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DEVELOPMENT
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A Member of Central Group

Central Pattana Public Company Limited

2Q 2009 Results Briefing:

CPN – Central Pattana Plc.

CPNRF – CPN Retail Growth Leasehold Property Fund

Analyst Briefing Transcript

Event Date/Time: August 25, 2009 / 1100 hrs

Venue: The Stock Exchange of Thailand, Bangkok

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As a representative of CPNRF’s Property Manager

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As a representative of CPNRF’s Fund Manager

Presentation – Central Pattana Plc.

Moderator:

Good morning investors and analysts. Before we start, I like to inform you that our IR (Investor Relations) team has provided some operational status and details in an appendix of the presentation. So if any of you needs more operational information, please do refer to the appendix. Now, we shall start our briefing.

Speaker: Mr. Naris Cheyklin, the CFO and SEVP of CPN

Slide 5

I would like to start out with our major development in 2Q09, which is the opening of CentralPlaza Udon Thani. We have acquired the shopping mall on the 8th of April and had completely transferred the titles of land and building of the shopping mall. Currently, we are putting on some renovations. Let say, we do a little face lift for the mall. We expect the renovations to complete by year-end, which should give the shopping mall a new look going into the year-end high season.

The second major development is the opening of CentralPlaza Chonburi on the 29th of May, which we hope it will be a pride to Chonburi people. The traffic is quite high especially during weekend when we have our parking space fully occupied. Hence, we are building our second parking lots which the construction is almost finished. We also have space for auto services. We hope to build this into a new concept for our new shopping malls in upcountry that we will have parking space and auto service center for our customers. Since a cost of land in upcountry is cheaper than that in Bangkok, we intend to build parking lots instead of a parking building. However, a parking building is still an option should the mall requires more parking space in the future.

For CentralPlaza Khon Kaen project, the construction has made progression as per schedule. About 76% of retail space has been leased out. This is a bit behind our leasing schedule, but it is due to the fact that we decide to add an extra floor to the Khon Kaen project because of its potential. We just took our key tenants and potential tenants to Khon Kaen on last Thursday and Friday, which we had seen quite a positive response from them. We also brought them to Khon Kaen's downtown to observe market environment there. We believe our mall's location is one of the best in the Northeastern.

Moreover, CentralPlaza Khon Kaen located on an intersection of main road to Khon Kean's downtown and interstate road to Udon Thani and Loei provinces. We went to a conference made by Khon Kaen's Governor and Chamber of Commerce saying that Khon Kaen will be Northeastern hub so-called East-West Corridor, which is a connection from Myanmar to Vientiane and Da Nang. Nowadays, Khon Kaen is the education hub and government center of the Northeast region. This increases number of non-resident and drive demand for apartments. We have a strong confidence in this city and believe that this is a good time to make our present there before property booming.

Speaking of 2Q09 financial performance, total revenues grew 31% yoy, mainly from new projects. Revenues grew aggressively and are expected to increase further in 4Q09. However, net profit

increased only 13% yoy, due to higher operating expenses. Margin declined slightly on marketing expenses during and after the grand opening of the new malls, additional depreciation of the new projects, and higher sub-lease payment of CentralPlaza Lardprao after a renewal of its sub-lease agreement.

Occupancy rate stayed unchanged at 96%, and we are expected a higher figure in 3Q09 and 4Q09 due to higher occupancy rate at many of our shopping malls such as CentralPlaza Chonburi, Central World, CentralFestival Pattaya Beach. We anticipate tourism should improve in the second half according to our conversation with Centara Hotel and other hotel operators. Number of hotel bookings has continuously picked up.

Same-store rental rate slightly increase by 1.5% yoy, which is low in absolute term, but it is actually a very solid figure considering this very weak economic condition. Thanks to Khun Thanasombat who has worked very hard to push for the 1.5% yoy growth.

Office occupancy rate stood at 85%. We expect the figure to increase when we close deal with anchor tenants at the new office at Chaengwattana.

Slide 7

As for our shopping centers in Bangkok Metropolitan area, occupancy rate averaged 97%. Compared to the previous quarter, occupancy rate of CentralPlaza Chaengwattana marginally improved from 92% to 93% whilst that of CentralPlaza Pinklao slightly increased to 98% from 97%. Likewise, CentralPlaza Ratchada-Rama 3 was fully occupied.

