



## Q2 2011 Management Discussion and Analysis

Financial Summary	Q2 2011	Q1 2011	Q2 2010	%QoQ	%YoY
Revenue from sales (Btm)	4,037	2,176	2,133	86%	89%
Cost of sales (Btm)	2,551	1,396	1,359	83%	88%
Selling and Administrative Expenses (Btm)	753	522	384	44%	96%
Selling Expenses (Btm)	345	232	175	49%	98%
Admin Expenses (Btm)	408	289	209	41%	95%
Net Profit (Btm)	468	132	286	254%	63%
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Gross Margin from property development	36.8%	35.8%	36.3%		
SG&A as a % of revenue	18.5%	23.8%	17.7%		
Selling exp as a % of revenue	8.5%	10.6%	8.0%		
Admin exp as a % of revenue	10.0%	13.2%	9.6%		
Net Margin	11.5%	6.0%	13.2%		
EPS (Bt)	0.17	0.06	0.12		
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Net Debt to Equity (x)	1.28	1.24	0.65		

- **Revenue** from property development in Q2 2011 of 4.04 billion Baht grew 86% QoQ and 89% YoY due mainly to high contribution from 4 condominiums transfer such as Life @ Ladprao 18, Rhythm Ratchada, The Address Phayathai and Rhythm Ratchada-Huay Kwang. These 4 projects accounted for 56% of total revenues.
- **Gross Margin** from property development slightly improved to 36.8% driven by high-margin condominium products. Gross margin from condominium in Q2 2011 reached 40.5% versus 32.0% of low rise (Single Detached House (SDH) and Townhouse (TH)). Condominium revenue was 57% of total in Q2 2011.
- **SG&A** expenses of 753 million Baht were 18.5% of revenue. **Selling** expenses were 345 million Baht, up 49% QoQ and 98% YoY driven by marketing expenses from 6 newly launched projects (1 SDH, 3 TH and 2 Condo) in Q2 2011. In addition, selling expenses included some promotion to customers in order to transfer their condominium units.
- **Administrative** expenses were up 41% QoQ and 95% YoY to 408 million Baht partly because we have continued to invest in human resources, supporting our future growth. In addition, goodwill of 48 million Baht from the acquisition of 49% stake previously from Pacific Star on Rhythm Ratchada project was remained.

Top 5 contributors to revenue	% of Q2 2011 revenue	Accumulated transfer
Life @ Ladprao 18	17.7%	45.0%
Rhythm Ratchada	15.3%	86.0%
The Address Phayathai	14.2%	53.3%
Rhythm Ratchada-Huay Kwang	8.7%	15.2%
The City (Rama5-Ratchaphruek) II	5.2%	25.0%



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### Debt structure

- **Net debt to equity** slightly increased from the previous quarter to 1.28x at the end of second quarter given net debt was 12.5 billion Baht.
- In Jun 2011, we issued 500 million Baht unsecured debenture with the duration of 4 years 3 months and a fixed interest rate at 4.65%. At the end of Q2 2011, AP had total outstanding debentures of 10 billion Baht (75%) out of 13.3 billion Baht total debt.
- In July 2011, we successfully issued 3.5-year unsecured debenture of 1.5 billion Baht with a fixed interest rate of 4.5% for the first 3 years and 5.8% for the last 6 months. The objective was to replace 2.0 billion Baht debenture which will be expired within August 2011. As the majority of our outstanding debts are fixed rate, it can better cope with the challenge of the interest volatility. AP's average cost of fund is now at about 4.5%.

