A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

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 Group has a diversified portfolio of 96 properties in Singapore and 1 property in Beijing, China, with a tenant base of over 1,100 customers across the following segments: Business & Science Park, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities.

The Group results include consolidation of 100% interest in Ascendas ZPark (S) Pte Ltd. and its subsidiary, Ascendas Hi-Tech Development (Beijing) Co., Limited ("AHTDBC"), which was acquired on 3 October 2011. The commentaries below are based on Group results unless otherwise stated.

SUMMARY OF A-REIT RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

	Group		
	01/04/11 to 31/12/11 S$'000	01/04/10 to 31/12/10 S$'000	Increase / (Decrease) %
Gross revenue	**368,949**	**334,730**	**10.2%**
Net property income	**273,216**	**255,390**	**7.0%**
Total amount available for distribution:	**208,870**	**186,695**	**11.9%**
- from operations	205,867	186,695	10.3%
- from capital (Note a)	3,003	-	nm
	Cents per Unit		
Distribution per Unit ("DPU")	FY11/12	FY10/11	Increase / (Decrease) %
For the quarter from 1 October to 31 December (Note b)	**3.48**	**3.29**	**5.8%**
- from operations	3.43	3.29	4.3%
- from capital	0.05	-	nm
For the nine months from 1 April to 31 December (Note b)	**10.06**	**9.96**	**1.0%**
- from operations	9.91	9.96	(0.5%)
- from capital	0.15	-	nm
Proforma DPU for the nine months from 1 April to 31 December (Note c)	-	8.99	11.9%

nm denotes "not meaningful"

Footnotes

(a) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant for 3Q YTD FY11/12. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

(b) As at book closure date, none of the S$300 million collateral loan with maturity date on 1 February 2017 is converted into A-REIT's Units. DPU in the table is computed based on total applicable number of units as at 31 December 2011 and 31 December 2010. In addition, DPU for 3Q YTD FY11/12 includes a tax deduction in relation to an upfront fee of $3.0 million for new loan facilities which has reduced DPU by about 0.15 cents.

(c) The increase of 11.9% is computed by comparing the actual DPU of 10.06 cents for 3Q YTD FY11/12 against the proforma DPU of 8.99 cents for 3Q YTD FY10/11. The Proforma DPU for FY10/11 has been calculated using total amount available for distribution for 3Q YTD FY10/11 and the applicable number of units as at 31 December 2011 which represents an increase of 10.8% from the applicable number of units as at 31 December 2010. The applicable number of units as at 31 December 2011 includes units issued in pursuant to a private placement in April 2011, units issued for payment of acquisition fee in April 2011 and November 2011, units issued in lieu of the 20% base management fee in June 2011 and December 2011, and units issued for payment of development management fees in October 2011 in relation to the proposed development project on a Fusionopolis site awarded by JTC. The development management fee is payable in units in accordance with the Property Funds Guidelines as the purchase constituted an Interested Party Transaction.

DISTRIBUTION DETAILS

Class of Units	Ascendas-REIT main stock
Distribution period	1 October 2011 to 31 December 2011
Distribution Type	Income
Distribution amount	3.43 cents per unit
Payment date	27 February 2012

Class of Units	Ascendas-REIT main stock
Distribution period	1 October 2011 to 31 December 2011
Distribution Type	Capital
Distribution amount	0.05 cents per unit
Payment date	27 February 2012

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 (3Q YTD FY11/12 vs 3Q YTD FY10/11)

	Group			Trust		
	01/04/11 to 31/12/11 (Note n) S$'000	01/04/10 to 31/12/10 (Note a & n) S$'000	Increase / (Decrease) %	01/04/11 to 31/12/11 S$'000	01/04/10 to 31/12/10 S$'000	Increase / (Decrease) %
Gross revenue	368,949	334,730	10.2%	367,538	334,730	9.8%
Property services fees	(12,826)	(10,738)	19.4%	(12,722)	(10,738)	18.5%
Property tax	(22,241)	(19,132)	16.3%	(22,156)	(19,132)	15.8%
Other property operating expenses	(60,666)	(49,470)	22.6%	(60,442)	(49,470)	22.2%
Property operating expenses	(95,733)	(79,340)	20.7%	(95,320)	(79,340)	20.1%
Net property income	273,216	255,390	7.0%	272,218	255,390	6.6%
Management fee (Note b)	(21,338)	(18,414)	15.9%	(21,338)	(18,414)	15.9%
Trust expenses (Note c)	(3,882)	(2,614)	48.5%	(3,850)	(2,614)	47.3%
Finance income (Note d)	17,872	2,182	nm	17,807	2,182	nm
Finance costs (Note e)	(46,839)	(55,193)	(15.1%)	(46,529)	(55,193)	(15.7%)
Foreign exchange loss (Note f)	(14,807)	-	nm	(14,784)	-	nm
Non property expenses	(68,994)	(74,039)	(6.8%)	(68,694)	(74,039)	(7.2%)
Net income	204,222	181,351	12.6%	203,524	181,351	12.2%
Net change in fair value of financial derivatives (Note g)	16,991	3,039	nm	16,991	3,039	nm
Net appreciation on revaluation of investment properties and investment properties under development (Note h)	2,131	43,262	(95.1%)	2,131	43,262	(95.1%)
Total return for the period before income tax expense	223,344	227,652	(1.9%)	222,646	227,652	(2.2%)
Income tax expense (Note i)	(838)	-	nm	(654)	-	nm
Total return for the period after income tax expense	222,506	227,652	(2.3%)	221,992	227,652	(2.5%)
Net effect of non (taxable income)/tax deductible expense and other adjustments (Note j)	(14,508)	6,831	nm	(13,994)	6,831	nm
Net appreciation on revaluation of investment properties and investment properties under development (Note h)	(2,131)	(43,262)	(95.1%)	(2,131)	(43,262)	(95.1%)
Income available for distribution	205,867	191,221	7.7%	205,867	191,221	7.7%
Distribution from capital (Note k)	3,003	-	nm	3,003	-	nm
Amount withheld from distribution (Note l)	-	(4,526)	(100.0%)	-	(4,526)	(100.0%)
Total amount available for distribution	208,870	186,695	11.9%	208,870	186,695	11.9%

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

	01/04/11 to 31/12/11 (Note n) S$'000	01/04/10 to 31/12/10 (Note a & n) S$'000	Increase / (Decrease) %	01/04/11 to 31/12/11 S$'000	01/04/10 to 31/12/10 S$'000	Increase / (Decrease) %
Gross rental income	338,986	305,178	11.1%	337,578	305,178	10.6%
Other income (Note m)	29,963	29,552	1.4%	29,960	29,552	1.4%
Reversal of/(Allowance for) impairment loss on doubtful receivables, net	6	(2)	nm	6	(2)	nm
Depreciation of plant and equipment	(826)	(954)	(13.4%)	(825)	(954)	(13.5%)

nm denotes "not meaningful"

Footnotes

(a) Group figures for 3Q YTD FY10/11 relates to A-REIT's prior year Trust figures.

