1Q FY2010/11 Financial Results Presentation 16 July 2010

Disclaimers

This Presentation is focused on comparing results for the financial year ended 30 June 2010 versus actual results year-on-year ("yoy"). This shall be read in conjunction with A-REIT's Results for the period from 1 April 2010 to 30 June 2010 in the SGXNet announcement.

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.

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

Key Highlights

- Net Property Income increased by 8.2% y-o-y to S$87.3 m
- Distributable income increased by 3.5% y-o-y to S$63.1m
- Portfolio occupancy remained stable at 95.6%; occupancy for multi-tenanted properties is 91.5%
- Continue to enjoy positive rental reversions in Business & Science Parks and Hi-Tech Industrial sectors
- No major refinancing in 2010. About 39.7% of total debts are due for refinancing over next 3 years
- Aggregate leverage of 34.1% and interest cover ratio of 4.7 times

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1Q FY2010/11 vs 1Q FY2009/10

(S$'000)	1Q FY2010/11 (1)	1Q FY2009/10 (1)	% inc/(dec)
Gross revenue	113,607	102,441	10.9
Less: Property operating expenses	(26,259) (2)	(21,730)	20.8
Net property income	**87,348**	**80,711**	**8.2**
Interest Expense	(17,121) (3)	(14,811)	15.6
Other borrowing costs (4)	(628)	(699)	(10.2)
Non-property expenses (5)	(6,555)	(6,330)	3.6
Net change in fair value of collateral loan	16,730	-	nm
Net income	**79,774**	**58,871**	**35.5**
Net change in fair value of financial derivatives	(1,826)	-	nm
Total return for the period	**77,948**	**58,871**	**32.4**

Notes:
(1) Based on 92 properties as at 30 June 2010 and 89 properties as at 30 June 2009
(2) Property operating expenses increased due primarily to increased number of properties, increase in electricity charges & cessation of land rent rebate since December 2009
(3) Interest expense increased due mainly to higher interest margin on refinancing of maturing debt
(4) Other borrowing costs include amortisation of setup costs, upfront fees and maintenance costs incurred for loans, fair value adjustments on deferred payments and refundable security deposits in accordance to FRS39
(5) Non-property expenses include base management fee, trust expenses and net of interest income

DPU – 1Q FY2010/11 vs 1Q FY2009/10

(S$'000)	1Q FY2010/11 (1)	1Q FY2009/10 (1)	% inc/(dec)
Total return for the period	**77,948**	**58,871**	**32.4**
Net change in fair value of collateral loan	(16,730)	-	nm
Non tax deductible expenses	4,104	2,166	89.5
Income available for distribution (2)	**65,322**	**61,037**	**7.0**
Distributable income (2)	**63,146**	**61,037**	**3.5**
No. of units in issue (m)	1,873.1	1,684.9	11.2
Distribution Per Unit (cents)	**3.37 (3)**	**3.62**	**(6.9)**
Proforma DPU (4)	-	3.26	3.4

Notes:
(1) Based on 92 properties as at 30 June 2010 and 89 properties as at 30 June 2009
(2) Income available for distribution include interest income of S$2.2m derived from a finance lease granted to a tenant. This amount has been retained and excluded from distributable income pending IRAS approval for tax transparency treatment on this income
(3) DPU for 1Q FY2010/11 includes favorable non-recurring items of about S$4.8m (about 0.26 cents)
(4) Proforma DPU for 1Q FY2009/10 is based on number of applicable number of units as at 30 June 2010

1Q FY2010/11 vs 4Q FY2009/10

(S$'000)	1Q FY2010/11 (1)	4Q FY2009/10 (1)	% inc/(dec)
Gross revenue	113,607	103,905	9.3
Less: Property operating expenses	(26,259)	(27,132)	(3.2)
Net property income	**87,348**	**76,773**	**13.8**
Interest Expense	(17,121) (2)	(14,205)	20.5
Other borrowing costs (3)	(628)	(396)	58.6
Non-property expenses (4)	(6,555)	(14,053)	(53.4)
Net change in fair value of collateral loan	16,730	(390)	nm
Net income	**79,774**	**47,729**	**67.1**
Net change in fair value of derivatives	(1,826)	(13,170)	(86.1)
Net depreciation on revaluation of investment properties	**-**	(53,682)	(100.0)
Total return for the period	**77,948**	**(19,123)**	**507.6**

Notes:
(1) Based on 93 properties as at 31 March 2010 and 92 properties as at 30 June 2010 due to exclusion of 1 Senoko Avenue which is under redevelopment
(2) Interest expense increased due mainly to higher interest margin on refinancing of maturing debt
(3) Other borrowing costs include amortisation of setup and upfront fees and maintenance costs incurred for loans, fair value adjustments on deferred payments and refundable security deposits in accordance to FRS39
(4) Non-property expenses include base management fee, trust expenses and net of interest income. 4Q FY2009/10 included gain from early redemption of a CMBS and issuance costs incurred for the collateral loan

DPU – 1Q FY2010/11 vs 4Q FY2009/10

(S$'000)	1Q FY2010/11 (1)	4Q FY2009/10 (1)	% inc/(dec)
Total return for the period	**77,948**	**(19,123)**	**507.6**
Net change in fair value of collateral loan	(16,730)	390	nm
Non tax deductible expenses	4,104	16,115	(74.5)
Net depreciation on revaluation of investment properties	-	53,682	(100.0)
Income available for distribution (2)	**65,322**	**51,064**	**27.9**
Distributable income (2)	63,146	51,064	23.7
No. of units in issue (m)	1,873.1	1,871.2	0.1
Distribution Per Unit (cents)	**3.37** (3)	**2.73**	**23.4**

Notes:

(1) Based on 93 properties as at 31 March 2010 and 92 properties as at 30 June 2010 due to exclusion of 1 Senoko Avenue which is under redevelopment

(2) Income available for distribution include interest income of S$2.2m derived from a finance lease granted to a tenant. This amount has been retained and excluded from distributable income pending IRAS approval for tax transparency treatment on this income

