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Ascendas Real Estate Investment Trust

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FY04/05 Final Year Results
14 April 2005



Disclaimer

This Presentation is focused on comparing actual results for the year ended 31 March 2005 (“FY05”) versus forecasts outlined in the A-REIT Circular of 18 November 2004 and actual results in the prior corresponding period (“pcp”). This shall be read in conjunction with A-REIT’s 4Q results for the period from 1 January 2005 to 31 March 2005 and FY05 Financial Statements 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, 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



A-REIT FY04/05

- 1. Key highlights**
- 2. Financial highlights**
- 3. Funds management**
- 4. Portfolio highlights**
- 5. Growth opportunities**

Key Highlights



Telepark

Key Highlights

- **Net investment income available for distribution of S\$84m, up 85% on pcp**
- **DPU 9.56 cents up 17% on pcp**
- **Unit price up 48%**
- **Acquired 20 properties for S\$1.01b**
- **Total assets grew to S\$2.1b**
- **Issued new units worth S\$0.7b to fund acquisitions**
- **Portfolio occupancy 94.1% as at 31 Mar 05**

Financial highlights



Kim Chuan Telecommunications Complex

DPU - 17% above pcg

	For the year ended 31 Mar (S\$'000)		
	Actual ⁽¹⁾ 2005	Actual ⁽¹⁾ 2004	% Change
Gross revenue ⁽²⁾	128,987	65,914	96
Property operating expenses ⁽²⁾	(32,873)	(15,604)	111
Net property income	96,114	50,310	91
Non-property expenses	(20,897)	(9,719)	115
Net investment income	75,217	40,591	85
Available for distribution	84,165	45,536	85
Distribution per unit ⁽³⁾	9.56	8.16	17

Details listed in item 1(a)(i) on page 2 of SGXNet financial statements for the year ended 31 March 2005

Notes:

- (1) Based on 36 properties in year ended 31 Mar 2005 versus 16 properties in year ended 31 Mar 2004.
- (2) Expenses recharged to tenants have been netted off the associated revenue in line with the accounting policy.
- (3) Based on applicable number of units on issue as at 31 March 2005.

DPU – 3% above forecast ⁽¹⁾

	For the year ended 31 Mar 05 (S\$'000)		
	Actual	Forecast ⁽¹⁾	(%) Increase
Gross revenue ⁽²⁾	128,987	124,843	3
Property operating expenses ⁽²⁾	(32,873)	(32,639)	1
Net property income	96,114	92,204	4
Non-property expenses	(20,897)	(19,992)	5
Net investment income	75,217	72,212	4
Available for distribution	84,165	80,349	5
Distribution per unit ⁽²⁾	9.56	9.30	3

Details listed in item 9 on page 12 of SGXNet financial statements for the year ended 31 March 2005

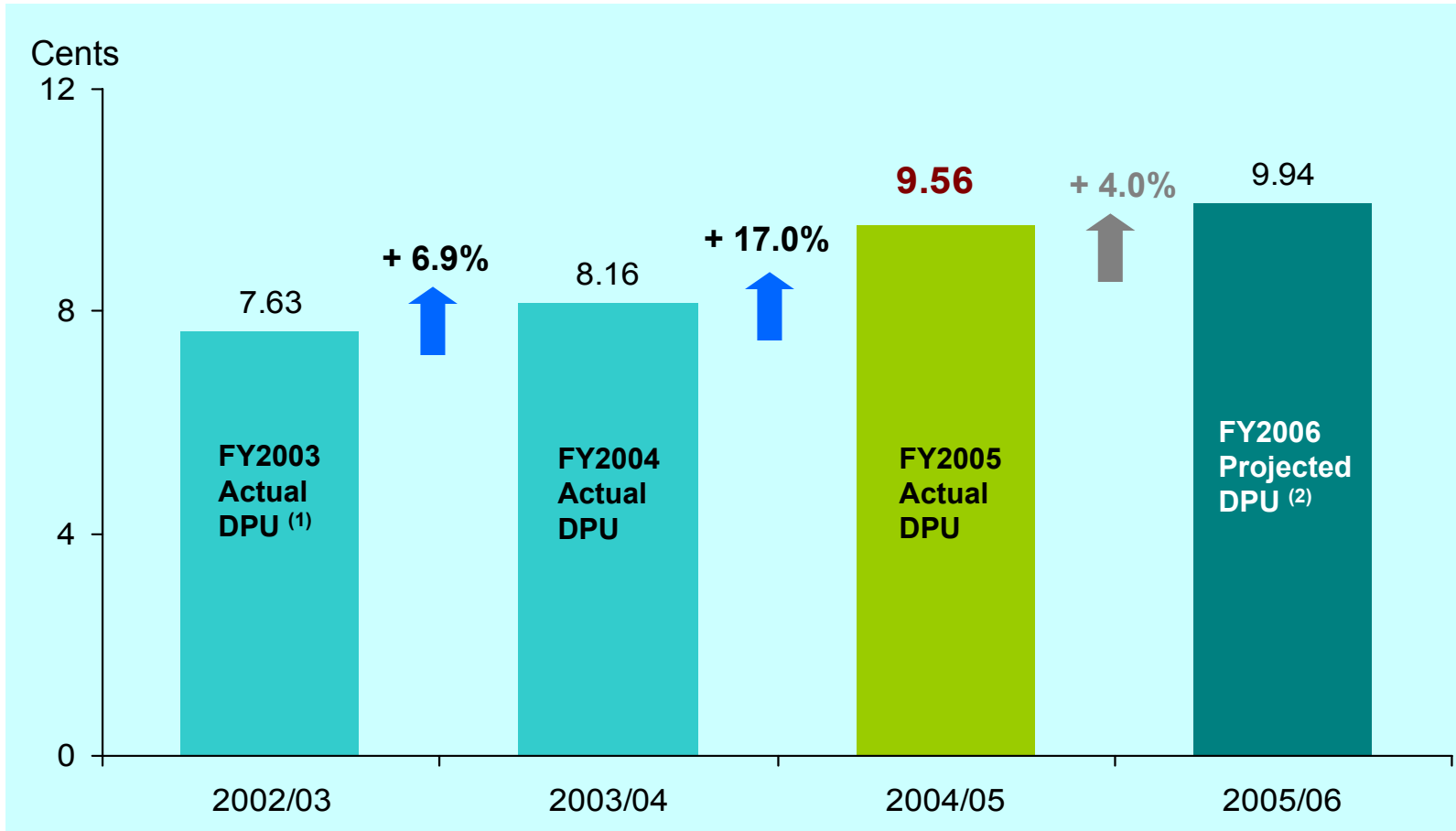
Notes:

