



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
APN Funds Management Limited
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ASX ANNOUNCEMENT (ASX code: IDR)

7 May 2014

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

Dear Sir/Madam

Industria REIT Market update (ASX Code: IDR)

Key highlights for the period ending 31 March 2014

- Solid underlying portfolio performance
- Successfully completed leasing transactions for over 1,800 sqm
- Construction of 51A McKechnie Drive in Brisbane Technology Park remains on time and budget
- Acquired 50% of 88 Brandl Street, Brisbane Technology Park at 5% discount to valuation
- On track to deliver EPS and DPS IPO forecasts including a distribution of 9.54 cents per security in respect of the period ending 30 June 2014

Fund Manager Laurence Parisi said "It's been a positive start since debut in December, with the portfolio performing according to our expectations and good progress being made on leasing. We are pleased to confirm Industria REIT's earnings and distribution guidance are in line with those outlined at the time of IPO".

51A McKechnie Drive Development, Brisbane Technology Park

The construction of 51A McKechnie Drive, Brisbane Technology Park and a multi-level car park which will form part of the BTP Central precinct is on time and budget. The development is partially complete and Queensland Health has entered into an agreement for lease for tenancy of 100% of the building for a period of six years. The project is on budget and completion is expected by 30 June 2014. As outlined in Industria REIT's PDS and Prospectus, Industria REIT will not take on material development risk and on this project Industria continues to have the benefit of cost and time overrun guarantees.

Acquisition of remaining 50% interest in 88 Brandl Street, Brisbane Technology Park

Industria REIT has purchased the remaining 50% of 88 Brandl Street, the only property in Industria's portfolio not previously owned 100%.

Key metrics of the acquisition are as follows:

- Purchase price: \$6.65 million (50% share)
- Independent valuation: \$7.00 million (50% share) (as at 31 March 2014)
- Capitalisation rate: 8.875%
- Weighted average lease expiry: 3.69 years (by area)
- Occupancy: 100%

Although the acquisition has been funded by debt, Fund gearing will remain comfortably within the target gearing range of 30% - 40%. Mr Parisi commented: "88 Brandl Street is a modern asset with an excellent location within BTP. This acquisition has been secured on attractive terms relative to independent valuation and simplifies Industria's ownership structure providing greater flexibility in managing the asset going forward".

Guidance and Outlook

"We are pleased to announce that we remain on track to deliver a distribution of 9.54 cents per security for the period ending 30 June 2014, reflecting a payout ratio of 96.0% of Distributable Earnings, in line with the Product Disclosure Statement and Prospectus dated 28 October 2013". A formal distribution announcement will be made in June 2014.

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 interests in 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

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