Viva Industrial Trust
3Q2015 & 9M2015
Financial Results

27 October 2015



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Contents

- Key Highlights
- Financial Performance
- Capital Management
- Portfolio Updates
- Outlook

Key Highlights

3Q2015

- Gross revenue increased by **23.1%** year-on-year to **S$18.4 million.**
- Distributable income grew by **15.1%** year-on-year to **S$11.6 million.**
- DPS declined by 2.4**%** year-on-year to **1.647 cents**[1].

9M2015

- Gross revenue rose by **20.3%** year-on-year to **S$54.3 million.**
- Distributable income grew by **14.3%** year-on-year to **S$35.0 million.**
- DPS increased by 4.6**%** year-on-year to **5.366 cents.**

Portfolio Management

- Proposed acquisitions of 3 properties valued at close to **S$190.0 million.**
- Phase 1 of asset enhancement initiatives ("AEI") at Technopark@Chai Chee ("TPCC") is expected to complete **by end of 2015.**
- Received close to **55% of pre-committed** tenancies for the AEI at TPCC.
- Secured approximately **298,000 sq ft** of renewals and new leases as at end of 3Q2015.

Capital Management

- **85.9%** of interest rate exposure fixed.
- Marginally lowered gearing to **38.8%**.

1. *DPS for 3Q2015 declined by 2.4% year-on-year to 1.647 cents, mainly due to the issuance of 80.3 million new stapled securities under the recent placement exercise completed in June 2015 to partially fund the Asset Enhancement Initiative ("AEI") project at TPCC which is expected to see gradual income contribution starting from the first quarter of 2016.*

Contents

- Key Highlights
- Financial Performance
- Capital Management
- Portfolio Updates
- Outlook

Financial Performance

	Year-on-Year		
	3Q2015 Actual	3Q2014 Actual	Variance
Gross Revenue (S$'000)	**18,388**	14,936	▲ 23.1%
NPI (S$'000)	**12,504**	9,648	▲ 29.6%
Distributable Income [1] (S$'000)	**11,622**	10,094	▲ 15.1%
DPS (SG cents)	**1.647**	1.687	▼ 2.4%
Annualised DPS (SG cents)	**6.534**	6.693	▼ 2.4%
Distribution Yield:			
Based on IPO price of S$0.780	**8.4%**	8.6%	▼ 2.3%
Based on closing price of S$0.735 as at 30 September 2015	**8.9%**	9.1%	▼ 2.2%

1. *Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.*

Financial Performance

	Year-on-Year		
	9M2015 Actual	9M2014 Actual	Variance
Gross Revenue (S$'000)	**54,287**	45,119	▲ 20.3%
NPI (S$'000)	**37,113**	29,733	▲ 24.8%
Distributable Income [1] (S$'000)	**35,015**	30,631	▲ 14.3%
DPS (SG cents)	**5.366**	5.132	▲ 4.6%
Annualised DPS (SG cents)	**7.174**	6.861	▲ 4.6%
Distribution Yield:			
Based on IPO price of S$0.780	**9.2%**	8.8%	▲ 4.5%
Based on closing price of S$0.735 as at 30 September 2015	**9.8%**	9.3%	▲ 5.4%

1. *Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.*

Financial Performance

	3Q2015		
	Actual	**Forecast [1]**	**Variance**
Gross Revenue (S$'000)	**18,388**	15,738	▲ 16.8%
NPI (S$'000)	**12,504**	10,460	▲ 19.5%
Distributable Income[2] (S$'000)	**11,622**	11,000	▲ 5.6%
DPS (SG cents)	**1.647**	1.810	▼ 9.0%
Annualised DPS (SG cents)	**6.534**	NA	NA
<u>Distribution Yield:</u>			
Based on IPO price of S$0.780	**8.4%**	9.0%	▼ 6.7%
Based on closing price of S$0.735 as at 30 September 2015	**8.9%**	NA	NA

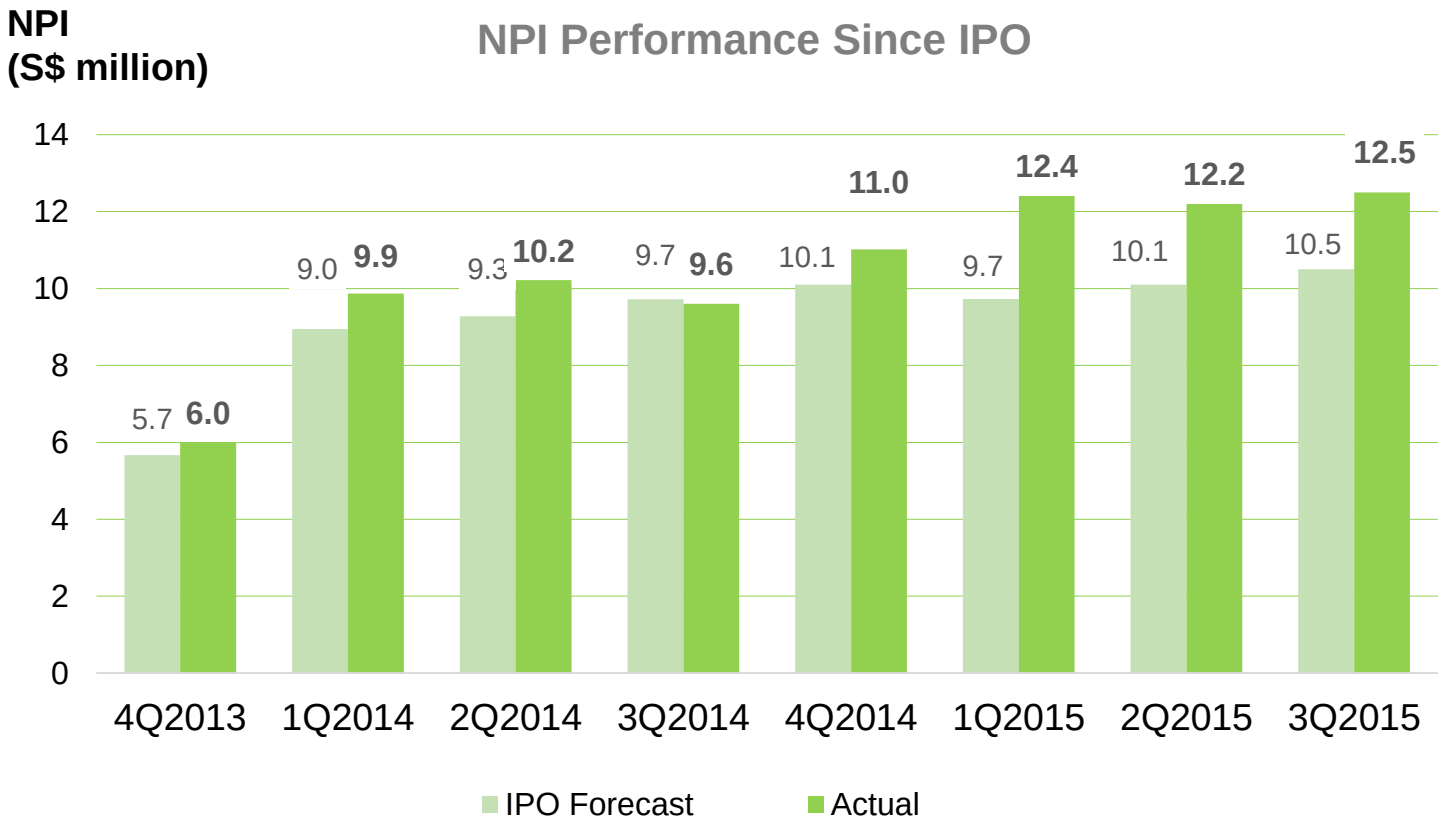
1. *The forecast figures are derived from the corresponding period of the full year projection for 2015 as disclosed in the IPO prospectus dated 28 October 2013.*
2. *Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.*

