

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**



Summary of Ascendas Reit Group Results

	Note	01/04/18 to 30/09/18 ('1H FY18/19') S\$'000	01/04/17 to 30/09/17 ('1H FY17/18') S\$'000	Variance %
Gross revenue		434,693	429,084	1.3%
Net property income		318,113	313,905	1.3%
Total amount available for distribution:		232,313	237,281	(2.1%)
- from operations		211,550	223,924	(5.5%)
- from capital	(a)	20,763	13,357	55.4%
Distribution per Unit ("DPU") (cents)				
		FY18/19	FY17/18	Variance %
For the quarter from 1 July to 30 September		3.887	4.059	(4.2%)
- from operations		3.513	3.830	(8.3%)
- from capital	(a)	0.374	0.229	63.3%
For the period from 1 April to 30 September		7.889	8.108	(2.7%)
- from operations		7.184	7.652	(6.1%)
- from capital	(a)	0.705	0.456	54.6%

Footnotes

- (a) This relates to the distribution of (i) income repatriated from Australia by way of tax deferred distributions and/or shareholder loan repayment, (ii) net income from properties in the United Kingdom ("UK"), where the profits have yet to be repatriated to Singapore, (iii) reimbursements received from vendors in relation to outstanding incentives that were subsisting at the point of the completion of the acquisition of certain properties in Australia and the UK, and (iv) rental support received from vendors in relation to the acquisition of certain properties in Australia and the UK. Such distributions are deemed to be capital distributions from a tax perspective and are not taxable in the hands of Unitholders, except for Unitholders who are holding the Units as trading assets.

DISTRIBUTION DETAILS

Distribution period (i)	18 September 2018 to 30 September 2018			
Distribution Type	Taxable	Tax-exempt	Capital	Total
Distribution rate (cents per unit)	0.564	-	0.075	0.639
Book closure date	2 November 2018 (Friday)			
Payment date	27 November 2018 (Tuesday)			

Footnotes

- (i) This relates to the unpaid distribution for the period from 18 September 2018 to 30 September 2018. Distribution from 1 April 2018 to 17 September 2018 was paid on 17 October 2018. Please refer to Section 11 on page 19 for details.

ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

Introduction

Ascendas Real Estate Investment Trust (“Ascendas Reit” or the “Trust”) 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 Ascendas Reit and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of Ascendas Reit, as amended and restated.

Since the beginning of the financial year, Ascendas Reit and its subsidiaries (the “Group”) had completed the following acquisitions and divestments:

No.	Type	Property	Amount (mil)	Date
i	Divestment	30 Old Toh Tuck Road, Singapore	S\$24.0	30 Apr 2018
ii	Acquisition	169-177 Australis Drive, Melbourne, Australia	A\$34.0	04 Jun 2018
iii	Acquisition	1314 Ferntree Gully Drive, Melbourne, Australia	A\$16.2	26 Jun 2018
iv	Acquisition	12 UK logistics properties (UK Logistics Portfolio)	£200.0	16 Aug 2018
v	Divestment	41 Changi South Avenue 2, Singapore	S\$13.6	20 Aug 2018
vi	Acquisition	1-7 Wayne Goss Drive, Brisbane, Australia	A\$30.0	07 Sep 2018
vii	Acquisition	Cargo Business Park, Brisbane, Australia	A\$33.5	17 Sep 2018

As at 30 September 2018, the Group has a diversified portfolio of 98 properties in Singapore, 35 properties in Australia and 12 properties in the UK, with a tenant base of around 1,340 customers across the following segments: Business & Science Park/Suburban Office, High-specifications Industrial Properties/Data Centres, Light Industrial Properties/Flatted Factories, Logistics & Distribution Centres and Integrated Development, Amenities & Retail.

The Group’s results include the consolidation of subsidiaries and a joint venture. The commentaries provided are based on the consolidated Group results unless otherwise stated.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

1(a)(i) Statement of Total Return and Distribution Statement

	Note	Group					
		2Q FY18/19 S\$'000	2Q FY17/18 S\$'000	Variance %	1H FY18/19 S\$'000	1H FY17/18 S\$'000	Variance %
Gross revenue	(a)	218,131	215,825	1.1%	434,693	429,084	1.3%
Property services fees		(8,416)	(8,186)	2.8%	(16,604)	(16,365)	1.5%
Property tax		(12,451)	(15,050)	(17.3%)	(25,196)	(29,739)	(15.3%)
Other property operating expenses		(38,358)	(32,048)	19.7%	(74,780)	(69,075)	8.3%
Property operating expenses	(b)	(59,225)	(55,284)	7.1%	(116,580)	(115,179)	1.2%
Net property income		158,906	160,541	(1.0%)	318,113	313,905	1.3%
Management fees	(c)	(13,409)	(12,771)	5.0%	(26,308)	(25,229)	4.3%
Trust and other expenses	(d)	(2,296)	(1,990)	15.4%	(4,230)	(3,984)	6.2%
Finance income	(g)	2,629	2,288	14.9%	5,033	4,337	16.0%
Finance costs	(g)	(31,636)	(27,227)	16.2%	(60,795)	(54,072)	12.4%
Foreign exchange gain/(loss)	(e)	7,919	6,236	27.0%	(13,315)	23,268	(157.2%)
Gain on disposal of investment properties	(f)	1,731	4,585	(62.2%)	5,088	4,585	11.0%
Net non property expenses		(35,062)	(28,879)	21.4%	(94,527)	(51,095)	85.0%
Net income	(g)	123,844	131,662	(5.9%)	223,586	262,810	(14.9%)
Net change in fair value of financial derivatives	(h)	(4,076)	(2,021)	101.7%	11,224	(15,822)	(170.9%)
Share of joint venture's results	(i)	127	127	-	246	247	(0.4%)
Total return for the period before tax		119,895	129,768	(7.6%)	235,056	247,235	(4.9%)
Tax expense	(j)	(2,390)	(1,395)	71.3%	(4,814)	(675)	n.m.
Total return for the period		117,505	128,373	(8.5%)	230,242	246,560	(6.6%)
Attributable to:							
Unitholders and perpetual securities holders		117,522	128,376	(8.5%)	230,259	246,564	(6.6%)
Non-controlling interests		(17)	(3)	n.m.	(17)	(4)	n.m.
		117,505	128,373	(8.5%)	230,242	246,560	(6.6%)
Distribution Statement							
Total return for the period attributable to Unitholders and perpetual securities holders		117,522	128,376	(8.5%)	230,259	246,564	(6.6%)
Less: Amount reserved for distribution to perpetual securities holders	(k)	(3,592)	(3,592)	-	(7,145)	(7,145)	-
Other net (taxable income)/non tax deductible expenses and other adjustments	(l)	(9,962)	(12,703)	(21.6%)	(11,564)	(15,495)	(25.4%)
Income available for distribution		103,968	112,081	(7.2%)	211,550	223,924	(5.5%)
Comprising:							
- Taxable income		103,968	112,081	(7.2%)	211,550	223,924	(5.5%)
- Distribution from capital	(m)	11,074	6,702	65.2%	20,763	13,357	55.4%
Total amount available for distribution		115,042	118,783	(3.1%)	232,313	237,281	(2.1%)