Slide 8

In 2Q09, occupancy rate of our provincial shopping centers averaged 94%, reflecting a slight decrease in occupancy rate of Central Pattaya Center and a low take-up rate of 83% at the initial stage of our newly opened CentralPlaza Chonburi, where tenants were fitting-out their shops.

Slide 9

As for office properties, average take-up rate stood at 85%, which was taken to account a 20% take-up rate at the initial stage of the new office at Chaengwattana. As for the decreased take-up rate at Pinklao Tower B office, we expected to fill-up the space in the near future without much effort.

Slide 10

I should make no comment on residential properties as they are considered non-core business and making little contribution to the company.

Speaking of the newly acquired Centara Udon Thani Hotel, occupancy rate averaged 83%. Second quarter is the low season for hospitality business. Historically, this hotel has no significant seasonal effect, thanks to its giant convention center hosting governmental seminars all year round. This indirectly helps the occupancy of the hotel. I just visited the hotel and the occupancy rate during my visit was around 78%, which was very good as the third quarter is the bottom of hotel business.

Slide 11

There was no significant change in profile of rental contract. About 22% of retail space was under "percentage of sale" type of contract (turnover rent). This slight decreased from 24% as of the previous quarter.

Slide 12

Average rental rate for retail space marginally declined yoy. For comparative purpose, excluding new projects, rental rate marginally increased yoy as shown in the presentation.

Slide 13

Speaking of traffic flow, the second quarter is normally worse off than the first quarter, due to numbers of festivals and national holidays in the first quarter. Visitor traffic of Central Pattaya Center was affected by depressed tourism and the commencement of the new CentralFestival Pattaya Beach. I just visited Pattaya last week and the city was pretty quiet, not many tourists as usual. The best performance shopping place in the city was still our CentralFestival Pattaya Beach. The second was our Central Pattaya Center. Other shopping malls were doing not so good, except Mike Shopping Center (local mall). This mall did a very good job in terms of tourist visitors measured by number of tourist buses. Nowadays, there are about 30 buses per day at Mike while our CentralFestival Pattaya Beach gets only 15. In terms of local visitors and expatriates, we are certain that our mall is doing a better job.

Slide 15

Among our newly opened projects, we were least worried about CentralPlaza Chonburi. Its operational performance was fairly better than that of our CentralFestival Pattaya Beach as CentralPlaza Chonburi is considered a stomping ground to local people and, thus, got no effect from the depressed tourism. CentralPlaza Chaengwattana was doing reasonably well and all of the anchors achieved their sales targets.

Slide 16

The newly acquired CentralPlaza Udon Thani has 100% occupancy rate. No effect from the Influenza H1N1 epidemic. Nonetheless, high hygienic procedure remained active at all of our malls.

Slide 17

As previously mentioned, we will do a minor renovation at Centara Udon Thani Hotel in accordance with Centara Hotel's standard. This requires small capital expenditure.

Slide 18

Speaking of CentralPlaza Khon Kaen, investment cost was increased from Baht 2,000 million to over Baht 3,000 million. We decided to put more investment as we have a strong confidence in this project. The land is freehold and located in the prime spot of the city. The province itself is the regional center,

surrounding by many 2-tier provinces. We also expect shoppers from near-by provinces within a 1.5-hour drive. Khon Kaen is considered as education hub of the Northeast region, confirmed by the Mayer. During weekend, parents in the 2-tier provinces travel with their kids to Khon Kaen for tutoring schools and beauty centers. There will be a number of beauty salons in our up-coming shopping mall with Education Zone on the fifth floor.

Slide 19

Our hotel in Pattaya, The Hilton Pattaya Beach Hotel, is scheduled to complete at the end of 2010, in time when we expect the tourism should be improved. With the prime location of the hotel on Pattaya beach, the project should command high occupancy rate and room rate once Pattaya tourism recover.

