

# 4Q FY2015/16 Financial Results Presentation

27 April 2016

# Disclaimer

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**This presentation on a-iTrust's results for the financial year and quarter ended 31 March 2016 ("FY15/16" & "4Q FY15/16") should be read in conjunction with a-iTrust's quarterly results announcement, 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
- 



# FY15/16 results

	FY15/16	FY14/15	Variance
<i>SGD/INR FX rate<sup>1</sup></i>	47.1	47.5	(1%)
Total Property Income	₹6,784m	₹6,108m	11%
Net Property Income	₹4,415m	₹3,681m	20%
Income available for distribution	₹2,659m S\$56.5m	₹2,362m S\$49.8m	13% 13%
Income to be distributed	₹2,393m S\$50.8m	₹2,126m S\$44.8m	13% 13%
Income to be distributed (DPU <sup>2</sup> )	₹2.59 5.50¢	₹2.31 4.86¢	13% <sup>3</sup> 13%

- Income from newly acquired CyberVale and aVance 3
- Positive rental reversions at ITPC and higher occupancy at ITPB

- Due to combination of topline growth with lower property expense (mainly lower utilities expenses)

- Primarily due to net property income growth.

- After retaining 10% of income available for distribution

1. Average exchange rates for the period.
2. Distribution per unit.
3. Percentage change rounded up.

# 4Q FY15/16 results

	4Q FY15/16	4Q FY14/15	Variance
SGD/INR FX rate <sup>1</sup>	48.0	45.9	5%
Total Property Income	₹1,722m	₹1,518m	13%
Net Property Income	₹1,114m	₹948m	17%
Income available for distribution	₹695m S\$14.4m	₹610m S\$13.3m	14% 8%
Income to be distributed	₹625m S\$12.9m	₹549m S\$12.0m	14% 8%
Income to be distributed (DPU <sup>2</sup> )	₹0.68 1.40¢	₹0.59 1.30¢	13% 8%

- Income from newly acquired CyberVale and aVance 3
- Positive rental reversions at ITPC and higher occupancy at ITPB

- Primarily due to topline growth

- Primarily due to net property income growth.

- After retaining 10% of income available for distribution

1. Average exchange rates for the period.
2. Distribution per unit.

# Cumulative distribution

**Period** 1 April 2015 to 31 March 2016

**1Q FY15/16** 1.37¢ per unit

**2Q FY15/16** 1.37¢ per unit

**3Q FY15/16** 1.36¢ per unit

**4Q FY15/16** 1.40¢ per unit

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**Total** 5.50¢ per unit

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**Cumulative distribution**

**Amount: 2.76¢**

**Ex-date: 12 May 2016**

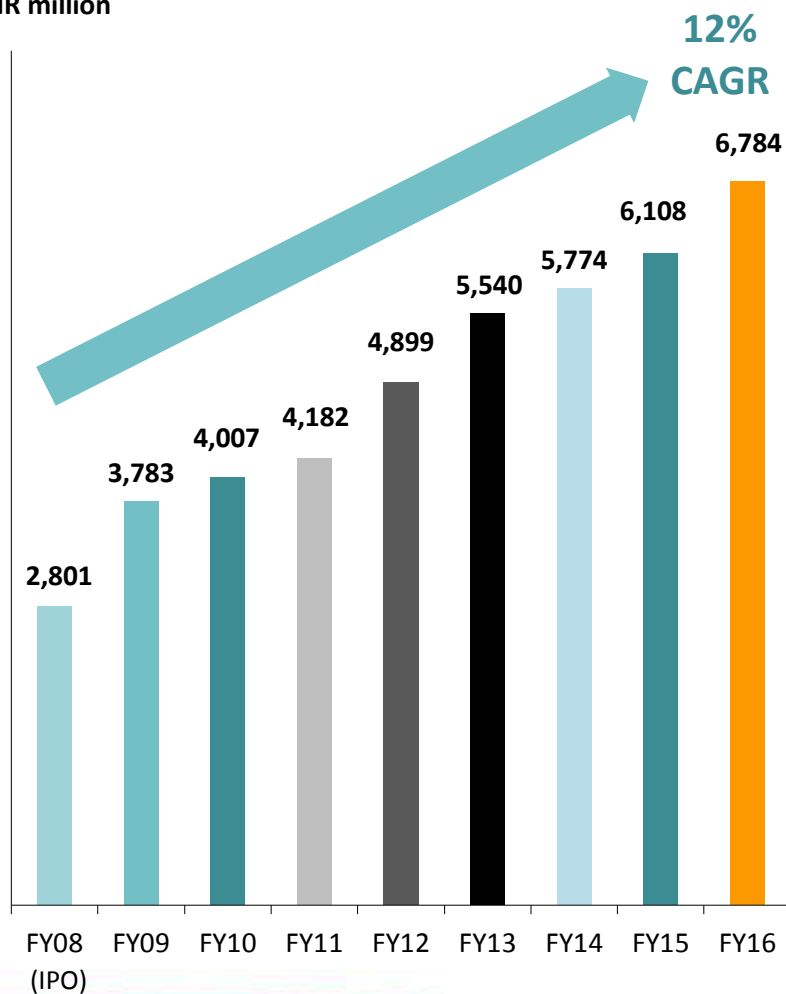
**Payment date: 27 May 2016**

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

# Revenue growth trends

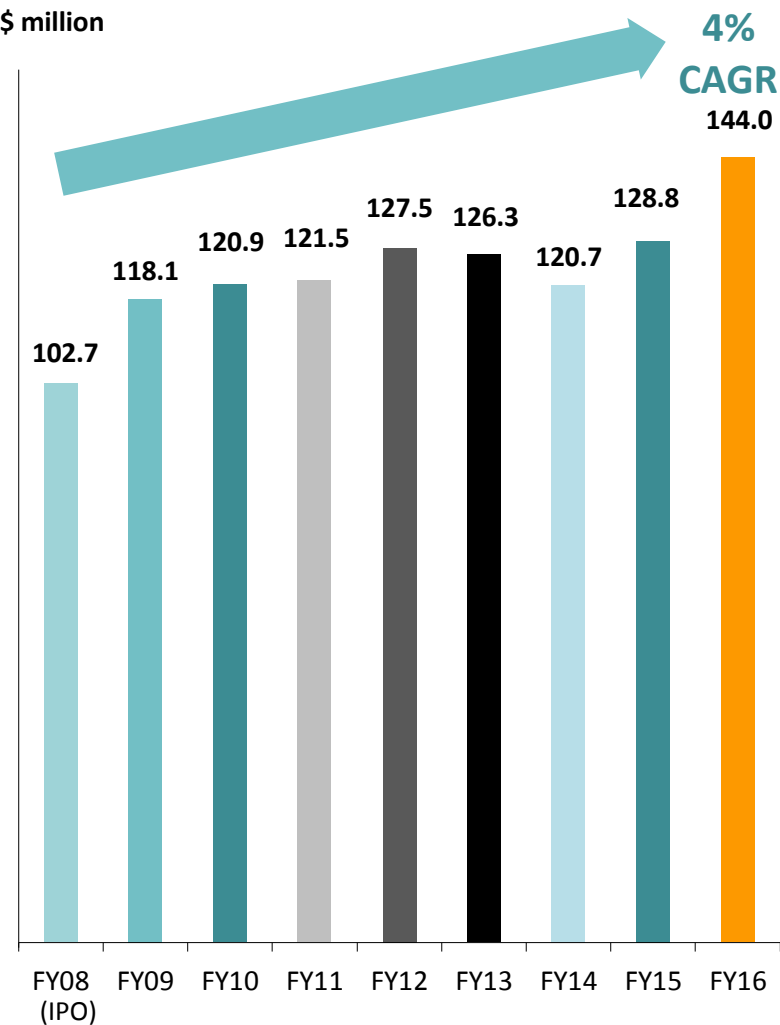
## Total Property Income (INR)

