



# Central Pattana Plc.

## Property Development & Investment

March 7, 2006





# Content

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**Overview of Our Company**

**Operation Review**

**Financial Highlights**

**CPN Retail Growth Property Fund (CPNRF)**



## **Overview of Our Company**

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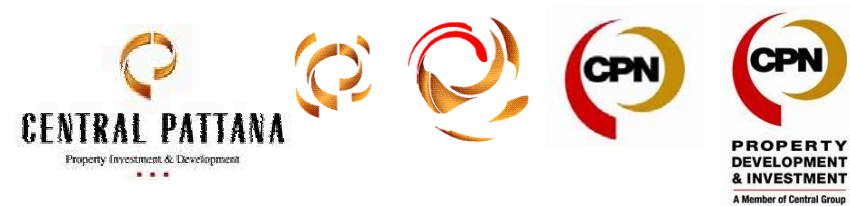


# Business Overview

## Business

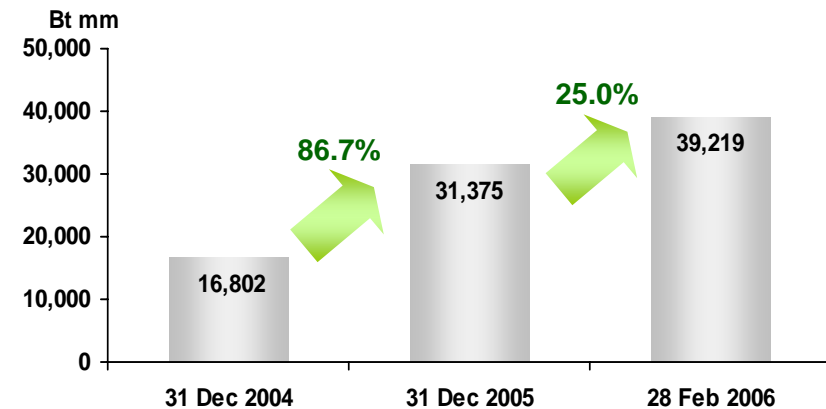
- CPN is a fully integrated retail developer and the leading retail property developer and investor in Thailand
- Property portfolio includes 10 shopping centers, 4 office towers and 2 apartments
- CPN currently has operations in Thailand but is looking to expand into neighboring countries
- CPN grows through internal development, acquisition & redevelopment and asset enhancement projects
- CPN is the 2<sup>nd</sup> largest listed property firm and is the property manager of Thailand's largest REIT (CPNRF)
- CPN has a market capitalization of approximately US 1bn

## Re-branding of Central Pattana to CPN



**“THE MOST ADMIRED RETAIL  
EXPERIENCE DEVELOPER”**

## Shareholder's Value Creation





# History of CPN

## Developments

- 1980 - Established under **“Central Plaza Co., Ltd.”**
- 1982 - Opened **“Central Plaza Lardprao”**, the first integrated shopping complex in Thailand
- 1993 - Opened **“Central Plaza Ramindra”**, a shopping complex
- 1995 - Opened **“Central Plaza Pinklao”**, a mix-used complex with office building
  - Opened **“Central Festival Pattaya”**, a festival mall
- 1997 - Opened **“Central Plaza Ratchada Rama 3”**, a shopping complex
- 2002 - Opened **“Central Plaza Rama 2”**, a shopping complex

## Acquisitions and Redevelopments

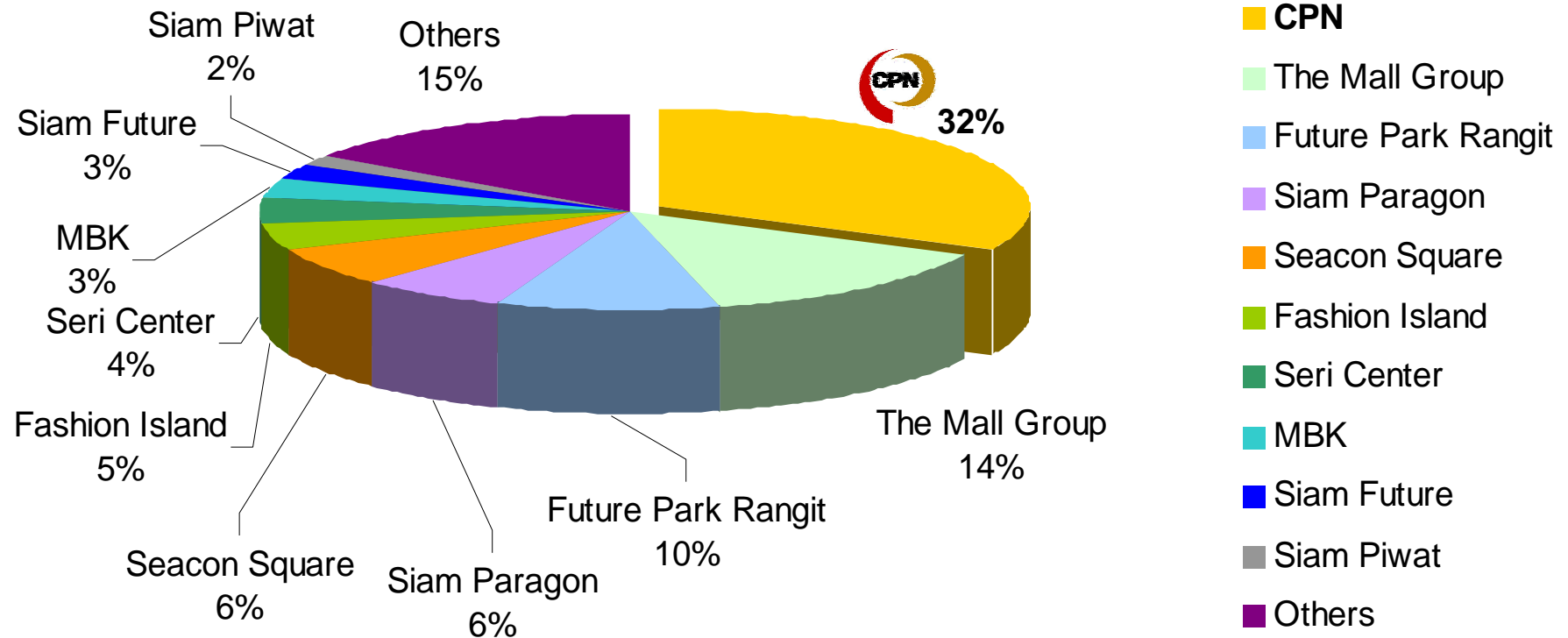
- 1996 – Acquired full equity stake in **“Central Airport Plaza Chiangmai”**, a shopping complex
- 2000 – Completed **“Central Airport Plaza Chiangmai Phase 2A”**
- 2001 – Acquired full equity stake in **“Central City Bangna”**, a shopping complex
- 2002 – Acquired **“Centralworld (World Trade Center)”**, a mix-used complex
- 2003 – Completed **“Central Airport Plaza Chiangmai Phase 2B”**
  - Acquired **“Central Town Rattanathibet (Siam Jusco Rattanathibet)”**
- 2004 – Completed **“The Offices at Centralworld”**
- 2005 – Completed **“Central Town Rattanathibet”**

**“CPN grows through internal developments, redevelopments and asset enhancements”**



# Market Share of Retail Property in Bangkok

**CPN is the leading retail property developer and investor in Thailand with approximately 32% market share in Bangkok's mall leasable area.**





# Business Strategy



## Vision

To be the leading retail developer with world-class experience.

## Mission

To constantly achieve a sustainable growth with maximum satisfaction for all stakeholders.

## Core Business Growth Strategy

- ✿ Develop new shopping centers with multi formats both in country and overseas.
- ✿ Retain and extend the shopper customers.
- ✿ Develop new retail tenants.

## Organization Development Strategy

- ✿ Improve business processes
- ✿ Provide effective human capital align with company growth.
- ✿ Deploy new management tools and initiatives in organization development.





