



A-REIT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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-MGM Funds Management 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 77 properties in Singapore, and houses a tenant base of more than 750 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 TWELVE MONTHS ENDED 31 MARCH 2007

	Actual 01/04/06 to 31/03/07 S\$'000	Actual 01/04/05 to 31/03/06 S\$'000	Increase / (Decrease) %
Gross revenue	283,007	227,153	24.6%
Net property income	210,347	173,558	21.2%
Net income available for distribution	163,824	142,633	14.9%
	Cents per Unit		
Distribution per Unit ("DPU")			
For the quarter from 1 January to 31 March	3.30	2.92	13.0%
For the twelve months from 1 April to 31 March	12.75	11.68	9.2%

DISTRIBUTION DETAILS

Class of Units	Ascendas-REIT main stock
Distribution period	1 January 2007 to 31 March 2007
Distribution Type	Income
Distribution amount	3.30 cents per unit
Books closure date	30 April 2007
Payment date	30 May 2007

Class of Units	Ascendas-REIT A (issued pursuant to the private placement on 26 February 2007)
Distribution period	26 February 2007 to 31 March 2007
Distribution Type	Income
Distribution amount	1.198 cents per unit
Books closure date	30 April 2007
Payment date	30 May 2007

1(a) **Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year**

1(a)(i) **Income statement (Year ended 31 March 07 vs Year ended 31 March 06)**

	Actual 01/04/06 to 31/03/07 (Note e) S\$'000	Actual 01/04/05 to 31/03/06 (Note e) S\$'000	Increase / (Decrease) %
Gross revenue	283,007	227,153	25%
Property services fees	(8,264)	(6,406)	29%
Property tax	(17,050)	(13,363)	28%
Other property operating expenses (note f)	(47,346)	(33,826)	40%
Property operating expenses	(72,660)	(53,595)	36%
Net property income	210,347	173,558	21%
Interest income	332	214	55%
Manager's fee (Note a)	(14,993)	(12,354)	21%
Performance fee	(6,614)	(5,617)	18%
Trust expenses	(1,913)	(1,516)	26%
Borrowing costs (Note b)	(38,777)	(22,293)	74%
Non property expenses	(61,965)	(41,566)	49%
Net income	148,382	131,992	12%
Non tax deductible expenses (Note c)	15,442	10,641	45%
Net income available for distribution (Note d)	163,824	142,633	15%

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

	Actual 01/04/06 to 31/03/07 (Note e) S\$'000	Actual 01/04/05 to 31/03/06 (Note e) S\$'000
Gross rental income	259,142	210,422
Other income	23,865	16,731
Allowance for doubtful receivables, net	(21)	(45)
Depreciation of plant and equipment	(1,083)	(349)

Footnotes

- (a) *The payment of the base management fee on properties acquired before October 2004 is in the form 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.*
- (b) *Borrowing costs for the the years ended 31 March 2007 and 31 March 2006 represents interest expense on loans and amortised costs of establishing debt facilities (including the CMBS). For the year ended 31 March 2007, borrowing costs also include the accretion adjustments for deferred payments and refundable security deposits (charge of \$2.4 million) and the change in the fair value of the \$127.5 million interest rate cap (charge of \$1.4 million).*
- (c) *Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees/performance fees, accretion and fair value adjustments required under FRS39, net appreciation on revaluation of investment properties and other non-tax deductible or non-taxable items which are added back.*
- (d) *A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sales of real properties determined to be trading gains). The taxable income has generally been distributed to unitholders on a quarterly basis from 1 October 2004.*
- (e) *77 properties in year ended 31 March 2007 vs 64 properties in year ended 31 March 2006.*
- (f) *Other property expenses include utility costs. In FY06/07 more properties were included in the energy aggregation programme, in which A-REIT pays both landlord's and tenants' utility costs and charges back the tenants' costs back which is recorded as revenue. Excluding utility costs, other operating expenses rose by 19% over the period.*

