



AIMS AMP CAPITAL INDUSTRIAL REIT

Rights Issue to raise gross proceeds of
approximately S\$100.0 million

14 February 2014



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Important notice

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Note:

- (1) Eligible Unitholders are Unitholders with Units standing to the credit of their securities account with CDP (but do not include securities sub-accounts) ("Securities Account") and (a) whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents and (b) such Unitholders who the Manager, on behalf of AACI REIT, and in consultation with the Joint Bookrunners and Underwriters determine, may be offered rights units without breaching applicable securities laws

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KEY TERMS OF THE RIGHTS ISSUE

Key Terms of the Rights Issue

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Offer structure	<ul style="list-style-type: none"> • Renounceable, underwritten Rights Issue • Gross proceeds of c. S\$100m • Rights ratio: 7 rights units for every 40 existing AACI REIT Units
Issue price	<ul style="list-style-type: none"> • S\$1.08 per rights unit, representing a discount of: <ul style="list-style-type: none"> • c.20.9% to theoretical ex-rights price of S\$1.365 ("TERP") • c.23.7% to closing price of S\$1.415 as of 14 Feb 2014⁽¹⁾
Sponsors and Substantial Unitholders' Undertaking	<ul style="list-style-type: none"> • AIMS Financial Group: 6.80% • AMP Capital⁽²⁾: 8.98% • Dragon Pacific: 11.54% • AACI REIT Manager: 0.26% • AACI Property Manager: 0.22% <p>27.80%</p>
Joint Global Lead Coordinators	 
Joint Bookrunners and Underwriters	  

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Note:

(1) Last trading day of the Units prior to the announcement of the Rights Issue

(2) Including Parangool Pty Limited (a fund managed by AMP Capital Investors Limited)

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Use of Proceeds

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- **Gross proceeds of approximately S\$100.0 m**
 - Approximately S\$80.0 m will be used to fund:
 - Asset enhancement initiatives (AEIs) in Singapore, including redevelopment projects for properties located in Singapore;
 - Development projects in Singapore; and/or
 - Third party acquisitions in Singapore, if any.
 - Approximately S\$17.2 m will be used to pay down AACI REIT's outstanding borrowings and for general corporate and working capital; and
 - Approximately S\$2.8 m will be used to pay for the estimated fees and expenses, incurred or to be incurred by AACI REIT in connection with the Rights Issue.
 - Pending deployment of the proceeds, AACI REIT may use the Rights Issue proceeds to repay outstanding borrowings. Any debt repaid will be Singapore dollar denominated debt

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KEY BENEFITS AND RATIONALE

Key Benefits and Rationale

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1 Funding Our Growth

Delivery on Our Strategy

> 2

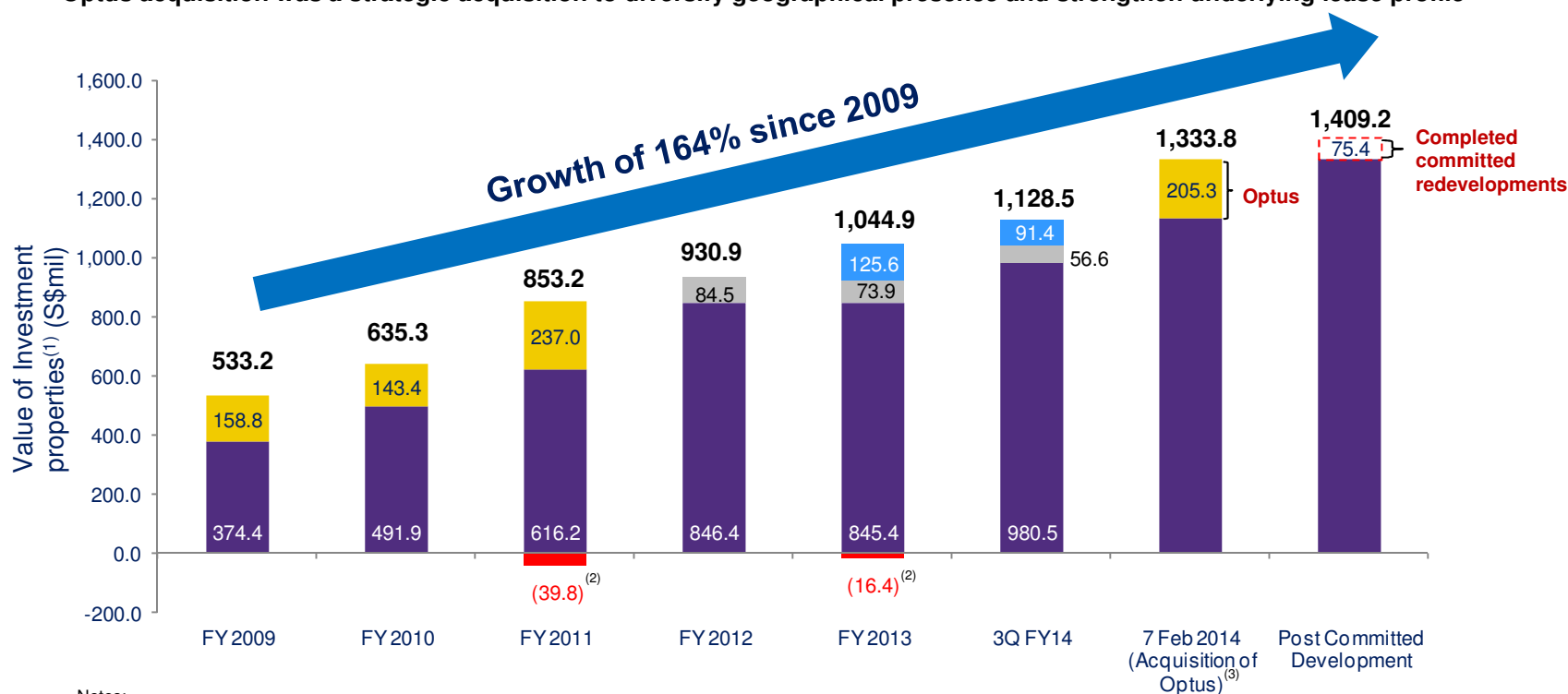
Demonstrated track record in delivering on our strategy successfully

