A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

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 and restated.

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 93 properties in Singapore, and houses a tenant base of about 990 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 FINANCIAL PERIOD ENDED 30 JUNE 2011

	01/04/11 to 30/06/11 S$'000	01/04/10 to 30/06/10 S$'000	Increase / (Decrease) %
Gross revenue	**119,939**	**113,607**	**5.6%**
Net property income	**88,776**	**87,348**	**1.6%**
Total amount available for distribution:	**65,910**	**63,146**	**4.4%**
- from operations	64,904	63,146	2.8%
- from capital (Note a)	1,006	-	nm
	Cents per Unit		
Distribution per Unit ("DPU")	FY11/12	FY10/11	Increase / (Decrease) %
For the quarter from 1 April to 30 June (Note b)	**3.20**	**3.37**	**(5.0%)**
- from operations	3.15	3.37	(6.5%)
- from capital	0.05	-	nm
Proforma DPU for the quarter from 1 April to 30 June (Note c)	-	3.07	4.2%

Footnotes

(a) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant for 1Q FY11/12. Such distribution is not taxable in the hands of all Unitholders, save for Unitholders who are holding the units as trading assets.

(b) As at book closure date, none of the S$300 million collateral loan with maturity date on 1 February 2017 is converted into A-REIT's Units. DPU in the table above is computed based on total applicable number of units as at 30 June 2011. In addition, DPU for 1Q FY11/12 included one-off items amounting to about S$1.7m, comprising mainly a tax deduction in relation to an upfront fee for a new loan facility offset by liquidated damages from various tenants. This has reduced DPU by about 0.08 cents.

(c) The Proforma DPU for FY10/11 has been calculated using total amount available for distribution for 1Q FY10/11 and the applicable number of units as at 30 June 2011 which included units issued in pursuant to a private placement in April 2011, units issued for payment of acquisition fee in April 2011 and units issued in lieu of the 20% base management fee in December 2010 and June 2011. Excluding the impact from the tax deduction in relation to an upfront fee for a new loan facility in 1Q FY11/12, DPU growth would be 7.8% year-on-year on a proforma basis.

DISTRIBUTION DETAILS

Class of Units	Ascendas-REIT main stock
Distribution period	1 April 2011 to 10 April 2011
Distribution Type	Income
Distribution amount	0.38 cents per unit
Payment date	9 May 2011

Class of Units	Ascendas-REIT main stock
Distribution period	1 April 2011 to 10 April 2011
Distribution Type	Capital
Distribution amount	0.01 cent per unit
Payment date	9 May 2011

Class of Units	Ascendas-REIT main stock
Distribution period	11 April 2011 to 30 June 2011
Distribution Type	Income
Distribution amount	2.77 cents per unit
Book closure date	26 July 2011
Payment date	25 August 2011

Class of Units	Ascendas-REIT main stock
Distribution period	11 April 2011 to 30 June 2011
Distribution Type	Capital
Distribution amount	0.04 cents per unit
Book closure date	26 July 2011
Payment date	25 August 2011

1(a) Statement of total return together with a comparative statement for the corresponding period of the immediate preceding financial year

1(a)(i) Statement of total return (1Q FY11/12 vs 1Q FY10/11)

	01/04/11 to 30/06/11 (Note l) S$'000	01/04/10 to 30/06/10 (Note l) S$'000	Increase / (Decrease) %
Gross revenue	119,939	113,607	5.6%
Property services fees	(4,070)	(3,592)	13.3%
Property tax	(6,709)	(6,161)	8.9%
Other property operating expenses	(20,384)	(16,506)	23.5%
Property operating expenses	(31,163)	(26,259)	18.7%
Net property income	88,776	87,348	1.6%
Management fee (Note a)	(6,791)	(6,065)	12.0%
Trust expenses (Note b)	(1,638)	(827)	98.1%
Finance income (Note c)	3,267	17,067	(80.9%)
Finance costs (Note d)	(15,358)	(17,749)	(13.5%)
Foreign exchange loss (Note e)	(672)	-	nm
Non property expenses	(21,192)	(7,574)	179.8%
Net income	67,584	79,774	(15.3%)
Net change in fair value of financial derivatives (Note f)	6,900	(1,826)	nm
Total return for the period before income tax expense	74,484	77,948	(4.4%)
Income tax expense (Note g)	(206)	-	nm
Total return for the period after income tax expense	74,278	77,948	(4.7%)
Non taxable income, net and other adjustments (Note h)	(9,374)	(12,626)	(25.8%)
Income available for distribution	64,904	65,322	(0.6%)
Distribution from capital (Note i)	1,006	- (Note j)	nm
Total amount available for distribution	65,910	63,146	4.4%

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

	01/04/11 to 30/06/11 (Note l) S$'000	01/04/10 to 30/06/10 (Note l) S$'000
Gross rental income	109,156	101,141
Other income (Note k)	10,783	12,466
Writeback of doubtful receivables	6	-
Depreciation of plant and equipment	(275)	(275)

nm denotes “not meaningful”

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 1Q FY11/12 included due diligence costs incurred during the quarter.

