



1Q FY18/19 Financial Results Presentation

30 July 2018



ONE@Changi City, Singapore



20 Tuas Avenue 1, Singapore



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Disclaimers

This material shall be read in conjunction with Ascendas Reit's financial statements for the financial year ended 30 June 2018.

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.

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

Agenda

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Key Highlights for 1Q FY18/19

Key Highlights for 1Q FY18/19

- Net Property Income rose 3.8% y-o-y
- Distribution per Unit (DPU) declined by 1.2% y-o-y due to the absence of a one-off distribution¹
- Excluding the one-off distribution, DPU would have rose 4.0% y-o-y to 4.002 cents
- Key drivers were:
 - Acquisitions in Australia: 100 Wickham Street (Brisbane) and 108 Wickham Street (Brisbane)
 - Redevelopment in Singapore: 50 Kallang Avenue
- Achieved positive rental reversion of 10.5% for multi-tenant buildings

(1) The one-off distribution in 1Q FY17/18 relates to the non-deductibility of certain upfront financing fees incurred in FY11/12.

Key Highlights for 1Q FY18/19







- Investment Highlights
 - Acquired two logistics properties in Australia worth S\$50.9m
 - Completed S\$73.7m worth of redevelopment and asset enhancements initiatives
 - Divested one property in Singapore for S\$24.0m

- Proactive Capital Management
 - Moody's upgraded its credit rating outlook for Ascendas Reit to A3 positive (from A3 stable)
 - Healthy aggregate leverage at 35.7%
 - 72.4% of borrowings are on fixed rates for an average term of 3.4 years



Financial Performance

1Q FY18/19 vs 1Q FY17/18

| (S\$'000) | 1Q FY18/19 ⁽¹⁾ | 1Q FY17/18 ⁽¹⁾ | | % Fav/ (Unfav) |
|---|------------------------------|------------------------------|---|-------------------|
| Gross revenue | 216,562 | 213,259 |  | 1.5 |
| Net property income ⁽²⁾ | 159,207 | 153,364 |  | 3.8 |
| Total amount available for distribution ⁽³⁾ | 117,271 | 118,498 |  | (1.0) |
| DPU (cents) ⁽³⁾⁽⁴⁾ | 4.002 | 4.049 |  | (1.2) |
| Excluding one-off distribution of rollover adjustments⁽³⁾ | | | | |
| Amount available for distribution | 117,271 | 112,647 |  | 4.1 |
| DPU (cents) | 4.002 | 3.849 |  | 4.0 |

(1) The Group had 132 properties as at 30 June 2018 and 30 June 2017.

(2) Net property income increased by 3.8%, mainly attributable to contributions from the acquisitions of 100 Wickham Street, 108 Wickham Street and 52 Fox Drive, Dandenong South in Australia. The completion of redevelopment works at 50 Kallang Avenue since June 2017 and 20 Tuas Avenue in April 2018 also contributed to the increase. These were partially offset by the divestment of 84 Genting Lane, 10 Woodlands Link, 13 International Business Park and 30 Old Toh Tuck Road in Singapore. Property operating expenses was lower mainly due to lower property tax expenses arising from the retrospective downward revision of the annual value of certain properties in 1Q FY18/19.

(3) Included in 1Q FY17/18 was a one-off distribution of rollover adjustments from prior years amounting to S\$5.9 million (DPU impact of 0.200 cents). This arose mainly from a ruling by IRAS on the non-tax deductibility of certain upfront fees for certain credit facilities incurred in FY11/12. Excluding the effects of the one-off distribution, the total amount available for distribution and DPU would have been \$112.6 million and 3.849 cents respectively.

(4) Includes taxable (1Q FY18/19: 3.671 cents, 1Q FY17/18: 3.822 cents) and capital (1Q FY18/19: 0.331 cents, 1Q FY17/18: 0.227 cents) distributions.

1Q FY18/19 vs 4Q FY17/18

| (S\$'000) | 1Q FY18/19 ⁽¹⁾ | 4Q FY17/18 ⁽¹⁾ | % Fav/ (Unfav) | |
|--|------------------------------|------------------------------|-------------------|-----|
| Gross revenue | 216,562 | 215,748 | ↑ | 0.4 |
| Net property income ⁽²⁾ | 159,207 | 157,870 | ↑ | 0.8 |
| Total amount available for distribution ⁽³⁾ | 117,271 | 114,503 | ↑ | 2.4 |
| DPU (cents) ⁽⁴⁾ | 4.002 | 3.910 | ↑ | 2.4 |

(1) The Group had 132 properties as at 30 Jun 2018 and 131 properties as at 31 Mar 2018.

(2) Net property income in 1Q FY18/19 was higher than that achieved in 4Q FY17/18 mainly due to lower operating expenses. Property operating expenses was lower mainly due to lower property tax expenses arising from the retrospective downward revision of the annual value of certain properties in 1Q FY18/19. Contributions from the acquisition of 169 Australis Drive in Derrimut, Australia in Jun 2018 and the completion of 20 Tuas Ave 1, Singapore in April 2018 was partly offset by the divestment of 84 Genting Lane and 30 Old Toh Tuck Road in Singapore in January 2018.

(3) Higher amount available for distribution is in line with the higher NPI.

(4) Includes taxable (1Q FY18/19: 3.671 cents, 4Q FY17/18: 3.590 cents) and capital (1Q FY18/19: 0.331 cents, 4Q FY17/18: 0.320 cents) distributions.



Investment Management

Investment Highlights in 1Q FY18/19

| | Country | Purchase Consideration/ Cost/ Sale Price (\$m) | Completion Date |
|---|--------------------------|---|-----------------|
| Total (Acquisition/Redevelopment/AEI) | | 124.6 | |
| Acquisitions | | 50.9 | |
| 169-177 Australis Drive | Australia (Melbourne) | 34.5 | 4 Jun 2018 |
| 1314 Ferntree Gully Drive (NEW) | Australia (Melbourne) | 16.4 | 26 Jun 2018 |
| Redevelopment & Asset Enhancement Initiative | | 73.7 | |
| 20 Tuas Avenue 1 | Singapore | 61.4 | 2 Apr 2018 |
| 21 Changi South Avenue 2 | Singapore | 4.5 | 2 Apr 2018 |
| KA Centre, KA Place and 1 Jalan Kilang | Singapore | 7.8 | 21 Jun 2018 |
| Total (Divestment) | | 24.0 | |
| 30 Old Toh Tuck Road | Singapore | 24.0 | 30 Apr 2018 |

Acquisition:

169-177 Australis Drive, Melbourne, Australia

| | |
|---|---|
| Purchase Consideration ⁽¹⁾⁽²⁾ | A\$34.0 m (S\$34.5 m) |
| Acquisition Fee, Stamp Duty and Other Transaction Costs | A\$2.3 m (S\$2.3 m) |
| Total Acquisition Cost | A\$36.3 m (S\$36.8 m) |
| Vendor | Abacus Funds Management |
| Valuation (as at 17 Apr 2018) ⁽¹⁾⁽²⁾⁽³⁾ | A\$34.0 m (S\$34.5 m) |
| Land Area | 56,330 sqm |
| Land Tenure | Freehold |
| Lettable Floor Area | 31,048 sqm |
| Occupancy (upon completion) | 100% |
| Weighted Average Lease Expiry (upon completion) | ~3.0 years |
| Key Tenants | <ul style="list-style-type: none"> ▪ Hitachi Transport System ▪ United Wholesalers ▪ HB Commerce |
| Initial Net Property Income Yield | 6.9% (6.5% post-cost yield) |
| Completion Date | 4 Jun 2018 |

(1) S\$ amount based on exchange rate of A\$1.00: S\$1.0133 as at 31 Mar 2018 i.e. maintained as at date of results announcement on 23 Apr 2018

(2) Includes outstanding incentives reimbursed by the Vendor.

(3) Valuation by Savills Valuation Pty Ltd, using the capitalisation method and discounted cashflow method.



169-177 Australis Drive, Melbourne

The Property:

- Modern logistics facility with flexibility to accommodate multiple tenancies

Well-Located:

- Sits within the highly regarded West Park Industrial Estate, in the established industrial precinct of Derrimut.
- Serviced by the Western Ring Road, the Western Freeway and the Princes Freeway.
- Located 16 km west of the Melbourne Central Business District, 15 km from the Port of Melbourne and 24 km from Melbourne Airport.

Acquisition (NEW):

1314 Ferntree Gully Drive, Melbourne, Australia

| | |
|---|---------------------------------|
| Purchase Consideration ⁽¹⁾⁽²⁾ | A\$16.2 m (S\$16.4 m) |
| Acquisition Fee, Stamp Duty and Other Transaction Costs | A\$1.3 m (S\$1.3 m) |
| Total Acquisition Cost | A\$17.5 m (S\$17.7 m) |
| Vendor | Brian Davis Investments Pty Ltd |
| Valuation (as at 23 May 2018) ⁽¹⁾⁽²⁾⁽³⁾ | A\$16.3 m (S\$16.4 m) |
| Land Area | 25,895 sqm |
| Land Tenure | Freehold |
| Lettable Floor Area | 16,134 sqm |
| Occupancy (as at 30 Jun 2018) ⁽⁴⁾ | 100% |
| Weighted Average Lease Expiry (upon completion) | Nil |
| Initial Net Property Income Yield | 7.8% (7.3% post-cost yield) |
| Completion Date | 26 Jun 2018 |

- (1) S\$ amount based on exchange rate of A\$1.00: S\$1.0099 as at 30 Jun 2018.
- (2) Includes rental guarantee provided by the Vendor.
- (3) Valuation by Urbis Valuations Pty Ltd, using the capitalisation method and discounted cashflow method.
- (4) Physical occupancy is 0%, rental support provided by the Vendor for the vacant space.



1314 Ferntree Gully Drive, Melbourne

The Property:

- Comprises three levels of office, low-bay 6m clearance warehouse and ultra high-bay 15 – 16m clearance warehouse, fully racked and includes Materials Handling Equipment.

Well-Located:

- Situated in the established industrial precinct of Scoresby, a strategic location in Melbourne’s eastern suburbs.
- Approximately 30 km east of the Melbourne Central Business District, 37 km from the Port of Melbourne and 53 km from Melbourne Airport.

