

HEKTAR REIT



HEKTAR REIT  
THIRD QUARTER 2009  
FINANCIAL RESULTS PRESENTATION

HEKTAR ASSET MANAGEMENT SDN BHD

4 NOVEMBER 2009

PRIVATE & CONFIDENTIAL



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

## About Hektar

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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.



## Third Quarter 2009

1 July 2009 – 30 September 2009

Three months

## Commentary

- Mahkota Parade Refurbishment On Track
- Hektar REIT trading at 17% discount to NAV as at 3Q 09

## Operational & Financial Performance

- Portfolio Occupancy: ~ 96.2%
- Rent Reversions: - 8%
- Net Income per Unit (Year-To-Date) **8.61 sen**  
vs. previous comparable period<sup>1</sup>: - 0.6%  
vs. Prospectus Forecast<sup>2</sup>: + 26.0%
- Net Income per Unit (Quarter): **3.00 sen**  
vs. previous comparable quarter<sup>1</sup>: 0.0%  
vs. Prospectus Forecast<sup>2</sup>: + 29.8%

<sup>1</sup> 3Q 08 YTD Net Income per unit: 8.61 sen, 3Q 08 Net Income per unit: 3.00 sen

<sup>2</sup> As per Hektar REIT Initial Public Offering Prospectus dated 15 November 2006

## Dividend Distribution

Second Quarter

Dividend Per Unit

(DPU): **2.40 sen**

DPU Yield<sup>3</sup>: **9.1%**

<sup>3</sup> Based on annualised DPU of 2.40 sen and closing price of RM1.06 on 30 September 2009.



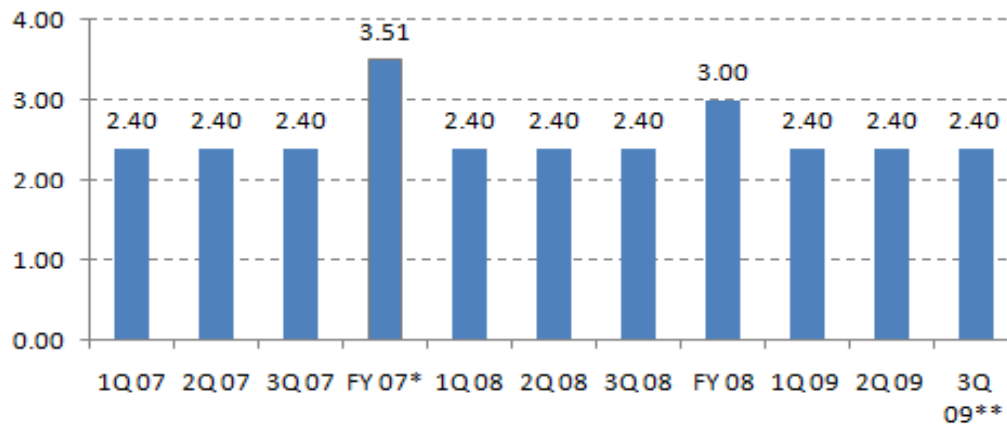
## Hektar REIT Pays Quarterly Dividend Per Unit (DPU)

### Current Dividend Distribution Details

Third Quarter 2009

- Distribution Period: 1 July – 30 September 2009
- Quarterly DPU: 2.40 sen
- Notice of Entitlement: 4 November 2009
- Ex-Dividend Date: 16 November 2009
- Book Closure Date: 18 November 2009
- Distribution Payment Date: 4 December 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