1(a)(ii) Income statement (4Q FY 06/07 vs 4Q FY 05/06)

	Actual 01/01/07 to 31/03/07 (Note e) S\$'000	Actual 01/01/06 to 31/03/06 (Note e) S\$'000	Increase / (Decrease) %
Gross revenue	74,041	63,826	16%
Property services fees	(2,282)	(2,147)	6%
Property tax	(4,318)	(4,248)	2%
Other property operating expenses	(11,839)	(10,708)	11%
Property operating expenses	(18,439)	(17,103)	8%
Net property income	55,602	46,723	19%
Interest income	66	89	(26%)
Manager's fee (Note a)	(3,924)	(3,396)	16%
Performance fee	(6,614)	(5,617)	18%
Trust expenses	(618)	(464)	33%
Borrowing costs (Note b)	(11,314)	(7,489)	51%
Non property expenses	(22,404)	(16,877)	33%
Net income	33,198	29,846	11%
Non tax deductible expenses (Note c)	9,526	7,416	28%
Net income available for distribution (Note d)	42,724	37,262	15%

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

	Actual 01/01/07 to 31/03/07 (Note e) S\$'000	Actual 01/01/06 to 31/03/06 (Note e) S\$'000
Gross rental income	68,396	58,894
Other income	5,645	4,932
Allowance for doubtful receivables, net	(1)	12
Depreciation of plant and equipment	(275)	(96)

Footnotes

- (a) *The payment of the base management fee on properties acquired before October 2004 is in the form 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.*
- (b) *Borrowing costs for the quarters ended 31 March 2007 and 31 March 2006 represent interest expense on loans and amortised costs of establishing debt facilities (including the CMBS). For the quarter ended 31 March 2007, borrowing costs also include the accretion adjustments for deferred payments and refundable security deposits (charge of \$1.2 million) and the change in the fair value of the \$127.5 million interest rate cap (charge of \$0.4 million).*
- (c) *Non tax deductible expenses relate to units issued to the Manager in part payment of its management fees/performance fees, accretion and fair value adjustments required under FRS39, net appreciation on revaluation of investment properties and other non-tax deductible or non-taxable items which are added back.*
- (d) *A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sales of real properties determined to be trading gains). The taxable income is generally distributed to unitholders on a quarterly basis from 1 October 2004.*
- (e) *77 properties in year ended 31 March 2007 vs 64 properties in year ended 31 March 2006.*

1(a)(iii) The Fourteenth Distribution Calculation (Note a)

	Actual 01/01/07 to 31/03/07 (Note b) S\$'000	Actual 01/01/07 to 25/02/07 (Note c) S\$'000	Actual 26/02/07 to 31/03/07 (Note d) S\$'000
Gross revenue	74,041	46,392	27,649
Property services fees	(2,282)	(1,462)	(820)
Property tax	(4,318)	(2,665)	(1,653)
Other property operating expenses	(11,839)	(7,550)	(4,289)
Property operating expenses	(18,439)	(11,677)	(6,762)
Net property income	55,602	34,715	20,887
Interest income	66	48	18
Manager's fee	(3,924)	(2,390)	(1,534)
Performance fee	(6,614)	-	(6,614)
Trust expenses	(618)	(296)	(322)
Borrowing costs	(11,314)	(6,014)	(5,300)
Non property expenses	(22,404)	(8,652)	(13,752)
Net income	33,198	26,063	7,135
Non tax deductible expenses	9,526	825	8,701
Net investment income available for distribution	42,724	26,888	15,836
Distribution per unit (in cents)	3.30	2.10	1.198
Applicable number of units (Note e)	1,296,545,457	1,281,312,324	1,321,635,324

