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## Media Release

### AIMS AMP Capital Industrial REIT delivers solid 1Q FY2014 result

**Singapore 25 July 2013** – AIMS AMP Capital Industrial REIT Management Limited (the Manager) as manager of AIMS AMP Capital Industrial REIT (the Trust) today announced a 12.0 percent year-on-year increase in distribution to Unitholders to S\$12.5 million.

For the first quarter FY2014 net property income rose 5.7 percent year-on-year to S\$15.7 million, up from S\$14.9 million. For the same period, gross revenue rose 17.1 percent year-on-year to S\$24.5 million, up from S\$20.9 million. The increase was mainly due to rental contribution from Phase One of 20 Gul Way as the property became income-producing from 29 December 2012. Also contributing to this performance were higher rental rates and recoveries from 27 Penjuru Lane and 8 and 10 Pandan Crescent as the properties reverted to multi-tenancy properties.

The Manager declared a distribution per unit (DPU) for the first quarter of 2.50 cents. First quarter DPU comprised (i) an advanced distribution of 0.85 cents per unit for the period from 1 April 2013 to 1 May 2013 which was paid on 18 June 2013 and (ii) a distribution of 1.65 cents per unit for the period from 2 May 2013 to 30 June 2013 to be paid on 20 September 2013.

The advanced distribution for the period from 1 April to 1 May 2013 was paid to Unitholders on the register before the issuance of new units on 2 May 2013 pursuant to the private placement launched in April 2013. The distribution for the period from 2 May 2013 to 30 June 2013 is payable to all Unitholders holding Units at the Books Closure Date of 6 August 2013.

The Manager's Chief Executive Officer, Mr Nick McGrath said: "During the first quarter we delivered solid returns for Unitholders, increasing distributions by 12.0 percent year-on-year."

"The Trust's portfolio continued to achieve positive rental reversion which will contribute positively to distributions in the coming quarters. We secured 31 leases (new and renewal) this quarter representing 5.6 percent of our portfolio's lettable area and achieved a weighted average increase of 14.2 percent on these renewals."

"For the next quarter, additional rental income from the completed Phase Two of 20 Gul Way will boost distributions further," Mr McGrath said.

During 1Q FY2014, the Manager achieved significant milestones for the Trust including:

- achieving Temporary Occupation Permit (TOP) for Phase Two of 20 Gul Way on 7 May 2013, seven months ahead of schedule;
- raising S\$110 million via a private placement to fund the Trust's next phase of growth; and

- announcing further development of 20 Gul Way which is expected to generate additional S\$6.3 million in annual rental income<sup>1</sup>.

The Trust's aggregate leverage fell to 25.4 percent as at 30 June 2013 following the private placement.

Mr McGrath said the Trust is seeking acquisition opportunities to grow the Trust.

"We are creating Unitholder value by developing select assets in the Trust's portfolio. Looking ahead, we may consider acquisitions in new markets where our sponsors have a presence, provided growth opportunities meet our investment criteria," he said.

**Key highlights for 1Q FY2014 are:**

- DPU of 2.50<sup>2</sup> cents per unit for the quarter
- Increase in distribution to Unitholders of 12.0 percent year-on-year to S\$12.5 million
- Portfolio value grew to S\$1.08 billion at 1Q FY2014 from S\$1.04 billion at 4Q FY2013
- Announced the further development of Phase 2E and Phase 3 of 20 Gul Way
- Commenced redevelopment of 103 Defu Lane 10

The Trust's stable distributions are supported by the following portfolio strengths:

- Strong portfolio occupancy rate of 98.0 percent, compared to the Singapore industrial average of 93.0 percent;
- Security deposits underpinning the rental obligation of tenants with the average being 5.9 months per property;
- Long weighted average unexpired land lease of 38.9 years as at 30 June 2013;
- A weighted average lease expiry of 3.12 years.

For the first quarter of FY2014, the Manager achieved the following financial performance metrics:

- Aggregate leverage of 25.4 percent;
- NAV per unit increased from S\$1.476 to S\$1.501;
- A unit price of S\$1.635 as at 24 July 2013, representing a 8.9 percent premium to NAV per unit;
- An Interest Cover Ratio (ICR) of 5.0 times for 1Q FY2014, compared to the Trust's bank facility ICR covenant of 2.5 times; and
- A weighted average debt maturity of 3.0 years.

