

AIMS AMP CAPITAL INDUSTRIAL REIT



AMPCAPITAL 

Presentation to the Macquarie Asean Conference

29 & 30 August 2012

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



Important Notice

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This Presentation is focused on comparing actual results for the financial period from 1 April 2012 to 30 June 2012 (“1Q FY2013”) 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 (“AIMSAMPIREIT” or the “Trust”) results for 1Q FY2013 as per the SGXNet Announcement.

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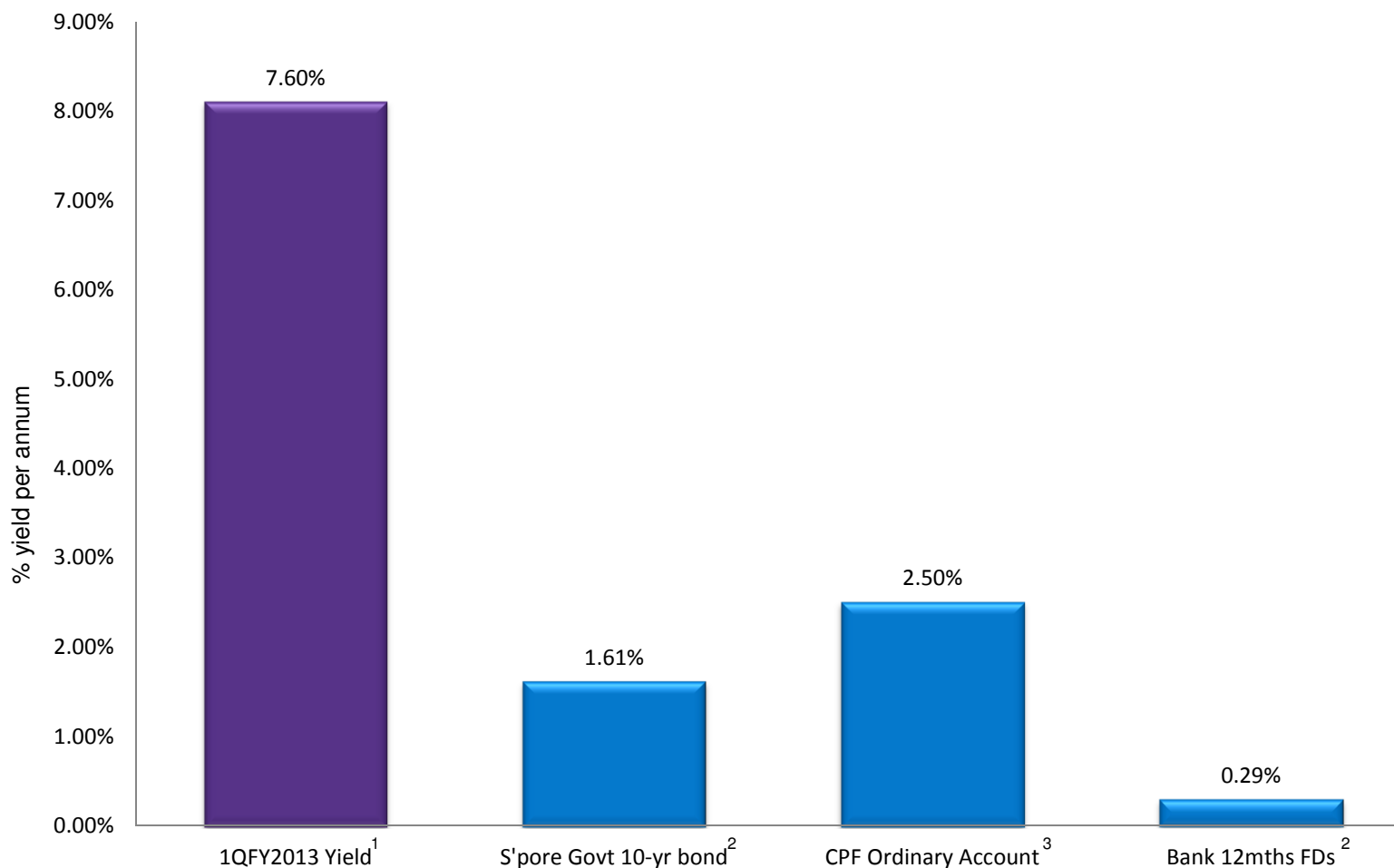
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Highlights for 1Q FY2013

- Stable DPU performance: 2.50 cents per unit for the quarter (despite the loss of income from 31 Admiralty Road and 20 Gul Way)
- Strong increase in amount available for distribution to Unitholders of 7.9% in 1Q FY2013 compared to 4Q FY2012
- Rated investment grade BBB- by Standard and Poor's
- Conservative aggregate leverage of 29.7% (maintained gearing at around 30% for 11 consecutive quarters)
- 18% of lettable area leased at rates 9.5% higher than previous rental rates
- Secured 55% of underlying leases out to FY2016 and FY2018 at a higher weighted average rental of 7.5% at 27 Penjuru Lane
- Redevelopment works at 20 Gul Way progressing according to schedule and within budget
- Completed sale of 31 Admiralty Road on 11 May 2012, 8.9% above book value
- Continued application of Distribution Reinvestment Plan ("DRP") to 1Q FY2013 distribution