Slide 20

As for CentralPlaza Rama 9, piling works are nearly completed. We are approaching structure work bidding. The project is beautifully designed with modern looks and will house a flagship store of Robinson Department Store. Accessible via MRT and Airport Link mass transits, the project is also suited for last minute shopping before and after flight check-in.

Slide 21

For Pre-Cadet School site, we are awaiting land delivery. So far, we have been approached by two potential international partners who are keen to jointly develop office towers with us. With joint developers, the project will require lower capital expenditure.

Construction of Chiangmai-2 project will be initiated during mid-2010. Magnet will be Central Department Store which will help drawing crowd of both local and foreign tourists.

As for overseas project, it can be said that CPN has made a further step, especially for China project. However nothing has yet finalized. We are currently under study projects located in high commercial growth cities where competition is less intensive. We believe that our first foot step in China will be successful. If I am right, we should be able to announce something by year end.

Slide 22

There was no significant change in capital expenditure profile. This year we need Baht 8,690 million. This includes budgets for major renovations of CentralPlaza Lardprao and CentralPlaza Udon Thani and developments of Chiangmai-2 and mixed-use development on Pre-Cadet School site.

Slide 23

By 2012, our retail leasable area will reach one million sqm, growing from 960,000 sqm of this year end. This represents a 32% growth.

This should conclude the main highlights for operations during 2Q09. We shall move to CPN's financial performance for the quarter.

Speaker: Ms.Napararat Sriwanvit, Senior Vice President of Finance, CPN

Slide 25

As presented by Khun Naris, total revenues increased from the opening and acquisition of new shopping centers since late last year totaling four shopping malls. CPN's revenue jumped 31% yoy, but unfortunately net profit grew at the lower pace due to depreciation expenses of the new malls and higher sub-lease payment of CentralPlaza Lardprao. Excluding those from the new malls, revenue grew 7% yoy, driven by the 1.5% yoy increased in rental rate and higher occupancy rate at CentralWorld.

Slide 26

The slide shows details of revenue.

Slide 27

Total costs increased 40% yoy from depreciation expense of the new shopping centers and the sub-lease payment of CentralPlaza Lardprao after the renewal of its sub-lease agreement.

Slide 28

There were two major components of SG&A, which were personal expenses and marketing expenses. Personal expenses grew 25% yoy as we hired more staff to support the new projects. We were cautious on our marketing expenses. Marketing expenses flattened yoy in absolute term but downed yoy as a percentage of revenue. Marketing expenses in terms of percentage of sales excluding the grand opening expense of CentralPlaza Chonburi was 3.6% in 2Q09.

Slide 29

Margin declined as a result of expenses related to the opening of the new shopping malls. Straight-line depreciation expenses of the new malls fully hit the operation while occupancy rate was still at its initial stage level. Consequently, margin slipped. However, occupancy rate of the new projects should pick up after their initial stages, which should lead to margin enhancement.

Slide 30

Net interest bearing debt to equity increased to 1.1x resulting from an issuing of Bt4,000m four-year bonds to finance new projects. Despite the increasing figure, we have policy to maintain net interest bearing debt to equity of about 1x. After we transfer CentralPlaza Pinklao project to CPNRF, our net interest bearing debt to equity should scale back to below 1x. Interest coverage ratio stood at 10.2x.

Slide 31

Long-term bond accounted for 53% of total debts after CPN issued corporate bond in 2Q09. Long-term debt in term of project financing explained 35% of total debt. The rest is short-term loan in form of Bills of exchange. Financial cost in 2Q09 was approximately 4.5% p.a down from 5% p.a at the beginning of the year. We expect to maintain fixed-rate loan at roughly 65% of total debt.

Slide 32

This slide gives you summaries of CPN stock price performance and dividend payment.

This comes to the end of CPN presentation. We shall go through CPNRF presentation.

Presentation – CPN Retail Growth Leasehold Property Fund

Speaker: Mrs. Chotika Sawananon, Managing Director of SCBAM

Good morning investors of CPNRF and CPN.

Slide 5

Net investment income in 2Q09 grew at a solid 9.3% yoy despite a qoq drop. Dividend payment is 95% of net profit which is equivalent to Baht 244 million or Baht 0.2239 per unit, slightly lower than that of the last quarter. The payment yields 9.9% at CPNRF's price of Baht 9.05 per unit.