# Business Strategy - Retail Formats

**“CPN continuously strives to  
create innovate  
formats to suit customers’ needs”**



**PROPERTY  
DEVELOPMENT  
& INVESTMENT**

A Member of Central Group

central**w****orld**

central**pl****a**

central**t****own**

central**festi****val**

## Definition

- |   |  |   |   |
|---|--|---|---|
| <ul style="list-style-type: none"><li>■ The renowned international shopping experience. Trend setter &amp; “Best of The Best”</li></ul> | <ul style="list-style-type: none"><li>■ The real shopping experience, with complete quality selection. Enhance every lifestyle fashion and entertainment</li></ul> | <ul style="list-style-type: none"><li>■ The “Center of community” catering to basic lifestyle. Customizing to service each locality</li></ul> | <ul style="list-style-type: none"><li>■ The shopping and entertainment experience with a holiday spirit and local novelty</li></ul> |
|---|--|---|---|

## Location

- |  |  |  |   |
|--|--|--|---|
| <ul style="list-style-type: none"><li>■ Main shopping district in major city</li></ul> | <ul style="list-style-type: none"><li>■ Heart of city</li><li>■ Satellite city and outskirt of CBD</li></ul> | <ul style="list-style-type: none"><li>■ Suburban area of major cities</li><li>■ Mid-town of secondary cities</li></ul> | <ul style="list-style-type: none"><li>■ Holiday destination</li></ul> |
|--|--|--|---|

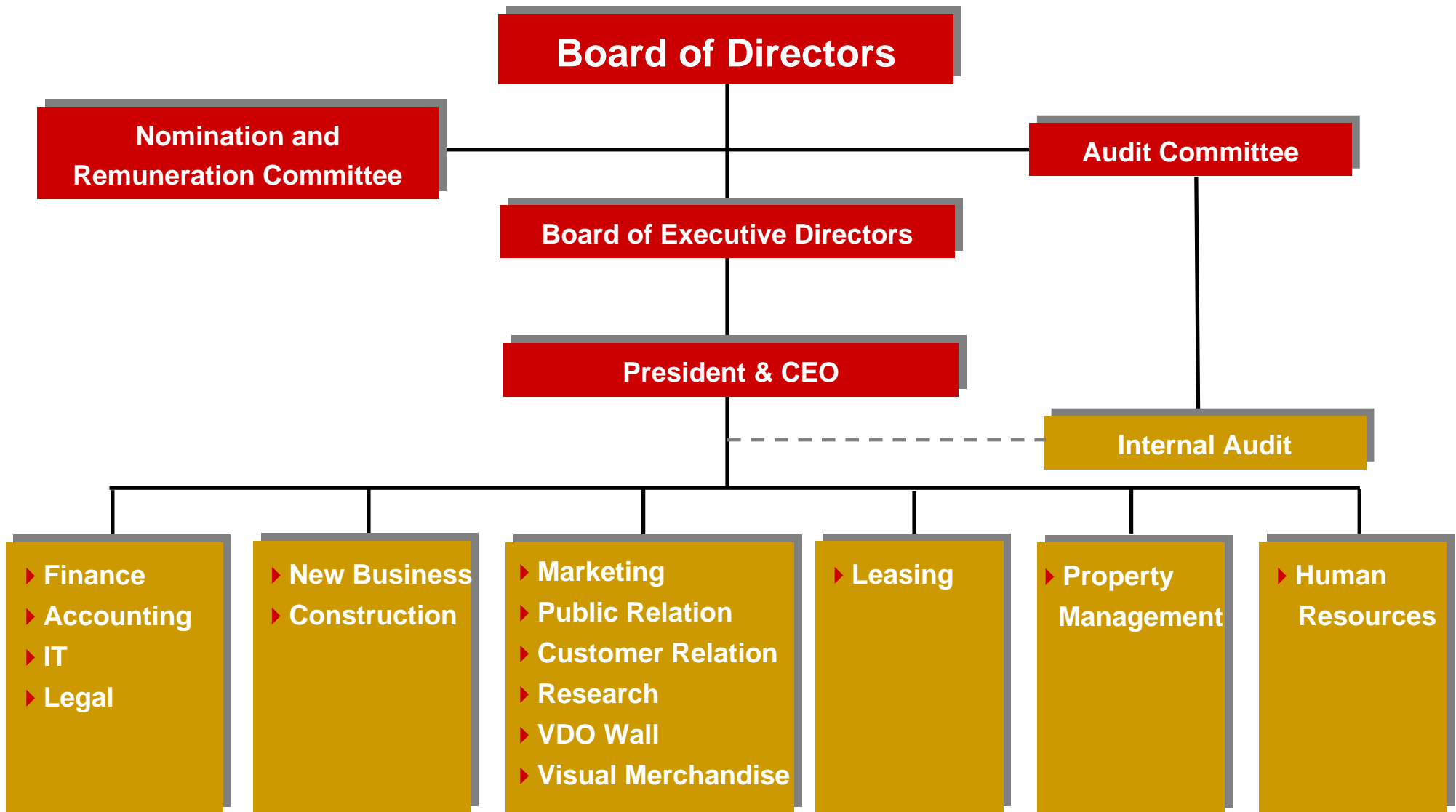
## Customer

- |  |   |   |   |
|--|---|---|---|
| <ul style="list-style-type: none"><li>■ Type A - B+</li><li>■ Innovative idea design</li></ul> | <ul style="list-style-type: none"><li>■ Type B+</li><li>■ Good design meeting point</li></ul> | <ul style="list-style-type: none"><li>■ Type C+ and up</li><li>■ Local architectural design</li></ul> | <ul style="list-style-type: none"><li>■ Type B</li><li>■ Holiday and festive design</li></ul> |
|--|---|---|---|





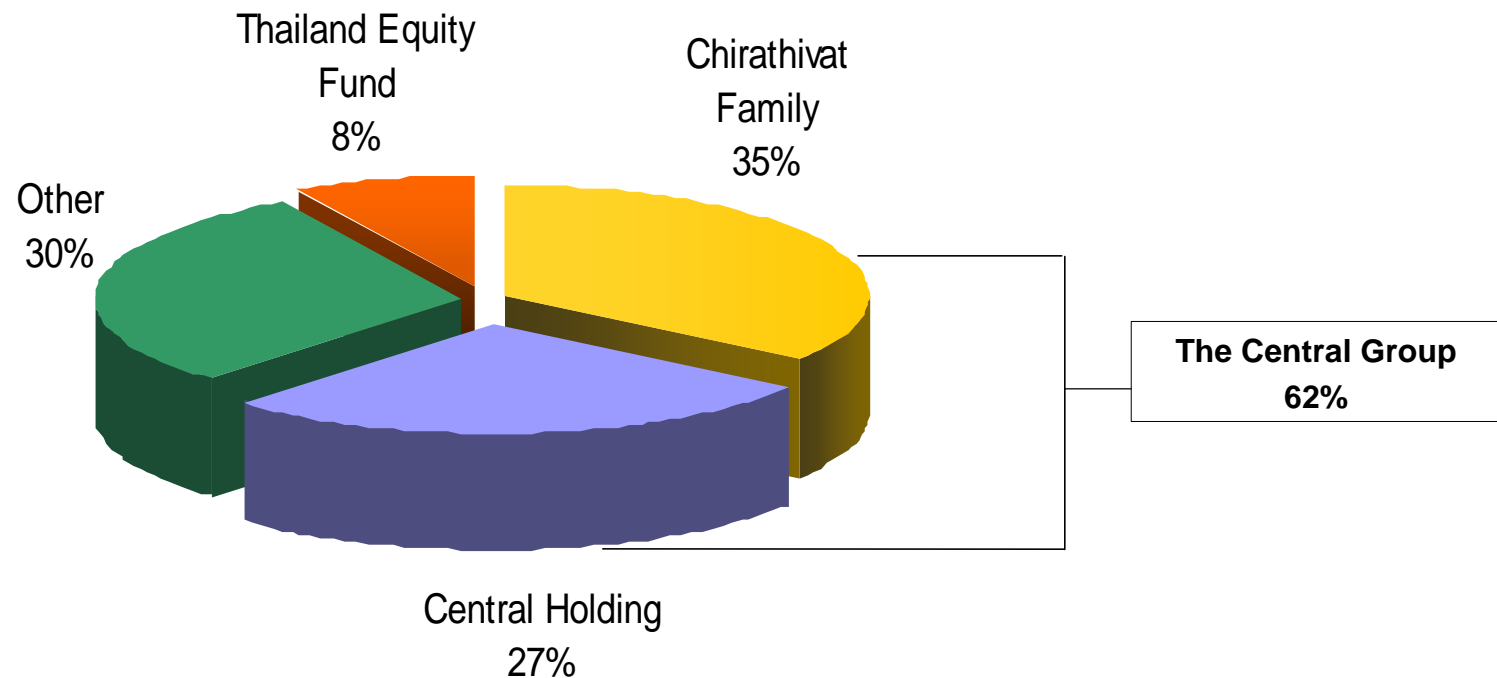
# Organization Structure





# Shareholding Structure

CPN is one of the flagship businesses of 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 stores operations.