Note: "n.m." denotes "not meaningful"

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

Explanatory notes to the statement of total return and distribution statement

- (a) Gross revenue comprises gross rental income and other income (which includes revenue from utilities charges, interest income from finance lease receivable, car park revenue, income support and claims on liquidated damages).

Gross revenue increased by 1.3%, mainly due to new acquisitions in Australia and the United Kingdom (UK) during the financial period. The completion of redevelopment works at Schneider Electric Building (formerly known as “50 Kallang Avenue”) and 20 Tuas Avenue 1 also contributed to the increase. These were partially offset by the lower occupancy in Singapore.

- (b) Property operating expenses comprise property services fees, property taxes and other property operating expenses (which includes maintenance and conservancy costs, utilities expenses, marketing fees, property and lease management fees, land rent and other miscellaneous property-related expenses).

Property operating expenses increased by 1.2%, mainly due to increase in property related operating expenses, partially offset by lower property tax expenses arising from the retrospective downward revisions in the annual value of certain properties in 1H FY18/19.

- (c) The Manager has elected to receive 20% of the base management fees in Units and the other 80% in cash.

Higher management fees in 1H FY18/19 were mainly due to higher deposited property under management attributable to the new acquisitions made since the comparable period in the last financial year.

- (d) Trust and other expenses comprise statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses. Higher other trust expenses were due to professional fees incurred for certain investment related activities.

- (e) Foreign exchange gain/(loss) arose mainly from the revaluation of JPY, HKD, USD and AUD denominated loans. Cross currency swaps relating to these loans were entered into to hedge against the foreign exchange exposure. The foreign exchange gain/(loss) was largely offset by the fair value movement in the foreign currency component of the cross currency swaps. Please refer to note (h) below.

1H FY18/19 recorded a foreign exchange loss of S\$13.3 million (1H FY17/18: gain of S\$23.3 million) due to SGD depreciating against HKD in relation to the HKD denominated Medium Term Notes (“MTN”), coupled with the weakening of SGD against USD in relation to certain USD denominated credit facilities. 1H FY17/18 recorded a foreign exchange gain of S\$23.3 million mainly from the strengthening of SGD against JPY and HKD in relation to the JPY and HKD denominated MTN respectively.

- (f) The gain on disposal of investment property in 1H FY18/19 arose primarily from the disposals of 30 Old Toh Tuck Road and 41 Changi South Avenue 2 in Singapore.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

(g) The following items have been included in net income:

	Note	Group					
		2Q	2Q	Variance	1H	1H	Variance
		FY18/19	FY17/18		FY18/19	FY17/18	
S\$'000	S\$'000	%	S\$'000	S\$'000	%		
Gross revenue							
Gross rental income		195,779	197,069	(0.7%)	390,541	391,175	(0.2%)
Other income		22,352	18,756	19.2%	44,152	37,909	16.5%
Property operating expenses							
Reversal/(provision) of allowance for impairment loss on doubtful receivables		27	(36)	(175.0%)	10	(38)	(126.3%)
Finance income							
Interest income	(1)	2,629	2,288	14.9%	5,033	4,337	16.0%
Finance costs							
Interest expense	(2)	(30,807)	(26,360)	16.9%	(59,093)	(52,357)	12.9%
Other borrowing costs		(829)	(867)	(4.4%)	(1,702)	(1,715)	(0.8%)
		(31,636)	(27,227)	16.2%	(60,795)	(54,072)	12.4%

Note: "n.m." denotes "not meaningful"

- Finance income comprises interest income from interest rate swaps and bank deposits.
- Finance costs comprise interest expenses on loans, interest rate swaps, amortised costs of establishing debt facilities (including the MTN, Term Loan Facilities and Committed Revolving Credit Facilities).

(h) Net change in fair value of financial derivatives arose mainly from the revaluation of interest rate swaps, cross currency swaps and foreign exchange forward contracts entered into to hedge against the interest rate and foreign exchange exposures of the Group.

	Group					
	2Q	2Q	Variance	1H	1H	Variance
	FY18/19	FY17/18		FY18/19	FY17/18	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Fair value gain/(loss) on:						
- interest rate swaps	(509)	4,315	n.m.	3,070	(704)	n.m.
- cross currency swaps	(3,426)	(6,529)	(47.5%)	8,745	(15,645)	(155.9%)
- foreign exchange forward contracts	(141)	193	(173.1%)	(591)	527	n.m.
Net change in fair value of financial derivatives	(4,076)	(2,021)	n.m.	11,224	(15,822)	n.m.

