

areit

Ascendas Real Estate Investment Trust

First Quarter Results Presentation for Financial Year Ending 31 March 2005



15 July 2004



This Presentation is focused on comparing actual results versus forecasts outlined in the A-REIT Circular of 18 February 2004. This shall be read in conjunction with A-REIT's First Quarter Financial Statement for the period from 1 April to 30 June 2004 in the Masnet announcement.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.



Agenda

- **Financial Highlights**
- First Quarter FY 04/05 In Review
- Portfolio Update
- Capital Management
- Strategy Going Forward



Key Highlights

	As at 31 March 04	As at 30 June 04
Total Assets	S\$1,020.7 m	S\$1,135.5 m
Closing Price	S\$1.27	S\$1.44
Units on Issue	707.2 m	791.7 m
Market Capitalisation	S\$898.1 m	S\$1,140.0 m
Gearing	25.8%	22.7%

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Distributable Income Per Unit in line with forecast ⁽¹⁾

	For three months ended 30 June 2004 S\$'000		
	Actual	Forecast ⁽¹⁾	% Change
Gross revenue	25,249	24,881	+ 1
Property operating expenses	(7,602)	(7,466)	(2)
Net property income	17,647	17,415	+ 1
Non-property expenses	(3,277)	(3,270)	0
Net profit	14,370	14,145	+ 2
Available for distribution	15,279	15,050	+ 2
Distributable income per unit (cents)	2.13	2.12	+ 1

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Note:

(1) The forecast for the period from 1 April 2004 to 31 March 2005 as stated in the circular dated 18 February 2004. Certain revenue and expense line items have been reclassified to account for items paid on behalf of tenants (recorded as expenses) and recharged to tenants (recorded as revenue).

Source: A-REIT unaudited Financial Statements for first quarter ended 30 June 2004



Financial Highlights

- Distributable income** **S\$15,279k**
 Represents distributable income per Unit (DPU) 2.13 cents
 (for three months ended 30 June 2004)
- Annualised trading yield** **9.7%**
 (based on IPO price of S\$0.88 per unit)
- Annualised trading yield** **5.9%**
 (based on closing price of S\$1.44 per unit
 on 30 June 2004)

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Balance Sheet

	Actual as at 31 March 2004 S\$'000	Actual as at 30 June 2004 S\$'000	% Change
Current Assets	24,281	95,435	
Property Portfolio	996,431	1,040,060*	
Total Assets	1,020,712	1,135,495	+ 11.2
External Borrowings	263,800	257,400	
Other Liabilities	65,262	55,933	
Unitholders' Equity	691,650	822,162	+ 18.9

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* Based on the valuations of the 16 properties as at 1 June 2004 valued by Jones Lang LaSalle and Colliers International at S\$1.02 b plus total acquisition cost of the Nan Wah Building purchased on 31 May 2004.

Source: A-REIT unaudited Financial Statements for the three months ended 30 June 2004



Balance Sheet Strength

	Actual As at 31 March 2004	Actual As at 30 June 2004
Adjusted net asset value per unit (NAV) (cents)	95	102
Total Property (%) to Total Assets	97.6	91.6
Gearing (%)	25.8	22.7

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Source: A-REIT unaudited Financial Statements for the three months ended 30 June 2004

