

 <p><b>AIMS</b> 宝洋</p> <p><b>AIMS AMP CAPITAL INDUSTRIAL REIT</b></p>	<p><b>AIMS AMP CAPITAL INDUSTRIAL REIT MANAGEMENT LIMITED</b></p> <p>As Manager of AIMS AMP Capital Industrial REIT One George Street, #23-03 Singapore 049145</p>
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## Media Release

### AIMS AMP Capital Industrial REIT's DPU up 29.2 per cent year on year

**Singapore, 23 October 2013** – AIMS AMP Capital Industrial REIT Management Limited (the Manager) as manager of AIMS AMP Capital Industrial REIT (Trust) today announced its second quarter results with a significant 29.2 per cent year-on-year increase in distribution to Unitholders of S\$14.5 million for 2Q FY2014.

The Manager delivered a distribution per unit (DPU) of 2.75 cents, up 10.0 per cent from the previous quarter. The DPU of 2.75 cents represents a payout of 99.2 per cent of taxable income available for distribution, in line with the Manager's distribution policy to pay at least 90.0 per cent of its taxable income.

The Manager's Chief Executive Officer, Mr Nick McGrath, said: "This very strong result was driven by the income contribution from Phase Two of 20 Gul Way, and a solid 98.0 per cent occupancy rate across our portfolio."

"We reported a 9.8 percent rise in gross revenue to \$26.9 million from the last quarter. This was primarily due to S\$1.6 million rental contribution from the completed 20 Gul Way Phase Two, as well as higher revenue of S\$0.4 million from 56 Serangoon North Avenue 4 due to an increase in occupancy rate. In addition, we achieved net property income of S\$18.2 million, up 15.8 per cent on the previous quarter." Mr McGrath said.

#### Key highlights for 2Q FY2014:

- Delivered strong DPU of 2.75 cents.
- Distribution to Unitholders increased by 29.2 per cent year-on-year to S\$14.5 million.
- Portfolio value of S\$1.09 billion.
- Aggregate leverage of 25.2 per cent, with average gearing of 30% for 16 consecutive quarters.
- Appointment of new Chief Executive Officer, Mr Koh Wee Lih, with effect from 1 January 2014, demonstrating stability and strategy continuity for the Trust.
- Commencement of development of Phase 2E and Three of 20 Gul Way<sup>1</sup>.

#### Asset management

"We continued to achieve strong rental reversion in our leasing efforts, leading to a weighted average rental increase of 20.7 per cent for the quarter. At the same time, the occupancy rate across our portfolio remains strong at 98.0 per cent," Mr McGrath said.

The Trust's strong and stable cashflows are supported by the following portfolio strengths:

- High portfolio occupancy rate of 98.0 per cent, compared to the Singapore Industrial Average of factory and warehouse space of 92.4 per cent and 92.8 per cent respectively.

<sup>1</sup> Please refer to SGX announcement dated 5 September 2013.

- Average security deposit of 5.9 months per property underpinning the rental obligation of tenants.
- Built in rent escalation for master leases.
- Weighted average lease expiry of 3.12 years.
- Weighted average land lease expiry of 38.6 years.

On 5 September, the Trust announced it would commence development of Phase 2E and Phase Three of 20 Gul Way. The development will add 496,949 square feet of gross floor area (GFA) to 20 Gul Way, bringing the total GFA of the property to approximately 1,656,480 square feet. The construction has commenced and is expected to take approximately 17 months.

This further development at 20 Gul Way is expected to achieve a net property income yield on cost of 8.3<sup>2</sup> per cent. Once completed, Phases 2E and Three are forecast to add S\$89.4<sup>3</sup> million to 20 Gul Way's value, creating an asset valued in total at S\$306.4<sup>4</sup> million which will be the largest asset in the portfolio.

### **Capital management**

"We continued our proven track record of prudent capital management and maintained a stable 30 per cent gearing for the last 16 consecutive quarters. This puts us in a strong position to execute on our strategy and deliver growth to Unitholders," Mr McGrath said.

The Manager achieved the following financial performance metrics:

- Aggregate leverage of 25.2 percent.
- NAV per unit increased from S\$1.50 to S\$1.52.
- Weighted average debt maturity of 2.8 years.
- Interest Cover Ratio (ICR) of 6.3 times, compared to 5.0 times in the last quarter.
- Distribution yield 7.07<sup>5</sup> percent.

### **Outlook**

Mr McGrath concluded, "While the US Federal Reserve's decision in September to delay tapering boosted investor confidence at the time, there is ongoing uncertainty about the possibility of tapering in the near future. As a result, there continues to be fear of interest rates rising, which will ultimately affect the funding costs of vehicles such as REITs. The latest resolution in the US to reopen the federal government and lift the debt ceiling, avoiding actual default, will provide some stability to the financial markets. The Trust's existing capital structure is well positioned with no debt due for refinancing until October 2015, with 100% of its debt fixed for an average of 2.7 years."

"The Singapore property market remained steady in the June 2013 quarter, with stable rents and marginal growth in capital values. With our focus on unlocking value within the portfolio through select developments, intensive asset management and potential acquisitions we are well placed to maintain a stable performance."

<sup>2</sup> Based on development cost excluding non cash cost. Development cost includes construction cost, professional fees, capitalised land rent, capitalised interest cost, capitalised lease incentives and contingency.

<sup>3</sup> CBRE Pte. Ltd.'s valuation dated 15 April 2013 on an "as-if-complete" basis.

<sup>4</sup> CBRE Pte. Ltd.'s valuation of Phase One and Two at 20 Gul Way of S\$217.0 million dated 30 September 2013 and CBRE Pte. Ltd.'s valuation of Phase 2E and Three at 20 Gul Way of S\$89.4 million dated 15 April 2013 on an "as-if-complete" basis.

<sup>5</sup> Based on closing price of S\$1.485 on 22 October 2013 and annualised DPU of 10.5 cents. Annualised DPU is computed based on actual DPU payout for 1H FY2014 and annualised to full year.

## Financial results summary

	2Q FY2014	1Q FY2014	+ /(-)	2Q FY2013	+ /(-)	1H FY2014	1H FY2013	+ /(-)
	S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	26,926	24,524	9.8	21,583	24.8	51,450	42,531	21.0
Net property income	18,224	15,734	15.8	14,742	23.6	33,958	29,626	14.6
Distribution to Unitholders	14,481	12,488	16.0	11,208	29.2	26,969	22,357	20.6
Distribution per Unit ("DPU") (cents)	2.750	2.500	10.0	2.500	10.0	5.250	5.000	5.0

## Distribution and Books Closure Date

Distribution	For 1 July 2013 to 30 September 2013
Distribution Rate	2.750 cents per Unit
Books Closure Date	5 November 2013
Payment Date	18 December 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\$1.09 billion based on valuations obtained as at 30 September 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\$131 billion in funds under management (as at 30 June 2013). Ranked a Top 5 real estate investment manager in Asia by ANREV 2013, AMP Capital has over A\$21 billion in global direct and listed real estate funds under management (as at 30 June 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. 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. In September 2013 AMP Capital formed a joint venture with China Life Insurance (Group) Company to create China Life AMP Asset Management Company Limited, which will offer retail and institutional investors in China access to investment solutions.

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.