Footnotes

- (a) New units of 40,323,000 were issued on 26 February 2007 in connection with a private placement and trade under a temporary stock counter. The new units will be entitled to participate in A-REIT's distributable income for the period from 26 February 2007 to 31 March 2007, whereas the existing units are entitled to participate in A-REIT's distributable income in respect of the whole of the current distribution period from 1 January 2007 to 31 March 2007. Thereafter, the new units will rank *pari passu* in all respects with the existing units, including the entitlement of all future distributions.
- (b) Represents distributable income from 1 January 2007 to 31 March 2007.
- (c) Represents distributable income from 1 January 2007 to 25 February 2007, ie the day immediately prior to the date on which the new units were issued under the private placement. The distribution will be paid on 30 May 2007.
- (d) Represents distributable income from 26 February 2007 to 31 March 2007. The distribution will be paid on 30 May 2007.
- (e) The DPU has been calculated based on the applicable number of units which is either the units applicable for the distribution over the respective period or the weighted average number of units on issue where units were issued during the period.

Please see paragraph 11 for more details on the fourteenth distribution.

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

	Actual 31/03/07 S\$'000	Actual 31/03/06 S\$'000
Assets		
Investment properties	3,270,946	2,733,681
Properties under development	7,114	25,213
Plant and equipment	7,214	2,363
Trade and other receivables	15,242	41,273
Deposits and prepayments	1,759	576
Cash	4,809	4,389
Total assets	3,307,084	2,807,495
Liabilities		
Trade and other payables	106,377	69,635
Deferred payments	47,231	59,648
Borrowings (net of transaction costs)	1,183,511	969,841
Total liabilities (excluding net assets attributable to unitholders)	1,337,119	1,099,124
Net assets attributable to unitholders	1,969,965	1,708,371
Represented by:		
Net assets attributable to unitholders	1,969,965	1,708,371
Gross Borrowings		
Secured borrowings		
Amount repayable after one year	649,965	649,965
Unsecured borrowings		
Amount repayable within one year (note a)	535,400	322,850
	1,185,365	972,815

Footnote

(a) *Relates to borrowings from revolving credit facilities.*

Details of borrowings & collateral

Two term loans of \$300 million and \$350 million 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 and 0.265% per annum. 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") and a mortgage over the 23 properties acquired between July 2004 and April 2005 ("Portfolio 2 properties").
- (ii) an assignment and charge of the rental proceeds and tenancy agreements in the Portfolio 1 properties and Portfolio 2 properties.
- (iii) an assignment of the insurance policies relating to the Portfolio 1 properties and Portfolio 2 properties.
- (iv) a fixed and floating charge over certain assets of the Trust relating to the Portfolio 1 properties and Portfolio 2 properties.

In addition, A-REIT has in place unsecured uncommitted bilateral revolving credit facilities of \$1 billion from 5 banks. As at 31 March 2007, \$535.4 million has been drawn from these facilities.

Interest rate swaps of \$863.2 million (72.8% of total debt) have been effected to provide fixed rate funding for terms of 3 to 7 years at an average interest rate of 3.10%. The \$863.2 million of debt fixed through swaps has a weighted average term remaining of 4.15 years. The fair value of the swaps which is included in other payables is \$4.7million as at 31 March 2007. A 2 year interest rate cap with a nominal value of \$127.5 million was transacted in May 2005 to cap the floating interest rate. The fair value of the interest rate cap which is included in other receivables is \$0.3 million as at 31 March 2007. Accordingly, A-REIT has 83.6% of total debt fixed through interest rate derivatives for an average term of 3.64 years. A-REIT's weighted average funding cost as at 31 March 2007 is 3.37% (including margins charged on the loans and amortised/annual costs of the Medium Term Note programme).

The fair value changes relating to the interest rate swaps and interest rate cap are recognised in Net Assets Attributable to Unitholders and Statement of Total Return, respectively.

