



# Proposed Asset Acquisition in Hyderabad

23 February 2011

Asia's First Listed Indian Property Trust

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- Transaction Overview
- Information on the Property
- Benefits of the Proposed Acquisition
- Conclusion

# Acquisition Highlights

**a-iTrust to acquire a portfolio of up to 5 buildings in Hitec City 2, an IT/ITES <sup>1</sup> Special Economic Zone in Hyderabad, India (“Subject SEZ”)**

**Following completion of the acquisition, it will be renamed  
“aVance Business Hub”**



<sup>1</sup> IT - Information Technology; ITES - IT-Enabled Services.

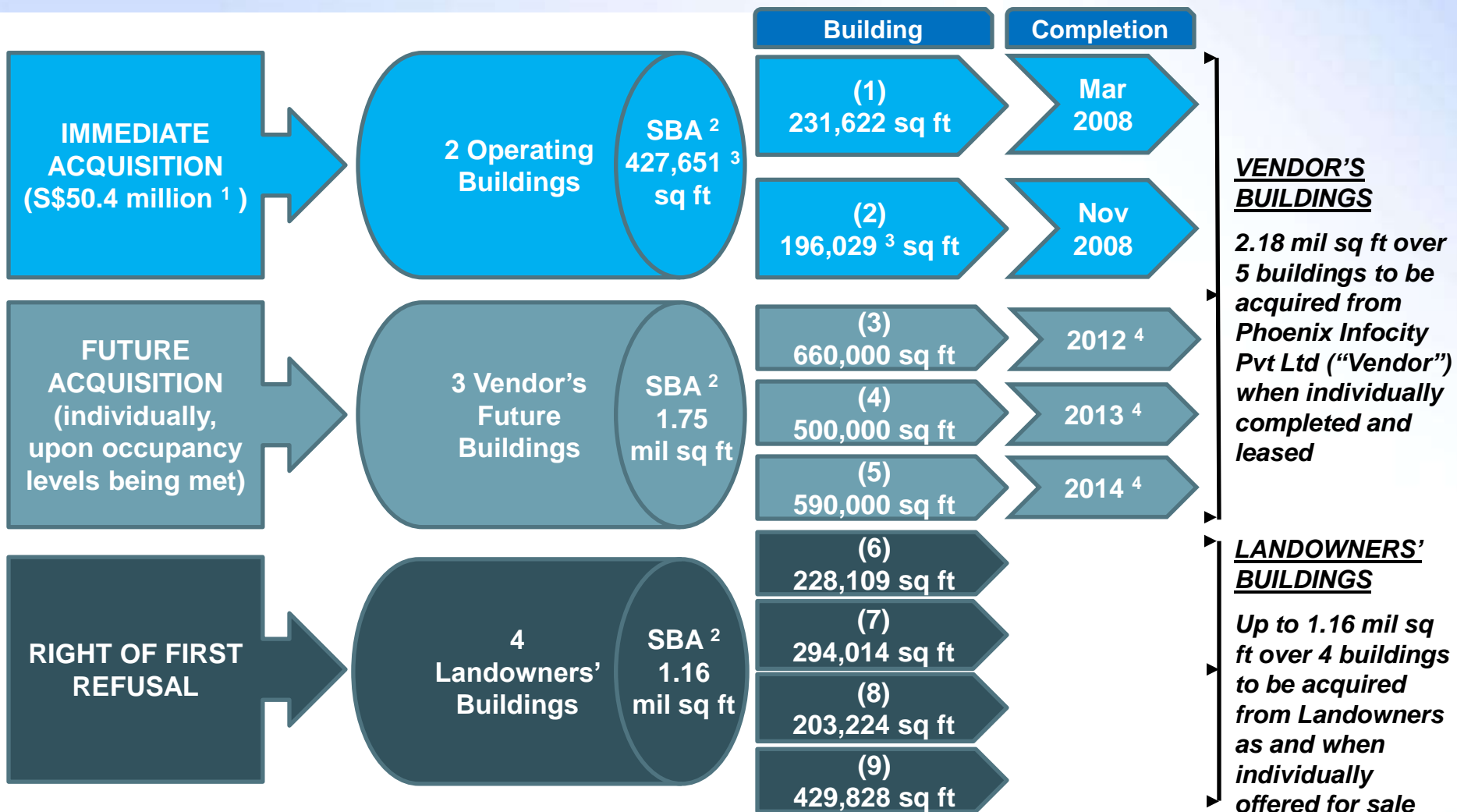
# Acquisition Highlights

- **Well-located property along the IT corridor of Hyderabad, one of India's high-growth IT/ITES <sup>1</sup> centres**
