Ascendas Real Estate Investment Trust

A-REIT FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

Ascendas Real Estate Investment Trust (A-REIT) is a real estate investment trust constituted by the Trust Deed entered into on 9 October 2002 between Ascendas Funds Management (S) Limited as the Manager of A-REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of A-REIT, as amended.

Units in A-REIT were allotted in November 2002 based on a prospectus dated 5 November 2002. These units were subsequently listed on the Singapore Exchange Securities Trading Limited on 19 November 2002.

A-REIT has a diversified portfolio of 90 properties in Singapore, and houses a tenant base of about 900 customers across the following sub-sectors: Business & Science Park, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities.

SUMMARY OF A-REIT RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Actual 01/04/09 to 30/09/09 S$'000	Actual 01/04/08 to 30/09/08 S$'000	Increase / (Decrease) %
Gross revenue	204,722	189,867	7.8%
Net property income	161,836	142,316	13.7%
Net income available for distribution	122,598	105,135	16.6%
	Cents per Unit		
Distribution per Unit ("DPU")	FY 09/10	FY 08/09	Increase / (Decrease) %
For the quarter from 1 July to 30 September	3.48	4.01	(13.2%)
For the six months from 1 April to 30 September	7.10	7.90	(10.1%)
Proforma DPU (Note a)	-	6.09	16.6%

Footnote

(a) Proforma DPU for 1H FY08/09, taking into account the units issued under the placement and preferential offerings in January 2009 and February 2009, as well as private placement in August 2009, DPU growth would be 16.6% year-on-year.

DISTRIBUTION DETAILS

Class of Units	Ascendas-REIT main stock
Distribution period	1 July 2009 to 19 August 2009
Distribution Type	Income
Distribution amount	1.94 cents per unit
Payment date	Paid on 23 September 2009

Class of Units	Ascendas-REIT main stock
Distribution period	20 August 2009 to 30 September 2009
Distribution Type	Income
Distribution amount	1.54 cents per unit
Book closure date	29 October 2009
Payment date	26 November 2009

1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Income statement (1H FY09/10 vs 1H FY08/09)

	Actual 01/04/09 to 30/09/09 (Note f) S$'000	Actual 01/04/08 to 30/09/08 (Note f) S$'000	Increase / (Decrease) %
Gross revenue	204,722	189,867	8%
Property services fees	(6,444)	(5,676)	14%
Property tax	(11,099)	(11,157)	(1%)
Other property operating expenses	(25,343)	(30,718)	(17%)
Property operating expenses	(42,886)	(47,551)	(10%)
Net property income	161,836	142,316	14%
Interest income	27	14	93%
Management fee (Note a)	(11,544)	(11,153)	4%
Trust expenses (Note b)	(1,331)	(2,706)	(51%)
Finance costs (Note c)	(30,308)	(27,823)	9%
Non property expenses	(43,156)	(41,668)	4%
Net income before net change in fair value of financial derivatives	118,680	100,648	18%
Net change in fair value of financial derivatives (Note d)	(8,880)	-	nm
Net income / Total return for the period	109,800	100,648	9%
Non-tax deductible expenses (Note e)	12,798	4,487	185%
Income available for distribution	122,598	105,135	17%

The following items have been included in arriving at net income:

	Actual 01/04/09 to 30/09/09 (Note f) S$'000	Actual 01/04/08 to 30/09/08 (Note f) S$'000
Gross rental income	192,489	174,076
Other income	12,233	15,791
Writeback of doubtful receivables, net	51	231
Depreciation of plant and equipment	(550)	(550)

Footnotes

(a) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fee in units and 80% in cash for all properties.

(b) Trust expenses for the 1H FY08/09 was higher as it included a write down of fit-out cost that may not be recoverable.

(c) Finance costs for the 1H ended 30 September 2009 and 30 September 2008 represent interest expense on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Note, Transferrable Loan Facilities and Committed Revolving Credit Facilities). Borrowing costs also include the fair value/accretion adjustments for deferred payments and refundable security deposits (FY09/10 – credit of $0.2 million, FY08/09 – charge of $0.9 million).

(d) Net change in fair value of financial derivatives relates to changes in the fair value of interest rate swaps which are considered ineffective in accordance with FRS39. For further details, please refer to Note (d) of Page 8.