(3) DPU for 1Q FY2010/11 includes favorable non-recurring items of about S$4.8m (about 0.26 cents)

Distribution Details

Stock counter	Distribution Period	Distribution per unit (cents)
Ascendasreit	**1 April 2010 to 30 June 2010**	**3.37**

Distribution Timetable

Last day of trading on "cum" basis	21 July 2010
Ex-date	22 July 2010
Books closure date	26 July 2010
Distribution payment date	**26 August 2010**

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Investment Highlight –
Phase 2, Plot 8 Changi Business Park

Development in Progress	Expected Development Cost (S$m)	Expected Completion Date
Phase 2, Plot 8 Changi Business Park – a partial built-to-suit office facility for Citibank N.A.	37.4	4Q FY2010/11

- Citibank N.A. has committed to take up 50% of this space upon completion for 6+3+3 years with annual rental escalation

Phase 2 Plot 8 Changi Business Park under construction

Artist impression of Plot 8 Changi Business Park on completion

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Strong Balance Sheet

(S$ mil)	As at 30 June 10	As at 30 June 09
Total Assets	4,874	4,599
Net assets attributable to unitholders	2,968	2,729
Aggregate Leverage (1)	1,663	1,633
	34.1%	35.5%
Net asset value per unit	**158 cents**	**162 cents**
Units in Issue (mil)	**1,873.1**	**1,684.9**

(1) Aggregate leverage includes deferred payments on purchase price of certain properties

Interest Rate Risk Management

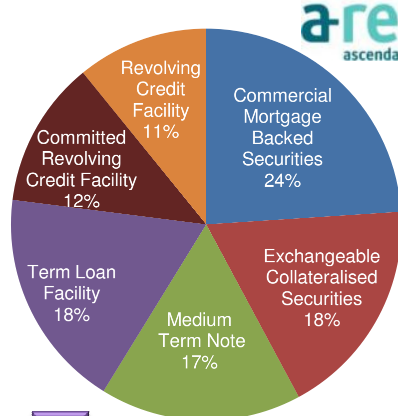
100.0% of interest rate exposure fixed for the next 2.9 years

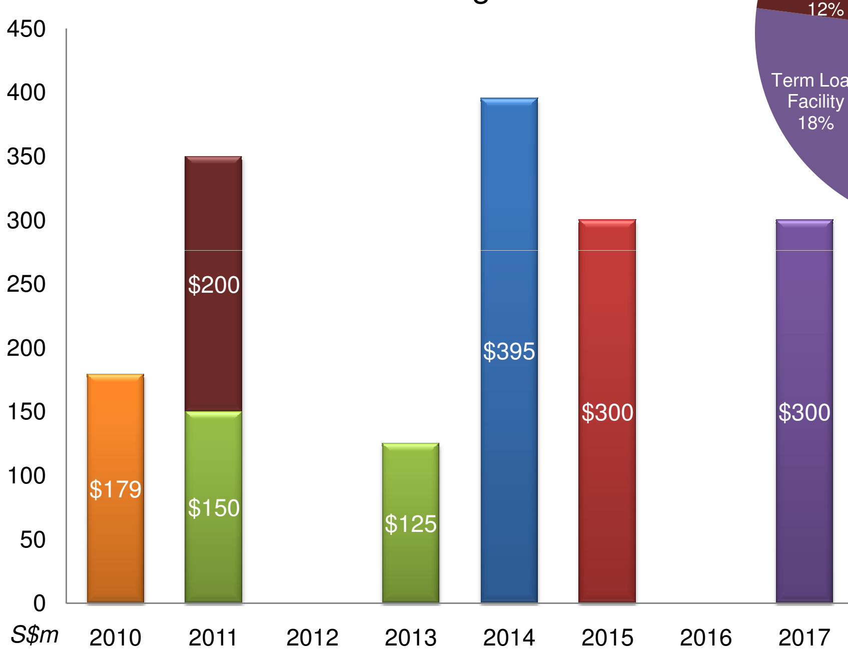
Debt Profile	30 June 10	30 June 09
Aggregate leverage	34.1%	35.5%
Total debt (1)	S$1,649m	S$1,609m
Fixed as a % of total debt	100.0%	98.2%
Weighted average all-in funding cost(2)	3.93%	3.75%
Weighted average term of debt	3.5 years	3.0 years
Weighted average term for fixed debt	2.9 years	3.1 years
Interest cover ratio	4.7 times	4.8 times

Note:
(1) Difference between Total debt and Aggregate Leverage is deferred payments of acquisition price on certain properties
(2) Including annual maintenance costs and amortisation of establishment cost of loans

Debt Management

- Balanced debt maturity profile with weighted average term of debt of 3.5 years
- Diversified sources of funding





