

Financial Results for the Period from 26 Apr to 30 Jun 2006

20 July 2006



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Highlights

1st Interim Results (26 Apr to 30 Jun 2006)

- Distributable income of \$2.8m exceeded forecast by 17.5%
- DPU of 1.16 cts is 18% higher than forecast of 0.98 cts
 - * Annualised DPU of 6.42 cts is higher than forecast of 5.43 cts
- Net Property Income of \$4.3m outperformed forecast by 9%
- 5-year fixed-rate term loans of \$190.1m have been secured

Financial Results

Distributable Income

- Distributable income exceeded forecast by 17.5%

	Actual * (\$'000)	Forecast ^ (\$'000)	% Chg
Property Income	5,990	5,710	4.9
Property Expenses	(1,652)	(1,721)	(4.0)
Net Property Income	4,338	3,989	8.7
Non-Property Expenses	(2,284)	(2,270)	0.6
Net Profit	2,054	1,719	19.5
Distributable Income to Unitholders	2,797	2,381	17.5

* Income is for the period from 26 Apr to 30 Jun 2006 as acquisition of the properties was completed on 26 Apr 2006.

^ Forecast is extracted from the Introductory Document and prorated for the period from 26 Apr to 30 Jun 2006.

Distribution to Unitholders

- DPU up 18% from forecast of 0.98 cts to 1.16 cts [^]
 - * Annualised DPU of 6.42 cts is higher than forecast of 5.43 cts ^{^^}

	Actual	Forecast	Chg
Distribution Per Unit	1.16 cts	0.98 cts	+18%
Annualised Distribution Per Unit	6.42 cts	5.43 cts	+18%
Distribution Yield [#]	4.98%	4.21%	+18%

Ex-date for Trading	27 Jul 2006
Books Closure Date	31 Jul 2006
Payment Date	28 Aug 2006

[^] For the period from 26 Apr to 30 Jun 2006

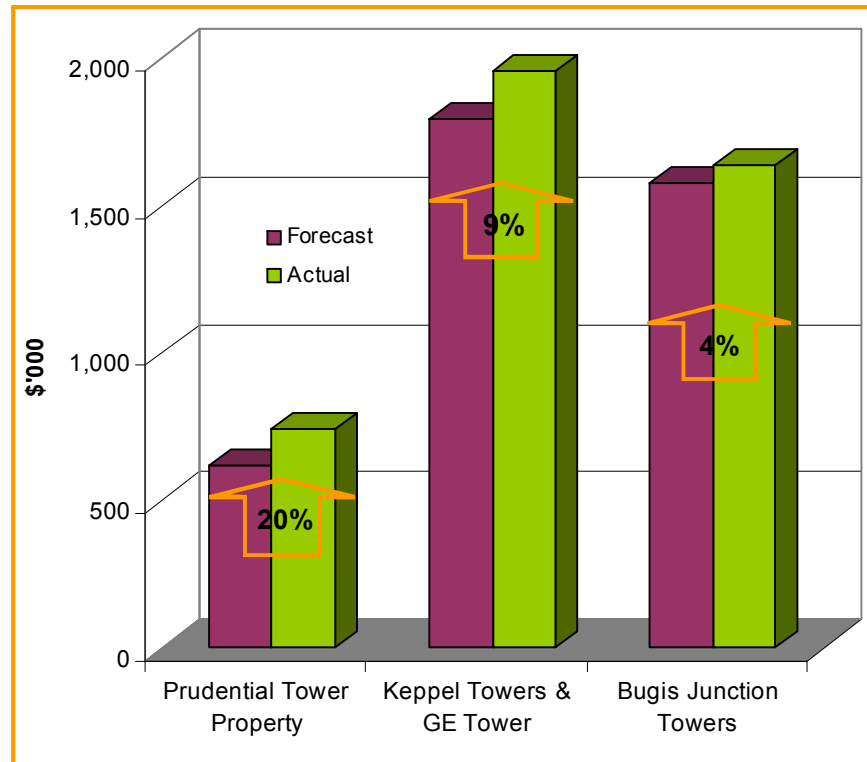
^{^^} Annualised DPU of 6.42 cts is based on DPU of 1.16 cents for the period from 26 Apr to 30 Jun 2006.

Forecast DPU of 5.43 cts is for the period from 1 Jan to 31 Dec 2006 as disclosed in the Introductory Document.

