

AIMS AMP CAPITAL INDUSTRIAL REIT



AMPCAPITAL 

SIAS Corporate Profile Seminar Presentation

17 November 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



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Contents

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- **Financial Overview**
- **Portfolio Overview**
- **Execution on Strategy**
- **Strategy for FY2013**



Overview of the REIT

Overview of AIMS AMP Capital Industrial REIT

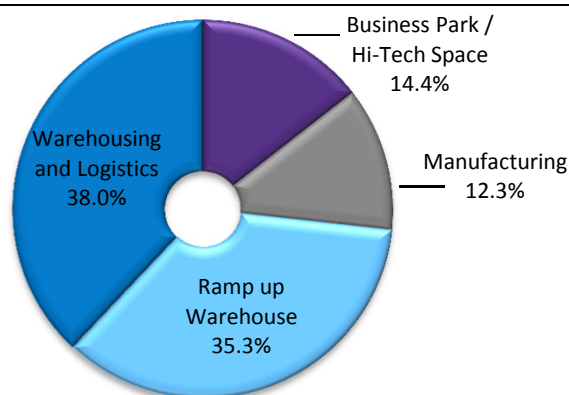
Overview

Objective	Formerly known as MacarthurCook Industrial REIT, AIMS AMP Capital Industrial REIT focuses on investing in a diversified portfolio of industrial real estate in Singapore & Asia
Listing date	19 April 2007
No. of properties	25 properties, total NLA of 416,465.9 sqm
Market cap⁽¹⁾	S\$632.1m
Free float (%)	78.4%
Total Assets	S\$975.0m as at 30 September 2012
Investment Properties⁽²⁾	S\$965.7m as at 30 September 2012
Gearing	31.5% as at 30 September 2012
DPU yield⁽³⁾	7.1%
NAV per unit	\$1.443 as at 30 September 2012
Discount to NAV⁽¹⁾	2.3%
Rating (S&P)	Investment Grade BBB-

Note:

- (1) Based on closing price of \$1.41 as at 15 November 2012
 (2) Includes investment properties under development
 (3) Based on closing price of \$1.41 as at 15 November 2012, and annualised DPU of 10.0 cents. Annualised DPU is computed based on actual DPU payout for 2Q FY2013 annualised to full year

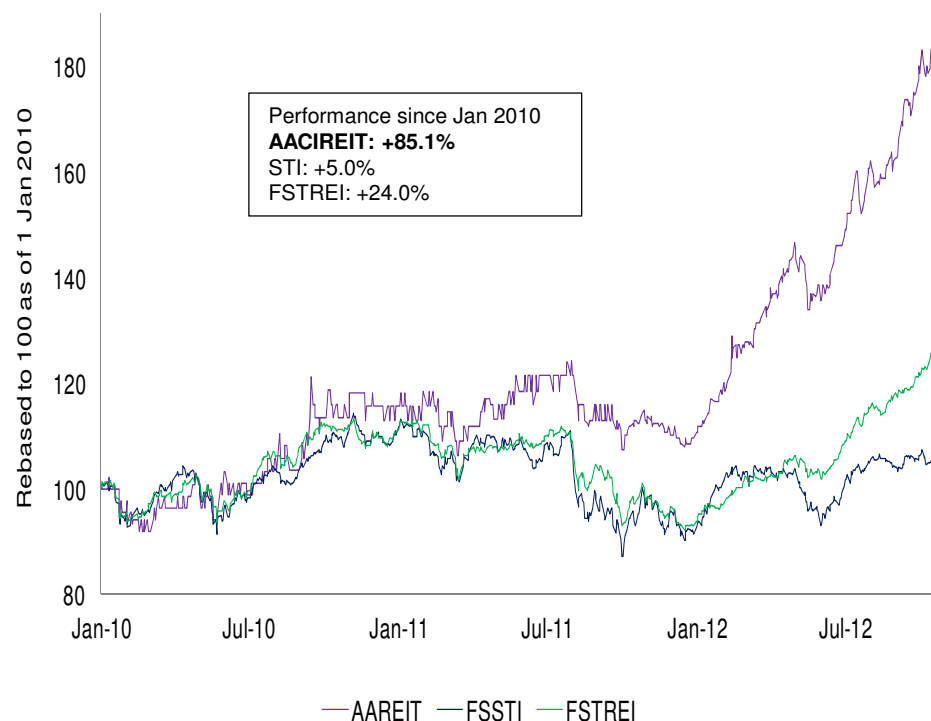
Portfolio Analysis⁽¹⁾



Note:

- (1) Post the redevelopment of 20 Gul Way
 (2) Pro forma basis based on subsector distribution by rental income for quarter ending 30 September 2012.
 (3) Post the sale of 31 Admiralty Road in May 2012

