

3Q FY2013/14  
Financial Results Presentation

23 January 2014

# Disclaimer

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**This presentation on a-iTrust's results for the financial quarter ended 31 December 2013 ("3Q FY13/14") should be read in conjunction with a-iTrust's full financial statements, a copy of which is 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 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.

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**All measurements of floor area are defined herein as "Super Built-up Area" or "SBA", which is the sum of the floor area enclosed within the walls, the area occupied by the walls, and the common areas such as the lobbies, lift shafts, toilets and staircases of that property, and in respect of which rent is payable.**

**The Indian Rupee and Singapore Dollar are defined herein as "INR/₹" and "SGD/S\$" respectively.**

**Any discrepancy between individual amounts and total shown in this presentation is due to rounding.**

# Content

- Financial review
- 



# 3Q FY13/14 results

	3Q FY13/14	3Q FY12/13	Variance
<i>INR/SGD FX rate<sup>1</sup></i>	49.5	44.1	12%
Total Property Income	₹1,435m	₹1,398m	3%
Net Property Income	₹911m	₹821m	11%
Income available for distribution	₹553m S\$11.2m	₹538m S\$12.2m	3% (8%)
Income to be distributed <sup>2</sup>	₹498m S\$10.0m	₹484m S\$11.0m	3% (8%)
DPU (income to be distributed)	₹0.55 1.10¢	₹0.53 1.21¢	4% (9%)

• Increase largely due to higher recovery in utilities income.

• Increase due to higher total property income and a reduction in other operating expenses (mainly due to reversal in provisions for rental arrears).

• Lower increase in INR terms largely due to higher current income tax expenses.

1. Average exchange rates for the quarter.

2. Post retaining 10% of income available for distribution.

# 9M YTD FY13/14 results

	YTD FY13/14	YTD FY12/13	Variance
<i>INR/SGD FX rate<sup>1</sup></i>	47.6	43.9	8%
Total Property Income	₹4,240m	₹4,197m	1%
Net Property Income	₹2,528m	₹2,432m	4%
Income available for distribution	₹1,614m S\$33.8m	₹1,436m S\$32.8m	12% 3%
Income to be distributed <sup>2</sup>	₹1,453m S\$30.5m	₹1,293m S\$29.5m	12% 3%
DPU (income to be distributed)	₹1.59 3.34¢	₹1.58 3.61¢	1% (7%)

- Increase due to higher total property income and a reduction in other operating expenses (mainly due to reversal in provisions for rental arrears).

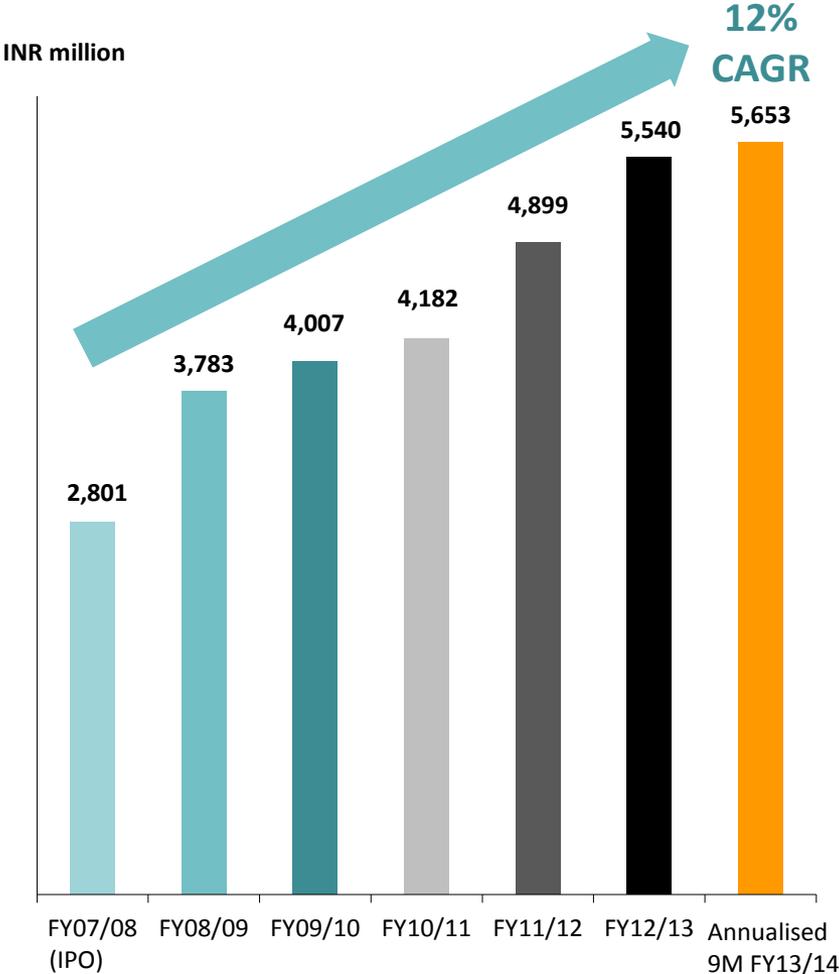
- Increase in INR terms supported by higher interest income and lower finance costs, partially offset by higher current income tax expenses.

- DPU increased marginally in INR terms, despite the larger equity base post private placement in October 2012.

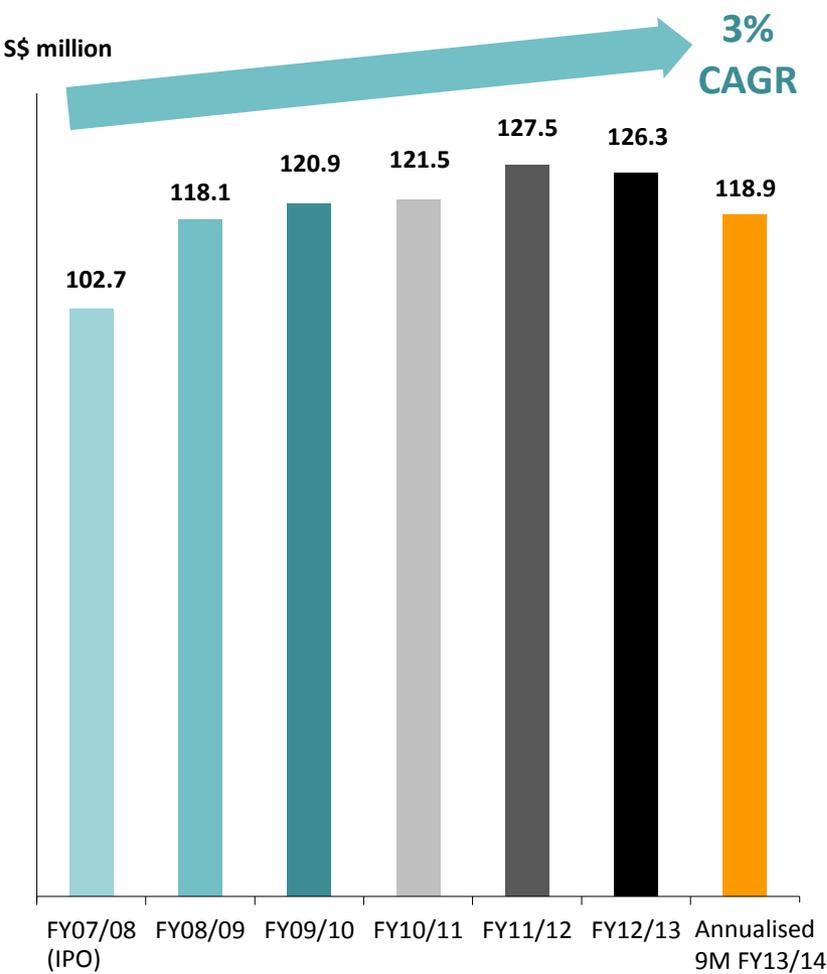
1. Average exchange rates for the quarter.
2. Post retaining 10% of income available for distribution.

