



areit

Ascendas Real Estate Investment Trust

FY 05/06 Half Year Results
18 October 2005

Disclaimer

This Presentation is focused on comparing actual results for the six months ended 30 September 2005 (“Half Year”) versus forecasts derived on the best estimate as stated in the A-REIT Circular of 20 September 2005 and actual results in the prior corresponding period (“pcp”). This shall be read in conjunction with A-REIT’s second quarter and half year results from 1 April 2005 to 30 September 2005 Financial Statements 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 current view of management on future events.

Agenda

- Half year highlights
- Financial performance
- Capital and funds management
- Portfolio highlights
- Portfolio diversification
- Conclusion

Half year highlights

- Net investment income available for distribution of S\$67.0m, up 99% on pcp
- Second Quarter DPU 2.91 cents up 25% on pcp
- Acquired nine properties for S\$215.8m
- Total assets grew to S\$2.3b
- Portfolio occupancy 94.9% as at 30 Sep 05
- Leased and renewed 58,460 sqm of space
- Raised S\$240.0 million worth of new equity
- Raised S\$350m in second Euro CMBS issue rated 'AAA' by S&P and Fitch

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Half year DPU - 29% above pcp



	Actual ⁽¹⁾ 1H FY 05/06 (S\$'000)	Actual ⁽¹⁾ 1H FY05/06 (S\$'000)	% Change
Gross revenue	102,119	54,399	88
Property operating expenses	(21,608)	(15,599)	39
Net property income	80,511	38,800	108
Non-property expenses	(16,261)	(6,949)	134
Net investment income	64,250	31,851	102
Available for distribution	67,027	33,718	99
Distribution per unit	5.75	4.46	29

Details listed in item1a (i) on page 2 of SGXNet financial statements for 1H and 2Q FY 05/06

Note:

(1) Based on 45 properties as at 30 September 2005 versus 19 properties as at 30 September 2004.

DPU – 14% above forecast of 18 November 2004⁽¹⁾

	Actual 1H FY 05/06 (S\$'000)	Forecast ⁽¹⁾ 1H FY 05/06 (S\$'000)	% Change
Gross revenue	102,119	82,093	24
Property operating expenses	(21,608)	(20,747)	12
Net property income	80,511	61,437	31
Non-property expenses	(16,261)	(10,995)	48
Net investment income	64,250	50,351	28
Available for distribution	67,027	53,096	26
Distribution per unit	5.75	5.04	14

Note:

⁽¹⁾ Forecast for 1H FY 05/06 derived on a best estimate from the forecast as stated in the circular dated 18 November 2004.

DPU – in line with forecast of 20 September 2005⁽¹⁾

	Actual 1H FY 05/06 (S\$'000)	Forecast ⁽¹⁾ 1H FY 05/06 (S\$'000)	% Change
Gross revenue	102,119	101,640	0
Property operating expenses	(21,608)	(22,184)	3
Net property income	80,511	79,456	1
Non-property expenses	(16,261)	(16,360)	1
Net investment income	64,250	63,096	2
Available for distribution	67,027	66,121	1
Distribution per unit	5.75	5.68	1

Details listed in item 9 on page 12 of SGXNet financial statements for 1H and 2Q FY 05/06

Note:

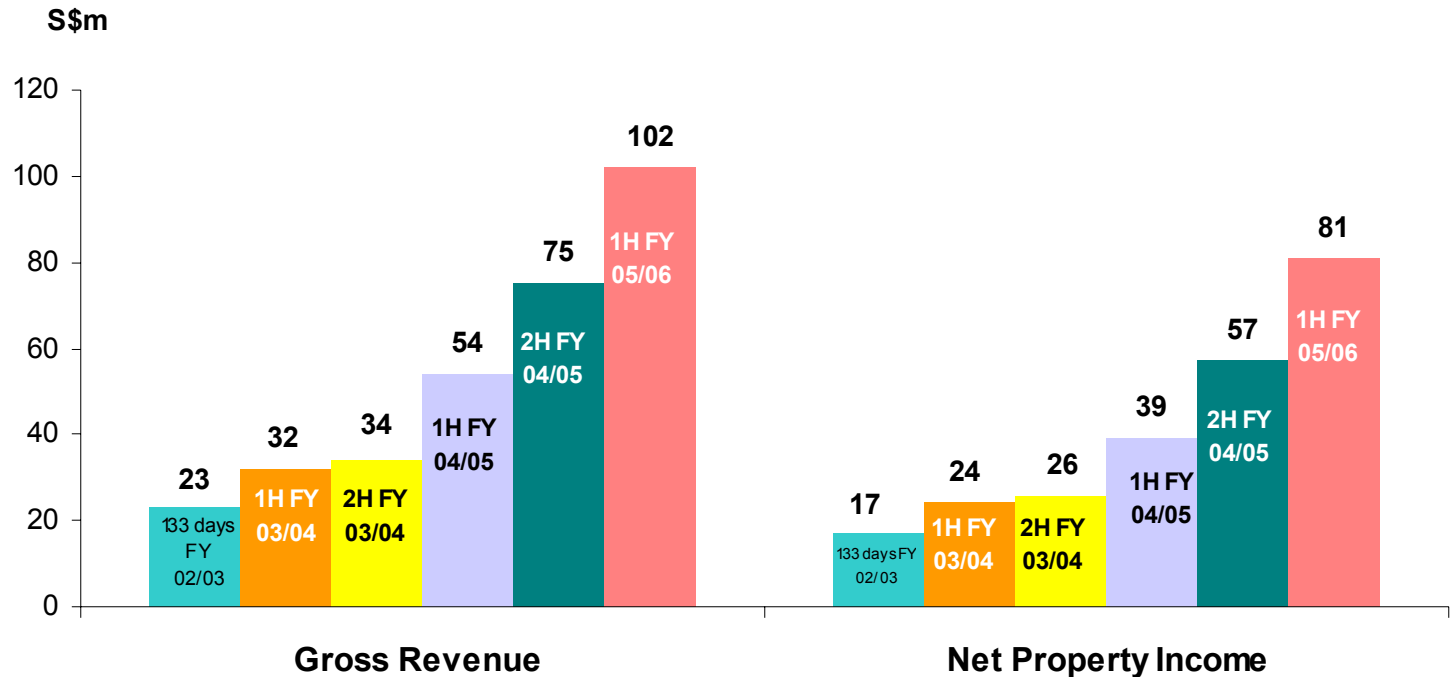
⁽¹⁾ Forecast for 1H FY 05/06 derived on a best estimate from the forecast as stated in the circular dated 20 September 2005.

