A-REIT FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 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 and restated.

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 950 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 NINE MONTHS ENDED 31 DECEMBER 2010

	01/04/10 to 31/12/10 S$'000	01/04/09 to 31/12/09 S$'000	Increase / (Decrease) %
Gross revenue	330,204	309,773	6.6%
Net property income	250,864	243,215	3.1%
Income available for distribution (Note a)	191,221	183,827	4.0%
Distributable income (Note a)	186,695	183,827	1.6%
	Cents per Unit		
Distribution per Unit ("DPU")	FY 10/11	FY 09/10	Increase / (Decrease) %
For the quarter from 1 October to 31 December (Note b)	3.29	3.27	0.6%
For the nine months from 1 April to 31 December	9.96	10.37	(4.0%)
Proforma DPU for the nine months from 1 April to 31 December (Note c)	-	9.81	1.5%

Footnotes

(a) A-REIT is committed to distribute 100% of its income available for distribution to Unitholders for FY2010/11. For YTD 3Q ended 31 December 2010, income available for distribution included interest income of S$4.5 million derived from a finance lease granted to a tenant. This income has been retained pending further discussion with IRAS on the tax transparency treatment. Upon tax clearance from IRAS, A-REIT will distribute this 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 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 for nine months ended 31 December 2009 and the applicable number of units as at 31 December 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, June 2010 and December 2010 and units issued for payment of acquisition fee in June 2010. DPU growth would be 1.5% 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 October 2010 to 31 December 2010
Distribution Type	Income
Distribution amount	3.29 cents per unit
Book closure date	25 January 2011
Payment date	28 February 2011

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

1(a)(i) Statement of total return (YTD 3Q FY10/11 vs YTD 3Q FY09/10)

	01/04/10 to 31/12/10 (Note i) S$'000	01/04/09 to 31/12/09 (Note i) S$'000	Increase / (Decrease) %
Gross revenue	330,204	309,773	6.6%
Property services fees	(10,738)	(9,957)	7.8%
Property tax	(19,132)	(16,191)	18.2%
Other property operating expenses	(49,470)	(40,410)	22.4%
Property operating expenses	(79,340)	(66,558)	19.2%
Net property income	250,864	243,215	3.1%
Management fee (Note a)	(18,414)	(17,500)	5.2%
Trust expenses	(2,614)	(2,259)	15.7%
Finance income (Note b)	6,708	45	nm
Finance costs (Note c)	(55,193)	(45,697)	20.8%
Non property expenses	(69,513)	(65,411)	6.3%
Net income	181,351	177,804	2.0%
Net change in fair value of financial derivatives (Note d)	3,039	(10,708)	(128.4%)
Net appreciation on revaluation of investment properties and investment properties under development (Note e)	43,262	-	nm
Total return for the period	227,652	167,096	36.2%
Non tax deductible expenses, net (Note f)	6,831	16,731	(59.2%)
Net appreciation on revaluation of investment properties and investment properties under development (Note e)	(43,262)	-	nm
Income available for distribution (Note g)	191,221	183,827	4.0%
Distributable income (Note g)	186,695	183,827	1.6%

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

	01/04/10 to 31/12/10 (Note i) S$'000	01/04/09 to 31/12/09 (Note i) S$'000
Gross rental income	305,178	290,233
Other income (Note h)	25,026	19,540
(Writeback of)/Allowance for doubtful receivables, net	(2)	71
Depreciation of plant and equipment	(954)	(825)

nm denotes “not meaningful”

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 YTD 3Q ended 31 December 2010 included interest income from finance lease receivable and interest income from bank deposits and interest rate swaps.

(c) Finance costs for the YTD 3Q ended 31 December 2010 and 31 December 2009 comprise interest expenses on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Notes, Transferrable Loan Facilities and Committed Revolving Credit Facilities). Finance costs also included fair value loss on collateral loan of S$2.5 million (FY09/10 – Nil) and accretion adjustments for deferred payments and refundable security deposits. The collateral loan (with embedded derivatives) has been designated as fair value through profit or loss in accordance with FRS 39. Finance costs are higher in FY10/11 mainly due to higher borrowings and loss on fair value of collateral loan.

(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 (g) of Page 10 and Page 11.

