



AIMS AMP CAPITAL INDUSTRIAL REIT

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT
ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015
("1Q FY2016")**

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 Macquarie Park, New South Wales ("NSW"), Australia².

Summary of AIMS AMP Capital Industrial REIT Group results

	Note	1Q FY2016	4Q FY2015	+/(−)	1Q FY2015	+/(−)
		S\$'000	S\$'000	%	S\$'000	%
Gross revenue	(a)	30,296	30,091	0.7	27,360	10.7
Net property income	(a)	20,205	20,312	(0.5)	19,493	3.7
Share of results of joint venture (net of tax)		3,655	3,363	8.7	3,722	(1.8)
Distribution to Unitholders	(b)	17,441	18,365	(5.0)	15,849	10.0
Distribution per Unit ("DPU") (cents)		2.75	2.92	(5.8)	2.55	7.8

Notes:

- (a) Please refer to section 8 on "Review of the performance" for explanation of the variances.
- (b) The Manager resolved to distribute S\$17.4 million for 1Q FY2016, comprising (i) taxable income of S\$16.1 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.5 million and capital distribution of S\$0.8 million from distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, 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 1Q FY2016, the Manager has resolved to distribute 99.6% 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 Macquarie Park, NSW, Australia.

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

Distribution and Books Closure Date

Distribution	For 1 April 2015 to 30 June 2015
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution
Distribution Rate	(a) Taxable Income Distribution: 2.540 cents per Unit (b) Tax-Exempt Income Distribution: 0.075 cents per Unit (c) Capital Distribution ³ : <u>0.135 cents per Unit</u> <u>2.750 cents per Unit</u>
Books Closure Date	6 August 2015
Payment Date	23 September 2015

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

	Note	Group 1Q FY2016 S\$'000	Group 1Q FY2015 S\$'000	+ / (-) %
Gross revenue	(a)	30,296	27,360	10.7
Property operating expenses	(a)	(10,091)	(7,867)	28.3
Net property income	(a)	20,205	19,493	3.7
Foreign exchange (loss)/gain		(14)	9	>(100.0)
Interest income		33	14	>100.0
Borrowing costs	(a)	(5,062)	(5,233)	(3.3)
Manager's management fees	(a)	(1,820)	(1,769)	2.9
Other trust expenses		(564)	(420)	34.3
Non-property expenses		(7,446)	(7,422)	0.3
Net income before joint venture's results		12,778	12,094	5.7
Share of results of joint venture (net of tax)	(b)	3,655	3,722	(1.8)
Net income		16,433	15,816	3.9
Net change in fair value of investment properties and investment properties under development	(c)	-	9,408	(100.0)
Net change in fair value of derivative financial instruments	(d)	(257)	(500)	(48.6)
Total return before income tax		16,176	24,724	(34.6)
Income tax expense	(e)	(561)	(144)	>100.0
Total return after income tax		15,615	24,580	(36.5)

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

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

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 Macquarie Park, NSW, Australia.
- (c) Net change in fair value of investment properties and investment properties under development of S\$9.4 million for 1Q FY2015 relates to surplus on revaluation of 103 Defu Lane 10 and Phase Two Extension (“2E”) of 20 Gul Way upon obtaining their temporary occupation permits on 28 May 2014 and 14 June 2014 respectively. The assessment was carried out by independent valuers, Knight Frank Pte Ltd for 103 Defu Lane 10 as at 28 May 2014, and Colliers International Consultancy & Valuation (Singapore) Pte Ltd for Phase 2E of 20 Gul Way as at 14 June 2014.

The net change in fair value of investment properties and investment properties under development 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 Trust’s interest rate swap contracts in accordance with Financial Reporting Standard (“FRS”) 39. Please refer to note (d) of section 1(b)(i) for further details of the swap contracts. The net change in fair value of derivative financial instruments were mainly due to:
 - (i) new Australian dollar interest rate swap contracts entered into by the Trust during the quarter; and
 - (ii) lower Singapore dollar interest rates as at the end of 1Q FY2016 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.

