A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010

Ascendas Real Estate Investment Trust (A-REIT) is a real estate investment trust constituted by the Trust Deed entered into on 9 October 2002 between Ascendas Funds Management (S) Limited as the Manager of A-REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of A-REIT, as amended.

Units in A-REIT were allotted in November 2002 based on a prospectus dated 5 November 2002. These units were subsequently listed on the Singapore Exchange Securities Trading Limited on 19 November 2002.

A-REIT has a diversified portfolio of 92 properties in Singapore, and houses a tenant base of about 930 customers across the following sub-sectors: Business & Science Park, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities.

SUMMARY OF A-REIT RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010

	01/04/10 to 30/06/10 S$'000	01/04/09 to 30/06/09 S$'000	Increase / (Decrease) %
Gross revenue	113,607	102,441	10.9%
Net property income	87,348	80,711	8.2%
Income available for distribution (Note a)	65,322	61,037	7.0%
Distributable income (Note a)	63,146	61,037	3.5%
	Cents per Unit		
Distribution per Unit ("DPU")	FY 10/11	FY 09/10	Increase / (Decrease) %
For the quarter from 1 April to 30 June (Note b)	3.37	3.62	(6.9%)
Proforma DPU for the quarter from 1 April to 30 June (Note c)	-	3.26	3.4%

Footnote

(a) A-REIT is committed to distribute 100% of its taxable income available for distribution to Unitholders for the full financial year ended 31 March 2011. For the 1st quarter ended 30 June 2010, income available for distribution included interest income of S$2.2 million derived from a finance lease granted to one tenant. This income has been retained pending IRAS approval on an application for advance ruling for tax transparency treatment. Upon tax clearance from IRAS, A-REIT will distribute the income to Unitholders.

(b) DPU in the table above is computed on the basis that none of the S$300 million collateral loan with maturity date on 1 February 2017, is converted into A-REIT Units on or before the book closure date. Accordingly, the actual quantum of DPU may differ if any portion of the collateral loan is converted into Units on or prior to the book closure date. Please see Section 6 for more details.

(c) The Proforma DPU for FY09/10 has been calculated using distributable income and the applicable number of units as at 30 June 2010 which included units issued pursuant to the placement in August 2009, units issued in lieu of the 20% base management fee in December 2009 and June 2010 and units issued for payment of acquisition fee in June 2010. DPU growth would be 3.4% year-on-year on a proforma basis. Please see Section 6 for more details.

DISTRIBUTION DETAILS

Class of Units	Ascendas-REIT main stock
Distribution period	1 April 2010 to 30 June 2010
Distribution Type	Income
Distribution amount	3.37 cents per unit
Book closure date	26 July 2010
Payment date	26 August 2010

1(a) Statement of total return together with a comparative statement for the corresponding period of the immediately preceding financial period

1(a)(i) Statement of total return (1Q FY10/11 vs 1Q FY09/10)

	01/04/10 to 30/06/10 (Note g) S$'000	01/04/09 to 30/06/09 (Note g) S$'000	Increase / (Decrease) %
Gross revenue	113,607	102,441	10.9%
Property services fees	(3,592)	(3,200)	12.3%
Property tax	(6,161)	(5,999)	2.7%
Other property operating expenses	(16,506)	(12,531)	31.7%
Property operating expenses	(26,259)	(21,730)	20.8%
Net property income	87,348	80,711	8.2%
Management fee (Note a)	(6,065)	(5,692)	6.6%
Trust expenses	(827)	(641)	29.0%
Finance income (Note b)	17,067	3	nm
Finance costs (Note c)	(17,749)	(15,510)	14.4%
Non property expenses	(7,574)	(21,840)	(65.3%)
Net income	79,774	58,871	35.5%
Net change in fair value of financial derivatives (Note d)	(1,826)	-	nm
Total return for the period	77,948	58,871	32.4%
Non (taxable income)/tax deductible expenses, net (Note e)	(12,626)	2,166	(682.9%)
Income available for distribution (Note f)	65,322	61,037	7.0%
Distributable income (Note f)	63,146	61,037	3.5%

The following items have been included in arriving at net income:

	01/04/10 to 30/06/10 (Note g) S$'000	01/04/09 to 30/06/09 (Note g) S$'000
Gross rental income	101,141	96,174
Other income	12,466	6,267
Writeback of doubtful receivables, net	-	35
Depreciation of plant and equipment	(275)	(275)

Footnotes

(a) With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fee in units and 80% in cash for all properties.

