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Central Pattana Public Company Limited

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Speaker: Mr. Naris Cheyklin
(SEVP- Account & Finance, Property Management, CFO of CPN)

A warm welcome to all analysts, fund managers, shareholders, honorable guests, and media

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Toward the third quarter of 2008, retail industry has been affected, particularly on September 2008; by emergency decree which resulting in lower consumer confidence. These factors then slightly restrain retail sales growth at the beginning of the quarter. I believe political instability now projects more concerns than previous issue of rising in fuel price in which the price has been declined dramatically recently. Consumer confidence now becomes crucial point of concern along with downturn in import and export as well as tourism industry. Furthermore, people anticipate the effects to continue in 2009. Nevertheless, our plan to cope with these expected problems has already been prepared.

It can be seen that the consumer confidence index declined slightly from 70.5 in August 2008 to 69.5 in September 2008. We, as well as other financial institutions, also expect country's GDP growth of no more than 3% in 2009. However, despite a recession of an economy, we are still looking for positive opportunities. Moreover Thailand still has quite strong favorable factors especially in agricultural sector, in which, the aggregate value is still increasing.

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In case of retail property, there was a slight increase in supply mostly from Zen Tower (30,000 sqm). Vacancy rate also rose from 6.1% in 1Q08 to 6.5% in 2Q08, while rental rate stayed unchanged. The new retail supply for 2008 will be approximately 370,000 sqm, which some parts of an increase will due to a new market entered of CentralPlaza Changwattana, which will be opened on November 2008.

Office supply for 2Q08 also increased slightly. Moreover, the vacancy rate was on downward trend, especially for Grade A, which fell from 6.0% in 1Q08 to 5.6% in 2Q08. While vacancy rate for grade B dropped from 14.2% in 1Q08 to 13.8% in 2Q08. Rental rate also grew by 1.3% y-o-y for grade A and 2.8% y-o-y for grade B. This growth in rental rate, however, was partly affected by inflation which led to higher rent. Office supply in 2008 is expected to increase approximately 250,000 sqm, or 3.3% from 2007, which mostly driven by grade A of 3.3% increasing from 2007. Contract renewable at The Offices at CentralWorld and Pinklao Tower Office Buildings also showed higher rent with low turnover. However, it is true that to increase the rent, we had to put more effort.

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Total revenue in 3Q08 grew at satisfactory level of 14% y-o-y, which was slightly lower than our budget of 15% y-o-y growth. Net profit increased by 39% y-o-y to 573MB in 3Q08, supported by a reduction in marketing and promotion expense. However, these costs are expected to grow in 4Q08 due to higher promotion cost for the newly opened CentralPlaza Changwattana, therefore a decline in net profit for the next quarter would be expected. Overall, however, it is expected that we could still achieve our 2008 budget revenue growth of 15% y-o-y.



Occupancy rate for retail properties was still on upward trend in 3Q08, an increase mainly came from Fitness First and SB Furniture at CentralPlaza Pinklao. Occupancy rate for office properties was at steady rate of 94% in 3Q08. We also expect an occupancy rate for CentralPlaza Changwattana of 85%, excluding the Central Department store, when it opens.

For other new projects, at CentralFestival Pattaya Beach, where its sales progress has already reached 90% in 3Q08, the progress of construction is currently earlier than schedule, and it is expected to be opened on late January 2009. A construction for CentralPlaza Chonburi is, as well, earlier than schedule, and the opening is expected to be on April 2009, with two already-confirmed anchors, Robinson Department store and Carrefour. However, a construction for CentralPlaza Khon Kaen, is delayed due to flood for the last 3 months. However, the opening is still expected to be on scheduled on late 2009.

We are proudly presented that CPN was honored to receive Top Corporate Governance Report Awards at SET Award 2008, which was held by The Stock Exchange of Thailand. Moreover, we were ranked as one of Thai listed companies with excellent corporate governance performance for 2008.

