

# areit

## Proposed Acquisition of Siemens Center



09 January 2004



# Agenda

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



# Siemens Center



60 Macpherson Road



# Siemens Center Property Details

<b>Building type</b>	A 15-storey tower block containing offices, a service centre, laboratories and R&D centres; a 2-storey annex building with amenities such as a gymnasium and a cafeteria, and an 8-storey block containing workshops and offices.
<b>Net Lettable Area</b>	28,377 sqm (subject to survey)
<b>Site Area</b>	17,386 sqm (subject to survey)
<b>Title</b>	Leasehold of 30 years commencing 16 December 2001, with an option to renew for a further 30 years
<b>Valuation (dated 18 December 2003)</b>	S\$66.0m by Colliers International Consultancy & Valuation (Singapore) Pte Ltd
<b>Purchase Price</b>	S\$65.75m
<b>Acquisition Costs</b>	S\$2.96m
<b>Property Yield <sup>(1)</sup> (before acquisition costs)</b>	8.26%

The Property

Impact on A-REIT

Timetable for Completion

Acquisition Summary

\* Based on the initial payment of S\$53.5m upon settlement of the acquisition. The remaining S\$12.25m of the purchase price will be paid on the 3<sup>rd</sup> (S\$4.25m), 4<sup>th</sup> (S\$4.25m) and 5<sup>th</sup> (S\$3.75m) anniversaries, respectively.

# Siemens Center Leasing Details

The Property

Impact on A-REIT

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<b>Tenant(s)</b>	Siemens Pte Ltd (anchor tenant)
<b>Completion Date</b>	Estimated to be March 2004
<b>Occupancy</b>	82%
<b>Annual Rent</b>	S\$7.39m (as at 1 Dec 2003)
<b>Rent Escalation</b>	Yr 3 – 8 : 3.0% every 2 yrs Yr 9 – 15 : 1.5% p.a. (Reviewed each July)
<b>Lease Term</b>	15 yrs commencing from July 2003 Lease is guaranteed by Siemens AG (ultimate holding company of Siemens Pte Ltd)
<b>Outgoings</b>	All property tax, maintenance and utility expenses, lease management cost and land rent to be paid by lessor (A-REIT).



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# Distribution Per Unit (“DPU”)

<b>Siemens Center</b>	<b>DPU Impact (Based on possible debt/equity funding of 30/70)*</b>
<b>DPU Impact (proforma impact on the 6 mths ended 30 September 2003)</b>	<b>0.02 cts per unit</b>
<b>DPU annualised impact</b>	<b>0.04 cts per unit</b>

The Property

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Note:

\*Calculated based on A-REIT holding the property for the 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.



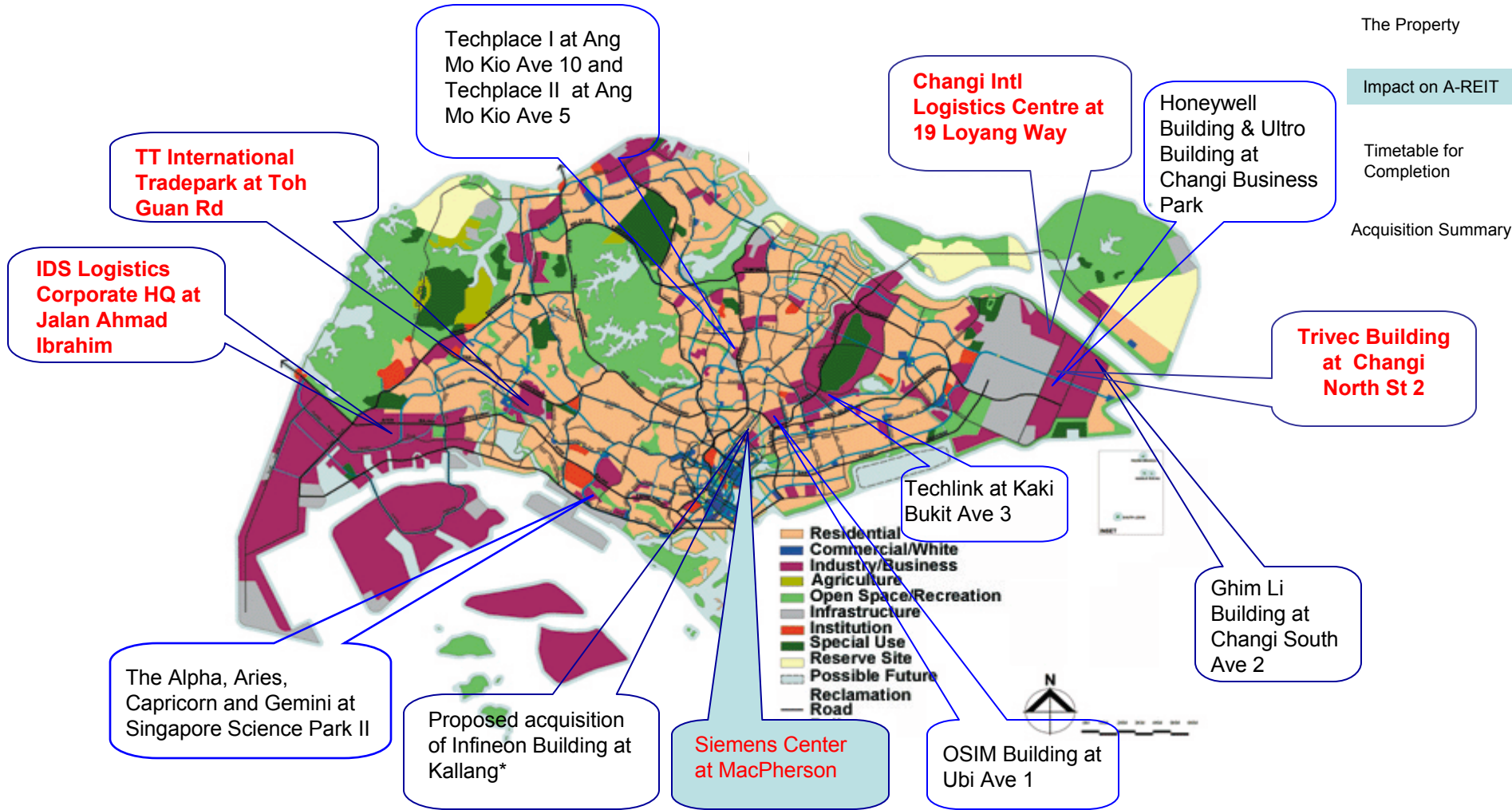
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# Well Located, Diversified Portfolio



