

The Link Real Estate Investment Trust

**Six Months Ended 30 September 2011
Interim Results Presentation**

9 November 2011



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Results Overview

Results Overview

Continuous Earnings Growth

Revenue	HK\$ 2,887 M	↑ 10.1%
NPI	HK\$ 2,041 M	↑ 15.6%
Interim DPU	HK 63.11 cents	↑ 19.4%
NAV per unit ⁽¹⁾	HK\$ 26.14	↑ 6.1%

Growing Demand from Tenants

Average monthly unit rent ⁽¹⁾	HK\$ 34.2 psf	↑ 4.3%
Overall occupancy rate		↑ to 92.1%
Retention rate		↑ to 79.3%
Net property income margin		70.7%

Maintained Strong Balance Sheet

Gearing ratio		16.7%
Effective interest rate		↓ to 3.5%
Credit ratings	A (S&P) / A2 (Moody's)	
No refinancing in next 18 months	Available liquidity HK\$ 4.45 B	

New Growth Initiative

First acquisition completed	July 2011
Valuation (as at 30 September 2011)	HK\$ 1,183 M

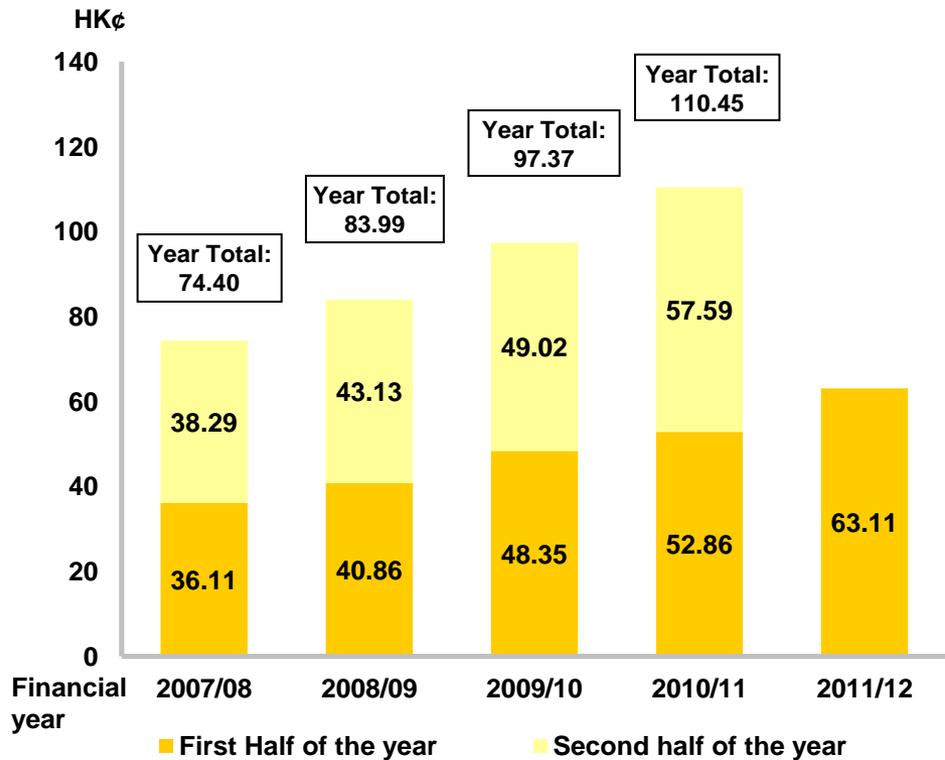
Note : (1) These comparisons are based on 31 March 2011 figures while others are based on period ended 30 September 2010 figures.

Financial Review

Financial Highlights

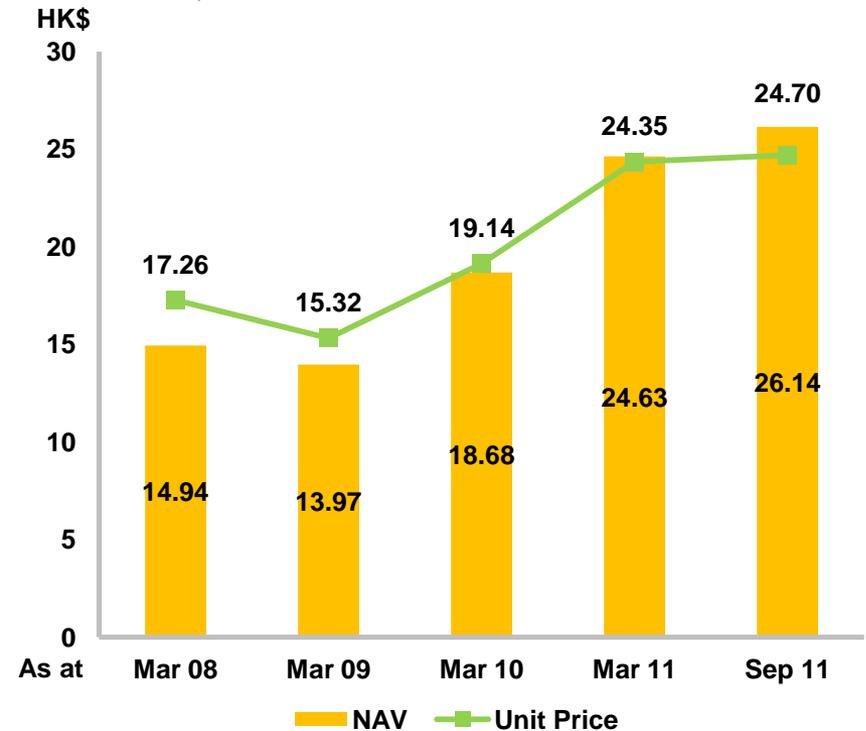
DPU Growth

■ DPU up 19.4% YoY to HK **63.11** cents



NAV Per Unit Changes

■ NAV per unit up 6.1% from Mar 11 to HK\$ **26.14**



Financial Highlights

Continue to Deliver Consistent Growth

	6 months ended 30 Sep 2011	YoY Growth
Revenue	HK\$ 2,887 M	↑ 10.1%
Net property income	HK\$ 2,041 M	↑ 15.6%
Distributable income	HK\$ 1,420 M	↑ 21.2%
Distribution per unit	HK 63.11 cents	↑ 19.4%
Distribution payout ratio		100%

Key Performance Drivers

- Average monthly unit rent increased by 4.3% to HK\$ **34.2** psf
- Contribution from AELs increased to **39.6%**
- Overall occupancy improved to **92.1%**
- NPI margin expanded to **70.7%**

Financial Review - Revenue

Revenue Analysis

	6 months ended 30 Sep 2011 HK\$'M	6 months ended 30 Sep 2010 HK\$'M	YoY %	Percentage contribution 6 months ended 30 Sep 2011 %
Rental income :				
Shops ⁽¹⁾	1,730	1,554	11.3	59.9
Markets / Cooked Food Stalls	309	297	4.0	10.7
Others ⁽²⁾	123	116	6.0	4.3
Gross revenue from car parks :				
Monthly	424	382	11.0	14.7
Hourly	145	128	13.3	5.0
Expenses recovery and other miscellaneous income :				
Property related income	156	144	8.3	5.4
	2,887	2,621	10.1	100.0

- Notes:
- (1) Rental income from shops includes base and turnover rents.
- (2) These include incomes from Education/ Welfare, Housing Department Office, Ancillary and Mall Merchandising.