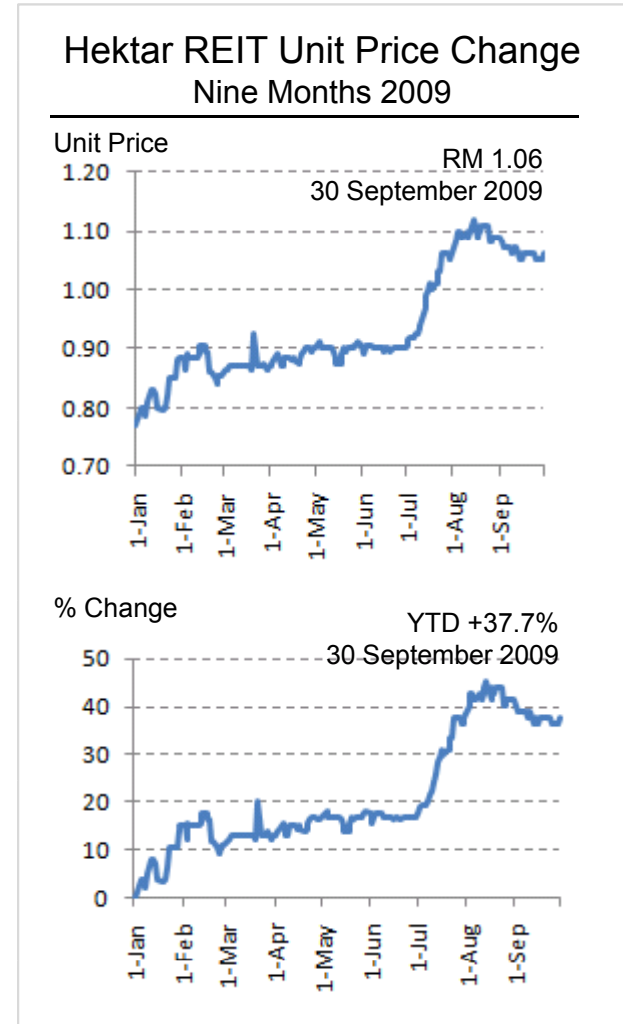
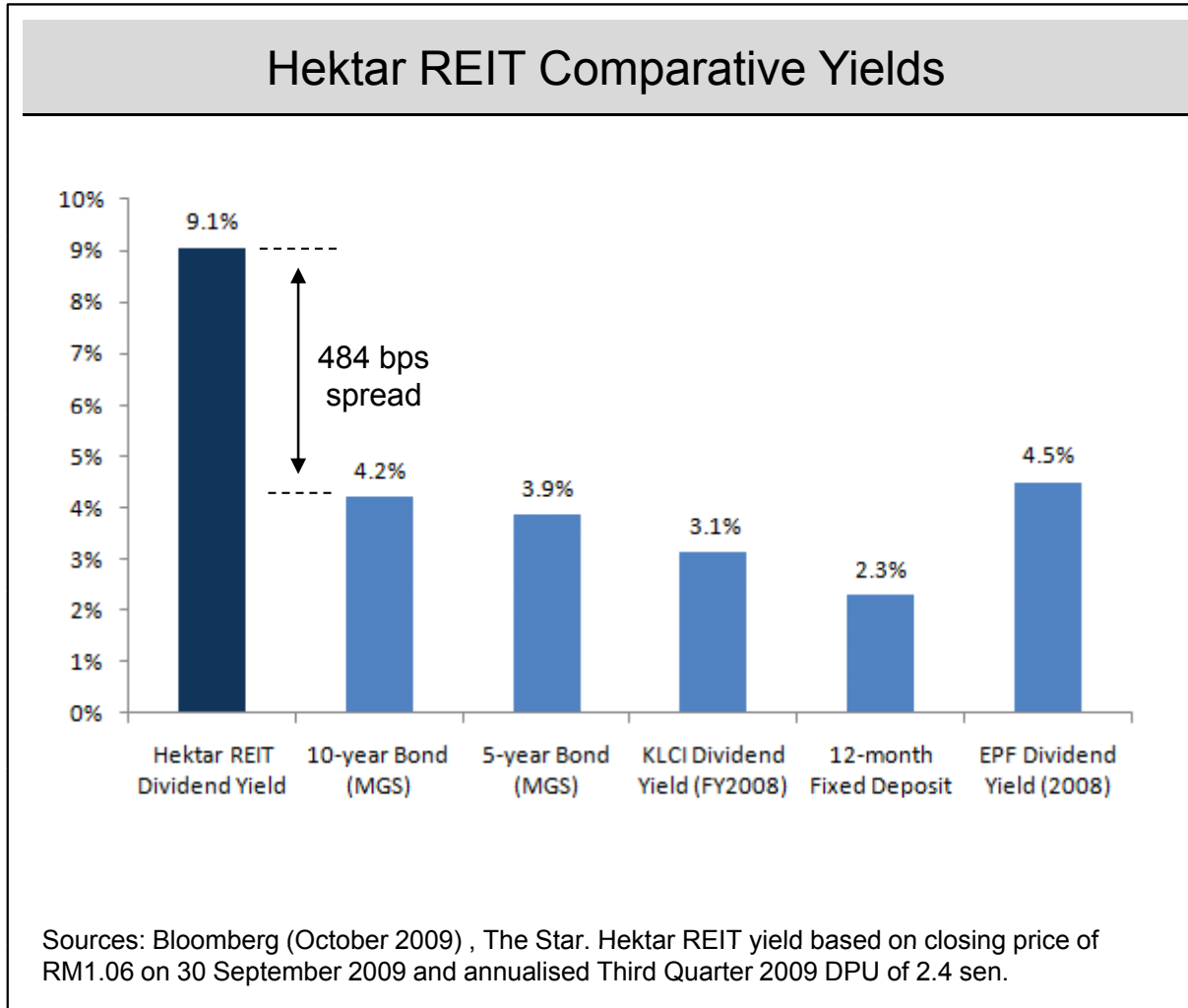
- the first three quarters will be 2.40 sen;
- the final dividend will be the balance.