[#] Based on unit closing price of \$1.29 on 19 Jul 2006

Net Property Income Breakdown

- Net Property Income of \$4.3m outperformed forecast by 9% *



* 9% is the overall increase in Net Property Income from Prudential Tower Property (20%), Keppel Towers & GE Tower (9%) and Bugis Junction Towers (4%) for the period from 26 Apr to 30 Jun 2006.

Active Capital Management

- Secured 5-year fixed-rate term loans of \$190.1m at an interest rate of about 3.9% per annum

	30-Jun-06	30-Sep-05
	Actual	Pro Forma
Borrowings (\$m)	190.1	190.6
Gearing (%) [*]	29.6	30.0
Interest Coverage Ratio (times) ^{**}	2.5	2.3
All-in Interest Rate (%) ^{***}	4.06%	3.96%

* Gearing = Borrowings / Total Assets

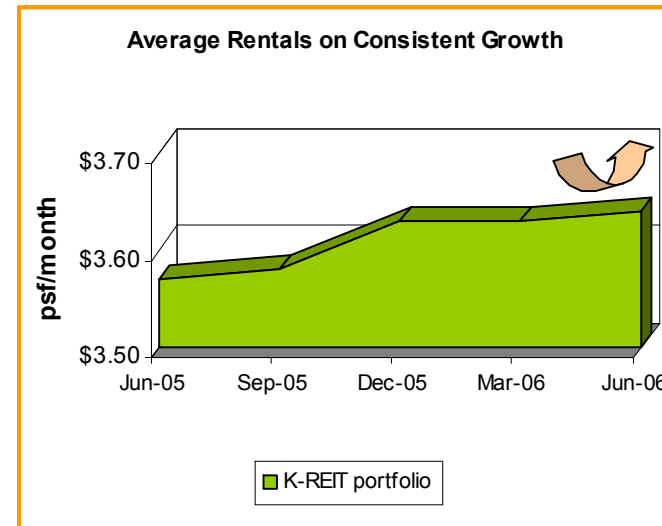
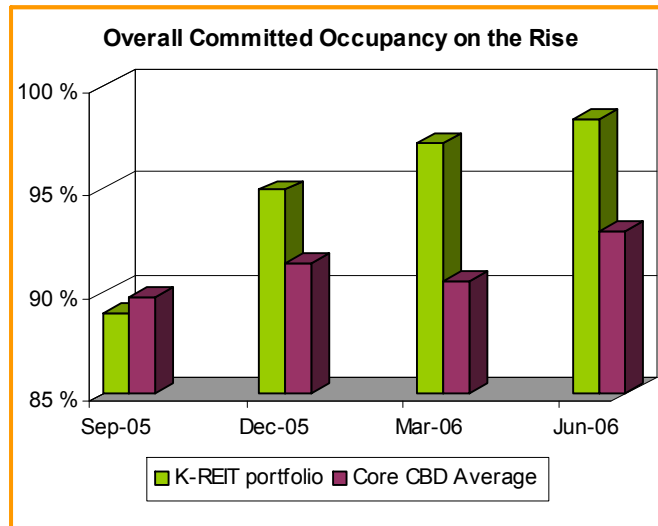
** Interest Coverage Ratio = Profit before Interest and Tax / Net Interest

*** All-in interest rate for 5-year term loans includes the amortisation of upfront debt arrangement expenses of approximately \$1.3m.

