



AIMS
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AIMS AMP CAPITAL INDUSTRIAL REIT



AIMS AMP CAPITAL INDUSTRIAL REIT MANAGEMENT LIMITED

As Manager of AIMS AMP Capital Industrial REIT
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Singapore 048616

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 5 December 2006 (as amended))

Press Release: 19 April 2011

AIMS AMP Capital Industrial REIT announces 4th quarter and full year financial results ended 31 March 2011

Key highlights for 4th Quarter FY2011:-

- 4Q DPU: 0.54¹ cents.
- Accretive acquisition of 29 Woodlands Industrial Park E1, NorthTech for S\$72.0 million.
- Sale of 23 Changi South Ave 2 for \$16.7 million, 3.1% above book value.
- Sale of Asahi Ohmiya Warehouse, Tokyo Japan for JPY1.49 million, 1.6% above book value.
- Well supported private placement, raising gross proceeds of S\$43.5 million.
- Negotiated three year S\$45.0 million acquisition debt facility in February 2011 which provides the Trust with additional financial flexibility.
- Revaluation of 25 Singapore properties: +2.67% vs 30 September 2010 valuations
+4.00% vs 31 March 2010 valuations
- Portfolio size grew from S\$803.9 million to S\$853.2 million.

Financial results summary

| | 4Q | 3Q | Q-o-Q | 4Q | Y-o-Y | FY2011 | FY2010 | + / (-) |
|--|---------------------|---------|---------|---------|---------|---------|---------|---------------------|
| | FY2011 | FY2011 | + / (-) | FY2010 | + / (-) | FY2011 | FY2010 | + / (-) |
| | S\$'000 | S\$'000 | % | S\$'000 | % | S\$'000 | S\$'000 | % |
| Gross revenue | 20,806 | 19,590 | 6.2 | 15,595 | 33.4 | 73,245 | 50,944 | 43.8 |
| Net property income | 14,395 | 14,536 | (1.0) | 11,889 | 21.1 | 52,721 | 40,140 | 31.3 |
| Distributable income | 11,291 | 10,438 | 8.2 | 7,885 | 43.2 | 37,204 | 22,343 | 66.5 |
| Distribution per unit ("DPU") (cents) | 0.5400 ¹ | 0.5100 | 5.9 | 0.5376 | 0.4 | 1.9844 | 5.1234 | (61.3) ² |

¹ Distribution to Unitholders for 4Q FY2011 comprises the advanced distribution of 0.2850 cents per unit and 0.2550 cents per unit for period 1 January 2011 to 22 February 2011 and 23 February 2011 to 31 March 2011 respectively.

² DPU for FY2011 of 1.9844 cents was lower as compared to FY2010 primarily due to an increase in the number of units in issue from 266,385,094 Units to 2,207,064,174 Units as at 31 March 2011, following the equity raisings conducted in late 2009, October 2010 and February 2011.

Distribution details

| | |
|---------------------------|----------------------------------|
| Distribution period | 23 February 2011 – 31 March 2011 |
| DPU (Cents) | 0.2550 |
| Ex-date | 26 April 2011, 9.00am |
| Books closure date | 28 April 2011, 5.00pm |
| Distribution payment date | 8 June 2011 |

Singapore, 19 April 2011 – AIMS AMP Capital Industrial REIT Management Limited (the “**Manager**”) as Manager of AIMS AMP Capital Industrial REIT (the “**Trust**”) is pleased to announce distributable income of S\$11.3 million for the fourth quarter ended 31 March 2011 (“**4Q FY2011**”), an increase of 43.2% compared with 4Q FY2010.

Chief Executive Officer of the Manager, Mr Nicholas McGrath, said, “The Trust continued another year of transformation delivering strong operating and financial performance. FY2011 was characterised by prudent capital and risk management coupled with a repositioning of the portfolio through selective asset recycling and acquisitions. In addition to maintaining a stable and secure income distribution to Unitholders, the Manager continues to be focused on increasing Unitholders’ value and liquidity.”

The Trust has achieved a DPU of 0.54 cents for 4Q FY2011. An advanced distribution of 0.2850 cents per unit was paid on 28 March 2011 in conjunction with the private placement exercise in February 2011. The books closure date to determine the entitlement to the distribution of the remaining 0.2550 cents DPU for 4Q FY2011 is 28 April 2011 and the date payable is 8 June 2011.

Repositioning of Trust’s portfolio and recycling of capital

Mr McGrath said, “Our objective is to ensure the quality of the property portfolio remains investment grade. We seek to recycle capital released from asset sales into asset enhancement works or yield accretive acquisitions. One of the Manager’s strategies was to position the vehicle as an investor in larger and more high quality facilities where income can be derived from multiple tenants to spread income risk and to allow for the addition of organic value through management input.”