# Comparative Yields - Malaysia

## Hektar DPU Dividend Yield at annualised 9.1%

- Traded at a 484 bps spread over MGS 10-year



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# Portfolio Performance

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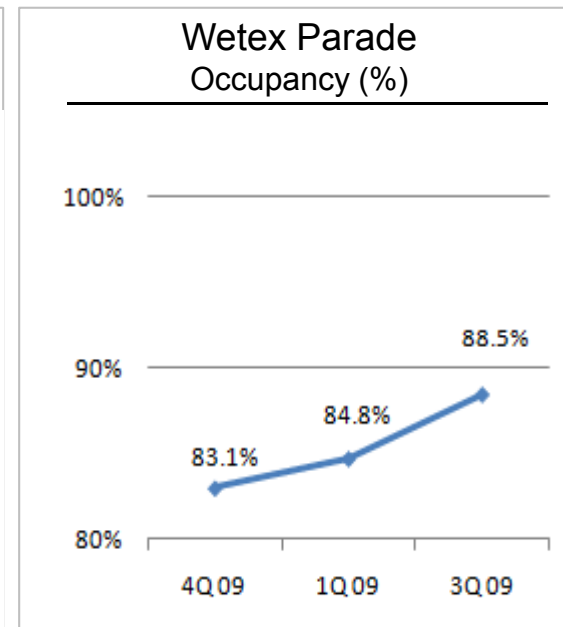
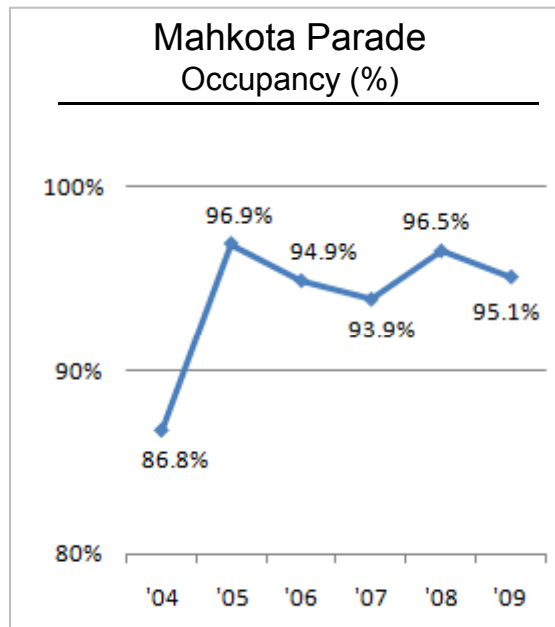
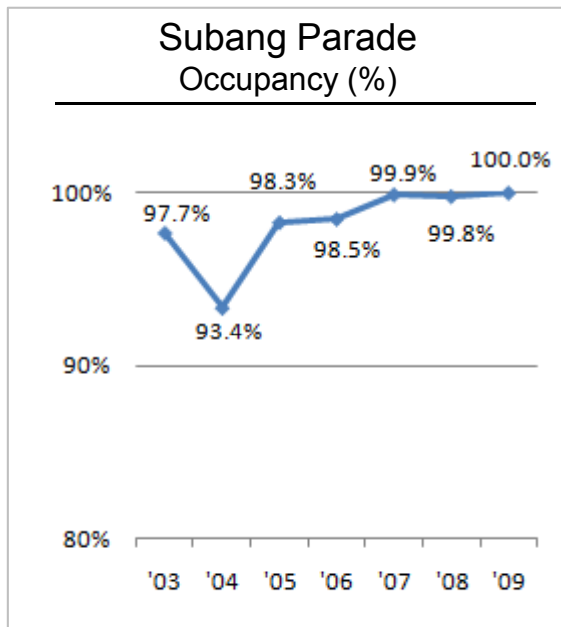
- Overall Occupancy at ~96.2% ▶
- Diversified Portfolio Tenancy Mix ▶
- Top Ten Tenants Contribute 27.3% of Monthly Rental Income ▶
- Rental Reversions down 8% for the quarter ▶
- Tenancy Expiry Profile by Property ▶
- 95% of Portfolio Tenancy Rental Income Locked-in for 2009 ▶
- Tenancy Provisions ▶