INR million



## Total Property Income (SGD)

S\$ million

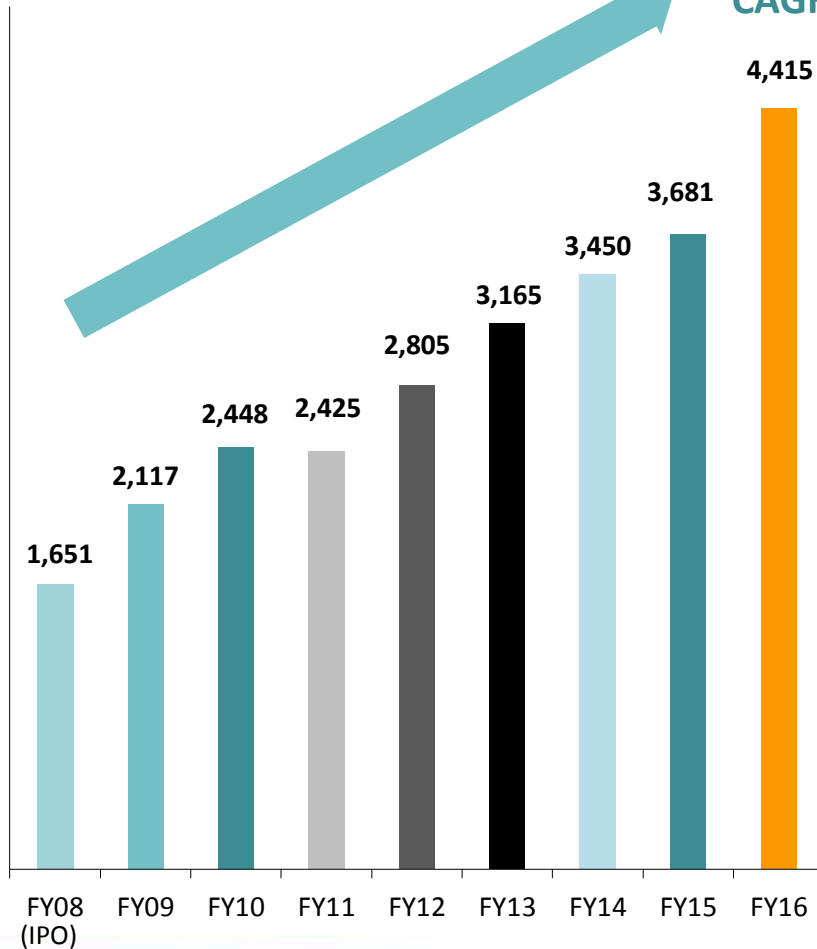


# Income growth trends

## Net Property Income (INR)

INR million

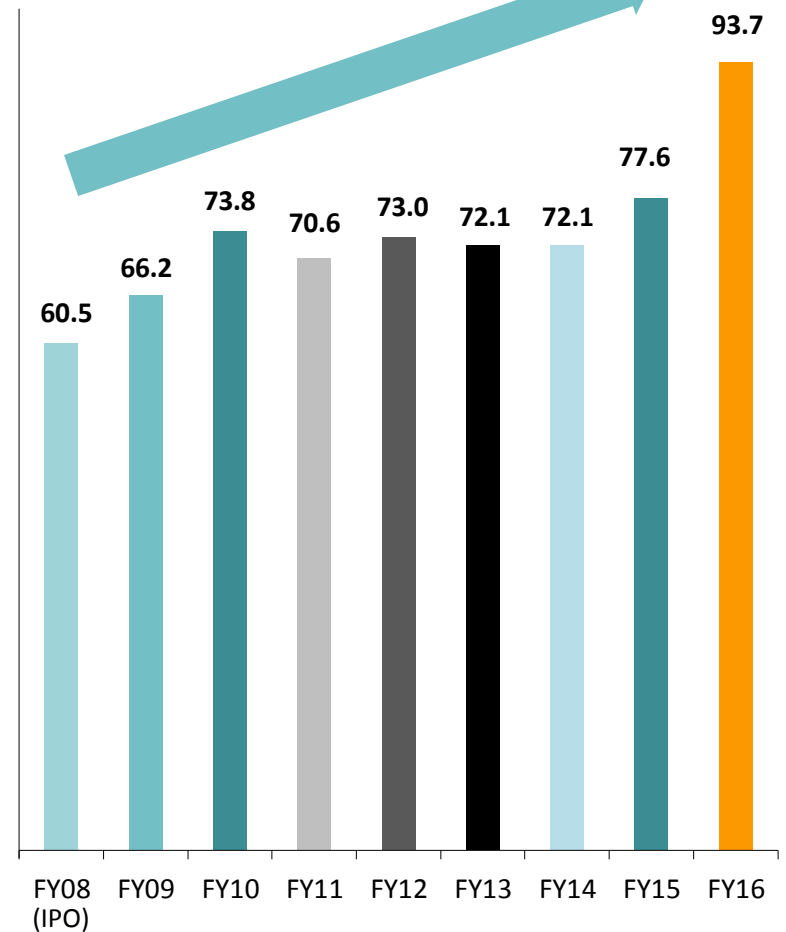
**13%  
CAGR**



## Net Property Income (SGD)

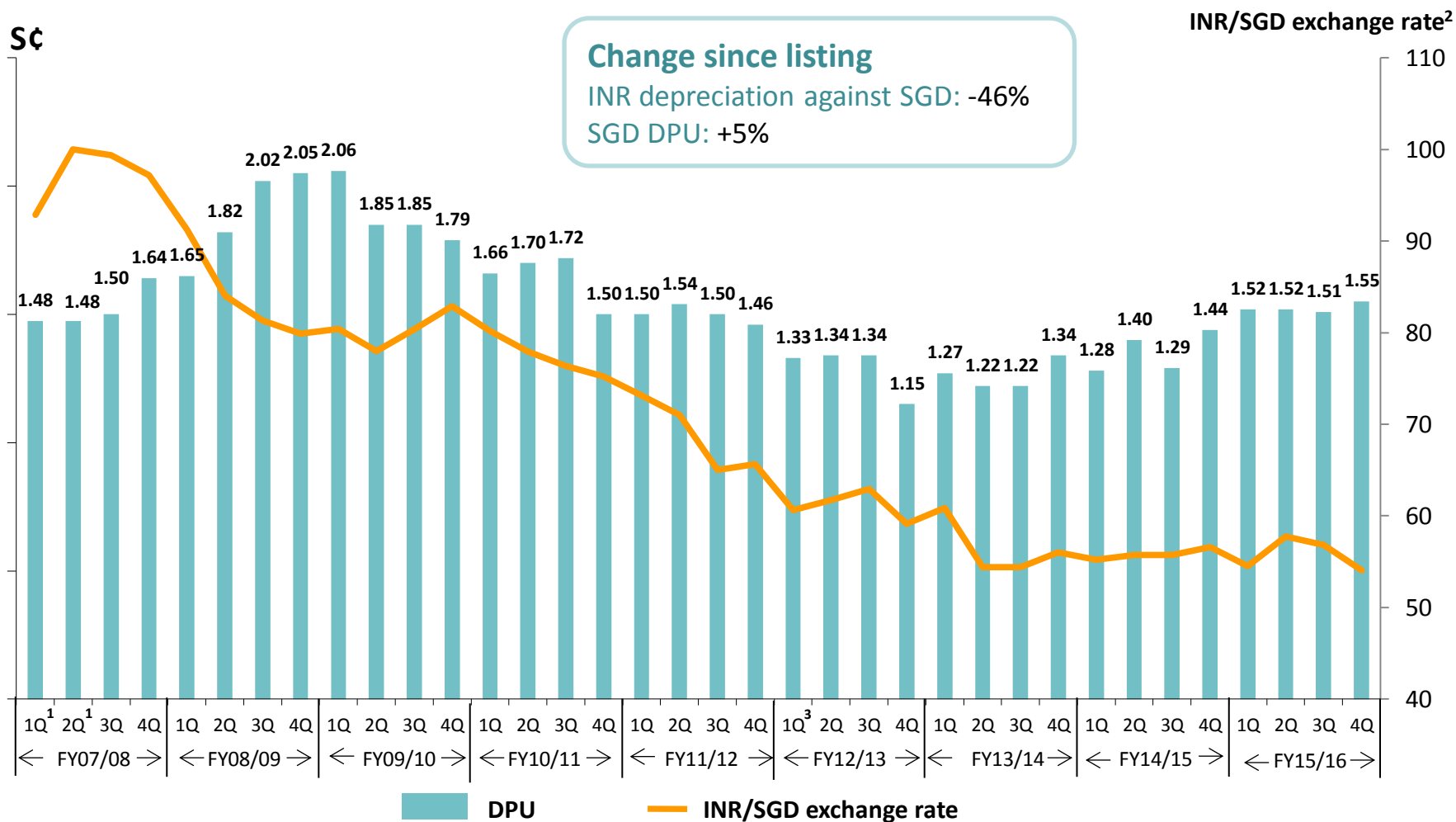
S\$ million

**6%  
CAGR**





# SGD DPU moderated by weak Indian Rupee



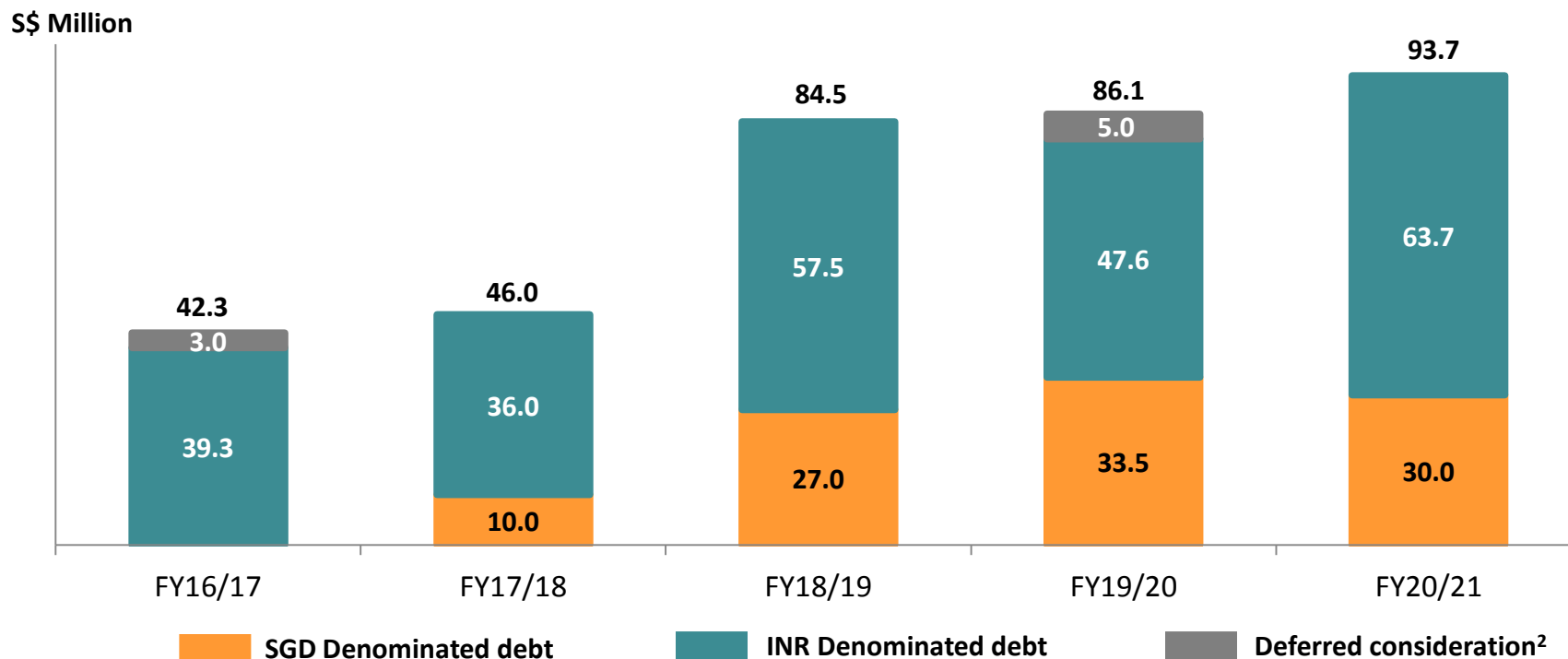
1. 1H FY07/08 DPU was split equally into 2 quarters (1Q08 & 2Q08) for illustrative purposes.
2. Spot quarterly INR/SGD exchange rate pegged to 30 June 2007, data sourced from Bloomberg.
3. Shows DPU assuming 100% of distributable income was paid out from 1Q13 onwards.

