

1Q in line; cashflow a key concern



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Raising price objective; Maintain Underperform

We increase our PO on PS to Bt15.2 (from Bt14.0) to reflect our roll-over of valuations from year-end 2012 to mid-2013. We maintain our Underperform rating on PS which is trading at unjustified premium valuations over peers, with a sub-par recovery on low-rise presales and concerns on cash flow management.

Earnings fine-tuned; inferior growth of 12% in 2012E

We fine-tuned our estimates on 2012E-2013E and raised our 2014E by 6%. The revision is mainly to take into account the adjustment on condominium completion schedule, expected lower admin costs and lower tax rate this year from tax shield of operations in India. With our new estimates we now look for earnings growth of 12% in 2012E and this is inferior to industry average of 17%.

1Q12 in line; Presales recovery slower than peers

PS's 1Q12 results were in line with expectation with net income of Bt633mn, down 13% YoY but up 79% QoQ. 1Q12 results accounted for 20% of our 2012E. PS achieved presales of Bt5.7bn in 1Q12, down 33% YoY. The majority of presales (46%) was derived from the condominium segment. The recovery of low-rise presales remains below its peers as presales of townhouses and single detached houses dropped by 57% YoY and 63% YoY, respectively.

Factors to monitor

While we expect 2013 should be a better year for PS on growth story from the delay of condo completion from 2012 to 2013, we believe risks are high this year from lower affordability of its buyers in the low-end segment and high working capital requirement for construction. Key factors to monitor are the improvement in transfer backlog into revenue and better presales of low-rise products.

Estimates (Dec)

(Bt)	2010A	2011A	2012E	2013E	2014E
Net Income (Adjusted - mn)	3,488	2,835	3,171	4,029	4,964
EPS	1.56	1.27	1.42	1.80	2.25
EPS Change (YoY)	-4.0%	-18.8%	11.8%	27.0%	24.7%
Dividend / Share	0.500	0.406	0.454	0.577	0.711
Free Cash Flow / Share	(5.13)	(2.63)	(1.30)	1.55	2.04

Valuation (Dec)

	2010A	2011A	2012E	2013E	2014E
P/E	10.19x	12.54x	11.22x	8.83x	7.08x
Dividend Yield	3.15%	2.55%	2.86%	3.63%	4.47%
EV / EBITDA*	12.03x	13.52x	12.83x	10.53x	8.76x
Free Cash Flow Yield*	-32.47%	-16.66%	-8.23%	9.86%	12.91%

* For full definitions of *iQmethod*SM measures, see page 11.

Stock Data

Price	Bt15.90
Price Objective	Bt15.20
Date Established	10-May-2012
Investment Opinion	C-3-7
Volatility Risk	HIGH
52-Week Range	Bt10.30-Bt21.30
Mrkt Val / Shares Out (mn)	US\$1,120 / 2,191.4
Market Value (mn)	Bt34,843
Average Daily Volume	6,606,390
BofAML Ticker / Exchange	PKARF / SET
Bloomberg / Reuters	PS TB / PS.BK
ROE (2012E)	17.4%
Net Dbt to Eqty (Dec-2011A)	107.1%
Est. 5-Yr EPS / DPS Growth	10.4% / 10.1%
Free Float	26.0%

Key Changes

(Bt)	Previous	Current
Price Obj.	14.00	15.20
2012E EPS	1.39	1.42
2013E EPS	1.74	1.80
2014E EPS	2.12	2.25
2012E EBITDA (m)	4,391.2	4,451.5
2013E EBITDA (m)	5,239.9	5,425.2
2014E EBITDA (m)	6,188.9	6,520.2

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Refer to important disclosures on page 12 to 13. Analyst Certification on Page 9. Price Objective Basis/Risk on page 9. Link to Definitions on page 9.11165884

10 May 2012

iQprofileSM Pruksa Real Est

Key Income Statement Data (Dec)	2010A	2011A	2012E	2013E	2014E
(Bt Millions)					
Sales	23,307	23,263	24,449	29,994	35,044
Gross Profit	8,746	8,538	8,707	10,544	12,431
Sell General & Admin Expense	(4,243)	(4,654)	(4,625)	(5,506)	(6,312)
Operating Profit	4,503	3,884	4,082	5,038	6,119
Net Interest & Other Income	33	22	(95)	(95)	(28)
Associates	NA	NA	NA	NA	NA
Pretax Income	4,536	3,906	3,986	4,944	6,091
Tax (expense) / Benefit	(1,048)	(1,071)	(815)	(915)	(1,127)
Net Income (Adjusted)	3,488	2,835	3,171	4,029	4,964
Average Fully Diluted Shares Outstanding	2,234	2,236	2,237	2,237	2,209

