



areit

Ascendas Real Estate Investment Trust

FY2005/06 First Quarter Results
14 July 2005

Disclaimer

This Presentation is focused on comparing actual results for the three months ended 30 June 2005 (“First Quarter”) versus forecasts derived on the best estimate as stated in the A-REIT Circular of 18 November 2004 and actual results in the prior corresponding period (“pcp”). This shall be read in conjunction with A-REIT’s First Quarter results for the three months from 1 April 2005 to 30 June 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, 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

- Key highlights
- Financial performance
- Capital and funds management
- Portfolio highlights
- Portfolio diversification
- Conclusion

Key Highlights

- Net investment income available for distribution of S\$33.1m, up 117% on pcp
- First quarter DPU 2.84 cents up 33% on pcp
- Unit price up 18%
- Acquired 7 properties for S\$111.5m
- Total assets grew to S\$2.2b
- Issued S\$350m equivalent in Euros of CMBS to refinance existing debt
- Portfolio occupancy 94.9% as at 30 Jun 05
- Ranked no. 6 in BT Corporate Transparency Index 2005 (only REIT among the Top 10)

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DPU - 33% above pcp



	Actual ⁽¹⁾ 01/04/05 to 30/06/05 (S\$'000)	Actual ⁽¹⁾ 01/04/04 to 30/06/04 (S\$'000)	% Change
Gross revenue	50,520	25,249	100
Property operating expenses	(11,114)	(7,602)	46
Net property income	39,406	17,647	123
Non-property expenses	(7,843)	(3,277)	139
Net investment income	31,563	14,370	120
Available for distribution	33,103	15,279	117
Distribution per unit ⁽²⁾	2.84	2.13	33

Details listed in item1a (i) on page 2 of SGXNet financial statements for the three months ended 30 June 2005

Notes:

- (1) Based on 43 properties for the period ended 30 Jun 2005 versus 17 properties for the period ended 30 Jun 2004.
- (2) Based on applicable number of units on issue as at 30 June.

DPU – 12% above forecast ⁽¹⁾

	Actual 01/04/05 to 30/06/05 (S\$'000)	Forecast ⁽¹⁾ 01/04/05 to 30/06/05 (S\$'000)	(%) Increase
Gross revenue	50,520	41,258	22
Property operating expenses	(11,114)	(10,382)	7
Net property income	39,406	30,876	28
Non-property expenses	(7,843)	(5,483)	43
Net investment income	31,563	25,393	24
Available for distribution	33,103	26,765	24
Distribution per unit ⁽²⁾	2.84	2.54	12

Details listed in item 9 on page 8 of SGXNet financial statements for the three months ended 30 June 2005

Notes:

- (1) Forecast for 1Q FY2005/06 derived on a best estimate from the forecast as stated in the circular dated 18 November 2004.
- (2) Based on applicable number of units on issue as at 30 June.

Balance Sheet

	Actual (S\$b)	
	As at 30 Jun 05	As at 31 Mar 05
Total Assets	2.2	2.1
Borrowings	0.7	0.6
Net assets attributable to unitholders	1.4	1.4
Gearing	29.6%	26.3%
Adjusted net asset value per unit ⁽¹⁾	120 cents	120 cents

Details listed in item 1(b)(i) on page 3 of SGXNet financial statements for the three months ended 30 June 2005

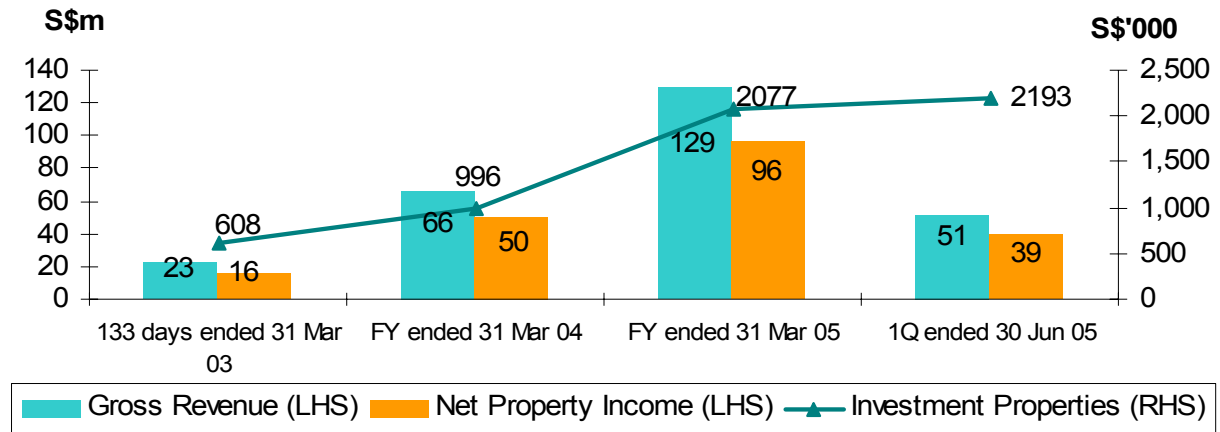
Note:

- (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 up to balance date has been excluded in calculating adjusted net asset value per unit.