# Debt expiry profile

**Effective borrowings: S\$353 million<sup>1</sup>**

**Hedging ratio**

INR: 73% SGD: 27%



## Information as at 31 March 2016

1. Calculated by adding/(deducting) derivative financial instruments liabilities/(assets) to/from gross borrowings, including deferred consideration.
2. Deferred consideration relates to the remaining purchase consideration on the acquisition of the third building in CyberVale IT Special Economic Zone in Chennai which was announced in March 2016. The consideration will be paid in tranches as and when the remaining space in the building is leased.

# Capital structure

Indicator	As at 31 Mar 2016
Interest service coverage (Adjusted EBITDA <sup>1</sup> /Interest expenses)	4.2 times (FY15/16)
Percentage of fixed rate debt	100%
Percentage of unsecured borrowings	100%
Effective weighted average cost of debt	6.9%
Available debt headroom	S\$463 million <sup>3</sup>

**Gearing: 26%<sup>2</sup>**

1. Earnings before interest expense, tax, depreciation & amortisation (excluding gains/losses from foreign exchange translation and mark-to-market revaluation from settlement of loans). Earnings include interest income.
2. Ratio of effective borrowings to the value of Trust properties.
3. Available debt headroom is based on approved gearing limit of 45% in accordance with the Trust Deed. The Trust is in the process of realigning the financial covenants of certain bilateral loan facilities with gearing limit of 40%.

## 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

Property <sup>1,2</sup>	31 March 2016		31 March 2015		Valuation variance
	Valuation (INR million)	Cap rate	Valuation (INR million)	Cap rate	
International Tech Park Bangalore	23,761	9.75% <sup>3</sup>	20,671	10.25% <sup>3</sup>	14.9%
International Tech Park Chennai	13,332	9.75%	11,809	10.25%	12.9%
CyberVale <sup>4</sup> , Chennai	2,522	10.75%	1,653	11.07%	52.6%
CyberPearl, Hyderabad	2,384	9.75%	2,145	10.50%	11.1%
The V, Hyderabad	8,126	9.75%	6,875	10.50%	18.2%
aVance Business Hub <sup>5</sup> , Hyderabad	5,637	9.75%	2,149	10.50%	162.3%
<b>Portfolio</b>	<b>55,762</b>	<b>N.A.</b>	<b>45,302</b>	<b>N.A.</b>	<b>23.1%</b>
<b>Portfolio (excluding FY15/16 acquisitions)</b>	<b>51,700</b>	<b>N.A.</b>	<b>45,302</b>	<b>N.A.</b>	<b>14.1%</b>

1. The 2015 and 2016 independent market valuations were conducted by Cushman & Wakefield India Pvt Ltd and CBRE South Asia Pvt. Ltd, respectively.
2. The final value of the property is derived from an average of the discounted cash flows and income capitalisation method.
3. Refers to the cap rate for income stabilised office properties in ITPB.
4. 2016 valuation includes the third building acquired in March 2016.
5. 2016 valuation includes aVance 3 which was acquired in July 2015.



# Content

- Operational review
- 



# India remains a dominant IT/offshoring hub

- Fastest growing major economy in the world with GDP growth of 7.3% in 2015<sup>1</sup>
- India moving up value chain to offer cutting edge product development and R&D hubs for global tech companies
- Highly cost competitive environment
  - Occupancy costs up to 10 times cheaper than other low-cost sourcing destinations<sup>2</sup>
- Robust IT-BPM revenue growth
  - Forecast to achieve 10-12% growth in FY16/17 to US\$157-160 billion<sup>3</sup>

## Salary for IT/software engineer, developer or programmer<sup>4</sup>

Countries	US\$ (p.a.)
<b>India</b>	<b>5,556</b>
Malaysia	10,502
Hong Kong	23,618
Singapore	35,789
Japan	37,310
UK	43,201
Australia	52,483
US	73,031

1. Source: International Monetary Fund, World Economic Outlook Update, April 2016

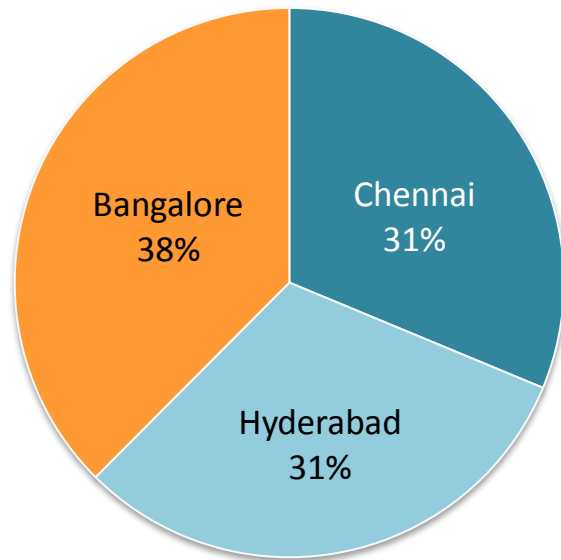
2. Source: CBRE South Asia Pvt. Ltd. (Compared to China, Philippines and other Eastern European countries)

3. Source: NASSCOM (Data excludes revenues from the e-commerce sector)

4. Source: March 2016 median salary from PayScale (provider of global online compensation data), converted into USD from local currencies using exchange rate from Bloomberg (31 March 2016)

