



ARA ASSET MANAGEMENT LIMITED



**RESULTS FOR THE THREE QUARTERS ENDED
30 SEPTEMBER 2008**



AGENDA

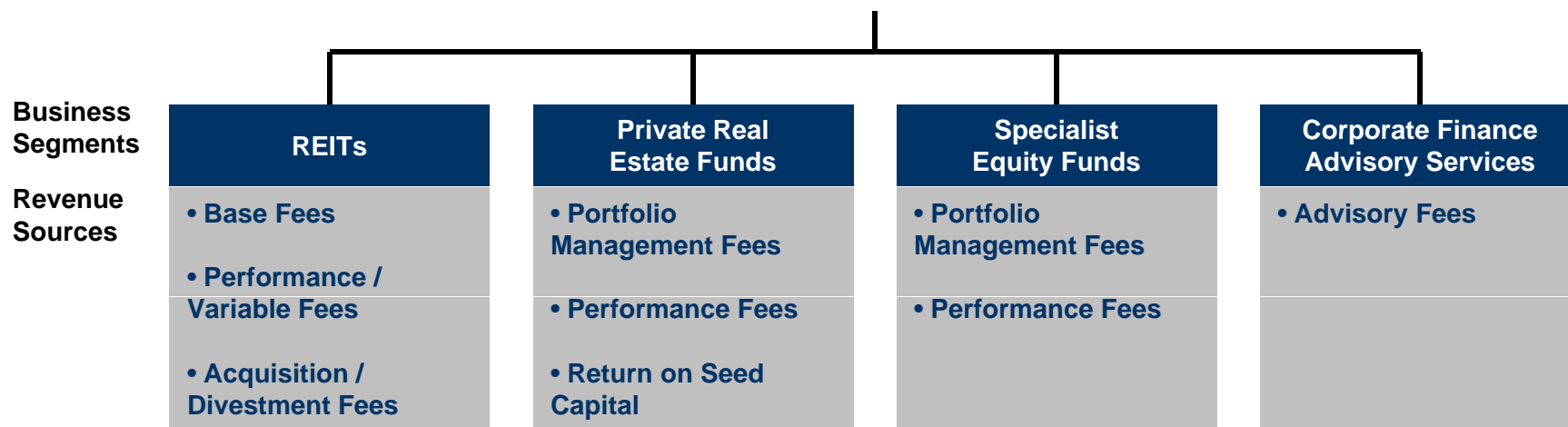


1. Overview of ARA
2. Highlights
3. Financial Review
4. Strategy

1. OVERVIEW OF ARA



ARA Asset Management Limited








Notes:	<p>For the REITs we manage, we earn:</p> <ul style="list-style-type: none"> • base fees based on the value of the properties of the REITs; • performance / variable fees based on the net property income of the REITs; and • acquisition / divestment fees based on the acquisition / divestment value of properties acquired / divested by the REITs. 	<p>For the private real estate funds we manage, we earn:</p> <ul style="list-style-type: none"> • portfolio management fees based on the committed capital of the funds; • a share of the returns of the funds at the end of the funds' lives for performance beyond certain hurdle rates as performance fees; and • we also invest a portion of our capital as seed capital for certain of our funds and are entitled to returns on such seed capital. 	<p>For the specialist equity funds we manage, we earn:</p> <ul style="list-style-type: none"> • portfolio management fees based on the NAV of the funds; and • a share of the returns of the funds periodically for performance beyond certain hurdle rates as performance fees. 	<p>We earn advisory fees for corporate finance advisory services rendered.</p>
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Fund Products



