



Ascendas Real Estate Investment Trust


**Business & Science Park**




**Light Industrial**




**Warehouse Retail Facilities**




**Hi-Tech Industrial**



**Logistics and Distribution**



**1Q FY2008/09**  
**Financial Results Presentation**  
**18 July 2008**




Ascendas Real Estate Investment Trust

### Disclaimers

**This Presentation is focused on comparing results for the three months ended 30 June 2008 versus actual results year-on-year ("yoy"). This shall be read in conjunction with A-REIT's Results for the period from 1 April 2008 to 30 June 2008 in the SGXNet 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 and occupancy, 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 the Manager's current view of future events.

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- **Key highlights**
- Financial performance
- Capital and funds management
- Investment update
- Portfolio update
- Market outlook
- Going forward

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### Key Highlights

- 1QFY2008/09 DPU of 3.89 cents, up 15.4% year-on-year (yoy); 5.4% quarter-on-quarter
- 1Q FY2008/09 net income available for distribution of \$51.8 m, up 15.9% yoy
- Portfolio occupancy at 98.6% on 30 June 2008 vs 97.2% at 30 June 2007. Occupancy for MTB properties was 96.8% vs 95.0% a year ago.
- Acquired 31 International Business Park and 8 Loyang Way 1 for a total of \$271.8 million
- Total assets of \$4.5 bn as at 30 June 2008 compared to \$3.3bn as at 30 June 2007
- Aggregate Leverage at 40.5%

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## Distribution Details



Stock counter	Distribution Period	Distribution per unit (cents)
Ascendasreit	1 Apr 08 to 30 Jun 08	3.89

### Distribution Timetable

Last day of trading on "cum" basis	25 July 2008
Ex-date	28 July 2008, 9.00 am
Books closure date	30 July 2008, 5.00 pm
Distribution payment date	<b>27 August 2008</b>

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## DPU – 1QFY08/09 is 15.4% above 1QFY07/08



(\$'000)	1Q FY08/09 <sup>(1)</sup>	1Q FY07/08 <sup>(1)</sup>	% Change
Gross revenue	92,537	77,343	19.6
Property operating expenses	(22,837)	(19,313)	18.2
<b>Net property income</b>	<b>69,700</b>	<b>58,030</b>	<b>20.1</b>
Borrowing costs <sup>(2)</sup>	(12,376)	(10,019)	23.5
FRS 39 F.V. Adjustments	(448)	(617)	n.m.
Non-property expenses <sup>(3)</sup>	(7,322)	(4,667)	56.9
Net income	49,554	42,727	16.0
<b>Available for distribution</b>	<b>51,783</b>	<b>44,685</b>	<b>15.9</b>
<b>Distribution per unit</b>	<b>3.89</b>	<b>3.37</b>	<b>15.4</b>

Notes:

- (1) Based on 86 properties as at 30 June 2008 versus 78 properties as at 30 June 2007
- (2) Borrowing costs represents interest expense on loans and amortised costs of establishing debt facilities. Borrowing costs also include the fair value/accretion adjustments for deferred payments and refundable security deposits.
- (3) Increase in non-property expenses due to higher management and trustee fees as a result of larger asset under management and a one-off impairment provision for business development expenses

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## DPU – 1QFY2008/09 is 5.4% above 4QFY2007/08

