Press Release
17 January 2014

A-REIT's 3Q Amount Available for Distribution grew by 4.9% y-o-y to S$85.1 million

Highlights:

1. 3Q FY13/14 amount available for distribution increased by 4.9% y-o-y to S$85.1 million

2. Distribution per Unit ("DPU") for 3Q FY13/14 is 3.54 cents per Unit

3. Achieved positive rental reversion on leases renewed in the quarter, averaging 9.7%, across all segments of the portfolio

4. Strong balance sheet with aggregate leverage at 30.1%

Summary of A-REIT's Group Results (For the three months ended 31 December 2013)

	3QFY13/14	3QFY12/13	Variance (%)
Gross revenue (S$ million)	154.4	145.2	6.4
Net property income (S$ million)	108.6	104.7	3.7
Amount available for distribution (S$ million)	85.1	81.1	4.9
DPU for the quarter (cents) (1)	3.54(2)	3.62	(2.2)
Pro Forma DPU (3)	-	3.38	4.1

Notes:

(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. As at 31 December 2013, 2,402,521,658 Units are in issue, compared to 2,238,946,090 Units in 31 December 2012.

(2) DPU of 3.54 cents per Unit includes:
(a) taxable income distribution of 3.52 cents per Unit,
(b) tax-exempt income distribution of 0.02 cents per Unit. This income relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of Unitholders, save for Unitholders who are holding the Units as trading assets.

(3) The Pro Forma DPU from operations for 3Q FY12/13 has been calculated using total amount available for distribution for 3Q FY12/13 and the applicable number of units as at 31 December 2013, which included units issued in pursuant to a private placement in March 2013, units issued for payment of acquisition fee in April 2013, and units issued in lieu of the 20% base management fee in June 2013 and December 2013. DPU growth would be 4.1% year-on-year on a pro forma basis.

17 January 2014, 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 report that for 3Q FY13/14, A-REIT's amount available for distribution grew 4.9% year-on-year.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "A-REIT's portfolio continued to achieve positive rental reversion averaging 9.7% for leases renewed during the quarter. The occupancy rate for the multi-tenanted portion of A-REIT's portfolio is at around 83.6%, marginally lower than 83.9% in the previous quarter. This is due to the addition of new leasable space following the completion of asset enhancement works at 1 Changi Business Park Ave 1 and Techplace II. We can expect upside in net property income as the newly added spaces are leased out in due course."

A Well Diversified and Resilient Portfolio

As at 31 December 2013, A-REIT continues to have a portfolio of long and short term leases (30.3% and 69.7% by property value respectively) with a weighted average lease to expiry of about 3.9 years. Long term leases are typically results of sale-and-leaseback or built-to-suit arrangements and these have stepped rental escalation, of which 32.7% of such leases incorporates CPI based adjustment with a floor. 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.

At the beginning of the financial year, about 21.4% of A-REIT's property income was due for renewal, comprising 6.0% in single-tenanted buildings tenancies and 15.4% in multi-tenanted buildings tenancies. Through proactive asset management, this has been reduced to 5.3% (comprising 2.5% in single-tenanted buildings tenancies and 2.8% in multi-tenanted buildings tenancies) as at 31 December 2013. For leases renewed during the quarter, positive rental reversion was achieved across all segments of the portfolio with a weighted average increase of about 9.7%. For the financial year-to-date, the weighted average rental reversion for the portfolio is about 9.9%.

Occupancy rate for the portfolio and multi-tenanted buildings declined marginally to 89.7% and 83.6%, from 90.1% and 83.9% respectively from one quarter ago, on the back of a 1.7% increase in NLA arising from the completion of asset enhancement works. The top 10 tenants accounted for not more than 22.5% of A-REIT's total portfolio income.

In the next financial year, about 21.6% of A-REIT's property income will be due for renewal (of which 6.0% are leases of single-tenanted buildings). As part of A-REIT's proactive asset management strategy, the Manager has already commenced renewal negotiations with these lessees.

Disciplined and Yield Accretive Investments

The Manager continues to focus on improving returns from existing buildings via asset enhancement projects. We are pleased to report that during the quarter, the Manager completed asset enhancement works for 1 Changi Business Park Ave 1 and Techplace II.