Redevelopment:

20 Tuas Avenue 1, Singapore

| | |
|-------------------------------|---|
| Description | The property was redeveloped into a ramp-up 3-storey warehouse block with efficient and regular floor plate sizes. Features include a concrete rooftop carpark for 40 foot container and lorries. Plot ratio was maximized. |
| Property Segment | Logistics & Distribution Centre |
| Gross Floor Area | 44,449 sqm |
| Occupancy (as at 30 Jun 2018) | 51.1% (Additional pre-commitment of 40.0%) |
| Cost | S\$61.4 m |
| Completion Date | 2 Apr 2018 |



Roof Top Parking



Warehouse Block and Ramp

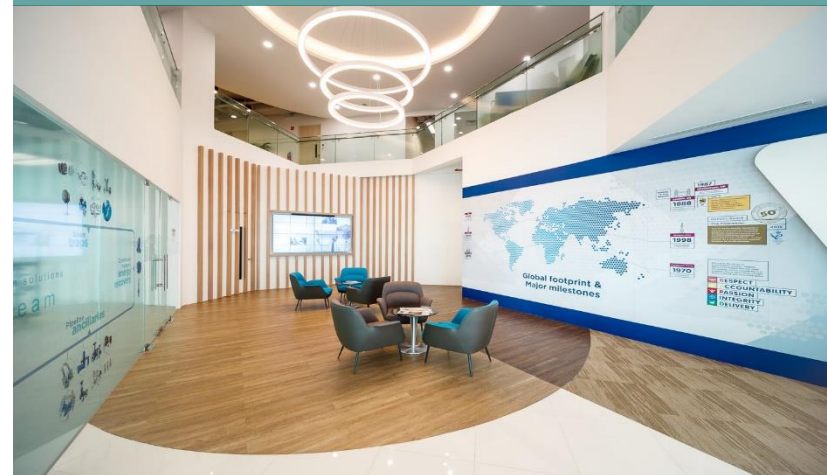
Asset Enhancement Initiative:

21 Changi South Avenue 2, Singapore

| | |
|-------------------------------|---|
| Description | The property was retrofitted with new cargo lifts, fire protection system and smoke purge fans. Existing toilets were upgraded and layout of 3rd and 4th storey warehouse were regularized. |
| Property Segment | Logistics & Distribution Centre |
| Gross Floor Area | 13,120 sqm |
| Occupancy (as at 30 Jun 2018) | 35.7% |
| Cost | S\$4.5 m |
| Completion Date | 2 Apr 2018 |



Building Facade



Lobby

Asset Enhancement Initiative:

KA Centre, KA Place and 1 Jalan Kilang, Singapore

| | |
|-------------------------------|--|
| Description | The property was enhanced to provide a more delightful environment for customers. Upgrades were made to the main entrance, lift lobbies, cafeteria, landscape and drop-off area. |
| Property Segment | High-Specifications Industrial |
| Gross Floor Area | KA Centre : 19,638 sqm KA Place : 10,163 sqm 1 Jalan Kilang : 7,158 sqm Total : 36,959 sqm |
| Occupancy (as at 30 Jun 2018) | KA Centre : 88.3% KA Place : 60.2% 1 Jalan Kilang : 82.1% |
| Cost | S\$7.8 m |
| Completion Date | 21 Jun 2018 |



KA Centre: Level 2 Canteen



1 Jalan Kilang: Canopy and Main Entrance

Divestment:

30 Old Toh Tuck Road, Singapore

| | |
|---|--|
| Description | 5-storey ramp-up logistics building located in the Western part of Singapore |
| Remaining Land Tenure (as at 31 Mar 2018) | ~39 years |
| Gross Floor Area | 16,353 sqm |
| Acquisition Year/ Price | 2006/ S\$19.6 m |
| Book Value (as at 31 Mar 2018) | S\$20.3 m |
| Sales Price | S\$24.0 m |
| Pro-forma Net Property Income Impact | S\$0.69 m |
| Buyer | Soon Bee Huat Trading Pte Ltd |
| Completion Date | 30 Apr 2018 |



30 Old Toh Tuck Road, Singapore

In accordance to Ascendas Reit’s Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the property.

Upcoming Investment/Divestments in FY18/19

| | Country | Purchase Consideration/ Cost/ Sale Price (S\$m) | Completion Date |
|--|------------------------------------|---|-----------------|
| Total (Proposed Acquisitions) | | 404.0 | |
| Portfolio of 12 logistics properties (NEW) | United Kingdom <i>(England)</i> | 373.2 | 2Q FY18/19 |
| 1-7 Wayne Goss Drive | Australia <i>(Brisbane)</i> | 30.8 | 3Q FY18/19 |
| Total (Proposed Divestment) | | 13.6 | |
| 41 Changi South Avenue 2 | Singapore | 13.6 | 2Q FY18/19 |

Proposed Acquisition (NEW):

Portfolio of 12 logistics properties, United Kingdom

| | |
|---|--|
| Agreed Portfolio Value ⁽¹⁾⁽²⁾ | £207.27 m (S\$373.15 m) |
| Acquisition Fee, Stamp Duty and Other Transaction Costs | £4.98 m (S\$8.97 m) |
| Total Acquisition Cost ⁽³⁾ | £205.01 m (S\$369.08 m) |
| Vendor | Oxenwood Catalina Midco Limited and Oxenwood Catalina II Midco Limited |
| Valuation (as at 4 June 2018) | £207.33 m (S\$373.25 m) |
| Land Area | 549,201 sqm |
| Land Tenure | Freehold ⁽⁴⁾ |
| Gross Internal Area (GIA) | 242,633 sqm |
| Occupancy | 100% ⁽⁵⁾ |
| Weighted Average Lease Expiry | 14.6 years |
| Key Tenants | DHL, Howden Joinery Group PLC, Bibby Distribution Limited, Amazon |
| Initial Net Property Income Yield | 5.32% (5.22% post-cost yield) ⁽⁶⁾ |
| Estimated Completion Date | 2Q FY18/19 |

- (1) S\$ amount based on exchange rate of £1.00:S\$1.8003 as at 29 June 2018.
 (2) Includes rental top-up provided by the Vendors.
 (3) Adjusted for the estimated net assets and liabilities of the 10 companies to be acquired
 (4) 10 properties on freehold land and 2 properties on 999-year leasehold land.



12 logistics properties, United Kingdom

The Portfolio:

- Comprises 12 logistics freehold and 999-year leasehold properties located in key UK distribution centres

Well-Located:

- Sited in established industrial areas across various regions in the UK including Yorkshire and the Humber, North West England, East Midlands, West Midlands, South East England and East of England.

- (5) Includes rental top-up provided for vacant space at Unit 3, Brookfields Way, Rotherham. Excluding rental top-up, physical occupancy rate is 92%.
 (6) Derived from the estimated NPI expected in the first year of acquisition and includes one year of rental top-up provided by the Vendors for the property at Unit 3, Brookfields, Rotherham

Proposed Acquisition:

1-7 Wayne Goss Drive, Berrinba, Brisbane, Australia

| | |
|---|--|
| Land and Development Cost ⁽¹⁾⁽²⁾ | A\$30.0 m (S\$30.8 m) |
| Acquisition Fee, Stamp Duty and Other Transaction Costs | A\$1.0 m (S\$1.0 m) |
| Total Investment Cost | A\$31.0 m (S\$31.8 m) |
| Developer | Goodman Property Services (Aust) Pty Ltd (“Goodman”) |
| “As if Complete” Valuation ⁽¹⁾⁽²⁾⁽³⁾ | A\$30.0 m (S\$30.8 m) |
| Land Area | 30,196 sqm |
| Land Tenure | Freehold |
| Lettable Floor Area | 17,880 sqm |
| Initial NPI Yield | 6.7% (6.5% post-cost yield) |
| Estimated Construction Completion Date | 3Q FY18/19 |

(1) All S\$ amount based on exchange rate of A\$1.00: S\$1.0258 as at 30 Nov 2017 i.e. maintained as at date of results announcement on 25 Jan 2018.

(2) Includes rental guarantee provided by the Vendor.

(3) Valuation (dated 31 Oct 2017) by Jones Lang Lasalle Advisory Services Pty Ltd, using the capitalisation method and discounted cashflow method.



**1-7 Wayne Goss Drive, Brisbane
(Artist’s impression)**

The Property:

- Currently being developed by Goodman
- Generic design and layout - functional and efficient for a wide range of users.
- Designed with sub-division flexibility to accommodate up to 2 tenants

Well-Located:

- In the established industrial precinct of Berrinba, 30km south of Brisbane CBD.
- Good access to Logan, Gateway and Pacific Motorways.

Proposed Divestment (NEW):

41 Changi South Avenue 2, Singapore

| | |
|---|---|
| Description | 4-storey light industrial building located in the eastern part of Singapore |
| Remaining Land Tenure (as at 30 Jun 2018) | ~37 years |
| Gross Floor Area | 8,046 sqm |
| Acquisition Year/ Price | 2003/ S\$13.5 m |
| Book Value (as at 30 Jun 2018) | S\$11.6 m |
| Sales Price | S\$13.6 m |
| Pro-forma Net Property Income Impact | -S\$0.1 m |
| Buyer | Y K Toh Marketing (S) Pte Ltd |
| Estimated Completion Date | 2Q FY18/19 |

In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the property.



41 Changi South Avenue 2, Singapore



Capital Management

Healthy Balance Sheet

- Aggregate leverage remained healthy at 35.7%
- Available debt headroom of ~S\$0.7b to reach 40.0% aggregate leverage

