



AIMS AMP CAPITAL INDUSTRIAL REIT

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT
ANNOUNCEMENT
FOURTH QUARTER ENDED 31 MARCH 2015
("4Q FY2015")**

Introduction

AIMS AMP Capital Industrial REIT ("AA REIT" or the "Trust") is a real estate investment trust which was listed on the Main Board of the SGX-ST on 19 April 2007. The principal investment objective of AA REIT is to invest in a diversified portfolio of income-producing real estate assets located in Singapore and throughout the Asia-Pacific region that is used for industrial purposes, including, but not limited to warehousing and distribution activities, business park activities and manufacturing activities. The Manager's key objectives are to deliver stable distributions to Unitholders and to provide long-term capital growth.

The Group¹ has a portfolio of 26 industrial properties, 25 of which are located throughout Singapore and one business park property in Sydney, Australia².

Summary of AIMS AMP Capital Industrial REIT Group results

	Note	4Q FY2015	3Q FY2015	+/(−)	4Q FY2014	+/(−)	FY2015	FY2014	+/(−)
		S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(a)	30,091	29,720	1.2	29,473	2.1	115,432	108,240	6.6
Net property income	(a)	20,312	20,494	(0.9)	19,260	5.5	80,013	71,895	11.3
Share of results of joint venture (net of tax)	(a)	3,363	15,230	(77.9)	(476)	>(100.0)	26,213	(476)	>(100.0)
Distribution to Unitholders	(b)	18,365	17,725	3.6	15,591	17.8	69,198	57,203	21.0
Distribution per Unit ("DPU") (cents)		2.92	2.83	3.2	2.51	16.3	11.07	10.53	5.1

Notes:

- (a) Please refer to section 8 on "Review of the performance" for explanation of the variances.
- (b) The Manager resolved to distribute S\$18.4 million for 4Q FY2015, comprising (i) taxable income of S\$17.1 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.2 million and capital distribution of S\$1.1 million from distributions remitted from the Group's investment in Optus Centre, Sydney, Australia.

AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For FY2015, the Manager has resolved to distribute 100.0% of the Singapore taxable income available for distribution to the Unitholders. Please refer to details in section 1(a)(ii) for the distribution statement.

¹ The Group comprises AIMS AMP Capital Industrial REIT and its wholly-owned subsidiaries.

² AA REIT has a 49.0% interest in Optus Centre located in Sydney, Australia.

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Distribution and Books Closure Date

Distribution	For 1 January 2015 to 31 March 2015
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution
Distribution Rate	(a) Taxable Income Distribution: 2.71 cents per Unit (b) Tax-Exempt Income Distribution: 0.03 cents per Unit (c) Capital Distribution ³ : <u>0.18 cents per Unit</u> <u>2.92 cents per Unit</u>
Books Closure Date	8 May 2015
Payment Date	24 June 2015

1 (a)(i) Consolidated Statement of Total Return

		Group 4Q FY2015 S\$'000	Group 4Q FY2014 S\$'000	+ / (-) %	Group FY2015 S\$'000	Group FY2014 S\$'000	+ / (-) %
Note							
Gross revenue	(a)	30,091	29,473	2.1	115,432	108,240	6.6
Property operating expenses	(a)	(9,779)	(10,213)	(4.2)	(35,419)	(36,345)	(2.5)
Net property income	(a)	20,312	19,260	5.5	80,013	71,895	11.3
Foreign exchange (loss)/gain	(a)	(61)	370	>(100.0)	(59)	2	>(100.0)
Interest income		28	65	(56.9)	71	81	(12.3)
Borrowing costs	(a)	(5,191)	(4,452)	16.6	(22,761)	(13,810)	64.8
Manager's management fees							
- Base fees	(a)	(1,803)	(1,613)	11.8	(7,228)	(5,803)	24.6
- Performance fees	(a)	(2,917)	-	NM	(2,917)	-	NM
Other trust expenses	(a)	(572)	(702)	(18.5)	(2,072)	(1,941)	6.7
Non-property expenses		(10,483)	(6,767)	54.9	(34,978)	(21,554)	62.3
Net income before joint venture's results		9,796	12,928	(24.2)	45,047	50,424	(10.7)
Share of results of joint venture (net of tax)	(a),(b)	3,363	(476)	>(100.0)	26,213	(476)	>(100.0)
Net income		13,159	12,452	5.7	71,260	49,948	42.7
Net change in fair value of investment properties and investment properties under development	(c)	1,280	14,579	(91.2)	37,721	31,401	20.1
Net change in fair value of derivative financial instruments	(d)	543	118	>100.0	774	2,686	(71.2)
Total return before income tax		14,982	27,149	(44.8)	109,755	84,035	30.6
Income tax expense	(e)	(1,255)	(88)	>100.0	(1,693)	(88)	>100.0
Total return after income tax		13,727	27,061	(49.3)	108,062	83,947	28.7

NM : not meaningful.

³ This relates to the tax deferred component arising from the distributions remitted from the Group's investment in Optus Centre, Sydney, Australia.

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Notes:

- (a) Please refer to section 8 on “Review of the performance” for explanation of the variances.
- (b) The share of results of joint venture (net of tax) comprised of the contribution from the Group’s 49.0% interest in Optus Centre, which is located in Sydney, Australia.
- (c) Net change in fair value of investment properties arose from the revaluation of the Trust’s Singapore investment properties as at 31 March 2015. The independent valuation of these properties were carried out by Knight Frank Pte Ltd or Colliers International Consultancy & Valuation (Singapore) Pte Ltd.

The net change in fair value of investment properties is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

- (d) This relates to changes in fair value due to the revaluation of the Singapore dollar interest rate swap contracts in accordance with Financial Reporting Standard (“FRS”) 39. Please refer to note (e) of section 1(b)(i) for further details of the swap contracts. The fair value of the SGD derivative financial instruments registered a favourable change in 4Q FY2015. This was mainly due to higher Singapore dollar interest rates as at the end of 4Q FY2015 as compared to the previous quarter.

The net change in fair value of derivative financial instruments is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

- (e) Income tax expense relates to withholding tax paid / payable by the Trust on the distribution and interest income from Australia, income tax payable by the Trust’s wholly-owned subsidiary, AACI REIT MTN Pte Ltd (“AACI REIT MTN”) as well as provision for deferred tax liabilities for the Trust’s investment in Australia.

