

areit

Ascendas Real Estate Investment Trust

Third Quarter Results for Financial Year Ending 31 March 2004

Thursday, 15 January 2004



This Presentation is focused on comparing actual results versus forecasts outlined in the A-REIT Prospectus of 5 November 2002. This shall be read in conjunction with Paragraph 9 of A-REIT's Half Year Financial Statement for period from 1 October to 31 December 2003 in the Masnet 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

- **Financial Highlights**
- Portfolio Update
- Capital Management
- Future Strategies



Profit and loss

Available for Distribution – 17.0% above forecast

	Three Months (1/10/03 to 31/12/03) S\$'000		
	Actual	Forecast ⁽¹⁾	Variance (%) Fav / (Unfav)
Gross revenue	16,371	15,829	3
Property operating expenses	(3,537)	(4,593)	23
Net property income	12,834	11,236	14
Non-property expenses	(1,947)	(1,754)	11
Net profit	10,887	9,482	15
Available for distribution	11,576	9,872	17
Distribution per unit	2.12	1.81	17

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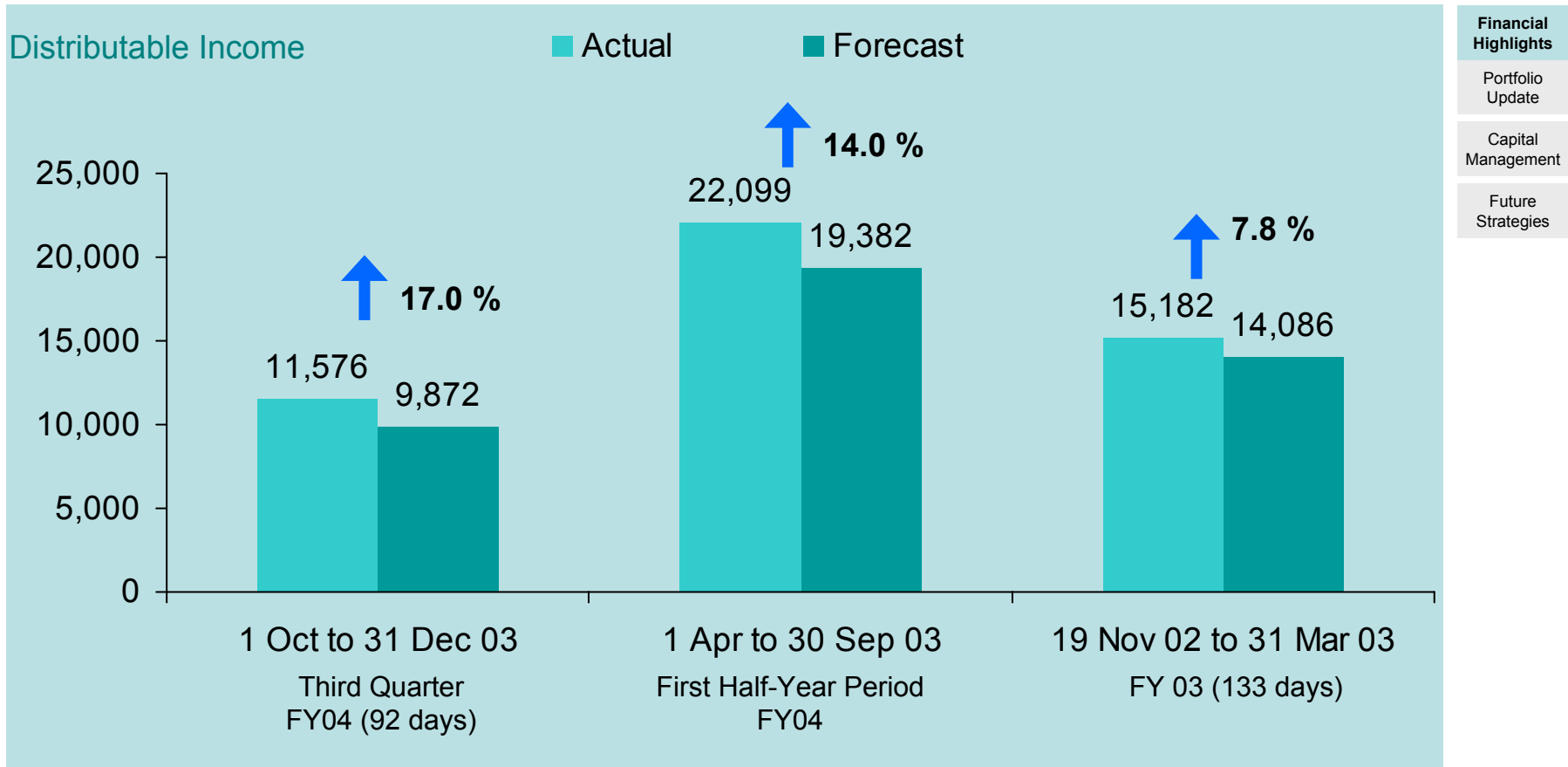
Notes

