

ARA ASSET MANAGEMENT LIMITED



**RESULTS FOR THE SIX MONTHS ENDED
30 JUNE 2010**

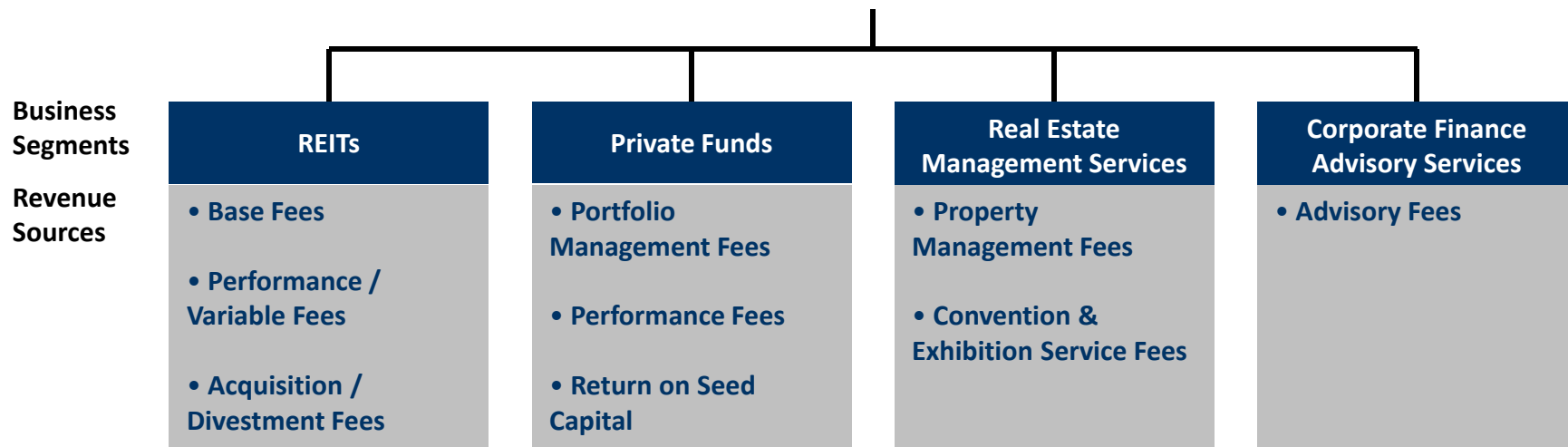


1. BUSINESS OVERVIEW

BUSINESS SEGMENTS



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 value of properties acquired / divested by the REITs. | <p>For the private funds we manage, we earn:</p> <ul style="list-style-type: none"> • portfolio management fees based on the committed capital, NAV or gross assets of the funds; • a share of the returns of the funds for performance beyond certain hurdle rates as performance fees; and • returns on seed capital invested in the fund. | <p>We earn management fees for the provision of:</p> <ul style="list-style-type: none"> • property management services; • convention & exhibition services; and • management services for the common property of real estate developments. | <p>We earn advisory fees for corporate finance advisory services rendered to related corporations.</p> |
|---|---|---|--|

FUNDS & SERVICES



Diversified & complementary fund platforms & services

| REITs |  FORTUNE REIT 豐源商業信託 |  SUNTEC Real Estate Investment Trust |  PROSPERITY REIT 萬富產業信託 |  AmFIRST Real Estate Development Trust |  CACHE LOGISTICS TRUST |
|-------------------------------------|---|---|--|--|---|
| Listing Venue | SGX-ST & SEHK | SGX-ST | SEHK | Bursa | SGX-ST |
| Focus | Suburban retail properties in Hong Kong | Prime office & retail properties in Singapore | Office & industrial/ office properties in Hong Kong | Commercial properties in Malaysia | Logistics properties in the Asia Pacific region |
| Property Value⁽¹⁾ | HK\$12,421m | S\$5,185m | HK\$5,256m | RM1,008m | S\$730m |
| Private Funds |  ADF ARA Asia Dragon Fund | |  ARA Harmony Fund | |  APN Property Group |
| Description | Flagship strategic and opportunistic private real estate fund investing in Singapore, Hong Kong, China, Malaysia and other emerging economies in Asia | | Single-asset private real estate fund which owns the Suntec Singapore Int'l Convention & Exhibition Centre | | Strategic alliance with Australian specialist real estate investment manager, APN Property Group ⁽²⁾ for private funds investing primarily in Australian real estate |
| Fund Size | US\$1.1b (committed capital) | | S\$240m (gross asset value) | | - |
| Real Estate Management Services |  APM (A Member of the ARA Group) | |  Suntec SINGAPORE International Convention & Exhibition Centre | | |
| Description | Property management services provider | | Operations, sales and marketing services provider & consultant for convention, exhibition, meeting and event facilities | | |

