



SaizenREIT) 最善

FY2010 Results

26 August 2010

www.saizenreit.com.sg

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FY2010 Summary

- Distribution of **0.26** cents per Unit declared for FY2010 in respect of 2 months' cash flow
- Commenced discussions on a loan, which will potentially enable the loan of YK Shintoku to be refinanced
- Property operations remained **stable**
- Financial position **strengthened** with loan repayments, new banking relationships and loan refinancing
- Portfolio value remained stable compared with June 2009

FY2010 Distribution

- Distribution of **0.26** cents per Unit, in respect of 2 months' cash flow
- Distribution policy is to distribute at least 90% of its income available for distribution to Unitholders
- Distribution affected by:
 - full and partial loan repayments
 - amortisation payments on the loan principals¹
 - increase in interest expenses incurred following the maturity default of the loan of YK Shintoku

1. Amortisation payments on existing loans amount to an aggregate of about JPY 390 million p.a. While loan amortisation reduces cash available for distribution, it results in savings on interest expenses going forward.

Outlook and prospects for FY2011

- Property operations expected to remain **stable**
- Commenced discussions with financial institutions on **potential refinancing** of loan of YK Shintoku
- Explore the **progressive and partial** divestment of YK Shintoku's properties to reduce loan amount

Outlook and prospects for FY2011

- Explore the use of **unencumbered** properties for new loans
- Explore divestment of existing properties and new acquisitions rebalancing of portfolio with, especially in the **Tokyo** region, to **enhance quality and growth potential** of property portfolio
- **Only loan** to mature in FY2011 will be repaid using internal cash resources or be refinanced

Debt Maturity Profile

Company	Source of Debt	Maturity Date	Prevailing Interest Rate (%)	Loan Amount (JPY'mln)	Property Value (JPY'mln)	Loan-to-value (%)
YK Shingen	-	-	-	-	9,424.4	-
YK Keizan	-	-	-	-	2,616.6	-
Unencumbered Properties Subtotal					12,041.0	-
GK Chosei	Financial Institution Loan	May 2011	3.30625	442.4	540.0	81.9
GK Choan and YK Kokkei	Bank Loan	Jun 2013	3.8275	5,759.5	11,816.1	48.7
YK Shinzan	Bank Loan	Mar 2015	3.75625	1,975.0	4,570.6	43.2
YK JOF	Bank Loan	Sep 2019	3.50	924.9	2,198.0	42.1
GK Chogen	Bank Loan	Mar 2023	3.075	307.6	629.0	48.9
YK Shintoku	CMBS Loan	Maturity default	7.07	7,111.0	8,587.0	82.8
Grand Total				16,520.4	40,381.7	

Non-recourse Debt

Refinancing

- Recent successful bank loan refinancing

Date of Refinancing	Company	Cost of Refinancing (%)	Loan Amount (JPY'mln)
Sep 2009	Mizuho Bank	3.50	1,000
Mar 2010	Tokyo Star Bank	3.75625	2,000
June 2010	Societe Generale	3.8275	5,900
Total			8,900

