Viva Industrial Trust
1Q2016
Financial Results

28 April 2016



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- Key Highlights
- Financial Performance
- Capital Management
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Key Highlights

1Q2016

- Gross revenue increased by 21.2**%** year-on-year to **S$21.9 million.**
- Distributable income grew by 21.6**%** year-on-year to **S$14.1 million.**
- DPS was 12.4**%** lower year-on-year and 0.2% higher quarter-on-quarter at **1.638 cents**[1].

Portfolio Management

- Obtained **Temporary Occupation Permit (TOP) for 750A VBP** and completed AEI works for 750 VBP pending issuance of TOP.
- Completed acquisition of **30 Pioneer Road** on 15 April 2016, which raised total portfolio valuation to approximately **S$1.2 billion** and will contribute additional income to VIT from 2Q2016..
- Secured approximately **205,000 sq ft** of lease renewals and new leases in 1Q2016.

Capital Management

- **Completed refinancing of outstanding loans** maturing in FY2016/17 with additional credit facilities and extended tenors.
- Weighted average debt maturity lengthened **from 2.2 years to 4.0 years**.
- **No major refinancing until FY2018**.

1. *DPS for 1Q2016 was lower year-on-year as a result of an enlarged share base following the completion of two private placements and a preferential offering in FY2015 to partially fund the AEI at VBP and the acquisition of three properties, which increased the number of issued Stapled Securities by approximately 233.4 million or 37.4%.*

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Financial Performance

	Year-on-Year		
	1Q2016	**1Q2015**	**Variance**
Gross Revenue (S$'000)	**21,912**	18,084	▲ 21.2%
NPI (S$'000)	**15,798**	12,414	▲ 27.3%
Distributable Income [1] (S$'000)	**14,143**	11,630	▲ 21.6%
DPS (SG cents)	**1.638**	1.870	▼ 12.4%
Annualised DPS (SG cents)	**6.588**	7.584	▼ 13.1%
Distribution Yield (Based on closing price of S$0.720 as at 31 March 2016)	**9.2%**	10.5%	▼ 12.4%

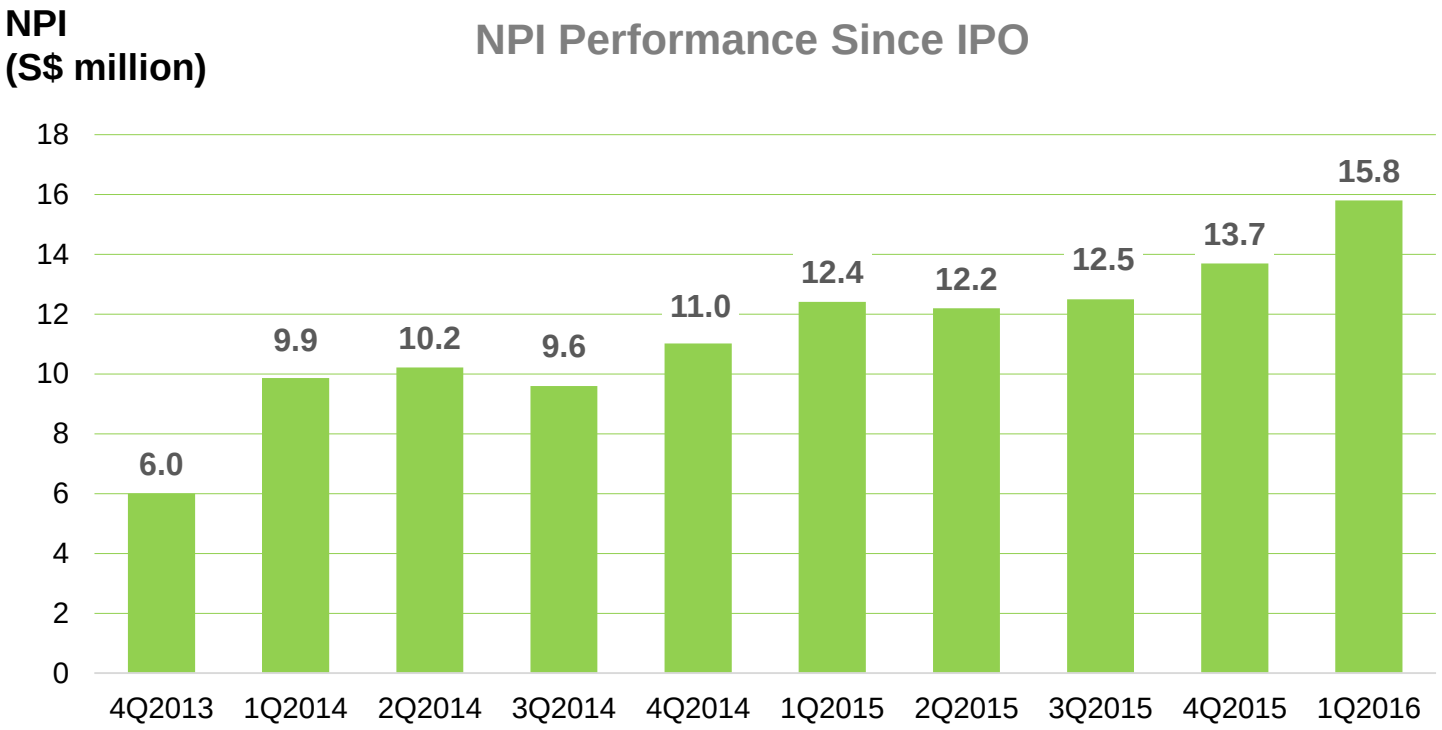
1. *Distributions of the Stapled Group represent the aggregate of distributions by VI-REIT Group and VI-BT. The distributions of the Stapled Group are contributed solely by VI-REIT Group as VI-BT remains inactive. Accordingly, only the income available for distribution of VI-REIT Group has been included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

