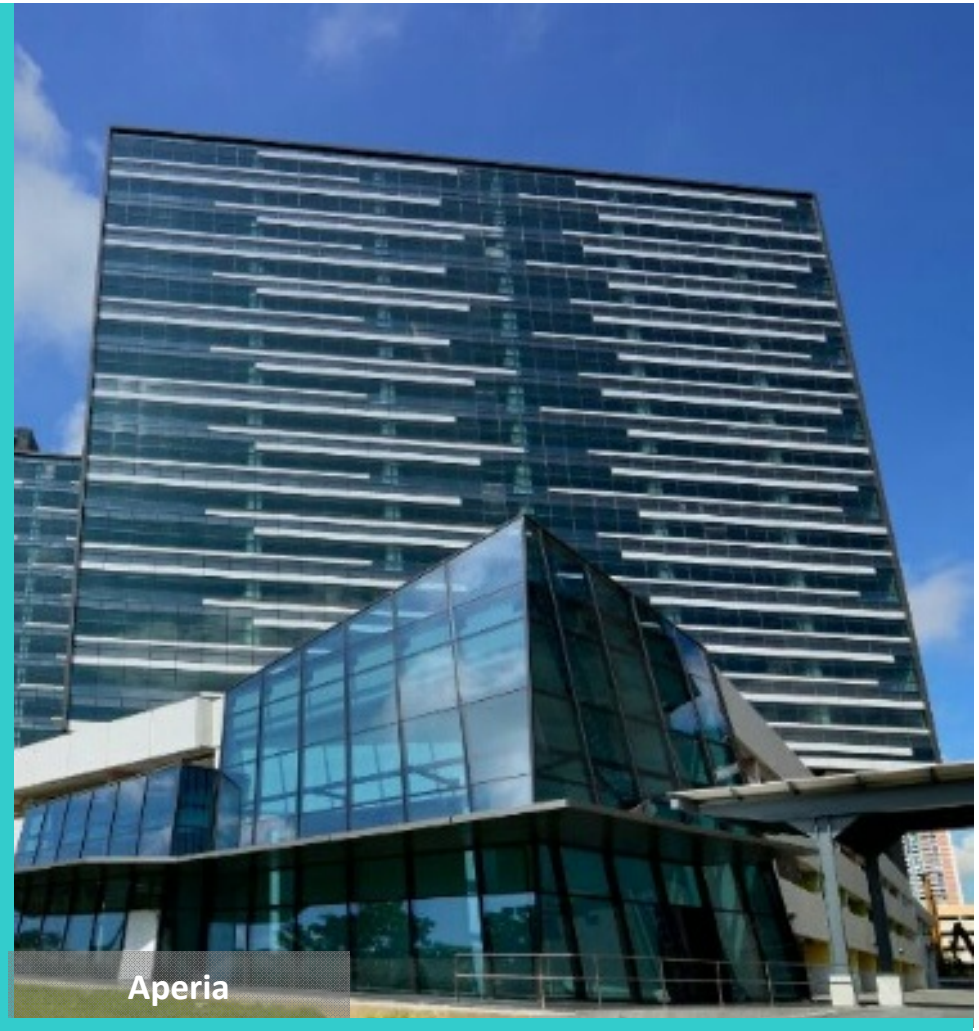




Australian Logistics Portfolio



Aperia



The Kendall

**2Q FY15/16**

**Financial Results Presentation**

**22 October 2015**



A-REIT is managed by Ascendas Funds Management (S) Ltd, a member of **Ascendas-Singbridge Group**

# Disclaimers

**This material shall be read in conjunction with A-REIT's financial statements for the financial quarter ended 30 September 2015.**

This presentation may contain forward-looking statements that involve assumptions, 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 A-REIT's 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.

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.

Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

# Agenda

## Key Highlights for 2Q FY15/16

Financial Performance

Investment Management

Capital Management

Asset Management

*Portfolio Update*

*Portfolio Resilience*

Market Outlook

# Key Highlights for 2Q FY15/16

- Total amount available for distribution rose by 14.0% y-o-y to S\$100.2m
- DPU grew 13.7% y-o-y to 4.160 cents from 3.660 cents in 2Q FY14/15
- Key performance drivers were:
  - Contributions from new properties: Aperia and The Kendall
  - Contributions from completed asset enhancement initiatives, e.g. DBS Asia Hub Phase 2
  - Positive rental reversion of 9.1% achieved over preceding contracted rental rates
  - Higher portfolio occupancy of 89.0% (from 88.8% a quarter ago) from the leasing up of vacant space in existing properties

# Key Highlights for 2Q FY15/16

## ■ Investment highlights

- Proposed acquisition of a portfolio of 26 freehold logistics properties in Australia for S\$1,013m (A\$1,013m)
  - Acquisition is expected to complete in 4Q 2015.
- Divested BBR Building for S\$13.9m in September 2015
- Completed two asset enhancement works at Techlink & Techview and Honeywell building for S\$30.4m

## ■ Proactive Capital Management

- Healthy aggregate leverage of 34.6% with debt maturity of 3.6 years as at 30 Sep 2015
- 72.1% of borrowings is hedged for an average term of 3.4 years

# Agenda

Key Highlights for 2Q FY15/16

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# 2Q FY15/16 vs 2Q FY14/15

(S\$'000)	2Q FY15/16 <sup>(1)</sup>	2Q FY14/15 <sup>(1)</sup>	% fav/ (unfav)
Gross revenue <sup>(2)</sup>	182,625	164,781	 10.8
Net property Income <sup>(2)</sup>	123,803	114,667	 8.0
Total amount available for distribution	100,159	87,846	 14.0
DPU (cents) <sup>(3)</sup>	4.160	3.660	 13.7
<i>Recurrent amount available for distribution</i>	<i>93,634</i>	<i>87,846</i>	 <i>6.6</i>
<i>Recurrent DPU (cents)<sup>(4)</sup></i>	<i>3.889</i>	<i>3.660</i>	 <i>6.3</i>

- (1) 104 properties as at 30 September 2015 and 106 properties as at 30 September 2014, including 1 property which is classified under finance lease as at both reporting dates.
- (2) Higher revenue and NPI mainly due to contributions from (i) the acquisition of Aperia and The Kendall, (ii) completed asset enhancement initiatives, (iii) positive rental reversion on renewals and (iv) increased occupancy at certain properties.
- (3) Includes taxable (2Q FY15/16: 4.095 cents, 2Q FY14/15: 3.550 cents), tax exempt (2Q FY15/16: 0.046 cents, 2Q FY14/15: 0.080 cents) and capital (2Q FY15/16: 0.019 cents, 2Q FY14/15: 0.030 cents) distributions.
- (4) Adjusted for a one-off distribution of taxable income from operations of S\$6.5 million (DPU impact of 0.271 cents) for 2Q FY15/16 in relation to a rollover adjustment from prior years arising from a ruling by IRAS on the non-deductibility of certain upfront financing fees incurred in FY09/10 for certain credit facilities.



## 2Q FY15/16 vs 1Q FY15/16

(S\$'000)	2Q FY15/16 <sup>(1)</sup>	1Q FY15/16 <sup>(1)</sup>	% fav/ (unfav)
Gross revenue <sup>(2)</sup>	182,625	180,507	 1.2
Net property Income <sup>(2)</sup>	123,803	124,265	 0.4
Total amount available for distribution	100,159	92,486	 8.3
DPU (cents) <sup>(3)</sup>	4.160	3.841	 8.3
<i>Recurrent amount available for distribution<sup>(4)</sup></i>	<i>93,634</i>	<i>92,486</i>	 <i>1.2</i>
<i>Recurrent DPU (cents)<sup>(4)</sup></i>	<i>3.889</i>	<i>3.841</i>	 <i>1.2</i>

(1) 104 properties as at 30 September 2015 and 105 properties as at 30 June 2015, including 1 property which is classified under finance lease as at both reporting dates.

(2) Higher revenue mainly due to (i) positive rental reversion on renewals, (ii) higher occupancy rates at Aperia and across several logistics properties due to new leases and (iii) leasing up of properties which underwent conversion from a single-lease building to a multi-tenants building during FY14/15. NPI however declined marginally as the higher gross revenue was offset by higher property operating expenses arising from the additional accruals for property tax for Aperia due to an upward adjustment of the annual value of the property from October 2014 and higher electricity consumption, with majority of the costs being recoverable from the tenants.

(3) Includes taxable (2Q FY15/16: 4.095 cents, 1Q FY15/16: 3.777 cents), tax exempt (2Q FY15/16: 0.046 cents, 1Q FY15/16: 0.046 cents) and capital (2Q FY15/16: 0.019 cents, 1Q FY15/16: 0.018 cents) distributions.

(4) Adjusted for a one-off distribution of taxable income from operations of S\$6.5 million (DPU impact of 0.271 cents) for 2Q FY15/16 in relation to a rollover adjustment from prior years arising from a ruling by IRAS on the non-deductibility of certain upfront financing fees incurred in FY09/10 for certain credit facilities.



# Distribution Details

Stock Counter	Distribution Period	Distribution per Unit (cents)
Ascendas REIT	1 April 2015 to 30 September 2015	8.001

Distribution Type	Taxable	Tax-exempt	Capital
Breakdown of DPU (cents)	7.872 <sup>(1)</sup>	0.092	0.037

(1) Included in taxable distribution was a one-off distribution of 0.271 cents in relation to a rollover adjustment from prior years arising from a ruling by IRAS on the non-deductibility of certain upfront financing fees incurred in FY10/11 for certain credit facilities.