(b) Finance income for the first quarter ended 30 June 2010 included interest income from bank deposits and interest rate swaps. Finance income also included fair value gain on the collateral loan of S$16.7 million (FY09/10 – Nil). The collateral loan (with embedded derivatives) has been designated as fair value through profit and loss in accordance with FRS 39.

(c) Finance costs for the first quarter ended 30 June 2010 and 30 June 2009 comprise interest expenses on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Note, Transferrable Loan Facilities and Committed Revolving Credit Facilities). Finance costs also included fair value/accretion adjustments for deferred payments and refundable security deposits. Finance costs are higher in FY10/11 due to higher borrowings and higher borrowing costs.

(d) Net change in fair value of financial derivatives relates to changes in the fair value of interest rate swaps in accordance with FRS 39. For further details, please refer to Note (f) of Page 6 and Page 7.

(e) Non taxable income/tax deductible expenses included units issued to the Manager in part payment of its management fees, accretion and fair value adjustments for deferred payments and refundable security deposits required under FRS 39, net changes in fair value of financial derivatives and changes in fair value of collateral loan in accordance with FRS 39, commitment fee paid on undrawn committed revolving credit facility.

(f) A-REIT is committed to distribute 100% of its taxable income available for distribution to Unitholders for the full financial year ended 31 March 2011. For the 1st quarter ended 30 June 2010, income available for distribution included interest income of S$2.2 million derived from a finance lease granted to one of the tenant. The income has been retained pending IRAS approval on an application for advance ruling for tax transparency treatment. Upon tax clearance from IRAS, A-REIT will distribute the income to the Unitholders.

(g) 92 properties as at 30 June 2010 vs 89 properties as at 30 June 2009.

Gross revenue increased mainly due to additional rental income from completion of development projects and acquisitions since June 2009.

Property services fees and property tax expenses were higher in first quarter FY10/11 generally due to increased number of properties from the completion of development projects and acquisitions since June 2009.

Other property operating expenses was 31.7% higher than 1Q FY0910 mainly contributed by the increase in number of buildings, increase in electricity charges and cessation of land rent rebates since December 2009.

Effect of one-off items in revenue and property operating expenses contributed a net positive impact of S$4.8 million to the net property income for the first quarter ended 30 June 2010. This included mainly S$3.4 million in liquidated damages.

nm denotes “not meaningful”

1 (b)(i) Balance sheet, together with comparatives as at the end of the immediately preceding financial period

	30/06/10 S$'000	31/03/10 S$'000
Non-Current Assets		
Investment properties	4,742,611	4,740,590
Investment properties under development (Note a)	13,704	3,909
Plant and equipment	3,637	3,912
Finance lease receivable (note b)	69,971	-
Other assets (Note b)	1,007	72,741
Derivatives assets	537	-
	4,831,467	**4,821,152**
Current Assets		
Finance lease receivable (Note b)	1,307	-
Trade and other receivables (Note c)	32,702	24,618
Cash and cash equivalents	8,476	8,666
	42,485	**33,284**
Current Liabilities		
Trade and other payables (Note d)	159,724	284,443
Security deposits	38,110	37,210
Deferred payments	6,688	7,136
Derivative liabilities	5,931	3,570
Short term borrowings (Note e)	379,161	251,754
Medium term notes (Note f)	149,795	-
	739,409	**584,113**
Net Current Liabilities	**(696,924)**	**(550,829)**
Non-Current Liabilities		
Security deposits	2,016	2,222
Deferred payments	6,836	6,784
Derivative liabilities	60,388	50,451
Medium term notes (Note f)	124,647	274,350
Collateral loan (Note f)	283,660	300,390
Term loans (Note f)	689,376	689,152
	1,166,923	**1,323,349**
Net assets	**2,967,620**	**2,946,974**
Represented by:		
Unitholders' funds	**2,967,620**	**2,946,974**