(b) 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.

(c) Trust expenses for 3Q YTD FY11/12 include due diligence costs incurred during the period.

(d) Finance income includes interest income from interest rate swaps and bank deposits. For 3Q YTD FY11/12, it includes fair value gain on collateral loan of $13.8 million. The collateral loan (with embedded derivatives) has been designated as fair value through profit and loss in accordance with FRS 39.

(e) Finance costs comprise interest expenses on interest rate swaps, loans and amortised costs of establishing debt facilities (including the Medium Term Notes, Transferrable Loan Facilities and Committed Revolving Credit Facilities). Finance costs also include accretion adjustments for deferred payments and refundable security deposits. Finance costs are lower in 3Q YTD FY11/12 mainly due to lower interest rate. In addition, finance costs in 3Q YTD FY11/12 only comprise mainly interest expenses on loans and interest rate swaps while the finance costs for 3Q YTD FY10/11 included fair value loss on collateral loan of $2.5 mil in addition to the interest expenses.

(f) Foreign exchange loss mainly relates to loss on translation of JPY9.6 billion Medium Term Notes as at 31 December 2011. The offsetting gain arising from the fair value change of the cross currency swap to hedge the foreign exchange exposure is mentioned in Note (g).

(g) Net change in fair value of financial derivatives relates to fair value gain on cross currency swap of $22.6 million in 3Q YTD FY11/12 (3Q YTD FY10/11: nil) and fair value loss on interest rate swaps of $5.6 million in 3Q YTD FY11/12 (3Q YTD FY10/11: gain of $3.0 million) in accordance with FRS 39. For further details, please refer to Note (j) of Page 11 and Page 12.

(h) The net appreciation on revaluation of investment properties under development for 3Q YTD FY11/12 relates to the recognition of fair value gain on valuation of investment properties under development in accordance with FRS 40. The net appreciation on revaluation of investment properties and investment properties under development in 3Q YTD FY10/11 includes 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 depreciation in value of investment properties under development at 1 Senoko Avenue following the demolition of the building for re-development in September 2010.

(i) Income tax expense relates to deferred tax in respect of temporary differences between the tax base of the finance lease receivable and its carrying amount for financial reporting purposes and income tax expenses relating to AHTDBC.

(j) Net effect of non (taxable income)/tax deductible expenses and other adjustments comprises:

	Group			Trust		
	01/04/11 to 31/12/11 S$'000	01/04/10 to 31/12/10 S$'000	Increase / (Decrease) %	01/04/11 to 31/12/11 S$'000	01/04/10 to 31/12/10 S$'000	Increase / (Decrease) %
Management fee paid/payable in units	4,268	3,683	15.9%	4,268	3,683	15.9%
Trustee fee	1,283	1,105	16.1%	1,283	1,105	16.1%
Net change in fair value of financial derivatives	(16,991)	(3,039)	nm	(16,991)	(3,039)	nm
Other net non (taxable income)/tax deductible expenses and other adjustments (Note A)	(17,338)	5,082	nm	(17,338)	5,082	nm
Transfer to general reserves	(43)	-	nm	-	-	-
Unrealised foreign exchange loss	14,807	-	nm	14,784	-	nm
Distributable income from a subsidiary not yet received, not distributed (Note B)	(494)	-	nm	-	-	-
Net effect of non (taxable income)/ tax deductible expenses and other adjustments	(14,508)	6,831	nm	(13,994)	6,831	nm

A. Other net non (taxable income)/tax deductible expenses and other adjustments include mainly commitment fee paid on undrawn committed credit facilities and accretion adjustments for deferred payments and refundable security deposits. For 3Q YTD FY11/12, net non taxable income and other adjustments include tax deduction in relation to upfront fees for new loan facilities.

B. This relates to income from AHTDBC, which has yet to be received by A-REIT as at 31 December 2011. The intention is to distribute such net income on a half-yearly basis on each second and fourth quarter of the financial year after relevant adjustments such as withholding tax payable.

(k) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant for 3Q YTD FY11/12. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

(l) This is an interest income from a finance lease granted to a tenant, which was retained pending further discussion with IRAS on the tax transparency treatment. The amount was subsequently distributed in 4Q FY10/11.

(m) Other income includes revenue from utilities charges, interest income from finance lease receivables, carpark revenue and liquidated damages.

(n) 97 properties as at 31 December 2011 vs 92 properties as at 31 December 2010.

Gross revenue increases mainly due to additional rental from the completion of development project and acquisitions since December 2010.

Property services fees and property tax expenses are higher in 3Q YTD FY11/12 generally due to increased number of properties from the completion of development project and acquisitions since December 2010.

Other property operating expenses are higher in 3Q YTD FY11/12 mainly due to the impact from completion of a development project and acquisitions completed since December 2010 and higher electricity charges and land rent.

Non-property expenses are lower in 3Q YTD FY11/12 mainly because of a fair value gain on collateral loan of $13.8 million recognised in 3Q YTD FY11/12 as compared to a fair value loss of $2.5 million recorded in 3Q YTD FY10/11. The lower interest expense from lower interest rate in 3Q YTD FY11/12 also contributed partially to the lower non-property expenses. This is partially offset by foreign exchange loss on translation of JPY9.6 billion Medium Term Notes of $14.8 mil (3Q YTD FY10/11: nil) as at 31 December 2011.

1(a)(ii) Statement of total return (3Q FY11/12 vs 3Q FY10/11)

