Viva Industrial Trust
3Q2016
Results Presentation

21 October 2016



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Contents

- Key Highlights
- Financial Performance
- Operational Performance
- Update on Growth Drivers
- Outlook & Strategic Focus
- Investment Merits



Key Highlights

Robust Y-o-Y Performance in 3Q2016

31.9%

GROSS REVENUE

S$24.3m

39.2%

NET PROPERTY INCOME

S$17.4m

35.2%

DISTRIBUTABLE INCOME

S$15.7m

9.9%

DISTRIBUTION PER UNIT[1]

1.810c

DISTRIBUTION YIELD[2]

9.1%

TOTAL ASSETS[3]

S$1.23b

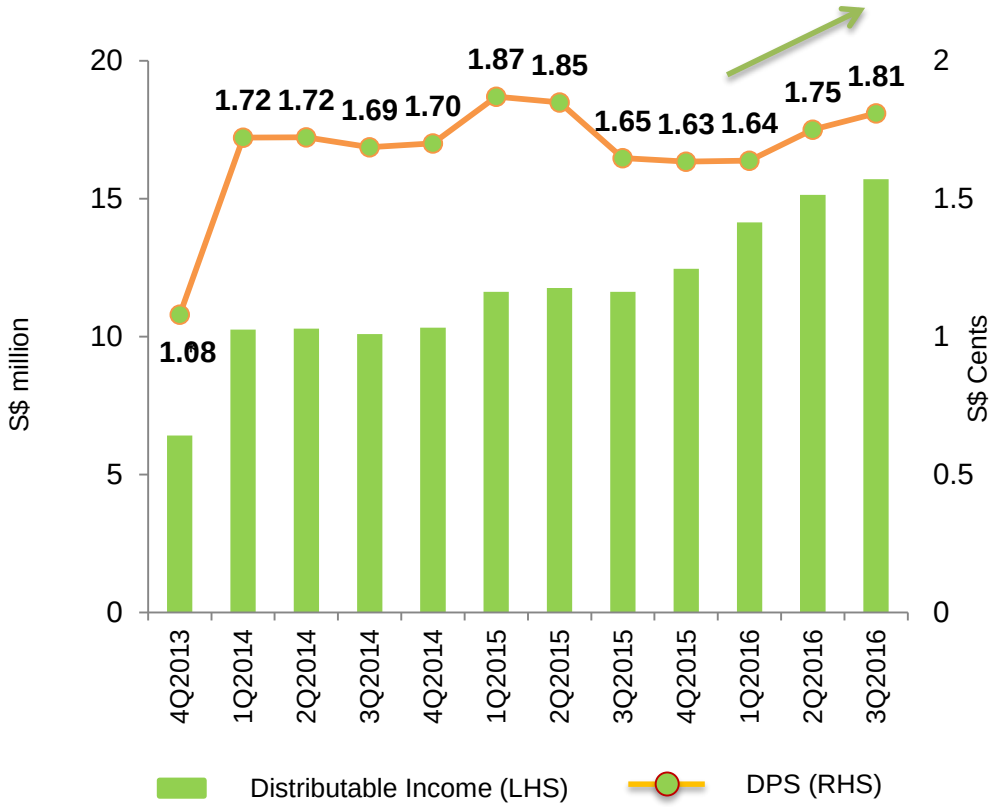
NAV PER UNIT[3]

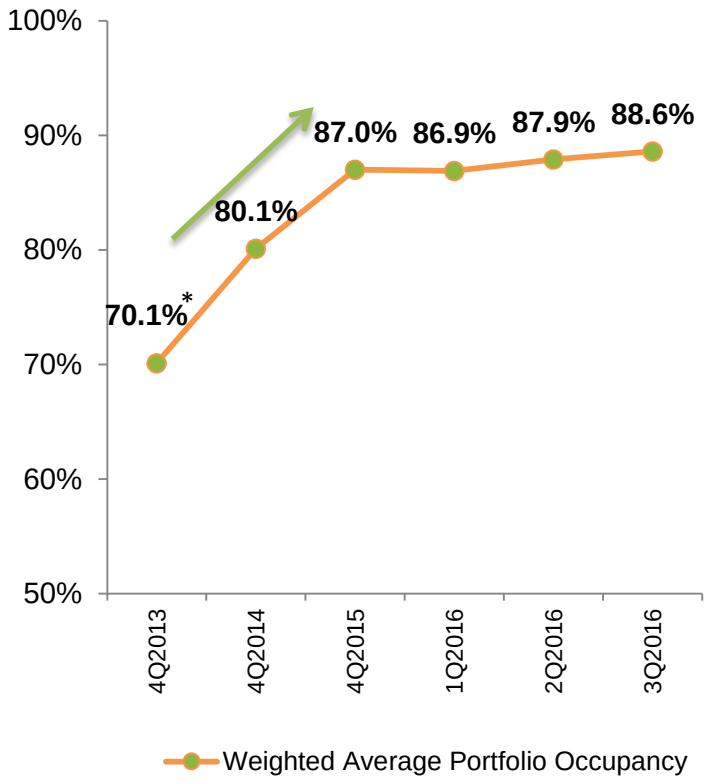
80.3c

1. Annualised distribution of 7.201 cents
2. Based on annualised 3Q2016 DPS and closing price of S$0.790 as at 30 September 2016
3. As at 30 September 2016

Rising DPS and Occupancy Trend

Robust distribution and occupancy performance despite facing a challenging economic environment, particularly for industrial REITs



