



Hektar Real Estate Investment Trust

FIRST QUARTER 2011

FINANCIAL RESULTS PRESENTATION

11 MAY 2011

HEKTAR ASSET MANAGEMENT SDN BHD

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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, 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.

First Quarter 2011

1 January 2011 – 31 March 2011

Three (3) months

Operational & Financial Performance (Full Year)

- Portfolio Occupancy: ~ 95.9%
- Rent Reversions: + 11%
- Net Income per Unit (1Q 11)
vs. previous comparable period¹: **3.10 sen**
- 0.9%

¹ 1Q 10 Net Income per unit: 3.137 sen.

Dividend Distribution

First Quarter Interim
Dividend Per Unit

(DPU): **2.50 sen**

DPU Yield²: **7.7%**

² Based on 1Q 11 DPU of 2.50 sen annualised and closing price of RM1.30 on 31 March 2011.

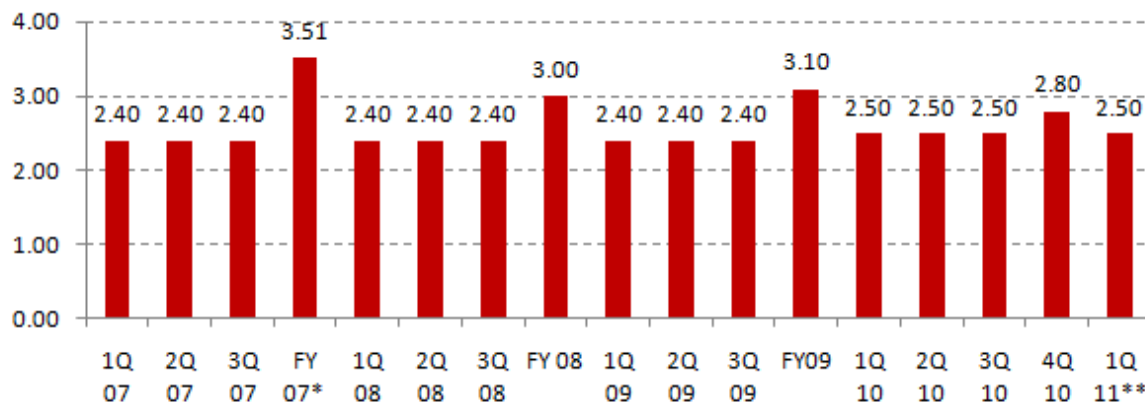
Hektar REIT Annual DPU Growth Positive Since IPO

Current Dividend Distribution Details

First Quarter 2011

- Distribution Period: 1 January – 31 March 2011
- Quarterly DPU: 2.50 sen
- Notice of Entitlement: 11 May 2011
- Ex-Dividend Date: 30 May 2011
- Book Closure Date: 1 June 2011
- Payment Date: 15 June 2011

