Press Release
15 January 2009

A-REIT reports Third Quarter DPU of 4.05 cents,
a 13.8% year-on-year growth over previous comparable DPU of 3.56 cents

Highlights:

1. Distributable income per unit ("**DPU**") of 4.05 cents represents a 13.8% year-on-year ("**yoy**") growth over 3.56 cents and a 1.0% growth over 2nd Quarter DPU

2. Net property income of S$74.2 million is 20.9% above yoy of S$61.4 million, of which organic growth contributed about 38% of the NPI growth

3. Achieved double-digit renewal rental rate growth across all sectors

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

	3Q FY 2008/09	**3Q FY 2007/08**	**Variance (%)**
Gross Revenue (S$m)	102.3	80.2	27.6
Net Property Income (S$m)	74.2	61.4	20.9
Available for distribution (S$m)	54.0	47.2	14.4
DPU for the quarter (cents)	4.05	3.56	13.8

15 January 2009, Singapore – The Board of Directors of Ascendas Funds Management (S) Limited (the "**Manager**"), the manager of Ascendas Real Estate Investment Trust ("**A-REIT**"), is pleased to announce a DPU of 4.05 cents per unit for the three months ended 31 December 2008, an increase of 13.8% on the 3.56 cents recorded in the same quarter of the last financial year. This represents an annualized yield of 11.6% based on the closing price of $1.37 per unit on 31 December 2008.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "We are pleased to report a set of respectable financial results for the third quarter of FY2008/09. Distribution per unit for the quarter rose 13.8% to 4.05 cents compared to a year ago.

A-REIT is pleased to note that double digit growth in renewal rental rates was recorded across all sectors, with Business & Science Park and Hi-Tech Industrial properties recording a 60.6% and 85.8% growth over previous contracted rate. Portfolio occupancy stands at a healthy 97.2%. Due to the diversity of the properties in the portfolio, A-REIT was able to attract tenants from an array of sectors including biomedical, food products & beverages as well as conventional engineering.

Net property income increased by 20.9% to S$74 million for the third quarter FY2008/09 compared to a year ago, of which 38.2% is contributed organically through rental rate increases from both positive rental reversions in the multi-tenanted buildings and stepped rental increases in the single-tenanted buildings.

With only 1.6% of portfolio's leasable area up for renewal for the rest of the financial year, the Manager expects to be able to deliver a return that is in line with its recent performance. However, 2009 is expected to be a difficult year given the global financial and economic crisis. The outlook for A-REIT in FY09/10 will depend largely on the extent and depth of the unfolding impact of the global economic recession on our existing tenants as well as on demand for industrial space."

Portfolio Continues to Grow through Disciplined Investments

As at 31 December 2008, A-REIT had a portfolio of 88 properties with a total book value of about S$4.5 billion, housing a tenant base of over 860 international and local companies. A-REIT had previously announced two development projects:

1. Plot 8 Changi Business Park comprising two integrated suburban office buildings with amenity facilities totaling 75,000 sqm. The first phase (about 21,000 sqm) is expected to be completed in 4Q FY2008/09. Construction of the second phase, a multi-tenanted building of about 33,000 sqm including about 8,000 sqm of amenity space, commenced in 2QFY2008/09 with completion slated in 3QFY2009/10. A-REIT is in active negotiations with prospective tenants.
2. Built-to-suit project for the development of a part 2-storey / part 4-storey logistics facility at Plot 6 of the Airport Logistics Park of Singapore for Expeditors Singapore Pte Ltd.

A Well Diversified and Resilient Portfolio with High Occupancy

The overall occupancy of A-REIT's portfolio of 88 properties is 97.2% as at 31 December 2008. The Property Manager, ASPL, has successfully renewed or leased a total of 41,766 sqm of space in the third quarter of FY2008/09. These leases represent about 4.86% of the net lettable area of A-REIT's multi-tenanted buildings and an annualised rental income of S$13.1 million for A-REIT.

Total new leases (including expansions) for the quarter were 20,671 sqm, of which 23.7% was in Hi-Tech Industrial sector and 50.6% was from the logistics & distribution centres. Some of the new tenants that A-REIT welcomed into its portfolio in 3Q FY2008/09 included: CPG Consultants Pte Ltd at Techview, SL Interactive Pte Ltd at Rutherford, Phoenix Contact (SEA) Pte Ltd at 84 Genting Lane and Royale Logistics Pte Ltd at Nah Wah Building.

Double digit growth in renewal rental rates was registered throughout all sectors. In addition, new take-up rental rates for the Business & Science Parks and Hi-Tech Industrial sectors increased by 9.6% and 14.0% respectively. However, the rate of growth is lower compared to the growth achieved in the first half of the financial year. Occupancy of A-REIT's multi-tenanted buildings declined marginally throughout the sectors. However, the decline in the occupancy rate was mitigated by the increase in rental rates. In view of the negative economic sentiments, the Manager will focus more on maintaining occupancy than on maximizing rental revisions in the future.