Key Cash Flow Statement Data

Net Income	3,488	2,835	3,171	4,029	4,964
Depreciation & Amortization	246	339	370	387	401
Change in Working Capital	(13,815)	(8,331)	(5,907)	(482)	(368)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	0	0	0	0	0
Cash Flow from Operations	(10,081)	(5,157)	(2,366)	3,934	4,997
Capital Expenditure	(1,234)	(648)	(500)	(500)	(500)
(Acquisition) / Disposal of Investments	NA	NA	NA	NA	NA
Other Cash Inflow / (Outflow)	22	(24)	(47)	(52)	(57)
Cash Flow from Investing	(1,212)	(672)	(547)	(552)	(557)
Shares Issue / (Repurchase)	0	37	0	0	0
Cost of Dividends Paid	(1,214)	(1,104)	(897)	(1,003)	(1,275)
Cash Flow from Financing	9,806	6,265	1,083	(3,382)	(4,440)
Free Cash Flow	(11,315)	(5,806)	(2,866)	3,434	4,497
Net Debt	11,481	18,276	22,087	19,708	16,542
Change in Net Debt	12,507	6,896	3,810	(2,379)	(3,166)

Key Balance Sheet Data

Property, Plant & Equipment	2,287	2,596	2,727	2,840	2,938
Other Non-Current Assets	446	470	517	569	627
Trade Receivables	0	0	0	0	0
Cash & Equivalents	1,630	2,031	200	200	200
Other Current Assets	29,728	36,886	42,943	44,378	45,626
Total Assets	34,091	41,982	46,386	47,987	49,392
Long-Term Debt	9,107	10,973	7,619	3,119	3,119
Other Non-Current Liabilities	50	186	186	186	186
Short-Term Debt	4,004	9,333	14,668	16,789	13,623
Other Current Liabilities	5,667	4,493	4,643	5,597	6,477
Total Liabilities	18,828	24,986	27,116	25,691	23,405
Total Equity	15,297	17,065	19,339	22,365	26,054
Total Equity & Liabilities	34,125	42,051	46,456	48,056	49,459

iQmethodSM - Bus Performance*

Return On Capital Employed	15.9%	8.6%	8.2%	9.8%	11.7%
Return On Equity	24.6%	17.5%	17.4%	19.3%	20.5%
Operating Margin	19.3%	16.7%	16.7%	16.8%	17.5%
EBITDA Margin	20.4%	18.2%	18.2%	18.1%	18.6%

iQmethodSM - Quality of Earnings*

Cash Realization Ratio	-2.9x	-1.8x	-0.7x	1.0x	1.0x
Asset Replacement Ratio	5.0x	1.9x	1.4x	1.3x	1.2x
Tax Rate (Reported)	23.1%	27.4%	20.4%	18.5%	18.5%
Net Debt-to-Equity Ratio	75.1%	107.1%	114.2%	88.1%	63.5%
Interest Cover	NM	28.3x	15.6x	16.9x	23.0x

Key Metrics

* For full definitions of iQmethodSM measures, see page 11.

iQprofile is a proprietary set of measures definitions of Merrill Lynch, which Phatra is permitted to use in this report pursuant to a Research Co-Operation Agreement with Merrill Lynch.

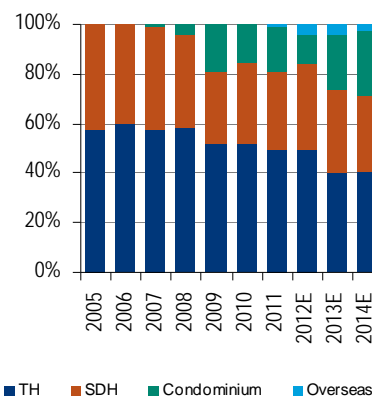
Company Description

Pruksa Real Estate (PS) is the market leader in the low-end segment with average housing price of Bt1-2mn/unit, the lowest among listed property developers. Some 80% of revenue is derived from projects with average housing price below Bt3mn/unit. PS is a mass-market developer, transferring over 10,000 housing units/year, the highest among property developers. This leads PS to be the dominant player in townhouses, commanding about 40% market share.

Investment Thesis

PS will continue to focus on low-rise products and the presales this year will rely more on the success of its new low-rise projects in more concentrated locations. While the operations has recovered from the flood, the recent rally of the share price has put high expectation on the stock. Its growth has decelerated which does not justify its historical premium valuations. We consider that its risk reward profile becomes less appealing compared with peers.

Figure 1: PS - Revenue breakdown



Source: Company; Phatra Securities estimates

Stock Data

Price to Book Value 1.8x

Investment conclusion

Increase PO; Maintain Underperform

We increase our PO on PS to Bt15.2 (from Bt14.0) to reflect our roll-over of valuations from year-end 2012 to mid-2013, using the average fair value of PS at year-end 2012E and 2013E.

