



# CPN Retail Growth Property Fund

Analyst Briefing – 3<sup>rd</sup> Quarter Results

16 November 2006





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# 1. Fund Overview





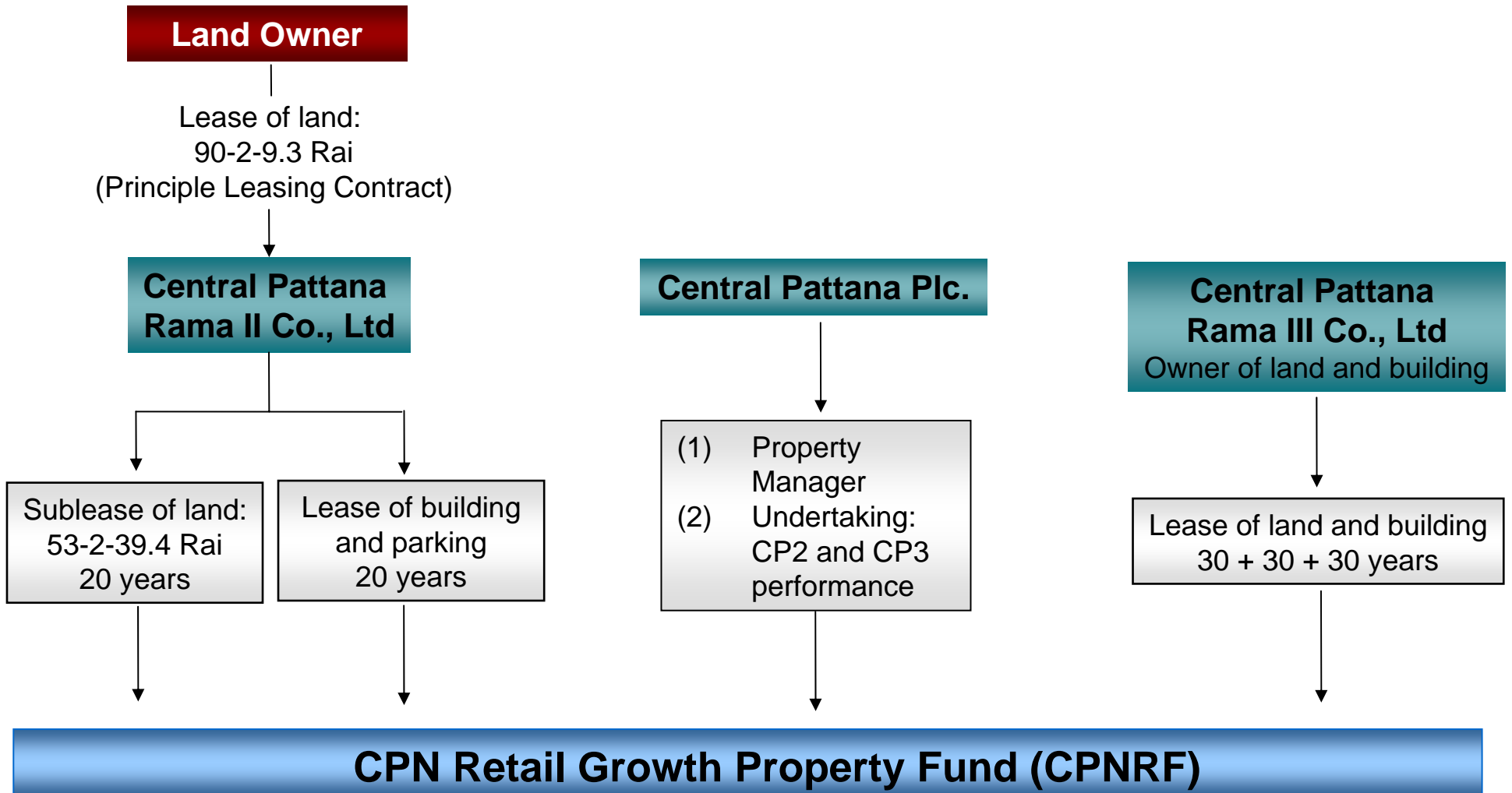
# CPNRF Fund Information



|                             |  |
|-----------------------------|--|
| <b>Name</b>                 | <b>CPN Retail Growth Property Fund (“CPNRF”)</b>     |
| <b>Property Manager</b>     | <b>Central Pattana PCL</b>                           |
| <b>Fund Manager</b>         | <b>TMB Asset Management Co Ltd.</b>                  |
| <b>Trustee</b>              | <b>Kasikorn Bank Plc.</b>                            |
| <b>Registrar</b>            | <b>TMB Asset Management Co Ltd.</b>                  |
| <b>Assets</b>               | <b>Central Plaza Rama II, Central Plaza Rama III</b> |
| <b>Type</b>                 | <b>Property Fund Type I (Indefinite Life)</b>        |
| <b>Total Fund Size</b>      | <b>THB 10,915 million</b>                            |
| <b>Fund Registered Date</b> | <b>11 August 2005</b>                                |
| <b>Fund Investing Date</b>  | <b>15 August 2005 for Central Plaza Rama II</b>      |
|                             | <b>16 August 2005 for Central Plaza Rama III</b>     |
| <b>Fund Listed Date</b>     | <b>23 August 2005</b>                                |
| <b>Secondary Market</b>     | <b>Stock Exchange of Thailand (“SET”)</b>            |



