

## 1Q 15/16 FINANCIAL HIGHLIGHTS

- **Quarterly ridership; 55.9mn trips in 1Q 15/16, 9.0% growth YoY. Average fare was THB 26.9 per trip, a decrease of 0.7% YoY**
- **Share of net profit from investment in BTSGIF in 1Q 15/16 increased by 25.2% YoY to THB 208.4mn**
- **Train Operation & Maintenance (O&M) revenue rose 4.1% YoY to THB 394.0mn** from the contractually agreed increase in the operating fee of Green Line – Sukhumvit extension and Silom extension
- Total Media revenue declined by 28.5% YoY to THB 539.2mn although **BTS-related Media revenue grew 1.9% YoY to THB 436.2mn**
- **Property operating revenue of THB 233.0mn**, dropping 27.1% YoY mainly from the divestment of Eastin Grand Hotel Sathorn to U City PCL and fewer transferred condominium units
- **The Line Jatujak – Mochit project was 100% pre-sold with average selling price of THB 178.9k/sqm**
- **Services business revenue<sup>1</sup> rose by 30.2% YoY to THB 163.7mn** mainly from the revenue generated from ChefMan Restaurants
- **Total reported revenue\* was THB 5,093.6mn, an increase of 151.7% YoY** primarily on gain (before tax) on sale of property assets (disposal of shares in the 2 subsidiaries to U City PCL) of THB 3,458.5mn
- **Pre-tax recurring profit margin (before MI) was 36.5%** in 1Q 15/16, compared to 43.0% in 1Q 14/15
- **Net recurring profit (before MI) was THB 507.6mn**, decreasing 34.0% YoY from THB 769.2mn in 1Q 14/15
- **Net profit (before MI) of THB 3,075.5mn, an increase of 303.4% YoY or THB 2,313.2mn** mainly due to a recognition of net gain (after tax) from the sale of property assets to U City PCL of THB 2,528.5mn

## 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.

## SIGNIFICANT EVENTS

- **20 April 2015:** The completion of the disposal of all ordinary shares in two subsidiaries, (i) BTS Assets Co., Ltd. (“BTSA”), the owner of Eastin Grand Hotel Sathorn Bangkok and land plots at Phaholyothin Road and (ii) Kamkoong Property Co., Ltd. (“KKP”), the owner of land plots at Phayathai Road to U City Public Company Limited (“U City”). The total sales consideration was THB 9,404.1mn and BTS Group received 35.64% of the newly issued ordinary shares as well as warrants of U City in exchange for the sale.
- **15 May 2015:** The Company’s Executive Committee approved the establishment of 7 additional new joint venture companies (“JVCo3 to JVCo9”) between BTS Group and Sansiri Public Company Limited (“SIRI”) 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.
- **April – June 2015:** The Group increased its shareholding in VGI from 69.6% to 73.3%.
- **22 July 2015:** BTS Group and SIRI announced the revision of the total project value under the 5-year strategic alliance framework agreement to THB 100bn (from THB 25-30bn) with plans to develop approximately 25 condominium projects for sale within 500m of mass transit stations.
- **24 July 2015:** The Annual General Meeting of Shareholders 2015 approved the appointment of 2 new directors (Mr. Chulchit Bunyaketu and Dr. Karoon Chandrangsu), increasing the number of the directors from 12 to 14 directors. Also, the Company will pay a final dividend of THB 3,548.5mn or THB 0.30 per share on 17 August 2015, taking the total annual dividend paid to THB 7,094.7mn (THB 0.60 per share). Based on the share price as of 22 May 2015 (one day before the BOD date), this is equivalent to a dividend yield of 6.38%.

