



2Q FY2010/11 Financial Results Presentation 18 October 2010

Disclaimers

This Presentation is focused on comparing results for the financial quarter ended 30 September 2010 versus actual results year-on-year (“yoy”). This shall be read in conjunction with A-REIT’s Results for the period from 1 July 2010 to 30 September 2010 in the SGXNet announcement

This presentation 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 similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Manager’s current view of future events.

The value of Units and the income derived from them, if any, 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 should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. 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.

Agenda

Key Highlights

- Financial Performance
- Capital Management
- Investment Management
- Asset Management
 - Portfolio Update
 - Portfolio Resilience
 - Portfolio Growth
- Market Outlook
- Conclusion

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Key Highlights

- Net Property Income increased by 3.5% y-o-y to S\$83.9m
- Distributable income increased by 0.4% y-o-y to S\$61.8m
- Positive rental reversion on lease renewals in most sectors
- Undertaking S\$97.0m of asset enhancement investments with estimated weighted yield in excess of 8.5%
- Healthy balance sheet with aggregate leverage of 34.3% and interest cover ratio of 4.6 times
- Upgrade in corporate rating from Baa1 to A3 by Moodys

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2Q FY2010/11 vs 2Q FY2009/10

(\$'000)	2Q FY2010/11 ⁽¹⁾	2Q FY2009/10 ⁽¹⁾	% inc/(dec)
Gross revenue	111,080	102,281	8.6
Less: Property operating expenses	(27,143) ⁽²⁾	(21,156)	28.3
Net property income	83,937	81,125	3.5
Interest Expense	(16,959) ⁽³⁾	(14,555)	16.5
Other borrowing costs ⁽⁴⁾	(84)	(243)	(65.4)
Non-property expenses ⁽⁵⁾	(6,292)	(6,518)	(3.5)
Net income	60,602	59,809	1.3
Net change in fair value of collateral loan	(25,961)	-	nm
Net change in fair value of financial derivatives	2,820	(8,880)	(131.8)
Net appreciation on revaluation of investment properties under development ⁽⁶⁾	5,819	-	nm
Total return for the period	43,280	50,929	(15.0)

Notes:

- (1) Based on 92 properties as at 30 September 2010 and 90 properties as at 30 September 2009
- (2) Property operating expenses increased due primarily to cessation of land rent and property tax rebates since December 2009, increase in electricity charges & increase in number of properties
- (3) Interest expense increased due mainly to higher loan amount
- (4) Other borrowing costs include amortization of setup costs, upfront fees and maintenance costs incurred for loans, fair value adjustments on deferred payments and refundable security deposits in accordance with FRS39
- (5) Non-property expenses include base management fee, trust expenses and net of interest income
- (6) Recognition of fair value gain on valuation of investment property under development in accordance with FRS 40

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DPU – 2Q FY2010/11 vs 2Q FY2009/10



(S\$'000)	2Q FY2010/11 ⁽¹⁾	2Q FY2009/10 ⁽¹⁾	% inc/(dec)
Total return for the period	43,280	50,929	(15.0)
Net change in fair value of collateral loan	25,961	-	nm
Net appreciation on revaluation of investment properties under development	(5,819)	-	nm
Non (taxable income)/tax deductible expenses	(331)	10,632	(103.1)
Income available for distribution	63,091⁽²⁾	61,561	2.5
Distributable income	61,800	61,561	0.4
No. of units in issue (m)	1,873.1	1,869.9	0.2
Distribution Per Unit (cents)	3.30	3.48	(5.2)
Proforma DPU⁽³⁾	-	3.29	0.3

Notes:

- (1) Based on 92 properties as at 30 September 2010 and 90 properties as at 30 September 2009
- (2) Income available for distribution included interest income of S\$1.3m derived from a finance lease granted to a tenant. This amount has been retained and excluded from distributable income pending IRAS approval for tax transparency treatment on this income. Interest income retained year to date is about S\$3.5m
- (3) Proforma DPU for 2Q FY2009/10 is based on number of applicable number of units as at 30 September 2010

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2Q FY2010/11 vs 1Q FY2010/11



