



AIMS AMP CAPITAL INDUSTRIAL REIT

Proposed acquisition of a 49% interest in
Optus Centre, Macquarie Park, Sydney

25 November 2013



AMPCAPITAL 

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> 1

SUMMARY OF THE ACQUISITION

Overview of the Proposed Acquisition

> 1

- First investment in Australia, leveraging on Sponsors' network and on-the-ground real estate capabilities
- Acquisition of 49.0% interest in the Optus Centre Macquarie Park, Sydney Australia
- Fully let to Optus (SingTel) for weighted average lease term of 8.6¹ years with fixed annual escalation of 3%
- Purchase price of A\$184.425 m (S\$215.0m²)
- Valuation by CBRE is A\$377.0 m for 100% of the Property, A\$184.73 m (S\$215.4 m¹) for 49.0% interest
- Acquisition subject to Unitholder approval (ordinary resolution) and Australian Foreign Investment Review Board (FIRB) approval
- Fully debt funded acquisition
- Post acquisition, effective joint venture ownership structure in the Optus Centre between Stockland and AACI REIT

1. As at 30 September 2013

2. All references to S\$ in this presentation are based on A\$/S\$ exchange rate of 1.1658.

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Pro forma Impact on Key Financial Metrics

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	30 Sep 2013	Pro Forma ¹	Change
Total Assets	S\$1,109.2 million	S\$1,324.5 million	19.4%
NTA per Unit	S\$1.492 ²	S\$1.486	(0.4)%
Aggregate Leverage³	25.2%	37.7%	49.6%
Weighted Average Debt Maturity	2.8 years	3.4 years	21.4%
DPU cents⁴	5.12 cents	5.41 cents	5.7%
DPU yield⁵	6.76%	7.14%	5.6%

1. The table above sets out the pro forma financial effects of the acquisition on the total assets, NTA per Unit, aggregate leverage and weighted average debt maturity as at 30 September 2013 as if AACI REIT had on 30 September 2013 (i) purchased the 49.0% indirect interest in the Property, (ii) drawn down A\$110.7 million (S\$129.0 million) of the New Loan and (iii) drawn down on additional borrowings of S\$91.6 million from the Existing Loan. The pro forma financial effects of the acquisition on the DPU and distribution yield was calculated as if AACI REIT had on 1 April 2013 (i) drawn down A\$110.7 million (S\$129.0 million) of the New Loan, (ii) drawn down on additional borrowings of S\$91.6 million from the Existing Loan and (iii) purchased the Property and held the Property through to 30 September 2013.
2. Adjusted for distribution payable on 18 December 2013 for the period from 1 July 2013 to 30 September 2013.
3. Total debt as a percentage of total assets.
4. Based on distributions to Unitholders divided by Units in issue.
5. Based on the annualised DPU divided by the closing price of S\$1.515 on 21 November 2013. The DPU is annualised on the assumption that the distributable income for the next six-month period ending 31 March 2014 will be the same as the distributable income for 1H FY2014. This is not a profit forecast and there is no guarantee that the distribution income for the six-month period ending 31 March 2014 will be the same as that for 1H FY2014.

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THE PROPERTY

The Property

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Property Details

Location	Optus Centre, 1-5 Lyonpark Road, Macquarie Park Sydney, Australia
Description	6 buildings sitting on 7.6ha site with total lettable area of 84,194 sqm, plus 2,100 car parking spaces
Zoning	Zoned B7 Business Park
Land area	75,860 sqm (816,557 sqft)
Net lettable area	84,194 sqm (906,264 sqft)

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The Property

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The Property

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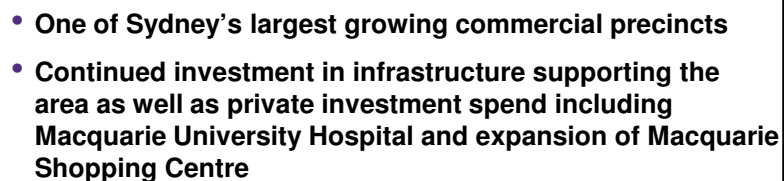
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Well-located business park easily accessible to Sydney CBD and well-served by roads and rail