Balance sheet

	Actual (S\$b)	
	As at 30 Sep 05	As at 30 Sep 04
Total Assets	2.3	1.2
Borrowings	0.8	0.4
Net assets attributable to unitholders	1.4	0.8
Gearing	32.7%	28.7%
Net asset value per unit	124 cents	106 cents

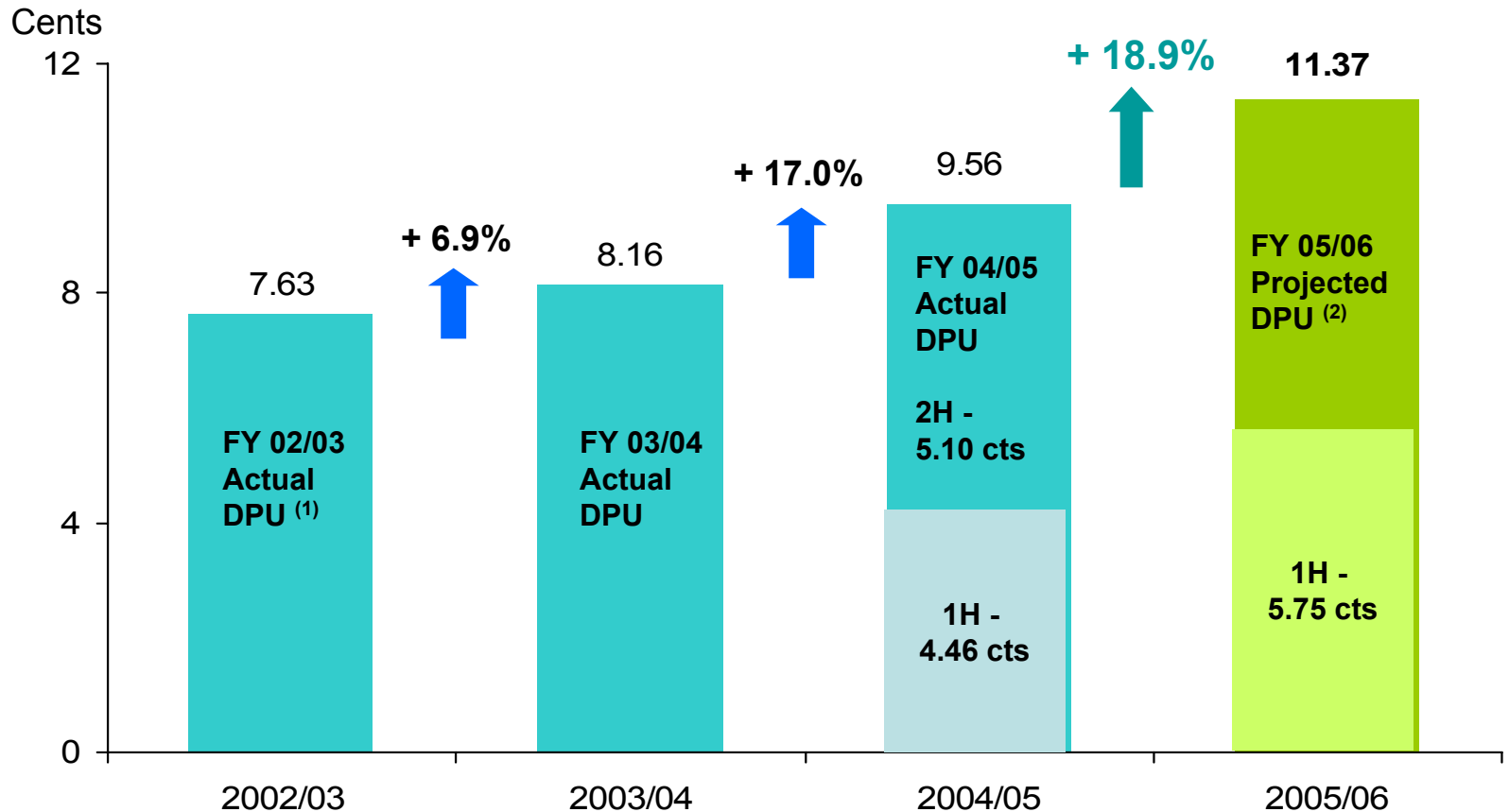
Net asset value per unit as at 5 Oct 05 is **132** cents

Financial Performance Growing Steadily



DPU growth since listing

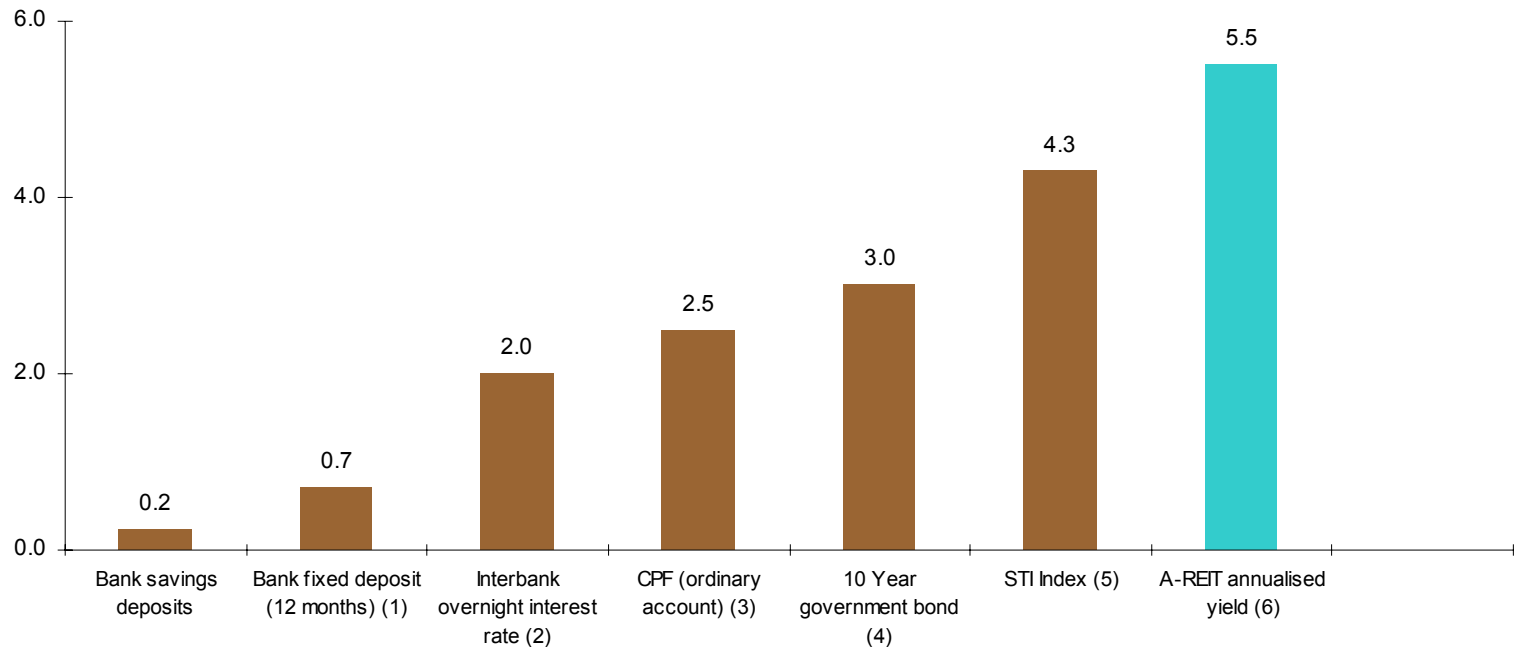
Regular and stable distributions



Notes:

- (1) FY 02/03 Actual DPU is annualised. The actual DPU was 2.78 cents for the 133 days ended 31 March 2003
- (2) The projected DPU for FY 05/06 is based on projections stated in A-REIT's circular dated 20 September 2005

