

2Q 2006 Investor Newsletter

1 August 2006

Prepared by Central Pattana Public Company Limited, CPNRF Property Manager



Central Plaza Rama II



Central Plaza
Ratchada-Rama III

2Q06 distributable income up 9% QoQ, with DPU of Bt 0.2058 (Based on 95% payout, however subject to Investment Committee (IC) approval). CPNRF reported 2Q06 distribution income of 224.6 MB, representing an increase of 9% QoQ, due to increases in total income of 5% and decreases in total expenses of 7%.

Total income up 5% QoQ. Total income for 2Q06 stood at 301.5 MB, up 5% QoQ. Increases in total revenue were attributed to increases in rental & service and interest incomes of 2% and 192% QoQ, respectively.

FY06 distribution income outlook maintained. 1H06 distribution income of 430.5 MB represents 52% of that of 2006 projection, 824.8 MB, shown in CPNRF prospectus. Positive outlook is maintained for 2H06 given the recent achieved rate escalation in new contracts and renewals.

NAV up 1.4% from IPO. Net assets value (NAV) of Bt 11,071.5 mil was reported as at 30 June 06, representing an increase of 1.4% from that as at IPO. With adjustment for dividend payments, NAV would have increased 6.2% from that as at IPO.



Fund Manager



Property Manager

Share Info: as of 28 July 06

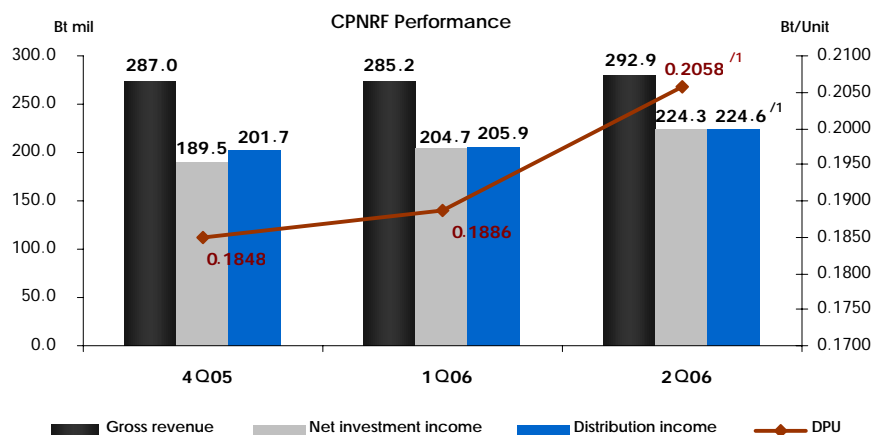
Unit Price (Bt)	10.1
Shares Outstanding (mil)	1,091.5
Market Capital (Bt mil)	11,024.2
NAV (Bt mil)	11,071.5
Premium(Disc)	(0.4)%
Dividend Yield ¹	7.8 %

Note 1: 2006 annualized dividend yield based on 0.1886 (Q1 actual) + 0.2058 (Q2 estimated payout of 95%, however subject to IC approval)

Request for additional Information should be directed to :

Jolika Savanananda
Fund Manager
Jolika@tmbam.com
(66) 2636-1800

Napat Sriwanit
Property Manager
Sapat@centralplaza.co.th
(66) 2264-5555



Note: ¹ Based on 95% payout, however subject to Investment Committee (IC) approval.
Source: CPN

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Financial Summary:

