

1Q 2017/18 FINANCIAL HIGHLIGHTS

- **Operating Revenue increased by 100.2% YoY to THB 3,110.3mn as a result of higher operating revenue from all business units (Mass Transit, Media, Property and Services)**
- **Mass Transit Operation & Maintenance (excluding interest income from train procurement) revenue increased 13.5% YoY to THB 473.7mn** from the contractually agreed increase in the operating fee of the existing green line extensions and one additional station (Samrong: E15) on the Southern Green Line extension
- **Revenues from installation and construction services and train procurement service rose from THB 17.7mn to THB 1.2bn** chiefly from the provision of Electrical & Mechanical (E&M) works and train procurement service for the Southern and Northern Green Line extensions
- **Quarterly core network ridership of 58.0mn trips, representing a 2.8% growth YoY** mainly driven by an increase in ridership (up 2.8% YoY to 58.0mn trips)
- **Media business revenue of THB 849.0mn in 1Q 2017/18, a 36.8% or THB 228.5mn increase YoY** driven by the robust performance of our OOH Media and Digital Services businesses
- **Launched BTS-SIRI condominium project: “The Base Phetkasem” with total project value of THB 1.9bn**
- **Operating EBITDA grew 44.1% YoY or THB 280.5mn to THB 916.6mn in 1Q 2017/18 largely as a result of the improvements in operating performance of Mass Transit and Media businesses**
- **Pre-tax recurring profit (before MI) of THB 606.7mn**, a slight decline of THB 3.7mn or 0.6% from 1Q 2016/17
- Reported net profit (before MI) decreased by 30.3% to THB 437.5mn, predominantly from higher finance cost this quarter and no repeat of a gain on change in status of investment in MACO in the same period last year

SIGNIFICANT EVENTS

3 May 2017: U City Public Company Limited (U City), our associated company, signed an agreement to invest in an additional office building on 6-14 Underwood Street, London, UK in the amount of approximately GBP 7.3mn or THB 328.6mn. The investment, which was completed in June 2017, is a complementary addition to its existing portfolio of recurring income properties and enlarges U City's footprint in London, following the acquisition of an office building at 33 Gracechurch Street in September 2016.

8 June 2017: The Company has entered into a joint venture agreement with Bangkok Ranch Public Company Limited (BR), a listed and leading purveyor of duck meat, and Mr. Wai Yin Man (Chef Man) for the purpose of establishing Man Food Holdings Co., Ltd. (MFH) to operate restaurants and food service business. MFH was successfully established on 4 August 2017 with the company owning 41%, BR owning 41% and Chef Man owning 18%. The addition of BR's extensive food processing expertise will enable MFH to scale-up its business domestically and internationally.

16 June 2017: Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd. (our subsidiaries jointly held between the Company with 75%, Sino-Thai Engineering & Construction PCL (STEC) with 15% and Ratchaburi Electricity Generating Holding PCL (RATCH) with 10%) have entered into concession contracts for the Pink Line (Khae Rai to Min Buri; 34.5km, 30 stations) and Yellow Line (Lad Prao to Samrong; 30.4km, 23 stations), totaling 64.9km, with the Mass Rapid Transit Authority of Thailand (MRTA). Following this, our subsidiaries await the transfer of land from the government to begin construction of both lines, which are estimated to fully operate by early 2021.

29 June 2017: U City held the ground breaking ceremony of Phayathai Complex Project, the 120,000 sqm mixed-use high rise building, which includes retail space, grade A office space, a 5 star hotel and serviced residence with a net usable area of over 52,000 sqm. The building is located adjacent to Phayathai BTS station and Phayathai Airport Rail Link station and is expected to be opened in 2021.

30 June 2017: Master Ad Company Limited (MACO), our subsidiary, successfully acquired 70% in Co-mass Company Limited (CO-MASS) through its wholly-owned subsidiary, Eye On Ads Company Limited. Currently, CO-MASS has 113 static billboards and 7 digital billboards in strategic locations across 23 provinces in Thailand and more than 19 years' experience in outdoor media advertising.

25 July 2017: The Annual General Meeting of Shareholders 2017 approved the general mandate for the increase of the Company's registered capital not exceeding THB 2,384mn (or approximately 5% of the Company's paid-up capital) to specific investors (private placement). In addition, the Company will pay a final dividend of approximately THB 2,072.8mn or THB 0.175 per share on 18 August 2017, bringing the total annual dividend paid to THB 4,025.9mn (or THB 0.34 per share). Based on the closing share price on 26 May 2017 at THB 8.30 (one day before BOD date), this is equivalent to a dividend yield of 4.0%.