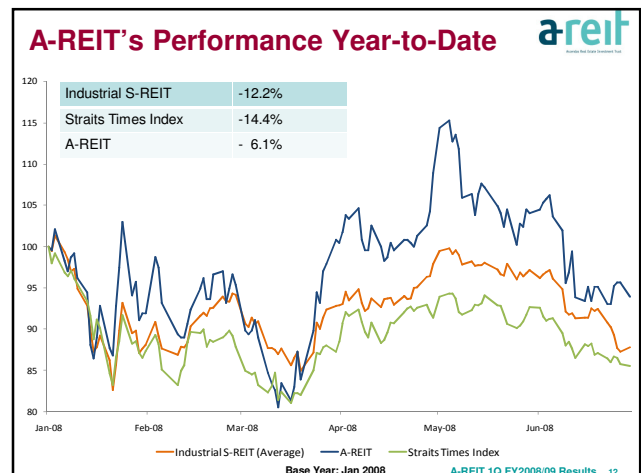
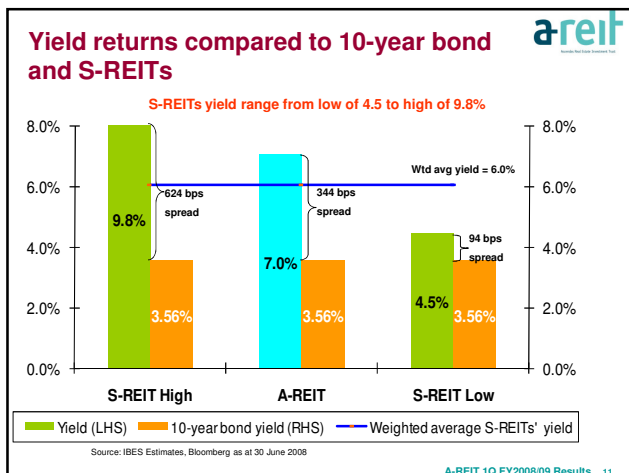
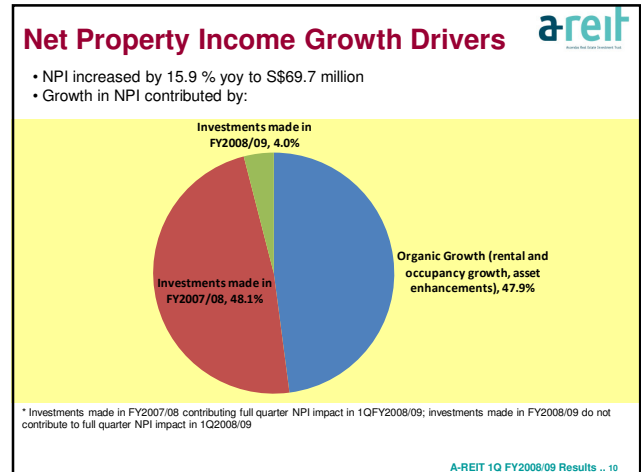
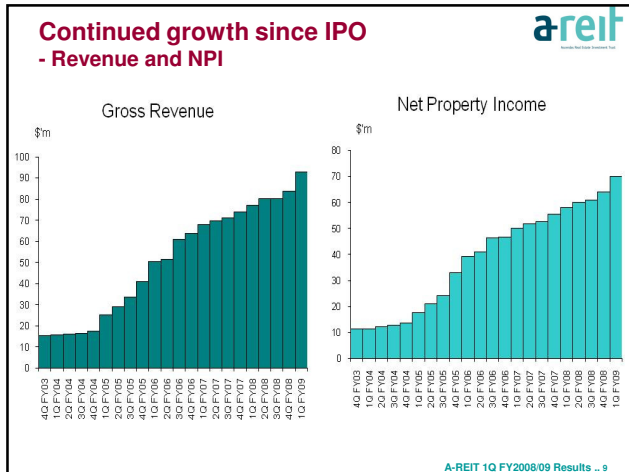


(\$'000)	1Q FY08/09 <sup>(1)</sup>	4QFY07/08 <sup>(1)</sup>	% Change
Gross revenue	92,537	84,464	9.6
Property operating expenses	(22,837)	(20,508)	11.4
<b>Net property income</b>	<b>69,700</b>	<b>63,957</b>	<b>9.0</b>
Borrowing costs <sup>(2)</sup>	(12,824)	(11,089)	15.6
FRS 39 F.V. Adjustments <sup>(3)</sup>	(448)	2,829	n.m.
Non-property expenses	(7,322)	(13,766) <sup>(4)</sup>	(46.8)
Net income	49,554	41,931	18.2
<b>Available for distribution</b>	<b>51,783</b>	<b>48,972</b>	<b>5.7</b>
<b>Distribution per unit</b>	<b>3.89</b>	<b>3.69</b>	<b>5.4</b>