### 1Q 15/16 PERFORMANCE

The Group recorded consolidated total revenue\* of THB 5,093.6mn in 1Q 15/16. This represented an increase of 151.7% or THB 3,069.6mn YoY from THB 2,024.0mn in 1Q 14/15. The increase was primarily due to (1) extraordinary gain (before tax) recognised in 1Q 15/16 from the sale of property assets to U City (recorded under "gain on swap of investments") of THB 3,458.5mn and (2) the increase in Mass Transit revenue of THB 15.5mn (or 4.1% YoY) from higher O&M revenue and (3) the growth in the revenue generated from ChefMan Restaurants as well as stronger marketing and co-promotion of Rabbit cards of THB 27.7mn YoY. This increase was partially offset with (4) a reduction in interest income of THB 199.4mn and (5) a decrease in services revenue of THB 184.7mn mainly from softened Media and Property revenues (see details in *Segmental Performance* section).

Despite higher train O&M revenue and an increase in share of net profit from BTSGIF, operating revenue<sup>2</sup> fell by 11.8% YoY or THB 205.8mn to THB 1,538.4mn largely as a result of (1) the reduction in Property operating revenue from the divestment of Eastin Grand Hotel Sathorn to U City and fewer transferred units of Abstracts Phahonyothin Park Condominium in 1Q 15/16 and (2) the reduction in Media revenue from the discontinuation of Modern Trade Media business. Revenue from the Mass Transit, Media, Property and Services businesses accounted for 39.2%, 35.0%, 15.1% and 10.6% of total operating revenue, respectively.

Operating Revenue <sup>2</sup> (THB mn)	1Q 15/16	% of Total <sup>2</sup>	1Q 14/15	% of Total <sup>2</sup>	% Change (YoY)	1Q 15/16 GP Margin <sup>5</sup>	1Q 14/15 GP Margin <sup>5</sup>
Mass Transit <sup>3</sup>	602.5	39.2%	545.0	31.2%	10.5%	65.4%	61.7%
Media	539.2	35.0%	754.0	43.2%	(28.5)%	67.1%	58.8%
Property <sup>4</sup>	233.0	15.1%	319.4	18.3%	(27.1)%	39.9%	40.3%
Services <sup>1</sup>	163.7	10.6%	125.8	7.2%	30.2%	23.9%	28.2%
<b>TOTAL<sup>2</sup></b>	<b>1,538.4</b>	<b>100.0%</b>	<b>1,744.2</b>	<b>100.0%</b>	<b>(11.8)%</b>	<b>57.7%</b>	<b>54.2%</b>

Total consolidated expenses and SG&A\* reached THB 960.2mn in 1Q 15/16, a reduction of THB 104.1mn or 9.8% YoY mainly from (1) the decline in cost of services of THB 109.3mn from lower costs of Media and Property businesses (see details in *Segmental Performance* section), (2) the reduction in cost of sales of real estate of THB 38.8mn. Operating costs decreased by 18.6% YoY to THB 650.8mn, which was in line with the reduction in total operating revenue. Further, as operating costs decreased at a higher rate than the decline in operating revenues, the Group operating gross profit margin<sup>5</sup> improved to 57.7% from 54.2% in the previous year.

As a result of the aforementioned changes, the Group operating EBITDA<sup>6</sup> was THB 630.8mn, a decrease of THB 58.9mn or 8.5% YoY. However, the operating EBITDA<sup>6</sup> margin improved slightly to 41.0% in 1Q 15/16 (versus 39.5% in 1Q 14/15) from higher contribution of higher margin Mass Transit business as well as from lower contribution of lower margin Property and Modern Trade Media businesses. Finance costs fell by 40.0% YoY or THB 53.4mn to THB 80.2mn primarily as the Group repaid the third tranche of BTSC debentures during 2Q 14/15.

Other recurring income<sup>7</sup> fell by 65.7% YoY or THB 353.3mn to THB 184.6mn largely from the reduced interest income and an increase in share of net loss from investments in joint ventures/associates (excludes share of profit in BTSGIF) of THB 140.4mn. Despite lower finance costs, pre-tax recurring profit margin<sup>7</sup> for this quarter decreased to 36.5% from 43.0% in 1Q 14/15 as a result of the reduction in other recurring income. Net recurring profit (before MI) in 1Q 15/16 was THB 507.6mn, decreasing 34.0% YoY from THB 769.2mn in 1Q 14/15 consequent to the contraction in other recurring income as aforesaid mentioned.

