



# 1Q FY 2009/10 Financial Results Presentation

30 July 2009



Singapore's First Listed Indian Property Trust

**This presentation focuses on a-iTrust's results for the financial quarter ended 30 June 2009 ("1Q FY 09/10"). This shall be read in conjunction with a-iTrust's announcement of results for the quarter in SGXNet, copy of which obtained either from [www.sgx.com](http://www.sgx.com) or [www.a-itrust.com](http://www.a-itrust.com) .**

This presentation 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, property expenses), 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.

# Agenda

- Overview
- Financial Results
- Growth Strategies
- Financial Indicators

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# Key Highlights



## **Revenue Growth :**

- **Total Property income for 1Q FY 09/10 rose 4% over same period last year**
- **Net Property income for 1Q FY 09/10 exceeded same period last year by 15%**



## **1Q FY 09/10 DPU of 2.06 Singapore cents, being:**

- **25% above same period last year**
- **0.5% above last quarter**



## **1Q FY 09/10 distribution reflects an annualised yield of:**

- **12.0% over the closing price of S\$0.69 on 30 June 2009**
- **9.8% over the closing price of S\$0.84 on 29 July 2009**

# Key Highlights

- **Net Asset Value was S\$652 million or S\$0.86 per unit as at 30 June 2009**
- **Strong & stable 97% portfolio occupancy**
- **About 10% of space due for renewal in current financial year**
- **Low client concentration with 10 largest tenants accounted for about 30% of portfolio base rent**
- **Strong Balance Sheet:**
  - **Low gearing at 9% (loan to value), hence substantial debt capacity to fund future development space / acquisition**

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# Financial Results –

## 1Q FY09/10 vs 1Q FY08/09

	1Q FY09/10 (S\$ '000)	1Q FY08/09 (S\$ '000)	Variance (%)	Reasons
Total Property Income	29,652	28,641	4%	<ul style="list-style-type: none"> <li>• Higher income contribution from Crest, which was completed in 4Q FY07/08.</li> <li>• Higher rental rates.</li> <li>• Higher operations and maintenance income.</li> </ul>
Net Property Income	18,343	16,002	15%	<ul style="list-style-type: none"> <li>• Higher property income</li> <li>• 10% lower utilities expenses due to fall in oil price.</li> </ul>
Net Profit after tax	8,464	18,116	(53%)	<ul style="list-style-type: none"> <li>• Unrealised fair value losses on forex and interest rate derivatives of S\$7.0 million (compared to unrealised gains of \$6.0 million last year). No impact on DPU.</li> <li>• Finance costs were S\$1.2 million, due to an increase in borrowings and interest rates.</li> <li>• Income tax expense was S\$ 5.0 million due to higher taxable profits and provision for dividend distribution tax. Of this, S\$1.3 million deferred tax liability has no impact on DPU.</li> </ul>
DPU (Singapore cents)	2.06	1.65	25%	<ul style="list-style-type: none"> <li>• As a result of the above.</li> </ul>



# Distribution per Unit

**Period**

**1 April 2009 to 30 June 2009**

**1Q FY09/10**

**2.06 ¢ per unit**

**0.5% increase  
q-o-q  
25% increase  
y-o-y**

**1Q FY08/09**

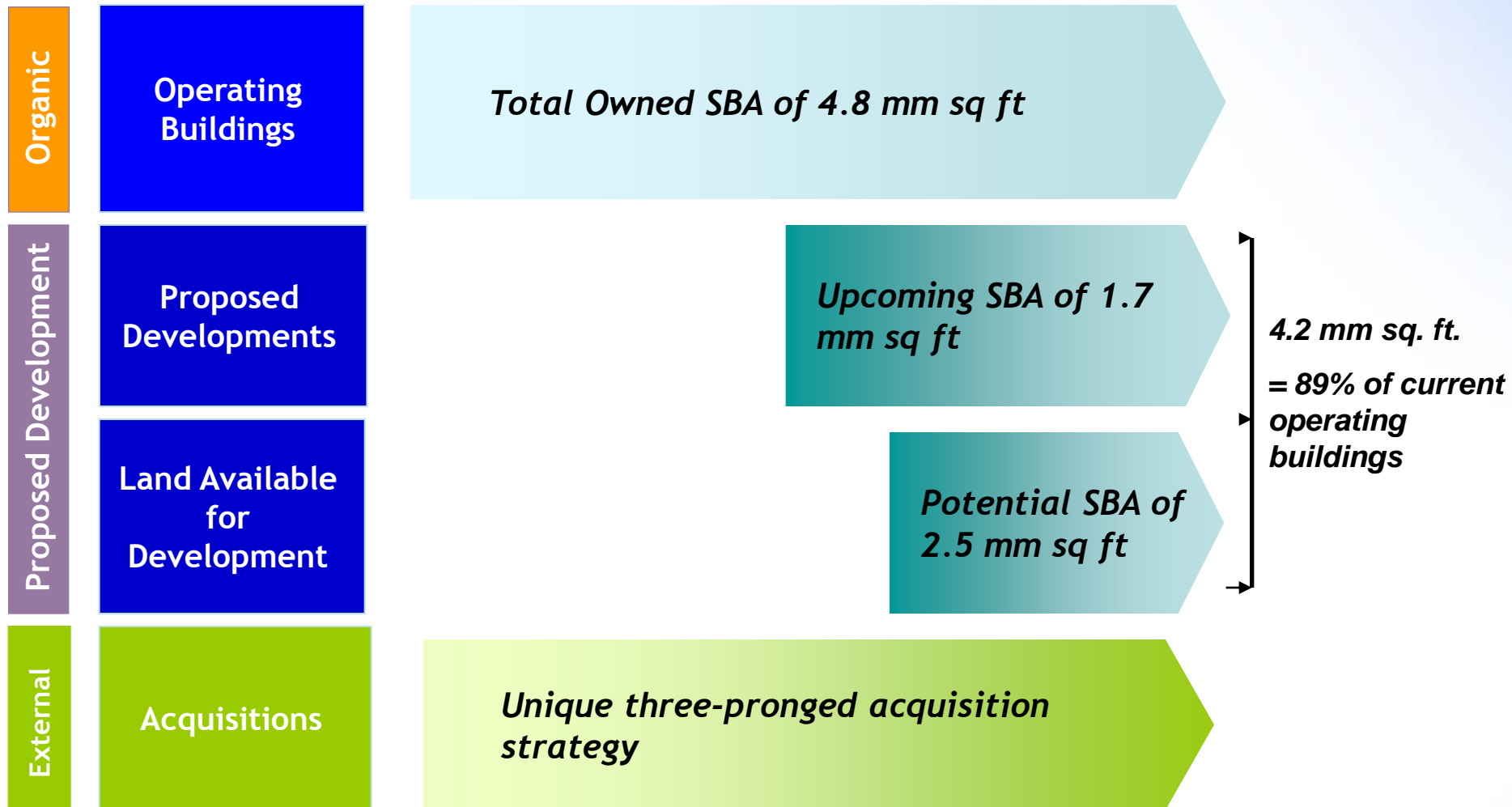
**1.65 ¢ per unit**

**Distributions are paid on semi-annual basis, for the six-month periods ending  
31 March and 30 September of each year**

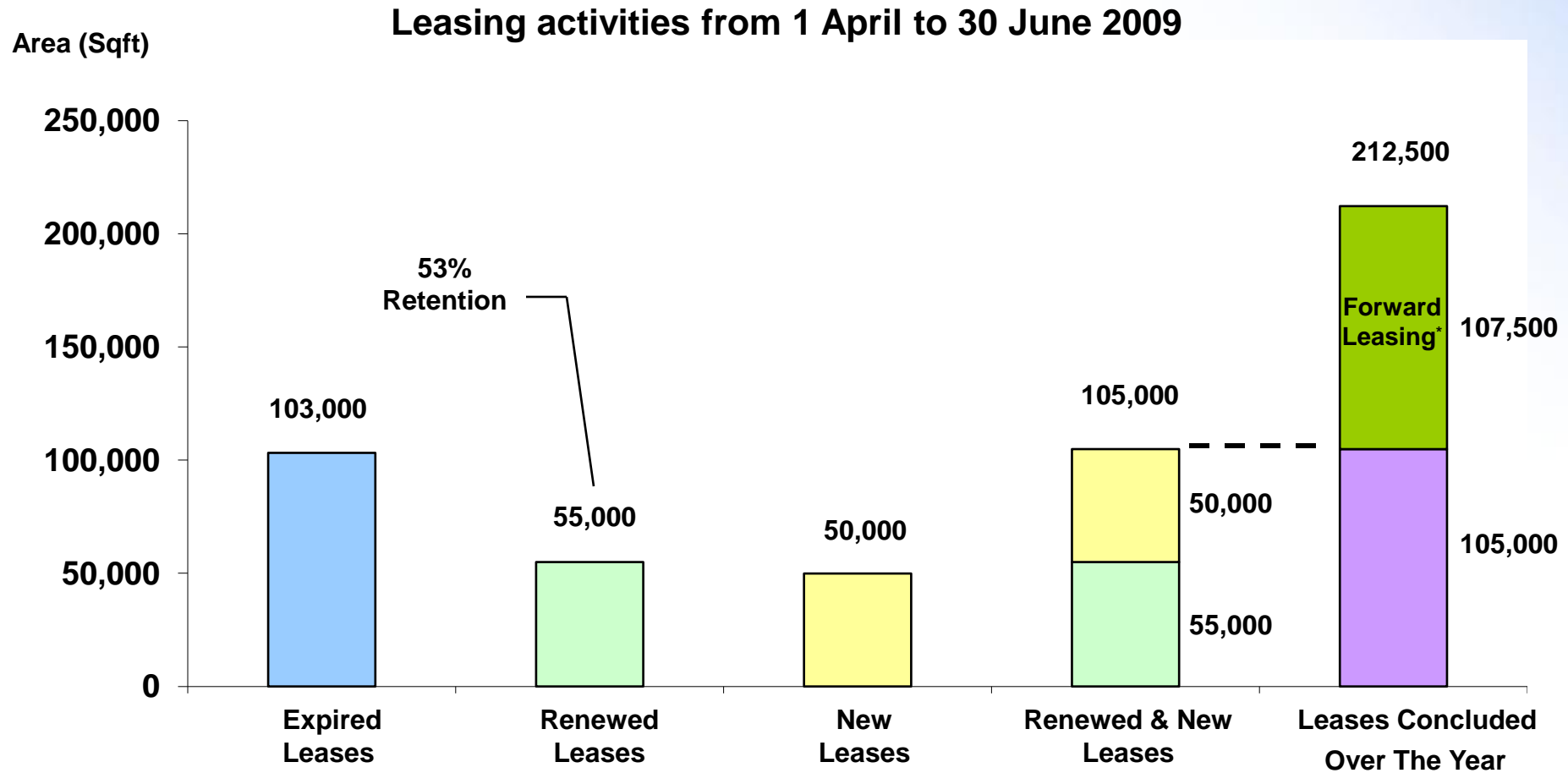
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# Growth Strategy



