



AIMS AMP CAPITAL INDUSTRIAL REIT

FY2015: Second Quarter Financial Results Ended 30 September 2014
Results Presentation

30 October 2014



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Important notice

Disclaimer

This Presentation is focused on comparing actual results for the financial period from 1 July 2014 to 30 September 2014 ("2Q 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 ("AA REIT" or the "Trust") results for 2Q FY2015 as per the SGXNet Announcement.

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CONTENTS



Highlights for 2Q FY2015	4
2Q FY2015 Financial Results	9
Prudent Capital Management	14
Portfolio Performance	19
Strategy	30

> 1

HIGHLIGHTS FOR 2Q FY2015

Highlights for 2Q FY2015

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Active portfolio management driving higher distributions

- DPU performance: 2.77 cents per Unit for the quarter (increased by 8.6% q-o-q from 2.55 cents per Unit)
- Net property income in 2Q FY2015 increased by 8.2% y-o-y to S\$19.7 million
- Distribution to Unitholders in 2Q FY2015 increased by 19.2% y-o-y to S\$17.3 million

Leasing renewals

- 6 new and renewal leases in 2Q FY2015, representing 7,668.2 sqm at a weighted average rental increase of 8.6% on the renewals
- Improved occupancy in 2Q FY2015 to 96.6% which is above industrial average

Developing a higher value portfolio

- Temporary Occupation Permit for the development of Phase Three, 20 Gul Way achieved on 9 September 2014, with income contribution in December 2014 quarter
- Singapore portfolio value uplift of 3.1% to S\$1.23 billion due to positive rental increases and completion of properties under development.
- Increased Net Asset Value to S\$1.52 from S\$1.48 in 2Q FY2015 due to recognition of the development profit and portfolio value uplift

Highlights for 2Q FY2015

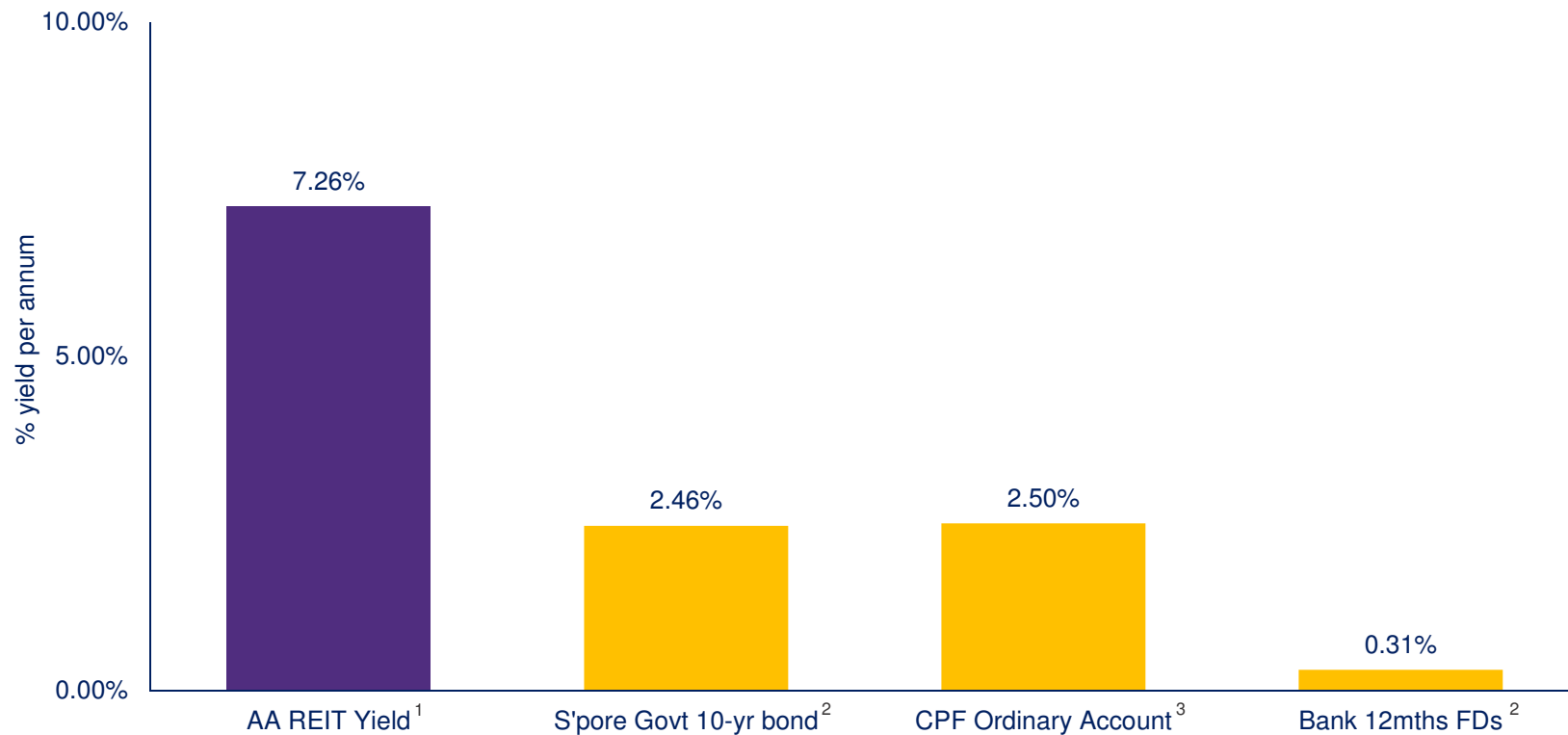
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Prudent capital management

- Aggregate leverage of 32.2% (average of approximately 30% for 20 consecutive quarters)
- Weighted average debt maturity was 2.9 years with 72.6% of debt on fixed interest rate in 2Q FY2015

Stable and attractive yield

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¹ Based on closing price of S\$1.465 on 29 October 2014 and annualised DPU of 10.64 cents. Annualised DPU is computed based on actual DPU payout for 1H FY2015 and annualised to full year.

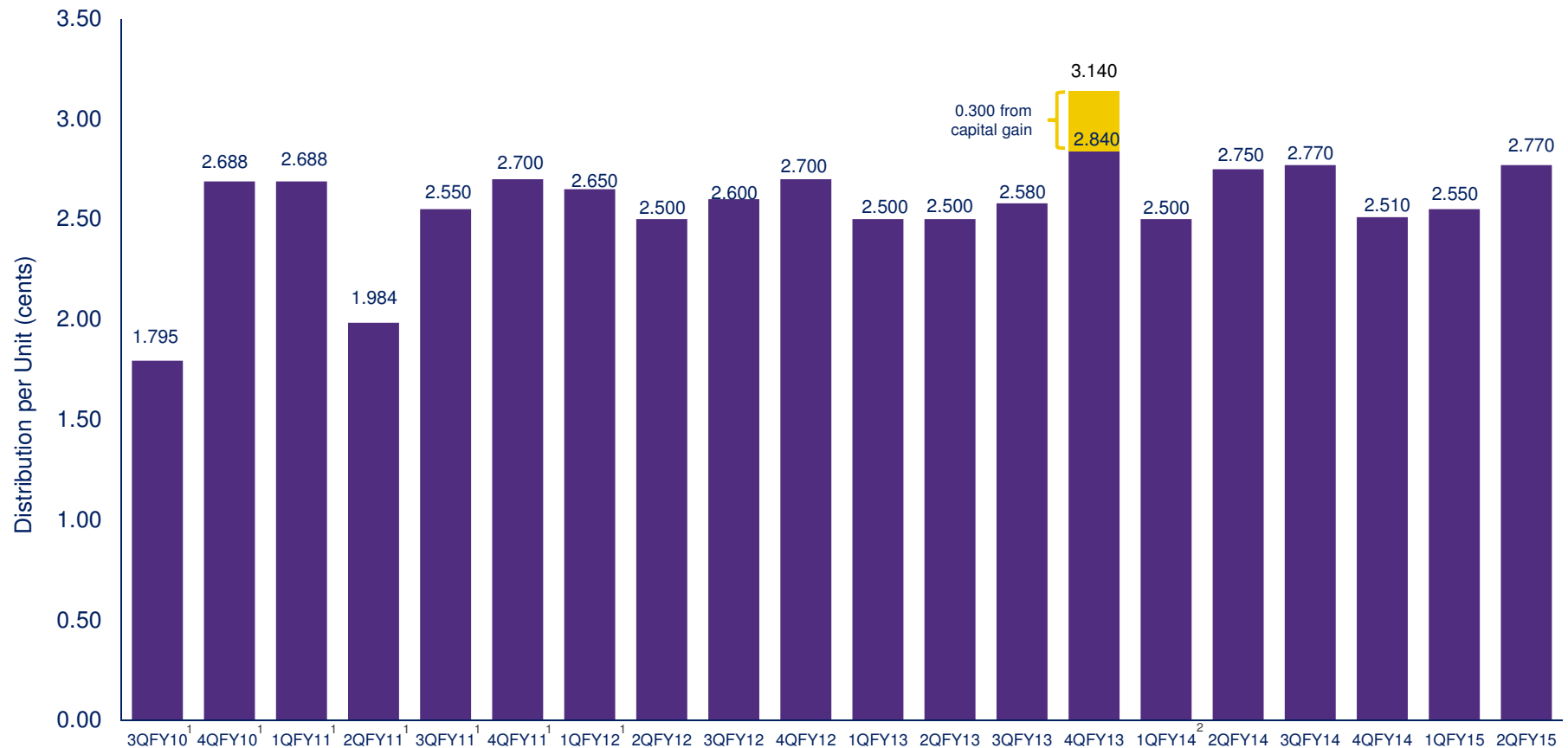
² Source: Bloomberg data as at September 2014.

