



A-REIT FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 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 79 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 NINE MONTHS ENDED 31 DECEMBER 2007

	Actual 01/04/07 to 31/12/07 S\$'000	Actual 01/04/06 to 31/12/06 S\$'000	Increase / (Decrease) %
Gross revenue	237,806	208,966	13.8%
Net property income	179,533	154,745	16.0%
Net income available for distribution	138,297	121,100	14.2%
	Cents per Unit		
Distribution per Unit ("DPU")	FY 07/08	FY 06/07	Increase / (Decrease) %
For the quarter from 1 October to 31 December	3.56	3.20	11.3%
For the nine months from 1 April to 31 December	10.44	9.45	10.5%
Annualised (based on the nine months to 31 December)	13.92	12.61	10.4%

DISTRIBUTION DETAILS

Class of Units	Ascendas-REIT main stock
Distribution period	1 Oct 2007 to 31 Dec 2007
Distribution Type	Income
Distribution amount	3.56 cents per unit
Book closure date	30 January 2008
Payment date	29 February 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 (3Q YTD FY 07/08 vs 3Q YTD FY 06/07)

	Actual 01/04/07 to 31/12/07 (Note f) S\$'000	Actual 01/04/06 to 31/12/06 (Note f) S\$'000	Increase / (Decrease) %
Gross revenue	237,806	208,966	14%
Property services fees	(6,928)	(5,982)	16%
Property tax	(13,917)	(12,732)	9%
Other property operating expenses	(37,428)	(35,507)	5%
Property operating expenses	(58,273)	(54,221)	7%
Net property income	179,533	154,745	16%
Interest income	112	266	(58%)
Manager's fee (Note a)	(12,615)	(11,069)	14%
Trust expenses	(1,704)	(1,295)	32%
Borrowing costs (Note b)	(32,277)	(27,463)	18%
Non property expenses	(46,484)	(39,561)	17%
Net income	133,049	115,184	16%
Net appreciation on revaluation of investment properties (Note c)	-	39,772	N.A.
Total return for the period	133,049	154,956	(14%)
Non tax deductible expenses (Note d)	5,248	5,916	(11%)
Net appreciation on revaluation of investment properties	-	(39,772)	N.A.
Net income available for distribution (Note e)	138,297	121,100	14%

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

	Actual 01/04/07 to 31/12/07 (Note f) S\$'000	Actual 01/04/06 to 31/12/06 (Note f) S\$'000
Gross rental income	218,394	190,746
Other income	19,412	18,220
Write Back/(Allowance) for doubtful receivables, net	50	(20)
Depreciation of plant and equipment	(825)	(808)

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. 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) Borrowing costs for the nine months ended 31 December 2007 and 31 December 2006 represents interest expense on loans and amortised costs of establishing debt facilities (including the Medium Term Note issues). For the nine months ended 31 December 2007, borrowing costs also include the accretion adjustments for deferred payments and refundable security deposits (3Q YTD FY07/08 - charge of \$0.6 million, 3Q YTD FY06/07 - charge of \$1.2 million).
- (c) There is no property due for regulatory revaluation in the nine months ended 31 Dec 2007. 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).
- (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 which are added back.
- (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) 79 properties as at 31 December 2007 vs 68 properties as at 31 December 2006.

1(a)(ii) Income statement (3Q FY 07/08 vs 3Q FY 06/07)

	Actual 01/10/07 to 31/12/07 (Note e) S\$'000	Actual 01/10/06 to 31/12/06 (Note e) S\$'000	Increase / (Decrease) %
Gross revenue	80,225	71,069	13%
Property services fees	(2,412)	(2,066)	17%
Property tax	(4,953)	(4,362)	14%
Other property operating expenses	(11,502)	(11,881)	(3%)
Property operating expenses	(18,867)	(18,309)	3%
Net property income	61,358	52,760	16%
Interest income	35	86	(59%)
Manager's fee (Note a)	(4,265)	(3,778)	13%
Trust expenses	(581)	(486)	20%
Borrowing costs (Note b)	(11,006)	(9,588)	15%
Non property expenses	(15,817)	(13,766)	15%
Net income	45,541	38,994	17%
Non tax deductible expenses (Note c)	1,617	1,965	(18%)
Net income available for distribution (Note d)	47,158	40,959	15%

