Press Release
15 January 2013

A-REIT's Amount Available for Distribution grew by 11.9% y-o-y

Highlights:

1. 3Q FY12/13 amount available for distribution increased by 11.9% y-o-y to S$81.1 million

2. Distribution per Unit (" **DPU**") grew by 4.0% y-o-y to 3.62 cents

3. Continued positive rental reversion was achieved throughout all segments of the portfolio for renewed leases

4. New asset enhancement work at 31 International Business Park to upgrade building specifications and to enhance its marketability

5. Strong balance sheet with aggregate leverage of 32.8% and a weighted average borrowing cost of 3.19%

Summary of A-REIT's Group Results (For the three months ended 31 December)

	3QFY12/13	3QFY11/12	Variance (%)
Gross revenue (S$ million)	145.2	127.3	14.1
Net property income (S$ million)	104.7	93.9	11.5
Amount available for distribution (S$ million)	81.1	72.5	11.9
DPU for the quarter (cents) (1)	3.62	3.48	4.0

Note 1: As at book closure date, none of the S$300 million collateral loan with maturity date on 1 February 2017 is converted into A-REIT's Units. DPU in the table is computed based on total applicable number of units as at 31 December 2012 and 31 December 2011.

15 January 2013, Singapore – The Board of Directors of Ascendas Funds Management (S) Limited (the "Manager"), the manager of Ascendas Real Estate Investment Trust ("A-REIT"), is pleased to announce a year-on-year increase of 11.9% in A-REIT's amount available for distribution and a 4.0% increase in DPU.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "3Q FY12/13 DPU grew 4.0% y-o-y and 2.5% q-o-q on the strength of a 4.8% year-to-date organic growth.

We are pleased to report that A-REIT has secured commitment for about 31% of the lettable space at Nexus@one-north (previously known as Fusionopolis Phase 3), another quality A-REIT development completing in 3Q 2013.

The Manager continues to enhance A-REIT's portfolio through asset enhancement initiatives to boost returns on the portfolio. We have initiated enhancement work at 31 International Business Park to take advantage of its strategic location and prospective future demand in the area."

A Well Diversified and Resilient Portfolio

As at 31 December 2012, A-REIT has a diversified portfolio of 102 properties with a total customer base of over 1,200 local and international companies across more than 20 industries. Only about 19.9% of A-REIT's lettable area is used for conventional manufacturing activities. No single property accounts for more than 4.6% of A-REIT's monthly gross revenue.

During the quarter, A-REIT renewed and signed new leases (including expansion by existing tenants) of 84,437 sqm, representing about 6.5% of the net lettable space of A-REIT's multi-tenanted buildings. The Manager continued to achieve positive rental reversion of between 5.5% and 25.3% over the preceding rental rate for renewal leases. Year-to-date rental reversion of 13.9% was achieved for the portfolio.

A-REIT's portfolio of long and short term leases (36% and 64% by portfolio value respectively) has a weighted average lease to expiry of about 3.8 years with only about 2.1% of A-REIT's gross rental income due for renewal for the balance of the current financial year. Long term leases are typically results of sale-and-leaseback or built-to-suit arrangements and these have stepped rental escalation, of which 33.3% of such leases incorporates CPI based adjustment. Such leases provide stability and predictability in earnings while short term leases are typically of three-year duration where rental rates are marked-to-market upon renewal.

Occupancy rate for the portfolio and multi-tenanted buildings (on a same-store basis) remained stable at 96.4% and 93.5% respectively despite the weakening economic climate. The top 10 tenants accounted for not more than 23.5% of A-REIT's total portfolio income.

In the next financial year, about 24.6% of A-REIT's property income will be due for renewal, of which 7.0% are leases of single-tenanted buildings. As part of A-REIT's proactive asset management strategy, the Manager has already commenced renewal negotiation for these single-tenant leases and 22% of the related expiring revenue has been renewed with another 13% in advance negotiation.

Disciplined and Yield Accretive Investments

The Manager continues to revitalize its existing portfolio as part of the Manager's proactive asset management strategy. For the financial year-to-date, the Manager has announced five asset enhancement initiatives, with a total estimated cost of S$82 million, to upgrade existing building specifications and/or create additional lettable space, resulting in enhanced returns for the portfolio.