### Sales Bookings & Backlog

Sales Bookings & Backlog	2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010	Q1 2011	Q2 2011	1 Jul-7 Aug 2011	YTD 2011
Gross sales booking	21,956	3,861	3,571	7,538	5,860	20,830	3,906	6,181	1,613	11,699
Beginning Backlog	13,924	19,744	16,747	17,334	22,771	19,744	23,593	24,428	25,660	23,593
Total sold value	35,880	23,605	20,318	24,872	28,630	40,574	27,499	30,609	27,273	35,293
Cancellation	(3,616)	(822)	(851)	(737)	(878)	(3,289)	(895)	(911)	(389)	(2,196)
Net sold value	32,264	22,782	19,467	24,135	27,752	37,285	26,604	29,697	26,883	33,097
Revenue Recognition	(12,520)	(6,035)	(2,133)	(1,365)	(4,159)	(13,692)	(2,176)	(4,037)	-	(6,213)
Ending Backlog	19,744	16,747	17,334	22,771	23,593	23,593	24,428	25,660	26,883	26,883
- from TH&SDH	1,629	1,075	1,835	2,545	2,110	2,110	2,568	3,487	4,201	4,201
- from Condo	18,115	15,672	15,499	20,226	21,483	21,483	21,860	22,173	22,682	22,682
<b>Net Sales Booking</b>	<b>18,341</b>	<b>3,038</b>	<b>2,720</b>	<b>6,802</b>	<b>4,981</b>	<b>17,541</b>	<b>3,011</b>	<b>5,269</b>	<b>1,223</b>	<b>9,503</b>
- from TH&SDH	5,735	998	2,155	1,964	1,829	6,946	1,914	2,661	714	5,290
- from Condo	12,606	2,040	565	4,838	3,152	10,595	1,097	2,608	509	4,214

- **Sales booking** in Q2 2011 was 5.27 billion Baht, 93.7% YoY increase, of which 2.66 billion Baht came from low rise (+23% YoY) and 2.61 billion Baht was from condo. Strong sales on both products confirm our view that property demand is highly correlated to the economic outlook and consumer confidence despite rising interest rates.
- Baan Klang Krung (Rama 3), 57 townhouse units, project value 570 million Baht (about 10 million Baht/unit) was launched and sold out quickly within 2 weeks in last May.
- 8.28 billion Baht overall sales booking in 1H 2011 were also up 43.8% from the same period last year (low rise +45.1%, condo +42.2%). We launched 9 new projects (7 low rises, 2 condos) in 1H 2011 as below.



## Q2 2011 Management Discussion and Analysis

Project launched in 1H 2011	Rai	No of units	Project value (Btm)	Launch year	Completion (last unit transferred)	% sold (in unit) (as of 30 Jun)
<b>Single Detached House</b>						
The Palazzo Suksawat	63.7	138	2,300	Q2 2011	Q4 2013	10%
<b>Townhouse</b>						
Baan Klang Muang S-Sense (Srinakarin)	22.0	212	920	Q1 2011	Q4 2013	6%
The Pleno (Ekachai-Kanchanapisek)	43.9	434	1,080	Q1 2011	Q4 2013	23%
The Pleno (Suksawat 30)	71.3	680	1,480	Q1 2011	Q4 2014	18%
Baan Klang Muang (Ladprao-Sena) II	10.1	97	500	Q2 2011	Q4 2012	24%
Baan Klang Krung (Rama 3-Wongwan)	9.3	57	570	Q2 2011	Q2 2012	100%
Baan Klang Muang (Sathorn-Ratchaphruek)	16.3	149	620	Q2 2011	Q4 2012	11%
<b>Condominium</b>						
Aspire Srinakarin	3.4	330	500	Q2 2011	Q2 2013	24%
Rhythm Sukhumvit 44/1	3.0	486	2,600	Q2 2011	Q4 2014	56%
<b>Total Project Value</b>			10,570			

- Strong Sales Booking YTD (as of 7 Aug 11) of 9.50 billion Baht led to **Sales Backlog** to the peak at 26.9 billion Baht, 4.20 billion Baht from SDH&TH and 22.69 billion Baht from condo. Due to shorter construction period, Backlog from low rise will be mostly recognized in 2H2011. In the meantime, we expect to recognize 5.29 billion Baht from condo within 2H2011. Then, 92% of our 2011 revenue target or 17 billion Baht (+24% YoY) are already secured for this year.