Consistent with this strategy, the Trust acquired 27 Penjuru Lane, a premium quality ramp up warehouse facility in October 2010 for S\$161.0 million and the NorthTech property, a four-storey high technology light industrial building located at Woodlands Industrial Park E1, in February 2011 for S\$72.0 million.

The Trust's distributions continue to be underpinned by:

- Portfolio occupancy of 99.0%, which compares favourably with the Singapore industrial average of 92.1%³.
- Security deposits which support the rental obligation of tenants, with the average security deposit being 8.4 months per property.
- A weighted average lease expiry of 3.4 years.
- Organic rental growth is supported by built-in escalations on 20 of the Trust's properties which are subject to master leases.

Prudent capital and risk management

The refinancing of the S\$175.0 million debt facility negotiated in 2009 ("**Old Facility**") with a new S\$280.0 million debt facility ("**New Facility**") in October 2010 has significantly improved the financing terms for the Trust in multiple ways:

- Reduced cost of debt by achieving lower interest margins on the New Facility (2.16%), compared to the Old Facility (3.5%), thus significantly lowering interest cost.
- The debt was refinanced with longer and split maturities between three (S\$180 million) and five year (S\$100 million) tranches.
- Increased financing flexibility via the S\$80.0 million three year revolving facility which allows for repayment and redraw to fund growth opportunities as they arise.
- Broadening and enhancement of relationships with a strong syndicate of local and international banks.

In addition, the Trust negotiated a three year S\$45.0 million acquisition debt facility in February 2011 which provides the Trust with additional financial flexibility. As at 31 March 2011, S\$28.8 million has been drawn down to part finance the acquisition of NorthTech.

The Trust commences the FY2012 financial year with the following financial metrics:

- Aggregate leverage of 32.0% as at 31 March 2011.
- A robust net asset value ("**NAV**") of 27 cents per unit as at 31 March 2011.
- A unit price of 21.5 cents as at 18 April 2011, representing a 20.4% discount to the NAV.
- An interest cover ratio ("**ICR**") of 5.7x for 4Q FY2011, compared to the Trust's bank facility ICR of 2.5x.
- A weighted average debt maturity of 3.5 years.

³ Based on URA 4th quarter 2010 statistics. URA Industrial average is the average of the factory and warehouses spaces occupancy rates of 92.8% and 91.4% respectively.

Strategy for AIMS AMP Capital Industrial REIT in FY2012

Mr McGrath went on to say: "The objective of the Trust is to provide a competitive total return for investors comprising strong and stable distributions and potential capital growth. The Manager has a clear set of strategies which are designed to close the gap between trading price and NAV and to clearly differentiate the Trust from other Singapore industrial REITs. The goal of the Manager at all times is to enhance Unitholder wealth by growing distributable income and to maximize the value of the Trust's portfolio."

The Manager will consolidate upon the substantial achievements of the Trust in FY2011 and will continue to implement the following strategies for the Trust:-

- **Singapore focus:** Following the sale of the Tokyo warehouse in March 2011, the Trust is now an investor solely in Singapore industrial real estate with 26 industrial properties located in Singapore. In FY2012, the Manager will focus on:
 - The enhancement of selected assets in the portfolio by increasing lettable area to meet tenants' growth requirements or identified demand in the market.
 - The potential participation in pre-committed redevelopment opportunities in Singapore with partners within the limits prescribed by the Singapore Property Funds Appendix.
 - The continual evaluation of yield accretive investment opportunities in Singapore.
- **Intensive asset management:** Eight of the Trust's 26 Singapore properties revert to multi tenancy buildings during the course of FY2012 and FY2013. The Manager will conduct intensive asset and leasing management programs on these assets to ensure high occupancy is maintained with a view to achieving positive rental reversion on the properties.
- **Capital and risk management:** The Manager intends to continue to manage the Trust with a view to maintaining an appropriately conservative capital structure throughout the property cycle.
 - Continued evaluation of opportunities to extend the term of some or all of the Trust's existing debt and/or to benefit from lower pricing in the future.
 - Maintenance of aggregate leverage (debt/total assets) between 30% and 40%.
 - Following on from the formation of relationships with the Trust's local and international lenders to the New Facility, a continued focus on broadening and diversifying the Trust's funding sources.
 - Maintenance of appropriate hedging of market based risks such as interest rate risk.

- **Geographic focus:** For FY2012, the focus of the Trust remains on Singapore. Management will, however, continue to allocate resources to a complete analysis of investment opportunities and structures in potential target markets for the Trust such as China, Australia and Japan. The objective is to ensure the Trust is positioned to take advantage of opportunities in those countries in a meaningful way as they arise over the medium term.