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High Occupancy; Long Leases

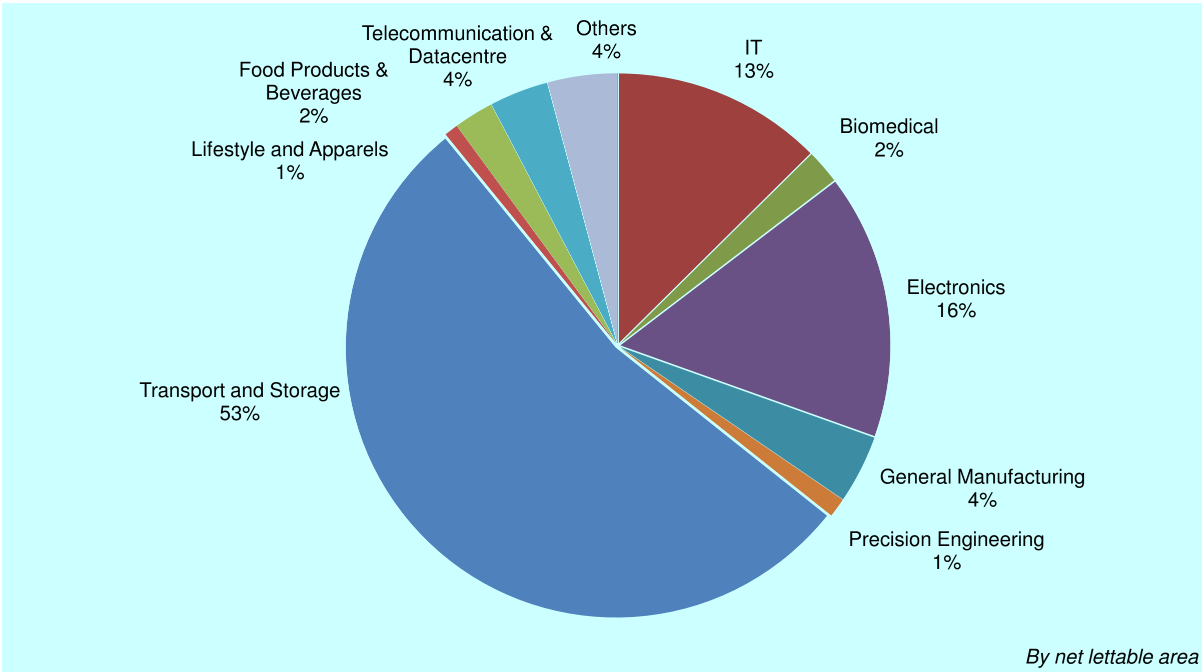
- Occupancy rate remained stable compared to previous quarter
- Total new leases grew by 2.6 times y-o-y

	As at 30 June 10	As at 30 June 09
Total Portfolio GFA (sqm)	2,386,535	2,268,585
Portfolio occupancy	95.6%	97.1%
MTB(1) occupancy	91.5%	94.0%
Total portfolio renewals/new leases (sqm)	71,538(2)	75,443(3)
Total New leases/Expansions (sqm)	29,919(2)	11,422(3)
Total Renewals (sqm)	41,619(2)	64,021(3)
Weighted Average Lease to Expiry (years)	4.9	5.0

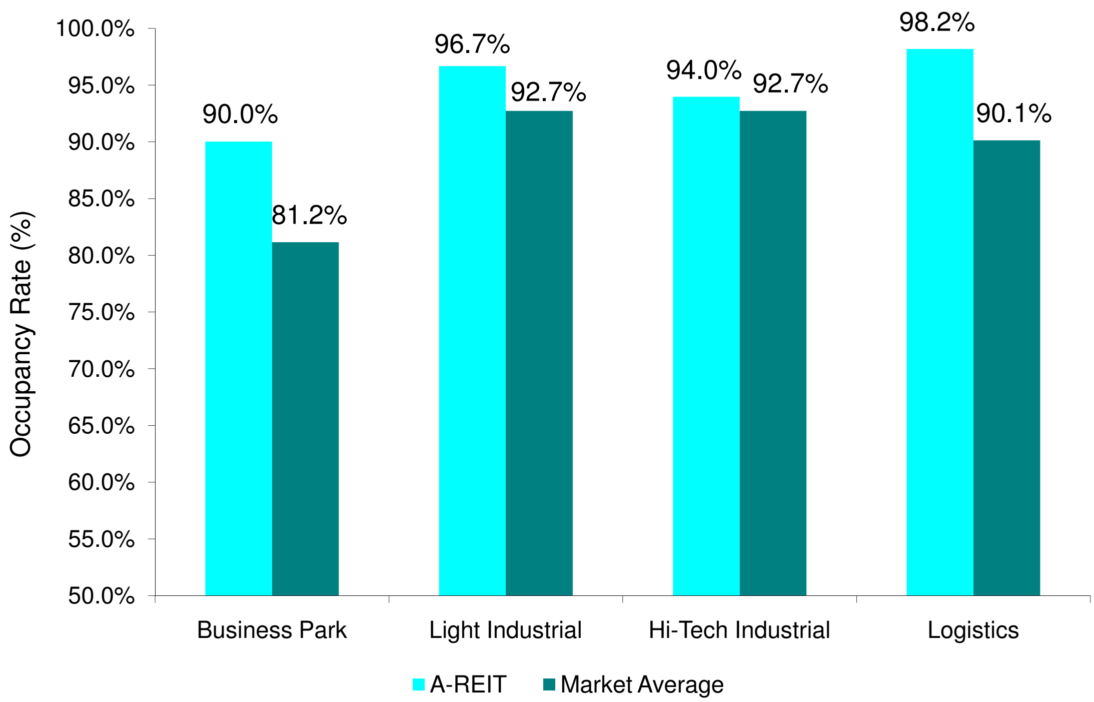
Notes :
1) MTB refers to multi-tenanted buildings which account for about 56% of portfolio value. The GFA for MTB increased from 1.1m sqm to 1.3m sqm y-o-y
2) For the three months ended 30 June 2010
3) For the three months ended 30 June 2009

