SANSIRI

Quarterly Newsletter

Issue No. 3/2003

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Ticker Symbol : SIRI Reuters : SIRI.BK Bloomberg : SIRI TB Primary Exchange : The Stock Exchange of Thailand

Key Stock Data

2Q03	1 Apr 03	30 Jun 03	% change
SIRI Price (Baht / Share)	6.9	8.3	20.3%
Property Sector Index	85.8	103.29	25.4%
SET index	357.23	461.82	27.5%
Avg Daily Turnover (Mil Baht)		47.32	
Avg Daily Turnover (Mil Shares)		6.21	

As of 16 Sep 03	
Issued shares (Mil Shares)	867
Estimated free float	40%
SIRI Price (Baht / Share)	17.50
Market Cap (Mil Baht / Mil US$)	15,173 / 370

Major Shareholders (%)	As of 4 Sep 03
1. Natural Park Plc.	24.49%
2. Thai NVDR	7.65%
3. Unigold Enterprises Limited	5.70%
4. Mr.Sakonthon Sivarorosakul	4.67%
5. Capital Sign Investment Ltd.	4.56%
6. HSBC(Singapore)Nominees Pte Ltd.	4.18%
7. PICTET & CIE	3.58%

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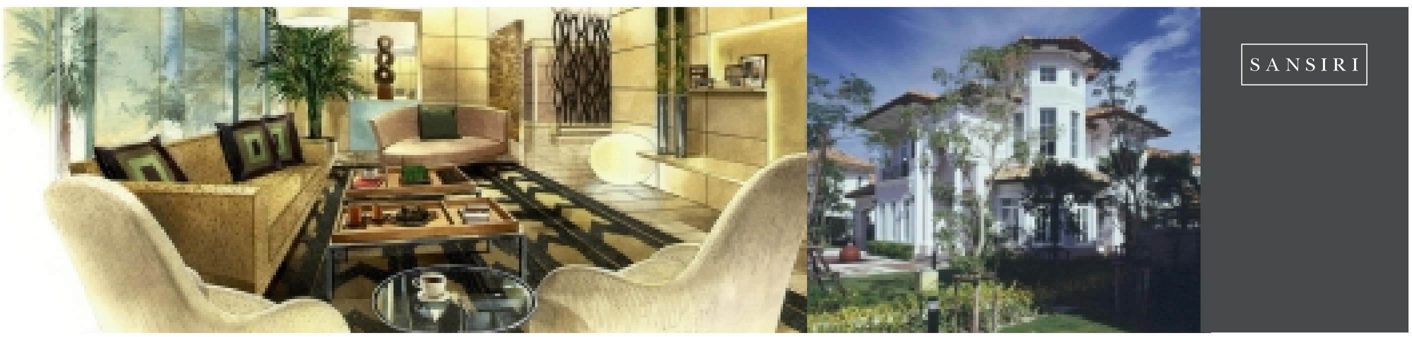
In Brief

Sansiri posted a 172 million bath net profit for 2Q2003, as forecasted, reflecting strong sales with pricing power and higher margins. Total revenues increased by 4 times that of the same period last year as a result of newly launched single-detached house, townhouse and condominium projects. On the back of higher selling prices and more efficient cost control, gross margins improved further to 36% in 2Q2003 compared with 30% in 1Q2003.

Due to the SARS crisis, the Sofitel Silom Hotel's occupancy rate bottomed-out in May, 2003, forcing the occupancy from the 69% pre-SARS level in 1Q2003 to 50% in 1H2003. Nonetheless, the unforeseen operational performance of the Sofitel Silom Hotel due to SARS was far offset by operating profits and gain from corporate level debt restructuring.

Sansiri's successfully launched re-branding campaign in July and the "Living in Style by Sansiri" home exposition in August achieved goals of creating not only brand awareness, but generating significant sales momentum. The campaign was enormously well-received, as more than 20,000 potential buyers attended the 4-day event. Pre-sale bookings climbed to 2-billion baht during the campaign, driving to 6.3 billion-baht the presales as of August 31, 2003. Of this amount, less than 5% will be realized in 2005, with approximately 40% being realized in 2003 and the 55% balance in 2004.

Sansiri continues to deliver on schedule and on budget it's well-planned expansion, even while total deal flow value leaped to over 20,000 million baht as of July 31, 2003, compared with 3,500 million baht as of March 31, 2003.