1Q 2017/18 PERFORMANCE

The Group recorded consolidated total revenue of THB 3,271.1mn in 1Q 2017/18. This represented an increase of 84.8% YoY or THB 1,501.5mn from THB 1,769.6mn in 1Q 2016/17. The revenue growth was largely from (i) an increase in revenues from installation and construction services and train procurement service under concession agreement of THB 1,224.2mn mostly from the provision of E&M works and the train procurement service for the Southern (Bearing to Samut Prakan) and Northern (Mo Chit – Khu Kot) Green Line extensions, (ii) a growth in service income of THB 308.1mn from higher revenue across all business units; Mass Transit, Media, Property and Services), (iii) an increase in interest income of THB 157.3mn mainly from (a) financial institutions due to higher cash balance from proceeds of BTSC debenture (issued on 10 November 2016), (b) loans to related parties and (c) receivables under concession agreements mainly from the provision of E&M works and the train procurement service for the Southern (Bearing to Samut Prakan) and Northern (Mo Chit – Khu Kot) Green Line extensions. However, the increase was partially offset with (iv) no gain on change in status of investment of THB 207.4mn from fair value measurement in Master Ad Public Company Limited (MACO) which was recorded in the first quarter of 2016/17.

Total operating revenue¹ in 1Q 2017/18 grew by 100.2% YoY or THB 1,556.9mn to THB 3,110.3mn largely as a result of higher operating revenue from all business units (Mass Transit, Media, Property and Services), which increased by 196.9%, 36.8%, 3.2% and 1.7% respectively. The growth was chiefly from a recognition of services revenue of the provision of E&M works and train procurement service for Southern and Northern Green Line extensions as well as higher consolidated revenue from acquisitions in the Media business and organic growth of existing media in particular. Revenues from the Mass Transit, Media, Property and Services businesses accounted for 64.1%, 27.3%, 4.7% and 3.9% of total operating revenue, respectively.

Operating Revenue and Operating Gross Profit Margin by BU

Operating Revenue ¹ (THB mn)	1Q 2017/18	% of Total ¹	1Q 2016/17	% of Total ¹	% Change (YoY)	1Q 2017/18 GP Margin ⁶	1Q 2016/17 GP Margin ⁶
Mass Transit ²	1,992.9	64.1%	671.1	43.2%	196.9%	32.9%	67.3%
Media ³	849.0	27.3%	620.5	39.9%	36.8%	65.4%	67.8%
Property ⁴	146.5	4.7%	141.9	9.1%	3.2%	35.3%	35.9%
Services ⁵	122.0	3.9%	119.9	7.7%	1.7%	12.9%	30.7%
TOTAL¹	3,110.3	100.0%	1,553.5	100.0%	100.2%	41.1%	61.8%

¹ Operating revenue from the operational performance of 4 BUs EXCLUDES interest income, dividend income and non-recurring items

² Mass Transit revenue includes:

- i) Share of net profit (loss) from BTS GIF (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 as well as Interest Income under purchase and installation of operating system agreement
- iii) Services Income from the provision of E&M works and the train procurement service

³ Media revenue includes performances of VGI Group and Rabbit Group. Rabbit group (classified to be under Digital Services Business) comprises of BSS & BSSH and subsidiaries but excludes two companies which are Bangkok Payment Solutions Co., Ltd. (BPS) – under former subsidiary; BSSH and Rabbit Rewards Co., Ltd. (RR).

⁴ Property includes Sales from Real Estate, Rental and Service Income, Revenue from group of Hotels and Service income related to Thana City Golf & Sports Club Co., Ltd.

⁵ Services revenue includes revenue from Rabbit Rewards, revenue from BPS, revenue from HHT construction and revenue from ChefMan Restaurants

⁶ Operating gross profit calculated based on the operational performance of 4 BUs

⁷ Operating EBITDA calculated based on the operational performance of 4 BUs EXCLUDES interest income, dividend income, share of net profit (loss) from other associates (except from BTS GIF) and joint ventures and other non-recurring items

Total consolidated expenses amounted to THB 2,333.2mn in 1Q 2017/18, an increase of THB 1,350.0mn or 137.3% YoY mainly from (i) an increase in cost of installation and construction services and train procurement service under concession agreement of THB 1,110.2mn, which are largely costs related to the provision of E&M works and the train procurement service for the aforesaid Southern and Northern Green Line extensions, (ii) an increase in cost of services of THB 149.4mn largely due to higher operating costs chiefly related to Media businesses and (iii) an increase in selling and administrative expenses of THB 92.3mn mainly from the increase in SG&A expenses related to consolidating newly acquired Media businesses.