- **To immediately acquire 2 completed buildings (0.43 m sq ft), both 100% occupied**
- **3 future buildings (1.75 m sq ft) to be acquired only when completed and required occupancy levels met**
- **Enhance portfolio size and add Special Economic Zone ("SEZ") space to product offering in Hyderabad**
- **Accretive to distribution**

<sup>1</sup> IT - Information Technology; ITES - IT-Enabled Services.



# Acquisition Summary



<sup>1</sup> Excludes transaction expenses and subject to balance sheet adjustment on completion of the transaction.

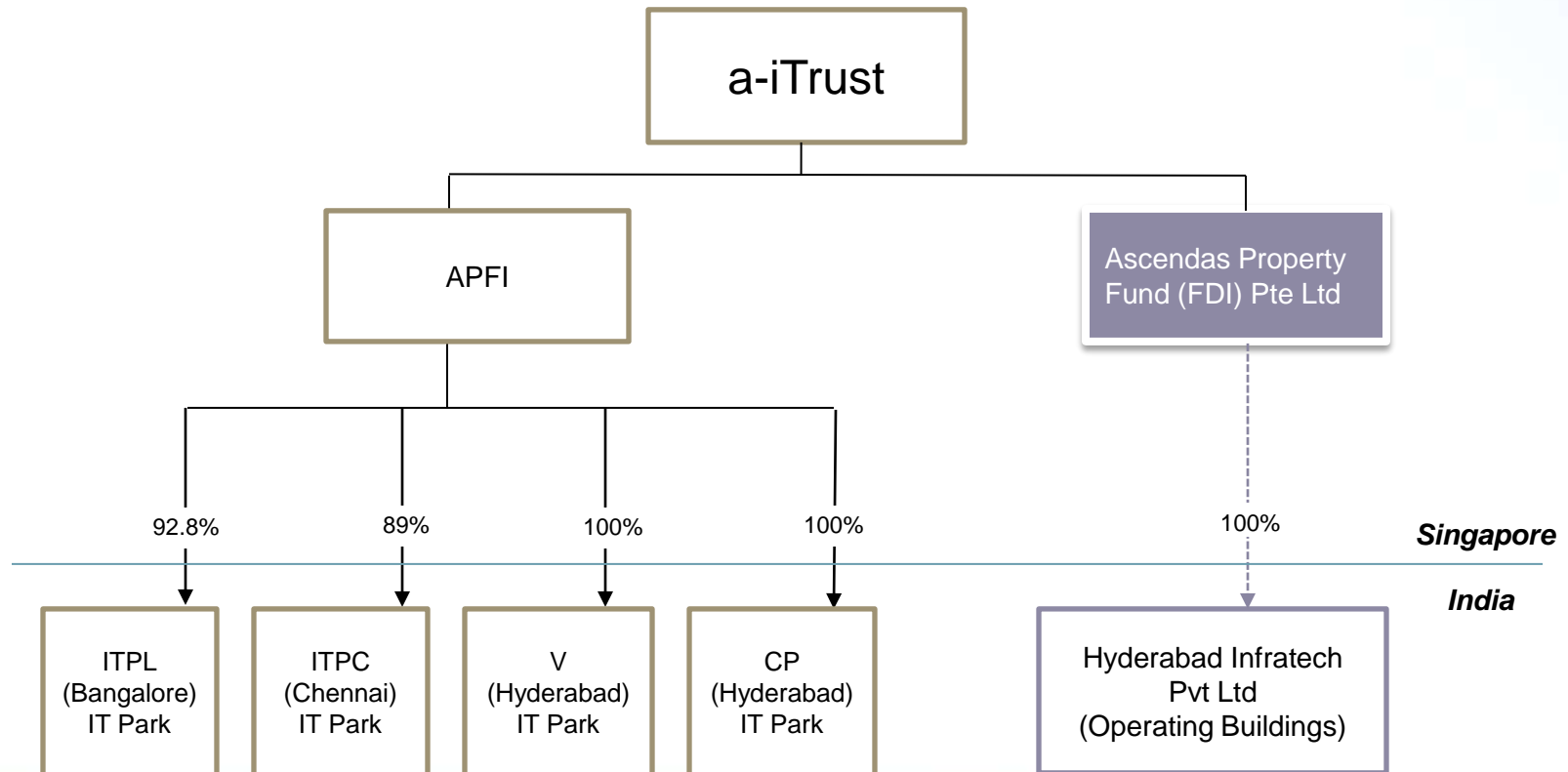
<sup>2</sup> Super Built-up Area (SBA) is the basis for leasing transactions.

