A-REIT FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 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 86 properties in Singapore, and houses a tenant base of more than 800 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 THREE MONTHS ENDED 30 JUNE 2008

	Actual 01/04/08 to 30/06/08 S$'000	Actual 01/04/07 to 30/06/07 S$'000	Increase / (Decrease) %
Gross revenue	92,537	77,343	19.6%
Net property income	69,700	58,030	20.1%
Net income available for distribution	51,783	44,685	15.9%
	Cents per Unit		
Distribution per Unit ("DPU")	FY 08/09	FY 07/08	Increase / (Decrease) %
For the quarter from 1 April to 30 June	3.89	3.37	15.4%
Annualised (based on the three months to 30 June)	15.56	13.49	15.3%

DISTRIBUTION DETAILS

Class of Units	Ascendas-REIT main stock
Distribution period	1 Apr 2008 to 30 Jun 2008
Distribution Type	Income
Distribution amount	3.89 cents per unit
Book closure date	30 July 2008
Payment date	27 August 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 (1Q FY 08/09 vs 1Q FY07/08)

	Actual 01/04/08 to 30/06/08 (Note f) S$'000	Actual 01/04/07 to 30/06/07 (Note f) S$'000	Increase / (Decrease) %
Gross revenue	92,537	77,343	20%
Property services fees	(2,798)	(2,217)	26%
Property tax	(5,169)	(4,544)	14%
Other property operating expenses	(14,870)	(12,552)	18%
Property operating expenses	(22,837)	(19,313)	18%
Net property income	69,700	58,030	20%
Interest income	3	36	(92%)
Manager's fee (Note a)	(5,404)	(4,138)	31%
Trust expenses (Note b)	(1,921)	(565)	240%
Borrowing costs (Note c)	(12,824)	(10,636)	21%
Non property expenses	(20,146)	(15,303)	32%
Net income / Total return for the period	49,554	42,727	16%
Non-tax deductible expenses (Note d)	2,229	1,958	14%
Income available for distribution (Note e)	51,783	44,685	16%

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

	Actual 01/04/08 to 30/06/08 (Note f) S$'000	Actual 01/04/07 to 30/06/07 (Note f) S$'000
Gross rental income	84,765	71,469
Other income	7,772	5,874
Writeback of doubtful receivables, net	224	51
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 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) Trust expenses include a one-time impairment provision of business development expenses.

(c) Borrowing costs for the first quarter ended 30 June 2008 and 30 June 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 (1Q FY08/09 – charge of $0.4 million, 1Q FY07/08 – charge of $0.3 million). 1Q FY07/08 also included a charge of $0.3 million relating to the change in the fair value of the $127.5 million interest rate cap.

(d) Non-tax deductible expenses relate to units issued to the Manager in part payment of its management fees, accretion and fair value adjustments required under FRS39 and other non-tax deductible or non-taxable items.

(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) 86 properties as at 30 June 2008 vs 78 properties as at 30 June 2007.

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

	Actual 30/06/08 S$'000	Actual 31/03/08 S$'000
Assets		
Investment properties	4,364,428	4,085,605
Properties under development	121,963	88,007
Plant and equipment	5,838	6,113
Trade and other receivables	14,480	13,976
Deposits, prepayments and other assets	32,174	6,025
Cash	6,188	5,425
Total assets	4,545,071	4,205,151
Liabilities		
Trade and other payables	201,959	166,493
Deferred payments	38,833	40,839
Borrowings (net of transaction costs)	1,798,062	1,559,860
Total liabilities (excluding net assets attributable to unitholders)	2,038,854	1,767,192
Net assets attributable to unitholders	2,506,217	2,437,959

Gross Borrowings	Actual 30/06/08 S$'000	Actual 31/03/08 S$'000
Secured borrowings		
Amount repayable after one year	1,044,965	1,044,965
Unsecured borrowings		
Amount repayable after one year	300,000	279,000
Amount repayable within one year (note a)	455,400	238,400
	1,800,365	1,562,365

Footnote

(a) Relates to borrowings under revolving credit facilities.

Details of borrowings & collateral

Three term loans of $300 million, $350 million and $395 million ("Medium Term Notes") 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 $920 million.

Interest rate swaps of $1,430.7 million (79.5% of total debt) are in place to provide fixed rate funding for terms of 1 to 7 years at an average interest rate of 3.06%. The $1,430.7 million of debt fixed through swaps has a weighted average term remaining of 3.9 years. The fair value of the swaps which is included in other assets and other payables are $25.3 million and $2.7 million respectively as at 30 June 2008. A-REIT's overall weighted average funding cost as at 30 June 2008 was 3.158% (including margins charged on the loans and amortised annual costs of the Medium Term Notes).

