
# 3Q FY11/12
# Financial Results Presentation
# 17 January 2012

## Disclaimers

**A-REIT's results include consolidation of 100% in Ascendas Zpark (S) Pte. Ltd. and its subsidiary, Ascendas Hi-Tech Development (Beijing) Co., Limited, which was acquired on 3 October 2011. The financial results for the current financial year are based on Group results unless otherwise stated.**

**This material shall be read in conjunction with A-REIT's financial statements for the financial period ended 31 December 2011.**

This presentation 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 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 future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Manager's current view of future events.

The value of units in A-REIT ("Units") and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that unitholders of 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.

## Agenda

- Key Highlights
- Financial Performance
- Investment Management
- Capital Management
- Asset Management
  - Portfolio Update
  - Portfolio Resilience
  - Portfolio Growth
- Market Outlook
- Conclusion



## 3Q FY11/12 Key Highlights

- 3Q FY11/12 Net Property Income increased by 11.6% y-o-y to S$93.9 million
- 3Q FY11/12 Amount Available for Distribution increased by 17.4% y-o-y to S$72.5 million
- Distribution per unit grew 5.8% y-o-y to 3.48 cents despite a 11.2% increase in unit base
- Acquired two properties in Singapore for a total purchase consideration of S$178 million in December 2011. Maiden acquisition of a business park property (Ascendas Z-Link) in Beijing, China, in October 2011
- Positive rental reversion of between 5.7% and 28.4% achieved across all segments of the portfolio
- Occupancy remains high at 92.4% (MTB properties) and 95.9% (portfolio)

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# 3Q FY11/12 vs 3Q FY10/11

| (S$'000) | 3Q FY11/12[1] | 3Q FY10/11[1] | % inc/(dec) |
|---|---|---|---|
| Gross revenue | 127,283[2] | 110,043 | 15.7 |
| Less: Property operating expenses | (33,386) [3] | (25,938) | 28.7 |
| **Net property income** | **93,897** | **84,105** | **11.6** |
| Interest expense | (14,560) [4] | (17,022) | (14.5) |
| Other borrowing costs | (716) | (874) | (18.1) |
| Non-property expenses[5] | (7,178) | (5,999) | 19.7 |
| **Net income** | **71,443** | **60,210** | **18.7** |
| Foreign exchange gain[6] | 1,513 | - | nm |
| Net change in fair value of collateral loan | 2,991 | 6,726 | (55.5) |
| Net change in fair value of financial derivatives[7] | 5,653 | 2,045 | 176.4 |
| Net appreciation on revaluation of investment properties under development[8] | 2,131 | 37,443 | (94.3) |
| **Total return for the period before income tax** | **83,731** | **106,424** | **(21.3)** |

Notes:

(1) Based on 97 properties as at 31 Dec 2011 and 92 properties as at 31 Dec 2010

(2) Gross revenue increase mainly due to completion of development project and acquisitions since Dec 2010

(3) Property operating expenses are higher in 3Q FY11/12 due to increased number of properties from the completion of development project and acquisitions since Dec 2010, higher electricity charges and land rent.

(4) Interest expense decrease mainly due to lower interest rates arising partly from negative base interest rates which occurred during 3Q FY11/12

(5) Non-property expenses include base management fee, trust expenses and net of interest income. The increase is mainly due to higher management fees arising from higher deposited property value

(6) Foreign exchange gain mainly relates to translation of JPY9.6 billion medium term notes as at 31 Dec 11. The foreign exchange risk of these notes is fully hedged

(7) Net change in fair value of financial derivatives comprise fair value gain on cross currency swap of $2.1m and fair value gain on interest rates swaps of $3.6m. 3Q FY10/11 only relates to gain on fair valuation of interest rate swaps

(8) Net appreciation on revaluation of investment properties under development relates to the recognition of fair value gain on revaluation of investment properties under development in accordance with FRS 40. 3Q FY10/11 amount included valuation gain of the property at 5 Changi Business Park Crescent which obtained Temporary Occupation Permit in Dec 2010

# DPU - 3Q FY11/12 vs 3Q FY10/11

| (S$'000) | 3Q FY11/12(1) | 3Q FY10/11(1) | % inc/(dec) |
|---|---|---|---|
| Total return for the period before income tax | **83,731** | **106,424** | **(21.3)** |
| Income tax expense(2) | (427) | - | nm |
| **Total return for the period after income tax** | **83,304** | **106,424** | **(21.7)** |
| Net non (taxable income) / tax deductible expenses and other adjustments(3) | (6,708) | 553 | nm |
| Net change in fair value of collateral loan | (2,991) | (6,726) | (55.5) |
| Net appreciation on revaluation of investment properties under development | (2,131) | (37,443) | (94.3) |
| Income available for distribution | **71,474** | **62,808** | **13.8** |
| Distribution from capital (4) | 996 | - | nm |
| Amount withheld from distribution | - | (1,059)(5) | (100.0) |
| **Total amount available for distribution** | **72,470** | **61,749** | **17.4** |
| No. of units in issue (m) | 2,085.1 | 1,874.3 | 11.2 |
| **Distribution Per Unit (cents)** | 3.48 | 3.29 | 5.8 |

Notes:
(1) Based on 97 properties as at 31 Dec 2011 and 92 properties as at 31 Dec 2010
(2) Income tax expense relates to deferred tax provided on the timing differences between the tax base of a finance lease receivable and its carrying amount for financial reporting purposes and income tax expenses relating to an overseas subsidiary.
(3) Higher net non (taxable income)/tax deductible expenses and other adjustments in 3Q FY11/12 is mainly due to a fair value gain on financial derivatives, foreign exchange gain and tax deduction in relation to upfront fees for new loan facilities vs only a fair value gain on financial derivatives in 3Q FY10/11.
(4) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets
(5) This relates to interest income from a finance lease granted to a tenant, which was retained pending further discussion with IRAS on the tax transparency treatment. The amount was subsequently distributed in 4Q FY10/11



# 3Q FY11/12 vs 2Q FY11/12

| (S$'000) | 3Q FY11/12(1) | 2Q FY11/12(1) | % inc/(dec) |
|---|---|---|---|
| Gross revenue | 127,283(2) | 121,727 | 4.6 |
| Less: Property operating expenses | (33,386) (3) | (31,161) | 7.1 |
| **Net property income** | **93,897** | **90,566** | **3.7** |
| Interest expense | (14,560) | (15,213) | (4.3) |
| Other borrowing costs | (716)(4) | (992) | (27.8) |
| Non-property expenses(5) | (7,178) | (6,713) | 6.9 |
| **Net income** | **71,443** | **67,648** | **5.6** |
| Foreign exchange gain/(loss)(6) | 1,513 | (15,648) | (109.7) |
| Net change in fair value of collateral loan | 2,991 | 8,691 | (65.6) |
| Net change in fair value of financial derivatives(7) | 5,653 | 4,438 | 27.4 |
| Net appreciation on revaluation of investment properties under development(8) | 2,131 | - | nm |
| **Total return for the period before income tax** | **83,731** | **65,129** | **28.6** |