³ Prevailing CPF Ordinary Account interest rate.

7

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.

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.

8

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2Q FY2015 FINANCIAL RESULTS

Distribution details

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Stock counter	Distribution period	DPU (cents)
AIMSAMP Cap Reit Code: O5RU	For 1 July 2014 to 30 September 2014	2.77

Distribution timetable

Ex-date	5 November 2014, 9.00am
Books closure date	7 November 2014, 5.00pm
Return of Tax Declaration Forms	28 November 2014, 5.00pm
Return of DRP Notice of Election	28 November 2014, 5.00pm
Distribution payment date	23 December 2014
Listing of DRP Units	On or around 23 December 2014

Results for 2Q FY2015

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	2Q FY2015 S\$'000	1Q FY2015 S\$'000	Q-o-Q %	2Q FY2014 S\$'000	Y-o-Y %	1H FY2015 S\$'000	1H FY2014 S\$'000	Y-o-Y %
Gross Revenue	28,261 ¹	27,360	3.3	26,926	5.0	55,621	51,450	8.1
Net Property Income	19,714	19,493	1.1	18,224	8.2	39,207	33,958	15.5
Share of joint venture's results	3,898	3,722	4.7	-	NM	7,620	-	NM
Distribution to Unitholders²	17,258	15,849	8.9	14,481	19.2	33,107	26,969	22.8
DPU (cents)	2.77	2.55	8.6	2.75	0.7	5.32	5.25	1.3
DPU yield³ (%)	7.26							

¹ Gross revenue achieved for 2Q FY2015 of S\$28.3 million was S\$0.9 million higher than the gross revenue for 1Q FY2015 of S\$27.4 million mainly due to the maiden rental contribution from the newly completed properties at 103 Defu Lane 10 and Phase 2E of 20 Gul Way as they became income producing from 1 August 2014 and 14 August 2014 respectively.

² The Manager resolved to distribute S\$17.3 million for 2Q FY2015, comprising (i) taxable income of S\$16.2 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.3 million and capital distribution of S\$0.8 million from distributions remitted from the Group's investment in Optus Centre, Sydney, Australia.

AA REIT's distribution policy is to distribute at least 90.0% of the Trust's taxable income for the full financial year. For 2Q FY2015, the Manager has resolved to distribute 95.6% of the taxable income available for distribution to the Unitholders.

³ Based on closing price of S\$1.465 on 29 October 2014 and annualised DPU of 10.64 cents. Annualised DPU is computed based on actual DPU payout for 1H FY2015 and annualised to full year.

Balance Sheet

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	30 September 2014	30 June 2014	31 March 2014
Total Assets (S\$'M)	1,454.0	1,432.4	1,405.2
Comprising (S\$'M):			
- Investment properties	1,230.1	1,151.1	1,085.5
- Investment properties under development	-	44.4	72.0
- Joint venture	204.9	217.2	215.2
- Trade and other receivables	9.7	10.7	10.5
- Derivative financial instruments	-	-	0.2
- Cash at banks and in hand	9.3	9.0	21.8
Total Liabilities (S\$'M)	503.7	512.1	493.3
Net Assets (S\$'M)	950.3	920.3	911.9
NAV per Unit (S\$)	1.52	1.48	1.47
Total Debt ¹ (S\$'M)	467.6	458.6	445.7
Aggregate Leverage (%)	32.2	32.0	31.7

¹ Excluding unamortised loan transaction costs.

Key financial metrics

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	2Q FY2015	1Q FY2015
Appraised Value of Property Portfolio	S\$1,434.9 ^{1,2} million	S\$1,412.6 ^{2,3,4} million
Market Capitalisation ⁵	S\$912.8 million	S\$928.6 million
NAV per Unit	S\$1.52	S\$1.48
Premium / (Discount) to NAV ⁵	(3.6%)	1.0%
Aggregate Leverage ⁶	32.2%	32.0%
Interest Cover Ratio ⁷	4.2 times	4.2 times
Weighted Average Debt Maturity	2.9 years	3.2 years

¹ Based on valuation as at 30 September 2014 appraised by Knight Frank Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd.

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

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

⁴ 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.

⁵ Based on the closing price per unit of S\$1.465 on 29 October 2014 and S\$1.495 on 29 July 2014.

⁶ Total debt as a % of total assets.

⁷ Bank covenant: minimum of 2.5 times.

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PRUDENT CAPITAL MANAGEMENT

Debt facilities as at 30 September 2014

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Secured borrowings (Singapore)

- Consortium of 5 banks comprising local and foreign banks
- Total funding cost of **4.27%** (includes AUD loan to part finance Optus Centre)
- 59.4% of interest rate fixed for weighted average period of 2.9 years at 1.44% (Fixed Base Rate)
- 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 September 2014

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Secured borrowings (Australia)

- Non-recourse 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 4.4 years at 3.825% (Fixed Base Rate)

