



areit

Ascendas Real Estate Investment Trust

FY2005/06 Full Year Results
13 April 2006

Disclaimer

This Presentation is focused on comparing actual results for the year ended 31 March 2006 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 fourth quarter for the period from 1 January 2006 to 31 March 2006 and FY2005/06 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

- Key highlights
- Financial performance
- Capital and funds management
- Portfolio highlights
- Portfolio diversification
- Going forward

Key Highlights

- Distributable net income of S\$142.63m, up 69% on pcp
- DPU of 11.68 cents, up 22.2% on pcp
- Acquired 28 properties for S\$639m
- Total assets grew to S\$2.8b in Mar 06 from S\$2.1b in Mar 05
- S\$226m of acquisitions pending completion
- First to pioneer 2 projects worth S\$128m under the Warehouse Retail Scheme. Accounts for about 5% of A-REIT's assets
- Portfolio occupancy 95.0% as at 31 Mar 06 vs 94.1% at 31 Mar 05. MTB occupancy was 91.4% vs. 89.0% respectively
- Assigned a corporate family rating of A3 by Moody's

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DPU – 22% above pcp



	Actual ⁽¹⁾ 01/04/05 to 31/03/06 (S\$'000)	Actual ⁽¹⁾ 01/04/04 to 31/03/05 (S\$'000)	% Change
Gross revenue	227,153	128,987	76%
Property operating expenses	(53,596)	(32,873)	63%
Net property income	173,557	96,114	81%
Borrowing costs	(22,293)	(8,506)	162%
Non-property expenses	(19,272)	(12,391)	56%
Net income	131,992	75,217	75%
Available for distribution	142,633	84,165	69%
Distribution per unit	11.68	9.56	22%

Note:

(1) Based on 64 properties as at 31 March 2006 versus 36 properties as at 31 March 2005.

DPU – 3% above Forecast⁽¹⁾

	Actual 01/04/05 to 31/03/06 (S\$'000)	Forecast ⁽¹⁾ 01/04/05 to 31/03/06 (S\$'000)	% Change
Gross revenue	227,153	219,726	3%
Property operating expenses	(53,595)	(51,689)	4%
Net property income	173,558	168,037	3%
Non-property expenses	(41,566)	(40,334)	3%
Net income	131,992	127,703	3%
Available for distribution	142,633	138,838	3%
Distribution per unit	11.68	11.37	3%

Note:

⁽¹⁾ Forecast for 1 April 2005 to 31 March 2006 are derived on a best estimate from the forecast as stated in the circular dated 20 September 2005.

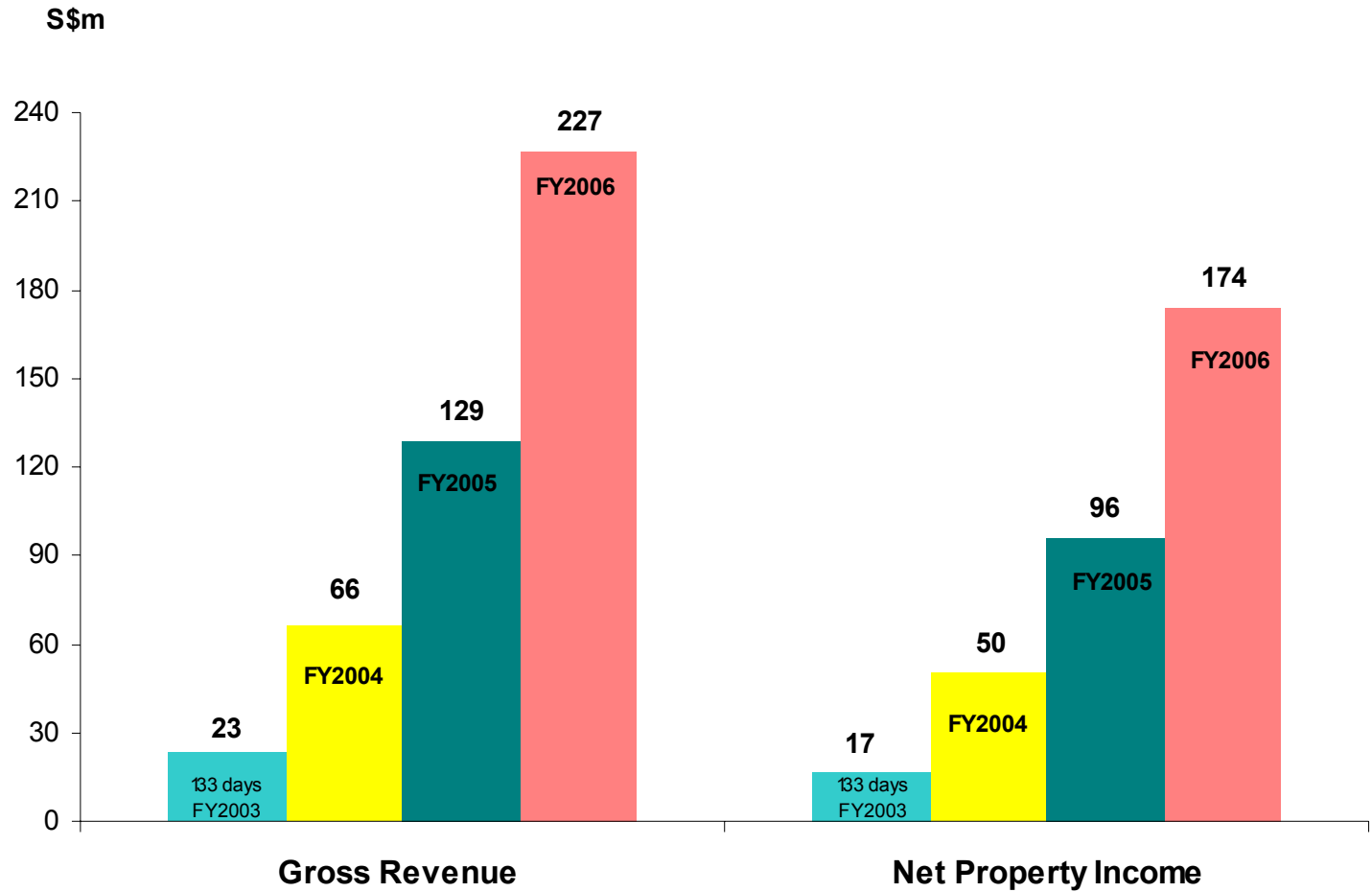
Balance sheet

(S\$bn)	As at 31 Mar 06	As at 31 Mar 05
Total Assets	2.8	2.1
Borrowings	1.0	0.6
Net assets attributable to unitholders	1.7	1.4
Gearing (inclusive of deferred payments)	36.9%	30.2%
Net asset value per unit	134 cents ⁽¹⁾	123 cents

Note:

