

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

## Key Financial Data

2Q2014	30 June 14	31 March 14	% Change
SIRI Price (Baht/Share)	2.02	1.89	6.88
Property Sector Index	290.59	257.89	12.68
SET Index	1,485.75	1,376.26	7.96
Avg Daily Turnover (Mil Baht)	115.09	94.89	21.28
Avg Daily Turnover (Mil Shares)	58.97	48.50	21.59

As of 30 June 2014	
Issued Shares (Mil Shares)	9,595
Estimated free float	84.9
SIRI Price (Baht/Share)	2.02
Market Cap (Mil Baht/ Mil US\$)	19.38 / 605

Major Shareholder as of 18 Mar 2014	%
Viriyah Insurance Public Company Limited	6.58
Thai NVDR Co., Ltd.	5.46
Littledown Nominees Limited 38	2.72
Mr. Wanchak Buranasiri	2.64
Finansa Life Assurance Co., Ltd.	2.61

## Sansiri Public Company Limited and its subsidiaries

### Profit and loss Statement (summary)

	2Q2014		2Q2013		1H2014		1H2013	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Total Revenues	6,144	100.0	7,703	100.0	11,646	100.0	12,884	100.0
Total Costs	4,108	66.9	5,140	66.7	7,058	60.6	8,617	66.9
<b>Gross Profit</b>	<b>2,036</b>	<b>33.1</b>	<b>2,564</b>	<b>33.3</b>	<b>4,587</b>	<b>39.4</b>	<b>4,267</b>	<b>33.1</b>
SG&A	1,249	20.3	1,789	23.2	2,614	22.4	3,432	26.6
▪ Selling Expenses	526	8.6	1,008	13.1	1,120	9.6	2,014	15.6
▪ Administrative Expenses	723	11.8	813	10.6	1,509	13.0	1,468	11.4
▪ Other Expenses	-0.3	-0.01	-32	-0.4	-15	-0.1	-50	-0.4
<b>EBIT</b>	<b>787</b>	<b>12.8</b>	<b>775</b>	<b>10.1</b>	<b>1,974</b>	<b>16.9</b>	<b>834</b>	<b>6.5</b>
Finance Cost	136	2.2	123	1.6	292	2.5	256	2.0
<b>EBT</b>	<b>651</b>	<b>10.6</b>	<b>652</b>	<b>8.5</b>	<b>1,682</b>	<b>14.4</b>	<b>579</b>	<b>4.5</b>
Effective Tax Rate	144	17.5	131	20.1	315	18.7	144	24.9
<b>Profit (loss) for period</b>	<b>537</b>	<b>8.7</b>	<b>521</b>	<b>6.8</b>	<b>1,367</b>	<b>11.7</b>	<b>434</b>	<b>3.4</b>

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

	2Q2014		2Q2013		1H2014		1H2013	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues from Project</b>								
Revenues from project sales	5,863	95.4	7,374	95.7	10,015	86.0	12,247	95.1
Revenues from projects for rent	26	0.4	35	0.5	48	0.4	74	0.6
<b>Revenues from property services</b>								
Revenues from business management	154	2.5	119	1.5	279	2.4	244	1.9
Revenues from other services	37	0.6	44	0.6	94	0.8	117	0.9
Other Revenues	64	1.0	132	1.7	1,210	10.4	201	1.6
<b>Total revenues</b>	<b>6,144</b>	<b>100.0</b>	<b>7,703</b>	<b>100.0</b>	<b>11,646</b>	<b>100.0</b>	<b>12,884</b>	<b>100.0</b>

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

Total revenue in 2Q-2014 amounted to 6,144 Million Baht, decreasing by 20 percent from 7,703 Million Baht in 2Q-2013. Compared to 2Q-2013, the decrease of total revenue in 2Q-2014 was caused by the 21 percent decrease in revenue from project sales, which was the core revenue, and the 27 percent decrease in revenue from rental projects. As of 6M2014, total revenue amounted to 11,646 Million Baht, a 10 percent decrease compared to 6M2013. However, the revenue from business management increased by 30 percent making the revenue from business management as of 6M2014 increased by 14 percent compared to the same period of last year. In 2Q-2014, Sansiri and its subsidiaries reported net profit of 537 Million Baht, a slight increase of 3 percent from net profit of 521 Million Baht in 2Q-2013 owing to the decrease in operating expense. As of 6M2014, the net profit had increased significantly from 434 Million Baht in 6M2013 to 1,367 Million Baht.

