

Aperia



Hyflux Innovation Centre

2Q FY14/15 Financial Results Presentation

23 October 2014

ascendas reit

Disclaimers

This material shall be read in conjunction with A-REIT's financial statements for the financial period ended 30 September 2014.

This presentation 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 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 future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Manager's current view of future events.

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

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Key Highlights for 2Q FY14/15

Financial Performance

Investment Management

Capital Management

Asset Management

Portfolio Update

Portfolio Resilience

Portfolio Growth

Market Outlook for FY14/15

Key Highlights for 2Q FY14/15

- Distribution of 7.30 cents (+2.1% y-o-y) for 1HFY14/15 will be paid in Nov 2014
  - Total Amount Available for Distribution for 2Q FY14/15 rose by 1.6% y-o-y to S$87.8 million
  - DPU grew 1.7% y-o-y to 3.66 cents in 2Q FY14/15 from 3.60 cents in 2Q FY13/14, and increased by 0.5% q-o-q from 3.64 cents in 1Q FY14/15
- Positive rental reversion of 6.3% achieved over preceding contracted rental rates
- Acquired Aperia, a newly completed integrated mixed-use development, for S$458m
  - Long land lease tenure (57 years remaining)
  - Committed occupancy of 49.6%, with 15% under negotiations
  - Valuation of S$488m as at 18 July 2014
- Proactive capital management
  - Healthy aggregate leverage of 32.6% and debt maturity extended to 4.0 years from 3.7 years

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2Q FY14/15 vs 2Q FY13/14

(S$'000)	2Q FY14/15[1]	2Q FY13/14[1] (Restated)	% inc/(dec)
Gross revenue[2]	164,781	151,692	8.6
Less: Property operating expenses[3]	(50,114)	(44,570)	12.4
Net property income (NPI)	114,667	107,122	7.0
Interest expense[4]	(17,278)	(15,395)	12.2
Other borrowing costs[5]	355	(1,345)	nm
Non-property expenses[6]	(9,487)	(7,544)	25.8
Net income	88,257	82,838	6.5
Foreign exchange gain/(loss)[7]	14,079	(11,298)	nm
Net change in fair value of financial instruments[8]	(4,615)	(1,221)	nm
Net change in fair value of financial derivatives[9]	(12,002)	5,075	nm
Appreciation on revaluation of investment property[10]	28,112	-	nm
Total return for the period before tax	113,831	75,394	51.0

(1) 106 properties as at 30 Sep 2014 and 105 properties as at 30 Sep 2013, including 1 which is classified as finance lease receivable.

(2) Increased by 8.6% mainly due to new acquisitions since Sep 2013 and positive rental reversion.

(3) Increased by 12.4% mainly due to property expenses from new acquisitions/development completed since Sep 2013 and changes in lease structure of certain properties.

(4) Higher in 2Q FY14/15 due to increase in borrowings to finance investments.

(5) 2Q FY14/15 number included S$1.3m in accretion gain on refundable security deposits vis-à-vis a loss of S$0.7m in 2Q FY13/14.

(6) Higher in 2Q FY14/15 mainly due to higher management fee and lower interest income from investment in convertible bonds.

(7) 2Q FY14/15 number mainly relates to the translation difference arising from JPY and HKD denominated MTN issued. The foreign exchange risk of these notes is fully hedged.

(8) 2Q FY14/15 number relates to fair value loss on convertible bonds of S$14.2m (2Q FY13/14: gain of S$9.2m) offset by fair value gain on Exchangeable Collateralised Securities ("ECS") loan of S$9.6m (2Q FY13/14: loss of S$10.5m).

(9) 2Q FY14/15 number includes fair value loss on cross currency swaps of S$17.0 million (2Q FY13/14: gain of S$0.2 million) offset by fair value gain on interest rate swaps of S$5.0m (2Q FY13/14: loss of S$4.6m). 2Q FY13/14 also included S$9.5 million of fair value gain on cross currency interest rate swap from Emerald Asset.

(10) This relates to the appreciation on revaluation of investment property upon acquisition of Aperia through the acquisition of the share capital of PLC8 Holdings Pte. Ltd.

DPU 2Q FY14/15 vs 2Q FY13/14

(S$'000)	2Q FY14/15[1]	2Q FY13/14[1] (Restated)	% inc/(dec)
Total return for the period before tax	113,831	75,394	51.0
Tax expense[2]	(851)	(490)	73.7
Total return for the period	112,980	74,904	50.8
Add back: Non-controlling interest	5	37	(86.5)
Total return for the period attributable to Unitholders	112,985	74,941	50.8
Net non (taxable income)/tax deductible expenses and other adjustments[3]	(3,455)	8,953	nm
Net change in fair value of financial instruments	4,615	1,221	nm
Appreciation on revaluation of investment property	(28,112)	-	nm
Income available for distribution	*86,033*	*85,115*	*1.1*

(1) 106 properties as at 30 Sep 2014 and 105 properties as at 30 Sep 2013, including 1 which is classified as finance lease receivable.

(2) Higher tax expense for 2Q FY14/15 is mainly due to higher income tax provision at a China subsidiary, as a result of higher YTD profit. Tax was also provided on incentive income relating to A-REIT City@Jinqiao and Hyflux Innovation Centre ("HIC"), in 2Q FY14/15 but not in 2Q FY13/14

(3) Mainly make up of foreign exchange gain S$14.1m (2Q FY13/14: loss of S$1.8m), accretion gain on refundable security deposits of S$1.3m (2Q FY13/14: loss of S$0.7m), offset by net loss on fair value of financial derivatives of S$12.0m (2Q FY13/14: S$4.4m)

DPU 2Q FY14/15 vs 2Q FY13/14

(S$'000)	2Q FY14/15[1]	2Q FY13/14[1] (Restated)	% inc/ (dec)
Income available for distribution	*86,033*	*85,115*	*1.1*
- *Taxable income*	*85,357*	*84,403*	*1.1*
- *Tax-exempt income[2]*	*676*	*712*	*(5.1)*
Tax-exempt income (prior periods)[3]	1,083	622	74.1
Capital distribution from a tax perspective[4]	730	702	4.0
Total amount available for distribution	87,846	86,439	1.6
No. of units in issue at end of period (mil)	2,404.1	2,400.9	0.1
Distribution Per Unit (cents)	**3.66**	**3.60**	**1.7**

(1) 106 properties as at 30 Sep 2014 and 105 properties as at 30 Sep 2013, including 1 which is classified as finance lease receivable.

(2) Tax-exempt income relates to a distribution of finance lease interest income (net of tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

(3) Tax-exempt income (prior periods) relates to the distribution of incentive income (net of tax) received from the properties in China. As tax has been withheld on this income, the distribution is exempt from tax in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

(4) This is the distribution of net income from the property in China. It is deemed to be capital distribution from a tax perspective until this income is remitted to A-REIT in Singapore. Such distribution is not taxable in the hands of the Unitholders, save for Unitholders who are holding the units as trading assets.

2Q FY14/15 vs 1Q FY14/15

(S$'000)	2Q FY14/15[1]	1Q FY14/15[1]	% inc/(dec)
Gross revenue	164,781	163,178	1.0
Less: Property operating expenses[2]	(50,114)	(46,906)	6.8
Net property income (NPI)	114,667	116,272	(1.4)
Interest expense[3]	(17,278)	(16,255)	6.3
Other borrowing costs[4]	355	(131)	nm
Non-property expenses[5]	(9,487)	(8,066)	17.6
Net income	88,257	91,820	(3.9)
Foreign exchange gain/(loss)[6]	14,079	(55,473)	nm
Net change in fair value of financial instruments[7]	(4,615)	(9,226)	(50.0)
Net change in fair value of financial derivatives[8]	(12,002)	58,173	nm
Gain on disposal of investment property[9]	-	2,023	nm
Net appreciation on revaluation of investment properties[10]	28,112	-	nm
Total return for the period before tax	113,831	87,317	30.4

(1) 106 properties as at 30 Sep 2014 and 105 properties as at 30 Jun 2014, including 1 which is classified as finance lease receivable.

(2) Increased by 6.8% mainly due to full quarter impact from HIC and part contribution by Aperia.

(3) Higher in 2Q FY14/15 due to increase in borrowings to finance investments.

(4) The accretion gain on refundable security deposits was higher in 2Q FY14/15.

(5) Increased by 17.6% mainly due to higher management fees and lower interest income from investment in convertible bonds.

(6) 2Q FY14/15 number mainly relates to the translation difference arising from JPY and HKD denominated MTN issued. 1Q FY14/15 number related mainly to translation differences raising from JPY denominated MTN and the realisation of exchange loss after repayment of Emerald's EURO-denominated MTN. The foreign exchange risk of these notes is fully hedged.

(7) 2Q FY14/15 number relates to fair value loss on convertible bonds of S$14.2m (1Q FY14/15: S$2.4m) offset by fair value gain on ECS loan of S$9.6m (1Q FY14/15: loss of S$6.8m).

(8) 2Q FY14/15 number includes fair value loss on cross currency swaps of S$17.0 million (1Q FY14/15: gain of S$4.1 million) offset by fair value gain on interest rate swaps of S$5.0m (1Q FY14/15: S$1.5m). 1Q FY14/15 also included $52.5 million of fair value gain in relation to the reversal of fair value loss on cross currency interest rate swap from Emerald upon maturity of the swaps.

(9) This relates to the gain on divestment of the investment property located at 1 Kallang Place.

(10) This relates to the appreciation on revaluation of investment property upon acquisition of Aperia through the acquisition of the share capital of PLC8 Holdings.

DPU 2Q FY14/15 vs 1Q FY14/15

(S$'000)	2Q FY14/15[1]	1Q FY14/15[1]	% inc/(dec)
Total return for the period before tax	113,831	87,317	30.4
Tax expense[2]	(851)	(1,323)	(35.7)
Total return for the period	112,980	85,994	31.4
Less: Non-controlling interest	5	(35)	nm
Total return for the period attributable to Unitholders	112,985	85,959	31.4
Net non taxable income and other adjustments[3]	(3,455)	(7,578)	(54.4)
Net change in fair value of financial instruments	4,615	9,226	(50.0)
Net appreciation on revaluation of investment properties	(28,112)	-	nm
Income available for distribution	86,033	87,607	(1.8)

(1) 106 properties as at 30 Sep 2014 and 105 properties as at 30 Jun 2014, including 1 which is classified as finance lease receivable.

