



AIMS AMP CAPITAL INDUSTRIAL REIT

FY2015: First Quarter Financial Results Ended 30 June 2014
Results Presentation

30 July 2014



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Important notice

Disclaimer

This Presentation is focused on comparing actual results for the financial period from 1 April 2014 to 30 June 2014 (“1Q FY2015”) versus actual results year-on-year (“y-o-y”) and quarter-on-quarter (“q-o-q”). This Presentation shall be read in conjunction with AIMS AMP Capital Industrial REIT’s (“AACI REIT” or the “Trust”) results for 1Q FY2015 as per the SGXNet Announcement.

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HIGHLIGHTS FOR 1Q FY2015

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Highlights for 1Q FY2015

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Active portfolio management driving higher distributions

- DPU performance: 2.55 cents per Unit for the quarter
- Net property income in 1Q FY2015 increased by 23.9% y-o-y to S\$19.5 million
- Distribution to Unitholders in 1Q FY2015 increased by 26.9% y-o-y to S\$15.8 million

Leasing renewals

- 54 new and renewal leases in 1Q FY2015, representing 52,932.6 sqm (9.0% of portfolio) at a weighted average rental increase of 11.9% on the renewals
- Maintain high occupancy of 95.5% which is above industrial average despite two properties reverting from master lease to multi-tenancy
- Increased Weighted Average Lease Expiry from 3.25 years to 3.76 years
- 103 Defu Lane 10 fully leased with yield on cost of approximately 8.4 per cent for the entire property

Developing a higher value portfolio

- Temporary Occupation Permit for the redevelopment of 103 Defu Lane 10 and Phase Two extension, 20 Gul Way achieved on 28 May 2014 and 14 June 2014 respectively, with income contribution in September 2014 quarter
- Increased Net Asset Value to S\$1.48 from S\$1.47 due to recognition of the development profits
- Asset enhancement initiative at 26 Tuas Ave 7, providing a return on investment of 10% and extension of lease from the tenant from year 2017 to year 2022

Highlights for 1Q FY2015

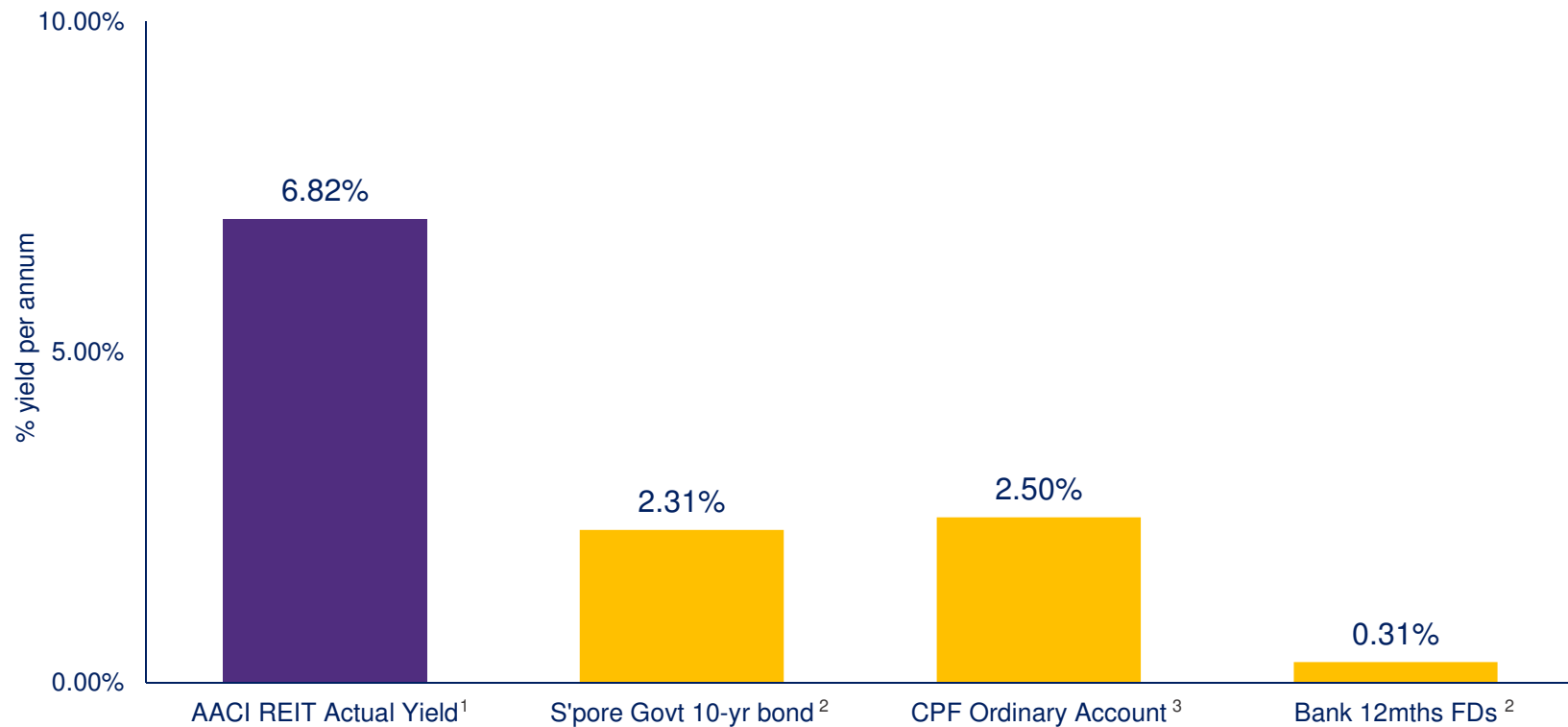
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Prudent capital management

- Standard and Poors' reaffirmed BBB- investment grade rating and regarded *"AAREIT as one of the strongest trusts among Singapore-based industrial REITs that we rate"*
- Aggregate leverage of 32.0% (average of 30% for 19 consecutive quarters)
- Third series of notes issuance of S\$50 million of 5 years at 3.80% fixed rate notes due in May 2019
- Trust's lenders have granted consent to the discharge of security for further 5 investment properties. After the discharge, the number of unencumbered investment properties of the Trust would increase from 8 to 13 with a total value of S\$522.2 million, giving the Trust further financial flexibility

Stable and attractive yield

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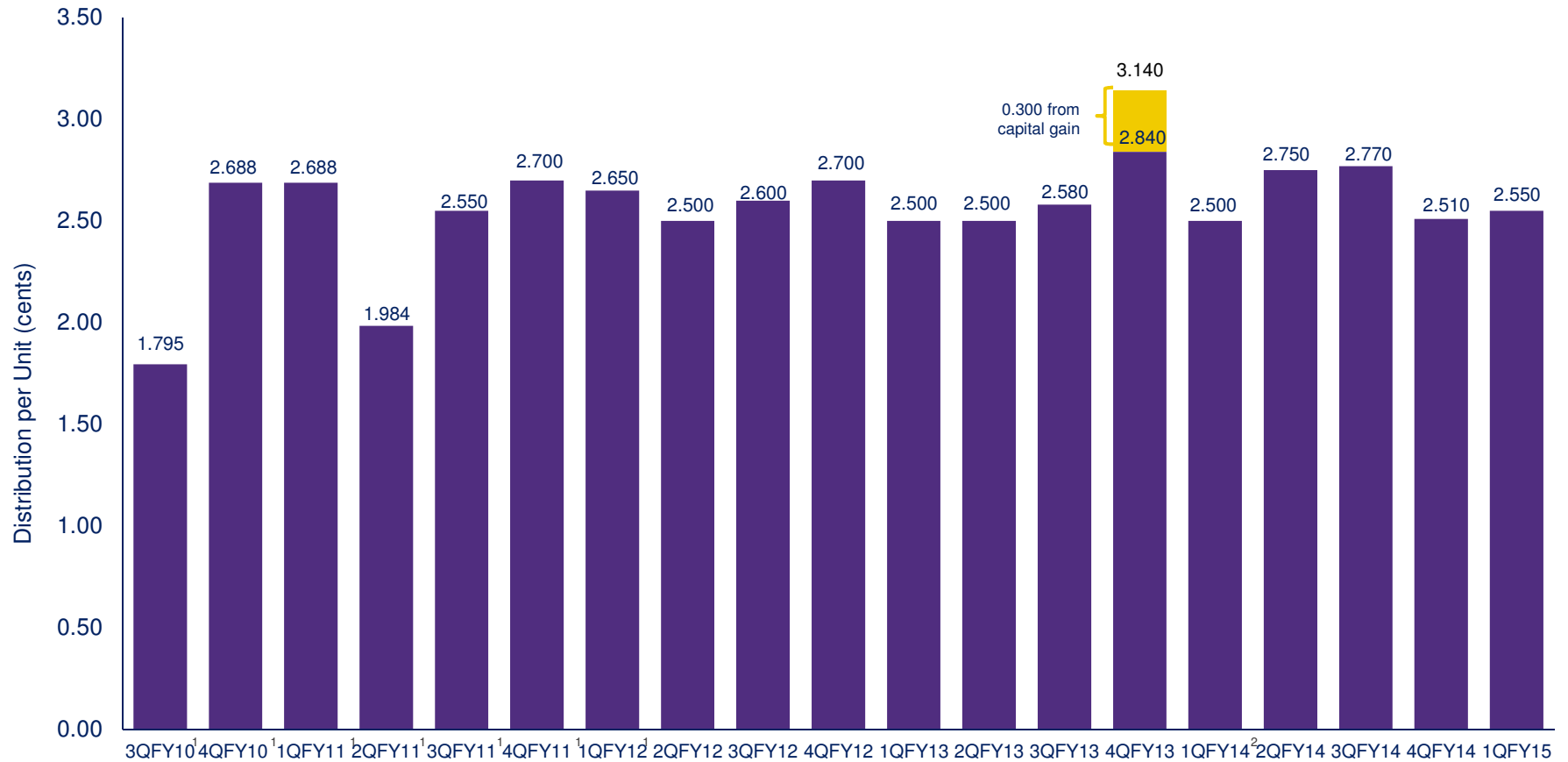
¹ Based on closing price of S\$1.495 on 29 July 2014 and annualised DPU of 10.2 cents. Annualised DPU is computed based on actual DPU payout for 1Q FY2015 and annualised to full year.