	Million Baht
Revenue recognition in Q1 2011	2,176
Revenue recognition in Q2 2011	4,037
Low rise backlog to be recognized in 2H 2011	4,201
Condo backlog to be recognized in 2H 2011	5,286
<b>Secured revenue from current backlog</b>	<b>15,700</b>
2011 Revenue Target	17,000
<b>% Secured revenue</b>	<b>92%</b>



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### Outlook

- In 2H 2011, we plan to launch 4 townhouse and 4 condo projects with the combined project value of 10.2 billion Baht. This will help maintain our sales momentum, particularly when the political and economic outlook is more stable.

Planned-to-be-launched projects in 2011	Rai	No of units	Project value (Btm)	Land acquisition	Launch year	Completion (last unit transferred)
<b>Townhouse</b>						
The Pleno (Rama 5-Pinklao)	44.9	427	1,030	Q3 2010	Q3 2011	Q4 2013
Baan Klang Muang (Ladprao 101)	6.6	68	300	Q4 2010	Q3 2011	Q4 2012
Baan Klang Muang (Ladprao 87)	12.1	120	550	Q1 2011	Q3 2011	Q1 2013
Baan Klang Muang (Ratchada)	13.7	145	690	Q1 2011	Q4 2011	Q4 2012
<b>Total TH</b>			<b>2,570</b>			
<b>Condominium</b>						
Life @ Ratchadapisek	5.6	837	3,200	Q1 2011	Q3 2011	Q1 2015
Rhythm Rama 9	5.0	505	2,700	Q1 2011	Q4 2011	Q4 2014
Life @ Sukhumvit 48	3.7	595	1,050	Q1 2011	Q4 2011	Q2 2015
The Address Sukhumvit 61	1.4	98	700	Q2 2011	Q4 2011	Q2 2013
<b>Total Condo</b>			<b>7,650</b>			
<b>Total planned-to-be-launched projects in 2011</b>			<b>10,220</b>			

- YTD we already spent 2.3 billion Baht on **land acquisition** versus 5.5 billion Baht budget of full year. The primary objective is to fill in our project portfolio of low rise in order to develop, launch and recognize income within next year. We have already added 7 new low rise projects (2 SDH, 5 Townhouse) valued 8.45 billion Baht for 2012. However, the whole plan of projects launched in next year is not completed yet because the land acquisition in 2H2011 could develop and still launch in the early next year.



# Q2 2011 Management Discussion and Analysis

## Appendix

**Figure 1: Financial Summary**

Financial Summary	Q2 2011	Q1 2011	2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010	2009
Revenues from Property Development (Btm)	4,037	2,176	13,692	4,159	1,365	2,133	6,035	12,520
YoY Chg (%)	89.2%	-63.9%	9.4%	-11.9%	-51.9%	-5.8%	123.3%	36.6%
Consolidated Revenues (Btm)	4,064	2,194	13,840	4,179	1,396	2,173	6,093	12,628
YoY Chg (%)	87.0%	-64.0%	9.6%	-12.0%	-51.3%	-5.1%	123.8%	36.3%
QoQ Chg (%)	85.2%	-47.5%		199.5%	-35.8%	-64.3%	28.3%	
Gross profit from Property Development (Btm)	1,486	780	5,090	1,754	486	773	2,076	4,120
Gross margin from Property (%)	36.8%	35.8%	37.2%	42.2%	35.6%	36.3%	34.4%	32.9%
Overall Gross profit (Btm)	1,512	798	5,238	1,774	517	813	2,134	4,228
Gross margin (%)	37.2%	36.4%	37.8%	42.4%	37.1%	37.4%	35.0%	33.5%
Operating profit (Btm)	759	260	3,113	900	139	413	1,661	2,842
Operating margin (%)	18.7%	11.8%	22.5%	21.5%	9.9%	19.0%	27.3%	22.5%
Net profit from normal operations (Btm)	468	132	2,229	613	91	286	1,166	1,930
YoY Chg (%)	63.4%	-88.7%	15.5%	-23.7%	-78.5%	-4.0%	186.4%	35.1%
Net profit (Btm)	468	132	2,229	613	91	286	1,239	1,930
YoY Chg (%)	63.4%	-89.3%	15.5%	-23.7%	-78.5%	-4.0%	204.3%	35.1%
QoQ Chg (%)	254.2%	-78.4%		576.2%	-68.4%	-76.9%	54.1%	
EPS (Bt)	0.17	0.06	0.95	0.26	0.04	0.12	0.53	0.83
Total assets (Btm)	27,377	26,142	24,114	24,114	21,286	21,503	22,177	19,159
Equity (Btm)	9,721	9,650	9,514	9,514	8,890	8,789	9,234	8,030
Outstanding debt (Btm)	13,346	12,302	10,667	10,667	9,090	9,119	9,427	7,942
Net debt (Btm)	12,486	11,940	10,311	10,311	8,374	5,739	4,561	6,234
Net debt to equity (x)	1.28	1.24	1.08	1.08	0.94	0.65	0.49	0.78
ROE (%) (average equity)	N/A	N/A	25.4%	N/A	N/A	N/A	N/A	26.4%