- Rental growths driven mainly by retail shops up 11.3% YoY
- Car park income up 11.6% supported by both short term and monthly parking

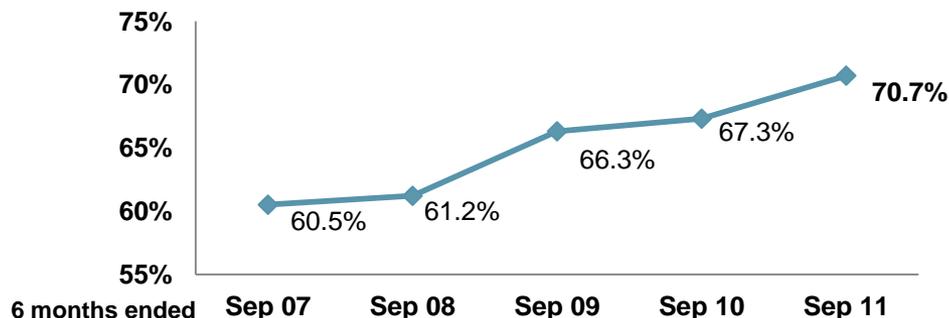
Financial Review - Expenses

Expenses Analysis

	6 months ended 30 Sep 2011 HK\$'M	6 months ended 30 Sep 2010 HK\$'M	YoY %
Property managers' fees, security and cleaning	251	212	18.4
Staff costs	129	123	4.9
Utilities	182	182	0.0
Repair and maintenance	103	116	(11.2)
Government rent and rates	87	78	11.5
Promotion and marketing expenses	39	39	0.0
Other property operating expenses	4	57	(93.0)
Estate common area costs	51	49	4.1
Total property expenses	846	856	(1.2)

- Higher costs for PM, security and cleaning reflects impact of Minimum Wage Ordinance effective in May 2011
- Higher direct staff cost due to salary increase and increase in frontline headcount
- Reversal of car park waiver fee over provided in previous periods
- Improve NPI margin overtime

NPI Margin Improvement



Financial Position

Financial Position Summary

HK\$'M	As at 30 Sep 11	As at 31 Mar 11
Current Assets	2,330	1,045
Non Current Assets	72,638	67,709
Total Assets	74,968	68,754
Current Liabilities	3,871	4,577
Non Current Liabilities	12,290	9,202
Total Liabilities	16,161	13,779
Net Assets Attributable to Unitholders	58,807	54,975
Units in Issue ('000)	2,249,541	2,232,285
Net Asset Value Per Unit	\$26.14	\$24.63

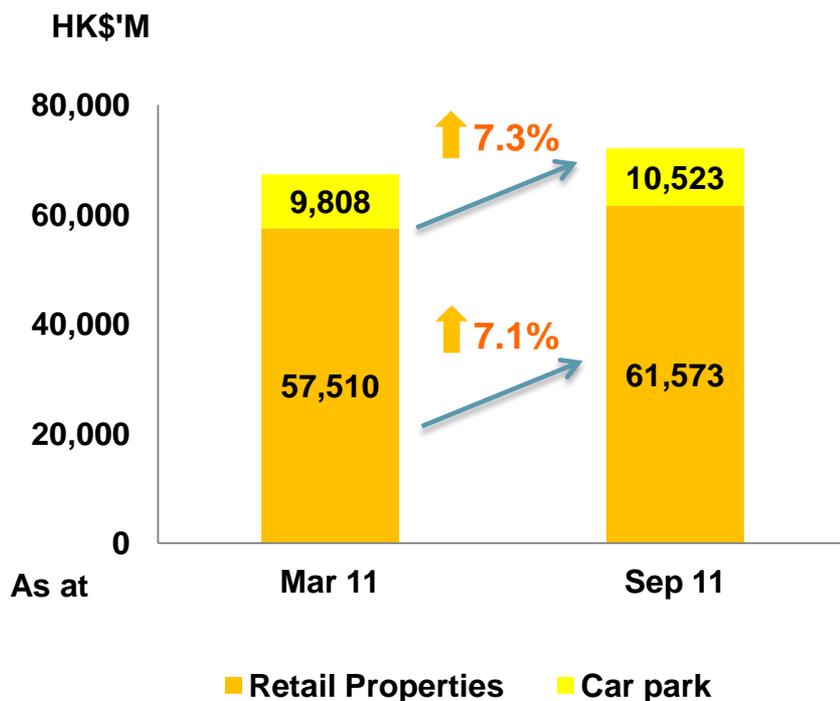
- Increased portfolio valuation further enhanced financial strength
- NAV per unit up 6.1% to **HK\$26.14** in 6 months

Fair Value of Investment Properties

	6 months ended 30 Sep 2011 HK\$'M	Year ended 31 Mar 2011 HK\$'M	Increase/ (Decrease)
At beginning of period / year	67,318	53,781	N/A
Additions	1,506	725	N/A
Change in fair values of investment properties	3,272	12,812	N/A
At end of period / year	72,096	67,318	7.1%

Financial Position – Valuation Increased

Valuation Drivers



- Value of retail properties up 5% excluding the addition of commercial portion of Nan Fung Plaza
- Uplift in valuation largely coming from retail properties, mainly driven by higher rental income
- Minor compression of weighted average retail cap rate of about 4 bps to 5.88% reflecting improved quality of AEI properties

Capital Management – Strong Financial Position

Debt Highlights

As at	30 Sep 11	31 Mar 11
Debt (face value) (HK\$'B)	12.47	10.37
Gearing (debt : total assets) (%)	16.7	15.1
Average outstanding life of debt facilities (years)	3.8	3.4
Proportion of fixed rate debt (after swaps) (%)	58	60
Average outstanding life of fixed rate debt/ swaps (years)	3.8	3.7
Effective interest rate (%)	3.45	3.72