Notes:

- (1) Based on 86 properties as at 30 Jun 2008 and 84 properties as at 31 Mar 2008
- (2) Borrowing costs include margins and weighted swap rates for hedged debt, amortisation of CMBS' establishment and annual maintenance costs and current floating rates on unhedged debt
- (3) Due to fair value accretion adjustment in 4QFY2007/08
- (4) Mainly due to performance fee accrued in 4QFY2007/08

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## Balance sheet

(\$bn)	As at 30 Jun 08	As at 30 Jun 07
Total Assets	4.5	3.3
Borrowings	1.8	1.2
Net assets attributable to unitholders	2.5	2.0
Aggregate Leverage	40.5%	38.0%
Net asset value per unit	188 cents	149 cents

Available debt capacity of more than \$370m to fund acquisition and development activities before optimal gearing of around 45% is reached

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## Interest Rate Risk Management

Debt Profile	30 Jun 2008	30 Jun 2007
Aggregate leverage <sup>(1)</sup>	40.5%	38.0%
Total debt	S\$1,841m	S\$1,216m
• Fixed rate debt	S\$1,431m	S\$1,131m
Fixed as a % of total debt	79.5%	93.0%
Weighted average all-up funding cost <sup>(2)</sup>	3.16%	3.42%
Weighted average term for fixed debt	3.89 years	4.4 years
Interest cover ratio	5.07 times	5.4 times

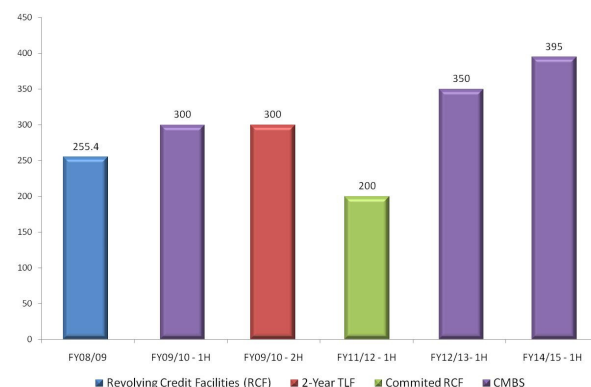
Notes:

(1) Aggregate leverage includes deferred settlements of about \$41 m

(2) Including margins and weighted swap rates for hedged debt and current floating rates on unhedged debt, and amortisation of CMBS' establishment and annual maintenance costs

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## Debt Maturity Profile



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## Investment highlights

### Acquisitions:

- Acquired two properties for total of S\$271.8 million in 1QFY2008/09

	Value (S\$m)
8 Loyang Way 1	25
31 International Business Park	246.8
<b>Total Investment (Acquisitions)</b>	<b>271.8</b>



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## Investment highlights

### Development Projects:

	Value (S\$m)	Expected Commencement Date	Expected Completion Date
Plot 7 & 8 Changi LogisPark (Partial Built to Suit Facility for Zuellig Pharma)	32	Started	2Q FY2008/09
Ramp-Up Industrial Facility at Pioneer Walk	86	Started	2/3Q FY2008/09
Changi Business Park Build-to-Suit Phase 1	61	Started	4Q FY2008/09
Changi Business Park Amenity Centre	33	2Q FY 2008/09	3Q FY2009/10
Changi Business Park MTB	75	2Q FY 2008/09	3Q FY2009/10
Changi Business Park Build-to-Suit Phase 2	39 <sup>(1)</sup>	4Q FY 2008/09	3Q FY2010/11
<b>Total - Investment in Development</b>	<b>326</b>		