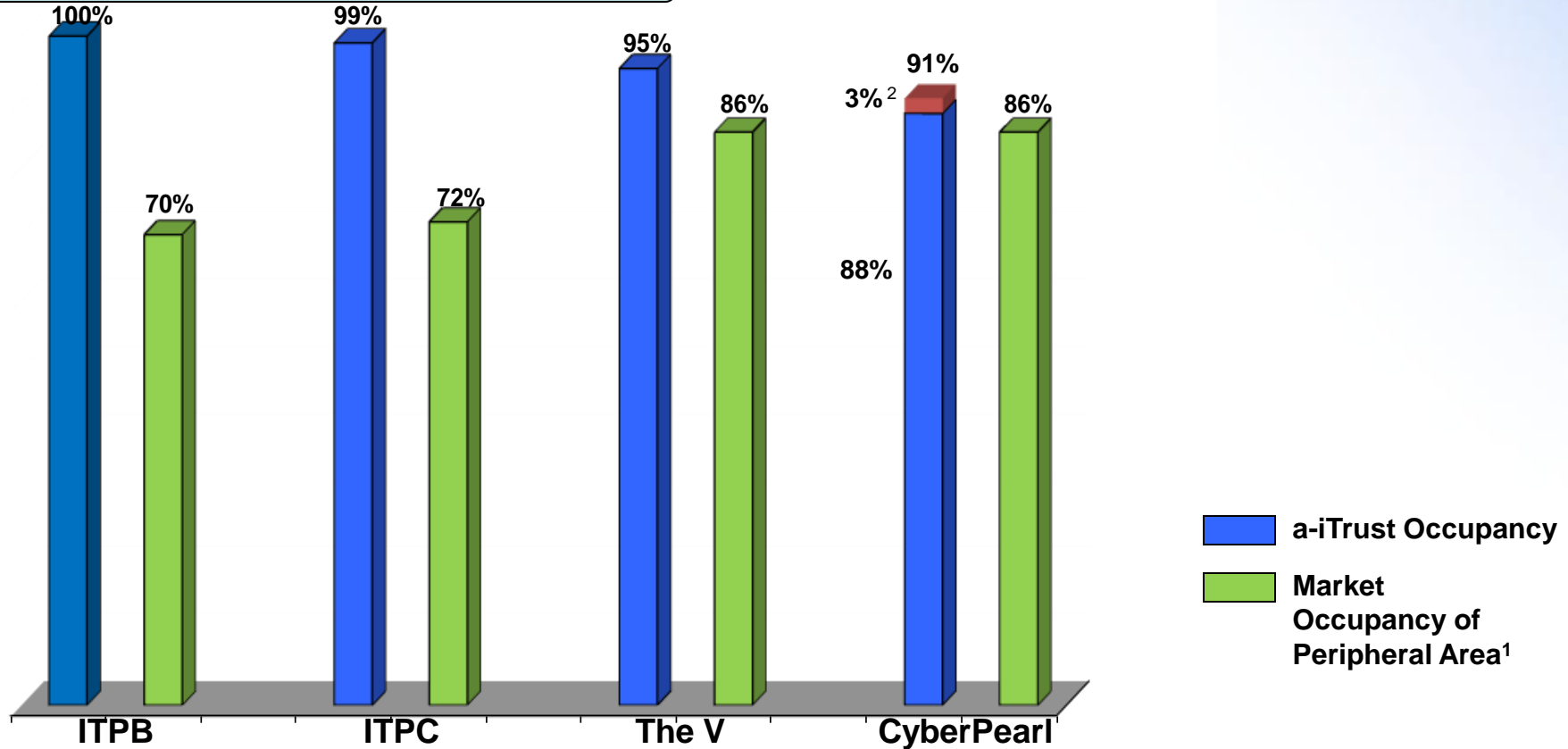
# Organic Growth



\* Signed leases which have not commenced

# Organic Growth - Stability

## Maintaining High Occupancy Rates



**Portfolio Weighted Average Occupancy as at 30 June 2009 is 97%**

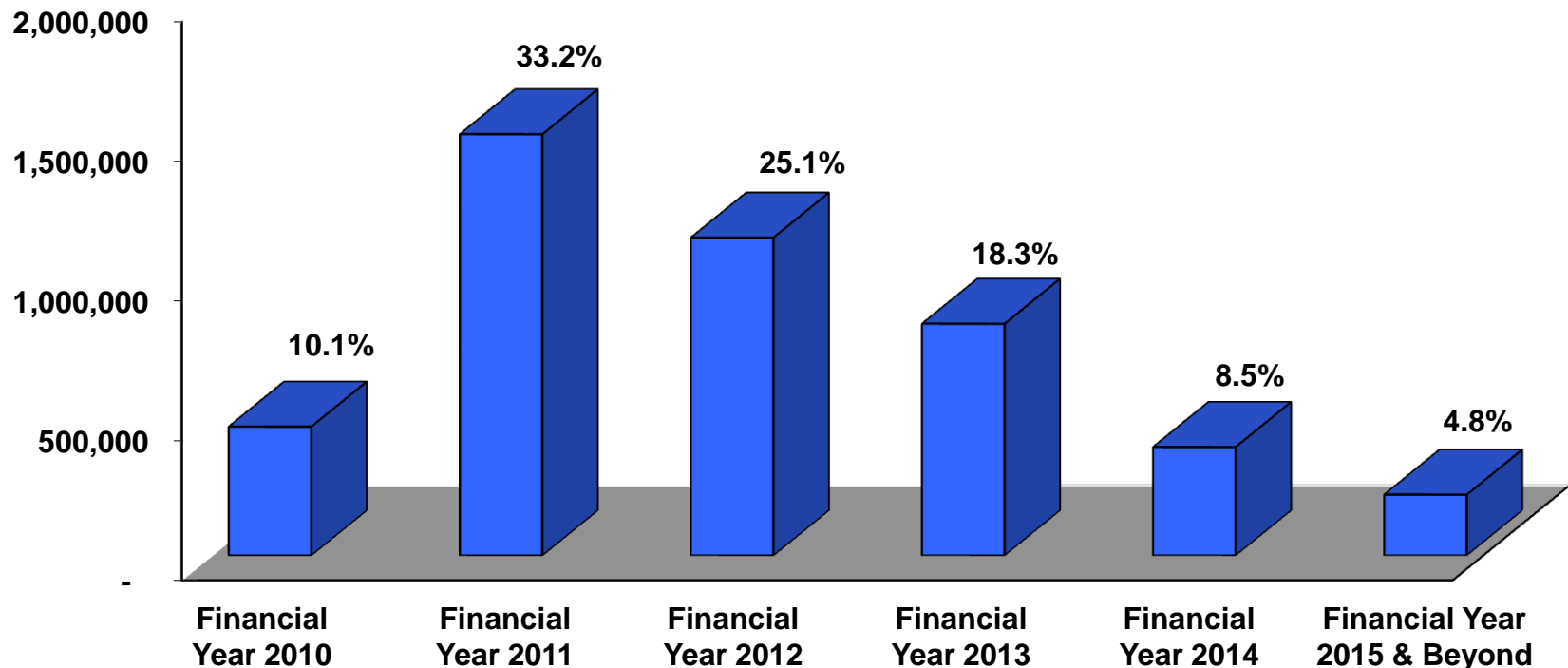
<sup>1</sup> Jones Lang LaSalle Market Report as at 30 June 09