Growth from Prudent Acquisitions

Strategic Divestment and Capital Recycling to Better Quality Assets

Growth from Expanded Redevelopment Strategy

- Immediate focus will be to execute redevelopment initiatives
- Optus acquisition was a strategic acquisition to diversify geographical presence and strengthen underlying lease profile



Notes:

(1) Includes investment properties under development

(2) Based on sale price

(3) Based on pro forma figures as at 31 December 2013 (3QFY14)

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Existing portfolio

Acquisition

Properties under development

Completed redevelopment

Divestment



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1 Funding Our Growth

Completed redevelopment of Phase 1 and 2, 20 Gul Way, Singapore

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Phase 2

- TOP was granted on 7 May 2013
 - 7 months ahead of schedule and on budget
- Income contribution in September 2013 quarter – boosting DPU
- Valuation of S\$91.4m
 - Profit recognised of S\$10.9m

Phase 1

- TOP was granted on 29 October 2012
 - 4 weeks ahead of schedule and on budget
- Income contribution in March 2013 quarter – boosting DPU
- Valuation of S\$125.6m
 - Profit recognised of S\$14.2m



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1 Funding Our Growth

Growth from Expanded Redevelopment Strategy – 20 Gul Way

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	Prior to redevelopment	Redevelopment Phase 1 and 2	Further development Phase 2E and 3
Property			
Valuation	S\$41.8 m ⁽¹⁾	S\$217.0 m ⁽²⁾	Additional S\$89.4 m ⁽³⁾
Annual Rental Income	S\$3.6 m ⁽¹⁾	S\$16.3 m	Additional S\$6.3 m ⁽⁴⁾
Plot Ratio	0.46	1.4	2.0 ^{(5),(6)}
Gross Floor Area (GFA)	378,064 sqft	Approx. 1,159,536 sqft	Additional approx. 496,944 sqft
Profit Margin		13.4%	15.9%
NPI yield		8.3% (on development cost) 7.3% (on valuation)	8.2% (on development cost) 8.3% (on development cost, excluding non cash cost)

Notes:

(1) As at 31 March 2011.

(2) CBRE Pte. Ltd.'s valuation dated 30 September 2013.

(3) CBRE Pte. Ltd.'s valuation dated 15 April 2013 on an "as-if-complete" basis.

(4) Rental income net of additional unrecovered Land Rent at the property.

(5) In principle approval received from URA to rezone the plot ratio at 20 Gul Way from the existing 1.4 to 2.0. Please refer to the announcement dated 16 April 2013.

(6) Land rent revised to prevailing market land rent payable at plot ratio 2.0 under area West of Sungei Lanchar.

