



A-REIT FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 has a diversified portfolio of 94 properties in Singapore, and houses a tenant base of over 1,000 customers across the following sub-sectors: Business & Science Park, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities.

SUMMARY OF A-REIT RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	01/04/11 to 30/09/11 S\$'000	01/04/10 to 30/09/10 S\$'000	Increase / (Decrease) %
Gross revenue	241,666	224,687	7.6%
Net property income	179,342	171,285	4.7%
Total amount available for distribution:	136,400	124,946	9.2%
- from operations	134,393	124,946	7.6%
- from capital (Note a)	2,007	-	nm
	Cents per Unit		
Distribution per Unit ("DPU")	FY11/12	FY10/11	Increase / (Decrease) %
For the quarter from 1 July to 30 September (Note b)	3.38	3.30	2.4%
- from operations	3.33	3.30	0.9%
- from capital	0.05	-	nm
For the six months from 1 April to 30 September (Note b)	6.58	6.67	(1.3%)
- from operations	6.48	6.67	(2.8%)
- from capital	0.10	-	nm
Proforma DPU for the six months from 1 April to 30 September (Note c)	-	6.03	9.1%

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 1H 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 above is computed based on total applicable number of units as at 30 September 2011. In addition, DPU for 1H FY11/12 includes a tax deduction in relation to an upfront fee of \$2.3 million for a new loan facility which has reduced DPU by about 0.11 cents.
- (c) The increase of 9.1% is computed by comparing the actual DPU of 6.58 cents for 1H FY11/12 against the proforma DPU of 6.03 cents for 1H FY10/11. The Proforma DPU for FY10/11 has been calculated using total amount available for distribution for 1H FY10/11 and the applicable number of units as at 30 September 2011 which represents an increase of 11.2% from the applicable number of units as at 30 September 2010. The applicable number of units as at 30 September 2011 includes units issued in pursuant to a private placement in April 2011, units issued for payment of acquisition fee in April 2011, units issued in lieu of the 20% base management fee in December 2010 and June 2011 and units issued for payment of development management fees in Oct 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 July 2011 to 30 September 2011
Distribution Type	Income
Distribution amount	3.33 cents per unit
Payment date	25 November 2011

Class of Units	Ascendas-REIT main stock
Distribution period	1 July 2011 to 30 September 2011
Distribution Type	Capital
Distribution amount	0.05 cent per unit
Payment date	25 November 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 (1H FY11/12 vs 1H FY10/11)

	01/04/11 to 30/09/11 (Note m) S\$'000	01/04/10 to 30/09/10 (Note m) S\$'000	Increase / (Decrease) %
Gross revenue	241,666	224,687	7.6%
Property services fees	(8,432)	(7,188)	17.3%
Property tax	(14,059)	(13,259)	6.0%
Other property operating expenses	(39,833)	(32,955)	20.9%
Property operating expenses	(62,324)	(53,402)	16.7%
Net property income	179,342	171,285	4.7%
Management fee (Note a)	(13,918)	(12,217)	13.9%
Trust expenses (Note b)	(2,685)	(1,765)	52.1%
Finance income (Note c)	13,419	1,135	nm
Finance costs (Note d)	(31,563)	(44,023)	(28.3%)
Foreign exchange loss (Note e)	(16,320)	-	nm
Non property expenses	(51,067)	(56,870)	(10.2%)
Net income	128,275	114,415	12.1%
Net change in fair value of financial derivatives (Note f)	11,338	994	nm
Net appreciation on revaluation of investment properties and investment properties under development (Note g)	-	5,819	(100.0%)
Total return for the period before income tax expense	139,613	121,228	15.2%
Income tax expense (Note h)	(411)	-	nm
Total return for the period after income tax expense	139,202	121,228	14.8%
Net non (taxable income)/tax deductible expense and other adjustments (Note i)	(4,809)	13,004	(137.0%)
Net appreciation on revaluation of investment properties and investment properties under development (Note g)	-	(5,819)	100.0%
Income available for distribution	134,393	128,413	4.7%
Distribution from capital (Note j)	2,007	- (Note k)	nm
Total amount available for distribution	136,400	124,946	9.2%

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

	01/04/11 to 30/09/11 (Note m) S\$'000	01/04/10 to 30/09/10 (Note m) S\$'000	Increase / (Decrease) %
Gross rental income	221,952	203,154	9.3%
Other income (Note l)	19,714	21,533	(8.4%)
Reversal of/(Allowance for) impairment loss on doubtful receivables, net	4	(14)	(128.6%)
Depreciation of plant and equipment	(550)	(635)	(13.4%)