(e) Net appreciation on revaluation of investment properties and investment properties under development included mainly valuation gain of the property at 5 Changi Business Park Crescent which obtained Temporary Occupation Permit in December 2010. Valuation was undertaken by Jones Lang LaSalle, a professional external valuer, for the property. This is partially offset with a write down in value of investment properties under development at 1 Senoko Avenue following the demolition of the building for re-development in September 2010.

(f) Net non tax deductible expenses included units issued to the Manager in part payment of its management fees, fair value loss on collateral loan and commitment fee paid on undrawn committed revolving credit facility. These are partially offset with gain on changes in fair value of financial derivatives and accretion adjustments for deferred payments and refundable security deposits in accordance with FRS 39.

(g) A-REIT is committed to distribute 100% of its income available for distribution to Unitholders for FY10/11. For the YTD 3Q ended 31 December 2010, income available for distribution included interest income of S$4.5 million derived from a finance lease granted to a tenant. The income has been retained pending further discussion with IRAS on the tax transparency treatment. Upon tax clearance from IRAS, A-REIT will distribute this income to the Unitholders.

(h) Other income includes revenue from utilities charges, liquidated damages and carpark revenue.

(i) 92 properties as at 31 December 2010 vs 91 properties as at 31 December 2009.

Gross revenue increased mainly due to additional rental income from completion of development projects and acquisitions since December 2009 and liquidated damages from contractors and pre-terminated tenants.

Property services fees and property tax expenses were higher in YTD 3Q FY10/11 generally due to increased number of properties from the completion of development projects and acquisitions since December 2009. Higher property tax expenses was also due to property tax rebates which ceased in December 2009. In addition, YTD 3Q FY09/10 included a one-off reversal of over accrued property tax of approximately S$0.9 million which contributed to the lower property tax expenses in YTD 3Q FY09/10.

Other property operating expenses was 22.4% higher than YTD 3Q FY09/10 mainly contributed by the increase in electricity charges, cessation of land rent rebates, increase in number of properties and changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted.

Effect of one-off items on distributable income for YTD 3Q FY10/11 contributed a net positive impact of S$9.3 million. This included mainly S$4.8 million in liquidated damages, S$1.7 million vacancy refunds on property tax and S$0.4 million from prior years' property tax adjustments.

1(a)(ii) Statement of total return (3Q FY10/11 vs 3Q FY09/10)

	01/10/10 to 31/12/10 (Note i) S$'000	01/10/09 to 31/12/09 (Note i) S$'000	Increase / (Decrease) %
Gross revenue	108,984	105,051	3.7%
Property services fees	(3,550)	(3,513)	1.1%
Property tax	(5,873)	(5,092)	15.3%
Other property operating expenses	(16,515)	(15,067)	9.6%
Property operating expenses	(25,938)	(23,672)	9.6%
Net property income	83,046	81,379	2.0%
Management fee (Note a)	(6,197)	(5,956)	4.0%
Trust expenses	(849)	(928)	(8.5%)
Finance income (Note b)	8,832	18	nm
Finance costs (Note c)	(17,896)	(15,389)	16.3%
Non property expenses	(16,110)	(22,255)	(27.6%)
Net income	66,936	59,124	13.2%
Net change in fair value of financial derivatives (Note d)	2,045	(1,828)	(211.9%)
Net appreciation on revaluation of investment properties (Note e)	37,443	-	nm
Total return for the period	106,424	57,296	85.7%
Non (taxable income)/tax deductible expenses, net (Note f)	(6,173)	3,933	(257.0%)
Net appreciation on revaluation of investment properties under development (Note e)	(37,443)	-	nm
Income available for distribution (Note g)	62,808	61,229	2.6%
Distributable income (Note g)	61,749	61,229	0.8%

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

	01/10/10 to 31/12/10 (Note i) S$'000	01/10/09 to 31/12/09 (Note i) S$'000
Gross rental income	102,024	97,744
Other income (Note h)	6,960	7,307
Writeback of doubtful receivables, net	12	20
Depreciation of plant and equipment	(319)	(275)

nm denotes “not meaningful”

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 3Q FY10/11 included fair value gain on collateral loan of S$6.7 million (FY09/10 – Nil), interest income from finance lease receivable S$1.1 million and interest income from bank deposits and interest rate swaps. The collateral loan (with embedded derivatives) has been designated as fair value through profit or loss in accordance with FRS 39.