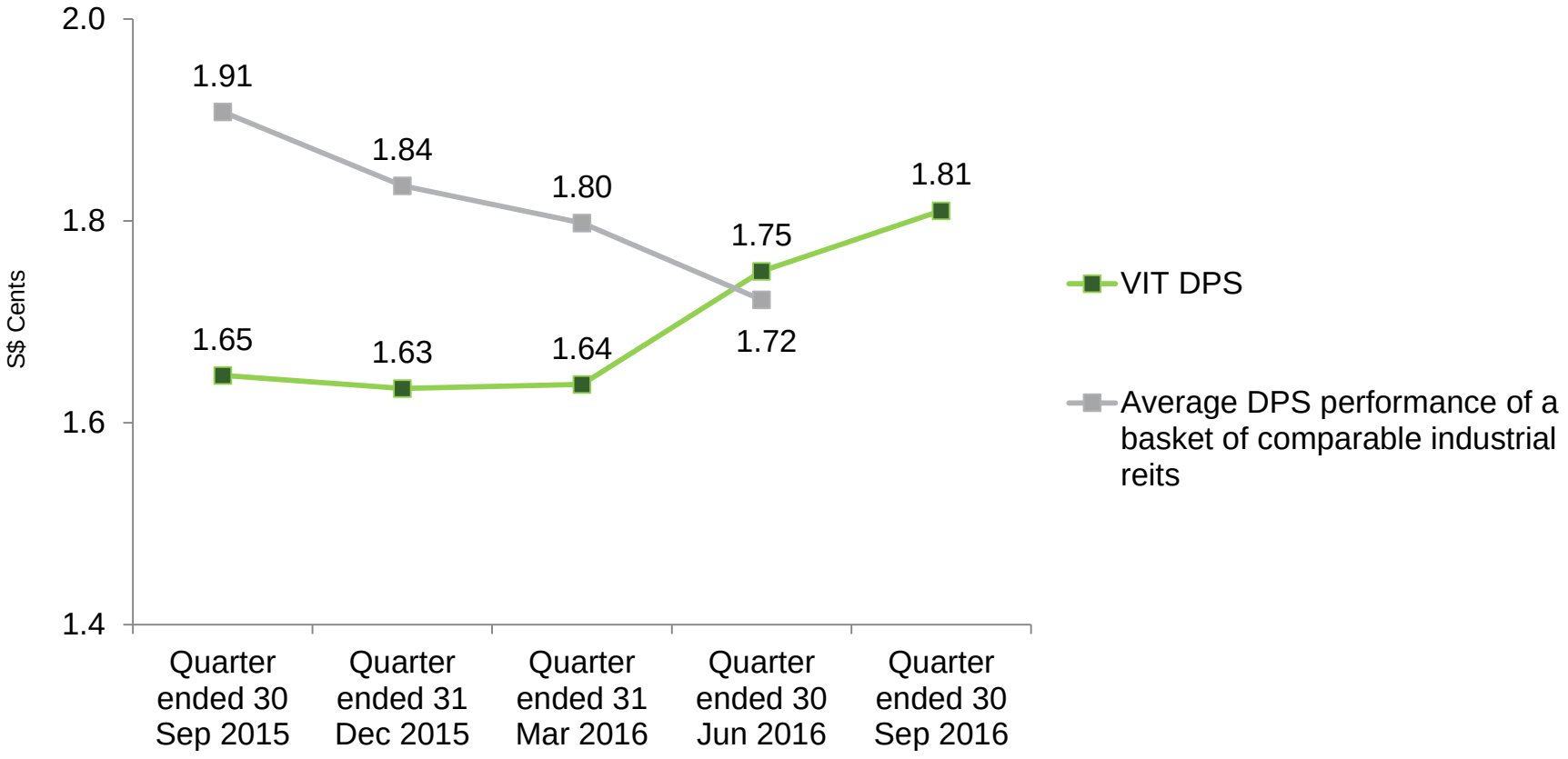


** Relates to the period from 4 November 2013 (the "Listing Date") to 31 December 2013.*

DPS Rises Despite Subdued Market Conditions

Rising DPS points to VIT's mid-term strategy of undertaking strategic acquisitions and enhancing the value of its existing portfolio through organic growth

DPS Trend (VIT versus Basket of comparable industrial REITs)



Source: ShareInvestor



Financial Performance

3Q Financial Performance

		Year-On-Year Comparison		Quarter-On-Quarter Comparison	
	3Q2016	3Q2015	Variance	2Q2016	Variance
Gross Revenue (S$'000)	**24,252**	18,388	▲ 31.9%	**23,387**	▲ 3.7%
NPI (S$'000)	**17,405**	12,504	▲ 39.2%	**17,197**	▲ 1.2%
Distributable Income[1] (S$'000)	**15,713**	11,622	▲ 35.2%	**15,147**	▲ 3.7%
Number of stapled securities for calculation of DPS ('000)	**868,112**	705,632	▲ 23.0%	**865,497**	▲ 0.3%
DPS (SG cents)	**1.810**	1.647	▲ 9.9%	**1.750**	▲ 3.4%
Annualised DPS (SG cents)	**7.201**	7.000[2]	▲ 2.9%	**7.038**	▲ 2.3%
Annualised Distribution Yield	**9.1%[3]**	9.9%[4]	--	**9.9%[5]**	--

1. *As VI-BT is dormant, only the distributable income of VI-REIT has been included for the purpose of calculating the DPS.*
2. *Actual FY2015 DPS*
3. *Based on closing price of S$0.790 as at 30 September 2016.*
4. *Based on closing price of S$0.710 as at 31 December 2015.*
5. *Based on closing price of S$0.710 as at 30 June 2016*

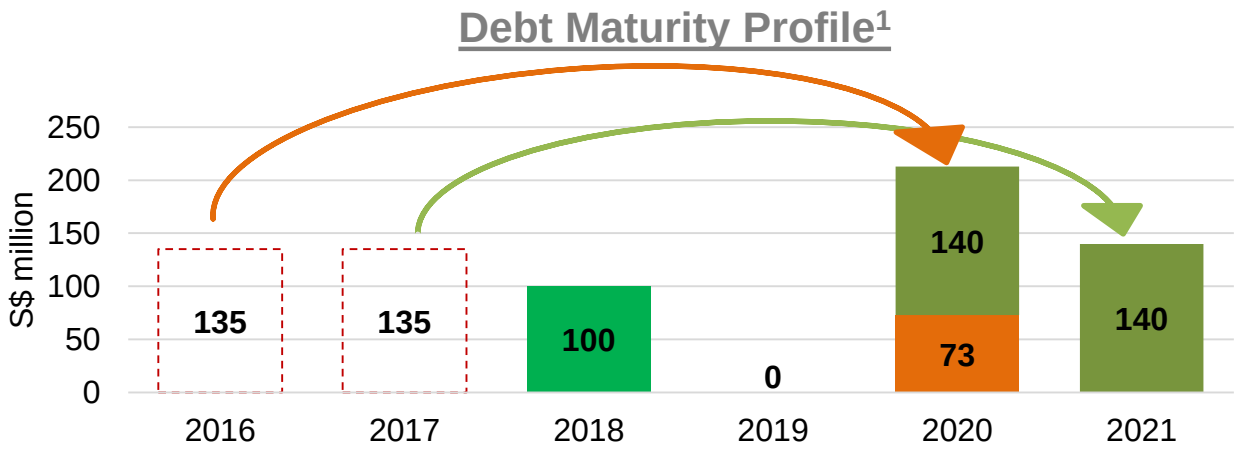
Financial Position

	30 Sep 2016 S$ mil	31 Dec 2015 S$ mil
Investment Properties	1,193.3*	1,123.2
Other Assets	32.0	75.1
Total Assets	**1,225.3**	**1,198.3**
Borrowings (net of transaction costs)	482.1	459.2
Other Liabilities	43.8	37.5
Total Liabilities	525.9	496.7
Net Assets	**699.4**	**701.6**
No. of Stapled Securities issued and issuable (in mil)	870.6	863.1
Net Asset Value per Stapled Security (SG cents)	**80.3**	**81.3**

* *Includes capital expenditures incurred during 3Q2016.*

Proactive Capital Management

As at 30 September 2016	
Total Borrowings	S$488 million
Gearing Ratio (Total Borrowings over Total Assets)	39.8%
All-in Borrowing Cost	3.9%
Weighted Average Debt Maturity[1]	3.5 years
Interest Rate Exposure Fixed[2]	86.1%
Interest Cover	4.18 times



1. *Excludes the revolving credit facility of S$50 million.*
2. *Based on outstanding borrowings as at 30 September 2016.*