(e) Non-tax deductible expenses relate to units issued to the Manager in part payment of its management fees, accretion and fair value adjustments required under FRS39, commitment fee paid on undrawn committed revolving credit facility and other non-tax deductible or non-taxable items. 1HFY09/10 non-tax deductible expenses included net changes in fair value of financial derivatives which are considered ineffective in accordance with FRS39.

(f) 90 properties as at 30 September 2009 vs 88 properties as at 30 September 2008.

Gross revenue increased mainly due to additional rental income from acquisitions and development projects completed since September 2008. 1H FY09/10 property tax includes a one-off reversal of over accrued property tax of approximately $0.6 million and property tax rebate of $1.4 million which lowered the total property tax expense to $11.1 million. Other property operating expenses decreased mainly due to a reduction in utilities expenses by approximately $5.2 million partly a result of lower cost of energy. Maintenance and conversancy cost for 1H FY09/10 is also lower than 1H FY08/09 due to costs savings measures undertaken.

nm denotes “not meaningful”

1 (a)(ii) Income statement (2Q FY 09/10 vs 2Q FY08/09)

	Actual 01/07/09 to 30/09/09 (Note e) S$'000	Actual 01/07/08 to 30/09/08 (Note e) S$'000	Increase / (Decrease) %
Gross revenue	102,281	97,330	5%
Property services fees	(3,244)	(2,878)	13%
Property tax	(5,100)	(5,988)	(15%)
Other property operating expenses	(12,812)	(15,848)	(19%)
Property operating expenses	(21,156)	(24,714)	(14%)
Net property income	81,125	72,616	12%
Interest income	24	11	118%
Management fee (Note a)	(5,852)	(5,749)	2%
Trust expenses	(690)	(785)	(12%)
Finance costs (Note b)	(14,798)	(14,999)	(1%)
Non property expenses	(21,316)	(21,522)	(1%)
Net income before net change in fair value of financial derivatives	59,809	51,094	17%
Net change in fair value of financial derivatives (Note c)	(8,880)	-	nm
Net income / Total return for the period	50,929	51,094	(0%)
Non tax deductible expenses (Note d)	10,632	2,258	371%
Income available for distribution	61,561	53,352	15%

The following items have been included in arriving at net income:

	Actual 01/07/09 to 30/09/09 (Note e) S$'000	Actual 01/07/08 to 30/09/08 (Note e) S$'000
Gross rental income	96,315	89,311
Other income	5,966	8,019
Writeback of doubtful receivables, net	16	7
Depreciation of plant and equipment	(275)	(275)

Footnotes

(a) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fee in units and 80% in cash for all properties.

(b) Finance costs for the 2Q FY08/09 and FY09/10 represent interest expense on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Note, Transferrable Loan Facilities and Committed Revolving Credit Facilities). Borrowing costs also include the fair value/accretion adjustments for deferred payments and refundable security deposits (2Q FY09/10 – credit of $0.3 million, FY08/09 – charge of $0.4 million).

(c) Net change in fair value of financial derivatives relates to changes in the fair value of interest rate swaps which are considered ineffective in accordance with FRS39. For further details, please refer to Note (d) of Page 8.

(d) Non-tax deductible expenses relate to units issued to the Manager in part payment of its management fees, accretion and fair value adjustments required under FRS39, commitment fee paid on undrawn committed revolving credit facility and other non-tax deductible or non-taxable items. In addition, 2Q FY09/10 non-tax deductible expenses included net changes in fair value of financial derivatives which are considered ineffective in accordance with FRS39.

(e) 90 properties as at 30 September 2009 vs 88 properties as at 30 September 2008.