Dividend Distribution Track Record



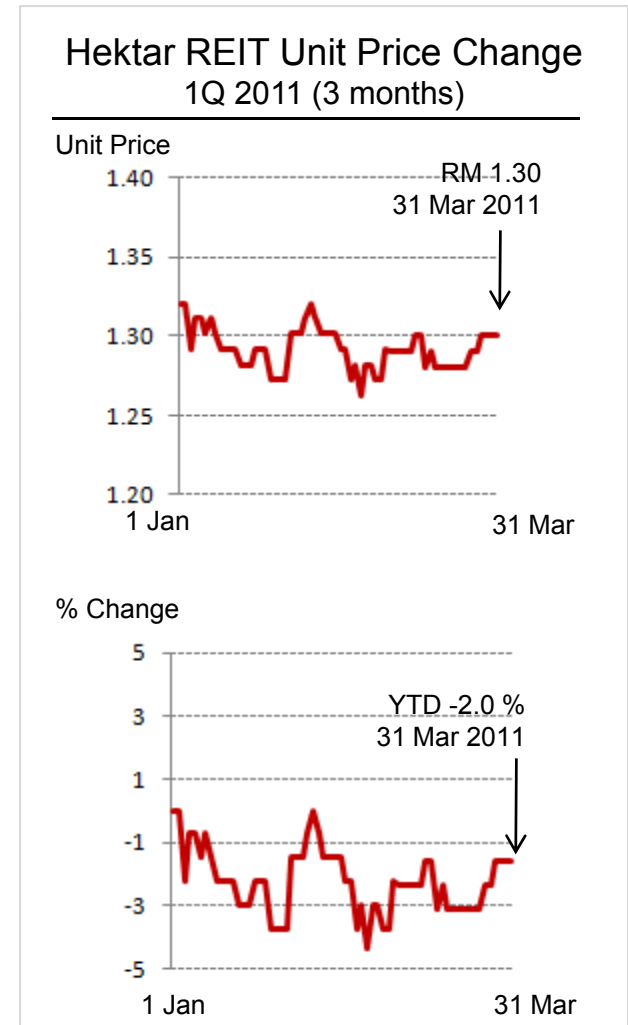
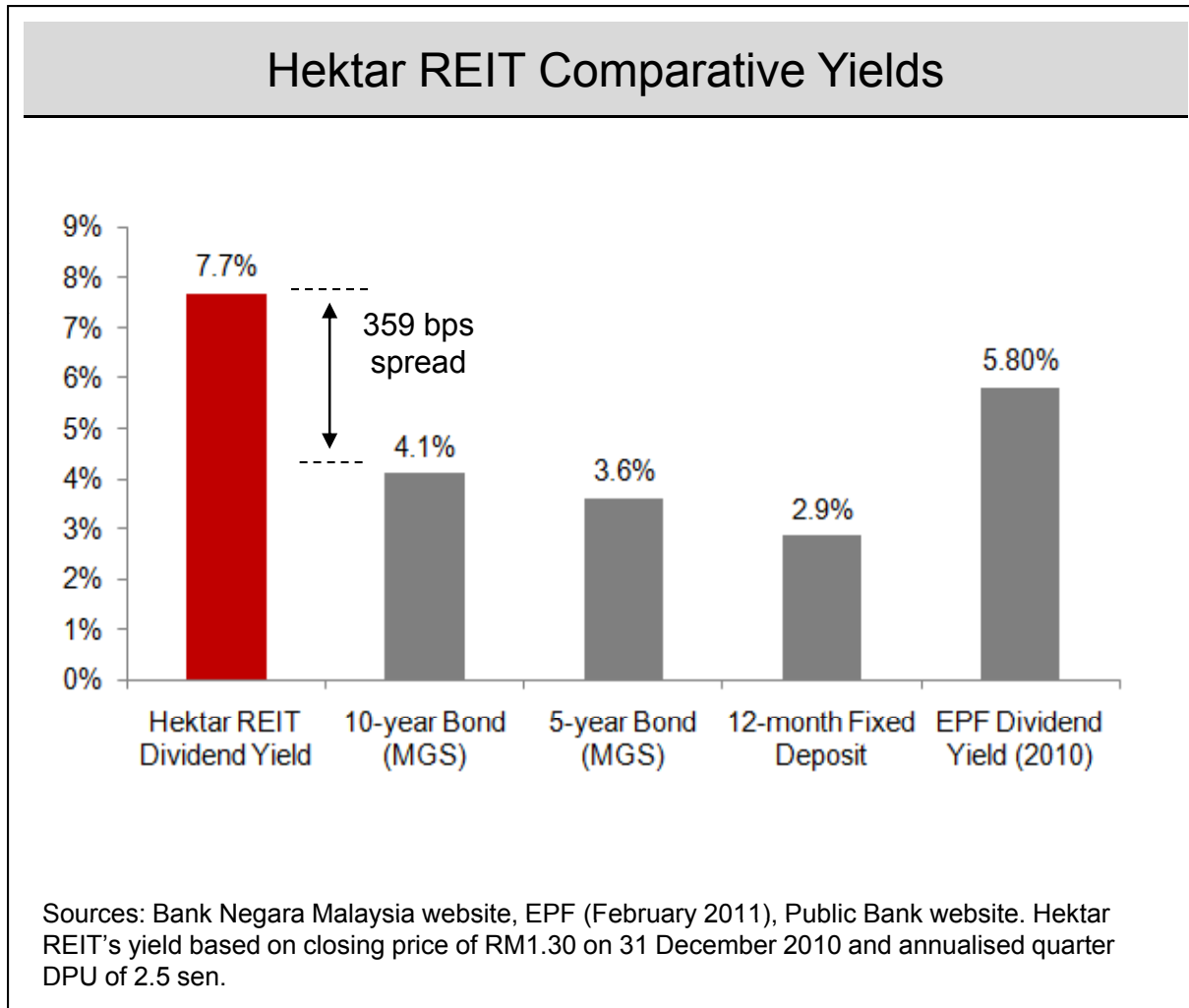
Hektar REIT Dividend Policy

