



Hektar Real Estate Investment Trust

SECOND QUARTER 2012 FINANCIAL RESULTS PRESENTATION

10 AUGUST 2012

HEKTAR ASSET MANAGEMENT SDN BHD



Disclaimer

The material that follows is a presentation of general background information about the activities of the Hektar Group (including Hektar REIT and any other affiliates) as at the date of this Presentation.

The information contained herein is given in summary form solely to provide an understanding of the business of the Hektar Group and does not purport to be complete. You should conduct your own investigation and analysis of the Hektar Group and other data contained in this Presentation. It is not intended to be relied upon as advice for investment or invitation to invest in the Hektar Group or an evaluation of the Hektar Group. No representation, warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information contained herein. This presentation may contain forward-looking statements that involves risks and uncertainties. Actual future results may vary materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on Hektar Group's current view of future events.

Whilst we have used our best endeavour and exercised reasonable diligence in collating information from public domain, we have not independently verified the accuracy of such information.

The Hektar Group and its affiliates or any of its directors, officers and employees shall not accept any responsibility for any errors or omission in this Presentation and shall not be liable for any loss or other consequence of any reliance upon the whole or any part of the contents of this Presentation thereon.

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. Hektar REIT was listed on the Main Board of Bursa Malaysia Securities Berhad on 4 December 2006. 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.

Financial Summary

Financial Year 2012

1 January 2012 – 31 December 2012

Commentary

- 2Q2012 Dividend Per Unit: 2.6 sen
- Five Years Track Record of Positive Results

Operational & Financial Performance (First Quarter)

- Portfolio Occupancy: ~ 97.7%
- Rent Reversions: ~ 6.4%
- Net Income per Unit (Realised) 2.90 sen
vs. previous comparable period/quarter¹: -1.4%
- Dividend per Unit (DPU) 2.60 sen
vs. previous comparable period¹: + 4.0%

¹ 2Q11 Net Income per unit: 2.94 sen

Dividend Distribution

Second Quarter

Dividend Per Unit

(DPU) : **2.6 sen**

2Q11 DPU: **2.5 sen**

DPU Yield²: **7.5%**

² Based on 2Q12 DPU of 2.6 sen - annualised and closing price of RM1.38 on 29 June 2012.

Distribution Details

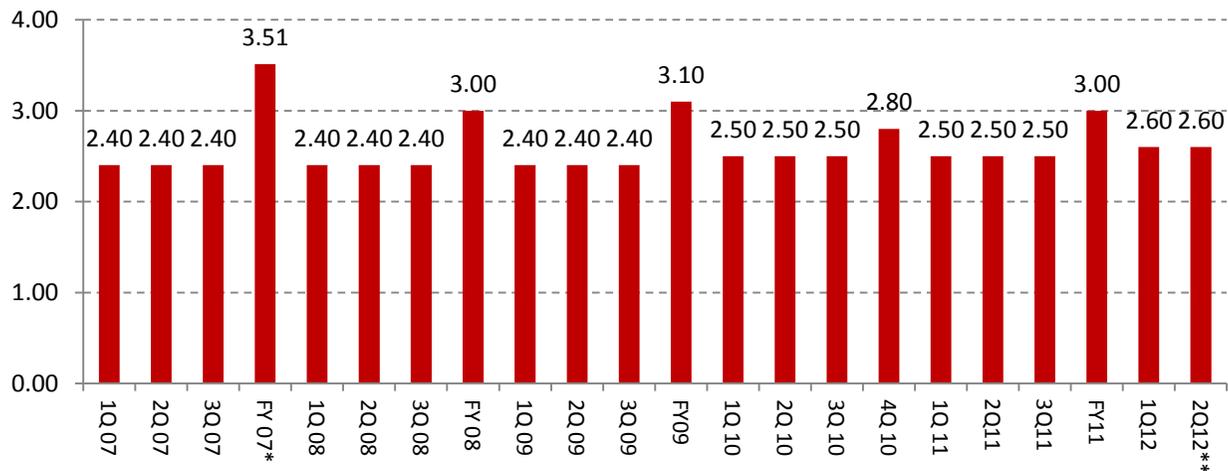
Hektar REIT Annual DPU Positive Growth Since IPO

Current Dividend Distribution Details

Second Quarter 2012

- Distribution Period: 1 April – 30 June 2012
- Quarterly DPU: 2.6 sen
- Notice of Entitlement: 11 August 2012
- Ex-Dividend Date: 27 August 2012
- Book Closure Date: 29 August 2012
- Payment Date: 18 September 2012