(S\$'000)	2Q FY2010/11 ⁽¹⁾	1Q FY2010/11 ⁽¹⁾	% inc/(dec)
Gross revenue	111,080	113,607 ⁽²⁾	(2.2)
Less: Property operating expenses	(27,143)	(26,259)	3.4
Net property income	83,937	87,348⁽²⁾	(3.9)
Interest Expense	(16,959)	(17,121)	(0.9)
Other borrowing costs ⁽³⁾	(84)	(628)	(86.6)
Non-property expenses ⁽⁴⁾	(6,292)	(6,555)	(4.0)
Net income	60,602	63,044	(3.9)
Net change in fair value of collateral loan	(25,961)	16,730	(255.2)
Net change in fair value of financial derivatives	2,820	(1,826)	254.4
Net appreciation on revaluation of investment properties under development ⁽⁵⁾	5,819	-	nm
Total return for the period	43,280	77,948	(44.5)

Notes:

- (1) Based on 92 properties as at 30 September 2010 and 30 June 2010
- (2) Gross revenue and net property income declined due mainly to lower one-off items in 2Q FY2010/11 compared to 1Q FY2010/11
- (3) Other borrowing costs include amortization of setup and upfront fees and maintenance costs incurred for loans, fair value adjustments on deferred payments and refundable security deposits in accordance to FRS39
- (4) Non-property expenses include base management fee, trust expenses and net of interest income
- (5) Recognition of fair value gain on valuation of investment properties under development in accordance to FRS 40

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DPU – 2Q FY2010/11 vs 1Q FY2010/11

(S\$'000)	2Q FY2010/11 ⁽¹⁾	1Q FY2010/11 ⁽¹⁾	% inc/(dec)
Total return for the period	43,280	77,948	(44.5)
Net change in fair value of collateral loan	25,961	(16,730)	255.2
Net appreciation on revaluation of investment properties under development	(5,819)	-	nm
Non (taxable income)/tax deductible expenses	(331)	4,104	(108.1)
Income available for distribution	63,091 ⁽²⁾	65,322	(3.4)
Distributable income	61,800	63,146	(2.1)
No. of units in issue (m)	1,873.1	1,873.1	-
Distribution Per Unit (cents)	3.30	3.37	(2.1)

Notes:

(1) Based on 92 properties as at 30 September 2010 and 30 June 2010

(2) Income available for distribution included interest income of S\$1.3m derived from a finance lease granted to a tenant. This amount has been retained and excluded from distributable income pending IRAS approval for tax transparency treatment on this income. Interest income retained year to date is about S\$3.5m

Distribution Details

Stock counter	Distribution Period	Distribution per unit (cents)
Ascendasreit	1 July 2010 to 30 September 2010	3.30

Distribution Timetable

Last day of trading on “cum” basis	21 October 2010
Ex-date	22 October 2010
Books closure date	26 October 2010
Distribution payment date	26 November 2010 (Friday)

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Strong Balance Sheet

(S\$ mil)	As at 30 Sept 10	As at 30 Sept 09
Total Assets	4,906	4,695
Net assets attributable to unitholders	2,942	2,983
Aggregate Leverage ⁽¹⁾	1,684	1,430
	34.3%	30.5%
Net asset value per unit	157 cents	160 cents
Units in Issue (mil)	1,873.1	1,869.9

(1) Aggregate leverage includes deferred payments (S\$14m) on purchase price of certain properties

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Interest Rate Risk Management

100% of interest rate exposure fixed for the next 2.9 years

Debt Profile	30 Sept 10	30 Sept 09
Aggregate leverage	34.3%	30.5%
Total debt ⁽¹⁾	S\$1,670m	S\$1,407m
Fixed as a % of total debt	100.0%	100.0%
Weighted average all-in funding cost ⁽²⁾	3.92%	3.90%
Weighted average term of debt	3.4 years	2.7 years
Weighted average term of fixed debt	2.9 years	2.8 years
Interest cover ratio	4.6 times	4.8 times