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Operation in early September 2008 has been affected, as stated previously; however, the overall operation was still satisfied in terms of foot traffic and occupancy rate. The overall occupancy rate increased from 95% in 2Q08 to 97% in 3Q08, mainly from an increase in occupancy rate for CentralPlaza Pinklao (SB Furniture and Fitness First occupied approximately 6,000 sqm) and CentralWorld. Occupancy rate for CentralWorld is likely to increase to 95% due to the opening of Forever 21 shop and Center Point in 4Q08.

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An overall occupancy rate for offices improved to 96% in 3Q08 from 94% in 2Q08, despite a slight drop at Pinklao Tower A Office Building. An increase in overall occupancy rate mainly came from higher occupancy rate at The Offices at CentralWorld from 94% in 2Q08 to 96% in 3Q08, since area in 45th floor has been occupied. Hence, the only vacant floor left at The Offices at CentralWorld is 44th floor where price is considered quite high due to its location. CPN considered occupying that area for our head office expansion if needed. Residential would be counted as a small fraction of CPN; therefore, it would not affect much in term of operation. Note that occupancy rate for Langsuan residential improved due to the completion of renovation.

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There were no significant changes in contract type.

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Effective rental rate in 3Q08 increased 5% y-o-y from Bt1,216/sqm/month in 3Q07 to Bt1,281/sqm/month in 3Q08. Unfortunately, rental discount for retails in CentralWorld was still needed to be given due to political instability which restrained foot traffic into CentralWorld. The average rental discount at CentralWorld for the third quarter was approximately 25%, which we had not yet achieved our target of lower discount rate since the beginning of 2008. By saying discount rate of 25%, not all tenants received discount at this rate, some may not receive discount at all. There were some particular zones in which discounts were given especially higher than others, for example, Zone F (near B2S) in CentralWorld. However, we were trying to alter merchandising by having, for examples, the biggest iPod flagship store in Thailand on that floor, which was renovating and will be opened in 4Q08. Another alteration was True Café which will acquire significant area on 1st floor in front of B2S (zone F). These shops are expected to bring more foot traffic to Zone F at CentralWorld.



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Foot traffic is one factor determining an increase in rent. At CentralPlaza Ladprao, people traffic flow has raised comparative to last year, however, the number has slightly dropped when compare with previous quarter. One of the shopping malls with significant growth in people traffic was CentralPlaza Rama 2 where the number has increased comparative to both previous year and quarter. Other shopping malls with high people traffic flow also include CentralPlaza Rama 3 of 27% increasing y-o-y and CentralPlaza Rattana Thibet of 22% increasing y-o-y. Since we have found that events and activities is one of the best strategies in bringing more foot traffic into shopping malls, we will pursue this strategy for higher people traffic growth, however, a cut in budget of advertising and promotion will be expected next year upon the economic condition.

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For newly opened project namely CentralPlaza Chaengwattana, all anchors and most retails are able to open on 27th November 2008, except for an anchor- Fitness First, which will be opened on January 2009. Its office building, which has approximately 27,000 sqm, will be opened around April 2009. Currently, 20% of the office building area has already been leased, which was considered at a good pace. Note that, by nature, leasing out the office spaces usually takes more time than retails; nevertheless this also depends on demand. However, for office building such as at CentralPlaza Chaengwattana, demand is not quite a concern, since the building is new and there are demands overflow from the Software Park office building. Some of the areas are also occupied by government institutions and schools, namely language, and tutorial schools.

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Details on areas of CentralPlaza Chaengwattana can be seen in this page: there were no significant changes in merchandising mix to our existing shopping malls.