² Source: Bloomberg data as at June 2014.

³ Prevailing CPF Ordinary Account interest rate.

Stable and growing DPU

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¹ The number of Units used to calculate the distribution per Unit (“DPU”) has been adjusted for the effect of the Unit Consolidation to allow for comparison.

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² 1Q FY2014 DPU comprised (i) advanced distribution of 0.85 cents for the period from 1 April to 1 May 2013 which was paid on 18 June 2013 and (ii) DPU of 1.65 cents for the period from 2 May to 30 June 2013 which was paid on 20 September 2013.



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1Q FY2015 FINANCIAL RESULTS

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Distribution details

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| Stock counter | Distribution period | DPU (cents) |
|--------------------------------|----------------------------------|-------------|
| AIMSAMP Cap Reit Code: O5RU | For 1 April 2014 to 30 June 2014 | 2.55 |

Distribution timetable

| | |
|---------------------------|------------------------|
| Ex-date | 5 August 2014, 9.00am |
| Books closure date | 7 August 2014, 5.00pm |
| Tax Declaration Forms | 28 August 2014, 5.00pm |
| DRP Notice of Election | 28 August 2014, 5.00pm |
| Distribution payment date | 23 September 2014 |

Results for 1Q FY2015

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| | 1Q FY2015 S\$'000 | 4Q FY2014 S\$'000 | Q-o-Q % | 1Q FY2014 S\$'000 | Y-o-Y % |
|--|----------------------|----------------------|------------|----------------------|------------|
| Gross Revenue | 27,360 ¹ | 29,473 | (7.2) | 24,524 | 11.6 |
| Net Property Income | 19,493 | 19,260 | 1.2 | 15,734 | 23.9 |
| Distribution to Unitholders² | 15,849 | 15,591 | 1.7 | 12,488 | 26.9 |
| DPU (cents) | 2.55 | 2.51 | 1.6 | 2.50 | 2.0 |
| DPU yield³ (%) | 6.82 | | | | |

¹ Gross revenue for 1Q FY2015 of S\$27.4 million was broadly in line with the gross revenue for 4Q FY2014 of S\$27.7 million (excluding additional property tax of S\$1.8 million).

² The Manager resolved to distribute S\$15.8 million for 1Q FY2015, comprising the Trust's taxable income of S\$15.0 million from Singapore operations and a capital distribution of S\$0.8 million relating to the tax deferred component arising from distributions remitted for the quarter from the Group's investment in Optus Centre, Sydney, Australia.

AACI REIT's distribution policy is to distribute at least 90.0% of the Trust's taxable income for the full financial year. For 1Q FY2015, the Manager has resolved to distribute 99.1% of the taxable income available for distribution to the Unitholders.

³ Based on closing price of S\$1.495 on 29 July 2014 and annualised DPU of 10.2 cents. Annualised DPU is computed based on actual DPU payout for 1QFY2015 and annualised to full year.

Balance Sheet

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| | 30 June 2014 | 31 March 2014 | 31 December 2013 |
|---|--------------|---------------|------------------|
| Total Assets (S\$'M) | 1,432.4 | 1,405.2 | 1,159.2 |
| Comprising (S\$'M): | | | |
| - Investment properties | 1,151.1 | 1,085.5 | 1,071.9 |
| - Investment properties under development | 44.4 | 72.0 | 56.6 |
| - Joint venture | 217.2 | 215.2 | - |
| - Trade and other receivables | 10.7 | 10.5 | 21.4 |
| - Derivative financial instruments | - | 0.2 | 0.2 |
| - Plant and equipment | - | - | 0.1 |
| - Cash at banks and in hand | 9.0 | 21.8 | 9.0 |
| Total Liabilities (S\$'M) | 512.1 | 493.3 | 356.5 |
| Net Assets (S\$'M) | 920.3 | 911.9 | 802.7 |
| NAV per Unit (S\$) | 1.48 | 1.47 | 1.52 |
| Total Debt ¹ (S\$'M) | 458.6 | 445.7 | 307.4 |
| Aggregate Leverage (%) | 32.0 | 31.7 | 26.5 |

¹ Excluding unamortised loan transaction costs.

Key financial metrics

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| | 1Q FY2015 | 4Q FY2014 |
|--|-------------------------------------|---------------------------------|
| Appraised Value of Property Portfolio | S\$1,412.6 ^{1,2,3} million | S\$1,372.5 ¹ million |
| Market Capitalisation ⁴ | S\$928.6 million | S\$882.0 million |
| NAV per Unit | S\$1.48 | S\$1.47 |
| Premium / (Discount) to NAV ⁴ | 1.0% | (3.4)% |
| Aggregate Leverage ⁵ | 32.0% | 31.7% |
| Interest Cover Ratio ⁶ | 4.2 times | 5.2 times |
| Weighted Average Debt Maturity | 3.2 years | 3.1 years |

¹ Based on valuation as at 31 March 2014 appraised by Knight Frank Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd, including 103 Defu Lane 10 and Phase Two extension, 20 Gul Way which achieved TOP on 28 May 2014 and 14 June 2014 respectively.

² Based on 49% interest in the property, Optus Centre, Sydney, Australia appraised by Savills Valuations Pty Ltd as at 31 March 2014.

³ Includes (i) investment properties under development at 20 Gul Way Phase 3 and (ii) capitalised capital expenditure.

⁴ Based on the closing price per unit of S\$1.495 on 29 July 2014 and S\$1.42 on 6 May 2014.

⁵ Total debt as a % of total assets.

⁶ Bank covenant: minimum of 2.5 times.

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PRUDENT CAPITAL MANAGEMENT

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Debt facilities as at 30 June 2014

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Secured borrowings (Singapore)

- Consortium of 5 banks comprising local and foreign banks
- All in pricing of 2.15%
- 66.0% of interest rate fixed for weighted average period of 3.1 years at 1.44% (Fixed Base Rate)
- Total funding cost of **4.20%**
- Total secured facility of **S\$244.0¹ million** debt
 - Term loan of S\$100.0 million, maturing in October 2015
 - Term loan of S\$24.0 million to part finance the redevelopment of Phase One and Phase Two of 20 Gul Way, maturing in October 2015
 - Dual Currency (SGD or AUD) Revolving credit facility of S\$120.0 million to part finance the acquisition of Optus Centre, maturing in October 2016

¹ Reduced from S\$370 million due to prepayment from the proceeds of Rights Issue and fixed rate notes.