Financial Performance

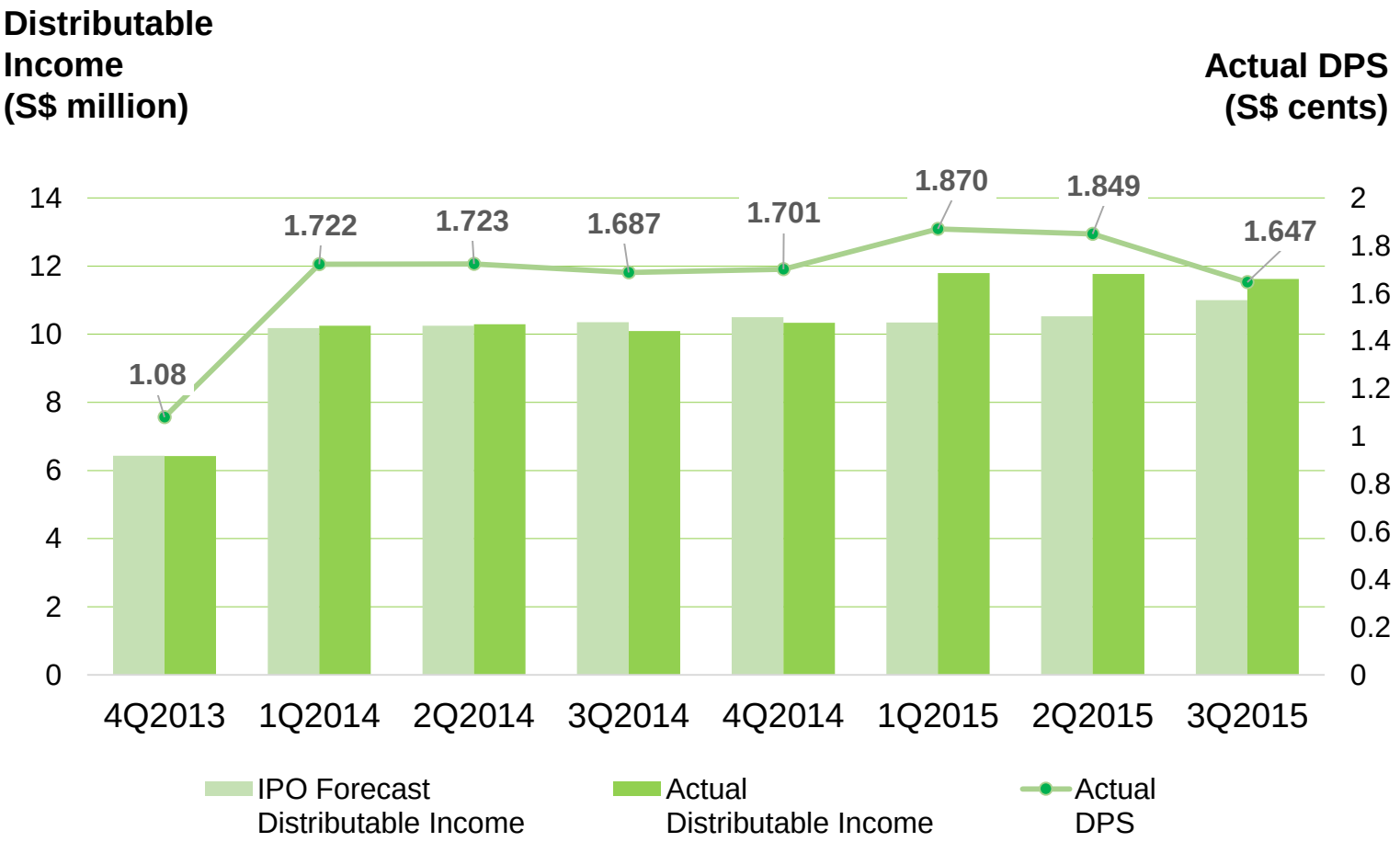
	9M2015		
	Actual	**Forecast [1]**	**Variance**
Gross Revenue (S$'000)	**54,287**	45,834	▲ 18.4%
NPI (S$'000)	**37,113**	30,320	▲ 22.4%
Distributable Income[2] (S$'000)	**35,010**	31,864	▲ 9.9%
DPS (SG cents)	**5.366**	5.250	▲ 2.2%
Annualised DPS (SG cents)	**7.174**	NA	NA
Distribution Yield:			
Based on IPO price of S$0.780	**9.2%**	9.0%	▲ 2.2%
Based on closing price of S$0.735 as at 30 September 2015	**9.8%**	NA	NA