# CPNRF Fund Structure







# CPNRF Dividend Payment



## Distribution Period & Rate

1 January 2006 to 31 March 2006 : Bt 0.1886 per unit

1 April 2006 to 30 June 2006 : Bt 0.2058 per unit

1 July 2006 to 30 September 2006 : Bt 0.1988 per unit

## Annualized Yield<sup>(1)</sup>

approximately 7.91% <sup>/1</sup>

## Distribution Time Table

### XD Date

15 November 2006

### Book Closure Date

20 November 2006

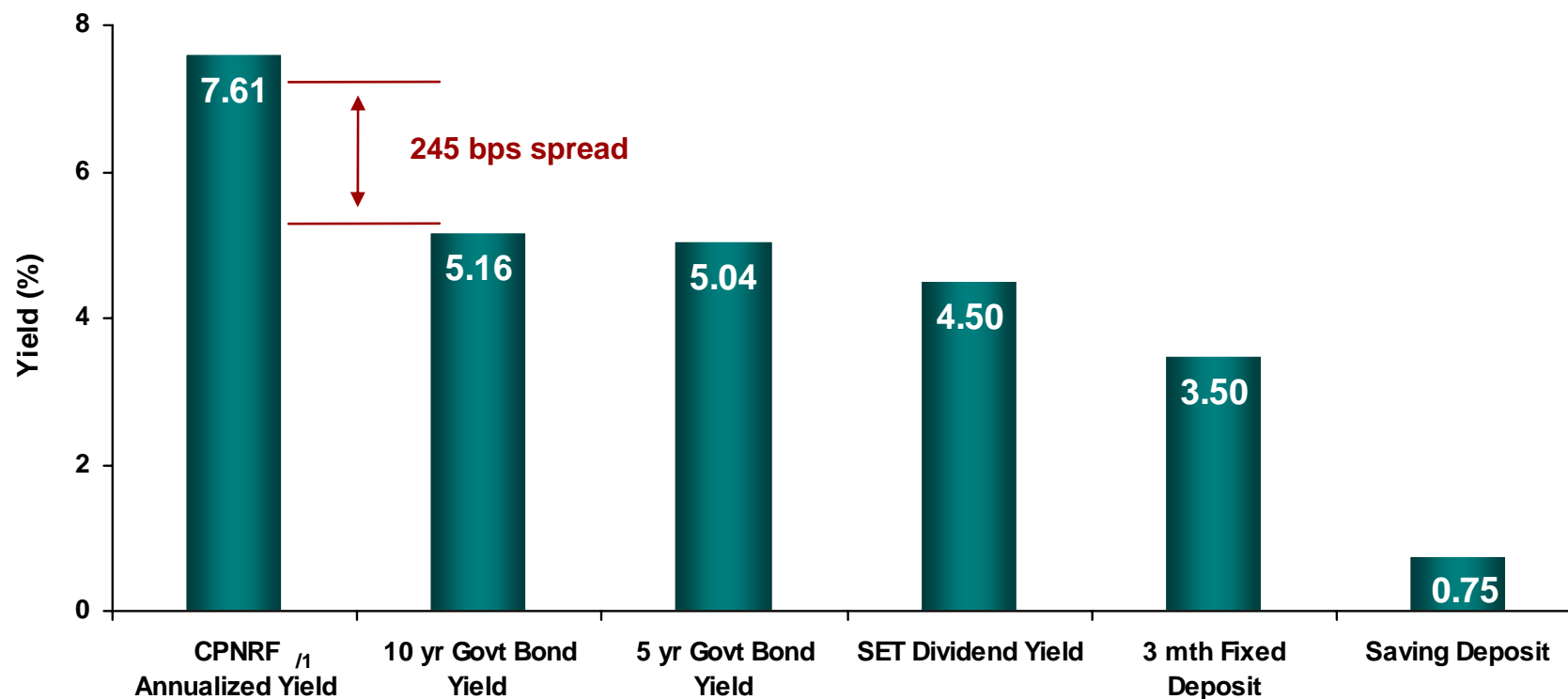
### Payment Date

6 December 2006

Note1 : Based on par value Bt 10 per unit.



# Attractive Trading Yield



**2006 Annualized Yield of approx. 7.61%**

Source: Bloomberg as at 31 October 2006

Note: Calculated from 2006 dividend projection (from prospectus) and the closing unit price at Bt 10.4 as at 31 October 2006.