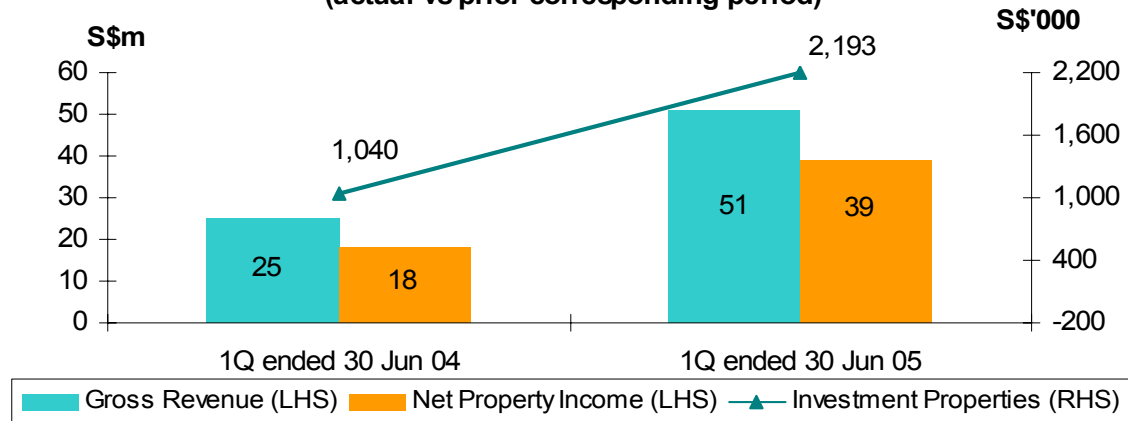
Financial performance



Financial year performance

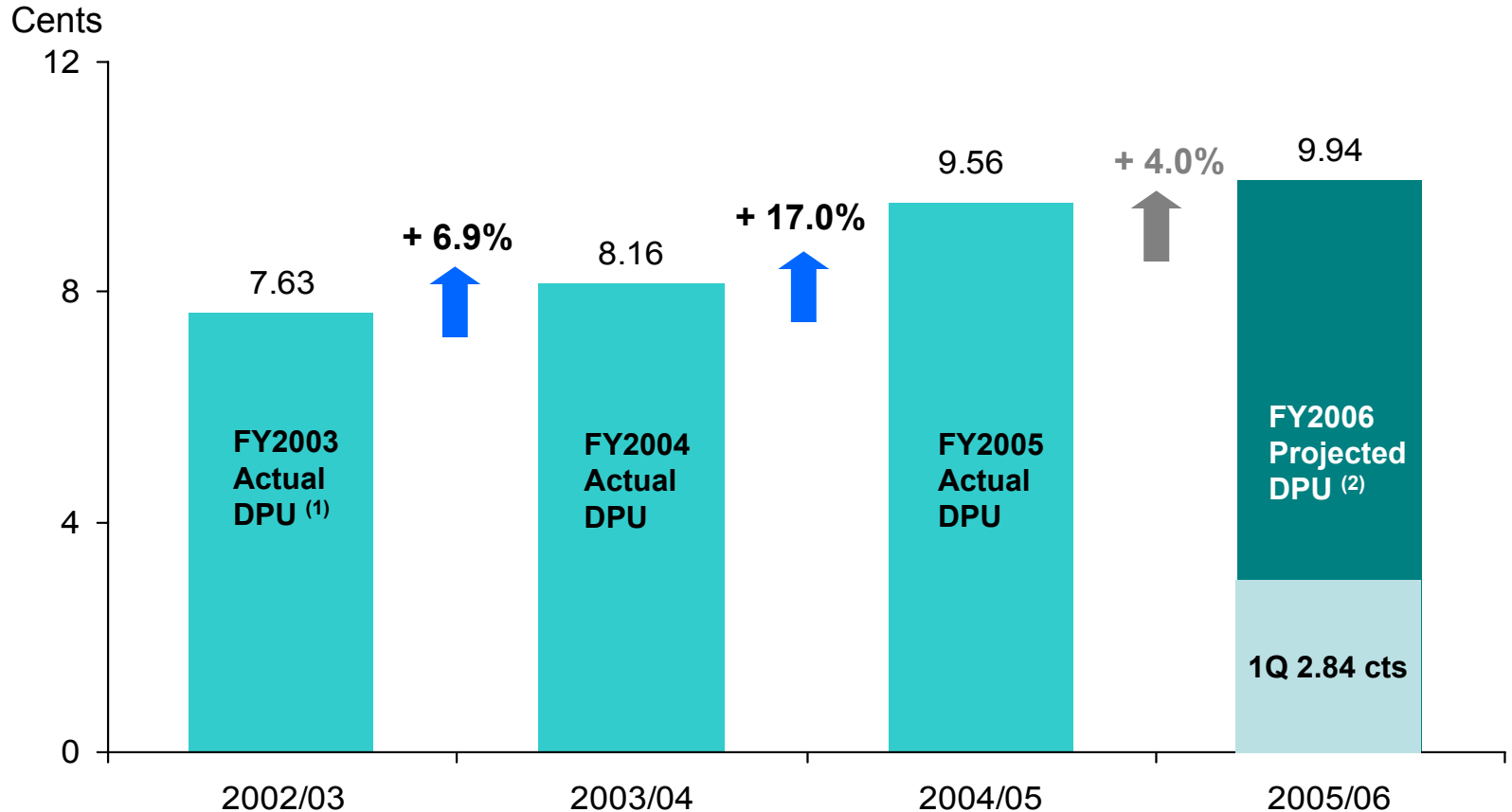


**First quarter performance
(actual vs prior corresponding period)**



DPU growth since listing

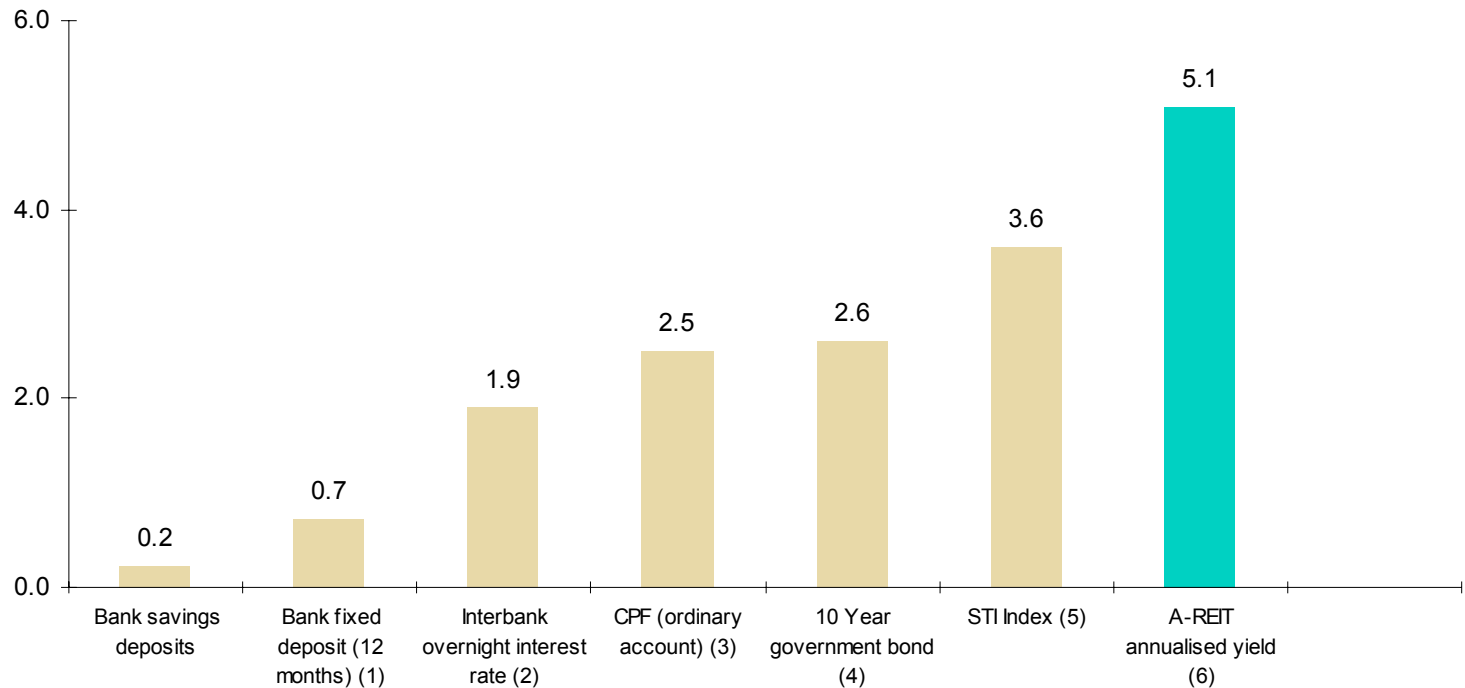
- Regular and stable distributions



Notes:

- (1) FY2003 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 and excludes the expected DPU accretion from properties acquired in calendar year 2005.

