



**A-REIT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

Ascendas Real Estate Investment Trust (A-REIT) is a real estate investment trust constituted by the Trust Deed entered into on 9 October 2002 between Ascendas Funds Management (S) Limited as the Manager of A-REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of A-REIT, as amended.

Units in A-REIT were allotted in November 2002 based on a prospectus dated 5 November 2002. These units were subsequently listed on the Singapore Exchange Securities Trading Limited on 19 November 2002.

A-REIT has a diversified portfolio of 84 properties in Singapore, and houses a tenant base of more than 790 customers across the following sub-sectors: Business & Science Park, Hi-Tech Industrial, Light Industrial, Logistics & Distribution Centres and Warehouse Retail Facilities.

**SUMMARY OF A-REIT RESULTS FOR THE YEAR ENDED 31 MARCH 2008**

	Actual 01/04/07 to 31/03/08 S\$'000	Actual 01/04/06 to 31/03/07 S\$'000	Increase / (Decrease) %
Gross revenue	322,270	283,007	13.9%
Net property income	243,490	210,347	15.8%
Net income available for distribution	187,269	163,824	14.3%
	Cents per Unit		
<b>Distribution per Unit ("DPU")</b>	FY 07/08	FY 06/07	Increase / (Decrease) %
For the quarter from 1 January to 31 March	3.69	3.30	11.8%
For the twelve months from 1 April to 31 March	14.13	12.75	10.8%

**DISTRIBUTION DETAILS**

Class of Units	Ascendas-REIT main stock
Distribution period	1 Jan 2008 to 31 Mar 2008
Distribution Type	Income
Distribution amount	3.69 cents per unit
Book closure date	30 April 2008
Payment date	30 May 2008

**1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year**

**1(a)(i) Income statement (Year ended 31 March 08 vs Year ended 31 March 07)**

	Actual 01/04/07 to 31/03/08 (Note f) S\$'000	Actual 01/04/06 to 31/03/07 (Note f) S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	322,270	283,007	14%
Property services fees	(9,685)	(8,264)	17%
Property tax	(18,767)	(17,050)	10%
Other property operating expenses	(50,328)	(47,346)	6%
<b>Property operating expenses</b>	(78,780)	(72,660)	8%
<b>Net property income</b>	243,490	210,347	16%
Interest income	114	332	(66%)
Manager's fee (Note a)	(17,191)	(14,993)	15%
Performance fee	(8,388)	(6,614)	27%
Trust expenses	(2,508)	(1,913)	31%
Borrowing costs (Note b)	(40,537)	(38,777)	5%
<b>Non property expenses</b>	(68,510)	(61,965)	11%
<b>Net income</b>	174,980	148,382	18%
Net appreciation on revaluation of investment properties (Note c)	494,141	188,712	162%
<b>Total return for the year</b>	669,121	337,094	98%
Non-tax deductible expenses (Note d)	12,289	15,442	(20%)
Net appreciation on revaluation of investment properties (Note c)	(494,141)	(188,712)	162%
<b>Income available for distribution (Note e)</b>	187,269	163,824	14%

The following items have been included in arriving at net income:

	Actual 01/04/07 to 31/03/08 (Note f) S\$'000	Actual 01/04/06 to 31/03/07 (Note f) S\$'000
Gross rental income	296,566	259,142
Other income	25,704	23,865
Allowance for doubtful receivables, net	(266)	(21)
Depreciation of plant and equipment	(1,100)	(1,083)

## Footnotes

- (a) The payment of the base management fee on properties acquired before October 2004 is in the proportion of 50% cash and 50% units. For all properties acquired after October 2004, the Manager has elected to receive the base management fee wholly in cash. At A-REIT's Unitholders' Meeting held on 28 June 2007, A-REIT's unitholders approved an extraordinary resolution supplementing the Trust Deed to allow the Manager to elect from time to time to receive both its base management fee and performance fee wholly in units or wholly in cash or in any combination of both with effect from 19 November 2007. With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fee in units and 80% in cash for all properties.
- (b) Borrowing costs for the year ended 31 March 2008 and 31 March 2007 represents interest expense on loans and amortised costs of establishing debt facilities (including the Medium Term Note issues). Borrowing costs also include the fair value/accretion adjustments for deferred payments and refundable security deposits (FY07/08 – net credit of \$2.2 million, FY06/07 – charge of \$2.4 million).
- (c) Independent valuations for the 82 properties were undertaken by CB Richard Ellis (Pte) Ltd, Chesterton International Property Consultants Pte Ltd, DTZ Debenham Tie Leung (SEA) Pte Ltd and Jones Lang LaSalle (Singapore) in March 2008. Acer and Sim Siang Choon which were acquired in March 2008 were recorded at cost. Net appreciation on revaluation of investment properties are not taxable and are excluded from the computation of income available for distribution.
- (d) Non-tax deductible expenses relate to units issued to the Manager in part payment of its management fees/performance fees, accretion and fair value adjustments required under FRS39 and other non-tax deductible or non-taxable items which are added back.
- (e) A-REIT's distribution policy is to distribute 100% of its distributable income (other than gains on the sales of real properties determined to be trading

