



Central Pattana Public Company Limited

1Q 2013 Earnings Result Briefing:
CPN – Central Pattana Plc.
CPNRF – CPN Retail Growth Leasehold Property Fund
CPNCG – CPN Commercial Growth Leasehold Property Fund

Earnings Result Briefing Script

Event Date/Time: 22nd May 2013 / 10:45 AM - 12:15 PM

Venue: The Stock Exchange of Thailand, Bangkok

- The information contained in this presentation is for information purposes only and does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for share in Central Pattana Public Company Limited (“CPN” and shares in CPN, “shares”) in any jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever.
- This presentation may include information which is forward-looking in nature. Forward-looking information involve known and unknown risks, uncertainties and other factors which may impact on the actual outcomes, including economic conditions in the markets in which CPN operates and general achievement of CPN business forecasts, which will cause the actual results, performance or achievements of CPN to differ, perhaps materially, from the results, performance or achievements expressed or implied in this presentation.
- This presentation has been prepared by the CPN. The information in this presentation has not been independently verified. No representation, warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. None of the CPN or any of its agents or advisers, or any of their respective affiliates, advisers or representatives, shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.
- This presentation is made, furnished and distributed for information purposes only. No part of this presentation shall be relied upon directly or indirectly for any investment decision-making or for any other purposes.
- This presentation and all other information, materials or documents provided in connection therewith, shall not, either in whole or in part, be reproduced, redistributed or made available to any other person, save in strict compliance with all applicable laws.

CPN, CPNRF, and CPNCG - 1Q2013 Results

Earnings Result Briefing Script 2/14

CORPORATE PARTICIPANTS

CPN – Central Pattana Plc.

Napat Sriwanvit

Central Pattana (“CPN”) – Executive Vice President, Finance and Information Technology Departments

CPNRF – CPN Retail Growth Leasehold Property Fund and

CPNCG – CPN Commercial Growth Leasehold Property Fund

Tipaphan Puttarawigorm

SCB Asset Management (“SCBAM”) – Vice President Property and Infrastructure Fund Group

As a representative of CPNRF and CPNCG’s Fund Manager

Visit Udomkitchote

Central Pattana (“CPN”) – Acting Vice President CentralWorld

As a representative of CPNRF and CPNCG’s Property Manager

Good morning investors, analysts, media and honorable guests. Welcome to the first quarter 2013 earnings result briefing of Central Pattana Plc. (CPN), CPN Retail Growth Leasehold Property Fund (CPNRF) and CPN Commercial Growth Leasehold Property Fund (CPNCG).

Please let me introduce our executives who will give a presentation today. First, Khun Naparat Sriwanvit, Executive Vice President, Finance and Information Technology Departments. Next, Khun Tipaphan Puttarawigorm, Vice President Property and Infrastructure Fund Group, SCBAM as CPNRF and CPNCG Fund Manager. Khun Visit Udomkitchote, Acting Vice President CentralWorld, CPN as Property Manager of CPNRF and CPNCG.

Today we will start with presentation from CPNRF, CPNCG, and CPN, and then follow by a Q&A session.

Please welcome Khun Visit.

Good morning. Let's start with CPNRF's performance.

CPNRF Presentation

Slide 5: Leasable Area and Occupancy

First let's look at leasable area.

As of March 31, 2013, CentralPlaza Rama 2's total gross area was 251,182 sq.m. Total leasable area was 93,259 sq.m. with 322 tenants. CentralPlaza Rama 3 had total gross area of 169,740 sq.m., leasable area of 39,671 sq.m. and 236 tenants. CentralPlaza Pinklao shopping center comprised leasable area of 24,750 sq.m. with 118 tenants. Pinklao Office Tower had leasable area of 33,760 sq.m. with 97 tenants.

Total leasable area under CPNRF, including shopping malls and office tower, was 191,440 sq.m. with 773 tenants, resulting in occupancy rate of 97.9%.

Slide 6: New and Renewed Lease Profile

Let's move on to the renewed lease. Total of 76 leases were renewed in the first quarter comprising CentralPlaza Rama 2 of 51 leases, CentralPlaza Rama 3 of 14 leases, CentralPlaza Pinklao of 5 leases, and Pinklao Office Tower of 6 leases. Total renewal lease occupied total area of 6,289 sq.m. These renewed leases had allowed the rental rate to go up by 7.8%.

Slide 7: Lease Expiry Profile

As for our expiry profile, expiring leases for 2013 are as follows: CentralPlaza Rama 2 of 17%, CentralPlaza Rama 3 of 20%, CentralPlaza Pinklao of 18%, Pinklao Office Tower of 28%. Looking forward to 2014 and 2015, major upcoming expiry is at CentralPlaza Pinklao and Pinklao Office Tower due to the expiry of both short-term and long-term contracts during that period.

