Press Release
17 October 2011

A-REIT's Amount Available for Distribution grew by 14.1% y-o-y

Highlights:

1. 2Q FY11/12 total amount available for distribution increased by 14.1% y-o-y to S$70.5 million

2. Occupancy rates improved to 96.4% for the portfolio and 93.0% for the multi-tenanted buildings

3. Achieved positive rental reversion of between 1.8% and 11.6% across all segments of the portfolio in 2Q FY11/12

4. Year-to-date investments amounted to approximately S$325.7 million

Summary of A-REIT Results (For the three months ended 30 Sep)

	2Q FY11/12	**2Q FY10/11**	**Variance (%)**
Gross revenue (S$ million)	121.7	111.1	9.6
Net property income (S$ million)	90.6	83.9	7.9
Amount available for distribution (S$ million)	70.5 (1)	61.8	14.1
DPU for the quarter (cents) (2)	3.38	3.30	2.4
DPU for the six months YTD (cents)	6.58	6.67	(1.3)
		6.03 (3) (proforma)	9.1

1. *This includes a distribution of about S$1 million equivalent to the amount of interest income (net of tax) from a finance lease with a tenant for the financial period ended 30 September 2011 which is classified as capital distribution from a tax perspective. 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 30 September.*
3. *Proforma DPU for 2Q FY10/11 is based on the applicable number of units as at 30 September 2011.*

***17 October 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 announce a year-on-year growth of 14.1% in A-REIT's total amount available for distribution for 2Q FY11/12. DPU increased by 2.4% from a year ago. Gross revenue increased by 9.6% year-on-year to S$121.7 million, largely due to the completion of investment projects in the last one year. However, this increase was offset by higher operating expenses including electricity charges as well as property services fees and property tax expenses, resulting in a lower increase in net property income of 7.9%.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "We are pleased to report that positive rental reversions of between 1.8% and 11.6% were achieved throughout all segments of the portfolio during the quarter. Occupancy rate has also improved to 96.4% for the portfolio and 93.0% for the multi-tenanted buildings from 96.2% and 92.5% in the previous quarter respectively. For the balance of the current financial year, A-REIT has about 6.7% of its gross revenue due for renewal, thereby providing a high degree of predictability in earnings.

On the investment front, A-REIT has committed to S$325.7 million worth of investments in the business & science park segment year-to-date, enhancing its presence in the segment."

Yield Accretive Investments

The Manager continues to seek yield-accretive investments with good fundamentals and potential asset enhancement opportunities that complement its existing portfolio. For the current financial year, the Manager has secured the following investments in Singapore:

1) Acquisition of Nordic European Centre for S$121.6 million (Completed in July 2011)
   A business park facility in International Business Park within the Jurong Lake District. This is A-REIT's sixth business park property in the International Business Park.

2) Development of a business park facility in Fusionopolis, within the one-north region
   In June 2011, A-REIT was awarded a land parcel at Fusionopolis, within the one-north region, for S$110 million. The site will be developed into a suburban business space facility comprising 60% business park space and 40% office space with a total gross floor area of about 25,000 sqm designed to cater to tenants in the Infocomm Technology ("ICT") and Media industries as well as research and development activities in the

Physical Sciences and Engineering sectors. Upon completion expected in 2Q FY13/14, this development will be A-REIT's third property in the one-north region.

3) Development of Unilever Four Acres Singapore for Unilever Asia Private Limited
Exploiting A-REIT's developmental capabilities, the Manager embarked on the development of Unilever Four Acres Singapore in July 2011, a global leadership development centre at Nepal Hill, within the one-north region at an estimated development cost of S$32.3 million. This development will be the company's second in the world and first in Asia and is expected to train up to 900 people a year. Upon completion expected in 4Q FY12/13, the facility will have a total gross floor area of about 9,180 sqm comprising a 3-storey training block, a 1-storey business and recreational centre and 10 black-and-white bungalows.

The following are development and asset enhancement projects which are currently in progress:

1) Development of FedEx Singapore Regional Hub
With an estimated development cost of S$35.9 million, the development will be a part 1-storey, part 2-storey air cargo express logistics facility. Completion is expected in 4Q FY11/12. The entire facility has been pre-committed to FedEx Singapore for a period of 10 years with annual rental escalation and an option to renew for another two terms of five years.