Gross revenue increased mainly due to additional rental income from acquisitions and development projects completed since September 2008. 2Q FY09/10 property tax rebate of $1.4 million lowered the total property tax expense to $5.1 million. Without these rebate, property tax expense would be higher with the increase in the number of properties. Other property operating expenses decreased mainly due to a reduction in utilities expenses by approximately $2.7 million partly a result of lower cost of energy. Maintenance and conversancy cost for 2Q FY09/10 is also lower than 2Q FY08/09 due to costs savings measures undertaken.

nm denotes “not meaningful”

1 (a)(iii) The Twenty-fifth Distribution Calculation (Note a)

	Actual 01/07/09 to 30/09/09 (Note b) S$'000	Actual 01/07/09 to 19/08/09 (Note c) S$'000	**Actual 20/08/09 to 30/09/09 (Note d) S$'000**
Gross revenue	102,281	54,822	**47,459**
Property services fees	(3,244)	(1,742)	**(1,502)**
Property tax	(5,100)	(2,455)	**(2,645)**
Other property operating expenses	(12,812)	(7,094)	**(5,718)**
Property operating expenses	(21,156)	(11,291)	**(9,865)**
Net property income	81,125	43,531	**37,594**
Interest income	24	6	**18**
Management fee	(5,852)	(3,160)	**(2,692)**
Trust expenses	(690)	(382)	**(308)**
Finance costs	(14,798)	(8,398)	**(6,400)**
Non property expenses	(21,316)	(11,934)	**(9,382)**
Net income before net change in fair value of financial derivatives	59,809	31,597	**28,212**
Net change in fair value of financial derivatives	(8,880)	-	**(8,880)**
Net income / Total return for the period	50,929	31,597	**19,332**
Non tax deductible expenses	10,632	1,094	**9,538**
Income available for distribution	61,561	32,691	**28,870**

	Actual 01/07/09 to 30/09/09 (Note b)	Actual 01/07/09 to 19/08/09 (Note c)	**Actual 20/08/09 to 30/09/09 (Note d)**
Distribution per unit (in cents)	3.48	1.94	**1.54**
Applicable number of units (Note e)	1,769,376,579	1,684,920,057	**1,869,920,057**

Footnotes

(a) 185,000,000 new units ("Private Placement Units") were placed out on 20 August 2009. Unitholders on the register with CDP on 19 August 2009 ("Existing Unitholders") received advance distributions, on 23 September 2009, of 1.94 cents per unit for the period from 1 July 2009 to 19 August 2009. Thereafter, the Private Placement Units will rank pari passu in all respects with the units on issue prior to 20 August 2009, including the entitlement of all future distributions.

(b) Statement of distributable income from 1 July 2009 to 30 September 2009.

(c) Statement of distributable income from 1 July 2009 to 19 August 2009. The distribution was paid to the Existing Unitholders on 23 September 2009.

(d) Statement of distributable income from 20 August 2009 to 30 September 2009.

(e) The DPU has been calculated based on the applicable number of units which is either the units applicable for the distribution over the respective period or the weighted average number of units on issue when units were issued during the period.

Please see paragraph 11 for more details on the twenty-fifth distribution.

1 (b)(i) Balance sheet, together with comparatives as at the end of the immediately preceding financial year

	Actual 30/09/09 S$'000	Actual 31/03/09 S$'000
Non-Current Assets		
Investment properties	4,559,701	4,425,735
Investment properties under development (Note a)	49,573	76,343
Plant and equipment	4,462	5,012
Other assets (Note b)	53,093	1,503
	4,666,829	**4,508,593**
Current Assets		
Trade and other receivables	23,249	22,230
Cash and cash equivalents	5,369	16,735
	28,618	**38,965**
Current Liabilities		
Trade and other payables	195,238	147,281
Securities deposits	35,364	34,055
Deferred payments	9,689	9,706
Derivative liabilities	1,399	635
Interest-bearing term loans (Note c and d)	299,979	599,827
Interest-bearing short term borrowings (Note c and d)	86,740	245,500
	628,409	**1,037,004**
Net Current Liabilities	**(599,791)**	**(998,039)**
Non-Current Liabilities		
Securities deposits	2,078	815
Deferred payments	13,097	13,272
Derivative liabilities	50,907	50,061
Interest-bearing term loans (Note c and d)	1,017,796	743,367
	1,083,878	**807,515**
Net assets	**2,983,160**	**2,703,039**
Represented by:		
Unitholders' funds	**2,983,160**	**2,703,039**

Gross Borrowings	Actual 30/09/09 S$'000	Actual 31/03/09 S$'000
Secured borrowings		
Amount repayable after one year	744,965	744,965
Amount repayable within one year	-	300,000
Unsecured borrowings		
Amount repayable after one year	275,000	-
Amount repayable within one year	386,800	545,500
	1,406,765	1,590,465

Footnotes

(a) Investment properties under development decreased by 35% mainly due to the completion of the development projects at Changi Business Park and Airport Logistiscs Park of Singapore.