Stable and Attractive Yield

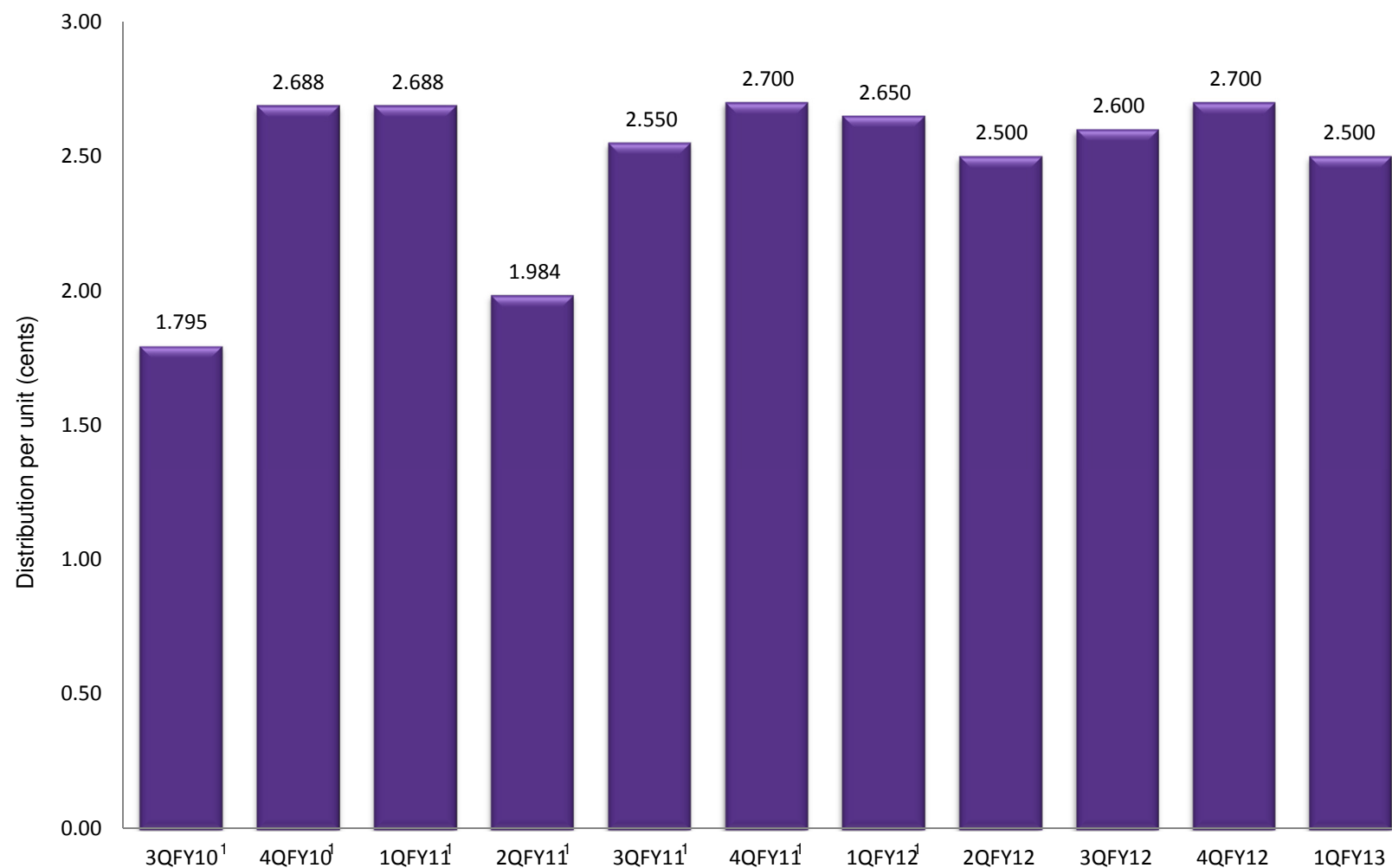


¹ Based on closing price of \$1.315 on 18 July 2012 and annualised DPU of 10.0 cents. Annualised DPU is computed based on actual DPU payout for 1Q FY2013 annualised to full year.

² Source: Bloomberg data as at June 2012

³ Prevailing CPF Ordinary Account interest rate

Stable DPU performance



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.



1Q FY2013 Financial Results

Distribution Details

Stock counter	Distribution period	DPU (cents)
AIMSAMPIReit Code: O5RU	1 April 2012 to 30 June 2012	2.50

Distribution Timetable

Ex-date	30 July 2012, 9.00am
Books closure date	1 August 2012, 5.00pm
Tax Declaration Forms	27 August 2012, 5.00pm
DRP Notice of Election Forms	27 August 2012, 5.00pm
Distribution payment date	18 September 2012

Results for 1Q FY2013

	1Q FY2013 S\$'000	4Q FY2012 S\$'000	Q-o-Q %	1Q FY2012 S\$'000	Y-o-Y %
Gross Revenue	20,948	20,296	3.2	20,995	(0.2)
Net Property Income	14,897	13,990	6.5	14,341	3.9
Amount available for Distribution to Unitholders	11,405	10,574	7.9	12,084	(5.6)
DPU (cents)	2.50 ¹	2.70	(7.4)	2.65 ²	(5.7)
Annualised DPU yield³ (%)	7.60%				

¹ The Trust achieved an amount available for distribution of S\$11.4 million. AIMSAMPREIT's distribution policy is to distribute at least 90% of the Trust's taxable income for the full financial year. For 1Q FY2013, the Manager has resolved to distribute 97.7% of the taxable income available for distribution to the Unitholders, amounting to S\$11.1 million.

² The applicable number of Units used to compute DPU were adjusted for the effect of the Unit Consolidation took place on 3 October 2011, for every five existing units into one consolidated Unit.

³ Based on closing price of \$1.315 on 18 July 2012 and annualised DPU of 10.0 cents. Annualised DPU is computed based on actual DPU payout for 1Q FY2013 annualised to full year.

Balance Sheet

	30 June 2012	31 March 2012	31 December 2011
Total Assets (S\$'M)	939.5	939.0	907.1
Comprising (S\$'M):			
- Investment Properties	830.2	830.0	809.7
- Investment Properties under development	102.6	84.5	68.7
- Investment Properties held for sale	-	16.4	15.1
- Plant and equipment	0.1	0.1	0.1
- Cash and Cash Equivalents	3.3	3.6	9.8
- Trade and Other Receivables	3.3	4.4	3.7
Total Liabilities (S\$'M)	315.0	312.7	300.2
Net Assets (S\$'M)	624.5	626.2	606.9
NAV per unit (post Unit Consolidation) (S\$)	1.400	1.406	1.367
Total Debt ¹ (S\$'M)	279.4	281.8	278.3
Aggregate Leverage (%)	29.7	30.0	30.7

¹ Excluding unamortised loan transaction costs.

Key Financial Metrics

	1Q FY2013	4Q FY2012
Appraised Value of Property Portfolio	S\$932.7 ¹ million	S\$930.9 million
Market Capitalisation ²	S\$586.4 million	S\$526.0 million
NAV per Unit	S\$1.400	S\$1.406
Discount to NAV ²	6.1%	15.7%
Aggregate Leverage ³	29.7%	30.0%
Interest Cover Ratio ⁴	6.0 times	6.2 times
Weighted Average Debt Maturity	2.3 years	2.5 years

¹ Includes investment property under development and capital expenditure capitalised.

² Based on the closing price per unit of \$1.315 on 18 July 2012 of 445,958,357 units in issue and S\$1.185 on 19 April 2012 of 443,851,849 units in issue.

³ Total debt as a % of total assets.

⁴ Bank covenant: minimum of 2.5 times.

Debt Facilities as at 30 June 2012

- Bank syndicate comprising UOB, SCB, CBA and ING
- Average debt maturity of 2.3 years
- All in pricing of 234bps (margin + upfront fee)
- S\$430.0 million debt facility
 - Term loan of S\$200.0 million, split equally between tenor of 3 years and 5 years maturing in October 2013 and October 2015 respectively
 - Term loan of S\$150.0 million to part finance the redevelopment of 20 Gul Way, maturing in October 2015
 - Three-year revolving credit facility of S\$80.0 million maturing in October 2013
- S\$28.8 million acquisition debt facility
 - Three-year term loan of S\$28.8 million maturing in February 2014
- Debt outstanding as at 30 June 2012

Maturity date	Trust/Group \$ 'million
Due in October 2013	113.6
Due in February 2014	28.8
Due in October 2015	137.0
	279.4

Debt Facilities – Medium Term Notes issuance

- Established S\$500 million Multicurrency Medium Term Note programme on 25 July 2012
- Issued S\$100 million 4 year Fixed Rate Notes at 4.9% on 8 August 2012
- Use of proceeds: repayment of S\$100 million bank debt due October 2013
- Average debt maturity increases to 3.2¹ years
- Debt outstanding post MTN issuance²:

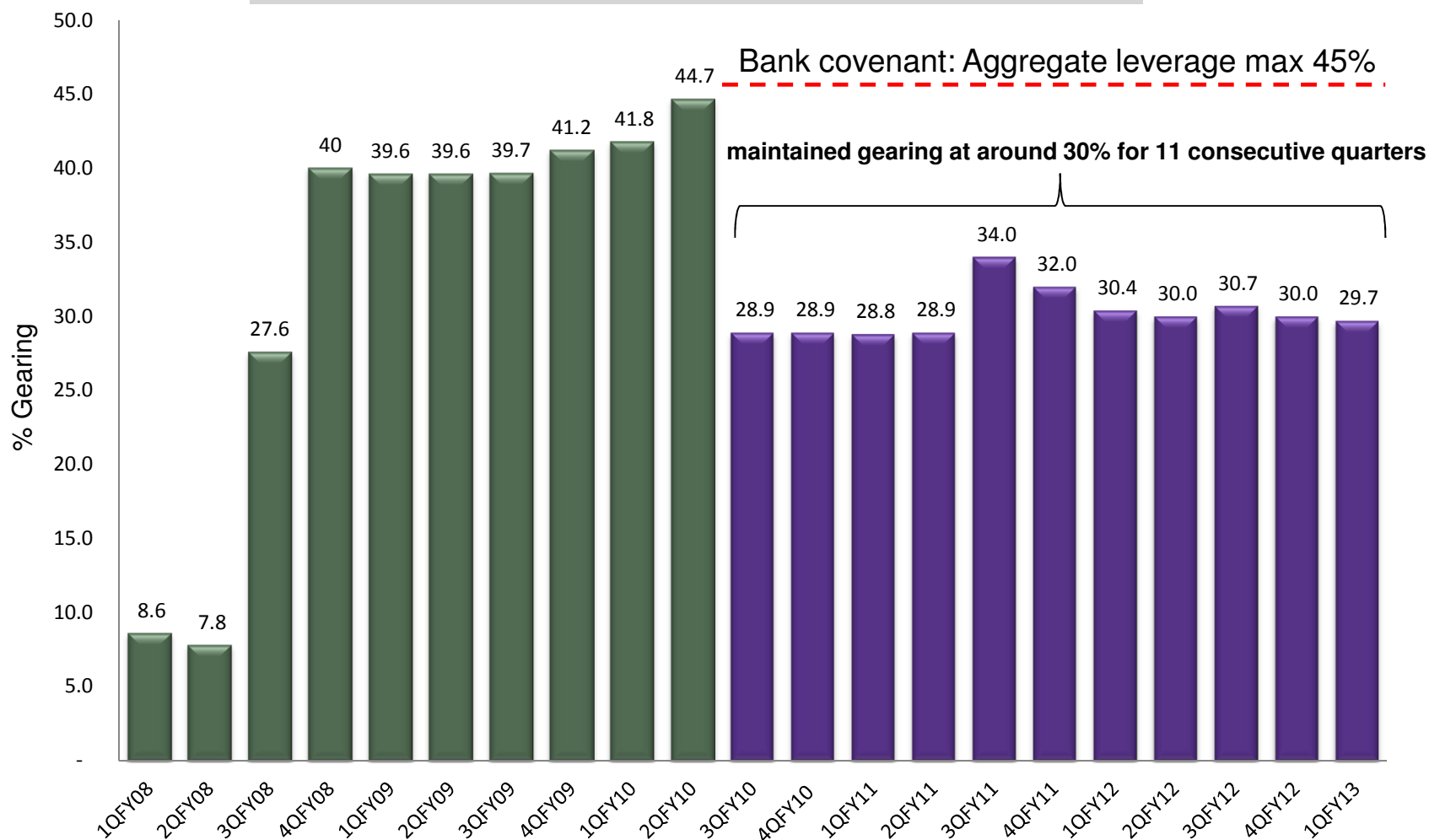
Maturity date	Trust/Group \$ 'million
Due in October 2013	13.6
Due in February 2014	28.8
Due in October 2015	137.0
Due in August 2016	100.0
	279.4

¹ On a pro forma basis as at 30 June 2012.

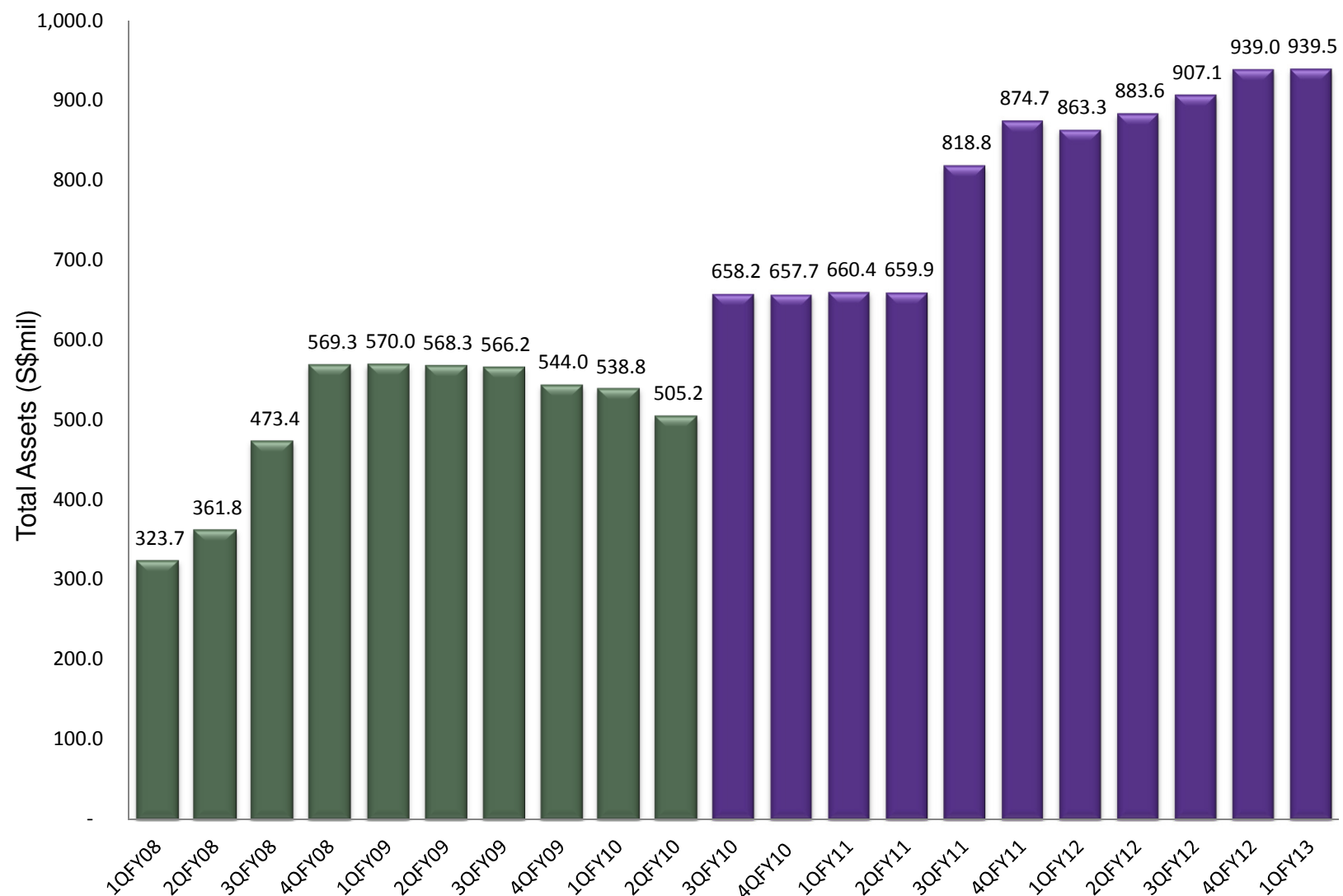
² On a pro forma basis based on debt outstanding as at 30 June 2012 and on the assumption that the Notes issuance occurred on 30 June 2012.

