



**A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

Ascendas Real Estate Investment Trust (A-REIT) is a real estate investment trust constituted by the Trust Deed entered into on 9 October 2002 between Ascendas Funds Management (S) Limited as the Manager of A-REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of A-REIT, as amended and restated.

Units in A-REIT were allotted in November 2002 based on a prospectus dated 5 November 2002. These units were subsequently listed on the Singapore Exchange Securities Trading Limited on 19 November 2002.

A-REIT and its subsidiaries (the "Group") have a diversified portfolio of 101 properties in Singapore and 1 property in Beijing, China, with a tenant base of over 1,200 customers across the following segments: Business & Science Park, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities.

The Group results include the consolidation of a 100% interest in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, Ascendas Hi-Tech Development (Beijing) Co., Limited ("AHTDBC"), which were acquired on 3 October 2011. The commentaries below are based on the Group results unless otherwise stated.

**SUMMARY OF A-REIT RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

	<b>Group</b>		
	01/04/12 to 31/12/12 S\$'000	01/04/11 to 31/12/11 S\$'000	Increase / (Decrease) %
Gross revenue	<b>430,454</b>	<b>368,949</b>	<b>16.7%</b>
Net property income	<b>308,697</b>	<b>273,216</b>	<b>13.0%</b>
Total amount available for distribution:	<b>236,713</b>	<b>208,870</b>	<b>13.3%</b>
- from operations	235,729	205,867	14.5%
- from capital (Note a)	984	3,003	(67.2%)
	Cents per Unit		
<b>Distribution per Unit ("DPU")</b>	FY12/13	FY11/12	Increase / (Decrease) %
For the quarter from 1 October to 31 December (Note b)	<b>3.62</b>	<b>3.48</b>	<b>4.0%</b>
- from operations	3.62	3.43	5.5%
- from capital	-	0.05	(100.0%)
For the nine months from 1 April to 31 December (Note b)	<b>10.68</b>	<b>10.06</b>	6.2%
- from operations	10.63	9.91	7.3%
- from capital	0.05	0.15	(66.7%)

**Footnotes**

- (a) This relates to a distribution which was classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate 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. In 2Q FY12/13, the Inland Revenue Authority of Singapore (“IRAS”) had ruled that the income received from the finance lease with a tenant qualifies for tax transparency treatment. Thus, the income from the finance lease with a tenant which is distributed will be classified as distribution from operations and not as capital distribution with effect from 2Q FY12/13.
- (b) 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 31 December 2012 and 31 December 2011. For more details on the collateral loan, please refer to Para 1(d)(ii) on Pages 17 and 18.

**DISTRIBUTION DETAILS**

Distribution period	1 October 2012 to 31 December 2012
Distribution Type	Income
Distribution amount	3.62 cents per unit
Book closure date	23 January 2013
Payment date	27 February 2013

**1(a) Statement of total return together with a comparative statement for the corresponding period of the immediate preceding financial year**

**1(a)(i) Statement of total return (3Q YTD FY12/13 vs 3Q YTD FY11/12)**

	Group			Trust		
	01/04/12 to 31/12/12 (Note a) S\$'000	01/04/11 to 31/12/11 (Note a) S\$'000	Increase / (Decrease) %	01/04/12 to 31/12/12 S\$'000	01/04/11 to 31/12/11 S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	430,454	368,949	16.7%	426,222	367,538	16.0%
Property services fees	(14,074)	(12,826)	9.7%	(13,827)	(12,722)	8.7%
Property tax	(27,573)	(22,241)	24.0%	(27,319)	(22,156)	23.3%
Other property operating expenses	(80,110)	(60,666)	32.1%	(79,328)	(60,442)	31.2%
<b>Property operating expenses</b>	<b>(121,757)</b>	<b>(95,733)</b>	<b>27.2%</b>	<b>(120,474)</b>	<b>(95,320)</b>	<b>26.4%</b>
<b>Net property income</b>	<b>308,697</b>	<b>273,216</b>	<b>13.0%</b>	<b>305,748</b>	<b>272,218</b>	<b>12.3%</b>
Management fees (Note b)	(24,913)	(21,338)	16.8%	(24,913)	(21,338)	16.8%
Trust expenses	(3,852)	(3,882)	(0.8%)	(3,642)	(3,850)	(5.4%)
Finance income (Note c)	15,803	17,872	(11.6%)	15,682	17,807	(11.9%)
Finance costs (Note d)	(80,042)	(46,839)	70.9%	(79,139)	(46,529)	70.1%
Foreign exchange gain/(loss) (Note e)	22,163	(14,807)	nm	22,236	(14,784)	nm
<b>Non property expenses</b>	<b>(70,841)</b>	<b>(68,994)</b>	<b>2.7%</b>	<b>(69,776)</b>	<b>(68,694)</b>	<b>1.6%</b>
<b>Net income</b>	<b>237,856</b>	<b>204,222</b>	<b>16.5%</b>	<b>235,972</b>	<b>203,524</b>	<b>15.9%</b>
Net change in fair value of financial derivatives (Note f)	(24,620)	16,991	nm	(24,620)	16,991	nm
Net appreciation on revaluation of investment properties under development (Note g)	-	2,131	(100.0%)	-	2,131	(100.0%)
<b>Total return for the period before income tax expense</b>	<b>213,236</b>	<b>223,344</b>	<b>(4.5%)</b>	<b>211,352</b>	<b>222,646</b>	<b>(5.1%)</b>
Income tax credit/(expense) (Note h)	1,187	(838)	nm	1,526	(654)	nm
<b>Total return for the period after income tax expense</b>	<b>214,423</b>	<b>222,506</b>	<b>(3.6%)</b>	<b>212,878</b>	<b>221,992</b>	<b>(4.1%)</b>
Net effect of non tax deductible expenses/(taxable income) and other adjustments (Note i)	21,306	(14,508)	nm	22,851	(13,994)	nm
Net appreciation on revaluation of investment properties under development (Note g)	-	(2,131)	(100.0%)	-	(2,131)	(100.0%)
<b>Income available for distribution</b>	<b>235,729</b>	<b>205,867</b>	<b>14.5%</b>	<b>235,729</b>	<b>205,867</b>	<b>14.5%</b>
Distribution from capital (Note j)	984	3,003	(67.2%)	984	3,003	(67.2%)
<b>Total amount available for distribution</b>	<b>236,713</b>	<b>208,870</b>	<b>13.3%</b>	<b>236,713</b>	<b>208,870</b>	<b>13.3%</b>

The following items have been included in arriving at net income:

	01/04/12 to 31/12/12 (Note a) S\$'000	01/04/11 to 31/12/11 (Note a) S\$'000	Increase / (Decrease) %	01/04/12 to 31/12/12 S\$'000	01/04/11 to 31/12/11 S\$'000	Increase / (Decrease) %
Gross rental income	389,070	338,986	14.8%	384,855	337,578	14.0%
Other income (Note k)	41,384	29,963	38.1%	41,367	29,960	38.1%
(Allowance for)/reversal of allowance for impairment loss on doubtful receivables, net	(95)	6	nm	(95)	6	nm
Depreciation of plant and equipment	(597)	(826)	(27.7%)	(595)	(825)	(27.9%)

Note: nm denotes "not meaningful"

