

Press Release
15 January 2009



A-REIT LAUNCHES EQUITY FUND RAISING TO RAISE APPROXIMATELY S\$400 MILLION

- Equity Fund Raising to comprise:
 - Private Placement to raise gross proceeds of approximately S\$292 million¹; and
 - Preferential Offering to raise gross proceeds of approximately S\$108 million¹
- New Units priced at between S\$1.13 and S\$1.16 per Unit for both the Private Placement and Preferential Offering
- Proceeds from the Equity Fund Raising to be used to fund development projects, as well as to reduce A-REIT's Aggregate Leverage and strengthen its balance sheet
- Preferential Offering made on the basis of one New Unit for every 15 existing Units held by entitled unitholders of A-REIT as at the Book Closure Date
- Ascendas Pte Ltd, the largest unitholder and sponsor of A-REIT has, through its wholly-owned subsidiaries, Ascendas Land (Singapore) Pte Ltd and Ascendas Funds Management (S) Limited (in its own capacity and not in its capacity as manager of A-REIT), provided separate irrevocable undertakings to take up their provisional allotment of New Units, and Ascendas Land (Singapore) Pte Ltd has entered into the Ascendas Commitment Agreement with the Joint Lead Managers and Underwriters to subscribe for up to a certain number of the New Units under the Preferential Offering, to the extent that they remain unsubscribed after satisfaction of all applications (if any) for excess New Units²

15 January 2009, Singapore – Ascendas Funds Management (S) Limited, as manager of Ascendas Real Estate Investment Trust (“**A-REIT**”, and the manager of A-REIT, the “**Manager**”), is pleased to announce the launch of an equity fund raising exercise by way of a private placement and preferential offering of up to 353,932,777³ new units in A-REIT (“**New Units**”) at an issue price (the “**Issue Price**”) of between S\$1.13 and S\$1.16 per New Unit (the “**Issue Price Range**”) to raise gross proceeds of approximately S\$400.0 million. The Issue Price Range of between S\$1.13 and S\$1.16 per New Unit represents a discount of between 7.0% and 9.4% to the adjusted volume

¹ Based on an issue price of S\$1.13 per New Unit

² See below for additional information on the number of New Units which Ascendas Land (Singapore) Pte Ltd has committed to subscribe pursuant to the Ascendas Commitment Agreement.

³ Taking into account the 258,000,000 New Units to be issued under Private Placement, the provisional allotments of New Units of entitled unitholders on the basis of one New Unit for every 15 existing Units held on the Books Closure Date and the additional New Units that would be provisionally allotted as a result of the Rounding Mechanism (as defined below).

This press release is not an offer of securities for sale into the United States, Canada or Japan. The securities described herein may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

weighted average price (“**Adjusted VWAP**”)⁴. Approval in principle for the equity fund raising exercise was granted by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) today.

The private placement of 258,000,000 New Units to institutional investors (the “**Private Placement**”) is being conducted at the Issue Price via an accelerated bookbuilding process, which starts today and is expected to be completed by the close of market on 16 January 2009. The preferential offering of up to 95,932,777 New Units will be made to Entitled Unitholders⁵ on the basis of one New Unit for every 15 existing units in A-REIT (“**Units**”) held as at the Books Closure Date (as defined below) by unitholders of A-REIT (“**Unitholders**”) at the Issue Price, fractions of a Unit to be disregarded and subject to the Rounding Mechanism⁶ (the “**Preferential Offering**”, and together with the Private Placement, the “**Equity Fund Raising**”) to raise gross proceeds of approximately S\$400.0 million.

The net proceeds from the Equity Fund Raising will be used to fund development projects, as well as to reduce A-REIT’s Aggregate Leverage⁷ and strengthen its balance sheet. To this end, the intended use of the net proceeds from the Equity Fund Raising will be as follows:

- Approximately S\$200.0 million will be used to partly or wholly fund committed development projects and/or future development projects;
- Approximately S\$100.0 million, which together with an existing S\$200.0 million committed bank credit facility, will be used towards the full repayment of A-REIT’s S\$300.0 million commercial mortgage backed securities maturing in August 2009; and
- Approximately S\$89.9 million will be used towards the partial repayment of outstanding revolving credit facilities of approximately S\$438.1 million outstanding as at 31 December 2008.

Based on an Issue Price of S\$1.13 per New Unit, which is the lower end of the Issue Price Range (the “**Minimum Issue Price**”), immediately following the completion of the Equity Fund Raising⁸, A-REIT’s Aggregate Leverage is expected to fall from 42.2% as at 31 December 2008 to 33.7%. After the deployment of S\$163.0 million of the net proceeds from the Equity Fund Raising to fund

4 The Adjusted VWAP is computed based on the volume weighted average price of all trades in the Units on the SGX-ST for the full market day on 15 January 2009 and subtracting the estimated Cumulative Distribution of 4.78 cents per Unit as announced separately by the Manager.

5 Unitholders as at the Books Closure Date other than those whose registered addresses with The Central Depository (Pte) Limited (“**CDP**”) are outside Singapore, and who have not, at least three Market Days (as defined below) prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents. The holders of the New Units issued under the Private Placement are not entitled to participate in the Preferential Offering and will not be considered Entitled Unitholders for the purposes of the Preferential Offering.

6 In the situation where an Entitled Unitholder’s provisional allotment of New Units under the Preferential Offering is other than in integral multiples of 1,000 Units, it will be increased to such number which, when added to the Entitled Unitholder’s unitholdings as at the Books Closure Date, results in an integral multiple of 1,000 Units.