# Diversified portfolio

## Portfolio breakdown



**Floor area** 9.0 million sq ft

## Customer Base

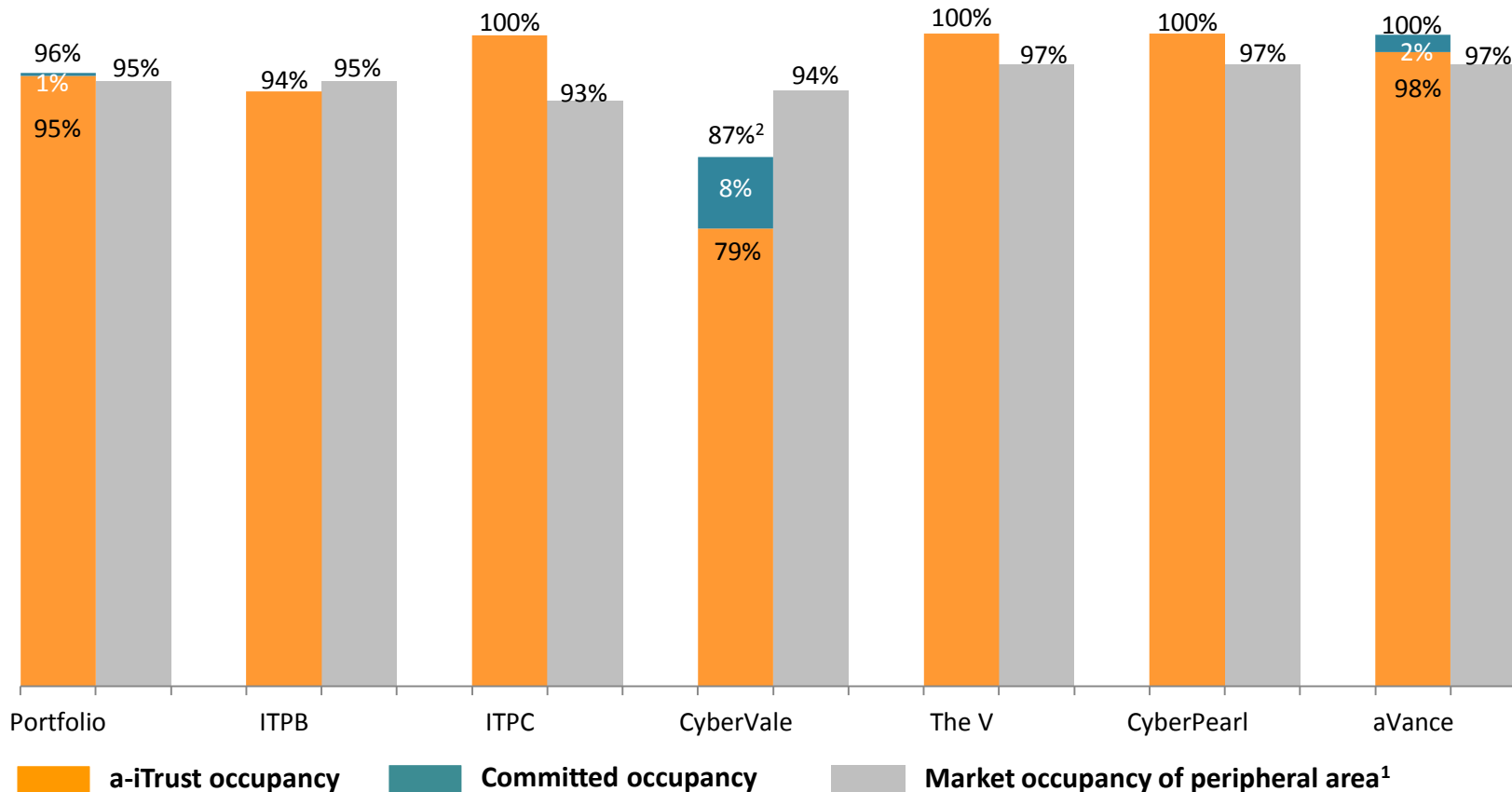
**Total number of tenants** 297

**Average space per tenant** 28,800 sq ft

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

All information as at 31 March 2016

# Strong portfolio occupancy

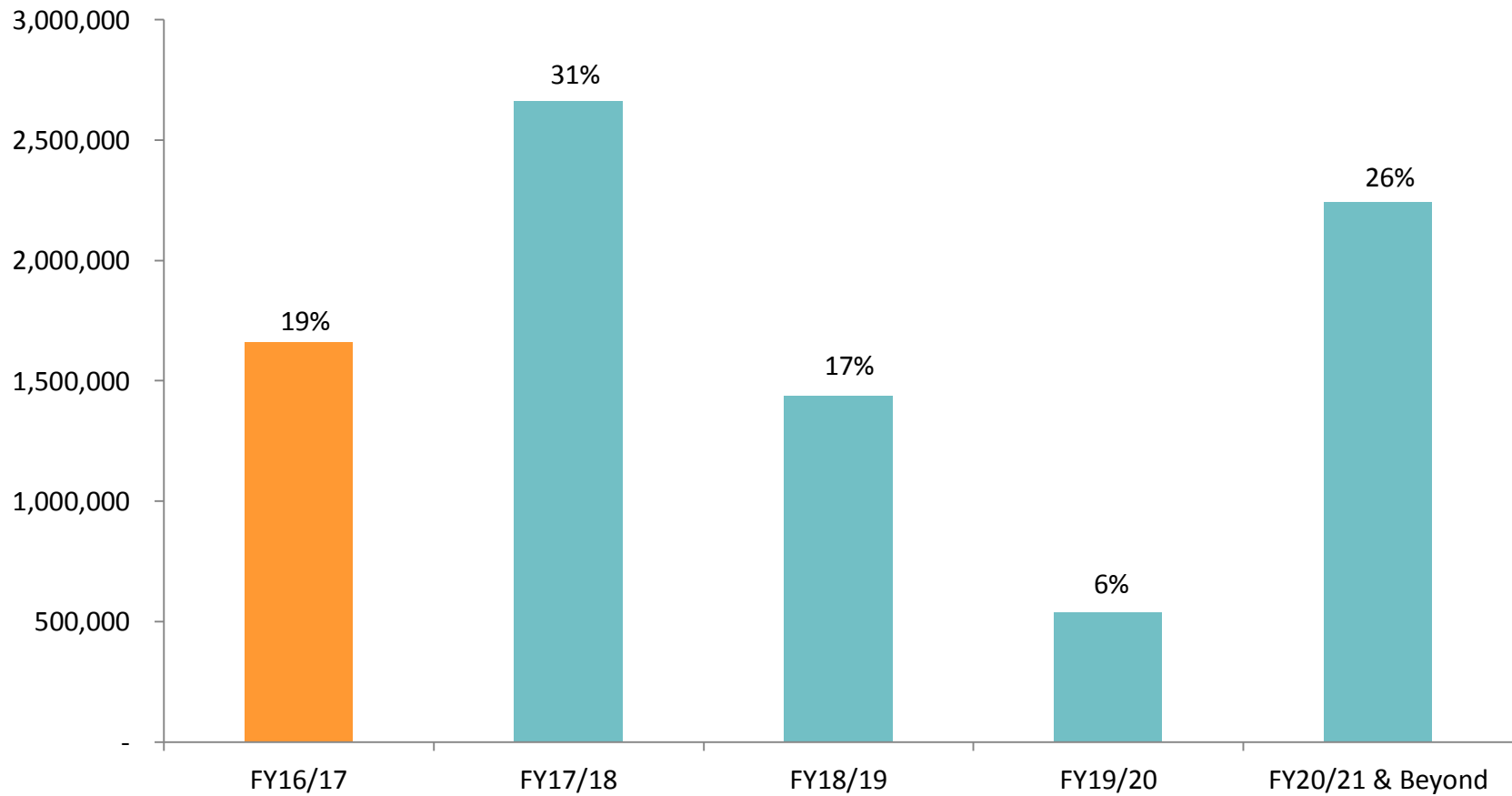


## All information as at 31 March 2016

1. Jones Lang LaSalle Meghraj market report as at 31 March 2016.
2. Includes third building acquired in March 2016. CyberVale committed occupancy declined as the third building which was acquired in March 2016 has pre-committed occupancy of 61%. Excluding the third building, the average occupancy at CyberVale was 100%.

# Spread-out lease expiry profile

Sq ft expiring



All information as at 31 March 2016



# Healthy leasing momentum

Indicator	As at 31 Mar 2016
Weighted average lease term	5.5 years
Weighted average lease expiry	3.2 years
Retention rate	86%
Leases expired/pre-terminated (1 April 2015 to 31 March 2016)	880,200 sq ft
Total leases signed <sup>1</sup> (1 April 2015 to 31 March 2016)	1,045,800 sq ft

1. Includes forward renewal and new leases commencing after 31 March 2016.

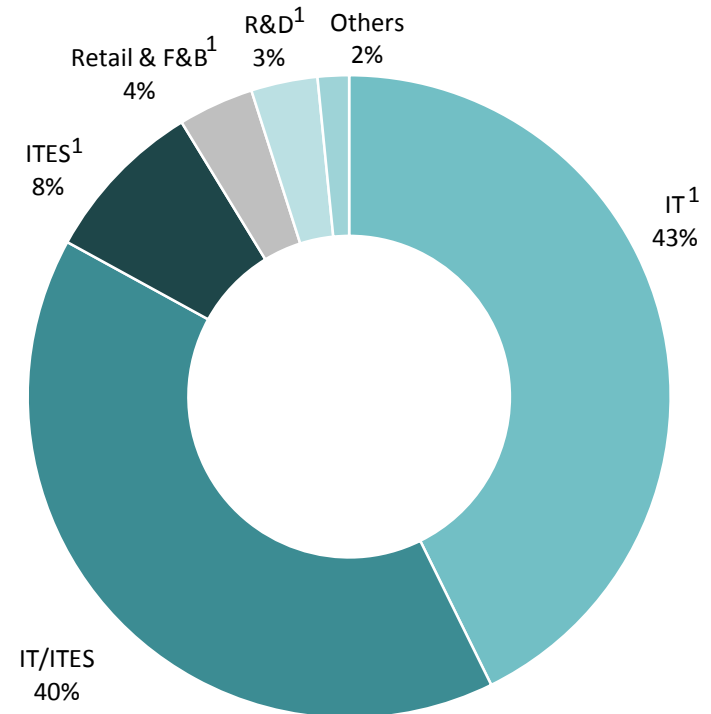
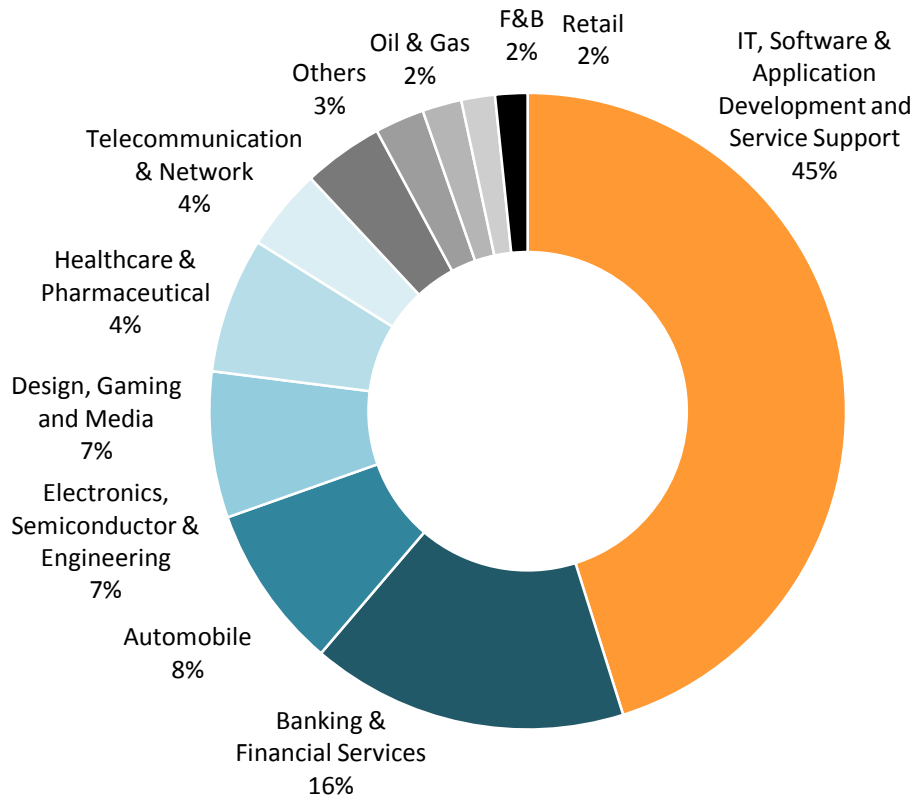
No.	Company (in alphabetical order)
1	Applied Materials
2	Bank of America
3	Cognizant
4	General Motors
5	Mu Sigma
6	Renault Nissan
7	Societe Generale
8	The Bank of New York Mellon
9	UnitedHealth Group
10	Xerox