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

1(a)(ii) Distribution Statement

	Note	Group 1Q FY2016 S\$'000	Group 1Q FY2015 S\$'000	+ /(-) %
Total return before income tax		16,176	24,724	(34.6)
Net effect of tax adjustments	(a)	2,084	(7,582)	>(100.0)
Other adjustments	(b)	(2,081)	(1,964)	6.0
Amount available for distribution from Singapore taxable income		16,179	15,178	6.6
Distribution from Singapore taxable income	(c)	16,109	15,041	7.1
Distribution from tax-exempt income	(d)	476	-	NM
Capital distribution	(e)	856	808	5.9
Distribution to Unitholders		17,441	15,849	10.0

Notes:

(a) Net effect of tax adjustments

	Group 1Q FY2016 S\$'000	Group 1Q FY2015 S\$'000	+ /(-) %
Amortisation and write-off of borrowing transaction costs	223	320	(30.3)
Foreign exchange loss/(gain)	6	(1)	>(100.0)
Manager's management fees in Units	639	530	20.6
Net change in fair value of investment properties and investment properties under development	-	(9,408)	(100.0)
Net change in fair value of derivative financial instruments	257	500	(48.6)
Prepayment fee on borrowings	-	66	(100.0)
Net tax adjustment on foreign sourced income	596	871	(31.6)
Temporary differences and other tax adjustments	363	(460)	>(100.0)
Net effect of tax adjustments	2,084	(7,582)	>(100.0)

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 1Q FY2016, the Manager has resolved to distribute 99.6% 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, Macquarie Park, NSW, Australia.
- (e) This relates to the tax deferred component arising from the distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015

1(b)(i) Statements of Financial Position as at 30 June 2015 vs. 31 March 2015

	Note	Group 30 Jun 2015 S\$'000	Group 31 Mar 2015 S\$'000	+/(-) %	Trust 30 Jun 2015 S\$'000	Trust 31 Mar 2015 S\$'000	+/(-) %
Non-current assets							
Investment properties	(a)	1,235,096	1,233,470	0.1	1,235,096	1,233,470	0.1
Subsidiaries	(b)	-	-	-	84,764	85,051	(0.3)
Joint venture	(c)	201,938	204,894	(1.4)	-	-	-
Trade and other receivables		3,294	3,464	(4.9)	3,294	3,464	(4.9)
Derivative financial instruments	(d)	329	213	54.5	258	213	21.1
		1,440,657	1,442,041	(0.1)	1,323,412	1,322,198	0.1
Current assets							
Trade and other receivables	(e)	7,734	6,183	25.1	7,141	5,775	23.7
Cash and cash equivalents	(f)	6,827	10,111	(32.5)	5,866	9,216	(36.3)
		14,561	16,294	(10.6)	13,007	14,991	(13.2)
Total assets		1,455,218	1,458,335	(0.2)	1,336,419	1,337,189	(0.1)
Non-current liabilities							
Trade and other payables	(g)	6,110	6,276	(2.6)	6,110	6,276	(2.6)
Interest-bearing borrowings	(h)	451,774	454,237	(0.5)	337,999	338,793	(0.2)
Derivative financial instruments	(d)	3,049	4,314	(29.3)	351	48	>100.0
Deferred tax liabilities	(i)	1,516	1,134	33.7	-	-	-
		462,449	465,961	(0.8)	344,460	345,117	(0.2)
Current liabilities							
Trade and other payables	(j)	27,257	30,279	(10.0)	25,772	28,999	(11.1)
Derivative financial instruments	(d)	-	-*	>(100.0)	-	-*	>(100.0)
		27,257	30,279	(10.0)	25,772	28,999	(11.1)
Total liabilities		489,706	496,240	(1.3)	370,232	374,116	(1.0)
Net assets		965,512	962,095	0.4	966,187	963,073	0.3
Represented by:							
Unitholders' funds		965,512	962,095	0.4	966,187	963,073	0.3
		965,512	962,095	0.4	966,187	963,073	0.3

* : less than S\$1,000.