<sup>3</sup> Excludes 32,671 sq ft, which is on a 99-year lease to a tenant.

<sup>4</sup> Represents target completion timeline, which is contingent on demand conditions at that time.

As purchase consideration for the Operating Buildings, a-iTrust shall:

- purchase of the entire issued and paid up share capital
- subscribe to interest-bearing fully compulsorily convertible debentures (“FCCD”)



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# Information on the Property



## Ownership :

Vendor's buildings ☒

Landowners' Buildings ☐

## Building Status :

Completed ☒

Under construction ☐

Future development ☐

## Others :

Hotel in non-processing zone (Not part of the Acquisition) ☒

## Property Information

- **Location** Madhapur and Gachibowli (IT hub of Hyderabad)
- **Type** IT SEZ
- **Site area** 25.7 acres

## • Development Agreement-Cum-General Power of Attorney ("DA")

Vendor and the Landowners have entered into a DA whereby the Vendor will develop the Subject SEZ and deliver 4 buildings (total SBA <sup>1</sup> of 1.16 million sq ft) to the Landowners

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## Acquisition to be yield-accretive to Unitholders' distribution

Proforma FY10/11 DPU (Singapore Cents) <sup>1</sup>

Fully financed by debt



If funded fully by debt, leverage would increase from 19% <sup>2</sup> to:

- 22% if including Operating Buildings
- 33% if including Operating Buildings and Vendor's Future Buildings



Debt commitment from banks has been secured, and Trustee-Manager will seek a plan maximising Unitholders' returns while maintaining a strong balance sheet

<sup>1</sup> 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.

<sup>2</sup> As at 31 December 2010.

# High Occupancy and Quality Tenants



## The 2 Operating Buildings:

- are 100% occupied
- will increase a-iTrust's portfolio weighted average lease term to 4.5 years, from 4.1 years as at 31 December 2010
- are home to leading MNCs <sup>1</sup> e.g. Cognizant Technology Solutions, HCL Technologies and iGate Global Solutions



Operating Building 1



Operating Building 2

<sup>1</sup> Multi-national corporations.





**Total income-producing space in a-iTrust's portfolio to increase from 5.9 mil sq ft to:**

- (A) 6.4 mil sq ft after the completion of Voyager SEZ in International Tech Park Bangalore, expected in mid 2011**
- (B) 6.9 mil sq ft after (A) + the acquisition of the 2 Operating Buildings**
- (C) 8.6 mil sq ft after (B) + acquisition of 3 Vendor's Future Buildings**
- (D) 11.1 million sq ft after (C) + full development of land available within a-iTrust's existing portfolio**





**a-iTrust to achieve better economies of scale:**

- Greater leverage in dealing with service providers, e.g. through renegotiation of maintenance contracts**
- Sharing of fixed costs over a larger base of business space**