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 (Year ended 31 March 2007 vs 31 March 2006)**

	Actual 01/04/06 to 31/03/07 S\$'000	Actual 01/04/05 to 31/03/06 S\$'000
Operating activities		
Net income	148,382	131,992
Adjustment for		
Interest income	(332)	(214)
Allowance for doubtful receivables, net	21	45
Borrowing costs	38,777	22,293
Fund manager's fee paid/payable in units	10,040	9,009
Depreciation of plant and equipment	1,083	349
Operating income before working capital changes	197,971	163,474
Changes in working capital		
Trade and other receivables	(696)	12,964
Trade and other payables	10,579	2,171
	9,883	15,135
Cash generated from operating activities	207,854	178,609
Investing activities		
Purchase of investment properties (including acquisition costs)	(227,704)	(586,023)
Properties under development	(72,324)	(25,028)
Purchase of plant and equipment	(5,935)	(2,712)
Payment for capital improvement projects	(4,591)	(5,690)
Payment of deferred settlements	(14,381)	(30,797)
Deposits paid for purchase of investment properties	(1,245)	(4,208)
Cash flows from investing activities	(326,180)	(654,458)
Financing activities		
Equity issue costs paid	(1,000)	(1,442)
Proceeds from issue of units	100,001	216,903
Distributions to unitholders paid	(158,409)	(134,600)
Borrowing costs paid	(34,728)	(22,818)
Interest received	332	214
Proceeds from borrowings	1,468,551	1,113,617
Repayment of borrowings	(1,256,001)	(696,800)
Cash flows from financing activities	118,746	475,074
Net increase/(decrease) in cash and cash equivalents	420	(775)
Cash and cash equivalents at beginning of the period	4,389	5,164
Cash and cash equivalents at end of the period	4,809	4,389

1(c)(ii) Cash flow statement (4Q FY 06/07 vs 4Q FY 05/06)

	Actual 01/01/07 to 31/03/07 S\$'000	Actual 01/01/06 to 31/03/06 S\$'000
Operating activities		
Net income	33,198	29,846
Adjustment for		
Interest income	(66)	(89)
Allowance for doubtful receivables, net	1	(12)
Borrowing costs	11,314	7,489
Fund manager's fee paid/payable in units	7,459	6,459
Depreciation of plant and equipment	275	96
Operating income before working capital changes	52,181	43,789
Changes in working capital		
Trade and other receivables	(6,320)	3,482
Trade and other payables	12,397	14,275
	6,077	17,757
Cash generated from operating activities	58,258	61,546
Investing activities		
Purchase of investment properties (including acquisition costs)	(131,436)	(112,869)
Properties under development	(18,681)	(25,028)
Purchase of plant and equipment	-	(55)
Payment for capital improvement projects	(127)	(519)
Payment of deferred settlements	(14,381)	(7,664)
Deposits paid for purchase of investment properties	-	(236)
Cash flows from investing activities	(164,625)	(146,371)
Financing activities		
Equity issue costs paid	(1,000)	(244)
Proceeds from issue of units	100,001	-
Distributions to unitholders paid	(41,002)	(36,911)
Borrowing costs paid	(9,329)	(7,056)
Interest received	66	89
Proceeds from borrowings	197,750	372,851
Repayment of borrowings	(138,900)	(244,100)
Cash flows from financing activities	107,586	84,629
Net increase/(decrease) in cash and cash equivalents	1,219	(196)
Cash and cash equivalents at beginning of period	3,590	4,585
Cash and cash equivalents at end of the period	4,809	4,389

A-REIT Announcement of Results for the Year Ended 31 March 2007

1(d)(i) Net assets attributable to unitholders (Year ended 31 March 2007 vs Year ended 31 March 2006)

	Actual 01/04/06 to 31/03/07 S\$'000	Actual 01/04/05 to 31/03/06 S\$'000
Balance at beginning of period	1,708,371	1,433,730
Operations		
Net income	148,382	131,992
Net appreciation on revaluation of investment properties (Note a)	188,712	13,188
Net increase in net assets resulting from operations	337,094	145,180
Hedging transactions		
Changes in fair value included in hedging reserve - effective hedge	(25,069)	19,111
Unitholders' transactions		
New units issued	100,001	240,000
Performance fees paid in units	5,617	4,229
Management fees paid in units	3,422	3,784
Equity issue costs	(1,062)	(3,063)
Distributions to unitholders	(158,409)	(134,600)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(50,431)	110,350
Balance at end of period	1,969,965	1,708,371