# Revenue growth trends

## Total Property Income (INR)

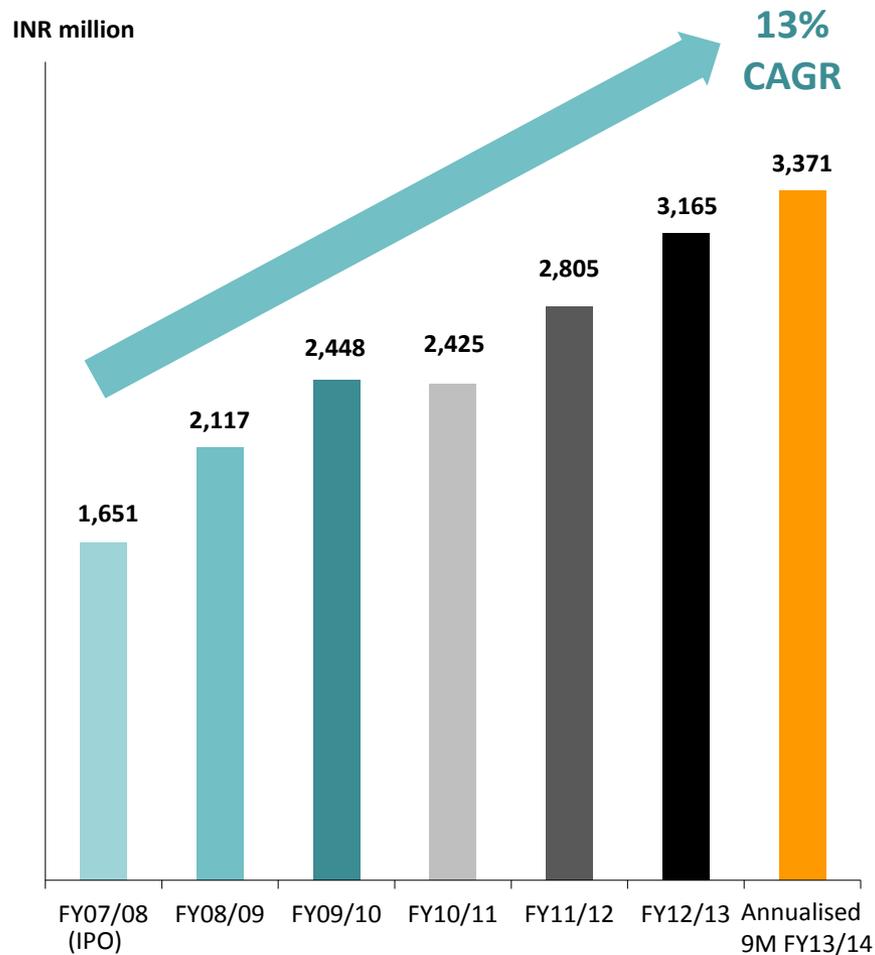


## Total Property Income (SGD)

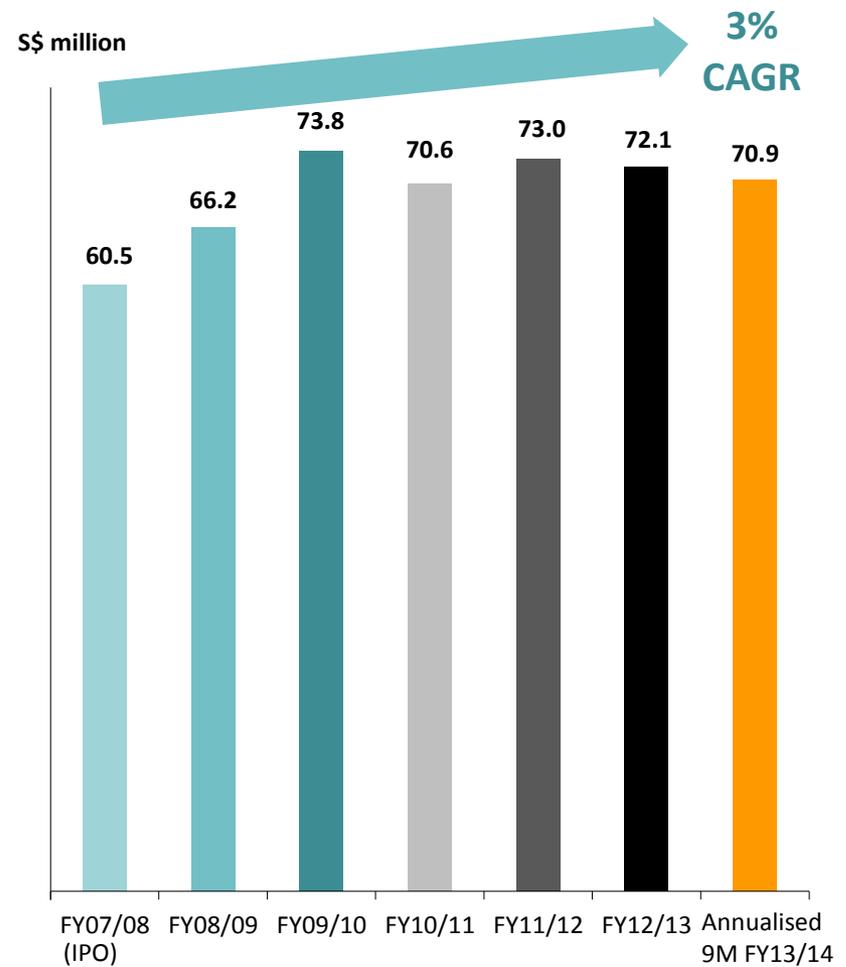


# Income growth trends

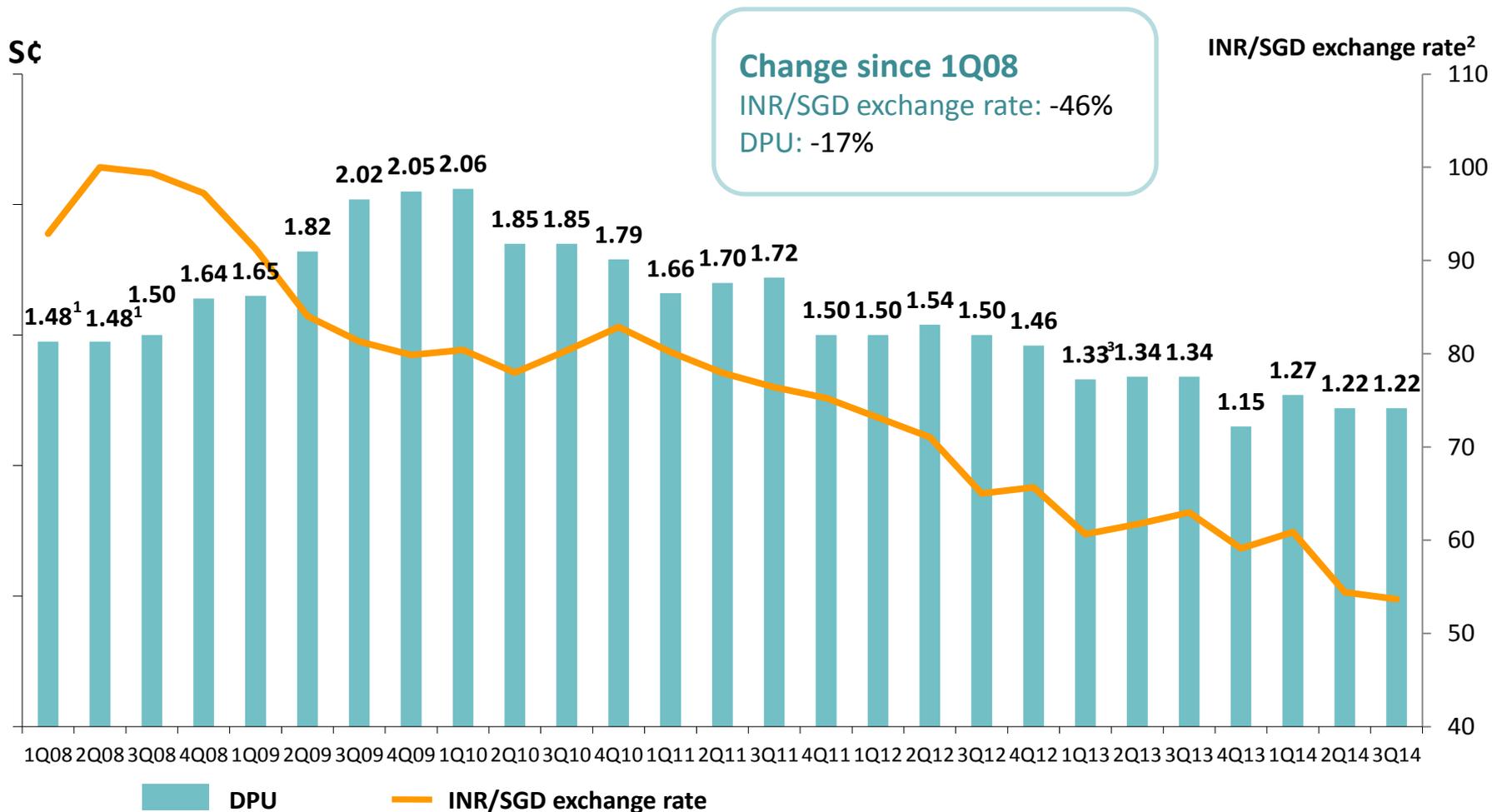
## Net Property Income (INR)



## Net Property Income (SGD)



# SGD DPU moderated by weak Indian Rupee



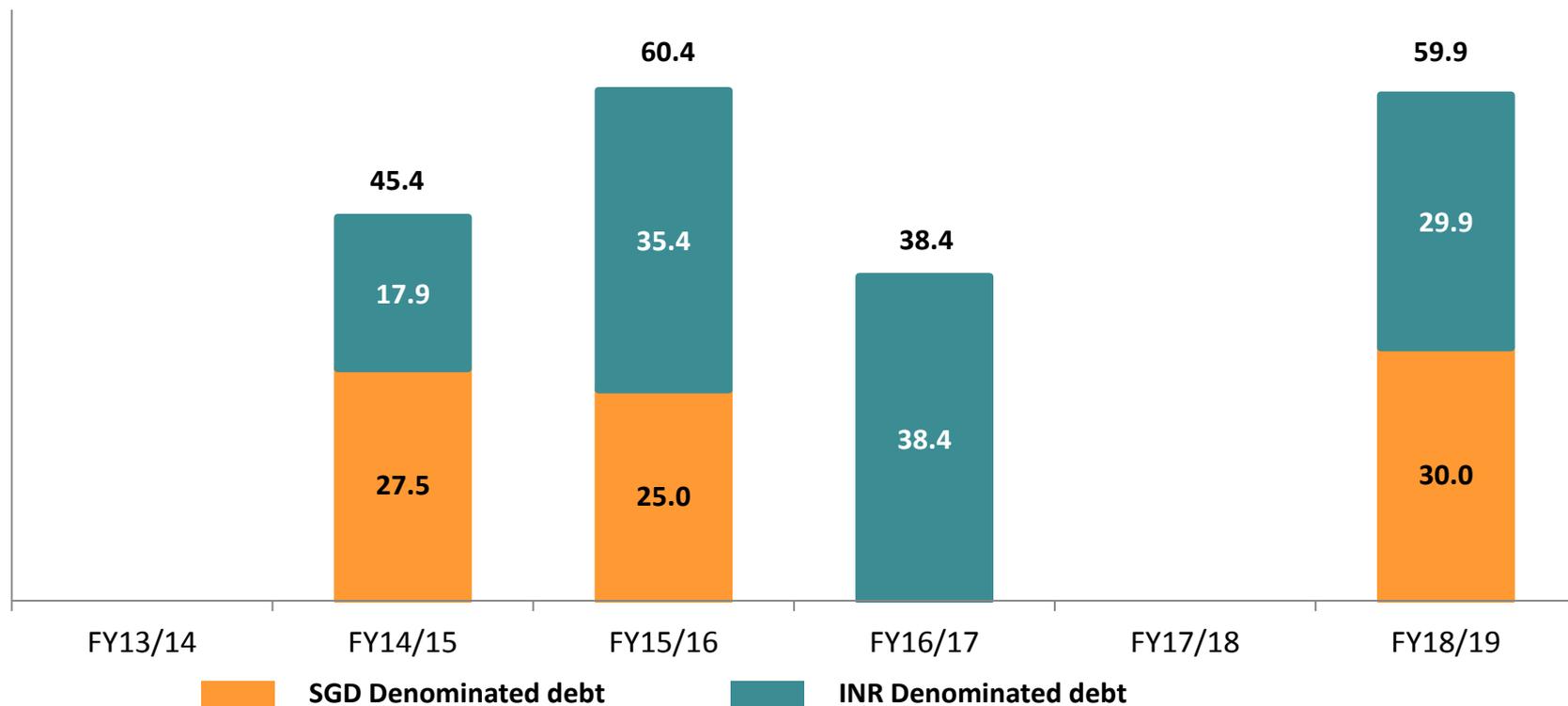
- 1H FY07/08 DPU was split equally into 2 quarters (1Q08 & 2Q08) for illustrative purposes.
- Spot quarterly INR/SGD exchange rate pegged to 30 June 2007, data sourced from Bloomberg.
- Shows DPU assuming 100% of distributable income was paid out from 1Q13 onwards.

