



AIMS AMP CAPITAL INDUSTRIAL REIT

**AIMS AMP CAPITAL INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT
ANNOUNCEMENT
FOURTH QUARTER ENDED 31 MARCH 2016
("4Q 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 the Manager 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	4Q FY2016	3Q FY2016	+ / (-)	4Q FY2015	+ / (-)	FY2016	FY2015	+ / (-)
		S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(a)	30,287	32,547	(6.9)	30,091	0.7	124,389	115,432	7.8
Net property income	(a)	20,372	21,055	(3.2)	20,312	0.3	82,329	80,013	2.9
Share of results of joint venture (net of tax)	(a)	10,720	3,539	>100.0	3,363	>100.0	36,769	26,213	40.3
Distribution to Unitholders	(b)	18,743	18,108	3.5	18,365	2.1	72,062	69,198	4.1
Distribution per Unit ("DPU") (cents)		2.95	2.85	3.5	2.92	1.0	11.35	11.07	2.5

Notes:

(a) Please refer to section 8 on "Review of the performance" for explanation of the variances.

(b) The Manager resolved to distribute S\$18.7 million for 4Q FY2016, comprising (i) taxable income of S\$16.9 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.7 million and capital distribution of S\$1.1 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 FY2016, 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, its wholly-owned subsidiaries and its interest in a joint venture.

² AA REIT has a 49.0% interest in Optus Centre located in Macquarie Park, NSW, Australia.

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Distribution and Books Closure Date

Distribution	For 1 January 2016 to 31 March 2016
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution ³
Distribution Rate	(a) Taxable Income Distribution: 2.662 cents per Unit (b) Tax-Exempt Income Distribution: 0.108 cents per Unit (b) Capital Distribution ³ : <u>0.180 cents per Unit</u> <u>2.950 cents per Unit</u>
Books Closure Date	10 May 2016
Payment Date	22 June 2016

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

		Group 4Q FY2016 S\$'000	Group 4Q FY2015 S\$'000	+/(-) %	Group FY2016 S\$'000	Group FY2015 S\$'000	+/(-) %
Note							
Gross revenue	(a)	30,287	30,091	0.7	124,389	115,432	7.8
Property operating expenses	(a)	(9,915)	(9,779)	1.4	(42,060)	(35,419)	18.7
Net property income	(a)	20,372	20,312	0.3	82,329	80,013	2.9
Foreign exchange (loss)/gain		(7)	(61)	(88.5)	2	(59)	>(100.0)
Interest and other income	(b)	150	28	>100.0	523	71	>100.0
Borrowing costs	(a)	(5,018)	(5,191)	(3.3)	(20,152)	(22,761)	(11.5)
Manager's management fees							
- Base fees		(1,825)	(1,803)	1.2	(7,325)	(7,228)	1.3
- Performance fees	(a)	(1,459)	(2,917)	(50.0)	(1,459)	(2,917)	(50.0)
Other trust expenses		(496)	(572)	(13.3)	(1,935)	(2,072)	(6.6)
Non-property expenses		(8,798)	(10,483)	(16.1)	(30,871)	(34,978)	(11.7)
Net income before joint venture's results		11,717	9,796	19.6	51,983	45,047	15.4
Share of results of joint venture (net of tax)	(a),(c)	10,720	3,363	>100.0	36,769	26,213	40.3
Net income		22,437	13,159	70.5	88,752	71,260	24.5
Net change in fair value of investment properties and investment properties under development	(d)	(28,577)	1,280	>(100.0)	(42,405)	37,721	>(100.0)
Net change in fair value of derivative financial instruments	(e)	(1,198)	543	>(100.0)	(692)	774	>(100.0)
Total return before income tax		(7,338)	14,982	>(100.0)	45,655	109,755	(58.4)
Income tax expense	(f)	(1,365)	(1,255)	8.8	(4,846)	(1,693)	>100.0
Total return after income tax		(8,703)	13,727	>(100.0)	40,809	108,062	(62.2)

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.

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Notes:

- (a) Please refer to section 8 on “Review of the performance” for explanation of the variances.
- (b) Interest and other income in this quarter included an interim claim of S\$0.1 million received from the insurance company for certain reinstatement works carried out at the property located at 8 & 10 Tuas Avenue 20 due to a fire incident.
- (c) 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 Macquarie Park, NSW, Australia. The higher contribution in this quarter was mainly due to the share of revaluation surplus of S\$7.1 million recognised from the valuation of the underlying property. The independent valuation was carried out by CBRE Valuations Pty Limited as at 31 March 2016.
- (d) The net change in fair value of investment properties and investment properties under development for 4Q FY2016 arose mainly from the revaluation of the Trust's 25 Singapore properties as at 31 March 2016. The independent valuations of the properties were carried out by CBRE Pte. Ltd. and Savills Valuation And Professional Services (S) Pte Ltd.

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.