1. *The forecast figures are derived from the corresponding period of the full year projection for 2015 as disclosed in the IPO prospectus dated 28 October 2013.*
2. *Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included for the purpose of calculating the Distribution per Stapled Security.*

Net Property Income (NPI) Exceeds IPO Forecast

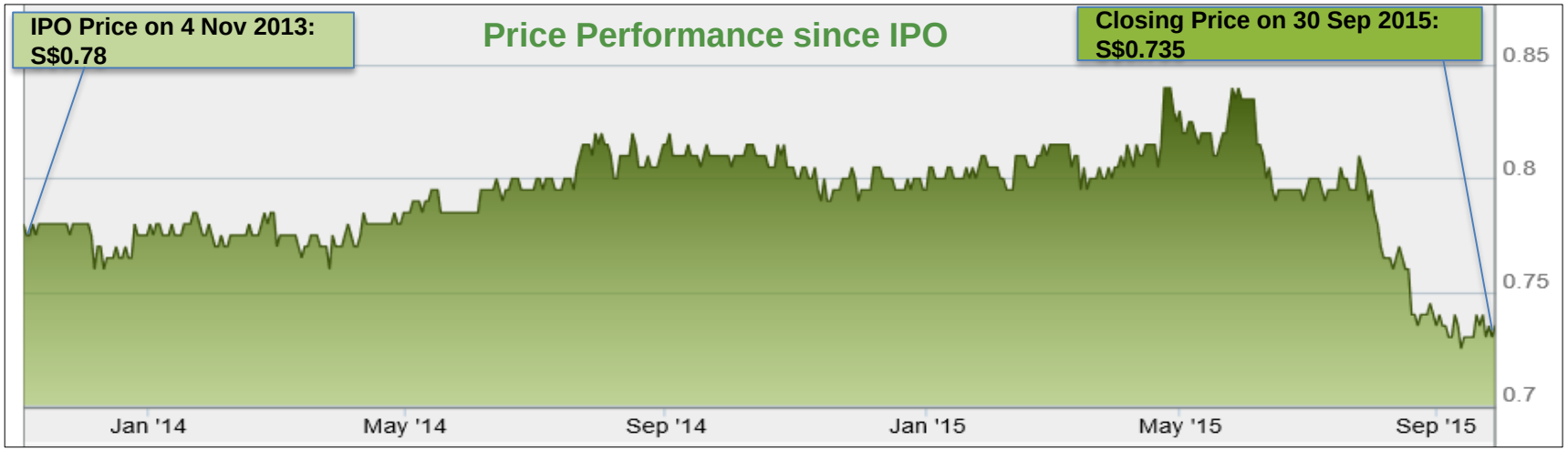


Distribution Performance since IPO



Attractive Return on Investment since IPO

	FP2013[1]	1Q2014	2Q2014	3Q2014	4Q2014	1Q2015	2Q2015	3Q2015
Price at Quarter End (S$)	0.775	0.770	0.795	0.805	0.795	0.805	0.795	0.735
Cumulative DPS (SG cents)[2]	1.080	2.802	4.525	6.212	7.913	9.783	11.632	13.279
Price Appreciation (%)	(0.6)	(1.3)	1.9	3.2	1.9	3.2	1.9	(5.8)
Cumulative Distribution Yield (%)	1.4	3.6	5.8	8.0	10.1	12.5	14.9	17.0
Total Return (%)[3]	**0.8**	**2.3**	**7.7**	**11.2**	**12.0**	**15.7**	**16.8**	**11.2**



Scenario: Distribution yield based on 3Q2015 annualised DPS of S$0.0653							
Price	S$0.730	S$0.735	S$0.740	S$0.750	S$0.760	S$0.770	S$0.780
Annualised Distribution Yield	8.9%	8.9%	8.8%	8.7%	8.6%	8.5%	8.4%

1. *For the period from 23 August 2013 to 31 December 2013.*
2. *Assume that a stapled securityholder has been holding the stapled securities in VIT since the listing of VIT on 4 November 2013.*
3. *Sum of cumulative distribution and capital appreciation over the IPO issue price of S$0.780.*

Distribution Details

For the third quarter ended 30 September 2015		
Distribution per Stapled Security (Singapore cents)	**1.647 comprising:**	
	(a) taxable income:	**1.303**
	(b) tax exempt income:	**0.344**
Ex-Date	**2 November 2015**	
Books Closure Date	**4 November 2015**	
Distribution Payment Date	**26 November 2015**	

Contents

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- Capital Management
- Portfolio Updates
- Outlook

