



Ascendas Real Estate Investment Trust

**Financial Results**  
**for period ended 31 March 2003**  
**Presentation**

**Wednesday, 16 April 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 Financial Statement for period from 9 October 02 to 31 March 03 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

- **Highlights**
- **Financial Performance**
- **Portfolio**
- **Capital Management**
- **Strategy**

# Financial Highlights

- **Net Profit is up 5.8%<sup>(1)</sup>**
- **Available for Distribution is up 7.8%<sup>(1)</sup>**
- **Distribution per unit 2.78 cents**
- **Distribution per unit is up 7.8%<sup>(1)</sup>**

**Note:**

(1) These results are compared to forecast for the same relevant period derived from forecasts in A-REIT prospectus of 5 November '02

# Portfolio Highlights

- **Portfolio occupancy** **82.6% <sup>(1)</sup>**
- **Portfolio Renewals/Leasing (15% of portfolio)** **36,854 sqm <sup>(2)</sup>**
- **Level of committed revenue approximately (For financial period ending 31 March 2004)** **84%**

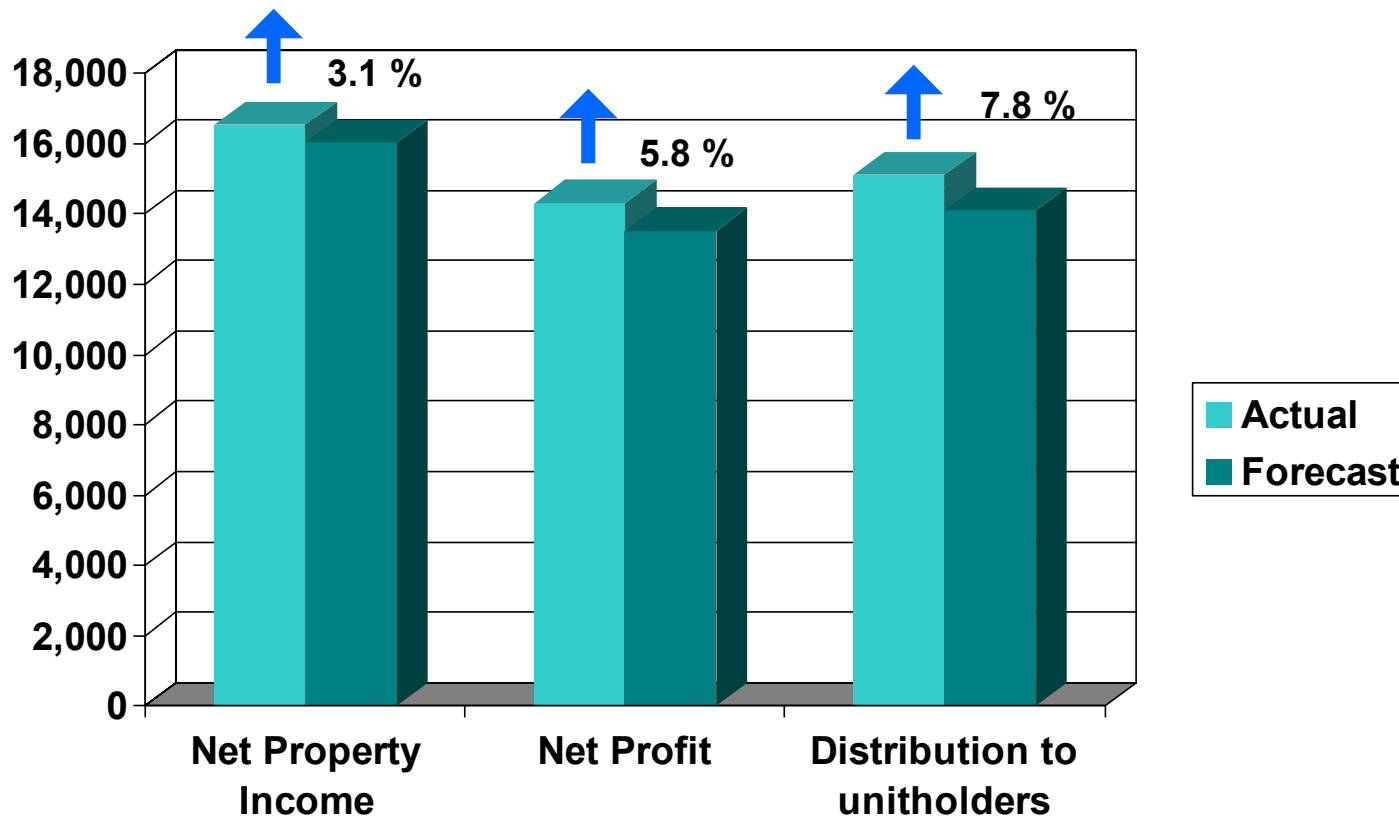
**Notes:**

(1) For 5 months ended 31 March 2003

(2) For 6 months ended 31 March 2003

Source : Ascendas-MGM Funds Management Limited

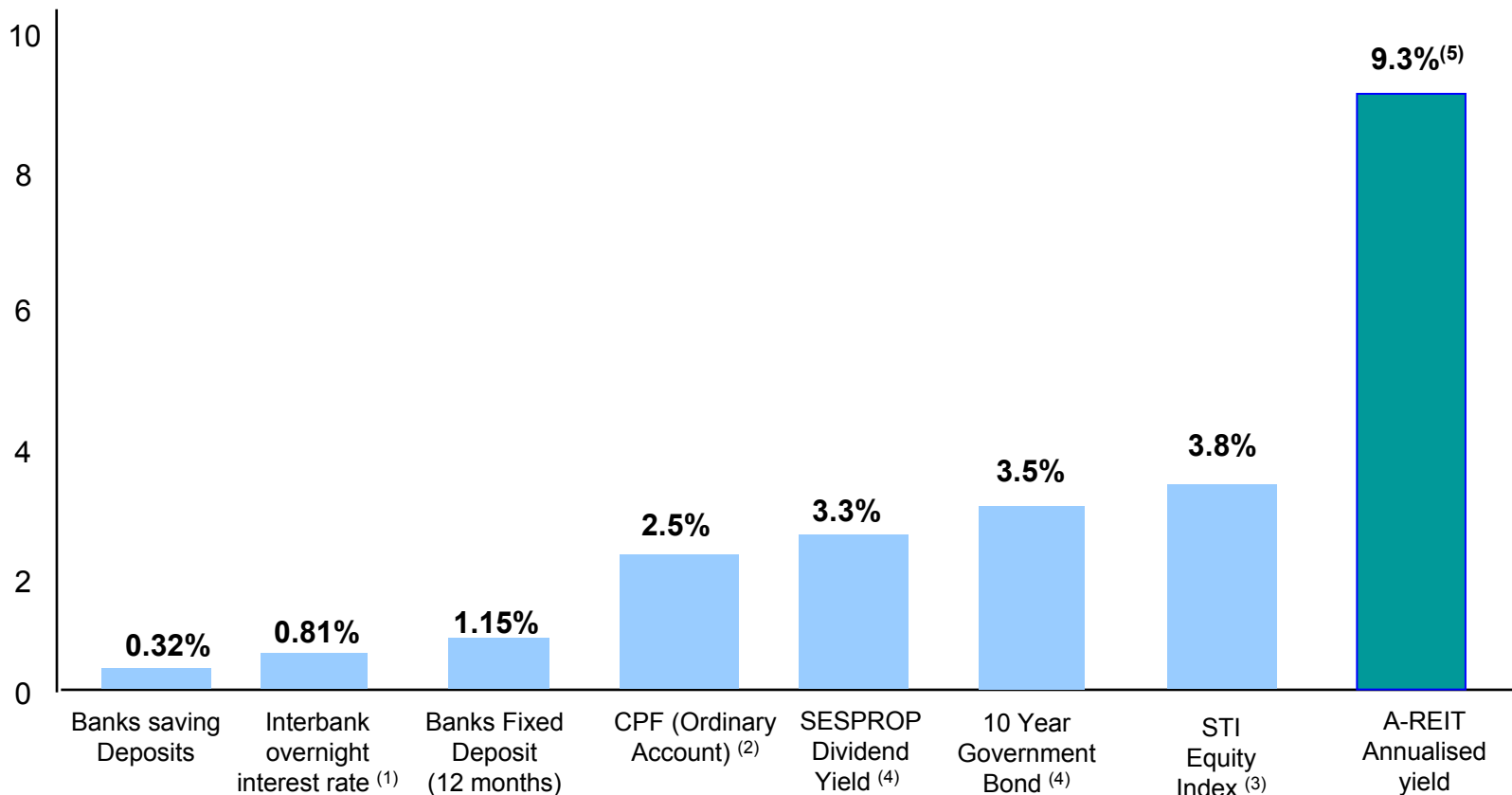
# A-REIT's net distributable income exceeds forecast by 7.8%