gains). The distributable income has generally been distributed to unitholders on a quarterly basis since 1 October 2004.

- (f) 84 properties as at 31 March 2008 vs 77 properties as at 31 March 2007.

**1(a)(ii) Income statement (4Q FY 07/08 vs 4Q FY 06/07)**

	Actual 01/01/08 to 31/03/08 (Note f) S\$'000	Actual 01/01/07 to 31/03/07 (Note f) S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	84,464	74,041	14%
Property services fees	(2,757)	(2,282)	21%
Property tax	(4,850)	(4,318)	12%
Other property operating expenses	(12,900)	(11,839)	9%
<b>Property operating expenses</b>	<b>(20,507)</b>	<b>(18,439)</b>	<b>11%</b>
<b>Net property income</b>	<b>63,957</b>	<b>55,602</b>	<b>15%</b>
Interest income	2	66	(97%)
Manager's fee (Note a)	(4,576)	(3,924)	17%
Performance fee	(8,388)	(6,614)	27%
Trust expenses	(804)	(618)	30%
Borrowing costs (Note b)	(8,260)	(11,314)	(27%)
<b>Non property expenses</b>	<b>(22,026)</b>	<b>(22,404)</b>	<b>(2%)</b>
<b>Net income</b>	<b>41,931</b>	<b>33,198</b>	<b>26%</b>
Net appreciation on revaluation of investment properties (Note c)	494,141	148,940	232%
<b>Total return for the period</b>	<b>536,072</b>	<b>182,138</b>	<b>194%</b>
Non tax deductible expenses (Note d)	7,041	9,526	(26%)
Net appreciation on revaluation of investment properties (Note c)	(494,141)	(148,940)	232%
<b>Income available for distribution (Note e)</b>	<b>48,972</b>	<b>42,724</b>	<b>15%</b>

The following items have been included in arriving at net income:

	Actual 01/01/08 to 31/03/08 (Note f) S\$'000	Actual 01/01/07 to 31/03/07 (Note f) S\$'000
Gross rental income	78,172	68,396
Other income	6,292	5,645
Allowance for doubtful receivables, net	(316)	(1)
Depreciation of plant and equipment	(275)	(275)

**Footnotes**

- (a) The payment of the base management fee on properties acquired before October 2004 is in the proportion 50% cash and 50% units. For all properties acquired after October 2004, the Manager has elected to receive the base management fee wholly in cash. At A-REIT's Unitholders' Meeting held on 28 June 2007, A-REIT's unitholders approved an extraordinary resolution supplementing the Trust Deed to allow the Manager to elect from time to time to receive both its base management fee and performance fee wholly in units or wholly in cash or in any combination of both with effect from 19 November 2007. With effect from 19 November 2007, the Manager has elected to receive 20% of the base management fee in units and 80% in cash for all properties.
- (b) Borrowing costs for the quarter ended 31 March 2008 and 31 March 2007 represent interest expense on loans and amortised costs of establishing debt facilities (including the Medium Term Note issues). Borrowing costs also include the fair value/accretion adjustments for deferred payments and refundable security deposits (4Q FY07/08 – net credit of \$2.8 million, 4Q FY06/07 – charge of \$1.2 million).
- (c) Independent valuations for the 82 properties were undertaken by CB Richard Ellis (Pte) Ltd, Chesterton International Property Consultants Pte Ltd, DTZ Debenham Tie Leung (SEA) Pte Ltd and Jones Lang LaSalle (Singapore) in March 2008. Acer and Sim Siang Choon which were acquired in March 2008 were recorded at cost. Net appreciation on revaluation of investment properties are not taxable and are excluded from the computation of income available for distribution.
- (d) Non-tax deductible expenses relate to units issued to the Manager in part payment of its management fees/performance fees, accretion and fair value adjustments required under FRS39 and other non-tax deductible or non-taxable items which are added back.
- (e) A-REIT's distribution policy is to distribute 100% of its distributable income (other than gains on the sales of real properties determined to be trading gains). The distributable income has generally been distributed to unitholders on a quarterly basis since 1 October 2004.
- (f) 84 properties as at 31 March 2008 vs 77 properties as at 31 March 2007.