## Distribution Timetable

Last day of trading on “cum” basis	27 October 2015 (Tuesday)
Ex-date	28 October 2015 (Wednesday)
Books closure date	30 October 2015 (Friday)
Distribution payment date	27 November 2015 (Friday)

Note: Distribution is made semi-annually with effect from FY14/15

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# Investment Highlights in 2Q FY15/16

	Value (S\$m)	Completed
<b>Acquisition</b>		
Australian logistics portfolio	1,013.0	Expected in 4Q 2015
<b>Asset Enhancements Completed</b>		
Techlink & Techview	26.2	Jul-15
Honeywell Building	4.2	Sep-15
<b>Divestment</b>		
BBR Building	13.9	Sep-15

- Proposed acquisition of a portfolio of 26 freehold logistics properties in Australia for S\$1,013m (A\$1,013m), establishing A-REIT as the 8<sup>th</sup> largest industrial landlord in Australia;
- Completed enhancement works at Techlink, Techview and Honeywell Building for S\$30.4m
- Recycled capital through divestment of BBR Building for S\$13.9m in September 2015, achieving capital gains of S\$6.8m over original cost

# Proposed acquisition in 2Q FY15/16

<b>A-REIT Purchase Consideration</b>	A\$1,013m (S\$1,013m)
<b>Acquisition Fee to Manager</b>	A\$10.13m (S\$10.13m) to be paid in units
<b>Other Transaction Costs</b>	A\$54.7m (S\$54.7m) includes stamp duty, professional advisory fees etc.
<b>Total Acquisition Cost</b>	A\$1,077.8m (S\$1,077.8m)
<b>Vendors</b>	Real estate arm of GIC & Frasers Property Australia Pty Limited
<b>Land Tenure</b>	Freehold
<b>Total Gross Floor Area ("GFA")</b>	630,946 sqm
<b>Weighted Average Lease Expiry ("WALE")</b>	5.9 years (as at 30 Sep 2015)
<b>Occupancy Rate</b>	94.4%
<b>Average Building Age</b>	Approx. 6.4 years
<b>Expected Total Net Property Income</b>	Approx. A\$64.5m (S\$64.5m)



- Proposed acquisition of 26 modern logistics properties located in key cities: Sydney, Melbourne, Brisbane and Perth
- GFA 630,946 sqm ranks A-REIT as 8<sup>th</sup> largest industrial landlord in Australia
- Healthy occupancy (94.4%); Long WALE (5.9 years); Triple net leases

Note: Based on exchange rate of A\$1.00 = S\$1.00

# Acquisition Portfolio – 26 Logistics Properties

## Sydney (198,129 sqm)

1. 1A & 1B Raffles Glade (Ceva, QLS)
2. 7 Grevillea Street (Kmart)
3. 5 Eucalyptus Pace (CH2)
4. Lot 4 Honeycomb Drive (Officemax)
5. 1-15 Kellet Close (Strandbags / BevChain)
6. 94 Lenore Drive (DB Schenker)
7. 484-490 Great Western Highway (Agility/Ingram)
8. 494-500 Great Western Highway (Linfox)
9. 1 Distribution Place, Seven Hills (Sigma)

## Brisbane (155,966 sqm)

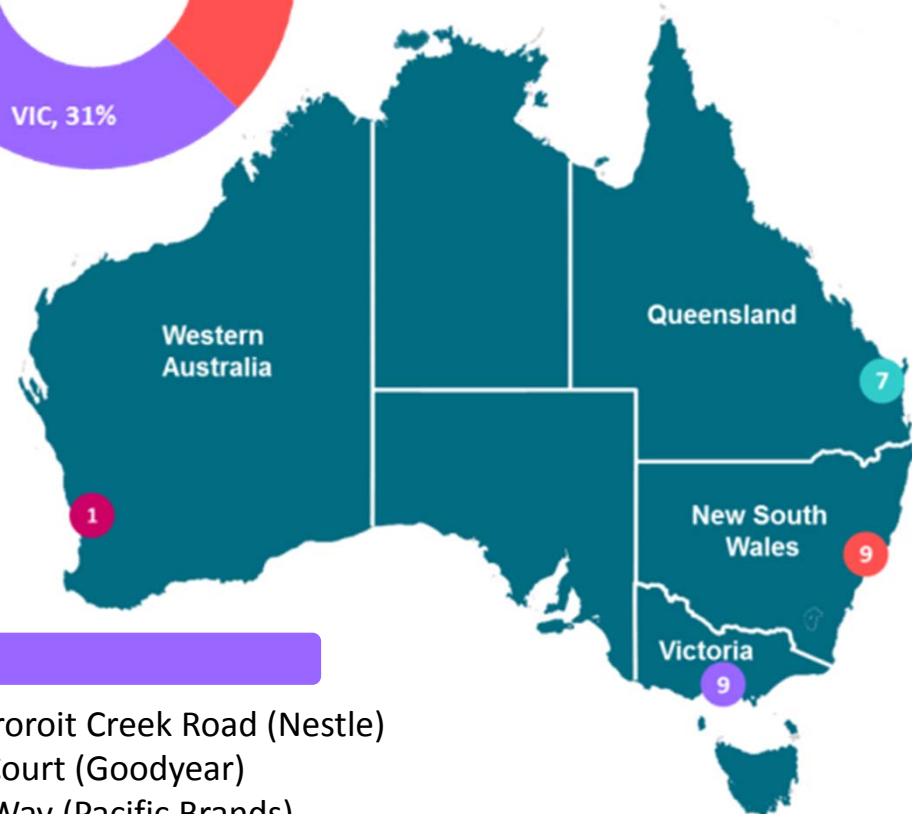
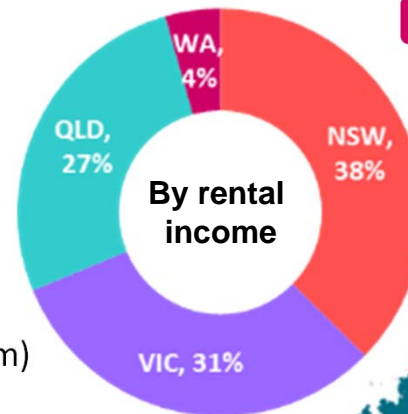
10. 62 Sandstone Place (Fuji Xerox)
11. 92 Sandstone Place (Kimberly-Clark)
12. 62 Stradbroke Street (vacant)
13. 82 Noosa Street (Coles)
14. 77 Logistics Place (McPhee)
15. 99 Radius Drive (Asaleo Care)
16. 2-56 Australand Drive (Ceva)

## Melbourne (255,956 sqm)

- |   |   |
|---|---|
| 17. 14-28 Ordish Road (Mondelez)        | 22. 700-718 Kororoit Creek Road (Nestle)          |
| 18. 35-61 South Park Drive (API)        | 23. 9 Andretti Court (Goodyear)                   |
| 19. 2-34 Aylesbury Drive (Toll)         | 24. 31 Permas Way (Pacific Brands)                |
| 20. 81-89 Drake Boulevard (DB Schenker) | 25. 162 Australis Drive (Tatura Milk/Blue Marlin) |
| 21. 676-698 Kororoit Creek Road (Silk)  |   |

## Perth (20,895 sqm)

26. 35 Baile Road (Blackwoods)



Note: Tenant's name in bracket ( )

# Asset Enhancement (completed): Techlink & Techview

<b>Completion</b>	July 2015
<b>Description</b>	<p>Located within the Kaki Bukit Industrial Estate. Techview is located next to the upcoming Kaki Bukit MRT station.</p> <p>AEI: To maximise plot ratio and also enhance property positioning: upgrading interior building finishes to enhance marketability</p>
<b>GFA</b>	1,820 sqm of additional GFA at Techlink
<b>Occupancy</b>	<p>Techlink: 75.9%</p> <p>Techview: 69.7% (with pre-commitment of 9.2%) (as at 30 September 2015)</p>
<b>Cost</b>	Estimated S\$26.2 million



Techlink: New drop-off point



Techlink: New lobby



Techview – Lift lobby

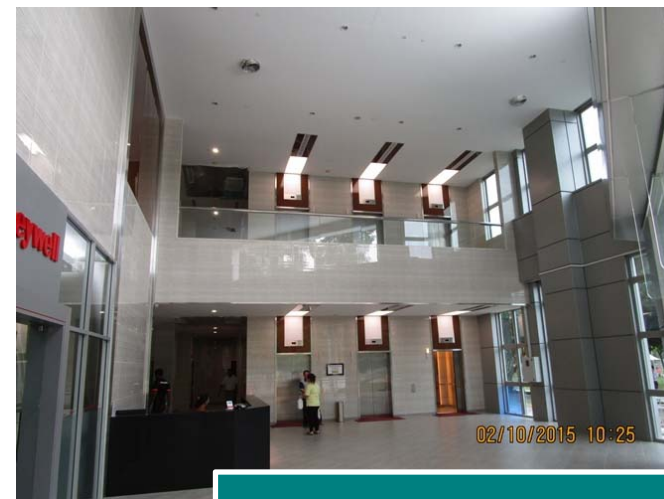


# Asset Enhancement (completed): Honeywell Building

<b>Completion</b>	September 2015
<b>Description</b>	<p>A 6-storey building located in Changi Business Park</p> <p>AEI: Upgrading of main entrance foyer and drop-off point, lift lobby, restrooms, common corridors and mechanical &amp; electrical equipment.</p>
<b>GFA</b>	18,123 sqm
<b>Occupancy</b>	97.7% (as at 30 September 2015)
<b>Cost</b>	Estimated S\$4.2 million



