



Ascendas Real Estate Investment Trust



**3Q FY2006/07
Financial Results Presentation
16 January 2007**

Disclaimers



Ascendas Real Estate Investment Trust

This Presentation is focused on comparing results for the nine months ended 31 December 2006 versus results achieved in the nine months ended 31 December 2005. This shall be read in conjunction with A-REIT's Results for the period from 1 April 2006 to 31 December 2006 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.

Agenda

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

Key Highlights

- 3Q FY06/07 net income available for distribution of S\$41.0m, up 6.8% on 3Q FY05/06
- 3Q FY06/07 DPU of 3.20 cents, up 6.3% over 3Q FY05/06 and 1.3% over 2Q FY06/07
- Portfolio occupancy 96.1% at 30 Dec 06 vs 95.0% at 31 Mar 2006. MTB occupancy was 93.1% vs 91.4% at 31 Mar 2006
- Committed investments of \$214m pending completion
- Completion of Courts Megastore development on schedule in December 2006. Total development cost is lower than expected.
- Acquisitions and developments announced in financial year to date amount to S\$425 million.

Distribution Details

Stock counter	Distribution Period	Distribution per unit (cents)
Ascendasreit	1 Oct 06 to 31 Dec 06	3.20

Distribution Timetable

Notice of books closure date	16 January 2007
Last day of trading on “cum” basis	23 January 2007
Ex-date	24 January 2007, 9.00 am
Books closure date	26 January 2007, 5.00 pm
Distribution payment date	28 February 2007

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- **Financial performance**
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DPU – 3QFY06/07 is 1.3% above 2QFY06/07

(S\$'000)	Actual ⁽¹⁾ 01/10/06 to 31/12/06	Actual (1) 01/07/06 to 30/09/06	% Change
Gross revenue	71,069	69,856	1.7
Property operating expenses	(18,309)	(17,968)	1.9
Net property income	52,760	51,888	1.7
Borrowing costs	(9,502)	(9,495)	nm
Non-property expenses	(4,263)	(4,126)	3.3
Net income	38,995	38,267	1.9
Available for distribution	40,960	40,531	1.1
Distribution per unit	3.20	3.16	1.3

Note:

(1) Based on 68 properties as at 31 December 2006 versus 66 properties as at 30 Sep 2006

A-REIT FY06/07 3Q Results .. 7

DPU – 3QFY06/07 is 6.3% above 3QFY05/06

(S\$'000)	Actual ⁽¹⁾ 01/10/06 to 31/12/06	Actual ⁽¹⁾ 01/10/05 to 31/12/05	% Change
Gross revenue	71,069	61,208	16.1 ⁽¹⁾
Property operating expenses	(18,309)	(14,884)	23.0
Net property income	52,760	46,324	13.9
Borrowing costs	(9,502)	(4,759)	99.7 ⁽²⁾
Non-property expenses	(4,263)	(3,668)	16.2
Net income	38,995	37,897	2.9
Available for distribution	40,960	38,345	6.8
Distribution per unit	3.20	3.01	6.3

Note:

(1) Based on 68 properties as at 31 Dec 2006 versus 59 properties as at 31 Dec 2005.

(2) If acquisitions and non-cash adjustments under FRS39 are excluded, borrowing costs increased by 19% due to higher interest rates

A-REIT FY06/07 3Q Results .. 8

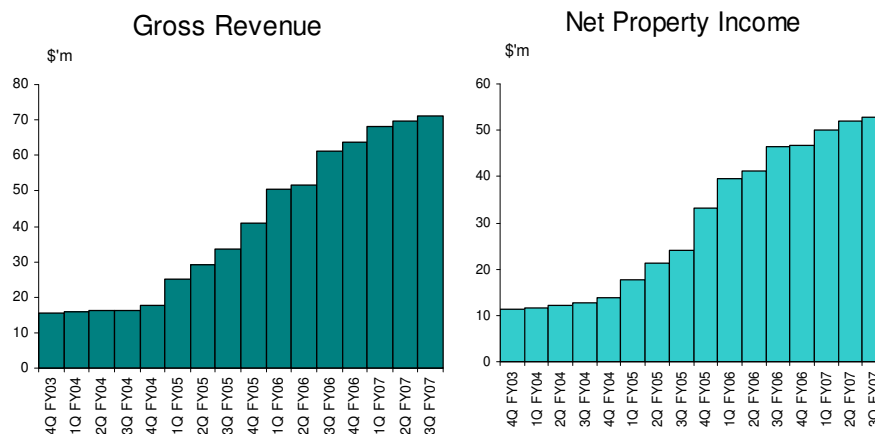
DPU – 3QFY06/07 YTD is 7.9% above 3QFY05/06 YTD