Gearing Level since IPO

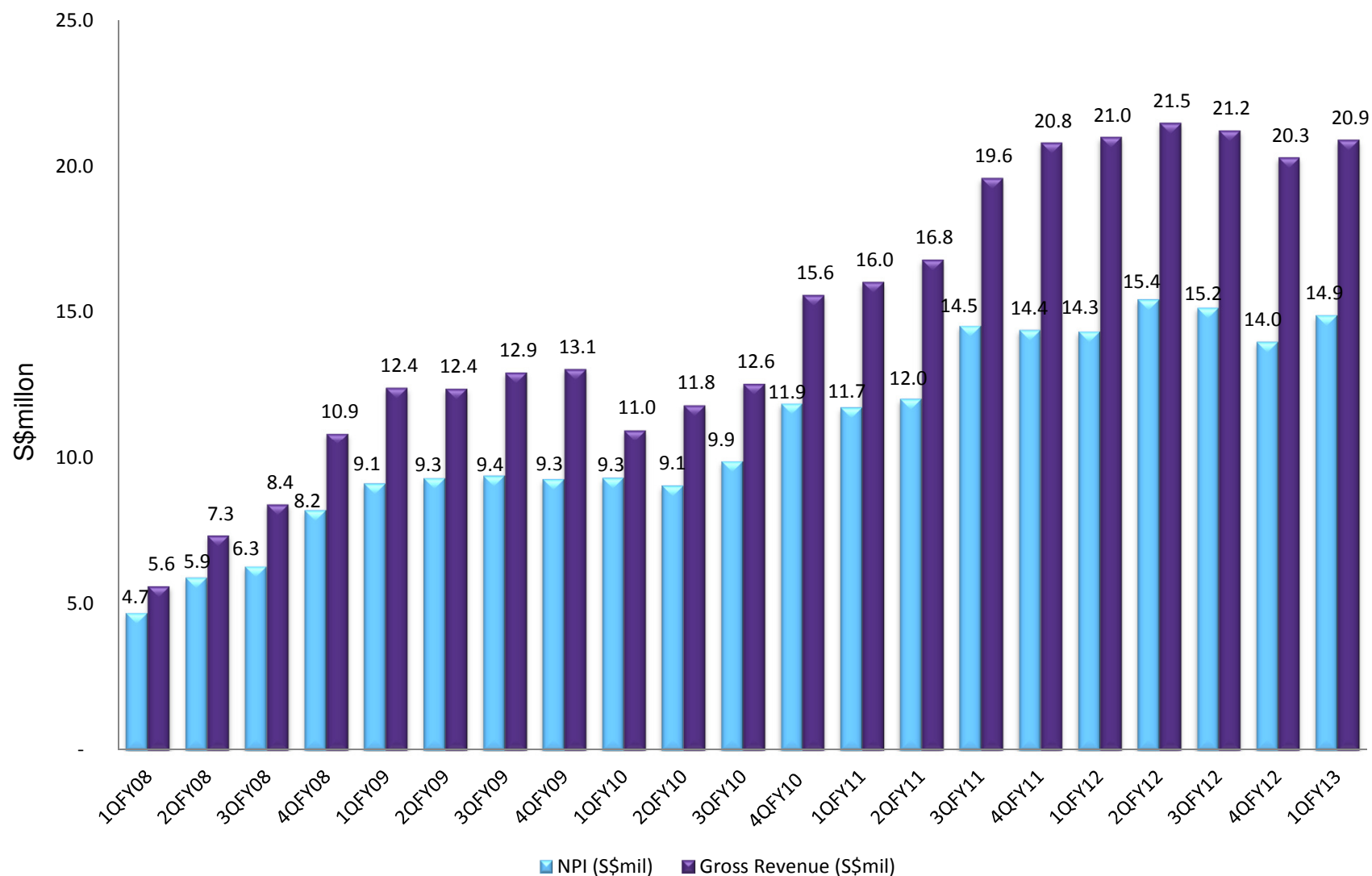
Target LVR between 30 – 40%, max 45% (bank covenant)



Total Assets since IPO



Revenue performance since IPO



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Portfolio Review

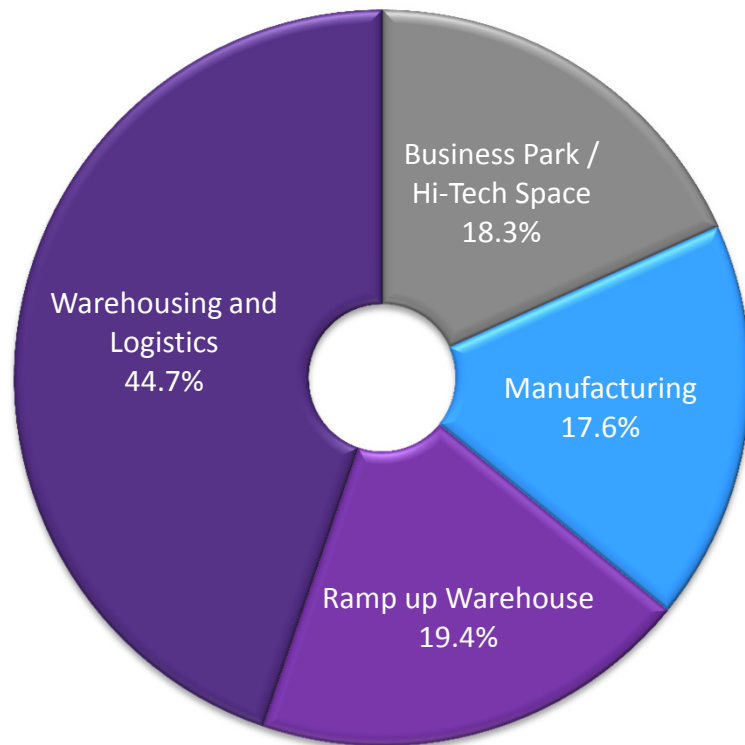
Key Portfolio Statistics

	As at 30 June 2012	As at 31 March 2012	As at 19 April 2007 (Listing)
Number of Properties	25	26	12
Appraised Value (S\$ million)	932.7 ¹	930.9 ¹	316.5
Net Lettable Area (sq m)	416,465.9	456,607.1	194,980.7
Number of Tenants	98	70	12
Occupancy (%)	99.1	99.2	100.0
Weighted Average Lease Expiry (WALE) (years)	2.66	2.62	6.7
Weighted Average Land Lease Expiry (years)	41.8	41.7	47.8
Location of Properties	Singapore	Singapore	Singapore

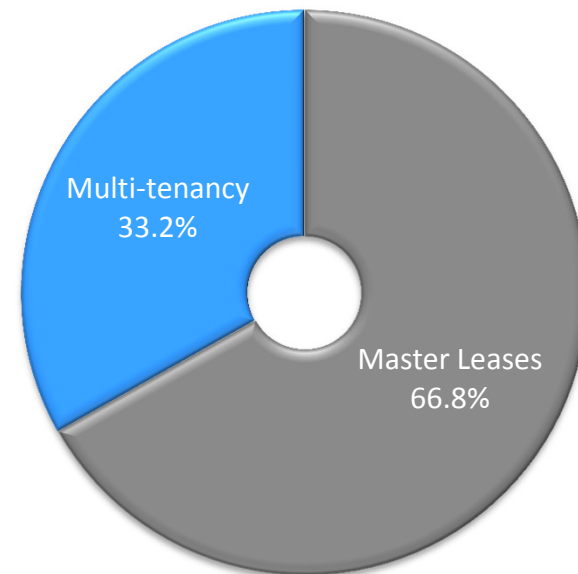
¹ Includes investment property under development and capital expenditure.

Portfolio Breakdown (By 1Q FY2013 Rental Income)

