

Hektar Real Estate Investment Trust



SECOND QUARTER 2010 FINANCIAL RESULTS PRESENTATION

HEKTAR ASSET MANAGEMENT SDN BHD
3 AUGUST 2010

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The past performance of Hektar REIT is not necessarily indicative of the future performance of Hektar REIT.

About Hektar

Hektar Real Estate Investment Trust (Hektar REIT) is Malaysia's first retail-focused REIT. Hektar REIT's principal objective is to provide its Unitholders with a defensible income distribution and to enhance the long-term value of the fund. Hektar REIT invests in income-producing real estate primarily used for retail purposes.

Hektar REIT's portfolio mainly consists of quality shopping centres situated in Subang Jaya, Bandar Melaka and Muar with a combined value of RM720 million as of 31 December 2009. Hektar REIT was listed on the Main Board of Bursa Malaysia Securities Berhad on 4 December 2006 and has outperformed its forecast in its first two years of listing.

The REIT's cornerstone investor is Frasers Centrepoint Trust, part of the Fraser & Neave Group, headquartered in Singapore. Hektar REIT is managed by Hektar Asset Management Sdn. Bhd., a part of the Hektar Group.

The Hektar Group was formed with a vision to develop world-class shopping centres for Malaysian consumers, based on international best practices.

For more information, please refer to the back page of this Presentation for Contact Information.

This Presentation should be read in conjunction with the Quarterly Report Announcement as reported on Bursa Malaysia.

Second Quarter 2010 (2Q10)

1 April 2010 – 30 June 2010

Three (3) months

Operational & Financial Performance

- Portfolio Occupancy: ~95.2%
- Rent Reversions: + 2%
- Net Income per Unit (Realised)
vs. previous comparable period¹: **2.854 sen**
+ 3.2%
- Dividend per Unit (DPU)
vs. previous comparable period¹: **2.50 sen**
+ 4.2%

¹ 2Q 09 Net Income per unit: 2.766 sen

Dividend Distribution

Dividend Per Unit

(DPU) : **2.50 sen**

DPU Yield²: **8.1%**

² Based on annualised DPU of 2.50 sen and closing price of RM1.24 on 30 June 2010.

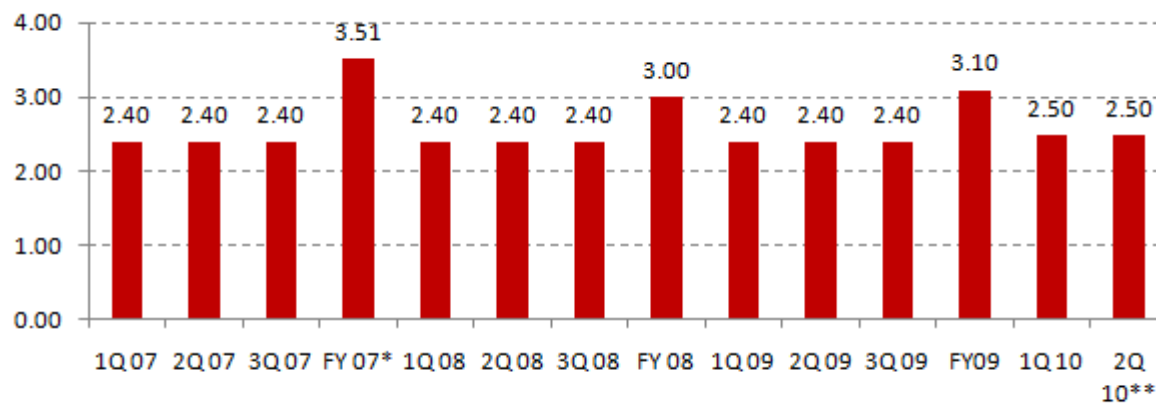
Hektar REIT Annual DPU Growth Positive Since IPO

Current Dividend Distribution Details

Second Quarter 2010

- Distribution Period: 1 April – 30 June 2010
- Quarterly DPU: 2.50 sen
- Notice of Entitlement: 3 August 2010
- Ex-Dividend Date: 16 August 2010
- Book Closure Date: 18 August 2010
- Payment Date: 3 September 2010