Reported income tax expenses was THB 1,051.7mn, an increase of THB 851.9mn or 426.5% YoY primarily from tax on the capital gain on sale of property assets (U City transaction) of THB 930.0mn. Taking into account all the aforesaid transactions, the Group recorded a consolidated profit of THB 3,075.5mn (increasing 303.4% YoY) and profit attributable to the equity holders of the Company of THB 3,016.4mn (increasing 363.9% YoY).

\* Total consolidated revenue and cost excludes train procurement service income and cost of train procurement service under concession agreement of THB 0.0mn (1Q 14/15: THB 49.8mn) 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

<sup>1</sup> Services revenue includes sales from BSS, revenue from Carrot, revenue from HHT construction and revenue from ChefMan Restaurants.

<sup>2</sup> 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

<sup>3</sup> 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')

<sup>4</sup> 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.

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

<sup>6</sup> 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

<sup>7</sup> 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

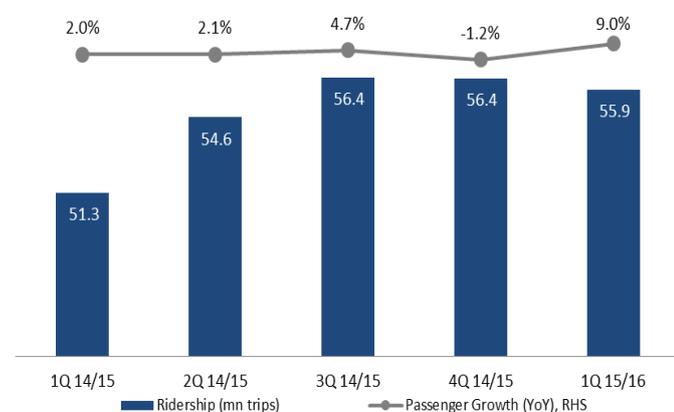
### MASS TRANSIT BUSINESS

Total Mass Transit revenue<sup>3</sup> increased 10.5% YoY to THB 602.5mn supported by an increase in O&M income and an increase in share of net profit from BTSGIF. O&M revenue rose by 4.1% or THB 15.5mn YoY to THB 394.0mn, mainly attributable to the contractually agreed increase in the operating fee of Green Line – Sukhumvit extension and Silom extension.

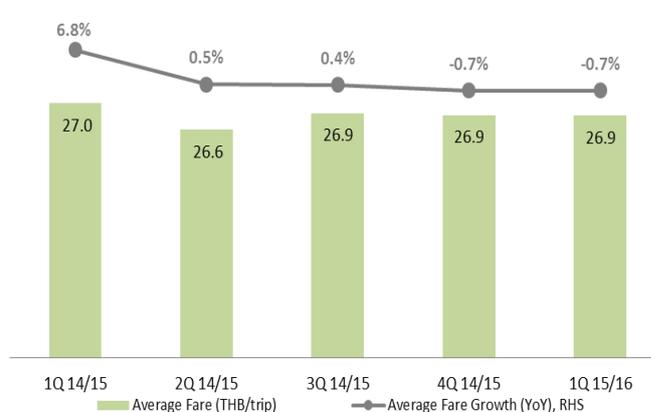
Fare-box revenue of the core system rose by 8.2% YoY or THB 113.9mn to THB 1,500.9mn mainly attributable to ridership growth (up 9.0% YoY to 55.9mn trips). Average fare was THB 26.9 per trip, a decrease of 0.7% YoY. Share of net profit from investment in BTSGIF in 1Q 15/16 increased by THB 42.0mn or 25.2% YoY to THB 208.4mn, which resulted from the increase in core network performance and 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 increased by 0.1% or THB 0.2mn YoY to THB 208.7mn. As operating cost remained unchanged while operating revenue increased, the operating EBITDA margin improved to 66.1% in 1Q 15/16 (62.3% in 1Q 14/15).

