

3Q 2016/17 FINANCIAL HIGHLIGHTS

- **Mass Transit Operation & Maintenance (excluding interest income from train procurement) revenue increased 4.1% YoY to THB 410.9mn** from the contractually agreed increase in the operating fee of the existing green line extensions
- **Fare-box revenue of the core system continued to grow at 0.9% YoY or THB 15.5mn to THB 1,659.5mn** despite the impact of the mourning of the late King's passing
- **Share of net profit from investment in BTSGIF increased by 29.5% YoY or 42.5% QoQ to THB 283.6mn**
- **Media business revenue of THB 654.4mn in 3Q 2016/17, a 27.9% increase YoY or THB 142.7mn**
- **3 additional condominium projects: "The Line Pradipat", "The Line Sukhumvit 101" and "Khun by Yoo" under BTS-SIRI Joint Venture (total project value of THB 14bn) were launched in this quarter**
- **Services business revenue¹ increased considerably by 115.0% YoY to THB 407.5mn** mainly from revenue from construction services, revenue from Rabbit Internet Group as well as revenue related to Rabbit card
- Despite the increase in total revenue, pre-tax recurring profit (before MI) was THB 644.9mn, fell 7.0% YoY and reported net profit (before MI) decreased by 28.4% to THB 488.2mn mainly from higher operating costs, SG&A expenses and finance cost

SIGNIFICANT EVENTS

- **7 November 2016:** The Extraordinary General Meeting of VGI's Shareholders approved the acquisition of Rabbit, 90% in Bangkok Smartcard System Co., Ltd. ("BSS") from BTSC and 90% in BSS Holdings Co., Ltd. ("BSSH") from BTS Group with total investment of THB 1,956.5mn. The transaction is expected to complete within 31 March 2017.
- **10 November 2016:** BTSC issued THB 22,000mn senior unsecured debentures with A (tha)/ Stable rating by Fitch and TRIS. The bonds have been issued in four tranches due in 2019, 2021, 2023, and 2026 with average coupon rate of 3.31%. The proceeds are mainly used to purchase new rolling stocks and fund electrical and mechanical systems (E&M) for the Green Line North & South extensions.
- **November 2016:** VGI completely acquired 40% of ordinary shares of Demo Power (Thailand) Company Limited ("Demo Power") with a total investment of THB 412.5mn. Demo Power is the largest demonstration service company in Asia, with a network covering more than 1,000 stores nationwide in Thailand and more than 10 years' experience in the demonstration/sampling business.
- **14 December 2016:** MRTA officially announced that "BSR Joint Venture", a Joint Venture between the Company, Sino-Thai Engineering & Construction PCL ("STEC") and Ratchaburi Electricity Generating Holding PCL ("RATCH"), proposed the best offer for the Pink Line (Khae Rai to Min Buri; 34.5km, 30 stations) and the Yellow line (Lad Prao to Sam Rong; 30.4km, 23 stations). Following this, BRS Joint Venture entered into further negotiations with MRTA, pursuant to the procedures stated in the Private Investments in State Undertakings Act B.E. 2556 (2013). The contracts are expected to be awarded in April 2017.
- **16 December 2016:** VGI entered into the Malaysian market through a joint venture: Titanium Compass ("TSCB"), which has been awarded a 10-year contract by the Mass Rapid Transit Corporation on 23 September 2016. TSCB manages advertising media across 31 stations of Sungai Buloh-Kajang (SBK Line) with total length of 51 kilometres and 58 trains. SBK line opened its first phase of operation covering 21 kilometres with 12 stations on 16 December 2016. The remaining 30 kilometres and 19 stations is expected to be opened within July 2017.
- **9 January 2017:** The Board of Directors approved the interim dividend payment from the operating results of the six-month period (April 2016 – September 2016) and retained earnings at THB 0.165 per share or THB 1,953.45mn in total. Based on the share price as of 6 January 2017 at THB 8.60 (one day before BOD date), this is equivalent to a dividend yield of 3.8% on an annualised basis.

3Q 2016/17 PERFORMANCE

The Group recorded consolidated total revenue of THB 2,147.1mn in 3Q 2016/17. This represented an increase of 32.1% YoY or THB 522.0mn from THB 1,625.1mn in 3Q 2015/16. The revenue growth was largely due to (i) growth in services income of THB 395.0mn from higher Mass Transit, Media and Services businesses as well as revenues from installation services for system works of THB 41.9mn, which is largely from revenue from installation services for green line extensions (E&M systems), (ii) an increase in gain on sales of investments of THB 98.7mn and (iii) an increase in interest income of THB 68.6mn mainly from higher cash balance and loans to joint venture companies.