(c) Finance costs for 3Q FY10/11 and FY09/10 comprise interest expenses on loans, interest rate swaps and amortised costs of establishing debt facilities (including the Medium Term Notes, Transferrable Loan Facilities and Committed Revolving Credit Facilities. Finance costs also included accretion adjustments for deferred payments and refundable security deposits. Finance costs are higher in 3Q FY10/11 mainly due to higher borrowings.

(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 (g) of Page 10 and Page 11.

(e) Net appreciation on revaluation of investment properties included valuation gain of the property at 5 Changi Business Park Crescent which obtained Temporary Occupation Permit in December 2010. Valuation was undertaken by Jones Lang LaSalle, a professional external valuer, for the property.

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

(g) A-REIT is committed to distribute 100% of its income available for distribution to Unitholders for FY10/11. 3Q FY10/11 income available for distribution included interest income of S$1.1 million derived from a finance lease granted to a tenant. The income has been retained pending further discussion with IRAS on the tax transparency treatment. Upon tax clearance from IRAS, A-REIT will distribute this income to the Unitholders.

(h) Other income includes revenue from utilities charges, liquidated damages and carpark revenue.

(i) 92 properties as at 31 December 2010 vs 91 properties as at 31 December 2009.

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

Property services fees and property tax expenses were higher in 3Q FY10/11 generally due to cessation of property tax rebates in December 2009 and increase in number of properties from the completion of development projects and acquisitions since December 2009.

Other property operating expenses was 9.6% higher than 3Q FY09/10 mainly contributed by the increase in electricity charges, increase in number of properties, changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted and cessation of land rent rebates.

Effect of one-off items on distributable income for 3Q FY10/11 contributed a net positive impact of S$1.9 million. This included mainly S$1.2 million from vacancy refunds on property tax and S$0.5 million in liquidated damages.

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

	31/12/10 S$'000	31/03/10 S$'000
Non-current assets		
Investment properties (Note a)	4,819,110	4,740,590
Investment properties under development (Note b)	12,946	3,909
Plant and equipment	3,129	3,912
Finance lease receivable (Note c)	67,451	-
Other assets (Note c)	809	72,741
Derivative assets (Note d)	4,596	-
	4,908,041	**4,821,152**
Current assets		
Finance lease receivable (Note c)	1,442	-
Trade and other receivables	27,897	24,618
Cash and cash equivalents	14,742	8,666
	44,081	**33,284**
Current liabilities		
Trade and other payables (Note e)	137,138	284,443
Security deposits	41,064	37,210
Deferred payments	6,888	7,136
Derivative liabilities	7,438	3,570
Short term borrowings (Note f & g)	307,076	251,754
Medium term notes (Note g)	149,918	-
	649,522	**584,113**
Net current liabilities	**(605,441)**	**(550,829)**
Non-current liabilities		
Security deposits	2,085	2,222
Deferred payments	-	6,784
Derivative liabilities	50,472	50,451
Medium term notes (Note g)	124,704	274,350
Collateral loan (Note g)	302,895	300,390
Term loans (Note f & g)	820,004	689,152
	1,300,160	**1,323,349**
Net assets	**3,002,440**	**2,946,974**
Represented by:		
Unitholders' funds	**3,002,440**	**2,946,974**

Gross borrowings	Actual 31/12/10 S$'000	Actual 31/03/10 S$'000
Secured borrowings		
Amount repayable after one year	697,895	695,390
Amount repayable within one year	-	-
Unsecured borrowings		
Amount repayable after one year	556,900	575,000
Amount repayable within one year	457,100	251,800
	1,711,895	1,522,190

Footnotes

(a) Increase in investment properties due to transfer of 5 Changi Business Park Crescent from investment properties under development upon obtaining of the Temporary Occupation Permit ("TOP") in December 2010 and recognition of fair value gain on the property.

(b) Investment properties under development increased mainly due to the progress of the developments at 1 Senoko Avenue and a built-to-suit logistics facility in the eastern part of Singapore offset by the transfer of 5 Changi Business Park Crescent to investment properties upon obtaining of TOP.

(c) Other assets decreased mainly due to the transfer of other assets to finance lease receivable upon commencement of lease in 1Q FY10/11, resulting in a corresponding increase in finance lease receivable as at 31 December 2010.

(d) Derivative assets relates to favourable change in fair value of interest rates swaps.