Breakdown by Property Sector

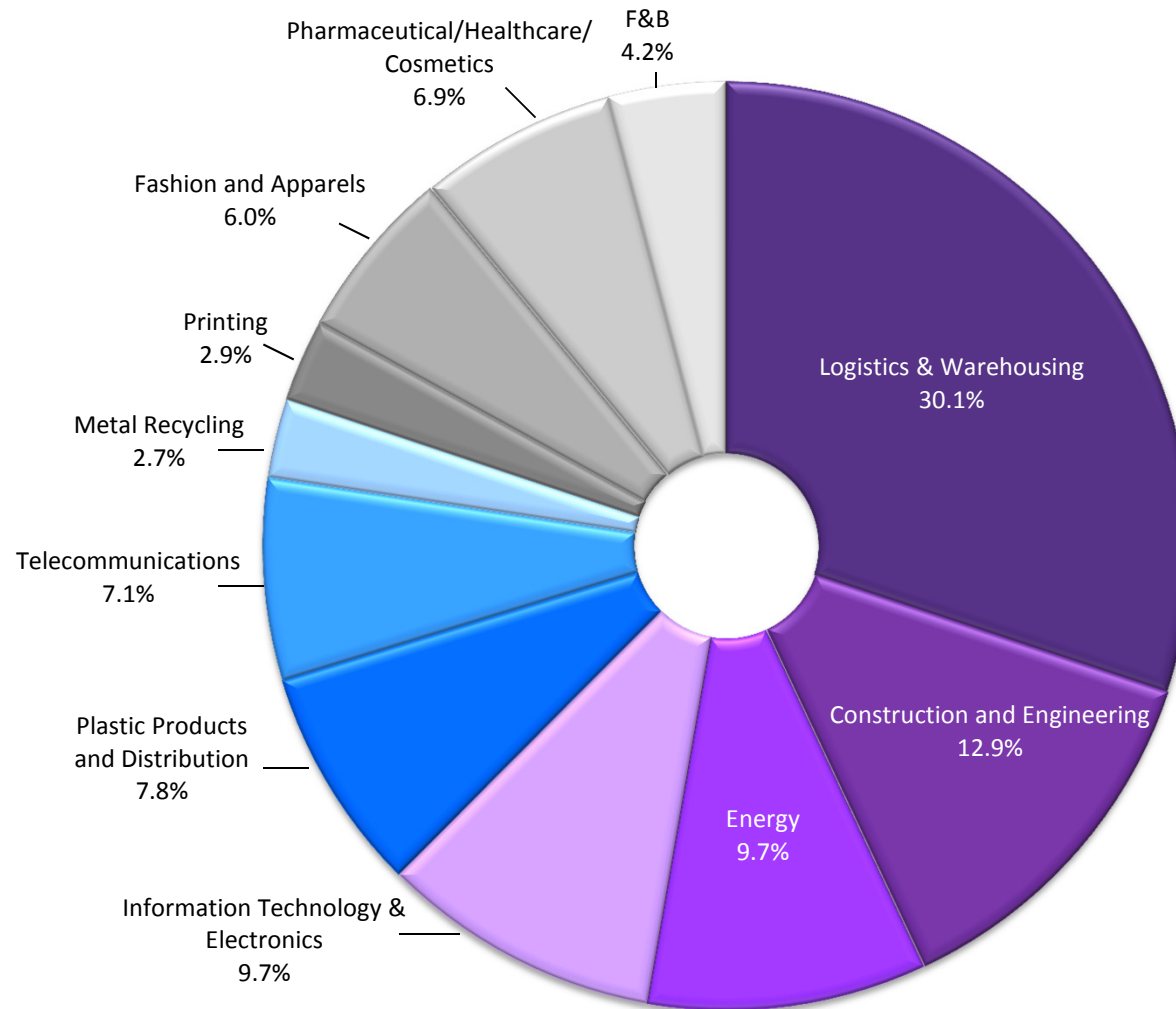


Master Leases vs Multi-tenancy



Diversification Reduces Risk

Tenant Base by Industry (By 1Q FY2013 Rental Income)

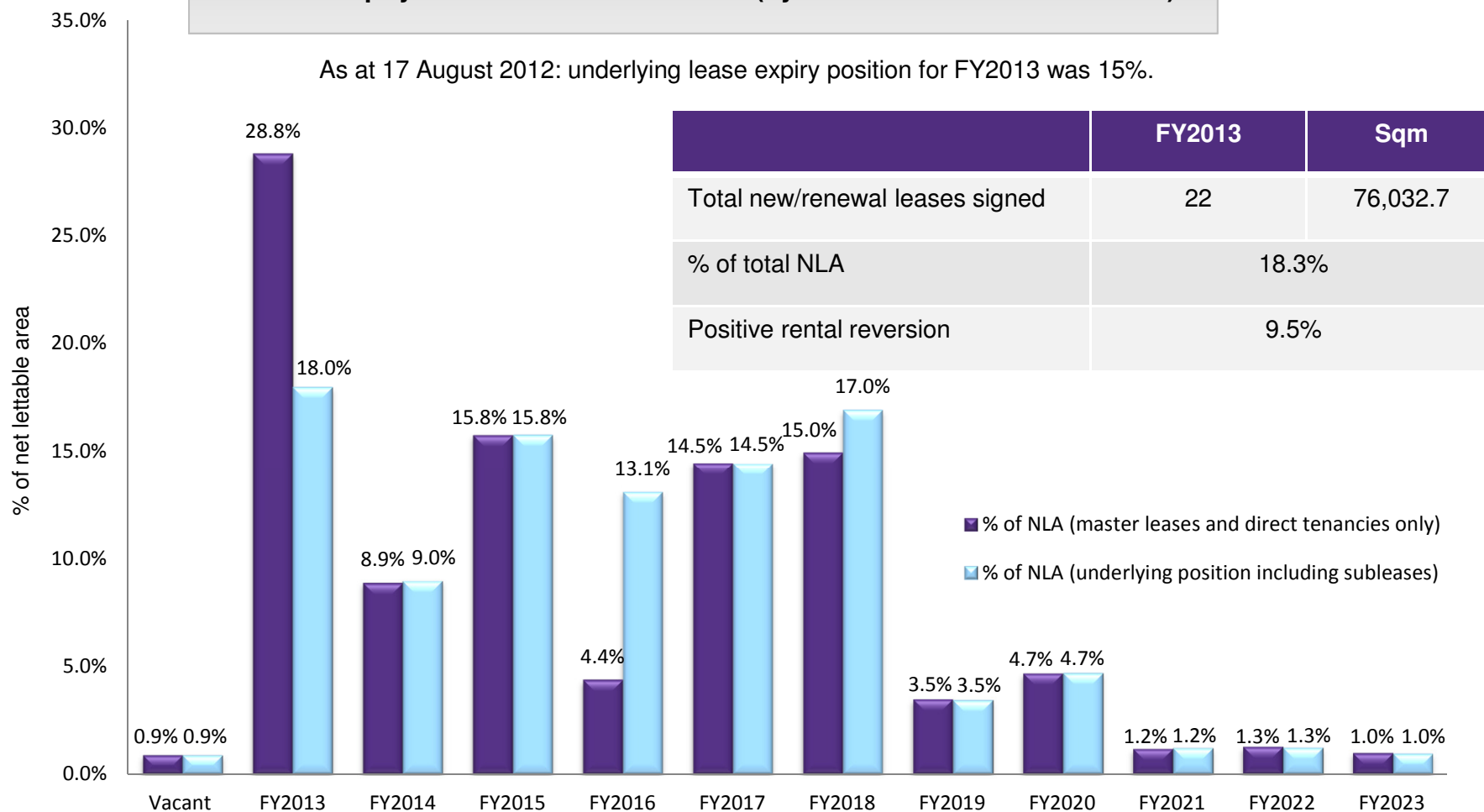


Intensive Lease Management

To Manage Lease Expiry Profile Risk

Lease Expiry Profile as at 30 June 2012 (by 1Q FY2013 Net Lettable Area)

As at 17 August 2012: underlying lease expiry position for FY2013 was 15%.



	FY2013	Sqm
Total new/renewal leases signed	22	76,032.7
% of total NLA	18.3%	
Positive rental reversion	9.5%	

Note: The lease expiry profile takes into account the 20 Gul Way redevelopment and the master leases to CWT Limited upon completion.

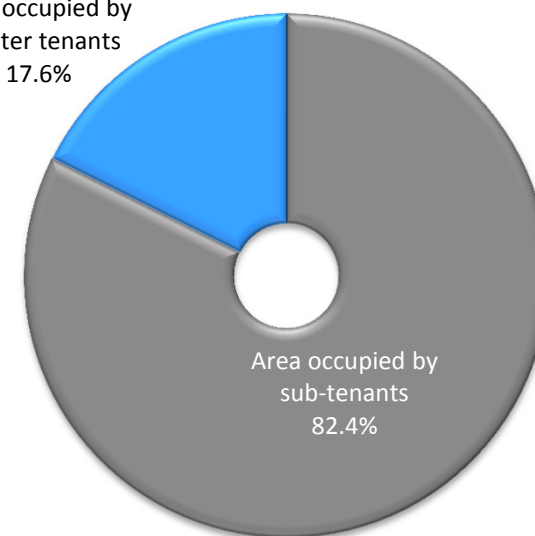
FY2013 Lease Expiry: 28.8% of portfolio

Management of Lease Expiry Risk

	Expiry	% of NLA	Status
Multi-Tenanted		3.5%	Negotiations commenced
Master Lease	Expiry	% of NLA	Status
27 Penjuru Lane	Dec 2012	17.3%	55% of the property has been renewed to FY2016 and FY2018
56 Serangoon North Ave 4	Jan 2013	2.0%	Negotiations commenced
61 Yishun Industrial Park A	Jan 2013	2.6%	Negotiations commenced
103 Defu Lane 10	Jan 2013	1.6%	Negotiations commenced
135 Joo Seng Road	Mar 2013	1.8%	64.5% of the property has renewed beyond the master lease expiry.

