



**PROPERTY  
DEVELOPMENT  
& INVESTMENT**  
A Member of Central Group

# Central Pattana Plc.

Property Development and Investment

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM



**CentralMarina**  
*Re-launch on 19 December 2016*

## Corporate Presentation: 3Q16 Performance Review



# Contents









- ▶ Our Company
- ▶ Growth
- ▶ Financing
- ▶ Looking ahead
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# CPN at a Glance

## VISION

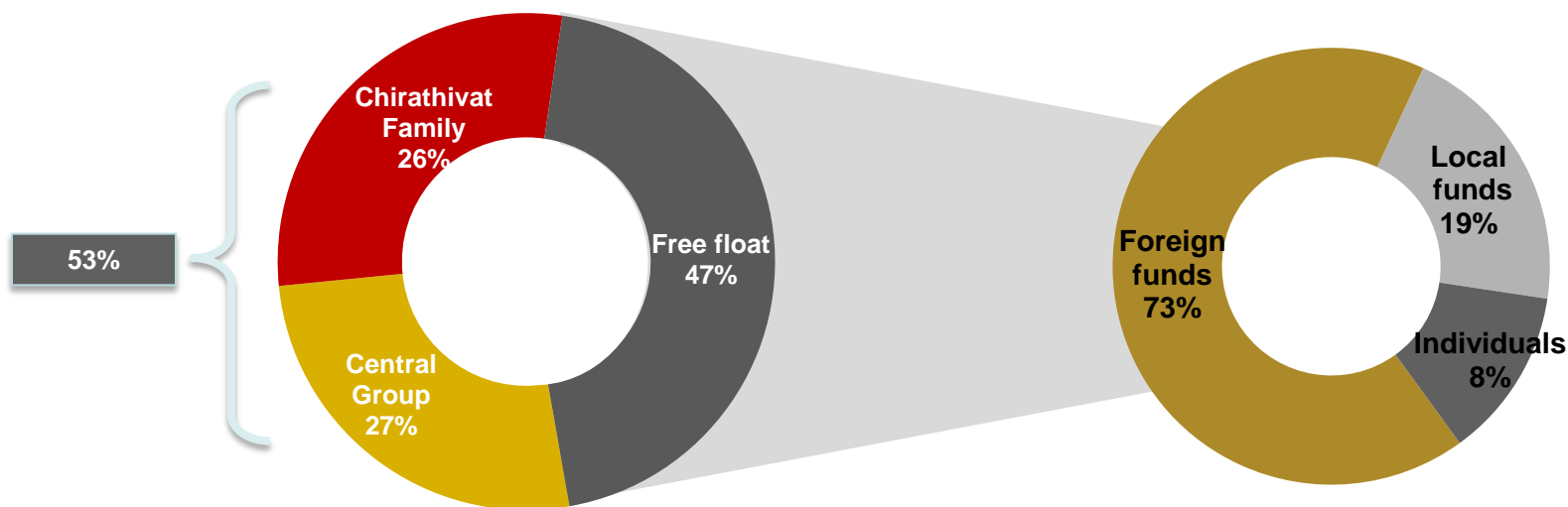
To be the most admired and dynamic regional retail property developer with world-class rewarding experience

### Mixed-use Project Development

Malls	Other related business			Property funds	
	Residential	Commercial	Hotel	CPNRF	CPNCG
 <b>RETAIL PROPERTIES</b>	 <b>RESIDENTIAL PROPERTIES</b>	 <b>OFFICE PROPERTIES</b>	 <b>HOTEL PROPERTIES</b>	 27% in CPNRF	 25% in CPNCG
<b>1 centralw<sup>o</sup>ld</b> <b>22 centralplaza</b> <b>6 centralfesti<sup>o</sup>al</b> <b>1 centralmarina</b>	<b>1 Residence</b> Central City Residence @ Bangna	<b>7 Office Buildings</b> <ul style="list-style-type: none"> <li>• Lardprao</li> <li>• Pinklao Tower A</li> <li>• Pinklao Tower B</li> <li>• Bangna</li> <li>• CentralWorld Tower</li> <li>• Chaengwattana</li> <li>• Rama9</li> </ul>	<b>2 Hotels</b>  	<b>CPNRF:</b> RM2, RM3, PKO, CMA, Pinklao Tower A&B	
<b>30</b> Shopping Malls	<b>1.6</b> mn sqm NLA	<b>93%</b> Occ. Rate	<b>1<sup>st</sup></b> Rank Retail Developer	<b>16%</b> 9M16 Rev. Growth	

# Strategic Shareholders

CPN is one of the flagship businesses of the **Central Group (Chirathivat Family)**. As a strong and supportive shareholder, the Chirathivat family brings to CPN a wealth of retail-related expertise through the family's long record and successful leadership in Thailand's dynamic and competitive landscape of shopping mall developments and department store / specialty store operations.



# Strategic Shareholder

CPN's strong synergy with the Central Group helps CPN to attract dynamic tenants, increase people traffic and command higher rents.

## Central Group

### Central Pattana Public Company Limited (53%)\*



### Central Department Store Group (100%)\*



### Central Hotel & Resort Group (65%)\*



### Central Food Retail Group (100%)\*



### Central Restaurant Group (65%)\*



### Central Hardlines Group (100%)\*



### Central Marketing Group (100%)\*



### Central Online (50%)\*



# Property Development and Management



Property Developer  
& Property Manager

Shopping Mall

Department Store  
& Category killers



CRG



CMG

## CRG & CMG

- ~12% of total leasable areas and also in term of total revenue
- Pricing criteria as same as others

## Other tenants

- ~88% of total leasable areas and also in term of total revenue

Central



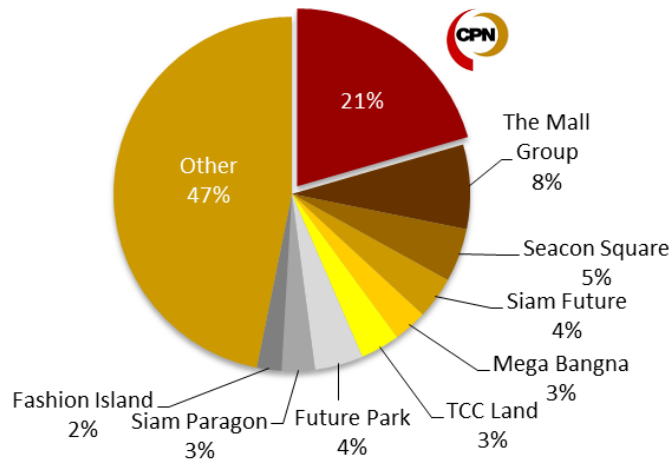
## Joint developers

- **Sharing cost** of land and common area
- Owning its investment cost and assets

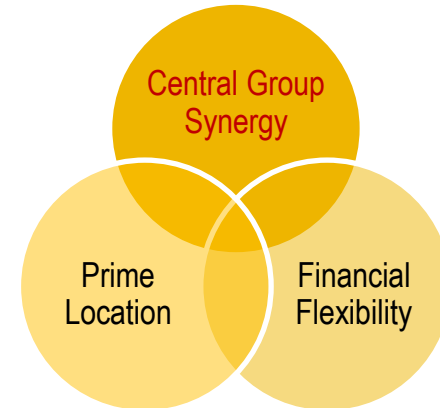


# CPN Positioning

21% market share in Bangkok



Key success factors



## New projects by other players

Owners	No. of new projects	GFA (sqm mn)	Investment (THB bn)	Year	Strategy
The Mall	3	1.75	50	'17-'20	City within the city malls in Bangkok World iconic tourist destination for new malls in tourist destination
SF	1	0.40	10	'19-'20	Expand 2-3 community malls per year JV with IKANO for super regional malls
TCC Land	3	104 rais (41 acres)	7	'17-'18	Mixed use projects in tourist destination and fine dining concept
Siam Piwat, CP, Magnolia	1	40 rais (16 acres)	35	'17	Plan to be Bangkok's iconic landmark, Mixed-use project with mall, residential, and entertainment

# New Shopping Malls

CentralPlaza Rayong : opened 27 May 2015



CentralPlaza WestGate : opened 28 Aug 2015



CentralFestival EastVille : opened 27 Nov 2015



CentralFestival Phuket : acquired 1 Jun 2015







**Opened :** **28 JULY 2016**

<b>Location:</b>	<b>South of Thailand</b>
<b>Investment Cost<sup>(1)</sup>:</b>	<b>THB 1.9 bn</b>
<b>GFA<sup>(2)</sup></b>	<b>125,000 sqm</b>
<b>NLA<sup>(3)</sup> (CPN Only)</b>	<b>26,000 sqm</b>
<b>Joint developer <sup>(4)</sup> :</b>	<b>Robinson Department Store</b>
<b>Land:</b>	<b>20 acres (51 rais) (Freehold)</b>
<b>Parking:</b>	<b>1,400 cars</b>
<b>Leasing Progress:</b>	<b>~80% at the opening</b>



# Innovative Lifestyle Shopping Malls

**centralplaza**  
WESTGATE

## Art Installations

The Welcome Gate



Giant Giraffe



Wise Garden





# Innovative Lifestyle Shopping Malls

## Attractions

**central**festi**val**  
EASTVILLE



**Sky Run - A rooftop jogging track**



**Bike Lane and Parking**



**Kids Playground**



**Pet Park**



# Innovative Lifestyle Shopping Malls

**central**festival  
EASTVILLE

## Food Destination





Think Space B2S – “Co-Working Space” & Lifestyle bookstore







# CPN's Growth Aspiration



**5 year target : top line growth of 14-15% CAGR for 2017-2021**

## Mixed-use Project Development

### Malls

#### 15 New projects:

- 14 Domestic projects  
(BKK:Provinces = 50:50)
- 1 Overseas project  
(i-City in Malaysia)