Upgraded main entrance



Upgraded main lobby



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# Healthy Balance Sheet

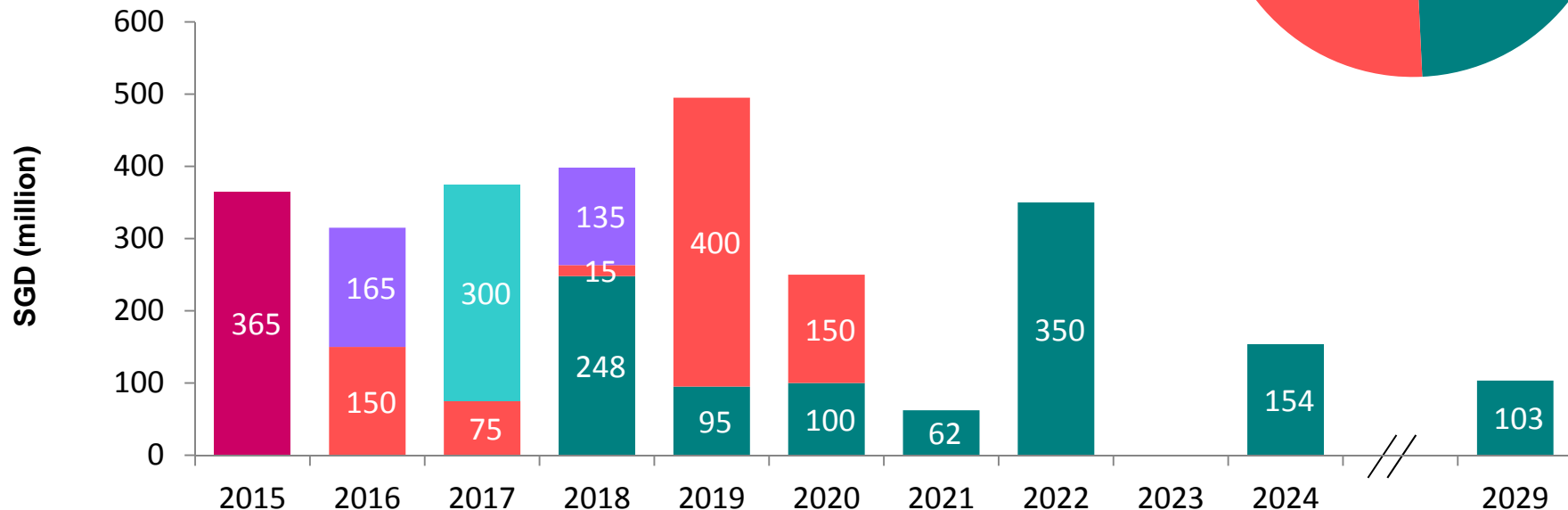
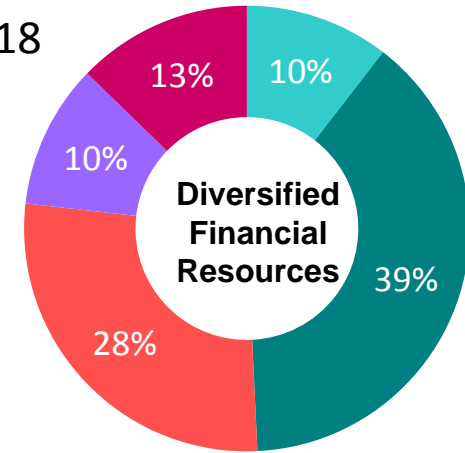
- Aggregate leverage maintains at 34.6% as at 30 Sep 2015
- Following the proposed acquisition of Australian Logistics Portfolio (Sep 2015) and S\$300 million perpetual securities (Oct 2015), aggregate leverage is expected to increase to 37.8%

(\$m)	As at 30 Sep 15	As at 30 Jun 15
Total debt <sup>(1)</sup>	<b>2,868</b>	2,831
Total assets	<b>8,285</b>	8,150
Net assets attributable to unitholders	<b>5,053</b>	4,926
Aggregate leverage	<b>34.6%</b>	34.7%
Net asset value per unit	<b>210 cents</b>	205 cents
Units in issue (m)	<b>2,408</b>	2,408

(1) Excludes fair value changes and amortised costs. Borrowings denominated in foreign currencies are translated at the prevailing exchange rates except for JPY/HKD-denominated debt issues, which are translated at the cross-currency swap rates that A-REIT has committed to.

# Well-spread Debt Maturity Profile

- Well-spread debt maturity with the longest debt maturing in 2029
- Refinanced CNY69m term loan by extending the maturity to 2018
- Issued S\$100m 2.95% MTNs due 2020 in August 2015
- Average debt maturity: **3.6 years**



- Medium Term Notes
- Committed Revolving Credit Facilities
- Exchangeable Collateralised Securities (ECS)
- Term Loan Facilities
- Revolving Credit Facilities

# Key Funding Indicators



- Robust indicators enable A-REIT to borrow at competitive costs

	As at 30 Sept 15	As at 30 Jun 15
Aggregate Leverage	34.6%	34.7%
Unencumbered properties as % of total investment properties <sup>(1)</sup>	86.2%	86.2%
Interest cover ratio	6.2 x <sup>(2)</sup>	6.2 x <sup>(3)</sup>
Total debt / EBITDA	6.4 x <sup>(2)</sup>	6.2 x <sup>(3)</sup>
Weighted average tenure of debt outstanding (years)	3.6	3.8
YTD weighted average all-in borrowing cost	2.73% <sup>(2)</sup>	2.76% <sup>(2)</sup>

## A-REIT's issuer rating by Moody's

**A3 stable**

(1) Total investment properties exclude properties reported as finance lease receivable

(2) Based on 6 months period ended 30 September

(3) Based on 3 months period ended 30 June

# Prudent Interest Rate Risk Management

- **72.1%** of borrowings is hedged for an average term of **3.4 years**
- 50 bps increase in interest rate is expected to have an annualised *pro forma* impact of S\$4.0 million decline in distribution or 0.17 cent in DPU

Increase in interest rates	Decrease in distribution (S\$m)	Change as % of FY14/15 distribution	Pro forma DPU impact (cents) <sup>(1)</sup>
50 bps	4.0	1.1%	0.17
100 bps	8.0	2.3%	0.33
150 bps	12.0	3.4%	0.50
200 bps	16.0	4.6%	0.67

(1) Based on number of units in issue as at 30 September 2015

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# Stable Occupancy

- Portfolio occupancy and Multi-tenant building (MTB) occupancy improved to 89.0% and 84.9% respectively** from 88.8% and 84.7% a quarter ago, mainly due to higher occupancies at:
  - 40 Penjuru Lane (75.5% from 70.9% in 1Q FY15/16)
  - Aperia (90.4% from 83.9% in 1Q FY15/16)
  - A-REIT City @Jinqiao (60.7% from 58.1% in 1Q FY15/16)
- On a same store basis, portfolio and MTB occupancy also improved by 30bps

As at	30 Sep 2015	30 Jun 2015	30 Sep 2014
Total Portfolio GFA (sqm)	2,981,684 <sup>(1)(2)</sup>	2,988,185 <sup>(1)</sup>	2,995,453
Portfolio occupancy (same store) <sup>(3)</sup>	<b>88.9%</b>	88.6%	85.7%
MTB occupancy (same store) <sup>(3)</sup>	<b>85.3%</b>	85.0%	81.2%
Occupancy of investments completed in the last 12 months	92.0%	89.7%	65.1%
Overall Portfolio occupancy	<b>89.0%</b>	88.8%	85.6%
MTB occupancy	<b>84.9%</b>	84.7%	81.0%
Weighted Average Lease to Expiry (yrs)	3.6	3.7	4.0

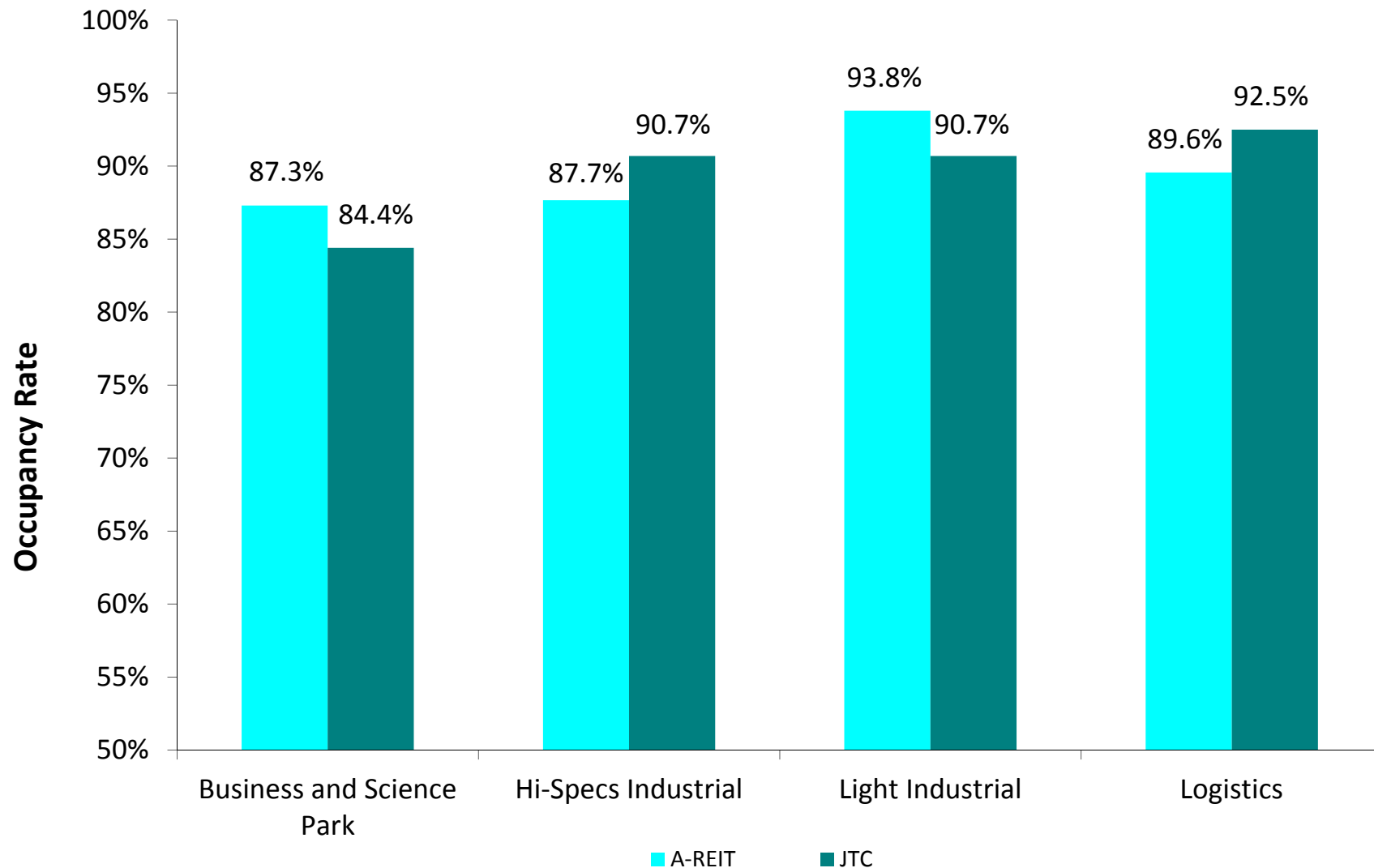
(1) Excludes 2 Senoko South Road which has been decommissioned for asset enhancement works.