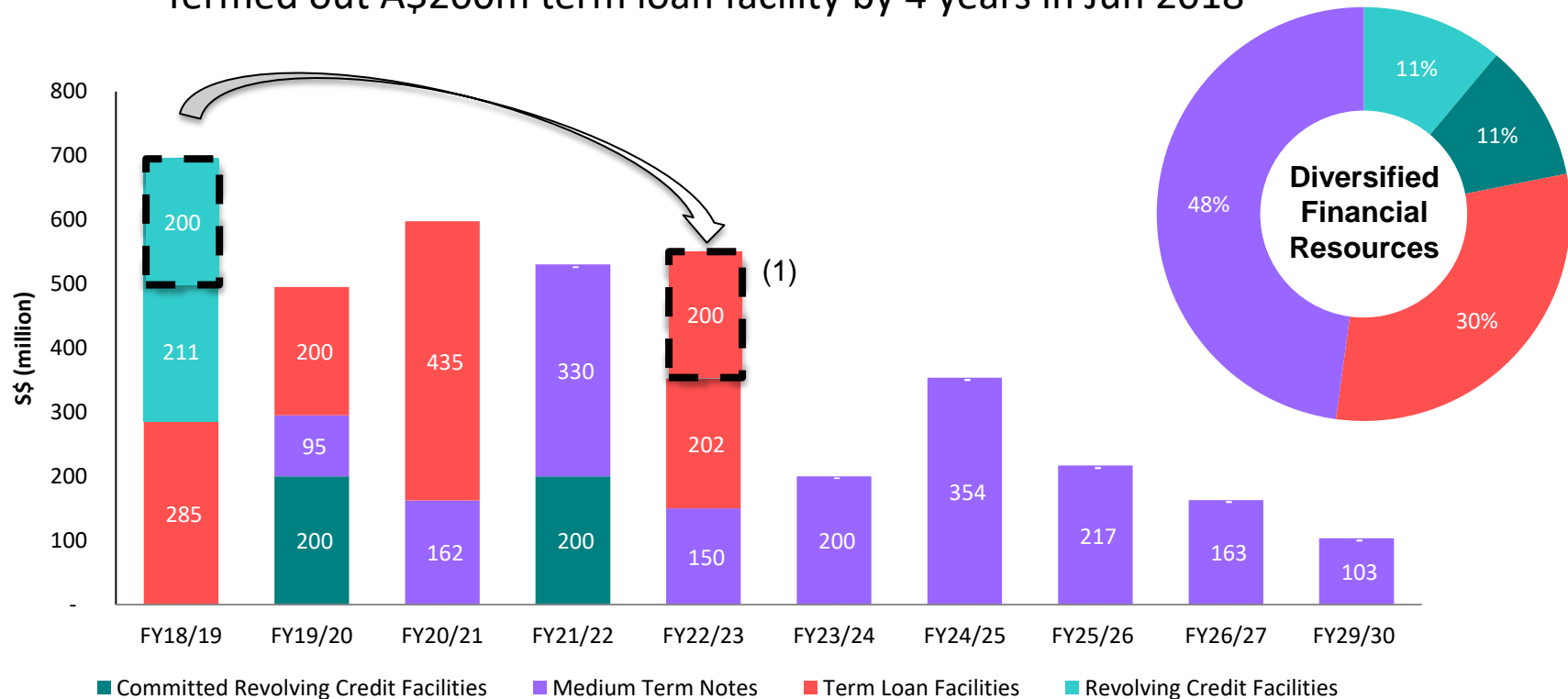
| | As at 30 Jun 2018 | As at 31 Mar 2018 |
|--------------------------------------|----------------------|----------------------|
| Total Debt (S\$m) ⁽¹⁾ | 3,707 | 3,563 |
| Total Assets (S\$m) | 10,389 | 10,354 |
| Aggregate Leverage | 35.7% | 34.4% |
| Unitholders' Funds (S\$m) | 6,073 | 6,194 |
| Net Asset Value (NAV) per Unit | 207 cents | 212 cents |
| Adjusted NAV per Unit ⁽²⁾ | 203 cents | 204 cents |
| Units in Issue (m) | 2,930 | 2,929 |

(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 Ascendas Reit has committed to.

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

Well-spread Debt Maturity Profile

- Well-spread debt maturity with the longest debt maturing in 2029
- Average debt maturity improved from 3.2 years to 3.4 years:
 - Issued HK\$729m (S\$125m) 7-year Notes at 3.66% in May 2018
 - Termed out A\$200m term loan facility by 4 years in Jun 2018



(1) A new S\$200m term loan facility was drawn down on 20 Jul 18 to refinance existing revolving credit facility.

Key Funding Indicators

- Robust indicators enable Ascendas Reit to borrow at competitive costs

| | As at 30 Jun 2018 | As at 31 Mar 2018 |
|--|----------------------|----------------------|
| Aggregate Leverage | 35.7% ⁽¹⁾ | 34.4% |
| Unencumbered Properties as % of Total Investment Properties ⁽²⁾ | 89.9% | 89.7% |
| Interest Cover Ratio | 5.6 x | 5.9 x |
| Debt / EBITDA | 6.4 x | 6.2 x |
| Weighted Average Tenure of Debt (years) | 3.4 | 3.2 |
| Weighted Average all-in Debt Cost | 2.9% | 2.9% |
| Issuer Rating by Moody's | A3 Positive | |

(1) Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to unitholders' funds is 61.0%.

(2) Total investment properties exclude properties reported as finance lease receivable.

Prudent Interest Rate Risk Management

- 72.4% of borrowings are on fixed rates with an average term of 3.4 years
- 50 bps increase in interest rate is expected to have a pro forma impact of S\$5.1m decline in distribution or 0.17 cent decline in DPU

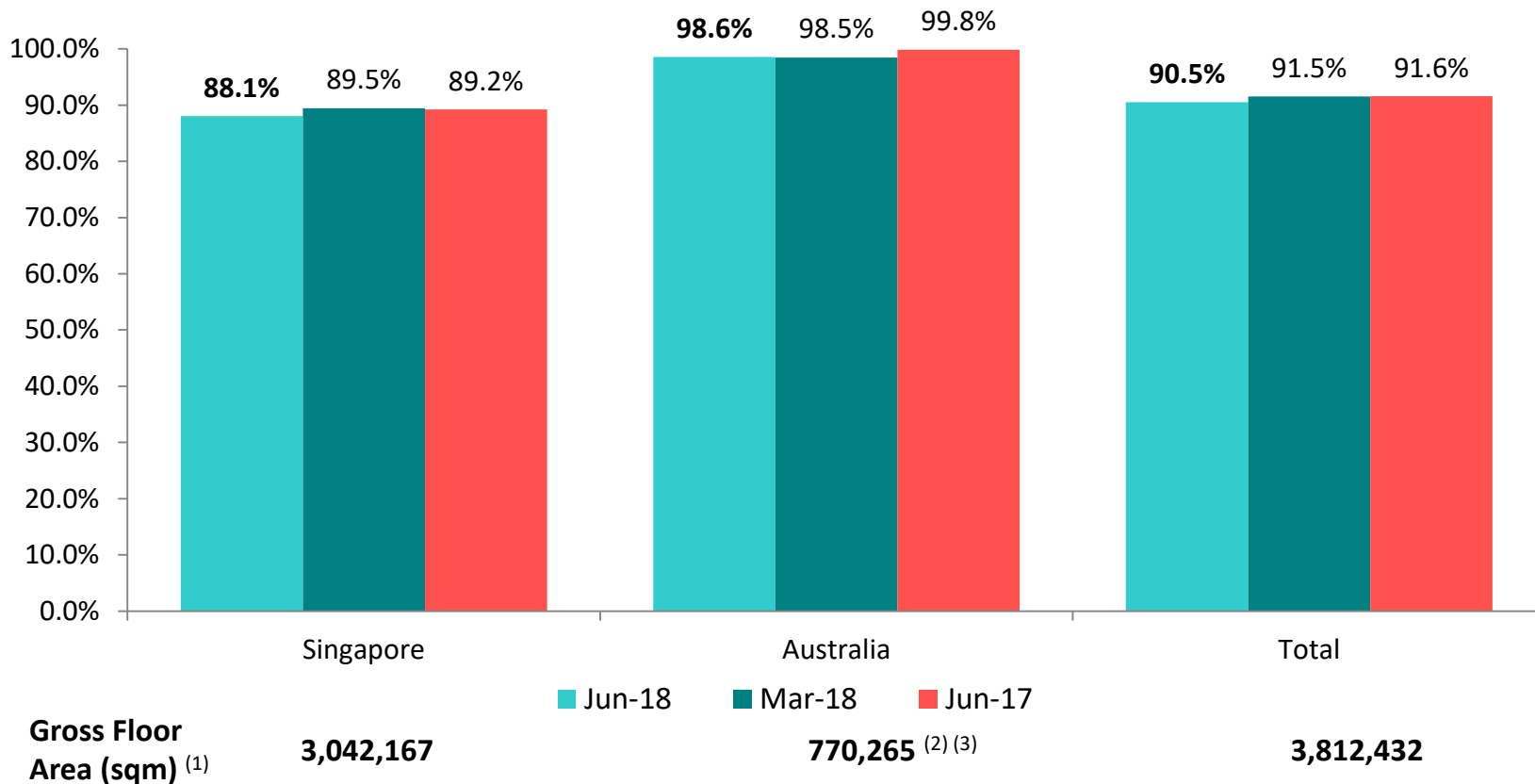
| Change in Interest Rates | Decrease in Distribution (\$m) | Change as % of FY17/18 Distribution | Pro Forma DPU Impact (cents) ⁽¹⁾ |
|--------------------------|--------------------------------|-------------------------------------|---|
| +50 bps | 5.1 | 1.1% | -0.17 |
| +100 bps | 10.2 | 2.2% | -0.35 |
| +150 bps | 15.3 | 3.3% | -0.52 |
| +200 bps | 20.4 | 4.4% | -0.70 |

(1) Based on number of Units in issue of 2,930m as at 30 Jun 2018.

A decorative graphic consisting of multiple thin, parallel teal lines that curve across the page, creating a sense of movement and depth.

Asset Management: Portfolio Update

Overview of Portfolio Occupancy



Note:

(1) Gross Floor Area as at 30 Jun 2018.

(2) Gross Floor Area excludes de-commissioned space at 62 Stradbroke Street, Heathwood, Brisbane for upgrading works at 30 June 2018.

(3) Gross Floor Area for Australia portfolio refers to the Gross Lettable Area/Net Lettable Area.

Singapore: Occupancy

- Occupancy levelled off to 88.1% due to the completion of 20 Tuas Avenue 1 redevelopment, and non-renewals at SB Building and No. 31 International Business Park

| As at | 30 Jun 18 | 31 Mar 18 | 30 Jun 17 |
|--|-----------------------------|-----------------------------|--------------------------|
| Total Singapore Portfolio GFA (sqm) | 3,042,167 ⁽²⁾⁽³⁾ | 3,012,157 ⁽³⁾⁽⁴⁾ | 3,044,793 ⁽⁴⁾ |
| Singapore Portfolio Occupancy (same store) ⁽⁵⁾ | 88.9% | 89.5% | 89.9% |
| Singapore MTB Occupancy (same store) ⁽⁶⁾ | 84.2% | 85.8% | 86.4% |
| Occupancy of Singapore Investments Completed in the last 12 months | 51.1% | 100.0% | 100.0% |
| Overall Singapore Portfolio Occupancy | 88.1% | 89.5% | 89.2% |
| Singapore MTB Occupancy | 84.3% | 85.9% | 85.6% |

(1) Additional pre-commitment of 40.0%

(2) Excludes 30 Old Toh Tuck Road which was divested on 30 Apr 2018.

(3) Excludes 84 Genting Lane, 13 International Business Park and 10 Woodlands Link which were divested 19 Jan 2018, 24 Aug 2017 and 12 Jul 2017 respectively.

(4) Excludes 20 Tuas Avenue 1 which was previously de-commissioned for redevelopment.

(5) Same store portfolio occupancy rates for previous quarters are computed with the same list of properties as at 31 Mar 2018, excluding new investments completed in the last 12 months and divestments.

(6) Same store MTB occupancy rates for previous quarters are computed with the same list of properties as at 31 Mar 2018, 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.

