



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

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

Investor Presentation



CPN Head Office

Bangkok, Thailand



February 2018

Central Pattana Public Company Limited



Company Overview

CPN Strategy 2018-2022



Business Update

2018 Guidance





CPN at a Glance

The largest mixed-use property developer in Thailand

11th
Largest PCL
in Thailand*

1.7 m
Total Net Leasable
Area (NLA)**

92%
Average
Occupancy Rate**

4
Consecutive years
member on DJSI

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

32

Iconic Shopping Centers

centralw^old

centralplaza

centralfesti^{val}

centralmarina

Holistic Mixed-use Development

1

Residential

Central City Residence
@ Bangna

7

Offices

Lardprao
CentralWorld

Pinklao Tower A & B
Chaengwattana

2

Hotels

Hilton Pattaya
Centara Udonthani

Bangna
Rama 9

2

Strategic Investments

27%

CPNREIT

8 Retail, Office and
Hospitality Projects

25%

CPNcg

CPN Commercial Growth Leasehold Property Fund

The Offices at
CentralWorld

* Market capitalization as of 29 December 2017

** Includes areas owned by CPN and CPNREIT

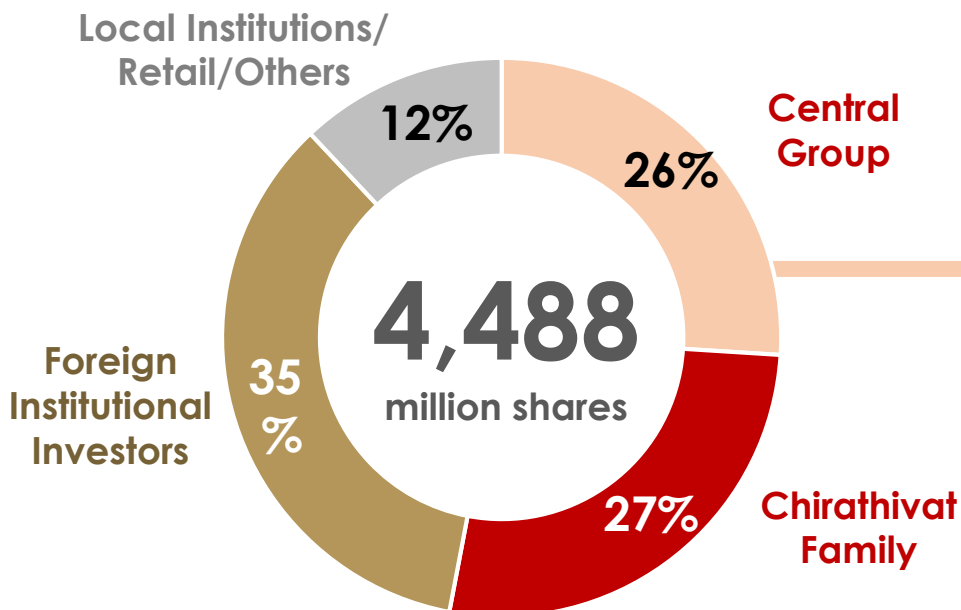


CPN Shareholding Structure

Strong support from major shareholders: The Central Group

Central Group, the leader of retail industry in Thailand, as the main pillar of CPN...

...brings forth a collective haven in retail and commerce solutions to the market



Market Capitalization (MTHB)

372,504

Share Price (THB/share)

83.00



Note: All business units are 100% owned by the Central Group except for (1) Hotel & Resort and Restaurant Group under CENTEL at 65% ; (2) COL at 50%
Source: Thailand Securities Depository (TSD) as of 30 September 2017 ; share price and market capitalization as of 31 January 2018



Development & Management Structure

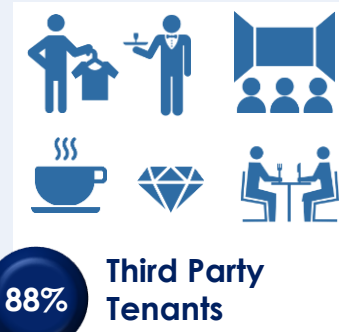
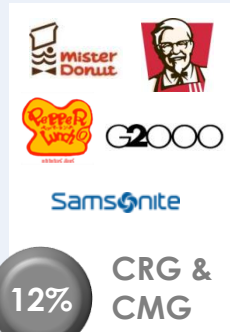
Viable structure to maximize economic value

Joint-Developer Area



- ★ Comprises Central Group dept. store and BUs
- ★ Shares cost of landscaping and surrounding facilities
- ★ Invests in its own assets where CPN is not a beneficiary

CPN Developed & Managed Area



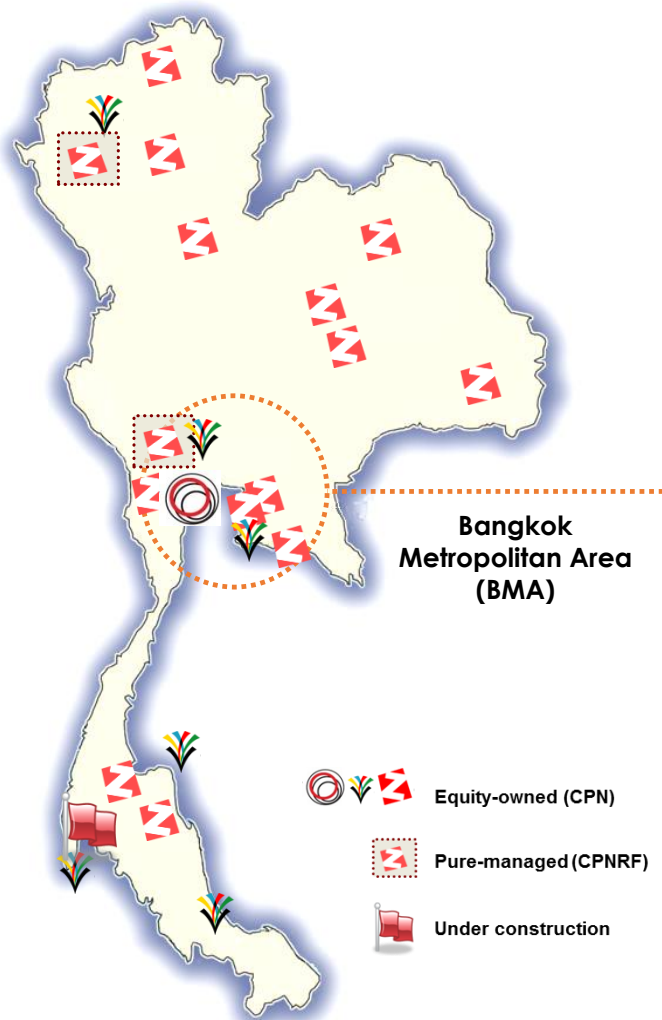
- ★ Comprises anchor and assorted tenants
- ★ Standard contractual and pricing terms
- ★ Includes common area

Note: CRG = Central Restaurant Group ; CMG = Central Marketing Group

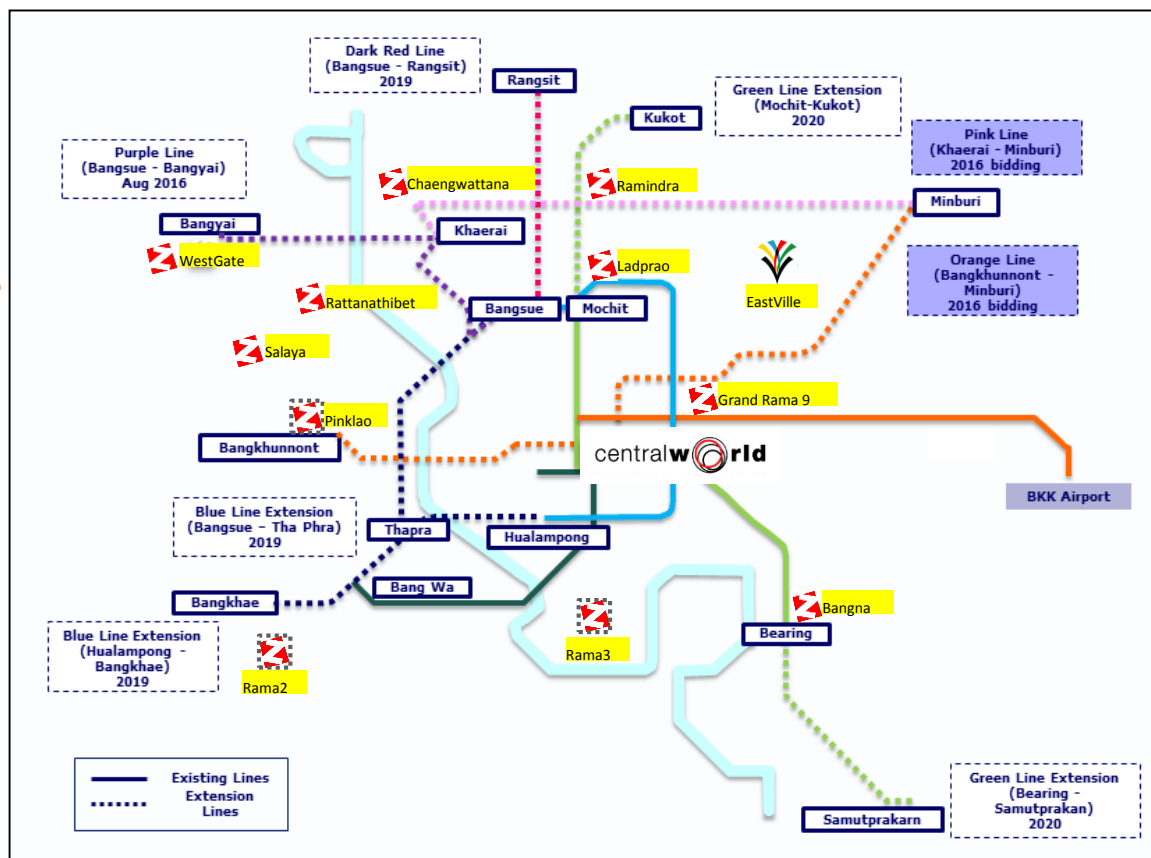


Where We Operate in Thailand

32 strategic locations to bolster our leadership position



		BMA	UPC		N	NE	E	S
centralplaza	24	12	12		4	4	2	2
centralfestival	6	1	5		1	-	1	3
centralworld	1	1	-					
centralmarina	1	-	1				1	



