

2014 AGM

Chairman's script

[Slide 1 - Cover]

[Introduction]

Good morning Ladies and Gentlemen and welcome to the first Annual Meeting for **Industria REIT**. As it is now 10:00 am and we have a quorum present, I have pleasure in declaring the meeting open.

[Slide 2 - Agenda]

My name is Geoff Brunsdon and I am the Independent Chairman of APN Funds Management Limited, the Responsible Entity of Industria Trusts 1 to 4 and of Industria Company No 1 Limited, which together comprise Industria REIT.

The meeting today has four principal objectives:

- To review the results and activities of the Fund for the 2014 financial year;
- To report on the prospects for the current financial year;
- To vote on twelve proposed resolutions; and
- To give you the opportunity to ask any questions you may have of Directors, Management or Advisers who are present here today.

[Slide 3 - Directors]

I would like to begin by introducing my fellow directors and some key members of the Management and Advisory teams. Our Independent Directors:

- **Michael Johnstone** – who has been a Director since 2009 and is also Chairman of the Audit, Compliance & Risk Management Committee.
- **Jennifer Horrigan** – who has been a Director since 2012 and is also a member of the Audit, Compliance & Risk Management Committee.
- **John Freemantle** – who is an Executive Director of Industria Company No 1 Limited and Company Secretary of the APN Group.

[Slide 4 – Director and Fund Manager]

Our fellow Director, **Howard Brenchley** is not able to join us today. Howard has been a Director of APN Funds Management Limited and Chief Investment Officer of APN Property Group since 1998.

I would also like to introduce

- **Laurence Parisi** who is the Manager of the Fund; and
- **David Simmonds**, the Fund Finance Director.

and in the audience, from APN Property Group:

- Tim Slattery – Executive Director
- Michael Groth – Chief Financial Officer

and our external advisors:

- **Peter Caldwell** - from our auditor, Deloitte Touche Tohmatsu;
- **Tony Macvean** - from our lawyers, Hall & Wilcox; and
- **Julie Stokes** – from our share registry, Link market Services who will supervise the conduct of a poll, if one is required during the meeting.

[Slide 5 – Highlights]

[Financial highlights]

Ladies and Gentlemen, Industria REIT recently delivered its inaugural financial report and I am pleased to report we made good progress in achieving all of the objectives and forecasts that were outlined at the time of the IPO.

The statutory net profit for FY14 was \$27.5 million compared to a forecast of \$9.7 million at the time of the IPO. The main contributing factor to the increase in statutory profit was the growth in property valuations.

The key highlights for the period to 30 June 2014 include the following:

- Successful completion of the IPO
- A distribution yield of 8.2% for the period ended 30 June 2014 (based on the IPO price of \$2.00 per security)
- Successful completion of leasing transactions for over 5,300 m²
- Completion of the construction of 51A McKechnie Drive in Brisbane Technology Park on time and within budget
- Acquisition of the remaining 50% of 88 Brandl Street, in the Brisbane Technology Park, ensuring we now hold 100% of all assets in the portfolio
- A distribution payout ratio of distributable earnings of 95.6%
- An increase of 3.1% in net tangible assets per security from \$1.94 at the time of the IPO to \$2.00 as at 30 June 2014; and
- Securing of Industria REIT's inclusion in the S&P/ASX 300 index

[Slide 6 – Clear Investment Strategy]

Industria REIT delivered on its key objectives in FY14. These were to provide investors with stable cash returns and income and capital growth. These objectives remain our key focus going forward.

The simple, income focussed, objective is facilitated by owning and managing quality industrial and business & technology parks that provide tenants with cost effective accommodation to meet their business needs.

The portfolio is well diversified by geography, sector and tenant. The management team continues to take a focused and disciplined approach to capital management and portfolio.

[Slide 7 – Fund Review - Laurence Parisi]

I would now like to hand over to Fund Manager, Laurence Parisi, who will take you through the operational highlights of FY14 and provide you with an update on activities since year-end.