- (1) Forecast for FY05 as stated in the circular dated 18 November 2004.
- (2) Expenses recharged to tenants have been netted off the associated revenue in line with the accounting policy.
- (3) Based on applicable number of units on issue as at 31 March 2005.

A-REIT DPU growth since listing



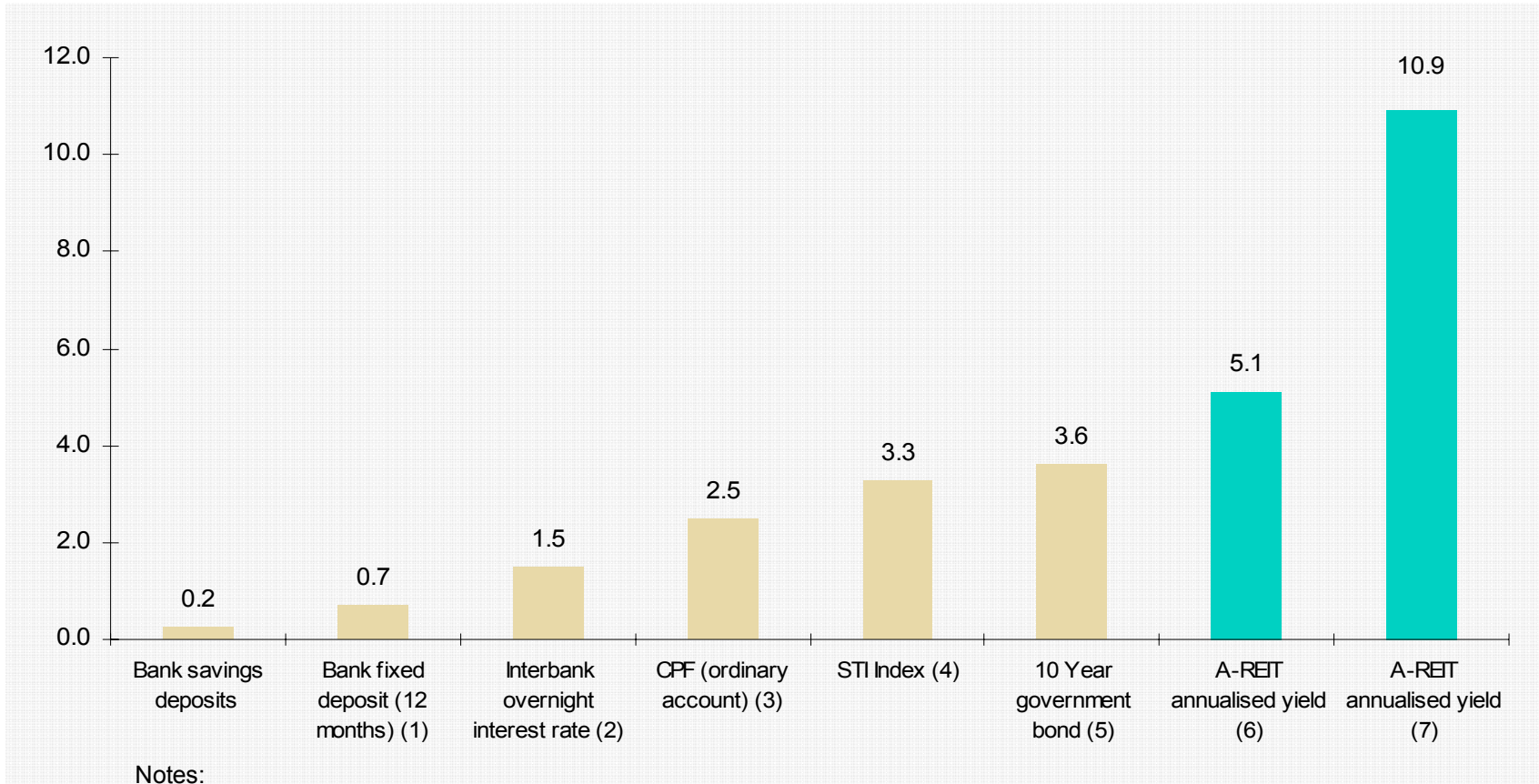
- Regular and stable distributions



Notes:

- (1) 2003 Actual DPU is annualised. The actual DPU was 2.78 cents for the 133 days ended 31 March 2003
- (2) The projected DPU is based on projections stated in the circular dated 18 Nov 2004.

A-REIT's comparable returns



- (1) Interbank overnight interest rate as at 31 March 2005. Source: MAS website
- (2) Bank fixed deposit rate (12 months) as at March 2005. Source: MAS website
- (3) Based on interest paid on CPF ("Central Provident Fund") ordinary account from Jan to Mar 2005. Source: CPF website
- (4) Based on Bloomberg data as at 7 April 2005
- (5) As at 31 March 2005. Source: Singapore Government Securities ("SGS") website
- (6) Based on A-REIT's closing price of S\$1.88 per unit and distribution of 9.56 cents per unit for the year ended 31 March 2005
- (7) Based on A-REIT's IPO price of S\$0.88 per unit and distribution of 9.56 cents per unit for the year ended 31 March 2005

Distribution Details

Stock counter	Distribution Period	Distribution per unit (cents)
Ascendasreit	1 Jan 05 to 31 Mar 05	2.70
Ascendasreit A	2 Mar 05 to 31 Mar 05	0.87

Distribution Timetable

Notice of books closure date	14 April 2005
Last day of trading on “cum” basis	26 April 2005
Ex-date	27 April 2005, 9.00 am
Books closure date	29 April 2005, 5.00 pm
Distribution payment date	31 May 2005

Balance Sheet

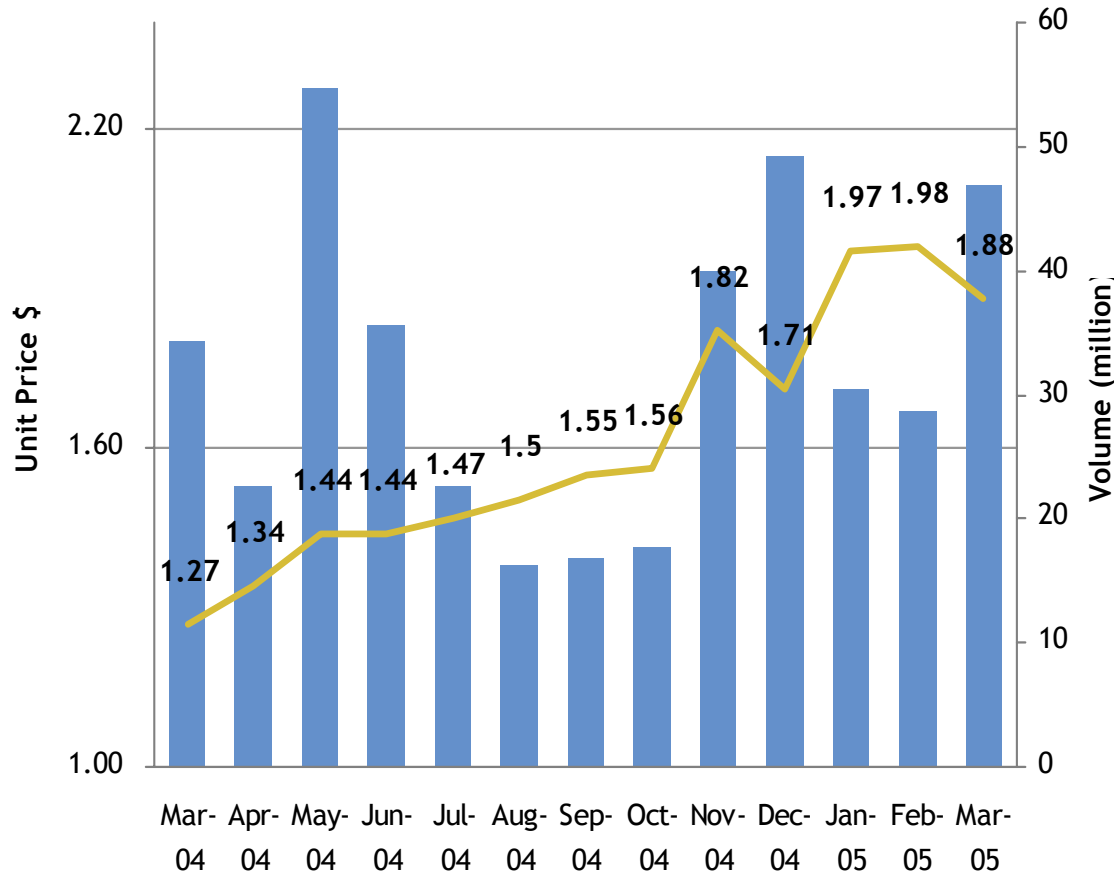
	Actual for the year ended 31 Mar (S\$b)	
	2005	2004
Total Assets	2.1	1.0
Borrowings	0.6	0.3
Total unitholders' funds	1.4	0.7
Gearing (%)	26.3	25.8
Adjusted net asset value per unit ⁽¹⁾	120 cents	95 cents

Details listed in item 1(b)(i) on page 5 of SGXNet financial statements for 4Q ended 31 March 2005

Note:

- (1) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sale of real properties determined to be trading gains). The undistributed income for the relevant period prior to the balance date has been excluded in calculating adjusted net asset value per unit.

