



A-REIT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

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-MGM Funds Management Limited as the Manager of A-REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of A-REIT, as amended by a First Supplemental Deed dated 16 January 2004, a Second Supplemental Deed dated 23 February 2004, a Third Supplemental Deed dated 30 September 2004 and a Fourth Supplemental Deed dated 17 November 2004.

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.

Upon listing in November 2002, the property portfolio of A-REIT consisted of eight properties - The Alpha, The Aries, The Capricorn, The Gemini, Honeywell Building, Techlink, Techplace I and Techplace II. Since listing, the portfolio has been diversified through the acquisition of the following properties:

OSIM HQ Building in June 2003, Ghim Li Building and Ultro Building in October 2003, IDS Logistics Corporate Headquarters in February 2004, Changi Logistics Centre, Trivec Building, TT International Tradepark and Siemens Center in March 2004.

Nan Wah Building in May 2004, Progen Building and C&P Logistics Hub in July 2004, SB Building in November 2004, Exklusiv Centre, Xilin Districentre Buildings A&B (formerly CG Aerospace Building), Xilin Districentre Building D (formerly Fedex Building), Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building, Autron Building, Wisma Gulab, Steel Industries Building@Tai Seng, Volex Building, Infineon Building and Techpoint in December 2004, Telepark, Kim Chuan Telecommunications Complex, KA Centre and KA Place in March 2005.

AEM-Everttech Building, Da Vinci Building, Hyflux Building and MSL Building in April 2005, Xilin Districentre Building C (formerly 7 Changi South Street 2) in May 2005, Weltech Building in May 2005, BBR Building in June 2005, Pacific Tech Centre in July 2005 and SENKEE Logistics Hub in September 2005, Hoya Building, LogisHub@Clementi, Techquest, Techview, Accord Famous Distri Centre, Trivec@Tampines, Cityneon Design Centre, NNB Industrial Building and Dynasty in October 2005, Ness Building, JEL Centre and PSB Building in November 2005 and Steel Industries Building@Tampines and Hamilton Sundstrand Building in December 2005.

In the quarter under review, A-REIT acquired Thales Building in January 2006, Aztech Building and Noel Corporate Building in February 2006 and 138 Depot Road and 150 Ubi Avenue 4 in March 2006.

A-REIT has signed put and call option agreements with Cold Storage and Courts to develop two warehouse retail facilities under the Warehouse Retail Scheme ("WRS") which will expect to achieve TOP in March 2007 and Oct/Nov 2006 respectively. In addition put and call options have been signed with Labone and Sembawang Kimtrans for property acquisitions which are expected to complete in mid 2006.

A-REIT now has a diversified portfolio of 64 properties and houses a tenant base of more than 700 customers.

1(a)

Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Income statement (Year ended 31 March 06 vs Year ended 31 March 05)

	Actual 01/04/05 to 31/03/06 (Note e) S\$'000	Actual 01/04/04 to 31/03/05 (Note e) S\$'000	Increase / (Decrease) %
Gross revenue	227,153	128,987	76%
Property services fees	(6,406)	(3,758)	70%
Property tax	(13,363)	(7,449)	79%
Other property operating expenses	(33,826)	(21,666)	56%
Property operating expenses	(53,595)	(32,873)	63%
Net property income	173,558	96,114	81%
Interest income	214	73	193%
Manager's fee (Note a)	(12,354)	(7,020)	76%
Performance fee	(5,617)	(4,229)	33%
Trust expenses	(1,516)	(1,215)	25%
Borrowing costs (Note b)	(22,293)	(8,506)	162%
Non property expenses	(41,566)	(20,897)	99%
Net income	131,992	75,217	75%
Non tax deductible expenses (Note c)	10,641	8,948	19%
Net income available for distribution (Note d)	142,633	84,165	69%

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

	Actual 01/04/05 to 31/03/06 (Note e) S\$'000	Actual 01/04/04 to 31/03/05 (Note e) S\$'000
Gross rental income	210,422	117,597
Other income	16,731	11,390
Allowance for doubtful receivables, net	(45)	(37)
Depreciation of fixed assets	(349)	-