[Laurence to lectern]

[Refer separate presentation attached]

[Slide 22 – IDR Slide]

[Concluding address after Laurence's presentation]

Thank you Laurence.

I will now move to the formal business of the meeting.

[Presentation of Accounts]

The first item of business is

“To receive and consider the Financial Report, the Directors’ Report and the Auditor’s Report, each for the financial year ended 30 June 2014.”

This item does not require a vote; however, the reports are open for discussion. If any securityholder has questions or comments relating to this item, please raise your yellow admission card. Would you please begin by stating your name clearly.

[Questions / Discussion]

Thank you

[Preamble to resolutions]

The remaining items of business are resolutions for your consideration.

As there are 12 resolutions and each must be separately considered by securityholders, I propose to keep the process as short as possible by noting in advance, the following items:

- Resolutions 1.1 to 1.5 relating to the re-election of directors of Industria Company No 1 Limited and resolution 2 relating to the re-election of Deloitte Touche Tohmatsu as auditor of Industria Company No 1 Limited, are ordinary resolutions and will be passed if more than 50% of the votes of those present and eligible to vote are cast in favour of the resolution;
- All other resolutions are special resolutions and will be passed if more than 75% of the votes of those present and eligible to vote are cast in favour of the resolution;
- The resolutions are set out in the Notice of Meeting and as each is considered it will be shown on the screen behind me together with a summary of the proxy instructions received by the Company Secretary in respect of that resolution;
- I intend to vote all open proxies that I hold **in favour** of each resolution;

- Finally, when called upon to vote would you please do so by raising your hand showing clearly the yellow card.

[Slide 23 – Resolution 1.1]

[First item for resolution]

The first five resolutions concern the re-election of Directors of Industria Company No. 1 Limited, which is the only company within the stapled group. The Corporations Act requires that those directors of a public company who have been appointed by the other directors must resign at the next company AGM and seek re-election by securityholders. Industria Company No. 1 Limited became a public company at the time of the Industria IPO. Accordingly, all directors of the company are seeking re-election today.

I will ask Mr Johnstone to take the chair for the first resolution.

[Michael to lectern]

Thank you Geoff

Ladies and Gentlemen, resolution 1.1 is for the re-election of Geoff Brunsdon as a director of Industria Company No. 1 Limited.

Geoff has had a career in investment banking spanning more than 25 years. Until June 2009 he was Managing Director and Head of Investment Banking of Merrill Lynch International (Australia) Limited. He is a member of the Australian Takeovers Panel, Chairman of Sims Metal Management Limited, IPE Limited and MetLife Insurance Limited.

Geoff is also Chairman of Redkite (supporting families who have children with cancer), and a director of the Wentworth Group of Concerned Scientists and Purves Environmental Custodians.

Does any securityholder wish to speak in relation to the resolution or ask any questions?

[Questions / Discussion]

Thank you.

I now put to the meeting the resolution **to re-elect Geoff Brunsdon as a director of Industria Company No. 1 Limited.**

[Slide 24 – Resolution 1.2]

[Geoff to lectern]

[Second item for resolution]

Thank you Michael and thank you, Ladies and Gentlemen, for your support.

Resolution 1.2 is for the re-election of Jennifer Horrigan as a director of Industria Company No 1 Limited.

Jennifer is currently Chief Operating Officer of Greenhill Australia, a leading independent investment bank. She also has 16 years' experience as a leading advisor to Australian and international corporations on financial communications, investor relations and corporate issues. She has advised on some of Australia's largest and most high profile transactions.

She has extensive experience in enterprise management, including the supervision and management of compliance, financial management and reporting, HR and other critical administrative areas.

Jennifer is also a director of Redkite (national children's cancer charity) and is involved with fundraising and support of The Mater Hospital, North Sydney.

Does any securityholder wish to speak in relation to the resolution or ask any questions?

[Questions / Discussion]

Thank you.