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1(a)(ii) Distribution Statement

		Group 4Q FY2015 S\$'000	Group 4Q FY2014 S\$'000	+ / (-) %	Group FY2015 S\$'000	Group FY2014 S\$'000	+ / (-) %
Note							
	Total return before income tax	14,982	27,149	(44.8)	109,755	84,035	30.6
	Net effect of tax adjustments	(a) 2,365	(13,610)	>(100.0)	(25,565)	(28,423)	(10.1)
	Other adjustments	(b) (1,709)	1,328	>(100.0)	(19,308)	1,443	>(100.0)
	Release of distribution retained in previous quarters	1,406	576	>100.0	-	-	-
	Amount available for distribution from Singapore taxable income	17,044	15,443	10.4	64,882	57,055	13.7
	Distribution from Singapore taxable income	(c) 17,044	15,443	10.4	64,882	57,055	13.7
	Distribution from tax-exempt income	(d) 189	148	27.7	751	148	>100.0
	Capital distribution	(e) 1,132	-	NM	3,565	-	NM
	Distribution to Unitholders	18,365	15,591	17.8	69,198	57,203	21.0

Notes:

(a) Net effect of tax adjustments

	Group 4Q FY2015 S\$'000	Group 4Q FY2014 S\$'000	+ / (-) %	Group FY2015 S\$'000	Group FY2014 S\$'000	+ / (-) %
Amortisation and write-off of borrowing transaction costs	245	327	(25.1)	2,367	1,090	>100.0
Foreign exchange loss/(gain)	51	(368)	>(100.0)	51	-	NM
Manager's management fees in Units						
- Base fees	-	-	-	2,717	2,188	24.2
- Performance fees	2,917	-	NM	2,917	-	NM
Net change in fair value of investment properties and investment properties under development	(1,280)	(14,579)	(91.2)	(37,721)	(31,401)	20.1
Net change in fair value of derivative financial instruments	(543)	(118)	>100.0	(774)	(2,686)	(71.2)
Prepayment fee on borrowings	-	-	-	66	-	NM
Net tax adjustment on foreign sourced income	649	-	NM	3,171	-	NM
Temporary differences and other tax adjustments	326	1,128	(71.1)	1,641	2,386	(31.2)
Net effect of tax adjustments	2,365	(13,610)	>(100.0)	(25,565)	(28,423)	(10.1)

NM: not meaningful.

(b) Other adjustments comprised primarily the net accounting results of the Trust's subsidiaries.

(c) The Trust's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For FY2015, the Manager has resolved to distribute 100.0% of the Singapore taxable income available for distribution to the Unitholders.

(d) This relates to tax-exempt income arising from the distributions remitted from the Group's investment in Optus Centre, Sydney, Australia.

(e) This relates to the tax deferred component arising from the distributions remitted from the Group's investment in Optus Centre, Sydney, Australia.

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1(b)(i) Statements of Financial Position as at 31 March 2015 vs. 31 March 2014

		Group	Group		Trust	Trust	
	Note	31 Mar 2015	31 Mar 2014	+/(-) %	31 Mar 2015	31 Mar 2014	+/(-) %
		S\$'000	S\$'000		S\$'000	S\$'000	
Non-current assets							
Investment properties	(a)	1,233,470	1,085,500	13.6	1,233,470	1,085,500	13.6
Investment properties under development	(b)	-	72,000	(100.0)	-	72,000	(100.0)
Subsidiaries	(c)	-	-	-	85,051	87,185	(2.4)
Joint venture	(d)	204,894	215,186	(4.8)	-	-	-
Trade and other receivables		3,464	3,365	2.9	3,464	3,365	2.9
Derivative financial instruments	(e)	213	177	20.3	213	177	20.3
Plant and equipment		-	26	(100.0)	-	26	(100.0)
		1,442,041	1,376,254	4.8	1,322,198	1,248,253	5.9
Current assets							
Trade and other receivables	(f)	6,183	7,178	(13.9)	5,775	6,585	(12.3)
Cash at banks and in hand	(g)	10,111	21,809	(53.6)	9,216	21,414	(57.0)
		16,294	28,987	(43.8)	14,991	27,999	(46.5)
Total assets		1,458,335	1,405,241	3.8	1,337,189	1,276,252	4.8
Non-current liabilities							
Rental deposits		6,276	5,221	20.2	6,276	5,221	20.2
Trade and other payables	(h)	-	5,587	(100.0)	-	5,587	(100.0)
Interest-bearing borrowings	(i)	454,237	442,120	2.7	338,793	314,336	7.8
Derivative financial instruments	(e)	4,314	1,277	>100.0	48	737	(93.5)
Deferred tax liabilities	(j)	1,134	-	NM	-	-	-
		465,961	454,205	2.6	345,117	325,881	5.9
Current liabilities							
Trade and other payables	(k)	30,279	39,099	(22.6)	28,999	37,579	(22.8)
Derivative financial instruments	(e)	-*	49	(100.0)	-*	49	(100.0)
		30,279	39,148	(22.7)	28,999	37,628	(22.9)
Total liabilities		496,240	493,353	0.6	374,116	363,509	2.9
Net assets		962,095	911,888	5.5	963,073	912,743	5.5
Represented by:							
Unitholders' funds		962,095	911,888	5.5	963,073	912,743	5.5
		962,095	911,888	5.5	963,073	912,743	5.5

NM: not meaningful.

* : less than S\$1,000.

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Notes:

- (a) The increase in investment properties was primarily due to:
- (i) the transfer of S\$132.5 million (which included revaluation gain of S\$24.9 million recognised in FY2015) from investment properties under development for 103 Defu Lane 10, Phase 2E and Phase Three of 20 Gul Way upon obtaining TOP on 28 May 2014, 14 June 2014 and 9 September 2014 respectively;
 - (ii) revaluation surplus of S\$11.5 million and S\$1.3 million recognised in September 2014 and March 2015 respectively and
 - (iii) capital expenditure capitalised on asset enhancement work of S\$2.7 million.
- (b) As of 31 March 2014, investment properties under development comprised of the redevelopment at 103 Defu Lane 10 and further development of Phase 2E and Phase Three of 20 Gul Way. These developments were completed during the current financial year and were transferred to investment properties.
- (c) This relates to the Trust's interest in its wholly-owned subsidiaries, AACI REIT MTN, AIMS AMP Capital Industrial REIT (Australia) Trust and AACI REIT Opera Pte. Ltd.
- (d) This relates to the Group's 49.0% interest in Macquarie Park Trust, the Australian unit trust which holds Optus Centre, located in Sydney, Australia. The decrease in the joint venture balances was mainly due to the strengthening of the Singapore dollar against the Australia dollar of S\$21.7 million, partially offset by the share of net change in fair value of the underlying property of S\$11.2 million. As the Australian investment is substantially hedged through the use of Australia dollar denominated loans, there is a corresponding reduction in interest-bearing borrowings of S\$20.1 million (see note 1(b)(i)(i) below).
- (e) The derivative financial instruments as at 31 March 2015 were in relation to interest rate swap contracts with a total notional amount of S\$214.1 million. As at 31 March 2015, approximately 86.2% of the Group's borrowings were on fixed rates taking into account (i) the interest rate swaps entered into and (ii) the medium term notes. Under the interest rate swap contracts, the Group pays fixed interest rates of between 0.748% to 3.825% per annum and receives interest at the three-month Singapore dollar swap offer rate or at the three-month Australia bank bill swap bid rates, as the case may be. The net change in fair value of AUD financial derivatives registered an unfavourable change during the period mainly due to lower Australia dollar interest rates as at 31 March 2015 compared to 31 March 2014.
- (f) Trade and other receivables as at 31 March 2015 was S\$6.2 million which was S\$1.0 million lower compared to balances as at 31 March 2014. The decrease was mainly attributable to the timing of collection of receivables from tenants.
- (g) Cash at banks and in hand as at 31 March 2015 was S\$10.1 million which was S\$11.7 million lower compared to balances as at 31 March 2014. This was mainly attributable to funding of development costs at Phase 2E and Phase Three of 20 Gul Way and 103 Defu Lane 10, borrowing costs and distributions paid. The above was partially offset by net cash flows generated from operating activities and borrowings from loan facilities. During the year, the Trust refinanced its existing Singapore secured loan facilities (originally due in October 2015 and 2016) with a syndicate of six financial institutions and extended the loan maturity of the facility to November 2017 and 2018.