Total operating revenue² in 3Q 2016/17 grew by 28.2% YoY or THB 425.7mn to THB 1,935.3mn largely as a result of higher operating revenue from Mass Transit, Media and Services businesses, which increased by 12.3%, 27.9% and 115.0% respectively. Nevertheless, the increase in operating revenue was partially offset with a 9.0% YoY decrease in Property operating revenue chiefly from a reduction in sales of real estate (see details in *Segmental Performance* section). Revenues from the Mass Transit, Media, Property and Services businesses accounted for 37.5%, 33.8%, 7.6% and 21.1% of total operating revenue, respectively.

Operating Revenue and Operating Gross Profit Margin by BU

Operating Revenue ² (THB mn)	3Q 2016/17	% of Total ²	3Q 2015/16	% of Total ²	% Change (YoY)	3Q 2016/17 GP Margin ⁵	3Q 2015/16 GP Margin ⁵
Mass Transit ³	726.6	37.5%	647.0	42.9%	12.3%	69.9%	63.5%
Media	654.4	33.8%	511.7	33.9%	27.9%	65.3%	73.1%
Property ⁴	146.8	7.6%	161.4	10.7%	(9.0)%	37.0%	40.5%
Services ¹	407.5	21.1%	189.5	12.6%	115.0%	11.0%	20.0%
TOTAL²	1,935.3	100.0%	1,509.6	100.0%	28.2%	53.5%	58.8%

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

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

³ Mass Transit revenue includes:

- 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')

⁴ Property includes Sales from Real Estate, Rental and Service Income, Construction & Services Businesses and Service income related to Thana City Golf & Sports Club Co., Ltd.

⁵ Operating gross profit calculated based on the operational performance of 4 BU, share of net profit (loss) from BTSGIF and interest income from train procurement

⁶ Operating EBITDA calculated based on the operational performance of 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

⁷ Recurring profit calculated based on the operational performance of 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)

⁸ 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)

Total consolidated expenses and SG&A amounted to THB 1,495.0mn in 3Q 2016/17, an increase of THB 431.9mn or 40.6% YoY mainly from (i) an increase in cost of services and servicing expenses of THB 326.3mn largely due to higher costs related to Media and Services business units as well as costs from installation services for E&M works and (ii) the increase in selling and administrative expenses of THB 113.2mn 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).

Operating costs increased by 44.9% YoY to THB 900.4mn largely from higher costs of construction service (Services BU) and costs related to the consolidation of MACO (Media BU). As operating revenue increased more than operating cost increased, operating gross profit⁵ grew 16.5% YoY to THB 1,034.9mn. Nevertheless, as operating costs increased at a higher rate than the increase in operating revenues, the Group operating gross profit margin⁵ decreased to 53.5% from 58.8% in 3Q 2015/16. Group operating EBITDA⁶ was THB 680.8mn, an increase of THB 22.1mn or 3.4% YoY primarily due to higher operating gross profit. The operating EBITDA⁶ margin decreased to 35.2% in 3Q 2016/17 from 43.6% in 3Q 2015/16 mainly from the aforesaid increase in costs and SG&A expenses as well as higher contribution of Services business which has lower margins. Finance costs increased by 226.0% YoY or THB 133.1mn to THB 192.0mn primarily from the increase in interest expense of bills of exchange together with the interest expense of new BTSC debenture of THB 22bn (issued on 10 November 2016) of THB 103.7mn.

Revenue from non-operating recurring transactions increased by THB 117.8mn or 56.4% YoY to THB 326.9mn. The increase was mainly from a combination of (i) the increase in interest and investment income of THB 100.0mn from higher cash balance and loans to joint venture companies as well as an increase in gain on sale of investment of THB 70.3mn, being offset with (ii) an increase in share of net loss from associates/JVs (not including share of profit in BTSGIF) of THB 20.9mn. Pre-tax recurring profit⁷ for this quarter was THB 644.9mn, decreasing 7.0% YoY from THB 693.7mn in 3Q 2015/16 as the increase in operating revenue as well as the revenue from non-operating recurring transactions was more than offset by the increase in total cost.

Reported income tax expense was THB 144.5mn, versus THB -50.1mn in 3Q 2015/16 as tax deductible expenses were higher than taxable income in previous year. Following this, net recurring profit⁷ after tax (before MI) in 3Q 2016/17 decreased 33.9% YoY from THB 757.1mn to THB 500.4mn. Taking into account all the aforesaid transactions, the Group's consolidated net profit stood at THB 488.2mn (decreasing 28.4% YoY) and profit attributable to the equity holders of the Company was THB 468.1mn (decreasing 22.9% YoY). The margin of net profit attributable to the equity holders of the Company⁸ in 3Q 2016/17 was 20.2% (versus 34.6% in 3Q 2015/16). Despite the increase in total revenue, net profit and net profit margin decreased mainly due to higher costs & expenses (operating costs, SG&A expenses, finance cost and income tax expenses).

