



AIMS AMP CAPITAL INDUSTRIAL REIT

6th ANNUAL GENERAL MEETING PRESENTATION

29 July 2015



AMPCAPITAL

Important notice

Disclaimer

This Presentation is focused on comparing actual results for the financial period from 1 April 2014 to 31 March 2015 (“FY2015”) and 1 April 2015 to 30 June 2015 (“1Q FY2016”) 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 (“AA REIT” or the “Trust”) results for FY2015 and 1Q FY2016 as per the SGXNet Announcement.

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HIGHLIGHTS FOR FY2015

Highlights for FY2015

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Active portfolio management driving higher distributions

- Net property income and Distribution to Unitholders for FY2015 increased by 11.3% and 21.0% respectively compared to FY2014.
- DPU for FY2015 of 11.07 cents, a 5.1% increase over FY2014 DPU of 10.53 cents.

Leasing renewals

- 82 new and renewal leases for FY2015, representing 93,109.6 sqm (15.1% of the current net lettable area of the portfolio) at a weighted average rental increase of 10.1% on the renewals
- Maintained high occupancy of 95.8% which is above the industrial average of 90.7%.

Developing a higher value portfolio

- Asset enhancement initiative at 26 Tuas Ave 7, providing a return on investment of 10% and extension of lease from the tenant from year 2017 to year 2022
- Completion of redevelopments at 20 Gul Way and 103 Defu Lane 10
- Asset enhancement initiative at 1 Kallang Way 2A, increasing net lettable area by 13% and improving efficiency from 76% to 83.1%

Highlights for FY2015

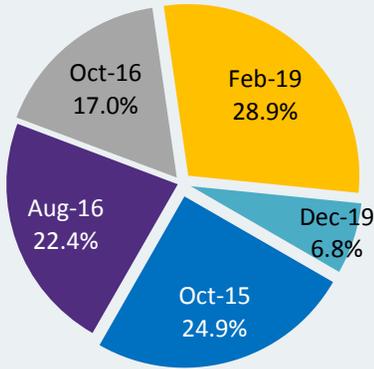
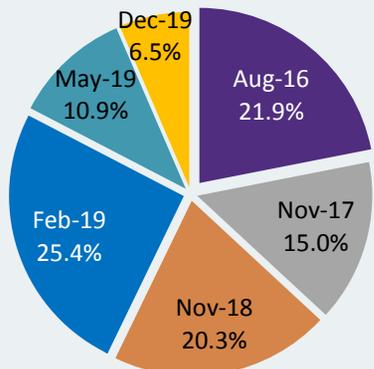
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Prudent capital management

- Aggregate leverage of 31.4% (average of approximately 30% for 22 consecutive quarters)
- Issuance of third series of fixed rate notes (S\$50 million of 5 years) at attractive rate of 3.80%
- Secured new refinancing arrangement for Singapore secured borrowings at a significantly reduced interest cost and improved the Trust's weighted average debt maturity profile from 3.1 years to 3.2 years as at 31 March 2015, with 86.2% of debt on fixed interest rate
- Unencumbered assets increased to 13 properties with total value at S\$529.1 million, which was about 42.9% of the Singapore portfolio of S\$1.23 billion as at 31 March 2015

Strengthened Capital Structure

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	31 March 2014	31 March 2015
Broad banking relationships	6 regional and foreign banks	6 regional and foreign banks
Diversified source of funding	Secured bank debt and unsecured medium term notes	Secured bank debt and unsecured medium term notes
Increased debt maturity profile	3.1 years	3.2 years
Increased split debt maturities (% of total debt)		
Increased unencumbered assets	8 assets valued at S\$226.1 million ¹	13 assets valued at S\$529.1 million ²
Improved debt covenant	Aggregate leverage – 50% Interest cover ratio – 2.5 times	Aggregate leverage – 55% Interest cover ratio – 2.0 times

¹ Based on 31 March 2014 valuation appraised by Knight Frank Pte Ltd and Colliers International Consultancy and Valuation (Singapore) Pte Ltd

² Based on 31 March 2015 valuation appraised by Knight Frank Pte Ltd and Colliers International Consultancy and Valuation (Singapore) Pte Ltd

Newly Developed 20 Gul Way

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Property Details

Description	5 storey ramp up warehouse
Gross Floor Area	1,656,496 sq ft
Valuation (31/3/15)	S\$303.6 million

Lease Details

Master Tenant	CWT Limited
Annual Rental	S\$22.2 million
Rent Escalation	2% per annum

Unlocking value within Portfolio: 20 Gul Way

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	Prior to redevelopment	Redevelopment Phase 1 & 2	Development Phase 2E & 3
Property	10 single storey buildings	Five storey ramp up warehouse (completed in two Phases)	Extension to Phase 2 (Phase 2E) and new warehouse connected to the existing ramp (Phase 3)
Valuation	S\$41.8 m ¹	S\$217.0 m ²	Additional S\$89.4 m ²
Annual Rental Income	S\$3.6 m ¹	S\$16.3 m	Additional S\$5.9 m ³
Plot Ratio	0.46	1.4 (max)	2.0 ^{4,5}
Land Area	828,248 sqft	828,248 sqft	828,248 sqft
Gross Floor Area (GFA)	378,064 sqft	1,159,547 sqft	Additional 496,949 sqft
Lease Term	Enviro-Metals (Master Tenant)	CWT Limited (Master Tenant)	CWT Limited (Master Tenant)
Profit		S\$25.7 million	S\$16.4 million
Profit Margin		13.4%	22.4%
NPI yield (based on development cost)		8.3%	8.1%

1. As at 31 March 2011.
2. Based on Colliers International Consultancy & Valuation (Singapore) Pte Ltd's valuation dated 30 September 2014
3. Rental income net of additional unrecovered Land Rent at the property.
4. The plot ratio at 20 Gul Way was rezoned from the existing 1.4 to 2.0. Please refer to the announcement dated 16 April 2013.
5. Land rent revised to prevailing market land rent payable at plot ratio 2.0 under area West of Sungei Lanchar.