Australia: Occupancy

- Occupancy improved to 98.6% q-o-q due to the acquisition of 169 -177 Australis Drive and 1314 Ferntree Gully Drive

| As at | 30 Jun 18 | 31 Mar 18 | 30 Jun 17 |
|--|------------------------|--------------|--------------|
| Total Australian Portfolio GFA (sqm) | 770,265 ⁽¹⁾ | 737,092 | 708,605 |
| Australian Portfolio Occupancy (same store) ⁽²⁾ | 98.4% | 98.4% | 99.8% |
| Occupancy of Australian Investments Completed in the last 12 months ⁽³⁾ | 100.0% | 100.0% | 99.3% |
| Overall Australian Portfolio Occupancy | 98.6% | 98.5% | 99.8% |

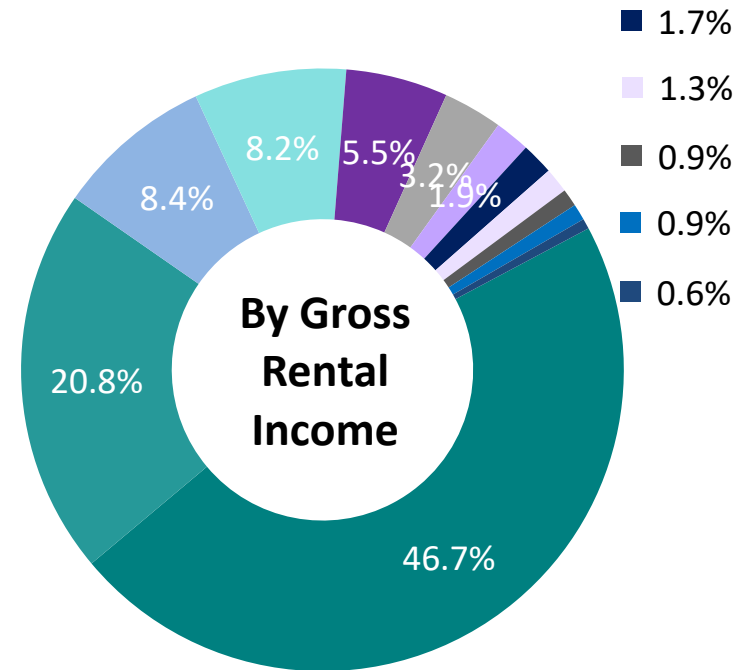
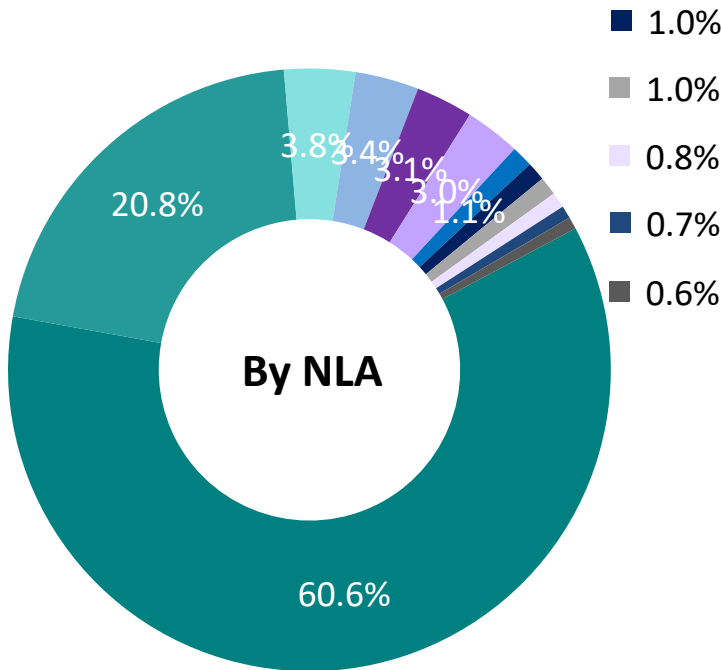
(1) Excludes de-commissioned space at 62 Stradbroke Street, Heathwood, Brisbane for upgrading works at 30 June 2018.

(2) Same store portfolio occupancy rates for previous quarters are computed with the same list of properties as at 30 Jun 2018, excluding new investments completed in the last 12 months and divestments.

(3) Investment property completed in the last 12 months.

Singapore: Sources of New Demand (1Q FY18/19)

- Continues to attract demand from a wide spectrum of industries



Transport and Storage

Electronics

General Manufacturing

Financial Service

Others

Precision Engineering

IT

Structural Engineering

Biomedical

Food Products & Beverages

Lifestyle and Services

Telecommunication & Datacentre

Portfolio Rental Reversions

- Portfolio reversion of 10.5% was recorded for leases renewed in 1Q FY18/19
- Rental reversion is expected to see slight improvement in FY18/19

| Multi-tenant Buildings | Percentage Change in Renewal Rates ⁽¹⁾ | | |
|---|---|------------------|----------------------------|
| | 1Q FY18/19 | 4Q FY17/18 | 1Q FY17/18 |
| Singapore | 10.5% | -6.8% | 1.1% |
| Business & Science Parks | 5.6% | 1.7% | 3.7% |
| High-Specifications Industrial and Data Centres | 24.8% | -18.8% | -0.7% |
| Light Industrial and Flatted Factories | 4.1% | 3.3% | -4.0% |
| Logistics & Distribution Centres | -6.1% | 0.0% | -2.0% |
| Integrated Development, Amenities & Retail | 5.5% | 3.3% | 13.3% |
| Australia | _ ⁽²⁾ | _ ⁽²⁾ | 3.5% ⁽²⁾ |
| Suburban Offices | _ ⁽²⁾ | _ ⁽²⁾ | _ ⁽²⁾ |
| Logistics & Distribution Centres | _ ⁽²⁾ | _ ⁽²⁾ | 3.5% |
| Total Portfolio: | 10.5% | -6.8% | 1.7% |

(1) Percentage change of the average gross rent over the lease period of the renewed leases against the preceding average gross rent from lease start date. Takes into account renewed leases that were signed in their respective periods and average gross rents are weighted by area renewed.

(2) There were no renewals signed in the period for the respective segments.

Weighted Average Lease Expiry

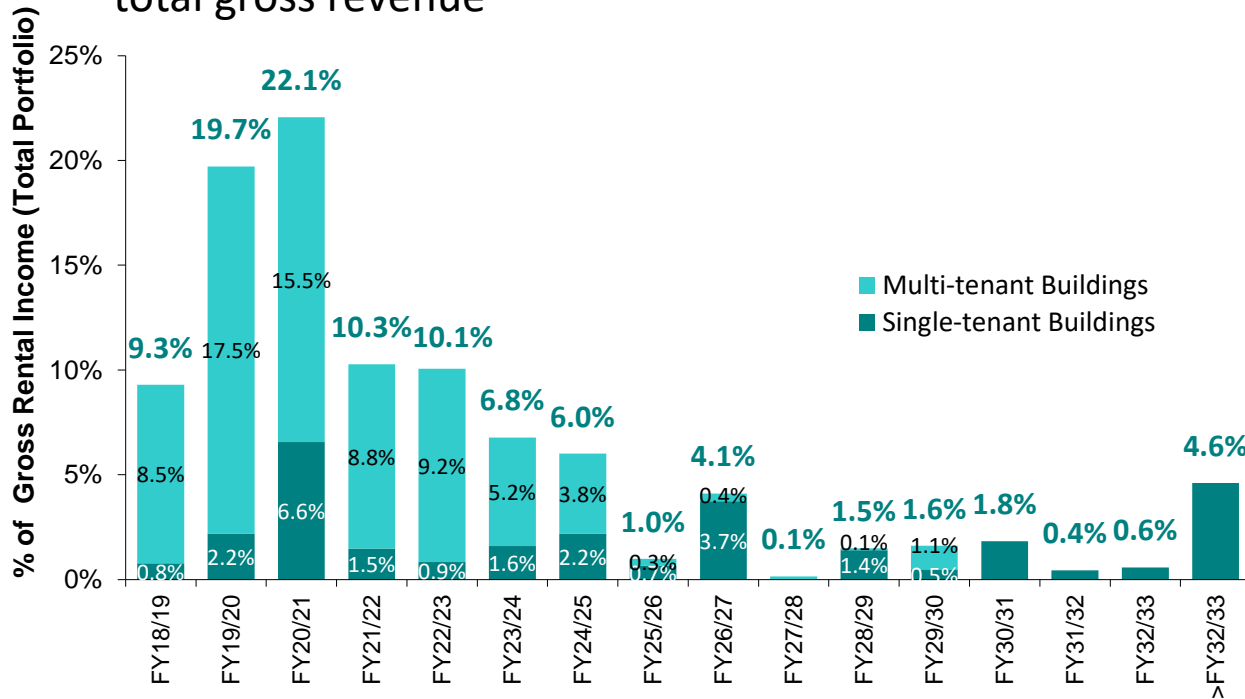
(By gross revenue)

- Portfolio Weighted Average Lease Expiry (WALE) at 4.1 years

| WALE (as at 30 Jun 18) | Years |
|------------------------|------------|
| Singapore | 4.0 |
| Australia | 5.0 |
| Portfolio | 4.1 |

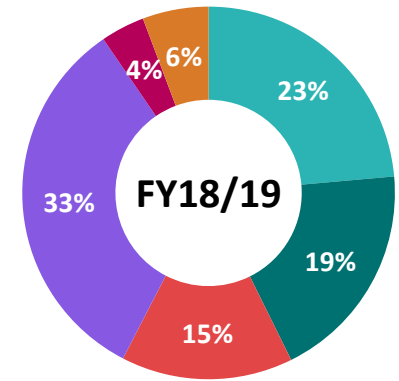
Portfolio Lease Expiry Profile (as at 30 Jun 18)

- Portfolio weighted average lease to expiry (WALE) of 4.1 years
- Lease expiry is well-spread, extending beyond 2032
- About 9.3% of gross rental income is due for renewal for the remaining of FY18/19
- Weighted average lease term of new leases ⁽¹⁾ signed in 1Q FY18/19 was 3.5 years and contributed 1.4% of 1Q FY18/19 total gross revenue

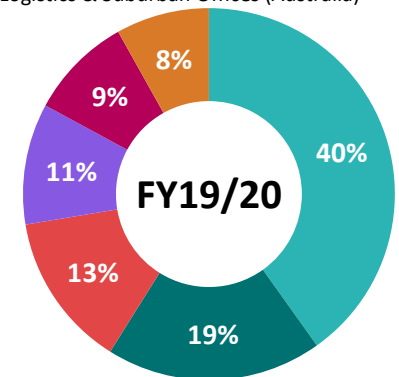


(1) New leases refers to new, expansion and renewal leases. Excludes leases from new acquisitions.

