



# 3Q FY 2010/11 Financial Results Presentation

26 January 2011



Asia's First Listed Indian Property Trust

**This presentation focuses on a-iTrust's results for the financial quarter ended 31 December 2010 ("3Q FY 10/11"). This shall be read in conjunction with a-iTrust's full announcement of results for the quarter via SGXNet, a copy of which available on [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 & uncertainties. Actual future performance, outcomes & results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties & assumptions. Representative examples of these factors include (without limitation) general industry & economic conditions, interest rate trends, cost of capital & capital availability, competition from other developments or companies, shifts in expected levels of property rental income & occupancy rate, changes in operating expenses (including employee wages, benefits & training, property expenses), governmental & public policy changes & the continued availability of financing in the amounts & 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
- Performance Indicators

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# Key Highlights

 **Total Property Income for 3Q FY 10/11 rose 4% over same period last year in Indian Rupee terms**

 **Zenith (multi-tenanted building) in Chennai and Park Square (retail mall) in Bangalore had been completed in December 2010, increasing a-iTrust portfolio size by 25% or 1.2 million sq ft**

 **YTD 3Q FY 10/11 DPU was 5.08 Singapore cents, reflecting an annualised yield of :**

- 7.3% over the closing price of S\$0.93 on 31 December 2010**
- 7.1% over the closing price of S\$0.955 on 25 January 2011**

 **Net Asset Value to unitholders was S\$ 631 million or S\$ 0.83 per unit as at 31 December 2010**

# Key Highlights

 Over YTD 3Q FY 10/11, 1.8<sup>1</sup> million sq ft of space was leased or renewed (including forward renewal)

 Strong & stable 98%<sup>2</sup> portfolio occupancy, despite having started FY 10/11 with 33.2%<sup>3</sup> of leases expiring

 Low client concentration with 10 largest tenants accounted for about 28%<sup>1</sup> of portfolio base rent

 Strong Balance Sheet:

- Gearing of about 19% (loan-to-value) as at 31 December 2010, with ongoing development fully funded, hence allowing flexibility to fund growth through debt or equity, whichever commercially sensible

<sup>1</sup> Includes Park Square (ITPB) & Zenith (ITPC), which have been completed in December 2010

<sup>2</sup> Excludes Park Square & Zenith

<sup>3</sup> As at 31 March 2010

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# Financial Results –

## 3Q FY10/11 vs 3Q FY09/10

	3Q FY10/11 (S\$ '000)	3Q FY09/10 (S\$ '000)	Variance (%)	Reasons
Total Property Income	29,905 INR 1,031m	29,884 INR 996m	0% 4%	<ul style="list-style-type: none"> <li>Higher operations and maintenance income due to higher utilities cost recovery.</li> <li>Stable in SGD terms due to weakened INR.</li> </ul>
Net Property Income	16,995 INR 586m	19,320 INR 644m	(12%) (9%)	<ul style="list-style-type: none"> <li>Higher utilities expenses due to retrospective increase in electricity tariff at ITPB.</li> <li>Lower than usual other property expenses last year due to the reversal of a doubtful debt provision in 3Q of last year.</li> </ul>
Profit before change in fair value of financial derivatives, unrealised foreign exchange loss and provision for impairment loss	14,730	15,137	(3%)	<ul style="list-style-type: none"> <li>Lower finance costs by S\$ 0.2m due to the S\$ 50 million SGD loan being refinanced at lower interest rate in May 2010.</li> <li>Increase of interest income by S\$ 0.4 million due to higher cash balances in deposits.</li> <li>Lower realised loss in fair value of financial derivatives by S\$ 1.2 million.</li> </ul>
Distributable Income	13,157	14,093	(7)%	<ul style="list-style-type: none"> <li>Increase in current tax expense by S\$ 0.6 million. Previous year's tax expense was lower due to the reversal of a dividend distribution tax provision which had not been incurred.</li> </ul>
DPU (S\$ Cents)	1.72	1.85	(7)%	



# Financial Results –

## 3Q FY10/11 vs 2Q FY10/11

	3Q FY10/11 (S\$ '000)	2Q FY10/11 (S\$ '000)	Variance (%)	Reasons
Total Property Income	29,905 INR 1,031m	29,612 INR 1,021m	1% 1%	• Higher car park and other income.
Net Property Income	16,995 INR 586m	18,202 INR 628m	(7%) (7%)	• Higher utilities expenses due to the increase in electricity tariff and consumption level of the enlarged portfolio.
Profit before change in fair value of financial derivatives, unrealised foreign exchange loss and provision for impairment loss	14,730	16,415	(10%)	• Higher finance costs by S\$ 0.4 million.
Distributable Income	13,157	13,020	1%	• Lower current income tax expense by S\$ 2.0 million.
DPU (S\$ Cents)	1.72	1.70	1%	

# Distribution per Unit

Period	1 April 2010 to 31 December 2010	<i>Significant gain was realised from forward foreign exchange contracts at settlement in 1Q FY2009/10. These contracts were entered into at very favourable rates when a-iTrust was listed in 2007. In contrast, losses were realised on contracts settled in 1Q FY2010/11.</i>
1Q FY10/11	1.66 ¢ per unit	
2Q FY10/11	1.70 ¢ per unit	
3Q FY10/11	1.72 ¢ per unit	
YTD 3Q FY10/11	5.08 ¢ per unit	
YTD 3Q FY09/10	5.76 ¢ per unit	

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

# Agenda

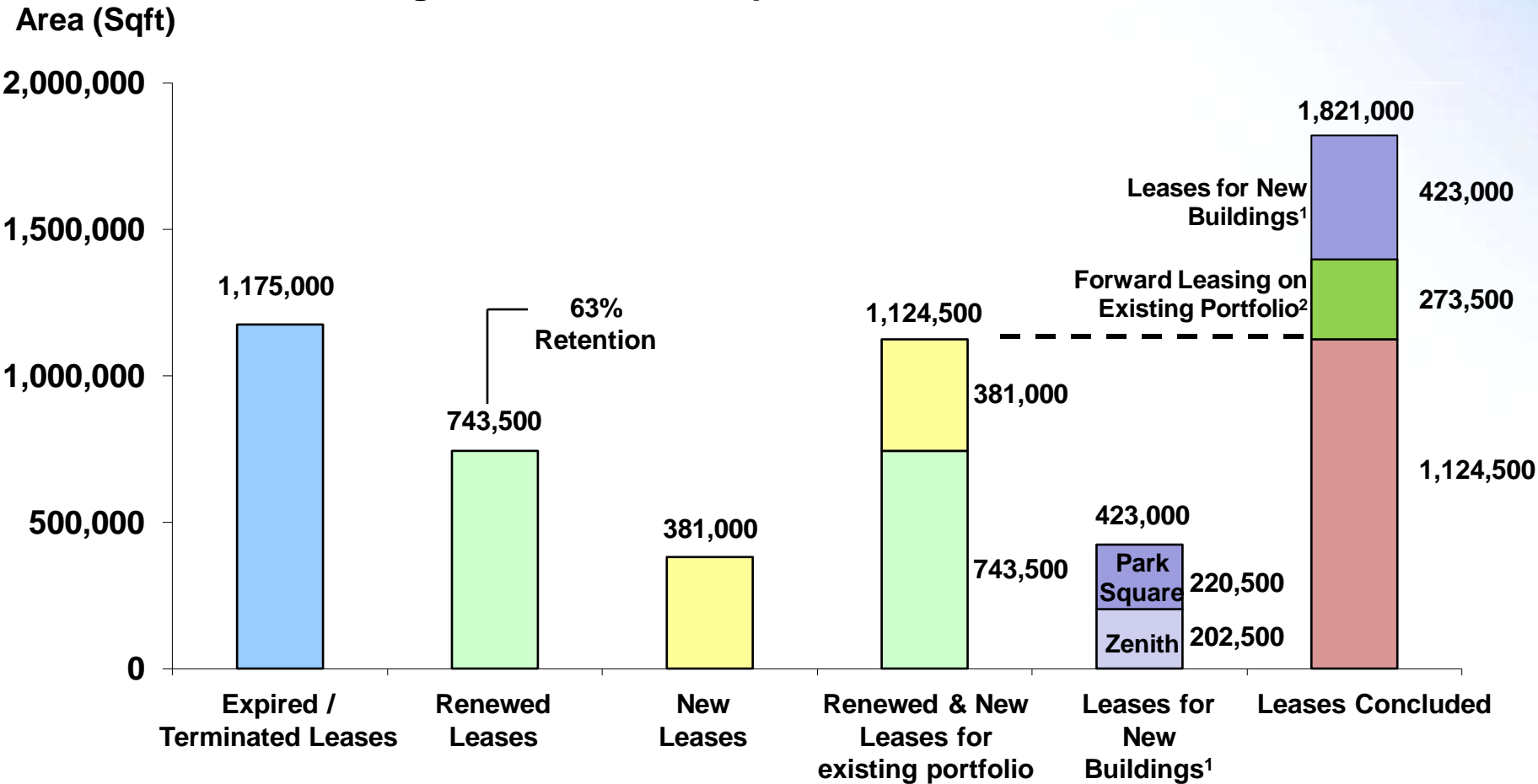
- Overview
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# Growth Strategy