(b) Other assets as at 30 September 2009 include other receivables and assets under development that will be transferred to finance lease receivable upon completion of development.

(c) Decrease in term loans and short term interest bearing borrowings include the retirement of a $300 million CMBS loan ("CMBS1") in August 2009 and repayment of short term borrowings. With the repayment of the CMBS1, 14 properties have been discharged from the mortgage to Emerald Assets.

(d) **Details of borrowings & collateral**

Two term loans of $350 million and $395 million ("Medium Term Notes", also known as Commercial Mortgage Backed Securities "CMBS") granted by a special purpose company, Emerald Assets Limited ("Emerald Assets") are outstanding as at the date of balance sheet. As collateral for the credit facilities granted by Emerald Assets, the Trustee has granted in favour of Emerald Assets (after repayment of CMBS1) the following:

(i) a mortgage over the 59 properties in the A-REIT portfolio;

(ii) an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;

(iii) an assignment of the insurance policies relating to the above mentioned properties; and

(iv) a fixed and floating charge over certain assets of the Trust relating to the above mentioned properties.

A-REIT established a $1 billion Multicurrency MTN Programme ("MTN2009") in March 09. As at the balance sheet date, $275 million of fixed rate notes have been issued. Of which, $150 million will be due in April 2011 and the remaining $125 million will be due in July 2013. The notes bear a fixed interest rate payable semi-annually in arrears. In addition, A-REIT has various bilateral banking credit facilities with varying degree of utilization as at the balance sheet date.

As at 30 September 2009, all of A-REIT's interest rate exposure is fixed. Overall weighted average cost of funds as at 30 September 2009 is 3.9% (including margins charged on the loans and amortised annual costs of the Medium Term Notes, Transferrable Loan Facilties, and Committed Revolving Credit Facilties).

The debts fixed through interest rate swaps and fixed coupon rate have a weighted average remaining term of 2.8 years. The interest rate swaps have terms of from less than 1 year up to 6 years and the notes issued from MTN2009 are due in approximately 2 to 4 year's time. The effective hedge portion of changes in the fair value of interest rate swaps were recognised in statement of movement in unitholders' funds. The fair value changes of the ineffective hedge portion of interest rate swaps were charged to the Statement of Total Return.

1 (c) Cash flow statement together with a comparative statement for the corresponding period of the immediately preceding financial year.

1 (c)(i) Cash flow statement (1H FY09/10 vs 1H FY08/09)

	Actual 01/04/09 to 30/09/09 S$'000	Actual 01/04/08 to 30/09/08 S$'000
Operating activities		
Net income	118,680	100,648
Adjustment for		
Interest income	(27)	(14)
Writeback of doubtful receivables, net	(51)	(231)
Finance costs	30,308	27,823
Management fees paid/payable in units	2,309	2,230
Depreciation of plant and equipment	550	550
Operating income before working capital changes	151,769	131,006
Changes in working capital		
Trade and other receivables	(770)	509
Trade and other payables	(11,173)	(14,860)
	(11,943)	(14,351)
Cash flows from operating activities	139,826	116,655
Investing activities		
Purchase of investment properties (including acquisition costs)	-	(194,240)
Payment for investment properties and other assets under development	(97,517)	(79,857)
Payment for capital improvement projects	(1,954)	(3,650)
Payment of deferred settlements	(517)	(15,149)
Cash flows from investing activities	(99,988)	(292,896)
Financing activities		
Equity issue costs paid	(4,947)	-
Proceeds from issue of units	301,550	-
Distributions paid to unitholders	(135,768)	(100,635)
Finance costs paid	(28,366)	(25,355)
Interest received	27	14
Proceeds from borrowings	723,800	347,080
Repayment of borrowings	(907,500)	(43,000)
Cash flows from financing activities	(51,204)	178,104
Net (decrease) / increase in cash and cash equivalents	(11,366)	1,863
Cash and cash equivalents at beginning of the period	16,735	5,425
Cash and cash equivalents at end of the period	5,369	7,288

