

areit

Proposed Acquisition of the IDS HQ



20 November 2003



Agenda

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



IDS HQ



IDS HQ Property Details

The Property

Building type	A four-storey warehouse with an ancillary office building and a single-storey rack clad building incorporating an automated storage retrieval system
Net Lettable Area	21,883 sqm (subject to survey)
Site Area	32,617 sqm (subject to survey)
Title	Leasehold of 30 years commencing 1 September 1998, with an option to renew for a further 28 years
Valuation (as at 1 November 2003)	S\$50.0m by Colliers International
Purchase Price	S\$50.0m
Acquisition Costs	S\$2.3m
Property Yield (before acquisition costs)	8.27%

Impact on A-REIT

Timetable for Completion

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IDS HQ Leasing Details



Tenant	IDS Logistics Services Pte. Ltd.
Commencement Date	Estimated to be March 2004
Occupancy	100.0%
Annual Rent	S\$4.2m
Rent Escalation	3-yearly market reviews with a ratchet clause and a cap of 15.0% on rental increases for the first review and a cap of 20.0% for the subsequent reviews.
Lease Term	10 yrs
Outgoings	<p>Lease management cost to be paid by lessor (A-REIT).</p> <p>All property tax, land rent, maintenance and utility expenses to be paid by lessee (IDS Logistics Services Pte. Ltd.).</p>

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Distribution Per Unit (“DPU”) Positive



The Property

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IDS HQ	DPU Impact (Based on possible debt/equity funding of 30/70)*
DPU Impact (proforma impact on 6 mths ended 30 September 2003)	0.05
DPU annualised impact	0.10

Note:

* Calculated based on A-REIT holding the property for six months ended 30 September 2003 and assuming that the acquisition is funded at an optimal gearing level of 30 per cent. debt / 70 per cent. equity.