## 2. Financial Highlights





# 3Q 2006 Financial Highlights



Delivered as projected since IPO

| ('000 Baht)            | Actual<br>2Q06 <sup>/1</sup> | % of actual<br>to<br>projection | Actual<br>3Q06 <sup>/1</sup> | % of actual<br>to<br>projection | Actual<br>9M06 <sup>/1</sup> | % of actual<br>to projection | Projection <sup>/2</sup><br>(IPO<br>Prospectus) |
|------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|------------------------------|------------------------------|---|
| Gross Revenue          | 301,491                      | 25.08%                          | 302,628                      | 25.17%                          | 892,255                      | 74.22%                       | 1,202,176                                       |
| Net Investment Income  | 224,312                      | 27.36%                          | 217,298                      | 26.50%                          | 646,328                      | 78.63%                       | 819,992   |
| Dividend per Unit (Bt) | 0.2058                       | 27.23%                          | 0.1988                       | 26.31%                          | 0.5932                       | 78.50%                       | 0.756   |
| NAV per Unit (Bt)      | 10.1434                      |                                 | 10.1366                      |                                 | 10.1366                      |                              | 10.00   |

Note: 1. Based on interim financial statements and review report of certified public accountant

2. Based on CPNRF IPO prospectus



# Income Statement



Increased 13.9% q-o-q due to design fee for the asset enhancement project at Rama 2 and due to promotion expense at Rama 3.

Financial year end: 31 December

| ('000 Baht)                                  | Actual 2Q06 <sup>1</sup> | %              | Actual 3Q06 <sup>1</sup> | %              | Q-o-Q          | Actual 9M06 <sup>1</sup> | %              | Projection for 2006 <sup>2</sup> | %              |
|--|--------------------------|----------------|--------------------------|----------------|----------------|--------------------------|----------------|----------------------------------|----------------|
| Property income                              | 292,917                  | 97.16%         | 294,366                  | 97.27%         | 0.49%          | 872,485                  | 97.78%         | 1,191,520                        | 99.11%         |
| Interest income                              | 8,574                    | 2.84%          | 8,262                    | 2.73%          | (3.64%)        | 19,770                   | 2.22%          | 10,656                           | 0.89%          |
| <b>Total Income</b>                          | <b>301,491</b>           | <b>100.00%</b> | <b>302,628</b>           | <b>100.00%</b> | <b>0.38%</b>   | <b>892,255</b>           | <b>100.00%</b> | <b>1,202,176</b>                 | <b>100.00%</b> |
| Property related expenses                    | 59,576                   | 19.76%         | 67,837                   | 22.41%         | 13.87%         | 193,725                  | 21.71%         | 311,164                          | 25.88%         |
| Management fee and other management expenses | 5,495                    | 1.83%          | 5,251                    | 1.74%          | (4.44%)        | 15,876                   | 1.78%          | 22,812                           | 1.90%          |
| Amortization of deferred expenses            | 12,108                   | 4.02%          | 12,242                   | 4.05%          | 1.11%          | 36,326                   | 4.07%          | 48,208                           | 4.01%          |
| <b>Total Expenses</b>                        | <b>77,179</b>            | <b>25.60%</b>  | <b>85,330</b>            | <b>28.20%</b>  | <b>10.56%</b>  | <b>245,927</b>           | <b>27.56%</b>  | <b>382,184</b>                   | <b>31.79%</b>  |
| <b>Net Investment Income</b>                 | <b>224,312</b>           | <b>74.40%</b>  | <b>217,298</b>           | <b>71.80%</b>  | <b>(3.13%)</b> | <b>646,328</b>           | <b>72.44%</b>  | <b>819,992</b>                   | <b>68.21%</b>  |

Note: 1. Based on interim financial statements and review report of certified public accountant.

2. Based on CPNRF IPO prospectus



# Balance Sheet



| ('000 Baht)                          | As at 30 Jun 06 <sup>1</sup> | As at 30 Sep 06 <sup>1</sup> |
|--------------------------------------|------------------------------|------------------------------|
| Cash                                 | 160,042                      | 278,178                      |
| Promissary notes                     | 500,000                      | 400,000                      |
| Investment                           | 10,707,000                   | 10,707,000                   |
| Other Assets                         | 170,620                      | 166,941                      |
| <b>Total Assets</b>                  | <b>11,537,662</b>            | <b>11,552,119</b>            |
| Deposits                             | 406,533                      | 411,755                      |
| Other Liabilities                    | 59,607                       | 76,258                       |
| <b><u>Less</u> Total Liabilities</b> | <b>446,140</b>               | <b>488,013</b>               |
| <b>Net Assets</b>                    | <b>11,071,522</b>            | <b>11,064,106</b>            |
| Capital Received from Unitholder     | 10,915,000                   | 10,915,000                   |
| Retained Earnings                    | 156,522                      | 149,106                      |
| <b>Net Assets Value</b>              | <b>11,071,522</b>            | <b>11,064,106</b>            |
| <b>Units in Issue (000 units)</b>    | <b>1,091,500</b>             | <b>1,091,500</b>             |

More cash reserved for future construction payment for project enhancements undertaking at Rama 2 and Rama 3.