Figure 2: PS calculation

(Bt)	2012E	2013E
Target PER of 9.0x (a)	12.8	16.2
20% discounted on discounted cash flow (b)	15.3	16.4
Average of (a) and (b)	14.0	16.3
Average PO of 2012E and 2013E	15.2	

Source: Phatra Securities estimates

We maintain our Underperform rating on PS on unjustified premium valuations over peers, sub-par recovery on low-rise presales and concern on cash flow management. PS has been trading at premium valuations over peers and with an inferior growth profile this year, we don't think its historical premium valuations over peers are justified.

While the market expects a presales recovery from PS, the company has shown a sub-par recovery compared to its peers. In addition, we believe cash flow management will be a key factor for PS this year as the company would likely need to spend a lot of cash on condominiums for completion next year.

Earnings fine-tuned; look for 12% growth in 2012E

We fine-tuned our estimates on 2012E and 2013E and raised our 2014E by 6%. The revision is mainly to take into account the adjustment on condominium completion schedule, expected lower admin costs and lower tax rate this year from tax shield of operations in India. Note that our estimates are 7% below the consensus for 2012E. With our new estimates we now look for earnings growth of 12% in 2012E and this is inferior to industry average of 17%.

Figure 3: PS - Changes in basic assumptions

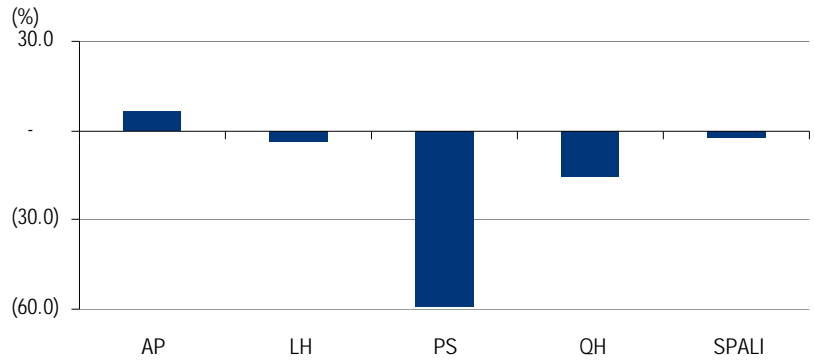
	2012E	2013E	2014E
Revenue (Bt mn)			
Current	24,449	29,994	35,044
Previous	24,442	29,377	33,785
% Change	0.03	2.10	3.73
Operating expenses as % of sales			
Current	18.92	18.36	18.01
Previous	19.16	18.64	18.36
Effective tax rate (%)			
Current	20.70	18.50	18.50
Previous	20.90	18.20	18.20
Net income (Bt mn)			
Current	3,171	4,029	4,964
Previous	3,105	3,885	4,694
% Change	2.14	3.69	5.74

Source: Phatra Securities estimates

Presales recovery slower than peers; market expectations high

While PS showed improving presales MoM in 1Q12, the trend was similar to what we saw from the other property developers. However, we see that PS's recovery is still below its peers and this can be attributed to its concentration of projects in flood-hit areas. Note that presales of townhouses are about 24% below pre-flood levels, while presales of single-detached houses are 40% below pre-flood levels.

Figure 4: % YoY reduction of low-rise presales in 1Q12 versus 1Q11



Source: Companies; Phatra Securities estimates

Less attractive risk-reward profile; premium valuation not justified

In our view, PS now offers a less attractive risk-reward profile as the company has an inferior growth profile and continues to trade at a premium to its mid-cap peers. Note that PS previously traded at premium valuations versus peers when it posted solid presales with fast asset turnover, solid operating margin and a healthy balance sheet. With its slower asset turnover, weaker balance sheet and weaker growth outlook, we believe a premium valuation is not justified.

Key factors to monitor

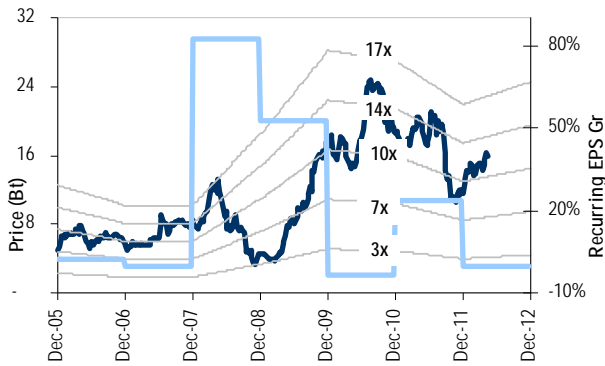
While we expect 2013 should be a better year for PS on growth story from the delay of condo completion from 2012 to 2013, we believe that risks in 2012 are still high given that the purchasing power of its buyers in the low-income segment is still affected by lower capacity utilization of factories compared with pre-flood levels. This was also reflected in high rejection rates, especially in the townhouse segment.