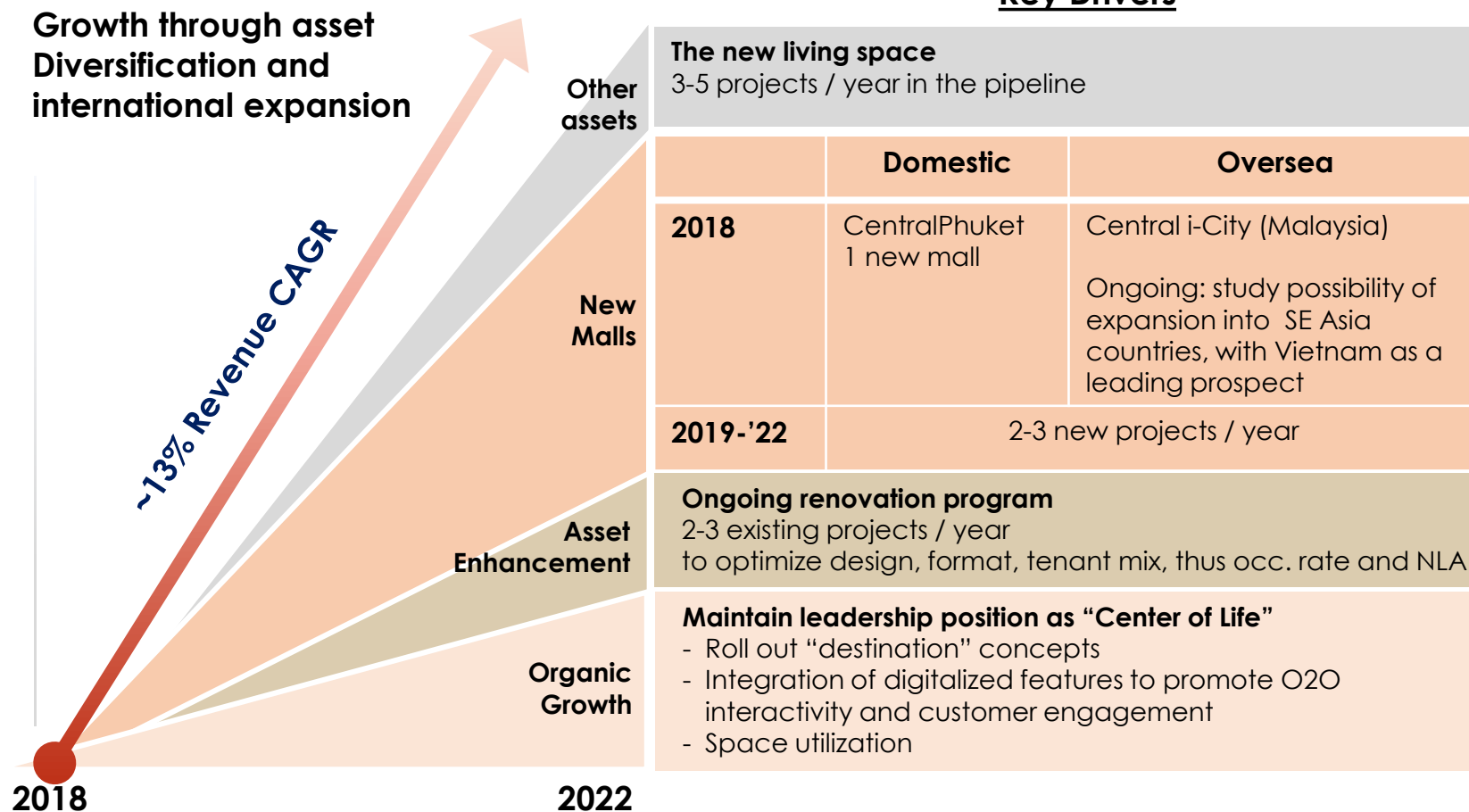
As of December 2017

Our Growth Strategy in 2018-2022

The Center of Life Strategy

"To be a top 5 diversified regional developer"

Key Drivers

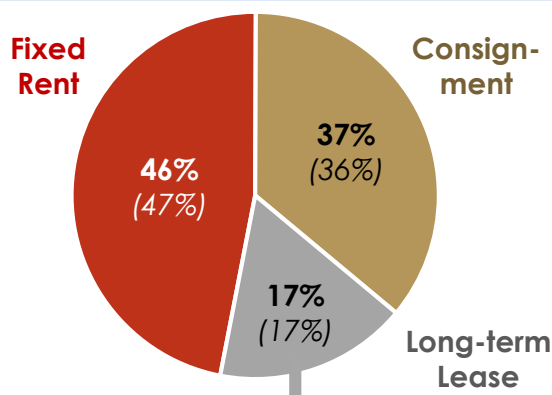




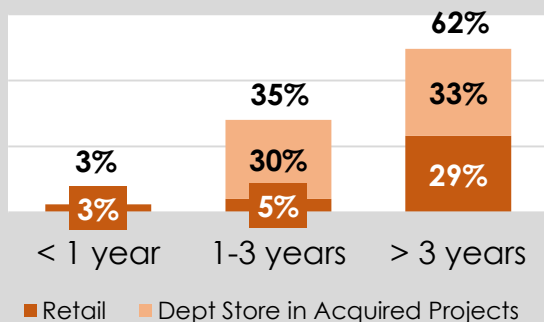
Expanding Net Leasable Area

Supported by strong rental contract foundation

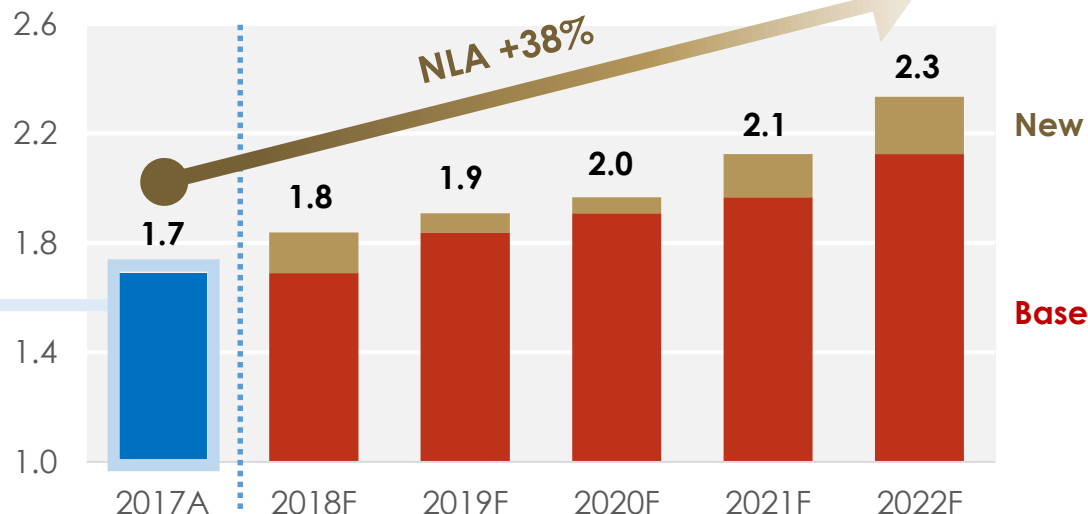
Robust contract structure with potential upside from expiring long-term leases



% Long-term lease expiration schedule



Total Retail NLA (mil. sq.m.)



Number of retail projects operated and managed by CPN

Base	30	32	35	38	41	44
New	2	3	3	3	3	3
Total	32	35	38	41	44	47

Number of mixed-use projects operated and managed by CPN

Resident	1	4	3-5 additional / year			
Other	1	1	1-3 additional / year			

Source: Company estimate as of 31 December 2017

(1) Percentage based on occupied area as of 31 December 2017 at 92%. (%) = YE16 figure

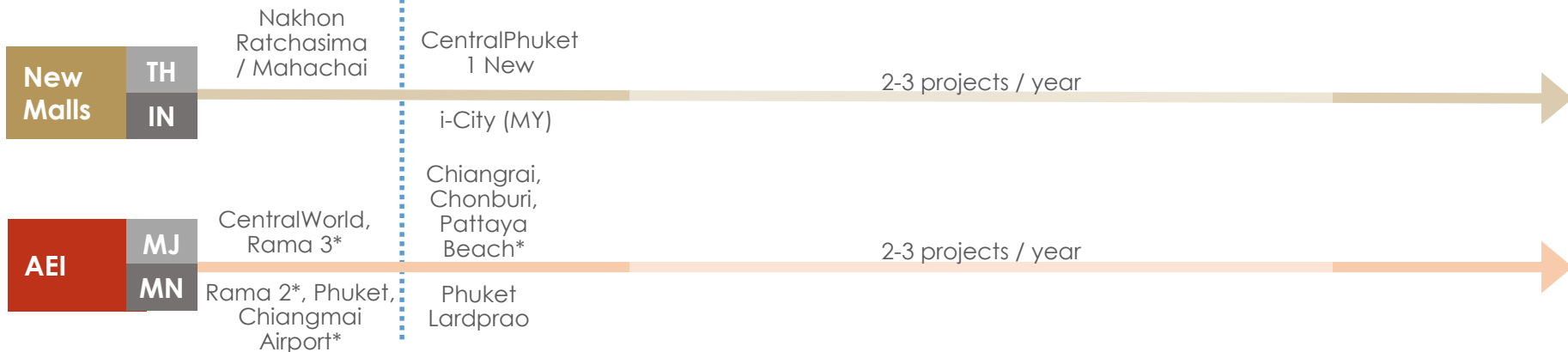
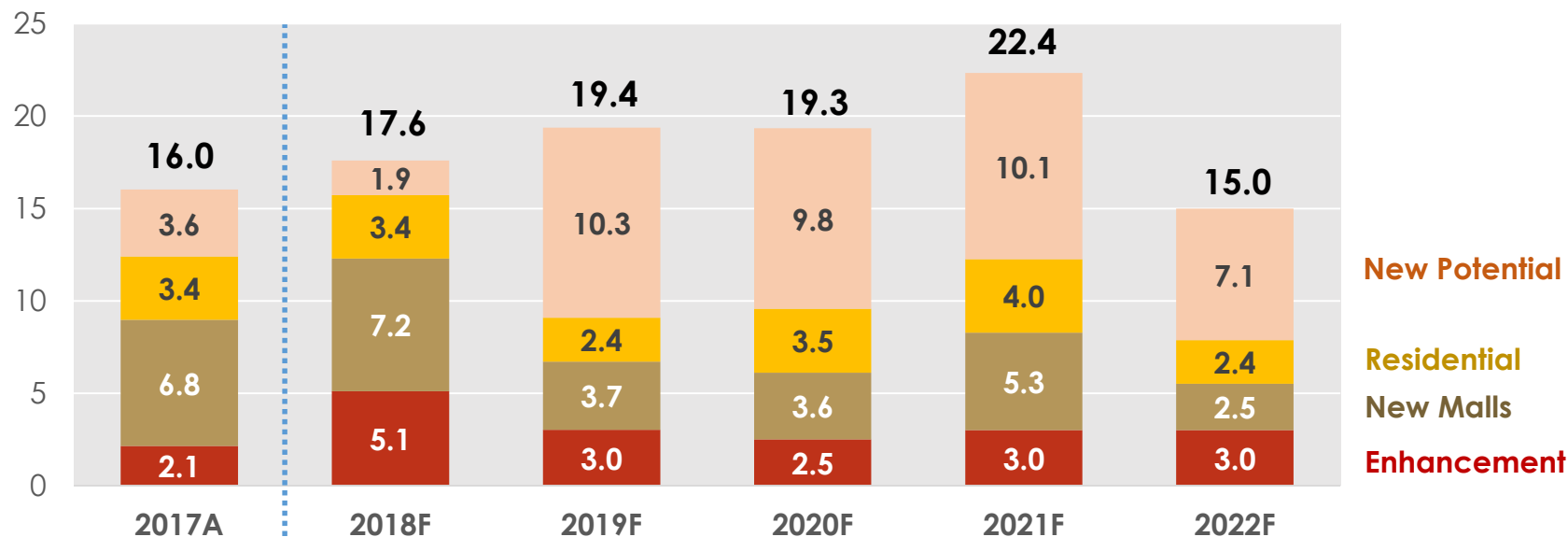
(2) Total long-term lease area is 154,027 sq.m. with less than 4% rental income contribution.