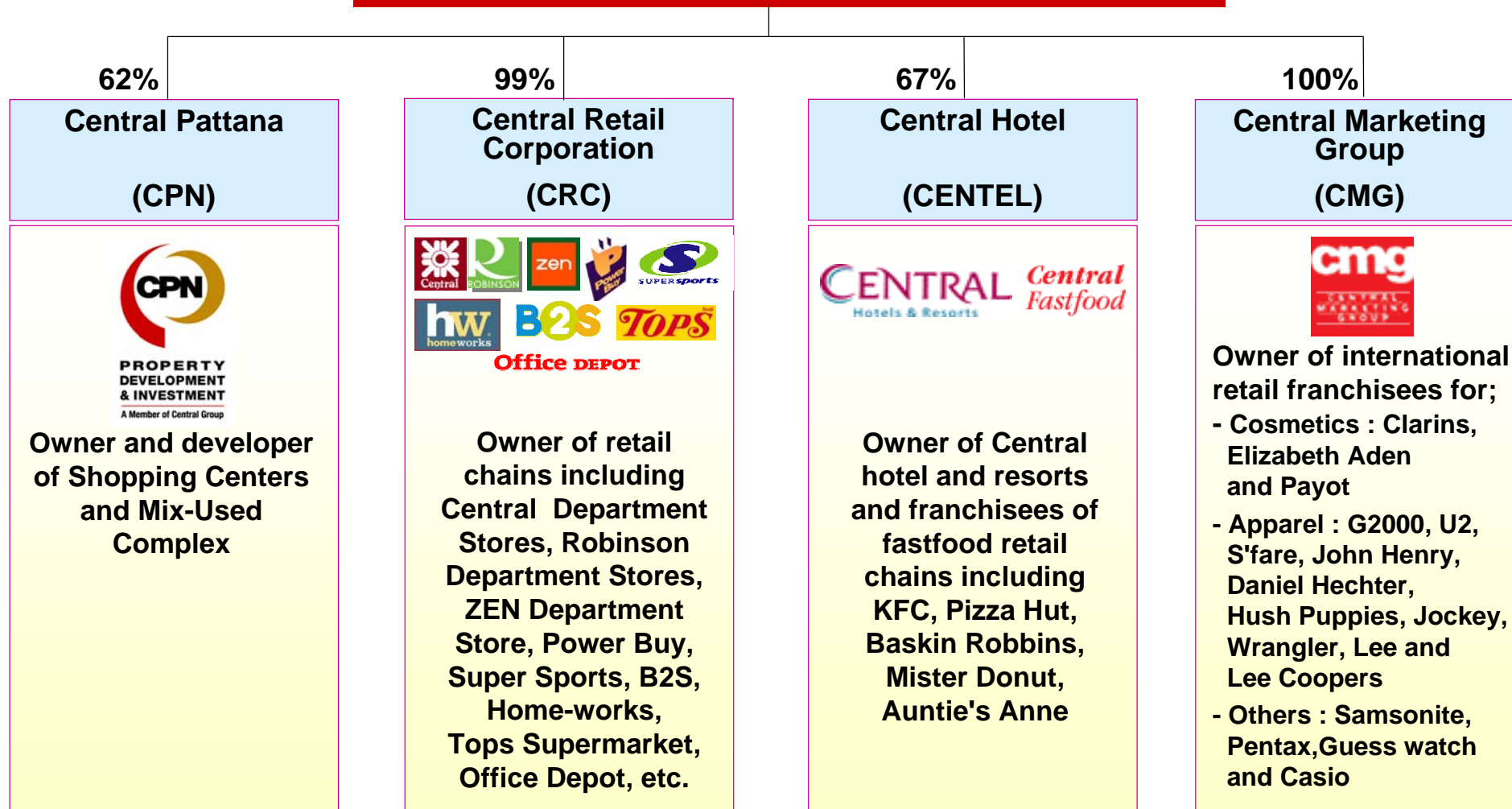


**“CPN’s strong synergy with the Central Group helps CPN to attract dynamic tenants, increase people traffic and command higher rents”**



# Central Group

## The Central Group and Chirathivat Family





# Operation Review

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# Geographic Diversity and Prime Locations

A Network of prime locations in Bangkok and the major provinces. Currently CPN has 8 malls in Bangkok catering to 12 million people and only 2 malls catering to over 50 million people in the provinces.





# CPN's Existing Projects : December 31, 2005

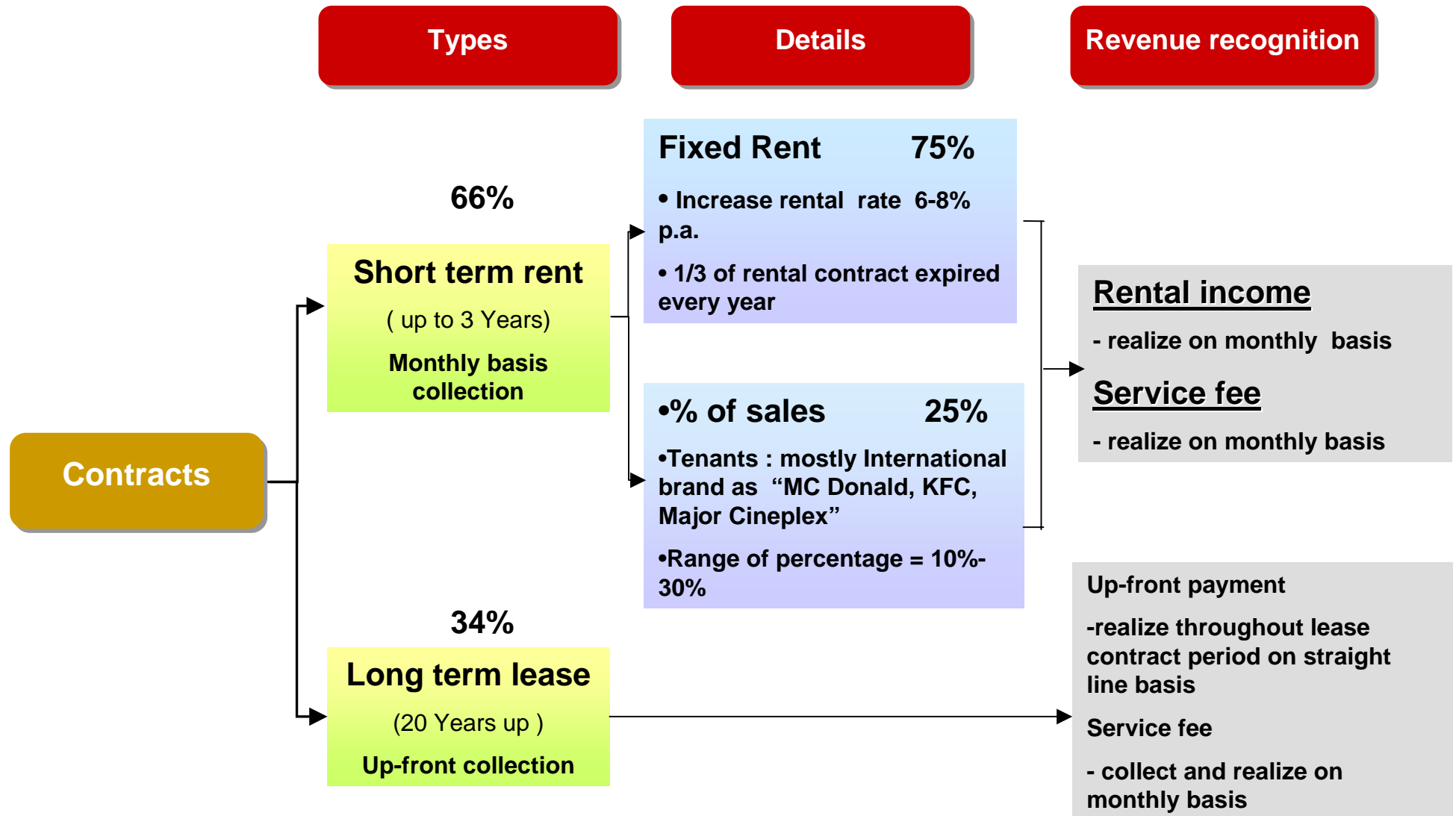
	Shopping Center				Office Building				Residential			
	Salable area (sq.m.)	Occupancy Rate			Salable area (sq.m.)	Occupancy Rate			Salable area (sq.m.)	Occupancy Rate		
		Q4/05	Q3/05	Q4/04		Q4/05	Q3/05	Q4/04		Q4/05	Q3/05	Q4/04
Lardprao	55,561	100%	99%	99%	18,321	98%	98%	98%	-	-	-	-
Ram Indra	13,585	95%	95%	97%	-	-	-	-	-	-	-	-
Pinklao	56,868	99%	100%	100%	22,553	99%	99%	100%	-(1)	-	-	84%
Pattaya	15,258	100%	100%	100%	-	-	-	-	-	-	-	-
Rama III	56,783	97%	99%	98%	-	-	-	-	-	-	-	-
Chiangmai	69,318	97%	96%	94%	-	-	-	-	-	-	-	-
Bangna	57,705	98%	97%	98%	9,796	99%	97%	90%	1,907	69%	49%	34%
Rama II	97,626	97%	99%	98%	-	-	-	-	-	-	-	-
Centralworld	126,045	75%	78%	87%	83,368	74%	66%	17%	-	-	-	-
Rattanaithibet	68,550	97%	94%	98%	-	-	-	-	-	-	-	-
Langsuan Colonnade	-	-	-	-	-	-	-	-	4,466	72%	81%	85%
<b>Total</b>	<b>617,300</b>	<b>93%</b>	<b>94%</b>	<b>95%</b>	<b>134,038</b>	<b>83%</b>	<b>78%</b>	<b>47%</b>	<b>6,373</b>	<b>71%</b>	<b>72%</b>	<b>77%</b>
<b>% Lease : Rent <sup>(2)</sup></b>	<b>34% : 66%</b>				<b>1% : 99%</b>				<b>0% : 100%</b>			

Note1: Under renovation to convert apartment building to office building. Expected to be completed in March 2006