Distribution Details

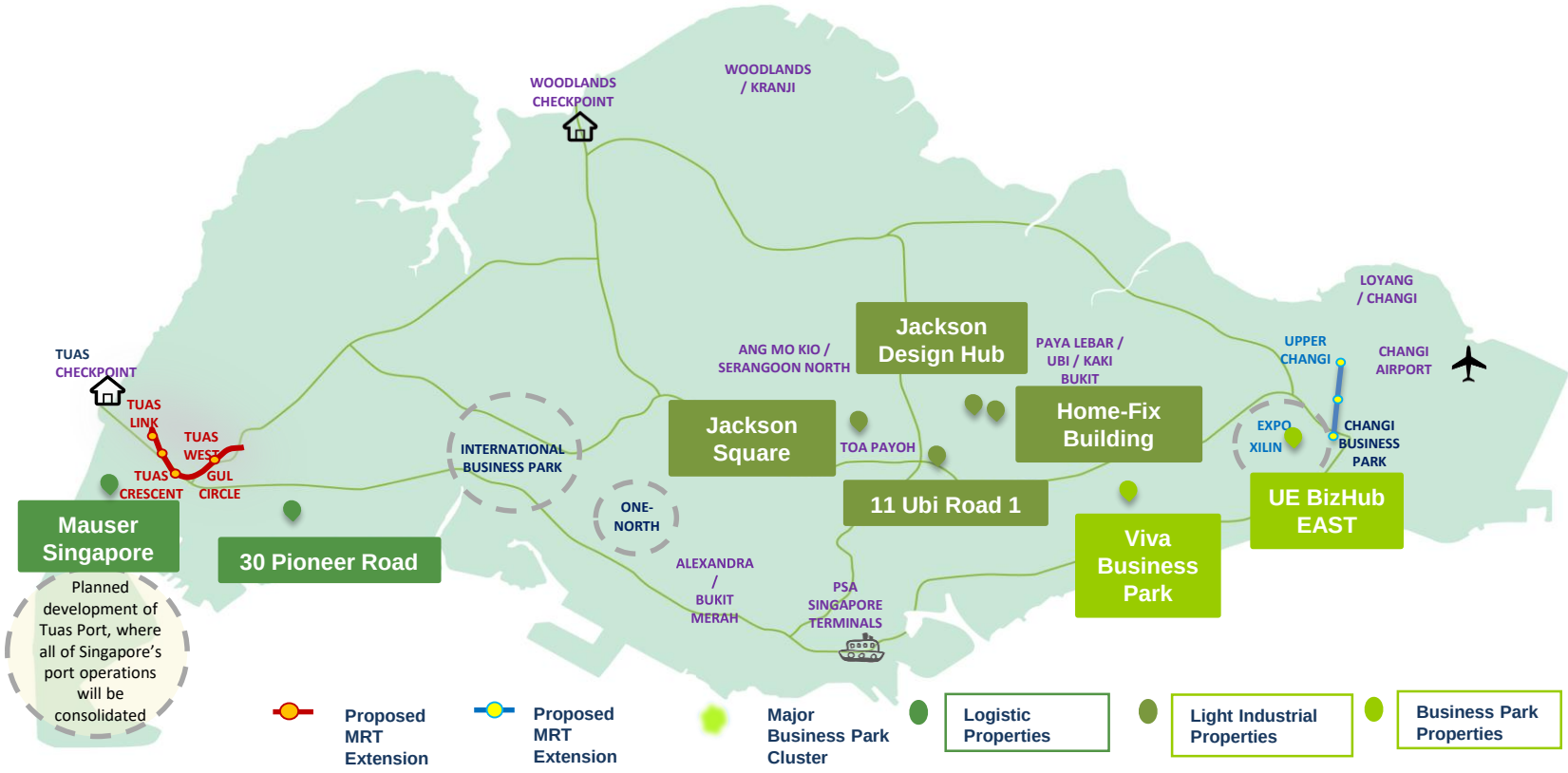
3Q2016 Distribution Details	
Distribution Period	1July 2016 – 30 September 2016
Distribution per Stapled Security (Singapore cents)	1.810 comprising (a) taxable income – 1.497 (b) tax exempt income – 0.313
Ex-Date	2 November 2016
Books Closure Date	4 November 2016
Distribution Payment Date	28 November 2016



Operational Performance

Well-Spread, Strategically Located Assets in Singapore

8	3.6m	S$1.187b	Singapore Focused Portfolio
Property Assets	Sq ft GFA	Total Portfolio Valuation	



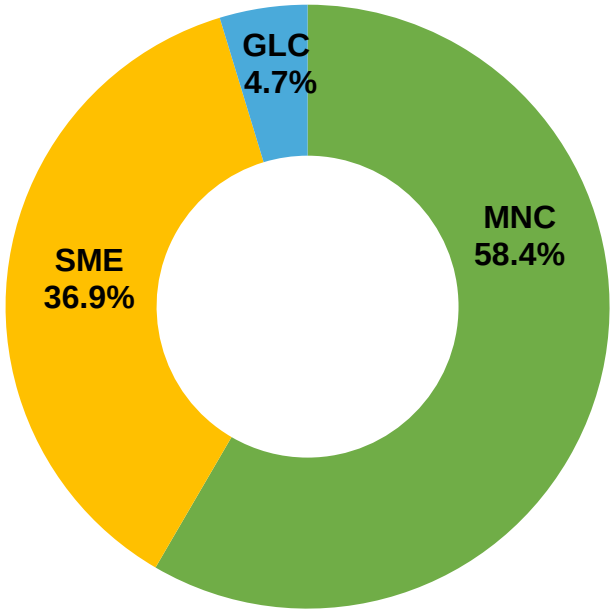
Improved Portfolio Fundamentals

Portfolio Summary		
	30 September 2016	30 September 2015
Total Number of Properties	8	5
Total Portfolio GFA	3,577,360 sq ft	2,919,323 sq ft
Net Lettable Area (NLA)	3,001,747 sq ft	2,344,517 sq ft
WALE (by rental income)*	3.3 years	3.1 years
Weighted Average Land Lease (by valuation)	35.8 years	37.4 years
Weighted Average Age of Buildings (by valuation)	9.6 years	9.7 years
Weighted Average Portfolio Occupancy *- Weighted Average Portfolio Occupancy as at Listing Date (4 November 2013)*	88.6% 70.1%	80.8% 70.1%
Total Portfolio Valuation	S$1.187 billion	S$957.4 million

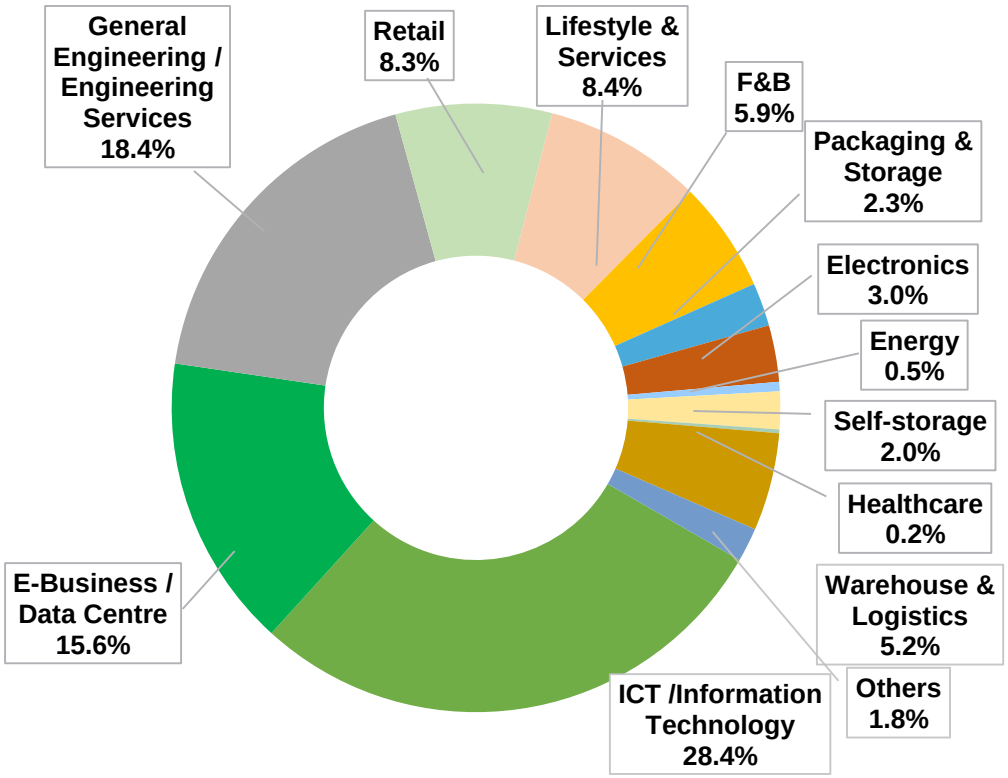
** By Rental Income - based on net property income and rental support, taking into account the master lease arrangements and rental support arrangements, assuming that renewal options are not exercised.*

