SANSIRI

Quarterly Newsletter | Issue No. 6/2005

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

Key Stock Data

1Q05	4 Jan 05	31 Mar 05	% change
SIRI Price (Baht / Share)	3.24	3.20	1.3%
Property Sector Index	121.35	117.19	3.5%
SET index	684.48	681.49	0.4%
Avg Daily Turnover (Mil Baht)		15.96	
Avg Daily Turnover (Mil Shares)		4.31	

As of 7 Jun 05	
Issued shares (Mil Shares)	1,473
Estimated free float	40%
SIRI Price (Baht / Share)	3.14
Market Cap (Mil Baht / Mil US$)	4,625 /115

Major Shareholders (%)	As of 4 Feb 05
1. Natural Park Public Company Limited	24.61%
2. Thai NVDR Co.,Ltd	7.43%
3. The Viriyah Insurance Co.,Ltd	5.56%
4. Chase Nominees Limited 42	4.96%
5. Unigold Enterprises Limited	4.70%
6. Morgan Stanley & Co International Ltd.	2.70%
7. Univenture Asset Management Co.,Ltd	2.27%

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In Brief

Housing market in 1Q2005 improved moderately as evidenced by the strong presales regardless of negative investment sentiment caused by the hike of oil price in the global market. The upward trend of the mortgage rate together with anticipated increase of diesel price are catalysts for customers who expect the price increase later in the year, thus, help ending the wait-and-see attitude and trigger buying activities. To cope with the competitive housing market in 1Q2005, sales promotions and marketing activities still play major roles unavoidably. Moreover, branding and fitting products are keys to success for developers as customers are more sophisticated and selective.

Strong brand recognition among customers has led to successful launches of housing projects that puts Sansiri at the top of accumulative presales amount in the industry. As of May 31, 2005, total presales backlog to be realized during 2Q2005 to 2007 amounted to 7.5 billion baht, of which 5.9 billion baht will be realized in 2005 whereas 1.4 billion baht and 0.2 billion baht will be recognized in 2006 and 2007 respectively.

1Q2005 Performance

Sansiri Plc. reported 130.40 million baht net profit for 1Q2005, a 67% increase over the same period in Y2004 mainly supported by 109% increase in revenues from projects for sales. Of the total 1Q2005 revenues of 1,952 million baht, 1,690 million baht in property sales comprised 87%, 144 million baht from hotel revenue comprised 7%, 55 million baht from property management comprised 3%, 40 million baht from rental incomes comprised 2% and 21 million baht from other revenues comprised 1%.

The main driver of the dramatic increase in property sales is the significant growth in revenues from new deal flow, resulting in high sales velocity supported by timely construction schedules. Sales of single-detached houses improved dramatically from 38% of 808-million baht property sales in 1Q2004 to 52% of 1.69-billion baht property sales in 1Q2005. Revenues from projects for sales in 1Q2005 came from not only 6 single-detached house projects but also 14 condominium projects and 2 townhouse projects, compared with 808-million baht in 1Q2004 project sales coming from 5 single-detached house projects as well as 9 condominium projects and 1 townhouse project.

Gross margin from property sales slightly dropped from 27% in 4Q2004 to 26% in 1Q2005 as a result of providing higher quality products to ensure customer satisfaction and build long-term relationship with customers. Consequently, average gross margin of total revenues declined from 30% in 4Q2004 and stayed at the sustainable level of 28% in 1Q2005. However, SG&A expense improved noticeably from 22% of total revenues in 4Q2004 to 19% of total revenues in 1Q2005 due to higher economies of scale.

144-million baht revenue from hotel business confirmed the upward trend with 2% increase from 4Q2004 and 6% increase from 1Q2004. The average daily room rate improved significantly from approximately 2,100 baht in 1Q2004 to 2,400 baht in 1Q2005 while the occupancy rate slightly decrease from of 89% in 1Q2004 to 83% in 1Q2005.

Total assets and liabilities increased from 19.2 billion baht and 12.1 billion baht in 4Q2004 to 19.9 billion baht and 12.7 billion baht in 1Q2005, respectively. Shareholders' equity increased slightly from 7.1 billion baht in 4Q2004 to 7.2 billion baht in 1Q2005. As a result of progressive business expansion, debt-to-equity ratio and gearing ratio (interest bearing debt to shareholder's equity ratio) stayed at 1.7 times and 1.4 times respectively.

2Q2005 Preview

2Q2005 is expected to grow at slow pace as there is no strong evidence of positive market sentiment. However, the increasing interest rate and the stable oil price in the global market help shorten the decision-making process, as evidenced by the strong presales in 1Q2005 with approximately 43% increase in sales of single-detached houses over the same period in Y2004.

