Press Release
15 April 2013

A-REIT's Amount Available for Distribution grew by 8.5% y-o-y to S$305.6 million

Highlights:

1. FY12/13 amount available for distribution increased by 8.5% y-o-y to S$305.6 million

2. DPU grew by 3.6% y-o-y to 14.05 cents from 13.56 cents

3. Healthy Portfolio Performance
   - Positive rental reversion of 14.0% (weighted average) achieved over preceding contracted rental rates
   - Portfolio occupancy of 94.0% as at 31 March 2013. Multi-tenanted properties are 89.6% occupied
   - Organic growth of 2.7%, largely attributed to positive rental reversion

4. Stable valuation capitalization rate of 6.6%, resulting in a net revaluation gain of about S$72.8 million. Consequently, A-REIT's total assets stand at about S$7.0 billion as at 31 March 2013

5. Disciplined investments:
   - Acquired The Galen, a Science Park property, for S$127.5 million
   - Embarked on development of DBS Asia Hub Phase II for S$21.8 million
   - Asset enhancement projects amounting to an estimated cost of S$55.2 million in progress

6. Proactive Capital Management
   - Raised gross proceeds of approximately S$704.9 million through private placements, to fund new investments and to provide A-REIT with greater financial flexibility
   - Further diversified A-REIT's sources of funding and lengthen debt maturity profile through the issuance of a ¥10 billion 12-year fixed rate note in April 2012.
   - Moody's Investors Service ("**Moody's**") senior unsecured debt rating was upgraded to A3 from Baa1. Issuer rating remains unchanged at A3 with a stable outlook.

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

	FY12/13	FY11/12	Variance (%)
Gross revenue (S$ million)	575.8	503.3	14.4
Net property income (S$ million)	408.8	368.3	11.0
Amount available for distribution (S$ million)	305.6	281.7	8.5
DPU for the financial year (cents) (1) before performance fee (2)	14.05	13.56	3.6

DPU for the financial year (cents) (1) after performance fee (2)	13.74	13.56	1.3
DPU for the 4th quarter (cents) (1) before performance fee (2)	3.37	3.50	(3.7)
DPU for the 4th quarter (cents) (1) after performance fee (2)	3.06	3.50	(12.6)

Note

(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. DPU in the table is computed based on total applicable number of units as at 31 March 2013 and 31 March 2012.

(2) Performance fee for the Manager is based on an annual growth element in distributions per unit in a given financial year (calculated before accounting for the performance fee in that financial year). The Manager must increase DPU by at least 2.5% before it is entitled to a performance fee.

15 April 2013, 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 a 3.6% y-o-y DPU growth to 14.05 cents for FY12/13.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "A-REIT's portfolio continues to achieve positive rental reversion averaging 14.0% for leases renewed during the financial year. We expect the trend to continue in FY13/14 albeit at a more modest rate. The multi-tenanted portion of A-REIT's portfolio has a vacancy of about 10% and this would provide significant potential net property income growth when these spaces are leased out in due course."

A Well Diversified and Resilient Portfolio

For the financial year, A-REIT achieved positive rental reversion averaging about 14.0% over preceding rental rates for renewal leases throughout its portfolio. A-REIT continues to have a portfolio of long and short term leases (35% and 65% by portfolio value respectively) with a weighted average lease to expiry of about 3.7 years. Long term leases are typically results of sale-and-leaseback or built-to-suit arrangements and these have stepped rental escalation, of which 33.6% of such leases incorporates 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.

Occupancy rate for the portfolio and multi-tenanted buildings moved slightly to 94.0% and 89.6% from 94.3% and 89.5% respectively from one year ago. This is due to more lettable space leased in FY13/14 as a result of completion of asset enhancement initiatives. The Manager will endeavor to capitalize on its leasing capabilities to improve occupancy to extract organic growth.

In the next financial year, about 21.4% (versus 24.6% at 31 Dec 2012) of A-REIT's property income will be due for renewal, comprising 6.0% of single-tenanted buildings tenancies and 15.4% of multi-tenanted buildings tenancies. The Manager has already commenced renewal negotiation for some of these tenancies.