Diversified Quality Tenant Mix

Breakdown of Tenant Type by Underlying Gross Rental Income*



Breakdown of Trade Sector by Underlying Gross Rental Income*

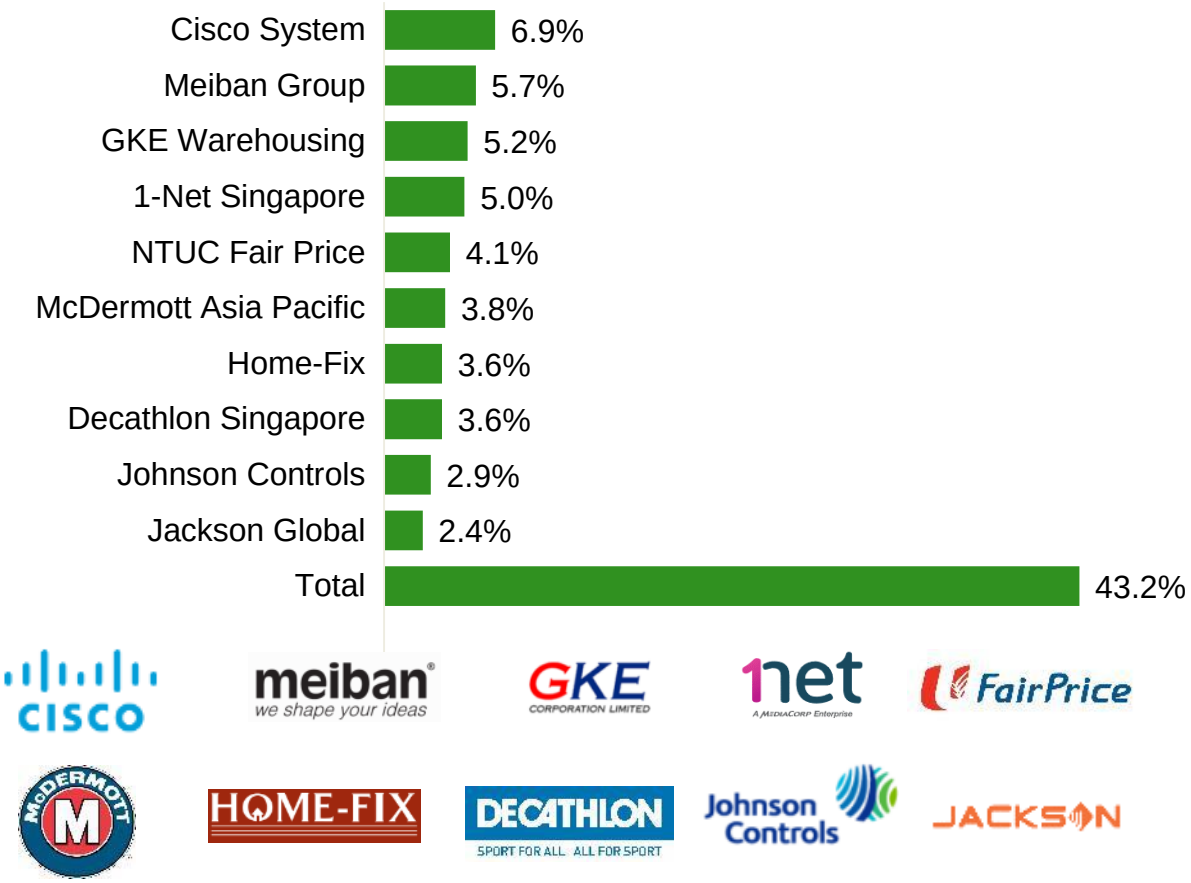


- Total of 145 tenants, of which 44.0% of tenants are in information technology, e-business or data centre operations.
- 63.1% of tenants are multinational corporations or government-linked corporations.
- Minimal direct exposure to hard-hit oil & gas energy sectors.

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

Diversified Quality Tenant Mix*

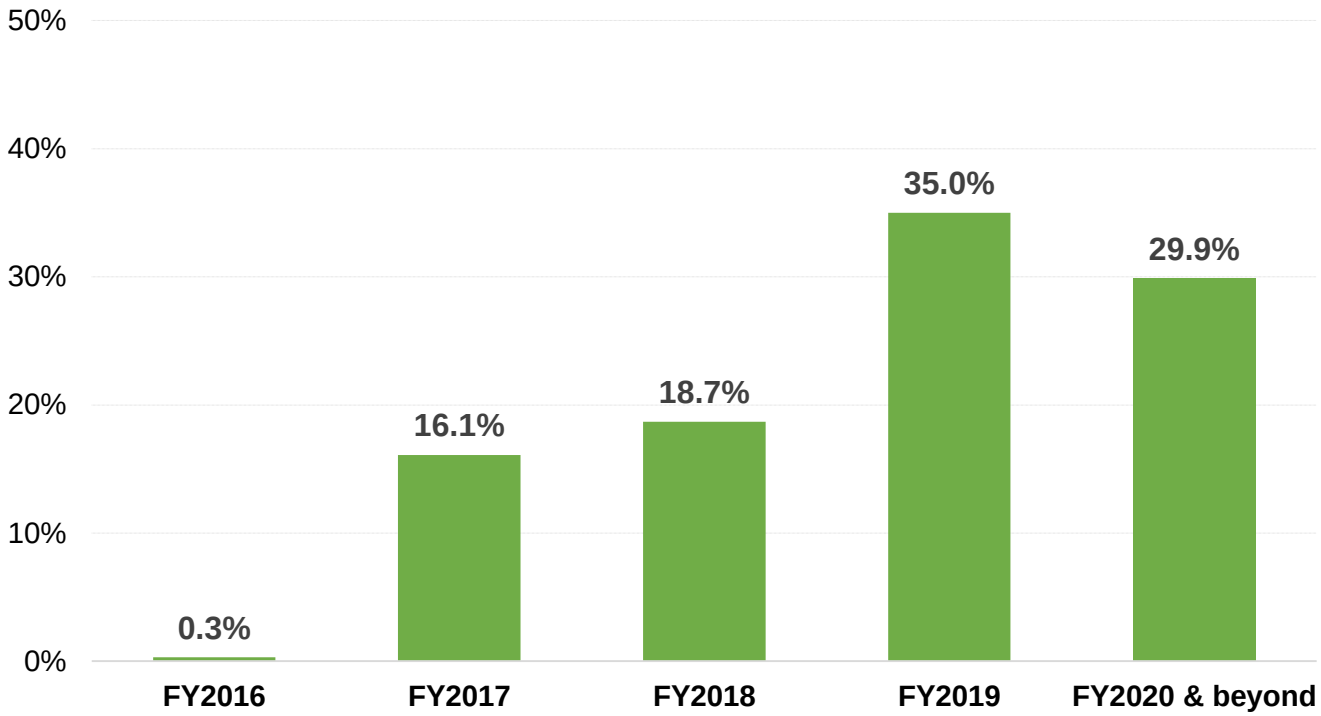
Top 10 tenants/sub-tenants account for 43.2% of monthly committed rental income



* *As at 30 September 2016, excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

Staggered Lease Expiry Provides Income Stability

Expiry by % of Underlying Gross Rental Income[1]



Secured approximately 502,000 sq ft of new leases and lease renewals as at 30 September 2016[2].