A-REIT unit price and volume traded



1 Apr 04 to 31 Mar 05

- 48% capital growth
- 381.9m units traded
- 24% of total S-REITs trading volume

Price

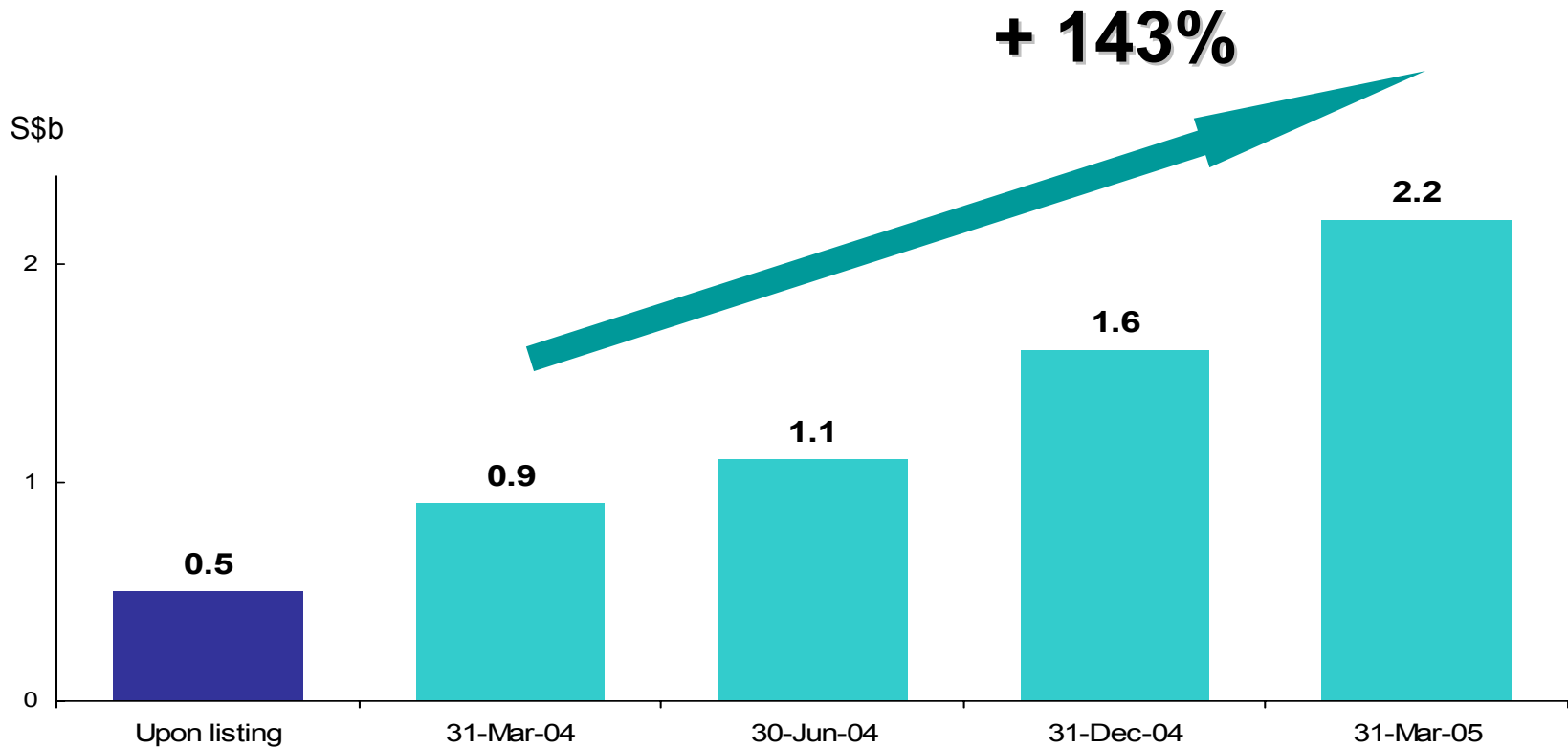
- High on 28 Feb 05 : \$1.98
- Low on 7 Apr 04 : \$1.28
- Closing on 31 Mar 05 : \$1.88