Note: 1. Based on interim financial statements and review report of certified public accountant.

### 3. Operations and Developments





# Occupancy Rate



|                 | Area (sqm) |                            | Occupancy Rate <sup>1</sup> |           |           |
|-----------------|------------|----------------------------|-----------------------------|-----------|-----------|
|                 | Gross Area | Leasable Area <sup>2</sup> | 31 Mar 06                   | 30 Jun 06 | 30 Sep 06 |
| Rama2           | 251,182    | 93,390                     | 99.0%                       | 99.4%     | 99.4%     |
| Rama3           | 169,740    | 38,829                     | 98.0%                       | 98.0%     | 95.6%     |
| CPNRF Portfolio | 420,922    | 132,219                    | 98.7%                       | 99.0%     | 98.3%     |

Note: 1. Include tenants with short-term lease agreements (such as kiosks, carts, ATMs, and coin machines).

Note: 2. As of September 30, 2006

- **Consistently high occupancy rate achieved at Rama 2.**
- **On-going asset enhancement project at Rama 3 contributed to the decline in occupancy rate in 3Q06.**



# New and Renewed Lease Profile



| Property        | From 1 January to 30 September 2006 <sup>/1</sup> |            |                          |                                       |                              |
|-----------------|---|------------|--------------------------|---------------------------------------|------------------------------|
|                 | Renewals and New Leases                           |            |                          | Increase / (Decrease) in Rental Rates |                              |
|                 | No. of leases                                     | Area (sqm) | % of Total <sup>/2</sup> | Actual                                | IPO Projection <sup>/3</sup> |
| Rama2           | 21  | 2,951      | 3.2%                     | 18.4%                                 | 5.0%                         |
| Rama3           | 30  | 4,881      | 12.6%                    | 16.7%                                 | 5.0%                         |
| CPNRF Portfolio | 51  | 7,832      | 5.9%                     | 17.3%                                 | 5.0%                         |

**Rental rate improved significantly due to strong demand of rental space and a result of higher traffic into the properties**

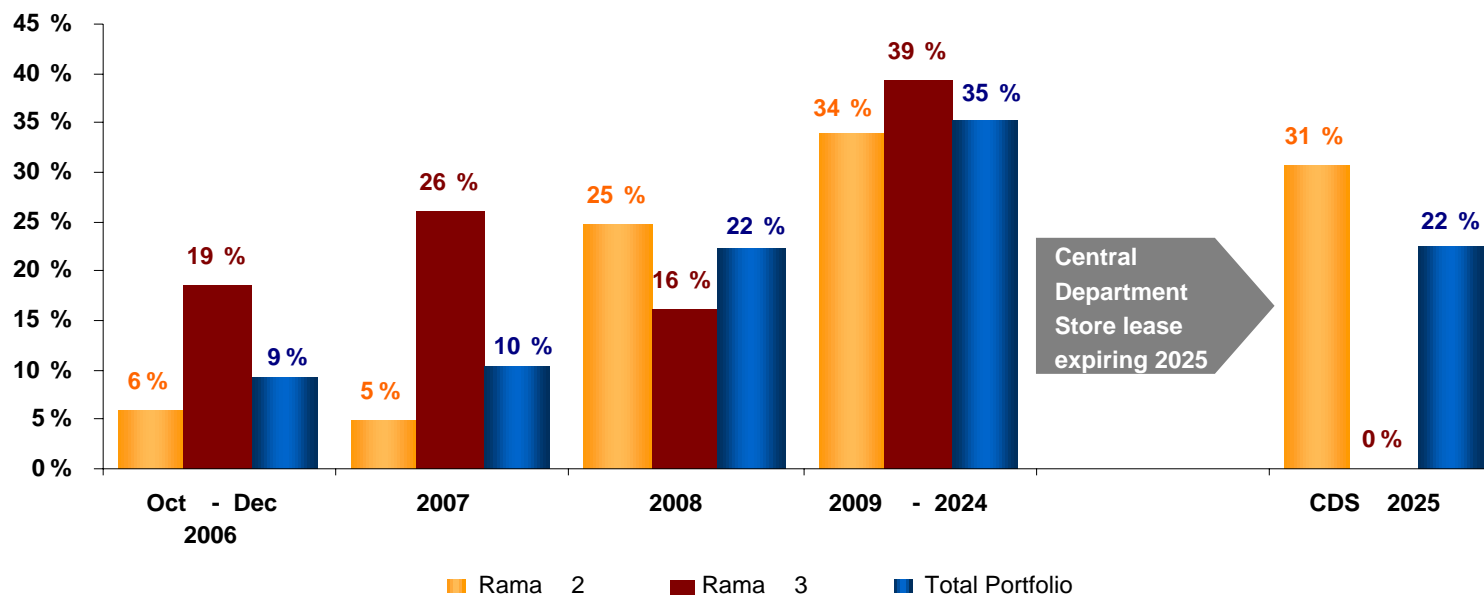
Note: 1. Excludes tenants with rental agreement < 1 year and rental agreement with revenue sharing clause.

