
HEKTAR REIT



HEKTAR REIT
FIRST QUARTER 2009
FINANCIAL RESULTS PRESENTATION

HEKTAR ASSET MANAGEMENT SDN BHD

18 MAY 2009

PRIVATE & CONFIDENTIAL



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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, Melaka and Muar with a combined value of RM713.4 million as of 31 December 2008. 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.



First Quarter 2009

1 January 2009 – 31 March 2009

Three months

Operational & Financial Performance

- Portfolio Occupancy: ~ 95.9%
- Rent Reversions: + 3%
- Net Income per Unit: **2.85 sen**
 - vs. previous comparable quarter¹: **+4.5%**
 - vs. Prospectus Forecast²: **+33.8%**

¹ First Quarter 2008 Net Income per unit: 2.73 sen per unit

² As per Hektar REIT Initial Public Offering Prospectus dated 15 November 2006

Dividend Distribution

First Quarter
Dividend Per Unit
(DPU): **2.40 sen**

DPU Yield³: **11.0%**

³ Based on annualised DPU of 2.40 sen and closing price of RM0.87 on 31 March 2009.

Commentary

- Hektar REIT faces no refinancing risk in 2009
- Hektar REIT trading at 31% discount to NAV as at 1Q 09
- Asset Enhancement Planning at Mahkota Parade



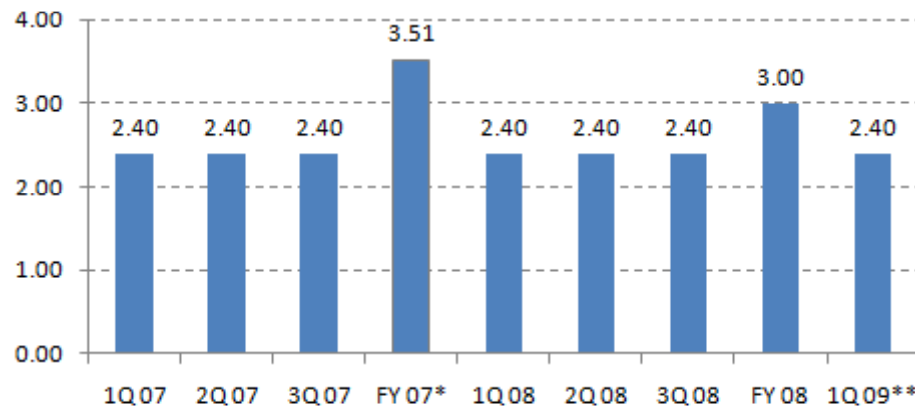
Hektar REIT Pays Quarterly Dividend Per Unit (DPU)

Current Dividend Distribution Details

First Quarter 2009

- Distribution Period: 1 January – 31 March 2009
- Quarterly DPU: 2.40 sen
- Notice of Entitlement: 18 May 2009
- Ex-Dividend Date: 2 June 2009
- Book Closure Date: 4 June 2009
- Distribution Payment Date: 16 June 2009

Dividend Distribution Track Record



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

** Proposed DPU

Hektar REIT Dividend Policy

Barring unforeseen circumstances, Hektar REIT will pay dividends equivalent to at least 90% of annual net income for the year on a quarterly basis, of which