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

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 (1Q FY 08/09 vs 1Q FY07/08)

	Actual 01/04/08 to 30/06/08 S$'000	Actual 01/04/07 to 30/06/07 S$'000
Operating activities		
Net income	49,554	42,727
Adjustment for		
Interest income	(3)	(36)
Writeback of doubtful receivables, net	(224)	(51)
Borrowing costs	12,824	10,636
Fund manager's fee paid/payable in units	1,081	868
Depreciation of plant and equipment	275	275
Operating income before working capital changes	63,507	54,419
Changes in working capital		
Trade and other receivables	(1,191)	(926)
Trade and other payables	1,298	(13,215)
	107	(14,141)
Cash flows from operating activities	63,614	40,278
Investing activities		
Purchase of investment properties (including acquisition costs)	(194,240)	(10,856)
Properties under development	(42,022)	(2,790)
Payment for capital improvement projects	(1,323)	(3,927)
Payment of deferred settlements	(2,345)	-
Deposits paid for purchase of investment properties	-	(65)
Cash flows from investing activities	(239,930)	(17,638)
Financing activities		
Distributions paid to unitholders	(48,913)	(42,766)
Borrowing costs paid	(12,011)	(9,855)
Interest received	3	36
Proceeds from borrowings	277,000	530,700
Repayment of borrowings	(39,000)	(499,700)
Cash flows from financing activities	177,079	(21,585)
Net increase in cash and cash equivalents	763	1,055
Cash and cash equivalents at beginning of the period	5,425	4,809
Cash and cash equivalents at end of the period	6,188	5,864

1 (d)(i) Net assets attributable to unitholders (1Q FY 08/09 vs 1Q FY 07/08)

	Actual 01/04/08 to 30/06/08 S$'000	Actual 01/04/07 to 30/06/07 S$'000
Balance at beginning of the period	2,437,959	1,969,965
Operations		
Net income	49,554	42,727
Net increase in net assets resulting from operations	49,554	42,727
Hedging transactions		
Changes in fair value included in hedging reserve - effective hedge (Note a)	57,356	(1,440)
Unitholders' transactions		
Performance fees paid in units	8,388	6,614
Management fees paid in units	1,873	1,705
Distributions to unitholders	(48,913)	(42,766)
Net decrease in net assets resulting from Unitholders' transactions	(38,652)	(34,447)
Balance at end of the period	2,506,217	1,976,805

Footnote

(a) In 1Q FY07/08, expectation of interest rates at the end of the period was at approximately the same level as those at the beginning of the period. Hence the aggregate fair values of the interest rate swap remain relatively flat.

In 1Q FY08/09, expectation of interest rates at the end of the period moved up significantly relative to those at the beginning of the period. As a result, there was a favourable change in the fair values of the interest rate swap.

1 (d)(ii) Details of any changes in the units (1Q FY 08/09 vs 1Q FY 07/08)

	Actual 01/04/08 to 30/06/08 Units	Actual 01/04/07 to 30/06/07 Units
Balance at beginning of the period	1,325,560,491	1,321,635,324
Issue of new units:		
- Performance fees paid in units	3,223,302	2,555,311
- Management fees paid in units	834,647	615,513
Balance at end of the period	1,329,618,440	1,324,806,148

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

The figures have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements ("SSRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

See attached.

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 2008.

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

Not Applicable.

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

6.1 EPU/DPU for 1Q FY08/09 compared to 4Q FY07/08

	Actual 1Q FY08/09 01/04/08 to 30/06/08	Actual 4Q FY07/08 01/01/08 to 31/03/08
Number of units on issue at end of period	1,329,618,440	1,325,560,491
Weighted average number of units for calculation of EPU	1,327,209,462	1,325,560,491
Applicable number of units for calculation of DPU	1,329,618,440	1,325,560,491
Earnings per unit in cents (EPU) (Note a)	3.73	40.44
Distribution per unit in cents (DPU) (Note b)	3.89	3.69

6.2 EPU/DPU for 1Q FY08/09 compared to 1Q FY07/08

	Actual 1Q FY08/09 01/04/08 to 30/06/08	Actual 1Q FY07/08 01/04/07 to 30/06/07
Number of units on issue at end of period	1,329,618,440	1,324,806,148
Weighted average number of units for calculation of EPU	1,327,209,462	1,323,346,175
Applicable number of units for calculation of DPU	1,329,618,440	1,324,806,148
Earnings per unit in cents (EPU) (Note a)	3.73	3.23
Distribution per unit in cents (DPU) (Note b)	3.89	3.37

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. Actual 4Q FY07/08 EPU includes the effect of net appreciation on revaluation of investment properties of $ 494.1 million arising from the independent valuations undertaken in March 2008.

(b) The DPU has been calculated using income available for distribution and the applicable number of units, which is either the number of units on issue at the end of each period, or the applicable number of units on issue during the period.