Gross Borrowings	Actual 30/06/10 S$'000	Actual 31/03/10 S$'000
Secured borrowings		
Amount repayable after one year	678,660	695,390
Amount repayable within one year	-	-
Unsecured borrowings		
Amount repayable after one year	425,000	575,000
Amount repayable within one year	529,200	251,800
	1,632,860	1,522,190

Footnotes

(a) Investment properties under development increased mainly due to the additional cost incurred for a development project at Changi Business Park.

(b) Other assets decreased mainly due to the transfer of other assets to finance lease receivable upon commencement of lease in 1Q FY10/11. This explained for the increase in finance lease receivable as at 30 June 2010.

(c) Trade and other receivables increased mainly due to billing of rental revenue of S$5.8 million from one of the tenant in 1Q FY10/11 which has been paid in early July 2010.

(d) Trade and other payables decreased due to the payment in relation to the acquisition of DBS Asia Hub and accrued development costs.

(e) Short term interest bearing borrowings have increased mainly due to new loan drawdown to finance new acquisition, DBS Asia Hub and completed developments at 15 Changi North Way, Pioneer Hub, 1 and 3 Changi Business Park Crescent and 38A Kim Chuan Road.

(f) **Details of borrowings & collateral**

A term loan of S$395 million (Commercial Mortgage Backed Securities) granted by a special purpose company, Emerald Assets is outstanding as at the date of balance sheet. As collateral for the credit facilities granted by Emerald Assets, the Trustee has granted in favour of Emerald Assets the following:

(i) a mortgage over the 36 properties in the A-REIT portfolio;

(ii) an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;

(iii) an assignment of the insurance policies relating to the above mentioned properties; and

(iv) a fixed and floating charge over certain assets of the Trust relating to the above mentioned properties.

In March 2010, a collateral loan of S$300 million with maturity date on 1 February 2017 was granted by a special purpose vehicle, Ruby Assets Pte. Ltd ("Ruby Assets"). To fund the collateral loan granted to A-REIT, Ruby Assets has issued S$300 million Exchangeable Collateralised Securities ("ECS") which are exchangeable into new units of A-REIT at a conversion price of S$2.45 per unit at any time on or after 6 May 2010 and have an expected maturity date of 2017. As collateral for the loan granted by Ruby Assets, the Trustee has granted in favour of Ruby Assets the following:

(i) a mortgage over the 19 properties in the A-REIT portfolio;

(ii) an assignment and charge of the rental proceeds and tenancy agreements of the above mentioned properties;

(iii) an assignment of the insurance policies relating to the above mentioned properties; and

(iv) a fixed and floating charge over certain assets of the Trust relating to the above mentioned properties;

A-REIT established a S$1 billion Multicurrency MTN Programme ("MTN2009") in March 2009. As at the balance sheet date, S$275 million of fixed rate notes have been issued. Of which, S$150 million will be due in April 2011 and the remaining S$125 million in July 2013. The notes bear a fixed interest rate payable semi-annually in arrears. In addition, A-REIT has various bilateral banking credit facilities with varying degree of utilization as at the balance sheet date.

As at 30 June 2010, all of A-REIT's floating interest rate exposure has been hedged into fixed rates through interest rate swaps. As a result, the overall weighted average cost of funds as at 30 June 2010 is 3.9% (including margins charged on the loans and amortised annual costs of the Medium Term Notes, Transferrable Loan Facilities and Committed Revolving Credit Facilities) and the overall weighted average tenure is 2.9 years. The interest rate swaps have terms of from less than 1 year up to 7 years. The effective hedge portion of changes in the fair value of interest rate swaps were recognised in the statement of movement in unitholders' funds. The fair value changes of the remaining interest rate swaps and changes in fair value of the collateral loan were recognised in the Statement of Total Return in accordance to FRS 39.