**1 (b)(i) Balance sheet, together with comparatives as at the end of the immediately preceding financial year**

	Actual 31/03/08 S\$'000	Actual 31/03/07 S\$'000
<b>Assets</b>		
Investment properties	4,085,605	3,270,946
Properties under development	88,007	7,114
Plant and equipment	6,113	7,214
Trade and other receivables	13,976	16,530
Deposits, prepayments and other assets	6,025	5,395
Cash	5,425	4,809
<b>Total assets</b>	<b>4,205,151</b>	<b>3,312,008</b>
<b>Liabilities</b>		
Trade and other payables	166,493	111,301
Deferred payments	40,839	47,231
Borrowings (net of transaction costs)	1,559,860	1,183,511
Total liabilities (excluding net assets attributable to unitholders)	1,767,192	1,342,043
<b>Net assets attributable to unitholders</b>	<b>2,437,959</b>	<b>1,969,965</b>

	Actual 31/03/08 S\$'000	Actual 31/03/07 S\$'000
<b>Gross Borrowings</b>		
<b>Secured borrowings</b>		
Amount repayable after one year	1,044,965	649,965
<b>Unsecured borrowings</b>		
Amount repayable after one year	279,000	-
Amount repayable within one year (note a)	238,400	535,400
	<b>1,562,365</b>	<b>1,185,365</b>

**Footnote**

(a) Relates to borrowings under revolving credit facilities.

**Details of borrowings & collateral**

Three term loans of \$300 million, \$350 million and \$395 million were granted by a special purpose company, Emerald Assets Limited ("Emerald Assets") at a floating interest rate of the Singapore 3-month swap offer rate plus a margin of 0.325% per annum, 0.265% per annum and 0.200% per annum respectively.

As security for the credit facilities granted by Emerald Assets, the Trustee has granted in favour of Emerald Assets the following:

- (i) a mortgage over the 17 properties acquired before July 2004 ("Portfolio 1 properties"), a mortgage over the 23 properties acquired between July 2004 and April 2005 ("Portfolio 2 properties") and a mortgage over the 33

- properties acquired between May 2005 and February 2007 ("Portfolio 3 properties").
- (ii) an assignment and charge of the rental proceeds and tenancy agreements in the Portfolio 1 properties, Portfolio 2 properties and Portfolio 3 properties.
  - (iii) an assignment of the insurance policies relating to the Portfolio 1 properties, Portfolio 2 properties and Portfolio 3 properties.
  - (iv) a fixed and floating charge over certain assets of the Trust relating to the Portfolio 1 properties, Portfolio 2 properties and Portfolio 3 properties.

In addition, A-REIT has in place unsecured uncommitted bilateral revolving credit facilities ("RCF") and Term Loan Facilities ("TLF") totalling \$900 million.

Interest rate swaps of \$1,130.7 million (72.4% of total debt) are in place to provide fixed rate funding for terms of 1 to 6 years at an average interest rate of 3.11%. The \$1,130.7 million of debt fixed through swaps has a weighted average term remaining of 3.8 years. The fair value of the swaps which is included in other payables is \$34.8 million as at 31 March 2008. A-REIT's weighted average funding cost as at 31 March 2008 was 3.103% (including margins charged on the loans and amortised annual costs of the Medium Term Note).

The fair value changes relating to the interest rate swaps are recognised in Net Assets Attributable to Unitholders.

Included in the Investment Properties is an unrealized revaluation gain of \$494.1 million as a result of the revaluation of the said 82 properties by independent valuers, carried out in March 2008.



**1 (c) Cash flow statement together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**1 (c)(i) Cash flow statement (Year ended 31 March 2008 vs 31 March 2007)**