Capital Expenditure Plan

Mainly focus on expansion of core business (i.e., malls)

Unit: billion THB



TH = Thailand ; IN = International ; MJ/MN = major/minor enhancement program

* Assets under the ownership of CPNREIT, except for CentralFestival Pattaya Beach (renovation work does not include areas transferred to CPNREIT)

Prudent Financial Management

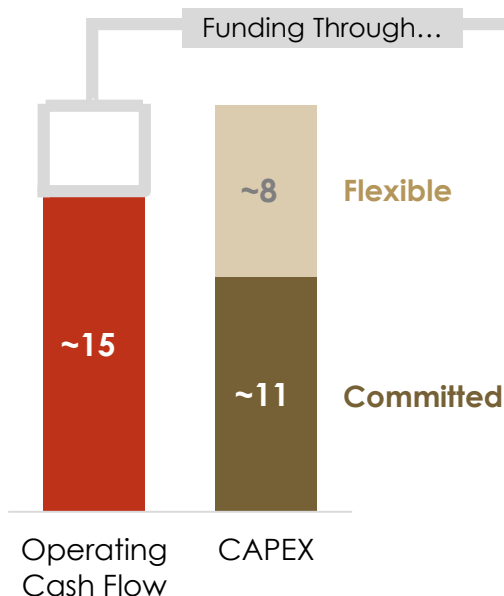
Solid balance sheet amidst business expansion

Not only that maintenance CAPEX is adequately covered by internal cash flow...

...but CPN's favorable capital structure also allows to fund new investments

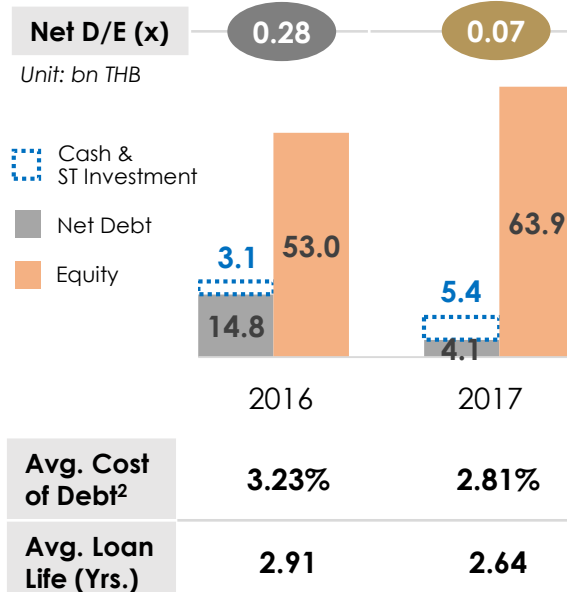
Estimated Annual Cash Flow¹

Unit: bn THB



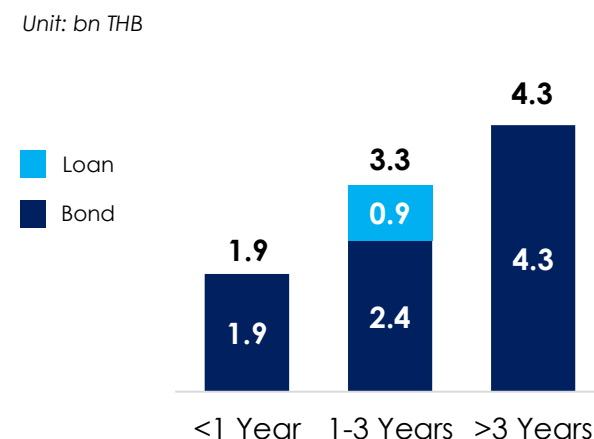
Robust Capital Structure

Unit: bn THB



Well-Balanced Debt Maturity Profile³

Unit: bn THB



Evenly-spread repayment schedule allows CPN to manage its cash flow effectively without affecting its investment plan and ability to pay dividend to shareholders

Strong Credit Rating

CPN's corporate rating and rating of senior unsecured debentures are rated "AA" with "Stable" outlook by the Thailand Rating and Information Services (TRIS) on 22 September 2017

- (1) 2017 operating cash flow before changes in net working capital (ex. non-recurring). Annual CAPEX based on average forecasted figures during 2018-2022. Flexible CAPEX comprises new potential investments
- (2) Cost of debt was derived from interest expenses including interest capitalization for projects under development
- (3) Debt maturity profile based on gross outstanding interest-bearing debt as of YE17

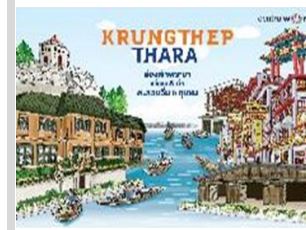


CPN Strategic Direction

Focus areas with emphasis on asset diversification



New Retail Destination



CPN Life



CPN Life



CPN Life



CPN Life



CPN Life



CPN Life

Focused Portfolio Management

Diversified Assets



**CENTER
OF LIFE**

Operational Excellence



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CentralPlaza Nakhon Ratchasima



The largest mixed-use project in Isan region

Open Date	3-Nov-17
Investment ¹ (THB)	~5.00 bn
NLA ² (sq.m.)	~49,210
Joint developer ³	Central
Land type	Freehold
Occ. Rate	~85%

CentralPhuket



Where lifestyle meets luxury at one destination in Phuket

Exp. Open Date	1H18
Investment ¹ (THB)	~6.65 bn
NLA ² (sq.m.)	~63,000
Joint developer ³	Central
Land type	Leasehold
Lease Progress	~50%

CentralPlaza Mahachai



The best highway destination in southwest Bangkok

Open Date	23-Nov-17
Investment ¹ (THB)	~3.20 bn
NLA ² (sq.m.)	~25,600
Joint developer ³	Robinson
Land type	Freehold
Occ. Rate	~85%

1 new mall

To be announced in 2Q18

up to 11 additional projects in potential areas in BMA and Upcountry

2017

+2

2018

+2

2019 - 2022

Note 1: Includes land and construction cost of shopping center and parking building. Excludes Central Department Store or Robinson Department Store, and BUs' area.

Note 2: Excludes Central Department Store or Robinson Department Store, BUs' area

Note 3: Area will be developed and owned by the joint developer. However, the store will serve as a magnet to draw traffic into CPN's plaza area.

Create Retail Destination

Roll out 'Destination Concept'

Fish Market



Market-Market



Government Center



Co-working Space



Food Destination



Family Destination



Sport Destination



Think Space





Vietnam – CPN's next focus area

- High growth potential in retail market
- Large population
- Low competition with few major players
- Strong growth in disposable income albeit still with low spending power

Central Group companies present in Vietnam:



LAN CHI MART
Niềm tin của mọi nhà



Malaysia – cautiously progressive

- Realistic land prices and minimal restriction on freehold ownership
- Moderate competition with fragmented market
- High spending power with consumer profile similar to that of Thailand



Indonesia – high potential and risk

- Large and rapidly growing population, especially amongst middle class
- Strong competition in sophisticated market
- High cost of fund and unrealistic land prices with underdeveloped infrastructure

Central i-City (i-City, Shah Alam, Selangor Darul Ehsan, Malaysia)



Exp. Open Date	4Q18
Investment ¹ (THB)	~8.30 bn
NLA ² (sq.m.)	~89,000
JV partner	I-R&D Sdn Bhd. ³
CPN role in project	60% ownership; operator
Land type	Freehold

Project progress:

- 100% completion of Anchor Leasing (Department Store, Supermarket, and Cinema)
- Secured fashion anchors and fitness

Note 1: Includes land and construction cost of shopping center and parking building.

Note 2: Includes department store area (Department Store Operator TBA)

Note 3: A wholly owned subsidiary of I-Berhad and holds 40% stake in the joint-venture.