Operating costs increased by 208.8% YoY to THB 1,832.0mn largely from recognising costs for the provision of E&M works as well as the train procurement service for the Southern and Northern Green Line extensions as well as costs related to the consolidation of the newly acquired Media businesses. As operating revenue increased more than operating costs, operating gross profit⁶ grew 33.1% YoY to THB 1,278.3mn. Operating gross profit margin decreased to 41.1% from 61.8% in 1Q 2016/17, mainly due to the higher revenue contributions of services income for the provision of E&M works and train procurement, which have lower margins. Group operating EBITDA⁷ increased

by THB 280.5mn or 44.1% YoY to THB 916.6mn. Operating EBITDA margin, however, decreased to 29.5% in 1Q 2017/18 from 40.9% in 1Q 2016/17 mainly from the aforesaid lower operating gross profit margin.

Other recurring revenue fell by THB 14.5mn or 7.9% YoY to THB 168.7mn. The decrease was mainly from a combination of (i) an increase in share of net loss from associates/JVs (not including share of profit in BTSGIF) of THB 109.6mn, being partially offset with (ii) the increase in interest and investment income of THB 68.3mn from higher cash balance and loans to joint venture companies.

Finance costs increased by 233.7% YoY or THB 205.8mn to THB 293.9mn primarily from the interest expense of BTSC debenture (THB 181.5mn) together with the increase in interest expense of bills of exchange. Pre-tax recurring profit⁸ for this quarter was THB 606.7mn, a slight decline of THB 3.7mn or 0.6% from 1Q 2016/17.

Reported income tax expense was THB 171.7mn, versus THB 150.0mn in 1Q 2016/17. The 14.5% YoY increase was primarily from higher pre-tax profit compared to last year, after excluding an untaxed gain on change in status of investment in MACO. Taking into account all the aforesaid transactions, the Group's consolidated net profit stood at THB 437.5mn (decreasing 30.3% YoY) and profit attributable to the equity holders of the Company was THB 404.6mn (decreasing 26.2% YoY) predominantly from higher finance costs this quarter as well as no gain on change in status of investment in MACO which occurred in the same period last year. The net profit margin attributable to the equity holders of the Company⁹ in 1Q 2017/18 was 12.1% (versus 27.9% in 1Q 2016/17).

⁸ Recurring profit calculated based on the operational performance of 4 BUs and other associates and joint ventures as well as other recurring items which are interest income and other recurring items (before MI)

⁹ 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 was THB 1,992.9mn, a significant increase of 196.9% YoY, primarily due to the recognition of services revenue and interest income for the provision of E&M works and the train procurement service for the Southern and Northern Green Line extensions as well as higher O&M revenue.

As a reminder, under the terms of the contract signed on 28 June 2016 with Krungthep Thanakom (KT) - a wholly owned subsidiary of the BMA (Bangkok Metropolitan Administration). BTSC is pre-financing E&M provision and installation. KT will repay the costs of E&M works in a lump sum amount after four years.

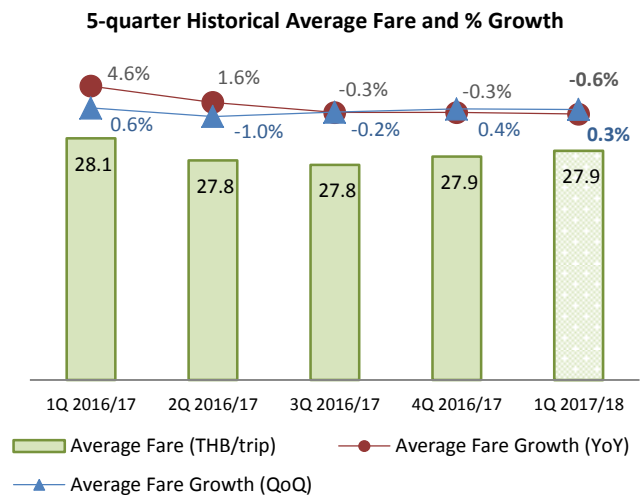
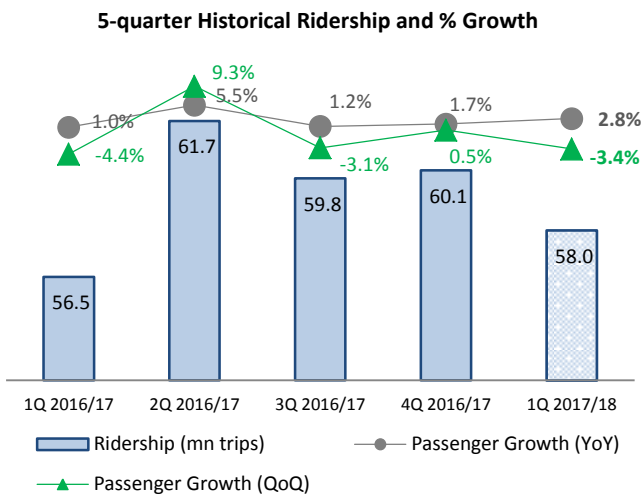
O&M revenue (excluding interest income from train procurement) rose by 13.5% or THB 56.4mn YoY to THB 473.7mn. The increase was mainly attributable to the contractually agreed increase in the operating fee of the existing Green Line – Sukhumvit extension and Silom extension together and the additional operating fee of a newly opened station (E15: Samrong station which is the first station of Southern Green Line extension). The interest income from the provision of E&M works and the procurement of train also rose from the previous year (up 138.5% YoY or THB 45.1mn) to THB 77.7mn chiefly as a result of the aforementioned provision of services.