	Group			Trust		
	01/10/11 to 31/12/11 (Note m) S$'000	01/10/10 to 31/12/10 (Note a & m) S$'000	Increase / (Decrease) %	01/10/11 to 31/12/11 S$'000	01/10/10 to 31/12/10 S$'000	Increase / (Decrease) %
Gross revenue	127,283	110,043	15.7%	125,872	110,043	14.4%
Property services fees	(4,394)	(3,550)	23.8%	(4,290)	(3,550)	20.8%
Property tax	(8,182)	(5,873)	39.3%	(8,097)	(5,873)	37.9%
Other property operating expenses	(20,810)	(16,515)	26.0%	(20,609)	(16,515)	24.8%
Property operating expenses	(33,386)	(25,938)	28.7%	(32,996)	(25,938)	27.2%
Net property income	93,897	84,105	11.6%	92,876	84,105	10.4%
Management fee (Note b)	(7,420)	(6,197)	19.7%	(7,420)	(6,197)	19.7%
Trust expenses	(1,220)	(849)	43.7%	(1,165)	(849)	37.2%
Finance income (Note c)	4,453	7,773	(42.7%)	4,388	7,773	(43.5%)
Finance costs (Note d)	(15,276)	(17,896)	(14.6%)	(14,966)	(17,896)	(16.4%)
Foreign exchange gain (Note e)	1,513	-	nm	1,536	-	nm
Non property expenses	(17,950)	(17,169)	4.5%	(17,627)	(17,169)	2.7%
Net income	75,947	66,936	13.5%	75,249	66,936	12.4%
Net change in fair value of financial derivatives (Note f)	5,653	2,045	176.4%	5,653	2,045	176.4%
Net appreciation on revaluation of investment properties and investment properties under development (Note g)	2,131	37,443	(94.3%)	2,131	37,443	(94.3%)
Total return for the period before income tax expense	83,731	106,424	(21.3%)	83,033	106,424	(22.0%)
Income tax expense (Note h)	(427)	-	nm	(243)	-	nm
Total return for the period after income tax expense	83,304	106,424	(21.7%)	82,790	106,424	(22.2%)
Net effect of non taxable income and other adjustments (Note i)	(9,699)	(6,173)	57.1%	(9,185)	(6,173)	48.8%
Net appreciation on revaluation of investment properties and investment properties under development (Note g)	(2,131)	(37,443)	(94.3%)	(2,131)	(37,443)	(94.3%)
Income available for distribution	71,474	62,808	13.8%	71,474	62,808	13.8%
Distribution from capital (Note j)	996	-	nm	996	-	nm
Amount withheld from distribution (Note k)	-	(1,059)	(100.0%)	-	(1,059)	(100.0%)
Total amount available for distribution	72,470	61,749	17.4%	72,470	61,749	17.4%

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

	01/10/11 to 31/12/11 (Note m) S$'000	01/10/10 to 31/12/10 (Note a & m) S$'000	Increase / (Decrease) %	01/10/11 to 31/12/11 S$'000	01/10/10 to 31/12/10 S$'000	Increase / (Decrease) %
Gross rental income	117,034	102,024	14.7%	115,626	102,024	13.3%
Other income (Note l)	10,249	8,019	27.8%	10,246	8,019	27.8%
Reversal of impairment loss on doubtful receivables, net	2	12	(83.3%)	2	12	(83.3%)
Depreciation of plant and equipment	(276)	(319)	(13.5%)	(275)	(319)	(13.8%)

nm denotes “not meaningful”

Footnotes

(a) Group figures for 3Q YTD FY10/11 relates to A-REIT's prior year Trust figures.

(b) 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.

(c) Finance income includes interest income from interest rate swaps and bank deposits and fair value gain on collateral loan of $3.0 million in 3Q FY11/12 (3Q FY10/11: $6.7 million). The collateral loan (with embedded derivatives) has been designated as fair value through profit and loss in accordance with FRS 39.

(d) Finance costs comprise interest expenses on interest rate swaps, loans and amortised costs of establishing debt facilities (including the Medium Term Notes, Transferrable Loan Facilities and Committed Revolving Credit Facilities). Finance costs also include accretion adjustments for deferred payments and refundable security deposits. Finance costs are lower in 3Q FY11/12 mainly due to lower interest rates.

(e) Foreign exchange gain mainly relates to gain on translation of JPY9.6 billion Medium Term Notes as at 31 December 2011. The fair value change of the cross currency swap to hedge the above foreign exchange exposure is mentioned in Note (f).

(f) Net change in fair value of financial derivatives relates to fair value gain on cross currency swap of $2.1 million in 3Q FY11/12 (3Q FY10/11: nil) and fair value gain on interest rate swaps of $3.6 million in 3Q FY11/12 (3Q FY10/11: gain of $2.0 million) in accordance with FRS 39. For further details, please refer to Note (j) of Page 11 and Page 12.

(g) The net appreciation on revaluation of investment properties under development for 3Q FY11/12 relates to the recognition of fair value gain on valuation of investment properties under development in accordance with FRS 40. The amount for 3Q FY10/11 includesvaluation 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.

(h) Income tax expense relates to deferred tax in respect of temporary differences between the tax base of the finance lease receivable and its carrying amount for financial reporting purposes and income tax expenses relating to AHTDBC.

(i) Net effect of non taxable income and other adjustments comprises:

	Group			Trust		
	01/10/11 to 31/12/11 S$'000	01/10/10 to 31/12/10 S$'000	Increase / (Decrease) %	01/10/11 to 31/12/11 S$'000	01/10/10 to 31/12/10 S$'000	Increase / (Decrease) %
Management fee paid/payable in units	1,484	1,239	19.8%	1,484	1,239	19.8%
Trustee fee	445	373	19.3%	445	373	19.3%
Net change in fair value of financial derivatives	(5,653)	(2,045)	176.4%	(5,653)	(2,045)	176.4%
Other net non taxable income and other adjustments (Note A)	(3,925)	(5,740)	(31.6%)	(3,925)	(5,740)	(31.6%)
Transfer to general reserves	(43)	-	nm	-	-	-
Unrealised foreign exchange gain	(1,513)	-	nm	(1,536)	-	nm
Distributable income from a subsididary not yet received, not distributed (Note B)	(494)	-	nm	-	-	-
Net effect of non taxable income and other adjustments	(9,699)	(6,173)	57.1%	(9,185)	(6,173)	48.8%

A. Other net non taxable income and other adjustments include mainly commitment fee paid on undrawn committed credit facilities and accretion adjustments for deferred payments and refundable security deposits. For 3Q FY11/12, net non taxable income and other adjustments include tax deduction in relation to upfront fees for new loan facilities.

B. This relates to income from AHTDBC, which has yet to be received by A-REIT as at 31 December 2011. The intention is to distribute such net income on a half-yearly basis on each second and fourth quarter of the financial year after relevant adjustments such as withholding tax payable.

(j) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant for 3Q FY11/12. Such distribution is not taxable in the hands of all Unitholders, save for Unitholders who are holding the units as trading assets.

(k) This is an interest income from a finance lease granted to a tenant, which was retained pending further discussion with IRAS on the tax transparency treatment. The amount was subsequently distributed in 4Q FY10/11.

(l) Other income includes revenue from utilities charges, interest income from finance lease receivables, carpark revenue and liquidated damages.

(m) 97 properties as at 31 December 2011 vs 92 properties as at 31 December 2010.

Gross revenue increases mainly due to additional rental from the completion of development project and acquisitions since December 2010.

Property services fees and property tax expenses are higher in 3Q FY11/12 generally due to increased number of properties from the completion of development project and acquisitions since December 2010.

Other property operating expenses are higher in 3Q FY11/12 due to the impact from completion of a development project and acquisitions completed since December 2010 and higher electricity charges and land rent .

Non property expenses are higher because of lower fair value gain on collateral loan $3.0 million recorded in 3Q FY11/12 as compared to $6.7 million recognised in 3Q FY10/11. Higher management fee in line with higher Deposited Property also contributed partially to the higher non-property expenses. These impacts are partially offset by foreign exchange gain on translation of JPY9.6 billion Medium Term Note of $1.5 million in 3Q FY11/12 (FY10/11: Nil).