Notes:
(1) Based on 97 properties as at 31 Dec 2011 and 94 properties as at 30 Sep 2011
(2) Gross revenue increase mainly due to acquisitions in Oct 11 and Dec 11
(3) Property operating expenses are higher in 3Q FY11/12 due to increased number of properties arising from the acquisitions in Oct 2011 and Dec 2011.
(4) Other borrowing costs is lower in 3Q FY11/12 as it included a gain in accretion adjustments on deferred payments and security deposits of $32K whereas 2Q FY11/12 included a loss of $242K
(5) Non-property expenses include base management fee, trust expenses and net of interest income. The increase is mainly due to higher management fees arising from higher deposited property value
(6) Foreign exchange gain/(loss) mainly relates to translation of JPY9.6 billion medium term notes as at 31 Dec 11 and 30 Sep 11. The foreign exchange risk of these notes is fully hedged
(7) Net change in fair value of financial derivatives for 3Q FY11/12 comprise fair value gain on cross currency swap of $2.1m ($18.2m in 2Q FY11/12) and fair value gain on interest rates swaps of $3.6m (loss of $13.8m in 2Q FY11/12)
(8) Net appreciation on revaluation of investment properties under development relates to the recognition of fair value gain on revaluation of investment properties under development in accordance with FRS 40.

# DPU - 3Q FY11/12 vs 2Q FY11/12

| (S$'000) | 3Q FY11/12[1] | 2Q FY11/12[1] | % inc/(dec) |
|---|---|---|---|
| Total return for the period before income tax | **83,731** | **65,129** | **28.6** |
| Income tax expense[2] | (427) | (205) | 108.3 |
| **Total return for the period after income tax** | **83,304** | **64,924** | **28.3** |
| Net non (taxable income) /tax deductible expenses and other adjustments[3] | (6,708) | 13,256 | (150.6) |
| Net change in fair value of collateral loan | (2,991) | (8,691) | (65.6) |
| Net appreciation on revaluation of investment properties under development | (2,131) | - | nm |
| Income available for distribution | **71,474** | **69,489** | **2.9** |
| Distribution from capital[4] | 996 | 1,001 | (0.5) |
| **Total amount available for distribution** | **72,470** | **70,490** | **2.8** |
| No. of units in issue (m) | 2,085.1 | 2,082.4 | 0.1 |
| **Distribution Per Unit (cents)** | 3.48 | 3.38 | 3.0 |

Notes:
(1) Based on 97 properties as at 31 Dec 2011 and 94 properties as at 30 Sep 2011.
(2) Income tax expense relates to deferred tax provided on the timing differences between the tax base of a finance lease receivable and its carrying amount for financial reporting purposes. 3Q FY11/12 includes income tax provision relating to the overseas subsidiary
(3) Movement in net non (taxable income)/ tax deductible expense and other adjustments in 3Q FY11/12 is mainly due to foreign exchange gain of $1.5m in 3Q FY11/12 vs a loss in 2Q FY10/11 of $15.6m. Higher gain on fair value of financial derivatives of $5.7m in 3Q FY11/12 vs $4.4m in 2Q FY11/12
(4) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets



# Distribution Details

| Stock Counter | Distribution Period | Income distribution per unit | Capital distribution per unit [1] | Total |
|---|---|---|---|---|
| Ascendas REIT | 1 October 2011 to 31 December 2011 | 3.43 | 0.05 | 3.48 |

**Distribution Timetable**

| | |
|---|---|
| Last day of trading on "cum" basis | 20 January 2012 |
| Ex-date | 25 January 2012 |
| Books closure date | 27 January 2012 |
| Distribution payment date | 27 February 2012 |

*[1] This includes a distribution which is classified as capital distribution from a tax perspective equivalent to the amount of interest income (net of tax) from a finance lease with a tenant. Such distribution is not taxable in the hands of all Unitholders, save for Unitholders who are holding the Units as trading assets.*

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# Investment Highlights

- Acquired 3 properties in 3Q FY11/12 (2 in Singapore and 1 in China)
- Completed Phase 1 of asset enhancement at 10 Toh Guan Road with 57% pre-commitment for the space. Commencement of Phase 2 to enhance the exterior façade and create hi-tech space as part of the repositioning initiative for the property
- Embarked on a new asset enhancement project at 9 Changi South Street 3 to maximise plot ratio from 20,070 sqm to 25,270 sqm

**Acquisitions:**

| Segment | | Value (S$m) | Status |
|---|---|---|---|
| Business Park | Ascendas Z-Link in Beijing, China | 61.8 | Completed in Oct 2011 |
| Business Park | 3 Changi Business Park Vista | 80.0 | Completed in Dec 2011 |
| Hi-Tech | Corporation Place | 99.0 | Completed in Dec 2011 |
| Business Park | Forward Purchase of a Business Park Property at Jinqiao, Shanghai, China | 117.6 | Completion expected in 1H 2013 |
| **Total (Acquisitions)** | | **358.4** | |

# Investment Highlights

**Development Projects:**

| Segment | Projects | Est. Cost (S$m) | Expected Commencement | Expected Completion |
|---|---|---|---|---|
| Logistics | FedEx Singapore Regional Hub | 35.9 | Started | 1Q 2012 |
| Business Park | Unilever Four Acres Singapore | 32.3 | Started | 1Q 2013 |
| Business Park | Business Park facility at Fusionopolis | 178.0 | Started | 3Q 2013 |
| **Total (Development)** | | **246.2** | | |

**Asset Enhancements:**

| | Est. Cost (S$m) | Expected Commencement | Expected Completion |
|---|---|---|---|
| Food Axis @ Senoko | 59.0 | Started | 1Q 2012 |
| Phase 1, 10 Toh Guan Road | 20.2 | Completed | |
| Phase 2, 10 Toh Guan Road | 13.5 | Started | 2H 2012 |
| 9 Changi South Street 3 | 14.6 | Started | 1Q 2013 |
| **Total (Asset Enhancements)** | **107.3** | | |
| **Total Investment** | **711.9** | | |
| **Investment amount yet to be funded** | **238.4** | | |

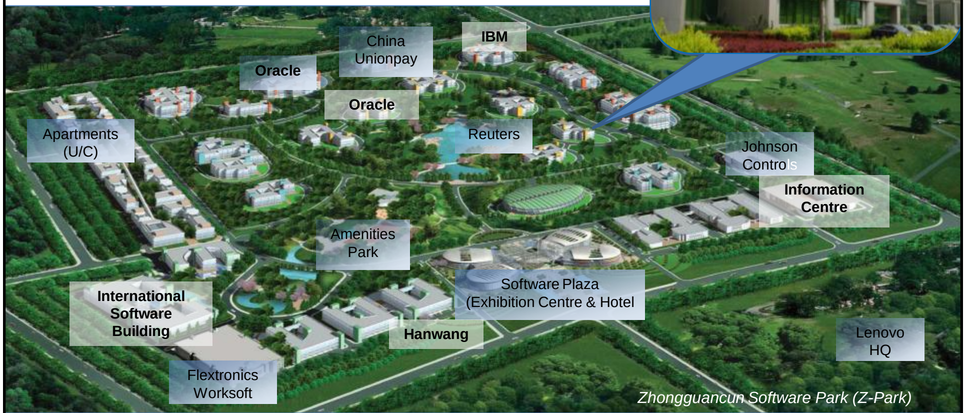


# Acquisition Highlights

| | 3 Changi Business Park Vista | Corporation Place |
|---|---|---|
| Segment | Business Park | Hi-tech Industrial |
| Address | 3 Changi Business Park Vista | 2 Corporation Road |
| Description | Easily accessible via major expressways, 3 Changi Business Park Vista is a 6-storey business park building with a 2-level basement carpark. This is A-REIT's 6th property in Changi Business Park | Easily accessible via the Ayer Rajah Expressway. Located at the junction of Jalan Ahmad Ibrahim, Corporation Place is a 7-storey multi-tenanted hi-spec industrial building with amenities and a basement car park |
| Purchase Price | S$80.0 million | S$99.0 million |
| GFA | 18,388 sqm | 76,185 sqm |
| NLA | 15,261 sqm | 57,645 sqm |
| Occupancy | 95.0% | 79.6% |

