



**PROPERTY
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3Q 2009

Investor Newsletter

CPN Retail Growth Leasehold Property Fund

Prepared by Central Pattana Public Company Limited, CPNRF Property Manager

13 November 2009

SHARE INFO: As of 12 November 09

Unit Price (Bt)	9.10
Shares Outstanding (mln)	1,636.3
Market Capital (Bt mln)	14,890.57
NAV (Bt mln) ^{/1}	11,365.75
NAV per Unit (Bt) ^{/1}	10.4129
Premium/ (Discount) ^{/1}	(12.6%)

Note:

^{/1} NAV as of 30 September 2009

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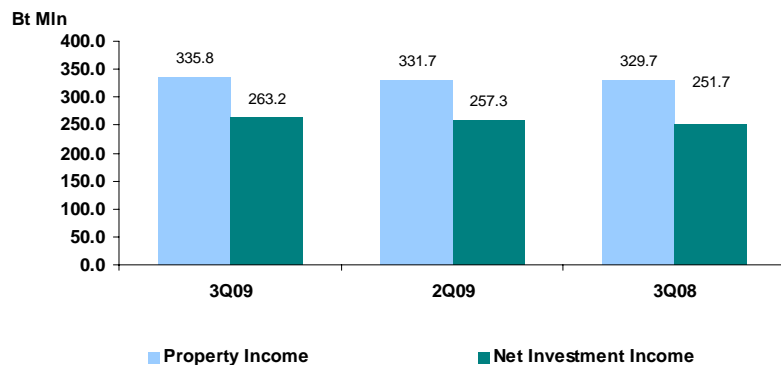
Net investment income increased by 4.6% YoY. CPNRF reported net investment income for 3Q09 of Baht 263.2 million, an increase of 4.6% from the same quarter of last year, resulting from 2.1% increase in rental and service income and 16.6% decrease in selling and administrative expenses.

Total income increased by 0.2% YoY. Total income for 3Q09 was recorded at Baht 337.7 million, representing a slight increase of 0.2% from Baht 337.0 million in 3Q08. Meanwhile, total expense of Baht 74.6 million declined by 12.7% from the same period of previous year.

NAV up by 4.1% from the IPO. Net Asset Value (NAV) as at 30 September 2009 was Baht 11,365.7 million or Baht 10.4129 per unit, representing an increase of 4.1% over that at the IPO. With adjustment of distribution paid to unitholders since the IPO, NAV would have increased by 36.3%.

Distribution for 4-month period of Baht 0.3046 per unit. CPNRF announced the distribution for the period of 1 July – 31 October 2009 of Baht 332.5 million or Baht 0.3046 per unit, representing an annualised yield of approximately 9.9% at the price of Baht 9.10 per unit as at 12 November 2009.

The first capital increase of CPNRF was successfully completed. Total of Baht 4,849.0 million of new capital was raised, from previously existing unitholders as well as new investors, which was combined with a loan of Baht 1,000.0 million from Siam Commercial Bank to invest in parts CentralPlaza Pinklao project for a value of Baht 5,680.0 million. The acquisition of new property was completed on 4 November 2009 and newly issued units were listed in the Stock Exchange of Thailand on the 9 November 2009.



Source: CPNRF. Based on interim financial statements and review report of Certified Public Accountant for 3Q09, 2Q09 and 3Q08

MANAGEMENT DISCUSSION AND ANALYSIS

Total Income

CPNRF's total income for 3Q09 was Baht 337.7 million, a slight increase of Baht 0.7 million or 0.2% from Baht 337.0 million in the same quarter of 2008. This was mainly due to 2.1% growth in rental and service income. Meanwhile, interest income decreased by Baht 5.3 million from the decline in the interest rate. Other income for this quarter declined by 4.2% to Baht 11.2 million.

Compared to the previous quarter, total income for 3Q09 was Baht 2.4 million or 0.7% higher than that of 2Q09. This was largely due to Baht 4.8 million or 1.5% increase in rental and service income. At the same time, interest income of Baht 2.0 million in this quarter was Baht 1.6 million less than the previous quarter, which was in accordance with the lower amount of investment in securities. Other income declined by Baht 0.6 million from the previous quarter.