# Organic Growth

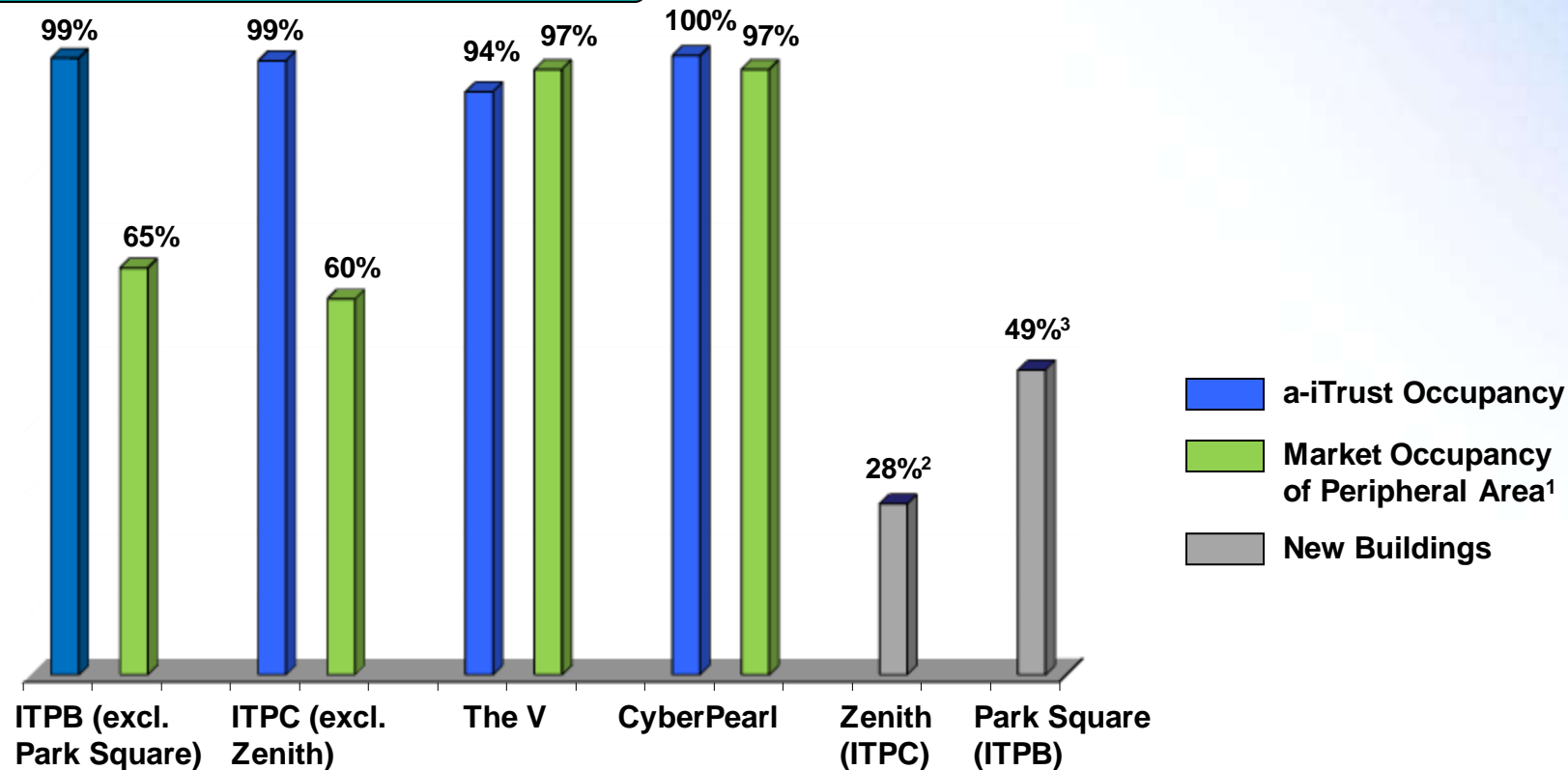
Leasing activities from 1 April 2010 to 31 December 2010



<sup>1</sup> Includes committed leases for which security deposits had been collected but possession of unit had not taken place  
<sup>2</sup> Signed leases which have yet to commence

# Organic Growth - Stability

## Maintaining High Occupancy Rates



**Portfolio Weighted Average Occupancy as at 31 December 2010 was 98%<sup>4</sup>**

<sup>1</sup> Jones Lang LaSalle Market Report as at 31 December 2010

<sup>2</sup> Includes 7% committed leases for which security deposits had been collected but possession of unit had not taken place

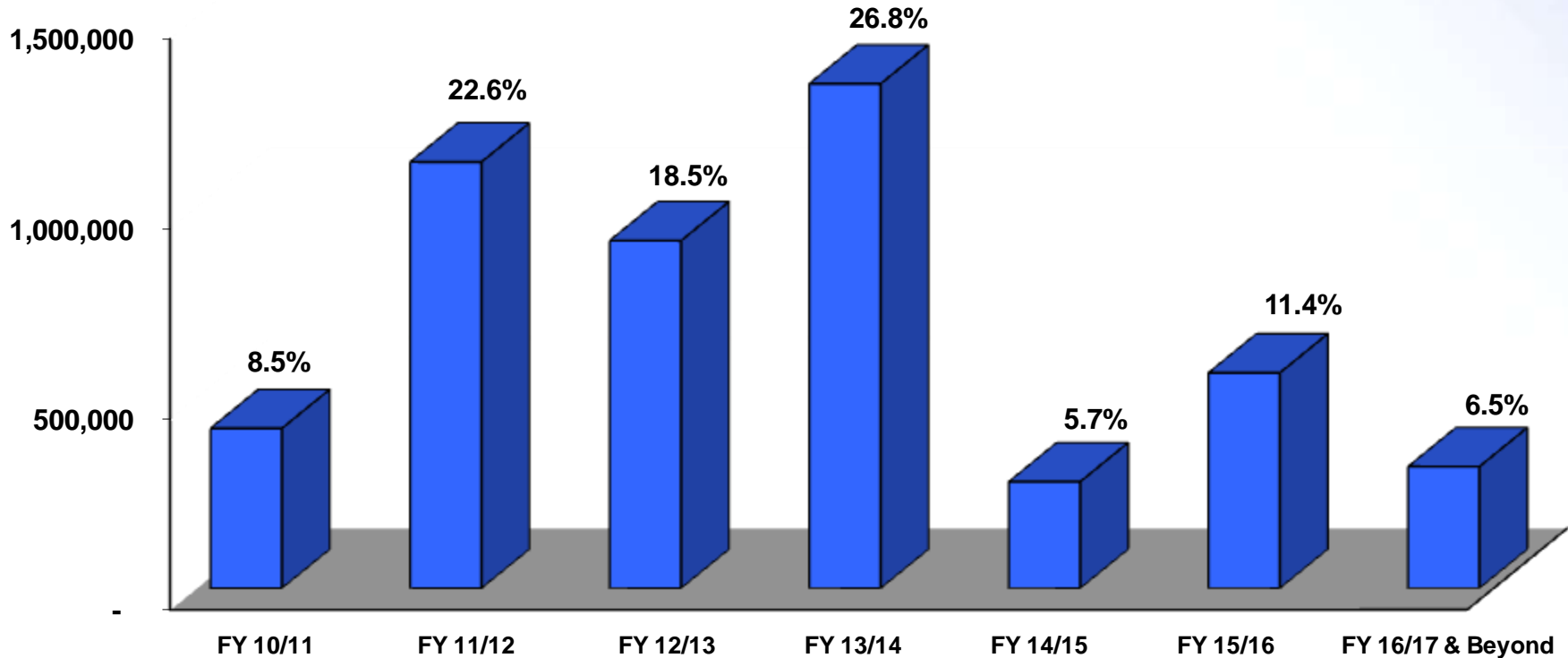
<sup>3</sup> Includes 31% committed leases for which security deposits had been collected but possession of unit had not taken place

<sup>4</sup> Excludes Park Square & Zenith, which have just been completed in December 2010

# Organic Growth - Lease Expiry Profile

## Portfolio Lease Expiry Profile <sup>1</sup>

Sq ft expiring



**Weighted Average Lease Term – 4.1 yrs as at 31 December 2010**

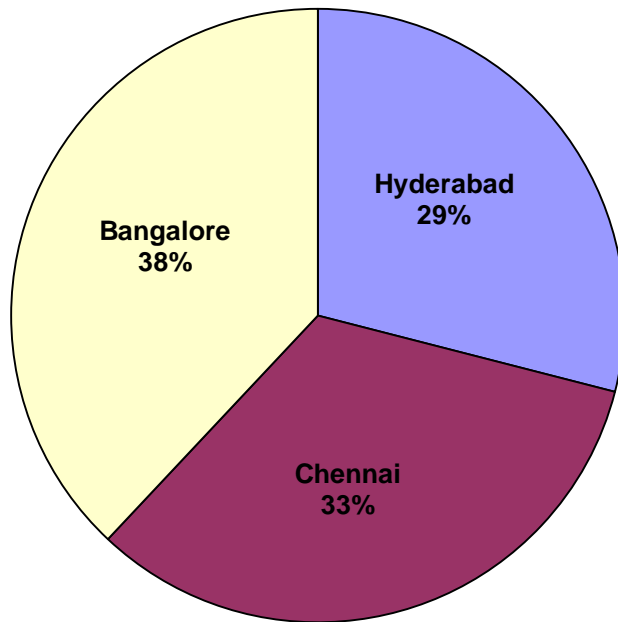
<sup>1</sup> Includes Park Square (ITPB) & Zenith (ITPC), which have been completed in December 2010



# Organic Growth - Stability

## Geographical Diversification of Properties

Operating Buildings of a-iTrust



Total Owned SBA = 5.9 million sq. ft.

