

# 4Q FY2014/15 Financial Results Presentation

29 April 2015

# Disclaimer

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**This presentation on a-iTrust's results for the financial quarter and year ended 31 March 2015 ("4Q FY14/15" & "FY14/15") 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
- 



# 4Q FY14/15 results

	4Q FY14/15	4Q FY13/14	Variance
SGD/INR FX rate <sup>1</sup>	45.9	48.6	(6%)
Total Property Income	₹1,518m	₹1,534m	(1%)
Net Property Income	₹948m	₹922m	3%
Income available for distribution	₹610m S\$13.3m	₹596m S\$12.3m	2% 8%
Income to be distributed	₹549m S\$12.0m	₹536m S\$11.0m	2% 8%
DPU (income to be distributed)	₹0.59 1.30¢	₹0.58 1.22¢	2% 7%

- The decline in utilities income (arising from lower fuel rates) more than offset the increase in base rental income.

- Mainly due to lower property expense (utilities expenses had declined as a result of lower fuel rates).

- Primarily due to net property income growth and higher interest income.

- After retaining 10% of income available for distribution.

1. Average exchange rates for the quarter.

# FY14/15 results

	FY14/15	FY13/14	Variance
SGD/INR FX rate <sup>1</sup>	47.5	47.9	(1%)
Total Property Income	₹6,108m	₹5,774m	6%
Net Property Income	₹3,681m	₹3,450m	7%
Income available for distribution	₹2,362m S\$49.8m	₹2,210m S\$46.1m	7% 8%
Income to be distributed	₹2,126m S\$44.8m	₹1,989m S\$41.5m	7% 8%
DPU (income to be distributed)	₹2.31 4.86¢	₹2.18 4.56¢	6% 7%

- Mainly due to income from Aviator which became operational in January 2014, and positive rental reversions in Chennai.

- Revenue grew faster than property expense.

- Primarily due to higher net property income and interest income.

- After retaining 10% of income available for distribution.

1. Average exchange rates for the year.

# Cumulative distribution

**Period** 1 April 2014 to 31 March 2015

**1Q FY14/15** 1.15¢ per unit

**2Q FY14/15** 1.25¢ per unit

**3Q FY14/15** 1.16¢ per unit

**4Q FY14/15** 1.30¢ per unit

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**Total** 4.86¢ per unit

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**Cumulative distribution**

**Amount: 2.46¢**

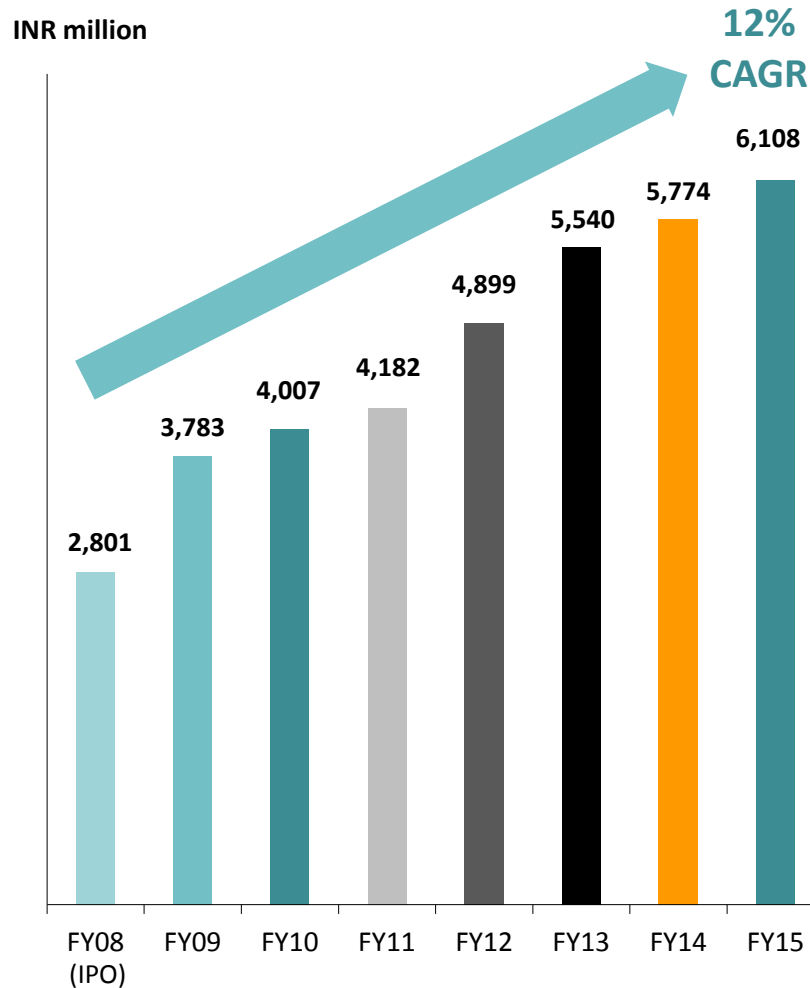
**Ex-date: 6 May 2015**

**Payment date: 26 May 2015**

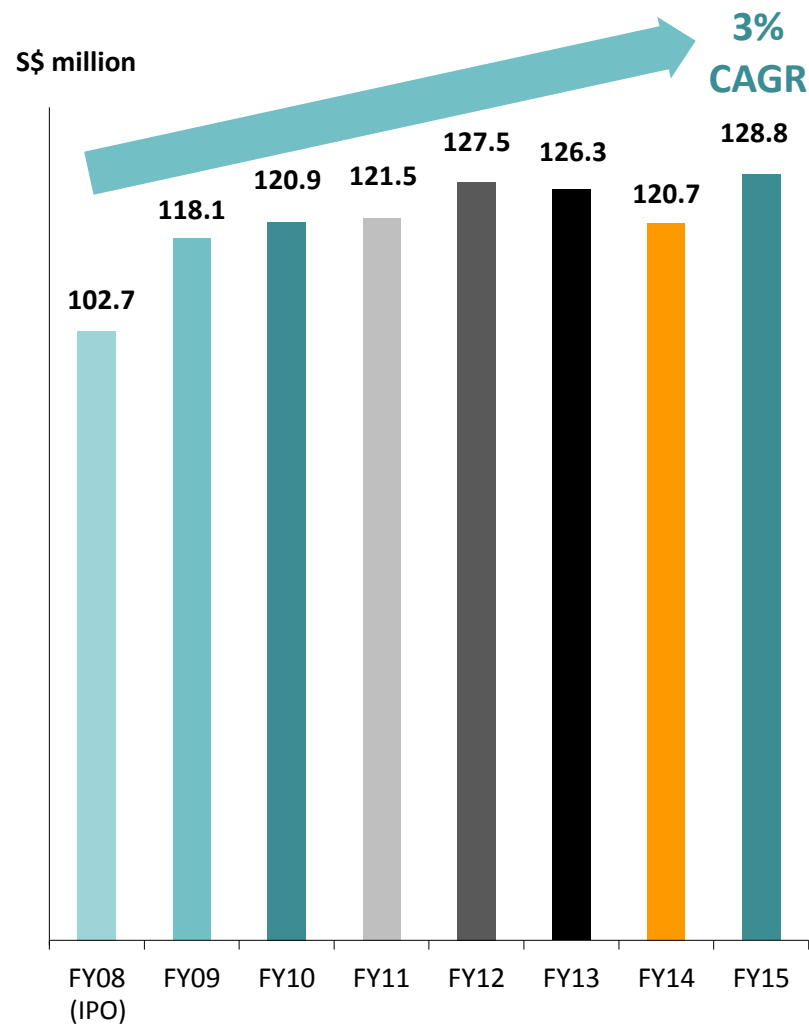
Distributions are paid on a semi-annual basis for the six-month periods ending 31 March & 30 September of each year.