Comparable returns

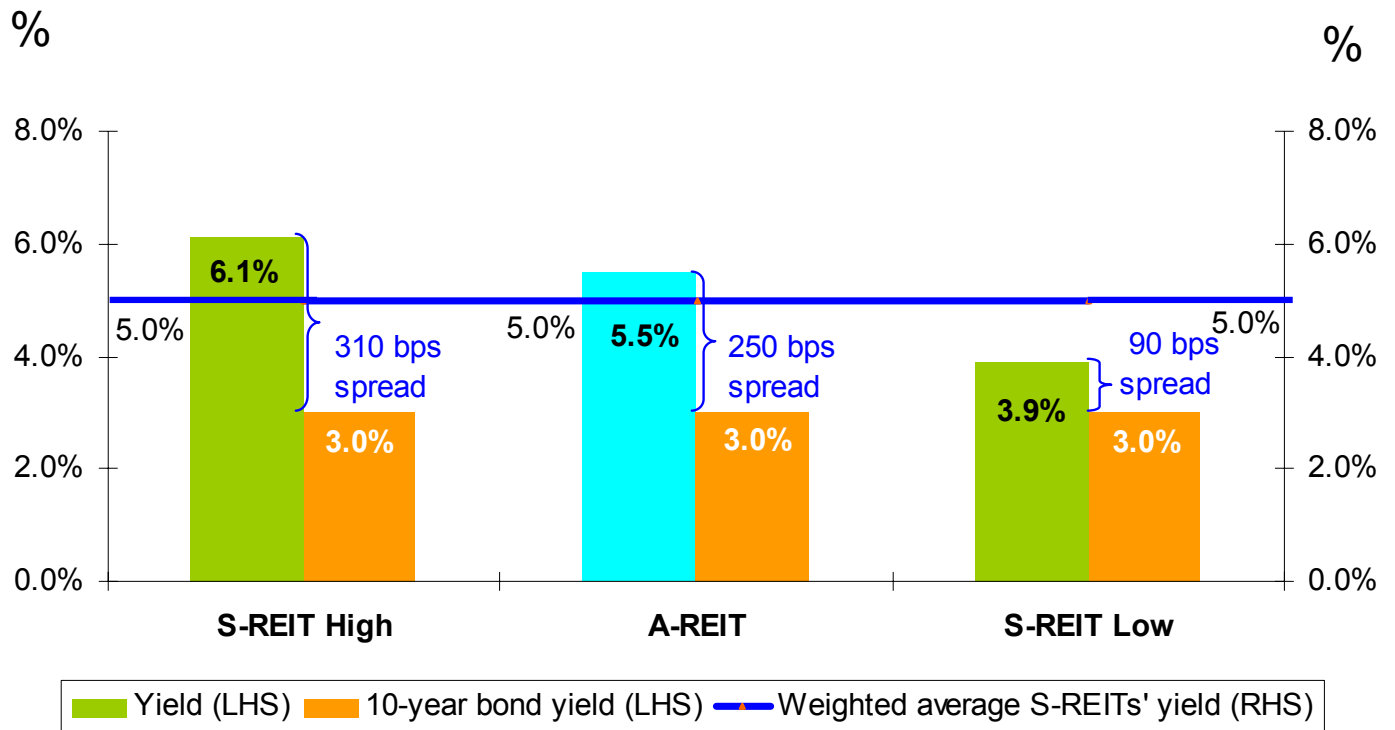


Notes:

- (1) Bank fixed deposit rate (12 months) as at 8 October 2005. Source: MAS website
- (2) Interbank overnight interest rate as at 8 October 2005. Source: MAS website
- (3) Based on interest paid on CPF ("Central Provident Fund") ordinary account from Jul to Sep 2005. Source: CPF website
- (4) As at 14 October 2005. Source: Singapore Government Securities ("SGS") website
- (5) Based on Bloomberg data as at 30 September 2005
- (6) Yield based on A-REIT's closing price of S\$2.08 per unit on 17 October 2005 and annual forecast DPU of 11.37 cents as stated in A-REIT circular dated 20 September 2005

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

S-REITs yield range from low of 3.9% to high of 6.1%



Source: IBES Estimates, Bloomberg, Singapore Government Securities

Cumulative Distribution Details

Stock counter	Distribution Period	Distribution per unit (cents)
Ascendasreit	1 Jul 05 to 30 Sep 05	2.91
	1 Oct 05 to 4 Oct 05	0.12
		<u>3.03</u>

Distribution Timetable

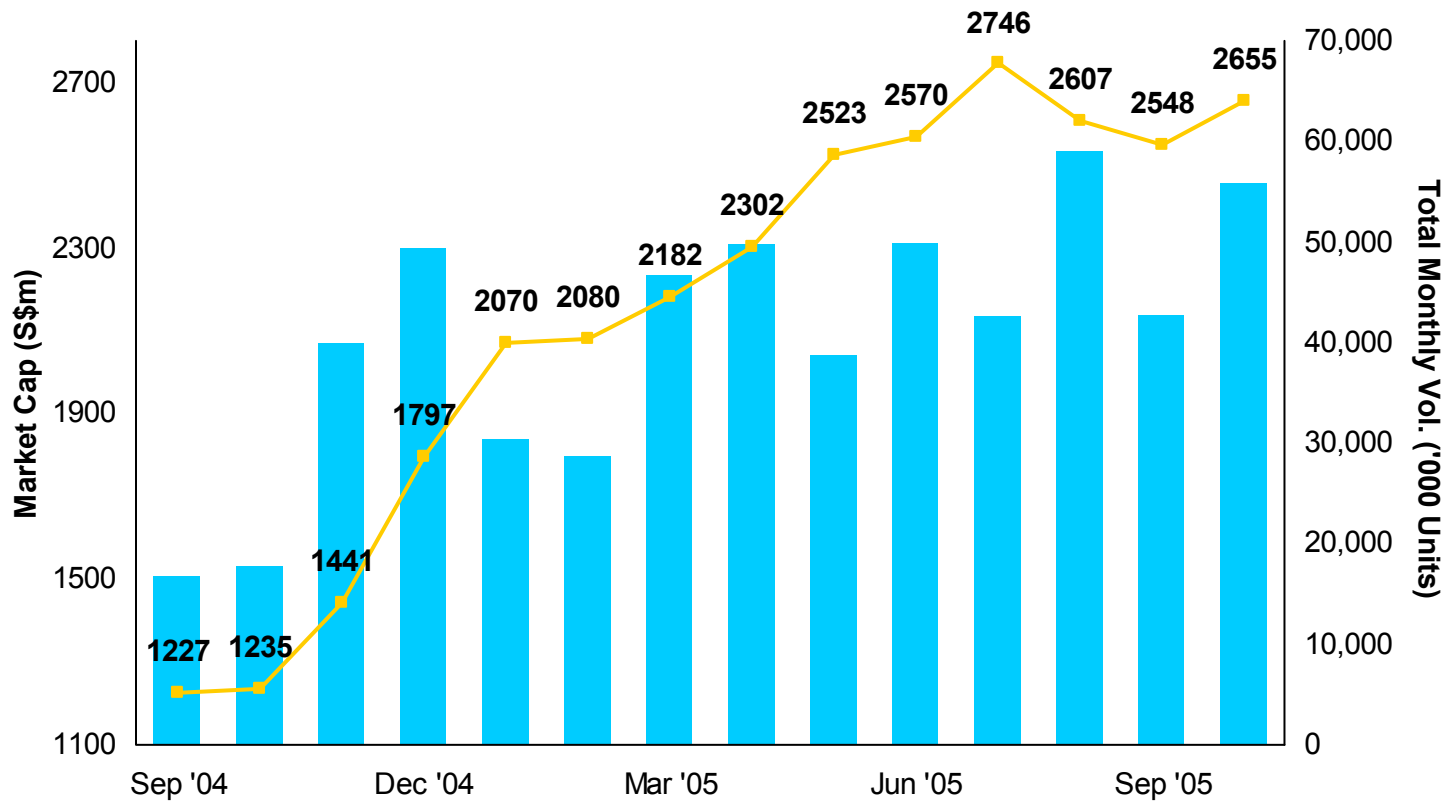
Notice of books closure date	21 September 2005
Last day of trading on “cum” basis	29 September 2005
Ex-date	30 September 2005, 9.00 am
Books closure date	4 October 2005, 5.00 pm
Distribution payment date	8 November 2005