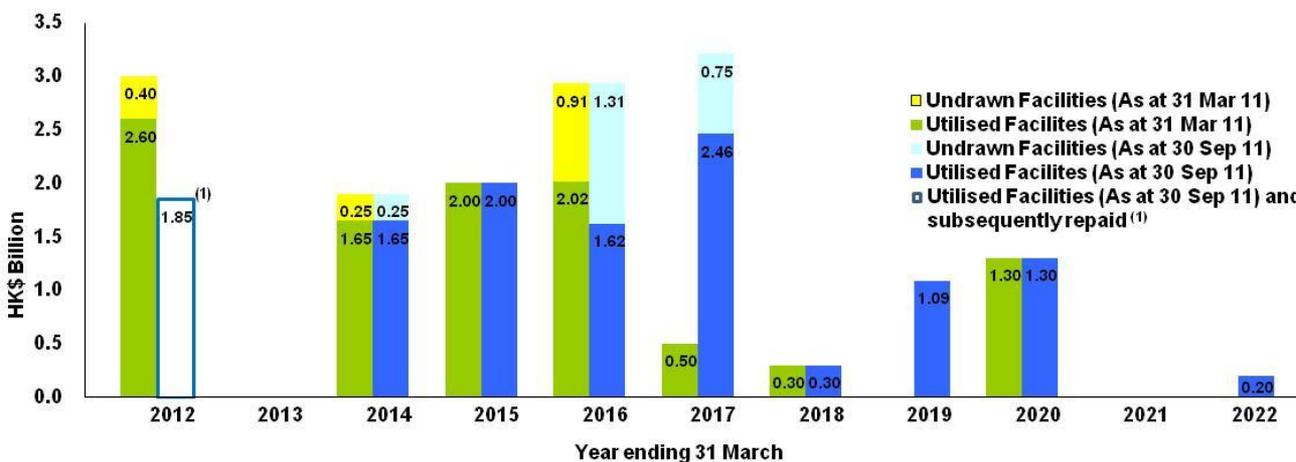
Available Liquidity as at 30 Sep 2011

	HK\$'B
➤ Standby committed facilities	2.31
➤ Cash on hand	2.14
➤ Total liquidity	<u>4.45</u>

Strong Credit Ratings

- Moody's: A2 and stable outlook (28 Sep 2011)
- S&P: A and stable outlook (15 July 2011)

Maturity Profile of Committed Facilities for 30 Sep 2011 vs 31 Mar 2011



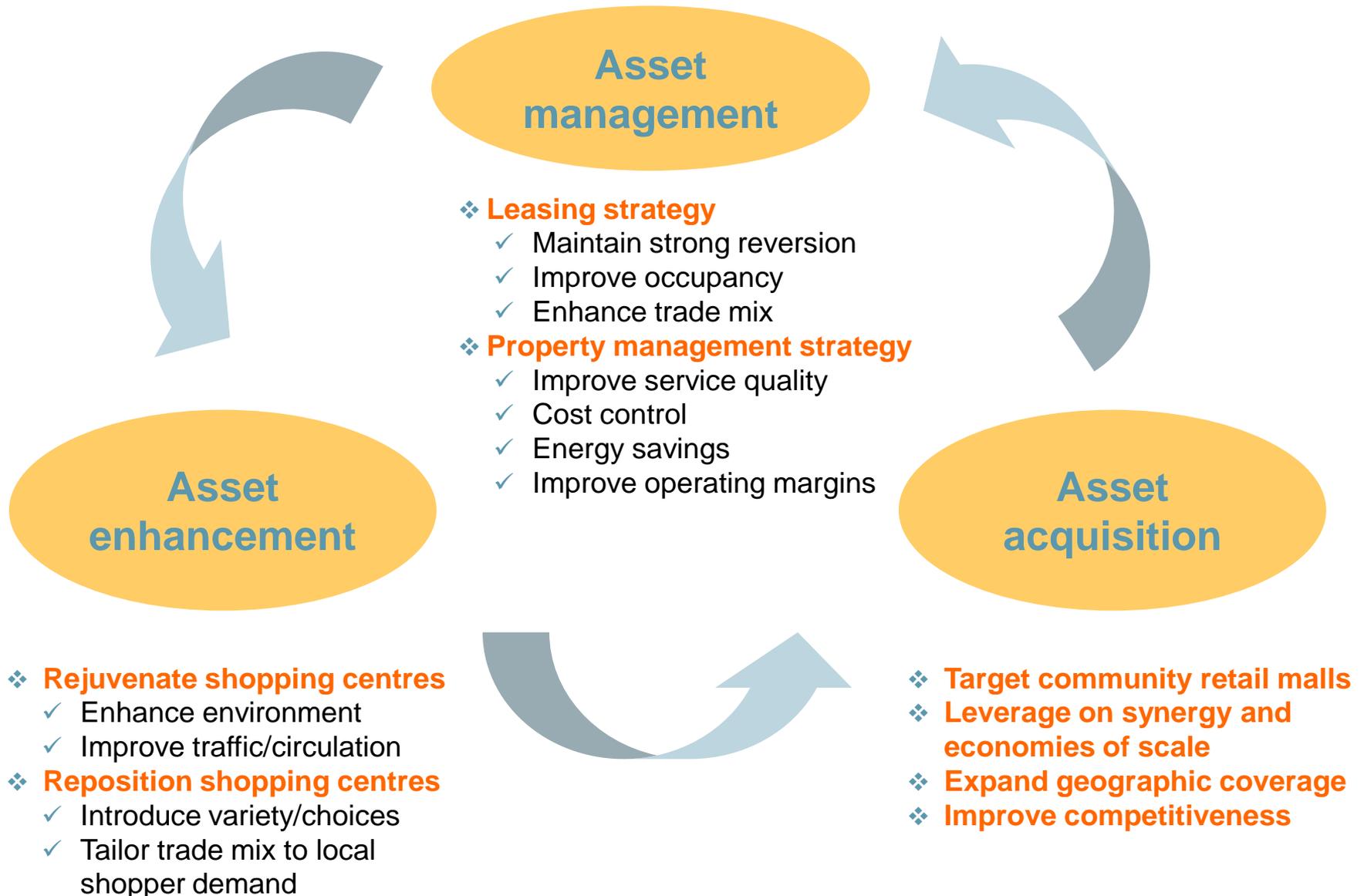
Note:

(1) The HK\$1.85 billion 2006 Syndicated Loan was fully repaid in October 2011.