Gross margin is expected to stay at the controllable level of 26-28% in 2Q2005 before improving to approximately 28-30% in 2H2005 as a result of contribution from higher-gross margin projects, including more medium houses from newly launched single-detached houses and townhouses projects in 3Q2005 onwards. In addition, revenues from condominium projects will help improve the average gross margin from property sales in 2H2005.

Update

SANSIRI SELLS SOFITEL SILOM BANGKOK TO LASALLE INVESTMENT MANAGEMENT

In May 2005, Sansiri agreed to sell the Sofitel Silom to LaSalle Investment Management, a leading global real estate investment manager that manages more than USD 26.4 billion of public and private assets for leading institutional, corporate and individual investors.

Mr. Apichart Chutrakul, Chief Executive Officer of Sansiri Public Company Limited, announced the sale of Sofitel Silom Bangkok Hotel via the sales of 100% shares of its subsidiary, Richee Holding Alliance Co. Ltd. to LaSalle Investment Management. Net transaction proceeds of 1.2 billion baht will be used to repay loans and accommodate future business expansion.

Mr. Andrew Heithersay, National Director of LaSalle Investment Management, said "This is our second major property investment in Thailand and reflects our confidence in the Thai economy and tourism industry. This acquisition for LaSalle Asia Opportunity Fund II is aligned with our strategy to invest within growth markets which also offer value-add opportunities at the asset level."

Mr. Heithersay added, "We now have USD 3 billion of real estate assets in Asia and approximately USD 150 million in Thailand. With an additional USD 2.5 billion dedicated for Asian real estate acquisitions over the next 2-3 years, LaSalle Investment Management is actively seeking to buy additional office, retail, industrial, residential and hotel assets in Thailand and Asia".

Sansiri ventured into Sofitel Silom Hotel by acquiring 100% shares of Richee Holding Alliance Co. Ltd. in late 2002. After completing the refurbishment, Sansiri retained Accor, the leading European and one of the world's largest groups in hotel management and services, to operate the hotel and under its 5-star "Sofitel" brand. Under Accor's stewardship, the hotel's performance continues to improve and recorded a 73% growth in net operating income in 2004.

Mr. Heithersay added, "Sansiri has leveraged its renowned and respected development expertise to bring the Sofitel Silom Bangkok to its current high standards. We look forward to exploring further opportunities to work with Sansiri to generate mutually rewarding outcomes for our respective investors."

as of 31 May 2005

Housing Projects

Projects	Style	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Nasiri Sathorn Wongwean	Italian	157	2,272	May 03	98%	3Q05
Baan Sansiri Sukhumvit	Modern Comtemporary	96	3,488	Nov 04	94%	3Q05
Saransiri Rangsit Klong 2	Tropical Contemporary	54	315	Feb 04	92%	3Q05
Setthasiri Ramindra	Tropical Modern	143	987	Mar 04	88%	3Q05
Narasiri Pattanakarn Srinakarindra	Oriental Contemporary	177	3,883	Feb 04	84%	4Q05
Setthasiri Sanambin-nam	Thai Contemporary	299	2,791	Feb 04	67%	4Q06

Condominiums Projects

Projects	Type	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Baan Siriruedee	Low rise	68	485	May 03	100%	Completed
Baan Siriyenakat	Low rise	79	353	Sep 03	100%	Completed
Baan Ratchadamri	High rise	32	954	Jan 03	92%	3Q05
Baan Nanthasiri	Low rise	76	1,058	Aug 03	69%	4Q05
Baan Sirisukhumvit Soi 10	High rise	118	626	Nov 03	58%	4Q05
The Lanai Sathorn	Low rise	34	444	Aug 04	54%	4Q05
Baan Sanploen	Low rise	129	729	Mar 03	45%	1Q06
Baan Sirisilom	High rise	144	828	Dec 03	32%	2Q06
Baan Siri TwentyFour	High rise	150	1,084	Nov-03	24%	3Q06

as of 31 May 2005

Townhouse Projects

Projects	Type	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Plus City Park (Kaset - Nawamindra)	European Colonial	97	380	Dec 04	59%	1Q06
Plus City Park (Ladprao 71)	European Colonial	76	259	Feb 05	31%	1Q06

Condominiums Projects

Projects	Type	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
PLUS 67 (Sukhumvit 67)	Low rise	121	280	May 03	100%	Completed
49 PLUS	Low rise	77	273	Aug 03	79%	2Q05
The FortyNine Plus II	Low rise	63	276	May 04	66%	4Q05
Sathon Plus	Low rise	154	550	May-04	36%	4Q06
Sukhumvit Plus	High rise	383	874	Jun 03	34%	1Q06