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) Trust expenses for 1H FY11/12 include due diligence costs incurred during the period.
- (c) Finance income includes interest income from interest rate swaps and bank deposits. For 1H FY11/12, it includes fair value gain on collateral loan of \$10.8 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 1H FY11/12 as they comprise mainly interest expenses on loans and interest rate swaps while the finance costs for 1H FY10/11 included fair value loss on collateral loan of \$9.2 mil in addition to the interest expenses.
- (e) Foreign exchange loss relates to loss on translation of JPY9.6 billion Medium Term Notes as at 30 September 2011. The offsetting gain arising from 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 valuation gain on cross currency swap of \$20.6 million in 1H FY11/12 (1H FY10/11: nil) and fair valuation loss on interest rate swaps of \$9.2 million in 1H FY11/12 (1H FY10/11: gain of \$1.0 million) in accordance with FRS 39. For further details, please refer to Note (h) of Page 10 and Page 11.
- (g) The net appreciation on revaluation of investment properties and investment properties under development in 1H FY10/11 relates to the recognition of fair value gain on revaluation of investment properties under development in accordance with FRS 40, offset with a depreciation in value of 1 Senoko Avenue following the demolition of the building for re-development in September 2010.
- (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.
- (i) Net non (taxable income)/tax deductible expenses and other adjustments include units issued to the Manager as part payment of its management fees, changes in fair value on collateral loan and financial derivatives in accordance with FRS 39, foreign exchange loss relating to the loss on translation of JPY Medium Term Note, commitment fee paid on undrawn committed revolving credit facility and accretion adjustments for deferred payments and refundable security deposits. For 1H FY11/12, net non taxable income and other adjustments include a tax deduction in relation to an upfront fee for a new loan facility.
- (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 1H FY11/12. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

- (k) For 1H FY10/11, total amount available for distribution excluded interest income from a finance lease granted to a tenant of \$3.5 million. This income was retained pending further discussion with IRAS on the tax transparency treatment. This 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) 94 properties as at 30 September 2011 vs 92 properties as at 30 September 2010.

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

Property services fees and property tax expenses are higher in 1H FY11/12 generally due to increased number of properties from the completion of development project and acquisitions since September 2010.

Other property operating expenses are 20.9% higher than 1H FY10/11 due to the increase in electricity charges, impact from completion of a development project and acquisitions completed since September 2010 and change in lease structure arising from conversion of properties from single-tenanted to multi-tenanted since September 2010.

Non-property expenses are lower because of a fair value gain on collateral loan of \$10.8 million recognised in 1H FY11/12 as compared to a fair value loss of \$9.2 million recorded in 1H FY10/11. This is offset by foreign exchange loss on translation of JPY9.6 billion Medium Term Notes as at 30 September 2011.

1(a)(ii) Statement of total return (2Q FY11/12 vs 2Q FY10/11)

	01/07/11 to 30/09/11 (Note l) S\$'000	01/07/10 to 30/09/10 (Note l) S\$'000	Increase / (Decrease) %
Gross revenue	121,727	111,080	9.6%
Property services fees	(4,362)	(3,596)	21.3%
Property tax	(7,350)	(7,098)	3.6%
Other property operating expenses	(19,449)	(16,449)	18.2%
Property operating expenses	(31,161)	(27,143)	14.8%
Net property income	90,566	83,937	7.9%
Management fee (Note a)	(7,127)	(6,152)	15.8%
Trust expenses	(1,047)	(937)	11.7%
Finance income (Note b)	10,152	797	nm
Finance costs (Note c)	(16,205)	(43,004)	(62.3%)
Foreign exchange loss (Note d)	(15,648)	-	nm
Non property expenses	(29,875)	(49,296)	(39.4%)
Net income	60,691	34,641	75.2%
Net change in fair value of financial derivatives (Note e)	4,438	2,820	57.4%
Net appreciation on revaluation of investment properties and investment properties under development (Note f)	-	5,819	(100.0%)
Total return for the period before income tax expense	65,129	43,280	50.5%
Income tax expense (Note g)	(205)	-	nm
Total return for the period after income tax expense	64,924	43,280	50.0%
Net non tax deductible expenses and other adjustments (Note h)	4,565	25,630	(82.2%)
Net appreciation on revaluation of investment properties and investment properties under development (Note f)	-	(5,819)	100.0%
Income available for distribution	69,489	63,091	10.1%
Distribution from capital (Note i)	1,001	-(Note j)	nm
Total amount available for distribution	70,490	61,800	14.1%