Diversified and complementary fund strategies

REITs				
Description	SGX-listed with Hong Kong retail assets	SGX-listed with Singapore retail and office assets	HKSE-listed with HK office and industrial assets	Bursa-listed with M'sian commercial assets
Property Value⁽¹⁾	HK\$9,719 mn	S\$5,868 mn	HK\$5,408 mn	RM836 mn
Rentable Area	1.7 mil sf	2.9 mil sf	1.2 mil sf	2.3 mil sf
Private Real Estate Funds⁽²⁾	 ARA Asia Dragon Fund			
Description	Flagship strategic and opportunistic Asian private real estate fund			
Specialist Equity Funds	 ARA Asian Asset Income Fund			
Description	Open-ended private fund investing in REITs, listed infrastructure and utilities trusts in the Asia-Pacific			

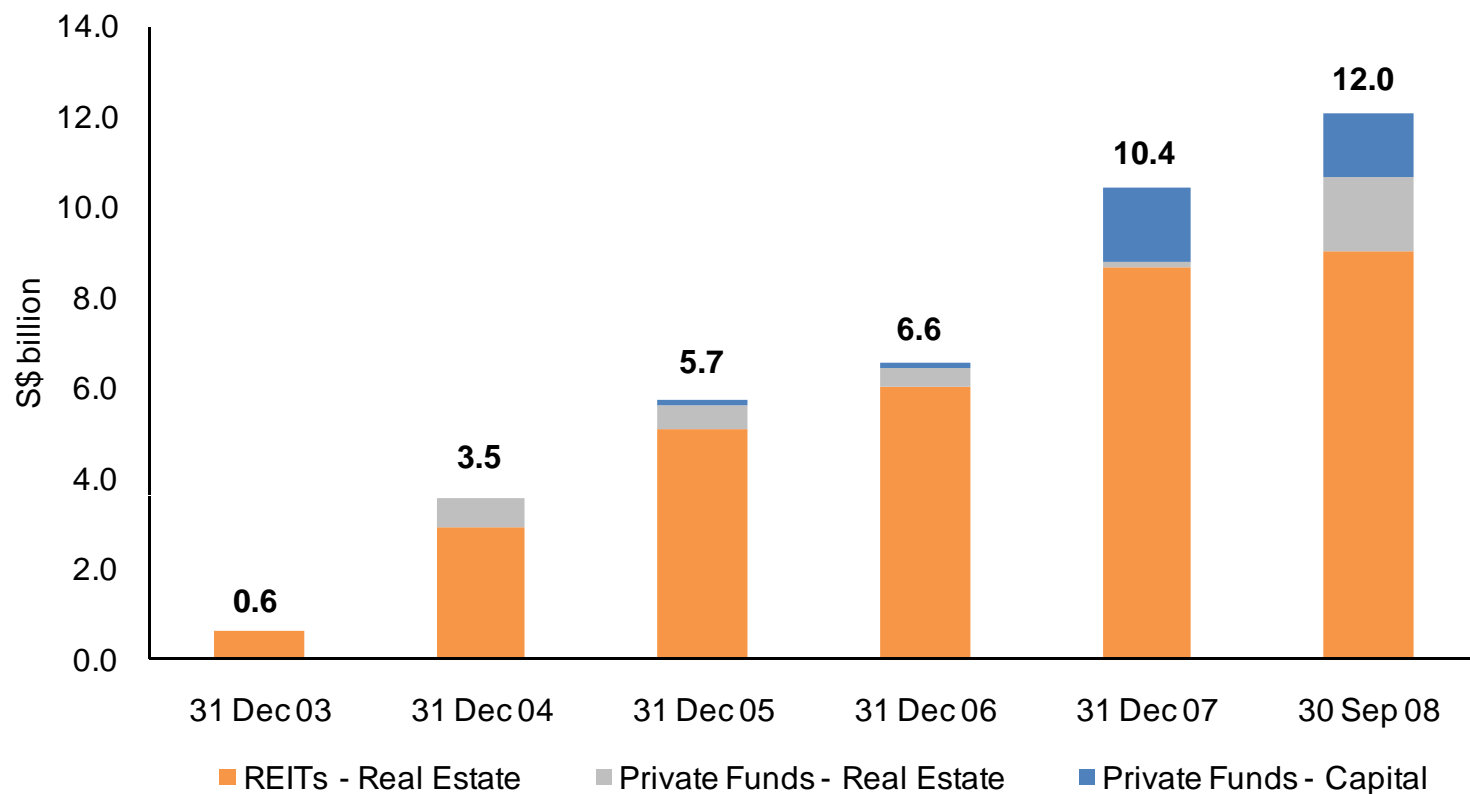
Notes:

- (1) Property values as of last publicly-announced valuation
- (2) AIFEREF, a Shariah-compliant private real estate fund was divested in Oct 07

Total Assets Under Management



S\$12.0 billion (US\$8.4 billion)⁽¹⁾ as at 30 Sep 08



*See notes on slide 11 for description of categories

Notes:

(1) Based on 30 Sep 08 exchange rates. Source: Bloomberg

2. HIGHLIGHTS



Revenue increased 95%, net profit rose 138%

Stable earnings

- YTD 3Q08 total revenue increased 95% to S\$51.8 mn from S\$26.6 mn in YTD 3Q07
- YTD 3Q08 net profit up by 138% to S\$27.2 mn from S\$11.4 mn in YTD 3Q07

Defensively positioned

- Low gearing and healthy cash position at the Group level
- Stable management fee income from REITs and private real estate funds
- REITs do not have any major refinancing of external borrowings till end 2009
- ARA Asia Dragon Fund and its investors remain fully committed to course

Well-positioned to weather the current financial market turbulence

REIT Manager M&A Transactions



Ongoing consolidation in the S-REIT sector⁽¹⁾

Date announced	REIT	Acquirer	Transaction	REIT AUM ⁽²⁾	Implied valuation for manager	Valuation / AUM
12 Mar 08	Ascendas REIT	Ascendas Pte Ltd	Acquisition of <ul style="list-style-type: none"> • 40% of REIT manager • 6.8% stake in REIT 	S\$3.4 bn	S\$275.0 mn ⁽³⁾ (REIT manager)	8.1%
09 Jun 08	Cambridge Industrial REIT	Oxley Group	Acquisition of <ul style="list-style-type: none"> • 20% of REIT manager (among other transactions) 	S\$966.8 mn	S\$36.8 mn ⁽⁴⁾ (REIT manager)	3.8%
08 Jul 08	Allco Commercial REIT	Frasers Centrepoint Limited	Acquisition of <ul style="list-style-type: none"> • 100% of REIT manager • 17.7% stake in REIT 	S\$2.0 bn	S\$75.7 mn ⁽⁵⁾ (REIT manager)	3.7%
28 Oct 08	Macquarie Prime REIT	YTL Corporation Berhad	Acquisition of <ul style="list-style-type: none"> • 50% of REIT manager • 50% of Singapore property manager • 26% stake in REIT 	S\$2.2 bn	S\$124.0 mn ⁽⁶⁾ (REIT manager & Singapore property manager)	5.6%

Transactions were completed at significant premiums to ARA's market capitalization/AUM as at 31 Oct 08 of 1.6%⁽⁷⁾

Notes:

- (1) Information in table based on public announcements/press releases
- (2) At date of announcement
- (3) Regrossed on S\$110 mn for 40% of REIT manager. Source: Goodman Group's ASX announcement dated 13 Mar 08
- (4) Regrossed on S\$7.36 mn for 20% of REIT manager. Source: Cambridge REIT press release dated 09 Jun 08
- (5) Aggregate purchase price of S\$180 mn less S\$0.83/unit for 125.7 mn REIT units. Source: Frasers Centrepoint Limited's press release dated 08 Jul 08
- (6) Regrossed on S\$62.0 mn for 50% of Prime REIT Management Holdings Pte Ltd, does not include S\$20 mn service fee. Source: YTL Corporation Berhad announcement dated 28 Oct 08
- (7) Based on ARA's 31 Oct 08 closing share price of S\$0.33 per share and current AUM of S\$12.0 bn