Funds Management



Siemens Center

Increase in Market Cap



- A-REIT is ranked 29th on Singapore Exchange Securities Trading Limited

Capital Management

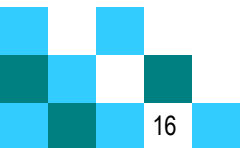
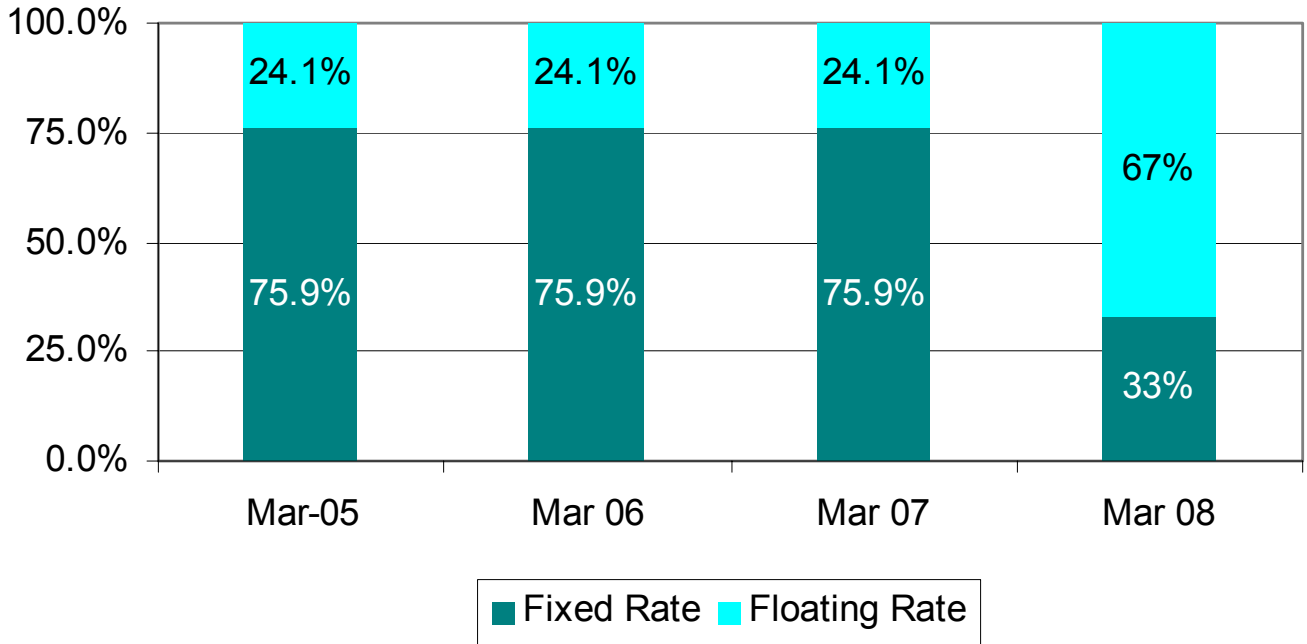
Debt Profile	31 Mar 2005	31 Mar 2004
- Total debt	S\$556m	S\$264m
- Fixed rate debt	S\$423m	S\$190m
- Fixed as a % of total debt	75.9%	72.0%
- Weighted average term for fixed debt	3.22 yrs	2.87 yrs
- Weighted average all-up funding cost ⁽¹⁾	2.77%	2.36%
- Interest cover ratio	9.8 times	-

(1) 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

Hedging of existing debt

Manager's policy is to maintain fixed rate for at least 50-75% of outstanding debt by undertaking swaps of 2-5 years duration or longer

Weighted average all up funding cost is 2.77%



Optimising Value through Capital Management



Date	Equity Raising	Funds Raised (S\$m)	Issue Price (S\$/unit)
Jun 04	Private placement	115	1.40
Nov 04	Secondary offer	400	1.55
Feb 05	Private placement	205	1.865
Date	Debt Funding	Amount	
Jul 04 Aug 04	S\$1b CMBS programme established	initial issuance of S\$0.3m	

Tax Changes (Budget Announcement 2005)



- **Recent tax changes**

- Reduction of withholding tax to 10% from 20% for foreign non-individual investors
- Waiver of stamp duty for REITs
- Both for a period of 5 years from 18 Feb 2005 to 17 Feb 2010

Inclusion in indices & Accolades



- **Inclusion in indices**

- Morgan Stanley Capital International (MSCI) index effective from 28 May 2004
- Straits Times Index from 18 Mar 2005 with weightage of 0.6 based on market free float

- **Accolades**

- Ranked no. 9 in BT Corporate Transparency Index 2004 (only REIT among the Top 10)
- Awarded Most Transparent Company under REIT category in SIAS Investors' Choice Awards 2004
- Voted Best Investor Relations by Institutional Investor Research Group

Portfolio highlights



Techpoint

More Yield Accretive Acquisitions

Acquisitions	31 Mar 05	31 Mar 04
Number of properties	20	8
Total purchase price	S\$1.01b	S\$0.35b
Total NLA	444,801 sqm	187,071 sqm



Yield Accretive Acquisitions



→ Growth

- Stepped rental increases incorporated into leases underpin future growth in earnings
- Multi-tenanted buildings provides growth opportunities when fully leased or renewed