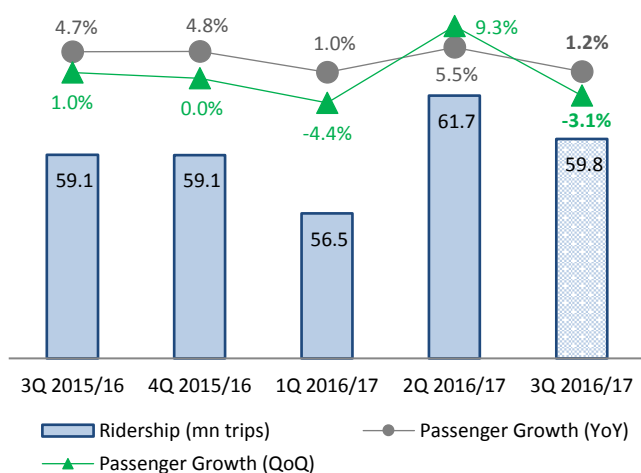
SEGMENTAL PERFORMANCE

MASS TRANSIT BUSINESS

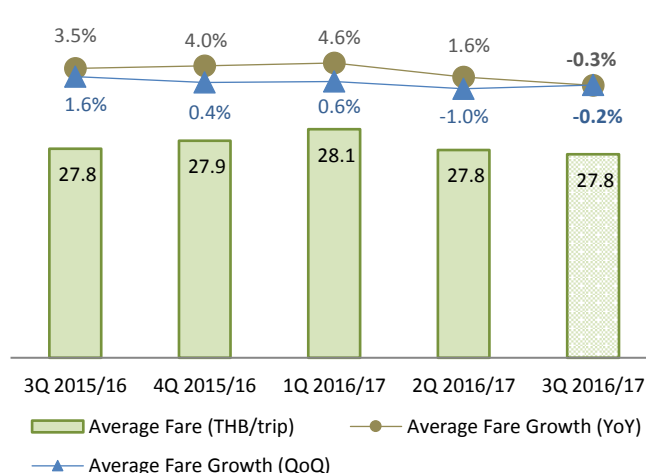
Total Mass Transit revenue was THB 726.6mn, a significant increase of 12.3% YoY, primarily due to an increase in share of net profit from BTSGIF as well as an increase in O&M revenue. O&M revenue (excluding interest income from train procurement) rose by 4.1% or THB 16.0mn YoY to THB 410.9mn. The increase was mainly attributable to the contractually agreed increase in the operating fee of the Green Line – Sukhumvit extension and Silom extension.

Despite the official mourning period (14 October – 13 November 2016) following the passing of H.M. King Bhumibol Adulyadej, fare-box revenue of the core network continued to grow at 0.9% YoY or THB 15.5mn to THB 1,659.5mn mainly driven by the increase in ridership (up 1.2% YoY to 59.8mn trips). The slower-than-expected farebox increase was a result of (i) ridership growth being affected by the cancellation of several events in respect to the late King's passing and by (ii) the loss of revenue from free trips given on the BTS Core Network year on 31 Dec 2016 from 12.00pm – 12.00am (0.6mn free-ride trips). Average fare per trip was THB 27.8, representing a drop of 0.3% YoY. If the free-ride trips were excluded, the average fare would be THB 28.0 per trip, up 0.7% YoY and farebox revenue would have grown by 2.0% YoY to THB 1,677.6mn)

5-quarter Historical Ridership and % Growth



5-quarter Historical Average Fare and % Growth



The company recorded share of net profit from investment in BTSGIF in 3Q 2016/17 of THB 283.6mn, which increased by THB 64.5mn or 29.5% YoY. The increase was from the application of a revised calculation method concerning acquisition of rolling stocks. In BTS Group financial statements, the rolling stocks acquisition costs attributable to BTSGIF (previously deducted as an expense in share of net profit from BTSGIF) will no longer be expensed (but will be treated as CAPEX that is depreciated over time when calculating share of net profit from BTSGIF under the equity method).

