



## CPN Retail Growth Leasehold property Fund

### 1Q 2013 Earnings Result Briefing: CPNRF – CPN Retail 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

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**CPNRF - 1Q2013 Results**

**Earnings Result Briefing Script 2/4**

**CORPORATE PARTICIPANTS**

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As a representative of CPNRF and CPNCG’s Fund Manager

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As a representative of CPNRF and CPNCG’s Property Manager

## **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.