# Acquisition Highlights: Ascendas Z-Link

- Located in Zhongguancun Software Park (中关村软件园)
- About five minutes' drive to the 5th Ring Road and Badaling Expressway and about 15 minutes' walk to the Metro Light Railway Xi Er Qi (西二旗) Station
- 3-storey multi-tenanted business park building (27,450 sqm) with 4 inter-connecting blocks and one level basement car park
- 100% occupied by prominent tenants such as Baidu.com and Raisecom




# Acquisition Highlights:

## Forward purchase of business park property in China

| | |
|---|---|
| Details | Forward purchase of business park property at Jinqiao within JEPZ, Pudong New District, Shanghai, China |
| Specifications | 8 blocks with total GFA of 79,880 sqm |
| Location | Located in North Jinqiao and within the Jinqiao Export and Processing Zone<br>Near the Waihuan (External Ring) Expressway and 30km from Pudong International Airport. In close proximity to a Line 9 subway station |
| Targeted tenants | MNCs and large local enterprises |
| Leasable Area | 79,880 sqm |
| Purchase Price | S$117.6 million |
| Expected completion | 1H 2013 |

*Artist impression of the Business Park Property*


*Location Map of Jinqiao Export Processing Zone*

# Development Highlights:
## FedEx Singapore Regional Hub

- Located at the eastern part of Singapore.
- In close proximity to the Airport Logistics Park of Singapore
- A part 1-storey, part 2-storey air cargo express facility
- Expected GFA of 26,277 sqm
- 100% committed by FedEx for 10 years with annual rental reversion and option to renew for another 2 terms of 5 years each
- Expected completion: 1Q 2012

*Artist impression*

*Jun 2011*

*Sept 2011*

*Dec 2011*



# Development Highlights:
## Unilever Four Acres Singapore

- Built-to-suit facility for Unilever Asia Private Limited
- Unilever's first global leadership development centre in Asia and second in the world
- Land area of 22,950 sqm
- Total GFA of about 9,180 sqm comprising a 3-storey training block, a 1-storey business and recreational centre and 10 black-and-white bungalows
- Expected completion in 1Q 2013

*Artist impression of Four Acres Singapore*

*Construction in progress*

# Development Highlights:
## Business Park development at Fusionopolis

- Located within the one-north masterplan area in the central part of Singapore. Easily accessible via major expressways and proximity to the one-north Mass Rapid Transit station
- Development of 2 blocks of 6-storey business park and office-mix use development with basement car parks, a landscape skybridge at 3rd storey and a central landscape plaza at 1st storey
- GFA of 25,510 sqm
- Expected completion: 3Q 2013

*Dec 2011: Construction in progress*

*Artist Impression*


*Location map of business park land site at Fusionopolis*



# Asset Enhancement:
## FoodAxis @ Senoko

- Redevelop to maximise plot ratio from 0.6x to maximum of 2.5x, creating an additional GFA of 34,519 sqm
- Total GFA of 43,362 sqm
- Located at the northern part of Singapore and easily accessible by major expressways
- Expected completion in 1Q 2012

*Before redevelopment*

*Artist Impression of development*

*Dec 2010*

*Mar 2011*

*Artist Impression of completed development*
*Dec 2011*

# Asset Enhancement:
## 10 Toh Guan Road

- Within walking distance to Jurong East MRT station and major retail malls and sited within the new regional centre of Jurong Lake District
- Reposition property for higher value usage over two phases through the removal of the existing automated storage & retrieval system (ASRS)
- Create more parking space and enhancement of exterior façade
- Phase 1 completed with 57% pre-commitment. Expected return on committed space: about 12%
- Phase 2: creation of hi-tech space and enhancement of external façade.
- Expected completion: 2H 2012


***Phase 1 completed:* *Conversion of ASRS space to showroom***


*Artist impression*


*Phase 2 in progress:*
*Enhancement of existing facade*



# Asset Enhancement (New):
## 9 Changi South Street 3

| | |
|---|---|
| Concept | • Improve building efficiency through the removal of the automated storage & retrieval system to create additional warehouse space<br>• Maximise plot ratio from 1.6x to 1.98x creating additional GFA of 5,200 sqm to 25,270 sqm<br>• About 3,007 sqm of space has been decommissioned |
| Location | Strategically located in Changi International LogisPark and is easily accessible via the East Coast Park Expressway |
| Est Cost | S$14.6 million |
| Expected completion | 1Q 2013 |


*9 Changi South Street 3.*

*Location map*
*Source: onemap.com.sg*

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## Strong Balance Sheet

| (S$ mil) | As at 31 Dec 11 | As at 31 Dec 10 |
|---|---|---|
| Total Assets | 6,030 | 4,952 |
| Net assets attributable to unitholders | 3,717 | 3,002 |
| Aggregate Leverage | 2,065 | 1,716 |
| | 34.3% | 34.7% |
| **Net asset value per unit** | **178 cents** | **160 cents** |
| **Units in Issue (mil)** | **2,085.1** | **1,874.3** |

# Asset Value:
## Cap rate / Aggregate leverage analysis

Every 0.10% expansion in cap rate is expected to decrease asset value by about 1.5% and increase leverage by about 0.4%

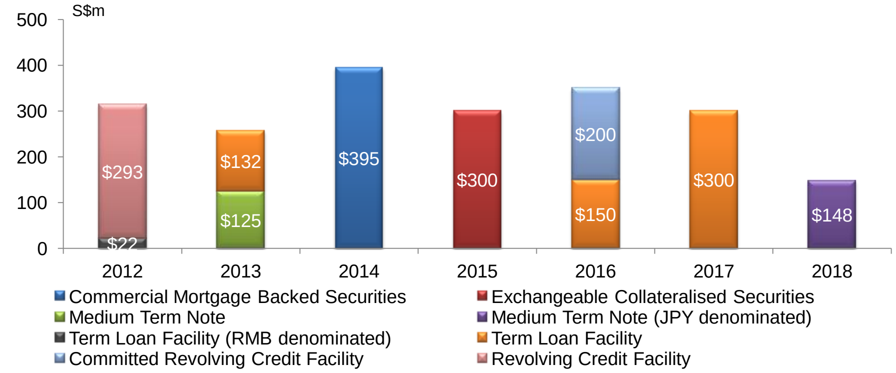
| Cap rate expansion(1) | Decrease in asset value | Incremental impact on aggregate leverage(2) | Expected decline in NAV (3) (S$) |
|---|---|---|---|
| 0.10% | 1.5% | 0.4% | 0.04 |
| 0.15% | 2.2% | 0.6% | 0.05 |
| 0.20% | 2.9% | 0.9% | 0.07 |
| 0.25% | 3.6% | 1.1% | 0.09 |

