

### 1Q 2016/17 FINANCIAL HIGHLIGHTS

- **Quarterly ridership; 56.5mn trips in 1Q 2016/17, 1.0% growth YoY. Average fare of THB 28.1 per trip, an increase of 4.6% YoY**
- **Share of net profit from investment in BTSGIF in 1Q 2016/17 increased by 6.2% YoY to THB 221.2mn**
- **The launch of the fourth condominium project: “The Line Asoke-Ratchada” under the BTS-SIRI Joint Venture in June 2016 with project value of THB 3.0bn was successfully 100% sold out** with 36% foreign participation during the pre-sales period.
- **Services business revenue<sup>1</sup> rose by 21.4% YoY to THB 198.7mn** mainly from services projects of Bangkok Payment Solutions Co., Ltd. (“BPS”) and ChefMan restaurant
- **Pre-tax recurring profit (before MI) was THB 610.5mn in 1Q 2016/17**, decreased 3.0% YoY mainly from a reduction in operating revenue and higher SG&A expenses, partially offset with higher interest income and a decrease in share of net loss from associates/JVs
- Reported net profit (before MI) for 1Q 2016/17 decreased by 79.6% to THB 628.1mn mainly due to the recognition of a gain on disposal of assets to U City in 1Q 2015/16.

### SIGNIFICANT EVENTS

- **17 May 2016:** BTS Group and BTSC were awarded “A” ratings with a “Stable” Outlook from Fitch Ratings and TRIS Rating. Both ratings agencies have assessed the Company and BTSC as having solid, stable cash flow and profitability in its mass transit and media operations. The ratings will add flexibility to the Company to tap debt financing sources at attractive rates.
- **23 May 2016:** BTSC signed contracts with Siemens Consortium (“Siemens”) and CRRC Changchun Railway Vehicles Co., Ltd. (“CRRC”) to procure 46 additional 4-car trains, totaling of 184 carriages (Thailand’s largest single order of trains) to serve the increased patronage in the existing network, together with Dark Green North and South line extensions.
- **31 May 2016:** VGI acquired an additional 375mn shares (or 12.46%) of Master Ad Public Company Limited (“MACO”). VGI now currently holds 1,126 million share (or 37.42%) of MACO following its strategic plan to become a “Nationwide Integrated Media Platform” within 2 years or less. The transaction allowed VGI to consolidate MACO since 1 June 2016.
- **6 July 2016:** BTSC bought the Request for Proposal Documents (RFP) of Pink line (Khae Rai to Min Buri; 36.0km, 30 stations) and Yellow line (Lad Prao to Sam Rong; 30.4km, 23 stations) under the Public Private Partnership (PPP) framework which was made available for purchase by the Mass Rapid Transit Authority of Thailand (MRTA). The bid envelope opening date on 17 November and the winning bidders are expected to be announced in 2017.
- **22 July 2016:** The Annual General Meeting of Shareholders 2016 approved the issuance and offering of debentures of the Company in the principal amount not exceeding THB 30bn in order to support business expansion and operations as well as to refinance the Company’s debts. Also, the Company will pay a final dividend of up to THB 4,025.6mn or THB 0.34 per share on 16 August 2016, bringing the total annual dividend paid to THB 8,048.0mn (or THB 0.68 per share).
- **3 August 2016:** MACO announced an agreement to acquire 70% of Multi Sign Company Limited (“Multi Sign”) with a total investment of THB 439mn. Multi Sign is an outdoor media company with a total network of 862 billboards nationwide. As a result, MACO becomes the largest outdoor media player in Thailand.
- **6 August 2016:** Commencement of operations of the Purple line (Bang Yai to Bang Sue; 23.0km, 16 stations) for 30 years from contract signing date until 2043. BEM was awarded the concession to operate the Purple line from MRTA in September 2013. Under the agreement, BEM is responsible for investing and implementing the E&M works as well as the procurement of rolling stock, whilst the MRTA invests in the civil works.

### 1Q 2016/17 PERFORMANCE

The Group recorded consolidated total revenue of THB 1,863.0mn in 1Q 2016/17. This represented a decrease of 63.5% YoY or THB 3,234.5mn from THB 5,097.5mn in 1Q 2015/16. The decrease was primarily due to (1) extraordinary gains (before tax) recognised from the sale of property assets to U City Public Company Limited (“U City”) (recorded under “gain on swap of investments”) of THB 3,458.5mn in 1Q 2015/16 as well as (2) a reduction in revenue from sales of real estates of THB 62.0mn as there was no remaining backlog of Abstracts Phahonyothin Park (Tower A) under former subsidiary, Nuvo Line, which subsequently became a BTS-SIRI JV company in 3Q 2015/16. The decrease was partially offset with (3) gain from fair value measurement in MACO at the acquisition date (recorded under “gain on change in status of investment”) of THB 207.4mn. This is attributed to the consolidation of MACO’s financial statement following the increase in our ownership stake in MACO from 24.96% to 37.42%.