The Property

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\* A-REIT has an option to acquire the Infineon Building (expected to be completed by Aug 2004)

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# Yield-Accretive

<b><u>For Year One</u></b>	<b>Siemens Center (S\$ million)</b>
<b>Income</b>	9.07
- Gross Rental	7.39
- Other Income	1.68
<b>Property Expenses</b>	<b>4.65</b>
<b>Net Income</b>	4.42
<b>Yield Before Acquisition Costs (for year one)</b>	8.26% *

The Property

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Source : Ascendas-MGM Funds Management Limited

\* Based on the initial payment of S\$53.5m upon settlement of the acquisition. The remaining S\$12.25m of the purchase price will be paid on the 3<sup>rd</sup> (S\$4.25m), 4<sup>th</sup> (S\$4.25m) and 5<sup>th</sup> (S\$3.75m) anniversaries, respectively.

Macquarie 

# Agenda

- **The Property**
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  - Lease Expiry Profile
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# Timetable for Completion

The Property

Impact on A-REIT

Timetable for Completion

Acquisition Summary

	<b>Siemens Center</b>
<b>Jan 2004</b>	<b>Signed Put and Call Option Agreement</b>
<b>Mar 2004</b>	<ul style="list-style-type: none"> <li>• <b>Exercise option</b></li> <li>• <b>Execution of Sale and Purchase Agreement and novation of Lease Agreement</b></li> <li>• <b>Completion</b></li> </ul>



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- **Acquisitions Summary**

# Acquisitions Summary

- **Well located properties**
- **Diversify property portfolio**
- **Strengthen tenancy profile**
- **Diversify tenant mix and industry type**
- **Yield-accretive**
- **DPU positive**

The Property

Impact on A-REIT

Timetable for  
Completion

Acquisition Summary



# Summary of Proposed Acquisitions

	Purchase Price	Yield <sup>(1)</sup>	Occupancy	Lease Term	Rent Escalation
<b>IDS Logistics Corporate HQ</b>	<b>S\$50.0m</b>	<b>8.27% (before costs)</b>	<b>100%</b>	<b>10 yrs</b>	<b>3-yrly mkt reviews with a ratchet clause and a cap of 15% on rental increases for the 1st review &amp; a cap of 20% for the subsequent reviews</b>
<b>TT International Tradepark</b>	<b>S\$92.0m</b>	<b>7.87% (before costs)</b>	<b>100%</b>	<b>10 yrs</b>	<b>9% (yr 4), 6% (yr 7) &amp; 9% (yr 10)</b>
<b>Trivec Bldg</b>	<b>S\$32.0m</b>	<b>8.35 % (before costs)</b>	<b>100%</b>	<b>Ave. 2 to 3 yrs</b>	<b>N/A</b>
<b>CILC</b>	<b>S\$45.6m</b>	<b>8.54% (before costs)</b>	<b>81%</b>	<b>Ave. 2 to 3 yrs and 6-yrs</b>	<b>N/A</b>
<b>Siemens Center</b>	<b>S\$65.8m</b>	<b>8.26% (before costs)</b>	<b>82%</b>	<b>15 yrs (from July 2003)</b>	<b>Yr 3 – 8 : 3.0% every 2 yrs Yr 9 – 15 : 1.5% p.a. (Reviewed each July)</b>

<sup>(1)</sup> Calculated and annualised based on the assumption that A-REIT had purchased the properties on 1 Apr 03 and held and operated the properties for six months ended 30 Sep 03.



IDS Logistics Corporate HQ



TT International Tradepark



Trivec Building



Changi International Logistics Ctr



Siemens Center



- *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.**

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