SANSIRI

Quarterly Newsletter

Issue No. 3/2007

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

Key Stock Data

2Q07	2 Apr 07	29 Jun 07	% change
SIRI Price (Baht / Share)	2.92	3.58	22.6%
Property Sector Index	110.03	123.63	12.4%
SET index	679.62	777.68	14.4%
Avg Daily Turnover (Mil Baht)		13.37	
Avg Daily Turnover (Mil Shares)		4.24	

As of 12 Nov 07	
Issued shares (Mil Shares)	1,473
Estimated free float	40%
SIRI Price (Baht / Share)	3.50
Market Cap (Mil Baht / Mil US$)	5,157 / 147

Major Shareholders (%)	As of 8 Aug 07
1. Thai NVDR Co.,Ltd	15.66%
2. Credit Asia Capital Offshore Fund Ltd	10.86%
3. Natural Park Plc	10.70%
4. Chase Nominee Limited 42	7.99%
5. The Viriyah Insurance Co.,Ltd	5.56%

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Change in major shareholder structure of Sansiri

Natural Park Public Company Limited, the major shareholder of Sansiri ("SIRI") holding approximately 24.61% of paid-up capital (as of 9 April 2007), sold part of its holding in SIRI to the group of Hong Kong investors, led by Dr. Allina Salim. As part of debt-restructuring of Natural Park Public Company Limited with its financial institutions, the sale of 205 million shares in SIRI, representing 13.91 percent of SIRI's issued and paid-up capital was transacted at the price of 3.09 baht per share on 12 July 2007. In this regard, Sansiri has been informed that the investor would like to invest in SIRI, which is the well-known and experienced developer, with no intention to change the business direction and operations.

On 8 August 2007, the group of Hong Kong investors, led by Dr. Allina Salim sold 160 million shares of SIRI, representing 10.86% of paid-up capital at the price of 3.18 baht per share, to Credit Asia Capital Offshore Master Fund Ltd.

The top three major shareholders after the change in major shareholder structure is as follows: 1) Thai NVDR Company Limited, holding 15.66% 2) Credit Asia Capital Offshore Master Fund Ltd. holding 10.86% and 3) Natural Park Public Company Limited holding 10.70%

Note - The abovementioned name and number of shares held by the shareholders are adjusted from the information according to the registry of shareholders as the closing date of the shares register book on 9 April 2007.

SIRI Update

In 2007 Sansiri and its subsidiaries plan to launch 22 housing projects including 4 single-detached housing and twin house projects, 13 condominium projects, and 5 townhouse projects. Of the total project value of 15,799 million baht, project value of single-detached housing and twin house projects comprised 13%, project value of condominium projects comprised 69% with the project value of townhouse projects comprised the balance of 18%. During the first 6 months of Y2007, Sansiri launched 11 housing projects including 1 single-detached housing project, 7 condominium projects, and 3 townhouse projects with consolidated project value of 7,505 million baht.

During the 2Q2007, total presale amount of Sansiri and its subsidiaries were 6,301 million baht, 18% of which were sales of single-detached housing projects, 73% of which were sales of condominium projects with the balance of 9% were sales of townhouse projects. 2Q2007 presale amount increased 141% from 2,614 million baht in 1Q2007, and increased 13% from 5,562 million baht in 2Q2006. The key drives of higher presale were the successful launches of the two condominium projects, namely, SIRI at Sukhumvit and Baan Sanpluem. Both projects were sold out within a few weeks after launches, reflecting the strong brand recognition of Sansiri as the leader in condominium market. In this regard, Sansiri held the marketing event "Extraordinary SIRI" at Four Seasons Hotel during 2nd and 3rd of June 2007, to launch the project "SIRI at Sukhumvit", the 34-story condominium project featuring total of 460 units with total project value of 3,054 million baht. Furthermore, the successful launch of Baan Sanpluem, the 4-story condominium project featuring total of 87 units with total project value of 588 million baht in Hua Hin area, confirms the strong presence of Sansiri in Hua Hin realty market.

PLUS Update

Plus Property Company Limited, the subsidiary of Sansiri, successfully created brand awareness of its condominium projects, "Condo One" and "Condo One X" with total launches of 12 projects and consolidated project value of 5,218 million baht in the year 2006. Currently the average sale of all projects is 91% of total project value. (as of 30 June 2007) In addition, all of six townhouse projects branded as "Plus City Park" and "Plus Park Avenue" with total project value of 2,954 million baht are well-received with the average sale of 93% of total project value. (As of 30 June 2007) The successful launches reflect the extensive experience and expertise in property management together with the unmatched source of market intelligence that has been utilized for developing housing projects, to match up with customer demands.

