



2012 Annual Meeting

Summit **II** REIT

Summit Industrial Income REIT

Profile

- Experienced and Proven Management**
 - Leadership has a combined 90+ years of commercial real estate experience
 - Grew original Summit REIT into the largest industrial REIT in Canada
 - Generated compounded annual return of approx. 20% from 1996 – 2006
- Stable, Strong Portfolio**
 - Strong portfolio of approximately 2.7 million square feet of leasable area
 - Pro forma portfolio weighted average term to maturity of 6.0 years
 - Occupancy of 100%
- Growth Potential**
 - Utilize extensive network to acquire properties at attractive valuations
 - Scalable platform for growth
 - Fragmented ownership presents opportunity to consolidate industry
 - Targeting \$300 million in acquisitions this year

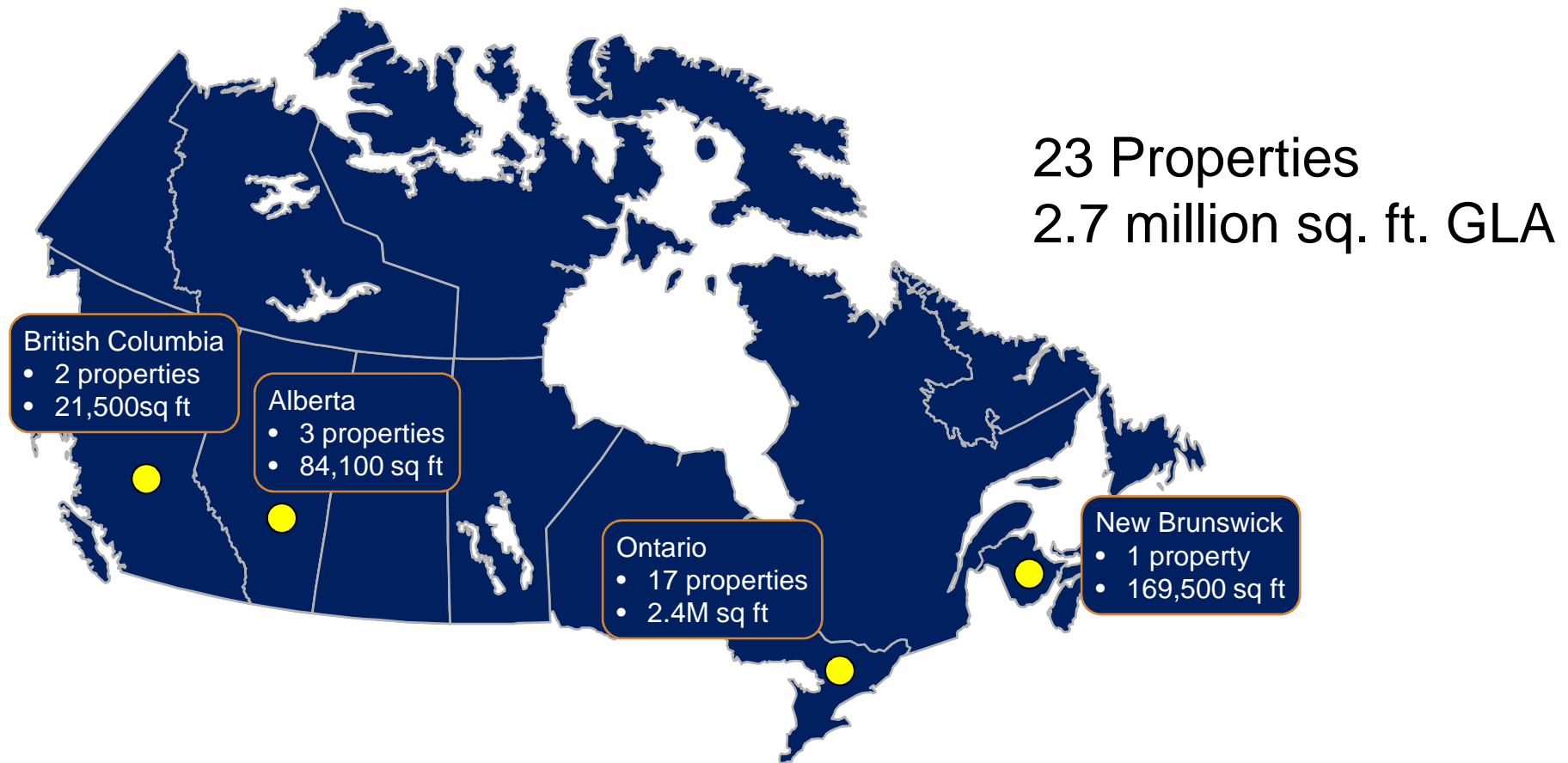


Experienced Asset Manager

Expertise from Summit REIT and ING Real Estate Canada

Successful Buyers	<ul style="list-style-type: none">● Acquired more than 33 million square feet of industrial assets● Amassed the largest industrial portfolio in Canada
Best-in-Class Operators	<ul style="list-style-type: none">● Created a national platform● Consistently outperformed the market in occupancy / retention
Market Leaders	<ul style="list-style-type: none">● Innovative leasing, cost savings and operational strategies● Innovative capital raises (1st Canadian CMBS)
