



AIMS AMP CAPITAL INDUSTRIAL REIT

FY2017: Third Quarter Financial Results Ended 31 December 2016
Results Presentation

9 February 2017



AMPCAPITAL 

Important notice

Disclaimer

This Presentation is focused on comparing actual results for the financial period from 1 October 2016 to 31 December 2016 (“3Q FY2017”) 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 3Q FY2017 as per the SGXNet Announcement.

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HIGHLIGHTS FOR 3Q FY2017

Highlights for 3Q FY2017

> 1

Active portfolio management in navigating challenging market conditions

- DPU performance: 2.77 cents per Unit for the quarter (increase of 0.7% q-o-q)
- Gross revenue and net property income for 3Q FY2017 increased 1.5% and 2.7% respectively q-o-q

Leasing renewals

- Executed 19 new and renewal leases in 3Q FY2017, representing 82,149.3 sqm (13.1% of net lettable area)
- Portfolio occupancy at 94.0%, which is above the industrial average of 89.5%
- First phase of master lease at 20 Gul Way, AA REIT's largest asset, which expired on 28 December 2016 has been 100% leased out

Developing a higher quality portfolio

- Temporary occupation permit of third redevelopment property at 30 Tuas West Road achieved on 27 December 2016, on time and below budget, delivering better financial returns than previously announced.¹ Partial income contribution from the property will commence in March 2017 quarter, with full quarter income contribution in 1Q FY2018
- Increased Net Asset Value per Unit to S\$1.48 from S\$1.47 in the preceding quarter mainly due to recognition of the development profit of 30 Tuas West Road

¹ Please refer to slide 31 for the financial update.

Highlights for 3Q FY2017

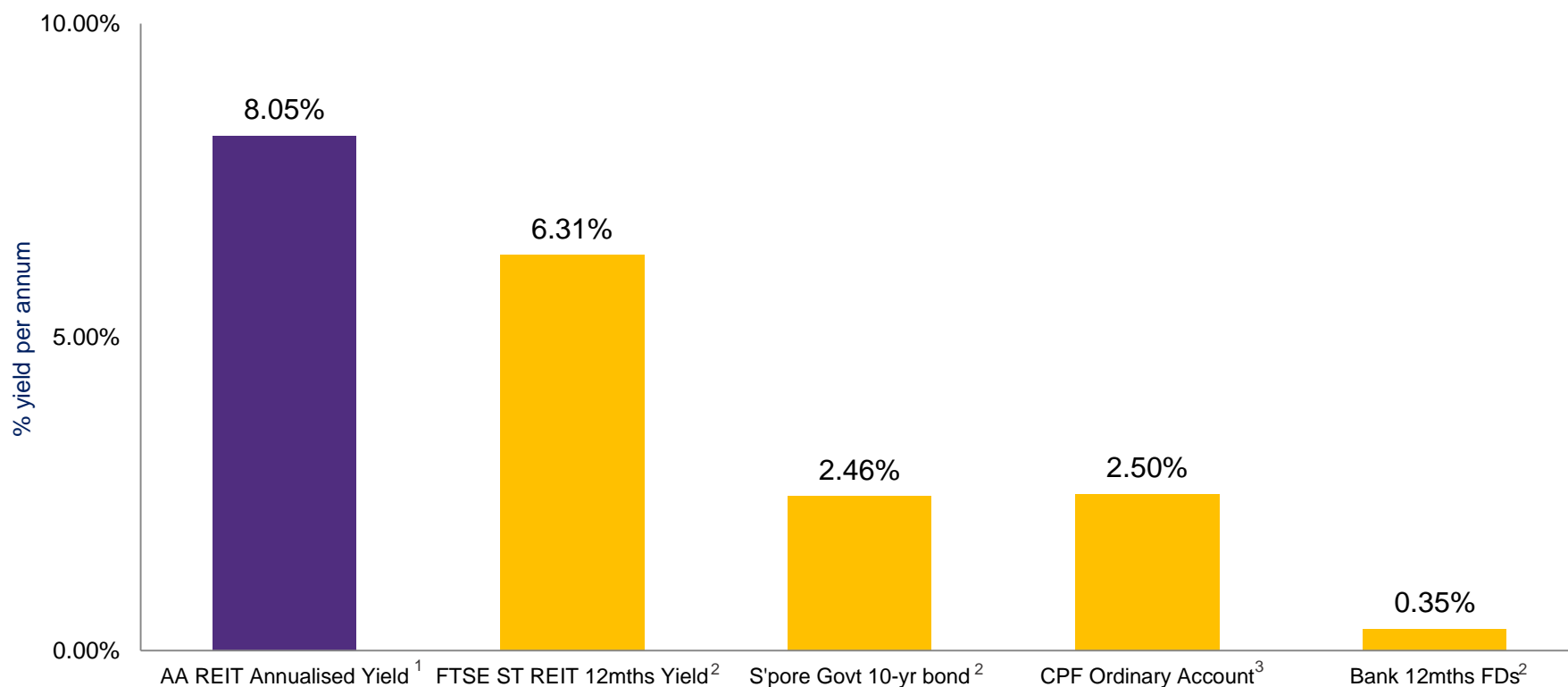
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Prudent capital management

- 84.0% of the portfolio's interest rate is fixed taking into account interest rate swap contracts and fixed rate notes with weighted average debt maturity of 2.1 years
- Reduced overall blended funding cost (including funding of the Australian asset with Australian dollar loan) of 3.7% from 4.2% a year ago
- Aggregate leverage as at 31 December 2016 is at 34.6%

