



Hektar Real Estate Investment Trust

FINANCIAL YEAR 2010

FINANCIAL RESULTS PRESENTATION

17 FEBRUARY 2011

HEKTAR ASSET MANAGEMENT SDN BHD

The material that follows is a presentation of general background information about the activities of the Hektar Group (including Hektar REIT and any other affiliates) as at the date of this Presentation.

The information contained herein is given in summary form solely to provide an understanding of the business of the Hektar Group and does not purport to be complete. You should conduct your own investigation and analysis of the Hektar Group and other data contained in this Presentation. It is not intended to be relied upon as advice for investment or invitation to invest in the Hektar Group or an evaluation of the Hektar Group. No representation, warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information contained herein. This presentation may contain forward-looking statements that involves risks and uncertainties. Actual future results may vary materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on Hektar Group's current view of future events.

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The past performance of Hektar REIT is not necessarily indicative of the future performance of Hektar REIT.

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, Bandar Melaka and Muar. Hektar REIT was listed on the Main Board of Bursa Malaysia Securities Berhad on 4 December 2006. 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.

This Presentation should be read in conjunction with the Quarterly Report Announcement as reported on Bursa Malaysia.

Financial Year 2010

1 January 2010 – 31 December 2010

Twelve (12) months

Commentary

- FY2010 Dividend Per Unit: 10.30 sen
- Four Year Track Record of Positive Results

Operational & Financial Performance (Full Year)

- Portfolio Occupancy: ~ 95.5%
- Rent Reversions: - 1%
- Net Income per Unit
vs. previous comparable period¹: **12.24 sen**
+ 5.5%
- 4Q10 Net Income per Unit (Realised): **3.544 sen**
vs. previous comparable quarter¹: **+ 18.5%**

¹ FY 09 Net Income per unit: 11.61 sen, 4Q09 Net Income per unit: 2.991 sen

Dividend Distribution

Quarterly
Dividend Per Unit

(DPU), Final: **2.80 sen**
FY 2010 DPU: **10.30 sen**
DPU Yield²: **7.6%**

² Based on FY2010 DPU of 10.30 sen and closing price of RM1.35 on 31 December 2010.

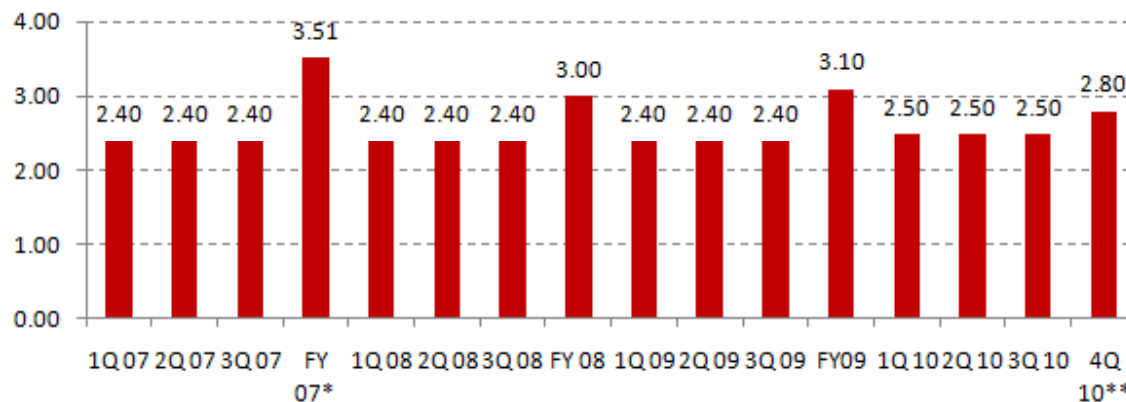
Hektar REIT Annual DPU Growth Positive Since IPO

Current Dividend Distribution Details

Fourth Quarter 2010

- Distribution Period: 1 October – 31 December 2010
- Quarterly DPU: 2.80 sen
- Notice of Entitlement: 17 February 2011
- Ex-Dividend Date: 2 March 2011
- Book Closure Date: 4 March 2011
- Payment Date: 18 March 2011

