

AIMS AMP CAPITAL INDUSTRIAL REIT



26 July 2011

Redevelopment of 20 Gul Way, Singapore

Artist's impression of the proposed five storey ramp up warehouse on the site



20 Gul Way – Fact Sheet

	Current	Post Redevelopment
Property	10 single storey buildings	Five storey ramp up warehouse (completed in 2 phases)
Valuation	S\$41.8 m ¹	S\$214.0 m ²
Annual Rental Income	S\$3.6 m ¹	S\$16.3 m (when completed)
Plot Ratio	0.46	1.4
Maximum Plot Ratio	1.4	1.4
Land Area	828,248 sqft	828,248 sqft
Gross Floor Area (GFA)	378,064 sqft	Approx. 1,159,536 sqft
Land Tenure	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 on middle floors & 5 years on ground floor and 5 th floor (Surrender of lease with existing tenant by phases)

1. As at 31 March 2011
2. Based on CBRE's valuation dated 22 June 2011

20 Gul Way – Redevelopment (Before and After)



Before

Before

Cluster of 10 single storey buildings with an underutilised plot ratio.

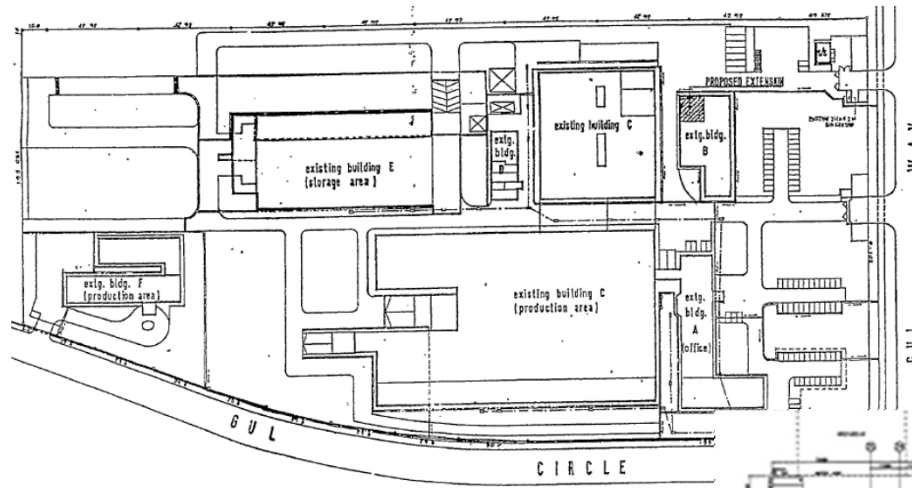


After

After

Purpose built five storey ramp up warehouse facility maximising 20 Gul Way's plot ratio. CWT Limited to take up all five storeys under a master lease.