Footnotes

- (a) As approved at the Extraordinary General Meeting held on 2 November 2004, and effective from 1 April 2005, the Manager has elected to receive the base management fee on all properties purchased after October 2004 wholly in cash. The payment of the base management fee on properties acquired before October 2004 will continue to be in the form of 50% cash and 50% units.
- (b) Borrowing costs for the years ended 31 March 2006 and 31 March 2005 represents interest expense on loans and amortised costs of establishing debt facilities (including the CMBS). For the year ended 31 March 2006, borrowing costs also include the accretion adjustments for deferred payments and refundable security deposits (charge of \$1.1 million) and the fair value change of the \$127.5 million interest rate cap (gain of \$1.2 million).
- (c) Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees/performance fees, non-cash adjustments required under FRS39 and other non-tax deductible or non-taxable items which are added back.
- (d) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sales of real properties determined to be trading gains). The taxable income has generally been distributed to unitholders on a semi-annual basis up to 30 September 2004 and on a quarterly basis from 1 October 2004.
- (e) 64 properties in year ended 31 March 2006 vs 36 properties in year ended 31 March 2005.

1(a)(ii) Income statement (4Q FY 2006 vs 4Q FY 2005)

	Actual 01/01/06 to 31/03/06 (Note e) S\$'000	Actual 01/01/05 to 31/03/05 (Note e) S\$'000	Increase / (Decrease) %
Gross revenue	63,826	40,949	56%
Property services fees	(2,147)	(1,150)	87%
Property tax	(4,248)	(1,186)	258%
Other property operating expenses	(10,708)	(5,452)	96%
Property operating expenses	(17,103)	(7,788)	120%
Net property income	46,723	33,161	41%
Interest income	89	18	394%
Manager's fee (Note a)	(3,396)	(2,339)	45%
Performance fee	(5,617)	(4,229)	33%
Trust expenses	(464)	(347)	34%
Borrowing costs (Note b)	(7,489)	(2,916)	157%
Non property expenses	(16,877)	(9,813)	72%
Net income	29,846	23,348	28%
Non tax deductible expenses (Note c)	7,416	5,911	25%
Net income available for distribution (Note d)	37,262	29,259	27%

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

	Actual 01/01/06 to 31/03/06 (Note e) S\$'000	Actual 01/01/05 to 31/03/05 (Note e) S\$'000
Gross rental income	58,894	40,391
Other income	4,932	558
Allowance for doubtful receivables, net	12	(42)
Depreciation of fixed assets	(96)	-

Footnotes

- (a) As approved at the Extraordinary General Meeting held on 2 November 2004, and effective from 1 April 2005, the Manager has opted to receive the base management fee on all properties purchased after October 2004 wholly in cash. The payment of the base management fee on properties acquired before October 2004 will continue to be in the form of 50% cash and 50% units.
- (b) Borrowing costs for the years ended 31 March 2006 and 31 March 2005 represents interest expense on loans and amortised costs of establishing debt facilities (including the CMBS). For the year ended 31 March 2006, borrowing costs also include the accretion adjustments for deferred payments and refundable security deposits (charge of \$1.1 million) and the fair value change of the \$127.5 million interest rate cap (gain of \$1.2 million).
- (c) Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees/performance fees, non-cash adjustments required under FRS39 and other non-tax deductible or non-taxable items which are added back.
- (d) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sales of real properties determined to be trading gains). The taxable income is generally distributed to unitholders on a semi-annual basis up to 30 September 2004 and on a quarterly basis from 1 October 2004.
- (e) 64 properties in 4Q 2006 vs 36 properties in 4Q 2005.