(1) Estimated development cost



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## Development projects:

### Plot 7 & 8 Changi LogisPark (North)

- Partial built-to-suit logistics facility for Zuellig Pharma with 80% pre-commitment
- Under construction - expected to complete in 2QFY2008/09



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## Development projects: Pioneer Hub

- Two blocks of 6-storey ramp-up high specification industrial facility to be completed in two phases
- Overall pre-committed occupancy of 86.5%
- Remaining space under offer to prospects
- Target TOP for whole development : 2/3Q FY2008/09



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## Development projects: Plaza8

at Changi Business Park: Suburban business space



Mar 08: Construction of Phase 1 in progress

- Multi-tenanted building with total GFA of about 33,000 sq m, including approx. 6,000 sq m of amenity space to serve the needs of CBP population and surrounding area.
- Development expected to commence in 2Q FY2008/09



Business Park & Amenities Centre  
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## Asset Enhancement

- Capitalising on under-utilized plot ratio to create additional lettable area and thereby generate growth for the portfolio

- Techplace II
  - Property is located at Ang Mo Kio Ave 5.
  - Construction of additional block which will create 7,518 sqm of new lettable space
  - Expected completion in Dec 2008



Artist's Impression

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## Portfolio Highlights



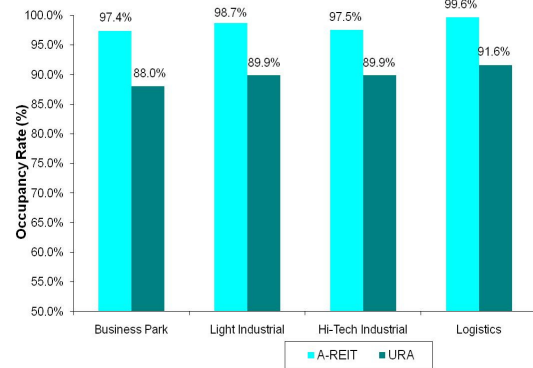
	As at 30 Jun 08	As at 30 Jun 07
A-REIT Portfolio occupancy	98.6%	97.2%
A-REIT MTB <sup>(1)</sup> occupancy	96.8%	95.0%
Total Portfolio renewals/new leases (sqm)	55,420 <sup>(2)</sup>	82,793 <sup>(3)</sup>
Total New leases/Expansions (sqm)	14,950 <sup>(2)</sup>	23,234 <sup>(3)</sup>
Total Renewals (sqm)	40,470 <sup>(2)</sup>	49,936 <sup>(3)</sup>
Weighted Average Lease to Expiry (years)	5.5	6.6

Notes :

- 1) MTB = Multi-tenanted buildings which accounts for about 50% portfolio value
- 2) For the three months ended 30 Jun 08
- 3) For the three months ended 30 Jun 07

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## A-REIT Portfolio Occupancy Higher Than Market



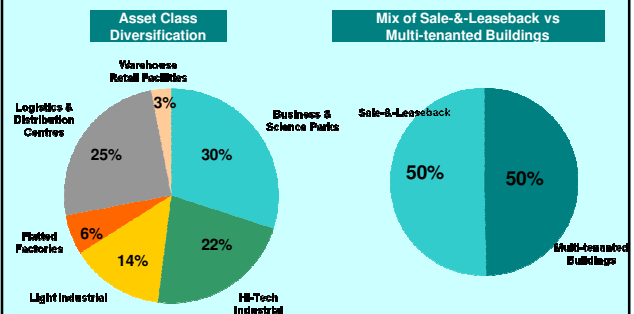
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## Portfolio Diversity & Stability