- Net property income of \$16.5m up 3.1%
- Net profit of \$14.3m up 5.8%

Source : A-REIT unaudited financial results for the period ended 31 March 2003

## A-REIT offers stable and attractive yield compared to other investments



**Notes:**

- (1) Domestic interbank overnight interest rate as at March 2003. Source: MAS website
- (2) Based on interest paid on CPF Ordinary Account from April to June 2003. Source: CPF Website
- (3) Source: Bloomberg data as at 14 April 2003
- (4) As at 31 March 2003. Source: MAS website
- (5) Based on the A-REIT Market Price - S\$0.815 per Unit as at 31 March 2003 and a distribution of 2.78 cents per Unit (133 days)

CPF : Central Provident Fund; STI : Straits Times Index; SESPROP : Singapore Stock Exchange Property Index

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# Profit and loss

## Available for Distribution – 7.8% above forecast

	Actual 09/10/02 to 31/03/03 <sup>(a)</sup> S\$'000	Forecast 19/11/02 to 31/03/03 <sup>(b)</sup> S\$'000	Increase / (Decrease) %
Gross revenue	22,836	22,987	(0.7)
Property operating expenses	(6,325)	(6,969)	(9.2)
<b>Net property income</b>	<b>16,511</b>	<b>16,018</b>	<b>3.1</b>
Non-property expenses	(2,221)	(2,508)	(11.4)
Net profit	14,290	13,510	5.8
<b>Available for distribution</b>	<b>15,182</b>	<b>14,086</b>	<b>7.8</b>

Notes

- (a) Although A-REIT was established on 9 October 2002, the acquisition of properties was completed on 19 November 2002. Consequently, the actual income derived from the properties for the first financial period was from 19 November 2002 to 31 March 2003, a period of 133 days.
- (b) The extrapolated forecast for the period from 19 November 2002 to 31 March 2003 has been derived from the forecast stated in the prospectus dated 5 November 2002, which is for the period from 1 November 2002 to 31 March 2003, on a best estimate basis by the Manager so as to allow like to like comparison with the actual results.

# Gross Revenue in line with forecast

- **Delivered revenue outlined in prospectus**
- **Stability from a diverse portfolio**
- **Delivered revenues in difficult times and tough rental and leasing market**

# Cost saving initiatives

- **Reduced maintenance costs and other property expenses**
- **Achieved savings in property tax**
- **Borrowing costs lower than prospectus**

# Balance Sheet

	Actual 31/03/03 \$'m
Total assets	636.4
Borrowings	125.0
<b>Net assets</b>	<b>498.2</b>
<b>Total unitholders' funds</b>	<b>498.2</b>

Source : A-REIT unaudited Financial Statements for period ended 31 March 2003

# Balance Sheet Strength

## Net Asset Value (NAV)

- NAV per unit as at 31 March 2003 (before distributable income) **\$0.91**
- Adjusted NAV per unit as at 31 March 2003 (after distributable income) **\$0.89**
- NAV per unit at IPO **\$0.89**