Attractive return on investment

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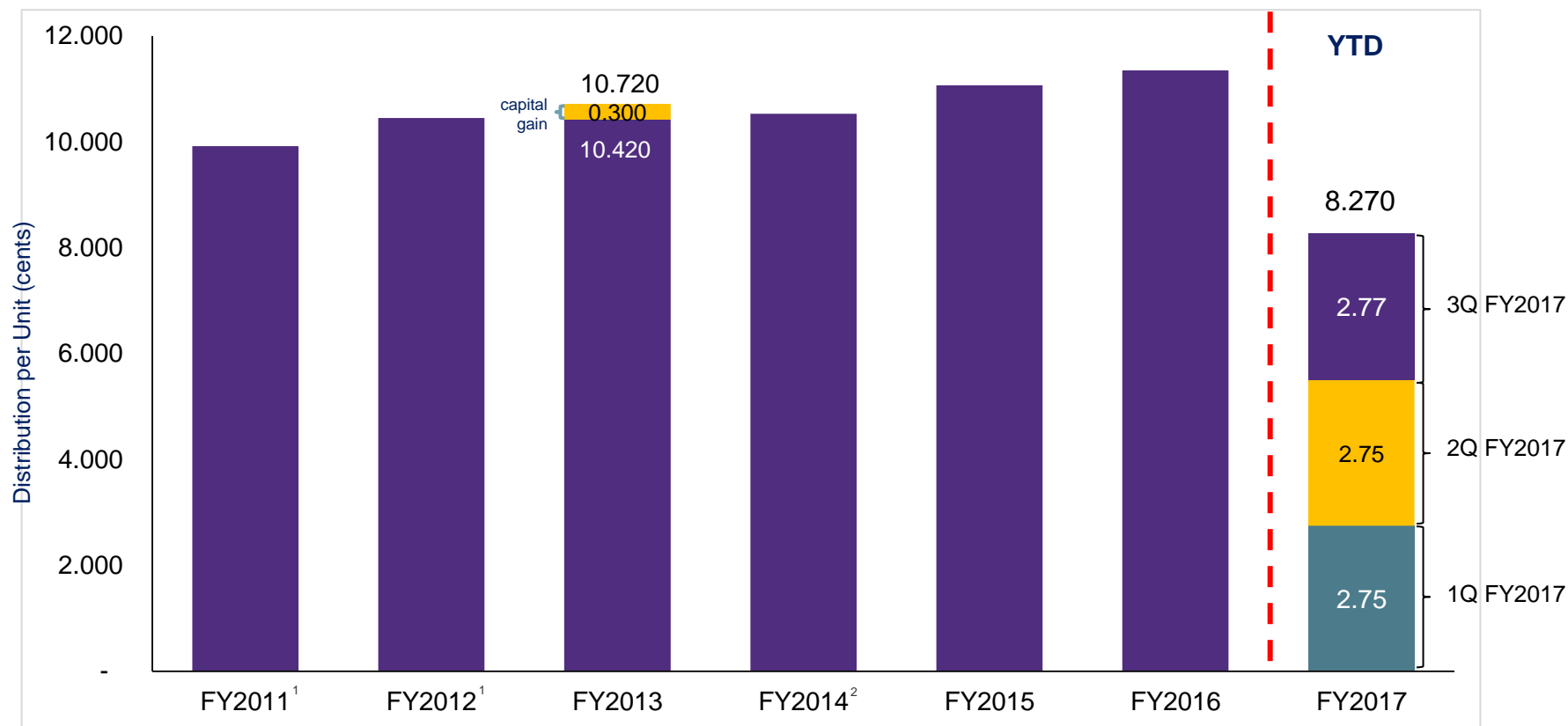
¹ Based on closing price of S\$1.37 on 8 February 2017 and annualised DPU of 11.03 cents. Annualised DPU is computed based on actual DPU payout for the first three quarters of FY2017 and annualised to the full year.

² Source: Bloomberg data as at December 2016.

³ Prevailing CPF Ordinary Account interest rate.

Stable and sustainable DPU

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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.

² The lower DPU is due to equity fund raising in FY2014 which increased the number of Units in issue.

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3Q FY2017 FINANCIAL RESULTS

Distribution details

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Stock counter	Distribution period	DPU (cents)
AIMSAMP Cap Reit Code: O5RU	For 1 October 2016 to 31 December 2016	2.77

Distribution timetable

Ex-date	15 February 2017, 9.00am
Books closure date	17 February 2017, 5.00pm
Return of Tax Declaration Forms	8 March 2017, 5.00pm
Distribution payment date	23 March 2017

Results for 3Q FY2017

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	3Q FY2017 S\$'000	2Q FY2017 S\$'000	Q-o-Q %	3Q FY2016 S\$'000	Y-o-Y %	YTD FY2017 S\$'000	YTD FY2016 S\$'000	Y-o-Y %
Gross Revenue	30,369	29,910	1.5	32,547	(6.7)	89,513	94,102	(4.9)
Net Property Income	19,789	19,266	2.7	21,055	(6.0)	59,460	61,957	(4.0)
Share of results of joint venture (net of tax)¹	3,714	3,320	11.9	3,539	4.9	10,639	26,049	(59.2)
Distribution to Unitholders²	17,691	17,526	0.9	18,108	(2.3)	52,742	53,319	(1.1)
DPU (cents)	2.77	2.75	0.7	2.85	(2.8)	8.27	8.40	(1.5)
DPU yield³ (%)	8.05							

¹ The share of results of joint venture (net of tax) comprised contribution from the Group's 49.0% interest in Optus Centre which is located in Macquarie Park, NSW, Australia. The share of results of joint venture (net of tax) was broadly in line with YTD FY2016, except for the share of revaluation surplus of S\$15.3 million recognised from the valuation of Optus Centre appraised by independent valuer, CBRE Valuations Pty Limited as at 30 September 2015.

² The Manager resolved to distribute S\$17.7 million for 3Q FY2017, comprising (i) taxable income of S\$16.6 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.6 million and capital distribution of S\$0.5 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 3Q FY2017, the Manager has resolved to distribute 98.8% of the Singapore taxable income available for distribution to the Unitholders.

³ Based on closing price of S\$1.37 on 8 February 2017 and annualised DPU of 11.03 cents. Annualised DPU is computed based on actual DPU payout for the first three quarters of FY2017 and annualised to the full year.

Balance Sheet

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	31 December 2016	30 September 2016	30 June 2016
Total Assets (S\$'M)	1,500.1	1,476.4	1,461.5
Comprising (S\$'M):			
- Investment properties	1,229.1	1,168.1	1,172.5
- Investment properties under development	24.1	64.0	49.6
- Joint venture	227.4	227.3	218.6
- Trade and other receivables	9.2	10.4	10.6
- Derivative financial instruments	1.4	-	-
- Cash and cash equivalents	8.9	6.6	10.2
Total Liabilities (S\$'M)	556.6	541.2	521.7
Net Assets (S\$'M)	943.5	935.2	939.8
NAV per Unit (S\$)	1.48	1.47	1.47
Total Debt ¹ (S\$'M)	518.6	501.9	483.1
Aggregate Leverage (%)	34.6	34.0	33.1

¹ Excluding unamortised loan transaction costs.

Key financial metrics

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	3Q FY2017	2Q FY2017
Appraised Value of Property Portfolio	S\$1,480.9 million ¹	S\$1,459.8 million ²
Market Capitalisation ³	S\$875.0 million	S\$885.8 million
NAV per Unit	S\$1.48	S\$1.47
Share Price	S\$1.37	S\$1.39
Premium / (Discount) to NAV ³	(7.4%)	(5.4%)
Aggregate Leverage ⁴	34.6%	34.0%
Interest Cover Ratio ⁵	5.1 times	4.9 times
Weighted Average Debt Maturity	2.1 years	2.4 years

¹ Singapore portfolio included (i) investment properties based on 30 September 2016 valuation appraised by CBRE Pte Ltd and Savills Valuation And Professional Services (S) Pte Ltd, (ii) investment properties under development at 8 & 10 Tuas Ave 20 and greenfield development at Marsiling, (iii) capitalised capital expenditure and (iv) completed redevelopment at 30 Tuas West Road appraised by Savills Valuation And Professional Services (S) Pte Ltd on 27 December 2016. Optus Centre, Macquarie Park, NSW, Australia is based on 49% interest in the property appraised by CBRE Valuations Pty Ltd as at 31 March 2016 and capitalised capital expenditure.

² Singapore portfolio included (i) investment properties based on 30 September 2016 valuation appraised by CBRE Pte Ltd and Savills Valuation And Professional Services (S) Pte Ltd and (ii) investment properties under development at 30 & 32 Tuas West Road and 8 & 10 Tuas Ave 20 based on 31 March 2016 valuation appraised by Savills Valuation And Professional Services (S) Pte Ltd and capitalised capital expenditure. Optus Centre, Macquarie Park, NSW, Australia is based on 49% interest in the property appraised by CBRE Valuations Pty Ltd as at 31 March 2016 and capitalised capital expenditure.

