

Significant events

1. On March 30, 2018, Bangkok Expressway and Metro Public Company Limited (“the Company”) was refinanced long term loans for the Si Rat-Outer Ring Road Expressway Project (SOE) with total of Baht 10,000 Million with floating interest rate by issuing debentures with fixed interest rate from 2.05 to 3.01 percent per annum to reduce financial cost and risk management from floating interest rate. As a result, the Company has saved interest expense approximately by Baht 510 - 940 Million through the concession agreement period.
2. On June 28, 2018, the Company sold all 7.5 percent of investment in Xayaburi Power Company Limited (XPCL) to CK Power Public Company Limited (CKP) with total gains on sale of investment in the amount of Baht 184 Million, net of corporate income tax.

Overview Operational Results

In the second quarter of the year 2018, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 978 Million representing an increase from the same quarter of the previous year by Baht 255 Million or 35.3 percent. In this quarter, the Company had gains on sale of investment, net of corporate income tax, in the amount of Baht 184 Million. However, when excluded such transaction, the Company had the net profit in the amount of Baht 794 Million representing an increase from the same quarter of the previous year by Baht 71 Million or 9.8 percent. The Company had revenue from Expressway business of Baht 2,477 Million, representing an increase by Baht 42 Million or 1.7 percent and revenue from Rail business of Baht 1,162 Million representing an increase by Baht 58 Million or 5.3 percent. In addition, interest income amounted to Baht 110 Million was received from the MRTA under the concession agreement of the MRT Chalong Ratchadham Line Project (MRT Purple Line), which the Company had recorded since the fourth quarter of the year 2017 where the income is equal to the interest expense from the long term loan for investing in the MRT Purple Line. The MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement.

Cost of service amounted to Baht 2,320 Million representing an increase from the same quarter of the previous year by Baht 41 Million or 1.8 percent mainly from the increase in amortization on rights to operate completed expressway sectors and amortization on intangible asset under concession agreement of the MRT Blue Line Project (non-cash expenses) which inline to the increase in traffic volume and ridership together with the increase in repair and maintenance expense in accordance to the schedule.

Financial cost amounted to Baht 430 Million representing an increase from the same quarter of the previous year by Baht 50 Million or 13.2 percent, mainly from interest expense amounting to Baht 110 Million from long term loan for investing in the MRT Purple Line which the MRTA is fully responsible according to the concession agreement (same amount of interest income as described above). However, if not included this transaction, financial cost decreased by Baht 60 Million from principle repayment and refinancing long term loan of SOE in the end of the first quarter of this year resulting to the decrease in financial cost.

For the six-month period, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 1,714 Million representing an increase from the same period of the previous year by Baht 289 Million or 20.3 percent due to gains on sale of investment and refinancing long term loan of SOE.

Segmental performance

1. Expressway business

The Company had revenue from Expressway business of Baht 2,477 Million, representing an increase from the same quarter of the previous year by Baht 42 Million or 1.7 percent. The increase in toll revenue amounted to Baht 25 Million was from SOE. SOE average traffic volume in the second quarter of the year 2018 was at 53,400 trips/day representing an increase by 12.2 percent when compared to the same quarter of the previous year. For the First Stage Expressway (FES) and the Second Stage Expressway (SES), toll revenue was nearly to the previous year. For the Bang Pa-in - Pak Kret Expressway (Sector C+), toll revenue increased by Baht 17 Million or 5 percent due to the expansion of suburban area resulting to the traffic volume increased. Sector C+ average traffic volume in the second quarter of the year 2018 was at 88,770 trips/day representing an increase by 5.2 percent when compared to the same quarter of the previous year.

Cost of service for operation of Expressway business consisted of costs of toll, amortization of rights to operate completed expressway sectors and compensation for site acquisition cost. For the second quarter of the year 2018, the cost was at Baht 1,358 Million which is closely to the same quarter of the previous year.

2. Rail business

The Company had revenue from Rail business of Baht 1,162 Million, representing an increase from the same quarter of the previous year by Baht 58 Million or 5.3 percent mainly from farebox revenue of the MRT Blue Line resulting from the connection between the MRT Purple Line Project and the MRT Blue Line Project in August 2017 as more convenience and time efficiency for passengers which resulted to an increase in ridership of both projects. The average ridership of the MRT Blue Line Project in the second quarter of the year 2018 was at 296,430 trips/day representing an increase from the same quarter of the previous year by 5.5 percent and the average ridership per working days was at 348,960 trips/day representing an increase from the previous year by 5.8 percent.

