

(Translation)

Bangkok Expressway Public Company Limited and Its Subsidiary Company

Description and Analysis of Financial Status and Operational Results for the Fiscal Period Ended on March 31, 2005

1. Analysis of Operational Results

(Unit: Million Baht)

	<u>Quarter 1</u> <u>2005</u>	<u>Quarter 1</u> <u>2004</u>	<u>% Change</u>
Net Income	1,686	1,628	3.56
EBITDA	1,404	1,366	2.78
Net Profit	395	495	-20.20
EPS (Baht)	0.51	0.64	-20.20

Bangkok Expressway Public Company Limited and its subsidiary derived net profit in the first quarter of the year 2005 at the amount of Baht 395 Million, representing a decrease by Baht 100 Million or 20 percent, as compared with the same quarter of the previous year. This was due to tax shield incurred from selling off the investment in a subsidiary company in the previous year but none in the first quarter of this year. However the toll revenue keeps growing continuously caused an increasing in the EBITDA during the first quarter of the year 2005 afterwards.

The increase/decrease of revenue and expenses comparing between the first quarter of the year 2005 and year 2004 are summarized below: -

1.1 Revenue

In the first quarter of the year 2005, the Company and its subsidiary had revenue at the amount of Baht 1,686 Million, representing an increase by Baht 58 Million or 3.56 percent from the same period of the previous year, with material particulars as follows:

(Translation)

1.1.1 Toll revenue amounted to Baht 1,681 Million, representing an increase by Baht 58 Million or 3.57 percent from the same quarter of the previous year as follows :

(Unit: Million Baht)

	<u>Quarter 1</u> <u>2005</u>	<u>Quarter 1</u> <u>2004</u>	<u>%</u> <u>Change</u>
FES	684	695	-1.58
SES			
Sector A (Rama IX – Ratchadapisek)	333	327	1.83
Sector B (Phayathai – Bangkhlo)	161	161	-
Sector C (Ratchadapisek – Chaeng Watthana)	156	153	1.96
Sector D (Rama IX – Srinagarindra)	212	166	27.71
Bang Pa-in – Pak Kret	<u>135</u>	<u>121</u>	<u>11.57</u>
Total	<u>1,681</u>	<u>1,623</u>	<u>3.57</u>

- The First Stage Expressway, the toll revenue slightly decreases due to the under construction work of uncompleted of constructing of S1 Expressway.
- The Second Stage Expressway, Sector D, the toll revenue dramatically increases due to the expanding of the community in the area of Suvarnabhumi Airport and the motorists avoid the traffic congestion nearby constructing area of S1 Expressway.
- The Bang Pa-in – Pak Kret Expressway, the toll revenue grows up continuously. Furthermore, in the beginning of the year 2005, the toll rates have been increased partially at Chiang-rak and Bang-pa-in toll plaza.

1.1.2 Other revenues amounted to Baht 5 Million are mainly interest income and benefit incurred from cash management of the toll revenue.

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1.2 Expenses

In the first quarter of the year 2005, the Company and its subsidiary spent expenses at the amount of Baht 797 Million, representing an increase by Baht 30 Million or 3.91 percent from the same quarter of the previous year, with material particulars as follows:

1.2.1 Amortization of rights to operate the completed expressway sectors amounted to Baht 507 Million, representing an increase by Baht 21 Million or 4.32 percent, due to the increase in the volume of vehicles using the expressways.

1.2.2 Provision for compensation for site acquisition cost amounted to Baht 90 Million, representing an increase by Baht 14 Million or 18.42. Such provision was recorded to cut the cost of the present value of the compensation to be paid to the Expressway and Rapid Transit Authority of Thailand. In this quarter, the Company made a payment totaling Baht 150 Million to compensate the Expressway and Rapid Transit Authority of Thailand as stipulated in the Second Stage Expressway Agreement.

1.2.3 Operating and administrative expenses amounted to Baht 196 Million, representing a decrease by Baht 5 Million or 2.49 percent.

1.3 Interest Expenses

In the first quarter of the year 2005, the Company and its subsidiary incurred interest expenses in the amount of Baht 313 Million, representing a reduction by Baht 24 Million or 7.12 percent from the same quarter of the previous year, as a result of loan repayment.

1.4 Corporate Income Tax

In the first quarter of the year 2005, the Company was liable to pay a corporate income tax amounting Baht 181 Million, representing an increase by Baht 139 Million or 330.95 percent. This was due to tax shield incurred from selling off the investment

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in a subsidiary company in the first quarter of the previous year but none in the first quarter of the year 2005.

2. Financial Status

2.1 Assets

The total assets of the Company and its subsidiary as at March 31, 2005 were at the amount of Baht 48,352 Million, which were nearly as compared to December 31, 2004, with the details of significant increases and decreases as follows:

2.1.1 Cash and cash equivalent and temporary investment funds, decreased by Baht 29 Million or 3.55 percent.

2.1.2 In the first quarter of the year 2005, the company increased an investment in Bangkok Metro Public Company Limited (BMCL) amounting to Baht 493 Million. As at March 31, 2005, the Company holds shares in BMCL, representing 19.65 percent of its registered capital.

2.1.3 Construction in progress increased by Baht 31 Million due to the constructing of a flyover crossing Prachacheun Road so as to alleviate traffic volume from off-ramp at Prachachuen Road. The project started in October 2004 and will be completed by the third quarter of 2005.

2.1.4 Rights to operate the completed expressway sectors decreased by Baht 507 Million, as a result of amortization as expenses with the volume of vehicles using the expressway.

2.2 Liabilities

Total liabilities of the Company and its subsidiary as at March 31, 2005 were in the amount of Baht 33,375 Million. As compared to December 31, 2004, the liabilities reduced by Baht 400 Million, representing 1.18 percent, resulting mainly from loan repayment.

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2.3 Shareholders' Equity

Shareholders' equity of the Company and its subsidiary as at March 31, 2005 was in the amount of Baht 14,977 Million, representing an increase by Baht 395 Million or 2.71 percent, as compared to December 31, 2004, was a result from net profit from operations for the first quarter of the year 2005.

The Company has registered capital in the amount of Baht 8,000 Million and has authorized and paid-up capital in the amount of Baht 7,700 Million, with appropriated accumulated profit of Baht 322 Million and unappropriated accumulated profit of Baht 2,107 Million.

3. Cash Flow

In the first quarter of the year 2005, the Company and its subsidiary generated cash flow from operations amounting to Baht 1,018 Million. The Company has utilized the majority of cash to repay loan of Baht 516 Million, invest in Bangkok Metro Public Company Limited amounting to Baht 493. The remaining cash was utilized in temporary investment giving rise to good rate of return.

4. Financial Ratios

<u>Financial Ratios</u>	<u>Quarter 1</u> <u>2005</u>	<u>Quarter 1</u> <u>2004</u>
Net Profit Margin on Sales	23.49%	30.47%
Return on Equity *	12.08%	10.23%
Return on Total Assets *	3.67%	2.95%
Interest Coverage (times)	4.49	4.02
Debt to Equity (times)	2.23	2.36

* Annualized