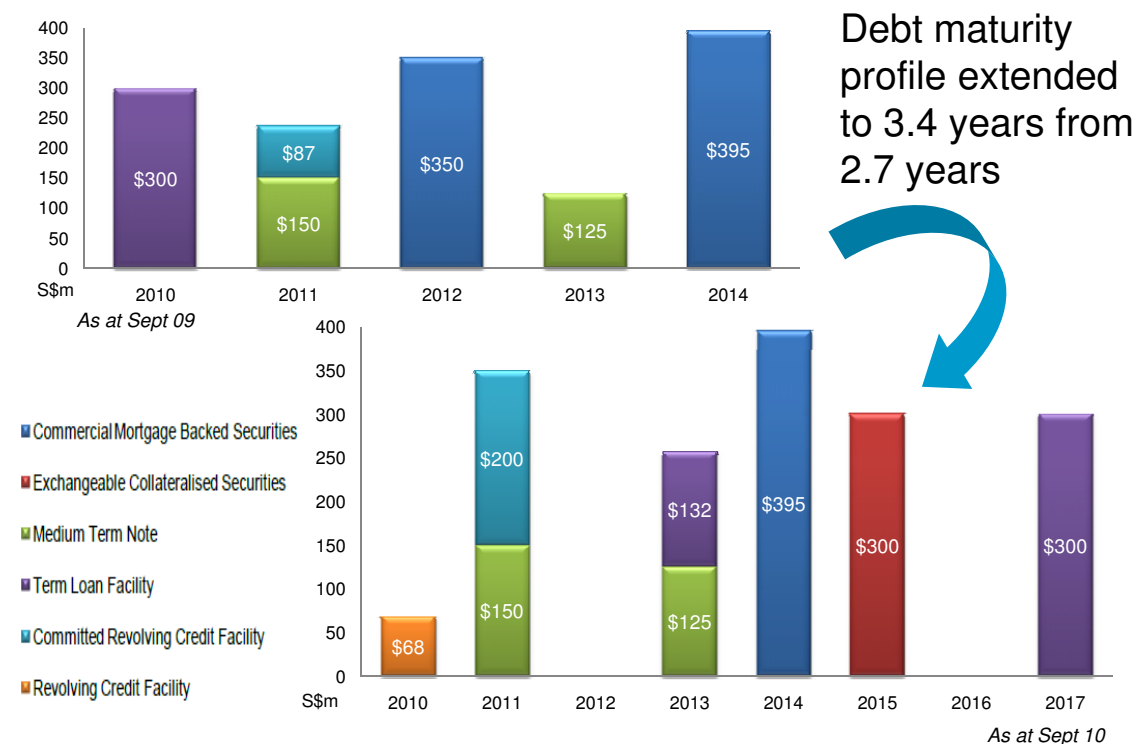
Notes:

(1) Difference between total debt and aggregate leverage is deferred payments of acquisition price on certain properties

(2) Including annual maintenance costs and amortization of establishment cost of loans

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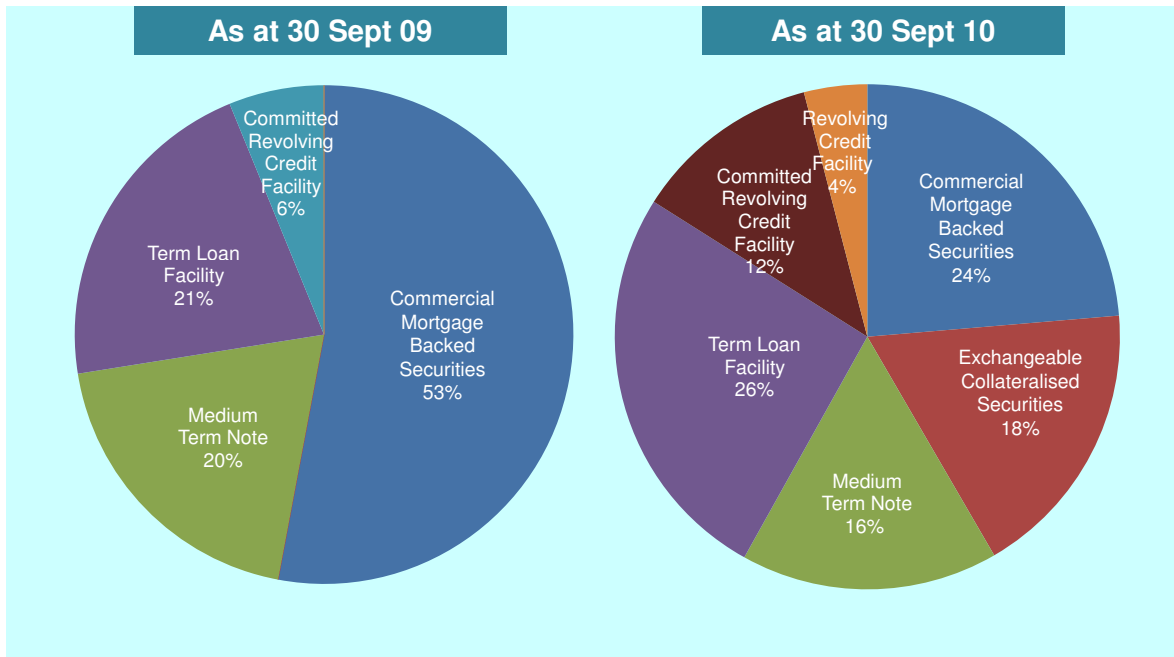
Extended Debt Maturity Profile