Unlocking value within the Portfolio : 103 Defu Lane 10

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103 Defu Lane 10

- TOP was granted on 28 May 2014
 - On time and on budget
- Income contribution in September 2014 quarter
 - Boosting DPU
- Valuation of S\$42.6 million
 - Profit recognised of S\$8.9 million



Summary Financials update

	Per 28 Jan 2013 announcement (S\$ million)	Actual Achieved (S\$ million)
1. Gross development value upon completion	42.6 ¹	42.6 ²
2. Project development cost	(25.4)	(21.7)
3. Land cost ³	(12.0)	(12.0)
4. Profit	5.2	8.9
5. Profit margin	14.0%	26.4%
6. Yield on cost		8.4%

¹ Based on Colliers International Consultancy and Valuation (Singapore) Pte Ltd's valuation dated 25 January 2013

² Based on Knight Frank Pte Ltd's assessment dated 30 September 2014

³ Based on Cushman & Wakefield VHS Pte Ltd's valuation dated 30 September 2012

Execution of Asset Enhancement Initiatives: 26 Tuas Ave 7

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Proposed AEI

- Creating additional warehouse space
- Addition of production line

Benefits of the AEI

- Extends master lease for further term of 5 years till 18 April 2022, with rental escalation in 2017, 2019 and 2021
- Return of investment of 10%



Execution of Asset Enhancement Initiatives: 1 Kallang Way 2A

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Proposed AEI

- Convert existing common areas to lettable area
- Deck over void area between level 4 and 5 to create 2 separate floors
- Repainting of facade

Before



Benefits of the AEI

- Improve traffic circulation at driveway
- Improve efficiency to 83.1% from 76.0%
- Increase net lettable area by 8,400 sqft (13%)

After



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1Q FY2016 FINANCIAL RESULTS

Highlights for 1Q FY2016

> 2

Active portfolio management driving higher distributions

- Gross revenue and net property income for 1Q FY2016 increased by 10.7% and 3.7% respectively compared to a year ago.
- Distribution to Unitholders in 1Q FY2016 increased by 10.0% y-o-y to S\$17.4 million.
- DPU performance: 2.75 cents per Unit for the quarter (increase of 7.8% y-o-y from 2.55 cents per Unit).

Leasing renewals

- 15 new and renewal leases in 1Q FY2016, representing 24,013.4 sqm at a weighted average rental increase of 5.9% on the renewals.
- Maintained high occupancy of 96.1% which is above the industrial average of 91.0%.

Developing a higher value portfolio

- Redevelopment of 30 & 32 Tuas West Road
 - ✓ 100% pre-commitment to a quality tenant
 - ✓ Increase plot ratio from 1.15 to 2.07
 - ✓ Increase annual rental income to S\$4.15 million from S\$0.82 million and is being valued at S\$60.7 million upon completion

Highlights for 1Q FY2016

> 2

Prudent capital management

- Standard & Poor's reaffirmed BBB- investment grade rating due to the Trust's stable leverage and financial strength.
- The Trust's proportion of debt on fixed interest rates increased from 86.2% to 96.1% q-o-q with weighted average debt maturity profile of 2.9 years.
- Overall blended funding cost (including funding of the Australian asset with Australian dollar loan) decreased from 4.53% to 4.20% q-o-q.
- Aggregate leverage decreased from 31.4% to 31.2% q-o-q in 1Q FY2016 (average of approximately 31% for > 6 years).

Results for 1Q FY2016

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	1Q FY2016 S\$'000	4Q FY2015 S\$'000	Q-o-Q %	1Q FY2015 S\$'000	Y-o-Y %
Gross Revenue	30,296	30,091	0.7	27,360	10.7
Net Property Income	20,205	20,312	(0.5)	19,493	3.7
Share of results of joint venture (net of tax)¹	3,655	3,363	8.7	3,722	(1.8)
Distribution to Unitholders²	17,441	18,365	(5.0)	15,849	10.0
DPU (cents)	2.75	2.92	(5.8)	2.55	7.8
DPU yield³ (%)	7.33				

¹ The share of results of joint venture (net of tax) comprised of the contribution from the Group's 49.0% interest in Optus Centre, which is located in Macquarie Park, NSW, Australia.

² The Manager resolved to distribute S\$17.4 million for 1Q FY2016, comprising (i) taxable income of S\$16.1 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.5 million and capital distribution of S\$0.8 million from distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 1Q FY2016, the Manager has resolved to distribute 99.6% of the Singapore taxable income available for distribution to the Unitholders.

³ Based on closing price of S\$1.50 on 28 July 2015 and annualised DPU of 11.00 cents. Annualised DPU is computed based on actual DPU payout for 1Q FY2016 and annualised to full year.

Balance Sheet

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	30 June 2015	31 March 2015
Total Assets (S\$'M)	1,455.2	1,458.3
Comprising (S\$'M):		
- Investment properties	1,235.1	1,233.5
- Joint venture	201.9	204.9
- Trade and other receivables	11.1	9.6
- Derivative financial instruments	0.3	0.2
- Cash at banks and in hand	6.8	10.1
Total Liabilities (S\$'M)	489.7	496.2
Net Assets (S\$'M)	965.5	962.1
NAV per Unit (S\$)	1.52	1.52
Total Debt ¹ (S\$'M)	454.5	457.2
Aggregate Leverage (%)	31.2	31.4

¹ Excluding unamortised loan transaction costs.