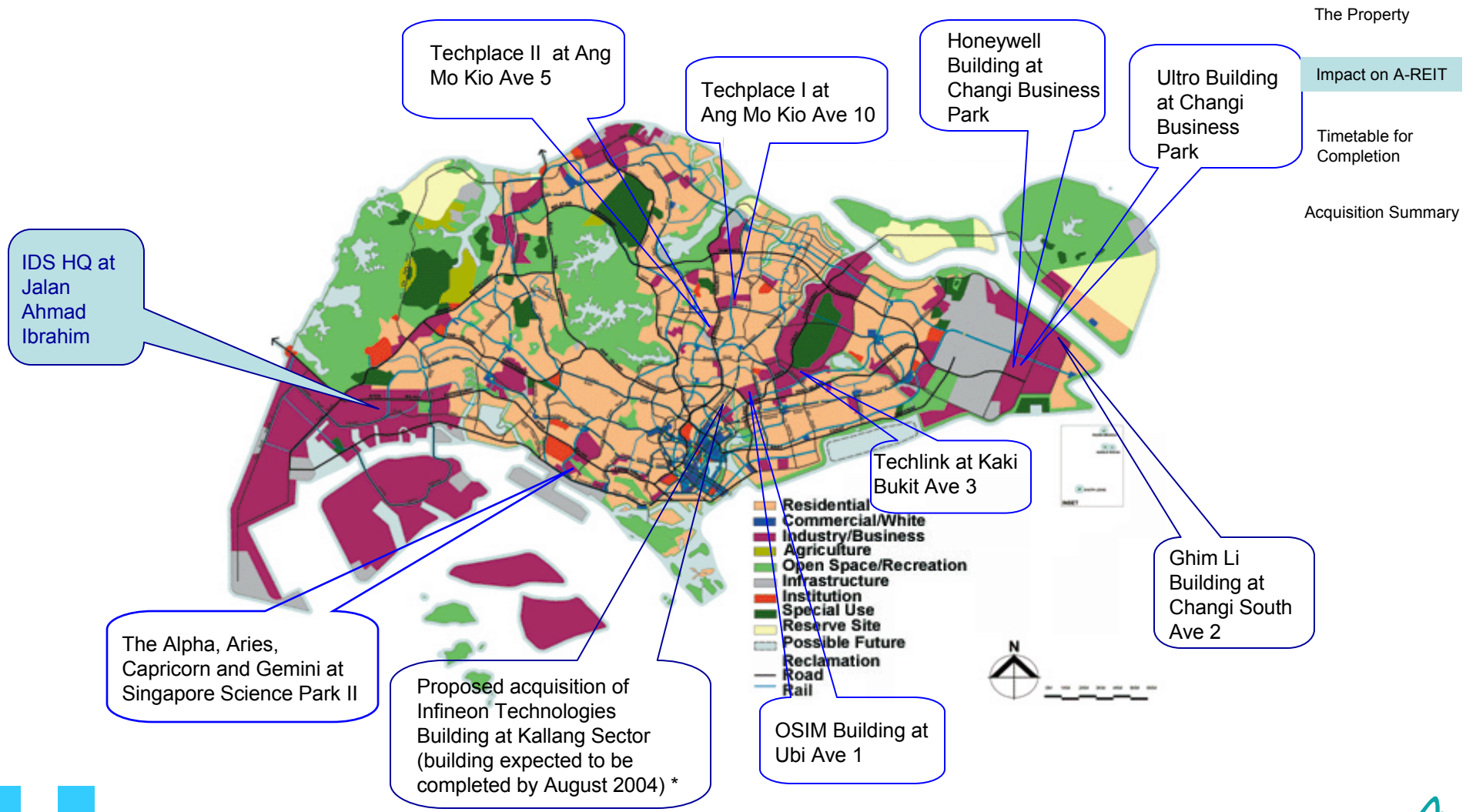


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Well Located, Diversified Portfolio **areit**