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Recent Placement

15 June 2004

82,142,857 New Units in A-REIT

- Underwritten by Citigroup
- Units listed on SGX on 24 June 2004



Placed to institutional investors at issue price of S\$1.40



To fund proposed acquisitions of Progen Building and C& P Logistics Hub

Financial Highlights

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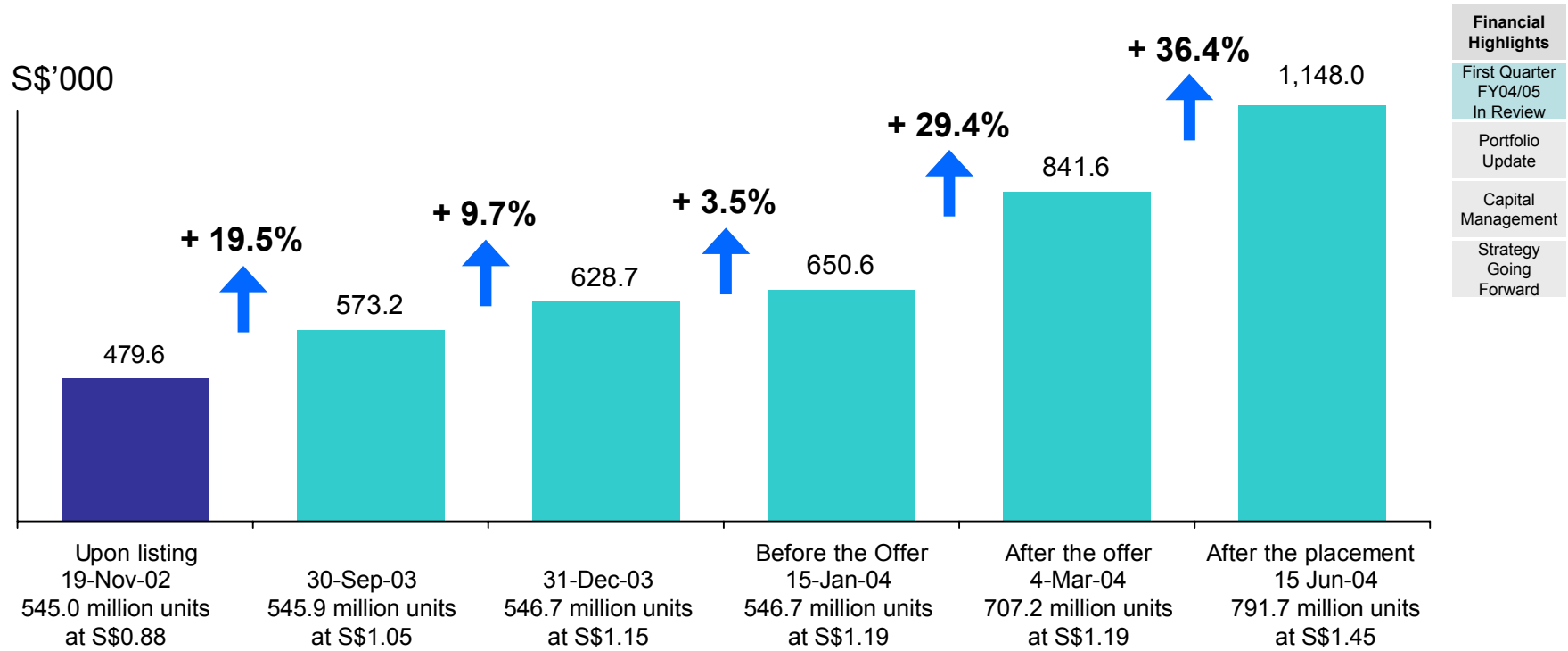
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Increase in Market Cap

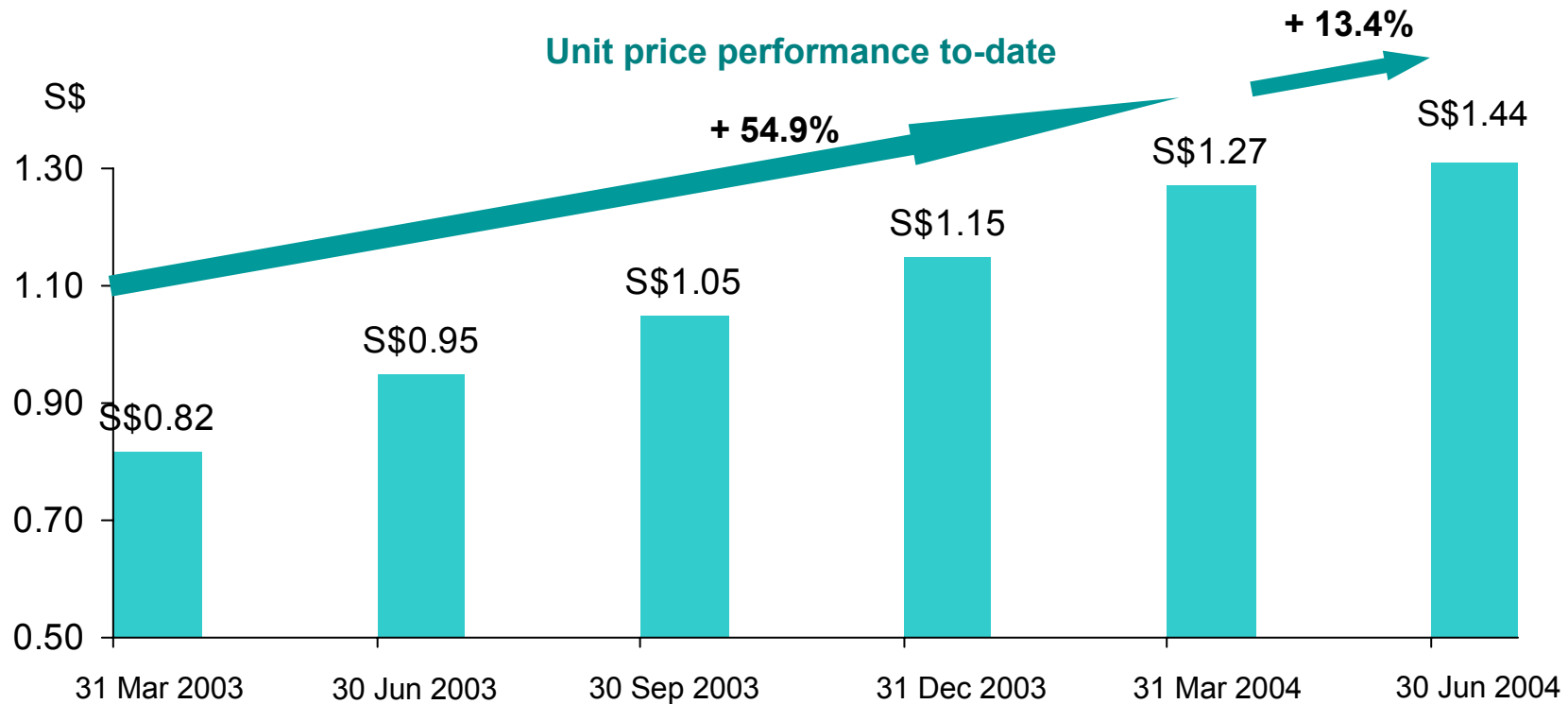


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Capital Growth

- A-REIT has demonstrated an ability to deliver DPU growth, which has driven capital growth