**Footnotes**

- (a) The Group had 102 and 97 properties as at 31 December 2012 and 31 December 2011 respectively.
- (b) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fees in units and 80% in cash for all properties. Management fees increased in line with higher Deposited Property value mainly due to completion of development projects and new acquisitions in FY11/12.
- (c) Finance income comprises interest income from interest rate swaps, convertible bonds and bank deposits. For 3Q YTD FY12/13, finance income included a \$8.7 million fair value gain on convertible bonds (3Q YTD FY11/12: Nil). For 3Q YTD FY11/12, finance income included a \$13.8 million fair value gain on collateral loan (3Q YTD FY12/13: \$25.8 million loss included in finance costs (see Note (d) below)). The collateral loan and convertible bonds have been designated at fair value through profit or loss in accordance with FRS 39, where changes in fair value therein are recognised in the Statement of Total Return as finance income or finance costs.
- (d) Finance costs comprise interest expenses on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Notes ("MTN"), Transferrable Loan Facilities and Committed Revolving Credit Facilities), accretion adjustments for deferred payments and refundable security deposits. For 3Q YTD FY12/13, finance costs also included a \$25.8 million fair value loss on collateral loan (3Q YTD FY11/12: \$13.8 million gain included in finance income (see Note (c) above)). The higher finance costs in 3Q YTD FY12/13 was mainly attributable to the fair value loss on collateral loan.
- (e) Foreign exchange gain/(loss) mainly relates to the gain/(loss) on translation of the Trust's JPY-denominated MTN. Foreign exchange gain arose when JPY exchange rate weakened against SGD. Conversely, there will be a foreign exchange loss when JPY exchange rate strengthened against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure and the offsetting effect is mentioned in Note (f) below.
- (f) Net change in fair value of financial derivatives in 3Q YTD FY12/13 was made up of \$23.9 million fair value loss (3Q YTD FY11/12: \$22.6 million gain) on cross currency swaps, and \$0.7 million fair value loss (3Q YTD FY11/12: \$5.6 million loss) on interest rate swaps. Fair value loss on cross currency swaps arose when JPY exchange rate weakened against SGD. On the other hand, the strengthening of JPY exchange rate against SGD will give rise to a fair value gain on cross currency swaps. For further details, please refer to Note (m) of Pages 11 and 12.
- (g) The net appreciation on revaluation of investment properties under development for 3Q YTD FY11/12 was related to the recognition of fair value gain on valuation of investment properties under development in accordance with FRS 40.
- (h) Income tax expense mainly relates to deferred tax in respect of temporary differences between the tax base of the finance lease receivable and its carrying amount for financial reporting purposes, income tax provided on interest income earned from investment in convertible bonds and income tax expenses incurred in China relating to AHTDBC. During 2Q FY12/13, IRAS issued a tax ruling to A-REIT which granted tax transparency status to both the principal and interest income amount from a finance lease with a tenant. Accordingly, the deferred tax liability of \$1.9 million previously accrued on the finance lease receivable was reversed in the period ended 31 December 2012.

## A-REIT Announcement of Results for the Financial Period Ended 31 December 2012

- (i) Net effect of non tax deductible expense/(taxable income) and other adjustments comprises:

	Group			Trust		
	01/04/12 to 31/12/12 S\$'000	01/04/11 to 31/12/11 S\$'000	Increase / (Decrease) %	01/04/12 to 31/12/12 S\$'000	01/04/11 to 31/12/11 S\$'000	Increase / (Decrease) %
Management fees paid/payable in units	4,982	4,265	16.8%	4,982	4,265	16.8%
Trustee fee	1,498	1,283	16.8%	1,498	1,283	16.8%
Net change in fair value of financial derivatives	24,620	(16,991)	nm	24,620	(16,991)	nm
Other net non tax deductible expenses/ (taxable income) and other adjustments (Note A)	13,987	(17,335)	180.7%	13,987	(17,335)	180.7%
Transfer to general reserve	(92)	(43)	114.0%	-	-	-
Unrealised foreign exchange (gain)/loss	(22,163)	14,807	nm	(22,236)	14,784	nm
Distributable income from a subsidiary not yet received, not distributed (Note B)	(1,526)	(494)	nm	-	-	-
Net effect of non tax deductible expenses/(taxable income) and other adjustments	21,306	(14,508)	nm	22,851	(13,994)	nm

A. Other net non tax deductible expenses/(taxable income) and other adjustments include mainly set-up costs on loan facilities, commitment fee paid on undrawn committed credit facilities, net change in fair value of collateral loan and convertible bonds, and accretion adjustments for deferred payments and refundable security deposits.

B. This relates to income from AHTDBC, which has yet been received by A-REIT as at 31 December 2012.

- (j) This relates to a distribution which was classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate 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. In 2Q FY12/13, IRAS had ruled that the income received from the finance lease with a tenant qualifies for tax transparency treatment.

- (k) Other income includes revenue from utilities charges, interest income from finance lease receivables, carpark revenue and liquidated damages.

Gross revenue increased by 16.7% mainly due to the full 9 months' rental income earned from completed development projects and new acquisitions in FY11/12. This included Nordic European Centre which was acquired in July 2011 and Ascendas Z-Link which was acquired in October 2011.

The higher property services fees, property tax expenses and other property operating expenses in 3Q YTD FY12/13 is in line with the increase in number of properties arising from the completion of development projects and new acquisitions in FY11/12.

Higher electricity charges, maintenance & conservancy costs and land rent also contributed to the increase in other property operating expenses.

Non property expenses were higher in 3Q YTD FY12/13 mainly due to:

- (i) higher finance costs which included a \$25.8 million fair value loss on collateral loan (3Q YTD FY11/12: \$13.8 million gain) and higher interest expenses arising from higher borrowings,
- (ii) higher management fees, offset by:
- (iii) fair value gain on convertible bonds of \$8.7 million (3Q YTD FY11/12: Nil), and
- (iv) foreign exchange gain on translation of the Trust's JPY-denominated MTN of \$22.2 million (3Q YTD FY11/12 : \$14.8 million loss).

**1(a)(ii) Statement of total return (3Q FY12/13 vs 3Q FY11/12)**

	Group			Trust		
	01/10/12 to 31/12/12 (Note a) S\$'000	01/10/11 to 31/12/11 (Note a) S\$'000	Increase / (Decrease) %	01/10/12 to 31/12/12 S\$'000	01/10/11 to 31/12/11 S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	145,170	127,283	14.1%	143,776	125,872	14.2%
Property services fees	(4,476)	(4,394)	1.9%	(4,395)	(4,290)	2.4%
Property tax	(9,495)	(8,182)	16.0%	(9,411)	(8,097)	16.2%
Other property operating expenses	(26,537)	(20,810)	27.5%	(26,256)	(20,609)	27.4%
<b>Property operating expenses</b>	(40,508)	(33,386)	21.3%	(40,062)	(32,996)	21.4%
<b>Net property income</b>	104,662	93,897	11.5%	103,714	92,876	11.7%
Management fees (Note b)	(8,380)	(7,420)	12.9%	(8,380)	(7,420)	12.9%
Trust expenses	(1,045)	(1,220)	(14.3%)	(942)	(1,165)	(19.1%)
Finance income (Note c)	8,624	4,453	93.7%	8,592	4,388	95.8%
Finance costs (Note d)	(18,294)	(15,276)	19.8%	(18,103)	(14,966)	21.0%
Foreign exchange gain (Note e)	31,159	1,513	nm	31,164	1,536	nm
<b>Non property income/(expenses)</b>	12,064	(17,950)	(167.2%)	12,331	(17,627)	(170.0%)
<b>Net income</b>	116,726	75,947	53.7%	116,045	75,249	54.2%
Net change in fair value of financial derivatives (Note f)	(38,568)	5,653	nm	(38,568)	5,653	nm
Net appreciation on revaluation of investment properties under development (Note g)	-	2,131	(100.0%)	-	2,131	(100.0%)
<b>Total return for the period before income tax expense</b>	78,158	83,731	(6.7%)	77,477	83,033	(6.7%)
Income tax expense (Note h)	(231)	(427)	(45.9%)	(98)	(243)	(59.7%)
<b>Total return for the period after income tax expense</b>	77,927	83,304	(6.5%)	77,379	82,790	(6.5%)
Net effect of non tax deductible expenses/(taxable income) and other adjustments (Note i)	3,179	(9,699)	132.8%	3,727	(9,185)	140.6%
Net appreciation on revaluation of investment properties under development (Note g)	-	(2,131)	(100.0%)	-	(2,131)	(100.0%)
<b>Income available for distribution</b>	81,106	71,474	13.5%	81,106	71,474	13.5%
Distribution from capital (Note j)	-	996	(100.0%)	-	996	(100.0%)
<b>Total amount available for distribution</b>	81,106	72,470	11.9%	81,106	72,470	11.9%

The following items have been included in arriving at net income:

	01/10/12 to 31/12/12 (Note a) S\$'000	01/10/11 to 31/12/11 (Note a) S\$'000	Increase / (Decrease) %	01/10/12 to 31/12/12 S\$'000	01/10/11 to 31/12/11 S\$'000	Increase / (Decrease) %
Gross rental income	131,384	117,034	12.3%	129,995	115,626	12.4%
Other income (Note k)	13,786	10,249	34.5%	13,781	10,246	34.5%
Reversal of allowance for impairment loss on doubtful receivables, net	104	2	nm	104	2	nm
Depreciation of plant and equipment	(184)	(276)	(33.3%)	(182)	(275)	(33.8%)

Note: nm denotes "not meaningful"

**Footnotes**

- (a) The Group had 102 and 97 properties as at 31 December 2012 and 31 December 2011 respectively.
- (b) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fees in units and 80% in cash for all properties. Management fees increased in line with higher Deposited Property value mainly due to completion of development projects and new acquisitions in FY11/12.
- (c) Finance income comprises interest income from interest rate swaps, convertible bonds and bank deposits. In 3Q FY12/13, finance income included a fair value gain on convertible bonds of \$1.1 million (3Q FY11/12: Nil) and fair value gain on collateral loan of \$5.1 million (3Q FY11/12: \$3.0 million). The collateral loan and convertible bonds have been designated at fair value through profit or loss in accordance with FRS 39, where changes in fair value therein are recognised in the Statement of Total Return as finance income or finance costs.
- (d) Finance costs comprise interest expenses on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Notes ("MTN"), Transferrable Loan Facilities and Committed Revolving Credit Facilities), accretion adjustments for deferred payments and refundable security deposits. The increase in finance costs was mainly due to the increase in borrowings.
- (e) Foreign exchange gain mainly relates to the gain on translation of the Trust's JPY-denominated MTN. Foreign exchange gain was mainly due to the weakening of JPY exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure and the offsetting effect is mentioned in Note (f) below.
- (f) Net change in fair value of financial derivatives in 3Q FY12/13 was made up of a \$39.2 million fair value loss (3Q FY11/12: \$2.1 million gain) on cross currency swaps, and a fair value gain on interest rate swaps of \$0.6 million (3Q FY11/12: \$3.6 million). Fair value loss on cross currency swaps in 3Q FY12/13 was mainly due to the weakening of JPY exchange rate against SGD. For further details, please refer to Note (m) of Pages 11 and 12.
- (g) The net appreciation on revaluation of investment properties under development for 3Q FY11/12 was related to the recognition of fair value gain on valuation of investment properties under development in accordance with FRS 40.
- (h) 3Q FY12/13 income tax expense includes income tax expense relating to AHTDBC and income tax provided on interest income earned from investment in convertible bonds. 3Q FY11/12 income tax expense was mainly related to deferred tax in respect of temporary differences between the tax base of the finance lease receivable and its carrying amount for financial reporting purposes. This deferred tax need not be provided in 3Q FY12/13 as IRAS has issued a tax ruling to A-REIT which granted tax transparency status to both the principal and interest income amount from a finance lease with a tenant.

- (i) Net effect of non tax deductible expenses/(taxable income) and other adjustments comprises:

	Group			Trust		
	01/10/12 to 31/12/12	01/10/11 to 31/12/11	Increase / (Decrease)	01/10/12 to 31/12/12	01/10/11 to 31/12/11	Increase / (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Management fees paid/payable in units	1,676	1,482	13.1%	1,676	1,482	13.1%
Trustee fee	504	445	13.3%	504	445	13.3%
Net change in fair value of financial derivatives	38,568	(5,653)	nm	38,568	(5,653)	nm
Other net non taxable income and other adjustments (Note A)	(5,857)	(3,923)	49.3%	(5,857)	(3,923)	49.3%
Transfer to general reserve	(32)	(43)	(25.6%)	-	-	-
Unrealised foreign exchange gain	(31,159)	(1,513)	nm	(31,164)	(1,536)	nm
Distributable income from a subsidiary not yet received, not distributed (Note B)	(521)	(494)	5.4%	-	-	-
Net effect of non tax deductible expenses/(taxable income) and other adjustments	3,179	(9,699)	132.8%	3,727	(9,185)	140.6%

A. Other net non taxable income and other adjustments include mainly set-up costs on loan facilities, commitment fee paid on undrawn committed credit facilities, net change in fair value of collateral loan and convertible bonds, and accretion adjustments for deferred payments and refundable security deposits.

B. This relates to income from AHTDBC, which has yet been received by A-REIT as at 31 December 2012.

- (j) This relates to a distribution which was classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate 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. In 2Q FY12/13, IRAS had ruled that the income received from the finance lease with a tenant qualifies for tax transparency treatment.

- (k) Other income includes revenue from utilities charges, interest income from finance lease receivables, carpark revenue and liquidated damages.

Gross revenue increased by 14.1% mainly due to the recognition of full quarter rental income earned from the completed development projects and new acquisitions in FY11/12.

The higher property services fees, property tax expenses and other property operating expenses in 3Q FY12/13 is in line with the increase in number of properties arising from the completion of development projects and new acquisitions in FY11/12.

Higher electricity charges, maintenance & conservancy costs and land rent also contributed to the increase in other property operating expenses.

The non property income in 3Q FY12/13 as compared to the non property expenses in 3Q FY11/12 was mainly due to:

- (i) foreign exchange gain on translation of the Trust's JPY-denominated MTN of \$31.2 million (3Q FY11/12: \$1.5 million),
- (ii) higher finance income which included fair value gain on collateral loans of \$5.1 million (3Q FY12/13: \$3.0 million) and fair value gain on convertible bonds of \$1.1 million (3Q FY11/12 : Nil),  
offset by:
- (iii) higher finance costs from higher interest expense incurred on increased borrowings, and
- (iv) higher management fees.



1 (b)(i) Balance sheet, together with comparatives as at the end of the immediate preceding financial year

	Group		Trust	
	31/12/12 S\$'000	31/03/12 S\$'000	31/12/12 S\$'000	31/03/12 S\$'000
<b>Non-current assets</b>				
Investment properties (Note a)	6,219,585	6,170,295	6,159,775	6,108,574
Investment properties under development (Note b)	137,373	121,400	137,373	121,400
Investment in debt securities (Note c)	131,931	103,250	131,931	103,250
Plant and equipment	1,163	1,760	1,161	1,757
Finance lease receivable	63,824	65,271	63,824	65,271
Interest in a subsidiary (Note d)	-	-	48,918	46,352
Other assets (Note e)	22,630	33,424	22,630	33,424
Derivative assets (Note f)	13,581	9,231	13,581	9,231
	<b>6,590,087</b>	<b>6,504,631</b>	<b>6,579,193</b>	<b>6,489,259</b>
<b>Current assets</b>				
Finance lease receivable	1,925	1,772	1,925	1,772
Trade and other receivables (Note g)	46,044	38,382	45,325	37,704
Other assets (Note e)	30,566	-	30,566	-
Derivative assets (Note f)	179	-	179	-
Cash and cash equivalents	17,220	19,589	11,188	10,232
	<b>95,934</b>	<b>59,743</b>	<b>89,183</b>	<b>49,708</b>
<b>Current liabilities</b>				
Trade and other payables	116,659	114,151	114,729	112,163
Security deposits	65,264	58,709	64,042	57,508
Derivative liabilities (Note h)	2,678	2,915	2,678	2,915
Short term borrowings (Note i)	331,206	575,490	331,206	554,430
Medium term notes (Note j and m)	124,936	-	124,936	-
Provision for taxation (Note k)	634	377	371	103
	<b>641,377</b>	<b>751,642</b>	<b>637,962</b>	<b>727,119</b>
<b>Non-current liabilities</b>				
Security deposits	4,596	2,865	4,596	2,865
Derivative liabilities (Note h)	89,692	67,508	89,692	67,508
Deferred tax liabilities (Note l)	233	2,225	-	1,794
Medium term notes (Note j)	476,140	470,600	476,140	470,600
Collateral loan (Note m)	333,372	307,608	333,372	307,608
Term loans (Note m)	927,912	1,044,470	914,554	1,044,470
	<b>1,831,945</b>	<b>1,895,276</b>	<b>1,818,354</b>	<b>1,894,845</b>
<b>Net assets</b>	<b>4,212,699</b>	<b>3,917,456</b>	<b>4,212,060</b>	<b>3,917,003</b>
<b>Represented by:</b>				
<b>Unitholders' funds</b>	<b>4,212,699</b>	<b>3,917,456</b>	<b>4,212,060</b>	<b>3,917,003</b>
<b>Gross borrowings</b>				
<b>Secured borrowings</b>				
Amount repayable after one year	728,372	702,608	728,372	702,608
Amount repayable within one year	-	21,060	-	-
<b>Unsecured borrowings</b>				
Amount repayable after one year	1,016,678	1,128,780	1,003,320	1,128,780
Amount repayable within one year	456,900	554,800	456,900	554,800
	<b>2,201,950</b>	<b>2,407,248</b>	<b>2,188,592</b>	<b>2,386,188</b>