Slide 8: Rental Structure Profile

Looking at the proportion of fixed rent and consignment at our shopping malls, CentralPlaza Rama 2, fixed rent was accounted for 55% of total leasable area and consignment was accounted for 45%.

CentralPlaza Rama 3 consisted of 73% of fixed rent and 27% of consignment. Pinklao's fixed rent was 89% while consignment was 11%. Our leases at Pinklao Office Tower were 100% fixed rent, no consignment.

Slide 10: Income Breakdown

Next part will be the CPNRF financial performance as at the end of the first quarter of 2013.

According to the slide, we can see that, in the first quarter, our total revenue stood at Baht 657 million, an increase of 7% YoY due to an increase in rental rate.

CentralPlaza Rama 2 generated Baht 270 million or 42% of total revenue, representing a growth of 7% of its total revenue. CentralPlaza Pinklao, together with, Pinklao Office Tower generated Baht 232 million or 34% of CPNRF's total revenue, representing a growth of 11%. CentralPlaza Rama 3 generated Baht 150 million, a slightly decrease in its total revenue growth.

In conclusion, CPNRF's total revenue, including all three shopping malls and Office Tower, grew 7% YoY.

Slide 11: Profit & Loss

In 1Q13, CPNRF's net property income, after expenses and property management fees, was recorded at Baht 531 million, an increase of 7% YoY. Net investment income was Baht 525 million, and increase of 7% YoY. This quarter, we had net unrealized loss of around Baht 360 million, as a result of an incomplete agreement with an anchor tenant at CentralPlaza Rama 2. Therefore, revenue from this tenant was not included in the asset revaluation in March of this year. However, the renewal was completed. We expected to see a gain in the next quarter. This resulted in a net asset increase of Baht 156 million, yet, a decreased of 70% YoY.

Slide 12: Balance sheet

Most items were unchanged. Investments in properties, the only item related to the asset revaluation mentioned earlier, was dropped to Baht 17,541 million, a decrease of 2% QoQ.

As a result, retained earnings dropped 17% from Baht 1,853 million to Baht 1,538 million.

Net asset values dropped 2% to Baht 10.5733 per unit.

Slide 13: Distribution Summary

In February 2013, CPNRF has announced a distribution of 0.2949 baht per unit, an increase of 2% QoQ and 8% YoY. This considered a payout ratio of 92%. XD was on May 3, 2013 and payment date is on May 22, 2013.

CPNCG Presentation

Slide 5: Leasable Area and Occupancy

CPNCG invested in part of the Offices at CentralWorld.

As of March 31, 2013, its total gross area was 121,989 sq.m. Leasable area was 80,646 sq.m. with 616 tenants, resulting in occupancy rate of 98.8%.

Slide 6: Lease expiry profile

Number of leases that will be expired and renewed in 2013 is 43%, as same as in 2014, while 12% and 1% of leases will be expired in 2015 and 2016, respectively.

Slide 7: High Quality Tenant

CPNCG's anchor tenants profile in the first quarter of 2013 was similar to that of the previous quarter, joining by Nestle, the largest tenants, Central Pattana, Central Trading, KimEng, AGODA, Ogilvy, Surv Corp, and Philip Morris.

Anchor tenants were accounted for 60% of total leasable area.

Slide 9: Profit & Loss

CPNCG reported a net income from property of Baht 94 million, an increase of 4% QoQ. Net investment income was Baht 90 million, a decrease of 1% QoQ, due to an increase in interest expenses of Baht 5 million from the reimbursement for phase 2 investment. In addition, the asset revaluation in 1Q13 allowed CPNCG to gain Baht 281 million, resulting in a net increase in the net assets of Baht 370 million or 308%.

Slide 10: Balance Sheet

Investment in properties at fair value was Baht 5,041 million, an increase of 6% QoQ, resulting in Baht 377 million increases in retained earnings. Consequently, net asset values increased to Baht 4,771 million. Net asset value per unit was recorded at 11.1845 Baht, an increase of 6% QoQ.

Slide 11: Distribution

CPNCG has announced a distribution of 0.1941 Baht per unit in February which will be paid on May 22, 2013. This was a 2% decrease QoQ, resulting from an increase in the interest payment mentioned earlier.

This considered a distribution payout of 92.5% of the net investment income.

According to the previous dividend payout and lease renewal, we believe, in the upcoming period, CPNCG will be able to generate the same amount of net investment income as we have announced in the prospectus.