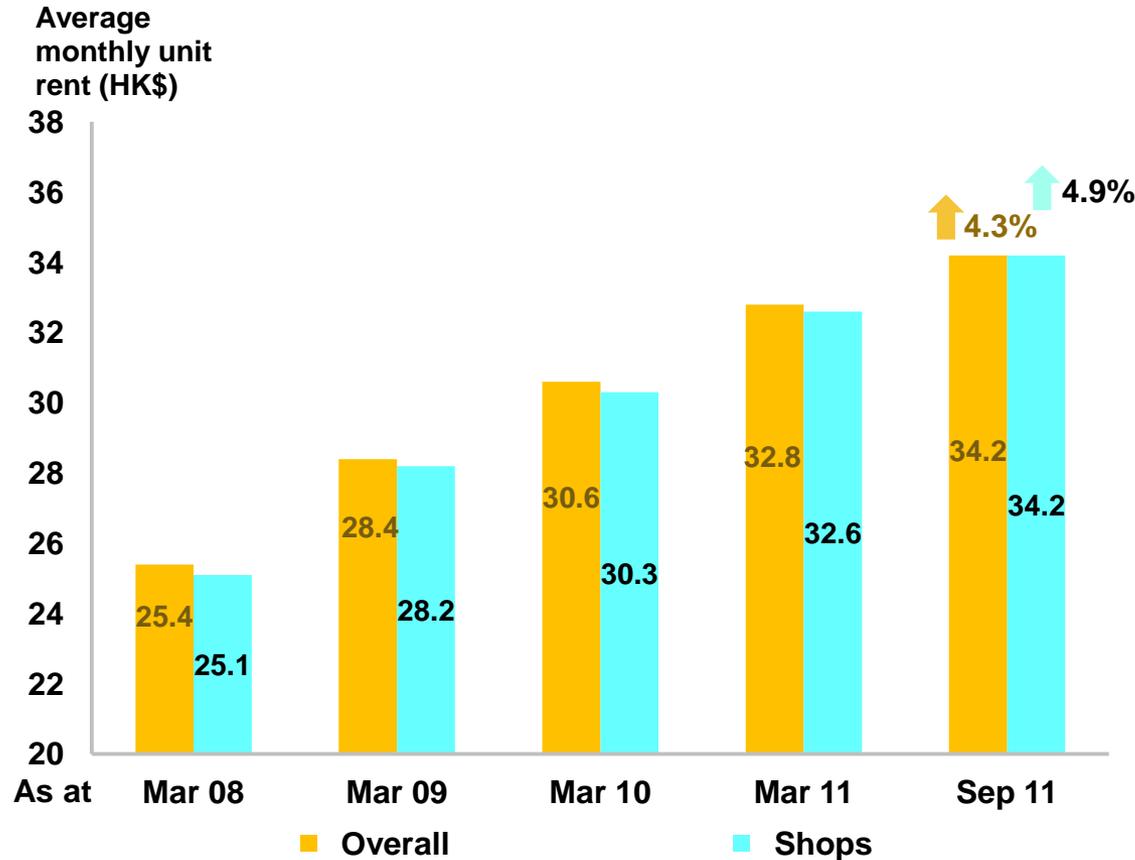
- Maturity more evenly spread and extended
- No major refinancing need within the next 18 months

Business Review

Key Growth Drivers



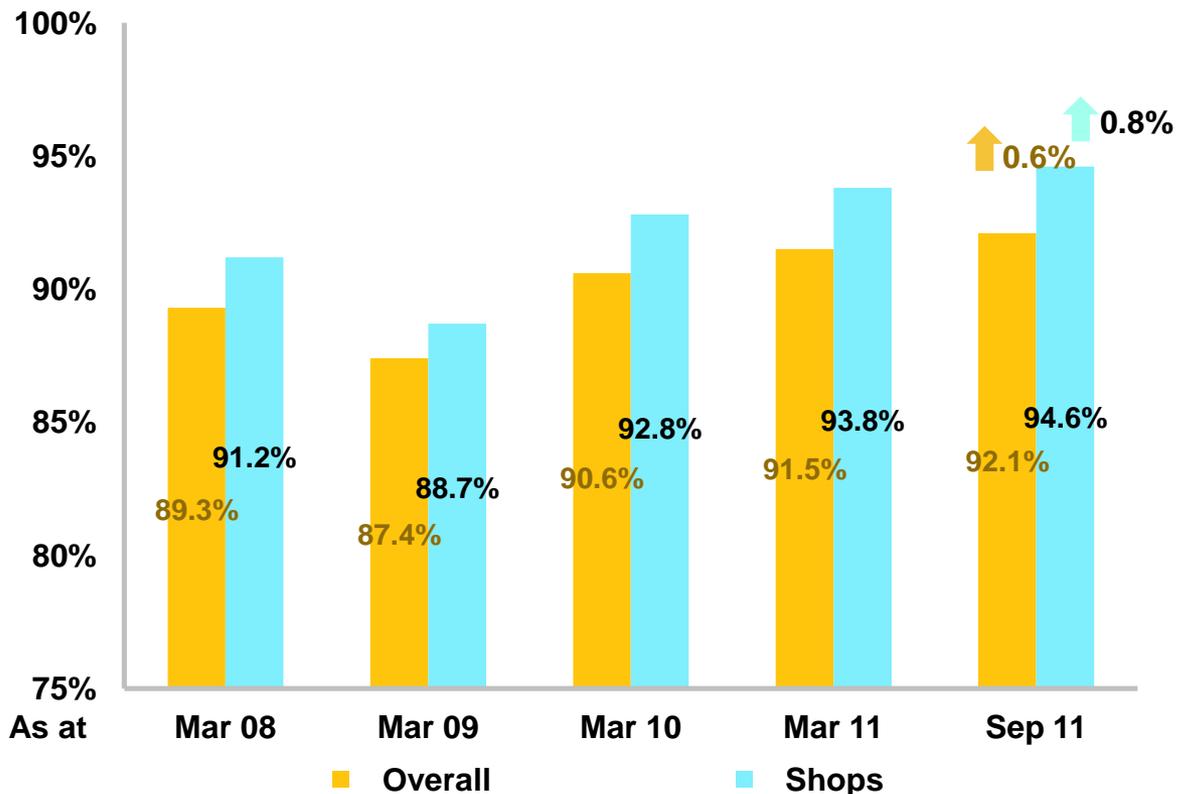
Consistent Growth in Unit Rent



- Unit rent steadily increasing since IPO supported by improving shopping environment
- Buoyant retail sales boost demand for shop space

Improving Occupancy

Occupancy rate

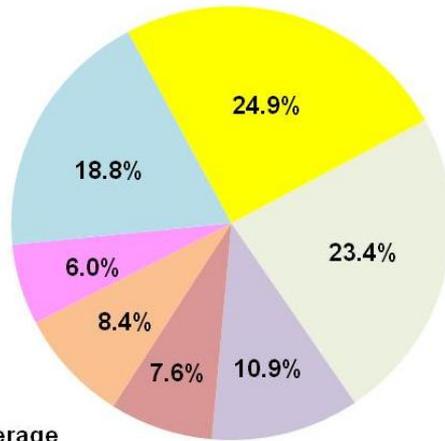


- Retail shops occupancy continued to show healthy improvement driven by better property condition
- Overall occupancy steadily improving supporting rental growth