**Footnotes**

- (a) Increase in value of investment properties was mainly due to asset enhancement works at 10 Toh Guan Road, 9 Changi South Street 3, Pacific Tech Centre and TechPlace II.
- (b) Value of investment properties under development as at 31 December 2012 relates to the Fusionopolis project (Nexus@one-north).
- (c) Investment in debt securities relates to an investment in convertible bonds (the "CB") due in June 2015 issued by PLC8 Development Pte Ltd (the "Issuer"). A-REIT had subscribed for an additional amount of \$10 million convertible bonds in September 2012 and in December 2012. The increase in investment in debt securities was also due to an increase in fair value of convertible bonds.

The Issuer is the developer of an integrated industrial mixed use property on a 60-year leasehold land parcel at Kallang Avenue, Singapore (the "Property"). The CB carries a coupon of 2% per annum and is secured over the assets of the Issuer but ranked after the security given by the Issuer to secure bank financing for the development of the Property.

- (d) Interest in a subsidiary relates to A-REIT's investment in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, AHTDBC.
- (e) Other assets increased due to the increase in development costs incurred on the development of a built-to-suit investment property. The built-to-suit investment property will be leased out upon completion and the costs incurred would be transferred to finance lease receivable upon commencement of the lease. The deposits paid for the forward contract of a business space property is recognised as current assets in the current period.
- (f) Increase in derivative assets was mainly due to a favourable change in the fair value of interest rate swaps.
- (g) Increase in trade and other receivables was mainly due to an increase in prepayments and interest income receivable on floating interest rate swaps.
- (h) Derivatives liabilities increased mainly due to the weakening of JPY exchange rate against SGD on the cross currency swaps.
- (i) Short term borrowings and term loans decreased following the repayment of certain revolving credit facilities.
- (j) This relates to the medium term notes issued as part of the S\$1.0 billion Multicurrency Medium Term Note Programme, which will mature in July 2013.
- (k) Provision for taxation comprises mainly of income tax payable of AHTDBC.
- (l) Deferred tax liabilities mainly relate to the temporary differences between the tax base of the finance lease receivable and its carrying amount for financial reporting purposes, offset by the recognition of deferred tax assets arising from unutilised capital allowances. During 2Q FY12/13, the Inland Revenue Authority of Singapore ("IRAS") issued a tax ruling to A-REIT which granted tax transparency status to both the principal and interest income amount from a finance lease with a tenant. Accordingly, the deferred tax liability of \$1.9 million previously accrued on the finance lease receivable was reversed in the period ended 31 December 2012.

(m) **Details of borrowings & collateral**

Term loans

A term loan of S\$395 million (Commercial Mortgage Backed Securities) granted by a special purpose company, Emerald Assets Limited ("Emerald"), was outstanding as at the date of balance sheet. As collateral for the credit facilities granted by Emerald, the Trustee has granted in favour of Emerald the following:

- (i) a mortgage over the 36 properties in the A-REIT portfolio;
- (ii) an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;
- (iii) an assignment of the insurance policies relating to the above mentioned properties;  
and
- (iv) a fixed and floating charge over certain assets of A-REIT relating to the above mentioned properties.

Collateral loan

In March 2010, a collateral loan of S\$300 million with final maturity date on 1 February 2017 was granted by a special purpose vehicle, Ruby Assets Pte. Ltd. ("Ruby"). To fund the collateral loan granted to A-REIT, Ruby had issued S\$300 million Exchangeable Collateralised Securities ("ECS") which are exchangeable into new units of A-REIT ("Units") at an adjusted conversion price of \$2.2727 per unit, subject to certain conditions, at any time on or after 6 May 2010 and have an expected maturity date of 1 February 2017. The Trustee has the option to pay cash in lieu of delivering the Units. As collateral for the loan granted by Ruby, the Trustee has granted in favour of Ruby the following:

- (i) a mortgage over the 19 properties in the A-REIT portfolio;
- (ii) an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;
- (iii) an assignment of the insurance policies relating to the above mentioned properties;  
and
- (iv) a fixed and floating charge over certain assets of A-REIT relating to the above mentioned properties.

Medium Term Notes

A-REIT established a S\$1 billion Multicurrency Medium Term Note Programme ("MTN2009") in March 2009. As at the balance sheet date, S\$627.0 million remains outstanding, of which S\$153.7 million was issued on 23 April 2012 and will mature in April 2024. The notes bear a fixed interest rate, payable semi-annually in arrears.

On 23 April 2012, A-REIT issued a JPY10.0 billion fixed rate notes under the MTN2009, which will mature in April 2024. To manage the foreign currency risk arising from the JPY10.0 billion note issuance, A-REIT concurrently entered into two cross currency swaps, in which the aggregate amount of JPY10.0 billion was swapped into S\$153.7 million on 23 April 2012. At maturity of the cross currency swaps on 23 April 2024, the S\$153.7 million will be swapped back into JPY10.0 billion to redeem the JPY notes.

In addition, A-REIT has various bilateral banking credit facilities with varying degrees of utilisation as at the balance sheet date.

As at 31 December 2012, 67.2% of A-REIT Group's interest rate exposure is fixed with an overall weighted average tenure of 3.8 years remaining (after taking into consideration effects of the interest rate swaps). The overall weighted average cost of borrowings as at 31 December 2012 is 3.2% (including margins charged on the loans and amortised annual costs of the MTN, Transferrable Loan Facilities and Committed Revolving Credit Facilities). The outstanding interest rate swaps have terms from less than 1 year to 7 years. The effective hedge portion of changes in the fair value of interest rate swaps is recognised in the Statement of Movement in Unitholders' Funds. The fair value changes of the remaining interest rate swaps, changes in fair value of the collateral loan and cross currency swaps are recognised in the Statement of Total Return in accordance with FRS 39.

**1(c) Cash flow statement together with a comparative statement for the corresponding period of the immediate preceding financial year.**