Debt facilities as at 30 June 2014

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Secured borrowings (Australia)

- Onshore syndicated facility from 2 Australian banks
- Secured facility of A\$110.655 million to part finance the acquisition of Optus Centre
- Total funding cost of approximately 5%
- 50.0% of interest rate fixed for weighted average period of 4.6 years at 3.825% (Fixed Base Rate)

Unsecured borrowings

- S\$100.0 million 4 year Fixed Rate Notes at 4.90% maturing in August 2016
- S\$50.0 million 5 year Fixed Rate Notes at 3.80% maturing in May 2019
- S\$30.0 million 7 year Fixed Rate Notes at 4.35% maturing in December 2019

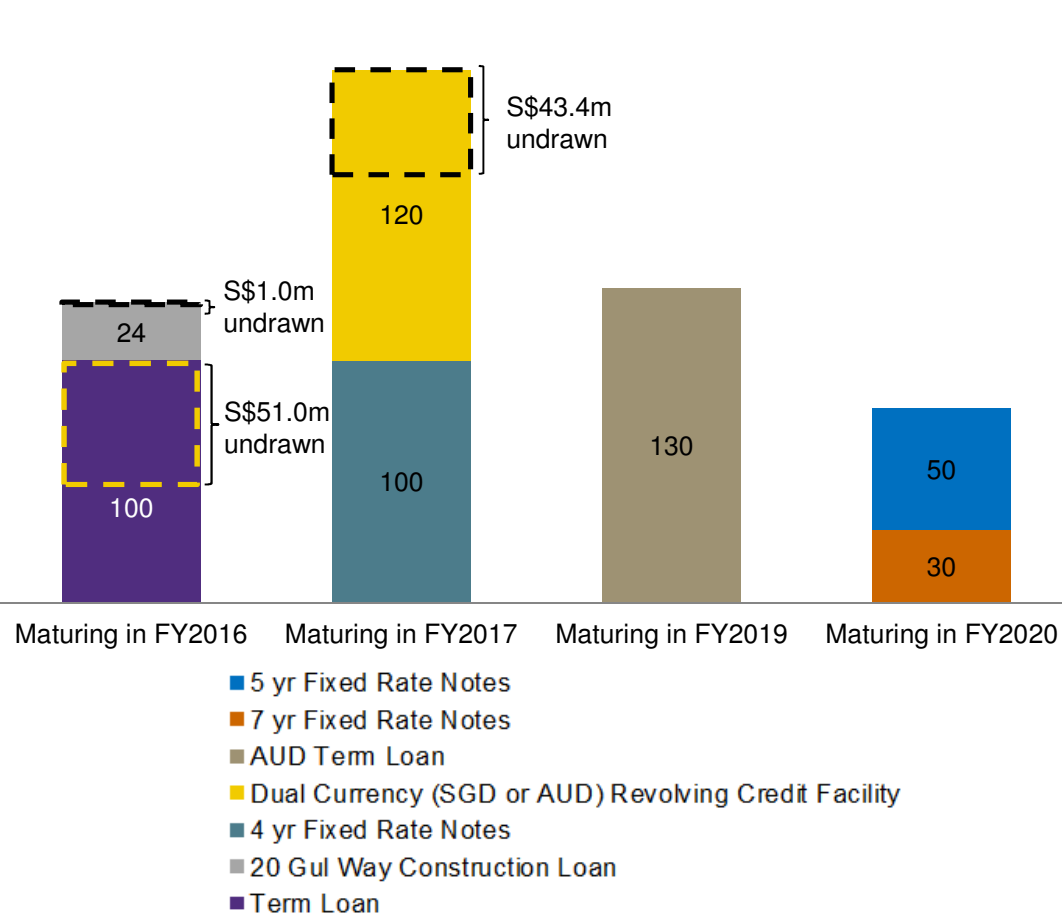
Summary

- Overall blended funding cost of **4.68%**
- 74.8% of the portfolio's interest rate is fixed taking into account interest rate swaps and Fixed Rate Notes
- Average debt maturity of 3.2 years

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Debt facilities as at 30 June 2014

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| Maturity date | S\$ 'million |
|-------------------------------------|--------------|
| Due in October 2015 (FY2016) | 72.0 |
| Due in August 2016 (FY2017) | 100.0 |
| Due in October 2016 (FY2017) | 76.6 |
| Due in February 2019 (FY2019) | 130.0 |
| Due in May 2019 (FY2020) | 50.0 |
| Due in December 2019 (FY2020) | 30.0 |
| Total debt drawn down | 458.6 |
| Undrawn available facilities | 95.4 |
| Total committed facilities | 554.0 |

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Gearing level since 2009

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Target LVR between 30 – 40%, max 50% (bank covenant)



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PORTFOLIO PERFORMANCE

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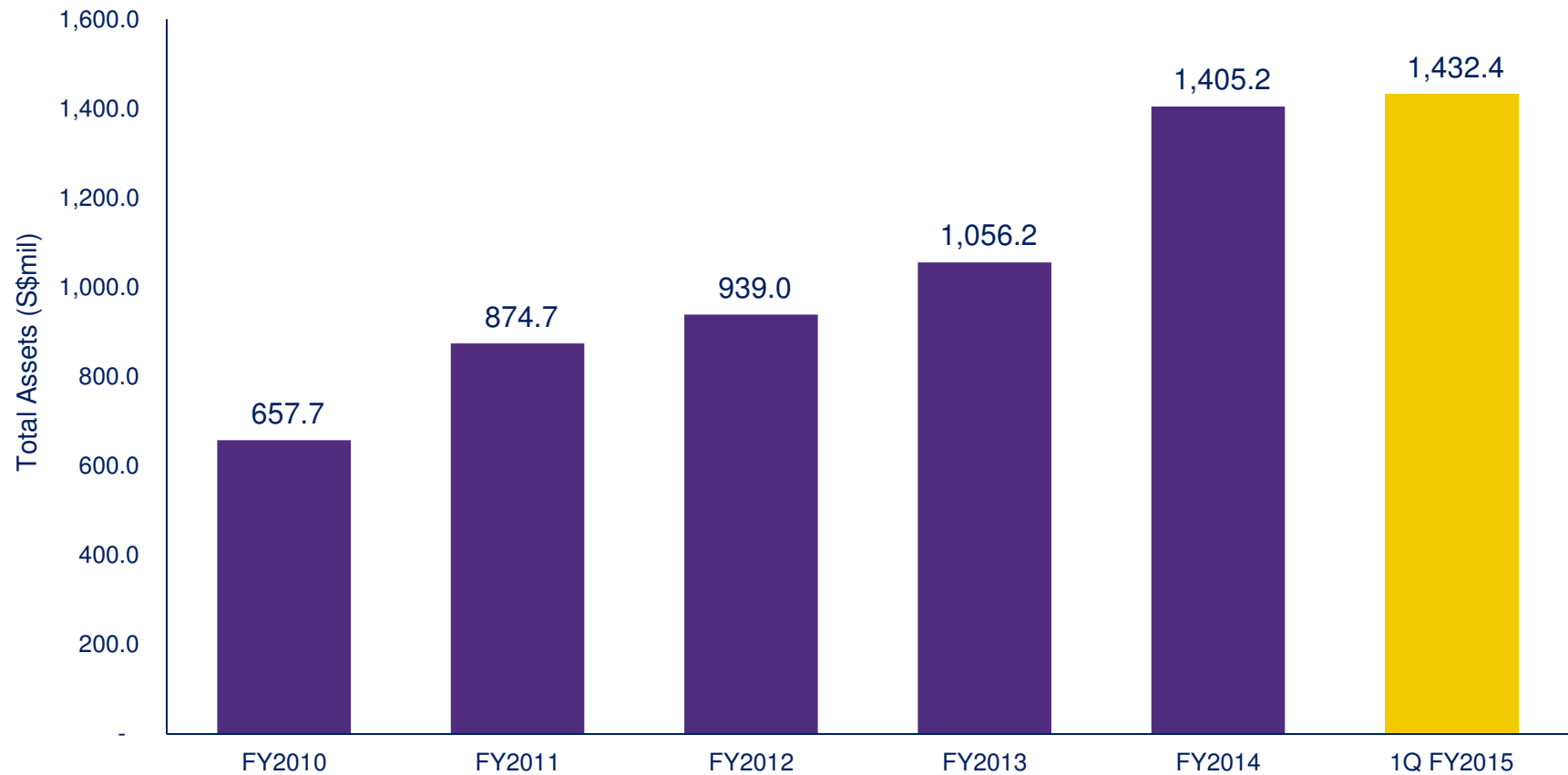
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Total assets since 2009

