

S A N S I R I

Quarterly Newsletter

Issue No. 4/2004

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

Key Stock Data

Year End 2003	01 Jul 04	31 Sep 03	% change
SIRI Price (Baht / Share)	4.82	3.54	-26.6%
Property Sector Index	134.25	118.96	-11.4%
SET index	647.57	644.67	-0.4%
Avg Daily Turnover (Mil Baht)		27.54	
Avg Daily Turnover (Mil Shares)		7.29	

As of 18 Mar 04	
Issued shares (Mil Shares)	1,473
Estimated free float	40%
SIRI Price (Baht / Share)	3.08
Market Cap (Mil Baht / Mil US\$)	4,538 / 111

Major Shareholders (%)	As of 30 Aug 04
1. Natural Park Plc.	24.61 %
2. Thai NVDR	7.22 %
3. Unigold Enterprises Limited	5.18 %
4. HSBC(Singapore)Nominees Pte Ltd.	4.40 %
5. The Viriyah Insurance Company Limited	4.18 %
6. Univenture Asset Management	2.27 %
7. Morgan Stanley & Co International Ltd.	2.24 %

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In Brief

The housing market in 3Q2004 improves towards normalized demand as the effect of "forward buying" in Y2003 to beat the expiry of the tax benefits was absorbed in 1H2004. Consequently, revenues from projects for sales in 3Q2004 stood at 2,027.62 million baht, increasing 87% from 2Q2004 and 90% from 3Q2003.

Steady growth of demand for housing in 4Q2004 is forecasted in the light of continual revival of the property market with the anticipated price increase as a catalyst. However, the market is geared towards offering higher quality products since customers are more selective and looking for value for money. Hence, the key to success for developers is to offer high value property that could meet customer needs

The housing market in 2005 is expected to remain competitive with demand under pressure from increasing mortgage rate, increasing oil price and unfavorable investment climate. However, less attractive gross margin would deter newcomers into the market while more prudent lending policy from commercial banks will create higher barrier to entry for new developers. Key challenges for developers in 2005 will be the innovative product development and effective cost management.

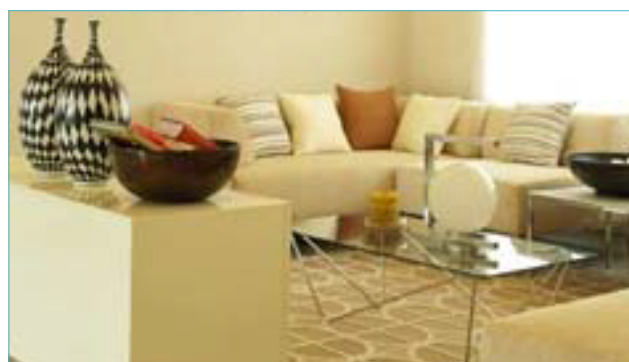
3Q2004 Performance

Sansiri registered 188.42 million baht net profit in 3Q2004, a 71% increase from that of 2Q2004 mainly supported by 87% increase in revenues from projects for sales as well as 15% increase in revenues from hotel business. The housing market in 3Q2004 has become more stable after the slowdown in 1H2004 caused by the re-imposition of the special business tax and transfer fee together with the "forward buying" effect from the end of Y2003. Consequently, revenues from projects for sales in 3Q2004 stood at 2,027.62 million baht, increasing 87% from 2Q2004 and 90% from 3Q2003.

Revenues from hotel business in 3Q2004 improved dramatically from that of last year as a result of more favorable market sentiment with no SARs' effect and more effective marketing promotions. The occupancy rate in 3Q2004 increased noticeably to 85% from 69% in 3Q2003 and 78% in 2Q2004.

The gross margin of projects for sales was stable at 30% while SG&A slightly dropped from 21% of total revenues in 2Q2004 to 19% in 3Q2004 as a result of economy of scale. Hence, the net profit in 3Q2004 increased 71% from 109.92 million baht in 2Q2004 to 188.42 million baht in 3Q2004.

However, the more competitive market in 2004 has forced the gross margin of projects for sales to move down from 35% in 9M2003 to 31% in 9M2004, as a result of providing higher quality products to ensure customer satisfaction and build long-term relationship with customers. In addition, more aggressive marketing campaigns to shorten the decision-making process drove SG&A expense from 17% of total revenues in 9M2003 to 20% in 9M2004.