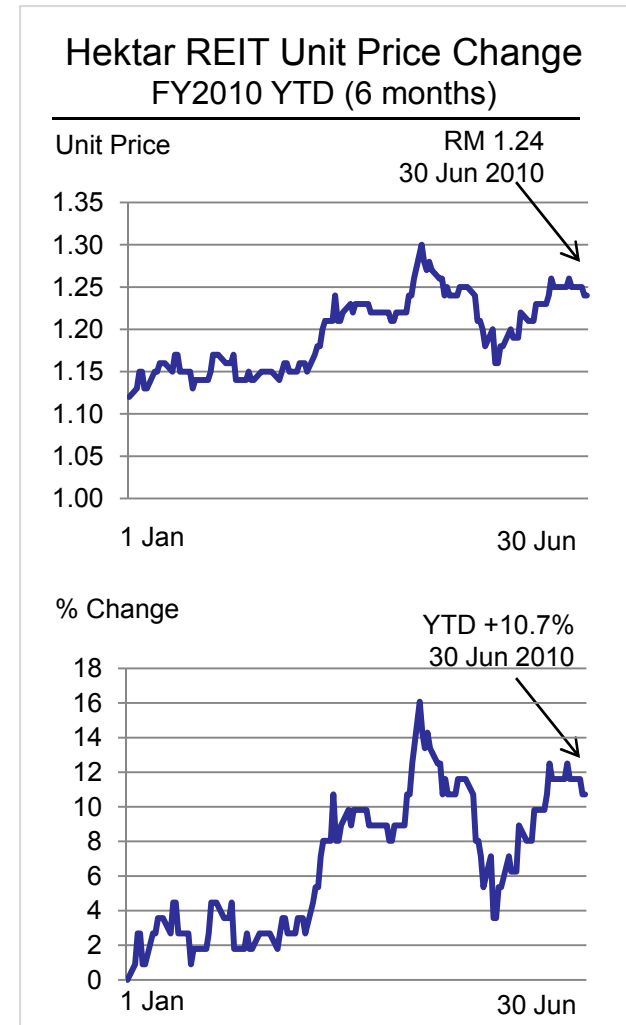