Key financial metrics

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	1Q FY2016	4Q FY2015
Appraised Value of Property Portfolio	S\$1,437.1million ²	S\$1,438.1million ¹
Market Capitalisation ³	S\$951.3 million	S\$956.0 million
NAV per Unit	S\$1.52	S\$1.52
Premium / (Discount) to NAV ³	(1.3)%	0.0%
Aggregate Leverage ⁴	31.2%	31.4%
Interest Cover Ratio ⁵	4.8 times	4.4 times
Weighted Average Debt Maturity	2.9 years	3.2 years

¹ Singapore portfolio is based on valuation as at 31 March 2015 appraised by Knight Frank Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd. Optus Centre, Macquarie Park, NSW, Australia is based on 49% interest in the property appraised by Savills Valuations Pty Ltd as at 31 December 2014 and adopted by the Directors as at 31 March 2015.

² Based on valuation as at 31 March 2015 and capitalised capital expenditure.

³ Based on the closing price per unit of S\$1.50 on 28 July 2015 and S\$1.52 on 28 April 2015.

⁴ Total debt as a % of total assets.

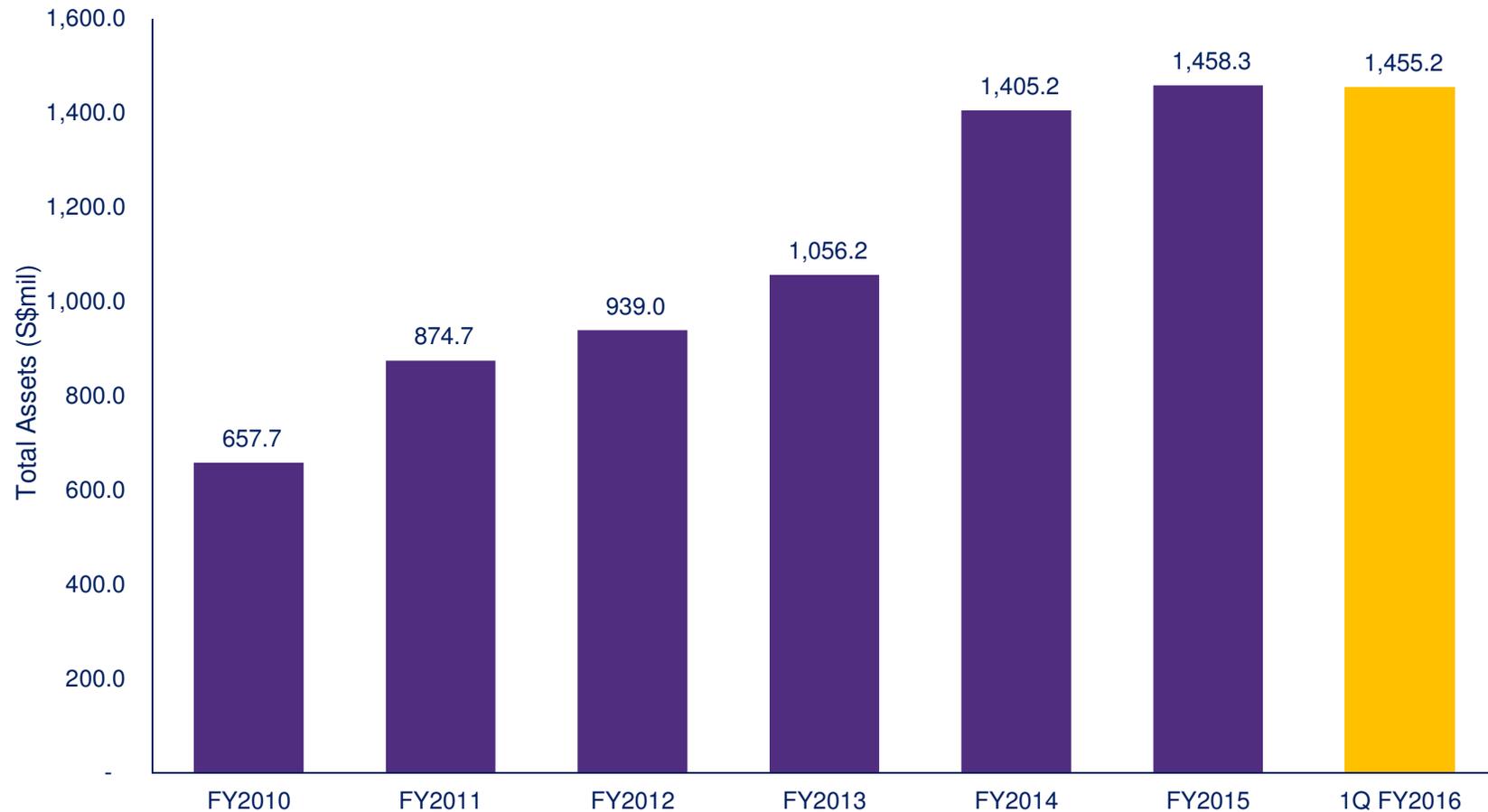
⁵ Based on improved new bank covenant of at least 2.0 times from 2.5 times previously.