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- (h) The decrease in non-current trade and other payables as at 31 March 2015 was mainly due to the payables with tenors of less than one year which have been reclassified to current trade and other payables.
- (i) The increase in interest-bearing borrowings of the Group by S\$12.1 million as at 31 March 2015 was mainly due to the drawdown of S\$31.6 million to fund the development costs incurred on the Trust's development of 20 Gul Way and 103 Defu Lane 10, partially offset by the decrease in the Australia dollar denominated borrowings of S\$20.1 million due to the strengthening of the Singapore dollar against the Australia dollar. Please refer to the details of interest-bearing borrowings in section 1(b)(ii).
- (j) This relates to the provision of deferred tax liabilities for the Trust's investment in Australia.
- (k) Trade and other payables as at 31 March 2015 included retention sum of S\$7.3 million relating to the redevelopment of 20 Gul Way and 103 Defu Lane 10. (31 March 2014: included development costs payable of S\$10.6 million and retention sum of S\$2.2 million relating to the redevelopment of 20 Gul Way and 103 Defu Lane 10). These development costs are to be funded by the loan facilities of the Trust.

As at 31 March 2015, the Group and the Trust have undrawn committed facilities of S\$153.2 million to fulfil their liabilities as and when they fall due.

1(b)(ii) Aggregate amount of borrowings

	Group 31 Mar 2015 S\$'000	Group 31 Mar 2014 S\$'000	Trust 31 Mar 2015 S\$'000	Trust 31 Mar 2014 S\$'000
Interest-bearing borrowings				
Amount repayable after one year				
Secured				
Term loans	277,234	239,932	161,100	111,161
Revolving credit facility	-	75,800	-	75,800
	<u>277,234</u>	<u>315,732</u>	<u>161,100</u>	<u>186,961</u>
Unsecured				
Medium Term Notes	180,000	130,000	180,000	130,000
	<u>457,234</u>	<u>445,732</u>	<u>341,100</u>	<u>316,961</u>
Less: Unamortised borrowing transaction costs	(2,997)	(3,612)	(2,307)	(2,625)
	<u>454,237</u>	<u>442,120</u>	<u>338,793</u>	<u>314,336</u>

Details of borrowings and collateral

(a) Secured borrowings

On 20 November 2014, HSBC Institutional Trust Services (Singapore) Limited, as trustee of AA REIT entered into a new facility agreement to refinance its existing secured loan facilities with a syndicate of six financial institutions. The new facility extended the loan maturity to November 2017 and 2018 and comprised the following:

- a three year term loan facility of A\$66.0 million to partially fund the 49.0% interest in Optus Centre, Sydney. As of 31 March 2015, the Trust has drawn down A\$65.1 million (or S\$68.4 million) under this facility to refinance the amounts drawn previously under its dual SGD or AUD revolving credit facility of S\$120.0 million;

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- a four year term loan facility of S\$125.0 million to refinance the outstanding loan used to fund the redevelopment of 20 Gul Way and 103 Defu Lane 10. As at 31 March 2015, the Trust has drawn down S\$92.7 million under this facility; and
- a three year revolving credit facility of S\$120.0 million which is available and undrawn as at 31 March 2015.

The details of the collateral for the facility are as follows:

- first legal mortgage over 12 investment properties of the Trust; and
- assignment of rights, title and interest in leases, insurances and rental proceeds of the related mortgaged investment properties.

On 7 February 2014, AMP Capital AA REIT Investments (Australia) Pty Limited in its capacity as trustee of AA REIT Macquarie Park Investment Trust (an indirect wholly-owned subsidiary of the Trust) (the "Borrower") entered into a A\$110,655,000 syndicated facility agreement with two financial institutions for a five year debt facility to partially fund the acquisition of the 49.0% interest in Optus Centre.

The details of the collateral are as follows:

- first ranking general security agreement over the current and future assets and undertakings of the Borrower, including the Borrower's units in Macquarie Park Trust; and
- first ranking specific security agreement from AMP Capital Investors Limited in its capacity as trustee for AIMS AMP Capital Industrial REIT (Australia) Trust over the units of the Borrower and all present and future rights and property interests in respect of the units in the Borrower.

The Group and the Trust have undrawn committed facilities of S\$153.2 million (31 March 2014: S\$107.0 million) to fulfil their liabilities as and when they fall due.

(b) Unsecured borrowings

On 25 July 2012, the Trust, through its subsidiary AACI REIT MTN, established a S\$500 million Multi-currency Medium Term Note Programme ("MTN Programme").

On 21 May 2014, AACI REIT MTN issued S\$50.0 million five year fixed rate notes due 2019 under its S\$500 million MTN Programme. The notes will mature on 21 May 2019 and bear interest at a fixed rate of 3.80% per annum payable semi-annually in arrears. AACI REIT MTN has on-lent to the Trust the proceeds from the issuance of the notes to enable the Trust to repay a term loan of S\$50.0 million which was due to expire in October 2015.