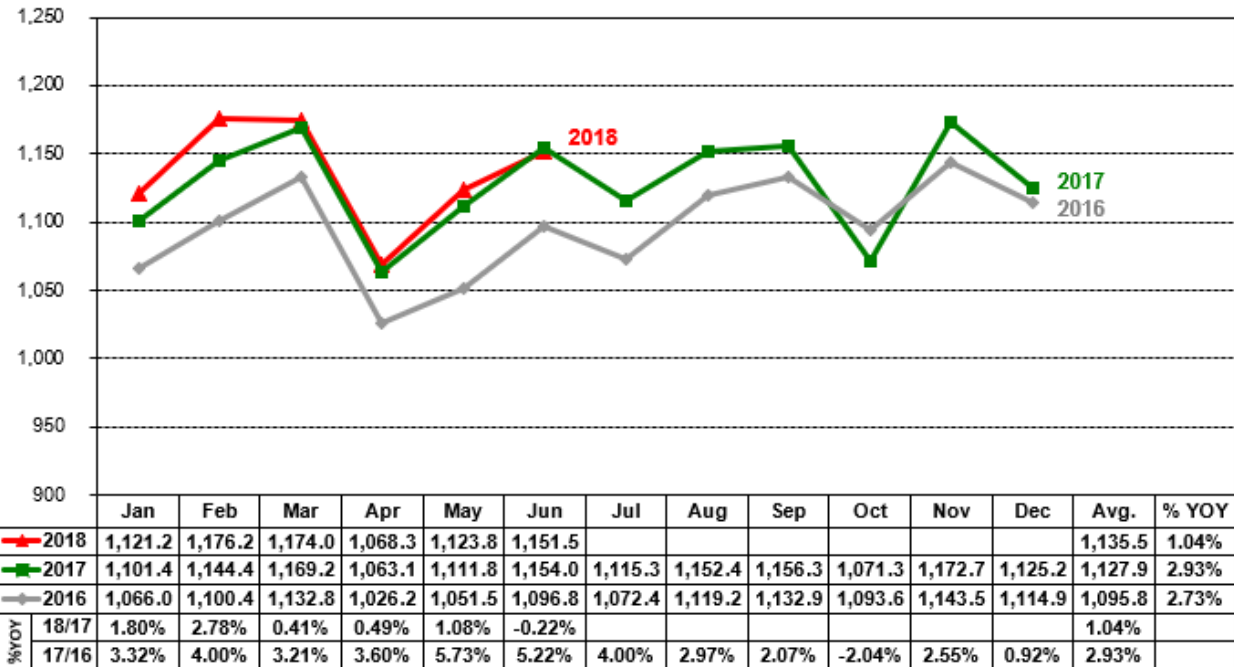
Cost of Rail business consisted of costs of farebox, O&M cost and amortization of intangible asset under the MRT Blue Line Project. For the second quarter of the year 2018, the cost was at Baht 911 Million, representing an increase from the same quarter of the previous year by Baht 48 Million or 5.6 percent mainly from the repair and maintenance expense.

