

areit

Ascendas Real Estate Investment Trust

3Q FY04/05 Results Presentation



17 January 2005



Disclaimer

This Presentation is focused on comparing actual results versus forecasts outlined in the A-REIT Circular of 18 November 2004 and actual results in the prior corresponding period. This shall be read in conjunction with A-REIT's 3Q Financial Statement for the period from 1 October to 31 December 2004 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, 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

3Q FY 04/05 In Review

- **Financial Highlights**
- Capital Management
- Portfolio Update
- Going Forward



Distributable Income Per Unit

– 13% above corresponding period last FY

	Actual ⁽¹⁾ (1/10/04 to 31/12/04) S\$'000	Actual ⁽¹⁾ (1/10/03 to 31/12/03) S\$'000	Increase (%)
Gross revenue	33,639	16,371	105
Property operating expenses	(9,486)	(3,537)	168
Net property income	24,153	12,834	88
Non-property expenses	(4,135)	(1,947)	112
Net investment income	20,018	10,887	84
Available for distribution	21,188	11,576	83
Distribution per unit ⁽²⁾	2.40	2.12	13

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Details listed in item 1(a)(ii) on page 3 of financial statements for 3Q ended 31 December 2004

Notes:

- (1) Based on 32 properties in 3Q 2004 versus 11 properties in 3Q 2003
- (2) Based on weighted average number of units

Balance Sheet

	Actual as at 31/12/04 S\$'000	Actual as at 31/3/04 S\$'000
Total Assets	1,698,673	1,020,712
Borrowings	376,000	263,800
Total unitholders' funds	1,217,452	691,650
Gearing (%)	22.1	25.8
Adjusted net asset value per unit ⁽¹⁾	114 cents	95 cents

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Details listed in item 1(b)(i) on page 5 of financial statements for 3Q ended 31 December 2004

Notes:

- (1) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sale of real properties determined to be trading gains). The undistributed income for the relevant period prior to the balance date has been excluded in calculating adjusted net asset value per unit.

Distributable Income Per Unit

– 3% above forecast from Circular dated 18 Nov 04

	Nine Months (1/4/04 to 31/12/04) S\$'000		
	Actual	Forecast ⁽¹⁾	(%) Incr / (Decr)
Gross revenue	88,038	86,574	2
Property operating expenses	(25,085)	(25,314)	(1)
Net property income	62,953	61,260	3
Non-property expenses	(11,084)	(11,277)	(2)
Net investment income	51,869	49,983	4
Available for distribution	54,906	53,144	3
Distribution per unit ⁽²⁾	6.86	6.67	3

Details listed in item 9 on page 13 of financial statements for 3Q ended 31 December 2004

Notes:

- (1) The extrapolated forecast for the period from 1 April to 31 December 2004 has been derived from the forecast stated in the circular dated 18 November 2004, on a best estimate basis by the Manager to allow for like-for-like comparison with the actual results.
- (2) Based on weighted average number of units