# Debt expiry profile

## Debt maturity profile

**Effective borrowings: S\$204m<sup>1</sup>**

S\$ Million



Information as at 31 December 2013

1. Calculated by adding/(deducting) derivative financial instruments liabilities/(assets) to/from gross borrowings.

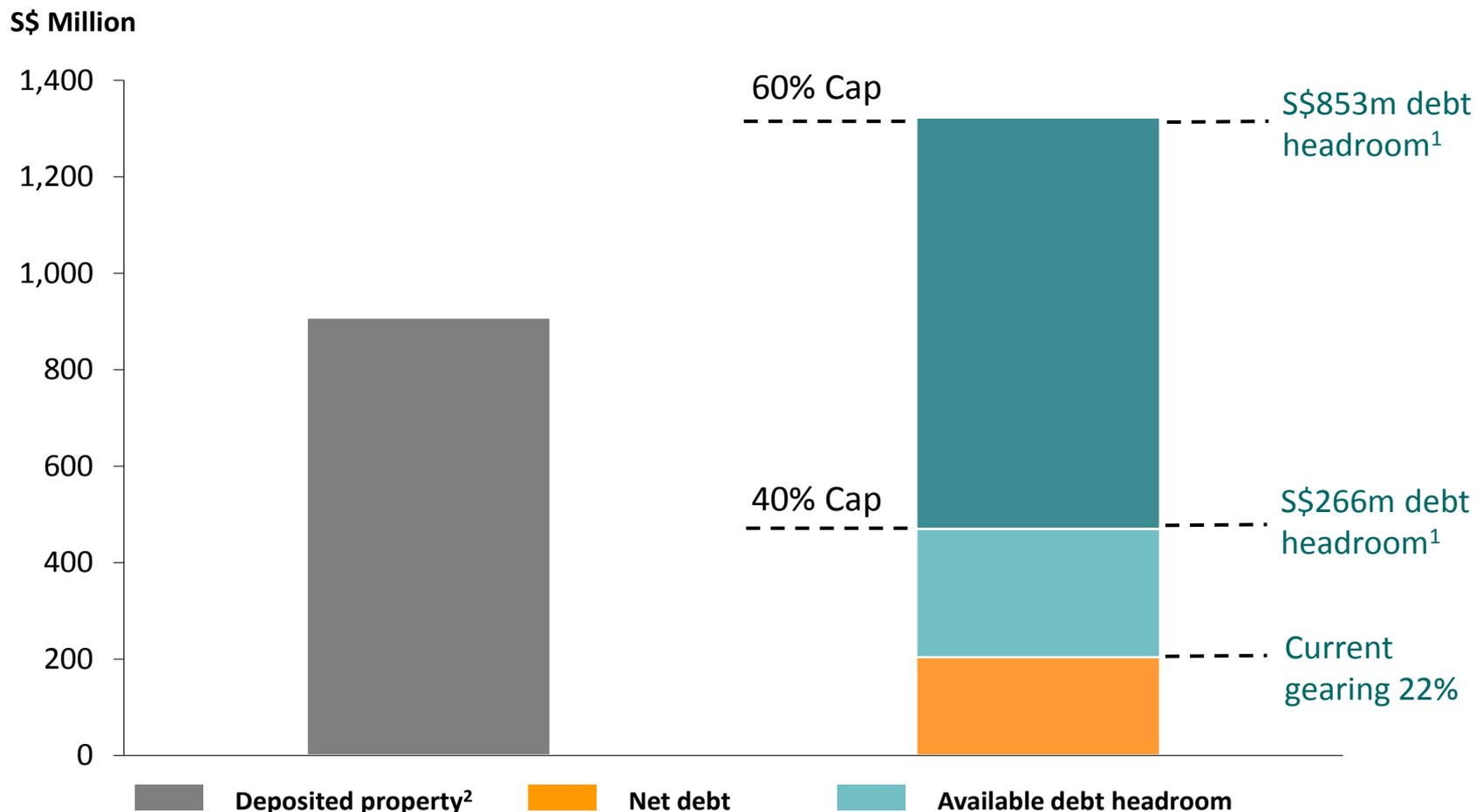
# Capital structure

Indicator	As at 31 Dec 2013
Interest service coverage (EBITDA <sup>1</sup> / Interest expenses <sup>2</sup> )	4.9 times (9M FY13/14)
Percentage of fixed rate debt	100%
Secured borrowings / Asset value	3.0% <sup>3</sup>
Effective weighted average cost of debt (Net of tax shield benefits)	6.0%

**Gearing: 22%<sup>4</sup>**

1. Earnings before interest, tax, depreciation & amortisation (excluding gains/losses from foreign exchange translation and mark-to-market revaluation of forward foreign exchange contracts).
2. Including capitalised interest.
3. Excluding non-controlling interests.
4. Ratio of effective borrowings to the value of deposited properties.

# Debt headroom



All information as at 31 December 2013

1. Calculation of debt headroom assumes further gearing capacity on new asset acquired.
2. Comprises total assets after deducting non-controlling interests & derivative financial instruments assets.

## Income

- Trustee-Manager hedges distributable income and does not intend to speculate on currency.
- Plain vanilla forward contracts are used to hedge a substantial portion of forecast repatriation from India to Singapore. On the designated date, Trustee-Manager will exchange with its counterparty the agreed amount of INR for SGD.
- To hedge each half-yearly repatriation, Trustee-Manager purchases 6 forward currency contracts, one per month, for 6 consecutive months. The duration of each forward contract shortens progressively, with the first contract lasting 6 months and the last contract lasting 1 month. This arrangement ties all 6 forward contracts with the half-yearly repatriation date.

## Balance sheet

- Trustee-Manager does not hedge equity.
- At least 50% of debt must be denominated in INR.

# Content

- Operational review



# India remains dominant IT/offshoring hub

- India moving up value chain to offer cutting edge product development and R&D hubs for global tech companies
- Highly cost competitive environment
- Abundant availability of skilled labour force
- Qualified English speaking talent pool
- Rapid IT-BPO export revenues growth
  - Forecast to achieve double-digit growth in FY2014 to US\$84-87 billion<sup>1</sup>

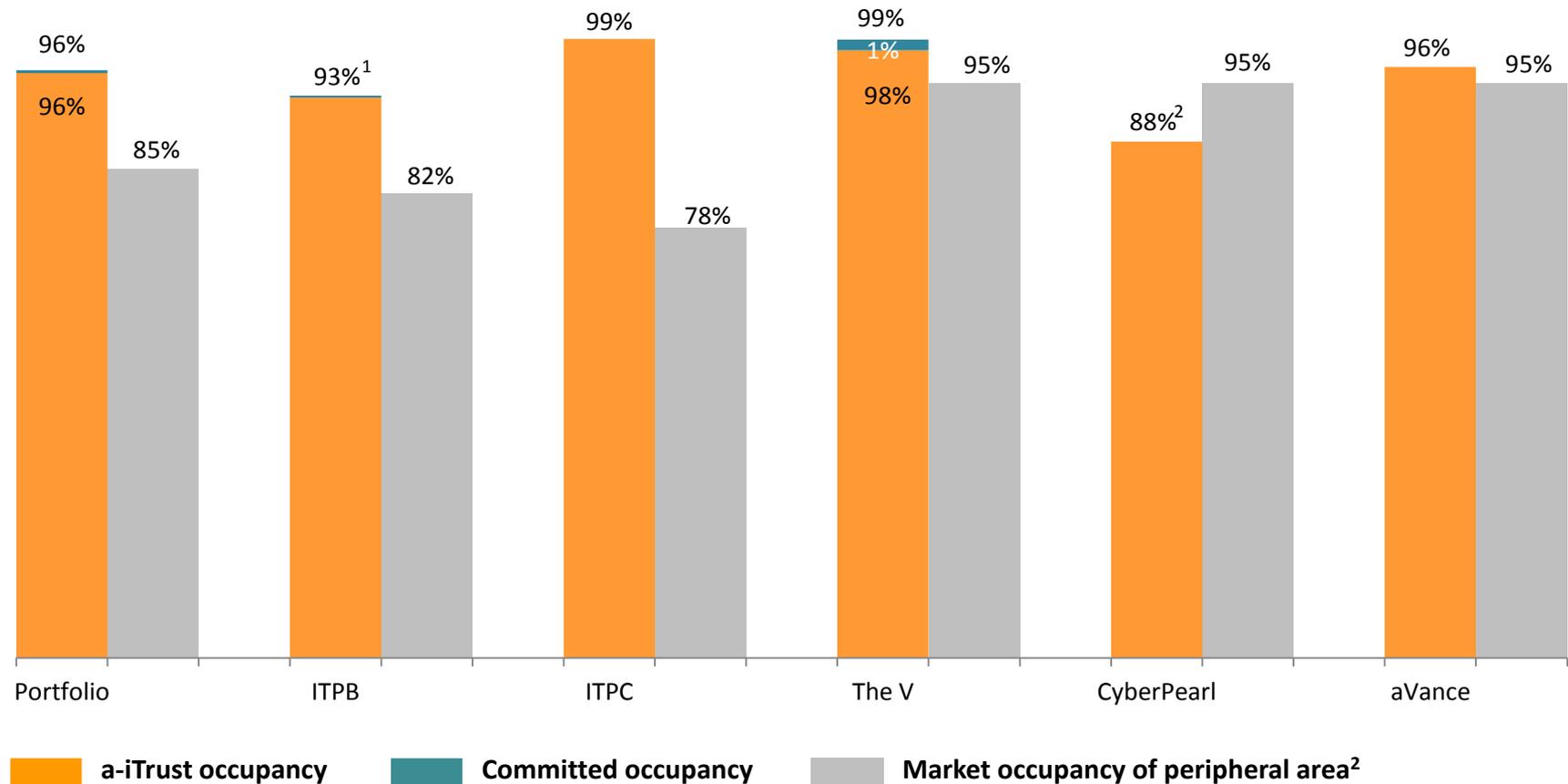
## Salary for IT/software engineer, developer or programmer<sup>2</sup>

Countries	US\$ (p.a.)
<b>India</b>	<b>5,421</b>
Malaysia	13,986
China	17,673
Hong Kong	22,366
Singapore	37,971
Japan	44,176
UK	49,208
Australia	59,402
US	71,604

1. Source: NASSCOM

2. Source: December 2013 median salary from PayScale (provider of global online compensation data), converted into USD from local currencies using exchange rate from Bloomberg (31 December 2013)