Barring unforeseen circumstances, Hektar REIT will pay dividends equivalent to at least 90% of distributable net income for the financial year 2011. 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 7.7%

- Traded at a 359 bps spread over MGS 10-year



Portfolio Performance

- Overall Occupancy at ~95.9% ►
- Rental Reversions at a positive 11% for 1Q 2011 ►
- Tenancy Expiry Profile ►

Hektar REIT Portfolio - Occupancy

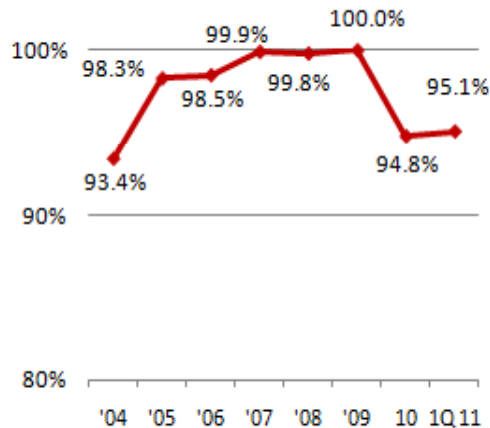
Overall Portfolio Occupancy at ~95.9%

Hektar REIT Portfolio Occupancy

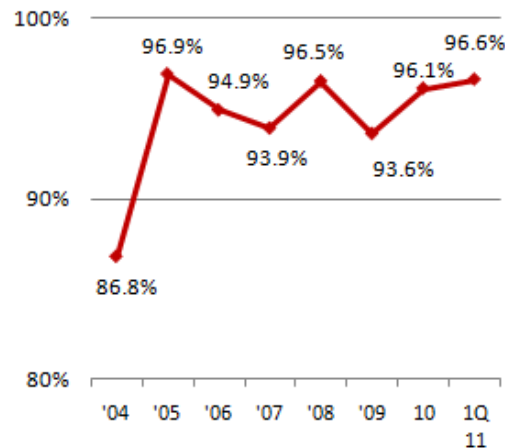
| Property | As at 31 December 2004 | As at 31 December 2005 | As at 30 September 2006 | As at 31 December 2007 | As at 31 December 2008 | As at 31 December 2009 | As at 31 December 2010 | As at 31 March 2011 |
|----------------|------------------------------|------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------|
| Subang Parade | 93.4% | 98.3% | 98.5% | 99.9% | 99.8% | 100.0% | 94.8% | 95.1% |
| Mahkota Parade | 86.8% | 96.9% | 94.9% | 93.9% | 96.5% | 93.6% | 96.1% | 96.6% |
| Wetex Parade | | | | | 83.1% | 90.1% | 95.6% | 96.3% |
| Overall* | 91.3% | 97.6% | 96.7% | 96.9% | 95.8% | 95.8% | 95.5% | 95.9% |

*Approximate average, weighted by Net Lettable Area.