³ Based on the closing price per unit of S\$1.37 on 8 February 2017 and S\$1.39 on 26 October 2016.

⁴ Total debt as a % of total assets.

⁵ Bank covenant of at least 2.0 times.

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PRUDENT CAPITAL MANAGEMENT

Debt facilities as at 31 December 2016

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Secured SGD borrowings

- Consortium of 6 banks comprising regional and foreign banks
- Total secured facility of **S\$345.0 million** comprising:
 - 4-year term loan facility of S\$125.0 million, maturing in November 2018
 - 3-year revolving credit facility of S\$120.0 million, maturing in November 2017
 - 4-year term loan facility of S\$100.0 million, maturing August 2020

Secured AUD borrowings

- Secured AUD borrowings as natural hedge for the investment in Optus Centre, Australia
- Total secured facility of **A\$175.791 million** comprising:
 - 5-year onshore term loan facility of A\$110.655 million, maturing in February 2019
 - 3-year offshore term loan facility of A\$65.136 million, maturing in November 2017

Unsecured borrowings

- S\$30.0 million 7-year fixed rate notes at 4.35% maturing in December 2019
- S\$50.0 million 5-year fixed rate notes at 3.80% maturing in May 2019

Debt facilities as at 31 December 2016

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Summary

- Overall blended funding cost of **3.7%**
- 84.0% of the portfolio's interest rate is fixed taking into account interest rate swap contracts and fixed rate notes
- Weighted average debt maturity of 2.1 years

Sensitivity analysis:

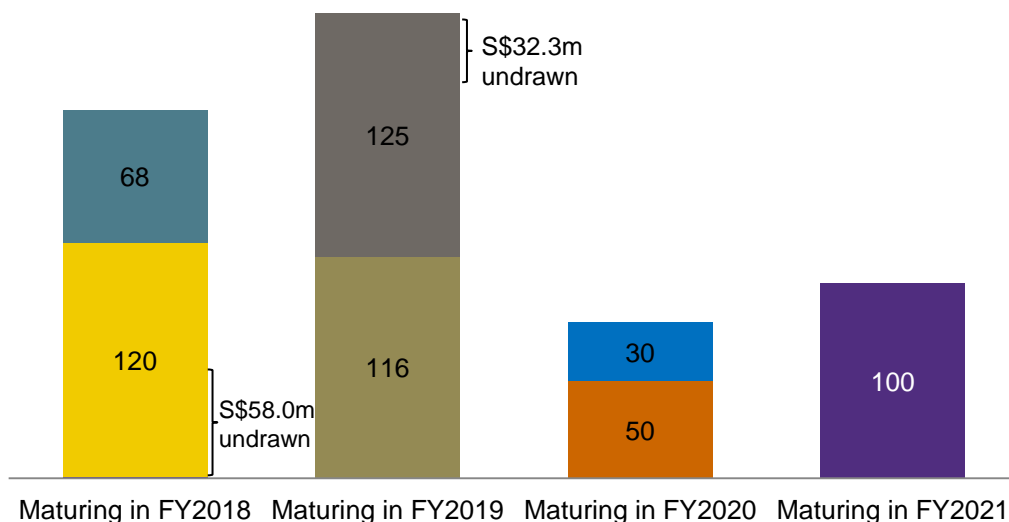
A 25 bps increase in interest rate on loans at floating rate is expected to have a pro forma impact of S\$0.2 million decline in distribution or 0.03 cents in DPU¹. This excludes the potential additional rental income from AA REIT's existing properties under development.

Increase in interest rates	Decrease in distribution (S\$'m)	Change as a % of FY2016 distribution	Pro forma DPU impact (cents)
25 bps	0.2	0.29%	0.03
50 bps	0.4	0.57%	0.06
100 bps	0.8	1.15%	0.13

¹ Based on number of Units in issue and to be issued of 638,658,325 and unhedged portion of the debt drawn down as at 31 December 2016.

Debt facilities as at 31 December 2016

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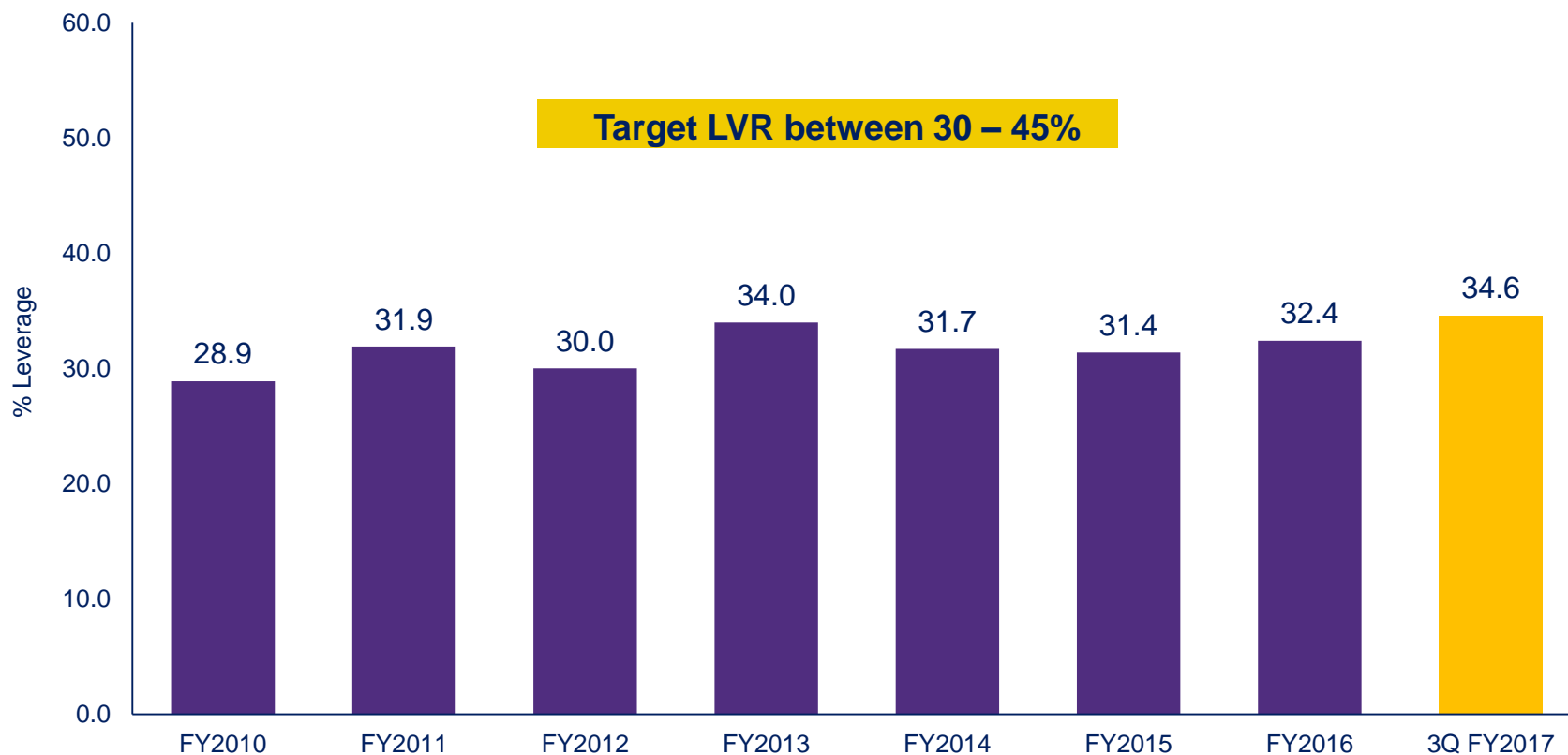
- S\$ revolving credit facility ■ 3-year A\$ term loan ■ 5-year A\$ term loan
- 4-year S\$ term loan ■ 5-year S\$ fixed rate notes ■ 7-year S\$ fixed rate notes
- 4-year S\$ term loan