Fare-box revenue of the core network continued to grow at 2.2% YoY or THB 35.0mn to THB 1,621.6mn mainly driven by an increase in ridership (up 2.8% YoY to 58.0mn trips), but partly offset by a slight decrease in average fare (drop 0.6% YoY to THB 27.9 per trip). Despite the increase in fare-box revenue, **share of net profit from investment in BTSGIF** decreased slightly at 1.5% YoY or THB 3.4mn to THB 217.9mn.

More commentary on Core Network performance can be found in *1Q 2017/18 BTSGIF management discussion and analysis*

<http://btsqif.listedcompany.com/misc/MDNA/20170815-btsqif-mdna-1q2018-en.pdf>

Additionally, in 1Q 2017/18, the Company recognised **services revenue from the provision of E&M works and the train procurement service** of THB 1.2bn for the aforesaid Southern and Northern Green Line extensions according to progress of work completion.



Cost of Mass Transit revenue increased in-line with the increase in revenue. This increased by THB 1,117.9mn or 508.9% YoY to THB 1,337.6mn largely from the recognition of cost of services related to the provision of E&M works and train procurement service for the aforesaid Southern and Northern Green Line extensions. The operating EBITDA margin declined to 33.3% from 68.3% as a result of a higher contribution of the abovementioned services which have a lower margin. Excluding the provision of E&M works and train procurement service, the operating EBITDA margin of the Mass Transit business stood at 68.2% (versus 68.3% in 1Q 2016/17).

MEDIA BUSINESS

Our Media revenue increased by THB 228.5mn, or 36.8% YoY to THB 849.0mn in 1Q 2017/18 against a backdrop of double digit decline in overall advertising spend (down 11.3% YoY to THB 26,185mn in 1Q 2017/18). The growth was mainly attributed to the higher consolidated revenue from acquired businesses and the robust performance of Transit Media. VGI consolidated Master Ad Public Company Limited (MACO) – Outdoor Media since June 2016.

OOH Media includes Transit, Outdoor and Office Building and Other Media. OOH media contributed 89% of total Media revenue or THB 753.4mn. Revenue from OOH media increased by THB 211.7mn, or 39.1% YoY attributable to the full quarter of MACO (Outdoor segment).

Transit Media revenue rose by 22.8% to THB 517.5mn largely as a result of price increases, especially in our static media network. Moreover, this business segment has benefited from synergies enabled by Rabbit Group through a “Station Sponsorship” campaign on selected BTS stations. **Outdoor Media** revenue was THB 169.6mn, increasing 207.9% YoY from THB 55.1mn in 1Q 2016/17 mainly due to the full quarter consolidation of MACO (vs one-month consolidation in 1Q 2016/17). In the same period, MACO also benefitted from the consolidation of Multi Sign Company Limited (Multi-Sign), which was acquired in October 2016. Meanwhile, **Office Building and Other Media** segment recorded revenue at THB 66.3mn, remained unchanged YoY. During this quarter, VGI successfully added 4 new contracts to its office building portfolio - in-line with the year-end target to acquire 10 additional building contracts.

Digital Services Business contributed 11% of total Media revenue or THB 95.6mn. Revenue increased by THB 16.8mn or 21.3% YoY. The growth was mainly due to the increase in revenue generated from (i) project management fee, card issuing fee and sales of Rabbit cards and (ii) an increase in insurance commission revenue as well as banner advertising from Rabbit Internet.