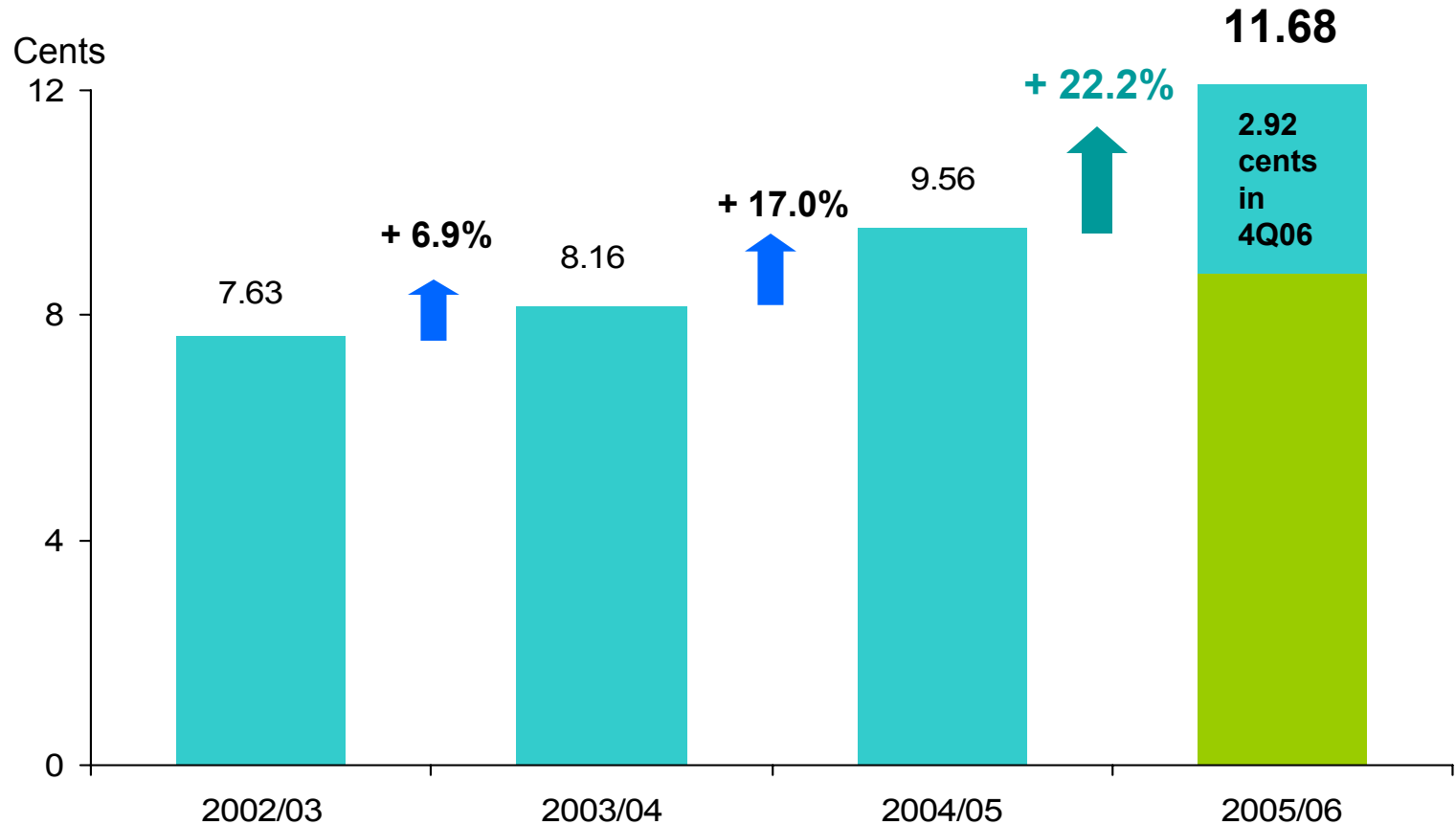
- (1) Based on most recent valuation or total acquisition cost.
A revaluation of the portfolio will be conducted in May 2006.

Financial performance growing



DPU growth since listing

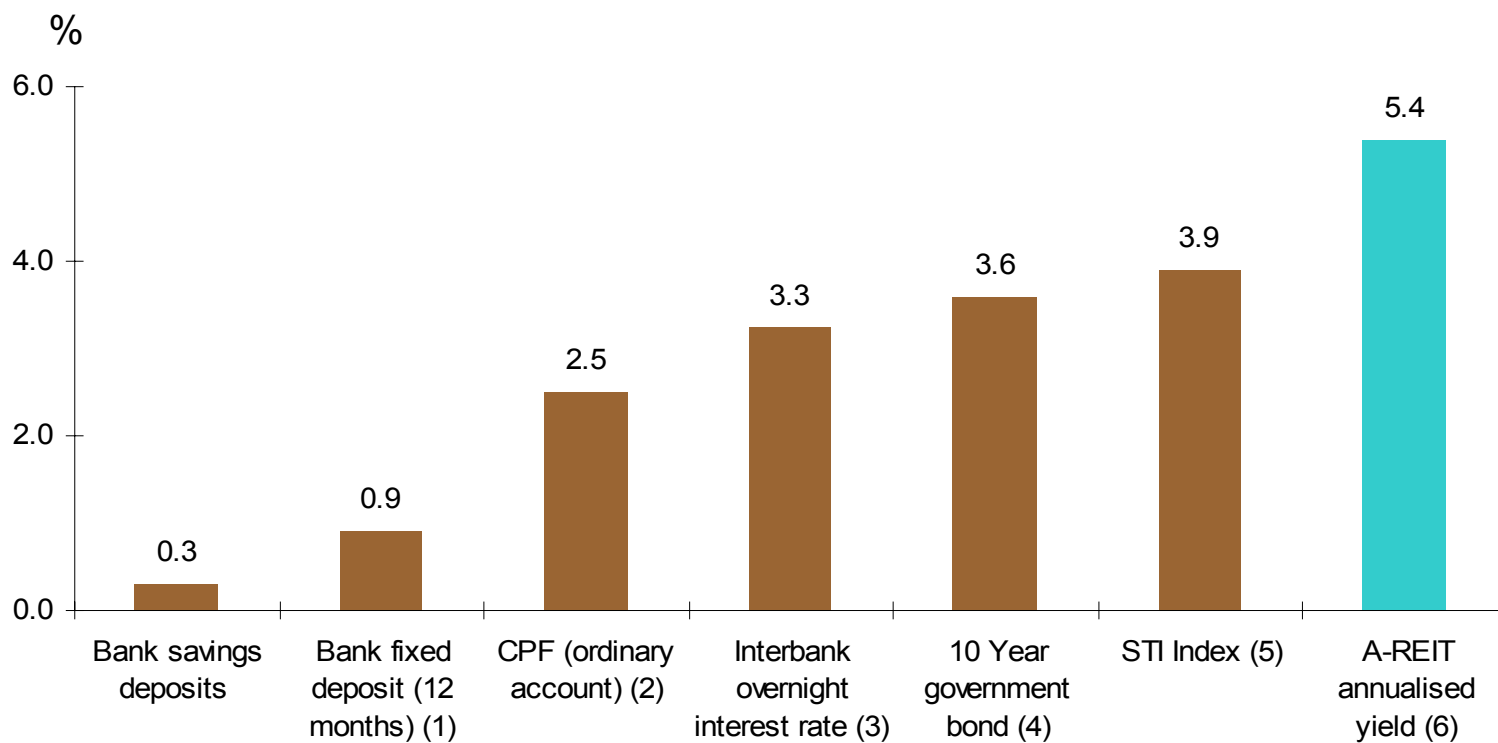
Regular and stable distributions



Notes:

(1) FY2003 Actual DPU is annualised. The actual DPU was 2.78 cents for the 133 days ended 31 March 2003