(c) Finance income included interest income from interest rate swaps and bank deposits. For 1Q FY11/12, it included fair value gain on collateral loan of $2.1 million (1Q FY10/11: $16.7 million). The collateral loan (with embedded derivatives) has been designated as fair value through profit and loss in accordance with FRS 39.

(d) Finance costs comprise interest expenses on interest rate swaps, loans and amortised costs of establishing debt facilities (including the Medium Term Notes, Transferrable Loan Facilities and Committed Revolving Credit Facilities). Finance costs also included accretion adjustments for deferred payments and refundable security deposits. Finance costs are lower in 1Q FY11/12 due to lower borrowings and lower interest rates.

(e) Foreign exchange loss relates to loss on translation of JPY9.6 billion Medium Term Notes as at 30 June 2011. The offsetting gain on the cross currency swap to hedge the above foreign exchange exposure is mentioned in Note (f).

(f) Net change in fair value of financial derivatives relates to changes in the fair value of interest rate swaps and cross currency swap in accordance with FRS 39. For further details, please refer to Note (h) of Page 9 and Page 10.

(g) Income tax expense relates to deferred tax in respect of temporary differences between the tax base of the finance lease receivable and its carrying amount for financial reporting purposes.

(h) Net non taxable income and other adjustments included units issued to the Manager as part payment of its management fees. It also included changes in fair value of financial derivatives in accordance with FRS 39, fair value gain on collateral loan, commitment fee paid on undrawn committed revolving credit facility and accretion adjustments for deferred payments and refundable security deposits. For 1Q FY11/12, net non taxable income and other adjustments included a tax deduction in relation to an upfront fee for a new loan facility.

(i) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant for 1Q FY11/12. Such distribution is not taxable in the hands of all Unitholders, save for Unitholders who are holding the units as trading assets.

(j) For 1Q FY10/11, total amount available for distribution excluded interest income from a finance lease granted to a tenant of $2.2 million. This income was retained pending further discussion with IRAS on the tax transparency treatment. This was subsequently distributed in 4Q FY10/11.

(k) Other income included revenue from utilities charges, interest income from finance lease receivables, carpark revenue and liquidated damages.

(l) 93 properties as at 30 June 2011 vs 92 properties as at 30 June 2010.

Gross revenue increased mainly due to additional rental from completion of development project and acquisition since June 2010.

Property services fees and property tax expenses were higher in 1Q FY11/12 generally due to increased number of properties from the completion of development project and acquisition since June 2010.

Other property operating expenses was 23.5% higher than 1Q FY10/11 mainly contributed by the increase in electricity charges, impact from development project and acquisition completed since June 2010 and change in lease structure arising from conversion of properties from single-tenanted to multi-tenanted since June 2010.

Non-property expenses were higher because of a fair value gain on collateral loan of $16.7 million in 1Q FY10/11 as compared to a fair value gain of $2.1million in 1Q FY11/12.

One-off items contributed a net negative impact of S$1.7 million on total amount available for distribution for 1Q FY11/12. These included mainly of a tax deduction of an upfront fee for a new loan facility offset by liquidated damages from various tenants.

1(a)(ii) The 32nd Distribution Calculation (Note a)