#### Renovation projects:

**2017:** CTW, RM3, RM2, CMA, PKT

**2018-2021:** approx. 2-3 projects/year

### Other related business

#### ESCENT Condominium

**2018:** ESCENT Khonkaen  
ESCENT Chiangmai  
ESCENT Rayong

**Target:** 3 projects/year

#### Other mixed-use projects

**2019-2021:** 1-3 projects

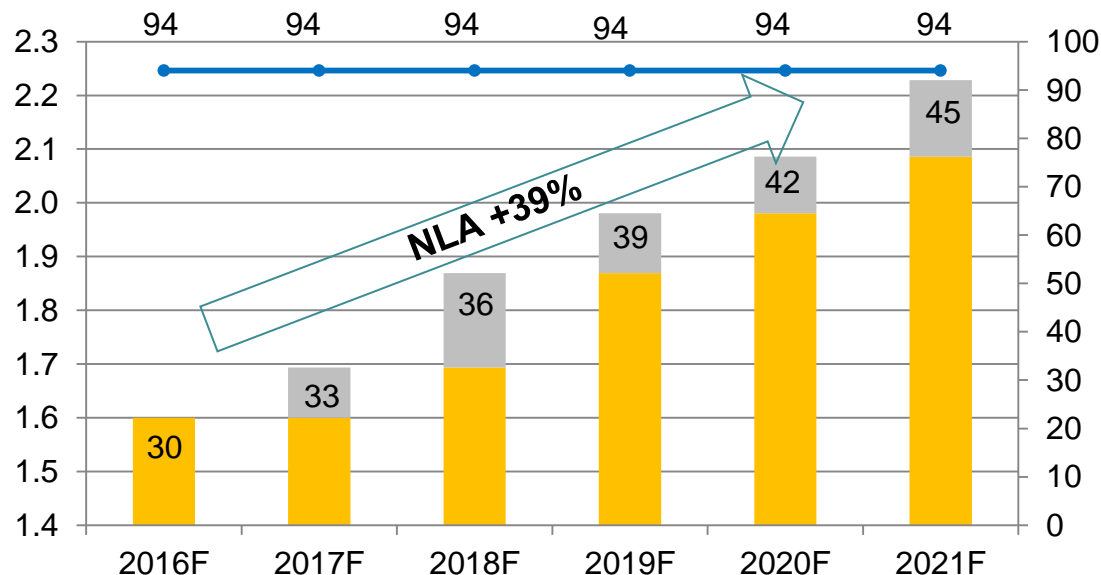
### Property funds

**2017:**  
CPNRF Conversion to **REIT**

# Future Leasable Area & Occupancy Rate

Retail NLA  
(mn sqm)

Occupancy Rate  
(%)



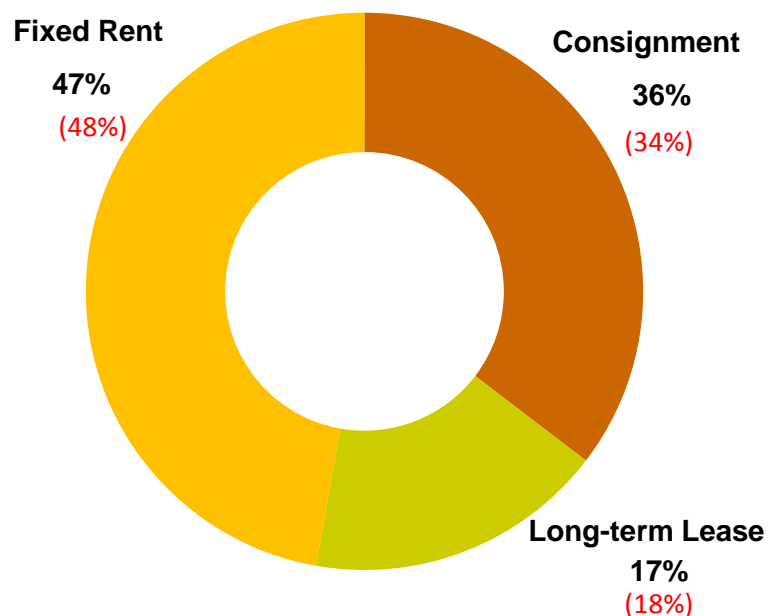
No. of Malls	2016F	2017F	2018F	2019F	2020F	2021F
Domestic	30	33	35	38	41	44
Overseas			1	1	1	1
NLA (mn sqm)	1.60	1.76	1.87	1.97	2.08	2.22
Residential			3	6	9	12
Other mixed-use				1-3 projects		

# Rental Contracts Type & Upside

Upside from expirations of long-term lease contracts converted into short term contracts at market rental rate should help increase revenues.

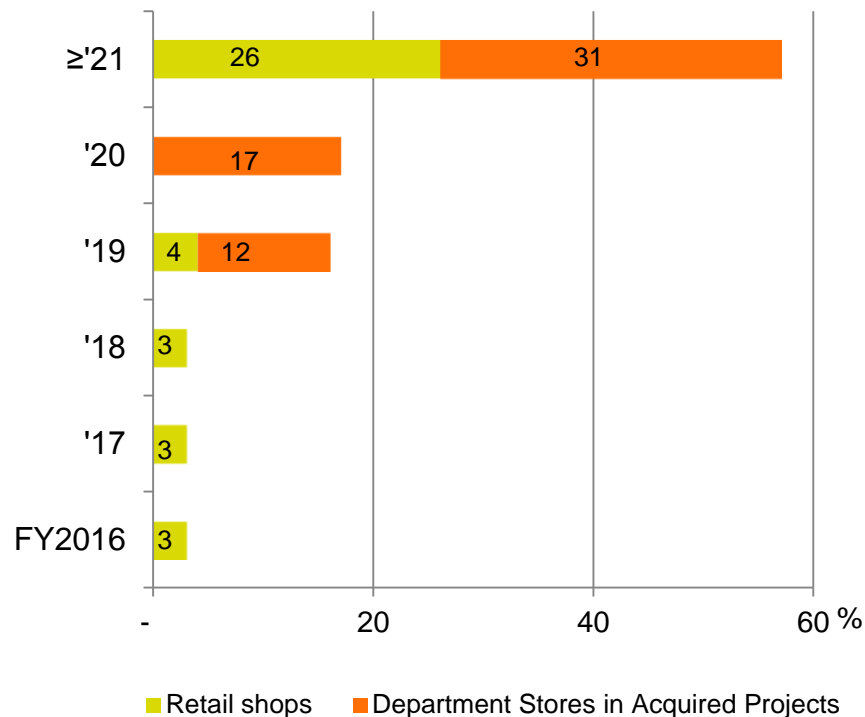
## Reliable contract structure

Types of rental contract <sup>(1)</sup>



## Potential higher revenue

% of expired area to total long-term lease area <sup>(2)</sup>





# Domestic expansion continues

## CentralPlaza Nakhon Ratchasima

**Investment cost <sup>(1)</sup> :** THB5.00bn  
**NLA <sup>(2)</sup> :** 56,000 sqm  
**Joint developer <sup>(3)</sup> :** Central Department Store  
**Land Size :** 26 acres (65 rais) (Freehold)  
**Parking :** 3,500 cars



## CentralPlaza Mahachai

**Investment cost <sup>(1)</sup> :** THB3.20bn  
**NLA <sup>(2)</sup> :** 28,850 sqm  
**Joint developer <sup>(3)</sup> :** Robinson Department Store  
**Land Size :** 40 acres (100 rais) (Freehold)  
**Parking :** 1,500 cars



2017

Sep-17

Nov-17

Dec-17

2018

2021

## Central Phuket

**Investment cost <sup>(1)</sup> :** THB6.65bn  
**NLA <sup>(2)</sup> :** 63,000 sqm  
**Joint developer <sup>(3)</sup> :** -  
**Land Size :** 22 acres (57 rais) (Leasehold)  
**Parking :** 3,000 cars



11 additional projects '18-'21  
 (BKK:Provinces = 50:50)



# central plaza

## NAKHON RATCHASIMA

Growth



Summer



Spring



Rainy



Winter



Autumn



Overall





**Market Market**



**Foodpark**



**Beer park**



**Riverwalk**

# International project in Malaysia

## Central i-City

<b>Investment Cost <sup>(1)</sup></b>	THB8.3bn
<b>Joint venture</b>	I-R&D Sdn Bhd (“IRD”), an I-Berhad wholly-owned subsidiary CPN holds 60% stake and IRD holds 40% stake CPN will lead in the development and management of the shopping mall
<b>Program:</b>	
<b>GFA</b>	278,000 sqm
<b>NLA</b>	89,700 sqm (including department store)
<b>Land size</b>	11 acres (27 rais) (Freehold)
<b>Location</b>	i-City, Shah Alam, Selangor Darul Ehsan, Malaysia
<b>Opening (Tentative)</b>	October 2018



### Project progress:

- **100% completion of Anchor Leasing (Department Store, Supermarket, and Cinema)**

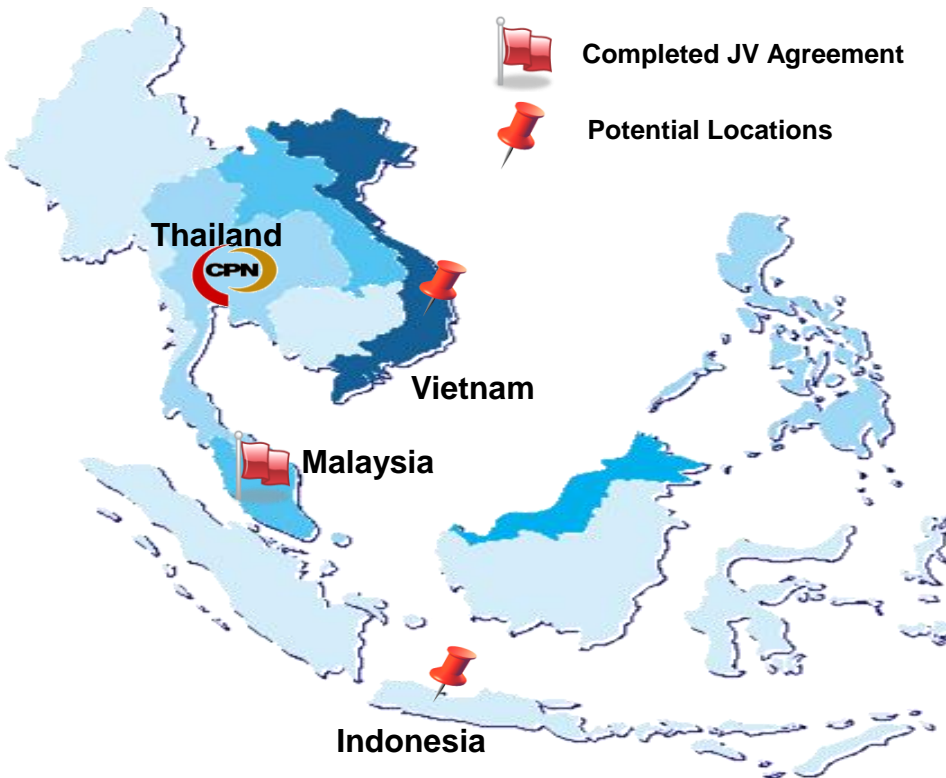


# Potential expansion in neighboring countries

Growth

## Investment strategy

- ✓ Joint venture with local partners with focus on retail properties
- ✓ To be a property manager