Financial Performance

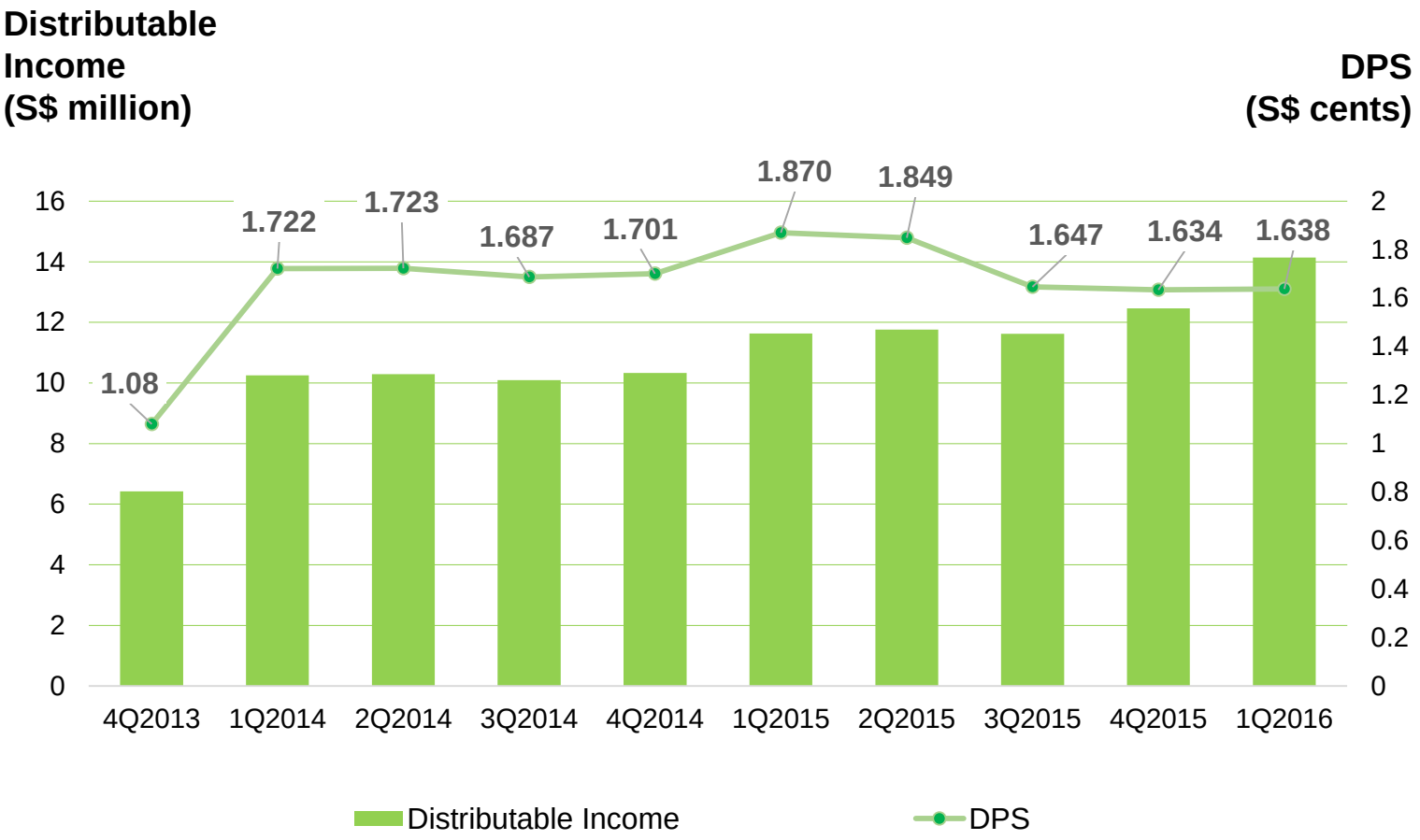
	Quarter-on-Quarter		
	1Q2016	4Q2015	Variance
Gross Revenue (S$'000)	**21,912**	19,702	▲ 11.2%
NPI (S$'000)	**15,798**	13,725	▲ 15.1%
Distributable Income [1] (S$'000)	**14,143**	12,463	▲ 13.5%
DPS (SG cents)	**1.638**	1.634	▲ 0.2%
Annualised DPS (SG cents)	**6.588**	6.483	▲ 1.6%
Distribution Yield (Based on closing price of S$0.720 as at 31 March 2016)	**9.2%**	9.0%	▲ 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.*

