
HEKTAR REIT



HEKTAR REIT
SECOND QUARTER 2009
FINANCIAL RESULTS PRESENTATION

HEKTAR ASSET MANAGEMENT SDN BHD

11 AUGUST 2009

PRIVATE & CONFIDENTIAL



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About Hektar

Hektar Real Estate Investment Trust (Hektar REIT) is Malaysia's first retail-focused REIT. Hektar REIT's principal objective is to provide its Unitholders with a defensible income distribution and to enhance the long-term value of the fund. Hektar REIT invests in income-producing real estate primarily used for retail purposes.

Hektar REIT's portfolio mainly consists of quality shopping centres situated in Subang Jaya, Melaka and Muar with a combined value of RM713.4 million as of 31 December 2008. Hektar REIT was listed on the Main Board of Bursa Malaysia Securities Berhad on 4 December 2006 and has outperformed its forecast in its first two years of listing.

The REIT's cornerstone investor is Frasers Centrepoint Trust, part of the Fraser & Neave Group, headquartered in Singapore. Hektar REIT is managed by Hektar Asset Management Sdn. Bhd., a part of the Hektar Group.

The Hektar Group was formed with a vision to develop world-class shopping centres for Malaysian consumers, based on international best practices.

For more information, please refer to the back page of this Presentation for Contact Information.



Financial Summary

Second Quarter 2009

1 April 2009 – 30 June 2009

Three months

Commentary

- Asset Enhancement Commencing at Mahkota Parade
- Hektar REIT trading at 29%



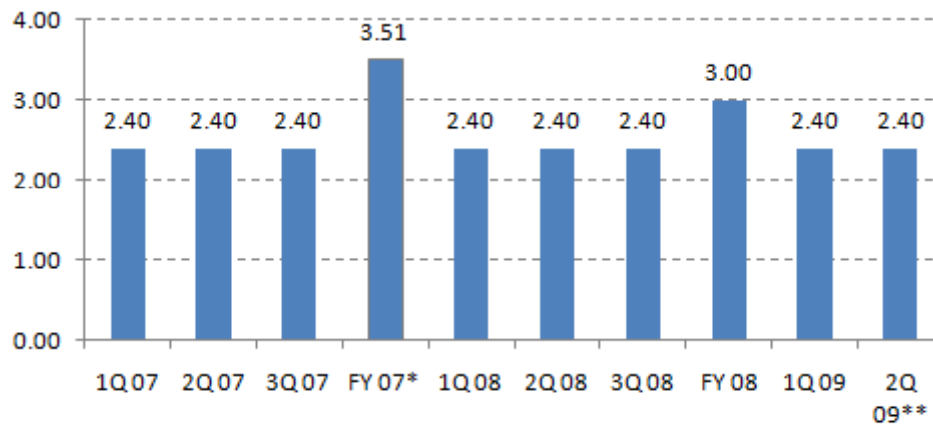
Hektar REIT Pays Quarterly Dividend Per Unit (DPU)

Current Dividend Distribution Details

Second Quarter 2009

- Distribution Period: 1 April – 30 June 2009
- Quarterly DPU: 2.40 sen
- Notice of Entitlement: 11 August 2009
- Ex-Dividend Date: 25 August 2009
- Book Closure Date: 27 August 2009
- Distribution Payment Date: 11 September 2009

Dividend Distribution Track Record



* FY 07 represented a 13 month period from December 2006 to 31 December 2007

** Proposed DPU

Hektar REIT Dividend Policy

Barring unforeseen circumstances, Hektar REIT will pay dividends equivalent to at least 90% of annual net income for the year on a quarterly basis, of which