Despite higher operating revenue from Mass Transit, Media and Services business, which increased by 5.5%, 0.5% and 21.4% respectively, total operating revenue<sup>2</sup> in 1Q 2016/17 decreased by 1.2% YoY or THB 18.4mn to THB 1,553.5mn largely as a result of a decrease in Property operating revenue from a reduction in sales of real estates as well as our divestment of Eastin Grand Hotel Sathorn Bangkok (“EGS”) to U City in April 2015 (see details in *Segmental Performance* section). Revenues from the Mass Transit, Media, Property and Services businesses accounted for 43.2%, 34.9%, 9.1% and 12.8% of total operating revenue, respectively.

### Operating Revenue and Operating Gross Profit Margin by BU

Operating Revenue <sup>2</sup> (THB mn)	1Q 2016/17	% of Total <sup>2</sup>	1Q 2015/16	% of Total <sup>2</sup>	% Change (YoY)	1Q 2016/17 GP Margin <sup>5</sup>	1Q 2015/16 GP Margin <sup>5</sup>
<b>Mass Transit<sup>3</sup></b>	671.1	43.2%	636.0	40.5%	5.5%	67.3%	67.2%
<b>Media</b>	541.7	34.9%	539.2	34.3%	0.5%	70.4%	67.1%
<b>Property<sup>4</sup></b>	141.9	9.1%	233.0	14.8%	(39.1)%	35.9%	39.9%
<b>Services<sup>1</sup></b>	198.7	12.8%	163.7	10.4%	21.4%	15.3%	23.9%
<b>TOTAL<sup>2</sup></b>	<b>1,553.5</b>	<b>100.0%</b>	<b>1,571.9</b>	<b>100.0%</b>	<b>(1.2)%</b>	<b>58.8%</b>	<b>58.6%</b>

Total consolidated expenses and SG&A reached THB 1,096.8mn in 1Q 2016/17, an increase of THB 136.6mn or 14.2% YoY mainly from (1) the net increase in selling and administrative expenses of THB 114.9mn largely from the increased staff cost, SG&A expenses of MACO following the consolidation as well as SG&A of Services BU (see details in *Segmental Performance* section) and (2) an increase in cost of services of THB 57.9mn. The increase was partially offset with (3) a decline in cost of sales of real estate of THB 36.1mn which was in line with the decrease in sales of real estates as aforementioned.

Operating costs decreased by 1.8% YoY to THB 639.3mn largely from a reduction in operating costs of Property and Media. 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 58.8% from 58.6% in 1Q 2015/16. However, the Group operating EBITDA<sup>6</sup> was THB 636.1mn, a decrease of THB 28.3mn or 4.3% YoY. The operating EBITDA<sup>6</sup> margin decreased to 40.9% in 1Q 2016/17 (versus 42.3% in 1Q 2015/16) mainly from higher SG&A expenses and higher contribution of Services business which has lower margins. Finance costs increased by 9.8% YoY or THB 7.9mn to THB 88.1mn primarily from the increase in interest expense of the bill of exchange which was issued during 1Q 2016/17.

<sup>1</sup> Services revenue includes sales from BSS, revenue from Carrot, revenue from BPS, revenue from HHT construction, revenue from ChefMan Restaurants and revenue from Rabbit Internet Group (formerly known as ASK Hanuman group)

<sup>2</sup> Operating revenue from the operational performances from 4 BUs + share of net profit (loss) from BTSGIF + interest income from train procurement; 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 (loss) 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’ and ‘interest income from train procurement’)

<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 BU, share of net profit (loss) from BTSGIF and interest income from train procurement

<sup>6</sup> Operating EBITDA calculated based on the operational performances from 4 BU, share of net profit (loss) from BTSGIF and interest income from train procurement; EXCLUDES interest income, dividend income, share of net profit (loss) from other associates (except from BTSGIF) and joint ventures, non-recurring items from sales of net fare-box revenue to BTSGIF and other non-recurring items