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

	Group		Trust	
	31/12/11 S$'000	31/03/11 S$'000	31/12/11 S$'000	31/03/11 S$'000
Non-current assets				
Investment properties (Note a)	5,641,075	5,254,556	5,578,656	5,254,556
Investment properties under development (Note b)	209,151	26,078	209,151	26,078
Plant and equipment	1,989	2,811	1,986	2,811
Finance lease receivable	65,749	67,043	65,749	67,043
Investment in a subsidiary (Note c)	-	-	31,134	-
Loan to a subsidiary	-	-	15,465	-
Other assets	30,518	26,861	30,518	26,861
Derivative assets (Note d)	26,374	4,452	26,374	4,452
	5,974,856	**5,381,801**	**5,959,033**	**5,381,801**
Current assets				
Finance lease receivable	1,701	1,505	1,701	1,505
Trade and other receivables	36,615	28,451	35,959	28,451
Cash and cash equivalents	16,820	8,067	7,530	8,067
	55,136	**38,023**	**45,190**	**38,023**
Current liabilities				
Trade and other payables (Note e)	125,769	119,539	123,966	119,539
Security deposits	53,741	41,407	52,378	41,407
Deferred payments (Note f)	-	6,991	-	6,991
Derivative liabilities	1,131	3,827	1,131	3,827
Short term borrowings	514,654	349,883	492,610	349,883
Medium term notes (Note g and j)	-	149,980	-	149,980
Provision for taxation (Note h)	289	-	40	-
	695,584	**671,627**	**670,125**	**671,627**
Net current liabilities	**(640,448)**	**(633,604)**	**(624,935)**	**(633,604)**
Non-current liabilities				
Security deposits	2,190	2,138	2,190	2,138
Derivative liabilities	65,853	55,901	65,853	55,901
Deferred tax liabilities (note i)	1,592	976	1,592	976
Medium term notes (Note j)	285,582	270,707	285,582	270,707
Collateral loan (Note j)	292,671	306,468	292,671	306,468
Term loans (Note j)	969,397	820,341	969,397	820,341
	1,617,285	**1,456,531**	**1,617,285**	**1,456,531**
Net assets	**3,717,123**	**3,291,666**	**3,716,813**	**3,291,666**
Represented by:				
Unitholders' funds	**3,717,123**	**3,291,666**	**3,716,813**	**3,291,666**

Gross borrowings	Actual 31/12/11 S$'000	Actual 31/03/11 S$'000	Actual 31/12/11 S$'000	Actual 31/03/11 S$'000
Secured borrowings				
Amount repayable after one year	687,671	701,468	687,671	701,468
Amount repayable within one year	22,044	-	-	-
Unsecured borrowings				
Amount repayable after one year	867,700	702,916	867,700	702,916
Amount repayable within one year	493,000	499,900	493,000	499,900
	2,070,415	1,904,284	2,048,371	1,904,284

Footnotes

(a) Increase in value of investment properties is mainly due to acquisitions of new properties Nordic European Centre in July 2011 and Corporation Place and 3 Changi Business Park Vista in December 2011. The acquisition of shares in Ascendas ZPark (Singapore) Pte. Ltd, which holds the property, Ascendas Z-Link via its subsidiary in China, AHTDBC and asset enhancement works at Techview and 10 Toh Guan Road also contribute to the increase.

(b) Value of investment properties under development increases mainly due to the development projects at 1 Senoko Avenue, the Fedex built-to-suit logistics facility and land and development costs at Fusionopolis.

(c) Investment in a subsidiary relates to A-REIT's investment in Ascendas ZPark (S) Pte. Ltd. and its subsidiary, AHTDBC.

(d) Increase in derivative assets is mainly due to favourable change in fair value of cross currency swaps.

(e) Increase in trade and other payables is mainly due to costs accrued for ongoing development projects.

(f) Deferred payment in relation to acquisition of Wisma Gulab was paid in November 2011.

(g) $150 million Medium Term Notes were redeemed in April 2011.

(h) Provision for taxation includes income tax provision of the overseas subsidiary.

(i) Deferred tax liabilities relate to the temporary differences between the tax base of the finance lease receivable and its carrying amount for financial reporting purposes, offset by the recognition of deferred tax assets arising from unutilised capital allowances.

(j) **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 A-REIT relating to the above mentioned properties.

In March 2010, a collateral loan of S$300 million with final 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 had issued S$300 million Exchangeable Collateralised Securities ("ECS") which are exchangeable into new units of A-REIT at an adjusted conversion price of S$2.3639 per unit at any time on or after 6 May 2010 and have an expected maturity date of 1 February 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 A-REIT 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$273.4 million remains outstanding. The notes bear a fixed interest rate payable semi-annually in arrears.

On 24 February 2011, A-REIT issued a JPY9.6 billion fixed rate notes under the MTN2009. The notes will mature in February 2018. To eliminate the foreign currency risk arising from the JPY9.6 billion note issuance, A-REIT concurrently entered into a cross currency swap, in which the JPY9.6 billion was swapped into S$148.4 million on 24 February 2011 on a floating rate basis. At maturity of the cross currency swap on 23 February 2018, the S$148.4 million will be swapped back into JPY9.6 billion to redeem the JPY notes.

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 2011, 64.9% of A-REIT Group's interest rate exposure is fixed with an overall weighted average tenure of 3.7 years remaining (after taking into consideration effects of the interest rate swaps). As a result, the overall weighted average cost of funds as at 31 December 2011 is 3.0% (including margins charged on the loans and amortised annual costs of the Medium Term Notes, Transferrable Loan Facilities and Committed Revolving Credit Facilities). The outstanding interest rate swaps have terms from less than 1 year to 7 years. The effective hedge portion of changes in the fair value of interest rate swaps is recognised in the Statement of Movement in Unitholders' Funds. The fair value changes of the remaining interest rate swaps, changes in fair value of the collateral loan and cross currency swap are 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 (3Q YTD FY11/12 vs 3Q YTD FY10/11)