In addition, with high working capital requirement of Bt18bn for construction spending, the cash inflows from transfer and cash flow management are key this year.

We would like to see an improvement in the following factors prior to revisiting our estimates and recommendation on PS:

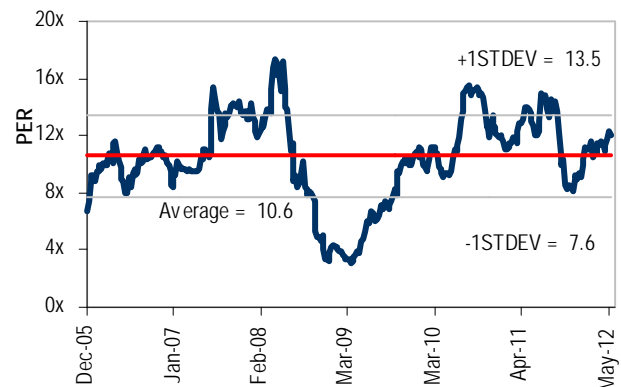
- Recovery of presales from the low-rise segment; and
- Improvement in transfer of its low-rise backlog on hand.

Figure 5: PS - PER Band



Source:SET; Phatra Securities estimates

Figure 6: PS – Trailing P/E



Source:SET; Phatra Securities estimates

Figure 7: Property Comp

	Price (Bt)	Market cap (US\$ mn)	Core EPS (Bt)			Recurring EPS growth			Core PER (x)			Yield (%)	PBV (x)	ROE (%)
			2011A	2012E	2013E	2011A	2012E	2013E	2011A	2012E	2013E	2012E	2012E	2012E
SPALI	16.10	892	1.50	1.81	2.06	-0.5%	20.7%	14.2%	10.76	8.92	7.81	4.71	2.19	26.6%
AP	6.75	509	0.54	0.69	0.96	-28.8%	27.8%	39.8%	12.51	9.78	7.00	4.13	1.57	17.2%
QH	1.72	471	0.08	0.13	0.15	-56.9%	53.0%	19.6%	20.72	13.54	11.32	4.03	1.02	8.6%
LPN	16.20	778	1.29	1.52	1.85	20.6%	17.3%	22.1%	12.52	10.68	8.75	4.67	2.86	28.9%
LH	7.45	2,038	0.38	0.42	0.48	5.5%	8.2%	15.3%	19.39	17.93	15.55	4.74	2.50	14.1%
PS	15.90	1,119	1.27	1.42	1.80	-18.8%	11.8%	27.0%	12.54	11.22	8.83	2.86	1.44	17.5%
Average						-11.5%	17.5%	21.8%	15.33	13.21	11.06	4.25	2.09	18.5%

Source: Phatra Securities estimates

1Q12 results highlights

1Q in line with expectation

PS's 1Q12 results were in line with expectation. 1Q12 net income came in at Bt633mn, down 13% YoY but up 79% QoQ. 1Q12 results accounted for 20% of our 2012E. The QoQ growth was derived from lower corporate tax and lower operating costs as PS achieved low presales and did not undertake significant marketing activities in 1Q12.

Revenue derived mainly from low-rise

Housing revenue was Bt4.7bn, down 14% YoY but flat QoQ. We believe the majority of revenue is derived from the low-rise segment and the transfer of backlog remains slow. We expect improvement in 2H12.

Lower operating costs from low marketing activities

We saw a sharp decline in operating expenses, down 31% YoY and 15% QoQ. This should be attributed to weak presales in 1Q12 and a relative lack of marketing activities in the quarter. Note that PS achieved presales of Bt5.7bn, down 33% YoY.

Lower tax rate from tax shield from Indian operations

The operations in India started to generate revenue of Bt84mn in 1Q12 and generated a small profit. This enabled PS to utilize tax shield of slightly over Bt10mn in 1Q12. Note that PS has a tax shield of approximately Bt50mn from the losses in India last year.

Improving net gearing but cash flow needs to be monitored

Net D/E improved to 1.02x at end-1Q12 compared with 1.07x at year-end 2011. We are not concerned on its net gearing, but the cash flow would likely need to be monitored as PS has huge working capital requirement to complete condominium projects, which are mainly scheduled to be completed next year.

