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Operating Results and Financial Status

Operational Results

In the first quarter of 2004, the Company and its subsidiary recorded the net profit in the amount of Baht 495 Million in the consolidated result. When compared with the first quarter of the previous year's net profit of Baht 223 Million, the net profit for this quarter had increased by Baht 272 Million or 121.97 percent. The reasons for such increase are summarized as follows:

Due to the growth in the traffic volume of all system, toll revenue for the first quarter of 2004 was higher than that of the same period in 2003 by Baht 121 Million or 8.06 percent. The number of vehicles using the urban expressway system continued to increase steadily. In addition, the number of vehicles using the suburban expressway system, whose toll revenue the Company and its subsidiary was entitled to receive in full amount, also showed continuous and significant growth.

The amortization of the right to operate the completed expressway system increased by Baht 43 Million or 9.71 percent. Such increase was caused by the increase in the volume of vehicles using the expressway.

The provision for land acquisition increased by Baht 11 Million. This provision was recorded in the statement of income as a result of deduction of the present value of land compensation. The first payment was made to the ETA in the amount of Baht 50 Million on March 1, 2004.

The administration expenses increased by Baht 55 Million or 36.91 percent due to the increase in expenditure for improving and maintaining the expressway as well as for toll collection and traffic control system.

Interest expense, the major expense, decreased by Baht 178 Million or 34.56 percent compared with the first quarter of previous year. Such decrease was due to continuously declining long-term loan as a result of loan repayment as well as the reduction in interest rate on long-term loans. The Company successfully reduced financing cost by entering into the reinstated credit facilities agreement signed in September 2003 with the existing lenders.

Corporate income tax for the first quarter of 2004 was recorded in proportion with the expected total annual net earnings, which included the realized loss from sale of investment in the subsidiary company. The Company sold 180 Million shares in April 2004, resulting in the corporate income tax for the first quarter of 2004 being lower than that of the same period in 2003 by Baht 69 Million of 62.16 percent.

Financial Status

Total assets of the Company and its subsidiary as of March 31, 2004 had increased comparing to December 31, 2003 because of the drawdown of additional credit facilities and cash reserve for the year 2003 dividend payment to be paid in April 2004.

The majority of the assets were the rights to operate completed expressway system, from which Baht 486 Million was deducted as amortization in this quarter.

Other long-term investment was investment in Bangkok Metro Company Limited (BMCL). In March 2004, BMCL increased its registered capital by Baht 250 Million. To maintain the existing shareholding portion, the Company purchases additional shares in proportionately and paid Baht 9 Million in March 2004. The remaining will be paid in the second quarter of this year.

Most of the current assets mainly consisted of cash and bank deposits at banks as well as short-term investments.

The total outstanding long-term loans as of March 31, 2004, were Baht 34,204 Million or 96 percent of the total liabilities, of which Baht 2,064 Million is to be repaid in within a year.

In the first quarter of 2004, cash flow from operation was equal to Baht 1,073 Million. Of this cash flow, Baht 531 Million, Baht 21 Million, and Baht 50 Million were used to repay long-term loans, to pay for equipment, and to compensate for land acquisition respectively.