Footnote

(a) Revaluations of the 72 properties acquired before February 2007 were undertaken by CB Richard Ellis (Pte) Ltd, Chesterton International Property Consultants Pte Ltd and Colliers International Consultancy & Valuation (S) Pte Ltd during the 4th quarter of FY 06/07. Properties acquired on or after February 2007 are recorded at purchase price (which includes acquisition costs).

Net assets attributable to unitholders (4Q FY 06/07 vs 4Q FY 05/06)

	Actual 01/01/07 to 31/03/07 S\$'000	Actual 01/01/06 to 31/03/06 S\$'000
Balance at beginning of period	1,740,164	1,705,164
Operations		
Net income	33,198	29,846
Net appreciation on revaluation of investment properties	148,940	-
Net increase in net assets resulting from operations	182,138	29,846
Hedging transactions		
Changes in fair value included in hedging reserve - effective hedge	(10,336)	10,309
Unitholders' transactions		
New units issued	100,001	-
Equity issue costs	(1,000)	(37)
Distributions to unitholders	(41,002)	(36,911)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	57,999	(36,948)
Balance at end of period	1,969,965	1,708,371

1(d)(ii) Details of any changes in the units (Year ended 31 March 2007 vs Year ended 31 March 2006)

	Actual 01/04/06 to 31/03/07 Units	Actual 01/04/05 to 31/03/06 Units
Balance at beginning of period	1,277,203,708	1,160,556,950
Issue of new units:		
- Issued pursuant to equity raising in October 2005	-	112,676,056
- Issued pursuant to equity raising in February 2007	40,323,000	-
- Performance fees paid in units	2,579,346	2,185,418
- Management fees paid in units	1,529,270	1,785,284
Balance at end of period	1,321,635,324	1,277,203,708

- 2 **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**
The figures have not been audited or reviewed.
- 3 **Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**
Not applicable.
- 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 financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2006.
- 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 4Q FY 06/07 compared to 3Q FY06/07**

Number of units on issue at end of period
Applicable number of units for calculation of EPU/DPU (Note a)
Earnings per unit in cents (EPU)
Distribution per unit in cents (DPU)

Actual 4Q FY06/07 01/01/07 to 31/03/07	Actual 3Q FY06/07 01/10/06 to 31/12/06
1,321,635,324	1,281,312,324
1,296,545,457	1,281,312,324
2.56	3.04
3.30	3.20

6.2 **EPU/DPU for 4Q FY 06/07 compared to 4Q FY 05/06**

Number of units on issue at end of period
Applicable number of units for calculation of EPU/DPU (Note a)
Earnings per unit in cents (EPU)
Distribution per unit in cents (DPU)

Actual 01/01/07 to 31/03/07	Actual 01/01/06 to 31/03/06
1,321,635,324	1,277,203,708
1,296,545,457	1,277,203,708
2.56	2.34
3.30	2.92

6.3 **EPU/DPU for Year ended 31 March 2007 compared to Year ended 31 March 2006**

Number of units on issue at end of period
Applicable number of units for calculation of EPU/DPU (Note a)
Earnings per unit in cents (EPU)
Distribution per unit in cents (DPU)

Actual 01/04/06 to 31/03/07	Actual 01/04/05 to 31/03/06
1,321,635,324	1,277,203,708
1,284,900,789	1,221,260,028
11.55	10.81
12.75	11.68

Footnote

(a) The EPU and DPU has been calculated based on the applicable number of units which is either the units applicable for each quarterly distribution or the weighted average number of units on issue at each quarter when units were issued during the period.