Note: "n.m." denotes "not meaningful"

- Share of joint venture's results relates to the carpark operations at ONE@Changi City in Singapore, which is operated through a joint venture entity, Changi City Carpark Operations LLP ("CCP LLP"). The results for CCP LLP are equity accounted for at the Group level.
- Tax expense in 1H FY18/19 includes deferred tax expense relating to the undistributed profits in the subsidiaries of the Group. It also includes withholding tax recognised in relation to interest payments and profits repatriated to Singapore from Ascendas REIT Australia that indirectly holds the properties in Australia (the "Australian Portfolio").
- On 14 October 2015, Ascendas Reit issued S\$300.0 million of subordinated perpetual securities (the "Perpetual Securities"). The Perpetual Securities confer a right to receive distribution payments at a rate of 4.75% per annum, with the first distribution rate reset falling on 14 October 2020 and subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perpetual Securities.

ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

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

	Note	Group					
		2Q FY18/19 S\$'000	2Q FY17/18 S\$'000	Variance %	1H FY18/19 S\$'000	1H FY17/18 S\$'000	Variance %
Management fees paid/payable in units		2,683	2,556	5.0%	5,262	5,046	4.3%
Trustee fee		495	670	(26.1%)	973	1,429	(31.9%)
Gain on disposal of investment property		(1,731)	(4,585)	(62.2%)	(5,088)	(4,585)	11.0%
Net change in fair value of financial derivatives		4,076	2,021	101.7%	(11,224)	15,822	(170.9%)
Foreign exchange loss/(gain)		(7,919)	(6,236)	27.0%	13,315	(23,268)	(157.2%)
Other net non tax deductible expenses and other adjustments	A	10,241	9,715	5.4%	18,803	13,827	36.0%
Income from subsidiaries and joint venture	B	(17,807)	(16,844)	5.7%	(33,605)	(29,617)	13.5%
Rollover adjustment from prior years	C	-	-	n.m.	-	5,851	(100.0%)
Other net (taxable income)/non tax deductible expenses and other adjustments		(9,962)	(12,703)	(21.6%)	(11,564)	(15,495)	(25.4%)

Note: "n.m." denotes "not meaningful"

- A. Other net non-tax deductible expenses and other adjustments include mainly set-up costs on loan facilities, commitment fees paid on undrawn committed credit facilities, and returns attributable to the Perpetual Securities holders.
- B. This relates to the net income from the Trust's subsidiaries and joint venture as well as the effects of consolidation.
- C. The one-off distribution of rollover adjustments from prior years amounting to S\$5.9 million (DPU impact of 0.200 cents) in 1H FY17/18 arose mainly from a ruling by IRAS on the non-tax deductibility of certain upfront fees for certain credit facilities incurred in FY11/12.
- (m) This relates to the distribution of (i) income repatriated from Australia by way of tax deferred distributions and/or shareholder loan repayment, (ii) net income from properties in the UK, where the profits have yet to be repatriated to Singapore, (iii) reimbursements received from vendors in relation to outstanding incentives that were subsisting at the point of the completion of the acquisition of certain properties in Australia and the UK, and (iv) rental support received from vendors in relation to the acquisition of certain properties in Australia and the UK. Such distributions are deemed to be capital distributions from a tax perspective and are not taxable in the hands of Unitholders, except for Unitholders who are holding the Units as trading assets.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

1(b)(i) Statements of Financial Position

	Note	Group		Trust	
		30/09/18 S\$'000	31/03/18 S\$'000	30/09/18 S\$'000	31/03/18 S\$'000
Non-current assets					
Investment properties	(a)	10,670,151	10,118,978	8,716,227	8,625,500
Investment properties under development	(b)	-	95,463	-	86,400
Finance lease receivables		51,949	53,243	51,948	53,243
Interest in subsidiaries	(c)	-	-	944,752	669,354
Loans to subsidiaries	(d)	-	-	309,853	269,538
Investment in joint venture		122	123	-	-
Derivative assets	(e)	16,632	9,129	16,632	9,129
		10,738,854	10,276,936	10,039,412	9,713,164
Current assets					
Finance lease receivables		2,533	2,385	2,533	2,385
Trade and other receivables	(f)	45,292	28,337	24,268	28,275
Derivative assets	(e)	209	819	191	759
Cash and fixed deposits		27,114	25,016	3,855	3,860
Property held for sale	(g)	-	20,300	-	20,300
	(h)	75,148	76,857	30,847	55,579
Current liabilities					
Trade and other payables		140,142	143,831	129,639	140,122
Security deposits		39,445	42,095	39,351	42,044
Derivative liabilities	(e)	266	616	226	371
Short term borrowings	(i)	193,482	624,700	193,482	624,700
Term loans	(i)	479,627	285,243	199,361	-
Medium term notes	(i)	94,972	-	94,972	-
Provision for taxation		7,984	7,016	1,017	1,437
	(h)	955,918	1,103,501	658,048	808,674
Non-current liabilities					
Security deposits		77,614	77,985	76,180	76,537
Derivative liabilities	(e)	58,876	62,923	55,402	59,258
Amount due to a subsidiary		-	-	25,723	25,492
Medium term notes	(i)	1,645,122	1,601,066	1,645,122	1,601,066
Term loans	(i)	1,140,618	1,008,211	710,515	722,968
Deferred tax liabilities	(j)	4,680	1,411	-	-
		2,926,910	2,751,596	2,512,942	2,485,321
Net assets					
		6,931,174	6,498,696	6,899,269	6,474,748
Represented by:					
Unitholders' funds	(k)	6,626,765	6,194,310	6,594,847	6,170,366
Perpetual securities holders		304,422	304,382	304,422	304,382
Non-controlling interests		(13)	4	-	-
		6,931,174	6,498,696	6,899,269	6,474,748