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

	Actual 01/10/07 to 31/12/07 (Note e) S\$'000	Actual 01/10/06 to 31/12/06 (Note e) S\$'000
Gross rental income	74,064	64,937
Other income	6,161	6,132
Write Back/(Allowance) for doubtful receivables, net	(3)	2
Depreciation of plant and equipment	(275)	(271)

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. 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) Borrowing costs for the third quarter ended 31 December 2007 and 31 December 2006 represent interest expense on loans and amortised costs of establishing debt facilities (including the Medium Term Note issues). For the third quarter ended 31 December 2007, borrowing costs also include the accretion adjustments for deferred payments and refundable security deposits (3Q FY07/08 -charge of \$0.2 million, 3Q FY06/07-charge of \$0.4 million).
- (c) 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 which are added back.
- (d) 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.
- (e) 79 properties as at 31 December 2007 vs 68 properties as at 31 December 2006.

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

	Actual 31/12/07 S\$'000	Actual 31/03/07 S\$'000
Assets		
Investment properties	3,319,864	3,270,946
Properties under development	67,155	7,114
Plant and equipment	6,388	7,214
Trade and other receivables	14,156	16,530
Deposits, prepayments and other assets	5,698	5,395
Cash	6,270	4,809
Total assets	3,419,531	3,312,008
Liabilities		
Trade and other payables	124,008	111,301
Deferred payments	42,357	47,231
Borrowings (net of transaction costs)	1,282,758	1,183,511
Total liabilities (excluding net assets attributable to unitholders)	1,449,123	1,342,043
Net assets attributable to unitholders	1,970,408	1,969,965

	Actual 31/12/07 S\$'000	Actual 31/03/07 S\$'000
Gross Borrowings		
Secured borrowings		
Amount repayable after one year	1,044,965	649,965
Unsecured borrowings		
Amount repayable within one year (note a)	240,400	535,400
	1,285,365	1,185,365

Footnote

(a) Relates to borrowings from revolving credit facilities.

Details of borrowings & collateral

Three term loans of \$300 million, \$350 million and \$395 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, 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 of \$1 Billion from 5 banks. As at 31 December 2007, \$240.4 million has been drawn from these facilities.

Interest rate swaps of \$1,130.7 million (88% of total debt) have been effected to provide fixed rate funding for terms of 1 to 6 years at an average interest rate of 3.13%. The \$1,130.7 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 payables and receivables are \$14.4 million and \$ 0.9 million respectively as at 31 December 2007. A-REIT's weighted average funding cost as at 31 December 2007 was 3.39% (including margins charged on the loans and amortised annual costs of the Medium Term Note).

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 (3Q YTD FY 07/08 vs 3Q YTD FY 06/07)

	Actual 01/04/07 to 31/12/07 S\$'000	Actual 01/04/06 to 31/12/06 S\$'000
Operating activities		
Net income	133,049	115,184
Adjustment for		
Interest income	(112)	(266)
Allowance for doubtful receivables, net	(50)	20
Borrowing costs	32,277	27,463
Fund manager's fee paid/payable in units	2,620	2,581
Depreciation of plant and equipment	825	808
Operating income before working capital changes	168,609	145,790
Changes in working capital		
Trade and other receivables	(2,743)	5,624
Trade and other payables	1,608	(1,818)
	(1,135)	3,806
Cash generated from operating activities	167,474	149,596
Investing activities		
Purchase of investment properties (including acquisition costs)	(28,750)	(96,268)
Properties under development	(51,036)	(53,643)
Purchase of plant and equipment	-	(5,935)
Payment for capital improvement projects	(10,929)	(4,464)
Payment of deferred settlements	(9,129)	-
Deposits paid for purchase of investment properties	(248)	(1,245)
Cash flows from investing activities	(100,092)	(161,555)
Financing activities		
Distributions paid to unitholders	(133,913)	(117,407)
Borrowing costs paid	(32,120)	(25,399)
Interest received	112	266
Proceeds from borrowings	793,100	1,270,801
Repayment of borrowings	(693,100)	(1,117,101)
Cash flows from financing activities	(65,921)	11,160
Net increase/(decrease) in cash and cash equivalents	1,461	(799)
Cash and cash equivalents at beginning of the period	4,809	4,389
Cash and cash equivalents at end of the period	6,270	3,590

1 (c)(ii) Cash flow statement (3Q FY 07/08 vs 3Q FY 06/07)