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Diversified Sources of Funding

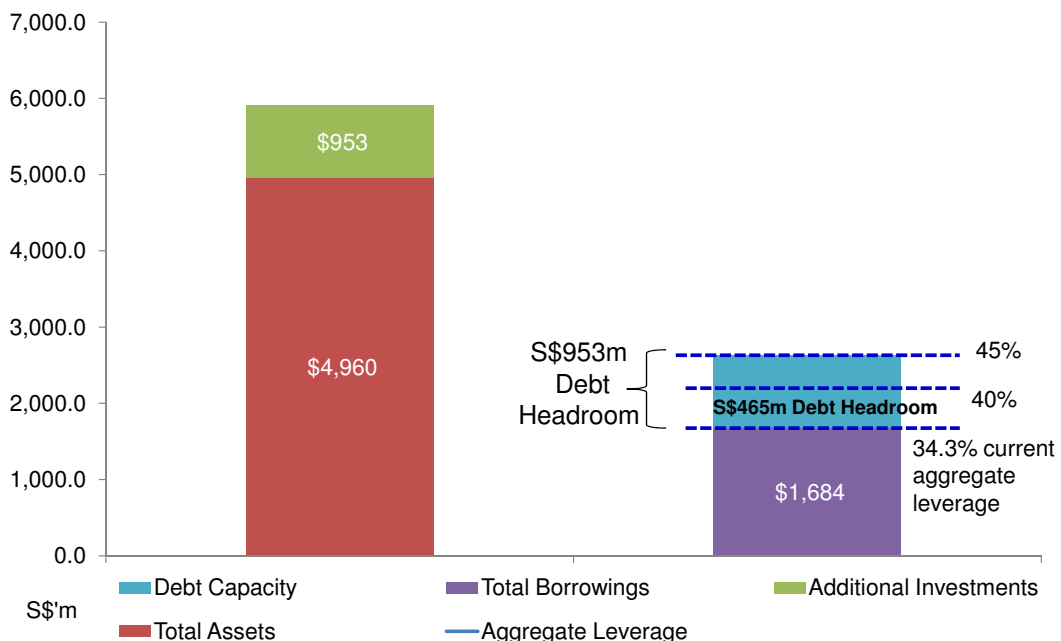
Each funding source accounts for not more than 26.0%



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Debt Headroom for Investments

- Ample debt headroom to fund potential investment opportunities
- Debt headroom of S\$953m to reach 45% aggregate leverage



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Investments Highlights

- Asset enhancement initiatives (“AEI”) to capitalize on under-utilized plot ratio to create additional lettable area and to reposition buildings for higher value usage
- Total expected investments for AEI of S\$97.0m with estimated weighted yield in excess of 8.5%

Development in Progress	Est. Cost (S\$m)	Expected Commencement	Expected Completion
Phase 2, Plot 8 Changi Business Park	37.4	In-progress	4Q FY10/11
Asset Enhancements			
1 Senoko Ave	59.0	In-progress	4Q FY11/12
Techview	4.3	3Q FY10/11	1Q FY11/12
Phase 1, 10 Toh Guan Road	33.7	4Q FY10/11	3Q FY11/12
Phase 2, 10 Toh Guan Road		2Q FY11/12	2Q FY12/13
Total Estimated Cost	134.4		