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

(f) Short term interest bearing borrowings and term loans have increased mainly due to new loan drawdown to finance the acquisition of DBS Asia Hub, existing development projects and completed developments at 15 Changi North Way, Pioneer Hub, 1, 3 and 5 Changi Business Park Crescent, 38A Kim Chuan Road and asset enhancement works at Techplace II.

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

A term loan of S$395 million (Commercial Mortgage Backed Securities) granted by a special purpose company, Emerald Assets Limited ("Emerald") is outstanding as at the date of balance sheet. As collateral for the credit facilities granted by Emerald, the Trustee has granted in favour of Emerald 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"). To fund the collateral loan granted to A-REIT, Ruby 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, the Trustee has granted in favour of Ruby 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 Medium Term Note 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 degrees of utilisation as at the balance sheet date.

As at 31 December 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 31 December 2010 is 3.8% (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 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 with FRS 39.

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

1 (c)(i) Cash flow statement (YTD 3Q FY10/11 vs YTD 3Q FY09/10)

	01/04/10 to 31/12/10 S$'000	01/04/09 to 31/12/09 S$'000
Operating activities		
Net income	181,351	177,804
Adjustments for		
Finance income from financial institutions	(2,182)	(45)
Interest income from finance lease receivable	(4,526)	-
Net change in fair value of collateral loan	2,505	-
Writeback of/(Allowance for) doubtful receivables, net	2	(71)
Finance costs	52,688	45,697
Management fees paid/payable in units	3,682	3,500
Depreciation of plant and equipment	954	825
Operating income before working capital changes	234,474	227,710
Changes in working capital		
Trade and other receivables	(3,541)	1,460
Trade and other payables	(4,741)	(14,054)
	(8,282)	(12,594)
Cash flows from operating activities	226,192	215,116
Investing activities		
Purchase of investment properties	(114,982)	-
Payment for investment properties and other assets under development	(56,533)	(180,922)
Purchase of plant and equipment	(163)	-
Payment for capital improvement projects	(4,208)	(2,851)
Payment of deferred settlements	(7,340)	(9,325)
Repayment of finance lease receivable	733	-
Interest received from finance lease receivable	3,895	-
Interest received from financial institutions	1,765	45
Cash flows from investing activities	(176,833)	(193,053)
Financing activities		
Equity issue costs paid	-	(4,947)
Proceeds from issue of units	-	301,550
Distributions paid to unitholders	(176,020)	(164,565)
Finance costs paid	(52,008)	(44,284)
Proceeds from borrowings	638,100	806,800
Repayment of borrowings	(450,900)	(927,500)
Transaction costs paid in respect of collateral loan	(2,455)	-
Cash flows from financing activities	(43,283)	(32,946)
Net increase/(decrease) in cash and cash equivalents	6,076	(10,883)
Cash and cash equivalents at beginning of the period	8,666	16,735
Cash and cash equivalents at end of the period	14,742	5,852

1 (c)(ii) Cash flow statement (3Q FY10/11 vs 3Q FY09/10)

	01/10/10 to 31/12/10 S$'000	01/10/09 to 31/12/09 S$'000
Operating activities		
Net income	66,936	59,124
Adjustment for		
Finance income from financial institutions	(1,047)	(18)
Interest income from finance lease receivable	(1,059)	-
Net change in fair value of collateral loan	(6,726)	-
Writeback of doubtful receivables, net	(12)	(20)
Finance costs	17,896	15,389
Management fees paid/payable in units	1,239	1,191
Depreciation of plant and equipment	319	275
Operating income before working capital changes	77,546	75,941
Changes in working capital		
Trade and other receivables	504	2,230
Trade and other payables	3,302	(2,881)
	3,806	(651)
Cash flows from operating activities	81,352	75,290
Investing activities		
Payment for investment properties and other assets under development	(40,579)	(83,405)
Payment for capital improvement projects	(261)	(897)
Payment of deferred settlements	(6,840)	(8,808)
Repayment of finance lease receivable	274	-
Interest received from finance lease receivable	428	-
Interest received from financial institutions	954	18
Cash flows from investing activities	(46,024)	(93,092)
Financing activities		
Distributions paid to unitholders	(61,813)	(28,797)
Finance costs paid	(17,479)	(15,918)
Proceeds from borrowings	89,000	83,000
Repayment of borrowings	(49,500)	(20,000)
Transaction costs paid in respect of collateral loan	(10)	-
Cash flows from financing activities	(39,802)	18,285
Net (decrease)/increase in cash and cash equivalents	(4,474)	483
Cash and cash equivalents at beginning of the period	19,216	5,369
Cash and cash equivalents at end of the period	14,742	5,852