Figure 8: PS - 1Q12 results highlights

(Bt mn)	1Q12	1Q11	% YoY	4Q11	% QoQ
Sales of real estate	4,655	5,422	(14.1)	4,659	(0.1)
Cost of real estate sales	3,003	3,289	(8.7)	3,025	(0.7)
Gross Profit	1,652	2,133	(22.6)	1,633	1.1
Gross margin (%)	35.5	39.3		35.1	
Operating expenses	837	1,203	(30.5)	988	(15.3)
OPEX as % of sales	18.0	22.2		21.2	
EBIT	815	930	(12.3)	645	26.4
Operating margin (%)	17.5	17.2		13.8	
Other income	20	28	(28.6)	42	(51.8)
Interest expenses	61	13	379.5	57	6.0
EBT	775	945	(18.1)	629	23.1
Income tax expenses	142	214	(33.9)	275	(48.5)
Net Income	633	731	(13.4)	355	78.5
EPS weighted average (Bt)	0.29	0.33	(13.5)	0.16	78.5

Source: Company; Phatra Securities estimates

Operations update and outlook

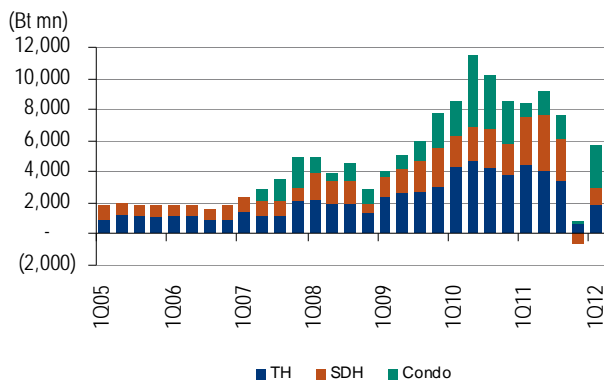
1Q12 presales dominated by condominium

PS achieved presales of Bt5.7bn in 1Q12, down 33% YoY. The majority of presales (46%) was derived from the condominium segment. Meanwhile, presales of townhouses and single-detached houses still dropped by 57% YoY and 63% YoY respectively.

April presales remained low

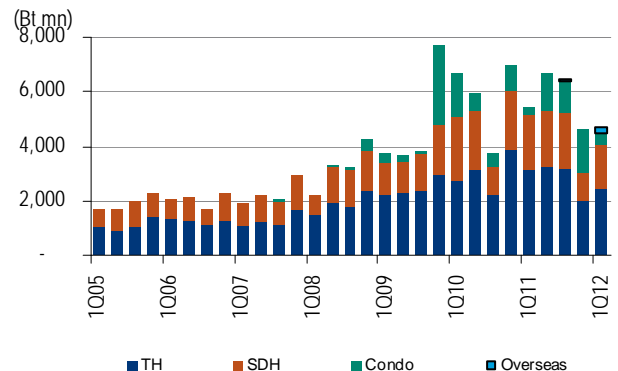
The presales in April remained low at Bt1.5bn, totaling Bt7.2bn for 4M12. This accounted for 25% of the company's presales target for this year.

Figure 9: Quarterly presales



Source: Company; Phatra Securities estimates

Figure 10: Quarterly revenue



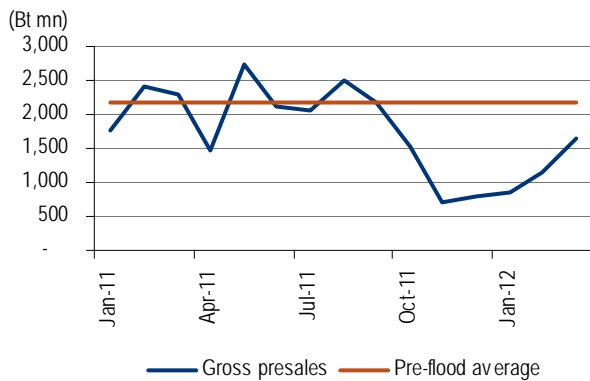
Source: Company; Phatra Securities estimates

Low-rise presales improving, but not yet fully recovered

While PS's presales showed improving signals MoM in 1Q12, they have still not recovered to the pre-flood levels seen in 9M11. Presales of townhouses are about 24% below pre-flood levels, while presales of single detached houses are 40% below pre-flood levels.