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

Explanatory notes to the statements of financial position

- (a) Investment properties increased due to the acquisition of the UK Logistics Portfolio, the acquisition of three Australia properties, namely 169-177 Australis Drive, 1314 Ferntree Gully Drive in Melbourne and Cargo Business Park in Brisbane and the acquisition of 1-7 Wayne Goss Drive in Brisbane, Australia. The increase in investment properties were partially offset by the divestment of two Singapore properties, namely 30 Old Toh Tuck Road and 41 Changi South Avenue 2.
- (b) Investment properties under development (“IPUD”) as at 30 March 2018 relates to the progress payment made in relation to the fund-through acquisition of 1-7 Wayne Goss Drive in Brisbane, Australia and redevelopment of 20 Tuas Avenue 1. Subsequent to the completion of the respective development works in April 2018 and September 2018, 20 Tuas Avenue 1 in Singapore and 1-7 Wayne Goss Drive in Brisbane have been reclassified to investment properties accordingly.
- (c) Interest in subsidiaries relates to entities directly or indirectly wholly-owned by Ascendas Reit. The increase in interest in subsidiaries was a result of the incorporation of Ascendas REIT (Europe) Pte. Ltd. and the acquisition of its subsidiaries which hold the UK Logistics Portfolio in August 2018.
- (d) Loans to subsidiaries relate to the interest bearing loans issued to the overseas subsidiaries of Ascendas Reit.
- (e) Derivative assets and derivative liabilities relates to favourable and unfavourable changes in the fair value of certain interest rate swaps, cross currency swaps and foreign currency forward contracts respectively.
- (f) Increase in trade and other receivables is due to deposits placed in the lawyer’s escrow account in relation to the acquisition of a second portfolio of 26 UK logistics properties that was completed only on 4 October 2018.
- (g) As at 31 March 2018, the property held for sale relates to 30 Old Toh Tuck Road in Singapore, which was divested on 30 April 2018.
- (h) Notwithstanding the net current liabilities position, based on the Group’s existing financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

(i) **Details of borrowings**

	Group		Trust	
	30/09/18	31/03/18	30/09/18	31/03/18
Gross borrowings	S\$'000	S\$'000	S\$'000	S\$'000
Secured borrowings				
Amount repayable after one year				
- Term loans	280,675	285,924	-	-
Amount repayable within one year				
- Term loans	280,675	285,924	-	-
Total secured borrowings	561,350	571,848	-	-
Unsecured borrowings				
Amount repayable after one year				
- Medium term notes	1,648,422	1,604,347	1,648,422	1,604,347
- Term loans	863,906	724,029	712,960	724,029
	2,512,328	2,328,376	2,361,382	2,328,376
Amount repayable within one year				
- Short term borrowings	193,482	624,699	193,482	624,699
- Medium term notes	95,000	-	95,000	-
- Term loans	199,664	-	199,664	-
	488,146	624,699	488,146	624,699
Total unsecured borrowings	3,000,474	2,953,075	2,849,528	2,953,075

As at 30 September 2018, the Group has A\$564.3 million (31 March 2018: A\$564.3 million) secured syndicated term loans from Australian banks ("Syndicated Loans"). The Syndicated Loans are secured by way of a first mortgage over 26 properties in Australia and assets of their respective holding trusts, and guaranteed by Ascendas Reit. The carrying value of properties secured for the Syndicated Loans was S\$1,021.0 million or A\$1,026.4 million as at 30 September 2018 (31 March 2018: S\$1,038.3 million or A\$1,024.6 million).

In addition, the Group has various unsecured credit and overdraft facilities with varying degrees of utilisation as at the reporting date.

As at 30 September 2018, 84.6% (31 March 2018: 71.9%) of the Group's borrowings are on fixed interest rates (after taking into consideration effects of the interest rate swaps) with an overall weighted average tenure of 3.4 years (31 March 2018: 3.3 years). The overall weighted average cost of borrowings for the year ended 30 September 2018 was 3.0% (31 March 2018: 2.9%).

- (j) Deferred tax liabilities relate to tax provided on the undistributed profits in the subsidiaries of the Group.
- (k) Increase in Unitholders' funds was mainly due to the units issued in the private placement completed in September 2018. Please refer to "Statement of Movements in Unitholders' Funds" on page 11 and 12.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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