1Q FY2010/11 Sources of New Demand

Continues to attract demand from new tenants in various sectors



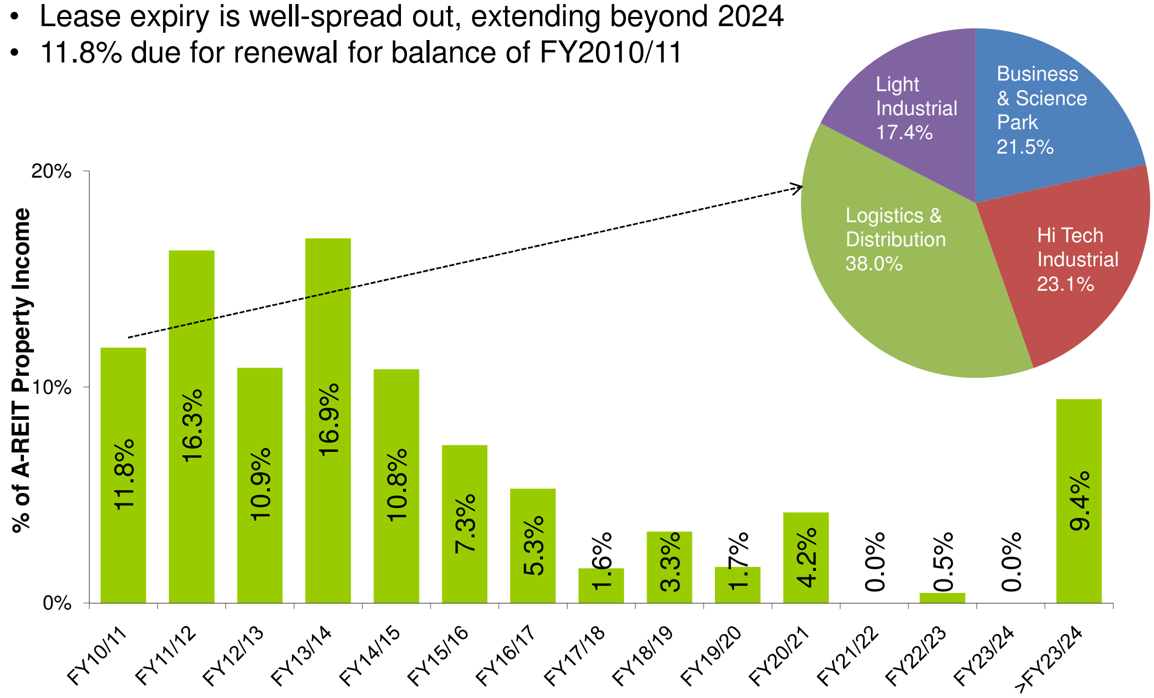
Portfolio Occupancy Rates vs Market Average



Source: URA Official Statistics as at 1Q2010
A-REIT's occupancy as at 30 June 2010

Lease Expiry Profile as at 30 June 2010

- Weighted average lease to expiry for the portfolio: 4.9 years
- Lease expiry is well-spread out, extending beyond 2024
- 11.8% due for renewal for balance of FY2010/11



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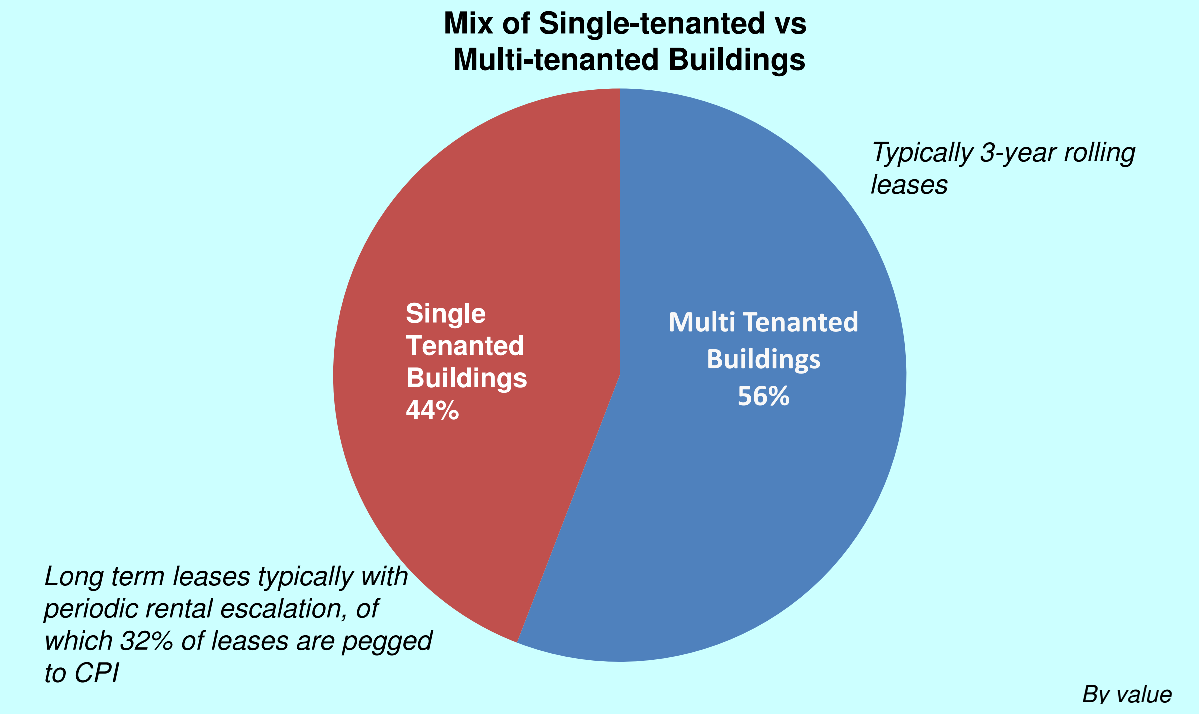
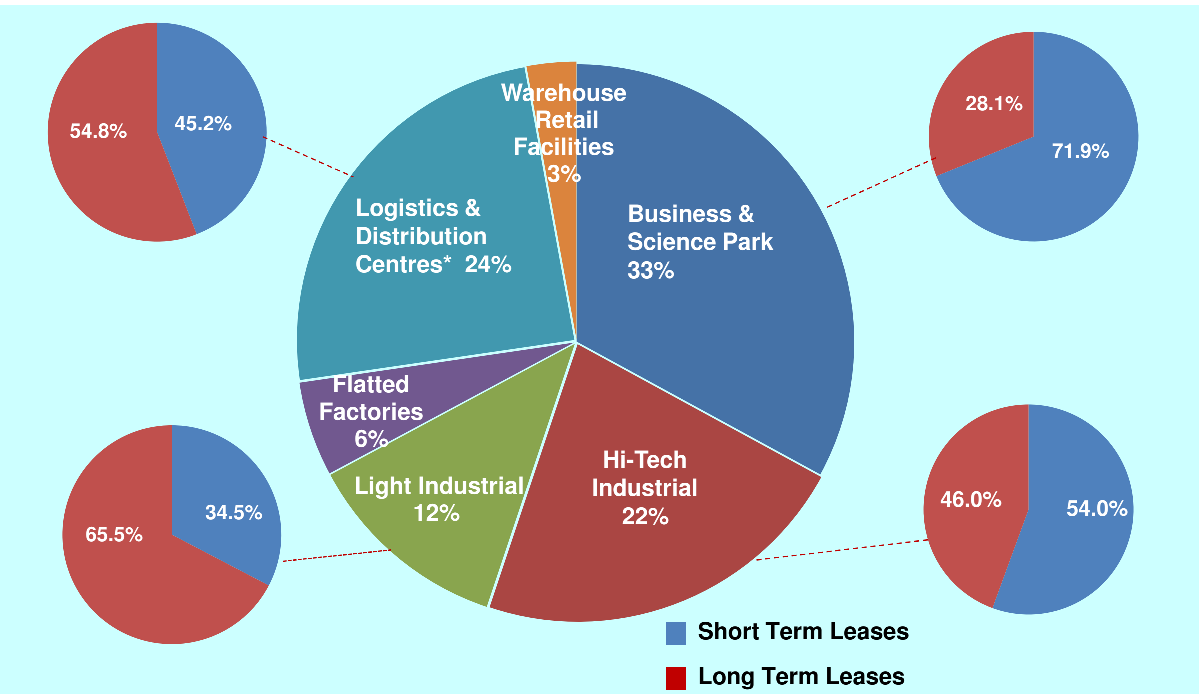
Well Diversified Portfolio
- by Lease Tenure