	01/04/11 to 30/06/11 (Note b) S$'000	01/04/11 to 10/04/11 (Note c) S$'000	**11/04/11 to 30/06/11 (Note d) S$'000**
Gross revenue	119,939	12,823	**107,116**
Property services fees	(4,070)	(431)	**(3,639)**
Property tax	(6,709)	(871)	**(5,838)**
Other property operating expenses	(20,384)	(1,919)	**(18,465)**
Property operating expenses	(31,163)	(3,221)	**(27,942)**
Net property income	88,776	9,602	**79,174**
Management fee	(6,791)	(742)	**(6,049)**
Trust expenses	(1,638)	(79)	**(1,559)**
Finance income	3,267	130	**3,137**
Finance costs	(15,358)	(1,933)	**(13,425)**
Foreign exchange gain	(672)	-	**(672)**
Non property expenses	(21,192)	(2,624)	**(18,568)**
Net income	67,584	6,978	**60,606**
Net change in fair value of financial derivatives	6,900	-	**6,900**
Total return for the period before income tax	74,484	6,978	**67,506**
Income tax expense	(206)	(23)	**(183)**
Total return for the period after income tax	74,278	6,955	**67,323**
Non (taxable income)/tax deductible expenses, net and other adjustments	(9,374)	159	**(9,533)**
Income available for distribution	64,904	7,114	**57,790**
Distribution from capital	1,006	112	**894**
Total amount available for distribution	65,910	7,226	**58,684**

	01/04/11 to 30/06/11 (Note b) S$'000	01/04/11 to 10/04/11 (Note c) S$'000	**11/04/11 to 30/06/11 (Note d) S$'000**
Distribution per unit (in cents)	3.20	0.39	**2.81**
Applicable number of units	2,059,752,873	1,874,292,935	**2,082,410,675**

Footnotes

(a) 206,186,000 new units ("Private Placement Units") were issued on 11 April 2011. Unitholders on the register with CDP on 10 April 2011 ("Existing Unitholders") received advance distribution, on 9 May 2011, of 0.39 cents per unit for the period from 1 April 2011 to 10 April 2011. Thereafter, the Private Placement units will rank pari passu in all respects with the units on issue prior to 11 April 2011, including the entitlement of all future distributions.

(b) Statement of distributable income from 1 April 2011 to 30 June 2011. The DPU has been calculated based on the applicable number of units on issue as at 30 June 2011.

(c) Statement of distributable income from 1 April 2011 to 10 April 2011. The distribution was paid to the Existing Unitholders on 9 May 2011. The DPU has been calculated based on the applicable number of units on issue as at 10 April 2011.

(d) Statement of distributable income from 11 April 2011 to 30 June 2011. The DPU has been calculated based on the number of units on issue as at 30 June 2011.

Please see section 11 for more details on the 32nd distribution.

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

	30/06/11 S$'000	31/03/11 S$'000
Non-current assets		
Investment properties (Note a)	5,258,577	5,254,556
Investment properties under development (Note b)	42,825	26,078
Plant and equipment	2,536	2,811
Finance lease receivable	66,628	67,043
Other assets (Note c)	47,582	26,861
Derivative assets (d)	6,422	4,452
	5,424,570	**5,381,801**
Current assets		
Finance lease receivable	1,568	1,505
Trade and other receivables	31,305	28,451
Cash and cash equivalents	14,554	8,067
	47,427	**38,023**
Current liabilities		
Trade and other payables (Note e)	110,637	119,539
Security deposits	43,655	41,407
Deferred payments	7,047	6,991
Derivative liabilities	5,569	3,827
Short term borrowings (Note f and h)	160,990	349,883
Medium term notes (Note f and h)	-	149,980
	327,898	**671,627**
Net current liabilities	**(280,471)**	**(633,604)**
Non-current liabilities		
Security deposits	2,149	2,138
Derivative liabilities	58,516	55,901
Deferred tax liabilities (note g)	1,182	976
Medium term notes (Note h)	271,409	270,707
Collateral loan (Note h)	304,353	306,468
Term loans (Note h)	820,737	820,341
	1,458,346	**1,456,531**
Net assets	**3,685,753**	**3,291,666**
Represented by:		
Unitholders' funds	**3,685,753**	**3,291,666**

Gross borrowings	Actual 30/06/11 S$'000	Actual 31/03/11 S$'000
Secured borrowings		
Amount repayable after one year	699,353	701,468
Amount repayable within one year	-	-
Unsecured borrowings		
Amount repayable after one year	703,588	702,916
Amount repayable within one year	161,000	499,900
	1,563,941	1,904,284

Footnotes

(a) Increase in value of investment properties mainly due to asset enhancement works at Techview and 10 Toh Guan Road.

(b) Value of investment properties under development increased mainly due to the progress of the development projects at 1 Senoko Avenue and the Fedex built-to-suit logistics facility.

(c) Increase in other assets is mainly due to a deposit placed for the acquisition of the Fusionopolis land and Nordic during 1Q FY11/12.

(d) Increase in derivative assets relate to favourable change in fair value of interest rates swaps.

