



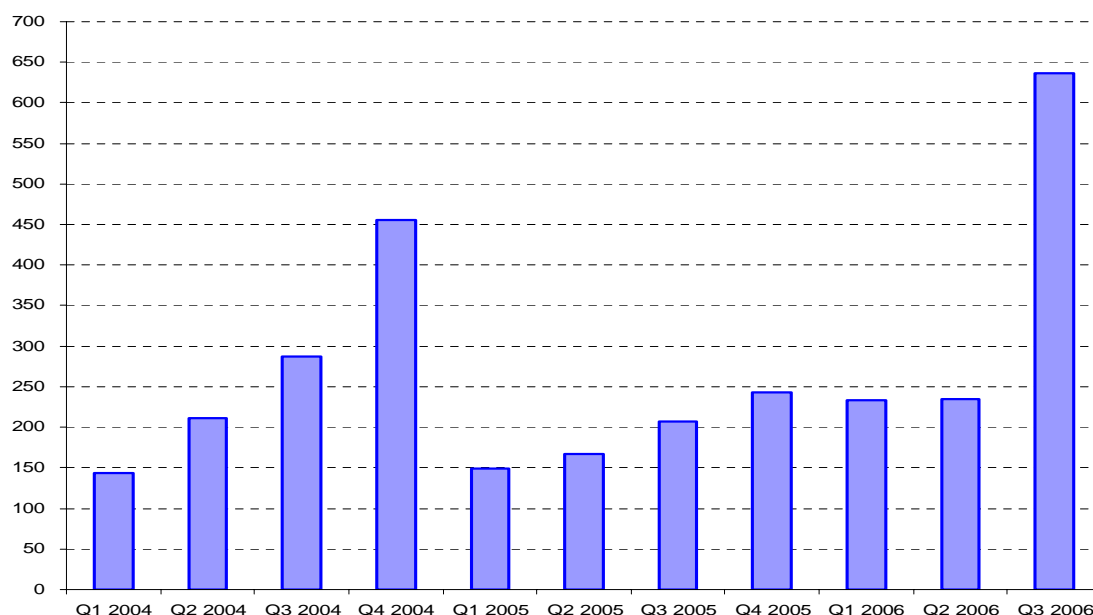
Management Discussion and Analysis

3Q 2006

Asian Property Development Public Company Limited (AP.BK / AP TB) announced a net profit of 636 million Baht (EPS of 0.28 Baht/share) in Q3 2006. This rose 207.5% year-on-year and 171.5% quarter-on-quarter. The big jump in net profit included a net gain from the sale of the City Asset Fund, which was sold at 1.432 billion Baht with the net gain of approximately 560 million Baht. The Fund 100% owns RS Tower Thonglor. On the accounting, the gain was actually shown at 752 million Baht. In addition, some of SG&A (about extra 50 million Baht out of 227 million Baht total) and some of corporate tax (about extra 142 million Baht out of 172 million Baht total) were directly related to the sale of the Fund. In fact, another extra SG&A indirectly related to the fund sale included a reserve for the full-year performance bonus as a percentage from the net profit, led by this huge gain. As a result, SG&A were abnormally high at 22.5% of total revenues in Q3 2006.

Stripping out the net extra gain from the sale of the investment, net profit was 76 million Baht, down 63.1% YoY and 67.4% QoQ. This mainly reflected poor sales booking in the previous quarter which was recognized later in Q3 2006. Three key negative factors - oil price skyrockets, unstable politics and rising interest rates were simultaneously occurred in Q2 2006, resulting slow sales booking in the quarter. Overall, the company recorded 1.104 billion Baht net profit in only 9 months 2006, compared to 765 million Baht net profit in the full year of 2005.

Figure 1 Net Profit (million Baht)