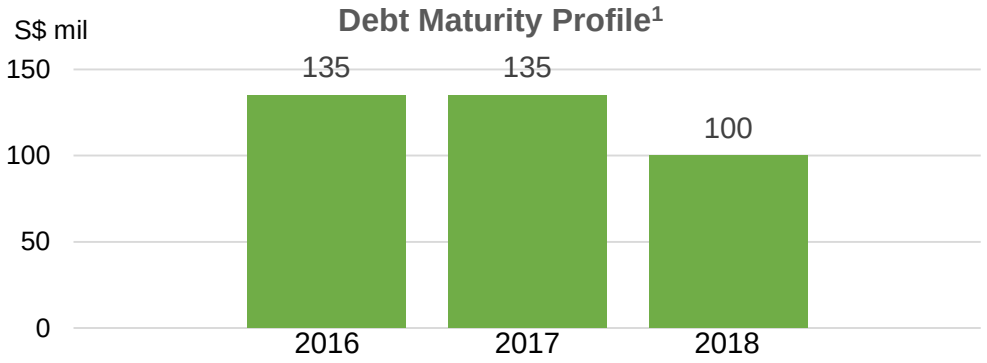
Balance Sheet

	30 Sep 2015 S$ mil	31 Dec 2014 S$ mil
Investment Properties	962.4	852.7
Intangible Assets*	10.3	13.4
Current Assets	16.5	16.4
Total Assets	**989.2**	**882.5**
Borrowings (net of transaction costs)	380.6	386.0
Other Liabilities	23.2	25.0
Total Liabilities	**403.8**	**411.0**
Net Assets	**585.4**	**471.5**
No. of Stapled Securities issued and issuable (in mil)	707.5	621.9
Net Asset Value per Stapled Security (Singapore cents)	**82.7**	**75.8**

** This represents the carrying amounts of unamortized rental differential to be provided to VI-REIT by the respective vendors of UE BizHub EAST ("UEBH") and Technopark@Chai Chee ("TPCC") pursuant to the UEBH rental arrangement and the TPCC rental support arrangement.*

Capital Management

As at 30 September 2015	
Total Borrowings	S$384 million
Gearing Ratio (Total Borrowings over Total Assets)	38.8%
All-in Borrowing Cost	3.93%
Weighted Average Maturity[1]	2.0 years
Interest Rate Exposure Fixed[2]	85.9%
Interest Cover	4.3 times
Credit Ratings assigned by Standard & Poor's:	
Corporate Credit Rating	BB
MTN Programme	BB+
MTN Series 001	BB+



1. *Excludes the outstanding revolving credit facility of S$14 million.*
2. *Based on outstanding borrowings as at 30 September 2015.*

Contents

- Key Highlights
- Financial Performance
- Capital Management
- Portfolio Updates
- Outlook

Portfolio Highlights

- ✓ Proposed acquisitions of **3 properties** (the "Properties") located at **Ubi, Tai Seng and Pioneer** which are valued at close to **S$190 million.** Expected completion by end of 2015.

- ✓ Phase 1 of asset enhancement works at TPCC ("Project Viva City") is scheduled to complete by end of 2015.

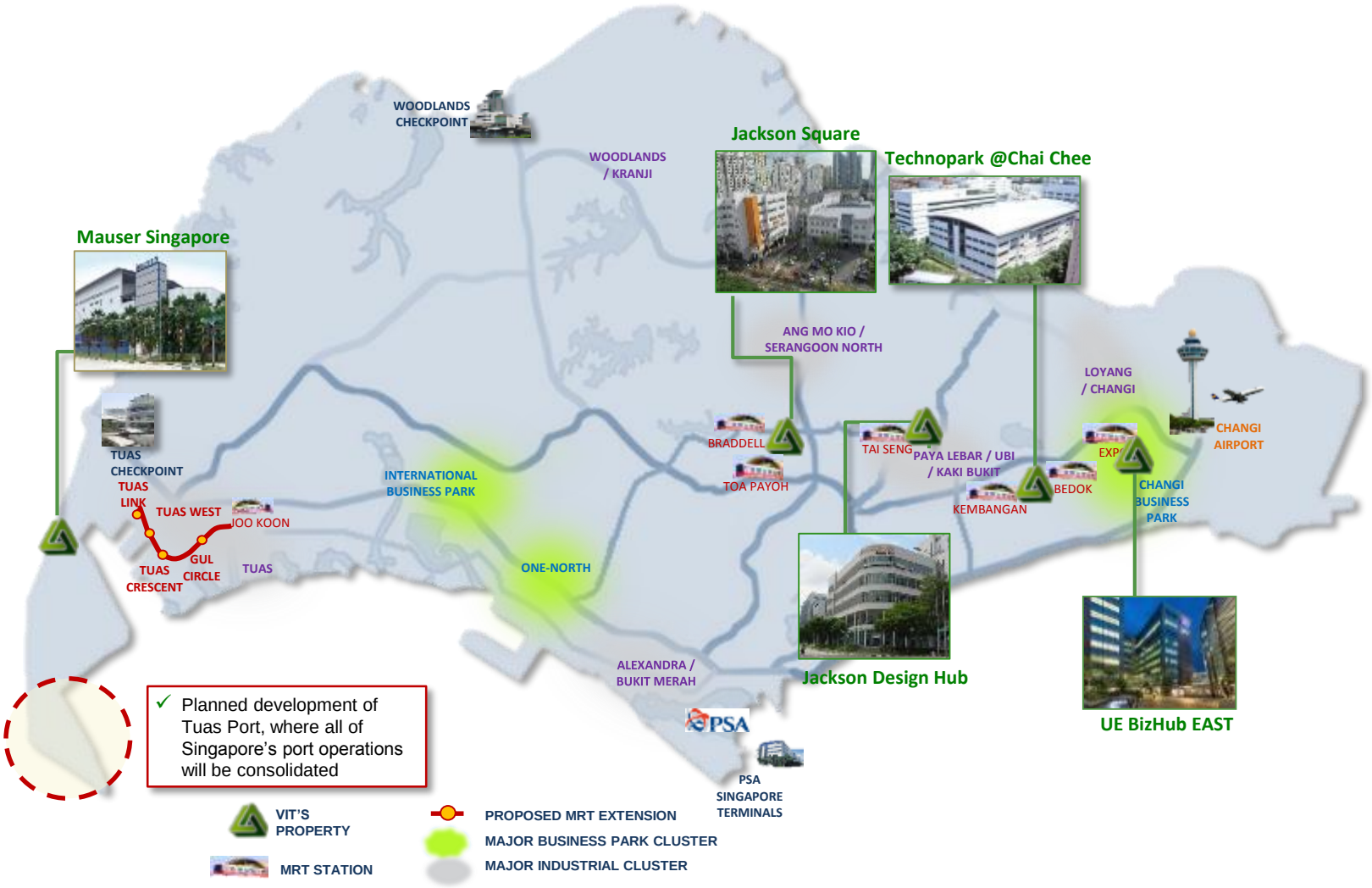
- ✓ **Decathlon's first Southeast Asia ("SEA") flagship store** will be opened by end of 2015. In addition, Decathlon will be relocating its **SEA headquarters** to TPCC.

