

## Press Release



29 January 2009

### **a-iTrust achieved strong DPU growth for third quarter of FY 2008/09 35% higher than corresponding quarter last year and 11% higher than preceding quarter this year**

**29 January 2009, Singapore** – The Board of Directors of Ascendas Property Fund Trustee Pte Ltd (the “Trustee-Manager”), the trustee-manager of Ascendas India Trust (“a-iTrust”), is pleased to announce a strong performance for the third quarter of Financial Year 2008/09 (“3Q FY 2008/09”) ended 31 December 2008.

#### **Summary of a-iTrust Results (For 3Q FY2008/09 ended 31 December 2008)**

	<b>3Q FY 2008/09</b>	<b>Growth over 3Q FY 2007/08</b>
<b>Total Property Income, S\$ million</b>	28.8	7%
<b>Net Property Income, S\$ million</b>	17.0	9%
<b>Distributable Income, S\$ million</b>	15.3	36%
<b>DPU, S\$ cents</b>	2.02	35%

a-iTrust continued to deliver strong results amidst current global market conditions. Total property income for 3Q FY 2008/09 was S\$ 28.8 million or 7% higher than the corresponding quarter last year. Net property income grew by 9% to S\$ 17.0 million. Distributable income for the quarter was S\$ 15.3 million, registering a growth of 36% over the same period last year. Compared to the second quarter of the same year, DPU for 3Q FY 2008/09 was 11% higher.

Distribution per Unit (“DPU”) for 3Q FY 2008/09 was 2.02 Singapore cents. Distribution is semi-annual, hence the third quarter’s distribution will be made with that of next quarter. Including the 3.47 Singapore cents already distributed for first half FY 2008/09, the 9-month DPU would be 5.49 Singapore cents.

The DPU represented an annualised yield of 15.9% over the closing unit price of S\$0.46 on 31 December 2008, and 14.6% over that of S\$0.50 on 28 January 2009.

Net asset value (“NAV”) as at 31 December 2008 was S\$ 711 million or S\$ 0.94 per unit.

A key contributor to the sound results was the growth in property income. Income has grown on the back of higher occupancy rates and resilient rental rates, a testament to the quality of the assets and active management. Expenses have grown at a slower pace, mainly due to the fall in oil price. As a result, net property income has risen.

Chief Executive Officer of the Trustee-Manager, Mr Jonathan Yap said, “We are pleased to report a-iTrust’s continuing good performance through the financial quarter ended 31 December 2008. Notwithstanding the current weak overall global economic conditions, a-iTrust’s portfolio occupancy edged up further to 99% from an already high level. The average portfolio rentals also improved since our last results announcement. These results demonstrated the portfolio’s resilience and appropriateness of its positioning vis-à-vis the target customers. Also, resulting from active management, the portfolio has low single account exposure, where no single tenant accounted for more than 4%, and the top ten clients accounted for about 29%, of the total rental as at 31 December 2008. The portfolio’s stability is also reflected in that less than 6% of the portfolio is due for renewal in the current financial year, and less than 13% in the next year.”

### **A Well Diversified Portfolio with High Occupancy**

a-iTrust’s portfolio of 4.8 m sq ft of completed space is fairly evenly distributed among Bangalore, Chennai and Hyderabad. Occupancy rate for the portfolio was 99% as at 31 December 2008, a further improvement from 98% as at 30 September 2008 and exceeding market occupancy rates of 77% to 95%<sup>1</sup> for the micro markets in which the portfolio’s properties are located.

About 1.2 million sq ft of space, or 26% of a-iTrust’s current income producing space, were renewed or leased during the 9 months ended 31 December 2008, resulting in a higher average portfolio rental. The manager aims to renew or replace expiring leases in advance. The strategy is to seek a balance between maximizing lease renewals (so as to lower leasing costs) and enhancing tenancy quality and diversification (by introducing new tenants). The retention rate for the 9 months ended 31 December 2008 was a healthy 86% and in line with our target. Looking forward, less than 6% of space is due for renewal in the current financial year, and less than 13% in the next year. The leases, with locked-in terms and expiries stretching beyond 2014, would also enable the trust to enjoy income stability.

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<sup>1</sup> Source: Jones Lang LaSalle Property Consultants Pvt. Ltd. These are occupancy rates of the micro-markets in Bangalore, Chennai and Hyderabad within which a-iTrust’s properties are located.

a-iTrust's properties house 246 tenants operating in IT sub-sectors such as software development, business process off-shoring, research and development, and data centres. a-iTrust's properties have been leased to reputable and diverse tenants, where no tenant contributed more than 4% of the portfolio base rent as at 31 December 2008. As at that date, the top 10 tenants collectively accounted for about 29% of portfolio base rent, further demonstrating the low client concentration risk and high income stability.

The portfolio serves a target market of largely multi-national corporations, a group which appreciates the quality of the environment, services and lifestyle within the properties. Hence the manager focuses on continuously enhancing the properties. An example is the addition of a new hotel in ITPB, named Vivanta by Taj, which opened in December 2008. The land was leased to the Taj Hotels Resorts and Palaces, which developed and is managing the hotel. The 199-room contemporary hotel will enhance ITPB's competitiveness and standing as the premier location for multi-national companies in Bangalore.