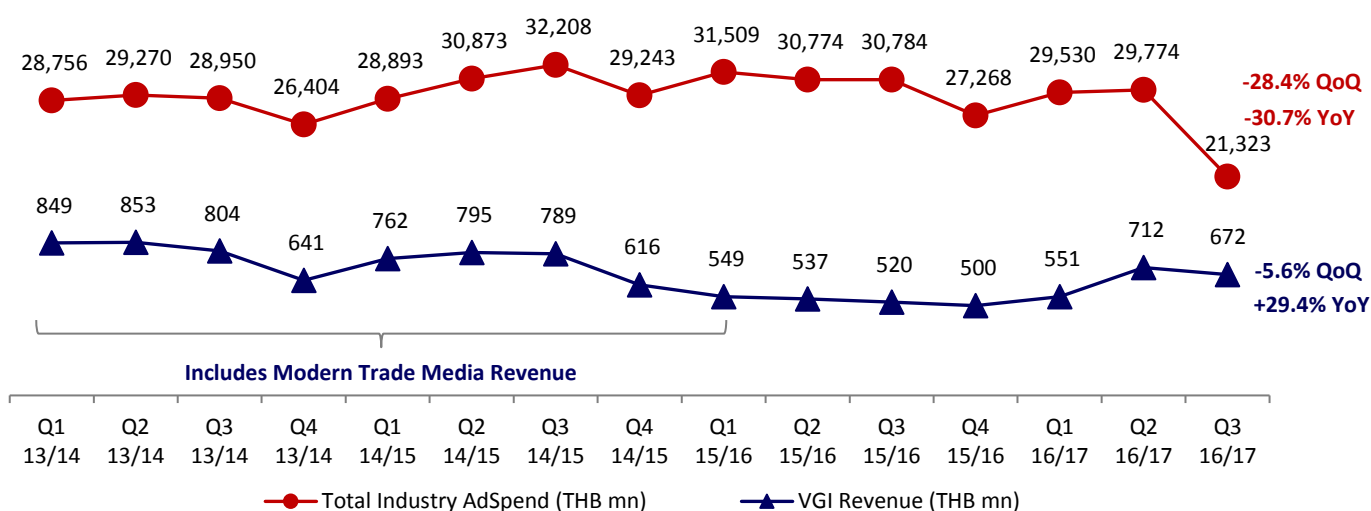
Cost of Mass Transit revenue decreased by THB 17.8mn or 7.5% YoY to THB 218.6mn largely from reduced payroll expenses that was mainly due to the revision of bonus expenses recognition method from a cash basis to an accrual basis. As operating revenue increased, whilst operating costs decreased this quarter, the operating EBITDA margin increased to 71.0% from 64.3% in the same period last year.

MEDIA BUSINESS

In 3Q 2016/17, Thai overall advertising expenditures reported a double digit decline of 28.4% QoQ and 30.7% YoY, mainly due to the suspension of all advertising during the official 30-day mourning period as well as the subdued macroeconomic situation in Thailand. Overall Out-of-Home and Online media (our focus segments) advertising expenditures recorded a 9.3% and 19.3% QoQ decrease, respectively, outperforming the overall industry. The outperformance was mainly driven by the shift in people’s behavior to spend more time Out-of-Home and Online. The Out-of-Home sector also benefitted from low-base effect YoY.

VGI revenue increased by 27.9% YoY to THB 654.4mn in 3Q 2016/17, largely from higher revenue in the Outdoor segment following the consolidation of Master Ad Public Company Limited (MACO) in June 2016. In tribute to the passing of the late King and in cooperation with the government’s guideline to replace all advertisements in digital media with mourning content during the 30-day mourning period, VGI’s digital media revenue has been affected. **BTS-related media** revenue decreased by 5.6% YoY to THB 420.4mn mainly from the aforementioned reason. Revenue from **Office Building and Other Media** (including revenues from MACO, which are part of Outdoor media revenue) reached THB 233.9mn, a significant increase of 250.2% YoY or THB 167.1mn driven by the consolidation of MACO. VGI has also achieved this year’s targeted increase in the number of office buildings, ahead of schedule, reaching 160 buildings (1,231 screens) from 123 buildings (1,091 screens) in 3Q 2015/16.

Thai Advertising Spending VS Media Revenue*



Sources: The Nielsen Company (Thailand) Limited
 *Media revenue per VGI financial statement

The cost of sales increased by 64.8% YoY or THB 89.2mn to THB 226.8mn mainly due to the consolidation of MACO (Outdoor media) and higher maintenance costs in BTS-related media. Media’s SG&A also increased to THB 211.6mn (up 162.3% YoY or THB 130.9mn) mainly from the consolidation of MACO as well as one-time expenses related to Rabbit’s financial advisor fees and survey expenses for projects in Malaysia.

These abovementioned expenses coupled with lower-than-expected revenue growth as a result of mourning period led to a lower operating EBITDA margin for Media in this quarter, decreasing to 48.1% from 66.6% in the same period last year.

More commentary on Media business can be found in 3Q 2016/17 VGI Global Media’s management discussion and analysis <http://vgi.listedcompany.com/misc/MDNA/20170202-vgi-mdna-3q20162017-en.pdf>

PROPERTY BUSINESS

Property operating revenue in this quarter was THB 146.8mn, decreasing 9.0% YoY from THB 161.4mn in 3Q 2015/16 due to the reduction in both Residential Property revenue and Commercial Property revenue.