Unsecured borrowings

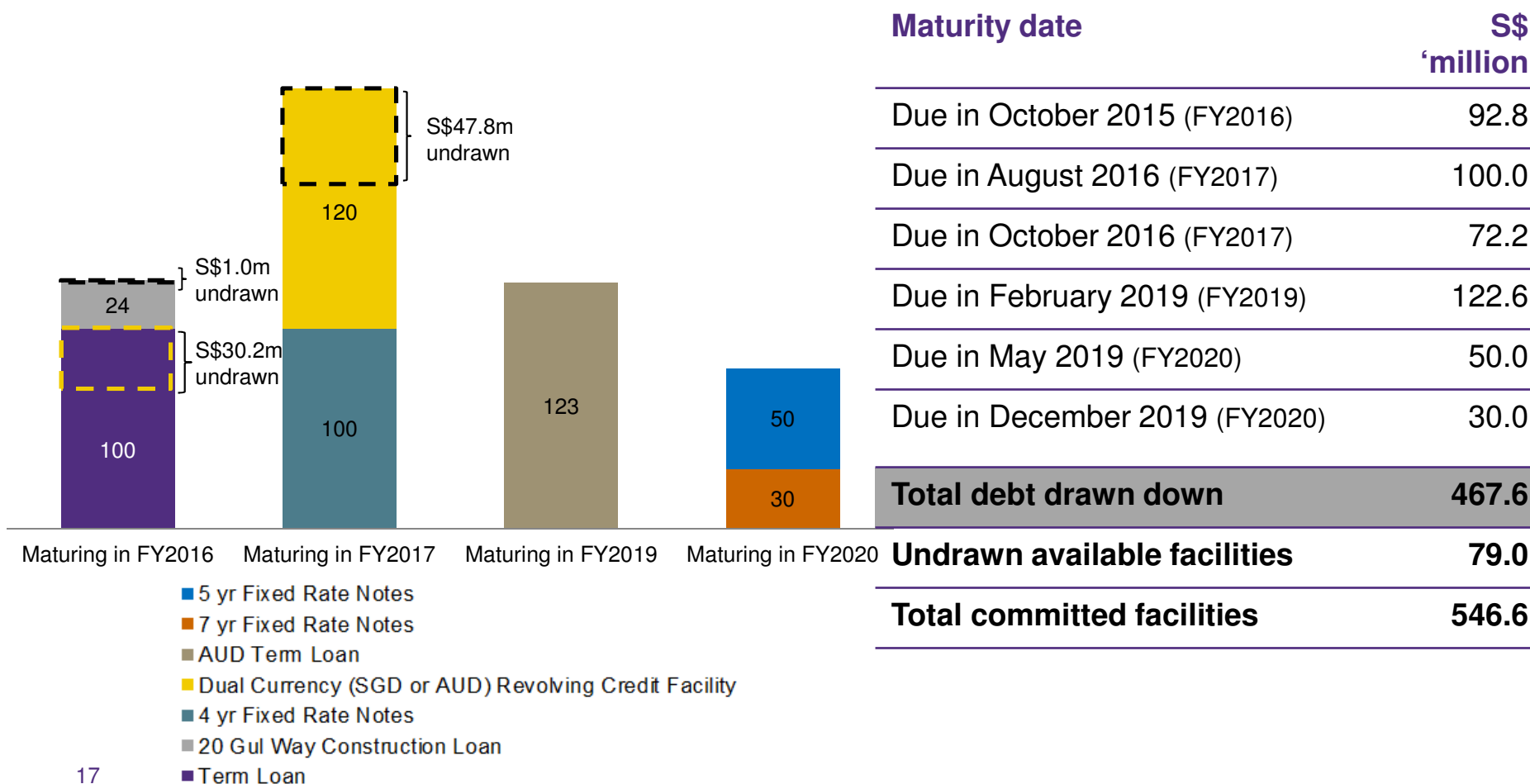
- S\$100.0 million 4 year Fixed Rate Notes at 4.90% maturing in August 2016
- S\$50.0 million 5 year Fixed Rate Notes at 3.80% maturing in May 2019
- S\$30.0 million 7 year Fixed Rate Notes at 4.35% maturing in December 2019

Summary

- Overall blended funding cost of **4.68%**
- 72.6% of the portfolio's interest rate is fixed taking into account interest rate swaps and Fixed Rate Notes
- Average debt maturity of 2.9 years

Debt facilities as at 30 September 2014

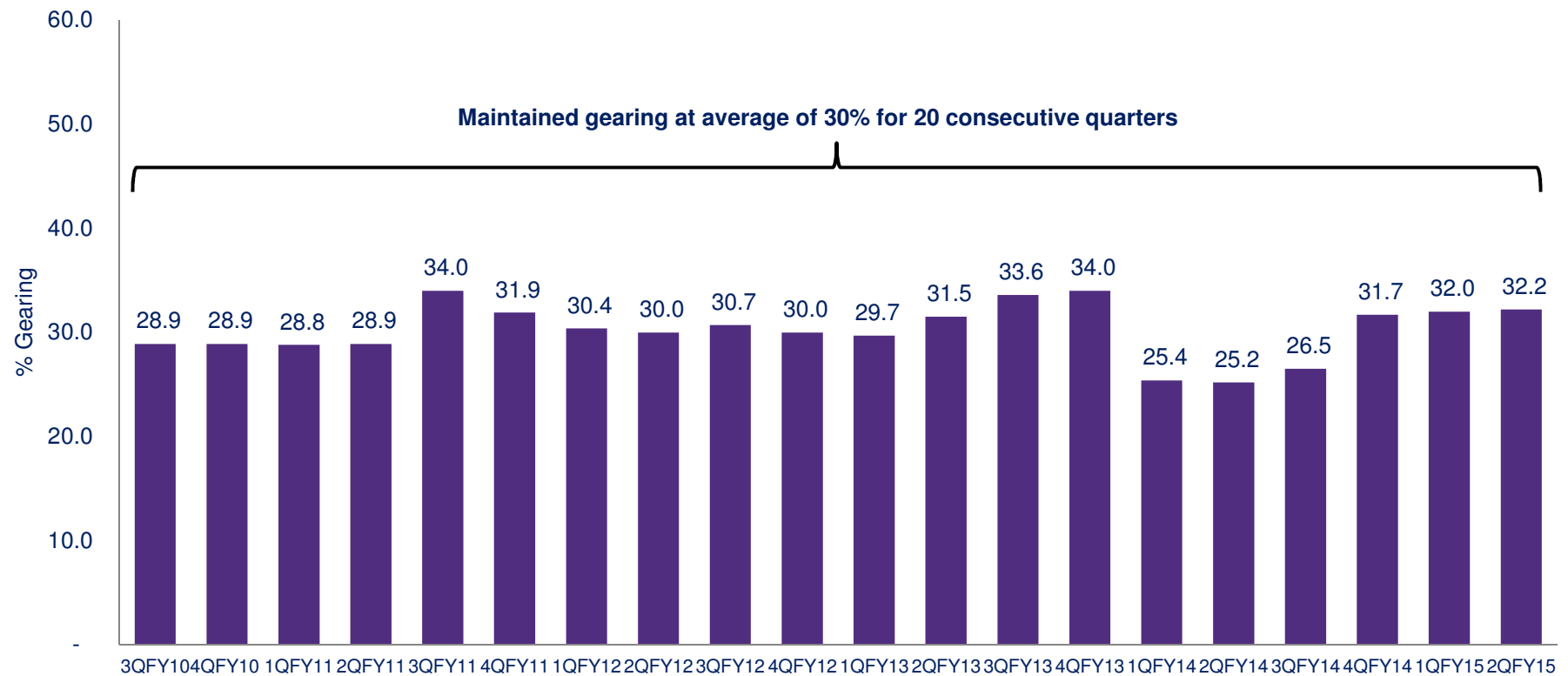
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Gearing level since 2009

