

A-REIT renewed and leased 71,433 sqm of space setting occupancy rate to a record high of 98.3% in 2Q FY07/08

18 October 2007, Singapore – Ascendas Real Estate Investment Trust (“A-REIT”) has renewed and signed new leases (including expansions) amounting to a total net lettable area of 71,433 sqm for the three months ended 30 September 2007 (the “Period”). These leases represent 10.4% of the net lettable area of its multi-tenanted buildings⁽¹⁾ and an annualised rental income of S\$16.9 million for A-REIT.

The overall portfolio occupancy rate increased to a high of 98.3% as at 30 September 2007 compared to 97.2% as at 30 September 2006. Occupancy rate for A-REIT’s multi-tenanted buildings has also increased to 96.2% at the end of the Period versus 95.0% as at 30 June 2007.

Total new leases (including expansions) for the Period were 20,718 sqm, of which 31.3% was in Business and Science Parks, and 23.9% was in Hi-Tech Industrial properties. The remaining 44.8% was in the other two sectors – Light Industrial & Flatted Factories and Logistics & Distribution Centres.

A-REIT’s portfolio comprises 51% multi-tenanted buildings and 49% sale-and-leaseback properties based on portfolio value.

The gross rental rates for the expansions, new leases and renewals in this Period are as follows:

Rental Rates (S\$ psm per month)			
Sector	Range	Weighted Average	Median
Business & Science Park	27.99 – 44.99	40.07	33.37
Hi-tech Industrial	25.08 – 34.99	28.63	28.53
Light Industrial & Flatted Factories	10.89 – 21.25	14.11	15.50
Logistics & Distribution Centres	8.62 – 26.95*	13.86	18.83

* For office space within logistics buildings

⁽¹⁾ Refer Table 1A for a list of Multi-tenanted buildings

Alison Wong, Portfolio Manager of Ascendas-MGM Funds Management Limited (“A-MGM”) said, “Rental rates in the CBD area have been on the rise due to the increased demand for prime office space vis-à-vis the tight supply which is expected to persist till 2010. We have observed traditional CBD users enquiring for space in our business & science parks and hi-tech industrial buildings as a more cost efficient alternative for their back-end services. The increased demand has also translated to an improvement in the average rental rates for Business & Science Parks and Hi-Tech Industrial sectors by 32.3% and 15.5% respectively compared with last quarter.

Given the high occupancy rates of our portfolio and to cater to the rising demand for quality business and industrial space, we will be initiating investment in new projects in the various sectors that we are operating in. This will create a new supply of space for us to market in 2009 and beyond.

Expansion and renewed leases account for approximately 88% of the leases that were signed this quarter. This is a testament to A-REIT’s ability to maintain a strong landlord-tenant relationship through a comprehensive customer care programme. We will continue to build on this relationship and also market our business space to new tenants to maintain and enhance the steady stream of income for A-REIT.”

A-REIT continues to enhance its existing portfolio through a number of asset enhancement initiatives for some of our existing properties to achieve organic growth. In response to our existing tenants who are looking into expanding their businesses, the Manager has embarked on two asset enhancement initiatives for Hoya Building and Thales Building. Upon completion in April 2008, these initiatives will add a combined 2,605 sqm of net lettable space to the existing buildings. Asset enhancement for The Alpha, a property located in Singapore Science Park 2, to construct additional 3,527 sq m of space is well underway. Upon completion in December 2007, the entire space will be leased to SGX-Listed FJ Benjamin Group for 10 years. Another asset enhancement initiative has been undertaken for TechPlace II to maximise the plot ratio so as to generate organic growth for the existing portfolio. This demonstrates A-REIT’s asset management and customer care capabilities in looking after our tenants’ real estate needs.

Looking ahead, with the tight supply in CBD office space, we expect the trend of moving back-office to the suburban areas to continue. Coupled with the positive economical outlook, we expect demand for business and industrial space to remain healthy, particularly in the Business & Science Park and the Hi-Tech Industrial sectors. Demand for space in the flatted factories and the Logistics and Distribution centres sectors are expected to remain subdued

due to the expected potential supply of 964,000 sqm (796,000 sqm under construction, 168,000 sqm planned) of Logistics & Distribution Centres space for the next two to three years.

Some of the new tenants that A-REIT welcomed in this quarter include: Citco Fund Services (Singapore) Pte Ltd at Hansa Point bringing the level of pre-commitment to 84% for this building-under-construction.

Existing tenants expanding their space include: IBM International Holdings B.V. Singapore Branch at Techview; Crown Worldwide Pte Ltd at LogisHub@Clementi; Avnet Asia Pte Ltd and SKF South East Asia & Pacific Pte Ltd at 1 Changi South Lane.

Tenants who have renewed their leases with A-REIT include: Sa Sa Cosmetic Co (S) Pte Ltd at Pacific Tech Centre; Biosensors Interventional Technologies Pte Ltd at Techlink; Venture Corporation Limited at TechPlace II; John Wiley & Sons (Asia) Pte Ltd at LogisHub@Clementi and Trivec Singapore Pte Ltd at Tampines Biz-Hub.

