

ARA ASSET MANAGEMENT LIMITED



**RESULTS FOR THE HALF YEAR ENDED
30 JUNE 2011**



1. BUSINESS OVERVIEW

BUSINESS SEGMENTS












ARA ASSET MANAGEMENT LIMITED

Business Segments	REITs	Private Real Estate Funds	Real Estate Management Services	Corporate Finance Advisory Services
Revenue - Recurrent (Primary Basis)	Base Fees (Gross Property Value)	Portfolio Management Fees (Committed Capital / Gross Property Value)	Property Management Fees (Property Gross Revenue)	
	Performance / Variable Fees (Net Property Income)		Convention & Exhibition Service Fees (Gross Revenue)	
Revenue - One-off (Primary Basis)	Acquisition / Divestment Fees (Gross Property Value)	Performance Fees (IRR above Hurdle)	Consultancy Fees (Project Value)	Advisory Fees (Purchase Value)
		Return on Seed Capital		

FUNDS & SERVICES



Diversified & complementary fund platforms & services

REITs						
Listing Venue	SGX-ST & SEHK	SGX-ST	SEHK	Bursa	SGX-ST	SEHK
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	Commercial properties in the PRC
Property Value⁽¹⁾	HK\$15,688m	S\$7,044m	HK\$5,934m	RM1,024m	S\$805m	RMB31,410m
Private Real Estate Funds	<p style="text-align: center;">ADF ARA Asia Dragon Fund</p>		<p style="text-align: center;">ARA Harmony Fund</p>		<p style="text-align: center;">APN Property Group</p>	
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\$288m (Gross Asset Value)		-	
Real Estate Management Services			 			
Description	Property management services provider		Operations, sales and marketing services provider & consultant for convention, exhibition, meeting and event facilities			

Notes:

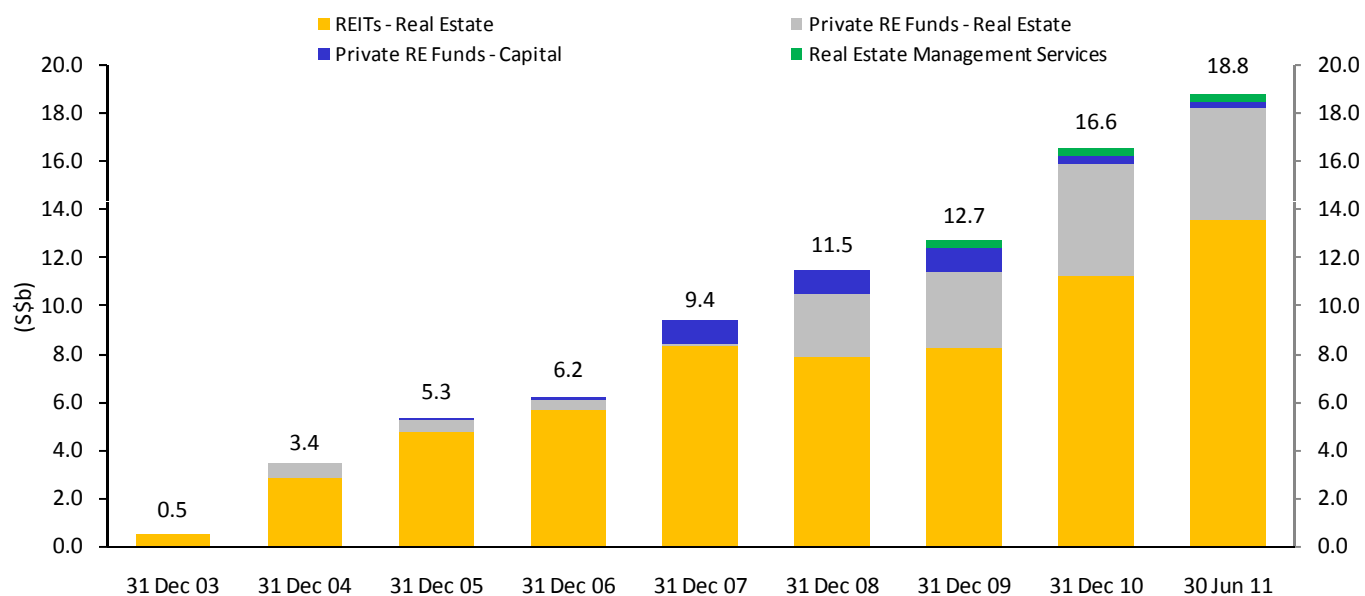
(1) Property values as of last publicly-announced valuation