Risk mitigated by underlying subleases: 82.4% of Master Leases expiring in FY2013 are supported by underlying subleases.

Area occupied by master tenants
17.6%




Area occupied by sub-tenants
82.4%

Quality Tenant Base

Top 10 Tenants

As at 30 June 2012

Top Ten Tenants by 1Q FY2013 Rental Income

Tenant	%
C & P Holdings Pte Ltd  27 Penjuru Lane	19.4%
Eurochem Corporation Pte Ltd	9.7%
Ban Teck Han Group	5.0%
Crescendas Group ¹	4.8%
Ossia International Limited	4.0%
Broadcom Singapore Pte Ltd	3.6%
Builders Shop Pte Ltd	3.6%
Powermatic Data Systems Ltd	3.0%
Enviro-Hub Group	2.8%
United Tech Park Pte Ltd	2.6%
Top Ten Tenants	58.5%



Listed Groups

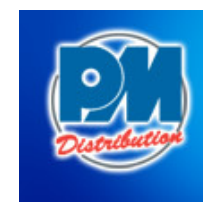


Private Groups

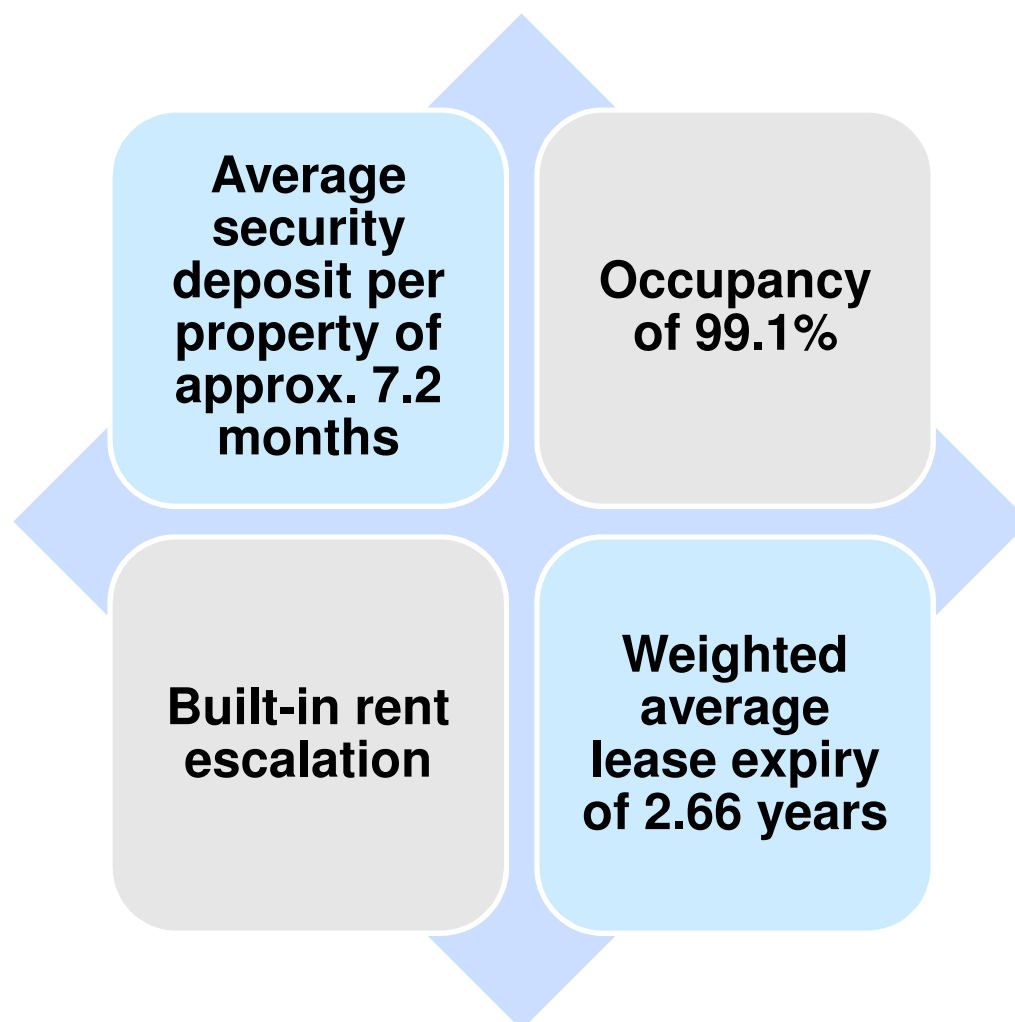
¹ The Trust is currently negotiating an early termination of the master leases at 30/32 Tuas West Road and 56 Serangoon North Ave 4 effective 31 July 2012 on a "no-better-no-worse" position for the Trust.