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



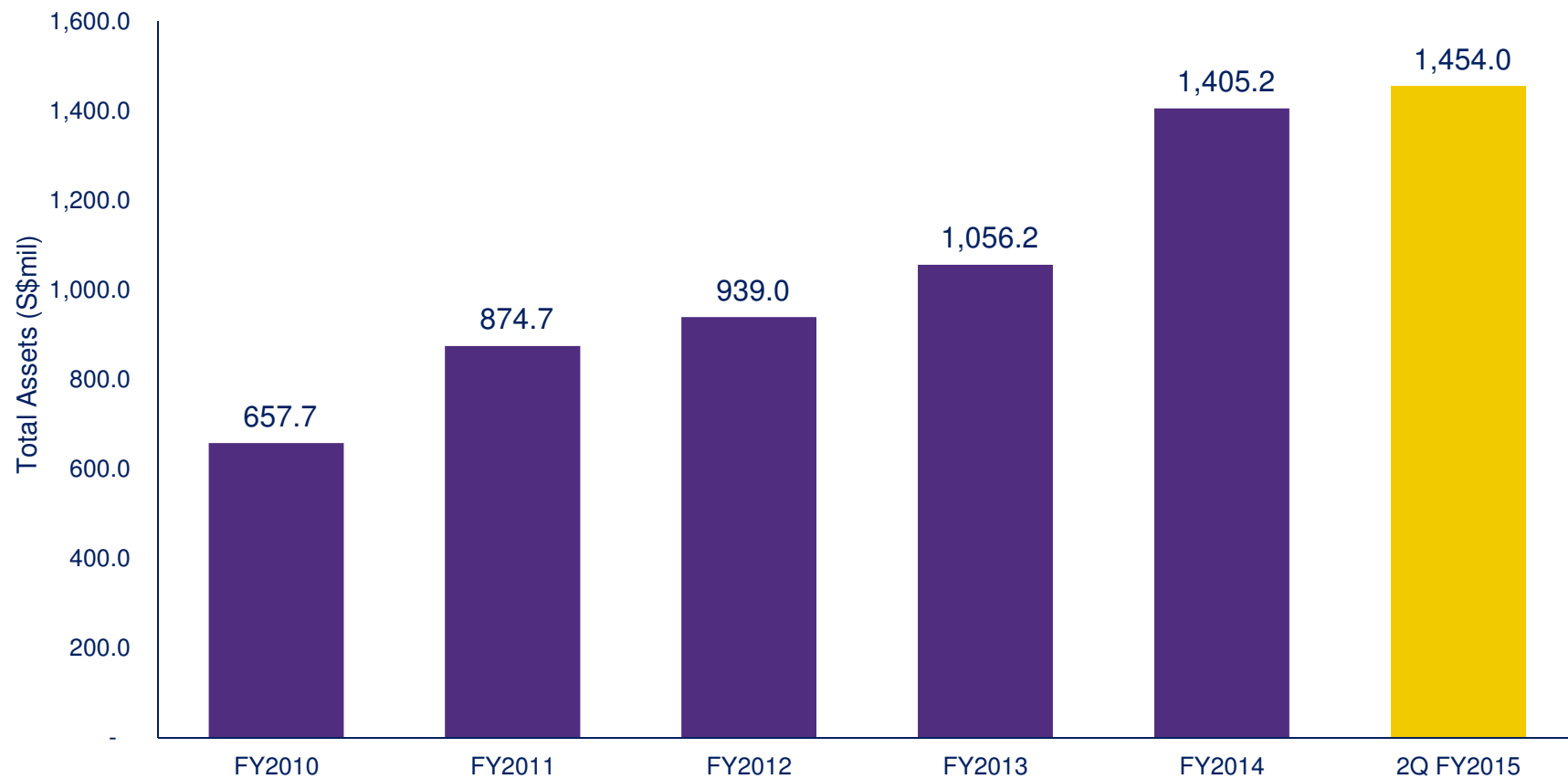
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PORTFOLIO PERFORMANCE

Total assets since 2009

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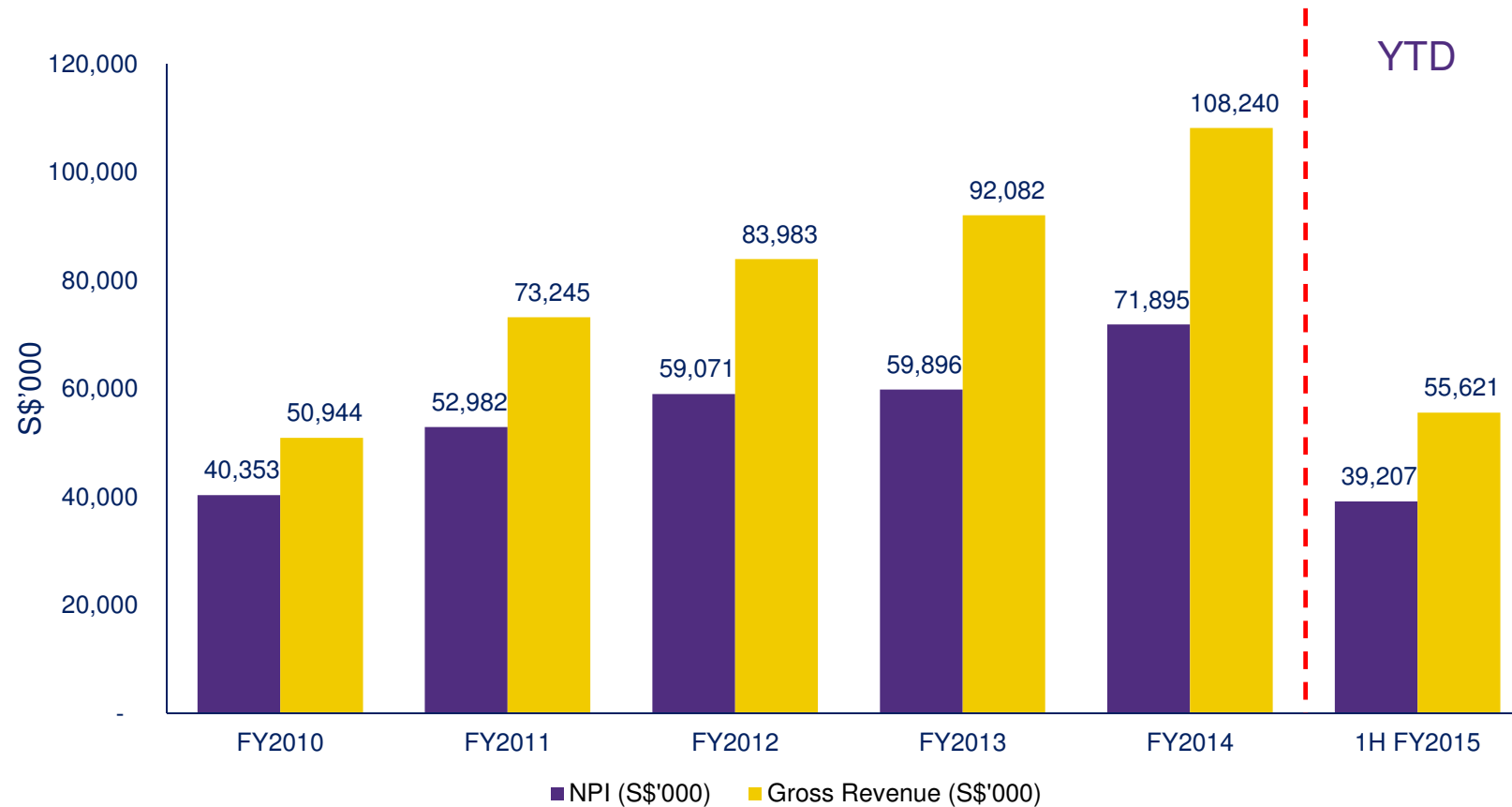
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Revenue performance since 2009

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Key portfolio statistics

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	As at 30 September 2014	As at 30 June 2014	As at 19 April 2007 (Listing)
Number of Properties	26	26	12
Appraised Value (S\$ million)	1,434.9 ^{1,2}	1,412.6 ^{2,3,4}	316.5
Net Lettable Area (sq m)	620,841.8	586,598.3	194,980.7
Number of Tenants	146	144	12
Portfolio Occupancy (%)	96.6	95.5	100.0
Weighted Average Lease Expiry (WALE) (years)	3.57	3.76	6.7
Weighted Average Land Lease Expiry (years)	40.7 ⁵	41.8 ⁵	47.8
Location of Properties	Singapore, Australia	Singapore, Australia	Singapore

¹ Based on valuation as at 30 September 2014 appraised by Knight Frank Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd.

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

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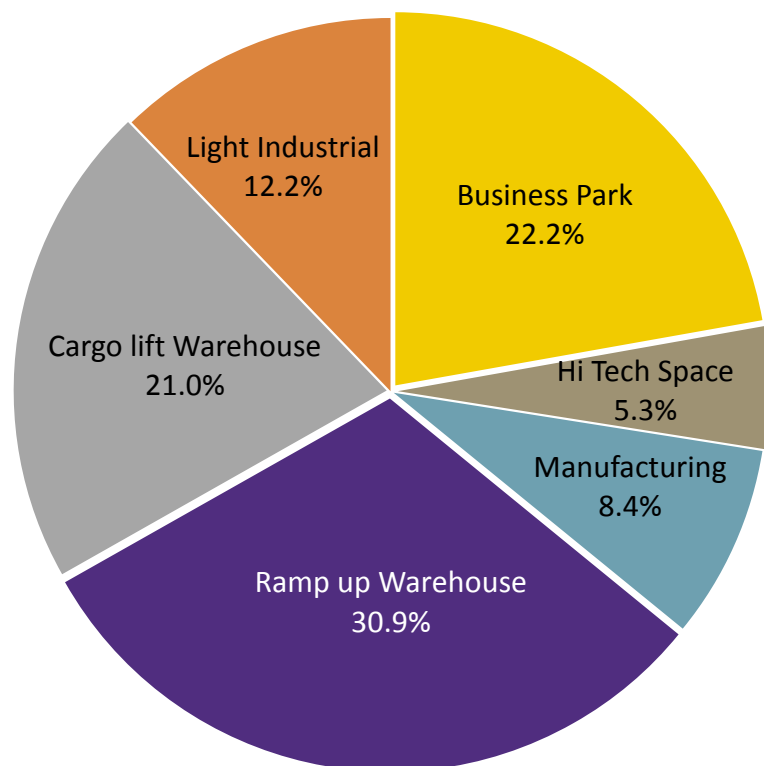
⁵ For the calculation of the weighted average land lease of AA REIT, AA REIT's interest in the freehold property, Optus Centre has been assumed as a 99-year leasehold interest.