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Performance to date

Market cap and liquidity



1 Oct 04 to 17 Oct 05

- 551.9 m units traded (18% of total Singapore REIT trading)
- A-REIT is ranked 31st by market capitalisation on Singapore Exchange Securities Trading Limited

Capital Management

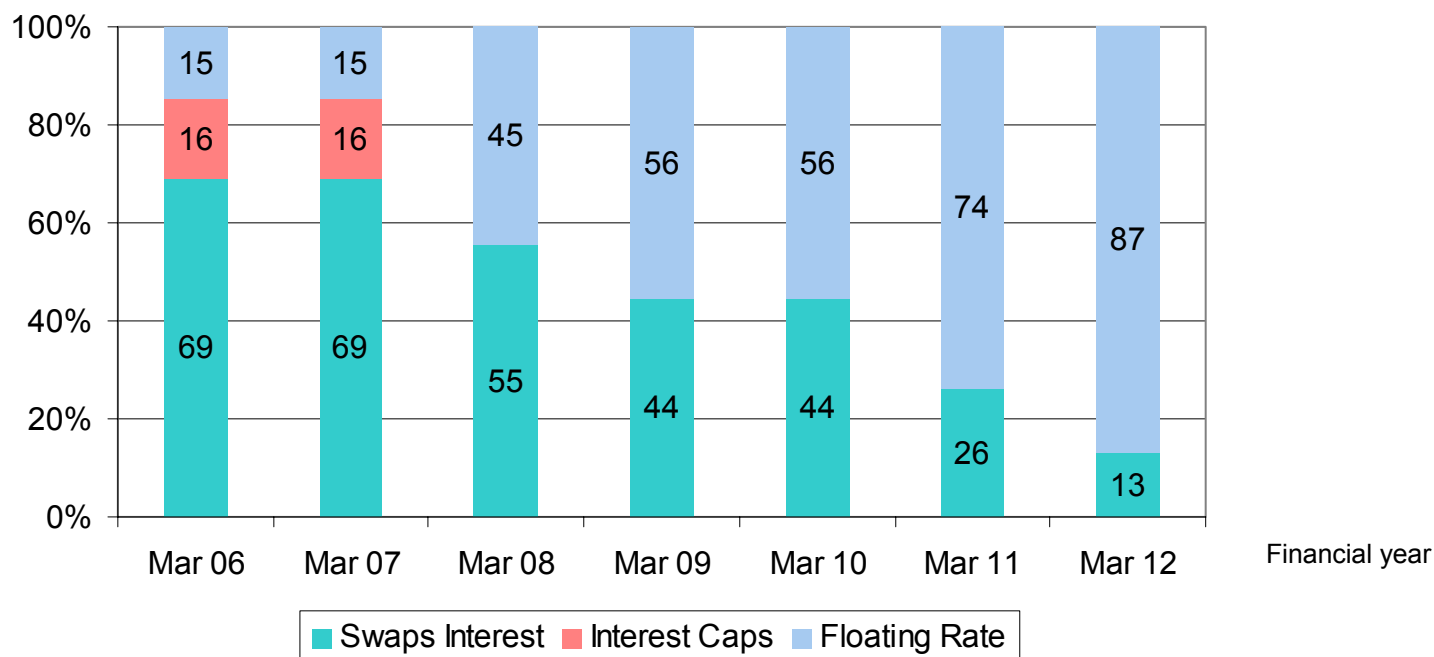


Debt Profile	30 Sep 2005	31 Mar 2005
- Gearing	32.7%	26.3%
- Total debt	S\$763m	S\$556m
• Fixed rate debt	S\$523m	S\$423m
- Weighted average all-up funding cost ⁽¹⁾	2.97%	2.77%
- Interest cover ratio	7.5 times	9.8 times

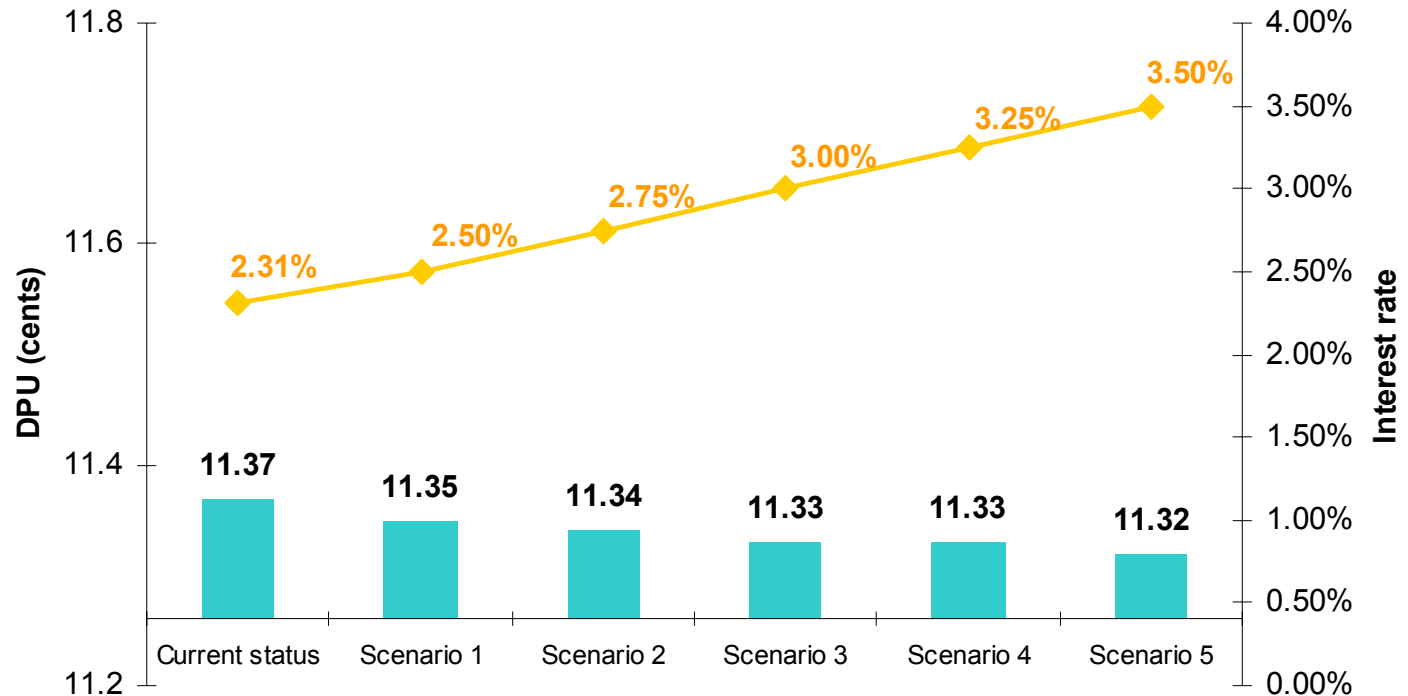
(1) Including margins and weighted swap rates for hedged debt and current floating rates on unhedged debt, and amortisation of CMBS' establishment and annual maintenance costs

Hedging of existing debt

As at 30 Sept 2005	Including interest cap	Excluding interest cap
- Fixed as a % of total debt	85.2%	68.5%
- Weighted average term for fixed debt	3.08 yrs	4.1 yrs