	Note	Group			
		2Q FY18/19 S\$'000	2Q FY17/18 S\$'000	FY18/19 S\$'000	FY17/18 S\$'000
Cash flows from operating activities					
Total return for the period before tax		119,895	129,768	235,056	247,235
Adjustments for;					
(Provision)/Reversal of allowance for impairment loss on doubtful receivables		(27)	36	(10)	38
Finance income		(2,629)	(2,288)	(5,033)	(4,337)
Finance costs		31,636	27,227	60,795	54,072
Foreign exchange loss/(gain)		(7,919)	(6,236)	13,315	(23,268)
Gain from disposal of investment properties		(1,731)	(4,585)	(5,088)	(4,585)
Management fees paid/payable in units		2,683	2,556	5,262	5,046
Net change in fair value of financial derivatives		4,076	2,021	(11,224)	15,822
Share of joint venture's results		(127)	(127)	(246)	(247)
Operating income before working capital changes		145,857	148,372	292,827	289,776
Changes in working capital:					
Trade and other receivables		540	2,071	6,925	17,607
Trade and other payables		(15,855)	4,858	1,773	(11,296)
Cash generated from operating activities		130,542	155,301	301,525	296,087
Income tax paid		(409)	(1,158)	(1,799)	(23,585)
Net cash generated from operating activities		130,133	154,143	299,726	272,502
Cash flows from investing activities					
Deposits paid for the acquisition of investment properties		(22,954)	-	(22,954)	-
Dividend received from a joint venture company		125	138	246	244
Purchase of investment properties		(398,928)	(96,333)	(450,148)	(97,564)
Payment for investment properties under development		(12,230)	(12,451)	(18,774)	(33,444)
Payment for capital improvement on investment properties		(20,547)	(25,728)	(32,449)	(50,508)
Proceeds from the divestment of investment property		13,580	44,080	37,580	44,080
Interest received		3,778	2,935	11,934	11,134
Net cash used in investing activities		(437,176)	(87,359)	(474,565)	(126,058)
Cash flows from financing activities					
Proceeds from issue of units		452,138	-	452,138	-
Equity issue costs paid		(3,843)	-	(3,843)	-
Distributions paid to Unitholders		-	-	(230,764)	(57,296)
Distributions paid to perpetual securities holders		-	-	(7,105)	(7,105)
Finance costs paid		(32,327)	(29,856)	(60,542)	(56,214)
Transaction costs paid in respect of borrowings		(2,561)	(185)	(3,168)	(185)
Proceeds from borrowings		815,891	205,264	1,249,583	280,656
Repayment of borrowings		(866,469)	(180,523)	(1,189,430)	(342,190)
Net cash generated from/(used in) financing activities		362,829	(5,300)	206,869	(182,334)
Net increase/(decrease) in cash and cash equivalents		55,786	61,484	32,030	(35,890)
Cash and cash equivalents at beginning of the period		(46,729)	(75,663)	(22,949)	22,000
Effect of exchange rate changes on cash balances		(418)	390	(442)	101
Cash and cash equivalents at end of the financial period	(a)	8,639	(13,789)	8,639	(13,789)

Footnotes

- (a) Included in cash and cash equivalents was a bank overdraft amounting to approximately S\$18.5 million as at 30 September 2018 (S\$38.7 million as at 30 September 2017).

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

1(d)(i) Statements of Movements in Unitholders' Funds

	Note	Group		Trust	
		1H FY18/19 S\$'000	1H FY17/18 S\$'000	1H FY18/19 S\$'000	1H FY17/18 S\$'000
Unitholders' Funds					
Balance at beginning of the financial period		6,194,310	6,030,710	6,170,366	6,045,136
Operations					
Total return for the period attributable to Unitholders of the Trust		230,259	246,564	209,190	224,707
Less: Amount reserved for distribution to perpetual securities holders		(7,145)	(7,145)	(7,145)	(7,145)
Net increase in net assets from operations		223,114	239,419	202,045	217,562
Movement in foreign currency translation reserve	(a)	(13,095)	2,457	-	-
Unitholders' transactions					
New Units issued	(b)	452,138	-	452,138	-
Equity issue costs		(4,200)	-	(4,200)	-
Management fees paid/payable in Units		5,262	5,046	5,262	5,046
Distributions to Unitholders	(c)	(230,764)	(57,296)	(230,764)	(57,296)
Net increase/(decrease) in net assets from Unitholders' transactions		222,436	(52,250)	222,436	(52,250)
Balance at end of the financial period		6,626,765	6,220,336	6,594,847	6,210,448
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period		304,382	304,382	304,382	304,382
Amount reserved for distribution to perpetual securities holders		7,145	7,145	7,145	7,145
Distributions to Perpetual Securities Holders		(7,105)	(7,105)	(7,105)	(7,105)
Balance at end of the financial period		304,422	304,422	304,422	304,422
Non-controlling interests					
Balance at beginning of the financial period		4	28	-	-
Total return for the period attributable to non-controlling interests		(17)	(4)	-	-
Balance at end of the financial period		(13)	24	-	-
Total		6,931,174	6,524,782	6,899,269	6,514,870

Footnotes

- (a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries denominated in foreign currencies.
- (b) This relates to the issuance of new Units on 18 September 2018 pursuant to a private placement of 178,007,000 Units at an issue price of S\$2.540 per Unit.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

	Note	Group		Trust	
		2Q FY18/19 S\$'000	2Q FY17/18 S\$'000	2Q FY18/19 S\$'000	2Q FY17/18 S\$'000
Unitholders' Funds					
Balance at beginning of the financial period		6,072,998	6,080,424	6,041,856	6,091,776
Operations					
Total return for the period attributable to Unitholders and perpetual securities holders		117,522	128,376	105,962	119,708
Less: Amount reserved for distribution to perpetual securities holders		(3,592)	(3,592)	(3,592)	(3,592)
Net increase in net assets from operations		113,930	124,784	102,370	116,116
Movement in foreign currency translation reserve	(a)	(10,784)	12,572	-	-
Unitholders' transactions					
New Units issued	(b)	452,138	-	452,138	-
Equity issue costs		(4,200)	-	(4,200)	-
Management fees paid/payable in Units		2,683	2,556	2,683	2,556
Net increase in net assets from Unitholders' transactions		450,621	2,556	450,621	2,556
Balance at end of the financial period		6,626,765	6,220,336	6,594,847	6,210,448
Perpetual Securities Holders' Funds					
Balance at beginning of the financial period		300,830	300,830	300,830	300,830
Amount reserved for distribution to perpetual securities holders		3,592	3,592	3,592	3,592
Balance at end of the financial period		304,422	304,422	304,422	304,422
Non-controlling interests					
Balance at beginning of the financial period		4	27	-	-
Total return for the period attributable to non-controlling interests		(17)	(3)	-	-
Balance at end of the financial period		(13)	24	-	-
Total		6,931,174	6,524,782	6,899,269	6,514,870

