Press Release
For Immediate Release

Ascendas Reit's Total Amount Available for Distribution for FY18/19 grew 3.8% y-o-y to S$485.7 million

1. FY18/19 Distribution per Unit (DPU) was stable y-o-y at 16.035 cents and 4Q FY 18/19 total amount available for distribution rose 12.7% y-o-y mainly boosted by contributions from newly acquired and redeveloped properties.

2. Achieved higher portfolio occupancy rate of 91.9% (as at 31 March 2019) and positive rental reversion of 3.7% for leases that were renewed in FY18/19.

3. Maintained healthy leverage of 36.3% and extended weighted average tenure of debt further to 4.0 years.

Summary of Ascendas Reit Group Results (For the financial periods ended 31 March)

	FY18/19	FY17/18	Variance
Number of Properties	171[(1)]	131	-
Gross revenue (S$ million)	886.2	862.1	2.8%
Net property income (S$ million) [(2)]	649.6	629.4	3.2%
Total amount available for distribution (S$ million) [(3)]	485.7	468.0	3.8%
DPU for the financial year (cents)	16.035	15.988	0.3%
Total amount available for distribution for the 4th quarter (S$ million)	129.0	114.5	12.7%
DPU for the 4th quarter (cents)	4.148[(4)]	3.910[(5)]	6.1%

Notes:
(1) As at 31 March 2019, Ascendas Reit had 98 properties in Singapore, 35 properties in Australia and 38 properties in the United Kingdom.
(2) Net property income increased 3.2% to S$649.6m, underpinned by growth in gross revenue and net property tax savings.
(3) Included in FY18/19 and FY17/18 were distributions of rollover adjustments from prior years amounting to S$7.8 million (DPU impact of 0.250 cents) in 4Q FY18/19 and S$5.9 million (DPU impact of 0.200 cents) in 1Q FY17/18. This arose mainly from tax rulings by the Inland Revenue Authority of Singapore ("IRAS") on the non-tax deductibility of certain finance costs in prior years.
(4) Included taxable and capital distributions of 3.633 and 0.515 cents respectively.
(5) Included taxable and capital distributions of 3.590 and 0.320 cents respectively.

29 April 2019, Singapore – The Board of Directors of Ascendas Funds Management (S) Limited (the Manager), the Manager of Ascendas Real Estate Investment Trust (Ascendas Reit), is pleased to report that gross revenue rose by 2.8% y-o-y to S$886.2 million. Key contributors were newly acquired properties in the United Kingdom (UK) (i.e. 38 logistics properties acquired in August 2018 and October 2018), and Australia (i.e. 100 and 108

Wickham Street, 169-177 Australis Drive and Cargo Business Park acquired in September 2017, December 2017, June 2018 and August 2018 respectively), and two redeveloped properties in Singapore (i.e. Schneider Electric Building and 20 Tuas Avenue 1 completed in June 2017 and April 2018 respectively). These contributions were partially offset by non-renewals and downsizing by tenants in certain Singapore properties during the year.

Net property income increased by a higher 3.2% y-o-y to S$649.6 million underpinned by the growth in gross revenue and net property tax savings[1]. Total amount available for distribution rose 3.8% y-o-y to S$485.7 million in tandem with the increase in net property income and due to higher rollover adjustments in FY18/19.

Despite an enlarged number of Units in issue, DPU remained relatively stable at 16.035 cents (+0.3% y-o-y).

Mr William Tay, Chief Executive Officer and Executive Director of the Manager, said: "Ascendas Reit continues to deliver a steady performance amid the current market uncertainties. During the year, we expanded our overseas investments to include UK to achieve a more diversified and sustainable income stream.

Moving forward, we plan to transform some of our properties at the opportune time to be future ready. We will also continue with our overseas growth strategies and unlock values in our assets to strengthen the portfolio further."

Value-adding Investments

Ascendas Reit expanded its overseas portfolio via the acquisitions of S$948.0 million worth of properties during the year to achieve a more diversified and sustainable income stream. As at 31 March 2019, properties in Australia and the UK made up 21% of its total portfolio value of S$11.1 billion (31 March 2018: 15% of S$10.1 billion).

In FY18/19, Ascendas Reit completed approximately S$97.9 million worth of asset enhancement and redevelopment projects across eight properties in Singapore. The largest project was the redevelopment of 20 Tuas Avenue 1 (S$61.4 million) into a modern three-

[1] Mainly due to the retrospective downward revisions in the annual value of certain properties in FY18/19.

storey ramp-up logistics property. Within a year of completion, 20 Tuas Avenue 1 has achieved an occupancy of 91.1%.

Some of the recently completed enhancement initiatives in 4Q FY18/19 include Nordic European Centre, which now boasts collaborative spaces, a well-equipped gym and end-of-trip facilities, as well as Aperia Mall, which has a new food street catering to the tenants and the surrounding communities.