Notes:

- (1) Property values as of last publicly-announced valuation
- (2) ARA acquired a 15.0% (pre-placement) strategic interest in APN Property Group via a share placement on 22 Jul 2010

NEW MARKET – AUSTRALIA



Strategic alliance with Australian specialist real estate investment manager

About APN



- One of Australia's leading boutique real estate investment managers
- Manages real estate securities funds, private equity real estate funds, a listed REIT and unlisted property funds investing primarily in Australian real estate
- Clients range from corporate and public superannuation funds, sovereign wealth funds to high net worth and individual investors
- Assets under management of **A\$2.6 billion** (approximately S\$3.2 billion) as at 31 Mar 2010

About the Strategic Alliance

- ARA acquired a 15.0% ⁽¹⁾ strategic interest in APN via a share placement on 22 Jul 2010
- Rationalised real estate securities fund management under APN to leverage on APN's proven track record and distribution network⁽²⁾
- Transaction marks ARA's initial foray into Australia, a key real estate investment market with one of the largest REIT and managed funds sectors in the world
- Going forward, ARA to collaborate with APN to jointly manage real estate funds investing in Australia to extend ARA's geographical coverage and grow assets under management

Notes:

(1) Post-placement, ARA will hold a 13.0% interest in APN

(2) ARA Strategic Capital I Pte. Ltd., the manager of the ARA Asian Asset Income Fund to be transferred to APN pursuant to a sale and purchase agreement dated 22 Jul 2010

