
HEKTAR REIT



**HEKTAR REIT
FIRST QUARTER 2008
FINANCIAL RESULTS PRESENTATION**

HEKTAR ASSET MANAGEMENT SDN BHD

5 MAY 2008

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Financial Summary



Financial Summary – First Quarter 2008

First Quarter 2008	1 Jan 2008 – 31 Mar 2008 (3 Months)
Operational Performance	Net Property Income up 18.2% over Budget*
1st Quarter DPU	2.40 sen 6.9% yield**
Updates	Frasers Centrepoint on Board Closing of Muar Acquisition

*As per Hektar REIT Prospectus dated 15 November 2006.

** Based on DPU (annualised) and closing price of RM1.40 on 30 April 2008. DPU = Dividend Per Unit



Distribution Details

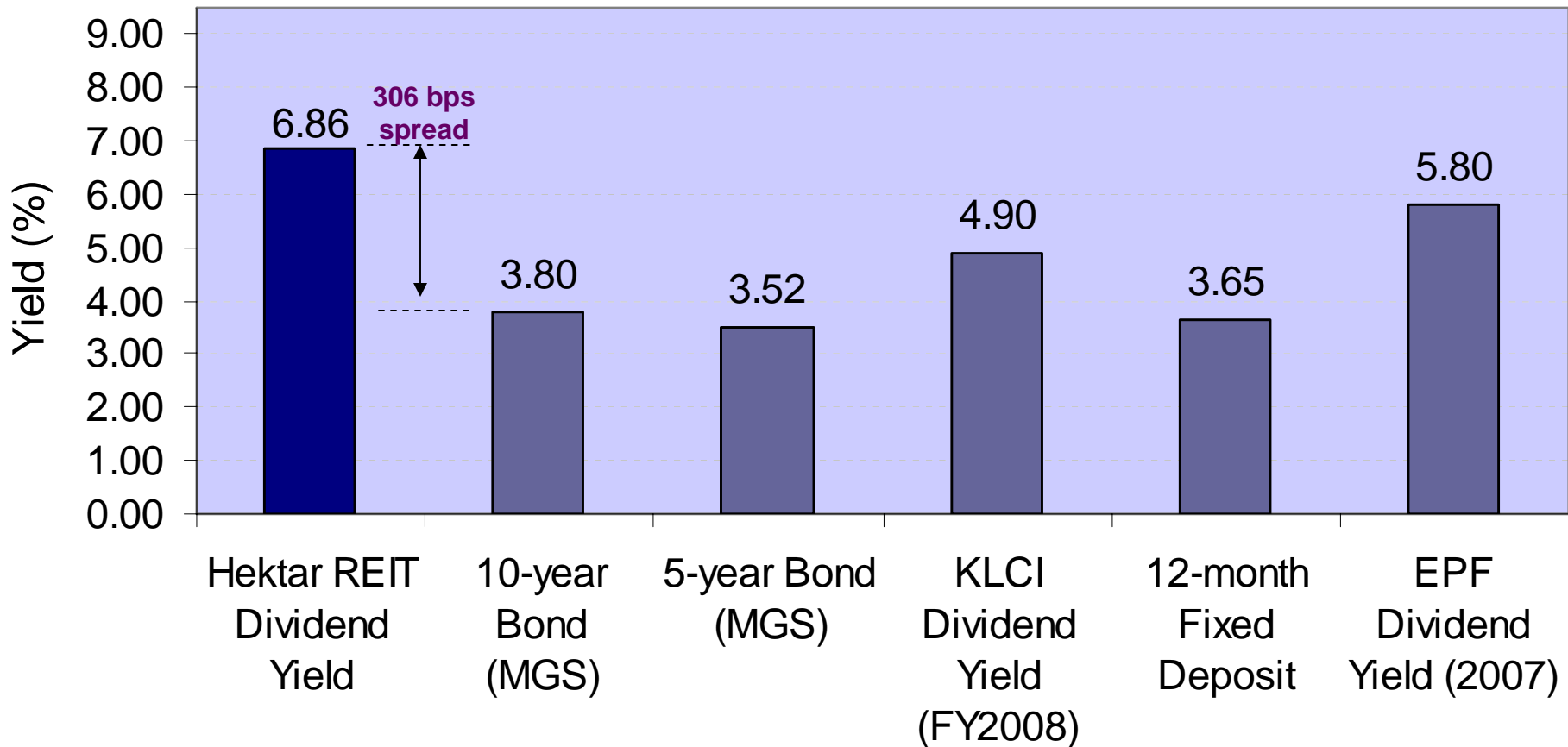
Hektar REIT Quarterly Dividend Timeline

Distribution Period
1 January 2008 – 31 March 2008
Quarterly DPU
2.40 sen
Notice of Entitlement
5 May 2008
Ex-Dividend Date
16 May 2008
Book Closure Date
21 May 2008
Distribution Payment Date
3 June 2008