<sup>2</sup> Additional 3% committed leases post 30 June 2009, bringing CyberPearl Occupancy to 91%

# Organic Growth - Lease Expiry Profile

## Portfolio Lease Expiry Profile

Sq ft expiring

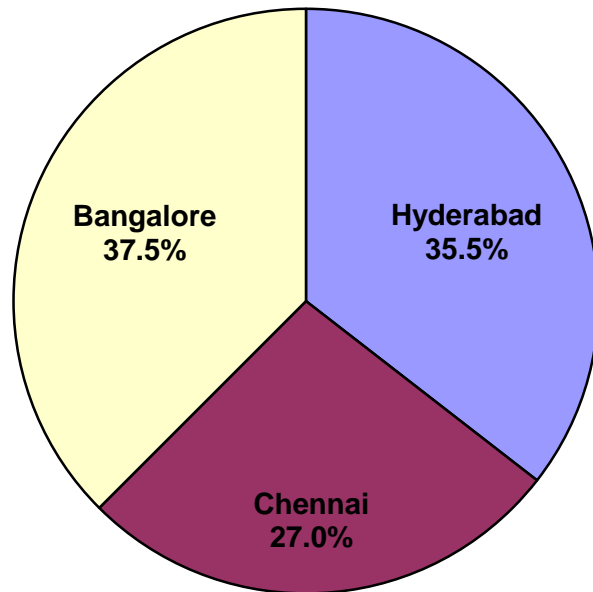


**Weighted Average Lease Term – 3.9 yrs as at 30 June 2009**

# Organic Growth - Stability

## Geographical Diversification of Properties

Operating Buildings of a-iTrust



Total Owned SBA = 4.8 million sq. ft.

**As at 30 June 2009**

## Strong Tenant Base

**Total Number of Tenants**

**246**

**Average space  
per tenant**

**18,463 sq. ft.**

**Largest tenant takes up  
about 4.6%  
of the portfolio base rent**

# Portfolio Top 10 Tenants

## Portfolio - Top Ten Tenants in Alphabetical Order

**Affiliated Computer Services of India Pvt. Ltd.**

**Applied Materials India Pvt. Ltd.**

**Cognizant Technology Solution (India) Pvt. Ltd.**

**General Motors India Pvt. Ltd.**

**iNautix Technologies India Pvt. Ltd.**

**Invensys Development Center India Pvt. Ltd.**

**Merrill Lynch (India) Technology Services**

**Paprikaas Interactive Services Pvt. Ltd.**

**Pfizer Pharmaceutical India Pvt. Ltd.**

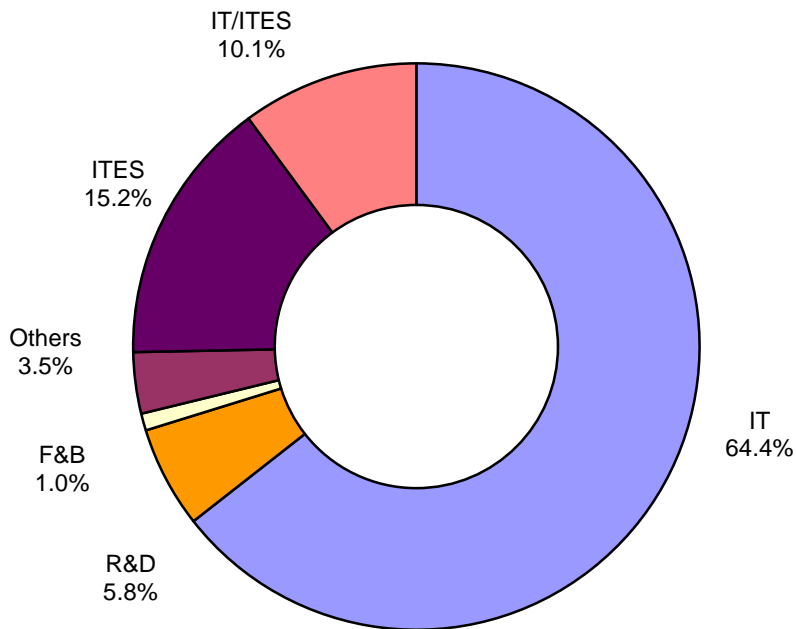
**ZapApp / First Indian Corporation / First Advantage**

**Top 10 Tenants collectively accounted for about 30% of the portfolio base rent**

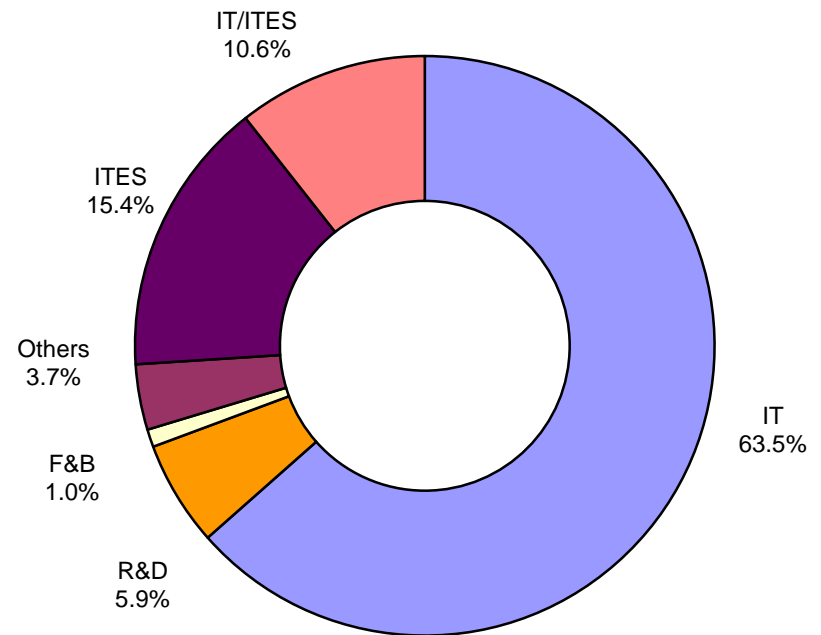


# Organic Growth - Tenant Development

## Tenant sector by base rental



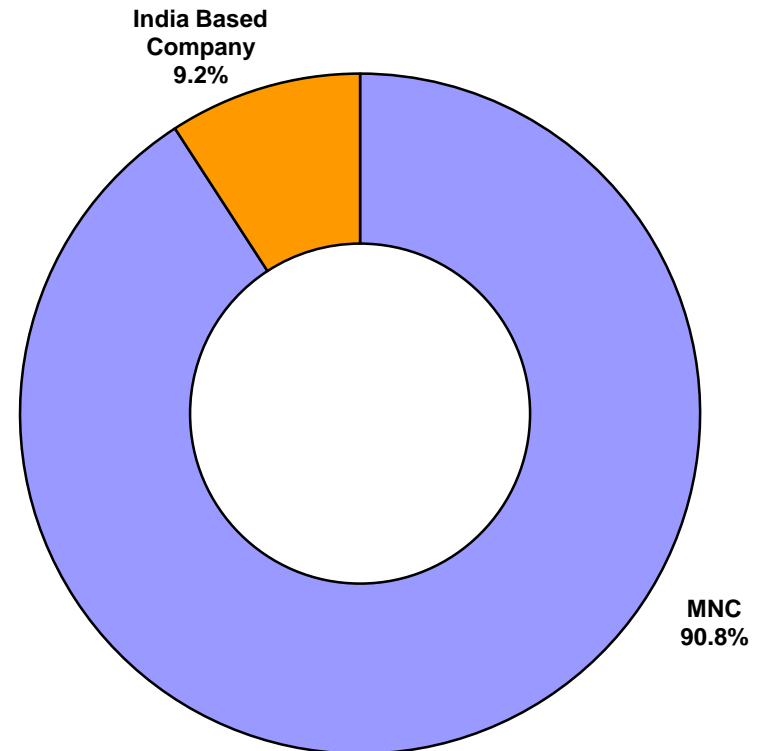
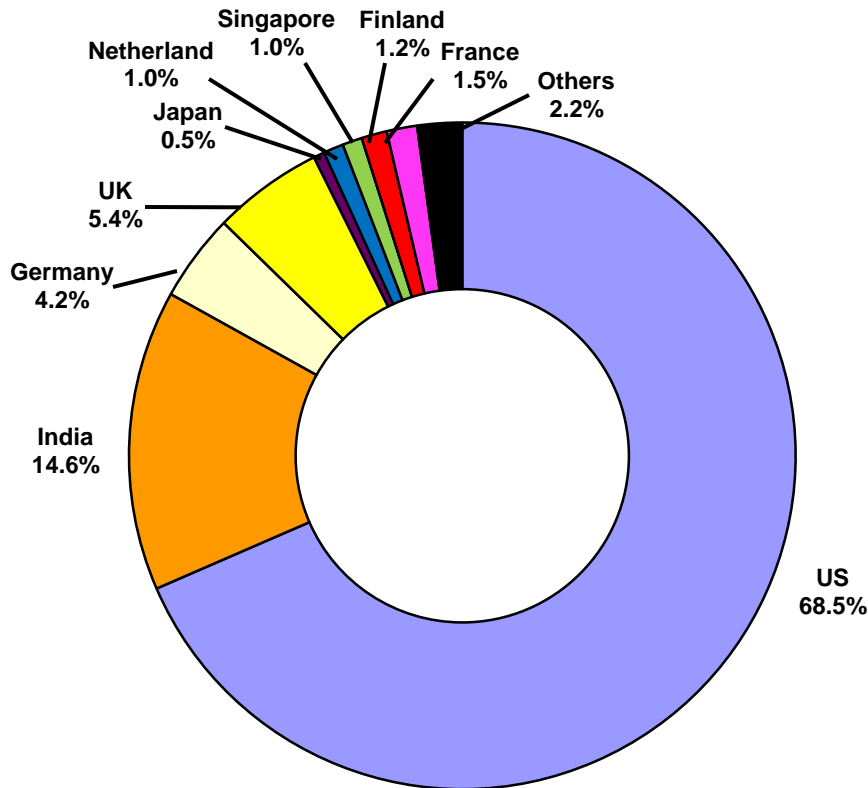
**31 March 2009**