# Strong portfolio occupancy

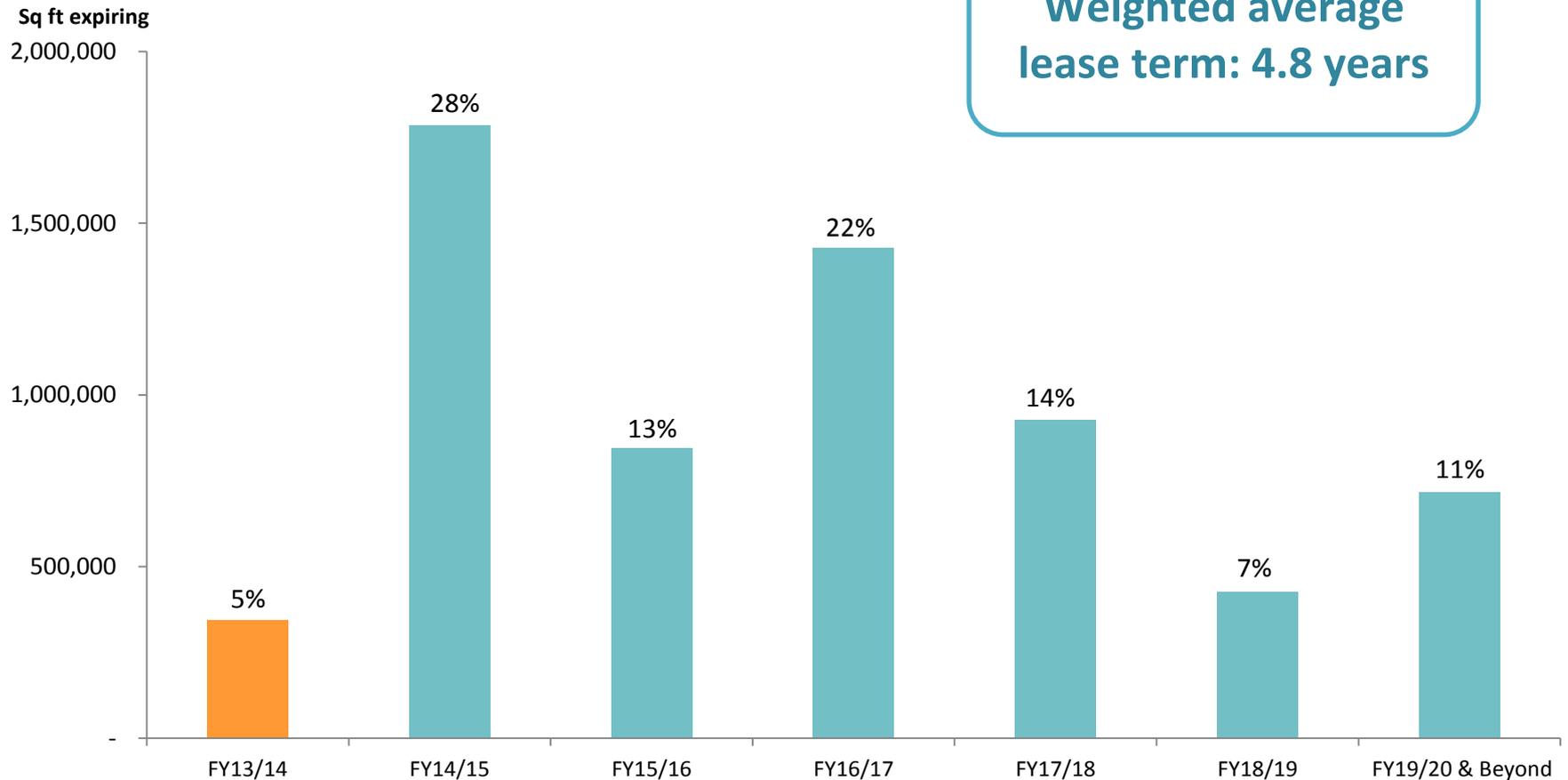


## All information as at 31 December 2013

1. Excludes the Aviator building which was completed on 30 November 2013, and received Occupancy Certificate on 8 January 2014.
2. CyberPearl's drop in occupancy was largely attributable to one tenant that has filed for bankruptcy. The space occupied by the tenant is currently being recovered and marketed to potential tenants. The effect in percentage terms was amplified by CyberPearl's small size of 430,000 sq ft.
3. Jones Lang LaSalle Meghraj market report as at 31 December 2013.

# Spread-out lease expiry profile

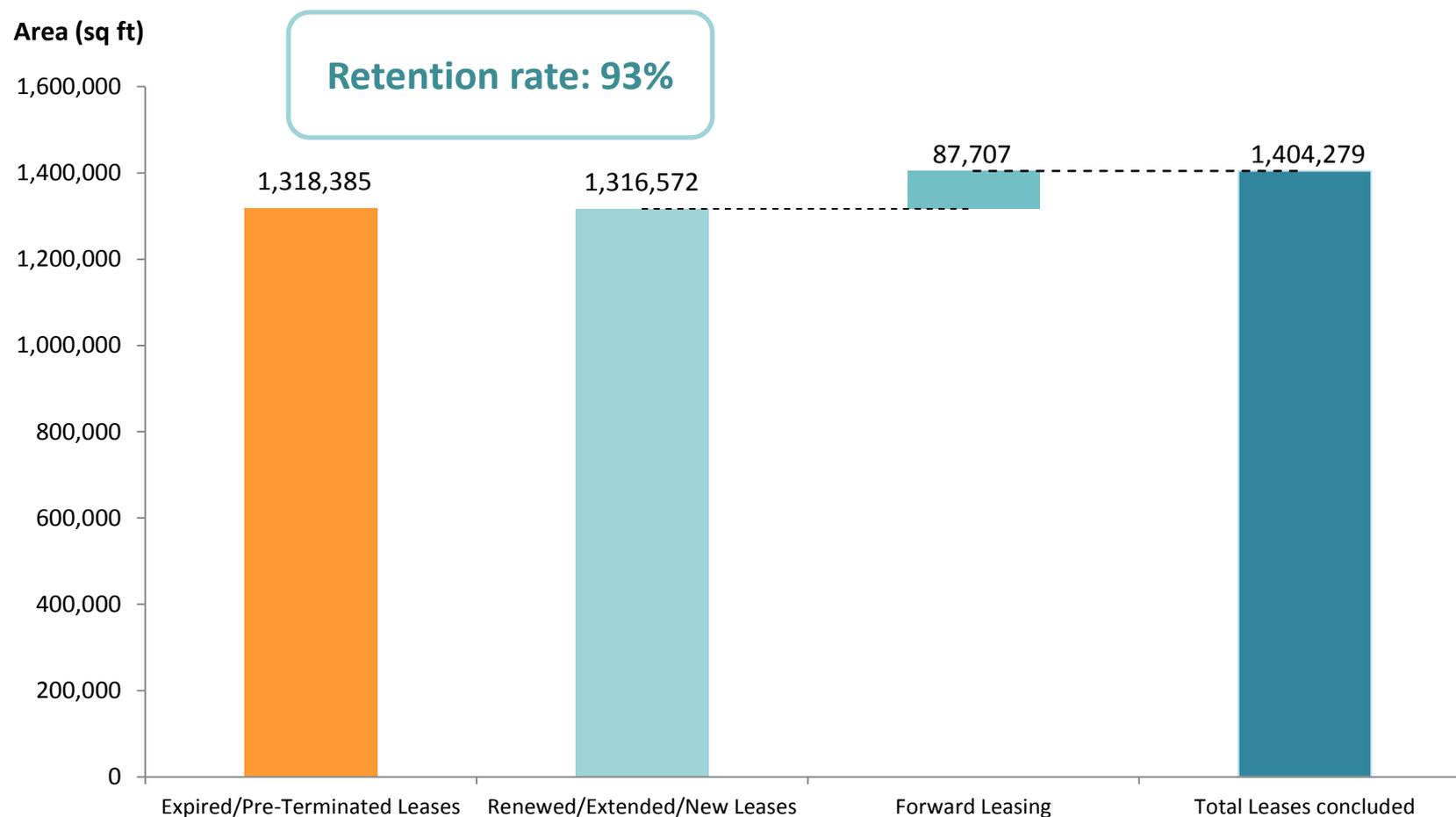
## Portfolio lease expiry profile



All information as at 31 December 2013

# Healthy leasing momentum

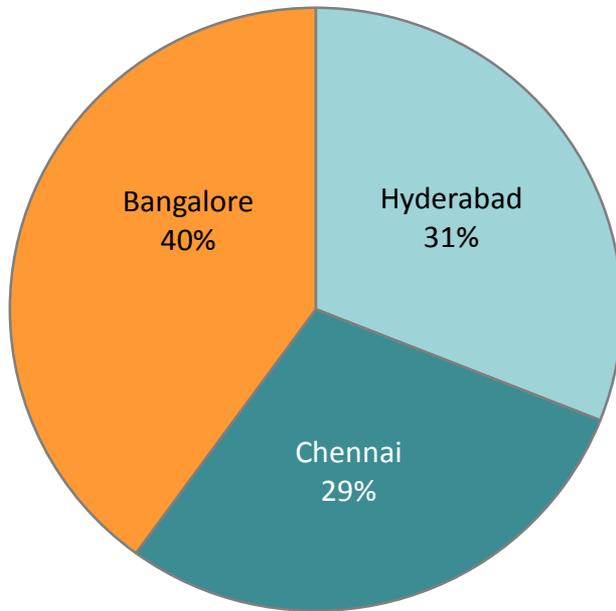
Leasing activities from 1 April 2013 to 31 December 2013<sup>1</sup>



1. Excludes leases committed in Aviator building.

# Diversified portfolio

## Portfolio breakdown



Total Owned SBA = 6.9 million sq ft

## Customer Base

**Total number of tenants**      **338**

**Average space per tenant**      **19,143 sq ft**

**Largest tenant accounts for  
5% of the portfolio base rent**

All information as at 31 December 2013

# Quality tenants

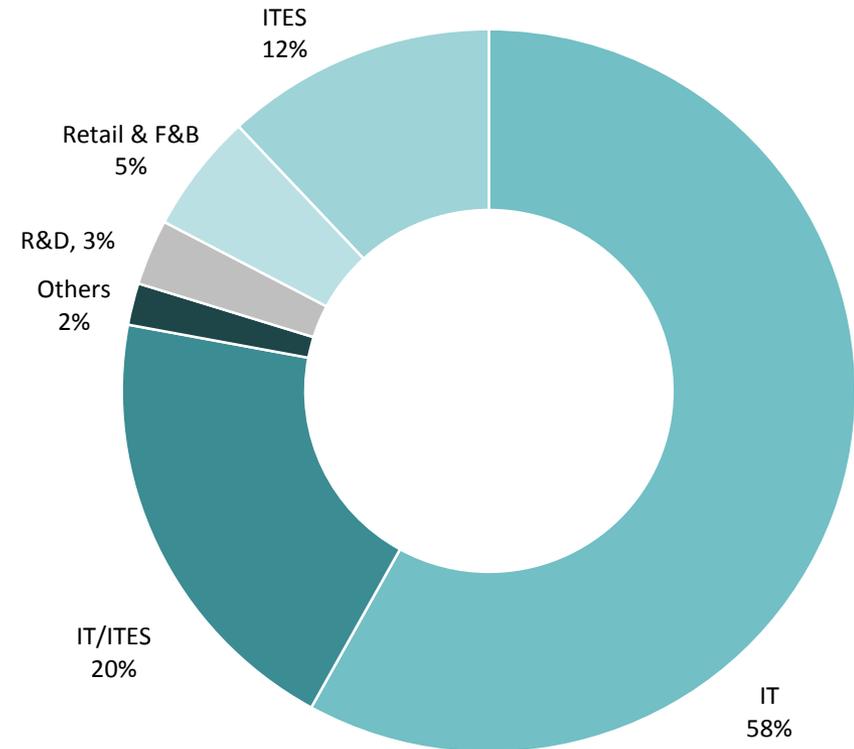
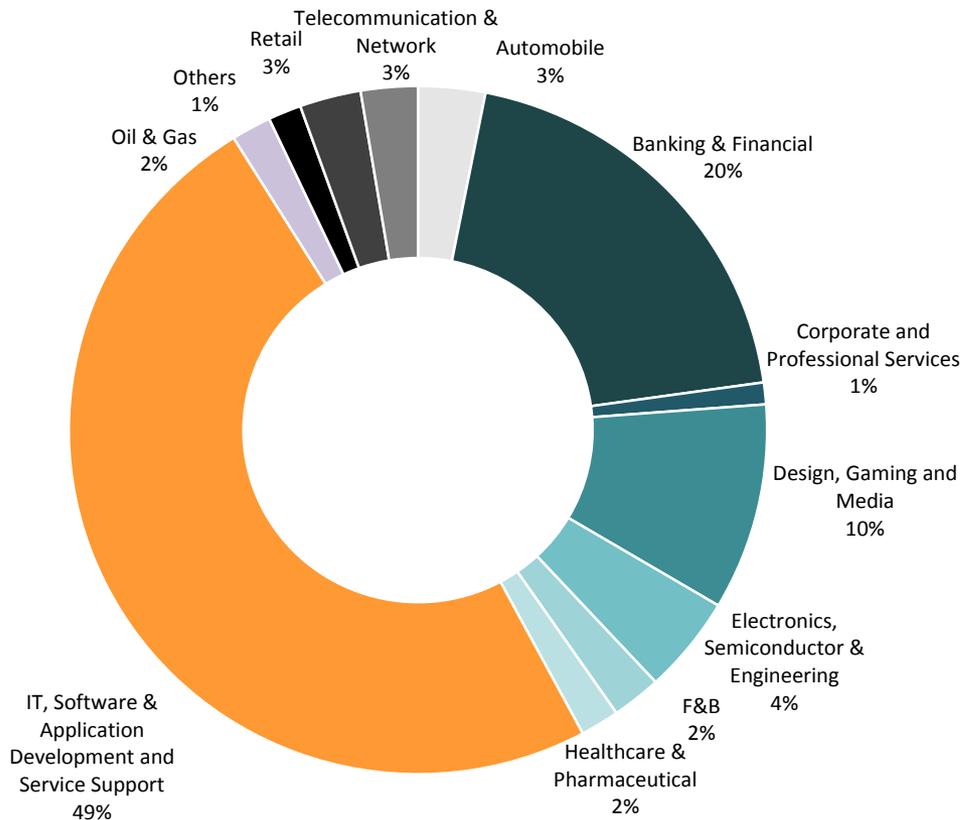
No.	Top ten tenants (by alphabetical order)	Parent company
1	Affiliated Computer Services of India Pvt. Ltd.	Xerox
2	Applied Materials India Pvt. Ltd.	Applied Materials
3	BA Continuum Pvt. Ltd.	Bank of America Merrill Lynch
4	Caterpillar India Pvt. Ltd.	Caterpillar
5	Cognizant Technology Solution (India) Pvt. Ltd.	Cognizant
6	First American (India) Pvt. Ltd.	First American Financial Corporation
7	General Motors India Pvt. Ltd.	General Motors
8	iNautix Technologies India Pvt. Ltd.	BNY Mellon
9	Societe Generale Global Solution Centre Pvt. Ltd.	Societe Generale
10	Technicolor India Pvt. Ltd.	Technicolor