Table 1A: Occupancy Rate of MTBs in A-REIT's portfolio as at 30 September 2007

A	MULTI-TENANTED BUILDINGS	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Occupancy Rate
	Business & Science Parks			
1.	The Alpha	24,633	17,855	93.5%
2.	The Aries	14,695	13,557	96.6%
3.	The Capricorn	28,602	22,257	94.5%
4.	The Gemini	32,629	27,267	90.5%
5.	Honeywell Building	18,123	14,681	96.8%
6.	Telepark	40,555	24,628	100.0%
7.	Techquest	7,920	6,580	100.0%
8.	iQuest @ IBP	12,143	9,079	94.0%
	Light Industrial			
9.	Techplace I	81,981	59,598	93.0%
10.	Techplace II	100,391	70,849	96.0%
11.	247 Alexandra Road	13,699	10,513	100.0%
12.	27 Ubi Road 4	9,087	8,082	87.6%
13.	Tampines Biz-Hub	18,086	14,638	99.6%
14.	84 Genting Lane	11,917	9,779	100.0%
15.	Ubi Biz-Hub	12,978	10,937	100.0%
	Hi-tech Industrial			
16.	Techlink	48,007	34,563	99.3%
17.	Siemens Center	36,529	27,781	100.0%
18.	Techpoint	56,107	41,955	98.7%
19.	KA Centre	19,638	13,301	100.0%
20.	KA Place	10,163	6,812	83.8%
21.	Pacific Tech Centre	31,095	19,687	98.1%
22.	Techview	50,985	38,680	89.4%
23.	1 Jalan Kilang	7,158	6,025	100.0%
24.	50 Kallang Avenue	18,584	14,574	96.3%
	Logistics & Distribution Centres			
25.	LogisTech	31,033	27,293	90.7%
26.	Changi Logistics Centre	51,742	38,854	97.5%
27.	Nan Wah Building	18,794	15,858	100.0%
28.	Xilin Districentre Building A & B	24,113	20,878	100.0%
29.	Xilin Districentre Building D	17,651	14,358	100.0%
30.	LogisHub@Clementi	26,505	22,481	100.0%
31.	1 Changi South Lane	25,767	23,793	95.7%
	Sub-total for Multi-tenanted Buildings	901,310	687,193	96.2%

Table 1: Properties with long-term leases in A-REIT's portfolio as at 30 June 2007

B	SINGLE-TENANTED BUILDINGS	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Occupancy Rate
	Business & Science Parks			
32.	Ultro Building	11,450	10,127	100.0%
33.	30 Tampines Industrial Ave 3	9,593	8,073	100.0%
34.	PSB Building	32,013	21,689	100.0%
35.	LabOne Building	8,202	8,202	100.0%
	Light Industrial			
36.	OSIM HQ Building	17,683	15,068	100.0%
37.	Ghim Li Building	8,046	7,230	100.0%
38.	Progen Building	19,887	17,267	100.0%
39.	SB Building	13,998	11,895	100.0%
40.	Steel Industries Building	12,930	11,254	100.0%
41.	Volex Building	8,931	8,000	100.0%
42.	53 Serangoon North Ave 4	10,589	8,329	100.0%
43.	Da Vinci Building	14,929	13,789	100.0%
44.	52 Serangoon North Ave 4	14,767	11,799	100.0%
45.	Hyflux Building	20,465	16,980	100.0%
46.	Weltech Building	7,998	6,509	100.0%
47.	BBR Building	6,501	5,421	100.0%
48.	Hoya Building	5,092	5,092	100.0%
49.	NNB Industrial Building	11,537	9,794	100.0%
50.	37A Tampines St 92	12,011	9,604	100.0%
51.	Hamilton Sundstrand Building	17,737	16,744	100.0%
52.	Thales Building	6,299	6,248	100.0%
53.	Aztech Building	15,934	15,934	100.0%
54.	Super Industrial Building	23,457	18,079	100.0%
55.	26 Senoko Way	12,616	10,723	100.0%
56.	1 Kallang Place	15,490	12,265	100.0%
57.	11 Woodlands Terrace	2,778	2,280	100.0%
58.	18 Woodlands Loop	18,422	16,601	100.0%
59.	9 Woodlands Terrace	2,778	2,280	100.0%
60.	1 Senoko Avenue	10,524	8,843	100.0%
	Hi-tech Industrial			
61.	Infineon Building	27,278	27,278	100.0%
62.	Wisma Gulab	15,557	11,821	100.0%
63.	Kim Chuan Telecommunications Complex	35,456	25,129	100.0%
64.	138 Depot Road	29,626	26,485	100.0%
65.	2 Changi South Lane	26,300	20,939	100.0%

Logistics & Distribution Centres				
66.	IDS Logistics Corporate HQ	23,751	21,883	100.0%
67.	TT International Tradepark	52,156	42,765	100.0%
68.	C&P Logistics Hub	138,409	128,021	100.0%
69.	MacDermid Building	5,064	4,321	100.0%
70.	Freight Links (Changi) Building	23,208	20,724	100.0%
71.	Freight Links (Toh Guan) Building	29,741	23,723	100.0%
72.	Xilin Districentre Building C	18,708	13,660	100.0%
73.	SENKEE Logistics Hub	41,658	28,421	100.0%
74.	JEL Centre	10,107	9,494	100.0%
75.	Logistics 21	48,140	47,616	100.0%
76.	Sembawang Kimtrans Logistics Centre	16,353	15,410	100.0%
Warehouse Retail Scheme				
77.	Courts Megastore	24,868	24,868	100.0%
78.	Giant Hypermart	42,194	33,444	100.0%
Sub-total for Single-tenanted Buildings		981,231	842,121	100.0%
Portfolio Total		1,882,541	1,529,314	98.3%

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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 78 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\$3.3 billion. These properties house a tenant base of over 750 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, 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, FTSE ST Mid Cap Index.

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.

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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.