# Revenue growth trends

## Total Property Income (INR)

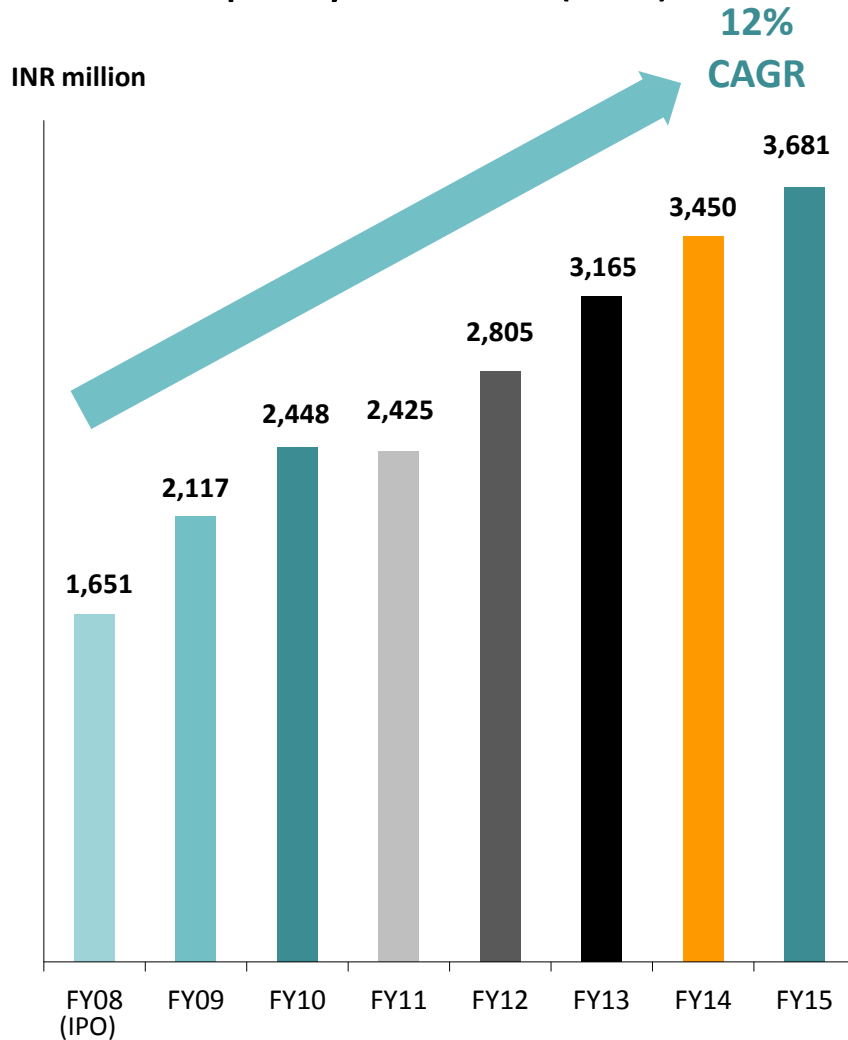


## Total Property Income (SGD)

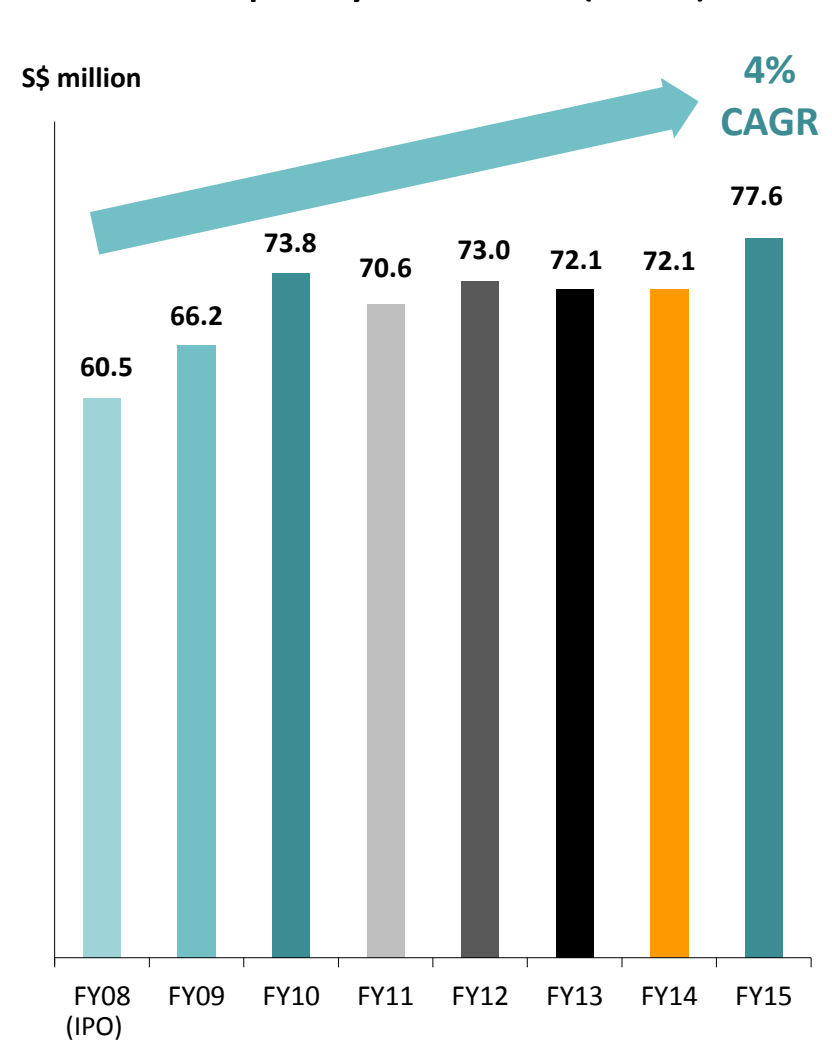


# Income growth trends

## Net Property Income (INR)

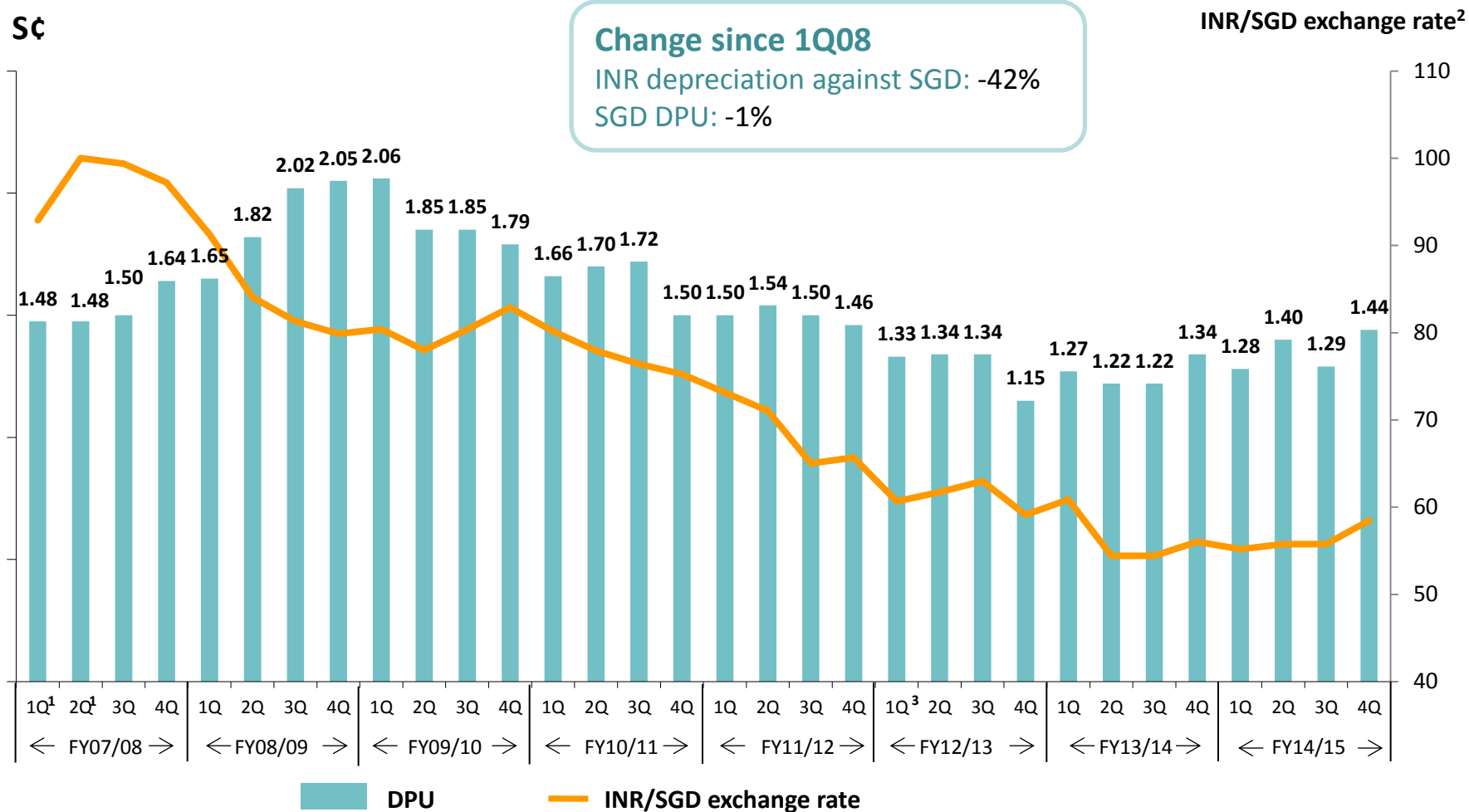


## Net Property Income (SGD)





# SGD DPU moderated by weak Indian Rupee



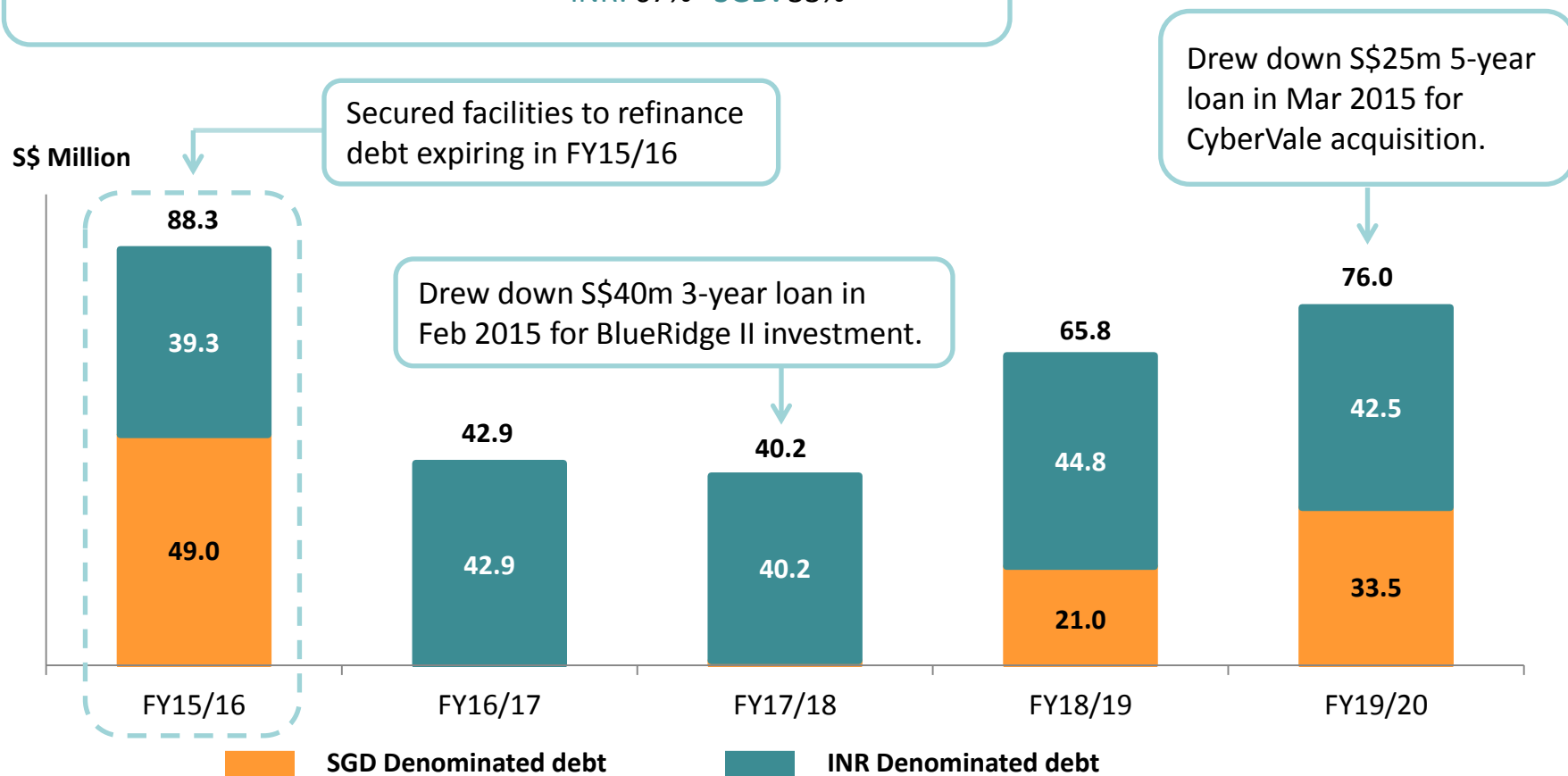
1. 1H FY07/08 DPU was split equally into 2 quarters (1Q08 & 2Q08) for illustrative purposes.
2. Spot quarterly INR/SGD exchange rate pegged to 30 June 2007, data sourced from Bloomberg.
3. Shows DPU assuming 100% of distributable income was paid out from 1Q13 onwards.