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PORTFOLIO PERFORMANCE

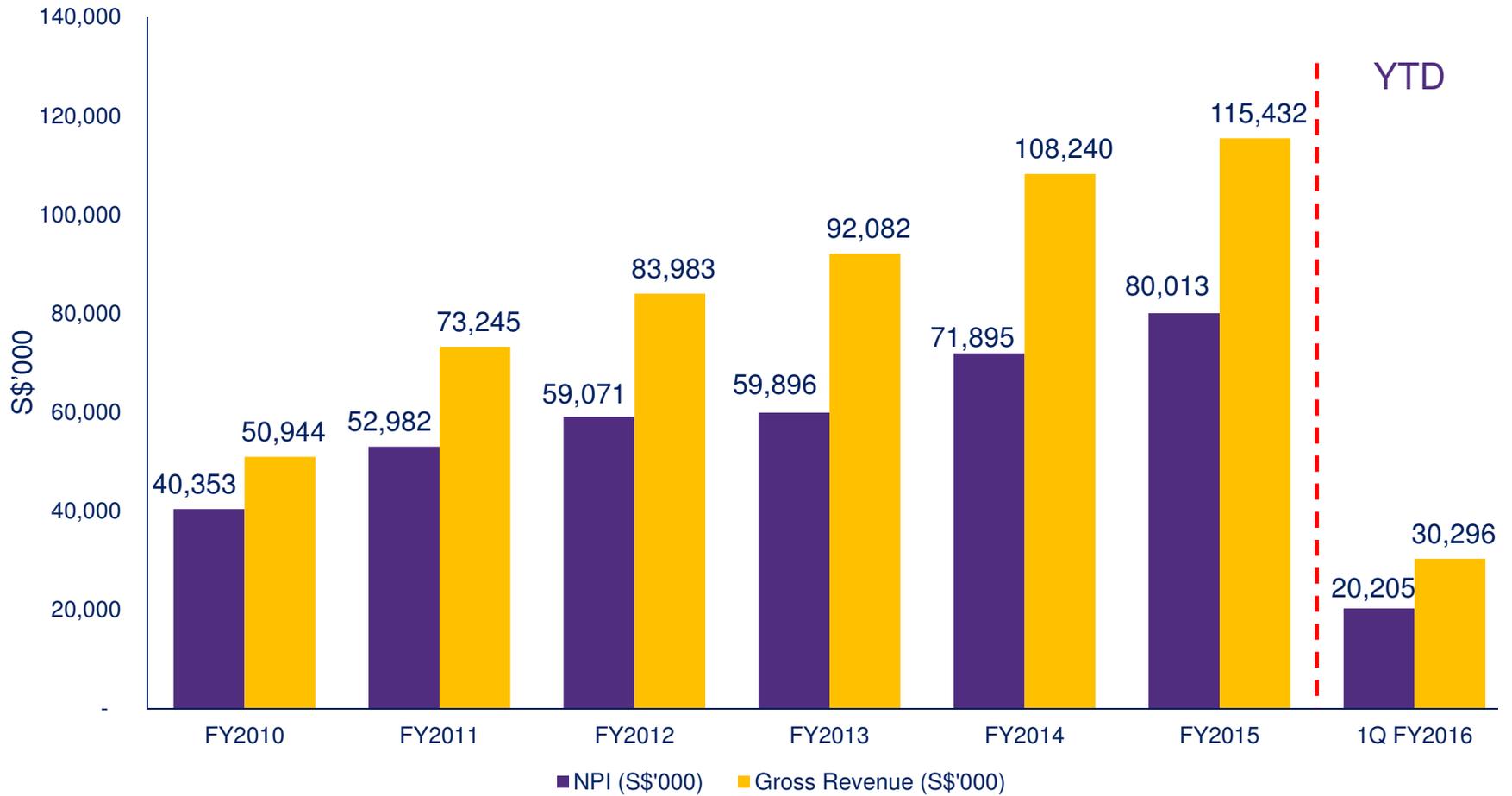
Total assets since 2009

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Revenue performance since 2009

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Key portfolio statistics

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	As at 30 June 2015	As at 31 March 2015	As at 19 April 2007 (Listing)
Number of Properties	26	26	12
Appraised Value (S\$ million)	1,437.1 ²	1,438.1 ¹	316.5
Net Lettable Area (sq m)	607,521.5 ³	617,837.2 ⁴	194,980.7
Number of Tenants	147 ³	155	12
Portfolio Occupancy (%)	96.1 ³	95.8 ⁴	100.0
Weighted Average Lease Expiry (WALE) (years)	3.11 ³	3.26	6.7
Weighted Average Land Lease Expiry (years)	40.0 ⁵	40.3 ⁵	47.8
Location of Properties	Singapore, Australia	Singapore, Australia	Singapore

¹ Singapore portfolio is based on valuation as at 31 March 2015 appraised by Knight Frank Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd. Optus Centre, Macquarie Park, NSW, Australia is based on 49% interest in the property appraised by Savills Valuations Pty Ltd as at 31 December 2014 and adopted by the Directors as at 31 March 2015.

² Based on valuation as at 31 March 2015 and capitalised capital expenditure.

³ Excludes redevelopment of 30 & 32 Tuas West Road

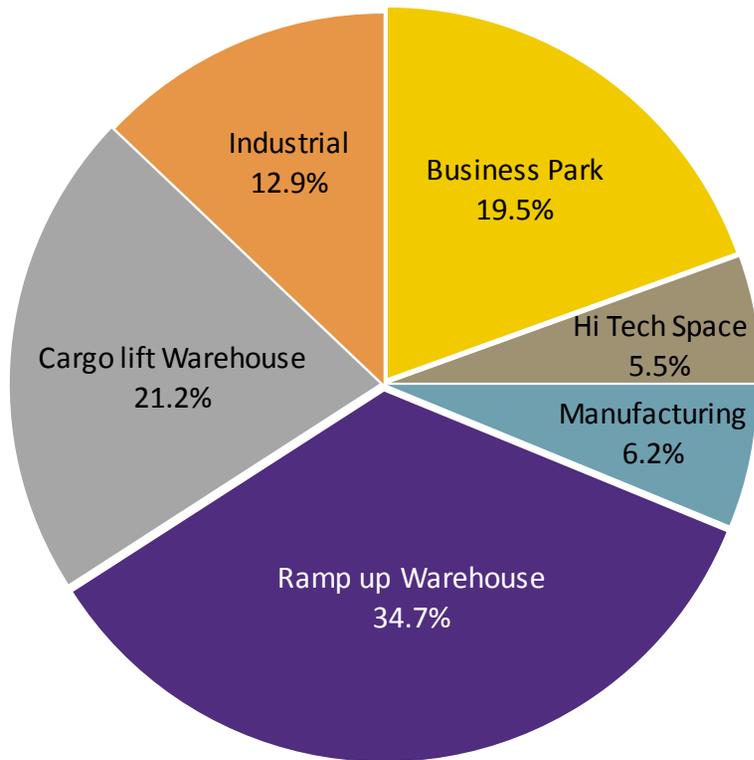
⁴ Excludes asset enhancement initiative of 1 Kallang Way 2A.