Portfolio breakdown

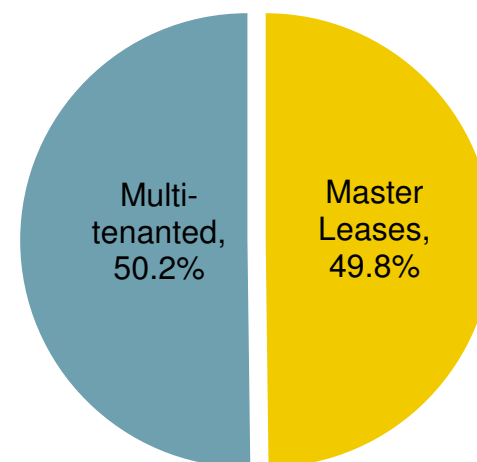
By 2Q FY2015 rental income

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Breakdown by Property Sector



Master Leases vs Multi-tenanted



Occupancy

Average security deposit¹

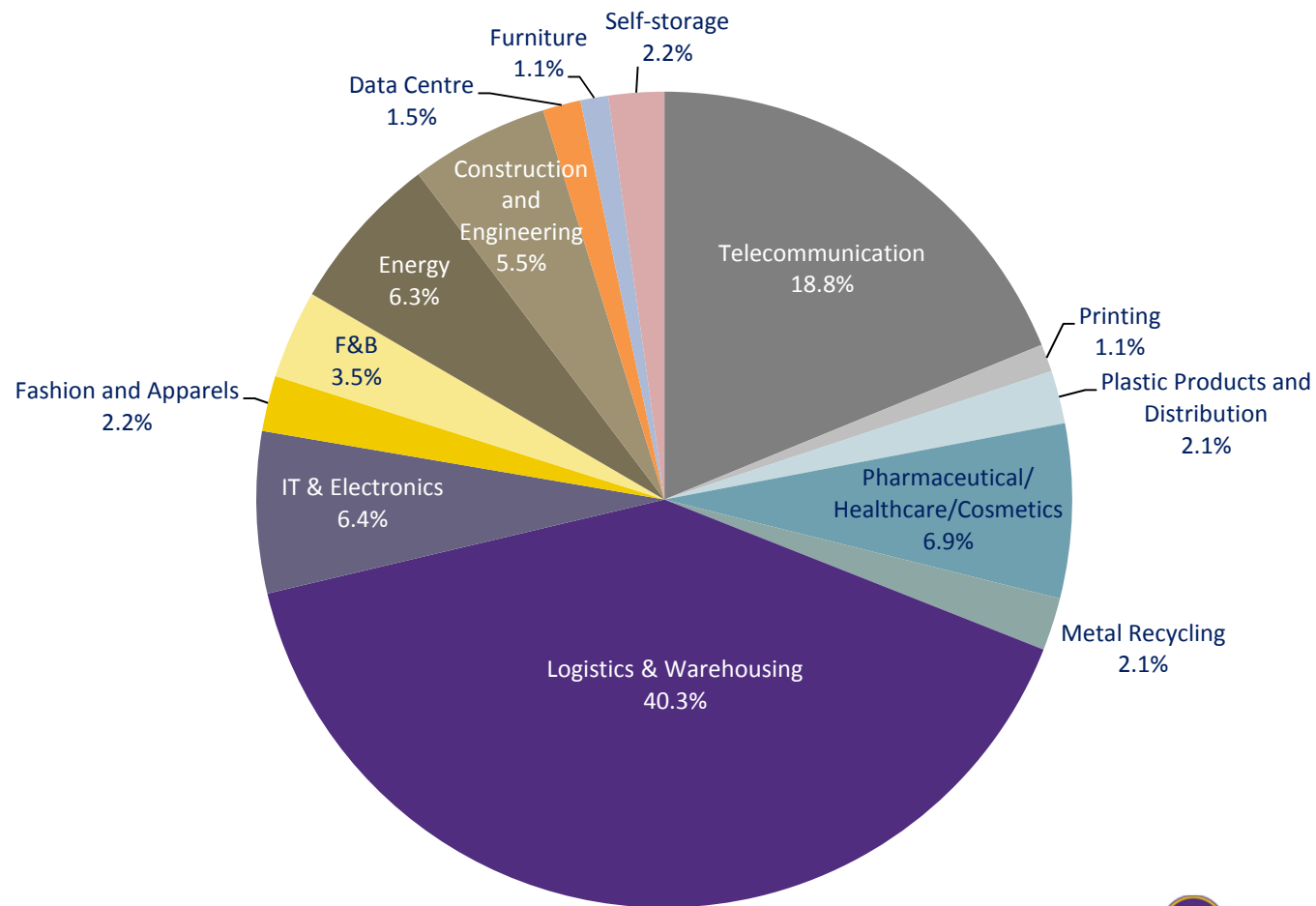
Total Portfolio (26 properties)	96.6	5.1 months
Master Leases (11 properties)	100.0	7.3 months
Multi-tenanted (15 properties)	93.7	3.7 months

¹ Excluding Optus Centre whose lease is guaranteed by SingTel Optus

Diversification reduces risk

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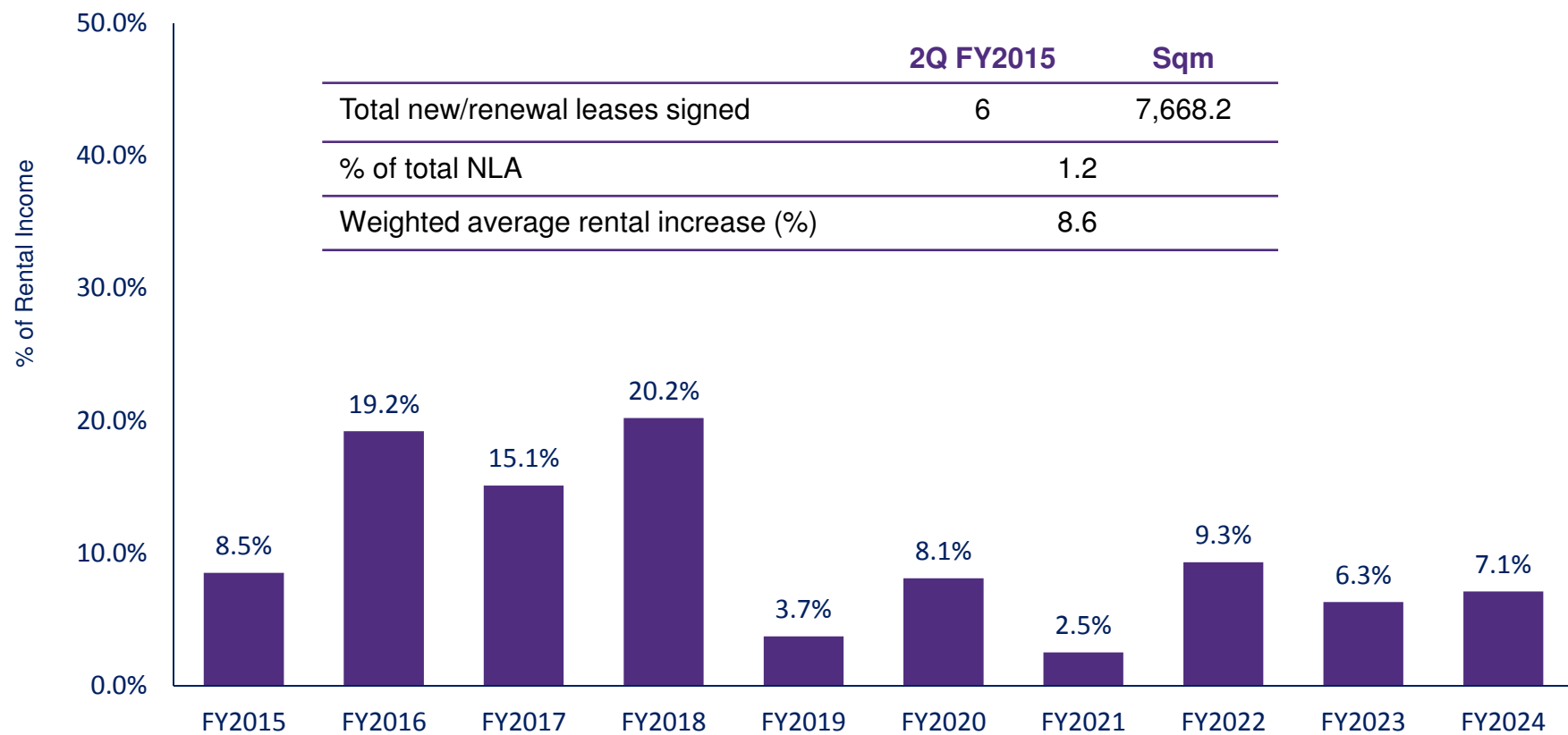
Tenant Base by Industry (By 2Q FY2015 Rental Income)