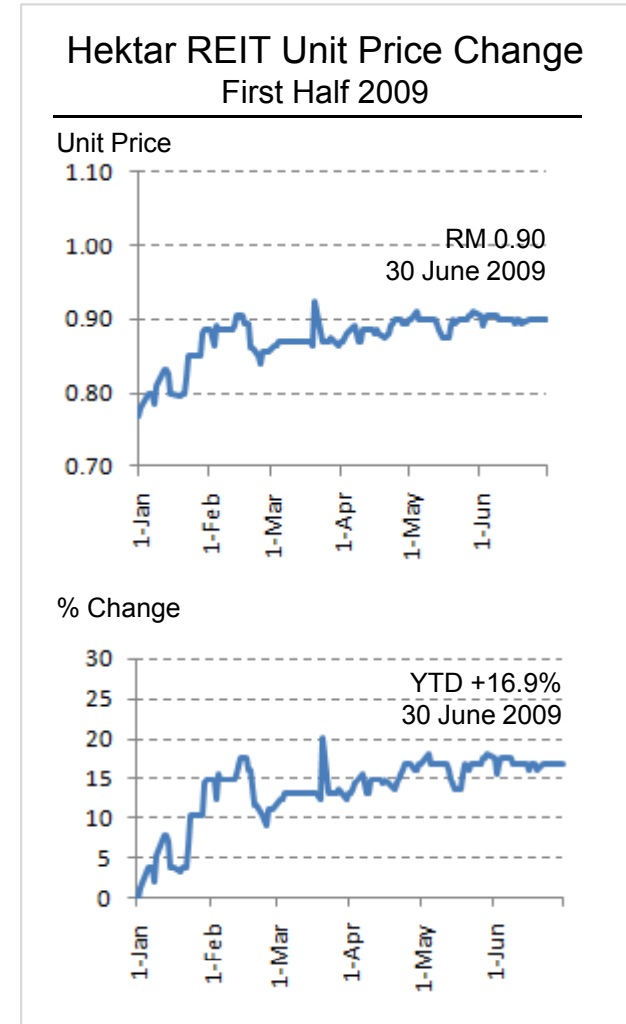
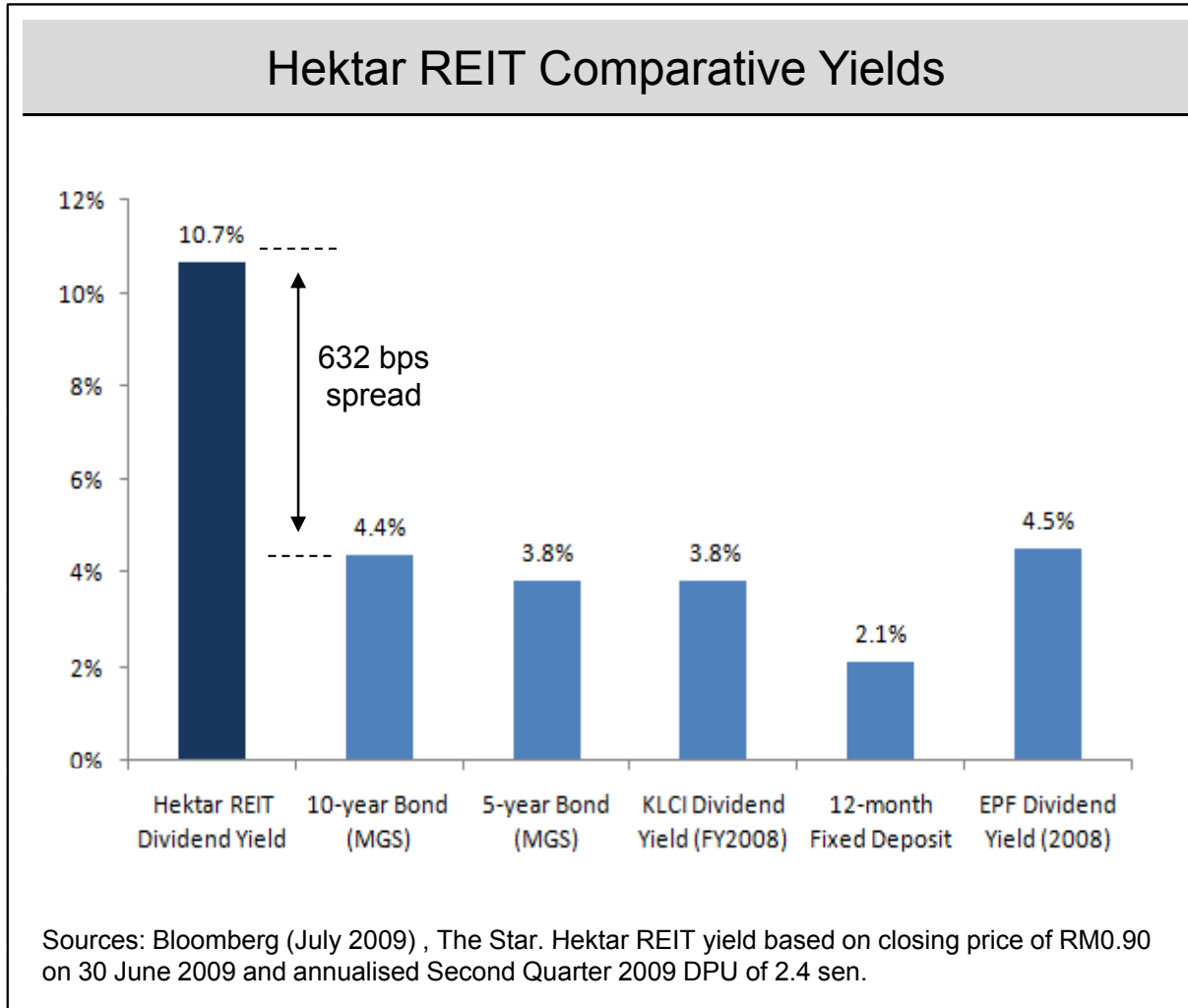
- the first three quarters will be 2.40 sen;
- the final dividend will be the balance.