# Debt expiry profile

**Effective borrowings: S\$312m<sup>1</sup>**

**Effective borrowing ratio**

INR: 67% SGD: 33%



Information as at 31 March 2015

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

# Capital structure

Indicator	As at 31 Mar 2015
Interest service coverage (EBITDA <sup>1</sup> /Interest expenses <sup>2</sup> )	4.2 times (FY14/15)
Percentage of fixed rate debt	100%
Secured borrowings/Asset value	2.0% <sup>3</sup>
Effective weighted average cost of debt	6.7%

**Gearing: 25%<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. Includes capitalised interest.
3. Excludes non-controlling interests.
4. Ratio of effective borrowings to the value of deposited properties.

# Debt headroom



All information as at 31 March 2015

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.



# Portfolio valuation

Market valuation <sup>1,2</sup>	31 Mar 2015 INR million	YoY variance	31 Mar 2015 S\$ million <sup>4</sup>	YoY variance
International Tech Park Bangalore	20,671	1.7%	456.8	7.6%
International Tech Park Chennai	11,809	10.0%	261.0	16.2%
CyberVale, Chennai <sup>3</sup>	1,653	N.A	36.5	N.A
CyberPearl, Hyderabad	2,145	6.0%	47.4	12.1%
The V, Hyderabad	6,875	6.6%	151.9	12.7%
aVance Business Hub, Hyderabad	2,149	4.8%	47.5	10.7%
<b>Portfolio</b>	<b>45,302</b>	<b>8.9%</b>	<b>1001.2</b>	<b>15.2%</b>
<b>Portfolio (excluding CyberVale)</b>	<b>43,649</b>	<b>5.0%</b>	<b>964.6</b>	<b>11.0%</b>

1. The 2014 and 2015 independent market valuations were conducted by Cushman & Wakefield India Pvt Ltd.
2. The final value of the property is derived from an average of the discounted cash flows and income capitalisation method.
3. CyberVale was acquired on 31 March 2015.
4. Based on exchange rate of S\$1:₹45.2

# 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-BPM revenue growth
  - Forecast to achieve 13-15% growth in FY15/16 to US\$165-168 billion<sup>1</sup>

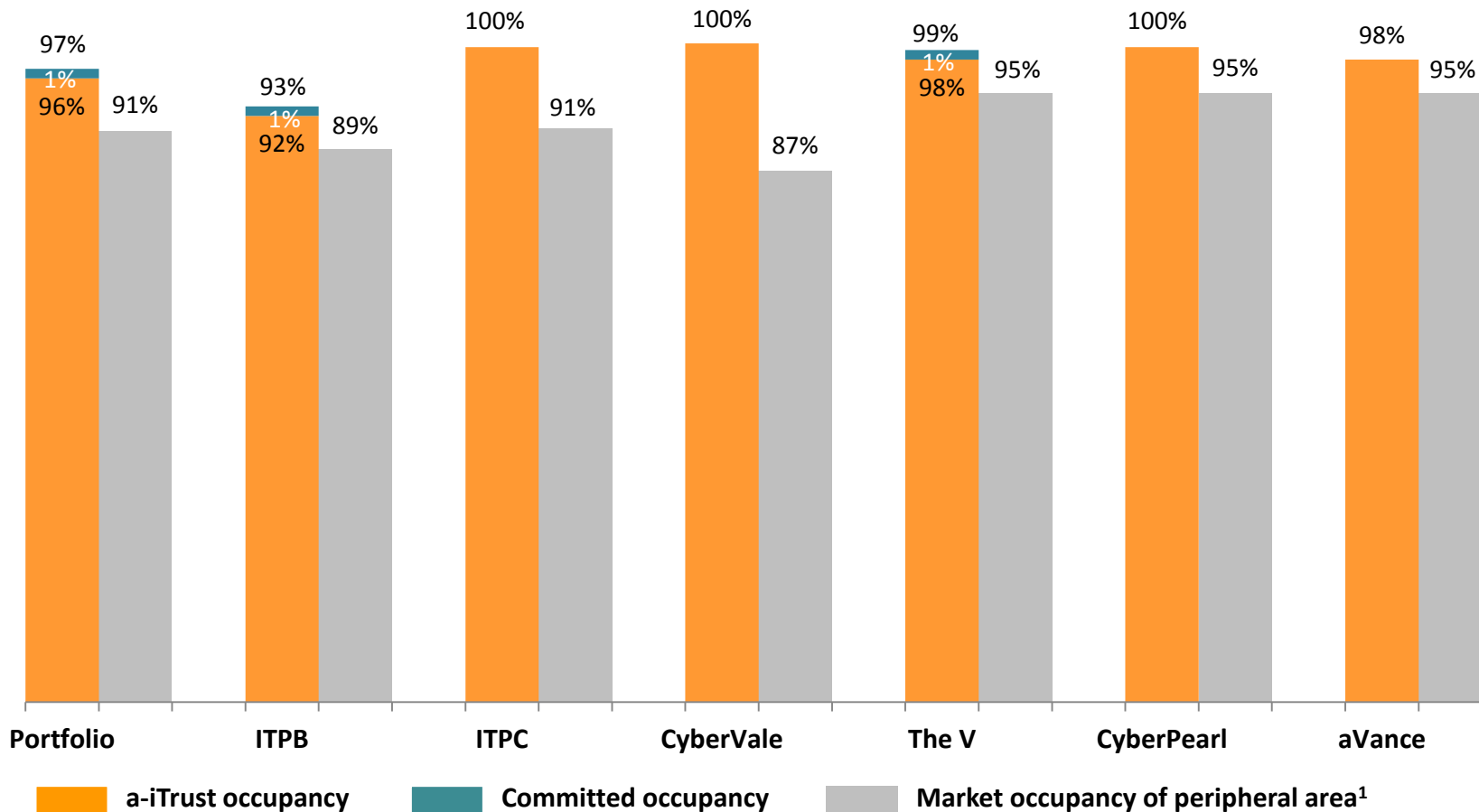
## Salary for IT/software engineer, developer or programmer<sup>2</sup>

Countries	US\$ (p.a.)
<b>India</b>	<b>5,678</b>
Malaysia	10,871
Hong Kong	21,814
Japan	31,824
Singapore	35,063
UK	44,638
Australia	49,243
US	69,708

1. Source: NASSCOM

2. Source: March 2015 median salary from PayScale (provider of global online compensation data), converted into USD from local currencies using exchange rate from Bloomberg (31 March 2015)