Comparative Yields - Malaysia

Hektar REIT Dividend Yield Spread (FY2008)

- Traded at a 306 bps spread over MGS 10-year as at 30 April 2008



Sources: Bloomberg, The Star, Estimates. Hektar REIT yield based on closing price of RM1.40 on 30 April 2008 and annualised DPU of 2.4 sen for 1Q2008.



Updates

Frasers Centrepoint on Hektar Board

- Hektar Asset Management Board Size Expanded to 8
- 2 Directors from Frasers Centrepoint Asset Management (Malaysia)
- First Joint Board Meeting on 5 May 2008

Portfolio Updates

- Turnover Rent for FY2007: RM0.42 million
- Continuing Sold Lot Acquisitions
 - 1Q08: Lot acquired in Subang Parade for RM0.88 million

Acquisition Updates

- Muar Acquisition completed on 30 April 2008
 - Management Transition in Progress
- Continuing Due Diligence Initiatives on retail throughout Malaysia

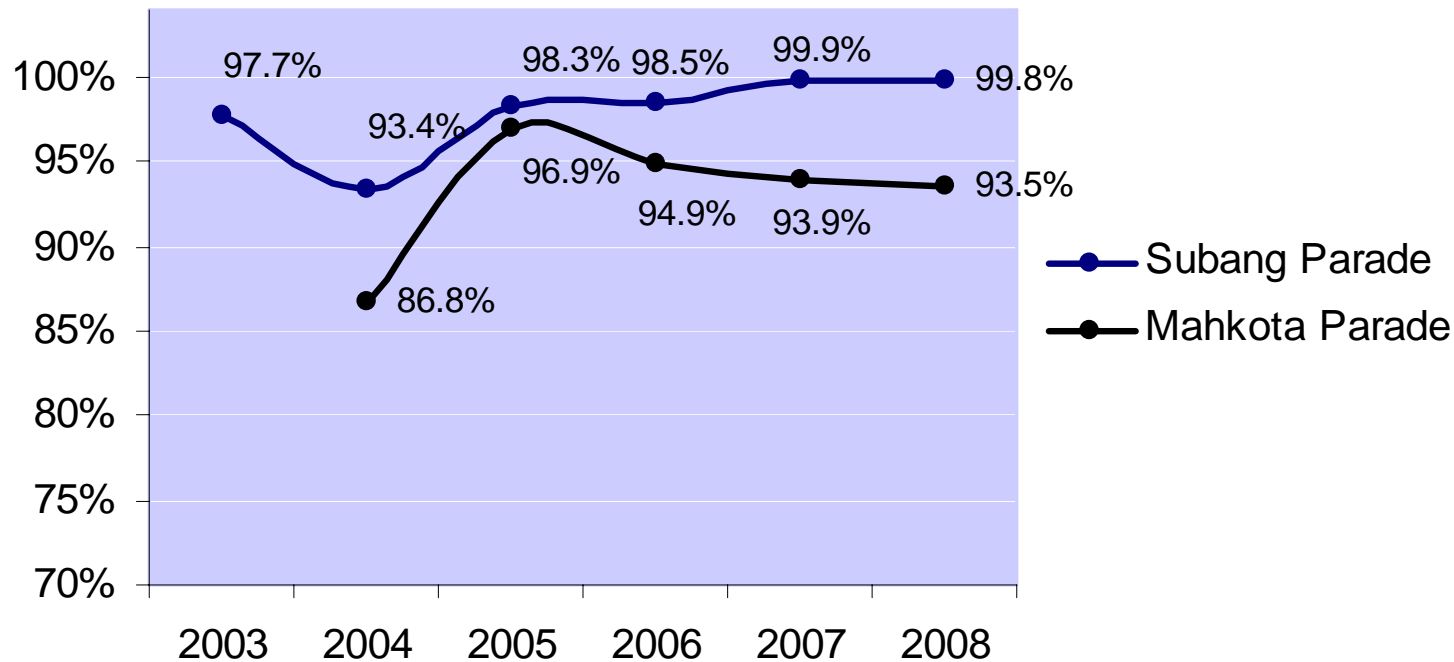
Portfolio Performance



Hektar's Portfolio - Occupancy

Portfolio occupancy holding well as of 1Q 2008

Property	As of 31 December 2003	As of 31 December 2004	As of 31 December 2005	As of 30 September 2006	As of 31 December 2007	As of 31 March 2008
Subang Parade	97.7%	93.4%	98.3%	98.5%	99.9%	99.8%
Mahkota Parade		86.8%	96.9%	94.9%	93.9%	93.5%
Total / Overall	97.7%	91.3%	97.6%	96.7%	96.9%	96.6%





Hektar's Portfolio – Rental Reversions