Price performance of AIMS AMP Capital Industrial REIT⁽¹⁾⁽²⁾



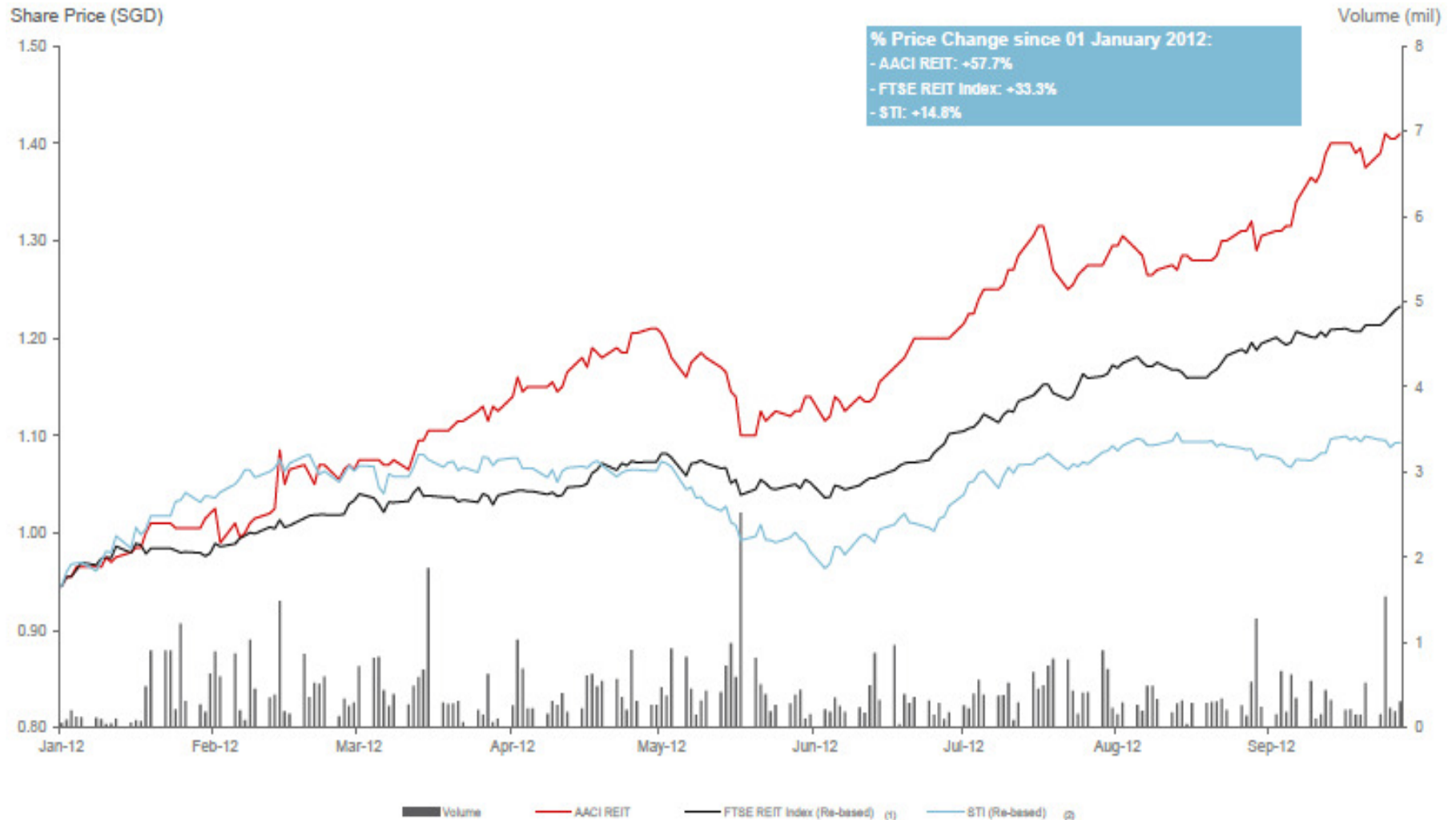
Source: Bloomberg as of 31 October 2012

Note:

- (1) Assumes dividends reinvested
 (2) Price is adjusted for Equity Transactions