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

	01/07/11 to 30/09/11 (Note l) S\$'000	01/07/10 to 30/09/10 (Note l) S\$'000	Increase / (Decrease) %
Gross rental income	112,796	102,013	10.6%
Other income (Note k)	8,931	9,067	(1.5%)
Allowance for impairment loss on doubtful receivables, net	(2)	(14)	(85.7%)
Depreciation of plant and equipment	(275)	(360)	(23.6%)

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 includes interest income from interest rate swaps and bank deposits. Finance income is higher in 2Q FY11/12 as it includes fair value gain on collateral loan of \$8.7 million and also higher interest income from interest rate swaps. The collateral loan (with embedded derivatives) has been designated as fair value through profit and loss in accordance with FRS 39.
- (c) 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 1H FY11/12 as they comprise mainly interest expenses on loans and interest rate swaps while the finance costs for 1H FY10/11 included fair value loss on collateral loan of \$26.0 mil in addition to the interest expenses.
- (d) Foreign exchange loss relates to loss on translation of JPY9.6 billion Medium Term Notes as at 30 September 2011. The offsetting gain arising from the fair value change of the cross currency swap to hedge the above foreign exchange exposure is mentioned in Note (e).
- (e) Net change in fair value of financial derivatives relates to fair valuation gain on cross currency swap of \$18.2 million in 2Q FY11/12 (2Q FY10/11: nil) and fair valuation loss on interest rate swaps of \$13.8 million in 2Q FY11/12 (2Q FY10/11: gain of \$2.8 million) in accordance with FRS 39. For further details, please refer to Note (h) of Page 10 and Page 11.
- (f) The net appreciation on revaluation of investment properties and investment properties under development relates to the recognition of fair value gain on revaluation of investment properties under development in accordance with FRS 40, offset with a depreciation in value of 1 Senoko Avenue following the demolition of the building for re-development in September 2010.
- (g) 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.
- (h) Net non tax deductible expenses and other adjustments include units issued to the Manager as part payment of its management fees, changes in fair value on collateral loan and financial derivatives in accordance with FRS 39, foreign exchange loss on translation of JPY Medium Term Note, commitment fee paid on undrawn committed revolving credit facility and accretion adjustments for deferred payments and refundable security deposits.
- (i) 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 2Q FY11/12. Such distribution is not taxable in the hands of all Unitholders, save for Unitholders who are holding the units as trading assets.
- (j) For 2Q FY10/11, total amount available for distribution excluded interest income from a finance lease granted to a tenant of \$1.3 million. This income was retained pending further discussion with IRAS on the tax transparency treatment. This was subsequently distributed in 4Q FY10/11.
- (k) Other income includes revenue from utilities charges, interest income from finance lease receivables, carpark revenue and liquidated damages.

(l) 94 properties as at 30 September 2011 vs 92 properties as at 30 September 2010.

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

Property services fees and property tax expenses are higher in 2Q FY11/12 generally due to increased number of properties from the completion of development project and acquisitions since September 2010.

Other property operating expenses are 18.2% higher than 2Q FY10/11 due to the increase in electricity charges, impact from completion of a development project and acquisition completed since September 2010 and change in lease structure arising from conversion of properties from single-tenanted to multi-tenanted since September 2010.

Non-property expenses are lower because of a fair value gain on collateral loan of \$8.7 million recorded in 2Q FY11/12 as compared to a fair value loss of \$26.0 million recognised in 2Q FY10/11.. The lower non-property expenses in 2Q FY11/12 are offset by foreign exchange loss on translation of JPY9.6 billion Medium Term Note of \$15.6 million (FY10/11: Nil).

