



197-201 Coward Street, Australia



ONE@Changi City, Singapore

2Q FY16/17 Financial Results Presentation

20 October 2016



Disclaimers

This material shall be read in conjunction with Ascendas Reit’s financial statements for the financial quarter ended 30 September 2016.

This presentation 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 Ascendas 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.

The value of units in Ascendas 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 Ascendas 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 Ascendas Reit is not necessarily indicative of the future performance of Ascendas Reit.

Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

Key Highlights for 2Q FY16/17

Financial Performance

Investment Management

Capital Management

Asset Management

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Portfolio Resilience

Market Outlook

Key Highlights for 2Q FY16/17

- Total amount available for distribution rose by 12.3% y-o-y to S\$112.5m
- Estimated 2Q FY16/17 DPU¹ declined 3.1% y-o-y to 4.030 cents due to the one-off distribution made in 2Q FY15/16 relating to the non-deductibility of certain upfront financing fees from prior years
- Excluding the one-off distribution, estimated recurrent DPU¹ grew 3.6% y-o-y to 4.030 cents
- Key performance drivers were:
 - Contributions from new acquisitions: Australian Portfolio and ONE@Changi City
 - Lower property tax expenses due to retrospective downward revisions in the annual value of certain properties
 - Lower utilities expenses due to lower rates contracted for certain properties with effect from 1Q FY16/17

¹ The estimated DPU for 2Q FY16/17 have been computed on the basis that no further Exchangeable Collateralised Securities will be exchanged into Units before the next books closure date. Accordingly, the actual quantum of DPU may differ if Ascendas Reit receives Exchange Notices before the next books closure date.

Key Highlights for 2Q FY16/17

- Total amount available for distribution rose by 5.3% q-o-q to S\$112.5 million
- Estimated DPU¹ grew 3.8% q-o-q to 4.030 cents from 3.882 cents
 - Boosted by savings in property taxes
- Investment highlights
 - S\$148.6m of **acquisition** in Australia
 - S\$25.7m **forward acquisition** in Australia
 - S\$154.9m of **divestment**
 - S\$4.7m of **asset enhancement**
- Proactive Capital Management
 - Raised S\$154.7m equity via private placement to fund new acquisitions
 - Healthy aggregate leverage of 34.2% with debt maturity of 3.8 years
 - 77.6% of borrowings is hedged against interest rate movements

¹ The estimated DPU for 2Q FY16/17 have been computed on the basis that no further Exchangeable Collateralised Securities will be exchanged into Units before the next books closure date. Accordingly, the actual quantum of DPU may differ if Ascendas Reit receives Exchange Notices before the next books closure date.

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2Q FY16/17 vs 2Q FY15/16

(S\$'000)	2Q FY16/17 ⁽¹⁾	2Q FY15/16 ⁽¹⁾	% fav/ (unfav)
Gross revenue ⁽²⁾	205,441	182,625	 12.5
Net property income ⁽³⁾	152,435	123,803	 23.1
Total amount available for distribution	112,503	100,159	 12.3
DPU ⁽⁴⁾⁽⁵⁾	4.030	4.160	 (3.1)
<i>Recurrent amount available for distribution</i>	<i>112,503</i>	<i>93,634</i>	 20.2
<i>Recurrent DPU (cents)⁽⁶⁾</i>	<i>4.030</i>	<i>3.889</i>	 3.6

(1) The Group had 131 properties and 104 properties as at 30 Sep 2016 and 30 Sep 2015, respectively.

(2) Higher gross revenue mainly due to contributions from the acquisition of the Australian Portfolio and ONE@Changi City, partially offset by the divestment of Ascendas Z-Link and Four Acres Singapore.





(3) Higher NPI mainly due to higher gross revenue coupled with lower utilities and property tax expenses

(4) Includes taxable (2Q FY16/17: 3.836 cents, 2Q FY15/16: 4.095 cents), tax exempt (2Q FY16/17: 0.096 cents, 2Q FY15/16: 0.046 cents) and capital (2Q FY16/17: 0.098 cents, 2Q FY15/16: 0.019 cents) distributions.

(5) The estimated DPU for 2Q FY16/17 have been computed on the basis that no further Exchangeable Collateralised Securities (ECS) will be exchanged into Units before the next books closure date. Accordingly, the actual quantum of DPU may differ if Ascendas Reit receives Exchange Notices before the next books closure date.

(6) Adjusted for a one-off distribution of taxable income from operations of S\$6.5m (DPU impact of 0.271 cents) for 2Q FY15/16 in relation to a rollover adjustment from prior years arising from a ruling by IRAS on the non-deductibility of certain upfront financing fees incurred in FY09/10 for certain credit facilities.

2Q FY16/17 vs 1Q FY16/17

(S\$'000)	2Q FY16/17 ⁽¹⁾	1Q FY16/17 ⁽¹⁾	% fav/ (unfav)
Gross revenue ⁽²⁾	205,441	207,588	 (1.0)
Net property income ⁽³⁾	152,435	149,480	 2.0
Total amount available for distribution	112,503	106,853	 5.3
DPU (cents) ⁽⁴⁾⁽⁵⁾	4.030	3.882	 3.8

(1) The Group had 131 properties as at 30 Sep and 30 Jun 2016.

(2) Lower gross revenue mainly due to the divestment of AZPark during the quarter, partially offset by contributions from the acquisition of 197 - 201 Coward Street, Mascot, Sydney on 9 Sep 2016.

(3) Higher NPI mainly due to lower property tax expenses arising from retrospective downward revisions in the annual value of certain properties in 2Q FY16/17.

(4) Includes taxable (2Q FY16/17: 3.836 cents, 1Q FY16/17: 3.709 cents), tax exempt (2Q FY16/17: 0.096 cents, 1Q FY16/17: 0.156 cents) and capital (2Q FY16/17: 0.098 cents, 1Q FY16/17: 0.017 cents) distributions.

(5) The estimated DPU for 2Q FY16/17 have been computed on the basis that no further ECS will be exchanged into Units before the next books closure date. Accordingly, the actual quantum of DPU may differ if A-REIT receives Exchange Notices before the next books closure date.

Distribution Details

Stock Counter	Distribution Period	Estimated DPU (cents) [#]			
		Taxable Income	Tax-exempt Income	Capital	Total
Ascendas Reit	11 Aug 2016 to 30 Sep 2016	2.156	0.031	0.090	2.277

Distribution Timetable

Last day of trading on “cum” basis	25 Oct 2016 (Tuesday)
Ex-distribution date	26 Oct 2016 (Wednesday)
Books closure date	28 Oct 2016 (Friday)
Distribution payment date	29 Nov 2016 (Tuesday)

Ascendas Reit paid an advanced distribution of 5.635 cents per unit on 9 Sep 2016 for the period from 1 Apr 2016 to 10 Aug 2016. Please refer to Ascendas Reit’s announcements on 9 Sep 2016 for more details. The estimated DPU has been computed on the basis that no further ECS will be exchanged into Units before the books closure date. Accordingly, the actual quantum of DPU may differ if Ascendas Reit receives further Exchange Notices before the book closure date.

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Investment Highlights in 2Q FY16/17

	Country	Purchase Consideration / Value (S\$m)	Completion date
Acquisition		148.6	
197 - 201 Coward Street, Mascot, Sydney	Australia	148.6 ⁽¹⁾ (A\$143.4)	9-Sep-16
Forward Acquisition		25.7	
Stage 4, Power Park Estate, Dandenong South, Melbourne	Australia	25.7 ⁽¹⁾ (A\$24.8)	Expected in 1Q 2017
Divestment		154.9	
Ascendas Z-Link	China	154.9 ⁽²⁾ (RMB 760)	11-Jul-16
Asset Enhancement		4.7	
The Aries	Singapore	4.7	Aug-16

⁽¹⁾ Based on 30 Sep 16 exchange rate of AUD1.00 = SGD 1.0361

⁽²⁾ Based on 30 Sep 16 exchange rate of RMB1.00 = SGD 0.2038

First Australian Business Park Acquisition: 197-201 Coward Street, Mascot, Sydney

Purchase Consideration	A\$143.4m
Acquisition Fee, Stamp Duty and Other transaction costs	A\$10.0m
Total Acquisition Cost	A\$153.4m
Vendor	Frasers Property Australia
Valuation	A\$144.0m by Knight Frank
Land Area	6,714 sm
Land Tenure	Freehold
Net Lettable Area	22,628 sm
Occupancy	100%
Weighted Average Lease to Expiry	5.2 years
Key Tenants	Leighton Contractors, TNT, Avis
Initial NPI Yield	6.9% (or 6.5% post-cost yield)

Acquired on 9 Sep 2016



Property: Comprises two 8-storey A-grade office park towers and a multi-storey carpark. Completed in 2003.

Location: Established South Sydney commercial precinct. Well serviced by public transport.

Tenants: Attracts logistics and transportation sectors and those who value close proximity to CBD at discounted rents.

Forward Acquisition of Australia logistics property: Stage 4, Power Park Estate, Dandenong South, Melbourne

Purchase Consideration	A\$24.8m
Acquisition Fee, Stamp Duty and Other transaction costs	Approx A\$0.8m
Total Acquisition Cost	A\$25.6m
Vendor	Goodman Dandenong Trust
Valuation	A\$24.8m by Urbis
Land Area	33,107 sm
Land Tenure	Freehold
Gross Lettable Area	18,007 sm (comprising of 2 warehouses of 12,200 sm and 5,807 sm)
Occupancy	68% pre-commitment. The vendor will provide rental support for the remaining space.
Weighted Average Lease Expiry	8 years upon completion, with 3 further terms of 3 years each
Key Tenant	Bunzl Outsourcing Service
Initial NPI Yield	6.7% (6.5% post-cost yield)



Property: A prime single-storey modern logistics facility under development. Construction completion expected in **1Q 2017**.

Location: Power Park Industrial Estate in the industrial suburb of Dandenong South. Good connectivity to arterial roads and the proposed Port Shuttle intermodal terminal. Fast access to and from the Port of Melbourne in 45 min.

Tenants: Logistics users

Divestment to Realise Value of Business Park Property in Beijing

Description	Business Park located in Zhongguancun Software Development Area in the Haidian District, Beijing
Remaining Land Tenure	38 years
NLA	27,595 sm
Acquisition Year / Price	2011/ S\$61.8m
Book Value (as at 31 Mar 2016)	RMB 690.0m (S\$140.6m)
Sales Price	RMB 760.0m (S\$154.9m)
NPI Impact	- S\$8.2m
Buyer	Cova Beijing Zpark Investment Limited
Capital gains over original costs	S\$95.6m
Completion Date	11 July 2016



Ascendas Z-Link

Note: Based on 30 Sep 16 exchange rate of RMB1.00 = S\$0.2038

In accordance to A-REIT's Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the Property.