- (e) 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 (f) of section 1(b)(i) for further details of the swap contracts.

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.

- (f) 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 FY2016 S\$'000	Group 4Q FY2015 S\$'000	+ / (-) %	Group FY2016 S\$'000	Group FY2015 S\$'000	+ / (-) %
Note							
	Total return before income tax	(7,338)	14,982	>(100.0)	45,655	109,755	(58.4)
	Net effect of tax adjustments	(a) 32,595	2,365	>100.0	51,319	(25,565)	>(100.0)
	Other adjustments	(b) (9,162)	(1,709)	>100.0	(30,614)	(19,308)	58.6
	Release of distribution retained in previous quarters	818	1,406	(41.8)	-	-	-
	Amount available for distribution from Singapore taxable income	16,913	17,044	(0.8)	66,360	64,882	2.3
	Distribution from Singapore taxable income	(c) 16,913	17,044	(0.8)	66,360	64,882	2.3
	Distribution from tax-exempt income	(d) 686	189	>100.0	1,797	751	>100.0
	Capital distribution	(e) 1,144	1,132	1.1	3,905	3,565	9.5
	Distribution to Unitholders	18,743	18,365	2.1	72,062	69,198	4.1

Notes:

(a) Net effect of tax adjustments

	Group 4Q FY2016 S\$'000	Group 4Q FY2015 S\$'000	+ / (-) %	Group FY2016 S\$'000	Group FY2015 S\$'000	+ / (-) %
Amortisation and write-off of borrowing transaction costs	222	245	(9.4)	895	2,367	(62.2)
Foreign exchange loss	26	51	(49.0)	19	51	(62.7)
Manager's management fees in Units						
- Base fees	218	-	NM	1,869	2,717	(31.2)
- Performance fees	1,459	2,917	(50.0)	1,459	2,917	(50.0)
Net change in fair value of investment properties and investment properties under development	28,577	(1,280)	>(100.0)	42,405	(37,721)	>(100.0)
Net change in fair value of derivative financial instruments	1,198	(543)	>(100.0)	692	(774)	>(100.0)
Prepayment fee on borrowings	-	-	-	-	66	(100.0)
Net tax adjustment on foreign sourced income	585	649	(9.9)	2,368	3,171	(25.3)
Temporary differences and other tax adjustments	310	326	(4.9)	1,612	1,641	(1.8)
Net effect of tax adjustments	32,595	2,365	>100.0	51,319	(25,565)	>(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 FY2016, 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, 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.

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1(b)(i) Statements of Financial Position as at 31 March 2016 vs. 31 March 2015

		Group	Group		Trust	Trust	
	Note	31 Mar 2016	31 Mar 2015	+/(-) %	31 Mar 2016	31 Mar 2015	+/(-) %
		S\$'000	S\$'000		S\$'000	S\$'000	
Non-current assets							
Investment properties	(a)	1,172,400	1,233,470	(5.0)	1,172,400	1,233,470	(5.0)
Investment properties under development	(b)	44,900	-	NM	44,900	-	NM
Subsidiaries	(c)	-	-	-	85,200	85,051	0.2
Joint venture	(d)	225,213	204,894	9.9	-	-	-
Trade and other receivables	(e)	2,719	3,464	(21.5)	2,719	3,464	(21.5)
Derivative financial instruments	(f)	-	213	(100.0)	-	213	(100.0)
		1,445,232	1,442,041	0.2	1,305,219	1,322,198	(1.3)
Current assets							
Trade and other receivables	(e)	6,731	6,183	8.9	5,599	5,775	(3.0)
Cash and cash equivalents	(g)	7,490	10,111	(25.9)	7,385	9,216	(19.9)
		14,221	16,294	(12.7)	12,984	14,991	(13.4)
Total assets		1,459,453	1,458,335	0.1	1,318,203	1,337,189	(1.4)
Non-current liabilities							
Trade and other payables	(h)	9,921	6,276	58.1	9,921	6,276	58.1
Interest-bearing borrowings	(i)	371,578	454,237	(18.2)	257,720	338,793	(23.9)
Derivative financial instruments	(f)	3,528	4,314	(18.2)	396	48	>100.0
Deferred tax liabilities	(j)	5,237	1,134	>100.0	-	-	-
		390,264	465,961	(16.2)	268,037	345,117	(22.3)
Current liabilities							
Trade and other payables	(k)	28,430	30,279	(6.1)	27,397	28,999	(5.5)
Interest-bearing borrowings	(i)	99,906	-	NM	99,906	-	NM
Derivative financial instruments	(f)	132	-*	>100.0	132	-*	>100.0
		128,468	30,279	>100.0	127,435	28,999	>100.0
Total liabilities		518,732	496,240	4.5	395,472	374,116	5.7
Net assets		940,721	962,095	(2.2)	922,731	963,073	(4.2)
Represented by:							
Unitholders' funds		940,721	962,095	(2.2)	922,731	963,073	(4.2)
		940,721	962,095	(2.2)	922,731	963,073	(4.2)

* : less than S\$1,000.