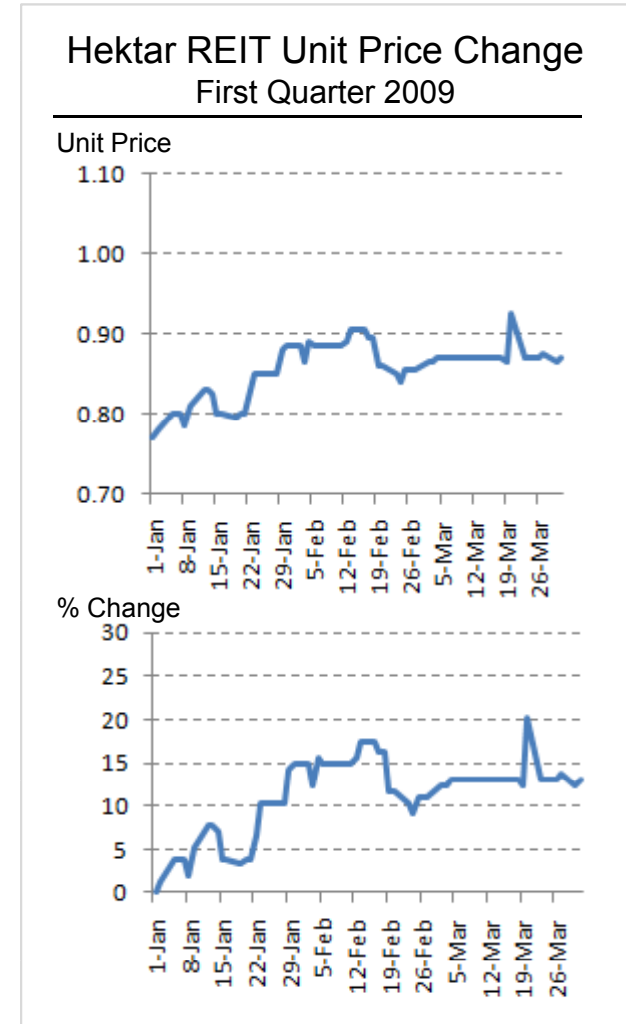
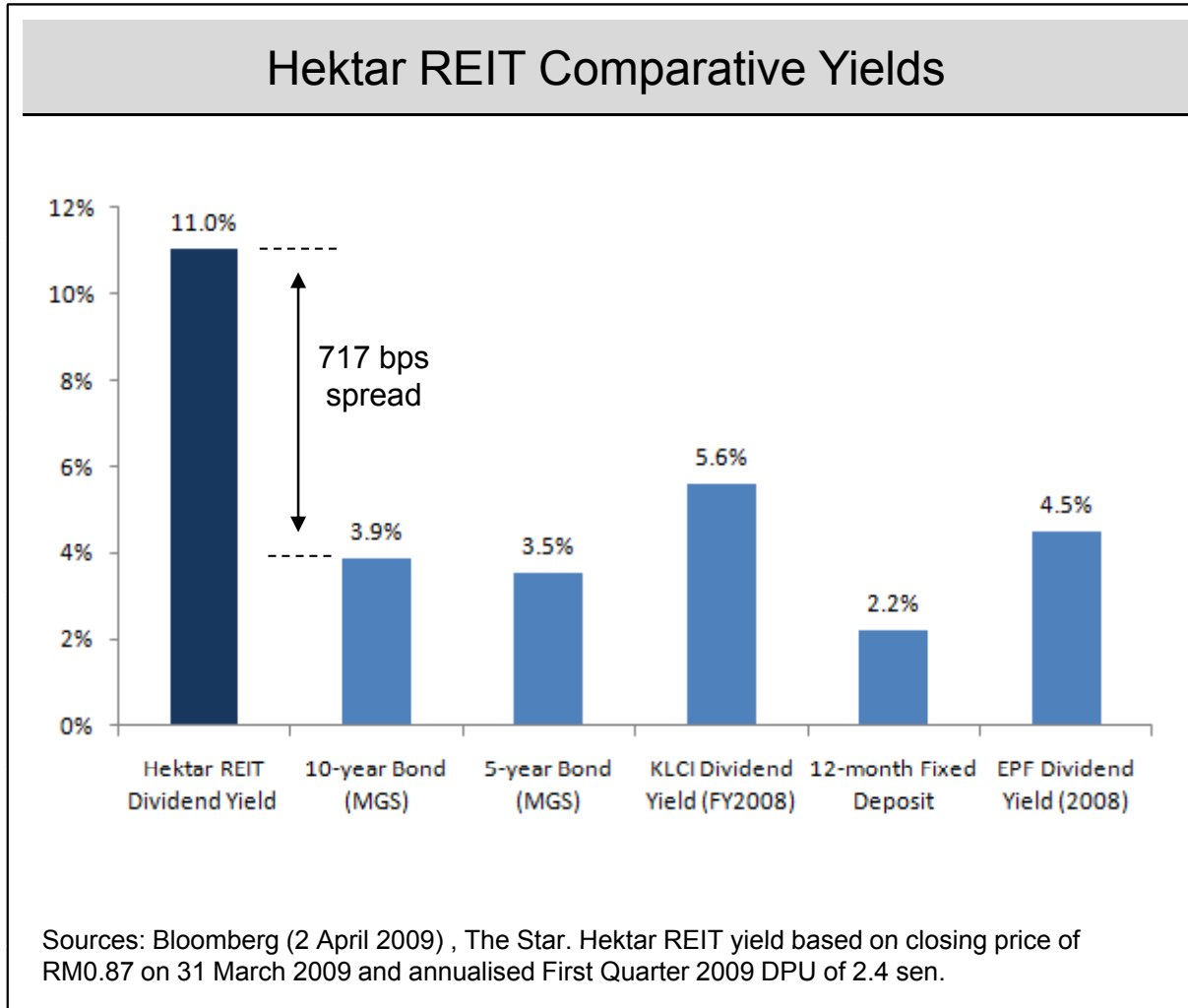
- the first three quarters will be 2.40 sen;
- the final dividend will be the balance.