## Overall Portfolio Occupancy at ~96.2%

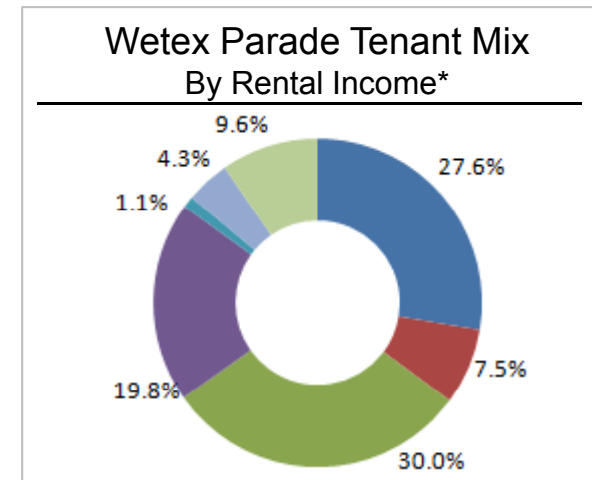
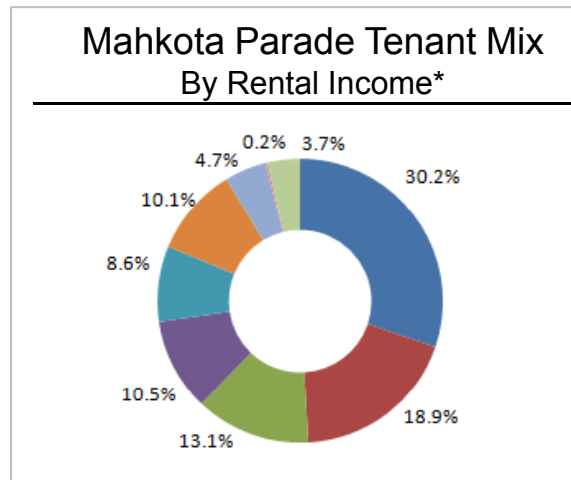
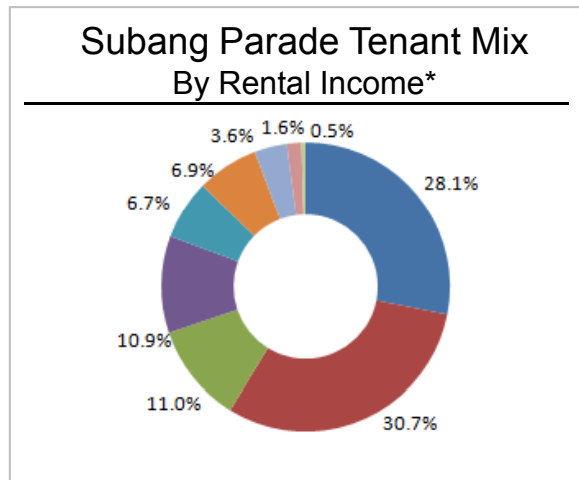
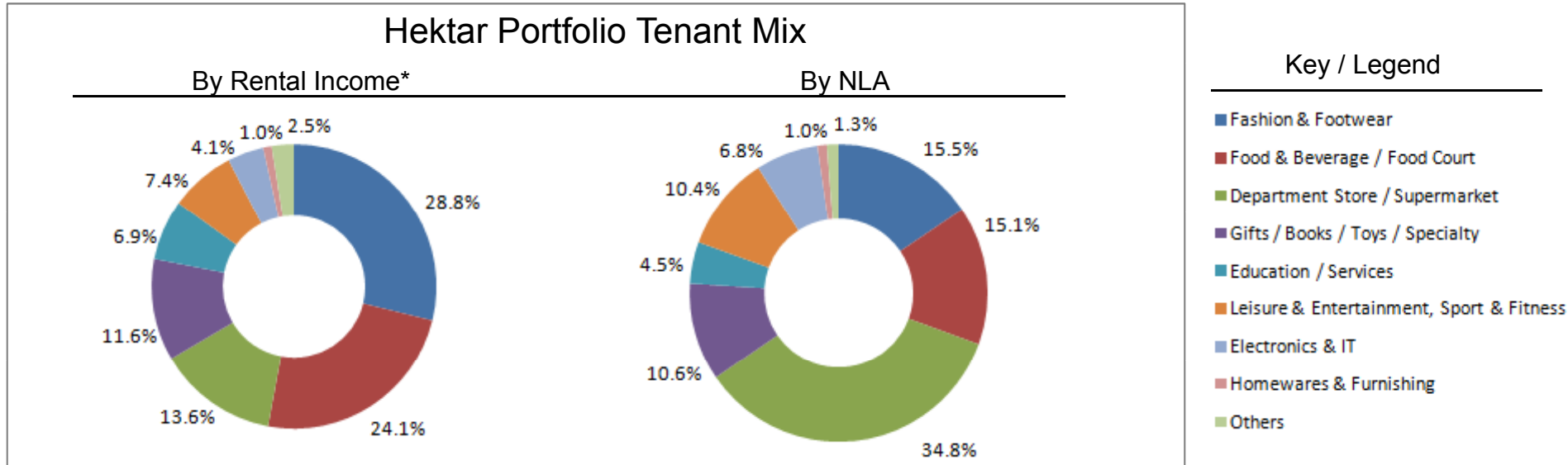
Hektar REIT Portfolio Occupancy							
Property	As at 31 December 2003	As at 31 December 2004	As at 31 December 2005	As at 30 September 2006	As at 31 December 2007	As at 31 December 2008	As at 30 September 2009
Subang Parade	97.7%	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%
Mahkota Parade		86.8%	96.9%	94.9%	93.9%	96.5%	95.1%
Wetex Parade						83.1%	88.5%
<b>Overall*</b>	<b>97.7%</b>	<b>91.3%</b>	<b>97.6%</b>	<b>96.7%</b>	<b>96.9%</b>	<b>95.8%</b>	<b>96.2%</b>

\*Approximate average, weighted by Net Lettable Area.