I now put to the meeting the resolution **to re-elect Jennifer Horrigan as a director of Industria Company No 1 Limited.**

[Slide 25 – Resolution 1.3]

[Third item for resolution]

Resolution 1.3 is for the re-election of Michael Johnstone as a director of Industria Company No 1 Limited.

Michael has 40 years of global business experience in chief executive and general management roles and more recently in non-executive directorships. He has lived and worked in overseas locations including the USA, has been involved in a range of industries and has specialised in corporate and property finance and investment,

property development and funds management. His career has included lengthy periods in corporate roles including 10 years as one of the Global General Managers of the National Australia Bank Group. He has extensive experience in mergers and acquisitions, capital raising and corporate structuring.

Michael is a non-executive director of the Responsible Entity of the listed Folkestone Education Trust and the Folkestone Social Infrastructure Fund. He is also a non-executive director of a number of companies in private environments including the not-for-profit sector.

Does any securityholder wish to speak in relation to the resolution or ask any questions?

[\[Questions / Discussion\]](#)

Thank you.

I now put to the meeting the resolution **to re-elect Michael Johnstone as a director of Industria Company No 1 Limited.**

[Slide 26 – Resolution 1.4]

[\[Fourth item for resolution\]](#)

Resolution 1.4 is for the re-election of Howard Brenchley as a director of Industria Company No 1 Limited.

Howard has a long history in the Australian property investment industry with over 30 years' experience analysing and investing in the sector.

He joined APN group in 1998 and was responsible for establishing the APN Funds Management business. In this capacity, he developed a suite of new property securities and direct property funds, including the flagship APN Property for Income Fund and the APN AREIT Fund, both market leading property securities funds in Australia.

Prior to joining the APN group, Howard was co-founder and research director of Property Investment Research Pty Limited, one of Australia's leading independent research companies, specialising in the property trust sector.

He is also a highly sought after commentator and speaker on property investment. He has lectured on property and property securities investment for industry associations, universities and leading financial planning dealer groups.

Does any securityholder wish to speak in relation to the resolution or ask any questions?

[Questions / Discussion]

Thank you.

I now put to the meeting the resolution **to re-elect Howard Brenchley as a director of Industria Company No 1 Limited.**

[Slide 27 – Resolution 1.5]

[Fifth item for resolution]

Resolution 1.5 is for the re-election of John Freemantle as a director of Industria Company No 1 Limited.

John joined APN in 2006 and is Company Secretary for the APN Group.

John has been involved in the property industry since 1977. Prior to APN he worked with Dillingham Constructions, Jennings Property Group and Centro Property Group, where he held the roles of Chief Financial Officer and Company Secretary for 17 years.

Does any securityholder wish to speak in relation to the resolution or ask any questions?

[Questions / Discussion]

Thank you.

I now put to the meeting the resolution **to re-elect John Freemantle as a director of Industria Company No 1 Limited.**

[Slide 28 – Resolution 2]

[Sixth item for resolution]

Resolution 2 is for the re-appointment of Deloitte Touche Tohmatsu as auditor of Industria Company No 1 Limited. Deloitte was initially appointed by the directors as auditor of Industria Company No 1 Limited in January 2014.

However, in accordance with the Corporations Act, this appointment expires at the date of this AGM and a new appointment must be made by the securityholders of the company.

Does any securityholder wish to speak in relation to the resolution or ask any questions?

[\[Questions / Discussion\]](#)

Thank you.

I now put to the meeting the resolution **to re-appoint Deloitte Touche Tohmatsu as auditor of Industria Company No 1 Limited.**

[Slide 29 – Resolution 3]

[\[Seventh item for resolution\]](#)

Resolution 3 deals with aligning the quorum requirements for meetings of securityholders of all entities within the Industria stapled group. Currently the quorum for a meeting of shareholders in Industria Company No 1 Limited differs from the quorum requirements for unitholders in each of the trusts.

Under the proposed amendment, the quorum requirement for a meeting of the shareholders in the Company will change from three shareholders being present at the meeting to at least two shareholders present in person or by representative or by proxy representing the holders of at least 10% of the shares on issue. This is consistent with the quorum requirement in each of the trust constitutions.