Historical ridership and % YoY growth for past 5 quarters



Historical average fare and % YoY growth for past 5 quarters



### MEDIA BUSINESS

Thailand's central bank has revised down its 2015 GDP growth forecast for the second time from 3.8% to 3.0%. Weakened domestic consumption, falling agricultural commodity prices (especially rice and rubber) and delayed disbursement of the government's spending budget led to slower-than-expected recovery of the Thai economy. The Thai media industry was also harder hit by weakened consumption, as evident from the decrease in 6-months (Jan - Jun 2015) and 3-months (Apr - Jun 2015) advertising spending by 4.9% YoY and 5.7% YoY, respectively.

Total Media revenue contracted by 28.5% YoY from THB 754.0mn in the previous year to THB 539.2mn as a result of the discontinuation of Modern Trade Media business. However, the decrease was partially offset with BTS-related Media and Office Building and Other Media, which continued to grow resiliently from 1Q 14/15 by 1.9% and 32.2%, respectively.

**BTS-related Media** demonstrated resilient revenue growth of 1.9% YoY, or an increase of THB 8.3mn, to THB 436.2mn despite the economic slowdown. The key growth drivers were the increase in occupancy of static and digital media on station and digital media in-train.

Our **Modern Trade Media** revenue was THB 50.5mn, a decline of 82.4% YoY. The decrease was entirely from the discontinuation of Modern Trade Media business. The analysis of underlying performance which removes the impact from Modern Trade Media business can be found in VGI Global Media's management discussion and analysis for 1Q 15/16 (<http://vgi.listedcompany.com/misc/MDNA/20150803-vgi-mdna-1q20152016-en.pdf>).

**Office Building and Other Media** revenue grew 32.2% YoY to THB 52.4mn as a result of the increase in additional office buildings (from 75 buildings to 103 buildings) as well as from media price increases, which became effective since October 2014.

Cost of revenue decreased 42.8% or THB 132.8mn YoY to THB 177.5mn mainly from the reduction in costs associated with the discontinuation of Modern Trade Media. The decrease was partially offset with (1) higher depreciation costs of the new digital media installed across the BTS SkyTrain network as well as the additional office buildings and (2) the additional expenses of the 7 new extensions, which VGI secured the contract on 6 May 2015. Consequently, as a result of lower contribution of lower margin Modern Trade business, the operating EBITDA margin in this quarter improved to 58.8% (versus 50.2% in 1Q 14/15).

#### PROPERTY BUSINESS

In 1Q 15/16, the Group recognised a net gain (after tax) of THB 2,528.5mn from the sale of property assets (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.

The launch of The Line Jatujak – Mochit, the first condominium project under the BTS-SIRI joint venture, was 100% sold out since the first day of pre-sales. Average selling price was THB 178.9k/sqm, significantly higher than comparable projects in that district. Following the success of the first project, the Company and SIRI have revised up the target project value to be launched over the next 5 years to be THB 100bn (see *Management Outlook* section).

Property operating revenue dropped 27.1% YoY or THB 86.4mn to THB 233.0mn, which was attributable to the decline in Residential Property revenue and Commercial Property revenue.

**Residential Property** revenue decreased by 45.0% YoY or THB 59.6mn to THB 72.9mn in 1Q 15/16. This decrease was mainly driven by a decline in sales of real estate of THB 60.2mn (largely in relation to 14 transferred units of Abstracts Phahonyothin Park (Tower A) in this quarter versus 42 transferred units in 1Q 14/15). As of July 2015, Abstracts Phahonyothin Park (Tower A) had been 100% pre-sold.

**Commercial Property** revenue reached THB 160.1mn, a reduction of 13.3% YoY or THB 24.7mn mainly driven by a decrease in revenue from Eastin Grand Sathorn Hotel following the disposal of Eastin Grand Sathorn Hotel to U City since 20 April 2015. However, the decrease was partially offset with the increase in revenue from U Sathorn Hotel of THB 28.4mn.