3. FINANCIAL REVIEW



Financial Results



Stable earnings

Financial Results		YTD 3Q08	YTD 3Q07	Change (%)
Total Revenue	(S\$'000)	51,815	26,618	95%
EBIT	(S\$'000)	30,794	13,479	128%
Net Profit	(S\$'000)	27,155	11,403	138%
Net Margin	(%)	52%	43%	+ 9%
EPS ⁽¹⁾	(S cents)	4.67	2.24	108%
ROE ⁽²⁾	(%)	44%	n.m.	n.m.

Assets Under Management		30 Sep 08	31 Dec 07	Change (%)
REITs – Real Estate ⁽³⁾	(millions)	S\$9,012 (US\$6,282)	S\$8,688 (US\$6,056)	4%
Private Funds – Real Estate ⁽⁴⁾	(millions)	S\$1,678 (US\$1,170)	S\$104 (US\$73)	1,510%
Private Funds – Capital ⁽⁵⁾	(millions)	S\$1,358 (US\$947)	S\$1,642 (US\$1,144)	(17%)
Total AUM	(millions)	S\$12,047 (US\$8,398)	S\$10,433 (US\$7,273)	15%

Notes:

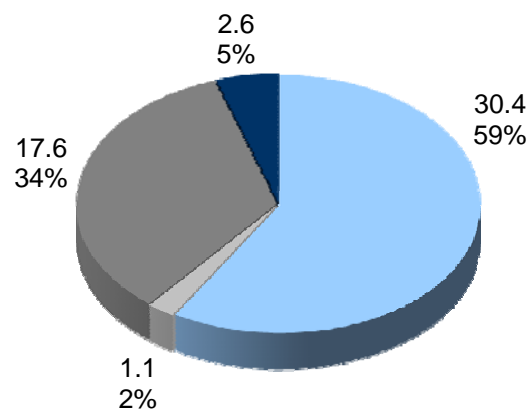
- (1) Based on weighted average number of shares of 582,060,000 shares in issue as at 30 Sep 08 and 509,060,000 shares in issue as at 30 Sep 07
- (2) Annualised figure
- (3) Property value of REITs managed by ARA
- (4) Gross value of real estate investments in private real estate funds and third-party real estate managed by ARA
- (5) Unutilized commitments in private real estate funds and NAV of specialist equity funds managed by ARA

Revenue by Segments

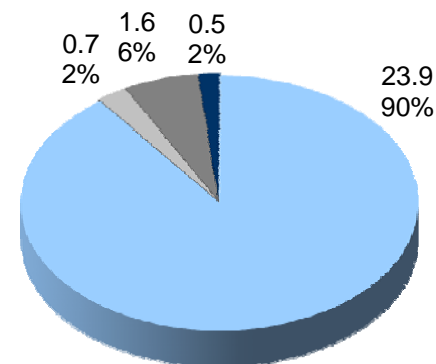


Strong growth in recurrent income, more diversified income base

YTD 3Q08 Total Revenue: (S\$ mn)
Total: S\$51.8 mn (+95%)



YTD 3Q07 Total Revenue (S\$ mn)
Total: S\$26.6 mn



- REIT base and performance fees
- Acquisition fees
- Portfolio management and service fees
- Other income

Diversified and stable income base from private real estate fund and REIT management

4. STRATEGY



Crisis is Opportunity

Unprecedented crisis requires a prudent approach

- Adopt defensive positioning and sustain profitability

But it is also a window of opportunity...

- **Be patient** – Opportunities abound amidst current market turbulence; seek out favourable deals
- **Drive a hard bargain** – Elevated risks necessitate more conservative criteria & stringent deal evaluation
- **Be creative** – Structure deals to minimize risks and reliance on credit

**ARA is well-positioned to weather the current financial market turbulence
and take advantage of opportunities that may arise**

Disclaimer

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