Financial Highlights

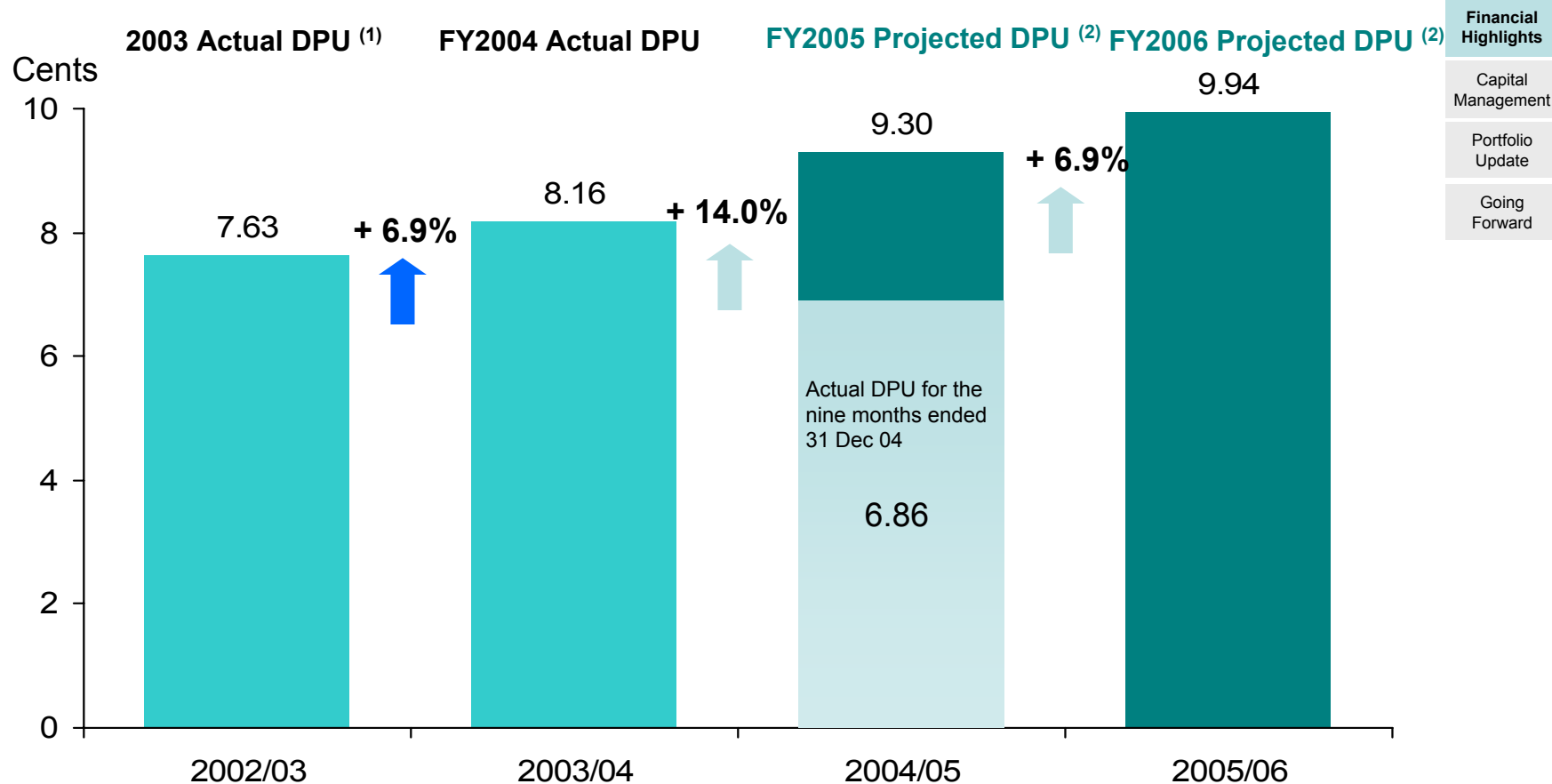
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A-REIT DPU Growth

- Increased earnings and distributions



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Note:

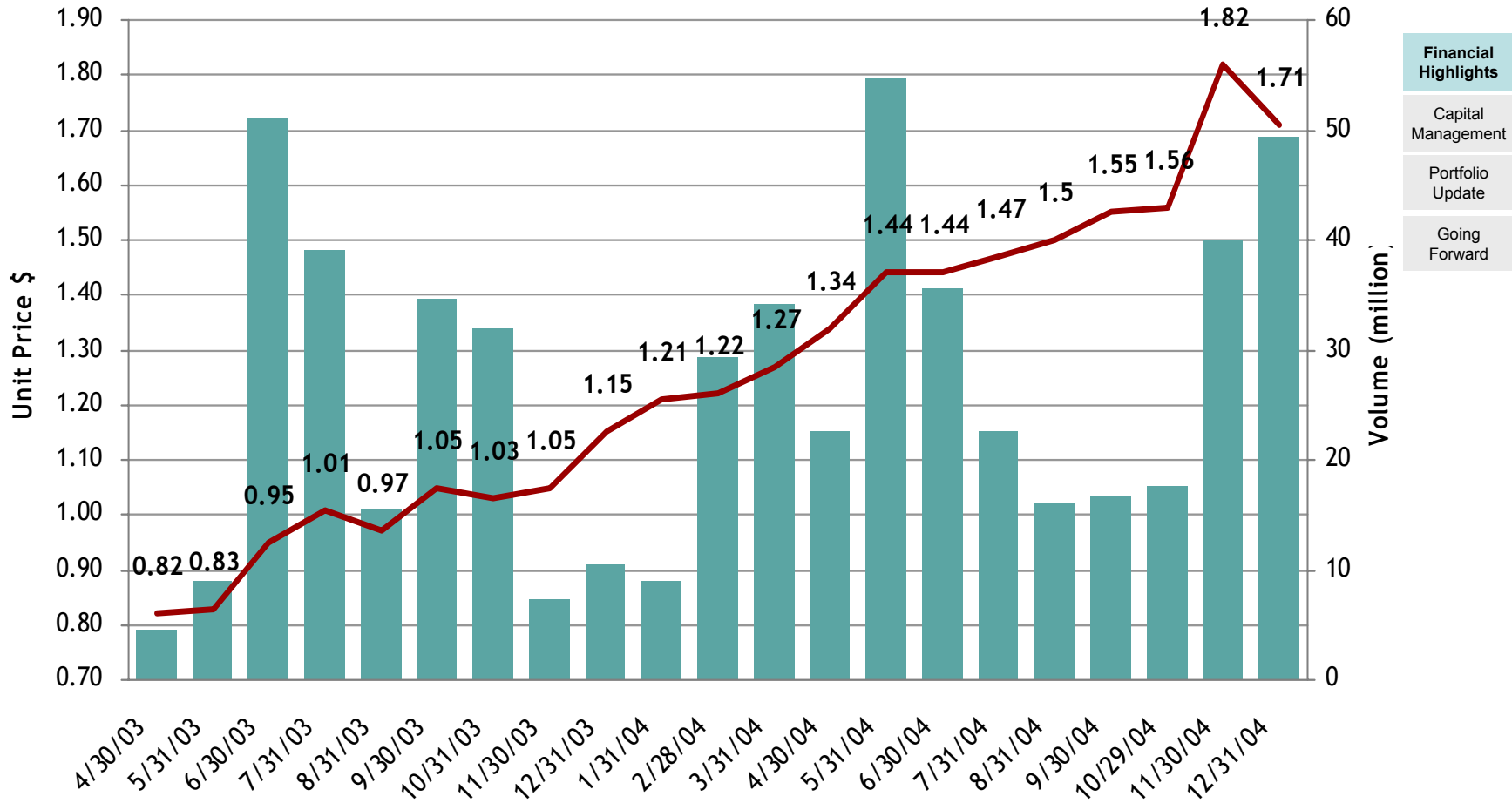
(1) 2003 Actual DPU is annualised. The actual DPU was 2.78 cents for the 133 days ended 31 March 2003