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Development in Progress – Phase 2, Plot 8 Changi Business Park

- Citibank N.A. space commitment increased from 50% to 100%
- Lease term of 6+3+3 years with annual rental escalation



June 2010



September 2010



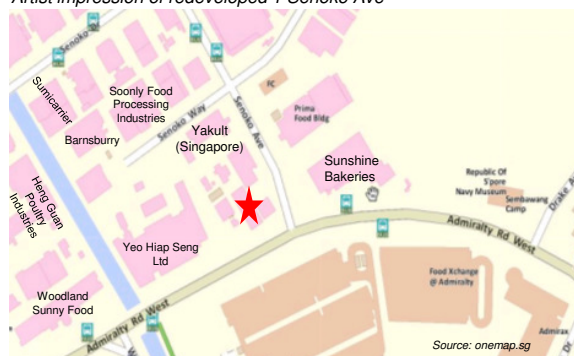
Artist impression:
Phase 1 (building on the left) was completed in Sept 2009 and is fully occupied by Citibank N.A.

Asset Enhancement - 1 Senoko Ave

Location	At junction of Admiralty Road West and Senoko Avenue. Located within designated food zone in the north of Singapore. Easily accessible by major expressways
Land area	17,344 sqm
GFA (est)	43,362 sqm
NLA (est)	39,025 sqm
Intended asset enhancement outcome	<ul style="list-style-type: none"> • Maximise plot ratio from 0.6x to maximum of 2.5x, creating an additional GFA of 34,519 sqm • Reposition building as a food hub for the food & beverages industry • Address relative lack of suitable food processing space in Singapore



Artist impression of redeveloped 1 Senoko Ave



Location Map of 1 Senoko Ave

Asset Enhancement - 1 Senoko Ave



Property before demolition



Aug 2010: Completion of demolition works



Sept 2010: Commencement of piling works



Artist Impression of the redeveloped 1 Senoko Ave

Planned Asset Enhancement - Techview



Location Map of Techview

- Located at 1 Kaki Bukit View (eastern part of Singapore) and within 5 mins drive to major expressways
- Will benefit from the announced Kaki Bukit Station (expected completion in 2017). Techview will have an MRT station exit within its compound
- Reconfigure floor plates to create a courtyard on upper levels to enhance attractiveness and value of the property



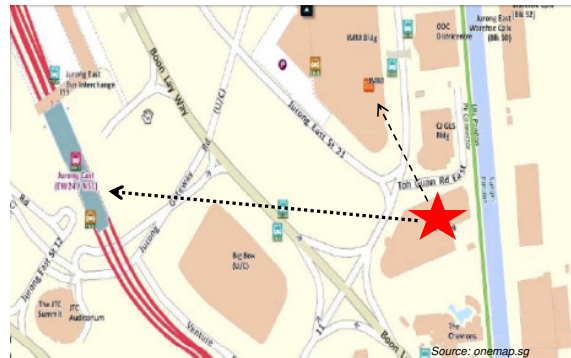
Floor plates to be reconfigured



Asset Enhancement - New Courtyard Perspective

Planned Asset Enhancement - 10 Toh Guan Road

- Within walking distance to Jurong East MRT station and major retail mall. This area is earmarked by the Government as a major regional centre (Jurong Lake District)
- Property to undergo asset enhancement over two phases to reposition for higher value usage
- Plan is subject to approval of relevant authorities



Property within walking distance to MRT Station & retail mall



Existing Building



Artist Impression

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Healthy Occupancy; Long Leases

- Occupancy rates remained healthy
- Total new leases doubled year-on-year
- New lease commitments of about 14,783 sqm after 30 Sept 2010

