

4Q 2007

Investor Newsletter

CPN Retail Growth Property Fund

Prepared by Central Pattana Public Company Limited, CPNRF Property Manager

27 February 2008

SHARE INFO: As of 26 February 08

Unit Price (Bt)	10.00
Shares Outstanding (mln)	1,091.5
Market Capital (Bt mln)	10,915.00
NAV (Bt mln) ¹	11,187.29
NAV per Unit (Bt) ¹	10.2494
Premium/ (Discount) ¹	(2.4%)

Note:
¹ NAV as of 31 December 2007

CONTENTS

MD&A	2
Financial Summary	4
Operations Summary	5
Fund Information	7

Request for additional information should be directed to:

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

Napat Sriwanvit
Property Manager
srnaparat@cpn.co.th
(66) 2667-5555



Central Plaza Rama II



Central Plaza Ratchada-Rama III

Net investment income increased by 5.5%. CPNRF reported net investment income for the full year 2007 of Baht 897.1 million, an increase of 5.5% from the previous year, mainly due to an increase in rental and service income of 5.9%. Net investment income for 4Q07 was registered at Baht 224.9 million, representing 2.4% increase from the previous quarter.

Total income experienced 5.8% growth. Total income for the full year 2007 was recorded at Baht 1,270.8 million, a 5.8% increase from Baht 1,201.1 million in 2006. Total expenses of Baht 373.7 million were 6.5% higher than in the previous year. Total income for 4Q07 of Baht 323.5 million experienced 2.0% growth QoQ.

NAV up by 2.5% from the IPO. Net asset value (NAV) as at 31 December 2007 was Baht 11,187.29 million or Baht 10.2494 per unit, representing an increase of 2.5% over that at the IPO. With adjustment of distribution paid to unitholders since the IPO, NAV would have increased by 19.4%.



Source: CPNRF. Based on annual financial statements and audit report of Certified Public Accountant for 4Q07 and 4Q06 and interim financial statements and review report of Certified Public Accountant for 3Q07

MANAGEMENT DISCUSSION AND ANALYSIS

Total Income

CPNRF's total income for the full year 2007 was Baht 1,270.8 million, an increase of Baht 69.8 million from Baht 1,201.1 million in 2006. This was mainly due to a 5.9% growth in rental and service income, driven by the increase in the rental rates of the properties. In 2007 Central Plaza Ratchada-Rama III achieved an average of 8.9% growth in rental rates, a little higher than the average of 7.0% increase at Central Plaza Rama II. Additionally, shop discounts were reduced from the previous year and other income was increased by 6.6%. Interest income for 2007 was reported at Baht 29.5 million, resulting from the increase in average investment in securities, but due to lower interest rates only 1.7% growth was observed.

CPNRF registered 4Q07 total income of Baht 323.5 million, an increase of Baht 6.4 million or 2.0% QoQ from Baht 317.1 million in 3Q07. The main contributing factor is the 3.3% increase in rental and service income, despite a decline in the occupancy rate to 91.6% at Central Plaza Ratchada-Rama III, as a result of vacating tenants in preparation for the relocation of Food Court. We expect that the completion of new Food Court should attract more traffic to higher floors of the mall and improve the performance of surrounding areas. Meanwhile, an increase in the occupancy rate was observed at Central Plaza Rama II, which was close to full occupancy at 99.0%. Thus, the occupancy rate for the entire portfolio experienced a small decline of 0.7%. Interest income for 4Q07 of Baht 7.3 million was Baht 2.2 million or 43.2% higher than the previous quarter, resulting from higher investment in securities.

Total Expenses

Total expenses for the full year 2007 were recorded at Baht 373.7 million, Baht 22.8 million or 6.5% higher than Baht 350.9 million in 2006. The main factors behind this were the increasing cost of rental and service, selling and administrative expenses and performance-related property management fees. Cost of rental and service was increased by Baht 1.9 million or 3.2% from Baht 59.0 million in the previous year, contributed by repairs and maintenance expenses and decoration expenses required to upkeep the properties in good condition. Meanwhile, selling and administrative expenses for 2007 was Baht 74.7 million, representing 8.3% increase from Baht 68.9 million in 2006. This was particularly high in the third quarter in order to boost traffic and demand, owing to the economic slowdown. However, we expect to see improvement in consumer confidence and spending, and believe that selling and administrative expenses will be well-managed in 2008.