In tandem with the stabilization in rental rates in the business space and industrial property segment, the weighted average capitalization rate remained stable at 6.6% for A-REIT's Singapore portfolio.

Disciplined and Yield Accretive Investments

During the financial year, the Manager continued with its disciplined approach to investment opportunities.

The Galen, a Science Park property, was acquired for S$127.5 million in March 2013 at a net property income yield of 6.8%. The Manager is pleased to announce the development of DBS Asia Hub Phase II, an extension of the existing building, DBS Asia Hub, sited within the Changi Business Park. These investments will enhance A-REIT's footprint in the Business & Science Parks segment.

The Manager also completed two asset enhancement works focused at enhancing marketability and upgrading of building specifications. The asset enhancement for Techplace II to build an additional block is under progress. In view of the challenging investment climate in Singapore, the Manager continues to conduct strategic review of A-REIT's existing portfolio, resulting in six asset enhancement initiatives totaling S$52.2 million in FY12/13. Details are in Annex A.

Divestment

During the financial year, the Manager announced divestment of Block 5006 at Techplace II to Venture Corporation Limited for S$38 million. Block 5006 is one of the six blocks of flatted factory buildings in Techplace II. The transaction is undergoing regulatory approval and is expected to complete in 3Q 2013.

Proactive Capital Management

The Manager continues to adopt a proactive stance towards capital management. During the financial year, gross proceeds of approximately S$704.9 million were raised through private placements of new units to fund investments and to provide A-REIT with greater financial flexibility. 150 million units, at an issue price of S$1.99 per Unit, were placed out to 65 new and existing institutional investors in May 2012. Another 160 million units raising approximately S$406.4 million in gross proceeds were issued at S$2.54 per Unit in March 2013. Pending the deploying of the proceeds for their intended use, the Manager has used part of the proceeds to repay outstanding loans. Consequently, A-REIT's aggregate leverage stands at 28.3% as at 31 March 2013. After funding committed investments, aggregate leverage is expected to increase to 30.4%.

The Manager further diversified A-REIT's array of funding sources such that each source of debt accounts for not more than 27% of A-REIT's total debt outstanding. A ¥10 billion 12-year fixed rate note was issued in April 2012 to extend A-REIT's debt maturity profile. This note was immediately swapped Into Singapore Dollars upon issuance to eliminate any foreign exchange exposure for A-REIT, resulting in gross proceeds of approximately S$153.7 million. As a result, A-REIT's weighted term of debt is 3.9 years as at 31 March 2013 with a weighted average all-in borrowing cost of 3.32%. Interest rate swaps are being used to manage or hedge the interest rate exposure of its debts. About 74.8% of A-REIT's interest rate exposure is hedged with a weighted average duration of 3.9 years remaining. New borrowings are expected to be at the short end of the tenure curve and therefore portfolio weighted cost of borrowing may decline in the future.

For FY13/14, A-REIT has about S$125 million in medium term notes due for refinancing. The Manager could refinance the debt using available credit facilities, which is currently only about 9.5% utilized.

In March 2013, Moody's upgraded A-REIT's senior unsecured debt rating by one notch from Baa1 to A3. The rating action was taken in view of A-REIT's sizeable reduction in secured debt over recent years, which no longer necessitates unsecured debt ratings to be notched down from the issuer rating. As at 31 March 2013, about 60.7% of A-REIT's total investment properties are unencumbered.

Outlook for FY12/13

For FY13/14, about 21.4% of A-REIT's revenue is due for renewal. With more than 1,200 tenants in a portfolio of 102 properties in Singapore and 1 in China, A-REIT is well-diversified in terms of rental income where no single property accounts for more than 4.5% of A-REIT's monthly gross revenue. A-REIT's portfolio has a mix of long and short term leases (35% versus 65% by asset value) with a weighted average lease to expiry of about

3.7 years which will provide sustainable and predictable earnings. With about 10% vacancy in the multi-tenanted portion of the portfolio, there could be potential upside in net property income when these spaces are leased out in due course, if the market conditions do not deteriorate.

