SANSIRI

QUARTERLY NEWSLETTER
Issue No. 3/2011

Ticker Symbol : **SIRI** Reuters : **SIRI.BK** Bloomberg : **SIRI TB** Primary Exchange : **THE STOCK EXCHANGE OF THAILAND**

Key Stock Data

2Q11	01 Apr 11	30 Jun 11	% change
Siri Price (Baht/Share)	5.75	4.72	-17.9%
Property Sector Index	153.09	142.23	-7.1%
SET Index	1064.35	1,041.48	-2.1%
Avg Daily Turnover (Mil Baht)		3.63	
Avg Daily Turnover (Mil Shares)		18.74	

As of 27-October-2011	
Issued Shares (Mil Shares)	7,053
Estimated free float	45.60%
SIRI Price (Baht/Share)	1.10
Market Cap (Mil Baht/ Mil US$)	7,759/251

Major Shareholders (%)	สิ้นสุดวันที่ 27 ตุลาคม 2554
MR. SRETTHA THAVISIN GROUP	18.06%
Thai NVDR Limited	16.79%
CHASE NOMINEES LIMITED 42	7.44%
VIRIYAH INSURANCE CO., LTD.	6.25%
UBS AG SINGAPORE BRANCH	5.68%

Management Discussion and Analysis
2Q2011 : 320 million baht Net Profit with Net Profit Margin 7%

Financial Structure

	3M2011 30 Jun 11 Million Baht	%	3M2010 30 Jun 10 Million Baht	%	6M2011 30 Jun 11 Million Baht	%	6M2011 30 Jun 11 Million Baht	%
Total Revenue	**4,313**	**100**	**3,921**	**100**	**7,952**	**100**	**10,761**	**100**
Total Cost	2,895	67	2,777	71	5,289	67	7,339	68
Gross Profit	1,418	33	1,144	29	2,663	33	3,422	32
SG&A	**3,781**	**88**	**3,601**	**92**	**7,008**	**88**	**8,814**	**82**
• Selling Expense	420	9.7	403	10.3	842	10.6	662	6.2
• Administrative Expense	478	11.1	368	9.4	889	11.2	712	6.6
• Other Expense	-12	-0.3	54	1.4	-12	-0.1	100	0.9
EBIT	**532**	**12**	**320**	**8**	**944**	**12**	**1,947**	**18**
Finance Cost	-48	-1	-63	-2	-91	-1	-116	-1
EBT	**484**	**11**	**257**	**7**	**854**	**11**	**1,831**	**17**
Effective Tax Rate	-164	-34	-159	-62	-317	-37	-391	-21
Net Profit	**320**	**7**	**99**	**3**	**536**	**7**	**1,440**	**13**

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2Q2011 total revenue amounted to 4,314 million baht, increased 10% from 3,921million baht in 2Q2010, mainly driven by the increasing in revenue from project for sale 10%, business management 15% and other property service 24%. For six-month performance of 2011, total revenue decreased by 26% to 7,952 million baht from 10,761 million baht of 6M2010.
The decreasing was an affect from forward transfer in first half of 2010, when the business tax incentive expired on Mar-10, and transfer fee incentive expired on Jun-10.

Revenue Growth

	2Q1011 30 Jun 11 Million Baht	%	2Q2010 30 Jun 10 Million Baht	%	6M 2011 30 Jun 11 Million Baht	%	6M 2011 30 Jun 10 Million Baht	%
Property Development	**4,126**	**96**	**3,762**	**96**	**7,586**	**95%**	**10,423**	**97%**
• Project for Sale	4,087	95	3,711	95	7,505	94	10,316	96
• Project for Rent	39	1	51	1	81	1	107	1
Property Services	**147**	**3**	**125**	**3**	**300**	**4**	**274**	**3**
• Business Management	112	3	97	2	215	3	207	2
• Other Property Services	35	1	28	1	85	1	67	1
Other Revenues	**40**	**1**	**35**	**1**	**66**	**1**	**64**	**1**
Total Revenue	**4,313**	**100**	**3,922**	**100**	**7,952**	**100**	**10,761**	**100**

Revenue from Property Development

1. Revenue from Project sales

Presales	2Q1011 30 Jun 11 Million Baht	%	2Q2010 30 Jun 10 Million Baht	%	6M 2011 30 Jun 11 Million Baht	%	6M 2011 30 Jun 11 Million Baht	%
Single Detached House	1,834	44.9	1,594	43.0	3,303	44.0	3,625	35.1
Townhouse/ Shop House	678	16.6	847	22.8	1,259	16.8	1,654	16.0
Condominiums	1,558	38.1	1,269	34.2	2,926	39.0	5,025	48.7
Others	17	0.4	0	0.0	17	0.2	12	0.1
Total	**4,087**	**100**	**3,711**	**100**	**7,505**	**100**	**10,316**	**100**

Total revenues from property sales in 2Q2011 rose around 10% from 2Q2010, the total of 4,087million baht consisted of 1,834million baht or 45% from single detached house, 678million baht or 17% from townhouses, and the rest 1,558 million baht or 38% from condominium project. Six month of total revenues from property sale reported at 7,505 million baht, mainly contributed from single detached house and condominium projects.

For the first half of 2011, revenue from single detached house project were mainly from 4 key projects totally 1,375 million baht or 18% of revenue from property sales, namely Baan Sansiri –Sukhumvit 67, SetthasiriChaiyapruk-Changwattana, Habitia Panya-Ram Indra 2, and Burasiri Ygamwongwan-Changwattana. Revenue from town house projects primary driven from 3 projects amounting 683 million baht or 9% of revenue from property sales, namely Town Plus X-Prachachuen, Town Plus Kaset-Navamindra, and Habitia Wongwan-Ramindra.

