a-reit
ascendas reit

2Q FY11/12
Financial Results Presentation
17 October 2011

Disclaimers

This material shall be read in conjunction with A-REIT's financial statements for the financial period ended 30 September 2011.

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 in A-REIT ("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.

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

2Q FY11/12 Key Highlights

- 2Q FY11/12 net property income increased by 7.9% y-o-y to S$90.6 million
- 2Q FY11/12 amount available for distribution increased by 14.1% y-o-y to S$70.5 million
- Year-to-date investments of approximately S$325.7 million
- Healthy aggregate leverage of 31.5%. Ample debt headroom available after funding all committed investments
- Renewed S$200 million committed revolving credit facility due in Nov 2011 for a further 5 years
- Occupancy rates improved to 96.4% for the portfolio and 93.0% for the multi-tenanted buildings
- Achieved positive rental reversion of between 1.8% and 11.6% across all segments of the portfolio

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2Q FY11/12 vs 2Q FY10/11

(S$'000)	2Q FY11/12[1]	2Q FY10/11[1]	% inc/(dec)
Gross revenue[2]	121,727	111,080	9.6
Less: Property operating expenses[3]	(31,161)	(27,143)	14.8
Net property income	**90,566**	**83,937**	**7.9**
Interest expense[4]	(15,213)	(16,959)	(10.3)
Other borrowing costs[5]	(992)	(84)	1081.0
Non-property expenses[6]	(6,713)	(6,292)	6.7
Net income	**67,648**	**60,602**	**11.6**
Foreign exchange loss[7]	(15,648)	-	nm
Net change in fair value of collateral loan	8,691	(25,961)	(133.5)
Net change in fair value of financial derivatives	4,438[8]	2,820	57.4
Net appreciation on revaluation of investment properties under development	-	5,819[9]	nm
Total return for the period before income tax	**65,129**	**43,280**	**50.5**

Notes:
(1) Based on 94 properties as at 30 Sep 2011 and 92 properties as at 30 Sep 2010
(2) Gross revenue increase mainly due to completion of development project and acquisition since Sep 2010
(3) Property operating expenses are higher in 2Q FY11/12 due to increased number of properties from the completion of development project and acquisitions since Sep 2010, higher electricity charges and changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted since 30 Sep 2010
(4) Interest expense decreases mainly due to lower interest rates
(5) Other borrowing costs increase mainly due to a loss in accretion adjustments on deferred payments and security deposits in 2Q FY11/12 vs a gain recognized in 2Q FY10/11
(6) Non-property expenses include base management fee, trust expenses and net of interest income. The increase is due to higher management fees due to higher deposited property value
(7) Foreign exchange loss relates to translation of JPY9.6 billion medium term notes as at 30 Sep 11. The foreign exchange risk of these notes is fully hedged
(8) Net change in fair value of financial derivatives comprise fair valuation gain on cross currency swap of $18.2m and fair valuation loss on interest rates swaps of $13.8m
(9) Net appreciation on revaluation of investment properties under development relates to the recognition of fair value gain on revaluation of investment properties under development in accordance with FRS 40, offset with a depreciation in value of 1 Senoko Avenue following the demolition of the building for re-development in Sep 2010

DPU - 2Q FY11/12 vs 2Q FY10/11

(S$'000)	2Q FY11/12[1]	2Q FY10/11[1]	% inc/(dec)
Total return for the period before income tax	**65,129**	**43,280**	**50.5**
Income tax expense[2]	(205)	-	nm
Total return for the period after income tax	**64,924**	**43,280**	**50.0**
Net non tax deductible expenses/(taxable income) and other adjustments[3]	13,256	(331)	nm
Net change in fair value of collateral loan	(8,691)	25,961	(133.5)
Net appreciation on revaluation of investment properties under development	-	(5,819)[4]	nm
Income available for distribution	**69,489**	**63,091**	**10.1**
Distribution from capital[5]	1,001	-	nm
Total amount available for distribution	**70,490**	**61,800[6]**	**14.1**
No. of units in issue (m)	2,082.4	1,873.1	11.2
Distribution Per Unit (cents)	3.38	3.30	2.4

Notes:
(1) Based on 94 properties as at 30 Sep 2011 and 92 properties as at 30 Sep 2010
(2) Income tax expense relates to deferred tax provided on the timing differences between the tax base of a finance lease receivable and its carrying amount for financial reporting purposes
(3) Movement in net non tax deductible expense/taxable income and other adjustments in 2Q FY11/12 is due to a fair value gain on collateral loan in 2Q FY11/12 vs a loss in 2Q FY10/11
(4) Net appreciation on revaluation of investment properties under development relates to the recognition of fair value gain on revaluation of investment properties under development in accordance with FRS 40, offset with a depreciation in value of 1 Senoko Avenue following the demolition of the building for re-development in Sep 2010
(5) This relates to 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
(6) For 2Q FY10/11, total amount available for distribution excluded interest income of $1.3m from a finance lease granted to a tenant. This income was retained pending further discussion with IRAS on the tax transparency treatment and was subsequently distributed in 4Q FY10/11

2Q FY11/12 vs 1Q FY11/12

(S$'000)	2Q FY11/12[1]	1Q FY11/12[1]	% inc/(dec)
Gross revenue[2]	121,727	119,939	1.5
Less: Property operating expenses	(31,161)	(31,163)	0.0
Net property income	**90,566**	**88,776**	**2.0**
Interest expense	(15,213)	(15,113)	0.7
Other borrowing costs[3]	(992)	(245)	304.9
Non-property expenses[4]	(6,713)	(7,277)	(7.8)
Net income	**67,648**	**66,141**	**2.3**
Foreign exchange loss [5]	(15,648)	(672)	nm
Net change in fair value of collateral loan	8,691	2,115	310.9
Net change in fair value of financial derivatives	4,438[6]	6,900	(35.7)
Total return for the period before income tax	**65,129**	**74,484**	**(12.6)**

Notes:
(1) Based on 94 properties as at 30 Sep 2011 and 93 properties as at 30 Jun 2011
(2) Gross revenue increase mainly due to revenue contribution from an acquisition which was completed in Jul 2011
(3) Other borrowing costs increase due to a loss in accretion adjustments on deferred payment and security deposits in 2Q FY11/12 vs a gain recognized in 1Q FY11/12
(4) Non-property expenses are lower in 2Q FY11/12 as 1Q FY11/12 included due diligence costs of $0.9m
(5) Foreign exchange loss relates to translation of JPY9.6 billion medium term notes at the respective periods. The foreign exchange risk of these notes is fully hedged
(6) Net change in fair value of financial derivatives comprise fair valuation gain on cross currency swap of $18.2m and fair valuation loss on interest rates swaps of $13.8m