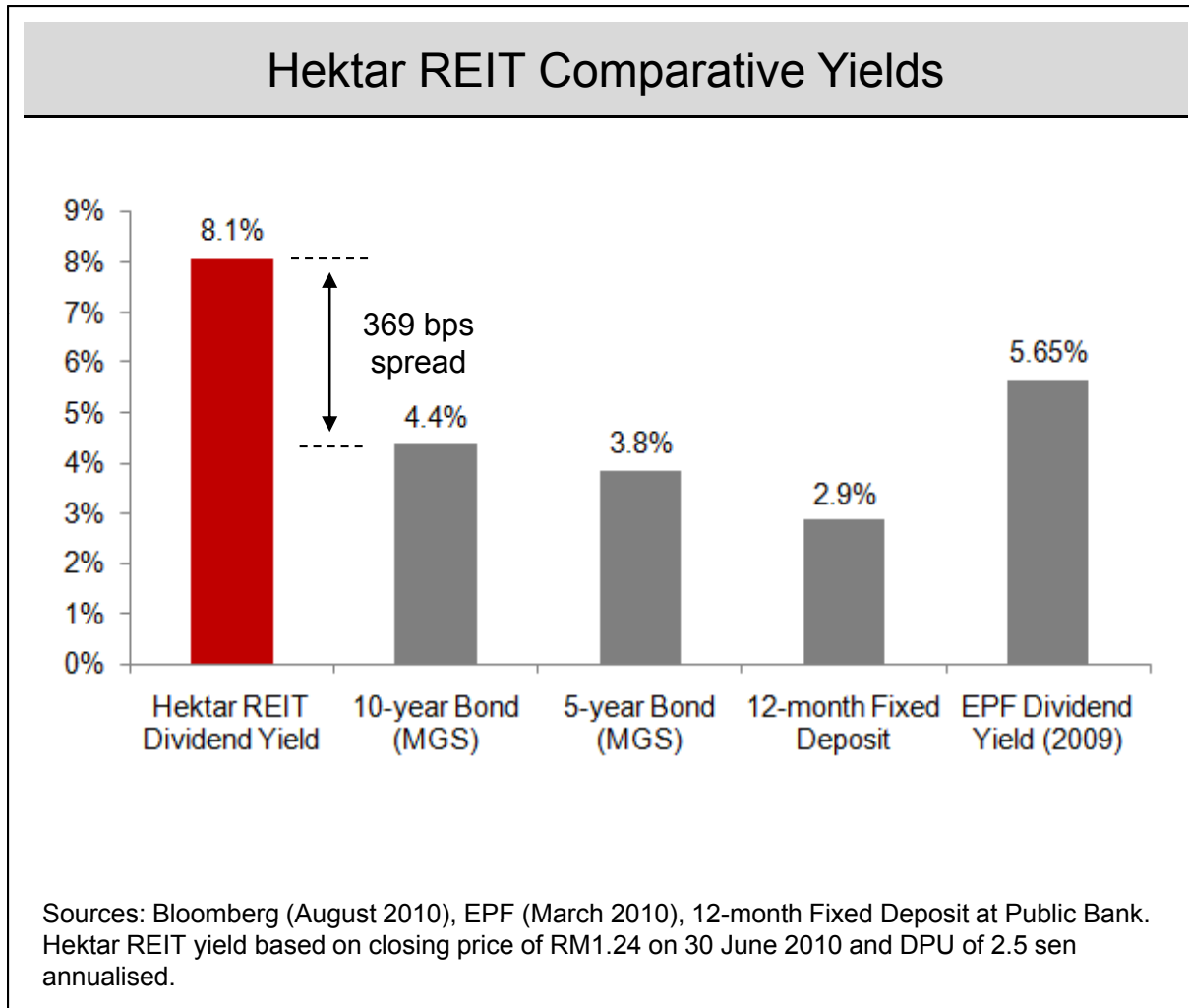
Dividend Distribution Track Record