2) Re-development of 1 Senoko Avenue (FoodAxis @ Senoko)
1 Senoko Avenue (FoodAxis@Senoko) is located within the designated food zone in the north of Singapore and is easily accessible by major expressways. The re-development will create an additional gross floor area of 34,519 sqm through the maximization of plot ratio from 0.6 times to 2.5 times. Estimated to cost about S$59.0 million, the facility 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 at 10 Toh Guan Road
With the aim to reposition 10 Toh Guan Road for higher value usage due to its premium location, the Manager embarked on a two-phase asset enhancement initiative to remove the existing Automated Storage & Retrieval System to create more parking space and to

enhance its exterior façade. At an expected cost of S$33.7 million, completion of phase 1 is expected in 4Q FY11/12 and phase 2 in 2Q FY12/13.

For regional investments, the Manager has completed its maiden acquisition of a business park facility, Ascendas Z-Link, in Beijing for S$61.8 million in October 2011. Located in Z-Park, Zhongguancun (中关村), this property is fully occupied with Baidu.com and Raisecom as major tenants. The Manager has also committed to a forward purchase of a business park property in Shanghai, China for a purchase consideration of approximately S$117.6 million. Sited at No. 200 Jinsu Road, Jinqiao Export Processing Zone (JEPZ), Pudong New District, Shanghai, China, on a land area of 31,952 sqm, the property is expected to have 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 RMB67.6 million (approximately S$13.5 million) as rental guarantee to A-REIT upon completion of the transaction, which is expected in 2H FY12/13.

The Manager will continue to seek to further enhance its footprint in the business space and industrial property arena with the portfolio comprising predominantly Singapore-based assets in the foreseeable future.

A Well Diversified and Resilient Portfolio

As at 30 September 2011, A-REIT owns a diversified portfolio of 94 properties in Singapore in the following segments of Business & Science Parks, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities with a total asset value of about S$5.7 billion.

A-REIT continues to have a good mix of long and short term leases (42% and 58% by portfolio value respectively) and a weighted lease term to expiry of about 4.3 years. Long term leases provide stability and predictability in earnings while the short term leases (of typically three years duration) are able to generate potential positive rental reversion during the upwing of the property cycle. Long term leases are the results of sale-and-leaseback or built-to-suit arrangements of which 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.

For 2Q FY11/12, positive rental reversions of between 1.8% and 11.6% were achieved throughout all segments of the portfolio. Occupancy rate also improved to 96.4% for the portfolio and 93.0% for the multi-tenanted buildings from 96.2% and 92.5% in the previous quarter respectively.

With a diversified tenant base of about 1,000 local and international companies across more than 20 industries, A-REIT's top 10 tenants only account for 27.1% of its gross revenue. No single property or tenant accounts for more than 4.9% or 6.7% of A-REIT's monthly gross revenue respectively.

Proactive Capital Management

The Manager continues to adopt a proactive approach to capital and risk management for A-REIT so as to maintain a healthy capital structure. The Manager is pleased to announce that it has successfully renewed the S$200 million committed revolving credit facility due in November 2011 for a further five years to November 2016. A-REIT continues to have diversified sources of borrowings such that no single source of borrowing accounts for more than 32% of A-REIT's total debt. It has a balanced mix of debt instruments and bank borrowings with a weighted average debt tenure of 3.4 years.

As at 30 September 2011, A-REIT's weighted average borrowing cost has declined to 3.11% from 3.61% a quarter ago. 75.9% of its total interest rate exposure is fixed for the next 3.8 years. With an aggregate leverage of 31.5%, A-REIT has a debt headroom of about S$555 million (after funding about S$255 million as the remaining sum payable for the committed investments) before reaching an aggregate leverage of 40%.

Outlook for FY11/12

MTI moderated its economic growth forecast for Singapore to 5% for 2011 as a result of the deteriorating global economic conditions. The electronics manufacturing cluster was singled out as a weak spot, impacted by the easing of global electronics demand.

Within A-REIT's portfolio of 94 properties, tenants from the electronics sector account for about 11.9% of A-REIT's portfolio gross revenue. A-REIT continues to have a good mix of properties with long and short term leases within its portfolio (48% versus 52% by asset value) with a weighted average lease to expiry of about 4.3 years.

For the balance of the financial year ending 31 March 2012, A-REIT has 6.7% of its revenue due for renewal. Barring any unforeseen event and further weakening of the economic environment, the Manager expects A-REIT to sustain its current performance.

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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 94 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$5.7 billion as at 30 September 2011. These properties house a tenant base of over 1,000 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 Ascends 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.

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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.