## Strong Tenant Base

Total Number of Tenants

**283**

Average space  
per tenant

**17,461 sq. ft.**

**Largest tenant takes up  
about 4.1%  
of the portfolio base rent**

**31 December 2010**

# Portfolio Top 10 Tenants

## Portfolio - Top Ten Tenants in Alphabetical Order

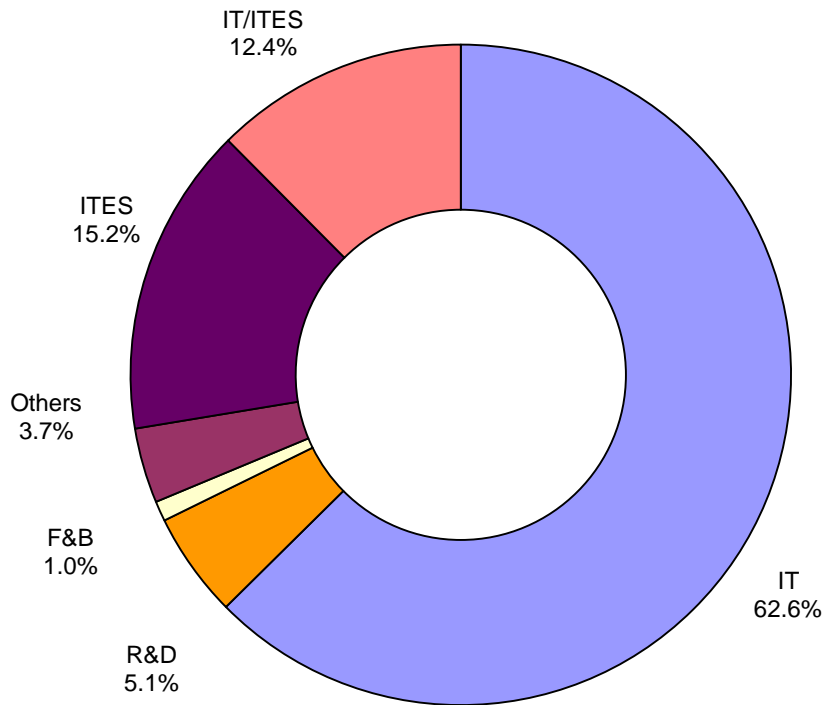
<b>Affiliated Computer Services of India Pvt. Ltd.</b>
<b>Applied Materials India Pvt. Ltd.</b>
<b>Cognizant Technology Solution (India) Pvt. Ltd.</b>
<b>General Motors India Pvt. Ltd.</b>
<b>iNautix Technologies India Pvt. Ltd.</b>
<b>Infineon Technologies India Pvt. Ltd.</b>
<b>Merrill Lynch (India) Technology Services</b>
<b>Paprikaas Interactive Services Pvt. Ltd.</b>
<b>Tata Consultancy Services Ltd.</b>
<b>ZapApp / First Indian Corporation / First Advantage / First American (India)</b>

**Top 10 Tenants collectively accounted for about 28%<sup>1</sup> of the portfolio base rent**

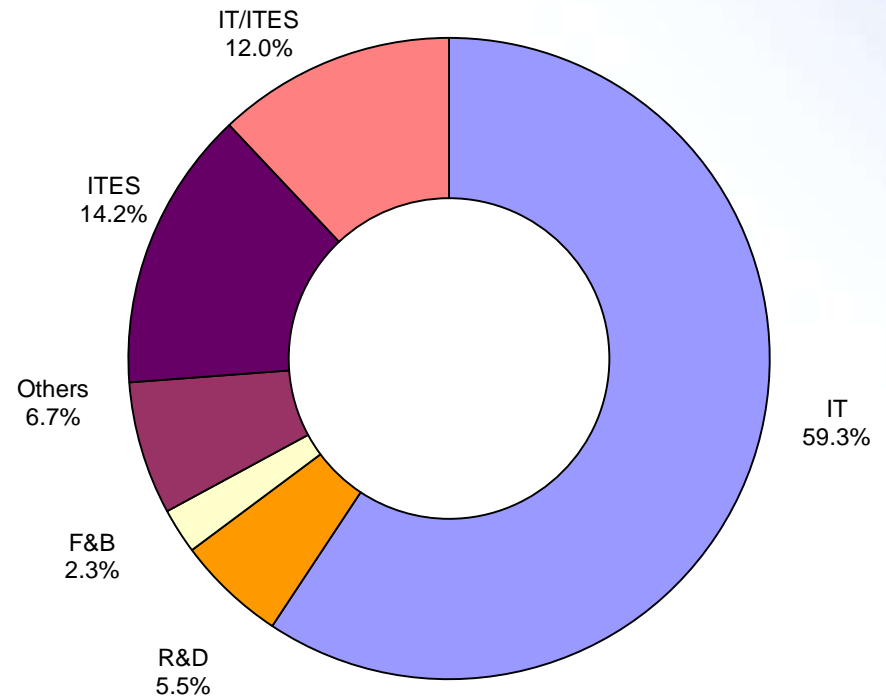
<sup>1</sup> Includes Park Square (ITPB) & Zenith (ITPC), which have been completed in December 2010

# Organic Growth - Tenant Development

## Tenant sector by base rental



**30 September 2010**



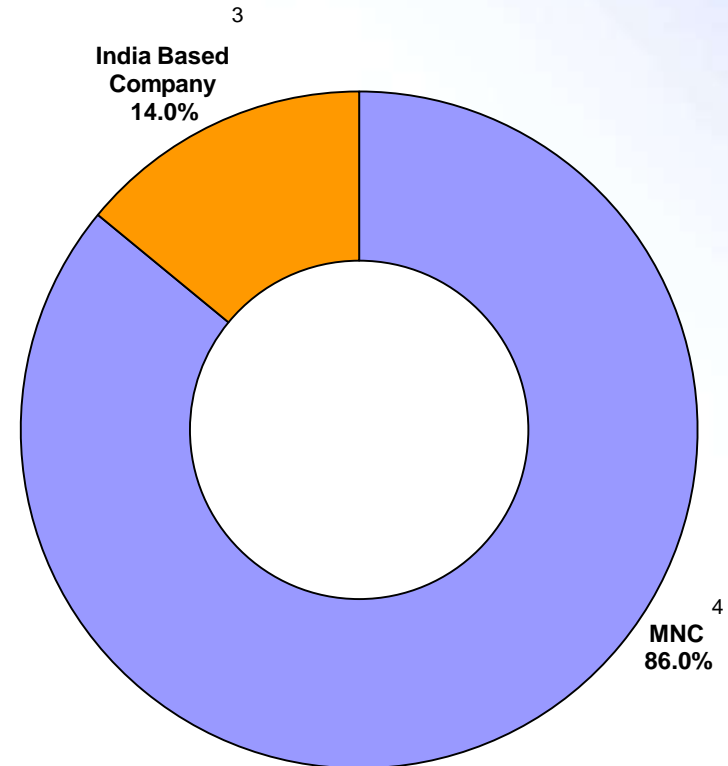
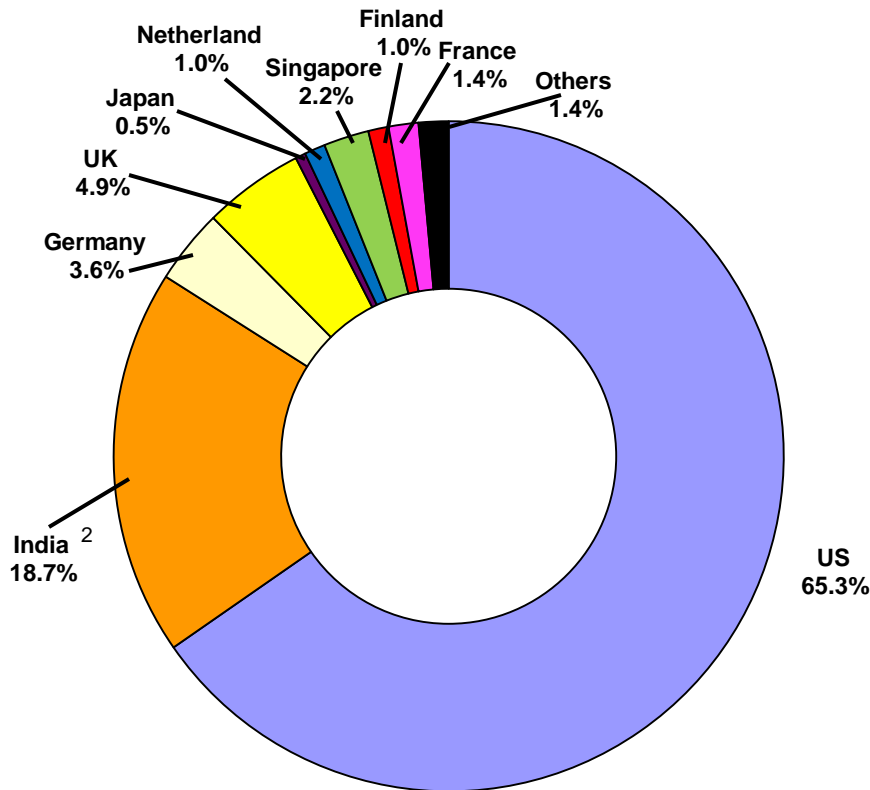
**31 December 2010 <sup>1</sup>**

<sup>1</sup> Includes Park Square (ITPB) & Zenith (ITPC), which have been completed in December 2010

*IT - Information Technology; ITES - IT-Enabled Services; R&D: Research & Development; F&B – Food & Beverage*

# Organic Growth - Tenant Development

## Tenants' country of origin & company structure by base rental <sup>1</sup>



**31 December 2010**

- <sup>1</sup> Includes Park Square (ITPB) & Zenith (ITPC), which have been completed in December 2010
- <sup>2</sup> Comprises Indian companies with operations within India and/or offshore
- <sup>3</sup> Comprises Indian companies with operations within India only
- <sup>4</sup> Multi-national corporations, including Indian companies with operations within India & offshore

# Work Live Play at the Parks



Christmas Carnival at ITPC



Talent Hunt at ITPC



Healthy Lifestyle & Sports Meet 2010 at CyberPearl



# Work Live Play at the Parks



Healthy Lifestyle & Sports Meet 2010 at The V



Ascendas Connect 2010 in Hyderabad

# Development

## 3 new developments in the parks – additional 1.7 mil sq ft

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

- Recently completed Dec 2010
- Commitments as at 25 Jan 2011 – 28%

### Park Square Retail Mall (ITPB)

- Recently completed Dec 2010
- Commitments as at 25 Jan 2011 – 49%

### Voyager Multi-tenanted office (ITPB)

- Expected completion mid 2011
- Within SEZ
- Pre-commitments as at 25 Jan 2011 – 29%



**742,000 sq ft**



**450,000 sq ft**



**535,000 sq ft**

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



# 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

➤ ALI owns CyberVale, an IT SEZ in Chennai, and a development project in Pune

➤ CyberVale comprises 535,000 sq ft of income producing space & 4.4 acres of land (which can be developed into a 280,000 sq ft building)



*Cybervale, Chennai*



*International Tech Park  
Pune*

## 3 pronged acquisition strategy

**2**

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

➤ AIDT focuses on integrated real estate development & has committed equity of S\$500 mil & target investment size of S\$1 billion

➤ About 10 mil sq ft of business space development potential in key cities such as Gurgaon & Coimbatore

➤ Further investment yet to be announced

➤ 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 <sup>1</sup>



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

<sup>1</sup> Voluntary gearing limits stipulated in the trust deed. Business trusts have no gearing limit under the Business Trust Act.

