

A-REIT to acquire logistics facility in Sydney for A\$76.6 million

24 December 2015, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”), is pleased to announce the proposed acquisition of a logistics property, 6-20 Clunies Ross Street, Pemulwuy, located in Sydney, Australia (the “**Property**”), for A\$76.6 million (S\$76.6 million¹) (“**Purchase Consideration**”) from Deka Australia One GmbH (the “**Vendor**”) (“**Proposed Acquisition**”).

Mr Tan Ser Ping, Executive Director and Chief Executive Officer of the Manager said, “The proposed acquisition will be our 10th logistics facility in Sydney and our 27th in Australia. It is another premium quality property with characteristics similar to our earlier acquisitions in Australia, such as freehold land, long weighted average lease expiry (WALE) of 6.1 years and triple net leases. Furthermore, current tenants in the property are two reputable Government-related entities, Australia Post and New South Wales Police. Australia Post has subleased their space to an established Australian retailer, Target, which uses it as its major distribution facility.

During the quarter, A-REIT has announced a total acquisition of about S\$1.6b worth of properties in Australia (S\$1.15b) and Singapore (S\$439m). This is in line with our strategy to enhance and diversify A-REIT’s portfolio with good quality and well-located properties. Altogether these acquisitions are expected to be DPU accretive on a proforma basis.”

Details of the Proposed Acquisition

Perpetual Corporate Trust Limited, as trustee of Ascendas Longbeach Trust No.9 (a sub-trust of Ascendas Logistics Trust 2, which is a sub-trust of Ascendas REIT Australia), has entered into a land sale contract (the “**Land Sale Contract**”) with the Vendor to acquire the Property for A\$76.6 million. All existing tenancies will be assigned to Perpetual Corporate Trust Limited upon completion of the transaction.

¹ An illustrative exchange rate of A\$1.00: S\$1.00 is used for all conversions from Australian Dollar amounts into Singapore Dollar amounts in this press release.

A-REIT is expected to incur estimated transaction costs of about A\$5.4 million (S\$5.4 million), which includes stamp duty, professional advisory fees and the acquisition fee payable to the Manager (being 1% of the Purchase Consideration of A\$76.6 million, which amounts to approximately A\$0.766 million (S\$0.766 million)).

The Proposed Acquisition is expected to generate a net property income yield of approximately 7.1% pre-transaction costs (6.6% post transaction costs) in the first year. The annualised pro forma financial effect of the Proposed Acquisition on distribution per unit would be 0.007 cents².

The Proposed Acquisition has a committed weighted average lease expiry of 6.1 years as at 1 November 2015 and is 100% occupied. There is also a built-in step up rental escalation of between 3.5% to 4% per annum in the leases.

The Proposed Acquisition is expected to complete in the first quarter of 2016, subject to receipt of Australian Foreign Investment Review Board clearance.

Following the Proposed Acquisition, A-REIT's weighted average lease term to expiry is expected to increase from 3.83 years to 3.85 years. A-REIT will own a total of 102 properties in Singapore, 27 properties in Australia and two business park properties in China.

About the Property

6-20 Clunies Ross Street comprises a modern high clearance warehouse (36,220 sqm) and a freestanding two-storey office/laboratory facility (2,359 sqm) with a total gross floor area of 38,579sqm. The design and layout of the building is generic, functional and efficient for a wide range of users. The Property is located approximately 28km west of Sydney CBD and strategically located within one of Sydney's premium logistics and distribution hubs – the Holroyd Local Government Area and the Greystanes Industrial precinct. The Property also has good access to the major M4 and M7 motorways and is less than an hour to Port Botany shipping terminal and Sydney Airport.

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² Assuming A-REIT had purchased, held and operated the Property for the whole of the financial year ended 31 March 2015; and assuming the Proposed Acquisition was funded based on a funding structure of 40% debt and 60% equity.

About A-REIT (www.a-reit.com)

A-REIT is Singapore's first and largest listed business space and industrial real estate investment trust. As at 30 September 2015, total assets amount to about S\$8.3 billion in a diversified portfolio of 102 properties in Singapore, comprising business and science park properties, hi-specs industrial properties, light industrial properties, logistics and distribution centres, integrated development, amenities and retail properties and 2 business park properties in China. These properties house a tenant base of around 1,430 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include SingTel, Siemens, Honeywell, Zuellig Pharma, Citibank N.A., OSIM International, DBS Bank, Federal Express, Baidu, Inc., Johnson & Johnson, RSH, Infineon Technologies, Cold Storage and Hyflux.

A-REIT completed the acquisition of 26 logistics properties in Australia for about S\$1.07 billion in November 2015.

A-REIT is listed in several indices. These include the FTSE Straits Times Index (with effect from 4 June 2014), the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250. A-REIT has an issuer rating of "A3" by Moody's Investor Services.

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

Ascendas REIT Australia, and its sub-trusts, are managed by Ascendas Funds Management (Australia) Pty Ltd, which is a wholly-owned subsidiary of Ascendas Funds Management (S) Limited.

About Ascendas Group (www.ascendas.com)

A member of the Ascendas-Singbridge Group, Ascendas is Asia's leading provider of business space solutions with more than 30 years of experience. Based in Singapore, Ascendas has built a strong regional presence and serves a global clientele of over 2,400 customers in 26 cities across 10 countries including Singapore, China, India, Malaysia, South Korea and Vietnam.

Ascendas specialises in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-specs facilities, office and retail spaces. Leveraging on its track record and experience, Ascendas has introduced new business space concepts such as integrated communities and solutions which seamlessly combine high-quality business, lifestyle, retail and hospitality spaces to create conducive human-centric work-live-play-learn environments. Its flagship projects include the Singapore Science Park and Changi City at Changi Business Park in Singapore, International Tech Park Bangalore in India and Ascendas-Xinsu in Suzhou Industrial Park, China. Ascendas provides end-to-end real estate solutions, assisting companies across the entire real estate process.

In November 2002, Ascendas launched Singapore's first business space trust, Ascendas Real Estate Investment Trust (A-REIT), and in August 2007, Ascendas India Trust (a-iTrust) was listed as the first Indian property trust in Asia. In July 2012, Ascendas listed Ascendas Hospitality Trust (A-HTRUST), which comprises a portfolio of quality hotels in Australia, China, Japan and Singapore. Besides managing listed real estate funds, Ascendas also manages a series of private funds with commercial and industrial assets across Asia.

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Important Notice

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

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

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

This release may contain forward-looking statements that involve assumptions, 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 A-REIT's future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

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