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For CentralFestival Pattaya Beach project, the shopping center is expected to be opened on scheduled on late January 2009. For the hotel, however, the construction is expected to delay; having said that, we will receive benefit from this delay by having lower construction and material costs. The hotel is expected to be opened on late 2010. The progress of construction of CentralFestival Pattaya Beach is 81% of the total construction and approximately 90% of retails has already confirmed for leasing. Note that at CentralFestival Pattaya Beach, we were more selective on choosing brand name tenants, such as Zara, Diesel, DKNY and Calvin Klein. Central Department Store, a co-developer, and SF Cinema, an anchor, will also be presented at this shopping mall.

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Another future project is CentralPlaza Chonburi which will be opened on April 2009. Retails leasing progress of 69% has already been confirmed which was considerably fast. This is mainly because we do not keen on selection of brand name tenants as it is located in provincial area. Moreover, by having Carrefour as a co-developer, we expect it to bring more sales and foot traffic into the shopping center.

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For CentralPlaza Khon Kaen, the opening is expected to be on late 2009. Currently we are still under the process of choosing a main contractor for the construction. Fortunately, due to reduction in iron and copper price, the construction cost for CentralPlaza Khon Kaen and CentralPlaza Rama 9 is expected to reduce.



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One of potential sites is Pre-cadet School (Suanlum Night Bazaar) in which the land transferring has been postponed for another year. We expect the land will be transferred on late 2009; therefore, the construction is expected to start between late 2010 and 2011. Since the project is considered large, the construction is likely to take long time, approximately around four years.

Another potential site is Chiangmai 2 project, where the processes of land purchasing and transferring were completed and we are now under the process of designing the layout. For overseas projects, we are still exploring any opportunities that might occur, however, the conclusion has not yet been made.

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The Capital expenditure was revised down to 4,670 MB in 2009 from previous expected of 7,169 MB stated in last announcement in 2008. The CAPEX revision was affected from economic depression resulting in delay in some projects, such as CentralPlaza Rama 9, Chiangmai 2, Pre-cadet school, and a hotel at CentralFestival Pattaya Beach.

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Future total leaseable area will increase from 860,000 sqm to 910,000 sqm in late this year. The major reason for this rise is due to the opening of CentralPlaza Changwattana in 4Q08.

Speaker: Ms. Naparat Sriwanvit

(Senior Vice President- Corporate Finance Department of CPN)

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Overall financial performance over the third quarter this year continued showing impressive ratio. Both revenue and net profit displayed growth of 14% y-o-y and 39% y-o-y respectively. By looking at 9-month accumulative y-o-y, total revenue grew at 12% y-o-y with net profit increased by 35% y-o-y.

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A major contributor for an increase in total revenue came from retails sector with growth of 12% y-o-y. This growth was driven by higher contribution from CentralWorld project with sustainable increase in occupancy rate. For office sector, the revenue growth maintained at 7% y-o-y, which mainly due to higher rental rate from contract renewal of The Offices at CentralWorld from the first half this year. Revenue for food and beverage also grew at 26% y-o-y, mainly driven by an impressive performance of new-opened food center at CentralPlaza Bangna and CentralPlaza Rama3.

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An increase in costs of 8% y-o-y in retail sector vastly came from additional property tax at CentralWorld incurred upon an increase of its revenue. However, costs of rental and service for office dropped by 5% y-o-y as a result of our energy saving program. Costs in food and beverage sector increased as a result of higher revenue.

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Two key factors driving selling and administration expenses were personnel expense and marketing expense. Personnel expense increased by 18% y-o-y, mainly due to higher employment to support business expansion. However, due to current bearish economy, the process of recruiting new employees will now be at slower pace; therefore, the rate of growth in personnel expense will tend to be lower for the next quarter.



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For capital structure, net interest bearing debt to equity ratio increased to 0.8 times in 3Q08 from 0.6 times in 2Q08, which was resulted from cash outflow to new projects as well as an increase in long-term debt by issuing 1,500 MB 3-year bond at fixed rate of 4.8% p.a. on September 2008.