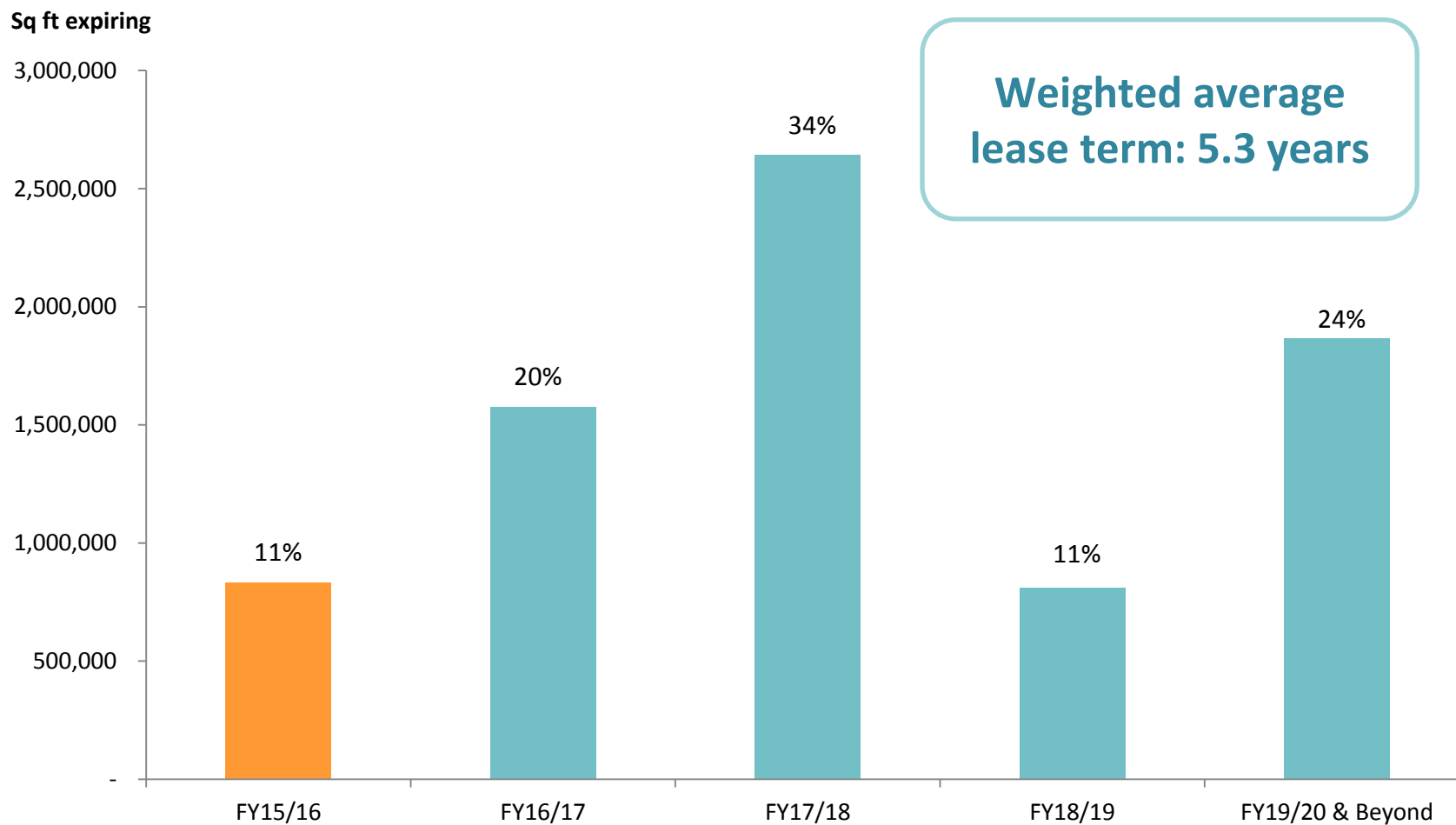
# Strong portfolio occupancy



All information as at 31 March 2015

1. Jones Lang LaSalle Meghraj market report as at 31 March 2015.

# Spread-out lease expiry profile

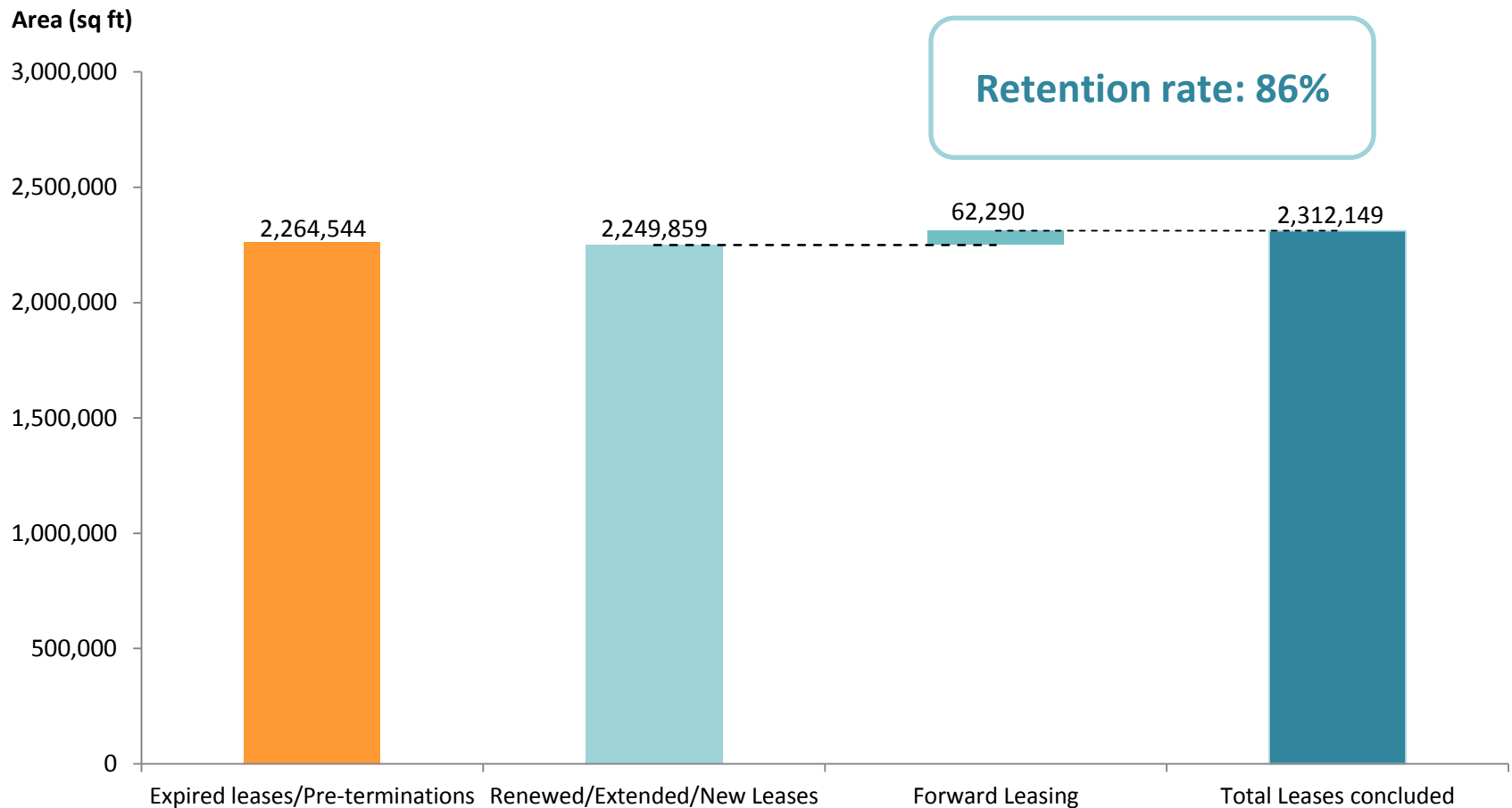


All information as at 31 March 2015



# Healthy leasing momentum

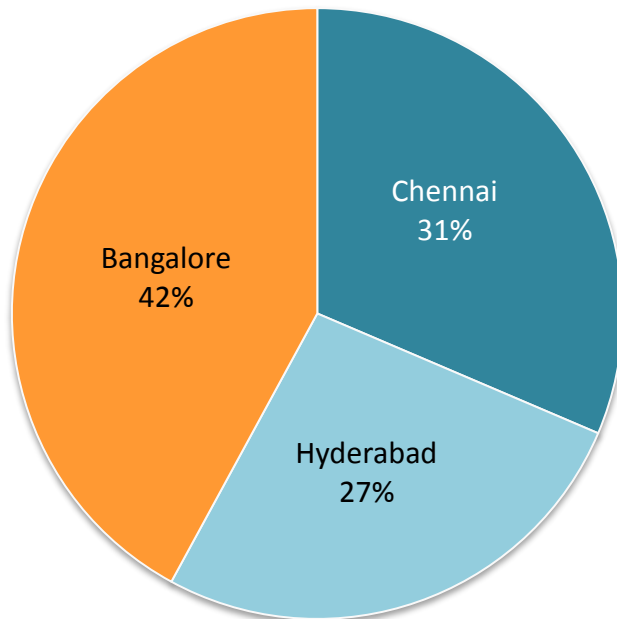
Leasing activities from 1 April 2014 to 31 March 2015<sup>1</sup>



1. Excludes CyberVale's leases.

# Diversified portfolio

## Portfolio breakdown



**Floor area 8.1 million sq ft**

## Customer Base

**Total number of tenants 324**

**Average space per tenant 24,250 sq ft**

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

All information as at 31 March 2015

# Quality tenants

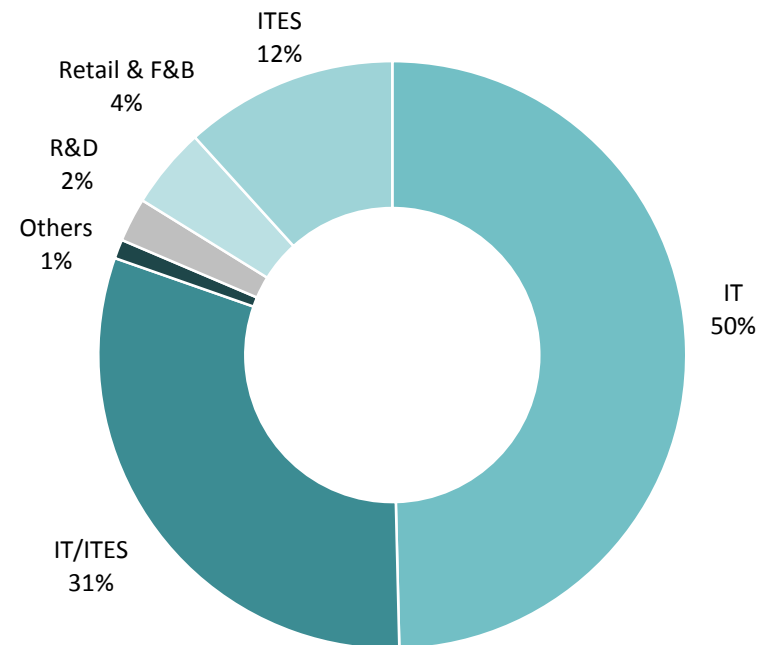
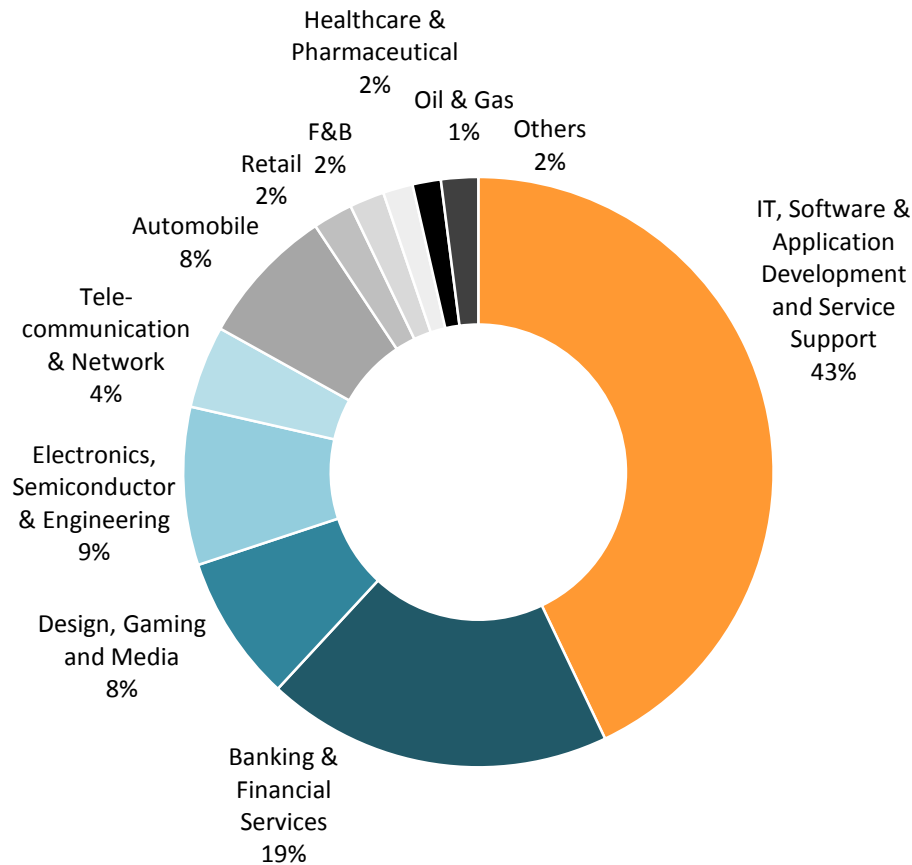
No.	Top ten tenants (by alphabetical order)	Parent company
1	Affiliated Computer Services of India Pvt. Ltd.	Xerox
2	Applied Materials India Pvt. Ltd.	Applied Materials
3	BA Continuum Pvt. Ltd.	Bank of America Merrill Lynch
4	Cognizant Technology Solution (India) Pvt. Ltd.	Cognizant
5	General Motors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