## Malaysia

- ✓ Realistic land prices and freehold ownership
- ✓ Moderate competition and fragmented market
- ✓ High spending power with customer profile similar to Thailand

## Vietnam

- ✓ Large population
- ✓ Low competition with few major players
- ✓ Strong growth in disposable income/low spending power

## Indonesia

- ✓ Large population
- ✓ Rapidly growing middle class population with increasing spending power
- ✓ Sophisticated market but strong competition from existing players
- ✓ High cost of fund and unrealistic land price with limited infrastructure

# Asset enhancement projects

Modernize malls to enhance asset value and draw traffic

## CentralPlaza Rama 3

### 4 Projects in 2016

- CentralPlaza Bangna
- CentralPlaza Marina Pattaya
- CentralFestival Phuket
- CentralPlaza Chaengwattana



2017

2016

## CentralPlaza Marina Pattaya



### 5 Projects in 2017

- CentralWorld
- CentralPlaza Rama3
- CentralPlaza Rama2
- CentralPlaza Chiangmai Airport
- CentralFestival Phuket



# Asset Enhancement-Central Plaza Marina Pattaya

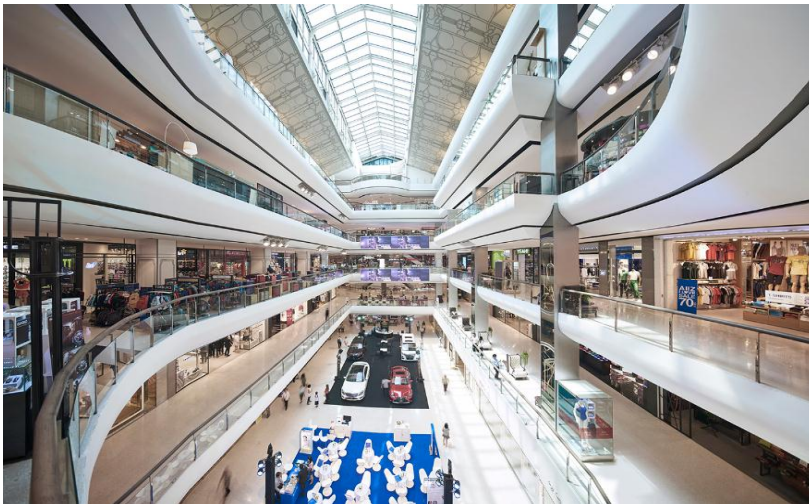
To be re-launched on 19 December 2016 with the concept of “*Fisherman Village*”





# Asset Enhancement-Central Plaza Pinklao

The Best is Back





# Asset Enhancement-Central Plaza Pinklao

The Best is Back





# Asset Enhancement-Central Plaza Bangna

## Facilities for Kids & Family





# Asset Enhancement-Central Plaza Bangna

## Food Patio





# Residential projects in the provinces

## Value-added condominium projects in key domestic market

- maximize value creation from outstanding mall locations ;
- 3 key projects in high-growth provinces: Chiangmai, Rayong, and Khonkaen

# ESCENT

### ESCENT Khonkaen

408 Units  
24-storey condo  
100% pre-sales



### ESCENT Chiangmai

400 Units  
26-storey condo  
100% pre-sales

### ESCENT Rayong

419 Units  
25-storey condo  
100% pre-sales



# Additional CAPEX to drive future growth

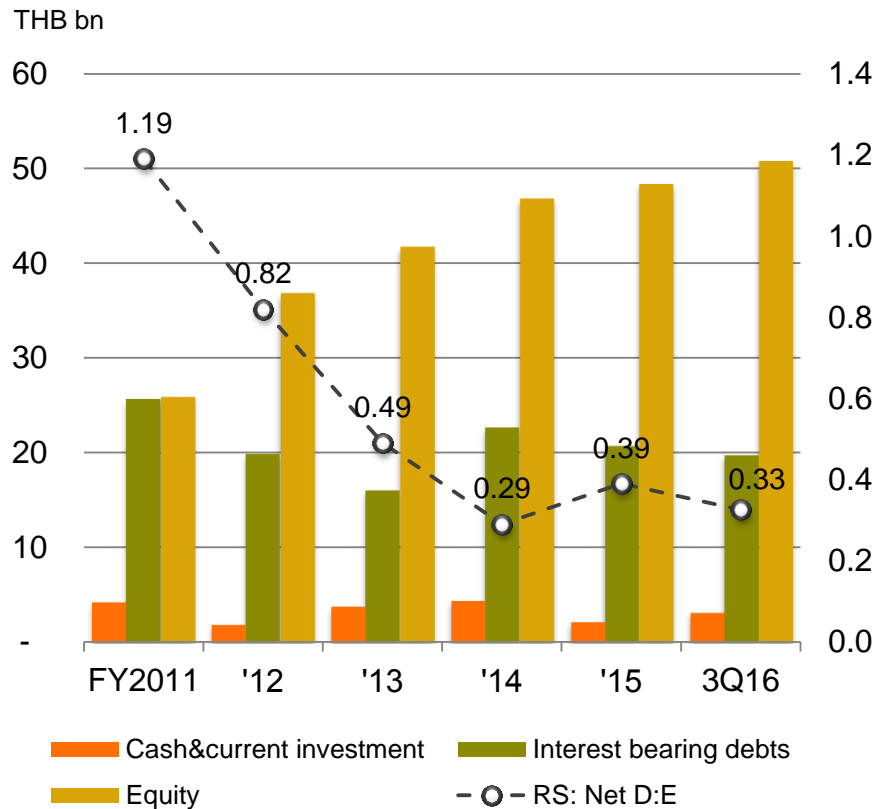
Capex will continue to focus on core business

## Capex 2016-2020F

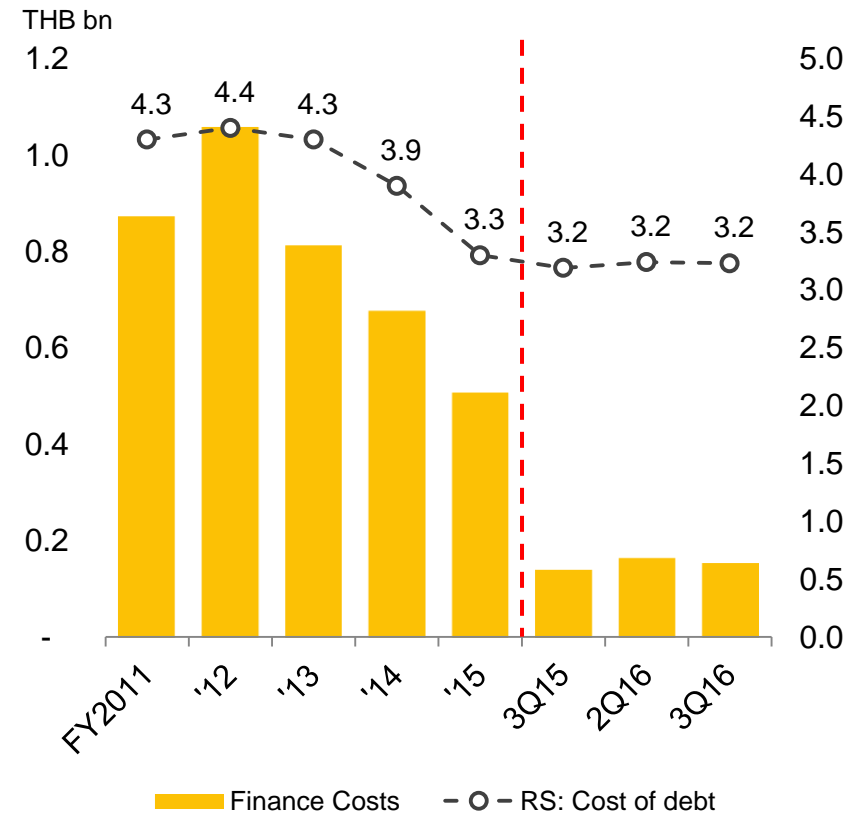
(THB bn)	FY2016	'17F	'18F	'19F	'20F
Under construction	6.0	8.0	5.8	2.1	0.5
Enhancement	2.7	2.5	2.6	1.9	1.4
Potential	0.0	5.1	4.4	9.1	12.5
<b>Total Malls</b>	<b>8.7</b>	<b>15.6</b>	<b>12.8</b>	<b>13.1</b>	<b>14.4</b>
Residential	0.5	1.7	2.6	3.2	3.5
<b>Total Capex</b>	<b>9.2</b>	<b>17.3</b>	<b>15.5</b>	<b>16.2</b>	<b>17.8</b>

# Solid balance sheet despite expansion

## Balance sheet and D:E



## Finance Costs and cost of debt <sup>(1)</sup>



(1) Cost of debt was derived from interest expenses including interest capitalization for projects under development