1. *Based on committed leases as at 30 September 2016, assuming renewal options are not exercised and excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*
2. *Does not include pre-committed leases for VBP "white" space.*

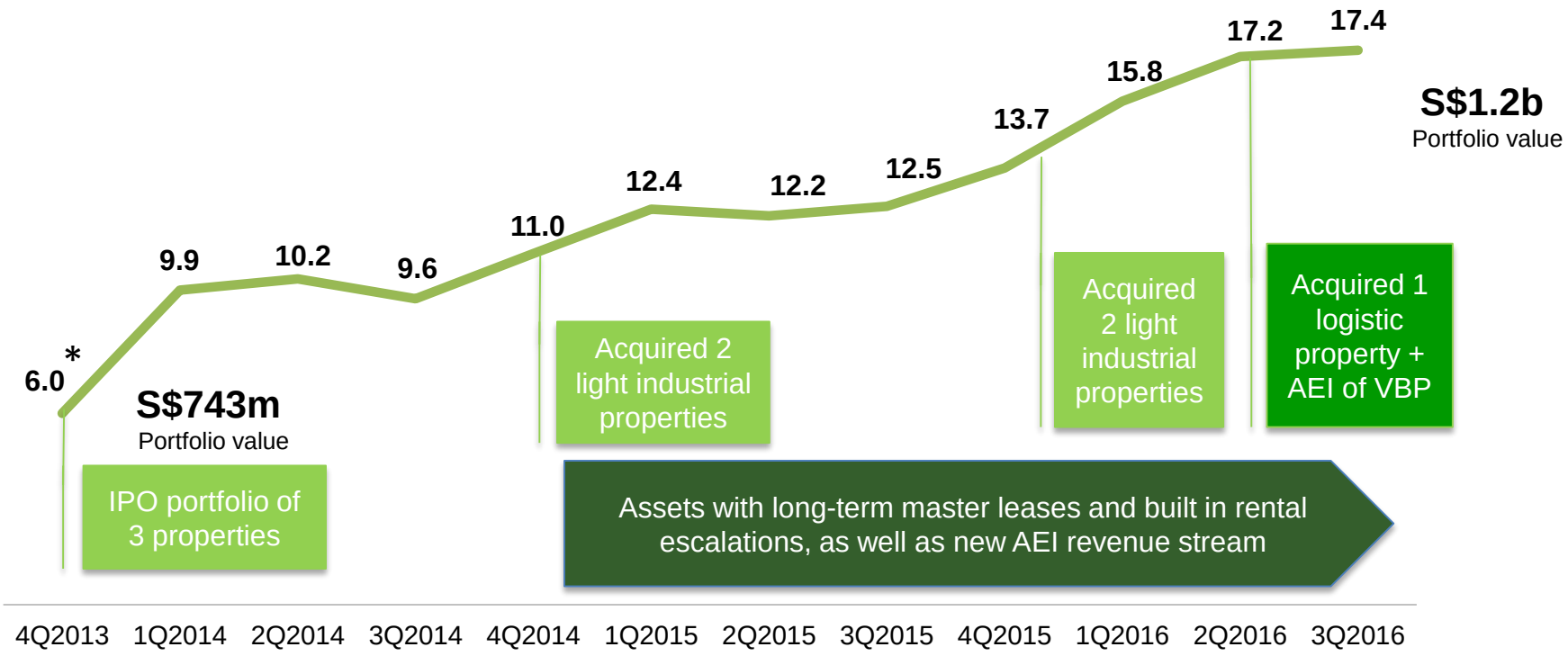


Update on Growth Drivers

1 Growing Revenue Streams and Delivering Income Growth

Strategic acquisitions and AEI have resulted in steady NPI growth since listing

NPI Performance Since IPO (S$' m)

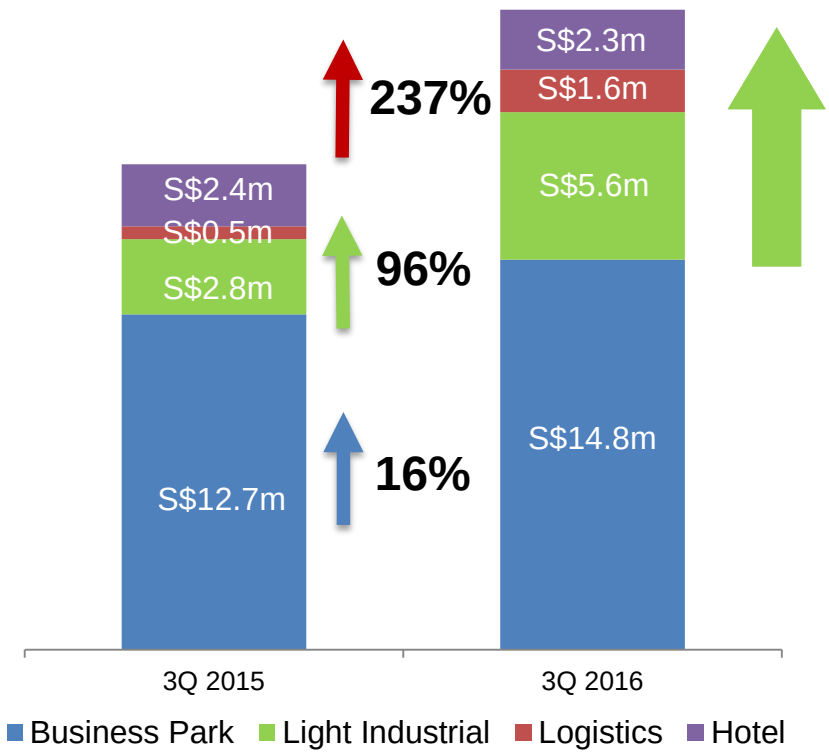


** Relates to the period from 4 November 2013 (the "Listing Date") to 31 December 2013.*

2 Sharpening Portfolio to Diversify and Strengthen Income

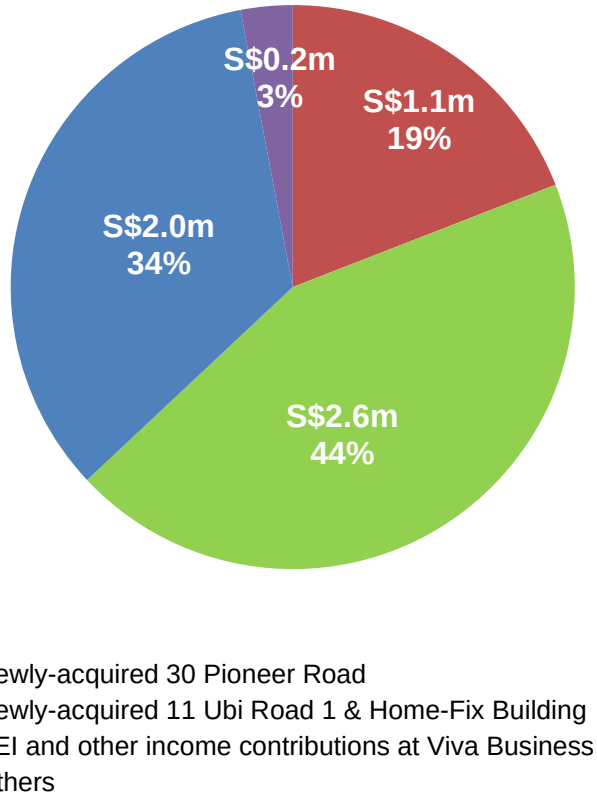
Increasingly diversified portfolio underpinned by resilient business park assets