Comparable returns

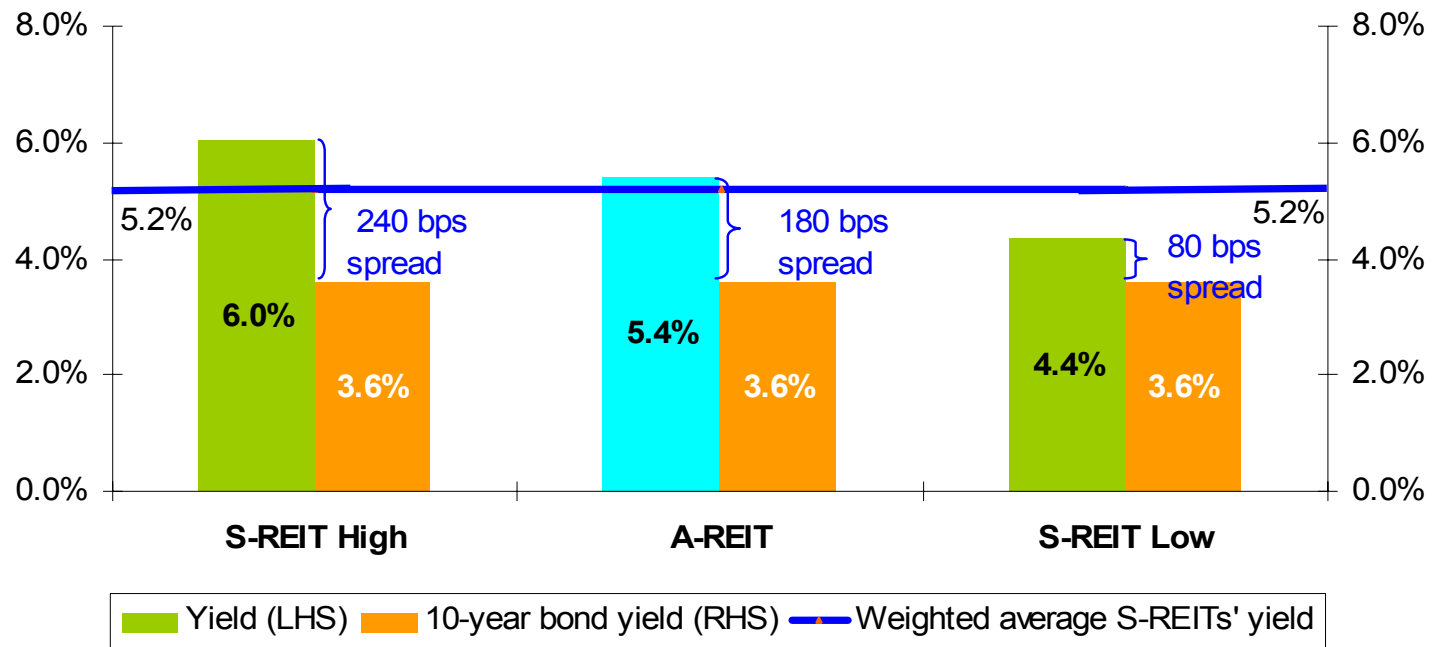


Notes:

- (1) Bank fixed deposit rate (12 months) as at 31 March 2006. Source: MAS website
- (2) Based on interest paid on CPF ("Central Provident Fund") ordinary account from 1 January to 31 March 2006. Source: CPF website
- (3) Interbank overnight interest rate as at 31 March 2006. Source: MAS website
- (4) As at 31 March 2006. Source: Singapore Government Securities ("SGS") website
- (5) Based on Bloomberg data as at 31 March 2006
- (6) Yield based on A-REIT's closing price of S\$2.17 per unit on 31 March 2006 and FY05/06 DPU of 11.68 cents

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

S-REITs yield range from low of 4.4% to high of 6.0%



Source: IBES Estimates, Bloomberg

Distribution Details

Stock counter	Distribution Period	Distribution per unit (cents)
Ascendasreit	1 Jan 06 to 31 Mar 06	2.92

Distribution Timetable

Notice of books closure date	13 April 2006
Last day of trading on “cum” basis	21 April 2006
Ex-date	24 April 2006, 9.00 am
Books closure date	26 April 2006, 5.00 pm
Distribution payment date	26 May 2006

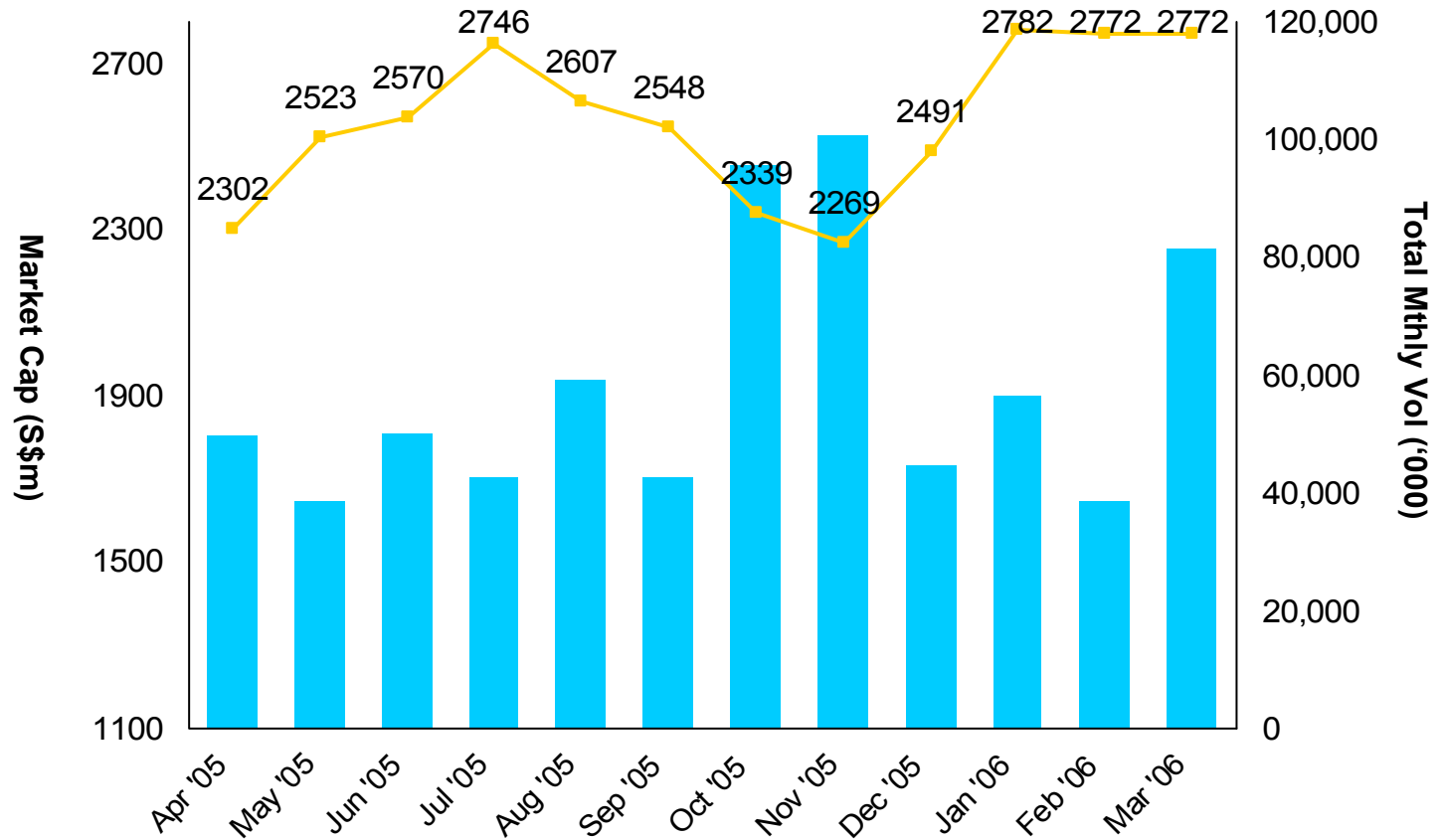
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- **Capital and fund management**
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Performance to date

Market cap and liquidity



1 Apr 05 to 31 Mar 06

- 703.6 m units traded (16% of total Singapore REIT trading)
- A-REIT is ranked 31st by market capitalisation on Singapore Exchange Securities Trading Limited