Comparative Yields - Malaysia

Hektar DPU Dividend Yield at annualised 10.7%

- Traded at a 632 bps spread over MGS 10-year



Portfolio Performance

- Overall Occupancy at ~97.0% ►
- Diversified Portfolio Tenancy Mix ►
- Top Ten Tenants Contribute 26.5% of Monthly Rental Income ►
- Rental Reversions down 9% ►
- Tenancy Expiry Profile by Property ►
- 90% of Portfolio Tenancy Rental Income Locked-in for 2009 ►
- Tenancy Provisions ►



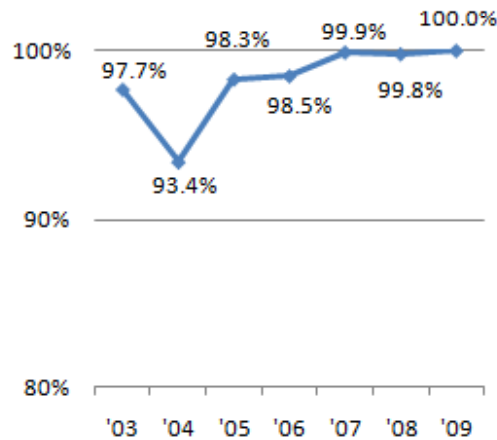
Overall Portfolio Occupancy at ~97.0%

Hektar REIT Portfolio Occupancy

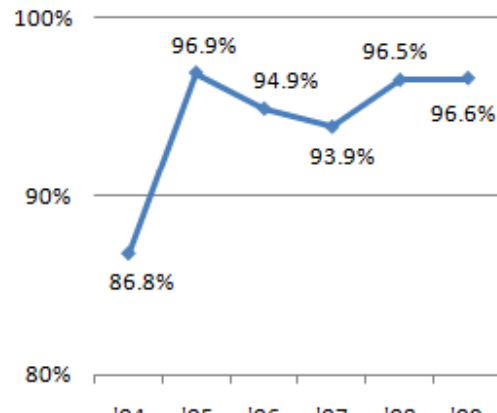
Property	As at 31 December 2003	As at 31 December 2004	As at 31 December 2005	As at 30 September 2006	As at 31 December 2007	As at 31 December 2008	As at 30 June 2009
Subang Parade	97.7%	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%
Mahkota Parade		86.8%	96.9%	94.9%	93.9%	96.5%	96.6%
Wetex Parade						83.1%	89.6%
Overall*	97.7%	91.3%	97.6%	96.7%	96.9%	95.8%	97.0%

*Approximate average, weighted by Net Lettable Area.

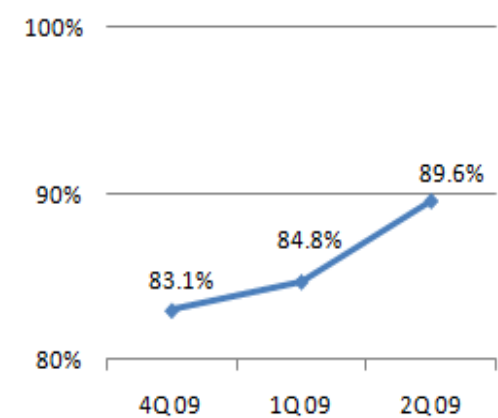
Subang Parade Occupancy (%)



Mahkota Parade Occupancy (%)