- ✓ Received close to **55% of pre-committed** tenancies at Project Viva City including Aston, Chic A Boo, Offside Sports and Bistro, MMMM! and the Seafood Market Place by Song Fish, a world-class sports climbing facility and a renowned fitness centre.

- ✓ Secured approximately **200,000 sq ft** of renewals and **98,000 sq ft** of new leases as at end of 3Q2015.

- ✓ Weighted average portfolio occupancy at **80.8%.**

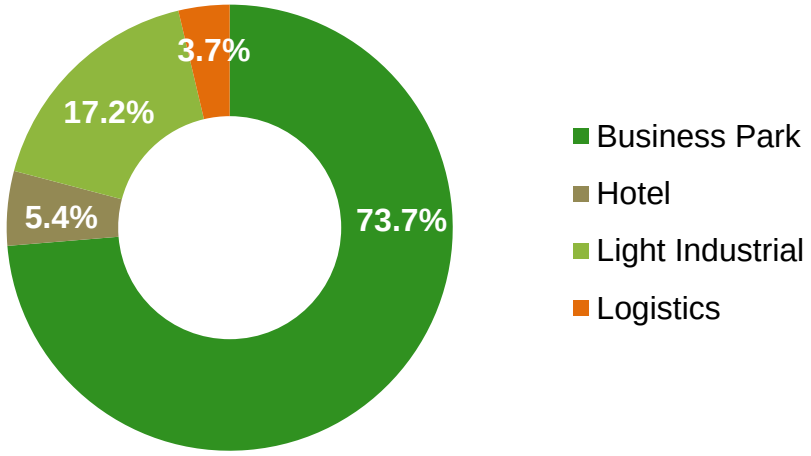
Strategically Located Quality Portfolio



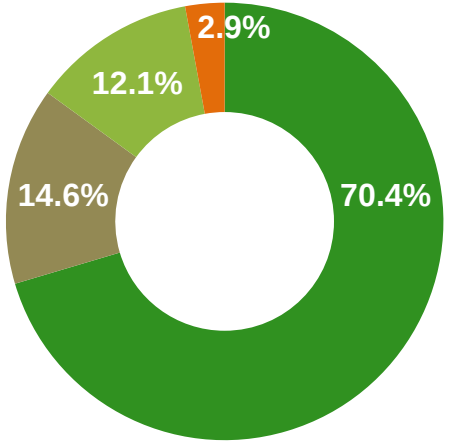
Business Park Focused Portfolio

Portfolio Summary	
Total Number of Properties	**5**
Total Portfolio GFA (sq ft)	**2,919,323 sq ft**
Net Lettable Area (NLA)	**2,344,517 sq ft**
WALE (by rental income)*	**3.1 years**
Weighted Average Land Lease (by valuation)	**37.4 years**
Weighted Average Age of Building (by valuation)	**9.7 years**
Weighted Average Portfolio Occupancy	**80.8%**
Total Portfolio Value	**S$962.4 million**

Asset Type by GFA



Asset Type by Valuation



** By Rental Income - based on net property income and rental support for the month of September 2015, taking into account the master lease arrangements and rental support arrangements, assuming that renewal options are not exercised.*

Key Competitive Strengths of Portfolio Properties

UE BizHub EAST
(Business Park Component)

Value:	S$374.0mn*
GFA:	626,018 sq. ft.
Age:	3.4 years
Remaining Land Lease:	52.4 years
Occupancy:	85.7%
No of tenants:	31



- Relatively new property (TOP in April 2012)
- Strategically located at the heart of Changi Business Park (CBP) Adjacent to Expo MRT station & direct link to upcoming Down Town Line Station
- Unique integrated mixed-use business park development
  - Zoned Business Park White(1)
    > Allows for up to 40% of total GFA to be allocated for "white uses"
  - Awarded Green Mark Gold^{Plus} > Highly valued by MNC tenants

UE BizHub EAST
(Hotel Component)

Value:	S$140.0mn*
GFA:	157,397 sq. ft.
Age:	3.4 years
Remaining Land Lease:	52.4 years
Occupancy:	100%
No of tenants:	5



- Relatively new hotel (TOP in May 2012)
- One of the only two hotels at the heart of CBP
- Managed under the award-winning "Park Avenue" brand
- Awarded Green Mark Gold

** As at 31 December 2014*

Key Competitive Strengths of Portfolio Properties

Technopark@Chai Chee

Value:	S$300.0mn[1]
GFA:	1,524,685 sq. ft.
Age:	22.3 years
Remaining Land Lease:	15.5 years
Occupancy:	63.2%
No of tenants:	68



- Only business park development in the vicinity
- Diverse mix of tenants from multiple trade sectors
- Close proximity to Bedok Town Centre with easy access to MRT stations and bus interchange
- Undergoing significant enhancement works to convert up to 15% of the GFA to “white” uses

Mauser Singapore

Value:	S$28.0mn[2]
GFA:	107,566 sq. ft.
Age:	3.3 years
Remaining Land Lease:	50.8 years
Occupancy:	100%
No of tenant:	1



- Relatively new two-storey ramp-up logistics facility (TOP in June 2012)
- Increase operational efficiency and reduce long term maintenance cost
- Benefit from the expected consolidation of container port activities at Tuas
- Leased to Mauser Group, a worldwide leading provider of industrial packaging solutions

1. *As at 30 June 2015*
2. *As at 31 December 2014*

Key Competitive Strengths of Portfolio Properties

Jackson Square

Value:	S$82.0mn*
GFA:	418,586.3 sq. ft
Age:	5.8 years
Remaining Land Lease:	13.6 years
Occupancy:	91.4%
No of tenants:	15