Dividend Distribution Track Record



Hektar REIT Dividend Policy

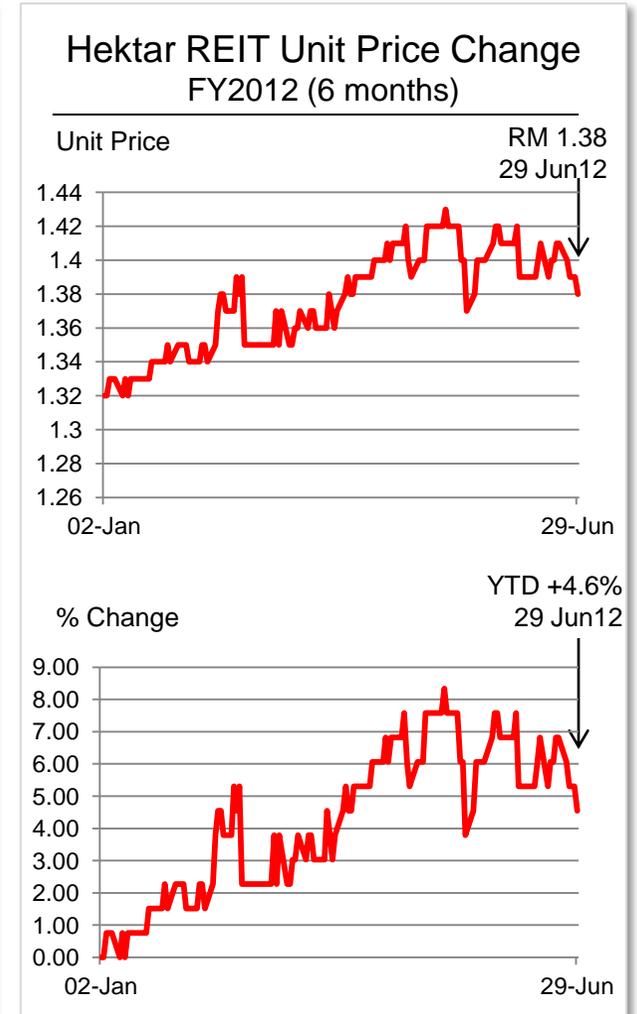
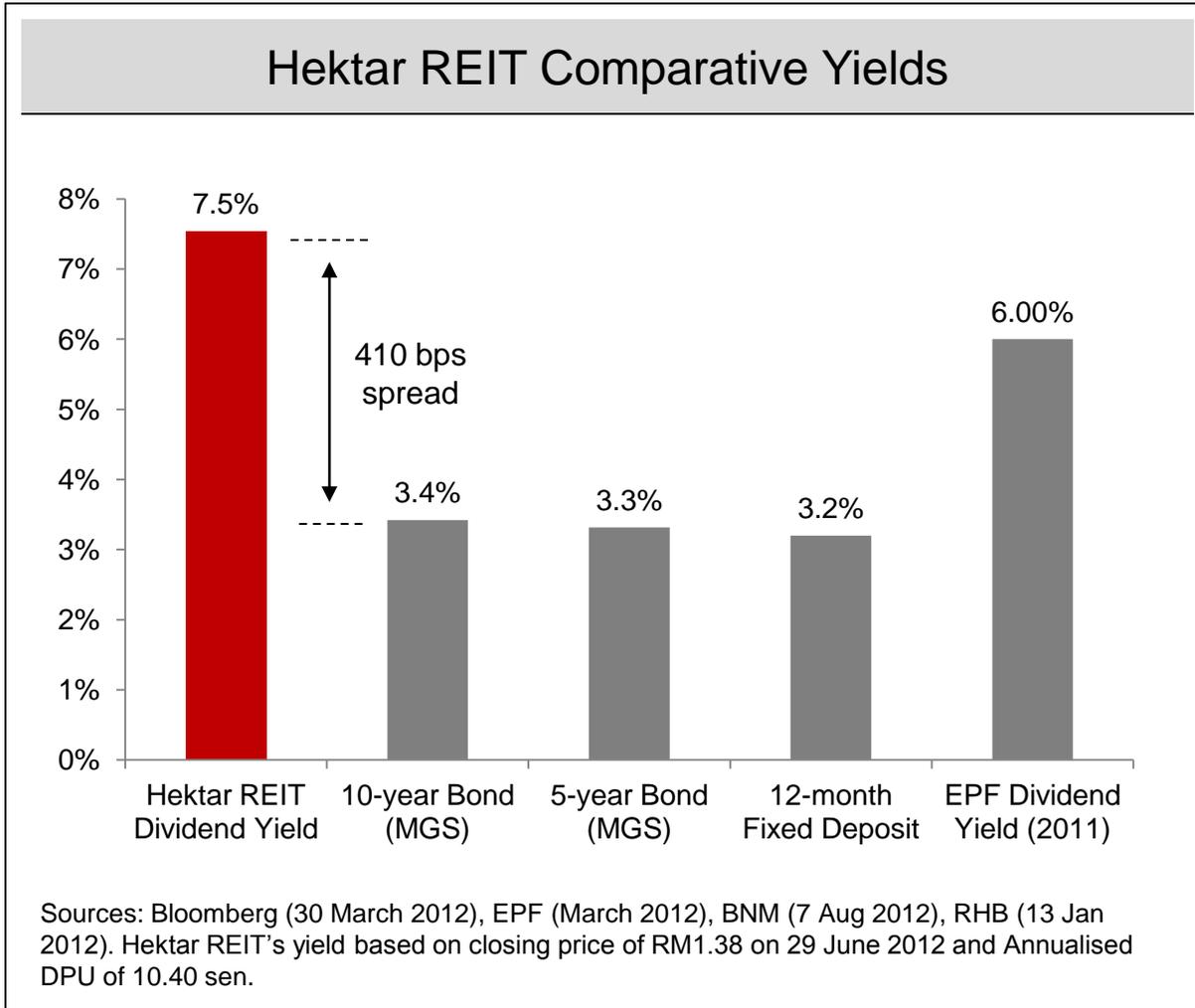
Barring unforeseen circumstances, Hektar REIT will pay dividends equivalent to at least 90% of distributable net income for the financial year 2012. Distributable net income excludes non-cash items such as FRS117 revenue recognition and capital allowances.