Other recurring profit<sup>7</sup> increased by THB 32.1mn or 21.3% YoY to THB 183.1mn largely from (1) the increase in interest and investment income of THB 65.4mn mainly from an increase in interest income from related parties (2) the reduction in share of net loss from investments in joint ventures/associates (not including share of profit in BTSGIF) of THB 16.7mn. However, the increase was partially offset with (3) the reduction in gain on sale of investment of THB 37.0mn. Despite higher other recurring profit, pre-tax recurring profit<sup>7</sup> for this quarter was THB 610.5mn, decreasing 3.0% YoY from THB 629.3mn in 1Q 2015/16 as a result of above-mentioned lower operating revenue, higher SG&A expenses and an increased finance cost. Net recurring profit (before MI) in 1Q 2016/17 was THB 460.8mn, decreasing 9.2% YoY from THB 507.6mn in 1Q 2015/16. Reported income tax expense was THB 149.6mn, decreasing 85.8% YoY from THB 1,051.7mn in 1Q 2015/16 primarily from tax on the capital gain on sale of property assets (U City transaction) of THB 930.0mn recognised in 1Q 2015/16.

Taking into account all the aforesaid transactions, the Group recorded a consolidated net profit of THB 628.1mn (decreasing 79.6% YoY) and profit attributable to the equity holders of the Company of THB 548.0mn (decreasing 81.8% YoY). Net profit margin<sup>8</sup> attributable to the equity holders of the Company in 1Q 2016/17 was 27.9% (versus 58.4% in 1Q 2015/16). The decrease in net profit and net profit margin was mainly due to the recognition of gain on swap of investments with U City in the previous year.

<sup>7</sup> Recurring profit calculated based on the operational performances from 4 BU, share of net profit (loss) from BTSGIF, interest income from train procurement and other associates and joint ventures as well as other recurring items which are interest income and other recurring items (before MI)

<sup>8</sup> Net profit margin calculated from net profit attributable to the equity holders of the Company / total revenue per financial statement + share of profit/ (loss) from investments in JVs and associates + gross revenue under profit / (loss) from discontinued operation for the year (if any)

## SEGMENTAL PERFORMANCE

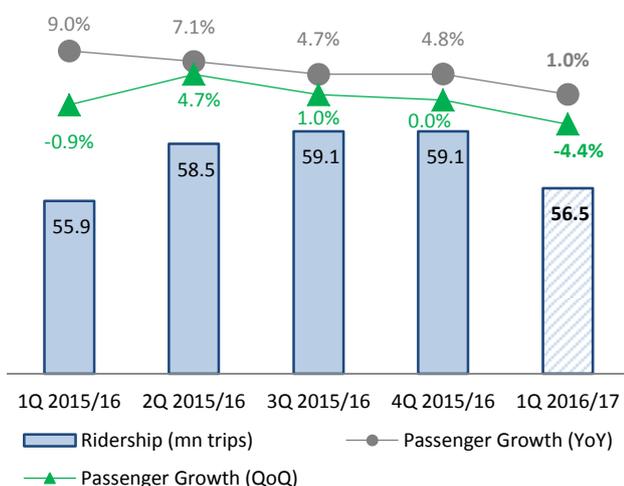
### MASS TRANSIT BUSINESS

Total Mass Transit revenue increased 5.5% YoY to THB 671.1mn supported by an increase in share of net profit from BTSGIF and higher O&M income. O&M revenue rose by 5.9% or THB 23.3mn YoY to THB 417.3mn, mainly attributable to the contractually agreed increase in the operating fee of the Green Line – Sukhumvit extension and Silom extension.

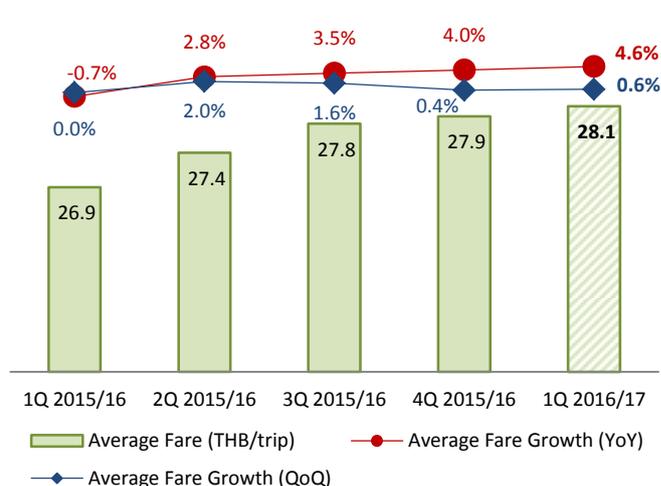
Share of net profit from investment in BTSGIF in 1Q 2016/17 increased by THB 12.8mn or 6.2% YoY to THB 221.2mn, which resulted from improvements in underlying core network performance. Fare-box revenue of the core system rose by 5.7% YoY or THB 85.7mn to THB 1,586.7mn attributable to ridership growth and the increase in average fare. Total ridership was 56.5mn trips, up 1.0% YoY mainly from organic growth. Average fare was THB 28.1 per trip, an increase of 4.6% YoY from the adjustment in card promotions on the monthly passes in July 2015 and the discontinuation of discounts given to stored value rabbit cards in January 2016.