(2) Excludes BBR Building that was divested in September 2015.

(3) Same store occupancy rates for previous quarters are computed with the same list of properties as at 30 Sep 2015, excluding new investments completed in the last 12 months, divestments and changes in classification of certain buildings from single-tenant buildings to MTB.



# A-REIT vs Industrial Average Occupancy



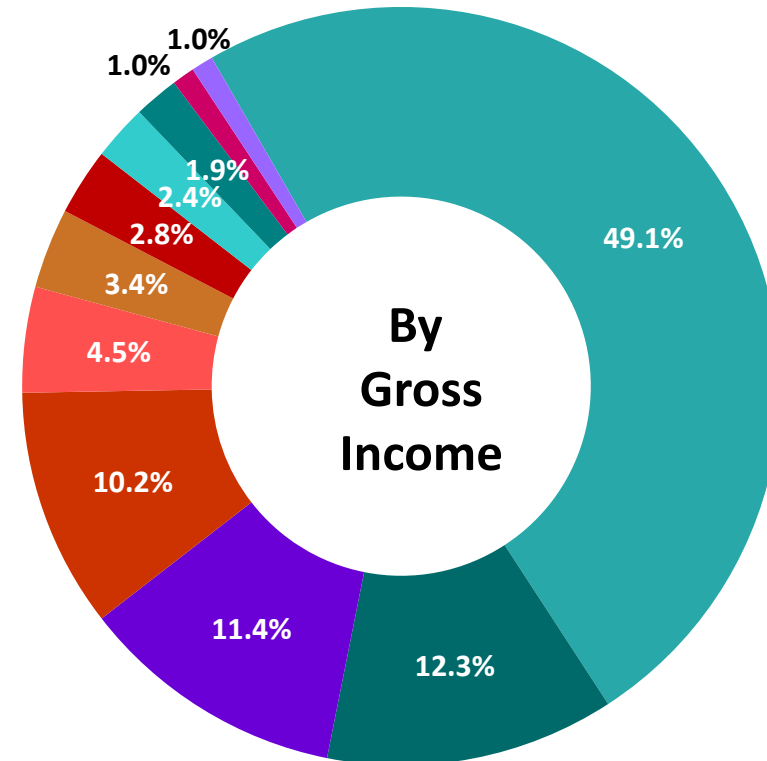
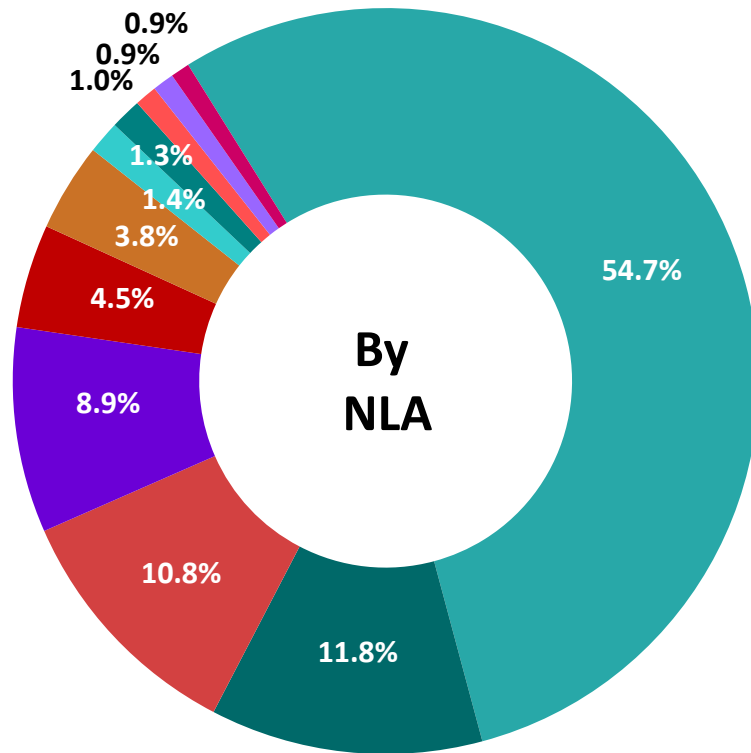
Source :

A-REIT's Singapore portfolio as at 30 September 2015. Market: JTC 3Q 2015

JTC statistics do not breakdown Hi-Specs Industrial and Light Industrial, ie they are treated as one category with occupancy of 90.7%

# Sources of New Demand – 2Q FY15/16

- Continues to attract demand from a wide spectrum of industries



- |   |  |  |
|---|--|--|
| <span style="color: #008080;">■</span> Transport and Storage          | <span style="color: #006464;">■</span> Others                    | <span style="color: #C00000;">■</span> Electronics           |
| <span style="color: #800080;">■</span> Telecommunication & Datacentre | <span style="color: #8B0000;">■</span> Food Products & Beverages | <span style="color: #A0522D;">■</span> Precision Engineering |
| <span style="color: #40E0D0;">■</span> Lifestyle and Services         | <span style="color: #008080;">■</span> Biomedical                | <span style="color: #FF6347;">■</span> Financial Service     |
| <span style="color: #8A2BE2;">■</span> IT                             | <span style="color: #DC143C;">■</span> R&D                       |  |

# Achieved Positive Rental Reversion

- Achieved +9.1% rental reversion for leases renewed in 2Q FY15/16
- Positive rental reversion was registered across all segments

Multi-tenant properties <sup>(1)</sup>	Net lettable area (sqm)	Vacant space (sqm)	2Q FY15/16 increase in renewal rates <sup>(2)</sup>	
As at 30 Sep 2015				
Business & Science Parks	451,363	66,102	13.2%	↑
Hi-Specs Industrial	332,009	61,024	2.0%	↑
Light Industrial	326,027	28,875	5.5%	↑
Logistics & Distribution Centres	505,605	76,244	4.8%	↑
<b>Weighted Average</b>			<b>9.1%</b>	↑

(1) A-REIT's Singapore portfolio only.

(2) Increase in renewal rental rates for leases renewed in 2Q FY15/16 versus previous contracted rates

# Update on Properties in China

## Ascendas Z-link



<b>Location</b>	Located within Zhongguncun Software Park in Haidian District, Beijing
<b>Tenants</b>	Higher value-added industries such as IT and software companies e.g. Baidu, Lite-On (a Taiwan-listed electronics co.)
<b>GFA</b>	31,427 sqm
<b>Occupancy</b>	100% (as at 30 Sep 2015)
<b>Other information</b>	Revalued at ~RMB15,300 psm (+11%)

