SANSIRI

Quarterly Newsletter | Issue No. 2/2010

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

Key Stock Data

1Q10	4 Jan 10	31 Mar 10	% change
SIRI Price (Baht / Share)	4.30	4.92	14.4%
Property Sector Index	115.93	116.74	0.7%
SET index	732.28	787.98	7.6%
Avg Daily Turnover (Mil Baht)		42.64	
Avg Daily Turnover (Mil Shares)		9.06	

As of 8 July 10	
Issued shares (Mil Shares)	1,473
Estimated free float	52%
SIRI Price (Baht / Share)	5.85
Market Cap (Mil Baht / Mil US$)	8,617/264

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Major Shareholders (%)	As of 8 July 10
Mr.Sretha Thavisin's Group	24.11%
UOB KAY HIAN PRIVATE LIMITED	8.76%
CHASE NOMINEES LIMITED 42	7.63%
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)	7.31%
The Viriyah Insurance Co.,Ltd.	6.47%

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The analysis of financial status and the result of operation management in 1Q2010

Net profit in the first quarter of 2010 increased sharply by 183%, or 339 million baht comparing with the same quarter of last year.

Financial Structure

	1Q2010		1Q2009	
	Thousand Baht	%	Thousand Baht	%
Total Revenue	4,321,544	100%	2,949,944	100%
Total Cost	2,992,606	69%	2,175,604	74%
Average Gross Margin	1,328,938	31%	774,340	26%
SG&A (% of Total Revenue)	704,799	16.3%	522,562	17.7%
• Selling Expenses	314,162	7.3%	226,397	7.7%
• Administrative Expenses	354,692	8.2%	260,314	8.8%
• Management's Remuneration	35,945	0.8%	35,851	1.2%
EBIT	624,139	14%	251,778	9%
Effective Tax Rate	232,317	41%	107,433	47%
Net Profit	339,055	8%	119,621	4%

With 46% increasing compare with the same quarter of last year, total revenue was at 4,322 million baht. While net profit was at 339 million baht, or 8% of total revenue.

Revenue Growth

Revenues	1Q2010	%	1Q2009	% YoY
Property Development	4,144	96%	2,815	47%
Project for Sale	4,087	94.6%	2,757	48.2%
Project for Rent	57	1.3%	58	-1.7%
Property Services	149	3%	108	38%
Business Management	110	2.5%	87	26.4%
Other Property Services	39	0.9%	21	85.7%
Other Revenues	29	1%	27	7%
Total Revenues	4,322	100%	2,950	47%

(Unit : Million Baht)

Due to the successful of project launched and tax privilege expired on March 2010, revenue from property development for sale was increasing by 46% comparing with the first quarter of 2009, contributed around 96% of total revenue. Furthermore, the revenue from property services was also increasing by 26% in consequence of the increasing of project under management and monthly fee. The revenue from property service was contributed around 3%, and only 1% of total revenue or 29 million baht contributed from other revenue.

Revenue from Project sales

Quarterly Presales	1Q2010	%	1Q2009	%	% YoY
Single Detached Houses	1,884.8	46.1%	807.6	29.3%	133.4%
Townhouses	764.6	18.7%	229.1	8.3%	233.7%
Condominiums	1,425.3	34.9%	1,719.9	62.4%	-17.1%
Others	11.9	0.3%	-	-	-
Total	4,086.7	100%	2,756.6	100%	48.3%

(Unit: Million Baht)

The proportions of revenue from property development for sale was noticeable vary comparing quarter by quarter between 2009 and 2010. The proportion of revenue from single-detached house and townhouse was growing from 37.6% from first quarter of 2009 to 64.8% of the first quarter of this year. While, the proportion of revenue from condominium was reducing from 62.4% to 34.9% this year. The growth of revenue from single-detached house and townhouse was caused by the increasing of projects launched on last year, totally 13 projects compare with only 3 condominium projects launched, Quattro by Sansiri, The Vertical Aree, and blocs 77.

The 1,040 million baht revenue from six single-detached house projects; Setthasiri Prachachuen, Setthasiri Wongwaen-Ramindra, Burasiri Ngamwongwan-Prachachuen, Burasiri Ratchapruek, Saransiri Ramindra, and Habitia Panyaindra., altogether contributed 25% of total revenue from property development. The biggest contributor to revenue from townhouse were Townplus Kaset-Navamindra, Townplus Huamark, and Townplus Ratchapruek-Charunsanitwong, with total amount of 421 million baht or 10% of revenue from property development for sale.

The proportion of revenue from condominium projects was mostly contributed from two completed projects; Siri at Sukhumvit and Baan Sansuk , and other three projects under construction; Hive Sathorn, Quattro by Sansiri and Thirty Nine by Sansiri, totally 841 million baht or 21% of revenue from property for sale.

Revenue form Property for Rent

In this quarter, the revenue from rental business amounted to 57 million baht which slightly changed from 1Q2009. Thereby, the overall of revenue from project rents rather certain in this year.

Revenue from Property Services & Property Management

In the first quarter of 2010, revenue from business management was 149 million baht, a significant increase of 38% over the same period in 2009. The revenue was contributed from business management by 110 million baht and hotel business and service amounted to 39 million baht. The growth of revenue from business management was driven by the increasing number of project and monthly management fee under management of Plus Property Company Limited and Touch Property Company Limited. The revenue from other property service was improved because of the revenue from Satit Pattana School.

Cost of Project Sales, Selling and Administrative Management

Due to the efficient cost controlling and economy of scale with an increase in number of projects launched, the gross profit margin was 31% of total revenue, increasing 26% compare with the same period of last year. Selling, General and Administrative expense was also enjoy the economy of scale from an increase in number of projects, it was improved around 2%, to be 16% of total revenue on this quarter.

Net Profit

In first quarter of 2010, net profit was recorded at 339 million or 8% of total revenue, significant increasing for 183% over the same quarter of last year. The growth was a result of efficient cost controlling and economy of scale.

The effective tax rate was at 41% of earnings before tax, decreasing from 47% compares with the first quarter of 2009. We target the effective tax rate will be lower in the next quarter, and stand around 35% for this year. The reason caused by the miss match from different between revenue realized by percentage of progress and percentage of transfer will be lower.

Assets and Liabilities

Sansiri Public Company Limited and its subsidiaries
Balance sheets (Summary)

	Consolidated financial statements	
	31 March 2010	31 December 2009
Total current assets	23,363,383	21,651,478
Total non-current assets	3,804,253	3,723,178
Total assets	27,167,636	25,374,656
Total current liabilities	9,867,374	10,043,743
Total non-current liabilities	6,854,707	5,206,813
Total liabilities	16,722,081	15,250,556
Total shareholders' equity	10,445,555	10,124,100
Total liabilities and shareholders' equity	27,167,636	25,374,656

(Unit: Thousand Baht)

As of March 31, 2010, total assets of Sansiri and Subsidiaries amounted to 27,167 million baths, a 1,793 million baths increase from December 31, 2009, mainly due to the increase in accounts receivable , notes receivable and unbilled completed work.

Total Liabilities of Sansiri Group increased 1,472 million baht to 16,722 million baths as of March 31, 2010. Total current liabilities decreased 176 million baht ; on the other hand, total non current liabilities increased 1,648 million baht mainly driven by the issuance of 1,000 million baht three-year seven-month twenty days unsecured debenture with fix coupon rate of 4.9% per annual. The debt-to-equity ratio slightly increased from 1.44 times to 1.54 times on March 31, 2010 with the interest-bearing debt-to-equity ratio of 1.15 times.