Notes:

(a) The increase in investment properties was primarily due to capital expenditure capitalised on asset enhancement work of S\$1.6 million mainly for properties at 1 Kallang Way 2A and 11 Changi South Street 3.

(b) 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.

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

- (c) This relates to the Group's 49.0% interest in Macquarie Park Trust, the Australian unit trust which holds Optus Centre, located in Macquarie Park, NSW, Australia. The decrease in the joint venture balances was mainly due to the strengthening of the Singapore dollar against the Australian dollar of S\$3.0 million. As the Australian investment is substantially hedged through the use of Australian dollar denominated loans, there is a corresponding reduction in interest-bearing borrowings of S\$2.7 million (see note 1(b)(i)(h) below).
- (d) The derivative financial instruments as at 30 June 2015 were in relation to interest rate swap contracts with a total notional amount of approximately S\$256.8 million. As at 30 June 2015, approximately 96.1% 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 1.500% to 3.825% per annum and receives interest at the three-month Singapore dollar swap offer rate or at the three-month Australian bank bill swap bid rates, as the case may be. The decrease in derivative financial instruments (non-current liability) was mainly attributable to the net change in fair value of a subsidiary's Australian dollar financial derivatives which registered a favourable change during the period mainly due to higher Australian dollar interest rates as at 30 June 2015 as compared to 31 March 2015.
- (e) Trade and other receivables as at 30 June 2015 of S\$7.7 million was S\$1.6 million higher compared to balances as at 31 March 2015. The increase was mainly attributable to the timing of collection of receivables from tenants.
- (f) Cash and cash equivalents as at 30 June 2015 of S\$6.8 million was S\$3.3 million lower compared to balances as at 31 March 2015. This was mainly attributable to funding of asset enhancement work of S\$1.8 million and retention sum of S\$1.7 million paid for the redevelopment of Phase 2E and Phase Three of 20 Gul Way.
- (g) Non-current trade and other payables comprised rental deposits received from tenants with tenors of more than one year.
- (h) The decrease in interest-bearing borrowings of the Group by S\$2.5 million as at 30 June 2015 was mainly attributable to the decrease in the Australian dollar denominated borrowings of S\$2.7 million due to the strengthening of the Singapore dollar against the Australian dollar. Please refer to the details of interest-bearing borrowings in section 1(b)(ii).
- (i) This relates to the provision of deferred tax liabilities for the Trust's investment in Australia.
- (j) Trade and other payables as at 30 June 2015 included retention sum of S\$5.6 million relating to the redevelopment of 20 Gul Way and 103 Defu Lane 10. (31 March 2015: included retention sum of S\$7.3 million relating to the redevelopment of 20 Gul Way and 103 Defu Lane 10). These development costs are to be funded by the committed loan facilities of the Trust. As at 30 June 2015, the Group and the Trust have undrawn committed facilities of S\$152.3 million (31 March 2015: S\$153.2 million) to fulfil their liabilities as and when they fall due.

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

1(b)(ii) Aggregate amount of borrowings

	Group 30 Jun 2015 S\$'000	Group 31 Mar 2015 S\$'000	Trust 30 Jun 2015 S\$'000	Trust 31 Mar 2015 S\$'000
Interest-bearing borrowings				
Amount repayable after one year				
Secured				
Term loans	274,497	277,234	160,086	161,100
Unsecured				
Medium Term Notes	180,000	180,000	180,000	180,000
	454,497	457,234	340,086	341,100
Less: Unamortised borrowing transaction costs	(2,723)	(2,997)	(2,087)	(2,307)
	451,774	454,237	337,999	338,793

Details of borrowings and collateral

(a) Secured borrowings

The Group had the following borrowings:

(a) Secured debt facility and revolving credit facility of the Trust

The facility comprised:

- a three year term loan facility of A\$65.1 million to partially fund the 49.0% interest in Optus Centre, Macquarie Park, NSW, Australia;
- 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; and
- a three year revolving credit facility of S\$120.0 million.

