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Media Release

AIMS AMP Capital Industrial REIT achieves 6.4 per cent year-on-year increase in Distribution to Unitholders for 1H FY2016

Singapore, 29 October 2015 – AIMS AMP Capital Industrial REIT Management Limited (the Manager) as manager of AIMS AMP Capital Industrial REIT (the Trust) today announced a 6.4 per cent year-on-year increase in distribution to Unitholders to S\$35.2 million for the first half of FY2016.

Distribution Per Unit (DPU) for the quarter rose to 2.80 cents per unit, up 1.8 per cent compared to the preceding quarter. This brings the total DPU for 1H FY2016 to 5.55 cents, up 4.3 per cent compared to 1H FY2015.

The Manager's Chief Executive Officer, Koh Wee Lih, said, "Building on our growth in FY2015, we are pleased to once again deliver strong results and higher DPU to investors this quarter."

"Despite the challenging market, we've managed to sustain our growth momentum through active portfolio management, prudent capital management and our focus on developing a strong and high quality assets portfolio with a diverse mix of quality tenants," he said.

During the quarter, the Trust successfully secured 13 new and renewal leases at a weighted average rental increase of 4.7 per cent on the renewals. The Trust managed to improve occupancy to 96.5 per cent¹ from 96.1 per cent for the portfolio – well above the industrial property average of 90.8 per cent².

Mr Koh added, "To further unlock value within the portfolio, we have commenced asset redevelopment at 30 & 32 Tuas West Road. This project is tracking on time and within budget, and is targeted for completion in January 2017. Once completed, the forecast annual rental income is expected to rise four-fold from S\$0.82 million³ to S\$4.15 million."

The Manager maintained prudent capital management, with aggregate leverage of 30.9 per cent, averaging at 31 per cent for more than six years.

Taking into account interest rate swaps and Fixed Rate Notes, the Trust also maintained the high proportion of debt on fixed interest rate at 96.0 per cent, with weighted average debt maturity profile of 2.7 years. Overall blended funding cost remains at 4.20 per cent, which includes the Australian dollar loan for the Trust's Australian investment.

¹ Excludes redevelopment of 30 & 32 Tuas West Road.

² Based on JTC's 3rd quarter 2015 statistics.

³ Annual rental income for FY2015.

Key highlights for 2Q FY2016 are:

- DPU of 2.80 cents per unit for the quarter;
- Increased distribution to Unitholders in 1H FY2016 by 6.4 per cent year-on-year to S\$35.2 million;
- Commenced redevelopment at 30 & 32 Tuas West Road on 3 September 2015, with target completion set for January 2017;
- Net Asset Value per Unit remains stable at S\$1.52 after valuation of portfolio as at 30 September 2015;
- Managed 13 new and renewed leases with a weighted average rental increase of 4.7 per cent on the renewals;
- Improved occupancy of 96.5 per cent, exceeding the industrial average of 90.8 per cent.

For the second quarter of FY2016, the Manager achieved the following financial performance metrics:

- Proportion of debt on fixed interest rate remained at 96.0 per cent with weighted average debt maturity of 2.7 years;
- Overall blended funding cost remained at 4.20 per cent;
- Aggregate leverage decreased from 31.2 per cent to 30.9 per cent q-o-q in 2Q FY2016 – average of approximately 31 per cent for more than 6 years.

Outlook

Due to the challenging environment in the industrial property sector, we remain cautious on the outlook of the industrial market for second half of FY2016 and will continue to proactively manage the Trust's lease expiries.

The Trust has built a diversified and high quality asset portfolio that is bolstered by a well-balanced leasing strategy. Barring any unforeseen event, the Trust is well positioned to maintain a stable performance for the second half of FY2016.

Financial results summary

	Note	2Q FY2016	1Q FY2016	Q-o-Q	2Q FY2015	Y-o-Y	1H FY2016	1H FY2015	Y-o-Y
		S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(1)	31,259	30,296	3.2	28,261	10.6	61,555	55,621	10.7
Net property income	(1)	20,697	20,205	2.4	19,714	5.0	40,902	39,207	4.3
Share of results of joint venture (net of tax)	(2)	18,855	3,655	>100.0	3,898	>100.0	22,510	7,620	>100.0
Distribution to Unitholders	(3)	17,770	17,441	1.9	17,258	3.0	35,211	33,107	6.4
Distribution per Unit ("DPU") (cents)		2.80	2.75	1.8	2.77	1.1	5.55	5.32	4.3

(1) Please refer to section 8 of the Trust's unaudited financial statement announcement on "Review of the performance" for explanation of the variances.

(2) The share of results of joint venture (net of tax) comprised of the contribution from the Group's 49.0 per cent interest in Optus Centre which is located in Macquarie Park, NSW, Australia. The increase in the share of results of joint venture (net of tax)

was mainly due to the share of revaluation surplus of S\$15.3 million recognised from the valuation of Optus Centre. The independent valuation was carried out by CBRE Valuations Pty Limited as at 30 September 2015.

- (3) The Manager resolved to distribute S\$17.8 million for 2Q FY2016, comprising (i) taxable income of S\$16.5 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.1 million and capital distribution of S\$1.2 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 per cent of the Trust's Singapore taxable income for the full financial year. For 2Q FY2016, the Manager has resolved to distribute 98.6 per cent of the Singapore taxable income available for distribution to the Unitholders.

Distribution and Books Closure Date

Distribution	For 1 July 2015 to 30 September 2015	
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution ⁴	
Distribution Rate	(a) Taxable Income Distribution: (b) Tax-Exempt Income Distribution: (c) Capital Distribution ⁴ :	2.60 cents per Unit 0.02 cents per Unit <u>0.18 cents per Unit</u> <u>2.80 cents per Unit</u>
Books Closure Date	6 November 2015	
Payment Date	23 December 2015	

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

⁴ This relates to the tax deferred component arising from the distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

About AIMS AMP Capital Industrial REIT

Managed by AIMS AMP Capital Industrial REIT Management Limited, AA 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 AA 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. AA REIT's existing portfolio consists of 26 industrial properties, 25 of which are located throughout Singapore with a total appraised value of S\$1.22 billion based on valuations obtained as at 30 September 2015. AA REIT has 49.0% interest in one business park property, Optus Centre located in Macquarie Park, New South Wales, Australia valued at A\$430.0 million as at 30 September 2015.

About AIMS Financial Group ("AIMS")

Established in 1991, AIMS Financial Group is a diversified financial services and investment group, active in the areas of mortgage lending, securitisation, investment banking, funds management, property investment and stock broking. AIMS also 100% owns Asia Pacific Stock Exchange.

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\$8.0 billion of high quality prime home loans since 1991.

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 is also the investment manager for AIMS' funds, which amount to approximately A\$1.8 billion fund as at 31 March 2015.

Since 2009 after the global financial crisis, AIMS Group had a total acquisition and investment amount of over A\$2.0 billion assets.

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 committed to delivering outstanding investment outcomes for clients with contemporary solutions in fixed income, equities, real estate, infrastructure and multi-asset portfolios. Sharing a heritage with AMP that spans more than 160 years, AMP Capital is one of the largest investment managers in the Asia Pacific region. A home strength in Australia and New Zealand has enabled AMP Capital to grow internationally, and operations are now established in Bahrain, China, Hong Kong, India, Japan, Luxembourg, the United Kingdom and the United States.

AMP Capital collaborates with a network of global investment partners, leveraging insights to provide greater access to new investment opportunities across a range of single sector and diversified funds. For more information, please visit: ampcapital.com.au