	Actual 01/10/07 to 31/12/07 S\$'000	Actual 01/10/06 to 31/12/06 S\$'000
Operating activities		
Net income	45,541	38,994
<u>Adjustment for</u>		
Interest income	(35)	(86)
Allowance for doubtful receivables, net	3	(2)
Borrowing costs	11,006	9,588
Fund manager's fee paid/payable in units	872	862
Depreciation of plant and equipment	275	271
Operating income before working capital changes	57,662	49,627
<u>Changes in working capital</u>		
Trade and other receivables	(602)	(4,094)
Trade and other payables	5,721	(354)
	5,119	(4,448)
Cash generated from operating activities	62,781	45,179
Investing activities		
Purchase of investment properties (including acquisition costs)	(17,844)	(18,992)
Properties under development	(22,642)	(21,939)
Purchase of plant and equipment	-	(141)
Payment for capital improvement projects	(1,775)	(1,435)
Payment of deferred settlements	(8,629)	-
Deposits paid for purchase of investment properties	(116)	(120)
Cash flows from investing activities	(51,006)	(42,627)
Financing activities		
Distributions paid to unitholders	(46,501)	(40,467)
Borrowing costs paid	(10,508)	(9,208)
Interest received	35	86
Proceeds from borrowings	103,000	289,851
Repayment of borrowings	(57,000)	(242,751)
Cash flows from financing activities	(10,974)	(2,489)
Net increase in cash and cash equivalents	801	63
Cash and cash equivalents at beginning of period	5,469	3,527
Cash and cash equivalents at end of the period	6,270	3,590

1 (d)(i) Net assets attributable to unitholders (3Q YTD FY 07/08 vs 3Q YTD FY 06/07)

	Actual 01/04/07 to 31/12/07 S\$'000	Actual 01/04/06 to 31/12/06 S\$'000
Balance at beginning of period	1,969,965	1,708,371
Operations		
Net income	133,049	115,184
Net appreciation on revaluation of investment properties (Note a)	-	39,772
Net increase in net assets resulting from operations	133,049	154,956
Hedging transactions		
Changes in fair value included in hedging reserve - effective hedge	(8,773)	(14,733)
Unitholders' transactions		
Performance fees paid in units	6,614	5,617
Management fees paid in units	3,466	3,422
Equity issue costs	-	(62)
Distributions to unitholders	(133,913)	(117,407)
Net decrease in net assets resulting from Unitholders' transactions	(123,833)	(108,430)
Balance at end of period	1,970,408	1,740,164

Footnote

- (a) There is no property due for regulatory revaluation in the nine months ended 31 December 2007. 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 (3Q FY 07/08 vs 3Q FY 06/07)

	Actual 01/10/07 to 31/12/07 S\$'000	Actual 01/10/06 to 31/12/06 S\$'000
Balance at beginning of period	1,967,209	1,745,038
Operations		
Net income	45,541	38,994
Net increase in net assets resulting from	45,541	38,994
Hedging transactions		
Changes in fair value included in hedging reserve - effective hedge	2,398	(5,129)
Unitholders' transactions		
Management fees paid in units	1,761	1,728
Distributions to unitholders	(46,501)	(40,467)
Net decrease in net assets resulting from Unitholders' transactions	(44,740)	(38,739)
Balance at end of period	1,970,408	1,740,164

1 (d)(ii) Details of any changes in the units (3Q YTD FY 07/08 vs 3Q YTD FY 06/07)

	Actual 01/04/07 to 31/12/07 Units	Actual 01/04/06 to 31/12/06 Units
Balance at beginning of period	1,321,635,324	1,277,203,708
Issue of new units:		
- Performance fees paid in units	2,555,311	2,579,346
- Management fees paid in units	1,369,856	1,529,270
Balance at end of period	1,325,560,491	1,281,312,324

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 financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2007.