2. % of total leasable area as at 30 September 2006.

3. Based on prospectus projected rental growth rate for 2006.



## Well balanced lease expiry profile <sup>1</sup>

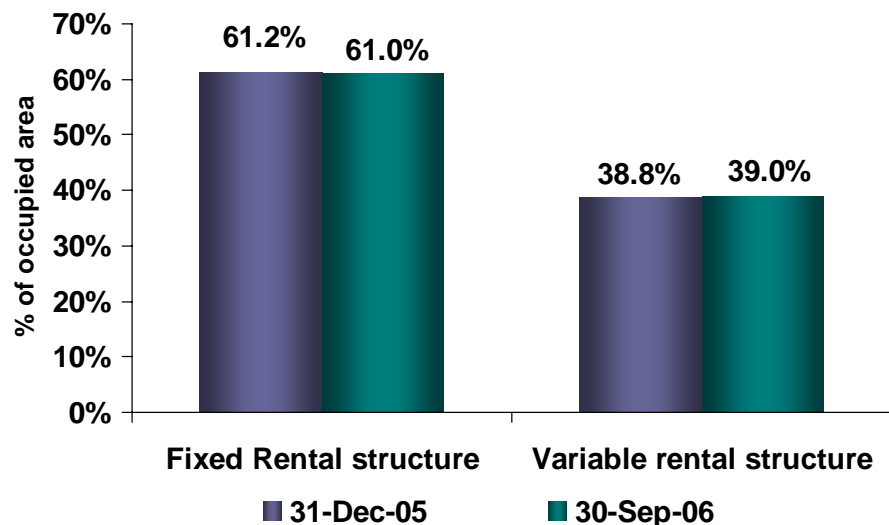


## Portfolio Lease Expiry Profile for Oct - Dec 2006 by Property

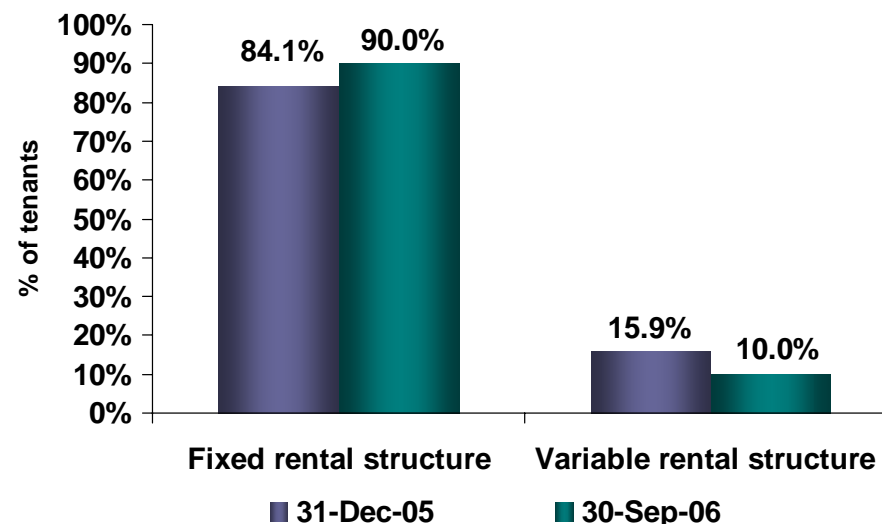
|                 | No. of Leases | Leasable Area |                         |
|-----------------|---------------|---------------|-------------------------|
|                 |               | Area (sqm)    | % of Total <sup>1</sup> |
| Rama2           | 107           | 5,344         | 6.0%                    |
| Rama3           | 49            | 5,879         | 18.5%                   |
| CPNRF Portfolio | 156           | 11,223        | 9.3%                    |

Note: 1. % of total occupied area excluding rental agreements < 1 year, such as kiosks, carts, ATMs, and coin machines. (as of September 2006)

## Rental structure by Occupied Area <sup>1</sup>



## Rental structure by tenants <sup>2</sup>



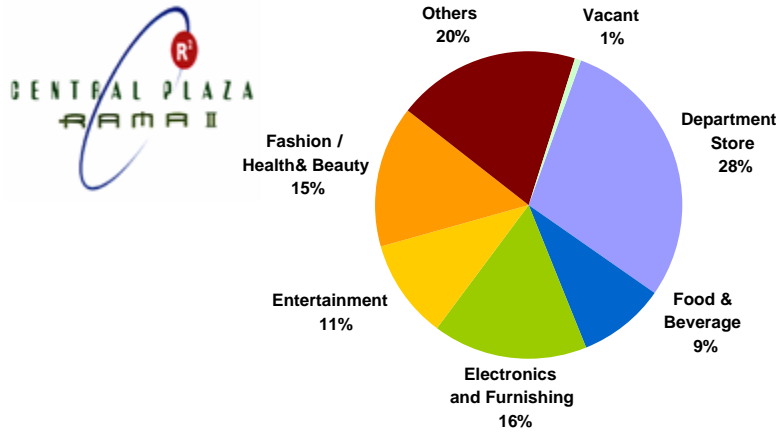
| Occupied Area (sqm) | 31 Dec 05 | 30 Sep 06 |
|---------------------|-----------|-----------|
| Fixed Rent          | 78,590    | 79,526    |
| Percentage of Sales | 49,825    | 49,834    |
| Total Area          | 128,415   | 129,360   |

| No. of Tenants      | 31 Dec 05 | 30 Sep 06 |
|---------------------|-----------|-----------|
| Fixed Rent          | 725       | 918       |
| Percentage of Sales | 137       | 102       |
| Total Tenants       | 862       | 1,020     |