- Four blocks of 2 to 6-storey light industrial complex located in Toa Payoh
- Major refurbishment completed in 2008
- Located within densely populated area with easy access to amenities and labor supply
- Well-served by arterial roads and expressways PIE and CTE
- Walking distance to Braddell and Toa Payoh MRT stations

Jackson Design Hub

Value:	S$33.4mn*
GFA:	85,070.3 sq. ft.
Age:	6.6 years
Remaining Land Lease:	51.6 years
Occupancy:	100%
No of tenant:	1

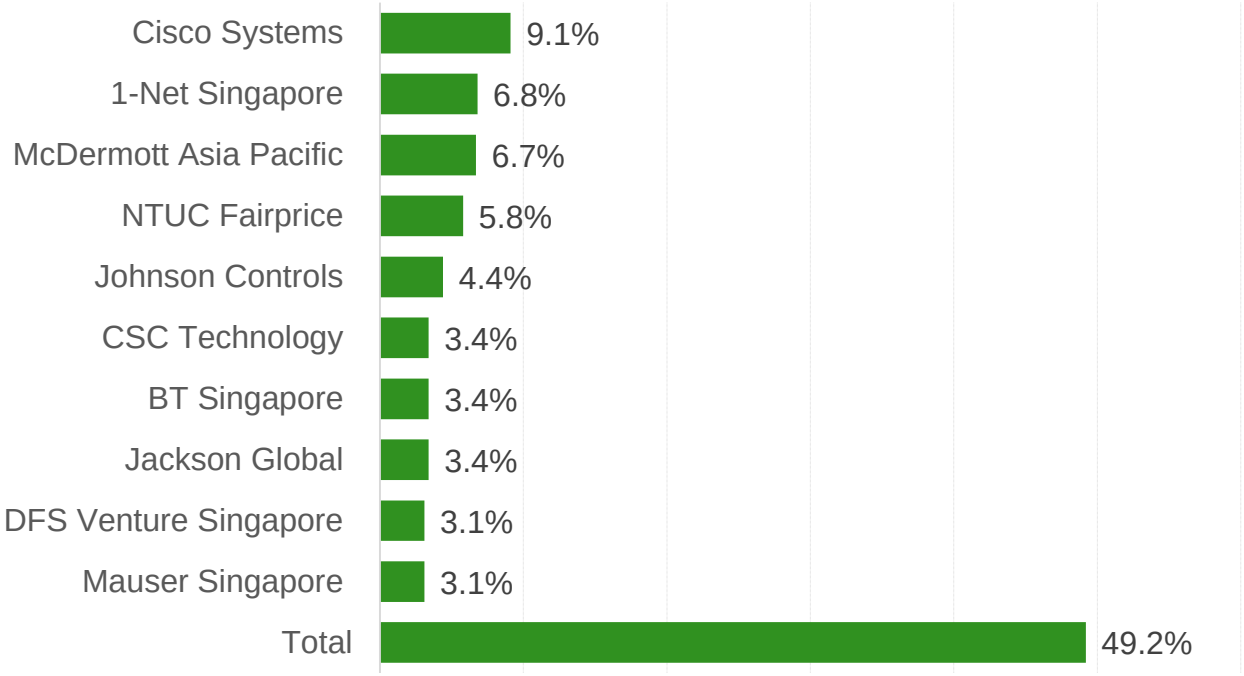


- 5-storey modern light industrial building with basement car park located in Tai Seng
- Located within Paya Lebar iPark, a location master-planned as an industrial park for the 21st century
- Short walking distance to Tai Seng MRT station
- Easy access to KPE and PIE

** As at 30 June 2015*

Diversified Quality Tenant Mix*

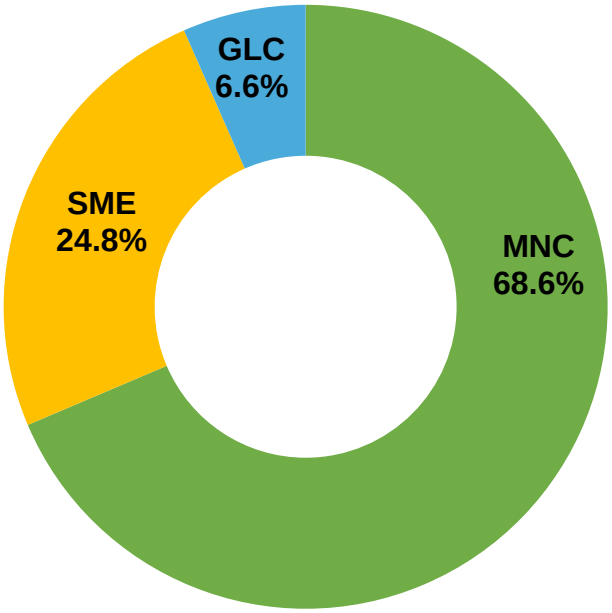
Top 10 tenants/sub-tenants account for 49.2% of monthly committed rental income