3. Commercial Development Business

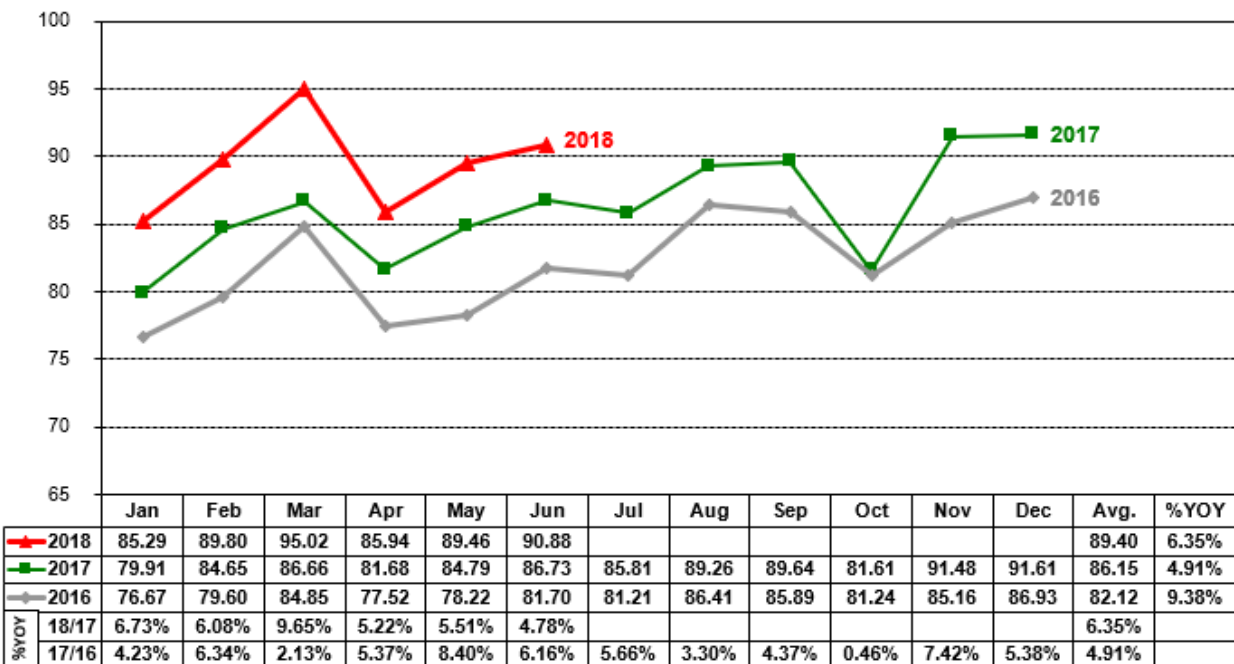
In the second quarter of the year 2018, total commercial development revenue was Baht 160 Million, representing a decrease from the same quarter of the previous year by Baht 7 Million or 4.2 percent from the decrease in telecommunication revenue.