## Diversified Portfolio Tenant Mix

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



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





## Top Ten Tenants Contribute 27.3% of Monthly Rental Income

- Default Risk: Parkson contributes ~10.9% 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 30 September 2009

Tenant	Trade Sector	NLA (sq ft)	% of Total NLA	% of Monthly Rental Income*
1 Parkson	Department Store	254,009	23.0%	10.9%
2 The Store	Department Store	91,357	8.3%	3.0%
3 Bata	Fashion & Footwear	8,409	0.8%	2.2%
4 McDonald's	Food & Beverage	12,946	1.2%	2.0%
5 The Reject Shop	Fashion & Footwear	17,695	1.6%	1.9%
6 World Of Sports	Fashion & Footwear	10,796	1.0%	1.5%
7 Ampang Superbowl	Leisure & Entertainment	36,717	3.3%	1.5%
8 Kenny Rogers Roasters	Food & Beverage	7,096	0.6%	1.5%
9 K.F.C.	Food & Beverage	10,282	0.9%	1.5%
10 Bonia	Fashion & Footwear	4,835	0.4%	1.3%
<b>Top 10 Tenants</b>		454,142	41.2%	<b>27.3%</b>
Other Tenants		649,078	58.8%	72.7%
<b>Total</b>		<b>1,103,220</b>	<b>100.0%</b>	<b>100.0%</b>

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



## Rental Reversions down 8%

- 3Q 09: 27 new tenancies / renewals at an average 8% lower rental rate
- Year-To-Date rental reversions at -4%

<b>Hektar REIT Rental Reversions</b>				
<b>Third Quarter (3 months) (Ended 30 September)</b>	<b>No. of New Tenancies / Renewals</b>	<b>NLA (sq ft)</b>	<b>% of Total NLA</b>	<b>Increase / (Decrease) Over Previous Rent Rates</b>
Subang Parade	13	14,981	3%	-5%
Mahkota Parade	9	15,571	3%	-17%
Wetex Parade	5	2,028	1%	19%
<b>Total / Average*</b>	<b>27</b>	<b>32,580</b>	<b>3%</b>	<b>-8%</b>
<b>Year-To-Date (9 months) (Ended 30 September)</b>	<b>No. of New Tenancies / Renewals</b>	<b>NLA (sq ft)</b>	<b>% of Total NLA</b>	<b>% Increase / (Decrease) Over Previous Rent</b>
Subang Parade	20	28,239	6%	-2%
Mahkota Parade	30	54,395	12%	-10%
Wetex Parade	19	14,839	9%	7%
<b>Total / Average*</b>	<b>69</b>	<b>97,473</b>	<b>9%</b>	<b>-4%</b>

\*Average Weighted by NLA. NLA = Net Lettable Area

## Hektar's Tenancy Expiry Profile by Property

### Hektar REIT Tenancy Expiry Profile by Property

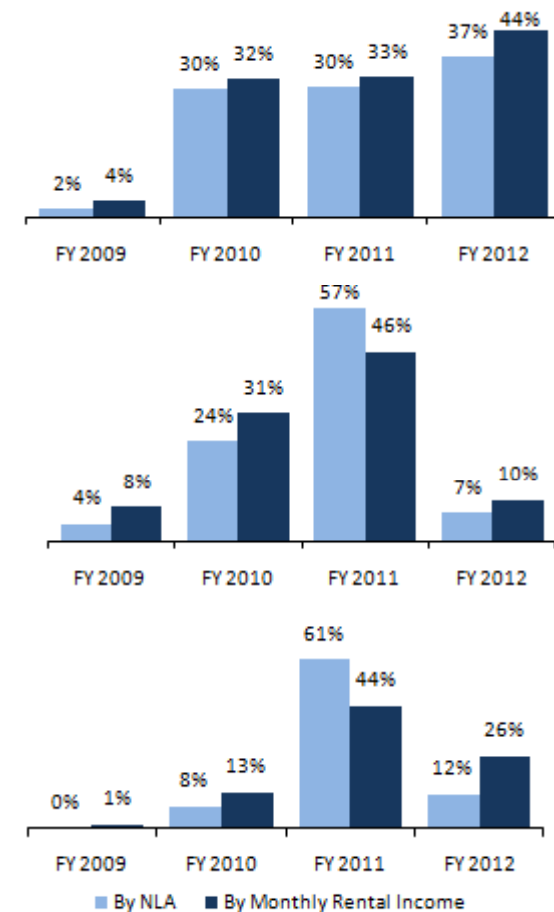
As At 30 September 2009

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	6	9,442	2%	4%
FY 2010	44	141,399	30%	32%
FY 2011	47	144,144	30%	33%
FY 2012	24	176,474	37%	44%

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	11	18,951	4%	8%
FY 2010	39	112,814	24%	31%
FY 2011	38	261,677	57%	46%
FY 2012	22	31,317	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	2	731	0%	1%
FY 2010	17	13,210	8%	13%
FY 2011	19	102,041	61%	44%
FY 2012	30	20,179	12%	26%