Comparative Yields - Malaysia

Hektar DPU Dividend Yield at annualised 11%

- Traded at a 717 bps spread over MGS 10-year



Portfolio Performance

- Overall Occupancy at ~95.9% ▶
- Diversified Portfolio Tenancy Mix ▶
- Top Ten Tenants Contribute 26.8% of Monthly Rental Income ▶
- Rental Reversions up 3% ▶
- Tenancy Expiry Profile by Property ▶
- 84% of Portfolio Tenancy Rental Income Locked-in for 2009 ▶
- Tenancy Provisions ▶



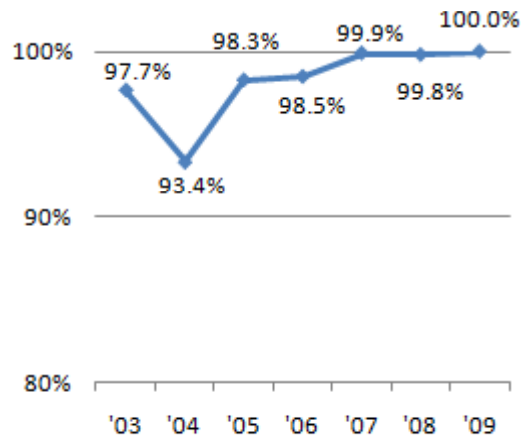
Overall Portfolio Occupancy at ~95.9%

Hektar REIT Top Ten Tenants by Monthly Rental Income

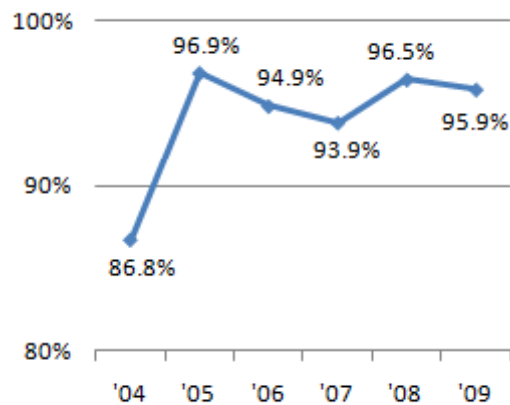
Property	As at 31 December 2003	As at 31 December 2004	As at 31 December 2005	As at 30 September 2006	As at 31 December 2007	As at 31 December 2008	As at 31 March 2009
Subang Parade	97.7%	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%
Mahkota Parade		86.8%	96.9%	94.9%	93.9%	96.5%	95.9%
Wetex Parade						83.1%	84.8%
Overall*	97.7%	91.3%	97.6%	96.7%	96.9%	95.8%	95.9%

*Approximate average, weighted by Net Lettable Area.

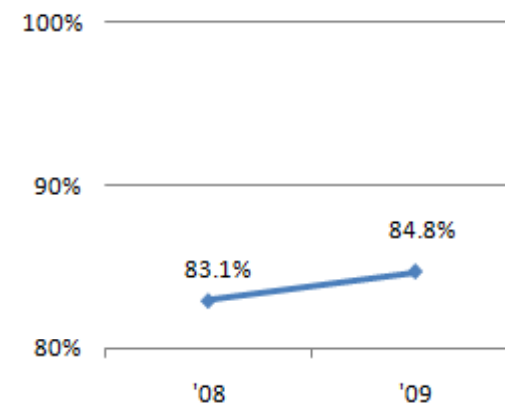
Subang Parade Occupancy (%)



Mahkota Parade Occupancy (%)