	Actual 01/04/07 to 31/03/08 S\$'000	Actual 01/04/06 to 31/03/07 S\$'000
<b>Operating activities</b>		
Net income	174,980	148,382
<b><u>Adjustment for</u></b>		
Interest income	(114)	(332)
Allowance for doubtful receivables, net	266	21
Borrowing costs	40,537	38,777
Fund manager's fee paid/payable in units	11,923	10,040
Depreciation of plant and equipment	1,100	1,083
<b>Operating income before working capital changes</b>	<b>228,692</b>	<b>197,971</b>
<b><u>Changes in working capital</u></b>		
Trade and other receivables	(3,580)	(696)
Trade and other payables	(192)	10,579
	<b>(3,772)</b>	<b>9,883</b>
<b>Cash flows from operating activities</b>	<b>224,920</b>	<b>207,854</b>
<b>Investing activities</b>		
Purchase of investment properties (including acquisition costs)	(249,272)	(227,704)
Properties under development	(92,572)	(72,324)
Purchase of plant and equipment	-	(5,935)
Payment for capital improvement projects	(13,939)	(4,591)
Payment of deferred settlements	(21,979)	(14,381)
Deposits paid for purchase of investment properties	(370)	(1,245)
<b>Cash flows from investing activities</b>	<b>(378,132)</b>	<b>(326,180)</b>
<b>Financing activities</b>		
Equity issue costs paid	-	(1,000)
Proceeds from issue of units	-	100,001
Distributions paid to unitholders	(181,103)	(158,409)
Borrowing costs paid	(42,183)	(34,728)
Interest received	114	332
Proceeds from borrowings	1,275,500	1,468,551
Repayment of borrowings	(898,500)	(1,256,001)
<b>Cash flows from financing activities</b>	<b>153,828</b>	<b>118,746</b>
<b>Net increase in cash and cash equivalents</b>	<b>616</b>	<b>420</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>4,809</b>	<b>4,389</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>5,425</b>	<b>4,809</b>

**1 (c)(ii) Cash flow statement (4Q FY 07/08 vs 4Q FY 06/07)**

	Actual 01/01/08 to 31/03/08 S\$'000	Actual 01/01/07 to 31/03/07 S\$'000
<b>Operating activities</b>		
Net income	41,931	33,198
<b><u>Adjustment for</u></b>		
Interest income	(2)	(66)
Allowance for doubtful receivables, net	316	1
Borrowing costs	8,260	11,314
Fund manager's fee paid/payable in units	9,303	7,459
Depreciation of plant and equipment	275	275
<b>Operating income before working capital changes</b>	<b>60,083</b>	<b>52,181</b>
<b><u>Changes in working capital</u></b>		
Trade and other receivables	(837)	(6,320)
Trade and other payables	(1,800)	12,397
	<b>(2,637)</b>	<b>6,077</b>
<b>Cash flows from operating activities</b>	<b>57,446</b>	<b>58,258</b>
<b>Investing activities</b>		
Purchase of investment properties (including acquisition costs)	(220,522)	(131,436)
Properties under development	(41,536)	(18,681)
Payment for capital improvement projects	(3,010)	(127)
Payment of deferred settlements	(12,850)	(14,381)
Deposits paid for purchase of investment properties	(122)	-
<b>Cash flows from investing activities</b>	<b>(278,040)</b>	<b>(164,625)</b>
<b>Financing activities</b>		
Equity issue costs paid	-	(1,000)
Proceeds from issue of units	-	100,001
Distributions paid to unitholders	(47,190)	(41,002)
Borrowing costs paid	(10,063)	(9,329)
Interest received	2	66
Proceeds from borrowings	482,400	197,750
Repayment of borrowings	(205,400)	(138,900)
<b>Cash flows from financing activities</b>	<b>219,749</b>	<b>107,586</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(845)</b>	<b>1,219</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,270</b>	<b>3,590</b>
<b>Cash and cash equivalents at end of the period</b>	<b>5,425</b>	<b>4,809</b>

**1 (d)(i) Net assets attributable to unitholders (Year ended 31 March 2008 vs Year ended 31 March 2007)**

	Actual 01/04/07 to 31/03/08 S\$'000	Actual 01/04/06 to 31/03/07 S\$'000
<b>Balance at beginning of the year</b>	1,969,965	1,708,371
<b>Operations</b>		
Net income	174,980	148,382
Net appreciation on revaluation of investment properties (Note a)	494,141	188,712
<b>Net increase in net assets resulting from operations</b>	669,121	337,094
<b>Hedging transactions</b>		
Changes in fair value included in hedging reserve - effective hedge	(30,104)	(25,069)
<b>Unitholders' transactions</b>		
New units issued	-	100,001
Performance fees paid in units	6,614	5,617
Management fees paid in units	3,466	3,422
Equity issue costs	-	(1,062)
Distributions to unitholders	(181,103)	(158,409)
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	(171,023)	(50,431)
<b>Balance at end of the year</b>	2,437,959	1,969,965

**Footnote**

- (a) Revaluations of the 82 properties were undertaken by CB Richard Ellis (Pte) Ltd, Chesterton International Property Consultants Pte Ltd, DTZ Debenham Tie Leung (SEA) Pte Ltd and Jones Lang LaSalle (Singapore) in March 2008. Acer and Sim Siang Choon which were acquired in March 2008 were recorded at cost.

