

23 February 2011



PROPOSED ACQUISITION BY ASCENDAS INDIA TRUST IN HYDERABAD

1. EXECUTIVE SUMMARY

- (i) a-iTrust to acquire from Phoenix Infocity Pvt Ltd (“**Vendor**”) 5 buildings in Hitec City 2 Special Economic Zone (“**Subject SEZ**”) in Hyderabad, India:
 - a) 2 buildings (427,651¹ sq ft) which are operating and fully-occupied (“**Operating Buildings**”), and will be immediately acquired for INR1,739 million² (S\$50.4 million³); and
 - b) 3 buildings (1.75 mil sq ft), for which purchase consideration is presently estimated at a total of INR 6,808 million (S\$ 197.4 million³), which are in the pipeline (“**Vendor’s Future Buildings**”) and will be acquired individually when completed with stabilised occupancy.
- (ii) Through the Vendor, a-iTrust has a right of first refusal to acquire up to another 4 buildings (1.16 mil sq ft) in the Subject SEZ as and when these are offered for sale.
- (iii) The transaction is expected to be accretive to Unitholders’ distribution and will strengthen the income stream immediately and over time.

Ascendas Group will manage the buildings upon acquisition to ensure consistency in management standards across a-iTrust’s portfolio. The Subject SEZ will be rebranded as “aVance Business Hub” upon acquisition of the Operating Buildings.

¹ Excludes 32,671 sq ft, which is on a 99-year lease to MAQ Software Hyderabad Pvt Ltd.

² Excludes transaction expenses (acquisition fee payable to the Trustee-Manager, stamp duty, professional and other fees, and acquisition expenses) and subject to adjustment based on the balance sheet of Hyderabad Infratech Pvt Ltd (being the vehicle holding the Operating Buildings) on completion of the transaction.

³ Based on the exchange rate of S\$1:INR34.5, for illustrative purposes.

2. INTRODUCTION

2.1 Acquisition

Ascendas Property Fund Trustee Pte Ltd (“**Trustee-Manager**”), in its capacity as trustee-manager for Ascendas India Trust (“**a-iTrust**”), is pleased to announce that on 23 February 2011, it entered into a conditional Share Purchase and Fully Compulsorily Convertible Debenture Subscription Agreement (“**SPA**”) with the Vendor to acquire 5 buildings located in the Subject SEZ in Hyderabad, India, in the following manner:

- (i) acquisition by Hyderabad Infratech Pvt Ltd (“**HIPL**”) of the 2 Operating Buildings comprising a total Super Built-Up Area ⁴ (“**SBA**”) of 427,651 ¹ sq ft for INR1,739 million ⁵ (S\$50.4 million). HIPL, a new company incorporated by the Vendor to facilitate the acquisition of the Operating Buildings, has been acquired by a-iTrust for a consideration of INR100,000 (S\$ 2,900 ⁶). Upon injection of the Operating Buildings, the balance of the purchase consideration shall be effected through the subscription to new interest-bearing Fully Compulsorily Convertible Debentures (“**FCCD**”) to be issued by HIPL; and
- (ii) future acquisition of Vendor’s Future Buildings, which comprise 3 additional buildings with a total SBA of 1.75 million sq ft to be developed over time subject to required occupancy levels being met, amongst other conditions. It may involve a-iTrust subscribing to FCCD of each relevant Vendor’s Future Buildings’ holding entity and purchasing the issued and paid up capital in each holding entity. The purpose of such FCCD subscription is for investment in the construction of the Vendor’s Future Buildings. a-iTrust has the flexibility to acquire the Vendor’s Future 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.

(The Operating Buildings and Vendor’s Future Buildings shall collectively be referred as the “**Properties**”. The proposed transaction described above shall hereinafter be referred to as the “**Acquisition**”).

⁴ Super Built-up Area (SBA) is the basis for leasing transactions.

⁵ Excludes transaction expenses (acquisition fee payable to the Trustee-Manager, stamp duty, professional and other fees, and acquisition expenses) and subject to adjustment based on the balance sheet of HIPL on completion of the transaction.

⁶ Being the minimum paid up capital required for the incorporation of a new company in India. Conversion based on the exchange rate of S\$1:INR34.5, for illustrative purposes.

2.2 Information on the Properties

The Subject SEZ sits on a total land area of 25.7 acres. It is strategically located in the IT hub of Madhapur and Gachibowli in Hyderabad, which is one of India's main growth cities for IT activities.

The Subject SEZ, including the Properties, is being developed under a Development Agreement-Cum-General Power of Attorney ("**DA**") between the Vendor, being the master developer, and the owners of the land ("**Landowners**"). Under the DA, the Vendor will develop the Subject SEZ and deliver 4 buildings (total SBA of 1.16 million sq ft) to the Landowners ("**Landowners' Buildings**").