(e) Decrease in trade and other payables is mainly due to reduction in rental received in advance, partially offset by progress claims for development projects at 1 Senoko Avenue and the Fedex BTS.

(f) Short term borrowings and Medium Term Notes have decreased following the repayment of certain revolving credit facilities and redemption of the $150 million Medium Term Notes.

(g) Deferred tax liabilities relate to the temporary differences between the tax base of the finance lease receivable and its carrying amount for financial reporting purposes, offset by the recognition of deferred tax assets arising from unutilised capital allowances.

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

A term loan of S$395 million (Commercial Mortgage Backed Securities) granted by a special purpose company, Emerald Assets Limited ("Emerald") is outstanding as at the date of balance sheet. As collateral for the credit facilities granted by Emerald, the Trustee has granted in favour of Emerald the following:

(i) a mortgage over the 36 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.

In March 2010, a collateral loan of S$300 million with final maturity date on 1 February 2017 was granted by a special purpose vehicle, Ruby Assets Pte. Ltd. ("Ruby"). To fund the collateral loan granted to A-REIT, Ruby has issued S$300 million Exchangeable Collateralised Securities ("ECS") which are exchangeable into new units of A-REIT at an adjusted conversion price of S$2.3639 per unit at any time on or after 6 May 2010 and have an expected maturity date of 1 February 2017. As collateral for the loan granted by Ruby, the Trustee has granted in favour of Ruby the following:

(i) a mortgage over the 19 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 S$1 billion Multicurrency Medium Term Note Programme ("MTN2009") in March 2009. As at the balance sheet date, S$125 million due in July 2013 remains outstanding. The notes bear a fixed interest rate payable semi-annually in arrears.

On 24 February 2011, A-REIT issued a JPY9.6 billion fixed rate notes under the MTN2009. The notes will mature in February 2018 and bear a fixed interest rate payable semi-annually in arrears. To eliminate the foreign currency risk arising from the JPY9.6 billion note issuance, A-REIT entered into a cross currency swap, in which the JPY9.6 billion was swapped into S$148.4 million on 24 February 2011 on a floating rate basis. At maturity of the cross currency swap on 23 February 2018, the S$148.4 million will be swapped back into JPY9.6 billion to redeem the JPY notes.

In addition, A-REIT has various bilateral banking credit facilities with varying degrees of utilisation as at the balance sheet date.

As at 30 June 2011, 87.8% of A-REIT's interest rate exposure is fixed . As a result, the overall weighted average cost of funds as at 30 June 2011 is 3.6% (including margins charged on the loans and amortised annual costs of the Medium Term Notes, Transferrable Loan Facilities and Committed Revolving Credit Facilities) and the overall weighted average tenure is 3.3 years. The outstanding interest rate swaps have terms from less than 1 year to 7 years. The effective hedge portion of changes in the fair value of interest rate swaps were recognised in the Statement of Movement in Unitholders' Funds. The fair value changes of the remaining interest rate swaps, changes in fair value of the collateral loan and cross currency swap were recognised in the Statement of Total Return in accordance with FRS 39.

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

1 (c)(i) Cash flow statement (1Q FY11/12 vs 1Q FY10/11)

	01/04/11 to 30/06/11 S$'000	01/04/10 to 30/06/10 S$'000
Operating activities		
Net income	67,584	79,774
Adjustments for		
Finance income	(3,267)	(17,067)
Writeback of doubtful receivables	(6)	-
Finance costs	15,358	17,749
Management fees paid/payable in units	1,358	1,213
Depreciation of plant and equipment	275	275
Foreign exchange loss	672	-
Operating income before working capital changes	81,974	81,944
Changes in working capital		
Trade and other receivables	(2,431)	(7,025)
Trade and other payables	(5,418)	(4,401)
	(7,849)	(11,426)
Cash flows from operating activities	74,125	70,518
Investing activities		
Purchase of investment properties	-	(114,982)
Payment for investment properties and other assets under development	(12,073)	(8,838)
Payment for capital improvement projects	(6,136)	(2,557)
Payment of deferred settlements	-	(500)
Deposits paid for tender and acquisition	(18,291)	-
Interest received	1,186	127
Cash flows from investing activities	(35,314)	(126,750)
Financing activities		
Equity issue costs paid	(6,117)	-
Proceeds from issue of units	400,001	-
Distributions paid to Unitholders	(68,599)	(51,082)
Finance costs paid	(16,424)	(17,831)
Transaction costs paid in respect of borrowings	(2,285)	-
Proceeds from borrowings	161,000	205,700
Repayment of borrowings	(499,900)	(78,300)
Transaction costs paid in respect of collateral loan	-	(2,445)
Cash flows from financing activities	(32,324)	56,042
Net increase/(decrease) in cash and cash equivalents	6,487	(190)
Cash and cash equivalents at beginning of the financial period	8,067	8,666
Cash and cash equivalents at end of the financial period	14,554	8,476