Plus launched three condominium projects under the new brand namely "My Condo" with total project value of 1,589 million baht in 1Q2007, and launched additional two condominium projects, My Condo - Sukhumvit 81 and My Condo - Ladprao 27, in 2Q2007. My Condo - Sukhumvit 81 featuring 147 units with total project value of 294 million baht was sold out within one month after the launch in June 2007. My Condo - Ladprao 27 featuring 371 units with total project value of 525 million baht has been well-received with the average sale of 70% of total units. Accordingly, these successful launches confirm the hard-earned reputation of Plus as the promising developer in condominium market.

The research on housing market by Plus Property Company Limited revealed the slowdown in townhouse market during the first half of the year 2007. However, the absorption rate (sold units divided by total launched units) of townhouses with price points of 1 to 3 million baht per unit, increased 3% from that of the second half of the year 2006. In addition, the number of units launched of townhouses with the price points of 1 to 3 million baht per unit have been increasing by 16%, from 43% of total number of townhouse units launched in the second half of the year 2006, to 59% of total number of townhouse units launched in the first half of the year 2007. Although there are a lot of new launches, the absorption rate of townhouse is still increasing, reflecting the strong demand for townhouses with the price points of 1 to 3 million baht per unit. Consequently, Plus launched the new townhouse project with the average price of 2.75 million baht per unit under the new brand, "TownPlus", to match up with the strong demand for the urban housing units at the affordable prices.

In 2007, Plus plans to launch 11 housing projects with total project value of 5,605 million baht, 80% of which are project value of 8 condominium projects while the balance of 20% are project value of 3 townhouse projects. During the first half of the year 2007, Plus launched 8 housing projects with total project value of 3,703 million baht, 65% of which are project value of 5 condominium projects whereas 35% of which are project value of 3 townhouse projects. These projects have been well-received with the average sale of 74% of total units of 5 condominium projects and 41% of total units of 3 townhouse projects. Currently, Plus has a number of projects in the pipeline to sustain business growth until the year 2009. Plus has also been gaining higher market share evidenced by the high monthly selling rate of 10 to 22 townhouse units per project, compared with the industry average monthly selling rate of 4.8 units per project.

In 2007, Sansiri has got the high presale amount of 8,915 million baht (as of June 30, 2007), 5,592 million baht from sale of condominiums comprised 63%, 2,238 million baht from sale of single-detached houses comprised 25%, and 1,085 million baht from sale of townhouses comprised the balance of 12%. In order to ensure customer satisfaction, Sansiri has managed to complete construction and deliver housing units on schedule. To the transfer of 358 housing units worth 2,312 million baht, 170 single-detached units contributed 52%, 137 townhouse units contributed 25%, and 51 condominium units contributed 23%.

* Source: Plus Property Focus, Half-year Research Paper Issue: January - June 2007. (http://www.plus.co.th/site/news/login.php)

2Q2007 Performance

Sansiri reported 45.77 million baht net profit in 2Q2007, a 10% increase from that of 1Q2007, mainly driven by an 8% growth of revenue from property sales. To the 2Q2007 total revenues of 2,921 million baht, 2,707 million baht in property sales contributed 93%, 96 million baht from property services contributed 3%, 58 million baht from property for rent together with 10 million baht from medical spa business and 2 million baht from hotel business, altogether contributed 2%, and 2 million baht from other incomes contributed the balance of 2%.

Of the 2,707 million baht revenue from property sales, 1,520 million baht revenue from single-detached house projects comprised 56%, 619 million baht revenue from condominium projects comprised 23%, with the balance of 568 million baht revenue from townhouse projects comprised 21%.