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

	Actual 31/03/06 S\$'000	Actual 31/03/05 S\$'000
Assets		
Investment properties	2,733,681	2,076,893
Properties under development	25,213	-
Plant and equipment	2,363	-
Trade and other receivables	41,273	28,501
Deposits and prepayments	576	1,754
Cash	4,389	5,164
Total assets	2,807,495	2,112,312
Liabilities		
Trade and other payables	69,635	50,602
Deferred payments	59,648	82,330
Borrowings (net of transaction costs)	969,841	553,920
Total liabilities (excluding net assets attributable to unitholders)	1,099,124	686,852
Net assets attributable to unitholders	1,708,371	1,425,460
Represented by:		
Net assets attributable to unitholders	1,708,371	1,425,460
Gross Borrowings		
Secured borrowings		
Amount repayable after one year	649,965	300,000
Unsecured borrowings		
Amount repayable within one year (note a)	322,850	256,000
	972,815	556,000

Footnote

(a) *Relates to borrowings from revolving credit facilities.*

Details of borrowings & collateral

Two term loans of \$300 million and \$350 million were granted by a special purpose company, Emerald Assets Limited ("Emerald Assets") at a floating interest rate of the Singapore 3 month swap offer rate plus a margin of 0.325% per annum and 0.265% per annum respectively.

As security for the credit facilities granted by Emerald Assets, the Trustee has granted in favour of Emerald Assets the following:

- (i) a mortgage over the 17 properties acquired before July 2004 ("Portfolio 1 properties") and a mortgage over the 23 properties acquired between July 2004 and April 2005 ("Portfolio 2 properties").
- (ii) an assignment and charge of the rental proceeds and tenancy agreements in the Portfolio 1 properties and Portfolio 2 properties.
- (iii) an assignment of the insurance policies relating to the Portfolio 1 properties and Portfolio 2 properties.
- (iv) a fixed and floating charge over certain assets of the Trust relating to the Portfolio 1 properties and Portfolio 2 properties.

In addition, A-REIT has in place the following bank facilities:

- (i) \$100 million unsecured uncommitted revolving credit facility granted by DBS Bank Limited.
- (ii) \$150 million unsecured uncommitted revolving credit facility granted by Citibank, N.A., Singapore Branch.
- (iii) \$150 million unsecured uncommitted revolving credit facility granted by Oversea-Chinese Banking Corporation Limited.
- (iv) \$150 million unsecured uncommitted revolving credit facility granted by BNP Paribas.
- (v) \$300 million unsecured uncommitted revolving credit facility granted by The United Overseas Bank Limited.
- (vi) \$45 million letter of guarantee granted by Oversea-Chinese Banking Corporation Limited.

As at 31 March 2006, \$322.9 million has been drawn from these facilities.

Interest rate swaps of \$733.2 million (75.4% of total debt) have been effected to provide fixed rate funding for terms of 3 to 7 years at an average interest rate of 3.01%. The \$733.2 million of debt fixed through swaps has a weighted average term remaining of 4.85 years. The fair value of the swaps which is included in other receivables is \$20.36 million as at 31 March 2006. A 2 year interest rate cap with a nominal value of \$127.5 million was transacted during the year under review to cap the floating interest rate. The fair value of the interest rate cap which is included in other receivables is \$1.7 million as at 31 March 2006. A-REITs weighted average funding cost as at 31 March 2006 is 3.49% (including margins charged on the loans and amortised/annual costs of the Commercial Mortgage Backed Securities programme).

The fair value changes relating to the interest rate swaps and interest rate cap are recognised in Net Assets Attributable to Unitholders and Statement of Total Return, respectively.

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

1(c)(i) **Cash flow statement (Year ended 31 March 2006 vs Year ended 31 March 2005)**