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.

(b) Secured Australian dollar denominated term loan facility of a subsidiary

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 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.

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

(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").

As at 30 June 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.

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	94.3	-
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	8.4	0.9
	<u>105.7</u>	<u>20.6</u>

As at 30 June 2015, the balance proceeds of the 2013 Placement was approximately S\$4.3 million.

As at 30 June 2015, the balance proceeds of the 2014 Rights Issue was approximately S\$79.3 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 Trust intends to set aside approximately S\$41.7 million from the existing loan facility to fully fund the proposed redevelopment of 30 & 32 Tuas West Road progressively over the course of the construction.

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.

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

1(c) Consolidated Statement of Cash Flows

	Group 1Q FY2016 S\$'000	Group 1Q FY2015 S\$'000
Cash flows from operating activities		
Total return after income tax	15,615	24,580
Adjustments for:		
Share of results of joint venture (net of tax)	(3,655)	(3,722)
Borrowing costs	5,062	5,233
Depreciation	-	6
Foreign exchange loss/(gain)	14	(9)
Manager's management fees in Units	639	530
Net change in fair value of derivative financial instruments	257	500
Net change in fair value of investment properties	-	(9,408)
Income tax expense	561	144
Operating income before working capital changes	18,493	17,854
Changes in working capital		
Trade and other receivables	(1,413)	1,814
Trade and other payables	(503)	(925)
Income tax paid	(179)	(144)
Net cash from operating activities	16,398	18,599
Cash flows from investing activities		
Capital expenditure on investment properties and investment properties under development	(3,497)	(22,371)
Distributions from a joint venture	3,602	2,452
Net cash from/(used in) investing activities	105	(19,919)
Cash flows from financing activities		
Borrowing costs paid	(4,421)	(4,504)
Distributions to Unitholders	(15,314)	(15,541)
Proceeds from interest-bearing borrowings	-	60,848
Repayments of interest-bearing borrowings	-	(50,000)
Issue expenses paid	(30)	(2,304)
Net cash used in financing activities	(19,765)	(11,501)
Net decrease in cash and cash equivalents	(3,262)	(12,821)
Cash and cash equivalents at beginning of the period	10,111	21,809
Effect of exchange rate fluctuation	(22)	10
Cash and cash equivalents at end of the period	6,827	8,998

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

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

There were the following significant non-cash transactions:

- (i) On 25 May 2015, the Trust issued an aggregate of 1,991,579 new Units amounting to S\$2.9 million as payment for the performance component of the Manager's management fees incurred for the year ended 31 March 2015.
- (ii) On 26 May 2015, the Trust issued an aggregate of 824,373 new Units amounting to S\$1.2 million to AIMS AMP Capital Property Management Pte. Ltd. (the "Property Manager") as payment for marketing services provided by the Property Manager in respect of securing tenants at the Trust's properties, namely 20 Gul Way and 29 Woodlands Industrial Park E1.
- (iii) During the current financial period, the Trust issued an aggregate of 2,029,288 new Units amounting to S\$3.0 million as part payment of the distributions for 4Q 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 (1Q FY2016 vs. 1Q FY2015)

	Group 1Q FY2016 S\$'000	Group 1Q FY2015 S\$'000	Trust 1Q FY2016 S\$'000	Trust 1Q FY2015 S\$'000
Balance at beginning of the period	962,095	911,888	963,073	912,743
Operations				
Total return after income tax	15,615	24,580	16,632	24,363
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	(270)	113	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	1,590	(1,235)	-	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Manager's management fees	639	530	639	530
- Property Manager's fees	1,232	-	1,232	-
- Distribution Reinvestment Plan	3,006	-	3,006	-
Distributions to Unitholders	(18,365)	(15,591)	(18,365)	(15,591)
Issue expenses	(30)	(6)	(30)	(6)
Change in Unitholders' funds resulting from Unitholders' transactions	(13,518)	(15,067)	(13,518)	(15,067)
Total increase in Unitholders' funds	3,417	8,391	3,114	9,296
Balance at end of the period	965,512	920,279	966,187	922,039