Residential Property revenue declined by THB 11.1mn or 94.2% YoY to THB 0.7mn in 3Q 2016/17 as a result of no revenue recognition from sales of housing units. However, since September 2016, we have begun transferring our first project: The Line Sukhumvit 71 (total value of THB 2.0bn) and we have recognised revenues of THB 858mn in 3Q 2016/17. SIRI and the Company expected to complete the transfer all units of this project by 1Q 2017/18. The company, therefore recorded a narrowing share of loss from BTS-SIRI joint ventures of THB 28.3mn in 3Q 2016/17 (versus THB 70.0mn in 3Q 2015/16) as transferred revenue from The Line Sukhumvit 71 project offsetted the cost of sales as well as selling and marketing expenses of launched and upcoming projects, during the period. During this quarter, 3 additional condominium projects were also launched; The Line Pradipat, The Line Sukhumvit 101 and Khun by Yoo; with project value of THB 6bn, THB 4bn, THB 4bn, respectively.

With the impact of mourning period, **Commercial Property** revenue decreased by 2.1% YoY or THB 3.2mn to THB 146.2mn. The decrease mainly due to a decrease in revenue from Thanacity Golf Course & Sport Club. Note that in this quarter, the Company recognised a share of loss from our associate, U City, of THB 52.4mn.

Operating costs decreased by 3.7% YoY or THB 3.5mn to THB 92.4mn as there were no costs related to the sales of housing units in our residential property. Property SG&A expenses was THB 81.4mn, unchanged from the same period last year. The operating EBITDA margin dropped to -4.2% in 3Q 2016/17 (versus 5.6% in 3Q 2015/16).

SERVICES BUSINESS

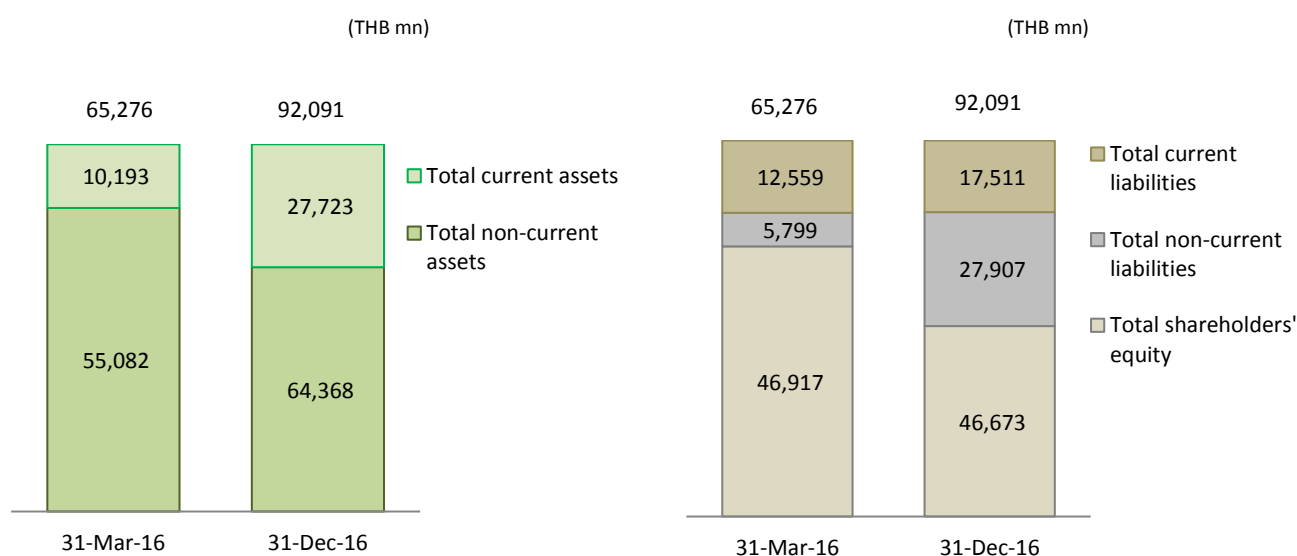
Services business revenue increased by THB 218.0mn or 115.0% YoY to THB 407.5mn. This robust growth was mainly due to an increase in the revenue generated from (i) HHT construction, which increased by THB 189.2mn, (ii) an increase in insurance commission revenue and content advertising revenue generated by Rabbit Internet Group of THB 23.6mn as well as (iii) a growth in the revenue from Bangkok Smartcard System Co., Ltd. ("BSS") of THB 19.7mn primarily from the improvement in marketing and co-promotion revenue of Rabbit cards. However, revenue from ChefMan Restaurants in this quarter decreased by THB 4.7mn or 4.9% YoY primarily due to soft economic growth and the impact of mourning period.