I. Distribution Statement

Distribution Statement	4Q05 (Bt mil)	1Q06 (Bt mil)	2Q06 (Bt mil)	qoq % change	1H06 (Bt mil)	Projection 06 ¹ (Bt mil)	% Actual to projection
Property income	287.0	285.2	292.9	2.71%	578.1	1,191.5	48.52%
Rental and service income	274.8	273.4	280.0	2.38%	553.4		
Other income	12.2	11.8	13.0	10.15%	24.7		
Interest income	4.4	2.9	8.6	192.23%	11.5	10.6	108.57%
Total income	291.3	288.1	301.5	4.63%	589.6	1,202.1	49.05%
Property expenses:	84.2	66.3	59.6	(10.16%)	125.9	311.1	40.47%
Cost of rental and service	16.6	12.1	13.1	8.25%	25.3		
Property management fee	45.9	36.3	35.0	(3.52%)	71.4		
SG&A expenses	21.7	17.8	11.3	(36.35%)	29.2		
Other expenses	0.0	0.0	0.1	41.46%	0.1		
Other management fees and expenses	5.4	5.1	5.5	7.12%	10.6	22.8	46.60%
Amortization of deferred expenses	12.2	12.0	12.1	1.10%	24.1	48.2	49.97%
Total expenses	101.8	83.4	77.2	(7.48%)	160.6	382.1	42.03%
Net investment income	189.5	204.7	224.3	9.57%	429.0	820.0	52.32%
Unrealized gains(losses) from changes in investment value	(46.2)	(1.2)	(0.3)	77.37%	(1.4)	0.0	n/a
Net increase in net assets from operation	143.3	203.5	224.0	10.08%	427.6	820.0	52.14%
Distribution income	201.7	205.9	224.6 ^{/2}	9.10%	430.5	824.8	52.19%
Distribution income per unit (in Baht)	0.1848	0.1886	0.2058^{/2}	9.10%	0.3944	0.7556	52.19%

Note: ^{/1} Based on the forecast shown in CPNRF prospectus.

Note: ^{/2} Based on 95% payout, however subject to IC approval.

Source: CPN. Based on unaudited financial statements.

II. Balance Sheet

Balance Sheet	4Q05 (Bt mil)	1Q06 (Bt mil)	2Q06 (Bt mil)	qoq % change
Investments at fair value	11,067.0	10,707.0	11,207.0	4.67%
Central Rama 2	5,958.0	5,958.0	5,958.0	0.00%
Central Rama 3	4,749.0	4,749.0	4,749.0	0.00%
Promissary notes	360.0	0.0	500.0	n/a
Cash on hand and at banks	419.1	653.4	160.0	(75.51%)
Other assets	176.9	172.4	170.6	(1.06%)
Total assets	11,663.0	11,532.8	11,537.7	0.04%
Deposits received from customers	400.0	406.8	406.5	(0.07%)
Other liabilities	95.8	72.7	59.6	(18.02%)
Total liabilities	495.8	479.5	466.1	(2.79%)
Net assets	11,167.2	11,053.3	11,071.5	0.16%
Capital received from unitholders	10,915.0	10,915.0	10,915.0	0.00%
Retained earnings	252.2	138.3	156.5	13.15%
NAV per unit (in Baht)	10.2311	10.1267	10.1434	0.16%

Source: CPN. Based on unaudited financial statements.

III. Profitability Ratios

Key Ratios	4Q05 %	1Q06 %	2Q06 %	qoq change
Net investment income Margin	66.03%	71.78%	76.58% ^{/1}	4.80%
Distribution income Margin	70.30%	72.18%	76.68%	4.50%

Note: ^{/1} Based on 95% payout, however subject to IC approval.

Source: CPN. Based on unaudited financial statements.

Management Discussion & Analysis:

Total Income

CPNRF reported 2Q06 total income of 301.5 MB, an increase of 13.4 MB or 4.6% QoQ due to increased property management and investment performances. Central Rama 2 experienced a higher take up rate, up from 99.0% at 1Q06 to 99.4% in 2Q06 whilst Central Rama 3 maintained its occupancy rate at 98.0%. Total income from common area promotions increased to 29.6 MB, up 5.6% QoQ along with an increase in VDO-wall income of 1.8 MB, up 258.1% QoQ. Escalation in rental rate per sqm. was achieved in renewals and new leases at both properties. In addition, interest income from promissory notes and cash deposits at banks improved to 8.6 MB, a gain of 192.2% QoQ.

Expenses

2Q06 total expenses reduced 7.5% QoQ to 77.2 MB, mainly due to a decline in SG&A expenses, attributed to lower spending in PR&Advertising, from 15.9 MB in 1Q06 to 11.3 MB in 2Q06. Property management fee, the largest operating expense item, also declined due to a decrease in leasing commission. In 2Q06, the fee was 35.0 MB, down 3.5% QoQ and accounted for 45.3% of 2Q06 total expenses.

Distribution Income

CPNRF recorded net investment income before unrealized losses from changes in investment value at 224.3 MB, an increase of 9.6% QoQ, due to higher income and lower expenses. This translates to a DPU of Bt 0.2058 at 95% payout, however subject to IC approval.