**Top 10 tenants accounted for 36% of portfolio base rent**

All information as at 31 March 2015

# Diversified tenant base

## Tenant core business & activity by base rental

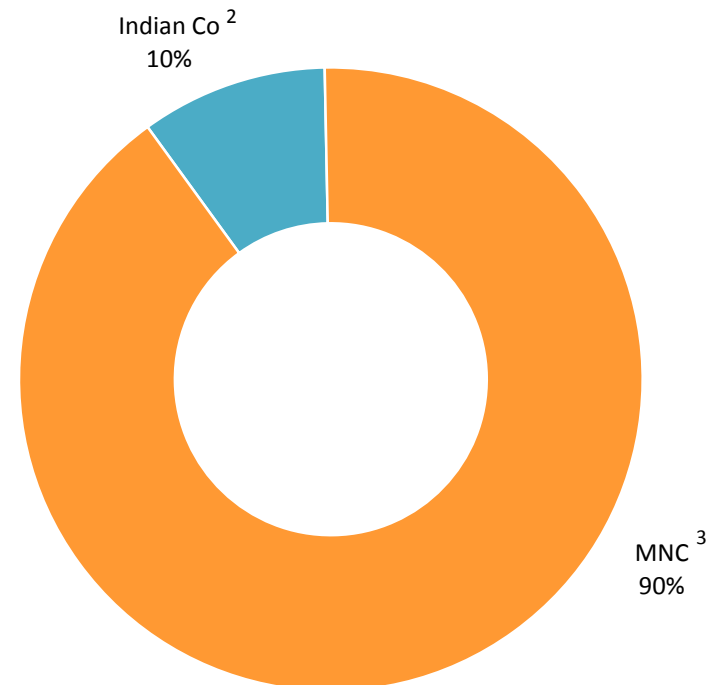
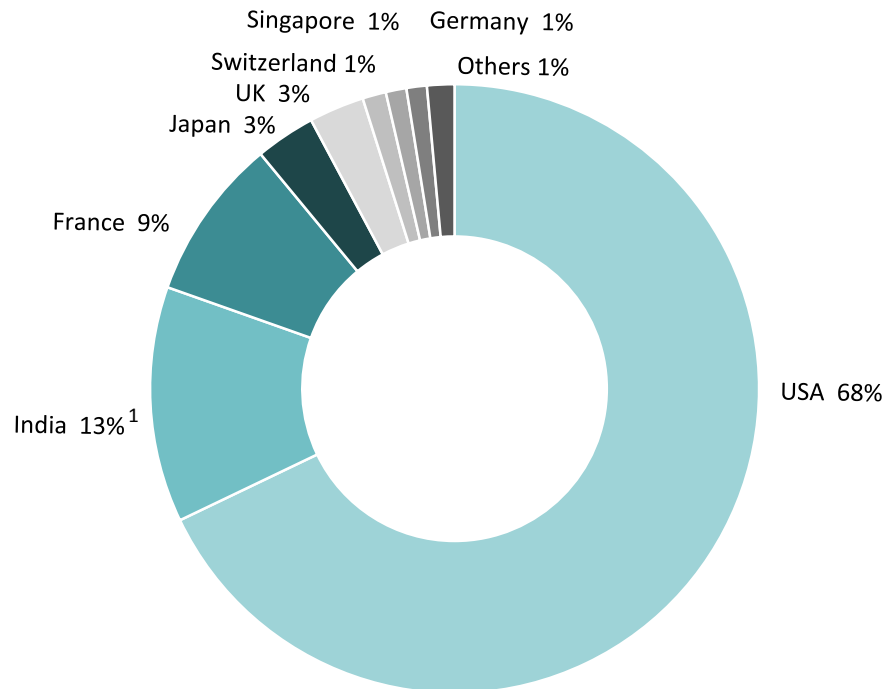


All information as at 31 March 2015

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 March 2015

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.



# Engaging park employees



**Art exhibition**



**Ascendas Sports Meet 2014**

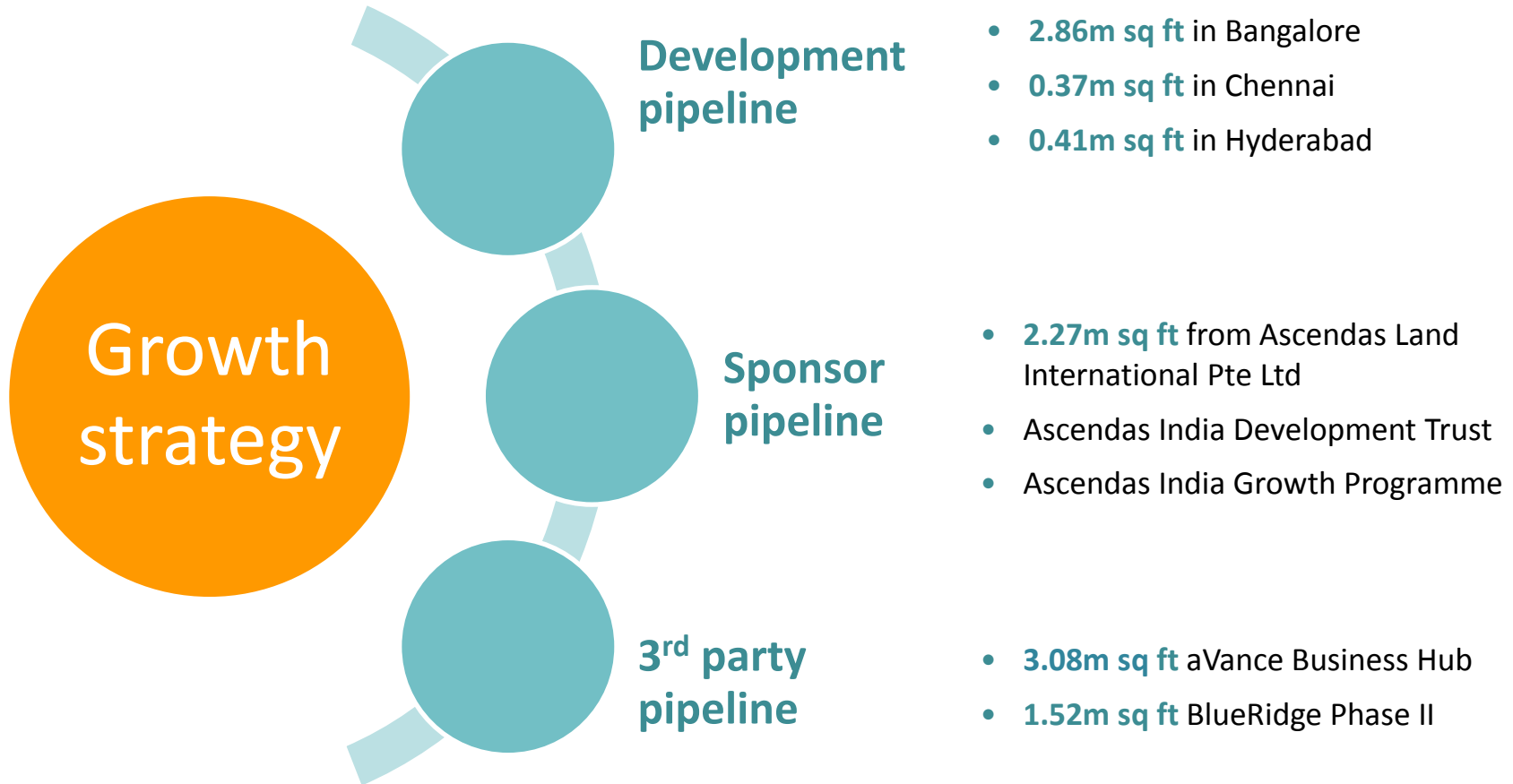
Event	Art exhibition	Ascendas Sports Meet 2014
City	Hyderabad	Bangalore
Month	February 2015	March 2015