20 Gul Way – Redevelopment (Site Plans Before and After)

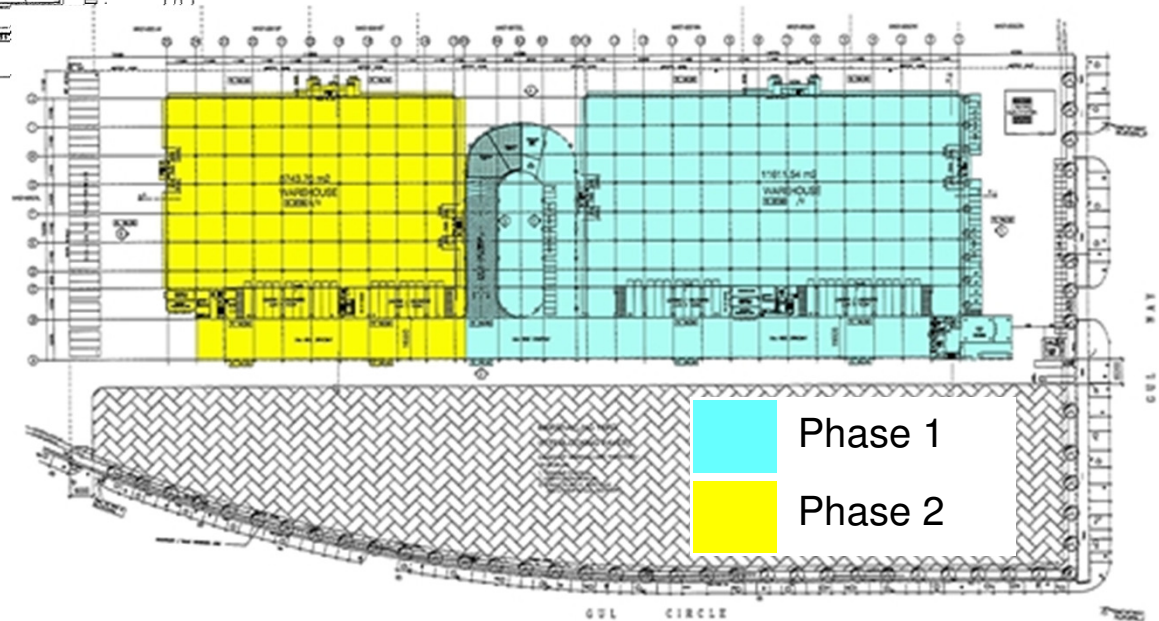


Before

Cluttered layout of single storey buildings

After

Five storey ramp up warehouse maximising plot ratio together with an extensive marshalling yard for use by tenants



20 Gul Way – Structure of the Transaction

Key Terms of the Transaction

D&C Contractor	Indeco Engineers Pte Ltd (subsidiary of CWT Limited)		
Total Redevelopment Cost	Approx. S\$155.0 m (excluding land)		
Land Valuation	S\$41.8m ¹		
	Phase 1	Phase 2	Total
GFA (sqft)	671,289 + ramp	488,247	1,159,536
Commencement	August 2011	November 2012	
Completion	November 2012	December 2013	
Construction Period	15 months	13 months	
Master Tenant	CWT Limited		
Master Lease Terms	<ul style="list-style-type: none">• 5 years 2 months lease on ground and 5th floors of each phase• 4 years 2 months lease on 2nd, 3rd and 4th floors of each phase• Triple net rental at market rate• Annual rent escalation of 2% p.a.• 2 month rent free from TOP of each phase		

1. As at 31 March 2011

20 Gul Way – Capital Management

Debt Financing

- Credit approval obtained for 100% debt financing (S\$150.0 m)
- Full support from existing lenders (SCB, UOB, ING and CBA)
- All in pricing of 204bps (margin + upfront fee)
- Achieved better all in pricing than existing loan facilities of 248bps
- Loan maturity date : October 2015

Placement to CWT Limited

- CWT Limited to subscribe for S\$2.5 m of new units at market price
- Further alignment of interest of CWT Limited with AIMS AMP Capital Industrial REIT

Key Financial Metrics – Pro-forma impact of the Transaction

	As at 31 March 2011		
	Actual	After redevelopment ¹	Change
Appraised Value of Property Portfolio	S\$853.2 million	S\$1,025.4 million	▲ 20.2%
NAV per Unit	S\$0.266	S\$0.273	▲ 2.6%
Aggregate Leverage ²	31.9%	41.5%	▲ 30.1%
Weighted Average Debt Maturity	3.5 years	3.7 years	▲ 5.7%

1. Assuming AIMSAMP REIT had on 31 March 2011 completed the proposed redevelopment and drawdown S\$155 million to finance the proposed redevelopment.
2. Total debt as a % of total assets.