Stable Trade Mix

Retail Trade Mix - Focused on Staples and Daily Needs

Retail Trade Mix by Monthly Rent



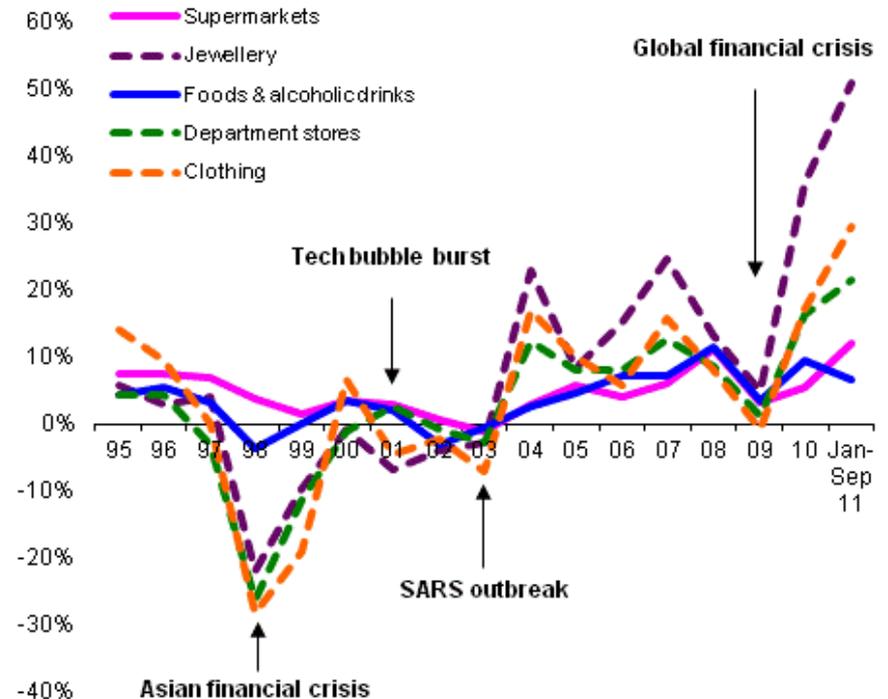
- Food and Beverage
- Supermarket and Foodstuff
- Services
- Market Stalls
- Personal Care, Medicine, Valuable Goods, Optical, Books and Stationery
- Single Letting Market
- Others^

Notes: As at 30 September 2011

^ Includes Department Store, Clothing, Footwear & Allied Products, Electrical & Household Products, Leisure & Entertainment, Single Operator Shopping Centre, Cooked Food, Education/Welfare, HD Office, Ancillary, etc.

Market Performance

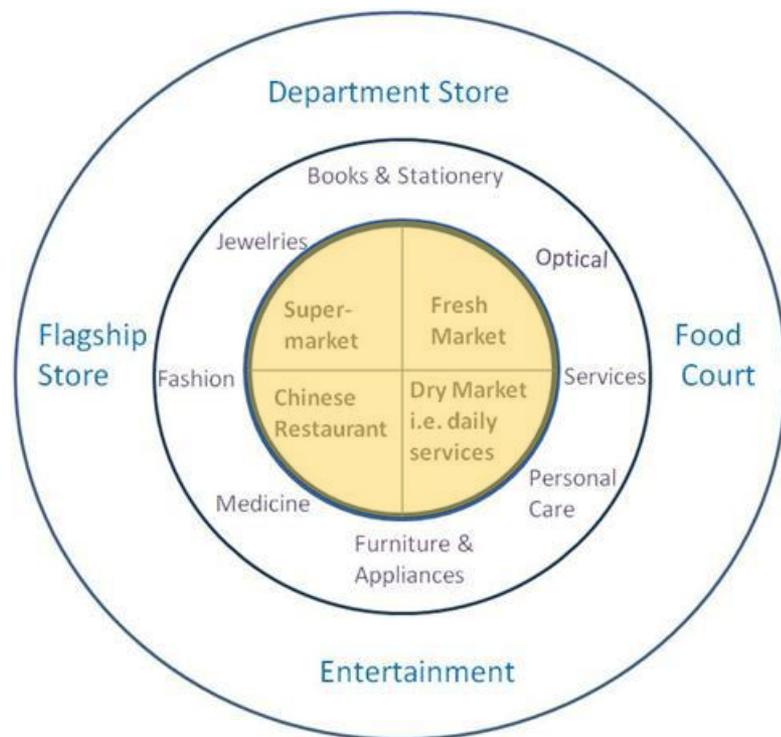
Year-on-Year change of retail sales value



Source:

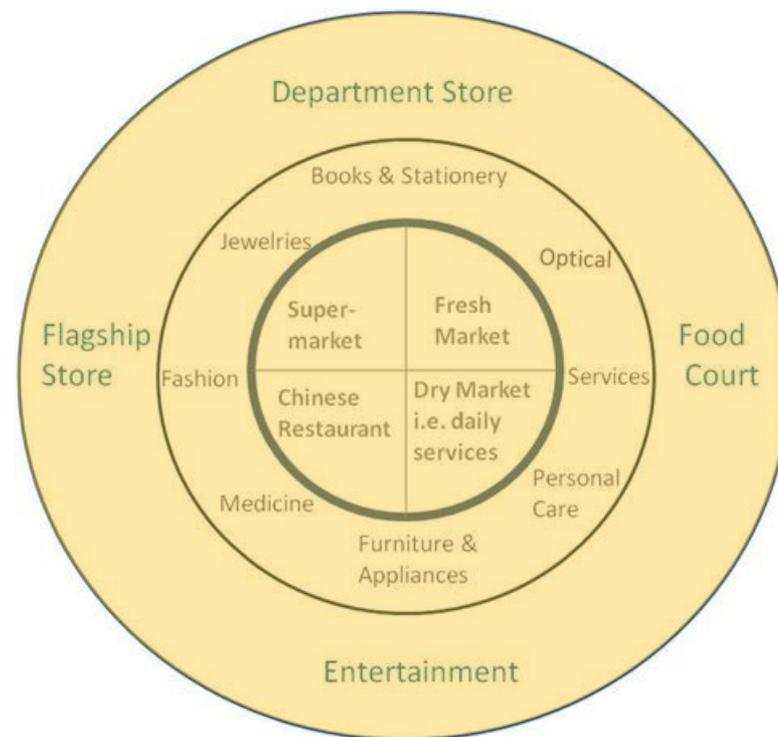
Census and Statistics Department; latest data as of end of August 2011

Local community centres



- Core trade mix is our strength

Regional centres



- Expanding to the outer layer

Asset Enhancement Initiatives

Status of AElS

	Number of projects	Capex HK\$'M
Completed since IPO	22	1,771
Underway	7	753
Pending Statutory Approval	7	602
Others Under Planning ⁽¹⁾	>18	>1,400
Total⁽¹⁾	>54	>4,526

Note: ⁽¹⁾ Latest estimate figures.