**Top 10 tenants accounted for 32% of portfolio base rent**

All information as at 31 December 2013

# Diversified tenant base

## Tenant core business & activity by base rental

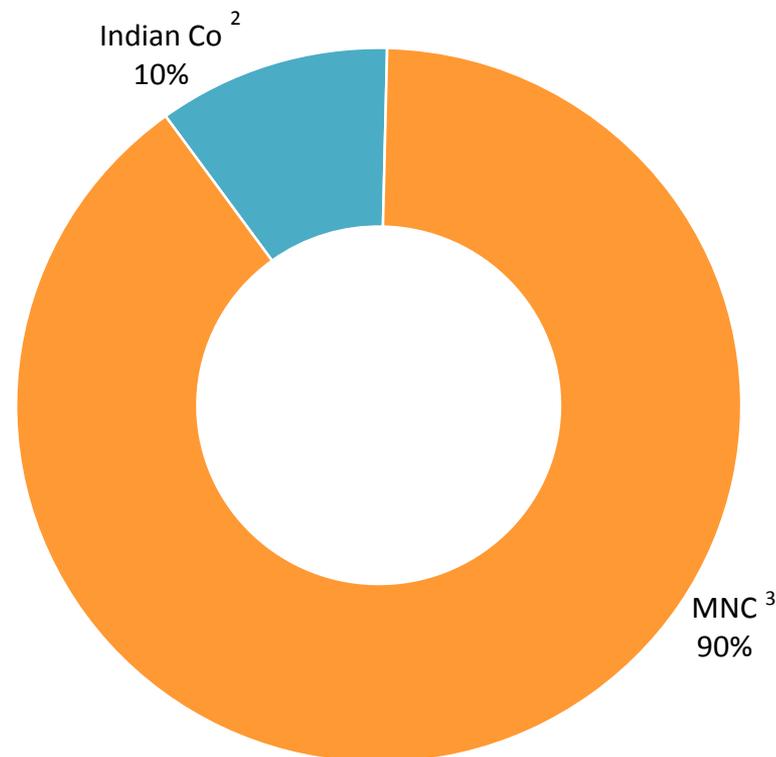
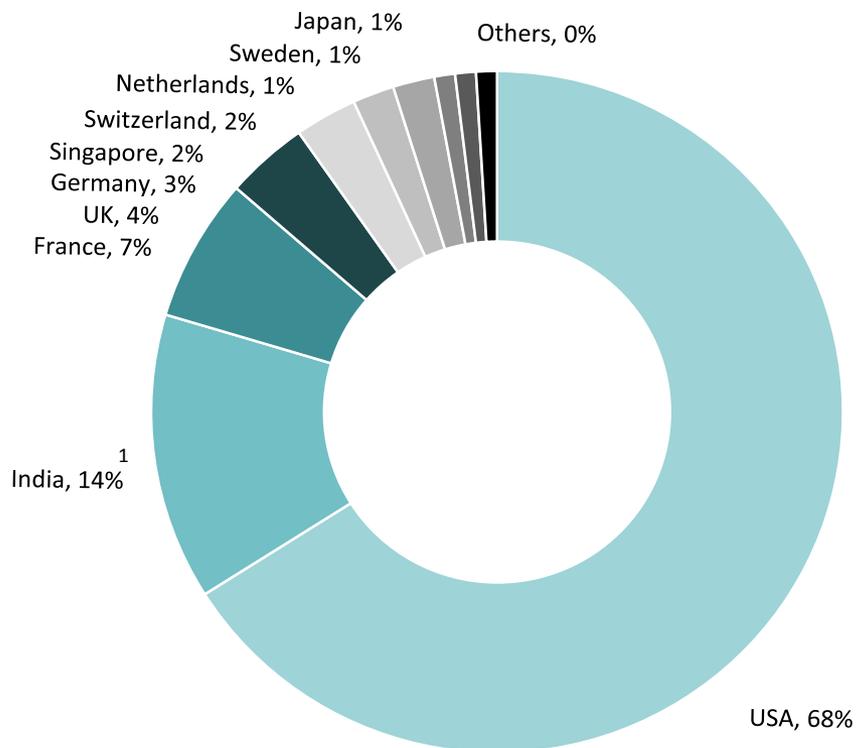


All information as at 31 December 2013

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

# Diversified tenant base

## Tenant country of origin & company structure by base rental



All information as at 31 December 2013

1. Comprises Indian companies with local and overseas operations.
2. Comprises Indian companies with local operations only.
3. Multinational corporations, including Indian companies with local and overseas operations.

# Ascendas Excellence Award @ Chennai



Ascendas and Tamil Nadu Differently-Abled Federation Charitable Trust (TND AFC), came together for the seventh consecutive year to give away the Ascendas Excellence Award 2013. The award ceremony celebrated Children's Day with differently-abled children and awarded 15 children for their special talents in the fields of academics, sports, music and art.

# Healthy Lifestyle & Sports Meet @ Hyderabad

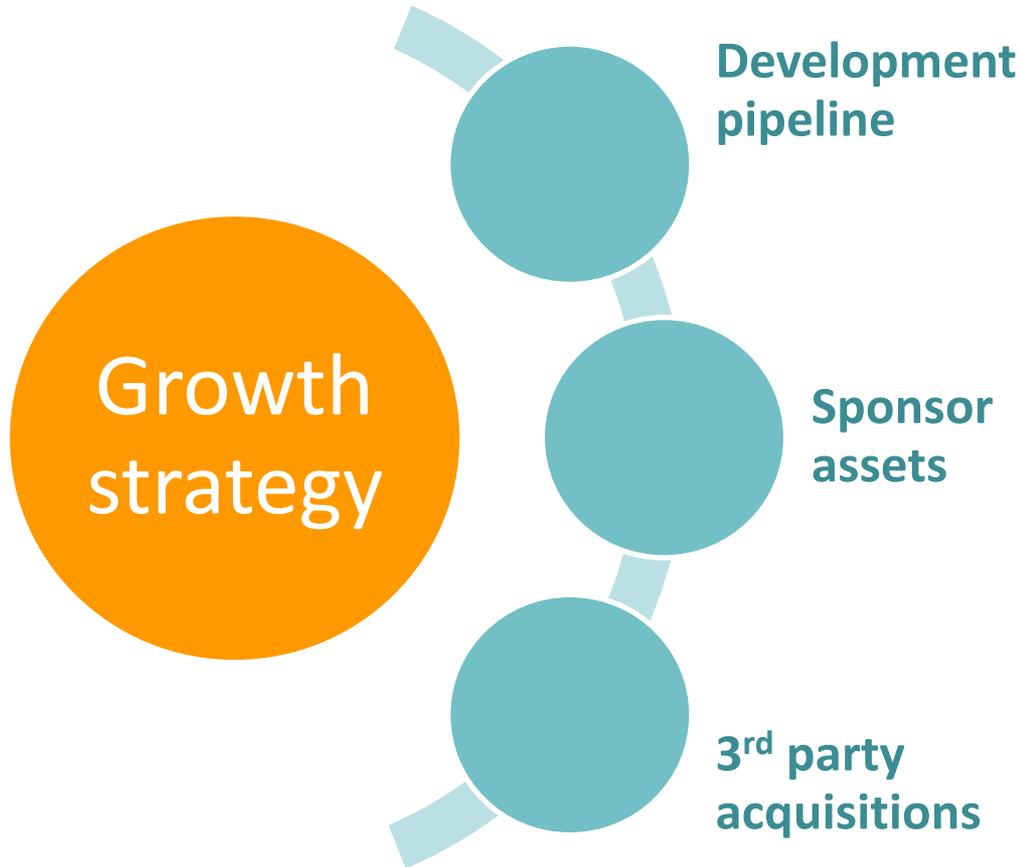


The V celebrated its annual sporting extravaganza "Healthy Lifestyle & Sports Meet" from 9th to 13th December 2013. This event saw participation from over 35 companies and more than 1,000 participants in more than 10 different sporting categories including Needle & Thread, Lemon & Spoon, Sack Race, Volleyball, Throw ball, Burst the balloon, Badminton and Tug-of-War. The sports meet is a popular platform for IT professionals taking a break from their work to compete and showcase their skills in various sporting disciplines.