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Development Progress

- Expect TOP Dec 2014
- Expect income contribution in March 2015 quarter
- Phase 2E is 45% complete and progressing within budget

1 Funding Our Growth

Current Committed Development Pipeline – Redevelopment of 103 Defu Lane 10

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	Prior	Post Redevelopment
Property		
Valuation	S\$12.0 million ⁽¹⁾	S\$42.6 million ⁽²⁾
Annual Net Rental Income	S\$1.21 million ⁽³⁾	Approximately S\$2.15 million from the committed anchor tenant occupying 76% of the lettable area Expect net rental income to increase as balance of lettable area (24%) is leased out
Plot Ratio	1.2	2.5
Gross Floor Area (GFA)	97,367 sqft	Approx. 202,901 sqft
Profit Margin		14.0%

Notes:

- 13 (1) As at 30 September 2012
(2) Based on Colliers International Consultancy and Valuation (Singapore) Pte Ltd's valuation dated 25 January 2013
(3) Annual Net Rental Income for FY2012

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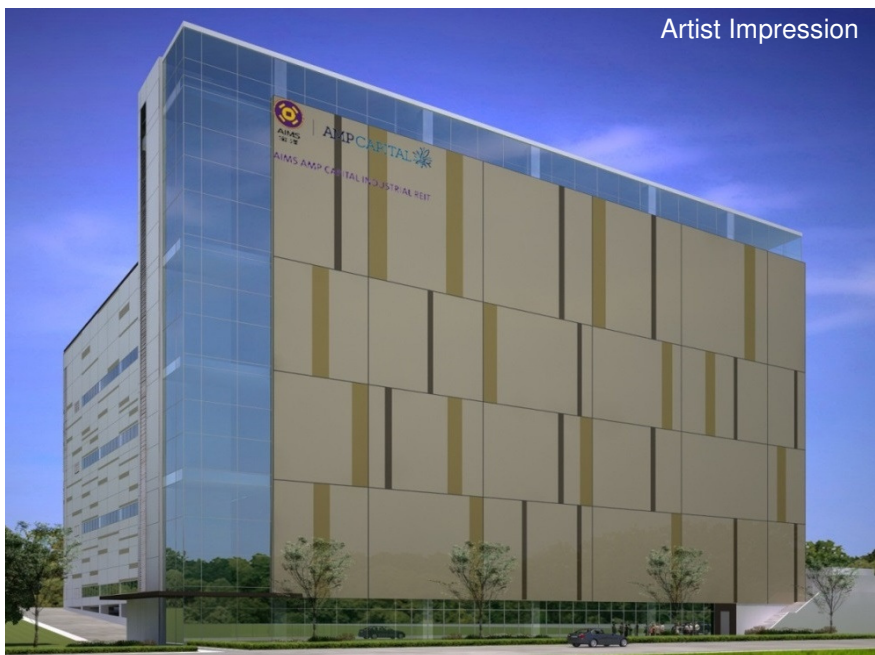
1 Funding Our Growth

Current Committed Development Pipeline – Redevelopment of 103 Defu Lane 10

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Development Progress

- Expect TOP May 2014
- Expect income contribution in September 2014 quarter
- Construction is 75% complete and progressing according to schedule and within budget



Artist Impression



Actual Photo

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Funding Our Growth

Potential opportunities within AACI REIT's portfolio

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A large proportion of current portfolio remains unutilised; with select organic opportunities available to AACI REIT



10 Soon Lee Rd



3 Tuas Avenue 2



8 Senoko South Rd



10 Changi South Lane



541 Yishun Industrial Park A



2 Ang Mo Kio St 65



3 Toh Tuck Link



7 Clementi Loop



11 Changi South St 3



8 and 10 Tuas Ave 20

Potential untapped GFA

≈ 801,308 sqft

≈ 12.9% of current GFA⁽¹⁾

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Notes:

(1) Excluding development of 20 Gul Way Phase 2E and 3, redevelopment of 103 Defu Lane 10 and acquisition of a 49% interest in Optus Centre, Sydney, Australia on 7 February 2014