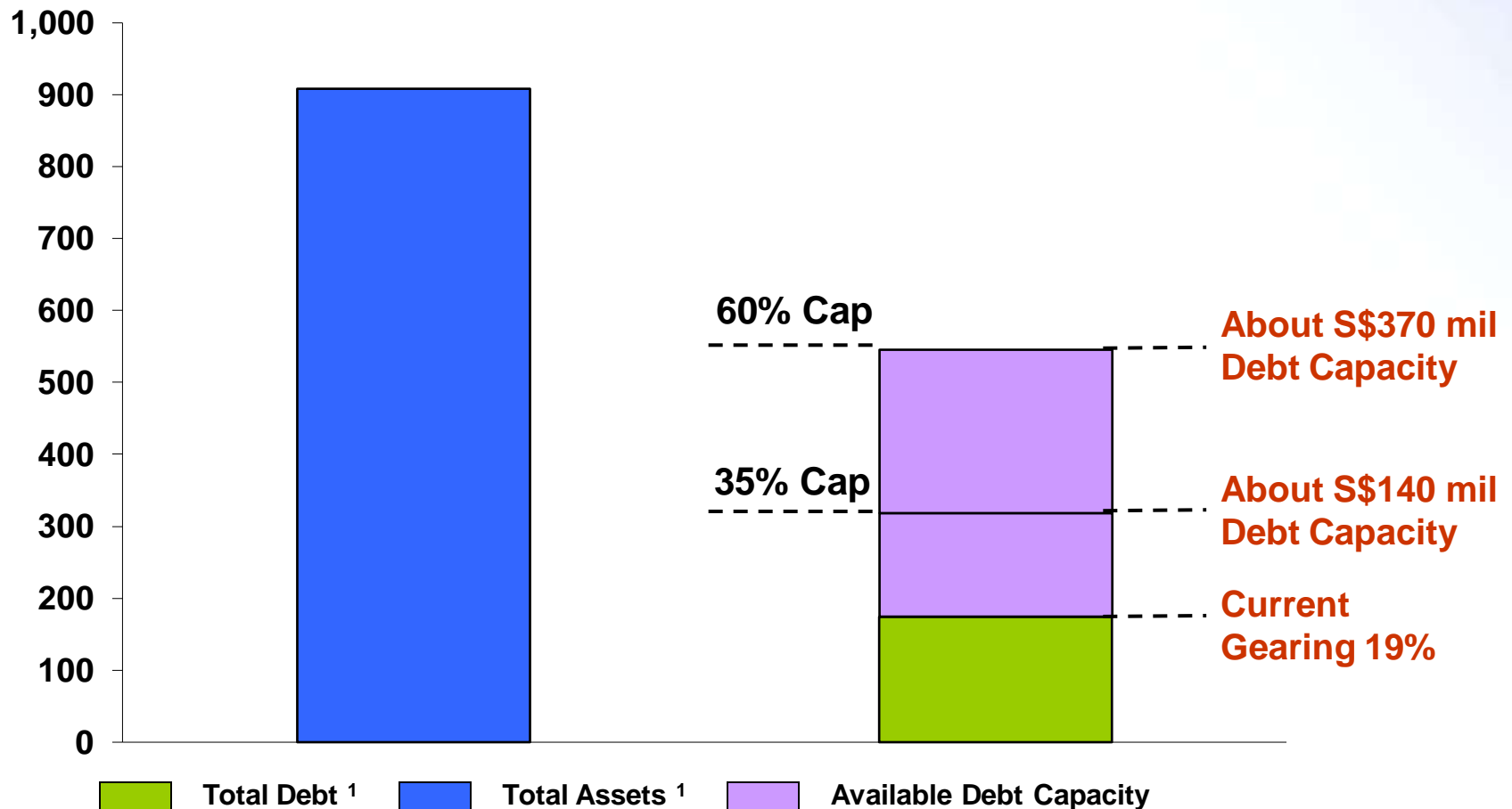
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# Substantial Debt Headroom

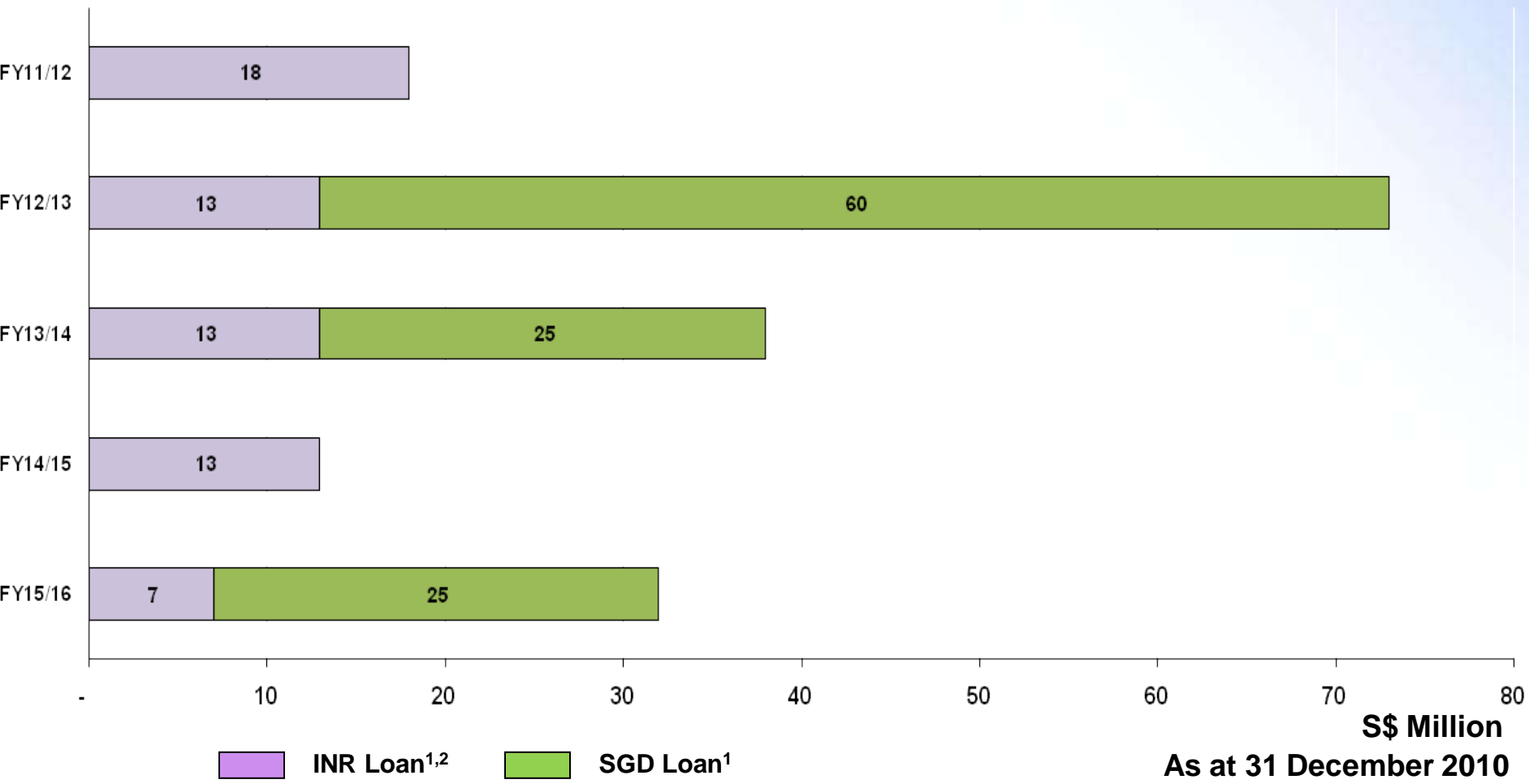
## Available Debt Capacity to 35% & 60% Leverage as at 31 December 2010

S\$ Million



<sup>1</sup> Exclude Minority Interest

# Debt Maturity Profile



<sup>1</sup> Exclude Minority Interest  
<sup>2</sup> Of this, S\$5 million was originally floating-rate JPY-denominated borrowings for which the Group has entered into a cross-currency swap to exchange into fixed-rate INR obligations



# Financial Indicators

Indicator	As at 31 Dec 10
Interest Service Coverage - (EBITDA <sup>1</sup> )/Interest Expenses <sup>2</sup>	4.2 (YTD 3Q FY 10/11)
Secured Borrowings / Asset Value	12.6% <sup>3</sup>
Effective Weighted Average Cost of Debt (Net of tax shield benefits)	5.7%

