



29 April 2010

**a-iTrust’s portfolio continues to demonstrate strength and resilience in FY 2009/10**

**29 April 2010, Singapore** – Ascendas Property Fund Trustee Pte Ltd, the Trustee-Manager of Ascendas India Trust (“a-iTrust”), today reported the results of a-iTrust for the fourth quarter and full financial year ended 31 March 2010 (“4Q FY2009/10” and “FY2009/10” respectively).

**Summary of a-iTrust Results  
(For 4Q FY2009/10 and FY2009/10)**

	4Q FY2009/10	Over 4Q FY2008/09	FY2009/10	Over FY2008/09
<b>Total Property Income, S\$ million</b>	30.9	-	120.9	2%
<b>Net Property Income, S\$ million</b>	16.9	(3%)	73.8	12%
<b>Distributable Income, S\$ million</b>	13.6	(13%)	57.6	1%
<b>Distribution per Unit (“DPU”), S\$ cents</b>	1.79	(13%)	7.55	-

a-iTrust’s portfolio performance for the year remained strong. Total property income for FY2009/10 was S\$ 120.9 million, which was 2% higher than last year. Net property income was S\$ 73.8 million compared to S\$ 66.2 million last year, an increase of 12%. The growth in net property income outpaced that of total property income, as a result of the various cost management initiatives implemented during the year.

Distributable income for FY2009/10 remained stable at S\$ 57.6 million, which is 1% higher than the year before. The distributable income for the year was arrived at after deducting higher financing costs and higher tax expense due to increase in tax rates, and realising lower gains during FY2009/10 from hedging contracts entered into to hedge income repatriation, as compared to the preceding year<sup>1</sup>.

<sup>1</sup> Gains from forward foreign exchange contracts at settlement in FY2008/09 and 1Q FY2009/10 were for contracts entered into when a-iTrust was listed in 2007, at very favourable exchange rates. Losses were realised on contracts settled in 3Q FY2009/10, which were entered into at less favourable rates. The trust maintains a policy of hedging distributable income as they are earned, to provide visibility of distribution to Unitholders.

Full-year DPU was 7.55 Singapore cents, representing a yield of 7.8% and 7.6% respectively over the closing prices of S\$ 0.97 and S\$ 1.00 per unit on 31 March 2010 and 28 April 2010.

Total property income was stable in 4Q FY2009/10 compared to a year ago, supported by stable portfolio occupancy and rental rates. Net property income decreased marginally by 3% during the same period, due to higher utilities expenses resulting from higher fuel cost and the overhaul of the engines of the power plant at International Tech Park Bangalore (“ITPB”). Distributable income decreased by 13% year-on-year due to higher net financing cost and sales tax provision, and a one-time stamp duty payment.

DPU for 4Q FY2009/10 was 1.79<sup>2</sup> Singapore cents. Taking into account the DPU of 1.85 Singapore cents for the preceding quarter, DPU for the second half of FY2009/10 was 3.64 Singapore cents, which is payable on 26 May 2010. a-iTrust units will be traded ex-distribution on 12 May 2010.

Gearing remained low at 19% as at 31 March 2010. Net asset value attributable to Unitholders was S\$ 0.90 per unit, which included the increase in investment property valuation as at 31 March 2010 by 4%.

Chief Executive Officer of the Trustee-Manager, Mr Jonathan Yap said, “We had a strong retention rate during the year, with 77% of expired leases renewed. We have also signed up new tenants for the available space. As a result, the portfolio occupancy rate averaged a high 97% for FY2009/10.

The results for our annual survey on tenant satisfaction and brand equity were encouraging. Conducted by Nielsen, the results revealed that 87% of our tenants were satisfied and 67% delighted<sup>3</sup>. Ascendas Group, the sponsor of a-iTrust, remained the favourite IT park developer amongst Ascendas tenants and third parties in the Indian cities where Ascendas has presence<sup>4</sup>.

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<sup>2</sup> DPU for 4Q FY2009/10 reflected higher net financing costs (S\$ 0.7million), one-time stamp duty payment for sale of an ITPB building in FY2008/09 (S\$ 0.7 million), and sales tax provision (S\$ 0.4 million). For more details, please refer to a-iTrust’s full announcement of results for 4Q FY2009/10 at [www.sgx.com](http://www.sgx.com) or [www.aitrust.com](http://www.aitrust.com).

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

<sup>4</sup> The survey, commissioned by Ascendas Group, is conducted by Nielsen annually with Ascendas tenants and third parties in the Indian cities where Ascendas has presence. 86% of tenants and 71% of third parties rated Ascendas as their favourite IT park developer.