Capital Management

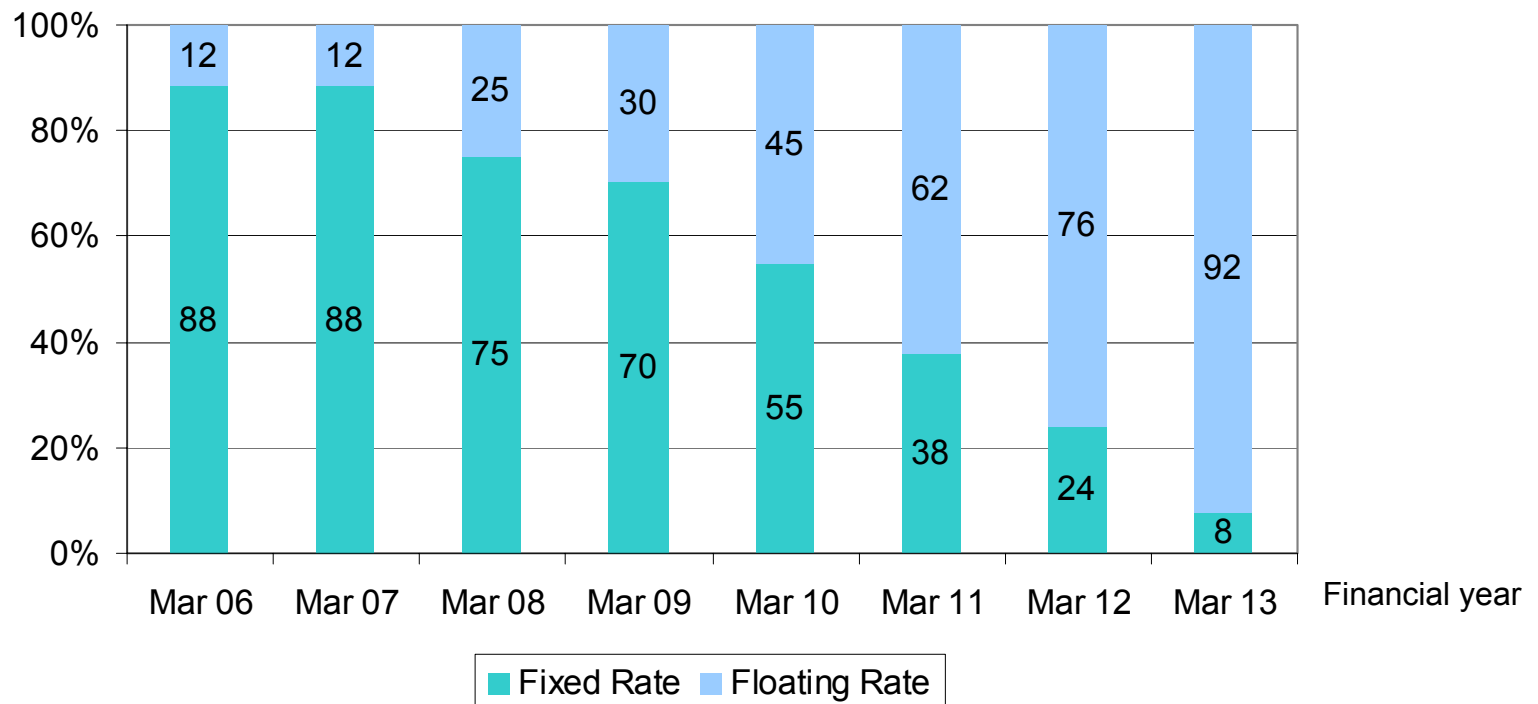


Debt Profile	31 Mar 2006	31 Mar 2005
- Gearing (inclusive of deferred payments)	36.9%	30.2%
- Total debt	S\$973m	S\$556m
<ul style="list-style-type: none"> • Fixed rate debt 	S\$733m	S\$423m
- Weighted average all-up funding cost ⁽¹⁾	3.49%	2.77%
- Interest cover ratio	6.96 times	9.8 times

(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 31 Mar 06	As at 31 Mar 05
- Fixed as a % of total debt	88.5%	75.9%
- Weighted average term of fixed debt	4.30 years	3.22 years



Capital Market Activities

May 2005 – Debt funding

- Second CMBS issuance of Euro 165.0 million (approximately S\$350 million equivalent) under the S\$1 billion programme established in August 2004

Oct 2005 – Equity raising

- Preferential offer and private placement of S\$240 million at an issue price S\$2.13

Dec 2005 – Corporate family rating

- Assigned an A3 rating by Moody's Investors Services
- Enables A-REIT to increase gearing beyond 35%. Provides additional debt capacity of S\$450 million before gearing reaches 45%.

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Acquisitions made in FY2005/06



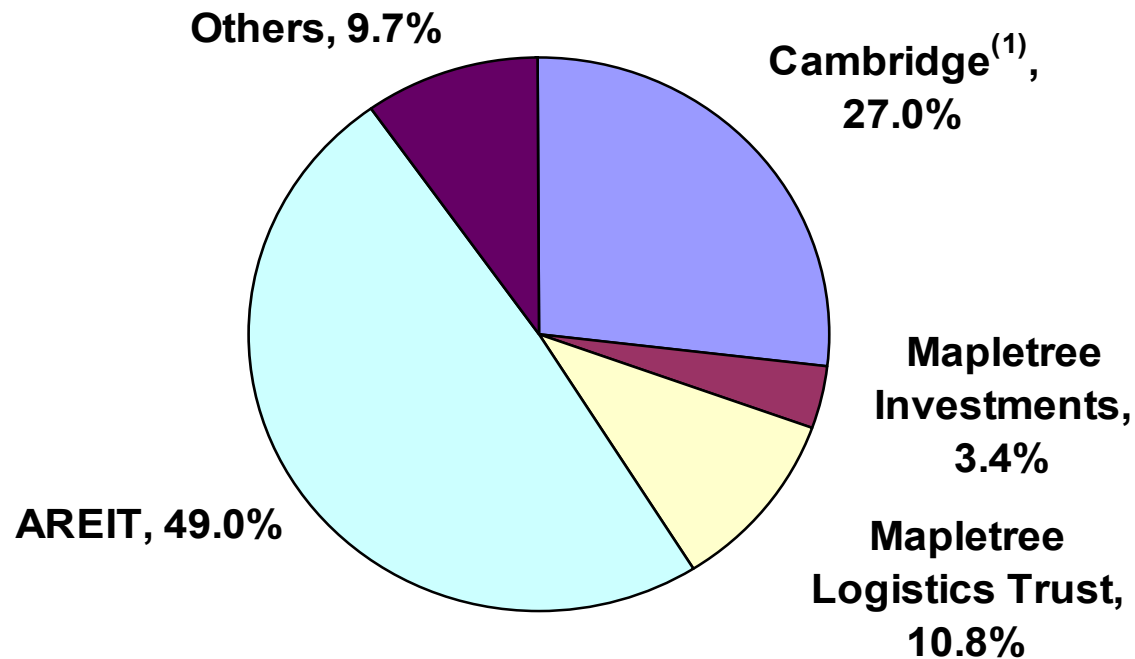
Sub-sector	Purchase Price (S\$m)
Business Park/Science Park	64.5
Hi-Tech Industrial	227.6
Light Industrial	210.2
Logistics and Distribution Centres	136.8
Total	639.1

Agreements signed

	Properties	Price (S\$m)	Expected to complete
1	LabOne Building	20	Mid-2006
2	Courts Megastore	62 ⁽¹⁾	Nov 2006
3	Giant Hypermarket (Cold Storage)	66 ⁽¹⁾	Mar 2007
4	Sembawang Kimtrans Logistics Centre	20	May 2006
5	Logistics 21	58	May 2006
	Total	226	

- (1) Courts Megastore and Giant Hypermarket are 2 warehouse retail projects undertaken by A-REIT. The development cost for Courts Megastore is estimated to be between \$55 million to \$62 million, pending confirmation on differential premium.