As at 31 March 2015, S\$180.0 million medium term notes ("Medium Term Notes") had been issued comprising:

- (i) S\$100.0 million four year Medium Term Notes with a fixed rate of 4.90% per annum, payable semi-annually in arrears and will mature on 8 August 2016;
- (ii) S\$50.0 million five year Medium Term Notes with a fixed rate of 3.80% per annum, payable semi-annually in arrears and will mature on 21 May 2019; and
- (iii) S\$30.0 million seven year Medium Term Notes with a fixed rate of 4.35% per annum, payable semi-annually in arrears and will mature on 5 December 2019.

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1(b)(iii) Use of Proceeds from 2013 Placement and 2014 Rights Issue

On 2 May 2013, AA REIT issued 68,750,000 Units at an issue price of S\$1.60 per Unit by way of private placement, raising gross proceeds of S\$110.0 million ("2013 Placement"). On 20 March 2014, AA REIT issued 92,512,712 Units at an issue price of S\$1.08 per Unit in an underwritten and renounceable rights issue on the basis of seven rights Units for every 40 existing Units, raising gross proceeds of S\$99.9 million ("2014 Rights Issue").

Status report on the specific use of proceeds is as follows:

	2013 Placement S\$ million	2014 Rights Issue S\$ million
Gross Proceeds	110.0	99.9
Use of proceeds		
Development costs at 103 Defu Lane 10 and 20 Gul Way	92.6	-
Repay outstanding borrowings	0.3	17.2
Issue expenses in relation to the 2013 Placement and 2014 Rights Issue	2.7	2.5
Asset enhancement initiatives	6.8	0.7
	<u>102.4</u>	<u>20.4</u>

As at 31 March 2015, the balance proceeds of the 2013 Placement was approximately S\$7.6 million, of which S\$7.4 million of the proceeds from the 2013 Placement had been used to repay outstanding borrowings pending the deployment of such funds for their intended use. As at 31 March 2015, the balance proceeds of the 2014 Rights Issue was approximately S\$79.5 million, of which S\$59.4 million of the proceeds from the 2014 Rights Issue had been used to repay outstanding borrowings pending the deployment of such funds for their intended use.

The use of proceeds from the 2013 Placement and 2014 Rights Issue was in accordance with the stated use of proceeds and there is no material deviation from the percentage allocated as previously disclosed.

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1(c) Consolidated Statement of Cash Flows

	Group 4Q FY2015 S\$'000	Group 4Q FY2014 S\$'000	Group FY2015 S\$'000	Group FY2014 S\$'000
Cash flows from operating activities				
Total return after income tax	13,727	27,061	108,062	83,947
Adjustments for:				
Share of results of joint venture (net of tax)	(3,363)	476	(26,213)	476
Borrowing costs	5,191	4,452	22,761	13,810
Depreciation	6	6	26	45
Foreign exchange loss/(gain)	61	(370)	59	(2)
Manager's base fees in Units	-	-	2,717	2,188
Manager's performance fees in Units	2,917	-	2,917	-
Net change in fair value of derivative financial instruments	(543)	(118)	(774)	(2,686)
Net change in fair value of investment properties	(1,280)	(14,579)	(37,721)	(31,401)
Income tax expense	1,255	88	1,693	88
Operating income before working capital changes	17,971	17,016	73,527	66,465
Changes in working capital				
Rental and security deposits	(292)	871	771	2,105
Trade and other receivables	(193)	601	2,150	818
Trade and other payables	5,565	3,009	(376)	2,908
Income tax paid	(121)	(88)	(559)	(88)
Net cash from operating activities	22,930	21,409	75,513	72,208
Cash flows from investing activities				
Capital expenditure on investment properties and investment properties under development	(5,437)	(20,769)	(49,214)	(66,706)
Proceeds from divestment of investment property ⁴	-	-	98	-
Investment in a joint venture	(909)	(197,676)	(909)	(208,387)
Distributions from a joint venture	3,910	995	14,211	995
Net cash used in investing activities	(2,436)	(217,450)	(35,814)	(274,098)
Cash flows from financing activities				
Borrowing costs paid	(5,422)	(5,263)	(22,687)	(15,040)
Distributions to Unitholders	(14,004)	(14,659)	(57,875)	(48,329)
Proceeds from interest-bearing borrowings	-	212,057	247,467	260,181
Repayments of interest-bearing borrowings	-	(83,049)	(215,889)	(183,049)
Proceeds from placement	-	-	-	110,000
Proceeds from rights issue	-	99,914	-	99,914
Issue expenses paid	-	(182)	(2,334)	(2,977)
Net cash (used in)/from financing activities	(19,426)	208,818	(51,318)	220,700
Net increase/(decrease) in cash at banks and in hand	1,068	12,777	(11,619)	18,810
Cash at banks and in hand at beginning of the period	9,064	9,008	21,809	2,975
Effect of exchange rate fluctuation	(21)	24	(79)	24
Cash at banks and in hand at end of the period	10,111	21,809	10,111	21,809

⁴ The proceeds pertain to the compulsory acquisition by Singapore Land Authority of a strip of land with an area of 410.4 sq m at 29 Woodlands Industrial Park E1 for the purpose of constructing a dual 3-lane expressway.

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1(c)(a) Significant non-cash transactions

There were the following significant non-cash transactions:

- (i) During the financial year, the Trust issued an aggregate of 1,873,632 new Units amounting to S\$2.7 million as partial payment for the base fee element of the Manager's management fees incurred for the period from 1 April 2014 to 31 December 2014.
- (ii) During the financial year, the Trust issued an aggregate of 5,904,699 new Units amounting to S\$8.5 million as part payment of the distributions for 1Q FY2015, 2Q FY2015 and 3Q FY2015 pursuant to the AIMS AMP Capital Industrial REIT Distribution Reinvestment Plan (the "AA REIT DRP"). Please refer to details in section 1(d).

1(d)(i) Statement of Movements in Unitholders' Funds (4Q FY2015 vs. 4Q FY2014)

	Group 4Q FY2015 S\$'000	Group 4Q FY2014 S\$'000	Trust 4Q FY2015 S\$'000	Trust 4Q FY2014 S\$'000
Balance at beginning of the period	961,378	802,658	957,697	802,776
Operations				
Total return after income tax	13,727	27,061	16,455	27,176
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	(567)	(82)	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(1,364)	(540)	-	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Manager's performance fees	2,917	-	2,917	-
- Rights issue	-	99,914	-	99,914
Distribution reinvestment plan	3,730	-	3,730	-
Distributions to Unitholders	(17,726)	(14,643)	(17,726)	(14,643)
Issue expenses	-	(2,480)	-	(2,480)
Change in Unitholders' funds resulting from Unitholders' transactions	(11,079)	82,791	(11,079)	82,791
Total increase in Unitholders' funds	717	109,230	5,376	109,967
Balance at end of the period	962,095	911,888	963,073	912,743