**Net assets attributable to unitholders (4Q FY 07/08 vs 4Q FY 06/07)**

	Actual 01/01/08 to 31/03/08 S\$'000	Actual 01/01/07 to 31/03/07 S\$'000
<b>Balance at beginning of period</b>	1,970,408	1,740,164
<b>Operations</b>		
Net income	41,931	33,198
Net appreciation on revaluation of investment properties (Note a)	494,141	148,940
<b>Net increase in net assets resulting from operations</b>	536,072	182,138
<b>Hedging transactions</b>		
Changes in fair value included in hedging reserve - effective hedge	(21,331)	(10,336)
<b>Unitholders' transactions</b>		
New units issued	-	100,001
Equity issue costs	-	(1,000)
Distributions to unitholders	(47,190)	(41,002)
<b>Net (decrease)/increase in net assets resulting from Unitholders' transactions</b>	(47,190)	57,999
<b>Balance at end of period</b>	2,437,959	1,969,965

**Footnote**

- (a) Revaluations of the 82 properties were undertaken by CB Richard Ellis (Pte) Ltd, Chesterton International Property Consultants Pte Ltd, DTZ Debenham Tie Leung (SEA) Pte Ltd and Jones Lang LaSalle (Singapore) in March 2008. Acer and Sim Siang Choon which were acquired in March 2008 were recorded at cost.

**1 (d)(ii) Details of any changes in the units (Year ended 31 March 2008 vs 31 March 2007)**

	Actual 01/04/07 to 31/03/08 Units	Actual 01/04/06 to 31/03/07 Units
<b>Balance at beginning of financial year</b>	1,321,635,324	1,277,203,708
Issue of new units:		
- Performance fees paid in units	2,555,311	2,579,346
- Management fees paid in units	1,369,856	1,529,270
- New units issued	-	40,323,000
<b>Balance at end of financial year</b>	<b>1,325,560,491</b>	<b>1,321,635,324</b>

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed.

**3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

A-REIT has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2007 except as noted in item 5 below.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

With the adoption of FRS 40: Investment Property with effect from 1 April 2007, Earnings per Unit ("EPU") are now computed based on total return for the period. Prior to this, EPU were computed based on net income.

**6. Earnings per unit and distribution per unit for the financial period**

**6.1 EPU/DPU for 4Q FY07/08 compared to 3Q FY07/08**

	Actual 4Q FY07/08 01/01/08 to 31/03/08	Actual 3Q FY07/08 01/10/07 to 31/12/07
Number of units on issue at end of period	1,325,560,491	1,325,560,491
Applicable number of units for calculation of EPU/DPU (Note a & b)	1,325,560,491	1,325,560,491
Earnings per unit in cents (EPU) - (Note a)	40.44	3.44
Distribution per unit in cents (DPU) - (Note b)	3.69	3.56

**6.2 EPU/DPU for 4Q FY07/08 compared to 4Q FY06/07**

	Actual 4Q FY07/08 01/01/08 to 31/03/08	Actual 4Q FY06/07 01/01/07 to 31/03/07
Number of units on issue at end of period	1,325,560,491	1,321,635,324
Applicable number of units for calculation of EPU/DPU (Note a & b)	1,325,560,491	1,296,545,457
Earnings per unit in cents (EPU) - (Note a)	40.44	14.05
Distribution per unit in cents (DPU) - (Note b)	3.69	3.30

**6.3 EPU/DPU for FY07/08 compared to FY06/07**

	Actual 01/04/07 to 31/03/08	Actual 01/04/06 to 31/03/07
Number of units on issue at end of financial year	1,325,560,491	1,321,635,324
Applicable number of units for calculation of EPU/DPU (Note a & b)	1,325,183,320	1,284,900,789
Earnings per unit in cents (EPU) - (Note a)	50.49	26.24
Distribution per unit in cents (DPU) - (Note b)	14.13	12.75

**Footnote**

- (a) The EPU has been calculated using total return for the period and the weighted average number of units on issue during the period. Comparative EPUs have been restated to be consistent with the current period's presentation.
- (b) The DPU has been calculated using income available for distribution and the applicable number of units, which is either the units applicable for each period's distribution, or the weighted average number of units on issue during the period.