Capital gains on disposal of assets, if any, when realized, may be distributed in the financial year.

Barring any unforeseen event and any further weakening of the economic environment, the Manager expects A-REIT to maintain a stable level of distributable income for the financial year ending 31 March 2014.

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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 102 properties in Singapore, comprising business and science park properties, hi-specs industrial properties, light industrial properties, and logistics and distribution centres, and 1 business park property in China. As at 31 March 2013, total assets amount to about S$7.0 billion. These properties house a tenant base of over 1,200 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 the Ascendas Group (www.ascendas.com)
Ascendas is Asia's leading provider of business space solutions with more than 30 years of experience across the region. Based in Singapore, Ascendas has built a strong regional presence and serves a global clientele of over 2,400 customers in 33 cities across 10 countries including Singapore, China, India, South Korea and Australia.

Ascendas specializes in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-specs facilities, office and retail space for a host of industries. 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 hotel spaces to create conducive human-centric work-live-play-learn environments. Its flagship projects include the Singapore Science Park, International Tech Park Bangalore in India, Dalian-Ascendas IT Park in China and Carmelray Industrial Park II in the Philippines. Ascendas provides end-to-end real estate solutions, assisting corporate customers through 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 Asia's first listed Indian property trust. In July 2012, Ascendas listed Ascendas Hospitality Trust (A-HTRUST), which comprises a portfolio of 10 quality hotels in China, Japan and Australia. 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 due to rounding.

<u>Annex A:</u>

Acquisition conducted in FY12/13: S$127.6 million

1) The Galen, a Science Park property for S$127.6 million (Completed)

   Located within Singapore Science Park II, one of the two designated Science Parks in Singapore, The Galen is easily accessible via West Coast Highway / Pasir Panjang Road and the nearby Haw Par Villa Mass Rapid Transit Station. It has a gross floor area and net lettable area of 30,685 sqm and 21,775 sqm respectively.

Development committed in FY12/13: S$21.8 million

1) DBS Asia Hub Phase II for S$21.8 million (To commence in 2Q 2013)

   An extension of the existing DBS Asia Hub, DBS Asia Hub Phase II caters to DBS Bank's increasing business space requirement within the Changi Business Park. The development of Phase II will commence in 2Q 2013 and create 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, expected in 4Q 2014, 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.

Asset enhancements committed in FY12/13: S$55.2 million

1) Asset enhancement for 31 Ubi Road 1 for S$7.0 million (In progress)

   Strategically located along Paya Lebar Road and in close proximity to the MacPherson MRT Station, 31 Ubi Road 1 is undergoing upgrading of the existing building specifications and enhancement of the building façade to reposition the building from a light industrial building to a high-specs industrial building. This will include improvements to the lift lobbies, erection of new canopies as well as upgrading of the lifts and toilets. The asset enhancement is expect to complete in 3Q 2013. About 36.6% of lettable area has been committed at about 2x the existing passing rental with another 5.8% in negotiation.

2) Asset enhancement for 31 International Business Park for S$13.2 million (In progress)

   Strategically located within the International Business Park and within the Jurong Lake District Development and easily accessible via major expressways, 31 International Business Park is one of six A-REIT properties in International Business Park. The asset enhancement works comprise conversion of the property into a multi-tenanted property and upgrading of the building specifications to meet contemporary expectations and is expected to complete in 4Q 2013. About 27.6% of lettable area has been renewed with another 11.4% under offer and 17.7% in negotiation.

3) Asset enhancement at Xilin Districentre Building D for S$6.0 million (In progress)
Located in Changi International LogisPark (South), prominently beside Xilin Ave and in close proximity to Changi Business Park and Singapore Expo and easily accessible via East Coast Parkway Expressway, ancillary office space will be converted to warehouse space to cater to the tight supply of warehouse space in the eastern part of Singapore. The exercise is target for completion in 3Q 2013.