Gross margin of property sales slightly increased from 27% in 1Q2007 to 28% in 2Q2007 reflecting the product competitiveness under the highly competitive market environment, while SG&A expenses marginally increased from 23% of total revenues in 1Q2007 to 24% of total revenues in 2Q2007. The high SG&A expense as a percentage of total revenue has been partly caused by the discrepancy between the realized revenues and recorded expenses. Presale amount will be realized as revenue from property sale, according to the percentage of completion while SG&A expense was recorded during the selling period. In 2Q2007, Sansiri launched 4 condominium projects, namely SIRI at Sukhumvit, Baan Sanpluem, My Condo Sukhumvit 81, and My Condo Ladprao 27, all of which are located either along the BTS sky train or MRT underground train stations. With the full range of price points covering high-end and mid-end markets together with the strong brand recognition of Sansiri brand, all the four projects have been well-received by the customers with impressive selling rate of more than 90% of total project value or a consolidated 4,105 million baht presale amount. In this regard, the marketing expenses for those condominium projects were recorded immediately while the presale amount could not be realized as revenue in the year 2007. Nonetheless, the presale backlog has been rising with the highest quarterly presale amount of 6.3 billion baht in 2Q2007. The rising presale amount and the highest presale backlog of 19.3 billion baht (as of September 24, 2007), justified investing in those marketing activities for sustainable growth in the future. In addition, Sansiri maintains brand awareness through the series of TV commercial named "Beautiful Community", to communicate happiness surrounded by beautiful community in all of housing projects developed by Sansiri.

Revenue from property for rent increased 25% from 46 million baht in 1Q2007 to 58 million baht in 2Q2007. The key drives were the increase in units of single-detached houses for rent as well as the higher occupancy rate of an apartment building for rent from 82% in 1Q2007 to 94% in 2Q2007. Revenue from hotel business decreased by 38% from 3.9 million baht in 1Q2007 to 2.4 million baht in 2Q2007 due to the lower occupancy rate of 63% in 2Q2007, compared to 73% in 1Q2007, caused by the unfavorable global economic factors and political uncertainty in Thailand.

Revenue from medical spa business increased 1% from 9.6 million baht in 1Q2007 to 9.7 million baht in 2Q2007. However, Sansiri recorded 31 million baht impairment loss on asset for goodwill of S Medical Spa, operated by subsidiary named Papanan Company Limited. With the unfavorable economic factors and political uncertainty in Thailand, the medical spa business was unavoidably affected by the significant decrease of foreign tourists, which is the main target customer group. However, the medical spa business is still operating with competitiveness in that the retail price in Thailand is still much cheaper than those offered in other countries. Sansiri believes that the increasing number of health-conscious customers together with the recovery of global economy would make the medical spa a profitable business in the future.

As of 30 June 2007, Total assets stood at 19,631 million baht, increased by 1,241 million baht from 31 March 2007. The key drive was the 1,369 million baht increase in Property development for sale as several housing projects are under construction and will be transferred to customers as scheduled.

Total liabilities slightly increased from 10,562 million baht as of 31 March 2007 to 11,931 million baht as of 30 June 2007. Current liabilities increased from 7,542 million baht as of 31 March 2007 to 8,082 million baht as of 30 June 2007, due to an increase of unearned income from 1,273 million baht to 2,013 million baht. The rising unearned income reflected the successful launches and high presale amount of all housing projects developed by Sansiri and its subsidiaries. It is expected that some of the presale backlog will be gradually realized as revenue from property sales in 3Q2007 onwards. In this regard, the interest-bearing debt increased from 6,781 million baht as of 31 March 2007 to 7,586 million baht as of 30 June 2007 as a result of the business expansion. Consequently, debt to equity ratio stood at 1.45 times while gearing ratio was 0.99 time as of 30 June 2007.

Housing Projects

Projects	Style	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Narasiri Pattanakarn Srinakarindra	Oriental Contemporary	177	3,914	Feb 04	99%	2Q07
Setthasiri Sanambin-nam	Thai Contemporary	299	2,308	Feb 04	93%	4Q06
Saransiri Ramindra (Phase II)	Natural Contemporary	340	1,265	Mar 06	72%	4Q08
The Emperor Narasiri's Collection	Oriental Contemporary	48	1,306	Oct 05	69%	2Q07
The Gallery Setthasiri's Collection	Modern Resort	69	693	Nov 05	67%	2Q07
Setthasiri Wongwean Sukhapiban 2	Thai Contemporary	538	3,044	Jun 05	66%	2Q10
Setthasiri Prachacheun	Oriental Contemporary	608	5,265	Mar 06	54%	4Q12
Saransiri Ratchapruek	Natural Garden	300	1,492	Mar 06	63%	2Q07
Baan Promptpatt Ramindra (Phase II)	Modern Contemporary	499	1,027	Mar 06	90%	2Q07