**Top 10 tenants  
accounted for 34% of  
portfolio base rent**

All information as at 31 March 2016

# Diversified tenant base

## Tenant core business & activity by base rental

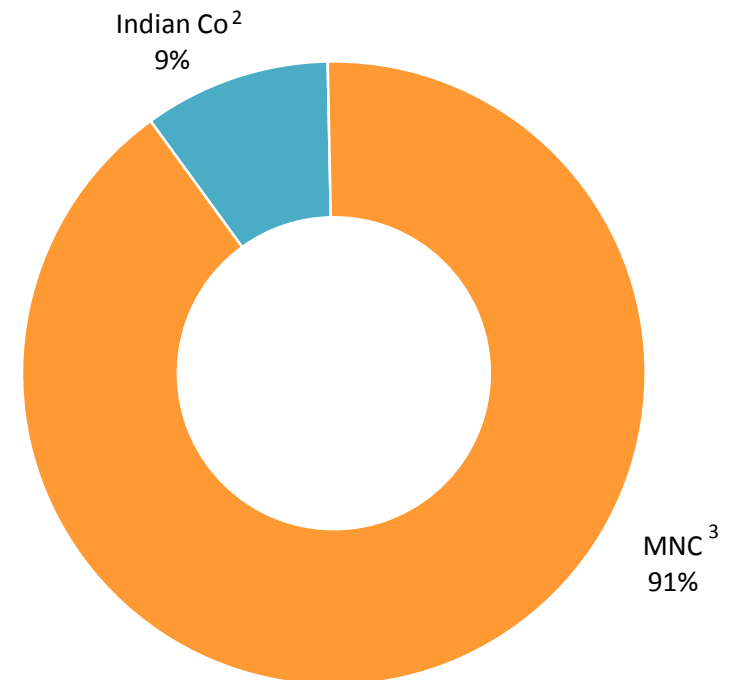
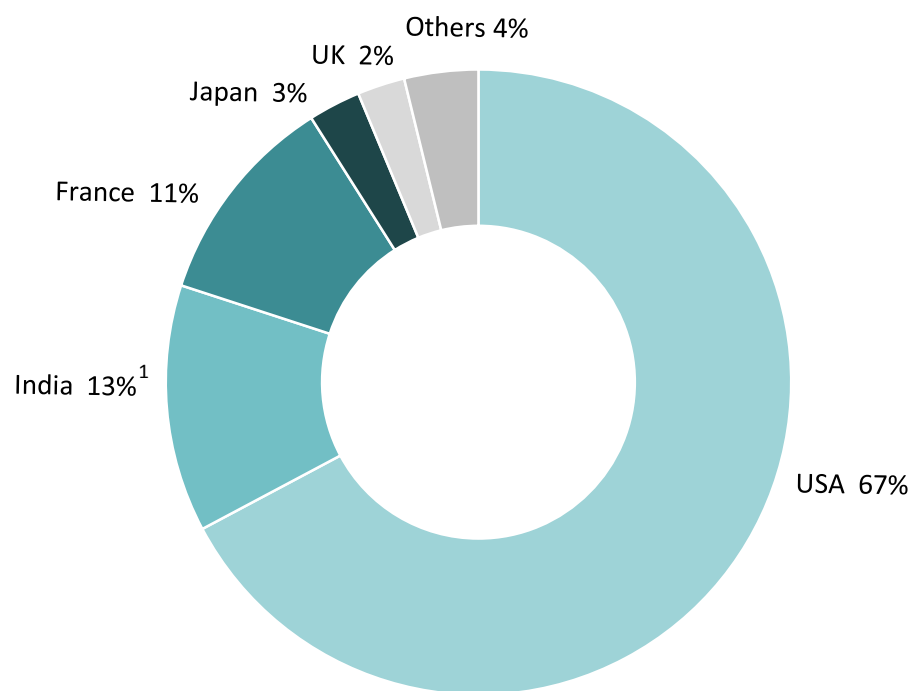


All information as at 31 March 2016

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 2016

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



Event	Service Partners Fiesta	ITPB Healthy Lifestyle and Sports Meet
City	Hyderabad	Bangalore
Month	January 2016	February 2016