# 2017 Strategic Directions

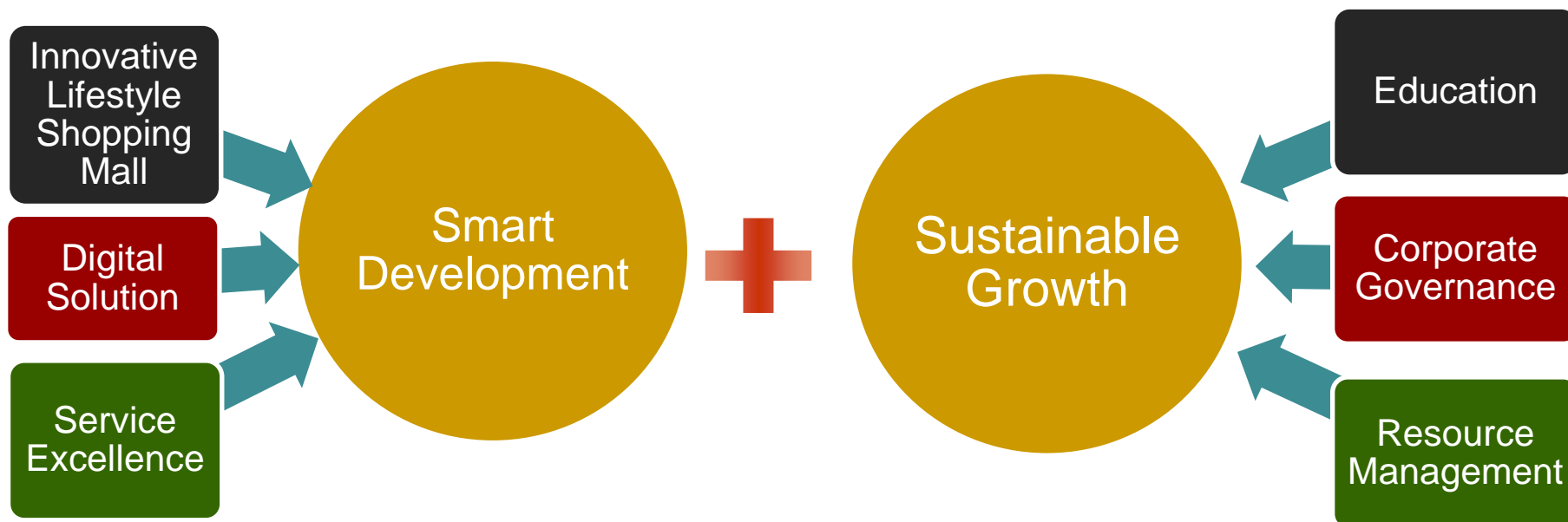
## CPN Shopping Mall = CENTER OF LIFE

Center of  
Community

Center of  
Activities

New lifestyle &  
Experiences

For all  
Generations



# 2017 Strategic Directions

Growth

2017  
Direction

“Smart Development & Sustainable growth toward mixed-use development”

## SMART DEVELOPMENT

### 1. Shopping mall business:

- New malls
- Asset Enhancement
- New Formats & Concepts
- Space utilization

### 2. Mixed-use development

- Residential development

High growth potential in 2018 is expected, driven by new malls, AEI, and Residential properties.

### 3. Acquiring land bank both domestic and overseas & seeking for acquisition opportunities

	2017	2018	2019
New Malls	CentralPlaza <b>Nakhon Ratchasima</b> CentralPlaza <b>Mahachai</b> Central <b>Phuket</b>	Central <b>i-City</b> 2 Unannounced Malls	3 projects
Enhanced Malls	Central <b>World</b> CentralPlaza <b>Rama 3</b> CentralPlaza <b>Rama 2</b> CentralPlaza <b>Chiangmai Airport</b> CentralFestival <b>Phuket 1</b>	2 - 3 projects	2 - 3 projects
Condominium		Escent <b>Chaingmai, Khonkaen, Rayong</b>	3 projects

## Funding

- CAPEX ≈ THB 17.0 bn (Operating Cash Flow THB 15.0 – 16.0 bn)
- REIT SETUP: Alternative source of funding
  - Finished by 2Q17-3Q17
  - New asset injection under study

## Financial

### 2017 Guidance:

- Top-line growth +6-8%
- Maintain Gross Margin and EBITDA margin at high level

## Operation

- **Cost efficiency improvement**
- **Tenants Management**
- **Customers Experiences**
- **Space utilization efficiency management**
- **Online social community**

## CG & SD

- Increase DJSI score
- Focus on ESG toward 3 Concentration areas
  - Education program
  - Reduction in Carbon Footprint
  - Community centrality



# CPNRF conversion into REIT



CPN Retail Growth Leasehold Property Fund

## CPNRF

No. of project: 5

Listed date: 23 August 2005

NAV<sup>(1)</sup> : THB 13.55 per unit

NAV<sup>(1)</sup> : THB 29.98 bn

Units: 2.21 bn

## Tax on dividends

- Thai corporates and foreign investors will lose tax benefits from dividend exemption.
- No impact on Thai retail investors.
  - Thai corporates will be subject to 20% corporate tax
  - Foreign investors will be subject to 10% withholding tax

## Gearing

- Higher gearing under REIT structure should compensate lower yield from tax issue (REIT = 35-60% vs. Property Fund = 10%)

## Tentative Timeline

- Approximately 6-8 months

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# Appendices

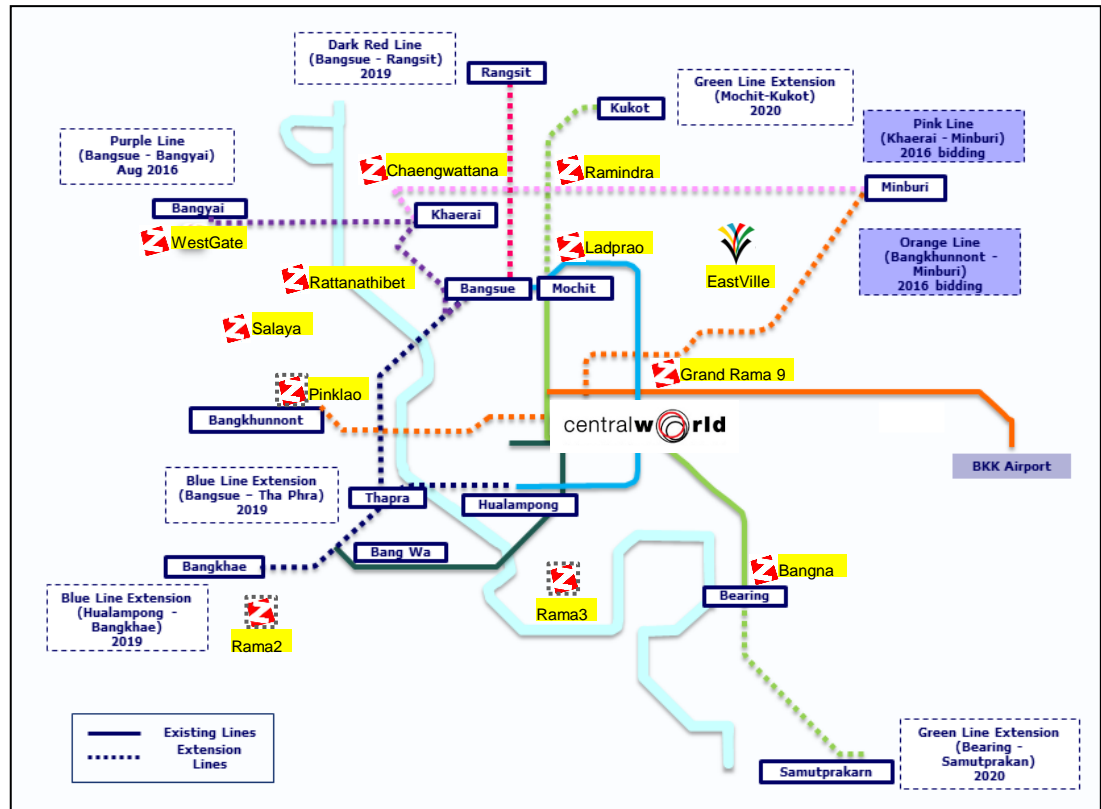
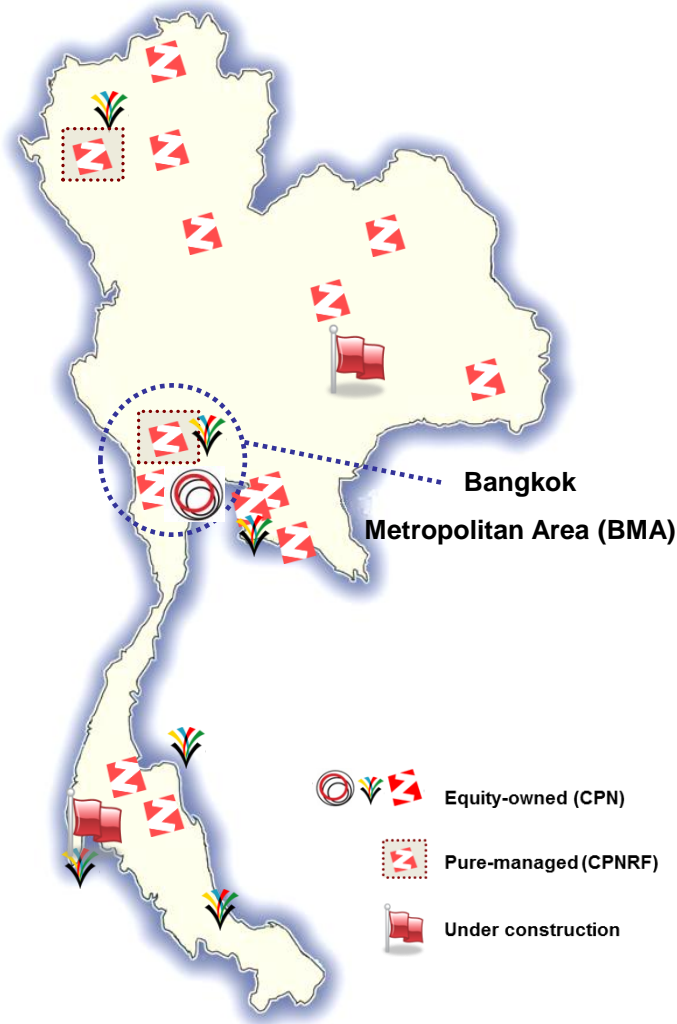
# Strong Development & Acquisition Pipeline