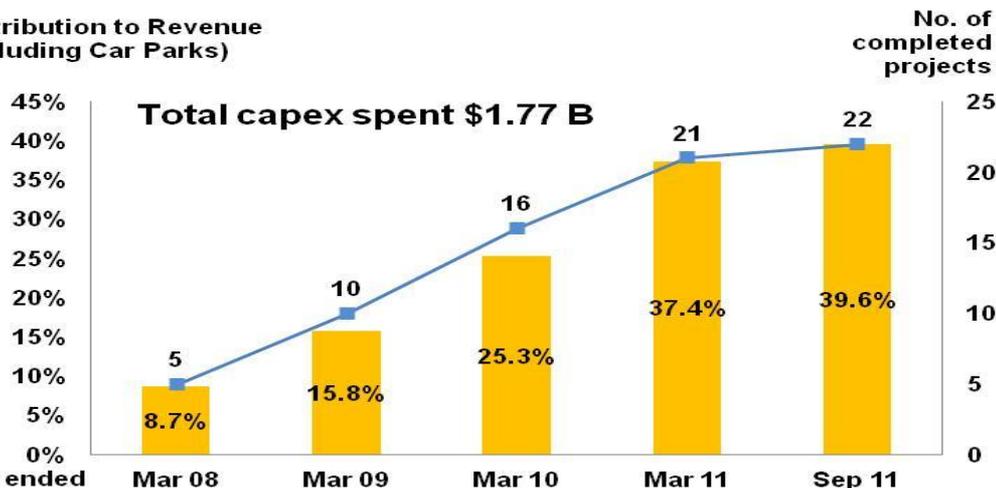
Choi Yuen Plaza was completed in 1st half of financial year

Ongoing: Stanley, Tai Yuen, Leung King, Tin Shui, Sun Chui, Oi Man & Sheung Tak

Project of various sizes under feasibility study

Contribution to Revenue (Excluding Car Parks)

Contribution to Revenue (Excluding Car Parks)



Asset Enhancement Initiatives

Choi Yuen Plaza

Before



After



Asset Enhancement Initiatives

Approved Asset Enhancement Projects Underway ⁽¹⁾

Projects	Total Estimated Project Capex HK\$'M	Target Completion Date
Stanley Plaza	227	late 2011
Tai Yuen Commercial Centre	120	late 2011
Leung King Shopping Centre	200	early 2012
Tin Shui Shopping Centre	66	early 2012
Sun Chui Shopping Centre	33	mid 2012
Oi Man Shopping Centre	64	late 2012
Sheung Tak Shopping Centre	43	early 2013
Total	753	

Note:

⁽¹⁾ Projects which have secured all internal and necessary statutory approvals.

Leung King



Sun Chui



Tin Shui



Stanley Plaza Grand Opening in November 2011

StanleyPIZZA THE PLAZA MURRAY HOUSE



Selected New Tenants Introduced Recently

New Tenants Offer Varieties



Loyal Tenants Provide Daily Necessities



New Growth Initiative

Acquisition of Commercial Podium of Nan Fung Plaza



- Completion of transaction took place in July 2011 of commercial podium of Nan Fung Plaza for HK\$1.17 bn
- First one since IPO and first venture in retail properties within private residential developments
- New milestone in our business development strategy

Performance of Nan Fung Plaza

Occupancy rate 98.4 %
(as at 30 September 2011)

Valuation HK\$1,183 million
(as at 30 September 2011)

Average monthly unit rent an increase of 3.7 %⁽¹⁾
since acquisition completed

Note:

⁽¹⁾ Based on end July 2011 and end September 2011 figures.

Sustainability Framework

Sustainability Initiatives

■ Environmental Recognition

- ✓ Stanley Plaza - 1st asset to achieve BEAM Platinum standard in recognition of its environmentally-friendly construction

■ Energy Efficient Initiatives

- ✓ Replaced 21 chiller units across 14 shopping centres, bringing total energy-efficient chillers to 87

■ Commitment to Community

- ✓ Support the Statutory Minimum Wage Ordinance on 1 May 2011
- ✓ Reimburse contractors to pay for rest-days and meal-breaks for workers of our contracted service providers.

■ Barrier Free Access

- ✓ To be completed in phases by 2016

Corporate Governance and Management Awards 領匯 The Link



Outstanding Entrepreneur of the Asia Pacific Entrepreneurship Awards 2011
Enterprise Asia



The Asian CSR Awards for Environmental Excellence
Asian Institute of Management



Certificate of Commendation Scheme for Commercial and Industrial Waste 2011
Environmental Protection Department



Corporate Social Responsibility Awards 2011
Capital magazine and Capital Weekly magazine

Strategy and Outlook

Strategic Priorities

- Continue execution of asset management and asset enhancement strategies to deliver sustainable return
- Stabilise cost structure and implement measures to monitor and control expenses
- Continue to roll out AElS to improve property standard
- Enhance and streamline management capability in property and facility management & marketing
- Continue to seek accretive acquisition opportunities in Hong Kong retail sector

Outlook

- Resilient portfolio to provide stable income amidst volatile financial market
- Confident in delivering sustainable growth for the full year

Corporate Timetable

Corporate Timetable

Distribution

■ Distribution period	Apr 2011 – Sep 2011
■ Last day of trading on a “cum” basis	21 Nov 2011
■ Ex. Distribution date	22 Nov 2011
■ Distribution book close	24 – 28 Nov 2011 (both days inclusive)
■ Distribution Reinvestment Plan	
□ Announcement of details	On or about 28 Nov 2011
□ Despatch of election documents	On or about 7 Dec 2011
■ Payment of distribution	On or about 13 Jan 2012

- To date, The Link REIT has paid out 100% of distributable income. Participation in distribution reinvestment plan, where units are issued based on prevailing market price, is at the sole discretion of Unitholders.

Questions and Answers



Additional Financial and Operational Information for 6 months ended 30 September 2011

Additional Data 1: Financial and Operational Highlights

Income Statement Summary

	6 months ended 30 Sep 2011 HK\$'M	6 months ended 30 Sep 2010 HK\$'M (Restated)	YoY %
Revenue	2,887	2,621	10.1
Property operating expenses	(846)	(856)	(1.2)
Net property income	2,041	1,765	15.6
General and administrative expenses	(147)	(80)	83.8
Interest income	11	1	1,000.0
Finance costs on interest bearing liabilities	(197)	(271)	(27.3)
Profit before taxation, change in fair values of investment properties and transactions with Unitholders	1,708	1,415	20.7
Change in fair values of investment properties	3,272	3,259	0.4
Taxation	(288)	(236)	22.0
Profit for the period, before transactions with Unitholders	4,692	4,438	5.7

Distribution Statement Summary

	6 months ended 30 Sep 2011 HK\$'M	6 months ended 30 Sep 2010 HK\$'M (Restated)	YoY %
Profit for the period, before transactions with Unitholders	4,692	4,438	5.7
Change in fair values of investment properties	(3,272)	(3,259)	0.4
Other non-cash income	-	(7)	N/A
Total distributable income	1,420	1,172	21.2
Distribution per unit (HK cents)	63.11	52.86	19.4

Note: Comparative figures have been restated as a result of the early adoption of the amendments to the Hong Kong Accounting Standard 12 "Deferred Tax: Recovery of Underlying Assets".