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Majority of our borrowings were classified as long term with cost of debt of 5.0% p.a. in 3Q08, which was less than previous quarter of 5.1% p.a. One reason for dropping in cost of debt in this quarter was due to 1,500MB bond issuing at rate of 4.8% p.a. on September 2008 which helped lowering the existing cost of debt. In addition, approximately 75% of debts in 2008 are anticipated to be at fixed rate.

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Dividend policy was maintained at 40% payout ratio.

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

Session II: CPNRF presentation 3Q08

***Speaker: Ms Chotika Sawananon
(TMB Asset Management- Managing Director)***

Greetings to all investors and analysts, I would like to start with the performance of CPNRF.

Slide 5

Despite a crash in CPNRF unit price, operating performance of CPNRF was surprisingly above expectation set last 3 years at the time the acquisition of CentralPlaza Rama 2 and CentralPlaza Rama 3 occurred. One proof was shown by an increase in net investment income of 14.5% y-o-y reaching 251.7 MB for the third quarter. By adding back on amortization of deferred expenses, where the last installment of 5.5 MB was on August 2008, the distributable income rose to 257 MB. Note that the dividend payout policy is at 95% of distributable income; therefore, net distribution would be at 244.3 MB or 0.2238 baht per unit, an increase of 10.8% y-o-y and 3.9% q-o-q. Annualized distribution yield also jumped up to 12.7%, which was very impressive comparing with the government bond or downward trend of saving deposit.

Slide 6

By looking at income statement, property income increased by 5.7% y-o-y, beaten the projection of 5% growth y-o-y. In addition, this was an organic growth where the rental rate continued to increase approximately 5 % each year. Moreover, asset enhancement in CentralPlaza Rama 2 and CentralPlaza Rama 3 also helped contributing to higher income. A big jump in interest income on y-o-y basis was mainly due to an increase in interest rate; however, this was counted only as a small fraction of total income. A major factor contributing to higher income was a reduction in selling and administration expense by 7.3% q-o-q and 6.5% y-o-y. Amortization of deferred expense decreased as stated previously that our last installment was only 5.5 MB in 3Q08, compared with 12.1 MB for regular installment on previous quarter.

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Excess of cash on balance sheet was reserved for dividend payout, which will take place on 16th December 2008. Investment in security and other receivables were also included in short term investment in terms of cash deposit and bill of exchange, where average yield was 3.6% p.a. Another point worthwhile noting concerns with yearly asset revaluation on investment in properties, where the last mark to market demonstrated fair value of investment in properties of 10,841.1 MB



as at 31st December 2007. We have already contacted an independent appraisal value firms-15 Business Advisory Limited, to conduct asset (properties) revaluation for CentralPlaza Rama 2 and CentralPlaza Rama 3 to obtain new market value as at 31st of December this year. Nevertheless, after revalue the assets for three consecutive years, the value of assets have not yet gone down even though the assets were classified as leasehold. Moreover, unless the discount rate has been changed, we also expect the value to maintain at the same level this year since current revenue was higher than projected.

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When comparing current CPNRF unit price with NAV per unit, it can be seen that we were selling at discount. In addition, by comparing yield of CPNRF with other alternative investments, CPNRF showed outstanding yield, even when comparing with comparable securities in the stock market (SET). Moreover, since CPNRF will distribute Bt0.2238 per unit for 3Q08 performance, it could be the case that CPNRF unit price will drop theoretically the same amount of distribution; and yield would therefore become more attractive than 12.68% p.a. mentioned in the slide. Having said that, it is worthwhile considering property fund as one type of security in investment portfolio.

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By looking at historical distribution over last four quarters, distribution continued to grow over the periods from Bt0.2019 per unit for 3Q07 to Bt0.2238 per unit this quarter. Hence, it can be seen that CPNRF showed very impressive improvement in performance over time. Other details on distribution refers to three important dates, which are 26th November 2008 for XD Date, 1st December 2008 for book closure date and 16th December 2008 for dividend payment date.

Speaker: Mr. Thanasombat Sanitwongse (Vice President- Property Operation Area of CPN).