Cost of Mass Transit revenue increased by THB 11.0mn or 5.3% YoY to THB 219.7mn. As operating cost increased at a lower rate than the increase in operating revenue, the operating EBITDA margin improved to 68.3% YoY in 1Q 2016/17 (versus 67.9% in 1Q 2015/16).

5-quarter Historical Ridership and % Growth



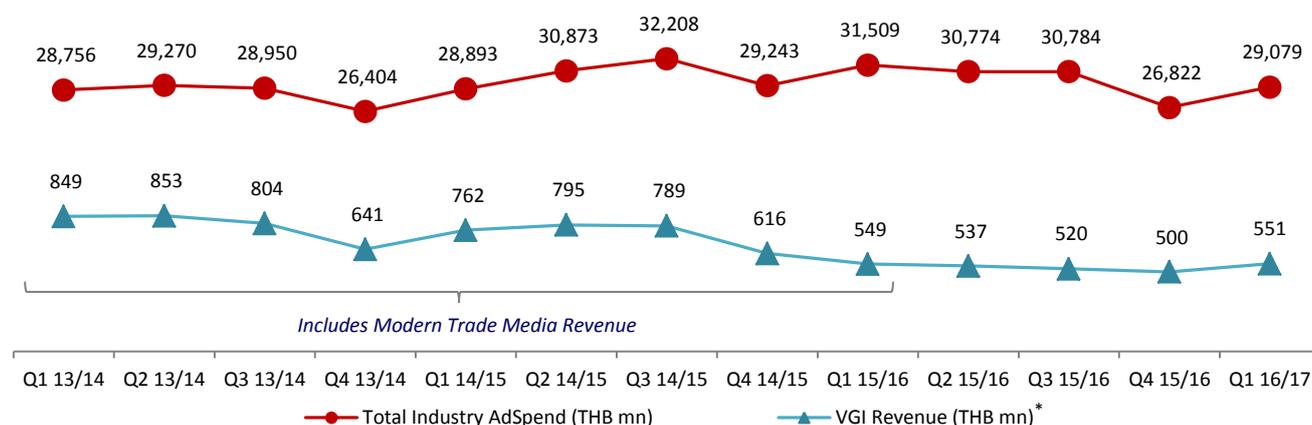
5-quarter Historical Average Fare and % Growth



### MEDIA BUSINESS

Advertisers and media agencies continued to be cautious on their spending as is evident in the contraction of advertising expenditures by 7.7% YoY in 1Q 2016/17, reflecting mainly the subdued economic activity. Despite a decline in the industry's advertising expenditures, VGI revenue improved slightly by 0.5% YoY to THB 541.7mn in 1Q 2016/17. Revenue growth was largely as a result of the expansion in the Outdoor Media segment by acquiring an additional 12.46% in MACO and the resilience of the Office Building and Other media segment. This business unit recorded revenue growth of THB 67.7mn from THB 52.4mn to THB 120.1mn, mainly from the increase in the number of office buildings, which grew to 142 buildings from 103 buildings in 1Q 2015/16. However, this improved media revenue was partially affected by the Modern Trade Media business (which was terminated in 2Q 2015/16).

#### Thai Annual Advertising Spending VS Media Revenue\*



Sources: The Nielsen Company (Thailand) Limited

\*Media revenue per VGI financial statement

Cost of revenue decreased by 9.7% YoY or THB 17.2mn to THB 160.4mn mainly due to the high-base effect resulting from the inclusion of costs in 1Q 2015/16 of the discontinued Modern Trade media segment. As a result of the discontinuation of this lower margin segment, the operating EBITDA margin in this year improved to 60.4% (versus 58.8% in 1Q 2015/16).