Value Add Expertise	<ul style="list-style-type: none">● Assembled a land portfolio of 900 acres● Developed/re-developed > 4 million square feet of new product
Relationships	<ul style="list-style-type: none">● Well-connected and respected within the sector● Created partnerships / alliances with prominent landlords / developers
Fully Aligned Interests	<ul style="list-style-type: none">● Principles currently own approximately 9.1% of the REIT

Strong & Growing Portfolio*



* as at May 1, 2013

Solid Industry Fundamentals

Characteristic		Benefit
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Broad customer base	➔	Stable cash flow
Light industrial activities	➔	Low maintenance and capex
Domestic business focus	➔	Use of relationships
Fragmented ownership	➔	Consolidation opportunities
Short development timeline	➔	Prudent new supply of space
High levels of liquidity	➔	Sales to users and investors
Stable & growth markets	➔	High occupancy



2012 Results



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Year Ended December 31, (\$,000 except per Unit amounts)	2012
Properties	13
Revenue	2,497
Net Operating Income	1,980
Adj Funds from Operations	906
AFFO per Unit	\$0.033

Solid Financial Position

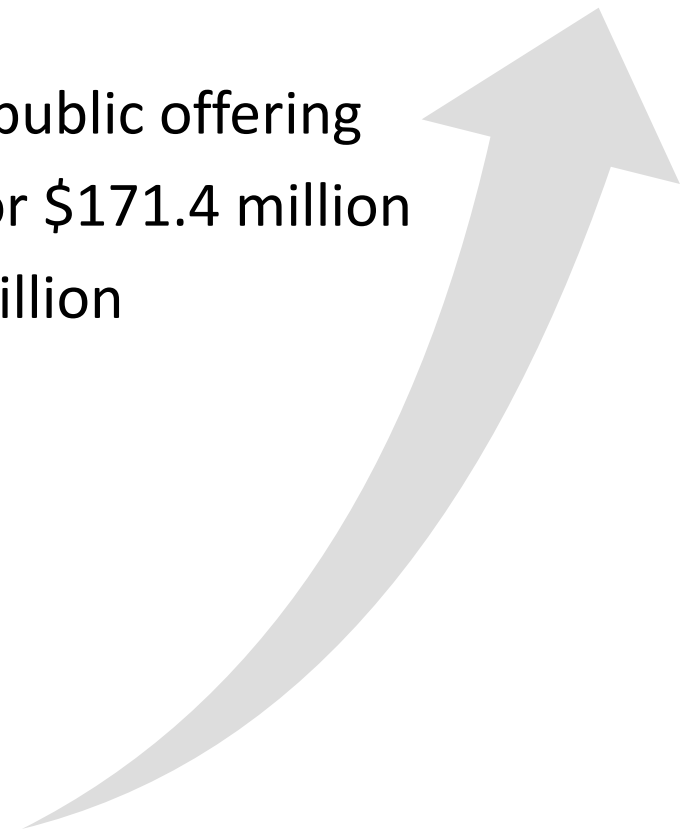
As at December 31	2012
Debt to Fair Asset Value	47.0%
Weighted Average Interest Rate	4.0%
Debt Service Ratio	2.4 x
Interest Coverage Ratio	2.4 x