# Content

- Growth strategy





- 1.9m sq ft of space available for development
- 3.4m sq ft of potential space from Right of first refusal from Ascendas Land International Pte Ltd
- Right of first refusal from Ascendas India Development Trust
- Right of first refusal for Ascendas' stake in Ascendas India Growth Programme assets
- aVance Business Hub
  - 1.94m sq ft of conditional acquisitions
  - 1.16m sq ft from Right of first refusal

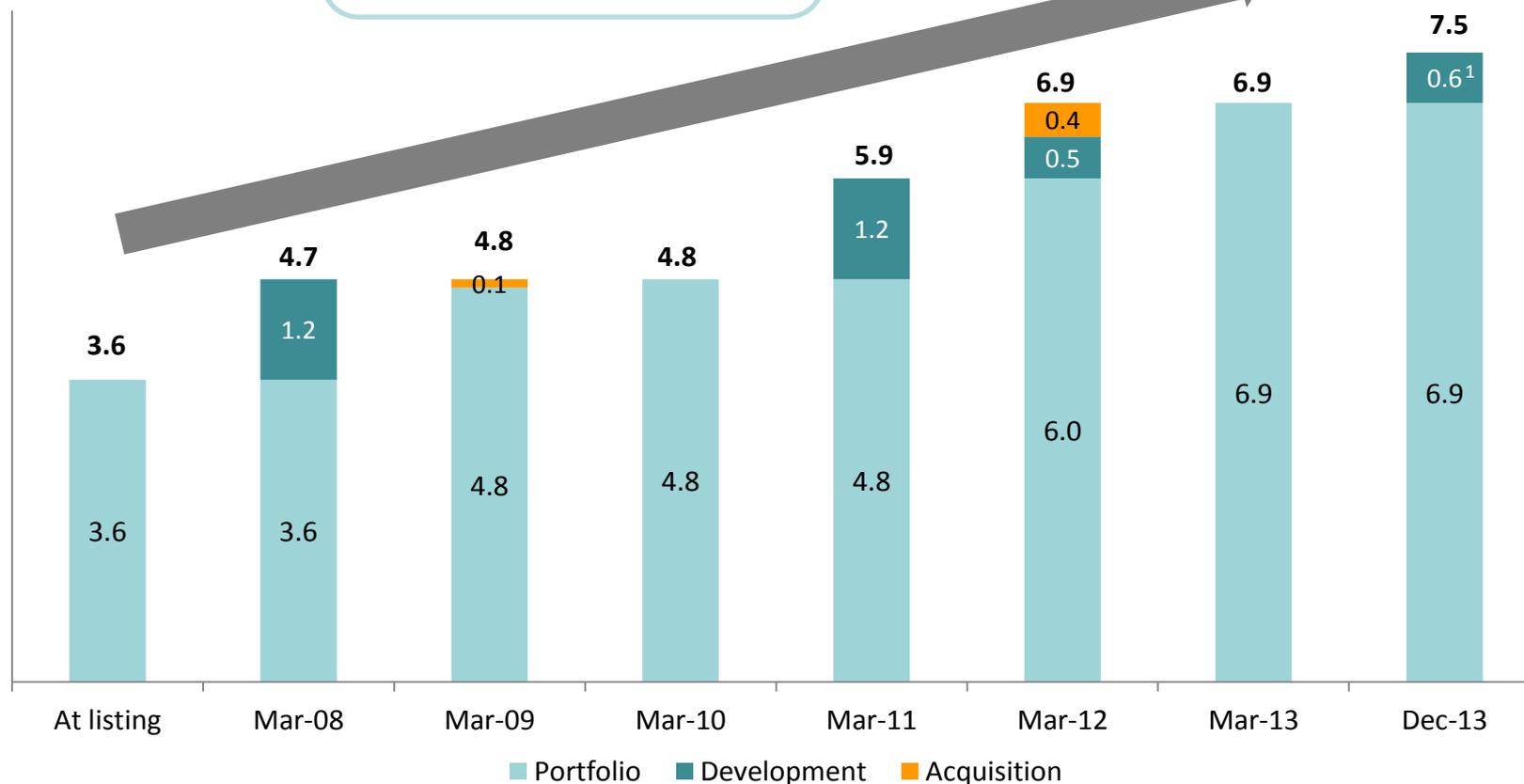
# Good growth track record

Floor area  
(million square feet)

## CAGR growth since listing

Floor area: 12%  
Total property income: 12%  
Net property income: 13%

**12% CAGR**



1. Aviator building was completed on 30 November 2013, and received the Occupancy Certificate on 8 January 2014.

# Aviator – new multi-tenanted office building



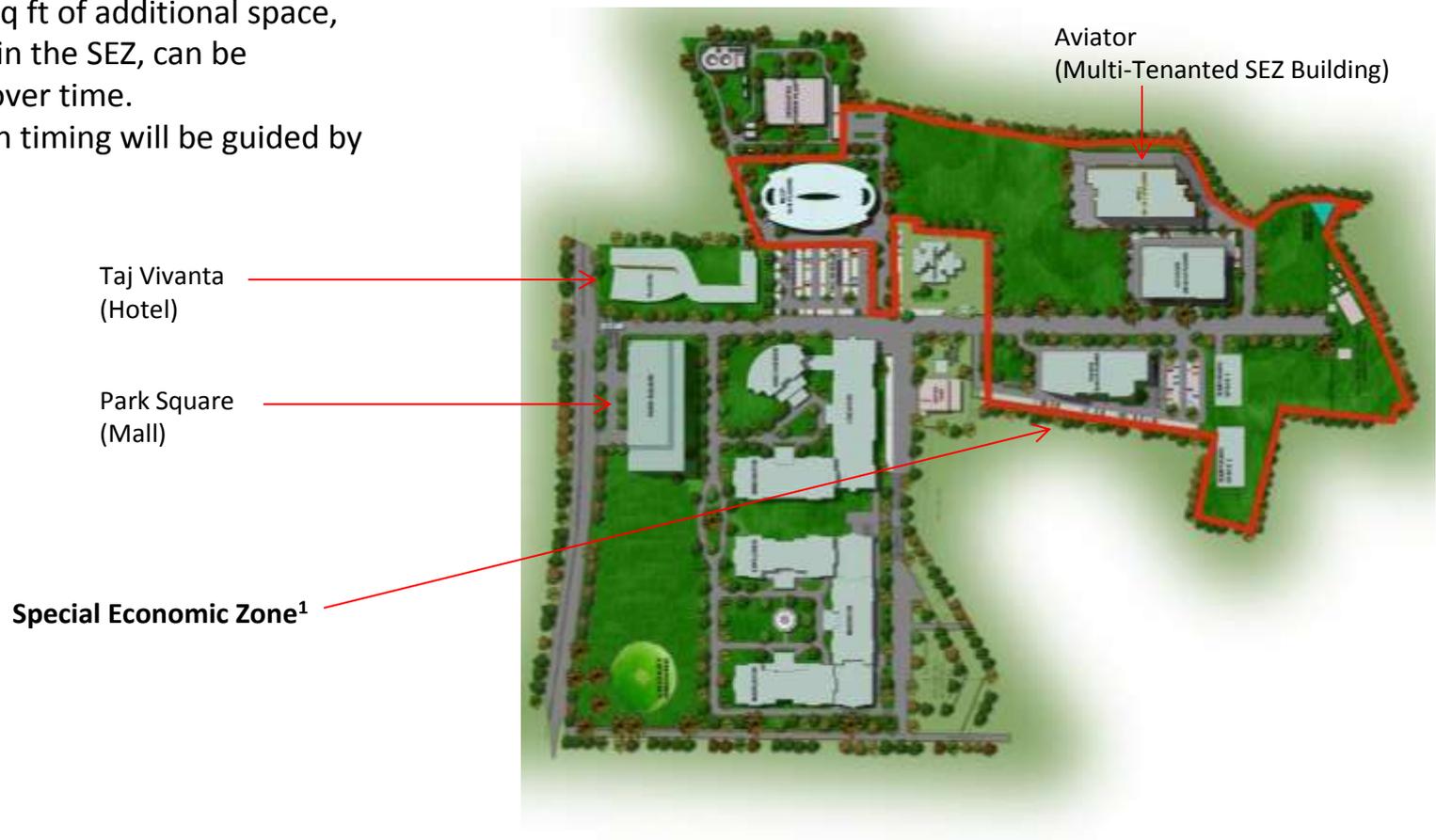
- 601,360 sq ft development in ITPB
- Completed on 30 November 2013
- Received Occupancy Certificate on 8 January 2014
- 100% committed
- Space handed over to tenants in phases
- Projected income recognition:
  - ~ 55% of area by April 2014
  - ~ 80% of area by Sep 2014

# Substantial development pipeline

## Future Development Potential

- 1.9 million sq ft of additional space, mainly within the SEZ, can be developed over time.
- Construction timing will be guided by demand.

## International Tech Park Bangalore



1. Red line marks border of SEZ area

# Right of first refusal (“ROFR”) from sponsor

## Ascendas Land International Pte Ltd

- CyberVale, Chennai:
  - 0.6m sq ft of completed space
  - Vacant land with development potential of 0.3m sq ft
- International Tech Park Pune, Pune:
  - 0.6m sq ft completed space
  - Vacant land with development potential of 1.9m sq ft



## Ascendas India Development Trust (“AIDT”)

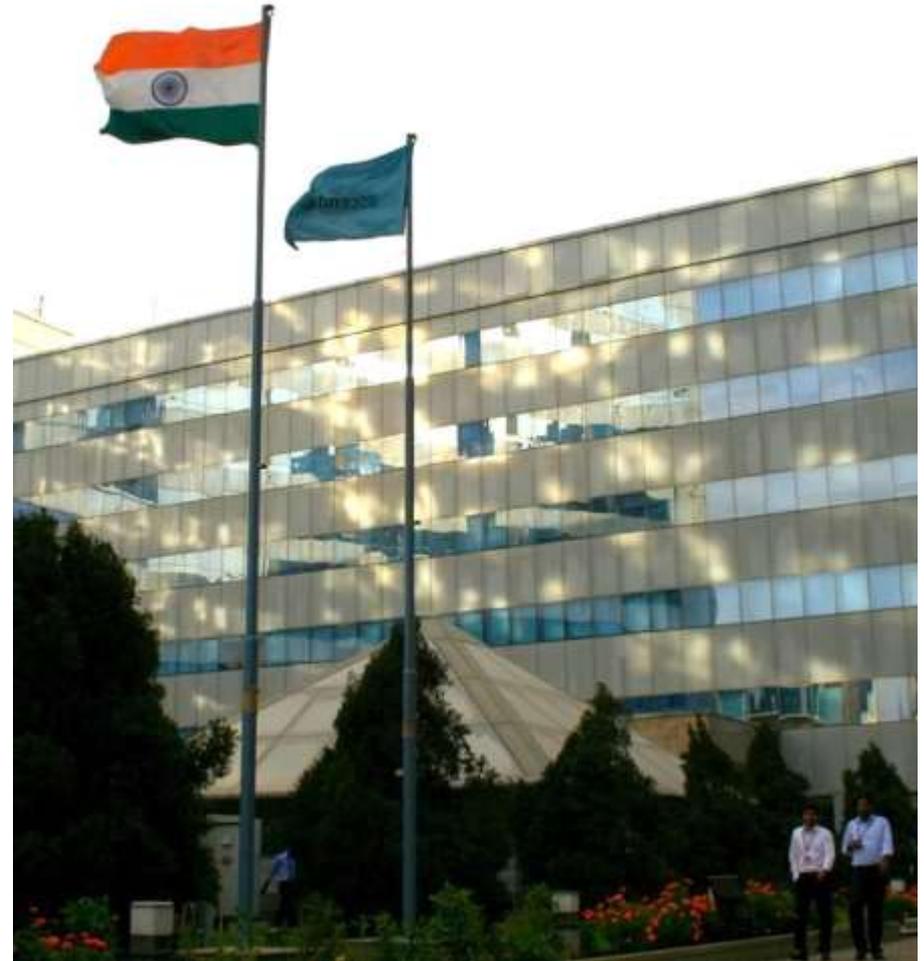
- A real estate fund that undertakes development of greenfield projects
- Committed equity of S\$500m
- Land in Gurgaon, Chennai & Coimbatore
- Expected to provide pipeline assets to a-iTrust in medium to long term

