



(Constituted in the Republic of Singapore
pursuant to a trust deed dated 9 October 2002 (as amended))

**PAYMENT OF PERFORMANCE FEE
BY WAY OF ISSUE OF UNITS
IN ASCENDAS REAL ESTATE INVESTMENT TRUST**

The Board of Directors of Ascendas Funds Management (S) Limited (“**Ascendas-FMS**”) wishes to announce that 3,223,302 units in Ascendas Real Estate Investment Trust (“**A-REIT**”) (“**Units**”) have been issued today to Ascendas-FMS in its capacity as manager of A-REIT. The Units were allocated at an issue price of S\$2.6023 per Unit, as payment of the Performance Fee for the financial year ended 31 March 2008.

The Performance Fee is defined in the trust deed constituting A-REIT (the “**Trust Deed**”) as a total of 0.2% per annum of the Deposited Property by way of a fee of 0.1% per annum if growth in Distributable Income per unit (“**DPU**”) in a financial year (calculated before accounting for the Performance Fee) exceeds 2.5% over the DPU for the prior corresponding period (“**PCP**”); and an additional 0.1% per annum if the growth in DPU exceeds 5% over the DPU for the PCP.

A-REIT recorded a DPU of 14.13 cents for the financial year ended 31 March 2008, a 10.8% increase over the previous year’s DPU of 12.75 cents.

In accordance with the Trust Deed, the issue price was determined based on the volume weighted average traded price for a unit for all trades done on Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in the ordinary course of trading on the SGX-ST for 10 business days immediately preceding the date of issue of Units to Ascendas-FMS.

Following the above issue of Units, the total A-REIT units on issue is 1,328,783,793 of which Ascendas-FMS’s holding is 20,842,160 units or approximately 1.57%.

By Order of the Board

Ascendas Funds Management (S) Limited

(Company Registration No. 200201987K)

Manager of Ascendas Real Estate Investment Trust (A-REIT)

Ms Maria Theresa Belmonte

Assistant Company Secretary

16 May 2008

- End -

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

A-REIT is Singapore's first listed business space and industrial real estate investment trust. It has a diversified portfolio of 85 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with total assets of about S\$4.2 billion. These properties house a tenant base of over 790 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. 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 and Hyflux.

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 and FTSE ST Mid Cap

A corporate family credit rating of A3 was assigned to A-REIT by Moody's Investors Service in December 2005 and reaffirmed in January 2008.

A-REIT is managed by **Ascendas Funds Management (S) Limited** (in its capacity as manager of A-REIT), a wholly-owned subsidiary of the Singapore-based Ascendas Group.

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 Singapore Stock Exchange ("**SGX-ST**").

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for unit.

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.