



Analyst Meeting Conference

1H05 Performance Review and Outlook

14th September 2005

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Agenda



- **Highlights in 1H05 and 2H05 outlook**
- **Consolidated Results**
- **Projects on Hand**
- **Appendix**
- **FAQ**

Highlights in 1H05 and 2H05 Outlook

Highlight in 1H05



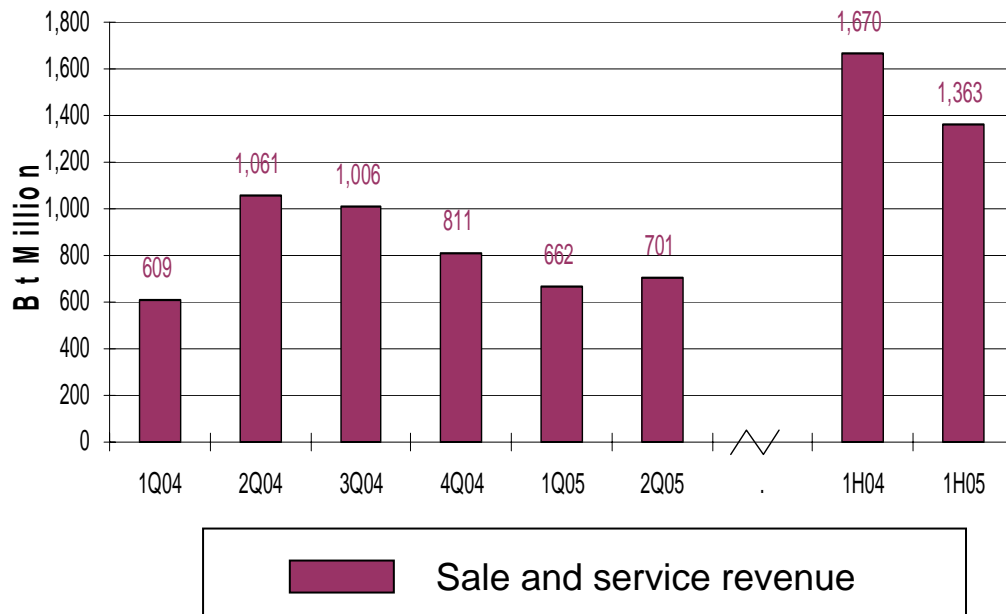
- Although sales dropped 18% YoY to Bt1.4 bn in 1H05, sales were up 6% QoQ to Bt701m in 2Q05.
- Rising costs squeezed gross margin to 4.6% in 1H05 (5.9% in 1H04), resulted in net loss of Bt10m in 1H05 vs net profit of Bt17m in 1H04.
- Net gearing of 0.32x and its total interest-bearing debt of Bt576m (net debt of Bt439m). However, rising of short-term obligation to Bt239m is manageable.
- Additional backlog order of Bt664m in 1H05 (Bt611m from private and Bt53m from public to Bt6,775m.