1 (d)(i) Statement of movement in unitholders' funds (YTD 3Q FY10/11 vs YTD 3Q FY09/10)

	01/04/10 to 31/12/10 S$'000	01/04/09 to 31/12/09 S$'000
Balance at beginning of the period	2,946,974	2,703,039
Operations		
Net income	181,351	177,804
Net change in fair value of financial derivatives	3,039	(10,708)
Net appreciation on revaluation of investment properties and investment properties under development (Note a)	43,262	-
Net increase in net assets resulting from operations	227,652	167,096
Hedging transactions		
Effective portion of changes in fair value of financial derivatives (Note b)	(2,659)	1,217
Changes in fair value of financial derivatives transferred to the Statement of Total Return (Note c)	327	10,915
Net (decrease)/increase in net assets resulting from hedging transactions	(2,332)	12,132
Unitholders' transactions		
New units issued	-	301,550
Acquisition fees (IPT acquisition) paid in units	1,160	-
Management fees paid in units	5,006	4,617
Equity issue costs	-	(5,005)
Distributions to unitholders	(176,020)	(164,565)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(169,854)	136,597
Balance at end of the period	3,002,440	3,018,864

Footnotes

(a) Net appreciation on revaluation of investment properties and investment properties under development included mainly valuation gain on the property at 5 Changi Business Park Crescent which obtained Temporary Occupation Permit in December 2010. Valuation was undertaken by Jones Lang LaSalle, a professional external valuer, for the property. This is partially offset with a write down in value of investment properties under development at 1 Senoko Avenue following the demolition of the building for re-development in September 2010.

(b) 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.

However, 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.

(c) This relates to the transfer of the fair value loss of interest rate swaps from the hedging reserves to the Statement of Total Return in accordance with FRS 39.

Statement of movement in unitholders' funds (3Q FY10/11 vs 3Q FY09/10)

	01/10/10 to 31/12/10 S$'000	01/10/09 to 31/12/09 S$'000
Balance at beginning of period	2,942,402	2,983,160
Operations		
Net income	66,936	59,124
Net change in fair value of financial derivatives	2,045	(1,828)
Net appreciation on revaluation of investment properties (Note a)	37,443	-
Net increase in net assets resulting from operations	106,424	57,296
Hedging transactions		
Effective portion of changes in fair value of financial derivatives (Note b)	12,913	2,406
Changes in fair value of financial derivatives transferred to the Statement of Total Return (Note c)	64	2,456
Net increase in net assets resulting from hedging transactions	12,977	4,862
Unitholders' transactions		
Management fees paid in units	2,450	2,343
Distributions to unitholders	(61,813)	(28,797)
Net decrease in net assets resulting from Unitholders' transactions	(59,363)	(26,454)
Balance at end of period	3,002,440	3,018,864

Footnotes

(a) Net appreciation on revaluation of investment properties included mainly valuation gain on the property at 5 Changi Business Park Crescent which obtained Temporary Occupation Permit in December 2010. Valuation was undertaken by Jones Lang LaSalle, a professional external valuer, for the property.

(b) In both 3Q FY10/11 and 3Q 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.

(c) This relates to the transfer of the fair value loss of interest rate swaps from the hedging reserves to the Statement of Total Return in accordance with FRS 39.

1 (d)(ii) Details of any changes in the units (YTD 3Q FY10/11 vs YTD 3Q FY09/10)

	01/04/10 to 31/12/10 Units	01/04/09 to 31/12/09 Units
Balance at beginning of the period	1,871,153,701	1,683,473,034
Issue of new units:		
- Issued pursuant to equity raising in August 2009	-	185,000,000
- Acquisition fees (IPT acquisition) paid in units	617,678	-
- Management fees paid in units	2,521,556	2,680,667
Balance at end of the period	1,874,292,935	1,871,153,701

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 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 31 December 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 3Q FY10/11 compared to 2Q FY10/11	3Q FY10/11 01/10/10 to 31/12/10	2Q FY10/11 01/07/10 to 30/09/10
Basic EPU (Note a)		
Weighted average number of units	1,873,346,931	1,873,132,504
Earnings per unit in cents (EPU)	5.68	2.31
Dilutive EPU (Note b)		
Weighted average number of units	1,995,795,910	1,995,581,483
Earnings per unit in cents (Dilutive EPU)	5.06	2.31

