



ARA ASSET MANAGEMENT LIMITED



**RESULTS FOR THE FULL YEAR ENDED
31 DECEMBER 2008**



AGENDA

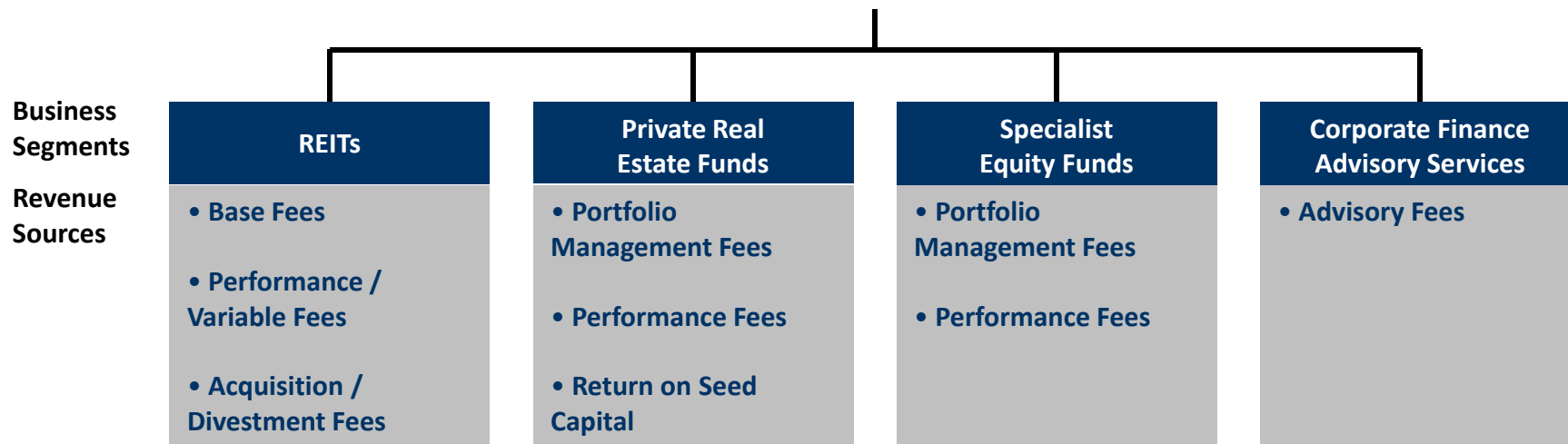


1. Overview of ARA
2. Financial Results
3. Strategy

1. OVERVIEW OF ARA



ARA ASSET MANAGEMENT LIMITED



Notes:

For the REITs we manage, we earn:

- 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 value of properties acquired / divested by the REITs.

For the private real estate funds we manage, we earn:

- 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
- returns on seed capital invested.

For the specialist equity funds we manage, we earn:







- 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.

We earn advisory fees for corporate finance advisory services rendered.

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/office assets	Bursa-listed with M'sian commercial assets
Property Value⁽¹⁾	HK\$8,602m	S\$5,411m	HK\$5,408m	RM838m
Rentable Area	1.7m sf	2.9m sf	1.2m sf	2.3m sf
Private Real Estate Funds ⁽²⁾	 ARA Asia Dragon Fund			
Description	Flagship strategic and opportunistic private real estate fund investing in Singapore, Hong Kong, China and Malaysia as well as other emerging economies in Asia			
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			