First Quarter 2008 – Rental Reversions Flat

- Reversions flat in Melaka market (Mahkota Parade)
- Reversions 8% in Subang Parade for renewals / new tenancies
- 1Q08: Total of 18 renewals / new tenancies representing 4% of NLA

First Quarter (3 months) (Ending 31 March)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	3	16,824	4%		8%
Mahkota Parade	15	22,348	5%		-1%
Portfolio Total / Average	18	39,172	4%		1%

Hektar's Portfolio – Tenancy Expiry Profile

Hektar's Tenancy Expiry Profile 2008 – 2011

- By Property (as of 31 March 2008)



Subang Parade For Year Ended 31 December	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income*
FY 2008**	29	223,224	47%	31%
FY 2009	31	47,425	10%	19%
FY 2010	42	135,174	28%	34%
FY 2011	17	61,195	13%	13%



Mahkota Parade For Year Ended 31 December	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income*
FY 2008**	32	292,402	62%	47%
FY 2009	29	61,189	13%	21%
FY 2010	40	59,507	13%	29%
FY 2011	3	3,655	1%	2%

* Based on monthly rental income for March 2008.

**Major Anchor Tenant Parkson has tenancy renewal options for up to 9 years, commencing in 2008.

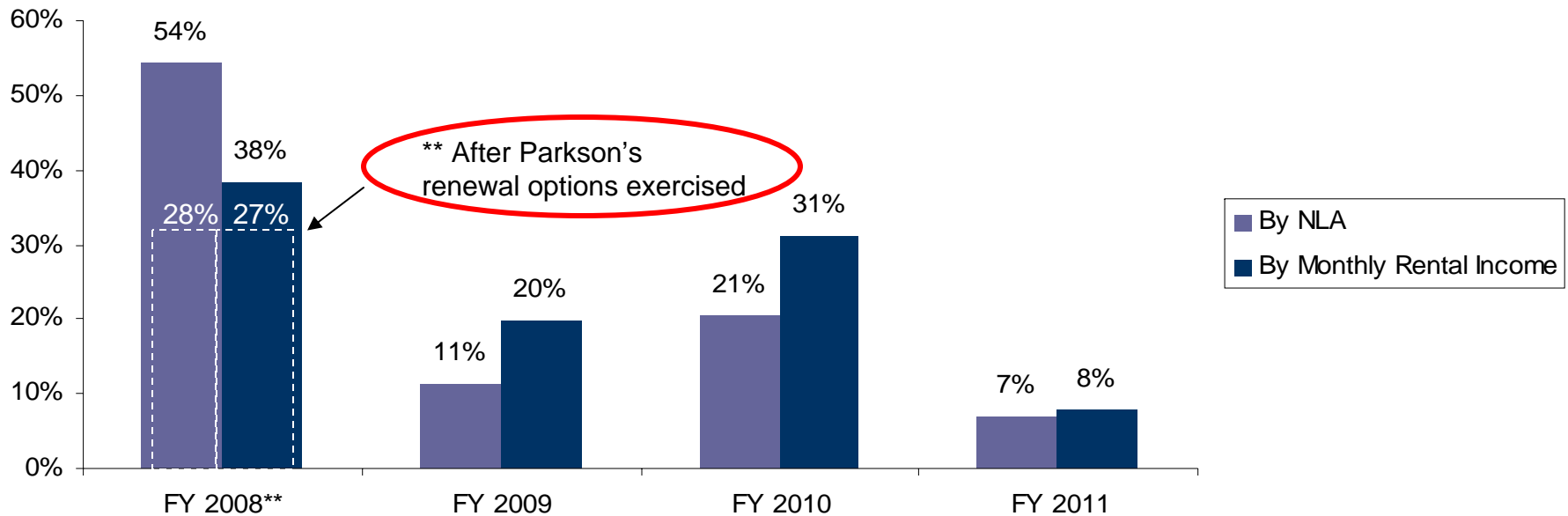


Hektar's Portfolio – Tenancy Expiry Profile

Portfolio Tenancy Expiry Profile 2008 – 2011

- Combined Portfolio (as of 31 March 2008)