The US Federal Reserve has indicated that it is likely to begin tapering its quantitative easing programme this year if the US economy continues to improve as it expects. Against this backdrop, long term US and Singapore interest rates have started to rise, which will ultimately affect funding costs of interest rate sensitive vehicles such as REITs. The Trust's existing capital structure is well positioned with no debt due for refinancing until October 2015, a weighted debt maturity of 3.0 years and with 100 percent of its debt fixed for a weighted average of 2.9 years.

The outlook for Singapore's domestic economy is cautiously positive. Growth is expected to be moderate, supported by resilient domestic demand and modest growth in external demand.

"Barring any unforeseen event, the Trust is well positioned to maintain a stable performance throughout the financial year," Mr McGrath said.

<sup>1</sup> Refer to SGX announcement dated 6 June 2013.

<sup>2</sup> The DPU of 2.50 cents comprised (i) advanced distribution of 0.85 cents for the period from 1 April to 1 May 2013 which was paid on 18 June 2013 and (ii) DPU of 1.65 cents for the period from 2 May to 30 June 2013 to be paid on 20 September 2013.

## Financial results summary

	Note	1Q FY2014 S\$'000	4Q FY2013 S\$'000	+ /(-) %	1Q FY2013 S\$'000	+ /(-) %
Gross revenue	(a)	24,524	23,810	3.0	20,948	17.1
Net property income	(a)	15,734	15,516	1.4	14,884	5.7
Distribution to Unitholders	(b)	12,488	14,111	(11.5)	11,149	12.0
- from operations		12,488	12,763	(2.2)	11,149	12.0
- from capital gain		-	1,348	(100.0)	-	NM
Distribution per Unit ("DPU") (cents)	(c)	<b>2.500</b>	<b>3.140</b>	<b>(20.4)</b>	<b>2.500</b>	-
- from operations		2.500	2.840	(12.0)	2.500	-
- from capital gain		-	0.300	(100.0)	-	NM

- (a) Please refer the unaudited financial statement under section 8 on "Review of the performance" for explanation of the variances.
- (b) The Trust achieved an amount available for distribution from taxable income of S\$12.6 million for 1Q FY2014. The Trust's distribution policy is to distribute at least 90.0% of the Trust's taxable income for the full financial year. For 1Q FY2014, the Manager has resolved to distribute 99.4% of the taxable income available for distribution to the Unitholders.
- (c) Distribution to Unitholders for 1Q FY2014 comprises the following:-

	DPU (Cents)	S\$'000
Advanced distribution for the period from 1 April 2013 to 1 May 2013	0.850	3,820
Distribution for the period from 2 May 2013 to 30 June 2013	1.650	8,668
	<u>2.500</u>	<u>12,488</u>

## Distribution details

Distribution	For 1 April 2013 to 1 May 2013	For 2 May 2013 to 30 June 2013
Distribution Rate	0.850 cents per Unit	1.650 cents per Unit
Books Closure Date	30 April 2013	6 August 2013
Payment Date	18 June 2013	20 September 2013

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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, part of the AMP Group, one of Australia's largest retail and corporate pension providers and one of the region's most significant investment managers. AIMSAMPIREIT consists of 25 industrial properties located throughout Singapore with an appraised total value of S\$1.04 billion based on valuations obtained as at 31 March 2013.

## **About AIMS Financial Group ("AIMS")**

Established in 1991, AIMS Financial Group (AIMS) is a diversified financial services and investment group with a solid track record and enviable reputation in the mortgage lending, fund management and securitisation markets in Australia, active in the areas of lending, securitisation, investment banking, funds management, property investment and high-tech investment. AIMS also 100% owns Asia Pacific Stock Exchange (APX).

Since 1999, AIMS has raised approximately A\$4.0 billion in funds from the capital markets. Of this, AIMS has issued approximately 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 has actively introduced a number of international investors into the Australian markets and to date has also attracted over A\$1.0 billion of investments into Australia from overseas investors.

AIMS is also the investment manager for AIMS' funds, which amount to approximately A\$1.5 billion fund as at 31 December 2012.

AIMS' head office is in Sydney, Australia, and it has businesses across Australia, China, Hong Kong and Singapore. Our highly qualified, professional and experienced cross-cultural teams enable AIMS to bridge the gap between Australia and China across various sectors.

## **About AMP Capital**

AMP Capital is one of Asia Pacific's largest investment managers with over A\$130 billion in funds under management (as at 31 March 2013). Ranked a Top 5 real estate investment manager in Asia by ANREV 2012, AMP Capital has over A\$23 billion in global direct and listed real estate funds under management (as at 31 March 2013), and over 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 Industrial REIT 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.