Dividend Distribution Track Record



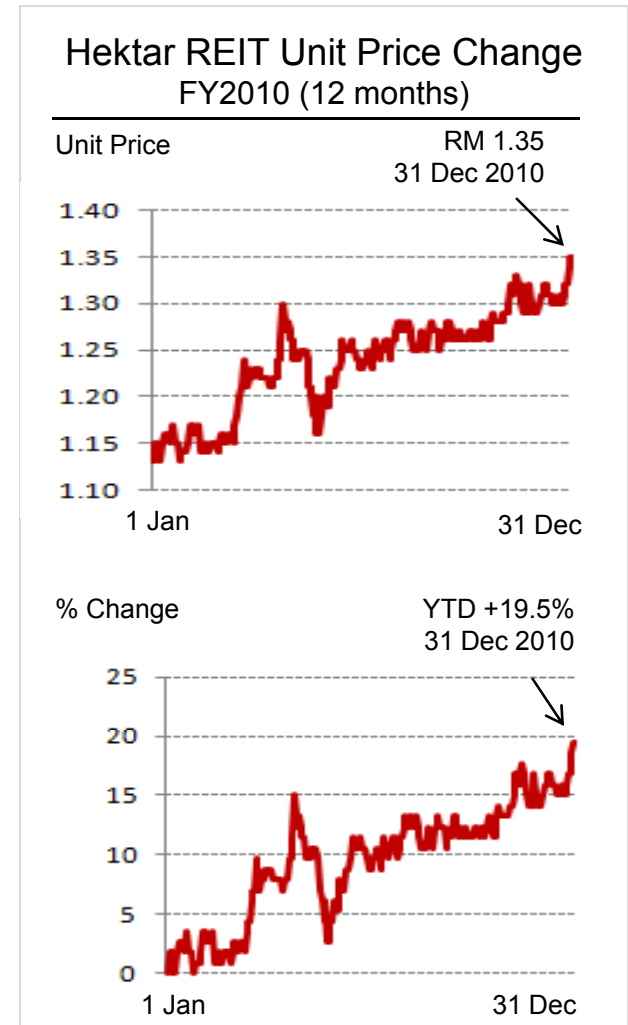
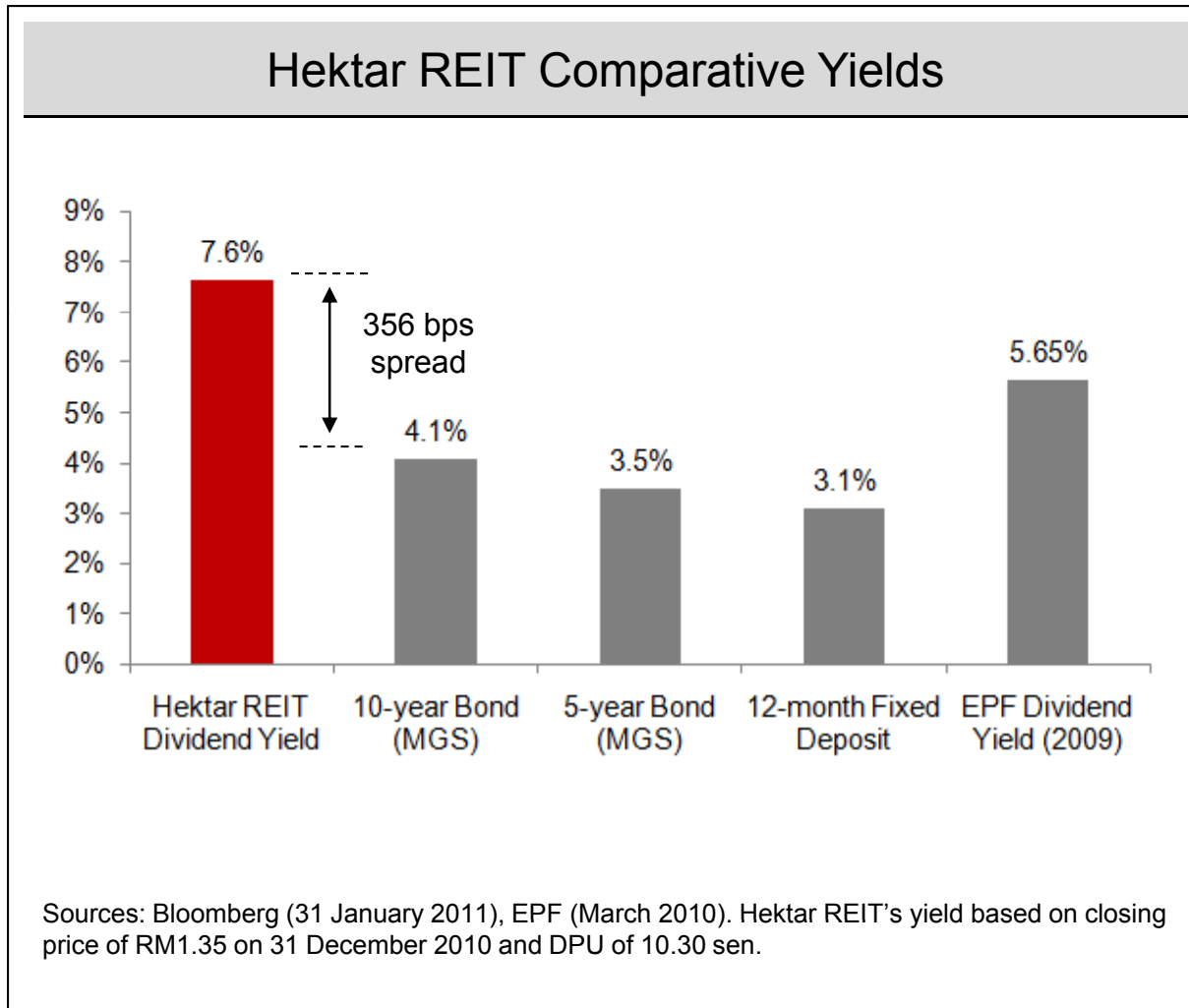
Hektar REIT Dividend Policy

Barring unforeseen circumstances, Hektar REIT will pay dividends equivalent to at least 90% of distributable net income for the financial year 2010. Distributable net income excludes non-cash items such as FRS117 revenue recognition and capital allowances.