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Source: Ascendas-MGM Funds Management Limited as at 30 June 2004

Delivering Total Return of 19.3%

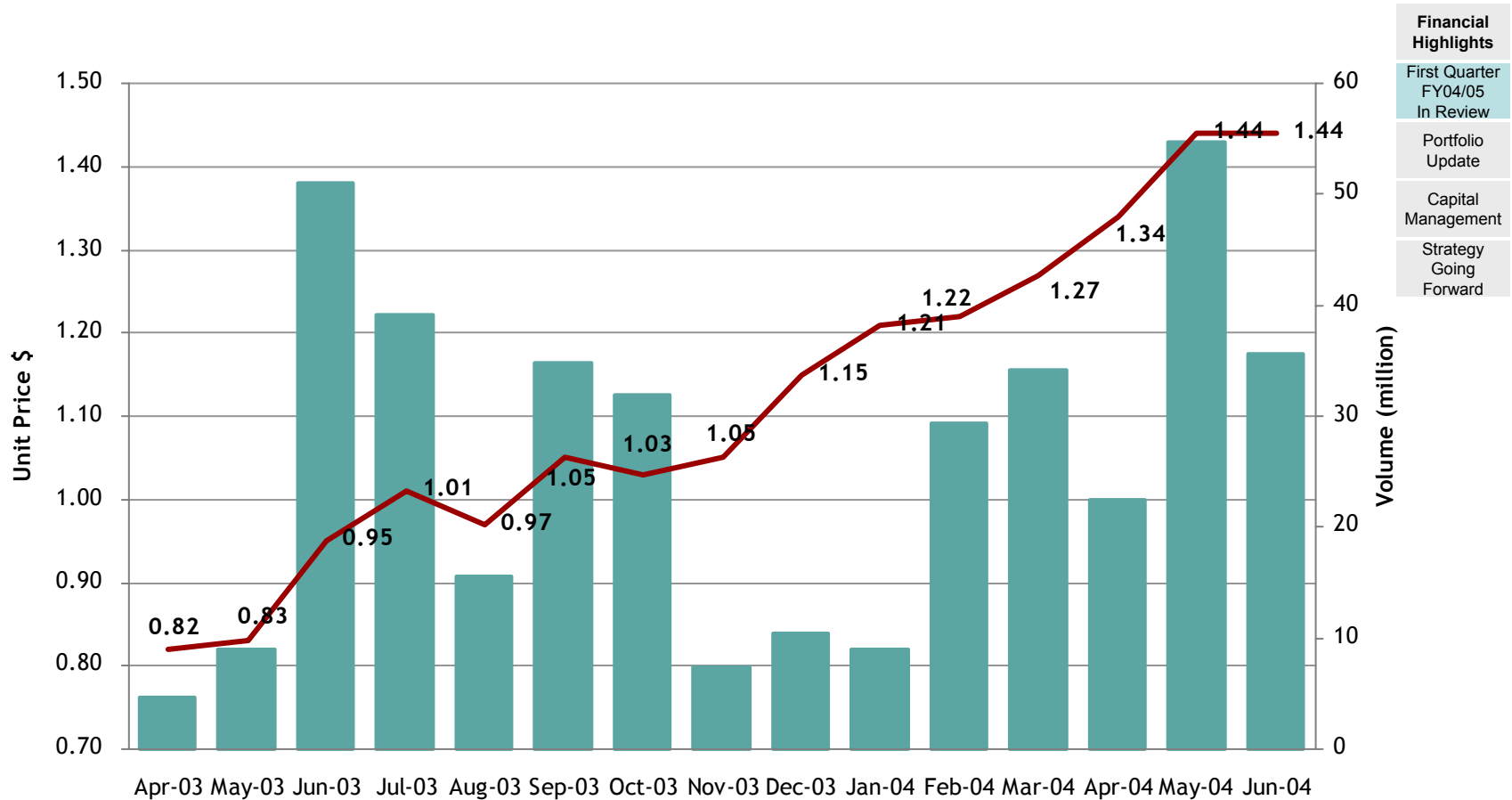
	For the first quarter ended 30 June 2004
Yield	5.9%⁽¹⁾
Capital Appreciation	13.4%
Total Return	19.3%

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⁽¹⁾ Based on annualised DPU of 2.13 cents and unit price of \$1.44 on 30 June 2004

