

areit

Ascendas Real Estate Investment Trust

First Half-Year Results for Financial Year Ending 31 March 2004

Thursday, 16 October 2003



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 April to 30 September 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 – 14.0% above forecast

	Six Months (1/4/03 to 30/9/03) S\$'000		
	Actual	Forecast ⁽¹⁾	Variance (%) Fav / (Unfav)
Gross revenue	31,905	31,729	0.6
Property operating expenses	(8,195)	(9,645)	15.0
Net property income	23,710	22,084	7.4
Non-property expenses	(3,247)	(3,489)	6.9
Net profit	20,463	18,595	10.0
Available for distribution	22,099	19,382	14.0
Distribution per unit	4.05	3.55	14.1

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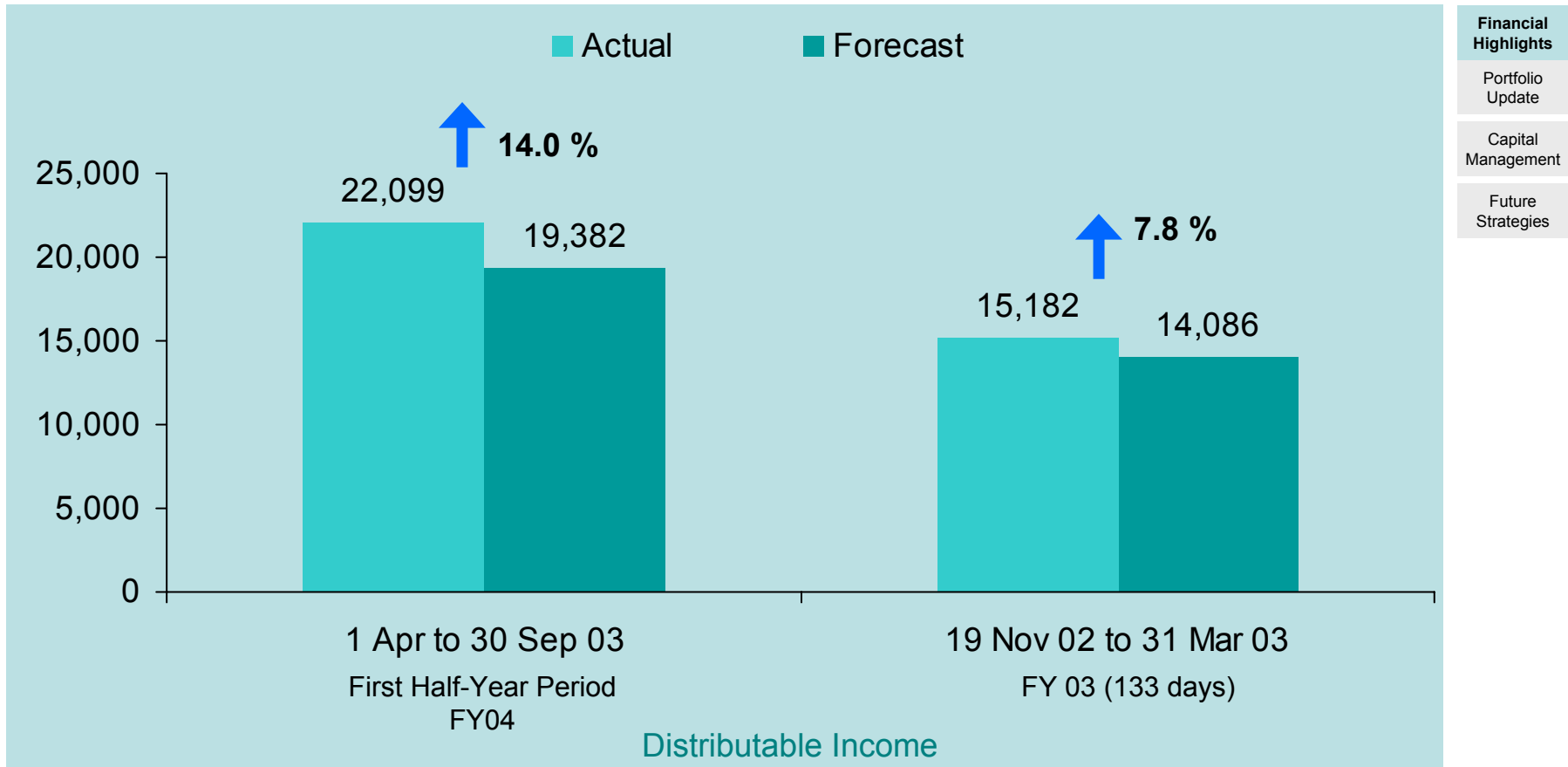
Notes