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

Hektar REIT Dividend Yield at approximately 7.6%

- Traded at a 356 bps spread over MGS 10-year



Portfolio Performance

- Overall Occupancy at ~95.5% ▶
- Visitor Traffic to Portfolio Hits 20.2 million ▶
- Rental Reversions flat at -1% for FY2010 ▶
- Diversified Portfolio Tenancy Mix ▶
- Top Ten Tenants Contribute 27.4% of Monthly Rental Income ▶
- Tenancy Expiry Profile ▶
- Portfolio Tenancy Provisions ▶

Hektar REIT Portfolio - Occupancy

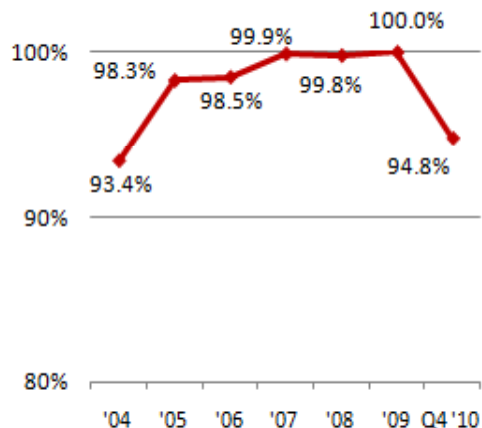
Overall Portfolio Occupancy at ~95.5%

Hektar REIT Portfolio Occupancy

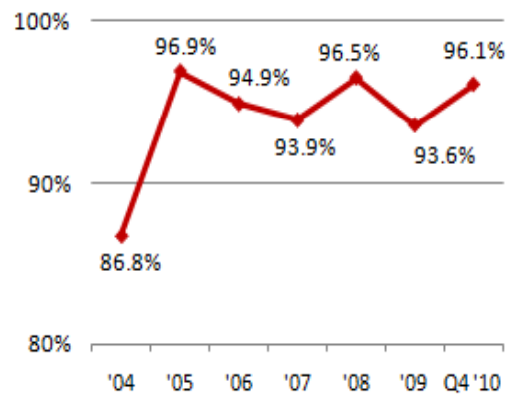
Property	As at 31 December 2004	As at 31 December 2005	As at 30 September 2006	As at 31 December 2007	As at 31 December 2008	As at 31 December 2009	As at 31 December 2010
Subang Parade	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%	94.8%
Mahkota Parade	86.8%	96.9%	94.9%	93.9%	96.5%	93.6%	96.1%
Wetex Parade					83.1%	90.1%	95.6%
Overall*	91.3%	97.6%	96.7%	96.9%	95.8%	95.8%	95.5%

*Approximate average, weighted by Net Lettable Area.

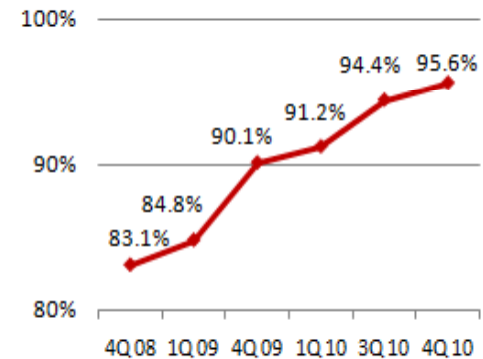
Subang Parade
Occupancy (%)



Mahkota Parade
Occupancy (%)



Wetex Parade
Occupancy (%)



Hektar REIT Properties Recorded 20.2 million Visits in 2010

- Tracked by Footfall, camera-based system installed in each centre
- Overall traffic down 5% in 2010 v 2009
- Subang Parade traffic down 3% over previous year
- Mahkota Parade traffic down 8.9% over previous year, impacted by refurbishment exercise (completed May 2010)
- Wetex Parade traffic at 5.5 million visits, a decline of 2.2% from 2009

Hektar REIT Visitor Traffic						
Property	No. of Visits (2010)	No. of Visits (2009)	No. of Visits (2008)	No. of Visits (2007)	No. of Visits (2006)	No. of Visits (2005)
Subang Parade	7.52 million	7.76 million	7.62 million	7.84 million	5.92 million	5.69 million
<i>% Change in Traffic</i>	-3.0%	1.8%	-2.8%	32.6%	4.0%	
Mahkota Parade	7.18 million	7.88 million	8.32 million	8.82 million	8.64 million	8.01 million
<i>% Change in Traffic</i>	-8.9%	-5.3%	-5.7%	2.1%	7.8%	
Wetex Parade	5.51 million	5.63 million	1.96 million	-	-	-
<i>% Change in Traffic</i>	-2.2%					
Total	20.2 million	21.3 million	17.9 million	16.6 million	14.5 million	13.7 million

Note: Wetex Parade 2008 traffic figures from September – December, following Footfall installation.

Hektar REIT Portfolio – Rental Reversions

Rental Reversions flat at -1% for the year

- 4Q 10: 46 new tenancies / renewals at 1% higher average rental rate
- Wetex Parade recorded significant increases due to opening of new retail zone, “The Quadrix”

Hektar REIT Rental Reversions: Quarter					
Fourth Quarter (3 months) (Ended 31 December)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	17	33,924	7%	-2%	-2%
Mahkota Parade	17	26,667	6%	-2%	-2%
Wetex Parade	12	2,893	2%	295%	295%
Total / Average*	46	63,484	6%	1%	1%

*Average Weighted by NLA. NLA = Net Lettable Area

Addition of ‘The Quadrix’, new retail zone at Wetex Parade.
Excluding Quadrix, rent reversions would be +6.4%