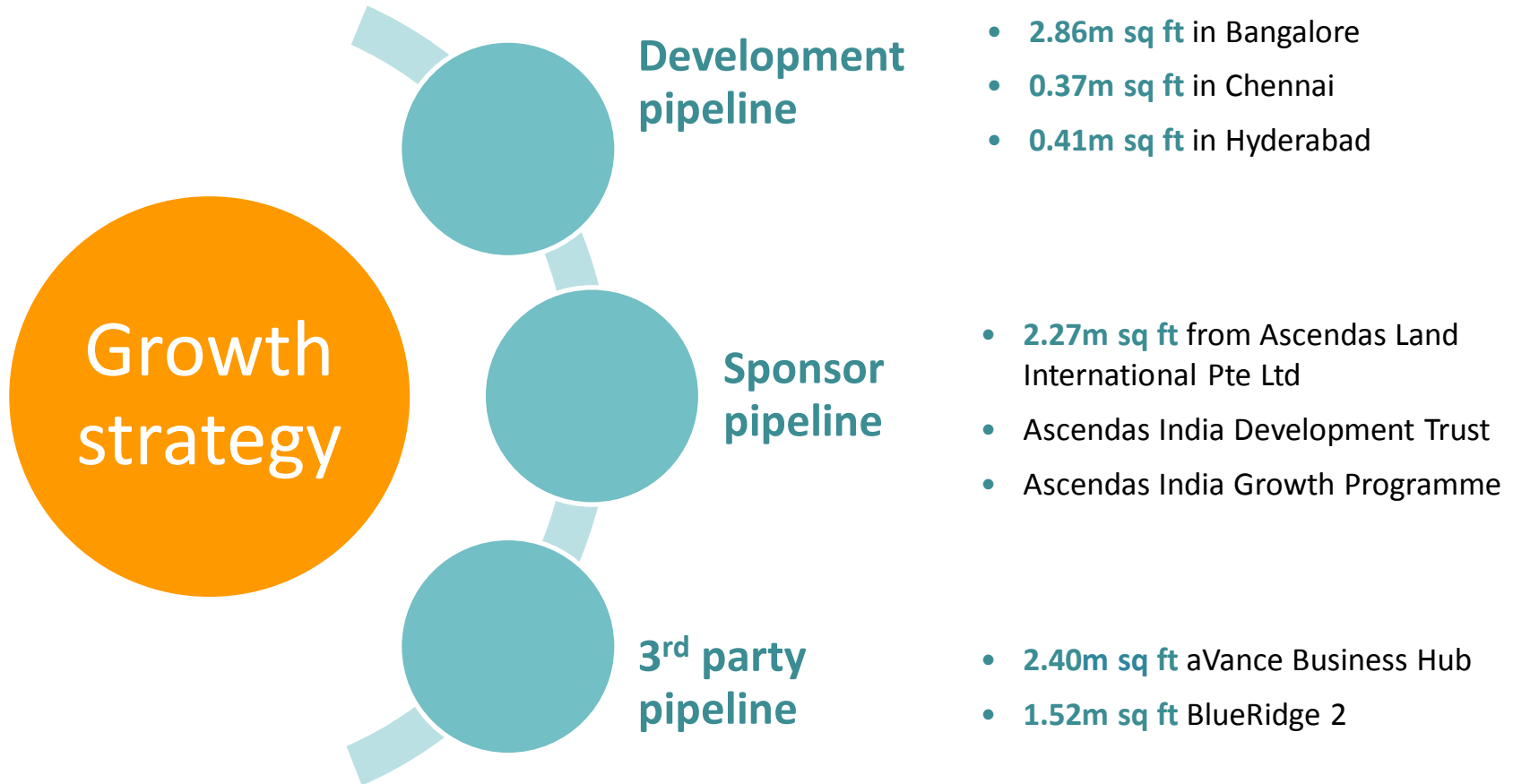


# Content

- Growth strategy

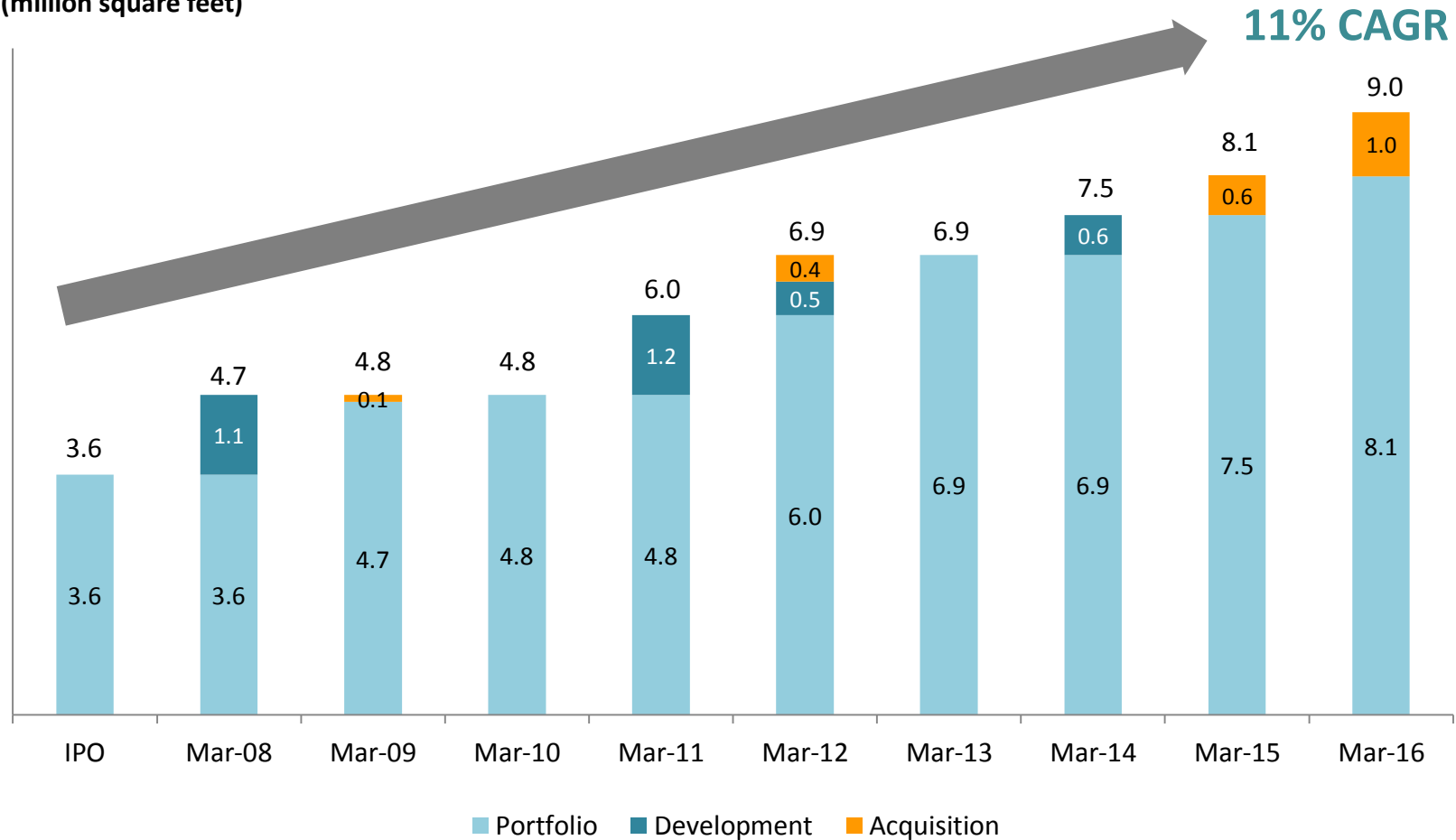


# Clear growth strategy



# Good growth track record

Floor area  
(million square feet)



# Development: ITPB pipeline

## Future Development Potential

- Constructing 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: Victor building



Name	Victor
Property	ITPB
Floor area (sq ft)	620,000
Construction status	Completion expected by June 2016
Lease commitment	100%

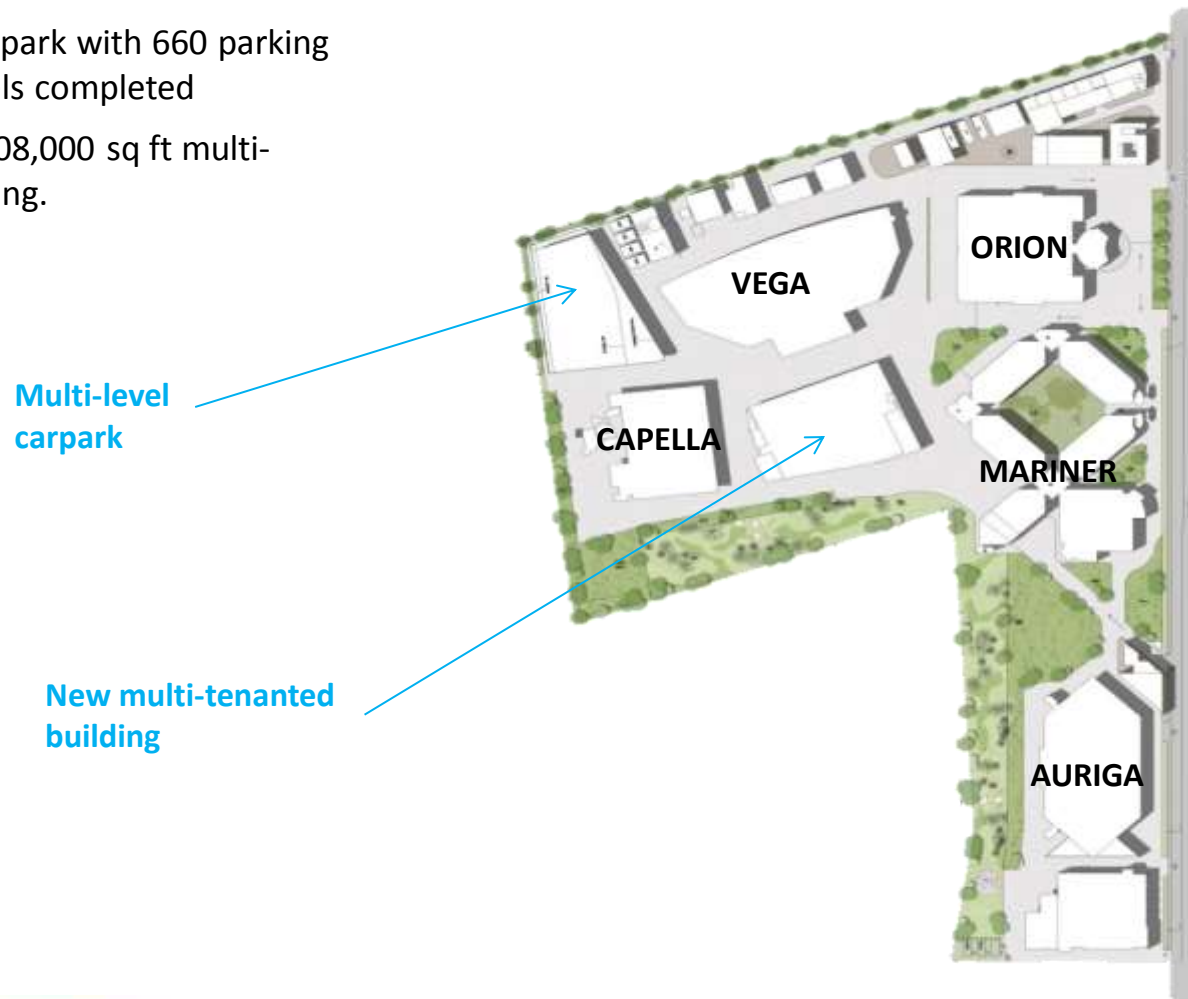


# Development: The V pipeline

## Development Potential

- Multi-level car park with 660 parking lots over 8 levels completed
- Constructing 408,000 sq ft multi-tenanted building.

## The V master plan



Multi-level  
carpark

New multi-tenanted  
building

# Development: New multi-tenanted building



Property	The V
Floor area (sq ft)	408,000
Construction status	Completion expected by 2H 2017
Lease commitment	16.6%

# Sponsor: Right of first refusal to assets

## Ascendas Land International Pte Ltd

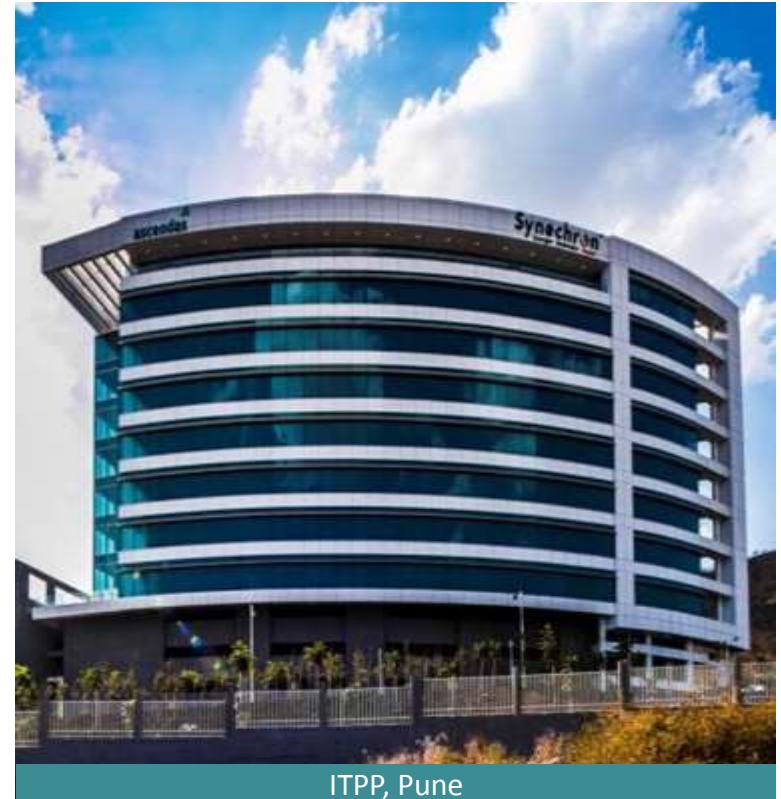
- International Tech Park Pune, Pune:
  - 0.66 million sq ft completed space
  - Started construction of 0.62 million sq ft
  - Vacant land with remaining development potential of 0.99 million sq ft

## Ascendas India Development Trust

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

## Ascendas India Growth Programme (“AIGP”)

- A real estate fund that targets business space developments
- Target asset size of S\$600 million
- Ascendas Group has given a-iTrust a right of first refusal to its stake in AIGP assets