More commentary on Media business can be found in 1Q 2016/17 VGI Global Media's management discussion and analysis

<http://vqi.listedcompany.com/misc/MDNA/20160803-vqi-mdna-1q20162017-en.pdf>

### PROPERTY BUSINESS

In 1Q 2016/17, the launch of the fourth condominium project (The Line Asoke-Ratchada) under the BTS-SIRI joint venture was successfully 100% sold out during the pre-sales period with project value of THB 3.0bn and 36% foreign participation. The idiosyncrasies of Thai real estate accounting practices requires the Company to record a share of loss from BTS-SIRI joint ventures of THB 59.9mn mainly from selling and marketing expenses related to The Line projects, while revenues are to be booked later upon transfer of presold units. However, the Group expects to transfer units from 'The Line Sukhumvit 71' project at the end of FY 2016/17, with revenue recognition of approximately THB 2.0bn.

Property operating revenue in this quarter was THB 141.9mn, decreasing 39.1% YoY from THB 233.0mn in 1Q 2015/16 due to the reduction in both Residential Property and Commercial Property revenue.

**Residential Property** revenue decreased by 85.7% YoY or THB 62.5mn to THB 10.4mn in 1Q 2016/17. The decrease is mainly due to no remaining backlog of Abstracts Phahonyothin Park (Tower A) to be transferred compared to the previous year (1Q 2015/16: transferred 14 units). Note that Abstracts project under Nuvo Line (our former subsidiary) which has since 3Q 2015/16 been deconsolidated as a 50% BTS-SIRI joint venture company.

**Commercial Property** revenue was THB 131.5mn, a reduction of 17.8% YoY or THB 28.5mn mainly as a result of our disposal of EGS to U City since 20 April 2015. However, the decrease was partially offset with the increase in revenue from U Sathorn Hotel of THB 3.7mn. In this quarter, the Company recognised a share of loss from our associate, U City, of THB 31.8mn.

Operating costs decreased by 35.1% YoY or THB 49.1mn to THB 90.9mn as there were no costs related to the transfer of units of Abstracts Phahonyothin Park (Tower A) as well as no costs related to EGS. Property SG&A expenses also reduced by 28.3% YoY or THB 29.9mn to THB 76.0mn, largely from the reduction in expenses related to Abstracts Phaholyothin Park (Tower A) and EGS. The operating EBITDA margin dropped to -2.0% in 1Q 2016/17 (5.9% in 1Q 2015/16).

#### SERVICES BUSINESS

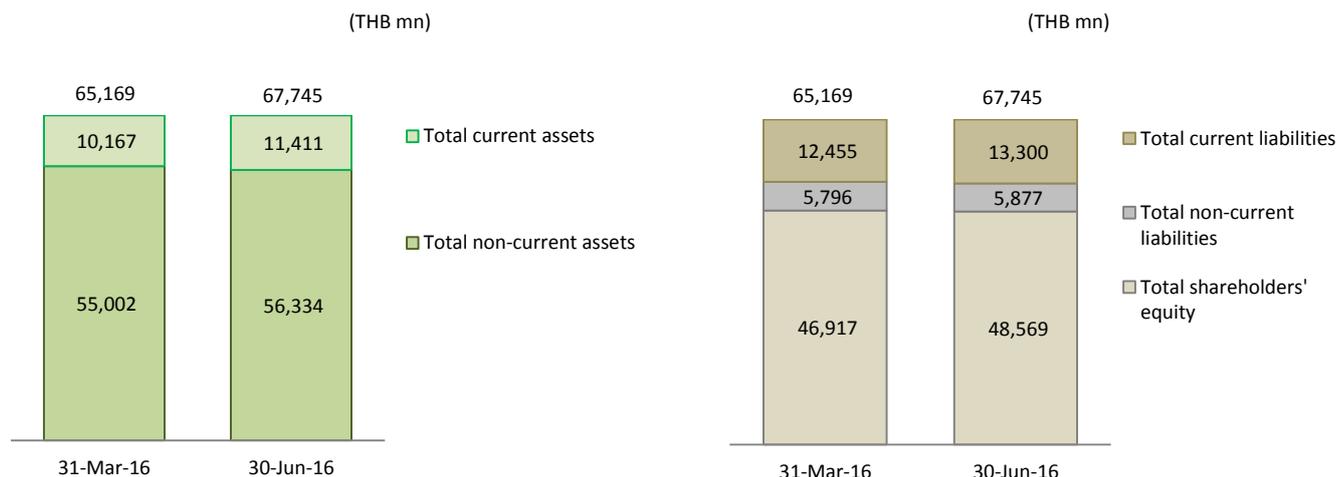
Services business revenue increased by THB 35.0mn or 21.4% YoY to THB 198.7mn. This increase was primarily due to (1) an increase in revenues of THB 23.2mn, mainly attributable to the development of the fare collection system and other software as well as sale of card readers system by BPS, (2) an increase in insurance commission revenue and content advertising revenue generated by Rabbit Internet Group (formerly known as ASK Hanuman Group) of THB 12.2mn and (3) an increase in revenue from ChefMan Restaurants which increased by THB 9.4mn or 11.4% YoY to THB 91.6mn largely from new ChefMan branch 'Buffet at Central World' (officially opened in February 2016).