Breakdown of expiring leases for FY18/19 and FY19/20

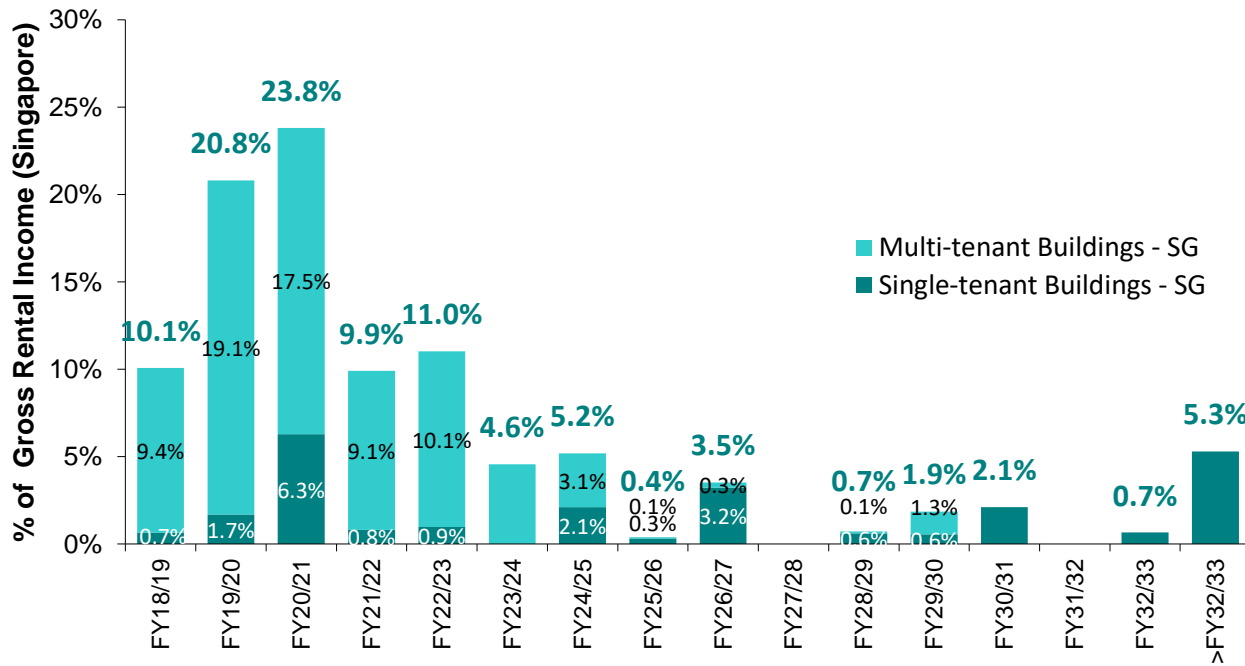


- Business and Science Parks
- High-Specifications Industrial and Data Centres
- Light Industrial and Flatted Factories
- Logistics & Distribution Centres
- Integrated Development, Amenities & Retail
- Logistics & Suburban Offices (Australia)

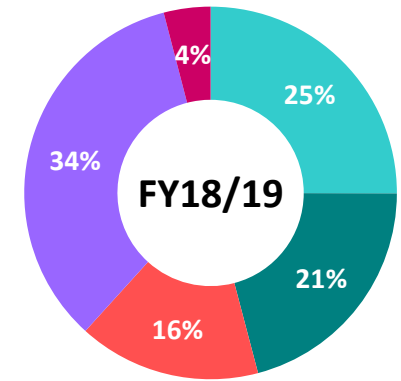


Singapore: Lease Expiry Profile (as at 30 Jun 18)

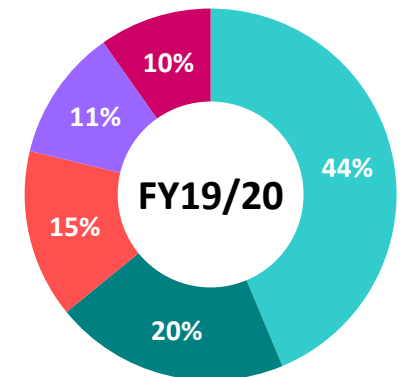
- Singapore portfolio weighted average lease to expiry (WALE) of 4.0 years
- Lease expiry is well-spread, extending beyond 2032
- 10.1% of Singapore's gross revenue is due for renewal for the remaining of FY18/19



Breakdown of expiring leases for FY18/19 and FY19/20

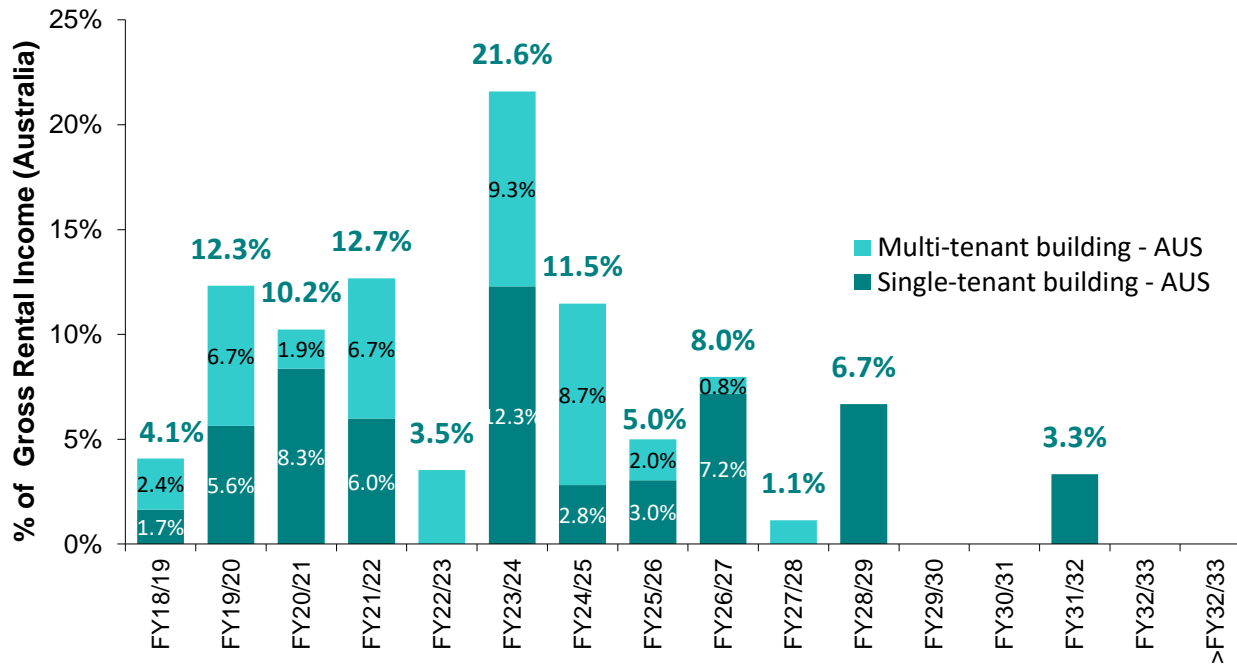


- Business and Science Parks
- High-Specifications Industrial and Data Centres
- Light Industrial and Flatted Factories
- Logistics & Distribution Centres
- Integrated Development, Amenities & Retail

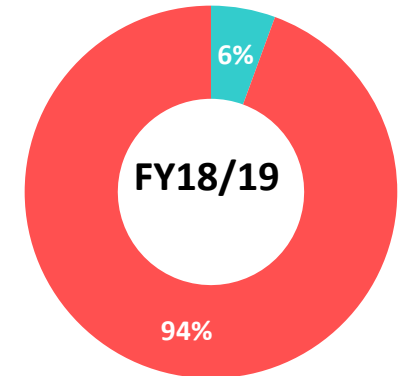


Australia: Lease Expiry Profile (as at 30 Jun 18)

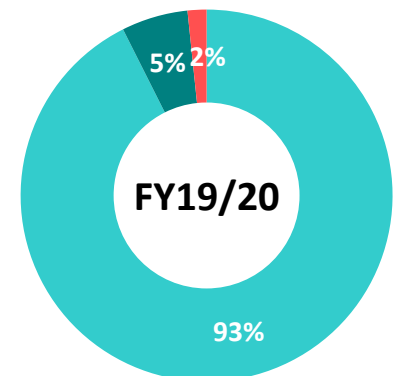
- Australia portfolio weighted average lease to expiry (WALE) of 5.0 years
- Lease expiry is well-spread, extending beyond 2031
- 4.1% of Australia's gross revenue is due for renewal the remaining of FY18/19



Breakdown of expiring leases for FY18/19 and FY19/20



- Sydney
- Melbourne
- Brisbane



Ongoing Projects: Improve portfolio quality

| | Country | Estimated Value (S\$m) | Estimated Completion Date |
|--------------------------------------|-----------|------------------------|---------------------------|
| Asset Enhancement Initiatives | | 26.1 | |
| 138 Depot Road <i>(NEW)</i> | Singapore | 3.9 | 4Q FY18/19 |
| Nordic European Centre | Singapore | 8.5 | 4Q FY18/19 |
| Aperia | Singapore | 13.7 | 3Q FY18/19 |

New Asset Enhancement Initiative:

138 Depot Road, Singapore

Description

- Multi-tenanted building conversion with focus on potential tenants' experience
- Accentuate visitor arrival experience through refreshing building façade, installing new full height glass at the main entrance, re-cladding existing columns and installing new artificial vertical green walls along the driveway up to the building's drop off area

Property Segment

High-Specifications Industrial

Gross Floor Area

29,626 sqm

Occupancy (as at 30 June 2018)