(S\$'000)	Actual ⁽¹⁾ 01/10/06 to 31/12/06	Actual ⁽¹⁾ 01/10/05 to 31/12/05	% Change
Gross revenue	208,966	163,327	27.9 ⁽²⁾
Property operating expenses	(54,222)	(36,492)	48.6 ⁽²⁾
Net property income	154,745	126,835	22.0
Borrowing costs	(27,197)	(14,679)	85.3 ⁽³⁾
Non-property expenses	(12,364)	(10,009)	23.5
Net income	115,184	102,147	12.8
Available for distribution	121,100	105,372	14.9
Distribution per unit	9.45	8.76	7.9

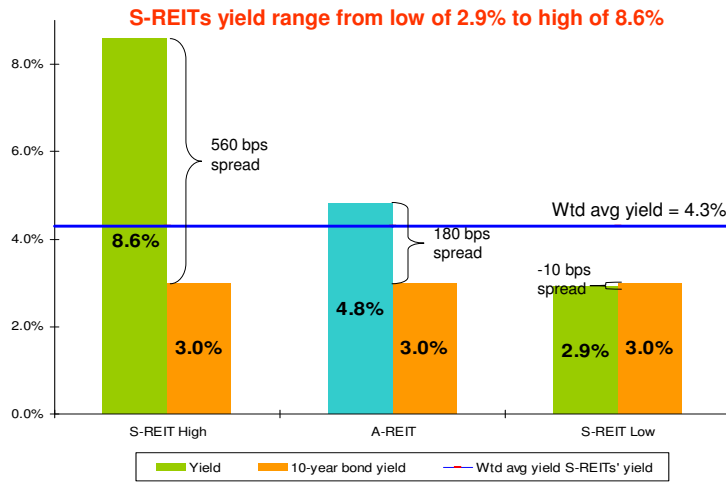
Note:

- (1) Based on 68 properties as at 31 Dec 2006 versus 59 properties as at 31 Dec 2005.
- (2) Property Expenses have increased by a greater percentage to aggregating energy costs for some properties and on-charging such costs to tenants, resulting in higher costs as well as higher revenue.
- (3) Borrowing costs include fair value adjustments and the costs of debt drawn to fund recent acquisitions. If these are excluded, interest costs would have increase by 15% due to higher interest rates.

Revenue and NPI growth since IPO



Yield returns compared to 10-year bond and S-REITs



A-REIT FY06/07 3Q Results .. 11

Agenda

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A-REIT FY06/07 3Q Results .. 12

Balance sheet



(S\$bn)	As at 31 Dec 06	As at 31 Dec 05
Total Assets	3.0	2.7
Borrowings	1.1	0.8
Net assets attributable to unitholders	1.7	1.7
Aggregate Leverage	39.5%	34.2%
Net asset value per unit	136 cents	133 cents

A-REIT FY06/07 3Q Results .. 13

Capital Management



Debt Profile	31 Dec 2006	31 Dec 2005
Aggregate leverage ⁽¹⁾	39.5%	34.2%
Total debt	S\$1,126m	S\$844m
<ul style="list-style-type: none"> Fixed rate debt 	S\$990.7m	S\$523m
Fixed as a % of total debt	87.9%	62.0%
Weighted average all-up funding cost ⁽²⁾	3.38%	3.27%
Interest cover ratio	5.7 times	7.6 times

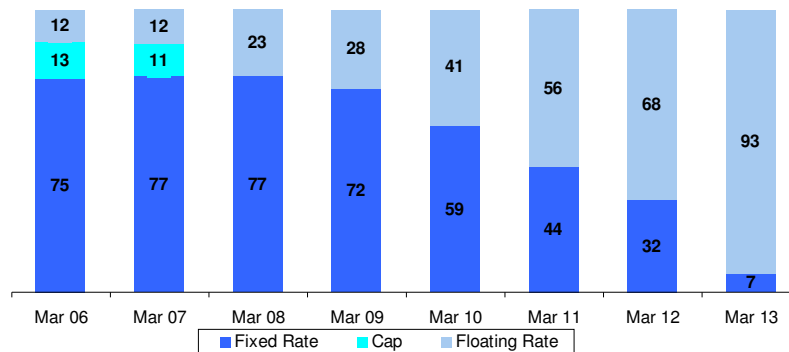
Notes:

- (1) Aggregate leverage includes deferred settlements
- (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

A-REIT FY06/07 3Q Results .. 14

Hedging Profile

As at 31 Dec 2006	Including interest cap	Excluding interest cap
- Fixed as a % of total debt	87.9%	76.6%
- Weighted average term for fixed debt	3.7 yrs	4.2 yrs



A-REIT FY06/07 3Q Results .. 15

Agenda

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A-REIT FY06/07 3Q Results .. 16

Portfolio Highlights



	As at 31 Dec 06	As at 31 Mar 06
A-REIT Portfolio occupancy (%)	96.1%	95.0%
A-REIT MTB ⁽¹⁾ occupancy (%)	93.1%	91.4%
Total Portfolio renewals/new leases (sqm)	51,816⁽²⁾	151,163⁽³⁾
Total New leases/Expansions (sqm)	14,942⁽²⁾	53,941⁽³⁾
Total Renewals (sqm)	36,874⁽²⁾	97,222⁽³⁾
Weighted Average Lease to Expiry (years)	6.3	6.7

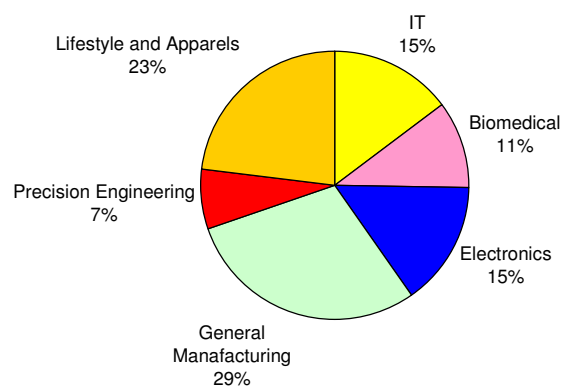
- (1) MTB = Multi-tenanted buildings which accounts for about 54% portfolio value
 (2) For the 3 months ended 31 Dec 06
 (3) For the 3 months ended 31 Mar 06

A-REIT FY06/07 3Q Results .. 17

Sources of demand for new leases – broad based

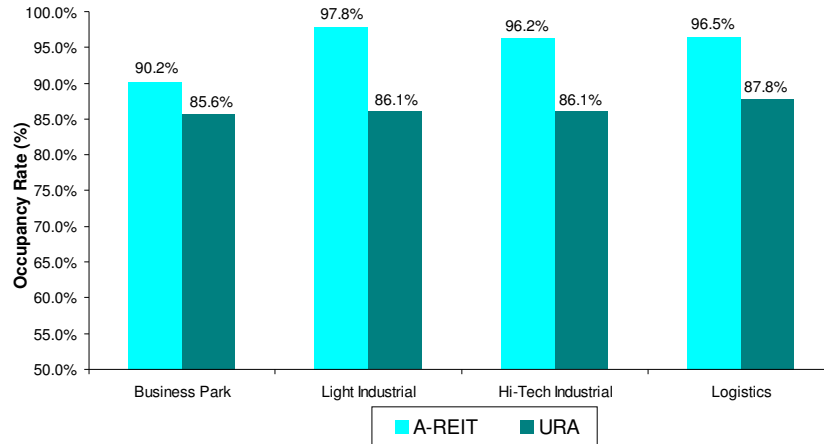


Tenants sector by net lettable area (3Q FY06/07)



