Press Release
17 April 2012

A-REIT's Amount Available for Distribution grew by 13.6% y-o-y

Highlights:

1. FY11/12 amount available for distribution increased by 13.6% y-o-y to S$281.7 million

2. Achieved a net revaluation gain of about S$224.5 million. Consequently, A-REIT's total assets stand at S$6.6 billion as at 31 March 2012

3. New investments of S$946.4 million in FY11/12, comprising
   – S$545.4 million in acquisitions of income producing properties
   – S$248.2 million in development projects
   – S$152.8 million in asset enhancement projects

4. Healthy Portfolio Performance
   – Positive rental reversion of between 5.2% and 15.7% across all segments of portfolio
   – On a same-store basis, occupancy for multi-tenanted properties and portfolio improved from 92.1% and 96.0% to 92.8% and 96.4% respectively

5. Proactive Capital Management
   – Aggregate leverage of 36.6%
   – Priced issuance of ¥10.0 billion 2.55% per annum notes due 2024, further extending A-REIT's debt maturity profiles

Summary of A-REIT Results (For the financial year ended 31 March 2012)

	FY11/12	FY10/11	Variance (%)
Gross revenue (S$ million)	503.3	447.6	12.4
Net property income (S$ million)	368.3	339.4	8.5
Amount available for distribution (S$ million)	281.7	248.0	13.6
DPU for the quarter (cents) (1)(2)	3.50	3.27	7.0
DPU for the financial year (cents) (1)(2)	13.56	13.23	2.5

1. *This includes a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of Singapore corporate tax) from a finance lease with a tenant for the financial year ended 31 March 2012. Such distribution is not taxable in the hands of 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 in the table is computed based on total applicable number of units as at 31 March 2012 and 31 March 2011. In addition, DPU for FY11/12 includes a tax deduction in relation to an upfront fee of $3.0 million for new loan facilities which has reduced DPU by about 0.15 cents.*

17 April 2012, 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 13.6% in A-REIT's amount available for distribution for FY11/12. DPU for 4Q FY11/12 increased by 7.0% over the previous corresponding quarter despite an 11.2% increase in its units base.

FY11/12 gross revenue increased by 12.4% year-on-year to S$503.3 million, largely due to the completion of development projects and acquisitions in the financial year. However, this increase was offset by higher operating expenses caused mainly by higher electricity charges and land rent, resulting in a net property income increase of 8.5%.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "We are pleased to achieve a 2.5% increase in the distribution per unit from the previous financial year. This year has been an active year for A-REIT with nearly S$1.0 billion worth of new investments made, concluding the year with 102 properties and a total asset of about S$6.6 billion. Even so, A-REIT was able to maintain an aggregate leverage of 36.6% as at 31 March 2012 as a result of proactive and prudent capital management.

Positive rental reversions of between 5.2% and 15.7% were achieved across all segments, reflecting the resilience and strong underlying fundamentals of the portfolio. A-REIT was also able to grow its occupancy rate from a year ago, on a same-store basis, to 92.8% and 96.4% for its multi-tenanted properties and its portfolio respectively."

Disciplined and Yield Accretive Investments

With a disciplined approach towards yield-accretive investments with good fundamentals and potential asset enhancement opportunities that complement the existing portfolio, the Manager grew A-REIT's portfolio from 8 properties (S$545 million) in 2002 to 102 properties with a total asset value of about S$6.6 billion on the eve of its 10th anniversary.

New investments in FY11/12 amounted to S$946.4 m comprising:

- S$545.4 million in acquisitions of income producing properties
- S$248.2 million in development projects
- S$152.8 million in asset enhancement projects

Acquisitions of income-producing properties:

During the financial year, the Manager completed the acquisition of seven properties, including A-REIT's maiden acquisition in Beijing, China. These acquisitions are:

Segment	Acquisition	Value (S$'m)	Status
1. Business Park	Nordic European Centre	121.6	Completed in July 2011
Description	Located within the International Business Park, Nordic European Centre is a 7-storey business park building easily accessible via major expressways such as the Ayer Rajah Expressway as well as the Pan-Island Expressway. It is located within the Jurong Lake District masterplan area which will be developed into a major commercial and leisure hub. This is A-REIT's sixth business park property in the International Business Park and is currently 82.4% occupied.		
2. Business Park	Ascendas Z-Link	61.8	Completed in October 2011
Description	Located in Z-Park, Zhongguancun (中关村), Ascendas Z-Link is a 3-storey multi-tenanted business park building with four inter-connecting blocks and one level basement car park. It is currently 100.0% occupied by prominent tenants such as Baidu, Inc. and Raisecom Technology Co., as its major tenants.		
3. Business Park	3 Changi Business Park Vista	80.0	Completed in December 2011
Description	Easily accessible via the Pan-Island Expressway and the East Coast Parkway, 3 Changi Business Park Vista is A-REIT's sixth property within the Changi Business Park, one of the two business parks in Singapore. It is a 6-storey building with a gross floor area and net lettable area of 18,388 sqm and 15,261 sqm respectively. The current occupancy is about 95.0%.		
4. Hi-Tech Industrial	Corporation Place	99.0	Completed in December 2011
Description	Easily accessible via the Ayer Rajah Expressway, Corporation Place is located at the junction of Jalan Ahmad Ibrahim and in the established Jurong industrial estate. It is situated at the fringe of the proposed Jurong Lake District and within a 5-minutes' drive from Jurong Regional Centre. It is a 7-storey high-specification industrial building with a gross floor area of 76,185 sqm and a net lettable area of 57,645 sqm and is currently 79.6% occupied		