(2) ARA currently holds a 14.1% interest in APN Property Group

ASSETS UNDER MANAGEMENT



S\$18.8 billion (US\$15.3 billion) as at 30 Jun 2011



Assets Under Management ⁽¹⁾ (S\$ billion)	30 Jun 2011	31 Dec 2010	Change
REITs – Real Estate ⁽²⁾	13.6	11.3	2.3
Private Real Estate Funds – Real Estate	4.7	4.7	-
Private Real Estate Funds – Capital ⁽³⁾	0.2	0.3	(0.1)
Real Estate Management Services ⁽⁴⁾	0.3	0.3	-
Total	18.8	16.6	2.2

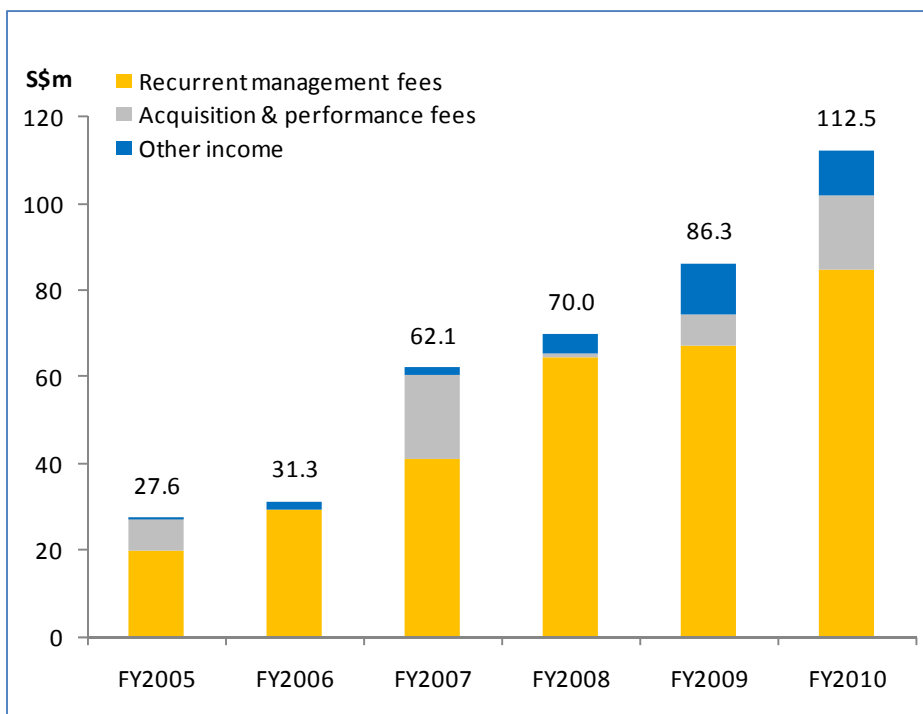
Notes:
 (1) Based on exchange rates as at 30 Jun 2011
 (2) Comprises gross property value of REITs managed by subsidiaries & associated companies
 (3) Excludes capital committed for projects pending completion
 (4) Revenue base for real estate management services fee computation

