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INDUSTRY NEWS UPDATE

UPDATE 1-Thai Preuksa to spend \$430 mln on property projects

BANGKOK, Jan 8 (Reuters) - Thai property firm Preuksa Real Estate PCL PS.BK forecast a 31 percent rise in 2009 revenue on Thursday, above analysts' expectations, and it plans 15 billion baht (\$430 million) in new housing projects during the year.

Thailand's second-largest property developer also planned a 1 billion baht (\$28.6 million) bond issue later this month to help finance the projects along with cash and bank loans.

"We aim for revenue of about 17 billion baht this year," President Thongma Vijiitpongpun told reporters after the company posted estimated revenue of 13 billion baht for 2008.

Broker Kim Eng Securities expects revenue of nearly 15 billion baht this year for the Bangkok-based developer, which builds and sells townhouses, single-detached homes and condominiums.

Among the 22 projects planned for 2009 is a 1.2 billion baht development of single detached houses and townhouses in India, which is scheduled for pre-sale late in the first quarter or early in the second quarter.

The company was also considering a joint-venture condominium project in India, and studying other projects in Vietnam, China and Indonesia, but it gave no details.

Preuksa had 11 billion baht in pre-sales at the end of last year, of which 8.4 billion baht would be booked as revenue in 2009 and the remainder in 2010, company officials said.

They forecast a net profit margin of more than 14 percent for 2009, flat on last year.

The government has promised tax relief for developers as part of a stimulus package for Thailand's economy, which is expected to barely grow in 2009 due to the global economic slowdown.

It recently extended tax breaks for developers by another year to March 2010 and has asked commercial banks to approve more loans.

Chief Financial Officer Somboon Wasinchutchawal said the 1 billion baht in bonds would be sold from Jan. 26 to 28, with a coupon higher than 5 percent.

(Source: Reuters - US, Dated 8th January 2009)