Operating costs increased by 35.2% YoY or THB 43.8mn to THB 168.4mn largely from an increase in costs of new branches of ChefMan restaurant and costs related to aforesaid BPS projects. There was also THB 85.0mn of SG&A expenses, an increase of 97.5% or THB 42.0mn YoY. Key SG&A items were mainly from staff cost and marketing expenses related to Rabbit Internet Group and BPS projects.

#### Share of Income / (Loss) from Investments in Joint Ventures & Associates (as of 30 June 2016)

	Amount (THB mn)
<b>Share of income/ (loss) from investments in joint ventures</b>	
ATS (AEON-rabbit)	4.9
Bayswater	(33.1)
BTS-SIRI JV Projects	(59.9)
Rabbit LINE Pay	(6.3)
<b>Total</b>	<b>(94.3)</b>
<b>Share of income/ (loss) from investments in associates</b>	
Absolute Hotel Services (AHS)	0.8
BTSGIF	221.2
MACO and Aero Media	3.0
U CITY	(31.8)
MACO's associates	0.6
<b>Total</b>	<b>193.9</b>

### FINANCIAL POSITION



**Total assets** as of 30 June 2016 stood at THB 67,745.5mn, an increase of THB 2,576.8mn or 4.0% from 31 March 2016. Total current assets stood at THB 11,411.1mn, increasing by 12.2% or THB 1,244.4mn. The increase was primarily attributed to (1) an increase in cash and cash equivalents of THB 953.0mn (see further details in *Cash Flow* section), (2) an increase in trade and other receivables of THB 446.9mn. The increase was partially offset with (3) a decline in current investments of THB 353.3mn largely resulted from the reallocation from money market to other long term investments. Total non-current assets was THB 56,334.4mn, an increase of 2.4% or THB 1,332.4mn primarily attributable to (1) the consolidation of MACO's financial statement which largely resulted in (i) an increase in unallocated costs of business acquisition of THB 880.2mn, (ii) higher intangible assets of THB 309.2mn, (iii) higher property, plant and equipment (PPE) of THB 312.8mn and (iv) a reduction in investments in associates of THB 886.7mn primarily because MACO was changed its status from our associate to our subsidiary, (2) an increase in loans to related parties of THB 605.1mn to THB 6,553.6mn mainly from loans to BTS-SIRI Joint Venture projects, (3) an increase in investment in joint venture of THB 549.7mn mainly from investments in Rabbit Line Pay, (4) an increase in other long-term investment of THB 527.7mn. The increase was partially offset with (5) a decline in restricted deposits of THB 1,152.3mn following the release of collateral in relation to an offshore loan.

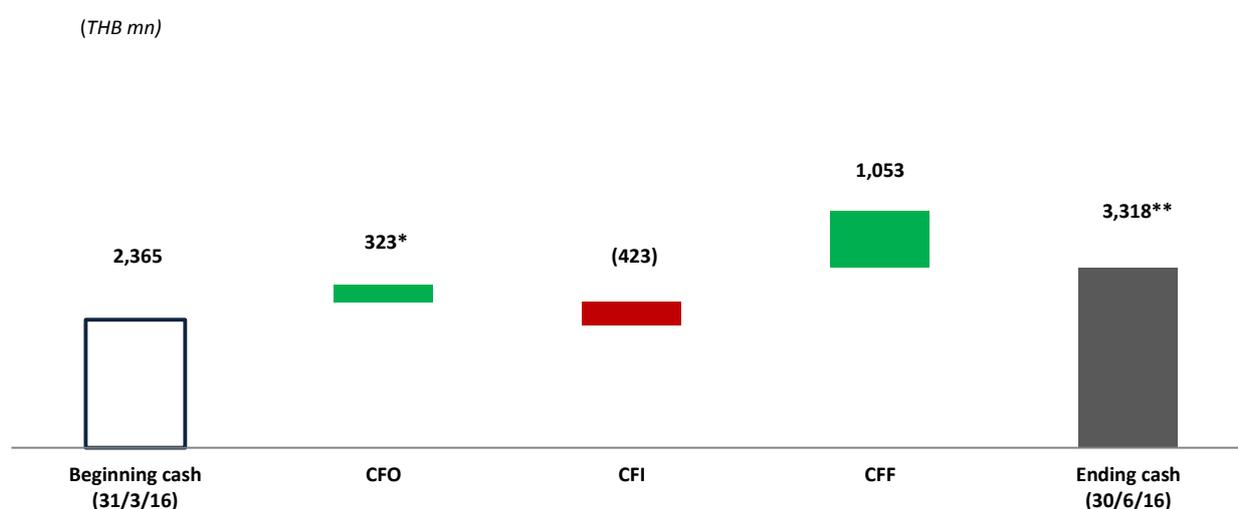
**Total liabilities** increased from 31 March 2016 by 5.1% or THB 925.2mn to stand at THB 19,177.0mn largely due to an increase in bills of exchange payable of THB 4,772.1mn as well as an increase in trade and other payables of THB 201.2mn. However, the increase was partially offset with a repayment of net loans from financial institutions of THB 4,365.4mn.