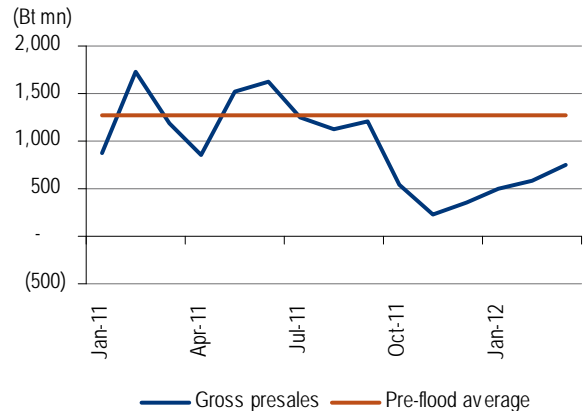
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Figure 11: Monthly presales of TH - still below pre-flood level



Source:Company; Phatra Securities estimates

Figure 12: Monthly presales of SDH - still below pre-flood level

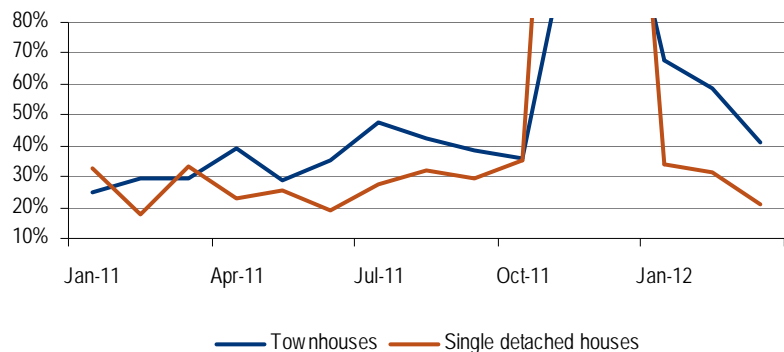


Source:Company; Phatra Securities estimates

Cancellation is still high on townhouses

While presales momentum started to show improvement, the cancellation rates for townhouses remain high at 40% in March 2012. This reflected the purchasing power of blue collar workers who are still affected by lower utilization rates of manufacturing plants in flood-hit areas compared with pre-flood levels.

Figure 13: Cancellation rate of TH and SDH



Source:Company; Phatra Securities estimates

New presales rely on success of Pattanakarn projects

PS plans to launch 5-6 new projects in the Pattanakarn area with combined value of Bt12-15bn. The first few project launches will start in June this year. With its prime locations, PS targets to achieve good presales and the success of the projects in this area should be a key boost for low-rise presales this year.

49 new projects planned in 2012

PS maintains its plan to launch 49 new projects this year. This includes 28 townhouse projects, 15 single detached housing projects and four condominium projects. Note that PS has launched seven new projects in 1Q12 with combined value of Bt5.6bn. More launches will be made in 2H12.

Land acquisition delayed to 2H12

With tighter cash flow PS has postponed land acquisition to 2H12, and this would imply that the launches of condo projects will be made mainly in 2H12.

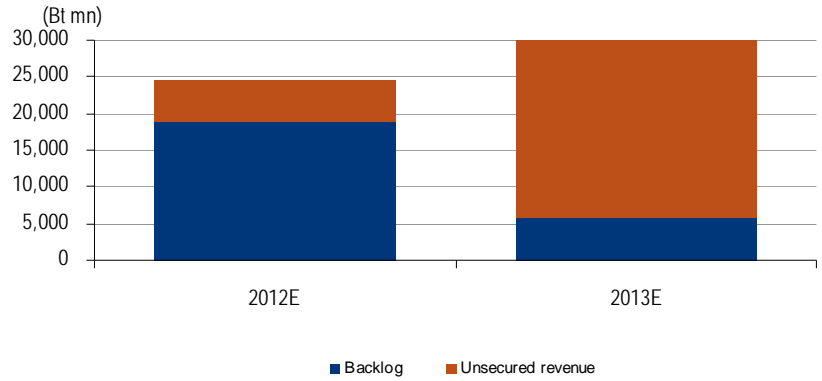
Backlog to cushion revenue

PS has backlog on hand worth Bt34bn at end-1Q12, of which Bt18.7bn is expected to be recognized in 2012. This covers 96% of our 2012 revenue target. However, if we assume rejection rate of 30% on low-rise backlog, PS should have secured 77% of our 2012 revenue target.

Quality of backlog to be monitored

Despite its high backlog on hand, the cancellation rate remains high. We estimate cancellations totaled approximately Bt2.9bn in 1Q12, which accounted for close to 10% of backlog on hand.

Figure 14: PS - Revenue secured by backlog on hand



Source: Company; Phatra Securities estimates

Price objective basis & risk

Pruksa Real Est (PKARF)

Our 12-month price objective of Bt15.2share is based on the average valuations of 2012E and 2013E. Our price objective takes into account the growth potential next year and at the same time does not rule out the impact on share price from any upside/downside risks on 2012E. The valuations of 2012E and 2013E are based on a) P/E of 9.0x, which is par to other mid-cap property peers but 15% discount to its historical P/E, and b) 20pct discount to our DCF valuation. We believe the premium valuation of PS is not justified as we expect PS to have inferior growth compared with peers. The DCF valuation, based on a discount rate of 10% and terminal growth rate of 2%, is applied to take into account the company's backlog which has already secured revenue for 2013-2014. Downside risks to achieving our price objective are higher-than-expected competition among developers, slower than expected permits approval by the authorities, rising construction cost, stronger than expected increase in interest rates, tighter mortgage financing policy from commercial banks and weaker presales from soft demand or higher competition. Meanwhile the upside risk to our PO is better than expected presales momentum.