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

	30/09/11 S\$'000	31/03/11 S\$'000
Non-current assets		
Investment properties (Note a)	5,385,511	5,254,556
Investment properties under development (Note b)	175,869	26,078
Plant and equipment	2,261	2,811
Finance lease receivable	66,206	67,043
Other assets (Note c)	35,950	26,861
Derivative assets (Note d)	26,593	4,452
	5,692,390	5,381,801
Current assets		
Finance lease receivable	1,633	1,505
Trade and other receivables	34,979	28,451
Cash and cash equivalents	16,215	8,067
	52,827	38,023
Current liabilities		
Trade and other payables (Note e)	107,505	119,539
Security deposits	48,567	41,407
Deferred payments	7,103	6,991
Derivative liabilities	10,605	3,827
Short term borrowings (Note f and h)	254,997	349,883
Medium term notes (Note f and h)	-	149,980
	428,777	671,627
Net current liabilities	(375,950)	(633,604)
Non-current liabilities		
Security deposits	2,042	2,138
Derivative liabilities	71,832	55,901
Deferred tax liabilities (note g)	1,387	976
Medium term notes (Note h)	287,088	270,707
Collateral loan (Note h)	295,662	306,468
Term loans (Note h)	968,886	820,341
	1,626,897	1,456,531
Net assets	3,689,543	3,291,666
Represented by:		
Unitholders' funds	3,689,543	3,291,666
Gross borrowings		
Secured borrowings		
Amount repayable after one year	690,662	701,468
Amount repayable within one year	-	-
Unsecured borrowings		
Amount repayable after one year	869,236	702,916
Amount repayable within one year	255,000	499,900
	1,814,898	1,904,284

Footnotes

- (a) Increase in value of investment properties is mainly due to asset enhancement works at Techview and 10 Toh Guan Road and the acquisition of Nordic in July 2011.
- (b) Value of investment properties under development increases mainly due to the progress of the development projects at 1 Senoko Avenue and the Fedex built-to-suit logistics facility and acquisition of the Fusionopolis land.
- (c) Increase in other assets is mainly due to option fees paid for an acquisition project.
- (d) Increase in derivative assets relates to favourable change in fair value of interest rates swaps.
- (e) Decrease in trade and other payables is mainly due to payment of accrued performance fees at 31 March 2011 and reduction in rental received in advance.
- (f) Short term borrowings and Medium Term Notes have decreased following the repayment of certain revolving credit facilities and redemption of the \$150 million Medium Term Notes.
- (g) 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.

(h) 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 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 30 September 2011, 75.9% of A-REIT's interest rate exposure is fixed with an overall weighted average tenure of 3.8 years (after taking into consideration effects of the interest rate swaps). As a result, the overall weighted average cost of funds as at 30 September 2011 is 3.1% (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 (1H FY11/12 vs 1H FY10/11)

	01/04/11 to 30/09/11 S\$'000	01/04/10 to 30/09/10 S\$'000
Operating activities		
Net income	128,275	114,415
Adjustments for		
Finance income	(13,419)	(1,135)
(Reversal of)/Allowance for impairment loss on doubtful receivables	(4)	14
Finance costs	31,563	44,023
Management fees paid/payable in units	2,784	2,443
Depreciation of plant and equipment	550	635
Foreign exchange loss	16,320	-
Operating income before working capital changes	166,069	160,395
Changes in working capital		
Trade and other receivables	(5,013)	(3,586)
Trade and other payables	(5,860)	(8,043)
	(10,873)	(11,629)
Cash flows generated from operating activities	155,196	148,766
Investing activities		
Purchase of investment properties	(106,469)	(114,982)
Payment for investment properties and other assets under development	(140,687)	(15,954)
Purchase of plant and equipment	-	(163)
Payment for capital improvement projects	(10,427)	(3,947)
Payment of deferred settlements	-	(500)
Deposits paid for tender, development and acquisition	(27,501)	-
Interest received	2,302	811
Cash flows used in investing activities	(282,782)	(134,735)
Financing activities		
Equity issue costs paid	(6,177)	-
Proceeds from issue of units	400,001	-
Distributions paid to Unitholders	(127,115)	(114,207)
Finance costs paid	(33,779)	(34,529)
Transaction costs paid in respect of borrowings	(2,296)	-
Proceeds from borrowings	706,000	549,100
Repayment of borrowings	(800,900)	(401,400)
Transaction costs paid in respect of collateral loan	-	(2,445)
Cash flows generated from/(used in) financing activities	135,734	(3,481)
Net increase in cash and cash equivalents	8,148	10,550
Cash and cash equivalents at beginning of the financial period	8,067	8,666
Cash and cash equivalents at end of the financial period	16,215	19,216

1 (c)(ii) Cash flow statement (2Q FY11/12 vs 2Q FY10/11)