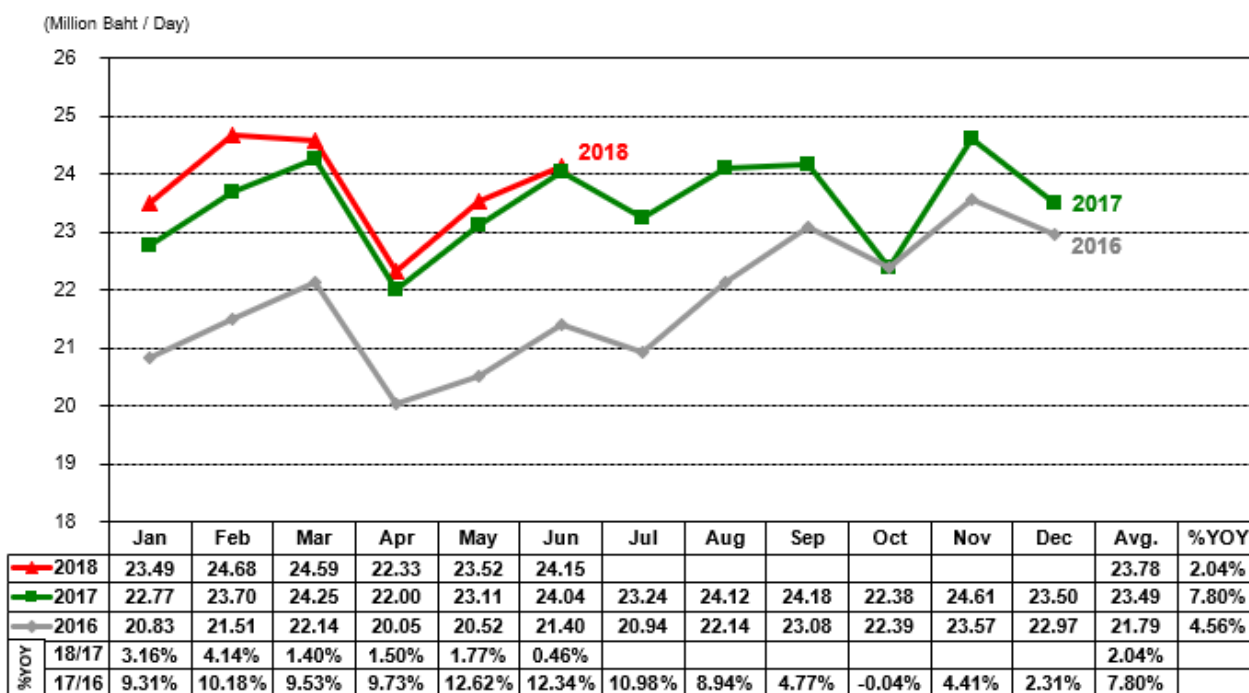
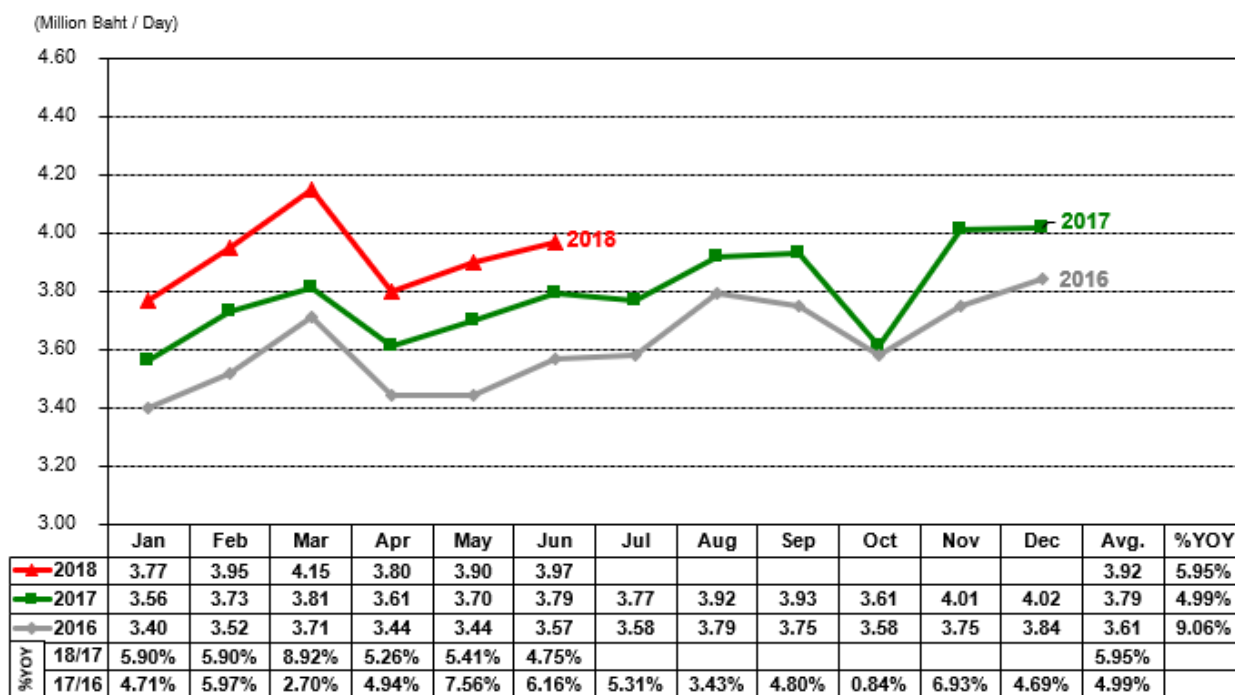
**Average Daily Traffic Volume for the First Stage Expressway, the Second Stage Expressway
and the Si Rat-Outer Ring Road Expressway**

(Thousand Trips / Day)