**7. Net asset value per unit based on units issued at the end of the financial year**

	Actual 31/03/08 cents	Actual 31/03/07 cents
Net asset value per unit	184	149
Adjusted net asset value per unit (Note a)	180	146

**Footnote**

(a) A-REIT's distribution policy is to distribute 100% of its distributable income (other than gains on the sale of real properties determined to be trading gains). The adjusted net asset value per unit excludes the undistributed income for the relevant period prior to the balance sheet date.

**8. Review of the performance**

	Actual 4Q FY07/08 01/01/08 to 31/03/08 S\$'000	Actual 4Q FY06/07 01/01/07 to 31/03/07 S\$'000	Increase / (Decrease) %
Gross revenue	84,464	74,041	14%
Property operating expenses	(20,507)	(18,439)	11%
Net property income	63,957	55,602	15%
Non property expenses	(13,768)	(11,156)	23%
Net borrowing costs	(8,258)	(11,248)	(27%)
	(22,026)	(22,404)	(2%)
Net income	41,931	33,198	26%
Net appreciation on revaluation of investment properties	494,141	148,940	232%
Total return for the period	536,072	182,138	194%
Non tax deductible expenses	7,041	9,526	(26%)
Net appreciation on revaluation of investment properties	(494,141)	(148,940)	232%
Income available for distribution (Note a)	48,972	42,724	15%
Earnings per unit (cents)	40.44	14.05	188%
Distribution per unit (cents)	3.69	3.30	12%

**Footnote**

- (a) A-REIT's distribution policy is to distribute 100% of its distributable income (other than gains on the sales of real properties determined to be trading gains). The distributable income has generally been distributed to unitholders on a quarterly basis since 1 October 2004.

**Review of Performance 4Q FY 07/08 vs 4Q FY 06/07**

Gross revenue increased by 14% mainly due to additional rental income from the following completed acquisitions: 2 Changi South Lane, 1 Kallang Place, 9 & 11 Woodlands Terrace, 18 Woodlands Loop, Giant in February 2007, 1 Senoko Avenue in May 2007, completed asset enhancement at Alpha, acquisition of Goldin Logistics Building in December 2007, completion of HansaPoint@CBP in January 2008 and completion of SenKee Logistics Phase 2 in Feb 2008. Acquisitions in March 2008 include Acer, Sim Siang Choon, Rutherford and Science Hub and CGGVeritas Hub. Contributions of these acquisitions in March 2008 to the gross revenue for the period discussed were not material.

Non-property expenses increased mainly due to higher management fees as a result of the increase in assets under management.

Borrowing costs decreased by 27% in 4Q FY07/08 primarily because of (i) fair value adjustments relating to increase in security deposits placed by tenants; and (ii) decrease in short term borrowing rates, despite additional debt drawn down to fund the new acquisitions. If the fair value adjustments are excluded, adjusted net borrowing costs would have been approximately \$11.1 million, an increase of 14% on adjusted net borrowing cost in 4Q FY06/07 of \$9.7 million.

Net income and income available for distribution were higher than the comparable period last year, mainly due to additional income from the new properties acquired.

Revaluation of the 82 properties was undertaken by CB Richard Ellis (Pte) Ltd, Chesterton International Property Consultants Pte Ltd, DTZ Debenham Tie Leung (SEA) Pte Ltd and Jones Lang LaSalle (Singapore) in March 2008. Acer and Sim Siang Choon which were acquired in March 2008 were recorded at cost.

Non-tax deductible expenses decreased mainly due to the \$127.5 million interest rate cap that expired in 1Q FY07/08.



**Income statement (4Q FY07/08 vs 3Q FY07/08)**

	Actual 4Q FY07/08 01/01/08 to 31/03/08 S\$'000	Actual 3Q FY07/08 01/10/07 to 31/12/07 S\$'000	Increase / (Decrease) %
Gross revenue	84,464	80,225	5%
Property operating expenses	(20,507)	(18,867)	9%
Net property income	63,957	61,358	4%
Non property expenses	(13,768)	(4,846)	184%
Net borrowing costs	(8,258)	(10,971)	(25%)
	(22,026)	(15,817)	39%
Net income	41,931	45,541	(8%)
Net appreciation on revaluation of investment properties	494,141	-	n.m.
Total return for the period	536,072	45,541	1077%
Non tax deductible expenses	7,041	1,617	335%
Net appreciation on revaluation of investment properties	(494,141)	-	n.m.
Income available for distribution (Note a)	48,972	47,158	4%
Earnings per unit (cents)	40.44	3.44	1077%
Distribution per unit (cents)	3.69	3.56	4%

**Footnote**

- (a) A-REIT's distribution policy is to distribute 100% of its distributable income (other than gains on the sales of real properties determined to be trading gains). The distributable income has generally been distributed to unitholders on a quarterly basis since 1 October 2004.