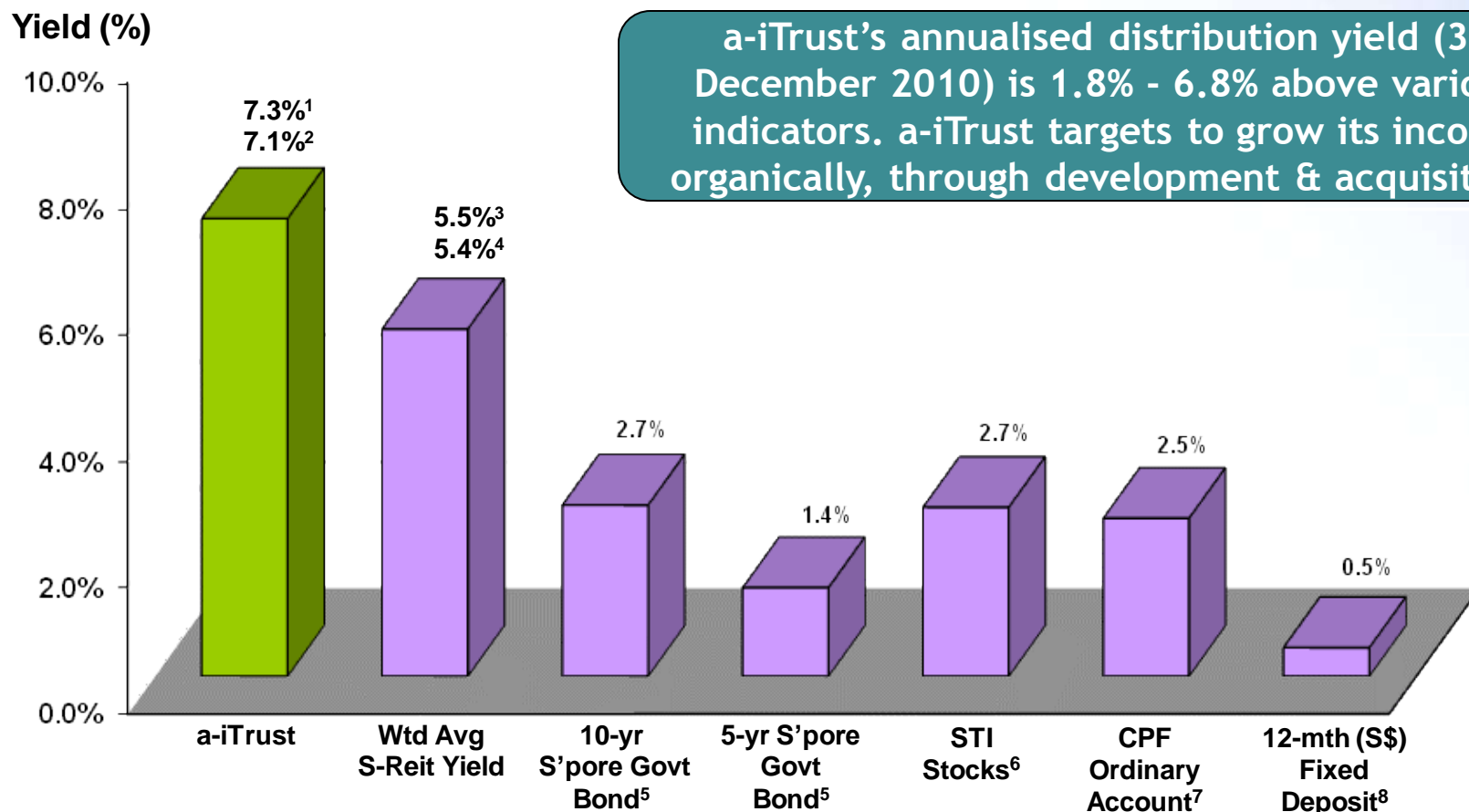
<sup>1</sup> Earnings before Interest, Tax, Depreciation and Amortisation

<sup>2</sup> Includes Capitalised Interest

<sup>3</sup> Exclude Minority Interest

- To manage currency fluctuation 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 hedging instruments deployed comprised plain vanilla currency forward contracts, which are agreements with banks where, on agreed dates, Trustee-Manager will deliver an agreed amount of INR in exchange for SGD
- The Trustee-Manager does not intend to take speculative position on the currency market & had, as a matter of policy, continued to hedge at least 6 months prior to the planned repatriation date

# Yield Comparison with Singapore Indicators



1 Distribution yield based on annualised DPU of 5.08 cents for YTD FY 10/11 at closing price of S\$0.93 per unit as at 31 December 2010

2 Distribution yield based on annualised DPU of 5.08 cents for YTD FY 10/11 at closing price of S\$0.955 per unit as at 25 January 2011

3 Average 12-month dividend yield of SGX listed Reits as at 31 December 2010

4 Average 12-month dividend yield of SGX listed Reits as at 25 January 2011

5 As at 31 December 2010

6 Average 12-month dividend yield of SGX listed stocks under Straits Times Index as at 31 December 2010

7 Prevailing CPF Ordinary Account saving rate

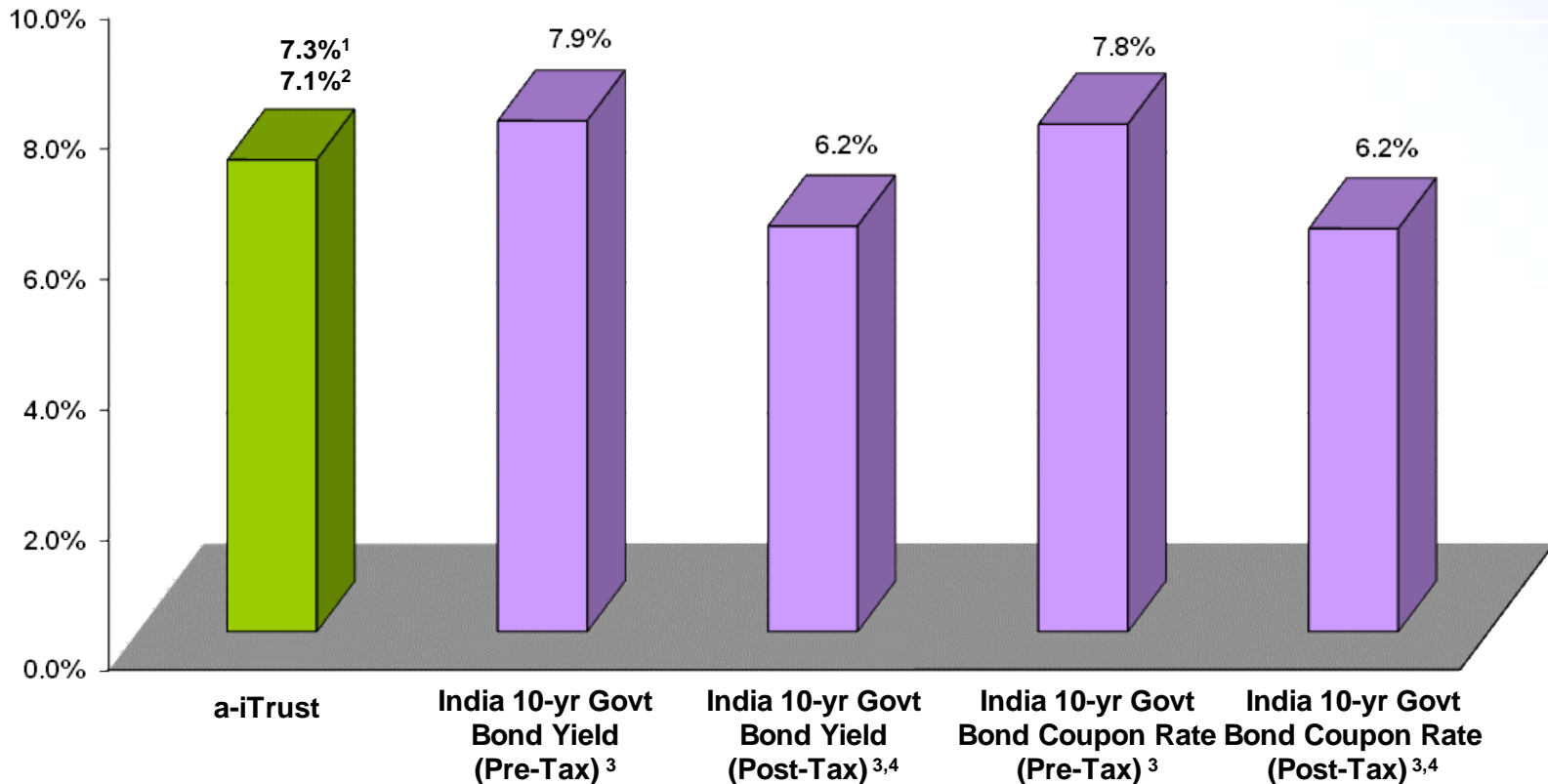
8 As at December 2010

Source: MAS, CPF, Bloomberg

# Yield Comparison with India Indicators

a-iTrust's annualised distribution yield (31 December 2010), which is post-tax, is 1.1% above relevant post-tax indicators. a-iTrust targets to grow its income organically, through development & acquisition.

**Yield (%)**



<sup>1</sup> Distribution yield based on annualised DPU of 5.08 cents for YTD FY 10/11 at closing price of S\$0.93 per unit as at 31 December 2010

