

## A-REIT renewed and leased 46,510 sqm of space in 2Q FY06/07

**16 October 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 46,510 sqm for the three months ended 30 September 2006 (the “Period”). These leases represent 6.9% of the net lettable area of its multi-tenanted buildings<sup>(1)</sup> (which accounts for about 55.3% of its portfolio value) and an annualised rental income of S\$9.6 million for A-REIT.

Total new leases (including expansions) for the Period was 21,512 sqm, of which 44.1% was in logistics and distribution centres, and 37.8% was in hi-tech industrial properties. The remaining 18.1% was in the other 2 asset classes – business and science park and light industrial properties. The net allocation for this Period was 10,928 sqm.

The overall portfolio occupancy rate as at 30 September 2006 is 97.2% compared to 96.1% as at 30 June 2006. The occupancy rate for A-REIT’s multi-tenanted buildings has also increased to 94.3% for this Period versus 92.1% at 30 June 2006.

A-REIT’s portfolio comprises 55.3% multi-tenanted buildings and 44.7% 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 \$24.31 per sqm per month; \$21.20 per sqm per month for hi-tech industrial properties; \$14.99 per sqm per month for light industrial properties; and \$14.48 per sqm per month for logistics and distribution centres.

Alison Wong, Portfolio Manager (Hi-Tech Industrial properties) of Ascendas-MGM Funds Management Limited (“A-MGM”) said, “We are pleased that the continued recovery in the high end of the industrial property market has resulted in our renewal rates for properties in Hi-Tech Industrial as well as Science and Business parks sectors to increase by about 4% to 11% above existing rates during this Period. In addition, we experienced strong demand for space from new tenants as well as existing tenants who are expanding their

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<sup>(1)</sup> Multi-tenanted buildings in A-REIT’s portfolio as at 30 September 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) LogisTech (25) Nan Wah Building (26) Xilin Districentre Building A & B (27) Xilin Districentre Building D (28) 1 Changi South Lane (29) LogisHub@Clementi (30) Exclusiv Centre

operations. As a result, net allocation of the Period is a high 10,928 sqm and the occupancy rate for our multi-tenanted buildings is 94.3%.”

Looking ahead, business expansion and new investments in a broad range of manufacturing sectors is expected to continue to fuel demand for industrial space. In addition, a spillover effect from the present tight supply and rising rentals in the Central Business District is expected to increase demand for business park and high specification industrial space. In view of this, A-REIT expects continued healthy demand for business and science park, and hi-tech industrial space. For logistics and distribution centres, the outlook for the sector remains subdued due to the significant amount of new supply (about 167,300sqm) over the next one to two years.

Some of the new tenants that A-REIT welcomed in this quarter include: Protherapeutics Pte Ltd at The Capricorn; Bio-Rad Laboratories (Singapore) Pte Ltd at Techview; FCI Asia Pte Ltd at KA Place; Intero Singapore Pte Ltd at Techplace I; and Purium System Pte Ltd at Changi Logistics Centre.

Existing tenants expanding their space include: TAC Controls Pte Ltd at The Alpha; Benchmark Electronics Pte Ltd at Techpoint; Sakura Tech (S) Pte Ltd at Techplace II; National Library Board at Xilin Districentre Building B; and CG Integrated Logistics Pte Ltd at Nan Wah.

Tenants who have renewed their leases with A-REIT include: A-Bio Pharma at The Gemini, Pall Filtration at Honeywell; Casio Singapore Pte Ltd at Techpoint, Entegris Singapore Pte Ltd at Techlink; Venture Corporation Ltd at Techplace II; Enzer Electronics Pte Ltd at Techplace I; and Daikin Asia Servicing Pte Ltd at Changi Logistics Centre.

One of A-REIT’s tenants, Ness Display Singapore Pte Ltd (‘Ness’) informed the Manager in September 2006 that it had gone into liquidation. Ness leased about 8,073 sqm (portfolio total net leaseable area is 1.34 million sm) of space and its monthly rental represents less than 1% of A-REIT’s monthly gross revenue. The Manager has since been actively marketing the space and has received four expressions of interest to lease the said space. We are in advanced negotiation with one of the parties and expect to conclude the re-letting of the space in due course. As a result, the Manager believes that there will not be any significant financial impact on A-REIT as a result of this event.