- (1) The extrapolated forecast for the period from 1 April to 30 September 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 period ended 30 September 2003

A-REIT's distributable income above forecast by 14.0%



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Source : A-REIT unaudited financial results for the 6-month period ended 30 September 2003

Financial Highlights

- Distribution per Unit (DPU)** **4.05 cents**
 (for first 6 mths of FY 04)
- Annualised yield** **9.2%**
 (based on IPO price of S\$0.88 per unit)
- Annualised yield** **7.7%**
 (based on closing price of S\$1.05 per unit on 30 Sept 2003)

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Balance Sheet

	Actual As at 30 /9/03 \$'m	Actual As at 31/3/03 \$'m
Total assets	656.7	636.4
Borrowings	128.5	125.0
Total unitholders' funds	504.3	498.2
Gearing (%)	19.6	19.6
Adjusted net asset value per unit	0.88	0.88

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Source : A-REIT unaudited Financial Statements for period ended 30 Sept 2003

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Portfolio Highlights

- **Average portfolio occupancy** **81.2%⁽¹⁾**
- **Portfolio occupancy as at 30 Sept 2003** **82.9%**
- **Portfolio renewals/leasing** **59,062 sqm⁽¹⁾
(24% of portfolio)**
- **Level of committed revenue approximately** **96%**
(For financial year ending 31 March 2004)

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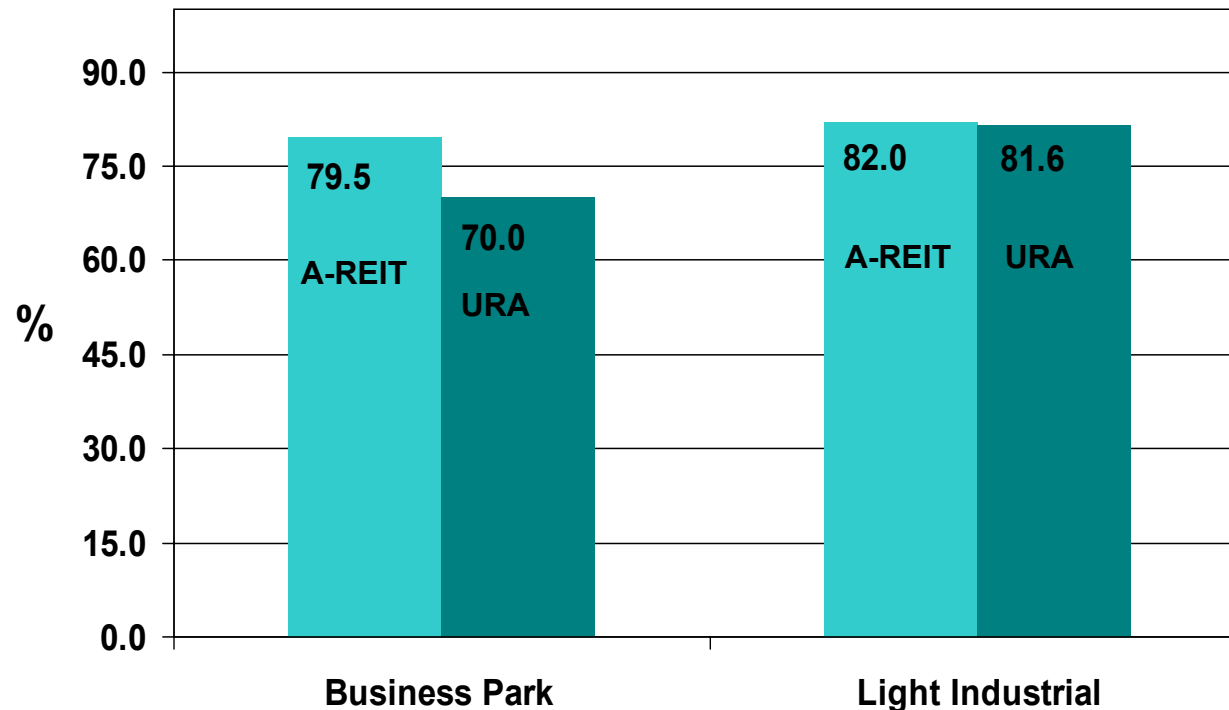
Notes:

(1) For 6-month period ended 30 September 2003

Source : Ascendas-MGM Funds Management Limited



A-REIT portfolio occupancy in line with market



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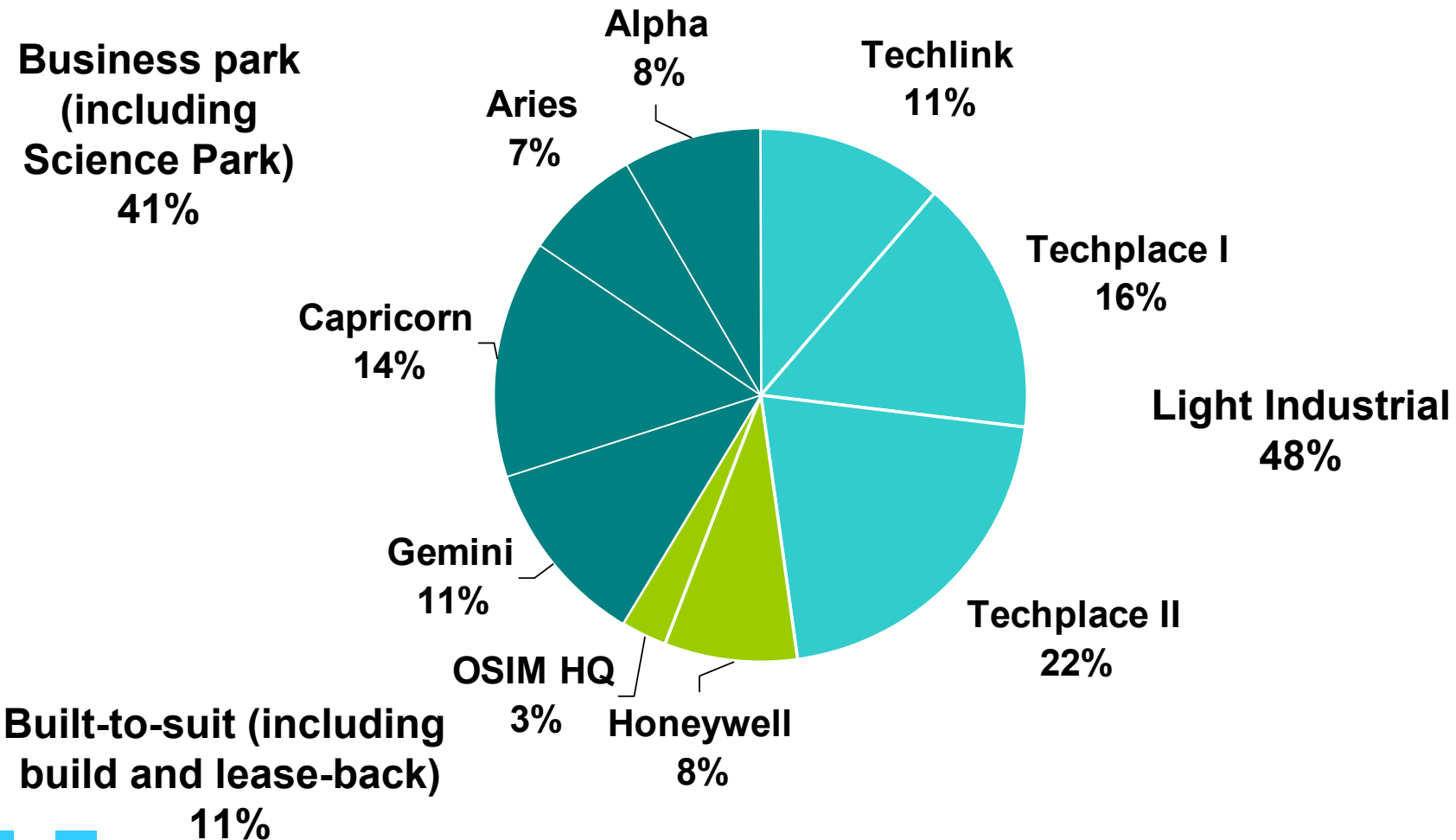
Notes:

- Business Park : A-REIT properties include business park (science park) in Central location and Honeywell in the East. Occupancy for 3 months ended 30 September 2003.
- Light Industrial : A-REIT properties include Techplace I & II in Central location and Techlink and OSIM HQ Building in the East. Occupancy for 3 months ended 30 September 2003.
- URA statistics for 2nd Qtr 2003 as 3rd Qtr 2003 figures are not available yet.