DPU sensitivity in relation to rising interest rates



- Rising interest rates for floating debt (15% of total borrowings) will have minimal impact on FY 05/06 forecast DPU

Pro-active management

- Management (base fee) fee structure for first 17 properties since IPO
 - 50% in units
 - 50% in cash
- Management fees for the subsequent 28 properties after November 2004 is 100% in cash.
- Reduces any significant fluctuations in DPU in the future.
- The gap between DPU and EPU has been narrowed by the change in payment of base fees in cash instead of units

	50% in cash and 50% in units	100% in cash
DPU	11.59	11.37
EPU	10.48	10.48

Impact of impending regulatory changes - scenario

- As recommended in the MAS consultation paper dated 10 June 05, gearing of REITs to be allowed to increase up 60% if the REIT has a corporate rating
- Assuming:
 - Additional acquisitions of S\$400m with property yields of 6.5% funded fully by debt;
 - Deferred component has been included in its gearing;
 - Gearing will be 42.5%



- DPU accretion will be in excess of 1 cent

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Acquisitions since 1 April 2005



	Properties	Purchase Price	Acquisition date
1	Da Vinci Building	\$19.5 m	1 Apr 2005
2	MSL Building	\$12.6 m	1 Apr 2005
3	AEM-Evertch Building	\$14.0 m	4 Apr 2005
4	Hyflux Building	\$19.0 m	4 Apr 2005
5	Xilin Districentre Building C (formerly 7 Changi South Street 2)	\$30.6 m	5 May 2005
6	Weltech Building	\$ 9.0 m	16 May 2005
7	BBR Building	\$ 6.8 m	21 Jun 2005
8	Pacific Tech Centre	\$62.0 m	1 Jul 2005
9	SENKEE Logistics Hub	\$42.3 m	23 Sep 2005
	Sub-total	\$215.8 m	

Acquisitions on 5 Oct 2005



	Properties	Purchase Price
1	1 Changi South Lane	\$34.8 m
2	11 Tampines Street 92	\$16.75 m
3	Cityneon Design Centre	\$10.0 m
4	Hoya Building	\$5.3 m
5	NNB Industrial Building	\$12.0 m
6	LogisHub@Clementi	\$18.1 m
7	Techquest	\$7.5 m
8	Techview	\$76.0 m
	Sub-total	\$180.45 m
	TOTAL for the financial year to-date	\$396.25 m

Agreements signed



	Properties	Purchase Price	Signing date	Expected to complete
1	Ness Building	\$22.0 m	1 Nov 2004	Oct 2005
2	Hamilton Sundstrand Building	\$31.0 m	26 Jul 2005	Oct 2005
3	Thales Building	\$ 5.7 m	26 Jul 2005	Jan 2006
4	138 Depot Road	\$42.3 m	26 Jul 2005	April 2006
5	1 Jalan Kilang	\$18.7 m	25 Aug 2005	Oct 2005
6	JEL Centre	\$11.0 m	5 Oct 2005	Nov 2005
	Total	\$130.7 m		

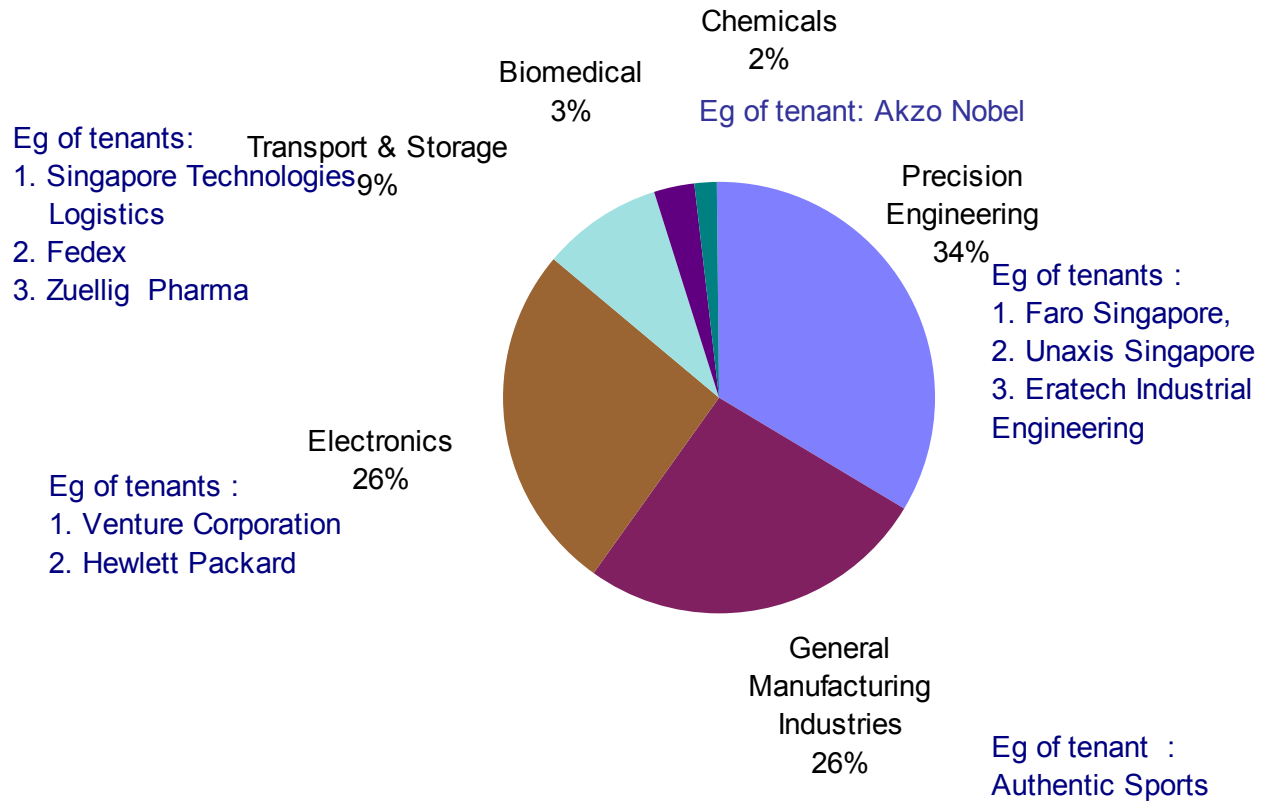
Portfolio Highlights

	As at 30 Sep 05	As at 30 Sep 04
A-REIT Portfolio occupancy (%)	94.9	92.7
A-REIT MTB ⁽¹⁾ occupancy (%)	89.7	88.5
Portfolio renewals / new leases (sqm) in six months	58,460	52,071
New leases/Expansions (sqm) in six months	22,577	20,641
Renewals (sqm) in six months	35,883	31,430
Renewals / New leases as a % of A-REIT's MTB total net lettable area	12.9%	14.8%
Weighted Average Lease to Expiry (years)	6.8	5.6

⁽¹⁾ MTB = Multi-tenanted buildings

Sources of demand

Tenants sector by net lettable area (1H FY 05/06)