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

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

	Note	Trust 1Q FY2016 Units '000	Trust 1Q FY2015 Units '000
Units in issue at beginning of the period		628,935	621,156
<u>Issue of new Units relating to:</u>			
- Manager's performance fees	(a)	1,992	-
- Property Manager's fees	(b)	824	-
- Distribution Reinvestment Plan	(c)	2,029	-
Units in issue at end of the period		633,780	621,156
<u>Units to be issued:</u>			
Manager's management fees	(d)	428	370
Total Units in issue and to be issued at end of the period		634,208	621,526

- (a) On 25 May 2015, the Trust issued 1,991,579 new Units at an issue price of S\$1.4645 per Unit as payment of the performance component of the Manager's management fee for the year ended 31 March 2015.
- (b) On 26 May 2015, the Trust issued 824,373 new Units at an issue price of S\$1.4949 per Unit as payment for marketing services provided by the Property manager in respect of securing tenants at the Trust's properties, namely 20 Gul Way and 29 Woodlands Industrial Park E1.
- (c) During the current financial period, the Trust issued 2,029,288 new Units at an issue price of S\$1.4804 per Unit pursuant to the AA REIT DRP. The new Units were issued to eligible Unitholders who elected to participate in the AA REIT DRP with respect to the 4Q FY2015 distribution.
- (d) The new Units to be issued relate to 427,667 new Units issued on 13 July 2015 to the Manager as partial payment of the base fee element of the management fee incurred for the period from 1 January 2015 to 30 June 2015.

The issue price for management fees and marketing services fee 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 accrue.

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.

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

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

The accounting policies and methods of computation applied in the financial statements of the current period are consistent with those applied in the audited financial statements for the year ended 31 March 2015.

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 1Q FY2016	Group 1Q FY2015
Weighted average number of Units ('000)	630,232	621,161
Earnings per Unit (cents) - basic and diluted	2.48	3.96

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

	Group 1Q FY 2016	Group 1Q FY 2015
Number of Units in issue at end of period ('000)	633,780	621,156
Number of Units to be issued before the Books Closure Date ('000)	428	370
Applicable number of Units for calculation of DPU ('000)	634,208	621,526
Distribution per Unit (cents)	2.75	2.55

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

	Group 30 Jun 2015 S\$	Group 31 Mar 2015 S\$	Trust 30 Jun 2015 S\$	Trust 31 Mar 2015 S\$
Net asset value per Unit ⁴	1.5224	1.5249	1.5235	1.5264

⁴ Based on Units in issue and to be issued at the end of the period.

AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015

8 Review of the performance

	Group 1Q FY2016 S\$'000	Group 4Q FY2015 S\$'000	Group 1Q FY2015 S\$'000
Gross revenue	30,296	30,091	27,360
Property operating expenses	(10,091)	(9,779)	(7,867)
Net property income	20,205	20,312	19,493
Foreign exchange (loss)/gain	(14)	(61)	9
Interest income	33	28	14
Borrowing costs	(5,062)	(5,191)	(5,233)
Manager's management fees			
- Base fees	(1,820)	(1,803)	(1,769)
- Performance fees	-	(2,917)	-
Other trust expenses	(564)	(572)	(420)
Non-property expenses	(7,446)	(10,483)	(7,422)
Net income before joint venture's results	12,778	9,796	12,094
Share of results of joint venture (net of tax)	3,655	3,363	3,722
Net income	16,433	13,159	15,816
Distribution to the Unitholders	17,441	18,365	15,849

Review of the performance for 1Q FY2016 vs. 4Q FY2015

The gross revenue achieved for 1Q FY2016 of S\$30.3 million was broadly in line with the gross revenue of 4Q FY2015 of S\$30.1 million. Property operating expenses for 1Q FY2016 included additional property tax of S\$0.2 million for the property at 103 Defu Lane 10 relating to prior period assessed by the Inland Revenue Authority of Singapore during the quarter. As a result, net property income for 1Q FY2016 of S\$20.2 million was broadly in line with the net property income for 4Q FY2015.