Total expenses for 4Q07 was Baht 98.5 million, an increase of 1.2% QoQ from Baht 97.3 million in 3Q07. This was a relatively small increase, mainly due to a reduction in advertising and promotion expenses since the amount in the third quarter was significantly increased in order to stimulate customer spending and increase traffic. However, selling and administrative expenses was still higher in the fourth quarter than the first quarter or the second, as there were festivals such as Christmas and New Year, which required large amount of advertising and promotion expenses.

Net Investment Income and Income Available for Distribution

Net investment income for the full year 2007 was registered at Baht 897.1 million, 5.5% higher than Baht 850.1 million in 2006. This translates to income available for distribution of Baht 945.7 million, representing an increase of 5.2% from the previous year.

Compared to the previous quarter, 2.4% increase in net investment income was observed in 4Q07. Income available for distribution for 4Q07 increased by 2.2% QoQ and was recorded at Baht 237.2 million. Property income was slightly higher than the previous quarter, and associated with similar growth of property expenses. Other fund management fees and expenses remained stable and were in line with previous quarters.

Balance Sheet Movement

As of 31 December 2007, CPNRF reported total investment in properties of Baht 10,841.1 million, consisting of Baht 5,939.0 million for Central Plaza Rama II and Baht 4,902.1 million for Central Plaza Ratchada-Rama III. These represent an increase of Baht 68.9 million in the value of the properties, resulting from annual revaluation conducted by independent appraiser using income approach method. Net Asset Value ("NAV") was recorded at Baht 11,187.3 million or Baht 10.2494 per unit as at 31 December 2007, slightly up by 0.9% QoQ.

Profitability

Net property income margin and net investment income margin decreased from 76.0% and 72.5% respectively in 2006 to 75.5% and 72.3% in 2007, representing decreases of 0.7% and 0.4% respectively. These resulted from higher growth of property expenses compared to property income, especially in the third quarter.

Compared to the previous quarter, net property income margin for 4Q07 of 74.4% was slightly decreased by 0.1% QoQ while net investment income margin of 71.2% was increased by 1.0% QoQ. These were due to small growth in income, resulting from the decline in other income, while property expenses escalated at a slightly higher rate than property income.

Asset Enhancement

The plans to enhance E-life and Junction X zones at Central Plaza Ratchada-Rama III are currently under detailed studies. This renovation, together with the new Food Court, should improve traffic and increase occupancy rate of these zones accordingly. Meanwhile, there are plans for minor improvements of Junction X zone at Central Plaza Rama II.

FINANCIAL SUMMARY

Income Statement

Unit: Baht Million	FY2007	4Q07	FY2006	Change YoY	3Q07	Change QoQ	4Q06	Change YoY
<i>Property income</i>	1,241.3	316.1	1,172.1	5.9%	312.0	1.3%	299.6	5.5%
Rental and service income	1,186.3	306.1	1,120.4	5.9%	296.2	3.3%	286.3	6.9%
Other income	55.0	10.1	51.6	6.6%	15.8	(36.2%)	13.2	(24.0%)
Interest income	29.5	7.3	29.0	1.7%	5.1	43.2%	9.2	(20.5%)
Total income	1,270.8	323.5	1,201.1	5.8%	317.1	2.0%	308.8	4.7%
<i>Property expenses</i>	304.5	81.1	281.2	8.3%	79.9	1.5%	87.5	(7.3%)
Cost of rental and service	60.9	17.8	59.0	3.2%	16.3	9.1%	19.1	(6.6%)
Selling and administrative expenses	74.7	19.3	68.9	8.3%	21.4	(10.0%)	23.8	(19.1%)
Property management fee	166.4	43.2	152.9	8.8%	42.1	2.6%	44.3	(2.5%)
Other expenses	2.6	0.8	0.4	557.8%	0.0	15251.3%	0.3	194.1%
Other management fees and expenses	20.7	5.2	21.1	(2.0%)	5.2	0.0%	5.2	(0.6%)
Amortisation of deferred expenses	48.6	12.2	48.6	0.0%	12.2	(0.0%)	12.2	(0.0%)
Total expense	373.7	98.5	350.9	6.5%	97.3	1.2%	105.0	(6.2%)
Net investment income	897.1	224.9	850.1	5.5%	219.8	2.4%	203.8	10.4%
Net unrealised gain (loss) from changes in investment value	60.9	96.7	55.0	n.a.	(7.5)	n.a.	56.5	n.a.
Net increase in net assets from operations	958.0	321.6	905.2	5.8%	212.2	51.6%	260.4	23.5%
Income available for distribution	945.7	237.2	898.7	5.2%	232.0	2.2%	216.1	9.8%
Distribution	n.a.	n.a.	852.7	n.a.	220.4	n.a.	205.2	n.a.
Distribution per unit (in Baht)	n.a.	n.a.	0.7812	n.a.	0.2019	n.a.	0.1880	n.a.
Net property income margin	75.5%	74.4%	76.0%	(0.7%)	74.4%	(0.1%)	70.8%	5.0%
Net investment income margin	72.3%	71.2%	72.5%	(0.4%)	70.4%	1.0%	68.0%	4.6%

