Press Release
18 April 2008

A-REIT delivers 10.8% growth in DPU to 14.13 cents per unit for the year ended 31 March 2008

Highlights:

1. Distributable income per unit ("**DPU**") of 14.13 cents for the full year represents a 10.8% growth year-on-year ("**yoy**")

2. DPU of 3.69 cents for the fourth quarter represents a growth of 11.8% yoy over the same quarter in the last financial year

3. Gross revenue of S$322 million for the full year is 13.9% higher yoy

4. Net property income of S$243 million is 15.8% higher yoy

Summary of A-REIT Results (For the year ended 31 March)

	FY 2007/08 $m	FY 2006/07 $m	Variance (%)
Gross Revenue (S$m)	322	283	13.9
Net Property Income (S$m)	243	210	15.8
Net Income (S$m)	175	148	17.9
Available for distribution (S$m)	187	163	14.3
Fourth quarter DPU (cents)	3.69	3.30	11.8
DPU (cents)	14.13	12.75	10.8

18 April 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 14.13 cents per unit for the year ended 31 March 2008, an increase of 10.8% over the 12.75 cents recorded in the last financial year. This represents an annualized yield of 5.94% based on the closing price of $2.38 per unit on 31 March 2008. The DPU of 3.69 cents for the three months ended 31 March 2008 will be paid out on 30 May 2008.

Chief Executive Officer of the Manager, Mr Tan Ser Ping said, “We are pleased to report a strong operating performance reflecting the improvement in the industrial property market. Double digit year-on-year growth was registered for all key performance indicators. Net property income and income available for distribution recorded growth of 15.8% and 14.3% respectively over the last financial year. This can be attributed to positive rental reversion, active leasing and full year contribution from prior year acquisitions.”

Portfolio Continues to Grow through Quality Acquisitions and Development

A-REIT continues to expand its portfolio with investment in quality acquisitions and development projects. As at 31 March 2008, A-REIT has a portfolio of 84 properties and total assets of S$4.2 billion, housing a tenant base of over 790 international and local companies.

A-REIT acquired seven properties and completed its third development project, HansaPoint@CBP as well as two asset enhancement initiatives for a total of about S$310 million. The following investments were completed in the financial year:

1) SENKEE Logistics Hub Phase II, a five-storey ramp up warehouse, as part of an asset enhancement of SENKEE Logistics Hub, for S$62.9 million
2) 11 Senoko Avenue, a light industrial facility located in the north of Singapore for S$11.2 million
3) Goldin Logistics Hub, a sale-and-leaseback logistics property at Pioneer Walk for S$22.5 million
4) Acer Building, a business park property located at the International Business Park, for S$75.0 million
5) Sim Siang Choon Building, a logistics & distribution property, for S$31.9 million
6) Rutherford & Science Hub, a property located within the Singapore Science Park I, for S$51.5 million
7) CGGVeritas Hub, a hi-tech industrial property located at Serangoon North, for S$18.3 million
8) A-REIT’s third development project, HansaPoint@CBP, was completed in January 2008. HansaPoint@CBP recorded an appreciation of S$43.2 million or 166% above its total development cost during the recent revaluation exercise.
9) Asset enhancement initiatives to capitalize on under-utilized plot ratio for The Alpha and Thales Building were completed for a total cost of S$10.6 million. The additional lettable area created for the respective buildings were pre-committed.