REGIONAL PRESENCE



Established regional network



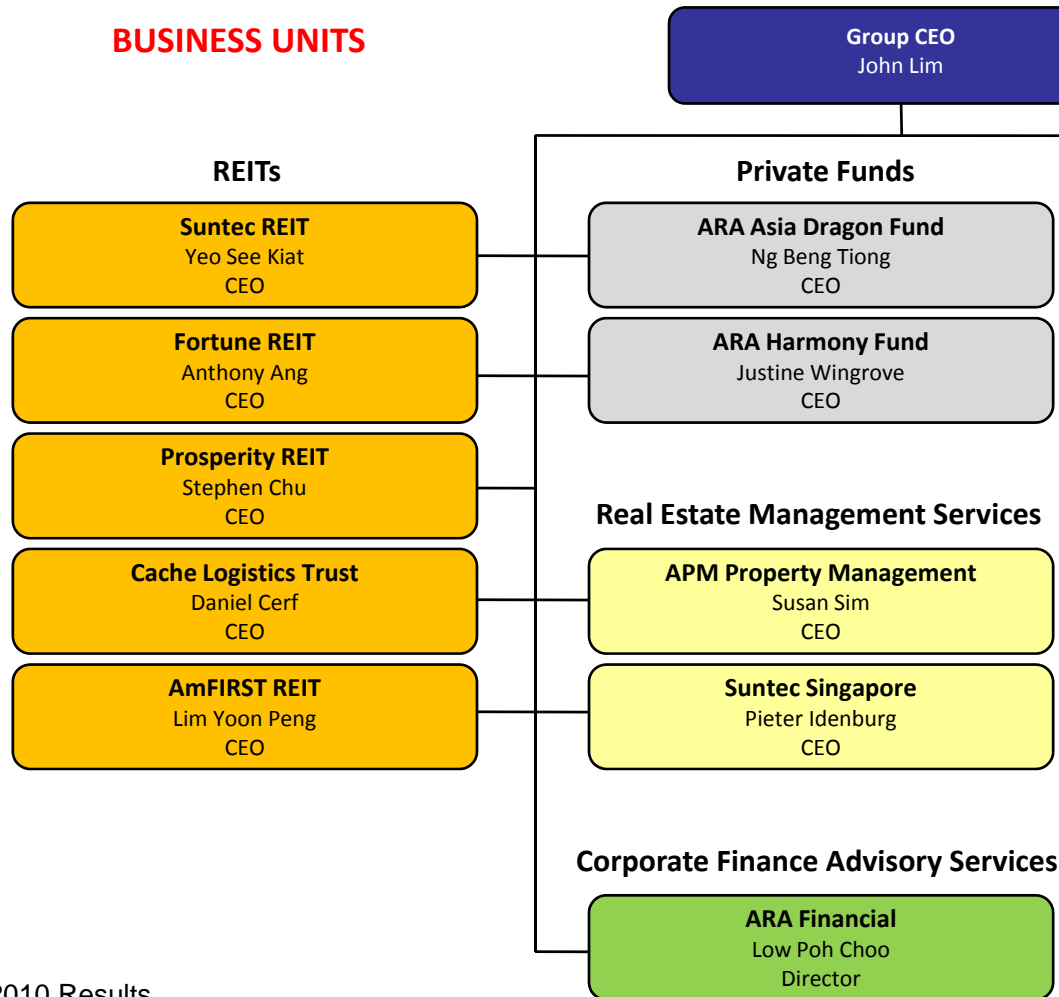
- Network now extends across Singapore, Hong Kong, China, Malaysia and Australia with entry into strategic alliance with APN