With the benefit of a long operating history in India, we have nurtured our properties to a level of maturity, and distinguished them from the market. The office market was weak last year, and improvement may be gradual. We will continue to enhance our offering to our tenants, and manage costs. These measures have resulted in a growth in net property income by 12% in FY2009/10.

In the coming year, we will focus on optimising the renewal of expiring leases and leasing of 1.2m sq ft of new space completing in the second half of calendar year 2010. The latter, which comprises an IT building in Chennai and an ancillary retail mall in Bangalore, is expected to expand our property income. The contribution to distributable income will commence gradually over a few quarters following completion, as leases are signed and rental receipts increase.

With a gearing level of 19% and the ongoing developments already fully funded, substantial financial scope remains for a-iTrust to undertake further developments or acquisitions.”

### **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.

a-iTrust’s properties house 248 tenants operating in various 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 the largest tenant contributed about 4.6% of the portfolio base rent as at 31 March 2010. As at that date, the top 10 tenants collectively accounted for about 31% of portfolio base rent, further demonstrating the low client concentration risk and high income stability.

Occupancy rate for the portfolio as at 31 March 2010 was 97%. This exceeds market occupancy rates of 63% to 88%<sup>5</sup> for the micro-markets in which the portfolio’s properties are located.

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<sup>5</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.

The portfolio serves a target market of largely multi-national corporations, a group which appreciates the “Ascendas Advantage” that comes with the portfolio being managed by the Ascendas Group. By that, we refer to quality space, reliable solution and international business lifestyle. Hence, in addition to ensuring that the space continues to meet our customers’ requirements, a host of services and amenities are provided to develop a sense of community belonging within each park. More than 30 events, such as the Healthy Lifestyle and Sports Meet in ITPB during January 2010, were organised in the four parks within the portfolio over FY2009/10.

### **Three-Pronged Acquisition Strategy**

As at 31 March 2010, a-iTrust’s total borrowing stood at S\$ 181.5 million, reflecting a 19% gearing (loan-to-value). The low gearing allows a-iTrust to fund growth via development or acquisition using debt initially. At the current gearing level, the trust has an additional debt capacity of S\$ 140 million or S\$ 350 million before its gearing reaches 35% or 60% (loan to value) respectively<sup>6</sup>.

a-iTrust enjoys a Right of First Refusal (“ROFR”) granted by Ascendas Land International Pte Ltd (“ALI”) to acquire its substantially income-producing business space. ALI owns CyberVale, an IT Special Economic Zone (“SEZ”) in Chennai, and under the ROFR, 535,000 sq ft of income-producing space and 4.4 acres of land<sup>7</sup> could be offered to a-iTrust for acquisition.

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 invested in development projects with about 10 million sq ft of business space development potential in India. This ROFR represents a significant acquisition pipeline of quality space for a-iTrust in the mid-term, as AIDT progressively develop the land.

In addition to acquiring via ROFR, the Trustee-manager seeks to also acquire from the market.

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<sup>6</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.

<sup>7</sup> The land could be developed into a 280,000 sq ft building.

## **Portfolio to Grow through Organic Growth**

a-iTrust has proposed to develop about 1.7 million sq ft of new space on land it owns within its portfolio. About 1.2 million sq ft are due for completion in 2010, being Park Square (450,000-sq ft retail mall in ITPB)<sup>8</sup> and Zenith (742,000-sq ft IT Multi-tenanted Building (“MTB”) in International Tech Park Chennai). A third building, which is a 535,000-sq ft MTB in ITPB’s SEZ, is expected to complete in 2011. When completed, the proposed 1.7 million sq ft of space will increase the current 4.8 million sq ft of income-producing space by about 35%.

In addition to the above-mentioned 1.7 million sq ft of proposed space, a further 2.5 million sq ft of space could be developed within the portfolio, which is largely within the SEZ in ITPB.

## **Looking Forward**

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

A copy of the full result announcement is available at [www.sgx.com](http://www.sgx.com) and [www.a-iTrust.com](http://www.a-iTrust.com).

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<sup>8</sup> ITPB houses a 25,000 working population and has further capacity to grow by developing its vacant land. Its existing 100,000-sq ft mall is inadequate to cope with the retail needs of the park population. This, and the opportunity to serve the retail needs of the population that live or work in close proximity to ITPB, is the rationale behind the development of Park Square.

## **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 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 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.

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'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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**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.