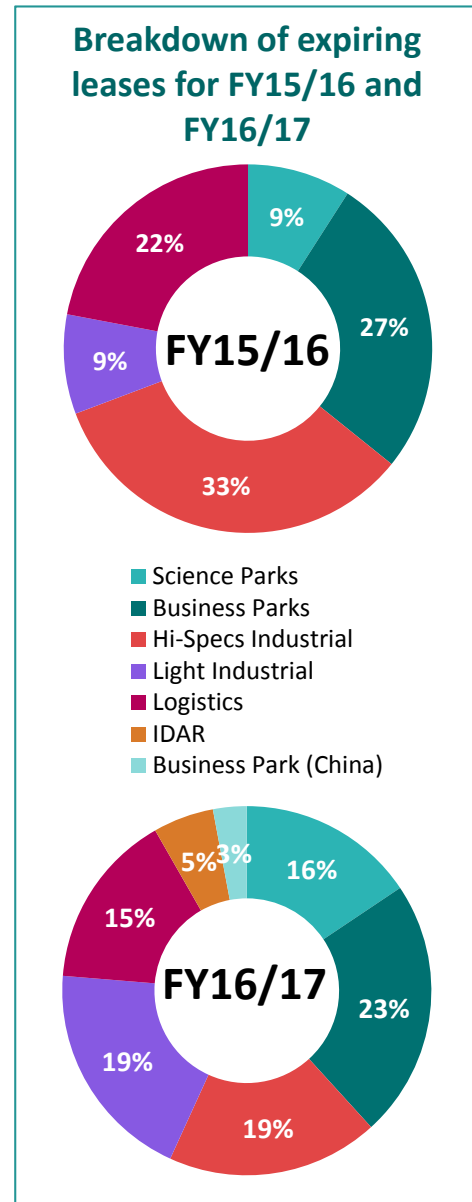
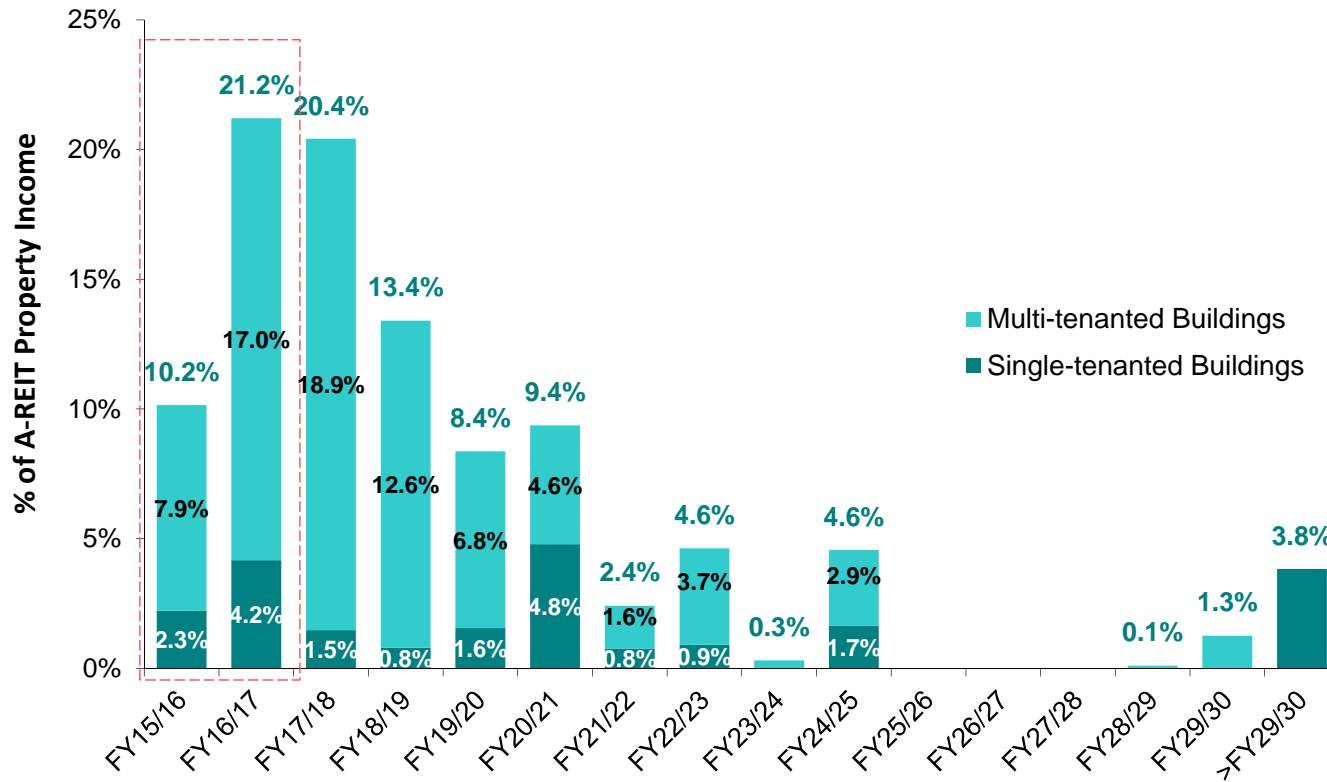
## A-REIT City @Jinqiao



<b>Location</b>	Located in north Jinqiao within the Jinqiao Economic and Technological Zone, in Shanghai
<b>Tenants</b>	Higher value-added industries such as IT and software companies as well as corporate HQs of multinational companies and large local corporations
<b>GFA</b>	79,880 sqm
<b>Occupancy</b>	60.7% (as at 30 Sep 2015) Another 3.3% committed but yet to commence lease
<b>Other information</b>	Revalued at ~RMB 11,300 psm (+2%)

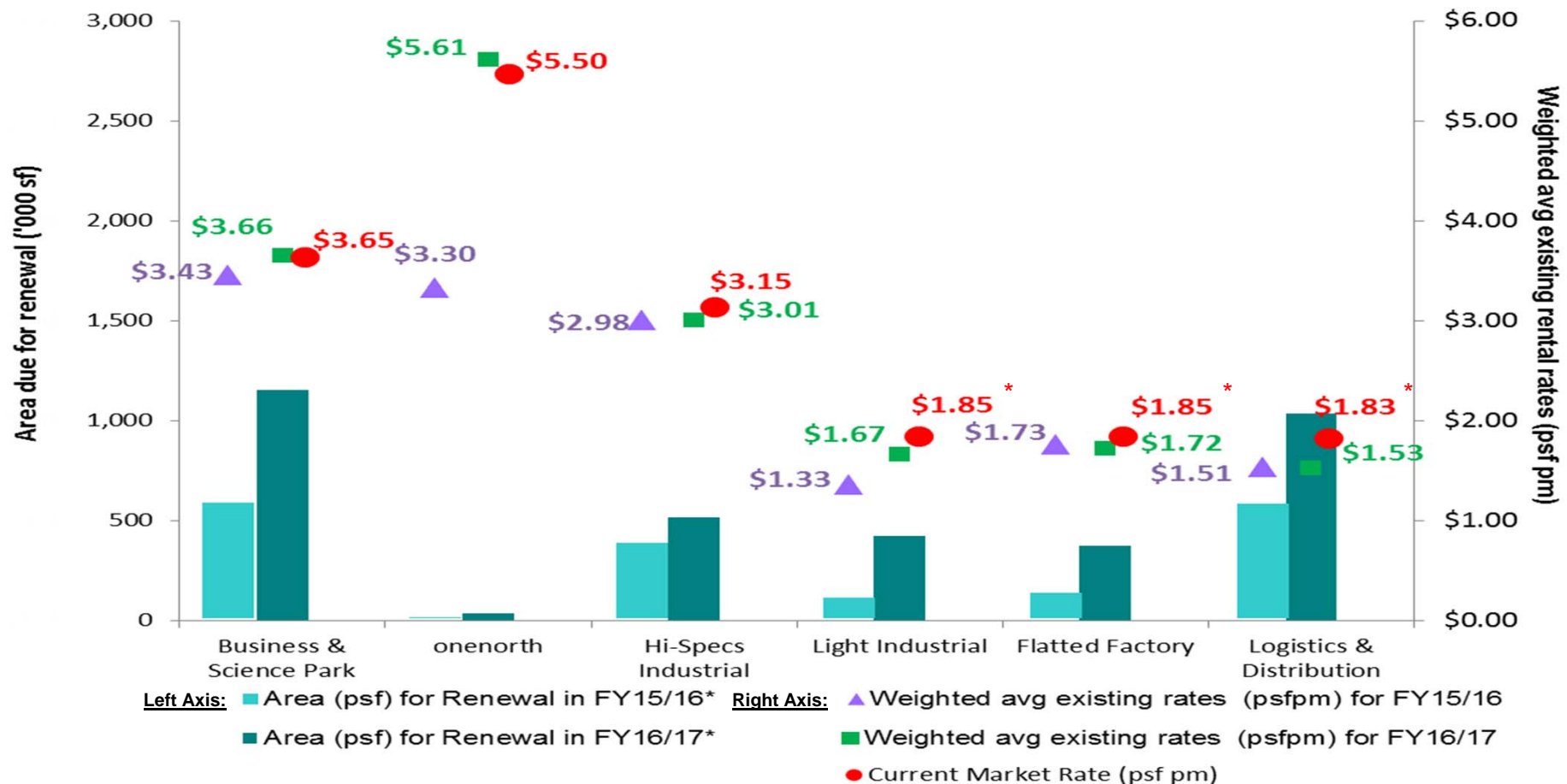
# Lease Expiry Profile (as at 30 September 2015)

- Portfolio weighted average lease to expiry (WALE) of 3.6 years
- Lease expiry is well-spread, extending beyond 2025
- About 10.2% of property income is due for renewal in balance of FY15/16 as at 30 September 2015
- Weighted average lease term of new leases signed in 2Q FY15/16 was 3.0 years accounting for about 2.3% of total gross revenue for 2Q FY15/16



# In-place rent for space due for renewal in FY15/16 and FY16/17

- Current market rental rate is above the weighted average passing rental for most of the *multi-tenant* space due for renewal in FY15/16 and FY16/17
- Expect moderate positive rental reversion of around mid-single digit for FY15/16



# Ongoing Projects: Improve portfolio quality



	Value (S\$m)	Estimated Completion
<b>Development</b>	<b>23.7</b>	
Jiashan Logistics Facility	23.7	1Q 2016
<b>Asset Enhancements (AEI)</b>	<b>71.2</b>	
Acer Building	10.7	2Q 2016
Cintech I to IV	12.7	1Q 2016
2 Senoko South Road	12.1	4Q 2015
40 Penjuru Lane (formerly C&P Logistics Hub)	35.7	4Q 2015
<b>Total Development + AEIs</b>	<b>94.9</b>	