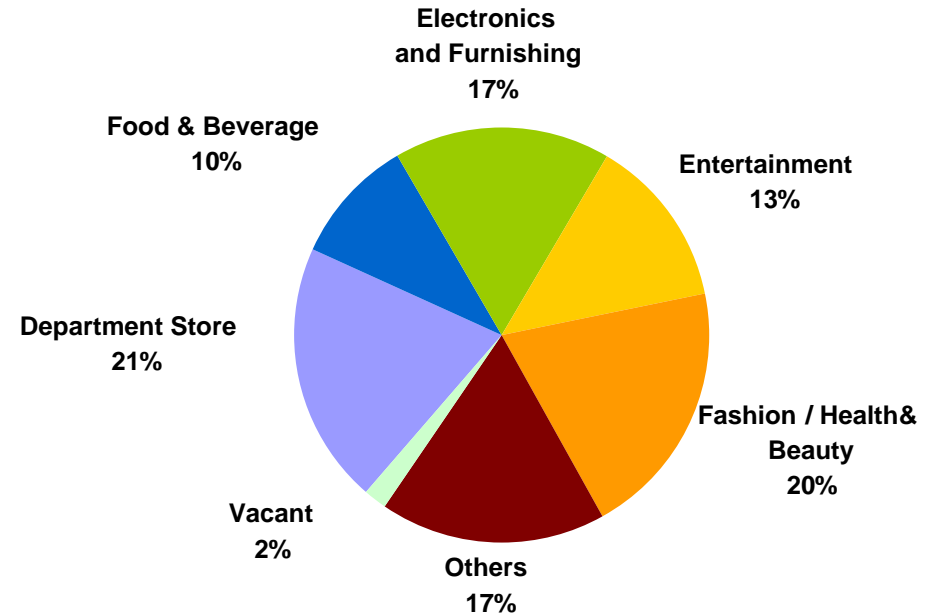
Note: 1. % of total occupied area under short-term rental contract as at 30 September 2006 and 31 December 2005.

2. % of total tenants under short-term rental contract as at 30 September 2006 and 31 December 2005.