1H05 Performance – Sales

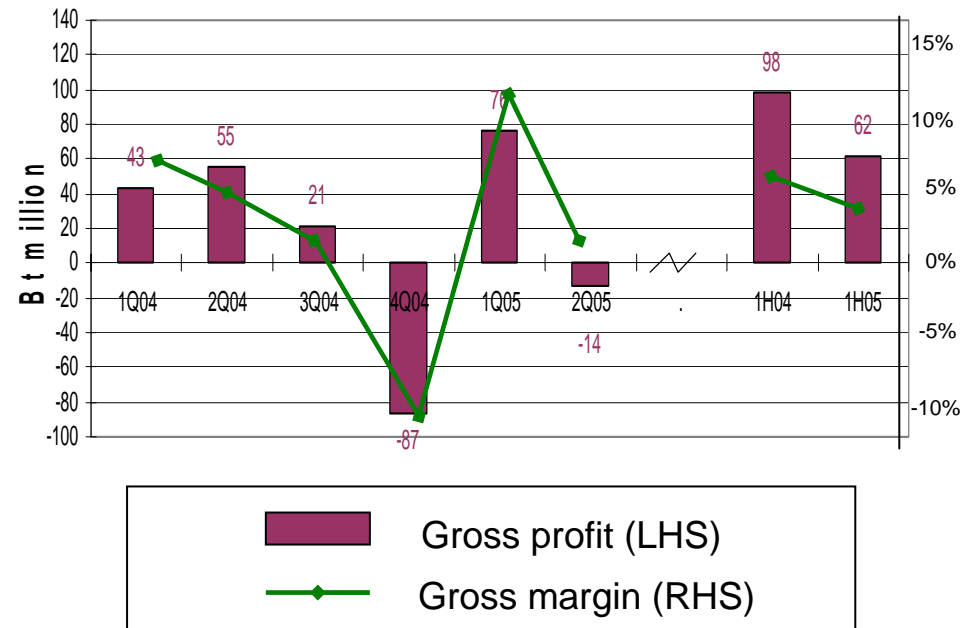


- Sales slowed down YoY in 1H05 and 2Q05 but it was improving QoQ.
- Rising cost in 2Q05 squeezed gross margin in 1H05 to 4.6% vs 5.9% in 1H04.

Sales and service revenue



Gross profit and Gross Margin

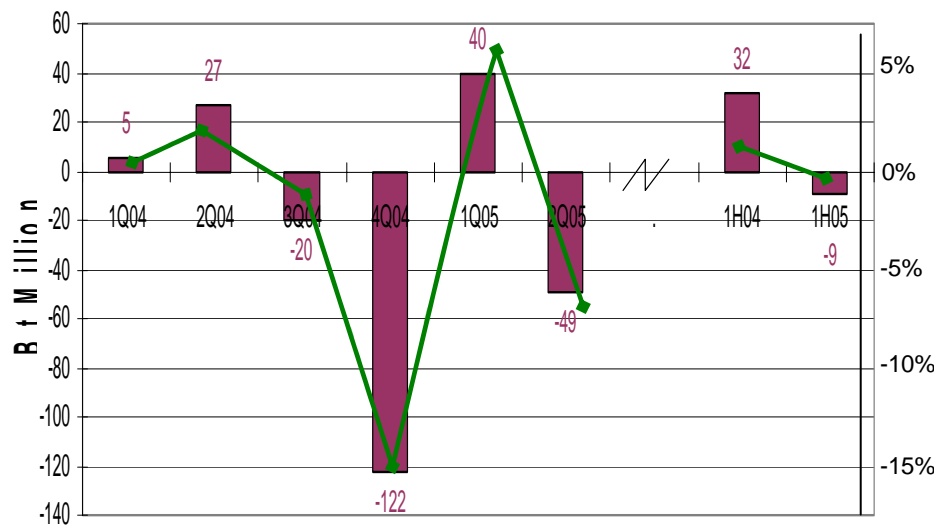


1H05 Performance – Profits and OP



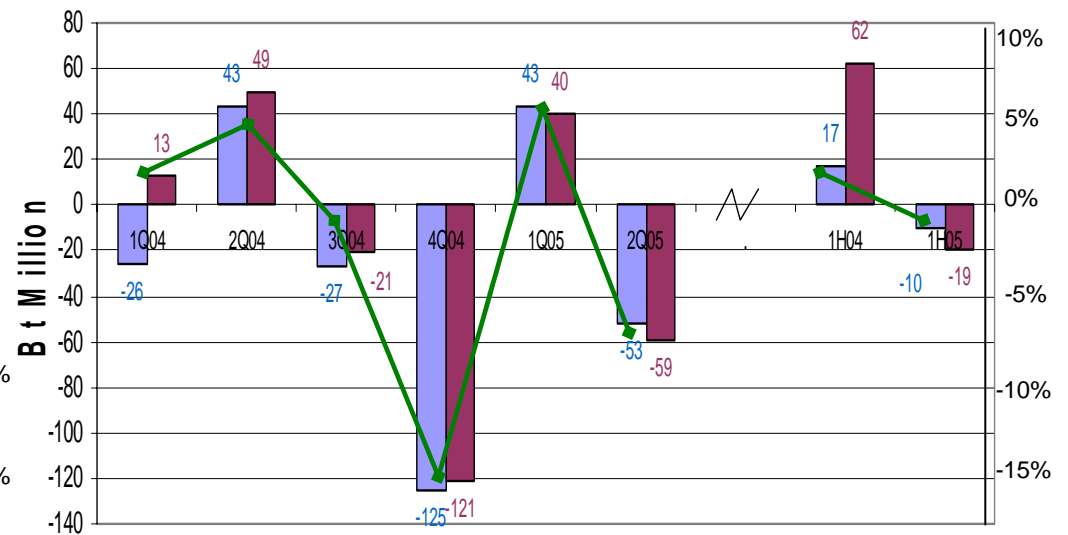
- S,G&A rose 8% YoY in 1H05 to Bt71m but dropped 2% QoQ to Bt35m in 1Q05, resulted in operating margin of -0.7% in 1H05 (vs 1.9% in 1H04).
- Normalized profits was –Bt19m in 1H05 (vs Bt62m in 1H04).