Performance

Sansiri posted an impressive 172.4 million baht net profit in 2Q2003, an 18-fold increase over the same period in 2002, fundamentally due to astute handling of the financial crisis and a speedy recovery of the overall economy. Despite the negative impact of SARs to Sansiri's hotel business in 2Q2003, an efficient rollout of new development projects resulted in a 56.7 million baht net operating profit, generating sufficient cash flow to prepay the last restructured corporate debt obligation and secure interest forgiveness, resulting in a 115.7 million bath gain from debt restructuring.

Of the total 2Q2003 revenues of 607 million baht, 455 million baht in property sales comprised 75%, 50 million baht from property management comprised 8%, 47 million baht from hotel revenues comprised 8%, 33 million baht from rental income comprised 5% and 22 million baht from other revenues comprised 4%.

The main driver of the 281% increase in total revenues over the same period in 2002 is the significant growth in revenues from new deal flow, resulting in high sales velocity supported by timely construction schedules. 455-million baht in project sales came not only from projects that were successfully completed and transferred, namely Narasiri Watcharapol and Narasiri Pinklao, but presales from projects under construction, such as Narasiri Sathorn-Wongwaen, Baan Sirisathorn, Baan Sirisathorn Suanplu, Baan Sirisukhumvit Soi Sukhumvit 13 and Baan Ratchadamri. In addition, Sansiri's share of revenues from City Plus Sukhumvit Soi 50, the first townhouse project of its subsidiary, PLUS Property Partners Co., Ltd. accounted for approximately 50 million baht.

Gross margins improved significantly from 30% in 1Q2003 to 36% in 2Q2003 due to higher economies of scale and higher margins from new projects.

Total company assets and liabilities increased from 9.3 billion baht and 6 billion baht in 1Q2003, respectively, to 9.9 billion baht and 6.4 billion baht in 2Q2003. Shareholders' equity increased slightly from 3.3 billion baht to 3.5 billion baht. The interest bearing debt to shareholders' equity ratio (gearing ratio) remained at the forecast level of 1.3, and is expected to peak at 1.6 in 4Q2003.

Affected by the SARS crisis, the occupancy rate of Sofitel Silom Hotel dropped from 69% in 1Q2003 to a low of 30% in 2Q2003, resulting in an average 50% occupancy rate for the first six months in 2003. After an effective SARS control campaign by the Thai government, the occupancy rate is recovering, recently surpassing 60%.

Sansiri's revenues and profits are projected to surge in 3Q2003 and 4Q2003 owing to both strong pre-sales of 6.3 billion baht and carefully planned delivery of its projects to the market. Based on the continuing strong demand for housing, the recent interest rate cuts and the strong recovery of the tourism sector industry, combined with Sansiri's well-planned expansion, we still forecast escalating growth in revenues and profits through 2003 and 2004.

Update

Sansiri successfully launched the re-branding campaign in late July with the first announcement of a new logo to reflect its positioning as a self-assured, stylish and progressive company with a pioneering spirit. Following the announcement of Sansiri's branding and new logo, a series of events were organized to promote to the public Sansiri and its subsidiary, PLUS Property Partners Co., Ltd. The key event was "Living in Style by Sansiri", convened August 7-10, 2003, at Queen Sirikit National Convention Center. The event not only received overwhelming commercial acclaim, as more than 20,000 potential buyers attended, but was also critically acclaimed as perhaps the most creative and remarkable housing exposition ever conducted in Thailand.

Mr. Srettha Thavisin, President of Sansiri Plc, said the 50-million baht budget for the re-branding campaign and marketing event is not an extra cost, but scheduled in the project level budgets of the combined 15 projects featured at the exposition, worth approximately 20,000 million baht. The goals achieved by this exhibition were to publicize Sansiri and its subsidiaries, as well as to preview to qualified buyers Sansiri's wide range of alternative housing types and price points located in a variety of submarkets.

The collection of condominiums and townhouses was introduced to tailor customer needs, ranging from Baan Ratchadamri, Baan Nunthasiri, Baan Sirisathorn Suanplu, Baan Sirisukhumvit Soi Sukhumvit 13, to Sukhumvit Plus, City Plus Ekamai Soi 10, Plus 67, 49 Plus and Garden court. As a well-established condominium developer of recognized standing, Sansiri's and PLUS' condominium properties received particularly strong interest from customers, as evidenced by the total sell-out of the 49 PLUS project and pre-sales of more than 60% of the total condominium units available.

The full portfolio of single-detached housing projects was presented at the exhibition before their official launches, to provide a wide range of alternatives for all groups of customers. The featured projects included Baan Sansiri Sukhumvit, Baan Narasiri Pattanakarn-Srinakaridra, Baan Narasiri Sathorn-Wongwaen, Baan Setthasiri Panya-Ramindra, Baan Setthasiri Sanambin-Nam and Baan Saransiri Rangsit Klong 2. Most of the projects will be officially launched in November-December, 2003 with completion of approximately 15-30 pre-built houses from the first phases, except for Baan Sansiri Sukhumvit, which will be launched by the end of this year with all 96 pre-built units.