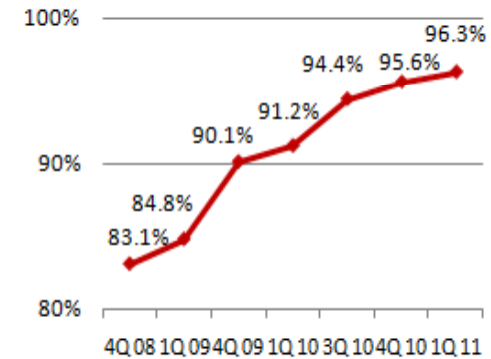
Subang Parade
Occupancy (%)



Mahkota Parade
Occupancy (%)



Wetex Parade
Occupancy (%)



Rental Reversions positive at 11% for first quarter

- 1Q 11: 36 new tenancies / renewals at 11% higher average rental rate
- Subang Parade recorded increases due to opening of new retail zone

| Hektar REIT Rental Reversions: Quarter | | | | | |
|--|---------------------------------------|----------------|----------------------|---|---|
| First Quarter (3 months) (Ended 31 March) | No. of New Tenancies / Renewals | NLA (sq ft) | % of Total NLA | Increase / (Decrease) Over Previous Rent Rates | % |
| Subang Parade | 15 | 26,636 | 6% | 41% | ← |
| Mahkota Parade | 12 | 21,619 | 5% | -8% | |
| Wetex Parade | 9 | 86,626 | 56% | 12% | |
| Total / Average* | 36 | 134,881 | 12% | 11% | |

*Average Weighted by NLA. NLA = Net Lettable Area

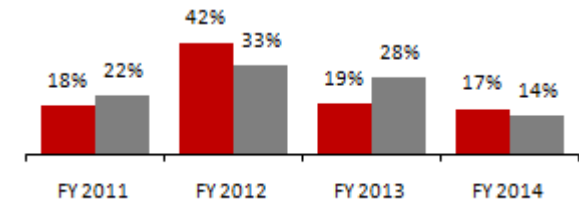
Addition of new retail zone at Subang Parade.
Excluding this zone, rent reversions would be +12.0%

Hektar REIT Tenancy Expiry Profile by Property

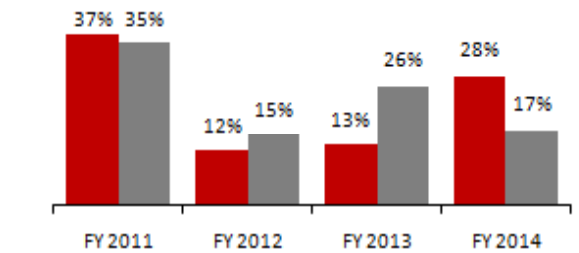
Hektar REIT Tenancy Expiry Profile by Property

As At 31 March 2011

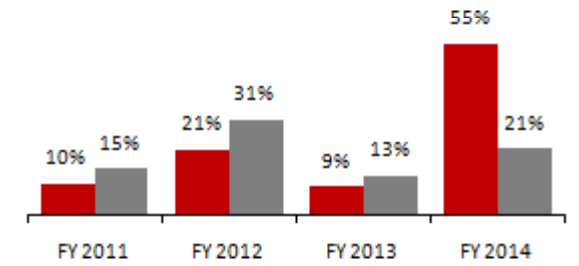
| Subang Parade For Year Ending 31 December | No. of Tenancies Expiring | NLA of Tenancies Expiring (sq ft) | NLA of Tenancies Expiring as % of Total NLA | % of Total Monthly Rental Income* |
|--|---------------------------------|---|---|---|
| FY 2011 | 33 | 85,774 | 18% | 22% |
| FY 2012 | 31 | 199,191 | 42% | 33% |
| FY 2013 | 40 | 88,806 | 19% | 28% |
| FY 2014 | 18 | 79,962 | 17% | 14% |



| 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 | 31 | 171,417 | 37% | 35% |
| FY 2012 | 29 | 54,564 | 12% | 15% |
| FY 2013 | 35 | 60,479 | 13% | 26% |
| FY 2014 | 9 | 129,221 | 28% | 17% |



| 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 | 17 | 16,212 | 10% | 15% |
| FY 2012 | 57 | 32,932 | 21% | 31% |
| FY 2013 | 23 | 14,782 | 9% | 13% |
| FY 2014 | 1 | 85,413 | 55% | 21% |