Singapore Industrial Acquisitions Jan – Dec 05



(1) Cambridge figures are based on options signed pending completion upon IPO and are based on management estimates

Source: CBRE Research

Warehouse Retail Scheme (WRS)

- S\$128 m for 2 WRS projects for Courts and Cold Storage
- Facilitate integrated businesses that encompass regional headquarters, retail, warehousing and industrial activities to operate on industrial sites. At least 60% of GFA must be for industrial use
- Value on completion represents 5% of A-REIT's asset value
- Provides opportunity to add greater value to unitholders than a typical property acquisition without significant additional risk
- Risk mitigated due to:
 - ✓ pre-committed leases to strong anchor tenant
 - ✓ typical construction risks have been minimised

Portfolio Highlights

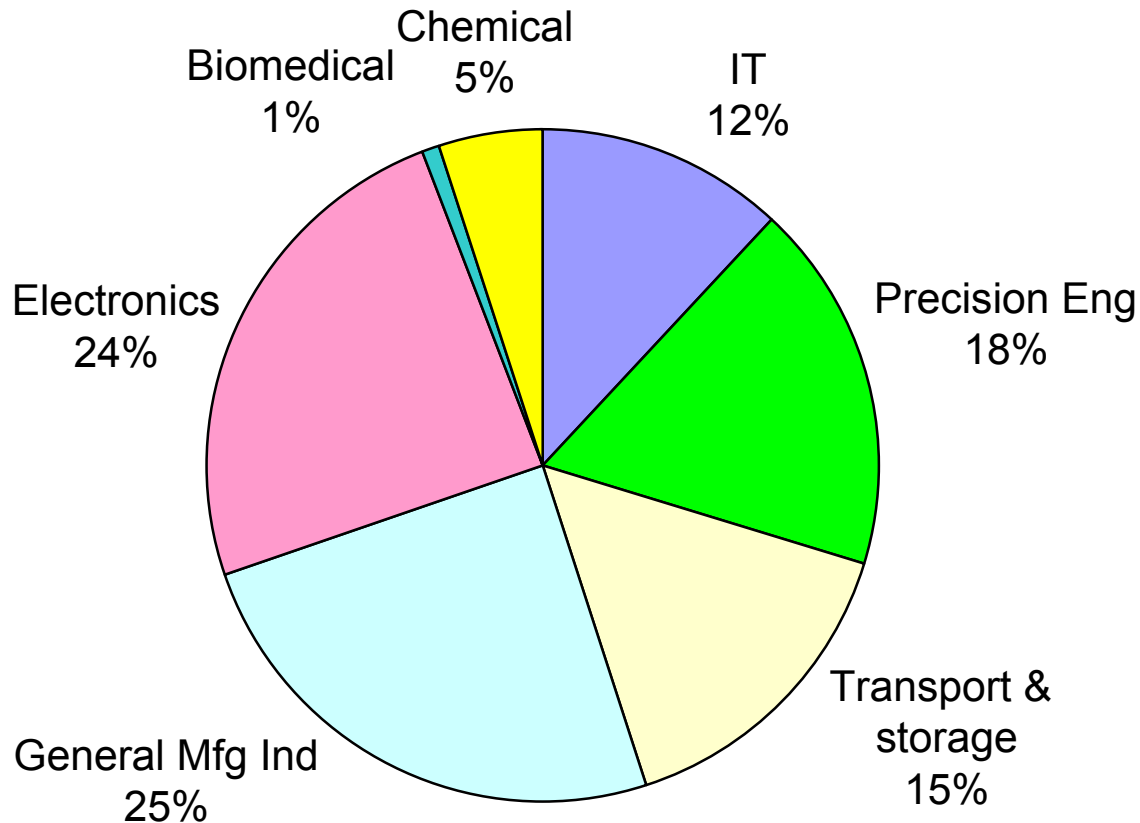
	As at 31 Mar 06	As at 31 Mar 05
A-REIT Portfolio occupancy (%)	95.0%	94.1%
A-REIT MTB ⁽¹⁾ occupancy (%)	91.4%	89.0%
Total Portfolio renewals/new leases (sqm)	151,163	102,570
Total New leases/Expansions (sqm)	53,941	39,278
Total Renewals (sqm)	97,222	63,292
Weighted Average Lease to Expiry (years)	6.7	7.4