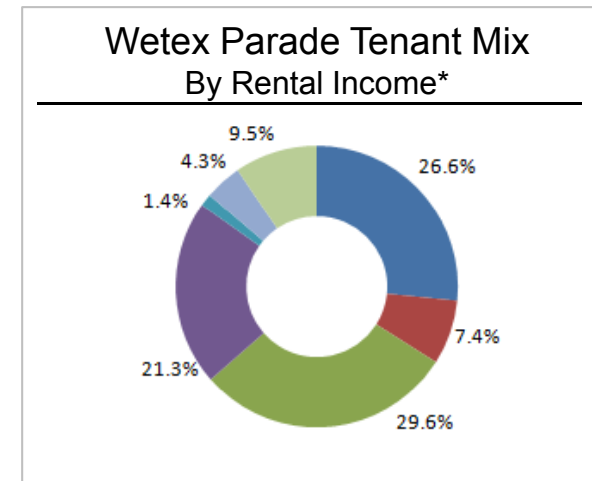
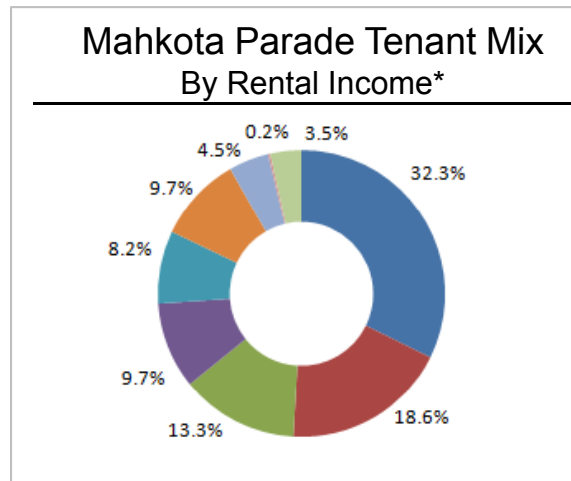
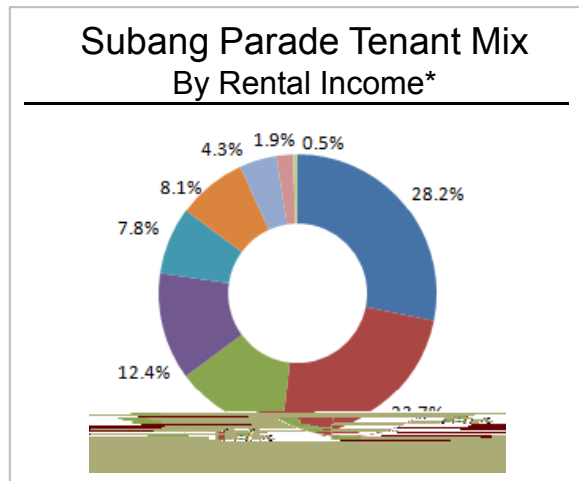
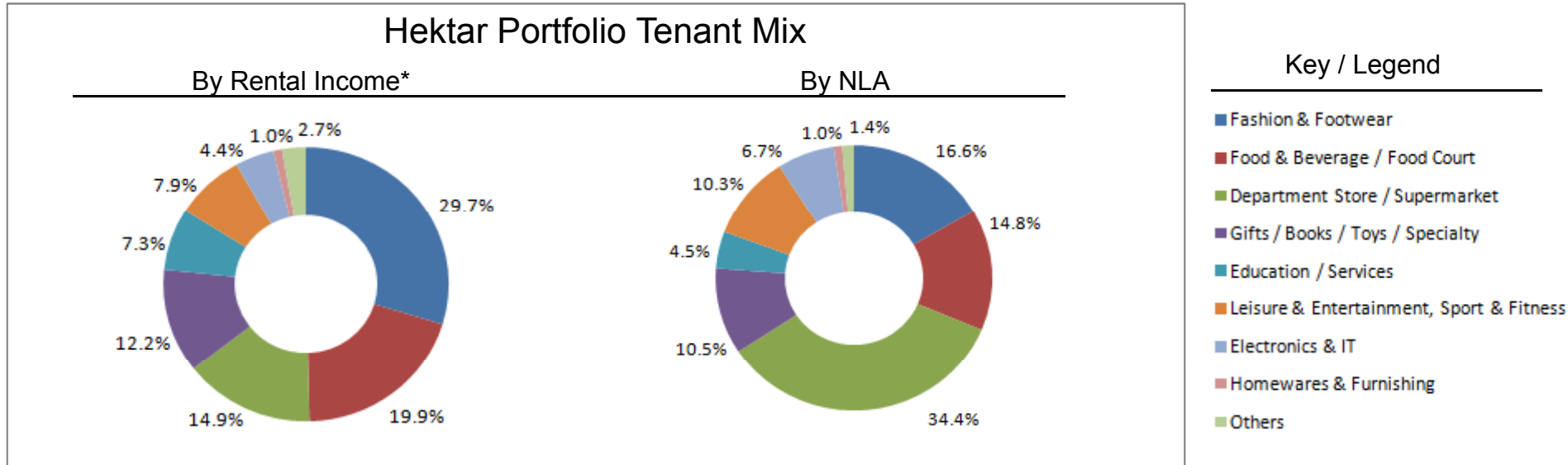


Wetex Parade Occupancy (%)



Diversified Portfolio Tenant Mix

- Fashion, Footwear, F&B are largest sectors within overall portfolio



* Based on monthly rental income for June 2009. NLA = Net Lettable Area



Top Ten Tenants Contribute 26.5% of Monthly Rental Income

- Default Risk: Parkson contributes ~10.6% of total monthly rental income to REIT and no other tenant contributes more than ~2.9%

Hektar REIT Top Ten Tenants by Monthly Rental Income

As at 31 March 2009

Tenant	Trade Sector	NLA (sq ft)	% of Total NLA	% of Monthly Rental Income*
1 Parkson	Department Store	254,009	22.9%	10.6%
2 The Store	Department Store	91,357	8.2%	2.9%
3 Bata	Fashion & Footwear	8,409	0.8%	2.1%
4 McDonald's	Food & Beverage	12,946	1.2%	1.9%
5 The Reject Shop	Fashion & Footwear	17,695	1.6%	1.8%
6 Ampang Superbowl	Leisure & Entertainment	36,717	3.3%	1.5%
7 World Of Sports	Fashion & Footwear	10,796	1.0%	1.5%
8 Kenny Rogers Roasters	Food & Beverage	7,096	0.6%	1.5%
9 K.F.C.	Food & Beverage	10,282	0.9%	1.4%
10 Bonia	Fashion & Footwear	4,835	0.4%	1.3%
Top 10 Tenants		454,142	41.0%	26.5%
Other Tenants		654,581	59.0%	73.5%
Total		1,108,723	100.0%	100.0%

* Based on monthly rental income for June 2009. NLA = Net Lettable Area



Rental Reversions down 9%

- 2Q 09: 25 new tenancies / renewals at an average 9% lower rental rate
- Year-To-Date rental reversions at -2%

