

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

Key Stock Data

1Q2013	29 Mar 13	28 Dec 12	%Y-o-Y
SIRI Price (baht/share)	4.78	3.52	35.80
Property Sector Index	356.33	258.58	37.80
SET Index	1,561.06	1,391.93	12.15
Avg Daily Turnover (THB million)	566.83	242.81	133.44
Avg Daily Turnover (million shares)	124.16	75.14	65.25

As of 29 March 2013	
Listed Share (million shares)	8,384
Estimated Free Float (%)	75.14
SIRI Price (baht / share)	4.78
Market Capitalisation (THB million / USD million)	40,078 / 1,374

Major Shareholders	As of 18 March 2013
MR. SRETTA THAVISIN GROUP	12.96 %
VIRIYAH INSURANCE COMPANY LIMITED	6.81 %
THAI NVDR COMPANY LIMITED	5.23 %
MR. APICHART CHUTRAKUL	3.13 %
HSBC (SINGAPORE) NOMINEES PRIVATE LIMITED	3.10 %

Management Discussion and Analysis

Profit and loss statement	1Q2013		1Q2012		%Y-o-Y
	THB million	%	THB million	%	
Total Revenue	5,180	100.00	5,182	100.00	-0.04
Total Cost	3,477	67.12	3,374	65.11	3.05
Gross Profit	1,703	32.88	1,808	34.89	-5.81
Selling, General and Administrative Expenses	1,644	31.73	1,286	24.82	27.84
• Selling Expenses	1,006	19.42	700	13.51	43.71
• Administrative Expenses	655	12.64	586	11.31	11.77
• Others Expenses	-17	-0.34	-	-	-
Earnings before Interest Expense and Taxes	59	1.14	522	10.07	-88.70
Finance Cost	133	2.57	95	1.83	40.00
Earnings before Taxes	-73	-1.41	427	8.24	-117.10
Income Tax	13	17.81	105	24.59	-87.62
Profit (Loss) for Period	-86	-1.66	322	6.21	-126.71

Note: All percentage figures in the above table represent percentages of total revenue, except in the case of income taxes, which has been calculated as a percentage of earnings before taxes

Total Revenue

In 1Q2013, Sansiri and its subsidiaries generated total revenue of 5,180 million baht, a 0.04% reduction from the 5,182 million baht generated in 1Q2012. This was influenced by decreases in revenue from project sales and project rentals of 0.3% and 7% respectively. However, the core revenue stream generated from project sales, accounted for 94% of total revenue.

Total Revenue	1Q2013		1Q2012		%Y-o-Y
	THB million	%	THB million	%	
Revenue from Project Sales	4,873	94.10	4,885	94.30	-0.25
Revenue from Project Rentals	39	0.80	42	0.80	-7.14
Revenue from Business Management	125	2.40	119	2.30	5.04
Revenue for Other Services	73	1.40	64	1.20	14.06
Other Revenue	70	1.30	73	1.40	-4.11
Total Revenue	5,180	100.00	5,182	100.00	-0.04

Note: All percentage figures in the above table represent percentages of total revenue

Revenue from Project Sales

Revenue from project sales in 1Q2012 and 1Q2013 can be separated by product type and compared as follows.

Revenue from Project Sales	1Q2013		1Q2012		%Y-o-Y
	THB million	%	THB million	%	
Single-detached Houses	2,096	43.00	1,899	38.87	10.37
Townhouses	479	9.84	1,029	21.07	-53.43
Condominiums	2,298	47.16	1,955	40.03	17.55
Others	-	-	2	0.03	-100.00
Total Revenue from Project Sales	4,873	100.00	4,885	100.00	-0.23

Note: All percentage figures in the above table represent percentages of revenue from project sales

Revenue from project sales in 1Q2013 was slightly lower, having decreased by approximately 0.23%, compared to that generated in 1Q2012. This reduction was driven by a dramatic fall in revenue from townhouse projects, whereas revenue from single-detached house and condominium projects increased. In 1Q2013, Sansiri and its subsidiaries produced revenue of 2,298 million baht from condominium projects, accounting for 47% of project sales revenue, and revenue of 2,096 million baht from single-detached house projects, accounting for 43% of project sales revenue, and revenue of 479 million baht from townhouse projects, accounting for 10% of project sales revenue.

