

ARA ASSET MANAGEMENT LIMITED



**RESULTS FOR THE FINANCIAL YEAR ENDED  
31 December 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)	<b>Base Fees</b> (Gross Property Value)	<b>Portfolio Management Fees</b> (Committed Capital / Gross Property Value)	<b>Property Management Fees</b> (Property Gross Revenue)	
	<b>Performance / Variable Fees</b> (Net Property Income)		<b>Convention &amp; Exhibition Service Fees</b> (Gross Revenue)	
Revenue - One-off (Primary Basis)	<b>Acquisition / Divestment Fees</b> (Gross Property Value)	<b>Performance Fees</b> (IRR above Hurdle)	<b>Consultancy Fees</b> (Project Value)	<b>Advisory Fees</b> (Purchase Value)
		<b>Return on Seed Capital</b>		

# FUNDS & SERVICES



## Diversified & complementary fund platforms & services

REITs	 FORTUNE REIT 富商產業信託	 SUNTEC Real Estate Investment Trust	 PROSPERITY REIT 鴻富產業信託	 AmFIRST AmFIRST Exceptional South	 CACHE LOGISTICS TRUST	 HUI XIAN REIT 匯賢產業信託	
<b>Listing Venue</b>	SGX-ST & SEHK	SGX-ST	SEHK	Bursa	SGX-ST	SEHK	
<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	Commercial properties in the PRC region	
<b>Property Value<sup>(1)</sup></b>	HK\$16,388m	S\$7,698m	HK\$6,991m	RM1,157m	S\$843m	RMB 31,410m	
<b>Private Real Estate Funds</b>	<i>ADF</i> ARA Asia Dragon Fund		<i>ADF II</i> ARA Asia Dragon Fund II		<i>ARA Harmony Fund</i>	<i>APN</i>   Property Group	
<b>Description</b>	Flagship strategic and opportunistic private real estate fund investing in Singapore, Hong Kong, China, Malaysia and other emerging economies in Asia		2nd 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)		US\$1.0b (Targeted fund size)		S\$400m (Gross Asset Value)	-	
<b>Real Estate Management Services</b>	 APM (A Member of the ARA Group)			 Suntec SINGAPORE International Convention & Exhibition Centre			 Suntec International Convention & Exhibition Services
<b>Description</b>	Property management services provider			Operations, sales and marketing services provider & consultant for convention, exhibition, meeting and event facilities			

Notes:

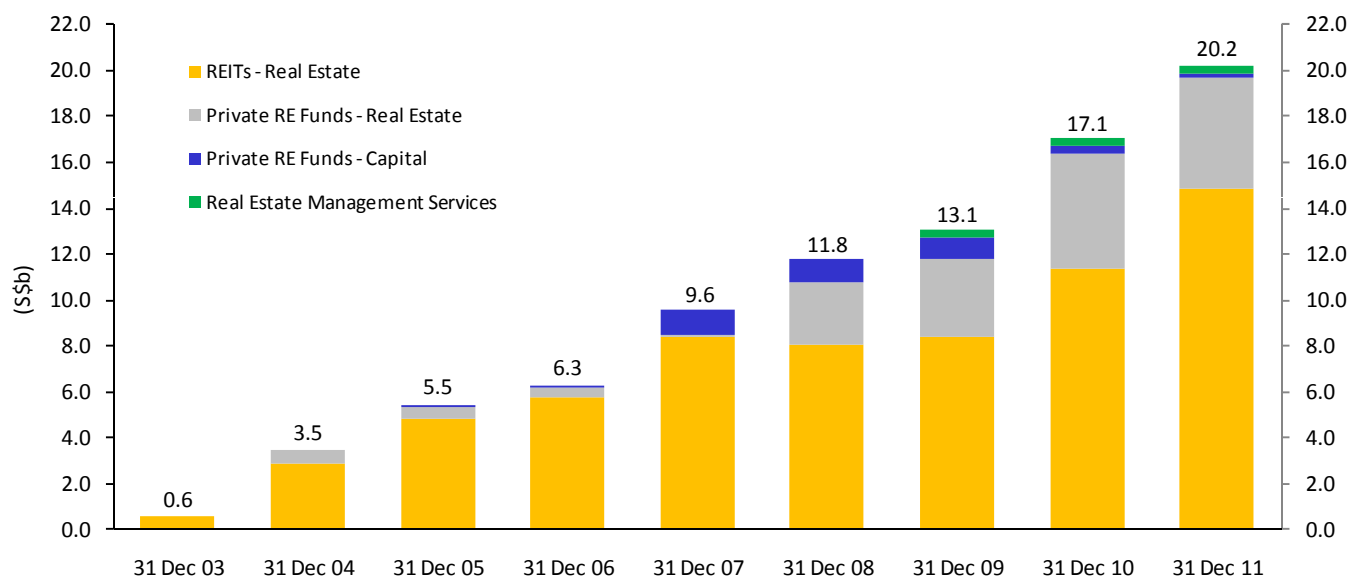
(1) Property values as of last publicly-announced valuation