Cost of Sales increased 47.1% YoY from THB 199.6mn to THB 293.5mn, primarily due to the consolidation of the abovementioned newly acquired businesses. As costs increased at a faster rate than revenue growth, operating EBITDA margin for Media in this quarter declined to 49.6% from 53.0% in the previous year.

More commentary on Media business can be found in *1Q 2017/18 VGI Global Media's management discussion and analysis* <http://vgi.listedcompany.com/misc/MDNA/20170802-vgi-mdna-1q20172018-en.pdf>

PROPERTY BUSINESS

Property operating revenue in this quarter was THB 146.5mn, increasing 3.2% YoY from THB 141.9mn in 1Q 2016/17 due to the overall improvement in the operating performance of our commercial properties.

Residential Property revenue declined by THB 3.8mn or 36.2% YoY to THB 6.6mn in 1Q 2017/18 from lower housing unit sales. In June 2017, we have launched “The Base Phetkasem 29”, the first condominium project for the year under BTS-SIRI Joint Venture with total project value of THB 1.9bn. The Company recognised a share of loss from BTS-SIRI JVs, of THB 113.2mn (compared to THB 59.9mn in prior year) largely from selling and marketing expenses related to more launched condominium projects than in the same period last year.

Commercial Property revenue rose by 6.3% YoY or THB 8.3mn to THB 139.8mn. The increase was chiefly from higher hotel and Thana City Golf & Sports Club revenue this quarter. The Company recognised a share of loss from our associate, U City, of THB 59.0mn (compared to THB 31.8mn in prior year) largely from non-recurring acquisition related costs of a hotel business in Europe.

Operating costs increased by THB 3.8mn or 4.2% YoY to THB 94.7mn and in-line with the increase in revenue. Property SG&A expenses also increased by 7.9% YoY or THB 6.0mn to THB 82.0mn.

SERVICES BUSINESS

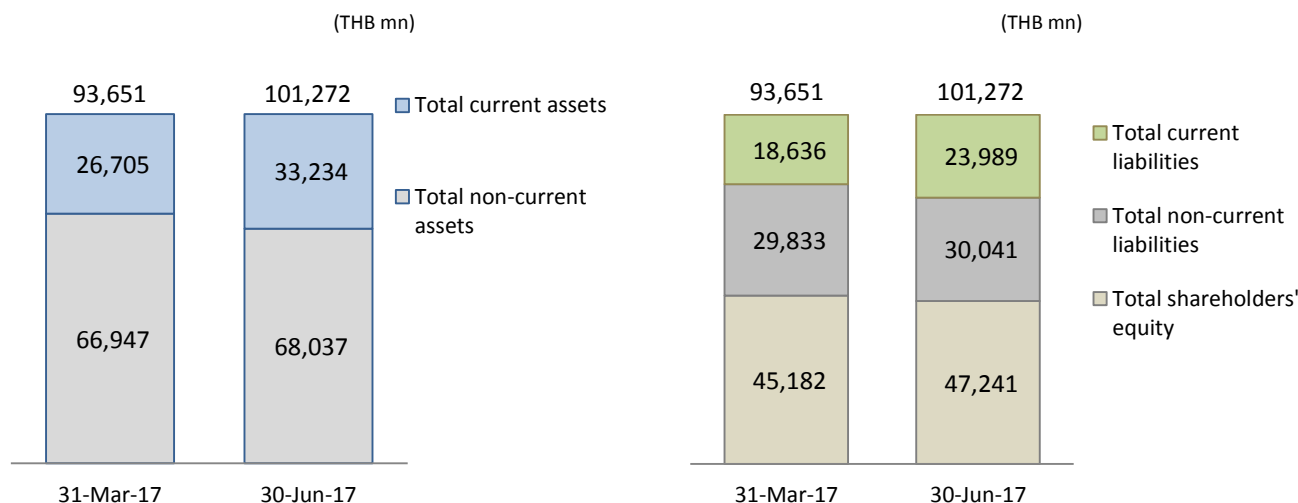
Services business revenue increased by THB 2.1mn or 1.7% YoY to THB 122.0mn. The growth was mainly due to an increase in the revenue generated from HHT construction Co., Ltd. (HHT), which increased by THB 14.9mn.

Operating costs increased by 27.9% YoY or THB 23.2mn to THB 106.3mn largely from an increase in costs of construction. SG&A expenses amounted to THB 79.7mn, an increase of THB 1.4mn or 1.8% YoY. Key SG&A items were mainly related to ChefMan restaurants.