DPU - 2Q FY11/12 vs 1Q FY10/11

(S$'000)	2Q FY11/12[1]	1Q FY11/12[1]	% inc/(dec)
Total return for the period before income tax	65,129	74,484	(12.6)
Income tax expense[2]	(205)	(206)	(0.5)
Total return for the period after income tax	**64,924**	**74,278**	**(12.6)**
Net non (taxable income)/tax deductible expenses and other adjustments[3]	13,256	(7,259)	(282.6)
Net change in fair value of collateral loan	(8,691)	(2,115)	310.9
Income available for distribution	**69,489**	**64,904**	**7.1**
Distribution from capital[4]	1,001	1,006	(0.5)
Total amount available for distribution	**70,490**	**65,910**	**6.9**
No. of units in issue (m)	2,082.4	2,082.4	-
Distribution Per Unit (cents)	**3.38**	**3.20**	**5.6**

Notes:
(1) Based on 94 properties as at 30 Sep 2011 and 93 properties as at 30 Jun 2011
(2) Income tax expense relates to deferred tax provided on the timing difference between the tax base of a finance lease receivable and its carrying amount for financial reporting purpose.
(3) The movement in net non taxable income/tax deductible expenses and other adjustments is mainly due to foreign exchange loss arising from the translation of JPY9.6 billion Medium Term Notes in 2Q FY11/12
(4) This relates to 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.

Distribution Details

Stock Counter	Distribution Period	Income distribution per unit	Capital distribution per unit [1]	Total
Ascendas REIT	1 July 2011 to 30 September 2011	3.33	0.05	3.38

Distribution Timetable

Last day of trading on "cum" basis	20 October 2011
Ex-date	21 October 2011
Books closure date	25 October 2011
Distribution payment date	25 November 2011

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Investment Highlights

Sector	Acquisitions	Value (S$m)	Status	
Business Park	Nordic European Centre	121.6	Completed on 8 July 2011	
Business Park	Ascendas Z-Link in Beijing, China	61.8	Completed on 3 Oct 2011	
Business Park	Forward Purchase of a Business Park Property at Jinqiao, Shanghai, China	117.6	Expected completion in 2H FY12/13	
Total (Acquisitions)		**301.0**		
Sector	**Developments**	**Est. Cost (S$m)**	**Expected Commencement**	**Expected Completion**
Logistics	FedEx Singapore Regional Hub	35.9	Started	4Q FY11/12
Business Park	Unilever Four Acres Singapore	32.3	Started	4Q FY12/13
Business Park	Business Park facility at Fusionopolis	110.0*	3Q FY11/12	2H FY13/14
Total (Developments)		**178.2**		
Asset Enhancements				
Food Axis @ Senoko		59.0	Started	4Q FY11/12
Phase 1, 10 Toh Guan Road		33.7	Started	4Q FY11/12
Phase 2, 10 Toh Guan Road			2Q FY11/12	2Q FY12/13
Total (Asset Enhancements)		**92.7**		

* Note: S$110.0m refers to land cost only. Construction contract is yet to be awarded.

Development Highlights:
FedEx Singapore Regional Hub


Jun 2011

- Located at the eastern part of Singapore. In close proximity to the Airport Logistics Park of Singapore
- Development of a part 1-storey, part 2-storey air cargo express facility
- GFA of 26,277 sqm
- 100% committed by FedEx for 10 years with annual rental reversion and option to renew for another 2 terms of 5 years each
- Expected completion : 4Q FY11/12


Sept 2011


Artist impression

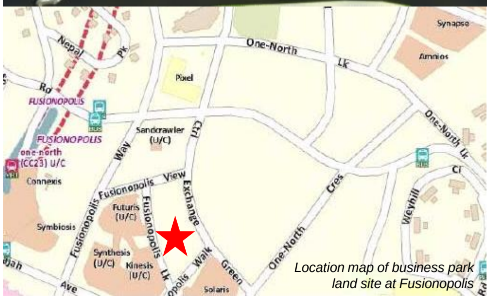
Development Highlights:
Unilever Four Acres Singapore

- Built-to-suit facility for Unilever Asia Private Limited
- Unilever's first global leadership development centre in Asia and second in the world
- Land area of 22,950 sqm
- Total GFA of about 9,180 sqm comprising a 3-storey training block, a 1-storey business and recreational centre and 10 black-and-white bungalows


Artist impression of Four Acres Singapore

Development Highlights:
Business Park development at Fusionopolis


Artist impression



Location map of business park land site at Fusionopolis

Concept	2 blocks of 6-storey business park and office-mix use development with basement car parks, a landscape skybridge at 3rd storey and a central landscape plaza at 1st storey
Location	Within one-north masterplan area in the central part of Singapore. Easily accessible via major expressways and proximity to the one-north Mass Rapid Transit station
Land Cost*	S$110 million
Land area	6,253 sqm
Expected GFA	25,510 sqm
Expected NLA	20,653 sqm
Expected completion	2H FY13/14

* Construction contract yet to be awarded

Asset Enhancements


Artist Impression


Artist Impression

	Food Axis @ Senoko	Phase 1 & 2, 10 Toh Guan Road
Concept	• Redevelop to maximise plot ratio from 0.6x to maximum of 2.5x, creating an additional GFA of 34,519 sqm • Total GFA of 43,362 sqm	• To reposition property for higher value usage over two phases through the removal of the existing automated storage & retrieval system • Create more parking space and enhancement of exterior façade
Location	• 1 Senoko Ave, in the northern part of Singapore. Easily accessible by major expressways	• Within walking distance to Jurong East MRT station and major retail malls • Sited within the new regional centre of Jurong Lake District
Est Dev Cost	S$59.0 million	S$33.7 million
Status	• In progress. • Expected completion in 4Q FY11/12 • Pre-commitment for about 8% of space	• In progress. • Phase 1 expected completion in 4Q FY11/12 • Phase 2 expected completion in 2Q FY12/13