**Total equity** increased by THB 1,651.6mn or 3.5% YoY to THB 48,568.5mn mainly attributable to (1) an increase in non-controlling interests of the subsidiaries of THB 758.8mn largely following the consolidation of MACO, (2) the increase in surplus from the changes in the ownership interests in subsidiaries of THB 592.6mn, which was primarily the result of the Company decreasing its shareholding in VGI from 74.3% to 72.3% and (3) a reduction in unappropriated deficits of THB 548.0mn. As of 30 June 2016, total issued and fully paid-up shares stood at 11,929.3mn shares. Return on equity for 1Q 2016/17 was 3.8%, which decreased from 10.0% in 1Q 2015/16 as a result of the decreased net profit and increased equity.

### CASH FLOW

For the quarter ended 30 June 2016, **cash and cash equivalents** reached THB 3,317.6mn, an increase of 40.3% or THB 953.0mn. Cash from operating activities was THB 392.9mn, decreasing THB 511.7mn or 56.6% primarily from lower net profit and an increase in trade and other receivables. After deducting cash paid for corporate income tax of THB 28.9mn (1Q 2015/16: THB 32.8mn) and cash paid for interest expenses of THB 40.9mn (1Q 2015/16: THB 50.7mn), **net cash from operating activities** was THB 323.1mn. **Net cash used in investing activities** was THB 423.2mn. The key components are (1) net cash paid for purchases of other long-term investments of THB 852.6mn, (2) cash paid for purchases of investments in joint ventures of THB 750.0mn (mainly from investments in Rabbit Line Pay), (3) an increase in loans to related parties of THB 731.9mn, (4) a decrease in restricted deposits of THB 1,152.3mn following the release of collateral in relation to an offshore loan, (5) dividend income of THB 470.0mn and (6) a decrease in current investments of THB 431.9mn. **Net cash from financing activities** was THB 1,053.2mn mainly from (1) a net increase in bills of exchange payables of THB 4,748.2mn, (2) cash received from sale of VGI of THB 633.6mn and (3) net cash paid for loans from financial institutions of THB 4,376.0mn.

### Three-Months Cash Flow Snapshot



\* After tax (THB 28.9mn) and interest expense (THB 40.9mn)

\*\* Excluding BTSC sinking fund and THB 13.0bn liquid investments

## KEY FINANCIAL RATIOS

<b>Profitability ratios</b>	<b>1Q 2016/17</b>	<b>1Q 2015/16</b>	<b>4Q 2015/16</b>
Gross operating profit margin (%)	58.8%	58.6%	56.5%
Selling and administrative expenses to operating sales ratio (%)	25.7%	23.1%	22.4%
Operating EBITDA margin (%) <sup>A</sup>	40.9%	42.3%	42.1%
Accounting EBITDA margin (%)	50.5%	82.9%	19.3%
Recurring pre-tax profit margin (%) <sup>B</sup>	35.2%	36.5%	36.0%
Net recurring profit margin (%) <sup>B</sup>	26.5%	29.5%	34.9%
Accounting net profit margin (%) <sup>C</sup>	32.0%	59.1%	5.7%
ROA (%) <sup>D</sup>	2.8%	7.7%	6.7%
ROE (%) <sup>E</sup>	3.8%	10.0%	8.9%
<b>Liquidity ratio</b>			
Current ratio (times)	0.86x	2.40x	0.82x
<b>Leverage ratios</b>			
Total liabilities to total asset (times)	0.28x	0.23x	0.28x
Total liabilities to total equity (times)	0.39x	0.29x	0.39x
Interest bearing debt to equity (times)	0.20x	0.08x	0.20x
Net debt to equity (times)	0.13x	(0.00)x	0.15x
Net debt to operating EBITDA (times)	2.39x	(0.01)x	2.57x
Interest coverage (times) <sup>F</sup>	7.22x	8.29x	7.76x
<b>Per share ratios<sup>G</sup></b>			
Basic earnings per share (THB)	0.0463	0.2551	0.0037
Operating cash flow per share (THB)	0.027	0.069	0.053
Free cash flow per share (THB)	(0.001)	0.063	0.027
Enterprise value per share (THB)	10.40	10.19	9.73
Book value per share (THB)	4.10	4.57	3.97