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

Comparative Yields - Malaysia

Hektar REIT Dividend Yield at approximately 7.5%

- Traded at a 410 bps spread over MGS 10-year



Portfolio Performance

- Overall Occupancy at ~97.7% ►
- Rental Reversions +6.4% for 2Q12 ►
- Tenancy Expiry Profile ►
- 13% of Portfolio Tenancy Rental Income Expires in 2012 ►
- Portfolio Tenancy Provisions ►

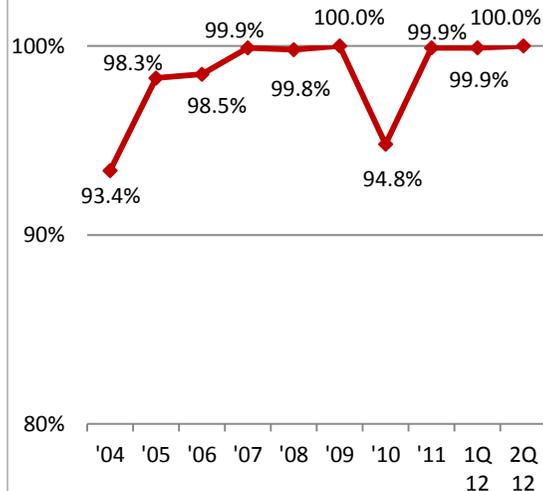
Hektar REIT Portfolio - Occupancy

Overall Portfolio Occupancy at ~97.7%

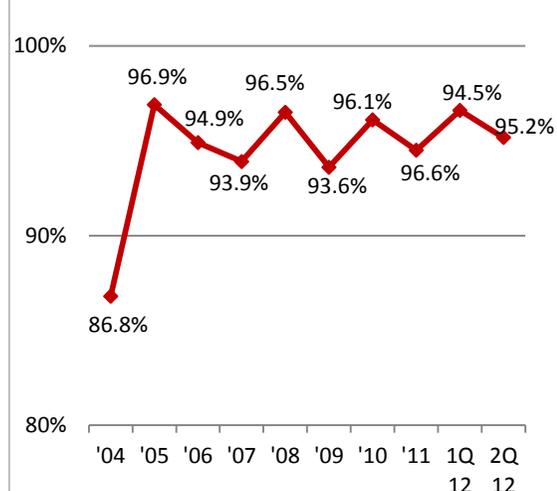
Hektar REIT Portfolio Occupancy

Property	As at 31 Dec 2004	As at 31 Dec 2005	As at 30 Sep 2006	As at 31 Dec 2007	As at 31 Dec 2008	As at 31 Dec 2009	As at 31 Dec 2010	As at 31 Dec 2011	As at 31 Mar 2012	As at 30 Jun 2012
Subang Parade	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%	94.8%	99.9%	99.9%	100.0%
Mahkota Parade	86.8%	96.9%	94.9%	93.9%	96.5%	93.6%	96.1%	94.5%	96.6%	95.2%
Wetex Parade					83.1%	90.1%	95.6%	98.6%	98.2%	98.5%
Overall*	91.3%	97.6%	96.7%	96.9%	95.8%	95.8%	95.5%	97.5%	98.2%	97.7%