MANAGEMENT TEAM



Experienced team with a proven track record

BUSINESS UNITS



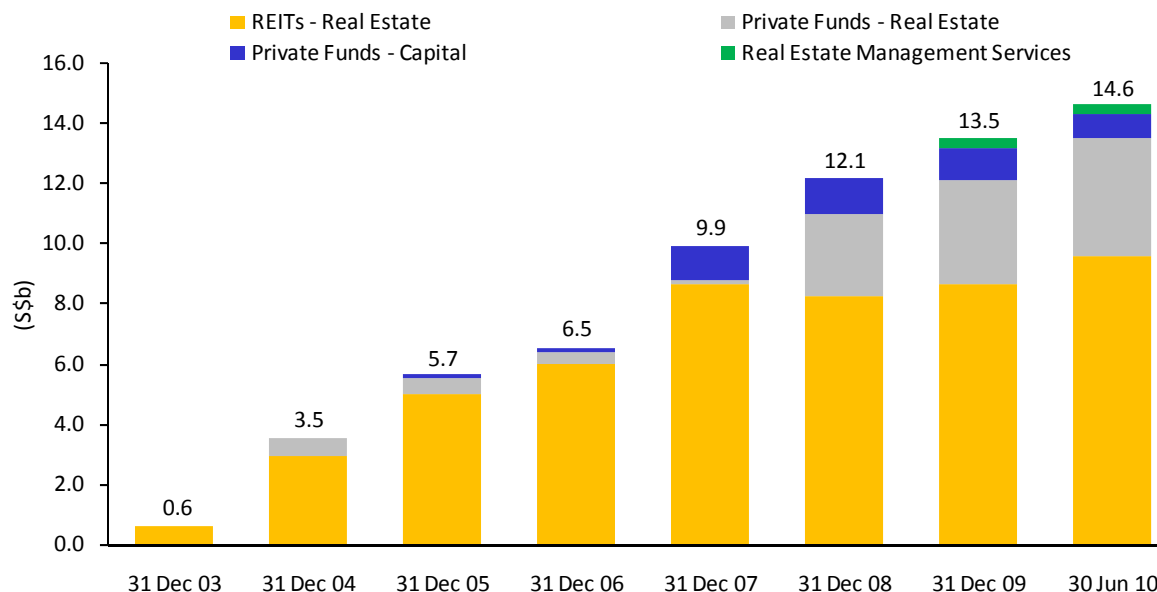
CORPORATE DIVISIONS



ASSETS UNDER MANAGEMENT



S\$14.6 billion as at 30 Jun 2010



| Assets Under Management ⁽¹⁾ | | 30 Jun 2010 | 31 Dec 2009 | Change |
|--|-----------|---------------------------|--------------------------|-------------------------|
| REITs – Real Estate ⁽²⁾ | (billion) | S\$9.6 (US\$6.8) | S\$8.6 (US\$6.1) | S\$1.0 (US\$0.7) |
| Private Funds – Real Estate | (billion) | S\$3.9(US\$2.8) | S\$3.4 (US\$2.4) | S\$0.5 (US\$0.4) |
| Private Funds – Capital | (billion) | S\$0.8 (US\$0.6) | S\$1.1 (US\$0.8) | -S\$0.3 (-US\$0.2) |
| Real Estate Management Services ⁽³⁾ | (billion) | S\$0.3 (US\$0.2) | S\$0.3 (US\$0.2) | - |
| Total AUM | (billion) | S\$14.6 (US\$10.4) | S\$13.5 (US\$9.6) | S\$1.1 (US\$0.8) |

Notes:
 (1) All values rounded to the nearest decimal place
 (2) Comprises gross property value of REITs managed by subsidiaries & associated companies
 (3) Revenue base for real estate management services fee computation



2. FINANCIAL RESULTS

RESULTS SUMMARY