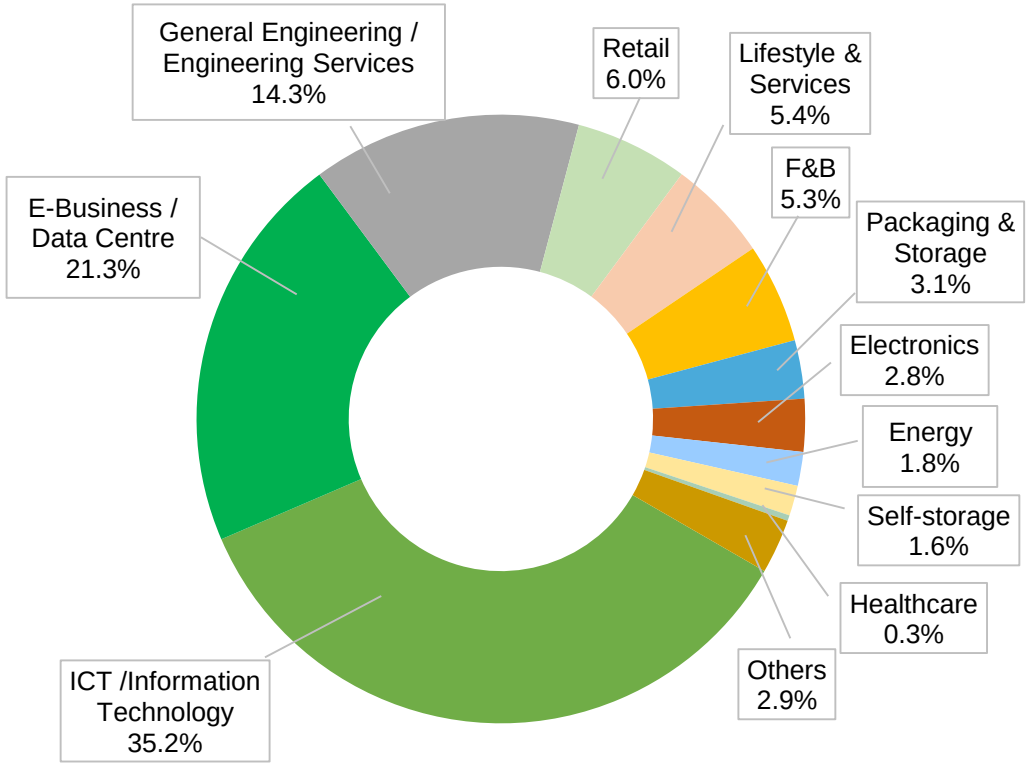
* *As at 30 September 2015. Excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises*

Diversified Quality Tenant Mix

Breakdown of Tenant Type by Underlying Gross Rental Income*

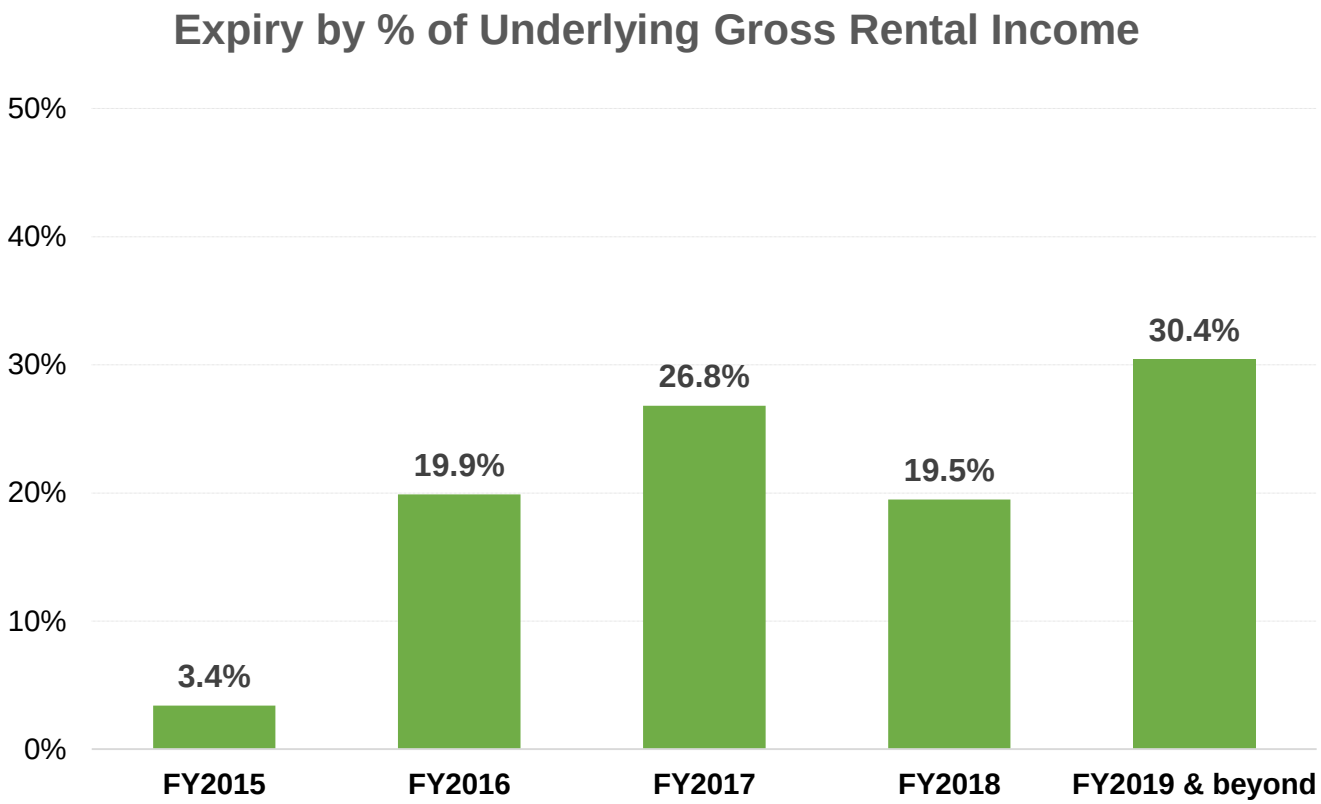


Breakdown of Trade Sector by Underlying Gross Income*



** Based on monthly gross rental income for the month of September 2015, excluding the rental income from the UEBH Hotel Leased Premises.*

Staggered Lease Expiry Provides Income Stability



Secured approximately **298,000 sq ft** of renewals and new leases as at end of 3Q2015.