	Actual 01/04/05 to 31/03/06 S\$'000	Actual 01/04/04 to 31/03/05 S\$'000
Operating activities		
Net income	131,992	75,217
Adjustment for		
Interest income	(214)	(73)
Provision for doubtful receivables	45	37
Borrowing costs	22,293	8,506
Fund manager's fee paid/payable in units	9,009	7,739
Depreciation	349	-
Operating income before working capital changes	163,474	91,426
Changes in working capital		
Trade and other receivables	12,964	(8,164)
Trade and other payables	2,171	2,248
	15,135	(5,916)
Cash generated from operating activities	178,609	85,510
Investing activities		
Purchase of investment properties (including acquisition costs)	(586,023)	(848,140)
Properties under development	(25,028)	-
Purchase of plant and equipment	(2,712)	-
Payment for capital improvement projects	(5,690)	(15,284)
Payment of deferred settlements	(30,797)	(5,000)
Deposits paid for purchase of investment properties	(4,208)	(8,223)
Cash flows from investing activities	(654,458)	(876,647)
Financing activities		
Equity issue costs paid	(1,442)	(10,597)
Proceeds from issue of units	216,903	597,904
Distributions to unitholders paid	(134,600)	(78,285)
Borrowing costs paid	(22,818)	(8,933)
Interest received	214	73
Proceeds from borrowings	1,113,617	934,400
Repayment of borrowings	(696,800)	(642,200)
Cash flows from financing activities	475,074	792,362
Net (decrease)/increase in cash and cash equivalents	(775)	1,226
Cash and cash equivalents at beginning of the period	5,164	3,938
Cash and cash equivalents at end of the period	4,389	5,164

1(c)(ii) **Cash flow statement (4Q FY 2006 vs 4Q FY 2005)**

	Actual 01/01/06 to 31/03/06 S\$'000	Actual 01/01/05 to 31/03/05 S\$'000
Operating activities		
Net income	29,846	23,348
Adjustment for		
Interest income	(89)	(18)
Provision for doubtful receivables	(12)	42
Borrowing costs	7,489	2,916
Fund manager's fee paid/payable in units	6,459	5,399
Depreciation	96	-
Operating income before working capital changes	43,789	31,687
Changes in working capital		
Trade and other receivables	3,482	1,373
Trade and other payables	14,275	(7,739)
	17,757	(6,366)
Cash generated from operating activities	61,546	25,321
Investing activities		
Purchase of investment properties (including acquisition costs)	(112,869)	(255,555)
Purchase of investment properties under development	(25,028)	-
Purchase of plant and equipment	(55)	-
Payment for capital improvement projects	(519)	(5,174)
Payment of deferred settlements	(7,664)	-
Deposits paid for purchase of investment properties	(236)	(3,181)
Cash flows from investing activities	(146,371)	(263,910)
Financing activities		
Equity issue costs paid	(244)	(3,485)
Proceeds from issue of units	-	82,904
Distributions to unitholders paid	(36,911)	(21,138)
Borrowing costs paid	(7,056)	(1,607)
Interest received	89	18
Proceeds from borrowings	372,851	216,000
Repayment of borrowings	(244,100)	(36,000)
Cash flows from financing activities	84,629	236,692
Net decrease in cash and cash equivalents	(196)	(1,897)
Cash and cash equivalents at beginning of period	4,585	7,061
Cash and cash equivalents at end of the period	4,389	5,164

1(d)(i) Net assets attributable to unitholders (Year ended 31 March 2006 vs Year ended 31 March 2005)

	Actual 01/04/05 to 31/03/06 S\$'000	Actual 01/04/04 to 31/03/05 S\$'000
Balance at beginning of period	1,425,460	691,650
Effect of adopting FRS 39	8,270	-
	1,433,730	691,650
Operations		
Net income	131,992	75,217
Net appreciation on revaluation of investment properties (Note a)	13,188	21,823
Net increase in net assets resulting from Operations	145,180	97,040
Hedging transactions		
Changes in fair value included in hedging reserve - effective hedge	19,111	-
Unitholders' transactions		
New units issued under Equity Fund Raising	240,000	400,000
New units issued under Private Placement	-	320,000
Performance fees paid in units	4,229	2,041
Management fees paid in units	3,784	2,606
Equity issue costs	(3,063)	(9,592)
Distributions to unitholders	(134,600)	(78,285)
Net increase in net assets resulting from Unitholders' transactions	110,350	636,770
Balance at end of period	1,708,371	1,425,460

Footnote

(a) Revaluations of the 44 properties acquired before August 2005 were undertaken by Jones Lang LaSalle Property Consultants Pte Ltd, Colliers International Consultancy & Valuation (S) Pte Ltd and DTZ Debenham Tie Leung (SEA) Pte Ltd during the 2nd quarter of FY 05/06. Properties acquired after August 2005 are recorded at purchase price (which includes acquisition costs).