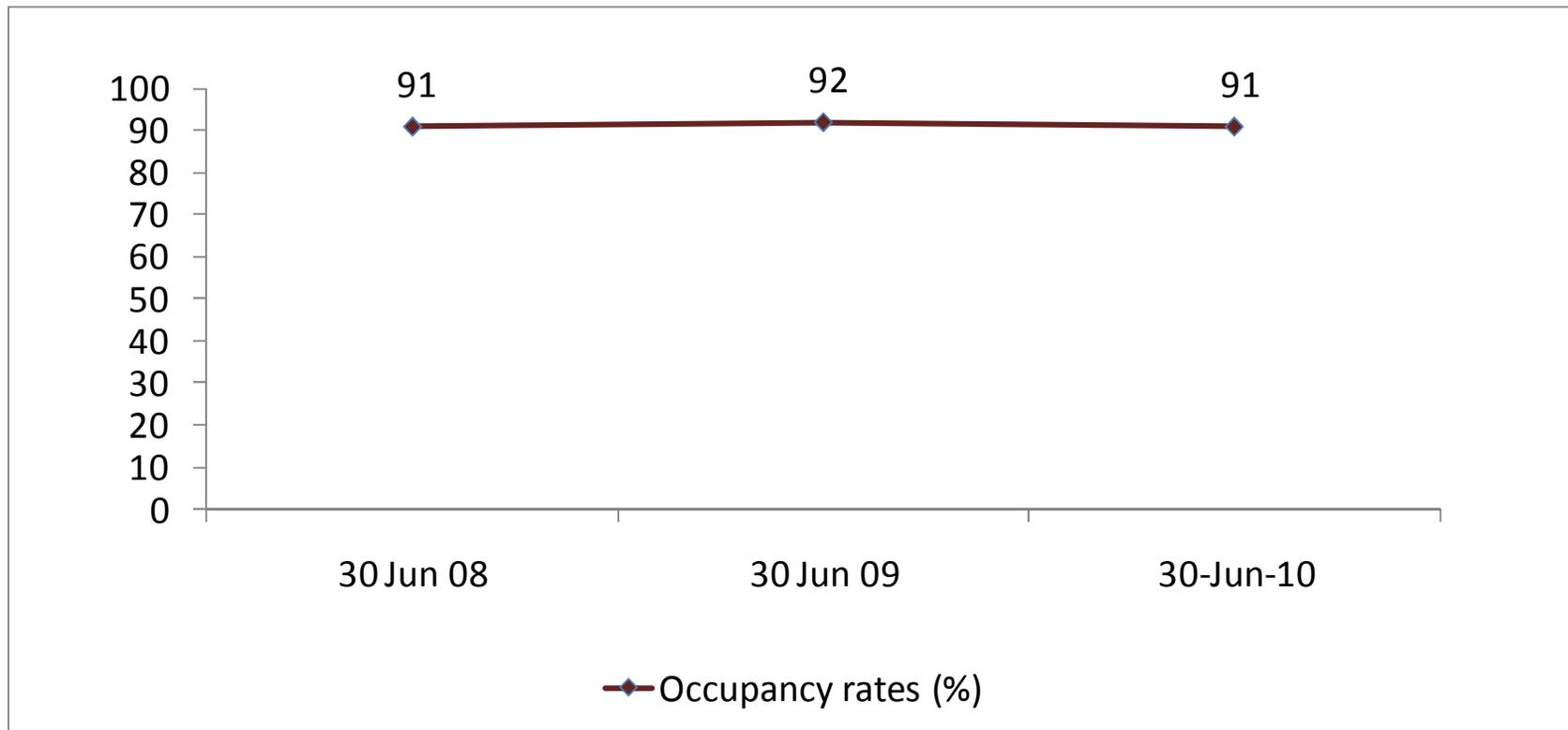
Asset Sale

- Divested 5 properties from YK Shintoku portfolio

Date	Area (sqm)	Sold Amount (JPY'mln)	Premium/(discount) of sale price over valuation
Aug 2009	2,002	274.680	7%
Sep 2009	1,027	93.415	(5%)
Sep 2009	1,486	108.130	(9%)
Sep 2009	661	123.749	(9%)
Oct 2009	799	66.963	(8%)
Total	5,975	666.937	