# Content

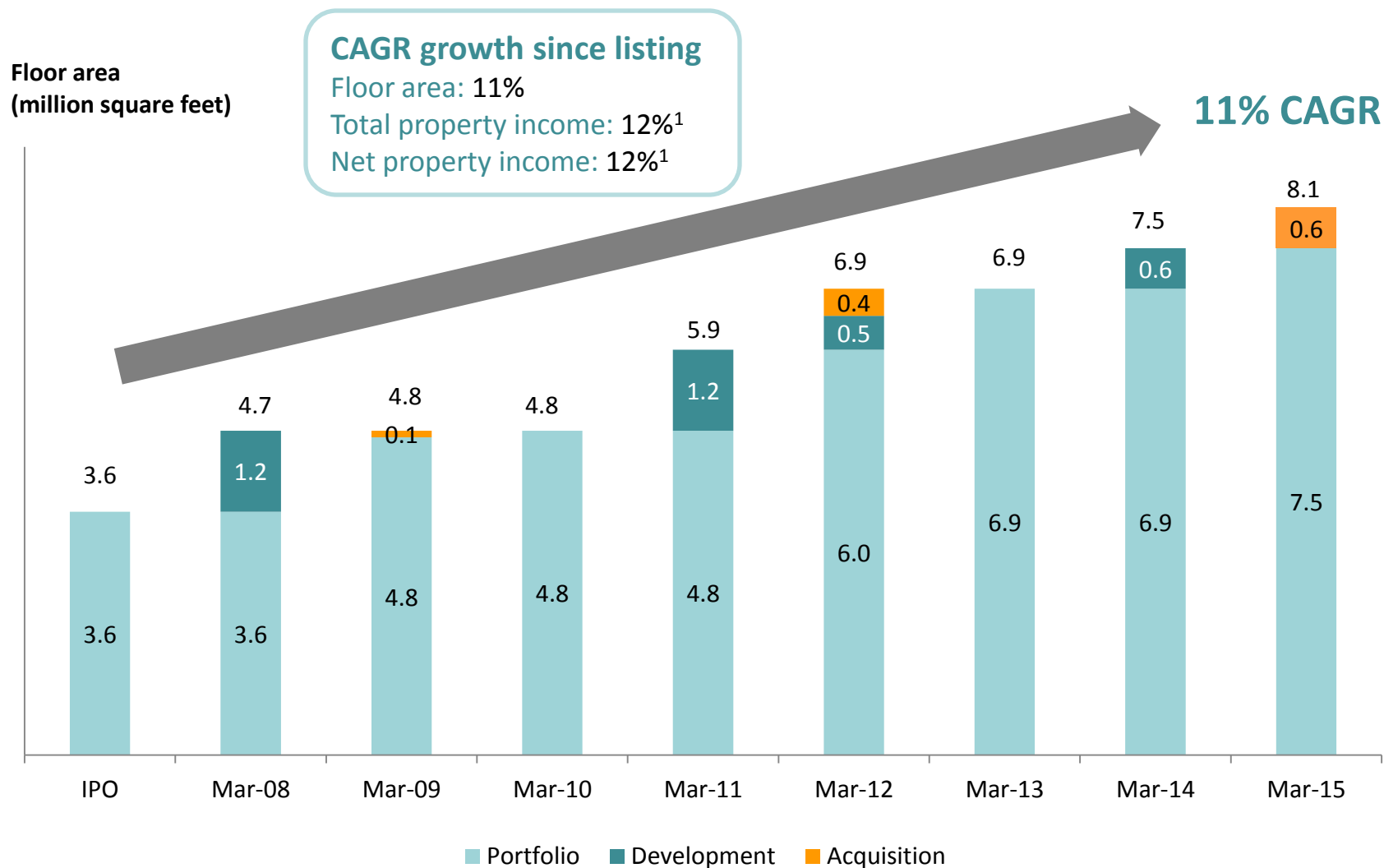
- Growth strategy



# Clear growth strategy



# Good growth track record



1. In INR terms.



# Development: ITPB pipeline

## Future Development Potential

- Started construction of 0.62 million sq ft multi-tenanted IT building (“Victor”).
- 2.24 million sq ft of additional space can be developed over time.

## International Tech Park Bangalore

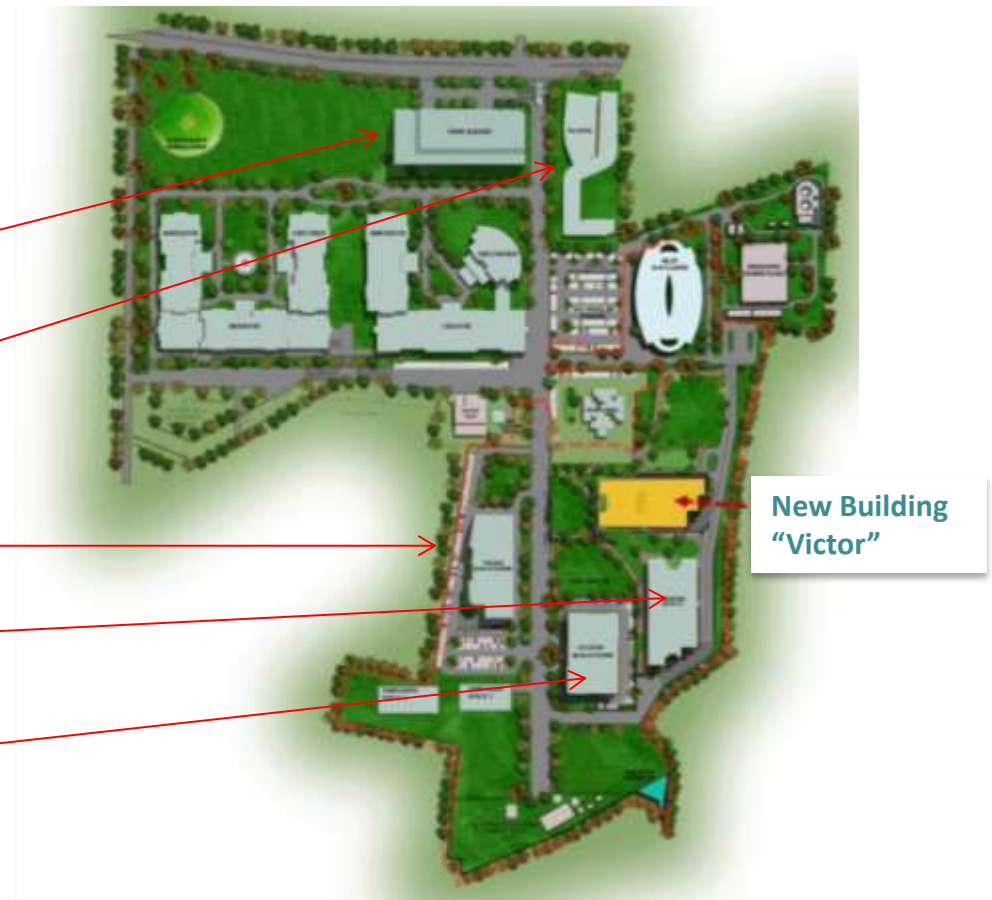
**Park Square**  
(Mall)

**Taj Vivanta**  
(Hotel)

**Special Economic Zone<sup>1</sup>**

**Aviator**  
(Multi-tenanted SEZ building)

**Voyager**  
(Multi-tenanted SEZ building)



1. Red line marks border of SEZ area.



# Development: New buildings in ITPB



Name	Aviator	Victor
Property	ITPB	ITPB
Size (sq ft)	601,360	620,000
Construction status	Completed	Under construction
Operational status	Operational since Jan 2014	Completion expected by 1H 2016
Lease commitment	100%	0%
Income recognition	100%	NA

# Development: The V pipeline

## The V site plan



- **Multi-level car park:**
  - To be developed on vacant land plot.
  - Provides 660 parking lots over 8 levels.
  - Construction expected to complete by 2H 2015.
- **New IT building (408,000 sq ft):**
  - To be developed on existing Mariner cafeteria and adjacent vacant land.
  - Includes 340 parking lots
  - Construction to commence in 1H 2015, expected to complete by 2H 2017.

# Sponsor: Acquired CyberVale in Chennai



Location	Mahindra World City SEZ, Chennai
Total floor area	567,480 sq ft
Land bank	4.4 acres with potential to build another 370,000 sq ft building
Date of acquisition	31 March 2015
Acquisition price	INR 1.65 billion (\$35.9 million <sup>1</sup> )

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

# Sponsor: Right of first refusal to assets

## Ascendas Land International Pte Ltd

- International Tech Park Pune, Pune:
  - 0.66m sq ft completed space
  - Started construction of 0.62m sq ft
  - Vacant land with remaining development potential of 0.99m sq ft

## Ascendas India Development Trust

- A real estate fund that undertakes development of greenfield projects
- Committed equity of S\$500m
- Land in Gurgaon, Chennai & Coimbatore

## 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



ITPP, Pune

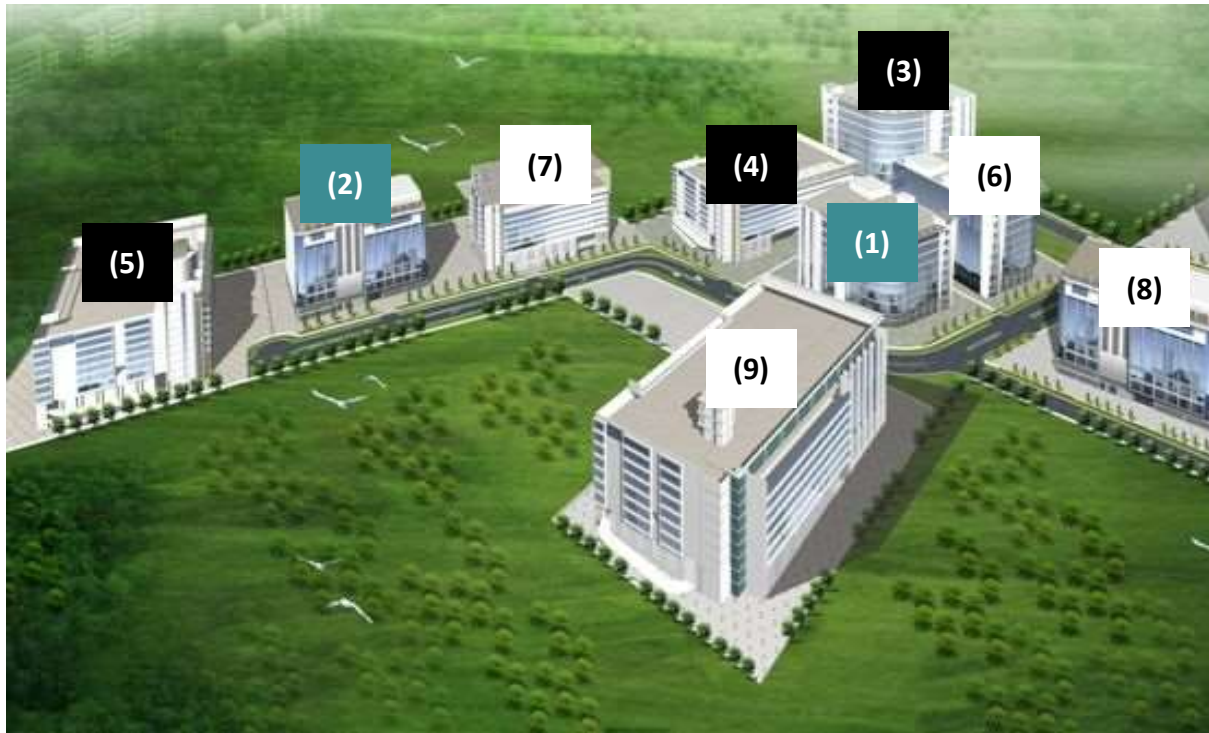


# 3<sup>rd</sup> party: Acquisition criteria

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



# 3<sup>rd</sup> party: aVance Business Hub, Hyderabad



## Park Statistics

Site area:	25.7 acres / 10.4 ha	(1) & (2) owned by a-iTrust:	0.46m sq ft
Vendor assets:	marked in black	Conditional acquisitions of (3), (4) & (5):	1.92m sq ft
Land owner assets:	marked in white	ROFR to (6), (7), (8) & (9):	1.16m sq ft

# 3<sup>rd</sup> party: aVance details

- aVance 1 & 2 (0.46m 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 (0.68m sq ft):
  - a-iTrust invested ₹1,750m (S\$40m<sup>1</sup>) in March 2013<sup>2</sup>.
  - a-iTrust invested an additional ₹420m (S\$9m<sup>1</sup>) in January 2014<sup>2</sup>.
  - a-iTrust would complete the acquisition upon satisfaction of all conditions precedent.
- aVance 4 & 5 (1.24m 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.