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 3Q FY07/08 compared to 2Q FY07/08

	Actual 3Q FY07/08 01/10/07 to 31/12/07	Actual 2Q FY07/08 01/07/07 to 30/09/07
Number of units on issue at end of period	1,325,560,491	1,324,806,148
Applicable number of units for calculation of EPU/DPU (Note a)	1,325,560,491	1,324,806,148
Earnings per unit in cents (EPU)	3.44	3.38
Distribution per unit in cents (DPU)	3.56	3.51

6.2 EPU/DPU for 3Q FY07/08 compared to 3Q FY06/07

	Actual 3Q FY07/08 01/10/07 to 31/12/07	Actual 3Q FY06/07 01/10/06 to 31/12/06
Number of units on issue at end of period	1,325,560,491	1,281,312,324
Applicable number of units for calculation of EPU/DPU (Note a)	1,325,560,491	1,281,312,324
Earnings per unit in cents (EPU)	3.44	3.04
Distribution per unit in cents (DPU)	3.56	3.20

6.3 EPU/DPU for 3Q YTD FY07/08 compared to 3Q YTD FY06/07

	Actual 01/04/07 to 31/12/07	Actual 01/04/06 to 31/12/06
Number of units on issue at end of period	1,325,560,491	1,281,312,324
Applicable number of units for calculation of EPU/DPU (Note a)	1,325,058,510	1,281,312,324
Earnings per unit in cents (EPU)	10.04	8.99
Distribution per unit in cents (DPU)	10.44	9.45

Footnote

(a) The EPU and DPU have 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

	Actual 31/12/07 cents	Actual 31/03/07 cents
Net asset value per unit	149	149
Adjusted net asset value per unit (Note a)	145	146

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 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 (3Q FY07/08 vs 3Q FY06/07)

	Actual 3Q FY07/08 01/10/07 to 31/12/07 S\$'000	Actual 3Q FY06/07 01/10/06 to 31/12/06 S\$'000	Increase / (Decrease) %
Gross revenue	80,225	71,069	13%
Property operating expenses	(18,867)	(18,309)	3%
Net property income	61,358	52,760	16%
Non property expenses	(4,846)	(4,264)	14%
Net borrowing costs	(10,971)	(9,502)	15%
	(15,817)	(13,766)	15%
Net income	45,541	38,994	17%
Non tax deductible expenses	1,617	1,965	(18%)
Net income available for distribution (Note a)	47,158	40,959	15%
Earnings per unit (cents)	3.44	3.04	13%
Distribution per unit (cents)	3.56	3.20	11%

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 3Q FY 07/08 vs 3Q FY 06/07

Gross revenue was up 13% mainly due to additional rental income from the following completed acquisitions: LabOne in October 2006, Courts in November 2006, IQuest@IBP, 26 Senoko Way, Super Industrial Building in January 2007, 2 Changi South Lane, 1 Kallang Place, 9 & 11 Woodlands Terrace, 18 Woodlands Loop, Giant in February 2007, 1 Senoko Avenue in May 2007, completed asset enhancement at Alpha and acquisition of Goldin Logistics Building in December 2007.

Non-property expenses increased mainly due to higher management fees resulting from revaluations undertaken during 4Q FY06/07 and new acquisitions.

Borrowing costs increased by 15% due to (i) additional debt drawn down to fund the new acquisitions and (ii) additional swaps entered into for longer tenors, increasing the average interest rate but ensuring less exposure to interest rate fluctuations. If fair value adjustments and the additional debts drawn for the purpose of funding the acquisitions are excluded, adjusted net borrowing costs would have been approximately \$9.4 million, an increase of 6% on adjusted net borrowing cost of 3Q FY06/07 of \$8.8 million.

Net income was higher than the comparable period last year, mainly due to additional income from the new properties acquired after the comparative period. Net income available for distribution was 15% above the comparable period last year due to the above reasons.

Non-tax deductible expenses decreased mainly due to the \$127.5 million interest rate cap that expired in 1Q FY07/08.

Income statement (3Q FY07/08 vs 2Q FY07/08)

	Actual 3Q FY07/08 01/10/07 to 31/12/07 S\$'000	Actual 2Q FY07/08 01/07/07 to 30/09/07 S\$'000	Increase / (Decrease) %
Gross revenue (Note b)	80,225	80,238	(0%)
Property operating expenses (Note c)	(18,867)	(20,093)	(6%)
Net property income	61,358	60,145	2%
Non property expenses	(4,846)	(4,770)	2%
Net borrowing costs	(10,971)	(10,594)	4%
	(15,817)	(15,364)	3%
Net income	45,541	44,781	2%
Non tax deductible expenses	1,617	1,673	(3%)
Net income available for distribution (Note a)	47,158	46,454	2%
Earnings per unit (cents)	3.44	3.38	2%
Distribution per unit (cents)	3.56	3.51	1%

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 3Q FY 07/08 vs 2Q FY 07/08

- (b) Included in the 2Q FY07/08 gross revenue of \$80.2 million was income from forfeiture of a security deposit of a tenant (of about \$1.1 million). Excluding this one-time income, growth in 3Q FY07/08 revenue over 2Q FY07/08 would have been 1.4%.
- (c) Included in the property operating expenses of 2Q FY07/08 of \$20.1 million was re-furbishment costs relating to space and fittings vacated by a tenant to make the same space ready for a new tenant. Costs involved were about \$1.1 million. Excluding this item, the level of operating expenses was approximately the same for both 2Q and 3Q of FY07/08.