Unit Price Performance: AACI REIT vs. FTSE REIT and STI

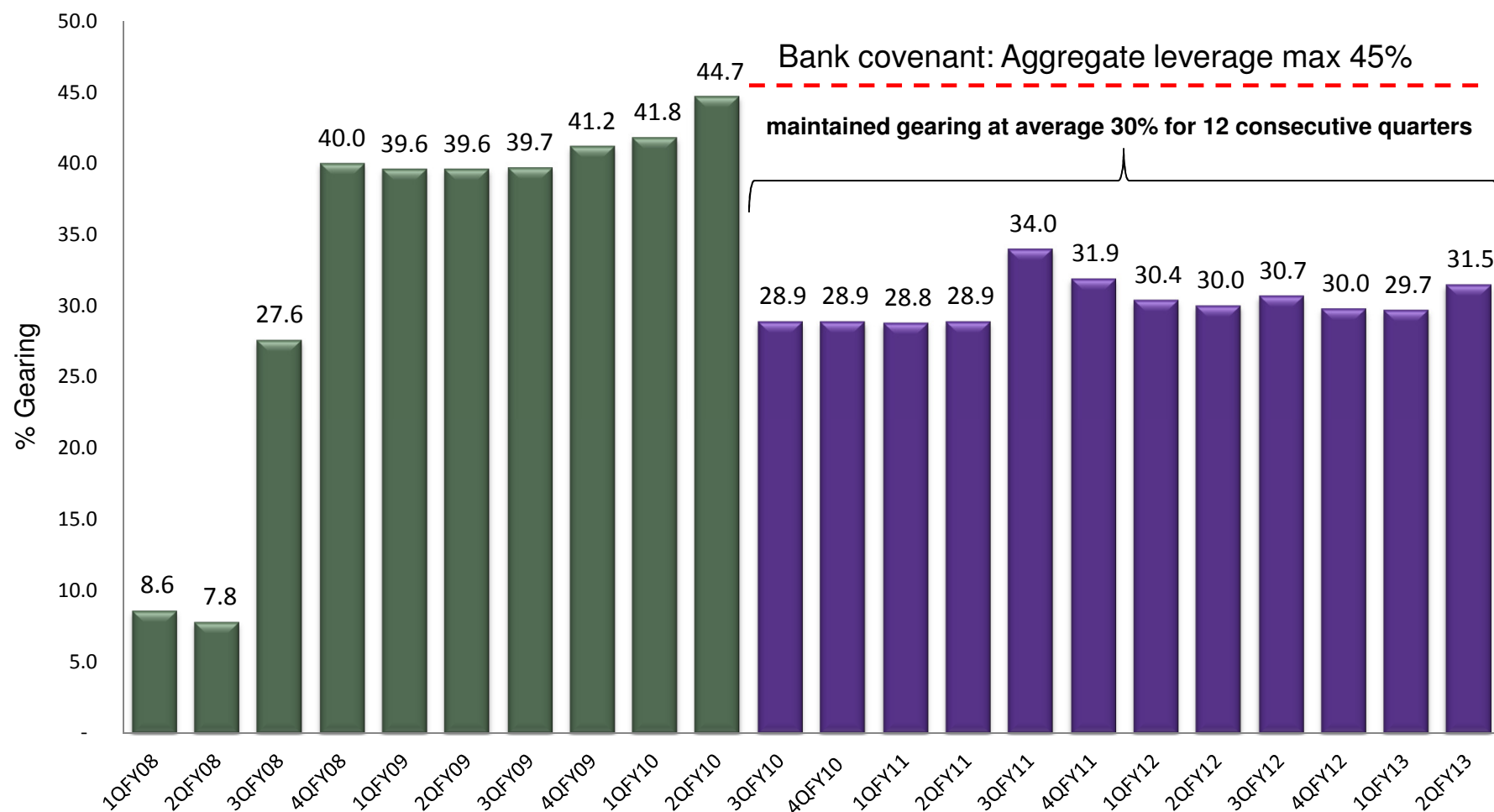
(1 January 2012 – 31 October 2012)



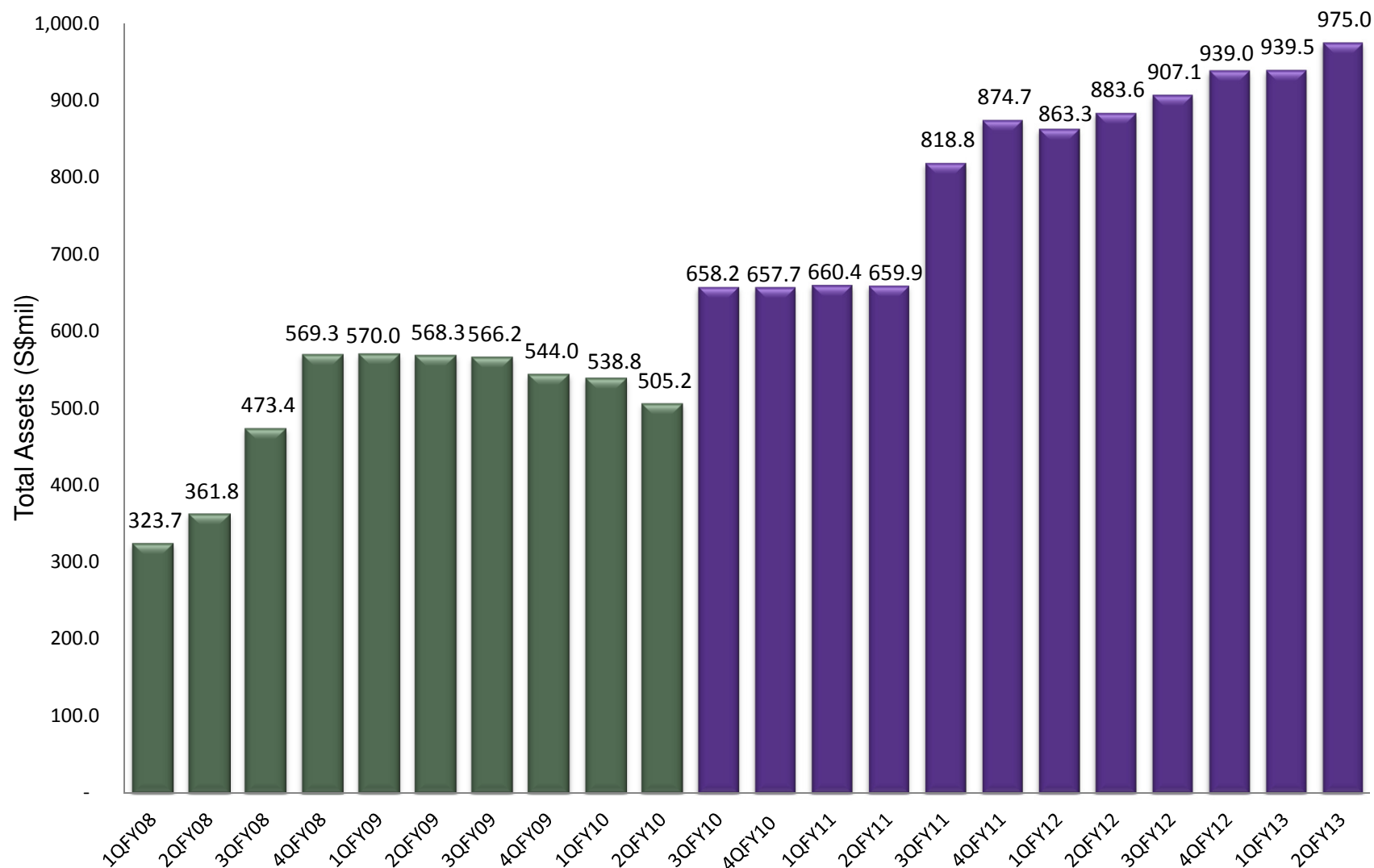
Note: All unit prices have been rebased to AACI REIT
Source: Bloomberg