Portfolio Performance

Positive Occupancy and Rental Trends

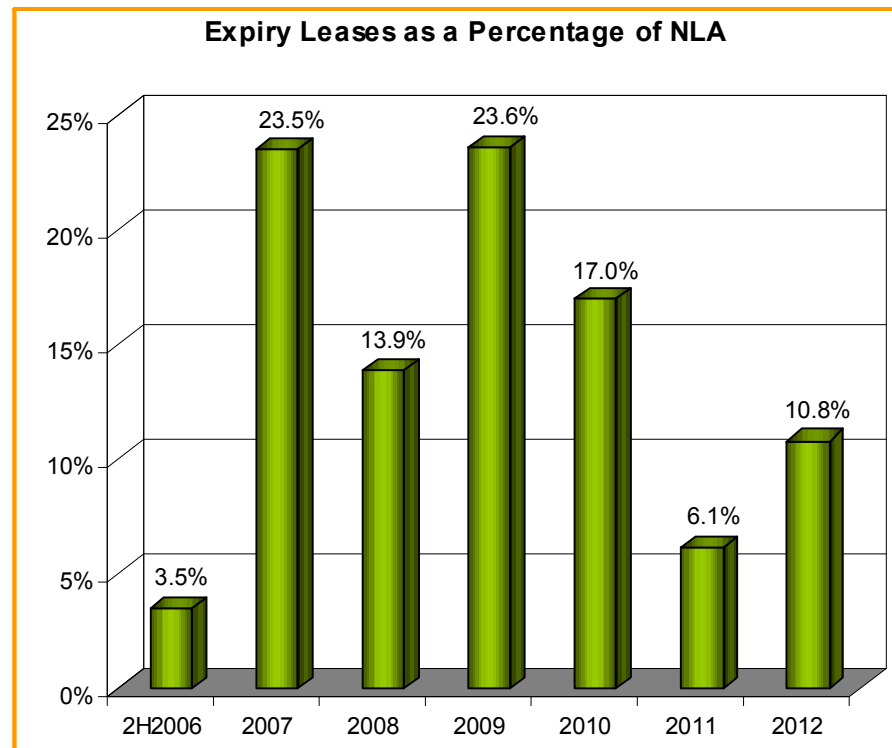
- Committed occupancy rate of 98.4% at end-Jun 2006, higher than average occupancy of 92.9% for Core CBD (Source : CBRE)
- Average rental rates on upward trend for next renewal cycle



Source : CBRE and KLL

Rental Renewal Cycle Benefits

Lease Expiry Profile

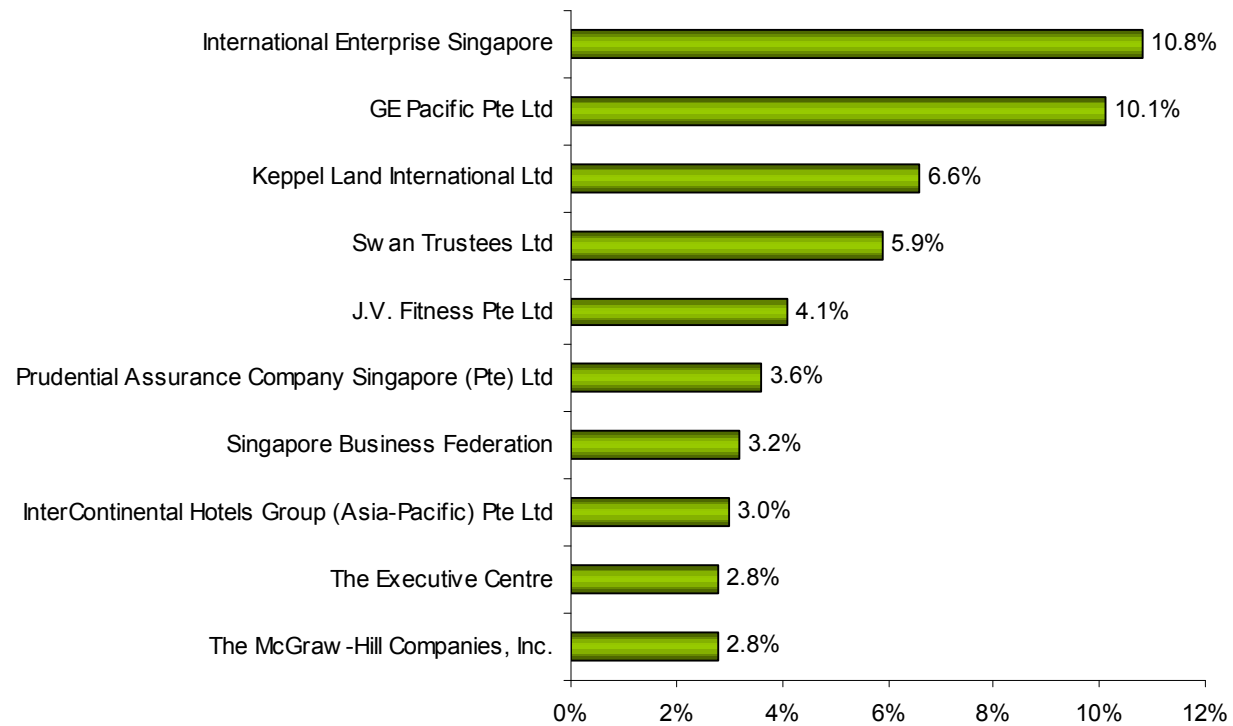


As at 30 June 2006

- Strong demand and tight supply will lead to higher rentals across the board

Good Tenant Mix

Top 10 Tenants : 53% of Total NLA (73,322 sm)



