Press Release
18 April 2011

A-REIT's Amount Available for Distribution grew by 5.6% y-o-y

Highlights:

1. FY10/11 amount available for distribution increased by 5.6% y-o-y to S$248.0 million

2. Achieved a net revaluation gain of about S$344.8 million. Consequently, A-REIT's total assets stand at S$5.4 billion as at 31 March 2011

3. Proactive Capital Management
   - Raised new equity of about S$393.3 million (net proceeds) to fund committed investments and to provide A-REIT with greater financial flexibility to take advantage of growth opportunities
   - Further diversified sources of debt funding through the issuance of ¥9.6 billion 7-year notes due 2018 which has been swapped into S$148.4 million on a floating rate basis

4. Committed investment volume of S$376.1 million in FY10/11
   - Completed acquisition of Neuros & Immunos, a Science Park property at Biopolis, for S$125.6 million
   - Embarked on three asset enhancement projects and A-REIT's 11th development project (a built-to-suit logistics facility), worth a total of S$132.9 million
   - Forayed into Shanghai, China with the forward purchase of a Business Park property for approximately S$117.6 million

5. Strong Portfolio Performance
   - Portfolio occupancy at 96.0% as at 31 March 2011. A-REIT's multi-tenanted properties are 92.1% occupied
   - Positive rental reversion of between 2.1% and 6.7% across Business & Science Parks, Hi-Tech Industrial and Logistics sector
   - 17.2% improvement in new take-up rental rates for Science & Business Park versus a year ago, reflecting the optimistic mood of the economy

Summary of A-REIT Results (For the financial year ended 31 March)

	FY10/11	FY09/10	Variance (%)
Gross Revenue (S$ million)	447.6	413.7	8.2
Net Property Income (S$ million)	339.4	320.0	6.1
Total amount available for distribution (S$ million) comprising of:	248.0	234.9	5.6
- From operations	243.2	234.9	3.5
- From capital[1]	4.8	-	-

DPU for the FY (cents) (2)	13.23	13.10	1.0
		12.53(3)	5.6

1. *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 for the financial year ended 31 March 2011. Such distribution is not taxable in the hands of all Unitholders, save for Unitholders who are holding the Units as trading assets.*
2. *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 is computed based on total applicable number of units as at 31 March 2011*
3. *The Proforma DPU for FY09/10 has been calculated using total amount available for distribution for the financial year ended 31 March 2010 and the applicable number of units as at 31 March 2011 which included units issued pursuant to the placement in August 2009, units issued in lieu of the 20% base management fee in December 2009, June 2010 and December 2010 and units issued for payment of acquisition fee in June 2010*

18 April 2011, 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 end the financial year with a year-on-year growth of 5.6% in A-REIT's total amount available for distribution.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "We are pleased to conclude FY10/11 with a distribution per unit of 13.23 cents, which translate to a trading yield of about 6.5%[1]. Gross revenue increased by 8.2% to S$447.6 million contributed mainly by new investments and increase in occupancy rates. However, the increase was partly offset by higher operating expenses arising from the increase in utilities cost as well as cessation of land rent and property tax rebates granted by the Singapore Government in 2009. Consequently, net property income grew by a smaller extent of 6.1% to S$339.4 million.

During the financial year, the Manager commenced three asset enhancement projects to maximize plot ratio and/or enhance the attractiveness and marketability of the properties. Leveraging on the Manager's development capability, the Manager commenced construction of A-REIT's 11th development project, a built-to-suit logistics facility in the eastern part of Singapore. In December 2010, the Manager completed the development of 5 Changi Business Park Crescent (a built-to-suit business park facility for Citibank N.A.) which registered a revaluation gain of about 136.5% (or about S$47.5 million) as at 31 March 2011. This is a testament to the Manager's ability to deliver value to unitholders through its development capabilities."

[1] Based on A-REIT's closing price of S$2.04 on 30 March 2011, being the last trading day of the financial year.

Investment Management

In FY10/11, the Manager committed a total of S$376.1 million in new investment. This includes the acquisition of Neuros & Immunos for S$125.6 million, the forward purchase of a Business Park property in Shanghai, China for approximately S$117.6 million as well as development and asset enhancement projects totaling S$132.9 million.

Details of committed investments as follows:

1) Development of a built-to-suit logistics facility

   Located in the eastern part of Singapore, the development will be a part 1-storey, part 2-storey air cargo express logistics facility to be located next to the Airport Logistics Park of Singapore (ALPS). With an estimated development cost of S$35.9 million, the entire facility has been pre-committed to a multi-national company for an initial tenure of 10 years with annual rental escalation and an option to renew for another two terms of five years each. Completion is expected in 4QFY11/12.

2) Asset enhancement through the redevelopment of 1 Senoko Avenue (FoodAxis @ Senoko)

   Located within the designated food zone in the north of Singapore and easily accessible by major expressways, the redevelopment will create an additional gross floor area of 34,519 sqm with the maximization of plot ratio from 0.6 times to 2.5 times. Estimated to cost about S$59.0 million, the facility, when completed in 4Q FY11/12, will be positioned as a food hub for the food & beverages industry to address the relative shortage of suitable food processing space in Singapore.