Comparable returns



Notes:

- (1) Bank fixed deposit rate (12 months) as at June 2005. Source: MAS website
- (2) Interbank overnight interest rate as at 30 June 2005. Source: MAS website
- (3) Based on interest paid on CPF ("Central Provident Fund") ordinary account from Apr to Jun 2005. Source: CPF website
- (4) As at 30 June 2005. Source: Singapore Government Securities ("SGS") website
- (5) Based on Bloomberg data as at 5 July 2005
- (6) Yield based on A-REIT's closing price of S\$2.21 per unit and annualised first quarter DPU of 2.84 cents

Distribution Details

Stock counter	Distribution Period	Distribution per unit (cents)
Ascendasreit	1 Apr 05 to 30 Jun 05	2.84

Distribution Timetable

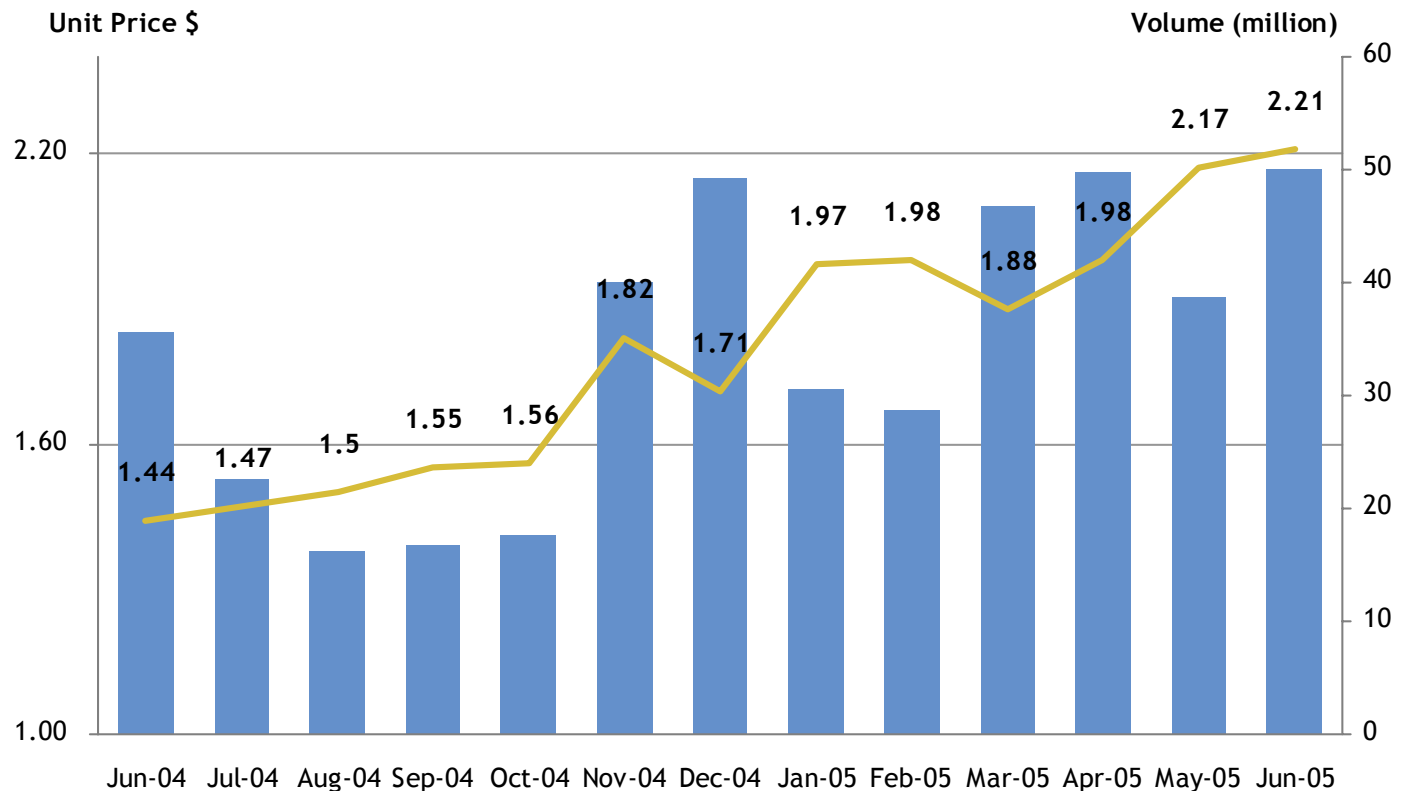
Notice of books closure date	14 July 2005
Last day of trading on “cum” basis	22 July 2005
Ex-date	25 July 2005, 9.00 am
Books closure date	27 July 2005, 5.00 pm
Distribution payment date	26 August 2005

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Unit price and volume traded