In addition, A-REIT has committed to the following investments:

1) Proposed acquisition of 8 Loyang Way 1 for S$25.0 million. The acquisition is expected to be completed in May 2008.
2) Asset enhancement works for Hoya Building and Techplace II for a total of S$12.4 million. Additional lettable area created at Hoya Building has been fully committed to the existing tenant. The Manager is currently under advance negotiation with a prospect to take up the entire annex building being constructed at Techplace II.
3) A partial build-to-suit distribution facility which is currently under construction at Plot 7 & 8 Changi LogisPark (North) for S$32 million, with Zuellig Pharma Pte Ltd as the anchor tenant. The development project is expected to be completed in 3Q FY2008/09.
4) 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 the third and fourth quarter of 2008. The first phase comprising 35,470 sqm has been fully committed while 57% (25,663 sqm) of Phase 2 has been pre-committed.
5) Two integrated suburban offices with amenity facilities totaling 75,000 sqm, the first phase costing S$61 million is under development at Plot 8 Changi Business Park. The first phase (about 21,000 sqm) of the development is expected to be completed in 4Q FY2008/09.

A Well Diversified Portfolio with High Occupancy

Healthy GDP growth in 2007 contributed to the continued demand for quality industrial space. The overall occupancy for A-REIT's portfolio of 84 properties stands at 98.4% compared to 96.6% a year ago. Occupancy rate for multi-tenanted buildings increased by 2.7% to 96.4% compared to a year ago. The increase in occupancy is partly due to the spillover demand from the tight office supply situation in the central business district and the continued inflow of multi-national companies setting up or expanding operations in Singapore. Notably, the occupancy rate for A-REIT's properties in the various sub-sectors exceeds the Urban Redevelopment Authority's industry average occupancy rates for similar sub-sector by between 8.1% and 11.4%.

The Manager has successfully renewed or leased a total of 274,061 sqm of space in FY2007/08. On a year-on-year basis, A-REIT registered 46.0% and 40.3% for its renewal rental rates for the Business & Science Parks and Hi-Tech Industrial sub-sectors.

The weighted average lease term to expiry of A-REIT's portfolio stands at 5.9 years as at 31 March 2008.

A-REIT maintains a well-diversified high quality property portfolio spread across a number of sub-sectors with different growth drivers to meet the real estate needs of its customers and is exposed to different segments of the economy. Through the diversification of A-REIT's portfolio, it minimizes A-REIT's reliance on any one property such that no single property accounts for more than 6% of the monthly gross revenue.

In the mandatory annual revaluation exercise conducted in March 2008, A-REIT recorded a net appreciation of S$494.1 million or 14.2% over the book value of the properties (before revaluation) as at 31 March 2008.

Prudent Capital Management

With the uncertainty in the credit market, the Manager continues in its prudent approach towards capital management. A-REIT's capital structure is optimized through a balance of its gearing level and achieving an efficient weighted average cost of capital to maintain its competitiveness.

The current aggregate leverage of 38.2% means there is debt capacity of more than $500 million available to fund near term investment activities before aggregate leverage reaches the long term optimal level of 45%.

The Manager adopts a prudent interest rate risk management approach. As at 31 Mar 2008, 72.4% of interest rate exposure was fixed with a weighted average term of 3.8 years remaining and at a weighted average cost of 3.10%. The balance 27.6% are on floating rate and any further debt drawdown will be at prevailing market rate. The Manager will look for windows of opportunity to increase the level of fixed rate borrowing and to lengthen the hedged profile within acceptable total cost of borrowing to the portfolio.

A two-year term loan of $300 million was arranged with a relationship bank. With this facility, short term borrowings have been reduced to less than 16% of the total outstanding borrowings. Another three-year term loan of $200 million is being put in place to further reduce short term borrowings. With the abovementioned facilities secured, the earliest date for re-financing will be in August 2009 for an amount of S$300 million. The maturity for the rest of the borrowings is almost evenly spread out from March 2010 through May 2014.

Outlook for FY2008/09

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 a DPU, for the coming year, that is in line with its recent performance.

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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 84 properties in Singapore, comprising suburban office space (including Business and Science Parks), high specifications industrial mixed use properties, Flatted Factories, Light Industrial properties, Logistics and Distributions centres as well as warehouse retail facilities, with total assets of S$4.2 billion. These properties house a tenant base of over 790 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, , Zuellig Pharma, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble, Hyflux, 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 and FTSE ST Mid Cap

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

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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.