	Group	
	01/04/11 to 31/12/11 S$'000	01/04/10 to 31/12/10 S$'000
Cash flows from operating activities		
Net income	204,222	181,351
Adjustments for		
Finance income	(17,872)	(2,182)
(Reversal of)/Allowance for impairment loss on doubtful receivables	(6)	2
Finance costs	46,839	55,193
Management fees paid/payable in units	4,268	3,682
Depreciation of plant and equipment	826	954
Foreign exchange loss	14,807	-
Operating income before working capital changes	253,084	239,000
Changes in working capital		
Trade and other receivables	(5,410)	(3,439)
Trade and other payables	(3,571)	(4,741)
Cash generated from operating activities	244,103	230,820
Income tax paid	(83)	-
Net cash from operating activities	244,020	230,820
Cash flows from investing activities		
Purchase of investment properties	(295,181)	(114,982)
Payment for investment properties and other assets under development	(170,300)	(56,533)
Purchase of plant and equipment	-	(163)
Payment for capital improvement projects	(21,711)	(4,208)
Payment of deferred settlements	(7,200)	(7,340)
Acquisiton of subsidiary, net of cash acquired	(33,115)	-
Interest received	4,147	1,765
Net cash used in investing activities	(523,360)	(181,461)
Cash flows from financing activities		
Equity issue costs paid	(6,177)	-
Proceeds from issue of units	400,001	-
Distributions paid to Unitholders	(197,531)	(176,020)
Finance costs paid	(48,152)	(52,008)
Transaction costs paid in respect of borrowings	(3,071)	-
Proceeds from borrowings	1,000,000	638,100
Repayment of borrowings	(856,900)	(450,900)
Transaction costs paid in respect of collateral loan	-	(2,455)
Net cash from/(used in) financing activities	288,170	(43,283)
Net increase in cash and cash equivalents	8,830	6,076
Cash and cash equivalents at beginning of the financial period	8,067	8,666
Effect of exchange rate changes on cash balances	(77)	-
Cash and cash equivalents at end of the financial period	16,820	14,742

1 (c)(ii) Cash flow statement (3Q FY11/12 vs 3Q FY10/11)

	Group	
	01/10/11 to 31/12/11	01/10/10 to 31/12/10
	S$'000	S$'000
Cash flows from operating activities		
Net income	75,947	66,936
Adjustments for		
Finance income from financial institutions	(4,453)	(7,773)
Reversal of impairment loss on doubtful receivables, net	(2)	(12)
Finance costs	15,276	17,896
Management fees paid/payable in units	1,484	1,239
Depreciation of plant and equipment	276	319
Foreign exchange gain	(1,513)	-
Operating income before working capital changes	87,015	78,605
Changes in working capital		
Trade and other receivables	(397)	147
Trade and other payables	2,289	3,302
Cash generated from operating activities	88,907	82,054
Income tax paid	(83)	-
Net cash from operating activities	88,824	82,054
Cash flows from investing activities		
Purchase of investment properties	(168,482)	-
Payment for investment properties and other assets under development	(22,340)	(40,579)
Payment for capital improvement projects	(11,285)	(261)
Payment of deferred settlements	(7,200)	(6,840)
Acquisiton of subsidiary, net of cash acquired	(33,115)	-
Interest received	1,844	954
Net cash used in investing activities	(240,578)	(46,726)
Cash flows from financing activities		
Distributions paid to Unitholders	(70,416)	(61,813)
Finance costs paid	(14,373)	(17,479)
Transaction costs paid in respect of borrowings	(775)	-
Proceeds from borrowings	294,000	89,000
Repayment of borrowings	(56,000)	(49,500)
Transaction costs paid in respect of collateral loan	-	(10)
Net cash from/(used in) financing activities	152,436	(39,802)
Net increase in cash and cash equivalents	682	(4,474)
Cash and cash equivalents at beginning of the period	16,215	19,216
Effect of exchange rate changes on cash balances	(77)	-
Cash and cash equivalents at end of the financial period	16,820	14,742

1 (d)(i) Statement of movement in unitholders' funds (3Q YTD FY11/12 vs 3Q YTD FY10/11)

	Group		Trust	
	01/04/11 to 31/12/11 S$'000	01/04/10 to 31/12/10 S$'000	01/04/11 to 31/12/11 S$'000	01/04/10 to 31/12/10 S$'000
Balance at beginning of the financial period	3,291,666	2,946,974	3,291,666	2,946,974
Operations				
Net income	204,222	181,351	203,524	181,351
Net change in fair value of financial derivatives	16,991	3,039	16,991	3,039
Net appreciation on revaluation of investment properties and investment properties under development (Note a)	2,131	43,262	2,131	43,262
Income tax expense	(838)	-	(654)	-
Transfer to general reserves (Note b)	(43)	-	-	-
Net increase in net assets resulting from operations	222,463	227,652	221,992	227,652
Hedging transactions				
Effective portion of changes in fair value of financial derivatives (Note c)	(7,018)	(2,659)	(7,018)	(2,659)
Changes in fair value of financial derivatives transferred to the Statement of Total Return	4,694	327	4,694	327
Net decrease in net assets resulting from hedging transactions	(2,324)	(2,332)	(2,324)	(2,332)
Movement in general reserves (Note b)	43	-	-	-
Movement in foreign currency translation reserve (Note d)	(204)	-	-	-
Unitholders' transactions				
New units issued	400,001	-	400,001	-
Acquisition fees (IPT acquisition) paid in units	1,874	1,160	1,874	1,160
Development fees (IPT) paid in units	1,853	-	1,853	-
Management fees paid in units	5,435	5,006	5,435	5,006
Equity issue costs	(6,153)	-	(6,153)	-
Distributions to Unitholders	(197,531)	(176,020)	(197,531)	(176,020)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	205,479	(169,854)	205,479	(169,854)
Balance at end of the financial period	3,717,123	3,002,440	3,716,813	3,002,440

Footnotes

(a) The net appreciation on revaluation of investment properties under development for 3Q YTD FY11/12 relates to the recognition of fair value gain on valuation of investment properties under development in accordance with FRS 40. The net appreciation on revaluation of investment properties and investment properties under development in 3Q YTD FY10/11 includes 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 depreciation in value of investment properties under development at 1 Senoko Avenue following the demolition of the building for re-development in September 2010.

(b) This amount relates to the transfer of revenue reserves to general reserves in compliance with local laws by AHTDBC.

(c) In both FY10/11 and FY11/12, forward interest rates at the end of the period were lower than those at the beginning of the period. Hence, the aggregate fair values of the interest rate swaps registered an unfavourable change as compared to the beginning of the period.

(d) This amount relates to the foreign exchange translation differences on translation of the financial statements of AHTDBC.

Statement of movement in unitholders' funds (3Q FY11/12 vs 3Q FY10/11)

	Group		Trust	
	01/10/11 to 31/12/11 S$'000	01/10/10 to 31/12/10 S$'000	01/10/11 to 31/12/11 S$'000	01/10/10 to 31/12/10 S$'000
Balance at beginning of financial period	3,689,543	2,942,402	3,689,543	2,942,402
Operations				
Net income	75,947	66,936	75,249	66,936
Net change in fair value of financial derivatives	5,653	2,045	5,653	2,045
Net appreciation on revaluation of investment properties and investment properties under development (Note a)	2,131	37,443	2,131	37,443
Income tax expense	(427)	-	(243)	-
Transfer to general reserves (Note b)	(43)	-	-	-
Net increase in net assets resulting from operations	83,261	106,424	82,790	106,424
Hedging transactions				
Effective portion of changes in fair value of financial derivatives (Note c)	9,581	12,913	9,581	12,913
Changes in fair value of financial derivatives transferred to the Statement of Total Return	-	64	-	64
Net increase in net assets resulting from hedging transactions	9,581	12,977	9,581	12,977
Movement in general reserves (Note b)	43	-	-	-
Movement in foreign currency translation reserve (Note d)	(204)	-	-	-
Unitholders' transactions		-		
Acquisition fees (IPT acquisition) paid in units	618	-	618	-
Development fees (IPT) paid in units	1,853	-	1,853	
Management fees paid in units	2,844	2,450	2,844	2,450
Distributions to Unitholders	(70,416)	(61,813)	(70,416)	(61,813)
Net decrease in net assets resulting from Unitholders' transactions	(65,101)	(59,363)	(65,101)	(59,363)
Balance at end of the financial period	3,717,123	3,002,440	3,716,813	3,002,440

Footnotes

(a) The net appreciation on revaluation of investment properties under development for 3Q FY11/12 relates to the recognition of fair value gain on valuation of investment properties under development in accordance to FRS 40. The amount for 3Q FY10/11 includes 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.