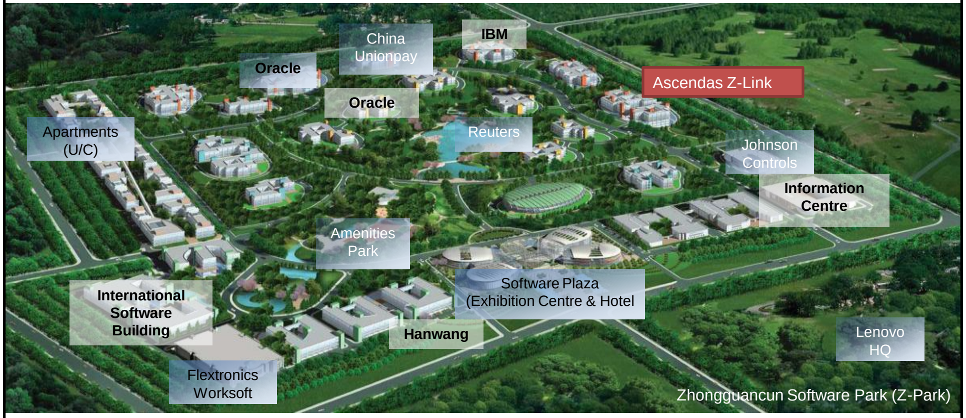
Acquisition Highlights:
Ascendas Z-Link (completed 3 Oct)

Location	No. 8 Dongbeiwang West Road, Zhongguancun Software Park (Z-Park), Beijing, China
Specifications	3-storey multi-tenanted business park building with four inter-connecting blocks and one level basement car park.
Accessibility	Five minutes drive to the 5th Ring Road and Badaling Expressway and about 15 minutes walk to the Metro Light Railway Xi Er Qi (西二旗) Station.
Occupancy	100% by prominent tenants such as Baidu.com and Raisecom
Leasable Area	27,450 sqm
Purchase Price	RMB300 million (approx S$61.8 million)

Ascendas Z-Link in Zhongguancun Software Park (Z-Park)

South and north-east view of Ascendas Z-Link

Acquisition Highlights:
Ascendas Z-Link



About Z-Park

- Dubbed China's homegrown Silicon Valley
- 1.19 km^2 comprising the Software R&D Zone and Enterprise Incubation and Comprehensive Management and Service Zone. State-level park sponsored by the Ministry of Information Industry and Beijing's municipal government
- Close proximity to global IT leaders and China's top universities including Peking University and Tsinghua University

Acquisition Highlight:
Forward purchase of business park property in China

Details	Forward purchase of business park property at Jinqiao within JEPZ, Pudong New District, Shanghai, China
Specifications	GFA of 79,880 sqm to be built over 8 blocks
Location	Located in North Jinqiao and within the Jinqiao Export and Processing Zone Near the Waihuan (External Ring) Expressway and 30km from Pudong International Airport. In close proximity to a Line 9 subway station
Targeted tenants	MNCs and large local enterprises
Leasable Area	79,880 sqm
Purchase Price	S$117.6 million
Expected completion	2H FY12/13

Artist impression of the Business Park Property

Location Map of Jinqiao Export Processing Zone

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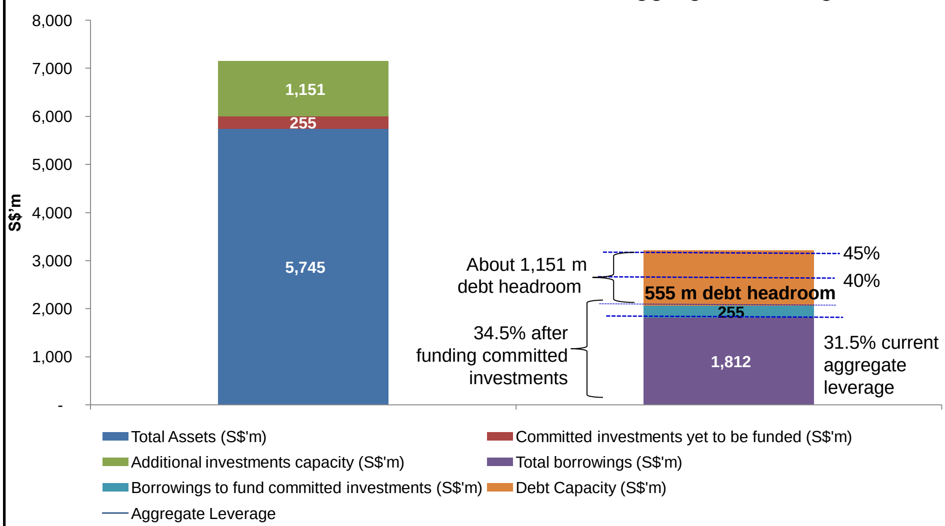
Strong Balance Sheet

(S$ mil)	As at 30 Sept 11	As at 30 Sept 10
Total Assets	5,745	4,906
Net assets attributable to unitholders	3,690	2,942
Aggregate Leverage[1]	1,812	1,684
	31.5%	34.3%
Net asset value per unit	**177 cents**	**157 cents**
Units in Issue (mil)	**2,082.4**	**1,873.1**

Note:
(1) Aggregate leverage includes deferred payment on purchase price of properties

Debt Headroom for Investments

- Ample debt headroom to fund potential investment opportunities
- After funding of committed investments of about S$255 million, debt headroom of about S$555 million to reach 40% aggregate leverage



Asset Value:
Cap rate / Aggregate leverage analysis

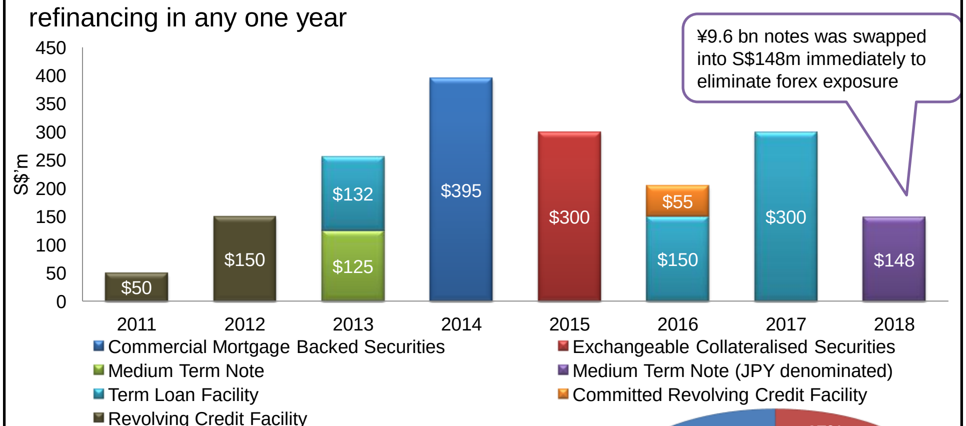
Every 0.10% expansion in cap rate is expected to decrease asset value by about 1.5% and increase leverage by about 0.5%

