Press Release
19 July 2007

Ascendas Real Estate Investment Trust

A-REIT reports First Quarter DPU of 3.37 cents, 9.1% year-on-year growth over previous comparable DPU of 3.09 cents

Highlights:

1. Distributable income per unit ("**DPU**") of 3.37 cents represents a 9.1% year-on-year ("**yoy**")growth over 3.09 cents

2. Gross revenue of S$77.3 million is 13.7% above yoy of S$68.0 million

3. Net property income of S$58.0 million is 15.8% above yoy of S$50.1 million

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

	1Q FY 2007/08 $m	1Q FY 2006/07 $m	Variance (%)
Gross Revenue (S$m)	77.3	68.0	13.7
Net Property Income (S$m)	58.0	50.1	15.8
Net Income (S$m)	42.7	37.9	12.7
Available for distribution (S$m)	44.7	39.6	12.8
DPU (cents)	3.37	3.09	9.1

19 July 2007, Singapore – The Board of Directors of Ascendas-MGM Funds Management Limited (the "**Manager**"), the manager of Ascendas Real Estate Investment Trust ("**A-REIT**"), is pleased to announce a DPU of 3.37 cents per unit for the three months ended 30 June 2007, an increase of 9.1% on the 3.09 cents recorded in the same quarter of the last financial year.

Chief Executive Officer of the Manager, Mr Tan Ser Ping said, "We are pleased to commence the new financial year with a sound first quarter performance. On the back of the good economic performance and positive rental reversion from the existing portfolio, we achieved a commendable 15.8% growth on our net property income compared to the prior corresponding period.

New leases and expansion by existing tenants in our portfolio recorded a 57% increase compared to a year ago resulting in a high occupancy rate of 97.2%. This can be attributed to our active leasing and asset management strategies which provided total real estate solutions to our tenants as well as the strength of a buoyant market.

If the positive economic and market conditions are sustained, A-REIT is poised for another year of stable returns for its Unitholders."

A-REIT's total net income available for distribution rose to S$44.7 million for the three months ended 30 June 2007, a 12.8% yoy increase.

A-REIT will pay out a DPU of 3.37 cents for the three months ended 30 June 2007 on 29 August 2007. This represents an annualized yield of 4.6% based on the closing price of $2.94 per unit on 29 June 2007.

Portfolio Continues to Grow through Quality Acquisitions and Development

Disciplined acquisitions and development of high-quality properties continues to be the focal point for this quarter. As at 30 June 2007, A-REIT had a portfolio of 78 properties with a total book value of S$3.3 billion, housing a tenant base of over 750 international and local companies. In the last quarter, A-REIT acquired 1 Senoko Avenue for S$11.2 million while continuing in its strategy to create value through development projects. Two development projects and two acquisitions of properties under construction worth a total $148 million are pending completion:

1) A partial build-to-suit business park property (HansaPoint @ CBP) is being built at Plot 15 Changi Business Park with Rohde & Schwarz Singapore Pte Ltd as the anchor tenant. The building is expected to be completed by early 2008.
2) A partial build-to-suit distribution facility which is currently under development at Plot 7 & 8 Changi LogisPark (North) with Zuellig Pharma Pte Ltd as the anchor tenant. The development project is expected to be completed by mid 2008.
3) An additional five-storey ramp up warehouse, as part of an asset enhancement of SENKEE Logistics Hub, currently under construction by SENKEE Logistics Pte Ltd, will be acquired for $63.8 million upon satisfaction of certain conditions precedent. The construction is expected to be completed in early 2008.

4) A logistic and distribution facility, currently being built by the vendor, Goldin Enterprises Pte Limited, at Pioneer Walk will be acquired for S$22.5 million in the first half of 2008 upon satisfaction of certain conditions precedent.

A Well Diversified Portfolio with High Occupancy

The overall occupancy of A-REIT's portfolio of 78 properties was 97.2% as at 30 June 2007 compared to 96.1% yoy. The occupancy rate for A-REIT's multi-tenanted buildings was 95.0% compared to 92.1% yoy.

The Manager has successfully renewed or leased a total of 82,763 sqm of space in the first quarter of FY2007/08. Within the portfolio of the Multi-Tenanted Buildings, new demand grew by 57% to 23,234 sqm compared to 14,754 sqm a year ago. 21.5% and 19.3% of this new demand were in the Business & Science Park sector and the Hi-tech sector respectively. The rest of the demand was in the light industrial and logistics sector.

The weighted average lease term to expiry of A-REIT's portfolio has remained stable at 6.6 years as at 30 June 2007.

A-REIT maintains a well-diversified high quality property portfolio spread across a number of sub-sectors to meet the real estate needs of its customers. The sub-sectors comprise Business & Science Park properties, Hi-Tech Industrial properties, Light Industrial properties, Flatted Factory space, Logistics and Distributions centres as well as Warehouse Retail Facilities. These sub-sectors are exposed to different segments of the economy and have different growth drivers. Through the diversification of our portfolio, it minimizes our reliance on any one property such that no single property accounts for more than 6.0% of the monthly gross revenue.

Prudent Capital Management

The Manager continues to actively manage and optimize A-REIT's capital structure.

S$395 million of existing debt was refinanced in May 2007 through a third issue of seven-year tenure commercial mortgage-backed securities. This issue provides A-REIT with certainty of funding for the next seven years and further diversifies its debt maturity profile and funding source. As a result, the weighted average cost of borrowing for the portfolio remained stable at 3.42%.

The current aggregate leverage of 38.0% means significant debt capacity of more than $450 million is available to fund near term investment activities before aggregate leverage reaches the long term optimal level of 45%.

Outlook for FY2007/08

As a result of the good performance of the economy, the Urban Redevelopment Authority recorded the highest quarter-to-quarter increase for the industrial property market since the up-trend in early 2004 with prices of overall industrial space rising 4.0% and rents increasing by 4.5% in the first quarter of the year.

The Manager anticipates a positive outlook for A-REIT's suburban business space, particularly in the Business & Science Park properties and Hi-Tech space due to the higher demand from the current bullish business space rental market and, partly, the tight supply in the Central Business District.

The outlook for the flatted factories and the Logistics and Distribution centres sectors remain subdued because of the relatively high expected new supply in the next 2 years, particularly in the latter, where 471,000sm of space is expected in 2007.

Proactive asset management through certain asset enhancement initiatives and potential rental reversion will help to generate organic growth for the portfolio. Positive rental reversions are expected to have a positive impact on the portfolio as more than 34% of its leases are due for renewal in the current and next two financial years. On the other hand, costs of operations, especially utilities costs which is highly correlated to global oil prices and uncontrollable by the Manager, may have some adverse impact on our performance.

Disciplined acquisition and development of quality industrial properties will continue to contribute positively to the growth of A-REIT.

Given the positive outlook for the economy, the manufacturing sector and the industrial property sector, the Manager expects to be able to deliver a return for the current financial year that is in line with its historical performance.

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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 78 properties in Singapore, comprising suburban office space (including Business and Science Parks), high specifications industrial mixed use properties, Flatted Factories, Light Industrial properties, Logistics and Distributions centres as well as warehouse retail facilities, with a book value of S$3.3 billion. These properties house a tenant base of over 750 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, , Zuellig Pharma, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble, Hyflux, and Hewlett-Packard.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250.

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 Goodman International Limited.

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