**Review of Performance 4Q FY 07/08 vs 3Q FY 07/08**

In 4Q FY07/08, gross revenue increased over the prior quarter primarily due to increase in investment activities for that quarter. Goldin Logistics, acquired in December 2007, contributed full quarter revenue in 4Q FY07/08. In addition, completion of HansaPoint@CBP and the acquisitions of Acer, Rutherford and Science Hub, Sim Siang Choon Building, CGGVeritas Hub and SenKee Phase 2 contributed to the higher revenue.

The increase in non-property expenses is mainly due to performance fees payable to the Manager in accordance with the remuneration scheme as stated in the Trust Deed. DPU growth in FY07/08 over FY06/07 was 10.8%. Accordingly, the Manager is remunerated with a performance fee equal to 0.2% of the Deposited Property.

Borrowing cost was lower in 4Q FY07/08 compared with prior quarter primarily because of fair value adjustments relating to increase in security deposits placed by tenants despite additional debt drawn down to fund the new acquisitions mentioned above.

Revaluation of the 82 properties was undertaken by CB Richard Ellis (Pte) Ltd, Chesterton International Property Consultants Pte Ltd, DTZ Debenham Tie Leung (SEA) Pte Ltd and Jones Lang LaSalle (Singapore) in March 2008. Acer and Sim Siang Choon which were acquired in March 2008 were recorded at cost. There were no properties due for regulatory revaluation in 3Q FY07/08.

**9. Variance between forecast and the actual results**

A-REIT has not disclosed any forecast to the market.

**10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Advance GDP Estimates for First Quarter 2008 released by The Ministry of Trade and Industry (“MTI”), reflected an increase in the pace of growth of the Singapore economy versus the last quarter of 2007. GDP rose 7.2% compared to 5.4% in 4Q07. The manufacturing sector is estimated to have expanded by 13.2% resulting from the surge of output of the biomedical manufacturing sector. Overall growth was seen in the other manufacturing clusters with the exception of transport engineering and precision engineering whose growth moderated.

Singapore’s economy expanded by 7.7% in 2007 vis-à-vis 7.9% in 2006. Construction and services producing sectors experienced the fastest growth.

The upward trend of overall industrial property prices and rental rates (represented by the URA price and rental indices respectively) reflected the continued economic growth. Both indices rose 6.0% and 7.8% respectively in 4Q07. According to URA’s statistics released in January 2008, occupancy rates improved across all sectors with a marginal increase of 0.9% to 87.3% for factory space. Warehouse space occupancy rates improved from 90.3% in 3Q07 to 91.5% in 4Q07. Average occupancy rate for the Science & Business Park rose to 89.4% in 4Q07 from 87.1% in 3Q07. Demand for business park space remains healthy.

According to CBRE’s research report, average rents for all industrial space increased in 4Q07 except for warehouses. Hi-tech space continued to take the lead, rising by 7.3% q-on-q. Average rents for factories rose by 3.4% q-on-q for

ground floor units and 4.2% q-on-q for upper floor units while average gross rent for warehouses stayed relatively unchanged.

### **Outlook for the financial year ending 31 March 2009**

Singapore's open economy is expected to grow at a slower pace in 2008. MTI estimates GDP growth for 2008 to be between 4.0% and 6.0%.

With uncertainties over the global economic situation, according to a study by CBRE, the increase in rents and occupancy rates for Hi-Tech and business parks space are expected to continue at a less brisk pace due to limited upcoming supply. However, depending on the depth and length of the expected recession in the US, the impact on the Asian and Singapore economy is difficult to gauge at this time.

Barring a significant adverse change in the economic situation, the Manager of A-REIT remains committed to pursue quality and sustainable yield accretive investments. The Manager expects the results of its asset management and investment strategies to continue to underpin the steady performance of A-REIT's portfolio.

Given the cautious outlook for the economy and barring any unforeseen events, the Manager expects to be able to deliver, for the coming year, a DPU that is in line with its recent performance.