Stable Net Property Income (NPI)



Distribution Performance since IPO



Attractive Return on Investment since IPO

	FP2013[1]	1Q2014	2Q2014	3Q2014	4Q2014	1Q2015	2Q2015	3Q2015	4Q2015	1Q2016
Price at Quarter End (S$)	0.775	0.770	0.795	0.805	0.795	0.805	0.795	0.735	0.710	0.720
Cumulative DPS (SG cents)[2]	1.080	2.802	4.525	6.212	7.913	9.783	11.632	13.279	14.913	16.551
Price Appreciation (%)	(0.6)	(1.3)	1.9	3.2	1.9	3.2	1.9	(5.8)	(9.0)	(7.7)
Cumulative Distribution Yield (%)	1.4	3.6	5.8	8.0	10.1	12.5	14.9	17.0	19.1	21.2
Total Return (%)[3]	**0.8**	**2.3**	**7.7**	**11.2**	**12.0**	**15.7**	**16.8**	**11.2**	**10.1**	**13.5**



Scenario: Distribution yield based on 1Q2016 annualised DPS of S$0.06588							
Price	S$0.700	S$0.710	S$0.720	S$0.730	S$0.740	S$0.750	S$0.760
Annualised Distribution Yield	9.4%	9.3%	9.2%	9.0%	8.9%	8.8%	8.7%

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 period from 1 January 2016 to 31 March 2016		
Distribution per Stapled Security (Singapore cents)	**1.638 comprising:**	
	(a) taxable income:	**1.313**
	(b) tax exempt income:	**0.325**
Ex-Date	**5 May 2016**	
Books Closure Date	**9 May 2016**	
Distribution Payment Date	**31 May 2016**	

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Proactive Capital Management

- ✓ **Successfully refinanced S$315 million** loan facilities obtained at IPO with **new S$330 million loan facilities** in February 2016.
- ✓ Weighted average debt maturity lengthened **from 2.2 years** as at 31 December 2015 **to 4.0 years** as at 31 March 2016.
- ✓ Further **lowered gearing from 38.6% to 37.6%** as at 31 March 2016.
- ✓ **94.8%** of VIT's total outstanding borrowings were on **fixed interest rates.**
- ✓ **No major refinancing until FY2018.**