**30 June 2009**

# Organic Growth - Tenant Development

## Tenants' country of origin & company structure by base rental



30 June 2009

# Work Live Play at the Parks



Livewire Festivities



Cultural Performance



Go Green Cleaning



# Work Live Play at the Parks



Eco-Friendly Product Sale



Eco-Drive Week



Organic Lunch Menu at  
Cafeteria



Showcasing Electric-Driven  
Motorcycles

# Development

## 3 property development in the parks – additional 1.7 mil sq ft

### Zenith 3<sup>rd</sup> building (ITPC)

- Construction in progress
- Expected completion in 2<sup>nd</sup> half 2010



**742,000 sq ft**

### Retail Mall (ITPB)

- Construction in progress
- Expected completion in mid 2010



**450,000 sq ft**

### Multi-tenanted office building (ITPB)




- Authorities' approval obtained
- Contractor appointed for work commencement in Aug 2009
- Expected completion in mid 2011
- Within SEZ



**535,760 sq ft**

All areas being Super Built-up Area, which is the basis for leasing transactions.

## **BTS for Avestha Gengraine – will not be carried out**

-  **Both parties agreed to terminate contract, all costs incurred by a-iTrust will be recovered from deposit.**
-  **Debt originally for this project to be directed towards the proposed multi-tenanted building in ITPB.**
-  **Completion of the multi-tenanted building is targeted for the same year as that of Avestha Gengraine**

# Development

## Further development in ITPB – additional 2.5 million sq. ft.

- **Completed master plan to develop balance 2.5 million sq ft of space, mainly within SEZ**





## 3 pronged acquisition strategy

1

### Right of First Refusal – Ascendas Land International Pte Ltd

➤ CyberVale is an IT SEZ in Chennai

➤ CyberVale represents an opportunity for a-iTrust to acquire 535,000 sq ft of income producing space and 4.4 acres of land for development





## 3 pronged acquisition strategy

**2**

### Right of First Refusal – Ascendas India Development Trust

- AIDT focuses on integrated real estate development and has committed equity of S\$500 mil & target investment size of S\$1 billion
- 9.7 mil sq ft of business space development potential in key cities such as Gurgaon, Pune and Coimbatore
- AIDT not fully invested and has capacity to make further investments
- This ROFR represents a strong acquisition pipeline for a-iTrust once AIDT progressively completes the development of space

## 3 pronged acquisition strategy



### Acquisition from the market



Trustee-Manager pursuing opportunities



a-iTrust has substantial debt capacity before reaching its voluntary gearing limits\*



Preference is to fund third-party properties acquisition or development beyond the said 1.7 mil sq ft of additional space within the portfolio via debt

\* Voluntary gearing limits stipulated in the trust deed. Business trusts have no gearing limit under the Business Trust Act.

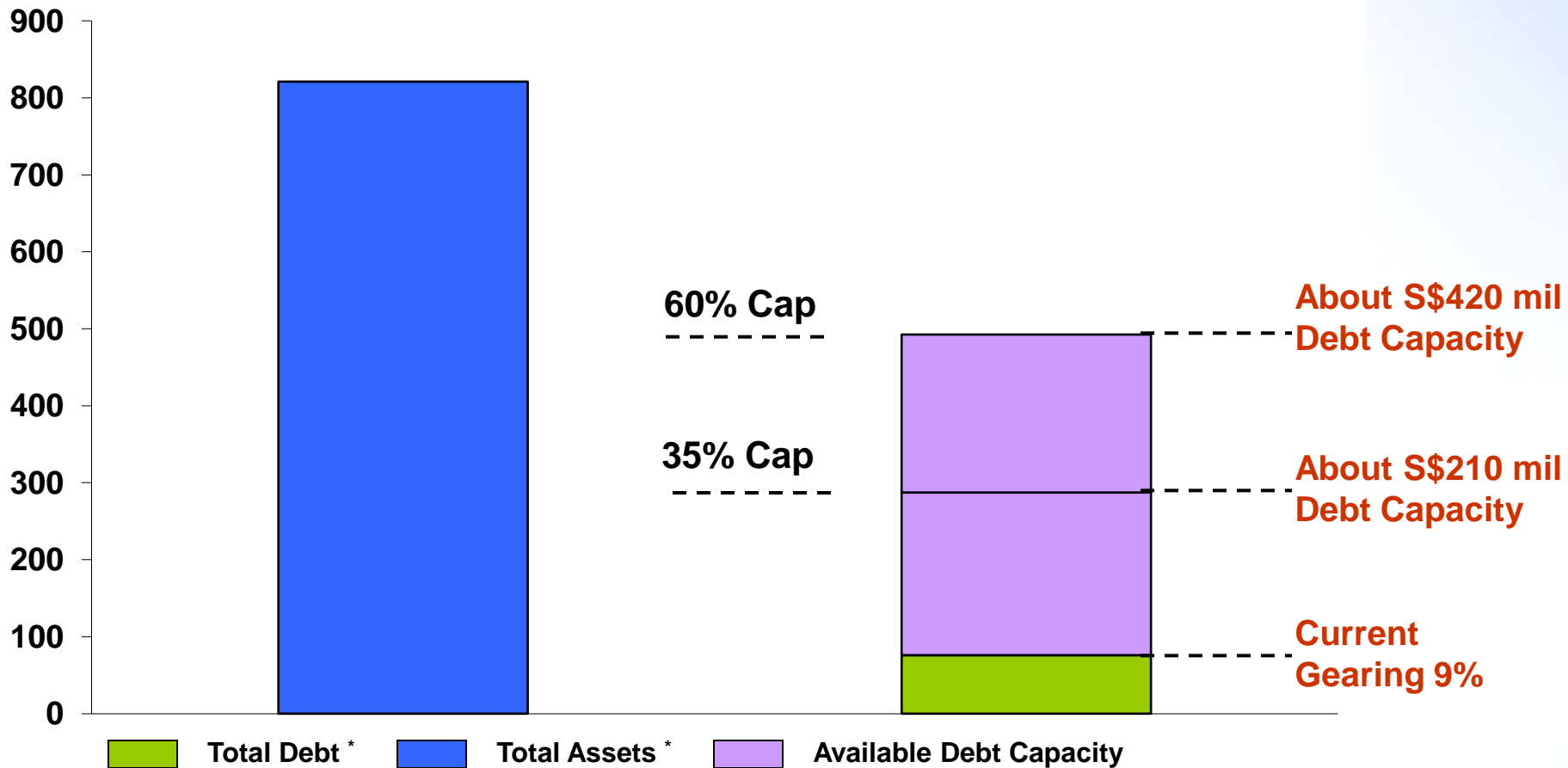
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# Substantial Debt Headroom