(2) ARA currently holds a 13.9% interest in APN Property Group

# ASSETS UNDER MANAGEMENT



**S\$20.2 billion (US\$15.6 billion) as at 31 Dec 2011**



Assets Under Management <sup>(1)</sup> (S\$ billion)	31 Dec 2011	31 Dec 2010	Change
REITs – Real Estate <sup>(2)</sup>	14.9	11.4	3.4
Private Real Estate Funds – Real Estate	4.9	5.0	-0.1
Private Real Estate Funds – Capital <sup>(3)</sup>	0.2	0.3	-0.1
Real Estate Management Services <sup>(4)</sup>	0.3	0.3	-
<b>Total</b>	<b>20.2</b>	<b>17.1</b>	<b>3.1</b>

**Notes:**

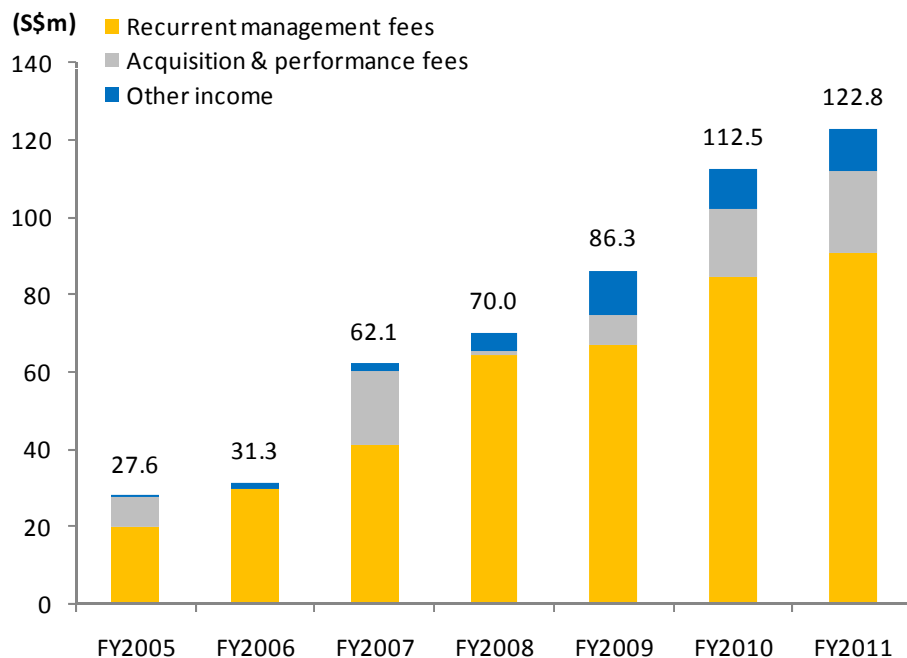
- (1) Based on exchange rates as at 31 Dec 2011
- (2) Comprises gross property value of REITs managed by subsidiaries & associated companies
- (3) Excludes capital committed for projects pending completion
- (4) Revenue base for real estate management services fee computation