(2) Higher tax expense for 1Q FY14/15 mainly due to tax provided on higher incentive income relating to A-REIT City@Jinqiao.

(3) Mainly make up of foreign exchange gain of S$14.1m (1Q FY14/15: loss of S$1.7m), net incentive income of $0.7m in relation to A-REIT City@Jinqiao (1Q FY14/15: S$3.4m) offset by net loss on fair value of financial derivatives of S$12.0m (1Q FY14/15: gain of S$5.6m). 1Q FY14/15 also included gain on disposal of investment property of S$2.0m.

DPU 2Q FY14/15 vs 1Q FY14/15

(S$'000)	2Q FY14/15[1]	1Q FY14/15[1]	% inc/ (dec)
Income available for distribution	*86,033*	*87,607*	*(1.8)*
- *Taxable income*	*85,357*	*86,938*	*(1.8)*
- *Tax-exempt income[2]*	*676*	*669*	*1.0*
Tax-exempt income (prior periods)[3]	1,083	-	nm
Capital distribution from a tax perspective[4]	730	-	nm
Total amount available for distribution	87,846	87,607	0.3
No. of units in issue at end of period (mil)	2,404.1	2,404.1	-
Distribution Per Unit (cents)	**3.66**	**3.64**	**0.5**

(1) 106 properties as at 30 Sep 2014 and 105 properties as at 30 Jun 2014, including 1 which is classified as finance lease receivable.

(2) Tax-exempt income relates to a distribution of finance lease interest income (net of tax) received from a tenant. As tax has been withheld on this income, the distribution is exempt from tax in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

(3) Tax-exempt income (prior periods) relates to the distribution of incentive income (net of tax) received from the properties in China. As tax has been withheld on this income, the distribution is exempt from tax in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

(4) This is the distribution of net income from the property in China. It is deemed to be capital distribution from a tax perspective until this income is remitted to A-REIT in Singapore. Such distribution is not taxable in the hands of the Unitholders, save for Unitholders who are holding the units as trading assets.

Distribution Details

Stock Counter	Distribution Period	Distribution per Unit (cents)
Ascendas REIT	1 April 2014 to 30 September 2014	7.30#

Distribution Type	Taxable	Tax-exempt	Capital
#Breakdown of DPU (cents)	7.17	0.10	0.03

Distribution Timetable	
Last day of trading on "cum" basis	28 October2014 (Tuesday)
Ex-date	29 October 2014 (Wednesday)
Books closure date	31 October 2014 (Friday)
Distribution payment date	28 November 2014 (Friday)

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

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Investment Highlights

	Value (S$m)	Completed
Acquisition	**458.0**	
Aperia	458.0	Aug-14
Asset Enhancements Completed	**25.4**	
Corporation Place	14.5	Aug-14
LogisTech	6.6	Aug-14
Techquest	4.3	Jul-14
TOTAL	**483.4**	

- Acquired Aperia, a newly completed integrated mixed-use development, for S$458m, with committed occupancy of 49.6% and 15% under negotiations/offer
- Completed S$25.4m of asset enhancements
- In value terms, the above new investments account for 6.1% of the S$7.9bn portfolio

New Acquisition: Aperia

Transaction Value	S$458 million
Valuation by DTZ Debenham Tie Leung (SEA) Pte. Ltd.	S$488 million
Date of Temporary Occupation Permit	16 June 2014
Land Area	28,348 sqm
Land Tenure	60 years expiring 21 Feb 2072
Plot ratio	3.0 (of which 0.5 white use)
GFA	86,696* sqm
NLA	68,735 sqm
Land premium	S$218.3 million for 60 years fully paid
Occupancy	27.7% occupied (as at 30 Sep 2014) Another 21.9% committed but yet to commence lease 15% under offer/negotiation



Aperia

Aperia is an integrated industrial mixed-use development located in Kallang iPark, at the fringe of Singapore's Central Business District.

Aperia is about 5 minutes' walk to the Lavender MRT Station and the upcoming Bendemeer MRT Station

The property consists of two Business-1 towers (GFA 72,290 sqm) and a 3-storey retail podium (GFA 14,406 sqm)

Lifestyle amenities include a recreational pool, childcare and enrichment centres, supermarket, shops and F&B outlets

* Includes bonus GFA due to Greenmark Platinum certification

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Healthy Balance Sheet

- Aggregate leverage increased q-o-q to 32.6% from 31.6% after funding acquisition of Aperia and asset enhancement works

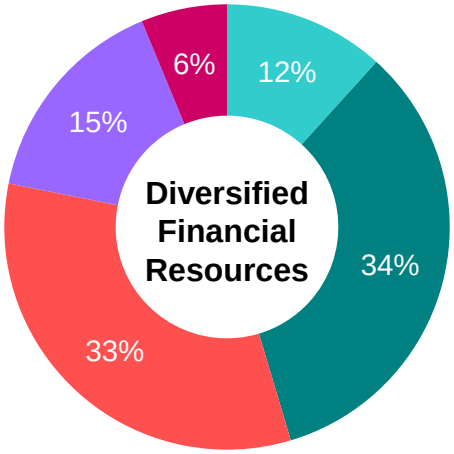
- Debt headroom of S$1.8 billion, before aggregate leverage reaches 45%
  - financial flexibility to seize debt-funded growth opportunities

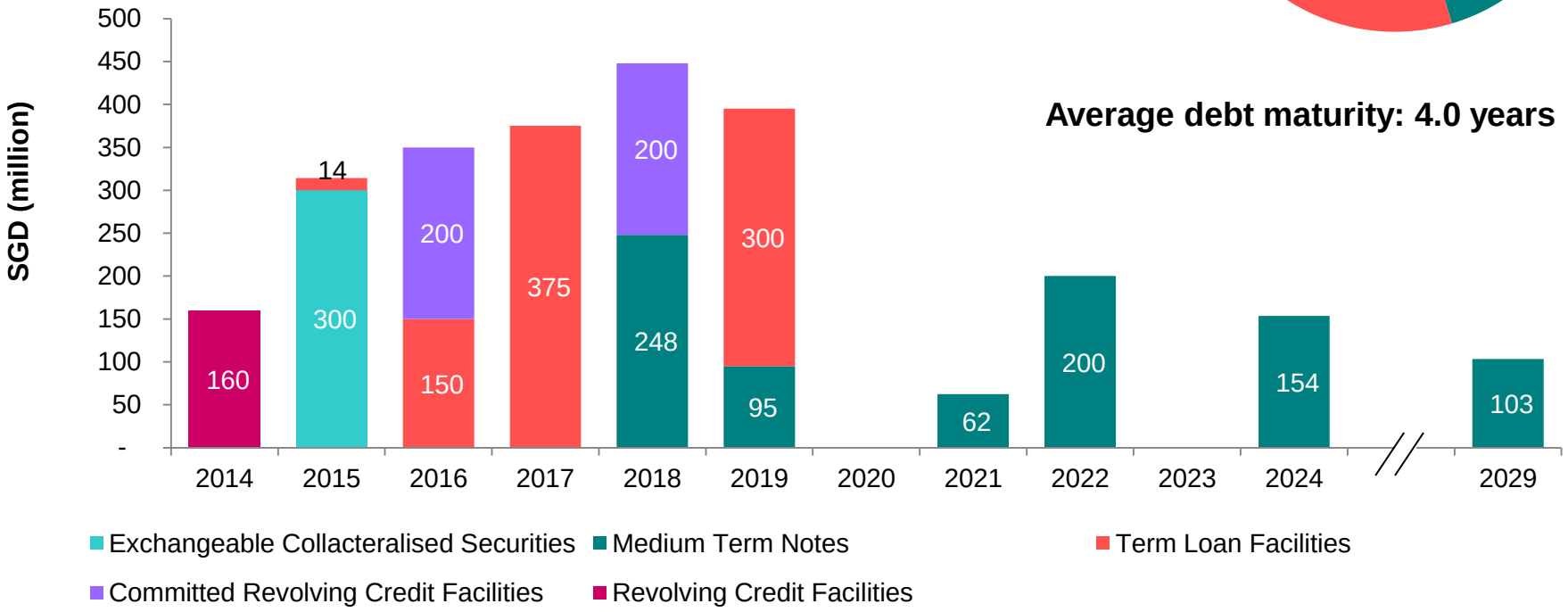
(S$m)	As at 30 Sep 14	As at 30 Jun 14
Total debt (1)	2,561	2,373
Total assets	7,866	7,521
Net assets attributable to unitholders	4,966	4,845
Aggregate leverage	32.6%	31.6%
Net asset value per unit	207 cents	202 cents
Units in issue (m)	2,404	2,404

(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 not more than 20% of debt due for refinancing in any single year
- Issued HKD620 million 3.5-year Notes and HKD640 million 15-year Notes (total of S$203 million), further diversifying the source of funding





Key Funding Indicators

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

	As at 30 Sep 14	As at 30 Jun 14
Aggregate Leverage	**32.6%**	**31.6%**
Unencumbered properties as % of total investment properties[(1)]	85.8%	84.7%
Interest cover ratio	6.2 x[(2)]	6.5 x[(3)]
Total debt / EBITDA	6.1 x[(2)]	5.6 x[(3)]
Weighted average tenure of debt outstanding (years)	**4.0**	**3.7**
YTD weighted average all-in borrowing cost[(4)]	2.7%	2.7%
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 Sep 2014
(3) Based on 3 months period ended 30 Jun 2014
(4) Ratio of interest expense over average borrowings since the start of the FY

Prudent Interest Rate Management

- 68.8% of interest rate exposure is hedged for an average term of 3.2 years
- A 0.5% point increase in interest rate is expected to result in S$4.0 million decline in distributions or 0.17 cent in DPU

Increase in interest rates	Decrease in distribution (S$m)	Change as % of FY13/14 distributions	Pro forma impact on FY13/14 DPU (cents)(1)
0.5%	4.0	1.2%	0.17
1.0%	8.0	2.3%	0.33
1.5%	12.0	3.5%	0.50
2.0%	16.0	4.7%	0.67