1 (d)(i) Statement of movement in unitholders' funds (1Q FY11/12 vs 1Q FY10/11)

	01/04/11 to 30/06/11 S$'000	01/04/10 to 30/06/10 S$'000
Balance at beginning of the financial year	3,291,666	2,946,974
Operations		
Net income	67,584	79,774
Net change in fair value of financial derivatives	6,900	(1,826)
Income tax expense	(206)	-
Net increase in net assets resulting from operations	74,278	77,948
Hedging transactions		
Effective portion of changes in fair value of financial derivatives (Note a)	(10,053)	(9,936)
Changes in fair value of financial derivatives transferred to the Statement of Total Return	766	-
Net decrease in net assets resulting from hedging transactions	(9,287)	(9,936)
Unitholders' transactions		
New units issued	400,001	-
Acquisition fees (IPT acquisition) paid in units	1,256	1,160
Management fees paid in units	2,591	2,556
Equity issue costs	(6,153)	-
Distributions to Unitholders	(68,599)	(51,082)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	329,096	(47,366)
Balance at end of the financial period	3,685,753	2,967,620

Footnotes

(a) In both FY10/11 and FY11/12, forward interest rates at the end of the period were lower than those at the beginning of the period. Hence, the aggregate fair values of the interest rate swaps registered an unfavourable change as compared to the beginning of the period.

1 (d)(ii) Details of any changes in the units (1Q FY11/12 vs 1Q FY10/11)

	01/04/11 to 30/06/11 Units	01/04/10 to 30/06/10 Units
Balance at beginning of the financial period	1,874,292,935	1,871,153,701
Issue of new units:		
- Issued pursuant to equity raising in April 2011	206,186,000	-
- Acquisition fees (IPT acquisition) paid in units	629,794	617,678
- Management fees paid in units	1,301,946	1,361,125
Balance at end of the financial period	2,082,410,675	1,873,132,504

Collateral Loan

A collateral loan of S$300 million with maturity date on 1 February 2017 was granted by Ruby Assets Pte. Ltd.

The collateral loan is exchangeable into fully paid units representing undivided interests in A-REIT at any time on or after 6 May 2010 at an adjusted conversion price of S$2.3639 per unit, subject to adjustment upon the occurrence of certain events.

There has been no conversion of any of the collateral loan since the date of issue.

Assuming the collateral loan is fully converted based on the adjusted conversion price of S$2.3639 per unit, the number of new units to be issued would be 126,908,921 representing 6.1% of the total number of A-REIT Units in issue as at 30 June 2011.

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)

Not applicable.

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 financial year ended 31 March 2011.

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

Not applicable.

6. Earnings per Unit ("EPU") and Distribution per Unit ("DPU") for the financial period

6.1 EPU for 1Q FY11/12 compared to 4Q FY10/11	1Q FY11/12 01/04/11 to 30/06/11	4Q FY10/11 01/01/11 to 31/03/11
Basic EPU (Note a)		
Weighted average number of units	2,058,471,751	1,874,292,935
Earnings per Unit in cents (EPU)	3.61	18.72
Dilutive EPU (Note b)		
Weighted average number of units	2,185,380,672	1,998,898,351
Earnings per Unit in cents (Dilutive EPU)	3.36	17.80

6.2 EPU for 1Q FY11/12 compared to 1Q FY10/11	1Q FY11/12 01/04/11 to 30/06/11	1Q FY10/11 01/04/10 to 30/06/10
Basic EPU (Note a)		
Weighted average number of units	2,058,471,751	1,871,197,191
Earnings per Unit in cents (EPU)	3.61	4.17
Dilutive EPU (Note b)		
Weighted average number of units	2,185,380,672	1,993,646,170
Earnings per Unit in cents (Dilutive EPU)	3.36	3.13

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. For 4Q FY10/11, the high earnings per unit is primarily due to the net increase in value on revaluation of investment properties.

(b) For the 1Q ended 30 June 2011, 4Q ended 31 March 2011 and 1Q ended 30 June 2010, the dilutive EPU are computed on the basis that the collateral loan was converted at the beginning of the period.