## Q2 2011 Management Discussion and Analysis

**Figure 2: Ongoing Projects**

Ongoing Projects	Rai	No of units	Project value (Btm)	Launch year	Completion (last unit transferred)	% sold (in unit) (as of 30 Jun)	Available for sales (Btm)
<b>Single Detached House</b>							
Baan Klang Krung (The Nice Ratchavibha)	18.2	50	670	Q2 2006	Q4 2011	92%	54
The Centro (Sukhumvit 113)	35.6	188	800	Q3 2008	Q4 2011	91%	68
The City (Rattanaibet-Khaerai)	60.0	203	1,650	Q3 2008	Q4 2011	98%	41
The City (Rama 5 - Ratchaphruek)	27.1	106	746	Q1 2009	Q2 2011	100%	0
The Centro (Rattanaibet)	121.0	453	2,700	Q2 2010	Q4 2013	24%	2,056
The Centro (Ram intra)	73.3	296	1,600	Q2 2010	Q4 2013	37%	1,005
The City (Rama5-Ratchaphruek) II	50.6	140	1,150	Q3 2010	Q4 2013	33%	772
The Centro (On nuch-Wongwan)	57.1	216	1,400	Q3 2010	Q4 2013	14%	1,206
The Centro (Watcharapon)	111.7	407	2,250	Q4 2010	Q4 2014	3%	2,178
The Palazzo Sathorn	44.0	108	1,500	Q4 2010	Q4 2013	31%	1,028
The Palazzo Suksawat	63.7	138	2,300	Q2 2011	Q4 2013	10%	2,067
<b>SDH - Available for Sales</b>							<b>10,474</b>
<b>Townhouse</b>							
Baan Klang Krung (The Royal Vienna Ratchavibha)	35.6	330	1,825	Q4 2006	Q2 2011	100%	0
Baan Klang Muang Urbanion (Rama9-Wongwan)	10.9	124	435	Q4 2007	Q3 2011	99%	4
Baan Klang Muang Urbanion (Srinakarin)	22.0	207	910	Q3 2008	Q3 2011	94%	53
Biztown (Ladprao)	9.8	69	660	Q1 2009	Q1 2011	100%	0
Baan Klang Muang Urbanion (Rama9-Ladprao)	13.7	150	800	Q4 2009	Q4 2011	94%	48
Baan Klang Muang Urbanion (Kaset-Navamin) II	23.8	271	1,120	Q1 2010	Q4 2011	94%	66
Baan Klang Krung (Sathorn)	9.0	90	950	Q2 2010	Q2 2011	100%	0
Baan Klang Muang Urbanion (Rama 3-Suksawat)	8.4	92	420	Q3 2010	Q4 2011	98%	9
Biztown (Rama3-Suksawat)	7.1	63	500	Q3 2010	Q2 2012	43%	286
Baan Klang Muang (Ladprao-Sena)	8.1	88	450	Q3 2010	Q4 2011	93%	31
Baan Klang Muang S-Sense (Sathorn-Taksin) II	52.8	486	2,650	Q3 2010	Q4 2015	16%	2,236
Baan Klang Muang S-Sense (Rama9-Ladprao)	28.7	302	1,650	Q3 2010	Q4 2013	32%	1,120
Baan Klang Muang S-Sense (On nuch-Wongwan)	32.3	338	980	Q4 2010	Q4 2013	17%	818
Baan Klang Muang S-Sense (Srinakarin)	22.0	212	920	Q1 2011	Q4 2013	6%	868
The Pleno (Ekachai-Kanchanapisek)	43.9	434	1,080	Q1 2011	Q4 2013	23%	834
The Pleno (Suksawat 30)	71.3	680	1,480	Q1 2011	Q4 2014	18%	1,221
Baan Klang Muang (Ladprao-Sena) II	10.1	97	500	Q2 2011	Q4 2012	24%	381
Baan Klang Krung (Rama 3-Wongwan)	9.3	57	570	Q2 2011	Q2 2012	100%	0
Baan Klang Muang (Sathorn-Ratchaphruek)	16.3	149	620	Q2 2011	Q4 2012	11%	549
<b>TH-Available for Sales</b>							<b>8,522</b>