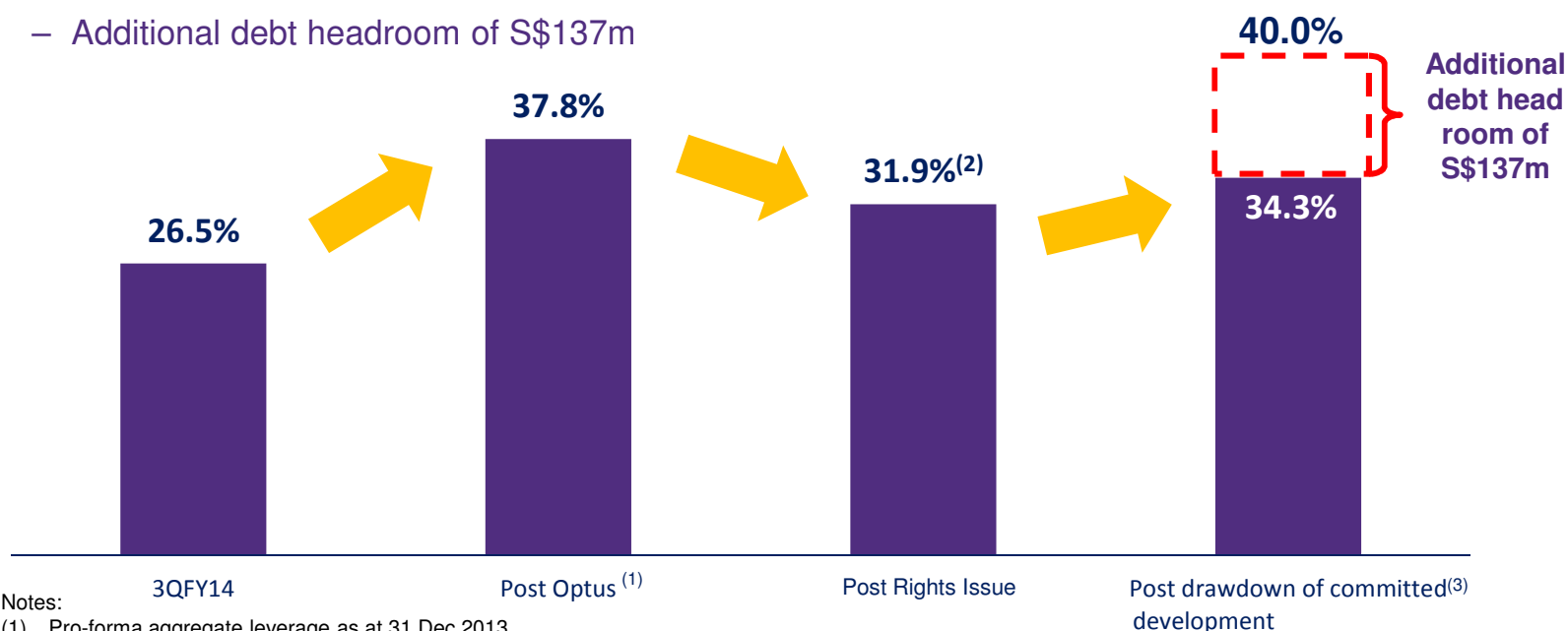
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2 Strong Balance Sheet and Enhanced Financial Flexibility

Maintaining our long term gearing target

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- Current capital raising is from a position of strength
- AAREIT has maintained gearing at average of 30% for 17 consecutive quarters (3QFY10 – 3QFY14)
 - Target leverage between 30% - 40%
- Assuming Rights Issue is used to pay down debt, our pro-forma gearing will be 34.3%, including committed development spend
 - Balance sheet still at robust level
 - Additional debt headroom of S\$137m