(b) This amount relates to the transfer of revenue reserves to general reserves in compliance with local laws by AHTDBC.

(c) In both FY10/11 and FY11/12, forward interest rates at the end of the period were 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.

(d) This amount relates to the foreign exchange translation differences on translation of the financial statements of AHTDBC.

1 (d)(ii) Details of any changes in the units (3Q YTD FY11/12 vs 3Q YTD FY10/11)

	Trust	
	01/04/11 to 31/12/11 Units	01/04/10 to 31/12/10 Units
Balance at beginning of the financial period	1,874,292,935	1,871,153,701
Issue of new units:		
- Issued pursuant to equity raising in April 2011	206,186,000	-
- Acquisition fees (IPT acquisition) paid in units	938,320	617,678
- Development fees (IPT) paid in units	902,713	-
- Management fees paid in units	2,757,226	2,521,556
Balance at end of the financial period	2,085,077,194	1,874,292,935

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 an adjusted conversion price of S$2.3639 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 adjusted conversion price of S$2.3639 per unit, the number of new units to be issued would be 126,908,921 representing 6.1% of the total number of A-REIT Units in issue as at 31 December 2011.

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 2011.

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

	Group		Trust	
6.1 EPU for 3Q FY11/12 compared to 2Q FY11/12	3Q FY11/12 01/10/11 to 31/12/11	2Q FY11/12 01/07/11 to 30/09/11	3Q FY11/12 01/10/11 to 31/12/11	2Q FY11/12 01/07/11 to 30/09/11
Basic EPU (Note a)				
Weighted average number of units	2,083,767,240	2,082,410,675	2,083,767,240	2,082,410,675
Earnings per Unit in cents (EPU)	4.00	3.12	3.97	3.12
Dilutive EPU (Note b)				
Weighted average number of units	2,210,676,162	2,209,319,597	2,210,676,162	2,209,319,597
Earnings per Unit in cents (Dilutive EPU)	3.69	2.60	3.66	2.60

6.2 EPU for 3Q FY11/12 compared to 3Q FY10/11	3Q FY11/12 01/10/11 to 31/12/11	3Q FY10/11 01/10/10 to 31/12/10	3Q FY11/12 01/10/11 to 31/12/11	3Q FY10/11 01/10/10 to 31/12/10
Basic EPU (Note a)				
Weighted average number of units	2,083,767,240	1,873,346,931	2,083,767,240	1,873,346,931
Earnings per Unit in cents (EPU)	4.00	5.68	3.97	5.68
Dilutive EPU (Note b)				
Weighted average number of units	2,210,676,162	1,995,795,910	2,210,676,162	1,995,795,910
Earnings per Unit in cents (Dilutive EPU)	3.69	5.06	3.66	5.06

6.3 EPU for 3Q YTD FY11/12 compared to 3Q YTD FY10/11	3Q YTD FY11/12 01/04/11 to 31/12/11	3Q YTD FY10/11 01/04/10 to 31/12/10	3Q YTD FY11/12 01/04/11 to 31/12/11	3Q YTD FY10/11 01/04/10 to 31/12/10
Basic EPU (Note a)				
Weighted average number of units	2,074,942,900	1,872,563,827	2,074,942,900	1,872,563,827
Earnings per unit in cents (EPU)	10.72	12.16	10.70	12.16
Dilutive EPU (Note b)				
Weighted average number of units	2,201,851,822	1,995,012,806	2,201,851,822	1,995,012,806
Earnings per unit in cents (Dilutive EPU)	9.64	11.72	9.62	11.72

Footnotes

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

(b) For the 3Q ended 31 December 2011, 2Q ended 30 September 2011 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.

Dilutive EPU is determined by adjusting the total return for the period and the weighted average of number of units in issue during that period 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.

	Group		Trust	
6.4 DPU for 3Q FY11/12 compared to 2Q FY11/12	3Q FY11/12 01/10/11 to 31/12/11	2Q FY11/12 01/07/11 to 30/09/11	3Q FY11/12 01/10/11 to 31/12/11	2Q FY11/12 01/07/11 to 30/09/11
Number of units in issue at end of period	2,085,077,194	2,082,410,675	2,085,077,194	2,082,410,675
Applicable number of units	2,085,077,194	2,083,313,388	2,085,077,194	2,083,313,388
Distribution per Unit in cents (Note a and b)	3.48	3.38	3.48	3.38

6.5 DPU for 3Q FY11/12 compared to 3Q FY10/11	3Q FY11/12 01/10/11 to 31/12/11	3Q FY10/11 01/10/10 to 31/12/10	3Q FY11/12 01/10/11 to 31/12/11	3Q FY10/11 01/10/10 to 31/12/10
Number of units in issue at end of period	2,085,077,194	1,874,292,935	2,085,077,194	1,874,292,935
Applicable number of units	2,085,077,194	1,874,292,935	2,085,077,194	1,874,292,935
Distribution per Unit in cents (Note a and b)	3.48	3.29	3.48	3.29

6.6 DPU for 3Q YTD FY11/12 compared to 3Q YTD FY10/11	3Q YTD FY11/12 01/04/11 to 31/12/11	3Q YTD FY10/11 01/04/10 to 31/12/10	3Q YTD FY11/12 01/04/11 to 31/12/11	3Q YTD FY10/11 01/04/10 to 31/12/10
Number of units in issue at end of period	2,085,077,194	1,874,292,935	2,085,077,194	1,874,292,935
Applicable number of units	2,076,237,190	1,874,450,701	2,076,237,190	1,874,450,701
Distribution per unit in cents (Note a and b)	10.06	9.96	10.06	9.96

For Information Only

Proforma DPU (Note c)	-	8.99	-	8.99

Footnotes

(a) The DPU has been calculated using total amount available for distribution and the applicable number of units.