* FY 07 represented a 13 month period from December 2006 to 31 December 2007 ** Declared

Hektar REIT DPU Dividend Yield at annualised 8.1%

- Traded at a 369 bps spread over MGS 10-year



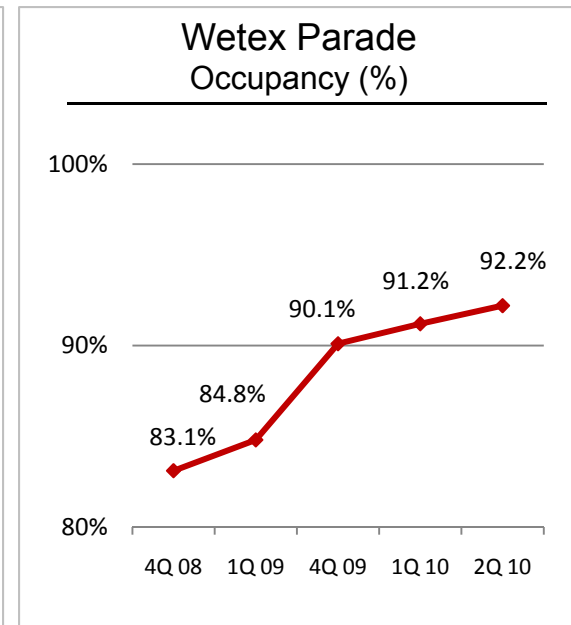
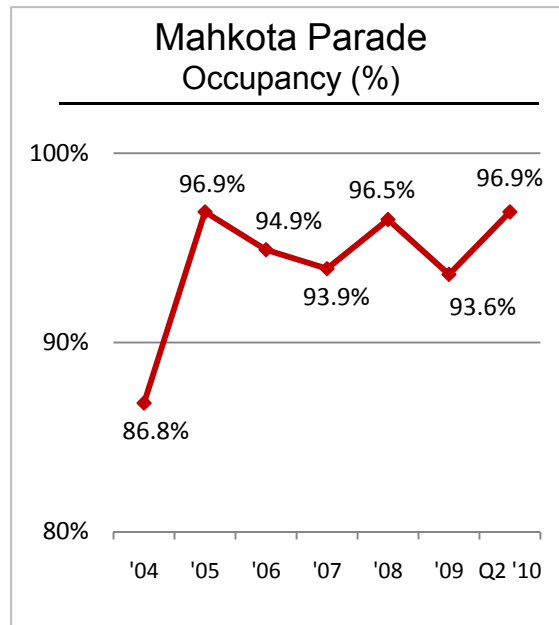
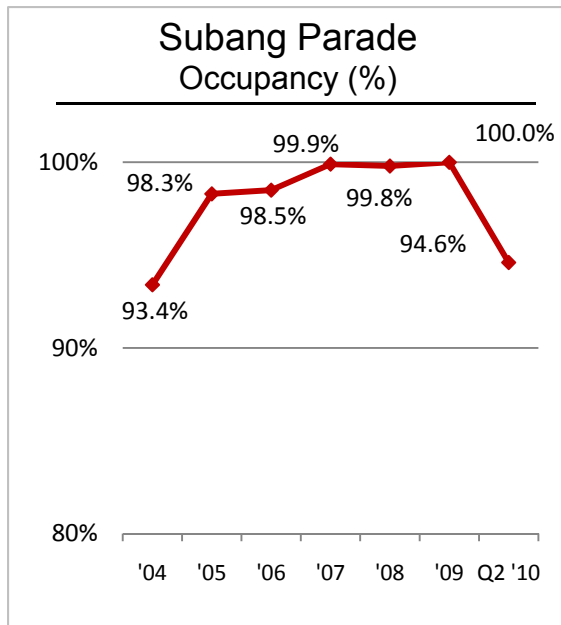
Portfolio Performance

- Overall Occupancy at ~95.2% ▶
- Rental Reversions up 2% for 2Q10 ▶
- Tenancy Expiry Profile ▶

Overall Portfolio Occupancy at ~95.2%

Hektar REIT Portfolio Occupancy							
Property	As at 31 December 2004	As at 31 December 2005	As at 30 September 2006	As at 31 December 2007	As at 31 December 2008	As at 31 December 2009	As at 30 June 2010
Subang Parade	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%	94.6%
Mahkota Parade	86.8%	96.9%	94.9%	93.9%	96.5%	93.6%	96.9%
Wetex Parade					83.1%	90.1%	92.2%
Overall*	91.3%	97.6%	96.7%	96.9%	95.8%	95.8%	95.2%

*Approximate average, weighted by Net Lettable Area.



Rental Reversions flat at +2% for the quarter

- 2Q 10: 25 new tenancies / renewals at an average 2% higher rental rate
- Mahkota Parade rental reversions positive following refurbishment

Hektar REIT Rental Reversions: Quarter				
Second Quarter (3 months) (Ended 30 June)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates
Subang Parade	14	21,233	4%	-2%
Mahkota Parade	4	5,465	1%	7%
Wetex Parade	7	3,596	2%	19%
Total / Average*	25	30,294	3%	2%

*Average Weighted by NLA. NLA = Net Lettable Area

Refurbishment
Completed
Mahkota Parade
Re-launch in May
2010

Hektar REIT Rental Reversions: Year-To-Date				
1H 2009 (6 months) (Ended 30 June)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates
Subang Parade	22	36,930	8%	-2%
Mahkota Parade	10	22,159	5%	-8%
Wetex Parade	13	6,523	4%	12%
Total / Average*	45	65,612	6%	-3%