The revenue from condominium in first half of 2011 reduced from 49% in 6M2010 to 39% in 6M2011, since the numbers of condominium projects that complete to transfer were only 4 projects . Revenue from condominium project were mainly from 4 projects namely Hive Sathorn, 39 by Sansiri, The Verticle Aree and Hive Taksin, amounting 2,828 million baht or 38% of revenue from property sales.

2. Property Development for rent

2Q2011 revenues from rental property dropped by 24% to 39 million baht from 51 million baht in 2Q2010. The mainly reason was from the ending of two projects Baan Sansiri Sukhumvit 67 and Siri Apartment. Therefore the 6M2011 revenues from rental property also dropped from 108 million baht in 6M2010 to be 81 million baht.

Property Services and Management

1. Property Service

Revenue from other property service is comprised with revenue from S Medical spa, hotel and Satit Pattana school. In 2Q2011, the revenue from other property service increased around 25% from 2Q2010, to be 35 million baht. The main reason was from the increasing of S Medical spa clients, the revenue of S Spa rose up around 55% from 2Q2010.

For 6M 2011, the revenue of school was the main driven, increasing around 40% from 30 million baht in 6M2010 to be 42 million baht, since the number of students increasing rapidly.

2. Business Management

According the increase in number of properties under Plus Property company limited and Touch Property company limited, revenue from business management in 2Q2011 increased around 15% from 97 million baht in 2Q2010 to be 112 million baht, while 6M2011 revenue from business management was slightly increase around 4% from 6M2010

Cost of project Sale and Selling, General and Administration Expenses.

2Q2011 gross profit margin was at 32.7%, sharply increased from 29.5% from that of 2Q2011. The improvement in gross profit margin due to the increase in gross margin of condominium and single detached house rapidly. 6M2011 gross profit margin was also increased to 33.4% compare with 32% of 6M2010 from the efficient construction management and the quality of construction. Most of condominium which completed and transferred the ownership in first half of 2011, completed the construction faster than the schedule around 1-2 months. In the meanwhile, the technologies of construction also help to shorten the construction period of single detached house and townhouse projects. As a result of reduction in finance cost, and increasing in gross profit margin.

2Q2011 SG&A expense was at 898 million baht, increased around 16% from 771 million baht in 2Q2010. For 6M2011, the SG&A was reported at 1,731 million baht, rose up 26% from 1,374 million baht of 6M2010.

In 2Q2011, the selling expense amounted at 420 million baht or 9.7% of total revenue, which slightly increased from 403 million baht in 2Q2010. The selling expense of 6M2011 also increased around 27% from 662 million baht to 842 million baht, which accounted for 10.6% of total revenue. The expiration of business tax in 1Q2010, and transfer fee in 2Q2010 mainly pressured the increasing in selling expense.

Administrative expense in 2Q2011 rose up 30% from 368 in 2Q2010 to be 478 million baht, as a result of 6M2011 amounted at 889 million baht or 11.2% of total revenue compare with 712 million baht of 6M2010. The increasing of administrative was subjected to the business expansion. However, the higher in term of percentage was an impact of lower revenue in first half of 2011 compare with 2010.

Net Profit

Net profit after tax of 2Q2011 was reported at 320 million baht or 7.4% of total revenue, so the 6M2011 net profit was accumulated to 536 million baht or 6.7% of total revenue. 6M2011 net profit was lower than those of 6M2010, which reported at 1,440 million baht. The main reasons were from the lower revenue, and business expansion. Furthermore, the miss match of revenue and corporate income tax still pressured the net profit margin; the effective tax rate 2Q2011 tax rate was at 37.1%, slightly decreased from 41.4% in Q12011.

Assets and Liabilities

As of 30th June 2011, total asset were 32,864 million baht, increased 1,674 million baht from that of 31st December, due to the increasing in unbilled completed work around 2,275 million baht. In the meanwhile, cash and equivalent item was decreasing around 1,813 million baht, because of land acquisition and business activities. Total current assets increased 1,771 million baht to be 29,461 million baht.

Sansiri Public Company Limited and its subsidiaries

Balance sheets (Summary)

	Consolidated financial statements	
	30 June 2011	30 June 2010
Total current assets	29,461,230	27,693,963
Total non-current assets	3,402,458	3,496,493
Total assets	**32,863,688**	**31,190,456**
Total current liabilities	13,513,396	10,746,631
Total non-current liabilities	9,477,496	10,996,158
Total liabilities	**22,990,892**	**21,742,789**
Equity attributable to owners of the Company	9,873,375	10,130,573
Non-controlling interests of subsidiaries	(579)	(6,473)
Total shareholder's equity	**9,872,796**	**9,447.667**
Total liabilities and shareholder's equity	**32,863,688**	**31,190,456**

(unit: Baht)

Total liability increased by 1,248 million baht from 31st December 2010 to be 22,991 million baht, included with the increasing in current liabilities 2,766 million baht, while the non-current liabilities decreased 1,519 million baht. The primary caused by the re-category of long term promissory note and debenture from long term liability to be current liability. According to the business expansion, as of 30th June 2011, the interest bearing debt was 16,306 million baht, increasing from 14,677 million baht as of 31st December 2010. The Debt to Equity (D/E) and gearing ratio slightly increased from 2.30 and 1.55x as of December 2010 to be 2.33x and 1.65x respectively.