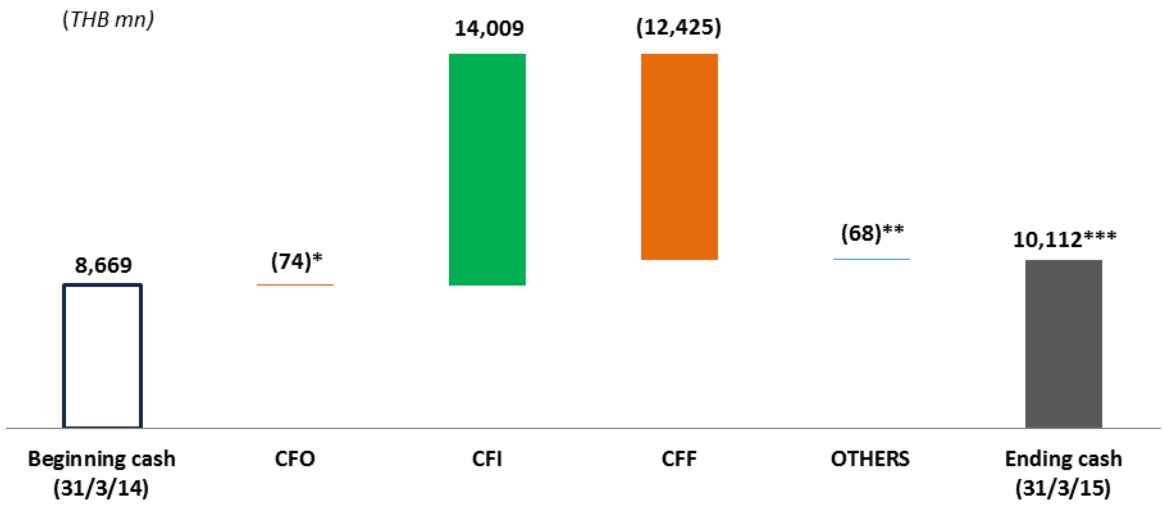
Total non-current assets was THB 40,808.8mn, an increase of 3.7% or THB 1,440.7mn mainly from (1) an increase in other long-term investments of THB 3,310.3mn primarily from the increase in Investments available for sale of THB 4,938.6mn, which offset the decrease in securities held-to-maturity of THB 1,573.5mn from the reclassification of the fourth tranche of BTSC debentures to current portion, (2) an increase in loan to related parties (including BTS Sansiri Joint Venture projects) of THB 759.1mn and (3) an increase in restricted deposits of THB 573.4mn (cash collateral placed with banks). This increase was partially offset with (4) a reduction in PP&E of THB 1,961.6mn as well as (5) a decrease in investment properties of THB 1,621.2mn which resulted from the aforementioned divestment of BTSA and KKP assets to U City Plc.

Total liabilities decreased from 31 March 2014 by 13.8% or THB 2,370.0mn to stand at THB 14,799.0mn largely due to (1) the third tranche repayment of BTSC debentures of THB 3,611.3mn in August 2014, (2) a decrease in income tax payable of THB 493.6mn resulting from the corporate income tax payment of FY 13/14 in August 2014, partially offset with (3) an increase in loans from financial institutions of THB 1,503.1mn, of which THB 240.0mn was mainly used by VGI to purchase MACO shares and THB 981.1mn were foreign currency loan to hedge foreign currency exposure. **Total equity** decreased by THB 7,529.7mn or 12.6% to THB 52,012.5mn mainly attributable to (1) a reduction in surplus from the changes in the ownership interests in subsidiaries of THB 3,095.1mn primarily as a result of the Company increasing its shareholding in subsidiary VGI, (2) a decrease in non-controlling interest of the subsidiaries of THB 572.1mn due to the purchases of investments in subsidiaries (VGI and Nuvo Line) and (3) a reduction in unappropriated retained earnings (excluding the portion reserved for treasury stock) of THB 4,205.9mn. The decline in unappropriated retained earnings was mainly from the dividend payment of THB 6.0bn, offset with net profit of THB 2.9bn. As of 31 March 2015, total issued and fully paid-up shares stood at 11,919.3mn shares.

CASH FLOW

For the year ended 31 March 2015, **cash and cash equivalents** reached THB 10,111.9mn, an increase of 16.7% or THB 1,443.4mn. Cash from operating activities was THB 1,899.5mn, decreasing 15.8% or THB 355.5mn primarily due to a lower operating revenues of Property and Media businesses and the increase in trade and other receivable of THB 320.5mn. Cash paid for corporate income tax of THB 1,669.0mn (FY 13/14; THB 697.1mn) meant that **net cash used in operating activities** was THB 73.9mn. **Net cash from investing activities** was THB 14,009.2mn. The key components are (1) decrease in current investment of THB 18,855.1mn largely from the repayment of the third tranche of BTSC debenture as well as treasury management, (2) net cash paid for purchases of other long-term investments of THB 5,111.7mn, (3) net cash paid for purchases of property, plant and equipment of THB 1,131.4mn and (4) cash received from the sale of land at Mo Chit to JVCo1 of THB 1,412.2mn. **Net cash used in financing activities** was THB 12,425.4mn mainly from (1) the cash paid for the repayment of the third tranche of BTSC debenture of THB 3,611.3mn, (2) dividend payment of THB 6,028.1mn, (3) net cash paid for purchases of investments in subsidiaries of THB 3,620.6mn (increase in shareholding in VGI and Nuvo Line) and (4) cash paid for the purchase of BTS Group treasury stock of THB 925.5mn.