Average Daily Traffic Volume for the Bang Pa-in - Pak Kret Expressway

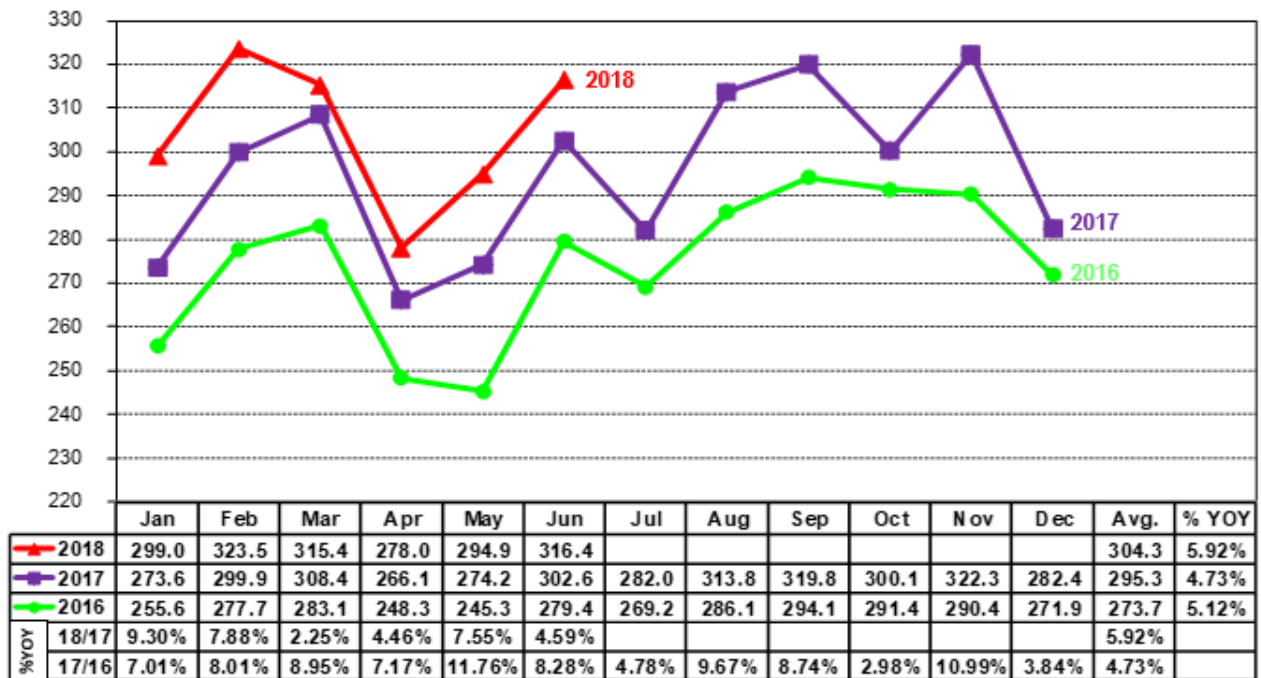
(Thousand Trips / Day)



**Average Daily Toll Revenue for the First Stage Expressway, the Second Stage Expressway
and the Si Rat-Outer Ring Road Expressway**