Maturity date	S\$ 'million
Due in November 2017 (FY2018) ¹	130.1
Due in November 2018 (FY2019)	92.7
Due in February 2019 (FY2019)	115.8
Due in May 2019 (FY2020)	50.0
Due in December 2019 (FY2020)	30.0
Due in August 2020 (FY2021)	100.0
Total debt drawn down	518.6
Undrawn available facilities	90.3
Total committed facilities	608.9

¹ The Trust is currently working with its lenders to assess the refinancing options for its loan facilities.

Leverage since 2009

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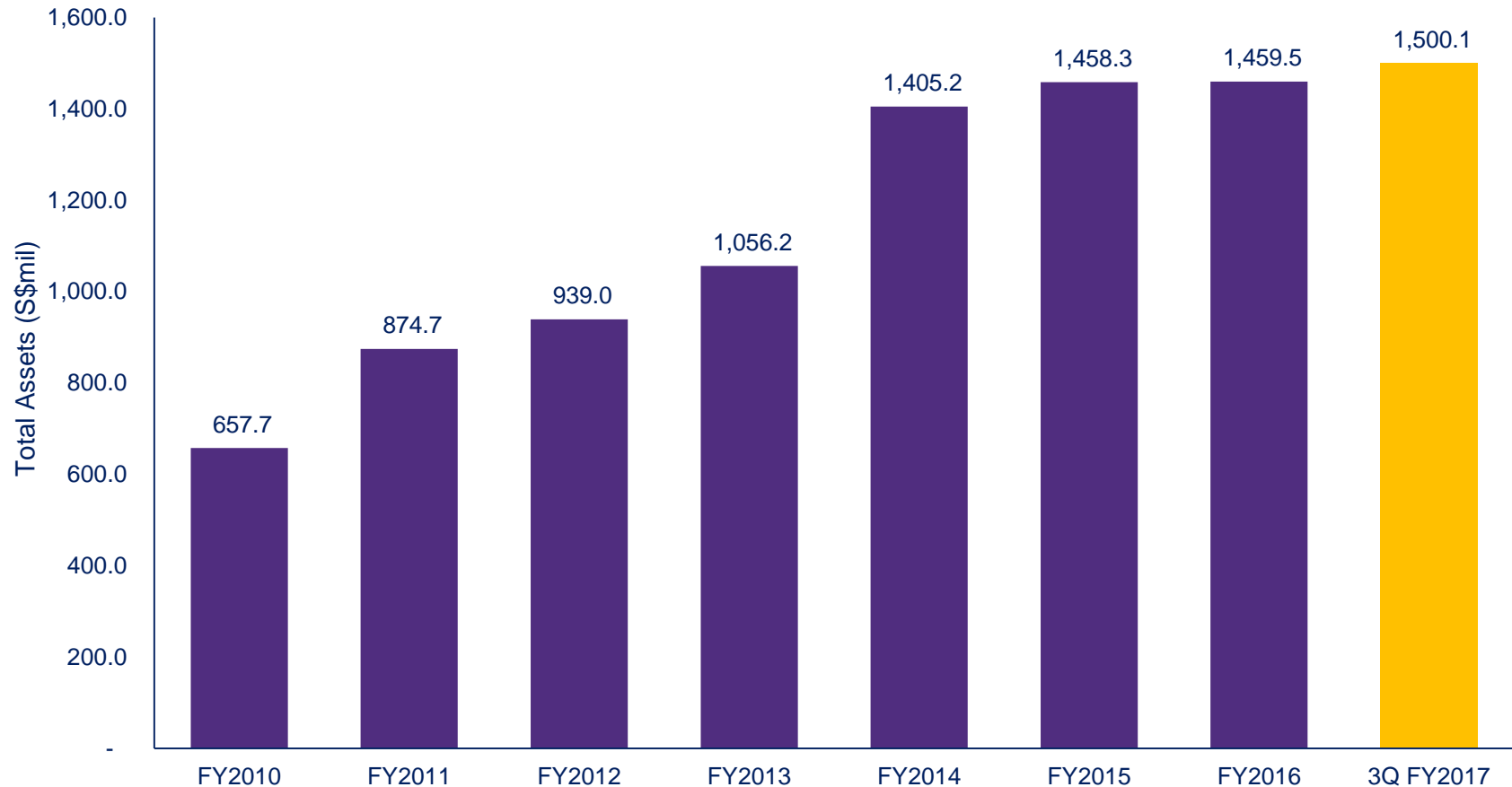