# 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: Acquired third building in CyberVale



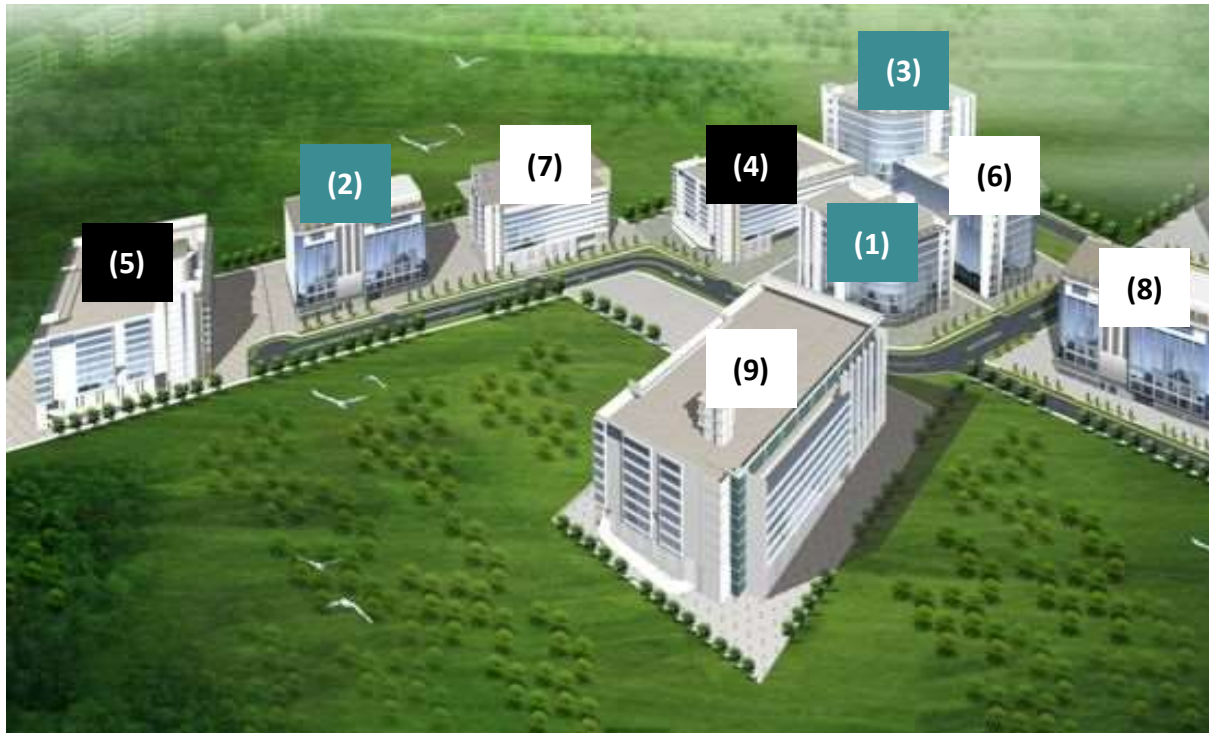
Location	Mahindra World City SEZ , Chennai
Total Land Area	4.28 acres
Super Built-Up Area	280,000 sq ft
Land Tenure	Leasehold (99 years from 2006/2007)

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

- Renault Nissan, an anchor tenant in CyberVale, has committed to lease 61% of the building.
- Total investment for the building (including transaction costs and upfront capital expenditure) is INR 762 million (S\$15.2 million<sup>1</sup>).
- Purchase consideration is paid as and when the space is leased (subject to a deadline of May 2019 for payment of full consideration).
- Amount of deferred consideration is INR 400 million (S\$8.0 million<sup>1</sup>) as at 31 March 2016.
- This payment structure minimizes the leasing risk and income drag arising from the vacant space.

1. Converted into SGD using exchange rate of S\$1 to INR 50

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



## Park Statistics

Site area:	25.7 acres / 10.4 ha	(1), (2) & (3) owned by a-iTrust:	1.11m sq ft
Vendor assets:	marked in black	Conditional acquisitions of (4) & (5):	1.24m 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 (0.43 million sq ft):
  - a-iTrust completed the acquisition of aVance 1 & 2 in February 2012.
  - Purchase consideration of ₹1.77 billion (\$\$45 million<sup>1</sup>) was fully debt funded.
- aVance 3 (0.68 million sq ft):
  - a-iTrust completed the acquisition of aVance 3 in July 2015.
  - Purchase consideration of ₹2.94 billion (\$\$63 million<sup>1</sup>) was fully debt funded.
- aVance 4 & 5 (1.24 million 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 (1.16 million sq ft)

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

## 3<sup>rd</sup> party: BlueRidge 2, Pune



<b>Location</b>	Hinjewadi IT Park Phase II, Pune
<b>Floor area</b>	1.52 million sq ft
<b>Tenure</b>	99 year lease, renewable at FDPL's option <sup>1</sup>
<b>Expected construction completion</b>	2Q 2016 <sup>2</sup>

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

2. As at 31 March 2016

# 3<sup>rd</sup> party: BlueRidge 2 acquisition details

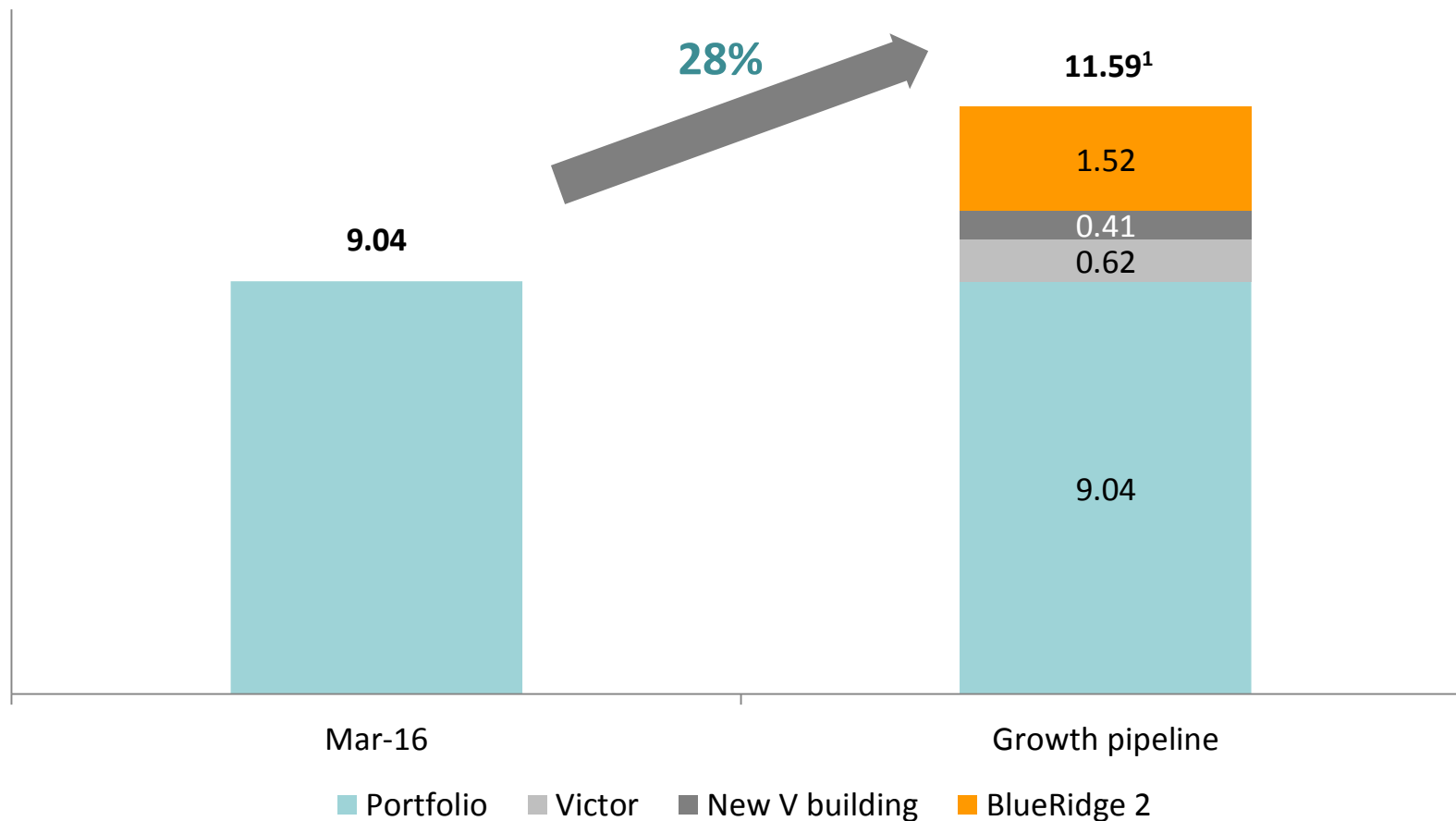
- Acquisition process:
  - a-iTrust invested ₹2,600 million (\$\$57 million<sup>1</sup>) in March 2015<sup>2</sup>.
  - On 31 December 2016, a-iTrust will complete the acquisition provided at least 65% of the property is leased.
  - a-iTrust may complete the acquisition before 31 December 2016 if the 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 not expected to exceed ₹6,405 million (\$\$133 million<sup>1</sup>).
  - An independent valuation would be conducted and announced, at the time of 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)



1. a-iTrust's pro-forma gearing rises to 31% on completion of developments and acquisition of properties listed in committed pipeline growth.