**1 (c)(i) Cash flow statement (3Q YTD FY12/13 vs 3Q YTD FY11/12)**

	<b>Group</b>	
	01/04/12 to 31/12/12 S\$'000	01/04/11 to 31/12/11 S\$'000
<b>Cash flows from operating activities</b>		
Net income	237,856	204,222
<b><u>Adjustments for</u></b>		
Finance income	(15,803)	(17,872)
Allowance for/(reversal of allowance for) impairment loss on doubtful receivables, net	95	(6)
Finance costs	80,042	46,839
Management fees paid/payable in units	4,982	4,265
Depreciation of plant and equipment	597	826
Foreign exchange (gain)/loss	(22,163)	14,807
<b>Operating income before working capital changes</b>	<b>285,606</b>	<b>253,081</b>
<b><u>Changes in working capital</u></b>		
Trade and other receivables	(4,666)	(5,410)
Trade and other payables	771	(3,568)
<b>Cash generated from operating activities</b>	<b>281,711</b>	<b>244,103</b>
Income tax paid	(341)	(83)
<b>Net cash from operating activities</b>	<b>281,370</b>	<b>244,020</b>
<b>Cash flows from investing activities</b>		
Purchase of investment properties	-	(295,181)
Payment for investment properties and other assets under development	(32,582)	(170,300)
Purchase of plant and equipment	(7)	-
Payment for capital improvement on investment properties	(41,624)	(21,711)
Payment of deferred settlements	-	(7,200)
Acquisition of subsidiary, net of cash acquired	-	(33,115)
Investment in debt securities	(20,000)	-
Interest received	4,376	4,147
<b>Net cash used in investing activities</b>	<b>(89,837)</b>	<b>(523,360)</b>
<b>Cash flows from financing activities</b>		
Equity issue costs paid	(2,004)	(6,177)
Proceeds from issue of units	298,500	400,001
Distributions paid to Unitholders	(228,327)	(197,531)
Finance costs paid	(52,356)	(48,152)
Transaction costs paid in respect of borrowings	(1,177)	(3,071)
Proceeds from borrowings	351,066	1,000,000
Repayment of borrowings	(559,306)	(856,900)
<b>Net cash (used in)/generated from financing activities</b>	<b>(193,604)</b>	<b>288,170</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,071)</b>	<b>8,830</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>19,589</b>	<b>8,067</b>
<b>Effect of exchange rate changes on cash balances</b>	<b>(298)</b>	<b>(77)</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>17,220</b>	<b>16,820</b>

**1 (c)(ii) Cash flow statement (3Q FY12/13 vs 3Q FY11/12)**

	<b>Group</b>	
	01/10/12 to 31/12/12 S\$'000	01/10/11 to 31/12/11 S\$'000
<b>Cash flows from operating activities</b>		
Net income	116,726	75,947
<b><u>Adjustments for</u></b>		
Finance income	(8,624)	(4,453)
Reversal of allowance for impairment loss on doubtful receivables, net	(104)	(2)
Finance costs	18,294	15,276
Management fees paid/payable in units	1,676	1,482
Depreciation of plant and equipment	184	276
Foreign exchange gain	(31,159)	(1,513)
<b>Operating income before working capital changes</b>	96,993	87,013
<b><u>Changes in working capital</u></b>		
Trade and other receivables	(2,082)	(397)
Trade and other payables	2,429	2,291
<b>Cash generated from operating activities</b>	97,340	88,907
Income tax paid	(72)	(83)
<b>Net cash from operating activities</b>	97,268	88,824
<b>Cash flows from investing activities</b>		
Purchase of investment properties	-	(168,482)
Payment for investment properties and other assets under development	(11,204)	(22,340)
Payment for capital improvement on investment properties	(18,233)	(11,285)
Payment of deferred settlements	-	(7,200)
Acquisition of subsidiary, net of cash acquired	-	(33,115)
Deposits refunded	(200)	-
Investment in debt securities	(10,000)	-
Interest received	1,025	1,844
<b>Net cash used in investing activities</b>	(38,612)	(240,578)
<b>Cash flows from financing activities</b>		
Equity issue costs paid	(45)	-
Distributions paid to Unitholders	(78,986)	(70,416)
Finance costs paid	(16,096)	(14,373)
Transaction costs paid in respect of borrowings	-	(775)
Proceeds from borrowings	63,000	294,000
Repayment of borrowings	(27,000)	(56,000)
<b>Net cash (used in)/generated from financing activities</b>	(59,127)	152,436
<b>Net (decrease)/increase in cash and cash equivalents</b>	(471)	682
<b>Cash and cash equivalents at beginning of the period</b>	17,710	16,215
<b>Effect of exchange rate changes on cash balances</b>	(19)	(77)
<b>Cash and cash equivalents at end of the financial period</b>	17,220	16,820

1 (d)(i) Statement of movement in unitholders' funds (3Q YTD FY12/13 vs 3Q YTD FY11/12)

	Group		Trust	
	01/04/12 to 31/12/12 S\$'000	01/04/11 to 31/12/11 S\$'000	01/04/12 to 31/12/12 S\$'000	01/04/11 to 31/12/11 S\$'000
<b>Balance at beginning of the financial period</b>	3,917,456	3,293,349	3,917,003	3,293,349
<b>Operations</b>				
Net income	237,856	204,222	235,972	203,524
Net change in fair value of financial derivatives	(24,620)	16,991	(24,620)	16,991
Net appreciation on revaluation of investment properties under development (Note a)	-	2,131	-	2,131
Income tax credit/(expense)	1,187	(838)	1,526	(654)
<b>Net increase in net assets resulting from operations</b>	214,423	222,506	212,878	221,992
<b>Hedging transactions</b>				
Effective portion of changes in fair value of financial derivatives (Note b)	7,202	(7,018)	7,202	(7,018)
Changes in fair value of financial derivatives transferred to the Statement of Total Return	-	4,694	-	4,694
<b>Net increase/(decrease) in net assets resulting from hedging transactions</b>	7,202	(2,324)	7,202	(2,324)
<b>Movement in foreign currency translation reserve (Note c)</b>	(1,359)	(204)	-	-
<b>Unitholders' transactions</b>				
New units issued	298,500	400,001	298,500	400,001
Acquisition fees (IPT acquisition) paid in units	1,830	1,874	1,830	1,874
Development fees (IPT) paid in units	-	1,853	-	1,853
Management fees paid/payable in units	4,982	4,265	4,982	4,265
Equity issue costs	(2,008)	(6,153)	(2,008)	(6,153)
Distributions to Unitholders	(228,327)	(197,531)	(228,327)	(197,531)
<b>Net increase in net assets resulting from Unitholders' transactions</b>	74,977	204,309	74,977	204,309
<b>Balance at end of the financial period</b>	4,212,699	3,717,636	4,212,060	3,717,326

**Footnotes**

(a) The net appreciation on revaluation of investment properties under development for 3Q YTD FY11/12 was related to the recognition of fair value gain on valuation of investment properties under development in accordance with FRS 40.

(b) In 3Q YTD FY12/13, the favourable change in the aggregate fair value of the interest rate swaps was mainly due to some of the interest rate swaps nearing their maturity dates.

In 3Q YTD FY11/12, the forward interest rates at the end of the period were lower than those at the beginning of the period. Hence, the aggregate fair values of the interest rate swaps registered an unfavourable change as compared to the beginning of the period.

(c) This amount relates to the foreign exchange translation differences arising from translation of the financial statements of AHTDBC.

**Statement of movement in unitholders' funds (3Q FY12/13 vs 3Q FY11/12)**

	Group		Trust	
	01/10/12 to 31/12/12 S\$'000	01/10/11 to 31/12/11 S\$'000	01/10/12 to 31/12/12 S\$'000	01/10/11 to 31/12/11 S\$'000
<b>Balance at beginning of financial period</b>	4,208,657	3,691,418	4,208,478	3,691,418
<b>Operations</b>				
Net income	116,726	75,947	116,045	75,249
Net change in fair value of financial derivatives	(38,568)	5,653	(38,568)	5,653
Net appreciation on revaluation of investment properties under development (Note a)	-	2,131	-	2,131
Income tax expense	(231)	(427)	(98)	(243)
<b>Net increase in net assets resulting from operations</b>	<b>77,927</b>	<b>83,304</b>	<b>77,379</b>	<b>82,790</b>
<b>Hedging transactions</b>				
Effective portion of changes in fair value of financial derivatives (Note b)	3,513	9,581	3,513	9,581
<b>Net increase in net assets resulting from hedging transactions</b>	<b>3,513</b>	<b>9,581</b>	<b>3,513</b>	<b>9,581</b>
<b>Movement in foreign currency translation reserve (Note c)</b>	<b>(88)</b>	<b>(204)</b>	<b>-</b>	<b>-</b>
<b>Unitholders' transactions</b>				
Acquisition fees (IPT acquisition) paid in units	-	618	-	618
Development fees (IPT) paid in units	-	1,853	-	1,853
Management fees paid/payable in units	1,676	1,482	1,676	1,482
Distributions to Unitholders	(78,986)	(70,416)	(78,986)	(70,416)
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	<b>(77,310)</b>	<b>(66,463)</b>	<b>(77,310)</b>	<b>(66,463)</b>
<b>Balance at end of the financial period</b>	<b>4,212,699</b>	<b>3,717,636</b>	<b>4,212,060</b>	<b>3,717,326</b>

**Footnotes**

- (a) The net appreciation on revaluation of investment properties under development for 3Q FY11/12 was related to the recognition of fair value gain on valuation of investment properties under development in accordance with FRS 40.
- (b) In 3Q FY12/13, the favourable change in the aggregate fair value of the interest rate swaps was mainly due to some of the interest rate swaps nearing their maturity dates.
- In 3Q FY11/12, the forward interest rates at the end of the period were higher than those at the beginning of the period. Hence, the aggregate fair values of the interest rate swaps registered a favourable change as compared to the beginning of the period.
- (c) This amount relates to the foreign exchange translation differences arising from translation of the financial statements of AHTDBC.



