

(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 September 30, 2005**

#### **1. Operational Results**

Bangkok Expressway Public Company Limited and its subsidiary derived net profit in the third quarter of the year 2005 at the amount of Baht 369 Million, representing a decrease by Baht 156 Million or 29.71 percent, as compared with the same quarter of the previous year. For the nine-month periods of the year 2005, the Company and its subsidiary have the net profit at the amount of Baht 1,116 Million, representing a decrease by Baht 353 Million or 24.03 percent, as compared with the same period of the previous year. This was due to tax shield incurred from selling off the investment in a subsidiary company of the prior year but none in this year.

#### **Summary of the Significant Operational Results**

(Unit: Million Baht)

|               | 3 <sup>rd</sup> Quarter<br>year 2005 | 3 <sup>rd</sup> Quarter<br>year 2004 | %<br>Change | 9 Months<br>year 2005 | 9 Months<br>year 2004 | %<br>Change |
|---------------|--------------------------------------|--------------------------------------|-------------|-----------------------|-----------------------|-------------|
| Toll Revenue  | 1,678                                | 1,647                                | 1.88        | 4,983                 | 4,842                 | 2.91        |
| Total Revenue | 1,682                                | 1,655                                | 1.63        | 4,998                 | 4,888                 | 2.25        |
| EBITDA        | 1,359                                | 1,389                                | -2.16       | 4,091                 | 4,075                 | 0.37        |
| Net Profit    | 369                                  | 525                                  | -29.71      | 1,116                 | 1,469                 | -24.03      |
| EPS (Baht)    | 0.48                                 | 0.68                                 | -29.71      | 1.45                  | 1.91                  | -24.03      |

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

(Translation)

### 1.1.1 Revenue

In the third quarter of the year 2005, the Company and its subsidiary have the total revenue at the amount of Baht 1,682 Million, representing an increase by Baht 27 Million or 1.63 percent from the same period of the previous year, with material particulars as follows:

- (1) Toll revenue amounted to Baht 1,678 Million, representing an increase by Baht 31 Million or 1.88 percent from the same quarter of the previous year as follows :

(Unit: Million Baht)

|  | 3 <sup>rd</sup> Quarter<br>year 2005 | 3 <sup>rd</sup> Quarter<br>year 2004 | %<br>Change |
|--|--------------------------------------|--------------------------------------|-------------|
| FES  | 695                                  | 679                                  | 2.36        |
| SES  |                                      |                                      |             |
| Sector A (Rama IX – Ratchadapisek)         | 331                                  | 327                                  | 1.22        |
| Sector B (Phayathai – Bangkhlo)            | 163                                  | 159                                  | 2.52        |
| Sector C (Ratchadapisek – Chaeng Watthana) | 155                                  | 158                                  | -1.90       |
| Sector D (Rama IX – Srinagarindra)         | 204                                  | 195                                  | 4.62        |
| Bang Pa-in – Pak Kret                      | <u>130</u>                           | <u>129</u>                           | <u>0.78</u> |
| Total                                      | <u>1,678</u>                         | <u>1,647</u>                         | <u>1.88</u> |
|  |                                      |                                      |             |
|  | 9 Months<br>year 2005                | 9 Months<br>year 2004                | %<br>Change |
| FES  | 2,032                                | 2,034                                | -0.10       |
| SES  |                                      |                                      |             |
| Sector A (Rama IX – Ratchadapisek)         | 989                                  | 969                                  | 2.06        |
| Sector B (Phayathai – Bangkhlo)            | 478                                  | 471                                  | 1.49        |
| Sector C (Ratchadapisek – Chaeng Watthana) | 461                                  | 461                                  | -           |
| Sector D (Rama IX – Srinagarindra)         | 628                                  | 536                                  | 17.16       |
| Bang Pa-in – Pak Kret                      | <u>395</u>                           | <u>371</u>                           | <u>6.47</u> |
| Total                                      | <u>4,983</u>                         | <u>4,842</u>                         | <u>2.91</u> |

(Translation)

- The First Stage Expressway, the toll revenue increases due to the opening of S1 Expressway in the middle of June 2005, as a result of an increasing in volume of vehicles using at Bangna and Bangjak toll plaza.
- The Second Stage Expressway, Sector A and Sector B, the toll revenue increases by reason of the avoidance of motorists from the traffic congestion in road underneath.
- The Second Stage Expressway, Sector C, the toll revenue decreases due to the construction work of flyover crossing Prachachuen Road which has been completed at the end of September 2005.
- The Second Stage Expressway, Sector D, the toll revenue grows up continuously, resulting from the expansion of the community nearly Suvarnabhumi Airport.
- The Bang Pa-in – Pak Kret Expressway, the toll revenue grows up because the toll rates have been increased partially at Chiang-rak and Bang-pa-in toll plaza.

- (2) Other revenues amounting to Baht 4 Million are mainly interest income and benefit incurred from cash management of the toll revenue.

### **1.1.2 Expenses**

In the third quarter of the year 2005, the Company and its subsidiary have expenses at the amount of Baht 838 Million, increasing by Baht 64 Million or 8.27 percent from the same quarter of the previous year, with material particulars as follows:

- (1) Amortization of rights to operate the completed expressway sectors amounted to Baht 507 Million, increasing by Baht 6 Million or 1.20 percent, in accordance with the increase in the volume of vehicles using the expressways.