Gearing Level since IPO

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



Total Assets since IPO





Financial Overview

Results for 2Q FY2013

	2Q FY2013 S\$'000	1Q FY2013 S\$'000	Q-o-Q %	4Q FY2012 S\$'000	2Q FY2013 vs 4Q FY2012 %	2Q FY2012 S\$'000	Y-o-Y %
Gross Revenue	21,583	20,948	3.0	20,296	6.3	21,475	0.5
Net Property Income	14,691	14,897	(1.4)	13,990	5.0	15,440	(4.9)
Amount available for Distribution to Unitholders	11,342	11,405	(0.6)	10,574	7.3	11,989	(5.4)
DPU (cents)	2.50 ¹	2.50	-	2.70	(7.4)	2.50	-
Annualised DPU yield² (%)	6.83						

¹ The Trust achieved an amount available for distribution of S\$11.3 million for 2Q FY2013. AIMSAMPREIT's distribution policy is to distribute at least 90% of the Trust's taxable income for the full financial year. For 2Q FY2013, the Manager has resolved to distribute 98.8% of the taxable income available for distribution to the Unitholders, amounting to S\$11.2 million.

² Based on closing price of \$1.465 on 23 October 2012 and annualised DPU of 10.0 cents. Annualised DPU is computed based on actual DPU payout for 2Q FY2013 and annualised to full year.

