

## AIMS AMP CAPITAL INDUSTRIAL REIT MANAGEMENT LIMITED

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AIMS AMP CAPITAL INDUSTRIAL REIT

### **SGX Media Announcement**

# AIMS AMP Capital Industrial REIT extends leases at 27 Penjuru Lane, Jurong; achieves 8.5 percent higher weighted average rentals

**Singapore, 16 October 2012**: AIMS AMP Capital Industrial REIT today announced it had successfully extended 96.7 percent of the underlying leases for 27 Penjuru Lane out to FY2016 and FY2018, once the asset's master lease expires in December 2012. 27 Penjuru Lane represented 19.1% of the REIT's total net rental income as at 30 September 2012.

Newly secured sub-tenancy agreements at 27 Penjuru Lane will generate rental returns, which are on a weighted average 8.5 percent higher than the current master lease terms, reflecting strong market demand for high quality warehousing.

AIMS AMP Capital Industrial REIT Chief Executive Officer, Nick McGrath, said: "We have experienced continued strong demand for quality warehouse and logistics property, which is reflected in the higher rental returns we have successfully negotiated.

"We are actively managing the lease expiry risk in the portfolio of assets and are achieving positive rental growth in the process. We are extending the underlying leases in master leased properties by converting them to multi-tenancy properties.

"We have significantly reduced our underlying lease expiry exposure in FY2013, reducing it to 9.9 percent as at 30 September 2012. Through active asset management we have achieved positive rental reversion, which will generate attractive returns for unitholders once the master lease properties convert to multi-tenancy properties."

Management is currently in negotiations to renew the underlying leases for the remaining 3.3 percent of the 90,506 sqm net lettable area of 27 Penjuru Lane, once the master lease expires.

Mr McGrath concludes: "AIMS AMP Capital Industrial REIT has experienced strong leasing demand for its industrial assets, which are high quality and strategically located close to major transport hubs in Singapore."

27 Penjuru Lane, located within the Jurong Industrial Estate, is approximately 16km from Singapore's city centre and is easily accessed by expressways/major roads such as the Ayer Rajah Expressway, Penjuru Road and Jalan Buroh.

-Ends-

#### BY ORDER OF THE BOARD

AIMS AMP Capital Industrial REIT Management Limited (Company Registration No. 200615904N) (as manager of AIMS AMP Capital Industrial REIT)

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## **Important Notice**

The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of AIMSAMPIREIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of AIMSAMPIREIT is not necessarily indicative of the future performance of AIMSAMPIREIT.

This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

#### **About AIMS AMP Capital Industrial REIT**

Managed by AIMS AMP Capital Industrial REIT Management Limited, AIMSAMPIREIT was established with the principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate assets in Singapore and Asia. The principal sponsors of AIMSAMPIREIT are the AIMS Financial Group and AMP Capital Investors International Holdings Limited, a direct wholly-owned subsidiary of AMP Capital. AIMSAMPIREIT consists of 25 industrial properties located throughout Singapore with an appraised total value of \$\$965.7 million based on valuations obtained as at 30 September 2012.

## About AIMS Financial Group ("AIMS")

Established in 1991, AIMS Financial Group is an Australian diversified non-bank financial services and investment group with a solid track record and enviable reputation in the mortgage lending, fund management and securitisation markets. AIMS has expanded to become an international financial group focusing on lending, securitization, real estate investment, private equity, investment banking, funds management, securities exchange ownership and e-commerce across the Asia Pacific region.

Since 1999, AIMS has raised directly and indirectly about A\$4.0 billion in funds from the capital markets. AIMS has issued about A\$3.0 billion residential mortgage-backed securities with most of them rated AAA by both Standard & Poors and Fitch Ratings, and has originated over A\$5.0 billion of high quality prime home loans since 1997. AIMS have been very active in introducing international investors into the Australian real estate market, having attracted a large volume investment from its international clients to invest in Australian.

AIMS manages over A\$1.5 billion in assets as at 31 March 2012 and is the investment managers for the MacarthurCook Industrial Property Fund, MacarthurCook Office Property Trust, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, Advance Property Securities Fund and the RMR Asia Pacific Real Estate Fund. AIMS also manages, in a joint-venture arrangement with AMP Capital Investors, AIMS AMP Capital Industrial REIT in Singapore.

AIMS's head office is in Sydney, Australia, and it has offices across Australia, China and Singapore. Together with our highly qualified, professional and experienced cross-cultural teams, AIMS is in a very strong position to bridge the gap between Australia and China in various markets, especially in property, resources, fund management, high-tech, infrastructure, banking and financial services.

## **AMP Capital**

AMP Capital is one of Asia Pacific's largest investment managers with over A\$124 billion in funds under management as at 31 March 2012. Ranked a Top 3 real estate investment manager in Asia by ANREV 2011, AMP Capital has over A\$22 billion in global direct and listed real estate funds under management, and 50 years of investment experience.

AMP Capital's team of specialists operate across direct and listed real estate and infrastructure, fixed income, equities and diversified funds. AMP Capital is proud to support the AIMS AMP Capital REIT through more than 65 real estate investment professionals with specialist expertise across industrial development, industrial asset management and debt management. The team also has access to AMP Capital's structuring and operating professionals with legal, tax, fund accounting and investor relations capabilities.

AMP Capital has established operations in Australia, Bahrain, China, Hong Kong, India, Japan, Luxembourg, New Zealand, Singapore, the United Kingdom and the United States. AMP Capital's ongoing commitment to the Asian region is exemplified through their strategic partnerships in the region. As well as resigning a Memorandum of Understanding with China Life Insurance (Group) Company in 2011, AMP Capital entered a strategic business and capital alliance with Mitsubishi UFJ Trust and Banking Corporation (MUTB), a leading Japanese trust bank which provides services to institutions and retail clients, across retail and corporate banking, trust assets, real estate and global markets.

AMP Capital's on the ground resources and extensive network of carefully selected regional investment partners means AMP Capital can source competitive investment opportunities catering to the varied needs of its clients