Operating Profit and Operating Margin



Operating profit
 Operating margin

Net Profit and Normalised Profit and Margin

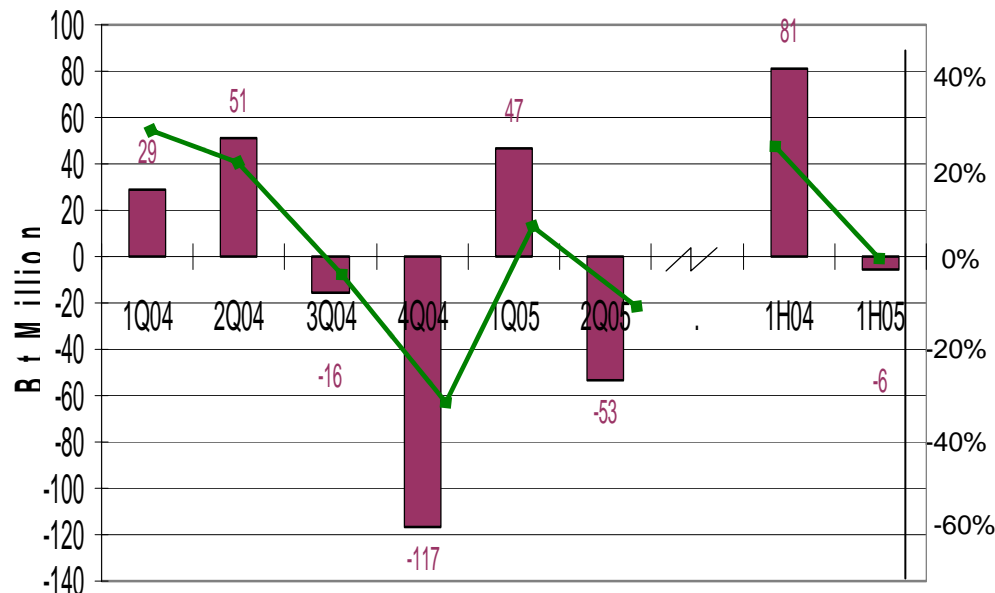


Net profit
 Normalised profit
 Normalised profit margin

1H05 Performance – EBIT and Debt

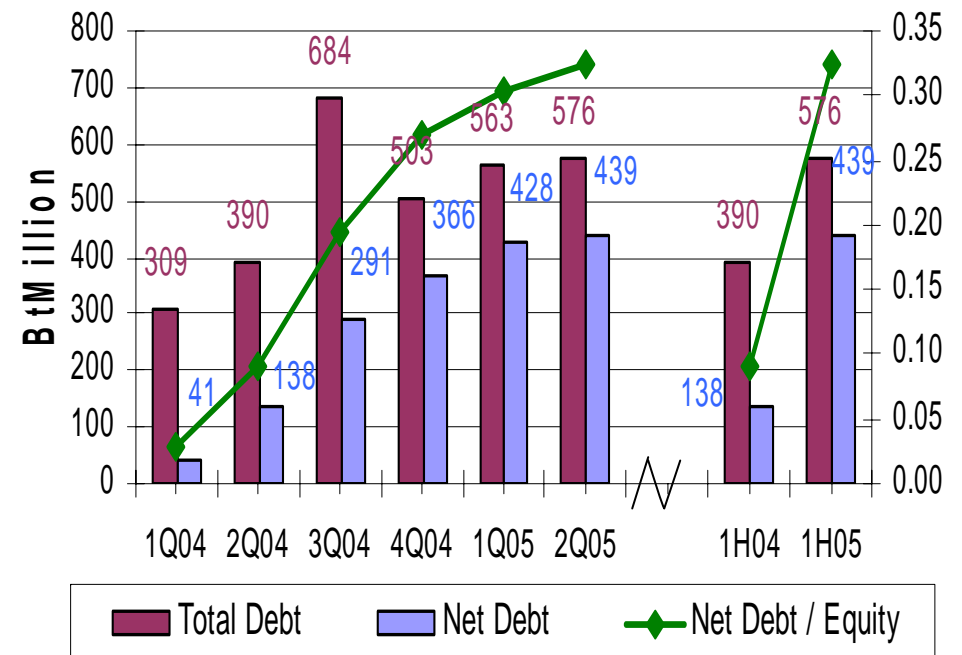
- Slight negative EBIT in 1H05 (EBIT margin of -0.4% vs 4.7% in 1H04) was supported by rising short-term debt.
- Net gearing rose to 0.324x in 1H05 (0.092x in 1H04) but it was still comfortable.

EBIT and EBIT/Interest Expense



EBIT
 EBIT / Interest Expense (x)

Total Debt and D/E



Total Debt (very conservative) = Total Liability – A/P – Advanced Received from Customers
 Net Debt = Total Debt – Cash & Equivalent – current investment

1H05 Debt Structuring



	Million Baht	
Restructure Debt		17,067
Debt forgiveness		16,330
Net restructured debt		737
Outstanding as of	Jun. 05	Mar.05
Debt	190.86	186.82
Convert Debt to Equity	40.13	40.13
Total	230.99	226.95

- Within the debt figure, Bt 95mn has been reserved for claims of contingent creditors if the claims do not crystallize SYNTEC will have a benefit.
- Within the convert debt to equity figure, Bt27mn will be paid with P&D shares, these shares are recorded in the accounts at no value.