	01/07/11 to 30/09/11 S\$'000	01/07/10 to 30/09/10 S\$'000
Operating activities		
Net income	60,691	34,641
Adjustments for		
Finance income from financial institutions	(10,152)	(797)
Allowance for impairment loss on doubtful receivables, net	2	14
Finance costs	16,205	43,004
Management fees paid/payable in units	1,426	1,230
Depreciation of plant and equipment	275	360
Foreign exchange gain	15,648	-
Operating income before working capital changes	84,095	78,452
Changes in working capital		
Trade and other receivables	(2,582)	3,440
Trade and other payables	(442)	(3,643)
	(3,024)	(203)
Cash flows generated from operating activities	81,071	78,249
Investing activities		
Purchase of investment properties	(106,469)	-
Payment for investment properties and other assets under development	(128,614)	(7,117)
Purchase of plant and equipment	-	(163)
Payment for capital improvement projects	(4,291)	(1,390)
Deposits paid for tender and acquisition	(9,210)	-
Interest received	1,116	684
Cash flows used in investing activities	(247,468)	(7,986)
Financing activities		
Equity issue costs paid	(60)	-
Distributions paid to Unitholders	(58,516)	(63,125)
Finance costs paid	(17,355)	(16,698)
Transaction costs paid in respect of borrowings	(11)	-
Proceeds from borrowings	545,000	343,400
Repayment of borrowings	(301,000)	(323,100)
Cash flows generated from/(used in) financing activities	168,058	(59,523)
Net increase in cash and cash equivalents	1,661	10,740
Cash and cash equivalents at beginning of the period	14,554	8,476
Cash and cash equivalents at end of the financial period	16,215	19,216

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

	01/04/11 to 30/09/11 S\$'000	01/04/10 to 30/09/10 S\$'000
Balance at beginning of the financial period	3,291,666	2,946,974
Operations		
Net income	128,275	114,415
Net change in fair value of financial derivatives	11,338	994
Net appreciation on revaluation of investment properties and investment properties under development (Note a)	-	5,819
Income tax expense	(411)	-
Net increase in net assets resulting from operations	139,202	121,228
Hedging transactions		
Effective portion of changes in fair value of financial derivatives (Note b)	(16,599)	(15,572)
Changes in fair value of financial derivatives transferred to the Statement of Total Return	4,694	263
Net decrease in net assets resulting from hedging transactions	(11,905)	(15,309)
Unitholders' transactions		
New units issued	400,001	-
Acquisition fees (IPT acquisition) paid in units	1,256	1,160
Management fees paid in units	2,591	2,556
Equity issue costs	(6,153)	-
Distributions to Unitholders	(127,115)	(114,207)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	270,580	(110,491)
Balance at end of the financial period	3,689,543	2,942,402

Footnotes

(a) The net appreciation on revaluation of investment properties and investment properties under development in 1H FY10/11 relates to the recognition of fair value gain on revaluation of investment properties under development in accordance with FRS 40, offset with a depreciation in value of 1 Senoko Avenue following the demolition of the building for re-development in September 2010.

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

Statement of movement in unitholders' funds (2Q FY11/12 vs 2Q FY10/11)

	01/07/11 to 30/09/11 S\$'000	01/07/10 to 30/09/10 S\$'000
Balance at beginning of financial period	3,685,753	2,967,620
Operations		
Net income	60,691	34,641
Net change in fair value of financial derivatives	4,438	2,820
Net appreciation on revaluation of investment properties and investment properties under development (Note a)	-	5,819
Income tax expense	(205)	-
Net increase in net assets resulting from operations	64,924	43,280
Hedging transactions		
Effective portion of changes in fair value of financial derivatives (Note b)	(6,546)	(5,636)
Changes in fair value of financial derivatives transferred to the Statement of Total Return	3,928	263
Net decrease in net assets resulting from hedging transactions	(2,618)	(5,373)
Unitholders' transactions		
Distributions to Unitholders	(58,516)	(63,125)
Net decrease in net assets resulting from Unitholders' transactions	(58,516)	(63,125)
Balance at end of the financial period	3,689,543	2,942,402

Footnotes

- (a) The net appreciation on revaluation of investment properties and investment properties under development in 2Q FY10/11 relates to the recognition of fair value gain on revaluation of investment properties under development in accordance with FRS 40, offset with a depreciation in value of 1 Senoko Avenue following the demolition of the building for re-development in September 2010.
- (b) In both FY10/11 and FY11/12, forward interest rates at the end of the period are 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.