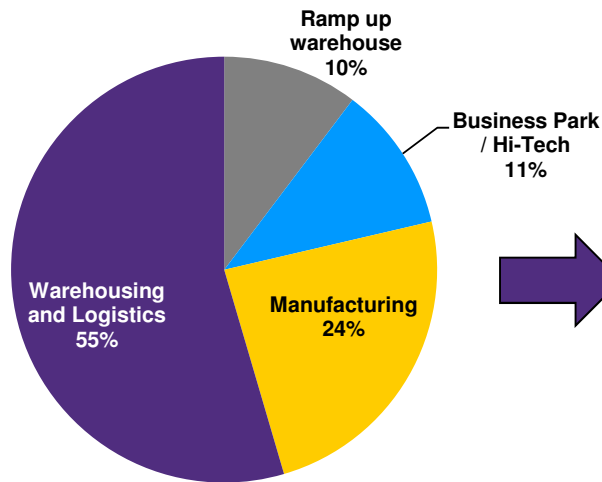
20 Gul Way – Post Redevelopment

		S\$ million
1.	Gross development value upon completion	214.0
2.	Project redevelopment cost	(155.0)
3.	Land cost	(41.8)
4.	Net rental income during redevelopment	6.8
5.	Profit	24.0
6.	Profit margin	12.2%
7.	Project IRR (unleveraged)	10.7%
8.	DPU impact ¹	+0.293 cents
9.	Net property income yield	8.1% (based on development cost) 7.4% (based on valuation)

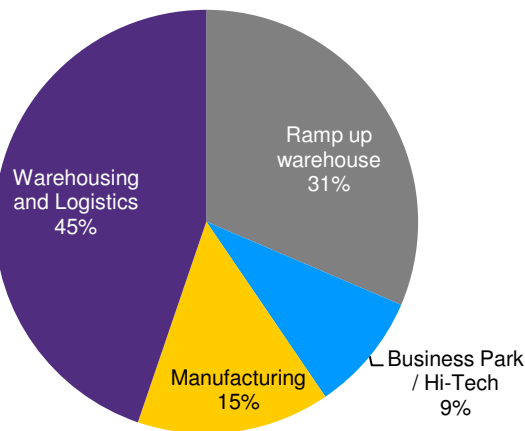
¹ Please note that the DPU impact shown in this announcement is for illustration purposes only and purely on a pro forma basis based on the assumption that AIMSAMP REIT had completed, held and operated the proposed redevelopment for the whole of the financial year ended 31 March 2011 and the proposed redevelopment was funded using 100% debt based on units in issue as at 31 March 2011 of 2,207,064,174 units.

Portfolio Analysis

Before Redevelopment¹



After Redevelopment²



Benefits of Ramp up Warehouses

Benefits to tenants

- Direct loading facilities
- Better specifications
- Lower operating expenses
- Higher operational efficiency

Benefits to landlord

- Lower capex
- High occupancy rate
- High rental upside
- Lower potential supply
- Easier sub-division & management

¹ Subsector distribution by rental income for year ended 31 March 2011.

² Please note that the DPU impact shown in this announcement is for illustration purposes only and purely on a pro forma basis based on the assumption that AIMSAMP REIT had completed, held and operated the proposed redevelopment for the whole of the financial year ended 31 March 2011 and the proposed redevelopment was funded using 100% debt based on units in issue as at 31 March 2011 of 2,207,064,174 units.

Mitigation of Risks

Development risk

- Fixed price design and construct turnkey contract
- Minimal variations
- Liquidated damages for delay based on loss in rental income

Leasing risk

- Master leases with CWT Limited of between 4 to 5 years on both Phases of the warehouse
- Alignment of interest of CWT Limited with AIMS AMP Capital Industrial REIT via subscription of S\$2.5 million units