Operating costs decreased 26.5% YoY or THB 50.5mn to THB 140.1mn mainly from the decline in costs from transferred units of Abstracts Phahonyothin Park and costs related to Eastin Grand Hotel Sathorn Bangkok. Property SG&A expenses also decreased by 17.1% YoY or THB 21.9mn to THB 106.0mn largely from the reduction in selling and marketing expenses related to Abstracts Condominium project and expenses related to Eastin Grand Hotel Sathorn Bangkok. As a result of the decrease in revenues from the aforesaid reasons, the operating EBITDA margin declined to 5.9% in 1Q 15/16 compared to 12.3% in 1Q 14/15.

#### SERVICES BUSINESS

Services business revenue increased by THB 37.9mn or 30.2% YoY to THB 163.7mn. This increase was primarily due to growth in the revenue generated from ChefMan Restaurants (which increased by THB 17.3mn or 26.6% YoY to THB 82.2mn) as well as growth in the revenue from Bangkok Smartcard Systems Co., Ltd. ("BSS"). BSS enjoyed a 23.7% or THB 11.5mn increase in revenue to THB 60.1mn primarily from stronger marketing and co-promotion of Rabbit cards of THB 10.4mn.

Operating costs increased by 38.0% YoY or THB 34.3mn to THB 124.6mn. There was also THB 43.1mn of SG&A expenses, an increase of 33.0% YoY. Key costs and SG&A items were mainly from staff costs, food & beverage cost at ChefMan Restaurants.

#### FINANCIAL POSITION

**Total assets** as of 30 June 2015 stood at THB 69,800.8mn, an increase of THB 2,989.4mn or 4.5% from 31 March 2015. Total current assets stood at THB 20,554.6mn, decreasing by 21.0% or THB 5,448.4mn primarily attributed to (1) the de-recognition of "non-current assets classified as held for sale" (assets, liabilities and equities related to BTSA and KKP) of THB 4,576.2mn from the Group's balance sheet following the disposal of shares in the two subsidiaries to U City and (2) a reduction in cash and cash equivalents of THB 5,485.4mn (see further details in *Cash Flow* section) offset by increase in current investments of THB 4,850.2mn. A key part of the latter items relate to the Group's treasury management which reallocated cash (of THB 7,003mn) to money market funds, offset by THB 1,990.1mn of fixed deposits that became due.

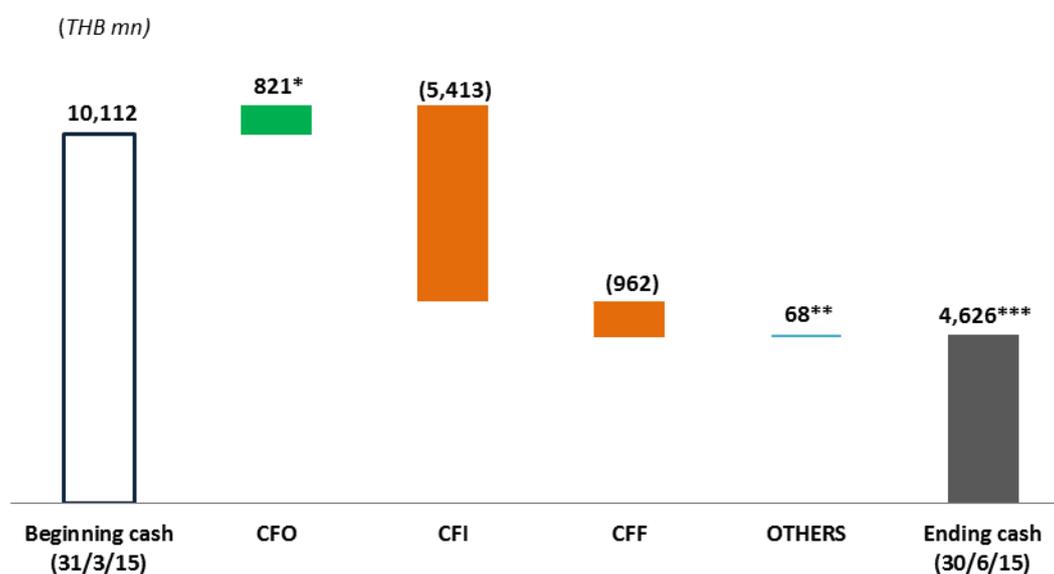
Total non-current assets was THB 49,246.2mn, an increase of 20.7% or THB 8,437.8mn primarily attributable to (1) an increase in investments in associates of THB 7,441.3mn mainly from the 35.64% investment in U City of THB 7,496.5mn and (2) an increase in loans to related parties of THB 533.1mn largely from long-term loans to BTS Sansiri Joint Venture projects.