Source: i-City website

Announced projects in 2016 (transfer in 2018)

Chiangmai		Rayong		Khonkaen	
					
Pre-sale	100%	Pre-sale	100%	Pre-sale	100%
Transfer	1Q18	Transfer	1Q18	Transfer	2Q18
Units	400	Units	419	Units	408
Bldgs.	1	Bldgs.	1	Bldgs.	1
Stories	26	Stories	25	Stories	24

~2.8

bn THB total value

Announced projects in 2017 (transfer in 2019)

Nakhon Ratchasima		Chiangrai		Chiangmai (2)	
					
Pre-sale	100%	Pre-sale	~80%	Pre-sale	~60%
Transfer	3Q19	Transfer	2Q19	Transfer	2Q19
Units	380	Units	312	Units	450
Bldgs.	2	Bldgs.	2	Bldgs.	2
Stories	22/17	Stories	8/8	Stories	8/8

~2.2

bn THB total value

2 New Residential Projects in 2018

Diversified housing projects within CPN catchment area

Pahol Yothin 34 Condominium



Near	CentralPlaza Lardprao
Pre-sale start	3Q18
Transfer	4Q19
Type	Low-rise condominium

Baromrajchonnee Housing Project



Near	CPN Pinklao & Salaya
Sale start	3Q18
Transfer	4Q18-2019
Type	Single-detached House

Asset Enhancement Initiatives

Continued value-accretive renovation programs

Completed in 2017



Completed minor renovation projects¹



"Kad Luang" Market
central plaza
CHIANGMAI AIRPORT



central plaza
RAMA 2

2017

2018

2019

2020

CentralWorld²

Central Plaza Chiangrai

Central Plaza Chonburi

Central Festival Pattaya Beach¹

Central Festival Phuket

Central Plaza Lardprao

Ongoing since 2017

Commence in 2018

Note 1: Renovation program not including area transferred to CPNREIT

Note 2: CentralWorld resumed normal operation during December 2017 – February 2018 to accommodate the festive season. Hence, renovation work will resume thereafter.

central**w**orld

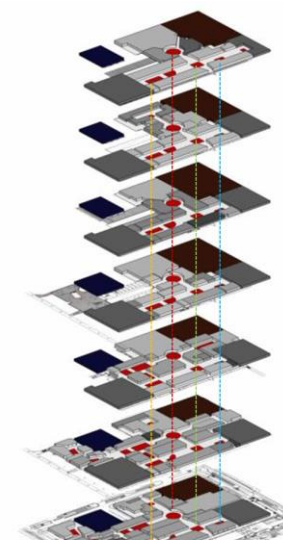
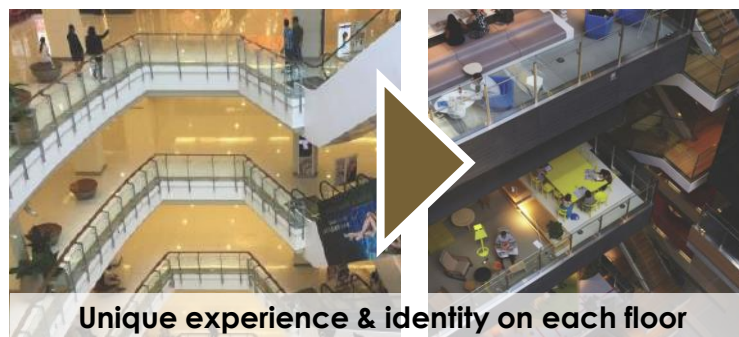
"Central to Your World"

Enhancement Type	Major
Start Program	4Q16
Est. Completion	3Q18
Est. Total Cost (THB)	~2.00 bn

Key Enhancement Activities

- Enhance circulation and simplified navigation
- Re-zone merchandise to suit current market
- Major anchors & entertainment addition
- Enhance customer experience through new retail concept design
- Enhance linkage to public transportation
- Better service & more convenience

Examples of Enhancement Features



Vertical access alignment

CUSTOMER ENGAGEMENT



Higher Customer Satisfaction



Customers



Tenants

Educated Tenants

Customer Services



Government Services



Tourist Services



Tourists



Cross border promotions with overseas partners

Tenant and Local SMEs development program



CPN Lead & SME marketplace

Customer and tenant experience fulfillment Through digitalized engagement



Convenience through mobile application



Tenant Relationships



Exclusive campaigns and T1C offers

SOCIAL AND COMMUNITY ENGAGEMENT

Energy conservation initiatives



Solar rooftop at malls



Adoption of LED lighting



Shareholders



Public

Sustainable Profitability

Transparency and Integrity

Heritage adaptation and community engagement



Local landmark

CPN Life



Social media integration

Corporate governance and sustainable development



- ▶ **DJSI** - Emerging Markets, SET SD Award - Rising star, Thailand Sustainability Investment
- ▶ Achieved 1.3% energy saving (usage)



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Pledge to anti-corruption



Financial Performance



Capital Management



CG & SD

Revenue Growth

Gross Profit Margin

CAPEX

Net D/E Ratio

DJSI Status

CG Rating

2018

Key Drivers

~20%

- Residential projects (CMI, KKN, RYG)
- New malls (NKM, MHC, PKT2, i-City)
- Recovered Occ. Rate & ARR
- Asset Enhancement
- Space Utilization

Slightly lower vs. 2017

- Slight impact from lower margin residential projects
- Incremental cost savings initiatives (e.g., utility)
- Efficiency improvement through data analytics

~17-18
bn THB

- Operating cash flow of 15-16 bn THB
- Debt financing

~0.5x

- Ample debt headroom to fund prudently reviewed investments plan
- Remain comfortably below policy level of 1.0x

Listed
5 consecutive years

- Increase DJSI score to strengthen position on the index

> SET50
Average

- Maintain high level of CG practice standard with focus on sound business ethics, transparency and anti-corruption commitment

For more information, please contact:

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Appendices

History of CPN's Shopping Malls

Strong track record of development & acquisitions

High-quality assets of **32** shopping malls (**14** in BMA and **18** in provincial areas)

	1980s	1990s	2000s	2010s	...
Greenfield development	1980 Established under Central Plaza Co.,Ltd. <u>Bangkok (1):</u> 1982 CPZ Lardprao  CentralPlaza Lardprao	<u>Bangkok (3):</u> 1993 CPZ Ramindra 1995 CPZ Pinklao 1997 CPZ Rama 3 <u>Provinces (1):</u> 1995 CPZ Pattaya ⁽¹⁾	<u>Bangkok (2):</u> 2002 CPZ Rama 2 2008 CPZ Chaengwattana <u>Provinces (3):</u> 2009 CFV Pattaya Beach 2009 CPZ Chonburi 2009 CPZ Khonkaen	<u>Bangkok (5):</u> 2011 CPZ Grand Rama 9 2014 CPZ Salaya 2015 CPZ WestGate 2015 CFV EastVille 2017 CPZ Mahachai NEW <u>Provinces (10):</u> 2011 CPZ Chiangrai 2011 CPZ Phitsanulok 2012 CPZ Suratthani 2012 CPZ Lampang 2013 CPZ Ubonratchathani 2013 CFV Chiangmai 2013 CFV Hatyai 2014 CFV Samui 2015 CPZ Rayong 2016 CPZ Nakhon Si Thammarat 2017 CPZ Nakhon Ratchasima NEW	
		<u>Provinces (1):</u> 1996 CPZ Chiangmai Airport (acquired) 2000 CPZ Chiangmai Airport (redev. Phase 2A)	<u>Bangkok (3):</u> 2001 CPZ Bangna 2002 CentralWorld (acq.) 2003 CPZ Rattana Thibet 2004 The Offices at CTW 2006 CentralWorld (redev.) <u>Provinces (1):</u> 2003 CPZ Chiangmai Airport (redev. Phase 2B) 2009 CPZ Udonthani	<u>Bangkok:</u> 2013 CPZ Bangna (redev.) 2015 CPZ Pinklao (redev.) <u>Provinces (1):</u> 2012 CPZ Udonthani (redev. Phase 2) 2015 CFV Phuket 2016 CentralMarina ⁽¹⁾	

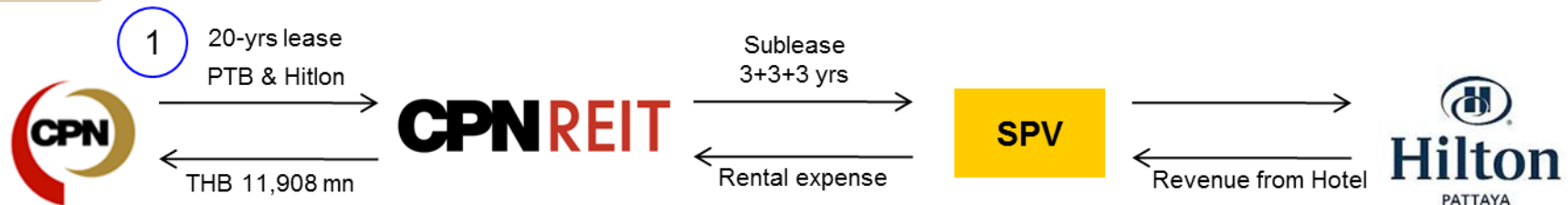
Note: CPZ = CentralPlaza ; CFV = CentralFestival

(1) Central Pattaya Center was re-opened as CentralMarina



CPNREIT Accounting Impact

Transactions on transfer of assets at Pattaya Beach



1 Accounting

Record immovable asset sales

Dr. Cash	11,241 mn
Withholding Tax	592 mn
Cr. Unearned income	11,833 mn

Record movable asset sales

Dr. Cash	75 mn
Cr. Equipment	35 mn
Gain on movable asset sales	40 mn

Income & Expense occurred from asset transfer

Balance Sheet:

Assets

Cash	11,316 mn
Other AR (WHT)	592 mn
Equipment	(34) mn

Liabilities

CL	
Advance received from rental income	592 mn
Non-CL	
Unearned income	11,241 mn

P&L:

Other income

Gain on movable asset sales	40 mn
Acquisition Fee (1.5% of new asset)	

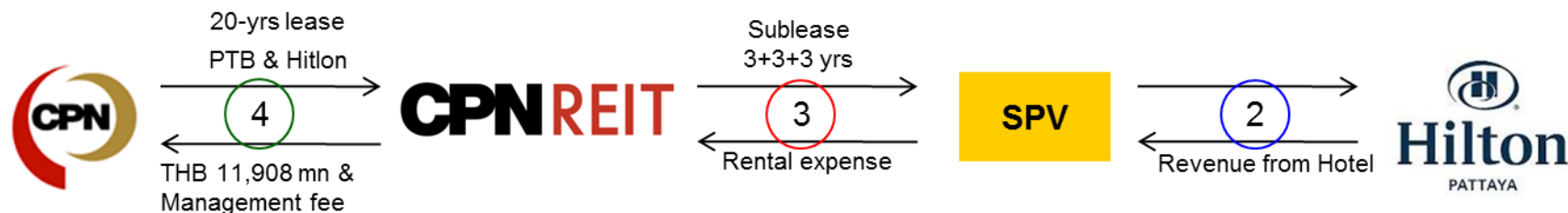
Other expenses (34.5mn)