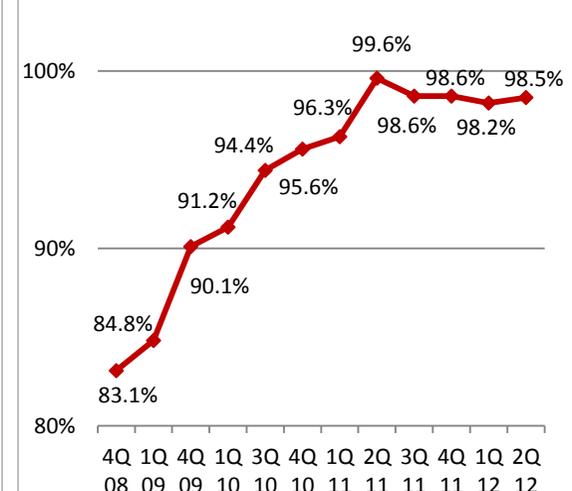
Subang Parade
Occupancy (%)



Mahkota Parade
Occupancy (%)



Wetex Parade
Occupancy (%)



Rental Reversions +7% for the year

- 2Q 12: 28 new tenancies / renewals at 6% higher average rental rate
- Wetex Parade continues to show strong reversion.
- Mahkota Parade 2012 rental reversion stabilised at +2%.
- Subang Parade 2Q12 rental reversion dipped to 7% due to renewal of anchor tenant.

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	3	148,437	30%		7%
Mahkota Parade	10	28,183	6%		2%
Wetex Parade	15	8,711	6%		13%
Total / Average*	28	185,331	16%		6%

*Average Weighted by NLA.

NLA = Net Lettable Area

Lower reversion rates compared to 1Q as this includes the renewal of major anchor tenant Parkson Grand

Hektar REIT Rental Reversions: Year-To-Date

1H 2012 (6 months) (Ended 30 June)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	Increase / (Decrease) Over Previous Rent Rates	%
Subang Parade	11	162,659	33%		8%
Mahkota Parade	18	39,957	8%		2%
Wetex Parade	33	24,534	16%		14%
Total / Average*	62	227,150	20%		7%

*Average Weighted by NLA.

NLA = Net Lettable Area

Hektar REIT Portfolio – Tenancy Expiry Profile

Hektar REIT Tenancy Expiry Profile by Property

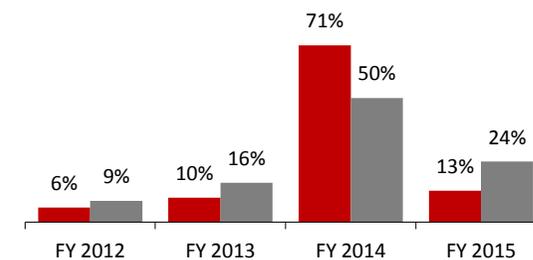
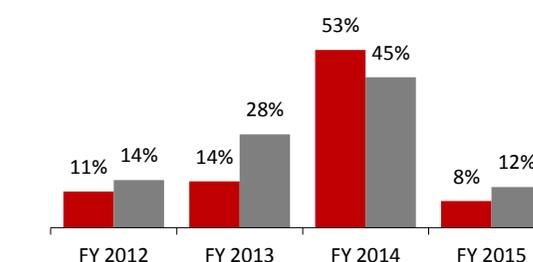
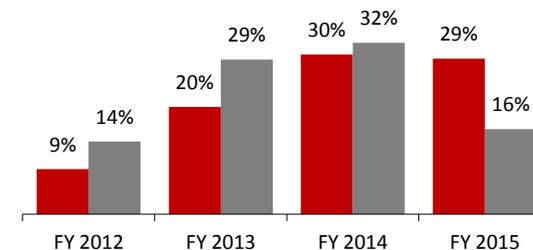
Hektar REIT Tenancy Expiry Profile by Property

As at 30 June 2012

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 2012	30	42,165	9%	14%
FY 2013	59	100,266	20%	29%
FY 2014	58	149,074	30%	32%
FY 2015	6	145,314	29%	16%

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 2012	15	51,753	11%	14%
FY 2013	38	66,374	14%	28%
FY 2014	36	254,630	53%	45%
FY 2015	29	38,464	8%	12%

