

1Q 2008

Investor Newsletter

CPN Retail Growth Property Fund

Prepared by Central Pattana Public Company Limited, CPNRF Property Manager

16 May 2008

SHARE INFO: As of 15 May 08

Unit Price (Bt)	10.50
Shares Outstanding (mln)	1,091.5
Market Capital (Bt mln)	11,460.75
NAV (Bt mln) ^{/1}	11,196.60
NAV per Unit (Bt) ^{/1}	10.2580
Premium/ (Discount) ^{/1}	2.4%

Note:
^{/1} NAV as of 31 March 2008

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Central Plaza Rama II

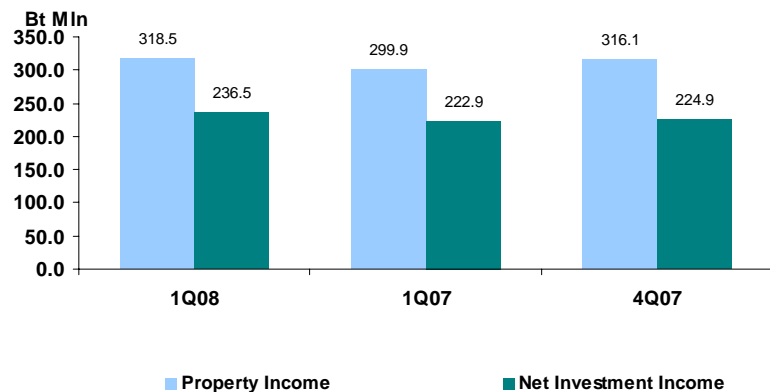


Central Plaza Ratchada-Rama III

Net investment income increased by 6.1% YoY. CPNRF registered net investment income for 1Q08 of Baht 236.5 million, an increase of 6.1% from the same period in the previous year, mainly due to an increase rental and service income of 7.1%.

Total income experienced 5.3% growth YoY. Total income for 1Q08 was recorded at Baht 325.5 million, a 5.3% increase from Baht 309.1 million in 1Q07. Total expenses of Baht 89.0 million were 3.2% higher than same quarter of 2007, mainly from the higher building decoration expense.

NAV up by 2.6% from the IPO. Net asset value (NAV) as at 31 March 2008 was Baht 11,196.60 million or Baht 10.2580 per unit, representing an increase of 2.6% over that at the IPO. With adjustment of distribution paid to unitholders since the IPO, NAV would have increased by 21.5%.



Source: CPNRF. Based on interim financial statements and review report of Certified Public Accountant for 1Q08 and 1Q07 and annual financial statements and audit report of Certified Public Accountant for 4Q07

MANAGEMENT DISCUSSION AND ANALYSIS

Total Income

CPNRF's total income for 1Q08 was Baht 325.5 million, an increase of Baht 16.4 million from Baht 309.1 million in the same period of last year. This was mainly due to a Baht 20.6 million or 7.1% increase in rental and service income, which was supported by the improvement of the economy. On the other hand shop discounts continued to decline, which is also a positive sign for the properties' performance. Meanwhile, other income and interest income experienced a small decline from 1Q07.

Total income for 1Q08 increased by Baht 2.0 million or 0.6% QoQ from Baht 323.5 million in 4Q07. This was mainly due to the stable rental and service income compared to the previous quarter, in the meantime other income did not change significantly. The occupancy rate of 99.6% has been achieved at CentralPlaza Rama II, almost at full occupancy, and we believe that the occupancy at CentralPlaza Ratchada-Rama III will continue to improve following the completion of the new Food Park in April 2008. The overall occupancy of CPNRF's portfolio of 98.0% was a little higher than that of 4Q07.

Total Expenses

Total expenses for 1Q08 were recorded at Baht 89.0 million, an increase of Baht 2.8 million or 3.2% from Baht 86.2 million in 1Q07. While cost of rental and service was 39.6% higher than that of the same period of the previous year, mainly from the increase in building decoration expense to upkeep the properties in good condition, selling and administrative expenses were reduced by Baht 2.7 million or 16.8% YoY. The decrease in selling and administrative expenses was largely owed to the reduction in advertising and promotion expenses, which has been adjusted to the normal level. In comparison to 1Q07, stronger economy and improvement in consumer confidence in this quarter reduced the requirement of such high stimulation.