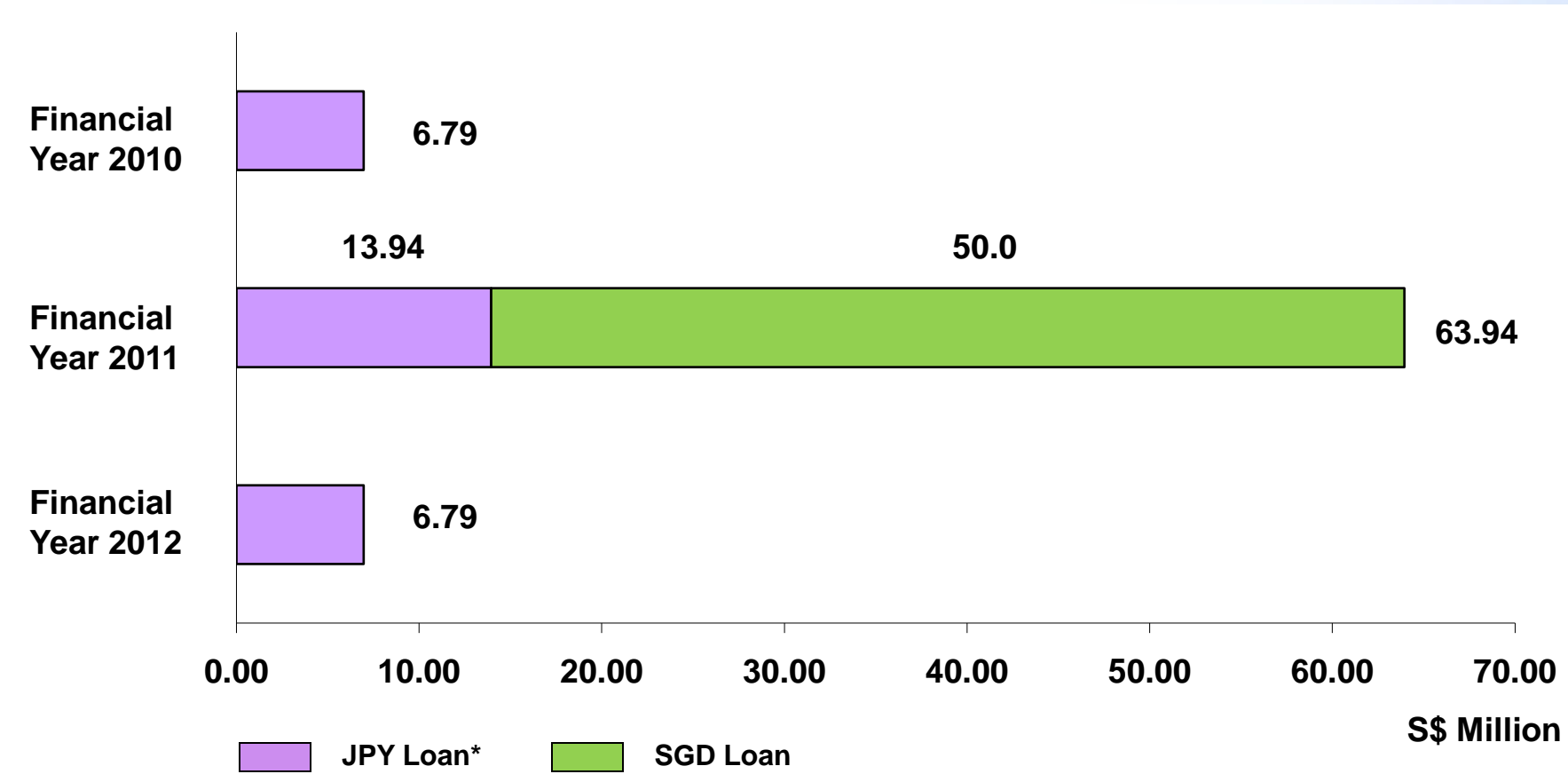
## Available Debt Capacity to 35% & 60% Leverage as at 30 June 2009

S\$ Million



\* Exclude Minority Interests

# Debt Maturity Profile



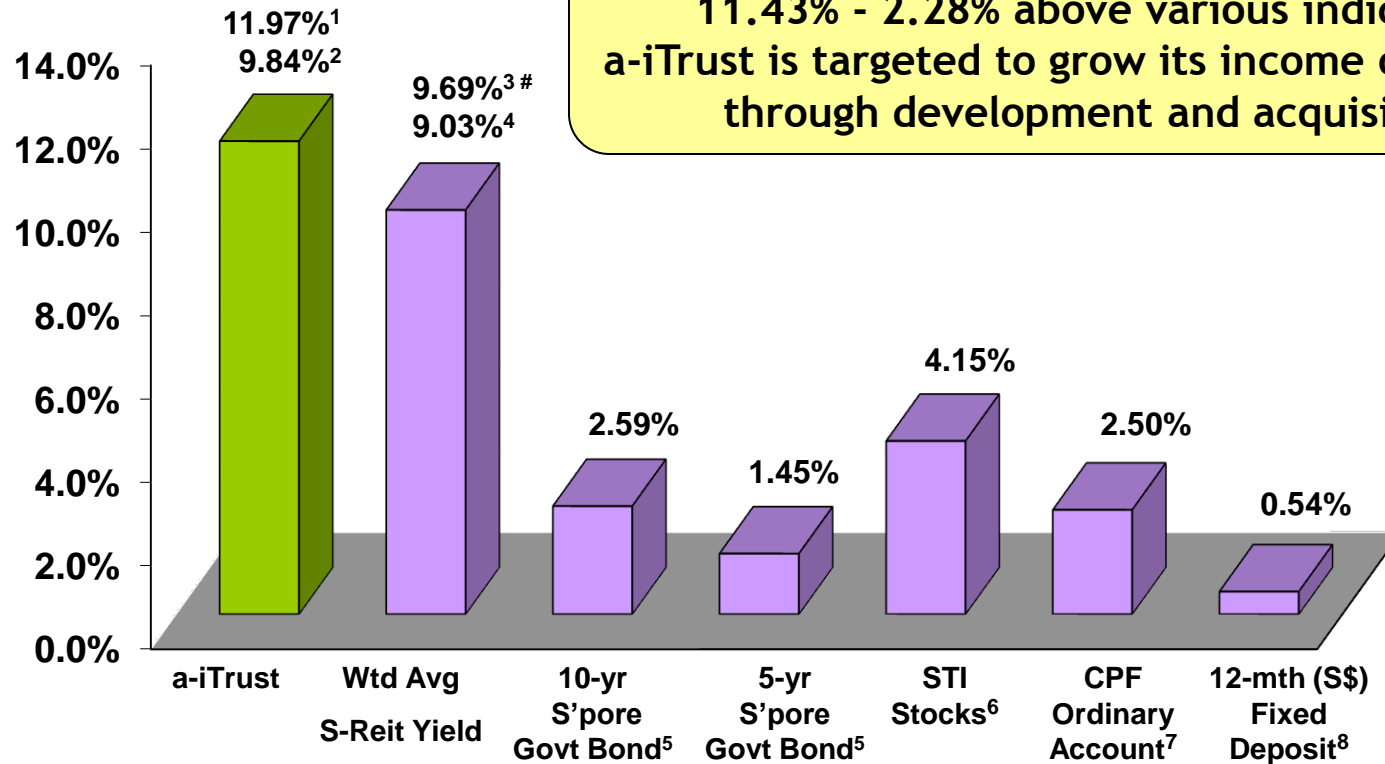
**\*The Group has entered into a cross currency swap to swap JPY denominated borrowings into INR & exchange floating-rate JPY obligations for fixed-rate INR obligations at 7.22%**

# Hedging Strategy

- To manage currency visibility on the distribution to Unitholders, the Trustee-Manager had put in place forward contracts to hedge a substantial portion of the forecast repatriation from India to Singapore
- The Trustee-Manager does not intend to take speculative position on the currency market and had, as a matter of policy, continued to hedge at least a year prior to the planned repatriation date
- The rate hedged for Nov 09 distribution is Rs 34.63 to S\$ 1

# Delivering Attractive Yield

Yield (%)



a-iTrust's annualised yield (30 June 2009) is 11.43% - 2.28% above various indicators. a-iTrust is targeted to grow its income organically, through development and acquisition.

1 Distribution yield based on annualised DPU of 2.06 cents for period 1 April to 30 June 2009 at closing price of S\$0.69 per unit as at 30 June 2009

2 Distribution yield based on annualised DPU of 2.06 cents for period 1 April to 30 June 2009 at closing price of S\$0.84 per unit as at 29 July 2009