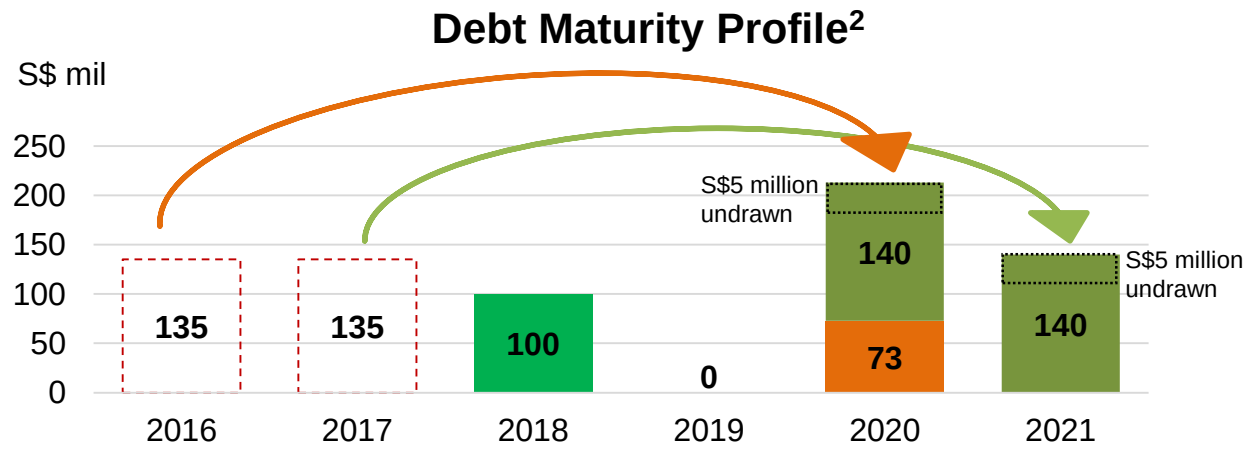
Balance Sheet

	31 Mar 2016 S$ mil	31 Dec 2015 S$ mil
Investment Properties	1,130.7	1,123.2
Intangible Assets[1]	8.6	9.4
Current Assets	40.4	65.7
Total Assets	**1,179.7**	**1,198.3**
Borrowings (net of transaction costs)	436.2	459.2
Other Liabilities	41.6	37.5
Total Liabilities	477.8	496.7
Net Assets	**701.9**	**701.6**
No. of Stapled Securities issued and issuable (in mil)	865.5	863.1
Net Asset Value per Stapled Security (Singapore cents)	**81.1**	**81.3**

1. *This represents the carrying amount of the unamortised rental differential to be provided to VI-REIT by the vendor of UE BizHub EAST ("UEBH") pursuant to the UEBH rental arrangement.*

Capital Management

As at 31 March 2016	
Total Borrowings	S$443 million
Gearing Ratio (Total Borrowings over Total Assets)	37.6%
All-in Borrowing Cost	4.13%
Weighted Average Debt Maturity	4.0 years
Interest Rate Exposure Fixed[1]	94.8%
Interest Cover	4.2 times
Credit Ratings assigned by S&P:	
Corporate Credit Rating	BB
MTN Series 001	BB+



1. *Based on outstanding borrowings as at 31 March 2016.*
2. *Excludes the revolving credit facility of S$50 million which has not been drawn down as at 31 March 2016.*

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Portfolio Highlights

- ✓ Completed the acquisition of 30 Pioneer Road, which raised VIT's total portfolio valuation to approximately **S$1.2 billion** in 2Q2016.

- ✓ Newly acquired properties, HFB and 11 Ubi Road 1, contributed **12%** of **VIT's gross revenue** for 1Q2016.

- ✓ Secured approximately **205,000 sq ft** of lease renewals and new leases in 1Q2016.

- ✓ **Obtained TOP for 750A VBP** and completed AEI works for 750 VBP pending issuance of TOP.

Strategically Located Quality Portfolio

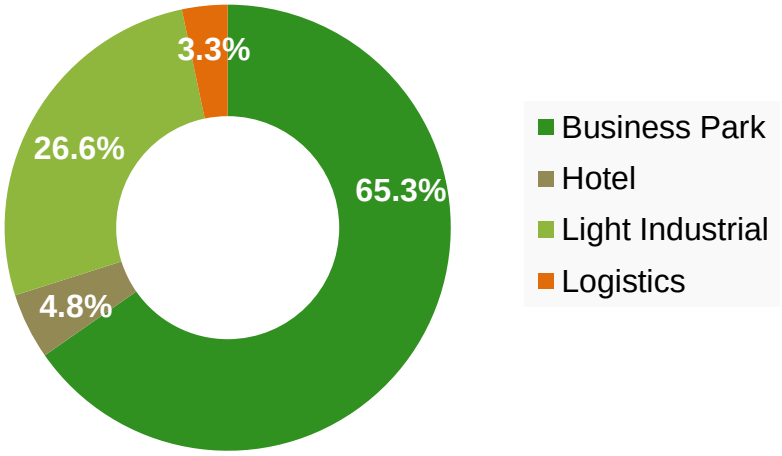


✓ Planned development of Tuas Port, where all of Singapore's port operations will be consolidated