Source: CPNRF. Based annual financial statements and audit report of Certified Public Accountant for 4Q07 and 4Q06 and interim financial statements and review report of Certified Public Accountant for 3Q07

Balance Sheet

Unit: Baht Million	4Q06	1Q07	2Q07	3Q07	4Q07
<i>Investment at fair value</i>	11,398.2	11,272.2	11,422.2	11,321.6	11,511.1
Central Rama II	6,038.9	6,038.9	6,038.9	6,038.9	5,939.0
Central Rama III	4,733.3	4,733.3	4,733.3	4,733.3	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>10,772.2</i>	<i>10,841.1</i>
Investment in securities	626.0	500.0	650.0	549.4	670.0
Cash on hand and at banks	140.5	243.7	87.5	175.1	136.5
Other assets	143.1	168.5	151.0	148.1	102.2
Total assets	11,681.8	11,684.5	11,660.8	11,644.8	11,749.9
Deposits received from customers	421.3	422.7	422.1	423.7	430.6
Other liabilities	153.0	148.3	135.3	135.1	132.0
Total liabilities	574.3	570.9	557.4	558.8	562.6
Net Asset	11,107.5	11,113.5	11,103.4	11,086.0	11,187.3
Capital received from unitholders	10,915.0	10,915.0	10,915.0	10,915.0	10,915.0
Retained earnings	192.5	198.5	188.4	171.0	272.3
NAV per unit (in Baht)	10.1763	10.1819	10.1725	10.1567	10.2494

Source: CPNRF. Based on interim financial statements and review report of Certified Public Accountant for 1Q07, 2Q07 and 3Q07 and annual financial statements and audit report of Certified Public Accountant for 4Q06 and 4Q07

OPERATIONS SUMMARY

I. Leasable Area and Occupancy

	Area (sqm)		Occupancy Rate			
	Gross Area	Leasable Area	31 Mar 07	30 Jun 07	30 Sep 07	31 Dec 07
Rama II	251,182	93,155	99.0%	98.7%	98.5%	99.0%
Rama III	169,740	39,214	95.1%	94.9%	95.1%	91.6%
CPNRF Portfolio	420,922	132,369	97.9%	97.5%	97.5%	96.8%

Source: CPN

II. Renewals and New Leases

	From 1 January to 31 December 2007 ¹			
	Renewals and New Leases			Increase / (Decrease) in Rental Rates (p.a.) ³
	No. of Leases	Area (sqm)	% of Total ²	
Rama II	130	9,089	9.8%	7.0%
Rama III	70	9,601	24.5%	8.9%
CPNRF Portfolio	200	18,690	14.1%	8.0%

Note:

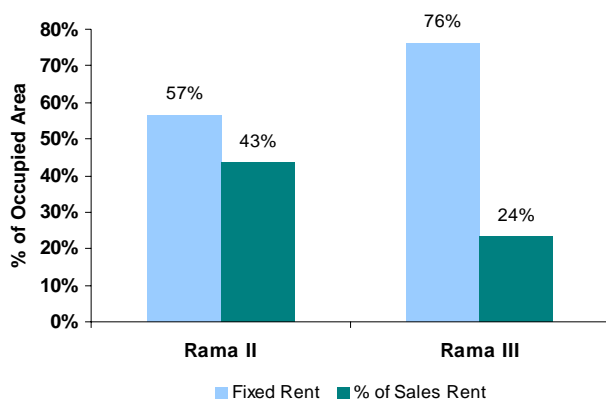
¹ Exclude rental agreements < 1 year

² Percentage of leasable area as at 31 December 2007

³ Exclude rental agreements with revenue sharing clause

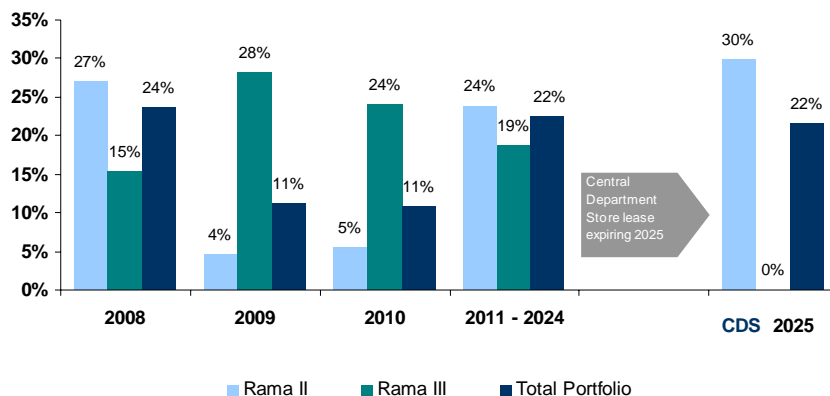
Source: CPN

III. Rental Structure



Source: CPN

IV. Lease Expiry Profile



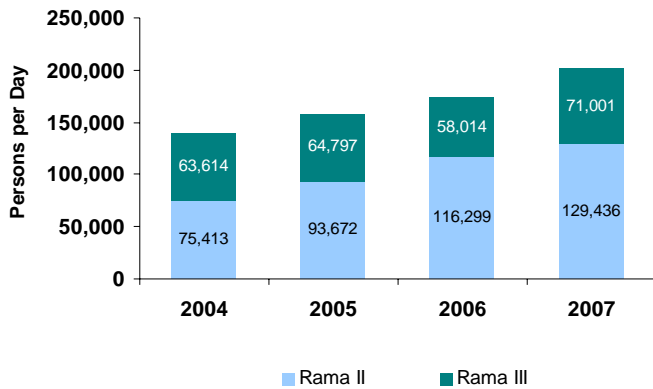
Note:

1. Percentage of total occupied area as at 31 December 2007

2. Exclude rental agreements < 1 year

Source: CPN

V. Traffic



↑ 22%

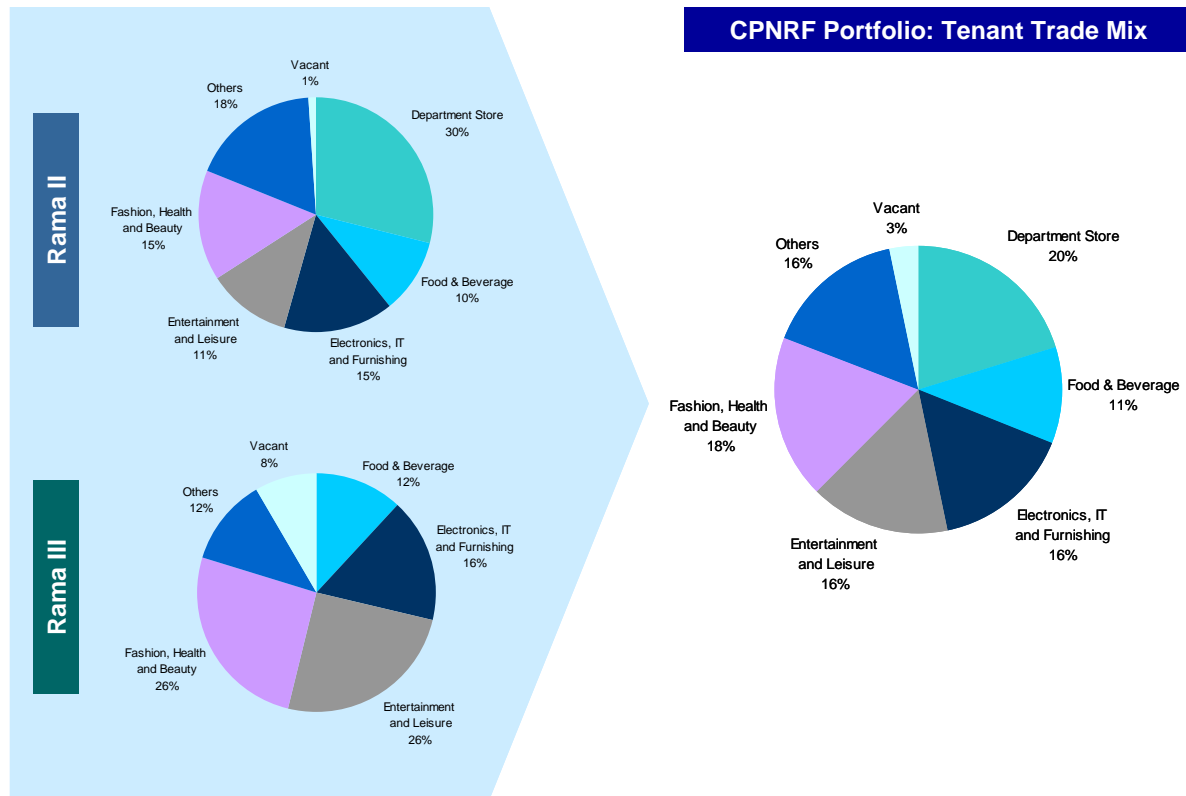
↑ 11%

- Rama III: Overall traffic in 2007 increased by 22% compared to 2006 mainly due to the overpasses on Rama III road in March 2007 and continuous promotional activities.

- Rama II: Traffic in 2007 increased by 11% compared to 2006 mainly due to the expansion of the surrounding community and continuous promotional activities.

Source: CPN estimate

VI. Tenants Trade Mix



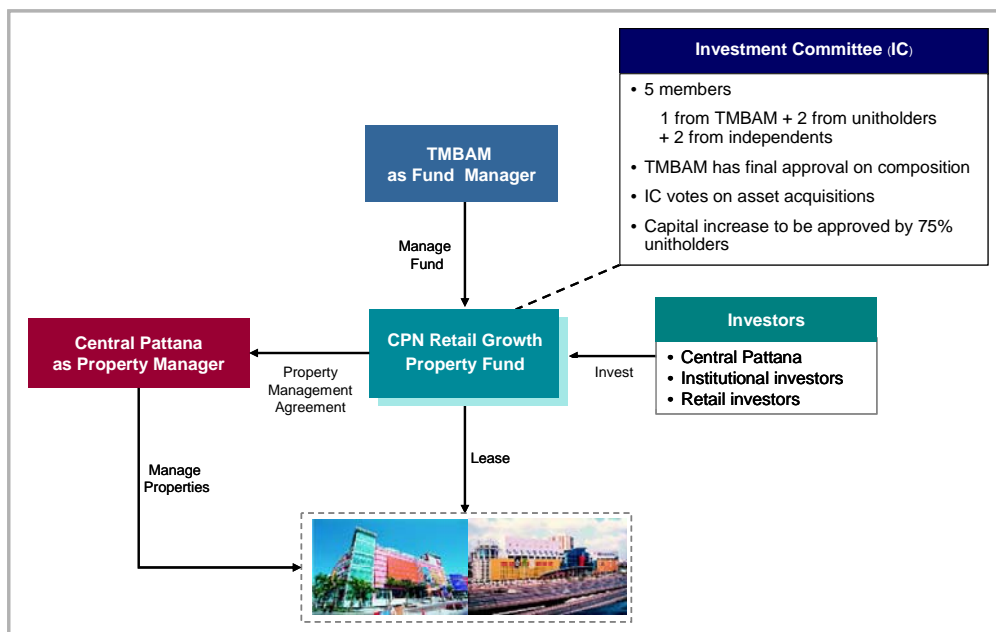
Note: Based on leasable area as at 31 December 2007
Source: CPN

ABOUT CPNRF

I. Fund Information

Name	CPN Retail Growth Property Fund ("CPNRF")
Property Manager	Central Pattana Public Company Limited
Fund Manager	TMB Asset Management Company Limited
Trustee	Kasikorn Bank Public Company Limited
Registrar	TMB Asset Management Company Limited
Assets	Central Plaza Rama II, Central Plaza Ratchada-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 Central Plaza Rama II 16 August 2005 for Central Plaza Ratchada-Rama III
Fund Listed Date	23 August 2005
Secondary Market	The Stock Exchange of Thailand ("SET")

II. Fund Structure



DISCLAIMERS

- The information contained in this document 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 units in CPN Retail Growth Property Fund ("CPNRF" and units in CPNRF, "Units") 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 document may include information which is forward-looking in nature. Forward-looking information involves known and unknown risks, uncertainties and other factors which may impact on the actual outcomes, including economic conditions in the markets in which CPNRF operates and general achievement of CPNRF business forecasts, which will cause the actual results, performance or achievements of CPNRF to differ, perhaps materially, from the results, performance or achievements expressed or implied in this document.
- This document has been prepared by the CPNRF Property Manager. The information in this document 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 document. None of the CPNRF Property Manager or CPNRF Fund Manager 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 document or its contents or otherwise arising in connection with this document.
- This document is made, furnished and distributed for information purposes only. No part of this document shall be relied upon directly or indirectly for any investment decision-making or for any other purposes.
- This document 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.