A-REIT Unit Price and Volume



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A Diversified Portfolio



The Alpha



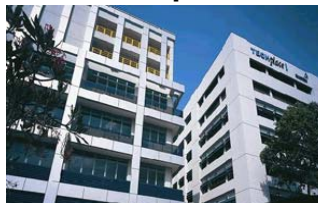
The Capricorn



The Gemini



The Aries



Techplace I



Techplace II



Techlink



Honeywell Building



OSIM HQ Building



Ghim Li Building



Ultron Building



Trivec Building



TT Int'l Tradepark



**IDS Logistics
Corporate HQ**



Siemens Center



**Changi Int'l
Logistics Centre**

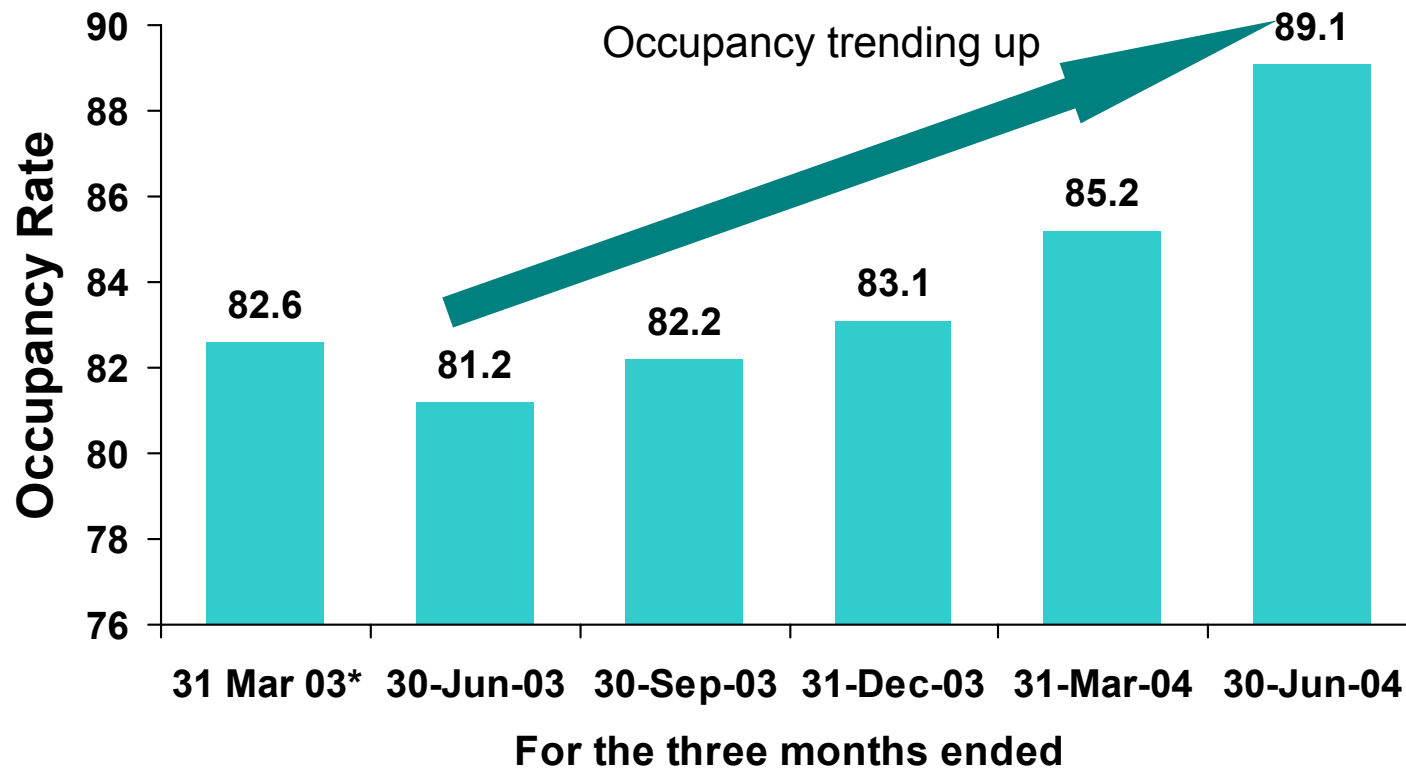


Nan Wah Building



Occupancy Highlights

Portfolio average occupancy on a quarterly basis



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Note

* Occupancy for 31 March 2003 is based on average over 5 months period



Portfolio Highlights

	Three months ended 31 Mar 04	Three months ended 30 Jun 04
Portfolio Occupancy ⁽¹⁾ (%)	85.2%	89.1%
New take-ups in portfolio (sqm)	10,280	14,017
	As at 31 Mar 04	As at 30 Jun 04
% of committed revenue for next FY	NA	92.3 ⁽²⁾
Weighted Average Lease to Expiry (year)	4.6	4.7

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Note

- (1) Portfolio occupancy were based on three months average.
- (2) Based on forecasts represented in circular dated 18 February 2004