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An overall occupancy rate for CPNRF portfolio maintained at pleasant level of 98% in 3Q08 with the occupancy rate of 99.1% and 95.6% at CentralPlaza Rama 2 and CentralPlaza Rama 3 respectively.

Slide 12

For the contract renewable and new lease, rental rate for CPNRF portfolio increased by 5.8% p.a., which was comprised of an increase of 5.4% p.a. from CentralPlaza Rama 2 and 6.3% p.a. from CentralPlaza Rama 3 for the first nine months 2008. One factor supporting higher rental rate was a change in merchandising mix, which was weighted more on services business. This business provided higher rent when comparing with other businesses during the recent economic condition.

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According to lease expiry profile, 21% of total occupied area will be renewed in the fourth quarter 2008 at CentralPlaza Rama 2. It is noted that most of tenants with expiry contracts have already informed us to renew. For non-renewable contract, it should not bring any concerns since CPN has found replacements for these leases. For CentralPlaza Rama3, only 4% of total occupied area in the fourth quarter 2008 will be expired, however, 29% of total occupied area will be renewed in 2009. Therefore, there will also be a change in merchandise mix to meet customer lifestyle and needs for CentralPlaza Rama 3 next year, which is expected to attract more shoppers.

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There were no significant changes in CPNRF rental structure profile for 3Q08 since most contracts were maintained at same policy as previous quarter.



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Tenants trade mix also showed no major change during this quarter, however, as stated previously, major alteration of merchandising mix for CentralPlaza Rama 3 will be held next year upon the contract expiry. Therefore, more food and beverage sector as well as services are expected to attract more shoppers and yield higher rental rate for CPNRF.

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Anchor tenants, who acquired 44.1% of total leasable area for 3Q08, were unchanged from previous quarter.

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Both CentralPlaza Rama 2 and CentralPlaza Rama 3 continued to show an upward trend on traffic performance especially for CentralPlaza Rama 2 where the growth mainly came from events and activities at both Plaza and Central Park.

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There will be asset enhancement plans for CentralPlaza Rama 2 and CentralPlaza Rama 3 in 2009. At CentralPlaza Rama 3 we will modify air conditioning system at existing Junction X zone as well as adding new retail kiosks with an aim to obtain higher revenue from those spaces. Moreover, improvements of directional sign along with newly opened Vocational school- The Star Maker is expected to bring more customers into Junction X zone. Note that Junction X zone also offers satisfactory rental rate.

CentralPlaza Rama 3 is also under development plan at Junction X zone as well as E-life zone located on the 6th floor. These zones are now under process of development, which is expected to finish on 15th of December this year. More foot traffic on 6th floor is expected after the completion of development. Moreover, CentralPlaza Rama 3 is also undertaking restroom renovation which is planned to finish early 2009.

Session III: Q & A session for CPN

Q: Due to current financial crisis, will there be any comparability from the previous financial crisis in 1997 in terms of business operation as well as economic outlook for 2009?

A: K. Naris: It can be said that CPN now becomes stronger in terms of financial position than previously. Back then in 1997, we had more debts incurred along with sluggish financial market. Moreover, wider spread of shopping centers at present pose less reliance on each shopping mall's revenue as well as enhance the distribution of revenue. However, bigger concerns come from external factors namely downward consumer confidence and an increase in unemployment. Nevertheless, since our shopping centers target majority on middle to upper market, the impacts from external factors pose less concern than those who target on lower market. In addition, these factors have already been included in our 2009 forecast. We also try to cut unnecessary costs as well as enhance operating efficiency. For example, we are undergoing centralized management which will require less employment for our existing and new shopping malls. For outlook in 2009, we believe that the growth of revenue and profit will be able to sustain at an acceptable level.

Another factor that could impact our profitability for next year is the renewable lease agreement of CentralPlaza Ladprao. If it is successful, the land and building lease payment is expected to be higher which may slightly reduce our profitability; however, again the rate of profit growth tends to be maintained.