Additional Data 2: Financial Review - Revenue

Revenue Analysis

	6 months ended 30 Sep 2011 HK\$'M	6 months ended 30 Sep 2010 HK\$'M	YoY %	Percentage Contribution 6 months ended 30 Sep 2011 %
Rental income :				
Shops – Base rent	1,673	1,516	10.4	57.9
Shops – Turnover rent	57	38	50.0	2.0
Markets	279	270	3.3	9.7
Cooked Food Stalls	30	27	11.1	1.0
Education / Welfare	23	22	4.5	0.8
HD Office	2	3	(33.3)	0.1
Ancillary	38	35	8.6	1.3
Mall Merchandising	60	56	7.1	2.1
Gross revenue from car parks :				
Monthly	424	382	11.0	14.7
Hourly	145	128	13.3	5.0
Expenses recovery and other miscellaneous income :				
Property related income	156	144	8.3	5.4
	2,887	2,621	10.1	100.0

Additional Data 3: Portfolio Metrics

Positive Portfolio Metrics

	6 months ended 30 Sep 2011	Year ended 31 Mar 2011	6 months ended 30 Sep 2010	30 Sep 2011 vs 30 Sep 2010
Average unit rent (psf pm) at year end				
■ Shops	HK\$ 34.2	HK\$ 32.6	HK\$ 31.4	↑ 8.9 %
■ Overall (ex Self use office)	HK\$ 34.2	HK\$ 32.8	HK\$ 31.7	↑ 7.9 %
Composite reversion rate*				
■ Shops	22.7 %	20.9 %	22.2 %	↑ 0.5 %
■ Overall	21.5 %	21.4 %	22.7 %	↓ 1.2 %
Occupancy rate at year end				
■ Shops	94.6 %	93.8 %	93.3 %	↑ 1.3 %
■ Overall	92.1 %	91.5 %	90.9 %	↑ 1.2 %
Retention rate				
■ Shops	79.1 %	74.6 %	75.7 %	↑ 3.4 %
■ Overall	79.3 %	74.1 %	74.6 %	↑ 4.7 %
Revenue contribution (excluding car parks) from completed AEI properties	39.6%	37.4 %	27.7 %	↑ 11.9 %
Net property income margin	70.7 %	68.1 %	67.3 %	↑ 3.4 %
Car park income per space per month	HK\$ 1,193	HK\$ 1,095	HK\$ 1,067	↑ 11.8 %

Remarks: * Composite reversion rate is the percentage change in per sq ft average base rent plus management fee between old and new leases based on like-for-like space

Additional Data 4: Retail Portfolio Analytics

Portfolio segmentation

Retail properties ⁽¹⁾	Retail valuation HK\$'M	Retail revenue HK\$'M	Average monthly unit rent per leased IFA HK\$ psf	Occupancy rate %
1-10	17,576	577	47.8	97.2
11-50	28,135	958	36.6	91.5
51-100	13,138	515	26.8	91.4
Remaining properties	2,724	112	19.3	86.9
Total	61,573	2,162	34.2	92.1

Note:

⁽¹⁾ Properties ranked by retail valuation as at 30 September 2011.

Additional Data 5: Car Park Review

Car Park Performance Indicators

	6 months ended 30 Sep 2011	6 months ended 30 Sep 2010
Car park space allocation – monthly (%)	87.0	87.0
Car park space allocation – hourly (%)	13.0	13.0
Gross receipts by monthly users (%)	74.5	74.9
Gross receipts by hourly users (%)	25.5	25.1
Utilisation of car park space (%)	78.3	72.6
Car park income per space per month (HK\$)	1,193	1,067
NPI margin (%)	59.8 ⁽¹⁾	57.5

Note:

⁽¹⁾ Excluding the write-back of the car park waiver fees provision.

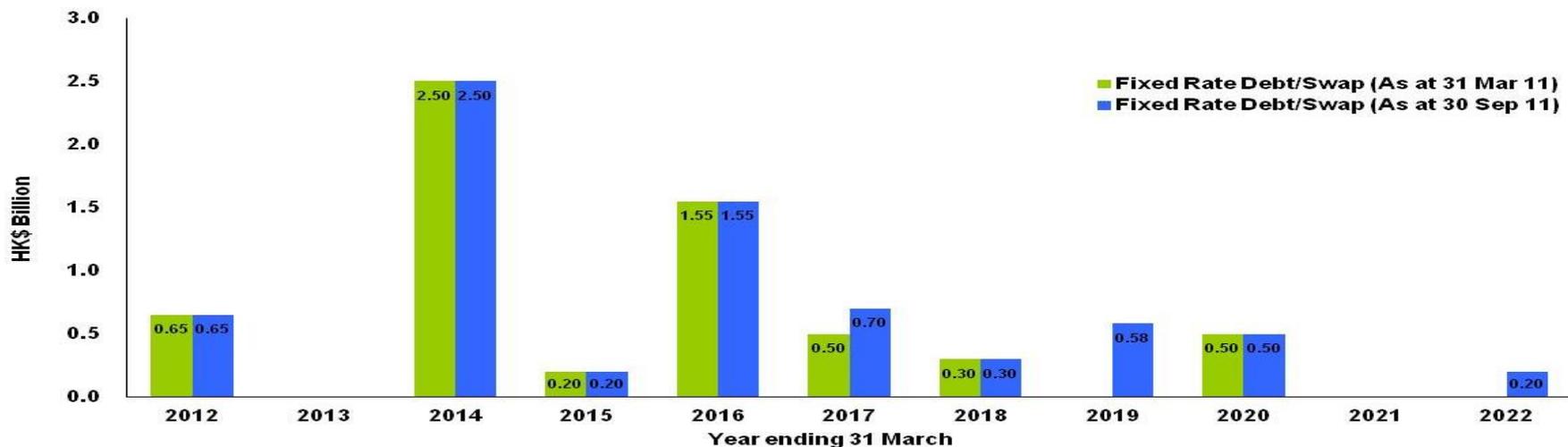
Additional Data 6: Capital Management

Committed Debt Facilities ⁽¹⁾

As at 30 Sep 11 (HK\$'B)	Fixed Rate Debt ⁽²⁾	Floating Rate Debt ⁽²⁾	Utilised Facilities	Undrawn Facilities	Total Facilities
HKMC Loan	3.75	0.25	4.00	-	4.00
2006 Syndicated Loan	1.35	0.50	1.85	-	1.85
2011 Club Loan	-	1.75	1.75	0.75	2.50
Bilateral Loans	0.20	1.07	1.27	1.56	2.83
Medium Term Notes Issues	1.88	1.72	3.60	-	3.60
Total	7.18	5.29	12.47	2.31	14.78
Percentage	58%	42%	84%	16%	100%