Gross Revenue (by Asset Type)



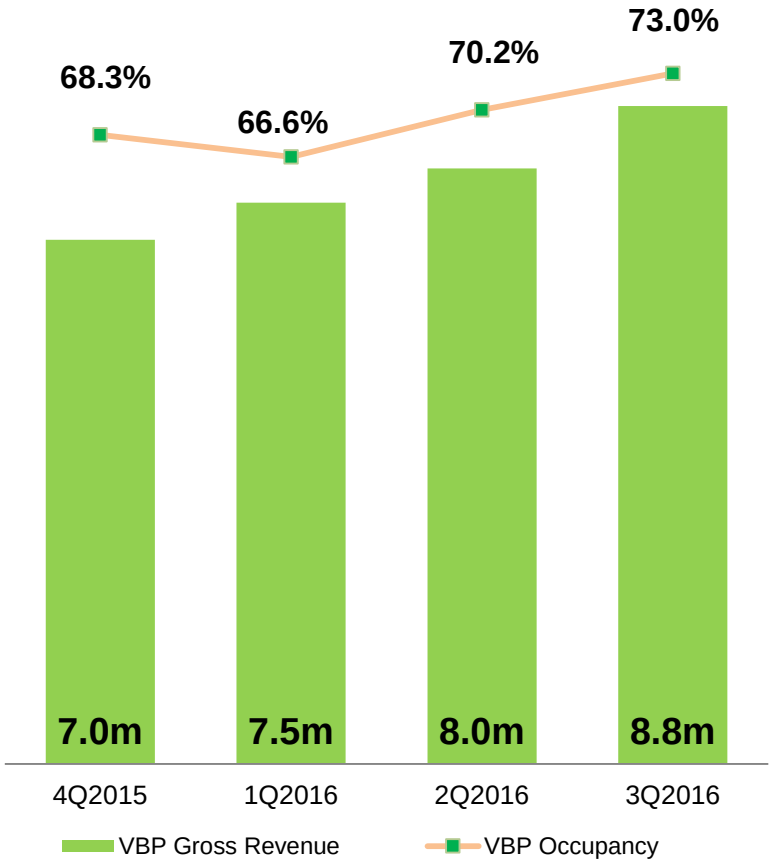
Total Gross Revenue grew by S$5.9m Y-o-Y

Contribution to Y-o-Y Revenue Growth (by Growth Driver)



3 Increasing Contributions From VBP as AEI Nears Completion

VBP on track to bring greater vibrancy to the wider Bedok region; progressively contribute higher revenue and distributions to VIT



93.4% of "white space" is committed

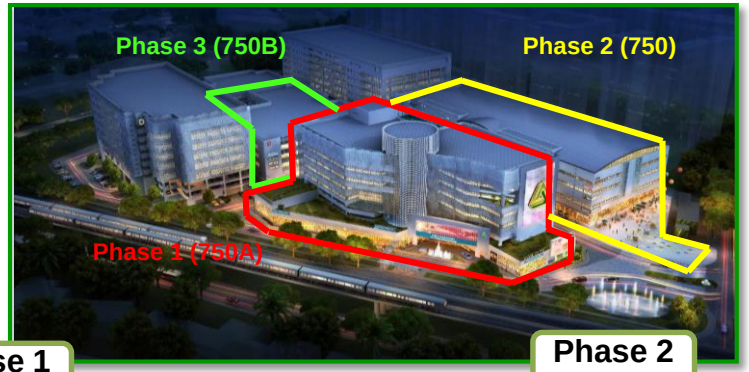
42.7% of total "white space" contributed to 3Q2016 income

Valuation*
$340m
as at 30 Sep 2016

89.0%
occupancy of completed "white" space

**Based on valuation conducted on 30 June 2016*

3 The Transformation of VBP Into a Vibrant Business Park



AEI scheduled to complete by 4Q2016, unlocking the value of Viva Business Park

Phase 1
750A

Obtained TOP on 11 January 2016





Phase 2
750

Obtained TOP on 4 May 2016





Phase 3
750B

Scheduled to complete by 4Q2016





3 VBP Shaping Up as 'Work-Play-Eat-Shop' Destination

VBP's transformation reinvents the concept of business park, offering a vibrant mix of tenants with three core themes of Sports & Fitness, Food & Beverage and Family-Oriented amenities

ASTONS specialities



Chic-a-boo



DECATHLON
SPORT FOR ALL ALL FOR SPORT



Gelare
Treat yourself





mmmm!



GLOBAL HALAL HUB
WORLD SOURCED HALAL FOOD & BEVERAGE
MY OUTLETS



PASTAMANIA
CASUAL DINING



Simply Wrapps





and more:

Alpha Gymnastics



SONG FISH

Royz et Vous
SPECIALTY COFFEE

TRUE FITNESS





Outlook & Strategic Focus

Continued Opportunities For Organic and Inorganic Growth

Viva Business Park and UE BizHub EAST are resilient assets, well-positioned to tap on future opportunities in Changi Business Park as a new centre for growth

Cyclical Dynamics

BUSINESS PARKS
(Limited supply of business parks; remains resilient)

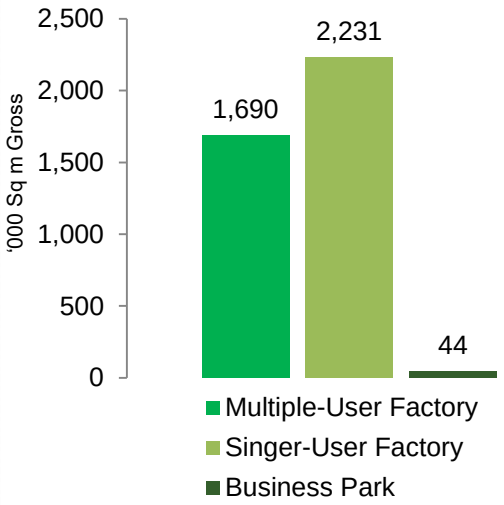
LOGISTICS
(Rising vacancy islandwide leading to some short-term oversupply)

LIGHT INDUSTRIAL
(Tapping on the Govt's push for more digital factories by 2020)

- Economic uncertainty and volatility led to weaker market conditions and business sentiments
- VIT's diversified property portfolio to remain resilient and ride through cyclical downturns in the industrial property sector