Q: Due to 1997 financial crisis, was there any rental discount given to tenants? If yes, by how much approximately?

A: K. Naris: Yes, we did give discount for some shopping malls, especially for CentralPlaza Rama 3 which, at that time, was newly opened. Discount given was approximately 10%.

Q: During the financial crisis in 1997, what were the impacts on the occupancy rate? Moreover, what expected occupancy rate will be during current financial crisis?

A: K. Naris: There would be some impacts from the current financial crisis; however, the impacts would be less this time than the previous 1997 crisis. In 1997, there were some liquidity problems which force many retails to close down. After that crisis, those retails who survived become stronger and able to cope with current situation. Therefore, the occupancy rate will tend to sustain over time. However, what may need to be implemented is to stimulate more traffic into shopping malls along with costs reduction.

Q: Is there any emergency plan to cope with this financial crisis?

A: K. Naris: We do have plan for such situation, mainly by cutting unnecessary costs as I previously mentioned. However, in the case when economy hit the trough, we will need to negotiate with our tenants and may need to give out discount. It is important to maintain our tenants, even at our expense in short run. However, we do have plans to give some discounts next year if necessary.

Q: Back to the financial crisis in 1997, how could CPN cope with the closure of some tenants and what were the financial impacts on the company?

A: K. Naris: There were couples of strategies used to help those closing tenants. For example, for strong-brand tenants with lack of liquidity, we helped them in term of shop decorating and subsequently received back amortized payment with an interest. Furthermore, in some cases where tenants had to delay payment due to unfavorable sales, we may negotiate on giving discount or provide more opportunity to help them enhancing their sales.

Q: What is the average rental rate for newly opened CentralPlaza Chaengwattana, and does it have any discount given?

A: K. Naris: The average retails rental rate for CentralPlaza Chaengwattana is approximately Bt1,100 per sqm per month with discount rate of 10-15%, which we considered normal during its initial stage.

Q: How can you be so confidences that by giving discount rate at 10-15% to tenants at newly opened shopping malls can keep them operate functionally during the current economics situation?

A: K. Naris: Mostly by experience, since this is similar to what happened at CentralPlaza Rama 3, which was newly opened during last financial crisis. However, this cannot be compared with CentralWorld since CentralWoldr is bigger in size and more competitive. Moreover, rental rate for CentralWorld is relatively higher than our other shopping malls. By looking at the graph (Slide 14: people traffic flow), even though, CentralWorld had less people traffic flow than CentralPlaza Ladprao, an effective rental rate was similar. This is mainly because people coming to CentralWorld usually have higher spending than those of CentralPlaza Ladprao.



Q: Does CPN have any policy to monitor rent collection? How does CPN response when tenants cannot make payment on time?

A: K. Naris: Yes, we do. If rents from tenants have not been paid for two to three consecutive months, we would have to take some actions. However, this is not quite a concern since most of tenants may need to pay three to six months deposits when the contract was signed. Nevertheless, considering on case by case basis, we may allow for little extension of payment.

Q: Is people traffic into shopping malls a main factor determining an increase in rental rate?

A: K. Naris: People traffic is one part for making decision on an increase in rental rate. This should be thought as a determinant for the overall picture of each shopping mall whether the rental rate for the shopping center should be adjusted. Moreover, the tenant service center may need to gather data on each tenant sale, which will be used in determining rental rate for each tenant separately.

Q: Which months, between October and November 2008, presented higher people traffic?

A: K. Naris: Traffic on October 2008 has impressively improved from 2Q08; however, November 2008 was quite a worry. Reasons for dropping of traffic on November 2008 were mainly due to a decline in consumer confidence as well as the ending of school holiday.

Q: Do you have any projected target on traffic growth for each shopping mall?