1H05 Debt Status



- Rising short term debt due mainly from financing the project.
- Net Gearing was 0.324x with Bt439m of net debt by mid year.

• Short Term Debt

	In Million Baht	
	Jun. 30, 2005	Dec. 31, 2004
Current portion of creditors under the rehabilitation plan	58.88	56.13
Current in portion of other long-term loan	60.00	50.00
Other short-term loans	<u>120.00</u>	<u>-</u>
Total	238.88	106.13

• Long Term Debt

	In Million Baht	
	Jun. 30, 2005	Dec. 31, 2004
Creditors under the rehabilitation plan	172.12	174.24
Other long-term loans	<u>130.00</u>	<u>190.00</u>
Total	302.12	364.24

1H05 New & Expected Projects



- In 1H05, there were 4 new projects valued Bt664m to a total backlog order of Bt6,775m. Of which 3 projects were private projects worth Bt611m and 1 project from public project.
- Additional of seven projects valued Bt3,951m are on the pipeline, expected in 2H05

SYNTEC'S New Projects in 1H05

No.	Project Title	Project Type	Project Value (Btm)
1	Showroom Chevrolet Phokaew	Commercial	22
2	GM Height	Residential	219
3	East Water	Commercial	370
4	BMA Flood - Charkphra Canel	Infrastructure	53
Total New Projects Value			664