Cap rate increase(1)	Decrease in asset value	Incremental impact on aggregate leverage(2)	Expected decline in NAV (3) (S$)
0.10%	1.5%	0.5%	0.04
0.15%	2.2%	0.7%	0.06
0.20%	2.9%	0.9%	0.08
0.25%	3.6%	1.1%	0.09

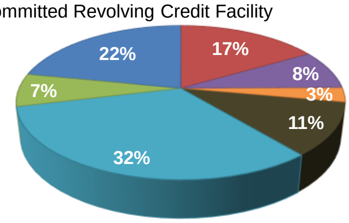
(1) Based on the valuation of 93 properties as at 31 March 2011 and average portfolio cap rate of 6.7%
(2) Based on total borrowings as at 30 September 2011
(3) Based on NAV of S$1.77 and outstanding units as at 30 September 2011

Debt Maturity Profile

Well-balanced debt maturity profile with not more than S$400m due for refinancing in any one year



- About 38.5% of total debts are on secured basis. 56.3% of A-REIT's total assets are unencumbered
- A balance of debt instruments and bank loans. Bank loans account for about 46% of total debt of which 76% are committed facilities



Interest Rate Risk Management

- 75.9% of interest rate exposure fixed for the next 3.8 years
- Secured loan is about 12.1% of total assets

	30 Sept 11	30 Sept 10
Aggregate leverage	31.5%	34.3%
Total debt [1]	S$1,805m	S$1,670m
Fixed as a % of total debt	75.9%	100.0%
Weighted average all-in funding cost [2]	3.11%	3.92%
Weighted average term of debt	3.4 years	3.4 years
Weighted average term of fixed debt	3.8 years	2.9 years
Interest cover ratio (times)	5.3	4.6
Unencumbered assets as % of total investment properties	56.3%	52.8%

Notes:
(1) Difference between total debt and aggregate leverage is deferred payments of purchase price of properties
(2) Including annual maintenance costs and amortisation of establishment cost of loans

Interest Rate Sensitivity

- 75.9% of debt is hedged into fixed rate for the next 3.8 years.
- Every 0.2% increase in interest rate is expected to decrease DPU by 0.042 cent per annum

Increase in Interest rate	Expected resultant weighted average funding cost	Expected impact on DPU (cents)*
0.2%	3.16%	(0.042)
0.4%	3.21%	(0.084)
0.6%	3.26%	(0.125)
0.8%	3.30%	(0.167)

** Based on number of units in issue as at 30 Sept 2011.*

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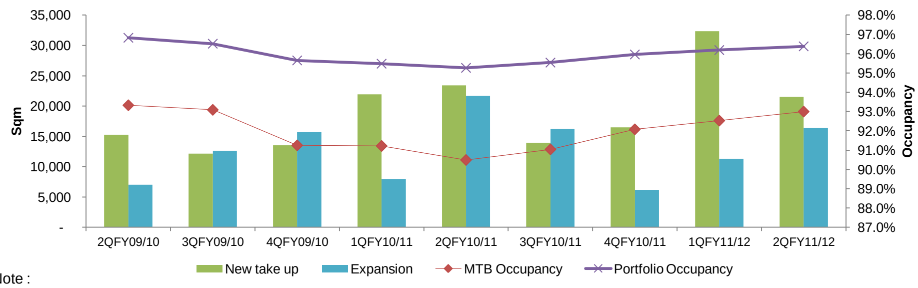
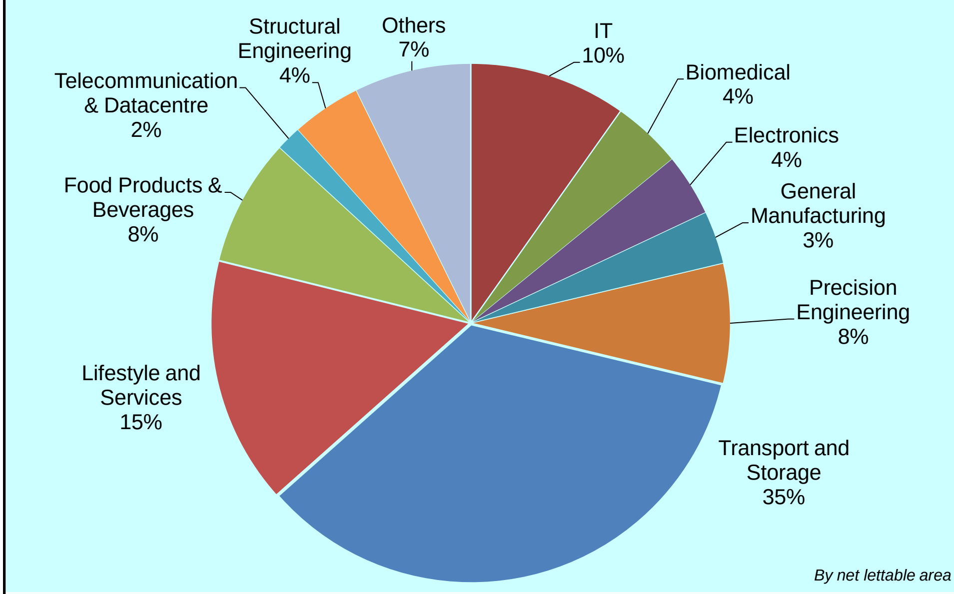
Healthy Occupancy; Long Leases

	As at 30 Sept 11	As at 30 Sept 10
Total Portfolio GFA (sqm)	2,491,049	2,392,535
Portfolio occupancy MTB[1] occupancy	96.4% 93.0%	95.3% 90.5%
Total renewals/new leases (sqm) - Total New leases/Expansions (sqm) - Total Renewals (sqm)	90,964 37,905[2] 53,059[2]	116,911 45,046[3] 71,865[3]
Weighted Average Lease to Expiry (yrs)	4.3	5.0