Active lease management

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Lease Expiry Profile as at 30 September 2014
(By 2Q FY2015 Rental Income)



25

Quality tenant base

Top 10 tenants by 2Q FY2015 by rental income

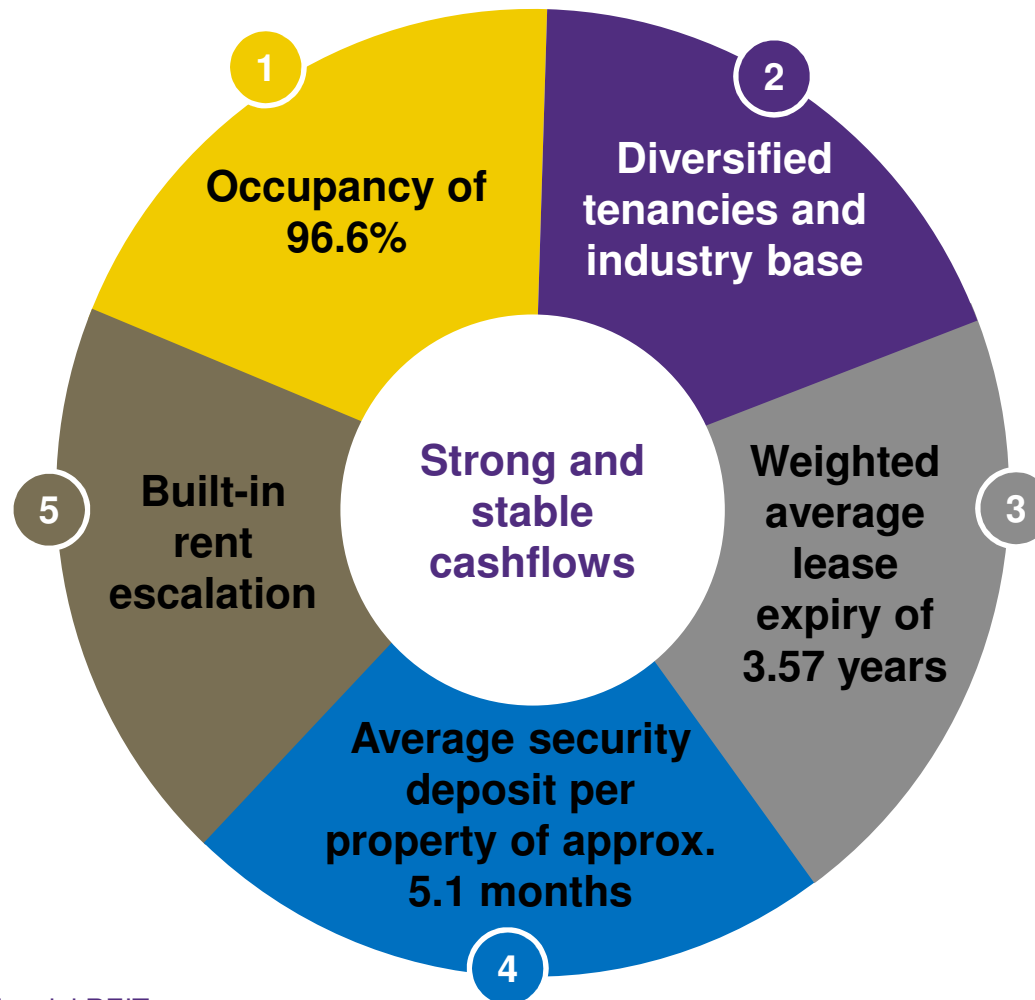
Tenant	%
CWT Limited*	16.8%
Optus Administration Pty Limited*	15.9%
Eurochem Corporation Pte Ltd	6.3%
Schenker Singapore (Pte) Ltd*	3.8%
LTH Logistics (Singapore) Pte Ltd* (Vibrant Group Limited)	2.4%
Illumina Singapore Pte Ltd*	2.3%
Broadcom Singapore Pte Ltd*	2.2%
Lorenzo International Limited*	2.2%
Enviro-Hub Group*	1.8%
Element14*	1.6%
Top 10 tenants	55.3%

* Listed Groups or subsidiaries of listed entities



Strong and stable cashflows

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27

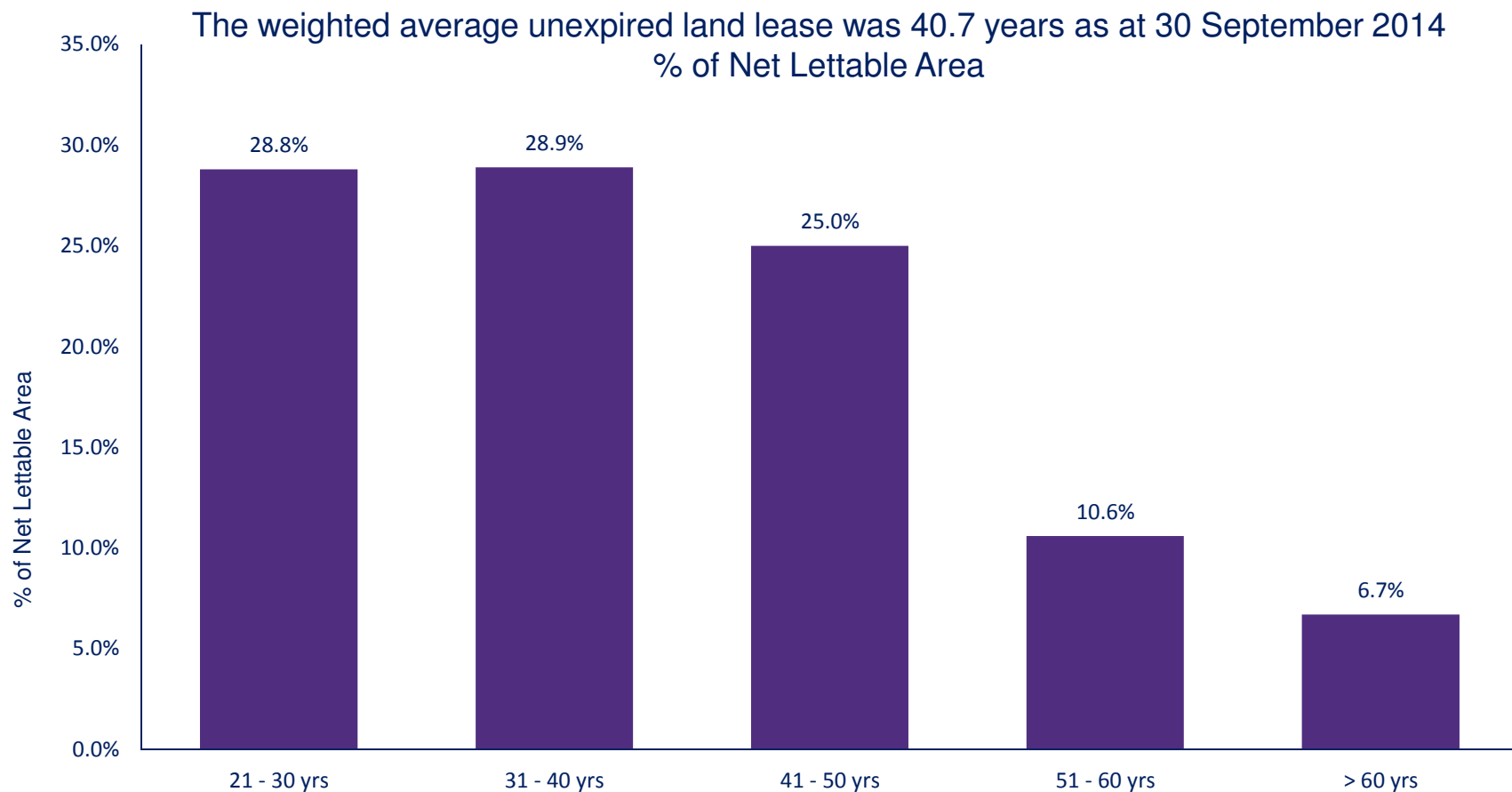
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Long land lease expiry – 40.7 years