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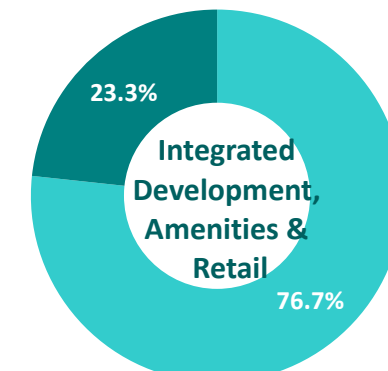
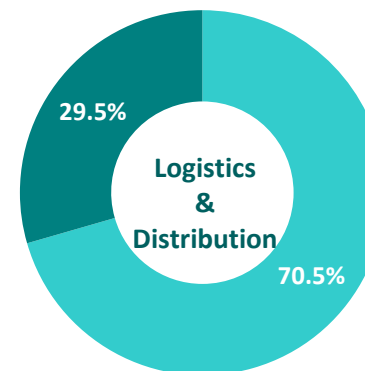
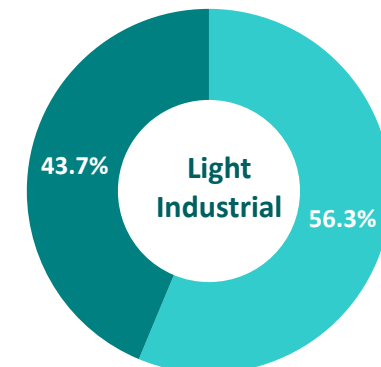
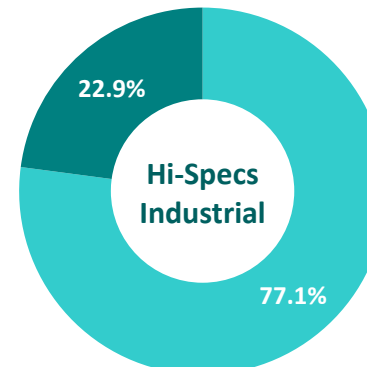
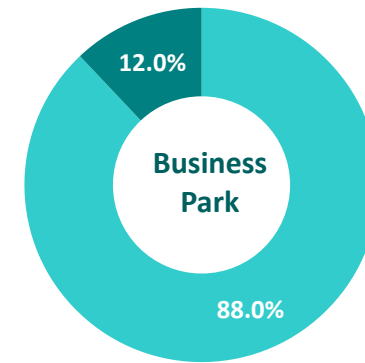
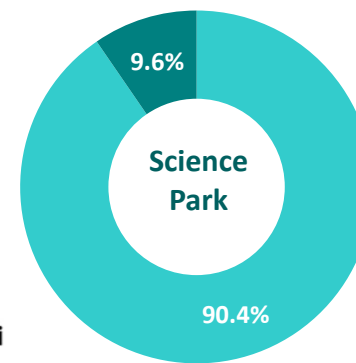
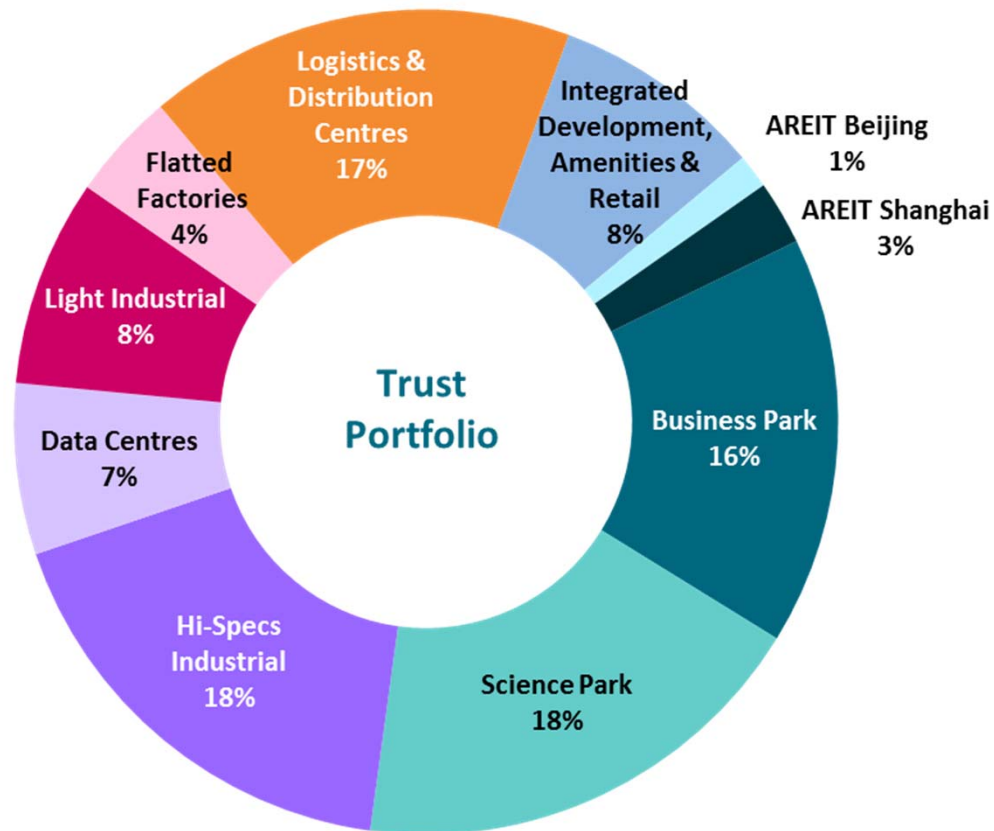
*Portfolio Update*

***Portfolio Resilience***

Market Outlook

# Well Diversified Portfolio

## By value of Investment Properties

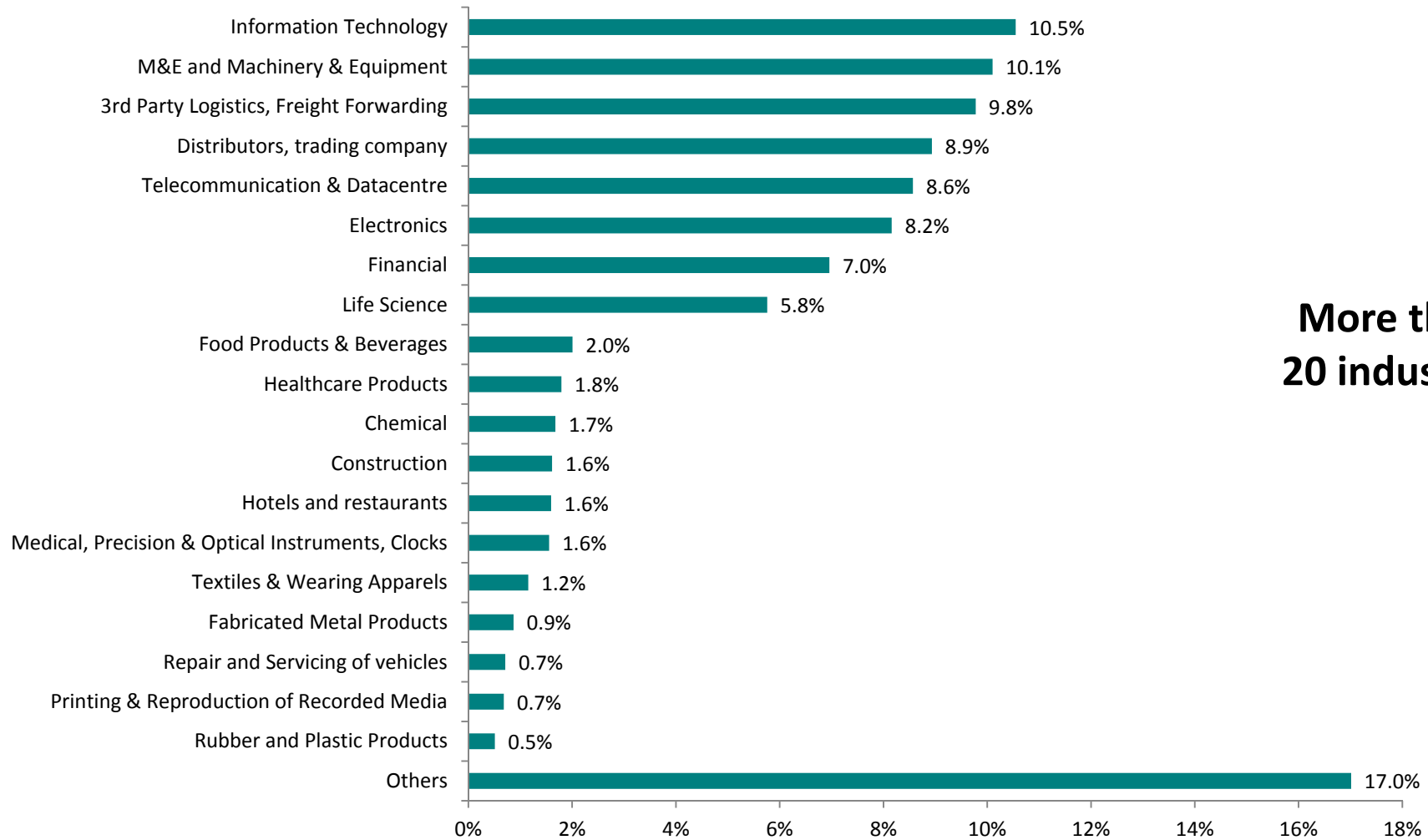


■ Multi-tenant buildings  
■ Single-tenant buildings

**Notes:**

- Multi-tenant buildings account for 78.5% of A-REIT's portfolio by asset value as at 30 September 2015
- About 58% of Logistics & Distribution Centres (by gross floor area) are multi-storey facilities with vehicular ramp access.
- A-REIT has three data centres of which, two are single-tenant.
- Flatted factories are multi-tenant properties.

# Tenants' Industry Diversification By Monthly Gross Revenue



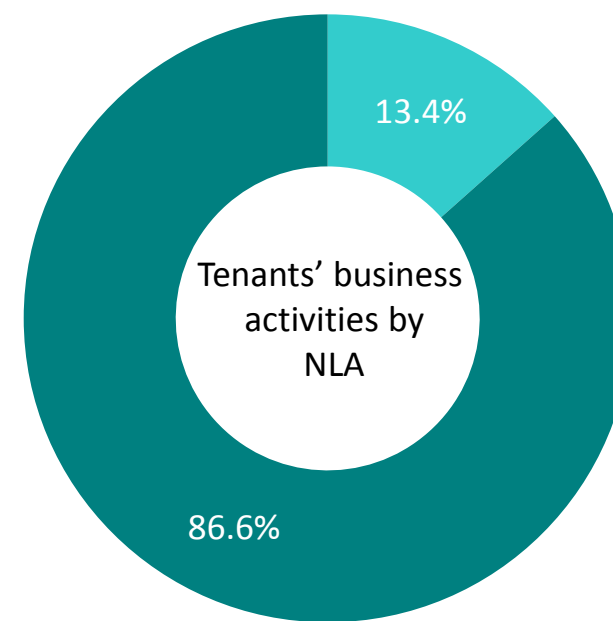
More than  
20 industries

Note: Others include research & development, manufacturing, technical service and support industries for aerospace, oil and gas, multi-media products etc.

