

# areit

## Proposed Acquisition of Exklusiv Building



24 August 2004



# Agenda

- **The Property**
- **Impact on A-REIT**
  - Pro forma Financial Effect
  - Portfolio Diversification
  - Property Yield
- **Timetable for Completion**
- **Acquisition Summary**



# Exklusiv Building Property Details

## The Property

Impact on A-REIT

Timetable for Completion

Acquisition Summary

<b>Building type</b>	A 5-storey light industrial building with office cum motor vehicle showroom
<b>Address</b>	247 Alexandra Road
<b>Net Lettable Area</b>	10,513 sqm
<b>Site Area</b>	7,523 sqm
<b>Valuation (as at 2 August 2004)</b>	S\$45.0m by Colliers International Consultancy & Valuation (Singapore) Pte Ltd
<b>Purchase Price</b>	S\$44.8m (initial payment of S\$43.9 million and deferred payment of \$0.9 million at the end of the 3 <sup>rd</sup> yr)
<b>Property Yield (before acquisition costs) for first year</b>	7.9% (based on the initial payment of S\$43.9m upon completion)



# Exklusiv Building Property Details

## The Property

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<b>Title</b>	<p>Land area of 7,150 sqm has a leasehold expiring in year 2051</p> <p>Upfront land premium has been paid by Group Exklusiv</p>
<b>Occupier</b>	<p>Group Exklusiv</p>
<b>Occupancy</b>	<p>100%</p>
<b>Outgoings</b>	<p>Lease management cost and subletting fees charged by HDB to be paid by lessor (A-REIT).</p> <p>All property tax, maintenance and utility expenses to be paid by lessee (Group Exklusiv)</p>



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# Distribution Per Unit (“DPU”) Positive

<b>Exklusiv Building</b>	<b>DPU Impact (Based on possible debt/equity funding of 30/70)*</b>
<b>DPU Impact (proforma impact on financial year ended 31 March 2004)</b>	<b>0.08 cents</b>

Note:

\*Calculated based on the assumption that A-REIT had acquired the Property on 1 April 2003 and held it through to 31 March 2004 as well as on the assumption that the acquisition is funded at an optimal gearing level of 30 per cent. debt / 70 per cent. equity.