⁽¹⁾ MTB = Multi-tenanted buildings

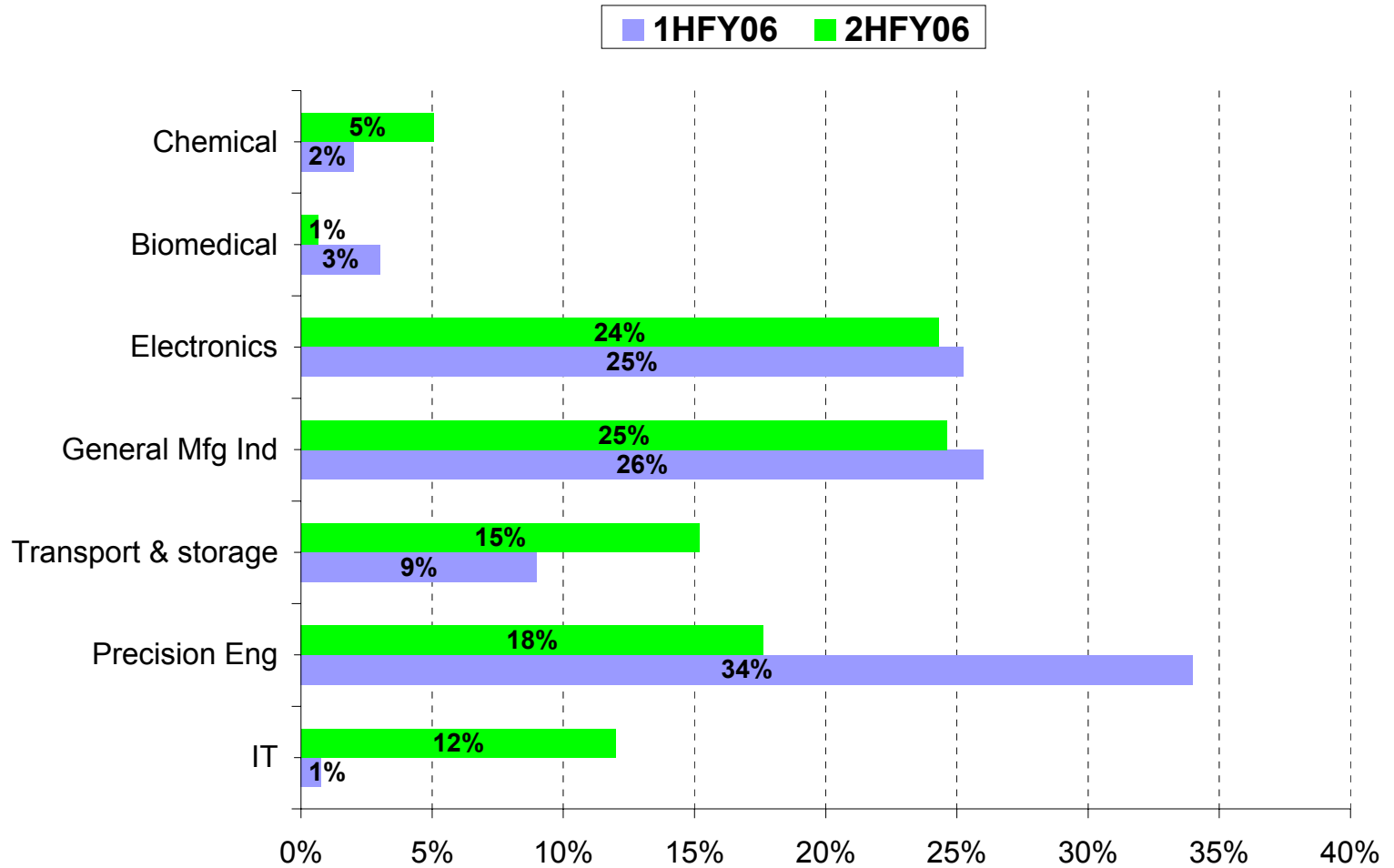


Sources of new demand – broad based

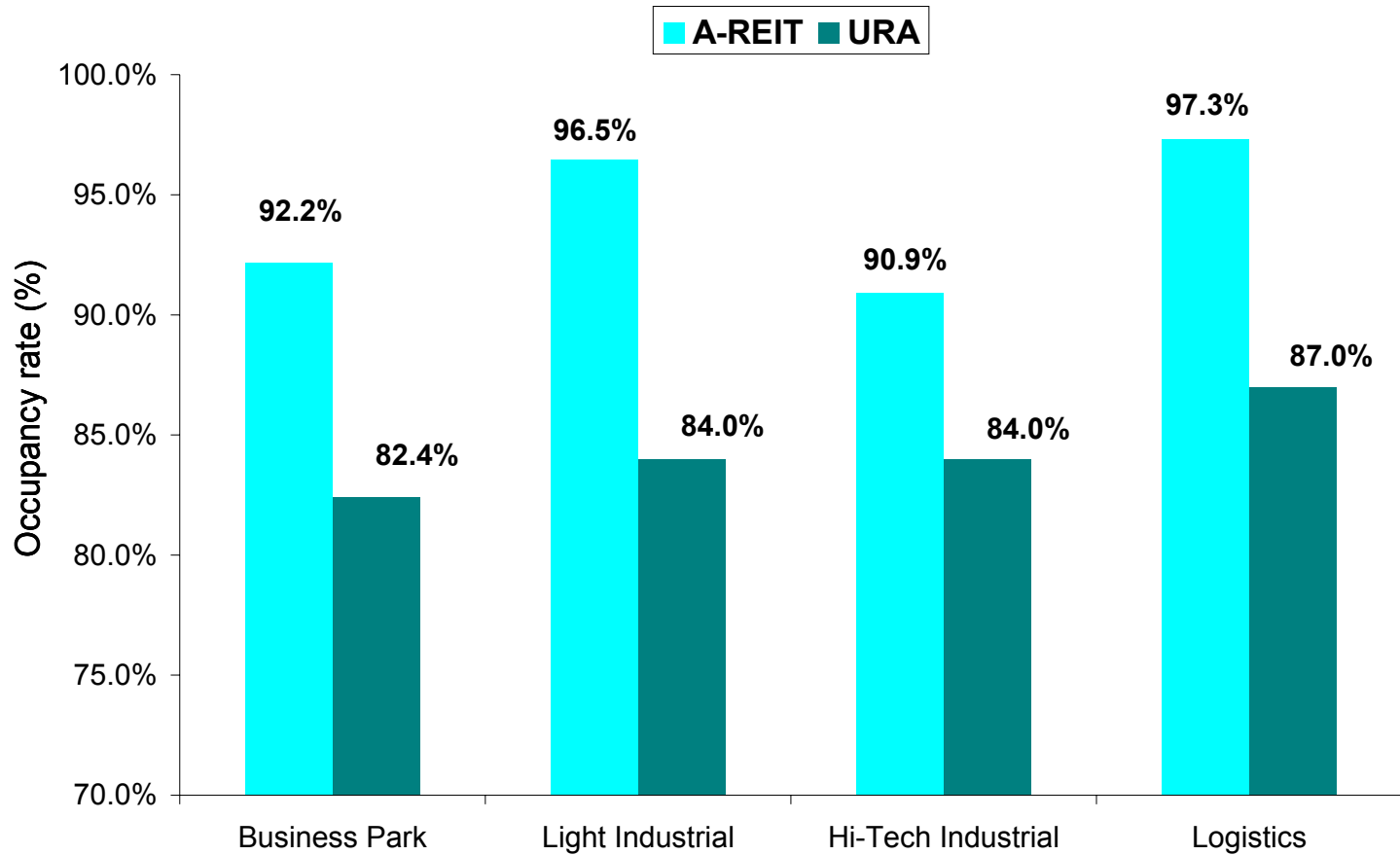
Tenants sector by net lettable area (2H FY05/06)



Sources of demand 1HFY06 vs. 2HFY06



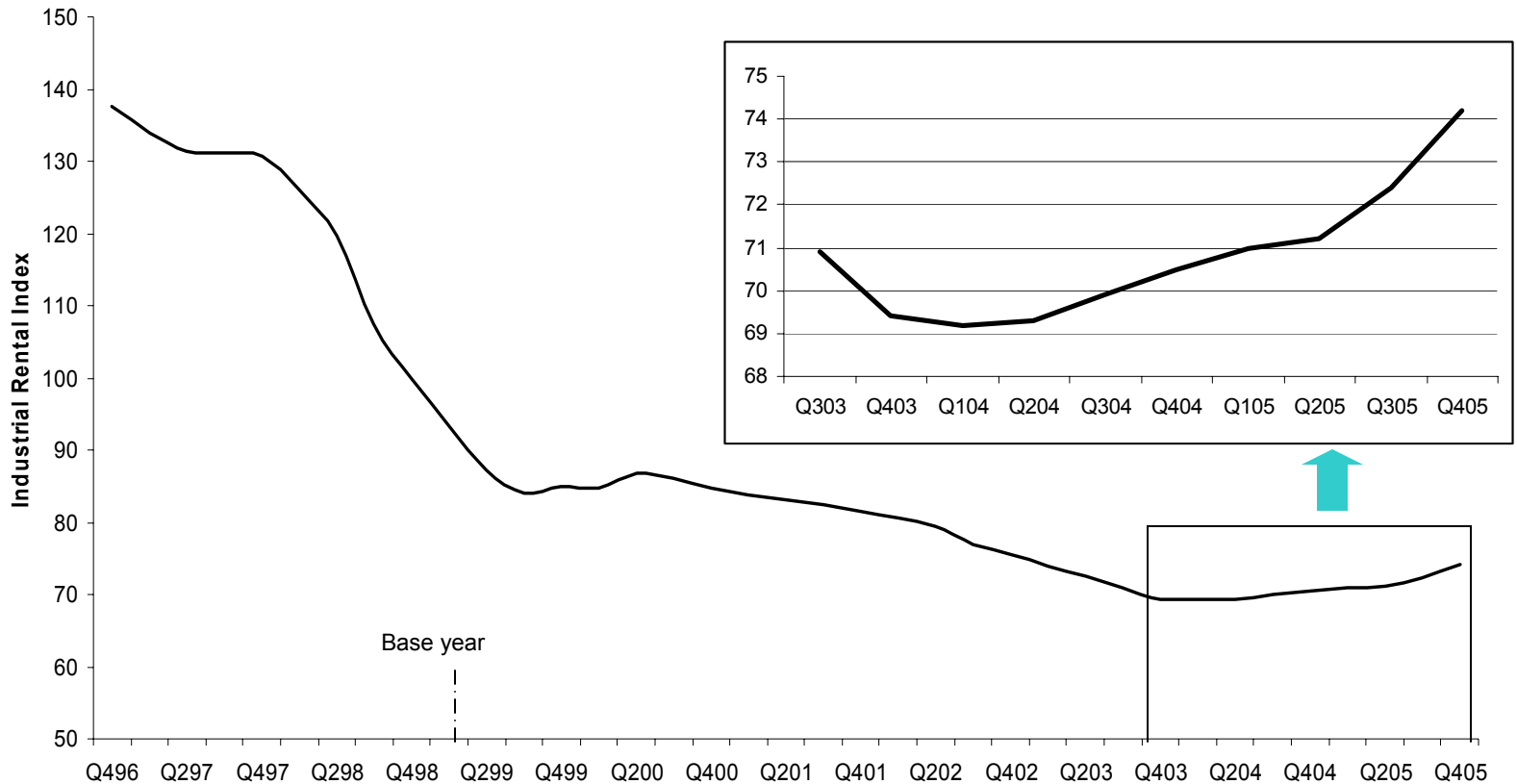
A-REIT Portfolio Occupancy Higher Than Market



Source: Urban Redevelopment Authority Official Statistics as at Dec 2005 www.ura.gov.sg and Ascendas-MGM Funds Management Limited as at March 2006

URA Industrial Rental Index

Rental index improved 2.5% in Q4 2005, and 4.5% for 2005.