Net assets attributable to unitholders (4Q FY 2006 vs 4Q FY 2005)

	Actual 01/01/06 to 31/03/06 S\$'000	Actual 01/01/05 to 31/03/05 S\$'000
Balance at beginning of period	1,698,146	1,217,452
Effect of adopting FRS 39	7,018	-
	1,705,164	1,217,452
Operations		
Net income	29,846	23,348
Net appreciation on revaluation of investment properties	-	3,124
Net increase in net assets resulting from operations	29,846	26,472
Hedging transactions		
Changes in fair value included in hedging reserve - effective hedge	10,309	-
Unitholders' transactions		
New units issued under Private Placement in March 2005	-	205,000
Equity issue costs	(37)	(2,326)
Distributions to unitholders	(36,911)	(21,138)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(36,948)	181,536
Balance at end of period	1,708,371	1,425,460

1(d)(ii) Details of any changes in the units (Year ended 31 March 2006 vs Year ended 31 March 2005)

	Actual 01/04/05 to 31/03/06 Units	Actual 01/04/04 to 31/03/05 Units
Balance at beginning of period	1,160,556,950	707,207,175
Issue of new units:		
- Issued pursuant to equity raising in October 2005	101,832,114	-
- Issued as partial consideration for the acquisition of Techview in October 2005	10,843,942	-
- Issued pursuant to private placement in March 2005	-	109,919,571
- Issued pursuant to equity raising in December 2004	-	258,064,516
- Issued pursuant to private placement in June 2004	-	82,142,857
- Performance fees paid in units	2,185,418	1,572,381
- Management fees paid in units	1,785,284	1,650,450
Balance at end of period	1,277,203,708	1,160,556,950

Details of any changes in the units (4Q FY 2006 vs 4Q FY 2005)

	Actual 01/01/06 to 31/03/06 Units	Actual 01/01/05 to 31/03/05 Units
Balance at beginning of period	1,277,203,708	1,050,637,379
Issue of new units:		
- Issued pursuant to private placement in March 2005	-	109,919,571
Balance at end of period	1,277,203,708	1,160,556,950

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

The figures have not been audited or reviewed.

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

NA

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

4a A-REIT has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2005, except for the adoption of the new and revised Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 1 January 2005.

4(a)(i) FRS 39 - Financial Instruments: Recognition and Measurement

This FRS sets out the new requirements for the recognition, derecognition and measurement of financial instruments and hedge accounting. The adoption of FRS 39 has resulted in A-REIT recognising all derivative financial instruments as assets or liabilities at fair value and measuring all financial assets and liabilities at fair value on their initial recognition.

In accordance with the transitional provisions of FRS 39, the comparative financial statements for FY 2004/2005 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 April 2005. The adjustments are as follows:

	Increased/ (Decreased) by S\$'000
Hedging reserve	1,252
Other receivables	1,252
Accumulated net income	7,018
Deferred payments and other liabilities	(7,018)

There is no material impact on the net income available for distribution for the year ended 31 March 2006 arising from the adoption of FRS 39.

4(a)(ii) Other new and revised FRS applicable from 1 January 2005

Apart from FRS 39, other applicable new and revised FRS that have been adopted do not have a significant financial impact on A-REIT.

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

Please see item 4 above.

6 Earnings per unit and distribution per unit for the financial period

6.1 EPU/DPU (4Q FY 2006 vs 4Q FY 2005)

Number of units on issue at end of period
 Applicable number of units for calculation of EPU/DPU (Note a)
 Earnings per unit in cents (EPU)
 Distribution per unit in cents (DPU)

	Actual 01/01/06 to 31/03/06	Actual 01/01/05 to 31/03/05
Number of units on issue at end of period	1,277,203,708	1,160,556,950
Applicable number of units for calculation of EPU/DPU (Note a)	1,277,203,708	1,087,277,236
Earnings per unit in cents (EPU)	2.34	2.17
Distribution per unit in cents (DPU)	2.92	2.70

6.2 EPU/DPU (Year ended 31 March 2006 vs Year ended 31 March 2005)

Number of units on issue at end of period
 Applicable number of units for calculation of EPU/DPU (Note a)
 Earnings per unit in cents (EPU)
 Distribution per unit in cents (DPU)

