Press Release
17 July 2012

A-REIT's Amount Available for Distribution grew by 16.1% y-o-y

Highlights:

1. 1Q FY12/13 amount available for distribution increased by 16.1% y-o-y to S$76.5 million
2. Distribution per Unit (" **DPU**") grew by 10.3% y-o-y to 3.53 cents, despite a 7.5% increase in units outstanding
3. Strong balance sheet with aggregate leverage of 32.7%. After funding of committed capital expenditure, aggregate leverage is expected to be about 35.0%
4. Continued to achieve positive rental reversion, averaging about 11.6%, throughout all segments of the portfolio

Summary of A-REIT's Group Results (For the three months ended 30 June)

	1QFY12/13	1QFY11/12	Variance (%)
Gross revenue (S$ million)	142.0	119.9	18.4%
Net property income (S$ million)	101.1	88.8	13.9%
Amount available for distribution (S$ million)	76.5	65.9	16.1%
DPU for the quarter (cents) [(1)(2)]	3.53	3.20	10.3%

1. *This includes a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.*
2. *As at book closure date, none of the S$300 million collateral loan with maturity date on 1 February 2017 is converted into A-REIT's Units. DPU in the table is computed based on total applicable number of units as at 30 June 2012 and 30 June 2011.*

17 July 2012, Singapore – The Board of Directors of Ascendas Funds Management (S) Limited (the "Manager"), the manager of Ascendas Real Estate Investment Trust ("A-REIT"), is pleased to commence the financial year with a year-on-year growth of 16.1% in A-REIT's amount available for distribution and a 10.3% increase in DPU.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "We are pleased to note that A-REIT's portfolio has remained resilient despite the uncertainties in the global economy. Occupancy rate remained stable in 1Q FY12/13 and we continued to enjoy positive rental reversion throughout all the segments of the portfolio."

Gross revenue for the first quarter of the financial year rose by 18.4% year-on-year to S$142.0 million, largely due to the completion of development projects and acquisitions during the past year. Net property income increased by 13.9% to S$101.1 million.

A Well Diversified and Resilient Portfolio

As at 30 June 2012, A-REIT continues to have a healthy mix of long and short term leases (38% and 62% by portfolio value respectively) spread across 101 properties in Singapore and a business park facility in China. The weighted lease term to expiry remains at about 4 years. Long term leases are typically results of sale-and-leaseback or built-to-suit arrangements with stepped rental escalation of which 32.1% of such leases incorporates CPI pegged adjustment. These long term leases provide stability and predictability in earnings. Short term leases are typically of three-year duration where rental rates are marked-to-market upon renewal.

Occupancy rate for the portfolio and multi-tenanted buildings improved to 94.6% and 90.1% respectively from 94.3% and 89.5% a quarter ago. During the quarter, A-REIT renewed and signed new leases (including expansion by existing tenants) amounting to a total net lettable area of 127,543 sqm, representing about 10.5% of A-REIT's multi-tenanted buildings net lettable space. Positive rental reversion on renewal ranging between 10% and 21% was achieved throughout all segments of the portfolio.

A-REIT is able to service a diverse range of real estate needs through its diversified portfolio of properties. With a total customer base of over 1,100 local and international companies across more than 20 industries, only about 20.2% of A-REIT's lettable area is used for conventional manufacturing. A-REIT's top 10 tenants account for 24.0% of A-REIT's gross revenue, and the majority of these tenants are multi-national or listed companies. No single property or tenant accounts for more than 4.8% and 5.7% of A-REIT's monthly gross revenue respectively.

Disciplined and Yield Accretive Investments

A-REIT has grown its portfolio from 8 properties in 2002 to 102 properties as at 30 June 2012. The Manager constantly reviews its portfolio to extract potential growth. The Manager will be undertaking a new asset enhancement project at Xilin Districentre Building D located at 6 Changi South Street 2 for S$6.0 million. The works will comprise the conversion of auxiliary office space into warehouse space to meet increasing demand for warehouse space in the area and will commence in 3Q2012.

In addition to the Xilin Districentre Building D asset enhancement project, the Manager has also committed to the following development and asset enhancement projects (details of which were previously announced):

1) Development of Unilever Four Acres Singapore for Unilever Asia Private Limited
   Unilever Four Acres Singapore is a global leadership development centre at Nepal Hill, within the one-north region. This development is Unilever's second global leadership development centre in the world and its first in Asia and is expected to train up to 900 people a year. The S$32.3 million project is expected to be completed in 1Q 2013. The facility will have a total gross floor area of about 9,180 sqm comprising a 3-storey training block, a 1-storey business and recreational centre and 10 black-and-white conservation bungalows.

2) Development of a business park facility in Fusionopolis, within the one-north region (Nexus@one-north)
   In June 2011, A-REIT was awarded a land parcel at Fusionopolis, within the one-north region, for S$110.0 million. Upon completion expected in 3Q 2013, the facility will be a suburban business space facility comprising 60% business park space and 40% office space with a total gross floor area of about 25,000 sqm designed to cater to tenants in the infocomm technology ("ICT") and media industries as well as research and development activities in the physical sciences and engineering sectors.

3) Asset Enhancement at 10 Toh Guan Road
   Phase 1 of the asset enhancement project at 10 Toh Guan Road was completed within budget and on schedule. With the removal of the existing Automated Storage & Retrieval System ("ASRS"), the property now has 8,072 sqm of showroom space as well as more parking spaces which enhanced its marketability. The entire showroom area is currently leased to a leading lifestyle company to operate as a furniture mall. Phase 2 of the project costing about S$13.5 million, is in progress and is expected to complete in 2H 2012. The works comprise the creation of high specifications industrial space as well as enhancement of the external façade of the property.