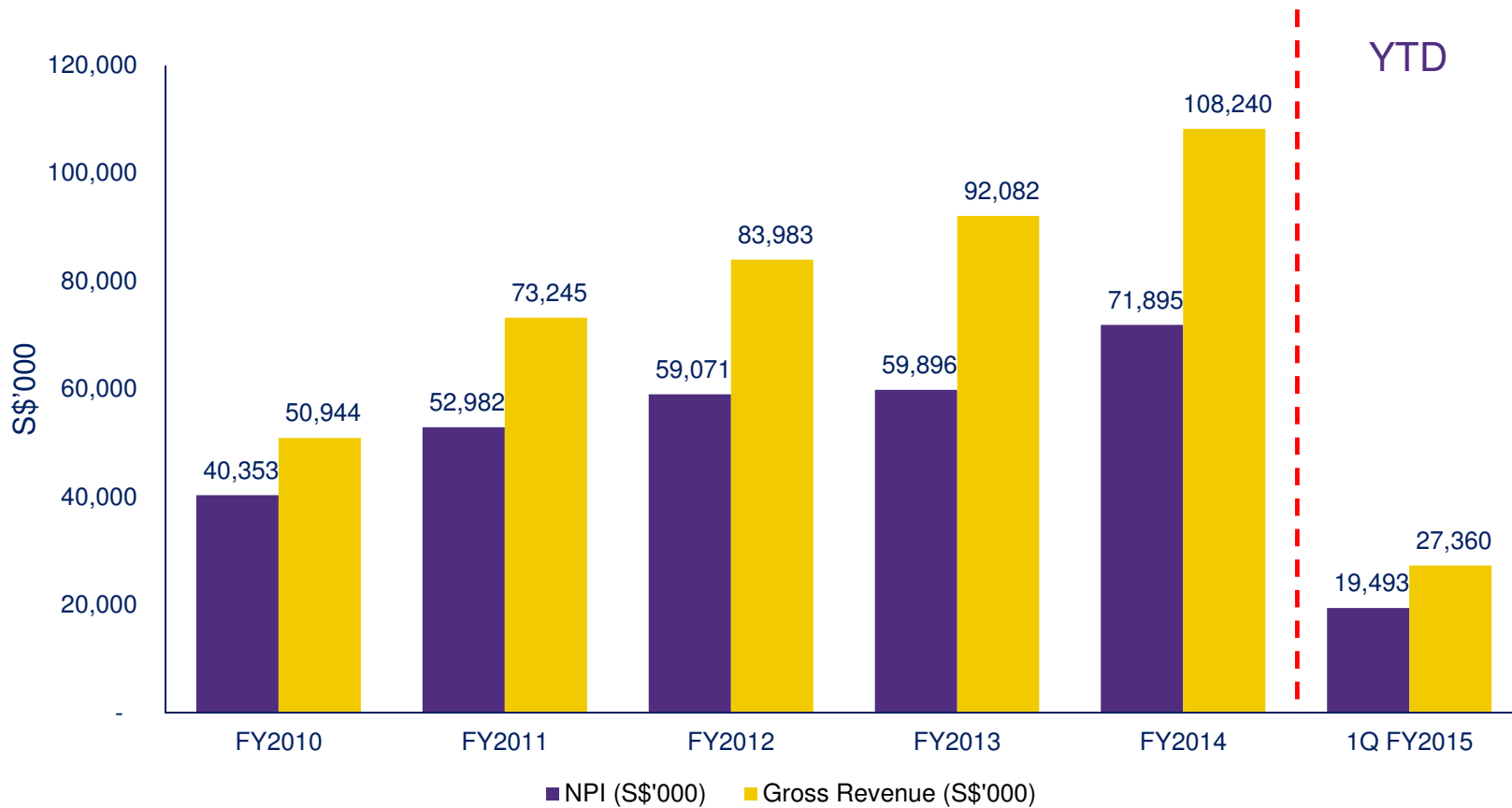
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Revenue performance since 2009

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Key portfolio statistics

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| | As at 30 June 2014 | As at 31 March 2014 | As at 19 April 2007 (Listing) |
|---|--------------------------|---------------------------|-------------------------------------|
| Number of Properties | 26 | 26 | 12 |
| Appraised Value (S\$ million) | 1,412.6 ^{1,2,3} | 1,372.5 ¹ | 316.5 |
| Net Lettable Area (sq m) | 586,598.3 ⁴ | 556,607.3 ⁴ | 194,980.7 |
| Number of Tenants | 144 | 141 | 12 |
| Portfolio Occupancy (%) | 95.5 | 97.0 | 100.0 |
| Weighted Average Lease Expiry (WALE) (years) | 3.76 | 3.25 | 6.7 |
| Weighted Average Land Lease Expiry (years) | 41.8 ⁵ | 42.6 ⁵ | 47.8 |
| Location of Properties | Singapore, Australia | Singapore, Australia | Singapore |

¹ Based on valuation as at 31 March 2014 appraised by Knight Frank Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd, including 103 Defu Lane 10 and Phase Two extension, 20 Gul Way which achieved TOP on 28 May 2014 and 14 June 2014 respectively.

² Based on 49% interest in the property, Optus Centre, Sydney, Australia appraised by Savills Valuations Pty Ltd as at 31 March 2014.

³ Includes (i) investment properties under development at 20 Gul Way Phase 3 and (ii) capitalised capital expenditure..

⁴ Excludes investment properties under development.

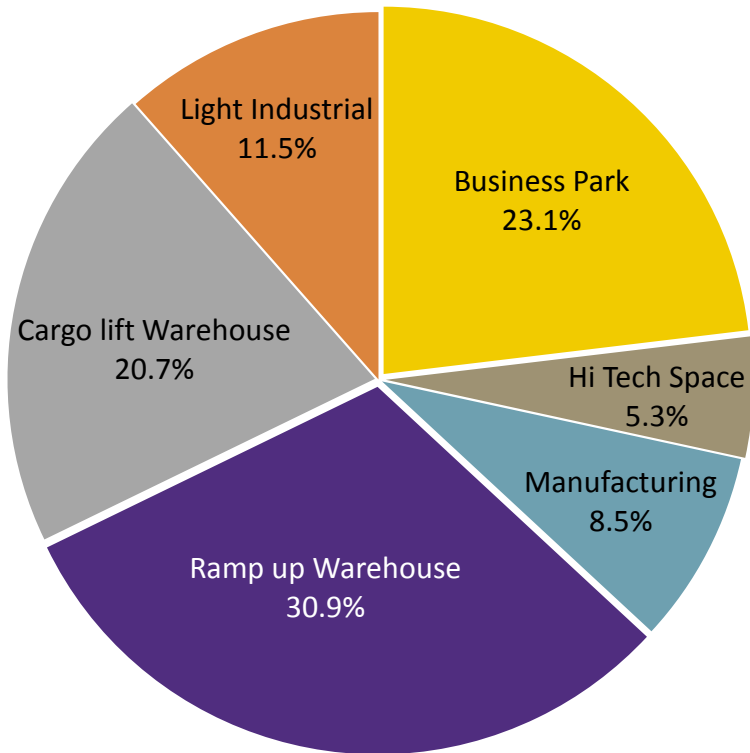
⁵ For the calculation of the weighted average land lease of AACI REIT, AACI REIT's interest in the freehold property, Optus Centre has been assumed as a 99-year leasehold interest.