A-REIT FY06/07 3Q Results .. 18

A-REIT Portfolio Occupancy Higher Than Market



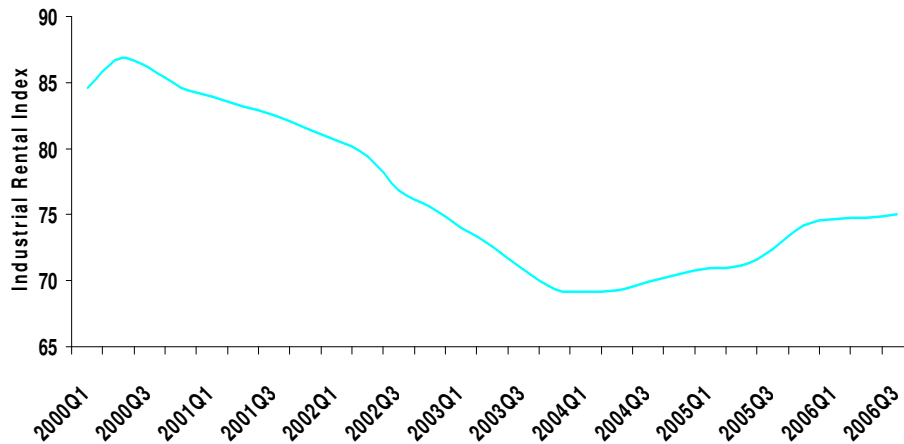
Source: URA: Urban Redevelopment Authority Official Statistics as at Sep 2006 www.ura.gov.sg and Ascendas-MGM Funds Management Limited ("A-MGM") as at 31 December 2006.