Footnotes

- (a) This represents the foreign exchange translation differences arising from translation of the financial statements of foreign subsidiaries denominated in foreign currencies.
- (b) This relates to the issuance of new Units on 18 September 2018 pursuant to a private placement of 178,007,000 Units at an issue price of S\$2.540 per Unit.
- (c) The distribution paid in 1H FY18/19 comprised of income available for distribution to Unitholders for the period from 1 October 2017 to 31 March 2018. The distribution paid in 1H FY17/18 comprised of income available for distribution to Unitholders for the period from 16 February 2017 to 31 March 2017.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

1(d)(ii) Details of any changes in the Units

	Group and Trust			
	2Q FY18/19 Units	2Q FY17/18 Units	FY18/19 Units	FY17/18 Units
Issued Units at beginning of the financial period	2,930,431,055	2,926,605,491	2,928,503,929	2,924,767,194
Issue of new Units:				
- Management fees paid in Units	-	-	1,927,126	1,838,297
- Equity fund raising	178,007,000	-	178,007,000	-
Issued Units at the end of the financial period	3,108,438,055	2,926,605,491	3,108,438,055	2,926,605,491
Units to be issued:				
Management fees payable in Units	1,363,730	1,261,842	1,363,730	1,261,842
Units issued and issuable at end of the financial period	3,109,801,785	2,927,867,333	3,109,801,785	2,927,867,333

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.

There are no treasury Units in issue as at 30 September 2018 and 31 March 2018. The total number of issued Units are as disclosed in paragraph 1d(ii).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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 our 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.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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

Except as disclosed in paragraph 5 below, 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 2018.

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.

The Group has adopted new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial period beginning 1 April 2018 as follows:

(i) *FRS 115 Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. There was no significant impact to the financial statements of the Group. Accordingly, comparative financial information presented in this set of announcement has not been restated.

(ii) *FRS 109 Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. There was no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model. There was no significant impact to the financial statements of the Group. Accordingly, the Group did not recognise any adjustments to the opening unitholders' funds on 1 April 2018.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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

		Group			
	Note	2Q FY18/19	2Q FY17/18	1H FY18/19	1H FY17/18
<u>EPU</u>					
<u>Basic EPU</u>					
Weighted average number of Units		2,955,599,041	2,926,619,207	2,942,262,415	2,925,858,986
Earnings per Unit in cents	(a)	3.855	4.264	7.583	8.183
<u>Diluted EPU</u>					
Weighted average number of Units		2,955,599,041	2,926,619,207	2,942,262,415	2,925,858,986
Earnings per Unit in cents (diluted)	(b)	3.855	4.264	7.583	8.183
<u>DPU</u>					
Number of Units in issue		3,108,438,055	2,926,605,491	3,108,438,055	2,926,605,491
Distribution per Unit in cents		3.887	4.059	7.889	8.108

Footnotes

- (a) The EPU has been calculated using total return for the period and the weighted average number of Units issued and issuable during the period.
- (b) Dilutive EPU is determined by adjusting the total return for the period and the weighted average number of Units issued and issuable during that period on the basis that all dilutive instruments as at the end of the period were converted at the beginning of the period. Dilutive instruments shall be treated as dilutive only when their conversion to Units would decrease EPU.

The diluted EPU is equivalent to the basic EPU as no dilutive instruments were in issue as at 30 September 2018 and 30 September 2017.

7. Net asset value per Unit based on Units issued at the end of the period

		Group		Trust	
	Note	30/09/18 cents	31/03/18 cents	30/09/18 cents	31/03/18 cents
Net asset value per Unit		213	212	212	211
Adjusted net asset value per Unit	(a)	206	204	205	203

Footnote

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

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

8. Review of Performance

	2Q FY18/19 (A) S\$'000	1Q FY18/19 (B) S\$'000	Group Variance (A) vs (B) %	2Q FY17/18 (C) S\$'000	Variance (A) vs (C) %
Gross revenue	218,131	216,562	0.7%	215,825	1.1%
Property operating expenses	(59,225)	(57,355)	3.3%	(55,284)	7.1%
Net property income	158,906	159,207	(0.2%)	160,541	(1.0%)
Non property expenses	(15,705)	(14,833)	5.9%	(14,761)	6.4%
Net finance costs	(29,007)	(26,755)	8.4%	(24,939)	16.3%
Foreign exchange gain/(loss)	7,919	(21,234)	(137.3%)	6,236	27.0%
Gain on disposal of investment properties	1,731	3,357	(48.4%)	4,585	(62.2%)
	(35,062)	(59,465)	(41.0%)	(28,879)	21.4%
Net income	123,844	99,742	24.2%	131,662	(5.9%)
Net change in fair value of financial derivatives	(4,076)	15,300	(126.6%)	(2,021)	101.7%
Share of joint venture's results	127	119	6.7%	127	-
Total return for the period before tax	119,895	115,161	4.1%	129,768	(7.6%)
Tax expense	(2,390)	(2,424)	(1.4%)	(1,395)	71.3%
Total return for the period	117,505	112,737	4.2%	128,373	(8.5%)
Attributable to:					
Unitholders and perpetual securities holders	117,522	112,737	4.2%	128,376	(8.5%)
Non-controlling interests	(17)	-	n.m.	(3)	n.m.
Total return for the period	117,505	112,737	4.2%	128,373	(8.5%)
<u>Distribution Statement</u>					
Total return for the period attributable to Unitholders and perpetual securities holders	117,522	112,737	4.2%	128,376	(8.5%)
Less: Amount reserved for distribution to perpetual securities holders	(3,592)	(3,553)	1.1%	(3,592)	-
Net effect of (taxable income)/ non tax deductible expenses and other adjustments	(9,962)	(1,602)	n.m.	(12,703)	(21.6%)
Income available for distribution	103,968	107,582	(3.4%)	112,081	(7.2%)
Comprising:					
- Taxable income	103,968	107,582	(3.4%)	112,081	(7.2%)
- Distribution from capital	11,074	9,689	14.3%	6,702	65.2%
Total amount available for distribution	115,042	117,271	(1.9%)	118,783	(3.1%)
<u>EPU/DPU</u>					
Earnings per unit (cents)	3.855	3.728	3.4%	4.264	(9.6%)
Distribution per unit (cents)	3.887	4.002	(2.9%)	4.059	(4.2%)

