

NOTE TO UNITHOLDERS

DEAR UNITHOLDERS,

Ascendas India Trust ("a-iTrust") was able to deliver a steady set of results for the financial year ended 31 March 2009 ("FY2008/2009"), amidst unprecedented difficulties posed to businesses globally.

Total property income grew 15% to S\$ 118.1 million, and distributable income grew 25% to S\$ 57.1 million. DPU was 7.54 Singapore cents, up 24% and exceeding forecast by 10%. The DPU represented an annualised yield of 14.4% over the closing price of S\$ 0.525 on 31 March 2009.

Our properties continued to generate good returns in a difficult year. Net property income for the full year was S\$ 66.2 million, up 9% from the previous year. The income remained resilient even in the fourth quarter; it was up 8% from the corresponding quarter last year, and up 2% from the preceding quarter this year. The improvement was driven by continued strong demand for our portfolio of quality assets.

Occupancy for the properties remained high, ranging from 97% to 99% as at 31 March 2009. This is in contrast to the occupancy of 72% to 87% for Grade A buildings in the micro-markets where our properties are located¹.

Our gearing was 9% as at 31 March 2009. Net asset value ("NAV") attributable to Unitholders was S\$ 674 million or S\$ 0.89 per unit. The lower NAV was due to a downward fair valuation of the portfolio and depreciation of Indian Rupee against Singapore Dollar. The independent portfolio valuation was reduced by 5% mainly because of an increase in discount rate and capitalisation rate used in deriving the capital values, reflecting higher risk aversion in the current climate.



MR PHILIP YEO LIAT KOK Chairman (left)
MR JONATHAN YAP NENG TONG CEO (right)

¹ 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 properties are located.

POSITIVITY - GROWTH AMIDST ADVERSITY

The world saw an extraordinary chain of events in the past year. It started with the US sub-prime and housing slump, followed by the financial meltdown and credit crunch. We are now faced with recession in many developed nations, and slowdown in previously fast-growing emerging countries.

Despite an environment fraught with challenges, we have grown a-iTrust's operating income and distribution to Unitholders. We believe our positive results stem from the attributes of **Tenacity, Stability, Vivacity and Integrity**.

TENACITY

Treading a turbulent landscape requires vision, courage and tenacity. a-iTrust has stood up well against the headwinds. But like the rest of the world, more challenges may face us in the coming months. We will continue with determination to provide quality business space solutions, strengthen tenant relationships and deliver steady returns to Unitholders.

STABILITY

Against a volatile market, the portfolio continues to grow net property income and maintain high occupancy levels that exceed the market. This consistent asset performance underpins stable income distributions to our Unitholders. To sustain growth, we will continue to maximise asset performance, develop organically, seek opportunities to acquire yield-accretive properties, and manage our capital structure optimally.

VIVACITY

a-iTrust's unique work-live-play environments have made them premium addresses for some 52,000 people who work in our parks. An ambience of vivacity and vibrancy

abound as the tenant communities actively participate in a gamut of sports and entertainment activities organised throughout the year. Community service activities are also organised, as good corporate citizenship means leveraging on our core competencies in real estate to improve the community's quality of life.

INTEGRITY

A sound corporate governance system is essential for the success of a-iTrust and the safeguarding of Unitholders' interest. The trust has in place independent directorships, clear internal controls and responsibility structures to ensure that the Trustee-Manager acts in the best interest of Unitholders. We also ensure open channels of communication to engage our people and all who place their trust in us, with transparency and clarity.

OUR PORTFOLIO IN FY2008/2009

The portfolio comprises 4 world-class IT parks in Bangalore, Chennai and Hyderabad. Within these parks, we have 15 operating buildings with 4.8 million sq ft of space, proposed development for another 1.5 million sq ft of space, and 24 acres of land with development potential for 2.7 million sq ft of space.

INCOME-PRODUCING SPACE

- We actively manage our income-producing portfolio of 15 buildings to achieve organic growth.
- The occupancy rates in the 4 parks ranged from 97% to 99% as at 31 March 2009, well above the general occupancy rates of 72% to 87%² in the micro-markets where our parks are located.
- During the year, leases for 24% of the portfolio space expired, out of which we have successfully renewed 89%. We have also leased the remaining space to achieve portfolio occupancy of 98% as at 31 March 2009.

² Based on Jones Lang LaSalle India Pvt Ltd's research for the quarter ending 31 March 2009 on Grade A space in the micro-markets where a-iTrust's properties are located.



