

Press Release
14 July 2005



**A-REIT reported first quarter DPU of 2.84 cents which is
33% above prior corresponding period**

Highlights:

- 1 DPU of 2.84 cents is 33% above prior corresponding period (“pcp”) of 2.13 cents
- 2 \$39.4 million of net property income is 123% above pcp of \$17.6 million
- 3 \$50.5 million of gross revenue is 100% above pcp of \$25.2 million

Summary of A-REIT Results (For the three months ended 30 June 2005)

	Actual	Forecast ⁽¹⁾	Variance (per cent)
Net investment income (\$m)	31.6	25.4	24
Available for distribution (\$m)	33.1	26.8	24
First quarter DPU (cents) <i>(Based on the applicable number of units on issue as at 30 June 2005)</i>	2.84	2.54	12

14 July 2005, Singapore – The Board of Directors of Ascendas-MGM Funds Management Limited (“**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”), is pleased to announce that A-REIT’s DPU is 2.84 cents for the three months ended 30 June 05, an increase of 33% on the 2.13 cents recorded in the pcp, and 12% higher than the forecast ⁽¹⁾ of 2.54 cents per unit.

Mr Tan Ser Ping, Chief Executive Officer of the Manager said, “A-REIT is pleased to report improved performance and deliver consistent returns in the first quarter. The existing portfolio has performed in line with expectations. We have also optimised our capital structure to acquire more earnings accretive properties.”

¹ As derived on the best estimate from the forecast stated in A-REIT circular dated 18 November 2004 (the “**Circular**”) based on 32 properties. This forecast excludes the impact of acquisitions announced in 2005.

Stable and regular returns

A-REIT will pay out a DPU of 2.84 cents for the first quarter on 26 August 2005. This represents an annualised yield of 5.1% based on the closing price of \$2.21 per unit on 30 June 2005.

Expanded Portfolio

As at 30 June 2005, A-REIT had a portfolio of 43 properties with a total book value of \$2.2 billion. The seven properties acquired since 1 April 2005 at an aggregate purchase price of \$111.5 million include AEM-Evertch Building, Da Vinci Building, Hyflux Building, MSL Building, 7 Changi South Street 2 (to be renamed Xilin Districentre, subject to approval), Weltech Building and BBR Building. On 1 July 2005, the purchase of Pacific Tech Centre was completed for \$62.0 million, bringing A-REIT's asset value to \$2.3 billion.

With these acquisitions, A-REIT has introduced the following new tenants in its portfolio – Celestica, a world leader in the delivery of innovative electronics manufacturing services (EMS); Hyflux, one of Asia's leading water purification and fluid treatment companies listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**"); Sunningdale Precision Industries, one of Singapore's leading precision plastic manufacturing companies; and AEM-Evertch, who is in the core business of design and manufacturing of equipment, precision engineering products, chemicals and organic substrates and is listed on SGX-ST.

The weighted average lease term to expiry of A-REIT's portfolio remained stable at 7.2 years. A-REIT has a well diversified spread of properties within the four asset classes of business park, high tech industrial, light industrial and logistics, which minimises its reliance on any one property, such that no single-tenanted property accounts for more than 8% of net property income.

Resilient Portfolio

The overall occupancy of A-REIT's portfolio of 43 properties reached 94.9% as at 30 June 2005 compared to 89.1% in the prior corresponding period. The occupancy of the multi-tenanted buildings is 89.8% as at 30 June 2005 compared to 86.9% in the prior corresponding period.

The Manager has successfully renewed or leased a total of 33,031 sqm of space in the first quarter. This represents 6.8% of the net lettable area in A-REIT's multi-tenanted properties and represents S\$7.4 million in annualised gross rental income.

Capital Management

A-REIT recently completed its second issue of commercial mortgage backed securities (“**CMBS**”) with S\$350 million equivalent in Euros, issued in May 2005 at a margin of 23 basis points above the Euro Interbank Offered Rate. This issue is backed by mortgages on 23 properties from A-REIT’s portfolio and is part of the \$1 billion multi-currency secured medium term notes programme announced last July. The funds were used to refinance existing bank debt facilities.

As at 30 June 2005, A-REIT has hedged 79.5% of its total debt of \$656.9 million for a weighted average term of 4.35 years. A-REIT’s weighted average funding cost is 3.00% including margins charged on the loans and the amortised / annual costs of A-REIT’s CMBS programme. Gearing stands at 30% as at 30 June 2005.

In respect of each of the properties acquired since 1 April 2005 being, AEM-Evertech Building, Da Vinci Building, Hyflux Building, MSL Building, 7 Changi South Street 2, Pacific Tech Centre, Weltech Building and BBR Building, the Manager has elected to receive its base fee entirely in cash and the relevant portion of its performance Fee entirely in units. This will continue to reduce possible fluctuations to DPU when the 60-month period for the base fee to be paid equally in cash and units expires in November 2007.

Going Forward

The total investible universe of business/industrial/logistics space is about 9 to 10 million sqm of which 10% is owned by A-REIT. A-REIT will continue to acquire well-located properties with good tenant mix to grow and further enhance the stability of its portfolio. A-REIT will also maintain its proactive asset management and seek to improve the value of all properties within the portfolio. The established track record and proactive management of the Manager will underpin its future performance.

For enquiries, please contact:

<p>Ho Mei Peng Investor Relations Manager Ascendas-MGM Funds Management Ltd Tel: +65 6774 9152 Mobile: +65 9386 7770 Email: meipeng.ho@ascendas-mgm.com</p>	<p>Philip Pearce Portfolio Manager Ascendas-MGM Funds Management Ltd Tel : +65 6774 9844 Mobile : +65 9248 4447 Email : philip.pearce@ascendas-mgm.com</p>
--	--

About A-REIT (www.a-reit.com)

A-REIT is the first business space and light industrial real estate investment trust (“REIT”) listed on the SGX-ST. It has a diversified portfolio of 44 properties in Singapore, comprising business park (including science park), light and hi-tech industrial properties, and logistics and distribution centres, with a book value of S\$2.3 billion. These properties house a tenant base of over 500 international and local companies from a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. Major tenants include SingTel, C&P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble and Hyflux.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the FTSE Global Small Cap Asia Pacific Ex Japan Index Series, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index, Global Property Research (GPR) Asia 250 and the Standard & Poor inaugural S&P Asia PowerPicks 2004 portfolio.

A-REIT is managed by **Ascendas-MGM Funds Management Limited** (in its capacity as manager of A-REIT), a 60:40 joint venture between Singapore-based Ascendas Pte Ltd and Australian-based Macquarie Goodman Management Limited.

Disclaimer

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 costs), 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.

The value of units in A-REIT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.