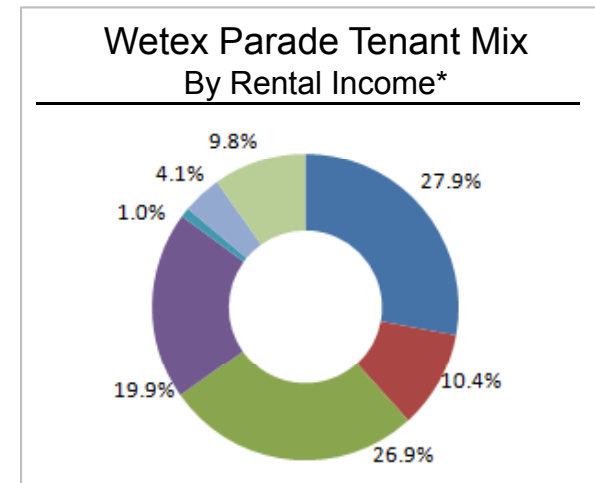
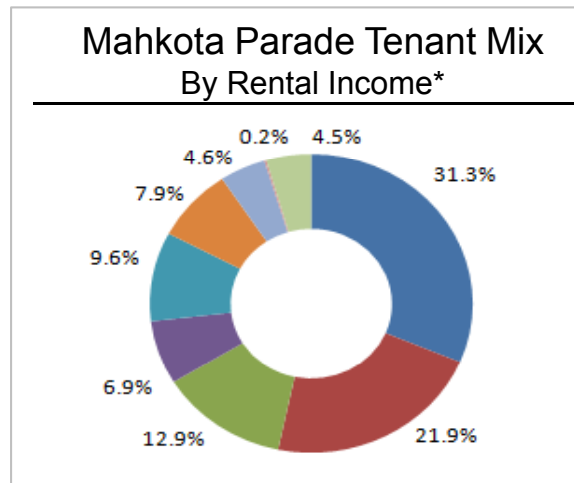
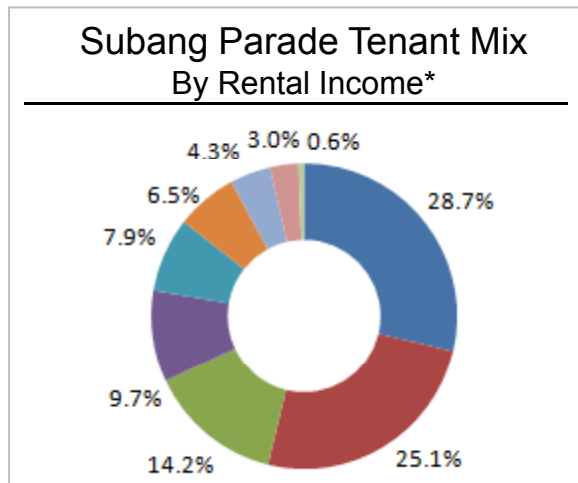
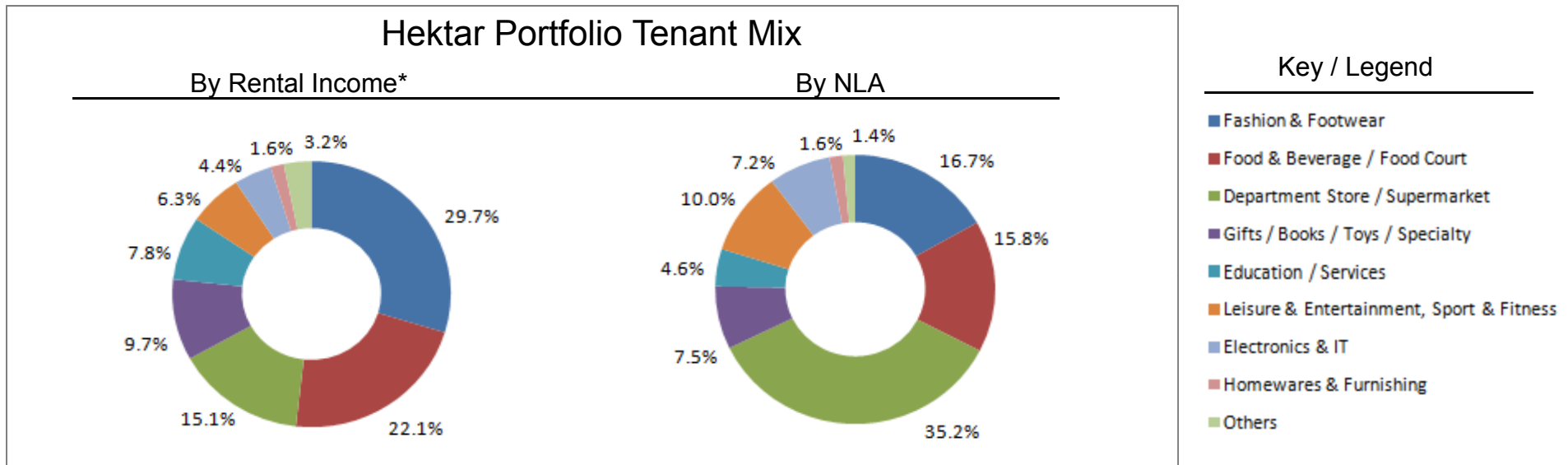
Hektar REIT Rental Reversions: Year-To-Date					
Full Year (12 months) (Ended 31 December)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	48	96,365	20%	-2%	-2%
Mahkota Parade	35	55,030	12%	-3%	-3%
Wetex Parade	28	14,249	9%	37%	37%
Total / Average*	111	165,644	15%	-1%	-1%