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

Net asset value per unit
Adjusted net asset value per unit (Note a)

Actual 31/03/07 cents	Actual 31/03/06 cents
149	134
146	131

Footnote

(a) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sale of real properties determined to be trading gains). The undistributed income for the relevant period prior to the balance sheet date has been excluded in calculating adjusted net asset value per unit.

8 Review of the performance

Income statement (4Q FY 06/07 vs 4Q FY 05/06)

	Actual 01/01/07 to 31/03/07 S\$'000	Actual 01/01/06 to 31/03/06 S\$'000	Increase / (Decrease) %
Gross revenue	74,041	63,826	16%
Property operating expenses	(18,439)	(17,103)	8%
Net property income	55,602	46,723	19%
Non property expenses	(11,156)	(9,477)	18%
Net borrowing costs	(11,248)	(7,400)	52%
	(22,404)	(16,877)	33%
Net income	33,198	29,846	11%
Non tax deductible expenses	9,526	7,416	28%
Net income available for distribution (Note a)	42,724	37,262	15%
Earnings per unit (cents)	2.56	2.34	9%
Distribution per unit (cents)	3.30	2.92	13%

Footnote

(a) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sales of real properties determined to be trading gains). The taxable income has generally been distributed to unitholders on a quarterly basis from 1 October 2004.

Review of Performance 4Q FY 06/07 vs 4Q FY 05/06

Gross revenue was up 16% mainly due to additional rental income from the following completed acquisitions: Thales Building in January 2006, Aztech Building and Noel Corporate Building in February 2006, 138 Depot Road and 150 Ubi Avenue 4 in March 2006, Sembawang Kimtrans Logistics Centre and Logistics 21 in June 2006, LabOne in October 2006, 27 International Business Park, 26 Senoko Way, Super Industrial Building in January 2007, 2 Changi South Lane, 1 Kallang Place, 9 & 11 Woodlands Terrace, 18 Woodlands Loop in February 2007 and the completion of two warehouse retail facilities for Courts & Giant.

Property expenses increased by 8% due to :-

- 1) Increased number of properties in the portfolio as above.
- 2) The introduction of energy aggregation for 9 properties in the portfolio which results in A-REIT paying higher electricity costs, of which a portion is charged back to tenants.

Non-property expenses increased mainly due to higher management fees as the new acquisitions increased assets under management.

Borrowing costs increased by 52% due to (i) additional debt drawn down to fund the new acquisitions, (ii) additional swaps entered into for longer tenors, increasing the average interest rate but ensuring less exposure to interest rate fluctuations, (iii) accretion adjustments on deferred payments and refundable security deposits (\$1.2 million) and (iv) fair value adjustment of the \$127.5 million interest rate cap (4Q FY06/07 a charge of \$0.4 million compared to 4Q FY05/06 a credit of \$0.5 million). If fair value adjustments and recent debt funded acquisitions are excluded, adjusted net borrowing costs would have been \$9.7 million, an increase of 44% on adjusted net borrowing costs last year of \$6.7 million.

Net income was higher than the comparable period last year mainly due to the benefit of additional income from the new properties acquired during the current and previous financial years. Net income available for distribution was 15% above the comparable period last year due to the above reasons.

Non tax deductible expenses were up significantly due to the fair value adjustments of the \$127.5 million interest rate cap (4Q FY06/07 a charge of \$0.4 million compared to 4Q FY05/06 a credit of \$0.5 million) and accretion adjustments on deferred payments and refundable security deposit (\$1.2 million).

