Industrial Income Trust, Inc.

Industrial Income Trust became effective with the SEC in 2009 and acquires distribution warehouses and other industrial properties that are leased to creditworthy corporate tenants. As of the end of the second quarter 2011, the REIT had $684.5 million in assets in 63 properties totaling 11.6 million square feet. In July 2011, a follow-on offering of up to $2.0 billion in shares was filed to commence on or about December 2011 with the expiration of the current offering. The REIT is in the Growth Lifestage of effective REITs, which is characterized by accelerated growth in capital raise and acquisitions.

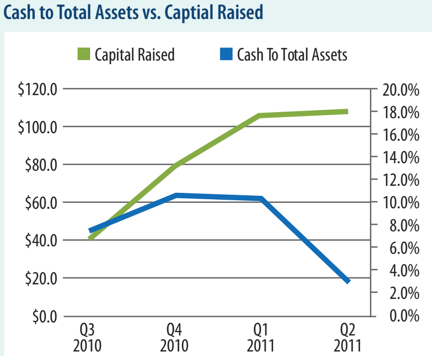
Key Highlights
- Strong recent capital raise has been matched by acquisition pace, showing good utilization of cash on hand.
- Metrics are trending toward more stable levels but still reflect unevenness typical of Growth LifeStage REITs.

Capital Stack Review
- $107.7 million was raised in the second quarter 2011 bringing total lifetime raise to $369.1 million.
- Debt – Current debt ratio is at 53.9% up from 48.0% in the previous quarter, with approximately 85% of the REIT's debt in fixed instruments.
- Debt Maturity – 78% of the REIT's debt matures in 2016 or later with the first substantial maturity in 2013 (16%).
- Loan Activity – A revolving credit agreement for $40 million was executed in June 2011 that will add to the $100 million line of credit already in place.
- Cash on Hand – Ratio is 2.8% and reflects strong current acquisition activity and good utilization of cash.

Metrics
- Distribution – The distribution yield remained steady at 6.25% over the last 4 quarters.
- Distribution Source – Distributions have been paid from sources other than cash flows from operations, such as cash flows from financing activities.
- MFFO Payout Ratio – Increased from 88% in the first quarter 2011 to 118% in the second quarter reflecting high capital raise and acquisition activity.
- Interest Coverage Ratio – Despite an increase in its debt ratio, the REIT's interest coverage remained at 2.1x for the quarter.
- Impairments – None reported.

Real Estate
- Acquisitions – During the first half of 2011, the REIT purchased 38 properties for $428 million ($52/SF). Notable Acquisitions :
  - In June 2011, six of the nine buildings in the Chicago Portfolio totaling 1.1 million square feet were purchased totaling $80.5 million ($73/SF). The portfolio is 86% leased with an average lease term of 3.6 years.
  - In June 2011, the three-building Industrial Portfolio totaling 2.0 million square feet was purchased for $111.8 million ($56/SF). Buildings are in Atlanta; York, Pa. and Houston and are 100% leased for an average lease term of 13 years.
- Cap Rate – Weighted-average purchase price capitalization rate of 7.3% for the operating portfolio.
- Lease Expirations – Over 83% of the REITs leases expire in 2016 or later.
- Occupancy – 93%
- Dispositions – None reported
- Diversification – As is typical of REITs in the Growth Lifestage, concentrations exist in several geographical areas and tenancy (12% in Hanesbrand, Inc) which, at the current acquisition pace, are expected to decline below 10% in the coming quarters.

Cash to Total Assets vs. Captial Raised



Lease Expiration