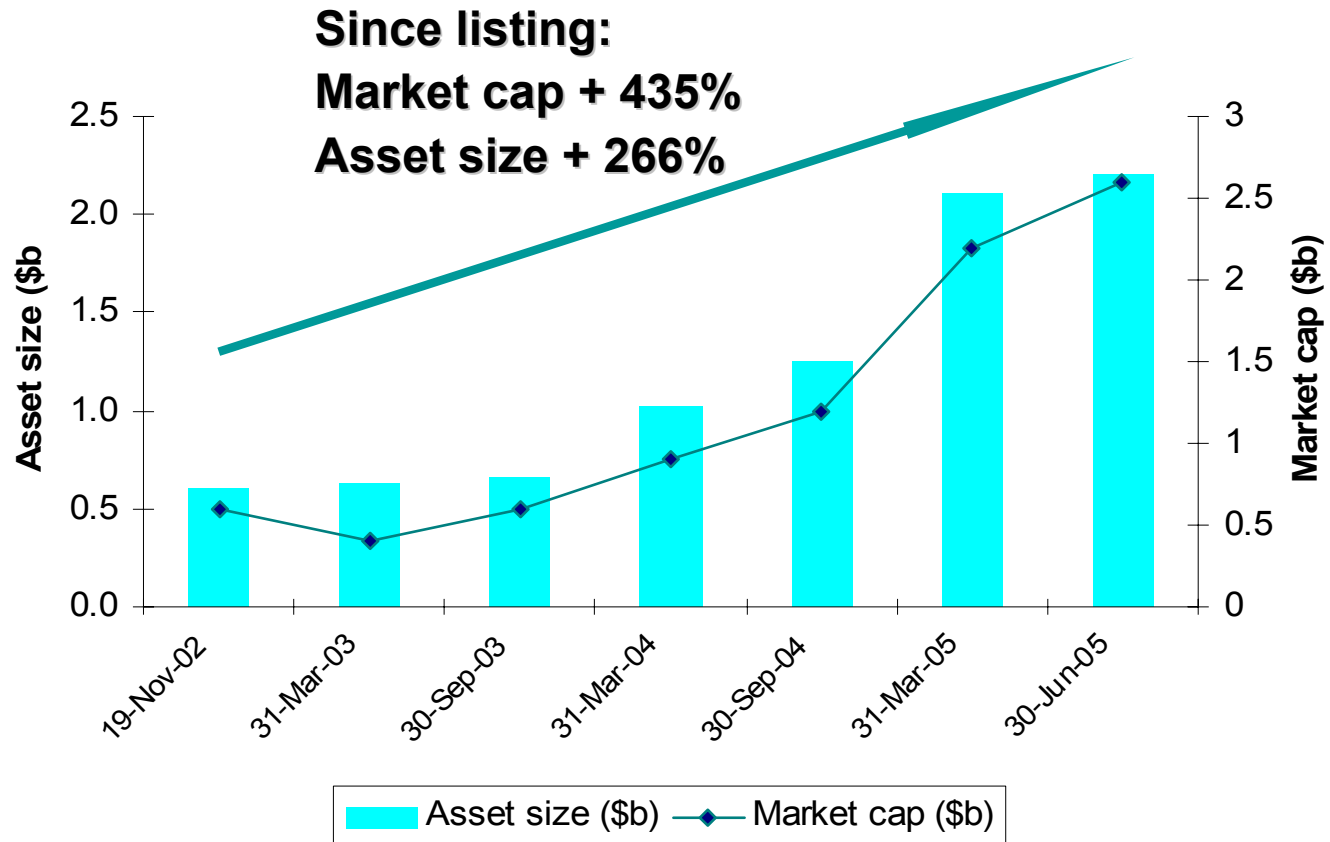
1 Apr 05 to 30 Jun 05

- 18% capital growth
- 138.5m units traded
- 24% of total S-REITs trading volume

Unit Price

- High on 6 Jun 05 : \$2.31
- Low on 1 Apr 05 : \$1.87
- Closing on 30 Jun 05 : \$2.21

Increase in market cap and assets



- A-REIT is ranked 27th by market capitalisation on Singapore Exchange Securities Trading Limited

Capital Management



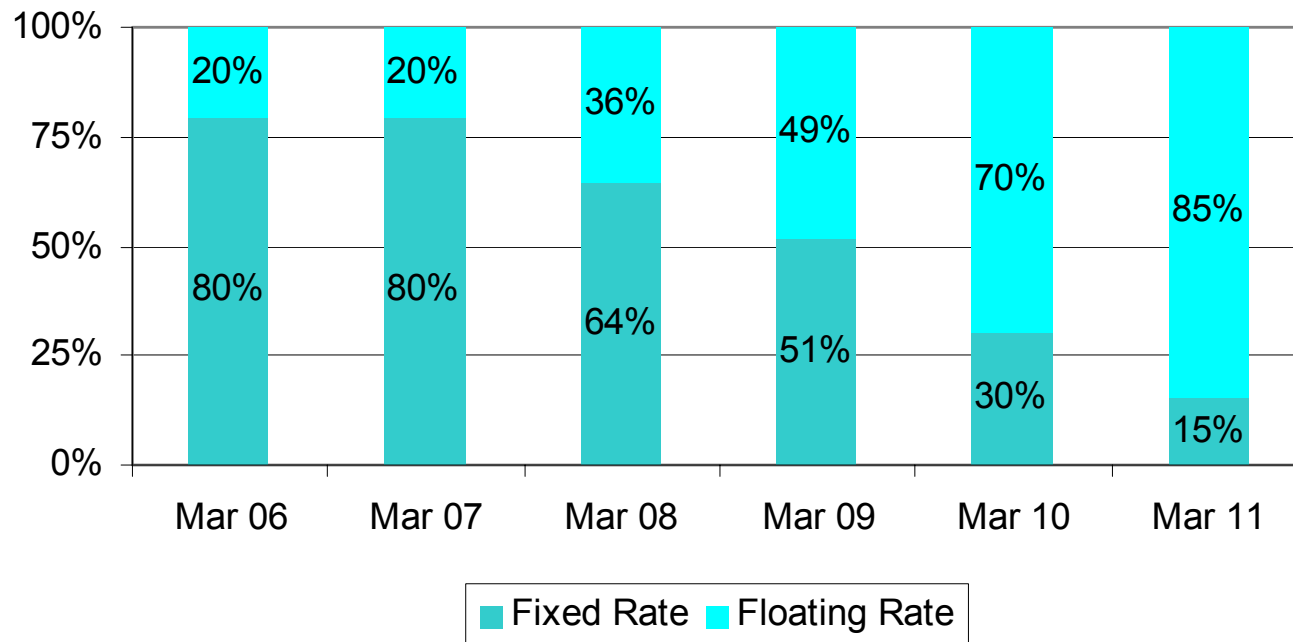
Debt Profile	30 Jun 2005	31 Mar 2005
- Gearing	29.6%	26.3%
- Total debt	S\$657m	S\$556m
- Fixed rate debt	S\$522m	S\$423m
- Fixed as a % of total debt	79.5%	75.9%
- Weighted average term for fixed debt	4.35 yrs	3.22 yrs
- Weighted average all-up funding cost ⁽¹⁾	3.00%	2.77%
- Interest cover ratio	7.6 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

By hedging 79.5% of its total debt to fixed rate, A-REIT's exposure to interest rate risk is minimised. The weighted average term for fixed debt is 4.35 years.