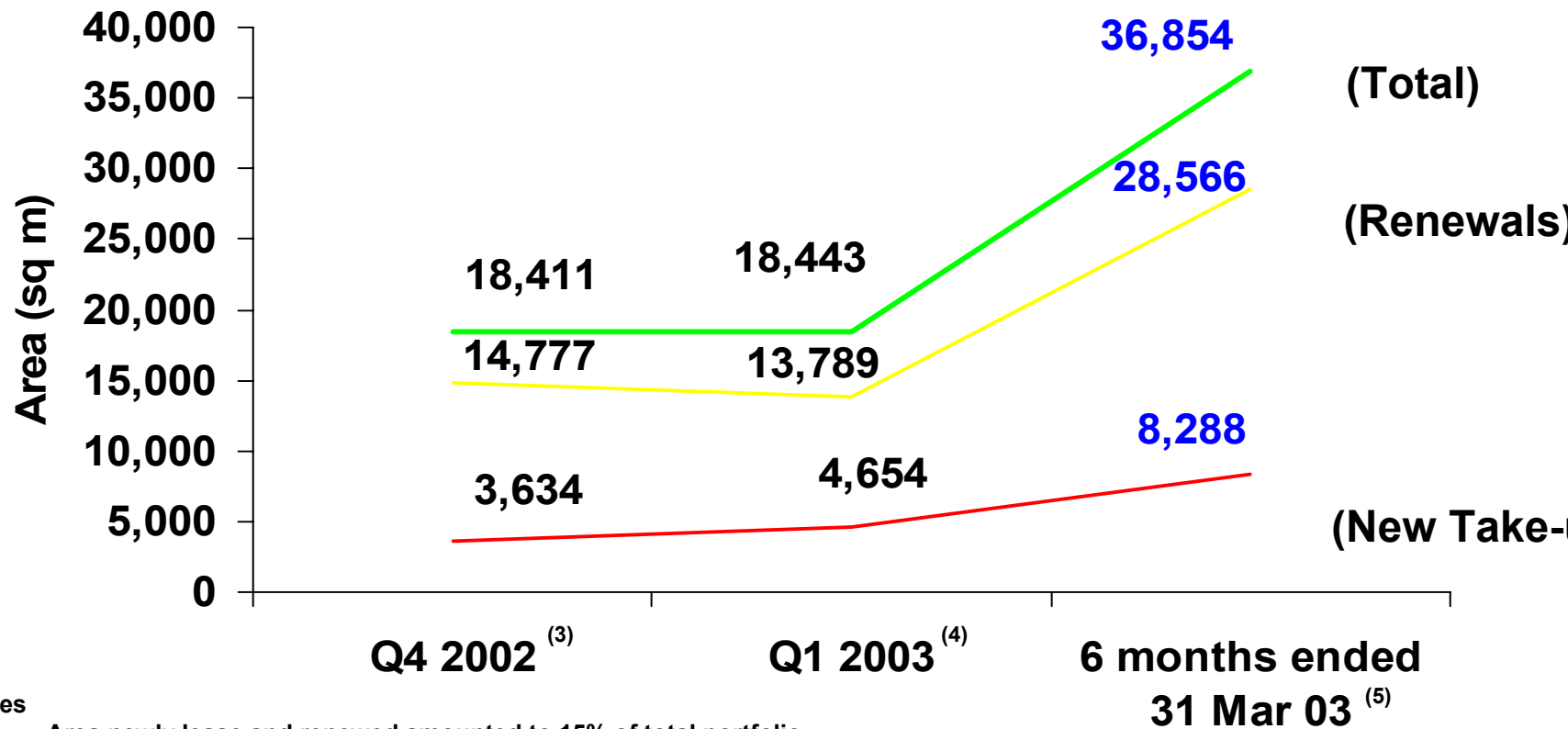
## Property Valuations

- Values confirmed by independent valuations as at 31 March 2003
- Portfolio valued at \$607.5m (\$0.4m increase from IPO)