Note2: By Salable area



# Contract Types



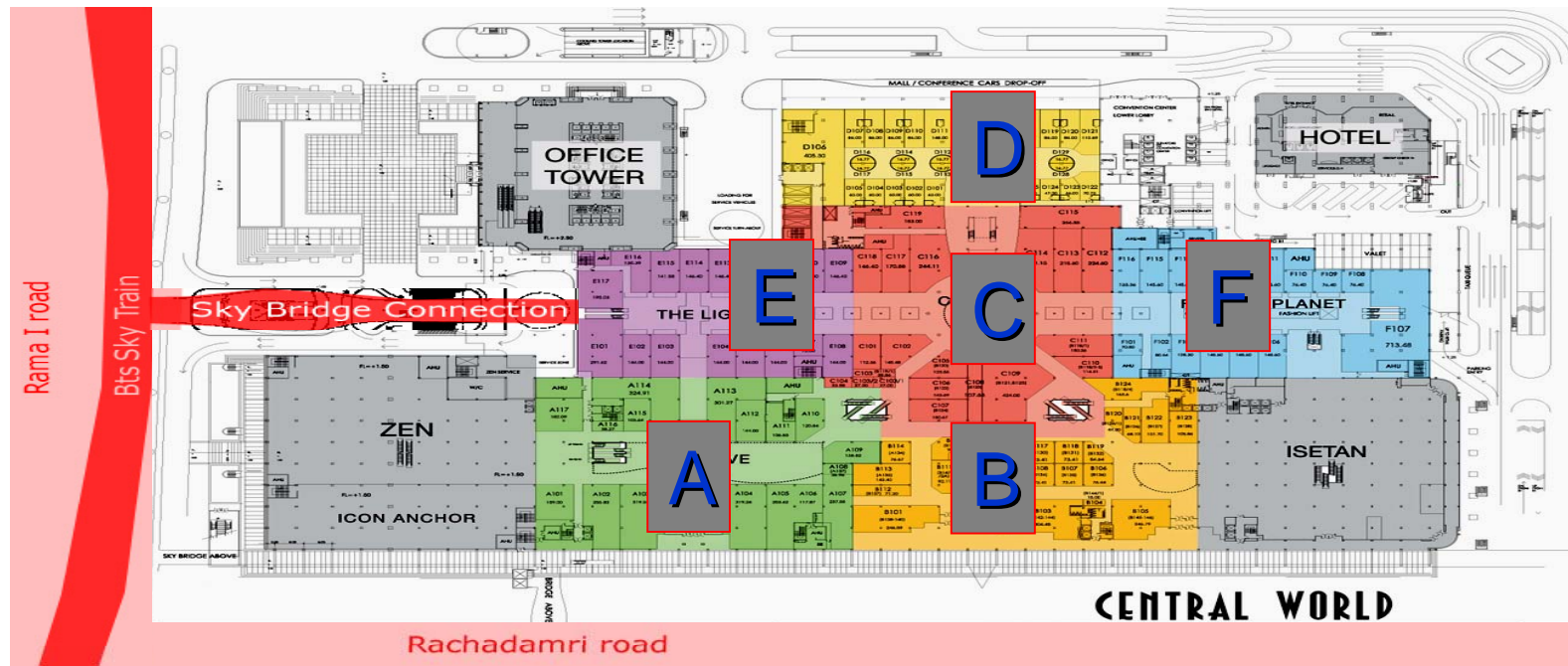
Note: Percentage based on salable area





# Centralworld Renovation & Expansion

	Started Date	Expected Completed Date	New Salable Area	Investment Cost	Remark
<b>Centralworld</b> <ul style="list-style-type: none"> <li>• Expansion</li> <li>• Renovation</li> </ul>	Aug. 2003	Phase I May. 2006 New Zone (Zone D, E, F) and Zone B, C	70,000 sq.m.	5,000 MB	Sale Progress 60% <sup>(1)</sup>
	Jun. 2004	Phase II Feb. 2007 Zone A & ZEN extension			



Note1: As of December 31, 2005



# Value Enhancements of Existing Projects

Project	Development Plan	Investment (MB)	Time Frame
Pinklao	→ Convert apartment to office (10,400 sq.m.)	70	Jul'05 – Mar'06
	→ Renovate facade at the entrance on 1 <sup>st</sup> and 2 floor	80	2006
Ramindra	→ Major internal and external renovation	220	2006
	→ Leaseback and rearrange tenant mix		
Pattaya Festival	→ Increase more retail space and parking area	500	2006
	→ May add new anchor		
Bangna	→ Build sky bridge link to 2 <sup>nd</sup> floor	130	2006
	→ Develop new fashion zone on 2 <sup>nd</sup> floor <sup>(1)</sup>		
	→ Develop Playland to retail space on 6 <sup>th</sup> floor <sup>(1)</sup>		
Rattanathibet	→ Develop new parking building with additional retail space	200	2006
Total		1,200	



# CPN's Future Projects

<b>NEW PROJECTS</b>	<b>Starting Date</b>	<b>Expected Complete Date</b>	<b>New Salable Area</b>	<b>Investment Cost</b>	<b>Remark</b>
<b>Chaengwattana</b>	Q1/2006	Q3/2008	<ul style="list-style-type: none"> <li>• Shopping Mall 100,000 sq.m. (Include department store)</li> <li>• Office building 20,000 sq.m.</li> <li>• Parking area 94,000 sq.m.</li> </ul>	4,550 MB	Design Process
<b>Pattaya (New) (Beachfront)</b>	Q1/2006	Q2/2008	<ul style="list-style-type: none"> <li>• Shopping Mall 80,000 sq.m. (Include department store)</li> <li>• Parking area 70,000 sq.m.</li> </ul>	3,300 MB	Design Process
<b>Rama 9</b>	Tentative Q1/2007	Tentative Q1/2010	100,000 sq.m.	4,000-4,700 MB	Under study
<b>Chonburi &amp; Khonkaen</b>	Tentative Q2/2008	Tentative Q2/2010	60,000 sq.m. (Per project)	1,200-1,500 MB (Per project)	Under study

Company estimates



# Capital Expenditure Profile

- Major capital expenditure will be used to develop 8 shopping centers and renovate 5 existing shopping centers
- Financing plan for future expansion includes:
  - Cash flow from operation
  - Loan – project financing
  - Property fund

Unit : Bt mm

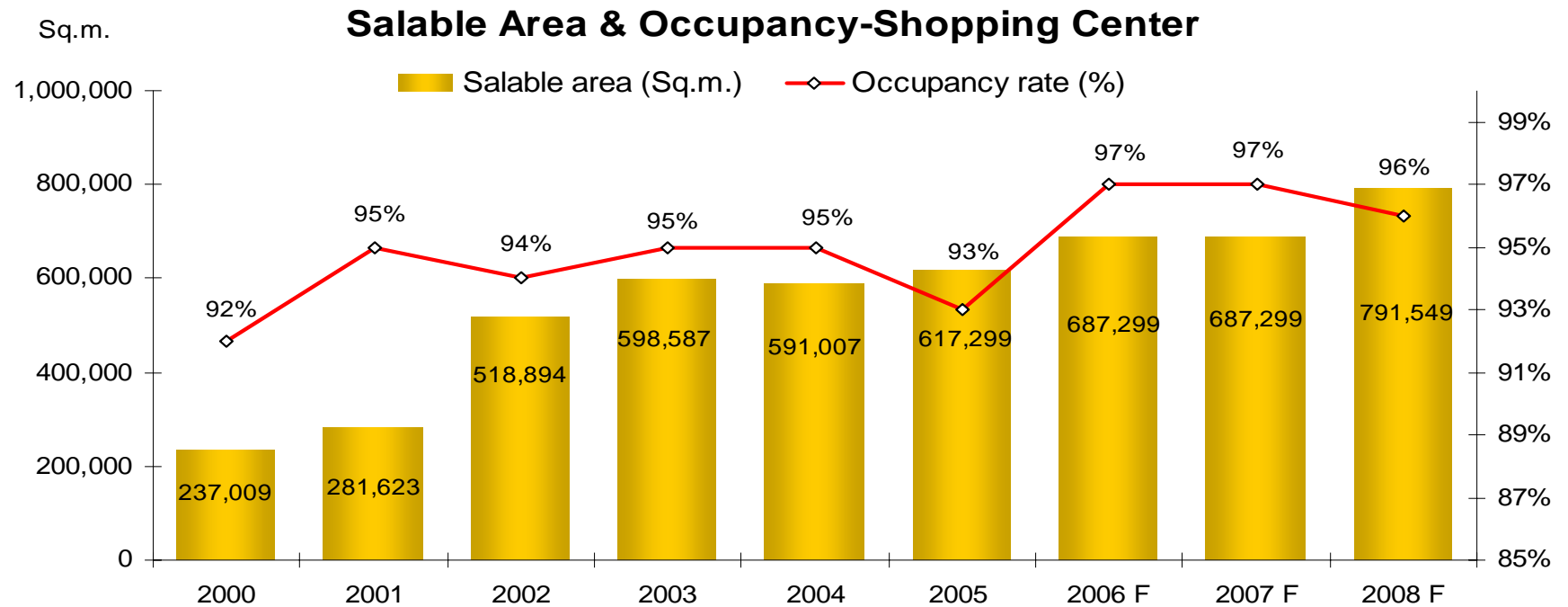
Capital Expenditure	2005	2006	2007	2008	2009	2010
Centralworld (100%)	3,300	2,500	700	-	-	-
Chaengwattana	400	900	1,800	1,100	-	-
Pattaya (New)	300	1,000	1,200	700	-	-
Rama 9	150	600	500	1,000	1,500	900
Chonburi and Khonkaen	-	-	-	500	1,200	1,200
Existing Projects (Includes Rattanathibet)	1,000	1,200	1,100	500	500	500
3 New Projects <sup>(1)</sup>		1,200	1,200	2,200	3,000	2,000
<b>Total</b>	<b>5,750</b>	<b>7,600</b>	<b>6,500</b>	<b>6,000</b>	<b>6,200</b>	<b>4,600</b>