4) Maximisation of plot ratio for 9 Changi South Lane

   The asset enhancement project at 9 Changi South Street 3 to maximize its plot ratio from 1.6 times to 1.98 times is underway. The enhancement will result in an additional net lettable area of about 5,200 sqm at an estimated cost of about S$14.6 million. It is scheduled for completion in 1Q 2013.

5) Development of a new factory block at Techplace II

   Works have commenced to develop a new factory block with ancillary F&B space totaling about 24,016 sqm through the maximisation of plot ratio from existing 2.05x to 2.5x. The enhancement also includes aesthetic improvement to the façade to improve the marketability of the property. Strategically located in Ang Mo Kio and easily accessible to the Central Expressway and the North-South MRT line, Techplace II currently comprise a total of 6 blocks of flatted factory buildings and a canteen block. The project is expected to cost about S$42.4 million and is scheduled for completion in 4Q 2013.

The Manager believes that its development strategy complements its other strategies of organic growth and acquisition growth, and A-REIT's development strategy is beneficial to Unitholders as development projects can potentially provide greater returns compared to outright acquisitions of income-producing properties. The Manager will maintain total development project value within the 10.0% development limit as set out in the Property Funds Appendix.

The Manager has also committed to a forward purchase of a business park property in Shanghai, China for a purchase consideration of approximately S$117.6 million. Sited at No. 200 Jinsu Road, Jinqiao Export Processing Zone (JEPZ), Pudong New District, Shanghai, China, on a land area of 31,952 sqm, the property is expected to have gross floor area of approximately 79,880 sqm. Based on market studies and local government statistics, demand for business space within the JEPZ has been strong. The Manager intends to market the property through its network of existing tenants as well as leveraging on Ascendas' operating platform in China. Completion of the transaction is expected in 1H 2013.

Proactive Capital Management

During the quarter, 150 million units were issued at S$1.99 per Unit (6.4% premium over NAV as at 30 June 2012) to fund committed investments. On the debt side, the Manager issued a ¥10.0 billion 2.55% pa Notes due 2024 (the "**Notes**") in April 2012 under the S$1 billion Multicurrency Medium Term Note Programme established by A-REIT on 20 March 2009. The Notes will mature on 23 April 2024 and bear a fixed interest rate of 2.55% pa payable semi-annually in arrears. To eliminate any foreign exchange exposure, the Notes has been swapped into Singapore Dollars upon issuance for A-REIT and the proceeds of approximately S$153.7 million arising from the issue of the Notes has been used towards refinancing existing borrowings of A-REIT.

Consequently, A-REIT has an aggregate leverage of 32.7%. with an average term of debt of 4.4 years and a weighted average funding cost of 3.17%. Interest rate swaps are being used to manage or hedge the interest rate exposure of its debts. With the inclusion of these interest rate swaps, effectively 68.9% of A-REIT's debts are fixed rate and have an average duration of 4.6 years. After funding committed capital expenditure, aggregate leverage is expected to be 35.0%.

The Manager will continue with its proactive approach to capital and risk management so as to maintain a healthy capital structure for A-REIT.

Outlook for FY12/13

With more than 1,100 tenants and a portfolio of 101 properties in Singapore and 1 in China, A-REIT is well-diversified in terms of rental income with the single largest tenant accounting for not more than 5.7% of A-REIT's gross revenue. A-REIT's portfolio has a good mix of long and short term leases (38% versus 62% by asset value) with a weighted average lease to expiry of about 4 years which will provide sustainable and predictable earnings.

For the remaining of the financial year, A-REIT has about 9.1% of its revenue due for renewal. In addition, full year contribution from acquisitions and developments completion in prior financial year is expected in this financial year. Barring any unforeseen event and any further weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance in the financial year ending 31 March 2013.

- End -

About A-REIT (www.a-reit.com)
A-REIT is Singapore's first listed business space and industrial real estate investment trust. It has a diversified portfolio of 101 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, and 1 business park property in China. As at 30 June 2012, total assets amount to about S$6.6 billion. These properties house a tenant base of over 1,100 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include SingTel, C&P Logistics, Siemens, Honeywell, Zuellig Pharma, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Baidu, Inc., Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble and Hyflux.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250 and FTSE ST Mid Cap. A-REIT has a corporate family rating of "A3" by Moody's Investor Services.

A-REIT is managed by Ascendas Funds Management (S) Limited (in its capacity as manager of A-REIT), a wholly-owned subsidiary of the Singapore-based Ascendas Group.

About the Ascends Group (www.ascendas.com)
Ascendas is Asia's premier provider of business space solutions with a significant presence in the region. Ascendas develops, manages and markets IT Parks, industrial parks (manufacturing, logistics and distribution centres), business parks, science parks, hi-tech facilities, office and retail space. Among its flagships are the Singapore Science Park, International Tech Park Bangalore, Ascendas-Xinsu in Suzhou and Dalian-Ascendas IT Park. More than 1,800 of the world's leading companies, many in the Fortune 500 list, have made Ascendas properties their preferred address in Asia.

Ascendas is also a leading real estate fund management player focused on the management of public-listed property trusts and private real estate funds, investing in a diverse range of industrial and commercial real estate properties across Asia. Listed on the main board of Singapore Exchange Securities Trading Limited are Ascendas Real Estate Investment Trust (A-REIT), Singapore's first business space trust, and Ascendas India Trust (a-iTrust), Asia and Singapore's first Indian property trust. The Ascendas Group also manages a range of private real estate funds which invest in business space in India, China, South Korea and ASEAN. All the funds are supported by Ascendas' strong fund management and real estate expertise, and are testament to its commitment to each of its markets.

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Important Notice

The value of A-REIT's Units (**"Units"**) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of A-REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

Any discrepancies in the Figures included herein between the listed amounts and total thereof due to rounding.