Balance Sheet Movement

Investments at fair value were reported at 11,207.0 MB, up 500 MB QoQ as a result of investments in three promissory notes. Cash on hand reduced mainly as result of dividend payout for 1Q06 performance on June 15 and investments made in promissory notes. Hence, net assets for 2Q06 stood at 11,071.5 MB, up only 0.2% QoQ, giving an NAV per unit of Bt 10.1434 as at 30 June 2006.

Profitability

Net investment income margin rose from 71.8% in 1Q06 to 76.6% in 2Q06 primarily due to higher interest income, lower property management fee and a significant reduction of SG&A expense by 36.4% in 2Q06 over 1Q06.

Operations:

I. Leasable Area and Occupancy

	Area (sqm)		Occupancy Rate ¹		
	Gross Area	Leasable Area ²	As at Jun 06	As at Mar 06	As at Dec 05
Rama2	251,182	93,363	99.4%	99.0%	99.0%
Rama3	169,740	38,846	98.0%	98.0%	99.0%
CPNRF Portfolio	420,922	132,209	99.0%	98.7%	99.0%

Occupancy rate was maintained at Central Rama 3 whilst a higher take up rate was achieved at Central Rama 2.

Note: ¹ Include tenants with short-term lease agreements.

² Based on leasable area as at 30 June 2006.

Source: CPN

II. Renewals and New Leases

Property	From 1 January to 30 June 2006 ¹				
	No. of Renewals & New Leases	Leasable Area		Increase/(Decrease) in Rental Rates	
		Area (sqm)	% of Total ²	Preceding Rate	Forecast Rate ³
Rama2	24	2,591	2.8%	9.2%	5.0%
Rama3	24	3,271	8.4%	13.7%	5.0%
CPNRF Portfolio	48	5,862	4.4%	11.7%	5.0%

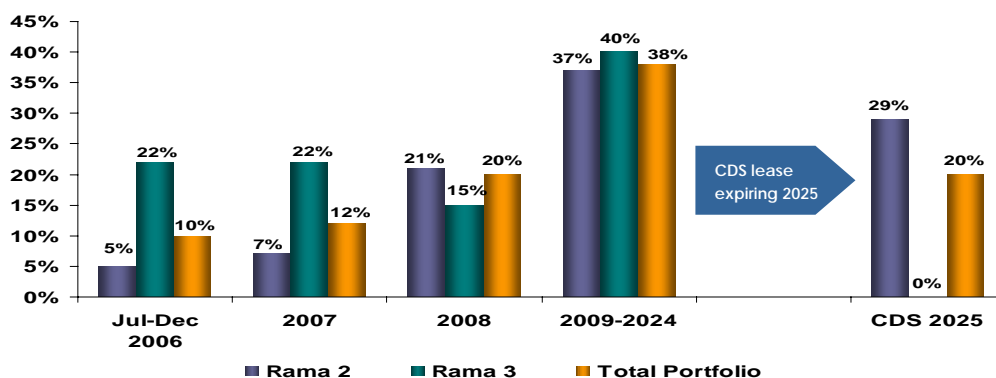
Note: ¹ Exclude rental agreements < 6 months and rental agreement with revenue sharing clause.

² % of total leasable area as at 30 June 2006.

³ Based on prospectus projected rental growth rate for 2006.

Source: CPN

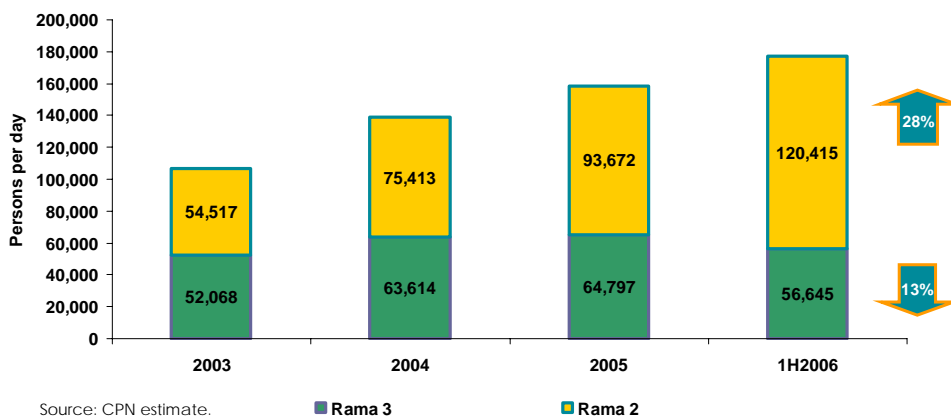
III. Lease Expiry Profile



Note: % of total leasable area as at 30 June 2006. Exclude rental agreements < 1 year, such as kiosk, carts, ATMs, and coin machines.