Weighted average all up funding cost is 3.00%



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Acquisitions since 1 April 2005



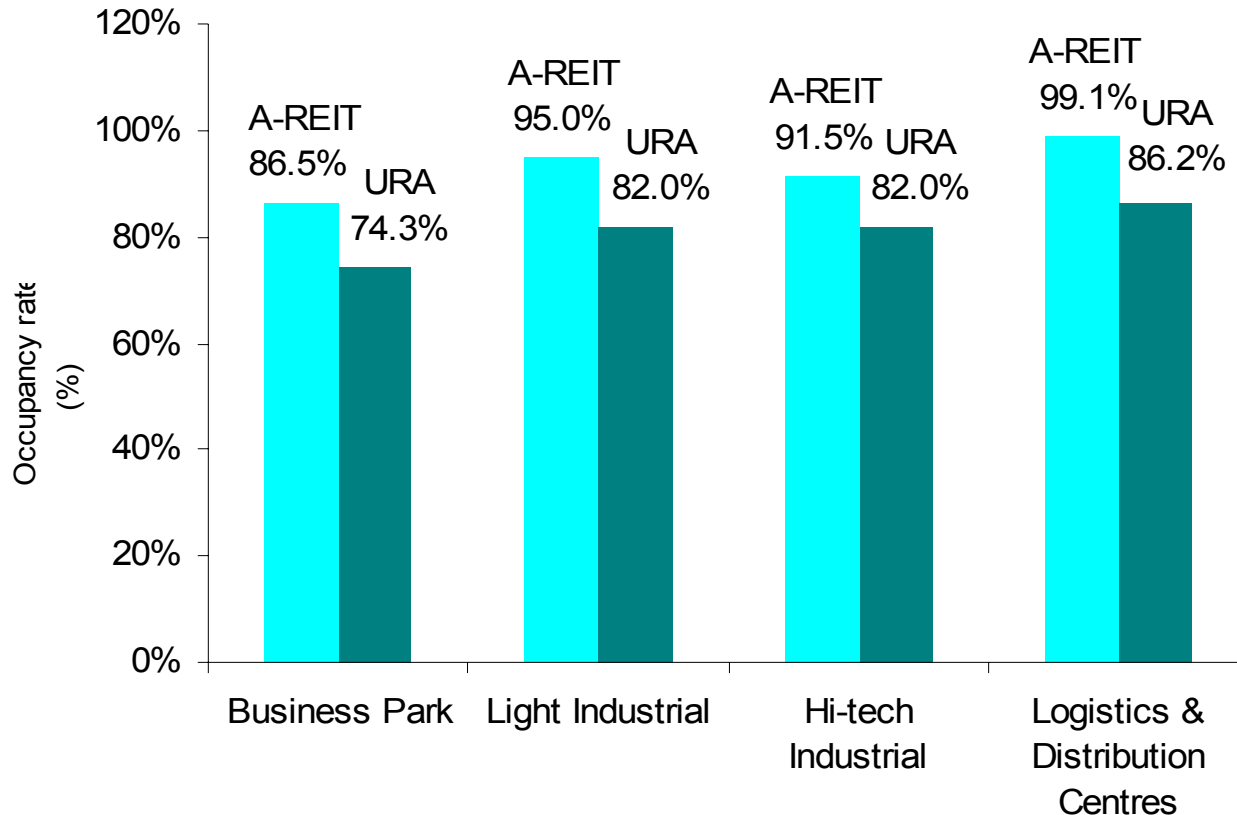
	Properties	Purchase Price	Property Yield
1	AEM-Evertch Building	\$14.0 m	8.1%
2	Da Vinci Building	\$19.5 m	7.5%
3	Hyflux Building	\$19.0 m	8.0%
4	MSL Building	\$12.6 m	7.9%
5	7 Changi South Street 2	\$30.6 m	8.2%
6	Weltech Building	\$ 9.0 m	8.2%
7	BBR Building	\$ 6.8 m	8.6%
	TOTAL	\$111.5 m	
8	Pacific Tech Centre (acquired on 1 July 2005)	\$62.0 m	7.1%

Portfolio Highlights

	As at 30 Jun 05	As at 30 Jun 04
A-REIT Portfolio occupancy (%)	94.9	89.1
A-REIT MTB ⁽¹⁾ occupancy (%)	89.8	86.9
Portfolio renewals / new leases (sqm) in quarter	33,031	26,141
New leases/Expansions (sqm) in quarter	9,850	14,017
Renewals (sqm) in quarter	23,180	12,124
Renewals / New leases as a % of A-REIT total net lettable area	3.4%	5.7%
Weighted Average Lease to Expiry (years)	7.2	4.7

⁽¹⁾ MTB = Multi-tenanted buildings

A-REIT Portfolio Occupancy Higher Than Market



Notes:

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

- Business Park: Honeywell Building, Ultro Building, Telepark & 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, AEM-Evertech Bldg, Da Vinci Bldg, Hyflux Bldg, BBR Bldg, MSL Bldg, Weltech Bldg
- Hi-tech Industrial: Techlink, Siemens Center, Infineon Building, Techpoint, Wisma Gulab, Kim Chuan Telecommunications Complex, KA Centre and KA Place
- 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, 7 Changi South St 2 Building

Source: URA: Urban Redevelopment Authority Official Statistics as at Mar 2005 www.ura.gov.sg & Ascendas-MGM Funds Management Limited as at 30 Jun 2005

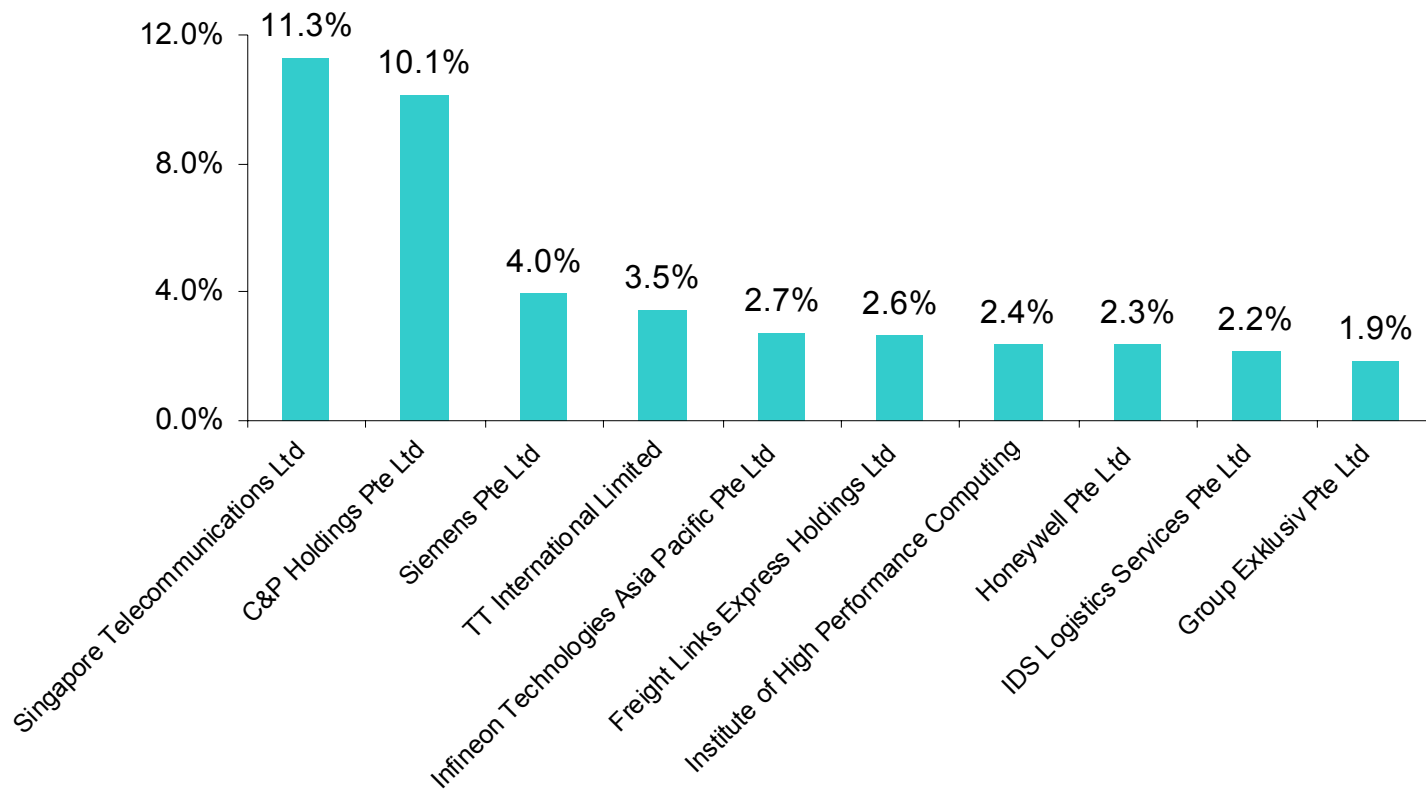
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A-REIT tenants