Townhouse Projects

Projects	Style	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Plus Citypark (Rama IX - Huamark)	European Colonial	162	789	Jun 05	100%	Completed
Plus Citypark (Ekamai - Ramindra)	European Colonial	247	945	Aug 05	97%	3Q07
Plus Citypark (Sukhumvit 101/1)	Kensington	108	543	Oct 05	100%	3Q07
Plus Citypark Sanambinnam	Tropical Contemporary	174	542	Mar 06	94%	3Q07
Plus Citypark Ngamwongwan 25	Tropical Contemporary	111	390	Jun 06	71%	4Q07
Plus Citypark Srinakarin Suanluang	Tropical Contemporary	312	1,246	Jun 06	48%	3Q08
Plus Park Avenue Lasalle Srinagarindra	Georgian	57	342	Mar 06	100%	Completed
Plus Citypark Kaset Ngamwongwan	Georgian	68	283	Mar 06	100%	Completed
Plus Park Avenue Sanambinnam	Tropical Contemporary	39	151	Jun 06	100%	Completed
The Village	Modern	57	126	Aug 06	64%	4Q07

as of 31 July 07

Condominiums Projects

Projects	Style	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Baan Sirisilom	Modern	155	819	Dec 03	100%	3Q06
Baan SiriTwentyFour	Modern	150	1,301	Nov 03	100%	4Q06
SiriResidence	Modern	185	1,395	Jul 04	92%	4Q07
Baan SiriThirtyOne	Modern	108	768	Aug 04	84%	4Q07
Las Tortugas	Mexican Caribbean	159	917	Dec 05	53%	1Q08
The Lanai	Contemporary Orient	34	490	Aug 04	100%	Completed
Condo One Sathorn	Modern	79	220	May 06	53%	1Q08
Condo One Siam	Modern	147	442	Mar 06	54%	1Q08
Condo One Thonglor	Modern	151	421	Mar 06	65%	4Q07
Condo One Sukhumvit 52	Modern	95	241	Mar 06	90%	4Q07
Condo One Sukhumvit 67	Modern	79	233	Mar 06	91%	4Q07
Condo One X Sukhumvit 26	Modern	329	1,335	Jun 06	37%	4Q08
Condo One X Narathiwat	Modern	493	1,129	Jun 06	30%	3Q08
Condo One Ratchada Ladprao	Modern	103	223	Jun 06	52%	1Q08
Condo One Ladprao Station	Modern	142	306	Oct 06	26%	2Q08
Condo One Soho	Modern	54	203	Oct 06	52%	1Q08
My Condo Sathorn Taksin	Modern	241	426	Mar 07	7%	4Q08
My Condo Sukhumvit 103	Modern	336	450	Mar 07	3%	3Q08
My Condo Pinklao	Modern	420	713	Mar 07	2%	1Q09
Condo One Ladprao 15	Modern	87	180	Jan 06	78%	4Q07
Condo One Ladprao 18	Modern	175	284	Jan 06	86%	4Q07

Project Launched in 1H2007

	Project	Launch	Entity	Project Value (Million Baht)	Unit	Average Price Per Unit	Expected Completion
	Single- detached House						
1	Busaba Pool Villa	Mar-07	Red Lotus	169	23	7.35	4Q07
	Condominium						
1	My Condo Sathorn Taksin	Mar-07	PLUS	426	241	1.77	4Q08
2	My Condo Sukhumvit 103	Mar-07	PLUS	463	336	1.38	2Q08
3	My Condo Pinklao	Mar-07	PLUS	713	420	1.70	1Q09
4	Siri at Sukhumvit	Apr-07	SIRI	3,054	460	6.64	2Q10
5	Baan Sanpluem	Apr-07	SIRI	588	87	6.76	4Q09
6	My Condo Sukhumvit 81	Jun-07	PPS	294	147	2.00	4Q08
7	My Condo Ladprao 27	Jun-07	PPS	525	371	1.42	3Q09
	Townhouse						
1	Town Plus Ladprao 101	Mar-07	PLUS	319	114	2.80	1Q09
2	Town Plus Rama 9	Mar-07	PLUS	465	163	2.85	1Q09
3	Town Plus Suvanabhumi	Mar-07	PLUS	498	189	2.63	1Q09
11	**Total**			**7,514**	**2,551**	**2.95**	