*Based on monthly rental income for March 2011. Figures may not round to 100% due to misc. items

■ By Total NLA ■ By Monthly Rental Income

Hektar REIT Portfolio – Tenancy Expiry Profile

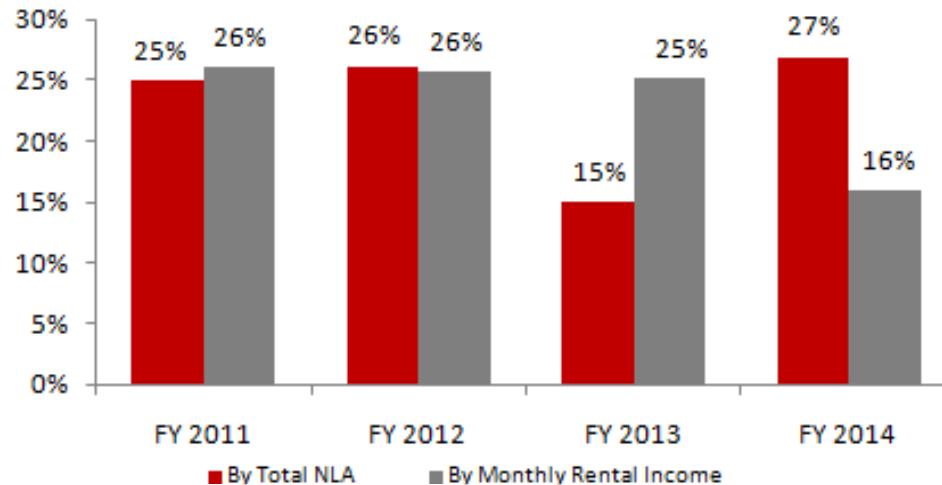
Tenancy Portfolio Expiry Profile 2011 – 2014

- FY2011 tenancy expiries account for approximately 26% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As At 31 March 2011

| 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 | 81 | 273,403 | 25% | 26% |
| FY 2012 | 117 | 286,687 | 26% | 26% |
| FY 2013 | 98 | 164,067 | 15% | 25% |
| FY 2014 | 28 | 294,596 | 27% | 16% |



* Based on monthly rental income for March 2011. NLA = Net Lettable Area

Financial Results

- First Quarter 2011 Net Income flat from previous corresponding quarter ►
- Hektar REIT trading at a 1.5% discount to NAV as at 1Q11 ►
- Hektar REIT Average Cost of Debt at 4.10% ►

Income Statement – Quarter Comparative

First Quarter 2011 Net Income flat vs previous quarter

For Period 1 January – 31 March 2011 (versus previous comparable period)

| Income Statement | 1Q11 | 1Q10 | Variance |
|---------------------------------------|------------------|------------------|-----------------|
| First Quarter 2011 (Unaudited) | (RM '000) | (RM '000) | (%) |
| Revenue | 23,340 | 23,015 | + 1.4% |
| Direct Cost & Property Expenses | (8,948) | (8,886) | + 0.7% |
| Net Property Income (NPI) | 14,392 | 14,130 | + 1.9% |
| Interest & Other Income | 31 | 39 | - 19.7% |
| Total Income | 14,424 | 14,168 | + 1.8% |
| Trust Fees & Expenses | (1,664) | (1,678) | - 0.9% |
| Interest Expense | (2,816) | (2,452) | + 14.8% |
| Net Income Before Tax | 9,943 | 10,037 | - 0.9% |
| Net Income per Unit (sen) | 3.107 | 3.137 | - 0.9% |

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.