Source: Ascendas-MGM and URA

Diversified portfolio by net property income



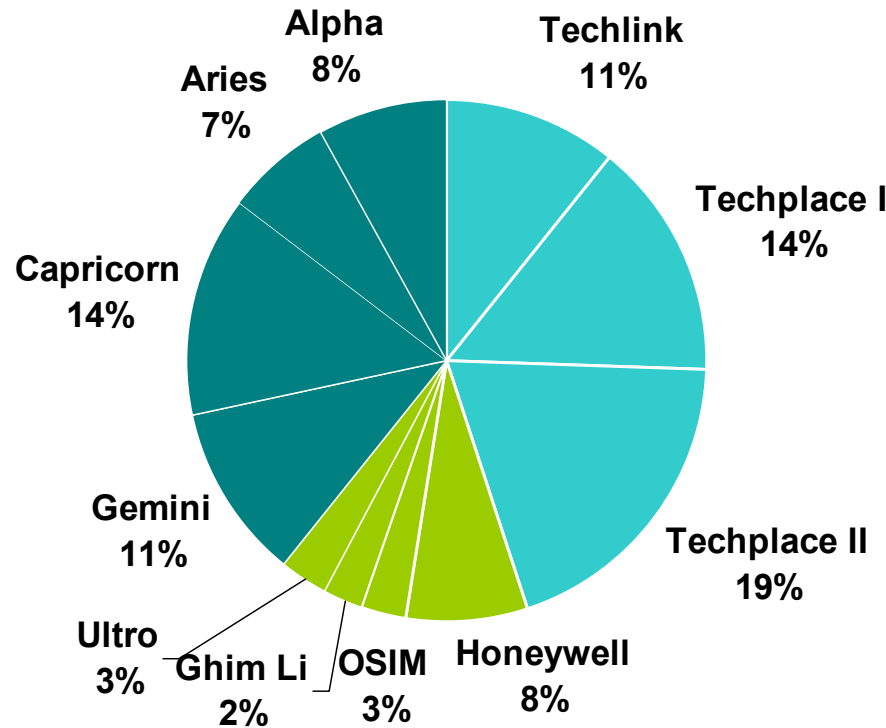
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Source : A-REIT's portfolio and Net Property Income from 1 April to 30 September 2003.

Diversified portfolio by net property income after acquisitions of Ultro and Ghim Li Buildings

**Business park
(including
Science Park)
39%**



**Built-to-suit (including
build and lease-back)
16%**

**Light Industrial
45%**

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Note : Ultro and Ghim Li Bldgs' net property income calculated as if A-REIT owned the properties for six months period ended 30 September 2003.

Source : A-REIT's portfolio and net property income from 1 April to 30 September 2003.



Announced Property Acquisitions

1. **OSIM HQ Building acquired for purchase price of S\$35m**
2. **Ghim Li Building acquired for purchase price of S\$13.5m**
3. **Ultron Building to be acquired for purchase price of S\$18.0m**
4. **Building being developed by Ascendas Land (Singapore) for Infineon Technologies, to be acquired for purchase price of S\$50.9m**

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OSIM HQ Building



Ghim Li Building



Ultron Building



Infineon Building



A-REIT Properties

	Purchase Price	Yield ⁽¹⁾	Occupancy	Lease Term	Rent Escalation	Impact on DPU
Existing Portfolio	\$573.2m	8.20% ⁽²⁾	82.6 ⁽³⁾	Ave. 3 yrs (except for Honeywell)	N/A	7.24 cts ⁽⁴⁾
Ghim Li Bldg	\$13.5m	8.43%	100%	10 yrs	9% every 3 yrs	0.16 cts ⁽⁵⁾
Infineon Bldg	\$50.9m	7.80%	Will be 100%	12 yrs	2.25% – 3% p.a.	N/A
OSIM HQ Bldg	\$35.0m	8.72%	100%	12 yrs	2.25% p.a. from year 5	0.29 cts ⁽⁵⁾
Ultron Bldg	\$18.0m	8.51%	100%	10 yrs	2.5% p.a.	0.22 cts ⁽⁵⁾

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(1) Yield after acquisition costs

(2) Existing properties has an yield of 8.2% based on IPO price of \$0.88 per unit and a gearing of 20.5%.

(3) Occupancy rate of 8 properties as at 31 March 2003

(4) Forecast distribution per unit for financial period ending 31 March 2004 based on IPO price of \$0.88 per unit.

(5) Calculated and annualised based on the assumption that A-REIT had purchased the properties on 19 November 2002 (the date of listing of A-REIT on Singapore Exchange Securities Trading), and held and operated the properties through to 31 March 2003.