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 Fourth Quarter 2007 released by The Ministry of Trade and Industry (“MTI”), reflected a moderation in the growth of the Singapore economy. GDP rose 6.0% compared to 6.6% in 4Q06.

For 2007, Singapore’s economy is estimated to expand by 7.5%, vis-à-vis 7.9% in 2006, with the construction and services producing sectors experiencing the fastest growth.

The upward trend of overall industrial space utilisation and rental rates (represented by the URA price index) reflected the continued economic growth. Both indices rose 3.2% and 8.7% respectively in 3Q07. Occupancy rates have also improved marginally from 85.3% to 86.4% in factory space and from 89.1% to 90.3% in warehouse space. Average occupancy rate for the Science & Business Park rose to 87.1% in 3Q07 from 82.7% in 2Q07. Demand for business park space remains strong.

According to CBRE’s research report, average rents for all industrial space increased in 3Q07 except for warehouses. Science & Business Park and Hi-Tech space continued to take the lead, rising by 8.5% q-on-q. Average rents for factories rose by 3.7% q-on-q for ground floor units and 4.5% q-on-q for upper floor units while average gross rent for warehouses stayed at \$1.45 psf for ground floor units rent and \$1.15 psf for upper floor units.

Outlook for the financial year ending 31 March 2008

Singapore’s open economy is expected to grow at a healthy but slower pace in 2008. Estimated GDP growth for 2008 is expected to be between 4.5% and 6.5%.

With the continued economic growth outlook, the demand for industrial space is likely to remain healthy, particularly for Business Parks and Hi-Tech properties sectors due to the increasing numbers of MNCs setting up their facilities in Singapore and the spillover effect from the tight supply of office space in the central business district, according to a study by CBRE.

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 cautiously positive outlook for the economy and barring any unforeseen events, the Manager expects to be able to deliver a return for the last quarter of the financial year that is in line with the results of the first nine months of the financial year.

11. Distributions**(a) Current financial period**

Any distributions declared for the current financial period :	Yes
Name of distribution :	17th distribution for the period 1 October 2007 to 31 December 2007
Distribution Type :	Income
Distribution Rate :	3.56 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 January 2008
Date payable :	29 February 2008

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period :	Yes
Name of distribution :	13th distribution for the period 1 October 2006 to 31 December 2006
Distribution Type :	Income
Distribution Rate :	3.20 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 20%.
Book closure date :	26 January 2007
Date paid :	28 February 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 interim 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-MGM Funds Management Limited

Maria Theresa Belmonte
Assistant Company Secretary
18 January 2008



KPMG
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

The Board of Directors
Ascendas-MGM Funds Management Limited
(in its capacity as Manager of
Ascendas Real Estate Investment Trust)
75 Science Park Drive
#01-03 CINTECH II
Science Park 1
Singapore 118255

Attention: Mr Tan Ser Ping

18 January 2008

Dear Sirs

Ascendas Real Estate Investment Trust (“A-REIT”)

Review of Interim Financial Information for the quarter ended 31 December 2007

Introduction

We have reviewed the accompanying Interim Financial Information of Ascendas Real Estate Investment Trust (“A-REIT”) for the quarter ended 31 December 2007.

The Interim Financial Information comprise the balance sheet and investment properties portfolio statement as at 31 December 2007, 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-MGM Funds Management Limited, the Manager of A-REIT, is responsible for the preparation and fair presentation of these Interim Financial Information in accordance with the condensed presentation and disclosure requirements of Singapore Financial Reporting Standard (“FRS”) 34 *Interim Financial Reporting* applied to the Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Unit Trusts*. Our responsibility is to express a conclusion on these 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 condensed presentation and disclosure requirements of FRS 34 *Interim Financial Reporting* applied to RAP 7 *Reporting Framework for Unit Trusts*.

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 members, 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
Certified Public Accountants
Singapore