Press Release
21 April 2014

A-REIT's Amount Available for Distribution grew by 11.9% y-o-y to S$342.0 million

Highlights:

1. FY13/14 Amount Available for Distribution increased by 11.9% y-o-y to S$342.0 million; Distribution per Unit ("DPU") grew 3.6% to 14.24 cents per Unit from 13.74 cents per Unit (after performance fee) in FY12/13.

2. Achieved positive rental reversion across all segments of the portfolio.

3. Stable valuation capitalisation rate of 6.57%, resulting in a net revaluation gain of about S$131.1 million. Consequently, A-REIT's total assets stand at about S$7.4 billion as at 31 March 2014.

Summary of A-REIT's Group Results (For the financial year ended 31 March 2014)

	FY13/14	**FY12/13**	**Variance (%)**
Gross revenue (S$ million)	613.6	575.8	6.6
Net property income (S$ million)	436.0	408.8	6.6
Amount available for distribution (S$ million)	342.0	305.6	11.9
DPU for the financial year (cents) (1) Before performance fee(2)	14.24	14.05	1.4
DPU for the financial year (cents) (1) After performance fee(2)	14.24	13.74	3.6
DPU for the 4th quarter (cents) (1) Before performance fee(2)	3.55(3)	3.37	5.3
DPU for the 4th quarter (cents) (1) After performance fee(2)	3.55(3)	3.06	16.0

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 March 2014, 2,402,521,658 Units are in issue, compared to 2,398,946,090 Units in 31 March 2013.

(2) Performance fee is payable to the Manager if there is a DPU growth exceeding 2.5% (excluding any performance fee payable in the previous financial year). No performance fee is payable for the financial year ended 31 March 2014.

(3) 4Q DPU of 3.55 cents (FY13/14: 14.24 cents) per Unit includes:

(a) taxable income distribution of 3.47 cents (FY13/14: 14.04 cents) per Unit,

(b) tax-exempt income distribution of 0.05 cents (FY13/14: 0.14 cents) per Unit. This income relates to a distribution of finance lease interest income (net of Singapore corporate tax) received from a tenant. It also includes the second distribution (FY13/14: distributions in 2Q FY13/14 and 4Q FY13/14) of incentive payment (net of Singapore corporate tax) received as income support for Ascendas Hi-Tech Development (Beijing) Co. Limited ("AHTDBC") in relation to the property in Beijing ("Z- Link"), for the period from October 2011 to March 2013. The intention is to distribute such income (net of Singapore corporate tax) semi-annually, together with the capital distribution relating to the net income from its subsidiary, AHTDBC (see note (c) below). A-REIT is entitled to receive such incentive income up to September 2016, subject to certain conditions and an aggregate of not exceeding $2.3 million (net of Singapore corporate tax). Incentive income received from April 2013 to March 2014 will be distributed in the following financial year, on a semi-annual basis. As tax has been

withheld on this income, the distribution is exempt from tax in the hands of Unitholders, except for Unitholders who are holding the Units as trading assets.

(c) *capital distribution of 0.03 cents (FY13/14:0.06 cents) per Unit. Capital distribution relates to a distribution of net income from A-REIT's subsidiary, AHTDBC, for the period from 3 October 2011 (date of acquisition) to 31 December 2012 (AHTDBC's financial year-end). The intention is to distribute such net income semi-annually. It is deemed as capital distribution as this income has yet to be remitted to A-REIT in Singapore as at 31 March 2014. Such distribution is not taxable in the hands of the Unitholders, except for Unitholders who are holding the units as trading assets.*

21 April 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 FY13/14, A-REIT's Amount Available for Distribution grew 11.9% year-on year to S$342.0 million.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "A-REIT's portfolio achieved positive rental reversion averaging 14.8% for leases renewed in FY13/14, as the passing rental rates for most of these leases that were signed previously were below the current market rental rates. We expect the trend to continue in FY14/15 albeit at a more modest rate.