5.	Science Parks	Cintech I to IV	183.0	Completed in March 2012

Description	Located within Singapore Science Park I, Cintech I to IV are a portfolio of four properties sited on three land titles. These properties are easily accessible via the Ayer Rajah Expressway and conveniently connected to the central business district in Singapore, being approximately a 15-minute drive away. The portfolio of properties has an occupancy rate of about 94.8% as at 31 March 2012.

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. Completion of the transaction is expected in 1H 2013.

<u>Leveraging on A-REIT's development capabilities</u>

A-REIT is the first REIT in Singapore to undertake development on its own balance sheet. To-date, it has completed 10 development projects, achieving a net revaluation gain of about S$273.5 million or about 36.7% over development cost. During the financial year, A-REIT has completed a built-to-suit development for FedEx Singapore and embarked on another two development projects:

1) Development of FedEx Singapore Regional Hub at 90 Alps Avenue (Completed in January 2012)

   Located in the eastern part of Singapore and in close proximity to the Airport Logistics Park of Singapore, the development is a part 1-storey, part 2-storey air cargo express logistics facility. The Manager has completed the development in January 2012 and achieved a net revaluation gain of about 28.0% over its development cost of S$37.9 million. The facility has been pre-committed by FedEx Singapore for a period of 10 years with annual rental escalation and an option to renew for another two terms of five years each.

2) Development of a business park facility at 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$110.0 million. The site is currently under development 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 3Q 2013, 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

   Leveraging 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 Unilever's second in the world and first in Asia and is expected to train up to 900 people a year. Upon completion expected in 1Q 2013, 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 conservation bungalows.

<u>Enhancing A-REIT's existing portfolio with asset enhancements:</u>

With the intention to further enhance the marketability and/or maximize the plot ratio of some of A-REIT's assets, the Manager has embarked on the following asset enhancement initiatives:

1) Installation of internal courtyard at Techview (Completed in July 2011)

   To enhance the attractiveness and value of the property, the Manager reconfigured selected floors within Techview through the creation of an internal courtyard on the upper levels of the building at a cost of S$4.3 million. This enhancement brought natural light into the premises and thus enhance the marketability of the space. When the planned Downtown Line ("DTL3") Mass Rapid Transit ("MRT") station is operational by 2017, Techview will have a station exit within its compound.

2) Façade enhancement and repositioning for 10 Toh Guan Road

   A two-phase asset enhancement initiative, Phase 1 of the asset enhancement at 10 Toh Guan Road has been completed within budget and on schedule with 57% of the space pre-committed to a leading lifestyle company. With the removal of the existing

Automated Storage & Retrieval System ("ASRS"), the property now has 8,072 sqm of showroom space as well as more parking spaces which enhanced the marketability of the property. Based on this pre-commitment, the expected return on the Phase 1 investment is about 12%. Phase 2 of the asset enhancement exercise is in progress and is expected to cost S$13.5 million. The works will comprise the creation of high specifications industrial space as well as enhancement of the external façade of the property.

3) Re-development of FoodAxis @ Senoko at 1 Senoko Avenue

   The Manager has completed the re-development of FoodAxis, creating an additional gross floor area of 34,519 sqm through the maximization of plot ratio from 0.6 times to 2.5 times. Positioned as a food hub for the food & beverages industry to address the relative shortage of suitable food processing space in Singapore, the facility is currently 25.5% occupied with another 35.6% of space under different stages of negotiation. In addition, the leasing pipeline has a list of enquiries for 5,168 sqm (11.6%) of space. The Manager is optimistic of its leasing prospects.

4) Maximisation of plot ratio for 9 Changi South Lane

   The Manager commenced an asset enhancement project at 9 Changi South Street 3 to maximize its plot ratio from 1.6 times to 1.98 times, creating an additional net lettable area of about 5,200 sqm. The project is expected to cost about S$14.6 million and is scheduled for completion in 1Q 2013.

