

2 August 2016

Market update

Sale of 85 Brandl St at premium to book value

APN Funds Management Limited, the Responsible Entity of Industria REIT, has exchanged an unconditional contract to sell 85 Brandl St, Brisbane Technology Park, for \$7.23 million – 30% above forecast book value.

The 1,600sqm building has benefited from recent leasing success that increased the weighted average lease expiry for the property from 2.5 years to 4.6 years.

Settlement is scheduled for early September and proceeds will be used to repay debt.

Settlement confirmation for 7 Brandl St

The sale of 7 Brandl St was announced to the ASX on 21 April 2016. Sale proceeds of \$25.5 million represent a \$2.2 million premium to book value. This transaction settled yesterday, 1 August 2016.

Portfolio update and 30 June 2016 valuations

The lease up of vacancy and de-risking near term expiry risk remains a strong focus for management, and has resulted in occupancy increasing to 96% at 30 June 2016. The increase in occupancy combined with fixed rental increases across the portfolio underpins the distribution for FY17, which we expect to be at or slightly above FY16 on a per security basis, despite proceeds from asset sales being used to repay debt and thereby reducing income contributions (and gearing).

Valuations for the portfolio have been completed as at 30 June 2016. Investment property carrying values have increased in value by \$0.7 million, bringing FY16 total valuation uplifts to \$18.9 million. Independent valuations have now been completed over 83% of the portfolio throughout FY16. The valuations remain subject to audit review.

Alex Abell, Fund Manager of Industria said: “The outstanding outcomes with 7 and 85 Brandl St, representing over \$32 million of property sold at an average premium to book value of 13%, highlights our disciplined approach to portfolio management and disposing of assets where we believe we have maximised value. These sales, when combined with the period end valuation review, have resulted in modest accretion to investment property carrying values. Gearing will reduce to 30% post settlement – the bottom of Industria’s target 30 – 40% band.”

Industria’s FY16 results will be announced on 22 August 2016.

ENDS

For further information, please contact:

Fund Manager

Alex Abell

aabell@industriareit.com.au

+61 3 8656 1000

About Industria REIT

Industria (ASX code: IDR) is a listed Australian real estate investment trust which owns interests in office and industrial properties that provide functional and affordable workspaces for business. Industria’s \$400 million portfolio of 17 properties located across the major Australian cities provides sustainable income and capital growth prospects for security holders over the long term. Industria has a target gearing band of 30 – 40%, providing flexibility for future growth without compromising the low-risk approach to capital management. Industria is managed by APN Property Group, a specialist real estate investment manager established in 1996, and governed by a majority independent Board.

Industriareit.com.au