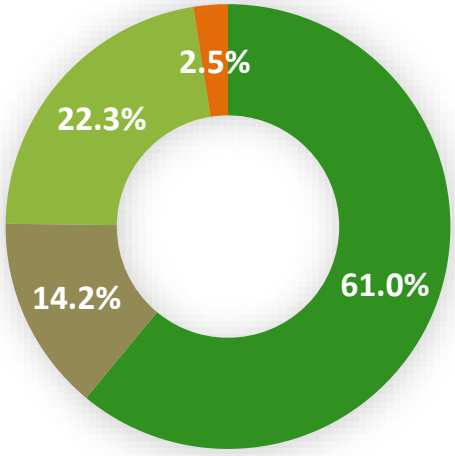
Business Park Focused Portfolio

Portfolio Summary	
Total Number of Properties	**7**
Total Portfolio GFA	**3,292,936 sq ft**
Net Lettable Area (NLA)	**2,715,025 sq ft**
WALE (by rental income)*	**3.5 years**
Weighted Average Land Lease (by valuation)	**37.2 years**
Weighted Average Age of Building (by valuation)	**9.9 years**
Weighted Average Portfolio Occupancy	**86.9%**
Total Portfolio Valuation	**S$1.12 billion**

Asset Type by GFA



Asset Type by Valuation



** By Rental Income - based on net property income and rental support for the month of March 2016, taking into account the master lease arrangements and rental support arrangements, assuming that renewal options are not exercised.*

Best in Class Portfolio – Properties Profile

	UE BizHub EAST ("UEBH")		Viva Business Park ("VBP")	Mauser Singapore
				
Property Type	Business Park	Hotel	Business Park	Logistics
Valuation	S$355.0mn[1]	S$160.0mn[1]	S$330.0mn[2]	S$28.0mn[1]
GFA	626,018 sq. ft.	157,397 sq. ft.	1,524,685 sq. ft.	107,566 sq. ft.
Age	3.9 years	3.9 years	19.5 years	3.8 years
Remaining Land Lease	51.9 years	51.9 years	15.0 years	50.3 years
Occupancy	90.4%	99.5%	66.6%	100%
No of Tenants	35	5	68	1
No of Carpark Lots	299		742	14

1. *Based on independent valuation performed by Savills Valuation and Professional Services (S) Pte Ltd as at 31 December 2015.*
2. *Based on independent valuation performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 31 December 2015.*

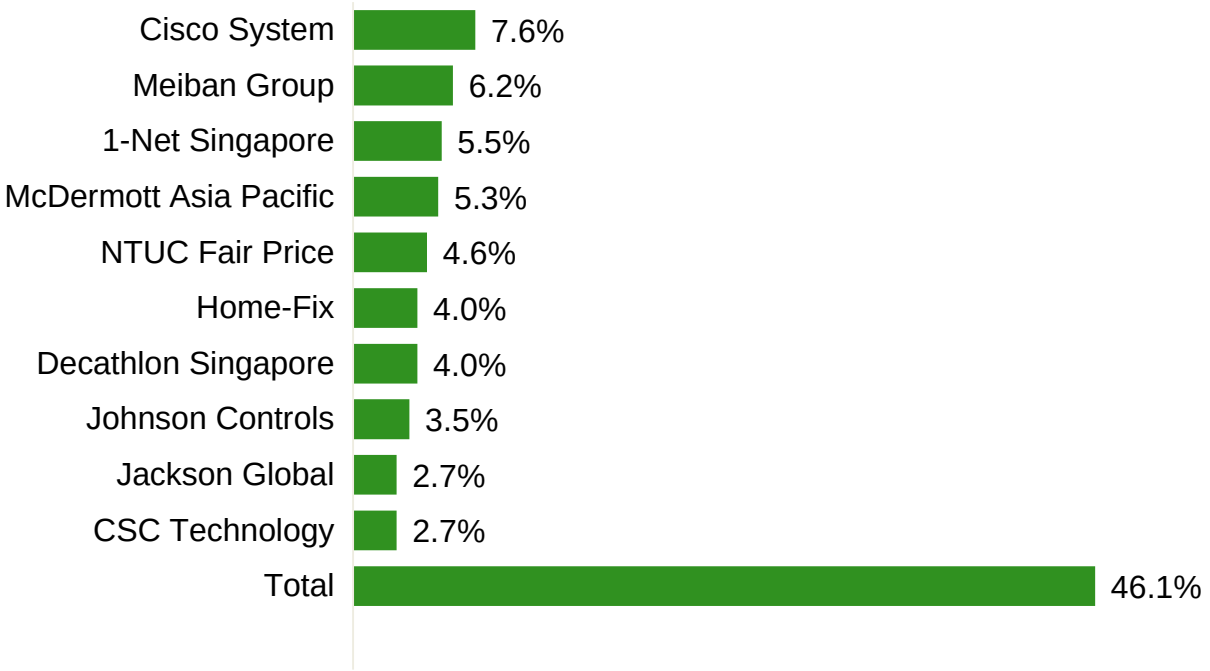
Best in Class Portfolio – Properties Profile (cont'd)