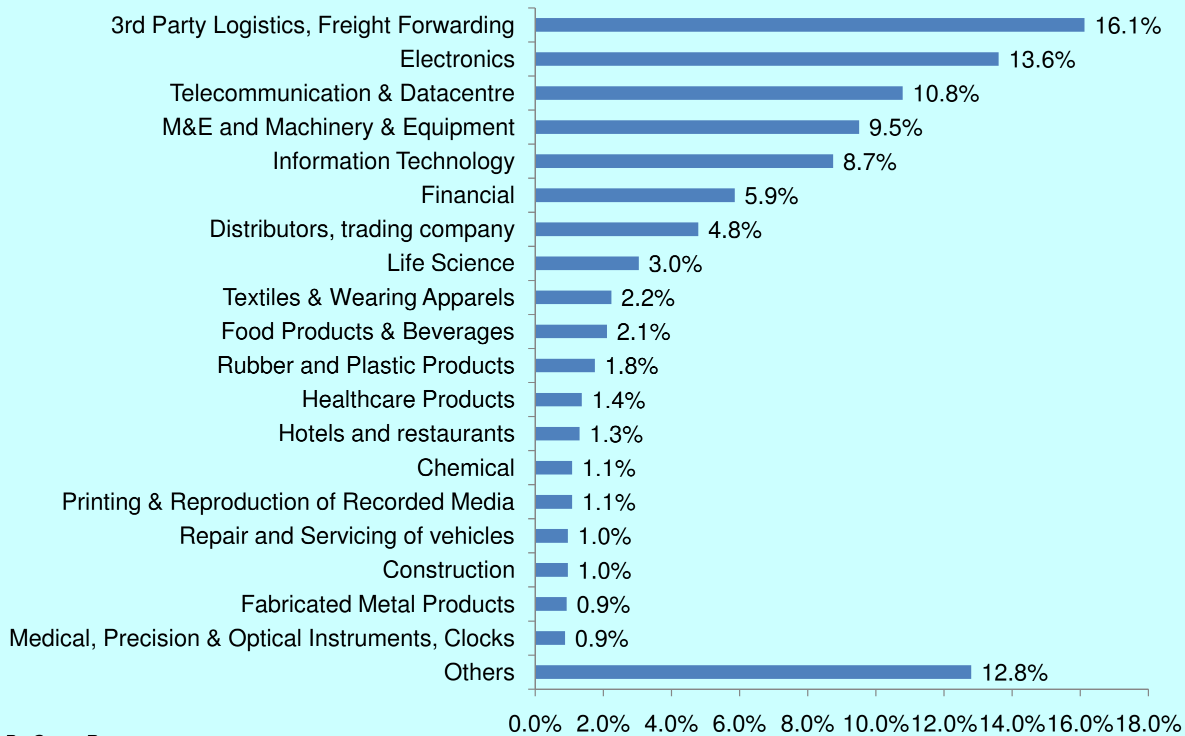


Well Diversified Portfolio
- by Asset Value



* About 62% of Logistics & Distribution Centres are single storey / multi-storey facilities with vehicular ramp access