Source: Ascendas-MGM Funds Management Limited



Recent Acquisitions

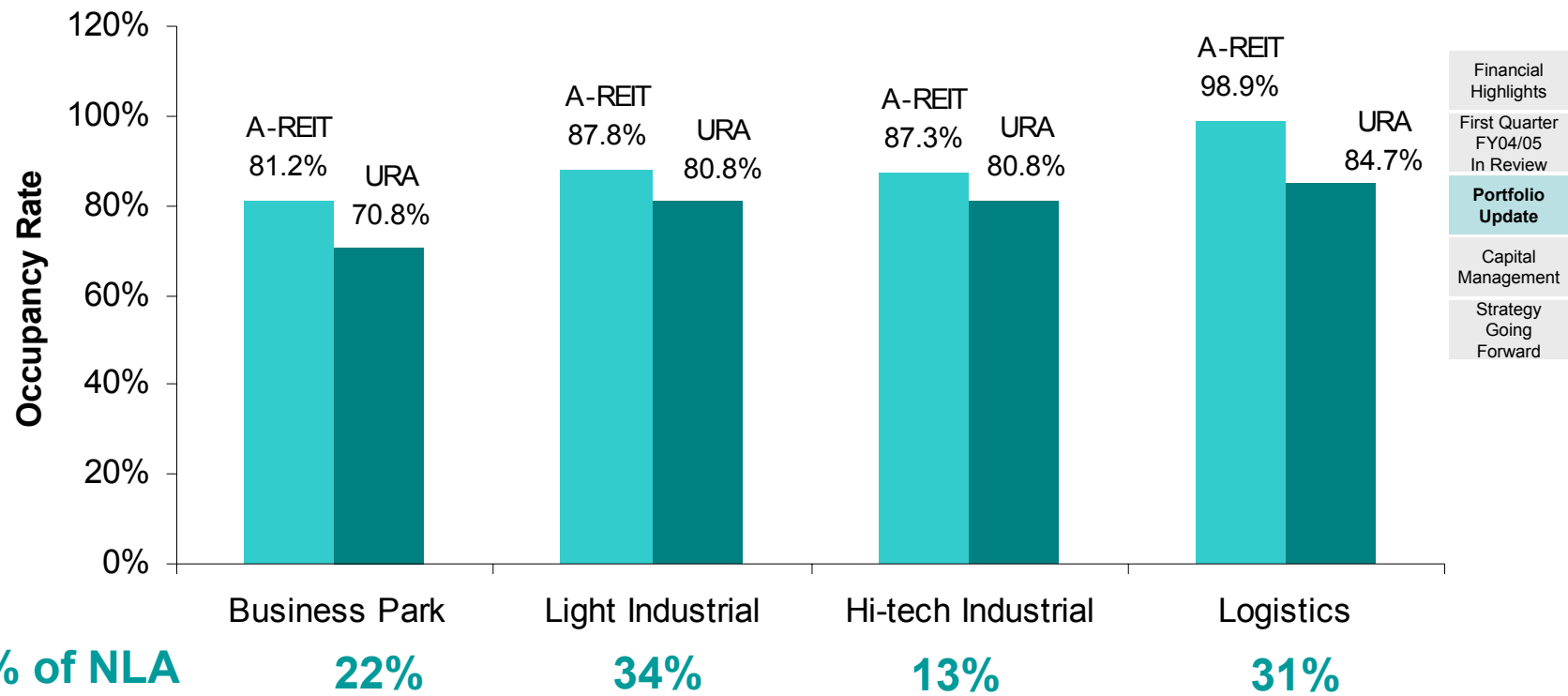
Property	Purchase Price ⁽¹⁾ (S\$m)	NLA as at 31 May 2004 (sqm)	FY05 Net Property Income (S\$m)	Property Yield ⁽²⁾ (%)	Weighted Average Lease Term (years)	Financial Highlights
Nan Wah Bldg	23.3	16,137	2.0	8.4	4.7 ⁽³⁾	First Quarter FY04/05 In Review
Progen Bldg	24.8	17,267	2.1	8.4	6.3 ⁽⁴⁾	Portfolio Update
C & P Logistics Hub	225.0	128,019	17.5	7.8	10.0	Capital Management
Total / Average	273.1	161,423	21.6	8.2	7.1	Strategy Going Forward



- (1) Excluding acquisition costs
- (2) Property yield before costs
- (3) As at 30 June 2004
- (4) Assuming settlement on 1 July 2004