→ Stability

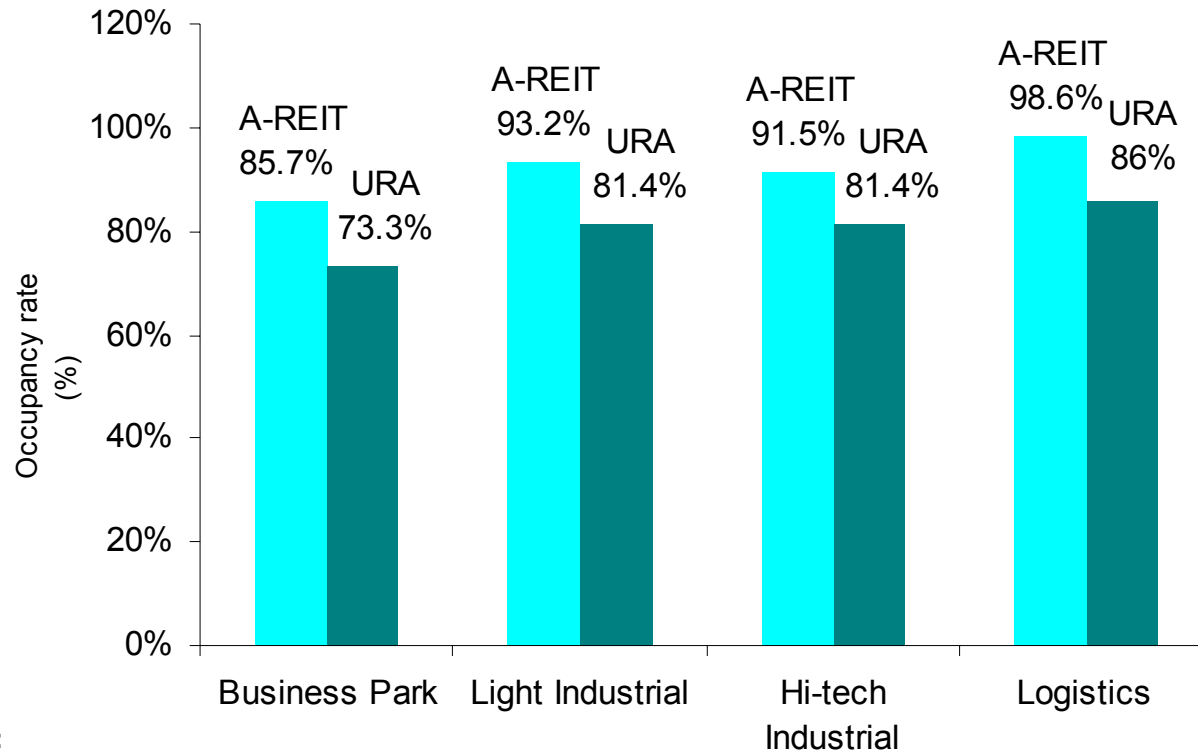
- Weighted average lease expiry extended to 7.4 years
- Mix of asset classes diversify risk

Portfolio Highlights

	As at 31 Mar 05	As at 31 Mar 04
A-REIT Portfolio occupancy (%)	94.1	88.8
A-REIT MTB occupancy (%)	89.0	85.1
URA private MTB occupancy (%) ⁽¹⁾	81.2	81.0
Portfolio renewals / new leases (sqm)	102,570	120,373
New leases/Expansions (sqm)	39,278	32,465
Renewals (sqm)	63,292	87,775
% of A-REIT total net lettable area	12%	28%
Weighted Average Lease to Expiry (years)	7.4	4.6

⁽¹⁾ Statistics from Urban Redevelopment Authority (URA) for Q4 2003 and Q4 2004

A-REIT Portfolio Occupancy Higher Than Market



Notes:

(1) URA classified Light Industrial & Hi-tech Industrial as multiple-user space

- Business Park: Honeywell Building, Ultro Building, Telepark & Science Park Properties: The Alpha, The Gemini, The Capricorn & The Aries
- Light Industrial: Techplace I & II, OSIM HQ Building, Ghim Li Building, Progen Building, Autron Building, Exklusiv Centre, SB Building, Steel Industries Building, Volex Building
- Hi-tech Industrial: Techlink, Siemens Center, Infineon Building, Techpoint, Wisma Gulab, Kim Chuan Telecommunications Complex, KA Centre and KA Place
- Logistics: Properties include Trivec Building, Changi Logistics Centre, IDS Logistics HQ, TT International Tradepark, Nan Wah Building, C&P Logistics Hub, CG Aerospace Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building

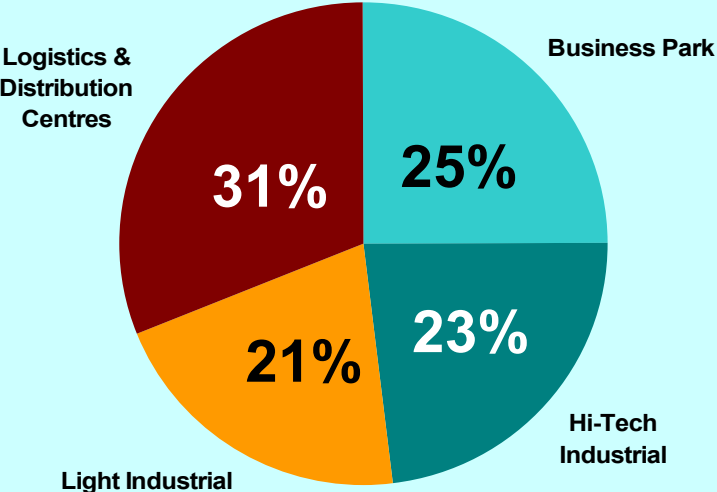
Source: URA: Urban Redevelopment Authority Official Statistics as at Dec 2004 www.ura.gov.sg & Ascendas-MGM Funds Management Limited as at 31 Mar 2005