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Healthy Balance Sheet

- Aggregate leverage reduced to 34.2% after repayment of borrowings from divestment proceeds and equity fund raising
- Available debt headroom of S\$1.9 billion to reach 45.0% aggregate leverage
- Issued 64m new units to raise approximately S\$154.7m in a private placement in Aug 2016

	As at 30 Sept 16	As at 30 Jun 16
Total debt (S\$m) ⁽¹⁾	3,370	3,625
Total assets (S\$m)	9,851	9,797
Aggregate leverage	34.2%	37.0%
Unitholders' funds (S\$m)	5,768	5,449
Net asset value (NAV) per Unit	205 cents	204 cents
Adjusted NAV per Unit ⁽²⁾	203 cents	200 cents
Units in issue (m) ⁽³⁾	2,816	2,674

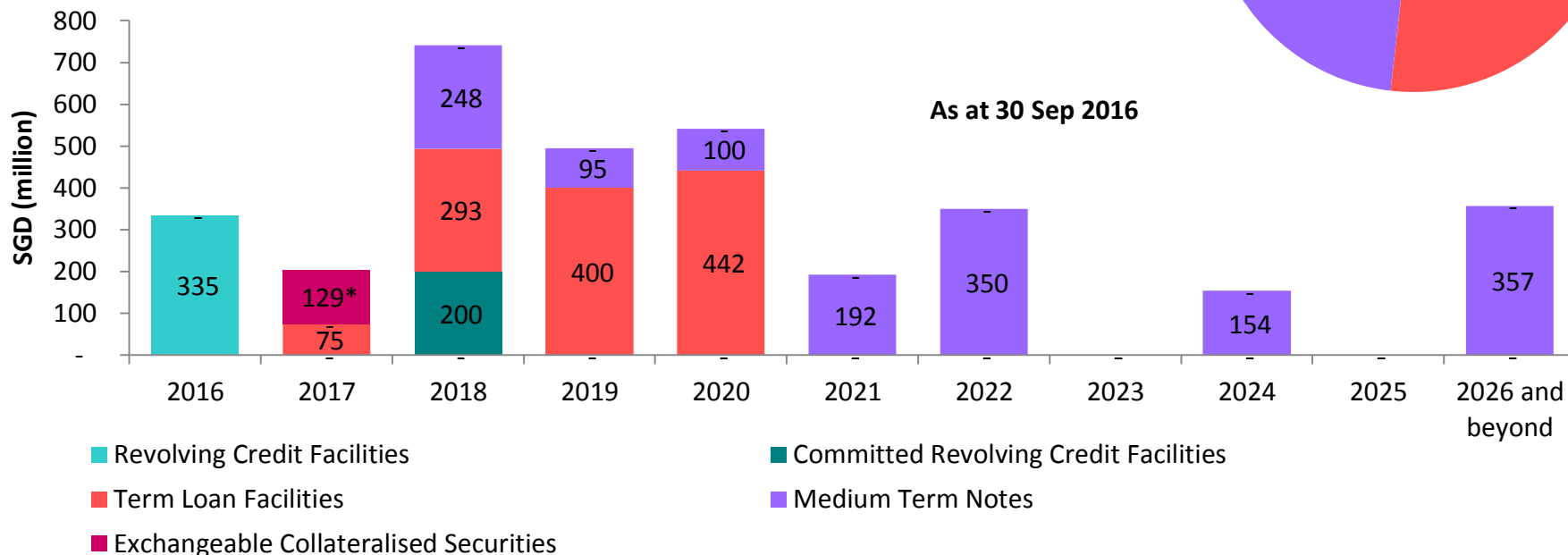
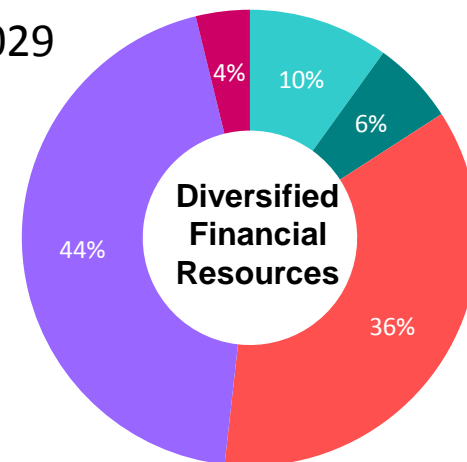
(1) Excludes fair value changes and amortised costs. Borrowings denominated in foreign currencies are translated at the prevailing exchange rates except for JPY/HKD-denominated debt issues, which are translated at the cross-currency swap rates that A-REIT has committed to

(2) Excludes the amount to be distributed for the relevant period after the reporting date

(3) On 20 Oct 2016, Ascendas Reit issued 5.9m new Units pursuant to the exchange of S\$12.0m ECS and cancelled the corresponding ECS. Total number of Units in issue as at 20 Oct 2016 is therefore approximately 2,822m

Well-spread Debt Maturity Profile

- Well-spread debt maturity with the longest debt maturing in 2029
- Average debt maturity: 3.8 years
- Issued HKD923m (S\$162.9m) 2.77% 10-year Notes in Aug 2016 (MTN#14)
- S\$157m ECS were converted into Units in Aug 2016



- On 20 Oct 2016, Ascendas Reit issued 5.9m new Units pursuant to the exchange of S\$12.0m ECS and cancelled the corresponding ECS. Total ECS outstanding as at 20 Oct 2016 is therefore S\$116.75m

Key Funding Indicators

- Robust indicators enable Ascendas Reit to borrow at competitive costs

	As at 30 Sep 16	As at 30 Jun 16
Aggregate Leverage	34.2% ⁽²⁾	37.0%
Unencumbered properties as % of total investment properties ⁽¹⁾	78.0%	78.2%
Interest cover ratio	5.3 x	5.2 x
Debt / EBITDA	6.2 x	6.7 x
Weighted average tenure of debt (years)	3.8	3.3
YTD weighted average all-in debt cost	3.02%	2.99%

A-REIT's issuer rating by Moody's

A3 stable

(1) Total investment properties exclude properties reported as finance lease receivable

(2) Post conversion of S\$12.0m ECS into new Units on 20 Oct 2016, aggregate leverage will improve to 34.1%

Prudent Interest Rate Risk Management

- **77.6%** of borrowings is hedged for an average term of **3.8 years**
- 50 bps increase in interest rate is expected to have a pro forma impact of S\$3.8m decline in distribution or 0.13 cent in DPU

Increase in interest rates	Decrease in distribution (S\$m)	Change as % of FY15/16 distribution	Pro forma DPU impact (cents) ⁽¹⁾
50 bps	3.8	1.0%	0.13
100 bps	7.6	2.0%	0.27
150 bps	11.3	3.0%	0.40
200 bps	15.1	4.0%	0.54

(1) Based on number of units in issue of 2,816m as at 30 Sep 2016

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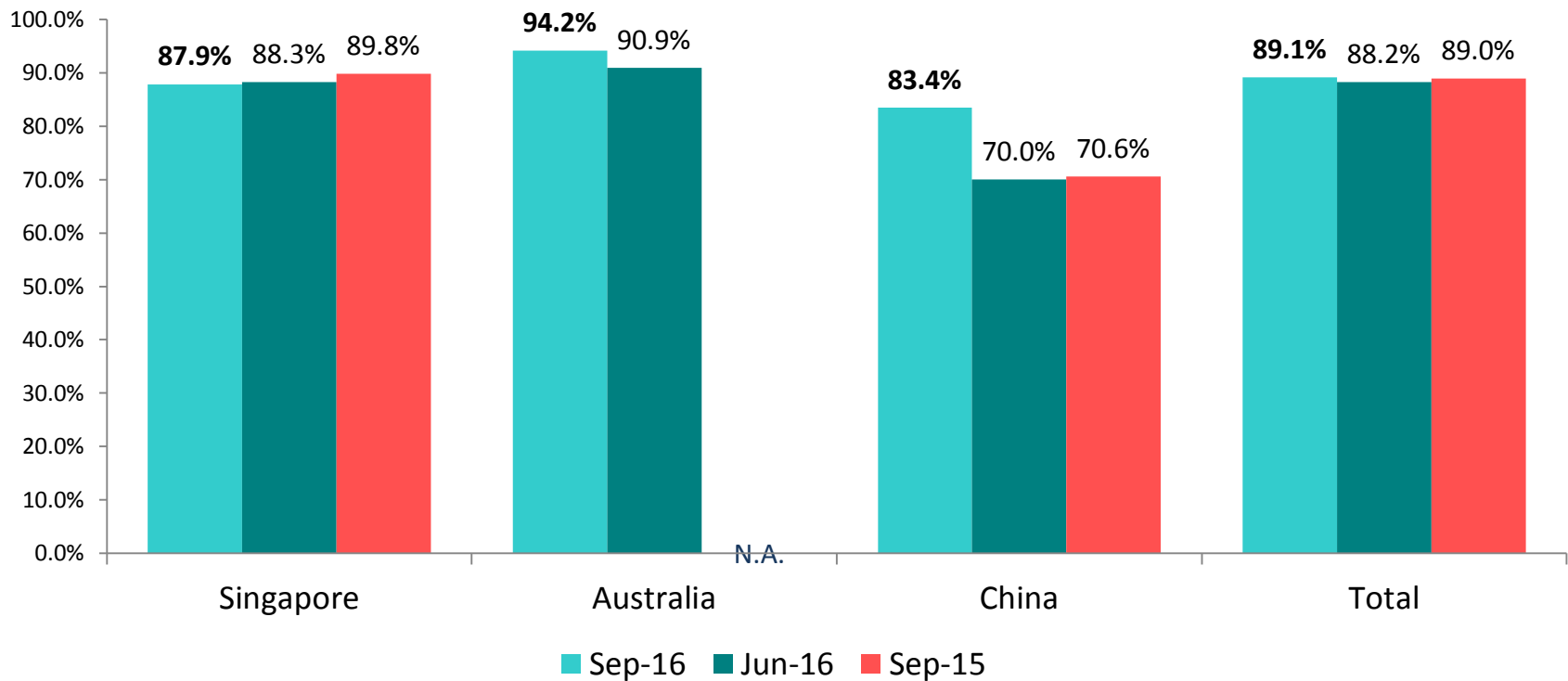
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Overview of Portfolio Occupancy



Gross Floor Area# (sm)	2,965,535*	692,153^	79,880	3,737,568*
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Note:

- The Australia properties were acquired in 3Q FY15/16 and 4Q FY15/16.

Gross Floor Area as at 30 Sep 2016.

* Gross Floor Area excludes 20 Tuas Avenue 1 (formerly known as IDS Logistics Corporate HQ/ 279 Jalan Ahmad Ibrahim) which has been decommissioned for AEI.

^ Gross Floor Area for Australia portfolio refers to the Gross Lettable Area/Net Lettable Area.