NM: not meaningful.

Notes:

- (a) The decrease in investment properties was primarily due to the revaluation deficit of S\$40.3 million recognised during the financial year and the transfer of S\$25.6 million to investment properties under development due to the redevelopment of 30 & 32 Tuas West Road and the proposed redevelopment of 8 & 10 Tuas Avenue 20. This was partially offset by capital expenditure capitalised on asset enhancement work of S\$4.9 million.

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- (b) Investment properties under development refer to the redevelopment project at 30 & 32 Tuas West Road and the proposed redevelopment project at 8 & 10 Tuas Avenue 20. On 22 May 2015, the Manager announced the Trust's third redevelopment project at 30 & 32 Tuas West Road which will transform the property into a five-storey ramp-up warehouse facility with an expected gross floor area of approximately 287,866 square feet. On 14 April 2016, the Manager also announced plans for the Trust's fourth redevelopment project which will transform two adjoining two-storey detached industrial spaces at 8 & 10 Tuas Avenue 20 into a versatile industrial facility with ramp and cargo lift access. This redevelopment will increase the gross floor area of the property by around 41,614 square feet.
- (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 Macquarie Park, NSW, Australia. The increase in the joint venture balances was mainly due to the share of the net change in fair value of the underlying property of S\$22.5 million, partially offset by a decrease of S\$2.6 million due to the strengthening of the Singapore dollar against the Australian dollar. 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\$2.8 million (see note 1(b)(i)(i) below).
- (e) Non-current trade and other receivables relate to the unamortised portion of the marketing services commission for leases with tenors of more than one year. Current trade and other receivables as at 31 March 2016 was S\$6.7 million which was S\$0.5 million higher compared to balances as at 31 March 2015. The increase was mainly due to the timing of the billing and collection of receivables from tenants.
- (f) The derivative financial instruments as at 31 March 2016 were in relation to interest rate swap contracts with a total notional amount of S\$256.7 million. As at 31 March 2016, approximately 92.2% 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 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.
- (g) Cash and cash equivalents as at 31 March 2016 of S\$7.5 million was S\$2.6 million lower compared to balances as at 31 March 2015. This was mainly due to the funding of asset enhancement work and retention sum of S\$1.7 million paid for the redevelopment of 20 Gul Way.
- (h) Non-current trade and other payables comprised rental deposits received from tenants with tenors of more than one year and retention sum of S\$1.7 million relating to the redevelopment of 30 & 32 Tuas West Road.
- (i) The increase in interest-bearing borrowings of the Group by S\$17.2 million as at 31 March 2016 was mainly due to the drawdown of S\$19.0 million of the Trust's facilities to fund the redevelopment of 30 & 32 Tuas West Road and retention sum paid for the redevelopment of 20 Gul Way and 103 Defu Lane 10, offset by a decrease in the Australian dollar denominated borrowings of S\$2.8 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).

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- (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 2016 included retention sum of S\$1.7 million relating to the redevelopment of 20 Gul Way and development costs payable of S\$6.5 million relating to the redevelopment of 30 & 32 Tuas West Road. (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 costs will be funded by the committed loan facilities of the Trust. As at 31 March 2016, the Group and the Trust have undrawn committed facilities of S\$133.3 million to fulfil their liabilities as and when they fall due.

In April 2016, the Trust received commitment from a syndicate of five financial institutions to upsize its existing secured facility with a four year term loan facility of S\$100 million to refinance its unsecured borrowings due in August 2016 and fund development and/or acquisitions as well as general working purposes.

1(b)(ii) Aggregate amount of borrowings

	Group 31 Mar 2016 S\$'000	Group 31 Mar 2015 S\$'000	Trust 31 Mar 2016 S\$'000	Trust 31 Mar 2015 S\$'000
Interest-bearing borrowings				
Amount repayable within one year				
Unsecured				
Medium Term Notes	100,000	-	100,000	-
Less: Unamortised borrowing transaction costs	(94)	-	(94)	-
	99,906	-	99,906	-
Amount repayable after one year				
Secured				
Term loans	274,417	277,234	160,056	161,100
Revolving credit facility	19,000	-	19,000	-
Unsecured				
Medium Term Notes	80,000	180,000	80,000	180,000
	373,417	457,234	259,056	341,100
Less: Unamortised borrowing transaction costs	(1,839)	(2,997)	(1,336)	(2,307)
	371,578	454,237	257,720	338,793
Total	471,484	454,237	357,626	338,793

Details of borrowings and collateral

(a) Secured borrowings

- (i) 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 fund real estate development and/or acquisitions; 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

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- assignment of rights, title and interest in leases, insurances and rental proceeds of the related mortgaged investment properties.

(ii) 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.

(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 31 March 2016, 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.