# REVENUE & NET PROFIT HISTORY

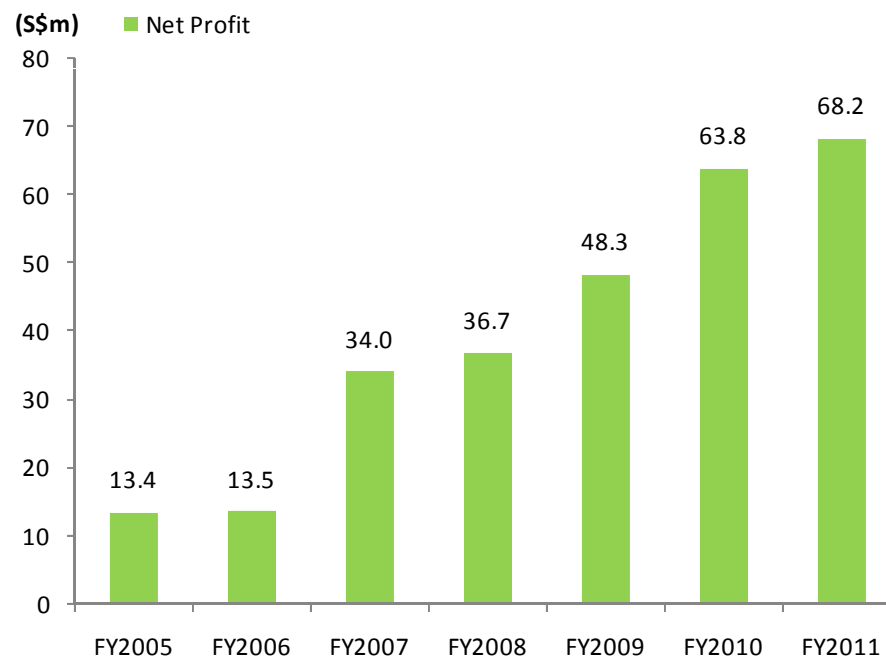


*Strong track record of profitability and growth*

### Revenue



### Net Profit

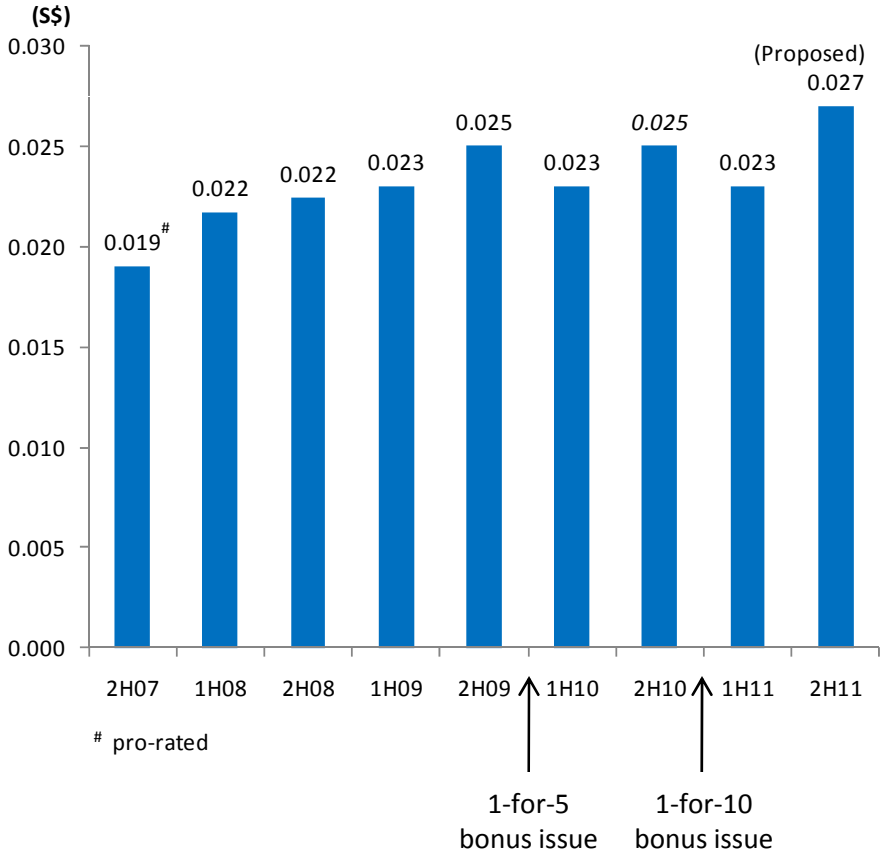


# DIVIDEND HISTORY

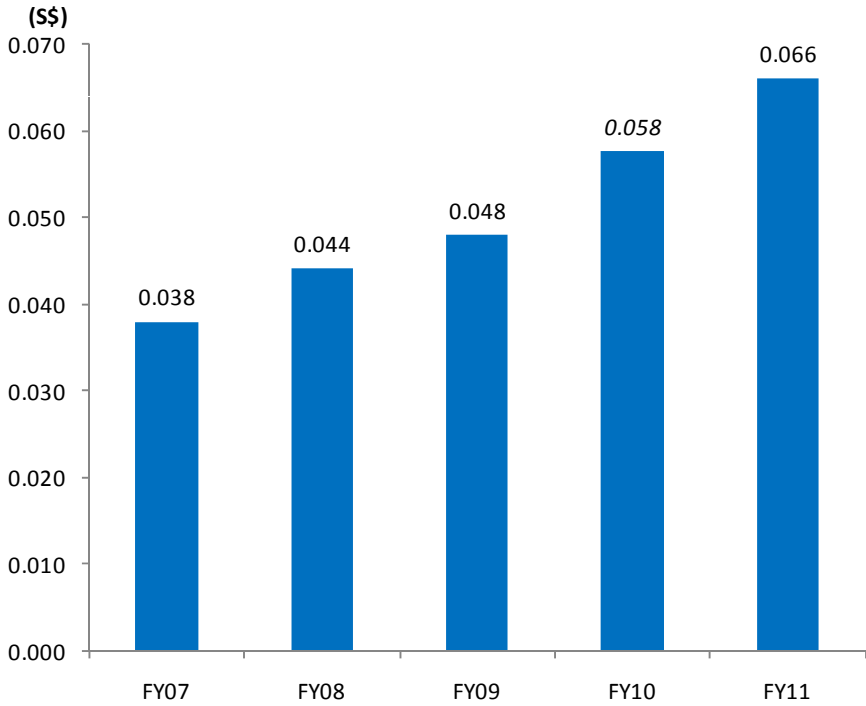


**Proposed final dividend of S\$0.027 per share, S\$0.050 per share for FY2011**

**Dividend Per Share (Period)**



**Dividend Per Share (FY)\***



\* computed based on 582,060,000 shares at listing date, excluding the shares allotted under the 1-for-5 bonus issue in May 2010 and the 1-for-10 bonus issue in June 2011