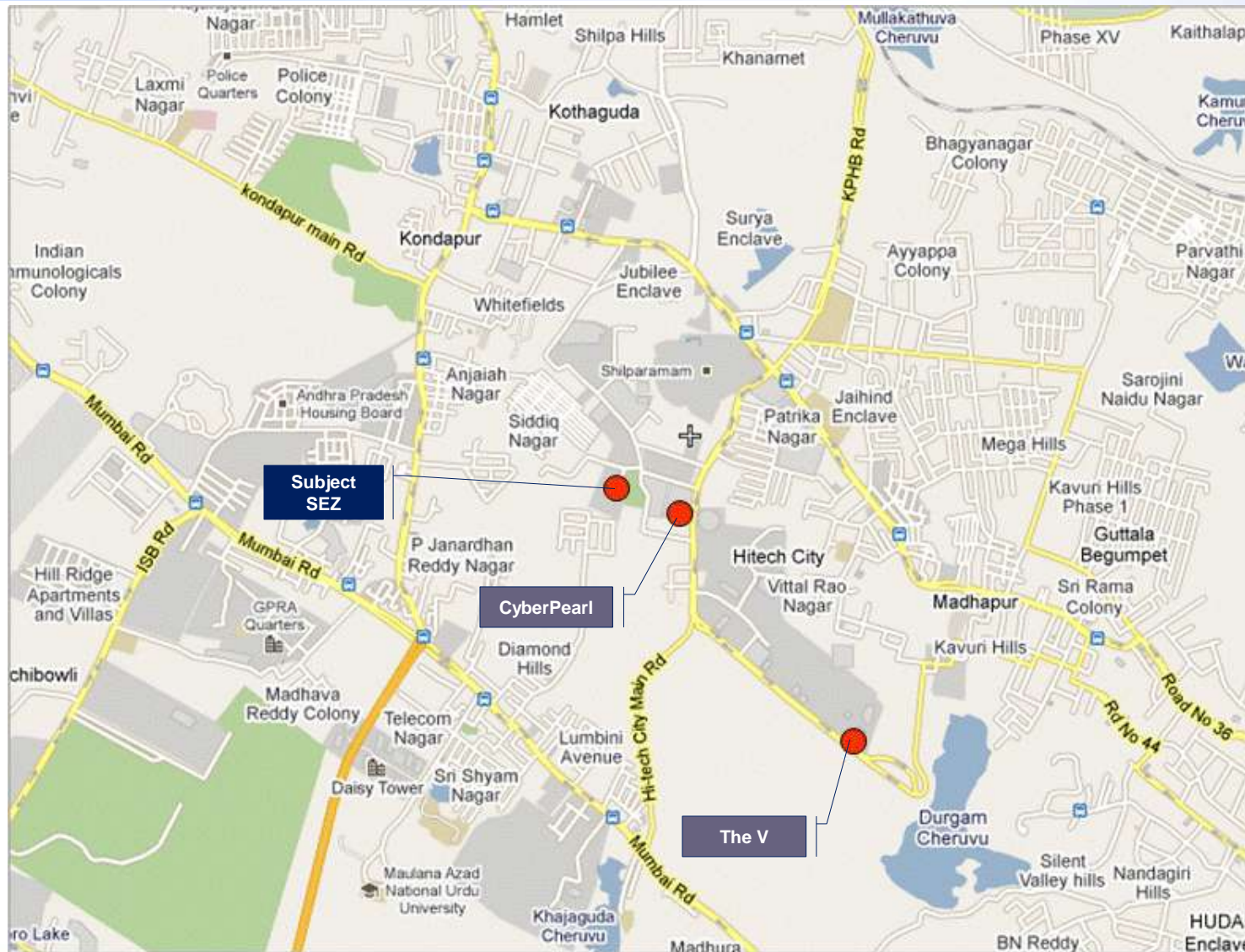
-  **Deepen a-iTrust's presence in Hyderabad and India, and strengthen its competitiveness in the market**
-  **The Operating Buildings will be the first income-generating SEZ space in a-iTrust's portfolio, ahead of the completion of Voyager in International Tech Park Bangalore (mid 2011)**



-  Often referred to as 'Cyberabad', Hyderabad is a premier IT and bio-technology hub. Between 2005-06 to 2008-09, Hyderabad achieved:
  - 38% average growth in IT software exports per year <sup>1</sup>
  - 19% average growth in direct IT employment per year <sup>1</sup>
  
-  The SEZ is located along the IT corridor of Madhapur and Gachibowli in Hyderabad:
  - 10 km from city centre
  - Metro rail transit station has been planned within walking distance from the Subject SEZ
  - Close to prime residential district of Jubilee Hills and Banjara Hills
  - Directly adjacent to CyberPearl and within close proximity of The V, both owned by a-iTrust