7. Net asset value per unit based on units issued at the end of the period

	Actual 30/06/08 cents	Actual 31/03/08 cents
Net asset value per unit	188	184
Adjusted net asset value per unit (Note a)	185	180

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

Income statement (1Q FY08/09 vs 1Q FY07/08)

	Actual 1Q FY08/09 01/04/08 to 30/06/08 S$'000	Actual 1Q FY07/08 01/04/07 to 30/06/07 S$'000	Increase / (Decrease) %
Gross revenue	92,537	77,343	20%
Property operating expenses	(22,837)	(19,313)	18%
Net property income	69,700	58,030	20%
Non property expenses	(7,325)	(4,703)	56%
Net borrowing costs	(12,821)	(10,600)	21%
	(20,146)	(15,303)	32%
Net income / Total return for the period	49,554	42,727	16%
Non tax deductible expenses	2,229	1,958	14%
Income available for distribution (Note a)	51,783	44,685	16%
Earnings per unit (cents)	3.73	3.23	15%
Distribution per unit (cents)	3.89	3.37	15%

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 1Q FY 08/09 vs 1Q FY 07/08

Gross revenue increased by 20% mainly due to additional rental income from the following completed acquisitions and a development project: Goldin Logistics Hub in December 2007, HansaPoint@CBP TOP received in January 2008, SenKee Logistics Hub Phase 2 in Feb 2008, Acer Building, Sim Siang Choon Building, Science Hub & Rutherford and CGGVeritas Hub in March 2008, 8 Loyang Way 1 in May 2008 and 31 International Business Park in June 2008.

Property expenses increased by 18% due to the increased number of properties in the portfolio and rising utilities cost due to high oil prices.

Non-property expenses increased mainly due to higher management fees as a result of increased assets under management, and a one-time impairment provision of business development expenses.

Borrowing costs increased by 21% due to additional debt drawn down to fund the new acquisitions. If fair value adjustments are excluded, adjusted net borrowing costs would have been approximately $12.4 million, an increase of 24% on adjusted net borrowing costs of S$10 million in 1QFY07/08.

Net income and income available for distribution were 16% above the comparable period last year, mainly due to additional income from the new properties acquired after the comparative period

Non-tax deductible expenses increase mainly due to higher management fee payable in units.

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 Second Quarter 2008 released by The Ministry of Trade and Industry ("MTI"), reflected a slowdown in the pace of growth of the Singapore economy versus the first quarter of 2008. GDP rose 1.9% year-on-year, down from 6.9% in 1Q08. The manufacturing sector is estimated to experience a contraction of 5.6% year-on-year in the second quarter, mainly attributed to a slowdown of output from the seasonal biomedical manufacturing sector. However, for the first five months, the manufacturing sector grew by 3.7% over the same period of 2007.

The overall industrial property prices and rental rates (represented by the URA price and rental indices respectively) rose 3.4% and 5.7% respectively in 1Q08. According to URA's statistics released in May 2008, occupancy rates improved slightly across all industrial subsectors. Average occupancy rate for the Business & Science Park sector dipped to 88.0% in 1Q08 from 89.4% in 4Q07 as a result of a 6.8% increase in Business Park space.

According to CBRE's research report of July 2008, all industrial space has registered healthy increase in average rents for 2Q08. Hi-tech space continued to take the lead, rising by 6.8% q-on-q. Average rents for factories rose by 3.3% q-on-q for ground floor units and 4.0% q-on-q for upper floor units while average gross rent for warehouses experienced 3.3% and 4.2% increase for ground floor and upper floor units respectively.

Outlook for the financial year ending 31 March 2009

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.

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 :	19th distribution for the period 1 April 2008 to 30 June 2008
Distribution Type :	Income
Distribution Rate :	3.89 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 July 2008
Date payable :	27 August 2008

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	15th distribution for the period 1 April 2007 to 30 June 2007
Distribution Type :	Income
Distribution Rate :	3.37 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 :	31 July 2007
Date paid :	29 Augutst 2007

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

NA

13. 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.

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.

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

Maria Theresa Belmonte
Assistant Company Secretary
18 July 2008

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The Board of Directors
Ascendas Funds Management (S) Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
61 Science Park Road
#02-18 The Galen
Singapore Science Park III
Singapore 117525

Attention: Mr Tan Ser Ping

18 July 2008

Dear Sirs

Ascendas Real Estate Investment Trust ("A-REIT")
Review of Interim Financial Information for the quarter ended 30 June 2008

Introduction

We have reviewed the accompanying Interim Financial Information of Ascendas Real Estate Investment Trust ("A-REIT") for the quarter ended 30 June 2008.

The Interim Financial Information comprises the balance sheet and investment properties portfolio statement as at 30 June 2008, the statement of total return and cash flow statement of A-REIT for the quarter then ended and a summary of significant accounting policies and other explanatory notes (herein defined as "Interim Financial Information").

Ascendas Funds Management (S) Limited, the Manager of A-REIT, is responsible for the preparation and presentation of this Interim Financial Information in accordance with the provisions of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the provisions of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Certified Public Accountants of Singapore.

Restriction of Use

Our report is provided on the basis that it is for the information of the directors of the Manager and for the inclusion of our report in A-REIT's interim announcement to its unitholders, to enable the directors of the Manager to fulfill their responsibilities under the Singapore Exchange listing requirements. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors, A-REIT or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG

KPMG
Public Accountants and
Certified Public Accountants
Singapore