Although Sansiri intends to use only a pre-built strategy for single-detached housing projects and pre-sales strategy for condominium projects, strong demand for high quality housing forced Sansiri to employ both pre-sales and pre-built strategies for single-detached houses. Furthermore, Sansiri clearly succeeded in transferring its reputation as the leading developer of premium-quality condominiums to the premium-quality single-detached housing market -- many still incompleted houses of Baan Narasiri Sathorn-Wongwaen were pre-sold immediately after the launch in June, 2003. In addition, the pre-sales amount exceeded projections, amounting to nearly 30% of total units sold.

The upshot of Sansiri's integrated portfolio-wide sales campaign in July-August, 2003 is the approximately 2-billion baht in pre-sale bookings, which serve as a clear indication of surging demand for high-quality housing. More than 350 units of condominiums, townhouses, and single-detached houses were taken up -- 68% of the sales volume came from condominiums and the balance from single-detached houses and townhouses. Following the campaign, a continuing stream of residual pre-sales is forecast, especially for single-detached houses.

Mr. Srettha reports the explosive growth is a direct consequence of a meticulously planned expansion initiated even before the company's successful re-capitalization in August, 2002. Recognizing every component in the process is critical, Sansiri has not only brought its own skilled resources to bear on the market, but has also maintained and relied upon the solid relationships with all suppliers, including financial institutions and contractors, to assure the speedy conversion of its deal flow into cash flow.

Fundamentally strong growth in the market has also been exploited by proper corporate strategies to respond to the industry's changing, more competitive, environment. For instance, Sansiri's shift from subcontracting to multiple small contractors, to employing larger contractors to ensure the efficient cost control and timely construction. After combining together the high-grade ingredients in Sansiri's formula for success and profitability, Sansiri is on track to deliver high quality housing projects making record profits for 2003, and beyond.

Project Progress Update (as of August 31, 2003)
Housing Projects

Narasiri Watcharapol-Ramindra is a 1.06 billion baht, 176-unit single-detached house project on Watcharapol-Ramindra Road. Construction was complete and only one unit remains to be transferred to a customer.

Narasiri Pinklao is a 330 million baht, 37-unit single-detached house project on Pinklao-Nakhon Chaisri Road. Construction was complete and all units were transferred to customers.

Narasiri Sathorn-Wongwaen is the 2,100-million baht single-detached house project offering a total of 157 units. The Italian-style project was launched in May, 2003 and to date, 48 houses are pre-sold. The expected construction completion is in February, 2004 with the current construction progress at 50% complete

Baan Sansiri Sukhumvit 67 is the 3,284-million bath single-detached house project, featuring 96 premium quality pre-built homes for sale in a fully amenitized, gated and masterplanned community in the mid-Sukhumvit location. The wholly pre-built concept was employed to match the lifestyles of those who need a high standard of living with no further construction after moving in. The project will be officially launched in December, 2003 with the current construction progress at 62% complete.

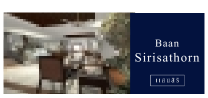
Narasiri Pattanakarn-Srinakarindra is the 3,683-million baht Oriental Contemporary style single-detached house project, featuring 177 units. The 30 pre-built homes in the first phase will be available for sale in December, 2003. The current construction progress is now 14% complete.

Sretthasiri Sanambin-Nam is the 1,258-million baht single-detached house project featuring 240 units. The first phase of pre-built homes, including 32 units, will be available in January and February, 2004. The construction is in the process of site development and piling work

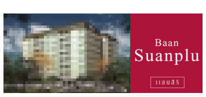
Setthasiri Panya-Ramindra is the 1,052-million baht single-detached house project with 143 units. The first phase of pre-built homes, including 20 units, will be available in December, 2003. The construction is in the process of site development and piling work with progress at 3% complete.

Saransiri Rangsit Klong 2 is the 1,258-million baht single-detached house project featuring 240 units. The first phase of pre-built homes, including 32 units, will be available in January and February, 2004. The construction is in the process of site development and piling work.

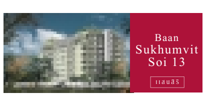
Project Progress Update
Condominium Projects



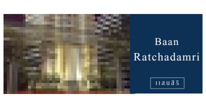
Baan Sirisathorn is the 529-million baht premium quality condominium project located on Yenakat Road. The project was sold out in October, 2002. Now approximately 90% finished, completion is targeted in September, 2003, approximately one month ahead the schedule.



