SANSIRI

Quarterly Newsletter | Issue No. 8/2005

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

Key Stock Data

3Q05	4 Jul 05	30 Sep 05	% change
SIRI Price (Baht / Share)	2.90	2.84	-2.1%
Property Sector Index	103.10	112.96	9.6%
SET index	669.78	723.23	8.0%
Avg Daily Turnover (Mil Baht)		6.16	
Avg Daily Turnover (Mil Shares)		2.33	

As of 6 Dec 05	
Issued shares (Mil Shares)	1,473
Estimated free float	40%
SIRI Price (Baht / Share)	2.36
Market Cap (Mil Baht / Mil US$)	3,477 /87

Major Shareholders (%)	As of 8 April 05
1. Natural Park Public Company Limited	24.61%
2 Thai NVDR Co.,Ltd	7.17%
3 Chase Nominee Limited	5.59%
4. The Viriyah Insurance Co.,Ltd	5.56%
5. HSBC (Singapore) Nominees Pte Ltd	3.81%
6. Finansa Life Assurance	3.48%
7. Univenture Asset Management Co.,Ltd	2.27%

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3Q2005 Performance

Sansiri registered 112.21 million baht net profit in 3Q2005, a 40% decrease from that of 3Q2004 mainly caused by the special business tax and income tax from selling 25 houses to Baan Sansiri Property Fund (SIRIPF). Based on the accounting practice, Sansiri could not record and realize profit from the sale of the 25 units of Baan Sansiri with an agreement to buyback those houses at the purchased price according to the put option by SIRIPF at the end of the fifth year. However, Sansiri was liable for the transfer fee, special business tax and income tax of approximately 91 million baht from the transaction, according to the revenue code. Hence, the discrepancy between the accounting practice and the revenue code resulted in the net profit contraction from higher SG&A expense and income tax, implying the probable net profit of 203 million baht in 3Q2005.

Total revenues increased 14% from 2.37 billion in 2Q2005 to 2.70 billion in 3Q2005 largely driven by 57% increase of project sales as more single-detached houses (SDH) were sold. To the total 3Q2005 revenues, 2,591 million baht in property sales contributed 96%, 48 million baht from rental revenue and 50 million baht from property management service revenue altogether contributed 4%. The 3.5-million baht revenue from hotel business was generated by the 36-key boutique hotel in Hua Hin, Casa del mare. The drastic decrease of hotel revenue from 136 million baht in 3Q2004 and 88 million baht in 2Q2005 to 3.5 million baht in 3Q2005 was caused by the sale of Sofitel Silom Hotel in May 2005.

Gross margin from project sales dramatically improved from 21% in 2Q2005 to 25% in 3Q2005 while SG&A expense decreased from 19% of core revenues in 2Q2005 to 15% of core revenues in 3Q2005.

For the nine-month performance, total revenue increased 53% from 4.6 billion baht for 9M2004 to 7.0 billion baht for 9M2005, with 52% growth in project sale. The successful penetration into the SDH and townhouse market has been reflected in the changing mix of project sales. Of the total project sales in 9M2004, realized revenue from condominium projects comprised 57% while realized revenue from SDH projects comprised 41% with realized revenue from townhouse projects comprised the balance. On the contrary, realized revenue from SDH became major generator of the project sale in 9M2005 with 52% contribution from SDH projects, 44% contribution from condominium projects and 4% contribution from townhouse projects.

High turnover in 3Q2005 made total assets and liabilities decline to 19.3 billion baht and 11.8 billion baht respectively, a decrease from 2Q2005 of 19.5 billion baht and 12.1 billion baht correspondingly. Consequently, shareholders' equity increased from 7.4 billion baht as of 2Q2005 to 7.5 billion baht as of 3Q2005.

Debt-to-equity ratio (excluding deferred leasehold revenue) and the interest bearing debt to shareholders' equity ratio (gearing ratio) decreased further to 1.33 and 1.08 times respectively. In addition, free cash flow generated by business operations improved net debt to EBITDA and interest coverage ratio from 9.07 times and 2.9 times as of 2Q2005 to 5.96 times and 3.2 times as of 3Q2005.