Tenants' Industry Diversification

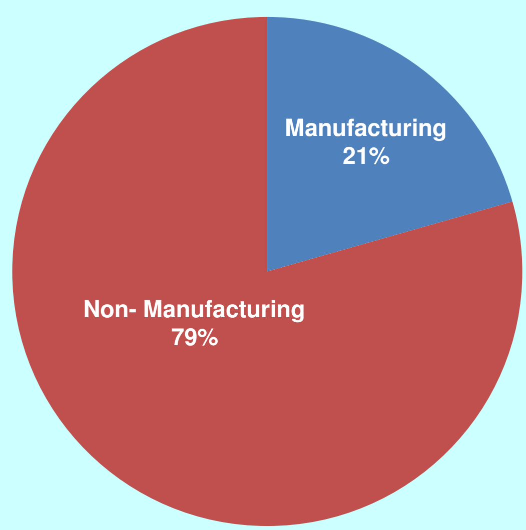


By Gross Revenue

Low exposure to conventional manufacturing

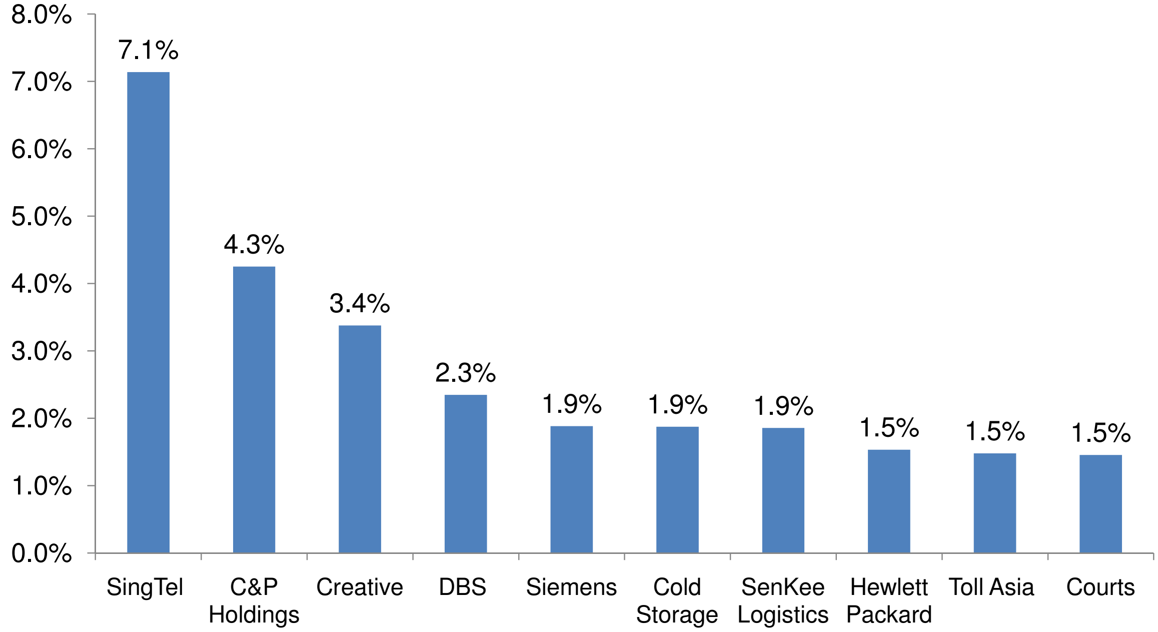
1Q FY2010/11 tenants' business activities by net lettable area

- 21% 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 about 930 tenants
- Top 10 tenants account for 27.3% of total portfolio income



Security Deposits for Single Tenanted Properties

- Weighted average security deposits for single tenanted properties range from 7 to 14 months of rental income
- On a portfolio basis, weighted average security deposit is 6 months of rental income

Property Segment	No. of single tenanted properties	Weighted average security deposit* (no. of months)
Business & Science Parks	4	14
Hi-Tech Properties	8	7
Light Industrial	22	12
Logistics & Distribution Centres	12	9
Warehouse Retail Facilities	2	11
	48	9

* Excluding cases where rental is paid upfront

MTB Occupancy & Rental Rate : NPI / DPU Sensitivity

Every 5% decline in MTB occupancy or rental rate will result in a 3.3% decline in portfolio net property income or about 0.61 cents decrease in DPU

% decline in MTB occupancy / rental rates	Expected decline in annualized MTB NPI (S$m)	Decline in portfolio NPI (%)	Impact on full FY DPU (cents)*
5%	11.4	3.3	0.61
10%	22.8	6.5	1.22
15%	34.3	9.8	1.83
20%	45.7	13.1	2.44

**Based on number of units in issue as at 30 June 2010*

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Segmental Performance

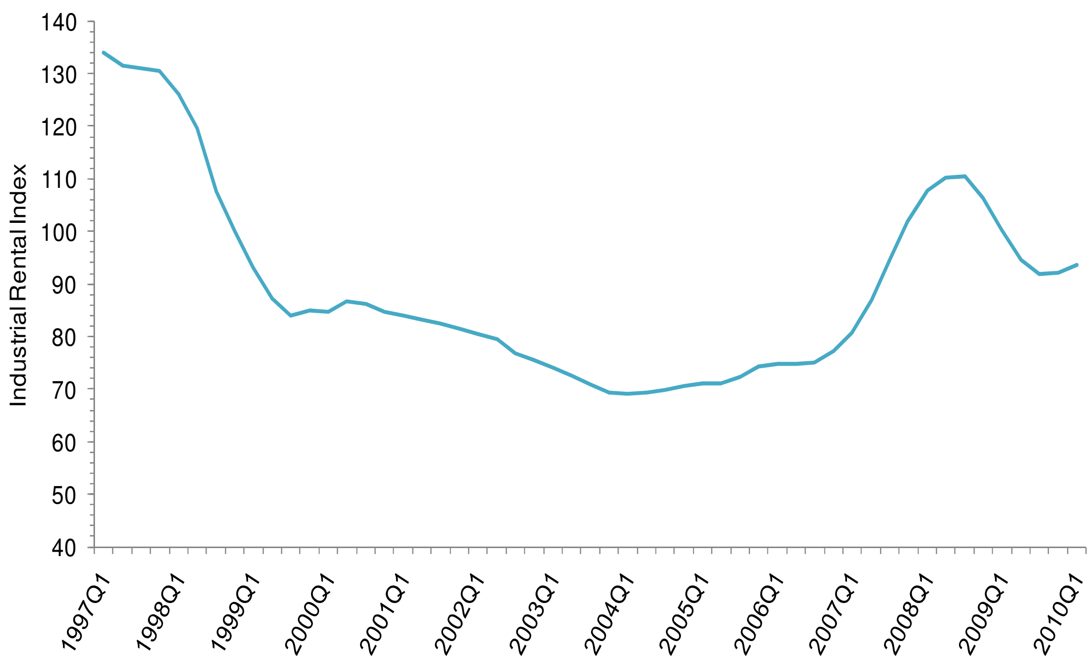
Positive rental reversion on lease renewals in Business & Science Parks and Hi-Tech Industrial segment