Proactive asset management leads to increase in occupancy

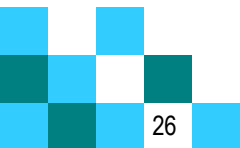
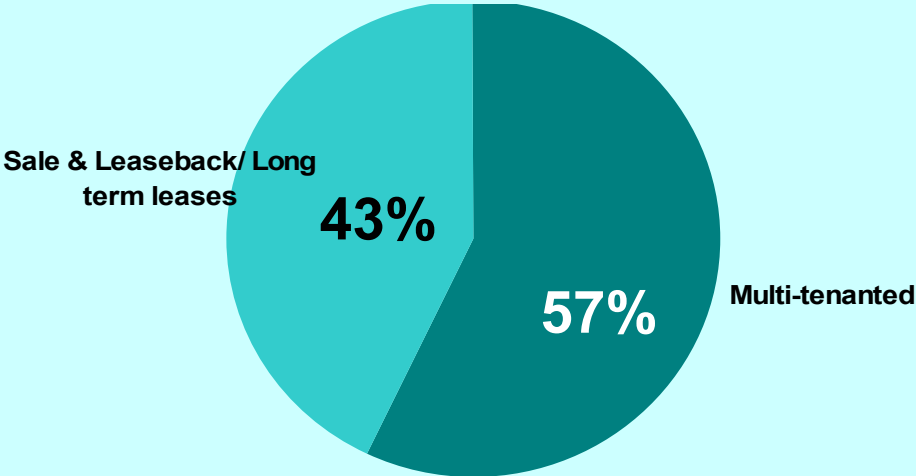
Date of acquisition	Properties	As at 31 Mar 05 (%)	When acquired (%)
02 Mar 05	Telepark	100.0	98.8
02 Dec 04	CG Aerospace Bldg	90.2	86.0
01 Dec 04	Techpoint	94.2	87.5
12 Mar 04	Siemens Center	100.0	82.0
09 Mar 04	Changi Logistics Centre	94.2	81.0
19 Nov 02	Honeywell Building	100.0	90.0
19 Nov 02	The Capricorn	90.3	68.5
19 Nov 02	Techlink	89.1	74.7

Portfolio Diversification by Value

Asset Class Diversification



Mix of multi-tenanted vs single tenanted (long term leases)