Portfolio breakdown

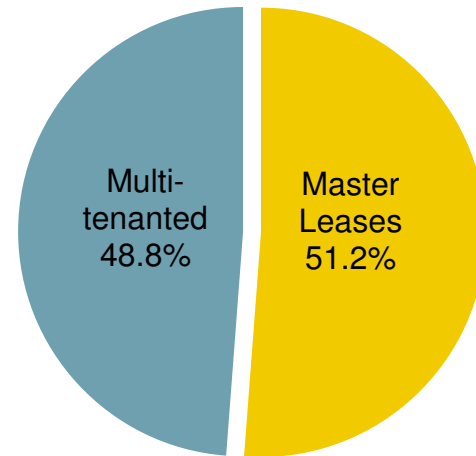
By 1Q FY2015 rental income

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Breakdown by Property Sector



Master Leases vs Multi-tenanted



Occupancy Average security deposit¹

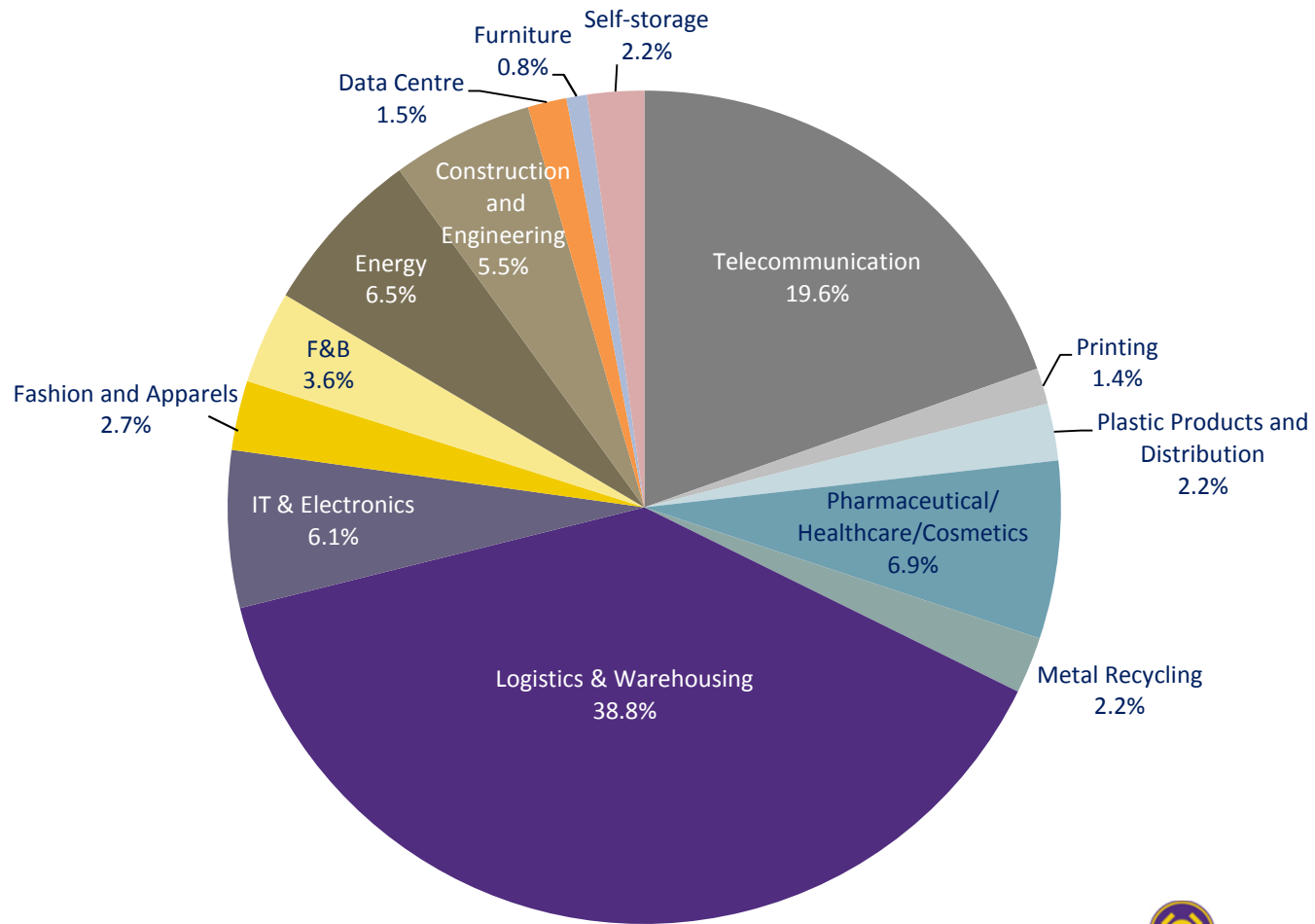
| | | |
|------------------------------------|-------|------------|
| Total Portfolio (26 properties) | 95.5 | 5.8 months |
| Master Leases (13 properties) | 100.0 | 8.1 months |
| Multi-tenanted (13 properties) | 92.2 | 3.8 months |

¹ Excluding Optus Centre whose lease is guaranteed by SingTel Optus

Diversification reduces risk

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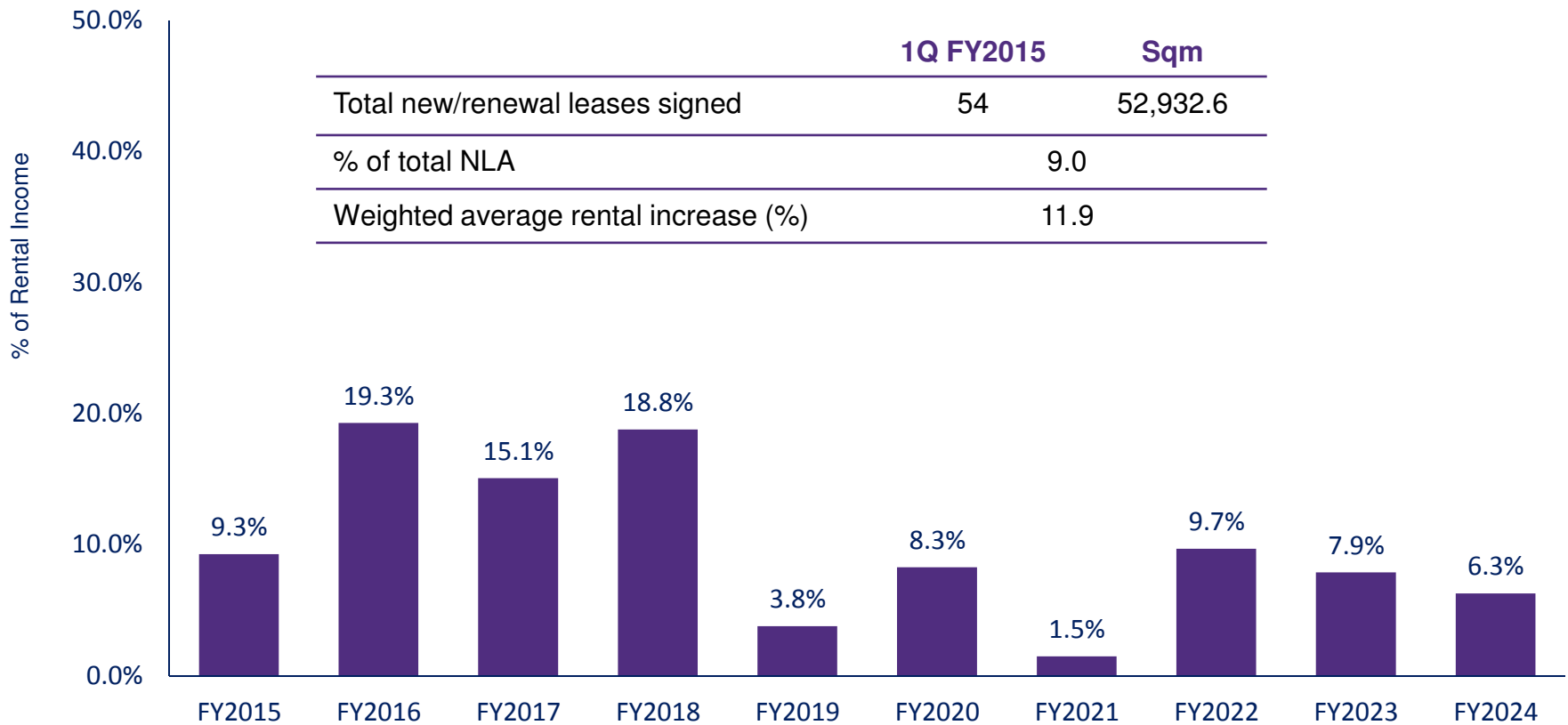
Tenant Base by Industry (By 1Q FY2015 Rental Income)



Intensive lease management

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Lease Expiry Profile as at 30 June 2014
(By 1Q FY2015 Rental Income)



| | 1Q FY2015 | Sqm |
|--------------------------------------|-----------|----------|
| Total new/renewal leases signed | 54 | 52,932.6 |
| % of total NLA | 9.0 | |
| Weighted average rental increase (%) | 11.9 | |