(b) As at book closure date, none of the S$300 million collateral loan is converted into A-REIT Units. In addition, 3Q YTD FY11/12 includes tax deduction in relation to an upfront fees for new loan facilities. This has reduced DPU by 0.15 cents.

(c) The Proforma DPU for 3Q FY10/11 has been calculated using total amount available for distribution for 3Q FY10/11 and the applicable number of units as at 31 December 2011 which represents an increase of 10.8% from the applicable number of units as at 31 December 2010. The applicable number of units as at 31 December 2011 includes units issued pursuant to the private placement in April 2011, units issued for payment of acquisition fees in April 2011 and November 2011, units issued in lieu of the 20% base management fees in June 2011 and December 2011, and units issued for payment of development management fee in October 2011 in relation to the purchase of a development site awarded by JTC. The development management fee is payable in units in accordance with the Property Funds Guidelines as the purchase constitutes an Interested Party Transaction.

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

	Group		Trust	
	31/12/11 cents	31/03/11 cents	31/12/11 cents	31/03/11 cents
Net asset value per unit	178.3	175.6	178.3	175.6
Adjusted net asset value per unit (Note a)	174.8	172.4	174.8	172.4

Footnote

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

8. Review of Performance

Review of Performance 3Q FY11/12 vs 3Q FY10/11

	Group		
	3Q FY11/12 01/10/11 to 31/12/11 S$'000	3Q FY10/11 01/10/10 to 31/12/10 S$'000	Increase / (Decrease) %
Gross revenue	127,283	110,043	15.7%
Property operating expenses	(33,386)	(25,938)	28.7%
Net property income	93,897	84,105	11.6%
Non property expenses	(8,640)	(7,046)	22.6%
Net finance costs	(10,823)	(10,123)	6.9%
Foreign exchange gain	1,513	-	nm
	(17,950)	(17,169)	4.5%
Net income	75,947	66,936	13.5%
Net change in fair value of financial derivatives	5,653	2,045	176.4%
Net appreciation on revaluation of investment properties and investment properties under development	2,131	37,443	(94.3%)
Total return for the period before income tax expense	83,731	106,424	(21.3%)
Income tax expense	(427)	-	nm
Total return for the period after income tax expense	83,304	106,424	(21.7%)
Net effect of non taxable income and other adjustments	(9,699)	(6,173)	57.1%
Net appreciation on revaluation of investment properties and investment properties under development	(2,131)	(37,443)	(94.3%)
Income available for distribution	71,474	62,808	13.8%
Distribution from capital (Note a)	996	-	nm
Amount withheld from distribution (Note b)	-	(1,059)	(100.0%)
Total amount available for distribution	72,470	61,749	(17.4%)
Earnings per unit (cents)	4.00	5.68	(29.6%)
Distribution per unit (cents)	3.48	3.29	5.8%

nm denotes “not meaningful”

Footnote

(a) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant for 3Q FY11/12.

(b) This is an interest income from a finance lease granted to a tenant, which was retained pending further discussion with IRAS on the tax transparency treatment. The amount was subsequently distributed in 4Q FY10/11.

Gross revenue increases by 15.7% mainly due to completion of development project and new acquisitions since December 2010.

Property operating expenses increase by 28.7% mainly due to the completion of development project and acquisitions since December 2010, higher electricity charges and land rent.

Non property expenses increase by 22.6% mainly due to higher management fees as a result of higher deposited property as at 31 December 2011.

Net finance costs are higher in 3Q FY11/12 due to lower fair value gain on collateral loan of S$3.0 million as compared to gain of $6.7 million recognised in 3Q FY10/11. Excluding the effect of this, net finance costs are lower mainly due to lower interest rates and higher interest rate swaps income.

Foreign exchange gain mainly arises from translation of JPY9.6 billion Medium Term Notes as at 31 December 2011. The gain on the cross currency swap to hedge the foreign exchange exposure is included in net change in fair value of financial derivatives.

Net change in fair value of financial derivatives relates to fair value gain on cross currency swap of $2.1 million in 3Q FY11/12 (3Q FY10/11: nil) and fair value gain on interest rate swaps of $3.6 million in 3Q FY11/12 (3Q FY10/11: gain of $2.0 million) in accordance with FRS 39.

For 3Q FY11/12, the net appreciation on revaluation of investment properties under development relates to the recognition of fair value gain on valuation of investment properties under development in accordance to FRS 40. The amount for 3Q FY10/11 includes 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.

Net non taxable income and other adjustments are higher in 3Q FY11/12 mainly due to higher fair value gain on financial derivatives of $5.7 million (3Q FY10/11: $2.0 million) and foreign exchange gain on translation of JPY9.6 billion Medium Term Note as at 31 December 2011. 3Q FY11/12 non taxable income also includes tax deduction in relation to upfront fees for new loan facilities. These are offset with lower fair value gain on collateral loan of $3.0 million as compared to fair value gain of S$6.7 million in 3Q FY10/11.

Total amount available for distribution is 17.4% higher than 3Q FY10/11 mainly due to the contribution from the completion of the completion of a development project and new acquisitions from December 2010.

Review of Performance 3Q FY11/12 vs 2Q FY11/12

	Group		
	3Q FY11/12 01/10/11 to 31/12/11 S$'000	2Q FY11/12 01/07/11 to 30/09/11 S$'000	Increase / (Decrease) %
Gross revenue	127,283	121,727	4.6%
Property operating expenses	(33,386)	(31,161)	7.1%
Net property income	93,897	90,566	3.7%
Non property expenses	(8,640)	(8,174)	5.7%
Net finance costs	(10,823)	(6,053)	78.8%
Foreign exchange gain/(loss)	1,513	(15,648)	nm
	(17,950)	(29,875)	(39.9%)
Net income	75,947	60,691	25.1%
Net change in fair value of financial derivatives	5,653	4,438	27.4%
Net appreciation on revaluation of investments properties under development	2,131	-	nm
Total return for the period before income tax expense	83,731	65,129	28.6%
Income tax expenses	(427)	(205)	108.3%
Total return for the period after income tax expense	83,304	64,924	28.3%
Net effect of non (taxable income)/tax deductible expenses and other adjustments	(9,699)	4,565	nm
Net appreciation on revaluation of investment properties under development	(2,131)	-	nm
Income available for distribution	71,474	69,489	2.9%
Distribution from capital (Note a)	996	1,001	(0.5%)
Total amount available for distribution	72,470	70,490	2.8%
Earnings per unit (cents)	4.00	3.12	28.2%
Distribution per unit (cents)	3.48	3.38	3.0%

nm denotes “not meaningful”

Footnote

(a) This relates to a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant.

Gross revenue is higher by 4.6% mainly due to the acquisition of Ascendas Z-Link property in October 2011 via the acquisition of shares in Ascendas ZPark (Singapore) Pte. Ltd. and acquisitions of Corporation Place and 3 Changi Busines Park Vista in December 2011.