CPN Presentation

Slide 4: 1Q13 Overview

CPN has launched a new shopping mall, CentralPlaza Ubonratchathani, on April 5, 2013. This was well accepted by the customers. Occupancy rate on the opening date was considerably high at 91%. We expected the occupancy rate to reach 95% once the decorating space is completed and commercialized in the second quarter.

Our same store effective rental rate has increased 7% YoY. This is in line with our plan.

Let's look at some financial highlights. Our revenue grew 25% YoY due to additional revenue generated from the new shopping malls launched last year, including CentralPlaza Suratthani, CentralPlaza Lampang and the expansion of CentralPlaza Udonthani. In addition, rental rate at our existing malls has increased continuously.

As a result, operating profit and net profit has increased significantly. Growth in such profit was higher than growth in revenue due to a better management in our costs and expenses.

Comparing on the same store basis, our revenue grew 13% YoY.

Net interest bearing debt to equity ratio has dropped from the previous quarter to 0.78 time which was in coherence with CPN's policy to keep it under 1 time.

In respect to projects under construction, CentralFestival Chiangmai and CentralFestival Hatyai are scheduled to launch in November and December of this year, respectively. CentralFestival Samui and CentralPlaza Salaya, newly announced projects, will be ready in 1Q14 and 3Q14. Another project, CentralWestGate, is under construction and targeted to open in 2Q15. On May 13, 2013, CPN has publicly announced that it had signed a letter agreement with I-Berhad. This is a continuous step since our initial MOU and will lead to a signing on JV agreement next month.

Slide 7: Leasable Area and Occupancy – Bangkok Retail

As far as operating performance, our rental rate still grows steadily. Our 10 shopping malls in Bangkok and its vicinities had an average occupancy rate of 96%. This was pretty much the same as the previous quarter. Most of our malls showed occupancy rate of 98%, 99% or even 100%. Only few of those revealed lower than average occupancy rate during shop rearrangement and renovation.

At CentralPlaza Rama 3, bowling area was switched to educational institutes, causing a temporary drop in occupancy rate. This area belongs to CPN, not CPNRF. The switching is scheduled to complete in 3Q13. The occupancy rate should return to the normal level at over 95% after all.

Regarding CentralPlaza Bangna, our renovation is on-going. Some area was completed since last year. Its occupancy rate in the first quarter stood at 90%. Full renovation is scheduled to complete early next year. This event will not significantly impact its revenue as the renovation is a phase by phase renovation.

Occupancy rate at CentralWorld hasn't reach 98% - 99% due to an on-going renovation in certain areas; a non-commercialized area of more than 4,000 sq.m. on the first floor and the area previously owned by Centerpoint. These areas are scheduled to reopen in 3Q13 and 4Q13, respectively.

Another project under tenant-mixed change is CentralPlaza Chaengwattana. Recently, Uniqlo has decided to join us at Chaengwattana. Uniqlo's revenue was quite impressive during the first quarter with higher than minimum guarantee or even higher than what they had expected. It was very popular among customers.

Slide 8: Leasable Area and Occupancy – Provincial Retail

CPN owns 10 shopping malls in the provincial area. The newest ones are CentralPlaza Suratthani and CentralPlaza Lampang with occupancy rate of 96% and 98%, respectively.

Average occupancy rate at provincial malls was quite steady at 97%.

CentralPlaza Udonthani could also maintain high occupancy rate at 99% after the complete of renovation and expansion in March last year.

The overall performance of shopping malls in the provincial area was satisfactory and achieved our target.

Slide 9: Leasable Area and Occupancy - Office

As we have divested a part of CentralWorld's assets to CPNCG, only around 2,000 sq.m. remained with CPN. As of 1Q13, average occupancy rate of our office was still high at 93%. Occupancy rate at CentralPlaza Grand Rama 9 Office was steady at 95%, while the rate at CentralPlaza Chaengwattana Office increased to 87%. It is expected that, by the end of this month, its occupancy rate should be over 90% due to a new coming tenant.

Slide 10: Leasable Area and Occupancy - Hotel

Occupancy rate at both of our hotels, Centara Udonthani and Hilton Pattaya, rose significantly to 81% and 88%. Both hotels have shown a better than expected performance in the first quarter, in term of occupancy rate and revenue per available room (RevPar). As a result, top line and bottom line of our hotel business increased dramatically in 1Q13 compared to last year.

Slide 11: Rental Contract Type

More than 70% of our tenants are on a 3-year monthly basis collection. Long-term lease has dropped slightly around 1% QoQ. Looking forward, CPN tends to move towards a short-term contract. 100% of contracts in our new shopping malls are short-term contracts with the period up to 3 years. Long-term lease will be gradually decreased from time to time from now on. Once the long-term leases have expired, they will be renewed as short-term contracts. This will be an upside for CPN in the future.