1 (c)(ii) Cash flow statement (2Q FY 09/10 vs 2Q FY 08/09)

	Actual 01/07/09 to 30/09/09 S$'000	Actual 01/07/08 to 30/09/08 S$'000
Operating activities		
Net income	59,809	51,094
Adjustment for		
Interest income	(24)	(11)
Writeback of doubtful receivables, net	(16)	(7)
Finance costs	14,798	14,999
Fund manager's fee paid/payable in units	1,171	1,149
Depreciation of plant and equipment	275	275
Operating income before working capital changes	76,013	67,499
Changes in working capital		
Trade and other receivables	(2,359)	1,700
Trade and other payables	1,346	(16,158)
	(1,013)	(14,458)
Cash flows from operating activities	75,000	53,041
Investing activities		
Payment for investment properties and other assets under development	(62,711)	(37,835)
Payment for capital improvement projects	(1,102)	(2,327)
Payment of deferred settlements	(517)	(12,804)
Cash flows from investing activities	(64,330)	(52,966)
Financing activities		
Equity issue costs paid	(4,863)	-
Proceeds from issue of units	301,550	-
Distributions paid to unitholders	(93,681)	(51,722)
Finance costs paid	(12,941)	(13,344)
Interest received	24	11
Proceeds from borrowings	511,800	70,080
Repayment of borrowings	(714,000)	(4,000)
Cash flows from financing activities	(12,111)	1,025
Net (decrease) / increase in cash and cash equivalents	(1,441)	1,100
Cash and cash equivalents at beginning of the period	6,810	6,188
Cash and cash equivalents at end of the period	5,369	7,288

1 (d)(i) Statement of movement in unitholders' funds (1H FY09/10 vs 1H FY08/09)

	Actual 01/04/09 to 30/09/09 S$'000	Actual 01/04/08 to 30/09/08 S$'000
Balance at beginning of the period	2,703,039	2,437,959
Operations		
Net income / Total return for the period	109,800	100,648
Net increase in net assets resulting from operations	109,800	100,648
Hedging transactions		
Effective portion of changes in fair value of cash flow hedges (Note a)	(838)	9,493
Changes in fair value of cash flow hedges transfers to the Statement of Total Return (Note b)	8,108	-
Net increase in net assets resulting from hedging transactions	7,270	9,493
Unitholders' transactions		
New units issued	301,550	-
Performance fees paid in units	-	8,388
Management fees paid in units	2,274	1,873
Equity issue costs	(5,005)	-
Distributions to unitholders	(135,768)	(100,635)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	163,051	(90,374)
Balance at end of the period	2,983,160	2,457,726

Footnotes

(a) In FY08/09, expectation of interest rates at the end of the period was higher than those at the beginning of the period. Hence the aggregate fair values of the interest rate swap registered a favourable change as compared to the beginning of the period.

However, in FY09/10, expectation of interest rates at the end of the period was marginally lower than those at the beginning of the period.

(b) This relates to the transfer of the ineffective hedge portion of the changes (unfavourable) in fair value of interest rate swaps, out from hedging reserves and charged to the Statement of Total Return.

Statement of movement in unitholders' funds (2Q FY09/10 vs 2Q FY08/09)

	Actual 01/07/09 to 30/09/09 S$'000	Actual 01/07/08 to 30/09/08 S$'000
Balance at beginning of period	2,729,177	2,506,217
Operations		
Net income / Total return for the period	50,929	51,094
Net increase in net assets resulting from operations	50,929	51,094
Hedging transactions		
Effective portion of changes in fair value of cash flow hedges (Note a)	(6,897)	(47,863)
Changes in fair value of cash flow hedges transfers to the Statement of Total Return (Note b)	6,970	-
Net increase/(decrease) in net assets resulting from hedging transactions	73	(47,863)
Unitholders' transactions		
New units issued	301,550	-
Equity issue costs	(4,887)	-
Distributions to unitholders	(93,682)	(51,722)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	202,981	(51,722)
Balance at end of period	2,983,160	2,457,726

Footnotes

(a) In 2Q FY08/09, expectation of interest rates at the end of the period was significantly lower relative to those at the beginning of the period. As a result, there was an unfavourable change in the fair values of the interest rate swap.