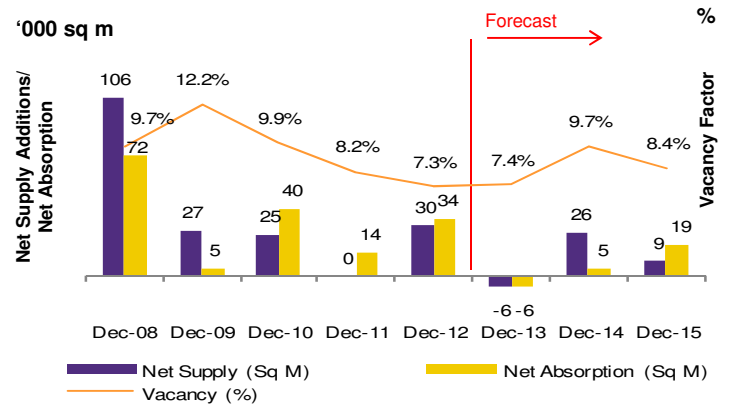
Area Map of Macquarie Park



Strong Market Fundamentals

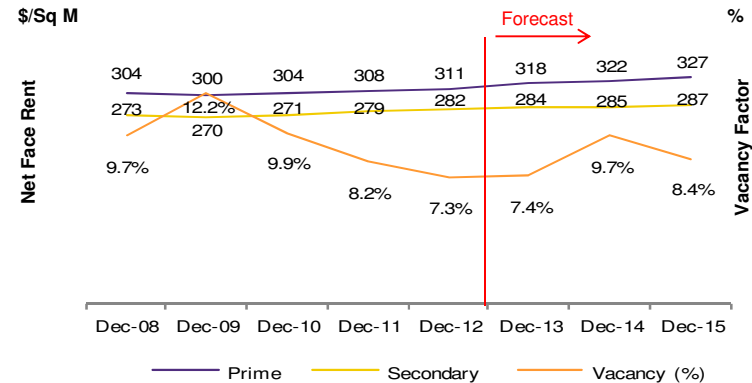
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Macquarie Park Net Absorption & Vacancy



Source: CBRE

Macquarie Park Net Face Rents



Source: CBRE

- Macquarie Park has shown increasing net rental growth in the last three years when rental growth in other office markets slowed
 - Beneficiary of decentralisation
 - Majority of upcoming supply already pre-committed
- Over the next three years, prime net face rents in Macquarie Park are forecast to grow at annual average of 2.0%, with incentives likely to fall
- Lack of recent development has resulted in a tightening of the leasing market with only limited A Grade options currently available, particularly for areas >2,000 square metres

Summary Lease Terms

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Entire Property fully leased to Optus Administration Pty Limited

Terms	Lease 1	Lease 2	Lease 3
Premises	Building A&B	Building C&D	Building E&F
Floor Area (for entire property) (sqm)	30,149	30,133	23,912
Year 1 Rental Income (100%)	A\$27.4m		
Commencement Date	15 June 2007	15 June 2007	15 June 2007
Expiry Date	14 June 2021	14 June 2023	14 June 2022
Remaining Lease Term (years)	7.7 ¹	9.7 ¹	8.7 ¹
Rental Escalation	Fixed annual increases of 3.0%		
Rental Deposit	Guarantee provided by Singtel Optus Pty Limited (S&P rated "A")		
Option (years)	5	5	5

¹² 1. As at 30 September 2013

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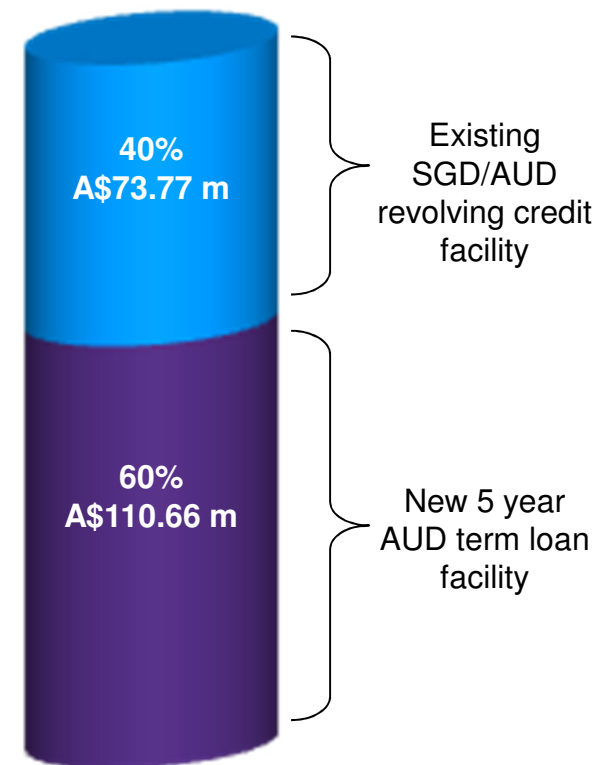
PRO FORMA FINANCIALS