**Total liabilities** increased from 31 March 2015 by 6.7% or THB 996.8mn to stand at THB 15,795.8mn largely due to (1) an increase in income tax payable of THB 1,054.0mn mainly from the tax on gain from the swap of investments (U City transaction) of THB 930.0mn and (2) deposit received from sale of land to BTS-SIRI JVCo5 of THB 414.8mn. This was partially offset with (3) a de-recognition of “liabilities directly associated with assets classified as held for sale” (related to U City transaction) of THB 515.8mn from the Group’s balance sheet. **Total equity** increased by THB 1,992.6mn or 3.8% to THB 54,005.1mn mainly attributable to an increase in unappropriated retained earnings of THB 3,596.0mn as a result of the gain from the swap of investments (U City transaction). However, this was partially offset with (1) a reduction in surplus from the changes in the ownership interests in subsidiaries of THB 1,086.8mn primarily as a result of the Company increasing its shareholding in VGI and (2) the transfer of revaluation surplus on assets of BTSA of THB 579.6mn to retained earnings. As of 30 June 2015, total issued and fully paid-up shares stood at 11,919.3mn shares.

### CASH FLOW

For the quarter ended 30 June 2015, **cash and cash equivalents** reached THB 4,626.5mn, a decrease of 54.2% or THB 5,485.4mn. Despite lower operating revenues of Property and Media businesses, **net cash from operating activities** was THB 821.1mn, increasing 200.5% or THB 547.9mn primarily from the deposit received from the sale of land to BTS-SIRI JVCo5. **Net cash used in investing activities** was THB 5,412.8mn. The key components are (1) an increase in current investments of THB 4,741.4mn largely from treasury management and (2) an increase in net loans to related parties of THB 567.9mn mainly from long-term loans to BTS Sansiri Joint Venture projects. **Net cash used in financing activities** was THB 961.6mn mainly from cash paid for purchases of investments in subsidiaries of THB 1,010.6mn (increase in shareholding in VGI).

#### Three-Months Cash Flow Snapshot



\* After tax (THB 32.8mn) and interest expense (THB 50.7mn)

\*\* Cash and cash equivalents of BTSA and KKP (presented as assets held for sale at beginning of the year)

\*\*\* Excluding BTSC sinking fund and THB 16.3bn liquid investments

### KEY FINANCIAL RATIOS

Profitability ratios	1Q 15/16	1Q 14/15	4Q 14/15
Gross operating profit margin (%)	57.7%	54.2%	57.8%
Selling and administrative expenses to operating sales ratio (%)	23.6%	21.1%	23.4%
Operating EBITDA margin (%) <sup>A</sup>	41.0%	39.5%	41.9%
Accounting EBITDA margin (%)	81.6%	44.4%	39.8%
Recurring pre-tax profit margin (%) <sup>B</sup>	36.5%	43.0%	42.7%
Net recurring profit margin (%) <sup>B</sup>	29.5%	33.7%	38.4%
Accounting net profit margin (%) <sup>C</sup>	59.1%	32.6%	39.7%
ROA (%) <sup>D</sup>	7.7%	3.8%	4.7%
ROE (%) <sup>E</sup>	10.0%	4.9%	6.0%
Liquidity ratio			
Current ratio (times)	2.40x	4.20x	3.83x
Leverage ratios			
Total liabilities to total asset (times)	0.23x	0.24x	0.22x
Total liabilities to total equity (times)	0.29x	0.31x	0.28x
Net debt to equity (times)	(0.00)x	0.01x	(0.11)x
Net debt to operating EBITDA (times)	(0.01)x	0.13x	(1.96)x
Interest coverage (times) <sup>F</sup>	7.87x	5.16x	8.68x
Per share ratios <sup>G</sup>			
Basic earnings per share (THB)	0.2551	0.0546	0.0574
Operating cash flow per share (THB)	0.069	0.023	0.040
Free cash flow per share (THB)	0.063	0.015	0.031
Enterprise value per share (THB)	10.58	9.43	9.69
Book value per share (THB)	4.57	4.94	4.38