Sources: JTC, CBRE, Savills

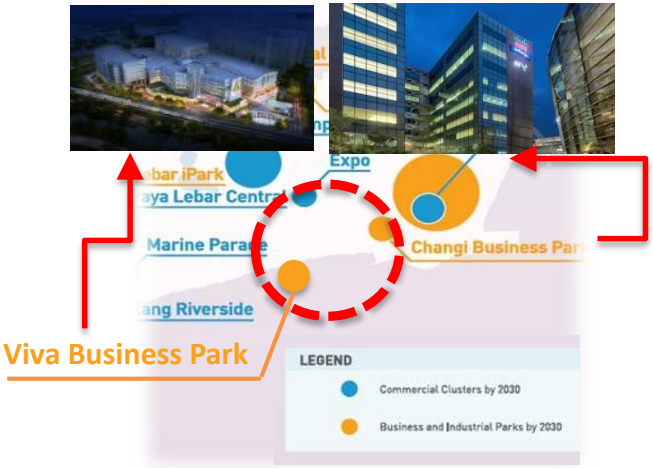
Limited Supply of New Business Parks



Supply of Factory Space by Type of Industrial Space for Completion by 2020

- 44,000 sq m GFA of business park space expected to be completed by 2020 (as at end of 2nd Quarter 2016)

Opportunities for VBP and UE BizHub EAST in Near-Term



Changi is a new centre for growth

Decentralisation trend

New strategies to attract tenants

Tap on Structural Shifts in Key Singapore Industries for Growth Opportunities

Trend 1: Business Parks ("white" space/retail) to indirectly benefit from growth of omni-channel retailers

Retail industry has significant economic footprint

21,000
Number of retail establishments

3%
Workforce employment

S$35 billion
Operating receipts generated by retail establishments

1.4%
Contribution of retail industry to Singapore's GDP

Launch of retail transformation roadmap

- SPRING Singapore roadmap to transform Singapore into a more **vibrant shopping destination**
- Strives to address changing buying patterns of consumers and **leverage new technologies** to expand market reach locally and internationally

Significance of developing omni-channel retailing capabilities

- Retailers are combining **digital capabilities** with retail component
- The Singapore Government is encouraging retailers to adopt an omni-channel strategy across **both online and offline channels**

Trend 2: Industrial properties catering to the Government's push for digital factories will be in demand

- New push by the Govt for **precision engineering industry** to ride wave of **digital manufacturing**
- Aim to grow output from S$32 billion today to **S$42 billion in 2020**
- Home-grown precision engineering firm and one of VIT's top tenants **Meiban Group** first to embark on journey to digitalise its factory operations via its iSmart Factory project


More jobs with push in precision engineering

Digital transformation could create 3,000 more positions in sector for PMETs by 2020

Rise of digital factories

The precision engineering industry will be well-positioned to ride the wave of digital manufacturing. With support from stakeholders, we aim to grow output in this sector from $32 billion today to $42 billion in 2020.

Sources: Department of Statistics & SPRING Singapore (2016); The Straits Times – "More jobs with push in precision engineering" (13 Oct 2016)

Clear Strategy to Enhance VIT's Value

Near-term focus on creating a vibrant VBP while seeking out defensive acquisitions against the backdrop of a subdued economy

Focus on retaining tenants while increasing portfolio occupancy

Drive long-term growth and enhancement of VIT's value

1 Value Creating Investment Management



- Timely delivery of AEI works within budget
- Build pipeline of yield accretive acquisitions in Singapore and overseas

2 Proactive Asset & Lease Management



- Maximise tenant retentions with positive rental reversions
- Unlock value through asset enhancements
- Effective asset operating cost management

3 Prudent Capital & Risk Management

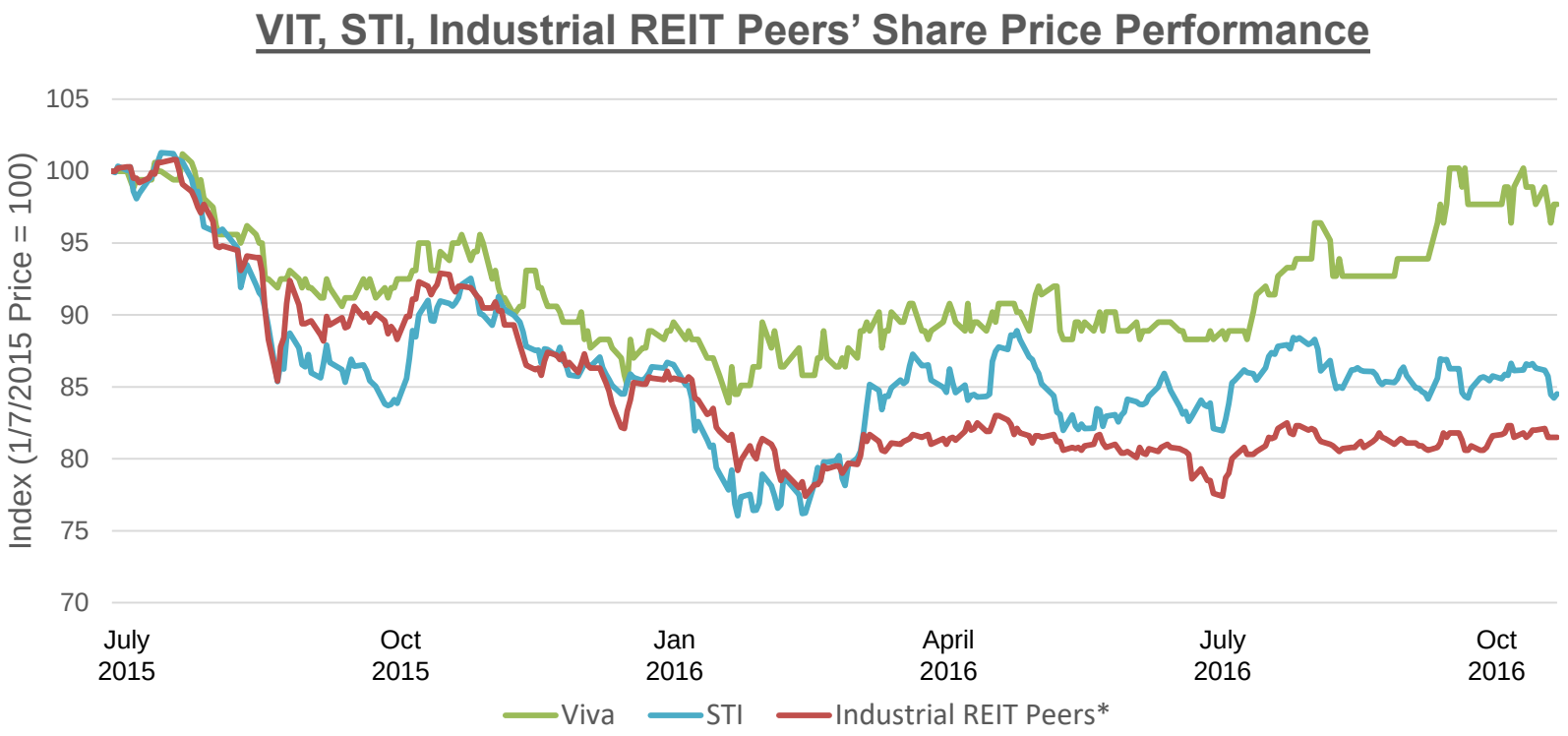


- Maintain stable DPS
- Maintain prudent financial policy with gearing ratio within 40%
- Diversify sources of funding