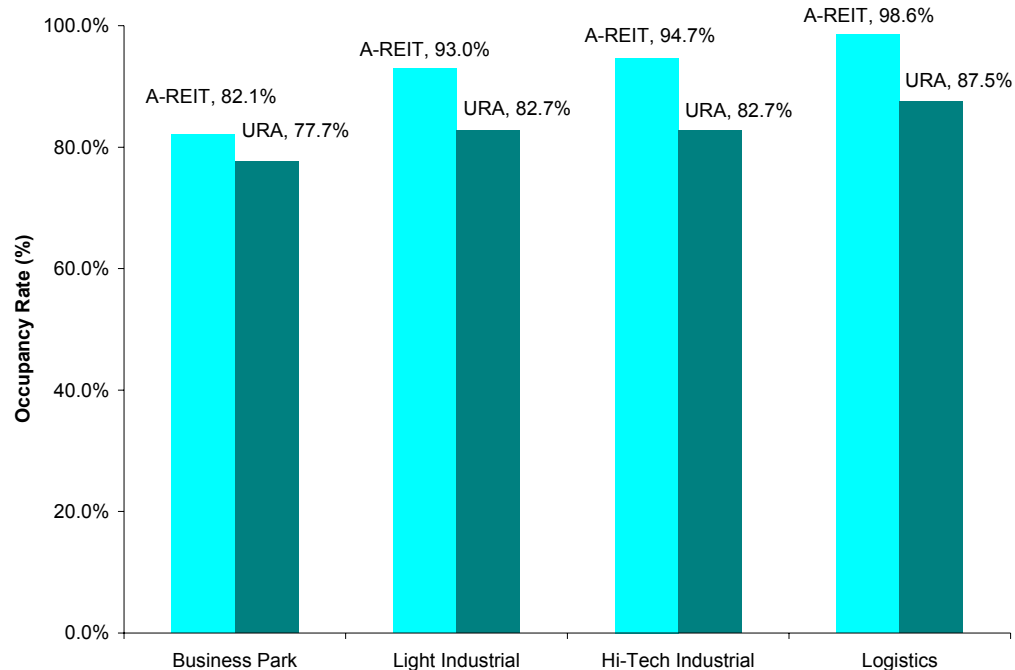
Improvement in occupancy rates



	Properties	As at 30 Jun 2005	As at 5 Oct 2005
1	LogisHub@Clementi	52.7%	70.9%
2	Techquest	71.6%	78.0%
3	Techview	87.0%	91.9%
4	Cityneon Design Centre	97.8%	100.0%
5	The Alpha	65.6%	72.0%
6	The Gemini	66.2%	70.3%*

* In December 2005, National Environment Agency's lease is expected to expire at The Gemini, representing 4.1% of the building's net lettable area.

A-REIT Portfolio Occupancy Higher Than Market



Notes:

(1) URA classifies Light Industrial & Hi-tech Industrial as multiple-user space

- Business Park: Telepark, Honeywell Building, Ultro Building & Science Park Properties: The Alpha, The Aries, The Capricorn and The Gemini.
- Light Industrial: AEM-Everttech Building, Autron Building, BBR Building, Da Vinci Building, Exklusiv Centre, Ghim Li Building, Hyflux Building, MSL Building, OSIM HQ Building, Progen Building, SB Building, Steel Industries Building, Techplace I & II, Volex Building and Weltech Building
- Hi-tech Industrial: Infineon Building, KA Centre, KA Place, Kim Chuan Telecommunications Complex, Pacific Tech Centre, Siemens Center, Techlink, Techpoint and Wisma Gulab.
- Logistics: C&P Logistics Hub, Changi Logistics Centre, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, IDS Logistics Corporate HQ, MacDermid Building, Nan Wah Building, SENKEE Logistics Hub, Trivec Building, TT International Tradepark and Xilin Districentre (previously known as CG Aerospace Building, 7 Changi South Street 2 and Fedex Building).

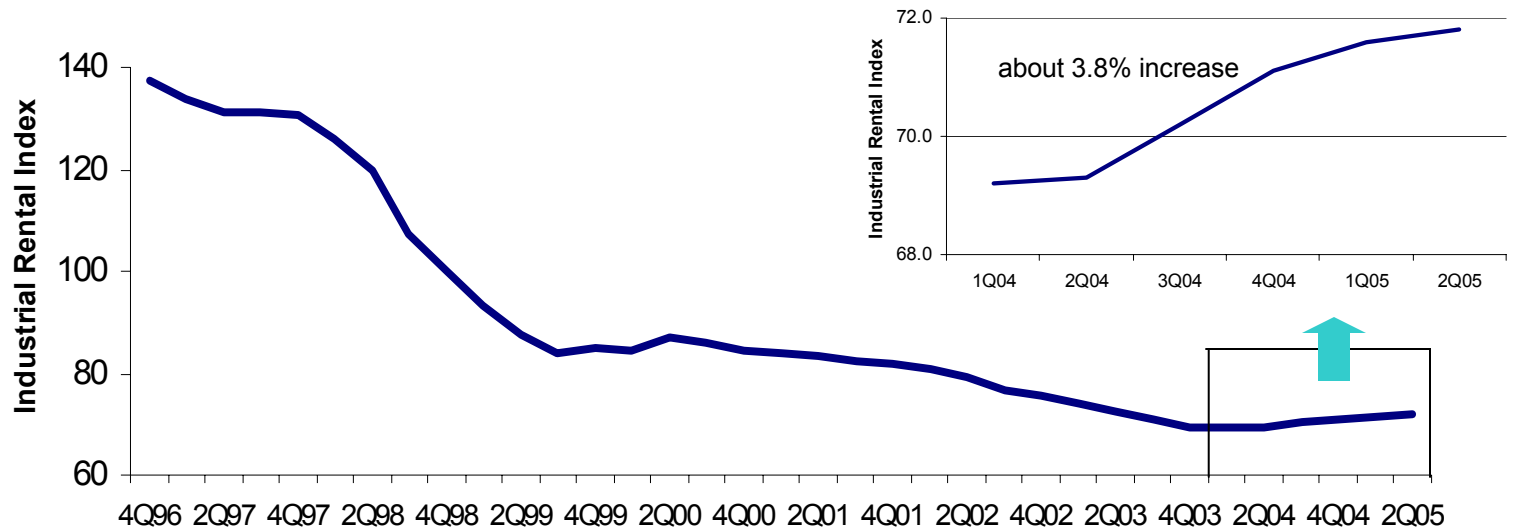
Source:

URA: Urban Redevelopment Authority Official Statistics as at June 2005 www.ura.gov.sg and Ascendas-MGM Funds Management Limited as at 30 September 2005