*Average Weighted by NLA. NLA = Net Lettable Area

Excluding Quadrix, rent reversions would be +13.2%

Diversified Portfolio Tenant Mix

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



* Based on monthly rental income for December 2010. NLA = Net Lettable Area

Top Ten Tenants Contribute 27.4% of Monthly Rental Income

- Default Risk: Parkson contributes ~11.3% of total monthly rental income to REIT and no other tenant contributes more than ~3.0%

Hektar REIT Top Ten Tenants by Monthly Rental Income

As at 31 December 2010

Tenant	Trade Sector	NLA (sq ft)	% of Total NLA	% of Monthly Rental Income*
1 Parkson	Department Store	254,009	23.1%	11.3%
2 The Store	Department Store	91,357	8.3%	3.0%
3 Bata	Fashion & Footwear	12,946	1.2%	2.0%
4 McDonald's	Food & Beverage	7,322	0.7%	1.9%
5 The Reject Shop	Fashion & Footwear	17,695	1.6%	1.8%
6 World Of Sports	Fashion & Footwear	10,796	1.0%	1.5%
7 Ampang Superbowl	Leisure & Entertainment	7,096	0.6%	1.5%
8 Kenny Rogers Roasters	Food & Beverage	36,717	3.3%	1.5%
9 K.F.C.	Food & Beverage	10,282	0.9%	1.5%
10 Celebrity Fitness	Sport & Fitness	34,317	3.1%	1.4%
Top 10 Tenants (By Monthly Rental Income)		482,537	43.8%	27.4%
Other Tenants		617,063	56.2%	72.6%
Total		1,099,600	100.0%	100.0%

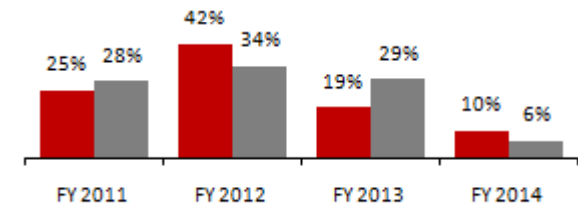
* Based on monthly rental income for December 2010. NLA = Net Lettable Area

Hektar REIT Tenancy Expiry Profile by Property

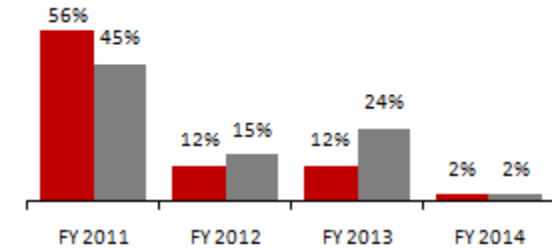
Hektar REIT Tenancy Expiry Profile by Property

As At 31 December 2010

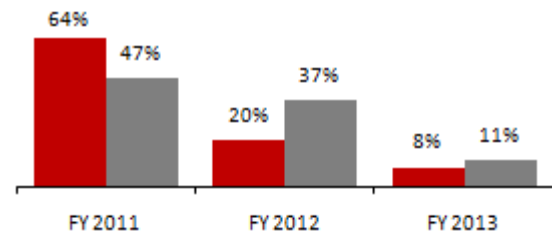
Subang Parade For Year Ending 31 December	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq ft)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
FY 2011	40	119,173	25%	28%
FY 2012	34	202,225	42%	34%
FY 2013	42	89,190	19%	29%
FY 2014	12	47,946	10%	6%



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 2011	35	257,257	56%	45%
FY 2012	28	54,069	12%	15%
FY 2013	34	54,537	12%	24%
FY 2014	3	10,789	2%	2%



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 2011	19	104,149	64%	47%
FY 2012	55	32,692	20%	37%
FY 2013	16	13,357	8%	11%



*Based on monthly rental income for December 2010. Figures may not round to 100% due to misc. items

■ By Total NLA ■ By Monthly Rental Income

Hektar REIT Portfolio – Tenancy Expiry Profile

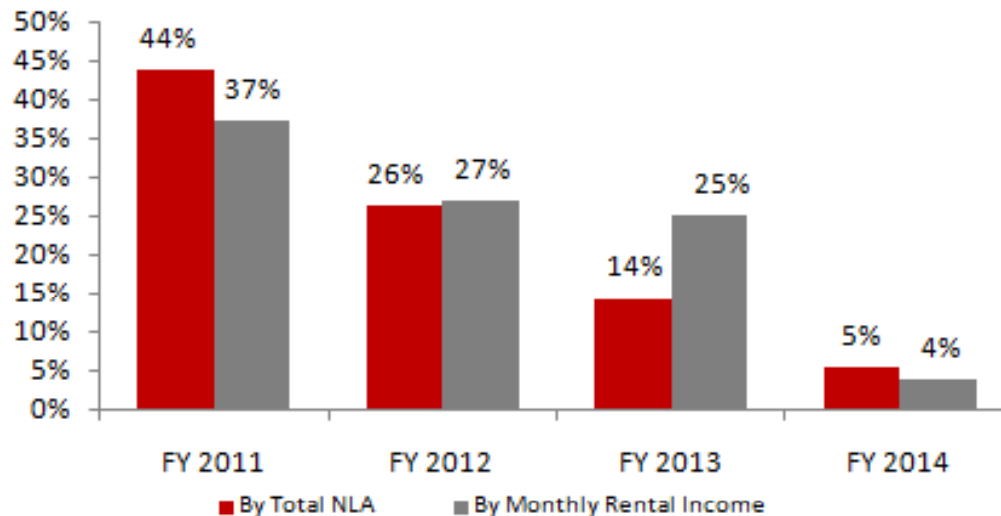
Tenancy Portfolio Expiry Profile 2011 – 2014