Source: Asian Property Development

If you have any question, please feel free to e-mail to pumipat@ap-thai.com

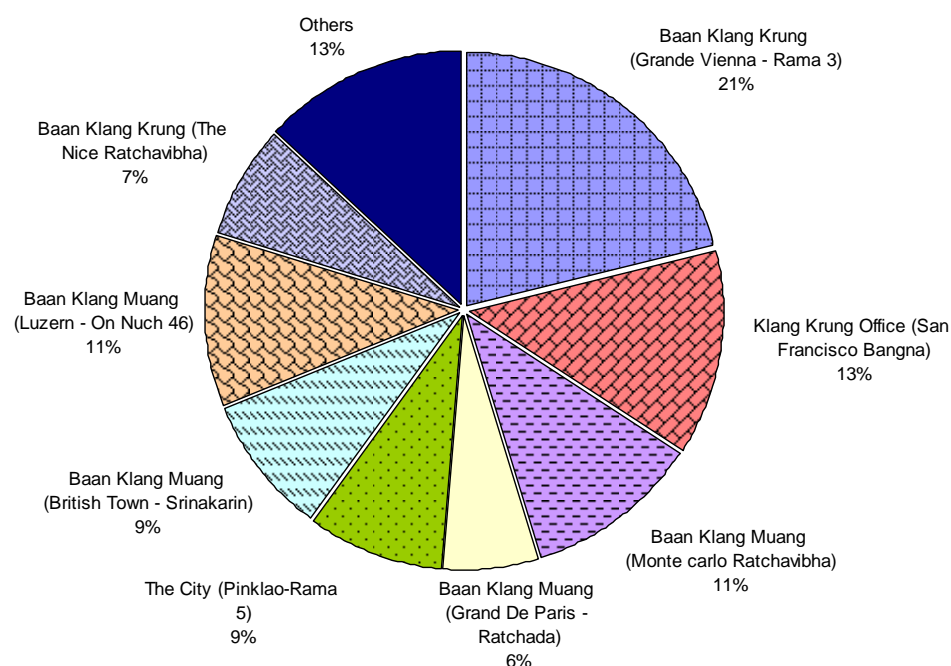


Revenues from the property development in Q3 2006 were 1,012 million Baht, down 13.8% year-on-year and 41.7% quarter-on-quarter respectively. Nevertheless, the strong performance in the first half still drove our revenues for 9 months 2006 to 4,294 million Baht from 2,991 million Baht in the same period of 2005, still up 43.6% YoY.

Baan Klang Krung (Grand Vienna Rama 3) remained the top contributor to our total revenues in Q3 2006. The rest came from sales of all across our ongoing projects as following.

Baan Klang Krung (Grand Vienna Rama 3)	21%
Klang Krung Office Park (San Francisco Bangna)	13%
Baan Klang Muang (Monte carlo Ratchavibha)	11%
Baan Klang Muang (Luzern - On Nuch 46)	11%
The City (Rama 5 - Pinklao)	9%
Baan Klang Muang (British Town Srinakarin)	9%
Baan Klang Krung (The Nice Ratchavibha)	7%
Baan Klang Muang (Grand De Paris Ratchada)	6%
Others	13%

Figure 2 Breakdown of Property Development Revenues by projects in Q3 2006



Source: Asian Property Development

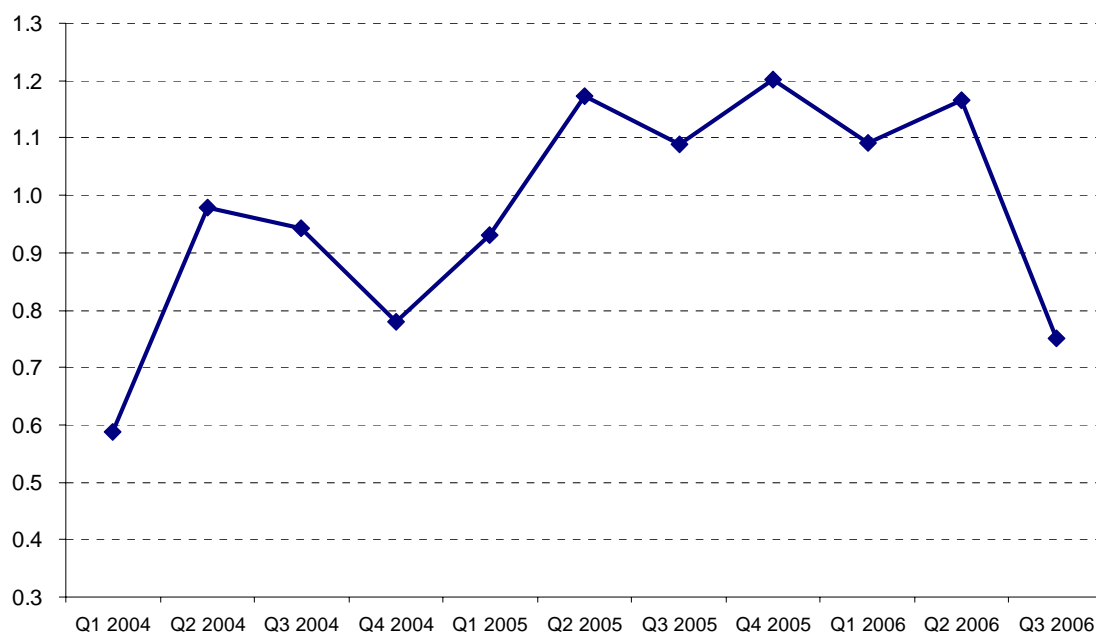
Our Gross Margin in Q3 2006 was 30.5% versus 30.9% in Q2 2006. The low gross margin was partially due to sales of our show houses of The City (Rama 5 - Pinklao). Overall, our 9 months gross margin was 31.4%.