Compared to the previous quarter, total expenses declined by Baht 9.6 million or 9.7% QoQ from Baht 98.5 million. This was mainly contributed by 18.7% decline in the cost of rental and service and 30.1% decrease in selling and administrative expenses, amounting to a Baht 9.1 million reduction in property expenses. The improvement in the economy and increasing consumer confidence lowered the need of demand boost through marketing activities. Additionally, since large amounts of advertising and promotion expenses were needed for the events such as Christmas and New Year in the fourth quarter, a decline in the following quarter would be considered normal. Despite such reductions, visitor traffic remained high, which was in line with the improving market sentiment and stronger consumer confidence. Other expenses remained in line with the previous quarter.

Net Investment Income and Income Available for Distribution

Net investment income for 1Q08 amounted to Baht 236.5 million, 6.1% higher than Baht 222.9 million in 1Q07. This translates to income available for distribution of Baht 248.6 million, representing an increase of 5.9% from the same quarter of the previous year.

In comparison to the previous quarter, 5.2% increase in net investment income was recorded for 1Q08. Income available for distribution grew by 4.8% from Baht 237.2 million in 4Q07. While property income remained at the same level as before, associated property expenses were reduced from the previous quarter. Other fund management fees and expenses remained stable and were in line with previous quarters.

Balance Sheet Movement

As of 31 March 2008, CPNRF reported total investment in properties of Baht 10,841.1 million, which is the same as at the end of 2007 since the properties will be reappraised by independent appraiser once per year at the end of the year. Net Asset Value (“NAV”) was recorded at Baht 11,196.6 million or Baht 10.2580 per unit as at 31 March 2008, slightly up by 0.1% from the end of the previous quarter.

Profitability

Compared to the same period of last year, net property income margin increased slightly and stood at 77.5% for 1Q08, up 0.7% YoY from that of 1Q07. Meanwhile, net investment income margin remained at 74.3%, same as that of the same period in the previous year. While property income growth exceeded that of property expenses, lower interest income and stable fund expenses resulted in such net investment income margin.

Compared to the previous quarter, net property income margin for 1Q08 of 77.5% was increased by 4.2% QoQ, while net investment income margin of 74.3% was increased by 4.4% QoQ. These were due to a combination of stable income and declining property expenses.

Asset Enhancement

The construction of the new Food Park at CentralPlaza Ratchada-Rama III was successfully completed. The new Food Park, opened on the 25th April, is located on the 6th floor and we expect it to draw more visitors to the nearby area, improving the performance of the retail units in doing so.

FINANCIAL SUMMARY

Income Statement

Unit: Baht Million	1Q08	4Q07	Change QoQ	1Q07	Change YoY
<i>Property income</i>	318.5	316.1	0.8%	299.9	6.2%
Rental and service income	308.4	306.1	0.8%	287.9	7.1%
Other income	10.1	10.1	0.1%	12.0	(16.0%)
Interest income	7.0	7.3	(4.8%)	9.2	(23.9%)
Total income	325.5	323.5	0.6%	309.1	5.3%
<i>Property expenses</i>	71.7	81.1	(11.6%)	69.0	3.8%
Cost of rental and service	14.5	17.8	(18.7%)	10.4	39.6%
Selling and administrative expenses	13.5	19.3	(30.1%)	16.2	(16.8%)
Property management fee	43.6	43.2	0.9%	40.9	6.7%
Other expenses	0.1	0.8	(85.8%)	1.6	(93.2%)
Other management fees and expenses	5.2	5.2	(0.3%)	5.2	0.5%
Amortisation of deferred expenses	12.1	12.2	(1.1%)	12.0	1.1%
Total expense	89.0	98.5	(9.7%)	86.2	3.2%
Net investment income	236.5	224.9	5.2%	222.9	6.1%
Net unrealised gain (loss) from changes in investment value	(1.9)	96.7	n.a.	(11.6)	n.a.
Net increase in net assets from operations	234.6	321.6	(27.1%)	211.3	11.0%
Income available for distribution	248.6	237.2	4.8%	234.9	5.9%
Distribution	n.a.	225.3	n.a.	223.1	n.a.
Distribution per unit (in Baht)	n.a.	0.2064	n.a.	0.2044	n.a.
Net property income margin	77.5%	74.4%	4.2%	77.0%	0.7%
Net investment income margin	74.3%	71.2%	4.4%	74.3%	(0.1%)