REVENUE & NET PROFIT HISTORY

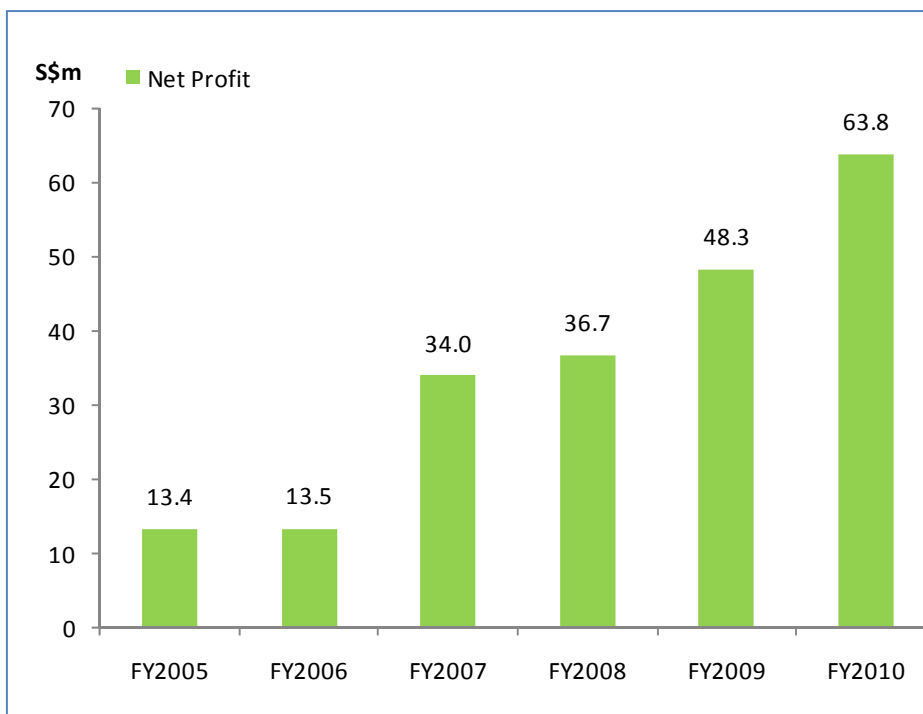


Strong track record of profitability and growth

Revenue



Net Profit

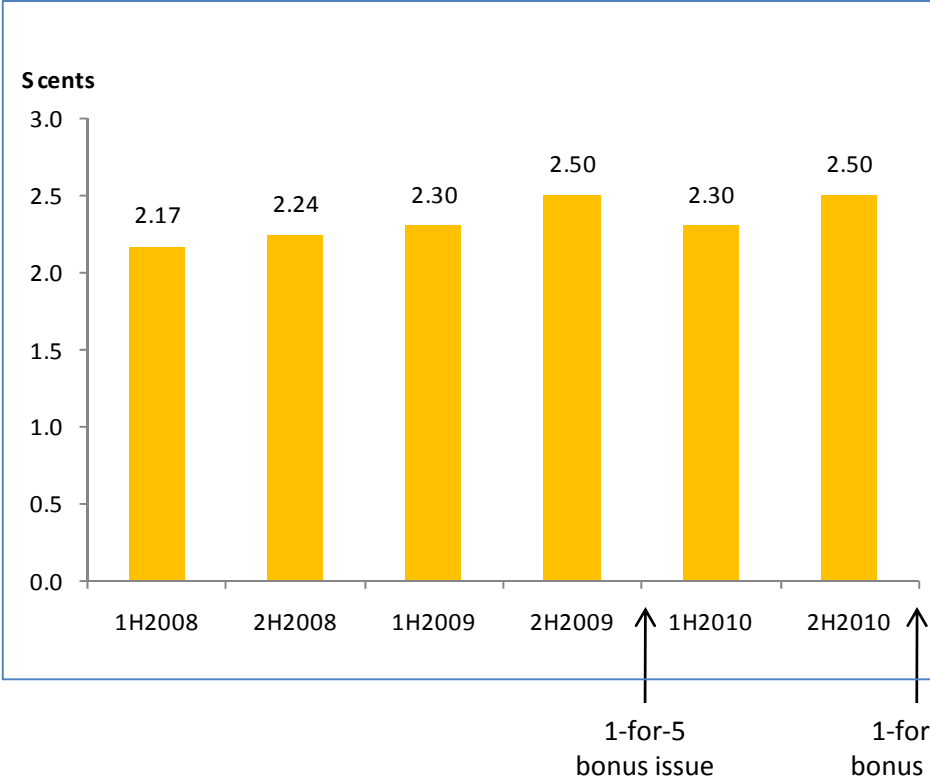


DIVIDEND HISTORY

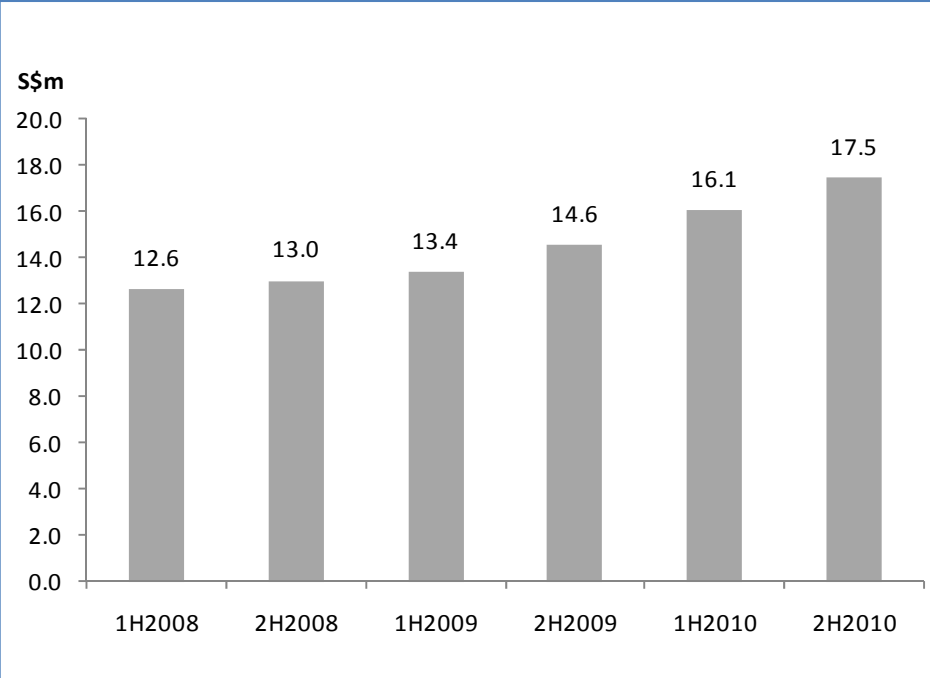


Consistent and growing dividend payout

Dividend Per Share



Dividends Paid



REGIONAL PRESENCE



Established regional network



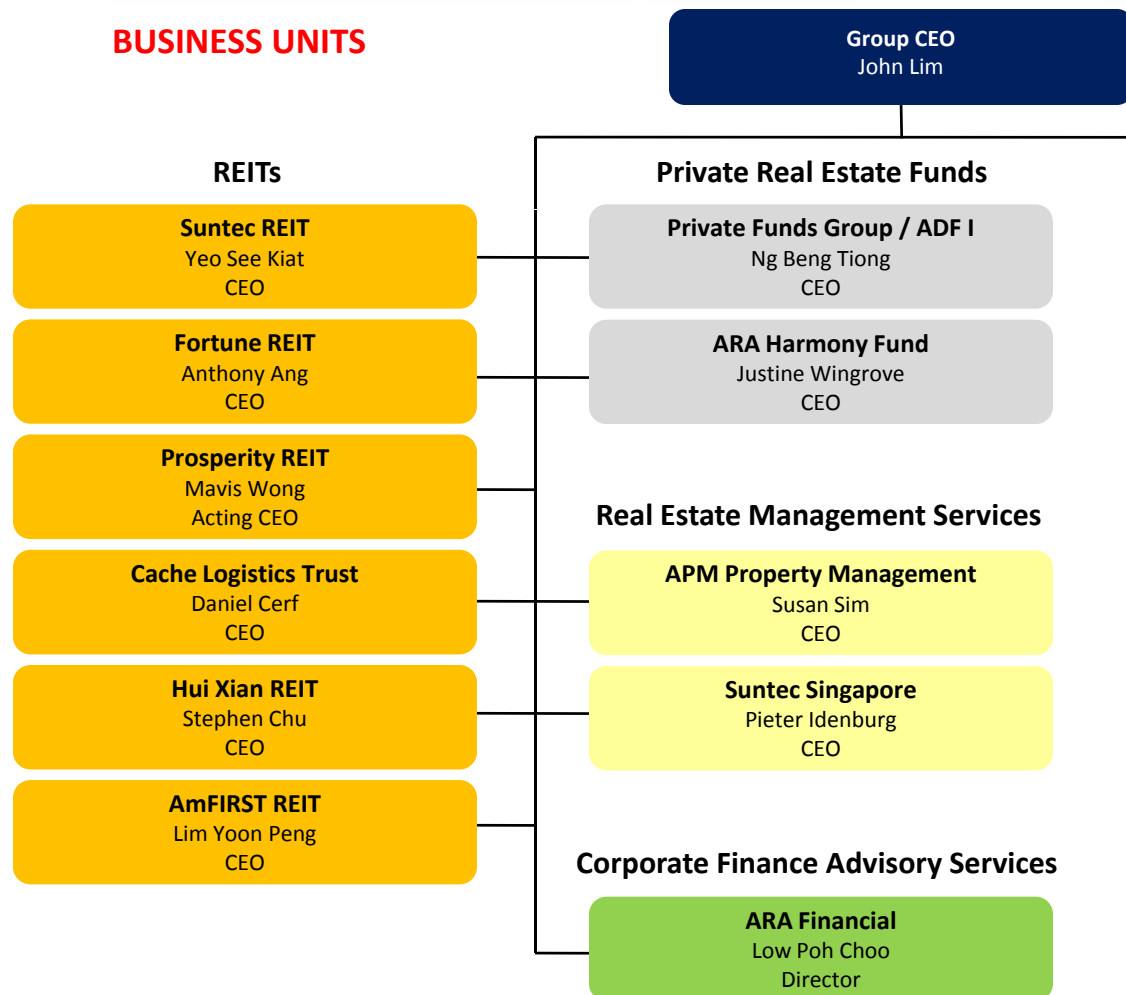
- Established regional network spanning 11 cities in the Asia-Pacific, including 6 cities in the PRC Mainland

MANAGEMENT TEAM



Experienced team with a proven track record

BUSINESS UNITS



CORPORATE DIVISIONS





2. FINANCIAL RESULTS

FINANCIAL HIGHLIGHTS



1H2011 net profit increased 18% to S\$29.6m on the back of strong revenue growth

Financial Highlights		1H2011	1H2010	Change (%)
Revenue				
Management fees ⁽¹⁾	(S\$'000)	44,661	40,788	9%
Acquisition and performance fees ⁽²⁾	(S\$'000)	2,499	968	158%
Other income ⁽³⁾	(S\$'000)	5,394	4,535	19%
Total Revenue	(S\$'000)	52,554	46,291	14%
Operating Profit (Pre-Tax)	(S\$'000)	33,701	28,343	19%
Share of Profit of Associates	(S\$'000)	885	186	376%
Net Profit	(S\$'000)	29,571	25,078	18%
EPS ⁽⁴⁾	(S cents)	3.85	3.26	18%
AUM	(S\$ billion)	18.8	13.8	36%