A-REIT portfolio grew with the completion of key investments such as A-REIT City @Jinqiao and Nexus @one-north, and asset enhancement projects such as the development of a new block at Techplace II. Q-o-Q portfolio occupancy rate held steady at 89.6%. On a same store basis, the occupancy for the multi-tenanted portion of A-REIT's portfolio increased to 90.6%, from 88.9% in the preceding financial year. 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

For the financial year ended 31 March 2014, A-REIT continues to have a portfolio of long and short term leases (30.1% and 69.9% by property value respectively) with a weighted average lease to expiry of about 3.9 years. Long-term leases are typically the result of sale-and-leaseback or built-to-suit arrangements and these have stepped rental escalation, of which 28.8% of such leases incorporate 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.

The occupancy rates for the portfolio and multi-tenanted buildings declined to 89.6% and 83.6%, from 94.0% and 89.6% respectively from a year ago, on the back of a 5.1% increase in Net Lettable Area ("NLA") arising mainly from the acquisition of A-REIT City @Jinqiao, the completion of the Nexus @one-north development and various asset enhancement works. The top 10 tenants accounted for not more than 22.8% of A-REIT's total portfolio income.

With around 1,300 tenants in a portfolio of 103 properties in Singapore and two in China, A-REIT is well-diversified in terms of rental income where no single property accounts for more than 4.3% of A-REIT's monthly gross revenue.

In the new financial year (FY14/15), about 21.3% of A-REIT's property income will be due for renewal, of which 6.2% are leases of single-tenanted buildings and 15.1% are leases of multi-tenanted buildings. As part of A-REIT's proactive asset management strategy, the Manager has already commenced renewal negotiations with these lessees.

A-REIT's portfolio is revalued every year. For the financial year ended 31 March 2014, the portfolio achieved a revaluation gain of S$131.1 million. The weighted average capitalisation rate of its Singapore portfolio remains stable at 6.57%.

Disciplined and Yield Accretive Investments

During the financial year, the Manager continued with its disciplined approach to investment opportunities. The Manager completed two development projects in the one-north area, strengthening A-REIT's foothold in an up and coming suburban business park space that caters to Biomedical Sciences, Infocomm Technology, Media, Physical Sciences and Engineering sectors. Nexus @one-north has two 6-storey blocks consisting business park and office space. It was completed in September 2013 at a total development cost of S$181.3 million. Four Acres Singapore, a built-to-suit facility for Unilever Asia Private Limited's first global leadership development centre in Asia, was completed in April 2013 for S$58.7 million.

The Manager also completed the acquisition of A-REIT City @Jinqiao, a 79,880 sqm business park facility located within the Jinqiao Economic and Technological Zone in Shanghai, China in July 2013 for a total purchase consideration of approximately S$124.6 million.

The Manager continues to focus on improving returns from existing buildings via asset enhancement projects. During FY13/14, a total of six asset enhancements works with a value of around S$87.6 million were completed, and the Manager embarked on seven new asset enhancement initiatives with an estimated value of around S$106.5 million.

Details of the asset enhancement works are in **Annex A**.

Divestments

In 4Q FY13/14, the Manager completed the divestment of Block 5006 at Techplace II to Venture Corporation Limited for S$38.0 million. Block 5006 is one of the six blocks of flatted factory buildings in Techplace II. In June 2013, the Manager also divested 6 Pioneer Walk, a 2-storey warehouse for S$32.0 million. These two divestments resulted in the realisation of capital gains of about S$23 million over the original costs of investment.

Proposed divestment of 1 Kallang Place

The Manager is working towards divesting 1 Kallang Place to Flextronics Manufacturing (Singapore) Pte Ltd, an affiliate of the incumbent tenant, Flextronics Plastics Pte Ltd. Details of the transaction will be provided upon completion which is expected in May 2014.

Proactive Capital Management

The Manager continues to adopt a proactive stance towards capital management. In 4Q FY13/14, the Manager secured a S$200 million 5-year Term Loan Facility and issued ¥5 billion 7-year Floating Rate Notes under its Medium Term Note Programme, which is fully swapped back to approximately S$62 million. The funds secured will refinance a significant portion of the S$395 million CMBS due in May 2014. The balance of the CMBS will be repaid with a combination of A-REIT's undrawn revolving credit facilities of about S$800 million, additional debt issues and/or borrowings. Following the refinancing of the CMBS, the proportion of investment properties that will be unencumbered will increase from 62.2% to about 84%.