(2) The projected DPU is based on projections stated in the circular dated 18 Nov 2004

Source: Ascendas-MGM Funds Management Limited

A-REIT Unit Price and Volume

- A-REIT's ability to deliver DPU growth has driven capital growth



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Mar 04
1st equity fund
raising for
S\$186.2m
At \$1.16

Jun 04
Private
placement for
S\$115.0m
At \$1.40

Nov 04
2nd equity
fund raising
for S\$400m
At \$1.55

Distribution Details

Stock counter	Distribution Period	Distribution per unit (cents)
Ascendasreit	1 Oct 04 to 31 Dec 04	2.40
Ascendasreit A	1 Dec 04 to 31 Dec 04	0.82

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Distribution Timetable

Notice of books closure date	17 January 2005
Last day of trading on “cum” basis	25 January 2005
Ex-date	26 January 2005, 9.00 am
Books closure date	28 January 2005, 5.00 pm
Distribution payment date	24 February 2005



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Capital Management

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Debt Profile	31 Dec 2004	31 Mar 2004
- Total debt	S\$376m	S\$264m
- Fixed rate debt	S\$260m	S\$190m
- Fixed as a % of total debt	69%	72%
- Weighted average term for fixed debt	3.42 yrs	2.87 yrs
- Weighted average all-up funding cost	2.64% ⁽¹⁾	2.34%