Source: CPNRF. Based interim financial statements and review report of Certified Public Accountant for 1Q08 and 1Q07 and annual financial statements and audit report of Certified Public Accountant for 4Q07

Balance Sheet

Unit: Baht Million	1Q07	2Q07	3Q07	4Q07	1Q08
<i>Investment at fair value</i>	11,272.2	11,422.2	11,321.6	11,511.1	11,491.1
Central Rama II	6,038.9	6,038.9	6,038.9	5,939.0	5,939.0
Central Rama III	4,733.3	4,733.3	4,733.3	4,902.1	4,902.1
<i>Total investment in properties</i>	<i>10,772.2</i>	<i>10,772.2</i>	<i>10,772.2</i>	<i>10,841.1</i>	<i>10,841.1</i>
Investment in securities	500.0	650.0	549.4	670.0	650.0
Cash on hand and at banks	243.7	87.5	175.1	136.5	165.0
Other assets	168.5	151.0	148.1	102.2	119.8
Total assets	11,684.5	11,660.8	11,644.8	11,749.9	11,775.8
Deposits received from customers	422.7	422.1	423.7	430.6	434.6
Other liabilities	148.3	135.3	135.1	132.0	144.6
Total liabilities	570.9	557.4	558.8	562.6	579.2
Net Asset	11,113.5	11,103.4	11,086.0	11,187.3	11,196.6
Capital received from unitholders	10,915.0	10,915.0	10,915.0	10,915.0	10,915.0
Retained earnings	198.5	188.4	171.0	272.3	281.6
NAV per unit (in Baht)	10.1819	10.1725	10.1567	10.2494	10.2580

Source: CPNRF. Based on interim financial statements and review report of Certified Public Accountant for 1Q07, 2Q07, 3Q07 and 1Q08 and annual financial statements and audit report of Certified Public Accountant for 4Q07

OPERATIONS SUMMARY

I. Leasable Area and Occupancy

	Area (sqm)		Occupancy Rate			
	Gross Area	Leasable Area	30 Jun 07	30 Sep 07	31 Dec 07	31 Mar 08
Rama II	251,182	93,253	98.7%	98.5%	99.0%	99.6%
Rama III	169,740	38,783	94.9%	95.1%	91.6%	94.1%
CPNRF Portfolio	420,922	132,036	97.5%	97.5%	96.8%	98.0%

Source: CPN

II. Renewals and New Leases

	From 1 January to 31 March 2008 ¹			
	Renewals and New Leases			Increase / (Decrease) in Rental Rates (p.a.) ³
	No. of Leases	Area (sqm)	% of Total ²	
Rama II	29	1,771	1.9%	4.6%
Rama III	9	869	2.2%	7.5%
CPNRF Portfolio	38	2,640	2.0%	5.6%

Note:

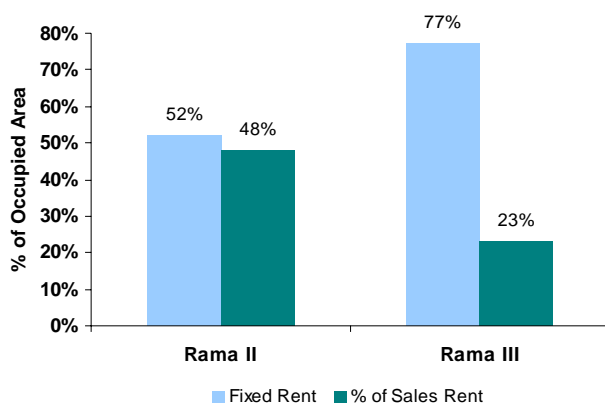
¹ Exclude rental agreements < 1 year

² Percentage of leasable area as at 31 March 2008

³ Exclude rental agreements with revenue sharing clause

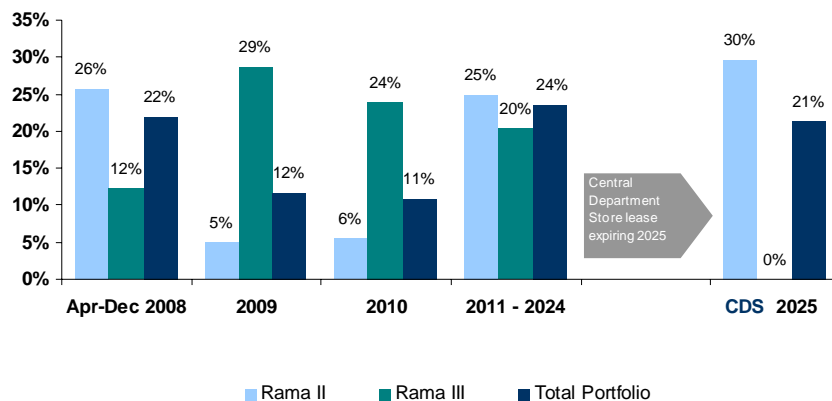
Source: CPN

III. Rental Structure



Source: CPN

IV. Lease Expiry Profile



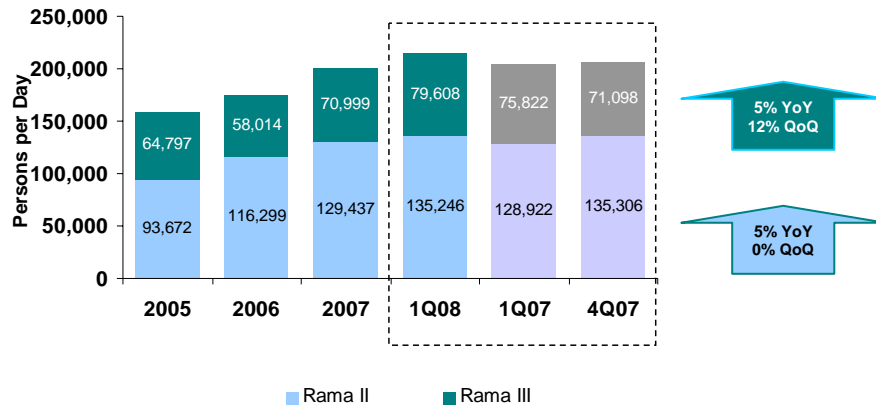
Note:

1. Percentage of total occupied area as at 31 March 2008

2. Exclude rental agreements < 1 year

Source: CPN

V. Traffic



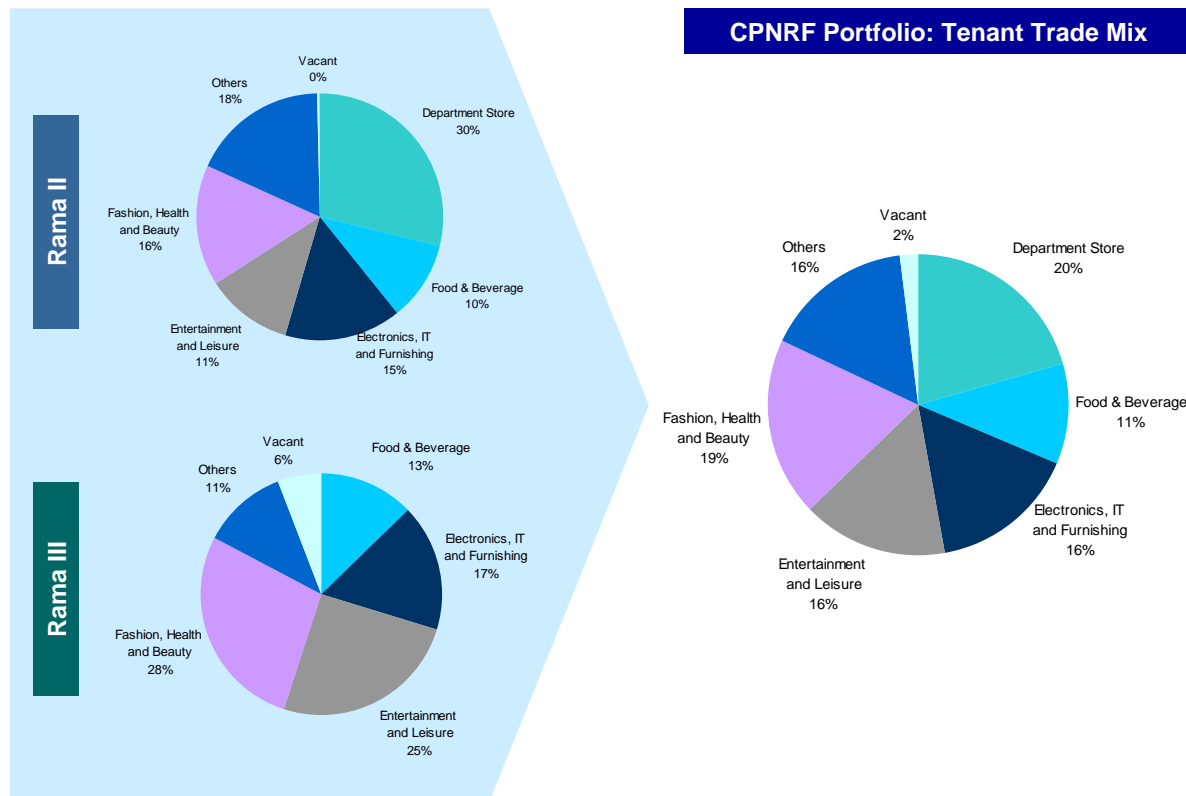
- Rama III:** Traffic increased YoY mainly due to the improvement of the state of the economy and market sentiment. Rising consumer confidence level continued to increase QoQ traffic.