**1 (d)(ii) Details of any changes in the units (3Q YTD FY12/13 vs 3Q YTD FY11/12)**

	<b>Trust</b>	
	01/04/12 to 31/12/12 Units	01/04/11 to 31/12/11 Units
<b>Units issued:</b>		
<b>Balance at beginning of the financial period</b>	2,085,077,194	1,874,292,935
Issue of new units:		
- Issued pursuant to equity raising in May 2012 / April 2011	150,000,000	206,186,000
- Acquisition fees (IPT acquisition) paid in units	898,247	938,320
- Development fees (IPT) paid in units	-	902,713
- Management fees paid in units	2,970,649	2,757,226
<b>Balance at end of the financial period</b>	<b>2,238,946,090</b>	<b>2,085,077,194</b>
<b>Units to be issued:</b>		
Management fees payable in units	238,847	276,397
<b>Balance units issued and issuable at end of the financial period</b>	<b>2,239,184,937</b>	<b>2,085,353,591</b>

**Details of any changes in the units (3Q FY12/13 vs 3Q FY11/12)**

	<b>Trust</b>	
	01/10/12 to 31/12/12 Units	01/10/11 to 31/12/11 Units
<b>Units issued:</b>		
<b>Balance at beginning of the financial period</b>	2,237,552,568	2,082,410,675
Issue of new units:		
- Acquisition fees (IPT acquisition) paid in units	-	308,526
- Development fees (IPT) paid in units	-	902,713
- Management fees paid in units	1,393,522	1,455,280
<b>Balance at end of the financial period</b>	<b>2,238,946,090</b>	<b>2,085,077,194</b>
<b>Units to be issued:</b>		
Management fees payable in units	238,847	276,397
<b>Balance units issued and issuable at end of the financial period</b>	<b>2,239,184,937</b>	<b>2,085,353,591</b>

A collateral loan of S\$300 million with maturity date on 1 February 2017 was granted by Ruby Assets Pte. Ltd. Please refer to Note (m) on Page 11 for further details of the collateral loan.

The collateral loan is exchangeable into fully paid units representing undivided interests in A-REIT at any time on or after 6 May 2010 at an adjusted conversion price of \$2.2727 per unit, subject to adjustment upon the occurrence of certain events.

There has been no conversion of any of the collateral loan since the date of issue.

Assuming the collateral loan is fully converted based on the adjusted conversion price of \$2.2727 per unit, the number of new units to be issued would be 132,001,584 representing 5.9% of the total number of A-REIT Units in issue as at 31 December 2012.

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements ("SSRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

**3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Please see attached review report.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

The Group adopted various new accounting standards, amendments to accounting standards, and interpretations that are effective for annual periods beginning after 1 April 2012. None of these have a significant effect on the financial information of the Group.

Except for the above, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2012.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

There are no significant changes in the accounting policies and methods of computation.

**6. Earnings per Unit (“EPU”) and Distribution per Unit (“DPU”) for the financial period**

**6.1 EPU for 3Q FY12/13 compared to 2Q FY12/13**

**Basic EPU (Note a)**

Weighted average number of units  
Earnings per unit in cents (EPU)

**Dilutive EPU (Note b)**

Weighted average number of units  
Earnings per unit in cents (Dilutive EPU)

Group		Trust	
3Q FY12/13 01/10/12 to 31/12/12	2Q FY12/13 01/07/12 to 30/09/12	3Q FY12/13 01/10/12 to 31/12/12	2Q FY12/13 01/07/12 to 30/09/12
2,237,782,369	2,237,562,653	2,237,782,369	2,237,562,653
3.48	2.68	3.46	2.66
2,369,783,953	2,237,562,653	2,369,783,953	2,237,562,653
3.12	2.68	3.10	2.66

**6.2 EPU for 3Q FY12/13 compared to 3Q FY11/12**

**Basic EPU (Note a)**

Weighted average number of units  
Earnings per unit in cents (EPU)

**Dilutive EPU (Note b)**

Weighted average number of units  
Earnings per unit in cents (Dilutive EPU)

Group		Trust	
3Q FY12/13 01/10/12 to 31/12/12	3Q FY11/12 01/10/11 to 31/12/11	3Q FY12/13 01/10/12 to 31/12/12	3Q FY11/12 01/10/11 to 31/12/11
2,237,782,369	2,083,770,244	2,237,782,369	2,083,770,244
3.48	4.00	3.46	3.97
2,369,783,953	2,210,679,166	2,369,783,953	2,210,679,166
3.12	3.69	3.10	3.66

**6.3 EPU for 3Q YTD FY12/13 compared to 3Q YTD FY11/12**

**Basic EPU (Note a)**

Weighted average number of units  
Earnings per unit in cents (EPU)

**Dilutive EPU (Note b)**

Weighted average number of units  
Earnings per unit in cents (Dilutive EPU)

3Q YTD FY12/13 01/04/12 to 31/12/12	3Q YTD FY11/12 01/04/11 to 31/12/11	3Q YTD FY12/13 01/04/12 to 31/12/12	3Q YTD FY11/12 01/04/11 to 31/12/11
2,213,659,851	2,074,943,905	2,213,659,851	2,074,943,905
9.69	10.72	9.62	10.70
2,213,659,851	2,201,852,827	2,213,659,851	2,201,852,827
9.69	9.64	9.62	9.62

**Footnotes**

- (a) The EPU has been calculated using total return for the period and the weighted average number of units issued/issuable during the period.
- (b) For 3Q YTD ended 31 December 2012 and 2Q FY12/13, the collateral loan was anti-dilutive and was excluded from the calculation of dilutive EPU. For 3Q FY12/13, 3Q FY11/12 and 3Q YTD ended 31 December 2011, the dilutive EPU were computed on the basis that the collateral loan was converted at the beginning of the period.

Dilutive EPU is determined by adjusting the total return for the period and the weighted average of number of units issued/issuable during that period for the effects of all dilutive potential units. Potential units shall be treated as dilutive when, and only when, their conversion to A-REIT Units would decrease earnings per unit or increase loss per unit. The disclosure of dilutive EPU is in relation to the issuance of collateral loan which has a convertible option to redeem the loan in A-REIT Units.

**A-REIT Announcement of Results for the Financial Period Ended 31 December 2012**

**6.4 DPU for 3Q FY12/13 compared to 2Q FY12/13**

Number of units in issue  
Applicable number of units  
Distribution per unit in cents (Note a & b)

Group		Trust	
3Q FY12/13 01/10/12 to 31/12/12	2Q FY12/13 01/07/12 to 30/09/12	3Q FY12/13 01/10/12 to 31/12/12	2Q FY12/13 01/07/12 to 30/09/12
2,238,946,090	2,237,552,568	2,238,946,090	2,237,552,568
2,238,946,090	2,237,552,568	2,238,946,090	2,237,552,568
	3.62		3.53

**6.5 DPU for 3Q FY12/13 compared to 3Q FY11/12**

Number of units in issue  
Applicable number of units  
Distribution per unit in cents (Note a & b)

Group		Trust	
3Q FY12/13 01/10/12 to 31/12/12	3Q FY11/12 01/10/11 to 31/12/11	3Q FY12/13 01/10/12 to 31/12/12	3Q FY11/12 01/10/11 to 31/12/11
2,238,946,090	2,085,077,194	2,238,946,090	2,085,077,194
2,238,946,090	2,085,077,194	2,238,946,090	2,085,077,194
	3.62		3.48

**6.6 DPU for 3Q YTD FY12/13 compared to 3Q YTD FY11/12**

Number of units in issue  
Applicable number of units  
Distribution per unit in cents (Note a & b)

Group		Trust	
3Q YTD FY12/13 01/04/12 to 31/12/12	3Q YTD FY11/12 01/04/11 to 31/12/11	3Q YTD FY12/13 01/04/12 to 31/12/12	3Q YTD FY11/12 01/04/11 to 31/12/11
2,238,946,090	2,085,077,194	2,238,946,090	2,085,077,194
2,216,414,857	2,076,237,190	2,216,414,857	2,076,237,190
	10.68		10.06

**Footnotes**

- (a) The DPU has been calculated using total amount available for distribution and the applicable number of units.
- (b) As at book closure date, none of the S\$300 million collateral loan is converted into A-REIT Units.