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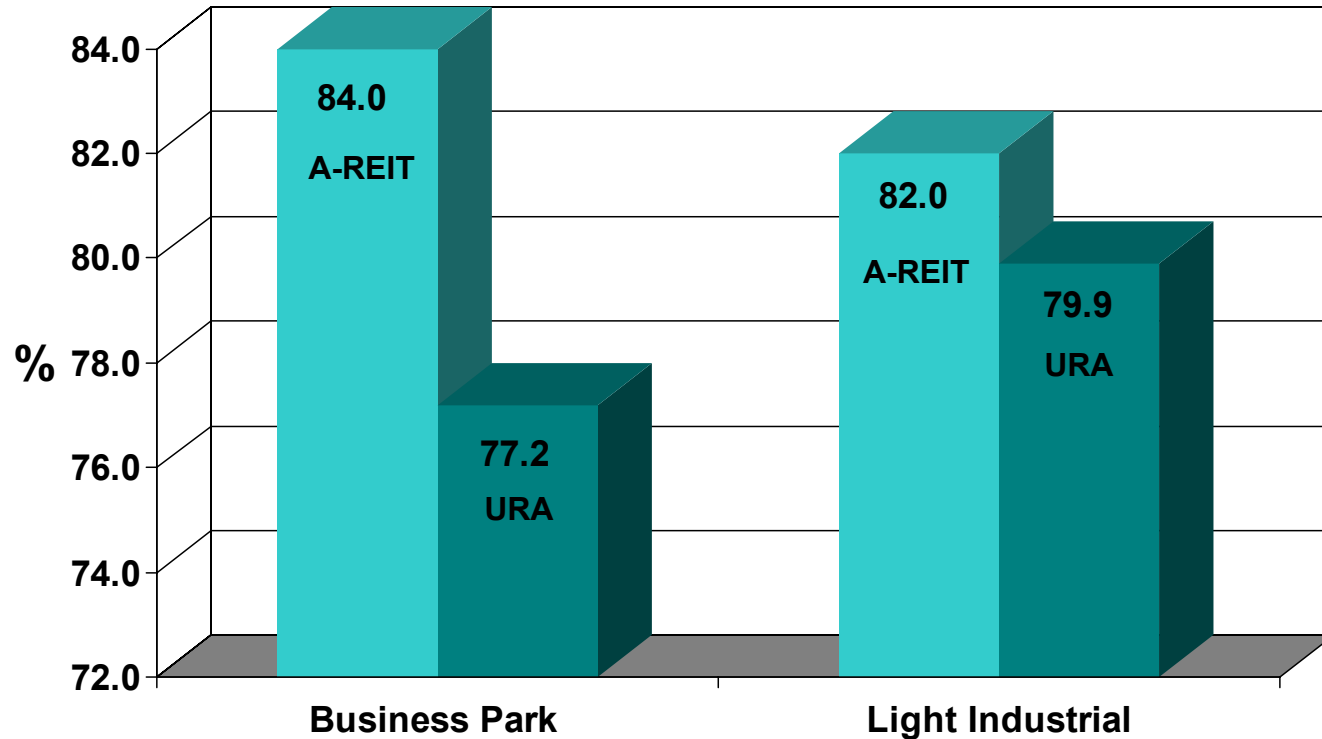
# Manager pro-actively marketing and managing renewals



Notes

- (1) Area newly lease and renewed amounted to 15% of total portfolio.
- (2) Festive seasons in Dec / Jan / Feb period.