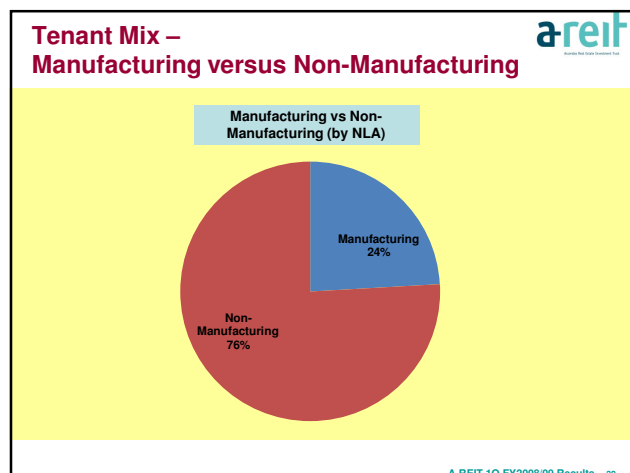
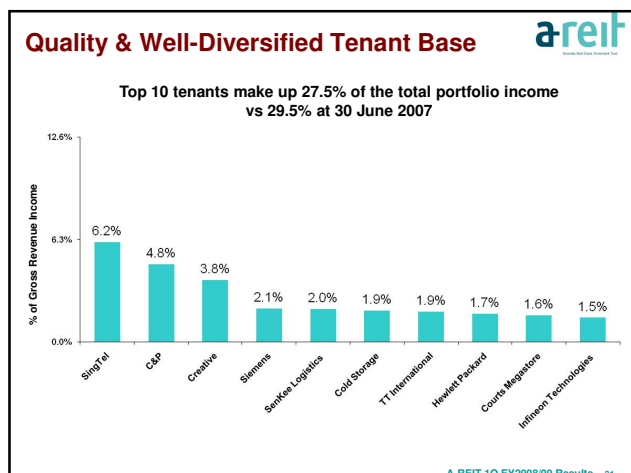
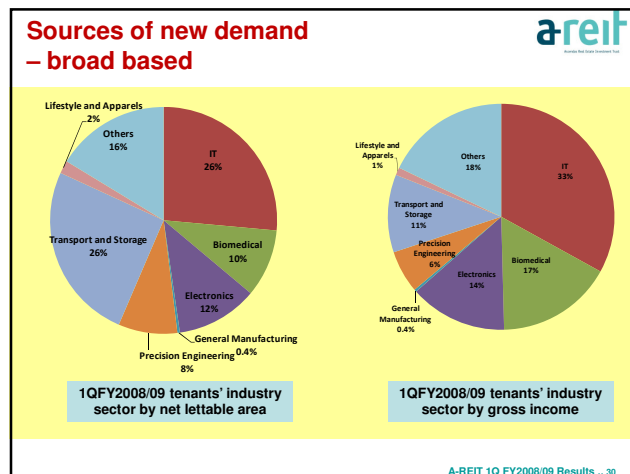
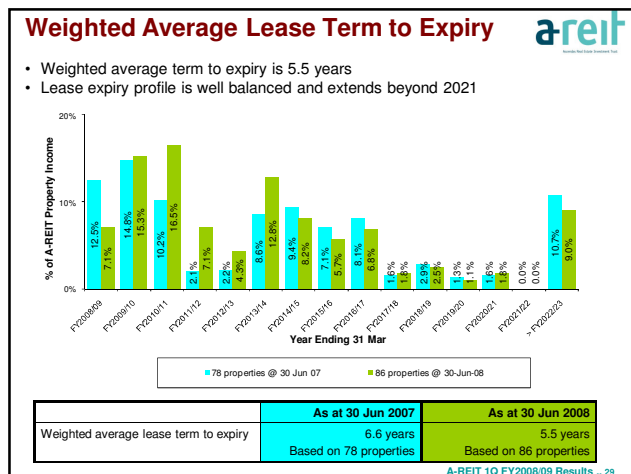