1 (c) Cash flow statement together with a comparative statement for the corresponding period of the immediately preceding financial period.

1 (c)(i) Cash flow statement (1Q FY10/11 vs 1Q FY09/10)

	01/04/10 to 30/06/10 S$'000	01/04/09 to 30/06/09 S$'000
Operating activities		
Net income	79,774	58,871
Adjustments for		
Finance income	(17,067)	(3)
Writeback of doubtful receivables, net	-	(35)
Finance costs	17,749	15,510
Management fees paid/payable in units	1,213	1,138
Depreciation of plant and equipment	275	275
Operating income before working capital changes	81,944	75,756
Changes in working capital		
Trade and other receivables	(7,025)	1,589
Trade and other payables	(4,401)	(12,519)
	(11,426)	(10,930)
Cash flows from operating activities	70,518	64,826
Investing activities		
Purchase of investment properties	(114,982)	-
Payment for investment properties and other assets under development	(8,838)	(34,806)
Payment for capital improvement projects	(2,557)	(852)
Payment of deferred settlements	(500)	-
Cash flows from investing activities	(126,877)	(35,658)
Financing activities		
Equity issue costs paid	-	(84)
Distributions paid to unitholders	(51,082)	(42,087)
Interest paid	(17,831)	(15,425)
Interest received	127	3
Proceeds from borrowings	205,700	212,000
Repayment of borrowings	(78,300)	(193,500)
Transaction costs paid in respect of collateral loan	(2,445)	-
Cash flows from financing activities	56,169	(39,093)
Net decrease in cash and cash equivalents	(190)	(9,925)
Cash and cash equivalents at beginning of the financial period	8,666	16,735
Cash and cash equivalents at end of the period	8,476	6,810

1 (d)(i) Statement of movement in unitholders' funds (1Q FY10/11 vs 1Q FY09/10)

	01/04/10 to 30/06/10 S$'000	01/04/09 to 30/06/09 S$'000
Balance at beginning of the period	2,946,974	2,703,039
Operations		
Net income	79,774	58,871
Net change in fair value of financial derivatives	(1,826)	-
Net increase in net assets resulting from operations	77,948	58,871
Hedging transactions		
Effective portion of changes in fair value of financial derivatives (Note a)	(9,936)	7,198
Net (decrease)/ increase in net assets resulting from hedging transactions	(9,936)	7,198
Unitholders' transactions		
Acquisition fees (IPT acquisition) paid in units	1,160	-
Management fees paid in units	2,556	2,274
Equity issue costs	-	(118)
Distributions to unitholders	(51,082)	(42,087)
Net decrease in net assets resulting from Unitholders' transactions	(47,366)	(39,931)
Balance at end of the period	2,967,620	2,729,177

Footnotes

(a) In FY09/10, forward interest rates at the end of the period was higher than those at the beginning of the period. Hence, the aggregate fair values of the interest rate swaps registered a favourable change as compared to the beginning of the period.

In FY10/11, forward interest rates at the end of the period was lower than those at the beginning of the period. Hence, the aggregate fair value of the interest rate swaps registered an unfavourable change as compared to the beginning of the period.

1 (d)(ii) Details of any changes in the units (1Q FY10/11 vs 1Q FY09/10)

	01/04/10 to 30/06/10 Units	01/04/09 to 30/06/09 Units
Balance at beginning of the period	1,871,153,701	1,683,473,034
Issue of new units:		
- Acquisition fees (IPT acquisition) paid in units	617,678	-
- Management fees paid in units	1,361,125	1,447,023
Balance at end of the period	1,873,132,504	1,684,920,057

Collateral Loan

A collateral loan of S$300 million with maturity date on 1 February 2017 was granted by Ruby Assets Pte Ltd.

The collateral loan is exchangeable into fully paid units representing undivided interests in A-REIT at any time on or after 6 May 2010 at a conversion price of S$2.45 per unit, subject to adjustment upon the occurrence of certain events.