98.3%

Estimated Cost

S\$3.9m

Estimated Completion Date

4Q FY18/19



Building Façade



Vertical Green Wall along Driveway

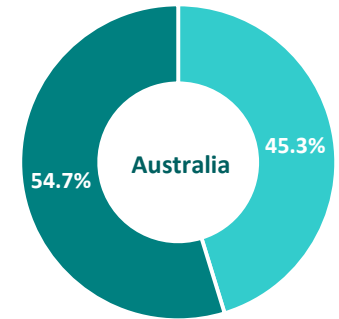
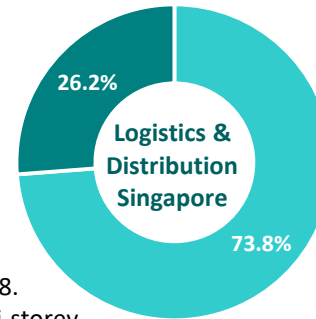
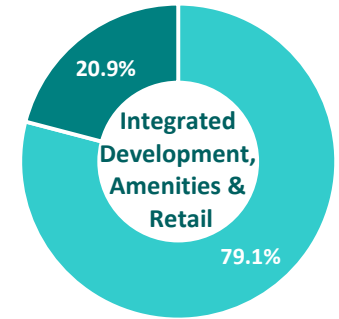
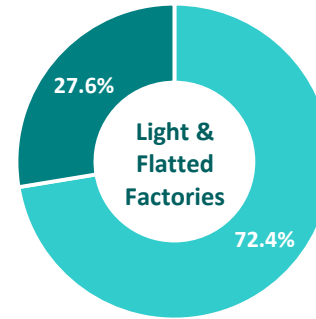
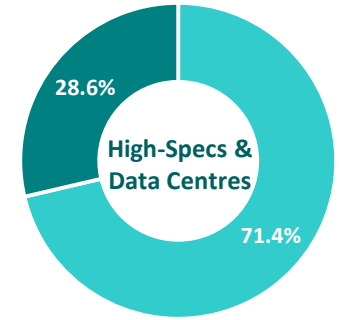
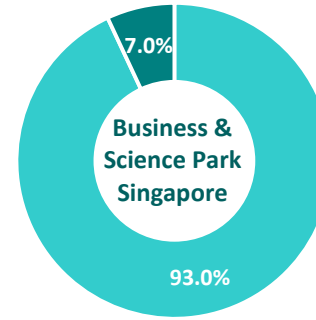
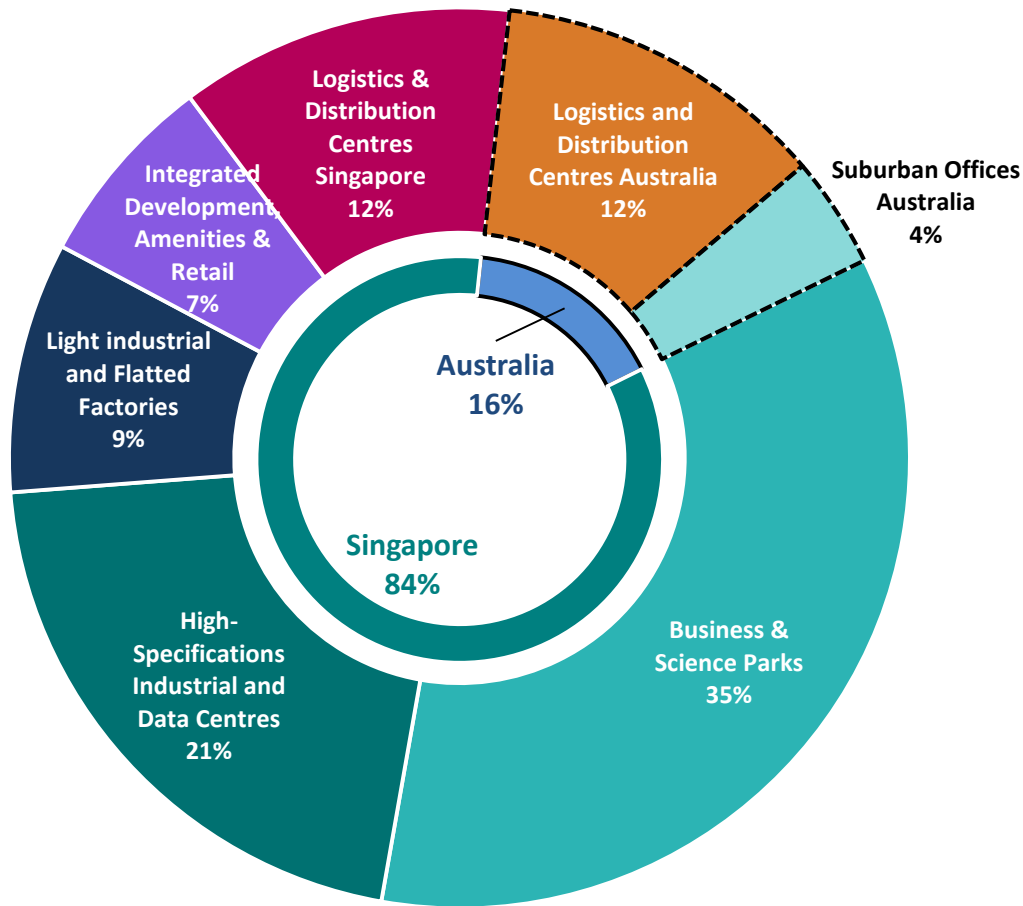
Artist impressions



Asset Management: Portfolio Resilience

Well Diversified Portfolio

By value of Investment Properties

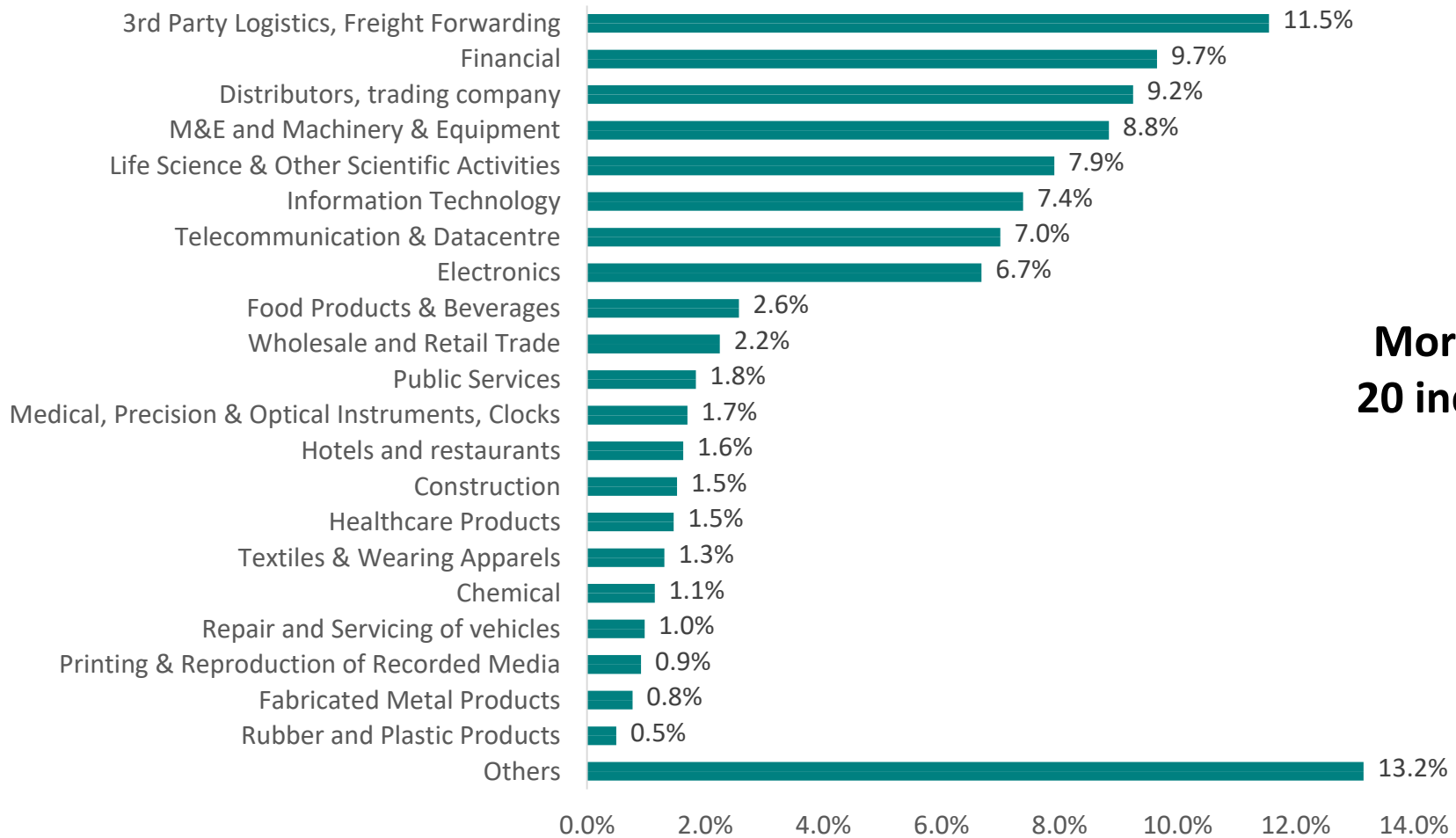


Notes:

- Multi-tenant buildings account for 76.1% of Ascendas Reit’s portfolio by asset value as at 30 Jun 18.
- About 59.7% of Logistics & Distribution Centres in Singapore (by gross floor area) are multi-storey facilities with vehicular ramp access.
- Within Hi-Specs Industrial, there are 3 data centres (5.0% of portfolio), of which 2 are single-tenant.
- Within Light Industrial, there are 2 multi-tenant flatted factories (3.0% of portfolio).

