

**A-REIT renewed and leased 50,279 sqm of space in 1Q FY06/07
amidst rising rental rates in selected segments of the market**

12 July 2006, Singapore – Ascendas Real Estate Investment Trust (“A-REIT”) has renewed and signed new leases (including expansions) amounting to a total net lettable area of 50,279 sqm in the three months ended 30 June 2006 (the “Period”). These leases represent 7.5% of the net lettable area of its multi-tenanted buildings⁽¹⁾ (which accounts for about 54% of its portfolio value) and an annualised rental income of S\$11.0 million for A-REIT.

Total new leases (including expansions) for the Period was 14,754 sqm, of which 30% was in light industrial properties, and 26% was in business and science park properties. The remaining 44% was in the other 2 asset classes – hi-tech industrial, and logistics and distribution centres. The net allocation for this Period was 6,818 sqm.

The overall portfolio occupancy rate as at 30 June 2006 is 96.1% compared to 94.9% in the prior corresponding period. The occupancy rate for A-REIT’s multi-tenanted buildings has also increased to 92.1% for this Period compared to 89.8% in the prior corresponding period.

A-REIT’s portfolio comprises 54% multi-tenanted buildings and 46% sale-and-leaseback properties based on portfolio value.

The average gross rent for the expansions, new leases and renewals in this Period for business and science parks was \$24.24 per sqm per month; \$21.82 per sqm per month for hi-tech industrial properties; \$15.16 per sqm per month for light industrial properties; and \$14.94 per sqm per month for logistics and distribution centres.

⁽¹⁾ Multi-tenanted buildings in A-REIT’s portfolio as at 30 June 2006 include: (1) The Alpha (2) The Aries (3) The Capricorn (4) The Gemini (5) Honeywell Building (6) Telepark (7) Techquest (8) Techplace I (9) Techplace II (10) 27 Ubi Road 4 (11) 11 Tampines St 92 (12) 84 Genting Lane (13) 150 Ubi Avenue 4 (14) KA Centre (15) KA Place (16) Techlink (17) Techpoint (18) Techview (19) Siemens Center (20) Pacific Tech Centre (21) 1 Jalan Kilang (22) 50 Kallang Avenue (23) Changi Logistics Centre (24) Trivec Building (25) Nan Wah Building (26) Xilin Districentre Building A & B (27) Xilin Districentre Building D (28) 1 Changi South Lane (29) LogisHub@Clementi

Alison Wong, Portfolio Manager (Hi-tech properties) of Ascendas-MGM Funds Management Limited (“A-MGM”) said, “With the recovery in the high end of the industrial property market, renewal rates for our properties in the business and science parks, and hi-tech segment in this quarter have achieved increases of about 6% to 10% above preceding rates. Rental rates for new take up have also improved by about 5% to 8% for these segments compared to the previous quarter. Rents for logistics and flatted factory space are expected to remain flat for the next 12 months.”

Philip Pearce, Senior Portfolio Manager (Logistics properties) of A-MGM said, “Renewed leases accounted for 71% of the total leases renewed and signed during this Period. This clearly demonstrates our ability to cultivate a strong owner-tenant relationship in A-REIT’s portfolio. We will continue to strengthen our relationship with our existing tenants and attract new customers to our properties in order to maintain and enhance A-REIT’s income.”

Looking ahead, given the improving economic sentiment, it is expected that more foreign corporations may consider setting up base in Singapore or expand existing facilities. With rents in the Central Business District rising quite rapidly, back-room office users are likely to seek lower cost alternatives in the suburban sector. In view of this, A-REIT expects healthy demand for business and science park, and hi-tech industrial space.

Some of the new tenants that A-REIT welcomed in this quarter include: Rikevita (Singapore) Pte Ltd and European Aeronautic Defence and Space Company (“EADS”) Singapore at The Gemini; Renosis Industries Pte Ltd at Techplace II; GE Pacific Pte Ltd at Techlink; Transera International Logistics Pte Ltd at Changi Logistics Centre; and Rhema Movers Pte Ltd at Nan Wah Building.

Existing tenants expanding their space include: TAC Controls Pte Ltd and PPD Development (S) Pte Ltd at The Alpha; Univac Precision Engineering Pte Ltd at Techplace I; Transtel Engineering Pte Ltd at 1 Jalan Kilang; and PWB–Ruhlatec Asia Pte Ltd at Techpoint.

Tenants who have renewed their leases with A-REIT include: Rhodia Asia Pacific at The Aries; Olympus Technologies Singapore at The Gemini; II-VI Singapore Pte Ltd and Kulicke & Soffa (S.E.A) Pte Ltd at Techplace II; International Rectifier Southeast Asia Pte Ltd at 50 Kallang Avenue; Comstor Pte Ltd at KA Centre; and Testel Systems Pte Ltd at LogisHub@Clementi.