Operating costs increased by 139.3% YoY or THB 211.1mn to THB 362.6mn. This was largely from an increase in costs of construction, insurance commission cost and content advertising costs of Rabbit Internet Group. SG&A expenses amounted to THB 96.6mn, an increase of 39.0% or THB 27.1mn YoY. Key SG&A items were mainly from higher staff cost and marketing expenses related to Rabbit Internet Group. As operating cost increased at a higher rate than the increase in operating revenue, the operating EBITDA margin in this quarter decreased to -4.7% from -3.5% in the same period last year.

Share of Income / (Loss) from Investments in Joint Ventures & Associates in 3Q 2016/17

	Amount (THB mn)
Share of income/ (loss) from investments in joint ventures	
ATS (AEON-rabbit)	2.3
Bayswater	(22.3)
BTS-SIRI JV Projects	(28.3)
Rabbit LINE Pay	(11.4)
Total	(59.8)
Share of income/ (loss) from investments in associates	
Absolute Hotel Services (AHS)	2.3
BTSGIF	283.6
Aero Media	(1.4)
U CITY	(52.4)
MACO's associates	0.1
Total	232.2

FINANCIAL POSITION



Total assets as of 31 December 2016 stood at THB 92,091.4mn, an increase of THB 26,815.9mn or 41.1% from 31 March 2016. Total current assets stood at THB 27,723.2mn, increasing by 172.0% or THB 17,530.0mn. The increase was primarily attributed to (i) a net increase in cash&cash equivalents (see cash movement in *Cash Flow* section) and current investment of THB 15,836.0mn largely from proceeds of BTSC debenture (THB 22bn) (ii) an increase in advances to contractors of THB 813.4mn largely from the recognition of advance payment to E&M contractors for the Green line South and North extensions, (iii) an increase in real estate development costs of THB 198.2mn from the land acquisition at Thana City area, (iv) an increase in trade and other receivables of THB 168.6mn.

Total non-current assets was THB 64,368.2mn, an increase of 16.9% or THB 9,285.9mn primarily due to (i) the consolidation of MACO and Multi Sign's financial statement which largely resulted in (a) an increase in goodwill of THB 1,250.6mn, (b) higher intangible assets of THB 348.6mn and (c) a reduction in investments in associates of THB 788.3mn; (ii) an increase in other long-term investment of THB 3,016.4mn, (iii) an increase in long-term loans to related parties of THB 2,728.5mn to THB 8,677.0mn mainly from loans to BTS-SIRI Joint Venture projects and Bayswater and (iv) an increase in deposits and advances for asset acquisitions of THB 1,776.8mn mainly from the payment of new rolling

stocks of THB 1,832mn, (v) an increase in investments in joint ventures of THB 846.4mn mainly from investments in Rabbit Line Pay and BTS-SIRI Joint Venture projects, (vi) higher property, plant and equipment of THB 588.8mn largely from the renovations at Thana City, and (vii) an increase in land and projects awaiting development of THB 380.6mn mainly from the land acquisition. The increase was partially offset with (viii) a decline in restricted deposits of THB 1,153.0mn following the release of collateral in relation to an offshore loan.

Total liabilities increased from 31 March 2016 by 147.4% or THB 27,059.4mn to stand at THB 45,418.0mn largely due to (i) a net increase in debentures of THB 20,629.9mn from (a) new BTSC debenture (after issuing costs) of THB 21,977.4mn offset with (b) a repayment of the last tranche of the previous BTSC debenture of THB 1,347.5mn and (ii) an increase in bills of exchange payable of THB 9,981.3mn. However, the increase was partially offset with (iii) a repayment of net loans from financial institutions of THB 3,886.8mn.

Total equity decreased from 31 March 2016 by THB 243.4mn or 0.5% YoY to THB 46,673.5mn mainly attributable to (i) a reduction in unappropriated deficits of THB 2,460.2mn from dividend payment and (ii) a decrease in other components of shareholders' equity of THB 209.9mn, being partially offset with (iii) the increase in surplus from the changes in the ownership interests in subsidiaries of THB 1,274.3mn, which was primarily the result of the Company decreasing its shareholding in VGI (sale to strategic investors) from 74.3% to 70.9% and (iv) an increase in non-controlling interests of the subsidiaries of THB 1,110.7mn largely following the consolidation of MACO. As of 31 December 2016, total issued and fully paid-up shares stood at 11,934.9mn shares. Return on equity for 3Q 2016/17 was 3.8%, which decreased from 9.4% in 3Q 2015/16.