⁵ For the calculation of the weighted average land lease, AA REIT's interest in the freehold property, Optus Centre has been assumed as a 99-year leasehold interest.

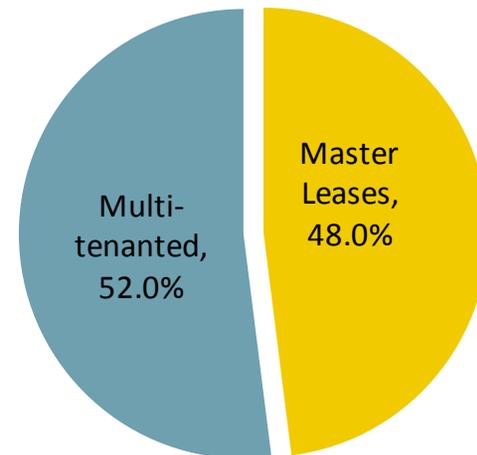
Portfolio breakdown

By 1Q FY2016 rental income

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Master Leases vs Multi-tenanted



Occupancy

Average security deposit^{1,2}

Total Portfolio ¹ (25 properties)	96.1	4.7 months
Master Leases (9 properties)	100.0	6.9 months
Multi-tenanted (16 properties)	93.2	3.7 months

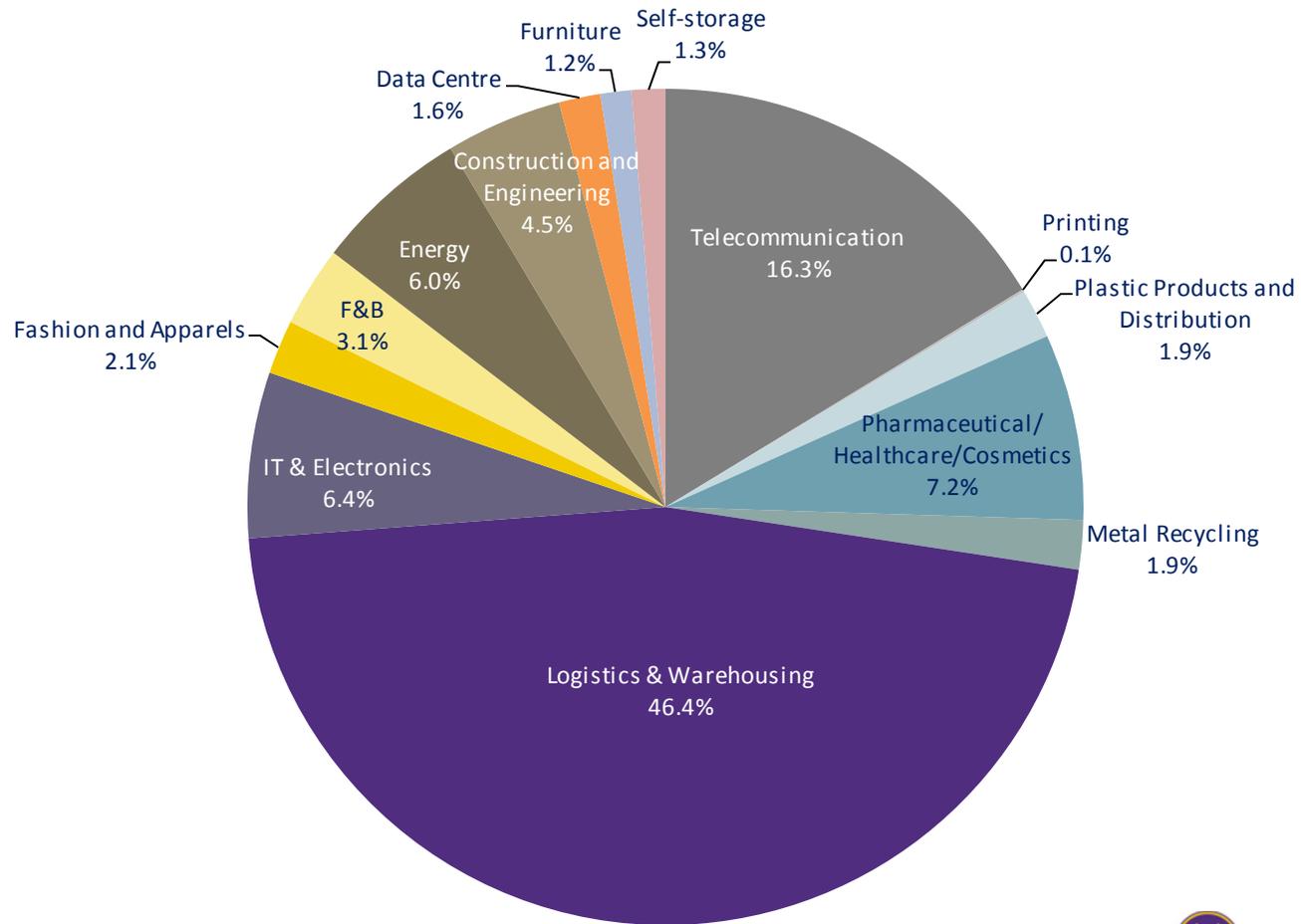
¹ Excluding redevelopment of 30 & 32 Tuas West Road.