Dilutive EPU is determined by adjusting the total return for the period and the weighted average of number of units on issue during that period for the effects of all dilutive potential units. Potential units shall be treated as dilutive when, and only when, their conversion to A-REIT Units would decrease earnings per unit or increase loss per unit. The disclosure of dilutive EPU is in relation to the issuance of collateral loan which has a convertible option to redeem the loan in A-REIT Units.

6.4 DPU for 1Q FY11/12 compared to 4Q FY10/11	1Q FY11/12 01/04/11 to 30/06/11	4Q FY10/11 01/01/11 to 31/03/11
Number of units on issue at end of period	2,082,410,675	1,874,292,935
Applicable number of units	2,059,752,873	1,874,292,935
Distribution per Unit in cents (Note a and b)	3.20	3.27

6.5 DPU for 1Q FY11/12 compared to 1Q FY10/11	1Q FY11/12 01/04/11 to 30/06/11	1Q FY10/11 01/04/10 to 30/06/10
Number of units on issue at end of period	2,082,410,675	1,873,132,504
Applicable number of units	2,059,752,873	1,873,132,504
Distribution per Unit in cents (Note a and b)	3.20	3.37

For Information Only

Proforma DPU (Note c)	-	3.07

Footnotes

(a) The DPU has been calculated using total amount available for distribution and the applicable number of units.

(b) As at book closure date, none of the S$300 million collateral loan is converted into A-REIT Units. In addition, 1Q FY11/12 included a tax deduction in relation to an upfront fee for a new loan facility. This has reduced DPU by 0.11 cents.

(c) The Proforma DPU for 1Q FY10/11 has been calculated using total amount available for distribution for 1Q FY10/11 and the applicable number of units as at 30 June 2011, which included units issued pursuant to the private placement in April 2011, units issued for payment of acquisition fees in April 2011 and units issued in lieu of the 20% base management fees in December 2010 and June 2011. Excluding the impact from a tax deduction in relation to an upfront fee for a new loan facility in 1Q FY11/12, DPU growth would be 7.8% year-on-year on a proforma basis.

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

	30/06/11 cents	31/03/11 cents
Net asset value per unit	177.0	175.6
Adjusted net asset value per unit (Note a)	173.8	172.4

Footnote

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

8. Review of Performance

Review of Performance 1Q FY11/12 vs 1Q FY10/11

	1Q FY11/12 01/04/11 to 30/06/11 S$'000	1Q FY10/11 01/04/10 to 30/06/10 S$'000	Increase / (Decrease) %
Gross revenue	119,939	113,607	5.6%
Property operating expenses	(31,163)	(26,259)	18.7%
Net property income	88,776	87,348	1.6%
Non property expenses	(8,429)	(6,892)	22.3%
Net finance costs	(12,091)	(682)	nm
Foreign exchange loss	(672)	-	nm
	(21,192)	(7,574)	179.8%
Net income	67,584	79,774	(15.3%)
Net change in fair value of financial derivatives	6,900	(1,826)	nm
Total return for the period before income tax expense	74,484	77,948	(4.4%)
Income tax expense	(206)	-	nm
Total return for the period after income tax expense	74,278	77,948	(4.7%)
Non taxable income, net and other adjustments	(9,374)	(12,626)	(25.8%)
Income available for distribution	64,904	65,322	(0.6%)
Distribution from capital (Note a)	1,006	- (Note b)	nm
Total amount available for distribution	65,910	63,146	4.4%
Earnings per unit (cents)	3.61	4.17	(13.4%)
Distribution per unit (cents)	3.20	3.37	(5.0%)

nm denotes "not meaningful"

Footnote

(a) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant for 1Q FY11/12.

(b) For 1Q FY10/11, total amount available for distribution excluded interest income from a finance lease granted to a tenant of $2.2 million. This income was retained pending further discussion with IRAS on the tax transparency treatment. This was subsequently distributed in 4Q FY10/11.

Gross revenue increased by 5.6% mainly due to completion of a new acquisition and development project since June 2010.

Property operating expenses increased by 18.7% mainly due to the completion of development project and acquisition since June 2010, higher electricity charges and changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted since 30 June 2010.

Non property expenses increased by 22.3% mainly due to due diligence expenses incurred during 1Q FY11/12.

Net finance costs are higher in 1Q FY11/12 as they included gain on fair value adjustments on collateral loan of S$2.1 million as compared to gain of $16.7 million in 1Q FY10/11. Excluding the effect of this, net finance costs is lower mainly due to lower borrowings and lower interest rates.