A-REIT Portfolio Occupancy



% of NLA

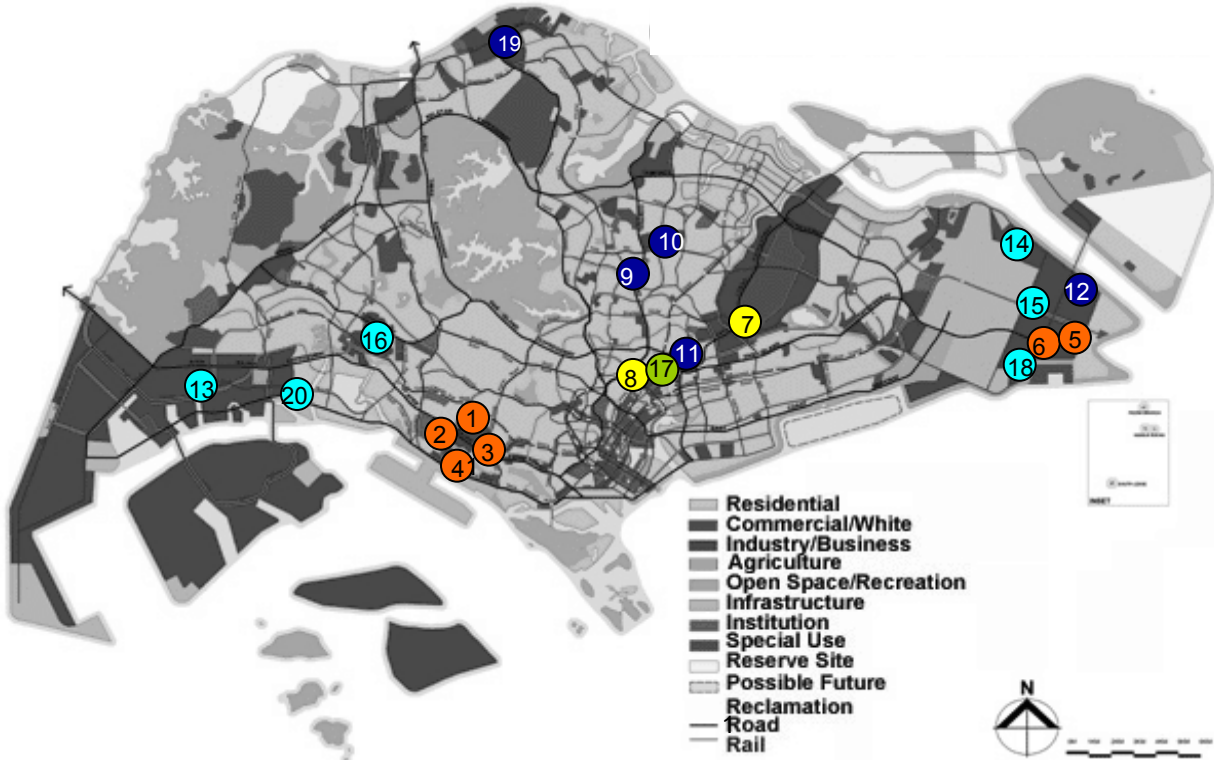
Notes:

- (1) URA classified Light Industrial & Hi-tech Industrial as multiple-user space
- Business Park: Honeywell Building, Ultro Building & Science Park Properties: The Alpha, The Gemini, The Capricorn & The Aries
- Light Industrial: Techplace I & II, OSIM Building and Ghim Li Building.
- Hi-tech Industrial: Techlink and Siemens Center.
- Logistics: Properties include Trivec Building and Changi International Logistics Centre, IDS Logistics HQ, TT International TradePark and Nan Wah Building

Source: URA: Urban Redevelopment Authority Official Statistics as at March 2004 www.ura.gov.sg & Ascendas-MGM Funds Management Limited



Well Located, Diversified Portfolio



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- **Science & Business Park**
- **Hi-tech Industrial**
- **Light Industrial**
- **Logistics**

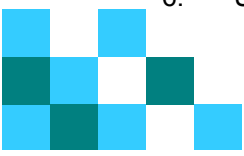
1. The Alpha
2. The Aries
3. The Capricorn
4. The Gemini
5. Honeywell Building
6. Ultron Building

7. Techlink
8. Siemens Center
17. A-REIT has an option to acquire the Infineon Building

9. Techplace I
10. Techplace II
11. OSIM HQ Building
12. Ghim Li Building
19. Progen Building

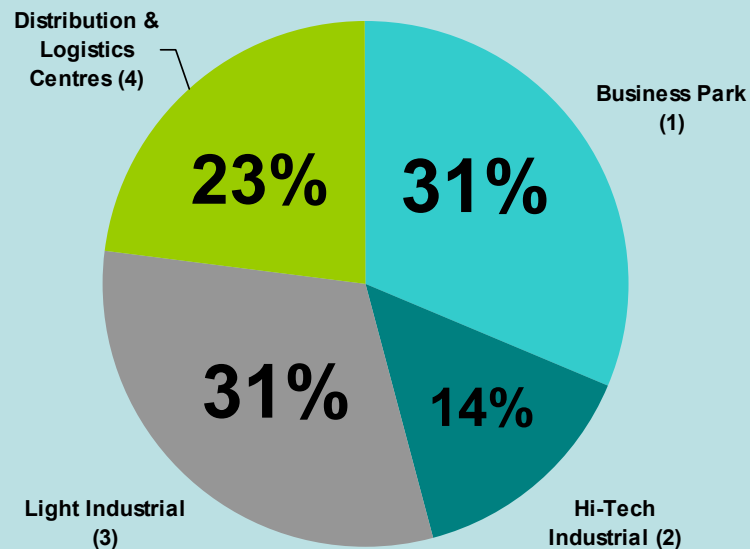
13. IDS Logistics Corporate HQ Building
14. Changi International Logistics Centre
15. Trivec Building
16. TT International Tradepark
18. Nan Wah Building
20. C&P Logistics Hub