Company estimates

Note1: Tentative development projects



# Future Average Salable Area and Occupancy Rate



Salable area (Sq.m.)	2000	2001	2002	2003	2004	2005	2006 F	2007 F	2008 F
Shopping Center	237,009	281,623	518,894	598,587	591,007	617,299	687,299	687,299	791,549
Office Building	40,697	49,833	49,833	49,833	134,099	134,038	147,038	147,038	167,038
Residential	13,924	16,825	16,825	16,336	16,336	6,373	6,373	6,373	6,373
Total	291,630	348,281	585,552	664,756	741,442	757,710	840,710	840,710	964,960

Note: Salable area includes Rama 2 and Rama 3 shopping centers

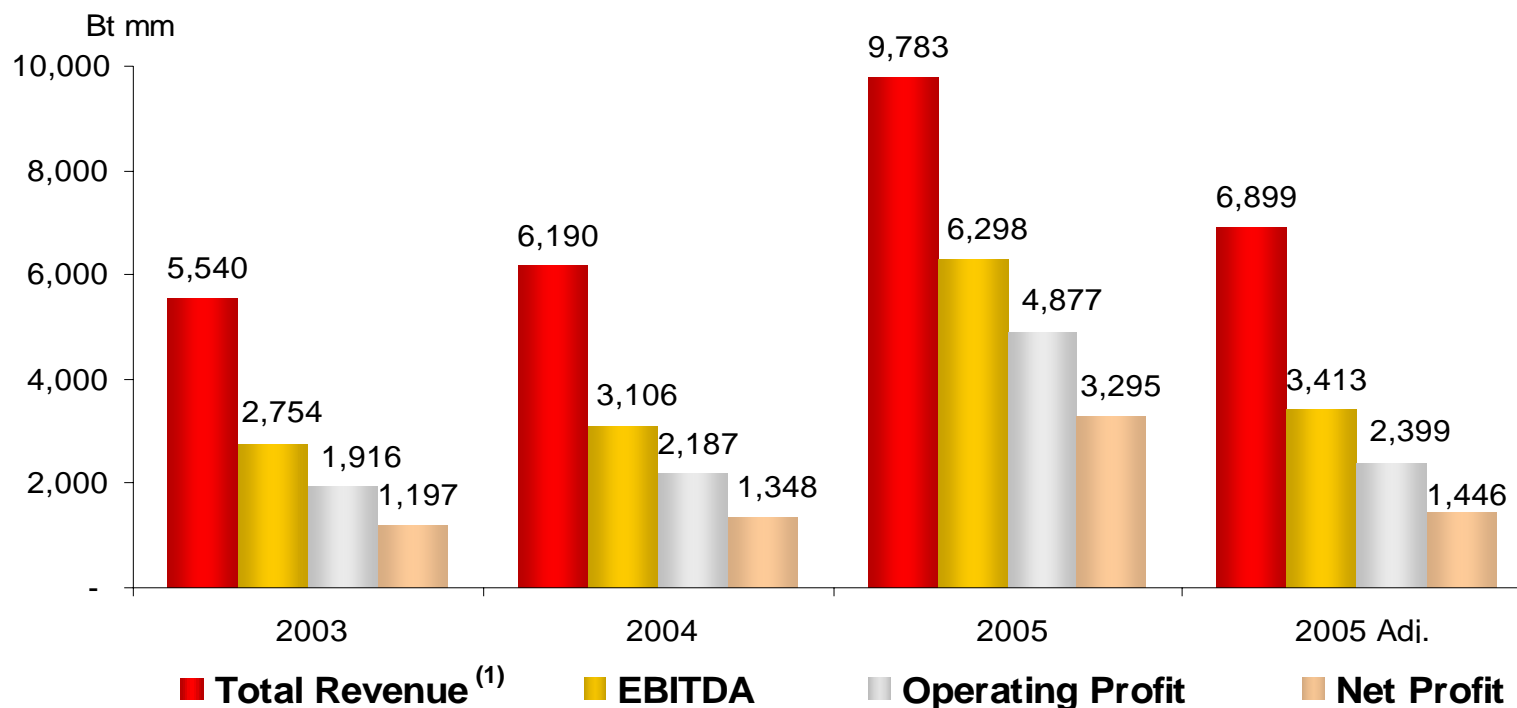


## Financial Highlights

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# Consolidated Performance



	2003	2004	2005	2005 Adj.	<b>* Adjusted items in 2005</b> (unit : Bt mm) Net profit 3,295 <u>Adjusted</u> 1. Gain from CPNRF (2,885) 2. Impairment provision 407 3. Tax of 1.&2. 743 4. Minority interest of 2. (114) Net profit before adjusted <u>1,446</u>
% Revenue Growth	44%	12%	58%	11%	
% Same Store Growth <sup>(2)</sup>	12%	9%	10%	10%	
% Net Profit Growth	26%	13%	144%	7%	

Note1: Total Revenue = Rental & Service Income + Food & Beverage Income + Interest Income + Other Income

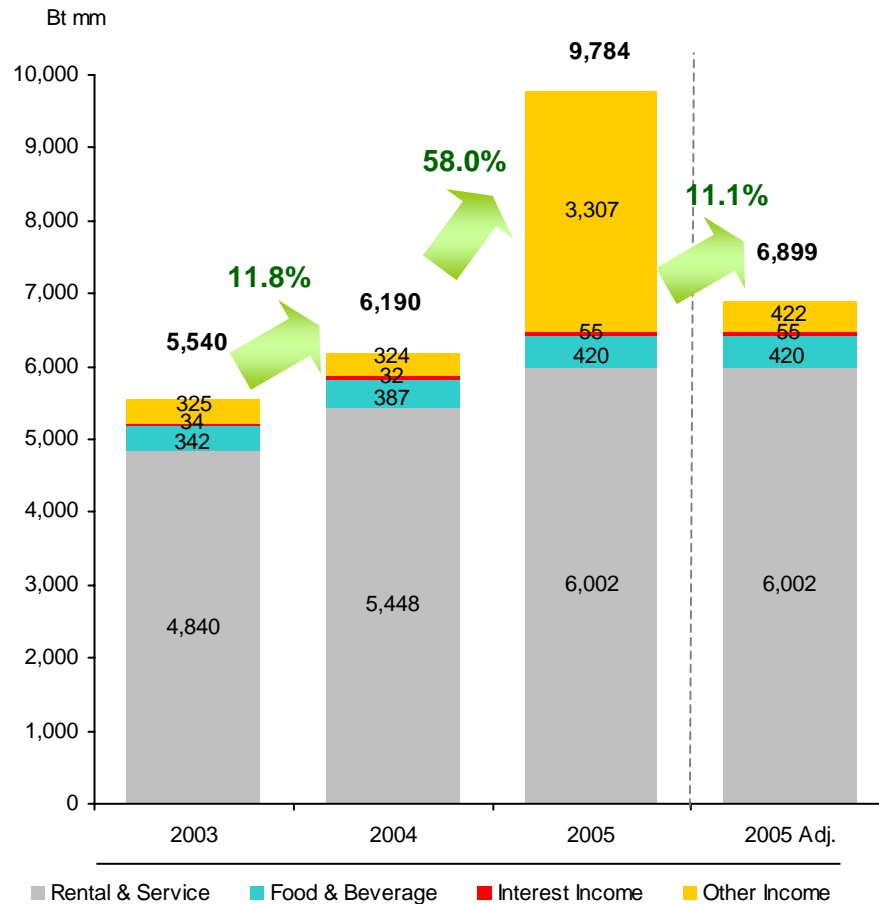
Note2: Same store growth 2005 compare with 2004 excludes revenue from Rama2 & Rama3 in Q4 and The Offices at Centralworld  
 Same store growth 2004 compare with 2003 excludes revenue from Rattanathibet