Expected Projects

No.	Project Title	Project Type	Project Value (Btm)
1	Aman Resort Bangkok	Leisure	700
2	Hotel at Siam Center	Leisure	1,600
3	Siam Opera House	Commercial	400
4	Showroom Mazda, Chiang Mai	Commercial	17
5	Manhattan Chidlom	Residential	412
6	Supalai Casa Riwa	Residential	615
7	Dentistry Service Center, Bangkok Hospital	Institutional	207
Total Value			3,951

2H05 Outlook



- Rising cost (labor, raw material, interest rate) is managed by improving labor productivity, well-managed of suppliers, closely-watched debt level.
 - Labor cost (from Bt175 daily to Bt181, starting August): managing schedule and adding more equipment (in order to improve productivity)
 - Raw material cost: In general, about 70% of raw material required on a project is lock-in price with suppliers at the time Syntec gets the project.
 - Interest rate (rising trend of 0.5-1.0% in 2H05 and 1-2% in 2006): not much direct impact from the rising rate as its interest-bearing debt was only Bt576m.
- Potential projects: On the upcoming projects, Syntec aims to target better margin of private projects.
- Syntec plans to manage margin of its current backlog of Bt3.1 bn.

Consolidated Financial Results

2Q05 Performance – P&L



- Sales dropped 34% YoY but up 6% QoQ.
- Gross margin was a slight negative of 1.9% in 2Q05 vs +5.2% in 2Q04.
- Normalized profit was loss of Bt59m, resulted from rising cost

P & L Statement (Bt m)

Quarter	2Q05	2Q04	% YoY	1Q05	% QoQ
Sales and service revenue	701	1,061	-34%	662	6%
Reversal of doubtful accounts	0	0		0	
Gain on investment disposals	0	0		2	
Other income	6	29	-78%	7	-7%
Total revenues	708	1,090	-35%	671	5%
Cost of sales	715	1,006	-29%	586	22%
S,G&A	35	28	24%	36	-2%
Doubtful accounts	0	0		0	
Other expense	0	0		0	
Equity method loss	11	4	185%	2	460%
Total Expenses	761	1,038	-27%	624	22%
EBIT	-53	51	-203%	47	-213%
Interest expenses	6	2	177%	5	17%
Income Tax	0	0		0	
Loss on Minorities	0	0		0	
Extraordinaries	6	-6	-197%	0	
Net Profit	-53	43	-222%	43	-224%
Normalised Profit*	-59	49	-220%	40	-248%

* Sales + Other income - COS - S,G&A - Other Expenses - Equity method - Interest expenses - Tax + Minority

1H05 Performance – P&L



- Slowing sales in 1H05 to Bt1.4bn.
- Gross margin was 4.6% in 1H05 vs 5.9% in 1H04.
- Normalized loss of Bt19m.

P & L Statement (Bt m)

Quarter	1H05	1H04	% YoY
Sales and service revenue	1,363	1,670	-18%
Reversal of doubtful accounts	0	0	
Gain on investment disposals	2	15	-84%
Other income	13	40	-67%
Total revenues	1,379	1,725	-20%
Cost of sales	1,301	1,572	-17%
S,G&A	71	66	8%
Doubtful accounts	0	0	
Other expense	0	0	
Equity method loss	13	6	111%
Total Expenses	1,385	1,644	-16%
EBIT	-6	81	-107%
Interest expenses	10	3	249%
Income Tax	0	0	
Loss on Minorities	0	0	
Extraordinaries	6	-61	-110%
Net Profit	-10	17	-159%
Normalised Profit*	-19	62	-131%

* Sales + Other income - COS - S,G&A - Other Expenses - Equity method - Interest expense

2Q05 Performance – Balance Sheet



- Net debt was Bt439m by mid year (net gearing of 0.324x).