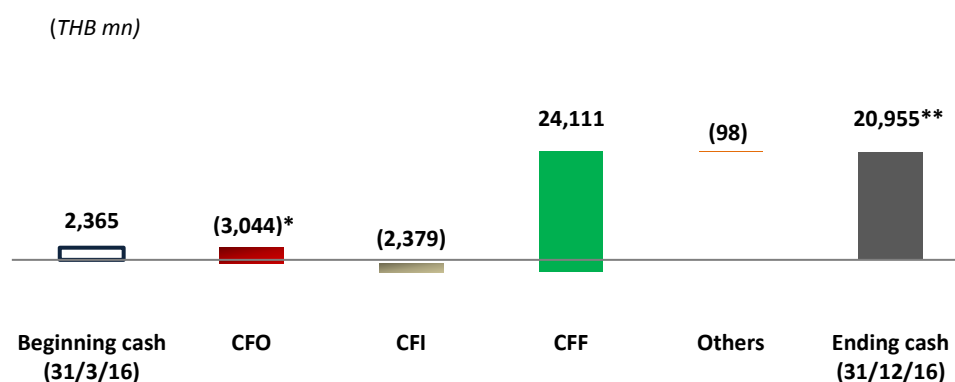
CASH FLOW

For the nine months ended 31 December 2016, **cash and cash equivalents** stood at THB 20,955.5mn, an increase of 786.2% or THB 18,590.8mn. Cash used in operating activities was THB 2,248.4mn, increasing THB 4,141.3mn primarily from (i) an increase in advances to purchase of assets (payment of rolling stocks), (ii) an increase in advances to contractors (E&M works), (iii) an increase in other assets and (iv) an increase in real estate development costs. After deducting cash paid for corporate income tax of THB 717.1mn (9M 2015/16: THB 1,997.4mn) and cash paid for interest expenses of THB 78.1mn (9M 2015/16: THB 128.1mn), **net cash used in operating activities** was THB 3,043.6mn.

Net cash used in investing activities was THB 2,378.9mn. The key components were (i) net cash paid for purchases of other long-term investments of THB 2,977.1mn, (ii) net cash paid for loans to related parties of THB 2,632.5mn, (iii) cash paid for purchases of investments in joint ventures of THB 1,101.7mn (mainly from investments in BTS-SIRI Joint Venture projects and Rabbit Line Pay), (iv) net cash paid for purchases of property, plant and equipment of THB 608.8mn, (v) net cash paid for purchases of investments in subsidiaries of THB 466.3mn, (vi) cash paid for purchases of land and projects awaiting development of THB 380.6mn, (vii) net cash received from sales of current investments of THB 2,998.7mn, (viii) dividend income of THB 1,355.0mn, (ix) a decrease in restricted deposits of THB 1,153.0mn following the release of collateral in relation to an offshore loan and (x) interest income of THB 634.2mn.

Net cash from financing activities was THB 24,111.4mn mainly from (i) a net cash received for long-term debentures of THB 20,628.4mn (ii) a net increase in bills of exchange payables of THB 9,856.1mn, (iii) a net cash received from sale of VGI shares of THB 1,271.2mn, (iv) dividend payment of THB 4,011.3mn and (v) a net cash paid for loans from financial institutions of THB 3,897.3mn.

Nine-Months Cash Flow Snapshot



* After tax (THB 717.1mn) and interest expense (THB 78.1mn)

** Excluding liquid investments of THB 14.5bn

KEY FINANCIAL RATIOS

Profitability ratios	3Q 2016/17	3Q 2015/16	2Q 2016/17
Gross operating profit margin (%)	53.5%	58.8%	57.9%
Selling and administrative expenses to operating sales ratio (%)	27.1%	22.8%	28.7%
Operating EBITDA margin (%) ^A	35.2%	43.6%	36.2%
Accounting EBITDA margin (%)	42.0%	46.0%	45.6%
Recurring pre-tax profit margin (%) ^B	28.5%	40.4%	30.6%
Net recurring profit margin (%) ^B	22.1%	44.1%	23.6%
Accounting net profit margin (%) ^C	21.0%	38.9%	28.9%
ROA (%) ^D	2.4%	7.5%	3.1%
ROE (%) ^E	3.8%	9.4%	4.2%
Liquidity ratio			
Current ratio (times)	1.58x	1.16x	0.58x
Leverage ratios			
Total liabilities to total asset (times)	0.49x	0.22x	0.34x
Total liabilities to total equity (times)	0.97x	0.28x	0.51x
Interest bearing debt to equity (times)	0.77x	0.10x	0.31x
Net debt to equity (times)	0.32x	0.06x	0.26x
Net debt to operating EBITDA (times)	5.86x	1.16x	4.68x
Interest coverage (times) ^F	3.55x	11.19x	6.95x
Per share ratios^G			
Basic earnings per share (THB)	0.0395	0.0513	0.0463
Operating cash flow per share (THB)	(0.073)	(0.080)	(0.211)
Free cash flow per share (THB)	(0.112)	(0.175)	(0.231)
Enterprise value per share (THB)	10.11	9.56	9.91
Book value per share (THB)	3.94	4.22	3.88

Note:

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

^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

Within our **Mass Transit business**, on 14 December 2016, MRTA officially announced that the “BSR Joint Venture (BSR)” (a Joint Venture between BTS Group, STEC and RATCH) proposed the best offer for the monorail projects of the Pink Line (Khae Rai to Min Buri; 34.5km, 30 stations) and the Yellow Line (Lad Prao to Sam Rong; 30.4km, 23 stations). BSR is currently in negotiations with MRTA pursuant to the procedures stated in the Private Investments in State Undertakings Act B.E. 2556 (2013). The contracts are expected to be signed in April 2017 and the lines opened for service in 2020 after 39 months of construction.