Link to Definitions

Financials

Click [here](#) for definitions of commonly used terms.

Analyst Certification

I, Jiraporn Linmaneechote, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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ASEAN - Property Coverage Cluster

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BUY	Amata Corp Pub	AMCXF	AMATA TB	Sirichai Chalokepunrat
	ARA Asset Management	XGMAF	ARA SP	Xin Yan Low
	Asian Property	XPPKF	AP TB	Jiraporn Linmaneechote
	CapitaMall Trust	CPAMF	CT SP	Xin Yan Low
	CapitaRetail China Trust	XPCAF	CRCT SP	Xin Yan Low
	Fraser and Neave Ltd	FNEVF	FNN SP	Melinda Baxter
	Frasers Centrepoint Trust	XRRFF	FCT SP	Xin Yan Low
	Global Logistics Properties	XGLGF	GLP SP	Melinda Baxter
	Land & Houses	LDHXF	LH TB	Jiraporn Linmaneechote
	Land & Houses -F	LDHOF	LH/F TB	Jiraporn Linmaneechote
	LPN Devp Pub Co	LDVFP	LPN TB	Jiraporn Linmaneechote

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ASEAN - Property Coverage Cluster

Investment rating	Company	BofA Merrill Lynch ticker	Bloomberg symbol	Analyst
	Overseas Union Enterprise	OVUNF	OUE SP	Melinda Baxter
	PT Alam Sutera Realty Tbk	XUSTF	ASRI IJ	Melinda Baxter
	PT Ciputra Development TBK	PTCDF	CTRA IJ	Melinda Baxter
	PT Intiland Development	PDHMF	DILD IJ	Melinda Baxter
	PT Lippo Karawaci	PTLKF	LPKR IJ	Melinda Baxter
	PT Summarecon Agung Tbk	PSAHF	SMRA IJ	Melinda Baxter
	Quality Houses	QHPSF	QH TB	Jiraporn Linmaneechote
	Robinsons Land Corporation	RBLAF	RLC PM	Jidgette Velasco
	Siam City	SAMUF	SCCC TB	Jiraporn Linmaneechote
	Starhill Global REIT	SGLMF	SGREIT SP	Xin Yan Low
	Supalai	XPAYF	SPALI TB	Jiraporn Linmaneechote
	UOL Group Ltd	UOLGF	UOL SP	Melinda Baxter
NEUTRAL				
	Capitaland	CLLDF	CAPL SP	Melinda Baxter
	Central Patt.-L	XDOJF	CPN TB	Paveena Chewanant
UNDERPERFORM				
	Ascendas Real Estate	ACDSF	AREIT SP	Xin Yan Low
	CapitaCommercial Trust	CMIAF	CCT SP	Xin Yan Low
	CapitaMalls Asia	CLPAF	CMA SP	Melinda Baxter
	CDL Hospitality Trust	CDHSF	CDREIT SP	Xin Yan Low
	City Dev -A	CDEVY	CDEVY US	Melinda Baxter
	City Develops	CDEVF	CIT SP	Melinda Baxter
	Keppel Land	KPPLF	KPLD SP	Melinda Baxter
	Pruksa Real Est	PKARF	PS TB	Jiraporn Linmaneechote
	Suntec REIT	SURVF	SUN SP	Xin Yan Low
	WingTai Asia	WTHEF	WINGT SP	Melinda Baxter
RVW				
	IGB Corporation	IGBBF	IGB MK	Melinda Baxter
	SP Setia Bhd	SPSJF	SPSB MK	Melinda Baxter

iQmethodSM Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) * (1 - \text{Tax Rate}) + \text{Goodwill}$	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill
Return On Equity	Amortization Net Income	Amortization Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5-Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings		
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt, Less Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit		
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap. = Current Share Price * Current Basic Shares
Enterprise Value / Sales	$\text{EV} = \text{Current Share Price} * \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} + \text{Sales}$ Other LT Liabilities	
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

