



AIMS AMP CAPITAL INDUSTRIAL REIT

**AIMS AMP CAPITAL INDUSTRIAL REIT
MANAGEMENT LIMITED**

As Manager of AIMS AMP Capital Industrial REIT
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Media Release

**AIMS AMP Capital Industrial REIT sustains
stable DPU of 2.50 cents for 3Q FY2019**

Singapore, 1 February 2019 – AIMS AMP Capital Industrial REIT Management Limited (“the Manager”), as the Manager of AIMS AMP Capital Industrial REIT (“AA REIT”), today announced a Distribution per Unit (“DPU”) of 2.50 cents, with a total distributable income to S\$17.2 million for the third quarter ended 31 December 2018 (“3Q FY2019”).

Gross revenue rose by 1.4% to S\$29.8 million in 3Q FY2019 compared to the preceding quarter ended 30 September 2018 (“2Q FY2019”). This was mainly due to the increase in revenue contribution from NorthTech at 29 Woodlands Industrial Park E1 following the completion of tenant fit-out period and higher rental contributions from 8 & 10 Pandan Crescent. The increase was partially offset by lower revenue contribution from 27 Penjuru Lane.

Year-on-year, gross revenue increased by S\$1.0 million in 3Q FY2019 compared to the third quarter ended 31 December 2017 (“3Q FY2018”), a result of maiden rental contributions from 51 Marsiling Road from 27 April 2018 and 8 Tuas Avenue 20 from December 2017.

The Manager’s Chief Executive Officer, Mr Koh Wee Lih, said, “While the operating environment remains challenging, there are market expectations of a gradual recovery in the industrial market in the coming years. Against this backdrop, we remain steadfast in our strategy to build a high quality and resilient portfolio. We are committed to deliver long-term sustainable returns for our Unitholders through our focus on prudent capital management and disciplined evaluation of opportunities.”

During the quarter, the Manager successfully executed 20 new and renewal leases representing 39,022 sqm (6.2% of total net lettable area). Portfolio occupancy increased slightly to 93.9% from 93.6% in the preceding quarter, above the industrial average of 89.3%.

The Manager’s ongoing redevelopment of the property at 3 Tuas Avenue 2 and asset enhancement initiative at NorthTech remain on track for completion in the second half of 2019. These two projects are in line with the Manager’s approach to enhance AA REIT’s portfolio through organic growth initiatives.

“We constantly look for ways to optimise and strengthen AA REIT’s portfolio, including potential acquisitions as well as opportunities to unlock organic value through our asset enhancement and development strategy. The redevelopment of 3 Tuas Avenue 2 and enhancement of NorthTech will enable us to position AA REIT for future growth opportunities and cater to a rising demand for quality industrial spaces in the Tuas and Woodlands areas,” added Mr Koh.

Key highlights for 3Q FY2019 are:

- DPU of 2.50 cents for the quarter (unchanged quarter-on-quarter);
- Gross revenue increased by 1.4% to S\$29.8 million from the preceding quarter, mainly due to the increase in rental contributions from NorthTech and 8 & 10 Pandan Crescent;
- Net property income increased marginally by S\$0.2 million from the preceding quarter to S\$19.4 million;
- Net Asset Value per Unit remained relatively stable at S\$1.36;
- Executed 20 new and renewal leases representing 39,022 sqm (6.2% of total net lettable area); and
- Portfolio occupancy increased slightly to 93.9% from 93.6% in preceding quarter, above the industrial average of 89.3%.

For 3Q FY2019, the Manager achieved the following financial performance metrics:

- 86.8% of the portfolio’s interest rate is fixed, taking into account interest rate swaps and fixed rate notes;
- Weighted average debt maturity of 2.7 years;
- Aggregate leverage as at 31 December 2018 is at 33.5%; and
- Overall blended funding cost (including funding of the Australian asset with Australian dollar loan) of 3.6%.

Outlook

The pace of growth for the Singapore economy is expected to moderate in 2019 as compared to 2018, with the manufacturing sector likely to see a more modest pace of expansion in tandem with the growth outlook of Singapore’s key final demand markets, including the US, Eurozone and regional economies. At the same time, uncertainties and downside risks in the global economy have increased, including elevated trade tensions between the US and the PRC and expected rising of interest rates. If overall regional trade flows decline due to trade tariffs, the Singapore economy will likely be impacted due to its dependence on trade and manufacturing activities. But being a regional hub, Singapore could potentially capitalise from the possibility of businesses reassessing their supply chains and sourcing locations.