FA Fee	
Legal Fee	
Auditor Fee	
Pre-AGM, AGM	



CPNREIT Accounting Impact

P&L of CPN and CPNREIT after the asset transfers



Accounting treatment as Operating Lease

P&L	CPN	CPNREIT	SPV
<u>Revenue</u>			
• Rental and service income	Decrease from PTB	Increase from PTB & rental income on Hilton from SPV	-
• Realized income	Increased from Unearned income amortized over 20-yr lease term	-	-
• Revenue from hotel	unchanged	-	Hotel Income
<u>Cost</u>			
• Cost of rental and service income	Decrease from PTB	Increase from PTB	-
• Cost of hotel business	unchanged	-	Cost of hotel
<u>Management Income (Other income)</u>			
• REIT Management Fee	Increase	Increase from new assets	-
• Property Management Fee	0.275% of total asset value (old+ new assets) 0.28% of appraisal value (old + new assets)		
<u>SG&A</u>			
• Rental expense from SPV to CPNREIT	Increase from Fixed: 65% of hotel income, 3.5% increase every year Variable: 90% of Net EBITDA & not >50% of fixed rent		Increase Rental expense paid to CPNREIT
<u>Share of Profit</u>	Increase from performance from old + new assets	-	-
<u>Corporate Income Tax</u>	Increase from 20% of dividend from CPNREIT	n/a	
<u>Depreciation</u>	unchanged	-	n/a



CPNREIT Accounting Impact

Projected impact to P&L in 2018

Unit: '000 Baht

	CPNRE	CPNREIT	CPNREIT + new assets
Investment Income			
Shopping Malls and Office Buildings			
Rental and service income	3,922,605	3,922,605	4,563,765
Other income	208,384	208,384	238,385
Total income-Shopping Malls and Office Buildings	4,130,989	4,130,989	4,802,150
Hotel			
Fixed rental income	-	-	217,436
Variable rental income	-	-	77,096
Total income-Hotel	-	-	294,532
Total gross income	4,130,989	4,130,989	5,096,682
Interest income	6,753	5,961	7,553
Total income	4,137,742	4,136,950	5,104,235
Fund/REIT expenses			
Property management expenses	(234,843)	(234,843)	(263,088)
Fund/REIT management fees and administrative expenses	(48,890)	(142,329)	(181,952)
Property management fee	(381,812)	(380,591)	(461,860)
Amortization of issuance and offering costs	-	(20)	(93)
Finance cost	(103,204)	(78,239)	(415,115)
Total expenses	(768,749)	(836,022)	(1,322,107)
Net investment income before adjustments	3,368,993	3,300,928	3,782,127
Add: Excess liquidity from amortization of issuance and offering costs	-	20	93
Less: Non-cash rental and service income	-	-	(7,436)
Net cash available for distribution/distribution of benefit	3,368,993	3,300,948	3,774,784
Projected distribution/distribution of benefits (%)	90.1	98.7	98.2
Number of investment units/trust units (Millions of Units)	2,212	2,212	2,212
Projected distribution/distribution of benefits	3,035,355	3,259,638	3,705,844
Distribution/distribution of benefits per unit (THB)	1.3719	1.4733	1.6750

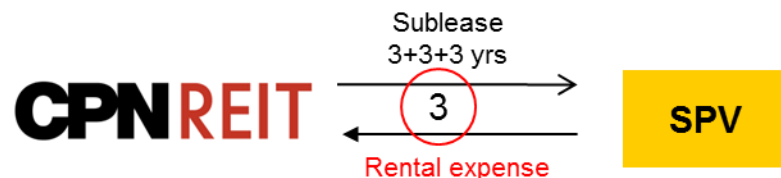
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4



CPNREIT Accounting Impact

SPV – Rental Expense paid to CPNREIT



CPNREIT will gain the benefits in form of fixed rent and variable rent from the sublessee of the assets under the conditions specified in the sublease agreement .

Year	Fixed Rent (Bt mn)	Variable Rent
2018	210.0	90% of Net EBITDA of Hilton Pattaya and not more than 50% of accumulated fixed rent
2019	217.4	
2020	225.0	
2021	232.8	
2022	241.0	
2023	249.4	
2024	258.1	
2025	267.2	
2026	276.5	

*Net EBITDA = Total revenue – Total cost & expenses – Reserves for repairs, improvement, procurement – Fixed rent

4

Fee expense	CPNRF	CPNREIT
Property Management Fees – to CPN		
- Property Management Fees	Not > 0.30% of NAV	Not > 0.28% of appraisal value of investment properties ex hotel
- Commission for securing tenants	Calculate from monthly rental rate	
- Rent collection fee	Not > 3% of total net rental income	
- Incentive fee	Not > 2.35% of Net Property Income	
- Purchase and sale of property	1.5% of acquired property value and 0.75% of sold property value	
- Construction management Fee for improvement/development	2% of total cost of improvement	
Annual Management fee – to SCBAM or REIT Management Fee – to RM	Not > 1% of NAV	Not >1% of Total asset values (floor not < Bt 15 mn in 2018), and increase 3% per year (0.275% of Total asset values)
Advertising, PR, Sale promotion expense	Not > 0.5% of NAV	Actual payment, not > 0.5% of NAV
Trustee fee - SCBAM	Not > 0.05% of NAV	Not > 1% of Total asset values (floor of not < Bt 20 mn)
Registrar fee	Not > 0.05% of NAV	As specified by the registrar



1) Property management expenses

- Property tax
- Insurance expenses
- Advertising and other expenses

2) REIT Management fees

- REIT Management fee
- Trustee fee
- Registrar fee

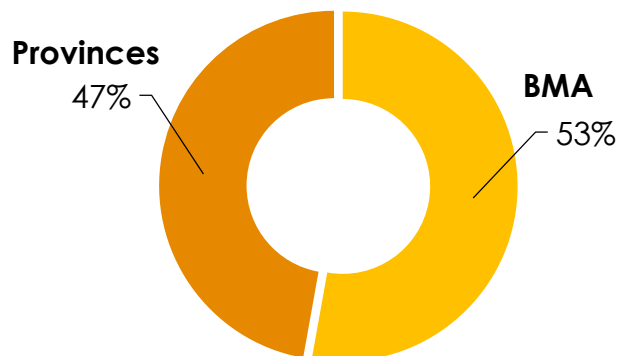
3) Administrative expenses including annual listing fee in the SET, Annual report filing fees, Audit and advisory fees, Asset appraisal fees, Media and publishing and admin expenses

4) Property Management fee

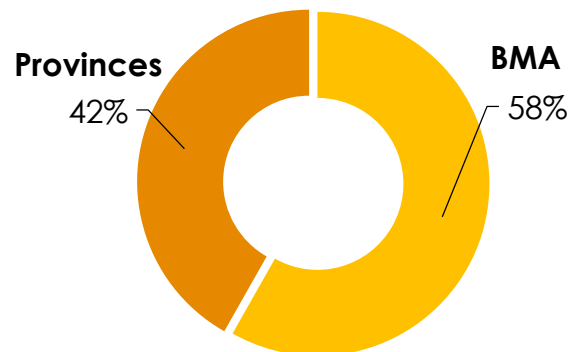
- Rental and service collection fee
- Leasing commission
- PM base fee
- PM incentive fee
- Fee for overseeing the renovation

Retail Properties	No. of Projects	Land			NLA ⁽¹⁾⁽²⁾ (mn sqm)			Occupancy Rate ⁽¹⁾		
		Freehold	Leasehold	Freehold & Leasehold	Retail	Department Store	Total	4Q16	3Q17	4Q17
BMA	14	4	7	3	0.70	0.06	0.77	95%	91%	91%
Provinces	18	12	4	2	0.63	0.06	0.68	94%	93%	93%
Total⁽¹⁾	32	16	11	5	1.33	0.12	1.45	94%	93%	92%

NLA split by region



Rent revenue split by region



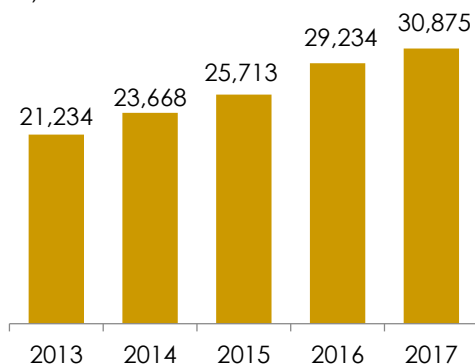
Non-core Properties	No. of Projects	NLA (sqm)	Occupancy Rate ⁽¹⁾ (%)		
			4Q16	3Q17	4Q17
Office in BMA ⁽¹⁾⁽²⁾	5	56,239	96%	93%	93%
Residential in BMA	1	1,568	21%	21%	21%
Hotel in provincial area	2	561 rooms	83%	88%	85%

(1) Excludes area transferred to CPNREIT and CPNCG

(2) Excludes rental agreements < 1 year, such as kiosk, carts, ATMs and coin machines.