² Excluding Optus Centre whose lease is guaranteed by SingTel Optus

Diversification reduces risk

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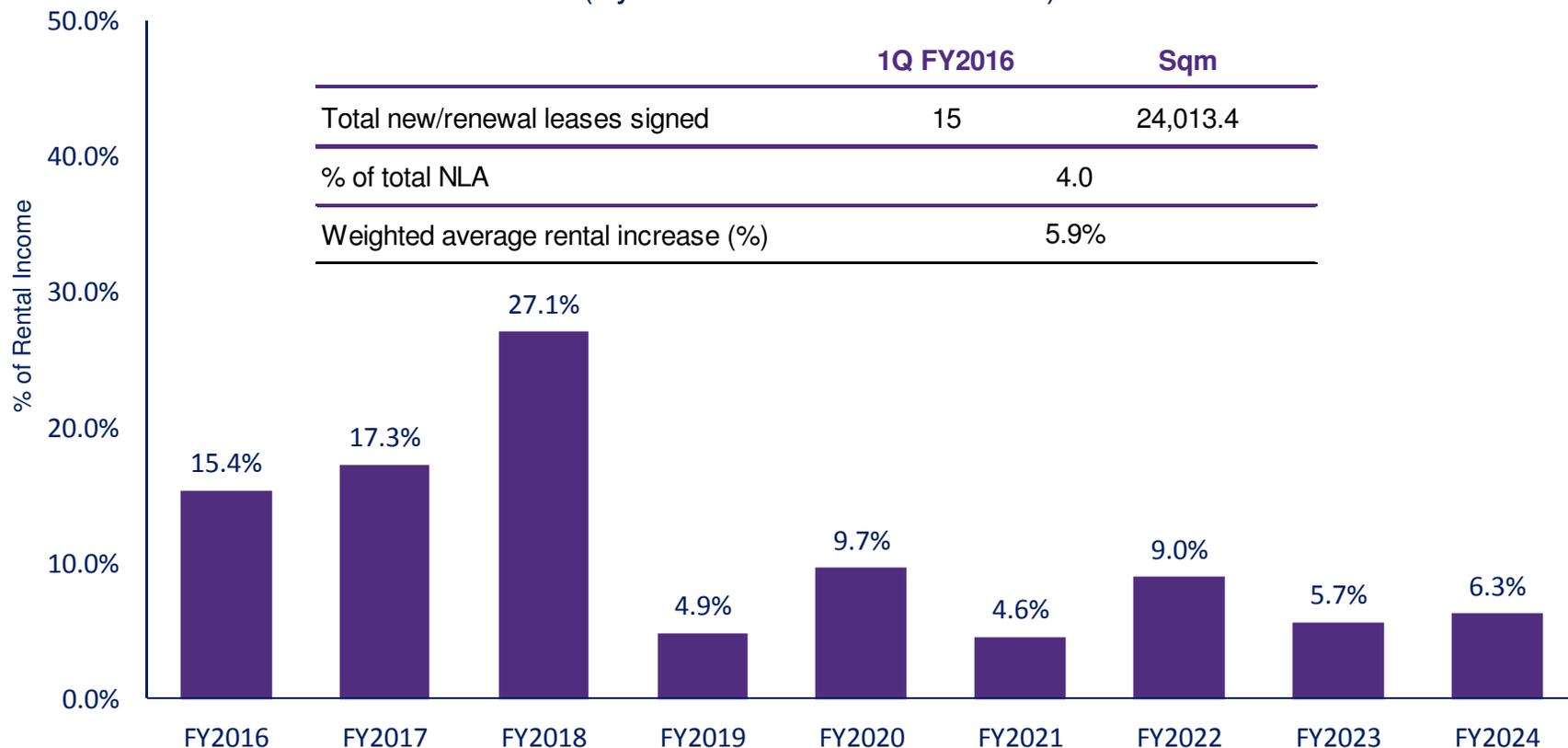
Tenant Base by Industry (By 1Q FY2016 Rental Income)



Active lease management

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Lease Expiry Profile as at 30 June 2015
(By 1Q FY2016 Rental Income)



Note: The lease expiry profile excludes the current leases at 30 & 32 Tuas West Road where the property will be undergoing redevelopment.
Please refer to SGX announcement dated 22 May 2015

Quality tenant base

Top 10 tenants by 1Q FY2016 by rental income

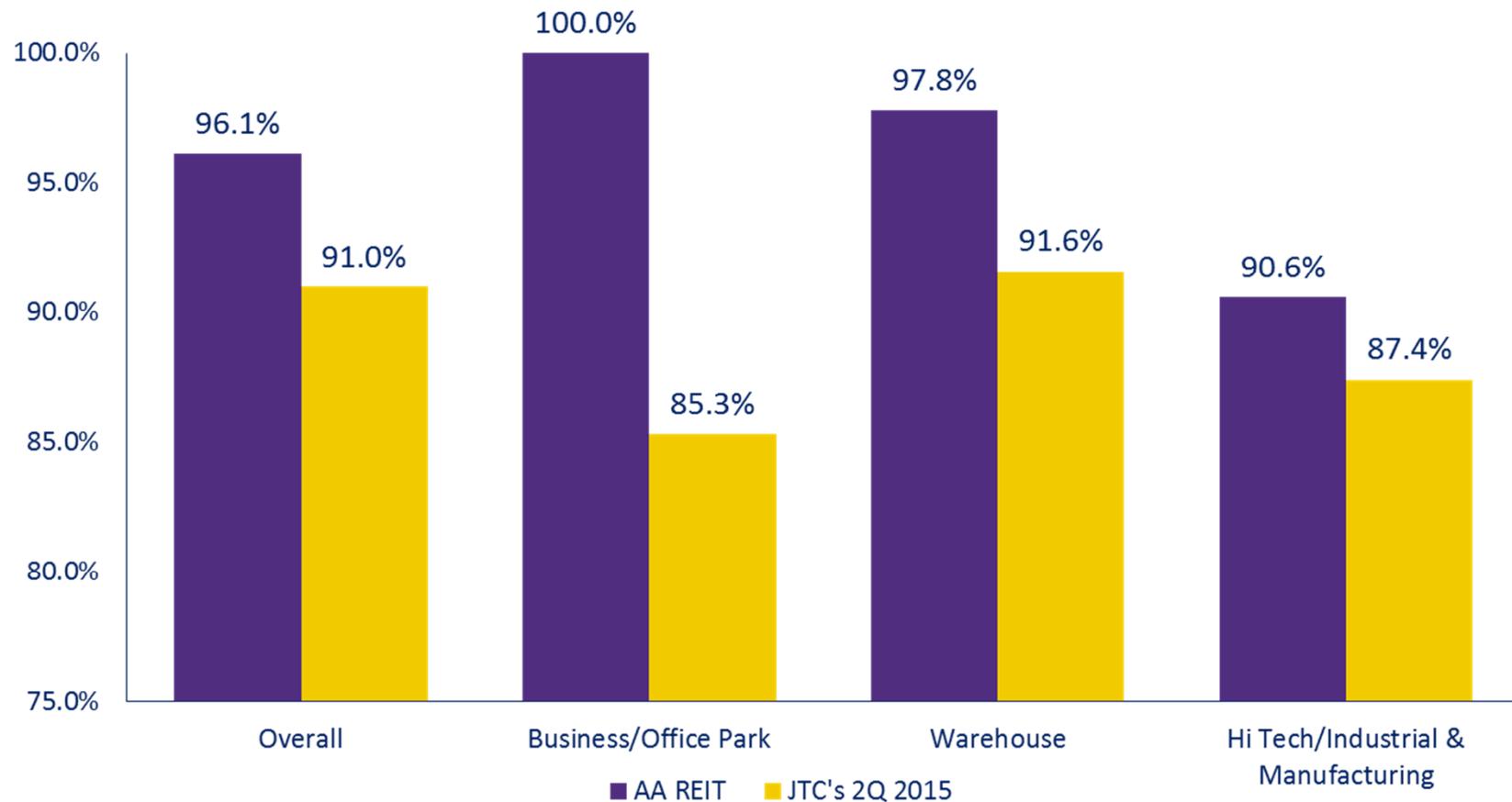
Tenant	%
CWT Limited*	21.4%
Optus Administration Pty Limited*	13.5%
Eurochem Corporation Pte Ltd	6.0%
Schenker Singapore (Pte) Ltd*	3.6%
Illumina Singapore Pte Ltd*	2.8%
FNA Group International	2.5%
LTH Logistics (Singapore) Pte Ltd* (Vibrant Group Limited)	2.3%
Broadcom Singapore Pte Ltd*	2.1%
Enviro-Hub Group*	1.7%
Element14*	1.5%
Top 10 tenants	57.4%