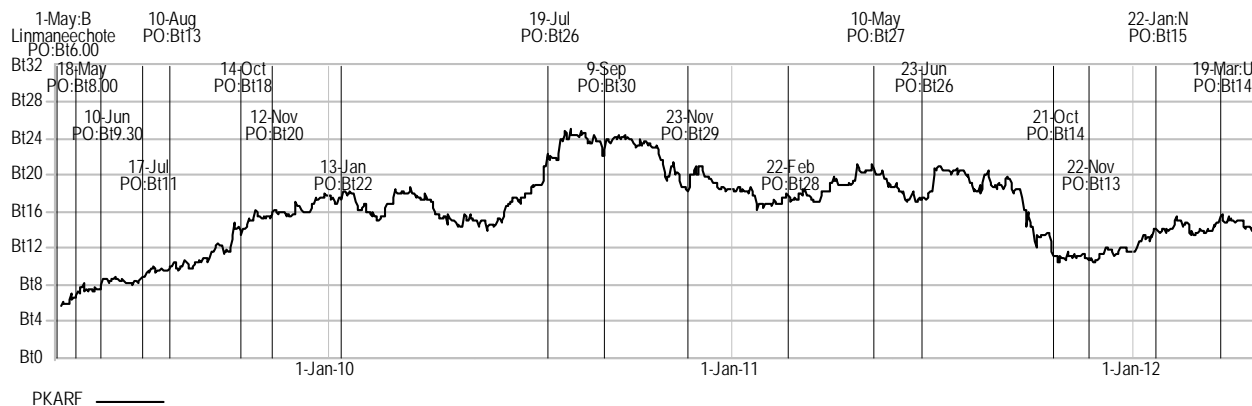
iQmethodSM is the set of BofA Merrill Lynch standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and valuations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

iQdatabase[®] is our real-time global research database that is sourced directly from our equity analysts' earnings models and includes forecasted as well as historical data for income statements, balance sheets, and cash flow statements for companies covered by BofA Merrill Lynch.

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Important Disclosures

PKARF Price Chart



B : Buy, N : Neutral, U : Underperform, PO : Price objective, NA : No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of April 30, 2012 or such later date as indicated.

Investment Rating Distribution: Real Estate/Property Group (as of 01 Apr 2012)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	71	52.59%	Buy	36	53.73%
Neutral	31	22.96%	Neutral	17	54.84%
Sell	33	24.44%	Sell	11	34.38%

Investment Rating Distribution: Global Group (as of 01 Apr 2012)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	1881	49.24%	Buy	1265	73.38%
Neutral	992	25.97%	Neutral	641	70.75%
Sell	947	24.79%	Sell	548	62.27%

* Companies in respect of which MLPF&S or an affiliate has received compensation for investment banking services within the past 12 months (Merrill Lynch Relationship Only). For purposes of this distribution, a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of a stock's: (i) absolute total return potential and (ii) attractiveness for investment relative to other stocks within its *Coverage Cluster* (defined below). There are three investment ratings: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

* Ratings dispersions may vary from time to time where Research Analyst(s) believe(s) it better reflects the investment prospects of stocks in a Coverage Cluster.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent Phatra research report referencing the stock.

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Corporate Governance Report of Thai Listed Companies 2011

Disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association (“IOD”) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market of Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the data appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. Phatra Securities Public Company Limited (“Phatra”) does not confirm nor certify the accuracy of such survey result. In addition, the list only includes companies under Phatra’s coverage except those specified.



Companies with Excellent CG Scoring by alphabetical order under Phatra’s Coverage

Advanced Info Service	Airports of Thailand	Bangkok Bank	Bank of Ayudhya	Banpu
Bangchak Petroleum	Central Pattana	Electricity Generating	The Erawan Group	IRPC Plc
Hemaraj Land and Development	Kasikornbank	Krung Thai Bank	L.P.N. Development	MCOT
Preuksa Real Estate	PTT	PTT Global Chemical	PTT Exploration	Quality Houses
Siam Commercial Bank	Siam Cement	TISCO Financial Group	Thai Military Bank	Thai Oil
Ratchaburi Electricity Generating				



Companies with Very Good CG Scoring by alphabetical order under Phatra’s Coverage

Amata Corporation	Asian Property Development	BEC World	Bumrungrad Hospital	Berli Jucker
BIG C Supercenter	BTS Group Holdings	Central Plaza Hotel	Charoen Pokphand Foods	CP All
Total Access Commun	GFPT	Glow Energy	Indorama Ventures	Land & Houses
Major Cineplex Group	Siam Makro	Minor International	Siam City Cement	Supalai
Thai Stanley Electric	Thanachart Capital	Thai Airways International	True Corporation	Thai Union Frozen Product
Thai Vegetable Oil	Vinythai			



Companies with Good CG Scoring by alphabetical order under Phatra’s Coverage

ESSO (Thailand)	Bangkok Chain Hospital	Rojana Industrial Park	Ticon Industrial Connection
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N/A

Companies without survey result available by alphabetical order under Phatra’s Coverage

Bangkok Dusit Medical Services	CPN Retail Growth Property Fund	Thai Beverage		
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