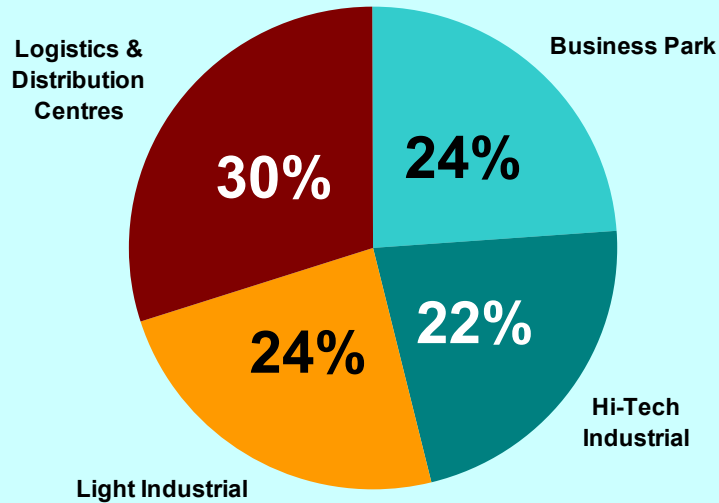
Top 10 Tenants by Gross Rental Income



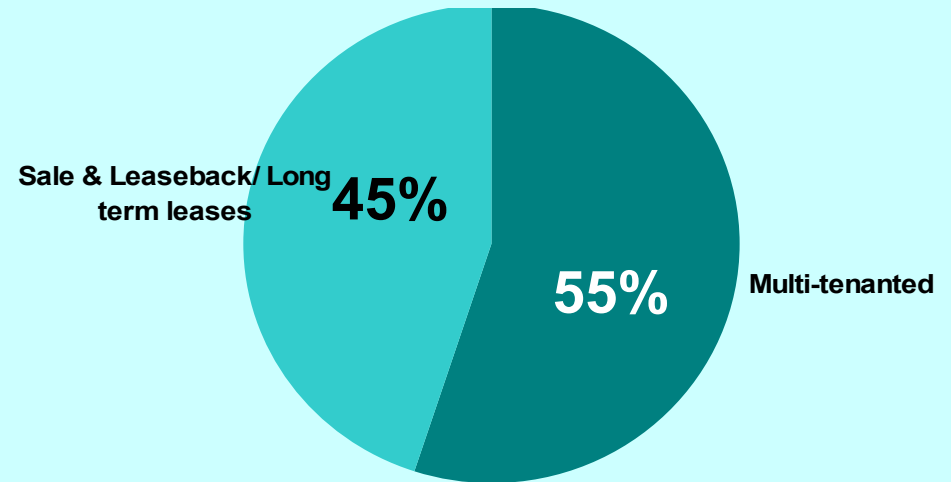
Represents about 43% of gross rental income