Source: CPN

IV. Traffic



■ Rama 2: Traffic increased in 1H2006 due to the completion of a pedestrian bridge linking BIGC to shopping center and also due to increased promotional activities.

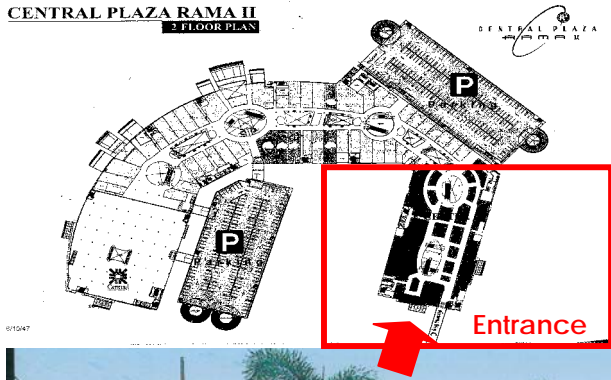
■ Rama 3: Traffic decreased in 1H2006 mainly due to construction of overpasses on Rama 3 road in front of Rama 3 center.

Source: CPN estimate.

Operations:

I. Asset Enhancements

CENTRAL PLAZA RAMA II
3 FLOOR PLAN



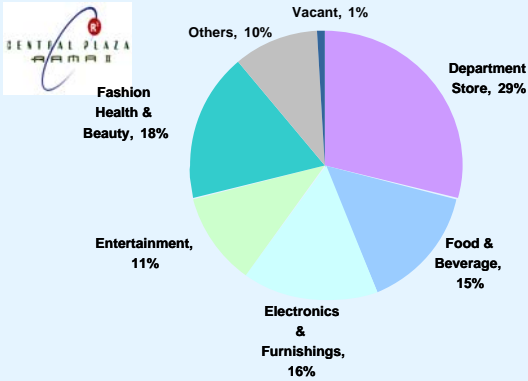
Source: CPN

Asset Enhancement at Rama 2 - Completed

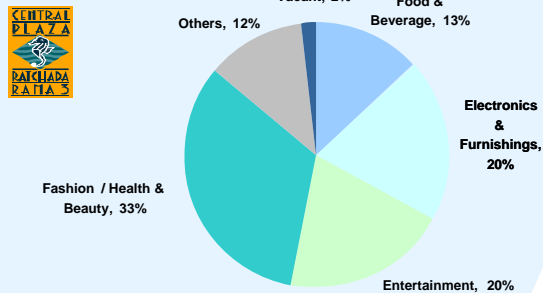
- ▶ A pedestrian fly-over was constructed at Central Rama II to facilitate customers' visit from BIG C Rama II Branch to the complex. The construction was completed last year.
- ▶ Opportunity to increase rental from units that will benefit from location of new bridge.