A-REIT FY06/07 3Q Results .. 19

URA Industrial Rental Index

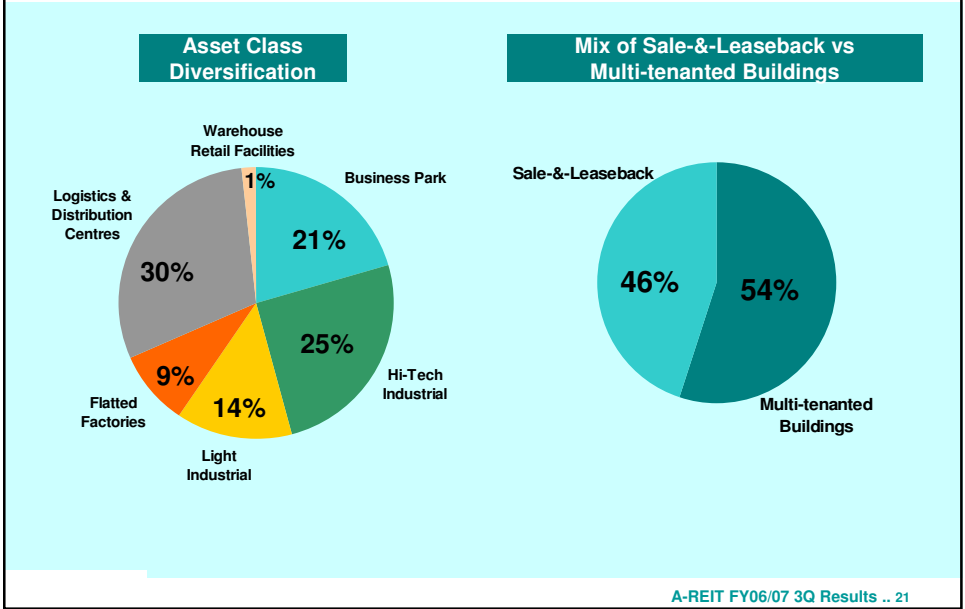


Rental index improved by 0.3% in 3Q 2006 and by 8.4% since the trough in 2004



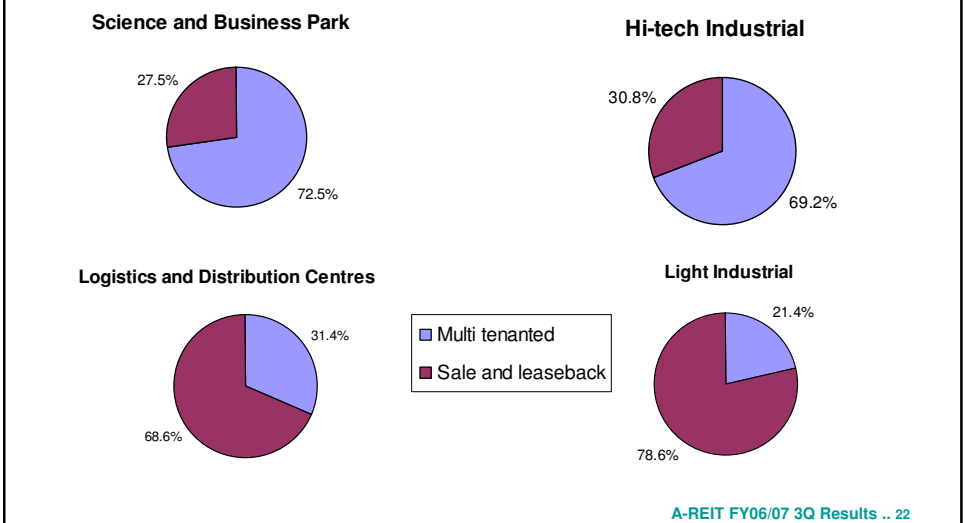
A-REIT FY06/07 3Q Results .. 20

Portfolio Diversification by Value



Spilt of short term & long term leases within sector

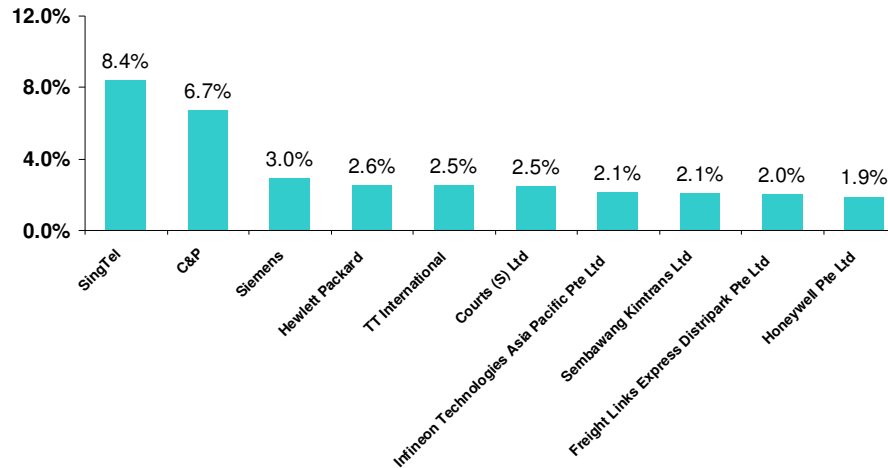
Majority of leases in high growth sectors of science and business park and hi-tech industrial are on short term basis. Hence, potential to enjoy positive rental reversion



Quality & Well-Diversified Tenant Base



Top 10 tenants make up 33.8% of the total portfolio income vs 35.7% at 31 Dec 05

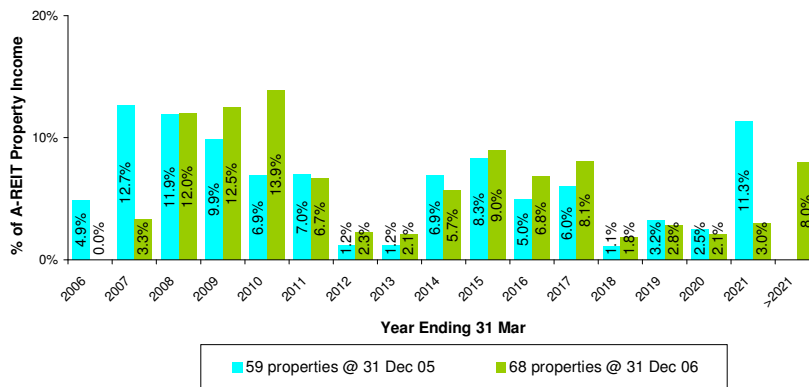


A-REIT FY06/07 3Q Results .. 23

Weighted Average Lease Term to Expiry



The lease expiry profile is well balanced and the weighted average term to expiry is one of the longest amongst REITs in Singapore



	As at 31 Dec 2005	As at 31 Dec 2006
Weighted average lease term to expiry	6.7 years Based on 59 properties	6.3 years Based on 68 properties

A-REIT FY06/07 3Q Results .. 24

Asset Enhancement : Alpha Building

- Property is located in Singapore Science Park 2
- Opportunity to maximise plot ratio by constructing additional 3,527sq m of space; Expected completion by September 2007
- Entire space has been pre-committed by a leading Singapore listed company
- Property yield expected to increase by about 50 basis point after asset enhancement

Existing Building



Alpha upon completion of asset enhancement

A-REIT FY06/07 3Q Results .. 25

Asset Enhancement : Completion of Telepark Enhancement

- Completed asset enhancement to increase GFA by about 352sqm through the conversion of existing vehicle access
- Additional space has been fully tenanted, resulting in a 30 basis point increase in yield for the Telepark building.