	Actual 01/04/05 to 31/03/06	Actual 01/04/04 to 31/03/05
Number of units on issue at end of period	1,277,203,708	1,160,556,950
Applicable number of units for calculation of EPU/DPU (Note a)	1,221,260,028	880,438,402
Earnings per unit in cents (EPU)	10.81	8.66
Distribution per unit in cents (DPU)	11.68	9.56

Footnote

(a) The EPU and DPU has been calculated based on the applicable number of units which is either the units applicable for each quarterly distribution or the weighted average number of units on issue at each quarter when units were issued during the period.

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

Net asset value per unit
 Adjusted net asset value per unit (Note a)

	31/03/06 cents	31/03/05 cents
Net asset value per unit	134	123
Adjusted net asset value per unit (Note a)	131	120

Footnote

(a) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sale of real properties determined to be trading gains). The undistributed income for the relevant period prior to the balance date has been excluded in calculating adjusted net asset value per unit.

8 Review of the performance

Income statement (4Q FY 2006 vs 4Q FY 2005)

	Actual 01/01/06 to 31/03/06 S\$'000	Actual 01/01/05 to 31/03/05 S\$'000	Increase / (Decrease) %
Gross revenue	63,826	40,949	56%
Property operating expenses	(17,103)	(7,788)	120%
Net property income	46,723	33,161	41%
Non property expenses	(9,477)	(6,915)	37%
Net borrowing costs	(7,400)	(2,898)	155%
	(16,877)	(9,813)	72%
Net income	29,846	23,348	28%
Non tax deductible expenses	7,416	5,911	25%
Net income available for distribution (Note a)	37,262	29,259	27%
Earnings per unit (cents)	2.34	2.17	8%
Distribution per unit (cents)	2.92	2.70	8%

Footnote

(a) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sales of real properties determined to be trading gains). The taxable income has generally been distributed to unitholders on a semi-annual basis up to 30 September 2004 and on a quarterly basis from 1 October 2004.

Review of Performance 4Q 2006 vs 4Q 2005

Gross revenue was up 56% mainly due to additional rental income from the following completed acquisitions: SB Building completed in November 2004, Techpoint, Infineon Building, Exklusiv Centre, Wisma Gulab, Steel Industries Building@Tai Seng, Autron Building, Xilin Districentre Building A & B (formerly CG Aerospace Building), Xilin Districentre Building D (formerly Fedex Building), Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building and Volex Building in December 2004, KA Place, KA Centre, Kim Chuan Telecommunications Complex and Telepark in March 2005 and AEM-Evertech Building, BBR Building, Da Vinci Building, Hyflux Building, MSL Building, Weltech Building and Xilin Districentre Building C (formerly 7 Changi South Street 2) (all completed in first quarter ended 30 June 2005), Pacific Tech Centre completed in July 2005, SENKEE Logistics Hub completed in September 2005, Hoya Building, LogisHub@Clementi, Techquest, Techview, Accord Famous Distri Centre, Trivec@Tampines, Cityneon Design Centre, NNB Industrial Building and Dynasty in October 2005, Ness Building, JEL building and PSB Building in November 2005, Steel Industries Building@Tampine and Hamilton Sundstrand Building in December 2005, Thales Building in January 2006, Aztech Building and Noel Corporate Building in February 2006 and 138 Depot Road and 150 Ubi Avenue 4 in March 2006.

Property expenses were higher due to :-

- 1) Higher maintenance & conservancy expenses mainly due to higher ad hoc maintenance costs incurred.
- 2) Higher utilities expenses due to the increased number of properties in the portfolio as well as higher costs in some properties due to the introduction of energy aggregation. This also results in higher sundry income as the tenants share of aggregated energy cost is recoverable from them.
- 3) Higher property operating expenses due to new acquisitions.

Non-property expenses increased mainly due to higher management fees as the new acquisitions increased assets under management and performance fee was charged on 31 March 2006 as a result of the DPU increasing by greater than 5% over prior year's DPU.