Source : Urban Redevelopment Authority: December 05

Low Occupancy Buildings Improving



	Properties	As at 31 Mar 06	As at 31 Mar 05
1	The Alpha	82.4%	66.3%
2	The Gemini	67.5% ⁽¹⁾	62.7%
3	KA Centre	74.5% ⁽²⁾	57.2%
4	KA Place	57.4%	36.2%

(1): The occupancy rate for The Gemini is expected to increase to 76.2% in June 06

(2): The occupancy rate for KA Centre is expected to increase to 77.7% in April 06

Recent Acquisitions - Significant Improvement in Occupancy in 4Q06



	Properties	As at 31 Mar 06	As at 31 Dec 05
1	Techquest	100.0%	80.9%
2	11 Tampines Street 92	94.6%	90.8%
3	Pacific Tech Centre	94.2%	90.3%

Agenda

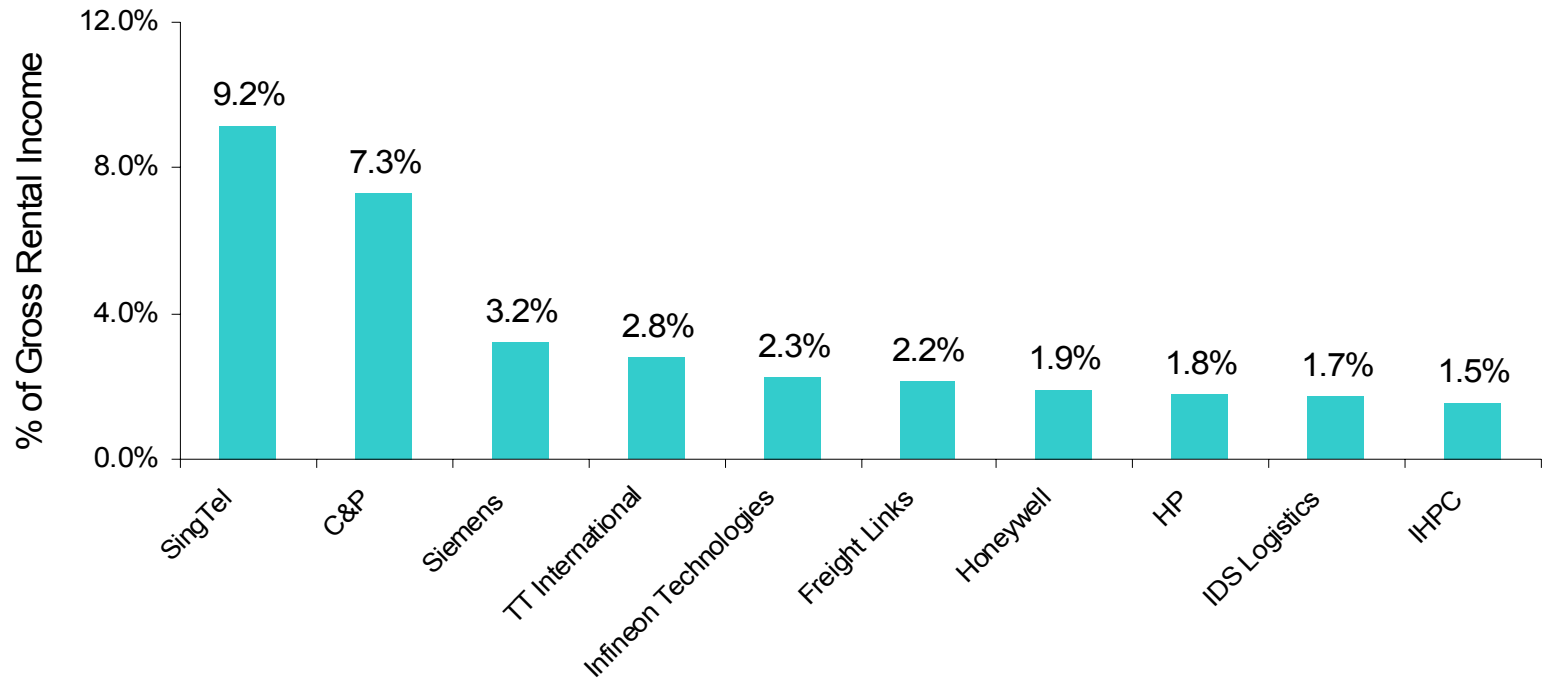
- Key highlights
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Tenant Concentration

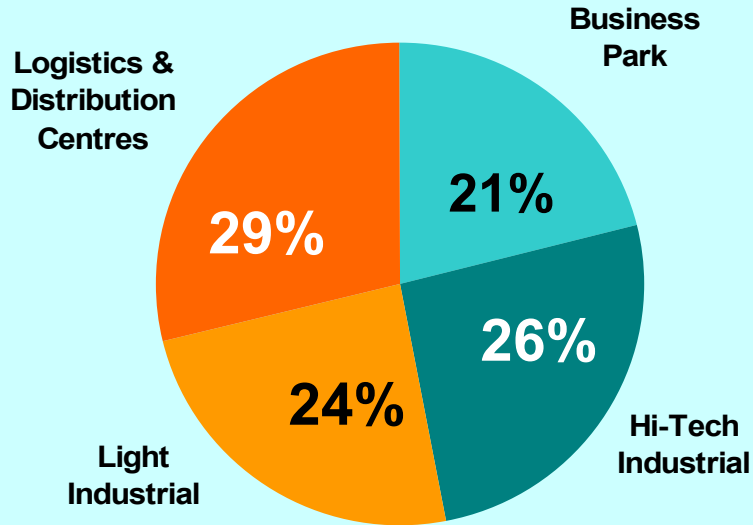
Top 10 tenants make up 33.9% of the total portfolio income compared to 44.8% in the prior corresponding period