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PORTFOLIO PERFORMANCE

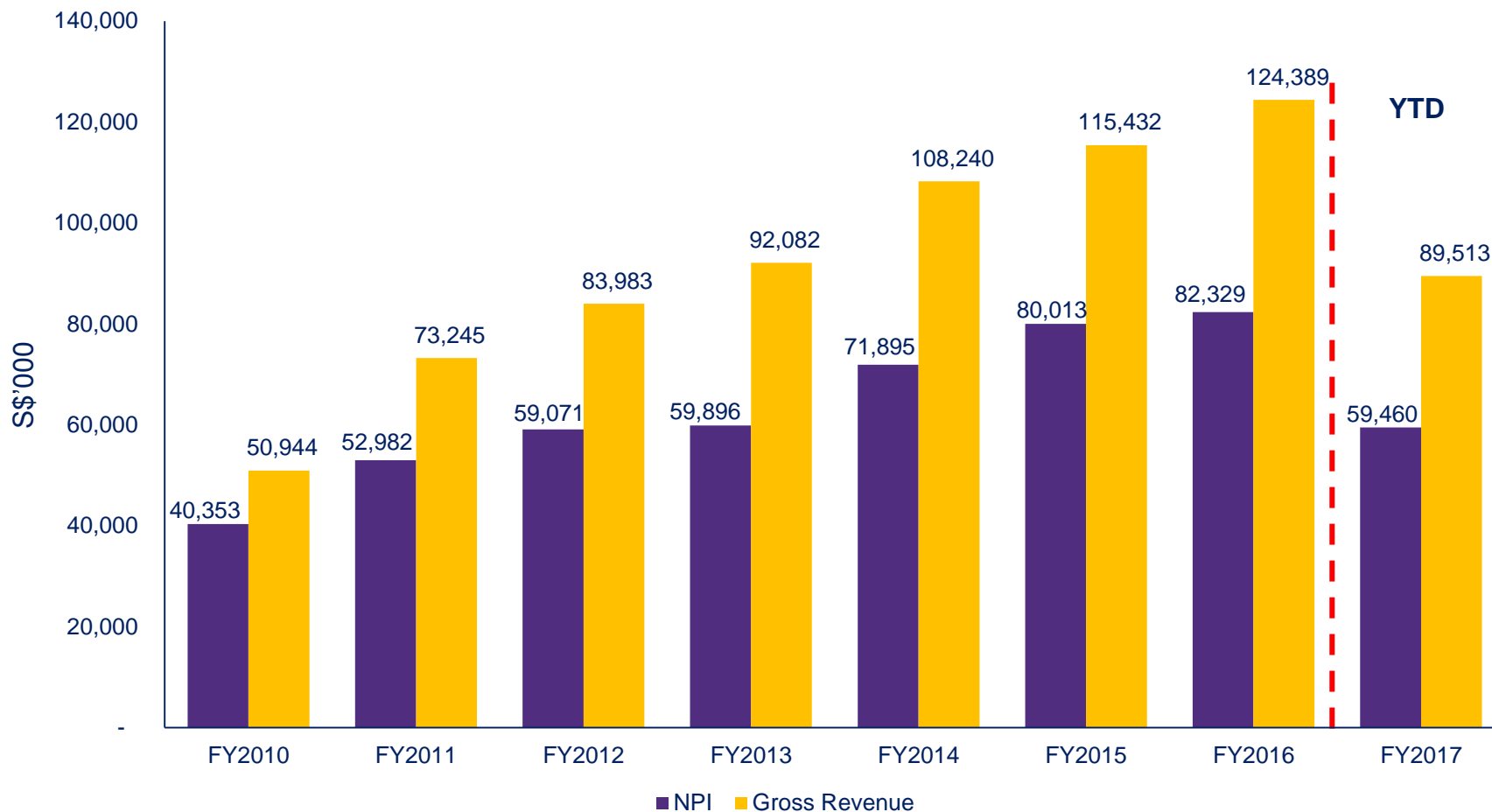
Total assets since 2009

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Revenue performance since 2009

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Key portfolio statistics

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	As at 31 December 2016	As at 30 September 2016
Number of Properties	27	26
Appraised Value (S\$ million)	1,480.9 ¹	1,459.8 ²
Net Lettable Area (sq m)	627,350.74 ³	600,337.8 ⁴
Number of Tenants	146 ³	145 ⁴
Portfolio Occupancy (%)	94.0 ³	92.7 ⁴
Weighted Average Lease Expiry (WALE) (years)	2.49 ³	2.60 ⁴
Weighted Average Land Lease Expiry (years)	38.7 ^{3,5}	38.9 ^{4,5}
Location of Properties	Singapore, Australia	Singapore, Australia

¹ Singapore portfolio included (i) investment properties based on 30 September 2016 valuation appraised by CBRE Pte Ltd and Savills Valuation And Professional Services (S) Pte Ltd, (ii) investment properties under development at 8 & 10 Tuas Ave 20 and greenfield development at Marsiling, (iii) capitalised capital expenditure and (iv) completed redevelopment at 30 Tuas West Road appraised by Savills Valuation And Professional Services (S) Pte Ltd on 27 December 2016. Optus Centre, Macquarie Park, NSW, Australia is based on 49% interest in the property appraised by CBRE Valuations Pty Ltd as at 31 March 2016 and capitalised capital expenditure.

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³ Includes newly completed development at 30 Tuas West Road and excludes redevelopment of 8 & 10 Tuas Ave 20 and greenfield development at Marsiling.

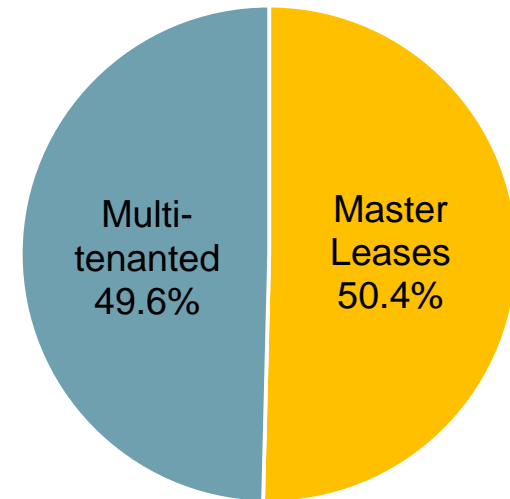
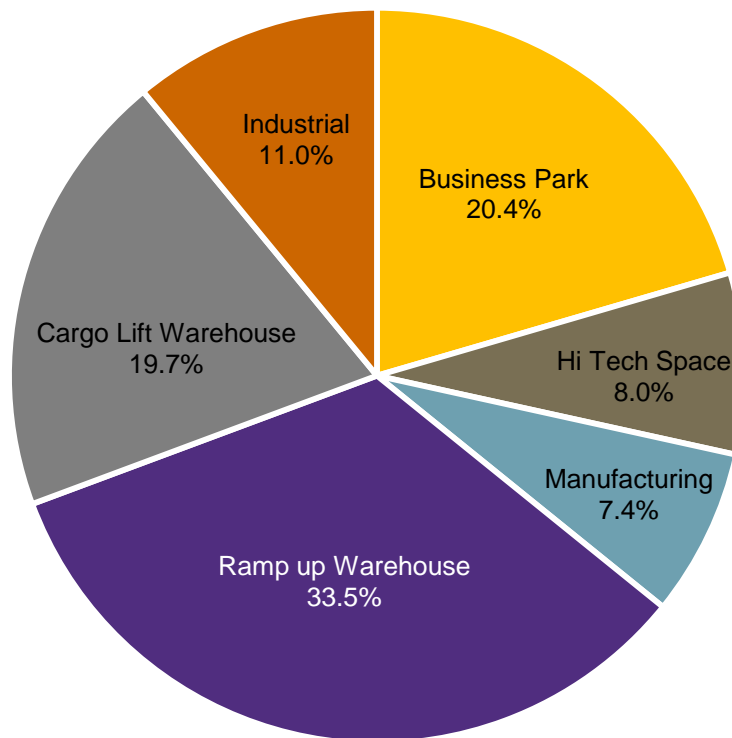
⁴ Excludes redevelopment of 30 Tuas West Road and 8 & 10 Tuas Ave 20.

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 3Q FY2017 gross rental income

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Occupancy (%)

Total Portfolio ¹ (25 properties)	94.0
Master Leases ² (9 properties)	100.0
Multi-tenanted ² (17 properties)	90.2