7 “**Aggregate Leverage**” is defined in the Property Funds Guidelines as the ratio of A-REIT’s borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Units) to the value of its deposited property.

8 Assuming that, pending deployment, the net proceeds from the Equity Fund Raising are fully used to repay debt facilities.

This press release is not for distribution, directly or indirectly, in or into the United States, Canada or Japan.

the committed developments of Plot 8 Changi Business Park and a built-to-suit facility in Airport Logistics Park, A-REIT's Aggregate Leverage is expected to reach 36.0%⁹.

A-REIT was able to continuously extend its various short term credit facilities in the last nine months, the most recent being the extension of a S\$100.0 million short term credit facility in November 2008. A-REIT has sought and received an expression of interest from the provider of the S\$300.0 million bilateral term loan due March 2010, to extend this term loan. In addition, A-REIT is in advanced negotiation for a new S\$250.0 million, 3-year committed credit facility from a major financial institution.

Mr. Tan Ser Ping, Chief Executive Officer of the Manager, said "The completion of the Equity Fund Raising, together with our ongoing capital management strategy will strengthen A-REIT's balance sheet and enhance its credit profile. We are confident of meeting all our debt refinancing requirements over the next two years. With the completion of the Equity Fund Raising, A-REIT will be in a strong position to take advantage of growth opportunities which have arisen due to the current market dislocation."

The New Units to be issued pursuant to the Equity Fund Raising (excluding the New Units to be provisionally allotted to Ascendas Land (Singapore) Pte Ltd and Ascendas Funds Management (S) Limited (in its own capacity and not in its capacity as manager of A-REIT)), is fully underwritten by Citigroup Global Markets Singapore Pte. Ltd. and Macquarie Capital Securities (Singapore) Pte. Limited. In addition, as a demonstration of its commitment to A-REIT and in support of the Equity Fund Raising, Ascendas, as the sponsor of A-REIT, has also today given, through its wholly owned subsidiaries, Ascendas Land (Singapore) Pte Ltd and Ascendas Funds Management (S) Limited (in its own capacity and not in its capacity as manager of A-REIT), separate irrevocable undertakings to A-REIT that they will take up their provisional allotment, as well as to subscribe for up to such number of New Units under the Preferential Offering to be determined in accordance with the formula set out below, to the extent that they remain unsubscribed after satisfaction of all applications (if any) for excess New Units.

$$A = \frac{\text{S\$108,000,000} - (B \times \text{Issue Price})}{\text{Issue Price}}$$

Where:

- A** : Maximum number of New Units subscribed by Ascendas Land (Singapore) Pte Ltd pursuant to the Ascendas Commitment Agreement (the "**Ascendas Commitment New Units**"). To the extent that "A" is not a whole number, "A" shall be rounded down to the next nearest whole number.
- B** : Total number of New Units subscribed by (i) Ascendas Land (Singapore) Pte Ltd through the Ascendas Land Irrevocable Undertaking and (ii) Ascendas Funds Management (S) Limited through the AFM Irrevocable Undertaking

⁹ Assuming that, S\$163.0 million is used to fund committed development projects while the remaining net proceeds from the Equity Fund Raising are used to repay short-term debt facilities.

This press release is not for distribution, directly or indirectly, in or into the United States, Canada or Japan.

In the event that Ascendas Land (Singapore) Pte Ltd and Ascendas Funds Management (S) Limited (in its own capacity and not in its capacity as manager of A-REIT) accepts their provisional allotments of New Units under the Preferential Offering and Ascendas Land (Singapore) Pte Ltd, is called upon to subscribe for the Ascendas Commitment New Units, assuming that none of the other Entitled Unitholders accept their provisional allotment of New Units and apply for excess New Units, Ascendas' aggregate unitholding in A-REIT will be approximately 27.1%.

Further details of the Preferential Offering can be found in the Offer Information Statement which will be lodged with the Monetary Authority of Singapore and despatched to unitholders shortly after the books closure date, which will be on 23 January 2009 at 5.00 p.m. (the "**Book Closure Date**").

Note:

This release should be read and understood only in conjunction with the full text of A-REIT's announcements lodged on SGXNET on 15 January 2009 on the same subject.

About A-REIT (www.a-reit.com)

A-REIT is Singapore's first listed business space and industrial real estate investment trust. It has a diversified portfolio of 88 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, and logistics and distributions centres, with total assets of about S\$4.6 billion. These properties house a tenant base of over 860 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 Index.

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)

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.

This press release is not for distribution, directly or indirectly, in or into the United States, Canada or Japan.

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.

For enquiries, please contact:

Media

Sabrina Tay
Snr Executive, Corporate Communications
Ascendas Funds Management (S) Ltd
Tel : +65 6508 8840
Mobile : +65 9833 5833
Email: sabrina.tay@ascendas-fms.com

Analysts

Tan Shu Lin
Head, Capital Markets
Ascendas Funds Management (S) Ltd
Tel : +65 6508 8822
Mobile : +65 9683 1500
Email: shulin.tan@ascendas-fms.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 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 Manager to redeem their Units while the Units are listed. It is intended that Unitholders of 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-REIT is not necessarily indicative of the future performance of A-REIT.

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 companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, 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 Manager's current view on future events.

This press release is not for distribution, directly or indirectly, in or into the United States, Canada or Japan.