Portfolio Diversification by Value

**Asset Class
Diversification**

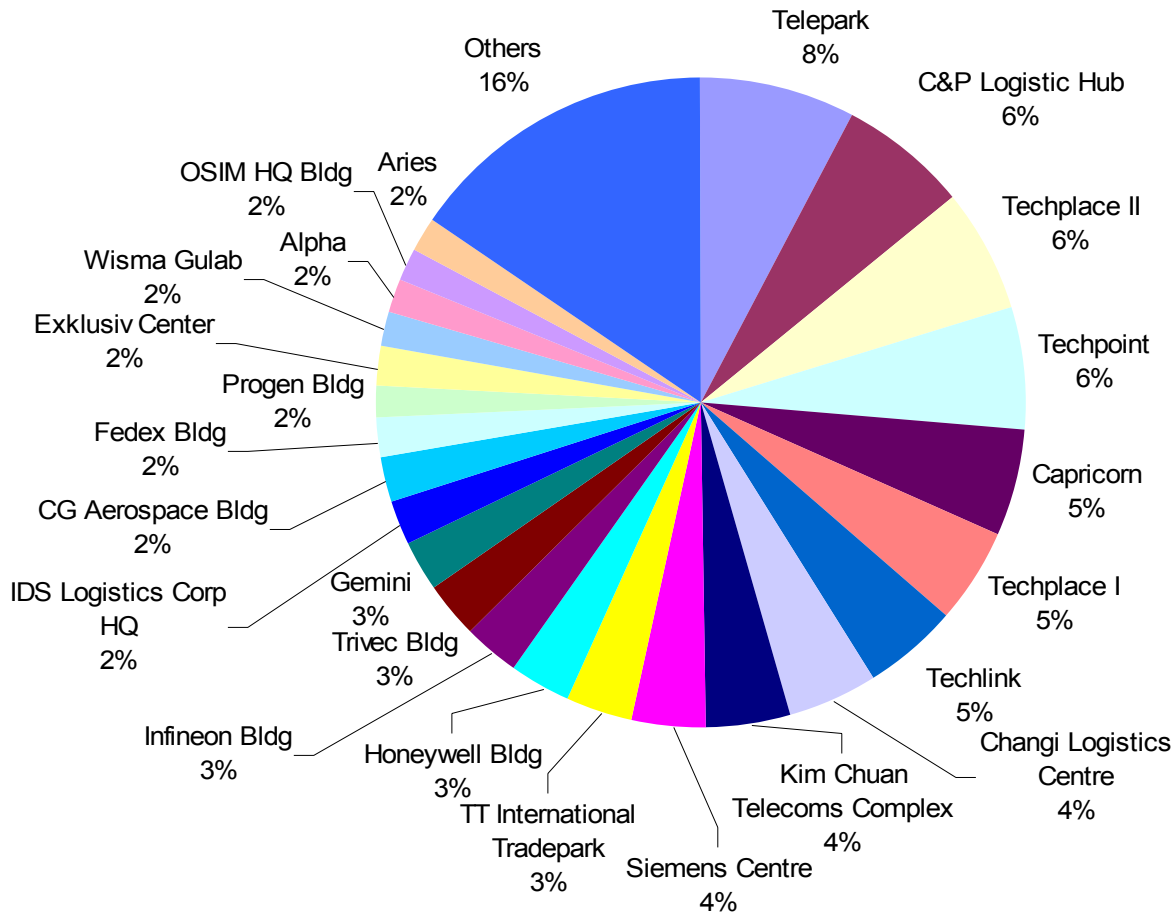


**Mix of multi-tenanted vs single
tenanted (long term leases)**



Reduced reliance on any one property

Property Contribution by Monthly Gross Revenue



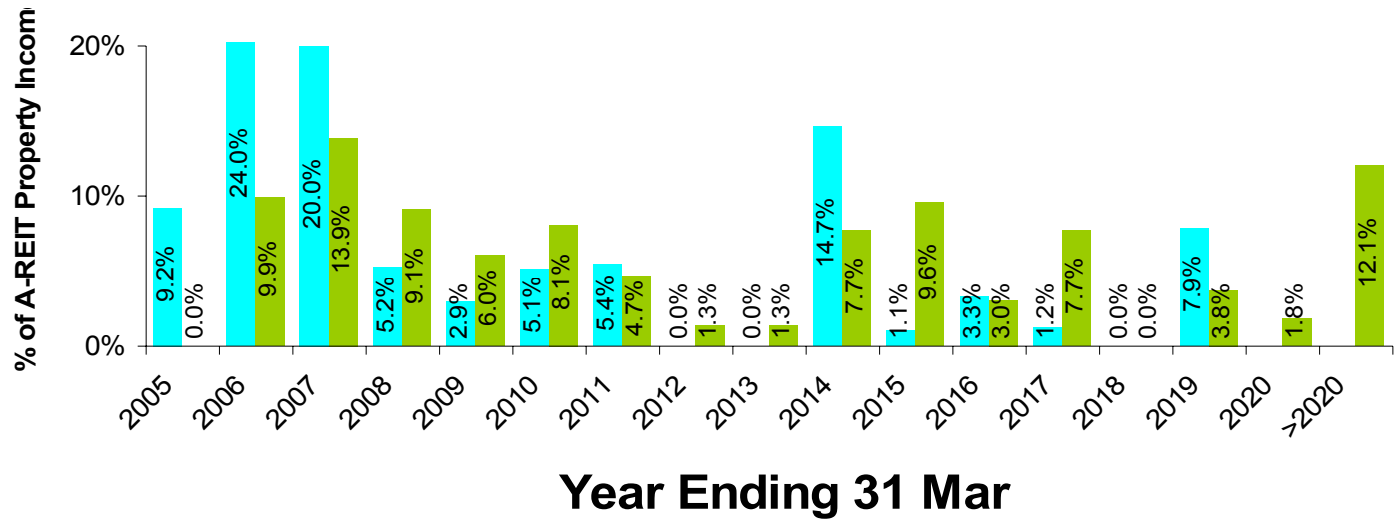
Others (1% & Below)

- Freight Links (Toh Guan) Bldg
- Freight Links (Changi) Bldg
- Nan Wah Bldg
- 7 Changi South St 2
- Ultro Bldg
- Hyflux Bldg
- Da Vinci Bldg
- Steel Industries Bldg
- SB Building
- Ghim Li Bldg
- AEM Evertech Bldg
- MSL Bldg
- Autron Bldg
- Volex Bldg
- Weltech Bldg
- KA Centre
- MacDermid Bldg
- KA Place
- BBR Bldg

Weighted Average Lease Term to Expiry

The lease expiry profile is well balanced.

Weighted Lease Expiry Profile By Income



	As at 30 June 2004	As at 30 June 2005
Weighted average lease term to expiry	4.7 years based on 17 properties	7.2 years Based on 43 properties

Well Located, Diversified Portfolio of Properties



Business Park/Science Park (7)



Hi-tech Industrial Properties (8)



Light Industrial Properties (16)



Logistics and distribution centres (12)