6.2 EPU for 3Q FY10/11 compared to 3Q FY09/10	3Q FY10/11 01/10/10 to 31/12/10	3Q FY09/10 01/10/09 to 31/12/09
Basic EPU (Note a)		
Weighted average number of units	1,873,346,931	1,870,148,013
Earnings per unit in cents (EPU)	5.68	3.06
Dilutive EPU (Note b)		
Weighted average number of units	1,995,795,910	1,870,148,013
Earnings per unit in cents (Dilutive EPU)	5.06	3.06

6.3 EPU for YTD 3Q FY10/11 compared to YTD 3Q FY09/10	YTD 3Q FY10/11 01/04/10 to 31/12/10	YTD 3Q FY09/10 01/04/09 to 31/12/09
Basic EPU (Note a)		
Weighted average number of units	1,872,563,827	1,774,741,869
Earnings per unit in cents (EPU)	12.16	9.42
Dilutive EPU (Note b)		
Weighted average number of units	1,995,012,806	1,774,741,869
Earnings per unit in cents (Dilutive EPU)	11.72	9.42

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 YTD 3Q ended 31 December 2010 and 3Q ended 31 December 2010, the dilutive EPU are computed on the basis that the collateral loan was converted at the beginning of the period. For the 2Q ended 30 September 2010, the collateral loan was anti-dilutive and was excluded from the calculation of dilutive EPU.

Dilutive EPU is determined by adjusting the total return for the period and the weighted average of number of units on issue during that period, adjusted for the effects of all dilutive potential units. Potential units shall be treated as dilutive when, and only when, their conversion to A-REIT units would decrease earnings per unit or increase loss per unit. The disclosure of dilutive EPU is in relation to the issuance of collateral loan which has a convertible option to redeem the loan in A-REIT units.

6.4 DPU for 3Q FY10/11 compared to 2Q FY10/11

	3Q FY10/11 01/10/10 to 31/12/10	2Q FY10/11 01/07/10 to 30/09/10
Number of units on issue at end of period	1,874,292,935	1,873,132,504
Applicable number of units	1,874,292,935	1,873,132,504
Distribution per unit in cents (Note a and b)	3.29	3.30

6.5 DPU for 3Q FY10/11 compared to 3Q FY09/10

	3Q FY10/11 01/10/10 to 31/12/10	3Q FY09/10 01/10/09 to 31/12/09
Number of units on issue at end of period	1,874,292,935	1,871,153,701
Applicable number of units	1,874,292,935	1,871,153,701
Distribution per unit in cents (Note a and b)	3.29	3.27

6.6 DPU for YTD 3Q FY10/11 compared to YTD 3Q FY09/10

	YTD 3Q FY10/11 01/04/10 to 31/12/10	YTD 3Q FY09/10 01/04/09 to 31/12/09
Number of units on issue at end of period	1,874,292,935	1,871,153,701
Applicable number of units	1,874,450,701	1,772,680,309
Distribution per unit in cents (Note a and b)	9.96	10.37

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Proforma DPU (Note c)	-	9.81

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 for nine months ended 31 December 2009 and the applicable number of units as at 31 December 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, June 2010 and December 2010 and units issued for payment of acquisition fees in June 2010. DPU growth would be 1.5% year-on-year on a proforma basis.

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

	31/12/10 cents	31/03/10 cents
Net asset value per unit	160.2	157.5
Adjusted net asset value per unit (Note a)	156.9	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 3Q FY10/11 vs 3Q FY09/10

	3Q FY10/11 01/10/10 to 31/12/10 S$'000	3Q FY09/10 01/10/09 to 31/12/09 S$'000	Increase / (Decrease) %
Gross revenue	108,984	105,051	3.7%
Property operating expenses	(25,938)	(23,672)	9.6%
Net property income	83,046	81,379	2.0%
Non property expenses	(7,046)	(6,884)	2.4%
Net finance costs	(9,064)	(15,371)	(41.0%)
	(16,110)	(22,255)	(27.6%)
Net income	66,936	59,124	13.2%
Net change in fair value of financial derivatives	2,045	(1,828)	(211.9%)
Net appreciation on revaluation of investment properties under development	37,443	-	nm
Total return for the period	106,424	57,296	85.7%
Non (taxable income)/tax deductible expenses, net	(6,173)	3,933	(257.0%)
Net appreciation on revaluation of investment properties	(37,443)	-	nm
Income available for distribution (Note a)	62,808	61,229	2.6%
Distributable income (Note a)	61,749	61,229	0.8%
Earnings per unit (cents)	5.68	3.06	85.6%
Distribution per unit (cents)	3.29	3.27	0.6%

nm denotes “not meaningful”