(1) Based on number of units in issue as at 30 Sep 2014

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Occupancy remains Healthy

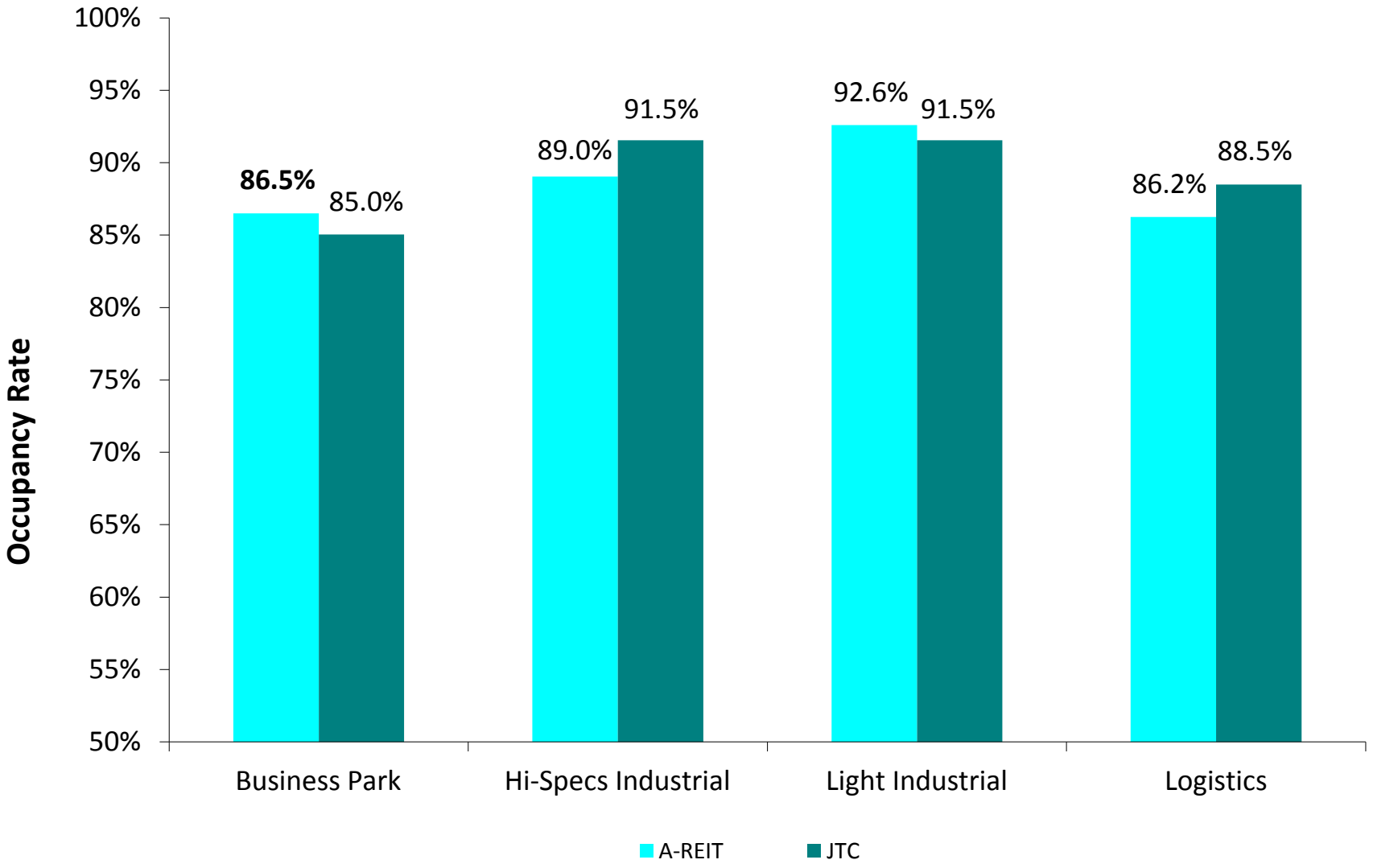
- Portfolio GFA increased by **3%** q-o-q to **3 million sqm**
- Overall portfolio occupancy is **87.2%** including committed leases(1) at 21 Jalan Buroh, Aperia and Hansapoint, which have yet to take physical possession as at 30 Sep 2014
- As at 30 Sep, overall portfolio occupancy is 85.6%; the decline q-o-q is mainly due to:
  - Acquisition of Aperia (NLA of 68,735 sqm) with 27.7% occupancy
  - Conversion of C&P Logistics Hub (NLA of 129,763 sqm) from single-tenanted building to multi-tenanted building (MTB) in Jul 2014 with 66.4% occupancy

As at	30 Sep 14	30 Jun 14	30 Sep 13
Total Portfolio GFA (sqm)	2,995,453	2,909,869	2,874,770
Portfolio occupancy (same store) (2)	87.9%	88.9%	90.0%
MTB occupancy (same store) (2)	86.0%	86.5%	83.2%
Occupancy of investments/divestment completed in the last 12 months	65.1%	65.8%	n.a.
Overall Portfolio occupancy	85.6% (1)	88.1%	90.1%
MTB occupancy	81.0%	82.3%	83.9%
Weighted Average Lease to Expiry (yrs)	4.0	3.9	3.9

(1) Additional committed occupancy: 21 Jalan Buroh (+40.4%), Aperia (+21.9%) and Hansapoint (+26.6%)

(2) Same store occupancy rates for previous quarters are computed with the same list of properties as at 2Q FY14/15, i.e. account for changes in space due to new investments completed in the last 12 months and changes in classification of certain buildings from single-tenanted buildings to MTB

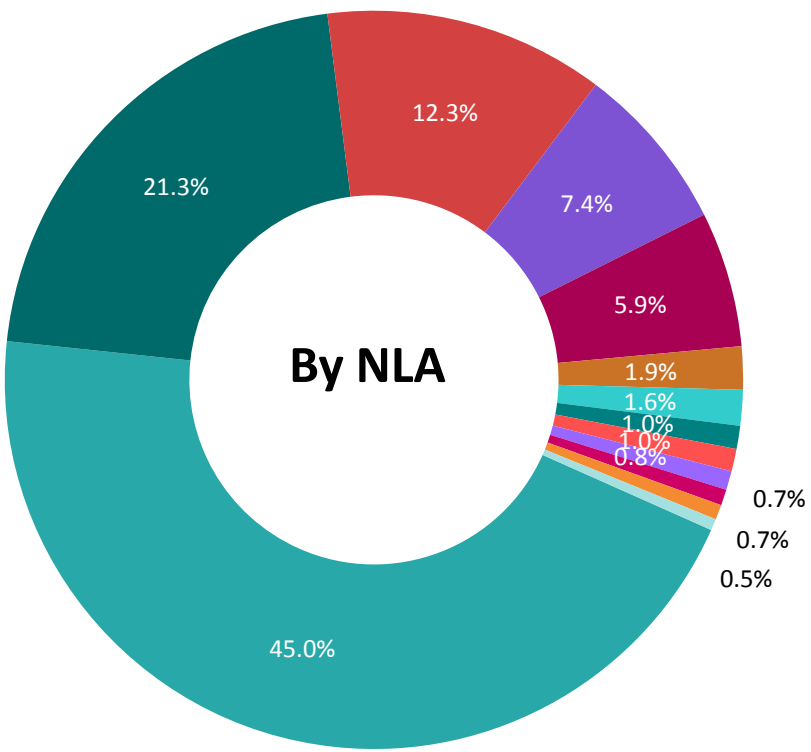
A-REIT vs Industrial Average Occupancy

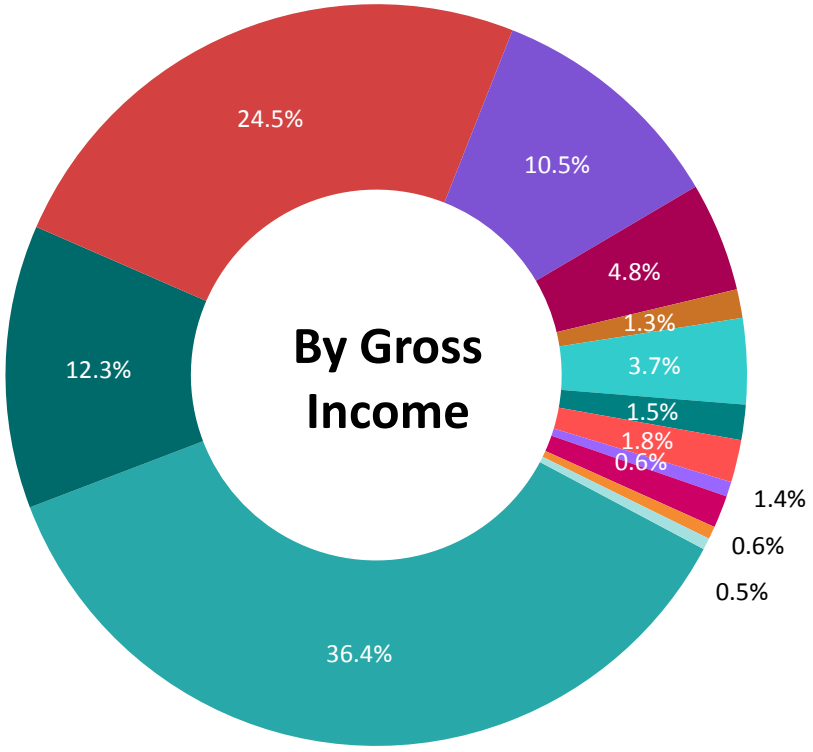


Source :
A-REIT's Singapore portfolio as at 30 September 2014. Market: JTC
JTC statistics do not breakdown Hi-Specs Industrial and Light Industrial, ie they are treated as one category with occupancy of 91.5%

Sources of New Demand – 2Q FY14/15

- Continues to attract demand from a wide spectrum of industries





Transport and Storage
Electronics
Financial Service
Precision Engineering
IT
Food Products & Beverages
Lifestyle and Services
Others
Biomedical
Telecommunication & Datacentre
R&D
General Manufacturing
Structural Engineering

Achieved Positive Rental Reversion

- Positive rental reversions registered across all segments
- Achieved +6.3% rental reversion for leases renewed in 2Q FY14/15

Multi-tenanted properties [1]	Net lettable area (sqm)	Vacant space (sqm)	2Q FY14/15 increase in renewal rates [2]	Increase / (decrease) in new take up rental rates [3]
	As at 30 Sep 2014			
Business & Science Parks	434,039	67,992	↑ 13.7%	↑ 3.6%
Hi-Specs Industrial	326,942	53,650	↑ 4.2%	↑ 24.2%[4]
Light Industrial	327,989	37,288	↑ 5.1%	↓ (21.0)%[5]
Logistics & Distribution Centres	493,630	81,071	↑ 2.3%	↑ 2.8%
Weighted Average			↑ **6.3%**	

(1) A-REIT's Singapore portfolio only.
(2) Increase in renewal rental rates for leases renewed in 2QFY14/15 versus previous contracted rates
(3) Rental rates for new take up (including expansion by existing tenants) in 2QFY14/15 versus new take-up rental rates achieved in 1QFY14/15
(4) Due to higher rates achieved at buildings which are well-located and have recently completed AEI.
(5) Due to lower rental rate for large space expansion by a tenant in a lower rent micro-market, ie northern part of Singapore.

