

ARA ASSET MANAGEMENT LIMITED



**RESULTS FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2010**

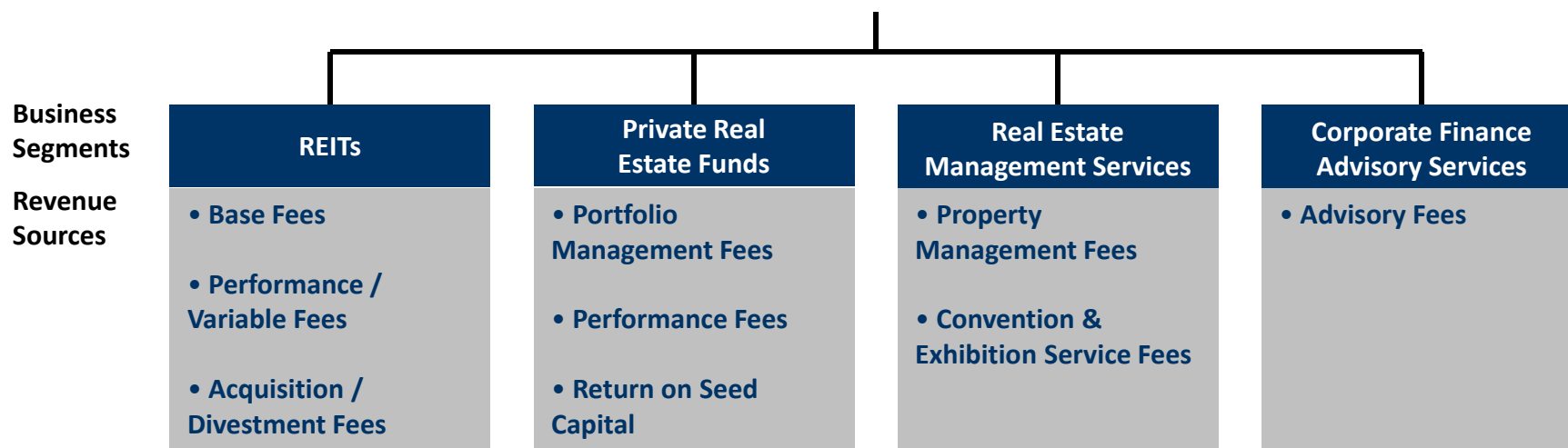


## 1. BUSINESS OVERVIEW

# BUSINESS SEGMENTS



## 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, 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.

We earn management fees for the provision of:






- property management services;
- convention & exhibition services; and
- management services for the common property of real estate developments.




We earn advisory fees for corporate finance advisory services rendered to related corporations.




# FUNDS & SERVICES



## Diversified & complementary fund platforms & services

REITS					
<b>Listing Venue</b>	SGX-ST & SEHK	SGX-ST	SEHK	Bursa	SGX-ST
<b>Focus</b>	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
<b>Property Value<sup>(1)</sup></b>	HK\$12,421m	S\$5,390m	HK\$5,529m	RM1,009m	S\$741m

Private Real Estate Funds	 ARA Asia Dragon Fund		
<b>Description</b>	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 <sup>(2)</sup> for private funds investing primarily in Australian real estate
<b>Fund Size</b>	US\$1.1b (committed capital)	S\$288m (gross asset value)	-

Real Estate Management Services	 (A Member of the ARA Group)		
<b>Description</b>	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

## REGIONAL PRESENCE



### *Established regional network*



- Established regional network spanning Singapore, Hong Kong, China, Malaysia and Australia.