Table 1 : Occupancy Rate of MTBs in A-REIT's portfolio as at 30 June 2006

A	MULTI-TENANTED BUILDINGS	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Occupancy Rate
	Business & Science Parks			
1.	The Alpha	24,633	16,773	86.0%
2.	The Aries	14,695	11,579	93.5%
3.	The Capricorn	28,602	20,346	91.7%
4.	The Gemini	32,629	22,744	74.3%
5.	Honeywell Building	18,123	14,635	100.0%
6.	Telepark	40,555	24,252	99.7%
7.	Techquest	7,920	6,580	99.6%
	Light Industrial			
8.	11 Tampines St 92	18,086	14,638	95.2%
9.	150 Ubi Avenue 4	12,978	10,932	100.0%
10.	84 Genting Lane	11,917	9,779	100.0%
11.	27 Ubi Road 4	9,087	8,082	89.4%
12.	Techplace I	81,981	59,024	90.2%
13.	Techplace II	100,391	68,560	95.0%
	Hi-tech Industrial			
14.	1 Jalan Kilang	7,158	6,025	100.0%
15.	50 Kallang Avenue	18,584	14,552	97.4%
16.	KA Centre	19,638	12,806	79.5%
17.	KA Place	10,163	6,812	55.8%
18.	Pacific Tech Centre	25,718	19,657	92.4%
19.	Siemens Center	36,529	27,781	97.7%
20.	Techlink	48,007	31,444	90.8%
21.	Techpoint	56,196	40,290	100.0%
22.	Techview	50,985	37,179	85.5%
	Logistics & Distribution Centres			
23.	1 Changi South Lane	25,583	23,932	100.0%
24.	Changi Logistics Centre	51,742	38,751	92.5%
25.	LogisHub@Clementi	26,505	22,481	76.4%
26.	Nan Wah Building	18,794	15,858	77.2%
27.	Trivec Building	35,100	27,293	93.7%
28.	Xilin Districentre Building A & B	24,113	20,830	100.0%
29.	Xilin Districentre Building D	17,651	14,358	100.0%
	Sub-total for Multi-tenanted Buildings	874,063	647,974	92.1%

Table 1 : Properties with long-term leases in A-REIT's portfolio as at 30 June 2006

B.	SINGLE-TENANTED BUILDINGS	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Occupancy Rate
	Business & Science Parks			
30.	NESS Building	9,593	8,073	100.0%
31.	PSB Building	32,013	21,689	100.0%
32.	Ultro Building	11,450	10,127	100.0%
	Light Industrial			
33.	37A Tampines St 92	12,011	9,604	100.0%
34.	AEM-Evertch Building	14,767	11,799	100.0%
35.	53 Serangoon North Ave 4	10,589	8,329	100.0%
36.	Aztech Building	15,934	13,807	100.0%
37.	BBR Building	6,501	5,421	100.0%
38.	Da Vinci Building	14,929	13,789	100.0%
39.	Exklusiv Centre	13,699	10,513	100.0%
40.	Ghim Li Building	8,046	7,230	100.0%
41.	Hamilton Sundstrand Building	17,737	16,744	100.0%
42.	Hoya Building	5,092	5,092	100.0%
43.	Hyflux Building	20,465	16,980	100.0%
44.	NNB Industrial Building	11,537	9,794	100.0%
45.	OSIM HQ Building	17,683	15,068	100.0%
46.	Progen Building	19,887	17,267	100.0%
47.	SB Building	13,998	11,895	100.0%
48.	Steel Industries Building	12,930	11,254	100.0%
49.	Thales Building	6,299	6,263	100.0%
50.	Volex Building	8,931	8,000	100.0%
51.	Weltech Building	7,998	6,509	100.0%
	Hi-tech Industrial			
52.	138 Depot Road	29,626	26,485	100.0%
53.	Infineon Building	27,278	27,278	100.0%
54.	Kim Chuan Telecommunications Complex	35,456	25,129	100.0%
55.	Wisma Gulab	15,557	11,821	100.0%
	Logistics & Distribution Centres			
56.	Xilin Districentre Building C	18,708	13,660	100.0%
57.	C&P Logistics Hub	138,409	128,021	100.0%
58.	Freight Links (Changi) Building	23,208	20,724	100.0%
59.	Freight Links (Toh Guan) Building	29,741	23,723	100.0%
60.	IDS Logistics Corporate HQ	23,751	21,883	100.0%

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B.	SINGLE-TENANTED BUILDINGS	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Occupancy Rate
	Logistics & Distribution Centres			
61.	JEL Centre	10,107	9,494	100.0%
62.	MacDermid Building	4,937	4,321	100.0%
63.	SENKEE Logistics Hub	41,658 ⁽²⁾	28,421	100.0%
64.	TT International Tradepark	52,156	42,765	100.0%
65.	Logistics 21	39,971	47,616	100.0%
66.	Sembawang Kimtrans Logistics Centre	16,353	15,410	100.0%
	Sub-total for Single-tenanted Buildings	799,005	691,998	100.0%
	Portfolio Total	1,673,068	1,339,971	96.1%

- End -

A-REIT (www.a-reit.com)

A-REIT is the first business space and light industrial real estate investment trust ("REIT") listed on the SGX-ST. It has a diversified portfolio of 66 properties in Singapore, comprising suburban office space (including business park and science park properties), high specifications industrial mixed use properties, light industrial properties, and logistics and distribution centres, with a book value of S\$2.9 billion. These properties house a tenant base of over 740 international and local companies from a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. Major tenants include SingTel, C&P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble, Hyflux, Group Exklusiv Pte Ltd and Hewlett-Packard.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250.

A-REIT is managed by **Ascendas-MGM Funds Management Limited** (in its capacity as manager of A-REIT), a 60:40 joint venture between Singapore-based Ascendas Pte Ltd and Australian-based Macquarie Goodmann Management Limited.

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⁽²⁾ GFA for SENKEE Logistics Hub excludes 43,000 sqm under construction for the stage 2 asset enhancement (subject to survey).

Important Notice

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of A-REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.