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1(d)(ii) Statement of Movements in Unitholders' Funds (FY2015 vs. FY2014)

	Group FY2015 S\$'000	Group FY2014 S\$'000	Trust FY2015 S\$'000	Trust FY2014 S\$'000
Balance at beginning of the period	911,888	665,336	912,743	665,335
Operations				
Total return after income tax	108,062	83,947	102,642	84,194
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	(1,543)	(69)	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(4,000)	(540)	-	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Manager's management fees	2,717	2,188	2,717	2,188
- Manager's performance fees	2,917	-	2,917	-
- Placement	-	110,000	-	110,000
- Rights issue	-	99,914	-	99,914
- Distribution Reinvestment Plan	8,514	7,075	8,514	7,075
- Property Manager's fees in Units	-	5,035	-	5,035
Distributions to Unitholders	(66,424)	(55,723)	(66,424)	(55,723)
Issue expenses	(36)	(5,275)	(36)	(5,275)
Change in Unitholders' funds resulting from Unitholders' transactions	(52,312)	163,214	(52,312)	163,214
Total increase in Unitholders' funds	50,207	246,552	50,330	247,408
Balance at end of the period	962,095	911,888	963,073	912,743

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1(d)(iii) Details of any change in the Units

	Note	Trust 4Q FY2015 Units '000	Trust 4Q FY2014 Units '000	Trust FY2015 Units '000	Trust FY2014 Units '000
Units in issue at beginning of the period		624,834	527,868	621,156	449,399
<u>Issue of new Units relating to:</u>					
- Manager's base fees	(a)	1,504	775	1,874	2,203
- Manager's performance fees		-	-	-	671
- Property Manager's fees		-	-	-	3,260
- Distribution Reinvestment Plan	(b)	2,597	-	5,905	4,360
- Placement	(c)	-	-	-	68,750
- Rights issue	(d)	-	92,513	-	92,513
Units in issue at end of the period		628,935	621,156	628,935	621,156
<u>Units to be issued:</u>					
Manager's performance fees	(e)	1,992	-	1,992	-
Total Units in issue and to be issued at end of the period		630,927	621,156	630,927	621,156

- (a) During the current financial year, there were the following issuance of Units to the Manager:
- (i) 370,140 new Units on 31 July 2014 at an average issue price of S\$1.4329 per Unit as partial payment of the base fee element of the Manager's management fee incurred for the period from 1 April 2014 to 30 June 2014; and
 - (ii) 1,503,492 new Units on 30 January 2015 at an average issue price of S\$1.4546 per Unit as partial payment of the base fee element of the Manager's management fee incurred for the period from 1 July 2014 to 31 December 2014.
- (b) During the current financial year, there were the following issuances of Units pursuant to the AA REIT DRP:
- (i) 1,522,993 new Units on 23 September 2014 at an issue price of S\$1.4446 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the AA REIT DRP in respect of the 1Q FY2015 distribution;
 - (ii) 1,784,876 new Units on 23 December 2014 at an issue price of S\$1.4462 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the AA REIT DRP in respect of the 2Q FY2015 distribution;
 - (iii) 2,596,830 new Units on 26 March 2015 at an issue price of S\$1.4355 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the AA REIT DRP in respect of the 3Q FY2015 distribution.
- (c) On 2 May 2013, the Trust issued 68,750,000 new Units at an issue price of S\$1.60 per Unit by way of private placement, raising gross proceeds of S\$110.0 million.
- (d) On 20 March 2014, the Trust issued 92,512,712 new Units at an issue price of S\$1.08 per Unit in an underwritten and renounceable rights issue on the basis of 7 rights Units for every 40 existing Units, raising gross proceeds of S\$99.9 million.

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- (e) The new Units to be issued relate to 1,991,579 Units to be issued to the Manager as payment of the performance component of the Manager's management fees for the period from 1 April 2014 to 31 March 2015.

The issue price for the Manager's management fees paid/payable in Units was determined based on the volume weighted average traded price for a Unit for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period in which the fees accrued.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by auditors.

- 3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

On 1 April 2014, the Group adopted Singapore Financial Reporting Standard ("FRS") 111 *Joint Arrangements* and FRS 112 *Disclosures of Interests in Other Entities*. The adoption of the new standards did not have a significant impact to the financial position or performance of the Group and the Trust. The accounting policies and methods of computation applied in the financial statements for the current financial period are consistent with those disclosed in the audited financial statements for the year ended 31 March 2014.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

- 6 Earnings per Unit ("EPU") and distribution per Unit ("DPU") for the period**

The EPU is computed using total return after income tax over the weighted average number of Units for the period. The diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue as at the end of the period.

	Group 4Q FY2015	Group 4Q FY2014	Group FY2015	Group FY2014
Weighted average number of Units ('000)	626,049	557,051	622,981	538,019
Earnings per Unit (cents) - basic and diluted	2.19	4.86	17.35	15.60

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In computing the DPU, the number of Units entitled to the distribution for each respective period was used.

	Group 4Q Y2015	Group 4Q FY2014	Group FY2015	Group FY2014
Number of Units in issue at end of period ('000)	628,935	621,156	628,935	621,156
Distribution per Unit (cents)	2.92	2.51	11.07	10.53

7 Net asset value per Unit based on issued Units at the end of the period

	Group 31 Mar 2015 S\$	Group 31 Mar 2014 S\$	Trust 31 Mar 2015 S\$	Trust 31 Mar 2014 S\$
Net asset value per Unit ⁵	1.5249	1.4680	1.5264	1.4694

8 Review of the performance

	Group 4Q FY2015 S\$'000	Group 4Q FY2014 S\$'000	Group 3Q FY2015 S\$'000	Group FY2015 S\$'000	Group FY2014 S\$'000
Gross revenue	30,091	29,473	29,720	115,432	108,240
Property operating expenses	(9,779)	(10,213)	(9,226)	(35,419)	(36,345)
Net property income	20,312	19,260	20,494	80,013	71,895
Foreign exchange (loss)/gain	(61)	370	9	(59)	2
Interest income	28	65	17	71	81
Borrowing costs	(5,191)	(4,452)	(6,803)	(22,761)	(13,810)
Manager's management fees					
- Base fees	(1,803)	(1,613)	(1,842)	(7,228)	(5,803)
- Performance fees	(2,917)	-	-	(2,917)	-
Other trust expenses	(572)	(702)	(536)	(2,072)	(1,941)
Non-property expenses	(10,483)	(6,767)	(9,181)	(34,978)	(21,554)
Net income before joint venture's results	9,796	12,928	11,339	45,047	50,424
Share of results of joint venture (net of tax)	3,363	(476)	15,230	26,213	(476)
Net income	13,159	12,452	26,569	71,260	49,948
Distribution to the Unitholders	18,365	15,591	17,725	69,198	57,203

⁵ Based on Units in issue and to be issued at the end of the period.

