

**NEWS RELEASE**

## VIT POSTS ROBUST 41.0% GROWTH IN NET PROPERTY INCOME TO S\$17.2 MILLION IN 2Q2016

- ✓ *Strong growth in net property income (“NPI”) driven by recent acquisitions and asset enhancement initiative (“AEI”) at Viva Business Park (“VBP”)*
- ✓ *Delivers a distribution per stapled security (“DPS”) of 1.750 cents, 6.8% higher than the preceding quarter; and annualised distribution yield of 9.9%<sup>1</sup>*
- ✓ *Expects to achieve higher gross revenue in the coming quarters with the progressive completion of the AEI and full contribution from the newly-acquired 30 Pioneer Road*

**Financial Highlights**

	2Q2016	Year-on-Year		Quarter-on-Quarter	
		2Q2015	Variance	1Q2016	Variance
Gross Revenue (S\$'000)	23,387	17,815	▲ 31.3%	21,912	▲ 6.7%
NPI (S\$'000)	17,197	12,195	▲ 41.0%	15,798	▲ 8.9%
Distributable Income (S\$'000)	15,147	11,763	▲ 28.8%	14,143	▲ 7.1%
Number of stapled securities for calculation of DPS ('000)	865,497	636,171	▲ 36.0%	863,119	▲ 0.3%
DPS (SG cents)	1.750	1.849	▼ 5.4%	1.638	▲ 6.8%
Annualised DPS (SG cents)	7.038	7.000 <sup>2</sup>	▲ 0.5%	6.588	▲ 6.8%
Annualised Distribution Yield	9.9% <sup>1</sup>	9.9% <sup>3</sup>	--	9.2% <sup>4</sup>	--

**Singapore, 27 July 2016 – Viva Industrial Trust (“VIT”),** a Singapore-focused business park and industrial property trust, today reported a robust set of financial results for the second quarter ended 30 June 2016 (“2Q2016”).

NPI for 2Q2016 rose by 41.0% to S\$17.2 million, on the back of a 31.3% jump in gross revenue to S\$23.4 million. Distributable income increased by 28.8% to reach S\$15.1 million, translating to a DPS of 1.750 cents and an annualised distribution yield of 9.9%<sup>1</sup> for the reporting quarter. NPI and distributable income for 2Q2016 increased by 8.9% and 7.1% from the preceding quarter of S\$15.8 million and S\$14.1 million, respectively.

<sup>1</sup> Based on closing price of S\$0.710 as at 30 June 2016.

<sup>2</sup> Actual FY2015 DPS.

<sup>3</sup> Based on closing price of S\$0.710 as at 31 December 2015.

<sup>4</sup> Based on closing price of S\$0.720 as at 31 March 2016.

The 2Q2016 DPS of 1.750 cents was 6.8% higher than the preceding quarter of 1.638 cents, but lower than that of the corresponding quarter last year, due to an enlarged share base following the completion of two private placements and a preferential offering in FY2015.

Commenting on the latest set of financial results, Mr Wilson Ang, CEO of Viva Industrial Trust Management Pte Ltd, the manager of VI-REIT (the “REIT Manager”), said, “Our strategic acquisitions over the past quarters, combined with the gradual fruition of our AEI, have reaped healthy returns in 2Q2016. Our portfolio fundamentals have further improved with diversified revenue streams and higher occupancy rates, underpinned by a strong focus on the business park sector which is more resilient than other industrial property sectors. Looking ahead, we expect to see further upside as we welcome more tenants at VBP and recognise the full income contribution from our new Pioneer Road asset.”

### **Twin Growth Engines in 2Q2016 – Strategic Acquisitions and AEI**

The stellar performance in 2Q2016 was driven by the acquisition of two light industrial properties last November, 11 Ubi Road 1 and Home-Fix Building (“HFB”), and a logistics property, 30 Pioneer Road, in April this year; as well as the progressive completion of the AEI at VBP.