A-REIT's aggregate leverage stands at 30.0% as at 31 March 2014 and would increase to 31.2% after funding committed investments. With current debt headroom of around S$1.2 billion before its aggregate leverage reaches 40%, A-REIT is well-positioned to seize investment opportunities when they arise.

A-REIT's weighted average tenure of debt outstanding is 3.3 years as at 31 March 2014 with a weighted average all-in borrowing cost of 2.7%. Interest rate swaps are used to manage or hedge the interest rate exposure of its debts. About 65.3% of A-REIT's interest rate exposure is hedged with a weighted average duration of 3.5 years remaining.

Outlook for FY14/15

In 2014, while the supply of industrial space in Singapore is expected to increase, the demand outlook for business and industrial space is likely to remain healthy on the back of a tentative global recovery. Singapore remains an attractive business gateway to Asia. The average passing rental rates of leases due for renewal are still below the market spot rental rates; hence, positive rental reversion can be expected when leases are renewed.

However, Government regulations and actions may have impact on cost of operations. Operating costs could increase given the tight labour market, although measures are taken to mitigate the impact. With about 10.4% vacancy in the portfolio, there could be potential upside in net property income when these spaces are leased out in due course, the speed of which will largely depend on prevailing market conditions.

In China, the Manager will continue to look for opportunities in the target product segments and cities. Over the longer term, demand for such space has strong underlying fundamentals as the Chinese Government deepens economic reforms, domestic consumption grows and the Chinese people strive for a higher quality living and work environment.

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 2015.

- End -

Annex A:

Asset enhancement works committed in FY13/14: S$106.5 million

	Asset Enhancement Works	Value (S$m)	Estimated Completion
1	C&P Logistics Hub	35.7	4Q 2015
2	Techlink and Techview	26.2	4Q 2015
3	The Alpha	11.1	4Q 2014
4	LogisTech	6.6	3Q 2014
5	Corporation Place	14.5	3Q 2014
6	Techquest	4.3	3Q 2014
7	1 Changi Business Park Crescent	8.1	2Q 2014
	TOTAL	**106.5**	

1) C&P Logistics Hub for S$35.7 million (New)

   The C&P Logistics Hub is located in the Jurong Industrial Area and was acquired from C&P Holdings Pte Ltd on a sale-and-leaseback basis in 2004. The enhancement work includes building a new 4-storey warehouse block with GFA of 24,111 sqm over the existing vacant open container yard. This new block will be connected to the existing 40 feet vehicular ramp and driveways, greatly improving the utilisation of the premises. The asset enhancement works are expected to complete by 4Q 2015.

2) Techlink and Techview for S$26.2 million (New)

   Techlink and Techview are multi-tenanted High-Specs industrial properties located within the Kaki Bukit Industrial Estate. Gross Floor Area ("GFA") at Techlink will be increased by 1,820 sqm, creating prime space for showrooms on level 1 and more business space on level 2 and 3. Techview, which is well-located next to the upcoming Kaki Bukit MRT station, will be upgraded with amenities such as walkway to the new MRT station, new food court, childcare centre and upgraded lifts and toilets to enhance the marketability of the building. The completion date of the asset enhancement works is estimated to be in 4Q 2015.

3) The Alpha for S$11.1 million

   The Alpha is a 4-storey building that is situated along Science Park Road within Science Park 2. It is within 5-10 minutes' drive from the National University of Singapore and about 15 minutes' 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 common area to create new leasable space. The asset enhancement works are expected to complete by 4Q 2014.

4) LogisTech for S$6.6 million

   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

   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 when it is completed in 3Q 2014.

6) Techquest for S$4.3 million

   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.

7) 1 Changi Business Park Crescent (Plaza 8) for S$8.1 million

   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.

Works in progress: development and asset enhancement projects committed in prior financial years

	Ongoing	Value (S$m)	Estimated Completion
	Development		
1	DBS Hub Asia Phase 2	21.8	2Q 2015
	Asset Enhancement Works		
2	5 Toh Guan Road East	7.0	2Q 2014
	TOTAL	**28.8**	

1) DBS Asia Hub Phase 2 for S$21.8 million

   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.

2) 5 Toh Guan Road East for S$7.0 million

   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.

- 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 March 2014, total assets amount to about S$7.4 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 Vietnam.

Ascendas specialises in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-specs 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 are due to rounding.