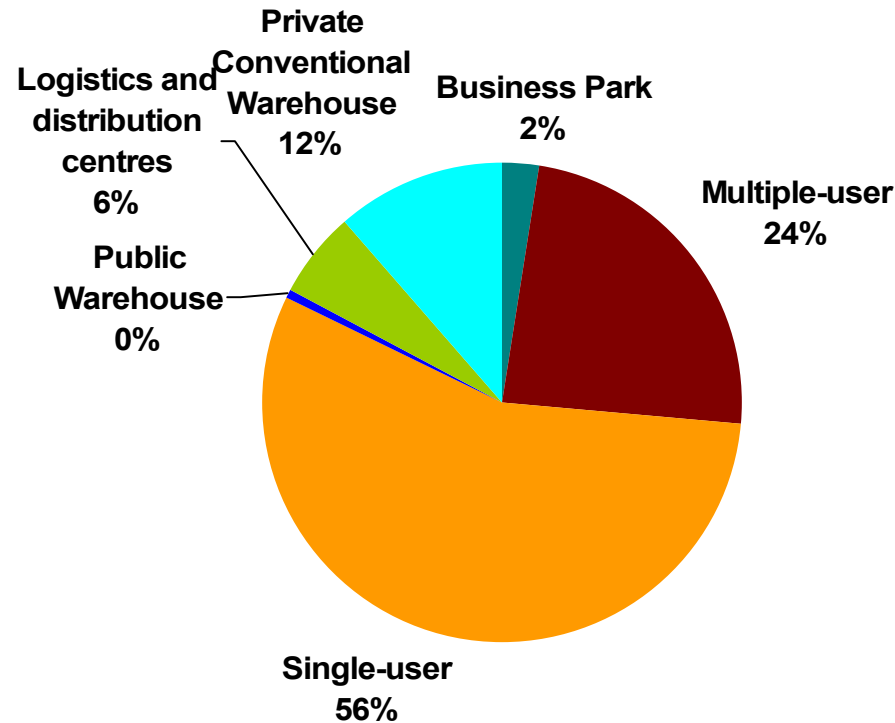


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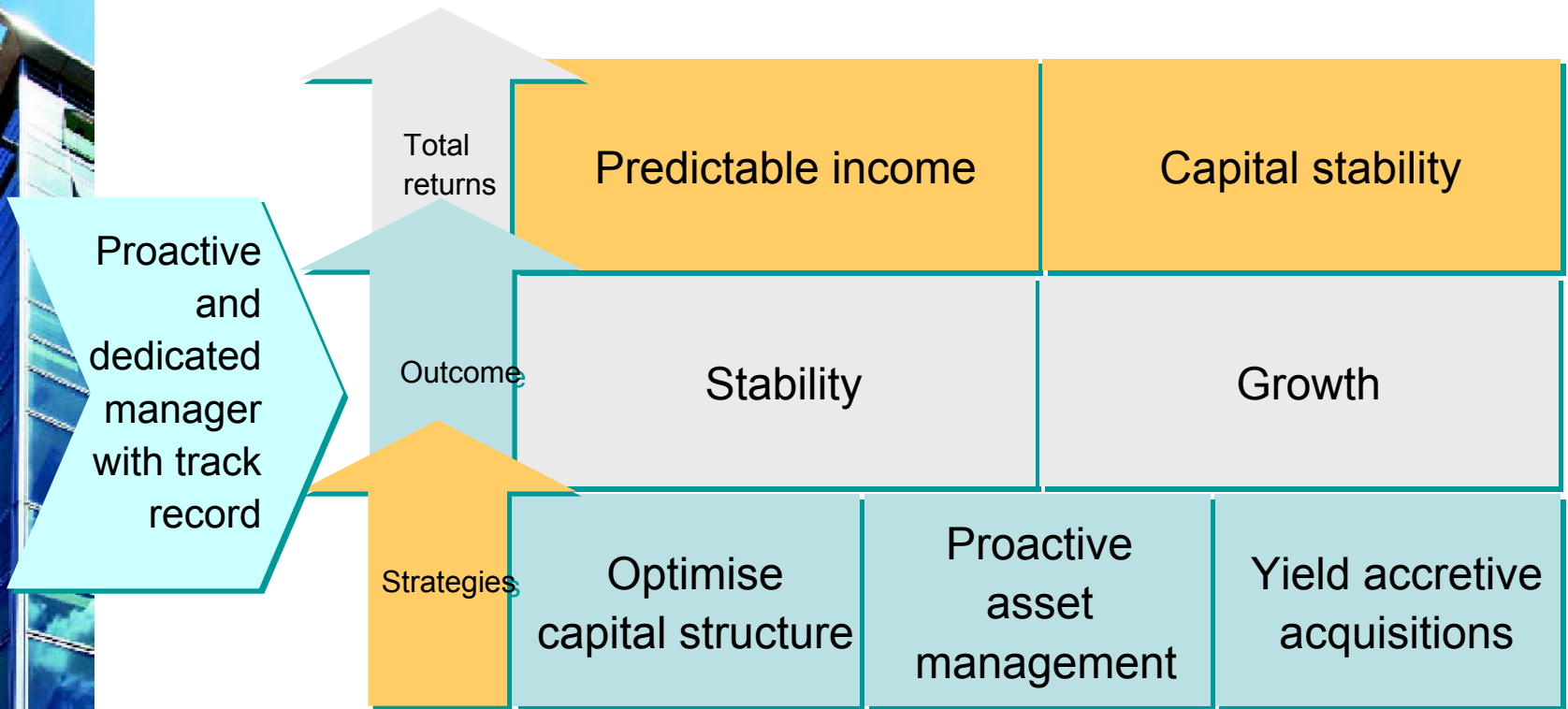
Acquisition opportunities



Total existing industrial/logistics stock in Singapore – 32.5m sqm

- Industrial space: 26.8m sqm
- Logistics and distribution centres space: 5.7m sqm
- Total investment grade supply: about 10m sqm
- A-REIT's penetration of investment grade supply: about 10%

A-REIT strategies

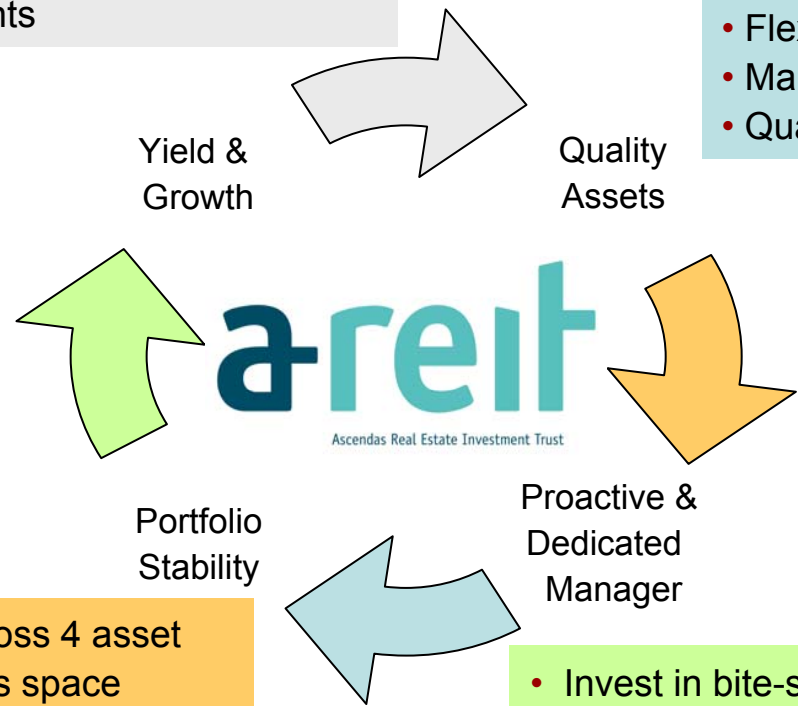


Why A-REIT – suburban business space and quality industrial properties



- First mover advantage; market leader
- About 10% penetration of investment grade market
- Ownership of properties is still fragmented
- More 'sticky' tenants

- Quality properties
- Well located
- Flexible for alternative use
- Marketable
- Quality tenants



- Diversification across 4 asset classes of business space
- Diversified tenant base; > 500
- WALE of 7.2 years
- Mix of multi-tenanted (55%) and sale and leaseback properties (45%)

- Invest in bite-size income producing & yield accretive assets
- Proactive management of existing portfolio
- Track record of delivering performance
- Manager focus is on A-REIT only



The End

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