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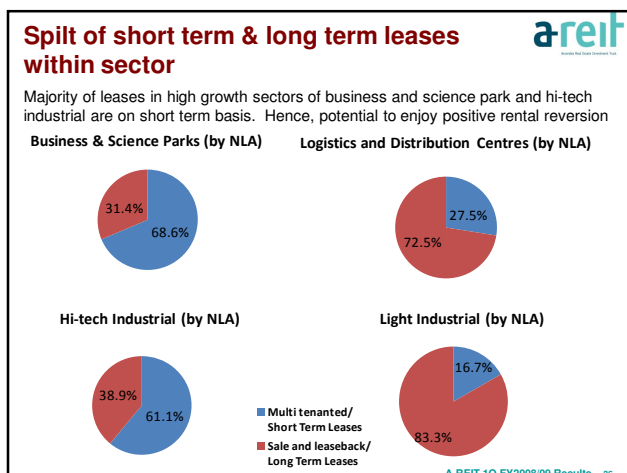
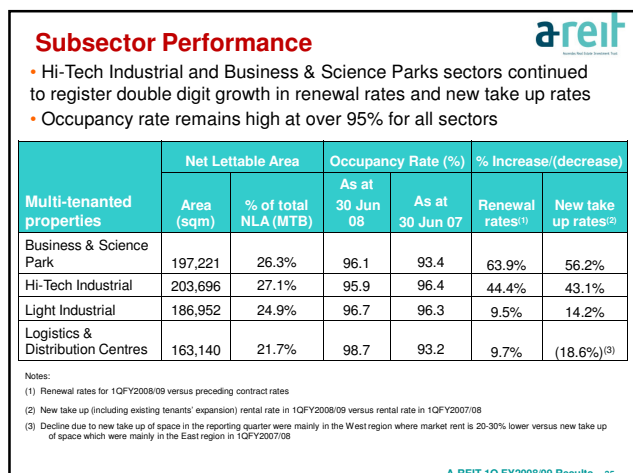
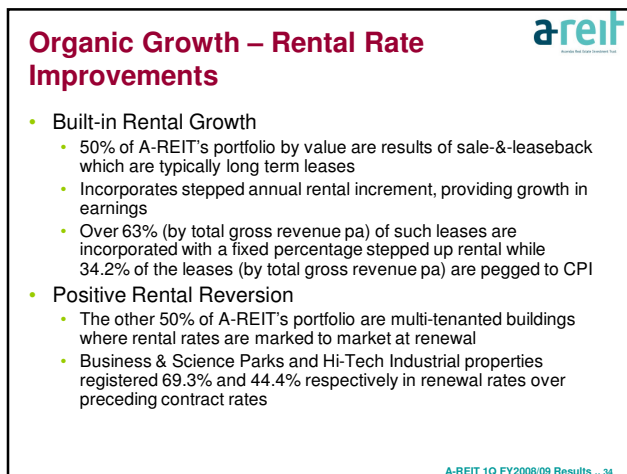
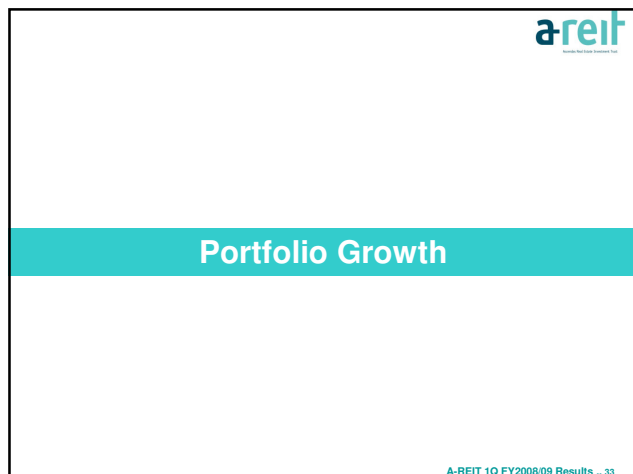
## Portfolio Diversification by Value