1) Asset enhancement at 1 Changi Business Park Avenue 1 for S$12.0 million (Completed)
   One of A-REIT's six buildings within the Changi Business Park, the property is located next to the Expo MRT station and is easily accessible via the Pan Island Expressway and the East Coast Parkway Expressway. The property was acquired in October 2003 and leased to a single-user. Building specifications such as toilets, lifts and building facades are upgraded to position it to be comparable with the newest properties within the vicinity. NLA of around 9,800 sqm has been re-commissioned for 1 Changi Business Park Ave 1.

2) Asset enhancement for Techplace II for S$42.4 million (Completed)
   Strategically located in Ang Mo Kio and easily accessible to the Central Expressway and the MRT, Techplace II comprised a total of 6 blocks of flatted factory buildings and a canteen block. The Manager developed a new factory block with ancillary F&B space, adding 24,016 sqm to the GFA through the maximisation of plot ratio from 2.05 times to 2.5 times. Works included the enhancement of the external façade of all buildings in the estate to improve the corporate image of the property.

Details of previously announced asset enhancement works are in **Annex A**.

The Manager had previously announced the proposed divestment of Block 5006 at Techplace II to Venture Corporation Limited for S$38 million. Block 5006 is one of the six blocks of flatted factory buildings in Techplace II. The transaction is undergoing regulatory approval with an expected completion date in 4Q FY13/14.

Proactive Capital Management

The Manager continues to adopt a proactive stance towards capital management. A-REIT's aggregate leverage stands at 30.1% as at 31 December 2013. After funding of committed investments, aggregate leverage is expected to increase to 30.7%.

A-REIT's weighted term of debt is 3.2 years as at 31 December 2013 with a weighted average all-in borrowing cost of 2.69%. Interest rate swaps are used to manage or hedge the interest rate exposure of its debts. About 57.1% of A-REIT's interest rate exposure is hedged with a weighted average duration of 3.8 years remaining.

A-REIT does not have any major refinancing for the rest of the financial year. Negotiation for the refinancing of the S$395 million CMBS due in May 2014 is in progress.

Outlook for the financial year ending 31 March 2014

A-REIT had 21.4% of its revenue due for renewal at the beginning of FY13/14. As a result of its proactive portfolio management, this has been reduced to 5.3% at the end of 3Q FY13/14, thereby increasing the income stability of A-REIT. Furthermore, A-REIT's portfolio weighted average lease to expiry of about 3.9 years will provide sustainable and predictable earnings.

For the balance of the financial year, while there could be transitory occupancy pressure, the passing rent of leases due for renewal is still below the market spot rent and hence, positive rental reversion can be expected when these leases are renewed. With 10.3% vacancy in the current portfolio, there could also be potential upside in net property income when these spaces are leased out, the speed of which will largely depend on prevailing market conditions.

Barring any unforeseen event and any weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the financial year ending 31 March 2014.

- End -

Annex A:

Total Asset enhancement works committed in FY13/14: S$44.6 million

1) The Alpha for S$11.1 million (To commence in 1Q 2014)

   The Alpha is a 4-storey building that is situated along Science Park Road within Science Park 2. It is within 5-10 mins drive from the National University of Singapore and about 15 mins drive from the CBD. The asset enhancement works comprise enhancing the buildings specifications and positioning through improving connectivity from bus stop to the building, converting the lobby to natural ventilation, upgrading of lifts and toilets, converting underutilized area to create new leasable space. The asset enhancement work is expected to complete in 4Q 2014.

2) 1 Changi Business Park Crescent (Plaza 8) for S$8.1 million (To commence in 1Q 2014)

   Plaza 8 is located within close proximity to the Singapore Expo, the Expo MRT station and Changi Airport. It is easily accessible via major expressways like East Coast Parkway and Pan Island Expressway. The asset enhancement works involve converting the 2nd level amenity space to business park space to increase potential income and is expected to complete in 2Q 2014.