Total Expenses

Total expenses for 3Q09 amounted to Baht 74.6 million, Baht 10.8 million or 12.7% lower than Baht 85.4 million in the same quarter of previous year. This was mainly from the absence of amortisation of deferred expenses, incurred at fund's establishment, which came to the end of its 3-year amortising period in August 2008. This contributed to a Baht 5.5 million reduction in total expenses from 3Q08. Since the amortisation of deferred expenses was excluded from income available for distribution, as specified in the current fund scheme, distributions were not affected by such change. In addition, selling and administrative expenses for this quarter totalled Baht 12.9 million, representing a decrease of Baht 2.6 million or 16.6% from Baht 15.4 million in 3Q08, which was from reduction in advertising and promotion expenses. This was partially due to the effective cost management in controlling expenses. Cost of rental and service slightly increased by Baht 0.4 million in this quarter. Other fund expenses remained at similar level as 3Q08

Total expenses for 3Q09 at decreased by Baht 3.4 million or 4.4% from Baht 78.0 million in 2Q09. This mainly resulted from Baht 5.7 million or 30.8% decline in selling and administrative expenses, following a decrease in marketing activities from the second quarter. Apart from the seasonal effect, effective cost management also contributed to controlling expenses. Cost of rental and service for this quarter slightly increased by Baht 1.0 million, equivalent to 6.8% increase, partially from increase in repairs and maintenance expenses. Other fund expenses did not significantly change from the previous quarter and stood at Baht 5.0 million.

Net Investment Income and Distribution

Net investment income for 3Q09 was reported at Baht 263.2 million, representing a growth of Baht 11.5 million or 4.6% from Baht 251.7 million in the same quarter of 2008. Compared to the previous quarter, net investment income increased by Baht 5.9 million or 2.3%.

The fund announced distribution for the period of 1 July – 31 October 2009, which has been entirely derived from the performance of existing properties prior to the acquisition of CentralPlaza Pinklao. As a mean to ensure fairness to holders of existing units, the distribution will only be distributed in respect of the existing units prior to the capital increase. This results in an approximated yield of 9.9% at the price of Baht 9.10 per unit as at 12 November 2009.

Distribution for the 4-month period will be Baht 0.3046 per unit. The XD Date was on 28 October 2009, followed by Book Closure Date on 2 November 2009 and the distribution payment will be made on 13 November 2009.

Balance Sheet Movement

As of 30 September 2009, CPNRF reported total investment in properties of Baht 10,972.0 million, which is the same as at the end of 2008 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 11,365.7 million or Baht 10.4129 per unit as at 30 September 2009, slightly up from 10.4021 at the end of the previous quarter.

Profitability

Net property income margin for 3Q09 increased by 2.5% from the same period of last year and stood at 79.3%. This resulted from a combination of increase in rental and service income and decrease in property expenses. Meanwhile, net investment income margin increased by 2.7% to 78.4%, partially from the absence of amortisation of deferred expenses.

Compared to the previous quarter, net property income margin increased by 1.6% from 78.1% in 2Q09, mainly from the increase in property income while property expenses decline. Net investment income margin increased slightly and stood at 78.4%

First Capital Increase

The first capital increase of CPNRF was successfully completed. Total of 544,826,700 new units were issued at Baht 8.90 per unit to raise Baht 4,849.0 million from previously existing unitholders as well as new investors. This was combined with a loan of Baht 1,000.0 million to invest in parts CentralPlaza Pinklao project for a value of Baht 5,680.0 million. The acquisition was completed on 4 November 2009. The investment includes the sublease of the land on which CentralPlaza Pinklao project is located, lease of parts of CentralPlaza Pinklao shopping complex and Central Tower A Pinklao and Central Tower B Pinklao office buildings, with an investment period of approximately 15 years. The term of loan from Siam Commercial Bank is 12 years, with interest rate of MLR-1.75% to MLR-1.00% and without any collateral. The newly issued units were listed in the Stock Exchange of Thailand on the 9 November 2009.