Manager's management fees were lower in 1Q FY2016 vis-à-vis 4Q FY2015 as the previous quarter included a performance component of the management fee of S\$2.9 million for the year ended 31 March 2015.

The distribution to the Unitholders for 1Q FY2016 stood at S\$17.4 million, a decrease of S\$0.9 million compared to 4Q FY2015. The 4Q FY2015 distribution included retained distribution from the previous three quarters of FY2015.

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

Review of the performance for 1Q FY2016 vs. 1Q FY2015

The gross revenue achieved for 1Q FY2016 of S\$30.3 million was S\$2.9 million higher than the corresponding quarter in the previous year of S\$27.4 million mainly due to:

- (i) rental contribution from Phase 2E and Phase Three of 20 Gul Way as the properties became income-producing from 14 August 2014 and 9 November 2014 respectively; and
- (ii) rental contribution from 103 Defu Lane 10 as the property became income-producing from 1 August 2014.

Property expenses for 1Q FY2016 of S\$10.1 million was S\$2.2 million higher than 1Q FY2015 of S\$7.9 million is in line with the increase in gross revenue and the reversion to multi-tenancy properties for 11 Changi South Street 3 and 1 Kallang Way 2A as the master leases expired on 16 December 2014 and 29 January 2015 respectively.

Net property income for 1Q FY2016 stood at S\$20.2 million which was S\$0.7 million higher compared to 1Q FY2015.

Borrowing costs for 1Q FY2016 of S\$5.1 million was S\$0.2 million lower than the borrowing costs for the corresponding quarter in the previous financial year mainly attributed to lower borrowing costs on the Australian denominated loans due to lower interest rates and the strengthening of the Singapore dollar against the Australian dollar.

The distribution to the Unitholders for 1Q FY2016 stood at S\$17.4 million, an increase of S\$1.6 million compared to 1Q FY2015 mainly in line with the positive net contributions above, as well as distributions remitted from the Group's interest in Optus Centre, Macquarie Park, NSW, Australia.

9 Variance between Forecast / Prospect Statement

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

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

Based on advance estimates, the Ministry of Trade and Industry ("MTI") announced on 14 July 2015⁵ that the Singapore economy grew by 1.7% on a year-on-year basis in the second quarter of 2015, lower than 2.8% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 4.6%, a reversal from the 4.2% expansion in the preceding quarter.

On a year-on-year basis, the manufacturing sector contracted by 4.0%, extending the 2.7% decline in the previous quarter. The contraction was largely due to a fall in the output in the biomedical manufacturing and transport engineering clusters. The construction sector expanded by 2.7% on a year-on-year basis in the second quarter, an improvement from the 2.1% growth in the previous quarter. Growth was driven by stronger expansion in public sector construction activities. The services producing industries grew by 3.0% on a year-on-year basis in the second quarter, easing from the 4.2% in the previous quarter. The moderation in growth was largely due to slower expansion in the wholesale & retail trade and

⁵ Source: www.mti.gov.sg

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

business services sector, as well as a contraction in the transportation & storage sector.

