

**A-REIT's 3Q FY 2005/06 distributable income of 3.01 cents per unit,  
25% above prior corresponding period**

**Highlights:**

1. 3Q FY 2005/06 distributable income of 3.01 cents per unit is 25% above prior corresponding period 3Q FY 2004/05 ("**pcp**") of 2.40 cents
2. Net property income of S\$46.3 million is 92% above pcp of S\$24.2 million
3. Gross revenue of S\$61.2 million is 82% above pcp of S\$33.6 million
4. Distribution per unit ("**DPU**") of 0.12 cents has been paid in November 2005 and the remaining 2.89 cents will be paid on 24 February 2006

**13 January 2006, 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 distributable income of 3.01 cents per unit for the three months ended 31 December 2005 ("**3Q**"). The distributable income includes 0.12 cents per unit for the period from 1 October 2005 to 4 October 2005 being the date immediately before the issue of new units under the recent equity raising, which was paid on 8 November 2005. Accordingly, a DPU of 2.89 cents for the period from 5 October 2005 to 31 December 2005 will be paid on 24 February 2006.

A-REIT's 3Q distributable income of 3.01 cents per unit is 25% above the prior corresponding period of 2.40 cents.

Chief Executive Officer of the Manager, Mr Tan Ser Ping said, "We are pleased to announce that the year-to-date distributable income of 8.76 cents per unit is 3% above the forecast<sup>1</sup> released only 3 months ago. The third quarter performance has been driven mainly by improved leasing as well as contributions from acquisitions. Clearly, our continued distribution growth reflects the ongoing success of the Manager's business strategies and

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<sup>1</sup> As derived from the forecast stated in A-REIT's circular dated 20 September 2005 (the "Circular").

the underlying strengths of the portfolio. Looking ahead, we will continue to explore new opportunities that will enable us to create value for our unitholders.”

**Regular and stable quarterly distribution**

The 3Q distributable income of 3.01 cents per unit represents an annualised trading yield of 6.2% based on the closing price of S\$1.95 on 31 December 2005.

**Diversified portfolio of 59 properties**

As at 31 December 2005, A-REIT had a portfolio of 59 properties with a total book value of S\$2.6 billion. During the quarter, A-REIT completed the acquisitions of 13 properties comprising 1 Changi South Lane, 11 Tampines Street 92, Cityneon Design Centre, Hoya Building, NNB Industrial Building, LogisHub@Clementi, Techquest, Techview, 1 Jalan Kilang, JEL Centre, PSB Science Park Building, 37A Tampines Street 92 and Hamilton Sundstrand Building for an aggregate purchase price of S\$288.35 million.

A-REIT has also announced three other acquisitions where separate put and call option agreements have been signed to acquire 138 Depot Road, 50 Kallang Avenue and Aztech Building for an aggregate purchase price of S\$93.9 million.

On 3 January 2006, A-REIT announced the completion of the acquisition of Thales Building for S\$5.78 million, bringing the number of properties in the portfolio to 60.

**Portfolio Management**

Portfolio occupancy as at 31 December 2005 was 94.7% compared to 94.1% in the prior corresponding period. The occupancy rate for A-REIT’s multi-tenanted buildings has also increased to 89.7% as at 31 December 2005 compared to 89.5% in the prior corresponding period.

Some of the multi-tenanted properties that have shown marked improvement in occupancy since the last quarter are as follows:

	<b>Multi-tenanted properties</b>	<b>As at 31 Dec 2005</b>	<b>As at 30 Sep 2005</b>
1.	KA Place	43.2%	36.2%
2.	Techpoint	97.0%	95.3%
3.	Pacific Tech Centre	90.3%	83.3%
4	Techview	91.9%	87.0%

The Manager has successfully renewed or leased a total of 52,868 sqm of space in 3Q FY 2005/06. This represents 8.3% of the net lettable area of A-REIT's multi-tenanted properties and represents S\$10.5 million in annualised gross rental income for A-REIT.

The weighted average lease term to expiry of A-REIT's portfolio remained stable at 6.7 years with more multi-tenanted properties being added to the portfolio. In addition, the weighted average of A-REIT's remaining land lease tenure is 53.76 years for its leasehold property portfolio. Properties with freehold land tenure are not included in the computation.

A-REIT has a well diversified portfolio 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 property accounts for more than 7% of total portfolio net property income.

### **Capital Management**

As at 31 December 2005, A-REIT has hedged about 77% of its total debt of S\$844 million for a weighted average term of 4.10 years. This includes a two year interest rate cap at 2.5% for S\$127.5 million (15% of outstanding debt). A-REIT's weighted average funding cost is 3.27% including margins and weighted swap rates for hedged debt and current floating rates on unhedged debt, and amortisation of CMBS' establishment and annual maintenance costs. The aggregate leverage (including deferred payments) stands at 34.2% of A-REIT's deposited property as at 31 December 2005.

Moody's Investors Service announced on 8 December 2005 that it had assigned an initial corporate family rating of A3 to A-REIT. A3 is otherwise known as A- by other rating agencies. The Manager expects A-REIT to maintain a long term optimal gearing ratio not exceeding 45%. Assuming an optimal gearing limit of 45%, A-REIT will have debt funding capacity of about S\$500 million available to fund future acquisitions.

In line with Unitholders' approval on 2 November 2004, in respect of all new acquisitions since that date, the Manager has elected to receive its base fee entirely in cash, instead of 50% in cash and 50% in units which is applicable for the first 19 properties.

### **Looking Ahead**

A-REIT will continue to explore yield-accretive acquisitions and other growth initiatives in the next quarter. The improved economy and business outlook for 2006 will provide a more conducive operating environment for A-REIT.

For enquiries, please contact:

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### **About A-REIT ([www.a-reit.com](http://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 60 properties in Singapore, comprising suburban office space (including business park and science park properties), high specifications industrial mixed use properties, light industrial properties, and logistics and distribution centres, with a book value of S\$2.6 billion. These properties house a tenant base of over 680 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 and Group Exklusiv Pte Ltd.

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 Macquarie Goodman Management Limited.

### **Important Notice**

The value of 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 of A-REIT may only deal in their Units through trading on the 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.

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 other companies and venues for the sale or distribution of goods and services, shifts

in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.