# Low Exposure to Manufacturing

- 13.4% of NLA occupied by tenants engaged in 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

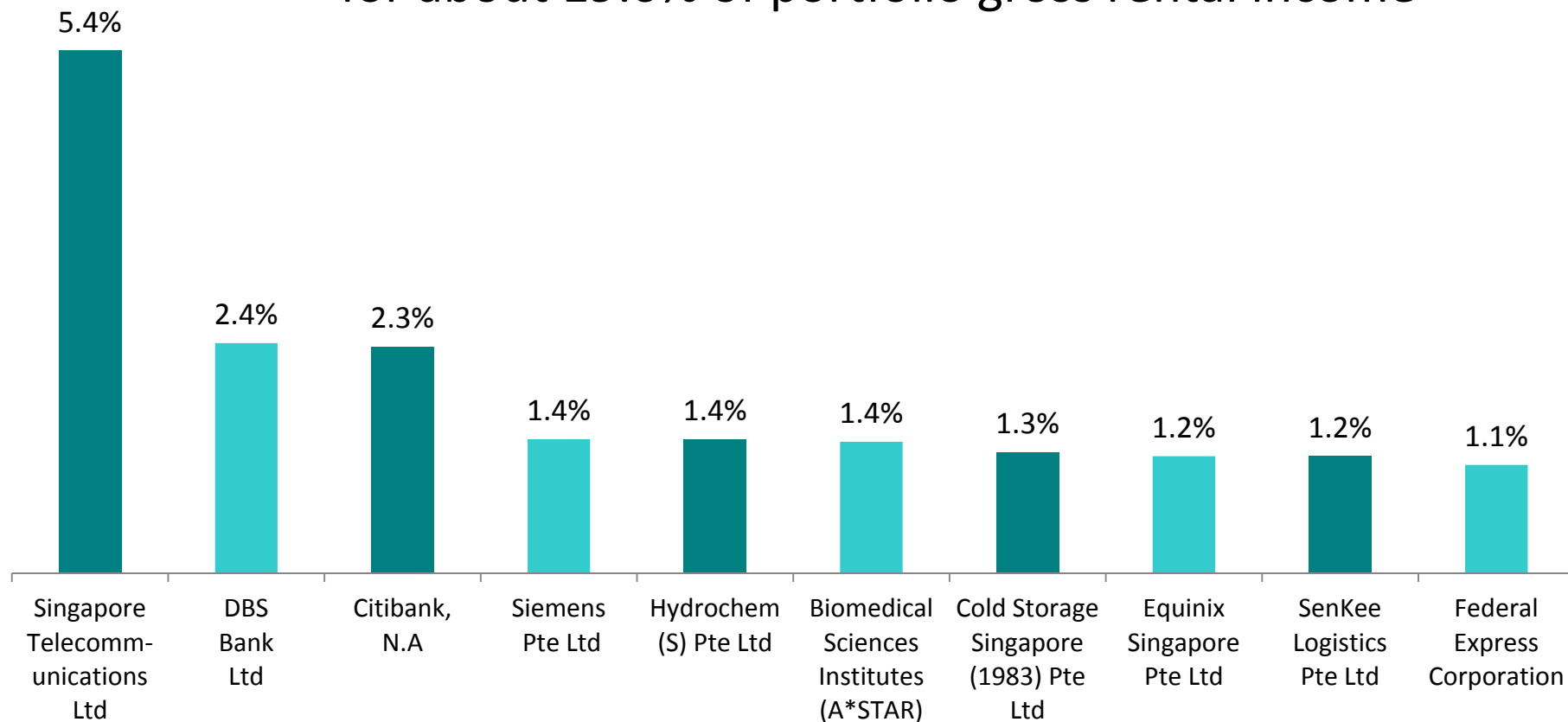
As at 30 September 2015



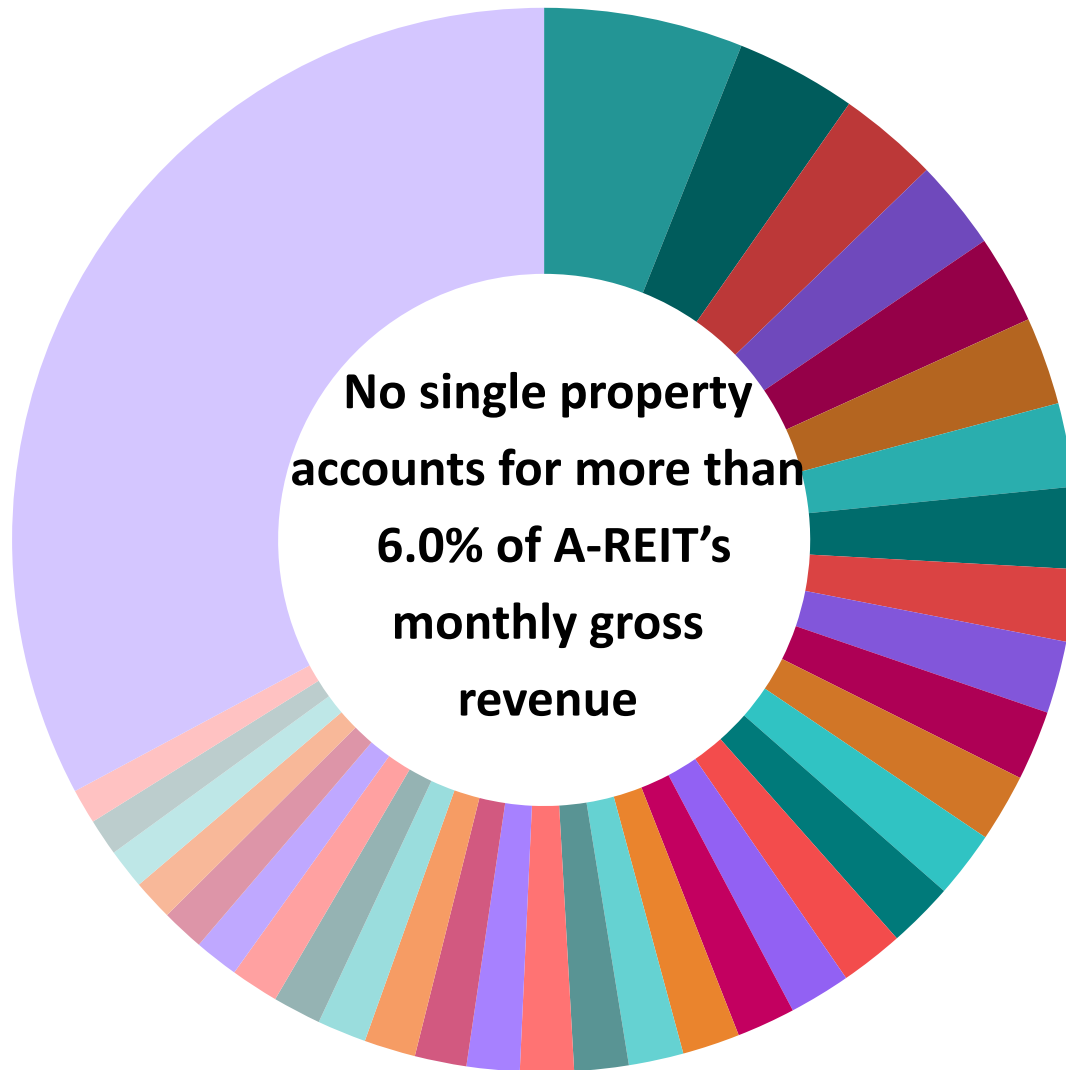
■ Manufacturing Area ■ Non-manufacturing Area

# Quality and Diversified Tenant Base

- Total tenant base of around 1,430 tenants
- Top 10 tenants (as at 30 September 2015) account for about 19.0% of portfolio gross rental income



# Diversified Portfolio



- Aperia, 6.0%
- 1, 3, 5 Changi Business Park Crescent, 3.7%
- Kim Chuan Telecommunication Complex , 3.0%
- 31 International Business Park, 2.7%
- Neuros & Immunos, 2.7%
- TelePark, 2.7%
- 40 Penjuru Lane, 2.5%
- Hyflux Innovation Centre, 2.5%
- TechPoint, 2.2%
- TechPlace II, 2.2%
- Pioneer Hub , 2.1%
- Nexus@One North, 2.1%
- The Galen, 2.0%
- Corporation Place, 2.0%
- 10 Toh Guan Road, 1.9%
- TechPlace I, 1.9%
- Techlink, 1.8%
- DBS Asia Hub (Phase I & II), 1.7%
- Techview, 1.7%
- AREIT City @ JinQiao, 1.6%
- The Gemini, 1.6%
- The Kendall, 1.6%
- The Capricorn, 1.6%
- Ascendas - Z-Link, 1.6%
- Changi Logistics Centre, 1.5%
- Nordic European Centre, 1.5%
- Siemens Centre, 1.5%
- FoodAxis @ Senoko, 1.3%
- HansaPoint @ CBP, 1.3%
- The Alpha, 1.2%
- Senkee Logistics Hub (Phase I & II), 1.2%
- Giant Hypermart, 1.1%
- Honeywell Building, 1.1%
- Others, 32.8%

# Security Deposits for Single-tenant Properties

- Weighted average security deposits for single-tenant properties range from 6 to 11 months of rental income
- On a *portfolio* basis, weighted average security deposit is about 5 months of rental income

	No. of single tenant properties	Weighted average security deposit* (no. of months)
Business & Science Parks	2	11
Hi-Specs Industrial	8	6
Light Industrial	13	11
Logistics & Distribution Centres	8	9
Integrated Development, Amenities & Retail	2	10
	<b>33</b>	<b>9</b>

\* Excluding cases where rental is paid upfront



# MTB Occupancy: NPI / DPU Sensitivity

- 100 bps increase in MTB occupancy is expected to result in a 1.0% increase in portfolio net property income or about 0.21 cents increase in DPU

Change in MTB occupancy	Expected change in annualised MTB NPI (\$m)	Change in portfolio NPI (%)	Impact on full FY DPU (cents)*
+500 bps	25.2	5.1%	1.05
+300 bps	15.1	3.1%	0.63
+100 bps	5.0	1.0%	0.21
-100 bps	-6.1	-1.2%	-0.25
-300 bps	-18.4	-3.7%	-0.76
-500 bps	-30.7	-6.2%	-1.27

\* Based on number of units in issue as at 30 September 2015

Note: Estimates for increase in MTB occupancy takes into account corresponding increases in variable costs. Estimates for a decline in MTB occupancy, assumes no reduction in variable costs to be conservative.