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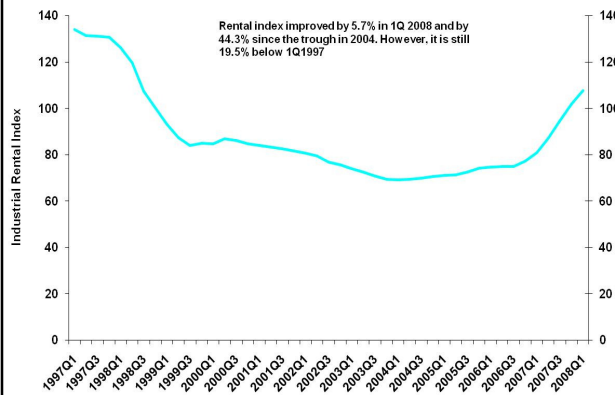


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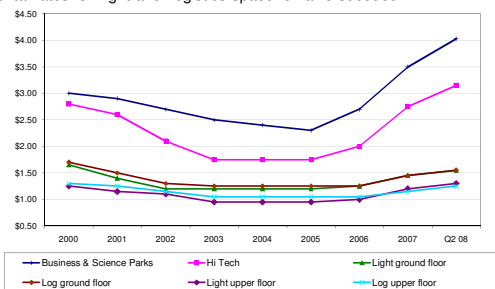
## Recovering Industrial Property Market



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## Rents by Sub-sectors

- Rental rates for Business & Science Parks and Hi-Tech Industrial space continue to rise due to limited supply of quality suburban business space
- Rental rates for Light and Logistics space remains subdued.



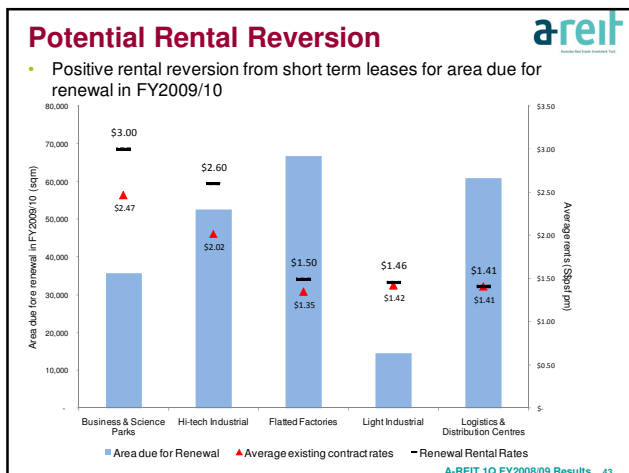
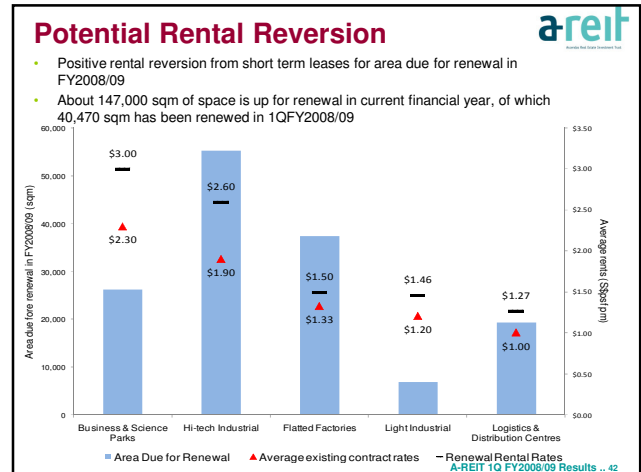
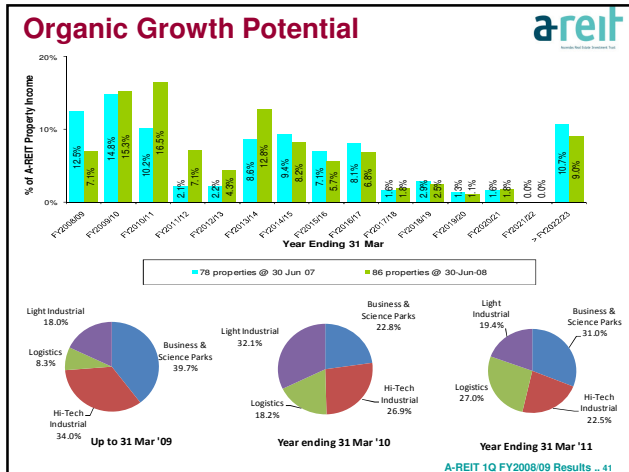
Source : CBRE for Hi-tech Industrial, Light Industrial and Logistics & Distribution Centres rents  
JTC for Business & Science Parks rents