■ Multi-tenant buildings
■ Single-tenant buildings

Tenants' Industry Diversification By Monthly Gross Revenue

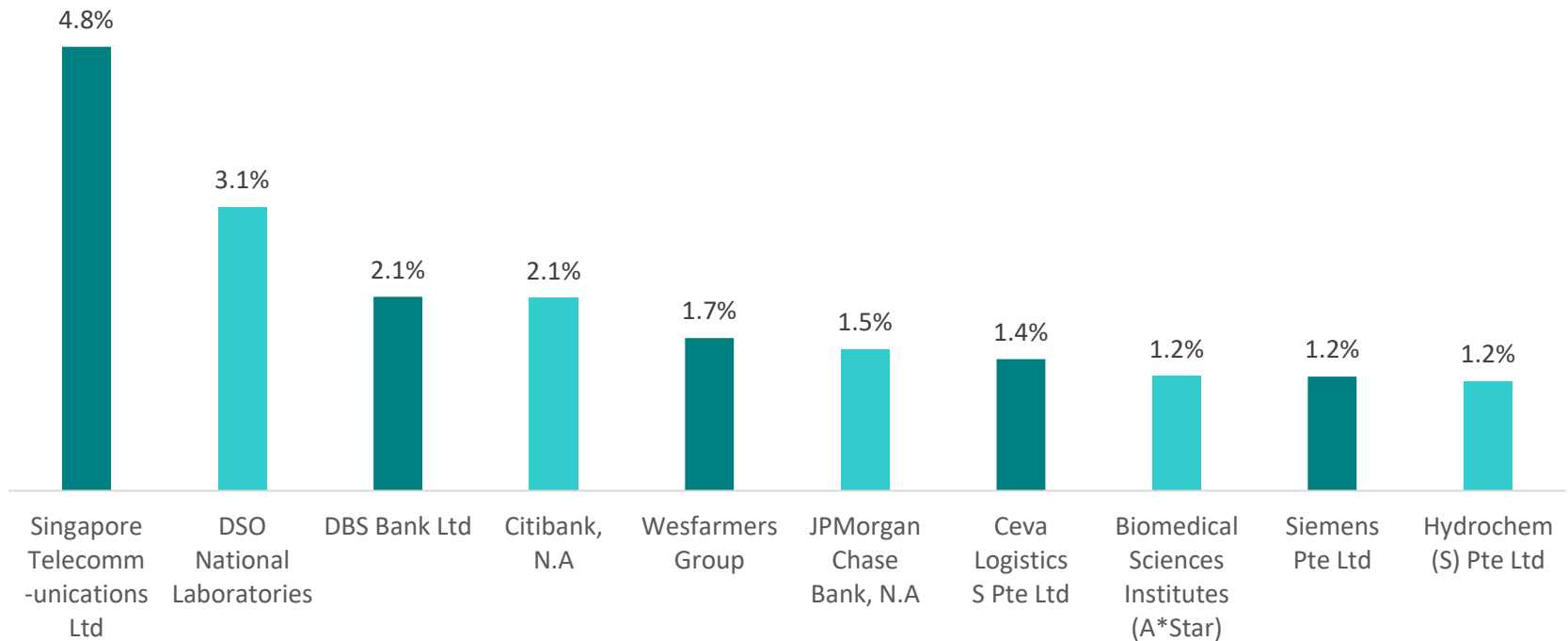


More than
20 industries

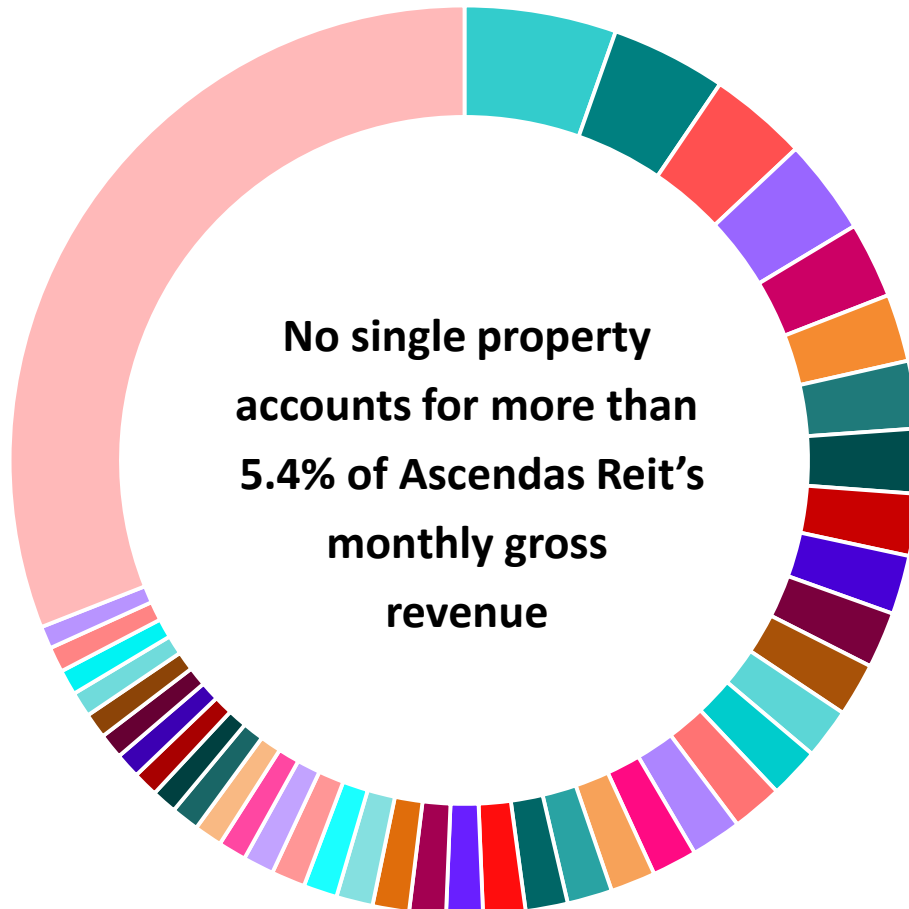
Note: Others include research & development, manufacturing, oil and gas, multi-media products etc.

Quality and Diversified Customer Base

- Total customer base of around 1,310 tenants
- Top 10 customers (as at 30 Jun 2018) account for about 20.3% of portfolio gross rental income
- On a *portfolio* basis, weighted average security deposit is about 5.4 months of rental income

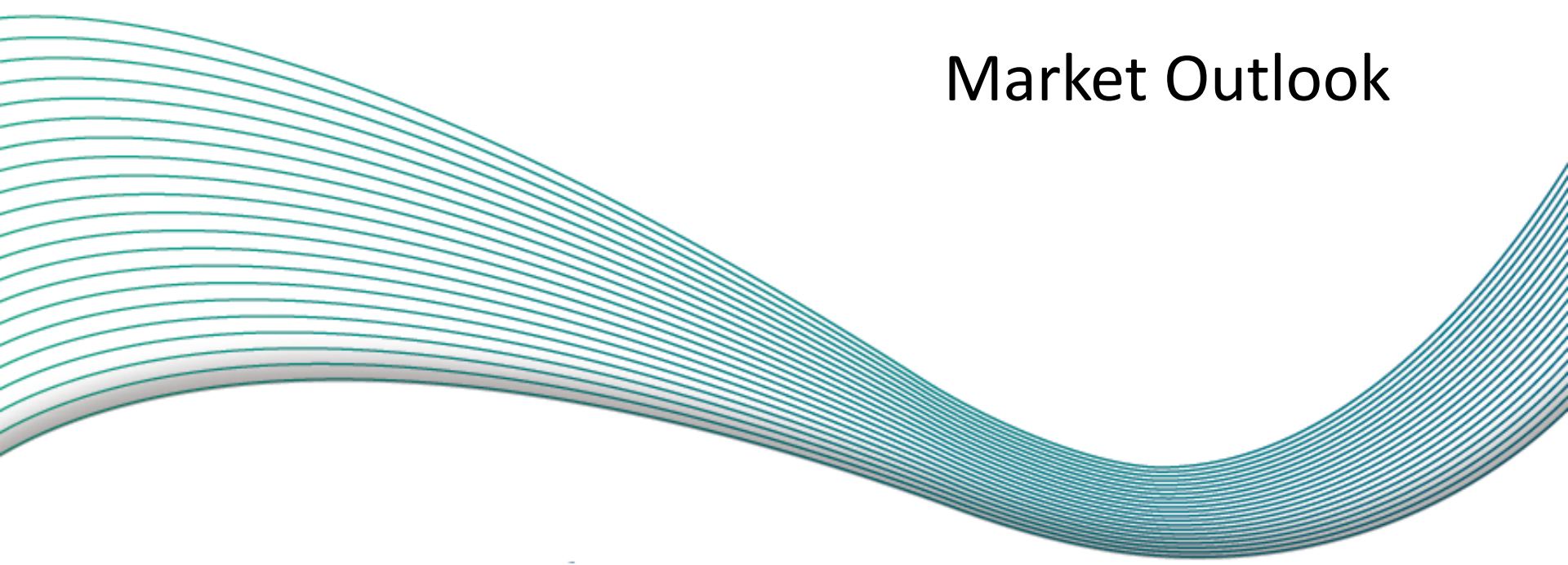


Diversified Portfolio



- Aperia, 5.4%
- ONE @ Changi City, 4.1%
- 12, 14 & 16 Science Park Drive, 3.5%
- 1, 3 & 5 Changi Business Park Crescent, 3.4%
- Kim Chuan Telecommunication Complex , 2.7%
- TelePark, 2.4%
- Neuros & Immunos, 2.4%
- 40 Penjuru Lane, 2.3%
- Pioneer Hub , 2.2%
- 31 International Business Park, 2.1%
- Hyflux Innovation Centre, 2%
- The Aries, Sparkle & Gemini, 1.9%
- TechPlace II, 1.8%
- Techview, 1.8%
- Nexus@One North, 1.8%
- TechPoint, 1.8%
- Techlink, 1.6%
- Corporation Place, 1.6%
- The Kendall, 1.6%
- TechPlace I, 1.5%
- DBS Asia Hub (Phase I & II), 1.5%
- 10 Toh Guan Road, 1.3%
- Cintech III & IV, 1.3%
- HansaPoint @ CBP, 1.3%
- Siemens Centre, 1.3%
- 197-201 Coward Street, 1.2%
- FoodAxis @ Senoko, 1.2%
- Infineon Building, 1.1%
- Nordic European Centre, 1%
- The Capricorn, 1%
- Giant Hypermart, 1%
- The Galen, 0.9%
- 100 Wickham Street, 0.9%
- AkzoNobel House, 0.9%
- Changi Logistics Centre, 0.9%
- 19 & 21 Pandan Avenue, 0.9%
- LogisTech, 0.9%
- Acer Building, 0.9%
- Courts Megastore, 0.9%
- 7 Grevillea Street, 0.8%
- Others, 31%

Market Outlook



- Global economic growth has been more broad based. However, the escalating trade tensions between the US and China continue to be one of the key uncertainties surrounding the global outlook.
- Singapore's economy is forecast to grow by 2.5% to 3.5% in 2018 (source: MTI).
 - Although leasing enquiries have improved in recent months, businesses are still cautious and some are still consolidating and right-sizing.
- Australia's economy is forecast to grow by 2.8% in 2018 (source: Bloomberg).
 - The recently-acquired logistics properties such as 169-177 Australis Drive and 1314 Ferntree Gully Drive will further augment Australia's DPU contribution.
- The proposed acquisition of a portfolio of 12 logistics properties in the UK worth S\$373m is expected to complete in 2Q FY18/19. This will enhance Ascendas Reit's AUM by 4% to S\$10.5b. Stable returns are expected based on its long weighted average lease to expiry of 14.6 years.
- Interest rates are widely expected to continue rising in the months ahead. With a prudent capital management strategy in place and a well-spread out debt expiry profile, Ascendas Reit is well positioned to mitigate the impact of interest rate increases and maintain an optimal financial position.