4) Asset enhancement at 1 @ CBP Ave for S$12.0 million (In progress)
One of A-REIT's six buildings within the Changi Business Park, the property is next to the Expo MRT station and is easily accessible via the Pan Island Expressway and the East Coast Parkway Expressway. The property was acquired in October 2003 and leased to a single-user. In view of the healthy demand for quality business space within the Changi Business Park, the Manager took advantage of the expiring lease to upgrade the building to position it to be comparable with the newest properties within the vicinity. Building specifications such as toilets, lifts and building facades are in the process of being upgraded and will be completed in two phases in 3Q 2013 and 4Q 2013.

5) Asset enhancement at Techpoint for S$7.0 million (In progress)
Situated along Ang Mo Kio Street 65, Techpoint is easily accessible to major transport routes via major expressways. The asset enhancement will improve existing building specifications and finishing so as maintain Techpoint as a state-of-the-art hi-specs industrial building. The works is scheduled for completion in 1Q 2014.

6) Asset enhancement at 5 Toh Guan Road East for S$7.0 million (To commence in 2Q 2013)
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 will commence in 2Q 2013 and is expected to complete in 2Q 2014.

Acquisition committed in prior financial year: S$124.6 million

1) Forward purchase of a business park property in Shanghai, China for a purchase consideration of approximately S$124.6

   At No. 200 Jinsu Road, Jinqiao Economic and Technological Zone, Pudong New District on a land area of 31,952 sqm, the property is expected to have gross floor area of approximately 79,880 sqm. Completion of the transaction is expected in 2Q 2013. A US-based multinational company has become the first tenant committing to about 2.6% of the space with another 18.8% in negotiation.

Developments committed in prior financial year: S$210.3 million

1) Development of Unilever Four Acres Singapore for Unilever Asia Private Limited for S$32.3 million (In progress)

   The development of Unilever Four Acres Singapore is its final stage of completion. The facility is Unilever's second global leadership development centre in the world and first in Asia and is expected to train up to 900 employees a year. The facility has a 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.

2) Development of Nexus@one-north, a business park facility in Fusionopolis, for S$178.0 million (In progress)

   Development of Nexus@one-north is in progress with about 31% of the lettable space pre-committed with another 0.9% under offer and 26.9% in negotiation. This suburban business space facility comprises 60% business park space and 40% office space with a total gross floor area of about 25,000 sqm. It is designed to cater to businesses in the infocomm technology ("ICT") and media industries as well as research and development activities in the physical sciences and engineering sectors. It is scheduled for completion in 3Q 2013.

Asset enhancements committed in prior financial year: S$70.5 million

1) Asset enhancement for 10 Toh Guan for S$13.5 million (Completed)

   The second phase of the asset enhancement for 10 Toh Guan Road was completed in August 2012. With the removal of the existing Automated Storage & Retrieval System ("ASRS") and conversion into car park space, the property now boast a 8,072 sqm of showroom space (fully occupied) in a quality industrial building with an improved façade.

About 38.3 % of lettable space is leased with another 22.4% pending regulatory approvals.

2) Asset enhancement for 9 Changi South Street 3 for S$14.6 million (Completed)
Costing S$14.6 million, the Manager has completed the asset enhancement project for 9 Changi South Street 3 to maximize its plot ratio from 1.6 times to 1.98 times in December 2012. The asset enhancement created an additional 7,900 sqm of lettable space which has been fully leased.

3) Asset enhancement for Techplace II for S$42.4 million (In progress)
Strategically located in Ang Mo Kio and easily accessible to the Central Expressway and the MRT, Techplace II currently comprise a total of 6 blocks of flatted factory buildings and a canteen block. The Manager is developing a new factory block with ancillary F&B space totaling about 24,016 sqm through the maximisation of plot ratio from existing 2.05 times to 2.5 times. Works will also include the enhancement of the external façade of all buildings in the estate to improve the corporate image of the property. The project is scheduled for completion in 4Q 2013.

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