**7. Net asset value per unit based on units issued/issuable at the end of the period**

	Group		Trust	
	31/12/12 cents	31/03/12 cents	31/12/12 cents	31/03/12 cents
Net asset value per unit	188.2	187.8	188.1	187.8
Adjusted net asset value per unit (Note a)	184.5	184.3	184.5	184.3

**Footnote**

- (a) The adjusted net asset value per unit excludes the amount to be distributed for the relevant period after the balance sheet date.

**8. Review of Performance**

**Review of Performance 3Q FY12/13 vs 3Q FY11/12**

	<b>Group</b>		
	3Q FY12/13 01/10/12 to 31/12/12 S\$'000	3Q FY11/12 01/10/11 to 31/12/11 S\$'000	Increase / (Decrease) %
Gross revenue	145,170	127,283	14.1%
Property operating expenses	(40,508)	(33,386)	21.3%
Net property income	104,662	93,897	11.5%
Non property expenses	(9,425)	(8,640)	9.1%
Net finance costs	(9,670)	(10,823)	(10.7%)
Foreign exchange gain	31,159	1,513	nm
	12,064	(17,950)	167.2%
Net income	116,726	75,947	53.7%
Net change in fair value of financial derivatives	(38,568)	5,653	nm
Net appreciation on revaluation of investment properties under development	-	2,131	(100.0%)
Total return for the period before income tax expense	78,158	83,731	(6.7%)
Income tax expense	(231)	(427)	(45.9%)
Total return for the period after income tax expense	77,927	83,304	(6.5%)
Net effect of non tax deductible expenses/(taxable income) and other adjustments	3,179	(9,699)	132.8%
Net appreciation on revaluation of investment properties under development	-	(2,131)	(100.0%)
Income available for distribution	81,106	71,474	13.5%
Distribution from capital (Note a)	-	996	(100.0%)
Total amount available for distribution	81,106	72,470	11.9%
Earnings per unit (cents)	3.48	4.00	(13.0%)
Distribution per unit (cents)	3.62	3.48	4.0%

Note: nm denotes "not meaningful"

**Footnote**

(a) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate tax) from a finance lease with a tenant. In 2Q FY12/13, IRAS had ruled that the income received from the finance lease with a tenant qualifies for tax transparency treatment.

Gross revenue increased by 14.1% mainly due to the recognition of full quarter rental income earned from completed development projects and new acquisitions in FY11/12.

The 21.3% increase in property operating expenses is in line with the increase in number of properties arising from the completion of development projects and new acquisitions in FY11/12. Higher electricity charges, property tax, maintenance and conservancy costs, and land rent contributed to the increase in property operating expenses.

Non property expenses increased by 9.1% due to the higher management fees, which was in tandem with the higher Deposited Property as at 31 December 2012.

Net finance costs were lower in 3Q FY12/13 mainly due to the higher fair value gain on collateral loan of \$5.1 million (3Q FY11/12: \$3.0 million) and fair value gain on convertible bonds of \$1.1 million (3Q FY11/12: Nil) included in finance income, and higher interest income from interest rate swaps and convertible bonds. These were partially offset by higher interest expenses from higher borrowings.

Foreign exchange gain mainly arose from the translation of the Trust's JPY-denominated MTN. Foreign exchange gain in 3Q FY12/13 of \$31.2 million was mainly due to the weakening of JPY exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure and the offsetting fair value effect on the cross currency swaps was included in the net change in fair value of financial derivatives.

Net change in fair value of financial derivatives in 3Q FY12/13 was made up of a \$39.2 million fair value loss on cross currency swaps (3Q FY11/12: \$2.1 million gain) and a fair value gain on interest rate swaps \$0.6 million (3Q FY11/12: \$3.6 million). Fair value loss on cross currency swaps in 3Q FY12/13 was mainly due to the weakening of the JPY exchange rate against SGD.

Net non tax deductible expenses/(taxable income) and other adjustments were higher in 3Q FY12/13 mainly due to net fair value loss of \$38.6 million on financial derivatives (3Q FY11/12: \$5.7 million gain); and offset by (i) foreign exchange gain of \$31.2 million (3Q FY11/12: \$1.5 million) arising from the translation of the Trust's JPY-denominated MTN, (ii) higher fair value gain on collateral loan of \$5.1 million (3Q FY11/12: \$3.0 million) and (iii) fair value gain on convertible bonds of \$1.1 million (3Q FY11/12: Nil).

Total amount available for distribution was 11.9% higher than 3Q FY11/12 mainly due to the contribution from the completed development projects and new acquisitions in FY11/12.

**Review of Performance 3Q FY12/13 vs 2Q FY12/13**

	Group		
	3Q FY12/13 01/10/12 to 31/12/12 S\$'000	2Q FY12/13 01/07/12 to 30/09/12 S\$'000	Increase / (Decrease) %
Gross revenue	145,170	143,324	1.3%
Property operating expenses	(40,508)	(40,401)	0.3%
Net property income	104,662	102,923	1.7%
Non property expenses	(9,425)	(9,704)	(2.9%)
Net finance costs	(9,670)	(34,653)	(72.1%)
Foreign exchange gain	31,159	3,255	nm
	12,064	(41,102)	129.4%
Net income	116,726	61,821	88.8%
Net change in fair value of financial derivatives	(38,568)	(3,732)	nm
Total return for the period before income tax expense	78,158	58,089	34.5%
Income tax (expenses)/credit	(231)	1,857	(112.4%)
Total return for the period after income tax expense	77,927	59,946	30.0%
Net effect of non tax deductible expenses and other adjustments	3,179	19,131	(83.4%)
Total amount available for distribution	81,106	79,077	2.6%
Earnings per unit (cents)	3.48	2.68	29.9%
Distribution per unit (cents)	3.62	3.53	2.5%

Note: nm denotes "not meaningful"

Net finance costs was lower in 3Q FY12/13 mainly due to a fair value gain of \$5.1 million on collateral loan as compared to a fair value loss of \$23.9 million in 2Q FY12/13, offset by a lower fair value gain on convertible bonds of \$1.1 million (2Q FY12/13: \$ 5.0 million).

Foreign exchange gain mainly arose from the translation of the Trust's JPY-denominated MTN. Foreign exchange gain was due to the weakening of JPY exchange rate against SGD. Cross currency swaps relating to the JPY-denominated MTN were entered into to hedge against the foreign exchange exposure and the offsetting fair value changes on cross currency swaps was included in the net change in fair value of financial derivatives.

Net change in fair value of financial derivatives in 3Q FY12/13 was made up of a fair value loss on cross currency swaps of \$39.2 million (2Q FY12/13: \$2.6 million), and a \$0.6 million fair value gain (2Q FY12/13: \$1.1 million loss) on interest rate swaps. Fair value loss on cross currency swaps was mainly due to the weakening of the JPY exchange rate against SGD.

3Q FY12/13 income tax expense includes income tax expense relating to AHTDBC and income tax provided on interest income earned from investment in convertible bonds. During 2Q FY12/13, IRAS issued a tax ruling to A-REIT which granted tax transparency status to both the principal and interest income amount from a finance lease with a tenant. Accordingly, the deferred tax liability previously accrued on the finance lease receivable was reversed in 2Q FY12/13.