	1980s	1990s	2000s	2010-2016
	30 existing projects (24 Greenfields, 6 Acquisitions <=> 13 in Bangkok, 17 in Provinces)			
Green-field Development	<b><u>Bangkok (1)</u></b> 1980 Established under Central Plaza Co., Ltd. 1982 CentralPlaza Lardprao  CentralPlaza Lardprao	<b><u>Bangkok (3)</u></b> 1993 CentralPlaza Ramindra 1995 CentralPlaza Pinklao 1997 CentralPlaza Rama 3 <b><u>Province (1)</u></b> 1995 CentralPlaza Pattaya	<b><u>Bangkok (2)</u></b> 2002 CentralPlaza Rama 2 2008 CentralPlaza Chaengwattana <b><u>Provinces (3)</u></b> 2009 CentralFestival Pattaya Beach 2009 CentralPlaza Chonburi 2009 CentralPlaza Khonkaen	<b><u>Bangkok (4)</u></b> 2011 CentralPlaza Grand Rama 9 2014 CentralPlaza Salaya 2015 CentralPlaza WestGate 2015 CentralFestival EastVille <b><u>Provinces (9)</u></b> 2011 CentralPlaza Chiangrai 2011 CentralPlaza Phitsanulok 2012 CentralPlaza Suratthani 2012 CentralPlaza Lampang 2013 CentralPlaza Ubonratchathani 2013 CentralFestival Chiangmai 2013 CentralFestival Hatyai 2014 CentralFestival Samui 2015 CentralPlaza Rayong
Acquisition		<b><u>Province (1)</u></b> 1996 CentralPlaza Chiangmai Airport	<b><u>Bangkok (3)</u></b> 2001 CentralPlaza Bangna 2002 CentralWorld 2003 CentralPlaza Rattanaibet <b><u>Province (1)</u></b> 2009 CentralPlaza Udonthani	2016 CentralPlaza Nakhon Si Thammarat <b><u>Province (1)</u></b> 2015 CentralFestival Phuket
Redevelopment & Enhancement		<b><u>Province (1)</u></b> 2000 CentralPlaza Chiangmai Airport Phase 2A	<b><u>Bangkok (2)</u></b> 2004 The Offices at CentralWorld 2006 CentralWorld <b><u>Province (1)</u></b> 2003 CentralPlaza Chiangmai Airport Phase 2B	<b><u>Bangkok (2)</u></b> 2013 CentralPlaza Bangna 2015 CentralPlaza Pinklao <b><u>Province (1)</u></b> 2012 CentralPlaza Udonthani (Phase 2)

# Property Locations

## Existing Projects (30)

- Shopping Centers (13 BMA, 17 Provinces)
  - central**w**orld 1 (BMA)
  - central**pl**a 23 (11 BMA, 12 Provinces)
  - central**festi**val 6 ( 1 BMA, 5 Provinces)
- Offices (7)
- Hotels (2)
- Residence (1)





# 3Q16 Performance Overview

**30**  
Shopping Malls

**1.6** mn sqm  
NLA

**93%**  
Occ. Rate

**15%**  
Rev. Growth

**29%**YoY  
Profit Growth

## Key Drivers

- 12%YoY growth of international tourist arrivals during 9M16
- Government stimulus packages
- Four new malls launched in 2015 and one in 2016
- Asset Enhancement: CentralPlaza Bangna & CentralPlaza Marina Pattaya Renovation
- Effective space utilization: promotion area, convention halls, and on-site media
- Continued implementation of cost efficiency program

## 3Q16 Financial Highlight

(THB mn)	3Q16	3Q15	%YoY	2Q16	%QoQ
Revenues	7,319	6,372	15%	7,199	2%
Operating profits	2,725	2,173	25%	2,732	0%
Net Profit	2,342	1,816	29%	2,293	2%
GP Margin (%)	49.3%	46.6%		49.0%	
EBITDA Margin (%)	54.7%	52.2%		55.2%	
Net D:E (time)	0.33	0.45		0.38	

**30th**

**central plaza**  
NAKHON SI THAMMARAT

opened on 28 July 2016

MEMBER OF

**Dow Jones**  
**Sustainability Indices**

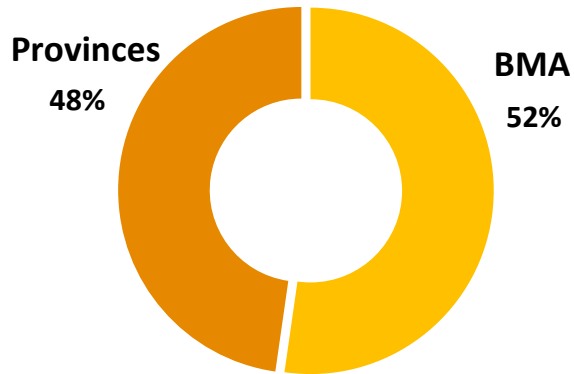
In Collaboration with RobecoSAM

CPN is recognized in the  
DJSI Emerging Markets  
for 3 consecutive years.

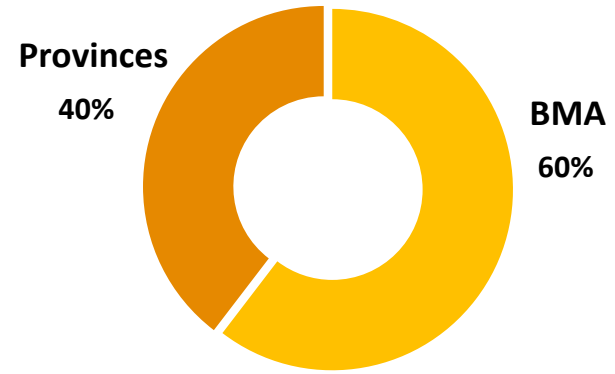
# Leasable Area and Occupancy

Retail Property	No. of Projects	Land			NLA <sup>(2)</sup> (mn sqm)			Occupancy Rate (%)		
		Freehold	Leasehold	Freehold & Leasehold	Retail	Dept. Store	Total	3Q15	2Q16	3Q16
<b>BMA</b>	<b>13</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>0.67</b>	<b>0.06</b>	<b>0.74</b>	<b>91</b>	<b>94</b>	<b>94</b>
<b>Provinces</b>	<b>17</b>	<b>13</b>	<b>4</b>	<b>0</b>	<b>0.62</b>	<b>0.05</b>	<b>0.67</b>	<b>92</b>	<b>92</b>	<b>92</b>
<b>Total <sup>(1)</sup></b>	<b>30</b>	<b>17</b>	<b>11</b>	<b>2</b>	<b>1.29</b>	<b>0.12</b>	<b>1.41</b>	<b>93</b>	<b>93</b>	<b>93</b>

Breakdown: NLA



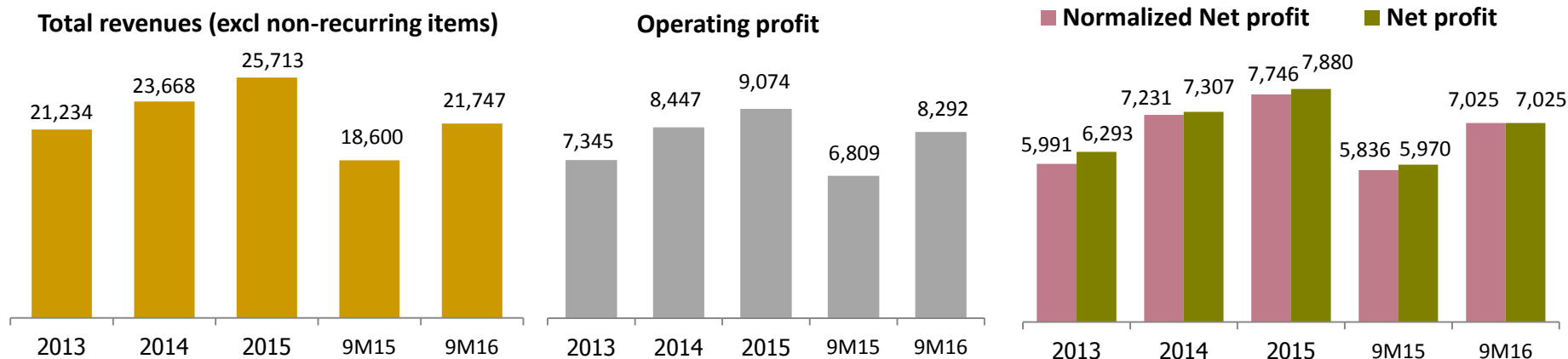
Breakdown: rental income



Non-core Properties	No. of Projects	NLA or No. of Units	Occupancy Rate (%)		
			3Q15	2Q16	3Q16
<b>Office in BMA <sup>(2)</sup></b>	<b>5</b>	<b>55,315 sqm</b>	<b>96</b>	<b>96</b>	<b>96</b>
<b>Residential in BMA</b>	<b>1</b>	<b>1,568 sqm</b>	<b>30</b>	<b>37</b>	<b>37</b>
<b>Hotel in provincial area</b>	<b>2</b>	<b>561 rooms</b>	<b>74</b>	<b>82</b>	<b>88</b>

- (1) Excludes area transferred to CPNRF and CPNCG  
 (2) Excludes rental agreements < 1 year, such as kiosk, carts, ATMs and coin machines.