* Listed Groups or subsidiaries of listed entities



Comparisons to Singapore industrial average occupancy levels

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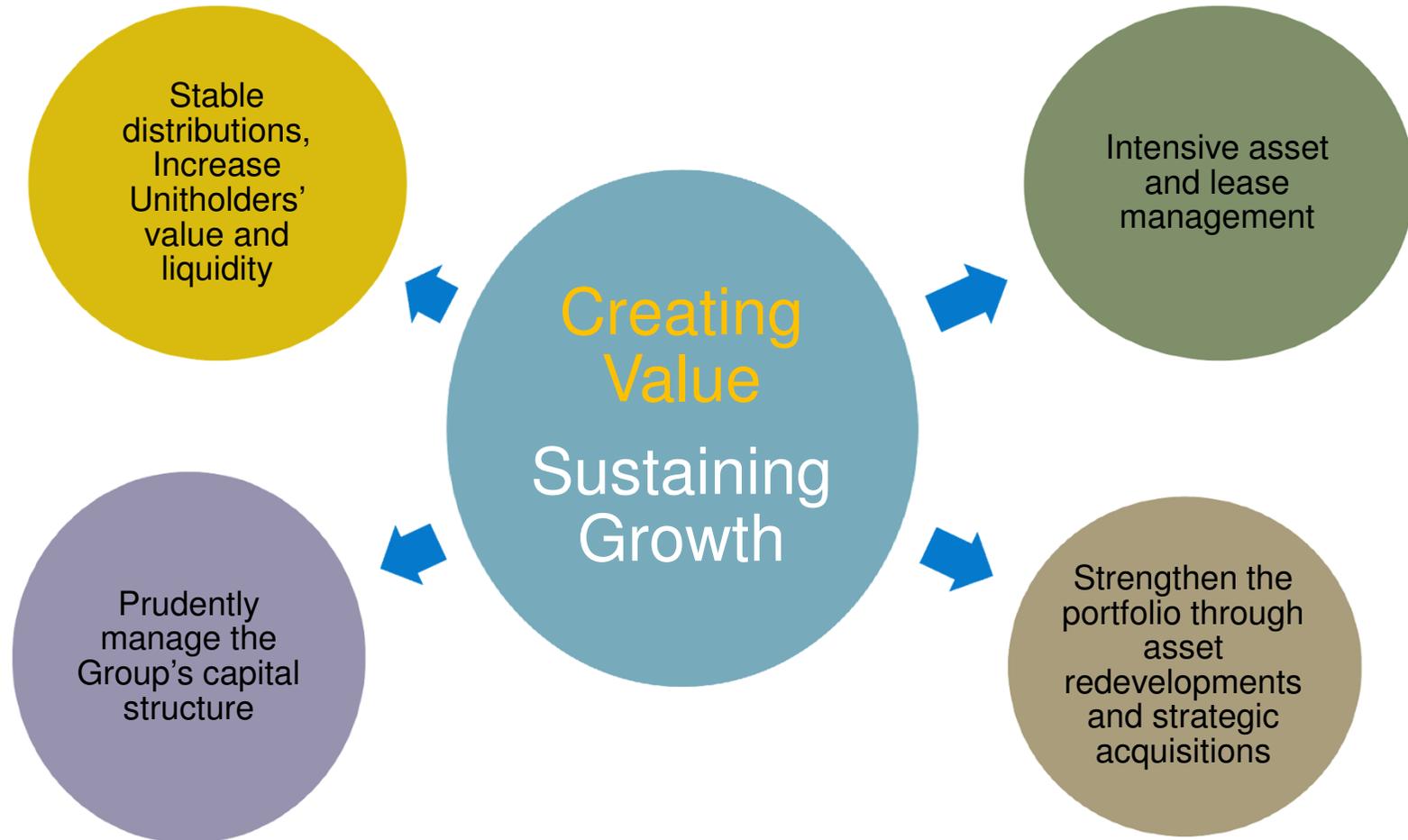
27 Source: Based on JTC's 2nd quarter 2015 statistics.

