

Press Release
18 January 2008



**A-REIT delivers 11.3% DPU growth to 3.56 cents per unit
for the Third Quarter ended 31 December 2007**

Highlights:

1. Distributable income per unit (“DPU”) of 3.56 cents represents a 11.3% growth year-on-year (“yoy”) over the same quarter in last financial year
2. Gross revenue of S\$80.2 million is 12.9% higher yoy
3. Net property income of S\$61.4 million is 16.3% higher yoy

Summary of A-REIT Results (For the three months ended 31 December)

	3Q FY 2007/08 \$m	3Q FY 2006/07 \$m	Variance (%)
Gross Revenue (S\$m)	80.2	71.1	12.9
Net Property Income (S\$m)	61.4	52.8	16.3
Net Income (S\$m)	45.5	39.0	16.8
Available for distribution (S\$m)	47.2	41.0	15.1
Third quarter DPU (cents)	3.56	3.20	11.3

18 January 2008, 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 3.56 cents per unit for the three months ended 31 December 2007, an increase of 11.3% over the 3.20 cents recorded in the same quarter of the last financial year.

Chief Executive Officer of the Manager, Mr Tan Ser Ping said, “With the continued strong economic performance, we are pleased to report a 16.3% year-on-year increase in our net property income to \$61.4 million and an 11.3% increase year-on-year on our distribution per unit to 3.56 cents for the three months ended 31 December 2007.

We also see positive organic growth across all sectors, with Business & Science Parks and Hi-Tech Industrial sectors registering double digit growth in renewal rates over prevailing rates. Occupancy rates stand at a high of 98.7% across the portfolio and 97.0% for our multi-tenanted buildings. This can be attributed to the strong demand for alternative quality office space outside the central business district and the continued influx of multi-national companies setting up or expanding operations in Singapore.

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

A-REIT will pay out a DPU of 3.56 cents for the three months ended 31 December 2007 on 29 February 2008. This represents an annualized yield of 5.66% based on the closing price of \$2.46 per unit on 31 December 2007.

Portfolio Continues to Grow through Quality Acquisitions and Developments

As at 31 December 2007, A-REIT had a portfolio of 79 properties and total assets of S\$3.42 billion, housing a tenant base of over 750 international and local companies.

This quarter, A-REIT completed the acquisition of Goldin Building, a logistics property at Pioneer Walk for S\$22.5 million. A-REIT has earlier announced five investments, one acquisition and four development projects which are expected to be completed over the next three to four years.

- 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 in February 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) A partial build-to-suit ramp up high specification industrial facility is currently under construction at Pioneer Walk and is expected to be completed in 3/4Q 2008.
- 4) Two integrated suburban offices with amenity facilities totaling 75,000 sqm is under development at Plot 8 Changi Business Park. The first phase (about 21,000 sqm) of the development is expected to be completed in 1Q 2009.

- 5) 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 1Q 2008.

In addition, Memorandums of Understanding (MOUs) amounting to \$201 m for the acquisitions of income producing properties have been signed.

A Well Diversified Portfolio with High Occupancy

A-REIT currently holds a portfolio of 79 properties. For the quarter ended 31 December 2007, the portfolio occupancy reached a high of 98.7% compared to 96.1% a year ago. Occupancy rate for multi-tenanted buildings increased by 3.9% to 97.0% compared to a year ago.

The Manager has successfully renewed or leased a total of 46,933 sqm of space in the third quarter of FY2007/08. Business & Science Park sector recorded a 46.1% increase in renewal rental rates versus existing rental rates while the Hi-Tech Industrial sector noted a growth of 71.5% in renewal rental rates over existing rates.

The weighted average lease term to expiry of A-REIT's portfolio has remained stable at 6.2 years as at 31 December 2007.

A-REIT maintains a well-diversified high quality property portfolio spread across a number of sub-sectors with different growth drivers to meet the real estate needs of its customers and is exposed to different segments of the economy. Through the diversification of our portfolio, it minimizes our reliance on any one property such that no single property accounts for more than 6.9% of the monthly gross revenue.

Prudent Capital Management

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

The current aggregate leverage of 38.9% means there is debt capacity of more than \$400 million available to fund near term investment activities before aggregate leverage reaches the long term optimal level of 45%.

The Manager also adopts a proactive interest rate risk management approach. We have a staggered maturity in the hedging of the interest rate exposure. As at 31 December 2007, 88% of interest rate exposure is fixed with a weighted average term of 3.9 years at a weighted average cost of 3.39%. The balance 12% and any further debt drawdown will be at prevailing market rate.

Outlook for FY2007/08

The economy is expected to grow at a healthy but slower pace in 2008. With the continued economic growth outlook, demand for industrial space is likely to remain healthy, particularly in the Business & Science Parks and Hi-Tech Industrial properties sector. Rental rates outlook for these two sectors are expected to be positive while rental growth for logistics and flatted factory space will probably be subdued largely due to the high potential supply in the former sector of 702,000 sqm under development and another 127,000 sqm being planned for the next two years.

Given the cautiously optimistic outlook for the economy and barring any unforeseen events, the Manager expects to be able to deliver a return for the last quarter of the financial year that is in line with the results of the first nine months of the financial year.

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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 79 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 total assets of S\$3.42 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 and FTSE ST Mid Cap

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 Goldman International Limited.

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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.