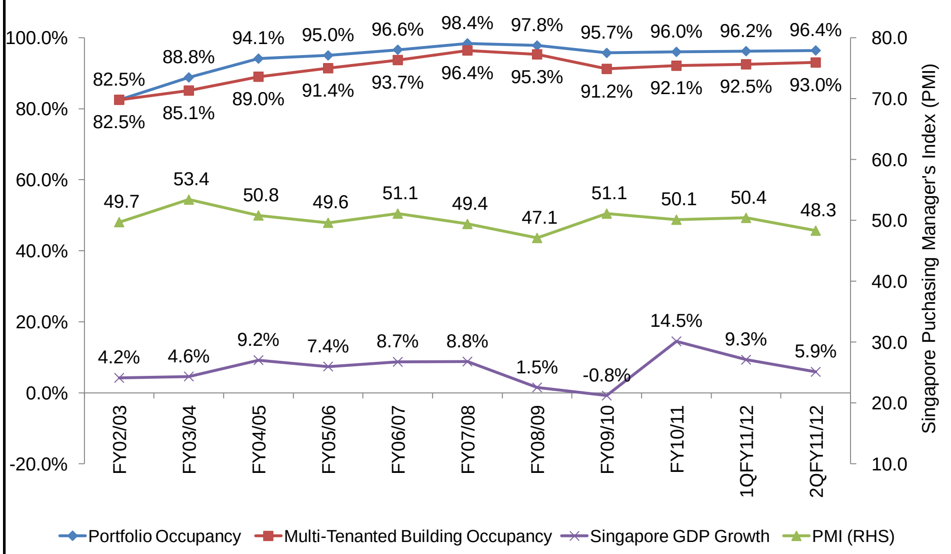
Note :
1) MTB refers to multi-tenanted buildings which account for about 58% of portfolio value
2) For the three months ended 30 Sept 2011
3) For the three months ended 30 Sept 2010

2Q FY11/12 Sources of New Demand



By net lettable area

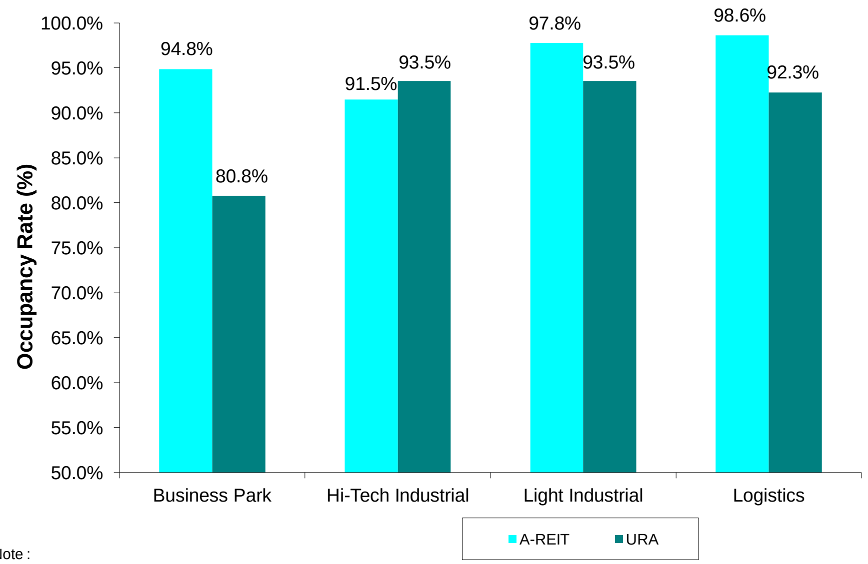
Healthy & Stable Occupancy Rates



Note: Singapore GDP Growth is based on calendar year.
PMI is based on the last month of the respective quarter.

Source: Singapore Purchasing Manager's Index (PMI), Singapore Department of Statistics, Singapore Ministry of Trade & Industry and A-REIT

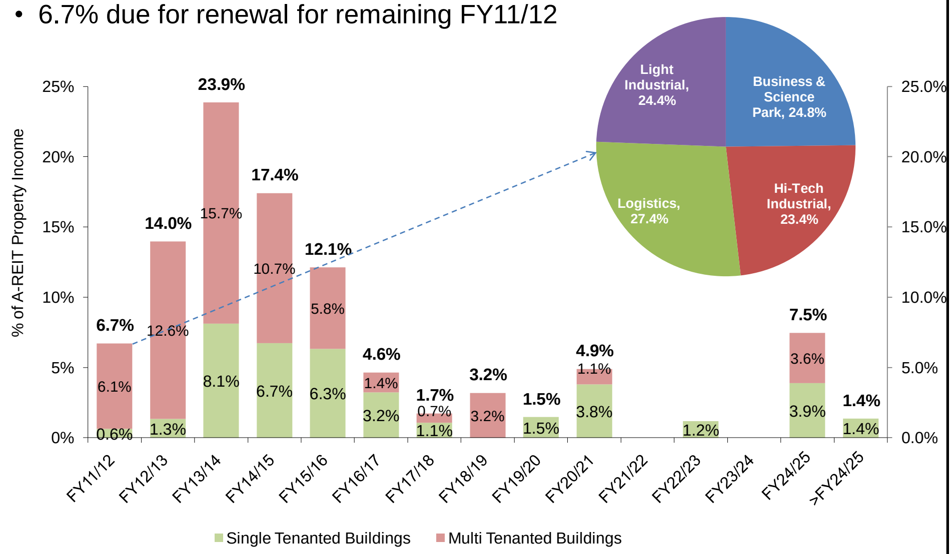
A-REIT vs Industrial Average Occupancy



Note :
A-REIT as at 30 September 2011; URA as at 2Q2011
URA statistics do not breakdown Hi-Tech Industrial and Light Industrial, ie they are treated as one category with occupancy of 93.5%

Lease Expiry Profile as at 30 Sept 2011

- Weighted average lease to expiry of 4.3 years
- Lease expiry is well spread, extending beyond 2024
- 6.7% due for renewal for remaining FY11/12



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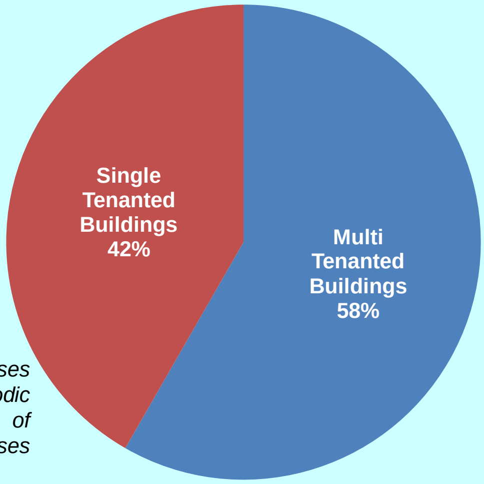
Well Diversified Portfolio
- by Lease Tenure