Income statement (4Q FY 06/07 vs 3Q FY 06/07)

	Actual 01/01/07 to 31/03/07 S\$'000	Actual 01/10/06 to 31/12/06 S\$'000	Increase / (Decrease) %
Gross revenue	74,041	71,069	4%
Property operating expenses	(18,439)	(18,309)	1%
Net property income	55,602	52,760	5%
Non property expenses	(11,156)	(4,264)	162%
Net borrowing costs	(11,248)	(9,502)	18%
	(22,404)	(13,766)	63%
Net income	33,198	38,994	(15%)
Non tax deductible expenses	9,526	1,965	385%
Net income available for distribution (Note a)	42,724	40,959	4%
Earnings per unit (cents)	2.56	3.04	(16%)
Distribution per unit (cents)	3.30	3.20	3%

Footnote

(a) A-REIT's distribution policy is to distribute 100% of its taxable income (other than gains on the sales of real properties determined to be trading gains). The taxable income has generally been distributed to unitholders on a quarterly basis from 1 October 2004.

Review of Performance 4Q FY 06/07 vs 3Q FY 06/07

Gross revenue was up by 4% mainly due to additional rental income from 27 International Business Park, 26 Senoko Way, Super Industrial Building acquired in January 2007, 2 Changi South Lane, 1 Kallang Place, 9 & 11 Woodlands Terrace, 18 Woodlands Loop acquired in February 2007 and the warehouse retail facility for Giant which was completed in February 2007.

Non property expenses were up by 162% due mainly to performance fees of \$6.6 million accrued in March 2007.

Non tax deductible expenses were up considerably due to accrual of performance fees of \$6.6 million in March 2007, fair value adjustment on the \$127.5 million interest rate cap and accretion adjustments for deferred payments and refundable security deposits.

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

According to the Ministry of Trade and Industry (MTI)'s advance estimates in April 2007, the Singapore economy expanded by 6.0% in 1Q07 compared to 1Q06. The manufacturing sector grew at a slower pace in 1Q07 due to the weak output in electronics and chemicals clusters while the transport engineering cluster continued to see strong expansion. The construction sector grew faster, by 7.0% in 1Q07 after the 2.7% growth in 4Q06. Services producing industries continued to grow by 6.1% in 1Q07, led by financial services and wholesale and retail trade.

As a result of the improving economy, the industrial property market recorded the highest quarter-to-quarter increase since the up trend commenced in early 2004 with prices of overall industrial space (as represented by the URA price index) rising 4.0% and rents (as represented by URA rental index) increasing by 3.1% in 4Q06. At the same time, occupancy rates for industrial property generally reflected the improving economy, with the largest increase for Science & Business Park from 82.4% to 85.8% in 2006 compared to the previous year.

As a result of the recovering market and the Manager's proactive asset management strategies, occupancy rates for A-REIT's portfolio increased from 95.0% to 96.7% during FY06/07. Average rental rates also increased, with the largest increases in the Science & Business Park sector and Hi-Tech Industrial sector by approximately 15% in FY06/07.

Despite increased competition for industrial properties, A-REIT secured 17 acquisition and development projects and its total assets have increased from \$2.7 billion to \$3.3 billion as at the end of FY06/07. In addition, another \$148 million worth of projects is pending completion.

Outlook for the financial year ending 31 March 2008

Singapore's economic outlook is positive and is expected to grow at a sustainable pace of between 4.5% and 6.5%. Manufacturing continues to be the key growth driver of Singapore's GDP growth. Growth of some traditional sub-sectors (electronics and chemicals clusters) are expected to moderate, while some new developing industries (transportation engineering and biomedical manufacturing) remain high growth sectors.

The recent improvement in the industrial property market is expected to continue in 2007, underpinned by the strong manufacturing sector. The tight central business district (CBD) office supply could continue to push up office rental rates resulting in more tenants moving their back office to suburban locations. Given the limited new supply of suburban office space, the outlook for A-REIT's Science & Business Park and Hi-Tech space is positive. Demand for warehouse space remains steady. However, given the large potential new supply of warehouse space of about 542,000 sqm over the next 1-2 years, outlook for this sector is moderate.

A-REIT has 95% of its interest rate exposure fixed for a weighted average term of 4.5 years at a weighted average cost of borrowing of 3.4%. As a result of this, any further volatility in interest rates is unlikely to significantly impact the financial results of A-REIT in the new financial year. The Manager expects the results of its active asset management and widened investment strategies to continue to underpin the steady performance of A-REIT's portfolio.