Footnote

(a) A-REIT is committed to distribute 100% of its income available for distribution to Unitholders for FY10/11. For the 3Q ended 31 December 2010, income available for distribution included interest income of S$1.1 million derived from a finance lease granted to a tenant. This income has been retained pending further discussion with IRAS on the tax transparency treatment. Upon tax clearance from IRAS, A-REIT will distribute this income to the Unitholders.

Gross revenue increased by 3.7% mainly due to the completion of development project and new acquisitions on or after December 2009, including 38A Kim Chuan Road, 31 Joo Koon Circle and DBS Asia Hub.

Property operating expenses increased by 9.6% mainly due to increase in electricity charges and the cessation of property tax rebates granted by the government. The increase in number of properties in the portfolio, changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted and cessation of land rent rebates also contributed to the higher property operating expenses.

Non-property expenses increased by 2.4% mainly due to higher management fees from higher deposited properties.

Net finance costs decreased by 41.0% mainly due to fair value gain on the collateral loan of approximately S$6.7 million (Nil in 3Q FY09/10), partially offset by higher interest expense from higher borrowings.

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

Net appreciation on revaluation of investment properties included mainly valuation gain on the property at 5 Changi Business Park Crescent which obtained Temporary Occupation Permit in December 2010. Valuation was undertaken by Jones Lang LaSalle, a professional external valuer, for the property.

The movement in net non (taxable income)/tax deductible expenses was mainly due to gain on fair value adjustments on collateral loan in 3Q FY10/11 (Nil in 3Q FY09/10) and gain on fair value adjustments on financial derivatives (loss in 3Q FY09/10).

Review of Performance 3Q FY10/11 vs 2Q FY10/11

	3Q FY10/11 01/10/10 to 31/12/10 S$'000	2Q FY10/11 01/07/10 to 30/09/10 S$'000	Increase / (Decrease) %
Gross revenue	108,984	109,789	(0.7%)
Property operating expenses	(25,938)	(27,143)	(4.4%)
Net property income	83,046	82,646	0.5%
Non property expenses	(7,046)	(7,089)	(0.6%)
Net finance costs	(9,064)	(40,916)	(77.8%)
	(16,110)	(48,005)	(66.4%)
Net income	66,936	34,641	93.2%
Net change in fair value of financial derivatives	2,045	2,820	(27.5%)
Net appreciation on revaluation of ivestment properties and investment properties under development	37,443	5,819	543.5%
Total return for the period	106,424	43,280	145.9%
Non (taxable income)/tax deductible expenses, net	(6,173)	25,630	(124.1%)
Net appreciation on revaluation of investment properties and investment properties under development	(37,443)	(5,819)	543.5%
Income available for distribution (Note a)	62,808	63,091	(0.4%)
Distributable income (Note a)	61,749	61,800	(0.1%)
Earnings per unit (cents)	5.68	2.31	145.9%
Distribution per unit (cents)	3.29	3.30	(0.3%)

nm denotes “not meaningful”

Footnote

(a) A-REIT is committed to distribute 100% of its income available for distribution to Unitholders for FY10/11. For 3Q ended 31 December 2010 and 2Q ended 30 September 2010, income available for distribution included interest income of S$1.1 million and S$1.3 million respectively, derived from a finance lease granted to a tenant. This income has been retained pending further discussion with IRAS on the tax transparency treatment. Upon tax clearance from IRAS, A-REIT will distribute this income to the Unitholders.

Gross revenue is lower mainly due to S$0.9 million liquidated damages recognised in 2Q FY10/11 as compared to only S$0.5 million recognized in 3Q FY10/11.

Net finance costs in 3Q FY10/11 included a gain on fair value adjustments on collateral loan of approximately S$6.7 million. Net finance costs in 2Q FY10/11 has included a loss on the fair value adjustments on collateral loan of S$26.0 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.