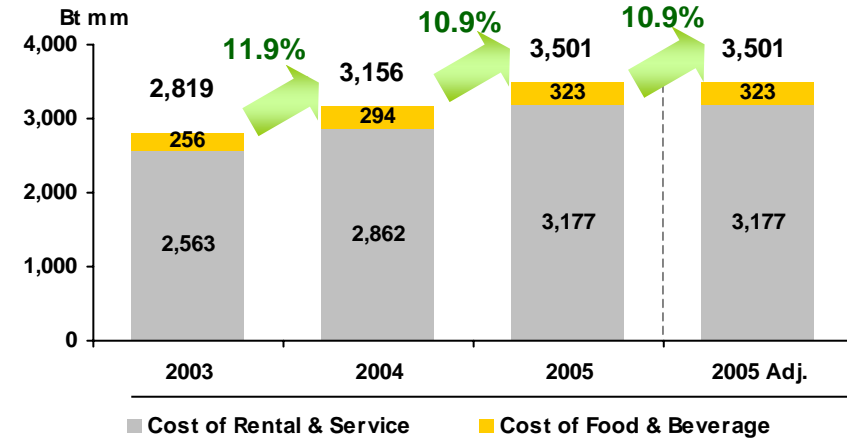


# Summary of Revenues and Operating Expenses

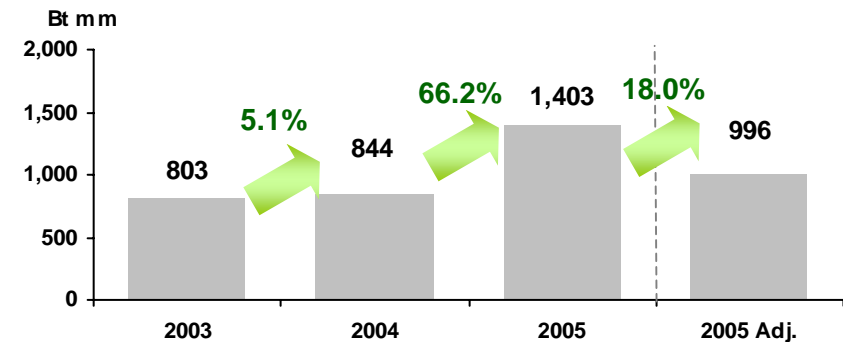
## Revenues



## Cost of Goods Sold



## Selling and Administration Expenses

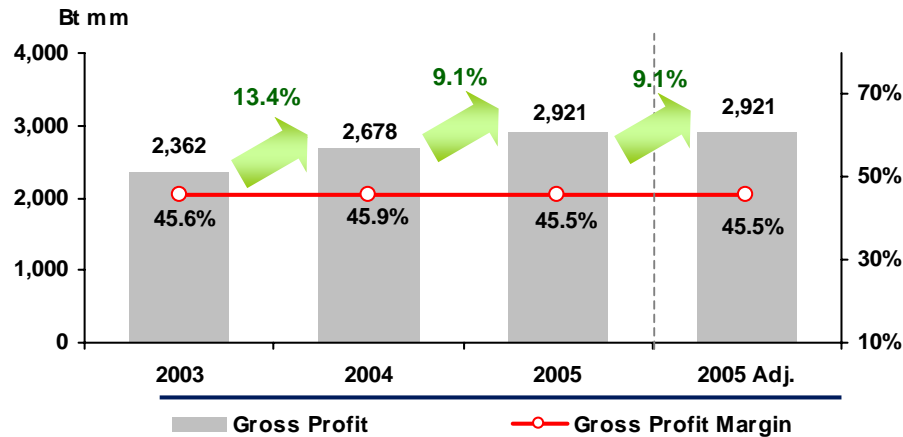


Note: Adjusted means excluding one time transaction such as gain from CPNRF and loss provision for land

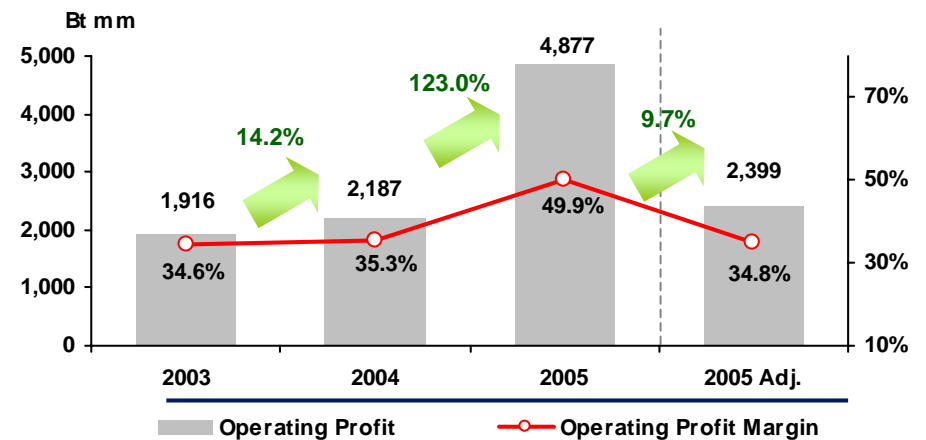


# Strong Growth in Earnings and Margins

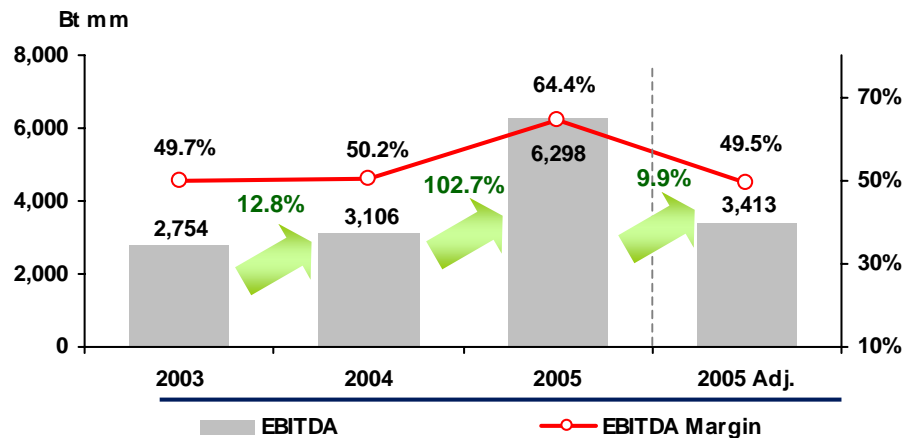
## Gross Profit



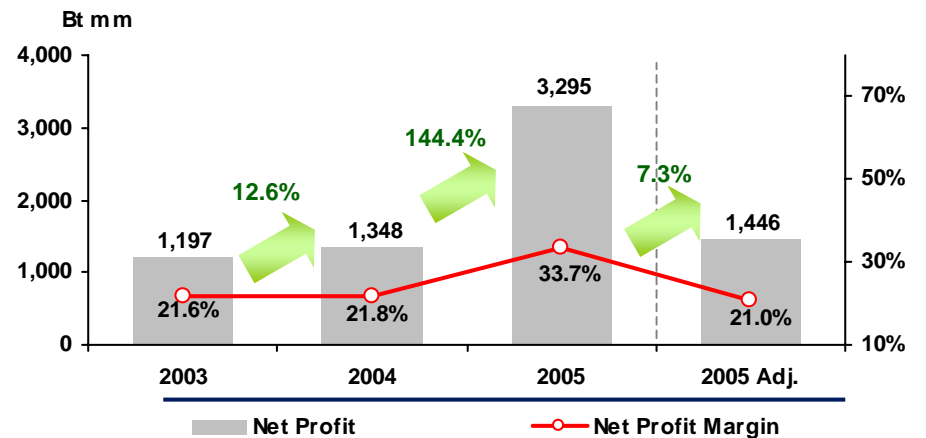
## Operating Profit



## EBITDA<sup>(1)</sup>



## Net Profit



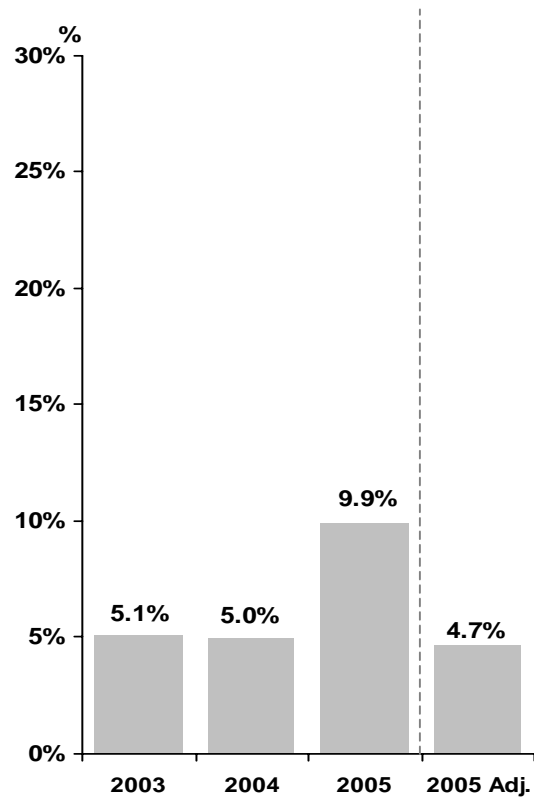
Note: Adjusted means excluding one time transaction such as gain from CPNRF and loss provision for land