Recent Events



Significant Growth in 2013

- One for twelve Unit consolidation
- Raised \$70.2 million net proceeds from public offering
- Acquired 15 light industrial properties for \$171.4 million
- Sold two non-core properties for \$5.4 million
- Strengthened and enhanced portfolio
- Strong and accretive contribution to future AFFO
- Monthly cash distributions launched
- New DRIP introduced with 5% bonus



Growth Strategies



1. External Growth

- Acquire high quality industrial properties
 - New, well maintained, low capex
 - Focus on multi-tenant properties
 - Priced below replacement cost
 - \$300 million target for 2013
- All acquisitions must be accretive
 - Strong spread between cap rates & cost of debt



2. Internal Growth

- Strong industry fundamentals
- Industry-leading operating company
 - Standard leases with built-in rent escalation
 - Ensure tenants in appropriate properties
 - Sound tenant covenants
- Economies of scale and operating synergies



3. Development Partnerships

- Establish partnerships for property development / re-development
- Target underperforming assets to roll in when stabilized
- Capitalize on expertise in asset management and leasing
- Relationships with local development expertise

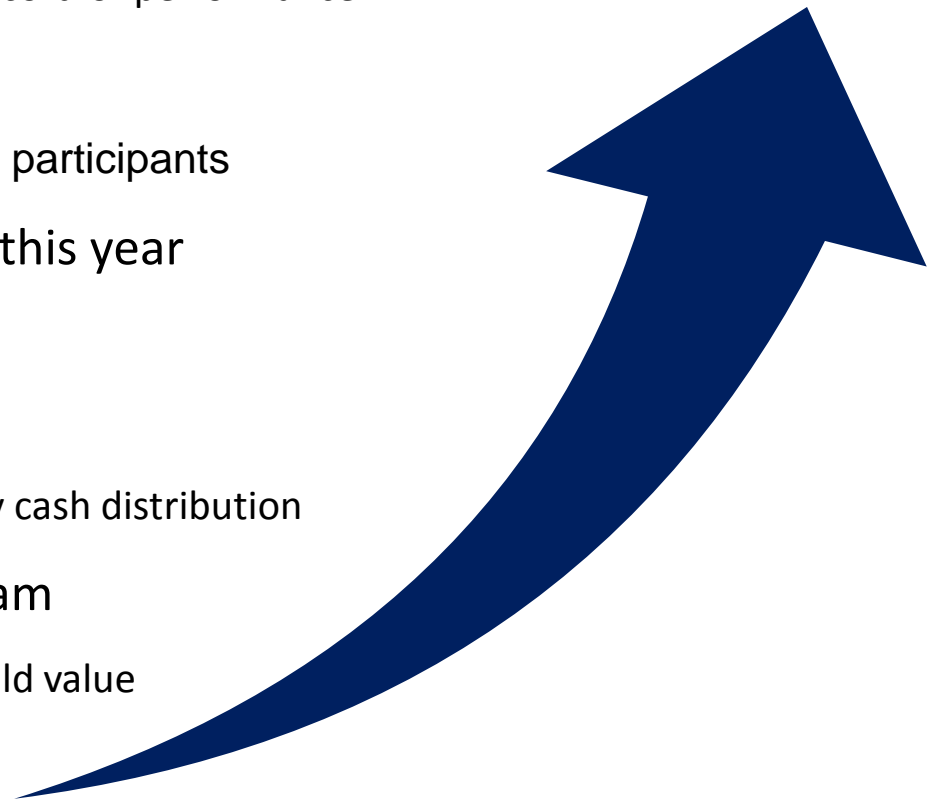


Summary



A Promising Future

- Industrial properties provide stable secure & growing cash flows
 - Solid sector fundamentals, strong track record of performance
- Highly fragmented asset class
 - Less than 5% owned by public market participants
- Targeting \$300 million in acquisitions this year
 - \$171.4 million to date
- Solid cash yield
 - Current 7.4% yield on annualized monthly cash distribution
- Experienced, proven management team
 - The expertise and the relationships to build value
 - Fully aligned with all Unitholders





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