The lower net effect of non tax deductible expenses and other adjustments in 3Q FY12/13 were mainly due to (i) \$5.1 million fair value gain on collateral loan (2Q FY12/13: \$23.9 million loss), (ii) higher foreign exchange gain arising from the translation of the Trust's JPY-denominated MTN of \$31.2 million (2Q FY12/13: \$ 3.3 million), and offset by (a) higher net fair value loss on financial derivatives of \$38.6 million (2Q: FY12/13: \$3.7 million), and (b) lower fair value gain on convertible bonds of \$1.1 million (2Q FY12/13: \$5.0 million).

**9. Variance between forecast and the actual results**

A-REIT has not made any forecast.



**10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**Singapore**

According to Singapore's Ministry of Trade & Industry's (MTI) advance estimates, Singapore's economy grew at a modest pace of 1.1% in 4Q 2012 on a y-o-y basis, an improvement over the flat performance in the previous quarter. For year 2012, the economy is estimated to have grown by 1.2% hampered by the continued weakness in the manufacturing sector. The government has forecast a GDP growth of between 1% and 3% for 2013.

Singapore's manufacturing sector contracted for the sixth consecutive month in December 2012. PMI for December 2012 declined to 48.6 down from 48.8 points in November 2012. The contraction was attributed to further declines in new orders, new export orders and production output. Inventory continued to expand for the third consecutive month whilst stockholdings of finished goods, imports and employment continued to contract.

The industrial rental and price indices continued to grow for 12 consecutive quarters in 3Q 2012, according to the URA. The industrial rental index grew by 1.2% compared to 2.8% a quarter ago while the industrial price index increased by 8.8% (2Q 2012: 8.4%). Rental rates for business park space inched upward to S\$4.10 psf per month after three consecutive quarters of flat performance at S\$3.90 psf per month. According to the CBRE 4Q 2012 Market View, rental rates for factory space and warehouse space remained stable for the third consecutive quarter at S\$1.94 psf per month and S\$1.79 psf per month respectively.

The new Sellers' Stamp Duty on industrial property could potentially weed out speculators and moderate industrial property prices, particularly for strata-title units. The impact on A-REIT is not expected to be significant as it holds its properties for investment purposes on a long term basis.

Average occupancy for most sectors improved marginally. Business park occupancy increased by 1.1% points to 82.3% while factory space improved by 0.1% point to 93.7% (2Q 2012: 93.6%). Occupancy for warehouse space, however, showed a marginal decline of 0.1% point to 94.3% (2Q 2012: 94.4%).

**China**

China's economic activity has picked up in 4Q 2012. The manufacturing PMI held steady in December 2012 at 50.6, unchanged from that in November 2012. This was an increase of 0.8 points from 49.8 in September 2012. In a Reuters poll, China's GDP is expected to have expanded 7.8% in 4Q 2012 compared to 7.4% in 3Q 2012. But the outlook in 2013 remains cloudy given the lingering global uncertainties.

China's inflation rate was 4.1% in December 2012, a modest decline from 4.2% in November 2012. For 2012, inflation was 5.4%.

**Outlook for the financial year ending 31 March 2013**

For the remaining of the financial year, A-REIT has about 2.1% of its revenue due for renewal. With more than 1,200 tenants and a portfolio of 101 properties in Singapore and 1 in China, A-REIT is well-diversified in terms of rental income with no single property accounting for more than 4.6% of A-REIT's monthly gross revenue. A-REIT's portfolio has a mix of long and short term leases (36% versus 64% by asset value) with a weighted average lease to expiry of about 3.8 years which will provide sustainable and predictable earnings.

Barring any unforeseen event and any further weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the financial year ending 31 March 2013.

## 11. Distributions

### (a) Current financial period

Any distributions declared for the current financial period :	Yes
Name of distribution :	39 <sup>th</sup> distribution for the period 1 October 2012 to 31 December 2012
Distribution Type :	Income
Distribution Rate :	Taxable income - 3.62 cents per unit
Par value of units :	Not applicable
Tax Rate :	<u>Taxable Income Distribution</u> Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax.  Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently.  Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts.  Qualifying foreign non-individual investor will receive their distributions after deduction of tax at the rate of 10%.  All other investors will receive their distributions after deduction of tax at the rate of 17%.
Book closure date :	23 January 2013
Date payable :	27 February 2013

### (b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	34 <sup>th</sup> distribution for the period 01 October 2011 to 31 December 2011
Distribution Type :	Income / Capital
Distribution Rate :	Taxable income - 3.43 cents per unit Capital - 0.05 cents per unit
Par value of units :	Not applicable
Tax Rate :	<u>Taxable Income Distribution</u> Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax.  Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently.  Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts.  Qualifying foreign non-individual investor will receive their distributions after deduction of tax at the rate of 10%.  All other investors will receive their distributions after deduction of tax at the rate of 17%.  <u>Capital distribution</u> Distributions out of capital are not taxable in the hands of all Unitholders provided that the Units are not held as trading assets. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the Units, the amount of such distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gain arising from a subsequent disposal of the Units. If the amount exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.
Book closure date :	27 January 2012
Date paid :	27 February 2012

**12. If no distribution has been declared/(recommended), a statement to that effect**

Not applicable.

**13. If the Group has obtained a general mandate from unitholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

A-REIT has not obtained a general mandate from unitholders for interested parties transactions.

**14. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines**

The Manager hereby certifies that in relation to the distribution to the Unitholders of A-REIT for the financial quarter ended 31 December 2012:

The Manager is satisfied on reasonable grounds that, immediately after making the distribution, A-REIT will be able to fulfill, from its deposited property, its liabilities as and when they fall due.

A-REIT's current distribution policy is to distribute 100% of its distributable income to Unitholders, other than gains on the sale of properties that are determined by IRAS to be trading gains, and unrealised surplus on revaluation of investment properties and investment properties under development. Distributions are usually made on a quarterly basis at the discretion of the Manager.

**15. DIRECTORS CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these financial results to be false or misleading in any material aspect.

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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses, 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 current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

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By order of the Board  
Ascendas Funds Management (S) Limited

**Mary Judith de Souza**  
**Company Secretary**  
**15 January 2013**



**KPMG LLP**  
16 Raffles Quay #22-00  
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The Board of Directors  
Ascendas Funds Management (S) Limited  
(in its capacity as Manager of  
Ascendas Real Estate Investment Trust)  
61 Science Park Road  
#02-18 The Galen  
Singapore Science Park II  
Singapore 117525

Attention: Mr Tan Ser Ping

15 January 2013

Dear Sirs

**Ascendas Real Estate Investment Trust and its subsidiaries  
Review of Interim Financial Information for the 9-month period ended 31 December  
2012**

***Introduction***

We have reviewed the accompanying interim financial information (the "Interim Financial Information") of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") for the nine-month period ended 31 December 2012. The Interim Financial Information comprises the following:

- Balance sheets of the Trust and the Group as at 31 December 2012;
- Statements of total return of the Trust and the Group for the three-month period and nine-month period ended 31 December 2012;
- Distribution statements of the Trust and the Group for the three-month period and nine-month period ended 31 December 2012;
- Statements of movements in unitholders' funds of the Trust and the Group for nine-month period ended 31 December 2012;
- Portfolio statement of the Group as at 31 December 2012;
- Statement of cash flows of the Group for the nine-month period ended 31 December 2012; and
- Certain explanatory notes to the above Interim Financial Information.

Ascendas Funds Management (S) Limited, the Manager of the Trust, is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information issued by the Institute of Certified Public Accountants of Singapore. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.



***Scope of Review***

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of the RAP 7 relevant to interim financial information issued by the Institute of Certified Public Accountants of Singapore.

***Restriction of Use***

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim financial information for the purpose of assisting the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

Yours faithfully

*KPMG LLP*

**KPMG LLP**  
*Public Accountants and  
Certified Public Accountants  
Singapore*