A-REIT FY06/07 3Q Results .. 26

Agenda

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Investment highlights

- \$211m worth of acquisitions completed in FY06/07 YTD
- \$214m worth of investments awaiting completion as follows :

	Value (S\$m)	Expected completion
Giant Hypermarket	66	Mar 2007
HansaPoint @ CBP	29	1Q 2008
Plot 7 & 8 Changi LogisPark (North)	32	1Q 2008
Asset enhancement of SENKEE Logistics Hub	64	1Q 2008
Logistic & Distribution Centre at Pioneer Walk	23	1H 2008
Total	214	

Status of development projects



Courts Megastore

- Completed on schedule in December 2006
- Total development cost lower than expected



A-REIT FY06/07 3Q Results .. 29

Status of development projects



Giant Hypermarket

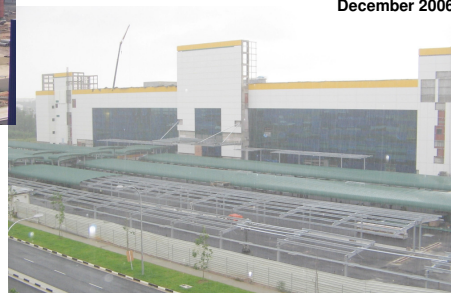
- on schedule to complete in March 2007



October 2006



December 2006



A-REIT FY06/07 3Q Results .. 30

Status of development projects



HansaPoint @ CBP (Plot 15 Changi Business Park)

- Construction commenced in Nov 2006.
- On schedule to complete in Q1 2008



Site cleared for construction



Artist impression

A-REIT FY06/07 3Q Results .. 31

Status of development projects



Plot 7 & 8 Changi LogisPark (North)

- Partial built-to-suit logistics facility for Zuellig Pharma
- Construction expected to commence in Feb 2007 and TOP in Q1 2008



A-REIT FY06/07 3Q Results .. 32

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Investment Opportunities

- First right over Ascendas' properties in Singapore (about \$400m - \$500m)
- Remains committed to pursuing quality and sustainable yield accretive acquisitions
- Sizable acquisition opportunity in JTC's portfolio for trade sale. (Management estimates at about \$600m – 700m)
- Increased focus on built-to-suit / development projects to deliver greater value to unit holders. Development risk mitigated due to pre-committed lease, fixed price construction contracts
- Total current development commitments of about S\$127m, i.e. available development capacity is S\$173m
- Healthy Built-to-suit / development pipeline to maximise development capacity

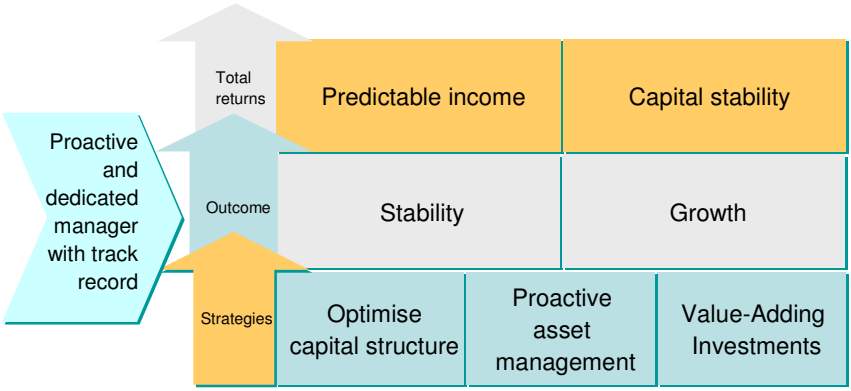
A-REIT's strengths

- Well diversified:
 - ✓ Focus in business space and industrial property sector
 - ✓ 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 6% of Monthly Gross Revenue
 - ✓ High predictability in income – only 3% of leases due for renewal for balance of FY06/07, vs 13% at start of financial year

A-REIT's strengths

- **Market leader**
 - ✓ Ascendas has a track record of more than 20 years
 - ✓ Committed sponsors
- **Operational platform**
 - ✓ Dedicated sales/marketing, leasing and property management team of over 80 people
 - ✓ Possess in-depth understanding of this property sector
- **Customer focus**
 - ✓ Track record of customers growing with us
 - ✓ High retention ratio
- **Size advantages**
 - ✓ Market capitalization in excess of \$3.3bn, ranked 39th by market cap on Singapore Exchange Securities Trading Limited
 - ✓ 15% of S-REIT sector
 - ✓ 10% of Asian REIT sector ex Japan
 - ✓ Included in major indices (eg. MSCI, STI)

A-REIT's strategies



Thank you

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