3) Asset Enhancement for Techview

   To enhance the attractiveness and value of the property, the Manager has commenced work on the reconfiguration of selected floors through the creation of an internal courtyard on the upper levels of the building. When the planned Downtown Line (DTL3) MRT station is ready by 2017, Techview will have a station exit within its compound. This asset enhancement initiative has an estimated cost of S$4.3 million and is expected to be completed in 1QFY11/12.

4) Asset Enhancement for 10 Toh Guan Road

   The Manager has obtained the necessary regulatory approvals for the asset enhancement works to reposition the building for higher value usage. The asset enhancement work comprises the removal of the existing Automated Service &

Recovery System to create more parking space and the enhancement of its exterior façade to reflect its repositioned image. At an expected cost of S$33.7 million, this exercise will be undertaken over two phases and completion of phase I is expected in 4Q FY11/12 and phase II in 2QFY12/13.

5) Forward purchase of a Business Space property

At a total purchase consideration of approximately S$117.6 million, the property is sited at No. 200 Jinsu Road, JEPZ, Pudong New District, Shanghai, China, with a land area of 31,952 sqm and expected gross floor area of approximately 79,880 sqm. Based on market studies and local government statistics, demand for business space within the JEPZ has been strong. The Manager intends to market the property through its network of existing tenants as well as leveraging on Ascendas' operating platform in China. To mitigate leasing risk, the vendor of the property will provide a RMB67.6 million (approximately S$13.5 million) rental guarantee to A-REIT upon completion of the transaction, which is expected in 2HFY12/13.

In the financial year, the final phase of Plot 8 at Changi Business Park (5 Changi Business Park Crescent) was completed. 5 Changi Business Park Crescent is 100% pre-committed to Citibank N.A. for a period of six years with annual rental escalation and options to renew for another two terms of three years each. The lease has commenced progressively from February 2011. This property has been valued by Jones Lang LaSalle at S$82.3 million as at 31 March 2011, representing a revaluation gain of about S$47.5 million (136.5%) over its development cost of S$34.8 million.

5 Changi Business Park Crescent is part of a three-phase development comprising two office blocks (Phase I and II) and an office cum amenities block (Plaza8@CBP) in Changi Business Park that A-REIT embarked on in FY07/08. A-REIT commenced on this 74,659 sqm development with an initial pre-commitment of 75% of space for Phase I and 50% of space for Phase II by Citibank N.A. Phase I and II were fully taken up by Citibank N.A. when completed. In addition, to cater to the growing working population in Changi Business Park and the surrounding area, the Manager developed Plaza8@CBP, a business space and amenities building. Some tenants in this block include IBM Global Services Pte. Ltd, Infosys Technologies Limited, Optimum Solutions (Singapore) Pte Ltd as well as Reed Elsevier (Singapore) Pte Ltd. With this, the three-phase development of Plot 8 Changi Business Park is now fully completed and had achieved a total revaluation gain of about S$94.4 million (or about 47%) over the total development cost of $200.9 million.

The Manager will continue with its disciplined investment approach to evaluate potential investment opportunities. It will continue to seek investments with good fundamentals and potential asset enhancement opportunities to complement its existing portfolio and to further enhance its footprint in the business space and industrial property arena. For investments in China, the Manager will initially focus on major tier one cities such as Shanghai and in the segments of business & science parks, logistics and distribution centres as well as warehouse retail facilities. A-REIT's portfolio will remain predominantly Singapore-based assets in the foreseeable future.

A Well Diversified and Resilient Portfolio

As at 31 March 2011, A-REIT has a diversified portfolio comprising 93 properties in Singapore with a total asset value of about S$5.4 billion in the following segments: Business & Science Parks, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities. The portfolio has a good mix of long and short term leases (43% and 57% by portfolio value respectively) and a weighted lease term to expiry of about 4.7 years.

Long term leases are the results of sale-and-leaseback or built-to-suit transactions. About 33% of such leases have rental escalation pegged to CPI with a fixed rate floor. The remaining long term leases have incorporated fixed periodic rental escalation of varying percentages. Long term leases, with weighted average lease-to-expiry of about 7.3 years, provide stability and predictability in earnings while the short term leases (typically of 3 years duration) generate potential positive rental reversion during the upturn of the economic cycle.

In FY10/11, A-REIT's portfolio achieved a positive rental reversion of between 2.1% to 6.7% for its Business & Science Parks, Hi-Tech Industrial as well as Logistics and Distribution Centres segments, as the in-place rental rates were lower than the prevailing spot rates. For new demand, the Business & Science Parks segment achieved a respectable 17.2% increase in new take-up rental rate versus the prior financial year, reflecting the improving property market arising from a recovering economy.

Occupancy rate of the portfolio improved to 96.0% from 95.7% a year ago while the occupancy for the multi-tenanted properties increased to 92.1% compared to 91.2% in the prior year due to the increase of total new leases by 45.8% year-on-year to 127,810 sqm.