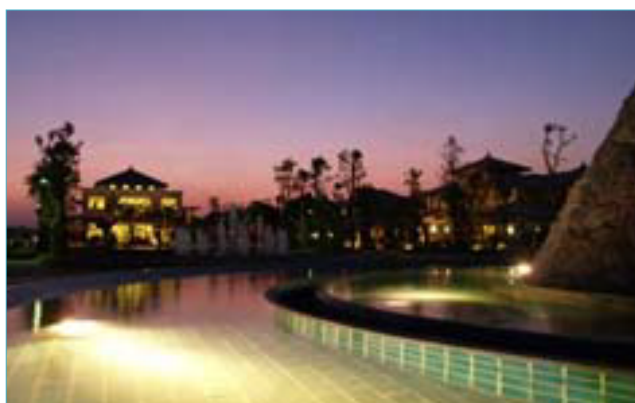
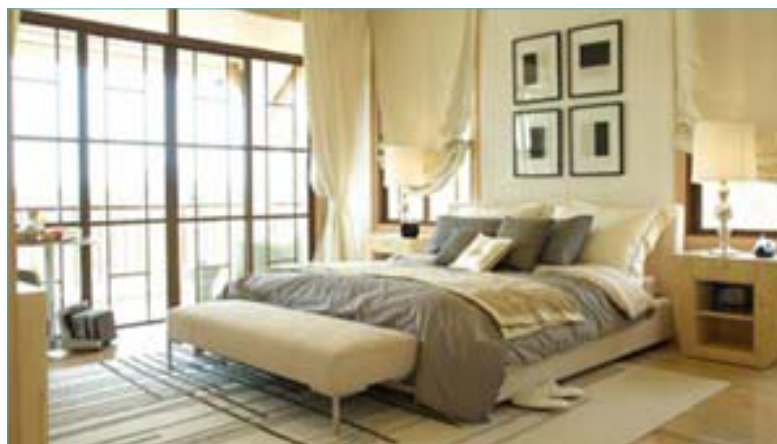
Net profit margin contraction from 18.82% in 9M2003 to 8.2% in 9M2004 was a reflection not only from the re-imposition of special business tax and transfer fee in 2004 but also the 115.71 million baht gain from debt restructuring in 2003.

The high turnover in 3Q2004 made total assets and liabilities decline to 19.3 billion baht and 12.3 billion baht respectively, a decrease from 2Q2004 of 19.4 billion baht and 12.5 billion baht correspondingly. Shareholders' equity slightly increased from 6.9 billion baht in 2Q2004 to 7.0 billion baht in 3Q2004 as more profits were generated. Debt-to-equity ratio slightly improved from 1.81 times in 2Q2004 to 1.73 times in 3Q2004 while interest bearing debt to shareholder's equity ratio also moved down from 1.41 times to 1.33 times.

4Q2004 Preview

Steady growth in 4Q2004 is forecasted as the market improves towards normalized demand. However, this demand is under pressure from the increasing mortgage rate which will force the market to shift towards smaller houses. To cope with the changing environment, Sansiri has already tailored its products to capture demand in the medium market by launching medium-price houses from Setthasiri Ramindra, Setthasiri Sanambinnam, and Saransiri Rangsit, which have received warm welcome from customers.

In addition, demand for high-end housing still exists as evidenced by the progressive sales of Narasiri Sathorn-Wongwaen and Narasiri Pattanakarn. However, the housing market has been geared toward offering high quality products since customers are more selective and looking for value for money. Hence, the key to success for developers is to offer high value property that could meet customer needs.



Update

Overwhelming response from Better Living Fair reflected strong demand for high quality condominiums

In mid August 2004, Sansiri successfully launched "Better Living Campaign" to promote the 14 condominium projects from Sansiri and its subsidiary, Plus Property Partners Co. Ltd. ("Plus"). The one billion baht presales from more than 200 condominium units sold during the 45-day promotion reflected not only the continual demand for high quality condominium but also Sansiri's well-established brand as a developer of recognized standing. Sansiri's competitive edge over competitors' has been prime locations, world-class design, stylish architecture, timely construction and "Plus Concierge", unequaled after-sales service provided by Plus, the high ranking property developer also known as the largest property manager in Thailand.

Sansiri launched Computer-Aided Design Center to highlight its unrivaled standing in condominium market

In September 2004, Sansiri launched Computer-Aided Design Center (CAD Center) at 5 condominium projects, namely, The Lanai Sathorn, SiriThirtyOne, SiriResidence, The FortyNine Plus, and Sathorn Plus. CAD Center is one of the models to deliver high value property and ensure customer satisfaction with semi tailor-made concept. The virtual interior design run by the Virtual Tour 3D 360 degrees software will provide several interior alternatives to satisfy condominium buyers who need a wide selection and uniqueness to match up their lifestyles. Currently, CAD Center provides three interior styles - Standard, Urban and Resort.

