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Description and Analysis of Financial Status and Operational Results for the Fiscal Period Ended on September 30, 2004

Summary of Operational Results

Bangkok Expressway Public Company Limited and its subsidiary derived net profit in the third quarter of the year 2004 in the amount of Baht 525 Million, representing an increase by Baht 297 Million or 130 percent, as compared to Baht 228 Million in the third quarter of the year 2003. The main reasons for the increase in net profit were due to an increase in toll revenue, lower interest expenses as the interest rate decreased due to reduction of financing costs on September 30, 2003, and lower taxes due to sale of investment funds in the subsidiary. As a result, the net profit margin in the third quarter of the year 2004 equaled 31.88 percent, representing an increase by 17.48 percent, as compared to 14.39 percent in the same quarter of the previous year.

1. Analysis of Operational Results

1.1 Toll Revenue and Other Revenue

In the third quarter of the year 2004, the Company and the subsidiary had revenue in the amount of Baht 1,655 Million, representing an increase by Baht 67 Million or 4.22 percent from the same quarter of the previous year, with material particulars as follows:

1.1.1 Toll revenue in the third quarter of the year 2004 equaled Baht 1,647 Million, representing an increase by Baht 63 Million or 3.98 percent from the same quarter of the previous year, due to an increase in the volume of vehicles in the suburban expressway, to which the Company and the subsidiary are entitled to receive all toll revenue. The volume of vehicles using the Second Stage Expressway, Sector D, increased by 33 percent, the Bang Pa-in – Pak Kret Expressway increased by 14 percent and the Second Stage Expressway, Sector C, increased by 3 percent, while the volume of vehicles in the urban expressway, in respect of which revenue is shared under the contract between the Company and the Expressway and Rapid Transit Authority of Thailand slightly decreased, as compared to the previous year.

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1.1.2 Other revenue, namely interest income and benefit from toll revenue management, in the third quarter of the year 2004 equaled Baht 8 Million, representing an increase by Baht 4 Million or 100 percent from the same quarter of the previous year.

1.2 Expenses

In the third quarter of the year 2004, the Company and its subsidiary incurred expenses in the amount of Baht 773 Million, representing an increase by Baht 30 Million or 4 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 in the third quarter of the year 2004 equaled Baht 501 Million, representing an increase by Baht 26 Million or 5.47 percent from the same quarter of the previous year, due to the increase in the volume of vehicles using the expressways.

1.2.2 Provision for compensation for site acquisition cost in the third quarter of the year 2004 equaled Baht 76 Million, representing an increase by Baht 11 Million or 16.92 percent from the same quarter of the previous year. 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 in the third quarter of the year 2004 equaled Baht 196 Million, representing a reduction by Baht 7 Million or 3.46 percent from the same quarter of the previous year, due to expense control and improvement of work performance.

1.3 Interest Expenses

In the third quarter of the year 2004, the Company and its subsidiary incurred interest expenses equal to Baht 329 Million, representing a reduction by Baht 153 Million or 31.74 percent from the same quarter of the previous year, as a result of the reduced rate of interest on loans. Such reduction was due to the fact that the Company reduced the financing costs on September 30, 2003 and the principal decreased from loan repayment.

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1.4 Corporate Income Tax

Corporate income tax in the third quarter of the year 2004 equaled Baht 45 Million, representing a reduction by Baht 90 Million or 66.67 percent from the same quarter of the previous year, due to the fact that the Company saved taxes on sale of investment funds in the subsidiary.

2. Analysis of Financial Status

2.1 Analysis of Assets

The total assets of the Company and its subsidiary as at September 30, 2004 were in the amount of Baht 48,388 Million, representing a reduction by Baht 1,291 Million or 2.60 percent, as compared to those as at December 31, 2003, with the details of significant increases and decreases as follows:

2.1.1 Current assets reduced by Baht 120 Million or 23 percent. Material items, namely cash and cash equivalent and temporary investment funds, reduced by Baht 93 Million, as a result of dividend payment and payment for capital increase shares in Bangkok Metro Public Company Limited.

2.1.2 In respect of investment in Northern Bangkok Expressway Company Limited, given that the merger between the Company and the subsidiary, namely Northern Bangkok Expressway Company Limited, has not been granted approval from the government sector, the Company thus adjusted the investment in the subsidiary so as to minimize tax liability. The 2003 Annual Ordinary General Meeting of Shareholders passed a resolution to sell shares held in the subsidiary, representing not exceeding 75 percent of all held shares at the book value thereof on the selling date by way of sale by lots, and authorize the Board of Directors to consider proceeding with such matter. In this regard, the Company's Board of Directors Meeting on November 27, 2003 resolved to grant approval for the Company to sell shares held in the subsidiary, representing not exceeding 49 percent of all registered capital amounting to Baht 6,000 Million, to Cargo Village Co., Ltd., which neither is a

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connected person nor has relationship with the Company or the subsidiary, at the book value on the selling date by way of sale by lots. In the first lot, 100 million shares were sold in November 2003 at the price of Baht 0.40 per share, amounting to Baht 40 Million, causing the Company to derive accounting profit from sale of shares in the amount of Baht 14.80 Million. In the second lot, 180 million shares were sold in April 2004 at the price of Baht 0.20 per share, amounting to Baht 36 Million, causing the Company to derive accounting profit from sale of shares in the amount of Baht 27.14 Million. A total number of the subsidiary shares sold is 280 million shares, amounting to Baht 76 Million, bringing the total amount of accounting profit from such two lots of share sales to Baht 41.94 Million, and bringing the total tax loss to Baht 2,724 Million.