- (1) The extrapolated forecast for the period from 1 October to 31 December 2003 has been derived from the forecast stated in the prospectus dated 5 November 2002, on a best estimate basis by the Manager to allow for like for like comparison with the actual results.

Source : A-REIT unaudited Financial Statements for the three months ended 31 December 2003



A-REIT's distributable income above forecast by 17.0%



Source : A-REIT unaudited financial results for the 3-months ended 31 December 2003

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- Distributable income** **\$11.6m**
 Represents distribution per Unit (DPU)
 (for the third quarter of FY 04) **2.12 cents ⁽¹⁾**

- Annualised trading yield** **9.3%**
 (based on IPO price of S\$0.88 per unit)

- Annualised trading yield** **7.1%**
 (based on closing price of S\$1.15 per unit
 on 31 Dec 2003)

⁽¹⁾ The distributable income for this third quarter will be distributed as part of the second half-year distributable income after financial year end on 31 March 2004.



Balance Sheet

	Actual As at 31/12/03 \$'m	Actual As at 31/3/03 \$'m
Total assets	713.1	636.4
Borrowings	172.8	125.0
Total unitholders' funds	501.7	498.2
Gearing (%)	24.2	19.6
Adjusted net asset value per unit	0.90	0.88

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Source : A-REIT unaudited Financial Statements for the three months ended 31 Dec 2003

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Portfolio Highlights

- **Average portfolio occupancy** **83.1%⁽¹⁾**
- **Portfolio occupancy as at 31 Dec 2003** **82.2%**
- **Portfolio renewals/leasing** **39,366 sqm⁽¹⁾
(16% of portfolio)**
- **Level of committed revenue approximately** **98.4%**
(For financial year ending 31 March 2004 based on eleven properties)