A: K. Naris: Yes we do, however, the target for each shopping mall will be different. New shopping malls with higher traffic, such as CentralWorld, would lead to higher target, in contrast with older shopping malls, such as CentralPlaza Ladprao. Especially for shopping malls with free space car parks, the target growth would be as high as 10-20%. On the other hand, mature shopping malls would project only 5% growth.

Q: Due to a downward trend in tourism, will this directly impact on CPN? If yes, by how much?

A: K. Naris: The impacts would be burdened mostly on shopping malls at tourist destination, namely, CentralWorld, CentralFestival Pattaya Beach, and CentralPlaza Changmai Airport. However, the impact would not be severe as a proportion of foreign tourists are approximately 30% of total visitors at CentralWorld and CentralFestival Pattaya Beach.

Q: What are criteria to offer long-term lease with up-front payment and short-term lease?

A: K. Naris: We rarely offer long-term lease with up-front payment to tenants, so most of retail tenants are under short-term lease contract. If we do offer long-term lease, it will mostly be given to anchors. Exception for this could be the case when retail tenants have very strong brand image. Moreover, this also depends on the location, for example, SB Furniture in CentralPlaza Pinklao, where location poses difficulty to access and short-term lease was hard to lease out, therefore, long-term lease was offered.

Q: Has the plan of transferring properties to CPNRF been postponed? What will be the impacts to CPN if the plan has not succeeded?

A: K. Naris: No, we have not yet announced the plan to delay since we still have one month left. In case if the plan has not succeed, it would pose no impact on CPN since all cash flow has been prepared concisely along with recently slower pace of business expansion.



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Q: How much 2008 Capex of 7,160MB has been used so far?

A: K. Naris: Capex has been used according to the plan shown in slide 22, which was approximately 5,000MB up to the third quarter 2008. This 7,160MB Capex planned for 2008, however, did not include the process of contract renewable for CentralPlaza Ladprao in which that fund has been prepared separately.

Q: Does CPN have any secured financing from banks? Also, for project financing, how much have been left available that can be drawn down for using?

A: K. Naris: For secured financing from banks, we already signed a credit line with banks, which was backed by CentralPlaza Chaengwattana and CentralPlaza Khon Kaen project, amount to 4,000 MB. Also, there is another credit line of 4,000 MB, backed by CentralPlaza Chonburi and CentralFestival Pattaya Beach project, which has not yet been signed. Moreover, we also have 2,000 MB short-term revolving credits from various banks which can be withdrawn if necessary.

Q: What could be the maximum net gearing ratio in case of financial hardship?

A: K. Naris: CPN's covenant net gearing ratio would be 1.75 times while covenant debt to equity ratio can be up to 2.5 times. Note that CPN's net gearing ratio is 0.8 times as of 3Q08.

Q: Since Vietnam currently has impressive growth, does CPN pursue any plan to expand business in Vietnam?

A: K. Naris: Vietnam does have very impressive growth; however, lands and properties are deep overvalued. This is too risky for CPN to invest; nevertheless, we would be interested in if price of real estates drop.

Q: In case if the land and buildings contract for CentralPlaza Ladprao cannot be renewed on 18th December 2008, which is the expiry date, can the existing tenants continue to operate under the existing contract after the contract expiration?

A: K. Naris: The renewable of contract is still under the process of negotiation between Central Inter Pattana Co., Ltd. (CID) and State Railway of Thailand (land owner).

Session IV: Q & A session for CPNRF

Q: From slide 14 of CPNRF presentation, the graphs of rental structure was classified by percentage of occupied area and percentage of number of tenants, however, do you have information on rental structure which based on total revenue?

A: K. Napat: By classifying rental structure based on revenue, 80% of contracts will be fixed rent, and the rest will be percentage of sales.

Thank you for your attention in our third quarter 2008 results analyst meeting. For more information on CPN and CPNRF, please visit CPN and CPNRF corporate websites at www.cpn.co.th and www.cpnrf.com, respectively, and please contact our Investor Relations Division directly for any enquiries. Have a great day.