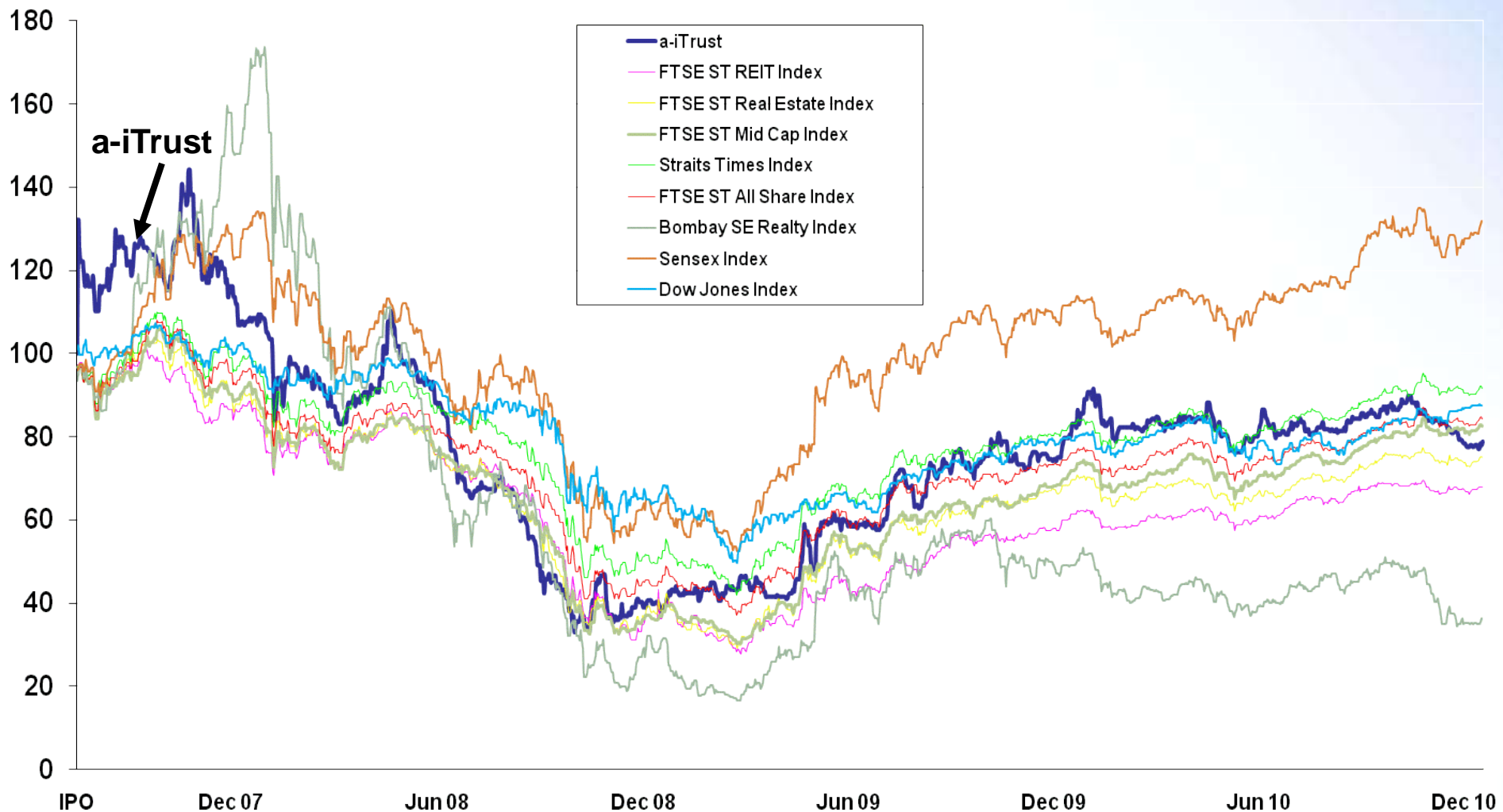
<sup>2</sup> Distribution yield based on annualised DPU of 5.08 cents for YTD FY 10/11 at closing price of S\$0.955 per unit as at 25 January 2011

<sup>3</sup> As at 31 December 2010

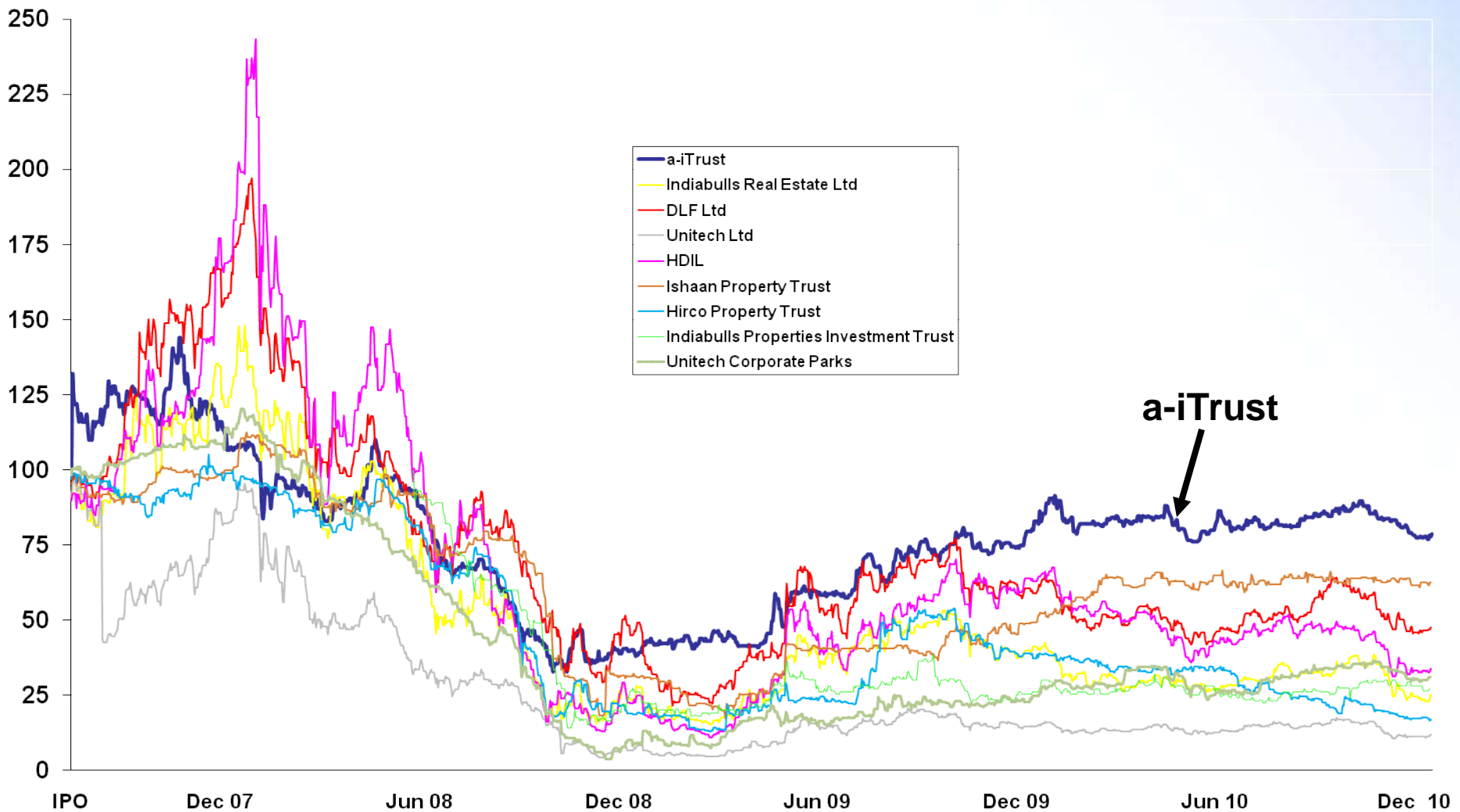
<sup>4</sup> Reflects the post tax, interest on securities of 20.6% for investments in Government of India securities by registered foreign institutional investors