- (3) Period from Oct 2002 to Dec 2002
- (4) Period from Jan 2003 to Mar 2003
- (5) Period from Oct 2002 to Mar 2003

# A-REIT portfolio occupancy higher than market



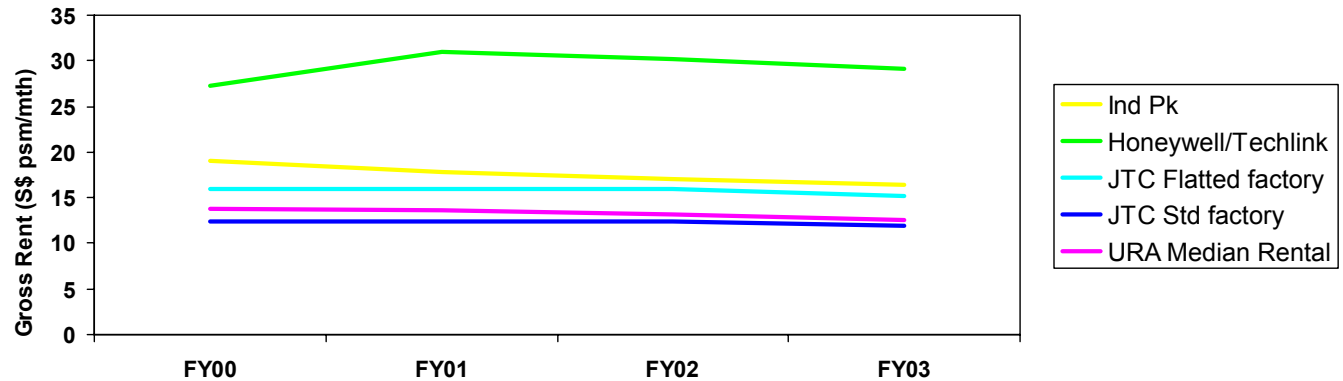
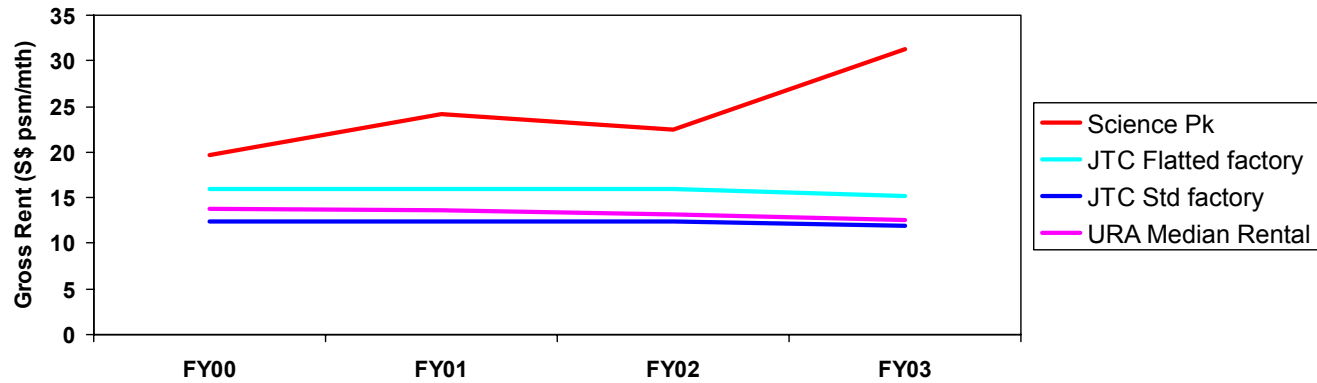
**Notes:**