C&P Holdings Pte Ltd

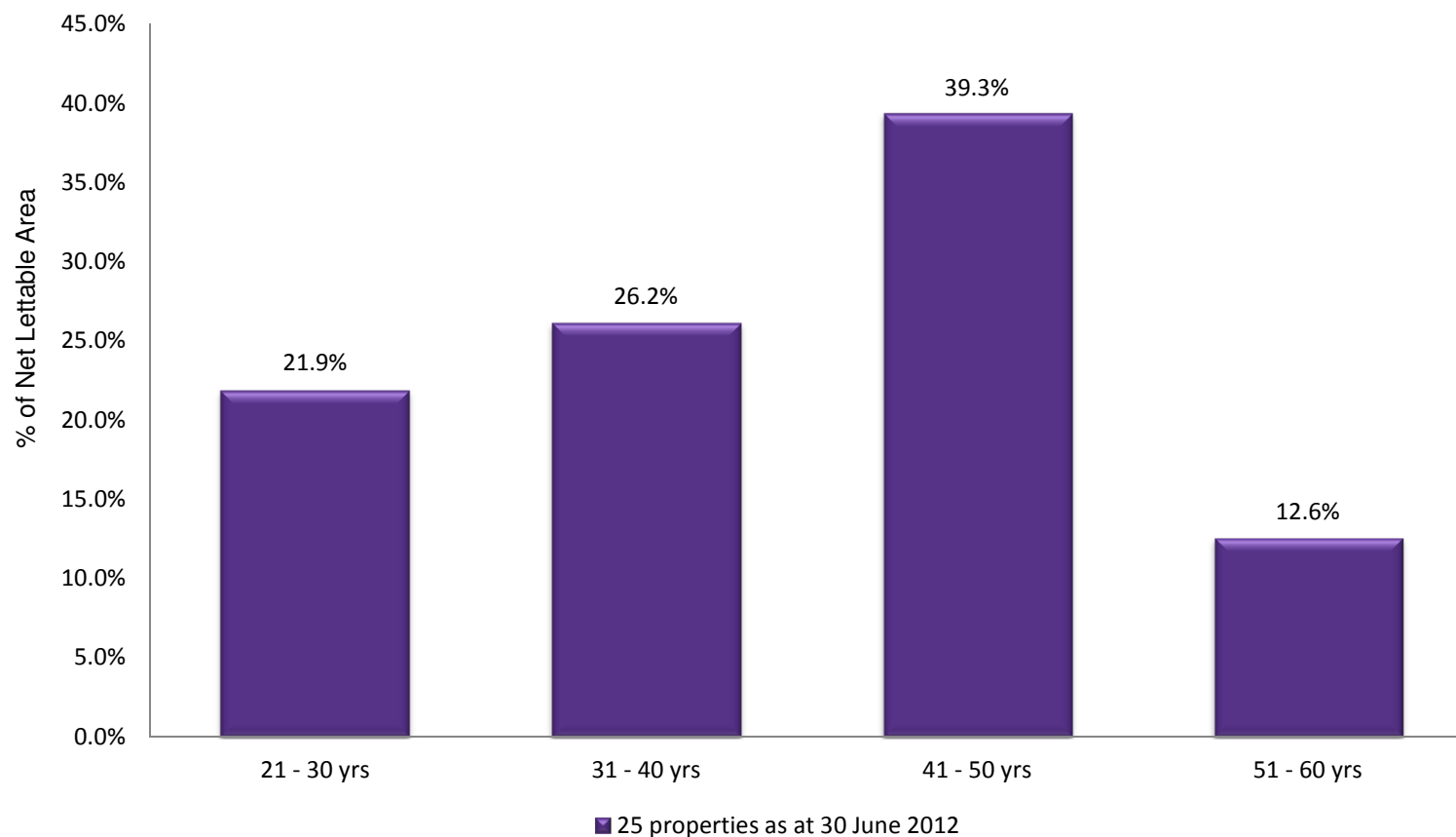


Strong and Stable Cashflows



Long Land Lease to Expiry – 41.8 years

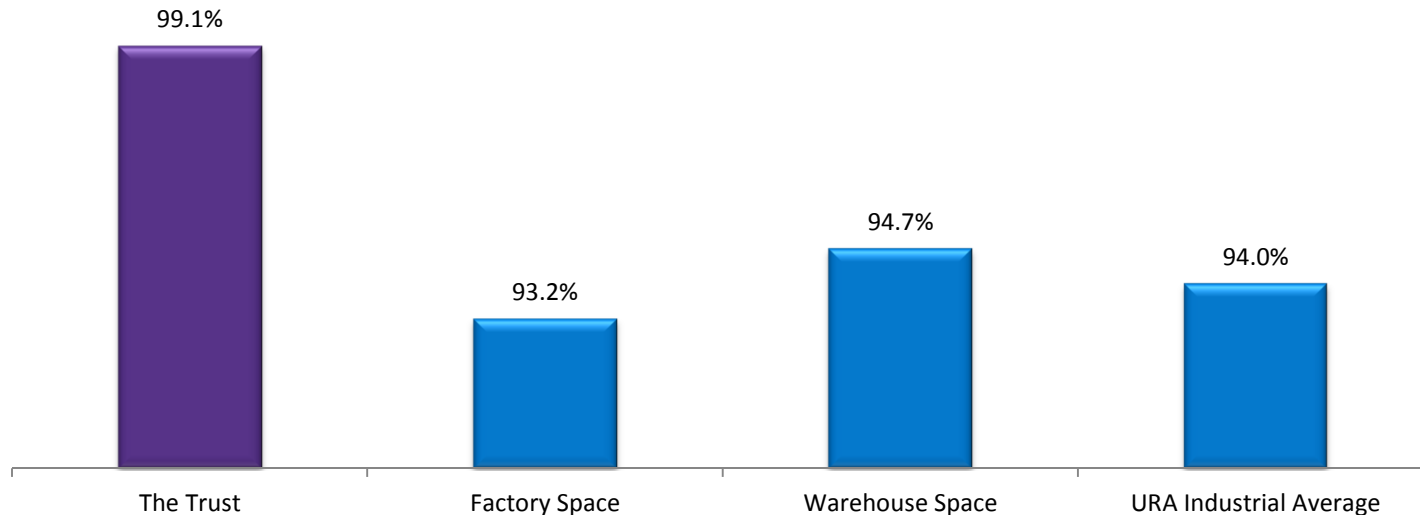
The weighted average unexpired land lease was 41.8 years as at 30 June 2012
% of Net Lettable Area



Comparisons to Singapore Industrial Average Occupancy Levels

High Occupancy Levels

The Trust vs the Singapore industrial average



Source: Based on URA 1st quarter 2012 statistics. URA Industrial average is the average of the factory and warehouse space occupancy rates of 93.2% and 94.7%, respectively.

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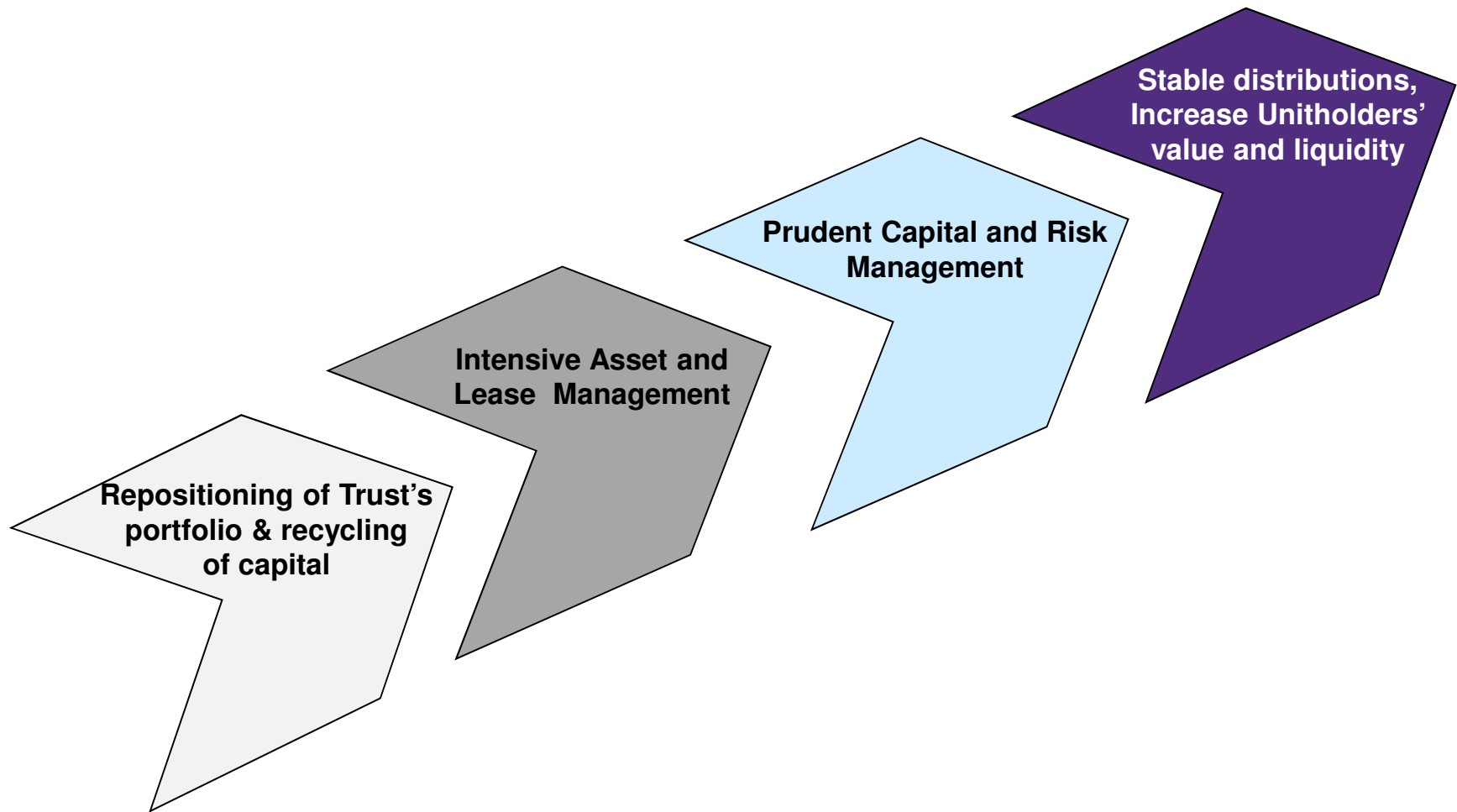


27 Penjuru Lane



Execution on Strategy

Objectives



Execution on Strategy

- **S\$301.6 mil Acquisitions since January 2010 – increasing the size and improving the quality of the Portfolio**