The Manager is currently undertaking new asset enhancement initiatives at four properties and one redevelopment project worth a total of S$58.1 million in Singapore. Enhancement works will be carried out at 52 and 53 Serangoon North Avenue 4 (two light industrial properties), as well as Plaza 8 and ONE@Changi City (two business park properties to upgrade specifications and rejuvenate the properties.

Two light industrial buildings, located at 25 and 27 Ubi Road 4, will be redeveloped and repositioned into a single high-specifications industrial property to maximise the potential of the site, which is 1-2 minutes' walk to the Ubi MRT station.

Capital Recycling

During the year, two Singapore properties, 30 Old Toh Tuck Road and 41 Changi South Avenue 2, were divested for total gross proceeds of S$37.6 million in line with the Manager's proactive asset management strategy to redeploy capital and optimise returns for Unitholders. The total net gain realised on these divestments compared to the initial purchase costs was approximately S$2.1 million.

A Well Diversified and Resilient Portfolio

Ascendas Reit has a well-diversified portfolio comprising properties across five industrial sub-segments[2]. As at 31 March 2019, the customer base of about 1,360 tenants is spread over 98 properties in Singapore, 35 properties in Australia and 38 properties in the UK. Singapore accounts for 79% of Ascendas Reit's portfolio by asset value while Australia and the UK make up 14% and 7% respectively.

---

[2] The five major industrial sub-segments are (1) business & science park/suburban office, (2) integrated development, amenities & retail, (3) high-specifications industrial properties/data centres, (4) light industrial properties/flatted factories and (5) logistics & distribution centres.

No single property accounts for more than 5.3% of Ascendas Reit's monthly gross revenue. The stability of Ascendas Reit's future performance is underpinned by the diversity and depth of its portfolio.

Ascendas Reit's portfolio comprises 29.4% of single-tenant buildings and 70.6% of multi-tenant buildings by asset value. The portfolio's weighted average lease expiry (WALE) declined to 4.2 years (31 December 2018: 4.4 years).

Overall portfolio occupancy rate rose quarter-on-quarter (q-o-q) and y-o-y to 91.9% (31 December 2018: 91.3%, 31 March 2018: 91.5%).

The Singapore portfolio occupancy rate improved q-o-q to 88.3% (31 December 2018: 87.3%, 31 March 2018: 89.5%) mainly due to new take-ups and expansions at logistics properties, 20 Tuas Avenue 1, 4 Changi South Lane and 9 Changi South Street 3.

The Australian and UK portfolio occupancy rates remained high at 98.0% (31 December 2018: 98.0%, 31 March 2018: 98.5%) and 100% (31 December 2018: 100%) respectively.

Rental reversion[3] of about +3.7% was achieved for renewed leases in multi-tenant buildings in Singapore during FY18/19. There were no multi-tenant building renewals in Australia and the UK during the financial year.

Based on new leases signed, tenants from the transport and storage sector accounted for the largest proportion of new demand by gross rental income in FY18/19 (36.7%).

About 16.3% of Ascendas Reit's gross rental income will be due for renewal in FY19/20. Of these expiring leases, 1.6% are from single-tenant buildings and 14.7% are from multi-tenant buildings. The Manager has been proactively working on the renewal of the leases and marketing the vacant space to maximise returns from its portfolio.

[3] 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 4Q FY18/19 and average gross rents are weighted by area renewed.

Stable Valuation

Ascendas Reit's investment properties are assessed by independent valuers every year. For the financial year ended 31 March 2019, Ascendas Reit's total portfolio was valued at S$11.1 billion. Same-store valuation[4] improved slightly to S$10.2 billion as at 31 March 2019 from S$10.1 billion as at 31 March 2018.

Proactive Capital Management

As at 31 March 2019, aggregate leverage stood at 36.3% (31 December 2018: 36.7%, 31 March 2018: 34.4%). Weighted average all-in cost of borrowing was maintained at 3.0%. About 83.0% of Ascendas Reit's borrowings are on fixed rates for an average term of 3.6 years.

The debt maturity profile remains well-spread. The weighted average tenure of debt outstanding was further extended to 4.0 years.

A high level of natural hedge in Australia (75.5%) and the United Kingdom (100%) is maintained to minimise the effects of adverse exchange rate fluctuations.

Ascendas Reit continues enjoy the A3 credit rating by Moody's.

Outlook

The global economy continues to face considerable headwinds including the on-going US-China trade conflict and prolonged Brexit uncertainties. Market expectations of interest rate hikes have been pared down amid the lingering downside risks.

Singapore

Singapore's 1Q 2019 GDP growth eased to 1.3% y-o-y from 1.9% y-o-y in 4Q 2018. The manufacturing sector contracted by 1.9% y-o-y compared to a 5.1% y-o-y

[4] Same-store valuation comprises 129 properties, excluding divested and newly acquired properties during FY18/19.

growth in the previous quarter. The Singapore government expects the economy to grow at slightly below the midpoint of the “1.5% to 3.5%” forecast range in 2019 (source: Ministry of Trade and Industry). In view of the uncertain economic outlook, businesses are likely to remain conservative with their capital investments and expansion plans.