- Business Park : A-REIT properties include business park (science park) in Central location and Honeywell in the East. Occupancy for 5 months ended 31 March 2003.
- Light Industrial : A-REIT properties include Techplace I & II in Central location and Techlink in the East. Occupancy for 5 months ended 31 March 2003.
- URA statistics for 4<sup>th</sup> Qtr 2002

**Source: Ascendas-MGM and URA**

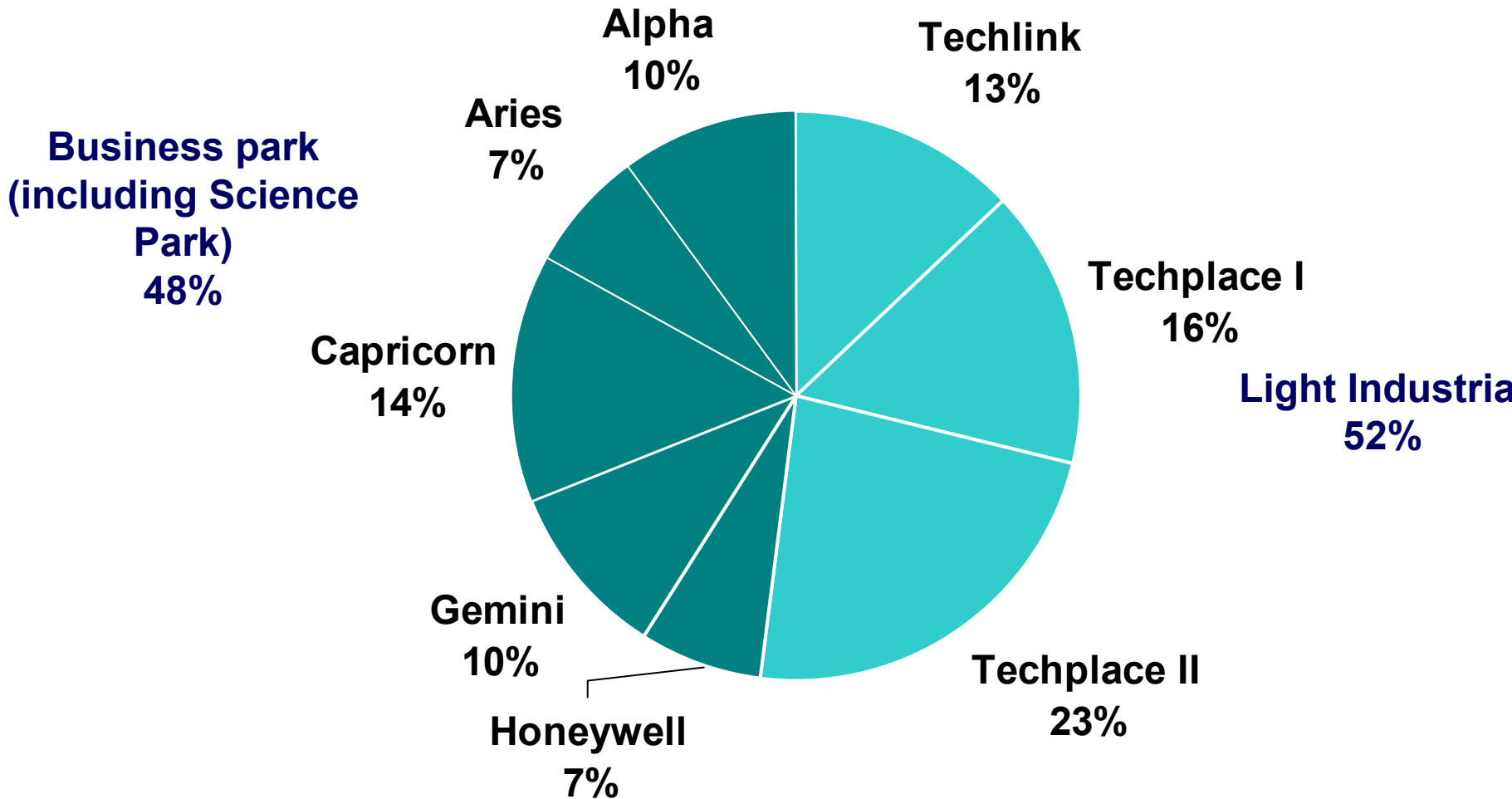


# A-REIT properties command higher rates



Source : JTC and Ascendas-MGM for period ended 31 March 2003

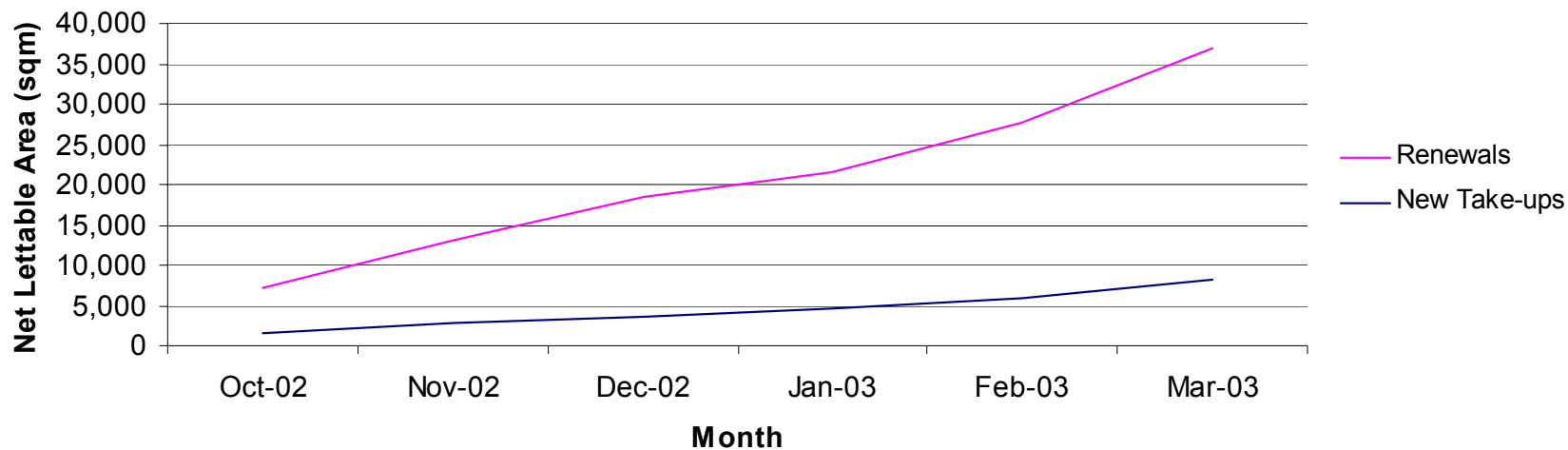
# Diversified portfolio by net property income