Based on JTC 2Q 2015 statistics released on 23 July 2015⁶, overall occupancy rates of Singapore's industrial property market increased marginally to 91.0% from 90.7% the preceding quarter. Demand increased by 1.1% which outstripped a 0.7% increase in supply. The increase in occupancy was mainly driven by the warehouse segment as occupants started moving into new warehouse developments completed in earlier periods. On a year-on-year basis, occupancy rates of the overall industrial property market also rose by 0.3 percentage points, from 90.7% in 2Q 2014 to 91.0% in 2Q 2015. Notwithstanding the slight increase, occupancy rate of the overall industrial space market is still significantly lower than its peak of 93.5% in 2012. In 2Q 2015, the price index of overall industrial space fell by 0.7% on a quarter-on-quarter basis from 1Q 2015 to 2Q 2015, and 0.9% on a year-on-year basis from 2Q 2014 to 2Q 2015. The decline in the price indices contrasts with the average annual increases of around 10% over the past 4 years. The rental index of the overall industrial space market also fell by 0.7% from the preceding quarter, and 2.7% year-on-year. The decline in the rental indices contrasts with the average annual increase of around 3 – 4% over the past 4 years. In the second half of 2015, about 1.6 million sqm of industrial space is estimated to come on-stream. In 2016, another 2.8 million sqm is expected to be completed. In total, this is about 10% of current available stock. As a comparison, the average annual supply and demand of industrial spaces were around 1.5 million sqm and 1.1 million sqm in the past 3 years. The Group's portfolio occupancy of 96.1% as at 30 June 2015 continued to be above the industry average.

Outlook for financial year ending 31 March 2016

Since the June US Federal Reserve meeting, the US labour market has shown further gains, along with housing and manufacturing, adding to evidence the economy is overcoming a first-quarter slump. As such, the US Federal Reserve maintained their target for an interest-rate increase later this year as the US economy improves.⁷ Amid widespread expectations that the US Federal Reserve will raise the interest rate, the Group had refinanced all its existing secured loan facilities in November 2014. The current capital structure is well positioned with a weighted average debt maturity of 2.9 years and 96.1% of the Group's borrowings were on fixed rates taking into account the interest rate swaps and fixed rate notes.

The South-east Asian region, which has been prospering through exports, will have to make adjustments to the possibility of reduced trade imports from countries like China. This slowdown in global growth will in turn affect Singapore's growth as well.⁸ The turmoil in Greece is unlikely to hold back a broader economic recovery in the Eurozone. Compared with 2012, the Europe economy is in better health, the banks have been cleaned up, and the European Central Bank is more involved in supporting the market.⁹ Against this backdrop, the industrial property market is expected to remain uncertain. Moving forward, AA REIT remains cautious on the outlook of the industrial market as most industrialists are expected to stay cost sensitive and exercise prudence on their real estate requirements in second half 2015. In addition, given the reported near term supply, there may be short term impact on occupancy and rentals.

⁶ Source: www.jtc.gov.sg

⁷ Source: www.bloomberg.com issued on 11 July 2015

⁸ Source: www.business.asiaone.com issued on 5 July 2015

⁹ Source: www.wsj.com issued on 29 June 2015

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: Thirty-sixth distribution, for the period from 1 April 2015 to 30 June 2015

Distribution Type: Taxable Income
Tax-Exempt Income
Capital Distribution

Distribution Rate:	Taxable Income	2.540 cents per Unit
	Tax-Exempt Income	0.075 cents per Unit
	Capital Distribution	<u>0.135 cents per Unit</u>
	Total	<u>2.750 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 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.

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 April 2015 to 30 June 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.

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 JUNE 2015**

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 6 August 2015.

(b) Corresponding period of the immediately preceding period

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: Thirty-second distribution, for the period from 1 April 2014 to 30 June 2014

Distribution Type: Taxable Income
Capital Distribution

Distribution Rate:	Taxable Income	2.42 cents per Unit
	Capital Distribution	<u>0.13 cents per Unit</u>
	Total	<u>2.55 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 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.

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.

(c) Books closure date: 6 August 2015

(d) Date payable: 23 September 2015

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT
FIRST QUARTER ENDED 30 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 Confirmation by the board pursuant to Rule 705(5) of the Listing Manual

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of AIMS AMP Capital Industrial REIT Management Limited (as Manager of AA REIT) which may render these interim financial statements to be false or misleading in any material respect.

On behalf of the Board of Directors of
AIMS AMP Capital Industrial REIT Management Limited
(as Manager of AIMS AMP Capital Industrial REIT)

George Wang
Chairman and Director

Koh Wee Lih
Director

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 July 2015