

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

### **AIMS AMP Capital Industrial REIT net property income for 4Q FY2014 and FY2014 up 24.1 per cent and 20.0 per cent yoy respectively**

**Singapore 7 May 2014** – AIMS AMP Capital Industrial REIT Management Limited (the Manager) as manager of AIMS AMP Capital Industrial REIT (the Trust) today announced final quarter FY2014 and year end financial results, which saw net property income (NPI) for the quarter rise 24.1 per cent year-on-year to \$19.3 million. NPI for FY2014 increased 20.0 per cent year-on-year to S\$71.9 million.

The Board of Directors declared a Distribution Per Unit (DPU) of 2.51 cents for the final quarter of FY2014, taking the full year DPU to 10.53 cents (from operations), representing a rise of 1.1 per cent year-on-year.

Comparing FY2014 DPU year-on-year of 10.53 cents, the Manager highlighted that the FY2013 DPU of 10.72 cents was boosted by a one-off 0.30 cents from capital gains on an asset sale. Furthermore, there was an enlarged unit base following its private placement in May 2013 and recent rights issue in March 2014. Excluding the effects from the recent rights issue, DPU for 4Q FY2014 and full year would be approximately 2.95 cents and 10.97 cents respectively.

The 4Q FY2014 distribution to unitholders (from operations) rose by 22.2 percent year-on-year to S\$15.6 million.

The Manager's Chief Executive Officer, Mr Koh Wee Lih said: "During the year we made significant progress growing the portfolio and strengthening net property income, which rose 20.0 per cent year-on-year. Our 49 per cent interest in Optus Centre, Sydney, Australia, delivered partial income this quarter, with its full contribution to be seen in 1Q FY2015.

"Rental income from our redevelopment at 103 Defu Lane is expected to be reflected in 2Q FY2015, with the Temporary Occupation Permit expected by the end of this month," he said.

"We remain focused on unlocking value with select developments within our Singapore portfolio, prudently managing the Trust's capital structure, and strengthening the portfolio's income through active lease management," Mr Koh said.

During 4Q FY2014, the Manager achieved the following milestones:

- 15 new and renewal leases, representing 8,897.0 sqm at a weighted average rental increase of 4.9 percent on the renewals
- Renewed 73.3 percent of the net lettable area at two properties beyond the master leases which would expire last month
- Raised approximately S\$100 million via a rights issue mainly to fund the Trust's asset enhancements initiatives (including redevelopment projects), development projects and/or third party acquisitions in Singapore

The Manager maintained prudent capital management, with aggregate leverage of 31.7 percent, averaging at 30.0 percent for 18 consecutive quarters.

Key highlights for 4Q FY2014 were:

- DPU of 2.51 cents per unit for the quarter (DPU of 2.95 cents pre-Rights Issue)
- Increased distribution to Unitholders by 22.2 percent year-on-year to S\$15.6 million
- Increased net property income by 24.1 percent year-on-year to S\$19.3 million
- Announced transformational acquisition of 49 percent interest in Optus Centre, Sydney, Australia, on 7 February 2014
- Announced the return of Mr George Wang to the Chairman's role
- Appointment of Mr Koh Wee Lih (current CEO) as executive director and Mr Nicholas McGrath (former CEO) as non-executive director

For the final quarter of FY2014, the Manager achieved the following financial performance metrics:

- Aggregate leverage of 31.7 percent (average of 30% for 18 consecutive quarters);
- An Interest Cover Ratio (ICR) of 5.2 times for FY2014, compared to the Trust's bank facility ICR covenant of 2.5 times;
- A weighted average debt maturity of 3.1 years

The Trust's stable distributions are supported by the following portfolio strengths:

- Higher portfolio occupancy rate of 97.0 percent, compared to the Singapore industrial average of 91.9 percent;
- A weighted average land lease expiry of 3.23 years.

## **Outlook**

The industrial property sector in Singapore began 2014 on a stable footing which was supported by the uptick in business sentiment among manufacturers, on the back of improved global macro-economic conditions. However the overall level of leasing activity remained subdued with most being lease renewals.

Barring any unforeseen event, the Trust is well positioned to maintain a stable performance for the financial year ending 31 March 2015.

## Financial results summary

	Note	4Q FY2014	3Q FY2014	+/(-) %	4Q FY2013	+/(-) %	FY2014	FY2013	+/(-) %
		S\$'000	S\$'000		S\$'000		S\$'000	S\$'000	
Gross revenue	(a)	29,473	27,317	7.9	23,810	23.8	108,240	92,082	17.5
Net property income	(a)	19,260	18,677	3.1	15,516	24.1	71,895	59,896	20.0
Distribution to Unitholders	(b)	15,591	14,643	6.5	14,111	10.5	57,203	48,062	19.0
- from operations		15,591	14,643	6.5	12,763	22.2	57,203	46,714	22.5
- from capital gain		-	-	-	1,348	(100.0)	-	1,348	(100.0)
<b>Distribution per Unit ("DPU") (cents)</b>	(c)	<b>2.510</b>	<b>2.770</b>	<b>(9.4)</b>	<b>3.140</b>	<b>(20.1)</b>	<b>10.530</b>	<b>10.720</b>	<b>(1.8)</b>
- from operations	(c)	2.510	2.770	(9.4)	2.840	(11.6)	10.530	10.420	1.1
- from capital gain		-	-	-	0.300	(100.0)	-	0.300	(100.0)