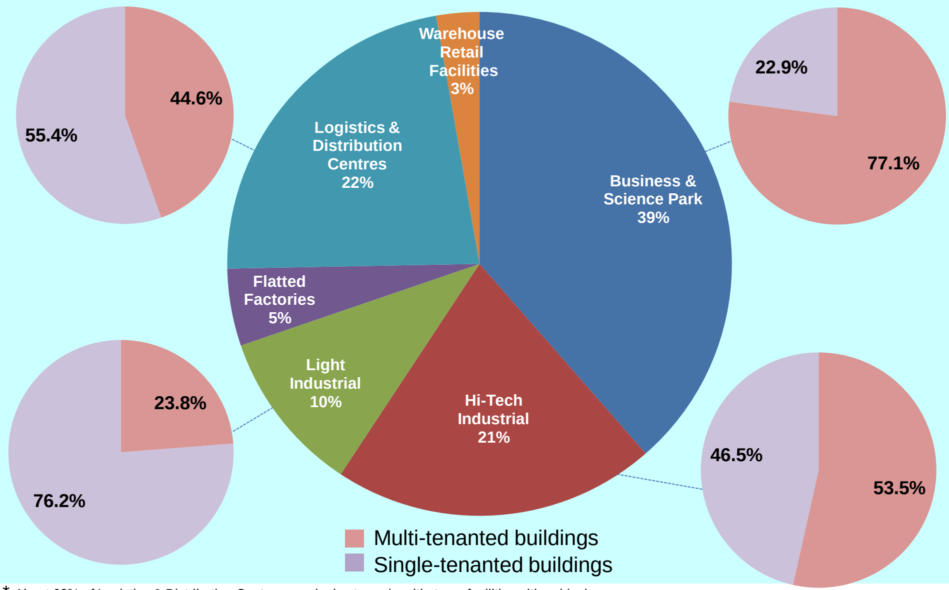
Typically 3-year rolling leases

Long term leases typically with periodic rental escalation, of which 33% of leases are pegged to CPI

Mix of Single-tenanted vs Multi-tenanted Buildings

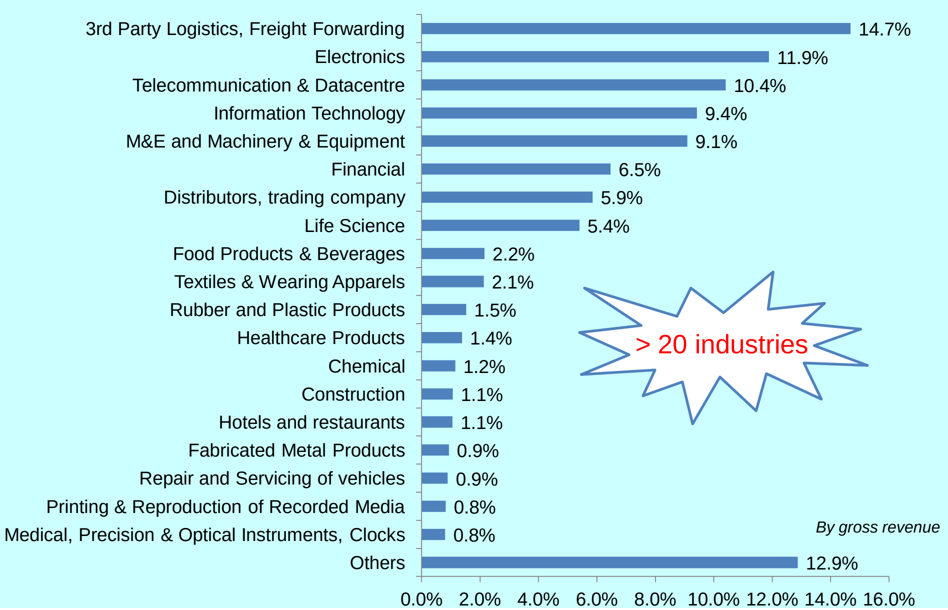
by asset value

Well Diversified Portfolio
- by Asset Value



* About 62% of Logistics & Distribution Centres are single storey / multi-storey facilities with vehicular ramp access

Tenants' Industry Diversification

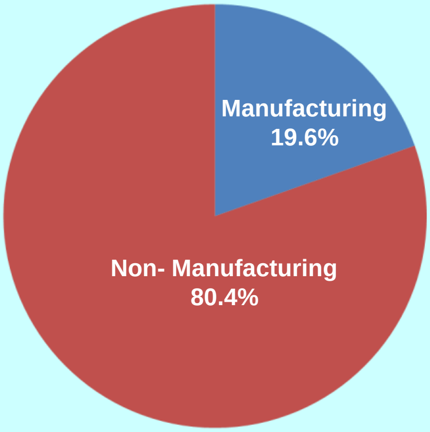


*Note: Others include shipping, technology support industries, testing & certification and technical centre for systems and repair as well as tenants in the warehouse retail facilities

Low exposure to conventional manufacturing

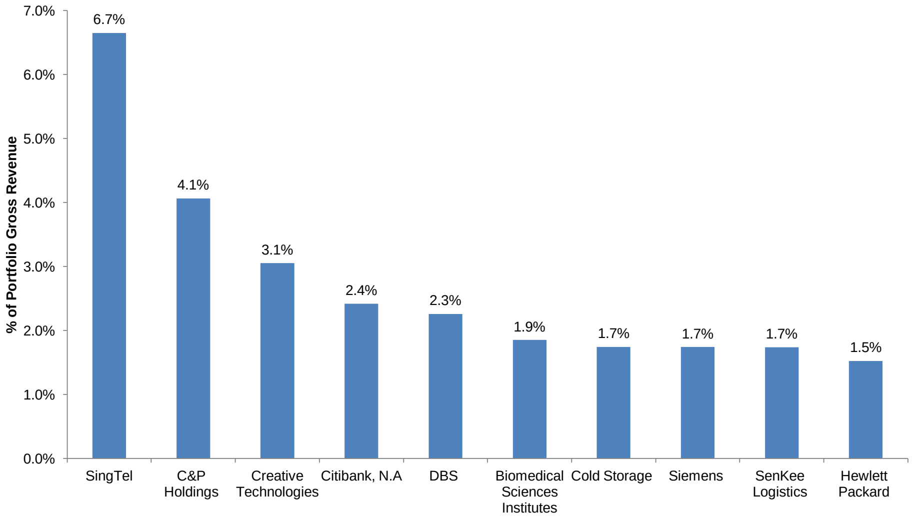
2Q FY11/12 tenants' business activities by net lettable area

- 19.6% of NLA occupied by tenants engaged in conventional manufacturing activities
- Manufacturing activities include food & beverages, aeronautical auxiliary equipment, precision engineering etc.
- Non-manufacturing activities include R&D, backroom offices, telecommunications & data centre, software and media consultancy services as well as transport & storage