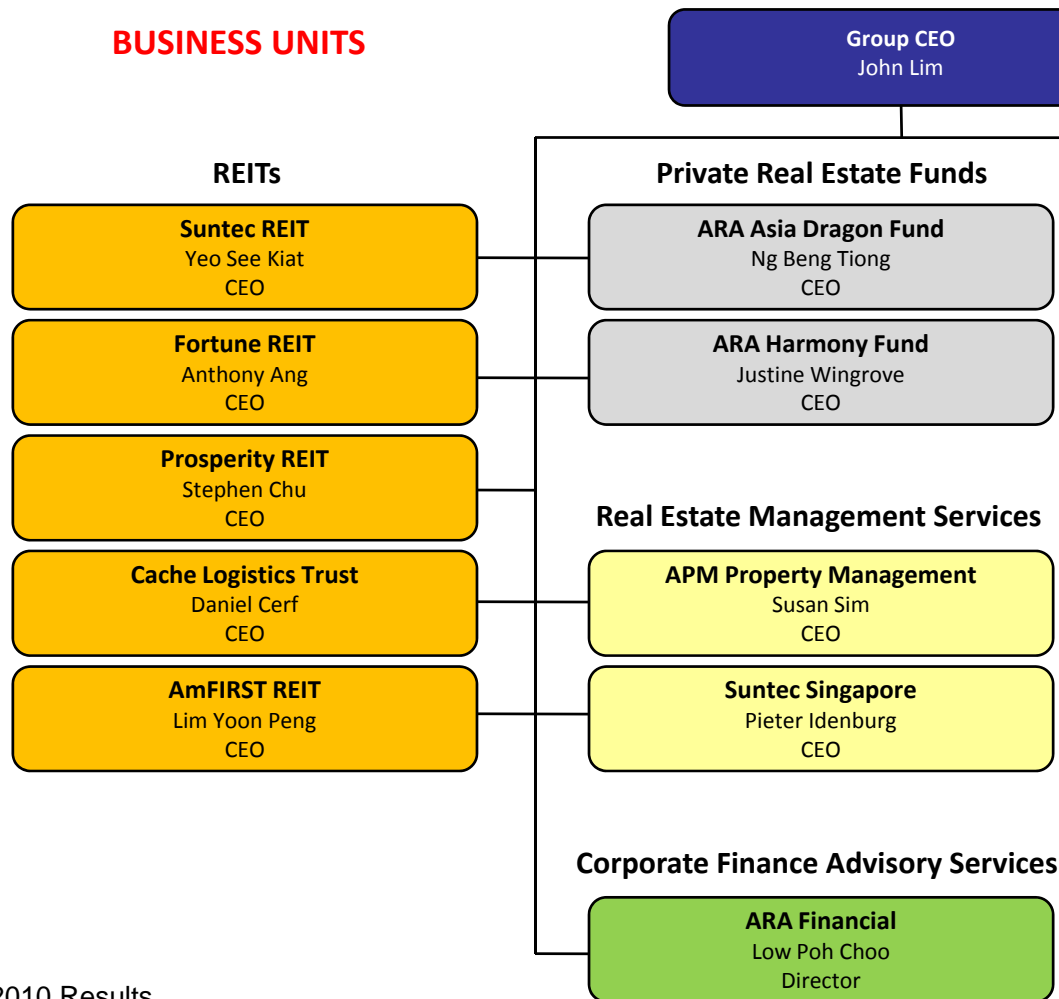


# MANAGEMENT TEAM



*Experienced team with a proven track record*

## BUSINESS UNITS



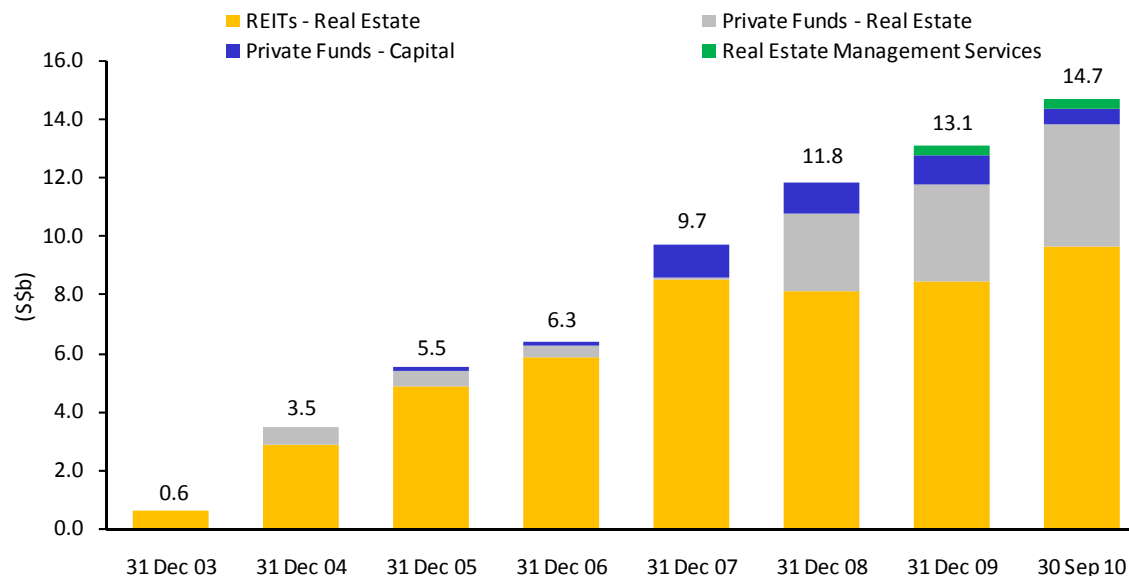
## CORPORATE DIVISIONS



# ASSETS UNDER MANAGEMENT



**S\$14.7 billion (US\$11.1 billion) as at 30 Sep 2010**



Assets Under Management <sup>(1)</sup>	30 Sep 2010	31 Dec 2009	Change
REITs – Real Estate <sup>(2)</sup>	(billion) S\$9.6 (US\$7.3)	S\$8.5 (US\$6.4)	S\$1.2 (US\$0.9)
Private Funds – Real Estate	(billion) S\$4.2(US\$3.2)	S\$3.3 (US\$2.5)	S\$0.9 (US\$0.7)
Private Funds – Capital	(billion) S\$0.5 (US\$0.4)	S\$1.0 (US\$0.8)	-S\$0.5 (-US\$0.4)
Real Estate Management Services <sup>(3)</sup>	(billion) S\$0.3 (US\$0.2)	S\$0.3 (US\$0.2)	-
<b>Total AUM</b>	<b>(billion) S\$14.7 (US\$11.1)</b>	<b>S\$13.1 (US\$9.9)</b>	<b>S\$1.6 (US\$1.2)</b>

Notes:  
 (1) Based on exchange rates as at 30 Sep 2010  
 (2) Comprises gross property value of REITs managed by subsidiaries & associated companies  
 (3) Revenue base for real estate management services fee computation

# SUNTEC REIT – MARINA BAY FINANCIAL CENTRE ACQUISITION



## *Unique opportunity to acquire iconic asset in Singapore*



### Transaction overview

- Suntec REIT entered into conditional share purchase agreement for acquisition of one-third interest in:
  - Marina Bay Financial Tower 1, a 33-storey office tower with approximately 620,765 sf of NLA;
  - Marina Bay Financial Tower 2, a 50-storey office tower with approximately 1,031,903 sf of NLA;