Net appreciation on revaluation of investment properties in 3Q FY10/11 included mainly valuation gain on the property at 5 Changi Business Park Crescent which obtained Temporary Occupation Permit in December 2010. Valuation was undertaken by Jones Lang LaSalle, a professional external valuer, for the property. Net appreciation on revaluation of investment properties under development in 2Q FY10/11 relates to the recognition of fair value gain on valuation of investment properties under development in accordance with FRS 40. This is offset by a write down in value of 1 Senoko Avenue following the demolition of the building for re-development in September 2010.

The movement in net non (taxable income)/tax deductible expenses was mainly due to gain on fair value adjustments on collateral loan in 3Q FY10/11 (loss in 2Q FY10/11).

Distributable income was 0.1% lower than 2Q FY10/11 mainly due to the above.

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.

According to the Ministry of Trade & Industry's (MTI) advance estimates, Singapore's economy grew by 14.7% y-o-y in 2010, largely attributed to the 30.4% y-o-y growth in the manufacturing sector. On a seasonally adjusted annualized q-o-q basis, the economy grew by 6.9% in 4Q 2010, underpinned by a strong expansion of 20.0% in the manufacturing sector which posted a sharp contraction of 53.4% in 3Q 2010 due to volatility in the pharmaceutical industry.

Singapore's manufacturing activity expanded for a third straight month in December 2010, though the pace of growth slowed down from the preceding month. The month-on-month (m-o-m) decline of 0.7 point in the Singapore's Purchasing Managers' Index (PMI) in December 2010 to 50.7 points was due to fewer new orders and new export orders, as well as lower production output, inventory and imports. However, it was higher than the September PMI of 49.5.

Non-oil domestic exports (NODX) rose by 10% y-o-y in November 2010, following a 35% increase in the previous month, due to both electronic and non-electronic NODX to the top 10 NODX markets. The top three contributors to the NODX expansion were China, the EU and Hong Kong where NODX to the respective countries grew by 20%, 13% and 37% on a y-o-y basis. The 11% expansion y-o-y in the electronic NODX in November 2010 was aided by an increase in the export of ICs, diodes, transistors and telecommunications equipment. Led by higher exports of specialised machinery, petrochemicals and measuring instruments, non-electronic NODX expanded by 9.5% in November 2010.

According to URA's 3Q 2010 statistics, price and rental indices of industrial space improved for the fourth consecutive quarter by 8.3% and 4.8% q-o-q respectively. Average occupancy rate for the factory and business park sector improved slightly to 92.5% and 76.7% respectively (2Q: 92.4% and 74.9%). However, average occupancy for the warehouse sector declined slightly to 91.3% (2Q: 91.8%). Rental rates for business parks moderated downwards to S$3.56 psf per month (2Q: S$3.65). Data from CBRE's Q4 Market View noted a marginal increase in rental rates for both factory and warehouse space to S$1.70 psf per month and S$1.60 psf per month respectively (3Q: S$1.65 psf per month and S$1.55 psf per month respectively).

Outlook for the financial year ending 31 March 2011

In spite of Singapore's strong economic performance in 2010, uncertainties remain. The global economy has showed mixed signs and varying speed of recovery after the sharp downturn in 2009. The emerging Latin American and Asian economies are expected to lead as engines of global growth.

For the balance of this financial year, only 2.9% of A-REIT's revenue is due for renewal. 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 about 4.8 years, A-REIT aims to provide sustainability and steady growth for earnings of the portfolio. Therefore, barring any unforeseen events, the Manager should be able 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 :	30th distribution for the period 01 October 2010 to 31 December 2010
Distribution Type :	Income
Distribution Rate :	3.29 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 :	25 January 2011
Date payable :	28 February 2011

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	26th distribution for the period 01 October 2009 to 31 December 2009
Distribution Type :	Income
Distribution Rate :	3.27 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 January 2010
Date paid :	26 February 2010

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

Mary Judith de Souza
Company Secretary
17 January 2011

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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

17 January 2011

Dear Sirs

Ascendas Real Estate Investment Trust
Review of Interim Financial Information for the period ended 31 December 2010

Introduction

We have reviewed the accompanying Interim Financial Information of Ascendas Real Estate Investment Trust ("A-REIT") for the period ended 31 December 2010.

The Interim Financial Information comprises the balance sheet and investment properties portfolio statement as at 31 December 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 Accountants of Singapore. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A), and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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 Accountants 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