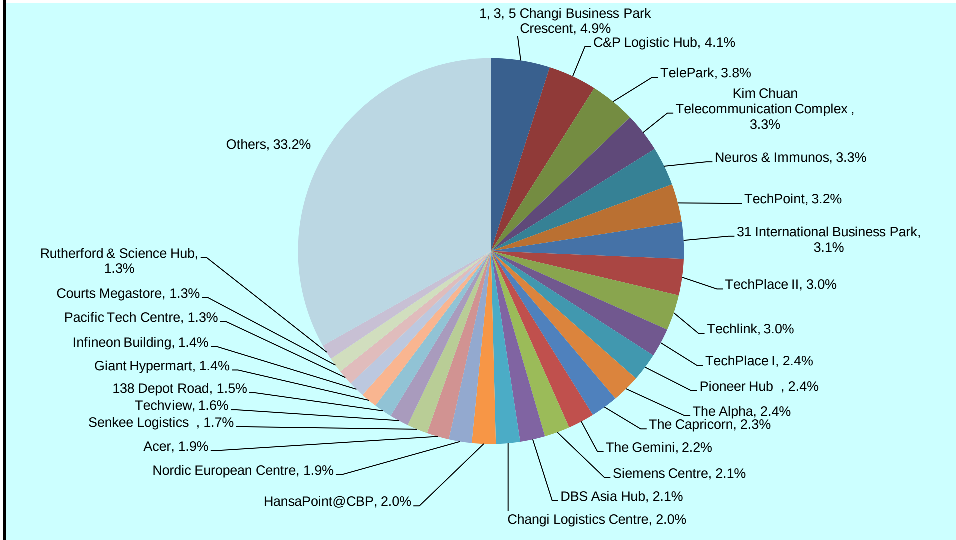
Quality and Diversified Tenant Base

- Total tenant base of over 1,000 tenants
- Top 10 tenants account for 27.1% of total portfolio income



Diversified Portfolio

No single property accounts for more than 4.9% of A-REIT's monthly gross revenue



Security Deposits for Single-tenanted Properties

- Weighted average security deposits for single-tenanted properties range from 6 to 12 months of rental income
- On a portfolio basis, weighted average security deposit is about 6 months of rental income

	No. of single tenanted properties	Weighted average security deposit* (no. of months)
Business & Science Parks	4	12
Hi-Tech Properties	8	6
Light Industrial	23	12
Logistics & Distribution Centres	12	10
Warehouse Retail Facilities	2	11
	49	**9**

* Excluding cases where rental is paid upfront

MTB Occupancy & Rental Rate:
NPI / DPU Sensitivity

A 2.0% change in MTB occupancy or rental rate is expected to result in a 1.5% change in portfolio net property income or about 0.25 cents change in DPU

% change in MTB occupancy / rental rates	Expected change in annualized MTB NPI (S$m)	Change in portfolio NPI (%)	Impact on full FY DPU (cents)*
2%	5.3	1.5%	0.25
4%	10.6	3.0%	0.51
6%	15.9	4.4%	0.76
8%	21.2	5.9%	1.02
10%	26.5	7.4%	1.27

**Based on number of units in issue as at 30 Sept 2011*

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- Key Highlights
- Financial Performance
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Segmental Rental Performance

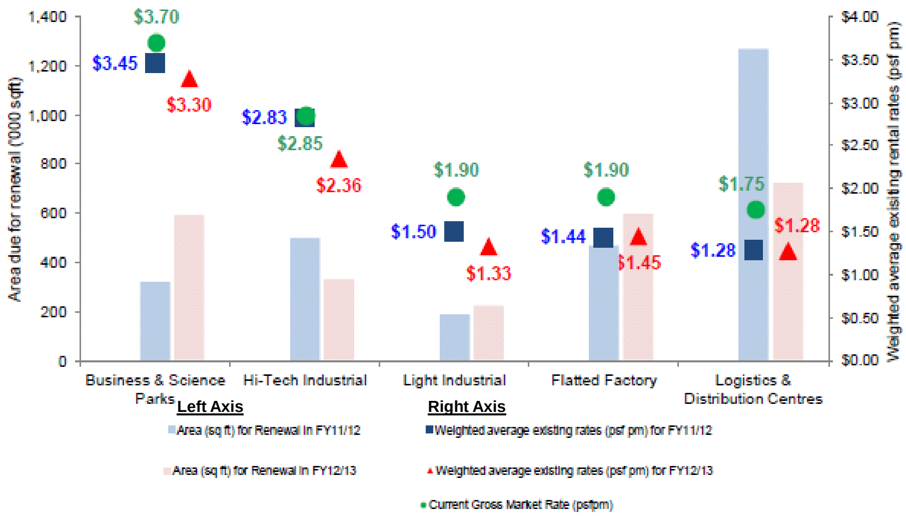
Positive rental reversions registered across all segments

Multi-tenanted properties	Net lettable area (sqm)	Vacant space (sqm)	YTD increase in renewal rates YTD (1)	2Q FY11/12 Increase in renewal rates (2)	Increase / (decrease) in new take up rates (3)
	As at 30 Sep 11				
Business & Science Park	316,714	22,391	↑ 6.4%	↑ 1.8%	↑ 1.0%
Hi-Tech Industrial	202,196	31,004	↑ 1.9%	↑ 2.8%	↑ 9.2%
Light Industrial	228,865	10,706	↑ 8.0%	↑ 11.0%	↑ 7.1%
Logistics & Distribution Centres	300,068	9,480	↑ 11.2%	↑ 11.6%	↓ (7.9)%(4)