At present, the subsidiary has the paid-up capital in the amount of Baht 3,750 Million, 300 million shares have been fully paid up, amounting to Baht 3,000 Million, and another 300 million shares have been paid up for 25 percent, amounting to Baht 750 Million. The Company holds shares in its subsidiary, representing 25.33 percent of the paid-up capital. However, the Company still has an obligation to make payment for shares to its subsidiary in the amount of Baht 2,250 Million. Once the payment for shares has been made in full, the Company would hold shares in its subsidiary, representing 53.33 percent. In this regard, the Company would still have the full management power in the subsidiary, and the subsidiary is still included in the Company's consolidated financial statements.

2.1.3 Other long-term investments are investment in Bangkok Metro Public Company Limited, which increased by Baht 228 Million, as compared to the total amount as at December 31, 2003, due to the fact that the Company purchased 375,000 shares for capital increase in March 2004, amounting to Baht 37,500,000, and purchased 63,741,702 shares in August 2004, amounting to Baht 191,225,106. At

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present, the Company holds shares in Bangkok Metro Public Company Limited, representing 15.74 percent of the paid-up capital.

2.1.4 Fixed assets increased by Baht 12 Million, representing 4.50 percent, as a result of purchase of equipment, tools and devices for operation in place of the deteriorated ones.

2.1.5 Rights to operate the completed expressway sectors decreased by Baht 1,411 Million, representing 2.95 percent, as a result of amortization as expenses for the nine month period of the year 2004.

The Company and its subsidiary had a total rate of return on assets for the nine month period of the year 2004, representing 3.04 percent, an increase by 1.80 percent, as compared to 1.24 percent in the nine month period of the year 2003.

2.2 Analysis of Liabilities

Total liabilities of the Company and its subsidiary as at September 30, 2004 were in the amount of Baht 34,254 Million. As compared to December 31, 2003, the liabilities reduced by Baht 816 Million, representing 2.33 percent, with the details of significant increases and decreases as follows:

2.2.1 Current liabilities increased by Baht 177 Million, representing 8.26 percent. Material items are accrued corporate income tax on the operational results during the nine month period of the year 2004 amounting to Baht 87 Million, and current portion of long-term loans which increased by Baht 60 Million.

2.2.2 Provision for compensation for site acquisition cost increased by Baht 130 Million, representing 10.88 percent. According to the Second Stage Expressway Agreement, the Company has an obligation to pay compensation for site acquisition cost to the Expressway and Rapid Transit Authority of Thailand in the total amount of Baht 16,816 Million, commencing from the year 2004 to the year 2019. The amount in the provision for compensation for site acquisition cost was recorded to cut the cost of the

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present value of the compensation to be paid to the Expressway and Rapid Transit Authority of Thailand. In the year 2004, the Company paid the compensation in the amount of Baht 100 Million.

2.2.3 Long-term loans, including current portion of long-term loans, decreased by Baht 1,063 Million, representing 3.15 percent, as a result of loan repayment.

2.3 Analysis of Shareholders' Equity

Shareholders' equity of the Company and its subsidiary as at September 30, 2004 was in the amount of Baht 14,134 Million, representing a decrease by Baht 475 Million or 3.25 percent, as compared to December 31, 2003, with the details of significant increases and decreases as follows:

2.3.1 Net profit from operations for the nine month period for the year 2004 was in the amount of Baht 1,469 Million, which is Baht 846 Million, representing 136 percent, higher than the same period for the previous year, equal to the return on equity of 10.39 percent, which is 5.94 percent higher than the return on equity for the nine month period for the year 2003, namely 4.46 percent.

2.3.2 As for dividend payment, the Company made dividend payment of Baht 1,155 Million or Baht 1.50 per share for the operational results of the year 2003 in April 2004 in accordance with the resolution passed by the Ordinary General Meeting of Shareholders held on April 8, 2004 and made the interim dividend payment in September 2004 in the amount of Baht 770 Million or Baht 1.00 per share for the operational results of the first six months of the year 2004 in accordance with the resolution passed by Company's Board of Directors Meeting No. 3/2004.

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 273 Million and unappropriated accumulated profit of Baht 1,313 Million.

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3. Analysis of Cash Flow

During the nine month period of the year 2004, the Company and its subsidiary earned cash flow from operations amounting to Baht 3,127 Million. The Company utilized the majority of cash to repay loans and make dividend payment, resulting in net reduction of loans by Baht 1,063 Million and dividend payment amounting to Baht 1,925 Million. Furthermore, the Company utilized cash for investment in Bangkok Metro Public Company Limited, improvement of off-ramps at Mahanakorn Road and Rama IX Road, and investment in fixed assets. The remaining cash was utilized in temporary investment giving rise to good rate of return.

Conclusion of Opinion of the Management

The financial statements in the third quarter of the year 2004 reflected continuous growth of the volume of vehicles using the expressways, particularly, the growth rate of the volume of vehicles in the suburban expressway, to which the Company and its subsidiary are entitled to receive all toll revenue, is rather high, resulting in continuous improvement of operational results.

The decrease in interest rate of long-term loans due to the reduction of financing costs by amending the Credit Facility Agreement in September 2003 with the existing lenders, along with the reduction of principal resulting from repayment of loans, gave rise to significant reduction of interest expenses which is the primary expenses of the Company.

As a result of the above achievements in operations and management and lower taxes on sale of investment in the subsidiary, the Company could make dividend payment to shareholders at the rate of Baht 1.50 per share from the operational results for the year of 2003 and make dividend payment at the rate of Baht 1 per share from the operational results for the period of the first six months of the year 2004, amounting to Baht 1,925 Million.