Revenue from single – detached house projects in 1Q2013 amounted to 2,096 million baht – an increase of 10% from the 1,899 million baht generated in 1Q2012. 4 key single-detached house projects, namely, Setthasiri Chaengwattana – Prachachuen, Habitia Watcharaphol, Setthasiri Watcharapol and Setthasiri Chaiyaphruek – Chaengwattana, together generated a total of 751 million baht and accounting for 15% of project sales revenue.

On the other hand, revenue from townhouse projects decreased by 53% compared to 1Q2012, leading to a decline in the proportion of revenue accounted for by townhouse project sales, from 21% to 10%. The main revenue stream, dependent on 4 projects, amounted to 254 million baht and accounted for 5% of project sales revenue. The project which generated the highest revenue in 1Q2013 was Habittown Fold Tiwanon – Chaengwattana.

Revenue from condominium projects had increased by 18% to 2,298 million baht from 1,955 million baht in 1Q2012. The 5 key projects were PYNE by Sansiri, dcondo Ramkhamhaeng 64, WYNE by Sansiri, KEYNE by Sansiri and Chelona Khao Tao – with revenue from these projects totaling 1,213 million baht and accounting for 25% of project sales revenue.

Revenue from Business Management and Other Services

In 1Q2013, Sansiri's revenue from project rentals was recorded at 39 million baht, a slight decrease from the 42 million baht generated in 1Q2012. Conversely, revenue from business management improved, increasing by approximately 5%, from 119 million baht in 1Q2012 to 125 million baht in 1Q2013. This was primarily the result of an increase in client and revenue from asset management under Plus Property. Furthermore, Sansiri also produced revenue from other services, including - medical spa, hotel management, and school management. Total revenue of 73 million baht was recorded in 1Q2013 – an increase of 14% from the 64 million baht generated in 1Q2012. Revenue from medical spa was the major contributor; able to superbly satisfy clients' needs, the new product resulted in an increased number of clients. Increased revenue from school management also contributed.

Cost of Goods Sold

In 1Q2013, the cost of project sales was booked at 3,313 million baht, which was 3% greater than the amount booked in 1Q2012. Consequently, the increase in cost of project sales together with the decrease in revenue from project sales reduced the gross margin in 1Q2013 to 32.01%. The main reason for this was a shortage of labour which resulted in higher labour management cost being accrued in order to deliver projects on time. The cost of project rentals was reduced by 1%; however, the cost of business management increased from 72 million baht in 1Q2012 to 78 million baht in 1Q2013, corresponding to the increase in revenue from business management. Furthermore, the cost of other services, including - medical spa, hotel management and school management, increased by 9% from 1Q2012, owing to the purchasing of school equipment to serve the additional number of students.

Selling, General and Administrative Expenses

Selling and administrative expenses in 1Q2013 totalled 1,661 million baht and accounted for 32% of total revenue – an increase from 25% of total revenue in 1Q2012. Selling expenses in 1Q2013 amounted to 1,006 million baht, accounting for 19% of total revenue, which was higher than selling expenses in 1Q2012 of 700 million baht, which only accounted for 14% of total revenue. The increase in selling expenses was mostly due to increased selling and marketing expenses of 17 projects launched in 1Q2013. Consequently, a mismatch between selling expenses and revenue recognition occurred, as these selling expenses were booked within the quarter 1Q2013, whereas revenue from project sales was unable to be booked unless the units sold were transferred. However, a large amount of selling expenses was reflected in relation to the remarkable presales achieved in 1Q2013 of more than 20,000 million baht. Contrarily, administrative expenses (including executives' salaries) totalled 655 million baht, having increased from 586 million baht in 1Q2012, which corresponded with business expansion and an additional number of projects. Administrative expenses accounted for 12.6% of total revenue, which was a slight increase from 1Q2012.

Finance Cost

Finance cost in 1Q2013 was booked at 133 million baht, up from 95 million baht in 1Q2012. The main contributing factor to this increase was the land bank that Sansiri purchased during 4Q2012; still works in progress; the land was at marketing plan stage and in process of being design. Hence, all interest expenses on the land could not be booked as project sales cost, leading to higher finance cost in 1Q2013.

Net Profit (Net Loss)

In 1Q2013, Sansiri and its subsidiaries recorded a net loss of 86 million baht 127% vastly dropped compare to net profit of 322 million baht. Net loss in 1Q2013 resulted from a 44% increase in selling expenses of 307 million baht from the first quarter of the previous year. The additional expenses were due to increases in marketing and sales promotion expenses of 184 million baht and 144 million baht respectively, as well as reduction in transfer fees and taxes of 22 million baht. However, the additional expenses also brought about a record-breaking presales figure in 1Q2013 of over 20,000 million baht, which is more than double the previous records. These presales will gradually be realised as revenue over the next 1 – 2 years. Income tax in 1Q2013 accounted for 18% of earnings before income tax.

Total Assets

Balance Sheet	As of 31 Mar 13		As of 31 Dec 12		%Y-o-Y
	THB Million	%	THB Million	%	
Assets					
- Current Assets	44,922	89.10	41,073	88.71	9.37
- Non-current Assets	5,495	10.90	5,229	11.29	5.09
Total Assets	50,417	100.00	46,302	100.00	9.80
Liabilities and Shareholders' Equity					
Liabilities					
- Current Liabilities	18,303	36.30	18,173	39.25	0.72
- Non-current Liabilities	16,358	32.45	13,103	28.30	24.84
Total Liabilities	34,661	68.75	31,276	67.55	11.17
Shareholders' Equity					
- Shareholders' Equity	15,756	31.25	15,026	32.45	4.86
Total Liabilities and Shareholders' Equity	50,417	100.00	46,302	100.00	8.89

Note: All percentage figures in the above table represent percentages of total assets

As of March 31, 2013, Sansiri and its subsidiaries recorded total assets of 50,417 million baht – a 4,115 million baht increase from total assets as of December 31, 2012. This was due mainly to an increase in property development for sale worth 3,769 million baht, as Sansiri had many projects that were still under construction to deliver to clients. Furthermore, an increase in deposits for land and purchase

of assets also contributed to the increase in current assets as of March 31, 2013 amounting to 44,922 million baht, which was 3,849 million baht more than current assets as of December 31, 2012. Moreover, non-current assets as of March 31, 2013, amounted to 5,495 million baht, having increased by 266 million baht since December 31, 2012. This was partly due to an increase in land, building and equipment.

Total Liabilities

Total liabilities of Sansiri and its subsidiaries as of March 31, 2013 amounted to 34,661 million baht, having increased by 3,385 million baht since December 31, 2012. This consisted of current liabilities of 18,303 million baht – a 130 million baht increase from the end of the previous year and non – current liabilities of 16,358 million baht, which had also since increased by 3,255 million baht. This increase in total liabilities was resultant of issuing unsecured debenture in January 2013, worth a total value of 3,000 million baht, 5 – year to maturity rate and fixed interest of 4.99% per annum. Cash flow received from issuing debenture would be used as a new source of funds in order to maintain the company's growth, as well as to diversify interest rate risk by relying more on the fixed interest rate.

Nonetheless, Sansiri and its subsidiaries, as of March 31, 2013, booked an interest bearing debt of 27,521 million baht, which was higher than 24,005 million baht booked at the end of last year. The debt to equity ratio was equalled 2.20 and the gearing ratio was 1.75.

Shareholders' Equity

Shareholders' equity as of March 31, 2013 was equalled to 15,756 million baht – 730 million baht more than shareholders' equity as of December 31, 2013. This higher figure was consequence of an increase in paid-up capital from exercising ESOP#5, ESOP#6 and SIRI-W1, amounting to 537 million baht, as well as an increase in call in arrears of 277 million baht. The company also booked additional inappropriate retained earnings of 190 million baht owing to the change in tax accounting standards. However, as a result of net loss of 86 million baht, inappropriate retained earnings were only increased by 103 million baht.

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