	Jackson Square	Jackson Design Hub	11 Ubi Road 1	Home-Fix Building
				
Property Type	Light Industrial	Light Industrial	Light Industrial	Light Industrial
Valuation	S$82.0mn[1]	S$33.4mn[1]	S$87.0mn[2]	S$47.8mn[1]
GFA	418,586 sq. ft.	85,070 sq. ft.	253,058 sq. ft.	120,556 sq. ft.
Age	6.3 years	7.1 years	18.4 years	4.8 years
Remaining Land Lease	13.1 years	51.1 years	39.4 years	51.5 years
Occupancy	98.9%	100%	100%	100%
No of Tenants	17	1	5	1
No of Carpark Lots	223	45	69	109

1. *Based on independent valuation performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 31 December 2015.*
2. *Based on independent valuation performed by Suntec Real Estate Consultants Pte Ltd as at 31 December 2015.*

Diversified Quality Tenant Mix*

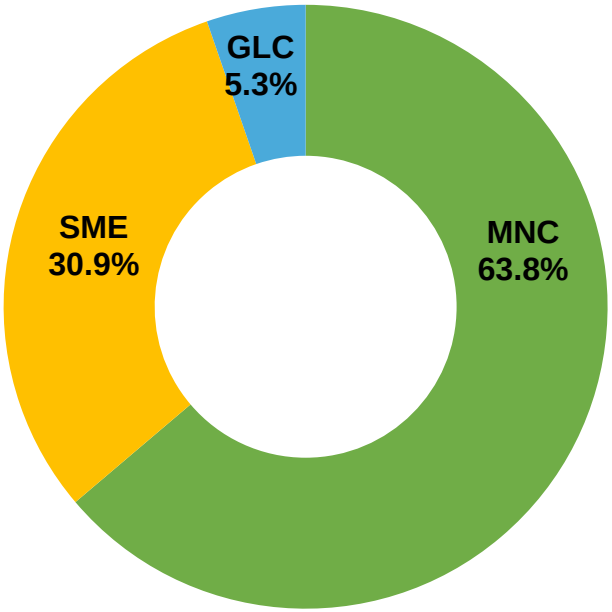
Top 10 tenants/sub-tenants account for 46.1% of monthly committed rental income



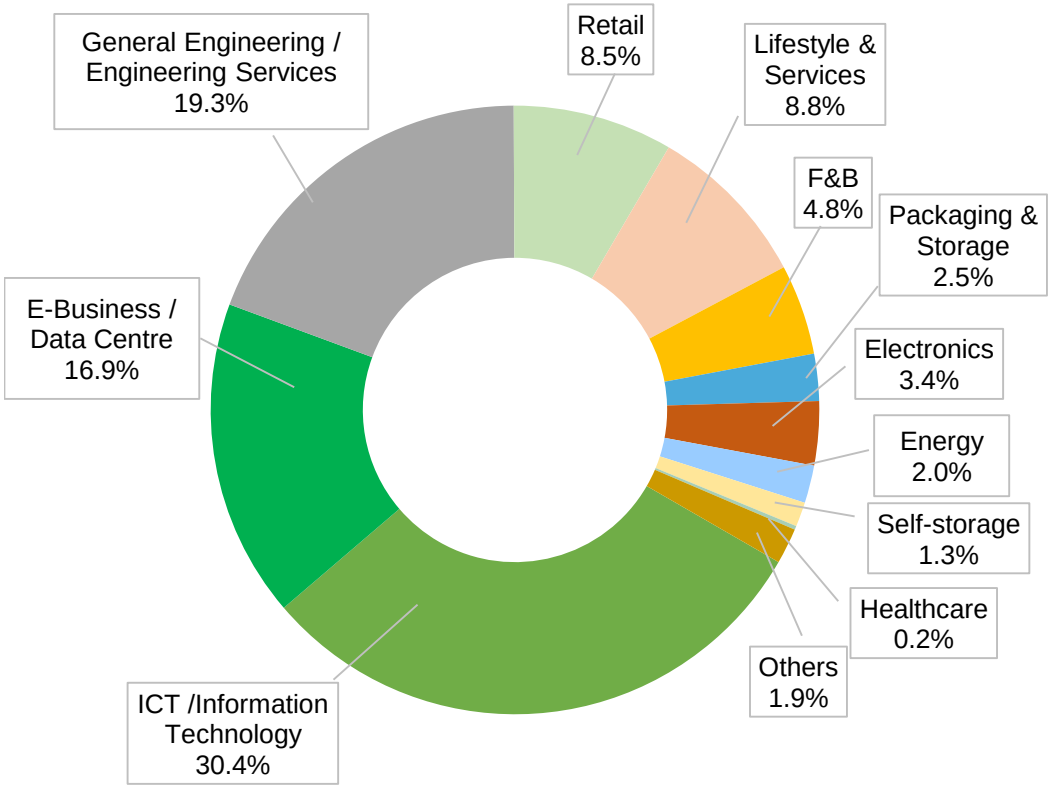
* *As at 31 March 2016, excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