Note1: Includes long term lease revenue which is non-cash item

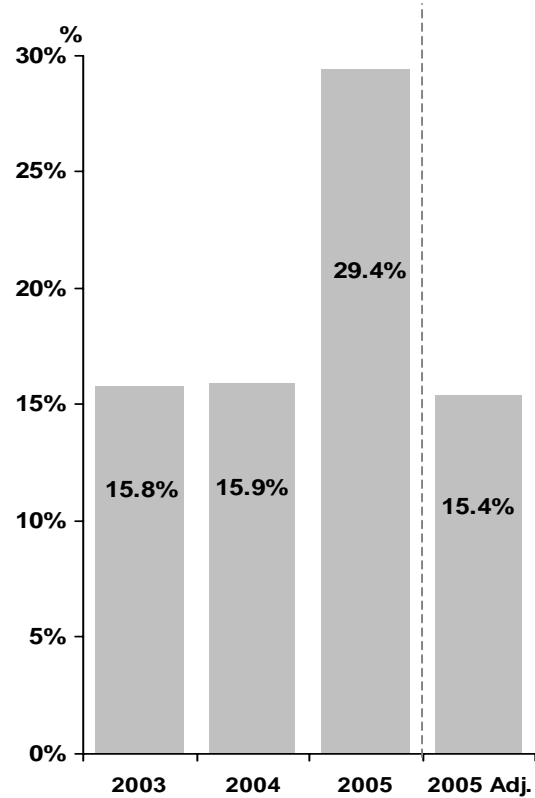


# Strong Returns

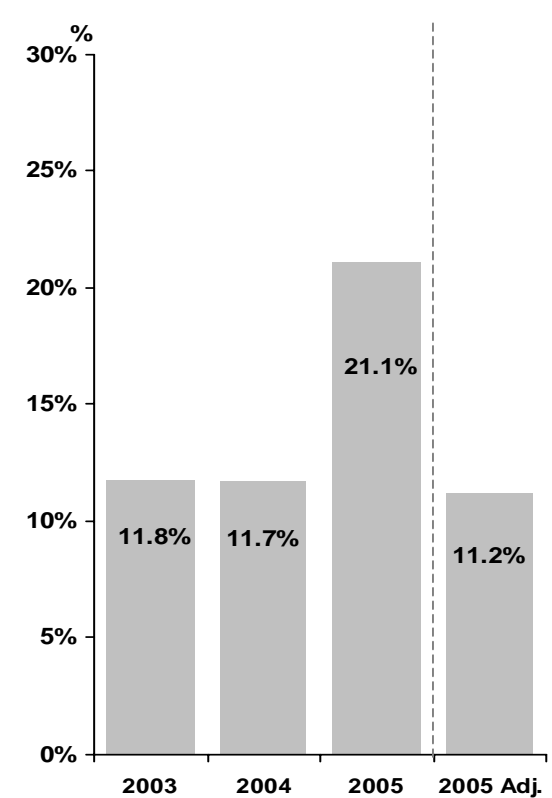
## ROA



## ROE



## ROCE

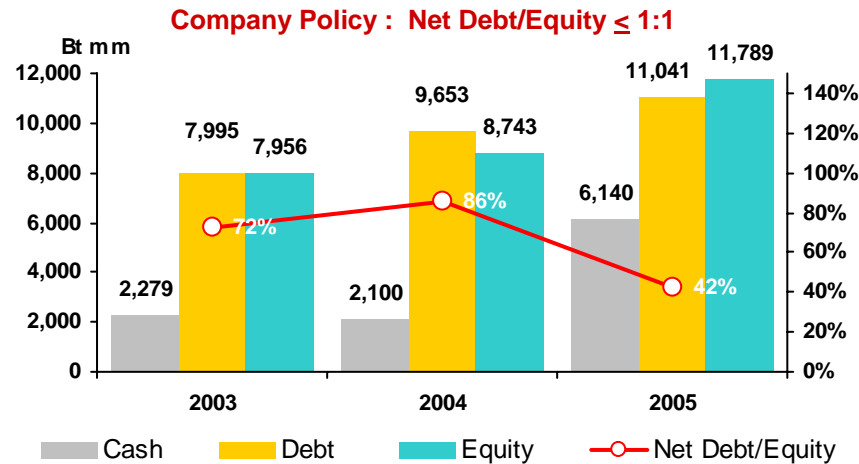


Note: Adjusted means excluding one time transaction such as gain from CPNRF and loss provision for land



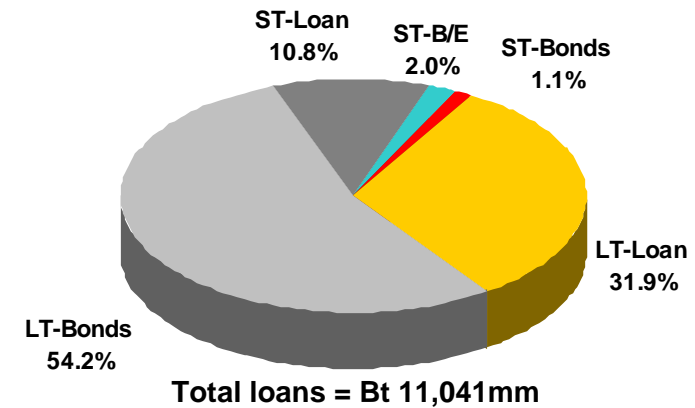
# Leverage Ratio

## Debt to Equity

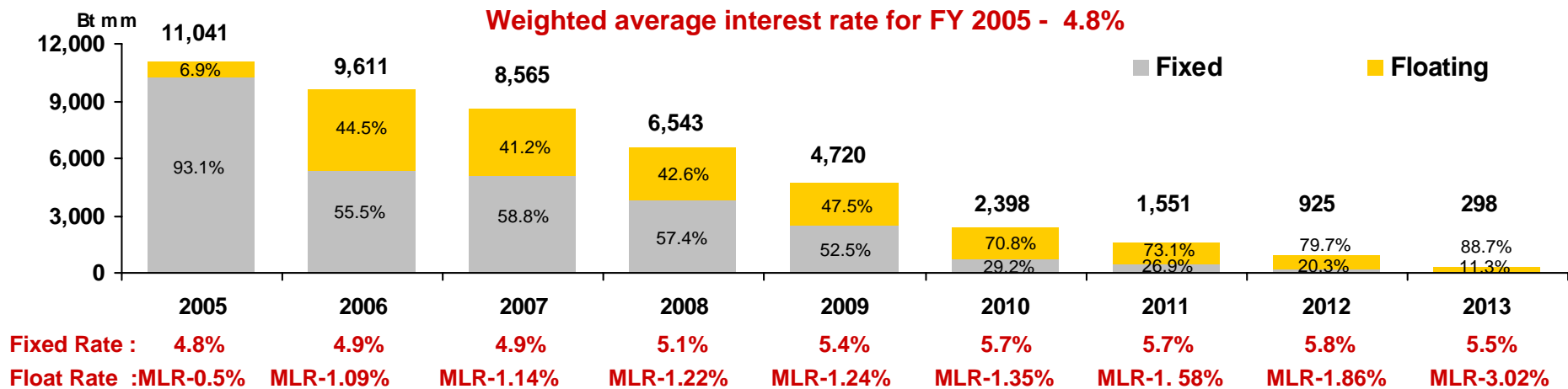


## Loan Details

TRIS Rating of "A" in February 2005



## Fixed Vs. Floating Mix





# Share Price & Dividend Payment



- Capital increase of Bt1,000 mil (100mil shares) by rights issue at par 10Baht/share in December 2002
- Par split from 10 baht/share to 5baht/share in January 2003
- Par split from 5 baht/share to 1baht/share in May 2004

## Share :

Par Value (Baht)	1.00
Stock Price (Baht) as of 06/03/2006	19.40
Earning Per Share (Baht)	1.51
P/E	12.83
P/BV	3.77
Market Cap (Million Baht)	42,269.03
Capital Shares (Shares)	2,178,816,000

## Dividend :

	2003	2004	2005
Par Value (Baht)	5.00	1.00	1.00
Dividend Per Share (Baht)	1.10	0.25	0.40*
Dividend Payout Ratio	40%	40%	26%**

**Note** : Dividend Policy is paid annually not less than 40% of net profit.

: Dividend Yield ~ 2.0% - 2.5% in last 3 years.

: \* Will be pass to approve in AGM on April 28, 2006.

: \*\* 40 % of profit excluded extra gain + 18 % of gain from setup CPNRF.