Likewise in 2Q FY09/10, expectation of interest rates at the end of the period was also relatively lower to those at the beginning of the period.

(b) This relates to the transfer of the ineffective hedge portion of the changes (unfavourable) in fair value of interest rate swaps, out from the hedging reserves and charged to the Statement of Total Return.

1 (d)(ii) Details of any changes in the units (1H FY09/10 vs 1H FY08/09)

	Actual 01/04/09 to 30/09/09 Units	Actual 01/04/08 to 30/09/08 Units
Balance at beginning of the period	1,683,473,034	1,325,560,491
Issue of new units:		
- Issued pursuant to equity raising in August 2009	185,000,000	-
- Performance fees paid in units	-	3,223,302
- Management fees paid in units	1,447,023	834,647
Balance at end of the period	1,869,920,057	1,329,618,440

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements ("SSRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

See attached.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

A-REIT has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2009, except for the adoption of Financial Reporting Standards ("FRS") (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2009.

Among the changes to FRSs are the amendments to FRS 40 Investment Property, whereby property under development/construction is now covered under FRS 40. As A-REIT has adopted the fair value model for its investment properties, it will account for investment properties under development using the fair value model. The carrying amount of A-REIT's investment properties, including investment properties under development, approximates their fair value as at 30 September 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to section 4 above.

6. Earnings per unit ("EPU") and distribution per unit for the financial period

6.1 EPU/DPU for 2Q FY09/10 compared to 1Q FY09/10

	Actual 2Q FY09/10 01/07/09 to 30/09/09	Actual 1Q FY09/10 01/04/09 to 30/06/09
Number of units on issue at end of period	1,869,920,057	1,684,920,057
Weighted average number of units for calculation of EPU	1,769,376,579	1,683,711,554
Applicable number of units for calculation of DPU	1,769,376,579	1,684,920,057
Earnings/(Loss) per unit in cents (EPU) (Note a)	2.88	3.50
Distribution per unit in cents (DPU) (Note b)	3.48	3.62

6.2 EPU/DPU for 2Q FY09/10 compared to 2Q FY08/09

	Actual 2Q FY09/10 01/07/09 to 30/09/09	Actual 2Q FY08/09 01/07/08 to 30/09/08
Number of units on issue at end of period	1,869,920,057	1,329,618,440
Weighted average number of units for calculation of EPU	1,769,376,579	1,334,968,806
Applicable number of units for calculation of DPU	1,769,376,579	1,329,618,440
Earnings per unit in cents (EPU) (Note a)	2.88	3.83
Distribution per unit in cents (DPU) (Note b)	3.48	4.01

6.3 EPU/DPU for 1H FY09/10 compared to 1H FY08/09

	Actual 01/04/09 to 30/09/09	Actual 01/04/08 to 30/09/08
Number of units on issue at end of financial year	1,869,920,057	1,329,618,440
Weighted average number of units for calculation of EPU	1,726,778,124	1,333,788,343
Applicable number of units for calculation of DPU	1,727,379,073	1,329,618,440
Earnings per unit in cents (EPU) - (Note a)	6.36	7.55
Distribution per unit in cents (DPU) - (Note b)	7.10	7.90

Footnotes

(a) The EPU has been calculated using total return for the period and the weighted average number of units on issue during the period.

In accordance with FRS 33, comparative EPU and weighted average number of units for calculation of EPU for 2Q FY08/09 and 1H FY08/09 have been restated to account for the effects of the preferential offering of new units in February 2009.

(b) The DPU has been calculated using income available for distribution and the applicable number of units, which is either the number of units on issue at the end of each period, or the applicable number of units on issue during the period.

7. Net asset value per unit based on units issued at the end of the period

	Actual 30/09/09 cents	Actual 31/03/09 cents
Net asset value per unit	160	161
Adjusted net asset value per unit (Note a)	158	158

Footnote

(a) The adjusted net asset value per unit excludes the amount to be distributed for the relevant period prior to the balance sheet date.