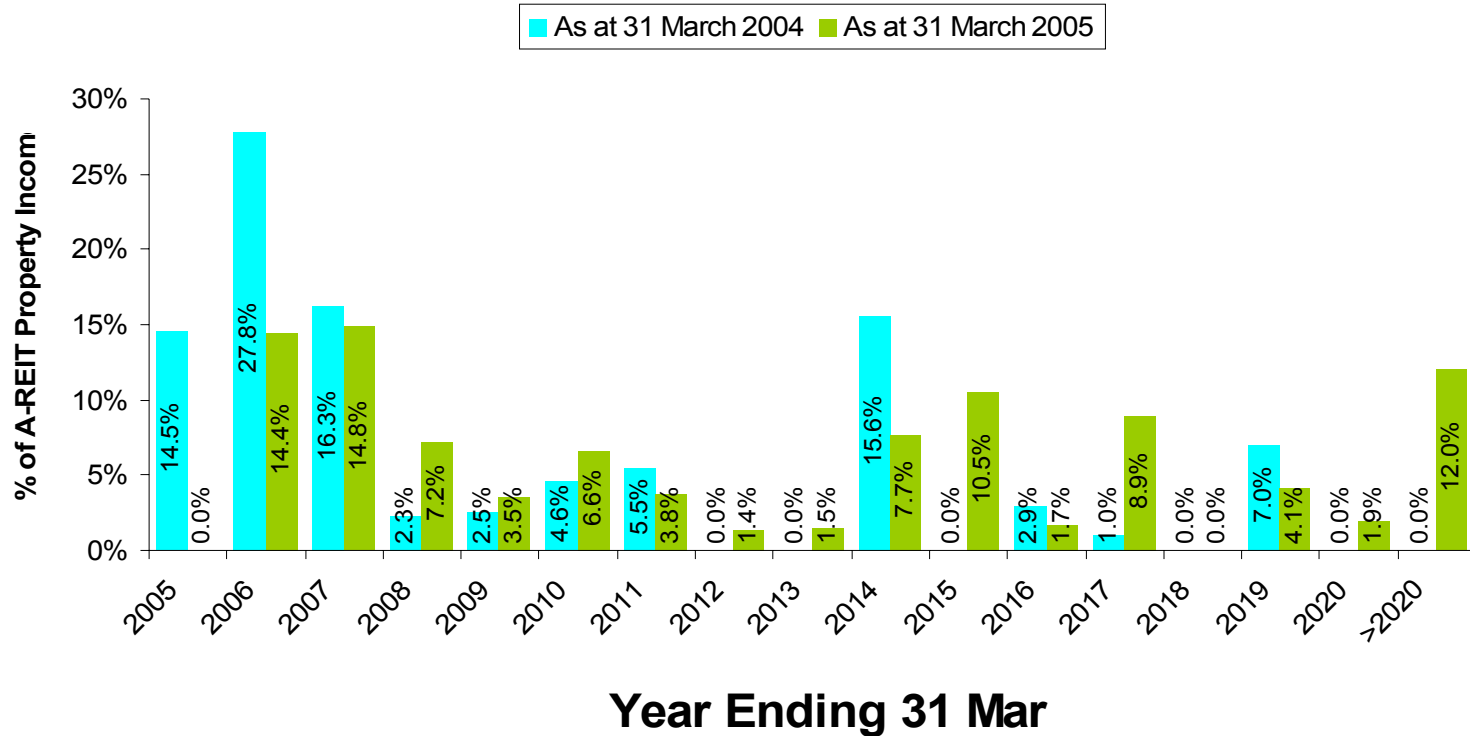


Weighted Average Lease Term to Expiry



The longer term leases extends the lease expiry profile of A-REIT

Weighted Lease Expiry Profile By Income



	As at 31 March 2004	As at 31 March 2005
Weighted average lease term to expiry	4.6 years based on 16 properties	7.4 years based on 36 properties

Well Located, Diversified Portfolio of Properties

Business Park/Science Park (7)



Hi-tech Industrial Properties (8)



Light Industrial Properties (10)



Logistics and distribution centres (11)

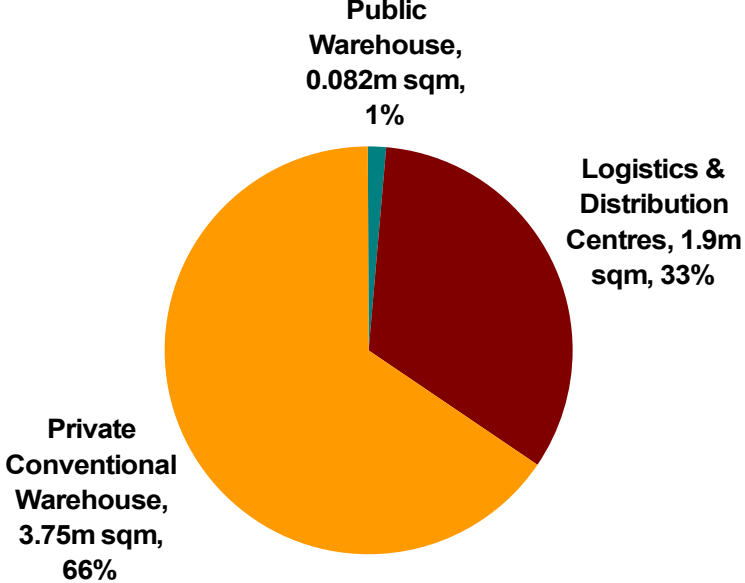
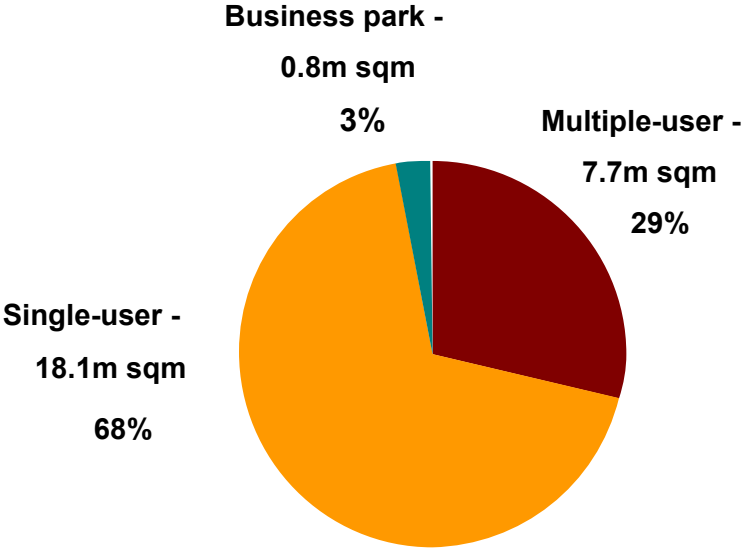


Growth Opportunities



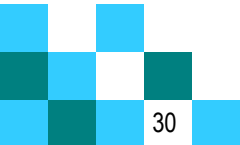
Freight Links (Changi) Building

Acquisition opportunities



Existing supply of industrial space
26.7m sqm

Existing supply of logistics and distribution centres space
5.7m sqm



Going Forward

- **Continue with yield accretive acquisition**
- **Continue with proactive asset management to optimise value of the portfolio**
- **Continue proactive capital management to minimise interest rate risk and meet funding needs**

Q & A



Thank You



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