Properties 19 and 20 have been contracted, but are not completed yet

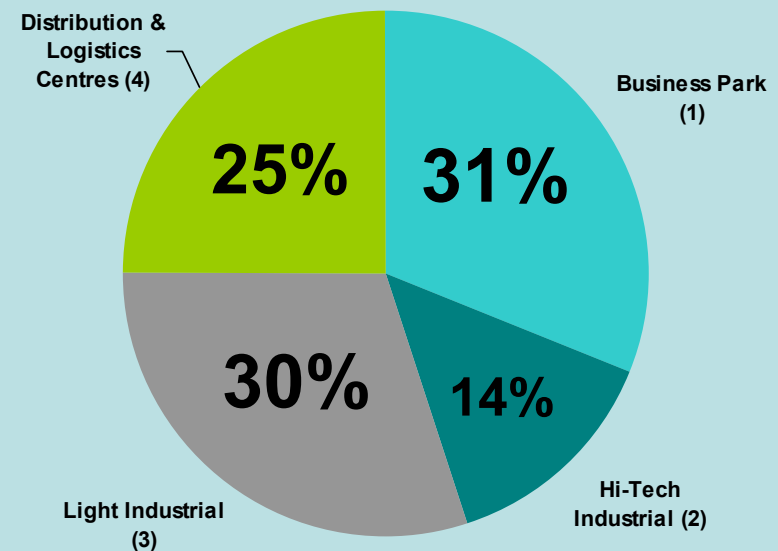


Asset Class Diversification by Portfolio Value

As at 31 March 2004



As at 30 June 2004



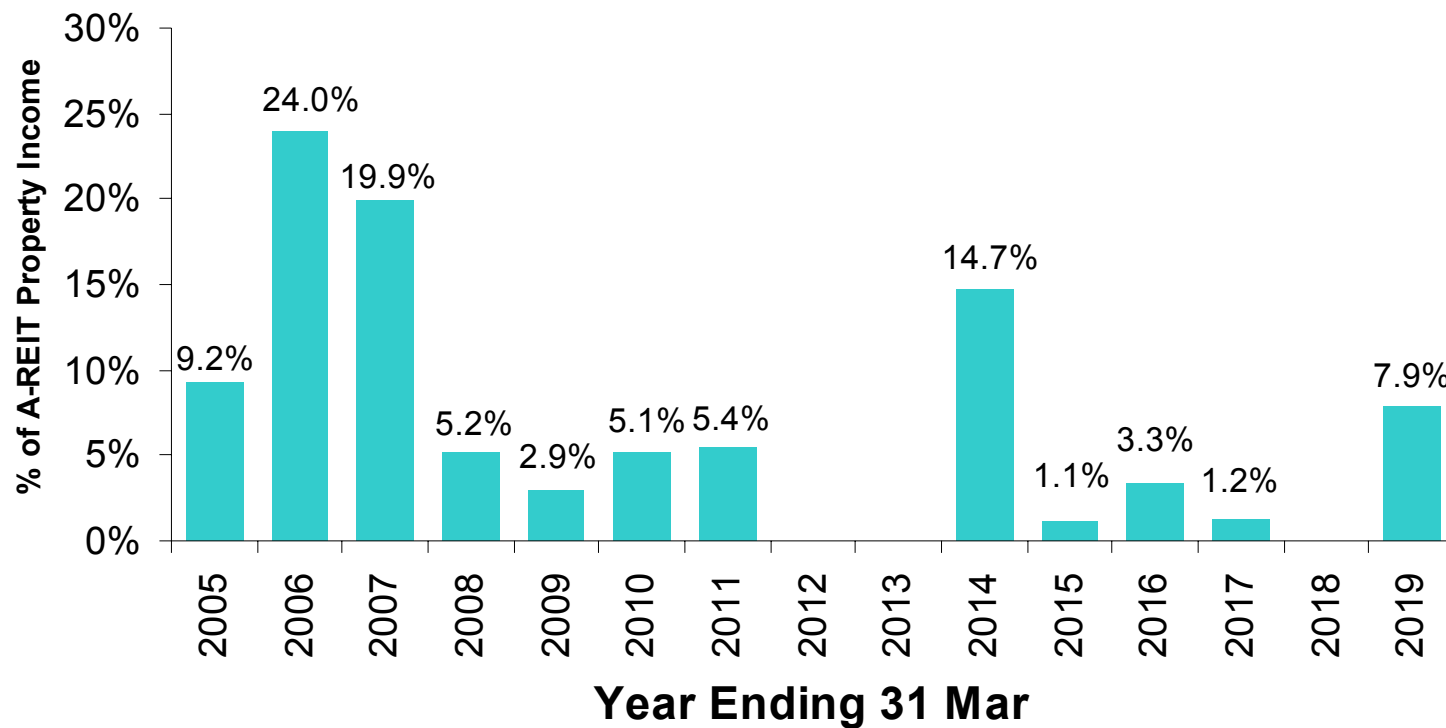
- (1) Honeywell Building, Ultro Building, The Alpha, The Aries, The Capricorn and The Gemini
- (2) Techlink Building and Siemens Center
- (3) Techplace I, Techplace II, OSIM Building and Ghim Li Building
- (4) CILC, IDS Logistics Corporate Headquarters, Trivec Building and TT International Tradepark

- (1) Honeywell Building, Ultro Building, The Alpha, The Aries, The Capricorn and The Gemini
- (2) Techlink Building and Siemens Center
- (3) Techplace I, Techplace II, OSIM Building and Ghim Li Building
- (4) CILC, IDS Logistics Corporate Headquarters, Trivec Building, TT International Tradepark and Nan Wah Building