8. Review of the performance
Review of Performance 2Q FY 09/10 vs 2Q FY 08/09

	Actual 2Q FY09/10 01/07/09 to 30/09/09 S$'000	Actual 2Q FY08/09 01/07/08 to 30/09/08 S$'000	Increase / (Decrease) %
Gross revenue	102,281	97,330	5%
Property operating expenses	(21,156)	(24,714)	(14%)
Net property income	81,125	72,616	12%
Non property expenses	(6,542)	(6,534)	0%
Net finance costs	(14,774)	(14,988)	(1%)
	(21,316)	(21,522)	(1%)
Net income before net change in fair value of financial derivatives	59,809	51,094	17%
Net change in fair value of financial derivatives	(8,880)	-	nm
Net income / Total return for the period	50,929	51,094	(0%)
Non tax deductible expenses	10,632	2,258	371%
Income available for distribution	61,561	53,352	15%
Earnings per unit (cents)	2.88	3.83	(25%)
Distribution per unit (cents)	3.48	4.01	(13%)

Footnote

nm denotes “not meaningful”

Gross revenue increased by 5% mainly due to additional rental income from the completed development projects at 3 Changi Business Park Crescent in February 2009 and full quarter contribution in 2Q FY09/10 from Pioneer Hub and 15 Changi North Way, which started to record revenue in September and November 2008 respectively.

Expeditors Building and Plaza 8 has just obtained TOP at the end of Sepetmber 2009. No revenue has been recognized yet.

Property expenses decreased by 14% due to property tax rebate, and lower utilities charges. Excluding the effect of property tax rebate, property expenses would have decreased by 9% instead which were mainly contributed by lower utilities expenses.

Net finance costs decreased by 1% due to lower borrowings neutralised by increase in the cost of borrowings. If fair value/accretion adjustments were excluded, net finance costs would have been approximately $15.1 million, an increase of 3% on adjusted net borrowing costs of $14.6 million in 2Q FY08/09.

Net change in fair value of financial derivatives relates to ineffective hedge portion of changes in fair value of interest rate swaps.

Income available for distribution were higher than the comparable period last year by 15%. The higher net income is mainly due to additional income from the properties completed after August 2008 and lower property expenses .

Review of Performance 2Q FY 09/10 vs 1Q FY 09/10

	Actual 2Q FY09/10 01/07/09 to 30/09/09 S$'000	Actual 1Q FY09/10 01/04/09 to 30/06/09 S$'000	Increase / (Decrease) %
Gross revenue	102,281	102,441	(0%)
Property operating expenses	(21,156)	(21,730)	(3%)
Net property income	81,125	80,711	1%
Non property expenses	(6,542)	(6,333)	3%
Net finance costs	(14,774)	(15,507)	(5%)
	(21,316)	(21,840)	(2%)
Net income before net change in fair value of financial derivatives	59,809	58,871	2%
Net change in fair value of financial	(8,880)	-	n.m.
Net income / Total return for the period	50,929	58,871	(13%)
Non tax deductible expenses	10,632	2,166	391%
Income available for distribution	61,561	61,037	1%
Earnings per unit (cents)	2.88	3.50	(18%)
Distribution per unit (cents)	3.48	3.62	(4%)

Footnote

nm denotes “not meaningful”

Net finance costs decreased by 5%, mainly due to lower borrowings. If fair value/accretion adjustments were excluded, net finance costs would have been approximately $15.1 million, a reduction of 2% on adjusted net borrowing costs of $15.4 million in 1Q FY09/10.

Net change in fair value of financial derivatives relates to ineffective hedge portion of the changes in fair value of interest rate swaps.

Net income was 13% lower than 1Q FY09/10 mainly due to the ineffective hedge portion of the changes in fair value of interest rate swaps. Income available for distribution was 1% higher than 1Q FY09/10 mainly due to lower property expenses.

9. Variance between forecast and the actual results

A-REIT has not made any forecast.

10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Singapore real GDP contracted by 3.2% y-o-y in 2Q 2009 and the Ministry of Trade & Industry (MTI) advance estimates indicate that GDP expanded by 0.8% y-o-y in 3Q 2009. On a seasonally-adjusted q-o-q annualized basis, real GDP rose by 14.9% in 3Q 2009 compared to a rise of 22.0% in 2Q 2009.

The manufacturing sector experienced an expansion of 8.3% in 3Q 2009 compared to a 1.1% contraction in 2Q 2009 due mainly to an increase in output of the biomedical sector and inventory restocking and increased demand in the electronic sector.