There has been no conversion of any of the collateral loan since the date of their issue.

Assuming the collateral loan is fully converted based on the conversion price of S$2.45 per unit, the number of new units to be issued would be 122,448,979 representing 6.5% of the total number of A-REIT units in issue as at 30 June 2010.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements (“SSRE”) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

A-REIT has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2010.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per unit ("EPU") and Distribution per unit ("DPU") for the financial period

6.1 EPU for 1Q FY10/11 compared to 4Q FY09/10

	1Q FY10/11 01/04/10 to 30/06/10	4Q FY09/10 01/01/10 to 31/03/10
Basic EPU (Note a)		
Weighted average number of units	1,871,197,191	1,871,153,701
Earnings/(Loss) per unit in cents (EPU)	4.17	(1.02)
Dilutive EPU (Note b)		
Weighted average number of units	1,993,646,170	1,871,153,701
Earnings/(Loss) per unit in cents (Dilutive EPU)	3.13	(1.02)

6.2 EPU for 1Q FY10/11 compared to 1Q FY09/10

	1Q FY10/11 01/04/10 to 30/06/10	1Q FY09/10 01/04/09 to 30/06/09
Basic EPU (Note a)		
Weighted average number of units	1,871,197,191	1,683,711,554
Earnings per unit in cents (EPU)	4.17	3.50
Dilutive EPU (Note b)		
Weighted average number of units	1,993,646,170	1,683,711,554
Earnings per unit in cents (Dilutive EPU)	3.13	3.50

Footnotes

(a) The EPU has been calculated using total return for the period and the weighted average number of units on issue during the period.

(b) For the first quarter ended 30 June 2010, the dilutive EPU is computed on the basis that the collateral loan was converted at the beginning of the period. For the fourth quarter ended 31 March 2010, the collateral loan was anti-dilutive and was excluded from the calculation of dilutive EPU.

6.3 DPU for 1Q FY10/11 compared to 4Q FY09/10

	1Q FY10/11 01/04/10 to 30/06/10	4Q FY09/10 01/01/10 to 31/03/10
Number of units on issue at end of period	1,873,132,504	1,871,153,701
Applicable number of units	1,873,132,504	1,871,153,701
Distribution per unit in cents (Note a and b)	3.37	2.73

6.4 DPU for 1Q FY10/11 compared to 1Q FY09/10

	1Q FY10/11 01/04/10 to 30/06/10	1Q FY09/10 01/04/09 to 30/06/09
Number of units on issue at end of period	1,873,132,504	1,684,920,057
Applicable number of units	1,873,132,504	1,684,920,057
Distribution per unit in cents (Note a and b)	3.37	3.62

For Information Only

Proforma DPU (Note c)	-	3.26

Footnotes

(a) The DPU has been calculated using distributable income and the applicable number of units.

(b) DPU in the table above is computed on the basis that none of the S$300 million collateral loan is converted into A-REIT units on or before the book closure date.

(c) The Proforma DPU for FY09/10 has been calculated using distributable income and the applicable number of units as at 30 June 2010 which included units issued pursuant to the placement in August 2009, units issued in lieu of the 20% base management fees in December 2009 and June 2010 and units issued for payment of acquisition fees in June 2010. DPU growth would be 3.4% year-on-year on a proforma basis.

7. Net asset value per unit based on units issued at the end of the period

	30/06/10 cents	31/03/10 cents
Net asset value per unit	158.4	157.5
Adjusted net asset value per unit (Note a)	155.1	154.8

Footnote

(a) The adjusted net asset value per unit excludes the amount to be distributed for the relevant period prior to the balance sheet date.