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- (2) Provision for compensation for site acquisition cost amounted to Baht 90 Million, increasing by Baht 13 Million or 16.88 percent. 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.
- (3) Operating and administrative expenses amounted to Baht 241 Million, increasing by Baht 45 Million or 23.32 percent due to the increase in costs of repair and maintenance of the Expressways as well as the expenditure for toll collection and traffic management.

### **1.1.3 Interest Expenses**

In the third quarter of the year 2005, the Company and its subsidiary incurred interest expenses at the amount of Baht 310 Million, representing a reduction by Baht 19 Million or 5.78 percent from the same quarter of the previous year, as a result of loan repayment.

### **1.1.4 Corporate Income Tax**

In the third 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 121 Million or 275 percent. This was due to tax shield incurred from selling off the investment in a subsidiary company in the previous year but none in this year.

## **1.2 The increase/decrease of revenue and expenses comparing between the nine-month periods of the year 2005 and year 2004 are summarized below: -**

Bangkok Expressway Public Company Limited and its subsidiary had revenue for the nine-month periods of the year 2005 at the amount of Baht 4,998 Million, increasing by Baht 110 Million or 2.25 percent. Majority of income earned from toll revenue increases by Baht 141 Million or 2.91 percent due to an increased traffic volume and the motorists avoidance of the traffic congestion from the road underneath.

The total expenses including with interest expenses and corporate income tax for nine-month periods of the year 2005 are at the amount of Baht 3,882 Million, increasing by Baht 394 Million or 11.30 percent. This was due to tax shield incurred from selling off the investment in a subsidiary company of the previous year but none in this year.

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## 2. Financial Status

### 2.1 Assets

The total assets of the Company and its subsidiary as at September 30, 2005 were at the amount of Baht 46,901 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 627 Million or 87.20 percent due to the dividend payment and investment.

2.1.2 During the first nine month of the year 2005, the Company had invested additionally in projects as follows:-

- Increased an investment in Bangkok Metro Public Company Limited (BMCL) amounting to Baht 493 Million. As at September 30, 2005, the Company holds shares in BMCL, equivalent to 19.65 percent of its paid-up capital.
- Invested in SouthEast Asia Energy Company Limited (SEAN) amounting to Baht 12.50 Million, this equivalent to 12.50 percent of its registered capital.
- Invested in Thai Tap Water Supply Company Limited (TTW) amounting to Baht 420.50 Million, equivalent to 4.83 percent of its registered capital. The Company has made the first payment of Baht 100 Million in September 2005.

2.1.3 Construction in progress is the constructing of a flyover crossing Prachacheun Road so that it will alleviate traffic congestion from off-ramp at Prachachuen Road which has been completed and transferred to rights to operate the completed expressway sectors at the end of this quarter. The flyover opened for public use commencing from October 1, 2005.

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2.1.4 Rights to operate the completed expressway sectors decreased by Baht 1,503 Million, as a result of amortization expenses from the volume of vehicles using the expressway.

## **2.2 Liabilities**

Total liabilities of the Company and its subsidiary as at September 30, 2005 were at the amount of Baht 32,358 Million. As compared to December 31, 2004, the liabilities reduced by Baht 1,417 Million, representing 4.20 percent, resulting mainly from loan repayment and a half-year tax payment of the year 2005.

## **2.3 Shareholders' Equity**

Shareholders' equity of the Company and its subsidiary as at September 30, 2005 was at the amount of Baht 14,543 Million, representing a decrease by Baht 39 Million or 0.27 percent, as compared to December 31, 2004, with material particulars as follows:

2.3.1 Net profit from operations for the nine-month periods ended September 30, 2005, amounted to Baht 1,116 Million.

2.3.2 On May 4, 2005, the Company also paid the dividend payment of Baht 770 Million or Baht 1 per share for the operational results of the period July to December 2004 in accordance with the resolution passed by the Annual General Meeting of shareholders.

On September 22, 2005, the Company also paid the dividend payment of Baht 385 Million or Baht 0.50 per share for the operational results of the period January to June 2005 on September 22, 2005 in accordance with the resolution passed by Board Of Director no.3/2005.

The Company has a registered capital at the amount of Baht 8,000 Million and has authorized and paid-up capital at the amount of Baht 7,700 Million, with appropriated accumulated profit of Baht 359 Million and unappropriated accumulated profit of Baht 1,636 Million.

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### 3. Cash Flow

For the nine-month periods of the year 2005, the Company and its subsidiary generated cash flow from operations amounting to Baht 2,779 Million. The Company has utilized the majority of cash to repay loan of Baht 1,548 Million, pay a dividend of Baht 1,150 Million, invest in Bangkok Metro Public Company Limited of Baht 493 Million, SouthEast Asia Energy Company Limited of Baht 12.50 Million and Thai Tap Water Supply Company Limited of Baht 100 Million.

### 4. Financial Ratios

| <u>Financial Ratios</u>    | 3 <sup>rd</sup> Quarter<br>year 2005 | 3 <sup>rd</sup> Quarter<br>year 2004 |
|----------------------------|--------------------------------------|--------------------------------------|
| Net Profit Margin on Sales | 21.98%                               | 31.88%                               |
| Return on Equity *         | 10.90%                               | 14.79%                               |
| Return on Total Assets *   | 3.28%                                | 4.22%                                |
| Interest Coverage (times)  | 4.38                                 | 4.22                                 |
| Debt to Equity (times)     | 2.23                                 | 2.42                                 |

\* Annualized