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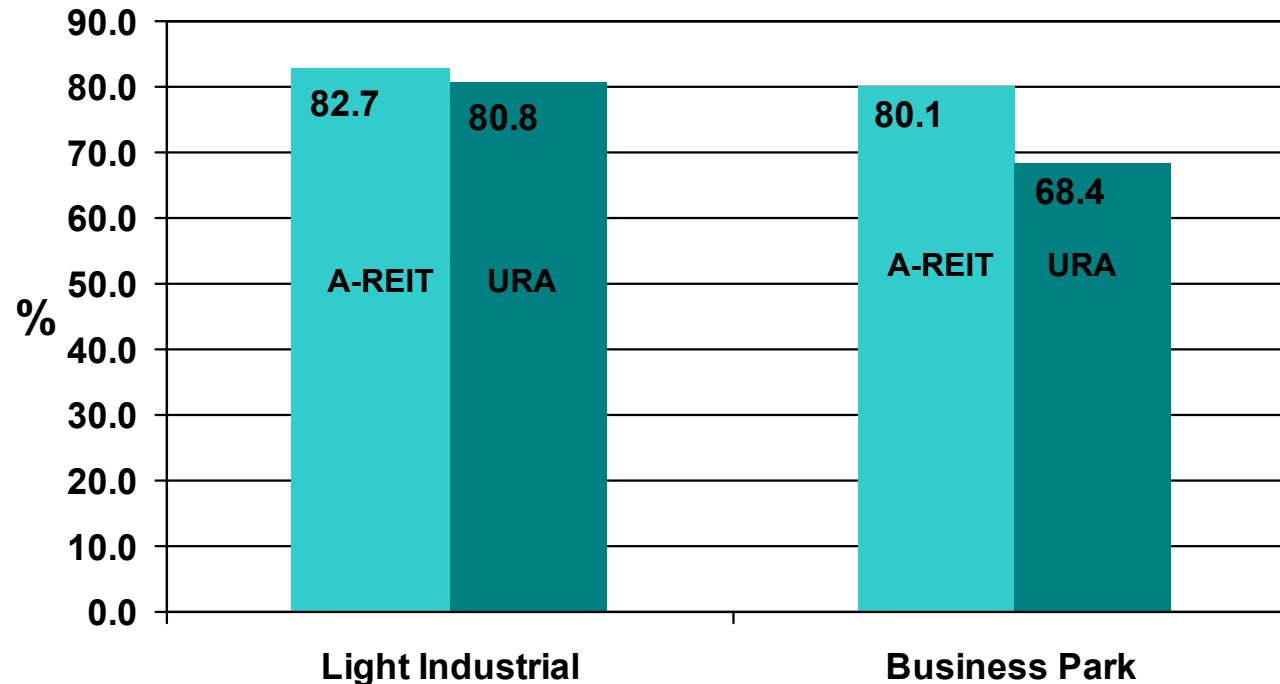
Notes:

(1) For 3-months period ended 31 December 2003

Source : Ascendas-MGM Funds Management Limited



A-REIT portfolio occupancy in line with market



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Notes:

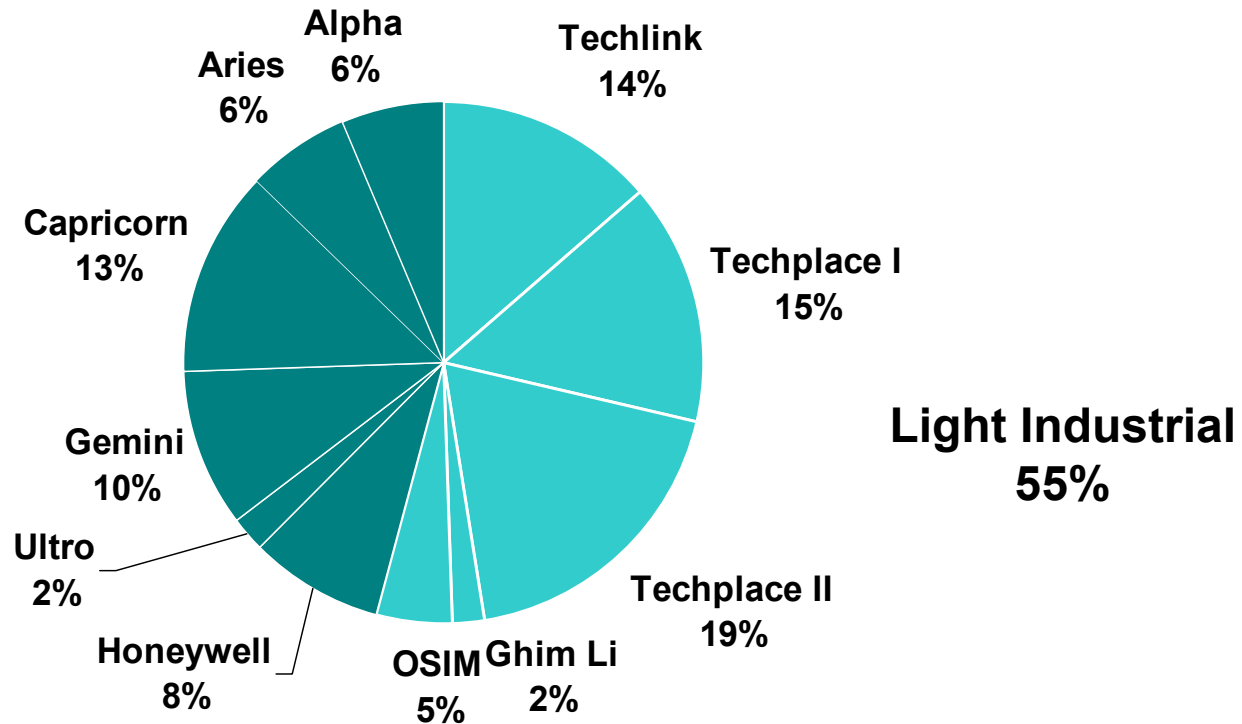
- Business Park : A-REIT properties include business park (science park) in Central location and Honeywell and Ultro buildings in the East. Occupancy for 3 months ended 31 December 2003.
- Light Industrial : A-REIT properties include Techplace I & II in Central location and Techlink, OSIM HQ and Ghim Li Building in the East. Occupancy for 3 months ended 31 December 2003.
- URA statistics for 3rd Qtr 2003 as 4th Qtr 2003 figures are not available yet.