#### Note:

<sup>A</sup> Excludes non-operating items and interest income

<sup>B</sup> Calculated based on recurring profit (before MI) / total recurring revenue

<sup>C</sup> Calculated based on accounting net profit (before MI) / total accounting revenue including shares of income from investments in associates

<sup>D</sup> Calculated based on accounting net profit (before MI) / total assets

<sup>E</sup> Calculated based on accounting net profit (before MI) / total shareholders' equity

<sup>F</sup> Calculated based on operating EBITDA / finance cost

<sup>G</sup> Calculated based on weighted average number of shares at par value of THB 4.0

**MANAGEMENT OUTLOOK**

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Within our **Mass Transit** business, we maintain our guidance of 4 – 6% ridership growth for FY 15/16 despite YTD ridership growth (9.0% YoY) exceeding that target. Key drivers for the expected ridership growth are 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 government has approved in principle to transfer the Green Line South (Bearing – Samut Prakarn; 12.8km) and North (Mo Chit – Saphan Mai – Khu Khot; 18.4km) extension projects from the Mass Rapid Transit Authority of Thailand (“MRTA”) to the Bangkok Metropolitan Administration (“BMA”). The full operation of the South extension is targeted for late 2019 and in 2020 for the North extension. The Light Green Line extension from Bang Wa to Borommaratchachonnani (7.0km) is expected to award the civil works and O&M contracts due in early 2017 and also expected to start operating in 2019. The Light Rail Transit (LRT) which runs from Bang Na to Suvarnabhumi Airport and covering 18.3km is expected to be tendered within early 2016 and opened for full service by 2019. The bidding for the construction of the Grey Line (Phase I) from Watcharaphon to Thong Lo (total route length of 16km) is expected to take place in late 2016, with targeted operation year in 2019. The timeline for the Pink Line, which runs from Khae Rai to Min Buri and covering 34.5km, has been pushed back slightly and the bidding for this line is now expected to take place in 2016 although the targeted operational year is still within 2020 to 2021.

For our **Media** business, VGI has reduced its target revenue contraction for FY 15/16 from 12% to 26%. This revision is mainly on account of the discontinuation of the Modern Trade Media business, coupled with the prolonged sluggish economic recovery and the anticipated decline in 2015 GDP growth by the Bank of Thailand. Despite that, the Company still expects to see healthy growth from the remaining segments, with projected topline growth of 10% after removing the impact from the cessation of the Modern Trade Media business.

On the **Residential Property** side, following the successful launch of the first The Line project at Jatujak – Mochit in which all units were 100% sold out since the first day of pre-sale, the Company and SIRI revised the targeted project value under the 5-year strategic alliance framework agreement to THB 100bn from THB 25-30bn. Of these, 5 condominium projects will be launched in the first year with a total project value of approximately THB 25bn. On 8 August 2015, The Line Sukhumvit 71 was launched and once again, was 100% sold within the pre-sale period with total project value of THB 2,001mn. Further, Abstracts Phahonyothin Park (Tower A) project is now completely sold and all the remaining units are expected to be transferred within FY 15/16.

Finally, FY 15/16 will be the 3<sup>rd</sup> 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)