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Quality tenant base

Top 10 tenants by 1Q FY2015 by rental income

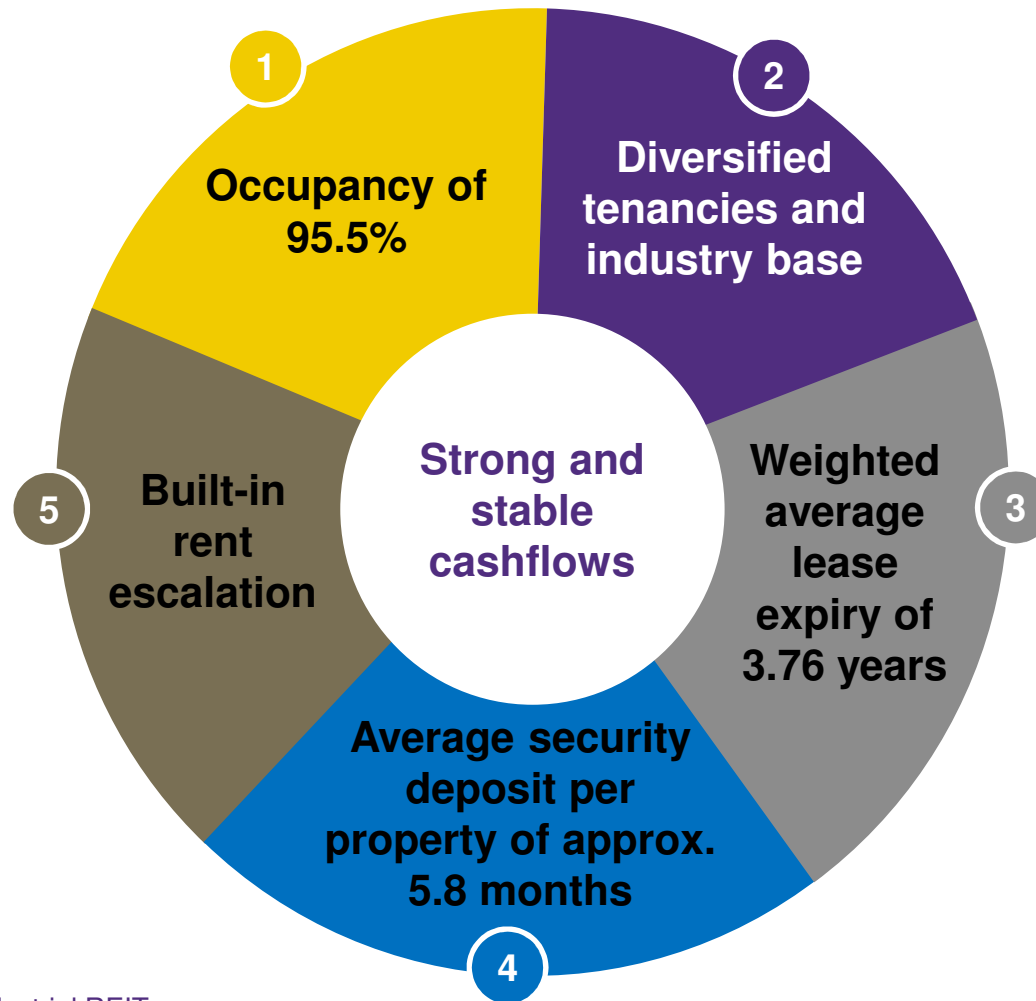
| Tenant | % |
|---|--------------|
| Optus Administration Pty Limited* | 16.6% |
| CWT Limited* | 16.3% |
| Eurochem Corporation Pte Ltd | 6.5% |
| Schenker Singapore (Pte) Ltd* | 3.9% |
| LTH Logistics (Singapore) Pte Ltd* (Vibrant Group Limited) | 2.5% |
| Broadcom Singapore Pte Ltd* | 2.3% |
| Lorenzo International Limited* | 2.3% |
| Illumina Singapore Pte Ltd* | 1.9% |
| Enviro-Hub Group* | 1.8% |
| Kuehne + Nagel Pte Ltd* | 1.7% |
| Top 10 tenants | 55.8% |

* Listed Groups or subsidiaries of listed entities



Strong and stable cashflows

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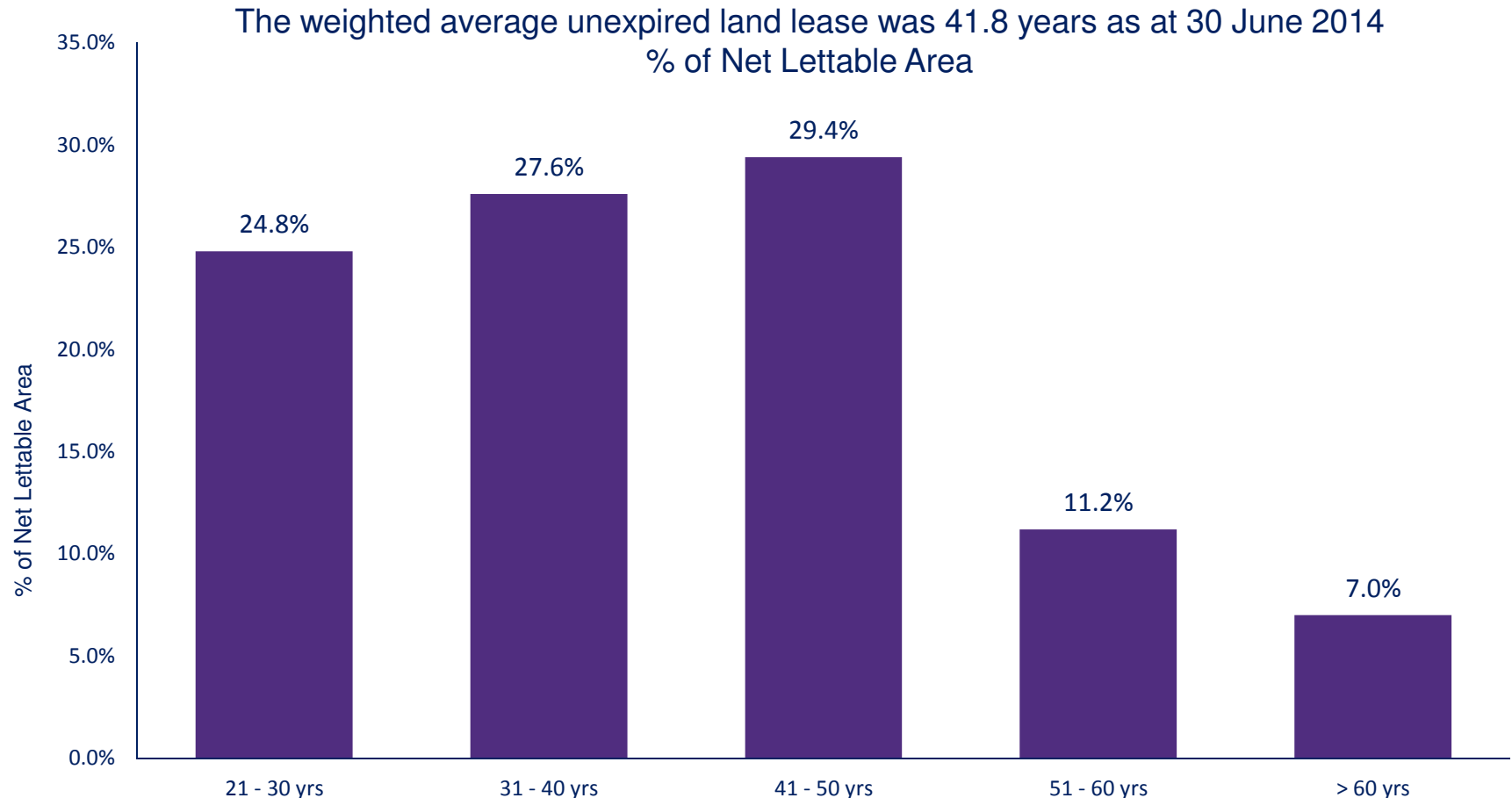
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Long land lease expiry – 41.8 years