Slide 12: Effective Rental Rate

Regarding the effective rental rate, in 1Q13, our same store rental rate grew 7% YoY. Meanwhile, rental rate at our new malls grew by 9%. Current rental rate is around Baht 1,500 per sq.m. per month.

Slide 13: Expiration of Long-Term Lease Contracts

Leases expiration details were shown on the table. There was no change from the last quarter.

Slide 15: CentralPlaza Ubonratchathani

CentralPlaza Ubonratchathani was launched on April 5, 2013 with an investment cost of Baht 1,800 million. This project covers net leasable area of 25,600 sq.m., excluding Robinson Department Store. Current leasing progress is 99%. Occupancy rate on the opening date was 91%. The remaining 8% is under decoration and will be open in the second quarter.

Slide 17: Secured Future Location

Currently, total of five projects are under construction, of which two projects will be launched this year.

Slide 18: CentralFestival Chiangmai

CentralFestival Chiangmai will be launched in November this year. Current leasing progress is at 75%. We are expected to see an occupancy rate of not less than 90% on the opening date. Net leasable area is around 54,000 sq.m., similarly to the net leasable area of a major mall in Bangkok. This mall will be in Central Festival format. Central Department Store will be added to this project.

Slide 19: CentralFestival Hatyai

CentralFestival Hatyai. Current leasing progress is at 70%. Remaining leasable area is under negotiation. Central Department store will be our joint developer for this mall. Due to a higher demand, this mall will be larger than CentralFestival Chiangmai. Its net leasable area is 67,000 sq.m.

Slide 20: CentralFestival Samui

The newly announced mall, CentralFestival Samui, is not a large mall. Its net leasable area is around 20,000 sqm. with an investment cost of Baht 1,400 million. Central Department Store is our joint developer for this project as well. The leasing progress is at 23%, not that high, since we have just kicked off. We've started negotiating with potential tenants, thus we hope to see some leasing improvement in the next quarter.

Slide 21: CentralPlaza Salaya

CentralPlaza Salaya has not been kicked off yet. Total investment cost is around Baht 2,500 million. Net leasable area is around 34,000 sq.m. Central Department Store is the joint developer in this project.

Slide 22: CentralWestGate

CentralWestGate's investment cost is Baht 6,400 million, including land lease. Net leasable area is 75,000 sq.m. It is scheduled to launch in 2Q15. Central Department Store will be the joint developer.

Slide 23: Projects Under Study in South East Asia

Besides project in Malaysia, we're also studying other areas in South East Asia focusing on Malaysia, Indonesia, and Vietnam. There is no contract agreement made at this time besides the one that we have already announced. Regarding investment abroad, we will keep our concept of JV with the landlord or the property developer. Our focus is mainly on retail property like shopping mall. In addition, we will request to be a property manager of the project that we invest in.

Slide 25: Financial Summary

Let's look at financial performance. In 1Q13, our top line and bottom line continued to grow. Top line grew at 25%; same store revenue increased by 13% and new malls contributed a growth of 12%. An increase of 13% in same store revenue was due to an increase in rental rate, especially a higher rate from the renovated area, and a decrease in discount. Revenue in common area also grew as a result of more promotional events.

Operating profit grew 44%. Net profit grew 56%.

As a result, in 1Q13, gross profit margin and EBITDA margin grew 52% YoY and 55% YoY, respectively. This is obviously an upward trend since the crisis in 2009.

Slide 26: Revenue Breakdown

Retail business or shopping malls represented the biggest share of revenue of 83%. Office business, the remaining five buildings, contributed only 2% as CPN has divested portion of CentralWorld assets to CPNCG. Food & Beverage and Hotel businesses each added 4% to CPN's revenue, similar to the previous period.

In respect to growth, every segment has posted significant growth, retail business of 25% and hotel business at 40% due to an increase in both RevPar and occupancy rate. Growth from F&B business, at existing malls and new malls, was very promising, especially at CentralFestival Pattaya Beach which has grown tremendously for two consecutive years.

Slide 27: Costs Breakdown

Overall, cost grew at 14%, mainly from launching of new malls. However, growth in our cost was lower than growth in our revenue, resulting in higher gross margin. Cost of hotel business was also grew, but at a lower rate than its revenue growth, allowing its gross margin to improve as well.

Slide 28: SG&A Expenses Breakdown

A rise of SG&A expenses were mainly due to the newly opened malls and additional people cost for business expansion both in domestic and international markets. Major SG&A expenses were personnel expenses and advertising promotion accounted for almost 70%.