Does any securityholder wish to speak in relation to the resolution or ask any questions?

[\[Questions / Discussion\]](#)

Thank you.

I now put to the meeting the resolution **to amend the constitution of Industria Company No 1 Limited to align the quorum requirements for meetings of securityholders with those of the stapled trusts.**

[Slide 30 – Resolution 4.1]

[Eighth item for resolution]

The last five resolutions propose changes to the Constitution of each entity within the Industria stapled group to amend the method by which payments can be made to investors. The changes proposed mandate the use of electronic transfers as the payment method for payments to Australian registered investors. If after six months, payment by electronic transfer is unsuccessful, the amount of the unsuccessful payment becomes an asset of the Fund, though investors have up to six years to demand payment to them.

The changes will also mandate the rounding of payments to securityholders to whole cents. Any fractions of cents remaining will become part of the Assets of the Fund.

The Board of the RE and of the company believe these changes ensure better security of payment to all investors and will minimise costs to the Fund.

There are five resolutions, as a separate resolution is required for each of the five entities comprising the Industria stapled group. The proposed change to the constitution is identical for each of the trusts, and almost identical for the company, save only for some immaterial differences given the nature of the corporate entity. The resolutions must, however, be put to securityholders individually.

Does any securityholder wish to speak in relation to the resolutions or ask any questions?

[Questions / Discussion]

Thank you.

I now put to the meeting the resolution **to amend the constitution of Industria Trust No 1 in respect of payments to securityholders.**

[Slide 31 – Resolution 4.2]

[Ninth item for resolution]

I now put to the meeting the resolution **to amend the constitution of Industria Trust No 2 in respect of payments to securityholders.**

[Slide 32 – Resolution 4.3]

[Tenth item for resolution]

I now put to the meeting the resolution **to amend the constitution of Industria Trust No 3 in respect of payments to securityholders.**

[Slide 33 – Resolution 4.4]

[Eleventh item for resolution]

I now put to the meeting the resolution **to amend the constitution of Industria Trust No 4 in respect of payments to securityholders.**

[Slide 34 – Resolution 4.5]

[Twelfth item for resolution]

I now put to the meeting the resolution **to amend the constitution of Industria Company No 1 Limited in respect of payments to securityholders.**

[Slide 35 – IDR Slide]

[General business]

Ladies and Gentlemen, this completes the formal business of the meeting. However, as I indicated earlier, I would be happy to take any general questions you may have.

[Questions]

[Meeting close]

If there are no further questions, I will close the meeting.

Thank you for your attendance today and to those securityholders who participated by proxy.

The Directors and Management would be pleased if you would join them for light refreshments and an opportunity to ask additional questions.

2014 AGM

Fund Manager's script

[Slide 8 – Fund Review]

Thank you Geoff and good morning ladies and gentlemen.

Firstly, thank you all for making the effort to come to today's Annual General Meeting of Industria REIT.

In this morning's address to you, I would like to cover the following:

Fund Review

- Provide a summary of the Year in Review specifically highlighting the performance of the portfolio and our key achievements;
- An Outlook and key focus for the Fund.

[Slide 9 – FY14 Results Highlights]

Now moving onto the Year in Review and the **Key Results and Performance** for the Year ended 30 June 2014.

I am very pleased to report we made good progress in achieving all of the objectives and forecasts we outlined at the time of our IPO within the Product Disclosure Statement and Prospectus.

[Earnings and Distributions]

Industria REIT (IDR) reported Distributable Earnings of 9.98 cents per security for the period, compared with a forecast of 9.94 cents. The higher than forecast distributable earnings was principally due to better than forecast rental income earned in the period.

The distribution of 9.54 cents per security was paid on 29 August 2014. This represented a 95.6% payout ratio to the Distributable Earnings. Security holders also benefited from 60.2% of the distribution being tax deferred.