As at 30 Jun 2006

High Tenant Retention

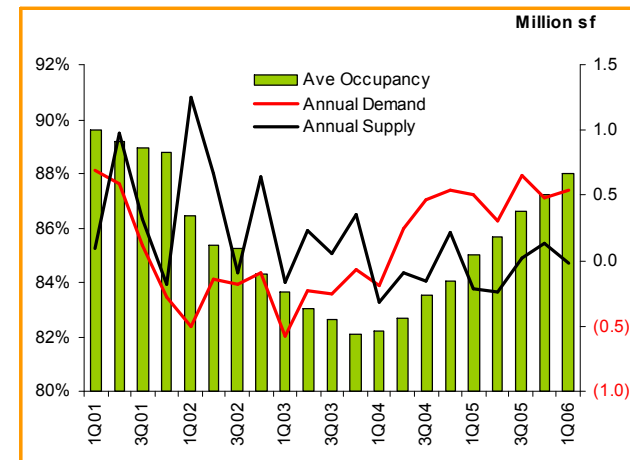
	1H2006
Area Renewed (sm)	7,922 *
Tenant Retention Ratio	99%

* Another 2,594 sm is available for renewal for 2H2006.

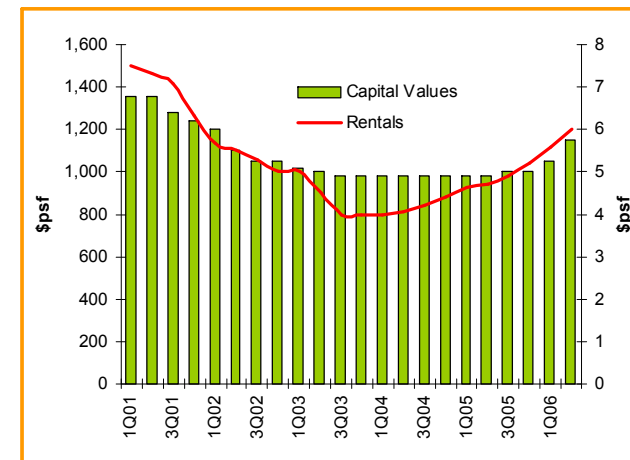
Market Review and Outlook

Sustainable Demand Growth

- Strong economic growth drives demand
 - * Average occupancy of 92.9% in CBD at 1H06
 - * Average rentals up to \$6 psf at 1H06
 - * Estimated take-up of >2 mil sf for 2006
- (Source : CBRE)



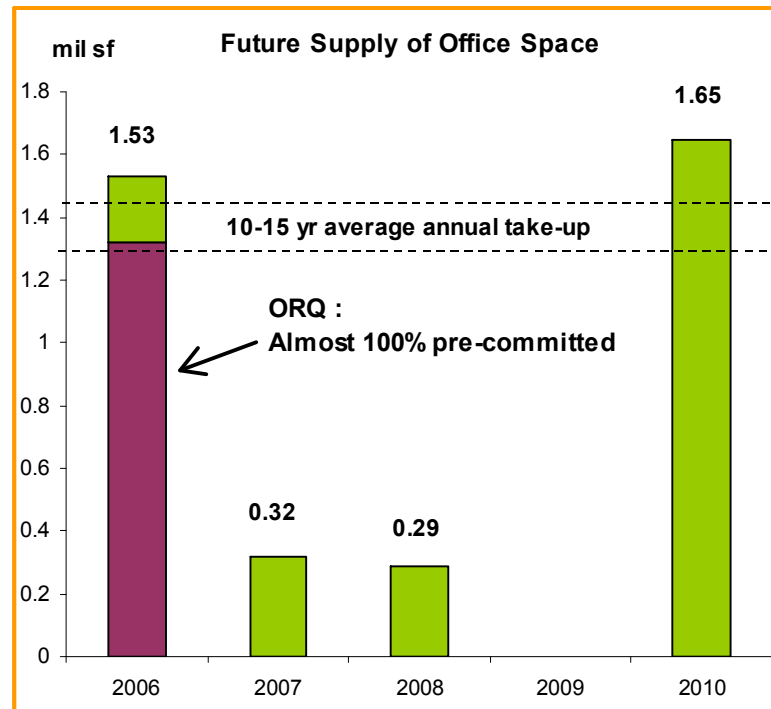
- Prime office rents still attractive and competitive in Asia
 - * Singapore ranked 43rd among 173 cities in CBRE's latest Global Market Rents survey, up from 63rd position a year ago