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Net debt to equity sharply dropped to only 0.75x as of Q3 2006, from 1.17x in the previous quarter. Meanwhile, Net debt was substantially reduced from 4,782 in Q2 2006 to only 3,554 million Baht in Q3 2006.

Figure 3 Quarterly Net Debt to Equity Ratio (x)



Source: Asian Property Development



OUTLOOK

Slow sales booking in Q2 2006 started picking up in Q3 2006, reaching 2.14 billion Baht, versus only 1.49 billion Baht in Q2 2006 and 1.69 billion Baht in Q1 2006. The negative three factors mentioned previously have been eased since Q3 2006, especially the oil prices, which have come down materially. Our sales booking continues to be strong, given already 1.94 billion Baht quarter to date (1 Oct - 12 Nov). Therefore, sales backlog (already sold but not yet recognized income) climbed up to 6.08 billion Baht as of Q3 2006 and 8.02 billion Baht as of 12 November 2006 (see Figure 4). Given our strong backlog as of Q3 2006, we believe that our recognized revenues will be relatively high in Q4 2006, driving our full year targeted revenues to reach 5.7-6.0 billion Baht (27-34% growth YoY) in 2006. In terms of our pricing strategy of our project portfolio, we have shifted our pricing slightly down from 3-6 million Baht/unit to 2-5 million Baht/unit. On the product portfolio, townhouses remain our core accounting for 50% of total while condominiums are added and replaced SDH.

Figure 4 Summary of Projects (million Baht) (as of 12 Nov 2006)

	Q1 2006	Q2 2006	Q3 2006	12 Nov 2006
Beginning backlog	4,940	5,087	4,954	6,084
Booking	1,693	1,490	2,142	1,939
Income recognition	(1,546)	(1,623)	(1,012)	-
Ending backlog	5,087	4,954	6,084	8,023
- from townhouses and single detached houses (SDH)			1,749	2,644
- from condominiums			4,335	5,379

Source: Asian Property Development

Asian Property Development has already spent approximately 1.3 billion Baht for the land acquisition in 2006 and budgets 1.5 billion Baht for 2007. As of Q3 2006, the ongoing projects available for sales and new projects in the pipeline were worth 10.4 billion Baht and 3.7 billion Baht, respectively. These figures combined with the backlog we have on hand should be able to drive revenues to grow at least 20% in the next year.

Our dividend policy remains unchanged at 40%, including the big gain from the investment sale. The dividend will be paid after the annual shareholder meeting by the end of April 2007.

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Figure 5 Financial summary

	Q3 2006	Q2 2006	Q1 2006	2005	Q4 2005	Q3 2005	Q2 2005	Q1 2005	2004
Revenues from Property Development (Btm)	1,012	1,736	1,546	4,490	1,499	1,174	1,092	725	4,793
YoY Chg (%)	-13.8%	59.0%	113.2%	-6.3%	-25.9%	-8.2%	11.0%	43.1%	11.2%
Consolidated Revenues (Btm)	1,012	1,736	1,546	5,258	1,499	1,363	1,353	1,043	5,740
YoY Chg (%)	-25.7%	28.3%	48.3%	-8.4%	-35.7%	-0.1%	3.2%	42.3%	20.7%
QoQ Chg (%)	-41.7%	12.3%	3.1%		10.0%	0.7%	29.8%	-55.3%	
Gross profit from Property Development (Btm)	308	536	505	1,551	491	393	412	254	1,821
Gross margin from Property (%)	30.5%	30.9%	32.7%	34.5%	32.8%	33.5%	37.7%	35.1%	38.0%
Overall Gross profit (Btm)	308	536	505	1,683	491	435	448	309	2,004
Gross margin (%)	30.5%	30.9%	32.7%	32.0%	32.8%	31.9%	33.1%	29.7%	34.9%
Operating profit (Btm)	81	325	324	976	291	258	251	176	1,369
Operating margin (%)	8.0%	18.7%	21.0%	18.6%	19.4%	18.9%	18.6%	16.9%	23.9%
Net profit (Btm)	636	234	233	765	243	207	167	148	1,097
YoY Chg (%)	207.5%	40.4%	57.2%	-30.3%	-46.7%	-28.0%	-20.8%	3.3%	-7.9%
QoQ Chg (%)	171.5%	0.4%	-3.7%		17.2%	23.9%	12.4%	-67.4%	
EPS (Bt)	0.28	0.10	0.10	0.34	0.11	0.09	0.07	0.07	0.48
Total assets (Btm)	10,851	10,804	10,565	10,291	10,291	9,266	9,570	9,900	9,247
Equity (Btm)	4,736	4,099	4,213	3,983	3,983	3,824	3,708	4,259	4,266
Outstanding debt (Btm)	4,785	5,502	5,156	5,303	5,303	4,530	4,755	4,584	4,030
Net debt (Btm)	3,554	4,782	4,593	4,787	4,787	4,163	4,347	3,965	3,322
Net debt to equity (x)	0.75	1.17	1.09	1.20	1.20	1.09	1.17	0.93	0.78
ROE (%) (average equity)	N/A	N/A	N/A	18.5%	N/A	N/A	N/A	N/A	28.9%