Singapore Occupancy

- Singapore occupancy declined 40 bps to 87.9% mainly due to non-renewals at 40 Penjuru Lane and Pioneer Hub

As at	30 Sep 2016	30 Jun 2016	30 Sep 2015
Total Singapore Portfolio GFA (sm)	2,965,535 ⁽¹⁾⁽²⁾	2,965,535 ⁽¹⁾⁽²⁾	2,870,377 ⁽³⁾
Singapore Portfolio occupancy (same store) ⁽⁴⁾	89.0%	89.1%	89.7%
Singapore MTB occupancy (same store) ⁽⁴⁾	84.3%	84.5%	85.8%
Occupancy of Singapore investments completed in the last 12 months	76.9%	80.8%	-
Overall Singapore portfolio occupancy	87.9%	88.3%	89.8%
Singapore MTB occupancy	83.5%	84.1%	85.8%

(1) Excludes 20 Tuas Ave 1 (formerly IDS Logistics Corporate HQ / 279 Jalan Ahmad Ibrahim) which has been decommissioned for asset enhancement works.

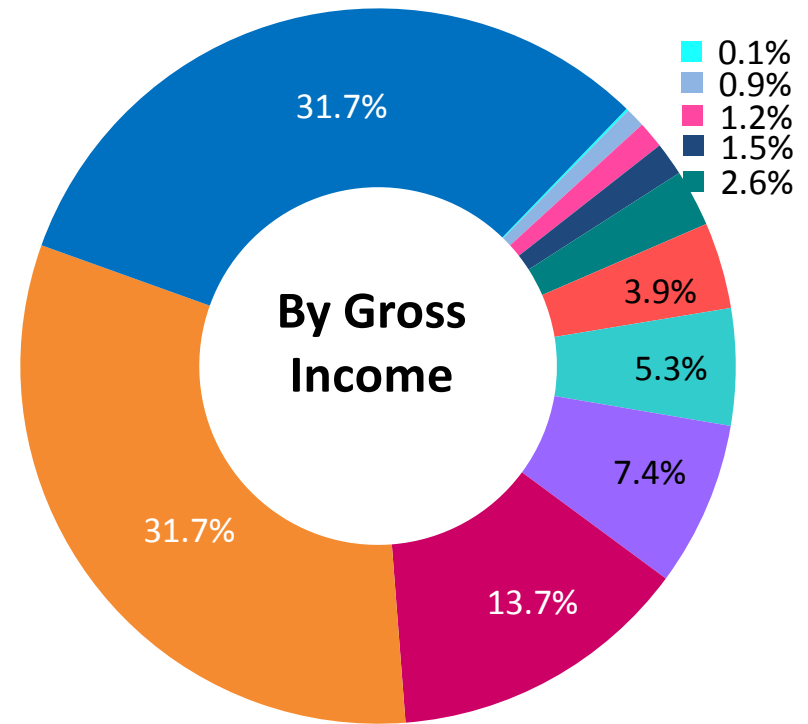
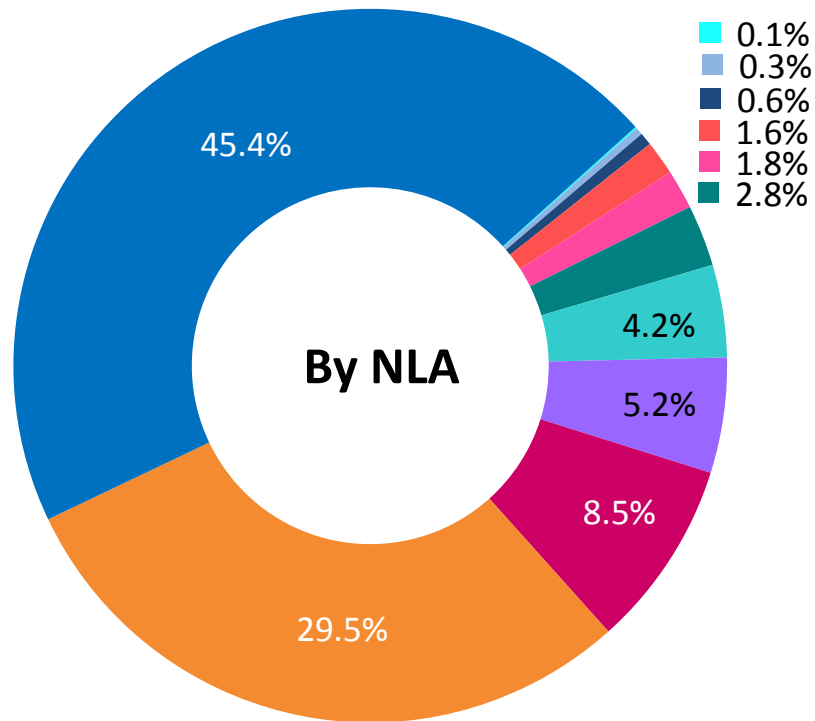
(2) Excludes Four Acres Singapore which was divested on 29 Apr 2016.

(3) Excludes 2 Senoko South which was previously decommissioned for asset enhancement works. Works were completed on 8 Apr 2016.

(4) Same store occupancy rates for previous quarters are computed with the same list of properties as at 30 Sep 2016, excluding new investments completed in the last 12 months, divestments and changes in classification of certain buildings from single-tenant to multi-tenant buildings or vice-versa.

Singapore: Sources of New Demand

- Continues to attract demand from a wide spectrum of industries



■ Structural Engineering
■ Biomedical
■ Precision Engineering
■ Electronics

■ Telecommunication & Datacentre
■ Food Products & Beverages
■ Others
■ Transport and Storage

■ Lifestyle and Services
■ General Manufacturing
■ IT

Australia: Occupancy

- Occupancy improved to 94.2% mainly due to a new take up at 494 -500 Great Western Highway (Sydney)

As at	30 Sep 2016	30 Jun 2016
Total Australian Portfolio GFA (sm)	692,153 ⁽¹⁾	669,525
Australian Portfolio occupancy (same store) ⁽²⁾	94.0%	90.9%
Occupancy of Australian investments completed in the last quarter ⁽³⁾	100.0%	-
Overall Australian portfolio occupancy	94.2%	90.9%

(1) Includes 197 – 201 Coward Street which was acquired on 9 Sep 2016.

(2) Same store occupancy rate excludes 197-201 Coward Street (Sydney) which was acquired on 9 Sep 2016.

(3) Investment property completed in the last quarter refers to 197 – 201 Coward Street (Sydney).

China: Occupancy

Property	A-REIT City @Jinqiao
Description	A-REIT City @Jinqiao is located in Jinqiao Export Processing Zone, a state-level development zone in Shanghai. The well established technology development zone houses prominent MNCs such as GE, Siemens, Hua wei etc. The development has 8 different blocks to cater to varying space requirements and accompanying amenity services to cater to needs of tenants.
Location	Shanghai
GFA (sm)	79,880
Occupancy	83.4% (1Q 2016: 59.9%)



Achieved Positive Rental Reversions

- Rental reversion in Singapore was flat for leases renewed in 2Q FY16/17
- Expect modest rental reversion in the low-single digit or flat for FY16/17

Multi-tenant properties ⁽¹⁾	2Q FY16/17 increase in renewal rates ^{(1)#}	1Q FY16/17 increase in renewal rates ^{(3)#}	2Q FY15/16 increase in renewal rates ^{(2)#}
Business & Science Parks	2.8%	4.7%	13.2%
Hi-Specs Industrial	-1.1%	3.5%	2.0%
Light Industrial	0.3%	0.5%	5.5%
Logistics & Distribution Centres – Singapore	-4.8%	9.4%	4.8%
Singapore: Weighted Average	0.9%	4.1%	9.1%
Logistics & Distribution Centres – Australia ⁽⁴⁾	-	0.5%	-
Business Parks – China	1.9%	-	-

(1) Increase in renewal rental rates for leases renewed in 2Q FY16/17 versus previous contracted rates.

(2) Increase in renewal rental rates for leases renewed in 2Q 15/16 versus previous contracted rates.

(3) Increase in renewal rental rates for leases renewed in 1Q 16/17 versus previous contracted rates.

(4) There were no renewals in Australia in 2Q FY16/17.

Based on average gross rents

Weighted Average Lease Expiry (By gross revenue)

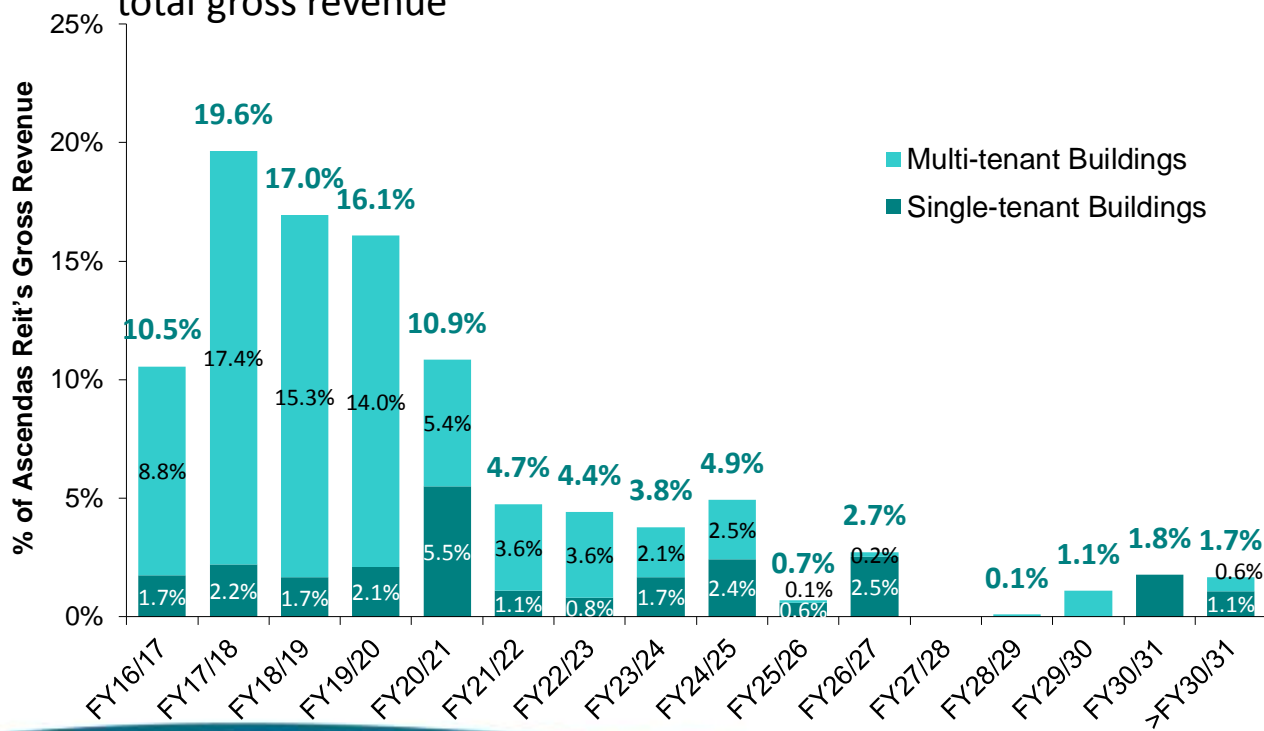
- Portfolio Weighted Average Lease Expiry (WALE) at 3.7 years