## Glossary

<b>Trust properties</b>	: Total 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>Adjusted EBITDA</b>	: Earnings before interest expense, tax, depreciation & amortisation (excluding gains/losses from foreign exchange translation and mark-to-market revaluation from settlement of loans). Earnings include interest income.
<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 Trust properties.
<b>ITES</b>	: Information Technology Enabled Services.
<b>INR or ₹</b>	: Indian rupees.
<b>m</b>	: Million
<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 2016	INR	SGD
Total assets	₹66.2 billion	S\$1,350 million
Total borrowings	₹17.78 billion	S\$363 million
Deferred consideration <sup>1</sup>	₹0.39 billion	S\$8 million
Derivative financial instruments	(₹0.89 billion)	(S\$18 million)
Effective borrowings <sup>2</sup>	₹17.28 billion	S\$353 million
Non-convertible debentures - BlueRidge 2	₹2.60 billion	S\$53 million
Net asset value	₹33.81 per unit	S\$0.69 per unit
Adjusted net asset value <sup>3</sup>	₹42.65 per unit	S\$0.87 per unit

1. Deferred consideration relates to the remaining purchase consideration on the acquisition of a building in CyberVale IT Special Economic Zone in Chennai. The consideration will be paid in tranches as and when the remaining space in the building is leased.
2. Calculated by adding/(deducting) derivative financial instruments liabilities/(assets) to/from gross borrowings, including deferred consideration.
3. Excludes deferred income tax liabilities of ₹8.2 billion (S\$167 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>			
2016	46.7	48.5	48.8
2015	46.7	45.9	45.2
<i>SGD appreciation/(depreciation)</i>	-	5.8%	7.8%

1 Singapore Dollar buys	Q1	Q2	Q3	Q4	FY
<b>Indian Rupee</b>					
FY 15/16	47.0	46.7	46.7	48.0	47.1
FY 14/15	47.7	48.4	47.8	45.9	47.5
<i>SGD appreciation/(depreciation)</i>	(1.5%)	(3.5%)	(2.3%)	4.6%	(0.7%)

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	0.8m sq ft	0.4m sq ft <sup>1</sup>	1.3m sq ft	1.1m sq ft <sup>1</sup>
Number of buildings	9	3	3	2	5	3
Park population	39,400	22,550	7,110	4,500	12,000	10,000
Land bank (development potential)	2.9m sq ft	-	0.4m sq ft	-	0.4m sq ft	-

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

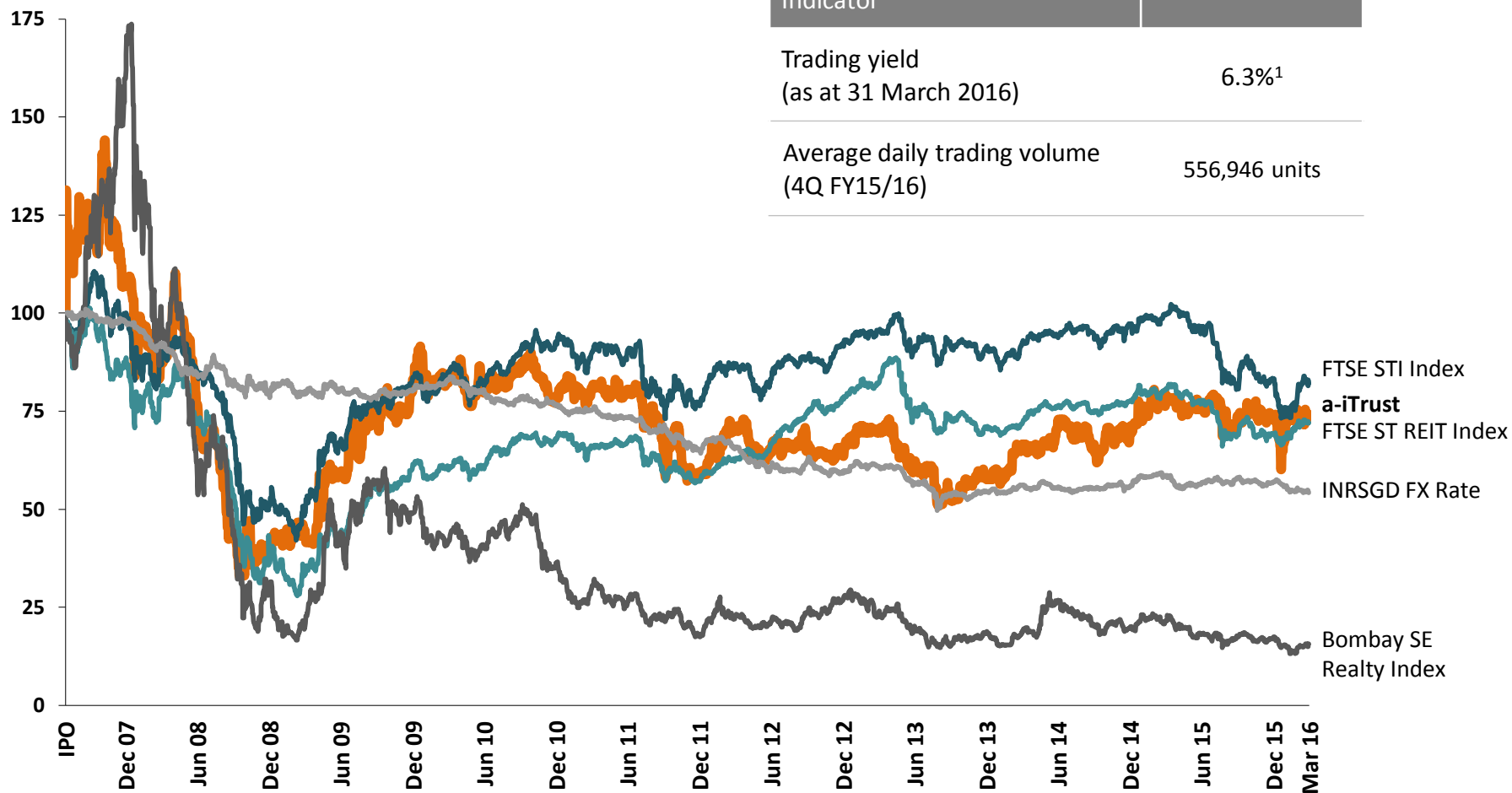
# Lease expiry profile

City	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21 & Beyond	Total
Bangalore	631,500	1,045,300	380,200	53,800	1,068,900	3,179,700
Chennai	795,700	1,161,400	300,300	134,500	260,600	2,652,500
Hyderabad	232,900	457,200	759,800	351,700	915,900	2,717,600
Total	1,660,100	2,663,900	1,440,300	540,000	2,245,400	8,549,800

Note: Figures are expressed in square feet

# a-iTrust unit price versus major indices

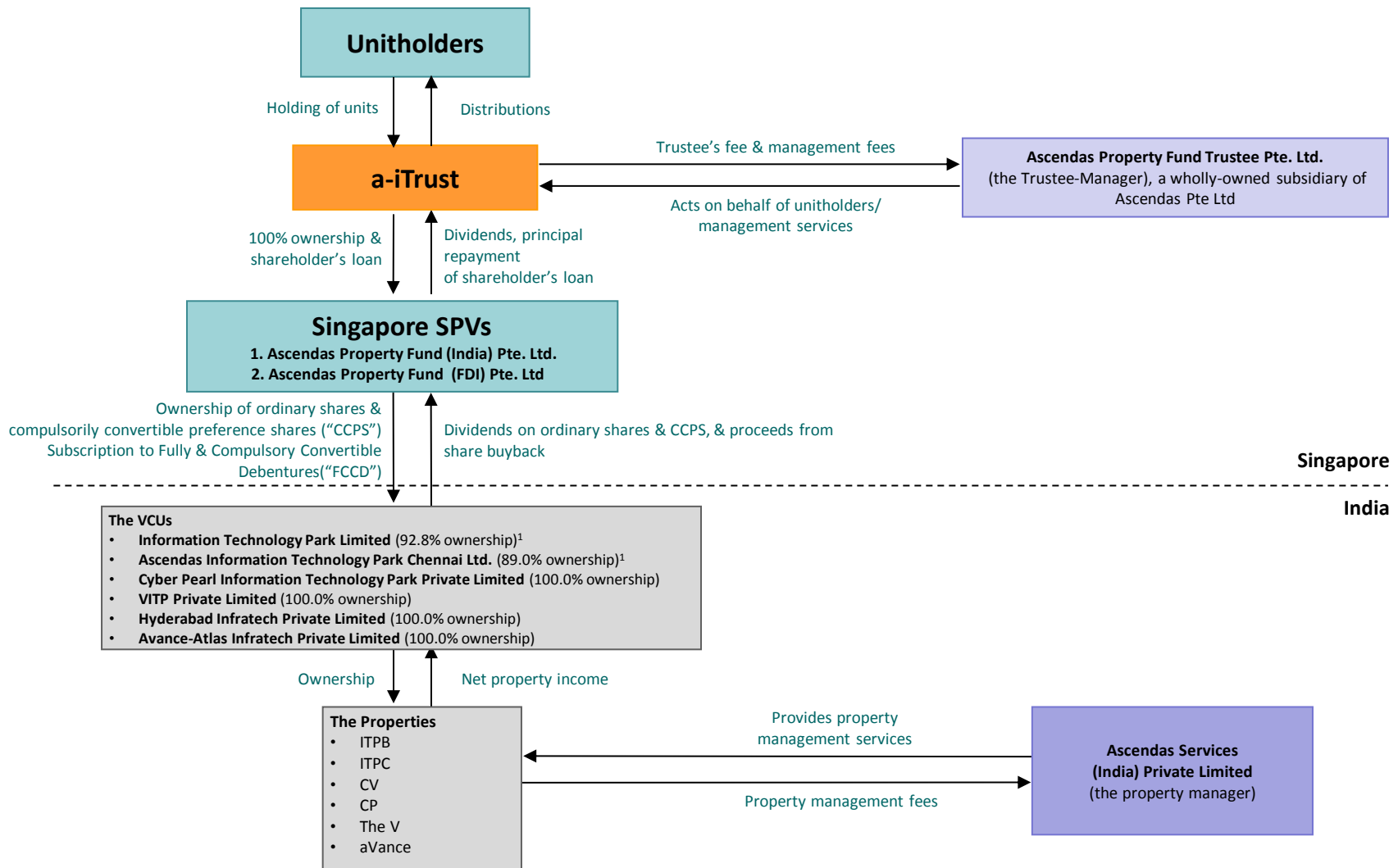
(Indexed)



Source: Bloomberg

1. Trading yield based on FY15/16 DPU of 5.50 cents at closing price of S\$0.875 per unit as at 31 March 2016.

# Structure of Ascendas India Trust



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

# Investor contact

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Head, Investor Relations & Asset Management

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