

Part 1: Executive Summary

Bangkok Expressway Public Company Limited (the “Company”) operates the business of construction and management of the Si Rat Expressway (Second Stage Expressway) and its extensions, including related businesses under the Second Stage Expressway Agreement (“SES Agreement”) entered into between the Expressway Authority of Thailand (“EXAT”) (formerly “Expressway and Rapid Transit Authority of Thailand”) and the Company for a contract period of 30 years from 1 March 1990, and the Agreement for the Extension of Second Stage Expressway System, sector D, for a contract period of 30 years from 17 April 1997. This Expressway Project Agreement was executed on a BTO (Build, Transfer and Operate) basis, in other words, the Company is responsible for the design, construction and management of the Expressway System while the title to various permanent constructions shall be vested in EXAT. The Si Rat Expressway comprises four Sectors, namely, Sector A (Rama IX - Ratchadapisek), Sector B (Phayathai - Bangkhlo), Sector C (Ratchadapisek - Chaeng Watthana) and Sector D (Rama IX - Srinagarindra). The Company receives toll revenue sharing from the Si Rat Expressway and the Chalerm Mahanakorn Expressway (First Stage Expressway) based on the proportions under the respective Agreements, except at 100 percent of toll revenue of Sectors C and D received by the Company throughout the contract period.

Furthermore, Northern Bangkok Expressway Company Limited, the Subsidiary, entered into an agreement with EXAT for construction and management of the Udon Rattaya Expressway (Bang Pa-in - Pak Kret Expressway) for a contract period of 30 years from 27 September 1996. The Udon Rattaya Expressway is northbound with a connection to the Si Rat Expressway around Chaeng Watthana Road, passing Bang Phun, Chiang Rak to end at Bang Sai. All toll revenue of the Udon Rattaya Expressway is retained in full by the Subsidiary throughout the contract period.

The Company’s main policy is to mitigate traffic problems in Bangkok by way of efficient management of the Si Rat Expressway. The Company, in association with EXAT, has implemented the installation of the Electronic Toll Collection system, named “Easy Pass”, to enhance the effective collection of tolls at the front of the Toll Plazas and to alleviate the traffic congestion, particularly during the rush hours, which may increase in the future. In this regard, EXAT and the Company will launch the Electronic Toll Collection system for service on the Chalerm Mahanakorn Expressway (First Stage Expressway), the Chalong Rat Expressway (Ramindra - At Narong - Outer Bangkok Ring Road) and the Bang Pli - Suksawad Expressway (Southern Outer Bangkok Ring Road), which are operated by EXAT. Furthermore, the Si Rat Expressway (Second Stage Expressway), operated by the Company, will be opened for service by 2010.

The traffic volume of the Expressway in 2009 increased from last year by 3.11 percent as a result of the declining oil prices and EXAT’s start for collection of tolls for the Bang Pli – Suksawad Expressway (Southern Outer Bangkok Ring Road) and the opening of the Extension of the Chalong Rat Expressway through Eastern Outer Bangkok Ring Road since 23 March 2009 after the opening for service free of charge since late 2008, as well as the gradual opening of the Government Complex Commemorating His Majesty the King’s 80th Birthday Anniversary on Chaeng Watthana Road, and the closing of various flyovers for repair and maintenance around Bangkok in late 2009, in conjunction with an impact of toll revisions effective on 1 September 2008 for the Chalerm Mahanakorn Expressway and the Si Rat Expressway, and on 1 November 2008 for the Udon Rattaya Expressway. However, the revised toll rates did not comply with



the rates proposed by the Company and the Subsidiary, due to different interpretation of the contractual provisions relating to toll revisions. The Company and the Subsidiary were of the view that the revised toll rates did not comply with the respective Agreements, which rendered the toll revenue to be lower than that should have been received by the Company and the Subsidiary. As a result, the toll revenue in 2009 increased by a net amount of Baht 667.28 Million or 9.59 percent as compared to that of the previous year.

In respect of risk management, in 2009, the Company issued additional debentures on two occasions, totaling Baht 4,000 Million. In September 2009, the Company offered debentures in the amount of Baht 2,000 Million with maturity of 3.5 and 4 years at fixed interest rates, and in December 2009, the Company offered additional debentures in such year in the amount of Baht 2,000 Million with maturity of 5.5 years at floating interest rate to minimize the financial costs and prevent risk from interest rate fluctuations in money market, as well as minimizing risk from depending on the only source of fund in the type of long-term loans from banks.

In respect of the earning results of the Company and the Subsidiary for the period ending 31 December 2009, the Company's total revenues amounted to Baht 7,760 Million which is higher than that of the previous year by Baht 611 Million or 8.55 percent. However, the consolidated net profits of the Company and the Subsidiary in 2009 amounted to Baht 1,702 Million which is higher than that of the previous year by Baht 258 Million or 17.87 percent.