Foreign exchange loss arose from translation of JPY9.6 billion Medium Term Notes as at 30 June 2011. The offsetting gain on the cross currency swap to hedge the above foreign exchange exposure is included in net change in fair value of financial derivatives.

Net change in fair value of financial derivatives relates to the changes in fair value of interest rate swaps and cross currency swap in accordance with FRS 39.

Net non taxable income and other adjustments were lower in 1Q FY11/12 mainly due to gain on fair value adjustments on financial derivatives and collateral loan of S$9.0 million (S$14.9 million in 1Q FY10/11). For 1Q FY11/12, net non taxable income and other adjustments included a tax deduction in relation to an upfront fee for a new loan facility.

Review of Performance 1Q FY11/12 vs 4Q FY10/11

	1Q FY11/12 01/04/11 to 30/06/11 S$'000	4Q FY10/11 01/01/11 to 31/03/11 S$'000	Increase / (Decrease) %
Gross revenue	119,939	112,904	6.2%
Property operating expenses	(31,163)	(28,868)	7.9%
Net property income	88,776	84,036	5.6%
Non property expenses	(8,429)	(12,725)	(33.8%)
Net finance costs	(12,091)	(21,349)	(43.4%)
Foreign exchange gain /(loss)	(672)	2,352	(128.6%)
	(21,192)	(31,722)	(33.2%)
Net income	67,584	52,314	29.2%
Net change in fair value of financial derivatives	6,900	(1,895)	nm
Net appreciation on revaluation of investment properties and investments properties under development	-	301,515	nm
Total return for the period before income tax expense	74,484	351,934	(78.8%)
Income tax expenses	(206)	(976)	(78.9%)
Total return for the period after income tax expense	74,278	350,958	(78.8%)
Non (taxable income)/tax deductible expenses, net and other adjustments	(9,374)	7,047	(233.0%)
Net appreciation on revaluation of investment properties and investment properties under development	-	(301,515)	nm
Income available for distribution	64,904	56,490	14.9%
Distribution from capital (Note a)	1,006	4,768	(78.9%)
Total amount available for distribution	65,910	61,258	7.6%
Earnings per unit (cents)	3.61	18.72	(80.7%)
Distribution per unit (cents)	3.20	3.27	(2.1%)

nm denotes “not meaningful”

Footnote

(a) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant.

Gross revenue is higher by 6.2% mainly due to the completion of a new acquisition in March 2011.

Property expenses increased by 7.9% mainly due to higher electricity charges and completion of a new acquisition in March 2011, offset by lower property tax expense due to higher vacancy refund and reduction in annual value for 1Q FY11/12.

Non-property expenses is 33.8% lower than 4Q FY10/11 arising from provision of performance fees of S$5.4 million due to the Manager in March 2011.

Net finance costs in 1Q FY11/12 has included a gain on the fair value adjustments on collateral loan of approximately S$2.1 million as compared to a loss of approximately S$3.6 million in 4Q FY10/11.

Net change in fair value of financial derivatives relates to the changes in fair value of interest rate swaps and cross currency swap in accordance with FRS 39.

Net appreciation on revaluation of investment properties in 4Q FY10/11 relates to the revaluation of the 92 properties that was undertaken by CB Richard Ellis Pte Ltd, DTZ Debenham Tie Leung (SEA) Pte Ltd, Jones Lang LaSalle, Cushman & Wakefield Singapore Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd in March 2011.

The movement in net non taxable income/tax deductible expenses and other adjustments was mainly due to gain on fair value of financial derivatives in 1Q FY11/12 (loss in 4Q FY10/11) and gain on fair value adjustments on collateral loan in 1Q FY11/12 (loss in 4Q FY10/11).

Total amount available for distribution was 7.6% higher than 4Q FY10/11 mainly due to the contribution from the completion of new acquisition in March 2011.

DPU is 2.1% lower than 4Q FY10/11 due to the 11.1% increase in number of units outstanding as a result of new units issued in April 2011 pursuant to a private placement, units issued for payment of acquisition fee in April 2011 and units issued in lieu of the 20% base management fee in Jun 2011.

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.

According to the Ministry of Trade & Industry's (MTI) advance estimates, Singapore's economy grew by 0.5% y-o-y in 2Q 2011. The slower growth is due primarily to a contraction of 5.5% in the manufacturing sector, led largely by a decline in the biomedical manufacturing cluster. Output in the electronics cluster also fell, partly due to an easing in global demand for semiconductor chips.