Update on Properties in China

Ascendas Z-link



Location	Located within Zhongguncun Software Park in Haidian District, Beijing
Tenants	Higher value-added industries such as IT and software companies e.g. Baidu, Lite-On (a Taiwan-listed electronics co.)
GFA	31,427 sqm
Occupancy	100.0% (as at 30 Sep 2014)
Rental growth	+41%

A-REIT City @Jinqiao



Location	Located in north Jinqiao within the Jinqiao Economic and Technological Zone, in Shanghai
Tenants	Higher value-added industries such as IT and software companies as well as corporate HQs of multi-national companies and large local corporations
GFA	79,880 sqm
Occupancy	44.6% with another 15% under negotiation (as at 30 Sep 2014)

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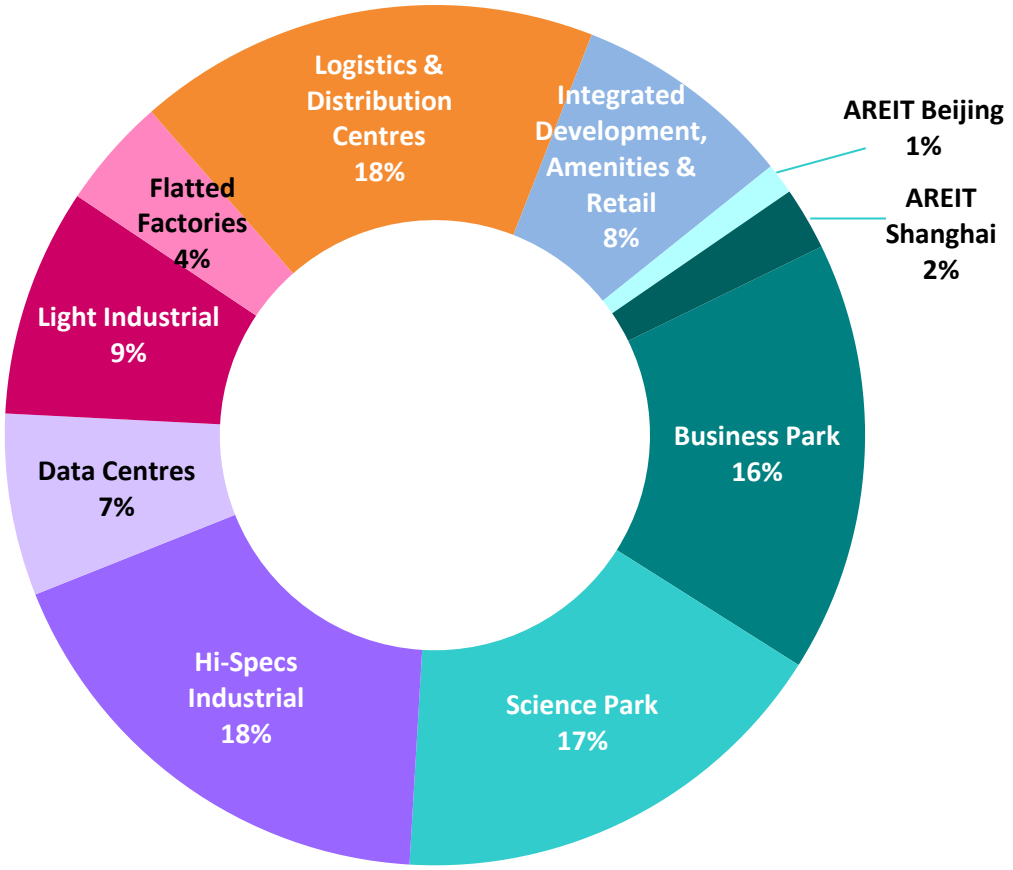
Portfolio Resilience

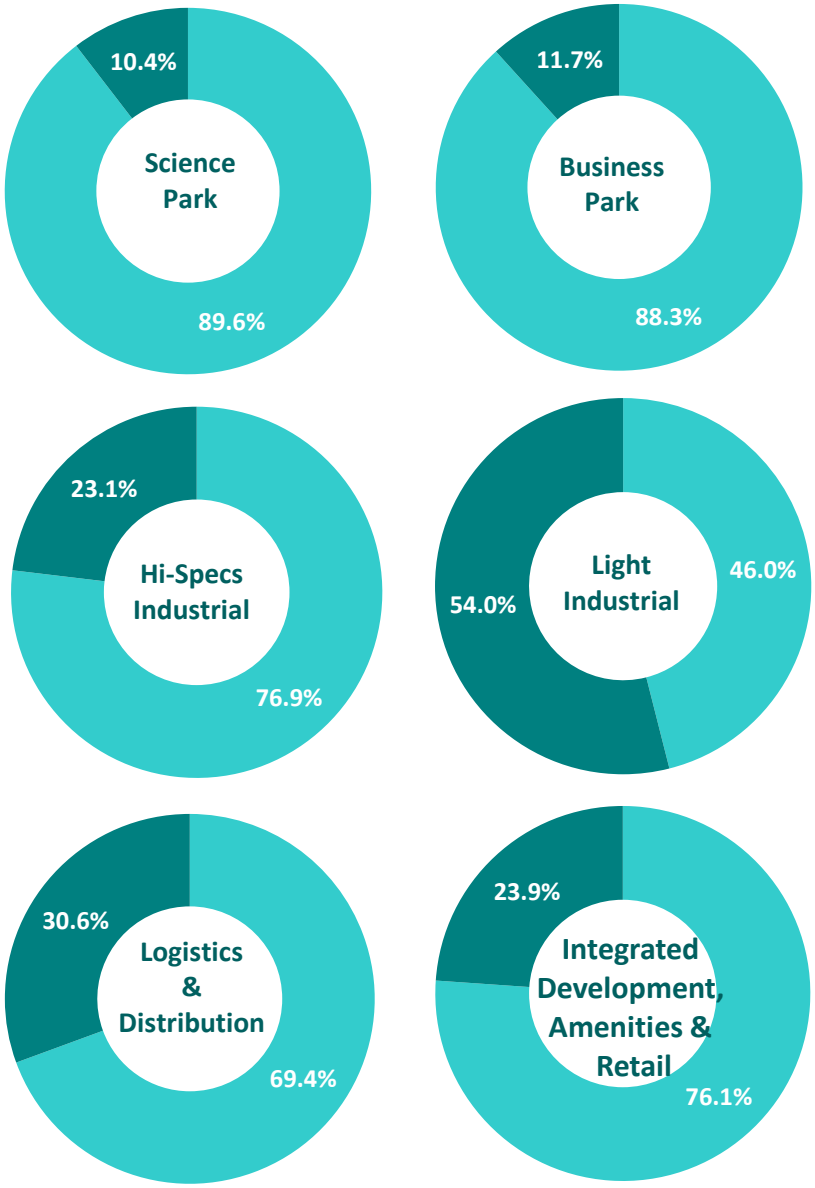
Portfolio Growth

Market Outlook for FY14/15

Well Diversified Portfolio

By value of Investment Properties



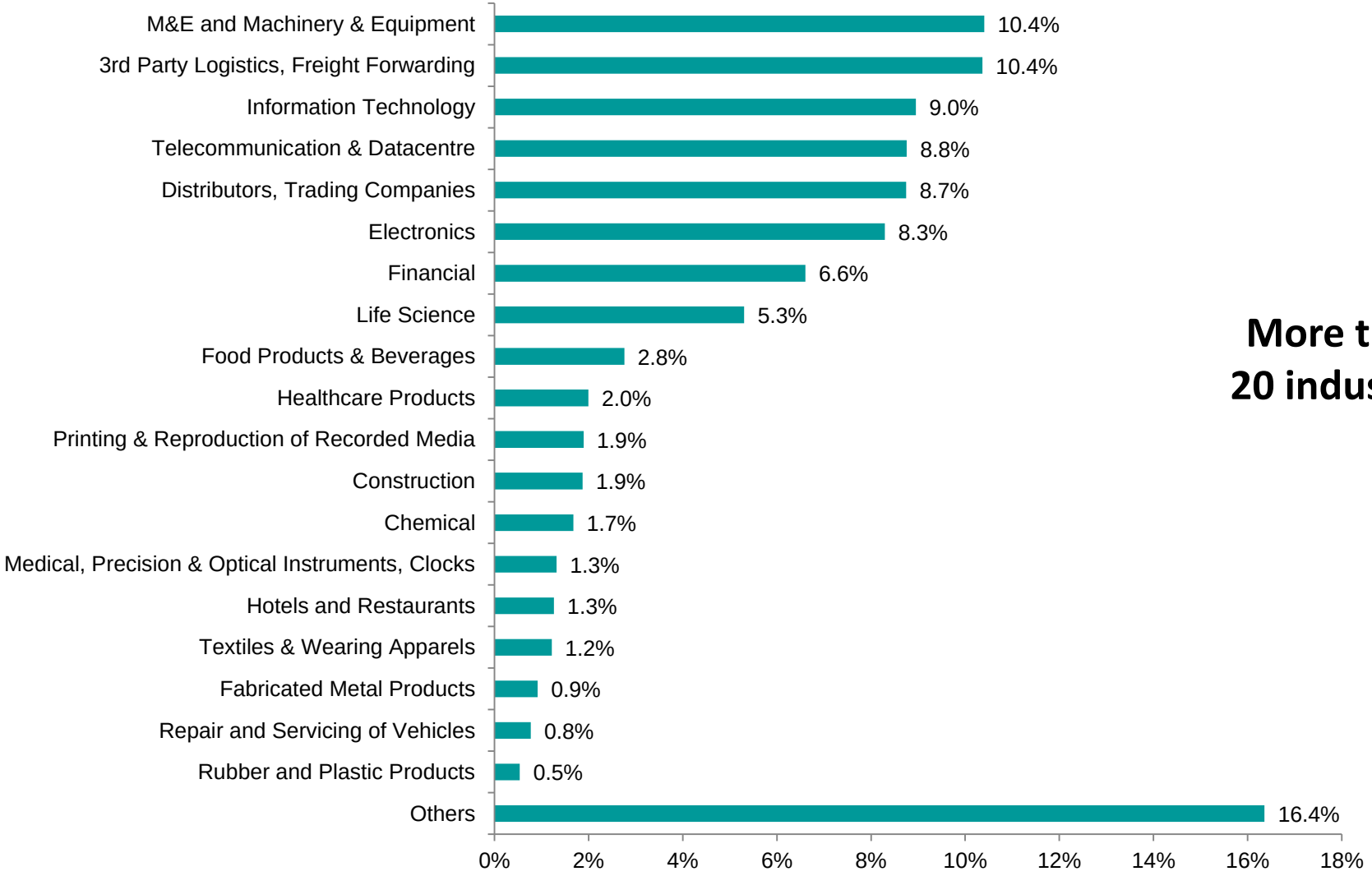


Notes:

- Multi-tenanted buildings account for 76.8% of A-REIT's portfolio by asset value as at 30 September 2014
- About 58% of Logistics & Distribution Centres (by gross floor area) are single storey / multi-storey facilities with vehicular ramp access.
- A-REIT has three data centres of which, two are single-tenanted. Warehouse Retail Facilities are single-tenanted properties while flatted factories are multi-tenanted properties

Tenants' Industry Diversification

By Monthly Gross Revenue



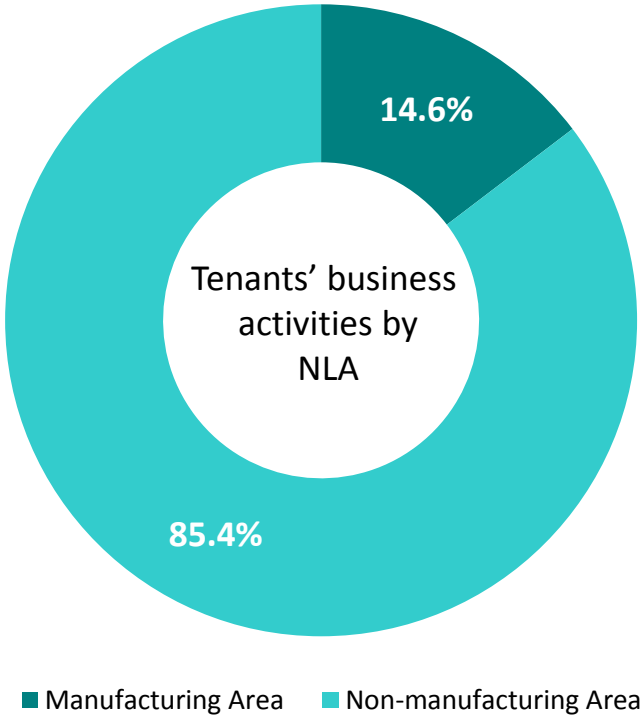
More than 20 industries

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

Low Exposure to Conventional Manufacturing

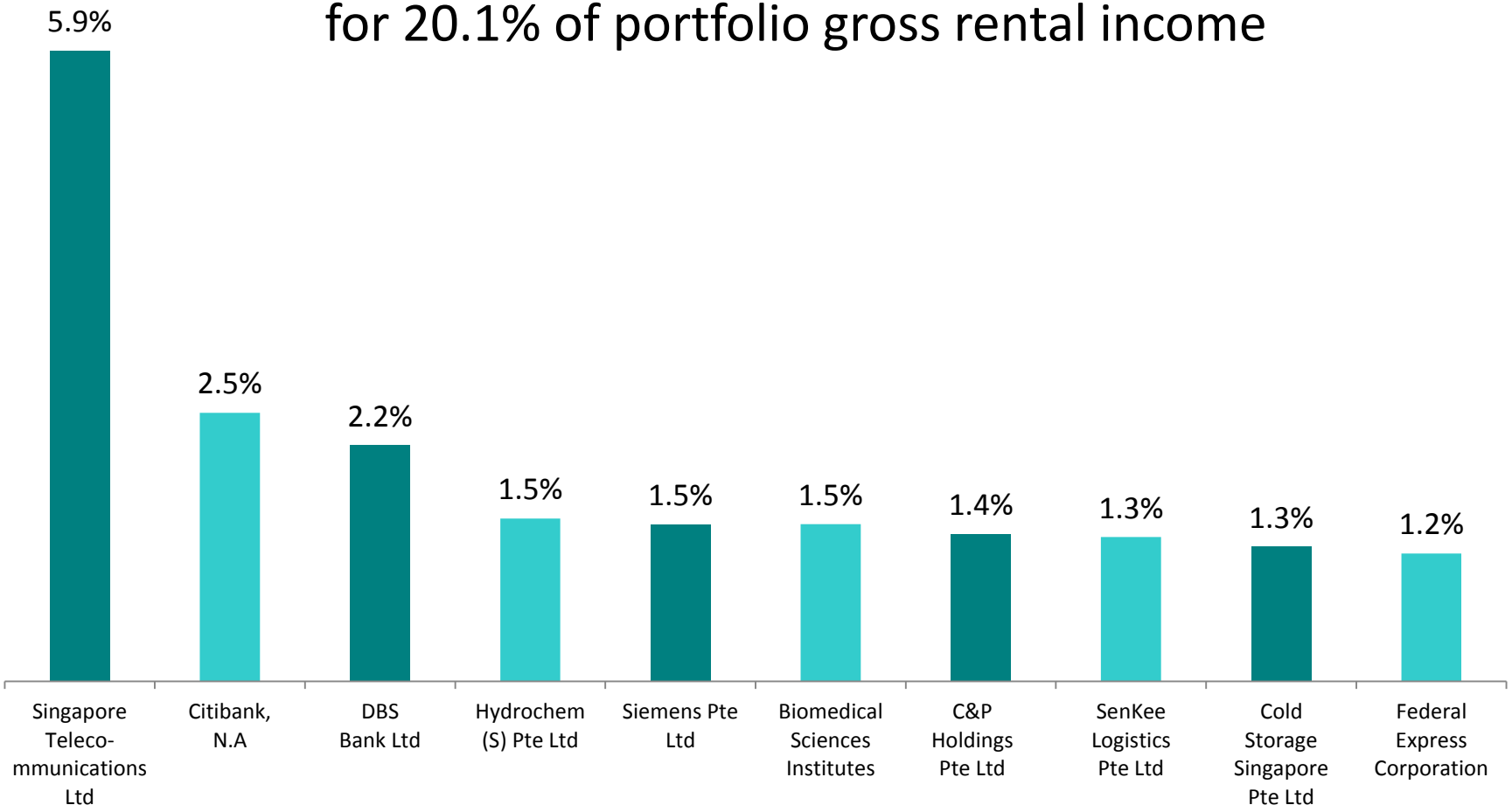
- 14.6% of NLA occupied by tenants engaged in conventional manufacturing activities.
- Manufacturing activities include food & beverages, aeronautical auxiliary equipment, precision engineering etc.
- Non-manufacturing activities include R&D, backroom offices, telecommunications & data centre, software and media consultancy services as well as transport & storage

As at 30 September 2014

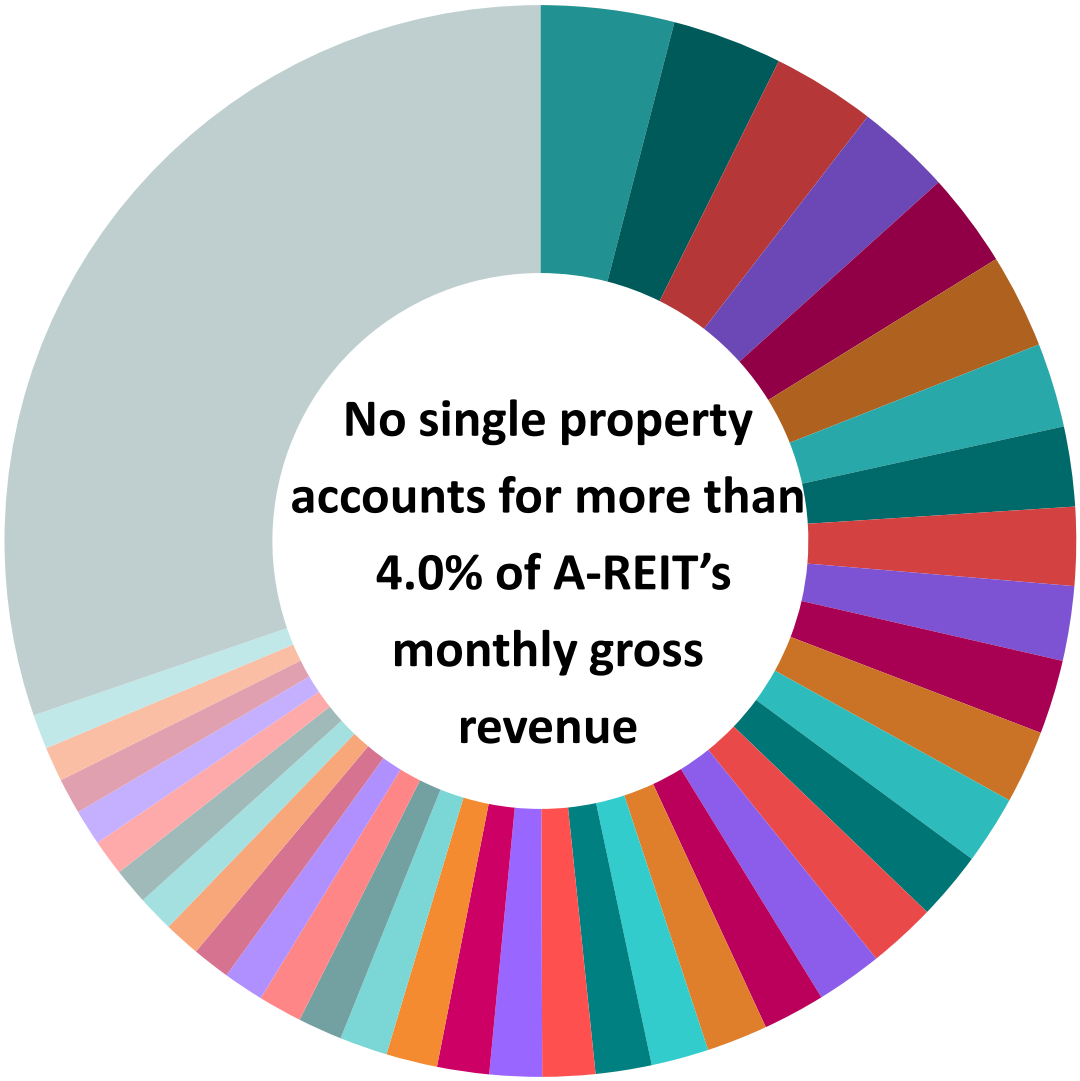


Quality and Diversified Tenant Base

- Total tenant base of around 1,360 tenants
- Top 10 tenants (as at 30 September 2014) account for 20.1% of portfolio gross rental income