Limited Future Supply

- Average new office supply of 0.7 mil sf per annum from 2006 to 2010
- Declining existing stock due to conversion to other use

* More than 800,000 sf of space removed from Shenton Way/CBD area



Source : CBRE and KLL

Going Forward

Growth Strategy

- Target AUM of about S\$2 bln within next few years
- Identify and pursue prime properties for acquisition in Singapore and the region

Geographical Focus

- Grow into a pan-Asian commercial Reit focusing on key growth cities in Asia
- Diversify risks by cross-country exposure, riding on cycles and market conditions

Leveraging KLL's Regional Network

- KLL's representation in major Asian markets



Active Asset Enhancement

- Active leasing and asset enhancement of portfolio
- Rentals optimization through pro-active marketing
- Focus on increasing operational efficiency to lower costs
- Potential addition of net lettable area
- Selective upgrading of assets to enhance marketability

Thank You



Additional Slides

Snapshot of K-REIT

Manager	K-REIT Asia Management Limited
Portfolio	Four Quality Office Buildings
Listing and Trading Date	28 Apr 2006 on Singapore Stock Exchange
Market Capitalisation	\$310.3 million (as at 19 Jul 2006) *
Gearing	29.6% (as at 30 Jun 2006)
Unit Price	\$1.29 per unit (closing price on 19 Jul 2006)

* Market cap based on weighted average number of units (240,508,000 units) as at 30 Jun 2006

Property Portfolio

	Prudential Tower Property *	Keppel Towers	GE Tower	Bugis Junction Towers
				
Total Lettable Area (sm)	10,076	40,083		22,990
Car Park Lots	-	288		-
Number of Tenants	12	65		12
Principal Tenants	- The McGraw-Hill Companies, Inc. - The Executive Centre - KBC Bank N.V. (Singapore Branch)	- GE Pacific Pte Ltd - Singapore Business Federation - Novartis (Singapore) Pte Ltd		- International Enterprise Singapore - J.V. Fitness Pte Ltd - Prudential Assurance Company Singapore (Pte) Ltd
Title	Leasehold estate of 99 years expiring 14 Jan 2095	Estate in fee simple		Leasehold estate of 99 years expiring 9 Sep 2089
Valuation (S\$mil) ^	117.7	353.5		159.5
Committed Occupancy	99.0%	98.2%		98.5%

Information as at 30 Jun 2006

* Approximately 44% of the strata area of the building

^ Average appraised value as at 24 Nov 2005

Distributable Income

- Distributable income almost doubled to \$2.8m

	Actual * (\$'000)	Pro Forma ^ (\$'000)	% Chg
Property Income	5,990	4,881	22.7
Property Expenses	(1,652)	(1,890)	(12.6)
Net Property Income	4,338	2,991	45.0
Non-Property Expenses	(2,284)	(2,246)	1.7
Net Profit	2,054	745	175.7
Distributable Income to Unitholders	2,797	1,470	90.3

* Income is for the period from 26 Apr to 30 Jun 2006 as acquisition of the properties was completed on 26 Apr 2006.

^ Comparative numbers extracted from the pro forma financial information in the Introductory Document and prorated for the period from 26 Apr to 30 Jun 2005.