As at 31 March 2016, the Group and the Trust have undrawn committed facilities of S\$133.3 million to fulfil their liabilities as and when they fall due.

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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	96.8	-
Development costs at 30 & 32 Tuas West Road	-	13.0
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	8.5	4.8
	108.3	37.5

As at 31 March 2016, the balance proceeds of the 2013 Placement was approximately S\$1.7 million.

As at 31 March 2016, the balance proceeds of the 2014 Rights Issue was approximately S\$62.4 million, of which S\$45.9 million of the proceeds from the 2014 Rights Issue had been temporarily 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 and S\$18.3 million from the existing loan facility to fund the proposed redevelopment at 30 & 32 Tuas West Road as well as 8 & 10 Tuas Avenue 20 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.

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1(c) Consolidated Statement of Cash Flows

	Group 4Q FY2016 S\$'000	Group 4Q FY2015 S\$'000	Group FY2016 S\$'000	Group FY2015 S\$'000
Cash flows from operating activities				
Total return after income tax	(8,703)	13,727	40,809	108,062
Adjustments for:				
Share of results of joint venture (net of tax)	(10,720)	(3,363)	(36,769)	(26,213)
Borrowing costs	5,018	5,191	20,152	22,761
Depreciation	-	6	-	26
Foreign exchange loss/(gain)	7	61	(2)	59
Manager's base fees in Units	218	-	1,869	2,717
Manager's performance fees in Units	1,459	2,917	1,459	2,917
Net change in fair value of derivative financial instruments	1,198	(543)	692	(774)
Net change in fair value of investment properties	28,577	(1,280)	42,405	(37,721)
Income tax expense	1,365	1,255	4,846	1,693
Operating income before working capital changes	18,419	17,971	75,461	73,527
Changes in working capital				
Trade and other receivables	1,179	(193)	147	2,150
Trade and other payables	(410)	5,273	(237)	395
Income tax paid	(194)	(121)	(743)	(559)
Net cash from operating activities	18,994	22,930	74,628	75,513
Cash flows from investing activities				
Capital expenditure on investment properties and investment properties under development	(10,002)	(5,437)	(22,699)	(49,214)
Proceeds from divestment of investment property ⁴	-	-	-	98
Investment in a joint venture	-	(909)	(432)	(909)
Distributions from a joint venture	3,614	3,910	14,329	14,211
Net cash used in investing activities	(6,388)	(2,436)	(8,802)	(35,814)
Cash flows from financing activities				
Borrowing costs paid	(5,328)	(5,422)	(19,332)	(22,687)
Distributions to Unitholders	(18,207)	(14,004)	(68,043)	(57,875)
Proceeds from interest-bearing borrowings	13,760	-	21,760	247,467
Repayments of interest-bearing borrowings	(2,760)	-	(2,760)	(215,889)
Issue expenses paid	-	-	(30)	(2,334)
Net cash used in financing activities	(12,535)	(19,426)	(68,405)	(51,318)
Net increase/(decrease) in cash and cash equivalents	71	1,068	(2,579)	(11,619)
Cash and cash equivalents at beginning of the period	7,439	9,064	10,111	21,809
Effect of exchange rate fluctuation	(20)	(21)	(42)	(79)
Cash and cash equivalents at end of the period	7,490	10,111	7,490	10,111

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 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) During the financial year, the Trust issued an aggregate of 1,151,826 new Units amounting to S\$1.7 million as partial payment for the base fee element of the Manager's management fees incurred. Please refer to details in section 1(d).
- (iii) During the financial year, 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.
- (iv) During the financial year, the Trust issued an aggregate of 2,463,314 new Units amounting to S\$3.6 million as part payment of the distributions 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 FY2016 vs. 4Q FY2015)

	Group 4Q FY2016 S\$'000	Group 4Q FY2015 S\$'000	Trust 4Q FY2016 S\$'000	Trust 4Q FY2015 S\$'000
Balance at beginning of the period	965,910	961,378	953,736	957,697
Operations				
Total return after income tax	(8,703)	13,727	(14,574)	16,455
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	175	(567)	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(230)	(1,364)	-	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Manager's performance fees	1,459	2,917	1,459	2,917
- Manager's management fees	218	-	218	-
Distribution reinvestment plan	-	3,730	-	3,730
Distributions to Unitholders	(18,108)	(17,726)	(18,108)	(17,726)
Change in Unitholders' funds resulting from Unitholders' transactions	(16,431)	(11,079)	(16,431)	(11,079)
Total (decrease)/increase in Unitholders' funds	(25,189)	717	(31,005)	5,376
Balance at end of the period	940,721	962,095	922,731	963,073

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1(d)(ii) Statement of Movements in Unitholders' Funds (FY2016 vs. FY2015)