Update

Sansiri confirms its standing as a high-flying developer with solid sale performance and highest presales among other developers

Presale in 3Q2005 has reached record level of 3.1 billion baht owing to strong brand recognition of Sansiri. In addition, the 11-month presales in 2005 accumulated to 8.3 billion baht, or 46% increase over the same period in 2004. Of the 8.3-billion baht total presales, 5.2 billion baht from sales of SDH comprised 63%, 2 billion baht from sales of townhouses comprised 24% and 1.1 billion baht from sales of condominiums comprised 13%. The sale of SDH has played major role in generating revenues and become more progressive since 2004 when pre-built houses were launched. Sansiri has successfully transferred its hard-earned reputation of premium condominium developer to be recognized as one of the leading SDH developers. The investment in brand building through providing higher quality products to ensure customer satisfaction paid off, making Sansiri one of the top brands of customers mind. Strong brand recognition and successful rollout of housing projects result in high presales backlog of approximately 9.5 billion baht to be realized as revenues in 4Q2005 onwards.

Plus successfully penetrates the townhouse market with uniquely high quality products

The successful rollout of 5 townhouse projects marks another milestone of Plus Property Partners Co., Ltd. ("Plus"). Banking on its experience and expertise in property management together with business savvy transferred from Sansiri, Plus is recognized as one of the leading developers.

Based on the in-depth research, the target customer of Plus' townhouse projects are newlyweds who would compromise the urban living in condominiums for the sake of greater space and family expansion. Located in the high potential area with easy access to mass transportation, Plus' townhouse projects were designed to match the customers' needs of "great space" by introducing the 3-storey with 5 split-levels townhouses. Besides, "attention to details" by providing safe railing with wide tread and large main entrance for better living standard differentiate Plus' projects from others. Consequently, the 5-newly launched townhouse projects have received warm welcome from customers as evidenced by more than 90% of available units were sold. Of the 5 projects, 2 projects with 173 units will be completely constructed and transferred to customers by end of 2005 with expected completion of the 3 projects in 2006.

In order to support its sustainable growth while enhancing its competitive edges, Plus and its strategic partner set up a subsidiary company which Plus holds 51% of its registered capital with D?cor Mart Group holding the balance. Plus Property Venture Co., Ltd, a company in which Sansiri indirectly holds shares, will start launching new housing projects in 2006.

as of 30 Oct 05

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	100%	Completed
Baan Sansiri Sukhumvit	Modern Comtemporary	96	3,488	Nov 04	100%	Completed
Setthasiri Ramindra	Tropical Modern	143	987	Mar 04	90%	4Q05
Narasiri Pattanakarn Srinakarindra	Oriental Contemporary	177	3,883	Feb 04	89%	4Q06
Setthasiri Sanambin-nam	Thai Contemporary	299	2,791	Feb 04	81%	4Q07
The Emperor Narasiri's Collection	Oriental Contemporary	48	1,266	Oct 05	46%	2Q07
Saransiri Ramindra	Natural Contemporary	116	436	Jun 05	29%	3Q06
Setthasiri Wongwean Sukhapiban 2	Thai Contemporary	354	2,021	Jun 05	15%	4Q09
The Gallery Setthasiri's Collection	Modern Resort	69	626	Nov 05	41%	2Q07

Condominiums Projects

Projects	Type	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Baan Ratchadamri	High rise	32	954	Jan 03	100%	Completed
Baan Nanthasiri	Low rise	76	1,058	Aug 03	83%	1Q06
Baan Sirisukhumvit Soi 10	High rise	118	626	Nov 03	100%	Completed
The Lanai Sathorn	Low rise	34	444	Aug 04	72%	1Q06
Baan Sanploen	Low rise	129	729	Mar 03	60%	1Q06
Baan Sirisilom	High rise	144	828	Dec 03	55%	2Q06
Baan Siri TwentyFour	High rise	150	1,084	Nov-03	31%	3Q06

as of 30 Oct 05

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	89%	1Q06
Plus City Park (Ladprao 71)	European Colonial	76	259	Feb 05	70%	1Q06
Plus Citypark (Rama IX - Huamark)	European Colonial	162	769	Jun 05	42%	2Q06
Plus Citypark (Ekamai - Ramindra)	European Colonial	247	933	Aug 05	22%	3Q06
Plus Citypark (Sukhumvit 101/1)	Kensington	108	488	Oct 05	48%	2Q06

Condominiums Projects

Projects	Type	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
49 PLUS	Low rise	77	273	Aug 03	100%	Completed
The FortyNine Plus II	Low rise	63	276	May 04	97%	4Q05
Sathon Plus : On the Pond	Low rise	77	254	May 04	73%	2Q06
Sukhumvit Plus	High rise	383	874	Jun 03	79%	1Q06