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 2012	22	8,977	6%	9%
FY 2013	25	14,943	10%	16%
FY 2014	22	108,347	71%	50%
FY 2015	29	19,289	13%	24%



■ By Total NLA ■ By Monthly Rental Income

*Based on monthly rental income for June 2012. Figures may not round to 100% due to misc. items

Hektar REIT Portfolio – Tenancy Expiry Profile

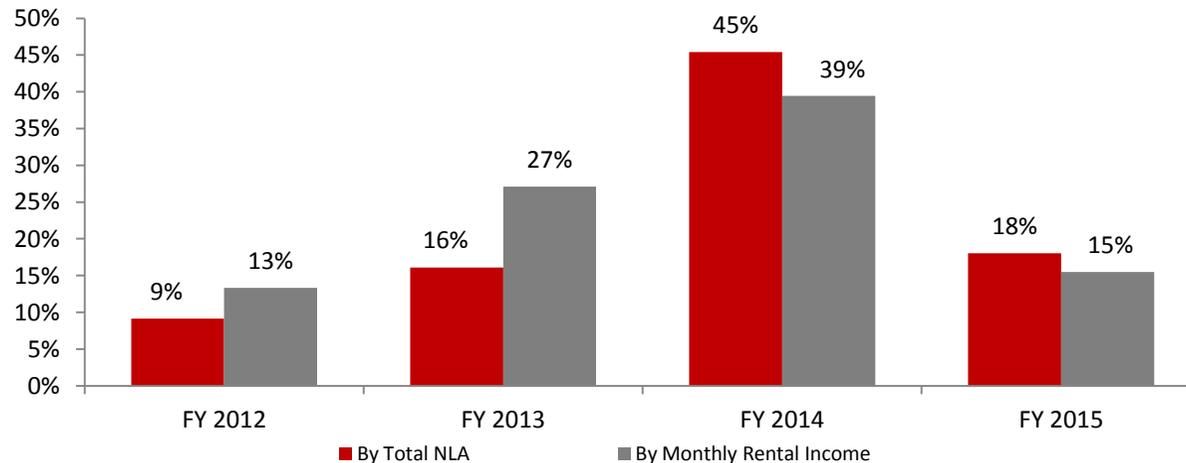
Tenancy Portfolio Expiry Profile 2012 – 2015

- FY2012 - 67 tenancy expiries account for approximately 13% of monthly rental income*

Hektar REIT Tenancy Expiry Profile – Overall Portfolio

As at 30 June 2012

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 2012	67	102,895	9%	13%
FY 2013	122	181,583	16%	27%
FY 2014	116	512,051	45%	39%
FY 2015	64	203,067	18%	15%



* Based on monthly rental income for June 2012. NLA = Net Lettable Area

Financial Results

2Q2012 Net Income (Realised) down 1.3% from previous period ►

Hektar REIT Average Cost of Debt at 4.6% ►

Income Statement – Quarter Comparative

2Q2012 Net Income down 1.3% vs corresponding quarter 2Q2011

Income Statement Second Quarter 2012 (Unaudited)	2Q12 (RM '000)	2Q11 (RM '000)	Variance (%)
Revenue	24,309	23,258	+ 4.5%
Direct Cost & Property Expenses	(9,588)	(9,130)	+ 5.0%
Net Property Income (NPI)	14,720	14,128	+ 4.2%
Interest & Other Income	138	59	+ 132.9%
Total Income	14,858	14,187	+ 4.7%
Trust Fees & Expenses	(1,925)	(1,628)	+ 18.2%
Interest Expense	(3,656)	(3,157)	+ 15.8%
Fair Value Adjustment of Investment Properties	-	-	-
Net Income Before Tax	9,278	9,402	- 1.3%
Net Income per Unit (sen)	2.90	2.94	- 1.3%
- realised	2.90	2.94	- 1.3%

Note: With effect from 1 January 2010, 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 – Year-To-Date Comparative

FY2012 down 1.8% vs FY2011

For Period 1 January – 30 June 2012 (versus previous comparable period)

Income Statement Year-To-Date 2Q12 (Unaudited)	1H12 (RM '000)	1H11 (RM '000)	Variance (%)
Revenue	48,764	46,598	+ 4.6%
Direct Cost & Property Expenses	(19,106)	(18,078)	+ 5.7%
Net Property Income (NPI)	<u>29,658</u>	<u>28,520</u>	<u>+ 4.0%</u>
Interest & Other Income	206	90	+ 127.6%
Total Income	<u>29,864</u>	<u>28,611</u>	<u>+ 4.4%</u>
Trust Fees & Expenses	(3,751)	(3,292)	+ 13.9%
Interest Expense	(7,110)	(5,974)	+ 19.0%
Fair Value Adjustment of Investment Properties	-	-	-
Net Income Before Tax	<u>19,003</u>	<u>19,345</u>	<u>- 1.8%</u>
Net Income per Unit (sen)	<u>5.94</u>	<u>6.05</u>	<u>- 1.8%</u>
- realised	<u>5.94</u>	<u>6.05</u>	<u>- 1.8%</u>