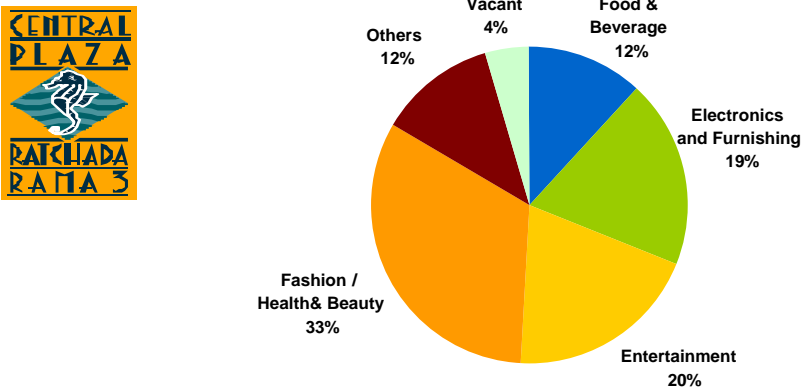
## Rama 2: Tenant Trade Mix



## CPNRF Portfolio: Tenant Trade Mix



## Rama 3: Tenant Trade Mix



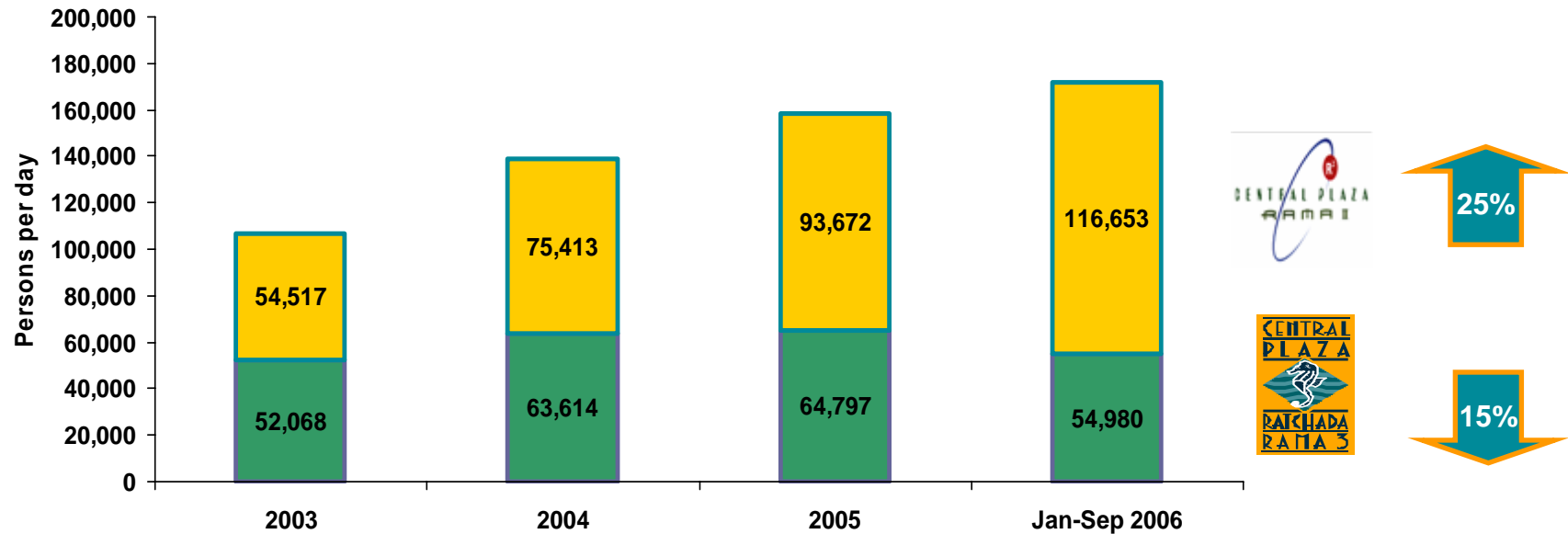
| Top 10 Tenants                         | Trade Sector     | Expiry Year  | Area (sqm)    |               |                | % of Total Leasable Area <sup>/1</sup> |
|--|------------------|--|---------------|---------------|----------------|--|
|  |                  |  | Rama 2        | Rama 3        | Total          |  |
| Central Department Store <sup>/2</sup> | Department Store | Mar 2025   | 27,000        |               | 27,000         | 20.4%                                  |
| Major Cineplex <sup>/2</sup>           | Entertainment    | Apr 2012, Dec 2012   | 5,652         | 6,530         | 12,182         | 9.2%                                   |
| Homework                               | Furnishing       | Dec 2012   | 7,765         |               | 7,765          | 5.9%                                   |
| TOPS Supermarket                       | Supermarket      | Dec 2017   | 4,961         |               | 4,961          | 3.8%                                   |
| Major Bowl                             | Entertainment    | Dec 2012   | 2,893         |               | 2,893          | 2.2%                                   |
| Fitness First                          | Sports & Fitness | Apr 2009   |               | 1,894         | 1,894          | 1.4%                                   |
| Index Furniture                        | Furnishing       | Oct 2006, Nov 2006, Dec 2007, Apr 2007, Apr 2008, Feb 2009 |               | 1,379         | 1,379          | 1.0%                                   |
| Office Depot                           | Specialties      | Mar 2013   | 1,045         |               | 1,045          | 0.8%                                   |
| IT City                                | Computer         | Mar 2013   |               | 1,026         | 1,026          | 0.8%                                   |
| Inlingua Education                     | Educational      | Mar 2007   |               | 323           | 323            | 0.2%                                   |
| <b>Total Top 10 Tenants</b>            |                  |  | <b>49,316</b> | <b>11,152</b> | <b>60,468</b>  | <b>45.7%</b>                           |
| <b>Total Leasable Area</b>             |                  |  | <b>93,390</b> | <b>38,830</b> | <b>132,220</b> | <b>100.0%</b>                          |



Note: 1. Based on leasable area as at 30 September 2006

2. The Fund does not invest in the leasable areas which are the location of CDS and Major Bowl at Central Plaza Ratchada-Rama III since those areas are owned by Ratchada Nonsi Department Store Co., Ltd

## Average Traffic Per Day By Property



### Rama 2

- Traffic increased during Jan-Sep 2006 due to the completion of a pedestrian bridge linking BIGC to shopping center and also due to increased promotional activities

### Rama 3

- Traffic decreased during Jan-Sep 2006 mainly due to construction of overpasses on Rama 3 road in front of Rama 3 center and competition from newly opened shopping centers nearby