Diversified Quality Tenant Mix

Breakdown of Tenant Type by Underlying Gross Rental Income*

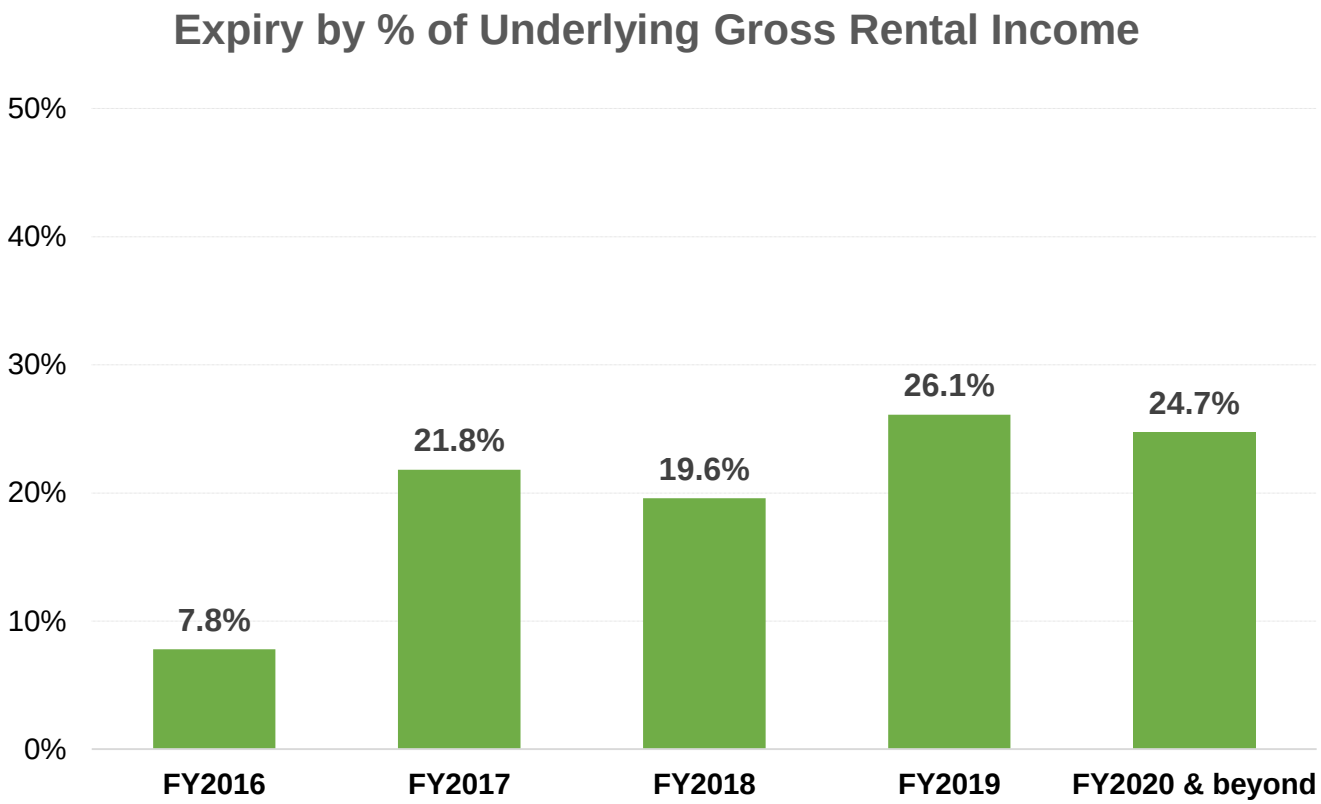


Breakdown of Trade Sector by Underlying Gross Rental Income*



** Based on monthly gross rental income for the month of March 2016, excluding the rental income from the UEBH Hotel Leased Premises.*

Staggered Lease Expiry Provides Income Stability



Secured approximately **205,000 sq ft** of lease renewals and new leases in 1Q2016.