Share of Income / (Loss) from Investments in Joint Ventures & Associates

Amount (THB mn)	1Q 2017/18	1Q 2016/17
<i>Share of income/ (loss) from investments in joint ventures</i>		
ATS (AEON-rabbit)	2.3	4.9
Bayswater	(52.0)	(33.1)
BTS-SIRI JV Projects	(113.2)	(59.9)
Keystone Estate and Keystone Management	(0.2)	-
Rabbit LINE Pay	(19.6)	(6.3)
Total	(182.6)	(94.3)
<i>Share of income/ (loss) from investments in associates</i>		
Absolute Hotel Services (AHS)	1.3	0.8
Aero Media	1.1	-
BTSGIF	217.9	221.2
Demo Power	6.2	-
MACO	-	3.7
MACO's associates	1.6	-
U CITY	(59.0)	(31.8)
Total	169.2	193.9

FINANCIAL POSITION



Total assets as of 30 June 2017 stood at THB 101,271.6mn, an increase of THB 7,620.3mn or 8.1% from 31 March 2017. Total current assets stood at THB 33,234.3mn, increasing by 24.5% or THB 6,529.6mn. The increase was primarily attributed to (i) an increase in cash & cash equivalents of THB 6,231.7mn (see cash movement in *Cash Flow* section), (ii) current investments of THB 890.4mn that are under treasury management and (iii) the changes in status of four subsidiaries' assets under Chef Man group, to jointly controlled entities (held by BTS Group, BR and Chef Man) of THB 206.2mn. Following the restructuring of Chef Man Business, the Company presented assets, liabilities and equities related to the four aforesaid companies separately as 'held for sale' (please see *NTFS 27* for more details). The increase was partially offset with (iv) a decline in advances to contractors of THB 615.0mn largely from the recognition of costs related to E&M works of the aforesaid Southern and Northern Green Line extensions projects together with (v) a decrease in trade and other receivables of THB 170.4mn.

Total non-current assets were THB 68,037.3mn, an increase of 1.6% or THB 1,090.7mn primarily due to (i) the increase in receivables under purchase and installation of operating system agreement of THB 914.4mn as well as net current portion of receivable under concession agreements of THB 363.3mn largely from the provision of E&M works and the train procurement service for the Southern and Northern Green Line extensions, (ii) an increase in net current portion of loans to related parties of THB 380.2mn to THB 9,605.7mn mainly from loans to BTS-SIRI Joint Venture projects, (iii) an increase in estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquiree of THB 278.1mn after the acquisition of CO-MASS by MACO on 30 June 2017. The increase was partially offset with (iv) a decrease in other long-term investments of THB 499.5mn mainly due to reclassification from long-term to short-term investments, (v) a reduction in investments in associates of THB 232.0mn mainly from (a) BTSGIF (share of profit in BTSGIF was more than offset with dividend income) and U City (mainly from share of loss in U City) and (vi) a decrease in deposits and advances for asset acquisitions of THB 171.3mn mainly from the recognition the costs related to the purchase of 46 new 4-car trains.

Total liabilities increased from 31 March 2017 by 11.5% or THB 5,561.2mn to stand at THB 54,030.4mn largely due to (i) an increase in bills of exchange payable of THB 3,582.4mn, (ii) an increase in net loan from financial institutions of THB 1,542.4mn, (iii) an increase in income tax payable of THB 212.8mn, (iv) an increase in provision for transaction under equity method of investments in joint ventures of THB 124.1mn mainly from current negative investment value of BTS-SIRI Joint Venture projects and Bayswater Co., Ltd. (Bayswater).

Total equity increased from 31 March 2017 by THB 2,059.1mn or 4.6% YoY to THB 47,241.2mn mainly attributable to (i) an increase in non-controlling interest of the subsidiaries of THB 1,635.9mn, largely from STEC and RATCH's stake (totaling 25%) in the issuing of ordinary shares in Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd. of THB 1.75bn according to total registered capital requirement of THB 3.5bn for each project under the consolidation the Pink Line and the Yellow Line projects, (ii) a reduction in unappropriated deficits of THB 403.7mn mainly from the recognition of profit in this quarter, (iii) an increase in other components of shareholders' equity of THB 332.1mn and being partially offset with (iv) a decrease in surplus from the changes in the ownership interests in subsidiaries of THB 408.2mn which largely stemmed from the the Company increased its shareholding in VGI from 71.6% to 71.9% as well as additional 7% acquisition of MACO (resulting in a total holdings in MACO from 33.7% to 40.7%). As of 30 June 2017, total issued and fully paid-up shares of BTS Group stood at 11,935.0mn shares. Return on equity for 1Q 2017/18 was 4.3%, which decreased from 3.8% in 1Q 2016/17.

