

A-REIT renewed and leased 82,763 sqm of space in 1Q FY07/08

18 July 2007, Singapore – Ascendas Real Estate Investment Trust (“A-REIT”) has renewed and signed new leases (including expansions) amounting to a total net lettable area of 82,763 sqm for the three months ended 30 June 2007 (the “Period”). These leases represent an annualized rental income of S\$19.1 million. More than 80% of these leases are derived from our portfolio of multi-tenanted buildings^(1A). The balance relates to the re-letting and renewal of two single-tenanted buildings.

Total new leases (including expansions) for the Period were 32,827 sqm, of which 44.4% was in Business and Science Parks (including the re-letting of 9,593 sqm of space at 30 Tampines Industrial Avenue 3), and 13.7% was in Hi-Tech Industrial properties. The remaining 41.9% was in the other two asset classes – Light Industrial & Flatted Factories and Logistics & Distribution centres.

A-REIT’s portfolio comprises 50.6% (by portfolio value) multi-tenanted buildings with short-term leases and 49.4% sale-and-leaseback properties with long-term leases.

For the multi-tenanted portion of the portfolio, the average gross rent for the expansions, new leases and renewals in this Period for Business and Science Parks was \$30.30 per sqm per month; \$24.80 per sqm per month for Hi-Tech Industrial properties; \$15.73 per sqm per month for Light Industrial & Flatted Factories; and \$13.14 per sqm per month for Logistics & Distribution centres.

Alison Wong, Portfolio Manager (Hi-tech) of Ascendas-MGM Funds Management Limited (“A-MGM”), the Manager of A-REIT, said, “With the continued tight supply and recovering property market as well as some spillover of demand from Central Business District office users, we have improved our total portfolio occupancy rate to 97.2%. Through positive rental reversion as well as active leasing, we garnered an annualized rental income of S\$19.1 million for the leasing activities in the first quarter of FY2007/08. We will continue to strengthen our relationship with our existing tenants and also market to and attract new tenants to our properties so as to maintain and enhance A-REIT’s steady stream of income.”

⁽¹⁾ Refer Table 1A for a list of Multi-tenanted buildings

The overall portfolio occupancy rate increased to 97.2% as at 31 June 2007 compared to 96.1% a year ago. Occupancy rate for the Multi-tenanted buildings (MTB) was 95.0% compared to 92.1 a year ago.

Looking ahead, given the positive economic sentiment, we expect demand for industrial space to remain buoyant. Demand continues to originate from business expansion and new investments across a wide range of industrial sectors. The continuing rising rent in the Central Business District has resulted in strong interests of tenants moving their back-end offices to sub-urban locations and therefore demand for quality business park and high specification industrial space is expected to remain strong. In view of this, A-REIT expects continued healthy demand in the Business and Science Parks sector, as well as for Hi-tech Industrial space. However, we expect the outlook for flatted factories and the light industrial sector to be moderate while that for the Logistics and Distribution centres sector is likely to remain subdued because of the relatively high level of new supply (about 471,000 sqm) of space expected in 2007.

Some of the new tenants that A-REIT welcomed in this quarter include: MBE Technology Pte Ltd at 30 Tampines Industrial Avenue 3; Daiichi Jitsugyo Asia Pte Ltd at Techlink; and UMECO Asia Pte Ltd in LogisTech.

Existing tenants expanding their space include: Avnet Asia Pte Ltd at 1 Changi South Lane; and Finisar Singapore Pte Ltd at Techpoint.

Tenants who have renewed their leases with A-REIT include: S*Bio Pte Ltd at Capricorn; MediaCorp Publishing Pte Ltd at Techpoint; NEC Semiconductors S'pore Pte Ltd at Techplace II; John Wiley & Sons (Asia) Pte Ltd at Logishub and Toll (Singapore) Pte Ltd at Changi Logistics Centre.

In pursuit of A-REIT's proactive asset management strategies, we have embarked on a number of asset enhancement initiatives to enhance organic growth for some of our existing properties in the past year. Other asset enhancement initiatives in the pipeline include TechPlace II, Hoya Building and Thales Building. Some of these initiatives are in response to enquiries from existing tenants who need space to cater to their expanding businesses. This is a testament to our asset management and customer care capabilities in looking after our tenants' real estate needs.

30 Tampines Industrial Avenue 3 (formerly NESS building) was vacated when the previous tenant went into voluntary liquidation. We are pleased to announce that the Manager has

successfully leased out all of the 9,593 sqm of space recently to MBE Technology Pte Ltd, a tenant in one of Ascendas Group's building, for a period of 15 years with effect from 1 July 2007. This is a strong indication of the Manager's ability to leverage off its sponsor's capabilities while engaging in proactive asset management strategies to market our quality business space effectively.

The Manager continues to maintain a disciplined stance in our acquisitions and development of high-quality properties to create sustainable returns for our unitholders. For the first quarter of the financial year, we entered into a sale-and-leaseback transaction with Heng Sheng Corporation Pte Ltd for S\$11.2 million for its property at 1 Senoko Avenue. Comprising five blocks of light industrial buildings, 1 Senoko Avenue has a net lettable area of 8,843 sqm sitting on a land area of 17,345 sqm. It has a land lease tenure of 30 + 30 years with effect from November 1984.

The property will be leased by the vendor for seven years with stepped rental increment and an option to renew for another seven years. In addition, the property has an under-utilised plot ratio which could offer opportunity for future asset enhancement.