Investment Merits

VIT One-Year Performance

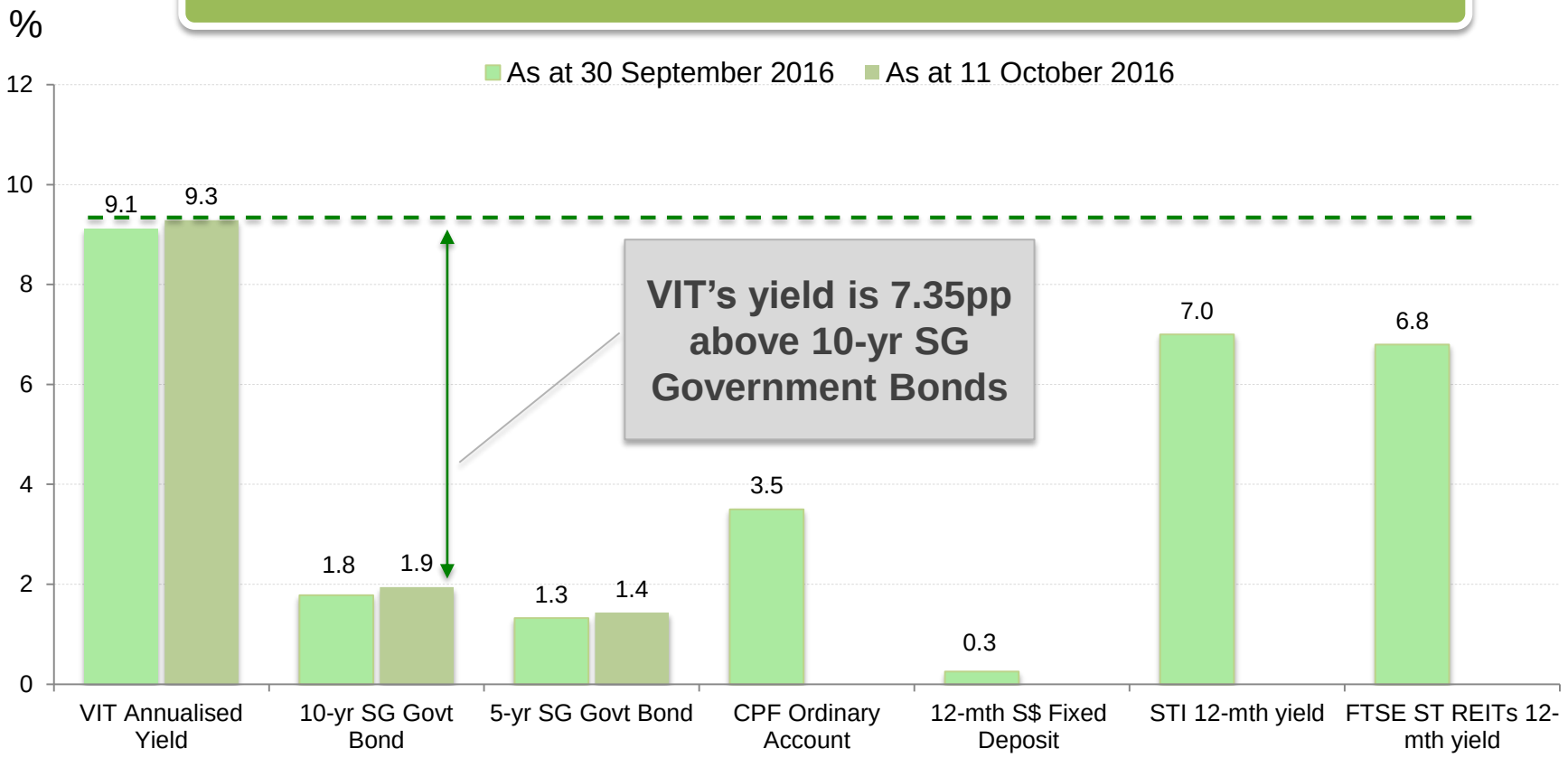


- VIT provides investors with **solely SGD exposure** with its **Singapore-based portfolio**
- VIT is a **yield-play** for investors looking to capitalize on expectations of a gradual US Fed rate hike and neutral MAS monetary policy stance
- VIT's share price performance **has outperformed the STI and Industrial REIT peers*** on the back of its sound fundamentals and quality underlying portfolio

** Based on the share price performance of a basket of comparable Industrial REITs.*
Source: Yahoo Finance, SGX

Attractive Yield versus Other Investments

Expectations of a prolonged low interest rate environment have compressed yields and provided tailwinds for the S-REIT sector including VIT



[1] Based on the annualised 3Q2016 DPS and Closing Price of S$0.790 as at 30 September 2016.
[2] Based on the annualised 3Q2016 DPS and Closing Price of S$0.775 as at 11 October 2016.
Source: Bloomberg, Central Provident Fund Board, Monetary Authority of Singapore, OCBC, FTSE Factsheet & ShareInvestor

Attractive Return on Investment since IPO

	4Q2013[1]	1Q2014	2Q2014	3Q2014	4Q2014	1Q2015	2Q2015	3Q2015	4Q2015	1Q2016	2Q2016	3Q2016
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	0.710	0.790
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	18.301	20.111
Price Appreciation (%)	(0.6)	(1.3)	1.9	3.2	1.9	3.2	1.9	(5.8)	(9.0)	(7.7)	(9.0)	1.3
Cumulative Distribution Yield (%)	1.4	3.6	5.8	8.0	10.1	12.5	14.9	17.0	19.1	21.2	23.5	25.8
Total Return (%)[3]	**0.8**	**2.3**	**7.7**	**11.2**	**12.0**	**15.7**	**16.8**	**11.2**	**10.1**	**13.5**	**14.5**	**27.1**



Scenario: Distribution yield based on annualised 3Q2016 DPS of S$0.0720											
Price	S$0.750	S$0.760	S$0.770	S$0.780	S$0.790	S$0.800	S$0.810	S$0.820	S$0.830	S$0.840	S$0.850
Annualised Distribution Yield	9.6%	9.5%	9.4%	9.2%	9.1%	9.0%	8.9%	8.8%	8.7%	8.6%	8.5%

1. *Relates to the period from the Listing Date (4 November 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.*

Summary

1



Best in Class Portfolio Anchored by Sizeable Integrated Business Park Developments

- Integrated Business Park developments attract quality tenants by providing complementary amenities that enliven the workplace.
- **UE BizHub East** is an unique business park development integrated with a 251 room-key hotel, convention centre and retail component, while **Viva Business Park** has significant “white” component.

2



Clear Growth Strategy for 2016

- VBP ‘s AEI has been successful in revitalising the Business Park, and is contributing to rising revenues and distributions amidst subdued macroeconomic conditions.
- Completion of acquisition of **11 Ubi Road 1, Home-Fix Building** and **30 Pioneer Road** will contribute to revenue and distributions growth whilst the Manager continues to identify yield accretive acquisitions to add value to VIT’s portfolio.

3



Attractive Yield Play with Stable Long-Term Distributions

- VIT has provided attractive returns on investment since IPO. Its share price has also outperformed the STI and a basket of comparable industrial REITs.
- VIT provides investors with stable distributions and long-term growth potential in asset value.

Thank you

VIVA iTRUST