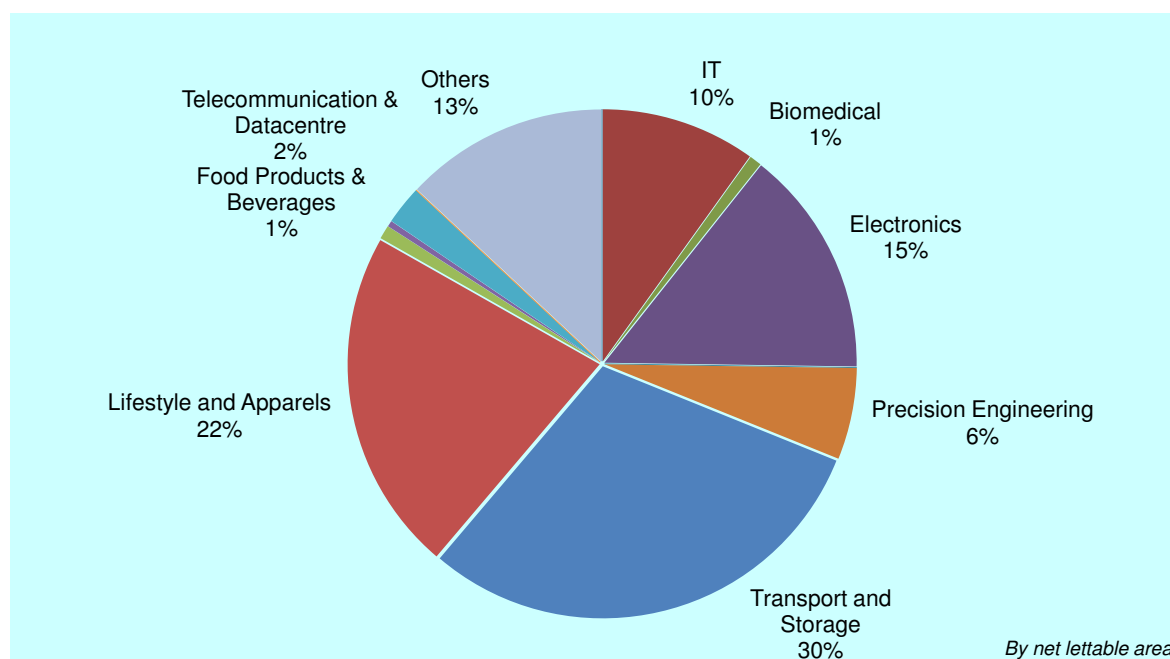
	As at 30 Sept 10	As at 30 Sept 09
Total Portfolio GFA (sqm)	2,392,535	2,313,918
Portfolio occupancy	95.3%	96.8%
MTB ⁽¹⁾ occupancy	90.5%	93.3%
Total renewals/new leases (sqm)	116,911 ⁽³⁾	78,378 ⁽²⁾
- Total New leases/Expansions (sqm)	45,046 ⁽³⁾	22,293 ⁽²⁾
- Total Renewals (sqm)	71,865 ⁽³⁾	56,085 ⁽²⁾
Weighted Average Lease to Expiry (yrs)	5.0	4.9

Notes :

- 1) MTB refers to multi-tenanted buildings which account for about 55% of portfolio value
- 2) For the three months ended 30 Sept 2010
- 3) For the three months ended 30 Sept 2009

2Q FY2010/11 Sources of New Demand

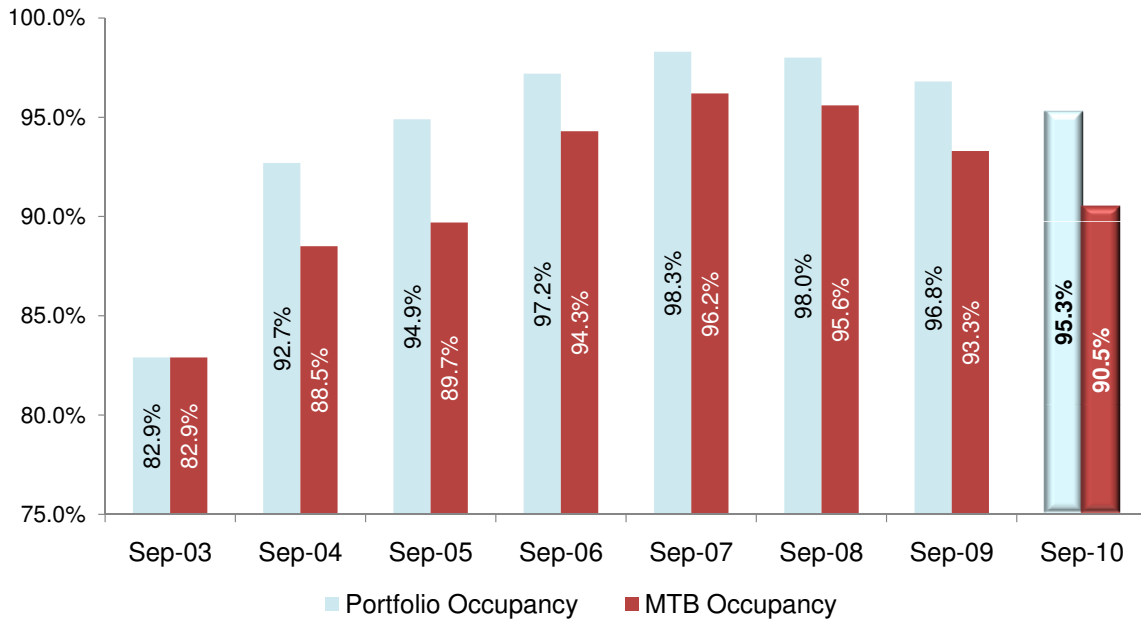
Continues to attract demand from new tenants in various sectors