** Based on committed leases as at 31 March 2016, assuming renewal options are not exercised and excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

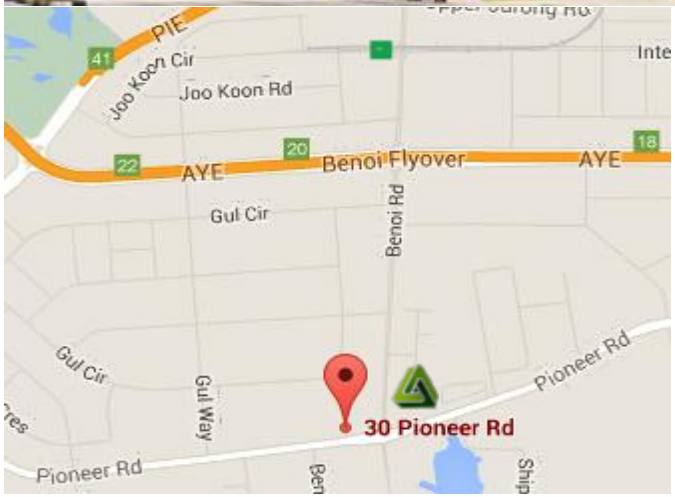
AEI Updates

AEI Project	An initiative to unlock the value of VBP (formerly known as TPCC) by converting up to 15% of GFA to "white" use, allowable under BP zoning		
Total GFA converted to "white"	214,951 sq ft		
Progress status	750 – Level 1	AEI works completed, pending issuance of TOP	
	750A – Level 1	TOP obtained on 11 January 2016 and fully leased	
	750B – Level 1 & 2 & part of Level 3	AEI works in progress, expected to complete by end 3Q2016	
Committed occupancy for the "white" space as at 31 March 2016	58%	DECATHLON SPORT FOR ALL ALL FOR SPORT; OWL SINCE 1956; TRUE FITNESS; ASTONS specialities; Chee-a-boo; mmm!	
Increase in valuation of VBP as a result of AEI	69% to S$330 million		

Latest Acquisition Completed

Property Details	
Location	30 Pioneer Road, Singapore 628502
Purchase Cost	S$50.3 million
Land Premium	Approximately S$5.3 million
Valuation	S$55.0 million[1]
Land Tenure	30 years (wef 16 February 2007)
Land Area	200,786 sq. ft.
GFA	281,090 sq. ft.
Leasable Area	281,090 sq. ft.
Occupancy	100%
Lease Term	5 + 5 years





1. *Based on independent valuation performed by Savills Valuation and Professional Services (S) Pte Ltd as at 14 April 2016, including the upfront land premium for the balance of the initial 30-year lease term.*

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Outlook

Singapore Economy

- Based on advance estimates from the Ministry of Trade and Industry ("MTI"), the Singapore economy grew by 1.8% on a year-on-year basis in the first quarter of 2016, the same pace of growth as in the previous quarter[1].
- Growth was flat on a quarter-on-quarter seasonally-adjusted annualised basis, in contrast to the 6.2% expansion in the preceding quarter[1].

Industrial Property Sector

- According to Deutsche Bank's market research, growth of Singapore REITs remains challenging in the year ahead. Occupancy and rental reversion are the two key issues troubling the sector. Occupancy rates for both retail and industrial REITs have bottomed out in the last two quarters, and are likely to remain stable at current levels. While occupancy is expected to have stabilized, rental reversions are likely to trend down[2].

VIT Plan

- To obtain TOP for 750 VBP and complete the AEI works for 750B VBP by end of 3Q2016.
- Continue to be proactive in securing new leases and renewing existing tenancies.
- Continue to proactively look for good quality assets and pursue investment opportunities that will deliver stable distribution and maximize returns to Stapled Securityholders.

1. *"Singapore's GDP Grew by 1.8 Per Cent in the First Quarter of 2016", Ministry of Trade and Industry Singapore, Press Release, 14 April 2016.*
2. *"1Q16 results preview – look out for hints of inorganic growth", Singapore REITs, Deutsche Bank Market Research, 5 April 2016.*

Thank you

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