WALE (as at 30 Sep 2016)	Years
Singapore	3.5
Australia	5.1
China	2.9
Portfolio	3.7

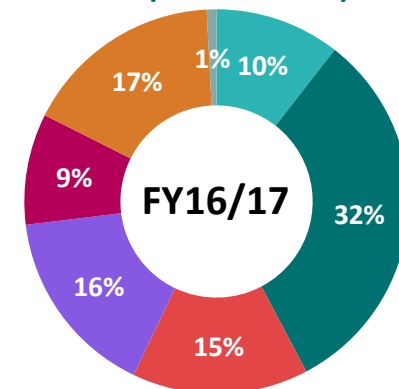
Portfolio Lease expiry profile

(as at 30 Sep 2016)

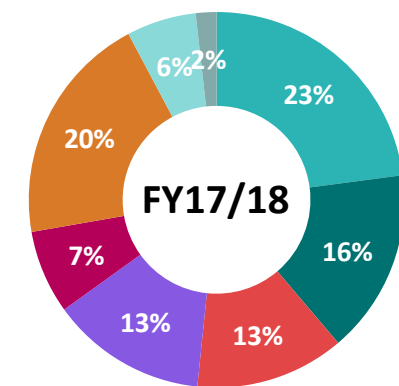
- Portfolio weighted average lease to expiry (WALE) of 3.7 years
- Lease expiry is well-spread, extending beyond 2031
- About 10.5% of gross revenue is due for renewal in the remaining of FY16/17
- Weighted average lease term of new leases signed in 2Q FY16/17 was 3.7 years
- New leases which commenced in 2Q contributed 2.4% of 2Q FY16/17 total gross revenue



Breakdown of expiring leases for FY16/17 and FY17/18



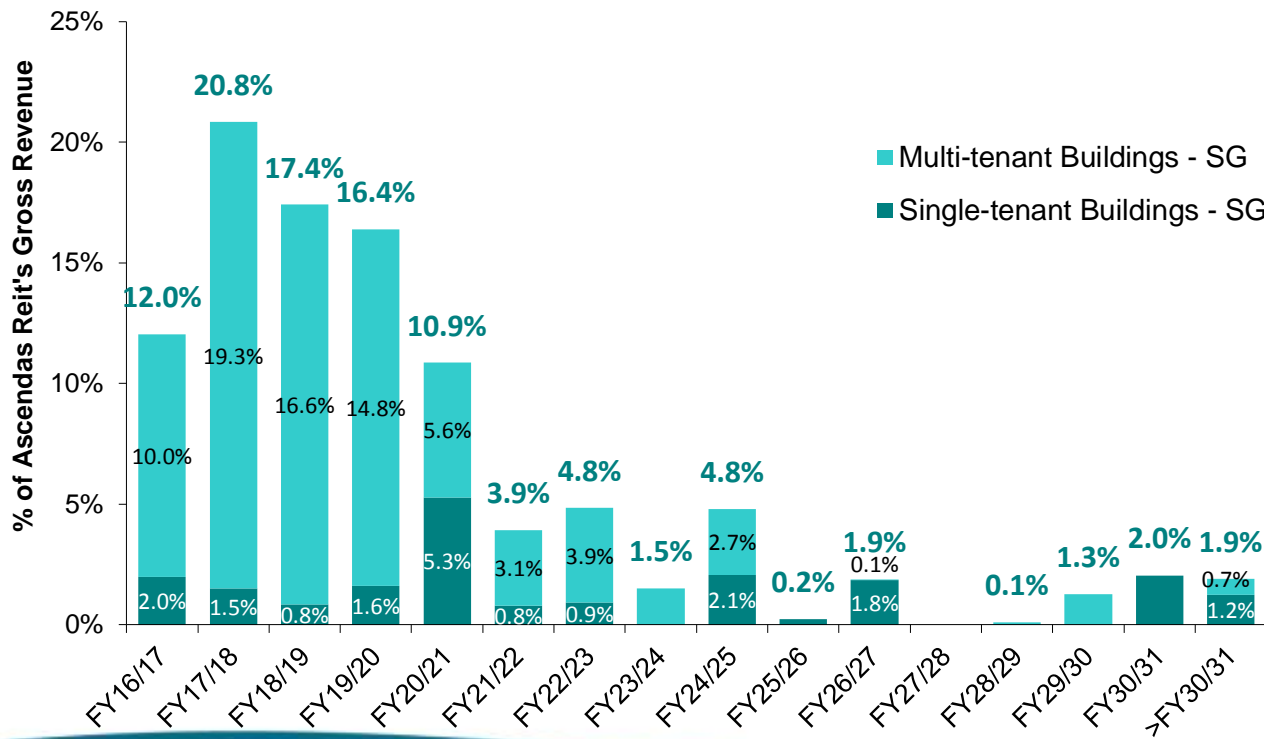
- Science Parks
- Business Parks
- Hi-Specs Industrial
- Light Industrial
- IDAR
- Logistics
- Logistics (Australia)
- Business Park (China)



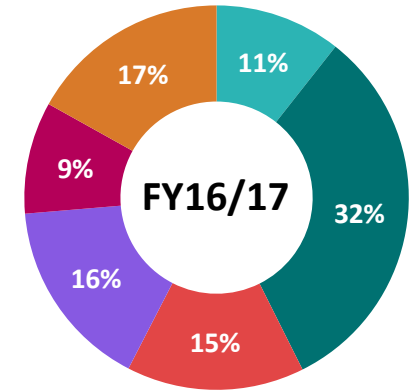
Singapore: Lease expiry profile

(as at 30 Sep 2016)

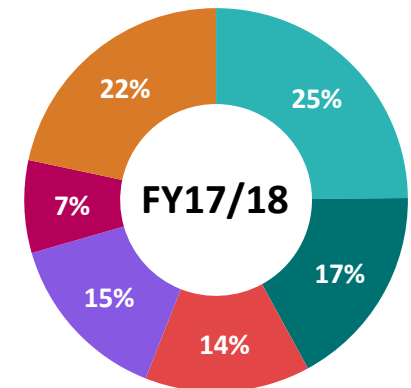
- Singapore portfolio weighted average lease to expiry (WALE) of 3.5 years
- Lease expiry is well-spread, extending beyond 2030
- 12.0% of Singapore's gross revenue is due for renewal in the remaining of FY16/17



Breakdown of expiring leases for FY16/17 and FY17/18



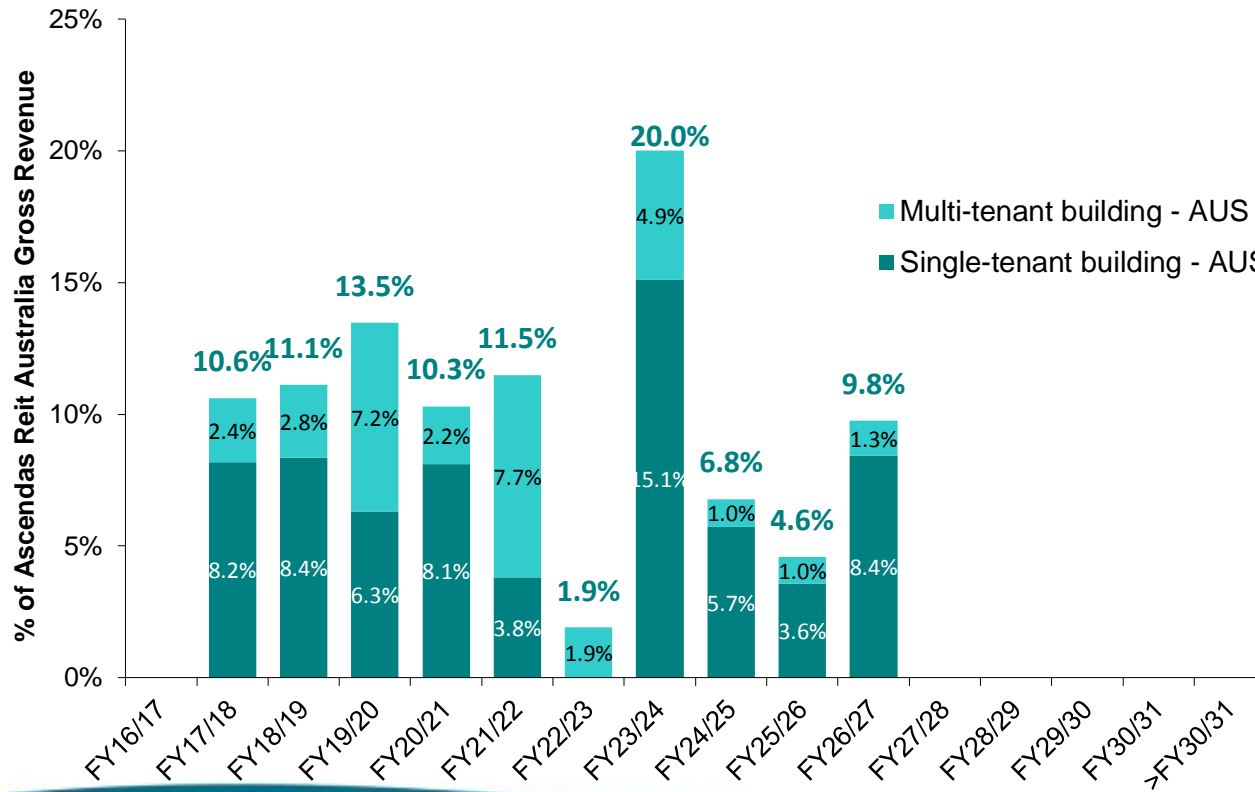
- Science Parks
- Business Parks
- Hi-Specs Industrial
- Light Industrial
- IDAR
- Logistics



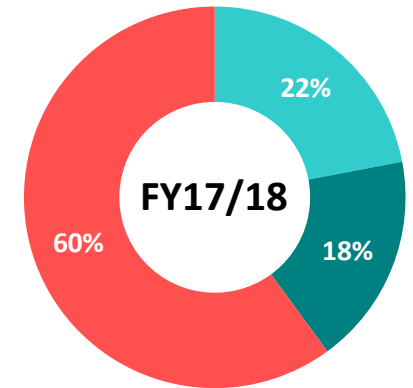
Australia: Lease expiry profile

(as at 30 Sep 2016)