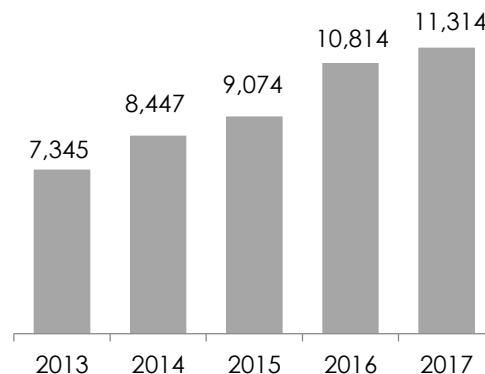
**Total revenues
(excl non-recurring items)**

(THB mn)



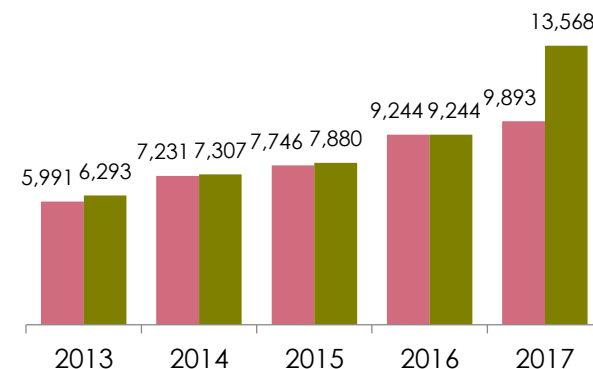
Operating profit

(THB mn)



■ Normalized Net profit ■ Net profit

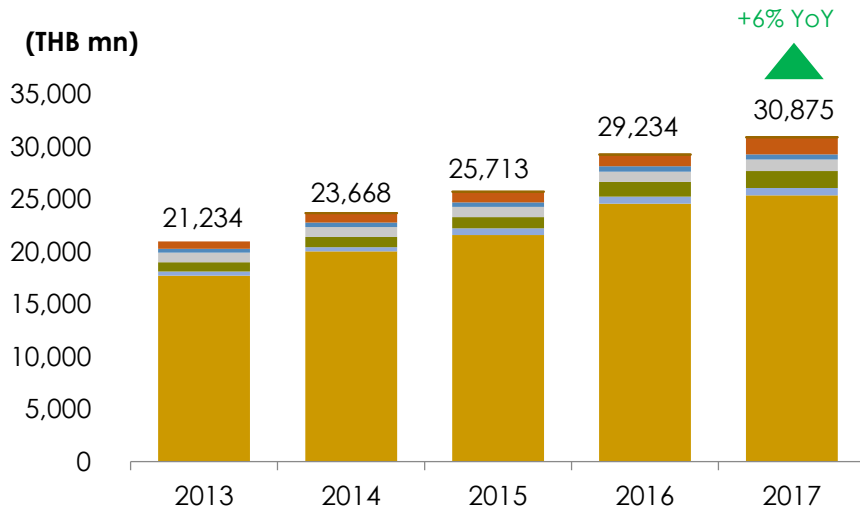
(THB mn)



% YoY Growth	2013	2014	2015	2016	2017
Total revenues (Exc. non-recurring items) ^{/1}	19%	13%	9%	14%	6%
Operating profit (Exc. non-recurring items)	31%	15%	7%	19%	5%
Normalized Net profit	36%	21%	7%	19%	7%
Net profit	2%	16%	8%	17%	47%
Same store revenue growth	12%	4%	2%	2%	3.5% ^{/2}
Gross Profit Margin (Exc. Other Income)(%)	47%	48%	48%	49%	50%
EBITDA Margin (%)	52%	53%	53%	54%	54%

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

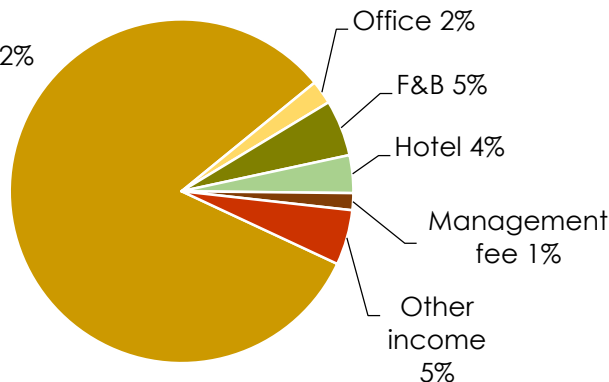
^{/2} Excl. CentralWorld, CentralPlaza Rama 3, CentralMarina, CentralPlaza Nakhon Si Thammarat, CentralPlaza Nakhon Ratchasima and CentralPlaza Mahachai



2017 Breakdown

Retail 82%

- Rent from shops
- Promotional Area (Events)
- Service income
- Convention hall
- On site media



FY17 total revenues /1 +6% YoY mainly contributed by

Rent and services +3% YoY

- Contributions from new shopping malls in 2016, CentralPlaza Nakhon Si Thammarat, and in 2017, CentralPlaza Nakhon Ratchasima and CentralPlaza Mahachai
- Contributions from fully-resumed operation after major renovations at CentralMarina and CentralPlaza Pinklao
- Strong performances of existing shopping malls: EastVille, WestGate, Grand Rama 9, Chiangrai, Khonkaen, Ubonratchathani, Suratthani and Phitsanulok

Hotel +10% YoY

- Higher occupancy rates and room rates at Hilton Pattaya and higher room rate from Centara Hotel & Convention Centre Udonthani

F&B sales +17% YoY

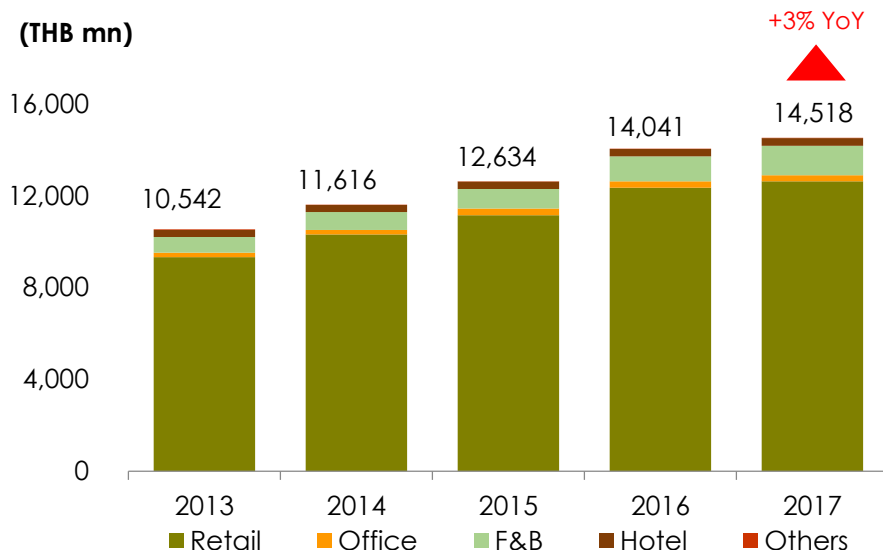
- New food courts launched in 2016 at Nakhon Si Thammarat, Bangna, CentralMarina and Chaengwattana, and in 2017 at Nakhon Ratchasima, Mahachai and Phuket
- Strong performances with double digit sales growth from EastVille, WestGate and Samui

Active marketing and promotional events throughout the year

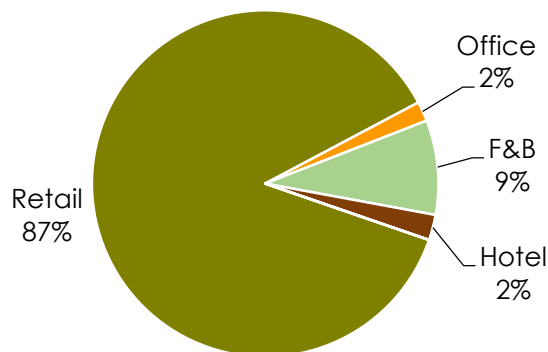
Collaboration with business partners, holding promotional campaigns to encourage more spending from local customers and cater for expanding foreign tourists visiting Thailand, are vital to the strong revenue performance throughout the year.

Note: /1 Includes revenues from residential projects and water & amusement park, and property management fees from CPNREIT & CPNCG. Excludes non-recurring items.

(THB mn)



2017 Breakdown



Note: Excludes non-recurring items.

FY17 total costs +3% YoY mainly contributed by

Cost of rent and services +2% YoY

- Full year recognition of operating and depreciation costs of new and renovated projects in 2016: CentralPlaza Nakhon Si Thammarat, CentralMarina and CentralPlaza Pinklao, as well as operating and depreciation costs of newly opened projects in 2017: CentralPlaza Nakhon Ratchasima and CentralPlaza Mahachai.
- Higher maintenance, repair and personnel expenses to support the expansion of new shopping malls
- Higher energy efficiencies at shopping malls result in reduction of utility costs by approx. 3% YoY

Cost of hotel operations +6% YoY

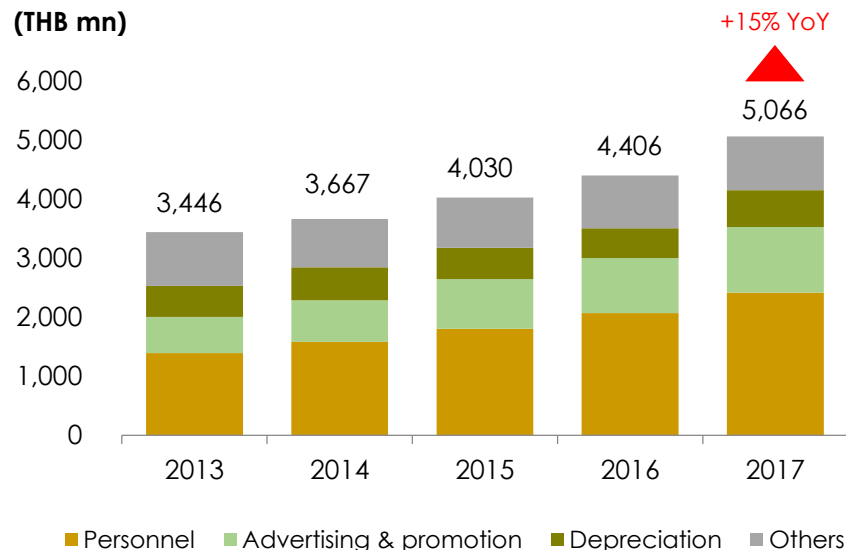
- In line with revenues of hotel business mainly from effective cost management and control in the operations

Cost of F&B sales +18% YoY

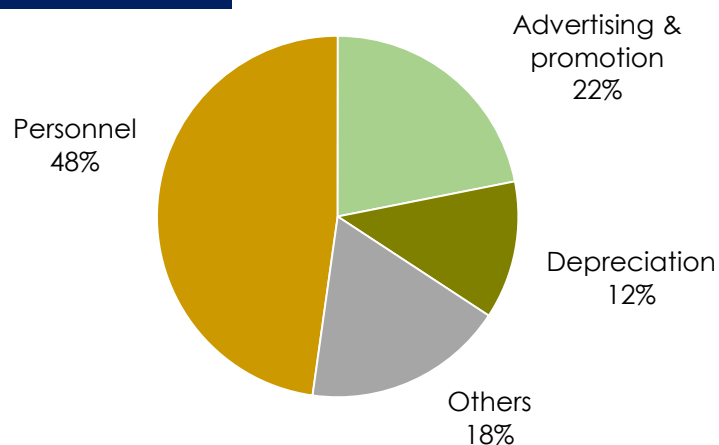
- Higher from newly opened and renovated food courts launched in 2016 and 2017

Continued focus on efficient cost management

Implementation of energy conservation initiatives at shopping malls to yield lower electricity unit consumption, in face of rising unit cost, is actively carried out to maintain or increase overall gross profit margin.



2017 Breakdown



Note: Excludes non-recurring items.