# REGIONAL PRESENCE



## *Established regional network*



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

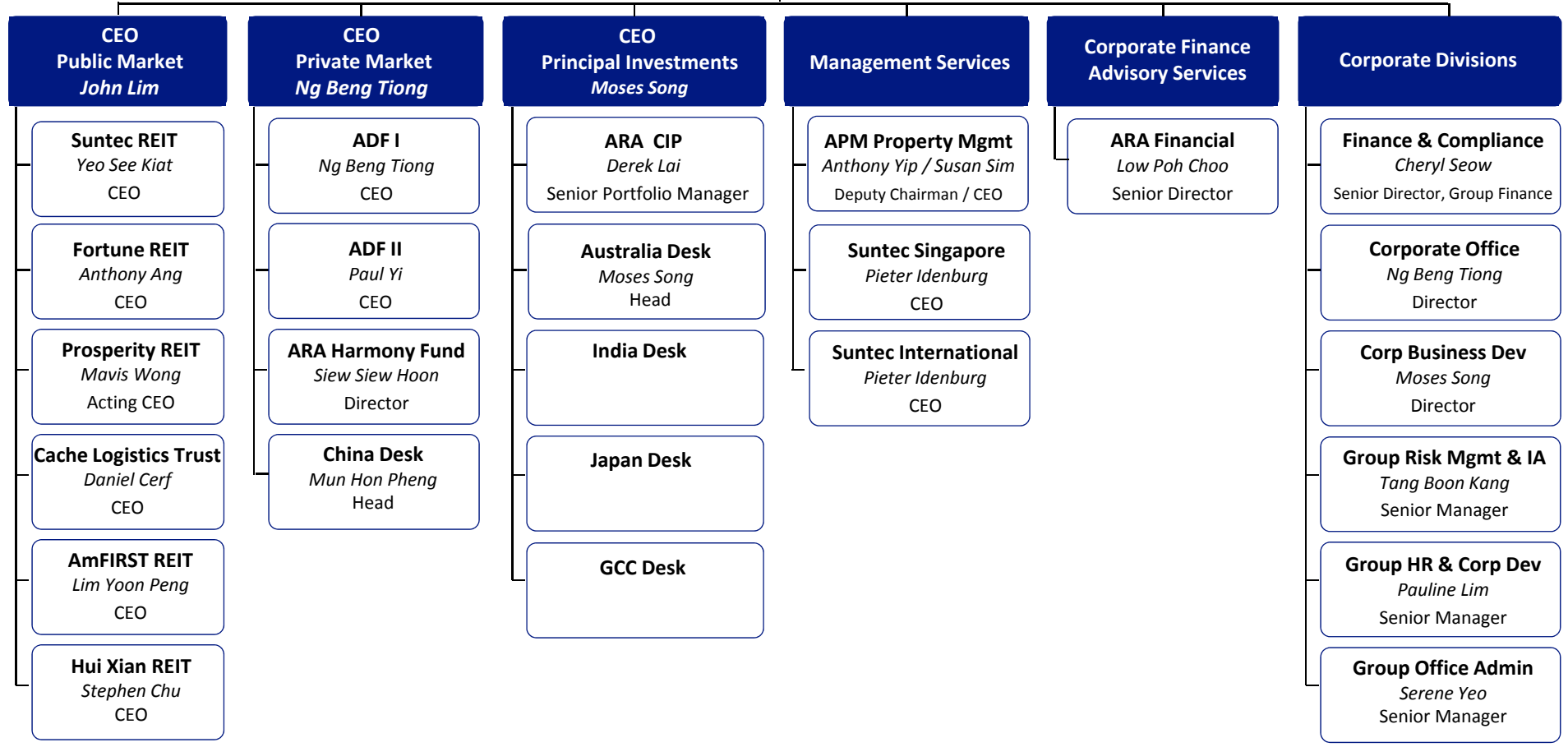


# MANAGEMENT TEAM



*Experienced team with a proven track record*

**Group CEO**  
John Lim



## AWARDS & ACCOLADES



### *Sterling recognition of ARA's commitment to excellence & corporate governance*



ARA is one of the six Singapore's companies to be selected as Asia's "200 Best Under A Billion" by Forbes Asia in September 2011. Based on the 2010 list of eight Singapore companies selected, ARA is the only one to retain its spot this year



ARA has recently been recognized as a Business Superbrands in Singapore, a strong testament to ARA's excellent branding and recognition locally and abroad



ARA was awarded the inaugural "Internal Audit Excellence Award" (Merit, Overall Category) at the Investors' Choice Awards 2011, organized by the Securities Investors Association of Singapore (SIAS)



## 2. FINANCIAL RESULTS

# FINANCIAL HIGHLIGHTS



**FY2011 net profit jumped 7% to S\$68.2m**

Financial Highlights		FY2011	FY2010	Change (%)
<b>Revenue</b>				
Management fees <sup>(1)</sup>	(S\$'000)	90,860	84,630	7%
Acquisition and performance fees <sup>(2)</sup>	(S\$'000)	21,288	17,499	22%
Other income <sup>(3)</sup>	(S\$'000)	10,613	10,382	2%
<b>Total Revenue</b>	(S\$'000)	<b>122,761</b>	<b>112,511</b>	<b>9%</b>
<b>Operating Profit (Pre-Tax)</b>	(S\$'000)	<b>73,966</b>	<b>73,944</b>	<b>0%</b>
<b>Share of Profit of Associates</b>	(S\$'000)	<b>2,794</b>	<b>456</b>	<b>513%</b>
<b>Net Profit</b>	(S\$'000)	<b>68,202</b>	<b>63,812</b>	<b>7%</b>
<b>EPS<sup>(4)</sup></b>	(S cents)	<b>8.88</b>	<b>8.31</b>	<b>7%</b>
<b>AUM</b>	(S\$ billion)	<b>20.2</b>	<b>17.1</b>	<b>19%</b>