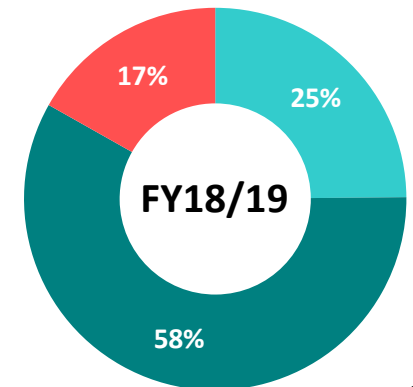
- Australia portfolio weighted average lease to expiry (WALE) of 5.1 years
- Lease expiry is well-spread, extending beyond 2027
- No more leases are due for renewal in the remaining of FY16/17



Breakdown of expiring leases for FY17/18 and FY18/19



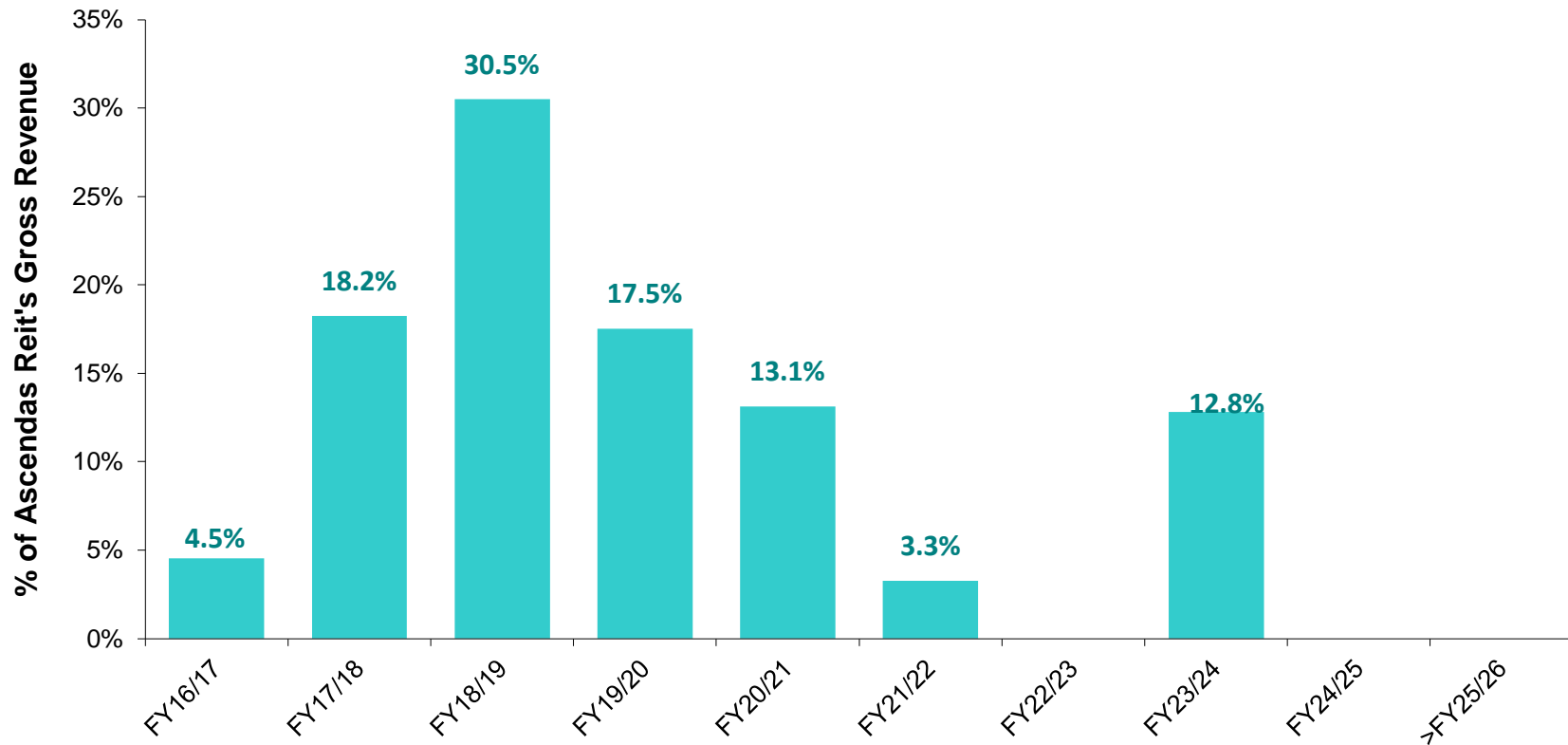
- Sydney
- Melbourne
- Brisbane
- Perth



China: Lease expiry profile

(as at 30 Sep 2016)

- Remaining property in China portfolio, A-REIT City @Jinqiao, has a weighted average lease to expiry (WALE) of 2.9 years
- Lease expiry is well-spread, extending to 2024
- 4.5% of A-REIT City @Jinqiao's gross revenue is due for renewal in the remaining of FY16/17



Ongoing Projects: Improve portfolio quality

	Estimated Value (S\$m)	Estimated Completion
Redevelopment	61.4	
20 Tuas Ave 1*	61.4	1Q 2018
Asset Enhancement Initiatives (AEI)	51.7	
AzkoNobel House	6.5	4Q 2016
50 Kallang Avenue (<i>NEW</i>)	45.2	2Q 2017
Total AEI + Redevelopment	113.1	

* formerly IDS Logistics Corporate HQ / 279 Jalan Ahmad Ibrahim

Asset Enhancement (New): 50 Kallang Avenue

Description	Façade cladding, reconfiguration of spaces, lift modernisation, new air conditioning system and enlarging windows for natural lighting etc.
AEI Cost	S\$45.2 m
Estimated Completion	2Q 2017
Land Tenure	39 years remaining
GFA	18,584 sm



Artist impression of completed building



On-going works at site

Key Highlights for 2Q FY16/17

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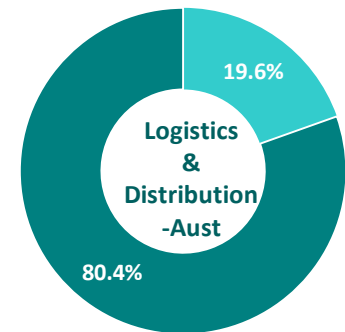
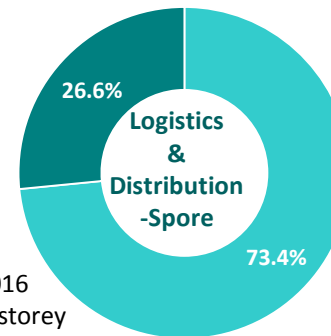
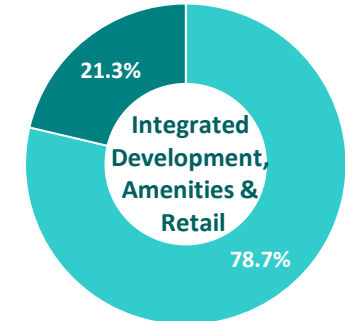
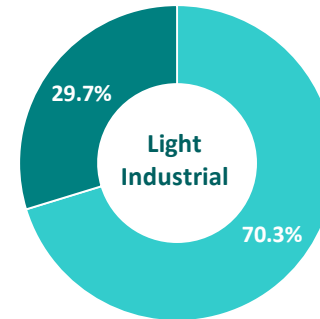
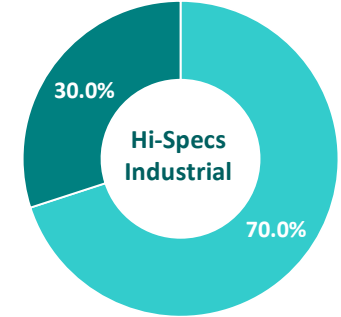
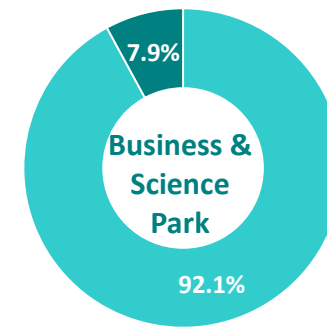
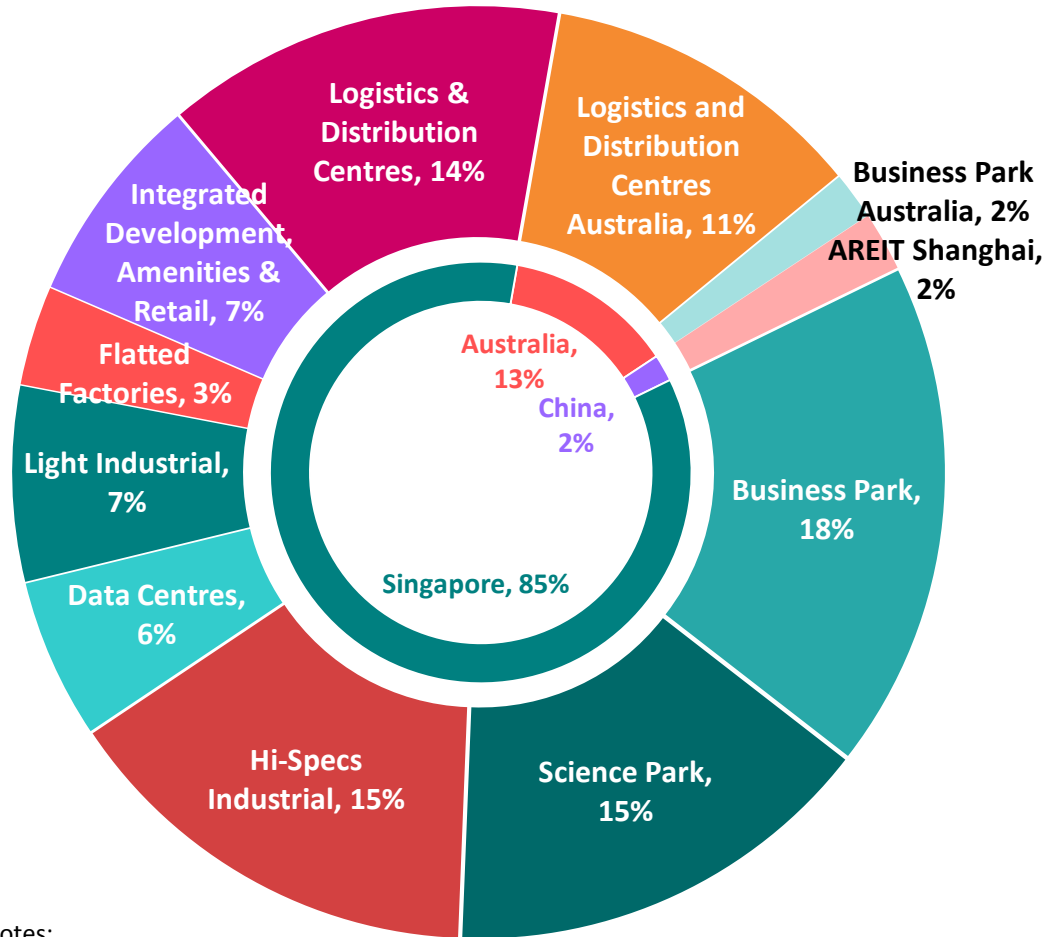
Portfolio Update