On top of the excessive new supply of industrial property space that was built-up over the last 4-5 years, an additional 2.8 million sqm of new industrial space is expected to complete in 2019 and 2020, representing 5.7% of the total stock of 49.1 million sqm as at 31 March 2019.

The above factors, amongst others, are expected to keep a lid on leasing activity and industrial property rents in the meantime.

Assets under management (AUM) in Singapore stood at S$8.8 billion (79% of total property value as at 31 March 2019) underpinned by a diversified pool of tenants operating in across more than 20 industries. Properties in the business and science park segment, which makes up 42% of the Singapore portfolio, can serve the needs of the new economy industries and remains a key growth area for Ascendas Reit.

Australia

The Australian economy grew by 2.3% y-o-y in 2018 (2017: 2.4% y-o-y). The slower growth was attributable to weaker household spending and housing prices. A key external risk to Australia’s growth outlook is the potentially slower growth in China, its key trading partner. Consensus GDP growth forecast for Australia in 2019 is 2.3% (Source: Bloomberg).

Ascendas Reit’s Australian properties are well-located in key industrial precincts. The stable performance of the portfolio is underpinned by the long weighted average lease to expiry of 4.5 years and average annual rent escalations of approximately 3% per annum. The Manager will continue to be prudent and look for accretive opportunities to grow the S$1.6 billion AUM in Australia (14% of total property value) further.

United Kingdom

In 2018, the UK economy grew by 1.4% y-o-y (2017: 1.8% y-o-y). The services sector, which is the largest contributor to the UK economy, recorded a y-o-y growth of 1.7%, the lowest it has been since 2011. Consensus GDP growth forecasts for 2019 has been revised down to 1.2% (source: Bloomberg). The lack of clarity over Brexit continues to weigh on UK's growth outlook.

Logistics properties continue to attract investors, underpinned by constrained supply and the strong demand for space as a result of the high e-commerce penetration rate in the UK.

Ascendas Reit's UK portfolio stood at S$0.8 billion (7% of total property value) as at 31 March 2019. Strong attributes such as the long weighted average lease to expiry of 9.3 years and the domestic nature of the tenants' logistics business will stand Ascendas Reit in good stead to overcome any potential impact arising from Brexit. The Manager will continue to look for acquisition opportunities to scale up its presence in the UK/Europe.

- End –

Press Release

For media and investor queries, please contact:

Ms Yeow Kit Peng
Head, Capital Markets & Investor Relations
Ascendas Funds Management (S) Ltd
Tel: +65 6508 8822
Email: kitpeng.yeow@ascendas-singbridge.com

Ms Wylyn Liu
Senior Manager, Investor Relations
Ascendas Funds Management (S) Ltd
Tel: +65 6508 8840
Email: wylyn.liu@ascendas-singbridge.com

About Ascendas Reit

Ascendas Reit is Singapore's first and largest listed business space and industrial real estate investment trust. As at 31 March 2019, investment properties under management stood at S$11.1 billion, comprising 98 properties in Singapore, 35 properties in Australia and 38 properties in the United Kingdom. The portfolio includes business and science park/suburban office properties, high-specifications industrial properties, light industrial properties, logistics and distribution centres, integrated development, amenities and retail properties. These properties house a tenant base of around 1,360 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include Singtel, DSO National Laboratories, Citibank, DBS, Wesfarmers, Ceva Logistics, JPMorgan and A*STAR Research Entities, to name a few.

Ascendas Reit is listed in several indices. These include the FTSE Straits Times Index, the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250. Ascendas Reit has an issuer rating of "A3" by Moody's Investors Service.

Ascendas Reit is managed by Ascendas Funds Management (S) Limited, a wholly-owned subsidiary of the Singapore-based Ascendas-Singbridge Group.

www.ascendas-reit.com

About Ascendas-Singbridge Group

Ascendas-Singbridge Group is a leading provider of sustainable urban development and business space solutions with Assets Under Management exceeding S$20 billion.

Ascendas-Singbridge Group undertakes projects spanning townships, mixed-use developments, business/industrial parks, offices, hotels and warehouses. Headquartered in Singapore, the Group has a presence across 11 countries in Asia, Australia, Europe and the United States of America.

Ascendas-Singbridge Group has deep capabilities in real estate fund management, holding commercial, hospitality and industrial assets. It has a substantial interest in and also manages three Singapore-listed funds under its subsidiary Ascendas, namely Ascendas Reit (a Straits Times Index component stock), Ascendas India Trust and Ascendas Hospitality Trust. Besides these listed funds, it also manages a series of private real estate funds.

www.ascendas-singbridge.com

Important Notice

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

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

The past performance of Ascendas Reit is not necessarily indicative of the future performance of Ascendas Reit.

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support 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.

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