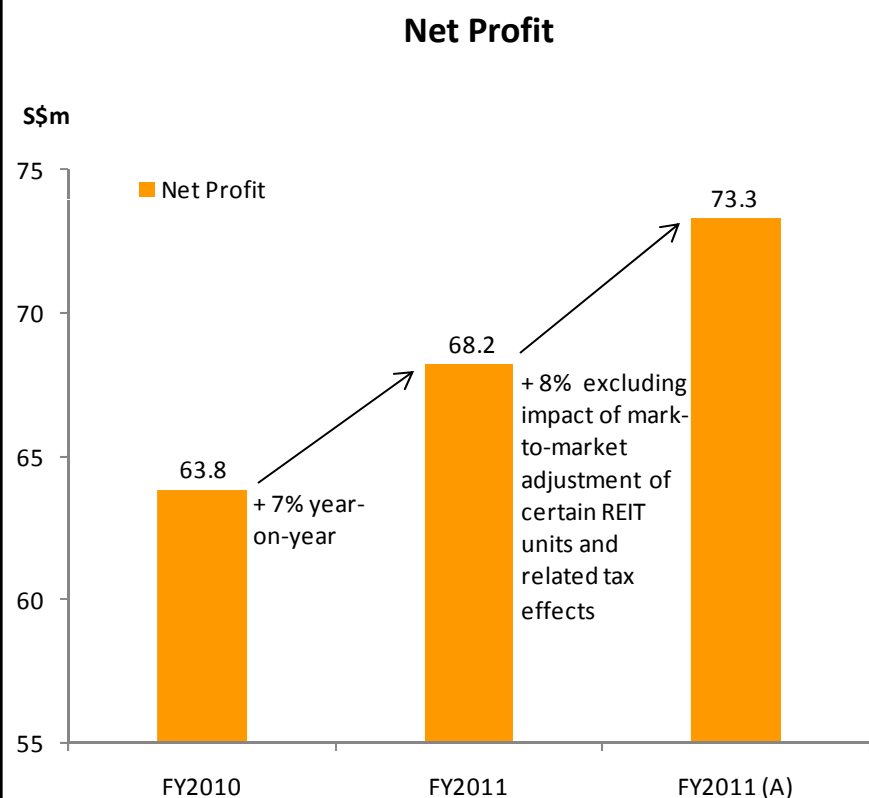
Notes:

- (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
- (4) Based on 768,319,189 shares in issue following the 1-for-10 bonus issue in June 2011

# REVENUE BREAKDOWN



## Strong net profit growth of 15% Y-O-Y excluding mark-to-market adjustment



- Net profit rose 7% to S\$ 68.2 million, boosted by:
  - i. Full year contribution of Suntec REIT's acquisition of a one-third interest in Marina Bay Financial Centre Towers 1 & 2, the Marina Bay Link Mall and 695 car park lots (the "**MBFC Property**") on 9 December 2010
  - ii. Performance fees of S\$18.5 million received from the divestment of the entire equity interest in ARA Harmony Fund by its private investors at an overall internal rate of return of 64.8%
- Included in the net profit for FY2011 was an accounting adjustment of mark-to-market loss of S\$6.1 million on the Suntec REIT acquisition units received by the Group for the acquisition of the MBFC Property. These acquisition units were subject to a one year moratorium as stipulated in the Collective Investment Schemes issued by the Monetary Authority of Singapore
- Excluding the effects of this mark-to-market adjustment and the related tax effects, the Group's net profit would have been S\$73.3 million, 15% higher than that achieved in FY2010

# BALANCE SHEET



## *Robust balance sheet*

Group balance sheet as at 31 Dec 2011	S\$'000		S\$'000
<b>Non-current assets</b>		<b>Non-current liabilities</b>	
Plant and equipment	1,360	Financial liabilities	268
Tenancy deposits	502	Deferred tax liabilities	117
Associates	3,100		
Financial assets	96,920		
	<b>101,882</b>		<b>385</b>
<b>Current assets</b>		<b>Current liabilities</b>	
Financial assets	24,764	Trade and other payables	17,343
Trade and other receivables	30,616	Financial liabilities	120
Cash and cash equivalents	57,291	Derivative Liabilities	717
	<b>112,671</b>	Current tax payable	6,427
			<b>24,607</b>
		<b>Total liabilities</b>	<b>24,992</b>
		<b>Shareholders' equity</b>	<b>189,561</b>
<b>Total assets</b>	<b>214,553</b>	<b>Total liabilities &amp; shareholders' equity</b>	<b>214,553</b>



### 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

- Asset management and divestment of properties for ADF
- Capital commitments of US\$400 million for ADF II, targeting for final close in 2012

### 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.

## Contact

Cheryl Seow  
Senior Director, Group Finance  
[cherylseow@ara.com.hk](mailto:cherylseow@ara.com.hk)

### Global Headquarters:

6 Temasek Boulevard  
Suntec Tower Four, #16-02  
Singapore 038986

Tel: (65) 6835 9232  
Fax: (65) 6835 9672

Website: [www.ara-asia.com](http://www.ara-asia.com)