* A-REIT has an option to acquire the Infineon Building



Diversifies Leases

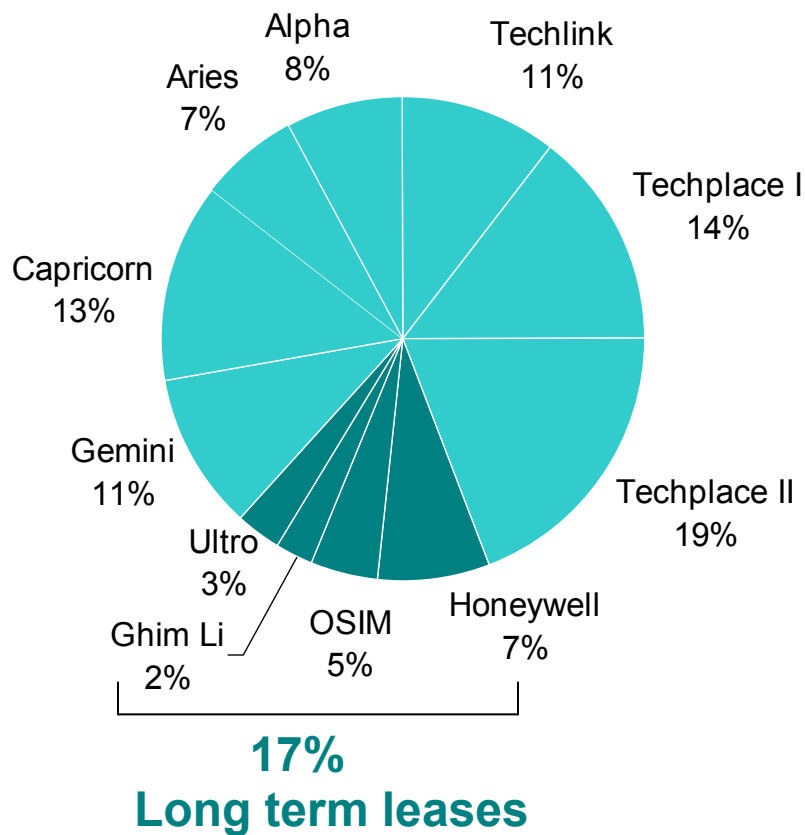
The Property

Impact on A-REIT

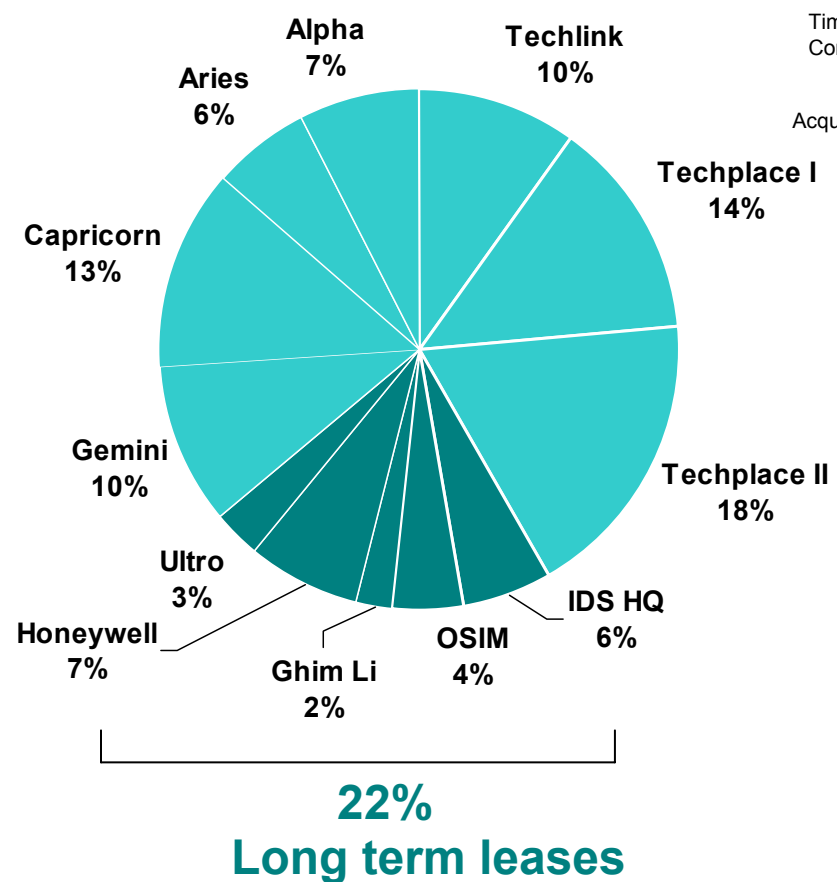
Timetable for Completion

Acquisition Summary

Before Acquisition



After Acquisition

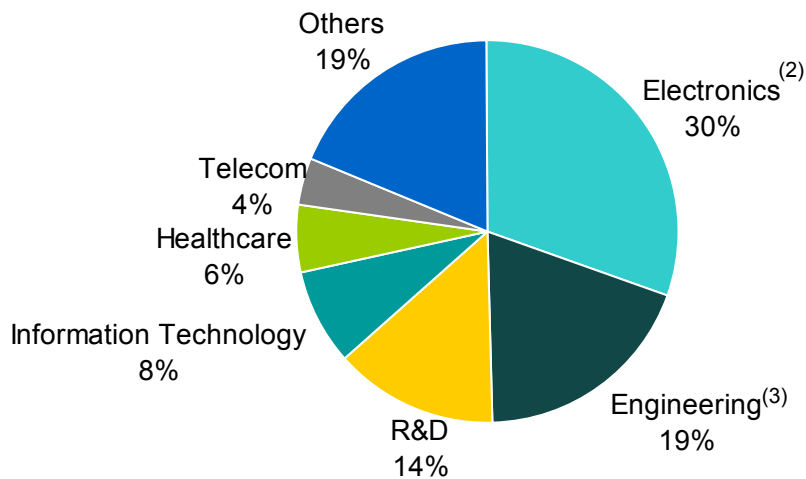


Note : Calculated using net property income as at 30 September 2003.
Assumes all existing properties in the portfolio as well as the new acquisition is held for the six months ended 30 September 2003.

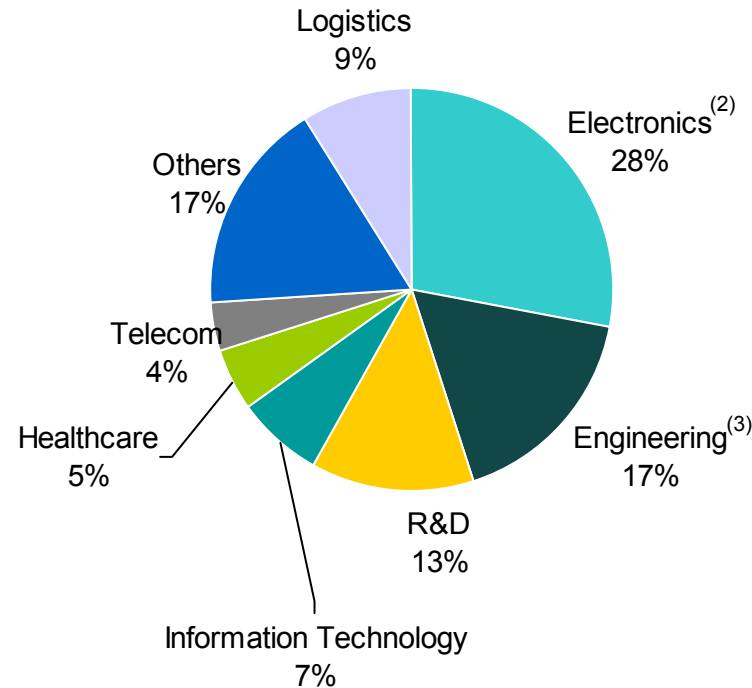


Diversifies Tenant Industry Mix

Before Acquisition



After Acquisition



The Property

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Notes:

(1) Calculated using net lettable area leased as at 30 September 2003 including Ghim Li and Ultro Buildings acquired on 13 and 30 October 2003 respectively.