FINANCIAL SUMMARY

Income Statement

Unit: Baht Million	3Q09	2Q09	Change QoQ	3Q08	Change YoY
<i>Property income</i>	335.8	331.7	1.2%	329.7	1.8%
Rental and service income	324.6	319.8	1.5%	318.0	2.1%
Other income	11.2	11.8	(5.6%)	11.7	(4.2%)
Interest income	2.0	3.6	(45.4%)	7.3	(73.2%)
Total income	337.7	335.3	0.7%	337.0	0.2%
<i>Property expenses</i>	69.5	72.7	(4.4%)	74.7	(6.9%)
Cost of rental and service	14.4	13.4	6.8%	14.8	(2.8%)
Selling and administrative expenses	12.9	18.6	(30.8%)	15.4	(16.6%)
Property management fee	41.9	40.5	3.6%	43.5	(3.5%)
Other expenses	0.4	0.2	92.3%	1.0	(64.1%)
Other management fees and expenses	5.0	5.3	(4.5%)	5.2	(3.9%)
Amortisation of deferred expenses	0.0	0.0	n.a.	5.5	(100.0%)
Total expense	74.6	78.0	(4.4%)	85.4	(12.7%)
Net investment income	263.2	257.3	2.3%	251.7	4.6%
Net unrealised gain (loss) from changes in investment value	(7.0)	(6.5)	n.a.	0.0	n.a.
Net increase in net assets from operations	256.1	250.8	2.1%	251.7	1.8%
Income available for distribution	263.2	257.3	2.3%	257.1	2.4%
Distribution	n.a.*	244.4	n.a.	244.3	n.a.
Distribution per unit (in Baht)	n.a.*	0.2239	n.a.	0.2238	n.a.
Net property income margin	79.3%	78.1%	1.6%	77.4%	2.5%
Net investment income margin	78.4%	77.6%	1.0%	76.3%	2.7%

Source: CPNRF. Based on interim financial statements and review report of Certified Public Accountant for 3Q09, 2Q09 and 3Q08
Note:

* The fund announced distribution for the period of 1 July – 31 October 2009 of Baht 0.3046 per unit

Balance Sheet

Unit: Baht Million	3Q08	4Q08	1Q09	2Q09	3Q09
<i>Investment at fair value</i>	11,441.1	11,512.0	11,542.0	11,502.0	11,172.0
Central Rama II	5,939.0	5,931.0	5,931.0	5,931.0	5,931.0
Central Rama III	4,902.1	5,041.0	5,041.0	5,041.0	5,041.0
<i>Total investment in properties</i>	<i>10,841.1</i>	<i>10,972.0</i>	<i>10,972.0</i>	<i>10,972.0</i>	<i>10,972.0</i>
Investment in securities	600.0	540.0	570.0	530.0	200.0
Cash on hand and at banks	240.3	321.4	285.1	329.8	692.3
Other assets	122.6	102.4	104.0	87.6	81.9
Total assets	11,803.9	11,935.8	11,931.2	11,919.4	11,946.1
Deposits received from customers	444.5	437.0	441.3	448.6	454.0
Other liabilities	151.2	166.7	136.3	116.7	126.3
Total liabilities	595.6	603.7	577.6	565.4	580.4
Net Asset	11,208.3	11,332.1	11,353.6	11,354.0	11,365.7
Capital received from unitholders	10,915.0	10,915.0	10,915.0	10,915.0	10,915.0
Retained earnings	293.3	417.1	438.6	439.0	450.7
NAV per unit (in Baht)	10.2687	10.3821	10.4017	10.4021	10.4129

Source: CPNRF. Based on interim financial statements and review reports of Certified Public Accountant for 3Q08, 1Q09, 2Q09 and 3Q09 and annual financial statements and audit report of Certified Public Accountant for 4Q08

OPERATIONS SUMMARY

I. Leasable Area and Occupancy

	Area (sqm)		Occupancy Rate			
	Gross Area	Leasable Area	31 Dec 08	31 Mar 08	30 Jun 09	30 Sep 09
Rama II	251,182	93,371	99.1%	99.0%	99.2%	98.3%
Rama III	169,740	39,938	96.9%	96.1%	95.5%	94.6%
CPNRF Portfolio	420,922	133,309	98.5%	98.2%	98.1%	97.2%

Source: CPN

II. Renewals and New Leases

	From 1 January to 30 September 2009 ¹			
	Renewals and New Leases			Increase / (Decrease) in Rental Rates (p.a.) ³
	No. of Leases	Area (sqm)	% of Total ²	
Rama II	105	5,333	5.7%	4.9%
Rama III	60	7,106	17.8%	4.6%
CPNRF Portfolio	165	12,439	9.3%	4.7%