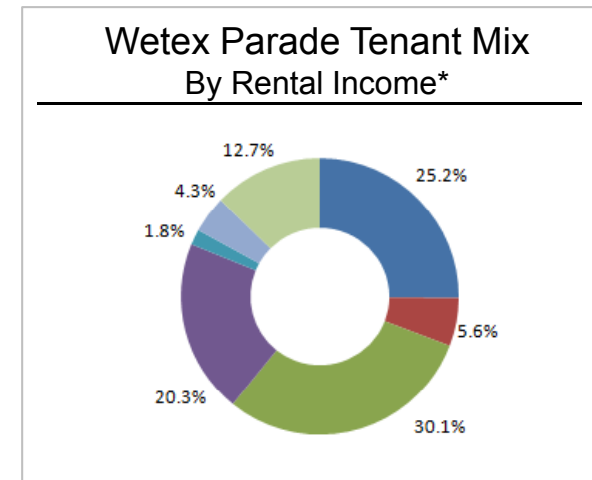
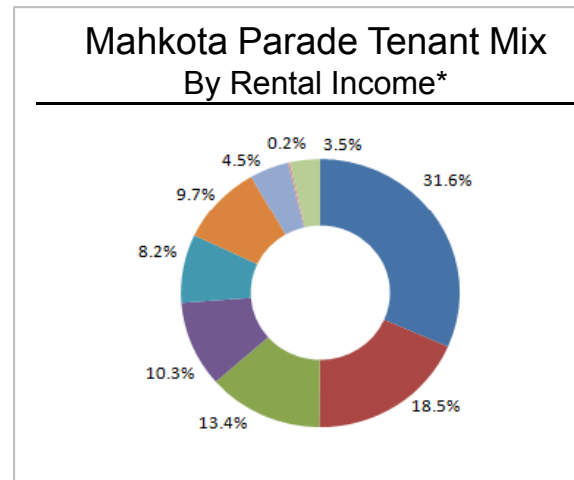
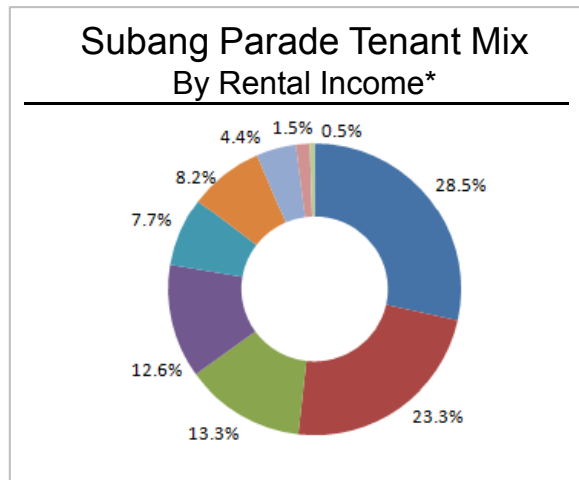
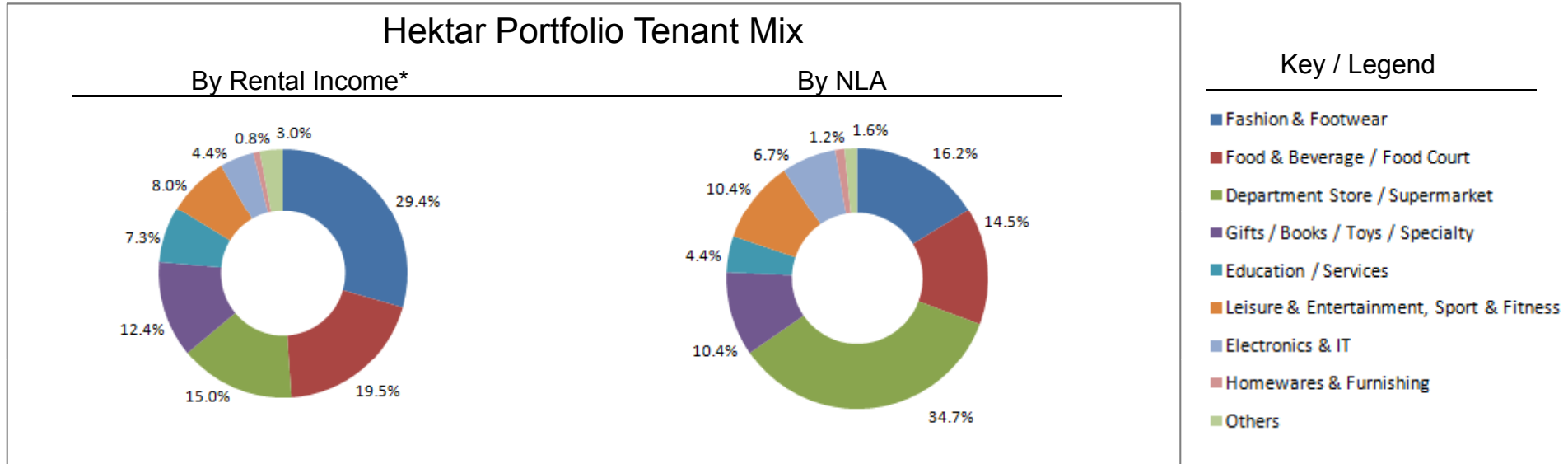


Wetex Parade Occupancy (%)



Diversified Portfolio Tenant Mix

- Fashion, Footwear, F&B are largest sectors within overall portfolio



* Based on monthly rental income for March 2009. NLA = Net Lettable Area



Top Ten Tenants Contribute 26.8% of Monthly Rental Income

- Default Risk: Parkson contributes ~10.7% of total monthly rental income to REIT and no other tenant contributes more than 3.0%

Hektar REIT Top Ten Tenants by Monthly Rental Income

As at 31 March 2009

Tenant	Trade Sector	NLA (sq ft)	% of Total NLA	% of Monthly Rental Income*
1 Parkson	Department Store	254,009	22.8%	10.7%
2 The Store	Department Store	91,357	8.2%	3.0%
3 Bata	Fashion & Footwear	8,409	0.8%	2.1%
4 McDonald's	Food & Beverage	12,946	1.2%	1.9%
5 The Reject Shop	Fashion & Footwear	17,695	1.6%	1.8%
6 Ampang Superbowl	Leisure & Entertainment	36,717	3.3%	1.5%
7 World Of Sports	Fashion & Footwear	10,796	1.0%	1.5%
8 Kenny Rogers Roasters	Food & Beverage	7,096	0.6%	1.5%
9 B.U.M. City	Fashion & Footwear	16,078	1.4%	1.4%
10 K.F.C.	Food & Beverage	10,282	0.9%	1.4%
Top 10 Tenants (By Monthly Rental Income)		465,385	41.8%	26.8%
Other Tenants		649,218	58.2%	73.2%
Total		1,114,603	100.0%	100.0%