Property expenses is higher in 3Q FY11/12 by 7.1% as compared to 2Q FY11/12 mainly due to the completion of new acquisitions in October and December 2011.

Net finance costs is higher in 3Q FY11/12 mainly due to lower fair value gain on collateral loan of $3.0 million as compared to a fair value gain of $8.7 million in 2Q FY11/12.

Foreign exchange gain/(loss) mainly arises from translation of JPY9.6 billion Medium Term Notes as at 31 December 2011 and 30 September 2011. The cross currency swap to hedge the above foreign exchange exposure is included in net change in fair value of financial derivatives.

Net change in fair value of financial derivatives relates to fair value gain on cross currency swap of $2.1 million for 3Q FY11/12 (2Q FY11/12: $18.2 million) and fair value gain on interest rate swaps of $3.6 million for 3Q FY11/12 (2Q FY11/12: loss of $13.8 million) in accordance with FRS 39.

For 3Q FY11/12, the net appreciation on revaluation of investment properties under development relates to the recognition of fair value gain on valuation of investment properties under development in accordance to FRS 40.

The movement in net non (taxable income)/tax deductible expenses and other adjustments are mainly due to foreign exchange gain of S$1.5 million arising from the translation of JPY9.6 billion Medium Term Notes in 3Q FY11/12 (2Q FY11/12: loss of S$15.6 million), fair value gain on collateral loan of $3.0 million in 3Q FY11/12 (2Q FY11/12: $8.7 million), fair value gain on financial derivatives of 5.7 million 3Q FY11/12 (2Q FY11/12: $4.4 million) and tax deduction of upfront fees for new loan facilities of $0.8 million incurred in 3Q FY11/12 (2Q FY11/12: Nil).

Total amount available for distribution is 2.8% higher than 2Q FY11/12 mainly due to the contribution from the completion of new acquisitions in October and December 2011.

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.

Singapore

Singapore's economy is estimated to have expanded by 4.8% in 2011, according to the Ministry of Trade & Industry's (MTI) advance estimates. For 4Q2011, the economy grew by 3.6% on a year-on-year basis compared to a 5.9% growth in 3Q2011. The moderation in growth in the fourth quarter was largely due to a slowdown in the manufacturing sector which grew 6.5% year-on-year in 4Q2011 vis-à-vis a 13.4% growth in the preceding quarter.

The Singapore Purchasing Managers' Index (PMI) for December 2011, despite rising 0.8 points from the previous month to 49.5, continued to indicate contraction in the manufacturing sector for the sixth consecutive month. The contraction is mainly attributed to a further slowdown in new orders from overseas and domestic markets as well as production output.

URA's 3Q 2011 statistics showed that while the price index for industrial properties continued on a upward growth of 7.0% compared to 5.5% in the previous quarter, the industrial rental index grew at a smaller rate of 2.4% versus a 5.7% growth a quarter ago. According to URA, rental rates for business park space inched upward to S$3.85 psf per month. CBRE reported that the average rental rates remained unchanged for factory space and warehouses at $1.90 psf per month and S$1.55 psf per month respectively. Average occupancy improved marginally between 0.1% and 1.3% for the various property segments. Warehouse occupancy showed the largest improvement of 1.3% to 93.6% (2Q: 92.3%), while occupancy for factory space improved modestly by 0.1% to 93.6%. Business park occupancy was 81.9% (2Q: 80.8%).

China

China's GDP growth slowed in 3Q2011 to 9.1% from 9.5% in the 2Q2011 and 9.7% in the 1Q2011 due to weakening external and internal conditions.

The 3Q 2011 CBRE Market View for China report noted that average rents for manufacturing, logistics and R&D facilities continued to increase by 2.5%, 5.6% and 1.9% q-o-q respectively, to RMB 44.4, 32.6 and 106.4 psm per month. Rental levels are expected to continue to improve as a result of the increasing difficulty in sourcing quality space across most major industrial clusters which are close to full occupancy.

Outlook for the financial year ending 31 March 2012

Amid continued uncertain global economic climate, the Government of Singapore expects a period of slow growth with a GDP growth forecast for 2012 of between 1% and 3%.

For the balance of the financial year ending 31 March 2012, A-REIT has 2.1% of its revenue due for renewal. With 96 properties in Singapore and 1 in China, A-REIT has a diversified portfolio of properties across five segments of the business space and industrial property sector. Its good mix of properties with long and short term leases within its portfolio (40% versus 60% by asset value) with a weighted average lease to expiry of about 4.1 years will provide sustainable and predictable earnings for the A-REIT portfolio.

Barring any unforeseen event and further weakening of the economic environment, the Manager expects A-REIT to maintain a stable performance for the financial year.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period :	Yes
Name of distribution :	34th distribution for the period 01 October 2011 to 31 December 2011
Distribution Type :	Income / Capital
Distribution Rate :	Taxable income - 3.43 cents per unit Capital - 0.05 cents per unit
Par value of units :	Not applicable
Tax Rate :	Taxable Income Distribution 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%. Capital Distribution Distributions out of capital are not taxable in the hands of all Unitholders provided that the Units are not held as trading assets. For Unitholders who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the Units, the amount of such distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gain arising from a subsequent disposal of the Units. If the amount exceeds the cost of the Units, the excess will be subject to tax as trading income of such Unitholders.
Book closure date :	27 January 2012
Date payable :	27 February 2012

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding 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 paid :	28 February 2011

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

Not applicable.

13. If the Group has obtained a general mandate from unitholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

A-REIT has not obtained a general mandate from unitholders for interested parties transactions.

14. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines

The Manager hereby certifies that in relation to the distribution to the Unitholders of A-REIT for the period ended 31 December 2011:

a. A-REIT will declare a distribution which is classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant, in addition to the income available for distribution for the period ended 31 December 2011.

b. The Manager is satisfied on reasonable grounds that, immediately after making the distribution, A-REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

A-REIT's current distribution policy is to distribute 100% of its distributable income to Unitholders, other than gains on the sale of properties that are determined by IRAS to be trading gains, and unrealized surplus on revaluation of investment properties and investment properties under development. Distributions are usually made on a quarterly basis at the discretion of the Manager.

15. DIRECTORS CONFIRMATION PURSUANT TO RULE 705(5) 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 in any material aspect.

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 2012

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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 2012

Dear Sirs

Ascendas Real Estate Investment Trust
Review of Interim Financial Information for the period ended 31 December 2011

Introduction

We have reviewed the accompanying Interim Financial Information of Ascendas Real Estate Investment Trust (the "Trust") and its subsidiary (the "Group") for the period ended 31 December 2011.

The Interim Financial Information comprises the balance sheets of the Trust and the Group, and the investment properties portfolio statement of the Group as at 31 December 2011, and the statements of total return, distribution statement and statements of movements in unitholders' funds of the Trust and of the Group, as well as the cash flow statement of the Group 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 the Group, 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.

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 the Statement 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 Group'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, the Group 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