# Agenda

Key Highlights for 2Q FY15/16

Financial Performance

Investment Management

Capital Management

Asset Management

*Portfolio Update*

*Portfolio Resilience*

**Market Outlook**

# Market Outlook

- According to Ministry of Trade and Industry's ("MTI") advance estimates, Singapore's economy grew 1.4% y-o-y in 3Q 2015. 2015 GDP growth forecast is lowered to between 2.0% to 2.5%.
- JTC industrial property price and rental index declined by 0.3% and 0.8% q-o-q respectively in 3Q 2015
- Approximately 10.2% of A-REIT's revenue is due for renewal in the balance of FY15/16 and moderate positive rental reversion can be expected
- With 11.0% vacancy in the portfolio, there could be potential upside in net property income when some of these spaces are leased, the speed of which will largely depend on prevailing market conditions
- The business environment remains challenging due to ongoing economic restructuring, government regulations on manpower and industrial land use policies as well as rising operating costs
- With effect from 1 Oct 2015, JTC reduced the anchor tenant space requirement from 1,500sqm to 1,000sqm. This change is expected to expand the pool of qualified anchor tenants which will have a positive impact on the leasing market
- 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 2016

## Additional Information

### (1) Quarterly Results

### (2) Singapore Industrial Property Market

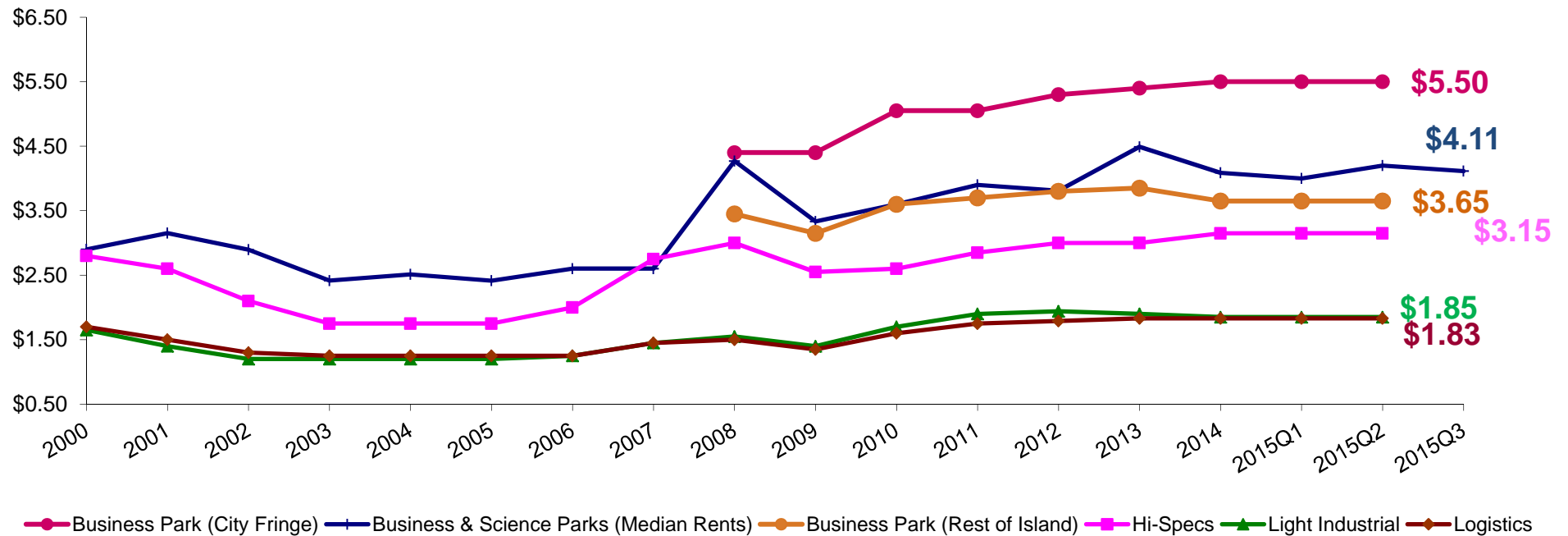
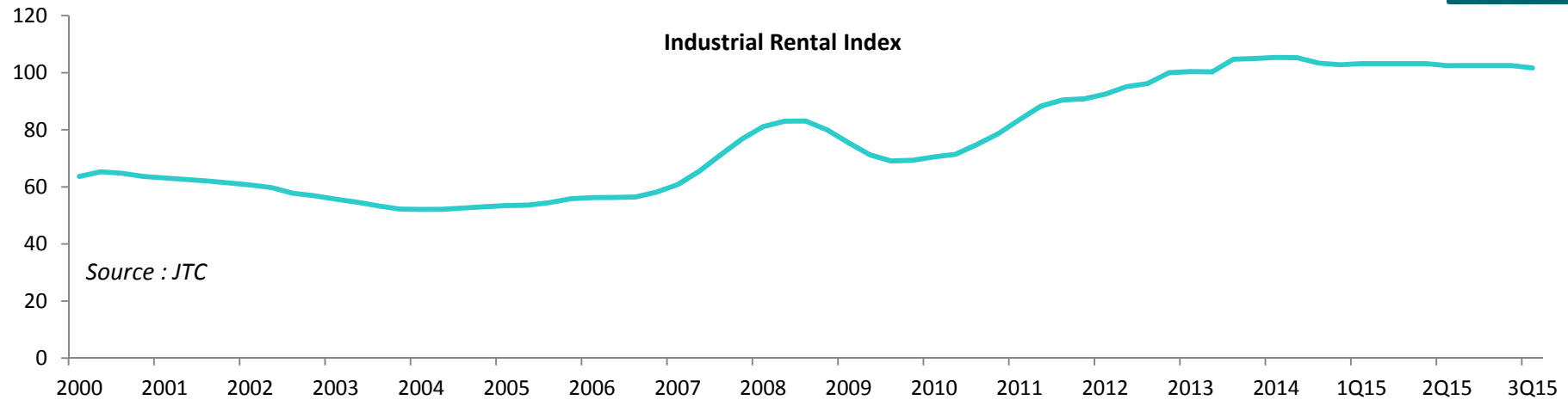
# Quarterly Results

(For illustrative purpose)*	FY14/15				FY15/16	
	1Q	2Q	3Q	4Q	1Q	2Q
<b>Summary (S\$ million)</b>						
Gross Revenue	163	165	172	174	181	<b>183</b>
Net Property Income	116	115	115	117	124	<b>124</b>
Total amount available for distribution	89*	87*	87*	88*	92	<b>94#</b>
No. of units in issue (m)	2,404	2,404	2,406	2,406	2,408	<b>2,408</b>
Distribution Per Unit (cents)	3.680*	3.620*	3.630*	3.670*	3.841	<b>3.889#</b>

For illustrative purpose only, the “Total amount available for distribution” and the “Distribution Per Unit” includes proforma adjustments as follows:

- \* Adjusted on the assumption that China’s net income was recognised on a quarterly basis (instead of semi-annually).
- # Adjusted for a one-off distribution of taxable income from operations of S\$6.5 million (DPU impact of 0.271 cents) for 2Q FY15/16 in relation to a rollover adjustment from prior years arising from a ruling by IRAS on the non-deductibility of certain upfront financing fees incurred in FY09/10 for certain credit facilities.

# Average Market Rents by Segment



Source : CBRE for Business Park (City Fringe), Business Park (Rest of Island), Hi,Specs, Light Industrial and Logistics  
 JTC for Business Parks (Median Rents)

# Industrial Property Market: New Supply

- Total stock (net) : 43.5 million sqm, of which
  - Business & Science Parks account for 1.8 million sqm (4.1%)
  - Logistics & Distribution Centres account for 8.6 million sqm (19.8%)
  - Remaining stock are factory space
- Potential new supply (gross) of about 4.1 million sqm (~7.5% of existing stock) over next 3.25 years

Sector ('000 sqm)	New Supply (Total)	2015	2016	2017	2018
<b>Business &amp; Science Park</b>	343	136	207	0	0
% of Pre-committed (est)	58%	98%	32%	0%	0%
<b>Hi-Specifications Industrial</b>	270	73	174	23	0
% of Pre-committed (est)	69%	17%	100%	0%	0%
<b>Light Industrial</b>	2,186	706	1,035	257	188
% of Pre-committed (est)	48%	78%	41%	27%	5%
<b>Logistics &amp; Distribution Centres</b>	1,295	321	578	396	0
% of Pre-committed (est)	50%	88%	64%	0%	0%
<b>Total Pre-commitment</b>			<b>51%</b>		

\* Excludes projects under 7,000 sqm. Based on gross floor area  
 Source: JTC, A-REIT internal research

# Business & Science Parks: New Supply

Expected Completion	Location	Developer	GFA (sqm)	% Pre-committed (est)
2015	Ayer Rajah (One-North)	Mediacorp Pte Ltd	77,690	100%
2015	Changi Business Park	SKJ Group Pte Ltd	13,050	78%
2015	Science Park	Ascendas Land (S) Pte Ltd.	45,260	100%
<b>Total (2015)</b>			<b>136,000</b>	<b>98%</b>
2016	Ayer Rajah (One-north)	SHINE Systems Assets Pte Ltd	21,430	100%
2016	Science Park	Ascendas Land (S) Pte Ltd.	46,040	0%
2016	Alexandra Terrace	Mapletree Business City Pte Ltd	124,880	24%
2016	Vista Exchange Green	BP – VISTA LLP (New)	14,350	100%
<b>Total (2016)</b>			<b>206,700</b>	<b>32%</b>

Source: JTC & A-REIT internal research



# The End

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