The Subject SEZ comprises:

Vendor's buildings

- (i) the 2 Operating Buildings (for acquisition by a-iTrust) ⁷;
- (ii) 4 buildings to be developed with approximately 2.35 million sq ft SBA, comprising:
 - a) the Vendor's Future Buildings (for acquisition by a-iTrust on building completion and the Vendor's fulfillment of conditions) ⁷;
 - b) another building planned as a hotel (which will not be acquired by a-iTrust); and

Building	Completion Status	SBA (sq ft)	Occupancy rate
<u>Operating Buildings</u>			
1	Completed March 2008	231,622	100%
2	Completed November 2008	196,029 ⁸	100%
<u>Vendor's Future Buildings</u>			
3	Constructing, expected in 2012 ⁹	660,000	n/a
4	Expected in 2013 ⁹	500,000	n/a
5	Expected in 2014 ⁹	590,000	n/a

⁷ The buildings sit on land that is on 99-year lease from the Vendor, being the master developer, with the option to renew for 99-year terms upon expiry.

⁸ Excludes 32,671 sq ft, which is on a 99-year lease to MAQ Software Hyderabad Pvt Ltd.

⁹ Represents target completion timeline, which is contingent on demand conditions at that time.

Building	Completion Status	SBA (sq ft)	Occupancy rate
<u>Non-processing zone</u> <u>(Not part of the Acquisition)</u>			
6	Development potential (hotel)	600,000	n/a
Total		2,777,651	

Landowners' Buildings

The Vendor will be granted a right of first refusal over the future sale of all of the Landowners' Buildings, and will transfer such right of first refusal to a-iTrust.

Building	Completion Status	SBA (sq ft)	Occupancy rate
1	Completed	228,109	100%
2	Under construction	294,014	n/a
3	Development potential	203,224	n/a
4	Development potential	429,828	n/a
Total		1,155,175	

3. DETAILS OF THE ACQUISITION

3.1 Purchase Cost and Valuation

Purchase of Operating Buildings

The total purchase consideration is INR1,739 million (S\$50.4¹⁰ million) ("**Purchase Consideration**").

Including transaction expenses (acquisition fee payable to the Trustee-Manager, stamp duty, professional and other fees and acquisition expenses), the total purchase cost is S\$51.2 million ("**Purchase Cost**").

Cushman & Wakefield India Pvt Ltd, an independent valuer appointed by the Trustee-Manager, has valued the Operating Buildings at INR 1,765 million (S\$ 51.2 million¹⁰) as at 21 February 2011.

¹⁰ Based on the exchange rate of S\$1:INR34.5, for illustrative purposes.

Payment of the Purchase Consideration is subject to adjustment based on the balance sheet of HIPL on the completion date of the Acquisition.

Purchase of Vendor's Future Buildings

The pricing for the Vendor's Future Buildings, as and when each acquisition occurs on fulfillment of conditions, will reflect an achieved yield equal to that for the acquisition of the Operating Buildings, under an assumed tax structure.

The total purchase consideration of the Vendor's Future Buildings is presently estimated to be approximately INR 6,808 million (S\$ 197.4 million ¹¹).

There may be one future adjustment to the purchase consideration of each of the Operating Buildings and Vendor's Future Buildings to reflect changes in the relevant tax regulations from that assumed for the transaction.

3.2 Other Information of the Transaction

The completion of the Acquisition is subject to the necessary governmental approvals being obtained.

In order to ensure consistency in management strategy within the Properties, a-iTrust has the rights, through its appointed property manager, to manage the Operating Buildings and Vendor's Future Buildings as soon as they are individually acquired by a-iTrust. The Properties will be managed by the existing property manager of a-iTrust's portfolio, Ascendas Services (India) Pvt Ltd. The Subject SEZ will be rebranded as "aVance Business Hub".

The Vendor's Future Buildings will be developed by the Vendor, subject to the specifications of such buildings being approved by a-iTrust. A project committee will be formed, comprising representatives from both a-iTrust and the Vendor, to oversee the design and development of the Vendor's Future Buildings.

¹¹ Based on the exchange rate of S\$1:INR34.5, for illustrative purposes.

4. RATIONALE OF THE ACQUISITION

The Acquisition is beneficial to a-iTrust in the following ways:

4.1 Distribution Yield Accretion

The Acquisition will enhance the earnings of a-iTrust and is expected to be immediately yield-accretive to the distribution to Unitholders. Earnings is set to increase further in subsequent years with the completion and acquisition of the Vendor's Future Buildings. This would supplement the growth of income from the space completed or to be completed by a-iTrust within its existing portfolio.

Please refer to Section 5 for the details on yield accretion benefits.

4.2 High Occupancy Rates and High Quality Tenants

The Operating Buildings are currently home to leading multinational corporations operating in diverse business activities, such as Cognizant Technology Solutions, HCL Technologies and iGate Global Solutions. As such, the Acquisition will not only enlarge a-iTrust's tenant base, but also further diversify its tenant profile.

The 2 Operating Buildings are currently fully occupied, and if included, would increase a-iTrust's portfolio weighted average lease term to 4.5 years, from 4.1 years as at 31 December 2010.

4.3 Enlarged Scale

The Acquisition is consistent with a-iTrust's growth strategy through acquisition and development. Since listing in August 2007, a-iTrust has 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.