Borrowing costs increased by 177% due to (i) additional debt drawn down to fund the new acquisitions, (ii) additional swaps entered into for longer tenors, increasing the average interest rate but ensuring less exposure to interest rate fluctuations, (iii) floating interest rates were also considerably higher than last year and (iv) accretion adjustments on deferred payments and refundable security deposits of (charge of \$1.1 million). This was offset by a positive mark to market of the \$127.5 million interest rate cap.

Net income was higher than the comparable period last year mainly due to the benefit of additional income from the new properties acquired during the current and previous financial years. Non tax deductible expenses were higher mainly due to higher performance fees paid in units. Net Income available for distribution was 27% above the comparable period last year due to the above reasons.

9 Variance between forecast and the actual results

	Actual 01/04/05 to 31/03/06 S\$'000	Forecast 01/04/05 to 31/03/06 (Note a) S\$'000	Increase / (Decrease) %
Gross revenue	227,153	219,726	3%
Property services fees	(6,406)	(5,697)	12%
Property tax	(13,363)	(12,528)	7%
Other property operating expenses	(33,826)	(33,464)	1%
Property operating expenses	(53,595)	(51,689)	4%
Net property income	173,558	168,037	3%
Interest income	214	74	189%
Manager's fee	(12,354)	(12,146)	2%
Performance Fee	(5,617)	(5,209)	8%
Trust expenses	(1,516)	(1,445)	5%
Borrowing costs	(22,293)	(21,608)	3%
Non property expenses	(41,566)	(40,334)	3%
Net income	131,992	127,703	3%
Non tax deductible expenses (Note b)	10,641	11,135	(4%)
Net income available for distribution	142,633	138,838	3%
Earnings per unit (cents)	10.81	10.48	3%
Distribution per unit (cents)	11.68	11.37	3%

Footnotes

- (a) The forecast for the period 1 April 2005 to 31 March 2006 has been derived from the forecast stated in the Circular dated 20 September 2005 in relation to the issue of 101,832,114 new units.
- (b) Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees/performance fees and other non-tax deductible or non-taxable items.

Review of Performance for the year ended 31 March 2006

Gross Revenue for the period was \$227.2 million, slightly above the forecast in the Circular dated 20 September 2005 mainly due to:

- 1) Higher income generated from new acquisitions as completion was earlier on average than forecast.
- 2) Higher income generated from additional acquisitions (PSB Building, JEL Centre and Steel Industries Building@Tampines, Aztech, Noel, 138 Depot Road and 150 Ubi Avenue 4) not included in the forecast.
- 3) Higher rental income from existing portfolio.
- 4) Higher utilities income from tenants.

Property operating expenses for the period were \$53.6 million, slightly above the forecast mainly due to:

- 1) Higher ad hoc maintenance costs and utilities expenses incurred, offset by
- 2) Lower land rent and property tax.

Net income available for distribution exceeded forecast by 3% as a result of the above.

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 and Industry (MTI) flash estimates, the Singapore economy expanded 9.1% in the first quarter of 2006 compared to the same period in 2005. The manufacturing sector is estimated to have grown by 16% in the first quarter of 2006, underpinned largely by strong growth in the electronics, biomedical and transport engineering clusters.

With the underlying strength of the economy, the industrial property market continued its recovery path with prices of overall industrial space rising 0.6% and the URA rental index increasing by 2.5% over the previous quarter. According to URA statistics as at 31 December 2005, the vacancy rate of factory space decreased from 11.0% in 3Q 2005 to 10.5% in 4Q 2005 and the vacancy rate of business park space decreased from 19.1% in 3Q2005 to 17.6% in 4Q 2005. However, the vacancy rate of warehouse space registered a slight increase from 12.0% in 3Q 2005 to 13.0% in 4Q 2005.

For the financial year ended 31 March 2006, A-REIT continued its investment strategy of acquiring investment grade properties, with \$639 million worth of properties being acquired. This brings A-REIT's total assets to \$2.8 billion. A-REIT has also announced another \$230 million worth of properties to be completed in the coming financial year. Coupled with the manager's proactive asset management strategy, A-REIT outperformed the forecasted distribution per unit (DPU) of 11.37 cents made in September 2005 by 2.7%, with a DPU of 11.68 cents.