# Financial Summary



% YoY Growth	2013	2014	2015	9M15	9M16
Total revenues (Exc. non-recurring items) <sup>/1</sup>	19%	13%	9%	8%	17%
Operating profit (Exc. non-recurring items)	31%	15%	7%	8%	22%
Normalized Net profit	36%	21%	7%	12%	20%
Net profit	2%	16%	8%	9%	18%
Same store revenue growth	12%	4% <sup>/2</sup>	2% <sup>/3</sup>	2% <sup>/4</sup>	2% <sup>/5</sup>
Gross Profit Margin (Exc. Other Income)(%)	47%	48%	48%	48%	49%
EBITDA Margin (%)	52%	53%	53%	54%	55%

<sup>/1</sup> Total revenue includes rental & service, hotel operation, food & beverage, and other incomes, excluding interest income, share of profit from investment.

<sup>/2</sup> Excl. CentralPlaza Ubonratchathani, CentralFestival Chiangmai, CentralFestival Hatyai, CentralFestival Samui, CentralPlaza Salaya, and CentralPlaza Chiangmai Airport.

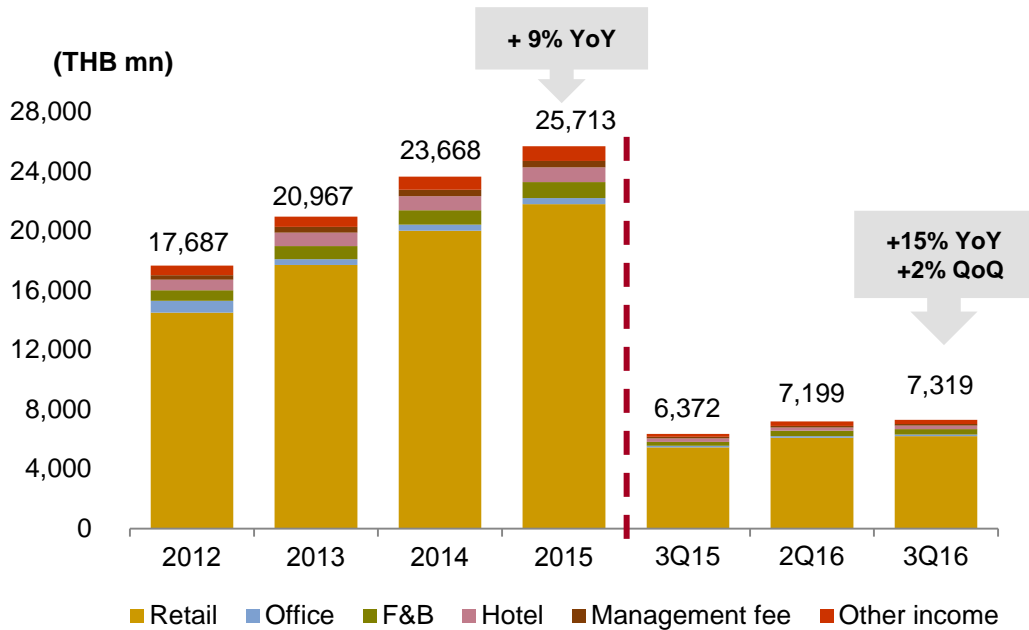
<sup>/3</sup> Excl. CentralPlaza Chiangmai Airport, CentralPlaza Pinklao, CentralFestival Samui, CentralPlaza Salaya, CentralPlaza Rayong, CentralFestival Phuket, CentralPlaza WestGate, and CentralFestival EastVille.

<sup>/4</sup> Excl. CentralPlaza Chiangmai Airport, CentralPlaza Pinklao, CentralFestival Samui, CentralPlaza Salaya, CentralPlaza Rayong, CentralFestival Phuket, and CentralPlaza WestGate.

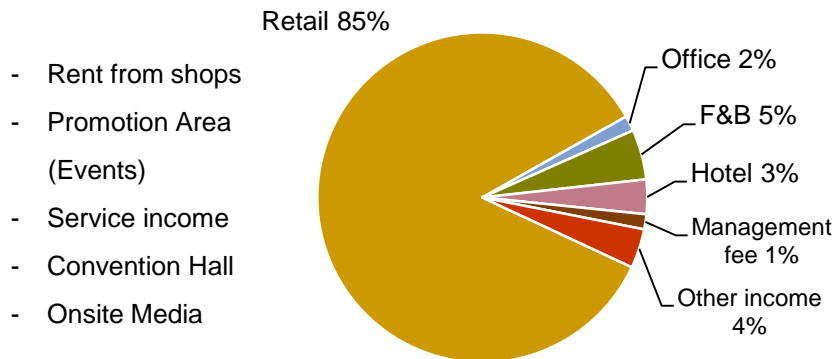
<sup>/5</sup> Excl. CentralPlaza Rayong, CentralFestival Phuket, CentralPlaza WestGate, CentralFestival EastVille, CentralPlaza Nakhon Si Thammarat, CentralPlaza Pinklao, and CentralPlaza Pattaya.



# Revenue Breakdown



## 3Q16 Revenue breakdown



**3Q16 total revenues** <sup>/1</sup> **+15% YoY** or THB 947 mn  
YoY mainly contributed by

### Rent and services +14% YoY

- Contributions from 4 new projects launched in 2H15 and CentralPlaza Nakhon Si Thammarat (NKR).
- Increased revenues from CentralPlaza Pinklao (PKO) with higher rate and occupancy after completing renovation
- Existing projects nationwide experiencing operational movement.

### Hotel +7% YoY

- Due to strong performances from both Hilton Pattaya Hotel during Summer Holiday season, and Centara Hotel & Convention Centre Udonthani.

### F&B sales +31% YoY

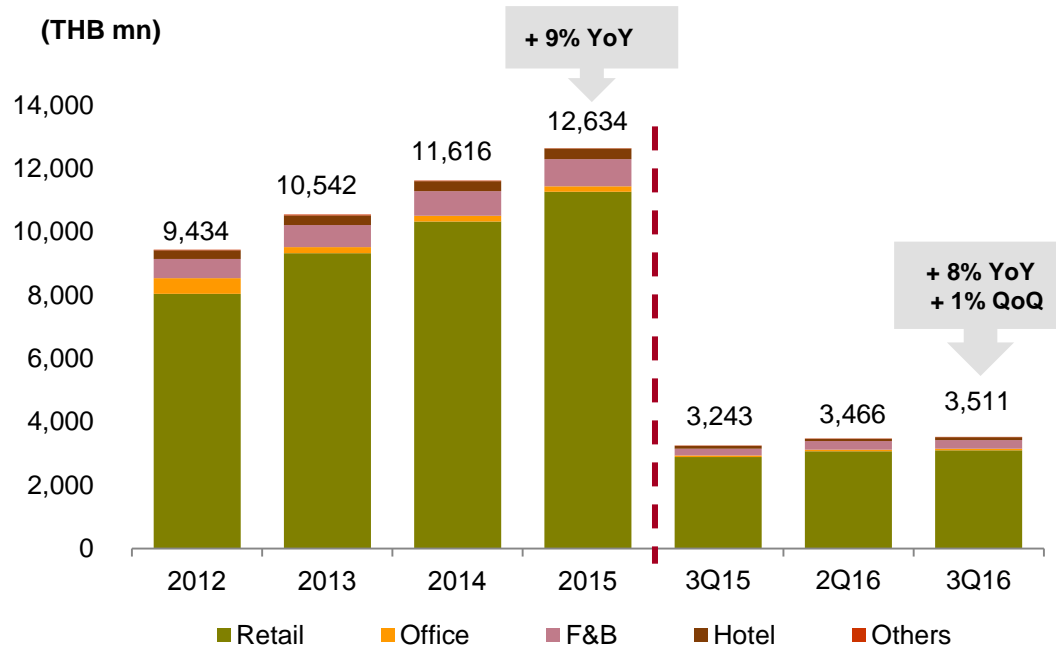
- Higher revenues from strong performances of our food courts in Bangkok and provincial malls.
- Contributions from new food courts launched in 2H15 and 2016, and new Food Destination at PKO and CentralPlaza Bangna (BNA).

### Implementing strategic marketing activities:

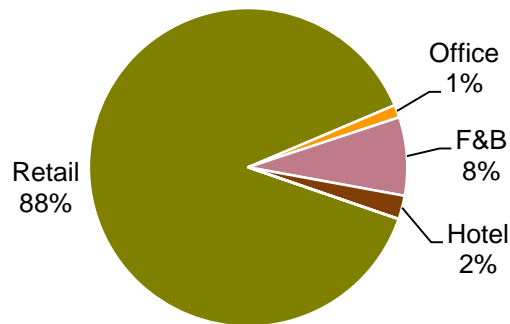
- In collaboration with business partners, holding promotional campaigns to encourage more spending from local customers and cater for expanding foreign tourists visiting Thailand.

# Cost Breakdown

(THB mn)



## 3Q16 Cost breakdown



**3Q16 total costs +8% YoY** or THB 268 mn YoY mainly due to:

### Cost of Rent and Services +7% YoY

- Operating costs and depreciation of projects launched in 2H15 and 2016, as well as PKO after its renovation.

### Cost of Hotel Business -4% YoY

- Lower personnel costs at Hilton for both permanent and temporary staff.