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STRATEGY

Objectives

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Strategy

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Yield accretive investments

Focus on successful delivery of current developments on time and within budget.

Evaluation of further redevelopment opportunities in Singapore.

Continued evaluation of yield accretive investment opportunities in Singapore and Australia.

Active asset and leasing management

Continual prudent management of lease expiry profile and using this as an opportunity to achieve positive rental reversions.

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

To ensure high occupancy is maintained.

Prudent capital and risk management

Prudent capital management by splitting of debt maturities. Target leverage between 30% - 45%.

Focus on maintaining stable DPU.

Maintenance of investment grade rating.

30 & 32 Tuas West Road – Redevelopment (Before and After)

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Before
Two three-storey detached industrial buildings with an under-utilised plot ratio

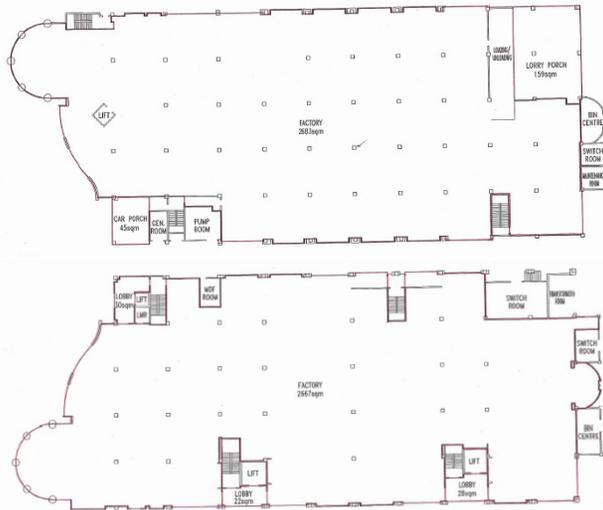


After

Purpose built five-storey ramp-up warehouse facility increasing plot ratio. CWT Limited to take up all five storeys under Master Lease arrangement

30 & 32 Tuas West Road – Redevelopment (Site Plans Before and After)

> 4

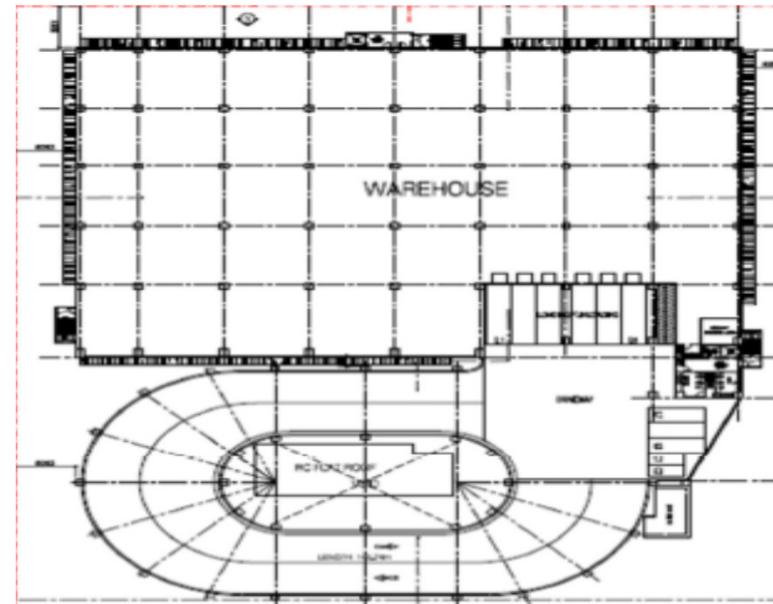


Before

Two three-storey detached industrial buildings with no loading and unloading bays

After

Purpose built five-storey ramp-up warehouse facility with exclusive loading and unloading bays at each level



30 & 32 Tuas West Road – Fact Sheet

> 4

	Prior to redevelopment	Post redevelopment
Property	Two three-storey detached industrial buildings	Five-storey ramp-up warehouse
Valuation	S\$14.1 million ¹	S\$60.7 million ²
Annual Rental Income	S\$0.82 million ³	S\$4.15 million (when completed)
Plot Ratio	1.15	2.07
Land Area	138,801 sqft	138,801 sqft
Gross Floor Area (GFA)	159,717 sqft	Approx. 287,866 sqft
Land Tenure	30+30 years lease wef 1 Jan 96	30+30 years lease wef 1 Jan 96
Lease Term	Multi-tenanted	Master lease

1. Based on Knight Frank Pte Ltd's valuation dated 31 March 2015.

2. Based on Colliers International Consultancy and Valuation (Singapore) Pte Ltd's valuation dated 20 May 2015 on an "as-if-complete" basis.

3. Annual Rental Income for FY2015.

30 & 32 Tuas West Road – Summary Estimated Financials

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		S\$ million
1	Gross development value upon completion ¹	60.7
2	Project redevelopment cost	(41.7)
3	Land cost ²	(14.1)
4	Profit	4.9
5	Profit margin	8.8%
6	Net property income yield	7.2% (based on development cost)
7	DPU impact per annum ³	+0.35 cents

1. Based on Colliers International Consultancy and Valuation (Singapore) Pte Ltd's valuation dated 20 May 2015 on an "as-if-complete" basis.

2. Based on Knight Frank Pte Ltd's valuation dated 31 March 2015.

3. 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 AA REIT had completed, held and operated the proposed redevelopment for the whole of the financial year ended 31 March 2015; the proposed redevelopment was funded using 100% debt; and based on units in issue as at 31 March 2015 of 628,935,114.

Potential opportunities within AA REIT's portfolio

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A large proportion of current portfolio remains under-utilised; with select organic opportunities available to AA 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
≈ 801,334 sqft



Thank you

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