	Group FY2016 S\$'000	Group FY2015 S\$'000	Trust FY2016 S\$'000	Trust FY2015 S\$'000
Balance at beginning of the period	962,095	911,888	963,073	912,743
Operations				
Total return after income tax	40,809	108,062	23,180	102,642
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries and net investment in foreign operations	238	(1,543)	-	-
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	1,101	(4,000)	-	-
Unitholders' transactions				
Issuance of Units (including units to be issued):				
- Manager's management fees	1,869	2,717	1,869	2,717
- Manager's performance fees	1,459	2,917	1,459	2,917
- Distribution Reinvestment Plan	3,632	8,514	3,632	8,514
- Property Manager's fees in Units	1,232	-	1,232	-
Distributions to Unitholders	(71,684)	(66,424)	(71,684)	(66,424)
Issue expenses	(30)	(36)	(30)	(36)
Change in Unitholders' fund resulting from Unitholders' transactions	(63,522)	(52,312)	(63,522)	(52,312)
Total (decrease)/increase in Unitholders' funds	(21,374)	50,207	(40,342)	50,330
Balance at end of the period	940,721	962,095	922,731	963,073

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

Note	Trust 4Q FY2016 Units '000	Trust 4Q FY2015 Units '000	Trust FY2016 Units '000	Trust FY2015 Units '000
Units in issue at beginning of the period	634,642	624,834	628,935	621,156
<u>Issue of new Units relating to:</u>				
- Manager's performance fees (a)	-	-	1,992	-
- Manager's base fees (b)	724	1,504	1,152	1,874
- Property Manager's fees (c)	-	-	824	-
- Distribution Reinvestment Plan (d)	-	2,597	2,463	5,905
Units in issue at end of the period	635,366	628,935	635,366	628,935
<u>Units to be issued:</u>				
Manager's performance fees (e)	1,090	1,992	1,090	1,992
Manager's base fees (f)	168	-	168	-
Total Units in issue and to be issued at end of the period	636,624	630,927	636,624	630,927

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- (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 for the performance component of the Manager's management fees for the year ended 31 March 2015.
- (b) During the financial year, there were the following issuances of Units to the Manager:
 - (i) 427,667 new Units on 13 July 2015 at an average issue price of S\$1.4944 per Unit as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2015 to 30 June 2015; and
 - (ii) 724,159 new Units on 29 January 2016 at an average issue price of S\$1.3971 per Unit as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 July 2015 to 31 December 2015.
- (c) On 26 May 2015, the Trust issued an aggregate of 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.
- (d) During the financial year, there were the following issuances of Units pursuant to the AA REIT DRP:
 - (i) 2,029,288 new Units on 24 June 2015 at an issue price of S\$1.4804 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the AA REIT DRP with respect to the 4Q FY2015 distribution; and
 - (ii) 434,026 new Units on 23 September 2015 at an issue price of S\$1.4402 per Unit. The new Units were issued to eligible Unitholders who elected to participate in the AA REIT DRP with respect to the 1Q FY2016 distribution.
- (e) The new Units to be issued relate to 1,089,469 Units to be issued to the Manager as payment of the performance component of the Manager's management fees for the year ended 31 March 2016.
- (f) The new Units to be issued relate to 168,162 Units to be issued to the Manager as partial payment of the base fee element of the Manager's management fees incurred for the period from 1 January 2016 to 31 March 2016.

The issue price for management fees and marketing services 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 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.

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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 4Q FY2016	Group 4Q FY2015	Group FY2016	Group FY2015
Weighted average number of Units ('000)	635,157	626,049	633,559	622,981
Earnings per Unit (cents) - basic and diluted	(1.37)	2.19	6.44	17.35

The decrease in the EPU for the current period/year was mainly due to the net change in fair value of investment properties and investment properties under development. 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.

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

	Group 4Q FY 2016	Group 4Q FY 2015	Group FY2016	Group FY2015
Number of Units in issue at end of period ('000)	635,366	628,935	635,366	628,935
Distribution per Unit (cents)	2.95	2.92	11.35	11.07

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

	Group 31 Mar 2016 S\$	Group 31 Mar 2015 S\$	Trust 31 Mar 2016 S\$	Trust 31 Mar 2015 S\$
Net asset value / net tangible asset per Unit ⁵	1.4777	1.5249	1.4494	1.5264

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

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8 Review of the performance

	Group 4Q FY2016 S\$'000	Group 4Q FY2015 S\$'000	Group 3Q FY2016 S\$'000	Group FY2016 S\$'000	Group FY2015 S\$'000
Gross revenue	30,287	30,091	32,547	124,389	115,432
Property operating expenses	(9,915)	(9,779)	(11,492)	(42,060)	(35,419)
Net property income	20,372	20,312	21,055	82,329	80,013
Foreign exchange (loss)/gain	(7)	(61)	32	2	(59)
Interest and other income	150	28	314	523	71
Borrowing costs	(5,018)	(5,191)	(5,033)	(20,152)	(22,761)
Manager's management fees					
- Base fees	(1,825)	(1,803)	(1,844)	(7,325)	(7,228)
- Performance fees	(1,459)	(2,917)	-	(1,459)	(2,917)
Other trust expenses	(496)	(572)	(417)	(1,935)	(2,072)
Non-property expenses	(8,798)	(10,483)	(7,294)	(30,871)	(34,978)
Net income before joint venture's results	11,717	9,796	14,107	51,983	45,047
Share of results of joint venture (net of tax)	10,720	3,363	3,539	36,769	26,213
Net income	22,437	13,159	17,646	88,752	71,260
Distribution to the Unitholders	18,743	18,365	18,108	72,062	69,198