### Cost of F&B +29% YoY

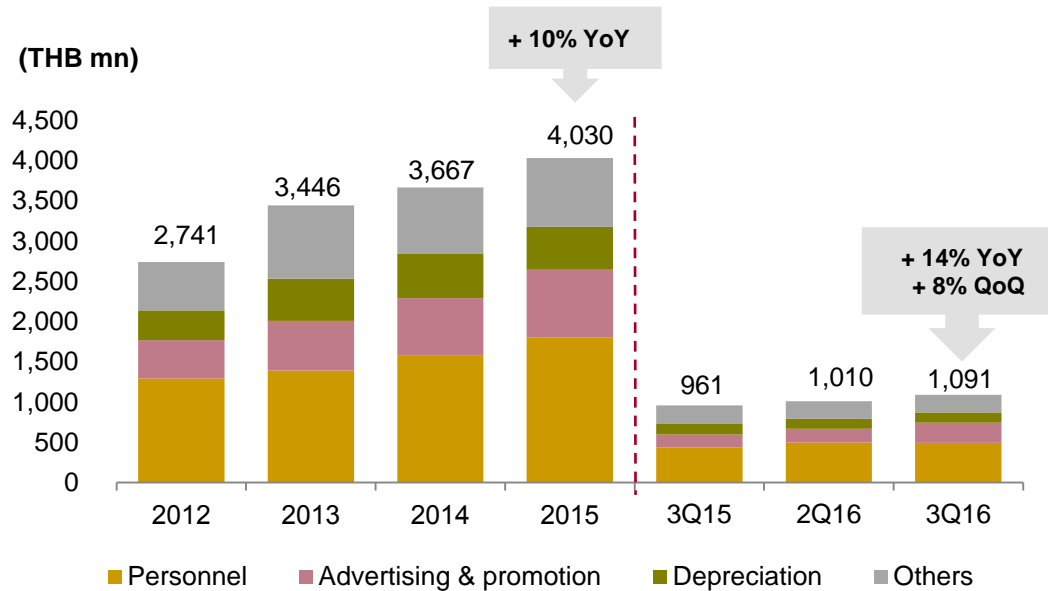
- In line with a 31% revenue growth, derived from new malls launched in 2H15 and 2016, new food courts at PKO and BNA after renovation.

### Focusing on efficient cost management:

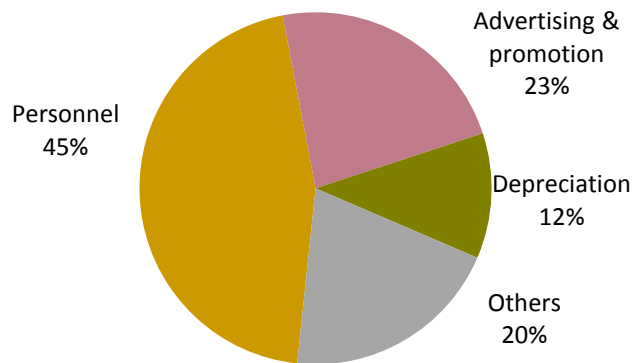
- Continuing implementation according to energy conservation measures, thus less consumption unit in addition to lower Ft charges during quarter, led to lower utilities costs.

# SG&A Expenses Breakdown

(THB mn)



## 3Q16 SG&A breakdown



**SG&A expenses +14% YoY** or THB 130 mn YoY mainly due to:

- Hike in personnel expenses due to the addition of staff accomodating new mall expansion, increase in monthly reserve for staff bonus, staff training.
- Higher marketing expenses incurred from more activities and the addition of new malls.
- However, SG&A to total revenues declined slightly to 15%.

### Ability to control expenses:

- Continuous pooled mechanism with Central Group to achieve economies of scale
  - Marketing campaign
  - Supply chain management



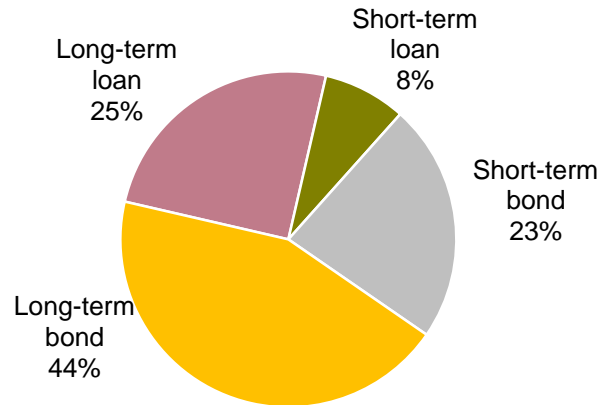
# Debt Analysis



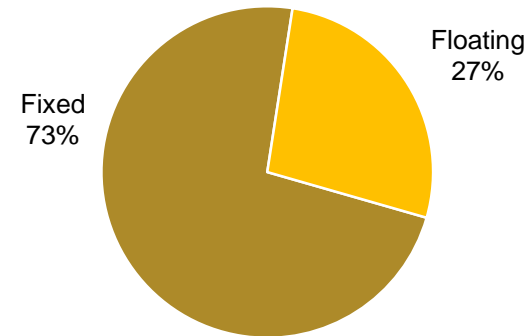
AA- Credit Rating

- Affirmed “AA-” ratings with “Stable” outlook by TRIS Rating in 23 June 2016
- All borrowings are denominated in THB

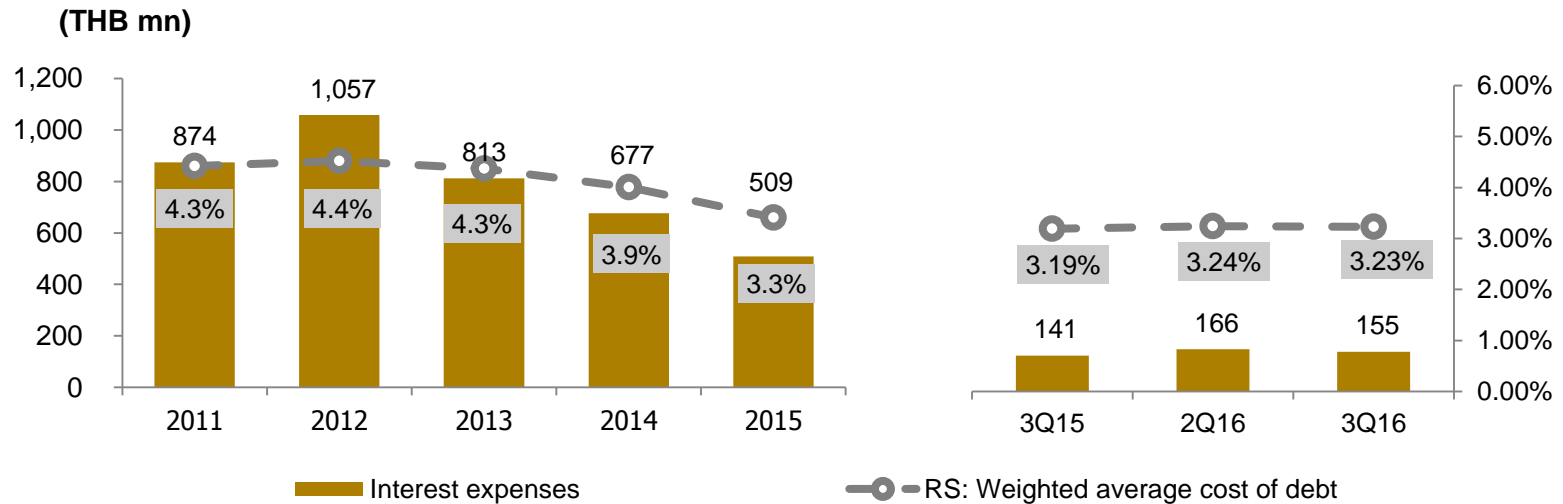
## Outstanding Borrowings THB 19,646 mn



## Fixed vs. Floating Interest Rate Mix



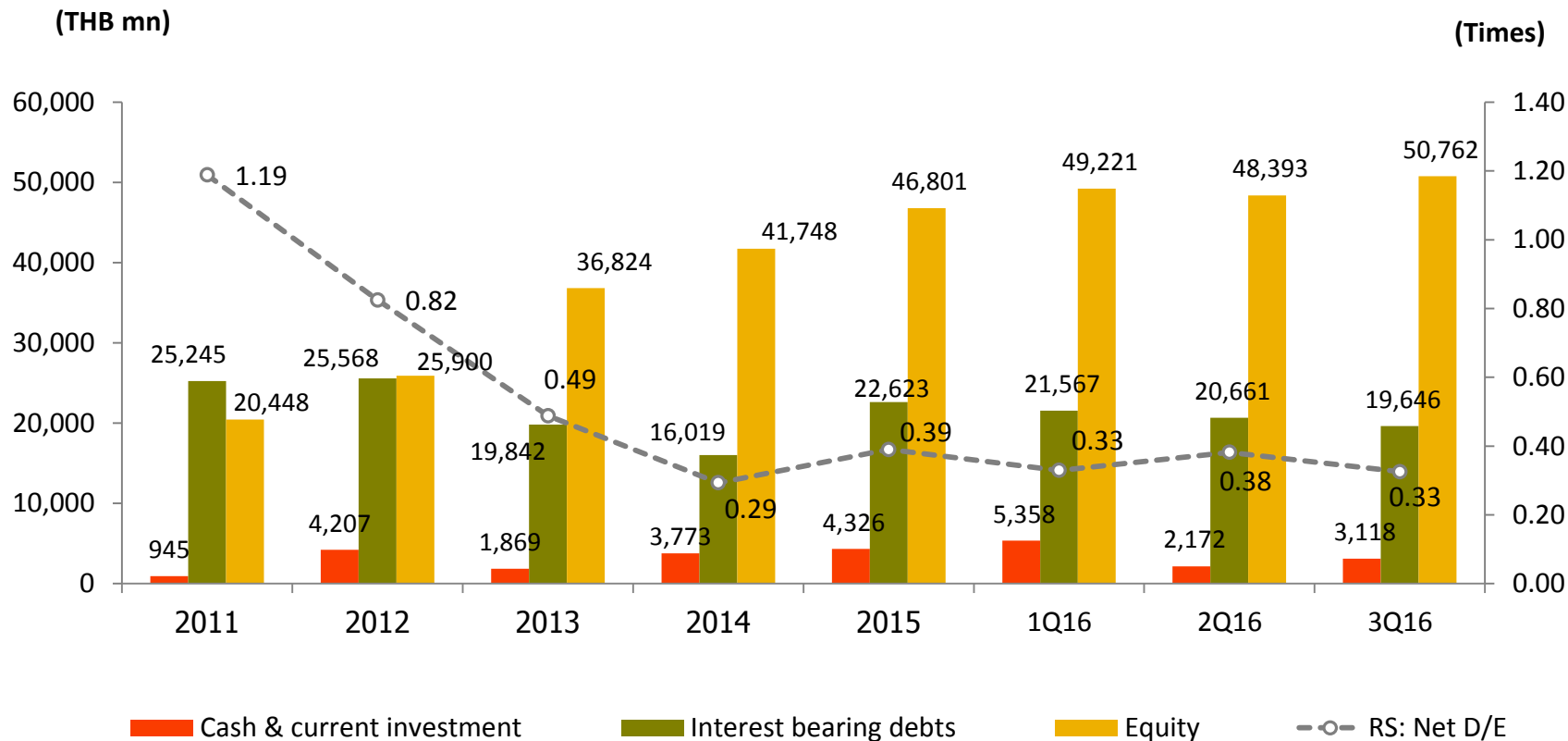
## Financing Cost



Note: Weighted average interest rate was derived from interest expenses including interest capitalization for projects under development.