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Review of the performance for 4Q FY2015 vs. 3Q FY2015

The gross revenue achieved for 4Q FY2015 of S\$30.1 million was S\$0.4 million higher than the gross revenue of 3Q FY2015 of S\$29.7 million mainly due to the full quarter contribution from Phase Three of 20 Gul Way as it became income producing from 9 November 2014 and higher rental rates and recoveries achieved for new and renewal leases at 29 Woodlands Industrial Park E1. However, the positive contribution was partly offset by the lower occupancy for the properties at 11 Changi South Street 3 and 1 Kallang Way 2A as the master leases expired on 16 December 2014 and 29 January 2015 respectively. The property at 1 Kallang Way 2A is undergoing asset enhancement works with completion expected in May 2015.

Net property income for 4Q FY2015 of S\$20.3 million was broadly in line with the net property income for 3Q FY2015.

Borrowing costs for 4Q FY2015 of S\$5.2 million was S\$1.6 million lower than the borrowing costs in the preceding quarter. This was mainly due to the accelerated recognition of unamortised loan transaction costs of S\$1.2 million in 3Q FY2015 as a result of the early refinancing of the secured borrowing of the Trust originally due in October 2015 and October 2016, as well as lower interest rates secured for the refinancing of the loans.

Manager's management fees were higher in 4Q FY2015 vis-à-vis 3Q FY2015 mainly due to the performance component of the management fee for the period from 1 April 2014 to 31 March 2015. The Manager is entitled to a performance fee of 0.2% per annum of the value of the Deposited Property as the growth in DPU in FY2015 (calculated before accounting for the performance fee) relative to the DPU in FY2014 exceeded 5.0%.

The share of results of joint venture (net of tax) comprised contribution from the Group's 49.0% interest in Optus Centre which is located in Sydney, Australia. The share of results of joint venture in 3Q FY2015 included the share of revaluation gain of S\$11.2 million recognised on the valuation of the underlying property. The independent valuation of the property was carried out by Savills Valuation Pty Ltd as at 31 December 2014.

The distribution to the Unitholders for 4Q FY2015 stood at S\$18.4 million, an increase of S\$0.6 million compared to 3Q FY2015.

Review of the performance for 4Q FY2015 vs. 4Q FY2014

The gross revenue achieved for 4Q FY2015 of S\$30.1 million was S\$2.4 million higher than the corresponding quarter in the previous year of S\$27.7 million⁶ mainly due to:

- (i) full quarter rental contribution from 20 Gul Way as Phase 2E and Phase Three of the development became income-producing from 14 August 2014 and 9 November 2014 respectively; and
 - (ii) full quarter rental contribution from 103 Defu Lane 10 as the development became income-producing from 1 August 2014.
- However, the positive contribution was partly offset by the lower occupancy for the properties at 11 Changi South Street 3 and 1 Kallang Way 2A as the master leases expired on 16 December 2014 and 29 January 2015 respectively.

⁶ For 4Q FY2014, the gross revenue of S\$29.5 million included an additional property tax of S\$1.8 million at 20 Gul Way for the period from 29 October 2012 to 31 December 2013. The additional property tax was due to the change in annual value of the property assessed by IRAS which was fully recovered from the master tenant, CWT Limited. Excluding this recovery, the gross revenue and property operating expenses for 4Q FY2014 would have been S\$27.7 million and S\$8.4 million respectively.

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Property expenses for 4Q FY2015 of S\$9.8 million was S\$1.4 million higher than 4Q FY2014 of S\$8.4 million⁶ (excluding one-off additional property tax recovery of S\$1.8 million) which is in line with the increase in gross revenue and the reversion to multi-tenancy properties.

Net property income for 4Q FY2015 stood at S\$20.3 million which was S\$1.1 million higher compared to 4Q FY2014.

The foreign exchange differences in 4Q FY2014 were mainly due to the transfer of the unrealised exchange differences to the foreign currency translation reserves in accordance with the Group's policy for its foreign currency loan that is considered to form part of the Group's net investment in a foreign operation. Foreign exchange gain/loss is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

Borrowing costs of S\$5.1 million were S\$0.7 million higher than the borrowing costs for the corresponding quarter in the previous year mainly due to the interest expense incurred on the AUD borrowings to fund the Group's 49.0% interest in Optus Centre, Sydney, Australia upon the completion of the acquisition on 7 February 2014.

Manager's management fees were higher in 4Q FY2015 vis-à-vis 4Q FY2014 as a result of the net increase in size of the Group's portfolio as well as performance component of the management fee for the period from 1 April 2014 to 31 March 2015.

Other trust expenses for 4Q FY2015 was S\$0.6 million which was S\$0.1 million lower compared to the corresponding quarter in the preceding year of S\$0.7 million mainly due to the legal and professional fees incurred in 4Q FY2014 in relation to the renewal of the property management agreements with the Property Manager.

The share of results of joint venture (net of tax) for 4Q FY2015 comprised a full quarter contribution from the Group's 49.0% joint venture interest in Optus Centre. For 4Q FY2014, the share of results of joint venture (net of tax) comprised the contribution from the Group's 49.0% joint venture interest in Optus Centre for the period from 7 February 2014 (date of completion of acquisition) to 31 March 2014. This was offset by the impairment arising from the write-off of acquisition costs incurred in relation to the acquisition of the joint venture.

The distribution to the Unitholders for 4Q FY2015 stood at S\$18.4 million, an increase of S\$2.8 million compared to 4Q FY2014 in line with the positive net contributions above, as well as distributions remitted from the Group's interest in Optus Centre, Sydney, Australia.

Review of the performance for FY2015 vs. FY2014

The gross revenue achieved for FY2015 of S\$115.4 million was S\$9.0 million higher than the corresponding period of S\$106.4 million⁷ in the previous year mainly due to:

- (i) the increase in rental contribution from 20 Gul Way as Phase Two, Phase 2E and Phase Three of the development became income-producing from 7 July 2013, 14 August 2014 and 9 November 2014 respectively; and

⁷ For FY2014, the gross revenue of S\$108.2 million included an additional property tax of S\$1.8 million at 20 Gul Way for the period from 29 October 2012 to 31 December 2013. The additional property tax was due to the change in annual value of property assessed by IRAS which was fully recovered from the master tenant, CWT Limited. Excluding this additional recovery, gross revenue and property operating expenses for FY2014 would have been S\$106.4 million and S\$34.5 million respectively.