** Based on committed leases as at 30 September 2015, assuming renewal options are not exercised and excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

Proposed Acquisitions: Property 1

The Ubi Property

Property Details	
Location	11, Ubi Road 1, Singapore 408723
Purchase Price	S$80.7 million[1]
Land Premium	S$5.3 million[2]
Valuation	S$87 million[3]
Land Tenure	30 + 30 years (wef 1 September 1995)
Land Area	103,238 sq ft
GFA	253,058 sq ft
Leasable Area	253,058 sq ft
Occupancy	100%
Lease Term	10 years





1. *Excluding upfront land premium.*
2. *Estimated upfront land premium is subject to confirmation by HDB.*
3. *Based on independent valuation as at 14 July 2015 by Suntec Real Estate Consultants Pte. Ltd, including an estimated upfront land premium for the balance of the initial 30-year term.*

Proposed Acquisitions – Property 2

The Tai Seng Property

Property Details	
Location	19 Tai Seng Avenue, Singapore 534054
Purchase Price	S$42.0 million[1]
Land Premium	S$4.8 million[2]
Valuation	S$47.8 million[3]
Land Tenure	30 + 30 years (wef 11 September 2007)
Land Area	48,222 sq ft
GFA	120,556 sq ft
Leasable Area	120,556 sq ft
Occupancy	100%
Lease Term	10 years





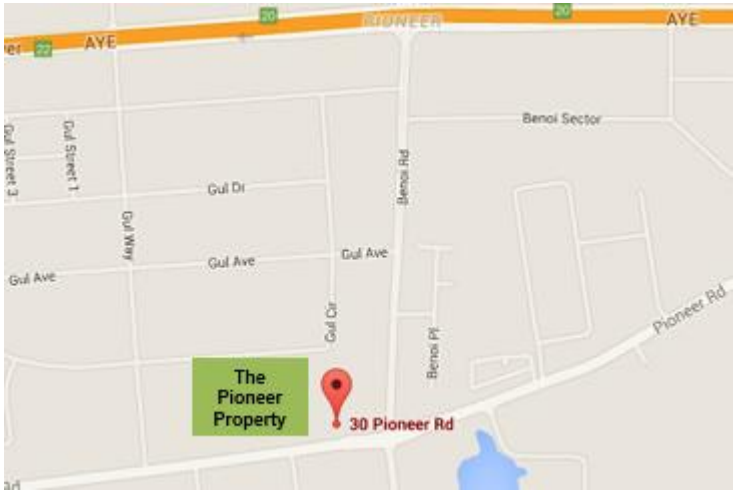
1. *Excluding upfront land premium.*
2. *Estimated upfront land premium is subject to confirmation by JTC.*
3. *Based on independent valuation as at 27 July 2015 by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. including an estimated upfront land premium for the balance of the initial 30-year term.*

Proposed Acquisitions – Property 3

The Pioneer Property

Property Details	
Location	30 Pioneer Road, Singapore 628502
Purchase Price	S$45.0 million[1]
Land Premium	S$6.1 million[2]
Valuation	S$55.0 million[3]
Land Tenure	30 years (wef 16 February 2007)
Land Area	200,786.6 sq ft
GFA	281,090.2 sq ft
Leasable Area	281,090.2 sq ft
Occupancy	100%
Lease Term	5 + 5 years





1. *Excluding upfront land premium.*
2. *Estimated upfront land premium* is subject to confirmation by JTC.
3. *Based on independent valuation as at 26 August 2015 by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. Including an estimated upfront land premium for the balance of the initial 30-year term.*

Acquisitions Summary

The Ubi Property, The Tai Seng Property and The Pioneer Property	
Total GFA	654,704.2 sq ft
Total Purchase Price	S$167.7 million[1]
Total Estimated Upfront Land Premium	S$16.2 million[2]
Total Purchase Price and Estimated Upfront Land Premium	**S$183.9 million**
Total Valuation	**S$189.8 million[3]**
Weighted Average Land Lease Expiry (by valuation)	37.6 years
Weighted Average Lease Expiry (WALE) (by rental income)	8.4 years
Average NPI Yield	7.3%
Funding Structure	Mix of debt and equity

1. *Excluding upfront land premium.*
2. *Subject to confirmation by HDB and JTC.*
3. *Based on independent valuations of the Ubi Property performed by Suntec Real Estate Consultants Pte. Ltd. as at 14 July 2015, the Tai Seng Property and the Pioneer Property performed by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. as at 27 July 2015 and 26 August 2015 respectively, including the estimated upfront land premiums.*

Contents

- Key Highlights
- Financial Performance
- Capital Management
- Portfolio Updates
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Outlook

Singapore Economy

- Singapore economy grew by 1.4% on a year-on-year basis in the third quarter of 2015, easing from the 2.0% growth in the previous quarter[1].
- On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.1%, a reversal from the 2.5% contraction in the preceding quarter[1].

Industrial Property Sector

- 4Q2015 is expected to remain challenging for the industrial property market. Rents for prime multi-user conventional industrial space are projected to dip further by up to 1% while business park rents could experience a small rate of decline, similar to that seen in 3Q2015[2].
- The outlook for the industrial REIT sector in Singapore will remain resilient in the face of the current economic slowdown, underpinned by its robust financial profiles. There is more pressure on rents of lower-specification industrial properties because of weaker demand and higher supply, while the higher-specification properties are less affected as demand remains stable[3].

VIT Plan

- Proposed equity fund raising to raise gross proceeds of up to S$110.0 million to partially fund the acquisition of the Properties and the cost of Project Viva City.
- To complete the acquisition of the Properties by 4Q2015.
- To complete Phase 1 of Project Viva City by end of 2015 while concurrently commence works for Phase 2.
- Continue to secure pre-commitment tenancies for Project Viva City.
- Continue to be proactive in securing new leases and renewing existing tenancies.

1. *Singapore's GDP Growth Moderated in the Third Quarter of 2015, Ministry of Trade and Industry Singapore, Press Release, 14 October 2015.*
2. *Cost Concern is Among the Top Priorities for Industrialists in 3Q 2015, Colliers International, 20 October 2015.*
3. *Singapore Industrial REIT Sector will be Resilient in Slowdown: Fitch, The Business Times, 22 September 2015.*

Thank you

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