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## Outlook for Industrial Property Market

- Outlook for **Science & Business Parks** and **Hi-tech Industrial** sectors continue to be healthy
  - Limited new supply in the next two years.
  - Expect to achieve positive organic reversion albeit at a lower rate.
  - 68% of science and business park sector & 61% of hi-tech industrial sector are on short term leases which could benefit of positive rental reversions
- Outlook for **light industrial** sector moderate
  - New supply in next 2 years is not significant compared to logistics sector. New supply are either own-occupied development or intended for strata title sale
  - Rental growth rate is expected to be in line with traditional sector performance
  - 83% of portfolio are long term committed leases
- Outlook for **logistics** sector subdued
  - Significant new supply of about 604,000 sqm expected for the next two years
  - New demand rental rates may be dampened
  - However, 73% of lease in this sector are long term committed leases
  - Obsolete stock being redeveloped will mitigate the supply situation

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## A-REIT's strengths



### Diversity and Depth

- Largest business and industrial REIT in Singapore
- Solid and well diversified portfolio
  - ✓ Six property asset classes
  - ✓ Well-located quality properties
  - ✓ Balance of long term vs short term leases provides stability and potential for positive rental reversions
  - ✓ No single property accounts for more than 5% of revenue
  - ✓ High predictability and sustainability in income

### Market leader

- Ascendas has a track record of more than 20 years
- Committed sponsor and alignment of interest with A-REIT unitholders
- Market leader in business space in Singapore
  - 43% share of Hi-tech Industrial space
  - 36% share of Science and Business Parks space
  - 11% share of Logistics & Distribution Centres space - 32% in the Eastern region and 12% in Western region of Singapore

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## A-REIT's strengths



### Development capability

- Has development capability to create own assets which are more yield accretive than acquisitions of income producing properties

### Operational platform

- Dedicated sales/marketing, leasing and property management team of over 80 people
- Possess in-depth understanding of this property sector

### Customer focus

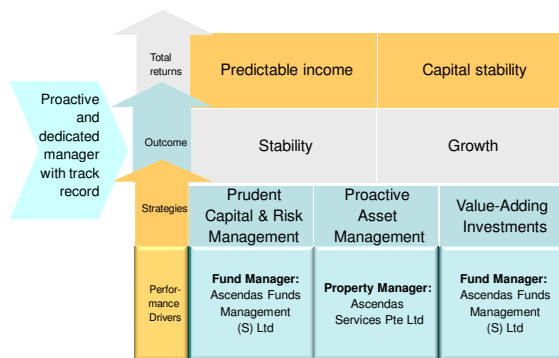
- Over 800 tenants from international and local companies
- Track record of customers growing with us

### Size advantages

- Market capitalization in excess of \$2.9bn (based on 30 Jun 08 closing price)
- 12% of S-REIT sector
- 7% of Asian REIT sector ex Japan
- Accounts for about 10% of total trading volume for S-REITs for 1QFY08/09
- Ranked 10<sup>th</sup> in the BT Transparency Index amongst all companies listed on SGX in May 2008. Only REIT in the top 10
- Included in major indices (eg. MSCI, FTSE ST Mid Cap Index)

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## A-REIT's strategies



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Thank you

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