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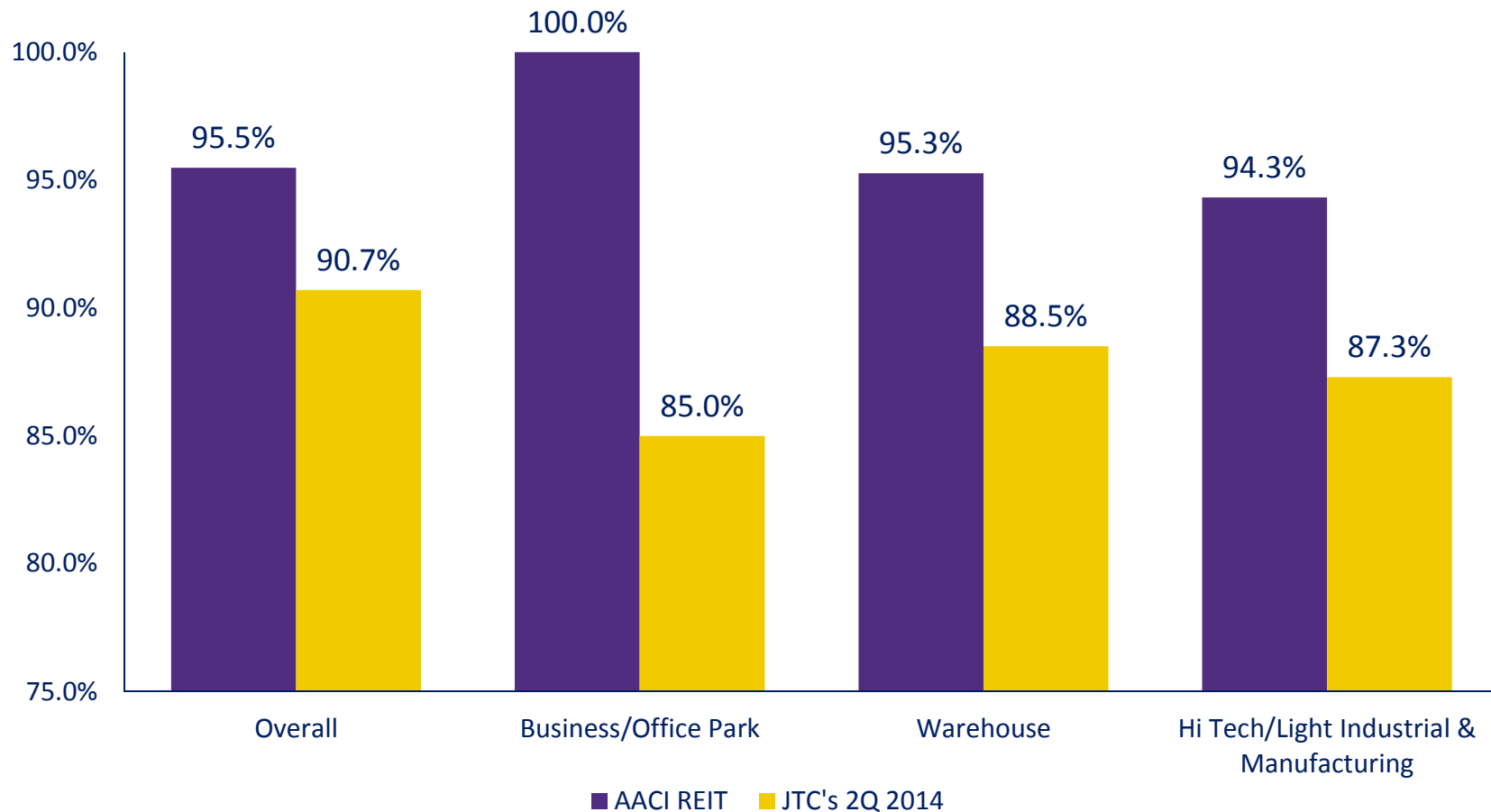


Note: For the calculation of the weighted average land lease of AACI REIT, AACI REIT's interest in the freehold property, Optus Centre has been assumed as a 99-year leasehold interest.

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Comparisons to Singapore industrial average occupancy levels

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Source: Based on JTC's 2nd quarter 2014 statistics.

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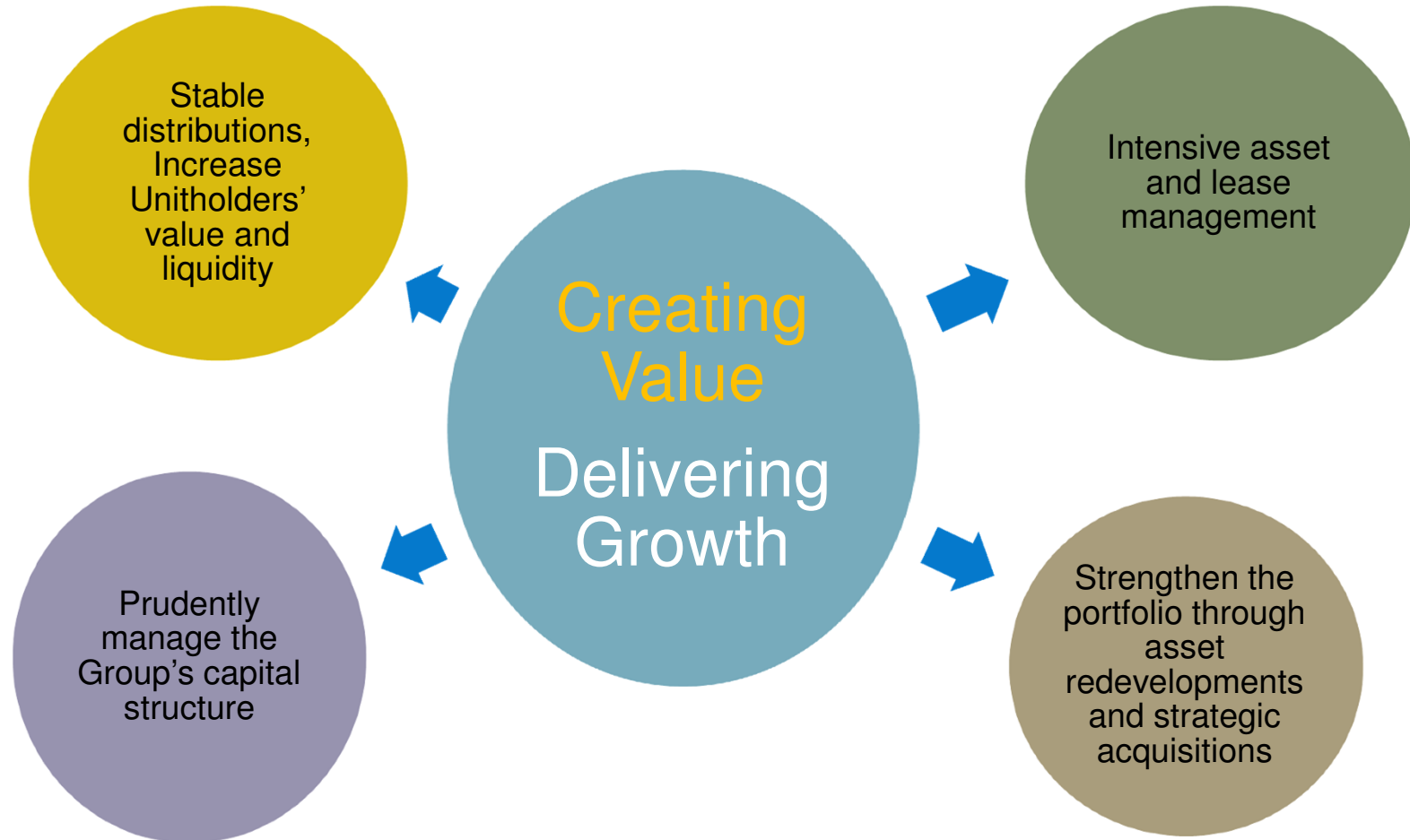
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STRATEGY

Objectives

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Strategy

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Yield accretive investments in Singapore

Focus on successful delivery of current developments on time and within budget.

Evaluation of further redevelopment opportunities in Singapore.

Continued evaluation of yield accretive investment opportunities in Singapore.

Intensive asset and leasing management

Continual prudent management of lease expiry profile and using this as an opportunity to achieve positive rental reversions.

Unlocking value of selected asset(s) within the portfolio through asset enhancement.

To ensure high occupancy is maintained.

Prudent capital and risk management

Prudent capital management by splitting of debt maturities. Target leverage between 30% - 40%.

Focus on maintaining stable DPU.

Maintenance of investment grade rating.