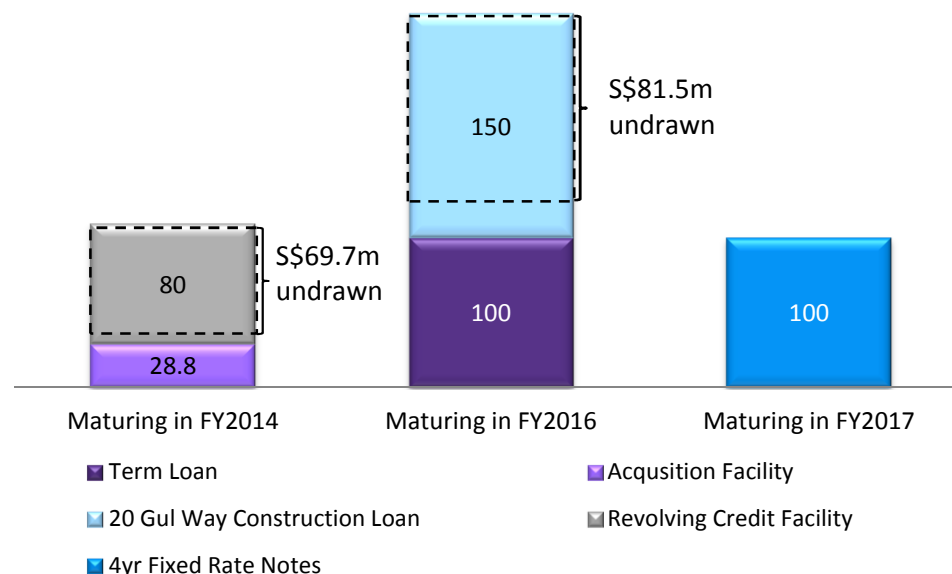
Balance Sheet

	30 September 2012	30 June 2012	31 March 2012
Total Assets (S\$'M)	975.0	939.5	939.0
Comprising (S\$'M):			
- Investment Properties	851.9	830.2	830.0
- Investment Properties under development	113.8	102.6	84.5
- Investment Properties held for sale	-	-	16.4
- Plant and equipment	0.1	0.1	0.1
- Cash and Cash Equivalents	4.8	3.3	3.6
- Trade and Other Receivables	4.4	3.3	4.4
Total Liabilities (S\$'M)	327.7	315.0	312.7
Net Assets (S\$'M)	647.3	624.5	626.2
NAV per unit (S\$)	1.443	1.400	1.406
Total Debt ¹ (S\$'M)	307.6	279.4	281.8
Aggregate Leverage (%)	31.5	29.7	30.0

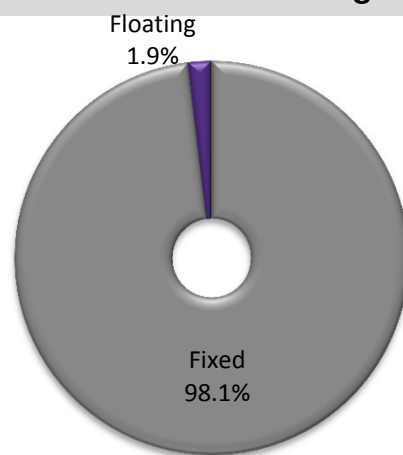
¹ Excluding unamortised loan transaction costs.

Debt Facilities as at 30 September 2012

Maturity date	Group \$ 'million
Due in October 2013	10.3
Due in February 2014	28.8
Due in October 2015	168.5
Due in August 2016	100.0
Total debt drawdown	307.6
Undrawn available facilities	151.2
Total committed facilities	458.8



Interest Rate Risk Management



- S\$358.8m secured bank borrowings (UOB, SCB, CBA, ING and Maybank)
- S\$100.0 million unsecured 4 year Fixed Rate Notes at 4.9% maturing in August 2016
- Weighted total interest cost 3.9%
- Average debt maturity of 3.1 years

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Portfolio Overview

Key Portfolio Statistics

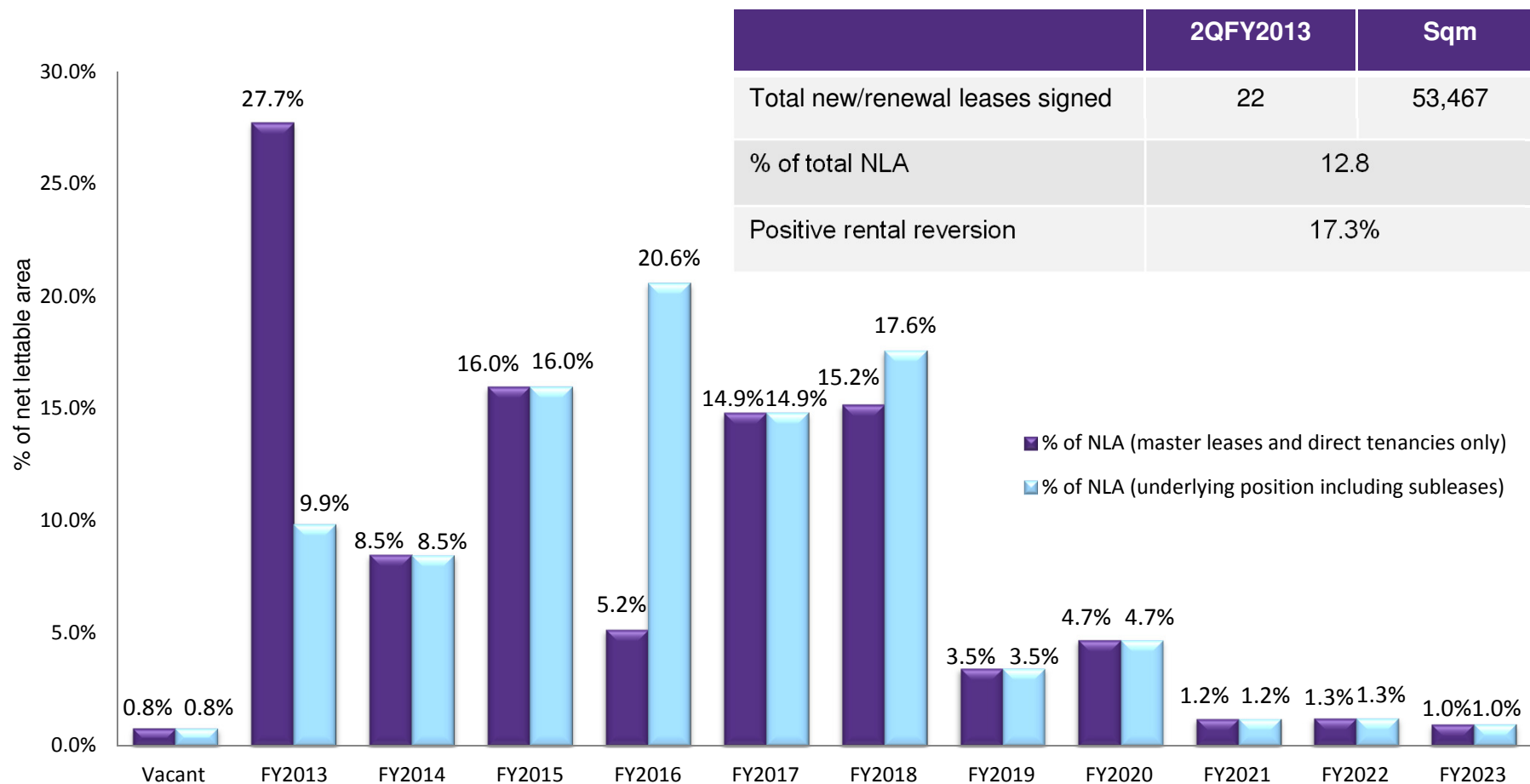
	As at 30 September 2012	As at 30 June 2012	As at 19 April 2007 (Listing)
Number of Properties	25	25	12
Appraised Value (S\$ million)	965.7 ¹	932.7	316.5
Net Lettable Area (sq m)	416,465.9	416,465.9	194,980.7
Number of Tenants	111	98	12
Occupancy (%)	99.2	99.1	100.0
Weighted Average Lease Expiry (WALE) (years)	2.58	2.66	6.7
Weighted Average Land Lease Expiry (years)	40.7	41.8	47.8
Location of Properties	Singapore	Singapore	Singapore