Sansiri and AIS tied up to provide wireless property information on mobile phone

Advanced Info Service Plc (AIS) is in alliance with Sansiri to provide property information to its subscribers via AIS wapsite. The information is available from the "Home and I" icon at the AIS wapsite, featuring information on housing projects, housing laws, buying tips, competitive mortgages from various banks, Do-it-yourself (DIY) tips, as well as many interesting articles about lifestyle and activities for good family entertainment.

TRIS Rating affirms the company rating of Sansiri at "BBB" with "Stable" outlook

TRIS Rating affirms the company rating of Sansiri Plc. (SIRI) at "BBB". The rating reflects the company's experienced management team, its strong brand in the medium- to high-end condominium market, and its diversification into the single detached house (SDH) market, hotel, and property and brokerage management businesses.

Note : An excerpt from Credit News by TRIS Rating (Announcement No. 282) dated October 1, 2004



High presales from "Sansiri Home Showcase Campaign" indicated eagerness to buy premium-quality property before the price increase

Launched in October 2004, Sansiri Home Showcase Campaign is expected to generate presales of 900 million baht from 5 single-detached housing projects together with 11 condominium projects and 6 townhouse projects. During the 2-day housing exposition held on November 13-14, 2004 at the Four Seasons Hotel, Sansiri accumulated additional 230-million baht presales, driving the total presales from the campaign to 700 million baht. The high presales were driven by the demand for high-quality housing in medium-to-high segment with the escalating oil price as the catalyst. Anticipating that the rising oil price and upward trend of interest rate would result in the increasing construction cost next year, homebuyers shorten their making-decision process and buy high-quality housing rather than wait and be exposed to higher prices in the future.



Project Progress Update (as of 30 Oct 2004) Housing Projects

Projects	Style	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Narisisathorn Wongwean	Italian	157	2,379	May-03	87%	4Q04
Narasiri Pattanakarn Srinakarindra	Oriental Contemporary	177	3,883	Feb-04	73%	4Q04
Setthasiri Sanambinnam	Thai Contemporary	299	2,791	Feb-04	57%	4Q04
Saransiri Rangsit Klong 2	Tropical Contemporary	54	315	Feb-04	79%	1Q05
Setthasiri Ramindra	Tropical Modern	143	987	Mar-04	82%	3Q05
Baan Sansiri Sukhumvit	Modern Contemporary	96	3,488	Nov-04	95%	4Q04



Project Progress Update (as of 30 Sept 2004) Condominiums Projects

Projects	Style	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Baan Siri sathorn	Low rise	169	529	Oct-02	100%	Completed
Baan Siri Sathorn Suanplu	Low rise	75	342	Jan-03	100%	Completed
Baan Siri Sukhumvit 13	Low rise	73	314	Jan-03	100%	Completed
Baan Ratchadamri	High rise	32	947	Jan-03	62%	1Q05
Baan Sanploen	Low rise	129	729	Mar-03	22%	4Q05
Baan Siriruedee	Low rise	68	485	May-03	93%	4Q04
Baan Nanthasiri	Low rise	76	1052	Aug-03	29%	4Q05
Baan Siriyenakat	Low rise	79	353	Sep-03	88%	1Q05



Project Progress Update (as of 30 Sept 2004) Commercial Building

Projects	Style	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
Sun Square Silom	Comercial Building	37	292	Nov-03	100%	Completed



Project Progress Update (as of 30 Sept 2004) Townhouses Projects

Projects	Style	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
CITY PLUS Sukhumvit 50	Contemporary Euro	157	2352	May-03	100%	4Q04
CITY PLUS Ekamai 10	Neo Euro	11	106	Jun-03	99%	4Q04



Project Progress Update (as of 30 Sept 2004) Condominiums Projects

Projects	Style	Total Unit	Sale Value (THB Mil)	Launch Date	Construction Progress	Expected Completion
PLUS 38 (Sukhumvit 38)	Low rise	31	140	Mar-03	100%	Completed
PLUS 67 (Sukhumvit 67)	Low rise	121	280	May-03	96%	4Q04
Sukhumvit Plus	High rise	383	855	Jun-03	10%	1Q06
49 PLUS	Low rise	77	272	Aug-03	36%	1Q05
Garden Court	Low rise	338	418	Aug-03	100%	Completed