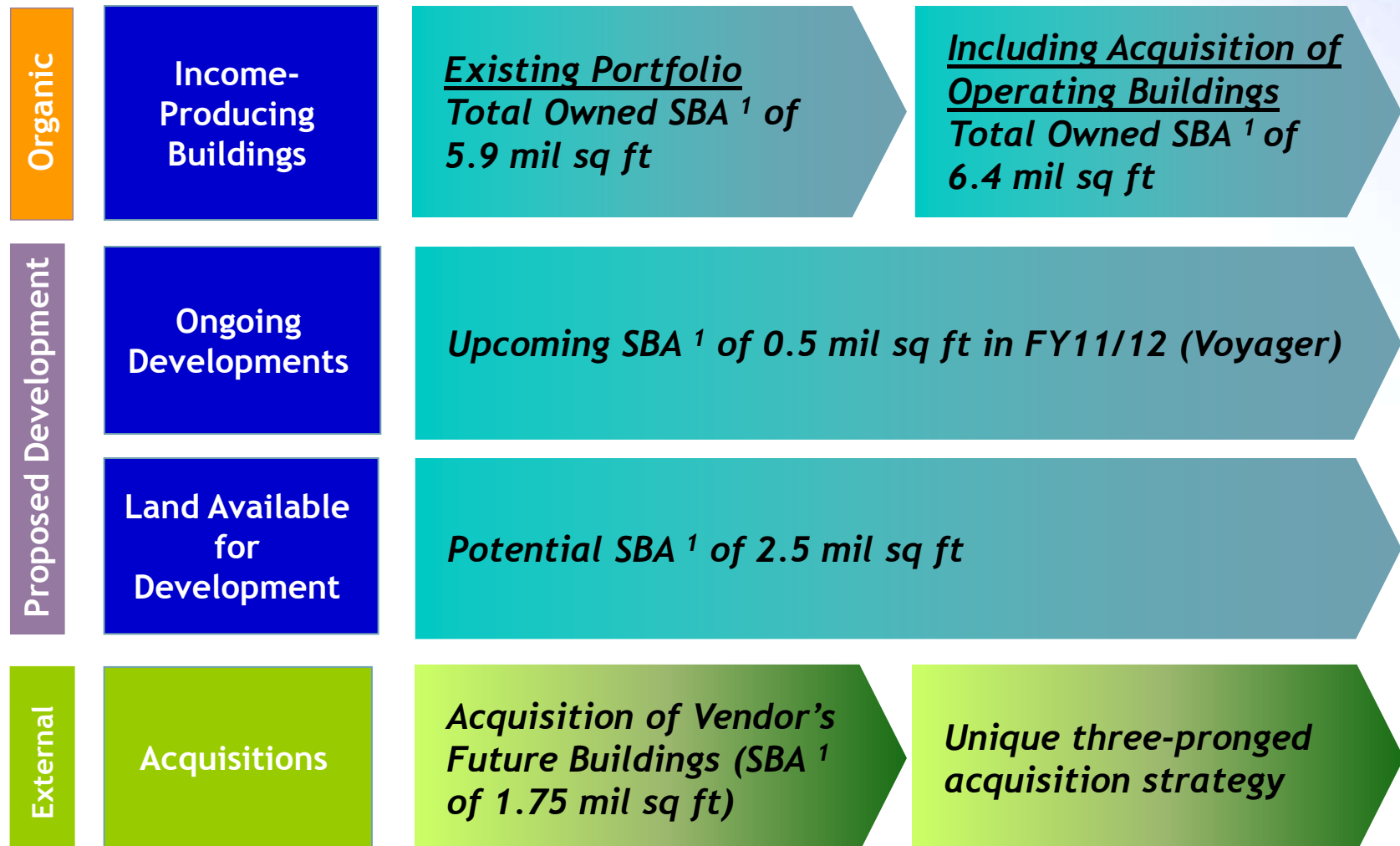
<sup>1</sup> Source: Software Technology Parks of India, Hyderabad.

# Strategically Located Assets



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# Conclusion – a-iTrust Growth Strategy



<sup>1</sup> Super Built-up Area (SBA) is the basis for leasing transactions.

# THANK YOU

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

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