3) Techquest for S$4.3 million (In progress)

   Located within International Business Park and the Jurong Lake District and easily accessible via major expressways, Techquest is one of six A-REIT properties in International Business Park. The asset enhancement works comprise improving building efficiency and specifications through reconfiguration of floor layout and upgrading of façade, restrooms, lobbies, etc. to improve marketability. The asset enhancement work is expected to complete in 3Q 2014.

4) LogisTech for S$6.6 million (In progress)

   LogisTech is located in Changi International LogisPark (north) and in close proximity to Changi Airport and easily accessible via major expressways (ECP, PIE and TPE). The Manager is building a new 2-storey air-conditioned warehouse annex block of 3,370 sqm to capitalise on the strong demand for such space in the eastern part of Singapore through maximisation of plot ratio from existing 1.16 times to 1.25 times. The work is scheduled for completion in 3Q 2014.

5) Corporation Place for S$14.5 million (In progress)
Corporation Place is located at Corporation Road and enjoys immediate access to the Ayer Rajah Expressway (AYE) which conveniently leads to the city centre, airport and seaport. The Manager will upgrade all lifts and toilets, and create extended lobbies and physical connectivity between all lobbies. The upgrade is expected to improve marketability of the building and be completed in 3Q 2014.

Work in progress: development and asset enhancement works committed in prior financial year: S$103.4 million

1) Asset enhancement for 31 International Business Park for S$13.2 million (In progress)
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 asset enhancement works comprise conversion of the property into a multi-tenanted property and upgrading of the building specifications to meet contemporary expectations and is expected to complete in 1Q 2014.

2) Asset enhancement at Techpoint for S$7.0 million (In progress)
Situated along Ang Mo Kio Street 65, Techpoint is easily accessible to major transport routes via major expressways. The asset enhancement will improve existing building specifications and finishing so as maintain Techpoint as a state-of-the-art hi-specs industrial building. The works is scheduled for completion in 1Q 2014.

3) Asset enhancement at 5 Toh Guan Road East for S$7.0 million (In progress)
5 Toh Guan Road East was converted to a multi-tenanted property in January 2013. The property is well-served by major roads and expressways such as Toh Guan Road, Boon Lay Way, Ayer Rajah Expressway (AYE) and Pan-Island Expressway (PIE), which provide efficient links to the city centre, airport and other parts of Singapore. The asset enhancement involves upgrading of lifts and subdivision of units to enhance marketability. The asset enhancement works is expected to complete in 2Q 2014.

4) DBS Asia Hub Phase 2 for S$21.8 million (In progress)
An extension of the existing DBS Asia Hub, DBS Asia Hub Phase 2 caters to DBS Bank's increasing business space requirement within the Changi Business Park. The development of Phase 2 commenced in 4Q 2013. It involves developing a new 6-storey

business park annex building with an estimated gross floor area and net lettable floor area of 7,081 sqm and 6,074 sqm respectively. Upon completion, which is expected to be in 2Q 2015, DBS Bank will lease the entire block until July 2020 to coincide with the lease expiry of DBS Asia Hub. DBS has options to renew the combined buildings for another 3 terms of 3 years each.

- End -

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 103 properties in Singapore, comprising business and science park properties, hi-specs industrial properties, light industrial properties, and logistics and distribution centres, and 2 business park properties in China. As at 31 December 2013, total assets amount to about S$7.2 billion. These properties house a tenant base of around 1,300 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 an issuer 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 Ascendas (www.ascendas.com)

Ascendas is Asia's leading provider of business space solutions with more than 30 years of experience. Based in Singapore, Ascendas has built a strong regional presence and serves a global clientele of over 2,400 customers in 25 cities across 10 countries including Singapore, China, India, South Korea and Australia.

Ascendas specialises in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-tech facilities, office and retail spaces. 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 hospitality spaces to create conducive human-centric work-live-play-learn environments. Its flagship projects include the Singapore Science Park and Changi City at Changi Business Park in Singapore, International Tech Park Bangalore in India and Ascendas-Xinsu in Suzhou Industrial Park, China. Ascendas provides end-to-end real estate solutions, assisting companies across 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 the first listed Indian property trust. In July 2012, Ascendas listed Ascendas

Hospitality Trust (A-HTRUST), which comprises a portfolio of quality hotels in Australia, China, Japan and Singapore. 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.