FY17 SG&A expenses +15% YoY mainly contributed by

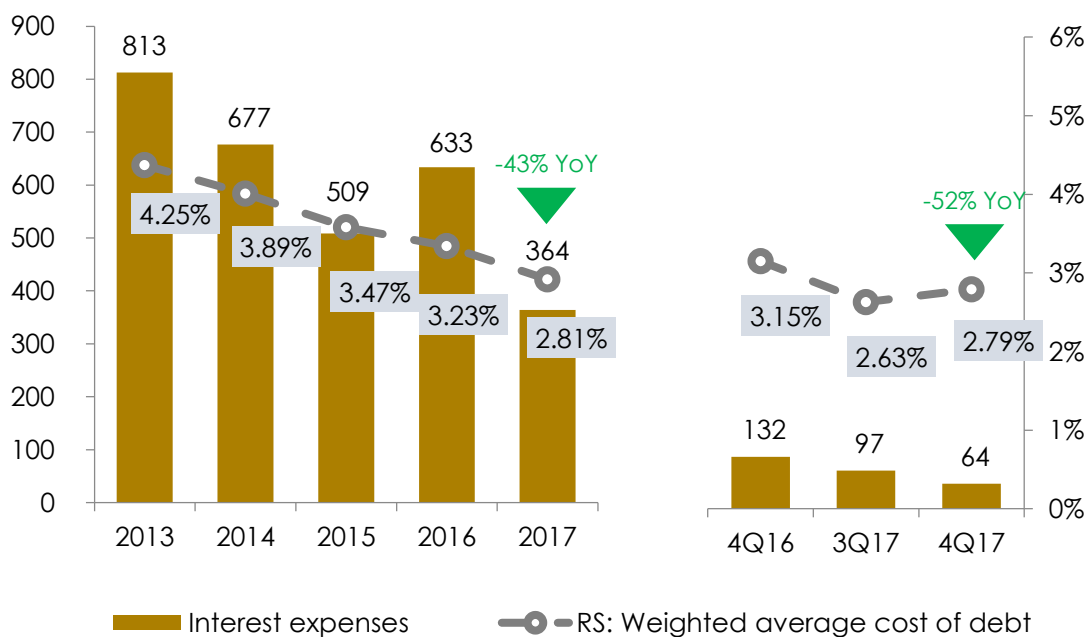
- Higher personnel expenses due to an increase in headcount to support business expansion
- Higher marketing expenses for the opening of new and renovated shopping malls in 2016 and 2017, namely CentralPlaza Nakhon Si Thammarat, CentralPlaza Nakhon Ratchasima, CentralPlaza Mahachai, CentralPlaza Pinklao and CentralPlaza Rama 3
- Higher promotional and event-based expenditures due to higher magnitude of activities in the festive seasons during the year

Balancing overhead expenses with business plan

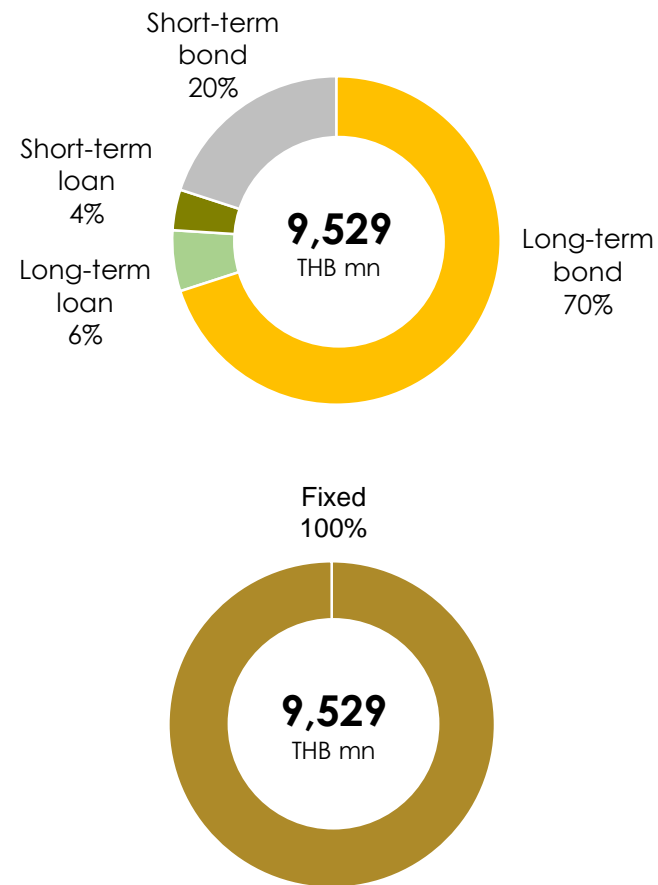
Close monitoring of operating performance and maintain optimal SG&A expenses level according to business requirements with potential incremental savings from 1) synergy with Central Group in marketing activities and supply chain management 2) preparing organizational readiness for future growth

Finance cost and average cost of debt

(THB mn)



YE17 Outstanding Debt Breakdown



TRIS
RATING

AA

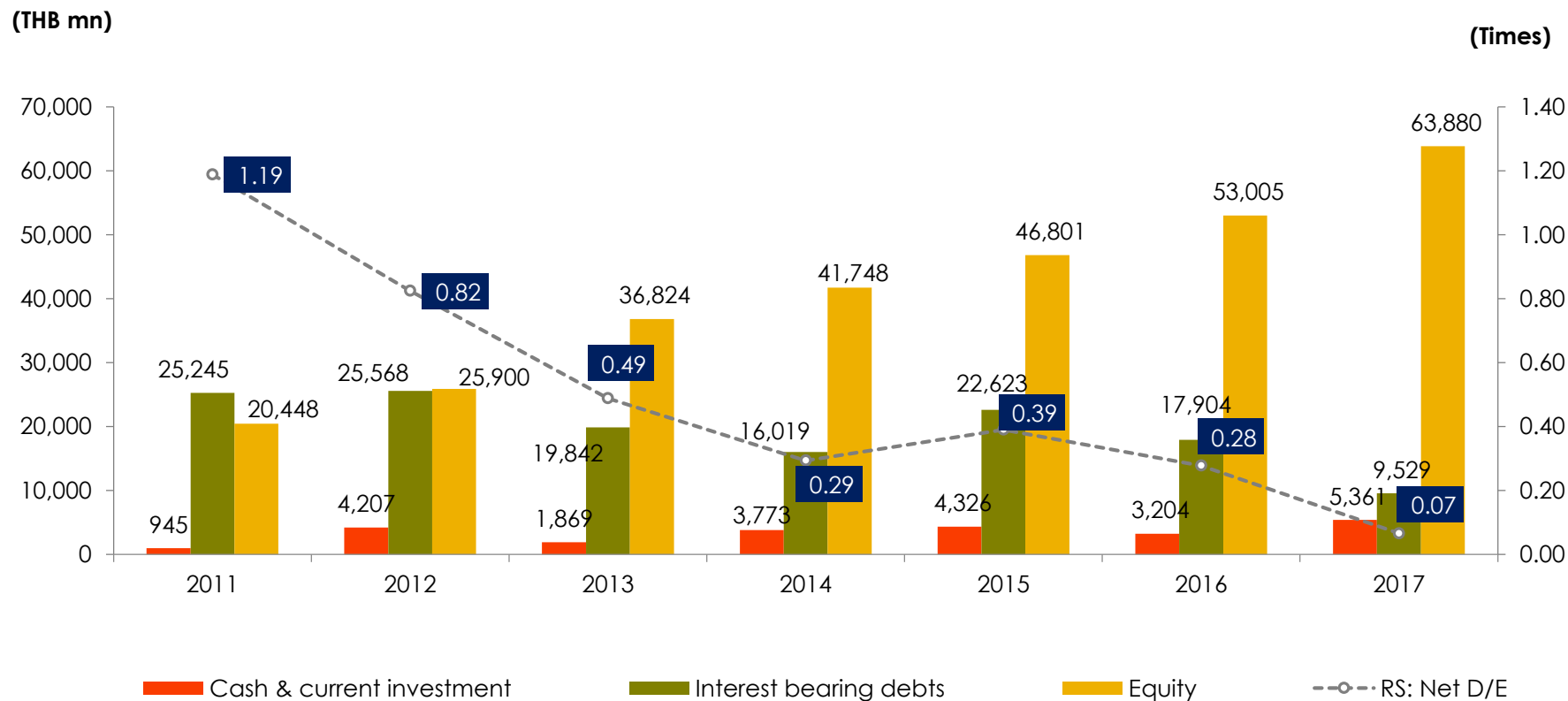
➤ Corporate credit
➤ Senior unsecured debenture

Credit Rating

Stable
Rating Outlook

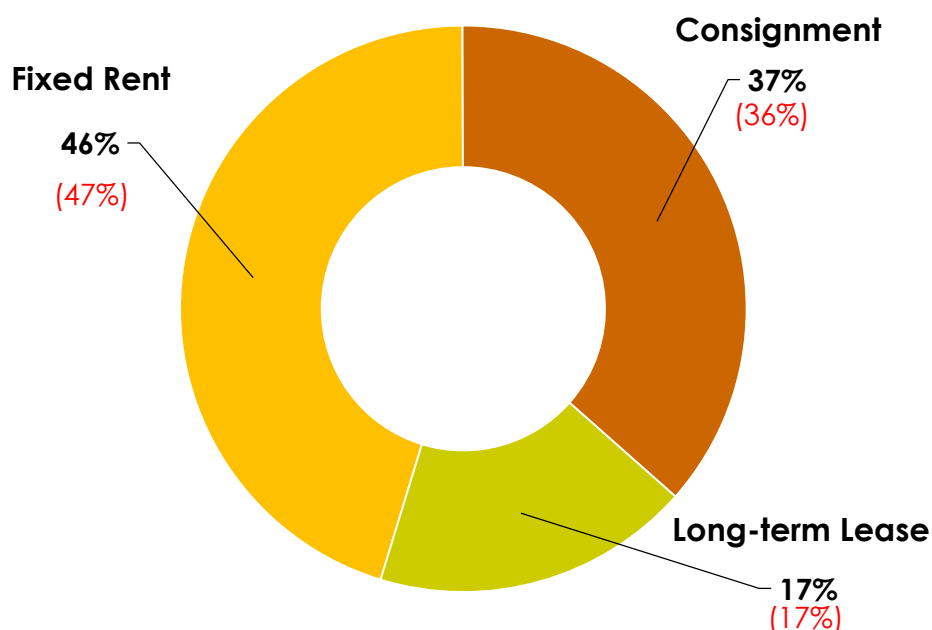
Note: Weighted average interest rate was derived from interest expenses including interest capitalization for projects under development.
All borrowings at denominated in THB