Debt Financing for the Acquisition

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- Purchase consideration (A\$184.43 m) to be fully funded by debt
 - Combination of new and existing debt facilities
- New 5 year AUD term loan facility
- Total all-in interest cost (base rate + margin) of approximately 5%
- Bullet repayment at maturity
- AUD facility provides a natural hedge of 60% of initial capital outlay
- Ability to draw down existing revolving credit facility in AUD, potentially increasing the natural hedge up to 100%
- Minimum 50% interest rate hedging on AUD debt

Purchase Consideration = A\$184.43 m



Pro Forma Financials

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As at 30 September 2013

	Actual	Pro forma after Acquisition ¹	Change
Total Assets	S\$1,109.2 million	S\$1,324.5 million	19.4%
Total Debt²	S\$279.0 million	S\$499.6 million	79.1%
Aggregate Leverage³	25.2%	37.7%	49.6%
Weighted Average Debt Maturity	2.8 years	3.4 years	21.4%

1. The table above sets out the pro forma financial effects of the acquisition on the total assets, total debt, aggregate leverage and weighted average debt maturity as at 30 September 2013 was calculated as if AACI REIT had on 30 September 2013 (i) purchased the 49.0% indirect interest in the Property, (ii) drawn down A\$110.7 million (S\$129.0 million) of the New Loan and (iii) drawn down on additional borrowings of S\$91.6 million from the Existing Loan.
2. Excluding unamortised loan transaction costs
3. Total debt as a % of total assets

Pro Forma Financials

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Pro Forma DPU and Distribution Yield

	1H FY2014	
	Actual	Pro forma After the Transaction ¹
Distribution to Unitholders (S\$'000)	26,969 ²	28,478
Units in issue ('000)	526,575 ²	526,746 ³
DPU (cents) ⁴	5.12	5.41
Distribution Yield ⁵ (%)	6.76	7.14

Pro Forma NPI and NPI Yield

	1H FY2014		
	Existing Portfolio	The Property	Enlarged Portfolio ¹
NPI (S\$'000)	33,958 ²	8,499 ⁶	42,457
Appraised Value/Purchase Consideration ⁷ (S\$'000)	1,071,840	215,003 ⁸	1,286,843
NPI Yield ⁹ (%)	6.3	7.9	6.6

1. The tables above set out the pro forma financial effects of the acquisition on the DPU and distribution yield, NPI and NPI yield as if AACI REIT had on 1 April 2013 (i) drawn down A\$110.7 million (S\$129.0 million) of the New Loan, (ii) drawn down on additional borrowings of S\$91.6 million from the Existing Loan and (iii) purchased the 49.0% indirect interest in the Property and held the interest through to 30 September 2013.
2. Based on the 1H FY2014 Unaudited Financial Statements.
3. Includes 171,039 Units issued for payment of the Manager's base fees at an issue price of S\$1.5739 per Unit, calculated based on the VWAP for a Unit for all trades completed on the SGX-ST for the 10 Business Days prior to 1 April 2013.
4. Based on distribution to Unitholders divided by Units in issue.
5. Based on the annualised DPU divided by the Closing Price of S\$1.515 as at 21 November 2013. The DPU is annualised on the assumption that the distributable income for the next six-month period ending 31 March 2014 will be the same as the distributable income for 1H FY2014. This is not a profit forecast and there is no guarantee that the distribution income for the six-month period ending 31 March 2014 will be the same as that for 1H FY2014.
6. Based on a 49.0% share of NPI from the Property.
7. Appraised Values were based on valuations obtained for investment properties as at 30 September 2013.
8. Based on the Purchase Consideration for a 49.0% indirect interest in the Property.
9. Based on NPI divided by Appraised Value / Purchase Consideration. The NPI yield is annualised on the assumption that the NPI for the next six-month period ending 31 March 2014 will be the same as the NPI for 1H FY2014. This is not a profit forecast and there is no guarantee that the NPI for the six-month period ending 31 March 2014 will be the same as that for 1H FY2014.