*(1) Based on the valuation of 93 properties as at 31 March 2011 and average portfolio cap rate of 6.7%*
*(2) Based on total borrowings as at 31 December 2011*
*(3) Based on NAV of S$1.78 and outstanding units as at 31 December 2011*

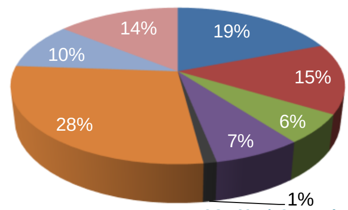


# Debt Maturity Profile

Well-balanced debt maturity profile with not more than S$400m due for refinancing in any one year




- About 35.0% of total debts are on secured basis. About 57% of A-REIT's total assets are unencumbered
- A balance of debt instruments and bank loans. Bank loans account for about 53% of total debt of which 73% are committed facilities



# Interest Rate Risk Management

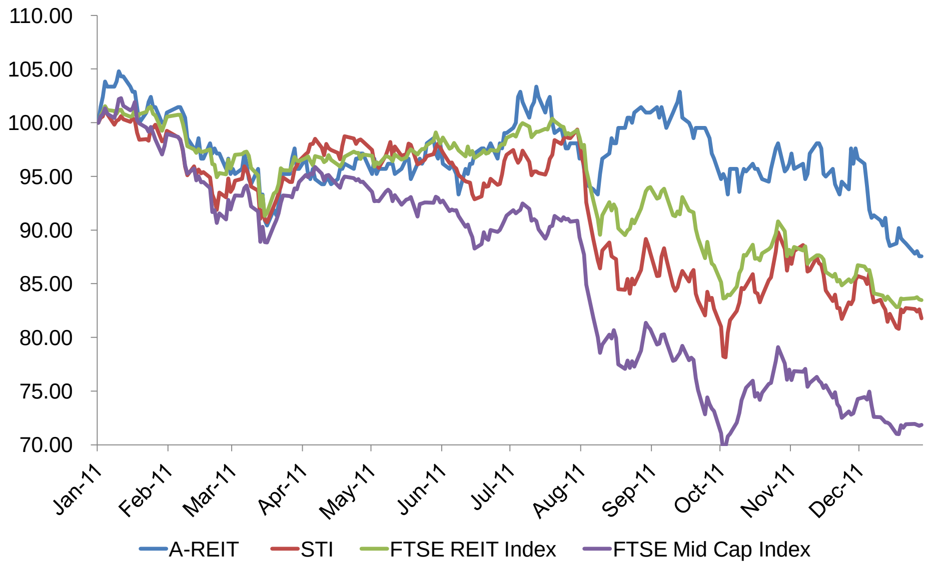
- 64.9% of interest rate exposure fixed for the next 3.7 years
- Secured loan is about 11.5% of total assets

| | 31 Dec 11 | 30 Sept 11 | 31 Dec 10 |
|---|---|---|---|
| Aggregate leverage | 34.3% | 31.5% | 34.7% |
| Total debt | S$2,065m | S$1,805m | S$1,709m |
| Fixed as a % of total debt | 64.9% | 75.9% | 100.0% |
| Weighted average all-in funding cost (1) | 3.00% | 3.11% | 3.84% |
| Weighted average term of debt | 3.1 years | 3.4 years | 3.1 years |
| Weighted average term of fixed debt | 3.7 years | 3.8 years | 2.8 years |
| Interest cover ratio (times) | 5.5 | 5.3 | 4.6 |
| Unencumbered assets as % of total investment properties | 57.0% | 56.3% | 52.7% |

Notes:
(1) Including annual maintenance costs and amortisation of establishment cost of loans



# A-REIT Unit Price Performance
## vs relevant indices




Base: 03 January 2011

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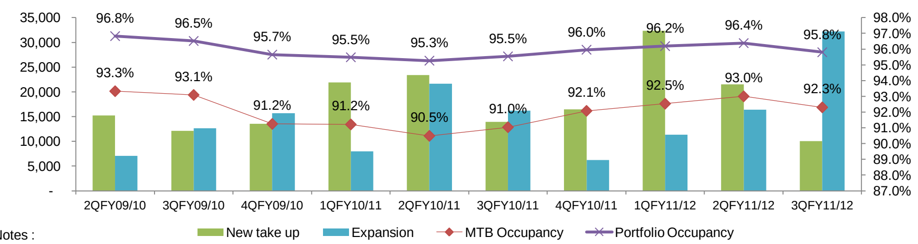
# Healthy Occupancy; Long Leases

| | As at 31 Dec 11 | As at 31 Dec 10 |
|---|---|---|
| Total Portfolio GFA (sqm) | 2,617,049 ↑8% | 2,413,524 |
| Portfolio occupancy<br>MTB[1] occupancy | 95.9%[2]<br>92.4%[2] | 95.6%<br>91.1% |
| Total renewals/new leases (sqm)<br>- Total New leases/Expansions (sqm)<br>- Total Renewals (sqm) | 110,681 [3]<br>42,276 [3]<br>68,406 [3] | 78,961 [4]<br>30,165 [4]<br>48,796 [4] |
| Weighted Average Lease to Expiry (yrs) | 4.1 | 4.8 |




Notes :

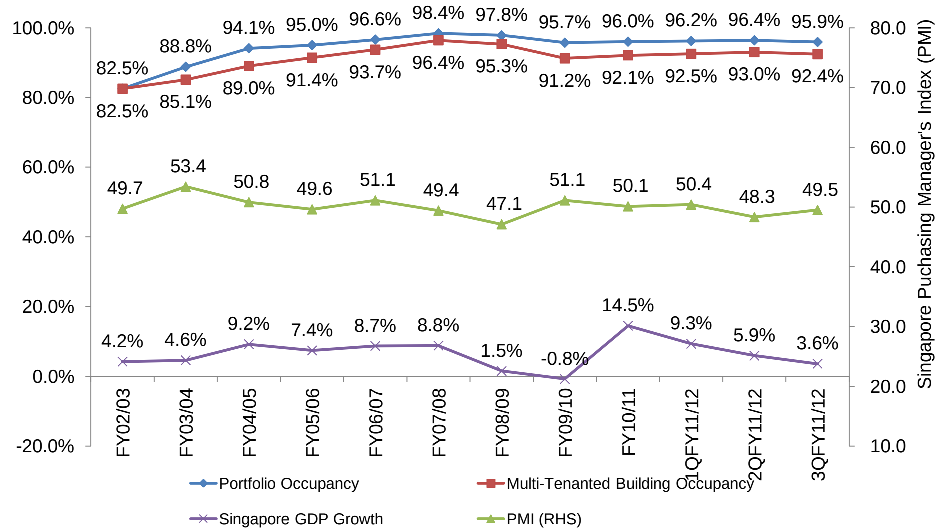
1) MTB refers to multi-tenanted buildings which account for about 60% of portfolio value

2) Excluding the new acquisitions made in 3QFY11/12 and the asset enhancement exercise at 9 Changi South St 3, occupancy for the multi-tenanted properties and the portfolio would be 93.1% and 96.5% respectively.