Portfolio Resilience

Market Outlook

Well Diversified Portfolio

By value of Investment Properties

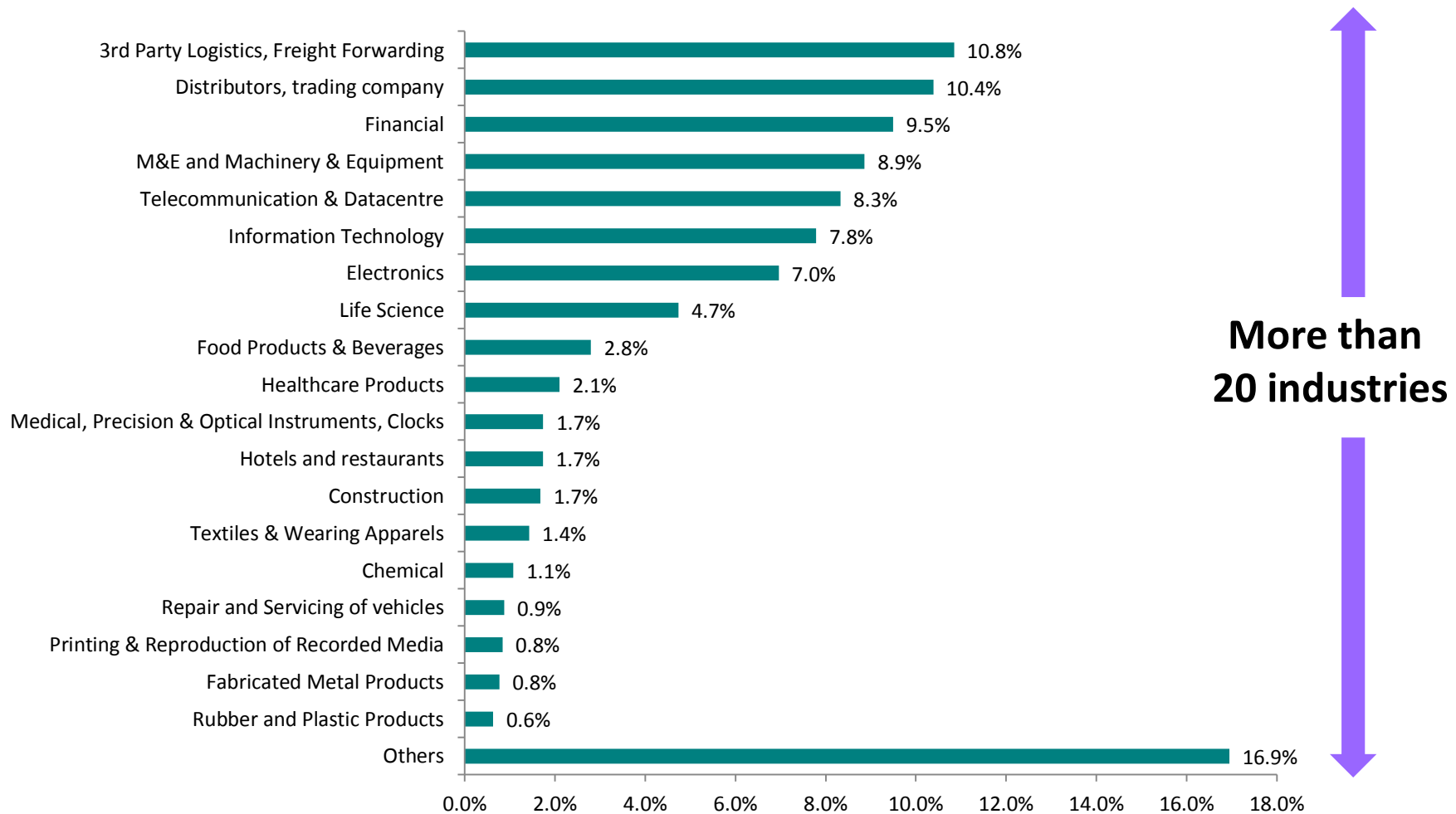


Notes:

- Multi-tenant buildings account for 73.8% of Ascendas Reit's portfolio by asset value as at 30 Sep 2016
- About 58.3% of Logistics & Distribution Centres in Singapore (by gross floor area) are multi-storey facilities with vehicular ramp access.
- Ascendas Reit has three data centres of which, two are single-tenant.
- Flatted factories are multi-tenant properties.

■ Multi-tenant buildings
■ Single-tenant buildings

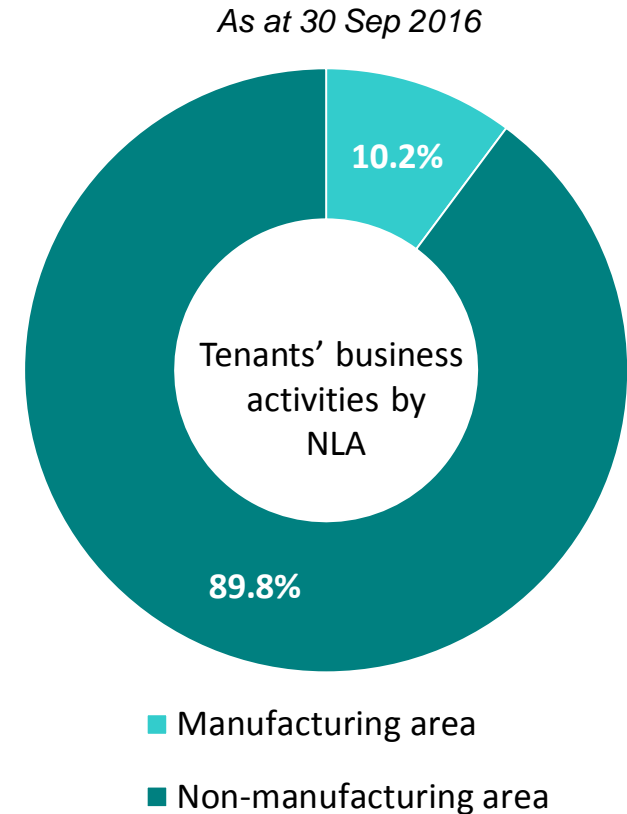
Tenants' Industry Diversification By Monthly Gross Revenue



Note: Others include research & development, manufacturing, technical service and support industries for aerospace, oil and gas, multi-media products etc.

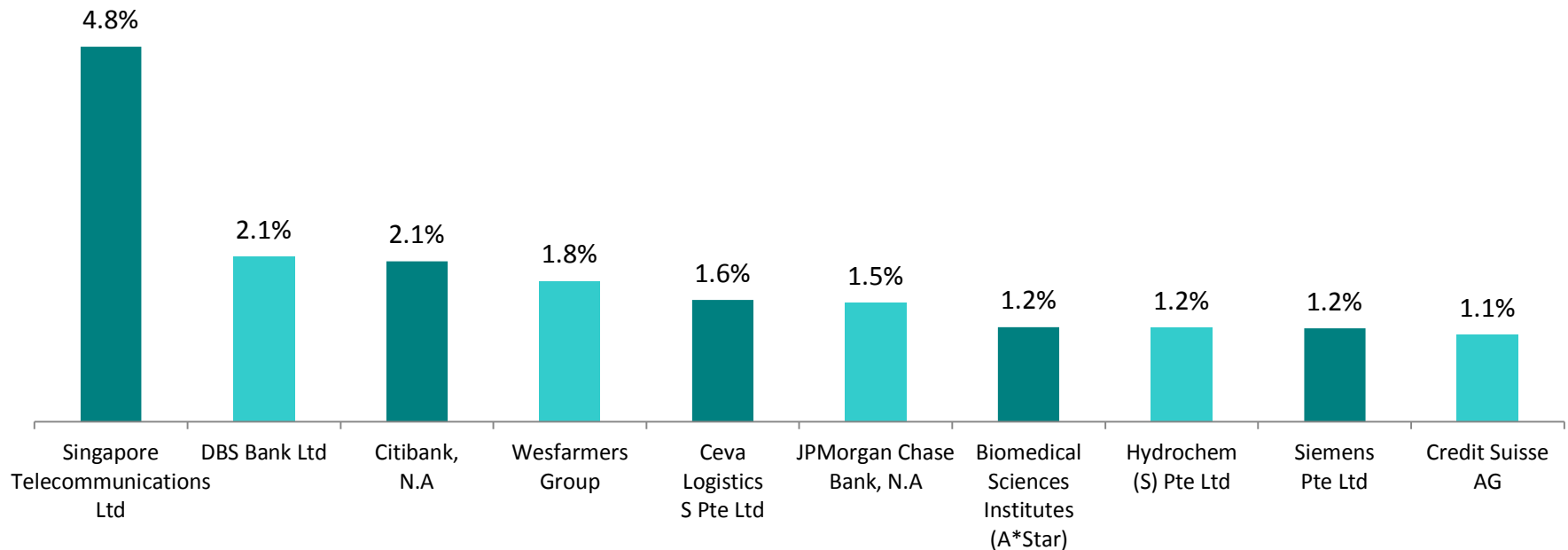
Low Exposure to Manufacturing

- 10.2% of NLA occupied by tenants engaged in 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