# Capital Structure

CPN's net D/E stood at 0.33 times, against its debt covenant of 1.75 times.



# Statement of Financial Position

Financial Position (THB mn)	3Q15	2Q16	3Q16	% Change QoQ	% Change YoY
Current assets					
Cash and current investments	2,522	2,172	3,118	44%	24%
Other current assets	3,041	3,339	3,341	0%	10%
Total current assets	5,564	5,511	6,459	17%	16%
Non-current assets					
Investment properties <sup>(1)</sup>	73,171	75,096	75,089	(0%)	3%
Leasehold rights	11,952	11,182	10,886	(3%)	(9%)
Property & equipment (PP&E)	1,971	1,817	1,805	(1%)	(8%)
Other non-current assets	7,306	7,993	8,202	3%	12%
Total non-current assets	94,400	96,088	95,982	(0%)	2%
<b>Total assets</b>	<b>99,964</b>	<b>101,599</b>	<b>102,441</b>	<b>1%</b>	<b>2%</b>
Current liabilities	17,152	16,229	14,945	(8%)	(13%)
Non-current liabilities	37,909	36,977	36,734	(1%)	(3%)
<b>Total liabilities</b>	<b>55,061</b>	<b>53,206</b>	<b>51,679</b>	<b>(3%)</b>	<b>(6%)</b>
<b>Total equity</b>	<b>44,903</b>	<b>48,393</b>	<b>50,762</b>	<b>5%</b>	<b>13%</b>

<sup>(1)</sup> Investment Properties are booked at cost and depreciated with the straight-line basis over the life of the assets. The estimated fair value is 160,574 mn (THB 158,213 mn: 30 June 2016), stated in the disclosure notes to the main financial statement no. 9 under "Investment Properties".



# Statement of Comprehensive Income

Consolidated Earnings (THB mn)	3Q15	2Q16	3Q16	% Change QoQ	% Change YoY	9M15	9M16	% Change YoY
Revenue from rent and services	5,565	6,218	6,323	2%	14%	16,199	18,755	16%
Retail	5,459	6,108	6,213	2%	14%	15,886	18,426	16%
Office	104	110	110	0%	6%	303	328	8%
Other supportive businesses	1.9	0.3	0.3	(10%)	(86%)	9.0	0.9	(90%)
Revenue from hotel operations	232	226	248	10%	7%	720	751	4%
Revenue from food and beverage	274	355	359	1%	31%	762	1,027	35%
Other income	301	399	389	(2%)	29%	1,054	1,214	15%
<b>Total revenues</b>	<b>6,372</b>	<b>7,199</b>	<b>7,319</b>	<b>2%</b>	<b>15%</b>	<b>18,734</b>	<b>21,747</b>	<b>16%</b>
<b>Total revenues excluding non-recurring items</b>	<b>6,372</b>	<b>7,199</b>	<b>7,319</b>	<b>2%</b>	<b>15%</b>	<b>18,600</b>	<b>21,747</b>	<b>17%</b>
Cost of rent and services	2,938	3,116	3,148	1%	7%	8,274	9,357	13%
Retail	2,890	3,070	3,102	1%	7%	8,128	9,219	13%
Office	45	46	45	(2%)	0%	136	136	0%
Other supportive businesses	3.3	0.3	0.4	17%	(89%)	10.9	1.0	(91%)
Cost of hotel operation	87	75	84	12%	(4%)	249	246	(1%)
Cost of food and beverage	217	275	280	2%	29%	606	798	32%
<b>Total costs</b>	<b>3,243</b>	<b>3,466</b>	<b>3,511</b>	<b>1%</b>	<b>8%</b>	<b>9,129</b>	<b>10,401</b>	<b>14%</b>
<b>Operating profit</b>	<b>2,173</b>	<b>2,732</b>	<b>2,725</b>	<b>(0%)</b>	<b>25%</b>	<b>6,943</b>	<b>8,292</b>	<b>19%</b>
<b>Operating profit excluding non-recurring items</b>	<b>2,173</b>	<b>2,732</b>	<b>2,725</b>	<b>(0%)</b>	<b>25%</b>	<b>6,809</b>	<b>8,292</b>	<b>22%</b>
<b>Net profit excluding non-recurring items</b>	<b>1,816</b>	<b>2,293</b>	<b>2,342</b>	<b>2%</b>	<b>29%</b>	<b>5,836</b>	<b>7,025</b>	<b>20%</b>
<b>EPS (Bt)</b>	<b>0.40</b>	<b>0.51</b>	<b>0.52</b>	<b>2%</b>	<b>29%</b>	<b>1.33</b>	<b>1.57</b>	<b>18%</b>
<b>Gross Profit Margin (excl. other income)</b>	<b>47%</b>	<b>49%</b>	<b>49%</b>	<b>0%</b>	<b>3%</b>	<b>51%</b>	<b>52%</b>	<b>1%</b>
<b>Operating Profit Margin</b>	<b>34%</b>	<b>38%</b>	<b>37%</b>	<b>(1%)</b>	<b>3%</b>	<b>37%</b>	<b>37%</b>	<b>1%</b>

# 2016 Awards and Achievement



**Member of Dow Jones Sustainability Indices (DJSI) Emerging Markets 2016**  
for three consecutive years

**“Thailand’s Top Corporate Brand 2016”** honored CPN for superior corporate brand value of THB 141 bn for property development sector for three consecutive years

**“Thailand Energy Awards 2016”** honoured companies with outstanding performance in both energy conservation and renewable energy development: (CRI, RTB, UDN, RM9)

**“SET Thailand Sustainability Investment (THIS)”** confirm CPN’s commitment towards sustainable growth and focus on environmental, social and governance (ESG) factors

**“People’s Choice Awards Thailand Voted by Chinese Tourists”**  
CentralWorld was voted by to be the most favorite shopping mall among Chinese tourists

**“Thailand Mice Standard 2016”** awarded CPN as a preferred destination for meetings, incentives, conventions and exhibitions in ASEAN

**“Asia Pacific Property Awards 2016”** organized by International Property Awards, granted CPN the highest levels of achievement in ‘Retail Development’ Thailand  
**‘5 Stars’ Best Retail Development Thailand** CentralPlaza Rayong  
**‘Highly Recommended’ Retail Development Thailand** CentralPlaza Westgate

# Key Trading Statistics and Dividend

## Key Trading Statistics

Key Metrics	THB
Par Value	0.50
Stock Price (THB) <sup>(1)</sup>	58.25
EPS <sup>(2)</sup>	0.52
P/E (x) <sup>(1)</sup>	31.09
Market Capitalization (THB bn) <sup>(3)</sup>	261
Authorized Share Capital (mn shares)	4,488

Note 1: SetSmart as of 30 September 2016.

Note 2: 3Q16 Performance. EPS excluding non-recurring items

Note 3: Market Cap. USD 7.52 bn (BOT exchange rate THB 34.70/USD)

## Dividend

Key Metrics	2015	2014	2013	2012	2011	2010	2009
Par Value (THB)	0.50 <sup>(3)</sup>	0.50 <sup>(3)</sup>	0.50 <sup>(3)</sup>	1.00	1.00	1.00	1.00
Dividend (THB/Share)	0.70	0.65	0.55	0.475	0.37	0.25	0.58
Dividend Paid (THB mn)	3,142	2,917	2,468	2,070	806	545	1,264
Dividend Payout Ratio	40%	40%	39%	33% <sup>(2)</sup>	39%	48%	25% <sup>(1)</sup>

*Dividend policy is paid annually approximately 40% of net profit*

*(unless there is compelling reason against this).*

Note 1: Dividend payout ratio of 25% in 2009 was derived from 40% of normal net profit and 14% of gain from transferring assets into CPNRF.

Note 2: Dividend payout ratio of 33% in 2012 was derived from 40% of normal net profit and 17% of gain from transferring assets into CPNCG.

Note 3: Par split to THB 0.50 per share effective on 7 May 2013



# Operational Performance: CPNRF and CPNCG

In 3Q16, CPN Retail Growth Leasehold Property Fund (“CPNRF”) had four shopping centers and two office towers. In Sep12, CPN Commercial Growth Leasehold Property Fund (“CPNCG”) was launched and currently owns one office.

CPNRF and CPNCG are managed by SCB Asset Management, Fund Manager. Their properties are managed by CPN, Property Manager.

CPNRF Properties	Remaining Life (years)	Leasable Area <sup>(1)</sup> (sq.m.)	Occupancy Rate (%) <sup>(2)</sup>		
			3Q15	2Q16	3Q16
1. Rama 2 (Retail)	8 Yr & 10 M	87,665	96	87	87
2. Rama 3 (Retail)	78 Yr & 10 M	37,346	90	91	90
3. Pinklao (Retail)	8 Yr & 3 M	27,776	51	90	91
4. Pinklao Tower A & B (Office)	8 Yr & 3 M	33,760	97	93	92
5. Chiangmai Airport (Retail)	27 Yr & 7 M	37,960	95	95	94
Total		224,507	90	90	90

CPNCG Office Property	Remaining Life (years)	Leasable Area <sup>(1)</sup> (sq.m.)	Occupancy Rate <sup>(2)</sup>		
			3Q15	2Q16	3Q16
CentralWorld (Office)	16 Yr & 3 M	81,412	99	99	99

# Investor Relations

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