Multi-tenanted properties	Net lettable area (sqm)	Vacant space (sqm)	Increase / (decrease) in renewal rates(1)	Increase / (decrease) in new take up rates(2)
	As at 30 June 10			
Business & Science Park	252,495	36,864	↑ 3.4%	↓ (8.9%)(3)
Hi-Tech Industrial	203,634	21,992	↑ 3.7%	↓ (0.2%)
Light Industrial	243,246	15,932	↓ (0.1%)	↓ (6.3%)(4)
Logistics & Distribution Centres	331,176	13,247	↔ 0.0%	↑ 34.9%(5)

Notes :
(1) 1Q FY2010/11 renewal rental rates versus previously contracted rates
(2) Rental rates for new take up (including expansion by existing tenants) in 1Q FY2010/11 versus similar rates in 4Q FY2009/10
(3) New space leased in 1Q FY2010/11 were primarily in the Business Parks, compared to 4Q FY2009/10 where the new space leased were primarily in the Science Parks which commands higher unit rental rates
(4) New space leased in 1Q FY2010/11 was for a large space user where scale discount was granted
(5) New take up in 1Q FY2010/11 was for space with air-con fittings

Industrial Rental Index

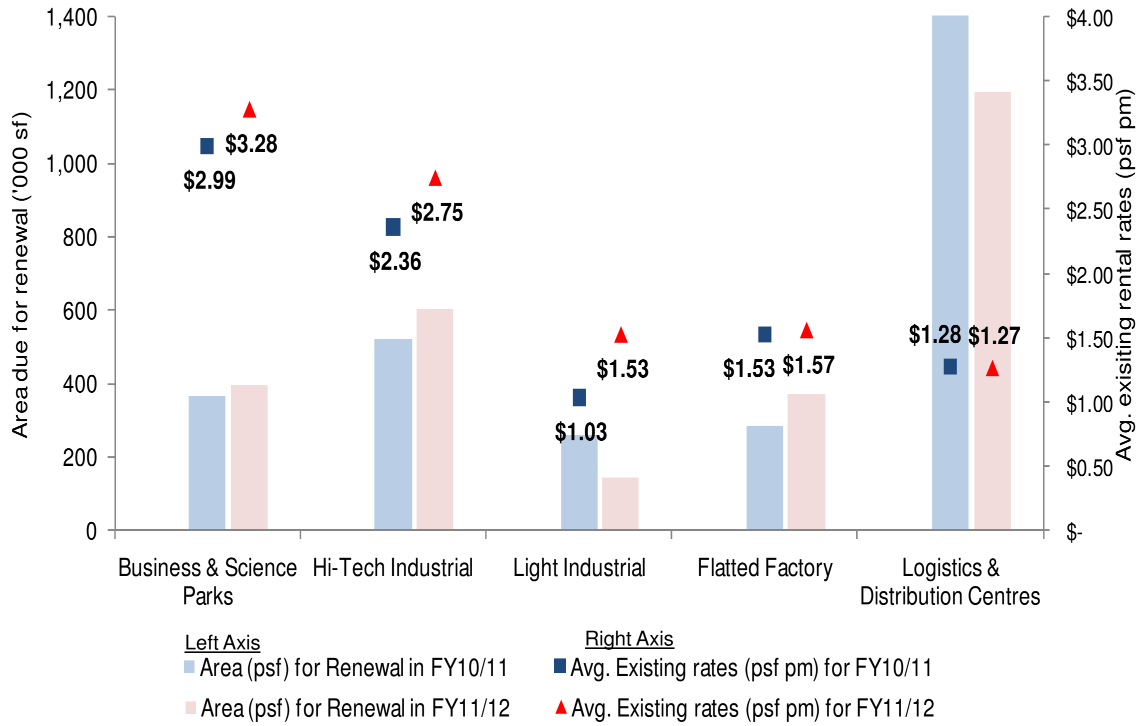
URA industrial rental index seems to be turning the corner



