



**INDUSTRIAREIT**  
An APN Property Group fund

Industria Trust No. 1 ARSN 125 862 875  
Industria Trust No. 2 ARSN 125 862 491  
Industria Trust No. 3 ARSN 166 150 938  
Industria Trust No. 4 ARSN 166 163 186  
Industria Company No. 1 Pty Ltd ACN 010 794 957

**Responsible Entity**  
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ASX ANNOUNCEMENT (ASX code: **IDR**)

25 August 2014

The Manager  
Company Announcements Office  
ASX Limited  
Level 4, Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**Industria REIT (ASX Code: IDR)**

## **Industria REIT reports FY2014 Distributable Earnings per Security of 9.98 cents and NTA of \$2.00 per security**

APN Funds Management Limited, the Responsible Entity of Industria REIT ('IDR' or the 'Fund') is pleased to announce the Fund's financial result for the year ended 30 June 2014.

### **Key highlights:**

- IPO completed successfully
- Delivered distribution yield of 8.2% for the period ending 30 June 2014
- Solid underlying portfolio performance
- Successfully completed leasing transactions for over 5,300 m<sup>2</sup>
- Construction of 51A McKechnie Drive in Brisbane Technology Park delivered on time and within budget
- Acquired 50% of 88 Brandl Street, Brisbane Technology Park
- Delivered results in line with Product Disclosure Statement and Prospectus forecasts
- Distributable earnings of 9.98 cents per security
- Distribution representing a payout ratio of distributable earnings of 95.6%
- 30 June 2014 net tangible assets per security of \$2.00, an uplift of 3.1% from \$1.94 per security at the IPO date

### **Net tangible assets and asset valuations**

Total investment property assets increased by \$34.7 million or 9.4% to \$404 million over the period (from 5 December 2013 to 30 June 2014). The increase was due to:

- \$8.9 million of capital expenditure in relation to the completion of properties under development;
- \$7 million due to the acquisition of the remaining 50% share of 88 Brandl Street; and
- \$18.8 million of fair value adjustments as a result of growth in underlying net property income and firming of capitalisation rates used by external valuers to determine asset values.

Asset values grew across all sectors of the portfolio and geographic locations. The portfolio weighted average capitalisation rate firmed to 8.29% at 30 June 2014 from 8.44% at IPO.

Total net tangible assets ("NTA") of \$250.1 million, for the period ending 30 June 2014 equates to \$2.00 per security. The \$2.00 NTA per security has increased by 3.1% from \$1.94 as at 5 December 2013, primarily driven by increases in the underlying asset values.

## Leasing

Throughout the period, over 5,300 m<sup>2</sup> was successfully leased in what continues to be a subdued leasing environment.

Leasing transactions greater than 500 m<sup>2</sup> included:

- 884 m<sup>2</sup> office tenancy to MPS at 8 Clunies Ross Court, Brisbane Technology Park
- 743 m<sup>2</sup> office tenancy to BGC at 8 Clunies Ross Court, Brisbane Technology Park
- 650 m<sup>2</sup> office tenancy to Diebold at Rhodes Building C
- 2,838 m<sup>2</sup> office tenancy to Queensland Health, 51A McKechnie Drive, Brisbane Technology Park.

The portfolio WALE as at 30 June 2014 was 5.03 years with occupancy at 93%.

## Development of 51A McKechnie Drive, Brisbane Technology Park

The construction of 51A McKechnie Drive, Brisbane Technology Park and a multi-level car park, which forms part of the BTP Central precinct, was completed on time and within budget. The development reached practical completion on 30 June 2014 and Queensland Health has entered into an agreement to lease 100% of the building for a period of six years. As outlined in Industria REIT's Product Disclosure Statement and Prospectus, Industria REIT will not take on material development risk.

## Acquisitions

Industria REIT purchased the remaining 50% of 88 Brandl Street, the only property in Industria's portfolio not 100% owned by the Responsible Entity prior to Fund inception. 88 Brandl Street is a modern asset with an excellent location within BTP. The purchase price of the remaining 50% represented a capitalisation rate of 8.875%. The asset is 100% occupied and exhibits a 3.6 year weighted average lease expiry, by area.

The acquisition was secured on attractive terms relative to independent valuation and simplifies Industria's ownership structure providing greater flexibility in managing the asset going forward.

## FY15 Outlook and guidance

Industria REIT delivered on key objectives to provide investors with stable cash returns and income and capital growth.

Subject to market conditions, FY15 guidance provided in the Product Disclosure Statement and Prospectus dated 28 October 2013 is reaffirmed:

- Distributable earnings per security of 17.08 cents
- Distribution per security of 16.72 cents.

## For further information, please contact:

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## About Industria REIT

Industria REIT (ASX code: IDR) managed by APN Funds Management Limited, is a listed Australian real estate investment trust (AREIT) which owns a workspace focussed portfolio of 18 established, high quality industrial, technology park and business park assets located across Sydney, Melbourne, Brisbane and Adelaide. Industria's portfolio provides tenants with modern, cost effective and practical spaces to meet their business needs.

[industriareit.com.au](http://industriareit.com.au)

### **About APN Property Group**

APN Property Group Limited (ASX code: APD) is a specialist real estate investment manager. Since 1996, APN has been actively investing in, developing and managing real estate and real estate securities on behalf of institutional and retail investors.

APN's focus is on delivering superior investment performance and outstanding service. Performance is underpinned by a highly disciplined investment approach and a deep understanding of commercial real estate.

**[apngroup.com.au](http://apngroup.com.au)**

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