Notes:

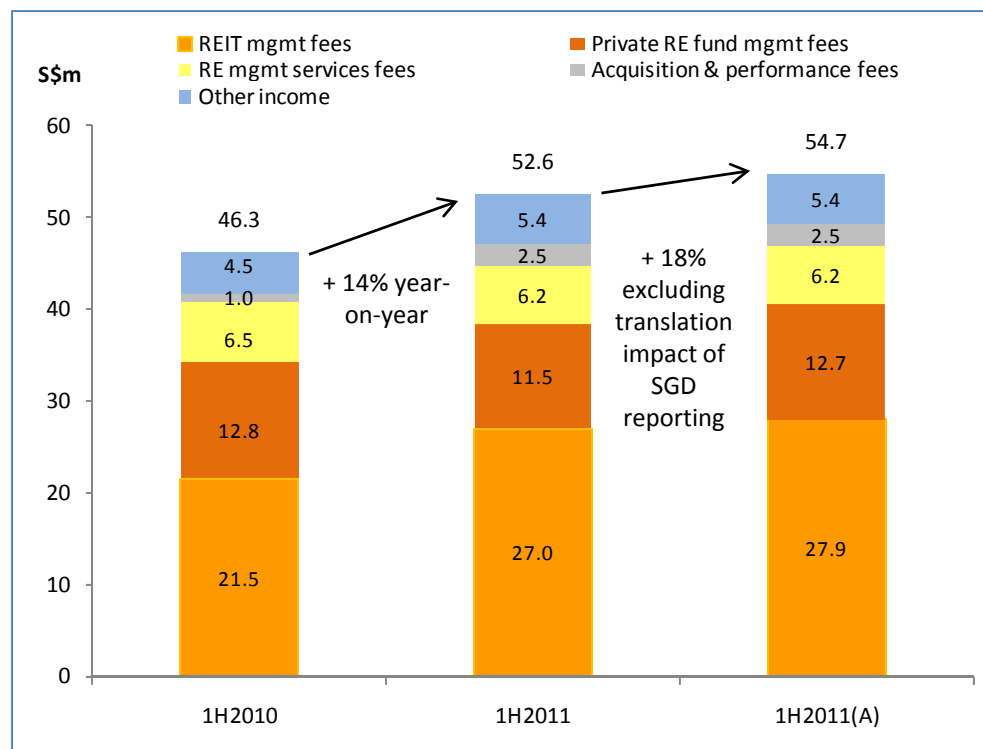
- (1) Recurrent management fees from REITs, private real estate funds and real estate management services
- (2) Primarily REIT acquisition fees and private real estate fund arrangement/performance fees
- (3) Comprises mainly distribution income from financial assets and gain on disposal/fair valuation of held-for-trading securities received as part payment of REIT management fees
- (4) Based on 768,319,189 shares in issue following the 1-for-10 bonus issue in June 2011

REVENUE BREAKDOWN



Strong revenue growth, even stronger excluding translation impact of SGD reporting

