(Constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

NEWS RELEASE

For immediate release

ESR-REIT's 3Q2018 DPU Increases 4.1% to 1.004 cents

- Advanced distribution of 0.164 cents to be distributed with 3Q2018 DPU, giving a total DPU of 1.168 cents
- Completion of merger with VIT now puts ESR-REIT's focus on integration of portfolios
- Focus on targeted growth strategy to deliver Unitholder returns
  - Extracting operational synergies and economies of scale via integration of enlarged portfolio
  - Flexibility to optimize assets through AEIs
  - Value-enhancing asset acquisitions

Summary of Financial Results:

	3Q2018 (S$ million)	3Q2017 (S$ million)	+/(-) (%)
Gross Revenue (1)(3)	**32.4**	27.1	19.4
Net Property Income (2)(3)	**22.5**	19.6	15.0
Amount Available for Distribution to Unitholders	**13.4**	12.6	6.2
Distribution from Other Gains(4)	**2.5**	-	n.m
Total Amount Available for Distribution to Unitholders	**15.9**	12.6	26.0
Distribution Per Unit ("DPU") (cents)	**1.004**	0.964	4.1

Notes:
(1) Includes straight line rent adjustment of S$0.4 million (3Q2017: S$0.2 million).
(2) Higher Net Property Income ("NPI") mainly due to full quarter contributions from two acquisitions (8 Tuas South Lane and 7000 Ang Mo Kio Ave 5) in Dec 2017, partially offset by non-renewal of leases at 12 Ang Mo Kio St 65, 31 Tuas Ave 11, 54 Serangoon North Ave 4, 4/6 Clementi Loop, 1&2 Changi North St 2 and 3C Toh Guan Road East, lease conversion of 16 Tai Seng Street (2Q2018) and 21B Senoko Loop (1Q2018), 4 property divestments (87 Defu Lane 10, 23 Woodlands Terrace,55 Ubi Ave 1 and 9 Bukit Batok St 22) since 3Q2017 and 30 Marsiling Industrial Est Road 8 AEI.
(3) Includes Non-Controlling Interest ("NCI") of 20% of 7000 Ang Mo Kio Ave 5 in 3Q2018.
(4) 35% of management fees are payable in units for 3Q2018.
(5) $2.5m payout from ex-gratia payments received from SLA in connection to the compulsory acquisition of land from prior years.

Singapore, 26 October 2018 – ESR Funds Management (S) Limited, the Manager ("Manager") of ESR-REIT, is pleased to announce a DPU of 1.004 cents for 3Q2018, an increase of 4.1% from the DPU of 0.964 cents for 3Q2017. This improvement was largely due to an increase in Net Property Income ("NPI") for the quarter and distributions from other gains which offset the negative impact of ongoing Asset Enhancement Initiatives ("AEI") and conversion of Single-Tenanted Buildings ("STB") to Multi-Tenanted Buildings ("MTB").

NPI rose 15.0% year-on-year ("y-o-y") to S$22.5 million, mainly due to contributions from 8 Tuas South Lane and 7000 Ang Mo Kio Avenue 5, two properties which were acquired in December 2017. This helped to partially offset the lease non-renewals, master lease conversions, absence of revenue from properties divested in the past year, and the on-going AEI at 30 Marsiling Industrial Estate Road 8.

Completion of Merger Between ESR-REIT and VIT

The proposed merger by way of a trust scheme of arrangement between Viva Industrial Trust ("VIT") and ESR-REIT was completed on 15 October 2018. Following the completion of the merger, ESR-REIT now has a diversified portfolio of 56 properties located across Singapore, with a total GFA of approximately 13.6 million sq ft and a property value of S$2.94 billion[1].

Pursuant to the proposed merger, an advanced distribution payout of 0.164 cents per unit for the period from 1 October 2018 to 15 October 2018 will be made ("Advanced Distribution") together with the 3Q2018 distribution, resulting in a total DPU of 1.168 cents that will be paid out in November 2018.

Mr Adrian Chui, Chief Executive Officer and Executive Director of ESR Funds Management (S) Limited, said: "The completion of this transformational deal has strengthened ESR-REIT's market position and our focus is now on integrating the two portfolios to ensure Unitholders will reap the synergies and growth opportunities from the merger of these two complimentary REITS and management skill sets."

Targeted Growth Strategy to Deliver Returns

Three growth areas have been identified as part of the Manager's strategy to deliver returns to Unitholders and further enhance ESR-REIT's portfolio: operational synergies and economies of scale via the integration of an enlarged portfolio, flexibility to accelerate Asset Enhancement Initiatives("AEI") to optimize value of assets and value-enhancing asset acquisitions.

1. Operational Synergies via the Integration of an Enlarged Portfolio

The enlarged portfolio allows ESR-REIT to move towards a self-managed property management model instead of the current model of relying on third-party integrated facility managers that both ESR-REIT and VIT had engaged prior to the merger. The self-managed property management model not only reduces property management costs for ESR-REIT, it facilitates the clustering of property management services which encourages faster response time when handling tenant or property-related situations, thereby improving tenant service quality. In addition, the larger portfolio will enable ESR-REIT to benefit

[1] Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.

from the economies of scale and exercise stronger bargaining power through the bulk tenders of contracts for property-related services.