* Based on monthly rental income for March 2009. NLA = Net Lettable Area



Rental Reversions up 3%

- 1Q 09: 40 new tenancies / renewals at an average 3% higher rental rate

Hektar REIT Rental Reversions				
First Quarter (3 months) (Ended 31 March)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	4	8,349	2%	6%
Mahkota Parade	13	26,109	6%	1%
Wetex Parade	23	12,174	7%	5%
Total / Average*	40	46,632	4%	3%

*Average Weighted by NLA. NLA = Net Lettable Area

Hektar's Tenancy Expiry Profile by Property

Hektar REIT Tenancy Expiry Profile by Property

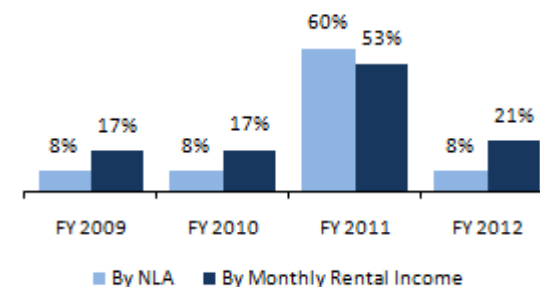
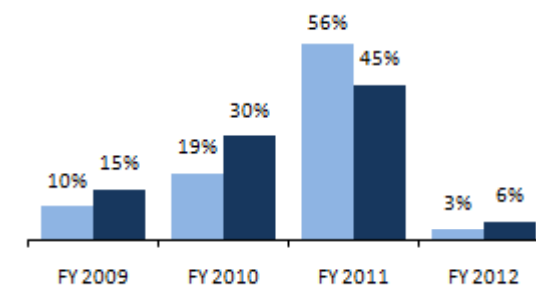
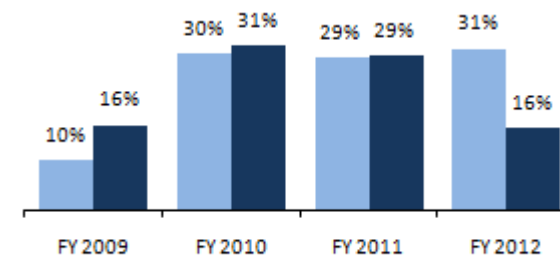
As At 31 March 2009

Subang Parade	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income*
For Year Ending 31 December				
FY 2009	29	45,155	10%	16%
FY 2010	47	141,506	30%	31%
FY 2011	44	138,548	29%	29%
FY 2012	5	146,097	31%	16%

Mahkota Parade	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income*
For Year Ending 31 December				
FY 2009	18	45,953	10%	15%
FY 2010	39	89,812	19%	30%
FY 2011	39	262,151	56%	45%
FY 2012	13	15,905	3%	6%

Wetex Parade	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income*
For Year Ending 31 December				
FY 2009	13	14,172	8%	17%
FY 2010	18	14,249	8%	17%
FY 2011	17	103,409	60%	53%
FY 2012	22	14,110	8%	21%

* Based on monthly rental income for March 2009.



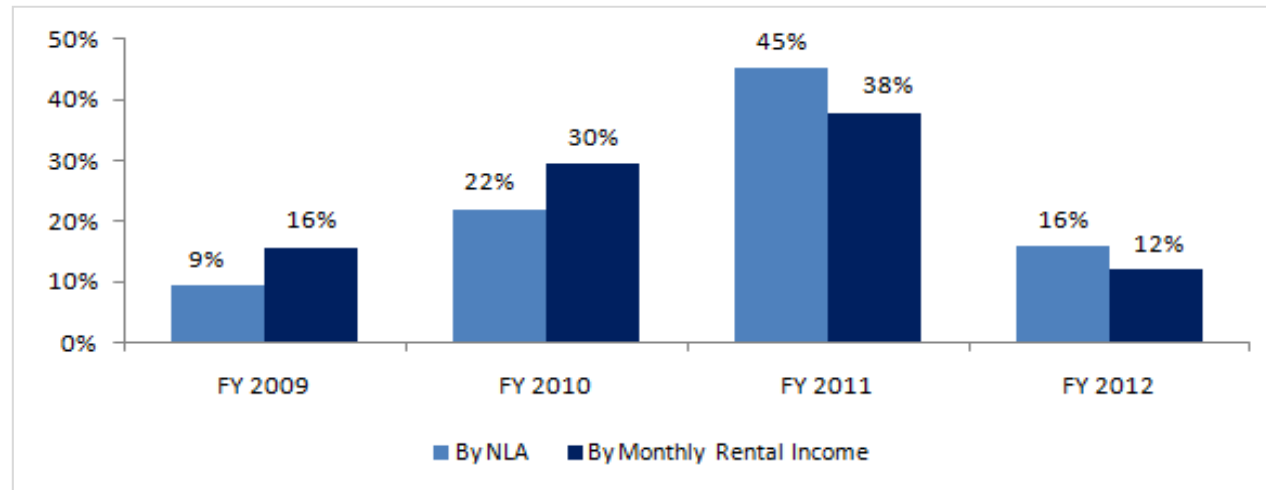
84% of Portfolio Tenancy Rental Income Locked-in for 2009