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Pro Forma Financials

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Pro Forma NTA per Unit

	As at 30 September 2013	
	Actual	Pro forma After the Transaction ¹
NTA (S\$'000)	786,531 ²	783,393
Units in issue ('000) ³	527,040	527,040
NTA per Unit (S\$)	1.492	1.486

Pro Forma Capitalisation

	As at 30 September 2013	
	Actual	Pro Forma ¹
Total Debt (S\$'000) ⁴	279,049 ³	499,633
Total Unitholders' funds (S\$'000)	786,531 ²	783,393
Total Capitalisation (S\$'000)	1,065,580	1,283,026

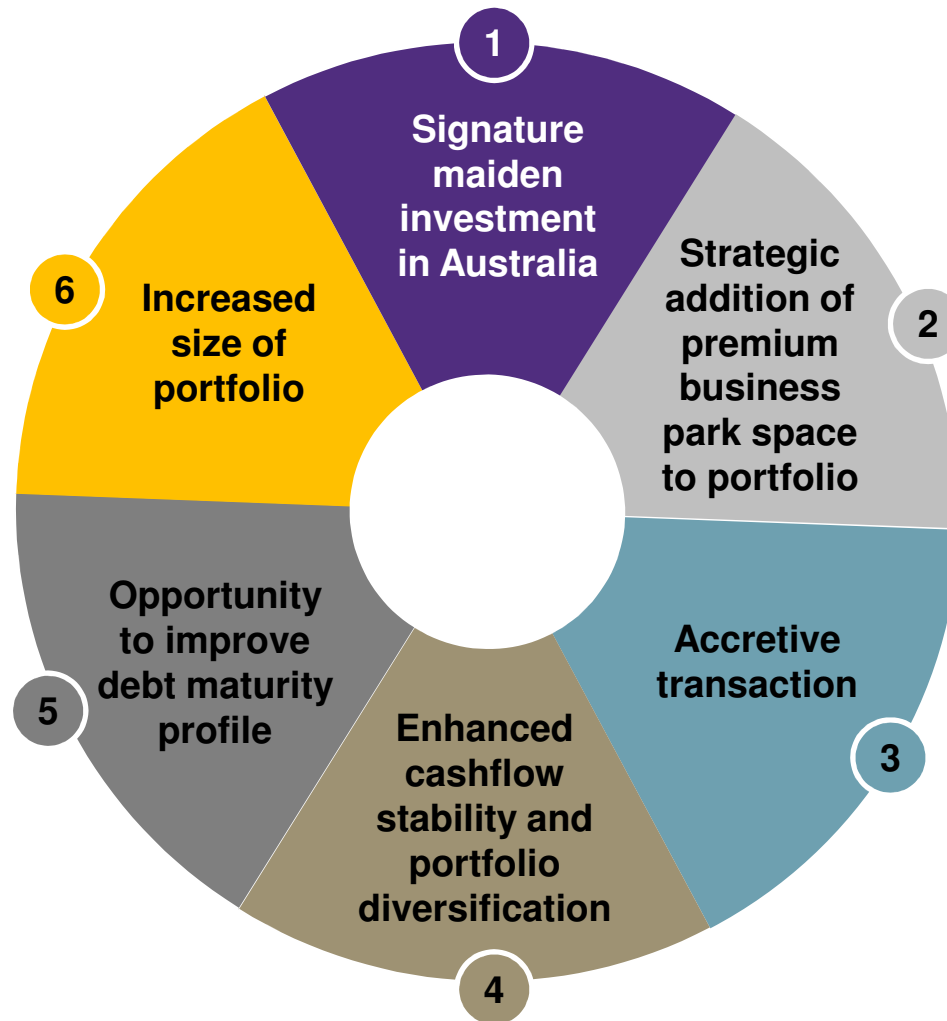
1. The tables above set out the pro forma financial effects of the acquisition on the NTA per Unit and the pro forma capitalisation of AACI REIT as at 30 September 2013, as if AACI REIT had on 30 September 2013 (i) purchased the 49.0% indirect interest in the Property, (ii) drawn down A\$110.7 million (S\$129.0 million) of the New Loan and (iii) drawn down on additional borrowings of S\$91.6 million from the Existing Loan.
2. Based on the 1H FY2014 Unaudited Financial Statements, adjusted for distribution payable on 18 December 2013 for the period from 1 July 2013 to 30 September 2013.
3. Based on the 1H FY2014 Unaudited Financial Statements.
4. Excluding unamortised loan transaction costs.