Source : A-REIT's portfolio from 19 November 2002 to 31 March 2003

# Continued take-up (including expansion) & renewal

### A-REIT Cumulative New Takeups and Renewal Trends



Source : Ascendas-MGM Funds Management Limited for 6 months ended 31 March 2003

# Partners who grew with us

New Leases	Expansions	Renewals
Tenant Name	Tenant Name	Tenant Name
Procter & Gamble	Akzo Nobel	Akzo Nobel
Sakura Tech (S) Private Limited	Etuan Mechatronic Private Limited	National Starch & Chemical
MKS Instruments, Inc	Federal Express Pacific Inc.	Olympus Technologies Singapore
Nature Environment Products(S) Pte Ltd	T&G Mould Manufacturing Pte Ltd	Univac Precision Engineering Pte Ltd
Adhesive Research	Venture Corporation	NEC Semiconductor
	Olympus Technologies	Zen Voce Manufacturing

Source : Ascendas-MGM Funds Management Limited for 6 months ended 31 March 2003

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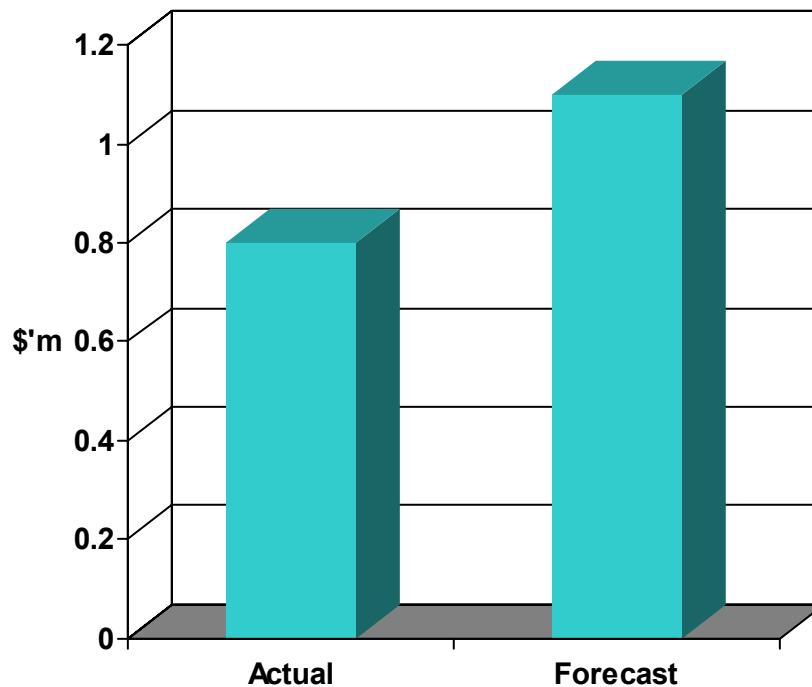
# Capital Management

- **External borrowing of \$125 m as at 31 March 2003**
- **No change since IPO**
- **MAS has raised gearing limits for REITS to 35%**
- **Manager will look to utilise this additional gearing capacity to optimize benefit of unitholders**
- **Short term rates are very attractive (inter-bank rates of below 1%) and 3 year swap rate at 1.3%<sup>(1)</sup>**

<sup>(1)</sup> Indicative rates obtained on 25 March 2003

# Capital Management

## Interest Cost



	Actual	Forecast	Fav
Interest Cost	\$0.8 m	\$1.1 m	28.06%

Source : A-REIT unaudited Financial Statements for period ended 31 March 2003

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- **Existing portfolio**
  - **Maintain and improve occupancy**
  - **Achieve high customer retention, attract new customers in low rental times**
- **New acquisitions**
  - **Manager is seeking opportunities for single tenancy / high quality tenants on long term leases**
  - **Business Park assets are very attractive**
  - **Exciting times for acquisitions**

# REIT Positioning

- **Manager is :**
  - **Seeking to improve liquidity and raise profile of REIT sector in Singapore**
  - **Raising REIT's awareness for retail investors**
  - **Look to increase market cap and free float to attract local and international institutional investors**

# Some Key Dates

Dates	Events
16 April 03, Wed	<b>Announcement of distribution per unit and financial results ended 31 March 2003</b>
28 April 03, Mon 5 pm	<b>Books close</b>
26 May 03, Mon	<b>Distribution payment date</b>

Source : Ascendas-MGM Funds Management Limited as at 31 March 2003



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Ascendas Real Estate Investment Trust

# Thank You