Note: "n.m." denotes "not meaningful"

ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

2Q FY18/19 vs 1Q FY18/19

Gross revenue increased by 0.7% mainly due to contributions from (i) the portfolio acquisition of 12 logistics properties in the UK in August 2018; (ii) the acquisition of 169-177 Australis Drive in Melbourne, Australia in June 2018; and (iii) the acquisition of Cargo Business Park in Brisbane, Australia in September 2018. These were partially offset by the lower occupancy in Singapore.

Property operating expenses increased by 3.3% mainly due to higher property operating expenses from the new acquisitions and across certain properties in Singapore.

Non property expenses increased mainly due to an increase in manager's fee as a result of the new acquisitions. Higher finance costs of 8.4% is due to the higher average debt balance to finance the new acquisitions and higher average cost of borrowings.

2Q FY18/19 recorded a foreign exchange gain of \$7.9 million, resulting from appreciation of SGD against JPY in relation to JPY denominated MTN partially offset by the weakening of the SGD against USD in relation to certain USD denominated credit facilities. 1Q FY18/19 recorded a foreign exchange loss of S\$21.2 million, mainly from the weakening of SGD against HKD and USD in relation to HKD denominated MTN and USD denominated credit facilities, partially offset by the strengthening of SGD against JPY in relation to JPY denominated MTN.

The gain from disposal of investment properties in 1Q FY18/19 and 2Q FY18/19 were contributed by the divestments of 30 Old Toh Tuck Road in April 2018 and 41 Changi South Avenue 2 in August 2018 respectively.

2Q FY18/19 vs 2Q FY17/18

Gross revenue increased by 1.1%, mainly due to (i) contributions from the acquisition of 100 Wickham Street and 108 Wickham Street in Brisbane, Australia during the second half of FY17/18; (ii) contribution from the acquisition of 169-177 Australis Drive in Melbourne, Australia in June 2018; (iii) completion of redevelopment works at 20 Tuas Avenue 1 in Singapore since April 2018; (iv) the portfolio acquisition of 12 logistics properties in the UK in August 2018; and the acquisition of Cargo Business Park in Melbourne, Australia in September 2018. These were partially offset by the lower occupancy in Singapore.

Property operating expenses increased by 7.1%, partly due to the new acquisitions in 2Q FY18/19 as well as the reversal of certain accrued property operating expenses in 2Q FY17/18 which were no longer required.

Non property expenses increased mainly due to an increase in manager's fee as a result of enlarged deposited property under management. Higher net finance costs of 16.3% in 2Q FY18/19 was due to the higher average debt balance and higher average cost of borrowings.

2Q FY18/19 recorded a foreign exchange gain of S\$7.9 million, resulting from appreciation of SGD against JPY in relation to JPY denominated MTN partially offset by the weakening of the SGD against USD in relation to certain USD denominated credit facilities. 2Q FY17/18 recorded a foreign exchange gain of S\$6.2 million mainly from the strengthening of SGD against JPY and HKD in relation to both JPY and HKD denominated MTNs.

2Q FY18/19 recorded a disposal gain of S\$1.7 million from the divestment of 41 Changi South Avenue 2 in August 2018. 2Q FY17/18 recorded a gain from disposal of investment properties amounting to S\$4.6 million which arose from the disposal of two properties in Singapore, namely 10 Woodlands Link in July 2017 and No. 13 International Business Park in August 2017.

The higher tax expense in 2Q FY18/19 was primarily due to deferred tax expense provided on the undistributed profits in the subsidiaries of the Group.

9. Variance between forecast and the actual results

The current results are broadly in line with the Trust's commentary made in 1Q FY18/19 Financial Results Announcement under Paragraph 10 on page 17. The Trust has not disclosed any financial forecast to the market.

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.

Global economic growth moderated in the first half of 2018. Potential escalation of trade tensions between the United States and China remains a key threat to the global outlook.

Interest rates are widely expected to continue rising in the months ahead. With 84.6% of borrowings on fixed rates and a healthy aggregate leverage level of 33.2%, Ascendas Reit is well positioned to mitigate the impact of interest rate increases and maintain an optimal financial position.

Singapore

In 3Q 2018, the Singapore economy expanded by 2.6% year-on-year (y-o-y), moderating from the 4.1% growth in 2Q 2018. Growth in the manufacturing sector slowed to 4.5% y-o-y (2Q 2018: 10.6%) whilst the services producing industries maintained a 2.9% y-o-y growth (1Q 2018: 2.9%). The Monetary Authority of Singapore expects the Singapore economy to expand within the upper half of the 2.5% to 3.5% forecast in 2018 (2017: 3.6%).

On the back of healthy macro-economic data and the tapering off of new industrial property supply, there are market expectations of a gradual recovery of the industrial property market. However, businesses remain cautious amid uncertainties arising from the trade tensions and continue to review their business space commitments.

Australia

In Australia, the economy grew by 3.4% y-o-y in 2Q 2018. Higher household and government spending contributed to GDP growth in the second quarter. Consensus GDP growth forecast for 2018 is 3.2% y-o-y, higher than the 2.2% y-o-y growth achieved in 2017 (source: Bloomberg).