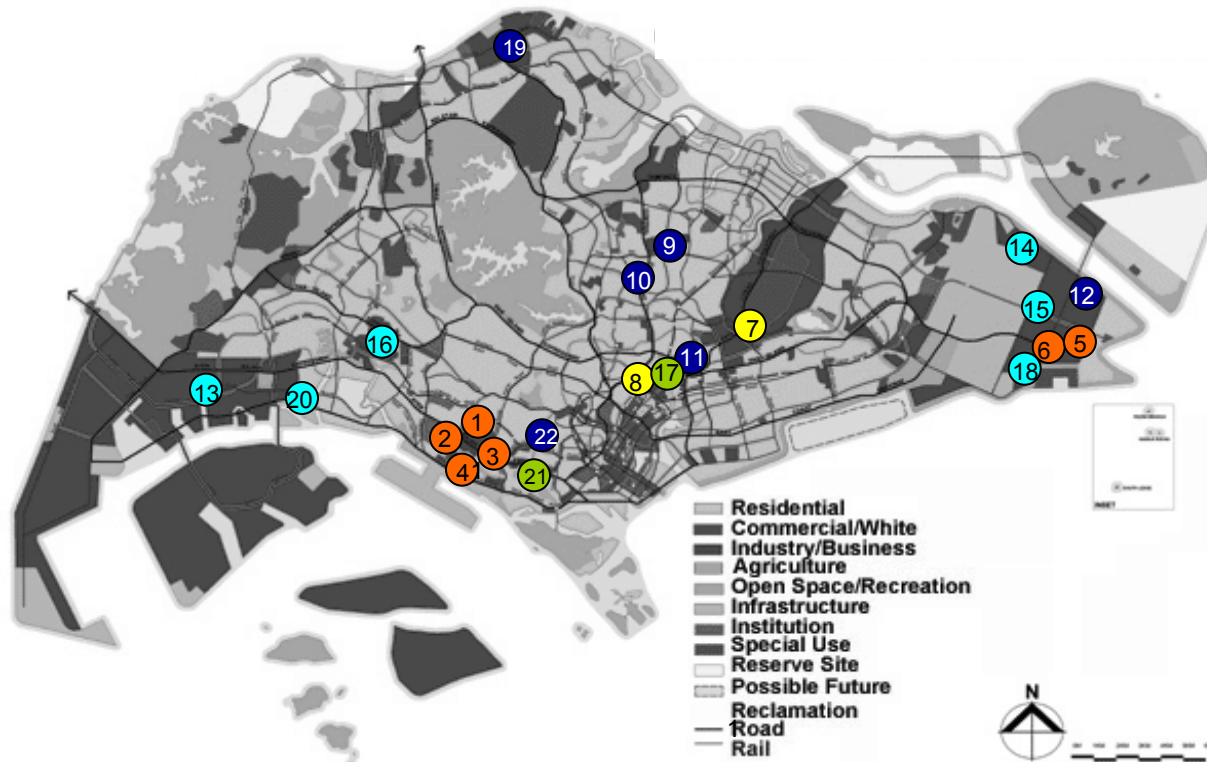


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# Well Located, Diversified Portfolio



The Property

Logistics Sector

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**Science & Business Park**

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

**Hi-tech Industrial**

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

**Light Industrial**

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

**Logistics**

- 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

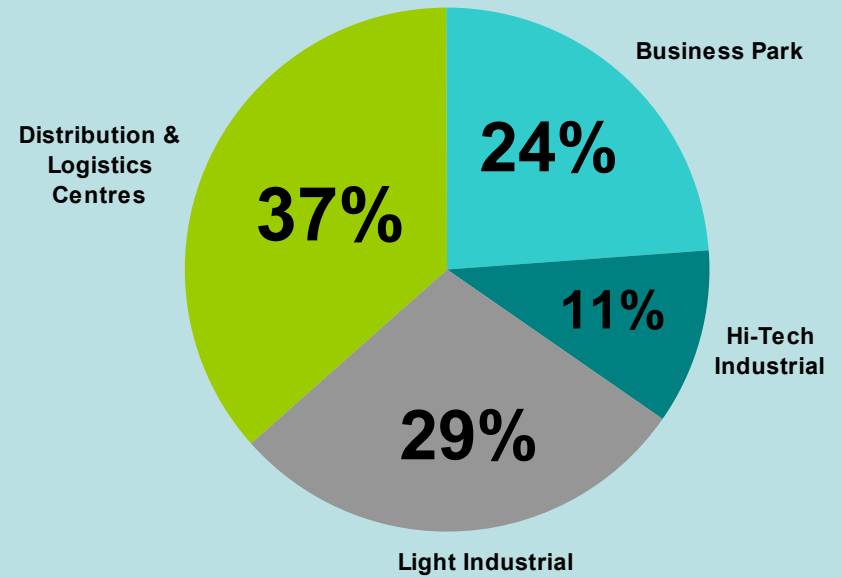
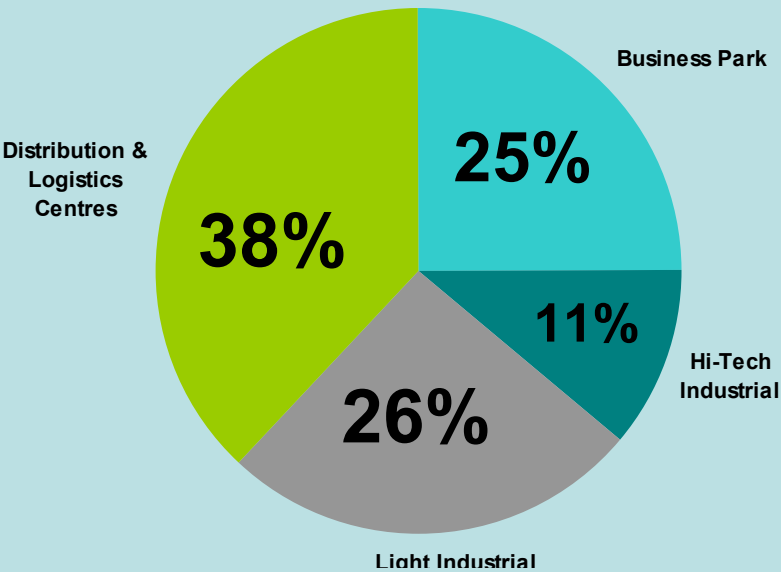
- 21. A-REIT has an option to acquire the Building developed with a lease to HP