Source: National Stock Exchange of India

# Trading Price vs Indices (Indexed)

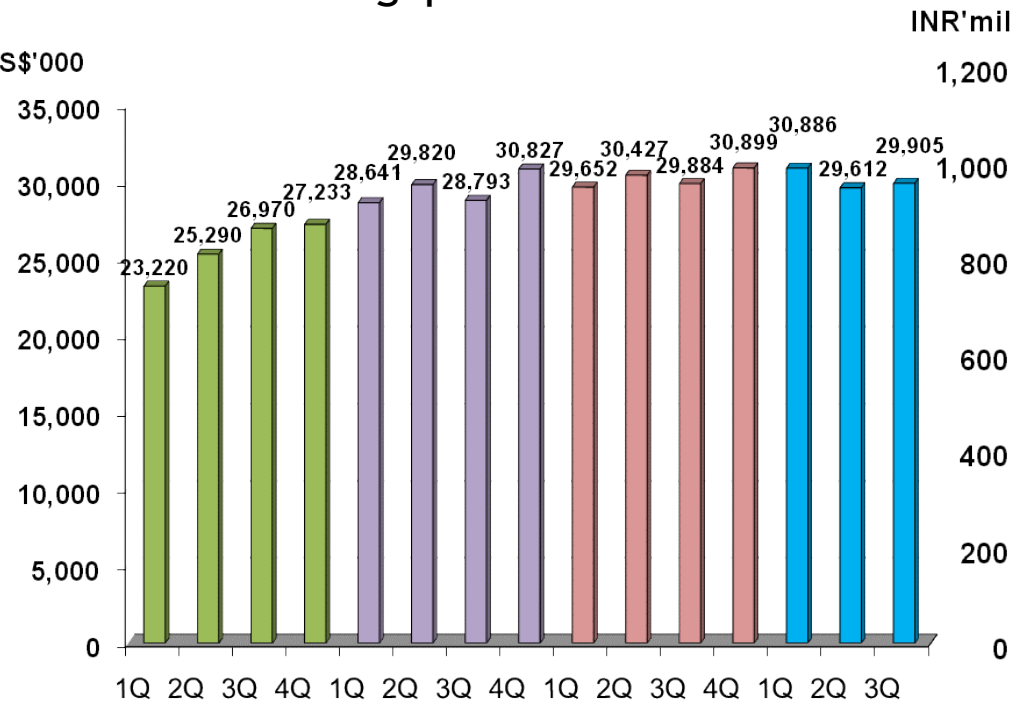


# Trading Price vs Equities (Indexed)

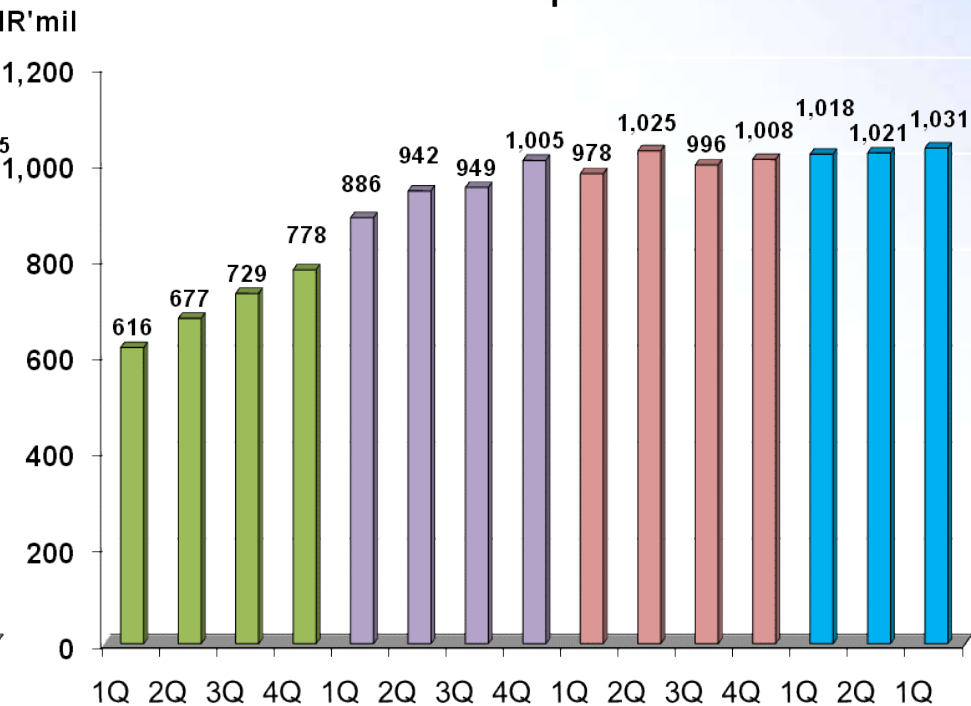


# Maintain Stable Performance – Total Property Income

Total Property Income in  
Singapore Dollar



Total Property Income in  
Indian Rupee



■ FY 2007 / 08

■ FY 2008 / 09

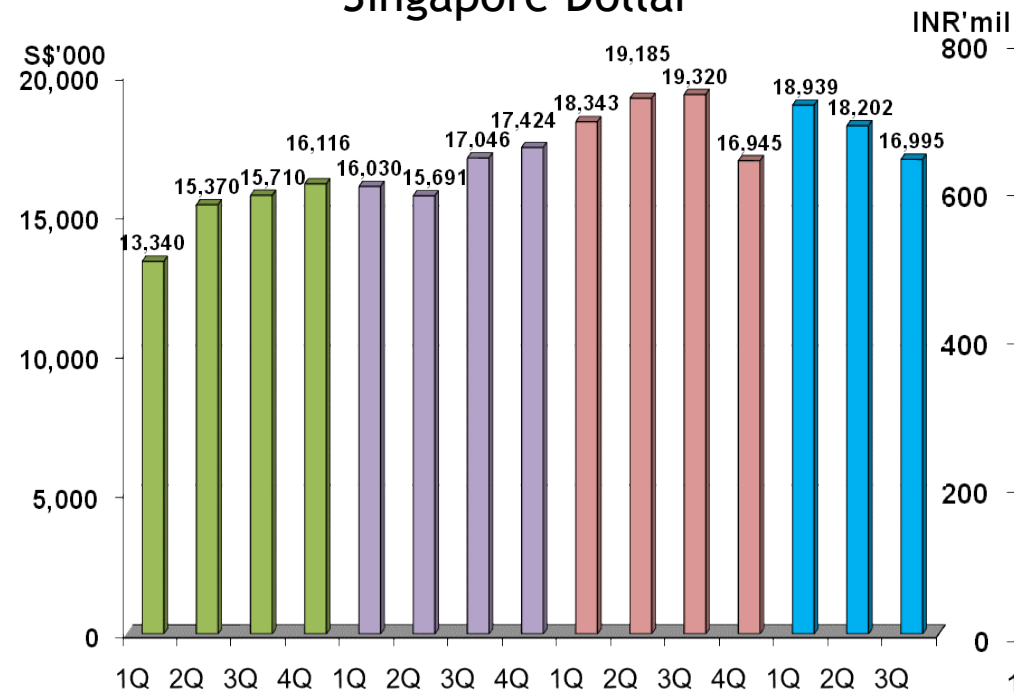
■ FY 2009 / 10

■ FY 2010 / 11

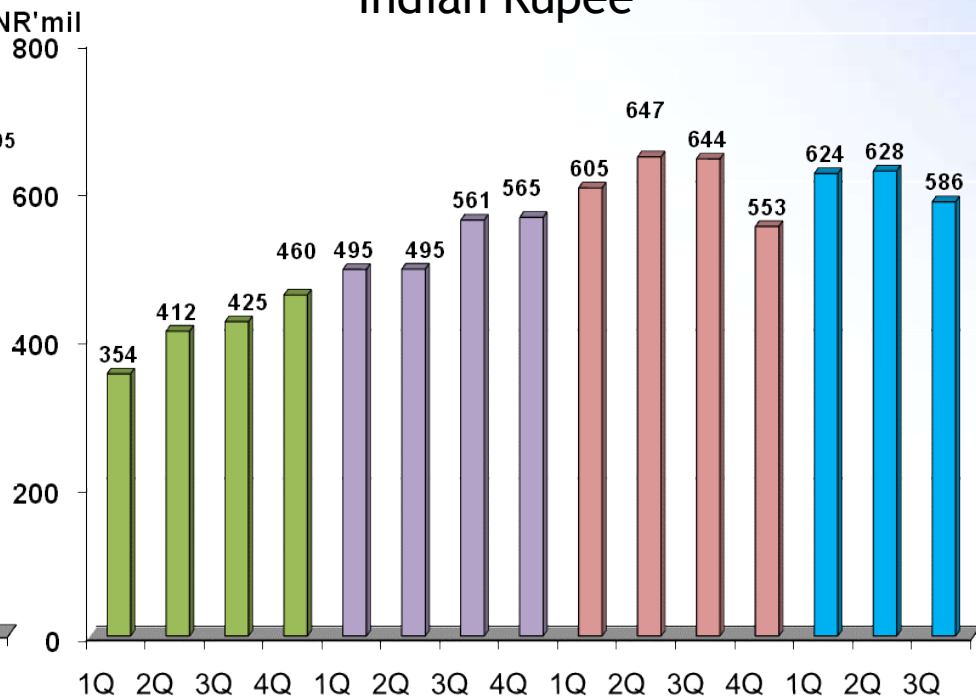


# Maintain Stable Performance – Net Property Income

## Net Property Income in Singapore Dollar



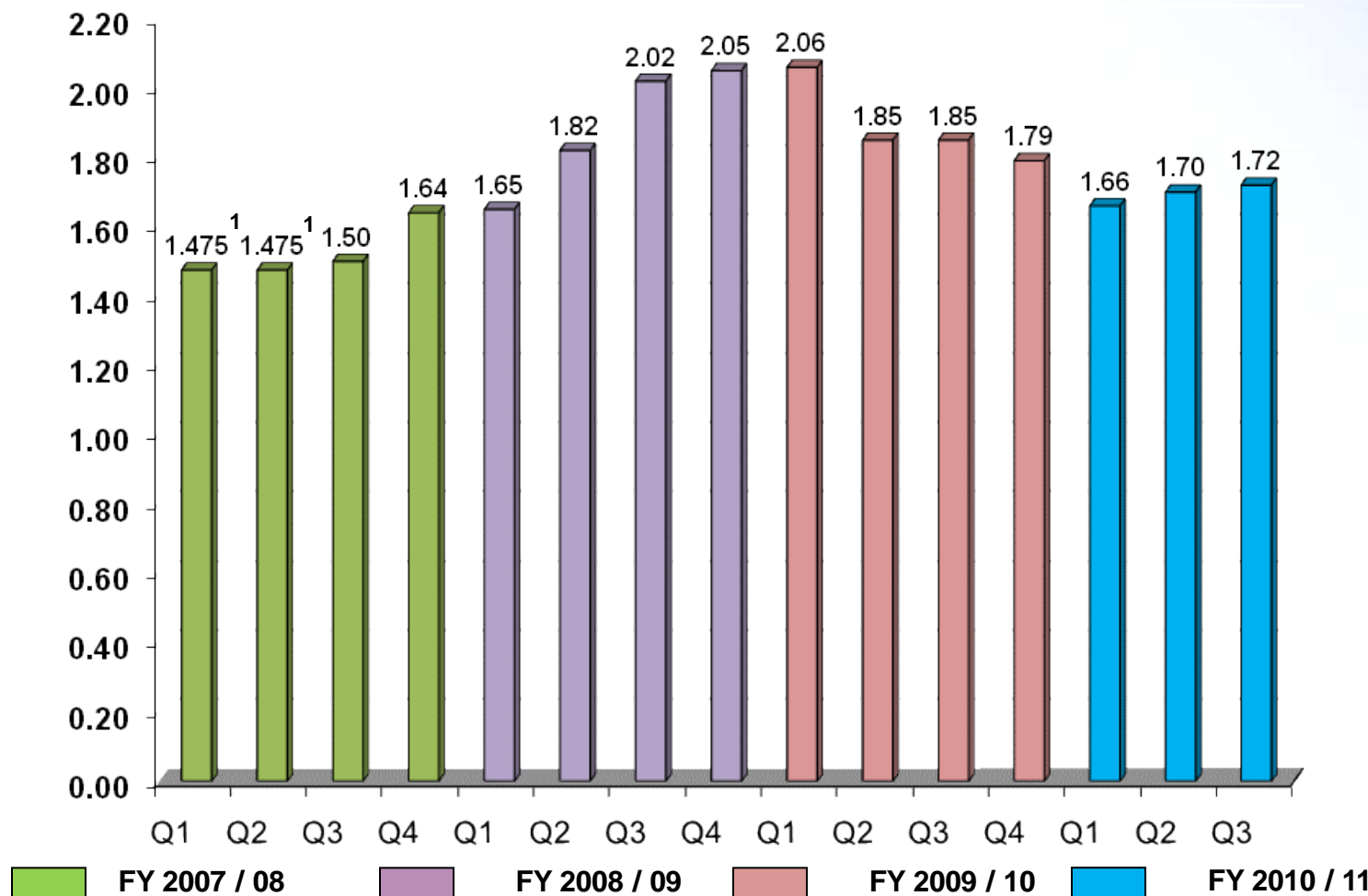
## Net Property Income in Indian Rupee



■ FY 2007 / 08    
 ■ FY 2008 / 09    
 ■ FY 2009 / 10    
 ■ FY 2010 / 11

# DPU Growth

S\$ cents



<sup>1</sup> DPU for first & 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:

- Country with fourth largest economy by purchasing power parity
- India GDP grew 8.9% year-on-year in the quarter July-September 2010. IMF forecast India GDP growth at 8.75% in 2010/11
- Large population, being 28% of Asia's population

## According to NASSCOM, in FY2010/11:

- IT-BPO exports revenues to grow by 13-15%:
  - ❖ India offshoring to achieve 13% CAGR<sup>1</sup> through FY2020
  - ❖ Market size to continue increasing as new sectors (eg. healthcare) & regions (eg. Europe) adopt offshoring
- IT-BPO domestic revenues to grow by 16-17%:
  - ❖ Consumption power from expanding middle income class expected to grow 12 times by 2025 (Mckinsey Global Institute)
  - ❖ Government IT spend to increase from INR 150 billion in 2009 to INR 250 billion by 2011
- IT-BPO domestic headcount is expected to increase by 200,000 this year, bringing direct employment to 2.5 million

<sup>1</sup> CAGR – Compounded Annual Growth Rate

# Putting things in perspective





➤ India remained a leader in the outsourcing industry because of skilled labour, positive business environment & low cost.