Slide 6

Property income flattened in this quarter, but property expense declined 9.7% yoy as well as the amortization of deferred expenses. This was due to a lack of the fund's set up cost, which had fully amortized last year. Therefore, net profit increased approximately Baht 22 million yoy, however, declined slightly from the previous quarter. Overall, our performance in the quarter is quite satisfactory.

Slide 7

Balance sheet remained the same as the capital increase has not yet taken place. We plan to announce 3Q09 dividend before the capital increase so that current investors do get their fair share of 3Q09 performance.

NAV is currently at Baht 10.4, which included an accrual of 2Q09 income. I understand that last month appraisal is higher than the initial appraisal which means the operation performance is very decent.

Slide 8

Current yield at market price of Baht 9.05 per unit was 6% above 10-year government bond yield, which is notable when compared to SET dividend yield, 10-year government bond yield, or saving rate.

Slide 9

On the dividend matter, Ex-dividend date was August 24, 2009. Book closure date was August 27, 2009. Payment date will be September 11, 2009.

The next part will be operation results of the two properties.

Slide 11

Occupancy rate of the portfolio was 98%, which was presentable.

Slide 12

We renewed 82 tenants for CentralPlaza Rama 2 and 45 tenants for CentralPlaza Ratchada-Rama 3, which brought to a total of 127 tenants. This resulted in 4.8% pa. increase in rental rate.

Slide 13

Update on tenants whose contracts are expired, CentralPlaza Rama 2 and CentralPlaza Ratchada-Rama 3 recorded 7% and 19% respectively. CentralPlaza Ratchada-Rama 3 showed higher figure as it came to twelve-year anniversary this year. Hence, we expect a relatively material change in shop mix, and we also planed a new zoning. This should modernize CentralPlaza Ratchada-Rama 3 a bit and introduce new shopping experience for our customers.

Slide 14

Ratio of fixed rent and consignment stayed constant.

Slide 15

Tenant mix remained unchanged. However, tenant mix for CentralPlaza Ratchada-Rama 3 might change at the end of the year after we have adjusted merchandising mix to add more restaurants.

Slide 16

Anchor remained the same. The contract for IT city that ended in August had been renewed.

Slide 17

Due to economic condition, overall traffic for the industry has softened. However, CentralPlaza Ratchada-Rama 3 reported 2% increase in traffic yoy. For traffic for CentralPlaza Rama 2, since the annual crab festival, which normally took place on 2Q, has moved to first quarter this year, traffic for 2Q was dropped 9% yoy

Slide 18

For the renovation, we did a new design for take home area. We expect overall operation performance for CentralPlaza Rama 2 and CentralPlaza Ratchada-Rama 3 to stay decent and improve during year-end. Especially for CentralPlaza Ratchada-Rama 3 as I have mentioned, there is the renovation in the process to add more restaurants, and therefore we should be able to obtain more rental income as well as increase our rental rate.

Questions & Answers

Question : From the visit to CentralPlaza Chaengwattana, I observed that business activities there are quite slow. How do you plan to improve the condition and how will you manage the discount given?

Answer: Mr. Naris Cheyklin : The slow activities only happen on weekday. It is quite normal for a newly opened mall to have a low traffic at its initial stage. We also plan a marketing event and marketing communication, for example, bill board to gain an acknowledgment and awareness of the mall. Currently, there is less than 10% of car traffic on the main road that go to the mall, which should improve eventually. We plan to launch more events to draw more people, which partly have been done. We expect the situation to continue to improve in 4Q09 similar to that of CentralPlaza Rama 2, CentralPlaza Ratchada-Rama 3 and CentralWorld, which had higher traffic after the first year of operation. The discount of approximately 10-20% is given at present and will be terminated in 3Q-4Q09.

Question : Please compare the rental space of CPN versus The Mall Group and Siam Paragon.

Answer: Mr. Naris Cheyklin : Please refer to a chart in Slide 5, you will see that our rental space is approximately double that of The Mall Group. To compare CPN's rental space to that of Paragon, I believe it is not quite straight forward due to Siam Paragon is a joint venture project of The Mall Group and Siam Pivat Development. Only Paragon Department Store belongs to The Mall Group. Hence, it is not actually comparable. In term of retail space in Bangkok, CPN roughly twofold when comparing to that of the Mall Group. In upcountry, our market share is triple in terms of number of shopping malls.