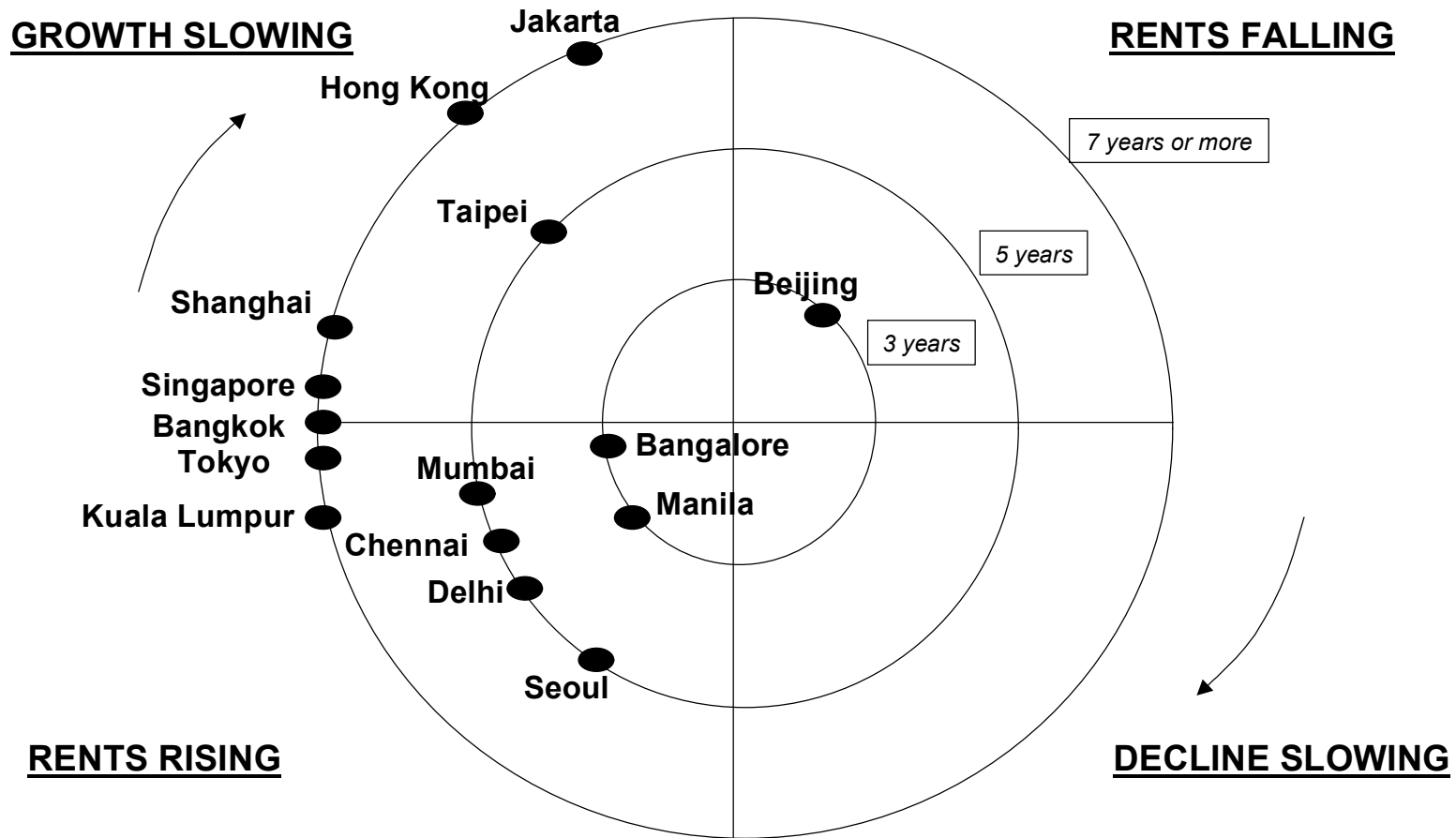
Balance Sheet

As at	30-Jun-06 Actual (\$'000)	30-Sep-05 * Pro Forma (\$'000)
Investment Properties	630,700	630,700
Cash & Cash Equivalents	9,366	4,457
Other Assets	1,348	3
Total Assets	641,414	635,160
Borrowings [^]	188,829	189,300
Other Liabilities	11,941	7,270
Total Liabilities	200,770	196,570
Unitholders' Funds	440,644	438,590
No. of Units in Issue ('000)	240,508	240,508
Net Asset Value Per Unit	\$1.83	\$1.82

* Based on pro forma balance sheet as at 30 Sep 2005 in the Introductory Document.

[^] Borrowings are stated net of amortised cost.

Office Rental Cycle in Asia



This release may contain statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. You are cautioned not to place undue reliance on such statements, which are based in the current views of Management on future developments and events.