Press Release
18 July 2008

A-REIT reports First Quarter DPU of 3.89 cents, 15.4% year-on-year growth over previous comparable DPU of 3.37 cents

Highlights:

1. Distributable income per unit ("**DPU**") of 3.89 cents represents a 15.4% year-on-year ("**yoy**") growth over 3.37 cents

2. Gross revenue of S$92.5 million is 19.6% above yoy of S$77.3 million

3. Net property income of S$69.7 million is 20.1% above yoy of S$58 million

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

	1Q FY 2008/09	1Q FY 2007/08	Variance (%)
Gross Revenue (S$m)	92.5	77.3	19.6
Net Property Income (S$m)	69.7	58.0	20.1
Available for distribution (S$m)	51.8	44.7	15.9
DPU (cents)	3.89	3.37	15.4

18 July 2008, Singapore – The Board of Directors of Ascendas Funds Management (S) Limited (the "**Manager**"), the manager of Ascendas Real Estate Investment Trust ("**A-REIT**"), is pleased to announce a DPU of 3.89 cents per unit for the three months ended 30 June 2008, an increase of 15.4% on the 3.37 cents recorded in the same quarter of the last financial year.

Chief Executive Officer and Executive Director of the Manager, Mr Tan Ser Ping said, "We are pleased to commence the new financial year with a sound first quarter performance. We achieved an increase of 15.4% on our distribution per unit to 3.89 cents compared to a year ago.

Overall portfolio occupancy rate increased by 1.4% to 98.6% compared to a year ago. We continue to see double digit growth of 63.9% and 44.4% in renewal rates for our Business &

Science Park properties and Hi-Tech Industrial properties respectively versus preceding contract rates. This can be attributed to the continued healthy demand for quality suburban industrial and business space as well as the active leasing and investment activities conducted by the Manager and its property management team.

Barring any significant adverse deterioration in the economic situation, the Manager expects to be able to deliver a return that is in line with its recent performance."

A-REIT's total net income available for distribution rose to S$51.8 million for the three months ended 30 June 2008, a 15.9% yoy increase.

A-REIT will pay out a DPU of 3.89 cents for the three months ended 30 June 2008 on 27 August 2008. This represents an annualized yield of 7.0% based on the closing price of S$2.21 per unit on 30 June 2008.

Portfolio Continues to Grow through Quality Acquisitions and Development

The Manager continues to undertake a disciplined approach to acquisitions and development of high-quality properties. As at 30 June 2008, A-REIT had a portfolio of 86 properties with a total book value of about S$4.5 billion, housing a tenant base of over 800 international and local companies. In the first quarter, A-REIT acquired 8 Loyang Way 1 for S$25.0 million and 31 International Business Park for S$246.8 million. A-REIT had earlier announced the following investments in development:

1) A partial build-to-suit distribution facility which is currently under development at Plot 7 & 8 Changi LogisPark (North) with Zuellig Pharma Pte Ltd as the anchor tenant. The development project is expected to be completed in 2QFY2008/09.
2) A partial build-to-suit ramp up high specification industrial facility for S$86 million is currently under construction at Pioneer Walk and is expected to be completed in two phases in 2/3Q FY2008/09. To date, the development has an overall pre-committed occupancy of 86.5%.
3) Plaza 8 @ Changi Business Park which comprise two integrated suburban office buildings with amenity facilities totaling 75,000 sqm. The first phase (about 21,000 sqm) costing S$61 million is fully committed by Citibank N.A. and is currently under development. Expected date of completion is in 4Q FY2008/09.

A Well Diversified Portfolio with High Occupancy

The overall occupancy of A-REIT's portfolio of 86 properties was 98.6% as at 30 June 2007 compared to 97.2% yoy. The occupancy rate for A-REIT's multi-tenanted buildings was 96.8% compared to 95.0% yoy.

The Manager has successfully renewed or leased a total of 55,420 sqm of space in the first quarter of FY2008/09. These leases represent about 7.4% of the net lettable area of its multi-tenanted buildings and an annualised rental income of S$17.4 million for A-REIT.

Total new leases (including expansions) for the Period were 14,950sqm, of which 28% and 25.2% was in Business and Science Parks, and Hi-Tech Industrial respectively. 25.1% was in Logistics & Distribution Centres.

The weighted average lease term to expiry of A-REIT's portfolio is at 5.5 years as at 30 June 2008. A-REIT's portfolio (based on property value) is spread evenly between the multi-tenanted buildings with generally short-term leases and sale-and-leaseback properties with generally long-term leases.

Some of the new tenants that A-REIT welcomed into its portfolio in 1QFY2008/09 are: Kuehne & Nagel Pte Ltd in The Capricorn, Crown Worldwide Pte Ltd in Nan Wah Building and Wipo Technologies Pte Ltd at Techlink.

To provide stability, A-REIT has a well-diversified high quality property portfolio spread across four main sub-sectors to meet the diverse space requirements of its customers. These sub-sectors are exposed to different segments of the economy and have different growth drivers. Through the diversification of our portfolio, it minimizes our reliance on any one property such that no single property accounts for more than 5.0% of the monthly gross revenue.

Prudent Capital Management

The Manager remains committed to optimizing A-REIT's capital structure through prudent capital and risk management strategies.

To diversify our source of financing, A-REIT took on a three-year committed revolving credit facility for S$200 million recently in addition to a two-year S$300 million term loan facility secured in the previous quarter. This facility provides A-REIT with certainty of funding for the next three years and further spreads its debt maturity profile and diversifies its funding sources. The nearest major refinancing requirement (excluding the existing short term borrowings) will be the commercial mortgage backed securities for S$300 million which will expire in August 2009. A Medium Term Notes (MTN) issuance facility is being incorporated.

The Manager continues to actively engage itself on various financing possibilities to ensure a healthy capital structure. As a result, the weighted average cost of borrowing for the portfolio is at 3.16%.

Outlook for FY2008/09

The Singapore 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%.

According to a study by CBRE, with uncertainties over the global economic situation, the increase in rents and occupancy rates for hi-tech and business park space are expected to continue but at a less brisk pace. However, depending on the depth and length of the possible recession in the US and threat posed by global inflationary pressure, it is expected that the Asian economy may ultimately be affected as well but the extent is difficult to gauge at this time.

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.

Despite 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.

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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 86 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$4.5 billion. These properties house a tenant base of over 800 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, 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.

For enquiries, please contact:

Media
Sabrina Tay
Snr Executive, Corporate Communications
Ascendas Funds Management (S) Ltd
Tel : +65 6508 8840
Mobile : +65 9833 5833
Email : sabrina.tay@ascendas-fms.com

Analysts
Tan Shu Lin (Ms)
Head, Capital Markets
Ascendas Funds Management (S) Ltd
Tel: +65 6508 8822
Mobile: +65 9683 1500
Email: shulin.tan@ascendas-fms.com

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.