With a tenant base of about 980 local and international companies across an array of industries including research and development, life sciences, information technology, engineering, lifestyle and services, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries, the top 10 tenants only account for 27.5% of A-REIT's gross revenue. No single property or tenant accounts for more than 4.5% or 7.1% of A-REIT's monthly gross revenue respectively.

Proactive Capital Management

The Manager continues to adopt a proactive approach to capital and risk management. In February 2011, the Manager further diversified A-REIT's sources of debt funding through the issuance of ¥9.6 billion 7-year notes due 2018 to refinance a S$150 million medium term note due in April 2011. To eliminate the foreign currency risk arising from this issuance, the Japanese Yen-denominated notes were immediately swapped into S$148.4 million on a floating rate basis. A-REIT's weighted debt tenure is about 3.2 years.

The Manager is in the process of documentation to rollover the S$200 million committed revolving credit facility due in November 2011 for a further five years. With this, A-REIT would not have any major debts due until 2013 and there is not more than S$400 million due for refinancing in any one year.

As at 31 March 2011, A-REIT's aggregate leverage was 35.2% with a weighted average borrowing cost of 3.46% compared to 3.94% a year ago, reflecting the low interest rate environment. 71.3% of A-REIT's debt is hedged into fixed rate for the next 3.2 years.

The Manager raised new equity of approximately S$393.3 million on 31 March 2011 to fund A-REIT's committed investments of S$376.1 million, with the balance for general working capital. The issue price of S$1.94 per unit represents a 10.5% premium to A-REIT's net asset value of S$1.756 per unit as at 31 March 2011. The exercise saw strong participation from 77 new and existing institutional investors from Asia, Australia, Europe and the United States and was 2.55 times oversubscribed. Post the funding of the acquisition of Neuros & Immunos and the deployment of net proceeds for their intended use, aggregate leverage is expected to decline to 31.1%. With this, A-REIT will have a debt headroom of about S$839 million to reach aggregate leverage of 40% which would allow it to capitalize on potential growth opportunities.

Outlook for FY11/12

External Environment

The early indicators of industrial production and exports indicate that economic growth in Singapore is continuing at a healthy pace while in advanced economies recovery is also gaining ground. According to the preliminary assessment by MTI, the March 11 earthquake and tsunami in Japan and the conflicts in the Middle East and North Africa are not expected to have a significant impact on Singapore's economy. Barring any further deterioration in events in Japan and the Middle East and North Africa, Singapore's economic outlook remains positive.

A-REIT's Portfolio

The Manager remains committed to pursue quality and sustainable yield accretive investments. With a strong balance sheet, A-REIT is well placed to take advantage of potential growth opportunities.

A-REIT's portfolio has a good mix of long and short term leases (47% versus 53%) with a weighted average lease to expiry of about 4.7 years. Long term leases typically have periodic rental escalation, and 33% of such leases have CPI-pegged adjustments. This provides for stability and sustainability in earnings. For FY11/12, 14.4% of revenue is due for renewal and the majority of these leases due for renewal are at passing rents which are below current market rents. In addition, post the new equity raised of about S$393 million in March 2011, A-REIT has greater financial flexibility to take advantage of growth opportunities in the coming year.

- 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 93 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with total assets of about S$5.4 billion. These properties house a tenant base of about 980 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, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Freight Links Express, 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 premier provider of business space solutions with a significant presence in the region. Ascendas develops, manages and markets IT Parks, industrial parks (manufacturing, logistics and distribution centres), business parks, science parks, hi-tech facilities, office and retail space. Among its flagships are the Singapore Science Park, International Tech Park Bangalore, Ascendas-Xinsu in Suzhou and Dalian-Ascendas IT Park. More than 1,800 of the world’s leading companies, many in the Fortune 500 list, have made Ascendas properties their preferred address in Asia.

Ascendas is also a leading real estate fund management player focused on the management of public-listed property trusts and private real estate funds, investing in a diverse range of industrial and commercial real estate properties across Asia. Listed on the main board of Singapore Exchange Securities Trading Limited are Ascendas Real Estate Investment Trust (A-REIT), Singapore’s first business space trust, and Ascendas India Trust (a-iTrust), Asia and Singapore’s first Indian property trust. The Ascendas Group also manages a range of private real estate funds which invest in business space in India, China, South Korea and ASEAN. All the funds are supported by Ascendas’ strong fund management and real estate expertise, and are testament to its commitment to each of its markets.

For enquiries, please contact:

Media

Sabrina Tay
IR & Corporate Communications
Ascendas Funds Management (S) Ltd
Tel : +65 6508 8840
Mobile : +65 9833 5833
Email: sabrina.tay@ascendas-fms.com

Analysts & Investors

Tan Shu Lin (Ms)
Head, Capital Markets
Ascendas Funds Management (S) Ltd
Tel: +65 6508 8822
Mobile: +65 9683 1500
Email: shulin.tan@ascendas-fms.com

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