Note: With effect from 1 January 2010, 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. FRS117 rental income for FY2011 was RM1.12 million (FY2010: RM1.37 million). Barring unforeseen circumstances, Hektar REIT will pay dividends equivalent to at least 90% of distributable net income for the financial year 2010. Distributable net income excludes non-cash items such as FRS117 revenue recognition and capital allowances.



Balance Sheet

Hektar REIT's Balance Sheet for 2Q2012

Balance Sheet (Unaudited)	As at 30.06.2012 (RM '000)	As at 31.12.2011 (RM '000)
Non-Current Assets		
Investment Properties	822,000	822,000
Capital Work in Progress	1,124	-
Fixed Deposit with a licensed bank	2,582	2,339
	<u>825,706</u>	<u>824,339</u>
Current Assets		
Trade Receivables	2,763	3,003
Other Receivables, Deposits, Prepayments	21,432	20,452
Cash and Bank Balances	18,064	19,266
	<u>867,966</u>	<u>867,059</u>
TOTAL ASSETS		
Current Liabilities		
Trade Payables	272	267
Other Payables and Accruals	4,812	5,709
Tenancy Deposits	23,165	22,450
Borrowings	150,000	-
	<u>689,717</u>	<u>838,633</u>
Unitholders' Capital	328,137	328,137
Retained Earnings - realised	30,994	29,911
Retained Earnings - unrealised	117,106	117,106
NET ASSET VALUE	<u>476,237</u>	<u>475,153</u>
Long Term Liabilities		
Borrowings	213,480	363,480
	<u>689,717</u>	<u>838,633</u>

Unit Price Statistics

As at 30 June 2012

No. of Units Outstanding

320,001,000

Net Asset Value (RM)

1.4882

Unit Price (RM)

1.38

Premium / (Discount) to NAV

(7.3)%

Debt Profile

Debt Profile for 2Q 2012

Debt Information

As at 30 June 2012

- Total Debt: **RM363.48 million**
- Weighted Cost of Debt: **4.6%**
- Gearing Ratio¹: **41.9%**
- Interest Cover²: **3.67**

¹ Gearing ratio calculated by total long term liabilities over Gross Asset Value (GAV).

² Based on quarter ended 30 June 2012

Financing Details

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

Tranche 1

- Term: 5 Years, Expiring **2016**
- Pledged: Subang Parade
- Facility Size: RM184 million
- Drawdown: Fully Drawn
- Cost: 4.85%
- Refinancing: December 2016

Tranche 2

- Term: 5 Years, Expiring **2013**
- Pledged: Mahkota Parade
- Facility Size: RM150 million
- Drawdown: Fully Drawn
- Cost: 4.48%
- Rate Reset: April 2012

Tranche 3

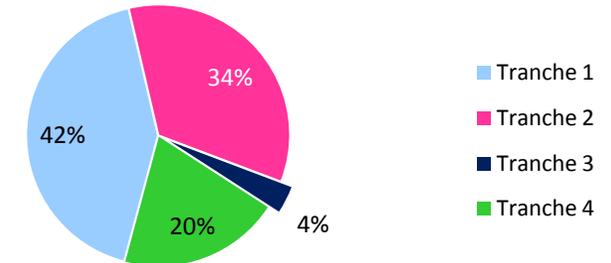
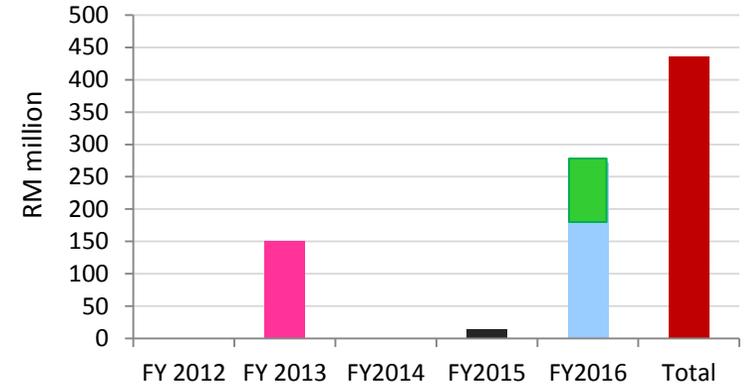
- Term: 5 Years, Expiring **2015**
- Pledged: Subang Parade
- Facility Size: RM15 million
- Drawdown: Fully Drawn
- Cost: 4.11%
- Refinancing: December 2015

