

Press Release
19 February 2004



A-REIT Completes Acquisition of IDS Logistics Corporate Headquarters for S\$50 Million

19 February 2004, Singapore – Ascendas-MGM Funds Management Limited (“**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”), is pleased to announce the completion today of A-REIT’s acquisition of IDS Logistics Corporate Headquarters (“**IDS HQ**”) for a purchase price of S\$50 million.

Bermuda Trust (Singapore) Limited (the “**Trustee**”), as trustee of A-REIT, has today exercised the call option under the Put and Call Option Agreement (“**Option Agreement**”) entered into on 20 November 2003 between IDS Logistics Services Pte. Ltd. (“**IDS Logistics**”) and the Trustee regarding the sale and purchase of IDS HQ located at 279 Jalan Ahmad Ibrahim, Singapore 639938.

Pursuant to the Trustee’s exercise of the call option under the Option Agreement, the Trustee and IDS Logistics entered into the sale and purchase agreement for IDS HQ and completed the sale and purchase on the same day for a total purchase price of S\$50 million. Following the completion of the sale and purchase of IDS HQ, the Trustee and IDS Logistics entered into a lease agreement (“**Lease Agreement**”) under which IDS Logistics has agreed to lease the building from A-REIT for a term of ten years.

The estimated increase in A-REIT’s net property income arising from the acquisition of the IDS HQ is S\$4.2 million in the first year of ownership. The Lease Agreement provides three-yearly market reviews with a ratchet clause and a cap of 15 per cent. on rental increases for the first review as well as a cap of 20 per cent. for the subsequent reviews. The property yield of this twelfth property in A-REIT’s portfolio is expected to be 8.27 per cent before acquisition costs. The acquisition of IDS HQ will be funded from available debt facilities.

The acquisition of IDS HQ will not have a significant impact on A-REIT's results for the financial year ending 31 March 2004. A-REIT's forecast income statement for the year ending 31 March 2005 in the circular dated 18 February 2004 issued by the Manager in connection with an offer and placement of new units in A-REIT remains unchanged.

Mr Goh Kok Huat, Chief Executive Officer of A-REIT, said, "The completion of acquisition of IDS Logistics Corporate Headquarters will provide additional returns to A-REIT unitholders. We are pleased to be associated with IDS Logistics under the long term lease arrangements for this property."

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About A-REIT www.a-reit.com

A-REIT is the first business space and light industrial REIT listed on the SGX-ST. It has a diversified portfolio of 12 properties comprising business park (including science park), light and hi-tech industrial properties in Singapore, with a book value of approximately S\$750 million. These properties house a tenant base of over 300 international and local companies operating in a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. Major tenants include Biopharmaceutical Manufacturing Technology Centre, Federal Express, Ghim Li Global, Honeywell, Lilly Systems Biology, OSIM International, Teradyne, Ultron Technologies, Venture Corporation and IDS Logistics.

A-REIT is managed by **Ascendas-MGM Funds Management Limited**, a joint venture between Singapore-based Ascendas Investment Pte Ltd, a related corporation of Ascendas Land (Singapore) Pte Ltd, and Australian-based Macquarie Goodman Industrial Management Pty Limited.

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Disclaimer

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.

The value of units in A-REIT ("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 may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("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.