3) For the three months ended 30 Dec 2011

4) For the three months ended 30 Dec 2010

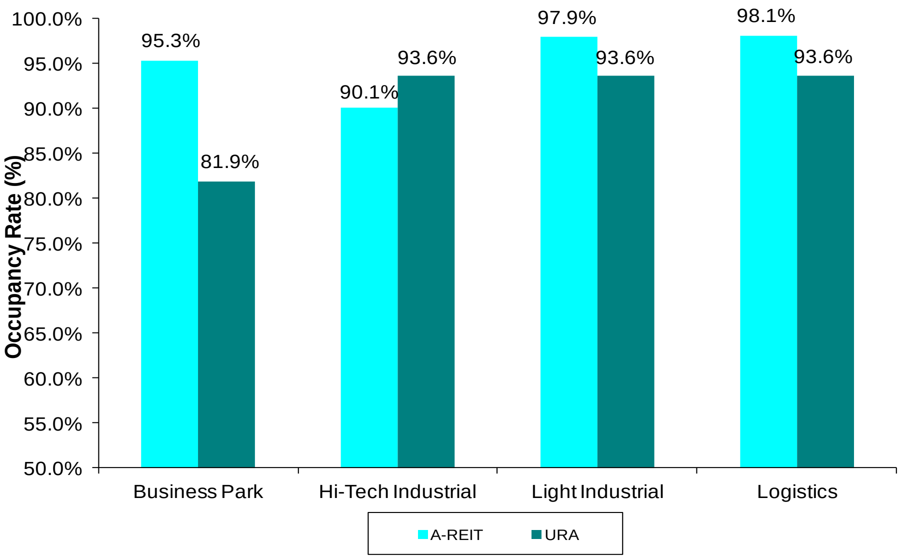
# Occupancy History: Stable through the cycles




Notes: Singapore GDP Growth is based on calendar year.
PMI is based on the last month of the respective quarter.
*Source: Singapore Purchasing Manager's Index (PMI), Singapore Department of Statistics, Singapore Ministry of Trade & Industry and A-REIT*



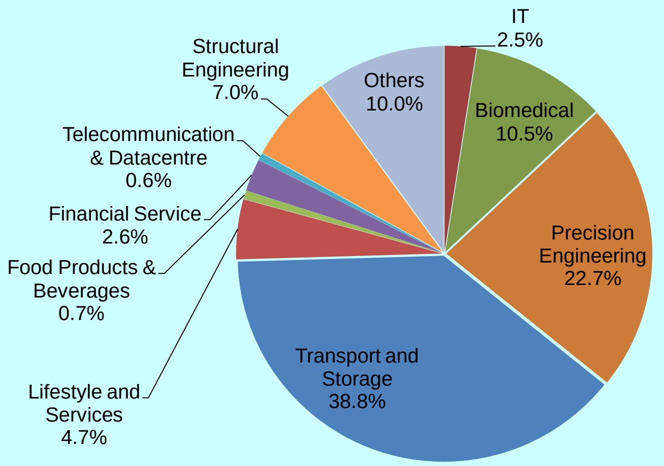
# A-REIT vs Industrial Average Occupancy




Note :
A-REIT's Singapore portfolio as at 31 December 2011; URA (Urban Redevelopment Authority) as at 3Q2011
URA statistics do not breakdown Hi-Tech Industrial and Light Industrial, ie they are treated as one category with occupancy of 93.6%

# 3Q FY11/12 Sources of New Demand

Continue to attract demand from an array of industries

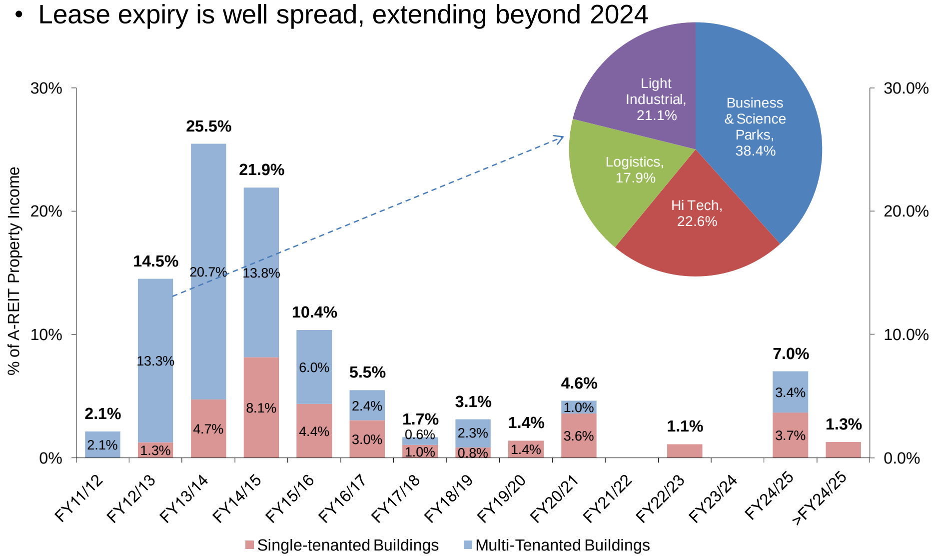



*By net lettable area*



# Lease Expiry Profile as at 31 Dec 2011

- Weighted average lease to expiry of 4.1 years
- Only 2.1% due for renewal for remaining FY11/12
- Lease expiry is well spread, extending beyond 2024



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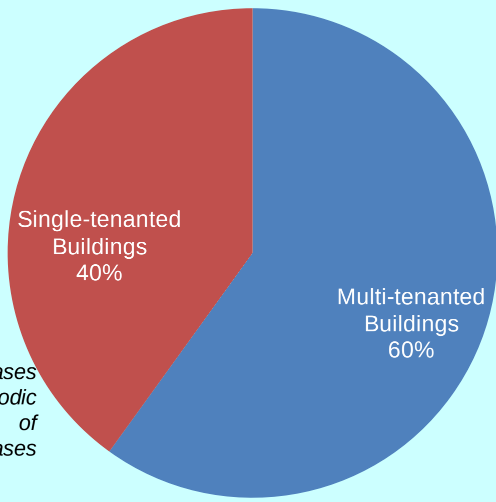
# Well Diversified Portfolio