Note:

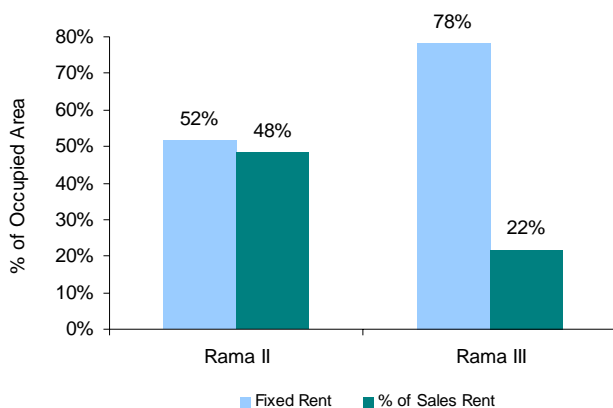
¹ Exclude rental agreements < 1 year

² Percentage of leasable area as at 30 September 2009

³ Exclude rental agreements with revenue sharing clause

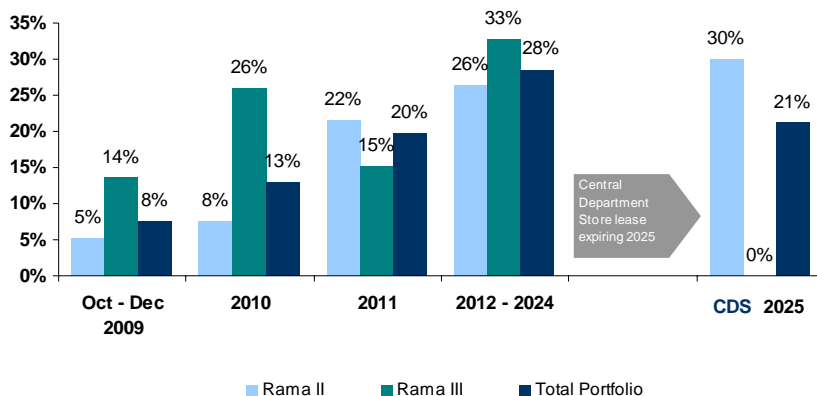
Source: CPN

III. Rental Structure



Source: CPN

IV. Lease Expiry Profile



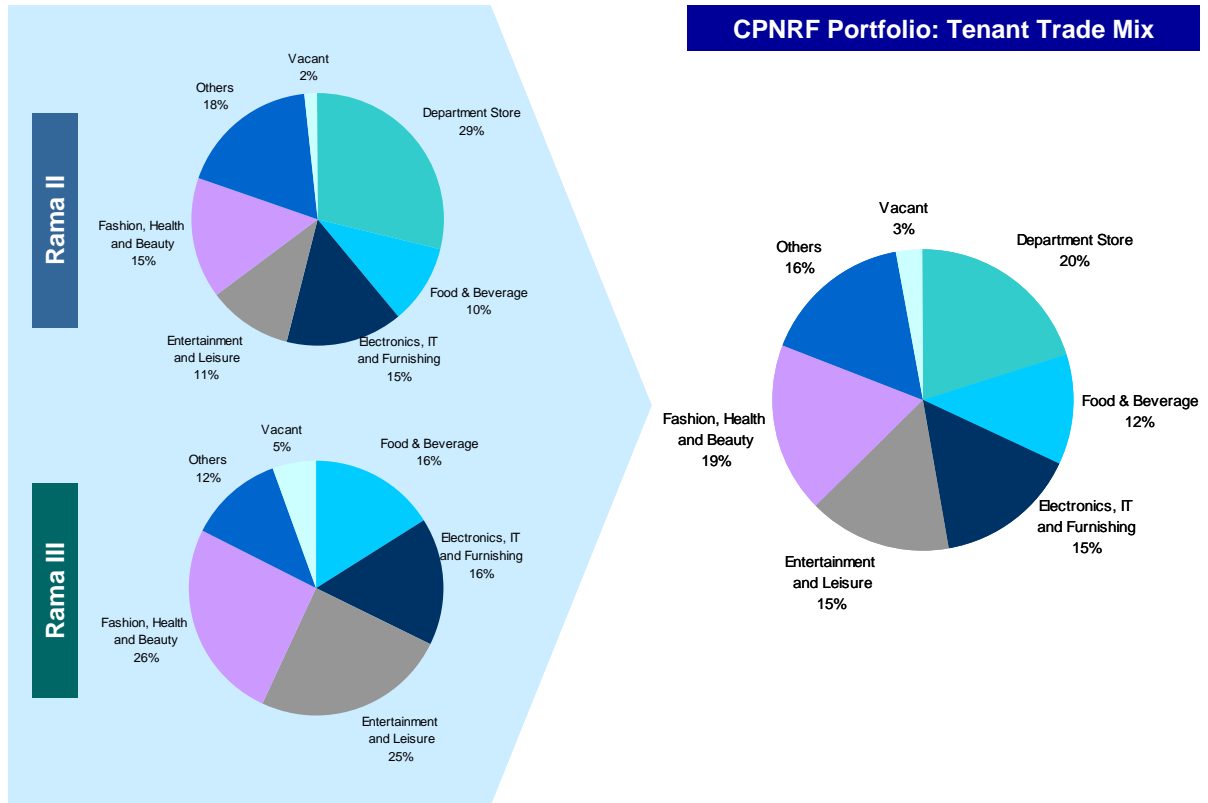
Note:

1. Percentage of total occupied area as at 30 September 2009

2. Exclude rental agreements < 1 year

Source: CPN

V. Tenants Trade Mix



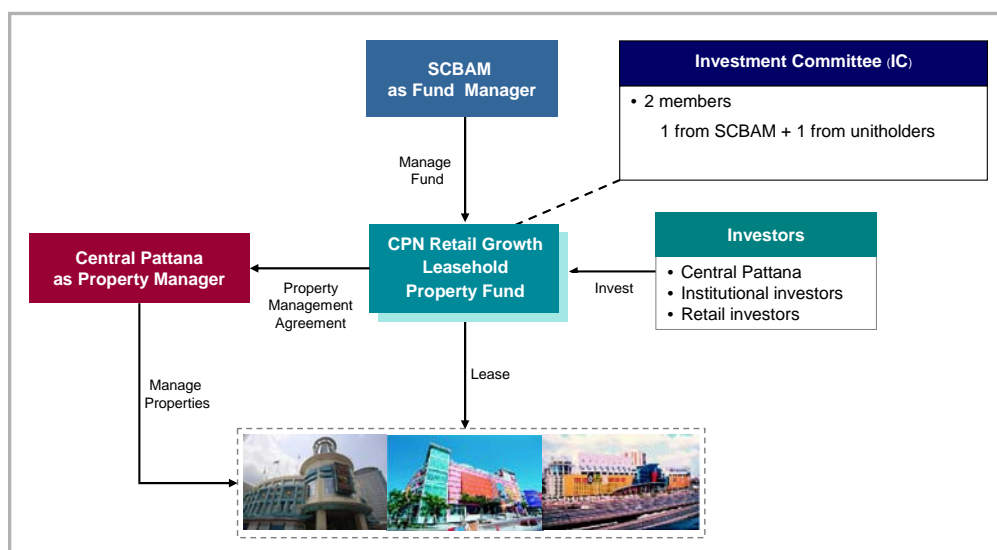
Note: Based on leasable area as at 30 September 2009
 Source: CPN

ABOUT CPNRF

I. Fund Information

Name	CPN Retail Growth Leasehold Property Fund (“CPNRF”)
Property Manager	Central Pattana Public Company Limited (“CPN”)
Fund Manager	SCB Asset Management Company Limited
Trustee	Kasikorn Bank Public Company Limited
Registrar	Siam Commercial Bank Public Company Limited
Assets	CentralPlaza Rama II, CentralPlaza Ratchada-Rama III, CentralPlaza Pinklao
Type	Property Fund Type I (Indefinite Life)
Total Fund Size	Baht 15,764 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 4 November 2009 for CentralPlaza Pinklao
Fund Listed Date	23 August 2005
Secondary Market	The Stock Exchange of Thailand (“SET”)

II. Fund Structure



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