The Manager is pleased to embark on a new asset enhancement exercise for 31 International Business Park.

i) Asset enhancement for 31 International Business Park

Strategically located within the International Business Park and within the Jurong Lake District Development and easily accessible via major expressways, 31 International Business Park is one of six A-REIT properties in International Business Park. The property has a gross floor area of 61,720 sqm and was acquired in 2008 from Creative Technology Centre Pte Ltd under a sale-and-leaseback arrangement for a five-year lease term. The Manager will be commencing asset enhancement works in 1Q 2013, ahead of the lease expiry in June 2013 to minimize potential re-letting downtime. The asset enhancements would include conversion of the property into a multi-tenanted property and upgrading of the building specifications to meet contemporary expectations. To date, the Manager has already renewed about 25% of the lettable area at about 40% above the existing passing rental rates and another 9,817 sqm (19% of lettable area) is in advance negotiations. The estimated cost of the asset enhancement works is about S$13.2 million and is expected to complete in 3Q 2013.

The Manager has also committed to the following development and asset enhancement projects (details of which were previously announced):

i) Development of Unilever Four Acres Singapore for Unilever Asia Private Limited

The development of Unilever Four Acres Singapore is expected to complete in 1Q 2013. Upon completion, the S$32.3 million project will be Unilever's second global leadership development centre in the world and first in Asia and is expected to train up to 900 employees a year. The facility will have a total gross floor area of about 9,180 sqm comprising a 3-storey training block, a 1-storey business and recreational centre and 10 black-and-white conservation bungalows.

ii) Asset enhancement for 31 Ubi Road 1

31 Ubi Road 1 is strategically located along Paya Lebar Road and in close proximity to the MacPherson MRT Station. Upgrading of the existing building specifications and enhancement of the building façade is in progress to reposition the building from a light industrial building to a high-specs industrial building. This will include improvements to the lift lobbies, erection of new canopies as well as modernization of the lifts. About 17.5% of space has been renewed at about 2x the existing passing rental rate with another 8.0% under offer and 6.8% in advance negotiations. The asset enhancement works is estimated to cost about S$7.0 million and completion is expected in 2Q 2013.

iii) Development of Nexus@one-north, a business park facility in Fusionopolis

The Manager is pleased to report that it has secured commitment for about 31% of the lettable space at Nexus@one-north (previously known as Fusionopolis Phase 3) during the quarter. Nexus@one-north is a suburban business space facility comprising 60% business park space and 40% office space with a total gross floor area of about 25,000 sqm. It is designed to cater to businesses in the infocomm technology (“ICT”) and media industries as well as research and development activities in the physical sciences and engineering sectors. The estimated development cost is about S$178 million (including land cost) and is expected to complete in 3Q 2013.

iv) Conversion of ancillary office space to warehouse space at Xilin Districentre Building D

Located prominently in Changi International LogisPark (South) along Xilin Ave and in close proximity to Changi Business Park and Singapore Expo and easily accessible via East Coast Parkway Expressway, the Manager has commenced asset enhancement work on Xilin Districentre Building D to covert ancillary office space to warehouse space at an estimated cost of S$6.0 million. The exercise is target for completion in 3Q 2013.

v) Development of a new factory block at Techplace II

Strategically located in Ang Mo Kio and easily accessible to the Central Expressway and the North-South MRT line, the Manager is currently developing a new factory block with ancillary F&B space totaling about 24,016 sqm to maximize the available plot ratio from existing 2.05x to 2.5x. The enhancement also includes aesthetic improvement to the façade as well as upgrading of toilets and lift lobbies to improve the marketability of the property. Expected to cost about S$42.4 million, the exercise is scheduled for completion in 4Q 2013.

vi) Asset enhancement 1 Changi Business Park Avenue 1

1 Changi Business Park Avenue 1 is one of six A-REIT buildings in Changi Business Park. Building specifications such as the toilets, lifts and building facades are in the process of being upgraded to convert the building into a multi-tenanted property comparable with the latest properties in Changi Business Park. The asset enhancement works will cost about S$12.0 million and is expected to complete in two phases with the first phase completing in 3Q 2013 and second phase completing in 4Q 2013.

The asset enhancement project at 9 Changi South Street 3 to maximize its plot ratio from 1.6 times to 1.98 times to create an additional lettable space of 7,900 sqm was completed in December 2012. The Manager has successfully leased 2,012 sqm (25.4%) of the newly created space and is in active negotiation for the remainder of the space.