## - by Lease Tenure



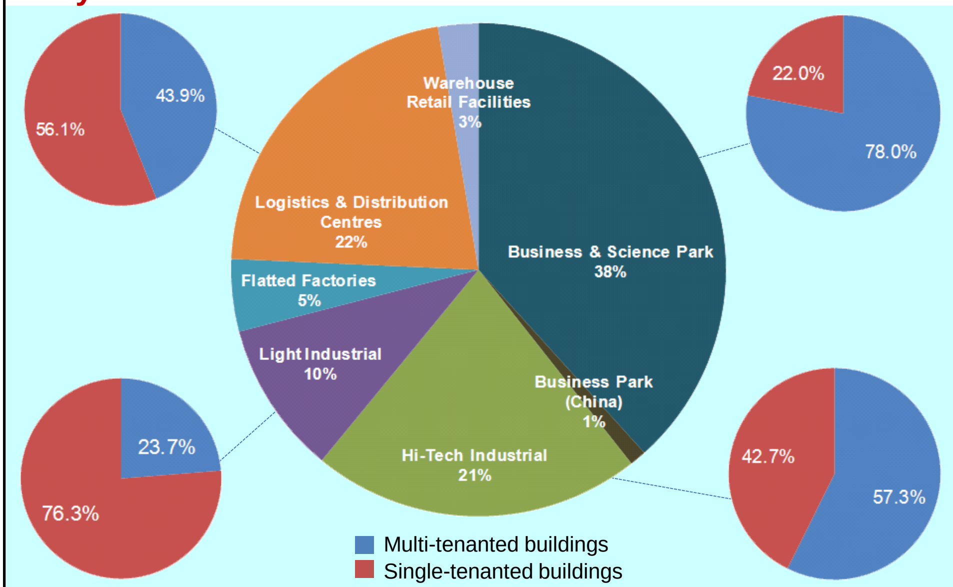

*Typically 3-year rolling leases*

*Long term leases typically with periodic rental escalation, of which 33% of leases are pegged to CPI*

Mix of Single-tenanted vs Multi-tenanted Buildings

*by asset value*

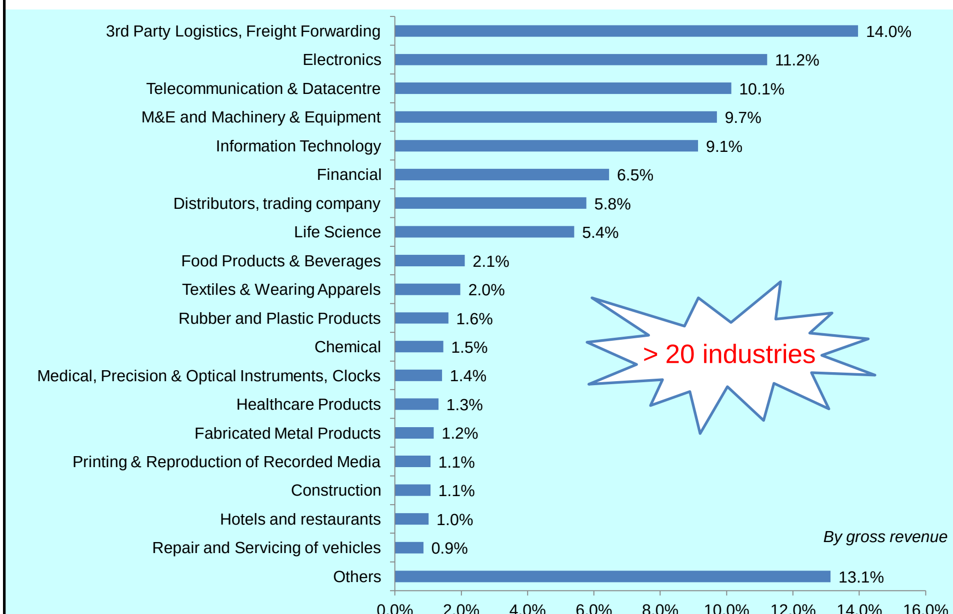
# Well Diversified Portfolio
## - by Asset Value




* About 60% of Logistics & Distribution Centres (by gross floor area) are single storey / multi-storey facilities with vehicular ramp access



# Tenants' Industry Diversification

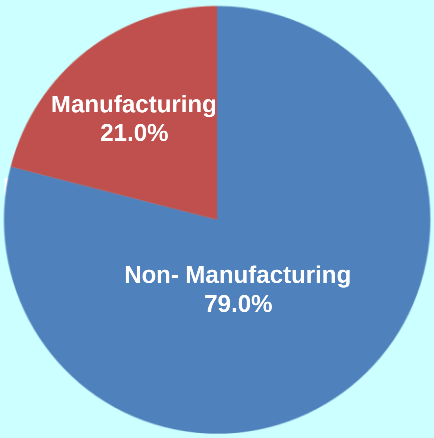



*Note: Others include shipping, technology support industries, testing & certification and technical centre for systems and repair as well as tenants in the warehouse retail facilities

## Low exposure to conventional manufacturing

**3Q FY11/12 tenants' business activities by net lettable area**

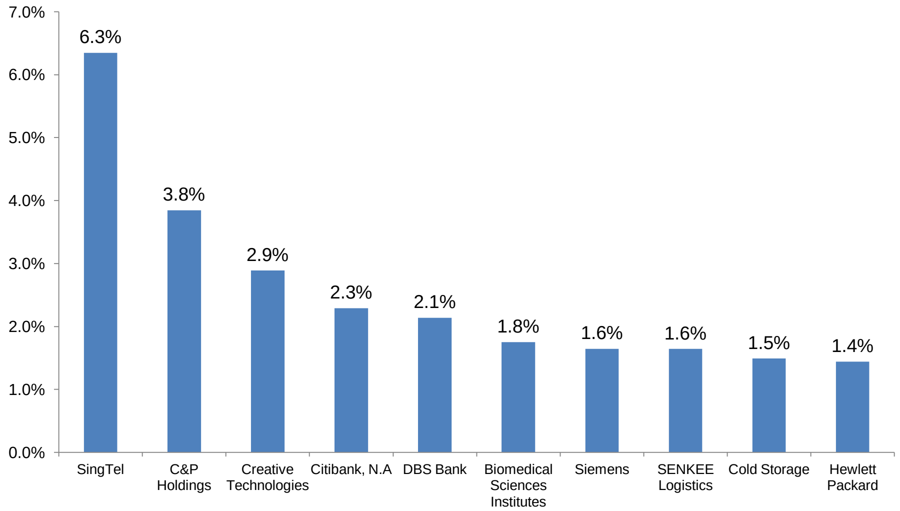
- 21.0% of NLA occupied by tenants engaged in conventional manufacturing activities
- Manufacturing activities include food & beverages, aeronautical auxiliary equipment, precision engineering etc.
- Non-manufacturing activities include R&D, backroom offices, telecommunications & data centre, software and media consultancy services as well as transport & storage





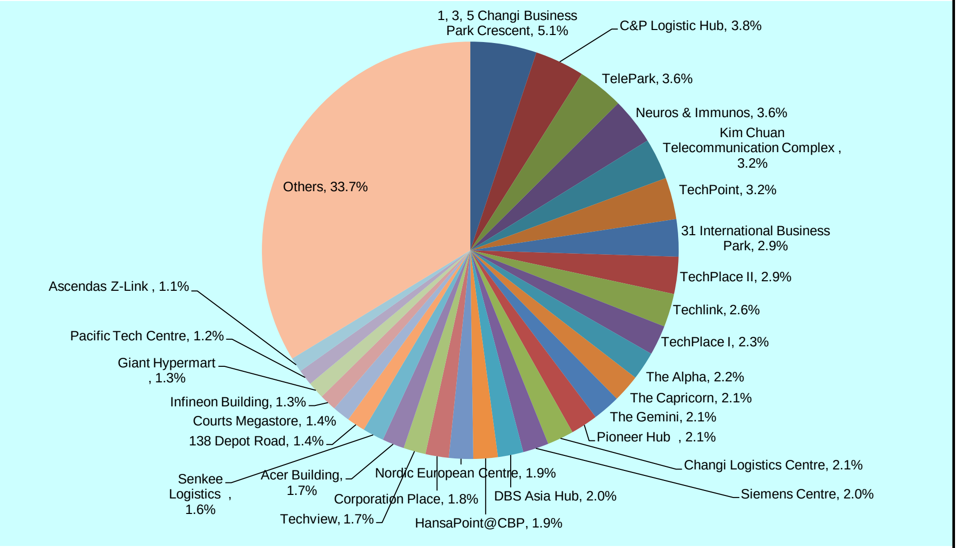

## Quality and Diversified Tenant Base

- Total tenant base of over 1,100 tenants
- Top 10 tenants account for 25.3% of total portfolio income