8. Review of the performance

Review of Performance 1Q FY10/11 vs 1Q FY09/10

	1Q FY10/11 01/04/10 to 30/06/10 S$'000	1Q FY09/10 01/04/09 to 30/06/09 S$'000	Increase / (Decrease) %
Gross revenue	113,607	102,441	10.9%
Property operating expenses	(26,259)	(21,730)	20.8%
Net property income	87,348	80,711	8.2%
Non property expenses	(6,892)	(6,333)	8.8%
Net finance costs	(682)	(15,507)	(95.6%)
	(7,574)	(21,840)	(65.3%)
Net income	79,774	58,871	35.5%
Net change in fair value of financial derivatives	(1,826)	-	nm
Total return for the period	77,948	58,871	32.4%
Non (taxable income)/tax deductible expenses, net	(12,626)	2,166	(682.9%)
Income available for distribution (Note a)	65,322	61,037	7.0%
Distributable income (Note a)	63,146	61,037	3.5%
Earnings per unit (cents)	4.17	3.50	19.1%
Distribution per unit (cents)	3.37	3.62	(6.9%)
Proforma Distribution per unit (cents) (Note b)	-	3.26	3.4%

Footnote

nm denotes "not meaningful"

(a) A-REIT is committed to distribute 100% of its taxable income available for distribution to Unitholders for the full financial year ended 31 March 2011. For the 1st quarter ended 30 June 2010, income available for distribution included interest income of S$2.2 million derived from a finance lease granted to one of the tenant. This income has been retained pending IRAS approval on an application for advance ruling for tax transparency treatment. Upon tax clearance from IRAS, A-REIT will distribute the income to the Unitholders.

(b) The Proforma DPU for 1Q FY09/10 has been calculated using distributable income and the applicable number of units, which takes into account the units issued pursuant to the placement in August 2009, units issued in lieu of the 20% of the base management fee in December 2009 and June 2010 and payment of acquisition fees in June 2010. DPU growth would be 3.4% year-on-year on a proforma basis.

Gross revenue increased by 10.9% mainly due to the completion of developments and new acquisitions after June 2009, including 71 Alps Avenue, 38A Kim Chuan Road, 1 Changi Business Park Crescent, 31 Joo Koon Circle and DBS Asia Hub.

Property operating expenses increased by 20.8% due to the increased number of properties in the portfolio. Increase in electricity charges and the cessation of land rent rebates granted by the government also contributed to the higher property operating expenses.

Non-property expenses increased by 8.8% mainly due to higher manager fees from higher deposited property value.

Net finance costs decreased by 95.6% mainly due to the gain on fair value adjustments on collateral loan of S$16.7 million.

Net change in fair value of financial derivatives relates to the changes in fair value of interest rate swaps in accordance with FRS 39.

The movement in net non taxable income/tax deductible expenses was mainly due to gain on fair value adjustments on collateral loan. These are offset with higher manager fees from higher deposited property value, higher fair value/accretion adjustments and net change in fair value of financial derivatives in FY10/11.

Review of Performance 1Q FY10/11 vs 4Q FY09/10

	1Q FY10/11 01/04/10 to 30/06/10 S$'000	4Q FY09/10 01/01/10 to 31/03/10 S$'000	Increase / (Decrease) %
Gross revenue	113,607	103,905	9.3%
Property operating expenses	(26,259)	(27,132)	(3.2%)
Net property income	87,348	76,773	13.8%
Non property expenses	(6,892)	(6,541)	5.4%
Net finance costs	(682)	(22,503)	(97.0%)
	(7,574)	(29,044)	(73.9%)
Net income	79,774	47,729	67.1%
Net change in fair value of financial derivatives	(1,826)	(13,170)	(86.1%)
Net depreciation on revaluation of investment properties	-	(53,682)	(100.0%)
Total return for the period	77,948	(19,123)	507.6%
Non (taxable income)/tax deductible expenses, net	(12,626)	16,505	(176.5%)
Net depreciation on revaluation of investment properties	-	53,682	(100.0%)
Income available for distribution	65,322	51,064	27.9%
Distributable income	63,146	51,064	23.7%
Earnings/(Loss) per unit (cents)	4.17	(1.02)	508.8%
Distribution per unit (cents)	3.37	2.73	23.4%

Footnote

nm denotes “not meaningful”

Gross revenue increased by 9.3% mainly due to revenue from DBS Asia Hub and 31 Joo Koon Circle which were acquired in March 2010 and 38A Kim Chuan Road where the lease commenced in 1Q FY10/11.