Long term leases resulting from sale-and-leaseback transactions represent 49% of A-REIT's properties (by value) while the remaining 51% is made up of multi-tenanted buildings with shorter leases. Consequently, A-REIT's weighted average lease term to expiry for its portfolio is 5.3 years as at 31 December 2008 while the weighted lease to expiry for A-REIT's sale-and-leaseback properties is 7.6 years. These long term leases provide the stability in revenue and most have stepped rental increases, of which 32.5% of gross rental income are CPI-pegged adjustments.

A-REIT has a well-diversified, high quality property portfolio spread across four main sub-sectors to provide stability to the portfolio and to meet the diverse space requirements of its customers. These sub-sectors are exposed to different segments of the economy and have different growth drivers. A-REIT continue to attract tenants from an array of industries from the traditional transport & storage, general manufacturing and engineering to biomedical, telecommunications & data centre as well as lifestyle & apparels. Through the diversification of A-REIT's portfolio, it minimizes A-REIT's reliance on any one property such that no single property accounts for more than 5.0% of the monthly gross revenue of the portfolio.

About 21% of the net leasable area is occupied by tenants engaged in conventional manufacturing activities, of which, a majority (about 64%) is on long-term leases. The rest of the tenanted space is used for services oriented activities.

As at 31 December 2008, outstanding accounts receivable more than two months old amounts to about $ 835,000 or about 0.2% of annualized gross revenue.

Prudent Capital Management

The Manager remains committed to optimizing A-REIT's capital structure through proactive and prudent capital management strategies amidst a turbulent financial market.

As at 31 December 2008, A-REIT has 74.7% of its total debt hedged into fixed rate for the next 3.7 years.

A-REIT has successfully extended its various short term credit facilities in the last nine months, the most recent being the extension of a S$100.0 million short term credit facility in November 2008. The Manager is in discussion with some of A-REIT's existing lenders on the refinancing and extension of its loan facilities and will continue to explore various funding options to enhance its capital structure and to strength its balance sheet.

Outlook for FY2008/09

The Advance GDP Estimates for 4Q08 released by The Ministry of Trade and Industry ("MTI"), reflected a contraction in the Singapore economy. GDP declined by 2.6% year-on-year in real terms. For 2008 as a whole, MTI estimated GDP growth to be 1.5%, compared with 7.7% in 2007. The manufacturing sector is estimated to have contracted by 3.7% in 2008, down from an expansion of 5.8 per cent in 2007. The services producing industries and construction sector are also expected to register slower growth rates at 5.3% and 17.3% respectively in 2008.

As at 31 December 2008, about 85% of A-REIT's portfolio revenue is committed for the next financial year and the weighted average lease to expiry is approximately 5.3 years. Barring any significant deterioration in market conditions, the Net Property Income outlook for A-REIT for the balance of the current financial year ending 31 March 09 is stable and should perform on par, if not better than the last financial year.

However, 2009 is expected to be a difficult year given the global financial and economic crisis. MTI revised estimated GDP growth for 2009 is between -2.0% to 1.0%. The outlook for A-REIT in FY09/10 will depend largely on the extent and depth of the unfolding impact of the global economic recession on our existing tenants as well as on demand for industrial space.

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About A-REIT (www.a-reit.com)
A-REIT is Singapore's first listed business space and industrial real estate investment trust. It has a diversified portfolio of 88 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with total assets of about S$4.6 billion. These properties house a tenant base of over 860 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include SingTel, C&P Logistics, Siemens, Honeywell, 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 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 corporate family credit rating of A3 was assigned to A-REIT by Moody's Investors Service in December 2005 and reaffirmed in January 2008.

A-REIT is managed by **Ascendas Funds Management (S) Limited** (in its capacity as manager of A-REIT), a wholly-owned subsidiary of the Singapore-based **Ascendas Group**.

About the Ascendas Group (www.ascendas.com)

Ascendas is Asia's premier provider of business space solutions with a significant presence in the region. Ascendas develops, manages and markets IT Parks, industrial parks (manufacturing, logistics and distribution centres), business parks, science parks, hi-tech facilities, office and retail space. Among its flagships are the Singapore Science Park, International Tech Park Bangalore, Ascendas-Xinsu in Suzhou and Dalian-Ascendas IT Park. More than 1,800 of the world's leading companies, many in the Fortune 500 list, have made Ascendas properties their preferred address in Asia.

Ascendas is also a leading real estate fund management player focused on the management of public-listed property trusts and private real estate funds, investing in a diverse range of industrial and commercial real estate properties across Asia. Listed on the main board of Singapore Exchange Securities Trading Limited are Ascendas Real Estate Investment Trust (A-REIT), Singapore's first business space trust, and Ascendas India Trust (a-iTrust), Asia and Singapore's first Indian property trust. The Ascendas Group also manages a range of private real estate funds which invest in business space in India, China, South Korea and ASEAN. All the funds are supported by Ascendas' strong fund management and real estate expertise, and are testament to its commitment to each of its markets.

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