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

	01/04/11 to 30/09/11 Units	01/04/10 to 30/09/10 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	629,794	617,678
- Management fees paid in units	1,301,946	1,361,125
Balance at end of the financial period	2,082,410,675	1,873,132,504

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 30 September 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

6.1 EPU for 2Q FY11/12 compared to 1Q FY11/12

Basic EPU (Note a)

Weighted average number of units
Earnings per Unit in cents (EPU)

Dilutive EPU (Note b)

Weighted average number of units
Earnings per Unit in cents (Dilutive EPU)

2Q FY11/12 01/07/11 to 30/09/11	1Q FY11/12 01/04/11 to 30/06/11
2,082,410,675	2,058,471,751
3.12	3.61
2,209,319,597	2,185,380,672
2.60	3.36

6.2 EPU for 2Q FY11/12 compared to 2Q FY10/11

Basic EPU (Note a)

Weighted average number of units
Earnings per Unit in cents (EPU)

Dilutive EPU (Note b)

Weighted average number of units
Earnings per Unit in cents (Dilutive EPU)

2Q FY11/12 01/07/11 to 30/09/11	2Q FY10/11 01/07/10 to 30/09/10
2,082,410,675	1,873,132,504
3.12	2.31
2,209,319,597	1,995,581,483
2.60	2.31

6.3 EPU for 1H FY11/12 compared to 1H FY10/11

Basic EPU (Note a)

Weighted average number of units
Earnings per unit in cents (EPU)

Dilutive EPU (Note b)

Weighted average number of units
Earnings per unit in cents (Dilutive EPU)

1H FY11/12 01/04/11 to 30/09/11	1H FY10/11 01/04/10 to 30/09/10
2,070,506,620	1,872,170,135
6.72	6.48
2,197,415,541	1,994,619,114
5.95	6.48

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 2Q ended 30 September 2011, 1Q ended 30 June 2011 and 2Q ended 30 September 2010, the dilutive EPU are computed on the basis that the collateral loan was converted at the beginning of the period.

A-REIT Announcement of Results for the Financial Period Ended 30 SEPTEMBER 2011

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.

6.4 DPU for 2Q FY11/12 compared to 1Q FY11/12

Number of units in issue at end of period
 Applicable number of units
 Distribution per Unit in cents (Note a and b)

2Q FY11/12 01/07/11 to 30/09/11	1Q FY11/12 01/04/11 to 30/06/11
2,082,410,675	2,082,410,675
2,083,313,388	2,059,752,873
3.38	3.20

6.5 DPU for 2Q FY11/12 compared to 2Q FY10/11

Number of units in issue at end of period
 Applicable number of units
 Distribution per Unit in cents (Note a and b)

2Q FY11/12 01/07/11 to 30/09/11	2Q FY10/11 01/07/10 to 30/09/10
2,082,410,675	1,873,132,504
2,083,313,388	1,873,132,504
3.38	3.30

For Information Only

Proforma DPU (Note c)

-	2.97
---	------

6.6 DPU for 1H FY11/12 compared to 1H FY10/11

Number of units in issue at end of period
 Applicable number of units
 Distribution per unit in cents (Note a and b)

1H FY11/12 01/04/11 to 30/09/11	1H FY10/11 01/04/10 to 30/09/10
2,082,410,675	1,873,132,504
2,072,945,287	1,873,132,504
6.58	6.67

For Information Only

Proforma DPU (Note c)

-	6.03
---	------

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, 1H FY11/12 includes a tax deduction in relation to an upfront fee for a new loan facility. This has reduced DPU by 0.11 cents.

- (c) The Proforma DPU for 2Q FY10/11 has been calculated using total amount available for distribution for 2Q FY10/11 and the applicable number of units as at 30 September 2011 which represents an increase of 11.2% from the applicable number of units as at 30 September 2010. The applicable number of units as at 30 September 2011 includes units issued pursuant to the private placement in April 2011, units issued for payment of acquisition fees in April 2011, units issued in lieu of the 20% base management fees in December 2010 and June 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 constituted an Interested Party Transaction.

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

	30/09/11 cents	31/03/11 cents
Net asset value per unit	177.2	175.6
Adjusted net asset value per unit (Note a)	173.8	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 2Q FY11/12 vs 2Q FY10/11