- Remaining FY2009 tenancy expiries account for no more than 16% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As At 31 March 2009

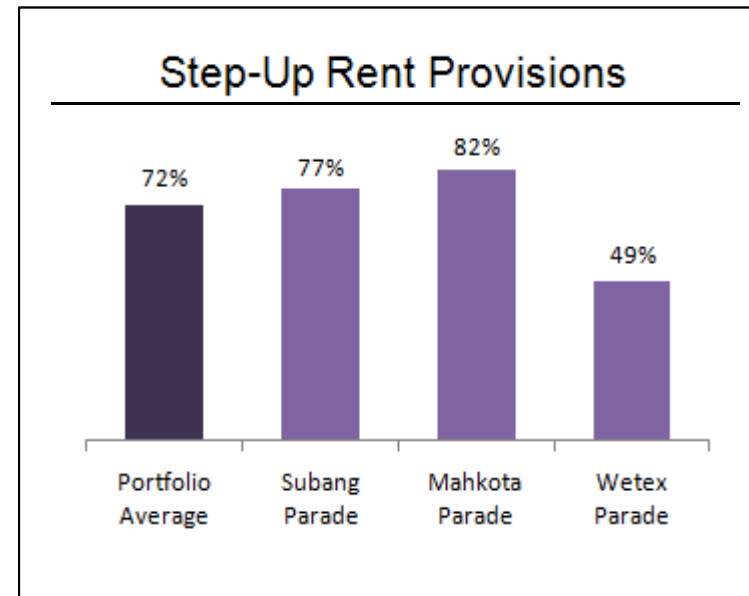
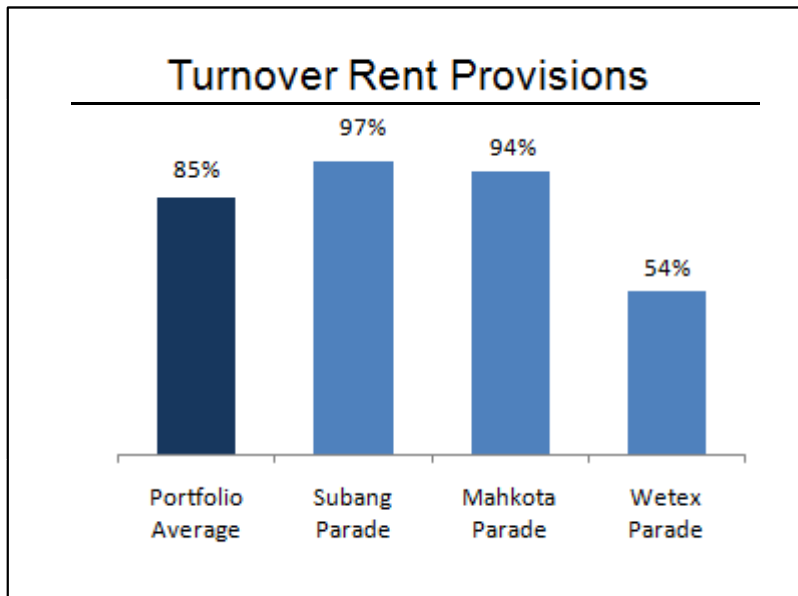
Portfolio For Year Ending 31 December	No. of Tenancies Expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	% of Total Monthly Rental Income*
FY 2009	60	105,280	9%	16%
FY 2010	104	245,567	22%	30%
FY 2011	100	504,108	45%	38%
FY 2012	40	176,112	16%	12%



* Based on monthly rental income for March 2009. NLA = Net Lettable Area

Hektar Portfolio Tenancy Provisions

- Turnover Rent Provisions: Portfolio average of 85% of tenancies
- Step-Up Rent Provisions: Portfolio average of 72% of tenancies
- Wetex Parade: implementing provisions for new tenancies / renewals



Notes: Data as at 31 March 2009. Wetex Parade acquired in May 2008. Turnover Rent Provision: rent calculated as a proportion of annual turnover of the tenant's business. Turnover Rent is paid to the REIT if it exceeds the base rent specified in the tenancy agreement on an annual basis. Step-Up Rent Provision: Specified in tenancy agreement as a pre-determined increase in rent at defined intervals during a tenancy agreement, typically each year. Forms the base rent of any tenancy agreement.