Portfolio For Year Ended 31 December	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income*
FY 2008**	61	515,626	54%	39%
FY 2009	60	108,614	11%	20%
FY 2010	82	194,681	21%	31%
FY 2011	20	64,850	7%	8%



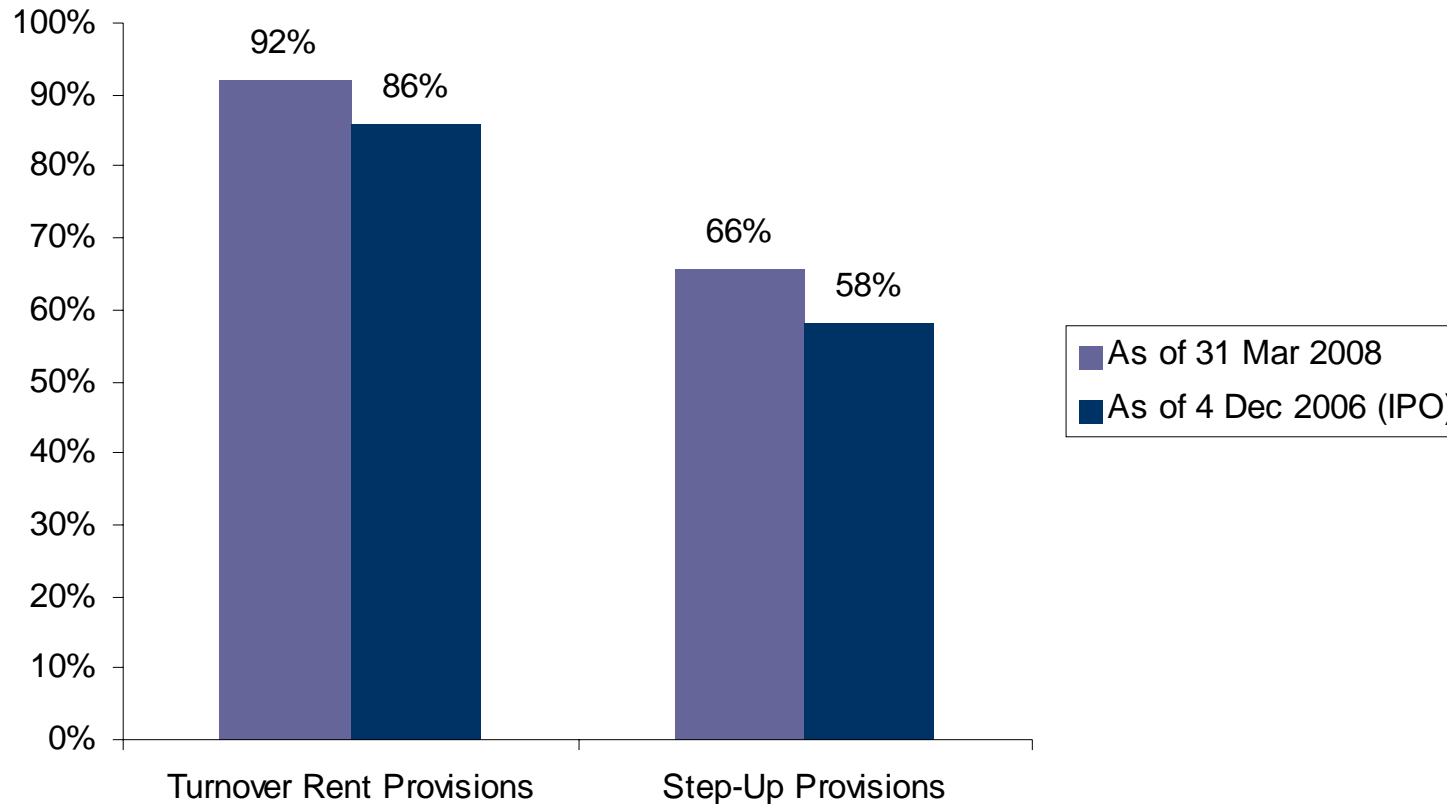
* Based on monthly rental income for March 2008. NLA = Net Lettable Area