Outlook

Singapore's Gross Domestic Product grew by 14.5% year-on-year basis in 2010, according to the Ministry of Trade & Industry ("MTI"). Singapore's economy is expected to continue on an expansionary path in 2011 as external macroeconomic conditions remain broadly positive. Based on advance estimates, the economy expanded by 8.5 per cent on a year-on-year basis in the first quarter of 2011, compared to 12.0 per cent in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy grew by 23.5 per cent. This is a strong improvement from the 3.9 per cent growth in the previous quarter. However, MTI official growth forecast for 2011 remains at 4.0% to 6.0%.

Looking ahead, the outlook for the industrial property market is cautiously optimistic with a potential for moderate increases in rental rates. Only 4.3% of AIMSAMPIREIT's net rental is due for renewal in FY2012. The Manager aims to deliver a stable and secure income stream to its unitholders, which is consistent with previous quarters' performance, by continuing its efforts to achieve high tenant retention and occupancy levels for its properties.

AIMS AMP Capital Industrial REIT Management Limited

(Company Registration No. 200615904N)

As Manager of AIMS AMP Capital Industrial REIT

Nicholas McGrath
Chief Executive Officer
19 April 2011

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Important Notice

The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of AIMSAMPIREIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of AIMSAMPIREIT is not necessarily indicative of the future performance of AIMSAMPIREIT.

This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

About AIMS AMP Capital Industrial REIT

Managed by AIMS AMP Capital Industrial REIT Management Limited, AIMSAMPIREIT was established with the principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate assets in Singapore and Asia. The principal sponsors of AIMSAMPIREIT are the AIMS Financial Group and AMP Capital Investors International Holdings Limited, a direct wholly-owned subsidiary of AMP Capital. AIMSAMPIREIT consists of 26 industrial properties located throughout Singapore with an appraised total value of S\$853.2 million based on valuations obtained as at 31 March 2011.

About AIMS Financial Group ("AIMS")

Established in 1991, AIMS Financial Group is an Australian diversified non-bank financial services and investment group with a solid track record and enviable reputation in the mortgage lending, fund management and securitisation markets etc. AIMS has expanded to become an international financial group focusing on lending, securitization, real estate investment, private equity, investment banking, funds management, securities exchange ownership and e-commerce across the Asia Pacific region.

Since the year 1999, AIMS Group has raised directly and indirectly about AUD 4 Billion in funds from the capital markets. AIMS issued about AUD 3 Billion residential mortgage-backed securities (RMBS) with most of them rated AAA by both Standard & Poors and Fitch Ratings, and has originated over A\$5 billion of high quality prime home loans since 1997.

AIMS have been very active in introducing international investors into the Australian real estate market, AIMS has attracted large volume investment from its international clients to invest in Australian direct property.

AIMS Group manages over A\$1.5 billion as at 21 December 2010 and are the investment managers for the MacarthurCook Industrial Property Fund, MacarthurCook Office Property Trust, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, Advance Property Securities Fund and the RMR Asia Pacific Real Estate Fund. AIMS also manages, in a joint-venture arrangement with AMP Capital, the AIMS AMP Capital Industrial REIT in Singapore.

AIMS Financial Group's head office is in Sydney, Australia, and it has offices across Australia, China and Singapore. Together with our highly qualified, professional and experienced cross-cultural teams, AIMS Financial Group is in a very strong position to **bridging the gap between Australia and China** in various markets, especially in properties, resources, fund management, high-tech, infrastructure, banking and financial services.

AMP Capital Investors (“AMP Capital”)

AMP Capital is a specialist investment manager with over A\$98 billion in assets under management as at 31 December 2010. AMP Capital is a wholly owned subsidiary of AMP Limited. AMP Capital’s teams of specialists operate across direct and listed real estate, infrastructure, equities, fixed income and credit.

As one of the largest institutional real estate fund managers in Australia and New Zealand, AMP Capital has over A\$23 billion in global direct and listed real estate funds under management. The group has 50 years of real estate investment expertise and is ranked Top 3 real estate investment manager in Asia Pacific by ANREV in 2010. AMP Capital was also ranked a Top 10 Australian company by Forbes in 2010.

With established operations in Australia, New Zealand, United States, China, Hong Kong, India, Luxembourg, Japan, Singapore and the United Kingdom, AMP Capital has over 250 in-house investment professionals, more than 900 staff globally and a carefully selected network of regional investment partners who can source competitive international investment opportunities catering for the varying needs of its clients.

AMP Capital expanded its Singapore office in 2006 and is committed to building its investment business in Asia. As AMP Capital’s Asian regional hub, the Singapore team specialises in Asian real estate, Asian equities and distribution.

AMP is a leading wealth management company operating in Australia and New Zealand, with selected investment management activities in parts of Asia, and a growing banking business in Australia. AMP was established in 1849 as a mutual company and listed on the Australian and New Zealand stock exchanges in 1998. As at 31 December 2010, AMP had A\$115 billion of assets under management, more than 3.8 million customers and over 3,700 employees. It has one of Australia’s largest shareholder registers, with approximately 780,000 shareholders.