## Rama 2: New salable area & parking space

### Project Scope:

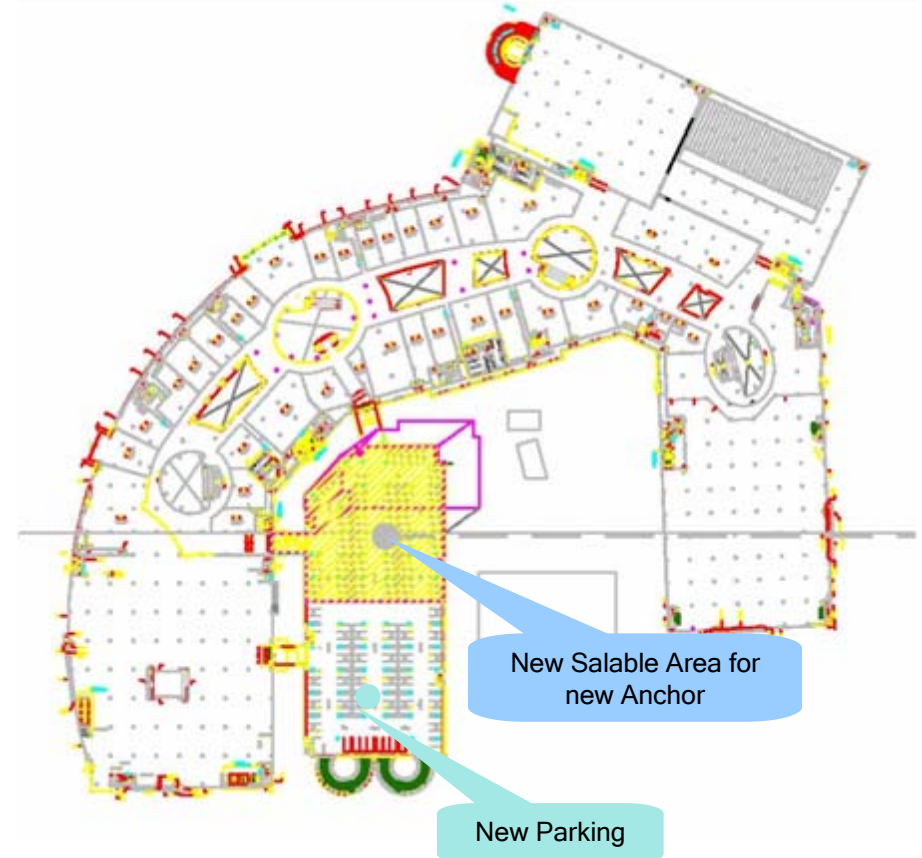
- ▶ Conversion of a portion of 4<sup>th</sup> floor parking (110 cars) to rental space for new anchor (approximately 2,700 sqm).
- ▶ Construction of new rental space for new anchor (mezzanine: approximately 1,400 sqm).
- ▶ Construction of new plate floor for additional parking (80 cars).

### Investment:

- ▶ ~ Bt 70 million
- ▶ ~ IRR 15%

### Impact:

- ▶ Increase rental space (approximately 4,100 sqm) and potential to increase traffic flow.
- ▶ Completion: 3Q 2007 (In the process of attaining approval from landlord and government agencies ).



## Rama 3: Minor Renovation

### Project Scope:

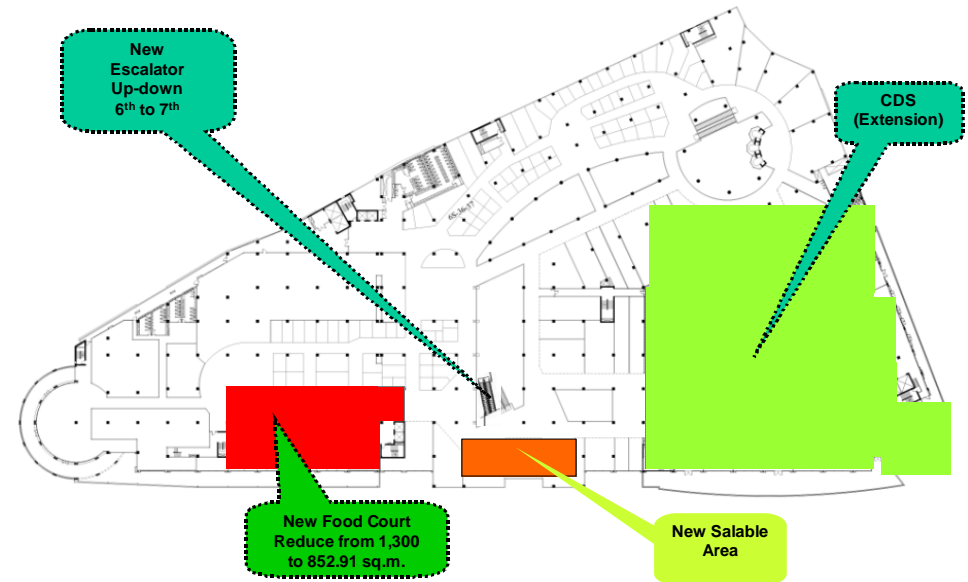
- ▶ Reduction and relocation of Food Court area.
- ▶ Increase leasable area for Central Department Store expansion.
- ▶ Relocation of escalator.

### Investment:

- ▶ ~ Bt 30 million
- ▶ ~ IRR 15%

### Impact:

- ▶ Potential to increase rental rate and traffic flow.
- ▶ Completion: 2Q 2007 (Escalation relocation completed).





# Questions & Answers