Financial Results

- Gross Revenue up 24.7% over budget ►
- First Quarter 2009 Net Income exceeds Budget by 33.8% ►
- First Quarter '09 Net Income exceeds previous quarter by 4.5% ►
- Hektar trading at a 31% discount to NAV as at end 1Q09 ►
- Hektar REIT faces no refinancing risk in 2009 ►

Asset Enhancement ►



Revenues & Expenses

Gross Revenue up 24.7% over Budget

For Period 1 January – 31 March 2009

Revenue & Expense	Actual	Budget	Variance
First Quarter 2009 (Unaudited)	(RM '000)	(RM '000)	(%)
Rental Income			
Revenue from Tenancy	19,991	16,075	+ 24.4%
Car Park	1,777	1,382	+ 28.6%
Revenue	21,768	17,457	+ 24.7%
Direct Cost & Property Expenses			
Property Management Fees	(436)	(380)	- 14.7%
Assessment, Quit Rent & Insurance	(851)	(914)	+ 6.8%
Other Operating Expenses	(6,993)	(5,830)	- 19.9%
Total Property Expenses	(8,280)	(7,123)	- 16.2%
Trust Fees & Expenses			
Manager's fee			
Base Fee	(461)	(348)	- 32.6%
Performance Fee	(487)	(416)	- 17.2%
Trustee's fee	(36)	(31)	- 17.3%
Valuation fee	(12)	(12)	+ .0%
Administration expenses	(195)	(100)	- 94.8%
Total Trust Fees & Expenses	(1,192)	(907)	- 31.4%

Note: Budget based on FY2009 figures from Hektar REIT's Initial Public Offering Prospectus dated 15 November 2006.



Income Statement – Quarter

First Quarter 2009 Net Income exceeds Budget by 33.8%

For Period 1 January – 31 March 2009 (versus Budget)

Income Statement	Actual	Budget	Variance
First Quarter 2009 (Unaudited)	(RM '000)	(RM '000)	(%)
Revenue	21,768	17,457	+ 24.7%
Direct Cost & Property Expenses	(8,280)	(7,123)	- 16.2%
Net Property Income (NPI)	13,488	10,334	+ 30.5%
Interest & Other Income	30	88	- 66.3%
Total Income	13,518	10,421	+ 29.7%
Trust Fees & Expenses	(1,192)	(907)	- 31.4%
Interest Expense	(3,200)	(2,691)	- 18.9%
Net Income Before Tax - Realised	9,126	6,823	+ 33.8%
Net Income per Unit (sen)	2.85	2.13	+ 33.8%

Note: Budget based on FY2009 figures from Hektar REIT's Initial Public Offering Prospectus dated 15 November 2006.



Income Statement – Quarter Comparative

First Quarter '09 Net Income exceeds previous quarter by 4.5%

For Period 1 January – 31 March 2009 (versus Previous Comparable Quarter)

Income Statement First Quarter 2009 (Unaudited)	1Q09 (RM '000)	1Q08 (RM '000)	Variance (%)
Revenue	21,768	18,781	+ 15.9%
Direct Cost & Property Expenses	(8,280)	(6,763)	- 22.4%
Net Property Income (NPI)	13,488	12,018	+ 12.2%
Interest & Other Income	30	33	- 11.6%
Total Income	13,518	12,051	+ 12.2%
Trust Fees & Expenses	(1,192)	(1,393)	+ 14.4%
Interest Expense	(3,200)	(1,929)	- 65.9%
Net Income Before Tax - Realised	9,126	8,730	+ 4.5%
Net Income per Unit (sen)	2.85	2.73	+ 4.5%



Balance Sheet

Hektar trading at a 31% discount to NAV as at end 1Q09

Balance Sheet in RM '000	As at 31.03.2009 (Unaudited)	As at 31.12.2008 (Audited)
Non-Current Assets		
Investment Properties	716,951	713,400
Current Assets		
Trade Receivables	564	472
Work In Progress	445	106
Other Debtor / Prepayment / Deposits	5,938	5,910
Cash and Bank Balances	12,831	18,221
TOTAL ASSETS	736,730	738,108
Liabilities		
Trade Payables	505	188
Other Creditors and Accruals	2,554	4,463
Tenancy Deposits	20,452	20,256
Provision for Income Distribution	8,172	9,600
Borrowings	301,500	301,500
TOTAL LIABILITIES	333,183	336,007
NET ASSET VALUE	403,548	402,101
Unitholders' Capital	328,137	328,137
Retained Earnings - realised	7,455	6,008
Retained Earnings - unrealised	67,956	67,956
TOTAL UNITHOLDERS' FUND	403,548	402,101

Unit Price Statistics As at 31 March 2009
No. of Units Outstanding 320,001,000
Net Asset Value (RM) 1.26
Unit Price (RM) 0.87
Premium / (Discount) to NAV (31%)

Hektar REIT faces no refinancing risk in 2009

Debt Information At A Glance

As at 1 May 2009

- Total Debt: **RM301.5 million**
- Weighted Cost of Debt: **4.06%**
- Gearing Ratio¹: **40.9%**
- Interest Cover²: **3.85**
- Unencumbered Asset: **Wetex Parade**

