

General AnnouncementReference No **TR-090317-64269**

Company Name : **TOWER REAL ESTATE INVESTMENT TRUST**
 Stock Name : **TWRREIT**
 Date Announced : **17/03/2009**

Type : Announcement
 Subject : Variance of unaudited results for year ended 31 December 2008 compared to projected results as disclosed in the Circular to Unitholders of Tower Real Estate Investment Trust (“Tower REIT”) dated 14 February 2007 in relation to the acquisition of Menara ING (the “Circular”)

Contents : GLM REIT Management Sdn Bhd, the Manager of Tower REIT, announces that the unaudited net income for the year ended 31 December 2008 of RM66.475 million has exceeded the projected results of RM21.598 million as disclosed in the Circular, by RM44.877 million or 207.8%.

The positive variance of RM44.877 million was mainly attributed to the surplus of RM38.653 million arising from the revaluation of the three investment properties of Tower REIT, namely Menara HLA, HP Towers and Menara ING, in line with the fair value model stipulated in the Financial Reporting Standards 140.

Excluding the surplus from fair value adjustments of investment properties of RM38.653 million, the unaudited net income for the year ended 31 December 2008 of RM27.822 million exceeded the projected results of RM21.598 million as disclosed in the Circular, by RM6.224 million or 28.8%. This variance was mainly due to the following:-

- (i) Total revenue increased by RM3.592 million due to the higher than expected property revenue resulting from the higher occupancy and rental rates of Menara HLA and HP Towers as well as higher carpark income;
- (ii) Property operating expenses were lower than the projected figure by RM1.676 million as a result of efficient cost controls and higher recoverable costs from the tenants; and
- (iii) Borrowing cost was lower than the projected figure by RM1.499 million due to the lower than expected borrowing interest rate.

Please refer to the attached income statement for further details on the variance of the unaudited results against the projected results as disclosed in the Circular.

This announcement is dated 17 March 2009.

Attachments : [Income Statement - Variance.pdf](#)