Industrial rental index



**URA Industrial Rental Index
improved by 0.3% during 2nd quarter 2005 (Apr to Jun 05)**



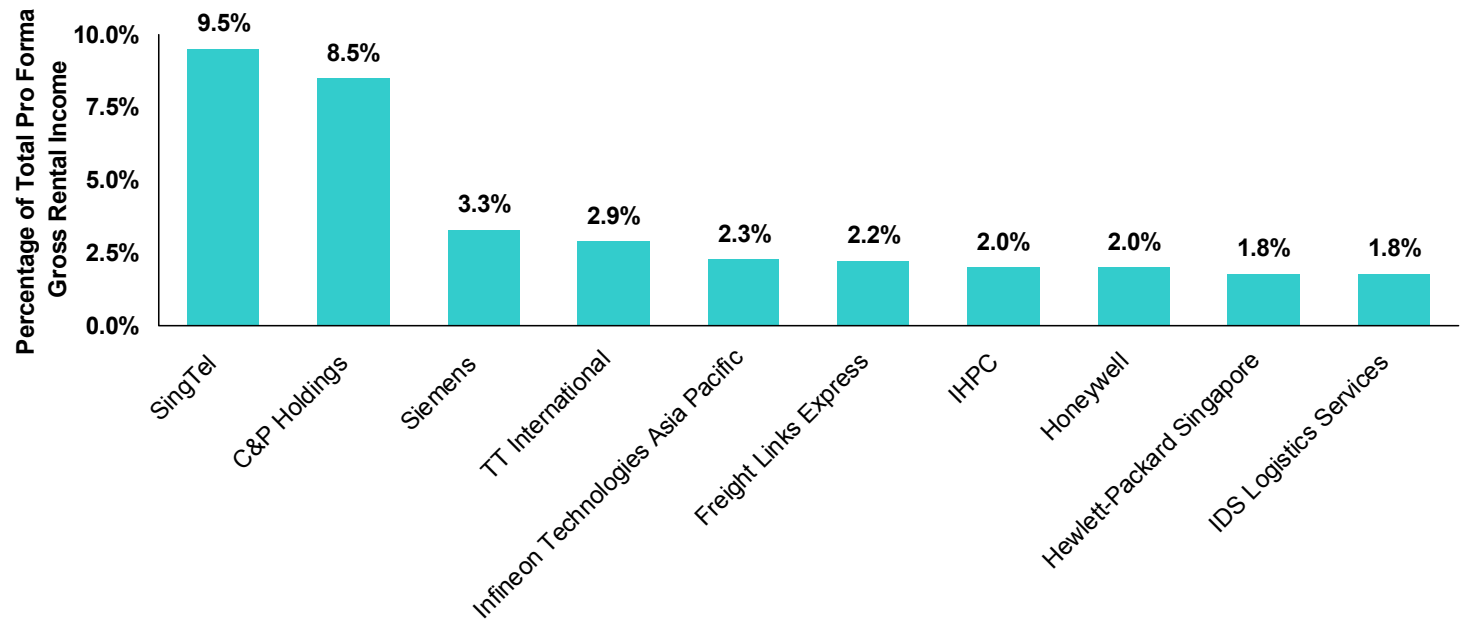
Source : Urban Redevelopment Authority: June 05

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- Good financial performance
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Tenant Concentration

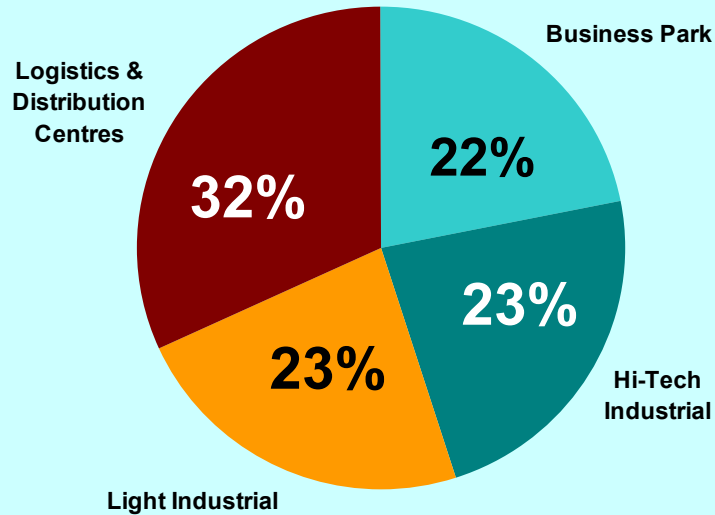
Top 10 tenants after the acquisition of the 14 properties as stated in A-REIT circular dated 20 September 2005 (by pro forma gross rental income)



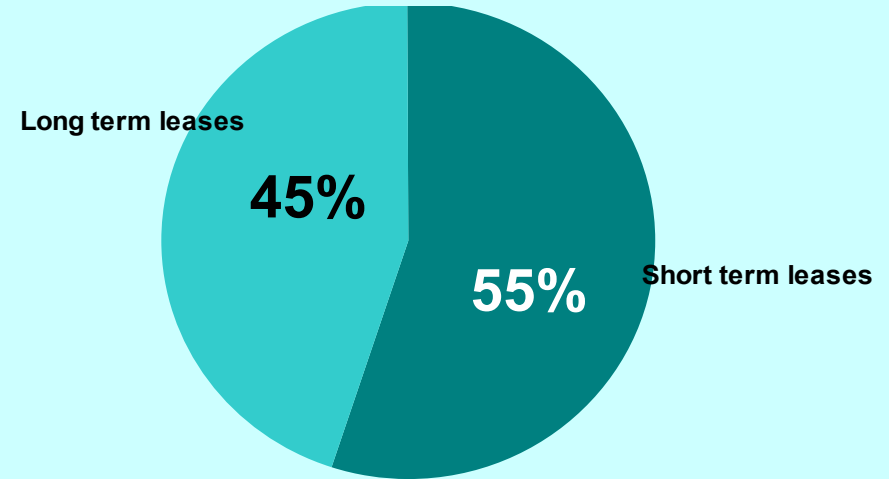
Top 10 tenants concentration will be reduced to 36% from 42% after the acquisition of the 14 properties