Diversified Portfolio



- 1, 3, 5 Changi Business Park Crescent, 4.0%
- Kim Chuan Telecommunication Complex , 3.3%
- 31 International Business Park, 3.1%
- TelePark, 2.9%
- Neuros & Immunos, 2.9%
- Aperia, 2.8%
- Hyflux Innvation Centre, 2.5%
- C&P Logistic Hub, 2.4%
- TechPoint, 2.4%
- TechPlace II, 2.3%
- Pioneer Hub , 2.2%
- The Galen, 2.2%
- TechPlace I, 2.1%
- Techview, 2.1%
- Corporation Place, 2.0%
- Techlink, 2.0%
- Nexus@One North, 1.9%
- The Gemini, 1.8%
- 10 Toh Guan Road, 1.7%
- Nordic European Centre, 1.7%
- DBS Asia Hub, 1.6%
- The Capricorn, 1.6%
- Changi Logistics Centre, 1.6%
- Siemens Centre, 1.5%
- FoodAxis @ Senoko, 1.4%
- Senkee Logistics Hub (Phase I & II), 1.3%
- The Alpha, 1.3%
- Giant Hypermart, 1.2%
- Ascendas - Z-Link, 1.1%
- Acer Building, 1.1%
- 138 Depot Road, 1.1%
- AREIT City @ JinQiao, 1.1%
- Cintech IV, 1.1%
- Infineon Building, 1.1%
- Pacific Tech Centre, 1.1%
- LogisTech, 1.0%
- Courts Megastore, 1.0%
- Others, 30.3%

Security Deposits for Single-tenanted Properties

- Weighted average security deposits for single-tenanted properties range from 5 to 13 months of rental income
- On a *portfolio* basis, weighted average security deposit is about 5 months of rental income

	No. of single tenanted properties	Weighted average security deposit* (no. of months)
Business & Science Parks	3	13
Hi-Specs Industrial	8	5
Light Industrial	16	11
Logistics & Distribution Centres	9	10
Integrated Development, Amenities & Retail	2	10
	38	**9**

* Excluding cases where rental is paid upfront

MTB Occupancy & Rental Rate:
NPI / DPU Sensitivity

- A 2.0% change in MTB occupancy or rental rate is expected to result in a 2.0% change in portfolio net property income or about 0.38 cents change in DPU

% change in MTB occupancy / rental rates	Expected change in annualized MTB NPI (S$m)	Change in portfolio NPI (%)	Impact on full FY DPU (cents)*
2%	9.1	2.0%	0.38
4%	18.2	3.9%	0.76
6%	27.3	5.9%	1.14
8%	36.5	7.9%	1.52
10%	45.6	9.9%	1.90

* Based on number of units in issue as at 30 September 2014

Agenda

Key Highlights for 2Q FY14/15

Financial Performance

Investment Management

Capital Management

Asset Management

Portfolio Update

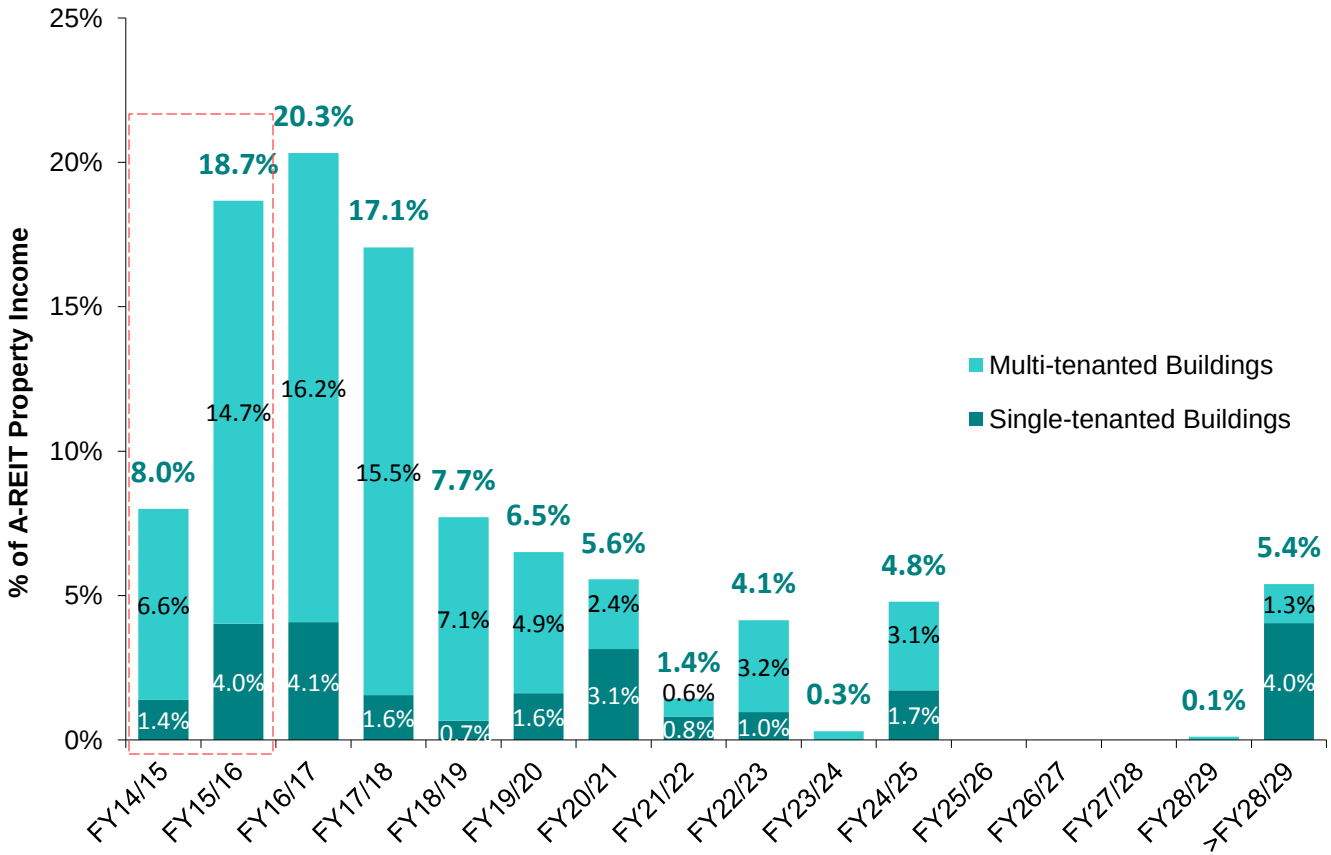
Portfolio Resilience

Portfolio Growth

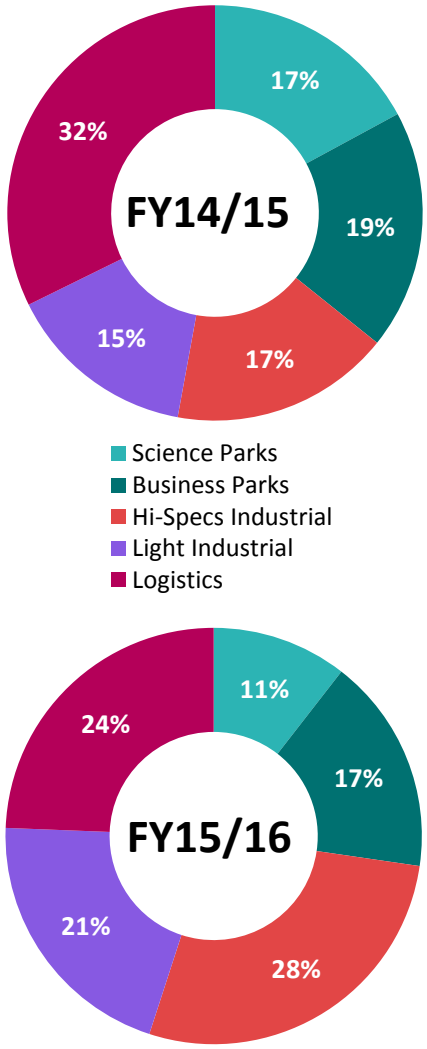
Market Outlook for FY14/15

Lease Expiry Profile (as at 30 Sep 2014)

- Weighted average lease to expiry of 4.0 years
- Lease expiry is well-spread, extending beyond 2025
- About 8.0% due for renewal in balance of FY14/15 vs. 21.3% as at 31 March 2014