Hektar REIT Rental Reversions				
Second Quarter (3 months) (Ended 30 June)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent
Subang Parade	3	4,909	1%	1%
Mahkota Parade	8	12,715	3%	-22%
Wetex Parade	14	12,811	8%	7%
Total / Average*	25	30,435	3%	-9%
1H 2009 (6 months) (Ended 30 June)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	7	13,258	3%	4%
Mahkota Parade	21	38,824	8%	-7%
Wetex Parade	14	12,811	7%	6%
Total / Average*	42	64,893	6%	-2%

Decline attributed mainly to 1 large specialty fashion retailer

*Average Weighted by NLA. NLA = Net Lettable Area

Hektar's Tenancy Expiry Profile by Property

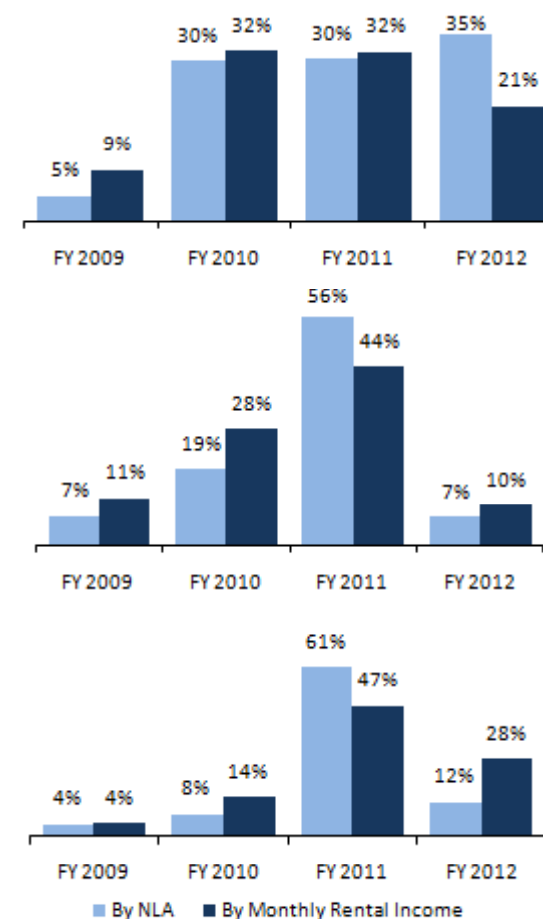
Hektar REIT Tenancy Expiry Profile by Property

As At 30 June 2009

Subang Parade For Year Ending 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 2009	14	21,908	5%	9%
FY 2010	47	141,506	30%	32%
FY 2011	45	143,431	30%	32%
FY 2012	19	165,886	35%	21%

Mahkota Parade For Year Ending 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 2009	13	33,575	7%	11%
FY 2010	37	87,628	19%	28%
FY 2011	38	261,677	56%	44%
FY 2012	23	31,705	7%	10%

Wetex Parade For Year Ending 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 2009	7	7,279	4%	4%
FY 2010	17	13,210	8%	14%
FY 2011	19	102,041	61%	47%
FY 2012	30	20,179	12%	28%



* Based on monthly rental income for June 2009. Note: figures do not round to 100% due to misc items



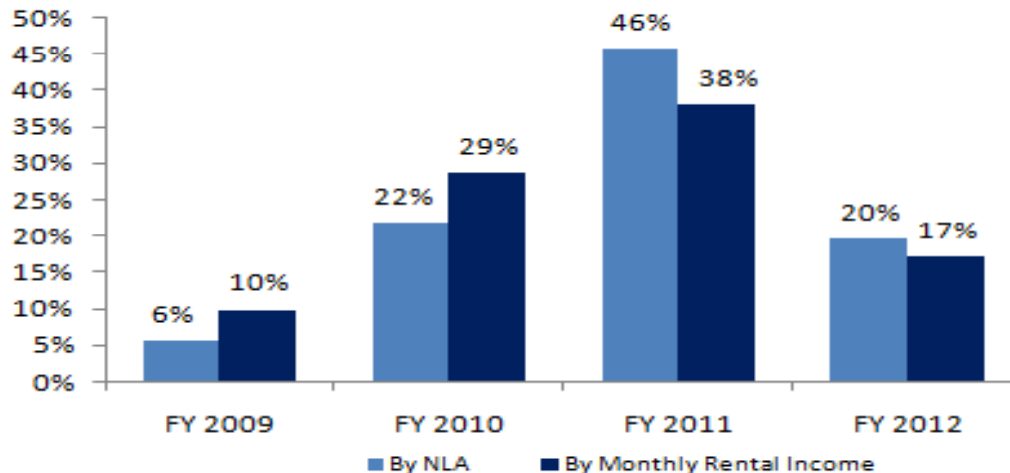
90% of Portfolio Tenancy Rental Income Locked-in for 2009

- Remaining FY2009 tenancy expiries account for no more than 10% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As At 30 June 2009

