Press Release
13 July 2006

A-REIT reports First Quarter DPU of 3.09 cents which is 9% above prior corresponding period

Highlights:

1. Distribution per unit ("DPU") of 3.09 cents is 9% above prior corresponding period ("**pcp**") of 2.84 cents

2. Gross revenue of S$68.0 million is 35% above pcp of S$50.5 million

3. Net property income of S$50.1 million is 27% above pcp of S$39.4 million

Summary of A-REIT Results (For the three months ended 30 June 2006)

	1Q FY 2006/07 Actual	1Q FY 2005/06 Actual	Variance (%)
Gross Revenue (S$m)	68.0	50.5	35%
Net Property Income (S$m)	50.1	39.4	27%
Net Income (S$m)	37.9	31.6	20%
Available for distribution (S$m)	39.6	33.1	20%
First quarter DPU (cents)	3.09	2.84	9%

13 July 2006, Singapore – The Board of Directors of Ascendas-MGM Funds Management Limited (the "**Manager**"), the manager of Ascendas Real Estate Investment Trust ("**A-REIT**"), is pleased to announce a DPU of 3.09 cents per unit for the three months ended 30 June 2006, an increase of 9% on the 2.84 cents recorded in the pcp.

Chief Executive Officer of the Manager, Mr Tan Ser Ping said, "We are pleased to begin the new financial year with a sound first quarter performance. Organic growth coming from positive rental reversions from selected sectors (i.e. business / science park and hi-tech properties) and prior year acquisitions contributed to this result. With the improving market conditions in the high end of the industrial property market, A-REIT is well positioned for another year of stable returns for its unitholders."

Stable Distribution Yield

A-REIT's total net income available for distribution rose to S$39.6 million, recording a 20% increase over the pcp.

A-REIT will pay out a DPU of 3.09 cents for the first quarter on 24 August 2006. This represents an annualised yield of 6.4% based on the closing price of S$1.92 per unit on 30 June 2006.

Portfolio Continues to Grow through Development and Acquisitions

As at 30 June 2006, A-REIT had a portfolio of 66 properties, valued at S$2.9 billion, housing a tenant base of over 740 international and local companies. In the quarter under review, A-REIT acquired two properties: Sembawang Kimtrans Logistics Centre and Logistics 21 for S$78.0 million. The purchase of these properties was completed on 14 June 2006.

In addition, A-REIT has announced three proposed acquisitions, worth in aggregate about S$150 million, that have yet to be completed: LabOne Building which is expected to be completed by August 2006, and two development projects - separate built-to-suit warehouse retail facilities for Courts (Singapore) Limited and for Cold Storage Singapore (1983) Pte Ltd for its Giant hypermarket operation which are expected to be completed by November 2006 and March 2007 respectively.

Over the past 3 to 6 months, the competitive environment for acquisition of business space properties has changed resulting in a compression of yields to the 6.5% ~ 7.0% level. Given the positive outlook for such properties, further yield compression may be expected. This has already had a positive impact on the value of A-REIT's portfolio and as announced on 30 June 2006, the value of A-REIT's portfolio increased by S$39.8 million since the last valuation was conducted. With continued cap rate compression likely, further capital appreciation may be forthcoming.

A Well Diversified Portfolio with High Occupancy

The overall occupancy of A-REIT's portfolio of 66 properties rose to 96.1% as at 30 June 2006 compared to 94.9% in the pcp. The occupancy rate for A-REIT's multi-tenanted buildings has also increased to 92.1% for this quarter compared to 89.8% in the pcp.

In addition, the Manager has successfully renewed or leased a total of 50,279 sqm of space in the first quarter. The weighted average lease term to expiry of A-REIT's portfolio remained stable at 6.3 years as at 30 June 2006.

A-REIT is focused on providing a total solution to meet the real estate needs of corporations. As such, it has a well-diversified property portfolio spread across a number of sub-sectors, namely, business and science park properties, hi-tech industrial properties, light industrial properties, flatted factory space and logistics and distribution centres and soon to include warehouse retail properties. These sub-sectors are exposed to different segments of the economy and have different growth drivers. No single property accounts for more than 6% of the monthly gross revenue.

Capital Management

Concern over rising global interest rates continues to be a focus for investors. In anticipation of this, A-REIT has continued its hedging programme to fix a large portion of its interest rate exposure through interest rate swaps.

As at 30 June 2006, 81% of A-REIT's debt has been fixed through the use of interest rate derivatives for a remaining weighted average term of 4.1 years. This hedging expiry profile reduces the exposure to rising interest rates during the term of the swaps such that there will only be minimal impact on DPU. For example, a 10 basis point increase in floating interest rates would reduce A-REIT's DPU by only 0.015 cents in this financial year, all other things remaining constant.

On the positive side, a rising interest rate environment generally corresponds to positive economic growth and inflation. Property has proven to be a good hedge against inflation and rental rates generally will rise in tandem with inflation albeit with a time lag. Therefore, REITs can benefit from a higher interest rate environment due to the potential increase in rental rates as long as its interest rate risk exposure is well protected.

Outlook for 2006

According to the Ministry of Trade And Industry, the Singapore economy slowed and registered moderate growth in the second quarter of 2006. Despite this, the industrial property market continues to recover. Demand for business and science park, and hi-tech industrial space in A-REIT's portfolio remained healthy in the first quarter of FY06/07 with 6% -10% growth in renewal rental rates achieved. On the other hand, rental outlook for flatted factories and logistics space is expected to remain flat due to the significant vacancies in island-wide flatted factory space and new supply of logistics space expected within the year.

Given the relatively positive economic outlook for Singapore, which is expected to continue in the next few quarters, the Manager expects to deliver on its strategy of providing predictable distributions and capital stability in the coming months.

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About 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 700 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 Goodman Management Limited.

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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.