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Ongoing Projects	Rai	No of units	Project value (Btm)	Launch year	Completion (last unit transferred)	% sold (in unit) (as of 30 Jun)	Available for sales (Btm)
<b>Condominium</b>							
The Address Chidlom	4.5	597	3,940	Q1 2007	Q3 2011	100%	7
Life @ Sukhumvit 65	2.7	540	1,575	Q3 2007	Q3 2011	100%	3
Rhythm Ratchada	7.0	881	3,560	Q3 2008	Q4 2011	96%	129
The Address Pathumwan	2.3	156	1,050	Q2 2009	Q4 2011	97%	27
Life@Ladprao 18	3.0	457	1,600	Q2 2009	Q4 2011	100%	7
The Address Phayathai	1.4	152	1,070	Q3 2009	Q4 2011	87%	141
The Address Asoke	3.9	574	3,370	Q3 2009	Q4 2012	99%	35
The Address Sukhumvit 28	2.0	246	2,250	Q3 2009	Q3 2012	97%	64
The Address Sathorn 12	3.5	562	4,100	Q3 2009	Q4 2013	79%	846
Rhythm Ratchada-Huay Kwang	3.6	539	2,300	Q1 2010	Q4 2011	99%	21
Rhythm Sukhumvit 50	3.9	589	2,600	Q3 2010	Q4 2013	99%	22
Rhythm Phahol-Aree	5.5	809	3,200	Q3 2010	Q4 2014	46%	1,736
Rhythm Sathorn	4.8	910	4,200	Q3 2010	Q4 2014	49%	2,142
Aspire Rama 4	6.8	1,432	2,600	Q4 2010	Q4 2013	30%	1,825
Aspire Ngamwongwan	8.5	1,458	2,100	Q4 2010	Q4 2013	36%	1,337
Aspire Srinakarin	3.4	330	500	Q2 2011	Q2 2013	24%	382
Rhythm Sukhumvit 44/1	3.0	486	2,600	Q2 2011	Q4 2014	56%	1,145
<b>Condo-Available for Sales</b>							<b>9,868</b>
<b>Total ongoing projects available for sales</b>							<b>28,865</b>



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**Figure 3: Projects planned to be launched in 2012**