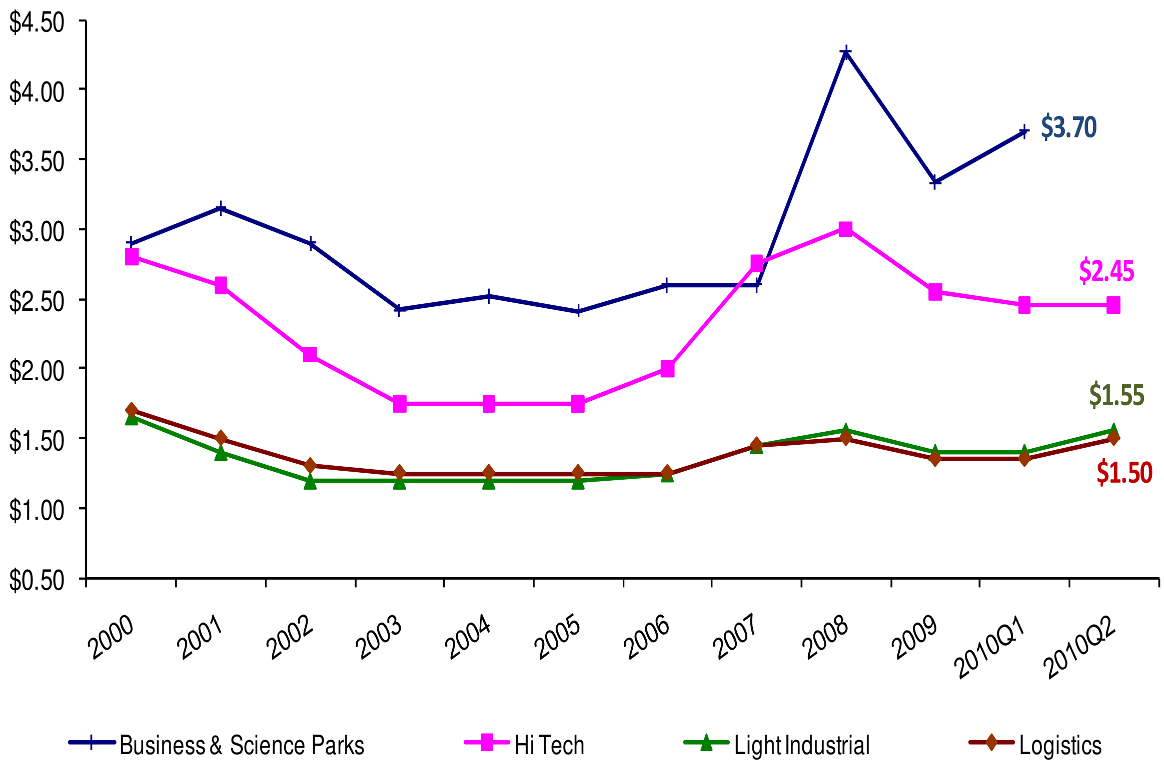
Source : URA 1Q2010 Report

In-place rent of space due for renewal

FY2010/11 & FY2011/12



Average Market Gross Rents by Segment



Source : URA 1Q2010 Report and CBRE 2Q 2010 Press release

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Market Outlook

- Ministry of Trade & Industry advance estimates indicate Singapore GDP for 2Q 2010 expanded by 19.3% y-o-y and 18.1% for 1H 2010. However, it also noted the exceptionally strong growth is not likely to be sustained into 2H 2010
- Revised Singapore's economic growth for 2010 to between 13% to 15%, from 7% to 9% on the back of better economic performance in 1H2010
- International Monetary Fund foresees slower global growth and increased downside risks amid renewed financial turbulence especially in the Euro zone
- Recovery in Singapore industrial property market with increases in both price and rental indices and a decline in vacancy rates
- Sustainability of recovery will largely be dependent on the continuation of positive business sentiments

Potential New Supply

- Current total stock of 36.98m sqm
- Potential new supply of about 2.3m sqm of industrial space expected over next three years; majority of potential supply is pre-committed

Sector ('000 sqm)	New Supply (total)	2010	2011	2012
Business & Science Park	339	182	62	95
% pre-committed (est)	48%	62%	58%	13%
Industrial (Hi-tech and Light industrial)*	1,468	637	544	287
% pre-committed (est)	80%	95%	75%	56%
Logistics & Distribution Centres	464	181	128	155
% pre-committed (est)	63%	83%	62%	40%
Total % pre-committed	**72%**			

** Excludes projects under 7,000 sqm*
Source: URA Q12010 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
  - ✓ Five 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 4.3% 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 88.2% of portfolio revenue committed and a portfolio average lease to expiry of about 4.9 years.
  - Mix of long term and short term leases provides earnings stability
    - ➢ Long term leases have a weighted average lease to expiry of about 7 years and are backed with an average of 9 months rental in security deposits
    - ➢ Long term leases have stepped rental escalation
  - Diversified portfolio capable of serving the needs of users in diverse sectors
  - No significant re-financing requirements
  - Limited exposure to fluctuations in interest rates

- **Hedge against Inflation**
  - 44% of leases are long term with periodic rental escalation, of which about 32% are CPI-pegged adjustments

A-REIT's strengths

Development capability

- Has development capability 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 80 people
- Possess in-depth understanding of this property sector

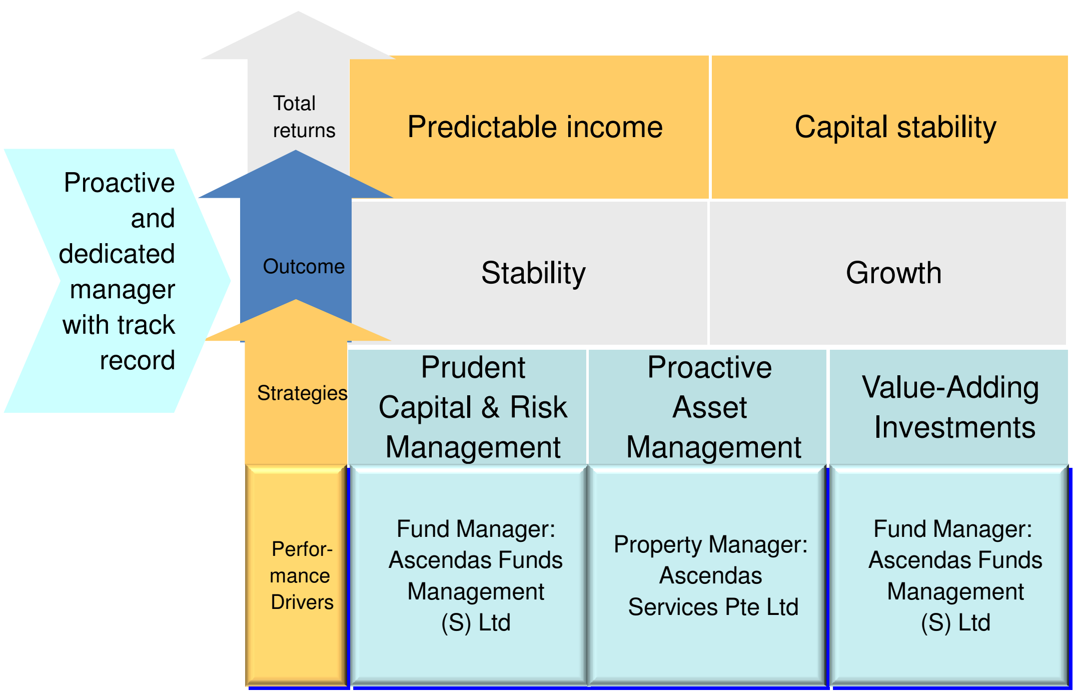
Customer focus

- About 930 tenants from international and local companies
- Track record of customers growing with us

Size advantages

- Accounts for 11.9% of S-REIT market capitalization and 6.7% of Asian ex Japan REIT sector
- Accounts for about 9.2% of S-REIT total trading volume in 1Q FY2010/11
- Included in major indices (eg. MSCI, FTSE ST Mid Cap Index)

A-REIT's strategies



Thank you