- FY2011 tenancy expiries account for approximately 37% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As At 31 December 2010

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 2011	94	480,579	44%	37%
FY 2012	117	288,986	26%	27%
FY 2013	92	157,084	14%	25%
FY 2014	15	58,735	5%	4%

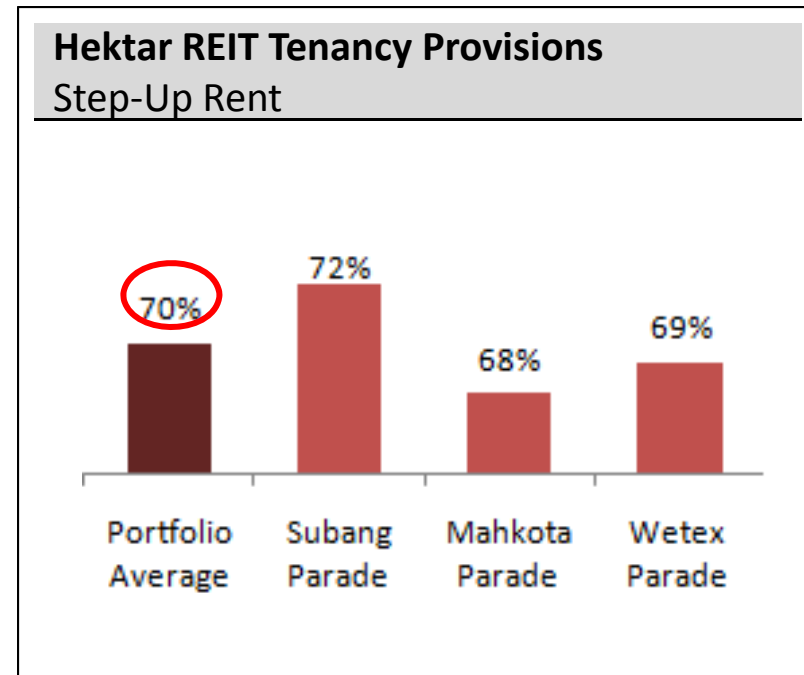
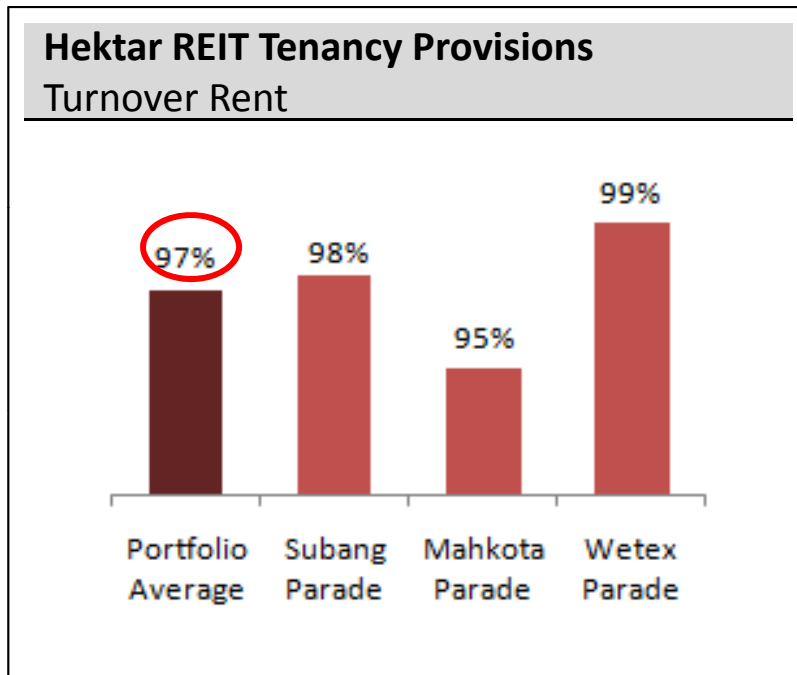


* Based on monthly rental income for December 2010. NLA = Net Lettable Area

Hektar Portfolio – Tenancy Provisions

Hektar Portfolio Tenancy Provisions in 2010

- Turnover Rent provisions present in 97% of all tenancies
- Step-Up Rent provisions present in 70% of all tenancies



Notes: Data as at 31 December 2010. 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

- Fourth Quarter 2010 Net Income up 18.5% from previous period ►
- Year-To-Date 2010 Net Income up 5.5% from previous period ►
- Hektar REIT trading at a 2% premium to NAV as at 4Q10 ►
- Hektar REIT Average Cost of Debt at 3.71% ►
- Centre Breakdown ►
- Valuations ►

Income Statement – Quarter Comparative

Fourth Quarter 2010 Net Income up 18.5% vs previous quarter

- For Period 1 October – 31 December 2010 (versus previous comparable period)
- Fair Value Adjustment of RM1 million in 4Q10