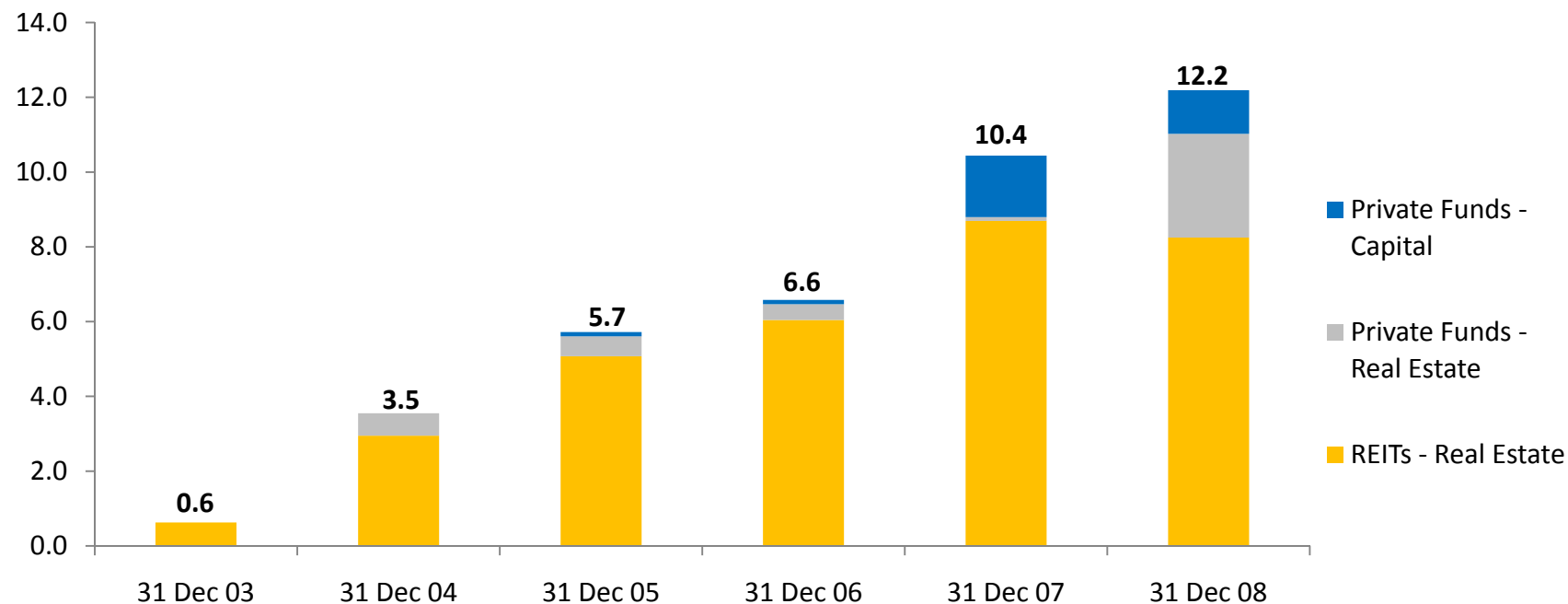
Notes:

- (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\$12.2 billion (US\$8.5 billion) as at 31 Dec 08



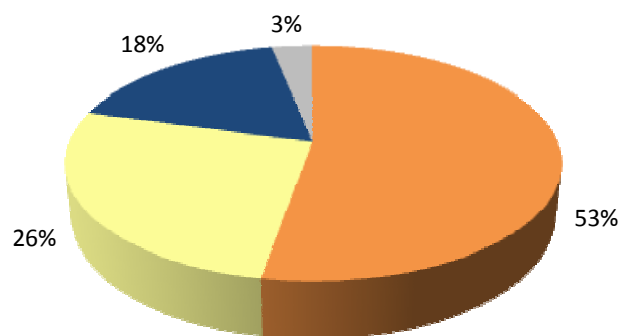
Assets Under Management		31 Dec 08	31 Dec 07	Change (%)
REITs – Real Estate	(billion)	S\$8.2 (US\$5.8)	S\$8.7(US\$6.1)	(5%)
Private Funds – Real Estate	(billion)	S\$2.8 (US\$1.9)	S\$0.1 (US\$0.1)	2,556%
Private Funds – Capital	(billion)	S\$1.2 (US\$0.8)	S\$1.6 (US\$1.1)	(29%)
Total AUM	(billion)	S\$12.2 (US\$8.5)	S\$10.4(US\$7.3)	17%

Assets By Country

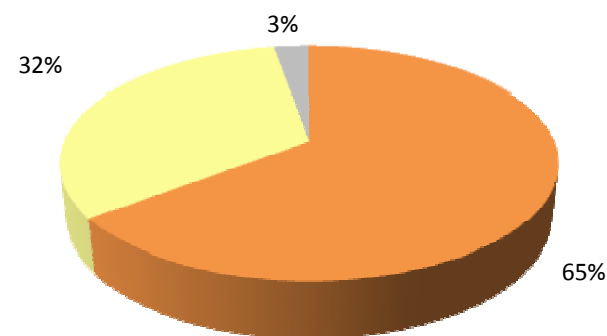


Increasing exposure to China

FY08 Real Estate AUM
Total: S\$11.0b (+25%)



FY07 Real Estate AUM
Total: S\$8.8b



Legend: Singapore (orange), Hong Kong (yellow), China (dark blue), Malaysia (grey)

Remain optimistic on long-term growth prospects for China
Current market dislocations provide good entry point

Strengthening Our Network



Growing China presence



- Established offices in Tianjin and Nanjing, in collaboration with ARA Asia Dragon Fund joint-venture partners
- Current staff strength of over 140 across Asia, including approximately 60 in China alone