II. Diversification

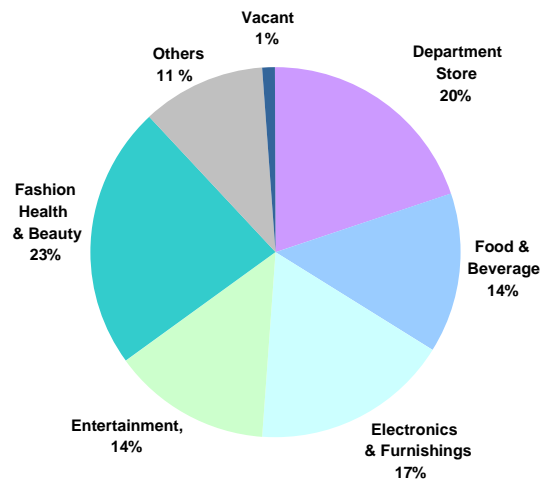
Rama 2



Rama 3



CPNRF Portfolio: Tenants Trade Mix



Ten largest tenants occupies about 46% of total leasable area

Note : Based on leasable area as of 30 June 2006
Source: CPN

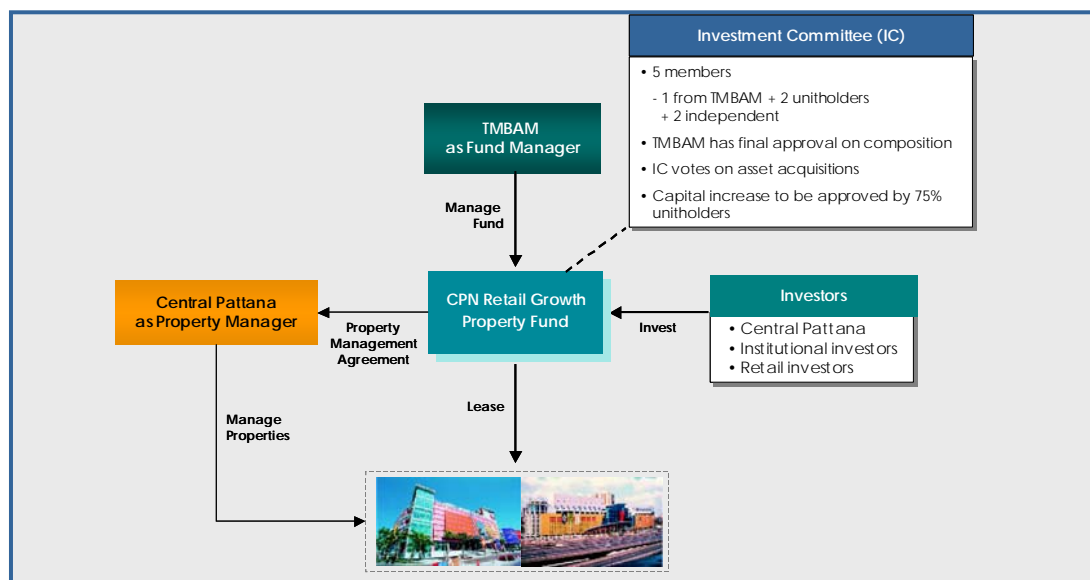
Fund Information:

I. Fund Information

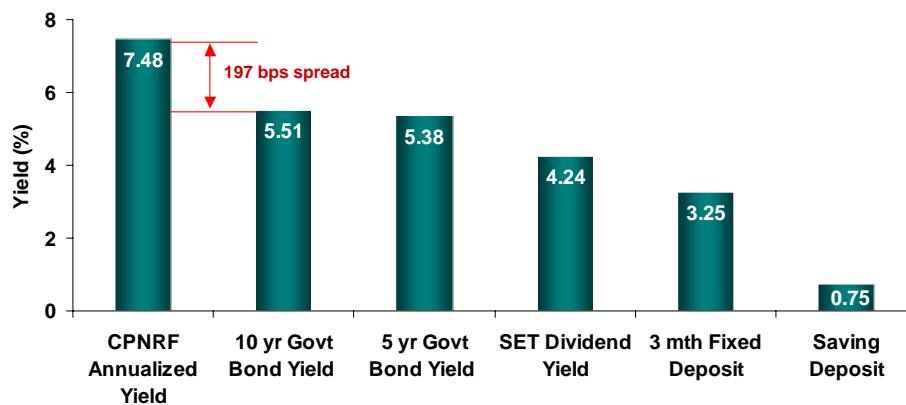
Name	CPN Retail Growth Property Fund ("CPNRF")
Property Manager	Central Pattana PCL
Fund Manager	TMB Asset Management Co. Ltd.
Trustee	Citi Bank, Bangkok ^{/1}
Registrar	TMB Asset Management Co. Ltd.
Assets	Central Plaza Rama II, Central Plaza Rama III
Type	Property Fund Type I (Indefinite Life)
Total Fund Size	THB 10,915 million
Fund Registered Date	11 August 2005
Fund Investing Date	15 August 2005 for Central Plaza Rama II 16 August 2005 for Central Plaza Rama III
Fund Listed Date	23 August 2005
Secondary Market	Stock Exchange of Thailand ("SET")

Note: ^{/1} The Trustee and Custodian will be changed to Kasikorn Bank Plc. The change will be effective from 1 September 2006 onward.

II. Fund Structure



III. Yield Comparison



Higher expected return than comparable benchmarks.

Source: Bloomberg as at 28 July 2006.

Note: Calculated from 2006 dividend projection (from prospectus) and the closing unit price as at 28 July 2006 at Bt 10.10.

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