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KEY INVESTMENT HIGHLIGHTS

Key Benefits of the Transaction

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Key Benefits of the Transaction

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1 Signature Maiden Investment in Australia

- Premium Grade business park office complex, completed in 2007, comprised of six buildings with a total lettable area of 84,194 sqm
- Leveraging Sponsors' network in Australia and on-the-ground real estate expertise
- Sponsors to establish Joint Venture investment management company to manage the investment post acquisition



Key Benefits of the Transaction

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2 Strategic addition of business park space to portfolio

Portfolio exposure to business park sector approximately doubles

- Exposure to business park property sector increases from 15.5% to 30.4% (as at 30 September, on a pro forma basis)
- Business park space typically commands a rental premium to traditional industrial properties
 - Typically compared against suburban office and CBD office space rather than traditional industrial properties

Strategic location with excellent connectivity



- Metropolitan Sydney, approximately 20 minutes to Sydney CBD and 40 minutes to Sydney's Kingsford Smith International airport
- Connected to Central and Greater Sydney via two train stations located within the precinct, directly accessible by M2 motorway

Key Benefits of the Transaction

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2 Strategic addition of business park space to portfolio

Premium quality tenant with long term lease in place

- Fully let to Optus  , 2nd largest telecommunications company in Australia and wholly owned subsidiary of SingTel  SingTel
 - SingTel is Asia's leading communications group with operations in >20 countries, >450 million subscribers across Asia
- Weighted average term of 8.6¹ years under three leases which expire June 2021, June 2022 and June 2023 with five year options to renew

Freehold interest

- First interest in a freehold property; existing portfolio of 25 properties are all leasehold
- Increasing weighted average land lease of the portfolio to 43.3² years from 38.6 years as at 30 September 2013

1. As at 30 September 2013

2. For the calculation of the weighted average land lease of AACI REIT and for illustrative purposes only, AACI REIT's interest in the freehold Property has been assumed as a 99-year leasehold interest in the Property.

Key Benefits of the Transaction

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3 Accretive Transaction

DPU and Distribution Yield

	30 Sep 2013	Pro Forma ¹	Change
DPU cents ²	5.12 cents	5.41 cents	5.7%
DPU yield ³	6.76%	7.14%	5.6%

NPI Yield

	30 Sep 2013	Pro Forma	Change
NPI yield ⁴	6.3%	6.6%	4.8%

1. The table above sets out the pro forma financial effects of the acquisition on the DPU, distribution yield and NPI yield as if AACI REIT had on 1 April 2013 (i) drawn down A\$110.7 million (S\$129.0 million) of the New Loan, (ii) drawn down on additional borrowings of S\$91.6 million from the Existing Loan and (iii) purchased the 49.0% indirect interest in the Property and held the interest through to 30 September 2013.
2. Based on distribution to Unitholders divided by Units in issue.
3. Based on the annualised DPU divided by the closing price of S\$1.515 as at 21 November 2013. The DPU is annualised on the assumption that the distributable income for the next six-month period ending 31 March 2014 will be the same as the distributable income for 1H FY2014. This is not a profit forecast and there is no guarantee that the distribution income for the six-month period ending 31 March 2014 will be the same as that for 1H FY2014.
4. Based on NPI divided by Appraised Value/Purchase Consideration. Pro forma NPI based on NPI of enlarged portfolio consisting of the existing portfolio and a 49% share of NPI from the Property. The NPI yield is annualised on the assumption that the NPI for the next six-month period ending 31 March 2014 will be the same as the NPI for 1H FY2014. This is not a profit forecast and there is no guarantee that the NPI for the six-month period ending 31 March 2014 will be the same as that for 1H FY2014.