**27 Penjuru Lane (Oct 2010)
(S\$161 mil)**



**29 Woodlands Industrial Park E1 (Feb 2011)
(S\$72 mil)**



**3 Toh Tuck Link (Jan 2010)
(S\$19.3 mil)**



**23 Tai Seng Drive (Jan 2010)
(S\$17.2 mil)**



**56 Serangoon Nth Ave 4 (Jan 2010)
(S\$14.8 mil)**



**30 & 32 Tuas West Rd (Jan 2010)
(S\$17.3 mil)**



Execution on Strategy

- Divestments - Repositioning of Trust's portfolio and recycling of capital**



**23 Changi South Ave 2,
Singapore**

- Sale of smaller asset in Singapore
- Sale completed in February 2011
- Sold for S\$16.7 million
- 3.1% above book value



**Asahi Ohmiya Warehouse,
Japan**

- Disposal of Japan property
- Sale completed in March 2011
- Sold for JPY1.49 billion
- 1.6% above book value



**31 Admiralty Road,
Singapore**

- Sale of smaller asset in Singapore
- Sale target to complete in May 2012
- Sale price of S\$16.438 million
- 8.9% above book value
- 22.7% above the REIT's initial purchase price of S\$13.4 million

Execution on Strategy

- Asset Enhancement / Redevelopment

20 Gul Way – Redevelopment

Before



Before

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

After

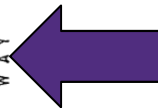
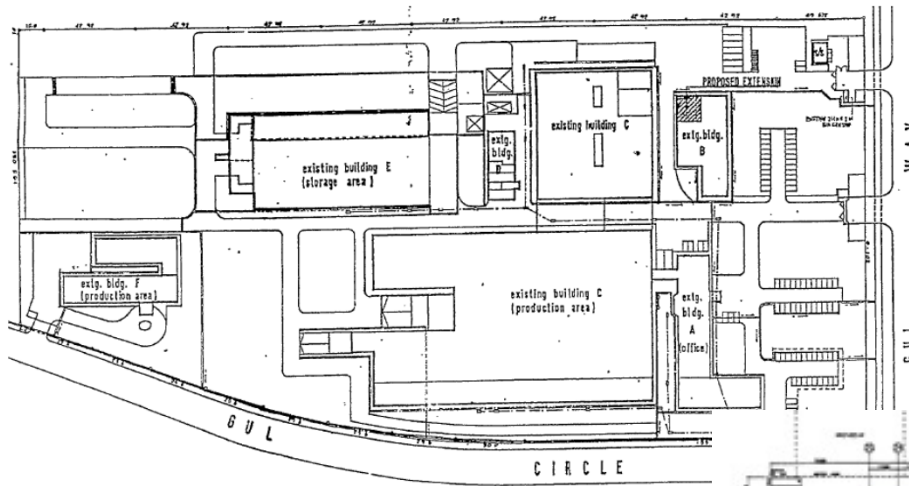


After

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)

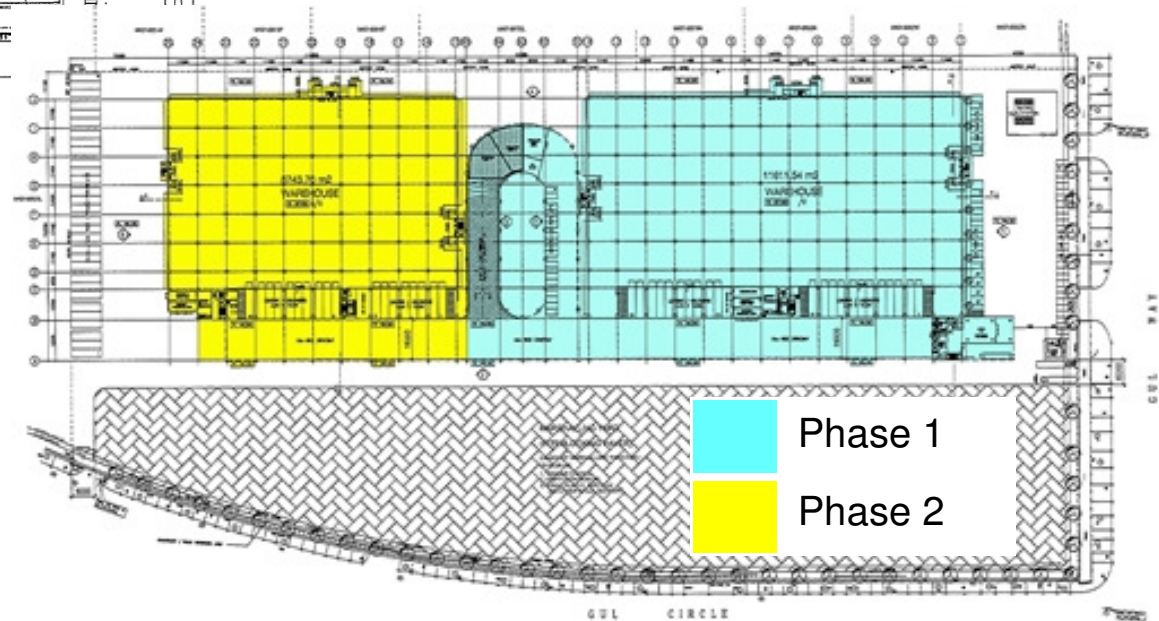
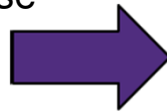
Before



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 – Fact Sheet

	Prior	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 – 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 (pre Unit Consolidation)	+0.293 cents
9.	DPU impact ¹ (post Unit Consolidation)	+1.465 cents
10.	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.

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27 Penjuru Lane



Strategy for FY2013

Focused strategic execution

Financial Performance - Stable & Growing DPU

Strong Management & Sponsors

Experienced management team focused on growing financial returns for unitholders by maximising the performance of the portfolio

Best interest of Unitholders by applying strict corporate governance principles and focused risk management framework

Leveraging on Sponsors' expertise in debt advisory, development, asset and financial management

Active Portfolio Management

Repositioning of portfolio by divesting smaller assets and focusing on larger and higher quality assets

Managing of lease expiry profile to obtain positive rental reversion

Delivery of 20 Gul Way with DPU growth of approximately 15% upon completion

Exploring redevelopment and asset enhancement opportunities within the portfolio

Financial Strength

Proven track record of maintaining gearing around 30% for 11 consecutive quarters

Delivery of stable DPU. Strong DPU growth potential with 20 Gul Way development and leasing renewals

Prudent capital management by splitting of debt maturity and broadening banking relationships

Recycling of capital to maintain leverage of between 30% - 40% by using sales proceeds from divestments to repay debt

Recognition by Standard & Poor's investment grade credit rating of BBB-

Strategy for FY2013

Singapore investments

- Focus on successful delivery of 20 Gul Way redevelopment on time and within budget.
- Enhancement of selected asset(s).
- Evaluation of further redevelopment opportunities in Singapore.
- Continued evaluation of yield accretive investment opportunities in Singapore.

Intensive asset and leasing management

- Managing of lease expiry profile and using this as an opportunity to achieve positive rental reversions.
- To ensure high occupancy is maintained.

Capital and risk management

- Focus on maintaining stable DPU.
- Conservative capital management. Target leverage between 30% - 40%. Maintenance of investment grade rating.
- Continued broadening and diversifying of the Trust's funding sources.
- Management of interest rate risk, locking in low interest rates through interest rate swaps.

Geographic focus

- Priority focus is Singapore.
- Continued monitoring of economic and property market trends in readiness for potential future investment opportunities in markets such as Australia, China and Japan.

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Substantial Unitholders

Substantial Unitholders – 30 June 2012

Name of Substantial Unitholder	No. of Units (‘000)	%
AMP Capital Investors Limited	64,579	14.48
Dragon Pacific Assets Limited	52,900	11.86
APG Algemene Pensioen	41,578	9.32
George Wang	31,959	7.17
Universities Superannuation Scheme Limited	31,449	7.05

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Thank you

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