¹ Gearing ratio calculated by total long term liabilities over Gross Asset Value (GAV).
SC Guidelines (2005): Gearing Limited for Malaysian REITs: 50% of GAV

² Based on quarter ended 31 March 2009

Financing Details

Al-Murabahah / OD
Fixed Term Loan, Annual Floating Rate
Structure: Cost of Funds + 0.75%

Tranche 1

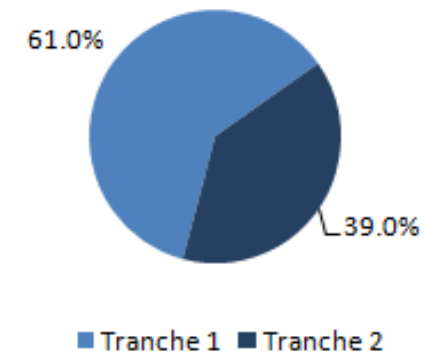
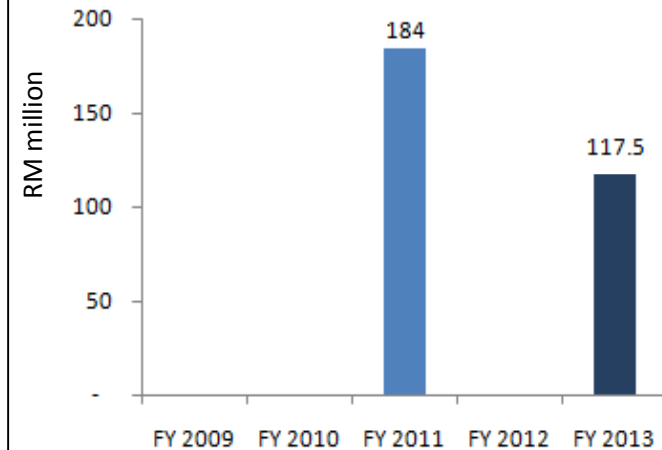
- Term: 5 Years, Expiring **2011**
- Pledged: Subang Parade
- Facility Size: RM184 million
- Drawdown: Fully Drawn
- Cost: 4.54%
- Rate Reset: December 2009

Tranche 2

- Term: 5 Years, Expiring **2013**
- Pledged: Mahkota Parade
- Facility Size: RM150 million
- Drawdown: RM117.5 million
- Cost: 3.30%
- Rate Reset: April 2010

Debt Expiry Profile

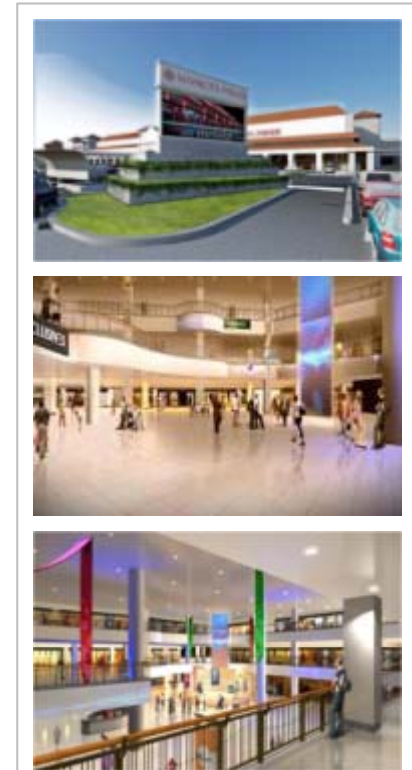
As at 1 May 2009



Asset Enhancement: Mahkota Parade 2009-2010

Transforming Mahkota Parade to maintain market leadership

- Mahkota Parade
 - Leading shopping centre in Melaka serving ~300,000 residents
 - Opened in 1994 – 15 years old
- Refurbishment Rationale
 - Setting the Standard: Maintaining No.1 position in Melaka market
 - Ensuring Competitiveness & Retailer Relevance
 - Revitalisation: painting, flooring, ceilings, lighting, amenities, security
- Timeline
 - Work: Third Quarter 2009 – First Quarter 2010
 - Timing: work to be carried out during non-operational hours
 - Business As Usual: Centre to Remain Open
- Status
 - Planning : In Final Stages
 - Financing: up to RM30 million remaining from Debt Tranche 2 (expiring 2013)
 - Details to be Announced Next Quarter



Diagrams for illustrative purposes. Final concepts subject to change

Project Management: Dedicated Hektar Group Team





“Creating The Places Where People Love To Shop”

Investor Relations

Hektar Asset Management Sdn Bhd

Block C-0-5, Plaza Damas


60 Jalan Sri Hartamas 1


Sri Hartamas

50480 Kuala Lumpur

MALAYSIA



 +6 03 6201 1011

 +6 03 6201 0012

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