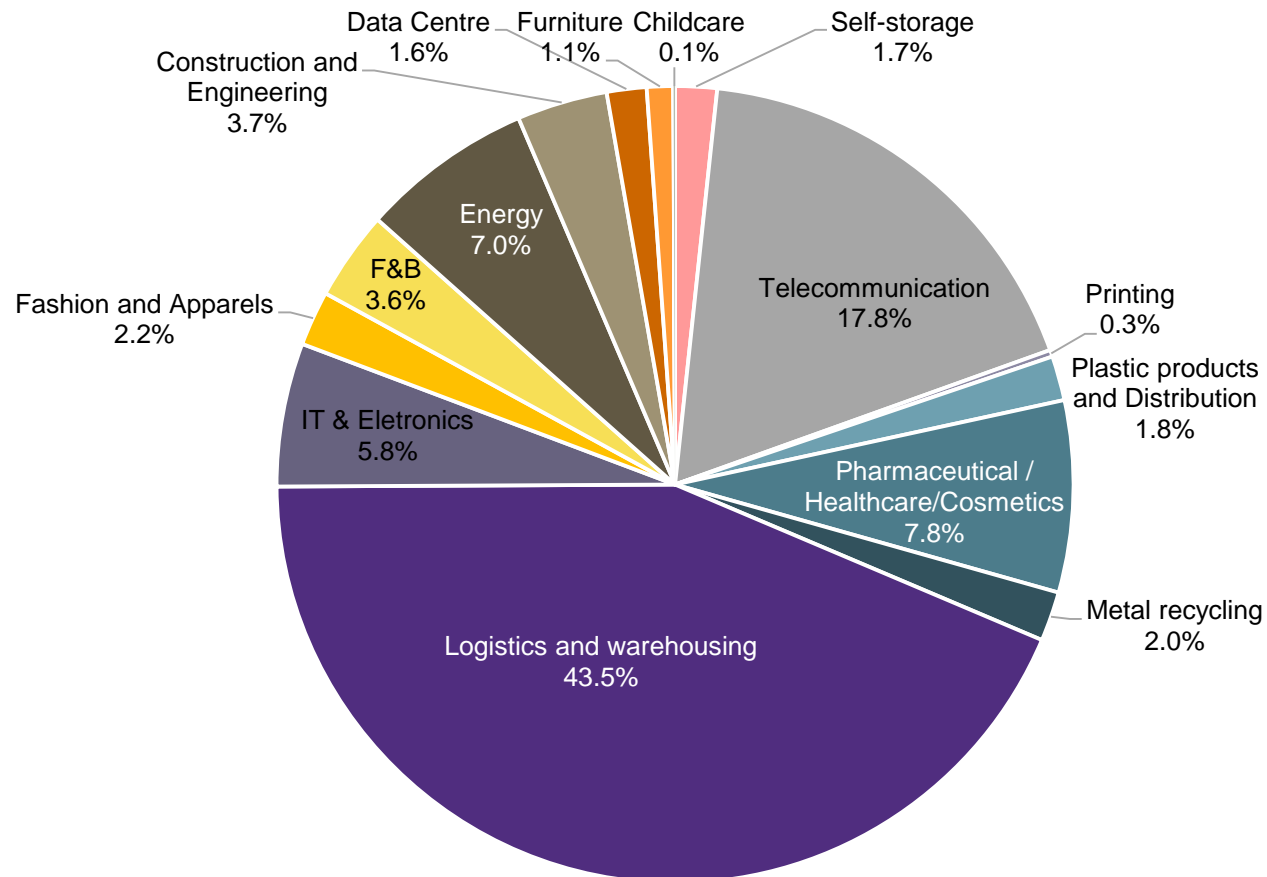
¹ Excludes redevelopment of 8 & 10 Tuas Ave 20 and greenfield development at Marsiling.

² 20 Gul Way is partially under master lease and partially multi-tenanted.

Diversification reduces risk

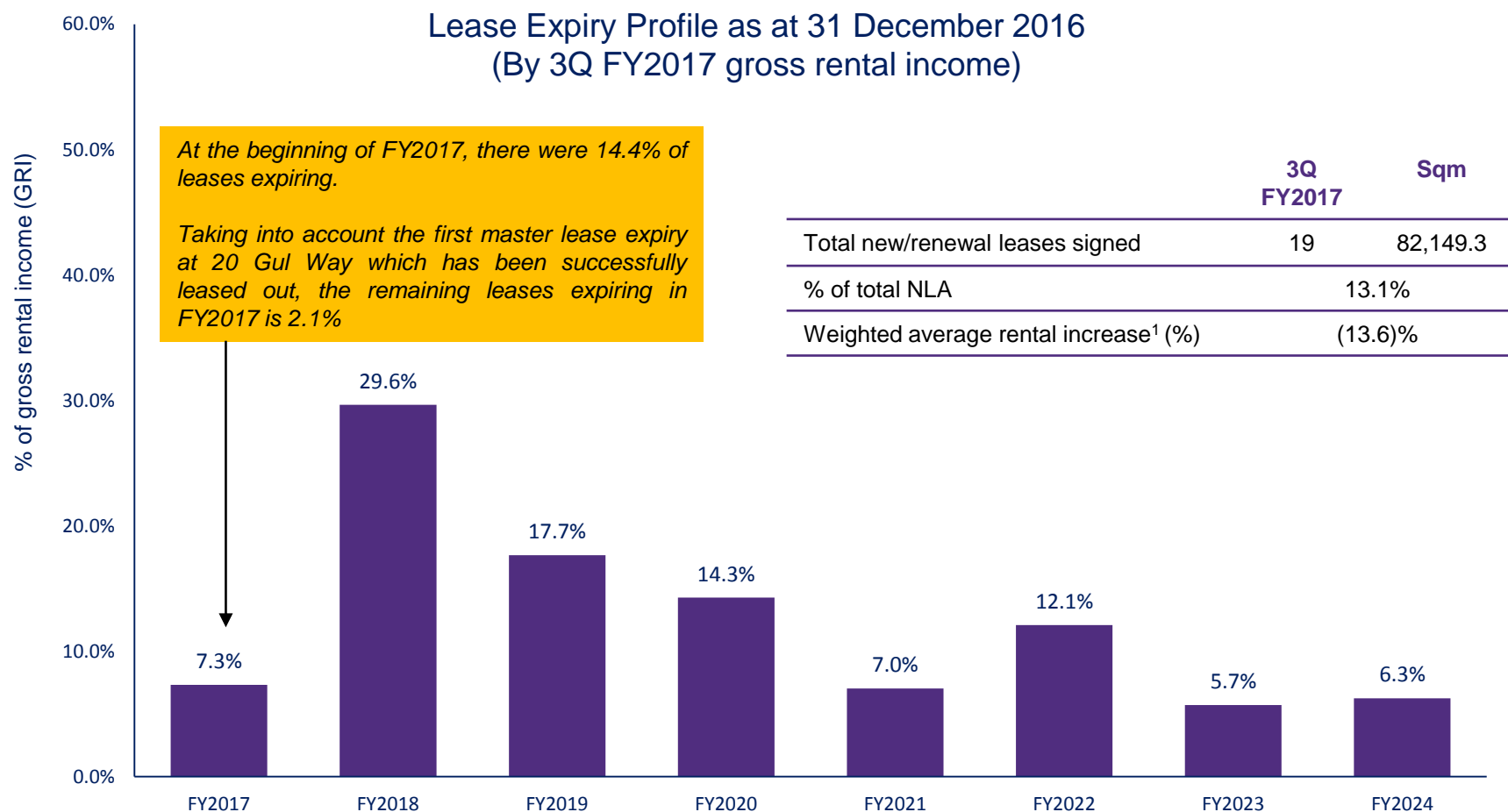
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Tenant Base by Industry (By 3Q FY2017 gross rental income)



Active lease management

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¹ Takes into account only renewal leases with the same tenant of the same lease area.

