

(-Translation-)

## **Operating Results and Financial Status**

### **Operational Results**

The Bangkok Expressway Public Company Limited and its subsidiary recorded the net profit in the second quarter of 2004 at the amount of Baht 449 Million. Compared with the second quarter net profit in the previous year of Baht 172 Million, the net profit has increased by Baht 277 Million or 161 percent. The reasons for such increase are summarized as follows:

Toll revenues has increased by Baht 93 Million or grew up 6 percent on a year-on-year basis because of the higher traffic volume of every sectors, except First Stage Expressway System (FES). Sector D under Second Stage Expressway System (SES) has shown the highest growth at 41 percent over the year before. Sector C+ (Bang Pa In - Pak Kret Expressway) and Sector C under the SES have also generated growth at 16 percent and 5 percent respectively. It should be pointed out that the higher traffic numbers of such three mentioned sectors were fully attributed to the company's and our subsidiary's revenue. For Sector A&B traffic volume under the SES have increased by 2 percent over last year; whereas, the FES's traffic volume has decreased by 1 percent over the same period.

The amortization of the right to operate the completed expressway system has risen by Baht 34 Million or 8 percent in accordance with the increase in the number of vehicles using the expressway.

Interest expenses, the major expense, has dropped by Baht 174 Million or 34 percent compared with the second quarter of previous year. Such significant interest cost reduction derived from a refinancing of long-term loan with a lower interest rate in September 2003 from existing lenders and a continuous declining long-term loan as a result of loan repayment.

### **Financial Status**

Total assets of the Company and its subsidiary as of June 30, 2004 decreased, as compared with those as at December 31, 2003 due to the amortization of the right to operate the completed expressway sectors and depreciation of fixed assets.

The majority of the assets were the rights to operate completed expressway system, from which Baht 960 Million was deducted as amortization during the first 6 months of the year 2004.

Other long-term investment was the investment in Bangkok Metro Public Company Limited (BMCL). In March 2004, BMCL increased its registered capital by Baht 250 Million. The Company purchased additional shares amounting Baht 37.50 Million in proportion to its existing shareholding portion which is equal to 15 percent of the registered capital. The Company has fully paid for such additional shares in this quarter.

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

The total outstanding long-term loans as of June 30, 2004, were Baht 33,188 Million or 96 percent of the total liabilities, of which Baht 2,064 Million is to be repaid in within a year.

During the first 6 months of the year 2004, cash flow from operation was equal to Baht 1,981 Million. The Company has allocated most cash for its long-term loans repayment and dividend payment. The long-term loans has been reduced by Baht 547 Million and the dividend has been paid for Bath 1,155 Million. The Company has invested in Bangkok Metro Public Company Limited, improvement of Mahanakorn off ramp and Rama IX off ramp and fixed assets. The remaining cash has been deposited and invested as a short-term investment which generated good return on investment.