Source: Asian Property Development

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Figure 6 Ongoing projects

	Type	Rai	No of units	Project value (Btm)	Launch year	Completion (last unit transferred)	% sold (in unit) (as of Sep 30, 2006)	Available for sales (Btm)
Place & Park	SDH	91.6	275	800		N/A		
The City (Rama 5 - Pinklao)	SDH	90.0	283	1,700	Q3 2004	Q4 2007	60%	679
The City (Pinklao)	SDH	38.0	88	700	Q3 2004	Q4 2007	74%	183
Baan Klang Muang (British Town Srinakarin)	TH	43.5	413	1,630	Q1 2005	Q4 2007	67%	537
Baan Klang Krung (Siam - Patumwan)	Condo	4.7	580	2,900	Q1 2005	Q4 2007	99%	15
Baan Klang Muang (The Paris Ratchavibha)	TH	17.0	137	737	Q2 2005	Q4 2006	99%	11
Sydney Office Park (Ladprao 71)	TH	11.5	76	669	Q4 2005	Q2 2007	95%	35
Baan Klang Muang (Grand De Paris Ratchada)	TH	18.0	209	870	Q4 2005	Q4 2007	75%	216
Baan Klang Krung (Grande Vienna Rama III)	TH	18.2	205	1,420	Q4 2005	Q4 2007	93%	104
Baan Klang Krung (Grande Vienna Rama III)	SDH	13.1	24	500	Q4 2005	Q4 2008	33%	333
Baan Klang Muang (Luzern On-nut 46)	TH	26.1	299	880	Q4 2005	Q4 2008	35%	574
Baan Klang Muang (Monte-carlo Ratchavibha)	TH	26.9	261	1,273	Q1 2006	Q4 2008	43%	732
Klang Krung Office Park (San Francisco Bangna)	TH	19.0	110	1,100	Q1 2006	Q4 2007	70%	330
The Address @ Siam	Condo	1.6	224	1,100	Q2 2006	Q4 2008	62%	422
Baan Klang Krung (The Nice Ratchavibha)	SDH	18.2	50	670	Q2 2006	Q4 2008	24%	509
Life @ BTS Tapra	Condo	4.1	672	1,100	Q3 2006	Q2 2009	47%	588
Baan Klang Krung (The Royal Vienna Ratchavibha)	TH	35.6	330	1,400	Q4 2006	Q4 2008	9%	1,277
Baan Klang Muang (The Royal Monaco Srinakarin-Pattanakarn)	TH	24.7	309	900	Q4 2006	Q4 2008	16%	760
Baan Klang Muang (Swiss Town Kaset Navamin)	TH	31.2	320	990	Q4 2006	Q4 2008	8%	913
Baan Klang Muang (The Paris Rama 9-Ramkhamhaeng)	TH	19.1	297	740	Q4 2006	Q4 2008	12%	650
The Address @ Sukhumvit 42	Condo	2.7	214	700	Q4 2006	Q1 2009	16%	586
Life @ Ratchada	Condo	4.1	474	950	Q4 2006	Q3 2009		950
								10,403

Note: % sold as of 30 Sep 2006

Source: Asian Property Development

Figure 7 Projects in the pipeline (planned to be launched)

	Type	Rai	No of units	Project value (Btm)	Land acquisition	Launch year	Completion (last unit transferred)
The Address @ Chidlom	Condo	4.5	N/A	2,000	Q4 2006	Q1 2007	Q2 2010
Klang Krung Office Park (Chokchai 4 - Sena)	TH	10.0	79	500	Q2 2006	Q2 2007	Q4 2009
Baan Klang Muang (Krungthep Kreeta)	TH	10.9	113	310	Q1 2006	Q3 2007	Q3 2009
Baan Klang Muang (Latpraklao)	TH	24.7	350	900	Q1 2006	Q4 2007	Q4 2010
Total planned-to-be-launched projects		50.1		3,710.0			

Note: 1 rai = 0.4 acres = 400 sq.w. = 1,600 sq.m. , * SDH = Single Detached Houses, TH = Townhouses

Source: Asian Property Development

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