Steady increase in revenue and net profit

| Financial Highlights | | 1H2010 | 1H2009 | Change (%) |
|---|------------|--------|--------|-------------|
| Revenue | | | | |
| Management fees ⁽¹⁾ | (\$'000) | 40,788 | 32,432 | 26% |
| Acquisition and performance fees ⁽²⁾ | (\$'000) | 968 | 31 | <i>n.m.</i> |
| Other income ⁽³⁾ | (\$'000) | 4,535 | 6,021 | (25%) |
| Total Revenue | (\$'000) | 46,291 | 38,484 | 20% |
| EBIT | (\$'000) | 28,343 | 24,576 | 15% |
| Net Profit | (\$'000) | 25,078 | 22,079 | 14% |
| Financial Measures | | | | |
| EPS ⁽⁴⁾ | (\$ cents) | 3.59 | 3.16 | 14% |
| Net Margin | (%) | 54% | 57% | -3% pts |

Notes:

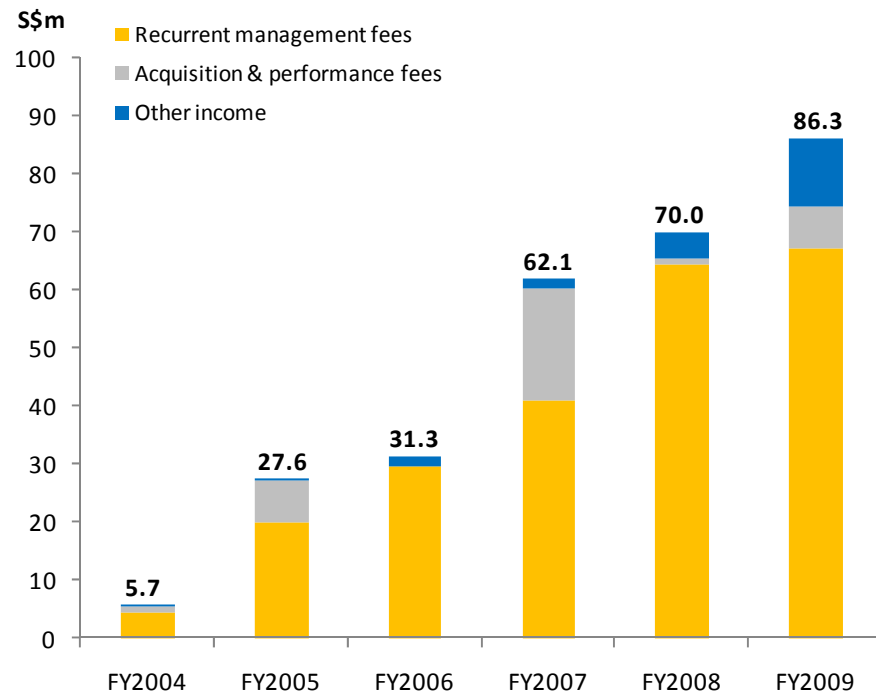
- (1) Recurrent management fees from REITs, private funds and real estate management services
- (2) REIT acquisition fees and private fund arrangement/performance fees
- (3) Comprises mainly distribution income from financial assets and gain on disposal/fair-valuation of held-for-trading securities received as part payment of REIT management fees
- (4) On a fully diluted basis. Based on 698,471,997 shares in issue after the issue of bonus shares on 10 May 2010