Top 10 Tenants by Gross Rental Income

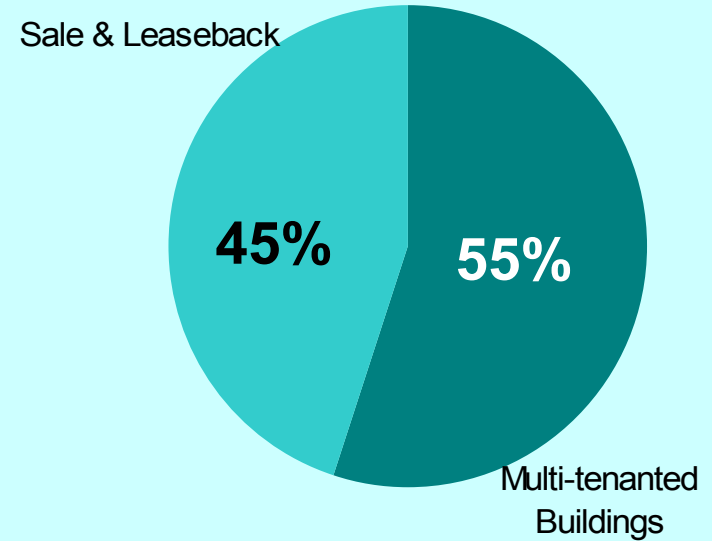


Portfolio Diversification by Value

**Asset Class
Diversification**

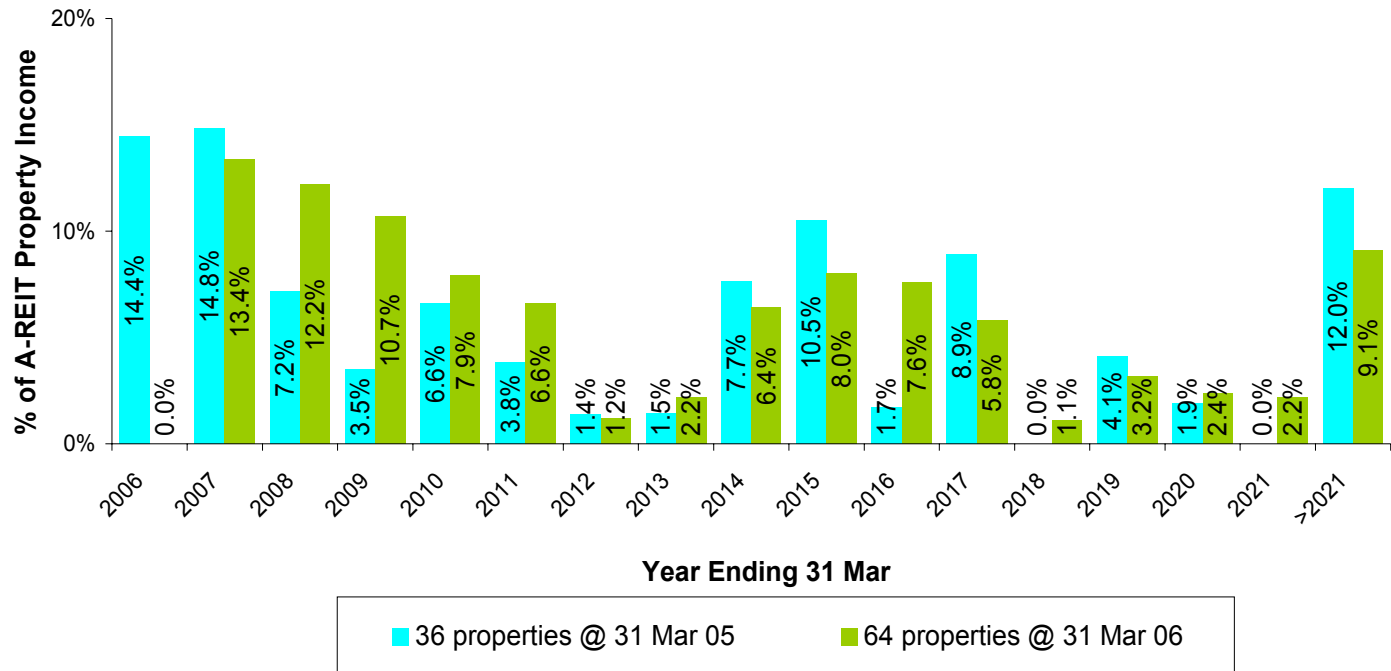


**Mix of Sale & Leaseback vs
Multi-tenanted Buildings**



Weighted Average Lease Term to Expiry

The lease expiry profile is well balanced.



	As at 31 March 2006	As at 31 March 2005
Weighted average lease term to expiry	6.7 years based on 64 properties	7.4 years Based on 36 properties

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Outlook for Singapore industrial property market

- According to CB Richard Ellis 4Q2005 Singapore Real Estate research report, the outlook for industrial property market for 2006 is positive.
- Industrial property market had bottomed out by 2005.
- Demand for industrial space has been exceeding supply since 2004Q3. As a result, occupancy rate has been on upward trend
- Demand for hi-tech and business and science park space is expected to increase, driven by government initiatives to promote new industries (eg. digital media, nanotechnology), as well as headquarter services, etc.
- Coupled with limited future new supply and continued economic growth, occupancy and rental rates are expected to improve.
- Rents for flatted factories and logistics space are expected to remain flat as there is still significant vacancies and potential new supply coming on stream.

A-REIT's strengths

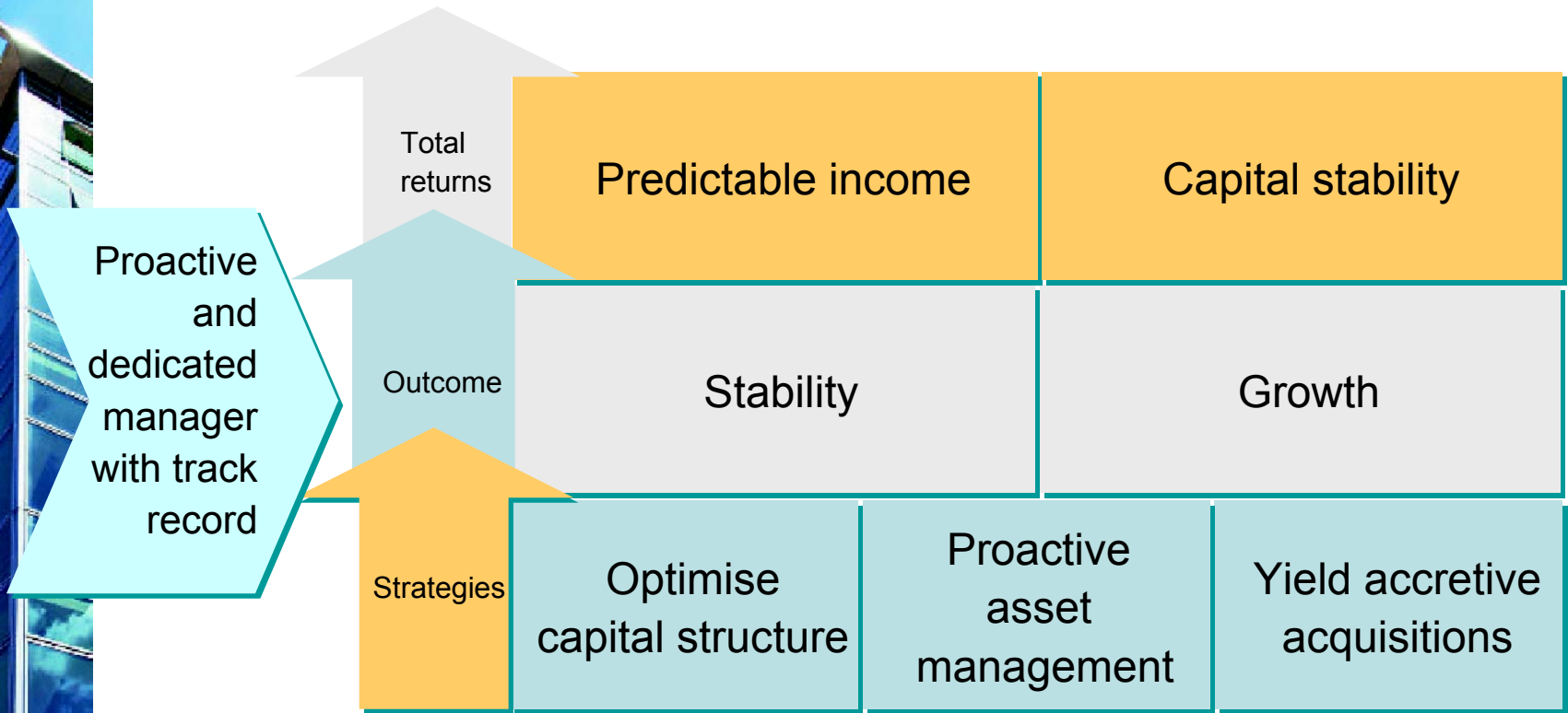
- **Well diversified:**
 - ✓ **Focus in business space and industrial property sector**
 - ✓ **Four property asset classes**
 - ✓ **Well-located quality properties**
 - ✓ **Balance of long term vs short term leases provides stability and potential for positive rental reversions**
 - ✓ **No single property accounts for more than 7% of Monthly Gross Revenue**



A-REIT's strengths

- **Market leader**
 - ✓ Ascendas has a track record of more than 20 years
 - ✓ Committed sponsors
- **Operational platform**
 - ✓ Dedicated sales/marketing, leasing and property management team of over 80 people
 - ✓ Possess in-depth understanding of this property sector
- **Customer focus**
 - ✓ Track record of customers growing with us
 - ✓ High retention ratio

A-REIT's strategies



A-REIT's strategies

A-REIT will continue to deliver stable returns via:

- **Pro-actively managing the portfolio**
 - Occupancy rates
 - Rental rates
 - Cost management
- **Acquisition pipeline**
 - Significant opportunities in Singapore
 - Right of first refusal from Ascendas properties in Singapore
 - Properties to be sold by JTC
- **Optimising capital structure**
 - Maintain a long-term optimal gearing of 45%
 - Continue to optimise interest rate hedging profile



Q & A



Thank you

Important Notice

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