Outlook for the financial year ending 31 March 2007

Looking ahead, the economy is expected to maintain its robust broad-based growth. The government has raised its full year GDP projection for 2006 to 4-6%, up from earlier projections of 3-5%. While the outlook is generally positive, it should be noted that Singapore's economy is exposed to risks of oil prices increases, threats of terrorism and potential spread of the Avian flu.

According to the CB Richard Ellis 4Q2005 Singapore Real Estate research report, the outlook for industrial property market for 2006 is positive. Given this and together with the Manager's investment and asset management capability, the Manager expects to deliver on its strategy of providing predictable income and capital stability in the coming year.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period : Yes

Name of distribution :	Tenth distribution for the period 1 January 2006 to 31 March 2006
Distribution Type :	Income
Distribution Rate :	2.92 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 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 20%.
Book closure date :	26 April 2006
Date payable :	26 May 2006

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period : Yes

Name of distribution : Sixth distribution for the three months ended 31 March 2005
 Distribution Type : Income
 Distribution Rate : Ascendasreit class: 2.70 cents per unit (representing period from 1 January 2005 to 31 March 2005)
 Ascendasreit A class: 0.87 cents per unit (representing period from 2 March 2005 to 31 March 2005)
 Par value of units : Not meaningful
 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 distribution received is returned to 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 20%.
 Book closure date : 29 April 2005
 Date paid : 31 May 2005

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

NA

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group)

	Actual 01/04/05 to 31/03/06 Note (a) S\$'000	Actual 01/04/04 to 31/03/05 Note (a) S\$'000	Increase / (Decrease) %
Total Gross revenue			
Science & Business Park Properties	48,586	30,524	59%
Hi-Tech Industrial Properties	61,783	25,969	138%
Light Industrial Properties	51,523	30,778	67%
Distribution & Logistics Centres	65,261	41,716	56%
Gross revenue	227,153	128,987	76%

	Actual 01/04/05 to 31/03/06 Note (a) S\$'000	Actual 01/04/04 to 31/03/05 Note (a) S\$'000	Increase / (Decrease) %
Net property income			
Science & Business Park Properties	35,896	22,518	59%
Hi-Tech Industrial Properties	43,143	15,525	178%
Light Industrial Properties	39,896	23,820	67%
Distribution & Logistics Centres	54,623	34,251	59%
Net property income	173,558	96,114	81%

Footnotes

(a) 64 properties as at 31 March 2006 vs 36 properties as at 31 March 2005.

A-REIT's business is investing in industrial properties (including science & business park, hi-tech industrial, light industrial and distribution & logistics properties) and all the existing properties are located in Singapore.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 9 for the review of the actual performance.

15 Breakdown of sales

	Actual 01/04/05 to 31/03/06 S\$'000	Actual 01/04/04 to 31/03/05 S\$'000	Increase / (Decrease) %
(a) Gross revenue reported for first half year	102,119	54,399	88%
(b) Net income after tax for first half year	64,250	31,851	102%
(c) Gross revenue reported for second half year	125,034	74,588	68%
(d) Net income after tax for second half year	67,742	43,366	56%

16 Breakdown of the total distribution for the financial year ended 31 March 2006

Annual distribution to unitholders

	Actual 01/04/05 to 31/03/06 S\$'000	Actual 01/04/04 to 31/03/05 S\$'000
1 Jan 06 to 31 Mar 06 (Note a)	37,294	-
5 Oct 05 to 31 Dec 05	36,911	-
1 Jul 05 to 4 Oct 05	35,259	-
1 Apr 05 to 30 Jun 05	33,048	-
1 Jan 05 to 31 Mar 05	-	29,382
1 Oct 04 to 31 Dec 04	-	21,138
4 Mar 04 to 30 Sep 04	-	38,177
Total distribution to unitholders	142,512	88,697

Footnote

(a) Please refer to para 11(a).

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-MGM Funds Management Limited

Mary J. de Souza
Company Secretary
13 April 2006