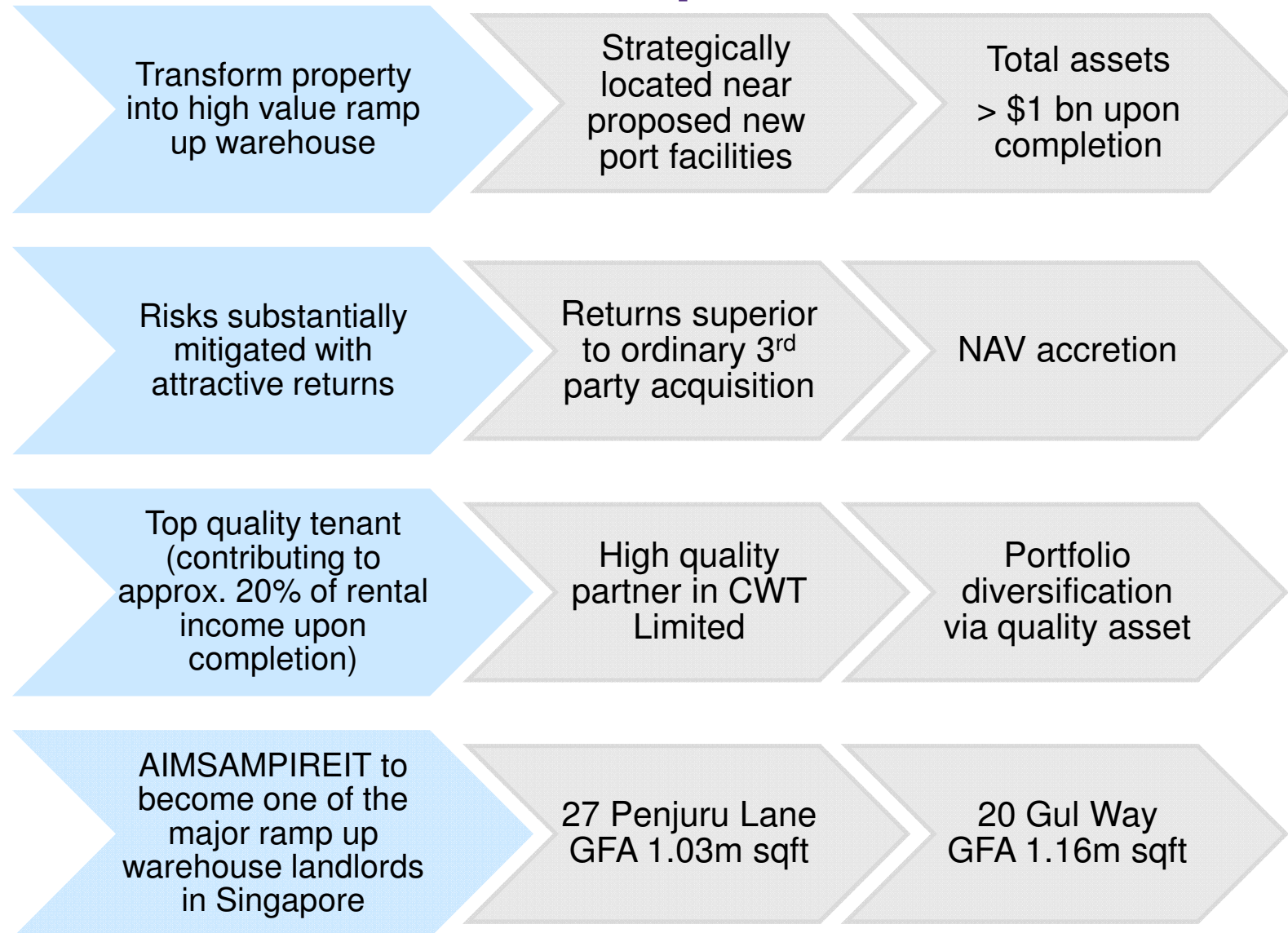
Financing risk

- Funding is in place for the entire cost of the redevelopment
- All in pricing of 204bps, lower than current all in margin on existing facilities
- Full support from existing lenders SCB, UOB, CBA and ING

Loss of current rental income

- Reduced rental income from existing end user until 30 June 2012 on land to be redeveloped as Phase 2
- Phase 1 rental income commences 2 months after TOP of Phase 1

Benefits of the redevelopment



1A International Business Park



1 Bukit Batok Street 22



10 Changi South Lane



29 Woodlands Industrial Park E1



8 & 10 Pandan Crescent



27 Penjuru Lane



Thank you

For enquiries, kindly contact:

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