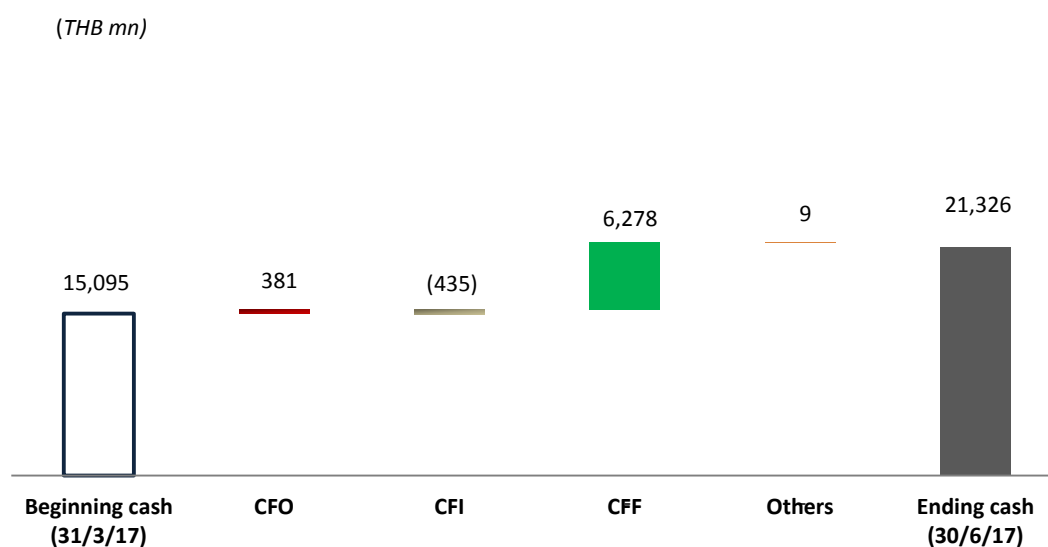
CASH FLOW

For the quarter ended 30 June 2017, **cash and cash equivalents** stood at THB 21,326.2mn, an increase of 542.8% or THB 18,008.6mn. Cash from operating activities was THB 820.9mn. The key components were from (i) a decrease in advances to contractors (E&M works) as well as a decrease in advances for acquisition of assets (rolling stocks procurement), (ii) a net decrease in trade and other receivables and (iii) an increase in receivable under purchase and installation of operating system agreement and receivable under concession agreement following the provision of E&M works as well as the train procurement service for the Southern and Northern Green Line extensions. After deducting cash paid for corporate income tax of THB 59.7mn (vs 1Q 2016/17: THB 28.9mn) and cash paid for interest expenses of THB 380.6mn (vs 1Q 2016/17: THB 40.9mn), **net cash from operating activities** was THB 380.7mn.

Net cash used in investing activities was THB 435.4mn. The key components were (i) net cash paid for loans to related parties of THB 378.3mn largely to BTS-SIRI Joint Ventures, (ii) net cash paid for purchases of property, plant and equipment of THB 263.8mn mainly for Media Business, (iii) net cash paid for purchases of investments in subsidiaries of THB 224.8mn following the acquisition of CO-MASS by MACO, (iv) cash paid for purchases of current investments of THB 207.9mn, (v) dividend income of THB 524.3mn and (vi) interest income of THB 167.5mn.

Net cash from financing activities was THB 6,277.6mn. The key components were (i) a net increase in bills of exchange payables of THB 3,516.2mn, (ii) cash received from non-controlling interests for issuances of ordinary shares of subsidiaries of THB 1,750.0mn following the consolidation of Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd., (iii) a net increase in loans from financial institutions of THB 1,542.4mn and (iv) cash paid for purchases of investments in subsidiaries of THB 395.5mn mainly from the additional acquisition of VGI and MACO.