**11. Distributions****(a) Current financial period**

Any distributions declared for the current financial period :	Yes
Name of distribution :	18th distribution for the period 1 January 2008 to 31 March 2008
Distribution Type :	Income
Distribution Rate :	3.69 cents per unit
Par value of units :	Not applicable
Tax Rate :	Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax.  Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently.  Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts.  Qualifying foreign non-individual investor will receive their distributions after deduction of tax at the rate of 10%.  All other investors will receive their distributions after deduction of tax at the rate of 18%.
Book closure date :	30 April 2008
Date payable :	30 May 2008

**(b) Corresponding period of the immediately preceding year**

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	14th distribution for the period 1 January 2007 to 31 March 2007
Distribution Type :	Income
Distribution Rate :	3.30 cents per unit for main Ascendas-REIT stock counter 1.198 cents per unit for Ascendas-REIT A stock counter
Par value of units :	Not applicable
Tax Rate :	Individuals who receive such distribution as investment income (excluding income received through partnership) will be exempted from tax.  Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their own marginal rate subsequently.  Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to the respective CPF and SRS accounts.  Qualifying foreign non-individual investor will receive their distributions after deduction of tax at the rate of 10%.  All other investors will receive their distributions after deduction of tax at the rate of 20%.
Book closure date :	30 April 2007
Date paid :	30 May 2007

12. **If no distribution has been declared/(recommended), a statement to that effect**

NA

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 **Segmented revenue and results for business or geographical segments (of the group)**

	Actual 01/04/07 to 31/03/08 (Note a) S\$'000	Actual 01/04/06 to 31/03/07 (Note a) S\$'000	Increase / (Decrease) %
<b><u>Total Gross revenue</u></b>			
Business & Science Park Properties	62,296	52,857	18%
Hi-Tech Industrial Properties	94,465	86,317	9%
Light Industrial Properties	72,764	65,824	11%
Logistics and Distributions Centres	79,846	75,164	6%
Warehouse Retail Facilities	12,899	2,845	353%
<b>Gross revenue</b>	<b>322,270</b>	<b>283,007</b>	<b>14%</b>

	Actual 01/04/07 to 31/03/08 (Note a) S\$'000	Actual 01/04/06 to 31/03/07 (Note a) S\$'000	Increase / (Decrease) %
<b><u>Net property income</u></b>			
Business & Science Park Properties	45,404	38,032	19%
Hi-Tech Industrial Properties	61,685	55,921	10%
Light Industrial Properties	57,732	50,403	15%
Logistics and Distributions Centres	67,598	63,492	6%
Warehouse Retail Facilities	11,071	2,499	343%
<b>Net property income</b>	<b>243,490</b>	<b>210,347</b>	<b>16%</b>

**Footnotes**

(a) 84 properties as at 31 March 2008 vs 77 properties as at 31 March 2007  
A-REIT's business is investing in industrial properties (including business & science park, hi-tech industrial, light industrial, logistics & distribution centres, and retail warehouse facilities) and all existing properties are located in Singapore.

The Manager decided to report the income and expenditure of the property at 30 Tampines Industrial Avenue 3 under the "Hi-Tech Industrial Properties" segment. This property was previously reported under the "Business & Science Park Properties" segment. The Manager is of the opinion that it would be more appropriate to report the financials of this property under the "Hi-Tech Industrial Properties" segment given its

location and building specification. Accordingly, the comparative financials for the year ended 31 March 2007 has been reclassified.

**14 In the view of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to section 8 for the review of the actual performance.

**15 Breakdown of sales**

	Actual 01/04/07 to 31/03/08 S\$'000	Actual 01/04/06 to 31/03/07 S\$'000	Increase / (Decrease) %
(a) Gross revenue reported for first half year	157,581	137,897	14%
(b) Net income after tax for first half year	87,508	76,190	15%
(c) Gross revenue reported for second half year	164,689	145,110	13%
(d) Net income after tax for second half year	87,472	72,192	21%

**16 Breakdown of the total distribution for the financial year ended 31 March 2008**

Annual distribution to unitholders

	Actual 01/04/07 to 31/03/08 S\$'000	Actual 01/04/06 to 31/03/07 S\$'000
1 Jan 08 to 31 Mar 08 (Note a)	48,972	-
1 Oct 07 to 31 Dec 07	47,190	-
1 Jul 07 to 30 Sep 07	46,501	-
1 Apr 07 to 30 Jun 07	44,646	-
1 Jan 07 to 31 Mar 07	-	42,766
1 Oct 06 to 31 Dec 06	-	41,002
1 Jul 06 to 30 Sep 06	-	40,467
1 Apr 06 to 30 Jun 06	-	39,571
<b>Total distribution to unitholders</b>	<b>187,309</b>	<b>163,806</b>

**Footnote**

(a) Please refer to para 1(a)(ii)



**17. DIRECTORS CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these financial results to be false or misleading.

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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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

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By order of the Board  
Ascendas Funds Management (S) Limited

**Maria Theresa Belmonte**  
**Assistant Company Secretary**  
**18 April 2008**