Planned-to-be-launched projects in 2012	Rai	No of units	Project value (Btm)	Land acquisition	Launch year	Completion (last unit transferred)
<b>Single Detached House</b>						
The Palazzo (Charan 13)	25.8	75	1,200	Q1 2011	Q2 2012	Q4 2013
The Palazzo (Ratburana 4)	24.0	58	1,100	Q2 2011	Q3 2012	Q4 2013
<b>Total SDH</b>			<b>2,300</b>			
<b>Townhouse</b>						
The Pleno (Kallapraphreuk)	36.6	439	1,000	Q2 2011	Q1 2012	Q2 2014
The Pleno (Bangbuathong)	40.4	485	1,000	Q2 2011	Q1 2012	Q2 2014
Baan Klang Muang (Ramkamhaeng)	32.0	349	1,600	Q2 2011	Q2 2012	Q4 2014
Baan Klang Muang (Suksawat 35)	11.6	127	550	Q2 2011	Q2 2012	Q4 2013
Baan Klang Muang (Navanim 42)	49.9	544	2,000	Q2 2011	Q2 2012	Q4 2016
<b>Total TH</b>			<b>6,150</b>			
<b>Condominium</b>						
Aspire Sukhumvit 48	5.3	1,040	1,300	Q1 2011	Q4 2012	Q2 2016
Rattanatibet	3.0	820	2,000	Q4 2007	Q3 2012	Q2 2015
Sathorn-Taksin	7.5	1,100	2,300	Q1 2010	Q4 2012	Q4 2015
<b>Total Condo</b>			<b>5,600</b>			
<b>Total planned-to-be-launched projects in 2012</b>			<b>14,050</b>			





## Q2 2011 Management Discussion and Analysis

**Figure 4: Schedule of Condo Transfer**

Condo Projects	(million Baht)		% unit sold *	Accumulated transfer until 2010	% Estimated transferred						Estimated start transfer	Estimated last unit transferred
	Project value	Total units			2011F	2012F	2013F	2014F	2015F	2016F		
The Address Chidlom	3,940	597	100%	98%	2%							Q2 2011
Life @ Sukhumvit 65	1,575	540	100%	100%								Q1 2011
Rhythm Ratchada	3,560	881	96%	51%	49%							Q4 2011
The Address Pathumwan	1,050	156	97%	95%	5%							Q2 2011
Life @ Ladprao 18	1,600	457	100%		100%						Q2 2011	Q4 2011
The Address Phayathai	1,070	152	87%		100%						Q2 2011	Q4 2011
The Address Asoke	3,370	574	99%		100%						Q2 2012	Q4 2012
The Address Sukhumvit 28	2,250	246	97%		75%	25%					Q4 2011	Q3 2012
The Address Sathorn 12	4,100	562	79%			45%	55%				Q4 2012	Q4 2013
Rhythm Ratchada - Huay Kwang	2,300	539	99%		100%						Q2 2011	Q4 2011
Rhythm Sukhumvit 50	2,600	589	99%				100%				Q1 2013	Q4 2013
Rhythm Phahol-Aree	3,200	809	46%				50%	50%			Q3 2013	Q4 2014
Rhythm Sathorn	4,200	910	49%				10%	90%			Q4 2013	Q4 2014
Aspire Rama 4	2,600	1,432	30%			10%	90%				Q4 2012	Q4 2013
Aspire Ngamwongwan	2,100	1,458	36%			10%	90%				Q4 2012	Q4 2013
Aspire Srinakarin	500	330	24%			100%					Q3 2012	Q4 2012
Rhythm Sukhumvit 44/1	2,600	486	56%					100%			Q1 2014	Q4 2014
Rhythm Rama 9	2,700	505						100%			Q2 2014	Q4 2014
Life @ Sukhumvit 48	1,050	595						80%	20%		Q2 2014	Q1 2015
Life @ Ratchada-Huay Kwang II	3,200	837						60%	40%		Q2 2014	Q2 2015
The Address Sukhumvit 61	700	98				60%	40%				Q4 2012	Q2 2013
Aspire Sukhumvit 48	1,300	1,040							30%	70%	Q4 2015	Q2 2016
	51,565											

\* % sold as of Jun 30, 2011