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

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Portfolio Highlights

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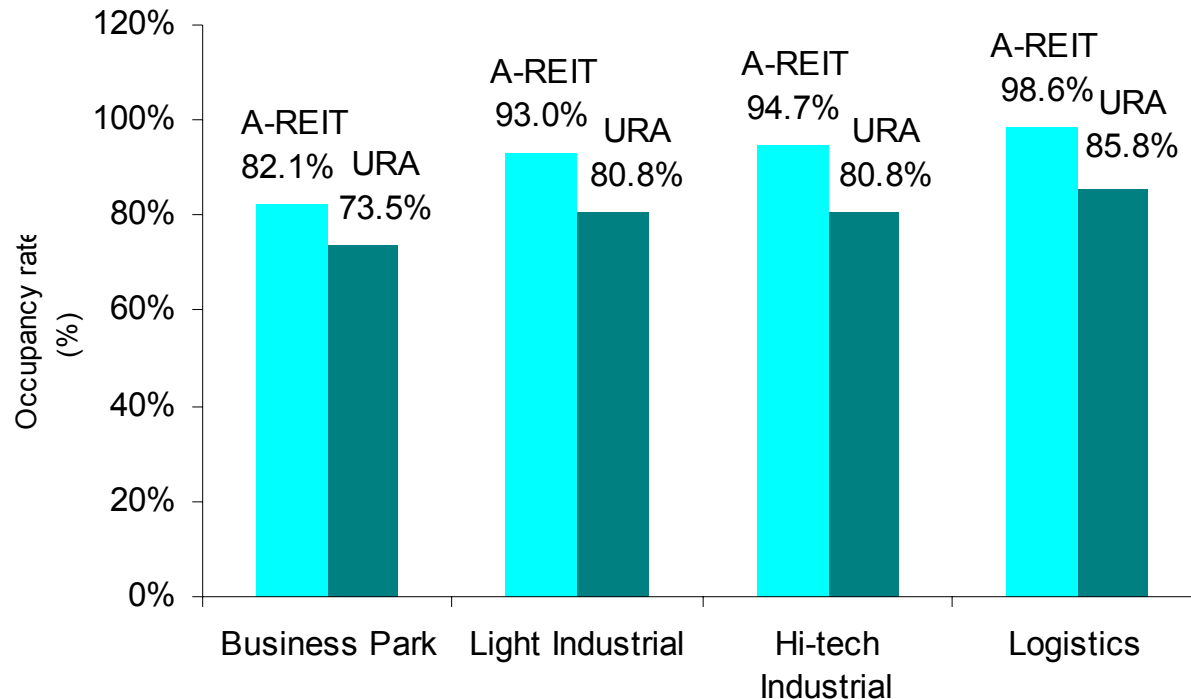
As at 31 Dec 2004		
<ul style="list-style-type: none"> • Portfolio occupancy • MTB occupancy 		<p>94.1%</p> <p>89.5%</p>
<ul style="list-style-type: none"> • Portfolio renewals/leasing ⁽¹⁾ <li style="padding-left: 20px;">• New take-up/expansion <li style="padding-left: 20px;">• Renewals 	<p>11,871 sqm</p> <p>12,936 sqm</p>	<p>24,807sqm</p>
<ul style="list-style-type: none"> • Portfolio renewals/leasing ⁽²⁾ 		<p>76,878 sqm</p>

Note

- (1) For 3 months ended 31 December 2004
- (2) For 9 months ended 31 December 2004



A-REIT Portfolio Occupancy Higher Than Market



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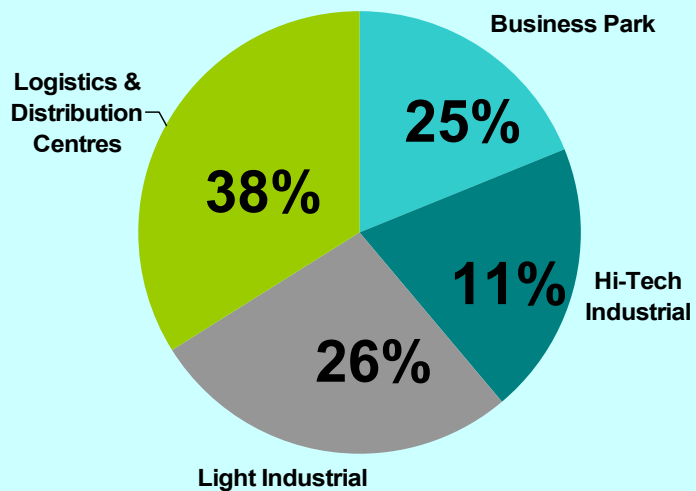
(1) URA classified Light Industrial & Hi-tech Industrial as multiple-user space

- Business Park: Honeywell Building, Ultro Building & Science Park Properties: The Alpha, The Gemini, The Capricorn & The Aries
- Light Industrial: Techplace I & II, OSIM HQ Building, Ghim Li Building, Progen Building, Autron Building, Exklusiv Centre, SB Building, Steel Industries Building, Volex Building
- Hi-tech Industrial: Techlink and Siemens Center, Infineon Building, Techpoint and Wisma Gulab
- Logistics: Properties include Trivec Building, Changi Logistics Centre, IDS Logistics HQ, TT International Tradepark, Nan Wah Building, C&P Logistics Hub, CG Aerospace Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building