Question : What are the different in terms of target group between Central Department Store and CentralPlaza?

Answer: Mr. Naris Cheyklin : Actually we target the same group of customer. CPN operates CentralPlaza, CentralFestival, and CentralWorld where CentralPlaza and CentralFestival target the same customer group with Central Department Store, which is B and higher.

Question : Current D/E ratio is quite high. Will it impact the operation?

Answer: Mr. Naris Cheyklin : D/E ratio is considered moderate at the moment. It is still manageable without any difficulty in operation. However, if we are to continue on our expansion plan, we must reduce our debt first. Therefore, we are trying to raise fund by putting CentralPlaza Pinklao into a property fund to reduce our debt burden.

Question : Do you believe the industry has bottomed out? Are there any matters that should be closely monitored?

Answer: Mr. Naris Cheyklin : We believe we had passed the bottom. The major driver for recovery is agriculture sector, tourism, stability of the government, and the execution of mega projects. Do you have anything to comment, Khun Chotika?

Answer: Mrs. Chotika Sawananon : I think the market had bottomed however valuation is depended on market participants.

Question : Could you comment on capital requirement for China project?

Answer: Mr. Naris Cheyklin : No deal has concluded yet.

Question : What is the NAV or fair price of the company?

Answer: Mr. Naris Cheyklin : It might not be appropriate for the company to comment. I suggest you look up research and valuation prepared by brokerage firms.

Question : Should we require higher IRR for Chinese project than domestic project to offset country risk?

Answer: Mr. Naris Cheyklin : I am not certain whether Thailand or China has higher country risk. China has more stable government; hence, personally China should have lower country risk. For foreign exchange risk, we will do some hedging to limit our foreign exchange exposure.

Question : Will your China project locate in Hangzhou where Central Department Store will open its shopping mall?

Answer: Mr. Naris Cheyklin : No. Central Department Store will launch its first shopping center in Hangzhou around the beginning of next year. CPN will not go there. Central Department Store will be an anchor for local developer. For CPN, if we are to acquire a shopping mall that already has anchors, then we will have to stick with the current anchors. However, if we are to build a new shopping mall, then our anchor is likely to be Central Department Store.

Question : From your response earlier saying that we have passed the bottom, does CPN's rental rate growth raise more than 1.5%?

Answer: Mr. Naris Cheyklin : We have not seen the growth of more than 1.5%. However, our occupancy rate is improving, and we are trying to push up the rental rate. Some of our tenants did negotiate to keep the rate unchanged and would want to see if the situation improves in 4Q09 before accepting the new rate. For some tenants, we have changed their contracts to percentage of sales.

Question : How CPN position itself in 5-10 years and will CAPEX eventually reduce?

Answer: Mr. Naris Cheyklin : I can reassure that CPN will continue to grow. How fast will we grow is depended on how well and how competent we are in term of going abroad. At the moment, I cannot claim that CPN will beautifully execute our operation abroad. We might have to launch 1-2 projects to see whether we can run those projects successfully. If our oversea projects success as planed, we will certainly expand more. At the moment, our current plan runs until 2016. It might not be a final one but I say that we are very aggressive on our expansion plan. CPN can do greenfield project or acquire existing mall, renovate, and operate and when our mall matures, CPN can transfer the mall to property fund. If the assets are oversea property, then we might have to transfer those assets to a property fund that is not CPNRF. We might register a property fund on foreign exchange for example in

Singapore, Hong Kong, Shanghai, etc. In conclusion, CPN will continue our role as retail property developer. Our CAPEX is based on current developments, however, there are many more projects in our pipeline which have not been included or announced since Board of Director has not approved them.

Moderator:

Thank you for your attention on our 2Q 2009 performance result meeting. For more information on CPN and CPNRF, please visit CPN and CPNRF corporate website at www.cpn.co.th and www.cpnrf.com, respectively, or directly contact Investor Relations Department. Thank you.

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