The Manager has also committed to a forward purchase of a business park property in Shanghai, China for a purchase consideration of approximately S$124.6 million. Sited at No. 200 Jinsu Road, Jinqiao Economic and Technological Zone, Pudong New District on a land area of 31,952 sqm, the property is expected to have gross floor area of approximately 79,880 sqm. Completion of the transaction is expected in 2Q 2013.

Proactive Capital Management

As at 31 December 2012, A-REIT has an aggregate leverage of 32.8%. After funding committed capital expenditure, aggregate leverage is expected to increase to about 34.8%. A-REIT's weighted average borrowing cost is 3.19% with an average term of debt of 3.9 years. Interest rate swaps are being used to manage or hedge the interest rate exposure of its debts. About 67.2% of A-REIT's interest rate exposure is hedged with an average duration of 4.2 years remaining.

A-REIT has about S$257 million debt, comprising S$125 million in medium term notes and S$132 in term loan facility, due for refinancing in 2H 2013. The Manager could refinance these debts using available credit facilities, which is currently only about 17% utilized. The Manager has successfully diversified A-REIT's sources of debt such that with the exception of term loan facilities from six banks which accounts for about 30% of A-REIT's outstanding debts, each source of debt accounts for not more than 18% of A-REIT's total debt. In addition, the percentage of A-REIT's total investment properties being unencumbered remains high at about 59.5%, providing it flexibility in capital management.

The Manager will continue with its proactive approach to capital and risk management so as to maintain a healthy capital structure for A-REIT.

Outlook for FY12/13

For the remaining of the financial year, A-REIT has about 2.1% of its revenue due for renewal. With more than 1,200 tenants and a portfolio of 101 properties in Singapore and 1 in China, A-REIT is well-diversified in terms of rental income with no single property accounting for more than 4.6% of A-REIT's monthly gross revenue. A-REIT's portfolio has a mix of long and short term leases (36% versus 64% by asset value) with a weighted average lease to expiry of about 3.8 years which will provide sustainable and predictable earnings.

Barring any unforeseen event and any further weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the financial year ending 31 March 2013.

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About A-REIT (www.a-reit.com)
A-REIT is Singapore's first listed business space and industrial real estate investment trust. It has a diversified portfolio of 101 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, and 1 business park property in China. As at 31 December 2012, total assets amount to about S$6.7 billion. These properties house a tenant base of over 1,200 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, C&P Logistics, Siemens, Honeywell, Zuellig Pharma, Citibank N.A., OSIM International, DBS Bank, Federal Express, Baidu, Inc., Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble and Hyflux.

A-REIT is listed in several indices. These include 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 and FTSE ST Mid Cap. A-REIT has a corporate family rating of "A3" by Moody's Investor Services.

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

About the Ascendas Group (www.ascendas.com)
Ascendas is Asia's leading provider of business space solutions with more than 30 years of experience across the region. Based in Singapore, Ascendas has built a strong regional presence and serves a global clientele of over 2,400 customers in 33 cities across 10 countries including Singapore, China, India, South Korea and Australia.

Ascendas specializes in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-tech facilities, office and retail space for a host of industries. Leveraging on its track record and experience, Ascendas has introduced new business space concepts such as integrated communities and solutions which seamlessly combine high-quality business, lifestyle, retail and hotel spaces to create conducive human-centric work-live-play-learn environments. Its flagship projects include the Singapore Science Park, International Tech Park Bangalore in India, Dalian-Ascendas IT Park in China and Carmelray Industrial Park II in the Philippines. Ascendas provides end-to-end real estate solutions, assisting corporate customers through the entire real estate process.

In November 2002, Ascendas launched Singapore's first business space trust, Ascendas Real Estate Investment Trust (A-REIT), and in August 2007, Ascendas India Trust (a-iTrust) was launched as Asia's first listed Indian property trust. In July 2012, Ascendas listed Ascendas Hospitality Trust (A-HTRUST), which comprises a portfolio of 10 quality hotels in China, Japan and Australia. Besides managing listed real estate funds, Ascendas also manages a series of private funds with commercial and industrial assets across Asia.

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Important Notice

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

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

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

This release may contain forward-looking statements that involve 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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support 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 due to rounding.