*Average Weighted by NLA. NLA = Net Lettable Area

Hektar REIT Tenancy Expiry Profile by Property

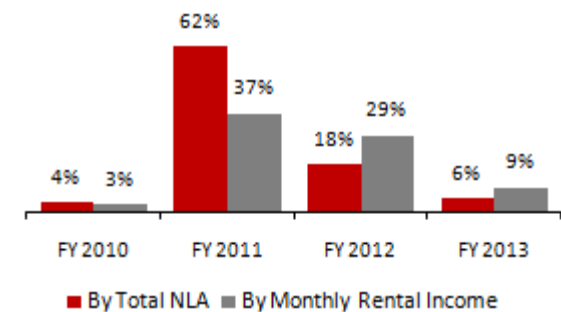
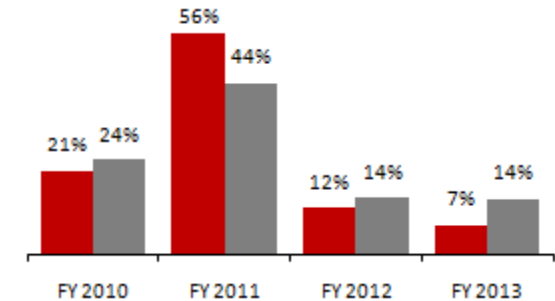
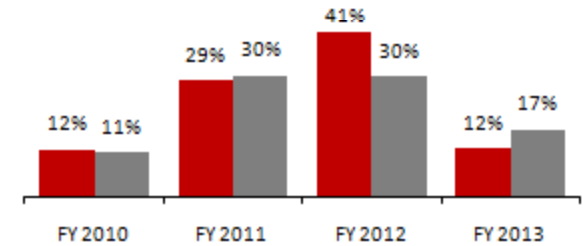
Hektar REIT Tenancy Expiry Profile by Property

As At 30 June 2010

Subang Parade For Year Ending 31 December	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq ft)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
FY 2010	13	56,283	12%	11%
FY 2011	46	139,699	29%	30%
FY 2012	30	196,814	41%	30%
FY 2013	29	57,185	12%	17%

Mahkota Parade For Year Ending 31 December	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq ft)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
FY 2010	26	98,188	21%	24%
FY 2011	36	259,836	56%	44%
FY 2012	28	54,069	12%	14%
FY 2013	21	34,234	7%	14%

Wetex Parade For Year Ending 31 December	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq ft)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
FY 2010	4	6,043	4%	3%
FY 2011	18	103,858	62%	37%
FY 2012	43	29,875	18%	29%
FY 2013	15	9,191	6%	9%



*Based on monthly rental income for June 2010. Figures may not round to 100% due to misc items

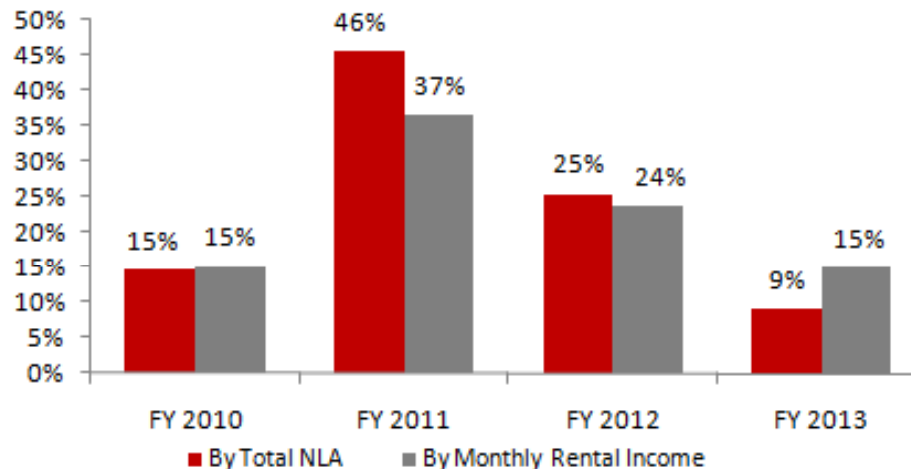
Tenancy Portfolio Expiry Profile 2010 – 2013

- FY2010 tenancy expiries account for approximately 15% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As At 30 June 2010

Portfolio For Year Ending 31 December	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq ft)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
FY 2010	43	160,514	15%	15%
FY 2011	100	503,393	46%	37%
FY 2012	101	280,758	25%	24%
FY 2013	65	100,610	9%	15%