Review of the performance for 4Q FY2016 vs. 3Q FY2016

Gross revenue for 4Q FY2016 of S\$30.3 million was S\$0.9 million lower than 3Q FY2016 of S\$31.2 million (excluding property tax of S\$1.3 million⁶) mainly due to lower occupancies in December 2015 for the properties at 27 Penjuru Lane and 8 & 10 Pandan Crescent and lower contribution from the property at 8 & 10 Tuas Avenue 20 due to the fire incident (pending insurance claims for loss of income on the property). Some of the vacancies at 27 Penjuru Lane have since been filled and rental contributions will commence after the rent-free fit-out periods.

Net property income for 4Q FY2016 stood at S\$20.4 million, which was S\$0.7 million lower than the net property income for 3Q FY2016 of S\$21.1 million, in line with lower gross revenue.

Manager's management fees were higher in 4Q FY2016 vis-à-vis 3Q FY2016 mainly due to the performance component of the management fee for the period from 1 April 2015 to 31 March 2016. The Manager is entitled to a performance fee of 0.1% per annum of the value of the Deposited Property as the growth in DPU in FY2016 (calculated before accounting for the performance fee) exceeded 2.5% but is less than 5.0% relative to the DPU in FY2015.

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 Macquarie Park, NSW, Australia. In 4Q FY2016, the share of results of joint venture (net of tax) included the

⁶ For 3Q FY2016, the gross revenue of S\$32.5 million included an additional property tax of S\$1.3 million for 20 Gul Way for the period from 14 June 2014 to 31 December 2015. The additional property tax was due to the change in annual value of property assessed by Inland Revenue Authority of Singapore ("IRAS") which was fully recoverable from the master tenant, CWT Limited. Excluding this additional recovery, the gross revenue and property operating expenses would have been S\$31.2 million and S\$10.2 million respectively.

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share of revaluation surplus of S\$7.1 million recognised from the valuation of Optus Centre. The independent valuation was carried out by CBRE Valuations Pty Limited as at 31 March 2016.

The distribution to the Unitholders for 4Q FY2016 stood at S\$18.7 million, an increase of S\$0.6 million compared to 3Q FY2016. This was mainly due to the release of distribution retained in previous quarters.

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

Gross revenue for 4Q FY2016 of S\$30.3 million was broadly in line with 4Q FY2015.

Net property income for 4Q FY2016 of S\$20.4 million was broadly in line with 4Q FY2015.

The Manager's performance fee for 4Q FY2016 of S\$1.5 million was S\$1.4 million lower than 4Q FY2015 as it is entitled to a performance fee of 0.2% per annum of the Deposited Property as the growth in DPU in FY2015 exceeded 5.0% relative to the DPU in the previous financial year.

The share of results of joint venture (net of tax) in 4Q FY2016 included the share of revaluation surplus of S\$7.1 million recognised from the revaluation of Optus Centre. The independent valuation of the property was carried out by CBRE Valuations Pty Limited as at 31 March 2016.

The distribution to the Unitholders for 4Q FY2016 stood at S\$18.7 million, an increase of S\$0.4 million compared to 4Q FY2015.

Review of the performance for FY2016 vs. FY2015

The gross revenue achieved for FY2016 of S\$123.1 million⁷ was S\$7.6 million higher than that of the previous year mainly due to:

- (i) rental contribution from Phase 2E and Phase Three of 20 Gul Way as they became income-producing from 14 August 2014 and 9 November 2014 respectively;
- (ii) rental contribution from 103 Defu Lane 10 as the property became income-producing from 1 August 2014; and
- (iii) higher recoveries from 29 Woodlands Industrial Park E1 and 8 & 10 Pandan Crescent.

This was partially offset by :

- (i) lower rental contribution due to slower take-up rates at 1 Kallang Way 2A as the property reverted to multi-tenancy leases upon expiration of the master leases on 29 January 2015;
- (ii) lower occupancy at 27 Penjuru Lane as a few of the leases expired in December 2015; and
- (ii) loss in revenue due to the redevelopment of 30 & 32 Tuas West Road.

Property expenses for FY2016 of S\$40.7 million⁷ was S\$5.3 million higher than FY2015 of S\$35.4 million, in line with the increase in gross revenue, higher recoveries from tenants and the reversion to multi-tenancy properties for 11 Changi South Street 3 and 1 Kallang Way 2A upon expiration of the master leases on 16 December 2014 and 29 January 2015 respectively.