The underlying strength of the Australian economy has been positive for user demand in the logistics and office sectors with higher occupancy rates prevalent in most major markets over the past 12 months.

Investment yields have shown further compression over the past six months due to strengthening fundamentals and strong investor demand for prime logistics assets. Year-to-date, Ascendas Reit has acquired four well-located logistics properties worth S\$115.6m in Australia. We will continue to look for accretive opportunities to grow the S\$1.6b assets under management in Australia (15% of total property value) further.

United Kingdom (UK)

In 2Q 2018, the UK economy grew by 1.2% y-o-y. Growth in the second quarter was driven by the services sector offset by a fall in the production industries. GDP growth forecast for 2018 is expected to be lower at 1.3% y-o-y, compared to the 1.7% y-o-y growth achieved in 2017 (source: Bloomberg).

Including the second portfolio of UK logistics properties acquired on 4 October 2018, Ascendas Reit's assets under management in the UK stands at approximately S\$830 million (8% of total property value).

The UK portfolio has strong attributes such as the long weighted average lease to expiry of 11.4 years, good quality tenants, and the domestic nature of the tenants' logistics business. These attributes will stand Ascendas Reit in good stead to overcome any potential impact arising from Brexit.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

(i) Name of distribution: 57th distribution for the period from 1 April 2018 to 17 September 2018

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	6.620	-	0.63	7.250

Par value of units: Not applicable

Tax Rate:

Taxable income distribution

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 investors 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%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the trustee of Ascendas Reit on the income of Ascendas Reit against their Singapore income tax liability.

Capital distribution

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.

Books closure date: 13 September 2018

Payment date: 17 October 2018

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

(ii) Name of distribution: 58th distribution for the period from 18 September to 30 September 2018

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	0.564	-	0.075	0.639

Par value of units: Not applicable

Tax Rate:

Taxable income distribution

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 investors 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%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the trustee of Ascendas Reit on the income of Ascendas Reit against their Singapore income tax liability.

Capital distribution

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.

Books closure date: 2 November 2018

Payment date: 27 November 2018

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

(b) Corresponding financial period of the immediately preceding year

Any distributions declared for
the current financial period: Yes

Name of distribution: **55th distribution for the period from 1 April 2017 to 30 September 2017**

Distribution Type/ Rate	Taxable	Tax-exempt	Capital	Total
Amount (cents per units)	7.652	-	0.456	8.108

Par value of units: Not applicable

Tax Rate: Taxable income distribution
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 investors 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%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the trustee of Ascendas Reit on the income of Ascendas Reit against their Singapore income tax liability.

Capital distribution

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.

Books closure date: 7 November 2017

Payment date: 29 November 2017

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

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

Ascendas Reit has not obtained a general mandate from Unitholders for interested person 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 Ascendas Reit for the period from 18 September 2018 to 30 September 2018, the Manager is satisfied on reasonable grounds that, immediately after making the distribution, Ascendas Reit will be able to fulfil, from its deposited property, its liabilities as and when they fall due.

Ascendas Reit currently distributes 100% of its distributable income to Unitholders, other than gains on the sale of properties, and unrealised surplus on revaluation of investment properties and investment properties under development on a semi-annual basis at the discretion of the Manager. In the case of its overseas subsidiaries, income from these subsidiaries will be distributed, after relevant adjustments (if any) such as withholding tax, on a semi-annual basis at the discretion of the Manager.

15. Use of proceeds from equity fund raising

Gross proceeds of S\$452.1 million from the Private Placement in September 2018:

Intended use of proceeds¹	Announced use of proceeds (S\$'million)	Actual use of proceeds (S\$'million)	Balance of proceeds (S\$'million)
To partially fund the second portfolio of 26 UK logistics properties and the associated costs.	246.6	246.6	-
To partially fund the development of a build-to-suit facility located in Singapore.	109.0	-	109.0
To fund debt repayment and future acquisitions.	92.3	92.3	-
To pay the fees and expenses, including professional fees and expenses, incurred or to be incurred by Ascendas Reit in connection with the Private Placement.	4.2	4.2	-
Total	452.1	343.1	109.0

¹ As set out and defined in the Use of Proceeds Announcement dated 4 October 2018.

**ASCENDAS REAL ESTATE INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

16. 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.

17. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

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, 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 Ascendas Reit's 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.

By Order of the Board
Ascendas Funds Management (S) Limited
(Company Registration No. 200201987K)
(as Manager of Ascendas Real Estate Investment Trust)

Mary Judith de Souza
Company Secretary
25 October 2018

The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
1 Fusionopolis Place
#10-10 Galaxis
Singapore 138522

25 October 2018

Dear Sirs

**Ascendas Real Estate Investment Trust and its subsidiaries
Review of interim financial information for the three-month and six-month periods ended
30 September 2018**

Introduction

We have reviewed the accompanying interim financial information of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") for the three-month and six-month periods ended 30 September 2018 (the "Interim Financial Information"). The Interim Financial Information comprises the following:

- Statements of financial position of the Group and the Trust as at 30 September 2018;
- Portfolio statement of the Group as at 30 September 2018;
- Statement of total return of the Group for the three-month and six-month periods ended 30 September 2018;
- Distribution statement of the Group for the three-month and six-month periods ended 30 September 2018;
- Statements of movements in unitholders' funds of the Group and the Trust for the three-month and six-month periods ended 30 September 2018;
- Statement of cash flows of the Group for the six-month period ended 30 September 2018; 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 Singapore Chartered Accountants. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of Ascendas Real Estate Investment Trust)

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 Singapore Chartered Accountants.

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 in meeting 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



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

25 October 2018