As of December 2016, according to MRTA, the civil works for the Green Line – South (Bearing – Samut Prakarn; 12.8km, 9 stations) extension was 100% completed and the Green Line North (Mo Chit – Saphan Mai – Ku Kot; 18.4km, 16 stations) extension was 19% completed, ahead of the target by 2%. We expect the first station of the Green Line South (Samrong-E15) is targeted to be in operation in March – April 2017. The Green Line South and North extension are targeted to begin full operation in late 2018 and 2020, respectively and the contract award for the combined 31.2km of these green line extensions will be prior the operation.

The government has taken firm steps to develop the country’s transportation infrastructure by expediting several rail mass transit projects (for example, Pink, Yellow & Orange Lines and Green, Blue and Purple Line extension to expand mass transit coverage. At no other time in the history of Bangkok’s mass transit system has such effort been expended. More projects under the BMA are also in the pipeline. For instance, the Grey Line (Watcharaphol – Thong lo phase I; 16.3km, 15 stations), the Light Rail Transit (LRT) - Bang Na – Suvarnabhumi Airport (18.3km, 14 stations) and the Green Line West (Bang Wa – Borommaratchachonnani; 7.0km, 6 stations) are also expected to open for bidding in the next 2 years. The award of the Pink and Yellow lines to BSR further enhances our competitiveness to win these additional lines through improved connectivity and economies of scale.

By 1H 2017, we expect to sign agreements to operate an additional 96.1km¹ of rail lines, taking the total number of kilometres under operation to 132.35km² or 3.6 times our current network. In the next six years we expect to operate at least 173.95km³ of rail mass transit and forecast a tripling of our average daily ridership to approximately 2mn trips per day. On the existing Core Network, we expect to see lower-than-expected ridership growth (target growth of 5-6%) in this fiscal year mainly from the impact of the mourning period for the late King and soft private spending.

The **Media business** has also been impacted by the aforementioned factors with overall industry advertising expenditures falling by nearly 11.7% - its worst drop in almost a decade. Going forward, The Bank of Thailand is forecasting an increase in GDP of 3.2% for the full year of 2017. The advertising market is expected to be in-line with macroeconomic growth. The Media Agency Association of Thailand forecasts that advertising expenditures will expand by 3-5%. The improvement should be supported by the uptick in consumer sentiment as well as the resumption in spending after the cessation of advertising during the mourning period (low-base effect) at the end of last quarter of 2016. Our Media business has an optimistic outlook on the advertising industry in 2017. The Company believes that synergies from various acquisitions such as MACO (Outdoor), Rabbit (Digital/Online), Aero Media (Aviation) and Demo Power (Activation) are expected to stimulate VGI’s revenue for the year 2017/18.

For **Property Business**, the BTS-SIRI Joint Venture has already launched eight projects (4,382 units) worth of THB 30bn. As of December 2016, 70% of total projects (THB 21bn) have already been sold out. Since October 2016, we have begun transferring our first project: The Line Sukhumvit 71 (total value of THB 2.0bn). Year-to-date, we have recognised revenues of THB 1.4bn of this first transferred project. Our next project expected to be transferred starting 3Q 2017/18 is The Line Jatujak – Mo Chit (total project value of THB 5.7bn). For 2017/18 we expect to launch at least 4 projects worth more than THB 12bn.

Lastly, on 7 February 2017, the Company has paid the interim dividend for the first half of the Company’s performance to shareholders of THB 1,953.45mn, at a rate of THB 0.165 per share. Based on the share price as of 6 January 2017 at THB 8.60 (one day before BOD date), this is equivalent to a dividend yield of 3.8% on an annualised basis.

.....
Rangsin Kritalug

(Executive Director and Chief Operating Officer)

¹ New lines: includes Green Line South (12.8km) and Green Line North (18.4km) extensions, Pink (34.5km) and Yellow (30.4km) lines

² Core network of 23.5km under BTSGIF, 12.75km in existing extensions and 96.1km of new lines

³ Core network, existing Green Line extensions, Green Line South, Green Line North, Green Line West, Pink Line and Yellow Line, LRT and Grey Line