## Ascendas India Growth Programme (“AIGP”)

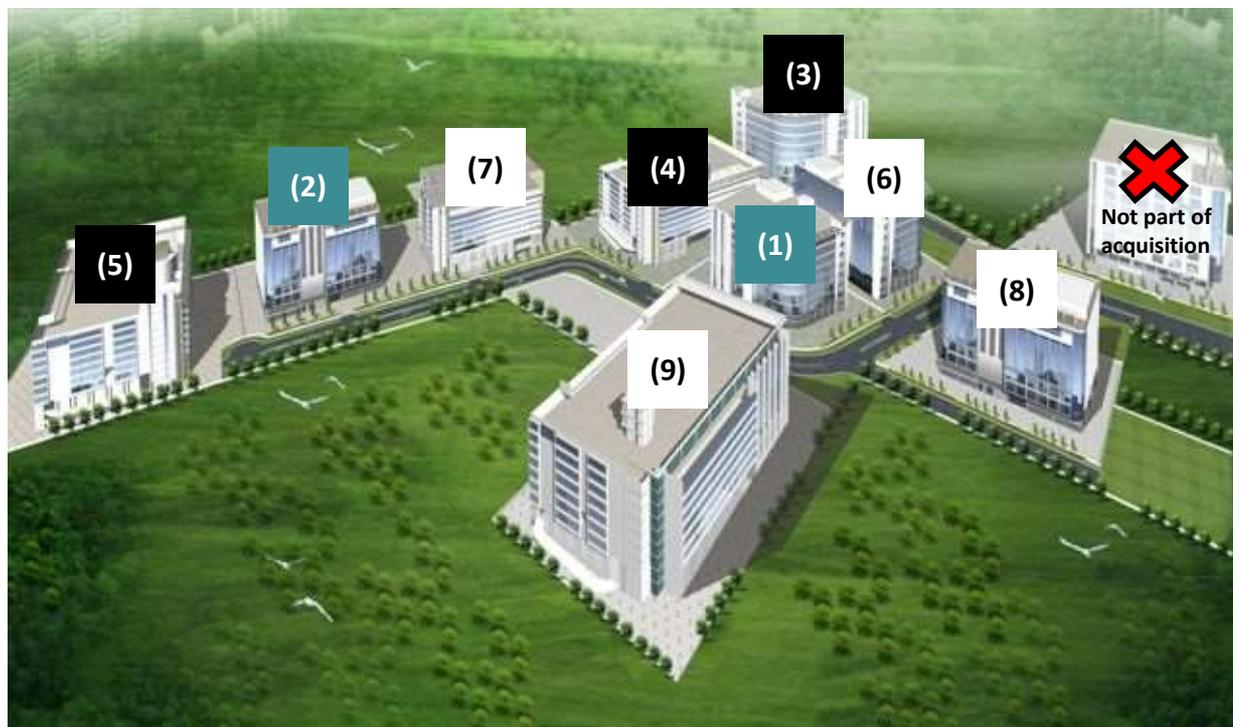
- A real estate fund that targets business space developments, and pre-stabilised completed business space assets
- Target asset size of S\$600m
- Ascendas Group has given a-iTrust a ROFR to its stake in AIGP assets

# 3<sup>rd</sup> party acquisitions

- Target cities:
  - Bangalore
  - Chennai
  - Hyderabad
  - Mumbai
  - Delhi
  - Gurgaon
  - Pune
- Investment criteria:
  - Location
  - Tenancy profile
  - Design
  - Clean land title and land tenure
  - Rental and capital growth prospects
  - Opportunity to add value



# aVance Business Hub



## Park Statistics

Site area: 25.7 acres / 10.4 ha

Vendor assets: marked in black

Land owner assets: marked in white

(1) & (2) owned by a-iTrust: 0.43m sq ft

Conditional acquisitions of (3), (4) & (5): 1.94m sq ft

ROFR to (6), (7), (8) & (9): 1.16m sq ft

- aVance 1 & 2 (0.43m sq ft):
  - a-iTrust completed the acquisition of aVance 1 & 2 in February 2012.
  - Purchase consideration of ₹1,765m (S\$45m<sup>1</sup>) was fully debt funded.
- aVance 3 (0.69m sq ft):
  - a-iTrust invested ₹1,750m (S\$40m<sup>1</sup>) in March 2013.
  - a-iTrust invested an additional ₹420m (S\$8.6m<sup>1</sup>) in January 2014.
  - a-iTrust would complete the acquisition upon satisfaction of all conditions precedent.
- aVance 4 & 5 (1.25m sq ft):
  - a-iTrust has the rights to acquire 2 future buildings individually, subject to required occupancy levels being met amongst other conditions.
- ROFR to another 4 buildings (1.16m sq ft).

1. Converted into SGD using spot exchange rate at the time of acquisition/investment.

# aVance Building 3



- Leasing commitment level: 69%
- 690,520 sq ft development
- Construction status: completed



## Glossary

<b>Deposited properties</b>	: Comprises total assets after deducting non-controlling interests & derivative financial instruments assets.
<b>Derivative financial instruments</b>	: Includes cross currency swaps (entered to hedge SGD borrowings into INR), interest rate swaps and forward foreign exchange contracts.
<b>DPU</b>	: Distribution per unit.
<b>EBITDA</b>	: Earnings before interest, tax, depreciation & amortisation (excluding gains/losses from foreign exchange translation and mark-to-market revaluation from settlement of loans).
<b>Effective borrowings</b>	: Calculated by adding/(deducting) derivative financial instruments liabilities/(assets) to/from gross borrowings.
<b>Gearing</b>	: Ratio of effective borrowings to the value of deposited properties.
<b>ITES</b>	: Information Technology Enabled Services.
<b>INR or ₹</b>	: Indian rupees.
<b>SGD or S\$</b>	: Singapore dollars.
<b>Super Built-up Area or SBA</b>	: Sum of the floor area enclosed within the walls, the area occupied by the walls, and the common areas such as the lobbies, lift shafts, toilets and staircases of that property, and in respect of which rent is payable.

# INR financial statement

	3Q FY13/14 INR'000	3Q FY12/13 INR'000	2Q FY13/14 INR'000
Gross Rent	815,640	815,736	823,082
Amenities	23,300	22,197	22,292
Fit out Rental	22,338	18,716	20,542
Operations, Maintenance & Utilities income	509,057	484,250	484,633
Car Park & other income	64,749	57,029	62,960
<b>Gross Property Income</b>	<b>1,435,084</b>	<b>1,397,928</b>	<b>1,413,509</b>
Operating, Maintenance & Security	(109,971)	(114,125)	(120,137)
Business & Property Taxes	(29,892)	(29,956)	(29,853)
Property Management Fees	(73,583)	(74,022)	(76,051)
Utilities Expenses	(275,264)	(282,790)	(318,328)
Other Property Operating Expense	(35,126)	(76,259)	(67,596)
<b>Total Property Expenses</b>	<b>(523,836)</b>	<b>(577,152)</b>	<b>(611,965)</b>
<b>Net Property Income</b>	<b>911,248</b>	<b>820,776</b>	<b>801,544</b>

# Balance sheet

As at 31 December 2013	INR	SGD
Total assets	₹48.05 billion	S\$990 million
Total borrowings	₹10.94 billion	S\$225 million
Derivative financial instruments	₹1.04 billion	S\$21 million
Effective borrowings	₹9.9 billion	S\$204 million
Fully & compulsorily convertible debentures		
- Intercompany	₹4.93 billion	S\$102 million
- aVance 3	₹1.75 billion	S\$36 million
Net asset value	₹28.2 per unit	S\$0.58 per unit

# Details of gearing computation

**Gearing =**

$$\begin{aligned} & \text{Gross borrowings (S\$225m)} \\ - / (+) & \text{ Fair value of derivative financial instruments assets/} \\ & \text{(liabilities)}^1 \text{ (S\$21m)} \\ = & \text{ **Effective borrowings (S\$204m)** } \end{aligned}$$

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$$\begin{aligned} & \text{Total assets (S\$990m)} \\ - & \text{ Fair value of derivative financial instruments assets}^1 \\ & \text{(S\$23m)} \\ - & \text{ Non-controlling interests (S\$59m)} \\ = & \text{ **Deposited property (S\$908m)** } \end{aligned}$$

1. Derivative financial instruments assets are deducted from gross borrowings and total assets respectively. Conversely, derivative financial instruments liabilities are added to gross borrowings.

# Average currency exchange rate

Average exchange rates used to translate a-iTrust's INR income statement to SGD

1 Singapore Dollar buys	Oct	Nov	Dec
<b>Indian Rupee</b>			
2013	49.3	50.3	49.0
2012	42.9	44.6	44.6
<i>SGD appreciation</i>	14.8%	12.6%	9.8%

1 Singapore Dollar buys	Q1	Q2	Q3	Q4	FY
<b>Indian Rupee</b>					
FY 13/14	44.5	48.9	49.5		
FY 12/13	43.5	44.1	44.1	43.9	43.9
<i>SGD appreciation</i>	2.3%	10.8%	12.4%		

Note: These rates represent the average exchange rates between Indian Rupee & Singapore Dollar for the respective periods.

