

Press Release
17 January 2005



A-REIT's third quarter DPU is 13% higher compared to the prior corresponding period

Highlights:

- S\$21.2 million distributable income is 83% above prior corresponding period of S\$11.6 million
- Third quarter distribution per unit (DPU) of 2.40 cents is 13% above prior corresponding period of 2.12 cents

Summary of A-REIT Results (For the third quarter ended 31 December 2004)

	Actual FY04/05	Actual in FY03/04	Increase (%)
Net investment income (S\$'000)	20,018	10,887	84
Available for distribution (S\$'000)	21,188	11,576	83
Distributable income per unit (cents)	2.40*	2.12	13

*Based on the weighted average number of units on issue of 879.5 million units as at 31 December 2004.

For more details on the financial results, please refer to A-REIT's financial statements dated 17 January 2005 released on SGXNET.

Summary of Distribution Payable

Stock counter	Distribution period	Distribution per Unit (Cents)
1. <i>Ascendasreit</i>	1 Oct 2004 to 31 Dec 2004	2.40
2. <i>Ascendasreit A</i>	1 Dec 2004 to 31 Dec 2004	0.82

17 January 2005, 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 that A-REIT's distributable income

per unit (“DPU”) of 2.40 cents for the three months ended 31 December 2004 (the “**third quarter**”) is 13% above the prior corresponding period actual DPU of 2.12 cents.

The DPU for the nine months ended 31 December 2004 of 6.86 cents is 3% higher than the Manager’s DPU projection of 6.67 cents as stated in A-REIT’s circular dated 18 November 2004 issued in relation to an equity fund raising exercise to partly fund the acquisitions of 13 properties (the “**Circular**”).

As advised in the Circular, with the completion of the recent 13 acquisitions, A-REIT projects a DPU of 9.30 cents per unit for the financial year ending 31 March 2005 and 9.94 cents per unit for the financial year ending 31 March 2006 based on the assumptions stated in the Circular.

Mr Tan Ser Ping, Chief Executive Officer of the Manager said, “A-REIT has performed well in this third quarter of FY2005, delivering a distribution per unit of 2.40 cents, a 13% increase over the prior corresponding period. We see resilience in the underlying portfolio and growth in occupancy and rents going forward. The full financial impact of the 13 new properties will be realised in the next quarter as the acquisitions were mainly completed in the month of December 2004.”

Delivered Performance

A-REIT will pay out a DPU of 2.40 cents for units trading on the main stock counter, *Ascendasreit*, for the third quarter. Approximately 258.1 million units trading on the temporary stock counter, *Ascendasreit A*, which were issued under the equity fund raising in November 2004, will receive a DPU of 0.82 cents per unit for the period from 1 December 2004 to 31 December 2004. Distributions for units trading under both counters will be paid out on 24 February 2005.

In the financial year to-date, A-REIT has delivered a capital return of 34.6% in respect of the units traded under the stock counter *Ascendasreit*, based on the opening price of S\$1.27 per unit on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 1 April 2004 and the closing price of S\$1.71 per unit on the SGX-ST on 31 December 2004. Including the distributable income per unit of 6.86 cents for the nine months ended 31 December 2004, the total return was 40%.

Resilient Portfolio

As announced today, A-REIT's property portfolio occupancy rate was 94.1% as at 31 December 2004. There was positive demand for industrial space, as 11,871 sqm of space was taken-up (including expansions) in the third quarter. Including new take-ups and renewals, total space taken up in this third quarter was 24,807 sqm and the net allocation was 9,739.5 sqm.

Enlarged Portfolio

Funded with the net proceeds from the recent equity fund raising and the balance drawn down from available bank debt facilities, A-REIT completed 13 property acquisitions in the third quarter, bringing its total portfolio to 32 properties and a total asset value of S\$1.7 billion as at 31 December 2004.

The market capitalisation of A-REIT has increased 46.4% from S\$1.23 billion as at 30 September 2004 to S\$1.80 billion as at 31 December 2004, providing additional liquidity.

Capital Management

As at 31 December 2004, S\$260 million of interest rate swaps, representing 69.0% of A-REIT's borrowings had been effected. The average interest rate of the swaps is 2.42% and the weighted average term remaining is 3.42 years. A-REIT's average borrowing costs (including margins, floating interest rate loans and amortised/annual costs of the CMBS programme) is 2.64% as at 31 December 2004. A-REIT will continue to minimise its exposure to interest rate fluctuations by maintaining its policy of fixing interest rates between 50% to 75% of its total debt.

A-REIT's gearing was 22.1% as at 31 December 2004. However, following the completion of C&P Logistics Hub phase two for a purchase price of S\$82.9 million on 3 January 2005 funded from available debt facilities, gearing has increased to about 26% as projected in the circular dated 18 November 2004.

Sustainable Growth

The Manager is pro-actively managing the existing portfolio of properties as well as continuing with the acquisition strategy in order to continue to grow the A-REIT portfolio.

- End -

This press release should be read in conjunction with A-REIT's 3rd quarter and nine months financial statements announcement for the period from 1 April 2004 to 31 December 2004 announced on SGXNET.

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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 32 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\$1.7 billion. These properties house a tenant base of over 470 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 C&P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, IDS Logistics Services, OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies and Procter & Gamble.

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 and the Standard & Poor inaugural S&P Asia PowerPicks 2004 portfolio.

A-REIT won the "Most Transparent Company" in the SIAS 5th Investors' Choice Awards under the REIT category in September 2004. In July 2004, A-REIT received the most votes for Best Investor Relations by sell-side analysts in Singapore, in the 2004 Asia Equities Market Report conducted by Institutional Investor Research Group.

A-REIT is managed by **Ascendas-MGM Funds Management Limited**, 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.