Quality tenant base

Top 10 tenants by 3Q FY2017 by gross rental income

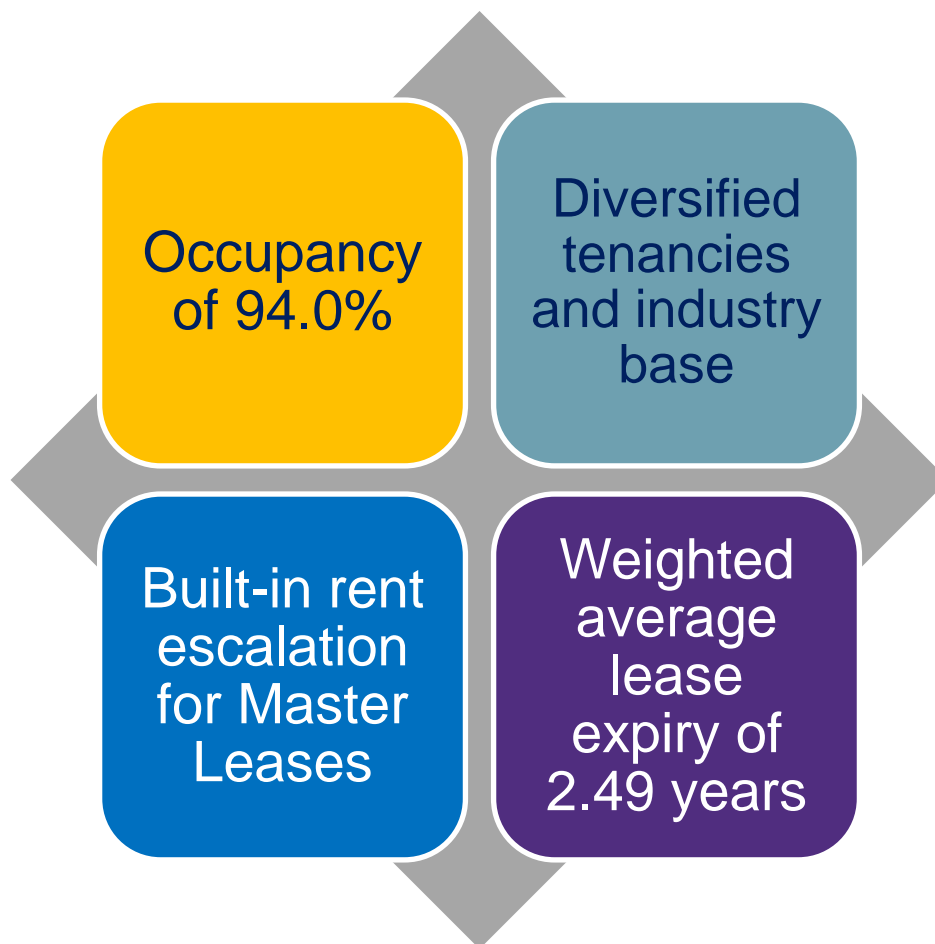
Tenant	%
CWT Limited*	22.6%
Optus Administration Pty Limited*	13.7%
Eurochem Corporation Pte Ltd	6.8%
Illumina Singapore Pte Ltd*	4.1%
Schenker Singapore (Pte) Ltd*	4.1%
Broadcom Singapore Pte Ltd*	3.5%
FNA Group International	2.5%
Cimelia Resource Recovery Pte Ltd* (Enviro-Hub Holdings Ltd)	2.0%
CIT Cosmeceutical Pte Ltd	1.6%
King Plastic Pte Ltd	1.5%
Top 10 tenants	62.4%

* Listed Groups or subsidiaries of listed entities



Strong and stable cashflows

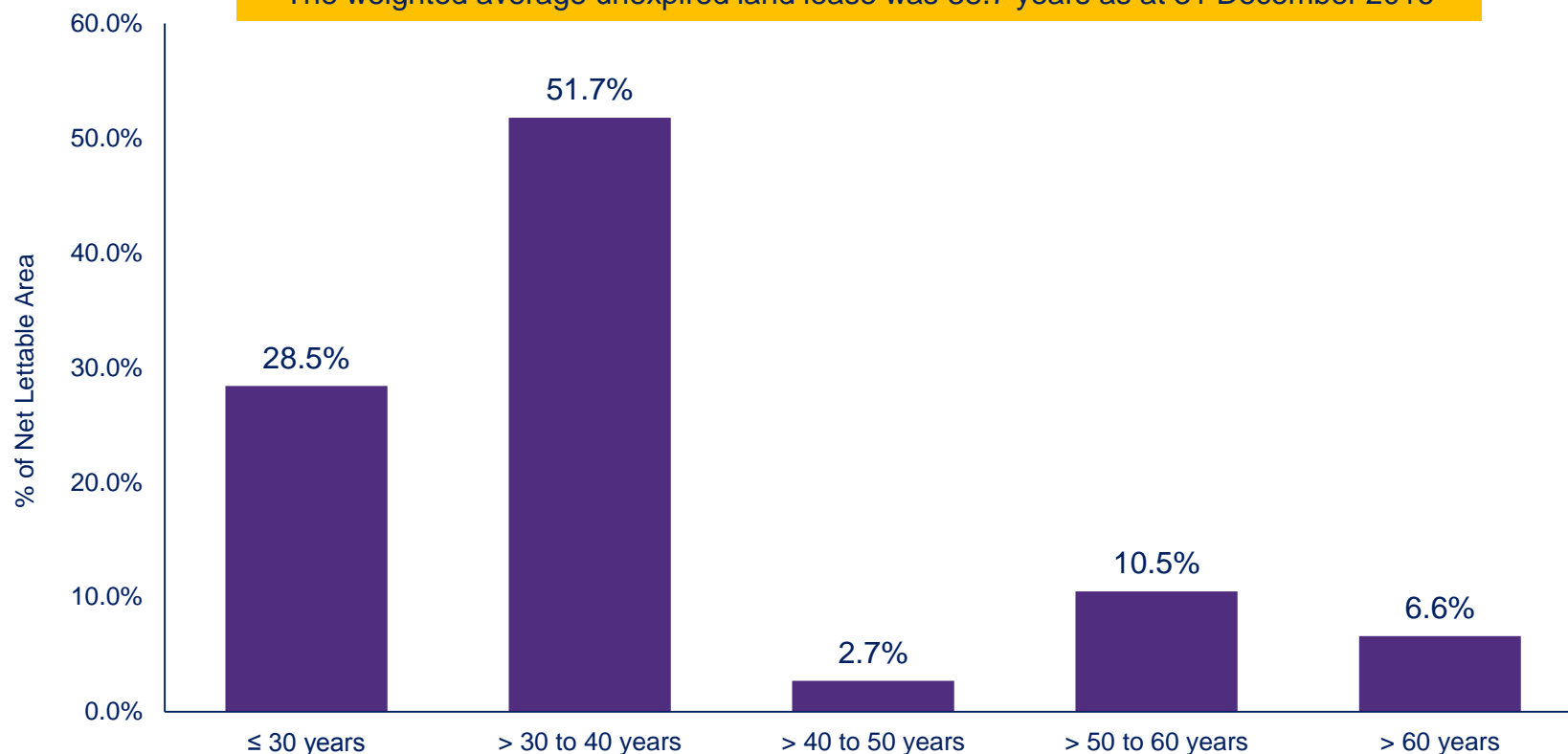
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Long land lease expiry – 38.7 years