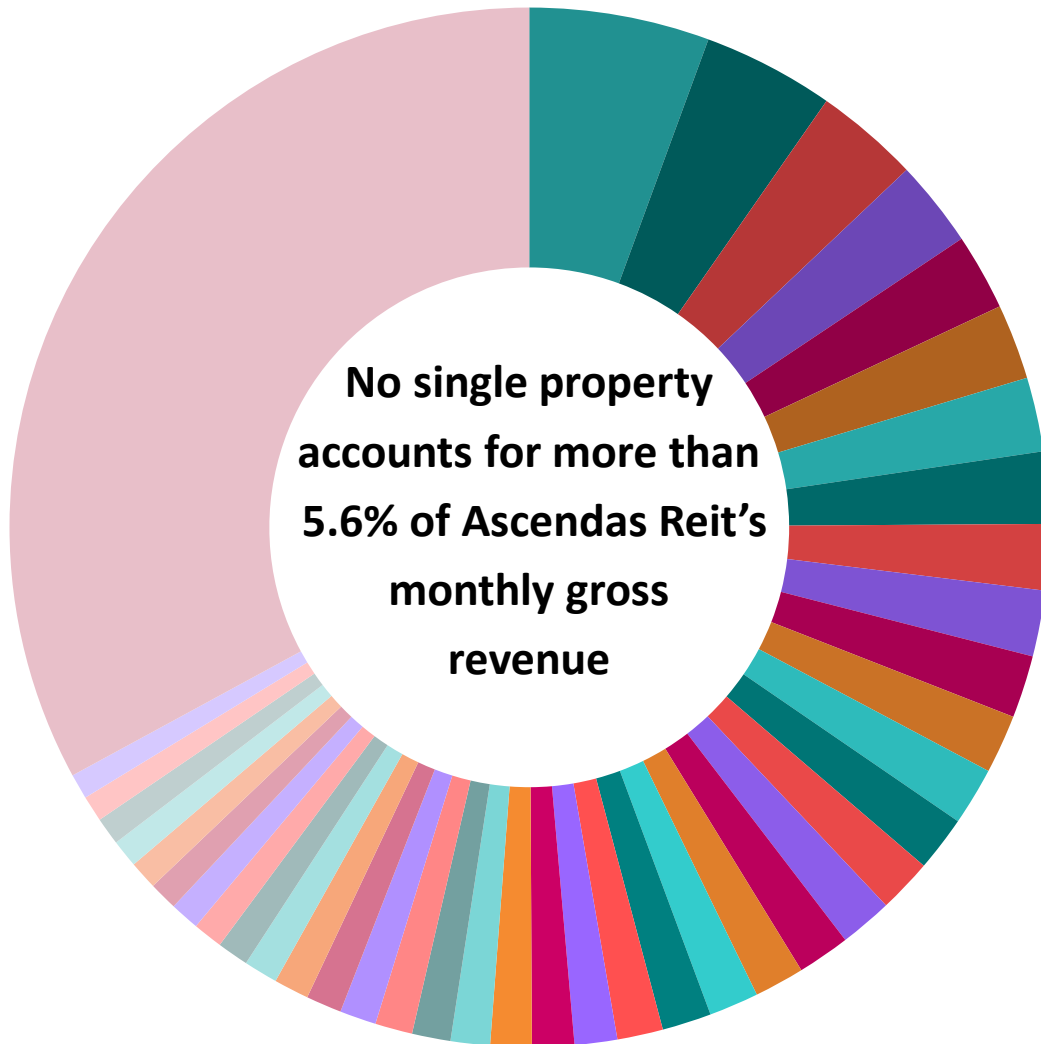


Quality and Diversified Customer Base

- Total customer base of around 1,450 tenants
- Top 10 customers (as at 30 Sep 2016) account for about 18.6% of portfolio gross rental income
- Security deposits for single-tenant properties range from 3 to 11 months of rental income
- On a *portfolio* basis, weighted average security deposit is about 4 months of rental income



Diversified Portfolio



- Aperia, 5.6%
- One@Changi City, 4.1%
- 1, 3, 5 Changi Business Park Crescent, 3.2%
- Kim Chuan Telecommunication Complex , 2.7%
- TelePark, 2.4%
- Neuros & Immunos, 2.3%
- 31 International Business Park, 2.3%
- 40 Penjuru Lane, 2.2%
- Hyflux Innovation Centre, 2.1%
- TechPoint, 2.0%
- TechPlace II, 1.9%
- AREIT City @ JinQiao, 1.8%
- Techview, 1.8%
- Nexus@One North, 1.7%
- Corporation Place, 1.7%
- 10 Toh Guan Road, 1.6%
- TechPlace I, 1.6%
- DBS Asia Hub (Phase I & II), 1.6%
- The Kendall, 1.5%
- Techlink, 1.5%
- The Galen, 1.4%
- Pioneer Hub , 1.3%
- Nordic European Centre, 1.3%
- The Gemini, 1.3%
- HansaPoint @ CBP, 1.2%
- FoodAxis @ Senoko, 1.2%
- Changi Logistics Centre, 1.2%
- The Capricorn, 1.1%
- Siemens Centre, 1.1%
- 138 Depot Road, 1.1%
- Senkee Logistics Hub (Phase I & II), 1.1%
- Giant Hypermart, 1.0%
- 7 Grevillia Street, 0.9%
- Infineon Building, 0.9%
- Acer Building, 0.9%
- The Rutherford & Science Hub, 0.9%
- Honeywell Building, 0.9%
- Cintech IV, 0.9%
- The Alpha, 0.8%
- 6-20 Clunies Ross Street, 0.8%
- Others, 32.9%

MTB Occupancy: NPI & DPU Sensitivity

- 100 bps increase in MTB occupancy is expected to result in a 0.9% increase in portfolio net property income or about 0.20 cents increase in DPU

Change in MTB occupancy	Expected change in annualised MTB NPI (\$m)	Change in portfolio NPI (%)	Impact on full FY DPU (cents)*
+500 bps	28.5	4.7%	1.01
+300 bps	17.1	2.8%	0.61
+100 bps	5.7	0.9%	0.20
-100 bps	-6.8	-1.1%	-0.24
-300 bps	-20.3	-3.4%	-0.72
-500 bps	-33.8	-5.6%	-1.20

* Based on number of units in issue as at 30 Sep 2016

Note: Estimates for increase in MTB occupancy takes into account corresponding increases in variable costs. Estimates for a decline in MTB occupancy, assumes no reduction in variable costs to be conservative.

Key Highlights for 2Q FY16/17

Financial Performance

Investment Management

Capital Management

Asset Management

Portfolio Update

Portfolio Resilience

Market Outlook

- Singapore's 3Q 2016 economy grew 0.6% y-o-y (estimate), lower than the 2.0% growth in the previous quarter
- Island-wide industrial property market vacancy has increased to 10.6% in 2Q 2016. JTC industrial property price and rental index declined by 2.3% and 1.7% q-o-q respectively in 2Q 2016
- According to the Reserve Bank of Australia, Australia's GDP growth is forecast to be 2.5% to 3.5% in 2016 and 3% to 4% from 2017 onwards to 2018.
- Approximately 10.5% of Ascendas Reit's revenue is due for renewal in FY16/17. Expect modest rental reversion in the low-single digit or flat for FY16/17
- With 10.9% vacancy in the portfolio, there could be potential upside in net property income when some of these spaces are leased, the speed of which will largely depend on prevailing market conditions
- The business environment remains challenging due to uncertainties surrounding the global economy, industrial land use policies and rising operating costs
- Barring any unforeseen event and any weakening of the economic environment, the Manager expects Ascendas Reit to maintain a stable performance for the financial year ending 31 Mar 2017

Additional Information

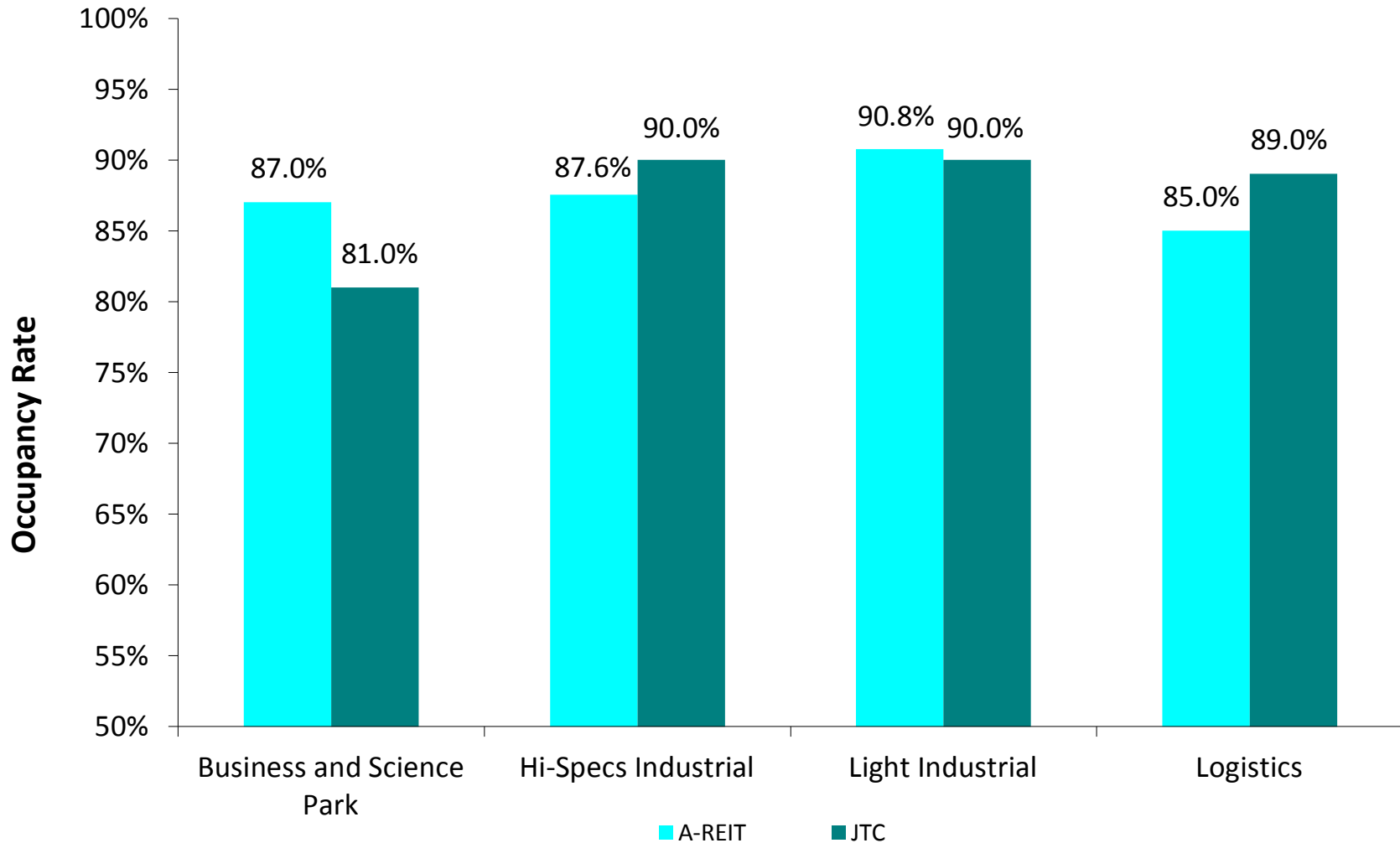
- (1) Quarterly Results
- (2) Ascendas Reit Singapore Occupancy
vs Industrial Average
- (3) Singapore Industrial Property Market

Quarterly Results

(For illustrative purpose)* Summary (S\$ million)	FY15/16					FY16/17	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Gross Revenue	181	183	193	204	761	208	205
Net Property Income	124	124	142	144	534	149	152
Total amount available for distribution	92	94 [#]	97	89	372 [#]	107	113
No. of units in issue (m)	2,408	2,408	2,504	2,666	2,666	2,674	2,816
Normalised Distribution Per Unit (cents)	3.841	3.889 [#]	3.946	3.410	15.086 [#]	3.882	4.030

For illustrative purpose only, the “Total amount available for distribution” and the “Distribution Per Unit” includes proforma adjustments for (i) a one-off distribution of taxable income from operations of S\$6.5m (DPU impact of 0.271 cents) for 2Q FY15/16 in relation to a rollover adjustment from prior years arising from a ruling by IRAS on the non-deductibility of certain upfront financing fees incurred in FY09/10 for certain credit facilities.