⁷ For FY2016, the gross revenue of S\$124.4 million included an additional property tax of S\$1.3 million for 20 Gul Way for the period from 14 June 2014 to 31 December 2015. The additional property tax was due to the change in annual value of property assessed by IRAS which was fully recoverable from the master tenant, CWT Limited. Excluding this additional recovery, the gross revenue and property operating expenses for FY2016 would have been S\$123.1 million and S\$40.7 million respectively.

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Net property income for FY2016 stood at S\$82.3 million, which was S\$2.3 million higher compared to FY2015.

Borrowing costs for FY2016 of S\$20.2 million was S\$2.6 million lower than the borrowing costs for the previous financial year mainly attributed to:

- (i) the accelerated recognition of unamortised loan transaction costs of S\$1.2 million in FY2015 as a result of the early refinancing of the secured borrowing of the Trust; and
- (ii) lower borrowing costs on the Australian denominated loans for the current period due to lower interest rates and the strengthening of the Singapore dollar against the Australian dollar.

In FY2016, the Manager's performance fees of S\$1.5 million was S\$1.4 million lower than FY2015. The Manager is entitled to a performance fee of 0.1% per annum of the value of the Deposited Property where the growth in DPU exceeds 2.5% but is less than 5.0% relative to the DPU in the previous financial year. The Manager is entitled to a performance fee of 0.2% per annum of the value of the Deposited Property where the growth in DPU exceeds 5.0% relative to the DPU in the previous financial year. DPU for FY2016 was 11.35 cents, representing a 2.53% increase compared to FY2015. DPU for FY2015 was 11.07 cents, representing a 5.1% increase compared to the DPU in FY2014.

The share of results of joint venture (net of tax) for FY2016 comprised the contribution from the Group's 49.0% interest in Optus Centre which is located in Macquarie Park, NSW, Australia. It also included the share of revaluation surplus recognised on the valuation of the underlying property of S\$22.5 million (FY2015: S\$10.4 million). The independent valuation of the property was carried out by CBRE Valuations Pty Limited as at 31 March 2016.

The distribution to the Unitholders for FY2016 stood at S\$72.1 million, an increase of S\$2.9 million compared to FY2015 mainly in line with the positive net contributions above.

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 April 2016⁸ that the Singapore economy grew by 1.8% on a year-on-year basis in the first quarter of 2016, the same pace of growth as in the previous quarter. Growth was flat on a quarter-on-quarter seasonally-adjusted annualised basis, in contrast to the 6.2% expansion in the preceding quarter.

On a year-on-year basis, the manufacturing sector contracted by 2.0%, following the 6.7% decline in the previous quarter. The sector was primarily weighed down by a decline in the output of the transport engineering, precision engineering and electronics clusters. The construction sector expanded by 6.2% on a year-on-year basis in the first quarter, an improvement from the 4.9% growth recorded in the previous quarter. The stronger growth in the sector was supported by both public and private sector construction activities. Growth in the services producing industries came in at 1.9% on a year-on-year basis in

⁸ Source: www.mti.gov.sg.

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the first quarter, easing from the 2.8% growth in the previous quarter. The growth was mainly supported by the wholesale & retail trade and finance & insurance sectors.

Based on JTC 4Q 2015 statistics released on 28 January 2016⁹, overall occupancy rates of Singapore's industrial property market decreased marginally to 90.6% from 90.8% in the preceding quarter. A 1.2% increase in supply outstripped a 0.9% increase in demand. Over the whole of 2015, occupancy rate of the overall industrial property market fell by 0.3 percentage points, from 90.9% in 4Q 2014 to 90.6% in 4Q 2015. In 4Q 2015, the prices and rentals of industrial space continued to fall in tandem with occupancy rates. Over the whole of 2015, prices and rentals fell by 1.7% and 2.1% compared to the previous year. As a comparison, prices rose 3.5% and rentals fell by 2.1% over the whole of 2014. In 2015, the total stock of industrial space increased by 1.6 million sqm and in 2016, it is estimated that about 2.9 million sqm of industrial space will come on-stream. This is significantly higher than the average annual supply and demand of around 1.7 million sqm and 1.2 million sqm during the past 3 years. In 2017, another 1.6 million sqm of industrial space is expected to be completed.

The Group's portfolio occupancy remained healthy at 93.4% as at 31 March 2016 and continued to be above the industry average.