Income Statement Fourth Quarter 2010 (Unaudited)	4Q10 (RM '000)	4Q09 (RM '000)	Variance (%)
Revenue	24,036	21,530	+ 11.6%
Direct Cost & Property Expenses	(8,731)	(8,548)	+ 2.1%
Net Property Income (NPI)	<u>15,305</u>	<u>12,982</u>	<u>+ 17.9%</u>
Interest & Other Income	64	61	+ 4.1%
Total Income	<u>15,368</u>	<u>13,043</u>	<u>+ 17.8%</u>
Trust Fees & Expenses	(2,353)	(1,095)	+ 114.8%
Interest Expense	(2,686)	(2,777)	- 3.3%
Fair Value Adjustment of Investment Properties	1,012	401	+ 152.6%
Net Income Before Tax	<u>11,341</u>	<u>9,571</u>	<u>+ 18.5%</u>
Net Income per Unit (sen)	<u>3.544</u>	<u>2.991</u>	<u>+ 18.5%</u>

Note: With effect from 1 January 2010, revenue is now reported following implementation of FRS 117, which recognises rental income on an averaged basis over the term of tenancy; step-up rent in future periods is averaged and reported proportionately in the present period, while turnover rent is recognised in each accounting period on a receipt basis.

Income Statement – Quarter Year-To-Date Comparative

FY2010 up 5.5% vs FY2009

For Period 1 January – 31 December 2010 (versus previous comparable period)

Income Statement Full Year (Unaudited)	FY10 (RM '000)	FY09 (RM '000)	Variance (%)
Revenue	90,873	87,712	+ 3.6%
Direct Cost & Property Expenses	(35,530)	(34,688)	+ 2.4%
Net Property Income (NPI)	55,343	53,024	+ 4.4%
Interest & Other Income	175	143	+ 22.8%
Total Income	55,518	53,167	+ 4.4%
Trust Fees & Expenses	(7,197)	(4,486)	+ 60.4%
Interest Expense	(10,149)	(11,945)	- 15.0%
Fair Value Adjustment of Investment Prop	1,012	401	+ 152.6%
Net Income Before Tax	39,184	37,136	+ 5.5%
Net Income per Unit (sen)	12.24	11.61	+ 5.5%

Note: With effect from 1 January 2010, revenue is now reported following implementation of FRS 117, which recognises rental income on an averaged basis over the term of tenancy; step-up rent in future periods is averaged and reported proportionately in the present period, while turnover rent is recognised in each accounting period on a receipt basis. FRS117 rental income for FY2010 was RM1.37 million. Barring unforeseen circumstances, Hektar REIT will pay dividends equivalent to at least 90% of distributable net income for the financial year 2010. Distributable net income excludes non-cash items such as FRS117 revenue recognition and capital allowances.

Hektar REIT's Balance Sheet for FY2010

Balance Sheet (Unaudited)	As at 31.12.2010 (RM '000)	As at 31.12.2009 (RM '000)
Non-Current Assets		
Investment Properties	752,000	720,000
Capital Work in Progress	553	14,202
Fixed Deposit with a licensed bank	2,269	2,141
	754,822	736,343
Current Assets		
Trade Receivables	1,931	375
Other Receivables, Deposits, Prepayments	1,016	3,833
Cash and Bank Balances	24,671	36,574
	782,439	777,125
TOTAL ASSETS		
Liabilities		
Trade Payables	565	3,466
Other Payables and Accruals	4,896	2,776
Tenancy Deposits	21,516	20,685
Borrowings	334,000	334,000
	360,977	360,927
TOTAL LIABILITIES		
NET ASSET VALUE		
	421,462	416,198
Unitholders' Capital	328,137	328,137
Retained Earnings - realised	23,957	19,705
Retained Earnings - unrealised	69,368	68,357
	421,462	416,198
TOTAL UNITHOLDERS' FUND		

Unit Price Statistics

As at 31 December 2010

No. of Units Outstanding

320,001,000

Net Asset Value (RM)

1.32

Unit Price (RM)

1.35

Premium / (Discount) to NAV

+2%

Trade receivables higher by RM1.37 million due to implementation of FRS117 in 2010.

Debt Profile

Debt Profile for FY2010

Debt Information

As at 31 December 2010

- Total Debt: **RM334 million**
- Weighted Cost of Debt: **3.71%**
- Gearing Ratio¹: **42.7%**
- Interest Cover²: **4.86**
- Unencumbered Asset: **Wetex Parade**

¹ Gearing ratio calculated by total long term liabilities over Gross Asset Value (GAV).

² Based on quarter ended 31 December 2010

Financing Details

Al-Murabahah / OD
 Fixed Term Loan, Annual Floating Rate
 Structure: Cost of Funds + 0.75%

Tranche 1

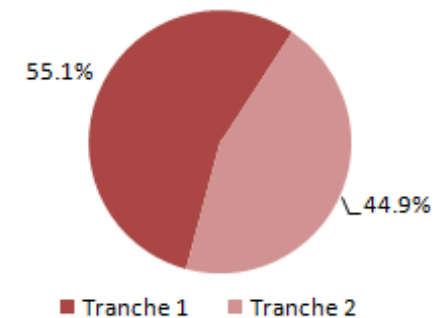
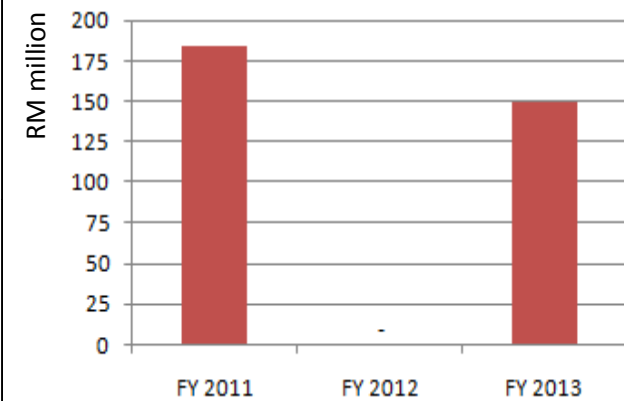
- Term: 5 Years, Expiring **2011**
- Pledged: Subang Parade
- Facility Size: RM184 million
- Drawdown: Fully Drawn
- Cost: 4.06%
- Refinancing: December 2011