3 Average 12 months dividend yield of SGX listed Reits, as at 30 June 2009

4 Average 12 months dividend yield of SGX listed Reits as at 29 July 2009

5 As at 30 June 2009

6 Average 12 months dividend yield of SGX listed stocks under STI, as at 30 June 2009

7 Prevailing CPF Ordinary Account saving rate

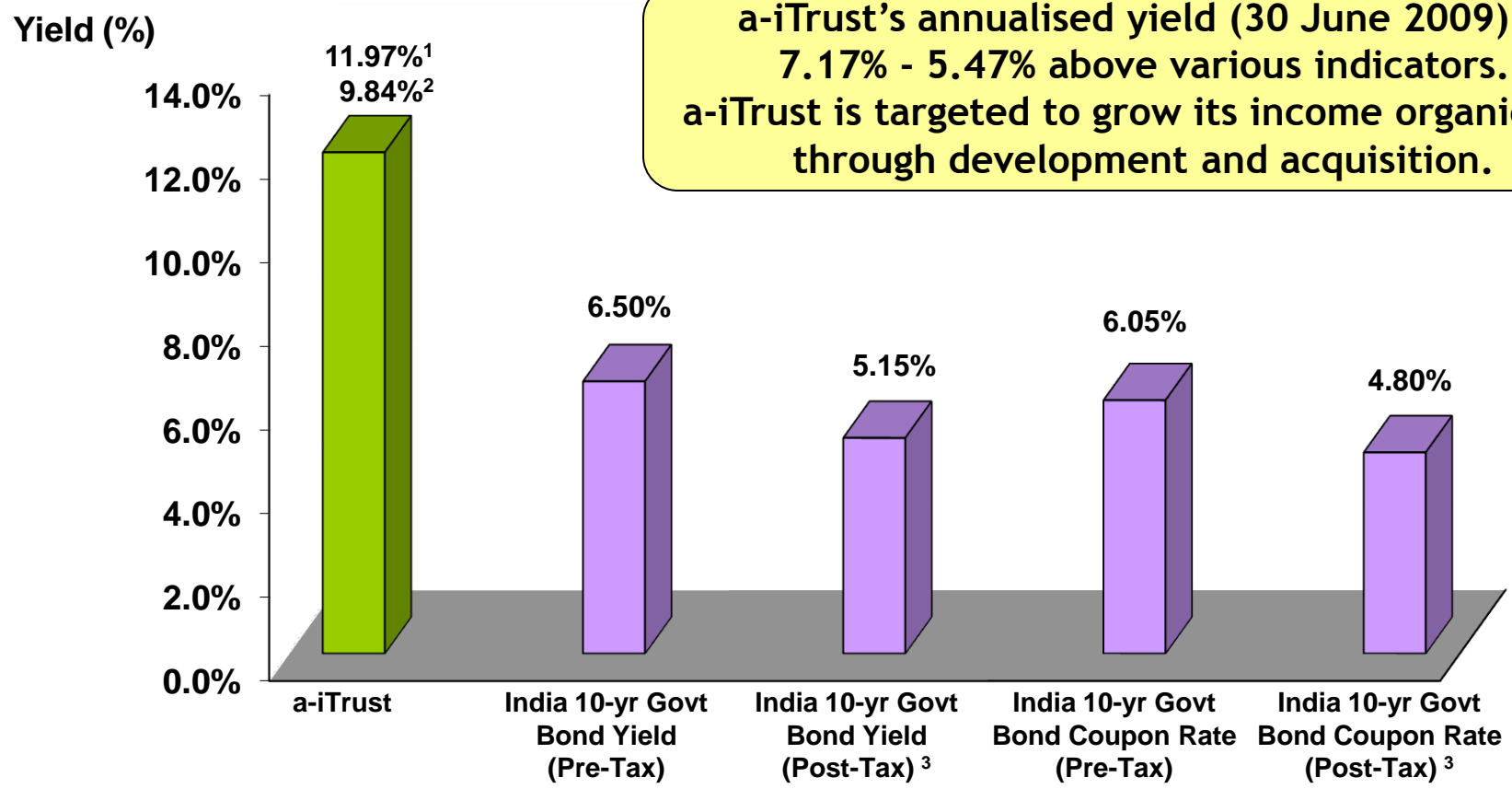
8 As at June 2009

# Adopted closing price for Frasers Commercial Trust as at 29 June 2009, as the stock is halt for trading on 30 June 2009

Source: MAS, CPF, Bloomberg

# Delivering Attractive Yield

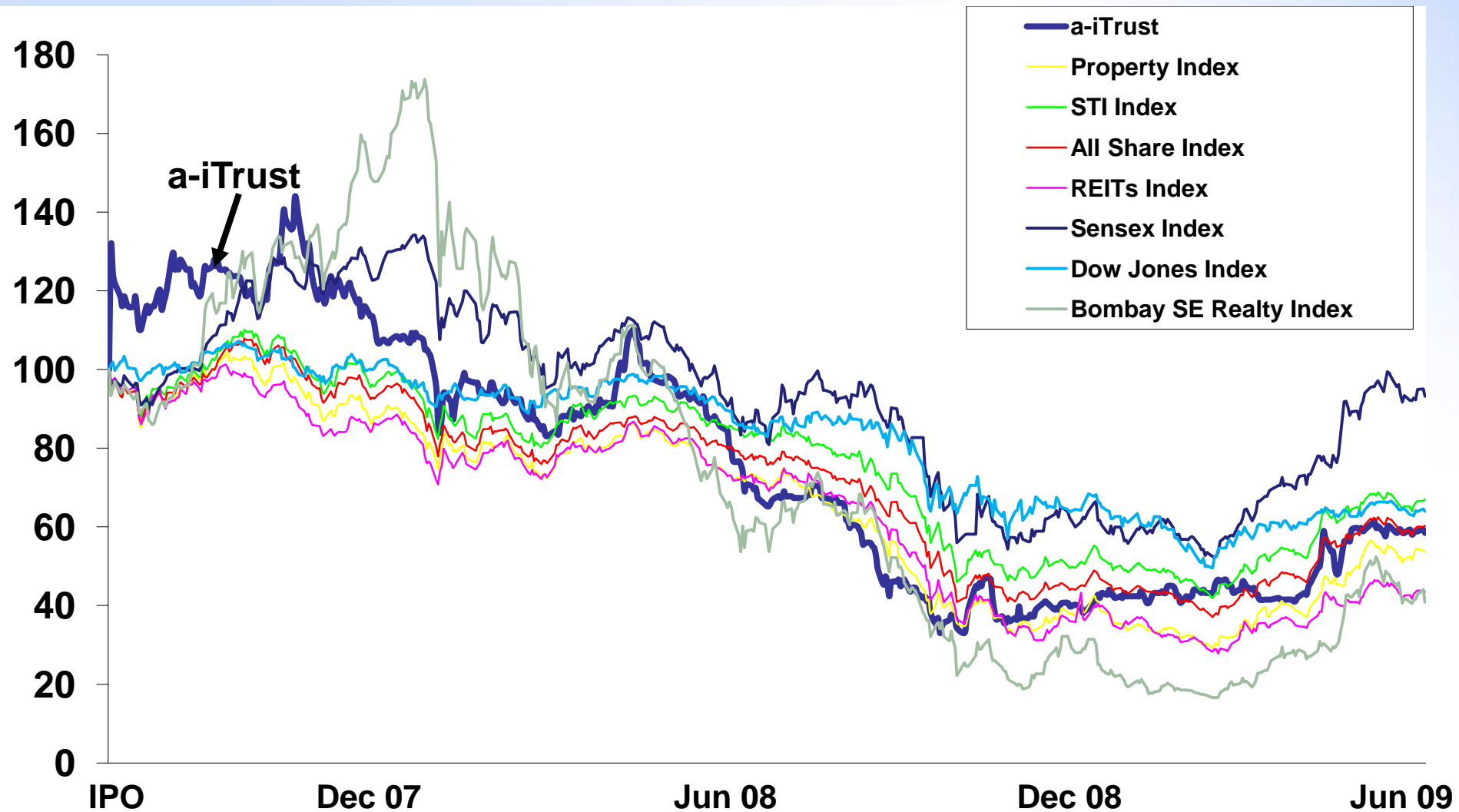
a-iTrust's annualised yield (30 June 2009) is 7.17% - 5.47% above various indicators. a-iTrust is targeted to grow its income organically, through development and acquisition.



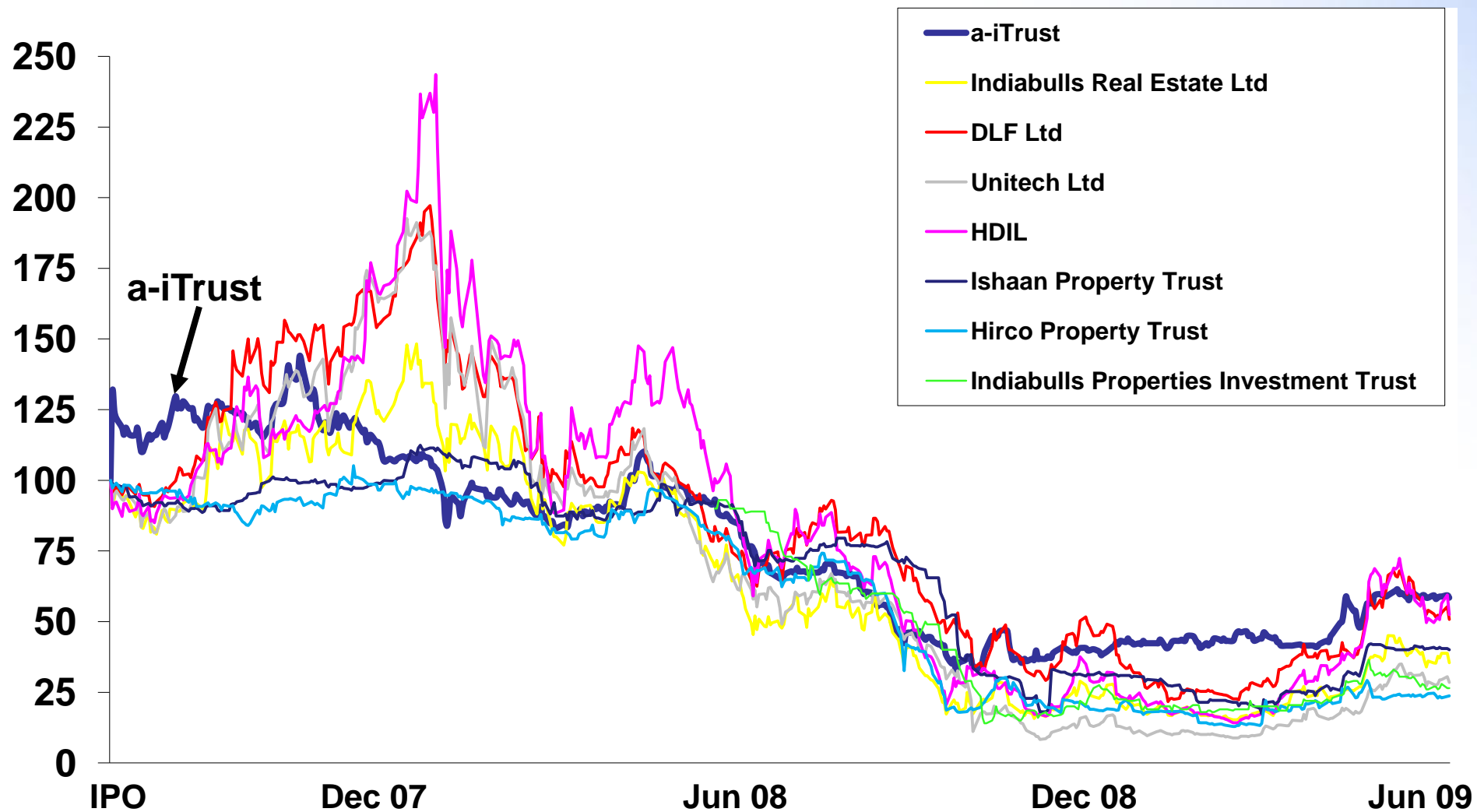
1 Distribution yield based on annualised DPU of 2.06 cents for period 1 April to 30 June 2009 at closing price of S\$0.69 per unit as at 30 June 2009  
 2 Distribution yield based on annualised DPU of 2.06 cents for period 1 April to 30 June 2009 at closing price of S\$0.84 per unit as at 29 July 2009  
 3 Reflects the post tax, interest on securities of 20.6% for investments in Government of India securities by registered foreign institutional investors