5) Development of a new factory block for Techplace II

   Strategically located in Ang Mo Kio and easily accessible to the Central Expressway and the MRT, Techplace II currently comprises a total of 6 blocks of flatted factory buildings and a canteen block. The Manager plans to develop a new factory block with ancillary F&B space totaling about 24,016 sqm through the maximisation of plot ratio from existing 2.05x to 2.5x. Works will also include the enhancement of the external façade to improve the marketability of the property. The project is expected to cost about S$42.4 million and is scheduled for completion in 4Q 2013.

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

A Well Diversified and Resilient Portfolio

During the financial year, A-REIT grew its portfolio GFA by about 11.0% to 2.7 million sqm. On a same-store basis, occupancy rate for its multi-tenanted properties grew from 92.1% to 92.8% y-o-y while portfolio occupancy increased to 96.4% y-o-y from 96.0%. The weighted average occupancy for investments completed in FY11/12[1] is 76.6%, largely due to FoodAxis @ Senoko which is currently 25.5% occupied.

Positive rental reversions of between 5.2% and 15.7% were achieved throughout all segments of the portfolio in FY11/12. A-REIT has about 13.8% of gross revenue due for renewal in FY12/13 and its passing weighted average rent is between 16% and 32% lower than the current spot market rent.

As at 31 March 2012, A-REIT has 101 properties in Singapore comprising Business & Science Parks, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities as well as a business park facility in China. A-REIT continues to have a healthy mix of long and short term leases (38% and 62% by portfolio value respectively) and a weighted lease term to expiry of about 4 years. Long term leases are the result of sale-and-leaseback or built-to-suit arrangements of which about 32.2% 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 provide stability and predictability in earnings.

A-REIT is able to service the diverse real estate needs of its customers through its diversified portfolio of properties. With a total customer base of over 1,100 local and international companies across more than 20 industries, about 85% of its lettable area is leased to multi-national or government-linked companies and agencies. The balance of its lettable space is occupied by Small and Medium Enterprises (“SME”) and other tenants who each take up less than 2,000 sqm of space. This group of customers represents less than 0.5% of the Singapore SME population. Only 20.3% of A-REIT’s lettable area is used for conventional manufacturing.

A-REIT’s top 10 tenants account for only 25.5% of A-REIT’s gross revenue, and the majority of these tenants are multi-national listed companies. No single property or tenant accounts for more than 4.5% and 6.0% of A-REIT’s monthly gross revenue respectively.

[1] Includes Cintech I to IV, Nordic European Centre, 3 Changi Business Park Vista, FoodAxis @ Senoko, Corporation Place, Ascendas Z-link and 90 Alps Avenue

Reflecting the sustained occupancy and resilience of A-REIT's portfolio, A-REIT recorded a net appreciation on revaluation of investment properties and investment properties under development of S$244.5 million over the latest book value.

Proactive Capital Management

The Manager continues to manage A-REIT's capital structure on a proactive basis. As at 31 March 2012, A-REIT had an aggregate leverage of about 36.6%.

The Manager has priced the issuance of a ¥10.0 billion 2.55% pa Notes due 2024 (the "**Notes**") today. The Notes will be issued under the S$1,000,000,000 Multicurrency Medium Term Note Programme established by A-REIT on 20 March 2009. The Notes will mature on 23 April 2024 and bear a fixed interest rate of 2.55% pa payable semi-annually in arrear.

The Notes will be swapped into Singapore Dollars upon issuance to eliminate any foreign exchange exposure for A-REIT and the proceeds of approximately S$153.7 million arising from the issue of the Notes will be used towards refinancing existing borrowings of A-REIT. The issuance which is expected to conclude by end of April 2012, will extend A-REIT's weighted average term of debt to 4.20 years from 3.49 years as at 31 March 2012 with a weighted average borrowing cost of about 3.04%.

The Manager will continue with its proactive approach to capital and risk management so as to maintain a healthy capital structure for A-REIT.

Outlook for FY12/13

In the new financial year ending 31 March 2013, A-REIT has about 13.8% of its revenue due for renewal. A-REIT's portfolio of 101 properties in Singapore and 1 in China with over 1,100 tenants provides significant diversification to the portfolio. The largest single tenant accounts for not more than 6.0% of A-REIT's gross revenue. In addition, A-REIT has a good spread of long and short term leases within its portfolio (38% versus 62% by asset value) with a weighted average lease to expiry of about 4 years which will provide sustainable and predictable earnings.

Barring any unforeseen event and any weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance in the financial year ending March 2013.

- 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 101 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, and 1 business park property in China. As at 31 March 2012, total assets amount to about S$6.6 billion. These properties house a tenant base of over 1,100 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, 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 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.