## Diversified Portfolio

No single property accounts for more than 5.1% of A-REIT's monthly gross revenue






## Security Deposits for Single-tenanted Properties

- Weighted average security deposits for single-tenanted properties range from 7 to 12 months of rental income
- On a portfolio basis, weighted average security deposit is about 6 months of rental income

| | No. of single tenanted properties | Weighted average security deposit* (no. of months) |
|---|---|---|
| Business & Science Parks | 4 | 12 |
| Hi-Tech Properties | 8 | 7 |
| Light Industrial | 23 | 12 |
| Logistics & Distribution Centres | 12 | 9 |
| Warehouse Retail Facilities | 2 | 11 |
| | **49** | **10** |

* Excluding cases where rental is paid upfront

## MTB Occupancy & Rental Rate:
### NPI / DPU Sensitivity

A 2.0% change in MTB occupancy or rental rate is expected to result in a 1.7% change in portfolio net property income or about 0.30 cents change in DPU

| % change in MTB occupancy / rental rates | Expected change in annualized MTB NPI (S$m) | Change in portfolio NPI (%) | Impact on full FY DPU (cents)* |
|---|---|---|---|
| 2% | 6.2 | 1.7% | 0.30 |
| 4% | 12.4 | 3.4% | 0.60 |
| 6% | 18.6 | 5.1% | 0.89 |
| 8% | 24.9 | 6.8% | 1.19 |
| 10% | 31.1 | 8.6% | 1.49 |

**Based on number of units in issue as at 31 Dec 2011*



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# Segmental Rental Performance

Positive rental reversions registered across all segments

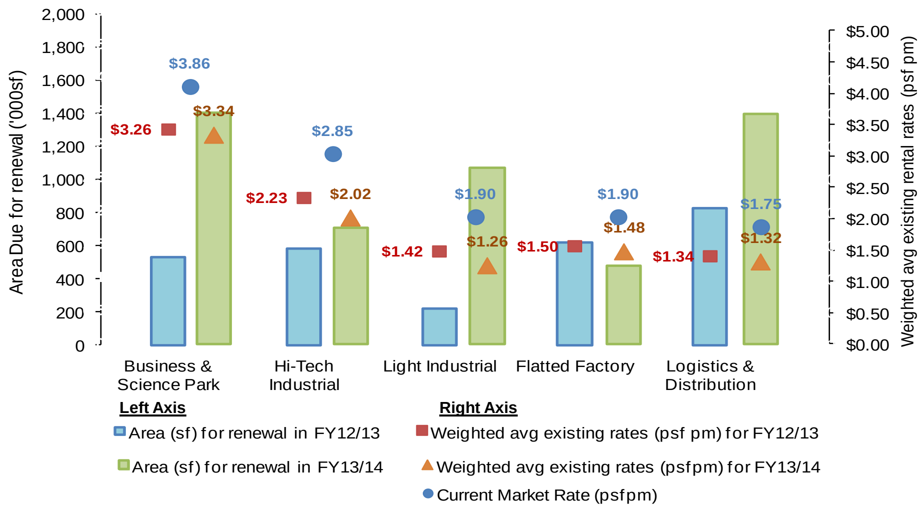
| Multi-tenanted properties [1] | Net lettable area (sqm) | Vacant space (sqm) | YTD increase in renewal rates [2] | 3Q FY11/12 Increase in renewal rates [3] | Increase / (decrease) in new take up rates [4] |
|---|---|---|---|---|---|
| | As at 31 Dec 2011 | | | | |
| Business & Science Park | 331,975 | 23,196 | 6.6% | 7.1% | (2.6)%[5] |
| Hi-Tech Industrial | 259,841 | 41,705 | 3.1% | 5.7% | (0.5)%[6] |
| Light Industrial | 228,865 | 9,928 | 10.1% | 11.8% | 2.8% |
| Logistics & Distribution Centres | 301,724 | 13,091 | 15.9% | 28.4% | (3.6)%[7] |

Notes :
(1) A-REIT's Singapore portfolio only
(2) YTD 3QFY11/12 renewal rental rates versus previous contracted rates
(3) 3Q FY11/12 renewal rental rates versus previous contracted rates
(4) Rental rates for new take up (including expansion by existing tenants) in 3Q FY11/12 versus new take-up rental rates achieved in 2Q FY11/12
(5) New take up rates in the Business & Science Park segment declined due to an existing tenant taking up expansion space at a discounted rate. Excluding this, new take-up rental rate would have increased by 3.4%
(6) New take up rates in the Hi-Tech Industrial segment declined due to an existing tenant taking up expansion space at a discounted rate. Excluding this, new take-up rental rate would have increased by 3.1%
(7) New take up rates in Logistics segment declined due to an air-con unit that was leased in the prior quarter which commanded a higher rental rate. Excluding this, new take up rates would have increased by about 7.7%

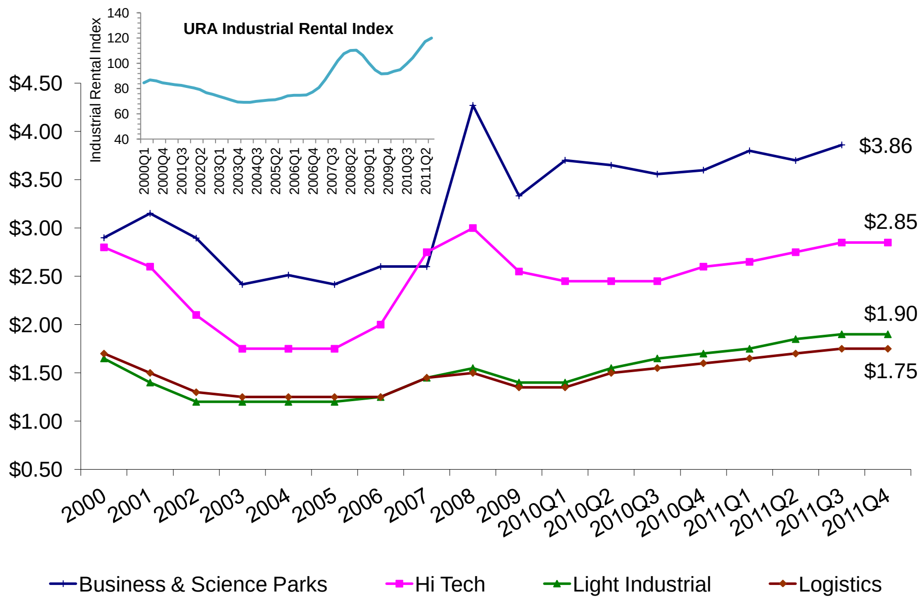


# In-place rent for space due for renewal in FY12/13 & FY13/14

• Current market rental rate is between about 18% and 34% higher than the passing rental for the area due for renewal in FY12/13