Gross revenue was boosted by additional rental contribution of S\$2.6 million from 11 Ubi Road 1 and HFB, pro-rated rental contribution of S\$1.0 million from 30 Pioneer Road since its acquisition on 15 April this year, as well as higher revenue contribution from VBP and Jackson Square by S\$1.5 million and S\$0.5 million, respectively. Overall, the three newly acquired properties accounted for over 60% of the growth in gross revenue, while VBP contributed close to 30% of the growth.

As a reflection of its proactive leasing strategy, the REIT Manager secured approximately 269,000 square feet of lease renewals and new leases in the first half of 2016, excluding pre-committed leases in respect of the “white” space at VBP.

As at 30 June 2016, VIT had a diversified portfolio of eight properties with an aggregate valuation of approximately S\$1.2 billion, which was 24.0% higher than that as at 30 June 2015.

The weighted average portfolio occupancy has also improved significantly from 80.0% in 2Q2015 to 87.9% in 2Q2016.

### **VBP's AEI Starts to Shape Up**

Phase 2 of VBP's AEI has been completed with the receipt of the Temporary Occupation Permit ("TOP") for Level 1 of 750 VBP in May this year. During the quarter under review, the REIT Manager secured more tenants for the "white" space at VBP – including halal-certified *My Outlets Global Halal Hub* supermarket and *Royz Et Vous Speciality Coffee* café; Italian casual dining chain *PastaMania*; and children gym *Alpha Gymnastics*.

Tenants and members of the public can now enjoy a wide range of F&B outlets at VBP such as premium dessert café *Gelâre Singapore*, Japanese restaurant *Yoda Dining Fish & Meat Market*, quick-serve café *Simply Wrapps*, and steakhouse *Andes by Aston*. Meanwhile, *Decathlon's* Southeast Asia flagship store at VBP continues to draw crowds every day.

As at 30 June 2016, 68.6% of the total "white" space at VBP has been committed, while occupancy at the completed "white" space is at 87.2%. 30.7% of the total "white" space has progressively contributed income to VIT in 2Q2016. The REIT Manager is in active discussions with prospective tenants to lease out the remaining "white" space, and has received firm interest from a prospective anchor tenant who could bring commitment levels for the total "white" space to over 90%.

### **Business Park Sector Remains Relatively Resilient**

According to a recent report by CBRE, although the weak overall business sentiments have begun to weigh on the property market, the business parks sector has turned in a resilient performance in 2Q2016. CBRE estimates that there will be no notable supply of new multi-user business parks in Singapore after 2016. At the same time, an uptick in industrial sector's indicators has also added some optimism in the manufacturing sector, with most of the leasing interest stemming from higher tech industries. While demand for industrial property in 2Q2016 was patchy, facilities of higher specifications remain limited in supply as they are well-sought after by tenants in the high-tech manufacturing, biomedical manufacturing and logistics industries.

With a business-park focused portfolio that has infocomm technology companies as key tenants, the REIT Manager believes these industry trends bode well for VIT in the short to medium term. The REIT Manager will continue to maintain VIT's growth momentum through yield-accretive acquisitions and proactive asset and lease management.

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#### **ABOUT VIVA INDUSTRIAL TRUST**

Viva Industrial Trust ("VIT") is a Singapore-focused business park and industrial property trust listed on the Mainboard of the Singapore Exchange, which comprises Viva Industrial Real Estate Investment Trust ("VI-REIT") and Viva Industrial Business Trust ("VI-BT"). VIT focuses on building a diversified portfolio of income-producing real estates which are used predominantly for business park and other industrial purposes in Singapore and elsewhere in the Asia-Pacific region, while VI-BT is presently dormant. As at 30 June 2016, VIT's portfolio comprises eight properties located in Singapore, namely (i) UE BizHub EAST, (ii) Viva Business Park, (iii) Mauser Singapore, (iv) Jackson Square, (v) Jackson Design Hub, (vi) Home-Fix Building, (vii) 11 Ubi Road 1, and (viii) 30 Pioneer Road, with an aggregate gross floor area of 3.58 million sq ft.

For more information on VIT, please visit <http://www.vivaitrust.com>.

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