- (a) Please refer to section 8 of the Trust's unaudited financial statement announcement on "Review of the performance" for explanation of the variances.
- (b) The Trust achieved an amount available for distribution of S\$15.6 million for 4Q FY2014. AACI REIT's distribution policy is to distribute at least 90.0% of the Trust's taxable income for the full financial year. For FY2014, the Manager has resolved to distribute 100.0% of the taxable income available for distribution to the Unitholders.
- (c) The DPU for FY2014 was lower compared to FY2013 mainly due to the increase in Units arising from the private placement of 68,750,000 Units in May 2013 and the recent issuance of 92,512,712 Units pursuant to a rights issue in March 2014. Excluding the effects from the recent rights issue, DPU for 4Q FY2014 and FY2014 would be approximately 2.95 cents and 10.97 cents respectively.

## Distribution and Books Closure Date

Distribution timetable	For 1 January 2014 to 31 March 2014
Ex-date	14 May 2014, 9.00am
Books Closure Date	16 May 2014, 5.00pm
Tax Declaration Forms	4 June 2014, 5.00pm
Payment Date	24 June 2014

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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 AACI REIT 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 AACI REIT is not necessarily indicative of the future performance of AACI REIT.

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, AACI REIT was established with the principal investment objective of owning and investing in a diversified portfolio of income-producing industrial real estate located throughout the Asia Pacific that is used for industrial purposes, including, but not limited to warehousing and distribution activities, business park activities and manufacturing activities. The principal sponsors of AACI REIT are the AIMS Financial Group and AMP Capital Investors International Holdings Limited, part of the AMP Group, one of Australia's largest retail and corporate pension providers and one of the region's most significant investment managers. AACI REIT's existing portfolio consists of 26 industrial properties, 25 of which are located throughout Singapore with a total appraised value of S\$1.16 billion based on valuations obtained as at 31 March 2014. On 7 February 2014, AACI REIT completed the acquisition of a 49.0% interest in Optus Centre, Sydney, Australia at a purchase consideration of A\$184.425 million.

## **About AIMS Financial Group ("AIMS")**

Established in 1991, AIMS Financial Group (AIMS) is a diversified financial services and investment group with a solid track record and enviable reputation in the mortgage lending, fund management and securitisation markets in Australia, active in the areas of lending, securitisation, investment banking, funds management, property investment and stock broking. AIMS also 100% owns Asia Pacific Stock Exchange (APX) which went live with its first listings on 6 March 2014.

Since 1999, AIMS has raised approximately A\$4.0 billion in funds from the capital markets. Of this, AIMS has issued approximately A\$3.0 billion residential mortgage-backed securities, with most of them rated AAA by both Standard & Poors and Fitch Ratings, and has originated over A\$5.0 billion of high quality prime home loans since 1997.

AIMS has actively introduced a number of international investors into the Australian markets and to date has also attracted over A\$1.0 billion of investments into Australia from overseas investors.

AIMS also manages funds domestically and abroad as a part of its funds management business, which amount to over A\$1.5 billion as at February 2014.

AIMS' head office is in Sydney, Australia, and it has businesses across Australia, China, Hong Kong and Singapore. Our highly qualified, professional and experienced cross-cultural teams enable AIMS to bridge the gap between Australia and China across various sectors.

## **About AMP Capital**

AMP Capital is a leading investment house with over A\$142 billion as at 31 March 2014 in funds under management. Ranked as the largest real estate investment manager in Asia according to Towers Watson Global Alternatives Survey 2013 and INREV/ANREV Manager Survey 2013, AMP Capital has over A\$17.4 billion as at 31 March 2014 in global direct and listed real estate funds under management, and over 50 years' of investment experience.

AMP Capital's team of specialists operate across direct and listed real estate and infrastructure, fixed income, equities and diversified funds. AMP Capital is proud to support the AIMS AMP Capital Industrial REIT with specialist expertise across industrial development, industrial asset management and debt management. The team also has access to AMP Capital's structuring and operating professionals with legal, tax, fund accounting and investor relations capabilities.

AMP Capital has established operations in Australia, Bahrain, China, Hong Kong, India, Japan, Luxembourg, New Zealand, the United Kingdom and the United States. AMP Capital's ongoing commitment to the Asian region is exemplified through their strategic partnerships in the region. In 2012, AMP Capital entered a strategic business and capital alliance with Mitsubishi UFJ Trust and Banking Corporation (MUTB), a leading Japanese trust bank which provides services to institutions and retail clients, across retail and corporate banking, trust assets, real estate and global markets. In November 2013, AMP Capital formed a joint venture with China Life Insurance (Group) Company to create China Life AMP Asset Management Company Limited, which will offer retail and institutional investors in China access to investment solutions.

AMP Capital's on the ground resources and extensive network of carefully selected regional investment partners means AMP Capital can source competitive investment opportunities catering to the varied needs of its clients.