Ascendas Reit Singapore Occupancy vs Industrial Average

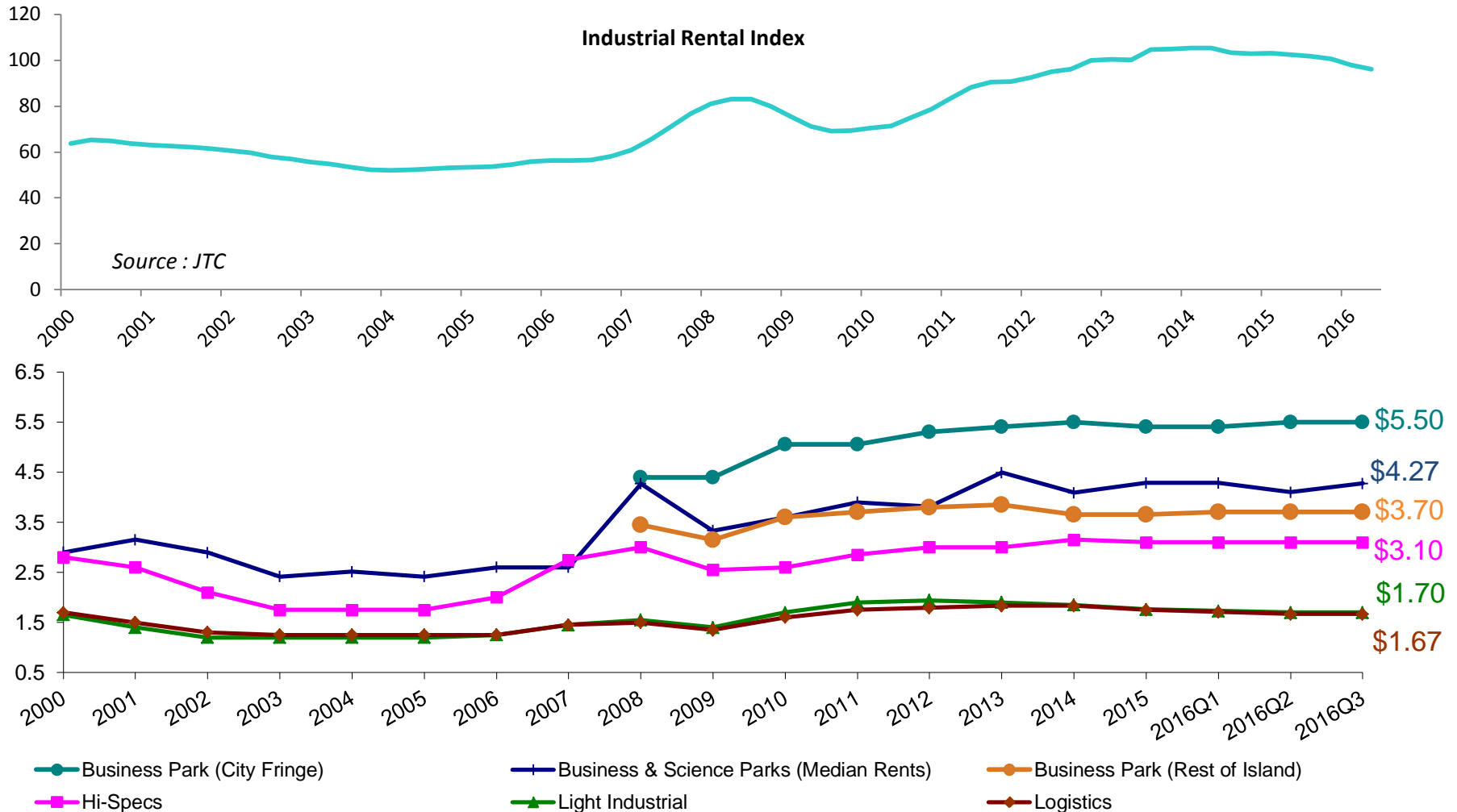


Source :

Ascendas Reit's Singapore portfolio as at 30 Sep 2016. Market: JTC 2Q 2016

JTC statistics do not breakdown Hi-Specs Industrial and Light Industrial, ie they are treated as one category with occupancy of 90.0%

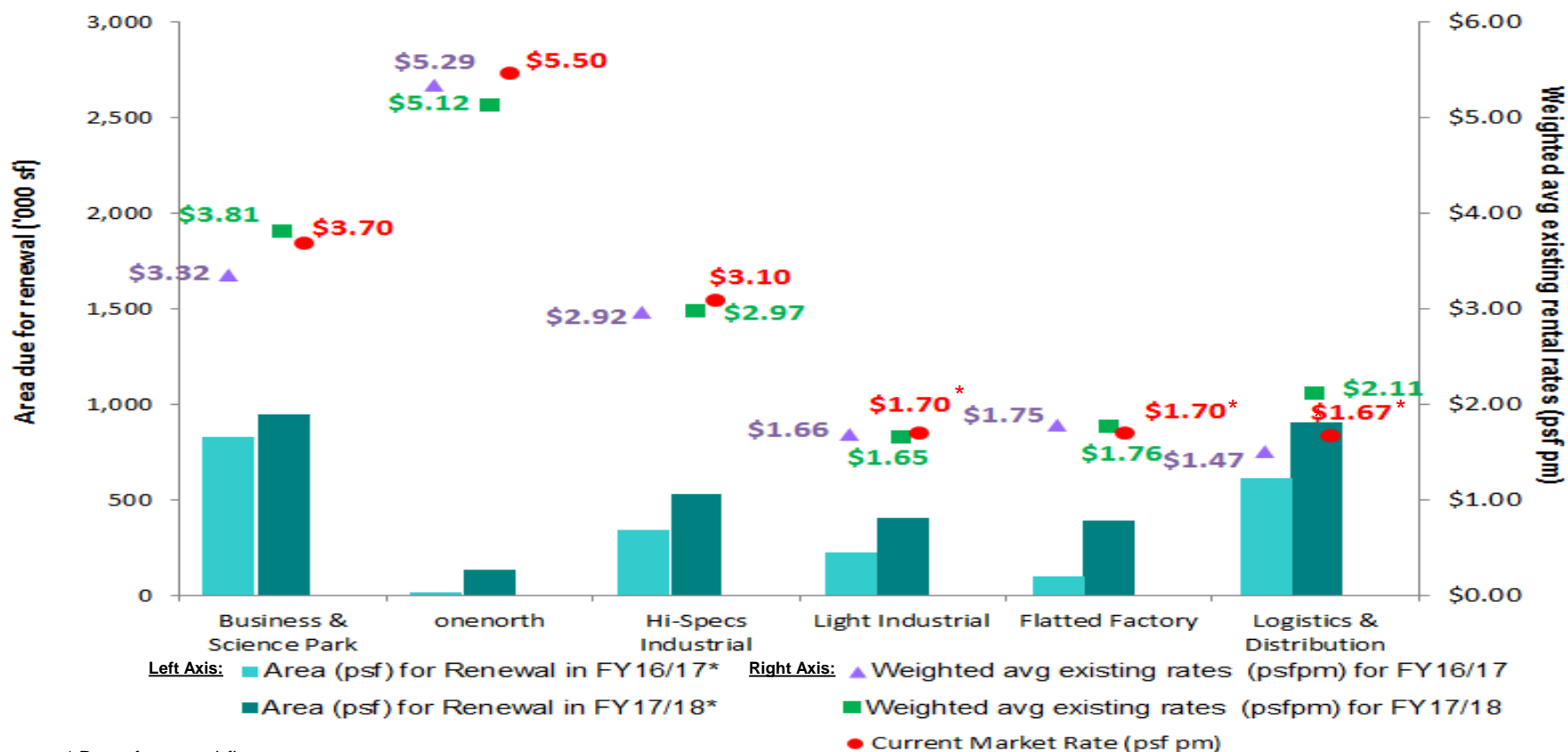
Average Market Rents by Segment (Singapore)



Source :
 CBRE for Business Park (City Fringe), Business Park (Rest of Island), Hi,Specs, Light Industrial and Logistics
 JTC for Business Parks (Median Rents)

Singapore: In-place rent for space due for renewal in FY16/17 and FY17/18

- The weighted average passing rental for most of the *multi-tenant* space due for renewal in FY16/17 are trending close to current market rates
- Expect modest rental reversion in the low-single digit or flat for FY16/17



* Rates for ground floor space

Singapore Industrial Market: New Supply

- Total stock (net) : 45.4 million sm, of which
 - Business & Science Parks account for 2.1 million sm (4.7%)
 - Logistics & Distribution Centres account for 9.3 million sm (20.5%)
 - Remaining stock are factory space
- Potential new supply (net) of about 2.1 million sm (~4.7% of existing stock) over next 4 years

Sector ('000 sm)	New Supply (Total)	2016	2017	2018	2019
Business & Science Park	21	11	0	0	9
% of Pre-committed (est)	100%	100%	0%	0%	100%
Hi-Specifications Industrial	87	62	0	25	0
% of Pre-committed (est)	71%	100%	0%	0%	0%
Light Industrial	1,328	487	551	290	0
% of Pre-committed (est)	38%	56%	40%	5%	0%
Logistics & Distribution Centres	710	131	579	0	0
% of Pre-committed (est)	7%	39%	0%	0%	0%
Total Pre-commitment			30%		

* Excludes projects under 7,000 sm. Based on gross floor area
 Source: JTC, Ascendas Reit internal research

Singapore Business & Science Parks: New Supply

- No speculative business & science park supply after 2016

Expected Completion	Location	Developer	NLA (sm)*	% Pre-committed (est)
Completed				
2016	Ayer Rajah (One-north)	SHINE Systems Assets Pte Ltd	17,144	100%
2016	Science Park	Ascendas Land (S) Pte Ltd.	40,500	70%
2016	Alexandra Terrace	Mapletree Business City Pte Ltd	83,008	60%
Under Construction				
2016	Vista Exchange Green	BP – VISTA LLP	11,392	100%
2019	Pasir Panjang Road	Singapore Science Park Ltd (NEW)	9,288	100%
2020	Changi Business Park Central 2	Kingsmen Creatives Ltd (NEW)	10,384	100%
Total (2016)			171,716	74%

* NLA based on 80% efficiency ratio

Source: JTC & Ascendas Reit internal research

The End

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