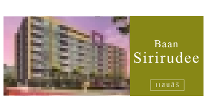
Baan Sirisathorn Suanplu is the 335-million baht premium grade condominium project with 75 units located in the business district. The piling process is complete and building foundations are now being poured with the construction progress at 33% complete.



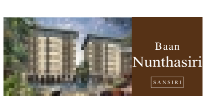
Baan Sirisukhumvit Soi 13 is the 308-million baht luxury condominium project with 73 units. The construction is still in the piling phase with approximate construction progress at 28% complete.



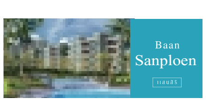
Baan Ratchadamri is the 926-million baht ultra-exclusive condominium project centrally located in the business district on Ratchadamri Road. The 32-unit project was launched in January, 2003, with current construction progress of 17% and completion scheduled in 4Q2004.



Baan Siriruedee Soi Ruam Rudi is another Sansiri pre-sale success story. The 68-unit condominium project worth approximately 477 million baht opened for booking in May, 2003. Receiving a strong market response, the project was sold out within a few weeks after the soft launch. The construction started in July, 2003 with completion scheduled in 3Q2004. The piling process was complete with the current progress at 8% complete.



Baan Nunthasiri is another example of Sansiri's strong reputation in the high-end condominium market. The 1,043-million baht project with 74 units was nearly sold out after the launch in August, 2003. The construction will start in September, 2003 with expected completion in 1Q2005.



Baan Sanploen is the modern-romantic style resort condominium in Hua Hin. The 729-million baht beachfront project was so enthusiastically received by the market that all 129 units sold out within 2 weeks of its launch in March 2003. The project will start construction in September, 2003 with completion scheduled in 1H2005

Project Progress Update
Commercial Building Project

SUN Square Silom is a high-quality commercial building project on Silom Road. The 30-year lease project was fully booked within 2 weeks after launch in November, 2002. Total value from the 37 units is approximately 292 million baht. Construction began in January, 2003 with current progress at 30% complete and expected completion in 1Q2004.

Project Progress Update

PLUS Property Partners Co., Ltd.

(as of August 31, 2003)

Townhouse Projects

City PLUS Sukhumvit Soi 50

is the 145-million baht Contemporary-Euro style townhouse project located in prime location near a BTS commuter rail station. Although the project is the first townhouse project of Sansiri Group, it was sold out within weeks of its launch in March, 2003, reflecting an established recognition of Sansiri Group not only as the preeminent condominium developer, but also as a leading townhouse developer. Construction started with current progress of 75% and expected completion in November, 2003.

City Plus Ekamai Soi 10

City Plus Ekamai Soi 10 is the exclusive Neo-Euro style town houseproject with 11 units available. The 105-million baht project was launched in June, 2003 with current construction progress at 10% and completion scheduled in April, 2004.

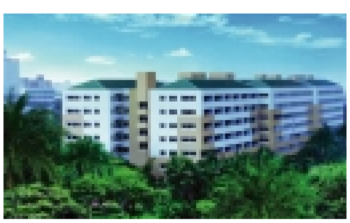
Condominium Projects

PLUS 38

PLUS 38 is the 250-million baht condominium project located on Sukhumvit Soi 38 featuring 112 units. The demand for highly individual place (HIP) condominium was so strong that all units were sold out within one week of its early March 2003 launch. The construction started with complete piling process and current progress at 15% complete.

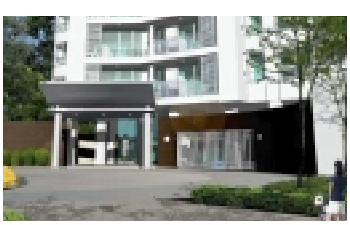
Sukhumvit Plus

Sukhumvit Plus is the 868-million baht condominium project with 383 units, featuring the largest swimming pool in the Sukhumvit area. Launching in June, 2003, the project is receiving strong market response and will start construction in November, 2003 with expected completion in November, 2005.



Garden court

Garden court is the 255-million baht condominium project with ready-to-move-in 270 units located on Ratburana Road. The current construction progress is 68% with expected completion in October 2003.



49 PLUS

49 PLUS is the 267-million baht condominium project with 77 units located on Sukhumvit Soi 49. Construction will start end of 2003 with expected completion by 4Q2004. The project was sold out within 3 days of its launch, indicating not only the strong demand for high-quality accommodation in this prime location, but the strong recognition of PLUS Property Partners Co., Ltd., as one of the leading property developers.

Plus Property Partners Company

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