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Ascendas India Trust Acquiring a Portfolio of 5 Buildings in the IT Hub of Hyderabad

23 February 2011, Singapore – Ascendas Property Fund Trustee Private Limited, the Trustee-Manager of Ascendas India Trust (“a-iTrust”), today announced that it reached agreement with Phoenix Infocity Private Limited (“Phoenix”) to acquire its portfolio of 5 buildings in Hitec City 2 Special Economic Zone, Hyderabad (“the Properties”).

2 of the buildings are completed and 100% occupied, while the other 3 buildings are expected to be completed over the next 4 to 5 years.

a-iTrust will immediately acquire the 2 completed buildings, with a total Super Built-up Area¹ (“SBA”) of 0.4 million sq ft, for Rs 1,739 million (S\$ 50.4 million²). The remaining 3 buildings, with a total SBA of 1.8 million sq ft, will be acquired as and when each building is completed and leased. The pricing of the 3 buildings will be based on the net property income achieved at the time of acquisition, and is presently estimated at Rs 6,808 million (S\$ 197.4 million).

This transaction is expected to be accretive to Distribution per Unit (“DPU”), with immediate accretion from the 2 completed buildings, and further accretion as the trust acquires the other 3 buildings. a-iTrust’s presence in Hyderabad will also grow significantly, from the current 1.7 million sq ft owned to 3.9 million sq ft when all of the 5 buildings are acquired. The acquisition will strengthen a-iTrust’s position to capture the opportunities provided by the rapid growth of India’s Information Technology (“IT”) industry.

Proposed Transaction

The 2 Completed Buildings – total SBA of 0.4 million sq ft

¹ Super Built-up Area includes areas within the walls, areas covered by the walls and common areas like lift lobbies and toilets. It is the area for which rent is payable.

² Based on the exchange rate of S\$ 1 : Rs 34.5. The same exchange rate applies across the press release.

The purchase consideration for the 2 completed and 100% occupied buildings is Rs 1,739 million (S\$ 50.4 million). Including the transaction costs, the total purchase cost is Rs 1,765 million (S\$ 51.2 million).



The 3 To-be-Completed Buildings – total SBA of 1.8 million sq ft

Phoenix will develop the 3 buildings, and a-iTrust will acquire as and when each of them is completed and 100% leased. The purchase consideration will be determined based on the net property income achieved, on the same yield basis as that of the 2 completed buildings. The purchase consideration is presently estimated at Rs 6,808 million (S\$ 197.4 million).

a-iTrust has the flexibility to acquire the buildings even when they are partially leased, by paying first for what has been leased, and paying for the balance space as and when it is leased.

a-iTrust will invest in the construction of the buildings, by subscribing to interest bearing convertible debentures during the construction of the buildings, subject to conditions of pre-leasing of the buildings and the trust's ability to borrow within specified limits.

The Trustee-Manager will be actively involved in the development of the 3 buildings. The buildings' design and specifications, as well as leases to be entered into, will be reviewed by the Trustee-Manager.

Funding

At its current gearing of 19%, a-iTrust has the financial flexibility to fund this transaction. If the acquisition is funded fully by debt, the trust's gearing will be 22% after buying the 2 completed buildings, and 33% after buying all 5 buildings over the next few years.

The Trustee-Manager has secured debt commitment from banks and will adopt a plan with the long-term objective of maximising Unitholders' returns while maintaining a strong balance sheet.

The Properties

Hyderabad, the capital city of the state of Andhra Pradesh, is one of India's most developed cities, and a premier IT hub.

The Properties are located in Hyderabad's IT corridor of Madhapur and Gachibowli. It is adjacent to CyberPearl and in close proximity to The V, both owned by a-iTrust.

About 10 km from the city centre and 16 km from the international airport, the Properties are easily accessible via public roads and transportation network. Under the proposed metro rail transit system for the city, a station within walking distance from the Properties has been planned. The area is close to a number of prime residential precincts such as Banjara Hills and Jubilee Hills, and boasts of amenities like 5-star hotels, shopping malls and restaurants.

The 2 completed buildings (SBA of 0.4 million sq ft) are 100% occupied, and tenants include fast growing companies like Cognizant Technology Solutions, HCL Technologies, and iGate Global Solutions.

The remaining 3 buildings, expected to be built progressively, can yield up to about 1.8 million sq ft of income-producing business space. Due to demand for additional space by existing tenants, construction of the third building, with SBA of 0.7 million sq ft, has started and is expected to be completed in 2012.

Rationale and Benefits to Unitholders

The acquisition is expected to be DPU accretive. The accretion arising from the acquisition of the 2 completed buildings is estimated to be 0.16 cents per unit³ in the first year. Further accretion is expected from the acquisition of the remaining buildings over the next few years.

Commenting on the rationale of the proposed transaction, Mr Jonathan Yap, CEO of the Trustee-Manager, said,

³ Assuming that a-iTrust had purchased, held and operated the 2 completed buildings for the nine months ended 31 December 2010 and the acquisition is 100% debt funded. The accretion amount is based on annualising the 9 months' effect.