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Unlocking value within the Portfolio

Completed development of 103 Defu Lane 10, Singapore

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103 Defu Lane 10

- TOP was granted on 28 May 2014
 - On time and on budget
- Income contribution in September 2014 quarter
 - Boosting DPU
- Valuation of S\$43.1 million
 - Profit recognised of S\$9.4 million



Summary Financials update

| | Per 28 Jan 2013 announcement (S\$ million) | Actual Achieved (S\$ million) |
|--|---|-------------------------------------|
| 1. Gross development value upon completion | 42.6 ¹ | 43.1 ² |
| 2. Project development cost | (25.4) | (21.7) |
| 3. Land cost ³ | (12.0) | (12.0) |
| 4. Profit | 5.2 | 9.4 |
| 5. Profit margin | 14.0% | 27.9% |
| 6. Yield on cost | | 8.4% |

¹ Based on Colliers International Consultancy and Valuation (Singapore) Pte Ltd's valuation dated 25 January 2013

² Based on Knight Frank Pte Ltd's assessment dated 28 May 2014

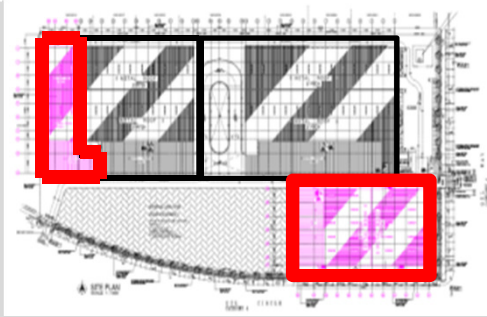
³ Based on Cushman & Wakefield VHS Pte Ltd's valuation dated 30 September 2012

Growth from further development– 20 Gul Way

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Further development Phase 2E and 3

Property



Valuation

Additional S\$89.4 m⁽¹⁾

Annual Rental Income

Additional S\$6.3 m⁽²⁾

Plot Ratio

2.0^{(3),(4)}

Gross Floor Area (GFA)

Additional approx. 496,944 sqft

Profit Margin

15.9%

NPI yield

8.2% (on development cost)
8.3% (on development cost, excluding non cash cost)

Notes:

- (1) Colliers International Consultancy & Valuation (Singapore) Pte Ltd.'s valuation dated 31 March 2014 on an "as-if-complete" basis.
- (2) Rental income net of additional unrecovered Land Rent at the property.
- (3) In principle approval received from URA to rezone the plot ratio at 20 Gul Way from the existing 1.4 to 2.0. Please refer to the announcement dated 16 April 2013.
- (4) Land rent revised to prevailing market land rent payable at plot ratio 2.0 under area West of Sungei Lanchar.

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Phase 2E, 20 Gul Way

- TOP was granted on 14 June 2014
 - 6.5 months ahead of schedule time and on budget
- Income contribution in September 2014 quarter
 - Boosting DPU
- Valuation of S\$22.2 million
 - Profit recognised of S\$0.6 million



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20 Gul Way Fact Sheet

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| | Prior to redevelopment | Redevelopment Phase 1 & 2 | Development Phase 2E & 3 |
|------------------------|---|---|--|
| Property | 10 single storey buildings | Five storey ramp up warehouse (completed in two Phases) | Extension to Phase 2 (Phase 2E) and new warehouse connected to the existing ramp (Phase 3) |
| Valuation | S\$41.8 m ¹ | S\$217.0 m ² | Additional S\$89.4 m ³ |
| Annual Rental Income | S\$3.6 m ¹ | S\$16.3 m | Additional S\$6.3 m ⁴ |
| Plot Ratio | 0.46 | 1.4 | 2.0 ^{5,6} |
| Maximum Plot Ratio | 1.4 | 1.4 | 2.0 |
| Land Area | 828,248 sqft | 828,248 sqft | 828,248 sqft |
| Gross Floor Area (GFA) | 378,064 sqft | Approx. 1,159,536 sqft | Additional approx. 496,949 sqft |
| Land Tenure | 35-year lease wef 16 Jan 06 | 35-year lease wef 16 Jan 06 | 35-year lease wef 16 Jan 06 |
| Lease Term | Master Lease - Enviro-Metals for 10 years commencing April 07 | Master Lease – CWT Limited for 4 years and 2 months on middle floors & 5 years and 2 months on ground floor and 5 th floor | Master Lease – CWT Limited for 5 years and 2 months on ground floor and 32 months for 2 nd to 5 th floors across both new Phases |

1. As at 31 March 2011.
2. Based on Colliers International Consultancy & Valuation (Singapore) Pte Ltd's valuation dated 31 March 2014
3. Colliers International Consultancy & Valuation (Singapore) Pte Ltd's valuation dated 31 March 2014 on an "as-if-complete" basis.
4. Rental income net of additional unrecovered Land Rent at the property.
5. In principle approval received from URA to rezone the plot ratio at 20 Gul Way from the existing 1.4 to 2.0. Please refer to the announcement dated 16 April 2013.
6. Land rent revised to prevailing market land rent payable at plot ratio 2.0 under area West of Sungei Lanchar.

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AEI at 26 Tuas Ave 7

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| | Prior (FY2014) | Post A&A works |
|----------------------|--|--|
| Property | Two storey purpose-built factory with a mezzanine office level | Additional production line and additional storage space. |
| Valuation | S\$10.3 million ¹ | Cost of AEI at S\$1.19 million for further asset enhancement |
| Lease Terms | 10 years till 18 April 2017 | Extends master lease for further term of 5 years till 18 April 2022, with rental escalation in 2017, 2019 and 2021 |
| Annual Rental Income | S\$0.87 million | Approximately S\$1.05 million (start of new term) triple net lease from tenant occupying 100% of the Gross Floor Area. |
| Yield | 8.4% | 9.1% ² |
| Return on Investment | | 10% |

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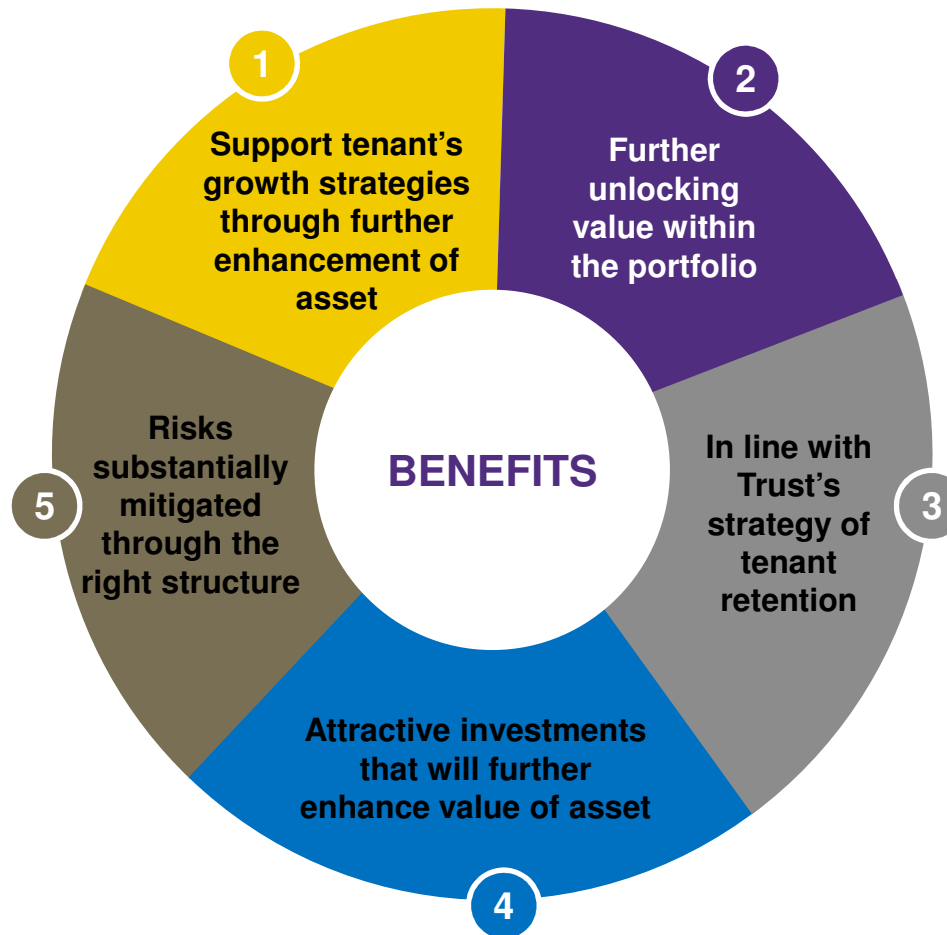
1. Based on valuation as at 31 March 2014
2. Assuming valuation uplift on the full cost of AEI, ie. final valuation of S\$11.49 million



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Benefits of AEI at 26 Tuas Ave 7

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Thank you

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