Three-Months Cash Flow Snapshot



* After tax of THB 59.7mn and interest expense of THB 380.6mn

** Excluding liquid investments of THB 17.5bn

KEY FINANCIAL RATIOS

Profitability ratios	1Q 2017/18	1Q 2016/17	4Q 2016/17
Gross operating profit margin (%)	41.1%	61.8%	44.7%
Selling and administrative expenses to operating sales ratio (%)	17.6%	28.6%	20.5%
Operating EBITDA margin (%) ^A	29.5%	40.9%	29.1%
Accounting EBITDA margin (%)	32.5%	50.5%	32.5%
Recurring pre-tax profit margin (%) ^B	18.5%	35.2%	20.4%
Net recurring profit margin (%) ^B	13.3%	26.5%	14.0%
Accounting net profit margin (%) ^C	13.1%	32.0%	13.8%
ROA (%) ^D	2.4%	2.8%	2.8%
ROE (%) ^E	4.3%	3.8%	4.9%
Liquidity ratio			
Current ratio (times)	1.39x	0.86x	1.43x
Leverage ratios			
Total liabilities to total asset (times)	0.53x	0.28x	0.52x
Total liabilities to total equity (times)	1.14x	0.39x	1.07x
Interest bearing debt to equity (times)	0.92x	0.20x	0.85x
Adjusted net debt ^F to equity (times)	0.10x	(0.12)x	0.13x
Adjusted net debt ^F to operating EBITDA (times)	1.43x	(2.23)x	2.07x
Interest coverage (times) ^G	3.12x	7.22x	0.57x
Per share ratios^H			
Basic earnings per share (THB)	0.0342	0.0463	0.0371
Operating cash flow per share (THB)	0.032	0.029	(0.108)
Free cash flow per share (THB)	0.006	0.001	(0.138)
Enterprise value per share (THB)	10.83	10.40	10.74
Book value per share (THB)	3.99	4.10	3.82

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 interest bearing debt - cash and cash equivalent and liquid investment

^G Calculated based on operating EBITDA / finance cost

^H Calculated based on weighted average number of shares at par value of THB 4.0

MANAGEMENT OUTLOOK

In our **Mass Transit** business, KT temporarily extended the O&M contract of the Bus Rapid Transit (BRT) until 31 August 2017 to facilitate the bidding process for a new concessionaire under a 6-year farebox concession contract. Under the new terms, the concessionaire will be entitled to the farebox revenue and commercial revenue received from the BRT in return for operating and maintaining the system.

The first batch of 22 4-carriage trains (from a total order of 46 4-train carriages ordered on 23 May 2016) is expected to be delivered by May 2018. We now target an opening of the first Northern Green Line extension (N9) at Ladprao Intersection with a length of around 2km to within March 2019. Regarding the Pink and the Yellow lines, once the MRTA has handed over the required land, construction of the main lines can begin immediately, taking up to 39 months to complete. We estimate that full operation for both lines to be in by early 2021.

Progress has been made regarding the system's single-track bottleneck at Saphan Taksin (S6) station. The Department of Rural Roads, responsible for the bridge running parallel to the line has approved the design for double-tracking the station. The solution involves increasing the width of the outer two sides of the bridge to retain the same number of lanes, while freeing up space for the additional track and platform. The construction period is estimated to take up to 2-3 years upon mutual agreement among all involved parties. Once complete, the bottleneck would be eliminated, benefiting passengers across the system and the Company by allowing for an increase in the frequency of trains and number of trains.

Having completed EIA study and public hearings for the construction of Suksa Witthaya (S4) station, BTSC will submit these to BMA and BMA will further forward these to the Office of Natural Resources and Environmental Policy and Planning (ONEP) for consideration. Upon approval from ONEP, the BMA will issue a construction permit that would allow construction of the station to begin, which is expected by the end of 2017 or early 2018, taking up to 18 months to complete. Total investment is estimated at THB 650mn, split 50:50 between BTSGIF and third party.

In our **Media** business, VGI expects to continue to benefit from synergies from the acquisition of Rabbit Group as well as the uplift from the improving macroeconomic outlook in Thailand. VGI reiterated its FY 2017/18 revenue target of THB 4,000mn. *Further information about VGI's targets for FY 2017/18 can be found at: <http://vqi.listedcompany.com/misc/presentation/20170405-vqi-target.pdf>.*

In our **Property** business, we still expect to launch at least 3 more projects totaling around THB 10bn, following the launch of our first project this year: The LINE Phetkasem 29 worth THB 1.9bn. This fiscal year we expect the JV to turn profitable with a share of net profit of around THB 200mn from transfers of The Line Jatujak – Mochit and remaining units of The Line Sukhumvit 71, adding some uplift to our earnings. Construction of the 194-key hotel at Thana City is expected to be completed by the April 2018, taking our directly-owned commercial property portfolio to 371 keys at the beginning of next fiscal year.

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Rangsin Kritalug

(Executive Director and Chief Operating Officer)