Weighted Average Lease to Expiry

Weighted average lease term to expiry (by income)



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The weighted average lease term to expiry = **4.7 years**

Source : Ascendas-MGM Funds Management Limited as at 30 June 2004 (based on 17 properties)



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Capital Management

- **Fixed rate borrowings of S\$190m (via interest swaps) represents 73.8% of borrowings as at 30 June 2004**
- **External borrowings of S\$257.4m as at 30 June 2004**
- **Weighted average term of fixed debt is 2.62 years**
- **Current weighted average all-up funding cost is 2.38% as at 30 June 2004** *(including margins and weighted swap rates for hedged debt and current floating rates on unhedged debt)*
- **Established a S\$1 billion multi-currency secured Medium Term Note Programme**
- **Initial issuance of approximately S\$300m equivalent in Euros of AAA-rated CMBS**

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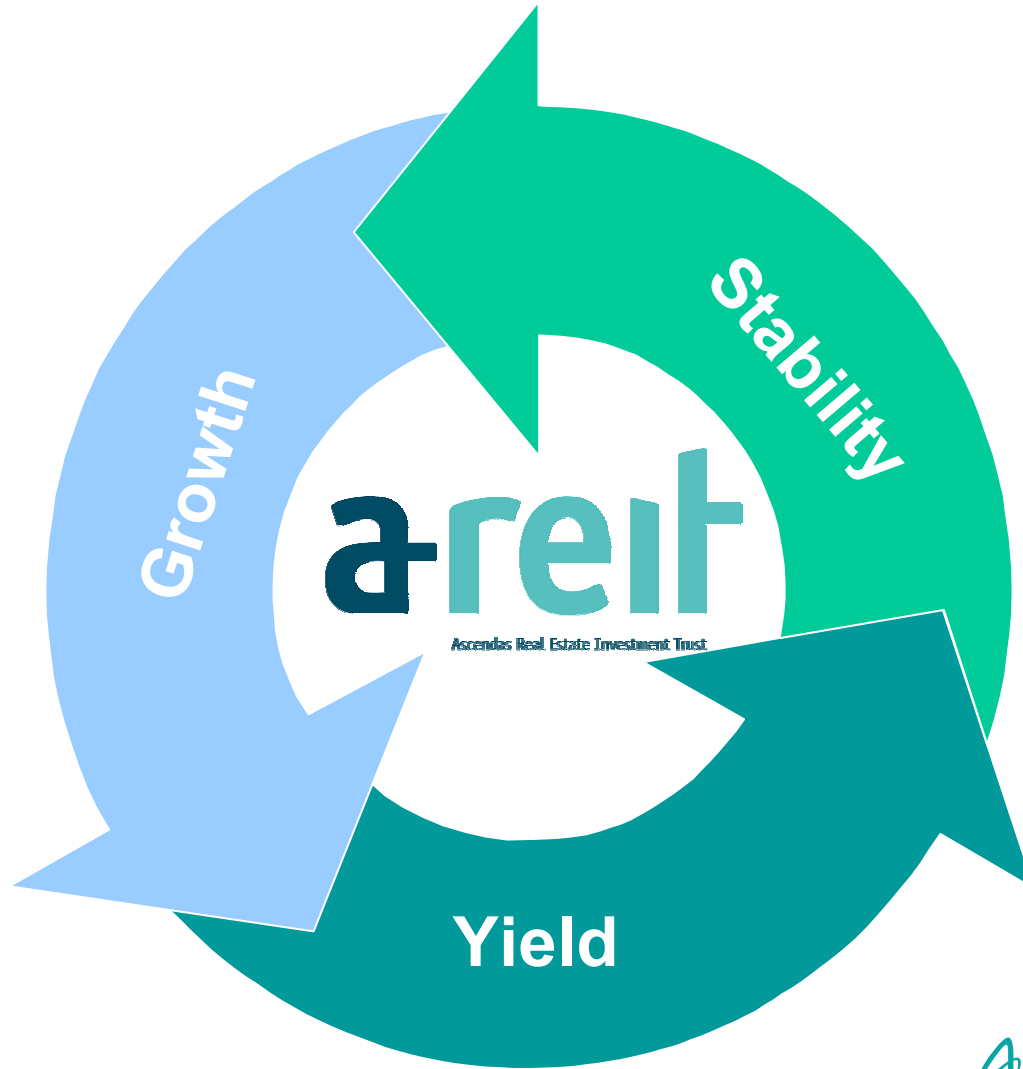


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- **Strategy Going Forward**



Strategy Going Forward



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Macquarie Goodman

Strategy - Three Way Approach

Existing portfolio

- Increase occupancy
- Increase rental rates
- Maintain weighted average lease terms
- Diversification of property, tenants and industry sectors

Asset enhancements

- Additional GFA at properties (eg. Techplace II project & Trivec development)
- Cost saving measures and other enhancements when acquiring new properties

Acquisition

- Infineon Building expected to be ready Aug/Sep 04
- Strategically located properties
- Occupied by tenants with well known profiles providing stability of income
- Long term leases with stepped increase reviews



**TOTAL
RETURNS
TO
UNITHOLDERS**
(Income
and
Growth)

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Thank You



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