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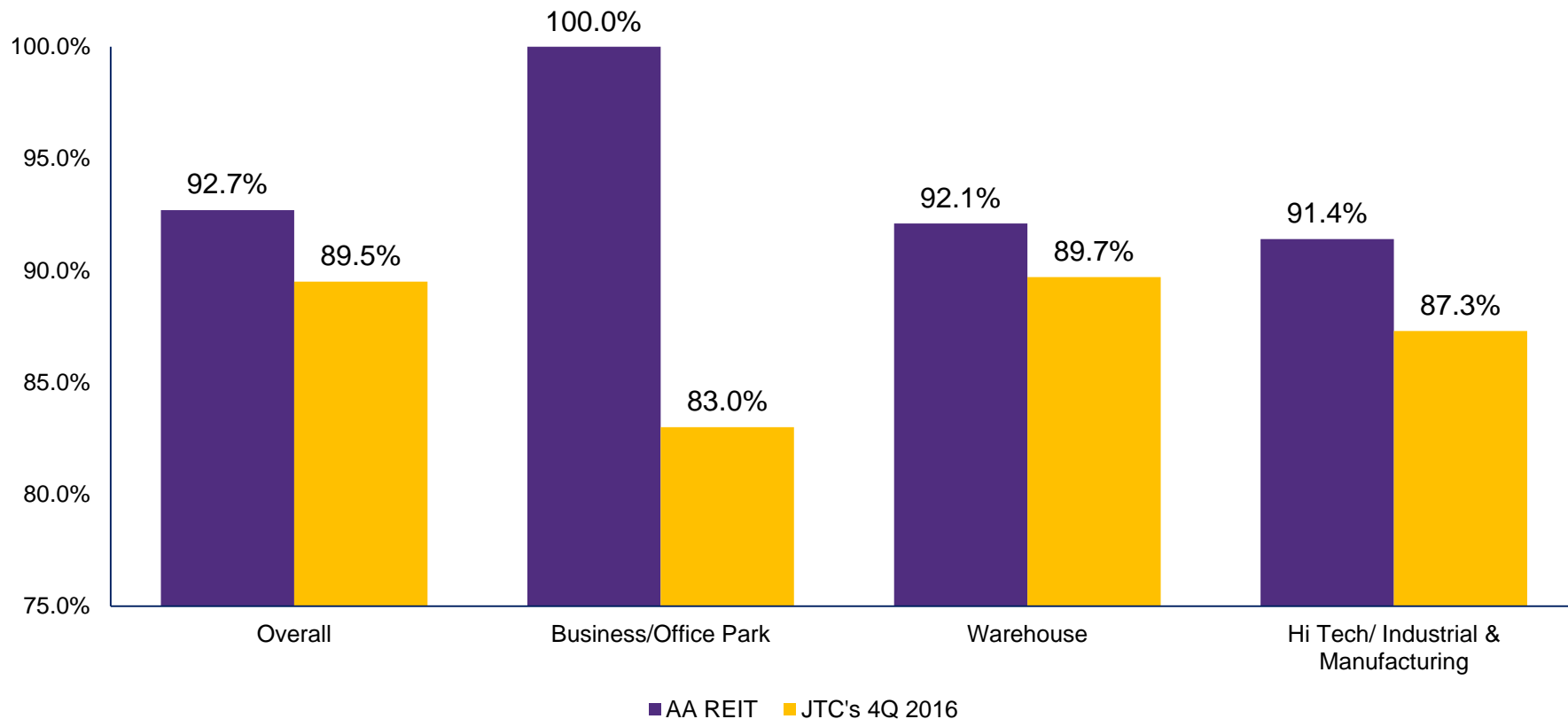
The weighted average unexpired land lease was 38.7 years as at 31 December 2016



Note: For the calculation of the weighted average land lease of AA REIT, AA REIT's interest in the freehold property, Optus Centre has been assumed as a 99-year leasehold interest and excludes the redevelopment of 8 & 10 Tuas Ave 20 and greenfield development at Marsiling.

Comparisons to Singapore industrial average occupancy levels

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Source: Based on JTC's 4th quarter 2016 statistics.

Recently completed development - 30 Tuas West Road

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30 Tuas West Road

- TOP was granted on 27 December 2016
- Full income contribution in 1Q FY2018
 - Boosting DPU
- Valuation of S\$60.7 million
 - Profit recognized of S\$6.0 million



Fact Sheet

	Prior redevelopment	Post redevelopment
Property	Two three-storey detached industrial buildings	Five-storey ramp-up warehouse facility
Valuation	S\$14.1 million ¹	S\$60.7 million ²
Annual Rental Income	S\$0.82 million ³	S\$4.15 million ⁴
Plot ratio	1.15	2.07
Gross Floor Area	159,717 sqft	288,663 sqft ⁵

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

² Based on Savills Valuation And Professional Services (S) Pte Ltd's valuation dated 27 December 2016.

³ Annual Rental Income for FY2015.

⁴ First year rental income.

⁵ Subject to final survey.

Summary financials update: 30 Tuas West Road

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		Per 22 May 2015 announcement (S\$ million)	Actual Achieved (S\$ million)
1	Gross development value upon completion	60.7 ¹	60.7 ²
2	Project redevelopment cost	(41.7)	(40.6)
3	Land cost ³	(14.1)	(14.1)
4	Profit	4.9	6.0
5	Profit margin	8.8%	11.0%
6	Net property income yield (based on development cost)	7.2%	7.4%

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 Savills Valuation And Professional Services (S) Pte Ltd's valuation dated 27 December 2016.

³ Based on Knight Frank Pte Ltd's valuation dated 31 March 2015.

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STRATEGY

Strategy

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Yield accretive investments / developments

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 focus on prudent asset and lease management.

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

To maintain above industrial average occupancy.

Prudent capital and risk management

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

Substantially hedge interest rate exposure.

Maintenance of investment grade rating.

Increasing Unitholders' value

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Growth from Prudent Acquisitions

Strategic Divestment and Capital Recycling

Redevelopment Strategic Growth from AEIs

Growth from Offshore Acquisition

Growth from Build-to-suit Projects

- Development of 1.16 mil sqft five-storey ramp up warehouse
- Project size: S\$150.1mil



20 Gul Way (Phase 1&2)

- Further development of additional 497k sqft
- Project size: S\$73.0mil



20 Gul Way (Phase 2E&3)

- Development of a 160k sqft three-storey industrial facility
- Project size: S\$27m (include land cost)



8 & 10 Tuas Ave 20

July 2011

January 2013

June 2013

May 2015

April 2016

August 2016

103 Defu Lane 10

- Development of a modern 203k sqft six-storey industrial facility
- Project size: S\$21.7mil



AIMS AMP Capital Industrial REIT

30 Tuas West Road

- Development of a 288k sqft five-storey ramp up warehouse
- Project size: S\$40.6mil



Build-to-suit site at Marsiling

- Development of a 231k sqft BTS industrial facility
- Project size: S\$39.4 mil (include land cost)



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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



11 Changi South St 3



10 Changi South Lane



541 Yishun Industrial
Park A



2 Ang Mo Kio St 65



3 Toh Tuck Link



7 Clementi Loop

Potential untapped GFA
≈ 758,480 sqft



Awarded Best Investor Relations Company and Asia's Best CEO in Singapore at the 6th Asian Excellence Awards 2016



Awarded Titanium Award for Excellence in Governance, CSR and Investor Relations at The Asset Corporate Awards 2016



Thank you

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