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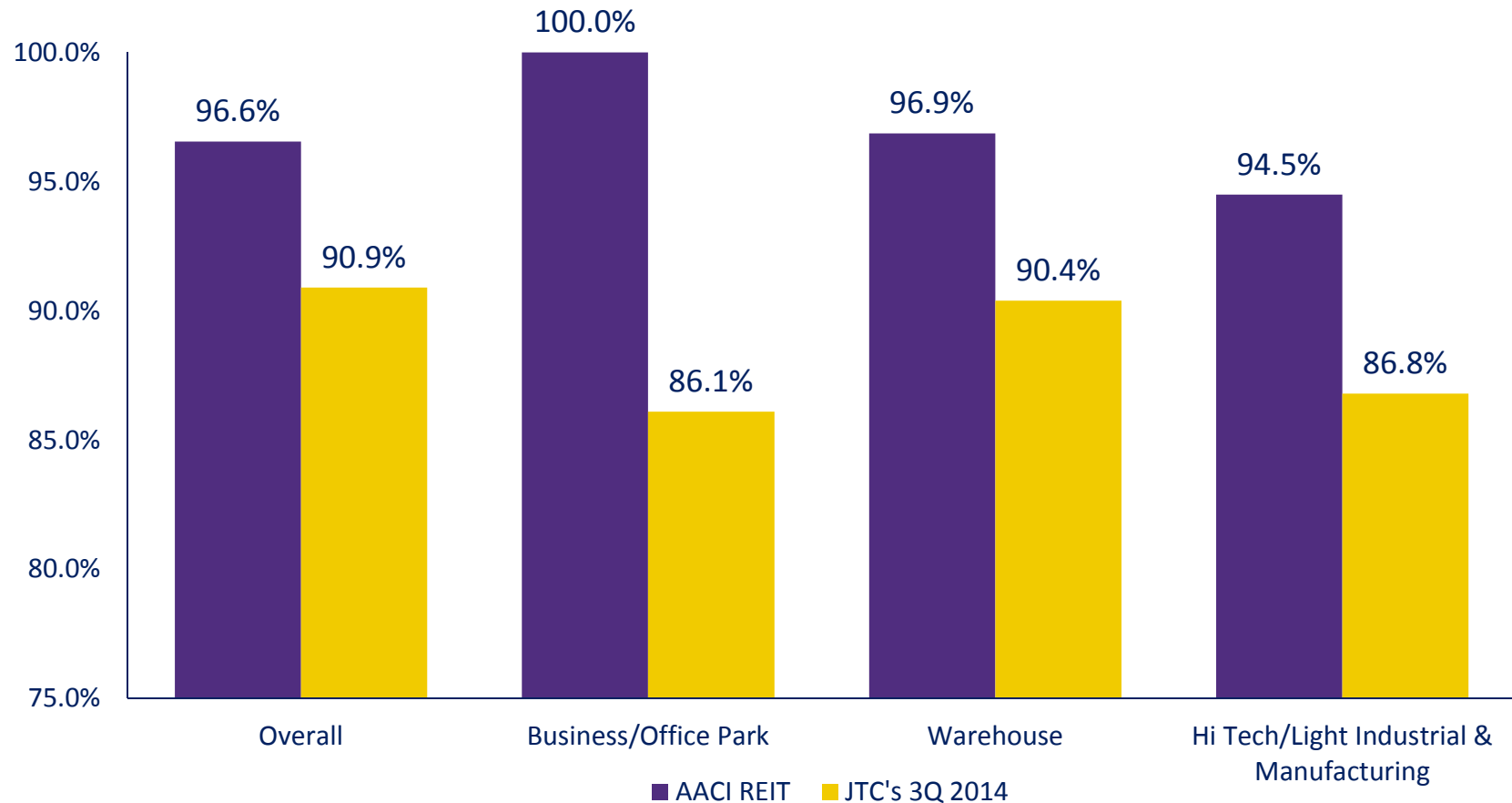


28

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

Comparisons to Singapore industrial average occupancy levels

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29

Source: Based on JTC's 3rd quarter 2014 statistics.

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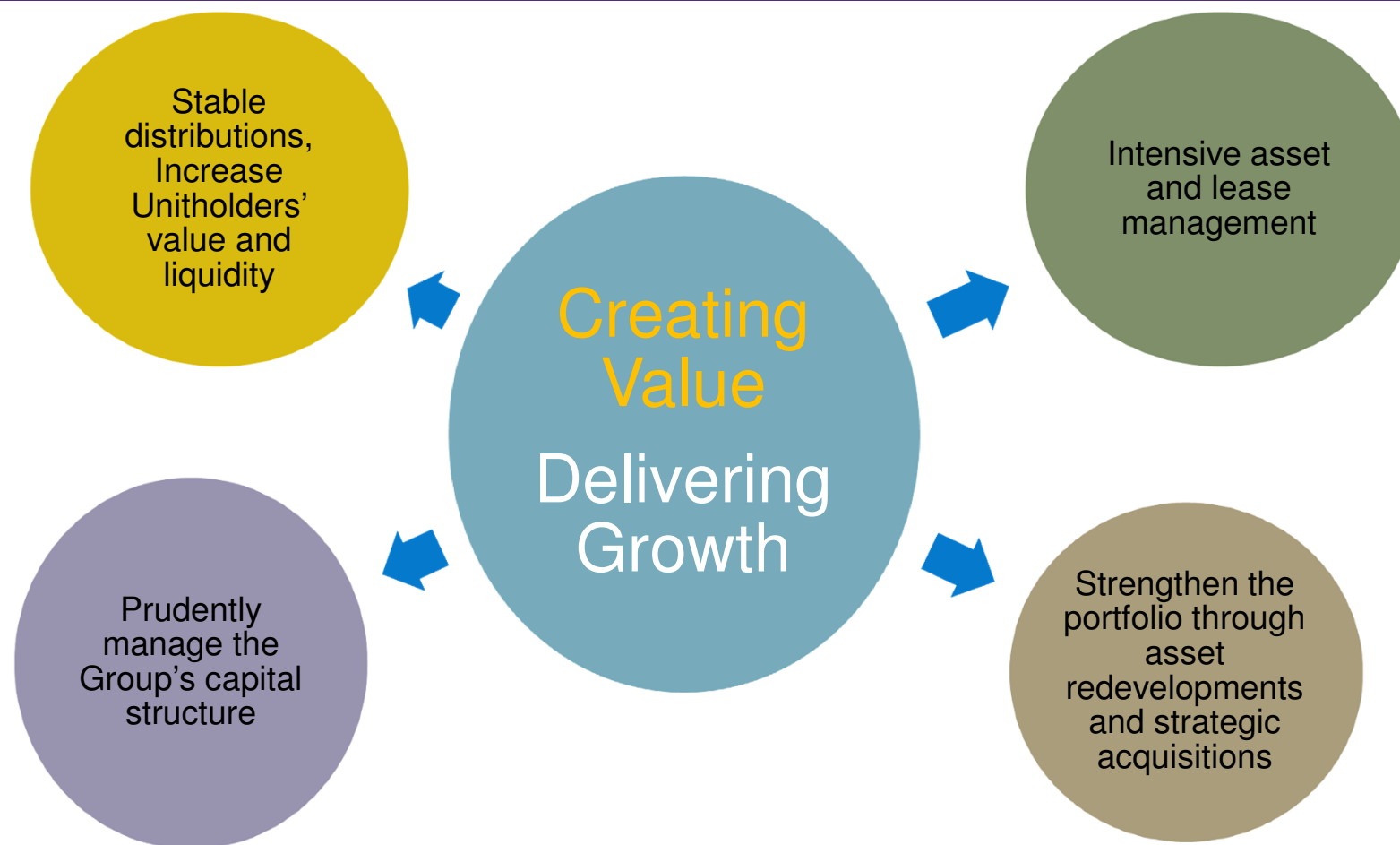
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STRATEGY