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





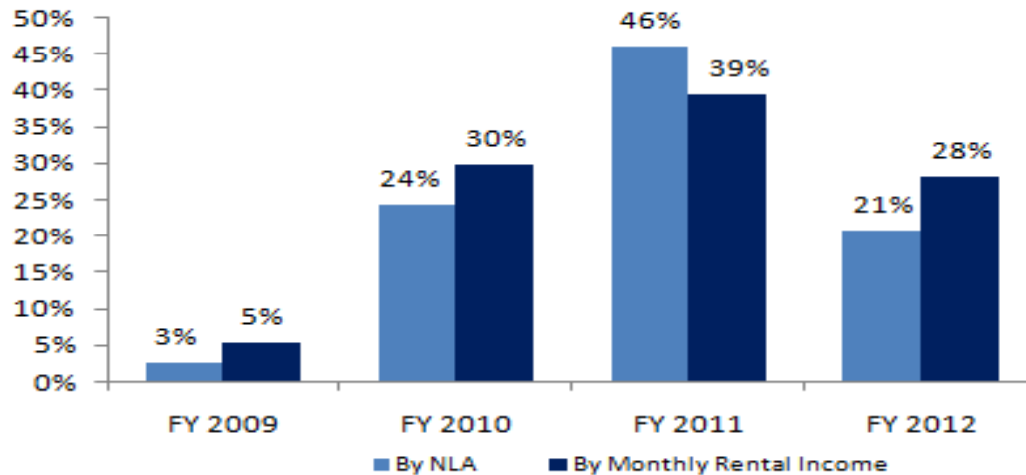
## 95% of Portfolio Tenancy Rental Income Locked-in for 2009

- Remaining FY2009 tenancy expiries account for no more than 5% of monthly rental income\*

### Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As At 30 September 2009

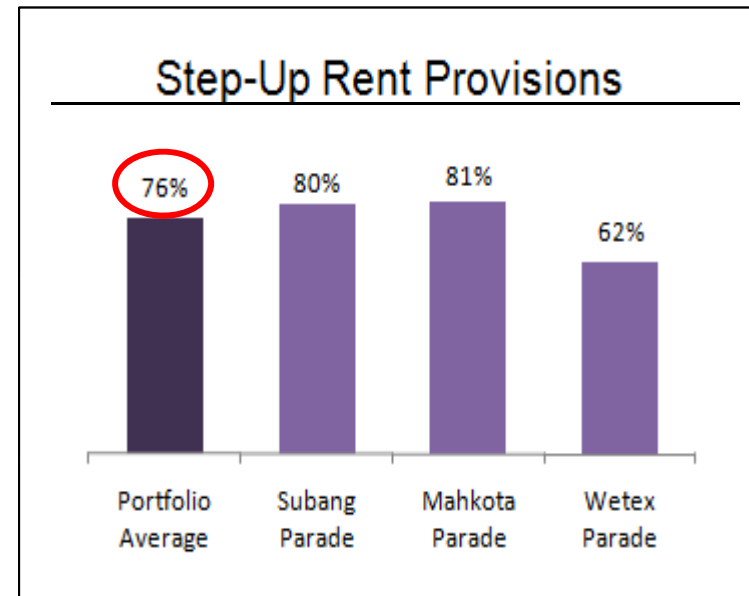
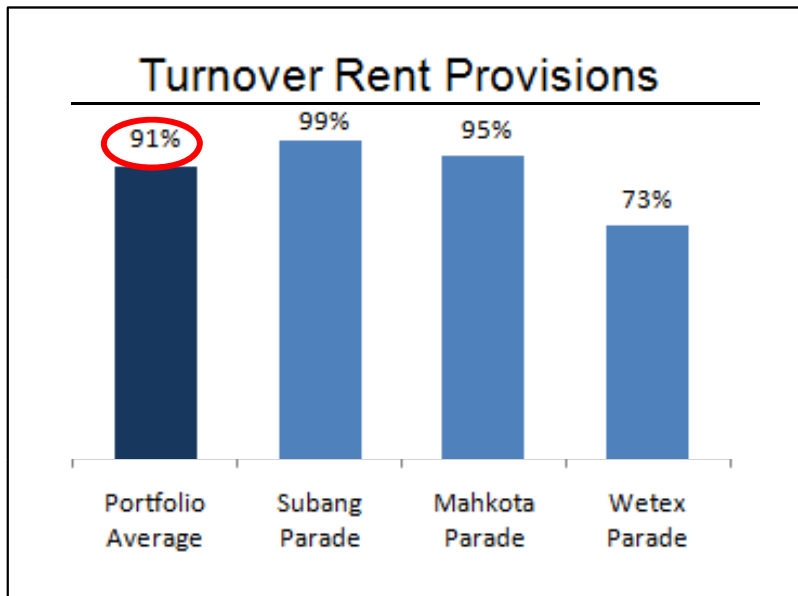
Portfolio For Year Ending 31 December	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income*
FY 2009	19	29,124	3%	5%
FY 2010	100	267,423	24%	30%
FY 2011	104	507,862	46%	39%
FY 2012	76	227,970	21%	28%



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

## Hektar Portfolio Tenancy Provisions

- Turnover Rent Provisions: Portfolio average of 91% of tenancies
- Step-Up Rent Provisions: Portfolio average of 76% of tenancies
- Wetex Parade: implementing provisions for new tenancies / renewals



Notes: Data as at 30 September 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.