2. Flexibility to Optimize Assets Through AEIs

With an enlarged portfolio, the Manager now has increased flexibility to undertake more AEIs, allowing ESR-REIT to optimize the value of its assets while maintaining an acceptable level of risk and distribution payout. Up to seven properties have been identified for AEI opportunities over the next 3 years comprising asset rejuvenation, repositioning and developing unutilized plot ratios at the identified assets. The AEI at 30 Marsiling Industrial Estate Road 8, which is currently underway, is one of the seven identified assets. The project is now c.40% complete and is on track for completion in 1Q2019. The Manager intends to also focus on unlocking value by potentially developing unutilized plot ratio that could potentially create up to 1.0 million sq ft[2] of potential new Gross Floor Area ("GFA") and rejuvenating existing assets into modern facilities that cater to the requirements and standards of today's industrialists.

3. Value-Enhancing Asset Acquisitions

As part of its pursuit to build a more balanced, modern and resilient portfolio, the Manager will continue to assess value-enhancing acquisition opportunities in order to create long-term sustainable returns for Unitholders. In line with this strategy, the manager announced the completion of its S$95.8 million[3] acquisition of 15 Greenwich Drive on 25 October 2018. The property is a modern 4-storey ramp-up logistics facility located within Tampines LogisPark. Post-merger, ESR-REIT's larger, fully unencumbered portfolio with increased debt tenor is expected to provide greater access to pools of capital and more competitive margins.

A Well-Diversified and Resilient Portfolio

The Manager's pro-active management approach has resulted in improvements to ESR-REIT's portfolio for 3Q2018. During the quarter, the Manager renewed and leased approximately 359,514 sq ft of leases, which translates to a total of approximately 1.4 million sq ft of space renewed for the first nine months of 2018. This has resulted in a portfolio occupancy of 92.9%, a 1.6% quarter-on-quarter ("q-o-q") increase, and a portfolio Weighted Average Lease Expiry ("WALE") of 4.4 years.

The portfolio's proportion of expiring leases in 2018 has also been reduced from 7.3%, with only 3.6% leases expiring for the remainder of FY2018. In addition, two new master leases were secured for 21B Senoko Loop and 31 Tuas Avenue 11, with both tenants operating in value-added industrial trade sectors.

[2] With reference to the c.495,000 sq ft of untapped GFA at 7000 Ang Mo Kio Avenue 5 and the c.500,000 sq ft of untapped GFA at 3 Tuas South Avenue 4.

[3] Includes the purchase consideration of S$86.2 million and estimated upfront land premium payable for the balance lease term of S$9.6 million.

Pro-active Capital Management

As at 30 September 2018, ESR-REIT's aggregate leverage stands at 30.3%. It's Weighted Average All in Cost of Debt was at 3.76%. ESR-REIT has obtained a loan facility to refinance its outstanding loan expiring in 2019. The REIT's interest rate exposure is 91.2% hedged for the next 2.2 years.

For enquiries, please contact:

ESR Funds Management (S) Limited

Cheryl Lim
Marketing Communications Manager
Tel: +65 6222 3339
cheryl.lim@esr-reit.com.sg

Lyn Ong
Investor Relations Manager
Tel: +65 6222 3339
lyn.ong@esr-reit.com.sg

About ESR-REIT

ESR-REIT has been listed on the Singapore Exchange Securities Trading Limited since 25 July 2006.

ESR-REIT invests in quality income-producing industrial properties and as at 22 October 2018 has a diversified portfolio of 56 properties located across Singapore, with a total gross floor area of approximately 13.6 million sq ft and a property value of S$2.94 billion[4]. The properties are in the following business sectors: General Industrial, Light Industrial, Logistics/Warehouse, Hi-Specs Industrial, and Business Park, and are located close to major transportation hubs and key industrial zones island-wide.

The Manager's objective is to provide Unitholders with a stable and secure income stream through the successful implementation of the following strategies:

- Acquisition of value-enhancing properties;
- Pro-active asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management.

ESR Funds Management (S) Limited, the Manager of ESR-REIT, is owned by namely, ESR Cayman Limited ("ESR") (67.3%), Shanghai Summit Pte. Ltd. (25.0%), and Mitsui & Co., Ltd (7.7%).

For further information on ESR-REIT, please visit www.esr-reit.com.sg.

About the Sponsor ESR

ESR is a leading pure-play pan-Asia logistics real estate developer, owner, and operator focused on the key metropolitan areas most closely tied with consumption and global trade. Co-founded by senior management and Warburg Pincus, ESR is backed by some of the world's preeminent investors including APG, CITIC CLSA, CPPIB, Goldman Sachs, JD.com, PGGM, Ping An and SK Holdings. The ESR platform represents one of the largest in the Asia-Pacific region, spanning across Mainland China, Japan, Singapore, South Korea, Australia and India. The company also runs capital and fund management offices in Hong Kong and Singapore. As at 30 June 2018, the company's assets under management reached approximately US$13 billion, and the gross floor area of projects owned and under development stood at over 10 million square metres.

[4] Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.

Important Notice

The value of units in ESR-REIT ("**Units**") and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations, of ESR Funds Management (S) Limited ("**Manager**"), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) ("**Trustee**"), or any of their respective related corporations and affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-REIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This material may contain forward-looking statements that involve assumptions, 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 occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future ESR-REIT 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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