# Trading Price (Indexed)

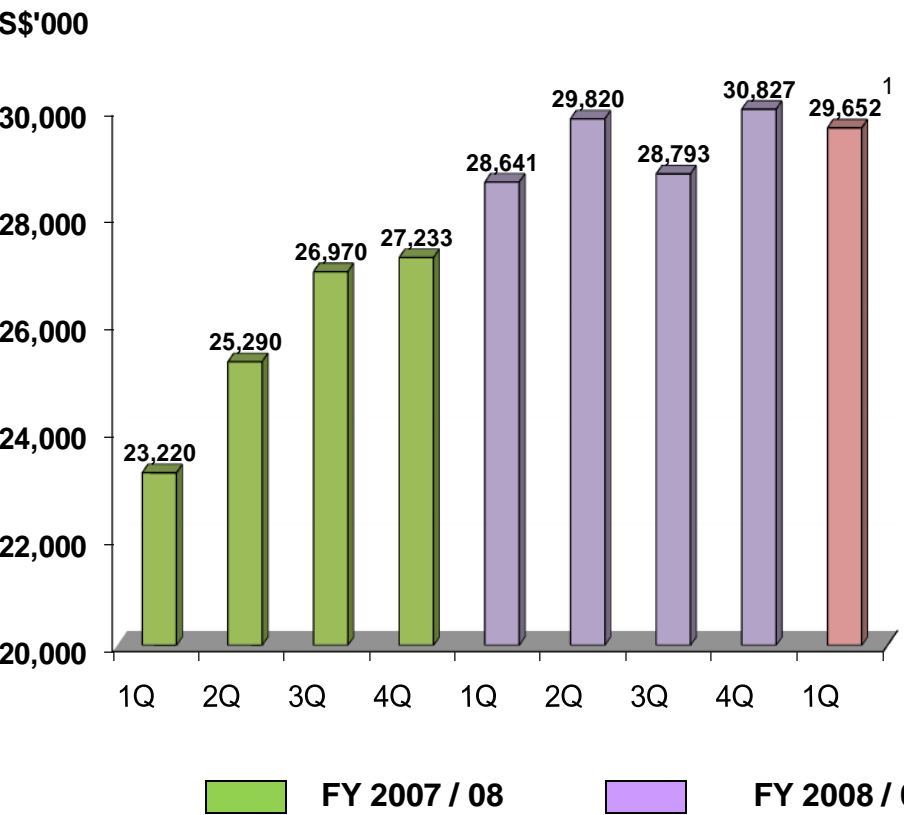


# Trading Price vs Equities (Indexed)

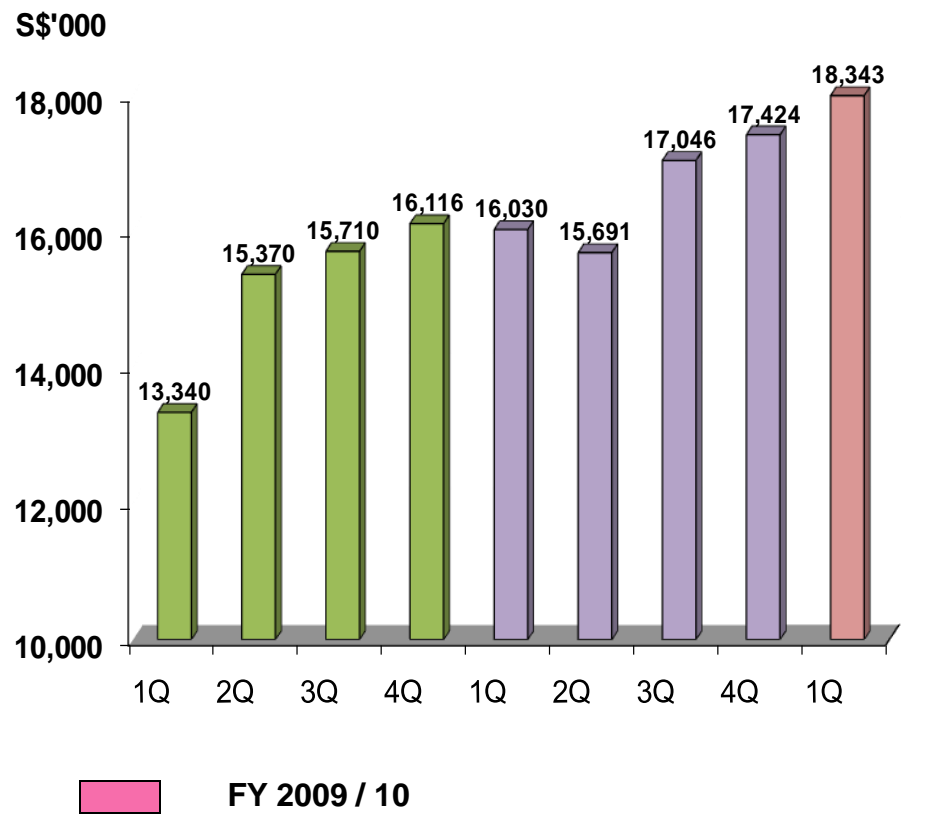


# Maintain Stable Performance

Total Property Income



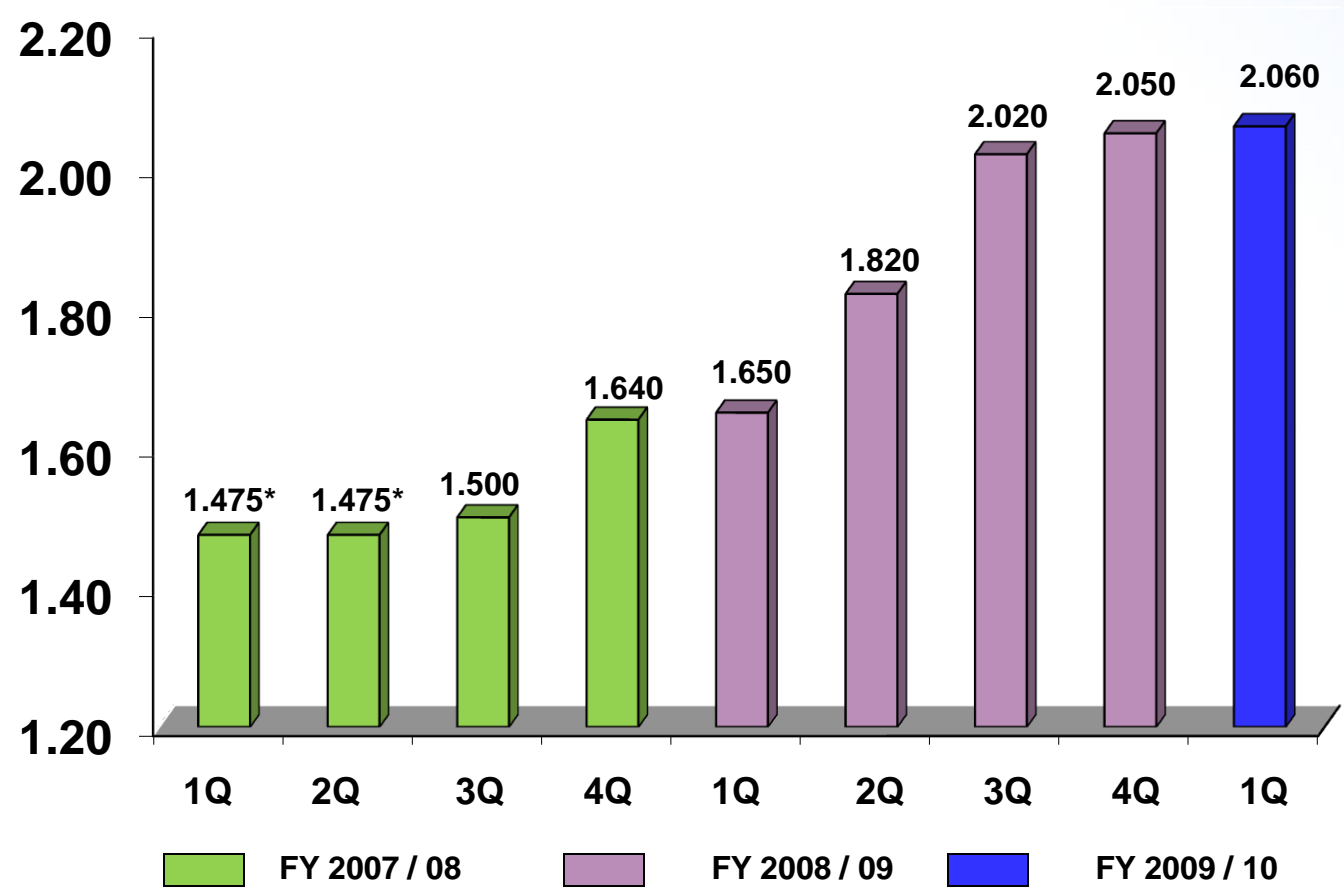
Net Property Income



1. Total Property Income in SGD terms was about 4% lower as compared to last quarter due to lower operations and maintenance income as a result of reduced energy aggregation charges at ITPB.