Non-oil domestic export in Aug 2009 fell by 7.1% y-o-y; the smallest decline in a year, while on a month-on-month basis it rose by 1.3%. In addition, container traffic in Aug 2009 edged up by 3.0% from July 2009, demonstrating continuing signs of improvement in the Singapore economy.

According to URA's 2Q 2009 statistics, overall industrial property prices fell by 4.5% q-o-q. This decline is notably lower than the q-o-q decline of 11.0% experienced in 1Q 2009. The q-o-q decline in the overall industrial rental rates for 2Q 2009 is marginally lower at 5.6% (decline of 6.0% in 1Q 2009). Average occupancy rates declined from 93.0% in 1Q 2009 to 92.2% in 2Q 2009.

According to a CBRE report for 2Q 2009, the rate of decline in industrial rents slowed down as business sentiments improved. Average monthly rent for Hi-Tech space fell marginally to $2.80psf ($2.90psf in 1Q 2009). Similarly, average monthly rent for factory space and warehouse space dipped by $0.05psf q-o-q to $1.40psf and $1.35psf respectively. According to URA's statistics, business park rents for 2Q 2009 is $3.33psf, down by 18.6% from 1Q 2009.

Outlook for the financial year ending 31 March 2010

While the economy seems to be recovering at a modest pace, the current macro operating environment remains largely a challenge with one-off factors such as restocking activities and fiscal stimulus measures supporting growth in the near term. MTI revised its 2009 GDP estimate for Singapore to a contraction of between 2.0% and 2.5% from between 6 to 9%.

For the balance of FY2009/10, about 94.2% of A-REIT's portfolio revenue is committed with a weighted average lease to expiry of approximately 4.9 years. The diversified nature of A-REIT's portfolio over five segments of the industrial property sector and a good mix of long and short term leases (46% versus 54% by portfolio value respectively) provide certain degree of predictability of the earnings for its portfolio. Barring any significant deterioration in market conditions, the Manager expects to be able to deliver a return that is in line with market expectations.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period :	Yes
Name of distribution :	25th distribution for the period 20 August 2009 to 30 September 2009
Distribution Type :	Income
Distribution Rate :	1.54 cents per unit
Par value of units :	Not applicable
Tax Rate :	Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax. Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts. Qualifying foreign non-individual investor will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%.
Book closure date :	29 October 2009
Date payable :	26 November 2009

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	20th distribution for the period 1 July 2008 to 30 September 2008
Distribution Type :	Income
Distribution Rate :	4.01 cents per unit
Par value of units :	Not applicable
Tax Rate :	Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax. Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts. Qualifying foreign non-individual investor will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 18%.
Book closure date :	30 October 2008
Date paid :	28 November 2008

12. If no distribution has been declared/(recommended), a statement to that effect

NA

13. DIRECTORS CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these financial results to be false or misleading.

By order of the Board
Ascendas Funds Management (S) Limited

Maria Theresa Belmonte
Assistant Company Secretary
19 October 2009

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The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
61 Science Park Road
#02-18 The Galen
Singapore Science Park II
Singapore 117525

Attention: Mr Tan Ser Ping

19 October 2009

Dear Sirs

Ascendas Real Estate Investment Trust
Review of Interim Financial Information for the period ended 30 September 2009

Introduction

We have reviewed the accompanying Interim Financial Information of Ascendas Real Estate Investment Trust ("A-REIT") for the period ended 30 September 2009.

The Interim Financial Information comprises the balance sheet and investment properties portfolio statement as at 30 September 2009, and the statement of total return, distribution statement, statement of movements in unitholders' funds and cash flow statement of A-REIT for the period then ended, and a summary of significant accounting policies and other explanatory notes (herein defined as "Interim Financial Information").

Ascendas Funds Management (S) Limited, the Manager of A-REIT, is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Certified Public Accounts of Singapore. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Certified Public Accounts of Singapore.

Restriction of Use

Our report is provided on the basis that it is for the information of the directors of the Manager and for the inclusion of our report in A-REIT's interim announcement to its unitholders, to enable the directors of the Manager to fulfill their responsibilities under the Singapore Exchange listing requirements. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors, A-REIT or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants
Singapore