Objectives

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Strategy

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Yield accretive investments

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 and Australia.

Active 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.

Completed redevelopment of Phase 2E and Three, 20 Gul Way, Singapore

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Phase 2E

- 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



Phase Three

- TOP was granted on 9 September 2014
 - 4 months ahead of schedule and on budget
- Income contribution in December 2014 quarter
 - Boosting DPU
- Valuation of S\$67.2 million
 - Profit recognised of S\$15.8 million



Summary Financials update: 20 Gul Way, Phase 2E & 3

> 5

Summary Financials update

	Per 6 Jun 2013 announcement (S\$ million)	Actual Achieved (S\$ million)
1. Gross development value upon completion	89.4 ¹	89.4 ²
2. Project development cost	(77.1)	(73.0)
3. Profit	12.3	16.4
4. Profit margin	15.9%	22.4%
5. Yield on cost		8.1%

¹ Based on CBRE Pte. Ltd's valuation dated 15 April 2013 on an "as-if-complete" basis

² Based on Colliers International Consultancy & Valuation (Singapore) Pte Ltd's assessment dated 30 September 2014

Unlocking value within Portfolio: 20 Gul Way

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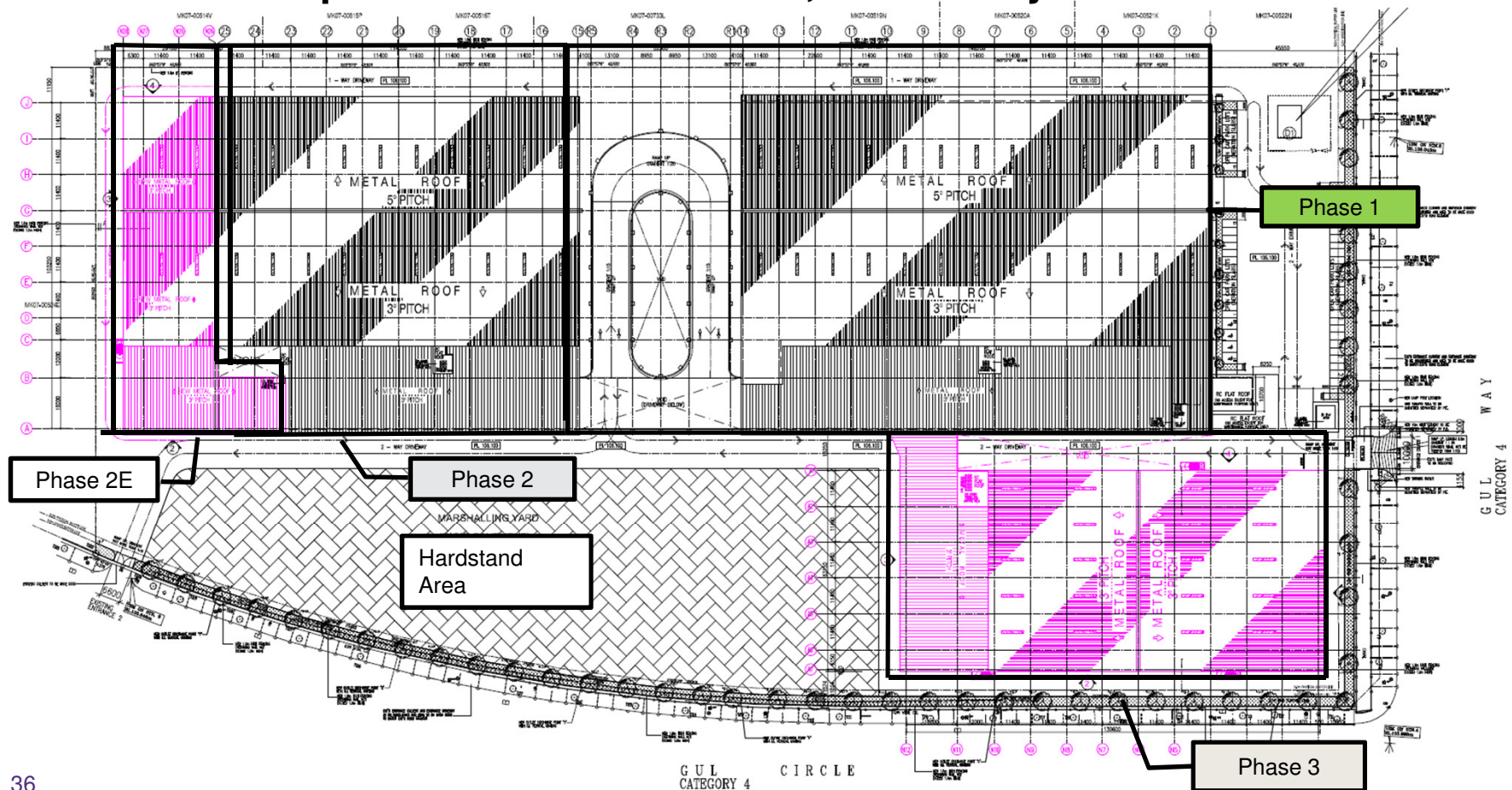
	Prior to redevelopment	Redevelopment Phase 1 & 2	Development Phase 2E & 3
Property	10 single storey buildings	Five storey ramp up warehouse (completed in two Phases)	Extension to Phase 2 (Phase 2E) and new warehouse connected to the existing ramp (Phase 3)
Valuation	S\$41.8 m ¹	S\$217.0 m ²	Additional S\$89.4 m ²
Annual Rental Income	S\$3.6 m ¹	S\$16.3 m	Additional S\$5.9 m ³
Plot Ratio	0.46	1.4 (max)	2.0 ^{4,5}
Land Area	828,248 sqft	828,248 sqft	828,248 sqft
Gross Floor Area (GFA)	378,064 sqft	1,159,547 sqft	Additional 496,949 sqft
Lease Term	Enviro-Metals (Master Tenant)	CWT Limited (Master Tenant)	CWT Limited (Master Tenant)
Profit		S\$25.7 million	S\$16.4 million
Profit Margin		13.4%	22.4%
NPI yield (based on development cost)		8.3%	8.1%

1. As at 31 March 2011.
2. Based on Colliers International Consultancy & Valuation (Singapore) Pte Ltd's valuation dated 30 September 2014
3. Rental income net of additional unrecovered Land Rent at the property.
4. The plot ratio at 20 Gul Way was rezoned from the existing 1.4 to 2.0. Please refer to the announcement dated 16 April 2013.
5. Land rent revised to prevailing market land rent payable at plot ratio 2.0 under area West of Sungei Lanchar.

Execution on development pipeline

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Further development of Phase 2E and 3, 20 Gul Way



36

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Thank you

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