 5% YoY
 12% QoQ
- Rama II:** Economic recovery and improving market sentiment increased traffic YoY, as well as the expanding surrounding community. QoQ traffic remained high due to improvement in consumer confidence level.

 5% YoY
 0% QoQ

Source: CPN estimate

VI. Tenants Trade Mix



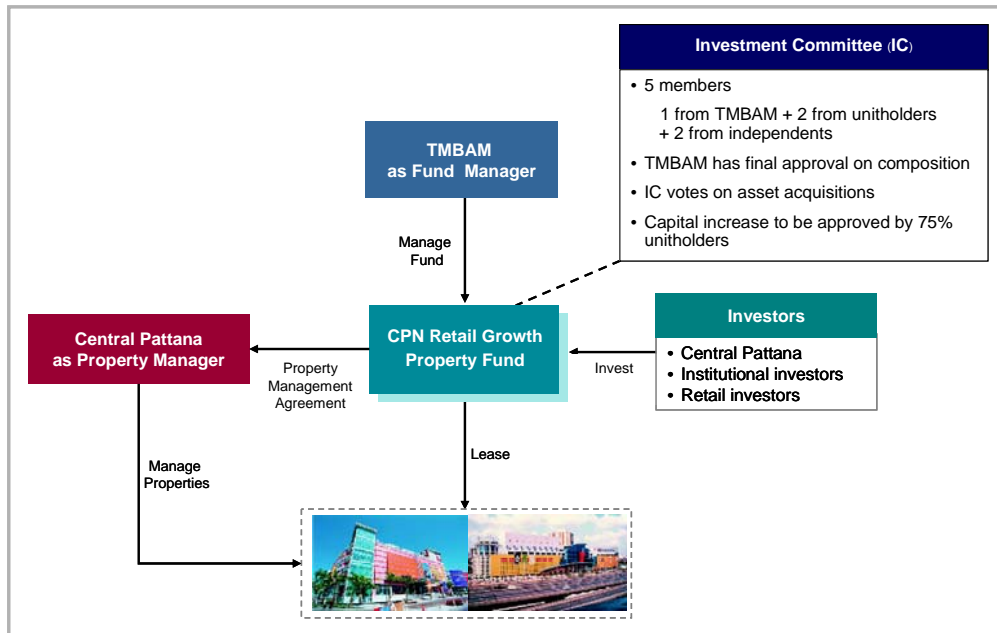
Note: Based on leasable area as at 31 March 2008
 Source: CPN

ABOUT CPNRF

I. Fund Information

Name	CPN Retail Growth Property Fund ("CPNRF")
Property Manager	Central Pattana Public Company Limited ("CPN")
Fund Manager	TMB Asset Management Company Limited
Trustee	Kasikorn Bank Public Company Limited
Registrar	TMB Asset Management Company Limited
Assets	CentralPlaza Rama II, CentralPlaza Rama III
Type	Property Fund Type I (Indefinite Life)
Total Fund Size	Baht 10,915 million
Fund Registered Date	11 August 2005
Fund Investing Date	15 August 2005 for CentralPlaza Rama II 16 August 2005 for CentralPlaza Ratchada-Rama III
Fund Listed Date	23 August 2005
Secondary Market	The Stock Exchange of Thailand ("SET")

II. Fund Structure



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