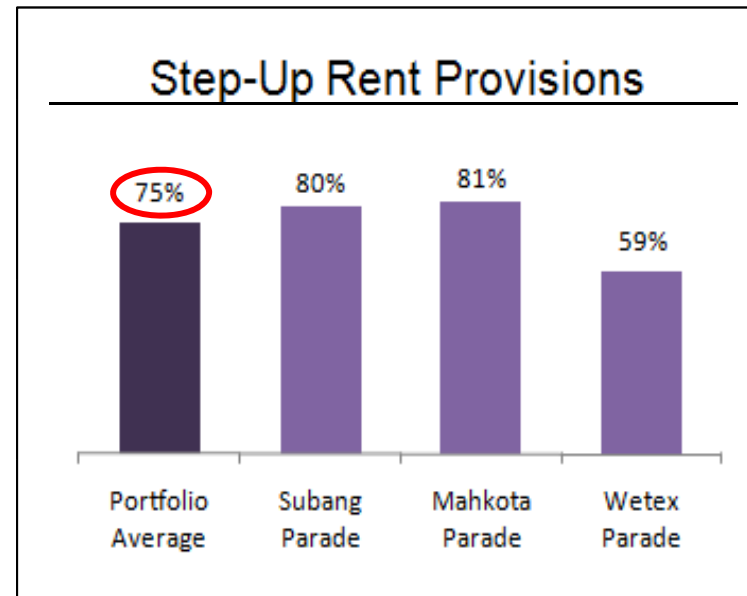
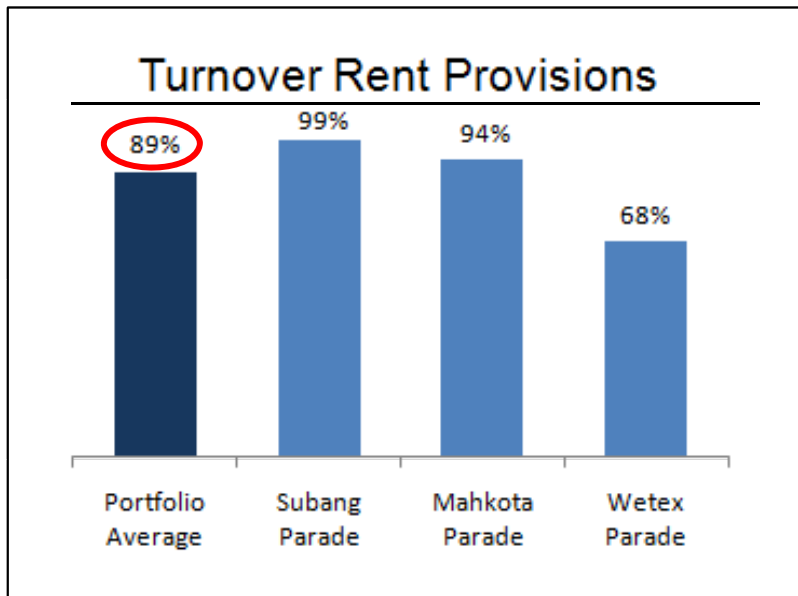
Portfolio For Year Ending 31 December	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income*
FY 2009	34	62,762	6%	10%
FY 2010	101	242,344	22%	29%
FY 2011	102	507,149	46%	38%
FY 2012	72	217,770	20%	17%



* Based on monthly rental income for June 2009. NLA = Net Lettable Area

Hektar Portfolio Tenancy Provisions

- Turnover Rent Provisions: Portfolio average of 89% of tenancies
- Step-Up Rent Provisions: Portfolio average of 75% of tenancies
- Wetex Parade: implementing provisions for new tenancies / renewals



Notes: Data as at 30 June 2009. Wetex Parade acquired in May 2008. Turnover Rent Provision: rent calculated as a proportion of annual turnover of the tenant's business. Turnover Rent is paid to the REIT if it exceeds the base rent specified in the tenancy agreement on an annual basis. Step-Up Rent Provision: Specified in tenancy agreement as a pre-determined increase in rent at defined intervals during a tenancy agreement, typically each year. Forms the base rent of any tenancy agreement.

Financial Results

- Gross Revenue up 19.4% over budget ►
- Second Quarter 2009 Net Income exceeds Budget by 15.4% ►
- Second Quarter '09 Net Income down from previous quarter by 5.9% ►
- Year-To-Date Net Income down from previous period by 0.9% ►
- Hektar trading at a 29% discount to NAV as at end 2Q09 ►



Revenues & Expenses

Gross Revenue up 19.4% over Budget

For Period 1 April – 30 June 2009

Revenue & Expense	Actual	Budget	Variance
Second Quarter 2009 (Unaudited)	(RM '000)	(RM '000)	(%)
Rental Income			
Revenue from Tenancy	20,041	16,874	+ 18.8%
Car Park	1,809	1,430	+ 26.5%
Revenue	21,850	18,304	+ 19.4%
Direct Cost & Property Expenses			
Property Management Fees	(437)	(380)	- 15.2%
Assessment, Quit Rent & Insurance	(739)	(774)	+ 4.6%
Other Operating Expenses	(7,715)	(5,969)	- 29.2%
Total Property Expenses	(8,891)	(7,123)	- 24.8%
Trust Fees & Expenses			
Manager's fee			
Base Fee	(463)	(348)	- 33.0%
Performance Fee	(469)	(416)	- 12.7%
Trustee's fee	(36)	(31)	- 17.7%
Valuation fee	(13)	(13)	- .0%
Administration expenses	(110)	(100)	- 10.4%
Total Trust Fees & Expenses	(1,090)	(907)	- 20.2%

Note: Budget based on FY2009 figures from Hektar REIT's Initial Public Offering Prospectus dated 15 November 2006.