Outlook for financial year ending 31 March 2017

On 14 April 2016, the Monetary Authority of Singapore ("MAS") caught the market by surprise when it unexpectedly removed the appreciation stance on the Singapore dollar. The MAS set the rate of the dollar's appreciation to zero per cent and investors worried that the move might trigger a currency war, with various governments depreciating their currencies to keep their exports competitive. MAS estimated that weakening investment and exports will weigh on the US economy, while the euro zone and Japan will be dragged down by strengthening currencies and weak export demand. China's growth is also likely to moderate. In this context, a relatively weaker currency could make Singapore's exports more attractive to its major trading partners that face subdued growth.¹⁰

The Federal Reserve raised interest rates for the first time in nearly a decade in December 2015 but any further hikes in interest rates were put on hold. The potential hike was postponed after fears of a slowdown in China and collapsing oil prices have rattled investors worldwide.¹¹ A Reuters poll showed that the probability of the Federal Reserve raising interest rates twice this year has faded on signs of a weak start to the year, inflation that is still tame and a brittle global backdrop.¹²

The current capital structure of the Group is well positioned with a weighted average debt maturity of 2.2 years and 92.2% of the Group's borrowings were on fixed rates taking into account the interest rate swaps and fixed rate notes. In addition, AA REIT's Australian investment, Optus Centre is substantially hedged using Australian dollar denominated loans with a weighted debt maturity of 2.4 years where 100% of the interest rates on the funding is fixed.

AA REIT has built a diversified and high quality asset portfolio that is bolstered by a well-balanced leasing strategy. However, given the weak economic climate and industrial oversupply situation in Singapore, rents continue to be under pressure. As the

⁹ Source: www.jtc.gov.sg.

¹⁰ Source: The Straits Times article "MAS eases up on Sing\$ rise as outlook dims" on 15 April 2016.

¹¹ Source: www.theguardian.com article "Fed announces interest rates will remain unchanged after talk of hike" dated 16 March 2016.

¹² Source: www.reuters.com article "Fed to raise rates twice this year but conviction fading" dated 14 April 2016.

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industrial property market is expected to continue to be challenging, AA REIT remains cautious on the outlook of the industrial market and will continue to proactively manage the AA REIT's lease expiries.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: Thirty-ninth distribution, for the period from 1 January 2016 to 31 March 2016

Distribution Type: Taxable Income
Tax-Exempt Income
Capital Distribution

Distribution Rate:	Taxable Income	2.662 cents per Unit
	Tax-Exempt Income	0.108 cents per Unit
	Capital Distribution	<u>0.180 cents per Unit</u>
	Total	<u>2.950 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.

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(b) Corresponding period of the immediately preceding period

Any distributions declared for the previous corresponding 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:	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: 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.

(c) Books closure date: 10 May 2016

(d) Date payable: 22 June 2016

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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

FY2016	Singapore S\$'000	Australia S\$'000	Total S\$'000
Revenue and expenses			
Gross revenue	124,389	-	124,389
Property operating expenses	(42,060)	-	(42,060)
Net property income	82,329	-	82,329
Share of results of joint venture (net of tax)	-	36,769 ¹³	36,769
Net change in fair value of investment properties and investment properties under development	(42,405)	-	(42,405)
Net change in fair value of derivatives	(465)	(227)	(692)
			76,001
Unallocated items:			
Foreign exchange gain			2
Interest and other income			523
Borrowing costs			(20,152)
Trust expenses			(10,719)
Total return before income tax			45,655
Income tax expense			(4,846)
Total return after income tax			40,809
FY2015	Singapore S\$'000	Australia S\$'000	Total S\$'000
Revenue and expenses			
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 ¹³	26,213
Net change in fair value of investment properties and investment properties under development	37,721	-	37,721
Net change in fair value of derivatives	774	-	774
			144,721
Unallocated items:			
Foreign exchange loss			(59)
Interest income			71
Borrowing costs			(22,761)
Trust expenses			(12,217)
Total return before income tax			109,755
Income tax expense			(1,693)
Total return after income tax			108,062

¹³ Included in the share of results of joint venture (net of tax) is the share of revaluation surplus recognised on the valuation of Optus Centre of S\$22.5 million (FY2015: S\$10.4 million).

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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 FY2016 S\$'000	Group FY2015 S\$'000	+(-) %
<u>First half of year</u>			
Gross revenue	61,555	55,621	10.7
Total return after income tax	34,676	67,637	(48.7)
<u>Second half of year</u>			
Gross revenue	62,834	59,811	5.1
Total return after income tax	6,133	40,425	(84.8)

17 Breakdown of the total annual distributions

	DPU (Cents)	Group FY2016 S\$'000	Group FY2015 S\$'000
<u>Distribution paid during the year</u>			
For the period :			
01/10/2015 to 31/12/2015	2.85	18,108	-
01/07/2015 to 30/09/2015	2.80	17,770	-
01/04/2015 to 30/06/2015	2.75	17,441	-
01/01/2015 to 31/03/2015	2.92	18,365	-
01/10/2014 to 31/12/2014	2.83	-	17,725
01/07/2014 to 30/09/2014	2.77	-	17,259
01/04/2014 to 30/06/2014	2.55	-	15,849
01/01/2014 to 31/03/2014	2.51	-	15,591
		<u>71,684</u>	<u>66,424</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.

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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
27 April 2016