Property operating expenses declined by 3.2%, mainly due to lower maintenance and conservancy costs incurred offset with higher property tax and land rental expenses mainly from new properties acquired and higher utility expenses.

Non property expenses increased by 5.4% primarily due to higher manager fees from higher deposited property value.

Net finance costs decreased by 97.0%, mainly due to gain on fair value adjustments on collateral loan of S$16.7 million included in net finance costs in 1Q FY10/11. The issuance costs for the collateral loan in March 2010 which was fully expensed to the statement of total return upon incurrence in accordance with FRS 39 in 4Q FY09/10, also contributed to the favourable variance. This was offset by gain from early redemption of the CMBS loan in 4Q FY09/10.

Net change in fair value of financial derivatives relates to the changes in fair value of interest rate swaps in accordance with FRS 39.

The movement in non taxable income/tax deductible expenses was mainly due to gain on fair value adjustments on collateral loan in 1Q FY10/11 (loss in 4Q FY09/10). The higher net change in fair value of financial derivatives and issuance costs for the collateral loan in 4Q FY09/10 also contributed to the higher non-deductible expenses in 4Q FY09/10. These are offset by gain from early redemption of the CMBS and upfront fees for new credit facilities fully expensed in March 2010 in 4Q FY09/10.

The net depreciation on revaluation of investment properties in 4Q FY09/10 relate to the revaluation of the 91 properties that was undertaken by CB Richard Ellis Pte Ltd, DTZ Debenham Tie Leung (SEA) Pte Ltd, Jones Lang LaSalle, Cushman & Wakefield Singapore Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd in March 2010.

Distributable income was 23.7% higher than 4Q FY09/10 mainly due the above. Excluding the effect of one-off items as mentioned in Page 4, distributable income would be S$58.3 million and DPU would be 3.11 cents.

9. Variance between forecast and the actual results

A-REIT has not made any forecast.

10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Following a strong economic growth of 16.9% y-o-y in 1Q 2010, the Ministry of Trade & Industry (MTI) advance estimates indicate that GDP for 2Q 2010 has expanded by a further 19.3% y-o-y. On a seasonally-adjusted q-o-q annualized basis, real GDP increased by 26.0% in 2Q 2010. For the first half of 2010, Singapore economy is estimated to have expanded by 18.1% y-o-y. However, MTI also noted that the exceptionally strong growth experienced by Singapore so far is not likely to be sustained into the second half of the year.

On a y-o-y basis, non-oil domestic export (NODX) grew by 24% in May 2010 attributed to both electronic and non-electronic NODX. Electronic NODX rose by 39% y-o-y in May 2010 versus 21% in April 2010 due largely to higher exports of ICs, parts of ICs and parts of PCs. Non-electronic NODX grew by 16% y-o-y in May 2010 versus 35% in April 2010 led by higher domestic exports of petrochemicals, disk media products and specialised machinery.

The Purchasing Manager Index (PMI) in June 2010 shows that Singapore's manufacturing sector is on an expanding trend for the 14th consecutive month, though at a slower pace. It showed a reading of 51.3, down by 0.9 point over the previous month due to lower orders and lower production output and imports.

According to URA's 1Q 2010 statistics, the price and rental indices of industrial space continued on an upward trend, increasing by 1.5% and 1.7% respectively in 1Q 2010. Rental rates for business parks have increased by 11.1% to S$3.70 psf per month in 1Q 2010 (4Q 2009 was S$3.33 psf).

Average occupancy rate improved throughout all segments with the highest improvement of 1.7% in the factory space occupancy rate to 92.9%, followed by business park space which increased by 0.4% to 81.2%.

A-REIT's portfolio occupancy continued to be above the industry average and achieved positive rental reversions on renewals in the Business and Science Parks as well as Hi-tech Industrial property segments.