Income Statement – Quarter

Second Quarter '09 Net Income exceeds Budget by 15.4%

For Period 1 April – 30 June 2009 (versus Budget)

Income Statement Second Quarter 2009 (Unaudited)	Actual (RM '000)	Budget (RM '000)	Variance (%)
Revenue	21,850	18,304	+ 19.4%
Direct Cost & Property Expenses	(8,891)	(7,123)	- 24.8%
Net Property Income (NPI)	12,959	11,181	+ 15.9%
Interest & Other Income	25	88	- 71.1%
Total Income	12,984	11,268	+ 15.2%
Trust Fees & Expenses	(1,090)	(907)	- 20.2%
Interest Expense	(3,042)	(2,691)	- 13.0%
Net Income Before Tax - Realised	8,852	7,670	+ 15.4%
Net Income per Unit (sen)	2.77	2.40	+ 15.4%

Note: Budget based on FY2009 figures from Hektar REIT's Initial Public Offering Prospectus dated 15 November 2006.



Income Statement – Quarter Comparative

Second Quarter '09 Net Income down 5.9% v previous quarter

For Period 1 April – 30 June 2009 (versus previous comparable period)

Income Statement	2Q09	2Q08	Variance
Second Quarter 2009 (Unaudited)	(RM '000)	(RM '000)	(%)
Revenue	21,850	20,888	+ 4.6%
Direct Cost & Property Expenses	(8,891)	(7,401)	- 20.1%
Net Property Income (NPI)	12,959	13,487	- 3.9%
Interest & Other Income	25	29	- 12.9%
Total Income	12,984	13,516	- 3.9%
Trust Fees & Expenses	(1,090)	(1,225)	+ 11.0%
Interest Expense	(3,042)	(2,885)	- 5.4%
Net Income Before Tax - Realised	8,852	9,407	- 5.9%
Net Income per Unit (sen)	2.77	2.94	- 5.9%

Attributed to
(1) utility tariff
hike (TNB charges
increased in July
2008) and (2)
property
maintenance

Year-To-Date Net Income down 0.9% v previous year

For Period 1 January – 30 June 2009 (versus previous comparable period)

Income Statement Year-To-Date 2009 (Unaudited)	1H09 (RM '000)	1H08 (RM '000)	Variance (%)
Revenue	43,618	39,669	+ 10.0%
Direct Cost & Property Expenses	(17,171)	(14,165)	- 21.2%
Net Property Income (NPI)	26,447	25,505	+ 3.7%
Interest & Other Income	55	62	- 12.2%
Total Income	26,502	25,567	+ 3.7%
Trust Fees & Expenses	(2,282)	(2,617)	+ 12.8%
Interest Expense	(6,242)	(4,813)	- 29.7%
Net Income Before Tax - Realised	17,978	18,136	- 0.9%
Net Income per Unit (sen)	5.62	5.67	- 0.9%

Attributed to
(1) utility tariff
hike (TNB charges
increased in July
2008) and (2)
property
maintenance

Increase attributed
to debt financing
of
Muar acquisition
completed in May
2008 (2Q)



Balance Sheet

Hektar trading at a 29% discount to NAV as at end 2Q09

Balance Sheet in RM '000	As at 31.06.2009 (Unaudited)	As at 31.12.2008 (Audited)
Non-Current Assets		
Investment Properties	716,951	713,400
Current Assets		
Trade Receivables	396	472
Work In Progress	1,422	106
Other Debtor / Prepayment / Deposits	6,161	5,910
Cash and Bank Balances	13,288	18,221
TOTAL ASSETS	738,219	738,108
Liabilities		
Trade Payables	586	188
Other Creditors and Accruals	3,156	4,463
Tenancy Deposits	20,578	20,256
Provision for Income Distribution	7,680	9,600
Borrowings	301,500	301,500
TOTAL LIABILITIES	333,499	336,007
NET ASSET VALUE	404,720	402,101
Unitholders' Capital	328,137	328,137
Retained Earnings - realised	8,627	6,008
Retained Earnings - unrealised	67,956	67,956
TOTAL UNITHOLDERS' FUND	404,720	402,101

Unit Price Statistics As at 30 June 2009
No. of Units Outstanding 320,001,000
Net Asset Value (RM) 1.26
Unit Price (RM) 0.90
Premium / (Discount) to NAV (29%)

Debt Information As at 30 June 2009
Borrowings RM301,500,000
Weighted Average Cost of Debt* 4.06%
Gearing Ratio 40.8%
Expiry* 2 Tranches in 2011 & 2013