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# Financial Results

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- Gross Revenue up 25.2% over budget ►
- Third Quarter 2009 Net Income exceeds Budget by 29.8% ►
- Third Quarter '09 Net Income flat from previous quarter ►
- Year-To-Date Net Income down from previous period by 0.6% ►
- Hektar trading at a 17% discount to NAV as at end 3Q09 ►



## Revenues & Expenses

### Gross Revenue up 25.2% over Budget

For Period 1 July – 30 September 2009

Revenue & Expense	Actual	Budget	Variance
Third Quarter 2009 (Unaudited)	(RM '000)	(RM '000)	(%)
<b>Rental Income</b>			
Revenue from Tenancy	20,726	16,581	+ 25.0%
Car Park	1,839	1,440	+ 27.7%
<b>Revenue</b>	<b>22,565</b>	<b>18,021</b>	<b>+ 25.2%</b>
<b>Direct Cost &amp; Property Expenses</b>			
Property Management Fees	(452)	(380)	- 18.9%
Assessment, Quit Rent & Insurance	(809)	(774)	- 4.4%
Other Operating Expenses	(7,708)	(5,969)	- 29.1%
<b>Total Property Expenses</b>	<b>(8,969)</b>	<b>(7,123)</b>	<b>- 25.9%</b>
<b>Trust Fees &amp; Expenses</b>			
Manager's fee			
Base Fee	(464)	(348)	- 33.4%
Performance Fee	(492)	(416)	- 18.2%
Trustee's fee	(36)	(31)	- 18.0%
Valuation fee	(13)	(13)	- .0%
Administration expenses	(105)	(100)	- 4.8%
<b>Total Trust Fees &amp; Expenses</b>	<b>(1,109)</b>	<b>(907)</b>	<b>- 22.3%</b>

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



## Income Statement – Quarter

### Third Quarter '09 Net Income exceeds Budget by 29.8%

For Period 1 July – 30 September 2009 (versus Budget)

<b>Income Statement</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>Third Quarter 2009 (Unaudited)</b>	<b>(RM '000)</b>	<b>(RM '000)</b>	<b>(%)</b>
Revenue	22,565	18,021	+ 25.2%
Direct Cost & Property Expenses	(8,969)	(7,123)	- 25.9%
<b>Net Property Income (NPI)</b>	<b>13,596</b>	<b>10,898</b>	<b>+ 24.8%</b>
Interest & Other Income	27	88	- 69.5%
<b>Total Income</b>	<b>13,623</b>	<b>10,986</b>	<b>+ 24.0%</b>
Trust Fees & Expenses	(1,109)	(907)	- 22.3%
Interest Expense	(2,926)	(2,691)	- 8.7%
<b>Net Income Before Tax - Realised</b>	<b>9,588</b>	<b>7,388</b>	<b>+ 29.8%</b>
<b>Net Income per Unit (sen)</b>	<b>3.00</b>	<b>2.31</b>	<b>+ 29.8%</b>

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





## Income Statement – Quarter Comparative

### Third Quarter '09 Net Income even v previous quarter

For Period 1 July – 30 September 2009 (versus previous comparable period)

<b>Income Statement</b>	<b>3Q09</b>	<b>3Q08</b>	<b>Variance</b>
<b>Third Quarter 2009 (Unaudited)</b>	<b>(RM '000)</b>	<b>(RM '000)</b>	<b>(%)</b>
Revenue	22,565	22,164	+ 1.8%
Direct Cost & Property Expenses	(8,969)	(8,118)	- 10.5%
<b>Net Property Income (NPI)</b>	<b>13,596</b>	<b>14,046</b>	<b>- 3.2%</b>
Interest & Other Income	27	84	- 68.1%
<b>Total Income</b>	<b>13,623</b>	<b>14,130</b>	<b>- 3.6%</b>
Trust Fees & Expenses	(1,109)	(1,236)	+ 10.3%
Interest Expense	(2,926)	(3,305)	+ 11.5%
<b>Net Income Before Tax - Realised</b>	<b>9,588</b>	<b>9,589</b>	<b>- .0%</b>
<b>Net Income per Unit (sen)</b>	<b>3.00</b>	<b>3.00</b>	<b>- .0%</b>



## Income Statement – Year To Date Comparative

### Year-To-Date Net Income even v previous year

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

<b>Income Statement</b>	<b>9M09</b>	<b>9M08</b>	<b>Variance</b>
<b>Year-To-Date 2009 (Unaudited)</b>	<b>(RM '000)</b>	<b>(RM '000)</b>	<b>(%)</b>
Revenue	66,183	61,834	+ 7.0%
Direct Cost & Property Expenses	(26,140)	(22,283)	- 17.3%
<b>Net Property Income (NPI)</b>	<b>40,043</b>	<b>39,551</b>	<b>+ 1.2%</b>
Interest & Other Income	82	146	- 44.2%
<b>Total Income</b>	<b>40,124</b>	<b>39,697</b>	<b>+ 1.1%</b>
Trust Fees & Expenses	(3,391)	(3,853)	+ 12.0%
Interest Expense	(9,167)	(8,118)	- 12.9%
<b>Net Income Before Tax - Realised</b>	<b>27,566</b>	<b>27,725</b>	<b>- 0.6%</b>
<b>Net Income per Unit (sen)</b>	<b>8.61</b>	<b>8.66</b>	<b>- 0.6%</b>