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(ii) rental contribution of S\$2.0 million from 103 Defu Lane 10 as the development became income producing from 1 August 2014.

This was partly offset by lower contribution due to lower occupancy for the property at 30 & 32 Tuas West Road.

Property expenses for FY2015 of S\$35.4 million was S\$0.9 million higher than property expenses for FY2014 of S\$34.5 million⁷ which is in line with the increase in gross revenue.

Net property income for FY2015 stood at S\$80.0 million which was S\$8.1 million higher compared to FY2014.

Borrowing costs of S\$22.8 million were S\$9.0 million higher than FY2014 largely due to the additional interest expense of S\$8.1 million incurred on the AUD borrowings to fund the Group's 49.0% interest in Optus Centre and the accelerated recognition of unamortised loan transaction costs of S\$1.2 million in the current year as a result of the early refinancing of the secured loan facilities of the Trust. This was partly offset by interest cost savings from lower interest rates secured for the refinancing of the loans and the repayment of a S\$76.0 million development loan on 20 March 2014 using the proceeds from the rights issue, pending the deployment of such funds for their intended use.

Manager's management fees were higher in FY2015 vis-à-vis FY2014 as a result of the net increase in value of the Group's portfolio as well as performance component of the management fee for the period from 1 April 2014 to 31 March 2015. The Manager is entitled to a performance fee of 0.2% per annum of the value of the Deposited Property as the growth in DPU in FY2015 (calculated before accounting for the performance fee) relative to the DPU in FY2014 exceeded 5.0%.

The share of results of joint venture (net of tax) for FY2015 comprised the full year contribution from the Group's 49.0% interest in Optus Centre which is located in Sydney, Australia. It also included the share of revaluation gain recognised on the valuation of the underlying property. The independent valuation of the property was carried out by Savills Valuation Pty Ltd as at 31 December 2014 and adopted by the Directors as at 31 March 2015. For FY2014, the share of results of joint venture (net of tax) comprised the contribution from the Group's interest in Optus Centre for the period from 7 February 2014 (date of completion of acquisition) to 31 March 2014. This was offset by the impairment arising from the write-off of acquisition costs incurred in relation to the acquisition of the joint venture.

The distribution to the Unitholders for FY2015 stood at S\$69.2 million, an increase of S\$12.0 million compared to FY2014. The increase was mainly in line with the positive net contributions above, as well as distributions remitted from the Group's interest in Optus Centre, Sydney, Australia.

9 Variance between Forecast / Prospect Statement

The current results are broadly in line with the guidance provided in the previous quarter.

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10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Singapore 2015 Budget⁸ released in February have extended the income tax and GST concessions for REIT for a further five years to 31 March 2020. As such, REITs will continue to attract investors to invest in REITs due to (i) tax transparency when REIT distributes at least 90% of its taxable income to Unitholders (ii) concessionary income tax rate of 10% for non-tax-resident non-individual investors and (iii) tax exemption on qualifying foreign-sourced income.

However, the stamp duty remission on the transfer of property to REIT will be allowed to lapse after 31 March 2015. This will increase the transaction cost for REITs looking at third party acquisition in Singapore and make yield accretive acquisition in Singapore more difficult.

Based on advance estimates, the Ministry of Trade and Industry ("MTI") announced on 14 April 2015⁹ that the Singapore economy grew by 2.1% on a year-on-year basis in the first quarter of 2015, the same rate of growth as that achieved in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.1%, compared to the 4.9 % expansion in the preceding quarter.

On a year-on-year basis, the manufacturing sector contracted by 3.4%, following the 1.3% decline in the previous quarter. The contraction was due to a decline in the output in the transport engineering, electronics and precision engineering clusters. The construction sector expanded by 3.3% on a year-on-year basis in the first quarter, an improvement from the 0.7% growth in the previous quarter. Growth was driven by a pick-up in private sector construction activities. The services producing industries grew by 3.1% on a year-on-year basis in the first quarter, the same rate of growth as in the previous quarter. Growth was supported by sectors such as wholesale and retail trade and business services.

Based on JTC 1Q 2015 statistics released on 23 April 2015¹⁰, overall occupancy rates of Singapore's industrial property market fell marginally to 90.7% from 90.9% the preceding quarter. Supply increased by 0.8% which outstripped a 0.6% increase in demand. On a year-on-year basis, occupancy rates of the overall industrial property market fell by 0.9 percentage points, from 91.6% in 1Q 2014 to 90.7% in 1Q 2015. Prices of industrial spaces rose slightly by 0.7% on a quarter-on-quarter basis, following a 0.1% decline in the previous quarter. The rise was mainly driven by a 1.6% increase in the price index for single-user factory space. On the other hand, the price index for multiple-user factory space rose marginally by 0.1% on a quarter-on-quarter basis, following a 0.2% decline in the previous quarter. On a year-on-year basis, the price indices of overall industrial space and multiple-user factory space rose by 0.5% and 0.6% respectively from 1Q 2014 to 1Q 2015. These are significantly slower than their average annual increases of around 12% over the past 4 years. Rentals of industrial space have generally stabilised in recent quarters. In 1Q 2015, the overall industrial space rental index rebounded slightly by 0.4% on a quarter-on-quarter basis, after falling by 0.6% in the previous quarter. The rebound was led by the warehouse and business park segments. On a year-on-year basis, rental index of the overall industrial space market fell by 2.0% from, 1Q 2014 to 1Q 2015. The year-on-year decline in the rental indices contrasts with the average annual increases of around 5% over the past 4 years. The Group's portfolio occupancy of 95.8% as at 31 March 2015 continued to be above the industry average.

⁸ Source: www.singaporebudget.gov.sg

⁹ Source: www.mti.gov.sg

¹⁰ Source: www.jtc.gov.sg

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Outlook for financial year ending 31 March 2016

Weak job gains corroborated a first-quarter slowdown in the US economy may delay the US Federal Reserve's decision to raise interest rate by June this year where forecast shows that tightening may happen only in September.¹¹ Amid widespread expectations that the US Federal Reserve will raise benchmark borrowing cost, Singapore interbank offered rate and Singapore Swap Offer Rate soared to level not seen since 2008 and 2009 respectively.¹² In anticipation of a possible rise in interest rate in the medium to long term, the Group's existing capital structure is well positioned with a weighted average debt maturity of 3.18 years and 86.2% of the Group's borrowings were on fixed rates taking into account the interest rate swaps and fixed rate notes.