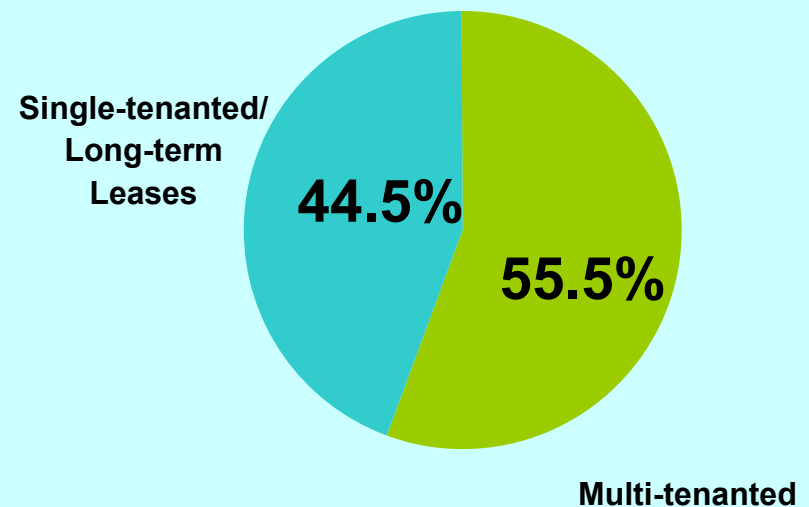
Source: URA: Urban Redevelopment Authority Official Statistics as at Sept 2004 www.ura.gov.sg & Ascendas-MGM Funds Management Limited as at 31 Dec 2004

Portfolio Diversification by Value

Asset Class Diversification



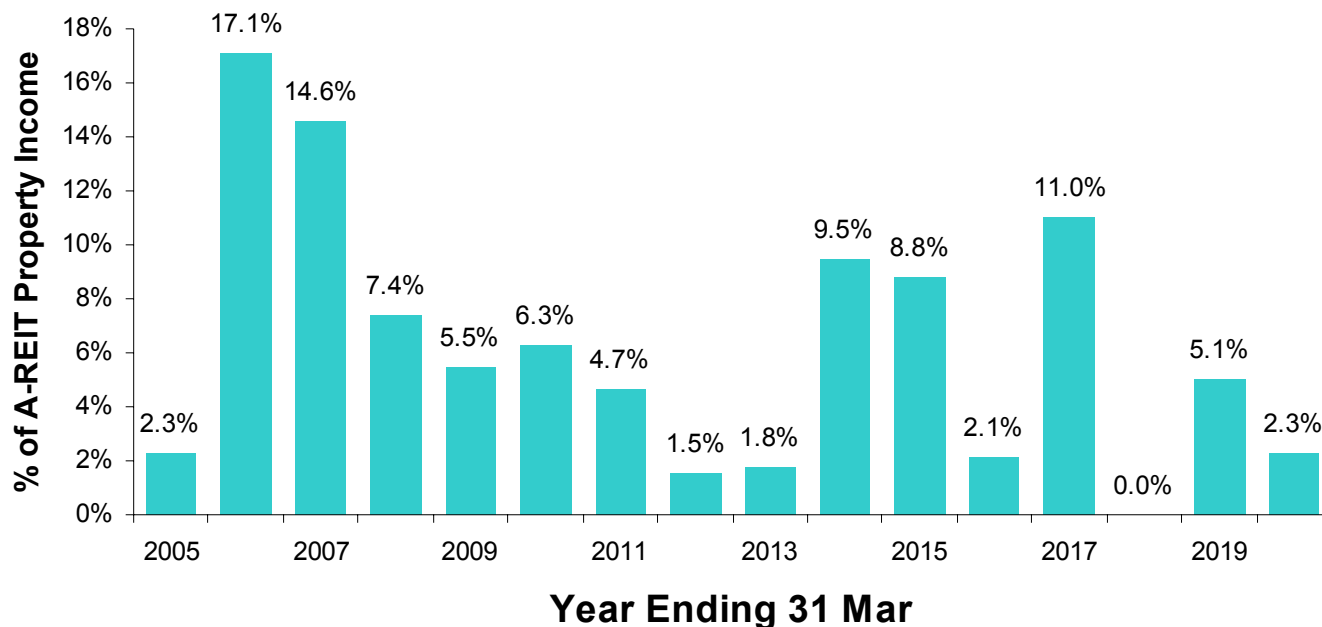
Mix of multi-tenanted vs single tenanted (long term leases)



Weighted Average Lease Term to Expiry

The longer term leases extends the lease expiry profile of A-REIT

Weighted Lease Expiry Profile By Income



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	As at 30 Sept 2004	As at 31 Dec 2004
Weighted average lease term to expiry	5.6 years based on 19 properties	5.9 years based on 32 properties

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Outlook

- **Global economic growth in 2005 expected to be stable**
- **Ministry of Trade and Industry expects the economy to grow at sustainable rates of 3% – 5% in 2005**
- **URA price index rose 0.9% in 3Q 2004**
- **A-REIT expects improved demand for industrial space**

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Thank You