¹ Includes investment properties appraised by Cushman & Wakefield and Colliers International Consultancy and Valuation (Singapore) Pte Ltd as at 30 September 2012 and also includes investment property under development.

Intensive Lease Management

To Manage Lease Expiry Profile Risk

Lease Expiry Profile as at 30 September 2012 (by 2Q FY2013 Net Lettable Area)




	2QFY2013	Sqm
Total new/renewal leases signed	22	53,467
% of total NLA	12.8	
Positive rental reversion	17.3%	

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

Quality Tenant Base

Top Ten Tenants by 2Q FY2013 Rental Income

Tenant	%
C & P Holdings Pte Ltd  27 Penjuru Lane	19.1%
Eurochem Corporation Pte Ltd	9.6%
Ban Teck Han Group	4.9%
Ossia International Limited	3.9%
Broadcom Singapore Pte Ltd	3.6%
Builders Shop Pte Ltd	3.5%
Powermatic Data Systems Ltd	2.9%
Enviro-Hub Group	2.7%
Deutsche Telekom	2.0%
King Plastic Pte Ltd	2.0%
Top Ten Tenants	54.3%



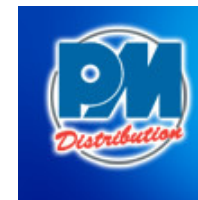
Listed Groups



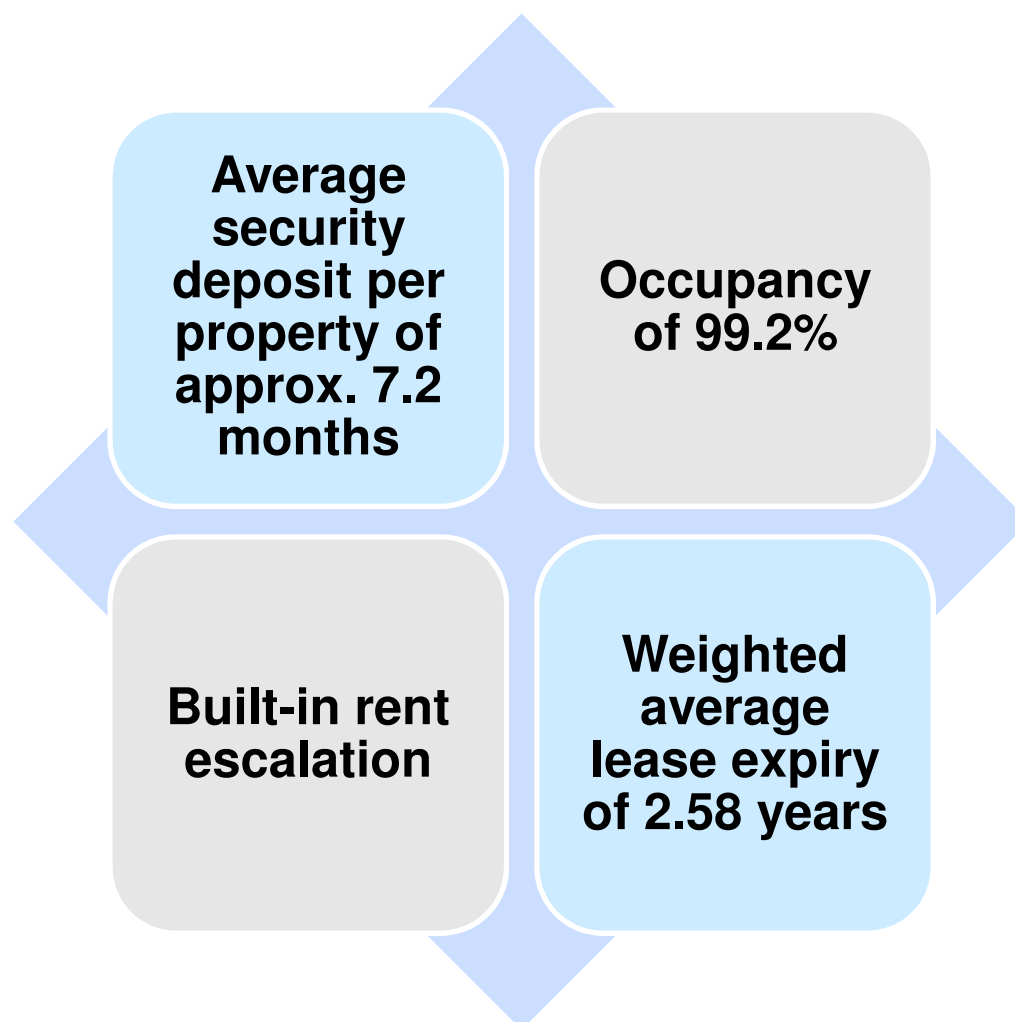
Private Groups



C&P Holdings Pte Ltd



Strong and Stable Cashflows



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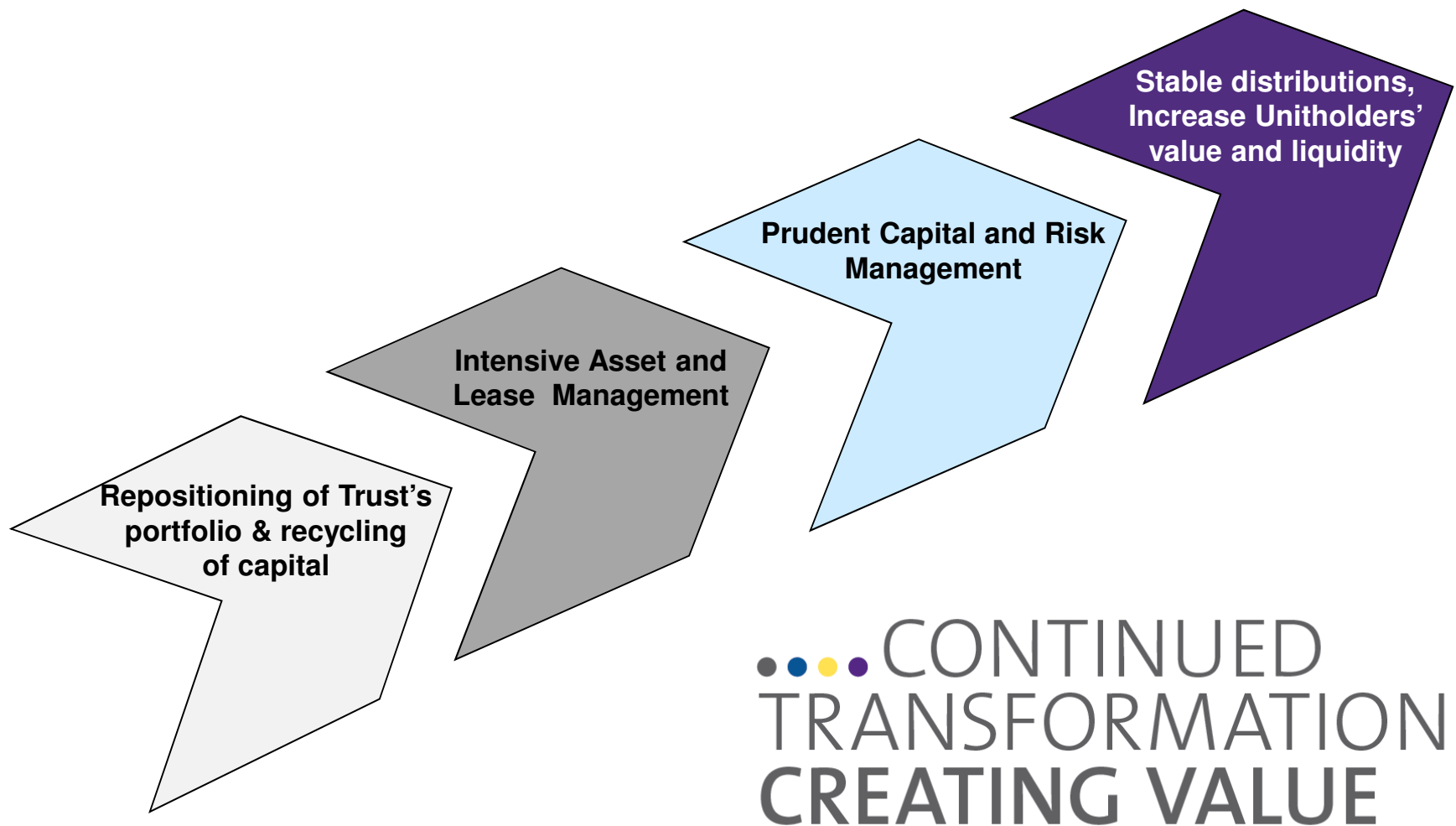


27 Penjuru Lane



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 completed on 11 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.