Tranche 4

- Term: 5 Years, Expiring **2016**
- Pledged: Wetex Parade
- Facility Size: RM87.1 million
- Drawdown: Partially Drawn
- Cost: 4.24%
- Refinancing: December 2016

Debt Expiry Profile

As at 30 June 2012



“Creating The Places Where People Love To Shop”

Investor Relations
Hektar Asset Management Sdn Bhd
D1-U3-10, Solaris Dutamas
No1, Jalan Dutamas 1
50480 Kuala Lumpur
MALAYSIA

 Tel: +6 03 6205 5570

 Fax: +6 03 6205 5571

 Web: www.HektarREIT.com



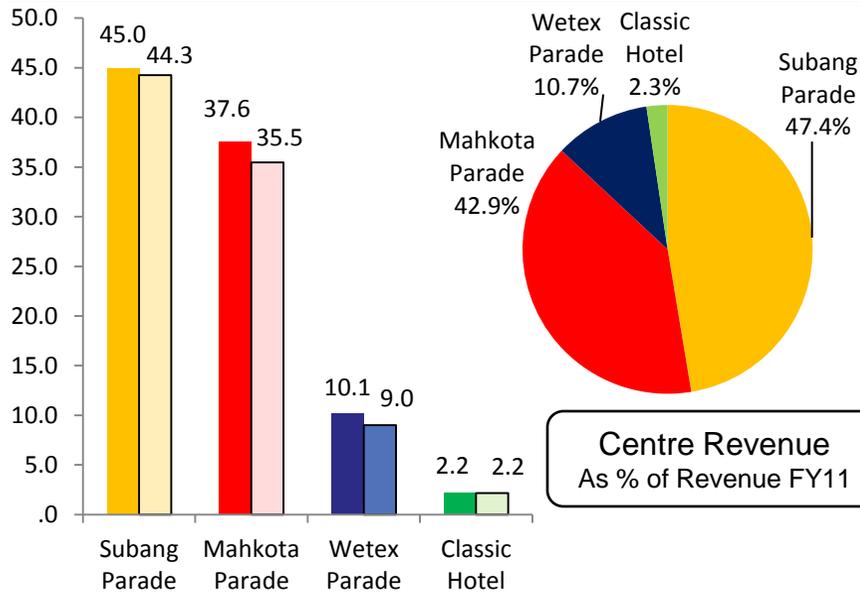
Please visit our website at www.HektarREIT.com. The Investor Information section offers current and previous quarterly presentations, annual and interim reports, press releases and announcements in downloadable Portable Document Format (PDF). Please register for our email alerts to receive timely updates.

Centre Breakdown

Subang Parade remains Hektar REIT's flagship shopping centre

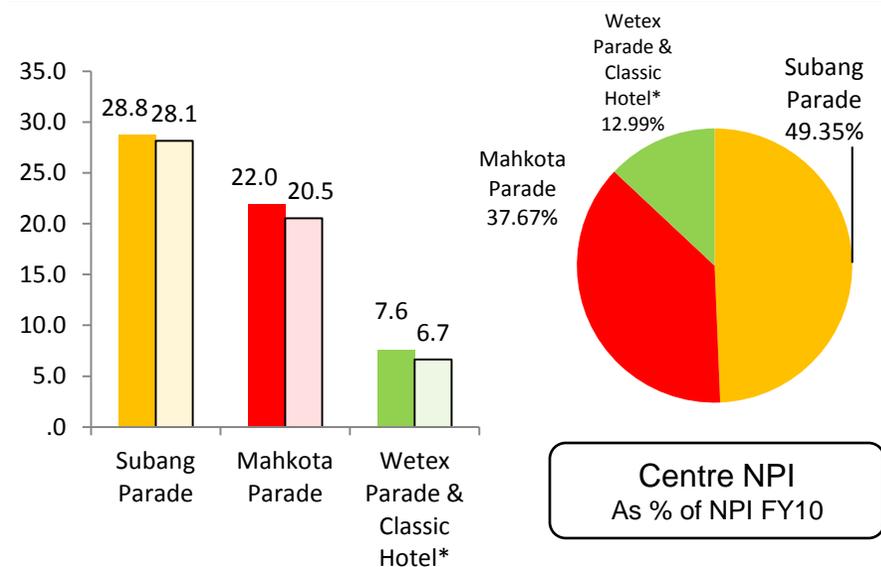
Revenue By Property

By Property	FY 2011 RM Mn	FY 2010 RM Mn	Change FY11 v FY10	FY 2011 Share
Subang Parade	45.0	44.3	1.6%	47.4%
Mahkota Parade	37.6	35.5	5.9%	39.6%
Wetex Parade	10.1	9.0	12.6%	10.7%
Classic Hotel	2.2	2.2	3.1%	2.3%
Total	94.9	90.9	4.4%	100.0%