  - Marina Bay Link Mall with approximately 94,464 sf of retail NLA
  - 695 car park lots (collectively, “MBFC”)
- Strategic addition to Suntec REIT’s existing portfolio of prime commercial development located in the heart of Marina Bay
- Agreed consideration of approximately **S\$1.5 billion**
- Suntec REIT’s assets under management to increase to S\$6.8 billion upon completion
- Target completion by **4Q2010** (subject to unitholders’ approval)





## 2. FINANCIAL RESULTS

# RESULTS SUMMARY



## Steady increase in revenue and net profit

Financial Highlights		YTD 3Q2010	YTD 3Q2009	Change (%)
<b>Revenue</b>				
Management fees <sup>(1)</sup>	(\$\$'000)	62,443	48,770	28%
Acquisition and performance fees <sup>(2)</sup>	(\$\$'000)	1,094	2,447	(55%)
Other income <sup>(3)</sup>	(\$\$'000)	7,287	8,179	(11%)
<b>Total Revenue</b>	(\$\$'000)	<b>70,824</b>	<b>59,396</b>	<b>19%</b>
<b>EBIT</b>	(\$\$'000)	<b>43,442</b>	<b>38,012</b>	<b>14%</b>
<b>Net Profit</b>	(\$\$'000)	<b>38,059</b>	<b>34,261</b>	<b>11%</b>
<b>Financial Measures</b>				
EPS <sup>(4)</sup>	(\$ cents)	5.45	4.91	11%
Net Margin	(%)	54%	58%	-4% pts

Notes:

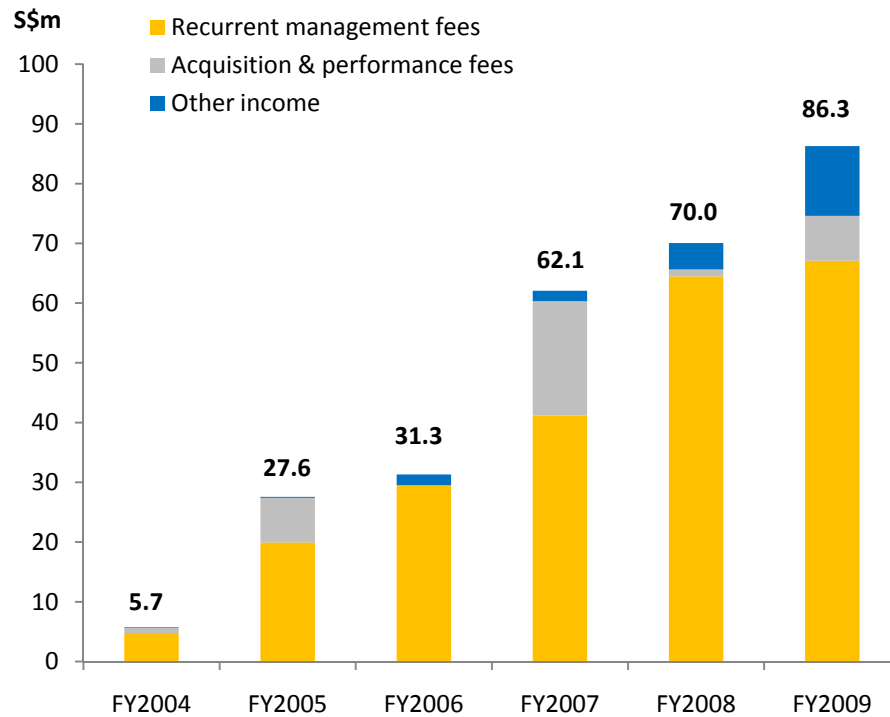
- (1) Recurrent management fees from REITs, private funds and real estate management services
- (2) Primarily REIT acquisition fees and private fund arrangement/performance fees
- (3) Comprises mainly distribution income from financial assets and gain on disposal/fair valuation of held-for-trading securities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