The recovery by the Eurozone for the past few months has taken most people by surprise. Growth across the currency union is now widely forecast to be at least 1.5% this year with former crisis countries such as Ireland, Spain and Portugal leading the way. Even Italy and France now appear to be recovering, helped by lower oil prices, a sharp drop in the exchange rate and interest rates driven to record lows by the European Central Bank's government bond-buying program.¹³ Industrial leasing activity in Singapore remained mixed with companies expected to remain cost sensitive and taking longer to evaluate their business space needs. On the other hand, there is emerging demand from high-tech companies. For the coming financial year ending 31 March 2016, AA REIT remains cautious on the outlook of the industrial market given the challenging business operating environment as Singapore continues to restructure its economy.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes								
Name of distribution:	Thirty-fifth distribution, for the period from 1 January 2015 to 31 March 2015								
Distribution Type:	Taxable Income Tax-Exempt Income Capital Distribution								
Distribution Rate:	<table> <tr> <td>Taxable Income</td><td>2.71 cents per Unit</td></tr> <tr> <td>Tax-Exempt Income</td><td>0.03 cents per Unit</td></tr> <tr> <td>Capital Distribution</td><td><u>0.18 cents per Unit</u></td></tr> <tr> <td>Total</td><td><u>2.92 cents per Unit</u></td></tr> </table>	Taxable Income	2.71 cents per Unit	Tax-Exempt Income	0.03 cents per Unit	Capital Distribution	<u>0.18 cents per Unit</u>	Total	<u>2.92 cents per Unit</u>
Taxable Income	2.71 cents per Unit								
Tax-Exempt Income	0.03 cents per Unit								
Capital Distribution	<u>0.18 cents per Unit</u>								
Total	<u>2.92 cents per Unit</u>								
Par value of units:	Not applicable								
Tax Rate:	<p><u>Taxable Income Distributions</u></p> <p>Taxable Income distributions are made out of AA REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax</p>								

¹¹ Source: www.bloomberg.com issued on 3 April 2015

¹² Source: www.channelnewsasia.com issued on 13 March 2015

¹³ Source: www.wsj.com issued on 1 April 2015

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advisers concerning the tax consequences of their particular situation with regard to the distribution.

Tax-Exempt Income Distributions

Tax-exempt income distributions are exempt from tax in the hands of all Unitholders.

Capital Distributions

Capital Distributions represent a return of capital to Unitholders for Singapore income tax purposes and are therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of AA REIT Units, the amount of capital distribution will be applied to reduce the cost base of their AA REIT Units for Singapore income tax purposes. Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

The Manager has determined that the AA REIT Distribution Reinvestment Plan will apply to the distribution for the period from 1 January 2015 to 31 March 2015.

The Distribution Reinvestment Plan provides Unitholders with an option to elect to receive fully paid Units in AA REIT in lieu of the cash amount of any distribution (including any interim, final, special or other distribution) which is declared on the holding of Units held by them after the deduction of any applicable income tax.

The Unitholders will receive a copy of the Notice of Election for their distribution election. The pricing of the DRP Units issued will be announced by the Manager on or around 8 May 2015.

(b) Corresponding period of the immediately preceding period

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: Thirty-first distribution, for the period from 1 January 2014 to 31 March 2014

Distribution Type: Taxable Income
Tax-Exempt Income

Distribution Rate:	Taxable Income	2.4862 cents per Unit
	Tax-Exempt Income	<u>0.0238 cents per Unit</u>
	Total	<u>2.5100 cents per Unit</u>

Par value of units: Not applicable

Tax Rate: **Taxable Income Distributions**

Taxable Income distributions are made out of AA REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these

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distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

Tax-Exempt Income Distributions

Tax-exempt income distributions are exempt from tax in the hands of all Unitholders.

- (c) **Books closure date:** 8 May 2015
- (d) **Date payable:** 24 June 2015

12 If no distribution has been declared (recommended), a statement to that effect

Not applicable

13 Interested Person Transactions

The Trust has not required nor obtained a general mandate from Unitholders for Interested Person Transactions.

14 Segment revenue and results

FY2015	Singapore S\$'000	Australia S\$'000	Total S\$'000
Gross revenue	115,432	-	115,432
Property operating expenses	(35,419)	-	(35,419)
Net property income	80,013	-	80,013
Share of results of joint venture (net of tax)	-	26,213	26,213
	80,013	26,213	106,226
Foreign exchange loss			(59)
Interest income			71
Borrowing costs			(22,761)
Manager's management fees			
- Base fees			(7,228)
- Performance fees			(2,917)
Other trust expenses			(2,072)
Net income			71,260

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FY2014	Singapore S\$'000	Australia S\$'000	Total S\$'000
Gross revenue	108,240	-	108,240
Property operating expenses	(36,345)	-	(36,345)
Net property income	71,895	-	71,895
Share of results of joint venture (net of tax)	-	(476)	(476)
	71,895	(476)	71,419
Foreign exchange gain			2
Interest income			81
Borrowing costs			(13,810)
Manager's management fees – Base fees			(5,803)
Other trust expenses			(1,941)
Net income			49,948

No business segment information has been prepared as all its investment properties are used mainly for industrial (including warehousing and office park) purposes. The Trust's chief operating decision makers are of the view that AA REIT has only one reportable business segment, which is the leasing of investment properties.

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 for review of actual performance.

16 Breakdown of sales

	Group FY2015 S\$'000	Group FY2014 S\$'000	+(-) %
<u>First half of year</u>			
Gross revenue	55,621	51,450	8.1
Total return after income tax	67,637	43,145	56.8
<u>Second half of year</u>			
Gross revenue	59,811	56,790	5.3
Total return after income tax	40,425	40,802	(0.9)

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17 Breakdown of the total annual distributions

	DPU (Cents)	Group FY2015 S\$'000	Group FY2014 S\$'000
<u>Distribution paid during the year</u>			
For the period :			
01/10/2014 to 31/12/2014	2.8300	17,725	-
01/07/2014 to 30/09/2014	2.7700	17,259	-
01/04/2014 to 30/06/2014	2.5500	15,849	-
01/01/2014 to 31/03/2014	2.5100	15,591	-
01/10/2013 to 31/12/2013	2.7700	-	14,643
01/07/2013 to 30/09/2013	2.7500	-	14,481
02/05/2013 to 30/06/2013	1.6500	-	8,668
01/04/2013 to 01/05/2013	0.8500	-	3,820
01/01/2013 to 31/03/2013	3.1400		14,111
		<u>66,424</u>	<u>55,723</u>

18 Confirmation by the board pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual, AIMS AMP Capital Industrial REIT Management Limited (the "Company"), the manager of AA REIT, confirms that there is no person occupying a managerial position in the Company who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial Unitholder of AA REIT.

This release 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, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

By Order of the Board

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

Koh Wee Lih
Chief Executive Officer
29 April 2015