	2Q FY11/12 01/07/11 to 30/09/11 S\$'000	2Q FY10/11 01/07/10 to 30/09/10 S\$'000	Increase / (Decrease) %
Gross revenue	121,727	111,080	9.6%
Property operating expenses	(31,161)	(27,143)	14.8%
Net property income	90,566	83,937	7.9%
Non property expenses	(8,174)	(7,089)	15.3%
Net finance costs	(6,053)	(42,207)	(85.7%)
Foreign exchange loss	(15,648)	-	nm
	(29,875)	(49,296)	(39.4%)
Net income	60,691	34,641	75.2%
Net change in fair value of financial derivatives	4,438	2,820	57.4%
Net appreciation on revaluation of investment properties and investment properties under development	-	5,819	(100.0%)
Total return for the period before income tax expense	65,129	43,280	50.5%
Income tax expense	(205)	-	nm
Total return for the period after income tax expense	64,924	43,280	50.0%
Net non tax deductible expenses and other adjustments	4,565	25,630	(82.2%)
Net appreciation on revaluation of investment properties and investment properties under development	-	(5,819)	100.0%
Income available for distribution	69,489	63,091	10.1%
Distribution from capital (Note a)	1,001	-(Note b)	nm
Total amount available for distribution	70,490	61,800	14.1%
Earnings per unit (cents)	3.12	2.31	35.1%
Distribution per unit (cents)	3.38	3.30	2.4%

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 2Q FY11/12.

(b) For 2Q FY10/11, total amount available for distribution excluded interest income from a finance lease granted to a tenant of \$1.3 million. This income was retained pending further discussion with IRAS on the tax transparency treatment. This was subsequently distributed in 4Q FY10/11.

Gross revenue increases by 9.6% mainly due to completion of development project and new acquisitions since September 2010.

Property operating expenses increase by 14.8% mainly due to the completion of development project and acquisitions since September 2010, higher electricity charges and changes in lease structure arising from conversion of properties from single-tenanted to multi-tenanted since 30 September 2010.

Non property expenses increase by 15.3% mainly due to higher management fees as a result of higher deposited properties as at 31 September 2011.

Net finance costs are lower in 2Q FY11/12 as they include fair value gain on collateral loan of S\$8.7 million as compared to loss of \$26.0 million recognised in 2Q 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 loss arises from translation of JPY9.6 billion Medium Term Notes as at 30 September 2011. The offsetting gain on 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 valuation gain on cross currency swap of \$18.2 million in 2Q FY11/12 (2Q FY10/11: nil) and fair valuation loss on interest rate swaps of \$13.8 million in 2Q FY11/12 (2Q FY10/11: gain of \$2.8 million) in accordance with FRS 39.

For 2Q FY10/11, the net appreciation on revaluation of investment properties and investment properties under development relates to the recognition of fair value gain on revaluation of investment properties under development in accordance with FRS 40, offset with a depreciation in value of 1 Senoko Avenue following the demolition of the building for re-development in September 2010.

Net non tax deductible expenses and other adjustments are lower in 2Q FY11/12 mainly due to fair value gain on collateral loan of \$8.7 million as compared to fair value loss of S\$26.0 million in 2Q FY10/11, offset by foreign exchange loss on translation of JPY9.6 billion Medium Term Note as at 30 September 2011.

Review of Performance 2Q FY11/12 vs 1Q FY11/12

	2Q FY11/12 01/07/11 to 30/09/11 S\$'000	1Q FY11/12 01/04/11 to 30/06/11 S\$'000	Increase / (Decrease) %
Gross revenue	121,727	119,939	1.5%
Property operating expenses	(31,161)	(31,163)	(0.0%)
Net property income	90,566	88,776	2.0%
Non property expenses	(8,174)	(8,429)	(3.0%)
Net finance costs	(6,053)	(12,091)	(49.9%)
Foreign exchange loss	(15,648)	(672)	nm
	(29,875)	(21,192)	41.0%
Net income	60,691	67,584	(10.2%)
Net change in fair value of financial derivatives	4,438	6,900	(35.7%)
Total return for the period before income tax expense	65,129	74,484	(12.6%)
Income tax expenses	(205)	(206)	(0.5%)
Total return for the period after income tax expense	64,924	74,278	(12.6%)
Net non tax deductible expenses/(taxable income) and other adjustments	4,565	(9,374)	(148.7%)
Income available for distribution	69,489	64,904	7.1%
Distribution from capital (Note a)	1,001	1,006	(0.5%)
Total amount available for distribution	70,490	65,910	6.9%
Earnings per unit (cents)	3.12	3.61	(13.6%)
Distribution per unit (cents)	3.38	3.20	5.6%

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 1.5% mainly due to the completion of a new acquisition in July 2011.

Property expenses remain about the same in 2Q FY11/12 vs 1Q FY11/12 mainly due to higher property expenses with the completion of a new acquisition in July 2011, offset by lower electricity charges.

A-REIT Announcement of Results for the Financial Period Ended 30 SEPTEMBER 2011

Net finance costs in 2Q FY11/12 include a fair value gain on collateral loan of approximately S\$8.7 million as compared to a fair value gain of approximately S\$2.1 million in 1Q FY11/12.