On track to build a pan-Asian real estate investment platform

2. FINANCIAL RESULTS



Results In Brief



Stable earnings, strong growth in recurrent income

Financial Results		FY08	FY07	Change (%)
Revenue				
Management fees ⁽¹⁾	(S\$'000)	64,484	41,203	57%
Acquisition and performance fees ⁽²⁾	(S\$'000)	1,148	19,133	(94%)
Other income ⁽³⁾	(S\$'000)	4,407	1,741	153%
Total Revenue	(S\$'000)	70,039	62,077	13%
EBIT	(S\$'000)	40,326	39,216	3%
Net Profit	(S\$'000)	36,729	34,012	8%
Financial Measures				
EPS ⁽⁴⁾	(S cents)	6.31	5.84	8%
Net Margin	(%)	52%	55%	-3%
ROE ⁽⁵⁾	(%)	49%	34%	+15%

Notes:

- (1) Recurrent REIT and private fund management fees
- (2) One-time REIT acquisition fees and private fund performance fees
- (3) Comprises mainly distribution income from financial assets
- (4) Based on 582,060,000 shares in issue as at 31 Dec 07 and 31 Dec 08.
- (5) Based on full year net profit divided by equity as at year end

Dividends



Proposed final dividend of S\$0.0224 per share

	Amount (S\$'000)	Remarks
Interim dividend	12,629	S\$0.0217 per share
Proposed final dividend	13,038	S\$0.0224 per share
Total dividend for FY08	25,667	S\$0.0441 per share
FY08 net profit	36,729	70% payout ratio
Dividends paid to public shareholders⁽¹⁾ in FY07	22,118	S\$0.038 per share

Notes:

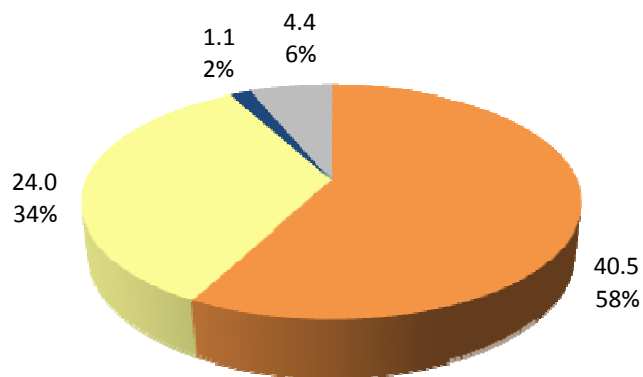
(1) Shareholders following the IPO of the Company

Revenue By Segments

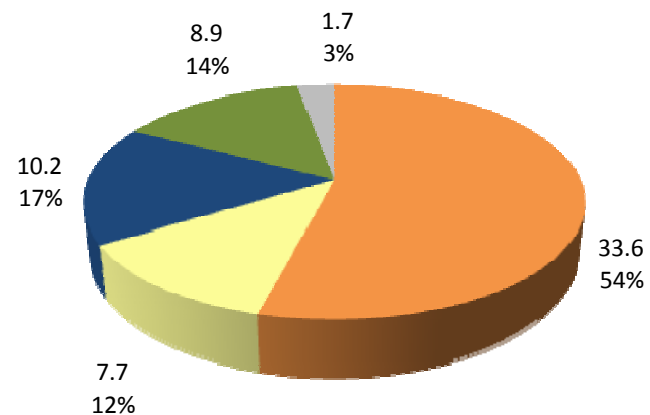


Strong growth in recurrent management fees

FY08 Total Revenue: (\$m, % of total)
Total: S\$70.0m (+8%)



FY07 Total Revenue (\$m, % of total)
Total: S\$62.1m



- REIT management fees
- Private fund management fees
- REIT acquisition fees
- Private fund performance fees
- Other income

Over 90% of FY08 revenue from recurrent income

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

3. STRATEGY



Strong foundation for growth

Prudent capital management

- **Healthy balance sheet** – Ample cash reserves and low gearing
- **Stable income** – Strong growth in recurrent income in FY08 puts ARA on a strong footing to meet challenges in FY09 and beyond

Continuing our growth

- **Growing our China presence** – Established offices in Nanjing and Tianjin with ADF JV partners. Together with Beijing office, currently have over 60 staff based in China and 140 throughout Asia
- **New funds** – Seek to launch new private funds with specific strategies tailored to current market climate
- **Acquisitions** – Continue to be on the lookout for opportunities that may arise

**ARA is well-positioned to weather the current financial market turbulence
to continue our growth**

Disclaimer

These slides may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of uncertainties, risks and assumptions. Representative examples of these factors include but are not limited to general market and economic conditions, interest rate trends, competition from other real estate investors, changes in operating expenses including employee wages and benefits, changes in government policies, and the continued availability of financing in the amounts and terms necessary to support future business. You are cautioned not to place undue reliance on the forward-looking statements in these slides, which are based on the current view of management on future events. Information from external sources in these slides have not been independently verified by us nor have the external sources quoted consented to the inclusion of the information.

Credit Suisse (Singapore) Limited and DBS Bank Ltd. were the joint global coordinators, bookrunners and underwriters for the initial public offering of the Company.

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