The Manager will continue on its three-pronged approach to generate predictable income and capital stability through proactive asset management, widened investment strategies which includes creation of assets and optimization of capital structure. Given the positive outlook for the economy, the manufacturing sector and the industrial property sector, the Manager expects to be able to deliver total returns that are in line with the performance of established REITs in mature markets.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period :	Yes
Name of distribution :	14th distribution for the period 1 January 2007 to 31 March 2007
Distribution Type :	Income
Distribution Rate :	3.30 cents per unit for main Ascendas-REIT stock counter 1.198 cents per unit for Ascendas-REIT A stock counter
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 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 20%.
Book closure date :	30 April 2007
Date payable :	30 May 2007

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	10th distribution for the period 1 January 2006 to 31 March 2006
Distribution Type :	Income
Distribution Rate :	2.92 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 distribution received is returned to 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 20%.
Book closure date :	26 April 2006
Date paid :	26 May 2006

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

NA

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group)

	Actual 01/04/06 to 31/03/07 Note (a) S\$'000	Actual 01/04/05 to 31/03/06 Note (a) S\$'000	Increase / (Decrease) %
Total Gross revenue			
Business & Science Park Properties	54,344	48,586	12%
Hi-Tech Industrial Properties	84,830	61,783	37%
Light Industrial Properties	65,824	51,523	28%
Distribution & Logistics Centres	75,164	65,261	15%
Warehouse Retail Facilities	2,845	-	n.m.
Gross revenue	283,007	227,153	25%

	Actual 01/04/06 to 31/03/07 Note (a) S\$'000	Actual 01/04/05 to 31/03/06 Note (a) S\$'000	Increase / (Decrease) %
Net property income			
Business & Science Park Properties	39,337	35,896	10%
Hi-Tech Industrial Properties	54,616	43,143	27%
Light Industrial Properties	50,403	39,896	26%
Distribution & Logistics Centres	63,492	54,623	16%
Warehouse Retail Facilities	2,499	-	n.m.
Net property income	210,347	173,558	21%

Footnotes

(a) 77 properties as at 31 March 2007 vs 64 properties as at 31 March 2006.

A-REIT's business is investing in industrial properties (including business & science park, hi-tech industrial, light industrial, distribution & logistics properties, and retail warehouse facilities) and all the existing properties are located in Singapore.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 9 for the review of the actual performance.

15 Breakdown of sales

	Actual 01/04/06 to 31/03/07 S\$'000	Actual 01/04/05 to 31/03/06 S\$'000	Increase / (Decrease) %
(a) Gross revenue reported for first half year	137,897	102,119	35%
(b) Net income after tax for first half year	76,190	64,250	19%
(c) Gross revenue reported for second half year	145,110	125,034	16%
(d) Net income after tax for second half year	72,192	67,742	7%

16 Breakdown of the total distribution for the financial year ended 31 March 2007

Annual distribution to unitholders

	Actual 01/04/06 to 31/03/07 S\$'000	Actual 01/04/05 to 31/03/06 S\$'000
1 Jan 07 to 31 Mar 07 (Note a)	42,725	-
1 Oct 06 to 31 Dec 06	41,002	-
1 Jul 06 to 30 Sep 06	40,467	-
1 Apr 06 to 30 Jun 06	39,571	-
1 Jan 06 to 31 Mar 06	-	37,294
5 Oct 05 to 31 Dec 05	-	36,911
1 Jul 05 to 4 Oct 05	-	35,259
1 Apr 05 to 30 Jun 05	-	33,048
Total distribution to unitholders	163,765	142,512

Footnote

(a) Please refer to para 1(a)(iii)

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-MGM Funds Management Limited

Maria Theresa Belmonte
Assistant Company Secretary
18 April 2007