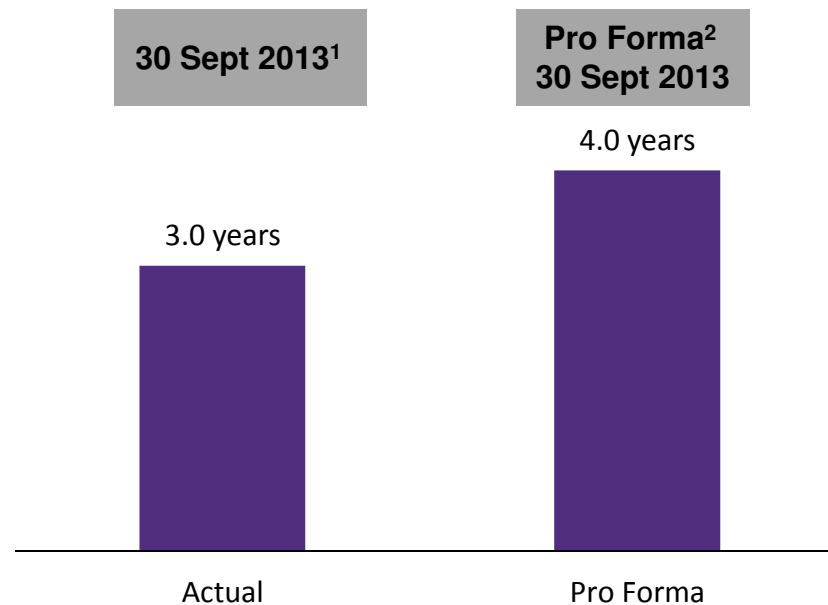
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Key Benefits of the Transaction

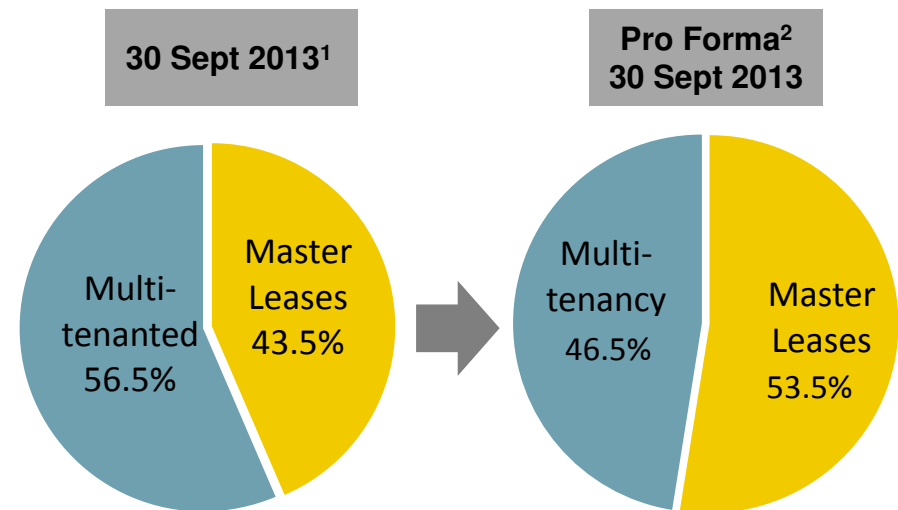
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4 Enhanced cashflow stability and portfolio diversification

Increase weighted average lease expiry ↑ 33%



Increase exposure to master leases³ ↑ 10.1%



1. Based on 1H FY2014 rental income of the existing portfolio.
2. Based on 1H FY2014 rental income of enlarged portfolio consisting of the existing portfolio and a 49.0% interest in the Property.
3. Master leases provide for longer lease durations with structured escalations, thus providing a stable income stream for the Trust.