## Revenues from Project Sales

	2Q2014		2Q2013		1H2014		1H2013	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Single-Detached House	3,000	51.2	2,609	35.4	4,923	49.2	4,705	38.4
Townhouse	459	7.8	538	7.3	805	8.0	1,017	8.3
Condominium	2,391	40.8	4,210	57.1	4,273	42.7	6,508	53.1
Others	13	0.2	17	0.2	13	0.1	17	0.1
<b>Revenues from project sales</b>	<b>5,863</b>	<b>100.0</b>	<b>7,374</b>	<b>100.0</b>	<b>10,014</b>	<b>100.0</b>	<b>12,247</b>	<b>100.0</b>

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



In 2Q-2014, Sansiri and its subsidiaries reported declining revenue from project sales in townhouses/home office and condominiums projects, with a 21 percent decrease from that of 2Q-2013. As a result, the revenue from project sales as of 6M2014 decreased by 18 percent compared to 6M2013. To the total revenue from project sales in 2Q-2014, 3,000 Million Baht revenue from single-detached house projects contributed 51.2 percent, 2,391 Million Baht revenue from condominium projects contributed 40.8 percent, and the revenue of 459 Million Baht from townhouse projects contributed 7.8 percent. As of 6M2014, revenue from single-detached house projects increased by 5 percent whereas the revenue from condominium projects and townhouse projects decreased by 34 percent and 21 percent respectively.

Revenue from single-detached house projects in 2Q-2014 amounted to 3,000 Million Baht, a 15 percent increase from 2,609 Million Baht in 2Q-2013, and a 5 percent increase when comparing the revenue as of 6M2014 and 6M2013. In addition, the revenue from single-detached house was mainly from three projects, including Setthasiri Chaengwattana-Prachachuen, Narasiri Bangna, and Setthasiri Ratchapruek-Charun 2, altogether contributed 863 Million Baht or 15 percent of total revenue from project sales.

In 2Q-2014, revenue from townhouse projects amounted to 459 Million Baht, decreased from 538 Million Baht in 2Q-2013. The major contributor was 261-million baht revenue from four townhouse projects, namely Habitown Fold Tiwanon-Chaengwattana, Town Avenue 60's Vibhavadi 60, Habitown Kohkaew Phuket, and Town Avenue Cocos Rama II Soi 50. The revenue from townhouse projects as of 6M2014 declined by 21 percent, compared to that of 6M2013.

Similarly, revenue from condominium projects decreased by 43 percent, from 4,210 Million Baht in 2Q-2013 to 2,391 Million Baht in 2Q-2014. The revenue was from 3 major contributors; dcondo Campus Resort Rangsit, 23 Degree Condo, and dcondo Campus Resort. They contributed to the value of 1,031 Million Baht or 18 percent of the total revenue from project sales in 2Q-2014. As of 6M2014, the revenue from condominium projects decreased by 34 percent comparing to the same period of last year.

## **Revenue from Property Service**

The decrease in revenue from project for rent, from 35 Million Baht in 2Q-2013 to 26 Million Baht in 2Q-2014, was caused by the sale of Siripinyo Building in 1Q-2014 in which the revenue from office for rent was no longer recorded since Q2-2014. As a result, the revenue from project for rent as of 6M2014 decreased by 36 percent comparing to the same period of last year. In addition, revenue from business management amounted to 154 Million Baht, an increase of 35 Million Baht or 30 percent comparing to the same period of last year. As of 6M2014, the revenue from business management increased by 14 percent compared to the same period of last year. On the other hand, revenue from other services, including revenue from medical spa business, hotel business, and education business, was 37 Million Baht, a 15 percent decrease from 44 Million Baht in 2Q-2013, mainly due to the decrease in revenue from medical spa business. The operation of medical spa business was suspended upon the expiry of the rental contract of Bhakdi Building in July 2013. Consequently, there is no revenue from medical spa business recorded since 3Q-2013 onwards.

## Costs

	2Q2014		2Q2013		1H2014		1H2013	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Cost of project sales	3,904	63.55	4,982	64.7	6,668	57.3	8,295	64.4
Cost of projects for rent	15	0.2	16	0.2	36	0.3	35	0.3
Cost of business management	113	1.8	83	1.1	210	1.8	162	1.3
Cost of other services	76	1.2	59	0.8	145	1.2	126	1.0
<b>Cost of goods sold</b>	<b>4,108</b>	<b>66.9</b>	<b>5,140</b>	<b>66.7</b>	<b>7,058</b>	<b>60.6</b>	<b>8,617</b>	<b>66.9</b>

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

## Cost of Project Sales and Other Costs

In 2Q-2014, cost of project sales amounted to 3,904 Million Baht, a 22 percent decrease from that of 2Q-2013, in accordance with a decrease in revenue from project sales. As of 6M2014, the cost of project sales decreased by 20 percent compared to the same period of last year. Gross profit margin of project sales increased from 32.44 percent in 2Q-2013 to 33.40 percent in 2Q-2014 due to the high gross profit margin of condominium projects. As a result, gross profit margin as of 6M2014 increased to 33.42 percent. Cost of projects for rent in 2Q-2014 amounted to 15 Million Baht, close to that of 2Q-2013, whereas cost of business management increased from 83 Million Baht in 2Q-2013 to 113 Million Baht in 2Q-2014, and increased by 30 percent when comparing the cost as of 6M2014 and 6M2013. Cost of other services including medical spa, hotel business, and education business increased by 28 percent from 2Q-2013. The higher cost of education business was caused by English language school outsourcing in order to improve the quality of English classes. In this regard, 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 2Q-2014 at 1,249 Million Baht, accounted for 20.3 percent of the total revenue. The expense was decreased from 23.6 percent of total revenue in 2Q-2013. Selling expenses in 2Q-2014 were at 526 Million Baht or 8.6 percent of total revenue, significantly declined from 1,008 Million Baht or 13.1 percent of total revenue in 2Q-2013 due to the fewer launches. The overall economic slowdown and the declining consumers' confidence has led to the revision of Sansiri's business plan with fewer launches of two new projects in 2Q-2014, compared to eight new projects launched in 2Q-2013. As a result, selling expenses in 2Q-2014 decreased dramatically. Nonetheless,