Upon acquisition of the Operating Buildings and Vendor's Future Buildings, a-iTrust's portfolio of operating space will increase by 34%, from 6.4 million sq ft to 8.6 million sq ft. In addition to this, a-iTrust still owns land in Bangalore that can yield another 2.5 million sq ft.

The enlarged portfolio would allow us to achieve economies of scale through the sharing of fixed costs and renegotiation of service contracts.

4.4 Product Offering Enhancement

The Acquisition will deepen a-iTrust's presence in Hyderabad and India, and strengthen its competitiveness in the market. The Operating Buildings will represent the first income-generating Special Economic Zone space within a-iTrust's portfolio, ahead of the completion of Voyager in International Tech Park Bangalore.

4.5 Strategically Located Property to Leverage on Hyderabad's Strong Market Fundamentals

Hyderabad is the capital city of Andhra Pradesh and is one of the fastest growing cities in India. Hyderabad's annual Gross Domestic Product growth averaged 8% from 2001 to 2010.

Hyderabad is often referred to as 'Cyberabad' due to its position as a premier IT and bio-technology hub. 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%¹² per year. Hyderabad is expected to continue to strengthen its position as a major IT hub, due to its large supply of relevant talent pool and extensive supporting infrastructure.

As a result, the demand situation for business space in Hyderabad is favourable. Market occupancy rate for Grade A office space in Hyderabad as at 31 December 2010 was strong at 97%¹³.

The Subject SEZ is located in the established IT address of Madhapur and Gachibowli in Hyderabad. The Subject SEZ is 10 km from the city centre and 16 km from the international airport, and is conveniently connected to the 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 Trustee-Manager believes that the Acquisition will allow a-iTrust to further capitalise on the rapidly growing IT space demand in Hyderabad and India.

¹² Source : Software Technology Parks of India, Hyderabad.

¹³ Source: Jones Lang LaSalle Property Consultants Pvt. Ltd.

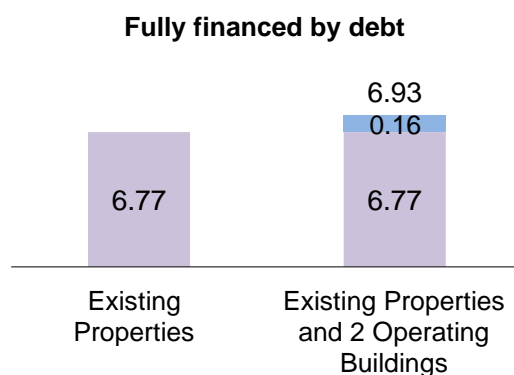
5. METHOD OF FINANCING AND FINANCIAL EFFECTS

As at 31 December 2010, a-iTrust's aggregate leverage was 19%, which represents substantial debt headroom before the 35% loan-to-value limit is reached. Should the acquisition of the Operating Buildings be funded fully by debt, a-iTrust's aggregate leverage will increase to approximately 22%, and DPU is forecast to increase by 0.16 Singapore Cents.

Should the acquisition of the Vendor's Future Buildings be also funded fully by debt, the aggregate leverage will increase to approximately 33%, assuming the current values of a-iTrust's existing properties and the Acquisition are maintained.

The Trustee-Manager had secured the necessary financing required for acquiring the Operating Buildings and one building presently under construction. The long-term objective of the Trustee-Manager is to maximise Unitholders' returns while maintaining a strong balance sheet.

Proforma FY10/11 DPU ¹⁴ (Singapore Cents)



The financial effects of acquiring the 2 Operating Buildings are summarised below. The indicators would change with the acquisition of each of the Vendor's Future Buildings.

a) **Total asset value**

The total asset value of a-iTrust will increase from approximately S\$908 million as at 31 December 2010 to S\$958 million immediately after acquiring the 2 Operating Buildings.

¹⁴ Assuming that a-iTrust had purchased, held and operated the 2 Operating 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.

b) Net asset value per Unit

On the assumption that the Acquisition is funded fully by debt, the acquisition of the Operating Buildings would have no effect on net asset value per Unit for FY 2011/12.

c) Distribution per Unit

Please refer to the preceding sections for information.

d) Net property income and net profit

The acquisition of the Operating Buildings is expected to increase net property income and net profit by approximately S\$5.4 million¹⁵ and S\$1.0 million¹⁶ respectively, for FY 2011/12.

e) Aggregate leverage

Please refer to the preceding sections for information.

6. INTERESTS OF DIRECTORS AND SPONSOR

Based on information available to the Trustee-Manager as at the date of this announcement, none of the directors of the Trustee-Manager or Ascendas Land International Pte Ltd, being the Sponsor of a-iTrust, have an interest, direct or indirect, in the Acquisition.

By Order of the Board
Mary J. de Souza
Company Secretary

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¹⁵ After taking into account fees payable to property manager, such as property / lease management and marketing fees.

¹⁶ Assuming the Acquisition is funded fully by debt.

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, 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 manager for all Ascendas' sponsored 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.

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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.