According to the Singapore's Purchasing Managers' Index (PMI), Singapore's manufacturing activities continued to expand in June but at a slower pace. June's PMI fell to 50.4 points from May's 50.8 points due to slower new orders, as well as lower production output as a result of weaker overall demand from domestic and overseas markets.

URA's 1Q 2011 statistics shows that the price and rental indices of Singapore's industrial space continued on an uptrend for the sixth consecutive quarter, registering an increase of 8.3% and 6.3% q-o-q respectively. Average occupancy for the business park, factory and warehouse sector displayed similar upward trends with improved occupancy rates of 77.8%, 93.9% and 92.8% respectively (4Q 2010: 75.5%, 92.8% and 91.4% respectively). Data from the URA indicated a 5.5% growth in rental rates for Business Park space from S$3.60 psf per month in 4Q 2010 to S$3.80 psf per month in 1Q 2011. According to the CBRE Market View in 2Q 2011, rents for factories and warehouses rose on the back of continued demand. Average gross monthly rents for factory units rose by $0.10 psf q-o-q to $1.85 psf per month while that for warehouses rose by $0.05 psf q-o-q to $1.70 psf per month.

Outlook for the financial year ending 31 March 2012

External Environment
Global growth is expected to moderate in 2H 2011, with forward-looking indicators such as Purchasing Managers' Indices pointing to a slower pace of global economic activities amidst increasing uncertainty regarding the Eurozone debt crisis and ongoing market concerns about the sluggish US economic recovery. While economic growth in the Asia ex-Japan region is likely to be sustained, inflationary pressures remain a concern. Barring any further deterioration in the external environment, the economic outlook for Singapore continues to be positive.

A-REIT's Portfolio
A-REIT continues to have a good mix of properties with long and short term leases within its portfolio (47% versus 53% by asset value) with a weighted average lease to expiry of about 4.5 years. Long term leases typically have periodic rental escalation which provides for stability and sustainability in earnings. 33% of such leases have CPI-pegged adjustments which provide a buffer against - inflation.

For the balance of the financial year ending 31 March 2012, A-REIT has 10.0% of its revenue due for renewal which could benefit from the improving industrial rental market as the majority of these leases have passing rents that are below the existing market rents.

The Manager will continue to pursue quality and sustainable yield accretive investments. Barring any unforeseen event, the Manager expects A-REIT to sustain its current performance.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period :	Yes
Name of distribution :	32nd distribution for the period 11 April 2011 to 30 June 2011
Distribution Type :	Income / Capital
Distribution Rate :	Taxable income - 2.77 cents per unit Capital - 0.04 cents per unit
Par value of units :	Not applicable
Tax Rate :	<u>Taxable Income Distribution</u> 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%. <u>Capital Distribution</u> Distributions out of capital are not taxable in the hands of all Unitholders provided that the Units are not held as trading assets. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the Units, the amount of such distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gain arising from a subsequent disposal of the Units. If the amount exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.
Book closure date :	26 July 2011
Date payable :	25 August 2011

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	28th distribution for the period 01 April 2010 to 30 June 2010
Distribution Type :	Income
Distribution Rate :	3.37 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 :	26 July 2010
Date paid :	26 August 2010

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

NA

13. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines

The Manager hereby certifies that in relation to the distribution to the Unitholders of A-REIT for the quarter ended 30 June 2011:

a. A-REIT will declare a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant, in addition to the income available for distribution for the first quarter ended 30 June 2011.

b. The Manager is satisfied on reasonable grounds that, immediately after making the distribution, A-REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

A-REIT's current distribution policy is to distribute 100% of its distributable income to Unitholders, other than gains on the sale of properties that are determined by IRAS to be trading gains, and unrealized surplus on revaluation of investment properties and investment properties under development. Distributions are usually made on a quarterly basis at the discretion of the Manager.

18. 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.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, 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 current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

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

Mary Judith de Souza
Company Secretary
18 July 2011

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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

18 July 2011

Dear Sirs

Ascendas Real Estate Investment Trust
Review of Interim Financial Information for the period ended 30 June 2011

Introduction

We have reviewed the accompanying Interim Financial Information of Ascendas Real Estate Investment Trust ("A-REIT") for the period ended 30 June 2011.

The Interim Financial Information comprises the balance sheet and investment properties portfolio statement as at 30 June 2011, 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 information (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 Accountants 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 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 Accountants 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