Source: Ascendas-MGM and URA

Diversified portfolio by net property income

**Business park
(including
Science Park)
45%**



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Source : A-REIT's portfolio and net property income from 1 October to 31 December 2003.



Announced Property Acquisitions (since 30 September 2003)



- A. Completed acquisition of Ghim Li Building for purchase price of S\$13.5m
- B. Completed acquisition of Ultro Building for purchase price of S\$18.0m
- C. IDS Logistics Corporate HQ to be acquired for purchase price of S\$50.0m
- D. TT International Tradepark to be acquired for purchase price of S\$92.0m
- E. Trivec Building to be acquired for purchase price of S\$32m
- F. Changi International Logistics Ctr to be acquired for purchase price of S\$45.6m
- G. Siemens Center to be acquired for purchase price of S\$65.75m

Completed acquisitions



Ghim Li Building



Ultro Building

Proposed acquisitions



IDS Logistics Corp HQ



TT International Tradepark



Trivec Building



Changi International Logistics Ctr



Siemens Center

Macquarie Goodman

Performance of A-REIT

Update on A-REIT

Portfolio Highlights

Strategies Moving Forward



A-REIT Property Acquisition



	Purchase Price	Yield (Pre-Acquisition costs)	Occupancy	Lease Term	Rent Escalation
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Performance of A-REIT

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EXISTING PORTFOLIO AND COMPLETED ACQUISITIONS

Portfolio at IPO	\$573.2m	8.20% ⁽¹⁾	82.6 ⁽²⁾	Ave. 3 yrs (except for Honeywell)	N/A
Ghim Li Bldg	\$13.5m	8.85%	100%	10 yrs	9% every 3 yrs
OSIM HQ Bldg	\$35.0m	9.28% ⁽³⁾	100%	12 yrs	2.25% p.a. from yr 5
Utro Bldg	\$18.0m	8.91%	100%	10 yrs	2.5% p.a.

CILC	\$45.6m	8.60%	81%	Ave. 2 to 3 yrs and 6-yrs	N/A
IDS Logistics Corporate HQ	\$50.0m	8.27%	100%	10 yrs	3-yrly mkt reviews with a ratchet clause and a cap of 15% on rental increases for the 1st review & a cap of 20% for the subsequent reviews
Infineon Bldg	\$50.9m	8.18%	Will be 100%	12 yrs	2.25% – 3% p.a.
Siemens Center	\$65.75m	8.26% ⁽⁴⁾	82%	15 yrs	N/A
Trivec Bldg	\$32.0m	8.35 %	100%	Ave. 2 to 3 yrs	N/A
TT Int'l Tradepark	\$92.0m	7.87% ⁽⁵⁾	100%	10 yrs	9% (yr 4), 6% (yr 7) & 9% (yr 10)

⁽¹⁾ Existing Trust has a yield of 8.2% based on IPO price of \$0.88 per unit and a gearing of 20.5% at IPO.

⁽²⁾ Occupancy rate of 8 properties as at 31 Mar 03

⁽³⁾ Based on the initial payment of S\$25m upon settlement; S\$5m on the first anniversary and S\$5m on the second anniversary.