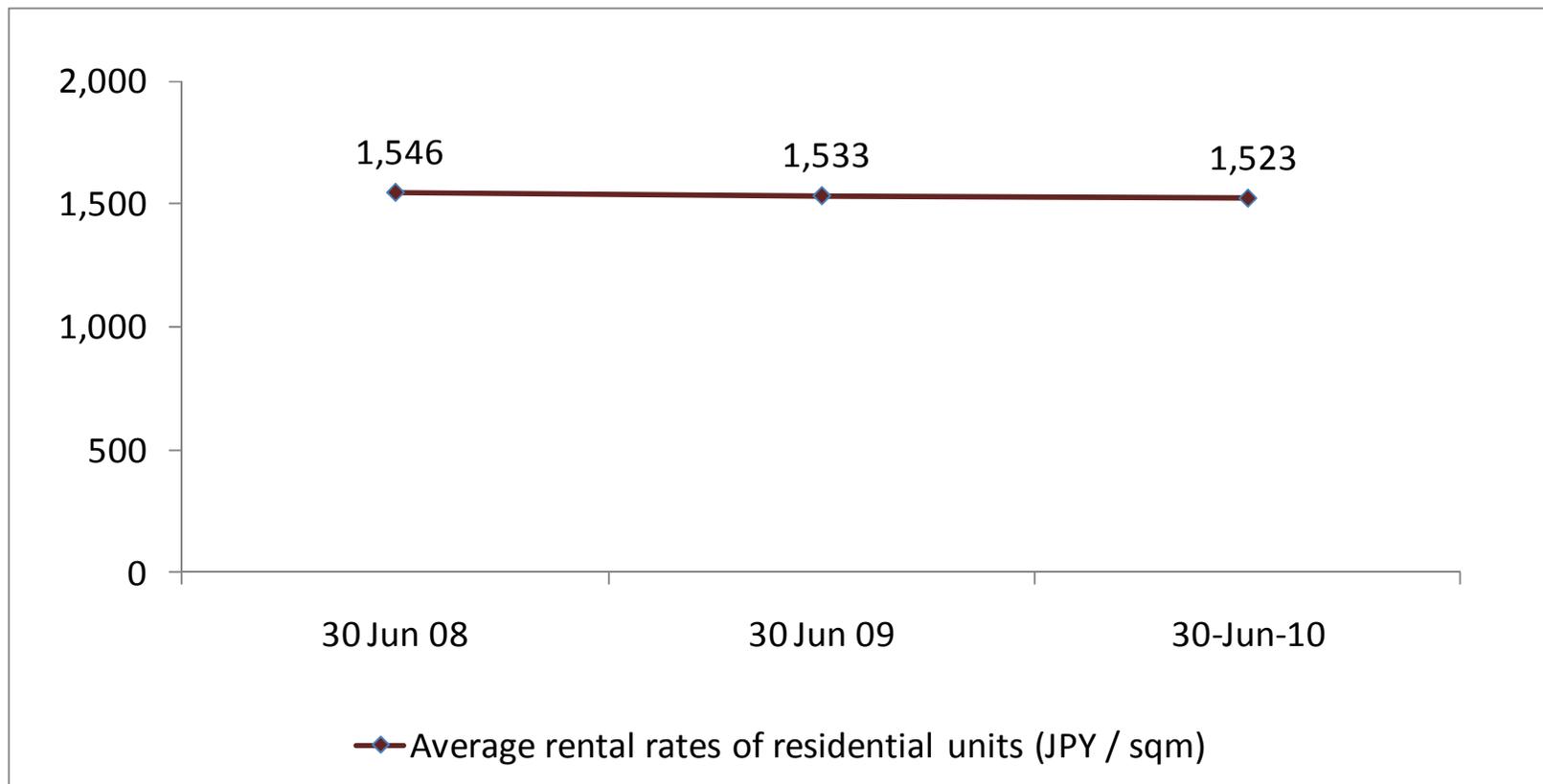
Stable Occupancy Rates

- Occupancy rates stay above 90% through economic crisis



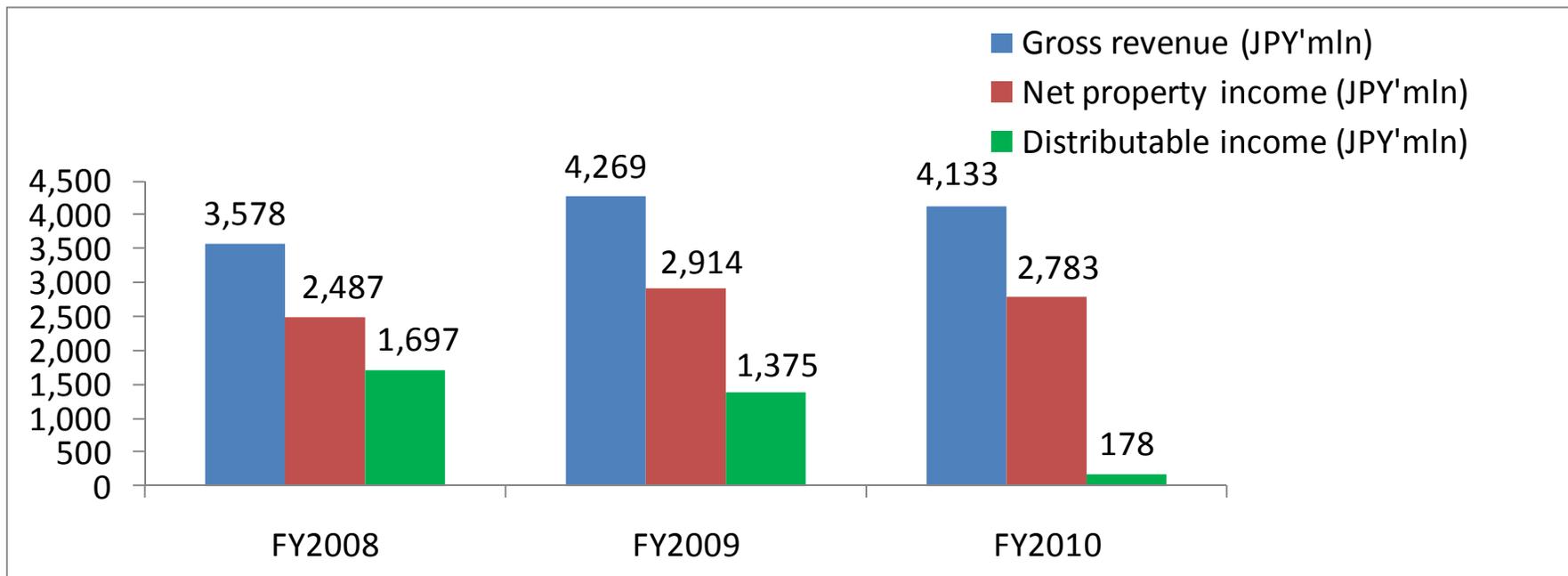
Stable Rental Rates

- Average rental rates maintained above JPY 1,500 / sqm (approx. S\$23 / sqm) since Jun 08



Financial Performance

Stable Income From Property Operations



- Stable gross revenue and net property income
- Decrease in distributable income in FY2010 was mainly due to loan repayments

Financial Performance

	30 Jun 2010 ¹	30 Jun 2009
Number of Units in Issue ('000)	953,203	949,194
Outstanding Warrants ('000)	493,154	497,163
NAV Per Unit (JPY)	25.06	26.05
NAV Per Unit (S\$)	0.40	0.40
- Adjusted for warrants (S\$) ²	0.32	0.32
Gearing³	36.9%	43.5%
- Adjusted for warrants ²	30.6%	37.6%
Net Gearing⁴	34.7%	36.9%
- Adjusted for warrants ²	27.7%	30.1%
Price/Book (times)	0.4 ⁵	0.3 ⁶
- Adjusted for warrants (times) ²	0.5 ⁵	0.4 ⁶

1. Computations based on an exchange rate of JPY 63.4 : S\$1.00 as at 30 June 2010.

2. Computed based on a total of 1,446,357,417 Units after conversion of all warrants outstanding, and assuming all warrant proceeds are used to repay borrowings.

3. Gearing = Total borrowings / Total assets.

4. Net Gearing = [Total borrowings less Net Cash (cash at bank plus deposit with cash management agent less current rental deposits, other current liabilities and current tax liabilities)] / Value of investment properties.

5. Computed based on closing price of S\$0.160 per Unit on 30 June 2010.

6. Computed based on closing price of S\$0.130 per Unit on 30 June 2009.



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Q & A