# DPU Growth

S\$cents



\* DPU for first and second quarters of FY 2007/08 were reported together, post listing of a-iTrust. The reported DPU was split equally between the 2 quarters for illustrative purposes.

# Putting things in perspective



**India's investment scenario remains attractive:**

- **Fourth largest economy at purchasing power parity exchange rates**
- **Large population, which has about 28% of Asia's population**
- **Expanding middle income class estimated to grow 12 times by 2025 (Source: Mckinsey Global Institute)**
- **Following convincing election results, a Government led by the Congress party will hopefully lead to a period of economic and political stability**
- **India remains the most preferred destination for companies looking to offshore IT and back-office functions, due to cost advantage, skilled workforce and favourable business environment**
- **Growing domestic IT outsourcing demand provide additional support**

# Putting things in perspective





- In July 2009, A.T. Kearney's Global Services Location Index 2009 ranked India as the most attractive offshoring destinations, followed by China and Malaysia.
- India remained a leader in the outsourcing industry because of skilled labour, positive business environment and low cost.

## Salary for IT / software engineers / developer / programmer (1 to 4 years experience)

<u>Countries</u>	<u>Local Currency</u>	<u>US Dollar (p.a.)</u>
<b>India</b>	<b>310,484</b>	<b>6,412</b>
Malaysia	37,241	10,500
China	89,343	13,100
Singapore	37,114	25,700
Korea	28,089,872	22,400
Hong Kong	192,025	24,800
Japan	3,136,952	33,600
UK	25,503	41,900
Australia	53,305	43,500
US	60,253	60,300

Source : PayScale (provider of global online compensation data), July 2009

# Putting things in perspective

-  **Despite challenging conditions, a-iTrust has achieved :**
  - **High portfolio occupancy rate of 97%**
  - **Approximately 100,000 sq ft of space renewed / leased during 1Q FY 09/10**
-  **Portfolio continues to be well positioned to serve target market of MNCs, with ideal quality space and service**
-  **Steady income stream:**
  - **Low single client exposure**
  - **About 10% of space due for renewal in the current financial year**
-  **Substantial gearing capacity to aid potential portfolio growth through space development and new acquisition**

# THANK YOU

**Ascendas Property Fund Trustee Pte Ltd  
(Trustee-Manager of a-iTrust)**

**[www.a-itrust.com](http://www.a-itrust.com)**



# PORTFOLIO IN INDIA



CyberPearl, Hyderabad



The V, Hyderabad



International Tech Park Bangalore



International Tech Park Chennai



## Park Statistics

- **Site area:** 69 acres
- **Operating buildings:** 1.8 mm sq ft Owned SBA
- **Proposed Development:** 986,000 sq ft SBA
- **Land Available for Development:** 24 acres or 2.5 million sq ft SBA (based on max. plot ratio of 2.5)
- **Park Population:** 24,000 people

# International Tech Park Chennai



## Park Statistics

- **Site area:** 15 acres
- **Operating Buildings:** 1,258,000 sq ft  
Owned SBA
- **Proposed Development:** Up to 742,000 sq ft  
SBA
- **Park Population:** 14,000 people





## Park Statistics

- **Site area:** 6 acres
- **Operating Buildings:** 431,000 sq ft Owned SBA
- **Park Population:** 5,000 people

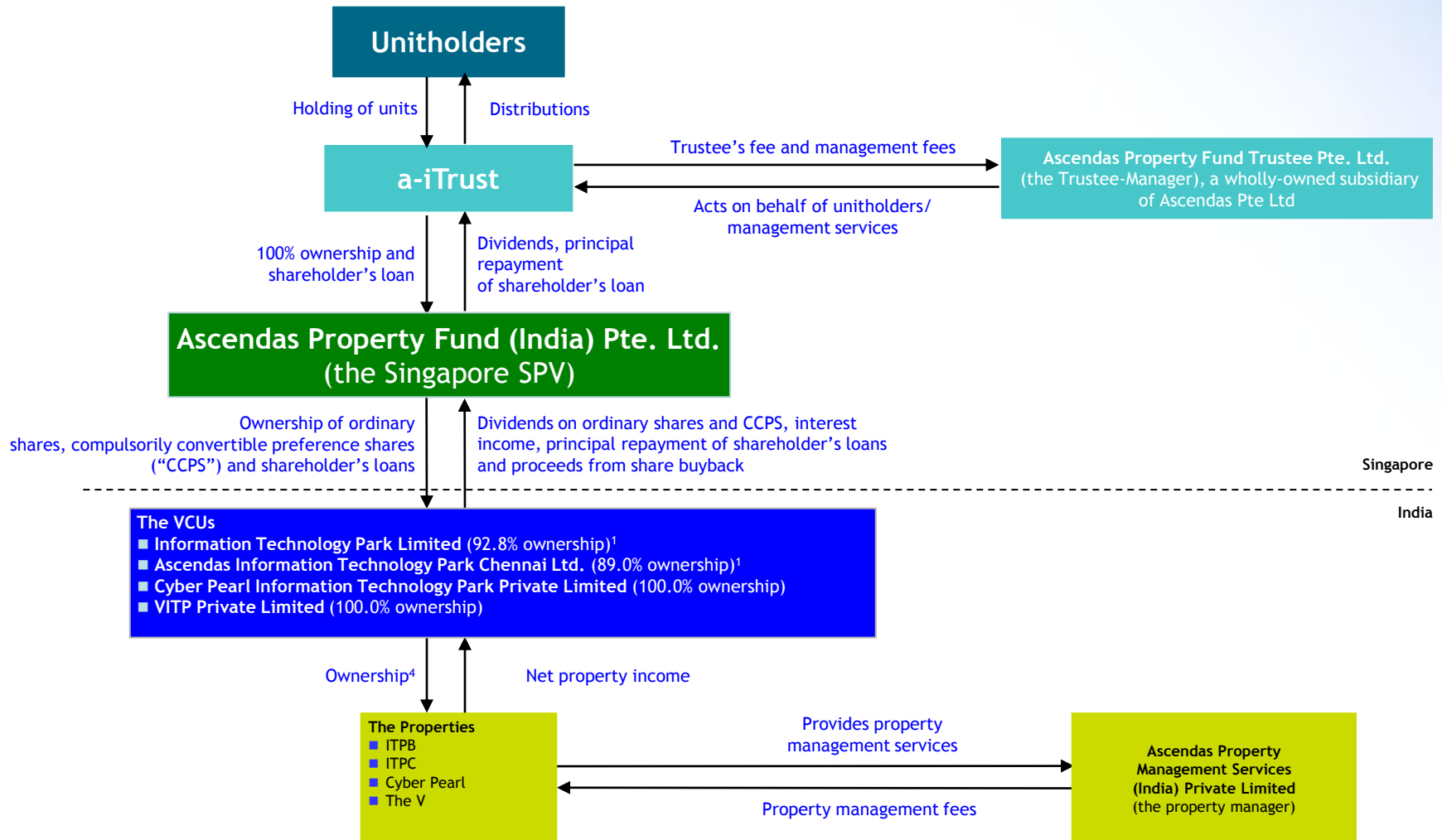
# The V, Hyderabad



## Park Statistics

- **Site area:** 19 acres
- **Park Population:** 10,000 people
- **Operating Buildings:** 1,288,000 sq ft
- Owned SBA

# Structure of Ascendas India Trust



<sup>1</sup> ITPB is 7.2% owned by Karnataka State Government and ITPC is 11.0% owned by Tamil Nadu State Government respectively

# REIT-like characteristics enhance stability of distributions

## Permissible Investment

Adherence to safeguarding provisions on allowable investments under Property Fund Guidelines



## Distributable income

Minimum 90%



## Gearing

$\leq 35\%$  of deposited property  
( $\leq 60.0\%$  with credit rating)



## Tax-free distributions

Distribution exempt from Singapore tax



a-iTrust will possess key safeguarding provisions while retaining upside potential through 20% development limit