the administrative expenses (including management benefit expenses) in 2Q-2014 decreased moderately from 813 Million Baht in 2Q-2013 to 723 Million Baht or 11.8 percent of total revenue in 2Q-2014. In this regard, the administrative expense in 2Q-2013 was quite low, compared to that of 2Q-2014, as a result of the cost efficiency measures. As of 6M2014, the administrative expense accounted for 13 percent of total revenue, a slight increase of 3 percent from that of last year.

## **Financial Expense**

In 2Q-2014, financial expense increased from 123 Million Baht in 2Q-2013 to 136 Million Baht, making the financial expense as of 6M2014 increased by 14 percent due to the interest expenses incurred by the undeveloped land plots, which were acquired 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 2Q-2014, Sansiri and its subsidiaries reported net profit of 537 Million Baht, with the net profit margin of 8.7 percent of total revenue, a slight growth compared to net profit of 521 Million Baht with the net profit margin of 6.8 percent in 2Q-2013. The main factor was the 31 percent decrease in operating expenses. As of 6M2014, Sansiri reported net profit of 1,367 Million Baht, a 215 percent increase compared to the same period of last year, due to the increase of the total revenue which was resulted from the selling of assets as well as the declining operating expenses. An effective corporate income tax in 2Q-2014 was at 17.5 percent of earnings before corporate income tax while the effective corporate income tax as of 6M2014 was at 18.7 percent of earnings before corporate income tax.

## Balance Sheet (summary)

	As of June 30 <sup>st</sup> , 2014		As of December 31 <sup>st</sup> , 2013		% Change
	Million Baht	%			
Asset					
Current assets	60,986	90.5	52,957	88.4	15.2
Non-current assets	6,437	9.5	7,083	11.6	-9.1
<b>Total asset</b>	<b>67,423</b>	<b>100.0</b>	<b>60,040</b>	<b>100.0</b>	<b>12.3</b>
Liabilities and shareholders' equity					
Liabilities					
- Current liabilities	26,822	39.8	19,388	39.1	38.3
- Non-current liabilities	23,028	34.2	23,584	28.2	-2.4
<b>Total liabilities</b>	<b>49,850</b>	<b>73.9</b>	<b>42,972</b>	<b>67.3</b>	<b>16.0</b>
Shareholders' equity					
- Shareholders' equity	17,573	26.1	17,068	32.7	3.0
<b>Total shareholders' equity</b>	<b>17,573</b>	<b>26.1</b>	<b>17,068</b>	<b>32.7</b>	<b>3.0</b>
<b>Total liabilities and shareholders' equity</b>	<b>67,423</b>	<b>100.0</b>	<b>60,040</b>	<b>100.0</b>	<b>12.3</b>

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

## Assets

Total assets of Sansiri and its subsidiaries as of 30 June 2014 amounted to 67,423 Million Baht, an increase of 7,383 Million Baht from that of 31 December 2013. 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 by 8,869 Million Baht. As a result, current assets as of 30 June 2014 was at 60,986 Million Baht, increased by 8,029 Million Baht from that of 31 December 2013. Total non-current assets as of 30 June 2014 was at 6,437 Million Baht, decreased by 646 Million Baht from that of 31 December 2013 due to a decrease in investment properties of Papanun Limited, which was one of Sansiri's subsidiaries. Papanun sold land, building, related utility systems and equipment of Siripinyo Building to Sansiri Prime Office Property Fund in March 2014.

## Liabilities

Total liabilities of Sansiri Group amounted to 49,850 Million Baht as of 30 June 2014, an increase of 6,878 Million Baht from as of 31 December 2013. Total current liabilities amounted to 26,822 Million Baht or increased by 7,434 Million Baht while total non-current liabilities decreased by 556 Million Baht to 23,028 Million Baht. An increase in total liabilities was mainly from an increase in long-term loans in order to accommodate project development. In this regard, the interest bearing debt increased from 34,669 Million Baht as of 30 June 2013 to 40,354 Million Baht as of 30 June 2014. The debt-to-equity ratio was 2.84 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 2.30 times. In this regard, Sansiri has been operating under restrictive financial covenants with gearing ratio less than 2.5 to 1.

## Shareholders' Equity

Shareholders' Equity as of 30 June 2014 amounted to 17,573 Million Baht, an increase of 505 Million Baht from as of 31 December 2013, mainly driven by the 2Q-2014 net profit of 537 Million Baht, together with proceeds 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 94 Million Baht. Sansiri paid dividend from net profit in 2013 of 956 Million Baht as well.

### CONTACT INFORMATION INVESTOR RELATIONS

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### COMPANY INFORMATION

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