**Table 1: Occupancy Rate of MTBs in A-REIT's portfolio as at 30 Sept 06**

<b>A</b>	<b>MULTI-TENANTED BUILDINGS</b>	<b>Gross Floor Area (sqm)</b>	<b>Net Lettable Area (sqm)</b>	<b>Occupancy Rate</b>
	<b>Business &amp; Science Parks</b>			
1.	The Alpha	24,633	16,773	86.2%
2.	The Aries	14,695	11,579	94.4%
3.	The Capricorn	28,602	20,346	93.1%
4.	The Gemini	32,629	22,744	74.3%
5.	Honeywell Building	18,123	14,635	100.0%
6.	Telepark	40,555	24,252	99.6%
7.	Techquest	7,920	6,580	99.8%
	<b>Light Industrial</b>			
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	99.2%
11.	27 Ubi Road 4	9,087	8,082	87.6%
12.	Techplace I	81,981	59,024	91.9%
13.	Techplace II	100,391	68,560	96.5%
14.	Exklusiv Centre	12,803	12,803	100.0%
	<b>Hi-tech Industrial</b>			
15.	1 Jalan Kilang	7,158	6,025	100.0%
16.	50 Kallang Avenue	18,584	14,552	97.4%
17.	KA Centre	19,638	12,806	87.7%
18.	KA Place	10,163	6,812	78.0%
19.	Pacific Tech Centre	25,718	19,660	91.8%
20.	Siemens Center	36,529	27,781	100.0%
21.	Techlink	48,007	31,444	91.8%
22.	Techpoint	56,196	40,290	100.0%
23.	Techview	50,985	37,179	91.2%
	<b>Logistics &amp; Distribution Centres</b>			
24.	1 Changi South Lane	25,583	23,932	100.0%
25.	Changi Logistics Centre	51,742	38,751	93.3%
26.	LogisHub@Clementi	26,505	22,481	82.2%
27.	Nan Wah Building	18,794	15,858	94.7%
28.	LogisTech	35,100	27,293	99.3%
29.	Xilin Districentre Building A & B	24,113	20,716	100.0%
30.	Xilin Districentre Building D	17,651	14,358	100.0%
	<b>Sub-total for Multi-tenanted Buildings</b>	<b>886,866</b>	<b>660,594</b>	<b>94.3%</b>

**Table 1: Properties with long-term leases in A-REIT's portfolio as at 30 Sep 06**

<b>B.</b>	<b>SINGLE-TENANTED BUILDINGS</b>	<b>Gross Floor Area (sqm)</b>	<b>Net Lettable Area (sqm)</b>	<b>Occupancy Rate</b>
	<b>Business &amp; Science Parks</b>			
31.	NESS Building	9,593	8,073	100.0%
32.	PSB Building	32,013	21,689	100.0%
33.	Ultro Building	11,450	10,127	100.0%
	<b>Light Industrial</b>			
34.	37A Tampines St 92	12,011	9,604	100.0%
35.	AEM-Everttech Building	14,767	11,799	100.0%
36.	53 Serangoon North Ave 4	10,589	8,329	100.0%
37.	Aztech Building	15,934	13,807	100.0%
38.	BBR Building	6,501	5,421	100.0%
39.	Da Vinci Building	14,929	13,789	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%
	<b>Hi-tech Industrial</b>			
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%
	<b>Logistics &amp; Distribution Centres</b>			
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%

**Table 1: Properties with long-term leases in A-REIT's portfolio as at 30 Sep 06**

B.	SINGLE-TENANTED BUILDINGS	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Occupancy Rate
	<b>Logistics &amp; Distribution Centres</b>			
60.	IDS Logistics Corporate HQ	23,751	21,883	100.0%
61.	JEL Centre	10,107	9,494	100.0%
62.	MacDermid Building	4,937	4,321	100.0%
63.	SENKEE Logistics Hub	41,658 <sup>(2)</sup>	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%
	<b>Sub-total for Single-tenanted Buildings</b>	<b>785,306</b>	<b>681,485</b>	<b>100.0%</b>
	<b>Portfolio Total</b>	<b>1,672,172</b>	<b>1,342,079</b>	<b>97.2%</b>

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#### **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 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 Goodman Management Limited.

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

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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.