However, advertising and marketing expense was less than last year and it was considered under budget.

Slide 29: Debt Analysis

More than 70% of outstanding borrowing was long-term debt, mainly from banks and debentures. More than 80% was fixed interest debt. Weighted average interest rate was steady around 4.3% - 4.4% which was in coherence with our policy to keep the interest rate steady to match our long term returns. Nonetheless, in any circumstance that there is a good deal on interest rate, we might increase our portion of floating debt.

Slide 30: Capital Structure

Net debt to equity ratio dropped from 0.82 to 0.78 due to a better profit which also drove equity value up. Our covenant was at 1.75 times which was higher than our policy to keep it at 1 time.

Slide 31: Share Price Performance and Dividend

As approved by the shareholders, the average dividend payout for 2012 was 33%, or about Baht 2,000 million, comprised 40% from normal net profit and 17% from profit resulting from the transfer of The Offices at CentralWorld's assets to CPNCG.

Q&A

Question: What is CPN future CAPEX plan?

Answer: According to what we have announced, we have set aside a budget in amount of Baht 11 billion – 13 billion for our future investment.

Question: Does the area occupied by Central Department Store belong to CPN?

Answer: Regarding our joint development policy, Central Department Store owns and develops department store independently from CPN. Therefore, they don't have to pay rent. The net leasable area shown on the presentation is the area which belongs to CPN.

Question: Why did CPN choose to transfer CentralPlaza Rama2, CentralPlaza Rama 3 and CentralPlaza Pinklao to CPNRF?

Answer: We chose the malls with steady income and steady growth, in term of rental income and profit, as well as high occupancy rate. Fund manager would also consider taking the assets into the property funds.

Question: Does CPN have a plan to transfer CentralPlaza Chiangmai Airport and CentralPlaza Ramindra to CPNRF and when?

Answer: This initiative is currently under study; however, it is expected to be done sometime this year.

Question: In case the transfer is to proceed, how will CPNRF raise fund for this activity, from public in general or only from the existing shareholders?

Answer: The fund raising is under study and expected to propose to the fund committee probably in next month. The detail of the fund allocation will be announced later.

Question: According to expiry profile of CPNRF presented in the presentation, the rental agreement of less than 1 year was not included. Why was it excluded?

Answer: Rental agreement of less than 1 year normally is for tenants in “cart” format. Since cart is easy to move around, we might move them from time to time depending on our zoning plan. Therefore, if we include revenue from this type of contract; total revenue might be varied from quarter to quarter.

Question: In that case, is it possible to show revenue from this type of contract separately from total revenue.

Answer: We will take a look and try to come up with a new presentation format to include such revenue.

Question: Does the construction area of CentralWorld next to BTS belong to CPN?

Answer: Yes. This is an expansion project of CentralWorld which belongs to CPN.

Question: What is the fund raising of Baht 6,000 million for?

Answer: It is for CPN expansion, especially for domestic projects.

Question: Was the renovation cost included in the CPNRF financial statement?

Answer: The renovation cost was presented under net realized gain/(loss) from asset revaluation. If there was a renovation during the quarter, we would normally record such cost as net realized loss. At the end of the year once we had our asset revaluated, gain or loss from the revaluation will be added to the net realized loss recorded earlier. This amount was also reflected in our NAV as well.

Question: Has the rental rate of properties under CPNCG been adjusted since the establishment of the fund?

Answer: Since CPNCG has just been established, its rental rate has not been adjusted in 1Q13. Nevertheless, according to the lease expiry profile of 43% of renewed leases at the end of 2013, we believe we can raise the rental rate up at least 5%.

Question: In 1Q13, CPNCG reported an interest expense in an amount of Baht 4.6 million. What will be the interest expense for the full year?

Answer: At the interest rate of MLR -2, interest expense for the full year should be around Baht 15 million.

Question: Regarding hotel business, does it belong to CENTEL or CPN?

Answer: CPN solely owns both hotels, but outsources their management. Centara Udonthani is managed by Centara and Hilton Pattaya is managed by Hilton International.

Question: Normally CPN will open 3 new malls per year. So far, it has announced only two projects for 2014 in Samui and Salaya, where will be the location for the third mall?

Answer: That will be announced later on.

Question: What is the CPN's growth compared to Robinson's? It seemed that Robinson has grown faster?

Answer: We grow together. Normally, Robinson will join our malls in the provincial area.

Thank you for your interest in our 1st quarter of 2013 result briefing. For more information on CPN, CPNRF and CPNCG, please visit our websites at www.cpn.co.th, www.cpnrf.com, and www.cpnCG.com.