Historical Occupancy Trend



- Healthy occupancy since IPO
- Portfolio occupancy outlook is positive if economic performance is sustained

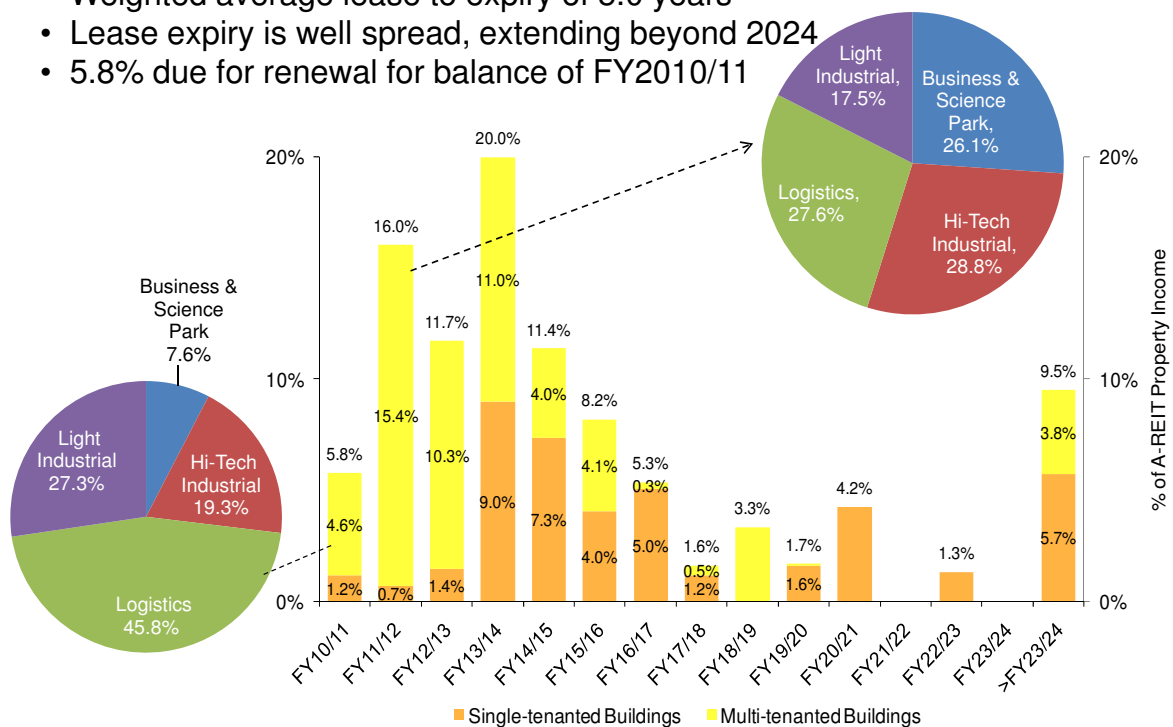


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Lease Expiry Profile as at 30 Sept 2010



- Weighted average lease to expiry of 5.0 years
- Lease expiry is well spread, extending beyond 2024
- 5.8% due for renewal for balance of FY2010/11



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