2. Investment made via fully compulsorily convertible debentures.

## 3<sup>rd</sup> party: aVance Building 3



Location	HITEC City, Madhapur, Hyderabad
Total floor area	682,928 sq ft
Construction status	Completed
Leasing commitment	86%



## 3<sup>rd</sup> party: BlueRidge Phase II, Pune



Location	Hinjewadi IT Park Phase II, Pune
Floor area	1.52 million sq ft
Tenure	99 year lease, renewable at FDPL's option <sup>1</sup>
Construction progress <sup>2</sup>	85%
Expected construction completion	2H 2015

1. Flagship Developers Private Limited ("FDPL") is the co-developer of BlueRidge IT/ITES SEZ.

2. As at 31 March 2015.

# 3<sup>rd</sup> party: BlueRidge acquisition details

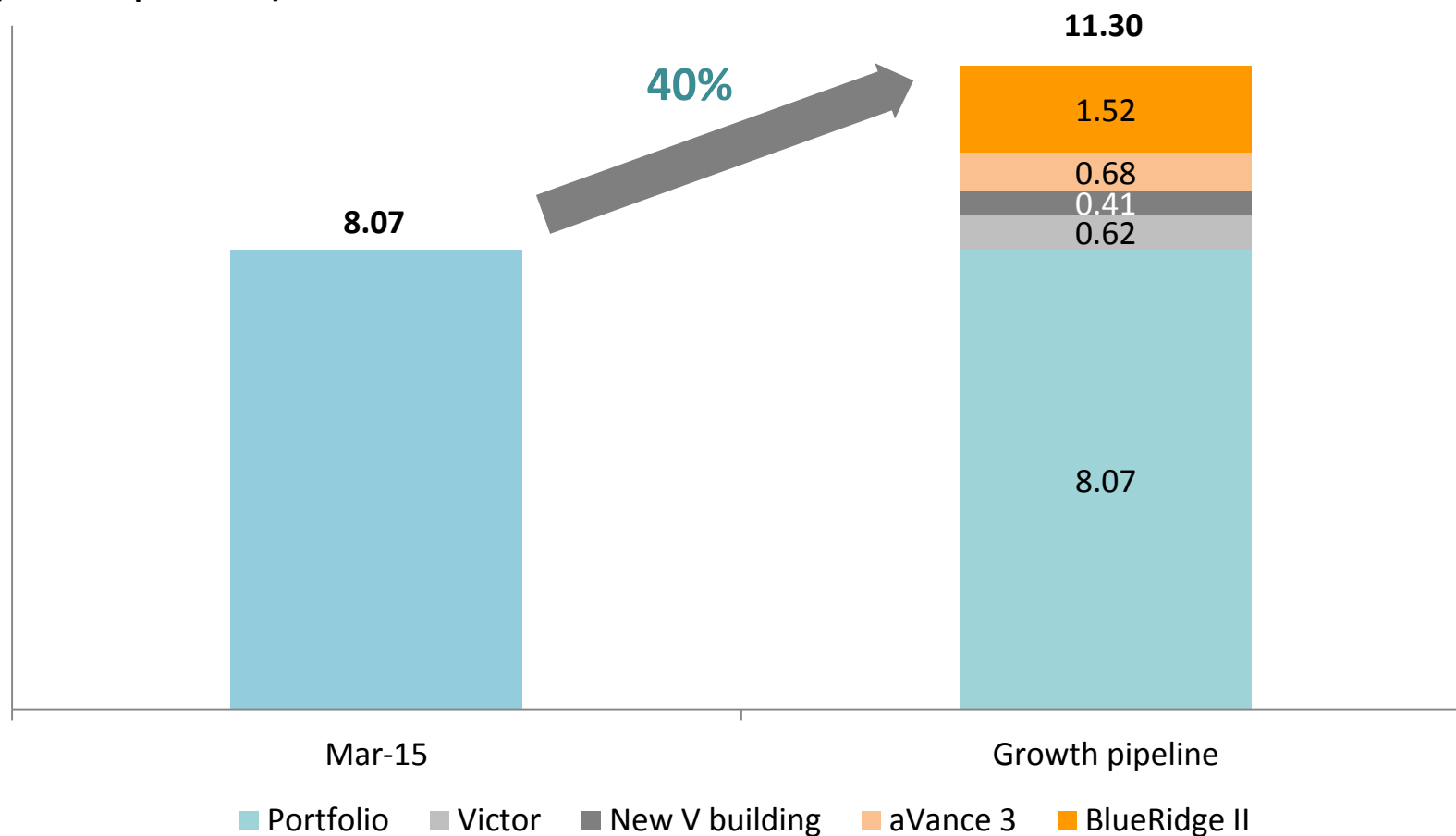
- Acquisition process:
  - a-iTrust invested ₹2,600 m (\$57m<sup>1</sup>) in March 2015<sup>2</sup>.
  - On 31 December 2016, a-iTrust will complete the acquisition provided at least 65% of the property is leased.
  - a-iTrust may complete the acquisition before 31 December 2016 if the property attains 90% or higher occupancy.
- Acquisition price:
  - The acquisition price will be determined in accordance with an agreed formula taking the following factors: cap rate; rental; rental escalation, and leasing level at the time of sale.
  - The acquisition price computed based on the above formula, is currently not expected to exceed INR 6,404.6 million/\$133.0 million<sup>1</sup>.
  - An independent valuation would be conducted and announced, after the acquisition.

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

2. Investment made via subscription to non-convertible debentures to fund the construction.

# Growth based on committed pipeline

Floor area  
(million square feet)



## 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.

# Balance sheet

As at 31 March 2015	INR	SGD
Total assets	₹56.87 billion	S\$1,257 million
Total borrowings	₹14.26 billion	S\$315 million
Derivative financial instruments	₹0.14 billion	S\$3 million
Effective borrowings	₹14.12 billion	S\$312 million
Fully & compulsorily convertible debentures		
- Intercompany	₹4.93 billion	S\$109 million
- aVance 3 <sup>1</sup>	₹2.28 billion	S\$50 million
Non-convertible debentures		
- Intercompany	₹1.32 billion	S\$29 million
- BlueRidge Phase II	₹2.60 billion	S\$57 million
Net asset value	₹30.78 per unit	S\$0.68 per unit
Adjusted net asset value <sup>2</sup>	₹38.64 per unit	S\$0.85 per unit

1. Includes fair value revaluation gains of ₹112 million (S\$2.5 million) .

2. Excludes deferred income tax liabilities of ₹7.2 billion (S\$160.1 million) on capital gains due to fair value revaluation of investment properties.

# Average currency exchange rate

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

1 Singapore Dollar buys	Jan	Feb	Mar
<b>Indian Rupee</b>			
2015	46.7	45.9	45.2
2014	48.5	49.0	48.3
<i>SGD depreciation</i>	3.7%	6.4%	6.3%

1 Singapore Dollar buys	Q1	Q2	Q3	Q4	FY
<b>Indian Rupee</b>					
FY 14/15	47.7	48.4	47.8	45.9	47.5
FY 13/14	44.5	48.9	49.5	48.6	47.9
<i>SGD appreciation/ (depreciation)</i>	7.2%	(1.0%)	(3.4%)	(5.6%)	(0.9%)

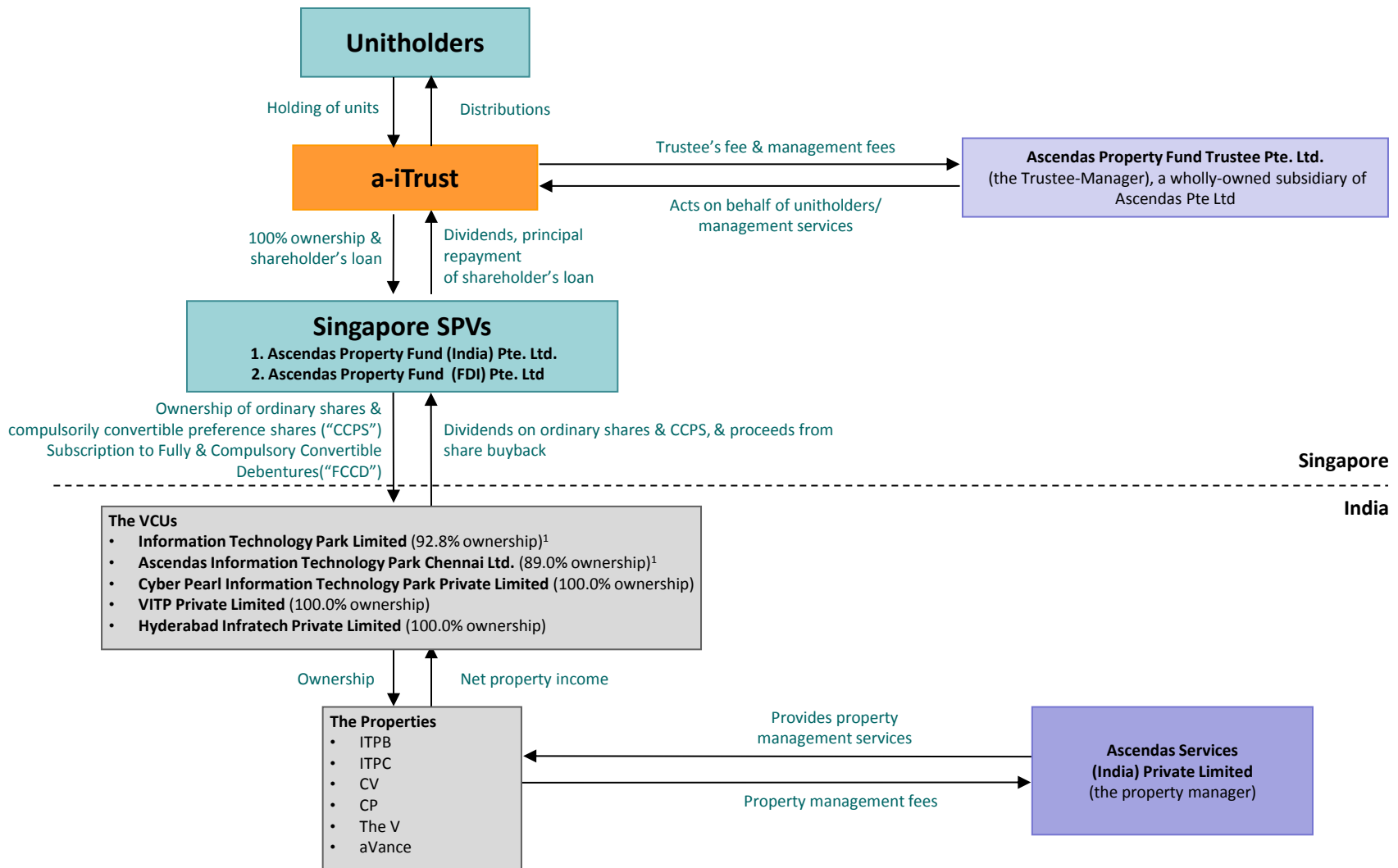
Note: These rates represent the average exchange rates between Indian Rupee & Singapore Dollar for the respective periods.