Twelve-Months Cash Flow Snapshot



* After tax (THB 1.7bn) and interest expense (THB 304.4mn)

** Cash and cash equivalents of BTSA and KKP (presented as discontinued operation at end of the year)

*** Excluding BTSC sinking fund and THB 13.9bn liquid investments

KEY FINANCIAL RATIOS

Profitability ratios	FY 14/15⁺	FY 13/14⁺	FY 12/13
Gross operating profit margin (%)	**55.5%**	51.4%	48.8%
Selling and administrative expenses to operating sales ratio (%)	**22.0%**	19.5%	16.6%
Operating EBITDA margin (%)[A]	**39.9%**	36.3%	49.0%
Accounting EBITDA margin (%)	**51.8%**	73.7%	53.3%
Recurring pre-tax profit margin (%)[B]	**40.4%**	36.2%	21.6%
Net recurring profit margin (%)[B]	**32.8%**	25.4%	9.7%
Accounting net profit margin (%)[C]	**32.5%**	55.7%	16.6%
ROA (%)[D]	**5.0%**	17.6%	2.9%
ROE (%)[E]	**6.4%**	22.7%	3.8%
Liquidity ratio			
Current ratio (times)	**3.83x**	4.36x	5.79x
Leverage ratios			
Total liabilities to total asset (times)	**0.22x**	0.22x	0.25x
Total liabilities to total equity (times)	**0.28x**	0.29x	0.33x
Net debt to equity (times)	**(0.11 x)**	(0.03 x)	0.17x
Net debt to operating EBITDA (times)	**(1.96 x)**	(0.65 x)	1.66x
Interest coverage (times)[F]	**7.03x**	4.94x	4.07x
Per share ratios[G]			
Basic earnings per share (THB)	**0.248**	1.078	0.172
Operating cash flow per share (THB)	**(0.006)**	0.097	0.466
Free cash flow per share (THB)	**(0.154)**	(0.009)	0.270
Enterprise value per share (THB)	**9.64**	9.11	10.65
Book value per share (THB)	**4.38**	5.09	5.05

Note:

⁺ *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 expect to see 4 – 6% ridership growth for FY 15/16 based on a combination of organic growth and new real estate developments along the Silom line extension from Wongwian Yai (S8) to Bang Wa (S12), which commenced full operation in 2013. The average fare is expected to increase by 2% from the adjustment in card promotions. We project our O&M revenue to grow by 3% next year as previously guided.

With respect to longer term growth, the current government has imposed a stringent policy on the transfer of the Green Line South extension project (Bearing – Samut Prakarn; 12.8km) from the Mass Rapid Transit Authority of Thailand ("MRTA") to the Bangkok Metropolitan Administration ("BMA"), which is expected to be concluded in 3Q CY 2015. Nevertheless, civil works construction continues to proceed, with construction progress now past 54.9% (as of 30 April 2015). The Company remains optimistic that the O&M contract for this line will be awarded to BTS in 2015 or early 2016, with full operation targeted for late 2019. Furthermore, for the best interest of the public, a a study is being undertaken on the possibility of transferring the Green Line North (Mo Chit – Saphan Mai – Khu Khot; 18.4km) project to come under BMA regulation. The civil works construction for this line is scheduled to start in June 2015 and the O&M contract is expected to be awarded to the Company in early 2016, with full operation targeted to start in 2020. The Light Green Line extension from Bang Wa to Borommaratchachonnani (7.0km) is also expected to start operating in 2019, with the award of the civil works and O&M contracts due in early 2017. The Light Rail Transit (LRT) which runs from Bang Na to Suvarnabhumi Airport and covering 18.3km is still expected to be tendered within 2015 and opened for full service by 2018. The bidding for the civil works and O&M of the Grey Line from Watcharaphon to Rama 9 Bridge (total route length of 26km) is expected to be in early 2016 and the targeted operation year is in 2019. The Pink Line, which runs from Khae Rai to Min Buri and covering 36.0km, is expected to be tendered out by the end of 2015 and operational by 2020 to 2021.

We expect to see short-term revenue contraction for our **Media** business in FY 15/16, with overall revenue declining by 12% subsequent to the discontinuation of the Modern Trade Media business, which was the second largest contributor to the Media revenue. Despite that, the Company still expects to see healthy growth from the remaining segments, with projected topline growth of 16%, 20% and over 1,000% from BTS-related Media, Office Building Media and Other Media, respectively. Key drivers for the growth in each Media segments will come from new capacity in BTS-related Media (Platform Truss LEDs, E-posters and Platform Screen Doors), expansion of the media network in Office Building Media and new contract acquisitions in Other Media. The Company will also see improved profitability as a result of the reduction in costs associated with Modern Trade Media operations.

On the **Property** side, we expect Residential Property revenue of THB 620mn from the remaining 84 units of Abstracts Phahonyothin Park Project that are expected to be sold and transferred by FY 15/16 as well as from housing projects in Thana City. Further, Commercial Property revenue is expected to contribute THB 590mn to the Group, consisting primarily of revenues from our hotel portfolio and Thana City Golf Course & Sports Club. On our partnership with Sansiri, we expect to launch further projects this year and as a result, have increased our capex budget for land acquisition to at least THB 1bn. For U City Plc., we look to provide you with more updates later on in the year.

Within our **Services** business, we are targeting a total of 5.0mn Rabbit cards in circulation by FY 15/16. Our ChefMan Restaurants will also see some exciting growth prospects this year, with 6 – 9 additional branches to be launched over the course of the year.

Finally, FY 15/16 will be the 3rd year of our committed dividend payment, during which we expect to pay at least THB 8,000mn in dividends.

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Rangsin Kritalug

(Executive Director and Chief Operating Officer)