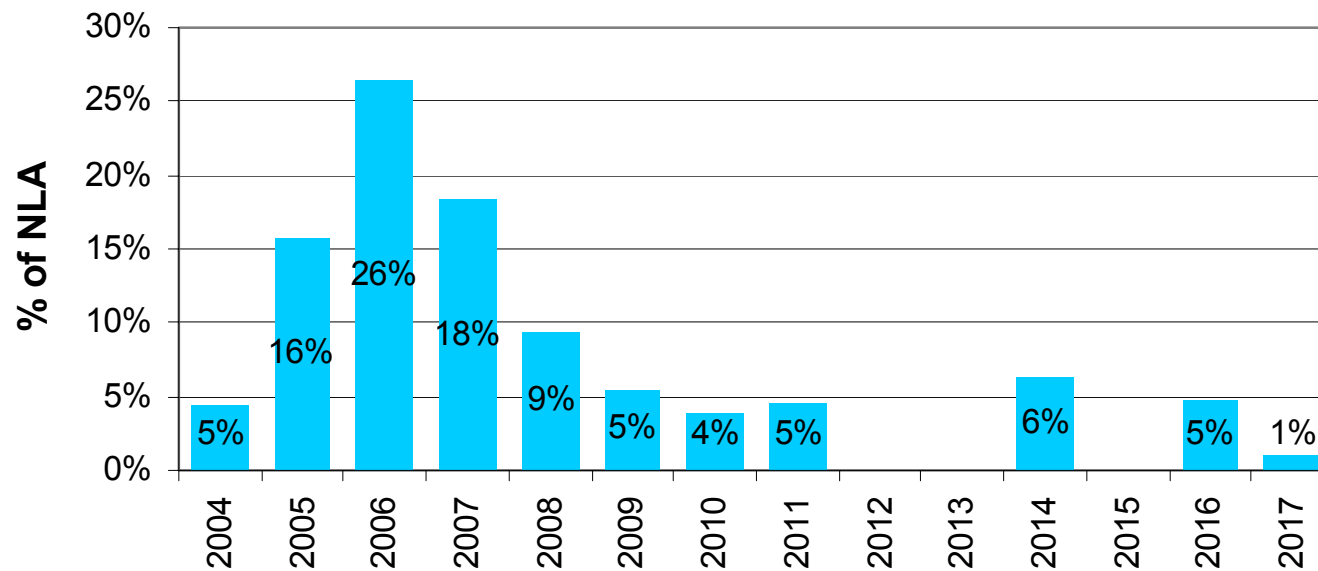
⁽⁴⁾ Based on the initial payment of S\$53.5m upon settlement of the acquisition. The remaining S\$12.25m of the purchase price will be paid on the 3rd (S\$4.25m), 4th (S\$4.25m) and 5th (S\$3.75m) anniversaries, respectively.

⁽⁵⁾ Based on the initial payment of S\$83.2m upon settlement of the acquisition. The remaining S\$8.8m of the purchase price will be paid at the end of year 3, whereupon the rent paid by T.T. International Tradepark Pte Ltd, the tenant in the property, increases commensurately to S\$7.2m.



Lease Expiry Profile

The mix of long term lease with short term leases will extend the lease expiry profile of A-REIT



Financial Year Ended 31 March

Note : Lease expiry profile for eleven properties

Source : Ascendas-MGM Funds Management Limited (information as at 31 December 2003)

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Capital Management

- **External borrowing of \$172.8m as at 31 Dec 2003**
- **Entered into S\$100m (58% of A-REIT's borrowings) of swap transactions**
- **Current weighted average funding cost is 1.51% as at 31 Dec 2003 (excluding margins, based on weighted swap rates for hedged debt and current floating rates on unhedged debt)**

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Future Strategies

- **Organic growth**
 - Improve occupancies of existing property portfolio
 - Balance mix of short and long term leases
 - Diversify tenant mix
 - Logistics industry sector : growth area
- **Acquisition growth**
 - Continue with acquisition opportunities in multi-tenanted and buy and lease-back properties in Singapore
 - Yield-accretive properties

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Thank You