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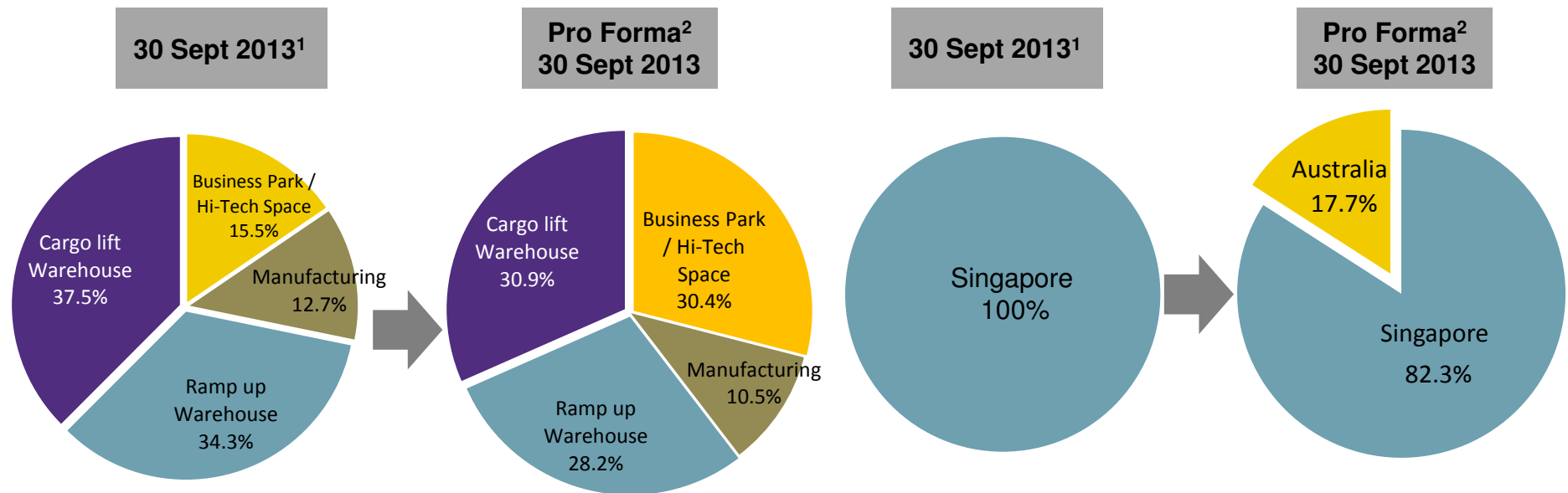
Key Benefits of the Transaction

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4 Enhanced cashflow stability and portfolio diversification

Portfolio diversification by asset class

Geographical diversification



1. Based on 1H FY2014 rental income of the existing portfolio.

2. Based on 1H FY2014 rental income of enlarged portfolio consisting of the existing portfolio and a 49.0% interest in the Property.