Dpu = distribution per unit



Lease Expiry Profile

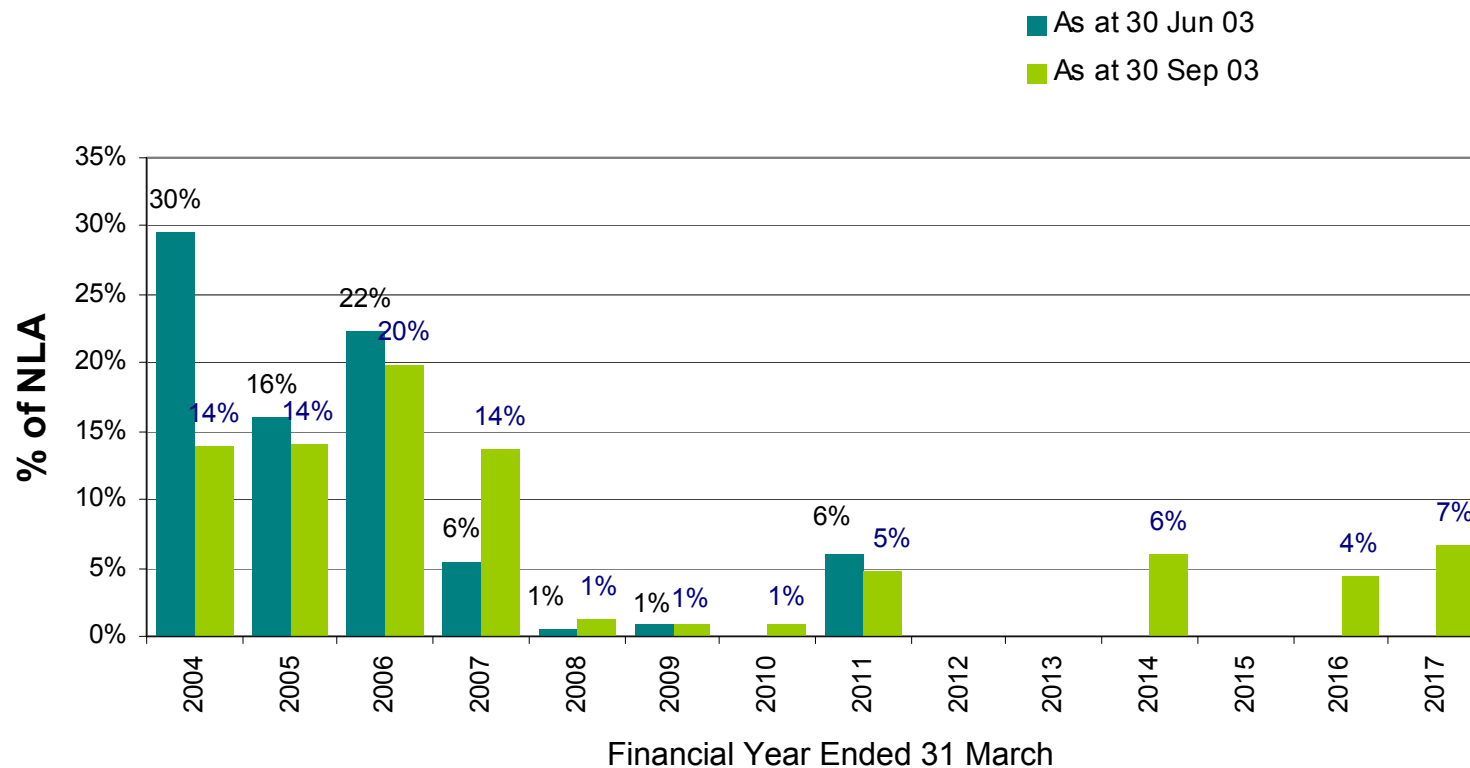
The mix of long term lease with short term leases will effectively extend the lease expiry profile of A-REIT

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Note : Assuming all announced proposed acquisitions (Ultron Building and Infineon Building) to be completed.
 Source : Ascendas-MGM Funds Management Limited (information as at 30 September 2003)



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Capital Management

- **External borrowing of \$128.5m as at 30 Sep 2003**
- **Entered into S\$100 m (78% of A-REIT's borrowings) of forward start swap transactions (\$48.5m effected as at 30 September 2003)**
- **Current weighted average funding cost is 1.27% as at 30 Sep 2003 (excluding margins, based on weighted swap rates for hedged debt and current floating rates on unhedged debt)**

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Future Strategies

- **Improve occupancies of existing property portfolio**
- **Balance mix of short and long term leases**
- **Diversify tenant mix**
- **Continue with acquisition opportunities in multi-tenanted and buy and lease-back properties in Singapore**



Deliver stable distributions to unitholders

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Thank You

