

## **A-REIT Enhances Capital Structure with Proactive Capital Management Initiatives**

- Successful Offering of S\$300 million of Exchangeable Collateralised Securities (“**ECS**”) Due 2017 with a Put Option in 2015
- Early Redemption of €165 million Class AAA Secured Floating Rate Notes Due May 2012 at a discount to par
- Extended tenure of S\$300 million Term Loan due in March 2010 to March 2017
- Effectively extended A-REIT’s Weighted Average Debt Maturity to 4.5 years

**Singapore, 16 March 2010** – The Board of Directors of Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce that it has enhanced A-REIT’s capital structure through a series of proactive capital management initiatives.

Further to its earlier announcement dated 15 March 2010 on the proposed issue of ECS due 2017, the Manager is pleased to announce the first ever issue of ECS. The ECS were marketed with a coupon and yield-to-maturity of between 1.6% to 2.1% and an exchange premium of 20% to 25% over A-REIT’s closing price of S\$1.96 on 15 March 2010; and priced at the best end of terms of 1.6% coupon and an exchange price of S\$2.45 (25% premium over A-REIT’s closing price). The ECS saw strong participation from over 70 institutional investors and the issue was 4.5 times subscribed.

Ms Tan Shu Lin, Head, Capital Markets of the Manager said, “We are pleased to engage in a series of proactive capital management actions to enhance A-REIT’s capital structure. The successful launch and pricing of the first ever ECS, which is expected to be rated “AAA” by S&P and “Aaa” by Moody’s, will allow A-REIT to diversify its sources of debt financing. With a quality underlying portfolio and an understanding of investors’ needs, we were able to tap

a new investor base in the international capital markets and obtain very competitive medium-term debt financing.

The Manager also recently successfully extended A-REIT's S\$300 million term loan due in March 2010 by 7 years to March 2017. In addition, in view of the significant amount of refinancing expected in the Singapore real estate sector in 2012, the Manager embarked on the early redemption of the €165 million Class AAA Secured Floating Rate Notes due in May 2012 ("**P2-AAA-001 CMBS**") at a discount to par. With this, A-REIT has eliminated potential refinancing risk in 2012.

Consequently, A-REIT's weighted average debt maturity has been extended from 2.4 years to 4.5 years. These initiatives bear testament to the Manager's focus on proactively managing and enhancing A-REIT's capital structure. Other than the S\$150 million Medium Term Notes and the S\$138 million Committed Revolving Credit Facility due in 2011, A-REIT does not have any major debt refinancing till 2014 and is therefore well positioned to capitalise on growth opportunities moving forward."

#### **Details of the CMBS Redemption**

The Manager is pleased to announce that after the passing of the requisite resolutions at a bondholders' meeting convened on 15 March 2010, it is proceeding with its proposal announced on 19 February 2010 for the early redemption of the P2-AAA-001 CMBS issued by Emerald Assets Limited, a special purpose vehicle (the "**CMBS Redemption**"), at a discount to par.