(2) Includes electrical products & components

(3) Includes fabricated metal products, machinery & equipment

Source : Ascendas-MGM Funds Management Limited



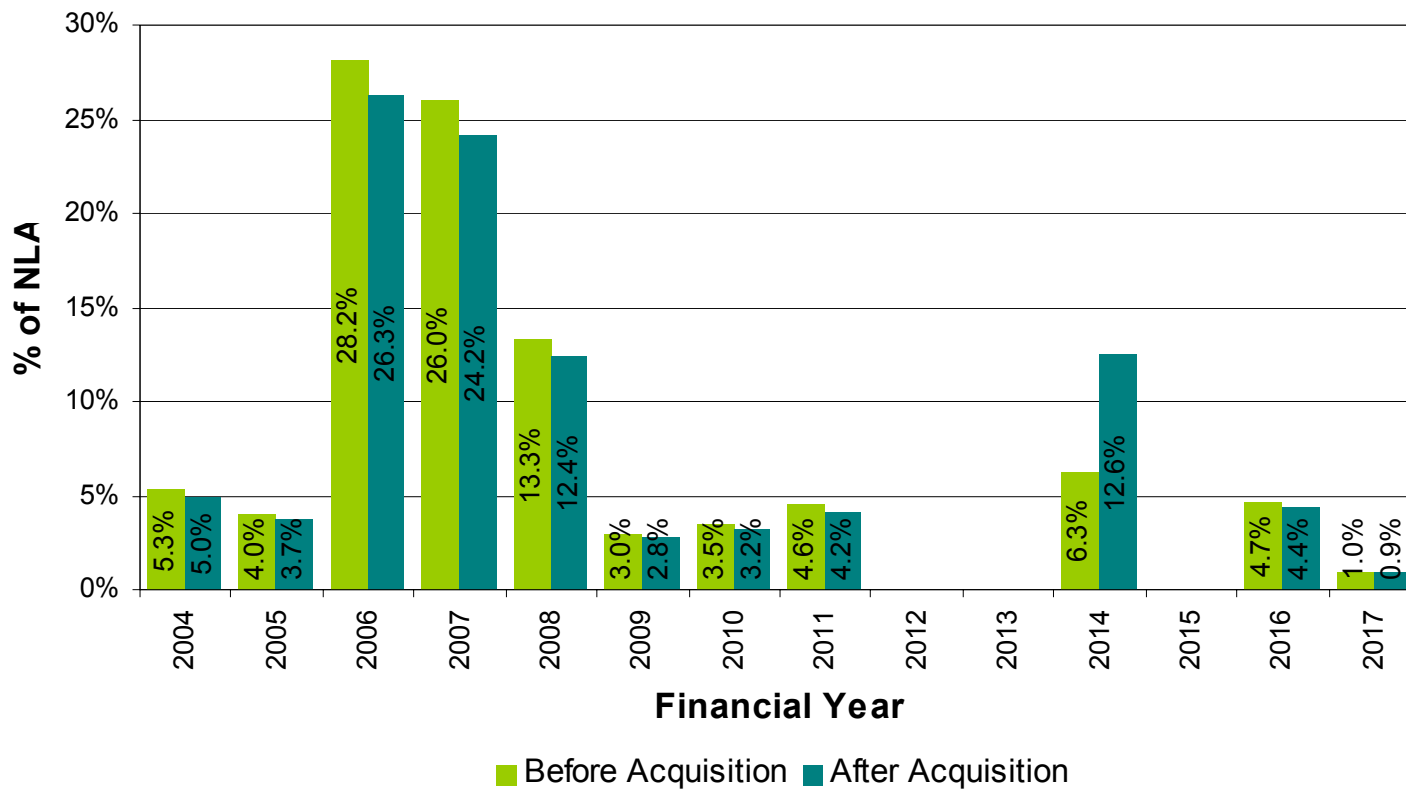
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Extends Lease Expiry Profile

A-REIT Lease Expiry Profile



The Property

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Note : A-REIT's financial year end is 31 March.

Source : Ascendas-MGM Funds Management Limited (information as at 30 September 2003)

Macquarie Goodman

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Yield-Accretive

<u>For Year One</u>	IDS HQ (\$ million)
Income	4.18
Property Expenses	0.04
Net Income	4.14
Yield Before Acquisition Costs (for year one)	8.27%

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Source : Ascendas-MGM Funds Management Limited

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Timetable for Completion

	IDS HQ
Nov 2003	Signed Put and Call Option Agreement
Mar 2004	<ul style="list-style-type: none"> • Exercise option • Execution of Sale and Purchase and Lease Agreement • Completion

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Acquisition Summary

The Property

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Acquisition Summary

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



- *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 -