REVENUE

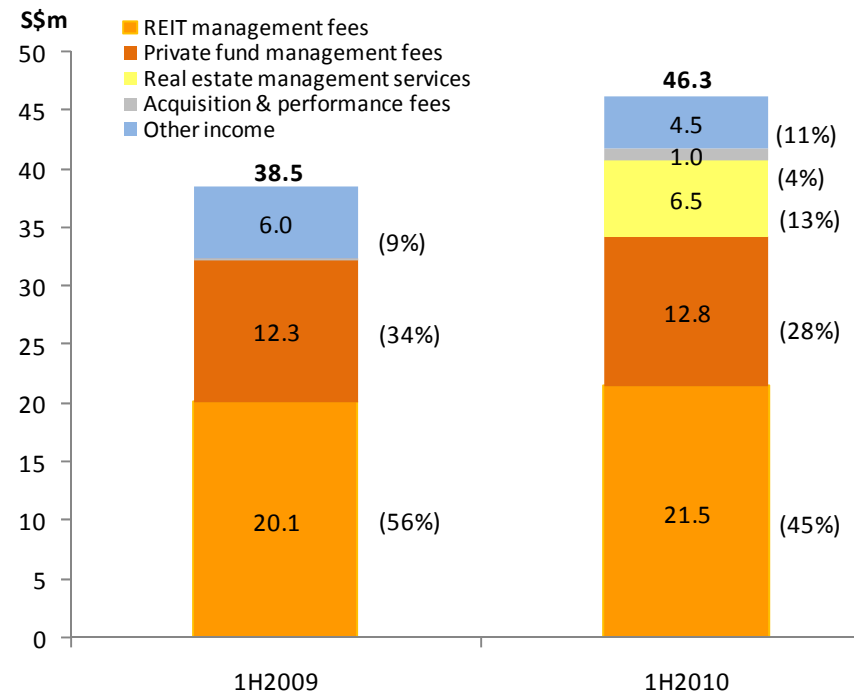


Strong growth in recurrent revenue from real estate management services fees

Revenue – Historical



Revenue – Year-on-Year Comparison

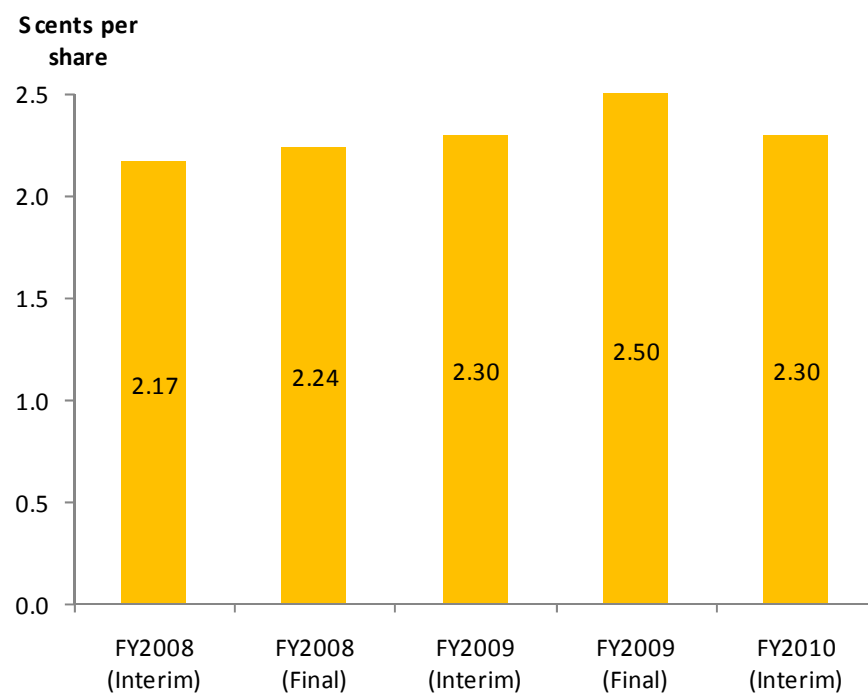


DIVIDEND



Interim dividend of 2.30 Singapore cents declared

Dividend – Historical



Interim Dividend

| | | |
|-------------------------------------|-----------|-------|
| FY2010 Interim Dividend | (S cents) | 2.30 |
| 1H2010 EPS | (S cents) | 3.59 |
| Payout Ratio | (%) | 64.1% |
| Dividend Yield⁽¹⁾ | (%) | 4.3% |

Timeline

| | |
|--------------------------|-------------|
| Ex-dividend date | 25 Aug 2010 |
| Book closure date | 27 Aug 2010 |
| Payment date | 9 Sep 2010 |

Notes:

(1) Annualised yield based on 30 Jun 2010 closing price of S\$1.08

BALANCE SHEET



| Group balance sheet as at 30 Jun 2010 | | S\$'000 | | | S\$'000 |
|---------------------------------------|--|----------------|---|--|----------------|
| Non-current assets | | | Non-current liabilities | | |
| Plant and equipment | | 926 | Financial liabilities | | 131 |
| Tenancy deposits | | 625 | Deferred tax liabilities | | 44 |
| Associates | | 812 | | | |
| Financial assets | | 112,346 | | | |
| Intangible asset | | 1,233 | | | |
| | | <u>115,942</u> | | | <u>175</u> |
| Current assets | | | Current liabilities | | |
| Financial assets | | 4,630 | Trade and other payables | | 13,630 |
| Derivative assets | | 162 | Financial liabilities | | 19,509 |
| Trade and other receivables | | 24,318 | Current tax payable | | 5,264 |
| Cash and cash equivalents | | 35,216 | | | |
| | | <u>64,326</u> | | | <u>38,403</u> |
| | | | Total liabilities | | <u>38,578</u> |
| | | | Shareholders' equity | | <u>141,690</u> |
| Total assets | | <u>180,268</u> | Total liabilities & Shareholders' equity | | <u>180,268</u> |



3. STRATEGY

STRATEGY



Seeking to become the premier real estate fund manager in Asia

Strong foundation

- **Sound balance sheet** – Ample cash reserves with limited borrowings
- **Consistent earnings** – Strong recurrent management fee income
- **Experienced management** – Experienced management team with a proven track record
- **Established platform** – One of the largest real estate fund managers in Asia with AUM of over S\$14b and an established regional network spanning Singapore, Hong Kong, China, Malaysia and Australia

Sustaining our growth

- **Private funds** – ADF on track to place out bulk of remaining capital commitments by end of 2010. Seek to launch ADF II and leverage on newly established Australian platform to launch new private funds, market conditions permitting
- **REITs** – Pursue growth in existing REITs under management and seek strategic partners to jointly establish and manage REITs in new sectors and/or markets
- **Real estate management services** – Leverage on REITs and private funds under management to grow assets under management

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 has not been independently verified by us nor have the external sources quoted consented to the inclusion of the information.

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