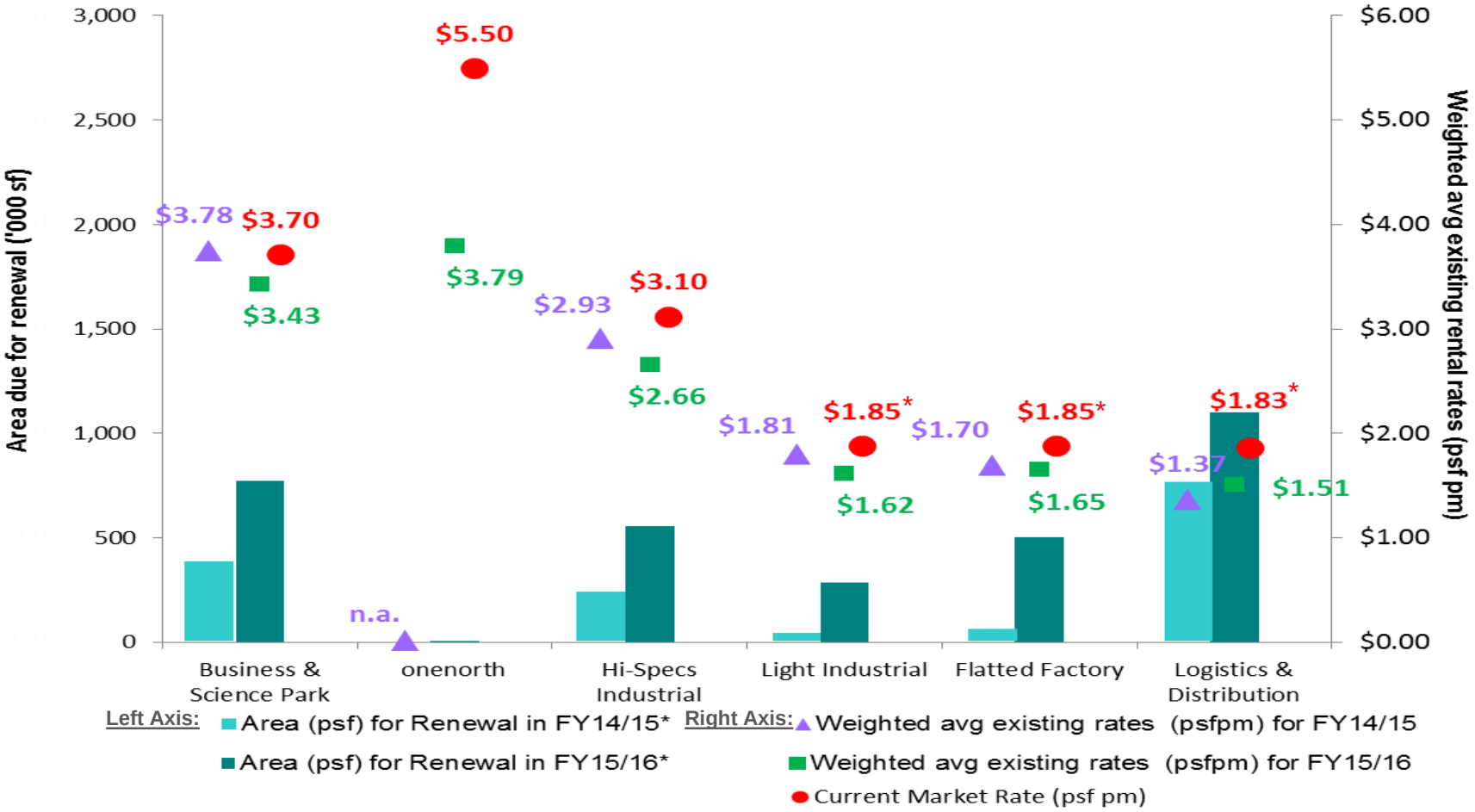


Breakdown of expiring leases for FY14/15 and FY15/16



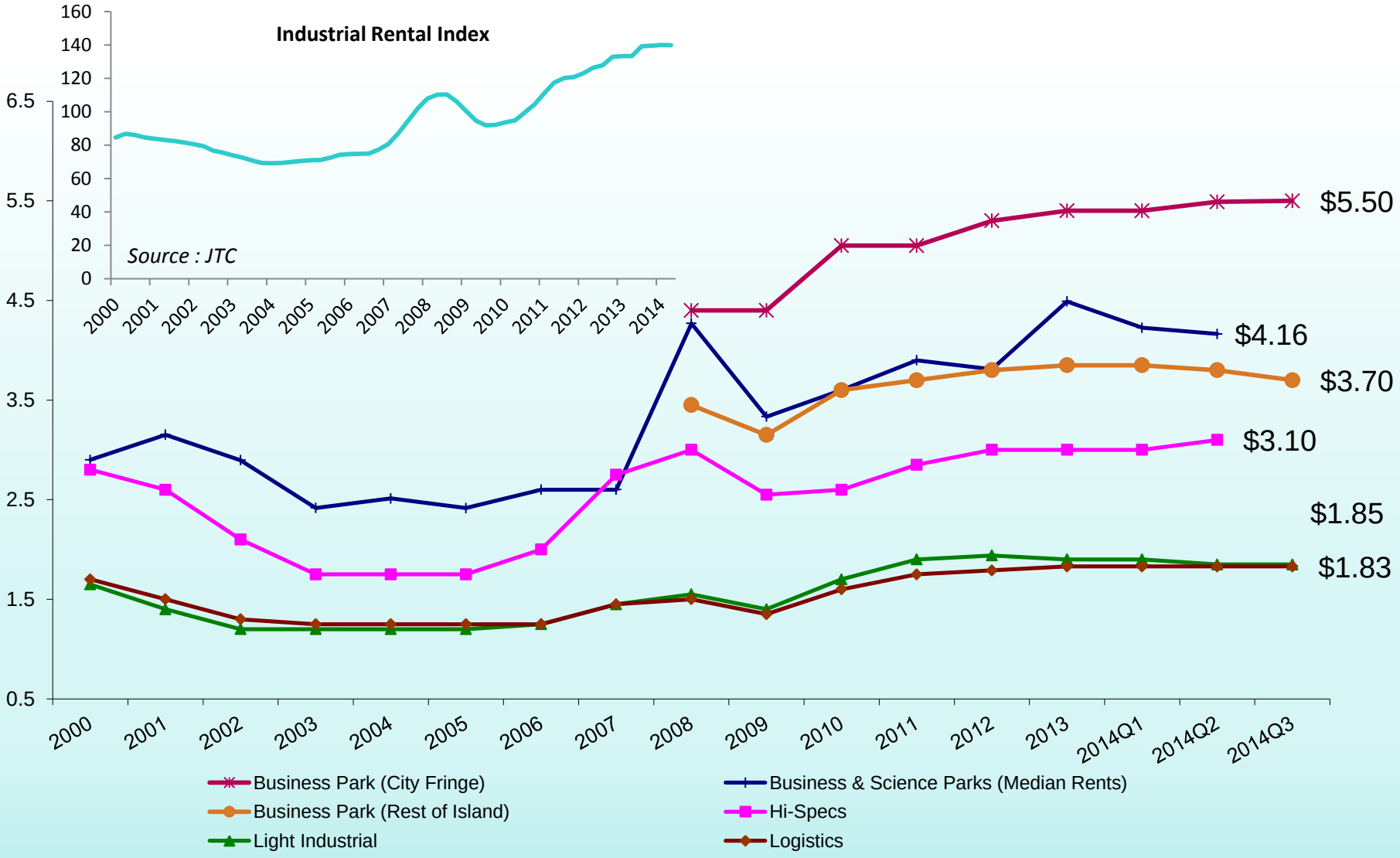
In-place rent for space due for renewal
in FY14/15 and FY15/16

- Current market rental rate is above the weighted average passing rental for most of the *multi-tenanted* space due for renewal in FY14/15
- Expect positive rental reversion of around mid-to-high single digit



* Rates for ground floor space

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)

Ongoing Projects: Improve portfolio quality

Ongoing	Value (S$m)	Estimated Completion
Development	**21.8**	
DBS Asia Hub Phase 2	21.8	2Q2015
Asset Enhancement Initiatives (AEIs)	**106.7**	
C&P Logistics Hub	35.7	4Q2015
Techlink & Techview	26.2	4Q2015
Gemini-Aries	17.2	2Q2015
Science Hub	8.4	1Q2015
The Alpha	11.1	4Q2014
1 Changi Business Park Crescent	8.1	4Q2014
Total: Development + AEIs	**128.5**	

Agenda

Key Highlights for 2Q FY14/15

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Market Outlook for FY14/15

Market Outlook for FY14/15

- Based on the Ministry of Trade and Industry's ("MTI") advance estimates, Singapore's economy grew by 2.4% y-o-y in 3Q 2014, the same pace of growth in 2Q 2014. The manufacturing sector grew 1.4% y-o-y, comparable with the 1.5% y-o-y growth in the previous quarter. This was largely supported by the biomedical and electronics clusters
- In August 2014, MTI narrowed Singapore's GDP forecast for 2014 to 2.5% to 3.5% (previously 2.0% to 4.0%)
- JTC industrial property price index rose marginally by 0.7% q-o-q in 2Q 2014; the rental index remained stable q-o-q (-0.1%)
- Approximately 8.0% of A-REIT's revenue is due for renewal for the balance of FY14/15 and positive rental reversions can be expected
- With 12.8% vacancy in the current portfolio, there could be potential upside in net property income when some of these spaces are leased out, the speed of which will largely depend on prevailing market conditions
- The business environment remains challenging due to ongoing economic restructuring, changing government regulations on manpower and industrial land use policies, and rising operating costs
- Barring any unforeseen event and any weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the balance of the financial year ending 31 March 2015

Additional Information

(1) Projects In-Progress and Completed

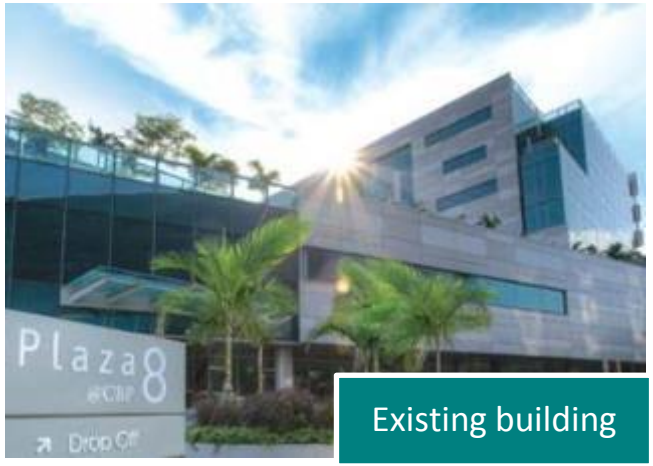
(2) Recent Acquisition: Hyflux Innovation Centre