Outlook for the financial year ending 31 March 2011

Growth in key Asian economies in 2Q 2010 remained firm, on account of robust domestic demand, intra-regional trade and fiscal stimulus measures. The Singapore economy seems to be back on track for growth since 4Q 2009. In addition, the improvement in the global electronics industry supported a broad-based recovery in the Singapore economy in the second quarter of 2010 reflecting a 45.5% y-o-y growth in the manufacturing sector. MTI has revised Singapore's GDP growth estimate for 2010 to be between 13.0% and 15.0%, from an earlier forecast of 7.0% to 9.0% on the back of better economic performance for 1H 2010.

Near term indicators of business confidence, especially in the financial services, wholesale & retail trade and electronics industries, suggest positive growth prospects for the rest of the year. The Singapore industrial property market also noted a recovery with an increase in both price and rental indices and a drop in vacancy rate.

However, the global macroeconomic outlook has become more uncertain and the International Monetary Fund ("IMF") foresees slower global growth and downside risks amid renewed financial turbulence especially in the Euro zone. Though the U.S. economy seems to have turned the corner, the IMF has noted that more has to be done to ensure a sustainable recovery. These trends, in turn, will inevitably have an impact on the performance of the Singapore economy and the sustainability of the recovery will be largely dependent on the continuation of positive business sentiments.

For the balance of FY2010/11, about 11.8% of A-REIT's revenue is due for renewal, the outlook of which will largely depend on the sustainability and strength of the economic recovery. With a diversified portfolio across five segments of the business space and industrial property sector and a good mix of long and short term leases accounting for a weighted average lease to expiry of 4.9 years, A-REIT is able to provide a high degree of predictability and sustainability of the earnings for the portfolio.

Barring any unforeseen events, the Manager aims to at least maintain the previous financial year's level of net income for FY2010/11.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period :	Yes
Name of distribution :	28th distribution for the period 01 April 2010 to 30 June 2010
Distribution Type :	Income
Distribution Rate :	3.37 cents per unit
Par value of units :	Not applicable
Tax Rate :	Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax. Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts. Qualifying foreign non-individual investor will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%.
Book closure date :	26 July 2010
Date payable :	26 August 2010

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	23rd distribution for the period 1 April 2009 to 30 June 2009
Distribution Type :	Income
Distribution Rate :	3.62 cents per unit
Par value of units :	Not applicable
Tax Rate :	Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax. Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts. Qualifying foreign non-individual investor will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%.
Book closure date :	29 July 2009
Date paid :	28 August 2009

12. If no distribution has been declared/(recommended), a statement to that effect

NA

13. DIRECTORS CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these financial results to be false or misleading.

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, 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.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By order of the Board
Ascendas Funds Management (S) Limited

Maria Theresa Belmonte
Assistant Company Secretary
16 July 2010

KPMG

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The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
61 Science Park Road
#02-18 The Galen
Singapore Science Park II
Singapore 117525

Attention: Mr Tan Ser Ping

16 July 2010

Dear Sirs

Ascendas Real Estate Investment Trust
Review of Interim Financial Information for the period ended 30 June 2010

Introduction

We have reviewed the accompanying Interim Financial Information of Ascendas Real Estate Investment Trust ("A-REIT") for the period ended 30 June 2010.

The Interim Financial Information comprises the balance sheet and investment properties portfolio statement as at 30 June 2010, and the statement of total return, distribution statement, statement of movements in unitholders' funds and cash flow statement of A-REIT for the period then ended, and a summary of significant accounting policies and other explanatory notes (herein defined as "Interim Financial Information").

Ascendas Funds Management (S) Limited, the Manager of A-REIT, is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Certified Public Accounts of Singapore. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the recommendations of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Certified Public Accounts of Singapore.

Restriction of Use

Our report is provided on the basis that it is for the information of the directors of the Manager and for the inclusion of our report in A-REIT's interim announcement to its unitholders, to enable the directors of the Manager to fulfill their responsibilities under the Singapore Exchange listing requirements. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors, A-REIT or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore

16 July 2010