# Balance Sheet

## Hektar trading at a 17% discount to NAV as at end 3Q09

Balance Sheet in RM '000	As at 30.09.2009 (Unaudited)	As at 31.12.2008 (Audited)
<b>Non-Current Assets</b>		
Investment Properties	716,951	713,400
<b>Current Assets</b>		
Trade Receivables	490	472
Other Receivables, Deposits, Prepayments	6,987	5,910
Capital Work in Progress	4,181	106
Cash and Bank Balances	11,937	18,221
<b>TOTAL ASSETS</b>	<b>740,546</b>	<b>738,108</b>
<b>Liabilities</b>		
Trade Payables	574	188
Other Payables and Accruals	2,622	4,463
Tenancy Deposits	20,743	20,256
Provision for Income Distribution	7,680	9,600
Borrowings	302,300	301,500
<b>TOTAL LIABILITIES</b>	<b>333,919</b>	<b>336,007</b>
<b>NET ASSET VALUE</b>	<b>406,628</b>	<b>402,101</b>
Unitholders' Capital	328,137	328,137
Retained Earnings - realised	10,535	6,008
Retained Earnings - unrealised	67,956	67,956
<b>TOTAL UNITHOLDERS' FUND</b>	<b>406,628</b>	<b>402,101</b>

Unit Price Statistics As at 30 September 2009
<b>No. of Units Outstanding</b> 320,001,000
<b>Net Asset Value (RM)</b> 1.27
<b>Unit Price (RM)</b> 1.06
<b>Premium / (Discount) to NAV</b> (17%)

Debt Information As at 30 September 2009
<b>Borrowings</b> RM302,300,000
<b>Weighted Average Cost of Debt*</b> 4.06%
<b>Gearing Ratio</b> 40.8%
<b>Expiry*</b> 2 Tranches in 2011 & 2013

\*Full Details in 1Q09 Results Presentation

## Mahkota Parade Refurbishment

### Mahkota Parade Refurbishment On Track

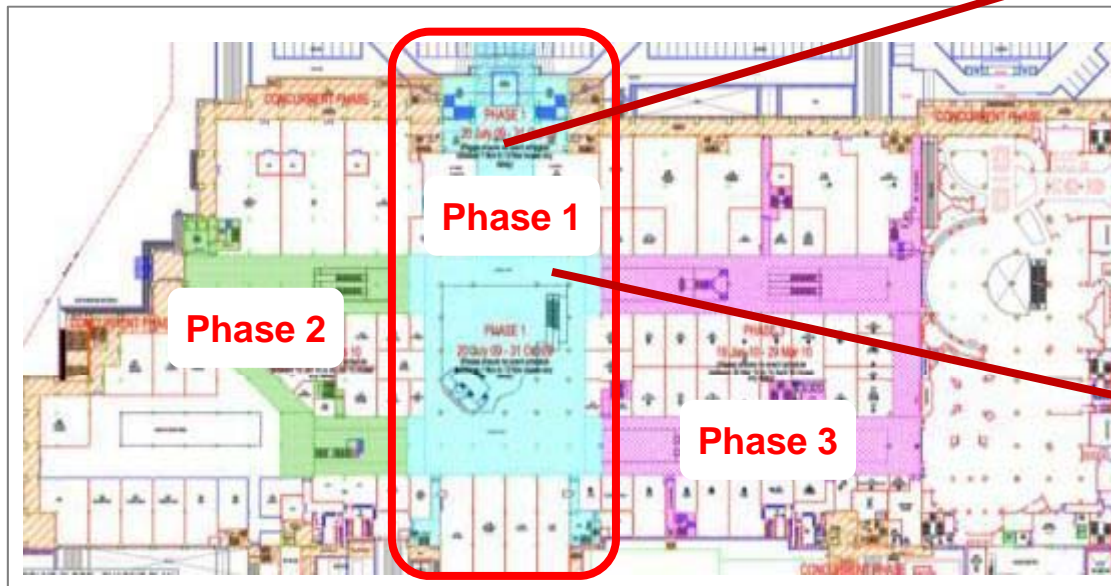
- Phase 1: Central Area Complete
- Phase 2: November 2009 – January 2010
- Phase 3: January 2010 – April 2010
- Positive Retailer & Customer Feedback



Phase 1: Guest Services Counter



Ground Floor Plan



Phase 1: Concourse Central Area



Full Details of the Refurbishment published in the Second Quarter 2009 Financial Results Presentation.



## *“Creating The Places Where People Love To Shop”*

Investor Relations

**Hektar Asset Management Sdn Bhd**

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