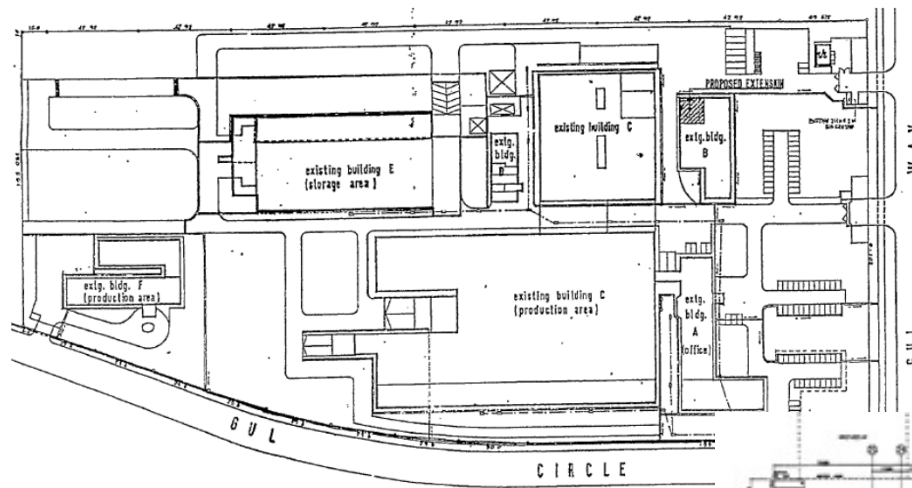
After



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)

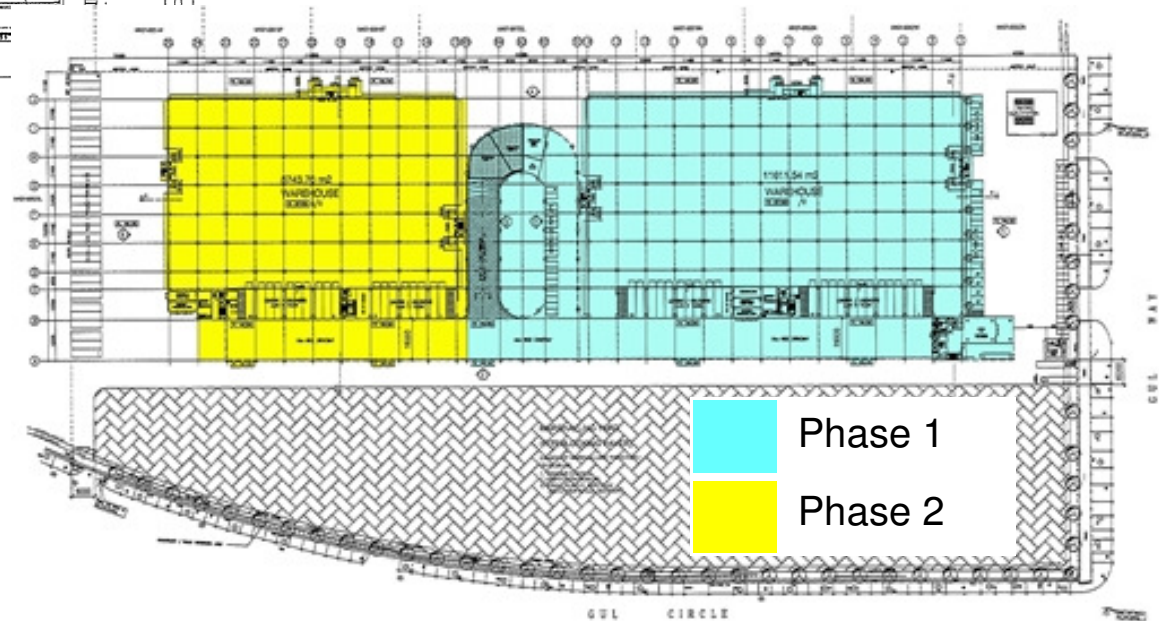


Before

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



Phase 1

Phase 2

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 AIMSAMPIREIT 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.

Completion of Phase 1, 20 Gul Way



Completion of Phase 1, 20 Gul Way



Completion of Phase 1, 20 Gul Way



Completion of Phase 1, 20 Gul Way



Completion of Phase 1, 20 Gul Way



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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 fund management, asset and financial management, development and debt advisory

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 average 30% for 12 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%

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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Thank you

For enquiries, kindly contact:

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