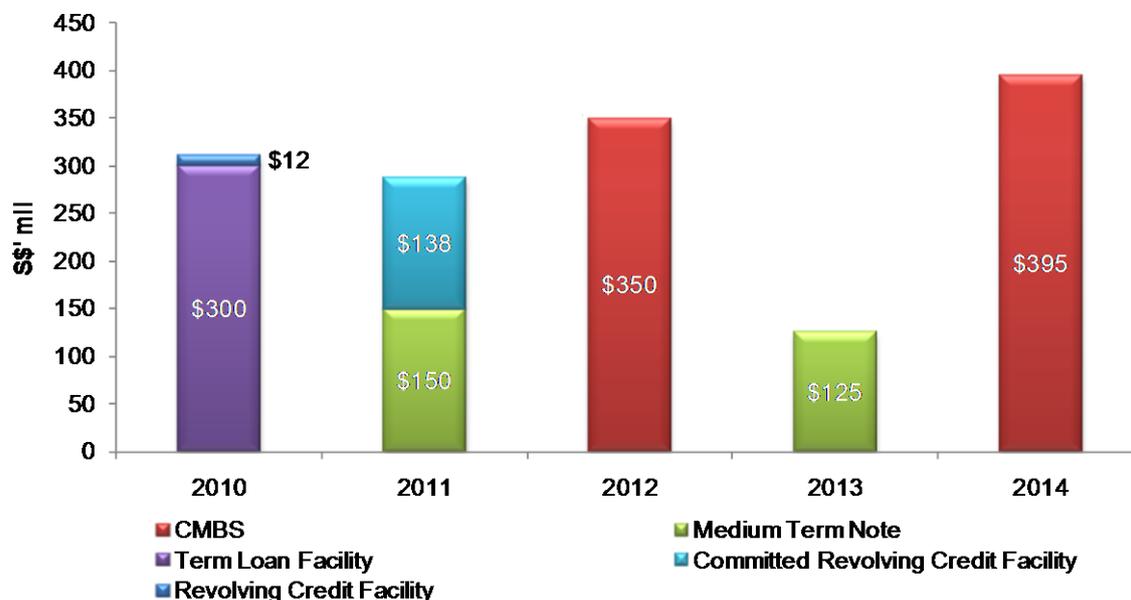
The redemption of P2-AAA-001 CMBS is expected to be completed by end of March 2010 and post this redemption, 23 properties valued at S\$1.2 billion as at 31 March 2009 will be released from the security created in connection with the P2-AAA-001 CMBS.

#### **Details of the ECS**

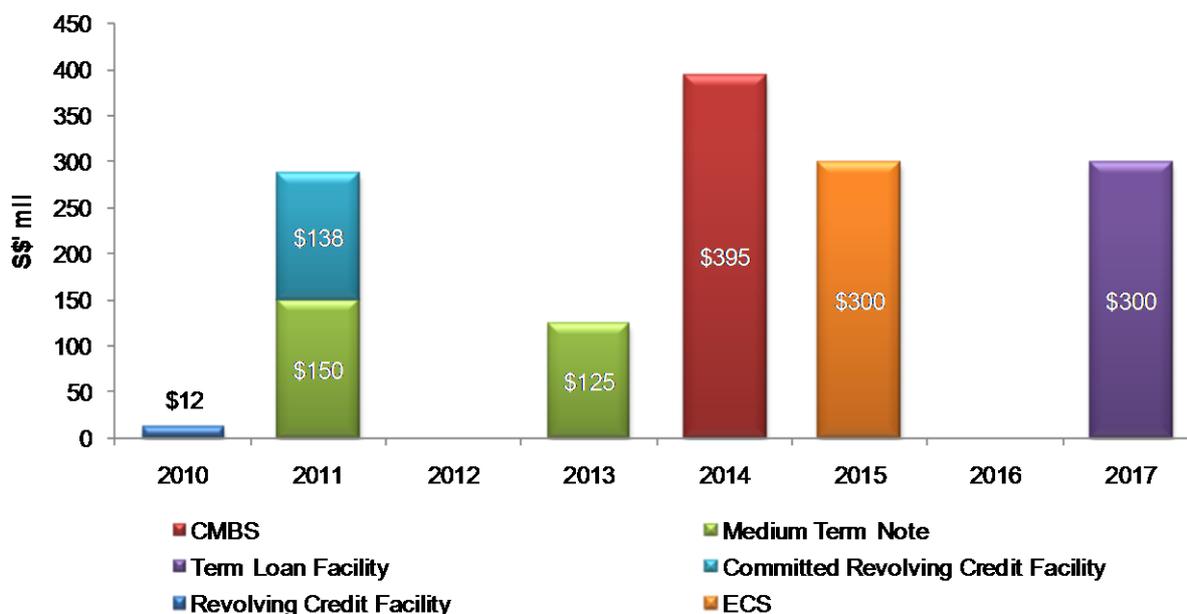
The S\$300 million ECS was priced at a coupon and yield to maturity of 1.6% with an initial exchange price of S\$2.45 per unit. The ECS are issued by Ruby Assets Pte. Ltd ("**Ruby**"), a special purpose vehicle. The ECS will be backed and secured by the cash flow and assets from 19 of the 23 properties released in conjunction with the early redemption of the P2-AAA-001 CMBS. The ECS will carry semi-annual coupon payments and have an expected maturity date in February 2017 and a Put Option in 2015. An application will be made for the listing of the ECS and the new A-REIT units, if and when issued in exchange for the ECS, on the Singapore Exchange.