Hektar REIT's Balance Sheet for First Quarter 2011

| Balance Sheet (Unaudited) | As at 31.3.2011 (RM '000) | As at 31.12.2010 (RM '000) |
|--|------------------------------|-------------------------------|
| Non-Current Assets | | |
| Investment Properties | 752,000 | 752,000 |
| Capital Work in Progress | 3,355 | 553 |
| Fixed Deposit with a licensed bank | 2,283 | 2,269 |
| | <u>757,638</u> | <u>754,822</u> |
| Current Assets | | |
| Trade Receivables | 2,401 | 1,931 |
| Other Receivables, Deposits, Prepayments | 1,749 | 1,016 |
| Cash and Bank Balances | 21,928 | 24,671 |
| | <u>26,078</u> | <u>27,618</u> |
| TOTAL ASSETS | <u>783,716</u> | <u>782,439</u> |
| Current Liabilities | | |
| Trade Payables | 454 | 565 |
| Other Payables and Accruals | 3,419 | 4,896 |
| Tenancy Deposits | 20,387 | 20,470 |
| Deferred Income | 1,449 | 1,046 |
| Borrowings | 184,000 | 184,000 |
| | <u>574,007</u> | <u>571,462</u> |
| Unitholders' Capital | 328,137 | 328,137 |
| Retained Earnings - realised | 24,940 | 23,957 |
| Retained Earnings - unrealised | 69,368 | 69,368 |
| NET ASSET VALUE | <u>422,445</u> | <u>421,462</u> |
| Long Term Liabilities | | |
| Borrowings | 151,562 | 150,000 |

Unit Price Statistics

As at 31 March 2011

No. of Units Outstanding

320,001,000

Net Asset Value (RM)

1.32

Unit Price (RM)

1.30

Premium / (Discount) to NAV

-1.5%

Debt Profile

Debt Profile for First Quarter 2011

Debt Information

As at 31 March 2011

- Total Debt: **RM335 million**
- Weighted Cost of Debt: **4.10%**
- Gearing Ratio¹: **42.8%**
- Interest Cover²: **4.53**
- Unencumbered Asset: **Wetex Parade**

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

² Based on quarter ended 31 March 2011

Financing Details

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

Tranche 1

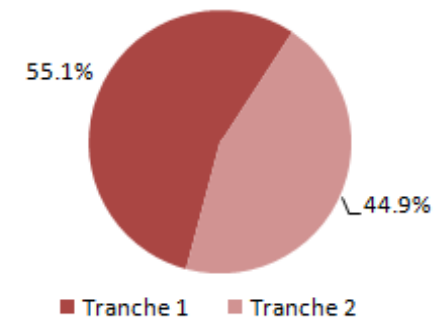
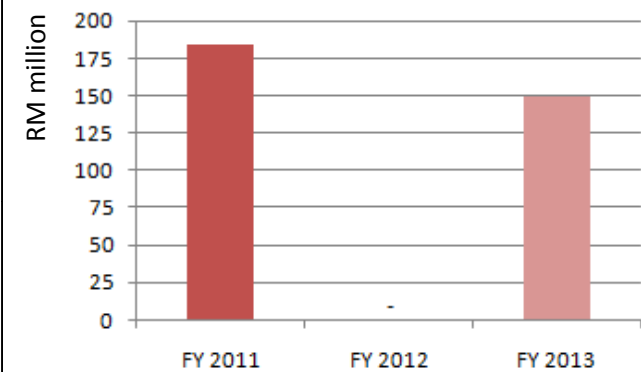
- Term: 5 Years, Expiring **2011**
- Pledged: Subang Parade
- Facility Size: RM184 million
- Drawdown: Fully Drawn
- Cost: 4.06%
- Refinancing: December 2011

Tranche 2

- Term: 5 Years, Expiring **2013**
- Pledged: Mahkota Parade
- Facility Size: > RM150 million
- Drawdown: RM151 million
- Cost: 4.16%
- Rate Reset: April 2012

Debt Expiry Profile

As at 31 March 2011



“Creating The Places Where People Love To Shop”

Investor Relations
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