CPN's net D/E ratios are historically below its debt covenant of 1.75x

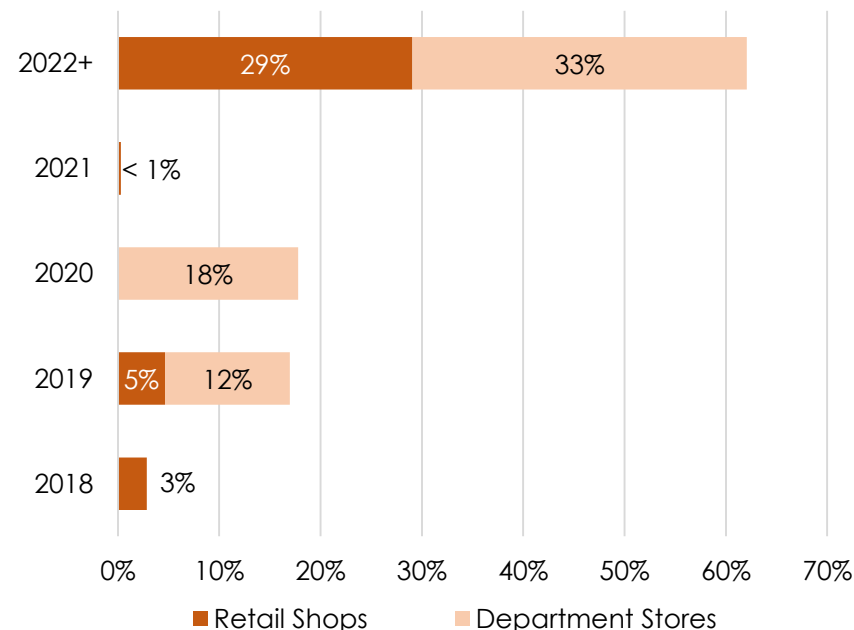


Upside from long-term lease contract expirations to convert into short term contracts at market rental rate should help increase revenues

Rental contract composition by area⁽¹⁾



Long-term lease contracts expiration⁽²⁾



Source: Company estimate as of 31 December 2017

(1) Percentage based on occupied area.

(%) YE16 figure

(2) Based on total long-term lease area of 154,027 sq.m. with less than 4% rental income contribution.

Financial Position (THB mn)	End of 4Q16	End of 3Q17	End of 4Q17	% Change QoQ	% Change YoY
Current assets					
Cash and current investments	3,204	1,975	5,361	171%	67%
Other current assets	3,455	5,305	7,753	46%	124%
Total current assets	6,659	7,279	13,114	80%	97%
Non-current assets					
Investment properties ⁽¹⁾	76,700	81,111	84,972	5%	11%
Leasehold rights	10,647	11,240	11,207	(0%)	5%
Property & equipment (PP&E)	1,797	1,698	1,676	(1%)	(7%)
Other non-current assets	8,724	11,027	9,604	(13%)	10%
Total non-current assets	97,868	105,075	107,459	2%	10%
Total assets	104,527	112,354	120,574	7%	15%
Current liabilities	14,878	17,750	14,354	(19%)	(4%)
Non-current liabilities	36,644	33,863	42,340	25%	16%
Total liabilities	51,523	51,613	56,694	10%	10%
Total equity	53,005	60,741	63,880	5%	21%

⁽¹⁾ Investment Properties are booked at cost and depreciated with the straight-line basis over the life of the assets. The estimated fair value is 180,409 mn (THB 167,688mn in December 2016), stated in the disclosure notes to the main financial statement no. 9 under "Investment Properties".



Statement of Comprehensive Income

Consolidated Earnings (THB mn)	4Q16	3Q17	4Q17	% Change QoQ	% Change YoY	FY2016	FY2017	% Change YoY
Revenue from rent and services	6,492	6,422	6,587	3%	1%	25,247	26,057	3%
Retail	6,323	6,249	6,415	3%	1%	24,579	25,367	3%
Office	168	173	172	(1%)	2%	667	690	3%
Other supportive businesses	0.2	0.2	0.2	(6%)	(23%)	1	1	(29%)
Revenue from hotel operations	247	274	290	6%	18%	998	1,097	10%
Revenue from food and beverage	362	407	433	6%	20%	1,389	1,633	17%
Other income	386	4,096	743	(82%)	92%	1,600	5,809	263%
Total revenues	7,487	11,198	8,053	(28%)	8%	29,234	34,596	18%
Total revenues excluding non-recurring items	7,487	7,698	7,834	2%	3%	29,234	31,096	6%
Cost of rent and services	3,273	3,249	3,387	4%	3%	12,630	12,894	2%
Retail	3,201	3,181	3,319	4%	4%	12,349	12,627	2%
Office	72	68	68	(0%)	(5%)	279	267	(5%)
Other supportive businesses	0.3	0.1	0.3	121%	3%	1	1	(51%)
Cost of hotel operation	79	89	91	2%	15%	325	344	6%
Cost of food and beverage	288	323	341	6%	19%	1,086	1,280	18%
Total costs	3,639	3,661	3,819	4%	5%	14,041	14,518	3%
Operating profit	2,522	6,386	2,540	(60%)	1%	10,814	14,989	39%
Operating profit excluding non-recurring items	2,522	2,886	2,365	(18%)	(6%)	10,814	11,314	5%
Net profit	2,219	5,983	2,326	(61%)	5%	9,244	13,568	47%
Net profit excluding non-recurring items	2,219	2,483	2,151	(13%)	(3%)	9,244	9,893	7%
EPS (Bt)	0.49	1.33	0.52	(61%)	5%	2.06	3.02	47%
EPS (Bt) excluding non-recurring items	0.49	0.55	0.48	(13%)	(3%)	2.06	2.20	7%
Gross Profit Margin (excl. other income)	49%	48%	48%	(1%)	(1%)	49%	50%	0%
Operating Profit Margin (exc. non-recurring item)	34%	37%	30%	(7%)	(3%)	37%	37%	(0%)

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

4 consecutive years
(2014-17)

Member of Dow Jones Sustainability Indices (DJSI) Emerging Markets 2017 showcases a track record of excellence in performance, governance, social and environmental development

3 consecutive years
(2015-17)



SET Thailand Sustainability Investment 2017 listing confirms CPN's commitment towards sustainable growth and focus on environmental, social and governance (ESG) factors

Sustainable Retail Property Developer and Manager

Top-Class Operator

Accredited Energy Conserver

4 consecutive years
(2014-17)



Thailand's Top Corporate Brands 2017 for property development sector in recognition of the most widely regarded brand amongst customers, investors and the general public.

CentralPlaza Surathani

CentralPlaza Chonburi



Thailand Energy Awards 2017 honors CPN on developing and promoting energy conservation retail facilities at 2 shopping centers.



CentralPlaza Nakhon Si Thammarat
CentralFestival Eastville

Asia Pacific Property Awards 2017 organized by International Property Awards, recognizes CPN amongst the highest levels of achievement in the category 'Retail Development – Thailand' for 2 shopping centers



The 2017 ICSC Asia-Pacific Shopping Center Silver Award – New Development was presented in recognition of the exemplary design innovation for CentralFestival Eastville



CPN Shares Trading Statistics

Key Trading Statistics as of YE17

Key Metrics	THB
Par Value	0.50
Share Price (THB)	85.25
Earnings per Diluted Share (THB)	3.02
P/E (x)	28.23
P/BV (x)	5.99
Dividend Yield ⁽³⁾ (%)	1.6%
Market Capitalization (THB bn)	383
Authorized Share Capital (mn shares)	4,488

Dividend History

Key Metrics	2017	2016	2015	2014	2013	2012	2011
Par Value (THB)	0.50	0.50	0.50	0.50	0.50 ⁽²⁾	1.00	1.00
Dividend (THB/Share)	1.40 ⁽³⁾	0.83	0.70	0.65	0.55	0.475	0.37
Dividend Paid (THB mn)	6,283 ⁽³⁾	3,725	3,142	2,917	2,468	2,070	806
Dividend Payout Ratio	46% ⁽³⁾	40%	40%	40%	39%	33% ⁽¹⁾	39%

Dividend policy is paid annually approximately 40% of net profit (unless there is compelling reason against this).

Note 1: 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 2: Par split from THB 1.00 to THB 0.50 per share effective on May 7, 2013

Note 3: Subject to the approval of shareholders at the 2018 Annual General Meeting of Shareholders on April 27, 2018

Source: SETSMART (except P/E and P/BV ratios, calculated based on the latest financial results), company announcements on SET



On December 1, 2017, CPNRF was converted into CPNREIT, which also leased additional assets in CentralFestival Pattaya Beach and Hilton Pattaya. At the end of 4Q17, CPNREIT has five retail properties and two office towers in its portfolio, with CPN REIT Management Co., Ltd., as the REIT manager and CPN as the property manager.

CPNCG was established in September 2012 and currently owns one office with SCB Asset Management Co., Ltd. as the fund manager and CPN as the property manager.

CPNREIT Properties	Remaining Life (years)	Leasable Area ⁽¹⁾ (sq.m.)	Occupancy Rate (%) ⁽²⁾		
			4Q16	3Q17	4Q17
1. Rama 2 (Retail)	7 Yr & 7 M	82,746	87	92	94
2. Rama 3 (Retail)	77 Yr & 7 M	36,285	90	59	78
3. Pinklao (Retail)	7 Yr	27,611	96	98	99
4. Pinklao Tower A & B (Office)	7 Yr	34,031	90	85	85
5. Chiangmai Airport (Retail)	26 Yr & 4 M	37,490	96	93	93
6. Pattaya Beach (Retail)	19 Yr & 8 M	29,404	n/a	n/a	98
Total		247,567	91	86	91

CPNCG Office Property	Remaining Life (years)	Leasable Area ⁽¹⁾ (sq.m.)	Occupancy Rate (%) ⁽²⁾		
			4Q16	3Q17	4Q17
CentralWorld (Office)	15 Yr & 3 M	81,400	100	98	99

Note 1: Includes rental agreements < 1 year such as kiosk, carts, ATMs and coin machines and CPN acts as the property manager.

Note 2: Percentage based on leasable area.