Average Daily Toll Revenue for the Bang Pa-in - Pak Kret Expressway


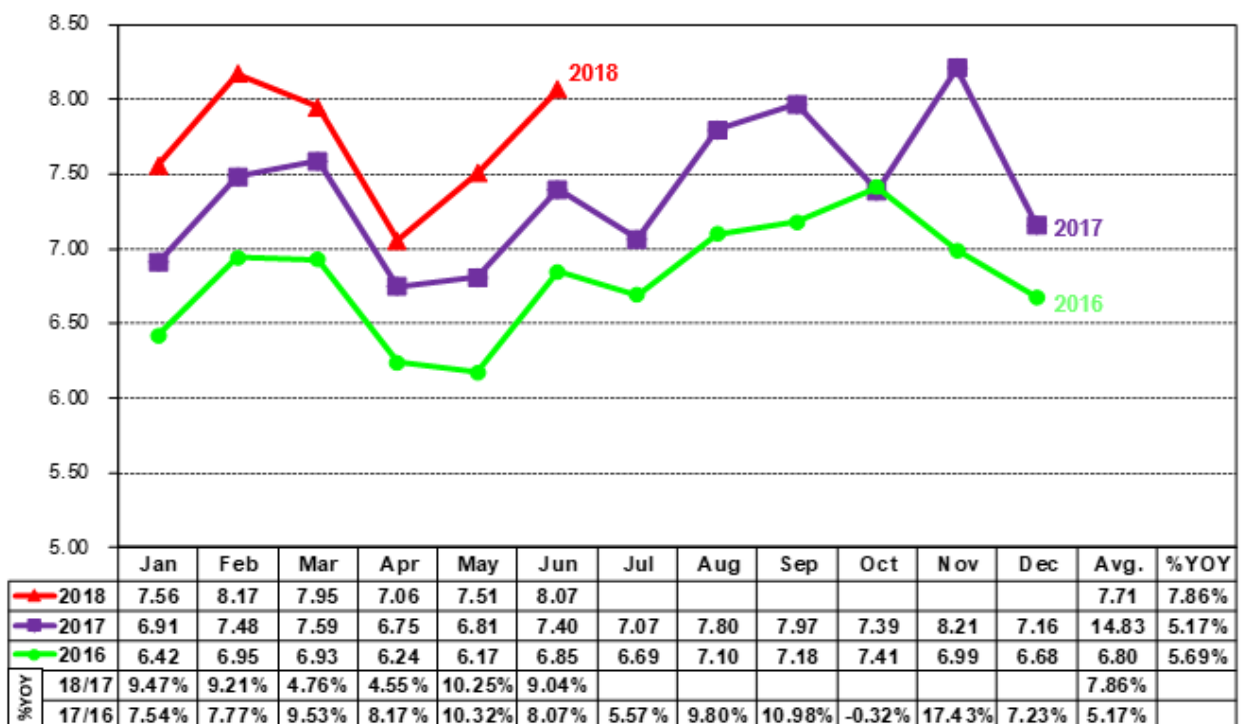
Average Daily Ridership for Blue Line

(Thousand Trips / Day)



Average Daily Farebox Revenue for Blue Line

(Million Baht / Day)



Financial Position

As at June 30, 2018, the Company and its subsidiaries had total assets amounted to Baht 98,973 Million, representing an increase by Baht 54 Million or 0.1 percent when compared with total assets as at December 31, 2017. Total liabilities amounted to Baht 67,092 Million, representing a decrease by Baht 648 Million or 1 percent. Total shareholders' equity amounted to Baht 31,881 Million, representing an increase by Baht 702 Million or 2.3 percent when compared to the end of the year 2017.

Cash Flows

For the six months of the year 2018, the Company and its subsidiaries generated cash flows from operating activities amounting to Baht 4,265 Million. Cash used in investing activities amounting to Baht 2,654 Million detailed as follow; (1) payment for the M&E equipment of the MRT Blue Line Project in the amount of Baht 4,929 Million, (2) investment in the Si Rat-Outer Ring Road Expressway Project in the amount of Baht 172 Million, (3) acquisition of fixed assets and other assets in the net amount of Baht 19 Million, (4) cash receipt from sales of investment in associates and other long term investment in the net amount of Baht 2,062 Million (5) cash receipt from sales of current investments and interest income in the amount of Baht 141 Million and (6) dividend receipt in the amount of Baht 263 Million. The Company and its subsidiaries utilized cash of Baht 2,517 Million from financing activities due to (1) repayment of long term loans in the net amount of Baht 10,104 Million, (2) payment of interest and finance cost in the amount of Baht 935 Million (3) dividend payment in the amount of Baht 1,070 Million (4) repayment of short term loan in the net amount of Baht 408 Million and (5) receipt from issuance of debentures in the amount of Baht 10,000 Million.

As at June 30, 2018, the Company and its subsidiaries had cash and cash equivalents amounting to Baht 1,721 Million, representing a decrease from the end of the previous year by Baht 906 Million.

Significant Financial Ratios*

For the second quarter of the year 2018, the Company had Net Profit Margin ratio at 24.14 percent, Return on Equity ratio at 11.03 percent, Return on Total Assets ratio at 4.13 percent, Debt to Equity ratio at 1.71 times and Net Interest Bearing Debt to Equity ratio at 1.39 times.

* The operational results were calculated based on the consolidated financial statements which consist of the Expressway Business, Rail Business, Commercial Development Business, the manufacture and distribution of treated water business and electricity production business. Therefore, there was no similar type of business in the industry that can be used as a benchmark for comparison.

Not include transaction related to the novation of the M&E systems under the concession agreement of the MRT Chalong Ratchadham Line Project which the MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement.