

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

Key Financial Data

4Q2013	27 Dec 13	30 Sep 13	% Change
SIRI Price (Baht/Share)	1.79	2.30	-22.17
Property Sector Index	233.91	270.73	-13.60
SET Index	1,298.71	1,383.86	-6.15
Avg Daily Turnover (Mil Baht)	44.82	316.55	-85.93
Avg Daily Turnover (Mil Shares)	25.26	137.85	-81.68

As of 27 Sep 2013	
Issued Shares (Mil Shares)	9,531
Estimated free float	75.14
SIRI Price (Baht/Share)	1.79
Market Cap (Mil Baht/ Mil US\$)	17,065 / 525

Major Shareholders as of 18 Mar 2013	%
MR. SRETTA THAVISIN GROUP	12.96
THAI NVDR COMPANY LIMITED	6.81
Viriyah Insurance Public Company Limited	5.23
Mr. Apichart Chutrakul	3.13
HSBC (SINGAPORE) NOMINEES PTE LTD	3.10

Sansiri Public Company Limited and its subsidiaries

Profit and loss Statement (summary)

	2013		2012		% Change
	Million Baht	%	Million Baht	%	
Total Revenues	28,987	100.0	30,087	100.0	-3.7
Total Costs	19,268	66.5	19,903	66.2	-3.2
Gross Profit	9,719	33.5	10,184	33.8	-4.6
SG&A	6,790	23.4	5,963	19.8	13.9
▪ Selling Expenses	3,956	13.6	3,289	10.9	20.3
▪ Administrative Expenses	2,852	9.8	2,745	9.1	3.9
▪ Other Expenses	-18	-0.1	-70	-0.2	-74.9
EBIT	2,929	10.1	4,221	14.0	-30.6
Finance Cost	616	- 2.1	328	1.1	88.0
EBT	2,313	8.0	3,893	12.9	-40.6
Effective Tax Rate	384	16.6	954	24.5	-59.8
Profit (loss) for period	1,929	6.7	2,938	9.8	-34.4

Note: Proportion in table above is shown as percentage to total revenues, except effective tax rate which is shown as percentage of EBT

Total Revenues

	2013		2012		% Change
	Million Baht	%	Million Baht	%	
Revenues from Project					
Revenues from project sales	27,724	95.6	28,954	96.2	-4.2
Revenues from projects for rent	126	0.4	157	0.5	-19.6
Revenues from property services					
Revenues from business management	500	1.7	473	1.6	5.7
Revenues from other services	246	0.9	236	0.8	4.3
Other Revenues	390	1.3	266	0.9	46.6
Total revenues	28,987	100.0	30,087	100.0	-3.7

Note: Proportion in table above is shown as percentage to total revenues

Total revenue in 2013 amounted to 28,987 Million Baht, decreased by 4 percent from 30,087 Million Baht in 2012. The decrease in total revenue was caused by the decrease in revenue from project sales and revenue from projects for rent which dropped by 4 percent and 20 percent respectively. In this regard, revenue from project sales remained the core revenue representing 96 percent of total revenue. For the year 2013, Sansiri and its subsidiaries reported net profit of 1,929 Million Baht, a 34 percent decrease from 2,938 Million Baht in 2012. The main factor was the decrease in total revenue and the increase in operating expense.

Revenues from Project Sales

	2013		2012		% Change
	Million Baht	%	Million Baht	%	
Single-Detached House	10,166	36.7	9,406	32.5	8.1
Townhouse	2,367	8.5	4,635	16.0	-48.9
Condominium	15,157	54.7	14,804	51.1	2.4
Others	34	0.1	109	0.4	-68.8
Revenues from project sales	27,724	100.0	28,954	100.0	-4.2

Note: Proportion in table above is shown as percentage to revenues from project sales



In 2013, Sansiri and its subsidiaries recorded revenue from project sales at 27,724 Million Baht, or a 4 percent decrease from 28,954 Million Baht in 2012, due to the delay in transfer of ownership to customers. The political unrest in Thailand has affected some government agencies to pause their operations in some areas such as Phuket and Chiang Mai province. Consequently, the title deeds cannot be issued as planned resulting in the postponement of transfer of ownership of several housing projects. To the total revenue from project sales in 2013, 15,157 Million Baht revenue from condominium projects contributed 55 percent, 10,166 Million Baht revenue from single-detached house projects contributed 37 percent, with the balance of 2,367 Million Baht from townhouse projects contributed 8 percent.

Revenue from single-detached house projects in 2013 amounted to 10,166 Million Baht, an 8 percent increase from that of the year 2012. The brand “Setthasiri” and “Habitia” were the main contributors to revenue from single-detached house projects in 2013, representing 24 percent of total revenue from project sales. The eight single-detached house projects under “Setthasiri” altogether contributed 4,276 Million Baht whereas the nine single-detached house projects under “Habitia” altogether contributed 2,500 Million Baht. In this regard, Setthasiri Chaengwattana -Prachachuen was the biggest contributor to revenue from single-detached house projects in 2013 amounted to 1,284 Million Baht.

In 2013, revenue from townhouse projects amounted to 2,367 Million Baht, decreased by 49 percent from the previous year. The main contributors were the 848-Million Baht revenue from eight townhouse projects under the brand "Town Avenue" together with the 694-Million Baht revenue from four townhouse projects under the brand "Habitown". The biggest contributors to revenue from townhouse projects in 2013 were Habitown Fold Tiwanon-Chaengwattana and Town Avenue 60's Vibhavadi 60. Nonetheless, the proportion of revenue from townhouse projects has been declining in respect of the investment plan with decreasing portion of townhouse projects to 5 to 10 percent of total portfolio value.

In this regard, revenue from condominium projects increased from 14,804 Million Baht in 2012 to 15,157 Million Baht in 2013 with an increasing proportion of revenue from condominium projects from 51 percent of the total revenue from project sales in 2012 to 55 percent of the total revenue from project sales in 2013 correspondingly. An increase in revenue was driven by the transfer of ownership of the 12 newly completed condominium projects together with the 11 condominium projects that were completed and started transfer since the fourth quarter of last year. The major contributor was revenue from six condominium projects, including ONYX Phaholyothin, The BASE Chaengwattana, The BASE Sukhumvit 77, WYNE Sukhumvit, CEIL by Sansiri, and Baan Sankraam, altogether contributed 8,058 Million Baht or 29 percent to the total revenue from project sales.

Revenue from Property Service

Revenue from projects for rent decreased from 157 Million Baht in 2012 to 126 Million Baht due to the expiry of the rental contract of Bhakdi Building in July 2013. Revenue from business management was 500 Million Baht, a 6 percent increase from 473 Million Baht in 2012; mainly due to the larger customer base of asset management and property management which were managed by Plus Property Company Limited. Similarly, revenue from other services including revenue from medical spa business, hotel business, and education business, was 246 Million Baht, a 4 percent growth from 236 Million Baht in the previous year, due to a 29 percent increase in revenue from education business from that of the year 2012. A significant growth in revenue from education business was driven by an increase in number of new students as well as an increase in tuition fees, leading to an upward trend of revenue for Sansiri.

Costs

	2013		2012		% Change
	Million Baht	%	Million Baht	%	
Cost of project sales	18,565	64.1	19,289	64.1	-3.8
Cost of projects for rent	71	0.2	71	0.2	- 0.1
Cost of business management	339	1.2	298	1.0	14.0
Cost of other services	293	1.0	246	0.8	19.0
Cost of goods sold	19,268	66.5	19,903	66.2	-3.2

Note: Proportion in table above is shown as percentage to total revenues.

Cost of Project Sales and Other Costs

For the year 2013, cost of project sales amounted to 18,565 Million Baht, a 4 percent decrease from that of the year 2012, in accordance with a decrease in revenue from project sales. Gross profit margin of project sales slightly dropped from 33.4 percent in 2012 to 33.0 percent in 2013 due to the higher construction cost incurred to manage on-time construction under the labour shortage situation. Cost of projects for rent in 2013 amounted to 71 Million Baht, close to that of the year 2012. Nevertheless, cost of business management grew up from 298 Million Baht in 2012 to 339 Million Baht in 2013, corresponding to an increase in revenue from business management. Cost of other services including medical spa, hotel business, and education business increased as well. The higher cost of education business was caused by the government's minimum wage for graduate students and English language school outsourcing. To improve the quality of English classes, the primary school outsources the English courses to British Council, the educational institution with expertise in teaching English language.

Selling, General and Administrative Expenses

Sansiri and its subsidiaries recorded selling and administrative expense in 2013 at 23 percent of total revenue, increased from 20 percent from that of the year 2012. Selling expenses in 2013 were at 3,956 Million Baht or 14 percent of total revenue, compared to 11 percent of total revenue or 3,289 Million Baht in 2012 due to the marketing expenses associated to the launches of 48 new projects, as well as the higher marketing expenses incurred from expansion to upcountry markets in order to create brand awareness among customers. These expenses were recorded in 2013 whereas revenue from project sales will be recognised in the future; hence, there were a discrepancy between the selling expenses and revenue

realisation. In this regard, percentage of selling expense to total revenue was quite high. Nonetheless, the higher marketing expenses investing by Sansiri were justified by the high presales of approximately 42,200 Million Baht in 2013. The administrative expenses (including management benefit expenses) in 2013 increased from that of the year 2012 in accordance with business expansion, or increased by 107 Million Baht to 2,852 Million Baht. The decrease in revenue base resulted in an increasing percentage of administrative expense to total revenue from 9 percent in 2012 to 10 percent in 2013 as well.

Financial Expense

In 2013, financial expense increased significantly from 328 Million Baht in 2012 to 616 Million Baht due to the interest expenses incurred by the undeveloped land plots, which were acquired in 2013 and still in the design and marketing process. In addition, the interest expense of complete condominium projects that were ready for transfer of ownership was included in the financial expenses as well.

Net Profit

For the year 2013, Sansiri and its subsidiaries reported net profit of 1,929 Million Baht, a 34 percent decrease from 2,938 Million Baht in 2012, with the net profit margin of 7 percent of total revenue, whereas operating profit margin was at 8 percent of total revenue. The main factor was the decrease in total revenue and the increase in operating expense which increased by 14 percent. An effective corporate income tax in 2013 was at 17 percent of earnings before corporate income tax.

Balance Sheet (summary)

	As of December 31 st , 2013		As of December 31 st , 2012		% Change
	Million Baht	%	Million Baht	%	
Asset					
Current assets	52,957	88.2	41,073	88.4	28.9
Non-current assets	7,083	11.8	5,421	11.6	30.6
Total asset	60,040	100.0	46,495	100.0	29.1
Liabilities and shareholders' equity					
Liabilities					
- Current liabilities	19,388	32.3	18,173	39.1	6.7
- Non-current liabilities	23,584	39.3	13,097	28.2	80.1
Total liabilities	42,972	71.6	31,270	67.3	37.4
Shareholders' equity					
- Shareholders' equity	17,068	28.4	15,225	32.7	12.1
Total shareholders' equity	17,068	28.4	15,225	32.7	12.1
Total liabilities and shareholders' equity	60,040	100.0	46,495	100.0	29.1

Note: Proportion in table above is shown as percentage to total assets

Assets

Total assets of Sansiri and its subsidiaries as of 31 December 2013 amounted to 60,040 Million Baht, an increase of 13,545 Million Baht from that of 31 December 2012. Following the successful business expansion and construction progress of housing units to be transferred to customers in the future, the property development for sale increased significantly by 11,355 Million Baht and the advance payment to contractors increased by 1,796 Million Baht accordingly. As a result, current assets as of 31 December 2013 was at 52,957 Million Baht, increased by 11,884 Million Baht from that of 31 December 2012. Total non-current assets as of 31 December 2013 was at 7,083 Million Baht, increased by 1,661 Million Baht from that of 31 December 2012 due to an increase in land held for development and land, building and equipment.

Liabilities

Total liabilities of Sansiri Group amounted to 42,972 Million Baht as of 31 December 2013, an increase of 11,702 Million Baht over the same period of last year. Total current liabilities amounted to 19,388 Million Baht or increased by 1,215 Million Baht while total non-current liabilities increased by 10,487 Million Baht to 23,584 Million Baht. Sansiri issued four tranches of 5-year to 5.5-year unsecured debentures with debenture holders' representative in January, May, August, and October 2013, with total issuance of 7,000 Million Baht. The four tranches of debentures carry an average coupon rate of 4.95 to 5.20 percent per annum in order to accommodate business expansion while mitigate risk of higher interest rate in the future. Furthermore, unearned income increased by 974 Million Baht corresponding to an increase in sales value.

In this regard, the interest bearing debt increased from 24,005 Million Baht as of 31 December 2012 to 34,669 Million Baht as of 31 December 2013. The debt-to-equity ratio was 2.52 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 2.03 times. Nevertheless, Sansiri has been operating under restrictive financial covenants with gearing ratio less than 2.5 to 1.

Shareholders' Equity

Shareholders' Equity as of 31 December 2013 amounted to 17,068 Million Baht, an increase of 1,843 Million Baht from the previous year, mainly driven by the 2013 net profit of 1,930 Million Baht, together with payment received from the exercise of ESOP#5 and ESOP#6 allocating to directors and employees of Sansiri and its subsidiaries, and of SIRI-W1 amounted to 1,352 Million Baht. In addition, Sansiri paid out cash dividend of 1,425 Million Baht based on the 2012 financial result.

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