The statutory net profit for FY14 was \$27.5 million versus IPO forecast of \$9.7 million at the time of the IPO. The main contributing factor to the increase in statutory profit was driven by underlying property revaluation uplift.

[Slide 10 – Results and Performance]

[Investment Property Assets]

Total investment property assets increased by \$34.7 million or 9.4% to \$404 million over the period 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.

[Slide 11 – Results and Performance]

[Net Tangible Assets]

Asset value growth was experienced across all sectors of the portfolio and geographic locations.

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

[Slide 12 – Portfolio Overview and Recent Activities]

[Slide 13 – Development Update]

[Development Update]

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 budget. The development reached practical completion on 30 June 2014 and was built to a high quality, achieving a 4 and a half star NABERS rating. Queensland

Health has entered into an agreement for lease for 100% of the building for a period of six years with fixed 3.5% rent reviews

The project was completed on budget and as outlined in Industria REIT's PDS and Prospectus, the existing land within BTP offers future opportunities to grow the portfolio as the park continues to attract quality long-term tenants.

In assessing development opportunities, we seek to negotiate with prospective tenants and achieve a strong level of pre-commitment. Once detailed planning, design and costs for the project are undertaken we actively manage the delivery of the project with a quality and experienced builder and ensure Industria does not take on material development risk. This allows us to attract quality long-term tenants to deliver projects on time and on budget whilst minimising risks to all stakeholders

[Slide 14 – Leasing Update]

[Leasing update]

Throughout the period over 5,300 sqm was successfully leased in what continues to be a subdued leasing environment. The portfolio WALE as at 30 June 2014 was 5.03 years and occupancy was 93%.

We are in advanced discussions with a number of existing and prospective tenants and good progress is being made despite some challenging market conditions, with the expiry profile remaining modest

[Slide 15 – Acquisition of 88 Brandl St]

[Acquisitions]

On 1 May 2014, Industria REIT purchased the remaining 50% of 88 Brandl Street; the only property in Industria's portfolio not previously owned 100%. 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 3.7 year WALE, by income.

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.

[Slide 16 – Capital Management]

[Capital Management Initiatives]

Industria utilises a mix of debt and equity to finance its activities. Industria has adopted a target gearing range of between 30% and 40%. Gearing was 33.4% as at 30 June 2014 calculated as Industria's net debt divided by the value of the portfolio.

The debt has been provided by NAB and ANZ and has a staggered maturity profile with a weighted average duration of 3.4 years. Interest rate hedging was consistent with the stated policy of between 50% and 100% of drawn debt, being 73% as at 30 June 2014.

[Slide 17 - Post Balance Date]

[Post Balance Date]

Post year end, a further transaction has been announced.

Sale of 53 Brandl Street, Brisbane Technology Park.

Industria REIT exchanged an unconditional contract to sell 53 Brandl Street, Brisbane Technology Park for \$10.25 million after an unsolicited offer significantly above the 30 June 2014 book value of \$9.2 million. Net proceeds will be used to reduce debt. Settlement is scheduled for early December 2014.

[Slide 18 – Portfolio Diversity Summary]

[Portfolio Diversity Summary]

The portfolio remains well diversified by geography, sector and tenant, with our largest weightings being to Queensland and New South Wales.

Industria REIT enjoys underlying growth from contracted rental growth on greater than 99% of all leases. The portfolio is diversified across Industrial property and Business and Technology Parks at 23% and 77% respectively.

Management will pursue acquisitions selectively to enhance diversification, whilst continually reviewing the medium and long term strategy for each asset within the portfolio.

[Slide 19 – Outlook]

[Slide 20 – Market and Leasing Outlook]

[Market and Leasing Outlook]

The Business and Technology Parks markets are experiencing difficult leasing conditions, particularly Brisbane. Nationally, vacancy has risen as well as tenant incentives. There remains a reluctance to enter into new leases.

We have seen an improvement in the Sydney market, however, Queensland remains challenging. Management continue to put forward competitive proposals. Additionally, management are focussing on future lease expires.