Balance Sheet (Bt m)

Quarter End	2Q05	1Q05	4Q04	3Q04	2Q04	1Q04
Cash & Investment	137	135	136	393	252	268
AR, Accrued Income, and Advance Payments	1,743	1,829	1,815	1,789	1,628	1,107
Inventory	55	59	51	65	46	48
Current Asset	2,280	2,374	2,323	2,577	2,232	1,707
Property, Plant & Equipment	148	137	129	128	128	123
Non-current Asset	893	889	884	885	826	825
Total Asset	3,173	3,264	3,207	3,461	3,058	2,533
O/D and Short-term Loan	120	61	2	170	6	35
AP, Accrued expense, Advanced Received	905	994	1,013	985	905	549
CP-LT (banks)	60	50	50	50	50	0
CP-LT (Rehabs Plans)	59	56	56	45	41	42
Total current liabilities	1,396	1,377	1,363	1,468	1,171	759
Long-term Loans	145	205	205	205	75	15
Creditors under Rehabs	172	171	174	197	202	199
Total Liabilities	1,818	1,857	1,843	1,972	1,549	1,075
Paid-up Capital	1,600	1,600	1,600	1,600	1,600	1,600
Shareholder Equity	1,354	1,407	1,364	1,489	1,509	1,458

Projects on Hand

Backlog Order as of 30 June 2005



- 18 projects valued worth Bt 6.8bn are diversified into different types namely infrastructure, commercial, residential, leisure, and institutional. Remaining value is worth Bt3.1bn.
- The current projects will generate revenue till 2007.

Type of Project	No.of Projects	Owner	Value (Btm)	Progress (%)	Backlog
Infrastructure	2	Government	348	85%	53
Commercial	3	Private	1,309	70%	393
Residential	8	Private	1,936	53%	910
Leisure	2	Private	1,972	47%	1,045
Institutional	3	Private	1,211	41%	715
Total	18		6,775	54%	3,116

Project Owner	No.of Projects	Owner	Value (Btm)	Progress (%)	Backlog
Group Alliances	9	private	3,863	49%	1,970
Non Group Alliances	9	Government and private	2,912	62%	1,146
Total	18		6,775	54%	3,116

Appendix

List of Current Projects as of 30 June 05



No.	Project Title	Project Type	Project Owner	Value (Btm)	% Progress	Project Description
1	BMA Flood Protection Phase II	Infrastructure	BMA	295	100%	14.5 Kms-flood protection wall
2	Bann Ratchadamri	Residential	Sansiri Pcl.	285	78%	26-storey condo
3	Bann Nunthasiri	Residential	Sansiri Pcl.	328	76%	8-storey of 2 condos
4	Internation and Domestic Cargo	Commercial	Thai Airways International Pcl. Plus Property Partner	916	97%	Office Building and cargo
5	Sukhumvit Plus	Residential	Delux Origin and Natural Real Estate	407	48%	17-storey of 2 condos
6	The Chedi Chaingmai	Leisure	Natural Hotel Sukhumvit	669	100%	Low-rise hotel
7	Sofitel Sukhumvit	Leisure	Aeronautical Radio of Thailand Plus Property Partner	1,303	21%	First class hotel
8	Air Traffic Control Complex	Institutional	Plus Property Partner	536	74%	4-storey of office building and control tower 135m.
9	49/2 Plus	Residential	Partner	93	61%	9-storey condo
10	Sathorn Plus	Residential	Partner	194	46%	9-storey condo
11	Satit School of Bangkok (Hold)	Institutional	Sansiri Pcl.	414	8%	School
12	Lanai	Residential	Sansiri Pcl.	170	56%	8-storey condo
13	Supalai Premier Place Asoke	Residential	Supalai Pcl.	240	39%	High-rise Condo
14	Bangkok Pattaya Hospital	Institutional	Bangkok Pattaya Hospital	260	25%	15-storey hospital building with 1 level basement
15	GM Height	Residential	GM Height Ltd. TVL. Auto	219	14%	27-storey Apartment
16	Showroom Chevrolet Phokaew	Commercial	International Eastern Water Resources	22	85%	2-storey Showroom and Car Service Center
17	East Water	Commercial	Development and Management Pcl.	370	0%	Head quarter office of Eastern Water Resources Development and Management Pcl.
18	BMA Flood-Charkphra Canel (Hold)	Infrastructure	BMA	53	0%	The pumping water station and flood protection system
Total	Project value			6,775	54%	

List of Current Projects