Notes : ⁽¹⁾ all amounts are at face value ⁽²⁾ after interest rate swaps

Fixed Rate Debt / Swap Maturity Profile

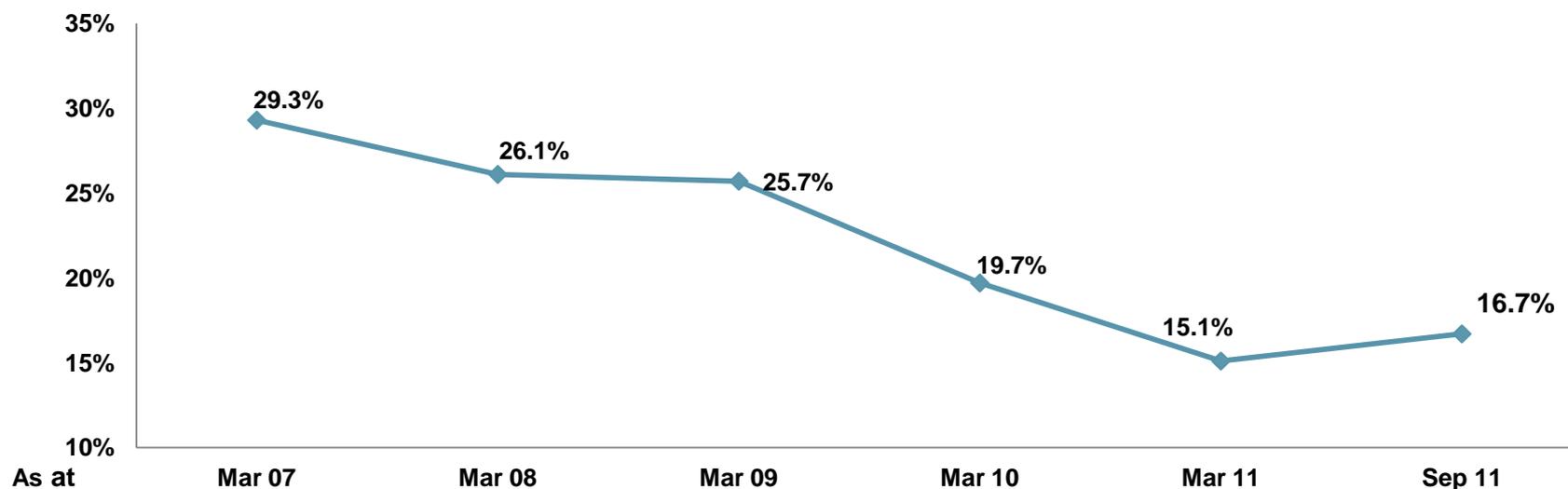


Additional Data 7: Capital Management

Key Transactions

Apr 2011	A new HK\$2.5 B 5-year club loan was put in place with all-in cost of HIBOR + 85bps
May 2011 to Sep 2011	A total of HK\$1.5 B unsecured notes were issued under the Guaranteed Euro Medium Term Note Programme
Sep 2011	A further HK\$500 M of the 2006 syndicated loan was prepaid

Gearing Ratio



Additional Data 8: Capital Management – Strong Credit Metrics

Key Credit Metrics by Rating Agencies

	The Link As at 30 Sept 11	S&P (A / Stable)	Moody's (A2 / Stable)
Total debt / total assets	16.7%	N/A	< 30%
Total debt / total capital⁽¹⁾	17.6%	< 35%	N/A
FFO⁽²⁾ : total debt (annualised)	27.4%	> 15%	N/A
EBITDA interest coverage	9.6x	N/A	> 3.5x
Total debt / EBITDA (annualised)	3.3x	N/A	< 5.0x

Note:

⁽¹⁾ *Total capital is calculated by total debt add net assets attributable to unitholders*

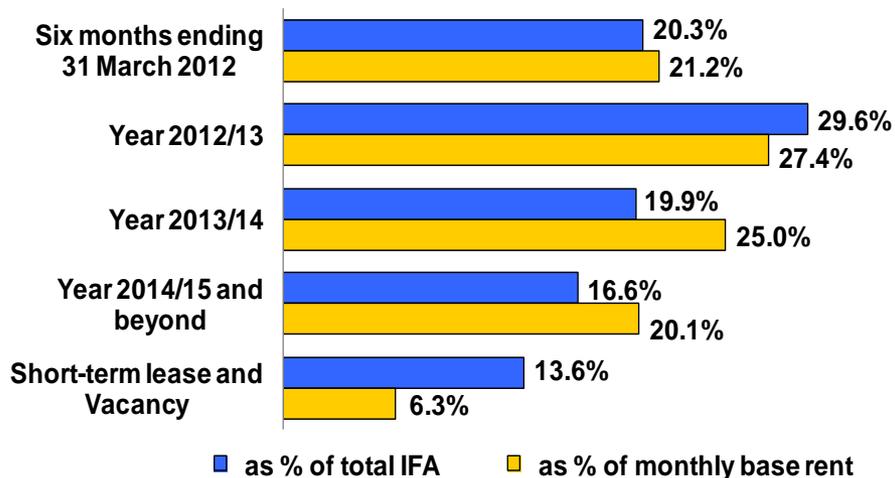
⁽²⁾ *Funds from operations is calculated by annualising net property income less administrative expenses, and net financing charges and add depreciation*

Additional Data 9: Valuation

Valuation Drivers		
	As at 30 Sep 2011	As at 31 Mar 2011
Retail properties (HK\$'M)	61,573	57,510
Car parks (HK\$'M)	10,523	9,808
Total (HK\$'M)	72,096	67,318
Income Capitalisation Approach – Capitalisation Rate		
Retail properties	5.00 – 7.00%	5.00 – 7.00%
Retail properties: weighted average	5.88%	5.92%
Car parks	5.50 – 9.25%	5.50 – 9.25%
Car parks: weighted average	7.62%	7.63%
Overall weighted average	6.11%	6.16%
DCF Approach		
Discount rate	8.00%	8.00%

Additional Data 10: Expiry Profile and Economic Outlook

Lease Expiry Profile



- 20% IFA and 21% monthly base rent of the retail properties' leases expiring in FY11/12
- Demand for retail space remains healthy
- Full year contribution to help total revenue growth
- Continue to explore ways to enhance trade mix and improve rental yield
- Managing the expiry profile actively for a more evenly spread expiry profile to mitigate market risks

Economic Outlook

	2010	2011F	2012F	2013F
Real GDP growth	7.0%	5.8%	4.6%	4.6%
Private consumption	6.2%	6.9%	4.1%	3.7%
Inflation	2.4%	5.0%	3.4%	2.9%
Unemployment rate	4.3%	3.3%	3.2%	2.8%
Retail sales value	18.3%	20.0%*	14.0%*	N/A

Figures as of October 2011

Source: Census & Statistics Department; forecast by Economist Intelligence Unit and Hang Seng Bank (*)

Thank You

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