**Major Anchor Tenant Parkson has tenancy renewal options for up to 9 years, commencing in 2008.

Hektar's Portfolio – Step-Up & Turnover

Hektar Tenancy Provisions

- Turnover Rent reported by 92% of tenancies vs 86% at IPO
- Step-Up provisions in 66% of tenancies vs 58% at IPO



IPO = Initial Public Offering, 4 December 2006

Financial Results

Income Statement

Gross Revenues up 10.3% over budget

For Period 1 January 2008 – 31 March 2008

	Actual (RM '000)	Budget (RM '000)	Variance (%)
Gross Rental Income			
Revenue from Tenancy	17,041	15,663	+ 8.8%
Car Park	1,740	1,358	+ 28.1%
Gross Revenues	<u>18,781</u>	<u>17,021</u>	<u>+ 10.3%</u>
Direct Cost & Property Expenses			
Property Management Fees	(376)	(369)	- 1.8%
Assessment, Quit Rent & Insurance	(782)	(909)	+ 14.0%
Other Operating Expenses	(5,605)	(5,573)	- .6%
Total Property Expenses	<u>(6,763)</u>	<u>(6,851)</u>	<u>+ 1.3%</u>
Trust Fees & Expenses			
Manager's fee			
Base Fee	(372)	(348)	- 6.9%
Performance Fee	(434)	(407)	- 6.6%
Trustee's fee	(33)	(31)	- 9.1%
Valuation fee	(13)	(13)	- .0%
Administration expenses	(541)	(100)	- 441.3%
Total Trust Fees & Expenses	<u>(1,393)</u>	<u>(898)</u>	<u>- 55.1%</u>

Budget based on FY2008 figures from Hektar REIT initial public offering prospectus dated 15 November 2006.

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Income Statement Summary – 1Q08

1st Quarter Net Property Income exceeds budget by 18.2%

For Period 1 January 2008 – 31 March 2008

First Quarter 2008	Actual (RM '000)	Budget (RM '000)	Variance (%)
Gross Revenue	18,781	17,021	+ 10.3%
Direct Cost & Property Expenses	(6,763)	(6,851)	+ 1.3%
Net Property Income (NPI)	<u>12,018</u>	<u>10,171</u>	<u>+ 18.2%</u>
Interest & Other Income	33	57	- 41.1%
Total Income	<u>12,051</u>	<u>10,227</u>	<u>+ 17.8%</u>
Trust Fees & Expenses	(1,393)	(898)	- 55.1%
Interest Expense	(1,929)	(2,691)	+ 28.3%
Net Income Before Tax - Realised	<u>8,730</u>	<u>6,639</u>	<u>+ 31.5%</u>
Net Income per Unit (sen)	2.73	2.07	31.5%

Budget based on FY2008 figures from Hektar REIT initial public offering prospectus dated 15 November 2006.

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Balance Sheet (as of 31 March 2008)

	RM ('000)
Non Current Assets	
Investment Properties	559,405
Current Assets	
Accounts Receivable	963
Work In Progress	3,386
Other Debtor / Prepayment / Deposits	17,837
Cash and Bank Balances	16,137
	38,324
Total Assets	597,729
Current Liabilities	
Other Creditors & Accruals	2,116
Advances Received	427
Tenancy Deposits	16,318
Provision for income distribution	7,680
	26,541
	571,188
Financed by:	
Unitholders' Capital	328,137
Retained earnings - realised	3,460
Retained earnings - unrealised	43,842
Net Asset Value ("NAV")	375,438
Long Term Liabilities	
Borrowings	195,750
	571,188

No. of Units
320,001,000
Net Asset Value Per Unit
1.17
Unit Price, 31 March 2008
1.35
Premium / (Discount) NAV
15%

Debt Structure
AI-Murabahah / OD
Gearing (Debt/GAV)**
32.7%
Interest Expense
4.95% (2008)

***Gearing Limited for Malaysian REITs:
50% of GAV (Gross Asset Value)*





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“CREATING THE PLACES WHERE PEOPLE LOVE TO SHOP”