*Full Details in 1Q09 Results Presentation

Asset Enhancement

- Mahkota Parade gets a Make-Over ►
- Timeline: Third Quarter 2009 – First Quarter 2010 ►
- Refurbishment Exercise: Off-Hours ►
- Business As Usual: Centre to Remain Open During Normal Hours ►

Refurbishment of Mahkota Parade

Revitalisation of 15-year old Shopping Centre

Operations

- Business As Usual – Centre Remains Open
- Phased Refurbishment Work: 10pm– 7am
- Communications Programme: Focus on Safety
- Shopper Promotional Campaigns Continued

Work Scope

- Painting , Flooring, Ceiling, Lighting, Rooftop
- Amenities – Guest Services Desk, Directory, Lifts
- New Billboard and Pylon Signage(s)
- Security system and CCTVs
- Car park capacity increased by 12% - from 955 to 1,074 car park bays

Project Management

- International Team of Consultants
- Specialist Retail Architects – JGP Architecture (S) Pte Ltd
- Same Hektar Group team experienced with Subang Parade’s refurbishment



Refurbishment of Mahkota Parade

Proposed Ground Floor

Brighter, enhanced central podium with new look and feel

Ground Floor Plan



Guest Services Counter



Central Podium



White Finishes



Illustrations: Artists' impression

Proposed First Floor

Compressed marble flooring and simple floor columns for cleaner finish

First Floor Plan



Lifts & Lift Lobbies



First Floor & Balustrades



Compressed Marble Flooring



Illustrations: Artists' impression

Proposed Second Floor

Carpeted floor to improve shopping ambience and comfort

Second Floor Plan



Telephone Booth Amenities



Corridor & Concourse Ceilings



Second Floor Carpeting



Illustrations: Artists' impression

Entrance Statement & Car Park

Car park capacity increased by 12% - from 955 to 1,074 car park bays

Improved Car Park Access

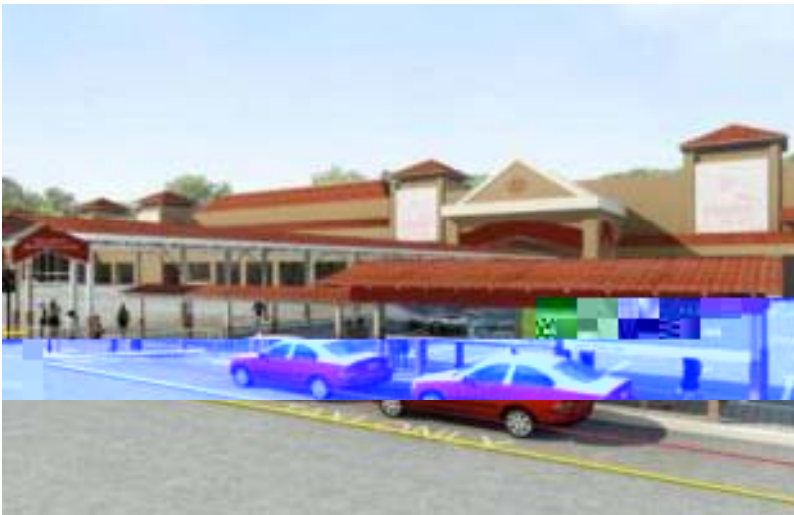


Designated Taxi Stand

New Billboard / Entrance Statement



Pylon Signage(s)



Illustrations: Artists' impression



Timeline & Budget

- Capital Budget : RM30.4 million
- Timeline : July 2009 – April 2010
- Duration : 9 months
 - Phase 1 : July 2009 – October 2009
 - Phase 2 : November 2009 – January 2010
 - Phase 3 : January 2010 – April 2010

Operations

- Business As Usual – Centre Remains Open
- Phased Refurbishment Work: 10pm– 7am
- Communications Programme: Focus on Safety
- Shopper Promotional Campaigns Remain Active

Complete Communications Programme



Promotional Campaign through to 2010



Track Record with Subang Parade

Project Management Track Record

- Mahkota Parade Refurbishment to be managed by same Hektar Group team experienced with Subang Parade's refurbishment.
- Subang Parade's refurbishment commenced in 2006, marked a first, as all renovations took place during non-operational hours and the centre stayed open with minimal interruptions.

Subang Parade's Refurbishment Track Record:

- No business loss claims from tenants
- No incidents of injuries of staff, customers or crew
- Refurbishment came in within budget
- Cemented positive perception of Subang Parade as the preferred shopping destination of Subang Jaya

Subang Parade's refurbishment was a **Silver Award Winner** in the **Development and Design category** amongst prominent regional competitors from Australia, Japan and Singapore in the recent ICSC Asia Shopping Centre Awards 2008.



International Council
Of Shopping Centres



Asia Shopping
Centre Awards 2008



Subang Parade:-
Silver Award for
Development &
Design


Track Record – Revitalising Subang Parade (2006)




“Creating The Places Where People Love To Shop”

Investor Relations
Hektar Asset Management Sdn Bhd
Block C-0-5, Plaza Damas
60 Jalan Sri Hartamas 1
Sri Hartamas
50480 Kuala Lumpur
MALAYSIA



 +6 03 6201 1011

 +6 03 6201 0012

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