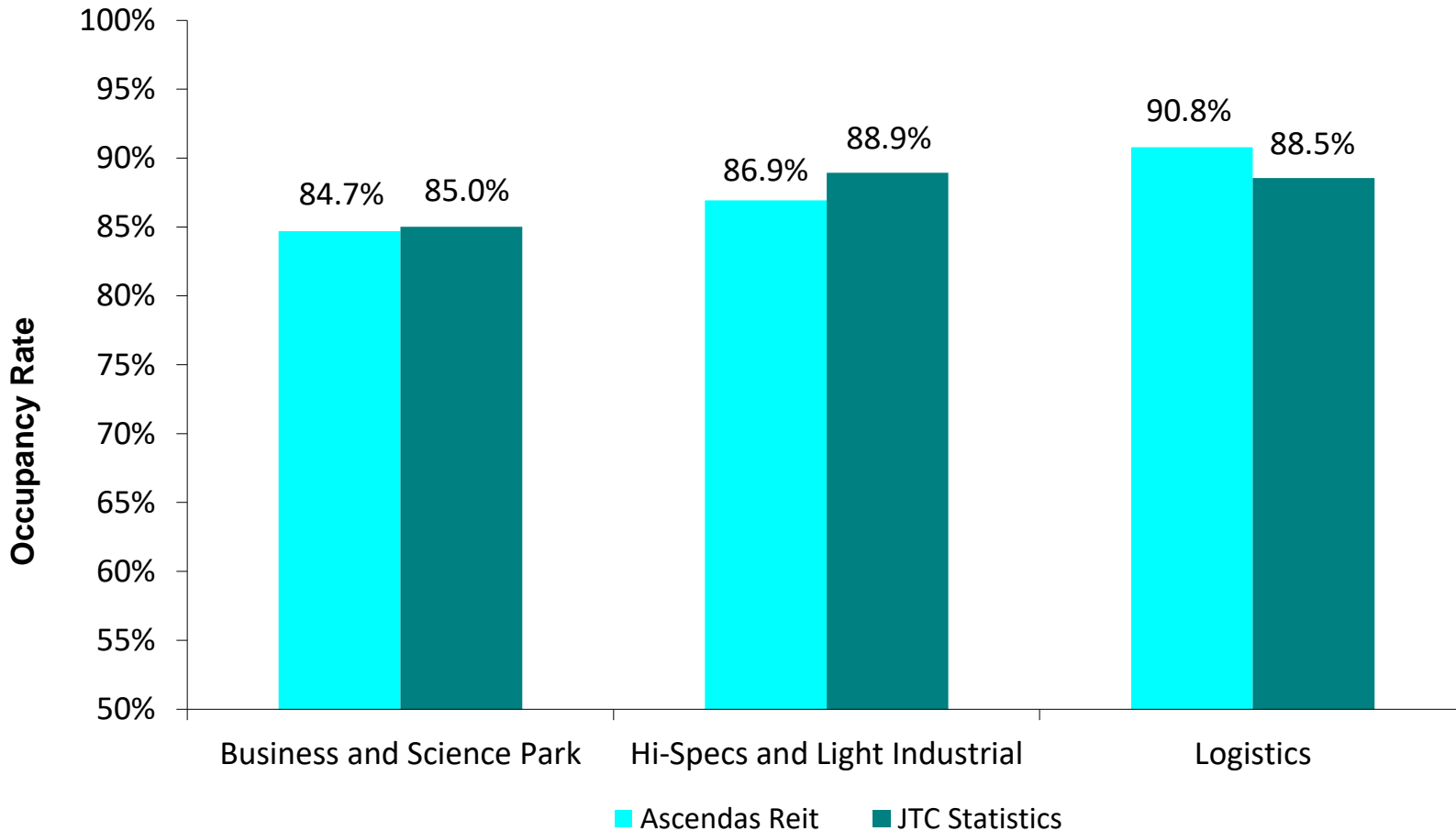
Additional Information

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

Quarterly Results

| Summary (S\$ m) | FY17/18 | | | | | FY18/19 |
|---|---------|-------|-------|-------|--------|--------------|
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q |
| Gross Revenue | 213 | 216 | 217 | 216 | 862 | 217 |
| Net Property Income | 152 | 161 | 158 | 158 | 629 | 159 |
| Total Amount Available for Distribution | 118 | 119 | 116 | 115 | 468 | 117 |
| No. of Units in Issue (m) | 2,927 | 2,927 | 2,929 | 2,929 | 2,929 | 2,930 |
| Distribution Per Unit (cents) | 4.049 | 4.059 | 3.970 | 3.910 | 15.988 | 4.002 |

Ascendas Reit Singapore Occupancy vs Industrial Average

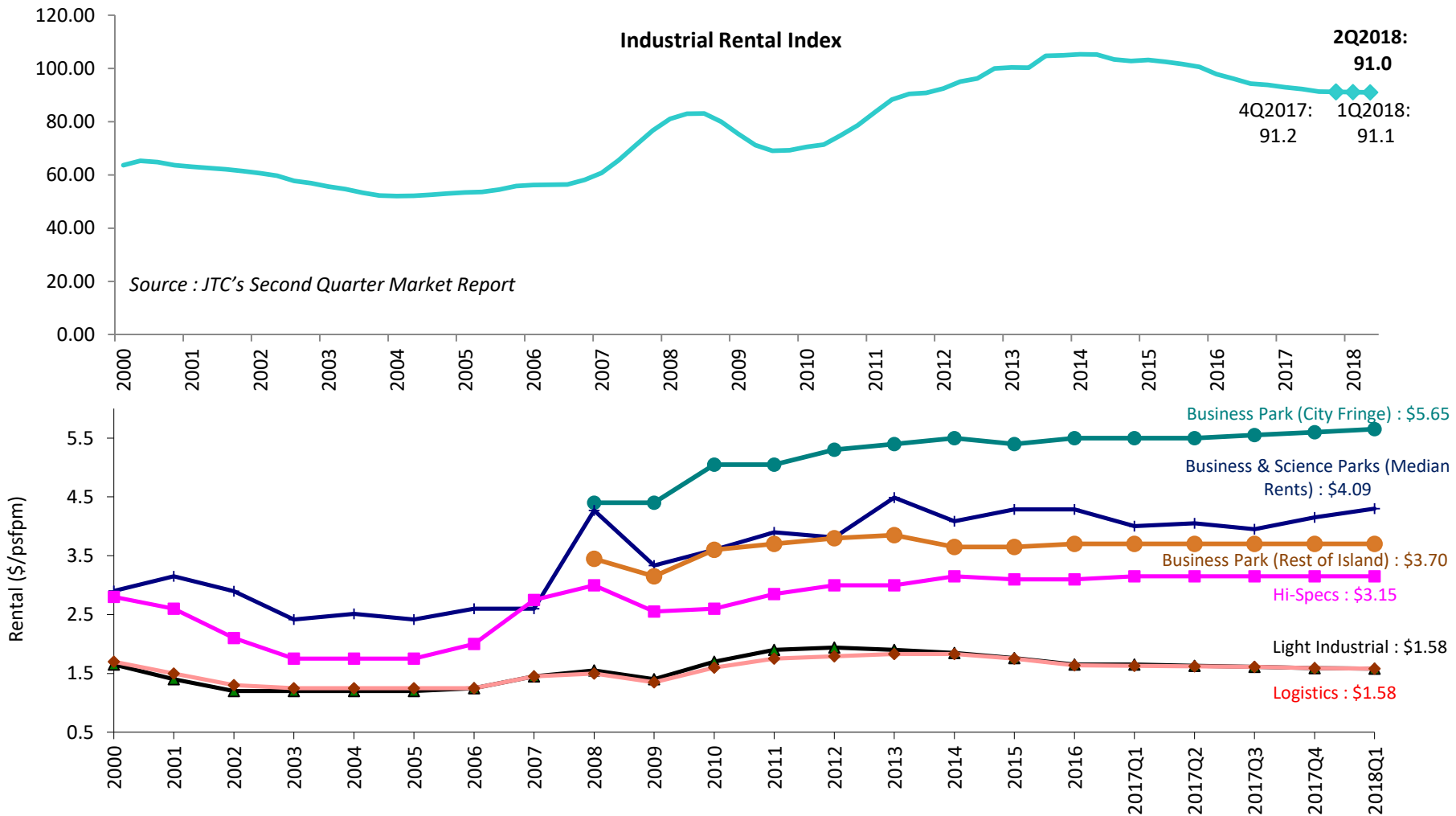


Source :

Ascendas Reit's Singapore portfolio as at 30 Jun 2018. Market: JTC statistics as at 26 Jul 2018 (2Q 2018).

JTC statistics do not breakdown Hi-Specs Industrial and Light Industrial, ie they are treated as one category with occupancy of 88.9%

Average Market Rents by Segment (Singapore)



Source :
 CBRE Market View Report Q1 2018 for Business Park (City Fringe), Business Park (Rest of Island), Hi-Specs, Light Industrial and Logistics
 JTC for Business Parks (Median Rents)

Singapore Industrial Market: New Supply

- Potential new supply of about 2.9m sqm (~6.0% of existing stock) over next 3 years, of which 54% are pre-committed
- Island-wide occupancy was 88.7% as at 30 Jun 18 (vs. 89.0% as at 31 Mar 18)

| Sector ('000 sqm) | 2018 | 2019 | 2020 | New Supply (Total) | Existing Supply (Total) | % of New/ Existing supply |
|---|------------|------------|--------------|--------------------|-------------------------|---------------------------|
| Business & Science Park | 51 | 43 | 0 | 94 | 2,149 | 4.4% |
| % of Pre-committed (est) | 33% | 40% | 0% | 36% | | |
| High-Specifications Industrial | 58 | 91 | 0 | 149 | 35,765 | 6.3% |
| % of Pre-committed (est) | 100% | 0% | 0% | 39% | | |
| Light Industrial | 722 | 384 | 991 | 2,097 | | |
| % of Pre-committed (est) | 86% | 62% | 30% | 55% | 10,611 | 5.3% |
| Logistics & Distribution Centres | 148 | 202 | 214 | 563 | | |
| % of Pre-committed (est) | 95% | 33% | 59% | 59% | 48,525 | 6.0% |
| Total | 979 | 719 | 1,205 | 2,903 | | |
| % Pre-committed (est) | 85% | 45% | 35% | 54% | | |

Note: Excludes projects under 7,000 sqm. Based on gross floor area

Source: URA Realis & Ascendas Reit internal research

Singapore Business & Science Parks: New Supply



| Expected Completion | Location | Developer | GFA (sqm) | % Pre-committed (estimated) |
|---------------------------|-----------------------------|---------------------------------------|----------------|-----------------------------|
| Under Construction | | | | |
| 2018 | Pasir Panjang Road | Singapore Science Park Ltd | 11,610 | 100% |
| 2018 | Media Circle | BP-DoJo LLP | 39,490 | 13% |
| 2019 | Science Park Drive | Ascendas-Singbridge Pte Ltd | 25,560 | 0% |
| 2019 | International Business Park | Pension Real Estate Singapore Pte Ltd | 17,020 | 100% |
| 2021 | Cleantech Loop | JTC Corporation | 62,520 | 0% |
| 2022 | Biopolis Road | Wilmar International Limited | 16,670 | 100% |
| 2023 | Punggol Way | JTC Corporation | 143,500 | 0% |
| | | | 316,370 | 13% |

Source: URA Realis & Ascendas Reit internal research

The End

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