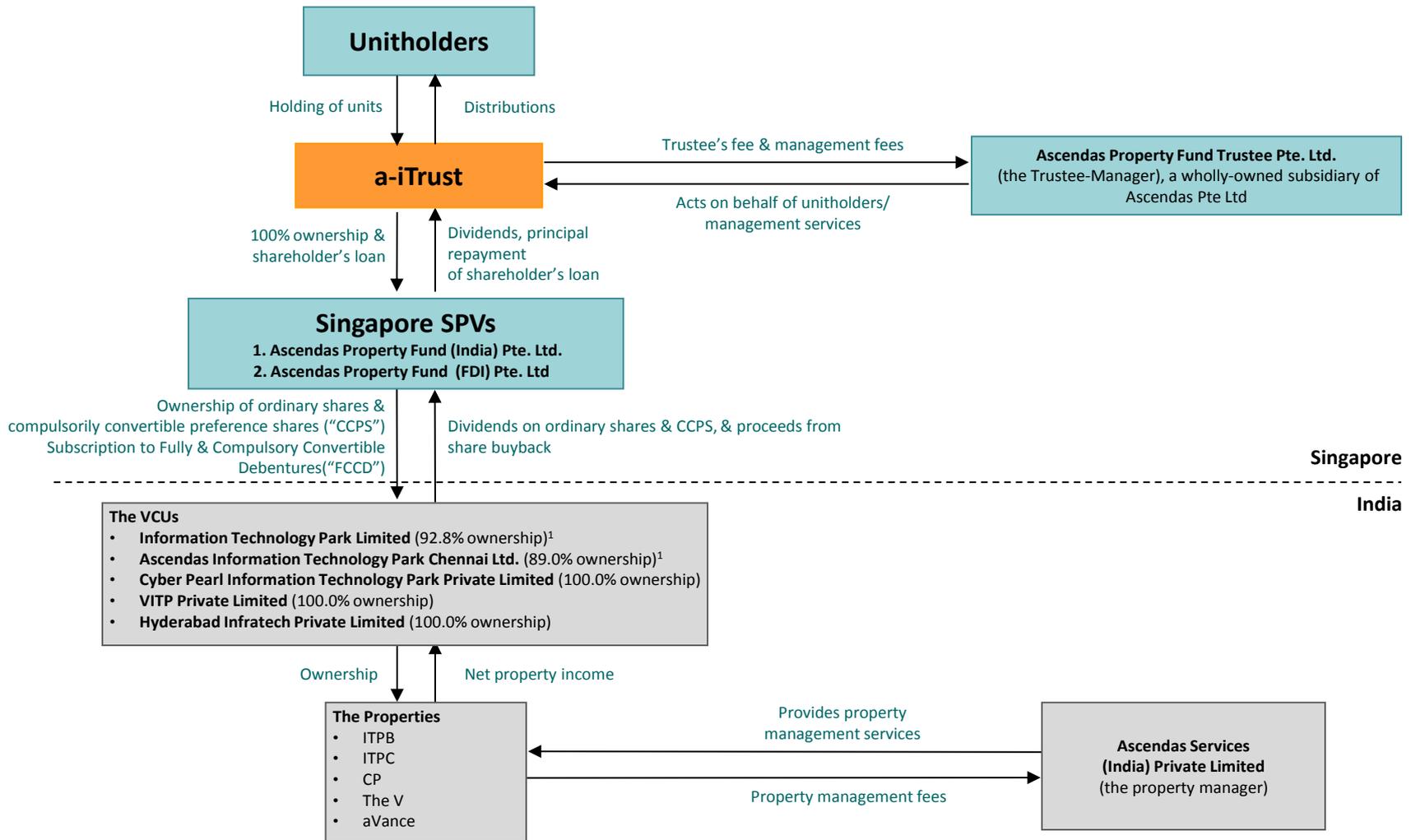
# World-class IT parks



Name	International Tech Park Bangalore (“ITPB”)	International Tech Park Chennai (“ITPC”)	CyberPearl, Hyderabad (“CP”)	The V, Hyderabad	aVance Business Hub, Hyderabad (“aVance”)
Site area (acres)	68.5	15.0	6.1	19.4	25.7
(ha)	27.9	6.1	2.4	7.7	10.3
Completed floor area <sup>1</sup> (‘mil sq ft)	3.4	2.0	0.4	1.3	0.4
No. of buildings	9	3	2	5	2
Park population	31,700	19,600	4,500	12,000	5,000
Land for development <sup>1</sup>	25 acres or 1.9m sq ft of building space	-	-	-	-

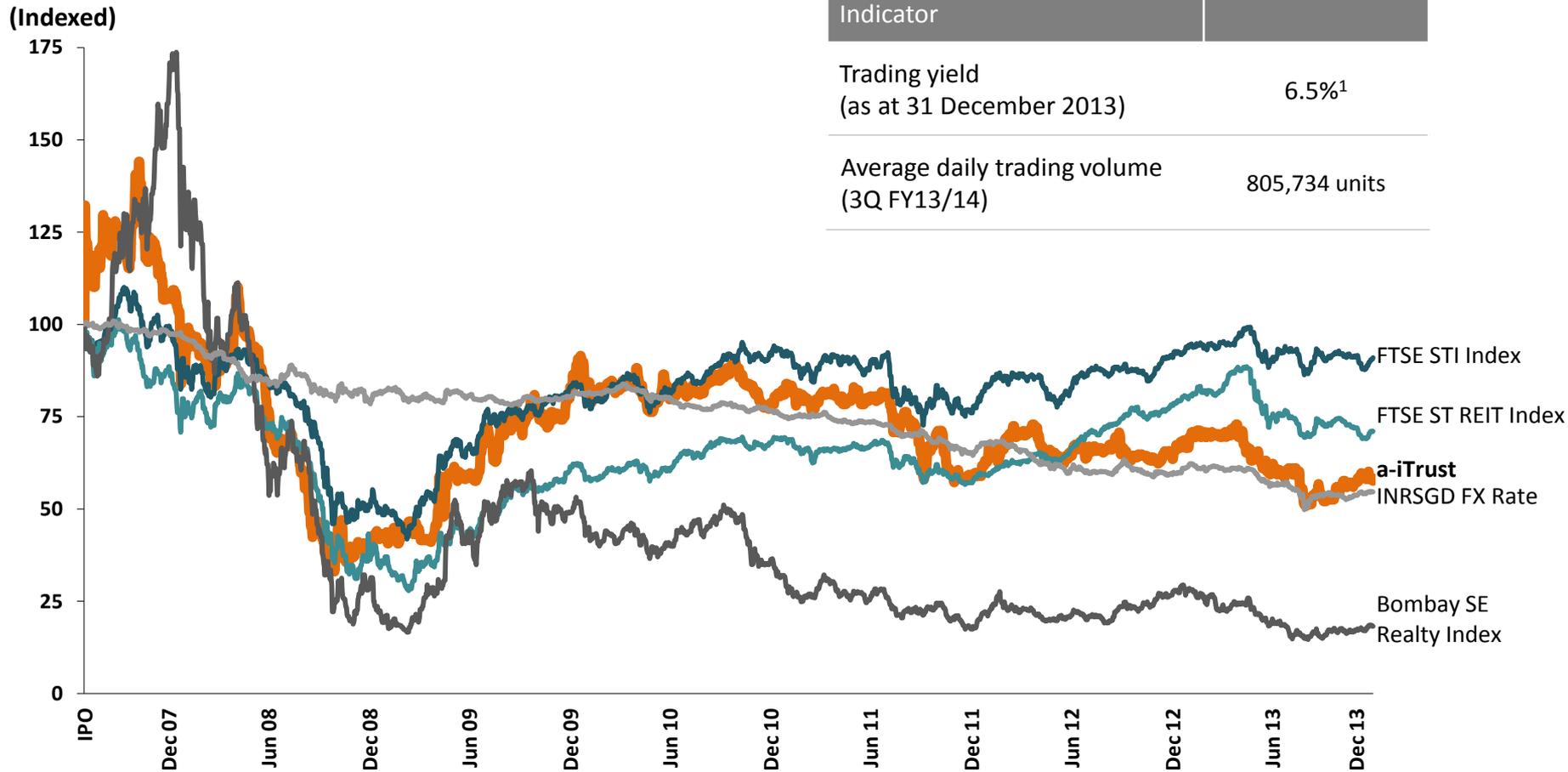
1. Only includes floor area owned by a-iTrust. ITPB floor area includes Aviator building which was completed in Nov 2013, and received the Occupancy Certificate in Jan 2014.

# Structure of Ascendas India Trust



1. Karnataka State Government owns 7.2% of ITPB & Tamil Nadu State Government owns 11.0% of ITPC.

# a-iTrust unit price versus major indices

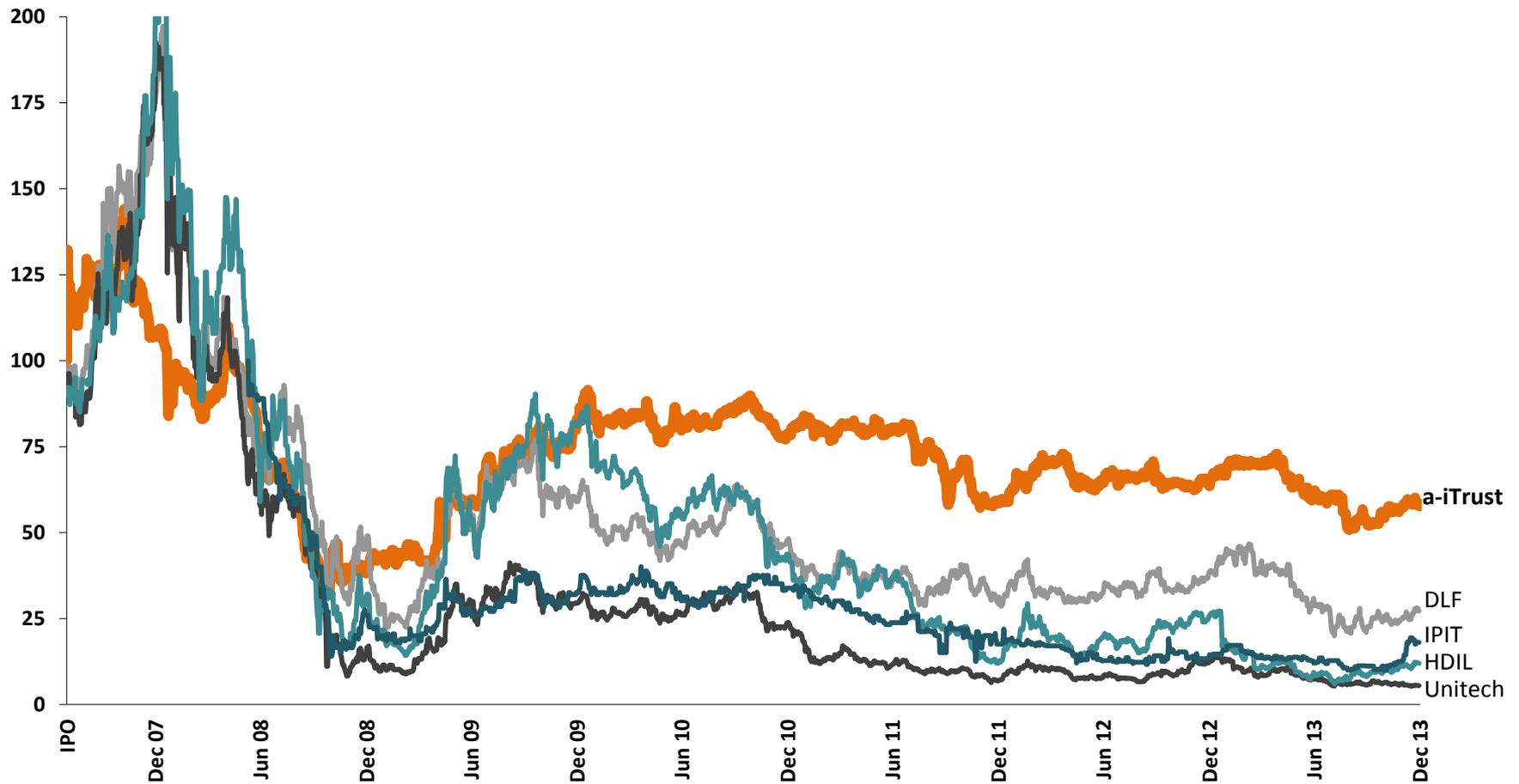


Source: Bloomberg

1. Trading yield based on annualised 9M FY13/14 DPU of 4.45 cents at closing price of S\$0.68 per unit as at 31 December 2013.

# a-iTrust unit price versus Indian peers

(Indexed)



Source: Bloomberg

# Investor contact

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