“The acquisition is consistent with a-iTrust’s strategy to grow through acquisition and development. Since a-iTrust’s listing in August 2007, we have developed 4 buildings (2 in 2008 and 2 in 2010), growing the portfolio from an initial 3.6 million sq ft to 5.9 million sq ft today. A fifth building of 0.5 million sq ft will be completed in mid-2011, bringing the portfolio’s completed space to 6.4 million sq ft.

This acquisition will significantly scale up our activities in Hyderabad, and strengthen our position as a premier business space provider in India’s key IT centres. Upon acquisition of all 5 buildings, a-iTrust’s portfolio of operating space will increase by 34%, from 6.4 million sq ft to 8.6 million sq ft. On top of this, we own land that can yield another 2.5 million sq ft in Bangalore.

We are optimistic that the demand for business space in Hyderabad will remain buoyant, supported by the city’s strong economic fundamentals and its IT sector. From 2005-06 to 2008-09, Hyderabad’s IT software exports grew by an average of 38% per year, and its direct IT employment expanded by an average of 19% per year⁴. Strong demand for business space has driven the occupancy of Hyderabad’s Grade A office space up, to 97% as at 31 December 2010⁵.

By acquiring the buildings when they are completed and leased, we remove a large part of development risk. With IT companies back on the growth track, we are leveraging on the trust’s strong balance sheet to acquire a quality portfolio that can enhance Unitholders’ returns immediately and over the long term.

With the acquisition, we will add prime SEZ space to our offering in Hyderabad. Our existing customers will benefit from our wider product offering, and we will broaden our customer base to include those who operate only in SEZs.

The acquisition will bring about operational synergies, as a-iTrust will leverage on an enlarged platform in Hyderabad to drive cost efficiencies. The Properties, which will be managed by the Ascendas Group upon acquisition, will benefit from the group’s brand name, international customer network and strong property management skills.”

Upon closing, Hitec City 2 SEZ will be renamed aVance Business Hub. The new identity captures a strong sense of modernity and progress, and positions the property as one that moves with times to serve the needs of our customers.

⁴ Source : Software Technology Parks of India, Hyderabad.

⁵ Source: Jones Lang LaSalle Property Consultants Private Limited.

The acquisition, subject to certain regulatory approvals and satisfaction of certain conditions by Phoenix, is expected to close over the next 3 months.

A copy of the full announcement is available at www.sgx.com and www.a-iTrust.com.

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Ascendas India Trust (a-iTrust) www.a-iTrust.com

a-iTrust was launched in August 2007 as the first listed Indian property trust in Asia. It has the principal objective of owning income-producing real estate used primarily as business space in India. a-iTrust may also acquire and develop land or uncompleted developments primarily to be used as business space, with the objective of holding the properties upon completion.

The trust is seeded by four world-class IT parks in India, namely the International Tech Park Bangalore, International Tech Park Chennai, and CyberPearl and The V in Hyderabad.

a-iTrust is structured as a business trust while offering stable income distributions akin to a Real Estate Investment Trust (“REIT”). Its unique growth model provides strong organic growth and growth from a development pipeline of existing land within its portfolio, and a three-pronged external acquisitions strategy. This strategy includes a right of first refusal over substantially income-producing business space, each from Ascendas Land International and Ascendas India Development Trust, as well as the acquisition of third-party properties across India.

a-iTrust is managed by Ascendas Property Fund Trustee Pte Ltd, an Ascendas Group entity.

About the Ascendas Group (www.ascendas.com)

Ascendas is Asia’s premier provider of business space solutions with a significant presence in the region. Ascendas develops, manages and markets IT Parks, industrial parks (manufacturing, logistics and distribution centres), business parks, science parks, hi-tech facilities, office and retail space. Among its flagships are the Singapore Science Park, International Tech Park Bangalore, Ascendas-Xinsu in Suzhou and Dalian-

Ascendas IT Park. More than 1,800 of the world's leading companies, many in the Fortune 500 list, have made Ascendas properties their preferred address in Asia.

Ascendas is also a leading real estate fund management player focused on the management of public-listed property trusts and private real estate funds, investing in a diverse range of industrial and commercial real estate properties across Asia. Listed on the main board of Singapore Exchange Securities Trading Limited are Ascendas Real Estate Investment Trust ("A-REIT"), Singapore's first business space trust, and Ascendas India Trust ("a-iTrust"), Asia's first Indian property trust. The Ascendas Group also manages a range of private real estate funds which invest in business space in India, China, South Korea and ASEAN. All the funds are supported by Ascendas' strong fund management and real estate expertise, and are testament to its commitment to each of its markets.

For enquires on this release, please contact:

CHANG Min Wai
Investor Relations
Ascendas India Trust
DID: (65) 6508 8801
Mobile: (65) 9147 0509
Email: minwai.chang@ascendas.com

Important Notice

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders of a-iTrust may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of a-iTrust is not necessarily indicative of the future performance of a-iTrust.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of property rental income and occupancy rate, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.