Foreign exchange loss arises from translation of JPY9.6 billion Medium Term Notes as at 30 September 2011 and 30 June 2011. The offsetting gain on 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 valuation gain on cross currency swap of \$18.2 million for 2Q FY11/12 (1Q FY11/12: \$2.3 million) and fair valuation loss on interest rate swaps of \$13.8 million for 2Q FY11/12 (1Q FY11/12: gain of \$4.6 million) in accordance with FRS 39.

The movement in net non tax deductible expenses/(taxable income) and other adjustments are mainly due to foreign exchange loss of S\$15.6 million arising from the translation of JPY9.6 billion Medium Term Notes in 2Q FY11/12 (1Q FY11/12: S\$0.7 million), fair value gain on collateral loan of \$8.7 million in 2Q FY11/12 (1Q FY11/12: \$2.1 million), fair value gain on financial derivatives of \$4.4 million 2Q FY11/12 (1Q FY11/12: \$6.9 million) and tax deduction of an upfront fee for a new loan of \$2.3 million incurred in 1Q FY11/12 (2Q FY11/12: Nil).

Total amount available for distribution is 6.9% higher than 1Q FY11/12 mainly due to the contribution from the completion of new acquisition in July 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.

According to the Ministry of Trade & Industry's (MTI) advance estimates, the Singapore's economy grew by 5.3% year-on-year in Q3 2011. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy grew by 1.3%, after contracting 6.3% in the previous quarter. The improvement in the economy was mainly a result of growth in the biomedical cluster which more than offset the decline in the electronics sector.

The Singapore Purchasing Managers' Index (PMI) for September indicated that the manufacturing sector has contracted for the third consecutive month after 9 months of continual expansion. The PMI of 48.3 was a decline of 1.1 point over the previous month.

URA's 2Q 2011 statistics showed that the price and rental indices of Singapore's industrial space has, after seven quarters of consecutive growth, moderated to register a rise of 5.5% and 5.7% q-o-q respectively. However, while average occupancy rate for the factory and warehouse sector declined marginally to 93.5% and 92.3% respectively (1Q: 93.9%; 92.8%), rental rates for factories and warehouses rose by S\$0.05 to S\$1.90 psf per month and S\$1.75 psf per month respectively (1Q: S\$1.85 and S\$1.70 respectively). Occupancy for the business park continued to improve for the third consecutive quarter to 80.8% (1Q: 77.8%). On the other hand, rental rates for business park declined slightly by S\$0.10 to S\$3.70 psf per month.

Outlook for the financial year ending 31 March 2012

MTI moderated its economic growth forecast for Singapore to 5% for 2011 as a result of the deteriorating global economic conditions. The electronics manufacturing cluster was singled out as a weak spot, impacted by the easing of global electronics demand.

Within A-REIT's portfolio of 94 properties, tenants from the electronics sector account for about 11.9% of A-REIT's portfolio gross revenue. A-REIT continues to have a good mix of properties with long and short term leases within its portfolio (48% versus 52% by asset value) with a weighted average lease to expiry of about 4.3 years.

For the balance of the financial year ending 31 March 2012, A-REIT has 6.7% of its revenue due for renewal. Barring any unforeseen event and further weakening of the economic environment, the Manager expects A-REIT to sustain its current performance.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period :	Yes
Name of distribution :	33 rd distribution for the period 01 July 2011 to 30 September 2011
Distribution Type :	Income / Capital
Distribution Rate :	Taxable income - 3.33 cents per unit Capital - 0.05 cents per unit
Par value of units :	Not applicable
Tax Rate :	<u>Taxable Income Distribution</u> 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%. <u>Capital Distribution</u> 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 :	25 October 2011
Date payable :	25 November 2011

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	29 th distribution for the period 01 July 2010 to 30 September 2010
Distribution Type :	Income
Distribution Rate :	3.30 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 October 2010
Date paid :	26 November 2010

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

Not applicable.

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 30 September 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 30 September 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.

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 October 2011



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

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 October 2011

Dear Sirs

Ascendas Real Estate Investment Trust
Review of Interim Financial Information for the period ended 30 September 2011

Introduction

We have reviewed the accompanying Interim Financial Information of Ascendas Real Estate Investment Trust ("A-REIT") for the period ended 30 September 2011.

The Interim Financial Information comprises the balance sheet and investment properties portfolio statement as at 30 September 2011, 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 information (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.



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 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
*Public Accountants and
Certified Public Accountants*
Singapore