Salary for IT / software engineers / developer / programmer

Countries	Local Currency	US Dollar (p.a.)
<b>India</b>	<b>346,809</b>	<b>7,631</b>
Malaysia	41,095	13,347
China	118,540	17,866
Hong Kong	205,387	26,410
Singapore	41,748	32,171
Japan	3,911,974	47,297
UK	29,460	45,880
Australia	63,217	62,940
US	66,232	66,232

Source : PayScale (provider of global online compensation data), January 2011

# Putting things in perspective

-  **Despite challenging conditions, a-iTrust has achieved :**
  - **High portfolio occupancy rate of 98%<sup>1</sup>, despite having started FY 10/11 with 33.2%<sup>2</sup> of leases expiring**
  - **Approximately 1.8<sup>3</sup> million sq ft of space leased / renewed (including forward renewal) during YTD 3Q FY 10/11**
  - **Stable Total Property Income**
-  **Portfolio continues to be well positioned to serve target market of MNCs, with ideal quality space & service**
-  **Low single client exposure**
-  **Substantial gearing capacity, hence allowing flexibility to fund growth through debt or equity, whichever commercially sensible**

<sup>1</sup> Excludes Park Square (ITPB) & Zenith (ITPC), which have been completed in December 2010

<sup>2</sup> As at 31 March 2010

<sup>3</sup> Includes Park Square & Zenith

# THANK YOU

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

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

# Portfolio in India



CyberPearl, Hyderabad



The V, Hyderabad



International Tech Park Bangalore



International Tech Park Chennai





## Park Statistics

- **Site area:** 69 acres/ 27.9 ha
- **Operating buildings:** 2.2 mm sq ft Owned SBA
- **Proposed Development:** 535,000 sq ft SBA
- **Land Available for Development:** 23 acres or 2.5 million sq ft SBA (based on plot ratio of 2.5)
- **Park Population:** 26,000 people

SBA - Super Built-up Area, which is the basis for leasing transactions.

# International Tech Park Chennai



## Park Statistics

- **Site area:** 15 acres / 6.1 ha
- **Park Population:** 16,000 people
- **Operating Buildings:** 2.0 mm sq ft
- **Owned SBA**





## Park Statistics

- **Site area:** 6 acres / 2.4 ha
- **Operating Buildings:** 0.4 mm sq ft Owned SBA
- **Park Population:** 5,000 people

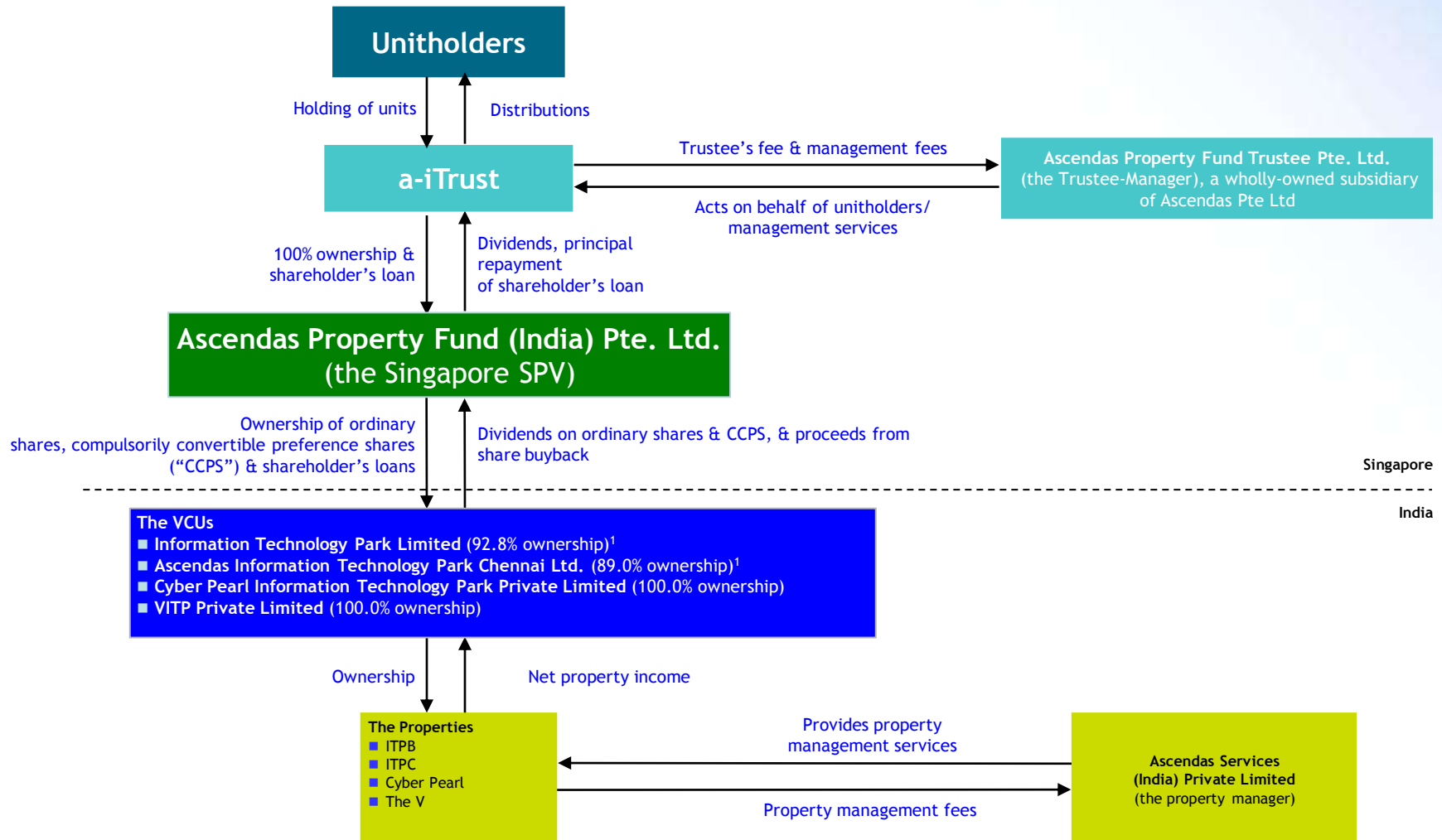
# The V, Hyderabad



## Park Statistics

- **Site area:** 19 acres / 7.7 ha
- **Park Population:** 10,000 people
- **Operating Buildings:** 1.3 mm sq ft
- Owned SBA

# Structure of Ascendas India Trust



<sup>1</sup> ITPB is 7.2% owned by Karnataka State Government & 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% to be distributed



## 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



# Net Property Income - INR

	3Q FY10/11 INR'000	3Q FY09/10 INR'000	2Q FY10/11 INR'000	YTD 3Q FY10/11 INR'000	YTD 3Q FY09/10 INR'000
Gross Rent	588,426	595,241	598,379	1,775,394	1,774,205
Amenities	21,197	20,152	21,853	64,930	60,767
Fit Out Rental	32,473	35,018	32,994	99,690	105,613
Operations & Maintenance	336,444	307,735	330,262	1,001,978	935,533
Car Park & other income	52,642	38,029	37,591	128,652	123,471
<b>Gross Property Income</b>	<b>1,031,182</b>	<b>996,175</b>	<b>1,021,079</b>	<b>3,070,644</b>	<b>2,999,589</b>
Operating, Maintenance & Security	(76,998)	(72,323)	(71,471)	(216,988)	(220,001)
Business & Property Taxes	(18,812)	(13,995)	(18,717)	(56,285)	(47,061)
Property Management Fees	(52,432)	(51,182)	(53,505)	(155,861)	(153,671)
Utilities Expenses	(244,856)	(184,684)	(199,701)	(652,810)	(544,930)
Other Property Operating Expense	(52,055)	(29,986)	(50,022)	(150,755)	(138,575)
<b>Total Property Expenses</b>	<b>(445,153)</b>	<b>(352,170)</b>	<b>(393,416)</b>	<b>(1,232,699)</b>	<b>(1,104,238)</b>
<b>Net Property Income</b>	<b>586,029</b>	<b>644,005</b>	<b>627,663</b>	<b>1,837,945</b>	<b>1,895,351</b>



# Currency average exchange rate

Derived weighted average exchange rates<sup>(1)</sup> for total property income & net property income

1 Singapore Dollar buys	Q1	Q2	Q3	Q4
<b>Indian Rupee</b>				
FY 10/11	33.0	34.5	34.5	
FY 09/10	33.0	33.7	33.3	32.6
<i>Change (last corresponding period)</i>	0%	-2%	-3%	

Note:

- (1) These rates represent the derived weighted average exchange rates between Indian Rupee and Singapore Dollars for the respective periods

# About Ascendas Group

Ascendas is Asia's premier provider of business space solutions with a significant presence in the region. Ascendas develops, manages & markets IT Parks, industrial parks (manufacturing, logistics & distribution centres), business parks, science parks, hi-tech facilities, office & retail space. Among its flagships are the Singapore Science Park, International Tech Park Bangalore, Ascendas-Xinsu in Suzhou & 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 & private real estate funds, investing in a diverse range of industrial & 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, & 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 & ASEAN. All the funds are supported by Ascendas' strong fund management & real estate expertise, & are testament to its commitment to each of its markets.

[www.ascendas.com](http://www.ascendas.com)