The proceeds from the ECS issue will be on-lent to A-REIT to refinance its existing borrowings, finance acquisitions and development of properties by A-REIT and/or for the general working capital purposes of A-REIT.

### Debt Maturity Profile as at 31 December 2009



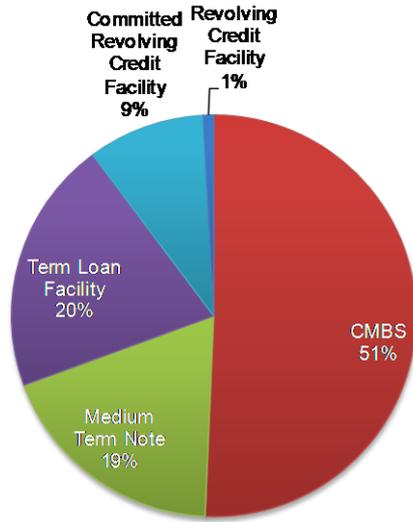
### Debt Maturity Profile Post Aforementioned Capital Management Initiatives <sup>(1)</sup>



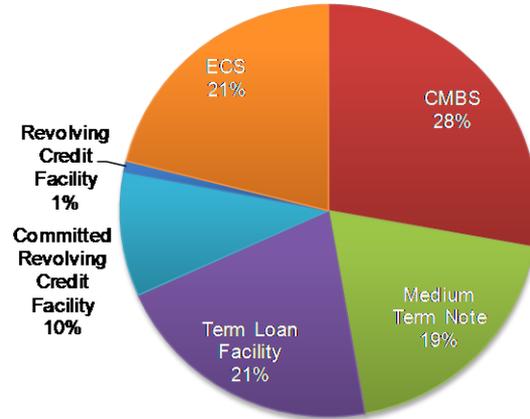
Note:

(1) The maturity of the ECS in 2015 reflects the early redemption option accorded to the ECS Holders

### Diversifies A-REIT's Sources of Debt Financing



As at 31 December 2009



Post Issuance of ECS

-End-

#### About A-REIT ([www.a-reit.com](http://www.a-reit.com))

A-REIT is Singapore's first listed business space and industrial real estate investment trust. As at 31 December 2009, it has a diversified portfolio of 91 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with total assets of about S\$4.8 billion. These properties house a tenant base of about 900 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include SingTel, C&P Logistics, Siemens, Honeywell, Zuellig Pharma, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble and Hyflux.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250 and FTSE ST Mid Cap.

A-REIT is managed by **Ascendas Funds Management (S) Limited** (in its capacity as manager of A-REIT), a wholly-owned subsidiary of the Singapore-based **Ascendas Group**.

#### About the Ascendas Group ([www.ascendas.com](http://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 and Singapore'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**

No prospectus has been or will be registered in Singapore with the Monetary Authority of Singapore in relation to the securities described herein and the ECS are or have been offered in Singapore pursuant to exemptions invoked under Sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the ECS in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Where interest is derived from any ECS and discount income (other than discount income from secondary trading) is derived from any of the ECS the tenor of which is one year or less by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available under Section 13(1)(a) of the Income Tax Act, Chapter 134 of Singapore (the "Income Tax Act") shall not apply if such person acquires such ECS using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest or discount income derived from the ECS is not exempt from tax (including for the reasons described above) shall include such interest or discount income in a return of income made under the Income Tax Act.