Tranche 2

- Term: 5 Years, Expiring **2013**
- Pledged: Mahkota Parade
- Facility Size: RM150 million
- Drawdown: Fully Drawn
- Cost: 3.28%
- Rate Reset: April 2011

Debt Expiry Profile

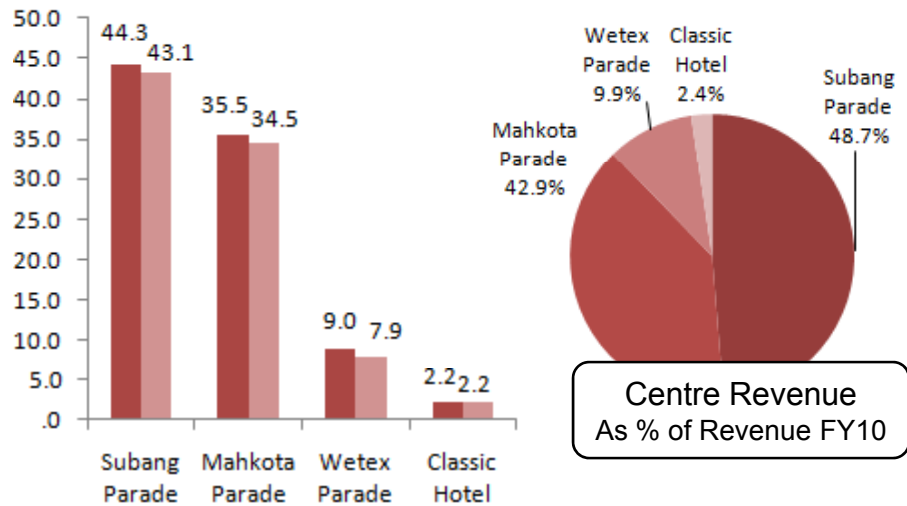
As at 31 December 2010



Subang Parade remains Hektar REIT's flagship shopping centre

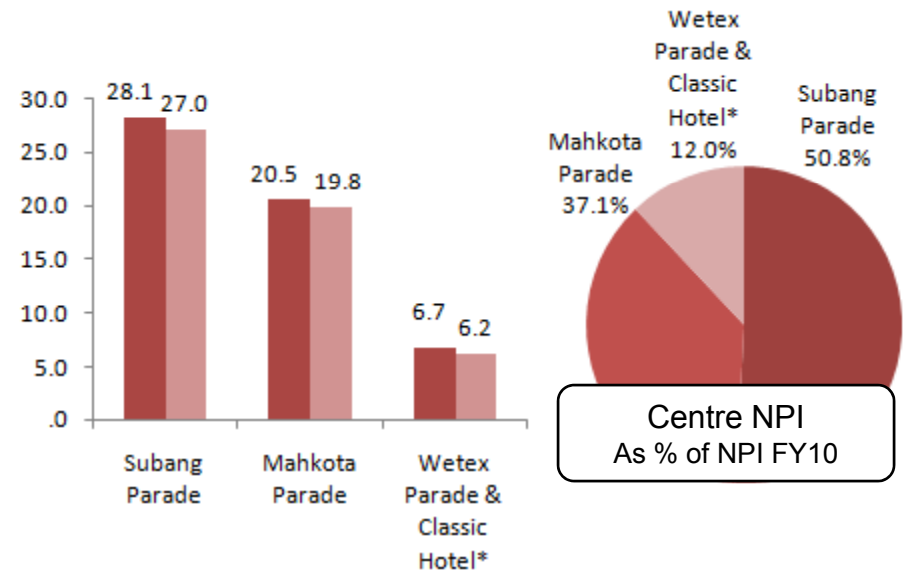
Revenue By Property

By Property	FY 2010 RM Mn	FY 2009 RM Mn	Change FY10 v FY09	FY 2010 Share
Subang Parade	44.3	43.1	2.6%	48.7%
Mahkota Parade	35.5	34.5	2.6%	39.0%
Wetex Parade	9.0	7.9	14.1%	9.9%
Classic Hotel	2.2	2.2	0.0%	2.4%
Total	90.9	87.7	3.6%	100.0%



Net Property Income (NPI) By Property

By Property	FY 2010 RM Mn	FY 2009 RM Mn	Change FY10 v FY09	FY 2010 Share
Subang Parade	28.1	27.0	4.0%	50.8%
Mahkota Parade	20.5	19.8	3.7%	37.1%
Wetex Parade & Classic Hotel*	6.7	6.2	8.1%	12.0%
Total	55.3	53.0	4.4%	100.0%



Notes: NPI = Net Property Income. FY = Financial Year.

“Creating The Places Where People Love To Shop”

Investor Relations
Hektar Asset Management Sdn Bhd
Block C-0-5, Plaza Damas
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