Key Benefits of the Transaction

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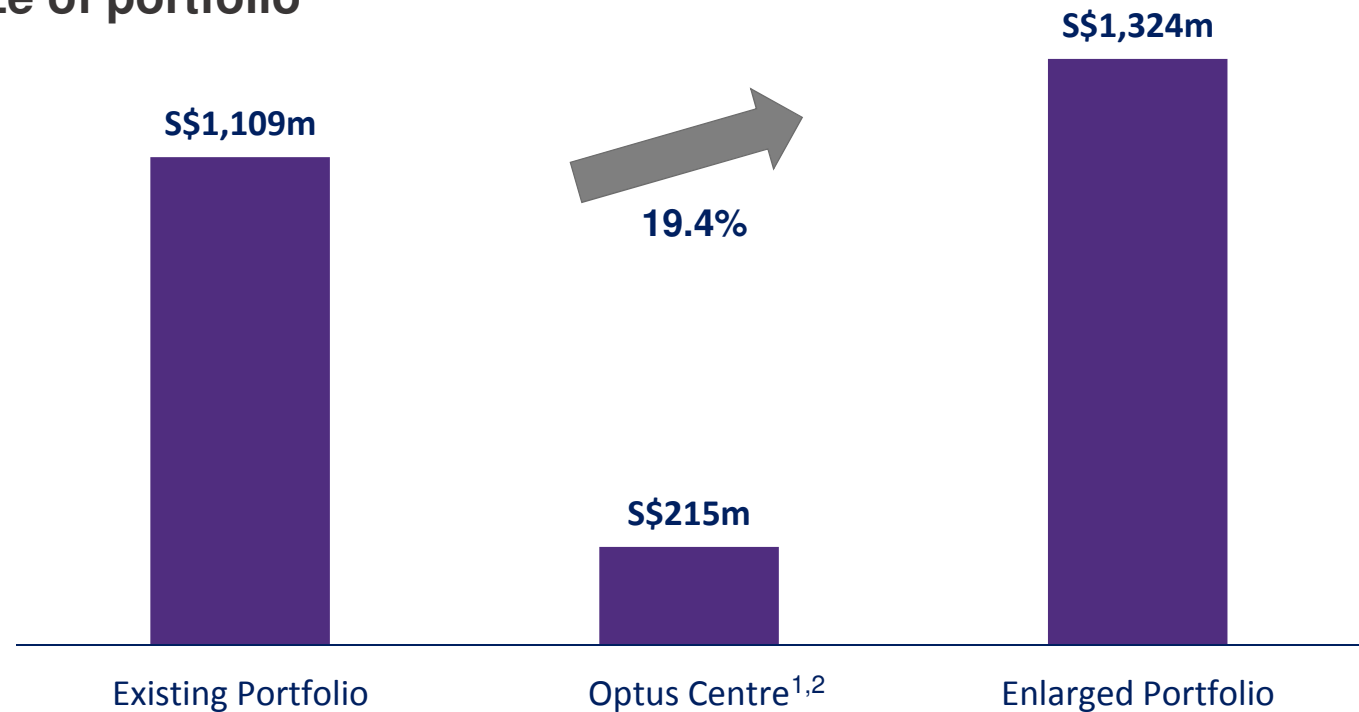
5 Opportunity to improve debt maturity profile

- New AUD loan of A\$110.7 million with a term of five years
- Weighted average debt maturity improves from 2.8 years¹ to 3.4 years on a pro forma basis
- Reduced refinancing risk through further staggering of the Trust's debt repayment dates

Key Benefits of the Transaction

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6 Increased size of portfolio



Net Lettable Area (sqm)	516,635 ³	41,255 ⁴	557,890
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1. Based on 49.0% interest in the Property
2. Based on AUD/SGD exchange rate of 1.1658
3. As at 30 Sep 2013
4. Based on 49.0% of total Net Lettable Area of Optus Centre

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RISKS & MITIGATION

Risks & Mitigation

> 5

Risks	Mitigation
Currency risk on capital	✓ Minimum 60% natural hedge, potentially up to 100% natural hedge.
Currency risk on income	<ul style="list-style-type: none"> ✓ First year's income to be fully hedged. ✓ To actively monitor exchange rates with a bias to be fully or substantially hedged on the income in future years.
Interest rate risk	✓ To lock in at least 50% of Australian base rate for term of loan to provide substantial certainty of interest cost.
Counterparty risk	<ul style="list-style-type: none"> ✓ Strong covenant. ✓ Fully let to Optus , 2nd largest telecommunications company in Australia and wholly owned subsidiary of SingTel , SingTel, Asia's leading communications group with operations in >20 countries, >450 million subscribers across Asia.

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TIMETABLE

Indicative Timetable

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- Unitholders' circular to be despatched in due course

Activity	Timing
Unitholders' Circular to be reviewed by SGX	3 - 4 weeks
Circular and Notice of Extraordinary General Meeting (EGM) to be despatched to Unitholders	Following completion of SGX review
EGM	At least 16 clear calendar days after despatch of Notice and Circular
Completion of acquisition	Following EGM, subject to Unitholders' approval and FIRB approval



Thank you

For enquiries, kindly contact:

AIMS AMP Capital Industrial REIT Management Limited

Nicholas McGrath

Chief Executive Officer

Tel: + 65 6309 1050

Email: nmcgrath@aimsampcapital.com

Joanne Loh

Asst Fund Manager / Investor Relations

Tel: + 65 6309 1057

Email: jloh@aimsampcapital.com



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