Against this external backdrop, the Manager will continue to stay the course on active asset and lease management and to optimise AA REIT’s portfolio through sector and tenant diversification across its portfolio of 26 properties, supported by a prudent capital management approach.

Summary of AIMS AMP Capital Industrial REIT Group results

	3Q FY2019	2Q FY2019	+/(-)	3Q FY2018	+/(-)	YTD FY2019	YTD FY2018	+/(-)
	S\$'000	S\$'000	%	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	29,819	29,416	1.4	28,867	3.3	88,160	88,884	(0.8)
Net property income	19,447	19,292	0.8	19,233	1.1	58,170	58,748	(1.0)
Share of results of joint venture (net of tax)	3,471	3,549	(2.2)	3,654	(5.0)	10,359	11,055	(6.3)
Distributions to Unitholders ⁽¹⁾	17,218	17,139	0.5	17,076	0.8	51,496	49,395	4.3
Distribution per Unit ("DPU") (cents)	2.50	2.50	-	2.62	(4.6)	7.50	7.67	(2.2)

Note:

- (1) The Manager resolved to distribute S\$17.2 million for 3Q FY2019, comprising (i) taxable income of S\$15.8 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.9 million and capital distribution of S\$0.5 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 3Q FY2019, the Manager has resolved to distribute 98.2% of the Singapore taxable income available for distribution to the Unitholders.

Distribution and Books Closure Date

Distribution	For 1 October 2018 to 31 December 2018	
Distribution Type	(a) Taxable Income (b) Tax-Exempt Income (c) Capital Distribution ¹	
Distribution Rate	(a) Taxable Income Distribution (b) Tax-Exempt Income Distribution (c) Capital Distribution ¹	2.30 cents per Unit 0.13 cents per Unit 0.07 cents per Unit <hr/> 2.50 cents per Unit
Books Closure Date	14 February 2019	
Payment Date	29 March 2019	

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¹ This relates to the tax deferred component arising from the distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

Important Notice

The value of units of AIMS AMP Capital Industrial REIT (“**AA REIT**”) (“**Units**”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, AIMS AMP Capital Industrial REIT Management Limited (“**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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement 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 announcement 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 (www.aimsampcapital.com)

Managed by the Manager, 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 (“**AIMS**”) and AMP Capital, 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 and a 49.0% interest in one business park property, Optus Centre, which is located in Macquarie Park, New South Wales, Australia with a total value of S\$1.45 billion as at 30 September 2018.

About AIMS Financial Group (www.aims.com.au)

Established in 1991, AIMS is a diversified financial services and investment group, active in the areas of mortgage lending, securitisation, investment banking, funds management, property investment, private equity, venture capital, stock broking and high-tech investment. AIMS is also a strategic investor in the Sydney Stock Exchange.

Since 1999, AIMS has raised more than A\$4.0 billion in funds from the capital markets. AIMS has issued approximately A\$3.0 billion of residential mortgage-backed securities, predominantly rated AAA by both Standard & Poor’s and Fitch Ratings and has originated over A\$8.0 billion mortgages.

AIMS has actively introduced a number of international investors into the Australian markets and to date has attracted in excess of A\$1.0 billion of investment funding into Australia from overseas investors. AIMS is the investment manager for AIMS’ funds, which amount to circa A\$2.0 billion.

During the global financial crisis (“**GFC**”), AIMS expanded its activities and acquired three businesses at a time when many other businesses were experiencing immense difficulties.

Since the GFC in 2009, AIMS has completed total asset acquisition and investment volumes of over A\$2.0 billion.

AIMS’ head office is in Sydney 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 Asia across various sectors.

About AMP Capital (www.ampcapital.com.au)

AMP Capital is one of the largest investment managers in the Asia Pacific region. As part of the AMP Group, we share a heritage that spans over 160 years.

Our home strength in Australia and New Zealand has enabled us to grow internationally, and today we have operations established in Dubai, China, Hong Kong, India, Ireland, Japan, Luxembourg, the United Kingdom and the United States. We also collaborate with a network of global investment partners, leveraging our shared capabilities to provide greater access to new investment opportunities.

Our asset class specialists, investment strategists and economists work together with the aim of delivering strong investment outcomes for clients. That is why our clients trust us to invest over A\$190 billion (as at 30 June 2018) on their behalf, across a range of single sector and diversified funds.