* Based on monthly rental income for June 2010. NLA = Net Lettable Area

Financial Results

- Second Quarter 2010 Net Income up 3.2% from previous period ►
- Year-To-Date 2010 Net Income up 6.6% from previous period ►
- Hektar REIT trading at a 3.9% discount to NAV as at end 2Q10 ►

Income Statement – Quarter Comparative

Second Quarter '10 Net Income up 3.2% vs previous quarter

For Period 1 April – 30 June 2010 (versus previous comparable period)

Income Statement	2Q10	2Q09	Variance
Second Quarter 2010 (Unaudited)	(RM '000)	(RM '000)	(%)
Revenue	22,198	21,850	+ 1.6%
Direct Cost & Property Expenses	(9,025)	(8,891)	+ 1.5%
Net Property Income (NPI)	13,173	12,959	+ 1.7%
Interest & Other Income	36	25	+ 42.0%
Total Income	13,209	12,984	+ 1.7%
Trust Fees & Expenses	(1,588)	(1,090)	+ 45.7%
Interest Expense	(2,488)	(3,042)	- 18.2%
Net Income Before Tax - Realised	9,132	8,852	+ 3.2%
Net Income per Unit (sen)	2.854	2.766	+ 3.2%

Note: revenue is now reported following implementation of FRS 117, which recognises rental income on an averaged basis over the term of tenancy; step-up rent in future periods is averaged and reported proportionately in the present period, while turnover rent is recognised in each accounting period on a receipt basis.

Income Statement – Quarter Year-To-Date Comparative

Second Quarter '10 Year-To-Date up 6.6% vs previous period

For Period 1 January – 30 June 2010 (versus previous comparable period)

Income Statement Year-To-Date (Unaudited)	1H10 (RM '000)	1H09 (RM '000)	Variance (%)
Revenue	45,213	43,618	+ 3.7%
Direct Cost & Property Expenses	(17,910)	(17,171)	+ 4.3%
Net Property Income (NPI)	27,302	26,447	+ 03.2%
Interest & Other Income	75	55	+ 36.4%
Total Income	27,377	26,502	+ 03.3%
Trust Fees & Expenses	(3,267)	(2,282)	+ 43.2%
Interest Expense	(4,941)	(6,242)	- 20.8%
Net Income Before Tax - Realised	19,169	17,978	+ 6.6%
Net Income per Unit (sen)	5.990	5.618	+ 6.6%

Hektar REIT trading at a 3.9% discount to NAV as at end 2Q10

Balance Sheet in RM '000	As at 30.6.2010 (Unaudited)	As at 31.12.2009 (Audited)
Non-Current Assets		
Investment Properties	715,973	720,000
Current Assets		
Trade Receivables	936	375
Other Receivables, Deposits, Prepayments	3,192	5,974
Capital Work in Progress	27,174	14,202
Cash and Bank Balances	28,333	36,574
TOTAL ASSETS	775,608	777,125
Liabilities		
Trade Payables	384	3,466
Other Payables and Accruals	2,553	2,776
Tenancy Deposits	20,242	20,685
Deferred Income	980	-
Provision for Income Distribution	8,000	9,920
Borrowings	334,000	334,000
TOTAL LIABILITIES	366,159	370,847
NET ASSET VALUE	409,448	406,278
Unitholders' Capital	328,137	328,137
Retained Earnings - realised	12,955	9,785
Retained Earnings - unrealised	68,357	68,357
TOTAL UNITHOLDERS' FUND	409,448	406,278

Unit Price Statistics As at 30 June 2010
No. of Units Outstanding 320,001,000
Net Asset Value (RM) 1.2795
Unit Price (RM) 1.24
Premium / (Discount) to NAV (3.9%)

Debt Information* As at 30 June 2010
Borrowings RM334,000,000
Weighted Average Cost of Debt* 3.27%
Gearing Ratio 43.1%
Expiry Profile* 2 Tranches in 2011 & 2013

*Full Details in 1Q10 Results Presentation

“Creating The Places Where People Love To Shop”

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