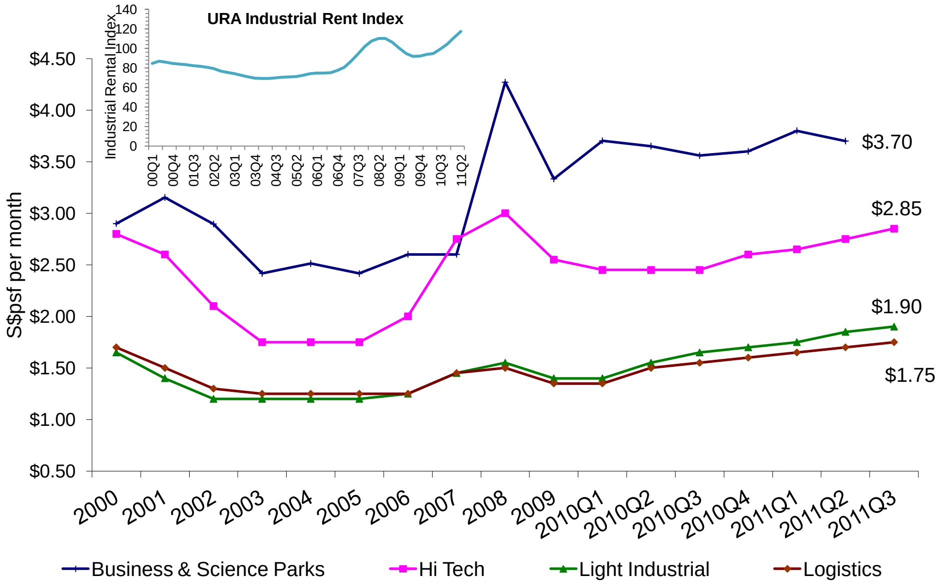
Notes :
(1) YTD FY11/12 renewal rental rates versus previous contracted rates
(2) 2Q FY11/12 renewal rental rates versus previous contracted rates
(3) Rental rates for new take up (including expansion by existing tenants) in 2Q FY11/12 versus rental rates achieved in 1Q FY10/11
(4) New take up rates in Logistics segment declined due to a built-to-suit tenant exercising its option to expand at the pre-committed rate. Excluding this, new take up rates would have increased by about 1.2%

In-place rent for space due for renewal in FY11/12 & FY12/13

- Current market rental rate is between about 12% and 40% higher than the passing rental for the area due for renewal in FY12/13



Average Market Gross Rents by Segment



Source : CBRE Singapore Market View 3Q 2011.
URA 2Q2011 Report for business park rental and Industrial Rental Index

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Market Outlook

- According to the Ministry of Trade & Industry's (MTI) advance estimates, the Singapore's economy grew by 5.3% year-on-year in 3Q 2011.
- The current global economic uncertainties and weak external environment is likely to persist, resulting in slower economic growth in the coming years for Singapore.
- As a result, MTI moderated its economic growth forecast for Singapore to 5% for 2011.
- According to the Singapore's Urban Redevelopment Authority, the industrial property market in Singapore continued to improve for the seventh consecutive quarters in 2Q2011, albeit at a slower pace compare to previous quarters.

Potential New Supply

- Current total stock is 38.1 m sqm
- Potential new supply of about 2.7 m sqm (7.1% of existing stock) of industrial space expected over next three years; majority of potential supply is pre-committed

Sector ('000 sqm)	New Supply (total)	2011	2012	2013
Business & Science Park	319	0	147	172
% pre-committed (est.)	48%	0%	37%	59%
Hi-tech Industrial*	102	32	57	14
% pre-committed (est.)	75%	50%	88%	75%
Light Industrial*	1,723	376	919	428
% pre-committed (est.)	77%	64%	78%	85%
Logistics & Distribution Centres	569	128	352	89
% pre-committed (est.)	65%	77%	72%	24%
Total pre-committed	**71%**			

**Excludes projects under 7,000 sqm*
Source: URA 2Q2011 Report, A-REIT internal research

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A-REIT's strengths

Diversity and Depth

- Largest business and industrial REIT in Singapore
- Solid and well diversified portfolio
  - ✓ Six property segments
  - ✓ Well-located quality properties
  - ✓ Balance of long term vs short term leases provides stability with potential for positive rental reversions
  - ✓ No single property accounts for more than 4.9% of revenue
  - ✓ High predictability and sustainability in income

Strong Sponsor

- Sponsor Ascendas has a track record of more than 20 years in this sector
- Committed sponsor and alignment of interest with A-REIT unitholders

A-REIT's strengths

- **Downside protection in earnings**
  - Stable portfolio with 93.3% of portfolio revenue committed and a portfolio average lease to expiry of about 4.3 years.
  - Mix of long term and short term leases provide earnings stability
    - ➢ Long term leases have a weighted average lease to expiry of about 6.2 years and are backed with an average of 9 months rent in security deposits
    - ➢ Long term leases have built-in rental escalation
  - Diversified portfolio capable of serving the needs of users in diverse sectors
  - No significant near term re-financing requirements
  - Limited exposure to fluctuations in interest rates

- **Hedge against Inflation**
  - 42% of leases are long term with periodic rental escalation, of which about 33% have CPI-pegged adjustments

A-REIT's strengths

Development capability

- Has capability and capacity to create own assets which could be more yield accretive than acquisitions of income producing properties

Operational platform (Property Manager, Ascendas Services Pte Ltd)

- Dedicated asset management, sales/marketing, leasing and property management team of over 100 people
- Possess in-depth understanding of this property sector

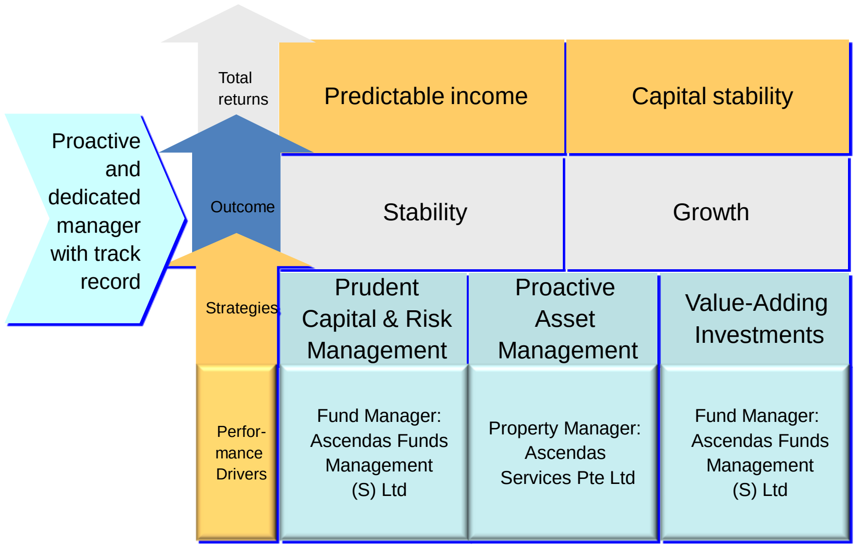
Customer focus

- Over 1,000 tenants from international and local companies
- Track record of customers growing with us

Size advantages

- Accounts for 10.8% of S-REIT market capitalization and 6.8% of Asian ex-Japan REIT sector
- Accounts for 10.3% of S-REIT total trading volume in 2Q FY11/12
- Included in major indices (e.g. MSCI, FTSE ST Mid Cap Index)

A-REIT's strategies



Thank you

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