# Asset Class Diversification by Portfolio Value

Before acquisition of Exklusiv Bldg

After acquisition of Exklusiv Bldg



# A-REIT Weighted Lease Expiry Profile



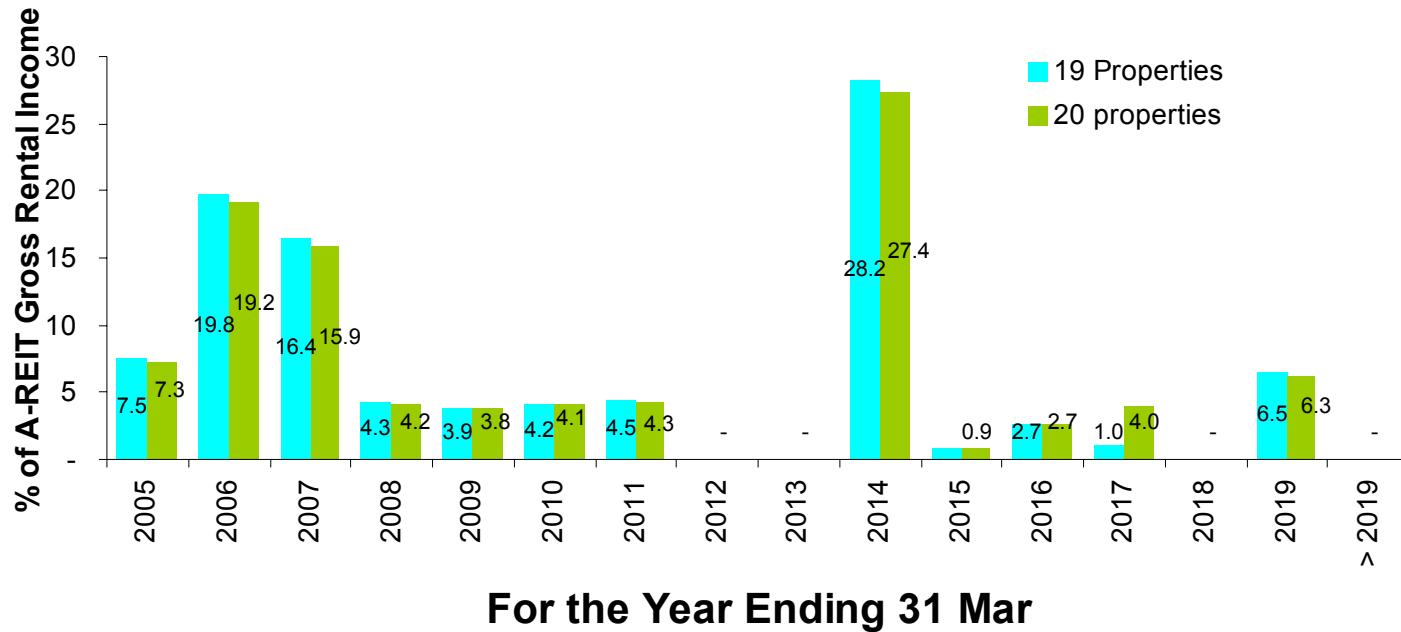
The Property

Impact on A-REIT

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## A-REIT Weighted Average Lease Term to Expiry - By Income



	Before (A-REIT - 19 Properties)	After (A-REIT + Exklusiv Bldg)
Weighted Average Lease to Expiry	5.6	5.8

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# Yield-Accretive

<u>For Year One</u>	<b>Exklusiv Building (\$ million)</b>
<b>Income</b>	3.6
<b>Property Expenses</b>	0.1
<b>Net Income</b>	3.5
<b>Yield Before Acquisition Costs (for year one)</b>	7.9% <sup>(1)</sup>

The Property

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(1) Based on the initial payment of S\$43.9 million upon completion. The remaining S\$0.9 million will be paid at the end of the 3<sup>rd</sup> year.



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# Timetable for Completion

The Property

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	<b>Exklusiv Building</b>
<b>August 2004</b>	<b>Signed Put and Call Option Agreement</b>
<b>December 2004</b>	<ul style="list-style-type: none"> <li>• <b>Exercise option</b></li> <li>• <b>Execution of Sale and Purchase Agreement</b></li> <li>• <b>Completion</b></li> </ul>



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# Acquisition Summary

- **Well located property**
- **Diversifies property portfolio**
- **Strengthens tenancy profile**
- **Diversifies tenant mix and industry type**
- **Extends lease expiry profile**
- **Yield-accretive**
- **DPU positive**

The Property

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- *The value of units in A-REIT (“Units”) and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.*
- *Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*
- *The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.*

**This release 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.**

**- End -**