Portfolio Diversification by Value

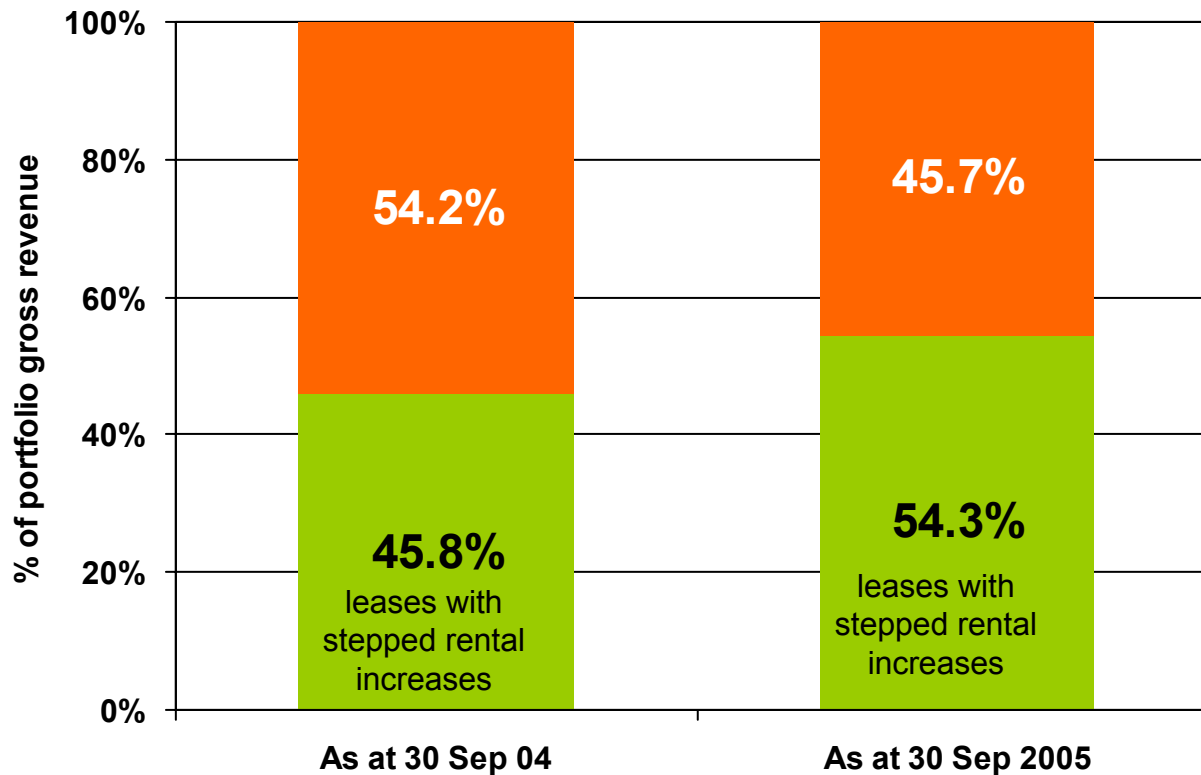
**Asset Class
Diversification**



**Mix of long term leases vs
short term leases**



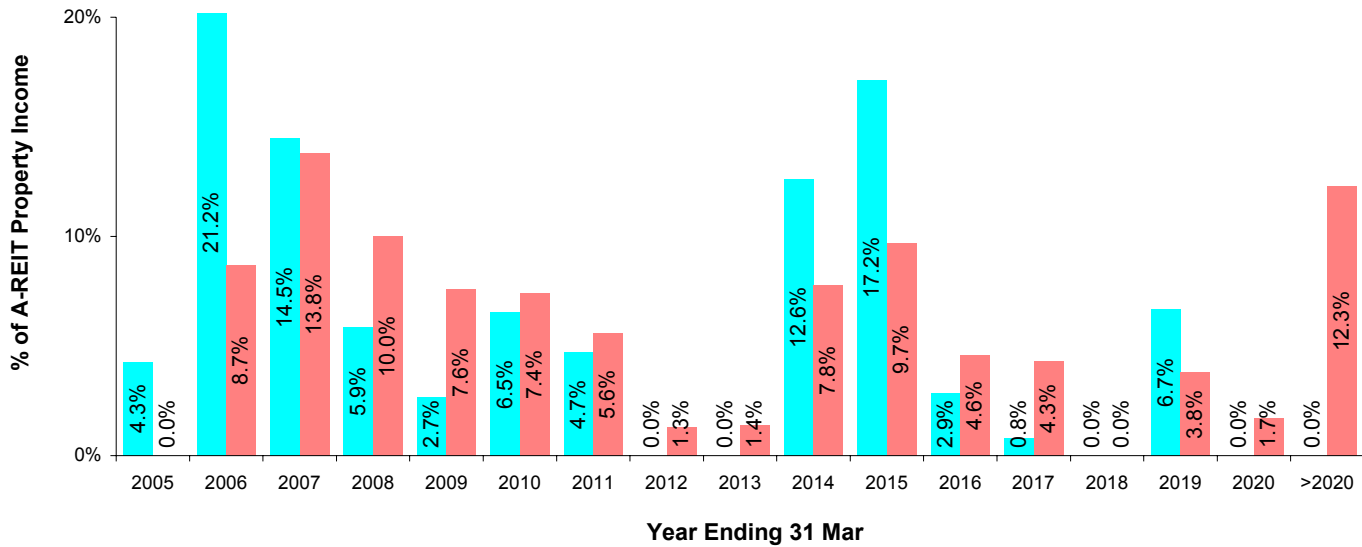
% of Portfolio with stepped rental increases



Weighted Average Lease Term to Expiry

The lease expiry profile is well balanced.

Weighted Lease Expiry Profile (By Income)



■ 19 Properties @ 30 Sep 2004 ■ 45 Properties @ 30 Sep 2005

	As at 30 September 2004 (based on 19 properties)	As at 30 September 2005 (based on 45 properties)
Weighted average lease term to expiry	5.6 years	6.8 years

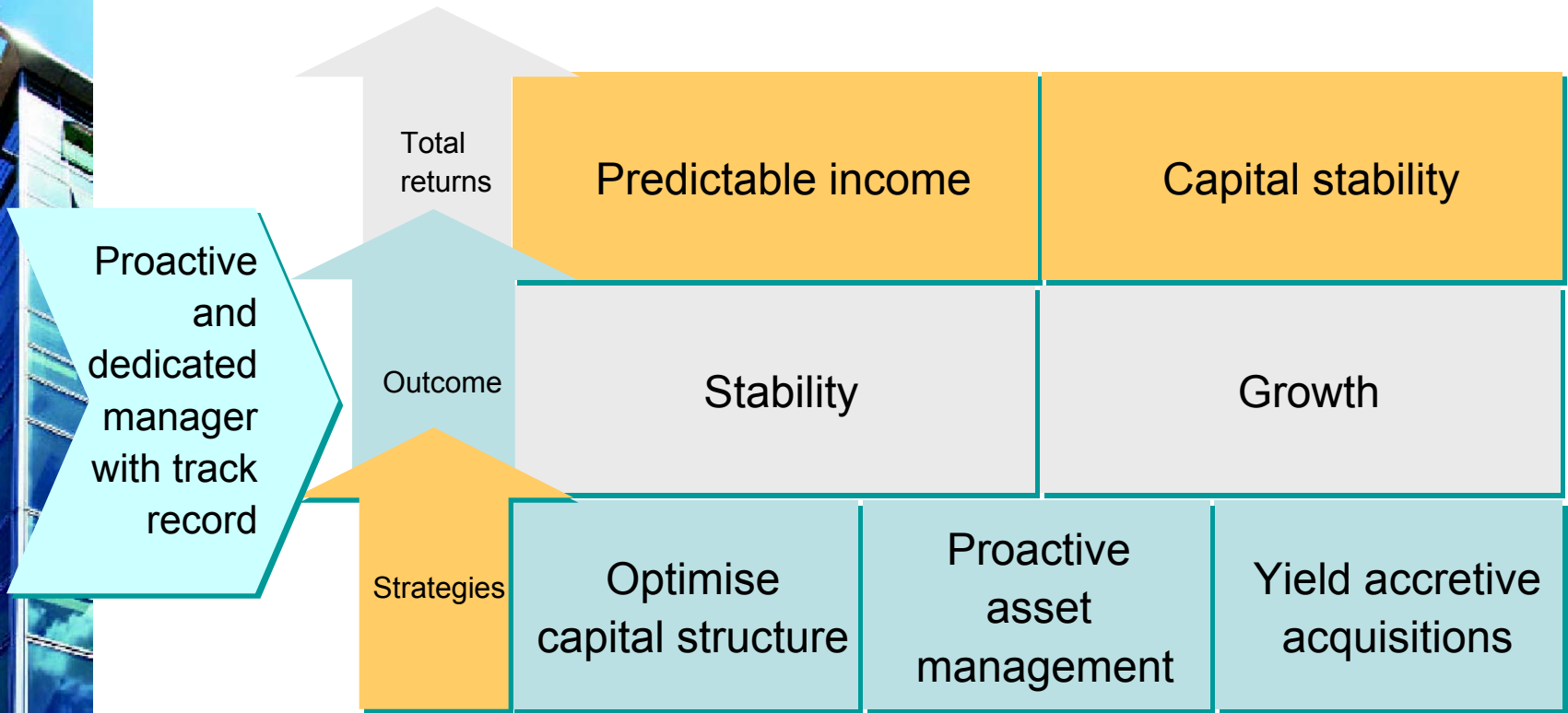
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A-REIT's strengths

- Market leader
- Well diversified:
 - Focus in business space and industrial property sector
 - Four property asset classes
 - Well-located quality properties
 - No single property accounts for no more than 9% of gross revenue
 - Balance of long term vs short term leases
 - More than 610 tenants
- Well established operations platform
- Customer focus
 - Possess in-depth understanding of this property sector
- Established track record of delivering performance

A-REIT's strategies



Conclusion

A-REIT will continue to deliver stable returns via:

- pro-actively managing the portfolio
 - Occupancy rates
 - Rental rates
 - Cost management
- acquisition opportunities
- optimising capital structure



Thank you

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