NOTE TO UNITHOLDERS



INCOME-PRODUCING SPACE (cont'd)

- The largest tenant accounted for about 4%, and the top 10 tenants collectively accounted for about 30% of the portfolio's monthly base rent as at 31 March 2009. Hence our single client exposure risk is low.
- In the annual tenant survey 2008 conducted by Nielsen, 80% of the respondents were satisfied, and 50% were delighted³ with the properties and services provided. A high 85% of the respondents indicated that they would definitely continue to grow their business relationship with the group.

IN-BUILT DEVELOPMENT PIPELINE

- We aim to grow the portfolio through our in-built development pipeline, by developing the vacant land the trust owns in a phased manner. Any Build-To-Suit (BTS) facility will be constructed only with pre-commitment from a tenant. Any multi-tenanted building will be considered for development only when the existing buildings are well occupied, or if existing and new clients have an interest for space.
- We are developing 3 buildings to add 1.5 million sq ft of space. They include a retail mall and a BTS facility in IT Park Bangalore, and a multi-tenanted building in IT Park Chennai.
- The retail mall and multi-tenanted buildings are under construction, and are expected to complete in the year 2010.
- The BTS facility will commence construction when the security deposit is received in full from the tenant.
- Upon completion, the new buildings and facilities will grow the portfolio's income stream, as well as strengthen the positioning of our parks.

BALANCE SHEET STRENGTH

- Our balance sheet is strong, with a gearing of 9% as at 31 March 2009.
- We will continue to be prudent in our capital management. We will balance the intention to grow through acquisition and development with a measured approach, to ensure that the risk-adjusted returns to Unitholders are maximised.
- We will also continue to maintain our policy of hedging a substantial portion of the expected income repatriation.
- The trust has established a S\$ 500 million Multicurrency Medium Term Note Programme ("MTN Programme"), which allows us to tap the debt capital markets for additional source of funding.

POISED FOR THE FUTURE

Our high portfolio occupancy rate of 98% is testament to the strong demand for quality space in India. The appeal of our properties is reinforced by the fact that the occupancy of our properties is significantly higher than the market.

Confidence in the trust is backed by Ascendas, the sponsor of a-iTrust, which has made a name for itself as one of Asia's leading providers of business space solutions. More than 15 years ago, Ascendas established the iconic and pioneering International Tech Park Bangalore, which has become the model for subsequent IT parks in India.

Since then, Ascendas has built more world-class properties in other parts of India and attracted a clientele of leading multinational companies. The annual brand equity survey 2008 conducted by Nielsen revealed that Ascendas remained the favourite IT park developer amongst Ascendas tenants and third parties⁴ in the Indian cities where Ascendas has a presence.

³ Satisfaction is measured on a 7-point scale, where the delight score is based on the highest ratings of 6 and 7.

⁴ The survey, commissioned by Ascendas Group, is conducted by Nielsen annually with Ascendas tenants and third parties in the Indian cities where Ascendas has a presence. 90% of tenants and 56% of third parties rated Ascendas as their favourite real estate company.

POISED FOR THE FUTURE (cont'd)

The Indian economy is now the fourth largest economy in the world at purchasing power parity exchange rates. India, also the second most populous country in the world, continues to offer excellent potential for growth. We will continue to leverage on Ascendas' experience and capabilities to enhance our assets and grow in this market. The trust has in place a management fee structure which aligns remuneration to the trustee-manager and the property manager with performance of the trust. In addition, the Board ensures that the trustee-manager adhere to strict corporate governance processes.

The current downturn may present more challenges ahead for businesses, including a-iTrust. We will stay close to the ground to understand and anticipate tenants' needs, be prompt to respond to changes, and continue to offer value-added solutions.

The new climate will also see more companies finding ways to cut costs, including outsourcing to low-cost countries like India, which will drive demand for quality real estate. Our properties are well positioned to capitalise on the opportunity.

Apart from organic growth, we are open to opportunities to acquire good quality buildings that can enhance our income stream, diversify our tenant base, and help us gain entry into new cities. We make decisions in a prudent manner, with Unitholders in mind, when assessing opportunities that can add value to the trust.

At all times, exuberant or bleak, we remain focused on developing our talents, and delivering the "Ascendas Advantage" of quality business space, reliable business solutions and international business lifestyle to our tenants in order to maximise value to Unitholders.

APPRECIATION

We wish to thank our fellow Board Directors who have guided the management through a demanding year, our tenants for their continued partnership and our Unitholders for their support of a-iTrust.



Philip Yeo Liat Kok
Chairman

Ascendas Property Fund Trustee Pte Ltd
(Trustee-Manager of Ascendas India Trust)



Jonathan Yap Neng Tong
Chief Executive Officer

Ascendas Property Fund Trustee Pte Ltd
(Trustee-Manager of Ascendas India Trust)