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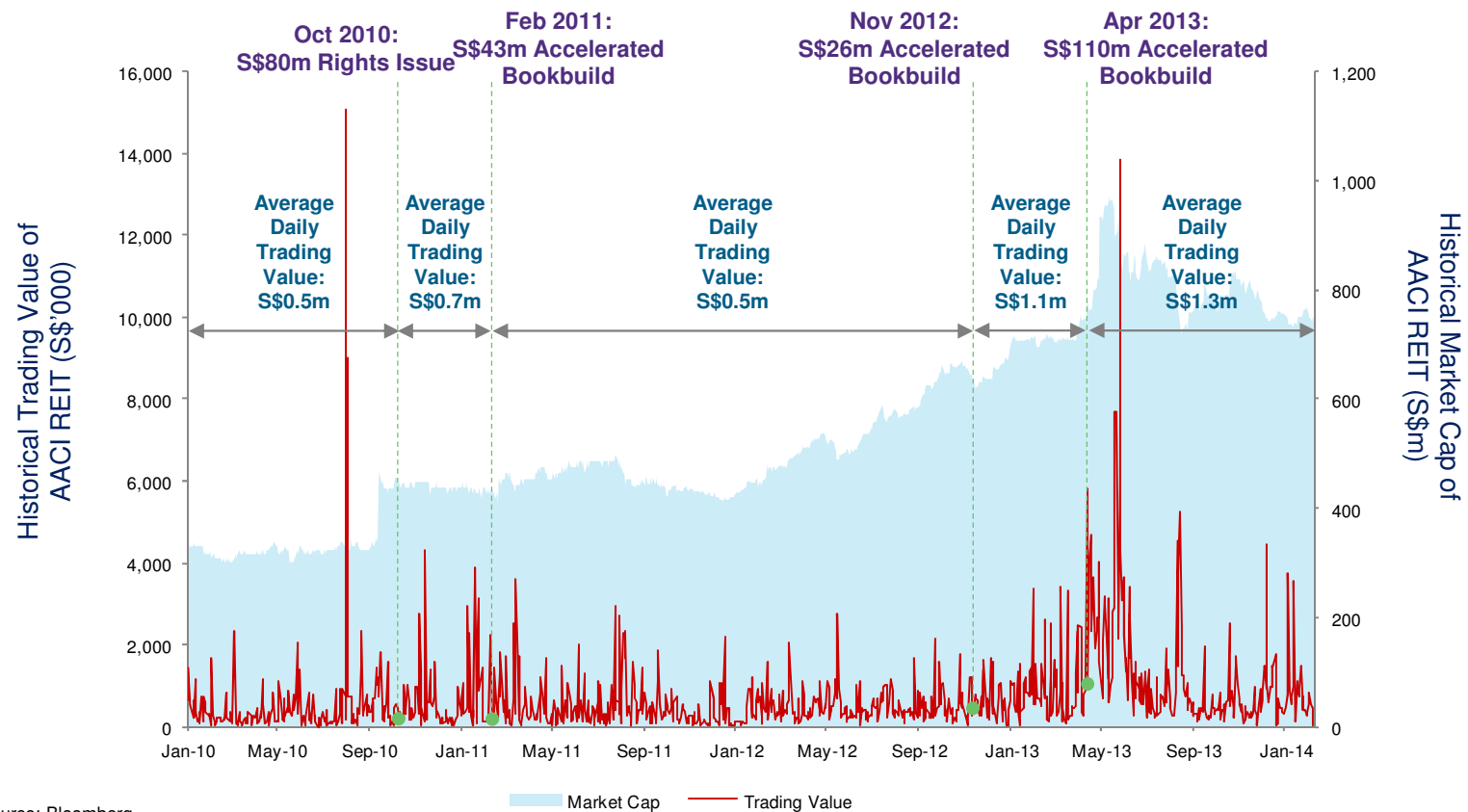


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3 Enhance Market Capitalisation and Liquidity

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- AACI REIT's equity raisings in the last 3 years have helped to promote liquidity
- Trading value has increased 1.5x since the first follow-on offering in 2010



17 Source: Bloomberg

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4 Commitment and Support

Sponsors and largest Unitholder

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- Our Sponsors, largest Unitholder and Manager have undertaken to subscribe for their respective pro-rata entitlements



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Dragon Pacific



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AACI REIT Manager

Continued commitment to support AACI REIT – 27.8%

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Note:

(1) Including Parangool Pty Limited (a fund managed by AMP Capital Investors Limited)

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5 Opportunity to Subscribe at a Discounted Price

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- Unitholders will be able to participate in the Rights Issue on a pro-rata basis
 - Eligible unitholders who do not wish to subscribe for the rights units may choose to sell their rights entitlements during the rights entitlements trading period
 - Rights units will rank *pari passu* with existing Units and will be entitled to receive March quarter distributions
- Rights units are offered at discounted price of:
 - 23.7% discount to closing price of S\$1.415
 - 20.9% discount to TERP of S\$1.365

> 3

STRATEGY AHEAD

Strategy Ahead

> 3

Yield accretive initiatives in Singapore

Focus on successful delivery of current redevelopment initiatives

Evaluation of further redevelopment / AEI opportunities in Singapore

Continued evaluation of yield accretive acquisition opportunities in Singapore

Intensive asset and leasing management

Active lease management to achieve positive rental reversions

Unlocking value of selected asset(s) within the portfolio through asset enhancement

Maintenance of high occupancy rates

Prudent capital and risk management

Prudent capital management by splitting of debt maturities. Target leverage between 30% - 40%

Maintaining stable DPU

Maintenance of investment grade rating

> 4

INDICATIVE DATES FOR RIGHTS ISSUE

Indicative Timetable⁽¹⁾

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Books closure date	24 February 2014 at 5.00pm
Commencement of trading of rights entitlements	27 February 2014 from 9.00am
Last date and time for trading of rights entitlements	7 March 2014 at 5.00pm
Last date for acceptance of the rights entitlements and payment for the rights units	13 March 2014 at 5.00pm⁽²⁾
Last date and time for application and payment for excess rights units	13 March 2014 at 5.00pm⁽²⁾
Expected date and time of commencement of trading of rights units	21 March 2014 from 9.00am

Notes:

(1) All dates are indicative and set out for reference only

(2) 9.30pm for electronic applications through ATMs of Participating Banks.



Thank you

For enquiries, kindly contact:

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