**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 / (loss) from investments in associates and JVs and gross revenue under profit from discontinued operation for the year

<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

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**MANAGEMENT OUTLOOK**

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On 23 May 2016, BTSC signed contracts with suppliers: Siemens and CRRC, to procure 46 additional 4-car trains (totaling of 184 carriages). The trains will be used to accommodate the increase in ridership on the existing network and the Green line extensions expected to be awarded within the year. As of June 2016, the civil works for Green Line – North extension was 9% complete and Green Line South extension was 89% complete. The first station of the Green Line South extension (Samrong station) is expected to be test run on 5 December 2016 and targeted to begin operation in March 2017. On 6 July 2016, Request for Proposal Documents (RFP) of The Pink (Khae Rai to Min Buri; 36.0km, 30 stations) and Yellow (Lad Prao to Sam Rong; 30.4km, 23 stations) lines under the PPP framework were made available for purchase. Including BTSC, 16 and 17 companies bought RFP documents for Pink and Yellow lines, respectively. We are currently preparing our tender offers, which are to be submitted by 7 November 2016. All proposals are to be reviewed on 17 November 2016 onwards and we expect the winning bids to be announced by 2017.

The government has taken clear action to put mass transit projects back on track, which bodes well for future pending projects, for instance, to speed up the rail service operation of the Blue line. Whilst on 26 July 2016, the cabinet approved the civil work construction of the 26km Light Red line (Bang Sue - Phaya Thai – Makkasan - Hua Mak) and Dark Red line (Bang Sue - Hua Lampong) elevated trains, with project value totalling THB 44.2bn.

Our **Media** business, VGI aims to laterally expand on our leadership in transit and office building media to include outdoor and aviation media, as well as entering into the high potential digital media and activation segments. VGI is evolving from a Bangkok-centric media player to a “Nationwide Integrated Media Platform” or “NIMP.” As a NIMP we not only widen our potential market but add value to our services by offering versatile, measurable and targeted advertising capability for our customers. The consolidation of Master Ad Public Company Limited (“MACO”) into VGI, was followed by with an agreement signed on 3 August 2016 to acquire 70% of Multi Sign Company Limited (“Multi Sign”) for THB 439mn. The acquisition will significantly increase its outdoor media inventory and network coverage, thereby securing its leadership in the outdoor media segment. VGI expects to capitalise on the synergies of these transactions nationally, while at the same time, extending its footprint and product range. Further information about NIMP and other VGI’s information, can be found at *VGI Global Media MD&A 1Q 2016/17*: <http://vgi.listedcompany.com/misc/MDNA/20160803-vgi-mdna-1q20162017-en.pdf>.

On our **Property** business, in 2016/17 BTS-SIRI Joint Venture has plans to launch 6 additional Residential Property projects in 2016 with a total project value of THB 23bn. In June 2016, the BTS-SIRI JV has launched its fourth project: “The Line Asoke-Ratchada” - following on from the success of the three projects launched in the previous year. Mirroring the success of last year, this THB 3.0bn project was 100% sold out during the pre-sales period. We expect another 2 condominium projects to be launched in 2Q 2016/17 and the remaining 3 projects to be launched in 3Q 2016/17. Moreover, we expect to recognise revenues from our first JV project: “The Line Sukhumvit 71”, from transfers in 4Q 2016/17 (revenue recognised on transfer). However, the Company will still record a share of loss from the JV of approximately THB 100mn in 2016/17, since the majority of backlog will not be transferred until 2018 and beyond. We expect to realise a profit from the JV in 2018/19 and beyond.

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Rangsin Kritalug

(Executive Director and Chief Operating Officer)