

(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 June 30, 2005

1. Analysis of Operational Results for the three month periods

(Unit: Million Baht)

	<u>Quarter 2</u> <u>2005</u>	<u>Quarter 2</u> <u>2004</u>	<u>% Change</u>
Toll Revenue	1,624	1,572	3.31
Net Income	1,630	1,606	1.49
EBITDA	1,328	1,333	-0.39
Net Profit	352	449	-21.60
EPS (Baht)	0.46	0.59	-21.60

Bangkok Expressway Public Company Limited and its subsidiary derived net profit in the second quarter of the year 2005 at the amount of Baht 352 Million, representing a decrease by Baht 97 Million or 22 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 second quarter of the previous year but none in the second quarter of the year 2005.

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

1.1 Revenue

In the second quarter of the year 2005, the Company and its subsidiary had revenue at the amount of Baht 1,630 Million, representing an increase by Baht 24 Million or 1.49 percent from the same period of the previous year, with material particulars as follows:

(Translation)

1.1.1 Toll revenue amounted to Baht 1,624 Million, representing an increase by Baht 52 Million or 3.31 percent from the same quarter of the previous year as follows :

(Unit: Million Baht)

	<u>Quarter 2</u> <u>2005</u>	<u>Quarter 2</u> <u>2004</u>	<u>%</u> <u>Change</u>
FES	653	660	-1.06
SES			
Sector A (Rama IX – Ratchadapisek)	325	315	3.17
Sector B (Phayathai – Bangkhlo)	154	151	1.99
Sector C (Ratchadapisek – Chaeng Watthana)	150	150	-
Sector D (Rama IX – Srinagarindra)	212	175	21.14
Bang Pa-in – Pak Kret	<u>130</u>	<u>121</u>	<u>7.44</u>
Total	<u>1,624</u>	<u>1,572</u>	<u>3.31</u>

- The First Stage Expressway, the toll revenue slightly decreases due to the under construction work of uncompleted of constructing of S1 Expressway which is opened for traffic in the middle of June 2005.
- The Second Stage Expressway, Sector A, the toll revenue increases due to the motorists avoid the traffic congestion nearby constructing area 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.

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- 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 6 Million, representing a decrease by Baht 28 Million or 82.35 percent from the same period of the previous year, as a result of accounting gain on sale of investment in a subsidiary company.

1.2 Expenses

In the second quarter of the year 2005, the Company and its subsidiary spent expenses at the amount of Baht 801 Million, representing an increase by Baht 47 Million or 6.23 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 492 Million, representing an increase by Baht 17 Million or 3.58 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.

1.2.3 Operating and administrative expenses amounted to Baht 207 Million, representing an increase by Baht 12 Million or 6.15 percent.

1.3 Interest Expenses

In the second quarter of the year 2005, the Company and its subsidiary incurred interest expenses in the amount of Baht 312 Million, representing a reduction by Baht 23 Million or 6.87 percent from the same quarter of the previous year, as a result of loan repayment.

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1.4 Corporate Income Tax

In the second quarter of the year 2005, the Company was liable to pay a corporate income tax amounting to Baht 165 Million, representing an increase by Baht 59 Million or 55.66 percent. This was due to tax shield incurred from selling off the investment in a subsidiary company in the second quarter of the previous year but none in the second quarter of the year 2005.

2. Financial Status

2.1 Assets

The total assets of the Company and its subsidiary as at June 30, 2005 were at the amount of Baht 47,646 Million, with the details of significant increases and decreases as follows:

- 2.1.1 Cash and cash equivalent and temporary investment funds, decreased by Baht 264 Million or 32.28 percent.
- 2.1.2 In the second quarter of the year 2005, the company increased an investment in Bangkok Metro Public Company Limited (BMCL) amounting to Baht 493 Million. As at June 30, 2005, the Company holds shares in BMCL, representing 19.65 percent of its registered capital.
- 2.1.3 Construction in progress is 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 996 Million, as a result of amortization as expenses with the volume of vehicles using the expressway.

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2.2 Liabilities

Total liabilities of the Company and its subsidiary as at June 30, 2005 were in the amount of Baht 33,088 Million. As compared to December 31, 2004, the liabilities reduced by Baht 687 Million, representing 2.03 percent, resulting mainly from loan repayment.

2.3 Shareholders' Equity

Shareholders' equity of the Company and its subsidiary as at June 30, 2005 was in the amount of Baht 14,559 Million, representing a decrease by Baht 23 Million or 0.16 percent, as compared to December 31, 2004, with material particulars as follows:

2.3.1 Net profit from operations for the six-month periods ended June 30, 2005, amounted to Baht 747 Million.

2.3.2 On April 7, 2005, Annual General Meeting of shareholders approved dividend payment from the earnings of the period July to December to the shareholders of Baht 1 per share, a total of Baht 770 Million. The Company paid the dividend on May 4, 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 1,689 Million.

3. Cash Flow

In the second quarter of the year 2005, the Company and its subsidiary generated cash flow from operations amounting to Baht 2,048 Million. The Company has utilized the majority of cash to repay loan of Baht 1,032 Million, invest in Bangkok Metro Public Company Limited amounting to Baht 493 and pay a dividend of Baht 770 Million.

(Translation)

4. Financial Ratios

<u>Financial Ratios</u>	<u>Quarter 2</u> <u>2005</u>	<u>Quarter 2</u> <u>2004</u>
Net Profit Margin on Sales	21.69%	28.56%
Return on Equity *	11.89%	12.67%
Return on Total Assets *	3.56%	3.58%
Interest Coverage (times)	4.26	3.97
Debt to Equity (times)	2.27	2.41

* Annualized