Net Property Income (NPI) By Property

By Property	FY 2011 RM Mn	FY 2010 RM Mn	Change FY11 v FY10	FY 2011 Share
Subang Parade	28.8	28.1	2.2%	49.35%
Mahkota Parade	22.0	20.5	6.9%	37.67%
Wetex Parade & Classic Hotel*	7.6	6.7	13.7%	12.99%
Total	58.3	55.3	5.3%	100.0%



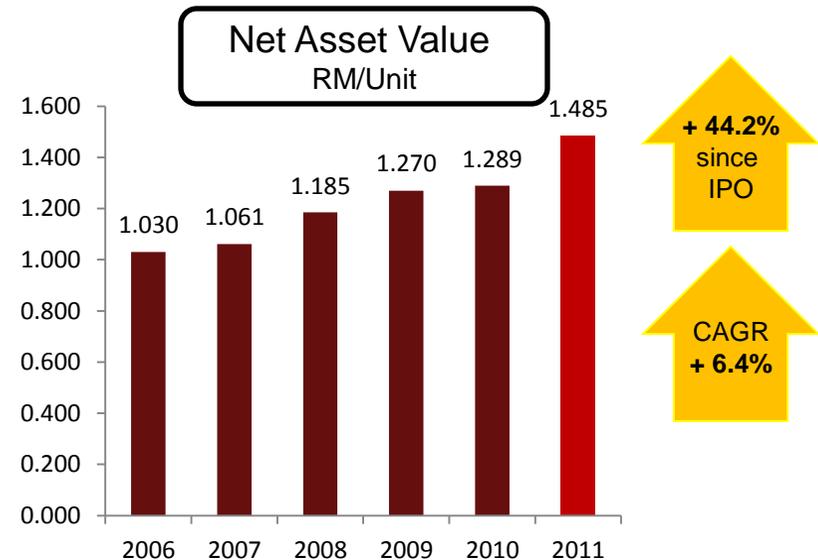
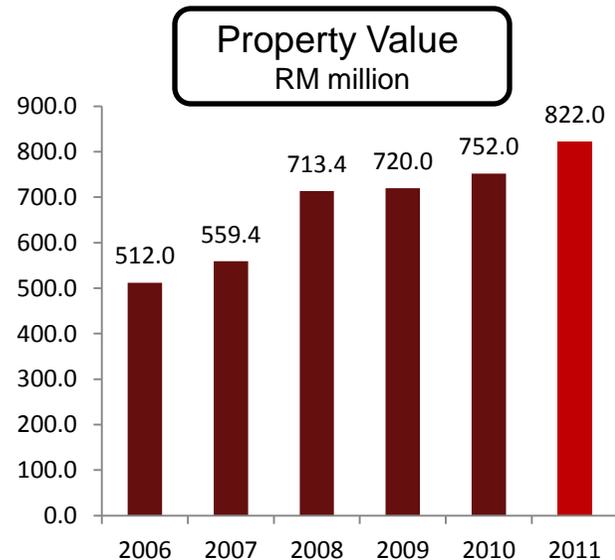
Notes: NPI = Net Property Income. FY = Financial Year.

Valuation

Hektar REIT Valuations

Stable Net Asset Value – no change for 2Q2012

Property	Audited Book Value 1 Jan 2011 RM ('000)	Acquisition / (Divestment) / Capital Expenditure in 2011 RM ('000)	Unaudited Book Value as at 31 Mar 2011 RM ('000)	Latest Market Valuation RM ('000)	Share (%)	Revaluation Surplus RM ('000)	
Subang Parade	347,000	14,023	361,023	385,000	46.8%	23,977	46.84%
Mahkota Parade	283,000	981	283,981	307,000	37.7%	23,019	37.35%
Wetex Parade & Classic Hotel	122,000	773	122,773	130,000	15.8%	7,227	15.82%
Total	752,000	15,777	767,777	822,000	100%	54,223	



Note: Latest Market Valuation: as per Bursa Malaysia announcement dated December 2011 based on independent valuation