Revenue

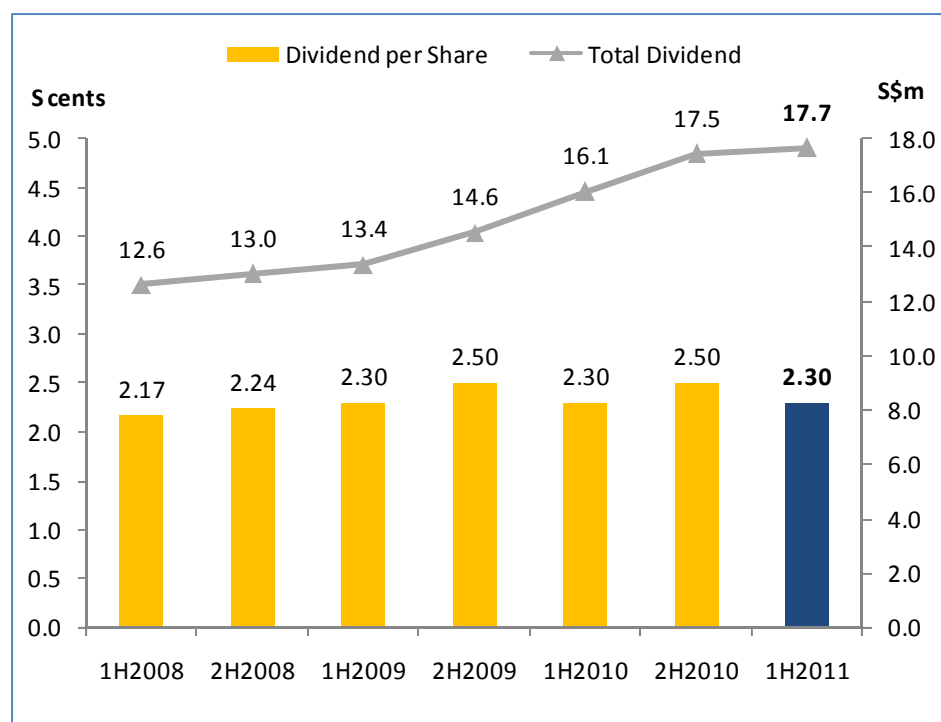


- REIT management fees increased 26% to S\$27.0m, boosted by Suntec REIT’s Marina Bay Financial Centre acquisition and Cache Logistics Trust
- Private RE fund management fees fell 10% to S\$11.5m due to translation impact of weaker USD. Absent this impact, private RE fund management fees would have been constant
- RE management fees fell marginally by 5% to S\$6.2m due to lower leasing commissions received by APM
- Acquisition & performance fees received in 1H2011 mainly relate to the ARA Harmony Fund and Cache Logistics Trust
- Other income rose 19% to S\$5.4m due to increased distribution income and realised gains on disposal of securities received as part payment of management fees

DIVIDEND



Consistent dividend per share, growing total dividend



Interim Dividend

FY2011 Interim Dividend	(S cents)	2.30
1H2011 EPS	(S cents)	3.85
Payout Ratio	(%)	59.8%

Timeline

Ex-dividend date	22 Aug 2011
Book closure date	24 Aug 2011
Payment date	8 Sep 2011

Notes:

(1) Annualized yield based on 30 Jun 2011 closing price of S\$[.]

BALANCE SHEET



Robust balance sheet

Group balance sheet as at 30 Jun 2011		S\$'000			S\$'000
Non-current assets			Non-current liabilities		
Plant and equipment	1,563		Financial liabilities	321	
Tenancy deposits	498		Deferred tax liabilities	142	
Associates	1,864				
Financial assets	116,645				
Intangible asset	363				
	<u>120,933</u>				<u>463</u>
Current assets			Current liabilities		
Financial assets	16,073		Trade and other payables	13,022	
Derivative assets	358		Financial liabilities	120	
Trade and other receivables	23,494		Current tax payable	7,521	
Cash and cash equivalents	40,053				
	<u>79,978</u>				<u>20,663</u>
			Total liabilities	<u>21,126</u>	
			Shareholders' equity	<u>179,785</u>	
Total assets	<u>200,911</u>		Total liabilities & shareholders' equity	<u>200,911</u>	



3. STRATEGY

STRATEGY



Poised for the next phase of growth

REITs

- Work with various partners to launch new REITs in new sectors and geographies
- Existing REITs to continue to focus on asset enhancements and acquisitions

Private Real Estate Funds

- Place out remaining committed capital of ADF I
- Secured US\$300m of capital commitments for ADF II. Targeting aggregate capital commitments of US\$1 billion by the end of FY2011

Real Estate Management Services

- Support REITs and private real estate funds and increase properties under management
- Leverage on the Suntec brand to expand geographical reach of convention services

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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