# World-class IT parks

Name	International Tech Park Bangalore	International Tech Park Chennai	CyberVale	CyberPearl	The V	aVance Business Hub
City	Bangalore	Chennai	Chennai	Hyderabad	Hyderabad	Hyderabad
Site area	68.5 acres 27.9 ha	15.0 acres 6.1 ha	13.9 acres 5.6 ha	6.1 acres 2.4 ha	19.4 acres 7.7 ha	25.7 acres 10.3 ha
Completed floor area	3.4m sq ft <sup>1</sup>	2.0m sq ft	0.6m sq ft	0.4m sq ft <sup>1</sup>	1.3m sq ft	0.4m sq ft <sup>1</sup>
Number of buildings	9	3	2	2	5	2
Park population	35,600	21,050	6,600	4,500	12,000	5,000
Land bank (development potential)	2.9m sq ft	-	0.4 m sq ft	-	0.4 m sq ft	-

1. Only includes floor area owned by a-iTrust.

# Structure of Ascendas India Trust

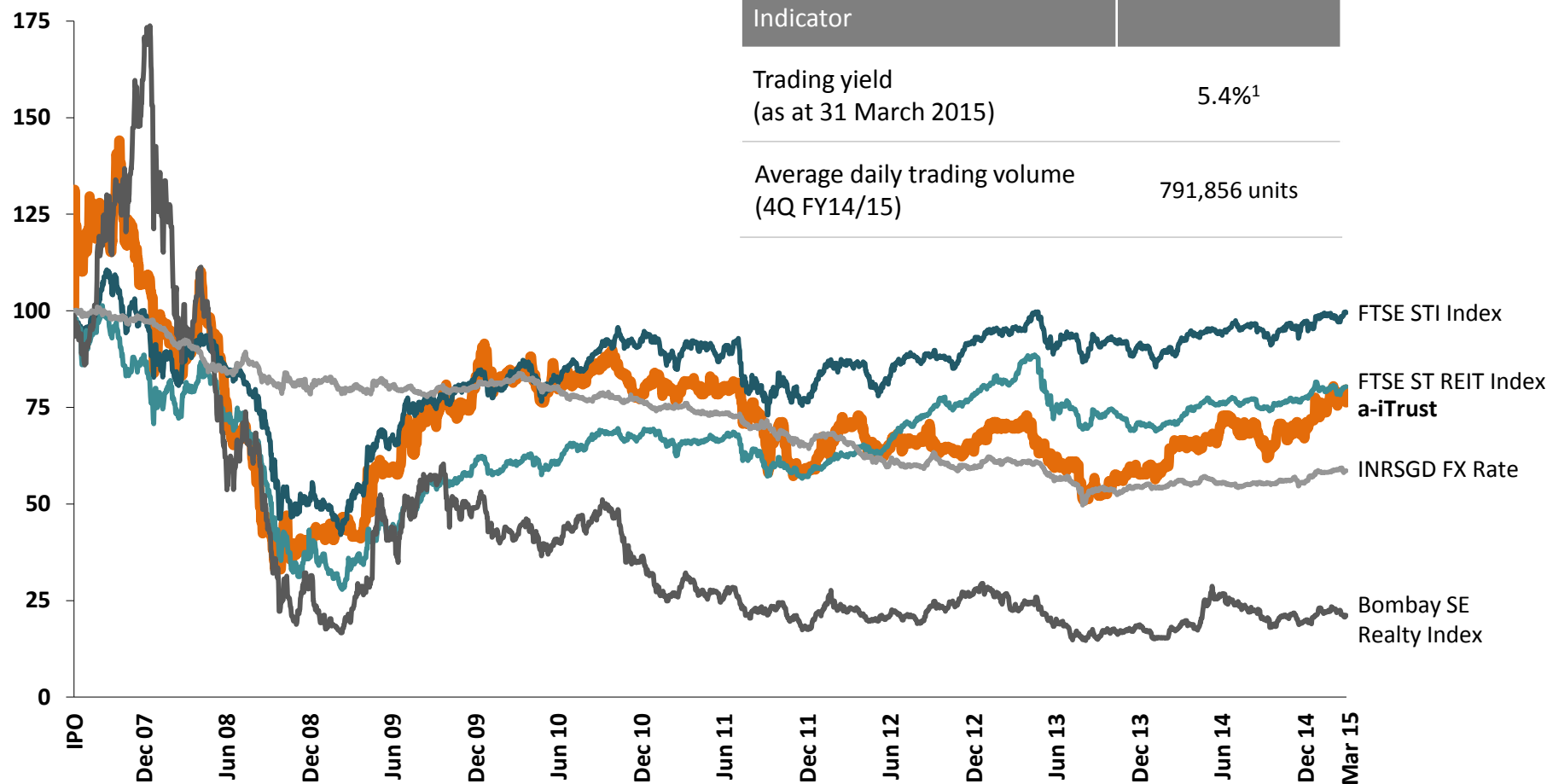


1. Karnataka State Government owns 7.2% of ITPB & Tamil Nadu State Government owns 11.0% of ITPC.



# a-iTrust unit price versus major indices

(Indexed)

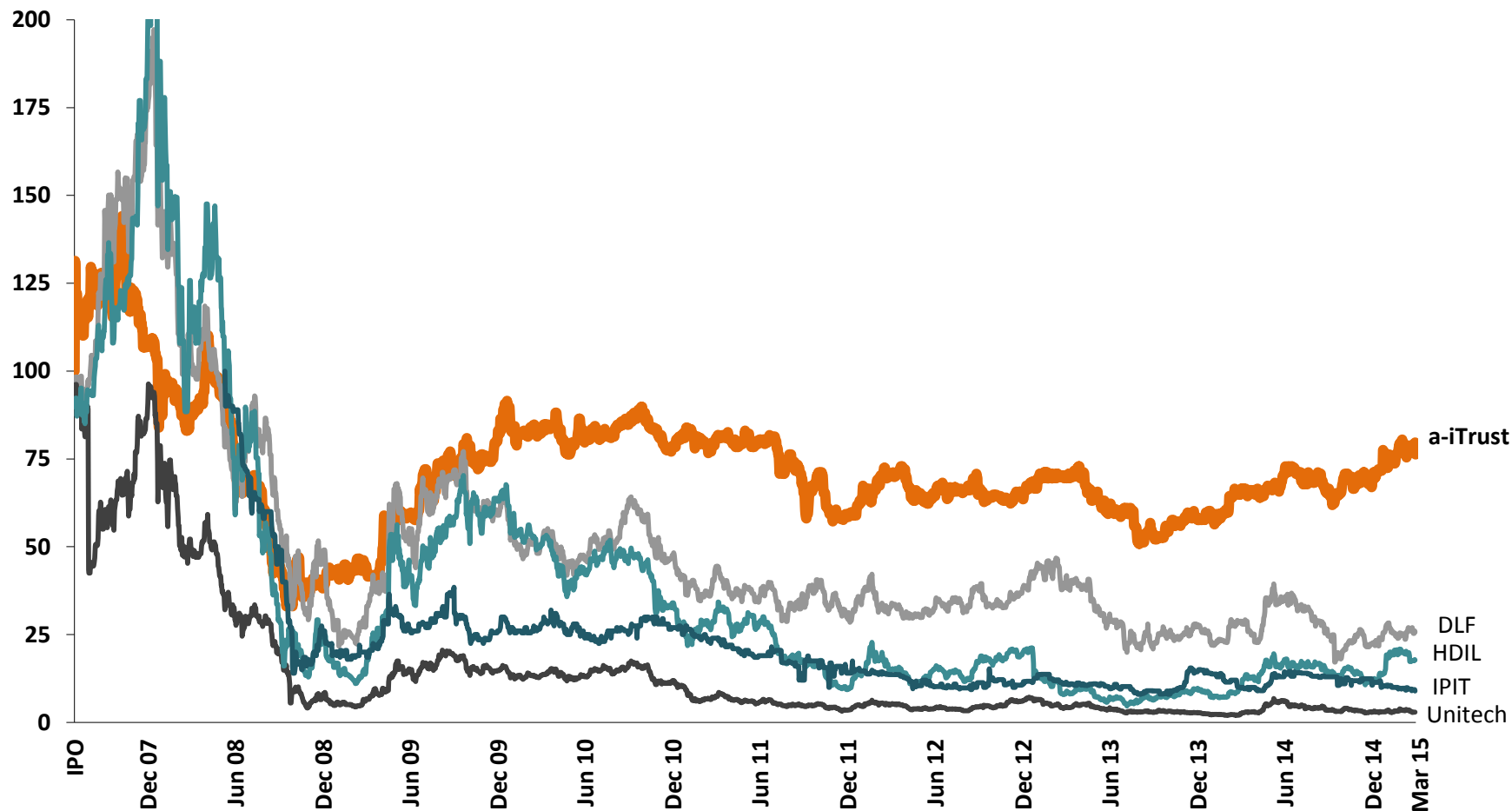


Source: Bloomberg

1. Trading yield based on FY14/15 DPU of 4.86 cents at closing price of S\$0.90 per unit as at 31 March 2015.

# a-iTrust unit price versus Indian peers

(Indexed)



Source: Bloomberg

# Investor contact

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