### **Portfolio to Grow through Organic Growth and Three-Pronged Acquisition Strategy**

a-iTrust has proposed to develop 1.5 million sq ft of new space on land it already owned within its portfolio. This comprises a 294,000 sq ft Build-to-Suit ("BTS") building and 450,000 sq ft retail mall in International Tech Park Bangalore ("ITPB"), as well as a 742,000 sq ft Multi-tenanted Building ("MTB") in International Tech Park Chennai ("ITPC"). When completed, the proposed developments will add about 30% to the current 4.8 million sq ft of income producing space. The projects are in various stages of execution.

There is a further potential to develop 2.7 million sq ft of space within the portfolio, which is largely within an approved Special Economic Zone ("SEZ") in ITPB. A master plan for the SEZ has been completed, and design for a 536,000 sq ft MTB in the SEZ has been finalised.

a-iTrust enjoys a Right of First Refusal ("ROFR") granted by Ascendas Land International Pte Ltd. ("ALI") to acquire substantially income producing business space. ALI owns CyberVale, an IT Park spreading over 18.5 acres of land within Mahindra World City, an IT SEZ in Chennai, and under the ROFR, 535,000 sq ft of income producing space and 4.4 acres of land would be offered to a-iTrust for consideration.

a-iTrust also has a ROFR from Ascendas India Development Trust ("AIDT"). With S\$ 500 million of committed equity, AIDT's target investment size is S\$ 1 billion. AIDT

has identified investments with about 9.7 million sq ft of business space development potential in locations such as Gurgaon, Pune and Coimbatore, and is making more investments. This ROFR represents a significant acquisition pipeline of quality space for a-iTrust in the mid-term, as AIDT progressively develops the land.

The Trustee-Manager is also in a position to make yield-accretive acquisitions from the market in addition to the 2 ROFRs and organic growth.

As at 31 December 2008, a-iTrust's total borrowing stood at S\$62 million, reflecting a 7% gearing (loan to value). The Trustee-Manager intends to fund the above-mentioned growth strategies via debt initially. With the current gearing level, the trust has an additional debt capacity of S\$260 million or S\$480 million before its gearing reaches 35% or 60% (loan to value) respectively<sup>2</sup>.

## **Looking Forward**

Barring any unforeseen circumstances, the Trustee-Manager is confident of meeting the FY 2008/09 distribution forecast of 6.85 Singapore cents stated in the listing prospectus dated 24 July 2007.

Moving forward, the Trustee-Manager will continue to focus on growing the operating earnings of its assets by actively managing the portfolio, optimizing its capital structure, and further growing the portfolio through developing the land it owns and pursuing yield accretive acquisitions.

A copy of the full results announcement is available at [www.sqx.com](http://www.sqx.com) and [www.a-iTrust.com](http://www.a-iTrust.com) after market closes on 29 January 2009.

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## **Ascendas India Trust (a-iTrust) [www.a-iTrust.com](http://www.a-iTrust.com)**

a-iTrust was launched in August 2007 as the first listed Indian property trust in Singapore and Asia. It has the principal objective of owning income-producing real estate used primarily as business space in India. a-iTrust may also acquire and develop

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<sup>2</sup> a-iTrust has voluntarily adopted, and incorporated in its Trust Deed, the gearing limit of 35%, or 60% if a credit rating or unitholders' approval is obtained.

land or uncompleted developments, with the objective of holding the properties upon completion.

The trust is seeded by four world-class IT parks in India, namely the International Tech Park Bangalore, International Tech Park Chennai, and CyberPearl and The V in Hyderabad. It is managed by Ascendas Property Fund Trustee, a fully-owned unit of Ascendas Pte Ltd.

a-iTrust is structured as a business trust while offering stable income distributions akin to a Real Estate Investment Trust (REIT). Its unique growth model provides strong organic growth and growth from a development pipeline of existing land within its portfolio, and a three-pronged external acquisitions strategy. This strategy includes a right of first refusal over substantially income-producing business space, each from Ascendas Land International and Ascendas India Development Trust, as well as the acquisition of third-party properties across India.

a-iTrust is managed by Ascendas Property Fund Trustee Pte Ltd, an Ascendas Group entity.

**About the Ascendas Group ([www.ascendas.com](http://www.ascendas.com))**

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

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Ascendas Land International Pte Ltd. is the sponsor. J.P. Morgan (S.E.A.) Limited (“JPM”) is the sole financial adviser to the Offering. JPM, Citigroup Global Markets Singapore Pte. Ltd. and DBS Bank Ltd are the Joint Underwriters and Bookrunners.

**Important Notice**

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that unitholders of a-iTrust may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of a-iTrust is not necessarily indicative of the future performance of a-iTrust.

This release 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 costs), 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, which are based on the Trustee-Manager’s current view on future events.