# REVENUE

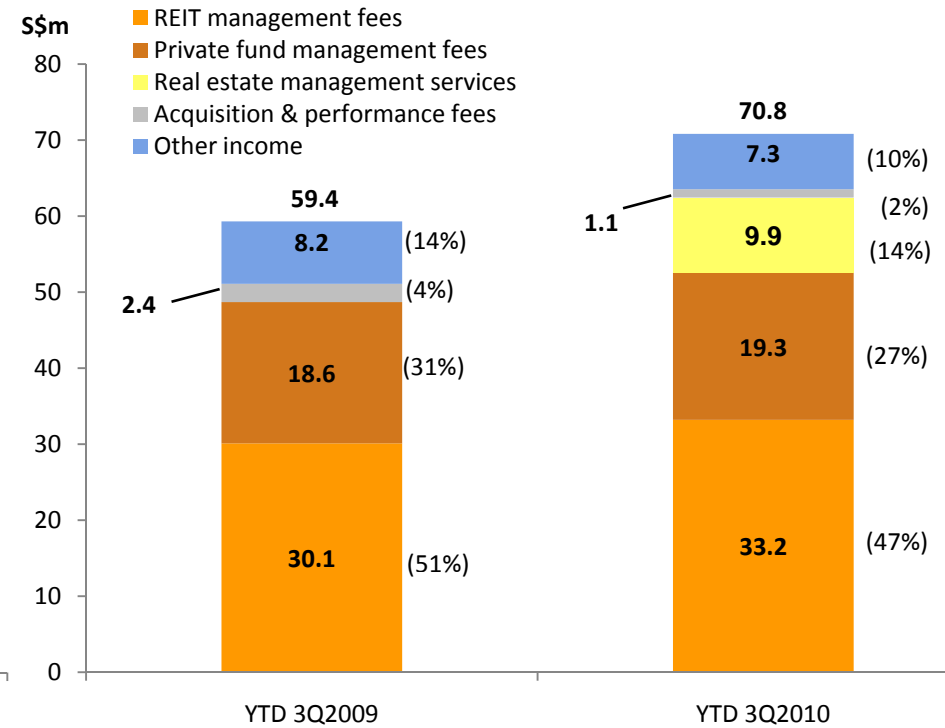


**Strong growth in recurrent revenue from real estate management services fees**

**Revenue – Historical**



**Revenue – YoY**



# BALANCE SHEET



## Robust balance sheet

Group balance sheet as at 30 Sep 2010		S\$'000	S\$'000
<b>Non-current assets</b>			<b>Non-current liabilities</b>
Plant and equipment	1,056	Financial liabilities	243
Tenancy deposits	625	Deferred tax liabilities	44
Associates	946		
Financial assets	128,393		
Intangible asset	1,015		
	<u>132,035</u>		<u>287</u>
<b>Current assets</b>			<b>Current liabilities</b>
Financial assets	4,848	Trade and other payables	15,551
Derivative assets	396	Financial liabilities	19,299
Trade and other receivables	24,641	Current tax payable	5,031
Cash and cash equivalents	23,734		
	<u>53,619</u>		<u>39,881</u>
		<b>Total liabilities</b>	<u>40,168</u>
		<b>Shareholders' equity</b>	<u>145,486</u>
<b>Total assets</b>	<u>185,654</u>	<b>Total liabilities &amp; shareholders' equity</b>	<u>185,654</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 to be over 75% invested with completion of current acquisitions. Preparing to launch ADF II and leverage on alliance with APN to launch new private funds focusing on the Australian market
- **REITs** – Completion of acquisition of one-third interest in MBFC by Suntec REIT would strengthen Suntec REIT's position as one of the largest REITs in the S-REIT market and contribute materially to ARA's AUM and recurrent income. Continue to 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

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