Table 1A: Occupancy Rate of MTBs in A-REIT's portfolio as at 30 June 2007

A	MULTI-TENANTED BUILDINGS	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Occupancy Rate
	Business & Science Parks			
1.	The Alpha	24,633	17,855	92.2%
2.	The Aries	14,695	13,557	96.1%
3.	The Capricorn	28,602	22,257	94.5%
4.	The Gemini	32,629	27,267	84.5%
5.	Honeywell Building	18,123	14,681	100.0%
6.	Telepark	40,555	24,628	100.0%
7.	Techquest	7,920	6,580	96.8%
8.	iQuest @ IBP	12,143	9,079	84.3%
	Light Industrial			
9.	Techplace I	81,981	59,598	94.0%
10.	Techplace II	100,391	70,849	97.3%
11.	247 Alexandra Road	13,699	10,513	100.0%
12.	27 Ubi Road 4	9,087	8,082	87.6%
13.	Tampines Biz-Hub	18,086	14,638	98.0%
14.	84 Genting Lane	11,917	9,779	99.2%
15.	Ubi Biz-Hub	12,978	10,937	100.0%
	Hi-tech Industrial			
16.	Techlink	48,007	34,563	99.3%
17.	Siemens Center	36,529	27,781	100.0%
18.	Techpoint	56,107	41,955	99.0%
19.	KA Centre	19,638	13,301	95.9%
20.	KA Place	10,163	6,812	88.5%
21.	Pacific Tech Centre	31,095	19,687	96.3%
22.	Techview	50,985	38,680	89.4%
23.	1 Jalan Kilang	7,158	6,025	100.0%
24.	50 Kallang Avenue	18,584	14,574	96.9%
	Logistics & Distribution Centres			
25.	LogisTech	31,033	27,293	83.0%
26.	Changi Logistics Centre	51,742	38,854	96.8%
27.	Nan Wah Building	18,794	15,858	100.0%
28.	Xilin Districentre Building A & B	24,113	20,878	100.0%
29.	Xilin Districentre Building D	17,651	14,358	100.0%
30.	LogisHub@Clementi	26,505	22,481	94.8%
31.	1 Changi South Lane	25,767	23,793	82.7%
	Sub-total for Multi-tenanted Buildings	901,310	687,193	95.0%

Table 1B: Properties with long-term leases in A-REIT's portfolio as at 30 June 2007

B.	SINGLE-TENANTED BUILDINGS	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Occupancy Rate
	Business & Science Parks			
32.	Ultro Building	11,450	10,127	100.0%
33.	30 Tampines Industrial Ave 3	9,593	8,073	0.0%*
34.	PSB Building	32,013	21,689	100.0%
35.	LabOne Building	8,202	8,202	100.0%
	Light Industrial			
36.	OSIM HQ Building	17,683	15,068	100.0%
37.	Ghim Li Building	8,046	7,230	100.0%
38.	Progen Building	19,887	17,267	100.0%
39.	SB Building	13,998	11,895	100.0%
40.	Steel Industries Building	12,930	11,254	100.0%
41.	Volex Building	8,931	8,000	100.0%
42.	53 Serangoon North Ave 4	10,589	8,329	100.0%
43.	Da Vinci Building	14,929	13,789	100.0%
44.	52 Serangoon North Ave 4	14,767	11,799	100.0%
45.	Hyflux Building	20,465	16,980	100.0%
46.	Weltech Building	7,998	6,509	100.0%
47.	BBR Building	6,501	5,421	100.0%
48.	Hoya Building	5,092	5,092	100.0%
49.	NNB Industrial Building	11,537	9,794	100.0%
50.	37A Tampines St 92	12,011	9,604	100.0%
51.	Hamilton Sundstrand Building	17,737	16,744	100.0%
52.	Thales Building	6,299	6,248	100.0%
53.	Aztech Building	15,934	15,934	100.0%
54.	Super Industrial Building	23,457	18,079	100.0%
55.	26 Senoko Way	12,616	10,723	100.0%
56.	1 Kallang Place	15,490	12,265	100.0%
57.	11 Woodlands Terrace	2,778	2,280	100.0%
58.	18 Woodlands Loop	18,422	16,601	100.0%
59.	9 Woodlands Terrace	2,778	2,280	100.0%
60.	1 Senoko Avenue	10,524	8,843	100.0%
	Hi-tech Industrial			
61.	Infineon Building	27,278	27,278	100.0%
62.	Wisma Gulab	15,557	11,821	100.0%
63.	Kim Chuan Telecommunications Complex	35,456	25,129	100.0%

64.	138 Depot Road	29,626	26,485	100.0%
65.	2 Changi South Lane	26,300	20,939	100.0%
Logistics & Distribution Centres				
66.	IDS Logistics Corporate HQ	23,751	21,883	100.0%
67.	TT International Tradepark	52,156	42,765	100.0%
68.	C&P Logistics Hub	138,409	128,021	100.0%
69.	MacDermid Building	5,064	4,321	100.0%
70.	Freight Links (Changi) Building	23,208	20,724	100.0%
71.	Freight Links (Toh Guan) Building	29,741	23,723	100.0%
72.	Xilin Districentre Building C	18,708	13,660	100.0%
73.	SENKEE Logistics Hub	41,658	28,421	100.0%
74.	JEL Centre	10,107	9,494	100.0%
75.	Logistics 21	48,140	47,616	100.0%
76.	Sembawang Kimtrans Logistics Centre	16,353	15,410	100.0%
Warehouse Retail Scheme				
77.	Courts Megastore	24,868	24,868	100.0%
78.	Giant Hypermart	42,194	33,444	100.0%
Sub-total for Single-tenanted Buildings		957,797	842,121	99.0%
Portfolio Total		1,859,107	1,529,314	97.2%

*100% occupancy with effect from 1 July 2007

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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 78 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\$3.3 billion. These properties house a tenant base of over 750 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.

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 Goodman International Limited.

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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.