## Average Market Rents by Segment




*Source : CBRE* Singapore Market View 4Q 2011.
*URA 3Q2011 Report for business park rental and Industrial Rental Index*



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# Market Outlook

- According to the Ministry of Trade & Industry's (MTI) advance estimates. Singapore's economy grew by 4.8% in 2011
- The Government of Singapore expects a period of slow growth with a GDP growth forecast for 2012 of between 1% and 3% amid continued uncertain global economic climate
- According to Singapore's Urban Redevelopment Authority, the industrial rental index in Singapore industrial rental index grew at a smaller rate of 2.4% in 3Q 2011 versus a 5.7% growth in the preceding quarter
- For the balance of the financial year ending 31 March 2012, A-REIT has 2.1% of its revenue due for renewal
- 14.5% of revenue is due for renewal in FY12/13 with the balance 85.5% of revenue committed. In addition, full year contribution from acquisitions and developments completed in FY11/12 is expected in next financial year



# Potential New Supply

- Current total stock: 38.2 m sqm, of which
  - Business & Science Parks account for 1.4 million sqm (3.7% of total stock)
  - Logistics & Distribution Centres account for 7.1 million sqm (18.6% of total stock)
  - Remaining stock are factory space
- Potential new supply of about 2.7m sqm (6.9%) of stock over the next three years

| Segment ('000 sqm) | New Supply (total) | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| Business & Science Park | 359 | 147 | 170 | 42 |
| % pre-committed (est.) | 58% | 44% | 59% | 100% |
| Hi-tech Industrial* | 79 | 57 | 22 | 0 |
| % pre-committed (est.) | 77% | 88% | 47% | 0% |
| Light Industrial* | 1,707 | 752 | 437 | 518 |
| % pre-committed (est.) | 65% | 82% | 80% | 29% |
| Logistics & Distribution Centres | 507 | 251 | 256 | 0 |
| % pre-committed (est.) | 50% | 61% | 38% | - |
| **Total pre-committed** | **62%** | | | |

** Excludes projects under 7,000 sqm*
*Source: URA 3Q2011 Report, A-REIT internal research*

## Potential New Supply
### - Business & Science Parks*

| Expected Year of Completion | Location | GFA (sm) | % Pre-committed (est) |
|---|---|---|---|
| 2012 | Changi Business Park | 113,709 | 36% |
| 2012 | Mediapolis (one-north) | 24,192 | 60% |
| 2012 | Nepal Hill (one-north) | 9,180 | 100% |
| **Total (2012)** | | **147,081** | **44%** |
| 2013 | Mediapolis (one-north) | 21,610 | 100% |
| 2013 | Science Park | 78,870 | 100% |
| 2013 | Biopolis (one-north) | 44,610 | 0% |
| 2013 | Fusionopolis (one-north) | 25,012 | 0% |
| **Total (2013)** | | **170,012** | **59%** |
| 2014 | Fusionopolis (one-north) | 10,770 | 100% |
| 2014 | Biopolis (one-north) | 31,100 | 100% |
| **Total (2014)** | | **41,870** | **100%** |

** Excludes projects which are pure commercial office space such as JEM at Jurong East (28,916 sqm – 100% pre-committed) & Metropolis at Buona Vista (111,580 sqm) which are targeted at different end users as specified by zoning rules*

*Source: URA 3Q2011 Report, A-REIT internal research*



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# A-REIT's strengths

### Diversity and Depth

- Largest business and industrial REIT in Singapore
- Solid and well diversified portfolio
  - ✓ Six property segments
  - ✓ Well-located quality properties
  - ✓ Balance of long term vs short term leases provides stability with potential for positive rental reversions
  - ✓ No single property accounts for more than 5.1% of revenue
  - ✓ High predictability and sustainability in income

### Strong Sponsor

- Sponsor Ascendas has a track record of more than 20 years in this sector
- Committed sponsor and alignment of interest with A-REIT unitholders



# A-REIT's strengths

- **Downside protection in earnings**
  - Stable portfolio with 97.9% of portfolio revenue committed for the FY and a portfolio average lease to expiry of about 4.1 years.
  - Mix of long term and short term leases provide earnings stability
    - ➢ Long term leases have a weighted average lease to expiry of about 6 years and are backed by an average of 10 months rent in security deposits
    - ➢ Long term leases have built-in rental escalation
  - Diversified portfolio capable of serving the needs of users in diverse sectors

- **Hedge against Inflation**
  - 40% of leases are long term with periodic rental escalation, of which about 33% have CPI-pegged adjustments

# A-REIT's strengths

**Development capability**

- Has capability and capacity to create own assets which could be more yield accretive than acquisitions of income producing properties

**Operational platform (Property Manager, Ascendas Services Pte Ltd)**

- Dedicated asset management, sales/marketing, leasing and property management team of over 100 people
- Possess in-depth understanding of this property sector

**Customer focus**

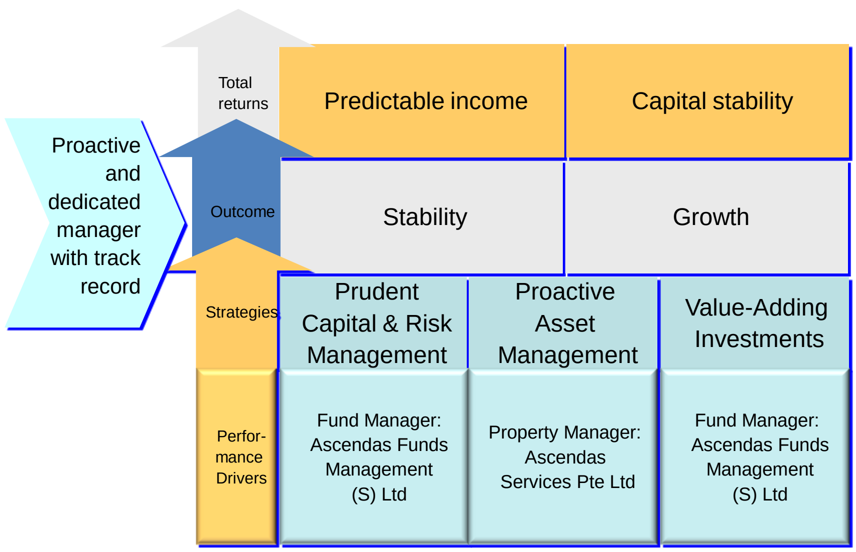
- Over 1,100 tenants from international and local companies
- Track record of customers growing with us

**Size advantages**

- Accounts for 10.0% of S-REIT market capitalization
- Accounts for 9.5% of S-REIT total trading volume in 3Q FY11/12
- Included in major indices (e.g. MSCI, FTSE ST Mid Cap Index)



# A-REIT's strategies



# Thank you

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