(3) Singapore Industrial Property Market

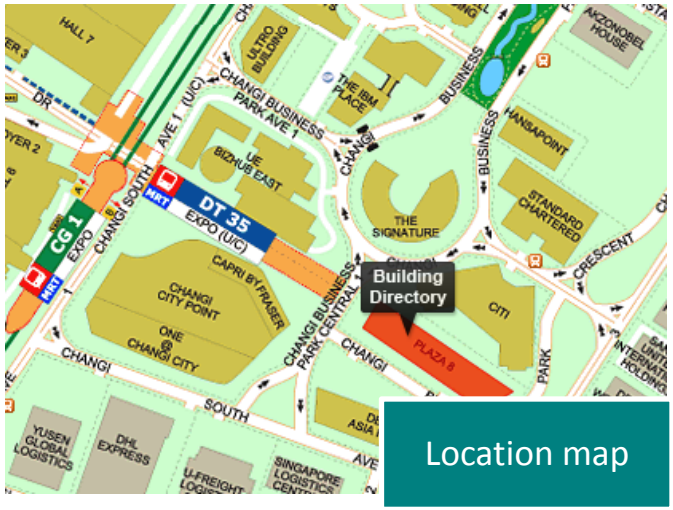
Asset Enhancement:

1 Changi Business Park Crescent (Plaza 8)

Completion	Estimated 4Q 2014
Description	Conversion of 2nd level amenity space to business park space to increase potential income of the property
GFA	32,504 sqm (total GFA of 1 Changi Business Park Crescent)
Occupancy	95.6% for 1, 3 & 5 Changi Business Park Crescent (as at 30 Sep 2014)
Cost	Estimated S$8.1 million



Existing building



Location map

Source: Streetdirectory

Asset Enhancement:
The Alpha

Completion	Estimated 4Q 2014
Description	Enhancing building specifications and positioning through improving connectivity from bus stop to the building, converting lobby to natural ventilation, upgrading of lifts and toilets. Converting under-utilized area into leasable space
GFA	28,533 sqm
Occupancy	77.3% (as at 30 Sep 2014)
Cost	Estimated S$11.1 million



Construction of deck structure to canteen



Progress at Entrance forecourt

Asset Enhancement:
Science Hub

Completion	Estimated 1Q 2015
Description	Located within Singapore Science Park I AEI: Reposition Science Hub as a social hub via the upgrading of overall building image, amenities space, improve building specifications and finishes. Upon completion, the property would be a value-add to the tenant community.
GFA	26,283 sqm (including The Rutherford)
Occupancy	76.5% (including The Rutherford, as at 30 Sep 2014)
Cost	Estimated S$8.4 million



Artist impression - main entrance



Artist impression – new reception area

Asset Enhancement:
The Gemini and The Aries

Completion	Estimated 2Q 2015
Description	Located within Singapore Science Park II AEI: Maximise plot ratio by creating amenities space, enhancing connectivity between the buildings and enhancing vibrancy within Science Park II
GFA	2,100 sqm of additional GFA
Occupancy	The Gemini – 98.4% The Aries – 86.2% (as at 30 Sep 2014)
Cost	Estimated S$17.2 million



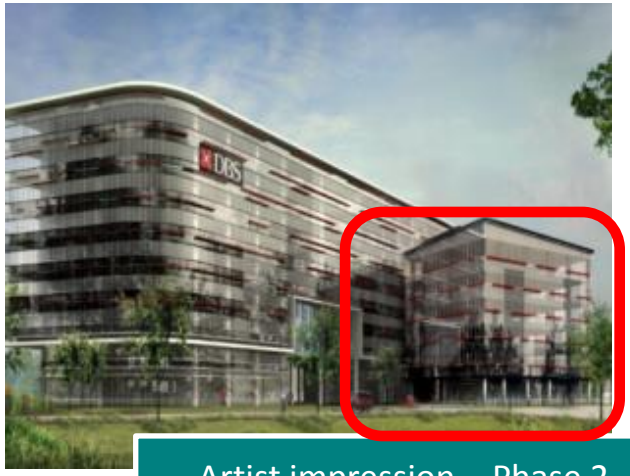
Artist impression - New Amenities Space



Location map

Development:
DBS Asia Hub Phase 2

Completion	Estimated 2Q 2015
Description	Development of a 6-storey business park building next to the existing DBS Asia Hub, which will be fully leased to DBS Bank Ltd upon completion
GFA	Additional 7,081 sqm from Phase 2
Occupancy	100%; new block will be fully leased to DBS upon completion
Cost	Estimated S$21.8 million



Artist impression - Phase 2 development (red box)



On-site Progress

Asset Enhancement:
C&P Logistic Hub

Completion	Estimated 4Q 2015
Description	Located in close proximity to Jurong Port, PSA ports and Jurong Island, and easily accessible via AYE AEI: Increase the plot ratio from existing 2.0x to 2.34x by building a new 4-storey warehouse block
GFA	24,111 sqm of additional GFA
Occupancy	66.4% for **existing** property (as at 30 Sep 2014) • Jul 2014: 63% of existing space expired, of which 47% occupied, additional 10% committed, 22% is on offer/under negotiation • Jan 2015: 37% of existing space due to expire of which 75% is on offer/under negotiation
Cost	Estimated S$35.7 million



Artist impression - New Block



On-site Progress

Asset Enhancement:
Techlink & Techview

Completion	Estimated 4Q 2015
Description	Located within the Kaki Bukit Industrial Estate. Techview is located next to the upcoming Kaki Bukit MRT station. AEI: To achieve the highest and best use, maximise plot ratio and also upgrade interior building finishes to enhance their marketability and reinforce the desired positioning of the properties
GFA	1,820 sqm of additional GFA at Techlink
Occupancy	Techlink: 94.7% (as at 30 Sep 2014) Techview: 73.0% (as at 30 Sep 2014)
Cost	Estimated S$26.2 million



Demolition works at Techlink



Techview – canteen wall

Asset Enhancement Completed:

Techquest

Completion	July 2014
Description	Improving building efficiency and specifications through reconfiguration of floor layout and upgrading of façade, restrooms, lobbies, etc. to improve marketability
GFA	9,079 sqm
Occupancy	80.4% (as at 30 Sep 2014)
Cost	Estimated S$4.3 million



Upgraded reception and lift lobby



Building facade

Asset Enhancement Completed:
LogisTech

Completion	August 2014
Description	Maximisation plot ratio from existing 1.16x to 1.25x by constructing a new 2-storey air-conditioned warehouse annex block of 3,370 sqm to capitalise on the strong demand for such space in the east
GFA	30,332 sqm
Occupancy	91.3% (as at 30 Sep 2014)
Cost	Estimated S$6.6 million



New block



Sheltered walkway

Asset Enhancement Completed:

Corporation Place

Completion	August 2014
Description	Upgrading all lifts and washrooms, and creating extended lobbies and physical connectivity between all lobbies to improve marketability of the building
GFA	76,185 sqm
Occupancy	68.6% (as at 30 Sep 2014)
Cost	Estimated S$14.5 million

Pre-AEI | Post-AEI





Main Lobby





Lift Lobby





Restrooms

Recent Acquisition:
Hyflux Innovation Centre

Completion	30 June 2014
Purchase Price	S$170.0 million
Upfront Land Premium	S$21.2 million (for the remaining tenure of the first 30-year lease term)
Total Purchase Consideration	S$191.2 million
Acquisition fee to Manager	S$1.7 million
Other transaction costs	Approximately S$0.96 million
Vendor	Hyflux Innovation Centre Pte Ltd
Valuation	S$197.0 million by DTZ Debenham Tie Leung (SEA) Pte Ltd
Land Area	17,374 sqm
Land Lease Expiry	Dec 2068
GFA	43,434 sqm
NLA	35,070 sqm
Occupancy	83.9% physical occupancy (3-yrs rental support from Hyflux for vacant space); Another 4.5% of space is on offer



80 Bendemeer Road

Hyflux Innovation Centre is located within the Kallang Industrial Estate and is within three minutes' walk to Boon Keng MRT station.

The Property is a 10-storey high-specifications building with a basement and surface car park.

Industrial Property Market: New Supply

- Current total stock: 42.0 million sqm, of which
  - Business & Science Parks account for 1.6 million sqm (3.8%)
  - Logistics & Distribution Centres account for 8.2 million sqm (19.6%)
  - Remaining stock are factory space
- Potential new supply of about 4.9 million sqm (~9% of existing stock) over next 3 years

Sector ('000 sqm)	New Supply (Total)	2014	2015	2016	2017
Business & Science Park	**603**	**122**	**288**	**193**	**0**
% of Pre-committed (est)	66%	79%	97%	11%	0%
Hi-Specifications Industrial	**256**	**67**	**137**	**53**	**0**
% of Pre-committed (est)	77%	100%	56%	100%	0%
Light Industrial*	**2,649**	**824**	**1,131**	**663**	**30**
% of Pre-committed (est)	61%	81%	60%	38%	34%
Logistics & Distribution Centres	**1,382**	**599**	**344**	**439**	**0**
% of Pre-committed (est)	67%	88%	69%	38%	0%
Total Pre-committed			**64%**		

** 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)
2014	Changi Business Park	Aviation Safety & Training Pte Ltd	16,440	100%
2014	Fusionopolis (one-north)	Ascendas Fusion 5 Pte Ltd	58,510	67%
2014	Ayer Rajah (one-north)	Mapletree Industrial Trust	35,750	100%
2014	CleanTech Park	JTC Corporation	10,900	40%
		Total (2014)	**121,600**	**79%**
2015	Science Park	Ascendas Land (Singapore)	45,310	100%
2015	Ayer Rajah (one-north)	Seagate Singapore	40,880	100%
2015	DBS Asia Hub Phase 2	A-REIT	7,080	100%
2015	Mediapolis (one-north)	Mediacorp	77,920	100%
2015	Fusionopolis (one-north)	JTC Corporation	88,070	95%
2015	Changi Business Park	Rigel Technology/SKJ Group	29,040	90%
		Total (2015)	**288,300**	**97%**
2016	Alexandra Terrace	Mapletree Business City Pte Ltd	124,880	0%
2016	Ayer Rajah (one-north)	SHINE Systems Assets	21,470	100%
2016	Science Park	Ascendas Land (Singapore)	46,170	0%
		Total (2016)	**192,520**	**11%**

Source: JTC & A-REIT internal research

The End

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