# **CPN Retail Growth Property Fund**





# Overview of CPNRF

<b>Name</b>	CPN Retail Growth Property Fund (“CPNRF”)
<b>Sponsor</b>	Central Pattana PCL
<b>Fund Manager</b>	TMB Asset Management Co. Ltd.
<b>Assets</b>	Central Plaza Rama 2, Central Plaza Rama 3
<b>Type</b>	Property Fund Type I
<b>Fund Size</b>	THB 10,915 mln
<b>Expected Yield Range</b>	7.3% in 2005 <sup>1</sup> ; 7.6% in 2006
<b>(Disc)/Premium to Valuation</b>	1.7% premium to average valuation
<b>Secondary Market</b>	Stock Exchange of Thailand (“SET”)

Investment Committee (IC)
<ul style="list-style-type: none"> <li>• 5 members <ul style="list-style-type: none"> <li>- 2 from TMBAM + 2 unitholders</li> <li>+ 1 independent</li> </ul> </li> <li>• TMBAM has final approval on composition</li> <li>• IC votes on asset acquisitions</li> <li>• Capital increase to be approved by 75% unitholders</li> </ul>

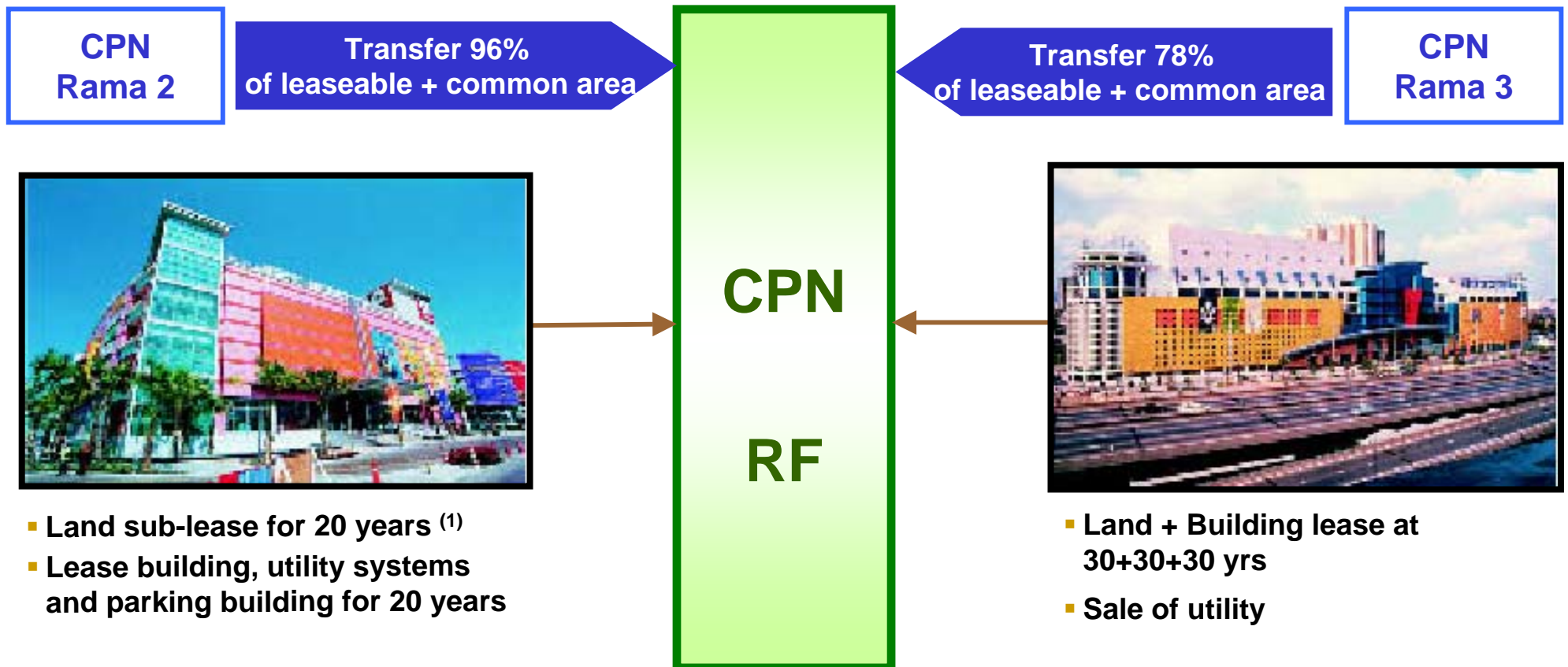






## Fund Structure - Rama 2 and 3

The buildings were engineering appraised by Meinhardt (Thailand) Co.,Ltd.



Note 1: With option to renew for at least 15 years more based on terms to be negotiated



## Two Best-in-Class

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### CPN

- Retail property investment and development and management company
- Higher potential for capital gain
- Proper for investor preferring higher return with higher risk
- Mixed-stage and multi property portfolio
- Growth potential from investment and development in new or immature properties

### CPNRF

- Property fund investing in developed retail properties
- Stable dividend income
- Good investment alternative for investors looking to diversify and balance risk
- Lower correlation of its value to equity capital market trend and that of other financial assets
- Developed/mature stage retail property portfolio
- Growth potential from assets acquired from CPN and other parties



# Benefit to CPN

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## **1 ■ Perfect Funding Source**

- Free up capital for business expansion
- Unlock value of assets – gain from asset disposal at market value
- Lower leverage / Interest expenses / Cost of capital
- Avoid dilution from a capital increase

## **2 ■ Broaden Investor Base & International Recognition**

- Broaden investor base by creating new yield focused product with capital appreciation potential
- Bypass internal growth constraints via external growth
- Vehicle for future divestment of assets and monetize assets



## **Benefit to CPN**

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### **3 ■ Create Fee-Based Income Stream**

- **Create new business model**
  - Development profit as a property developer
  - Stable fee-based income as professional property manager

### **4 ■ Improving in Financial Position**

- **Tax Benefits**
  - Exemptions of corporate income tax
  - As listed company, CPN's dividend income received from CPNRF is tax-exempt
- **Lower interest expenses**
- **Capital redeployment into businesses with higher returns**



# Development Plan

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## Central Rama 2

- Install Video Wall to increase advertising revenue (cost ~ 0.47 million Baht)
- Install CCTV for internal security (cost~ 3.7 million Baht)
- Additional Development Plan (to be approved by IC in 2006)
  - Consider to convert landscape to be additional retail space in 2006 (cost ~ 15 million Baht)
  - Renovate existing Z40 area to be outlet mall (cost ~ 3.7 million Baht)

## Central Rama 3

- Relocate escalator between 6<sup>th</sup> and 7<sup>th</sup> floor and relocate food court to be CPNRF tenant (approx. 1,300 sq.m.) to achieve (cost ~ 10.5 million Baht, payable 3.5 m in 2005 and 7m in 2006)
- Build new entrance bridge due to Bangkok Project (Satupradit Flyover) in front of the mall and relocate existing bridge to improve mall entrance traffic flow (cost ~ 4.8 million Baht)



# CPNRF Performance & Trading History

## CPNRF Operating Performance (as of December 31, 2005)

THB mm	Dec 31, 2005	% of Total Income
	11 Aug '05 – 31 Dec '05	
<b>Investment Income</b>		
Rental & service income	428,048,317	98%
Interest income	8,306,597	2%
<b>Total Investment Income</b>	<b>436,354,583</b>	<b>100%</b>
<b>Investment expenses</b>		
Property related expenses	110,528,839	25%
Mgmt fee and other mgmt expenses	8,375,296	2%
Amortization of deferred expenses	19,027,746	4%
<b>Total investment Expenses</b>	<b>137,931,881</b>	<b>32%</b>
<b>Net Investment Income</b>	<b>298,423,033</b>	<b>68%</b>

**“CPNRF announced a dividend of Bt 0.2908 for 2005 operating result equivalent to annualized yield of 7.5% <sup>(1)</sup>**

## CPNRF Trading History

	Reviewed 31, Aug '05	Reviewed 30 Sept, '05	Reviewed 31 Dec, '05
Closing Price	11.00	11.50	10.60
Average Volume (million unit)	274.00	64.70	21.78
Average Value (Baht million)	3,014	744	231
Net Asset Value (Baht million)	10,950	11,024	11,167
NAV/Unit	10.0300	10.0997	10.2313
<b>Trading Premium</b>	<b>9.67%</b>	<b>13.86%</b>	<b>3.60%</b>

Note1: Total fund size is Bt10,915 mil (1,091.5 million units)



## Appendix







# Net Borrowings: December 31, 2005

TRIS Rating Co., Ltd. has upgraded the Company's senior debentures rating from A- positive to "A" in February 2005.

Baht Loan	MB	Terms
Bill of Exchange & Promissory Note	569	2.75% - 3.75%
Unsecured Bond (Jun'01)	125	5 years, 6.125%
Unsecured Bond (Mar'04)	1,000	5 years, 4.2%
Unsecured Bond (Mar' 04)	1,500	6.8 years, 5.24%
Unsecured Bond (Apr' 05)	500	2 years, 3.9%
Unsecured Bond (Apr' 05)	500	2 years, 3.8%
Property Fund Pinklao (Dec'02)	907	10 years, 5.25%, (amortising)
Property Fund Pinklao (Dec'02)	303	10 years, 7% (amortising)
Property Fund Centralworld (Jun'03)	2,282	10 years, 4.5%, MLR - 1.25% (amortising)
Property Fund Centralworld (Jun'03)	1,522	10 years, 5.5% (amortising)
Property Fund Bangna (Mar'03)	1,018	15 years, 4.75%, MLR-1.25% (amortising)
Property Fund Bangna (Mar'03)	265	15 years, 6% (amortising)
Project Finance - Chiangmai 2B(Dec'02)	550	7 years, MLR – 0.5% (amortising)
Total(Long Term Borrowings & Current Portion)	11,041	
<u>Less</u> Cash	<u>(6,140)</u>	
Net	<u>4,901</u>	