Market conditions are presently more challenging than foreshadowed at the time of IPO, specifically in terms of new leasing deals. Despite a difficult market, we have completed over 5,900 square metres of leasing transactions. There is a currently a good level of tenant enquiry across the portfolio and we are confident that in part this enquiry will convert to leases. As and when material leases are converted, the market will be informed.

Industria REIT presents a defensive investment underpinned by well located, modern quality real estate with high occupancy rates, attractive long term contracted rental growth and an experienced management team.

[Slide 21 – Outlook]

[Outlook]

The real estate operating environment seems to be lagging what are early signs of a market turnaround, this is primarily due to softer conditions in domestic business conditions. Sydney and Melbourne are showing signs of uplift in demand; we expect Brisbane to lag given the effects of the resources downturn.

Investment markets have gathered significant pace throughout 2014, driven by strong foreign and domestic interest. Asset values are appreciating as demand and the appetite for investment grade real estate gathers momentum, which will lead to tightening capitalisation rates. Current operational conditions broadly remain subdued.

The Fund will maintain a conservative capital structure within the target gearing range of 30%-40%. More than 71% of current debt drawn is fixed via interest rate swaps to mitigate risk from potential interest rate increases. There is significant headroom on all debt covenants.

We reiterate first-half financial year 2015 Distribution per Security of 8.36 cents, to be paid in February 2015. Further guidance will be provided in February 2015 at the half-year results announcement for the balance of financial year 2015.

Guidance for the financial year 2015 will be subject to a number of leasing transactions currently under negotiation completing in a timely manner, in particular the existing vacancies within the Brisbane Technology Park and Rhodes Building C. There is a currently a good level of tenant enquiry across the portfolio, however, difficult leasing conditions are evident in the Business and Technology Parks sector, particularly in Brisbane.

[Slide 22 – Industria REIT]

[Conclusion]

Ladies and Gentlemen, thank you for your time and for attending today's meeting.



2014 ANNUAL GENERAL MEETING

20 November 2014



INDUSTRIAREIT

An APN Property Group fund



Agenda



Geoff Brunson
Chairman

- 2014 Results Highlights
- Recent activities and performance
- 12 proposed recommended resolutions
- Questions



Directors



Michael Johnstone
Independent
Director



Jennifer Horrigan
Independent
Director



John Freemantle
Company Secretary,
APN FM



Director and Fund Manager



Howard Brenchley
Non-Executive
Director



Laurence Parisi
Fund Manager



David Simmonds
Finance Director



FY2014 Results Highlights

- 1 Successful completion of the IPO
- 2 Distribution yield of 8.20% for the period ended 30 June 2014 (based on IPO price of \$2.00 per security)
- 3 Over 5,300 sqm of leasing transactions completed since IPO
- 4 Completion of 51A McKechnie Drive – on time and within budget
- 5 Acquisition of remaining 50% of 88 Brandl St, BTP
- 6 Distribution payout ratio of distributable of 95.6%
- 7 Increase of 3.1% in net tangible assets per security to \$2.00 as at 30 June 2014
- 8 Inclusion in the S&P / ASX 300 Index



Clear investment strategy



Property for **industry**

Industria is the base for industry, diligence, activity

iINDUSTRIAREIT

An APN Property Group fund

Property for **income**

Industria remains loyal to APN's 'property for income' philosophy

Objective

Stable cash returns and the potential for income and capital growth by investing in workspace focussed real estate

Strategy

- Industrial, technology park and business park properties that provide tenants with cost effective, practical accommodation
- Diversified by geography, sector and tenant (by number and by industry)
- Modern assets in recognised locations with excellent amenity
- Best practice management
- Acquisition, divestment and investment opportunities via APN's relationships and expertise
- Appropriate capital structure and capital management



Fund Review



Laurence Parisi
Fund Manager

- Results and Performance
- Portfolio overview recent activities
- Outlook

KEY RESULTS AND PERFORMANCE





Results and Performance

IPO earnings forecasts delivered

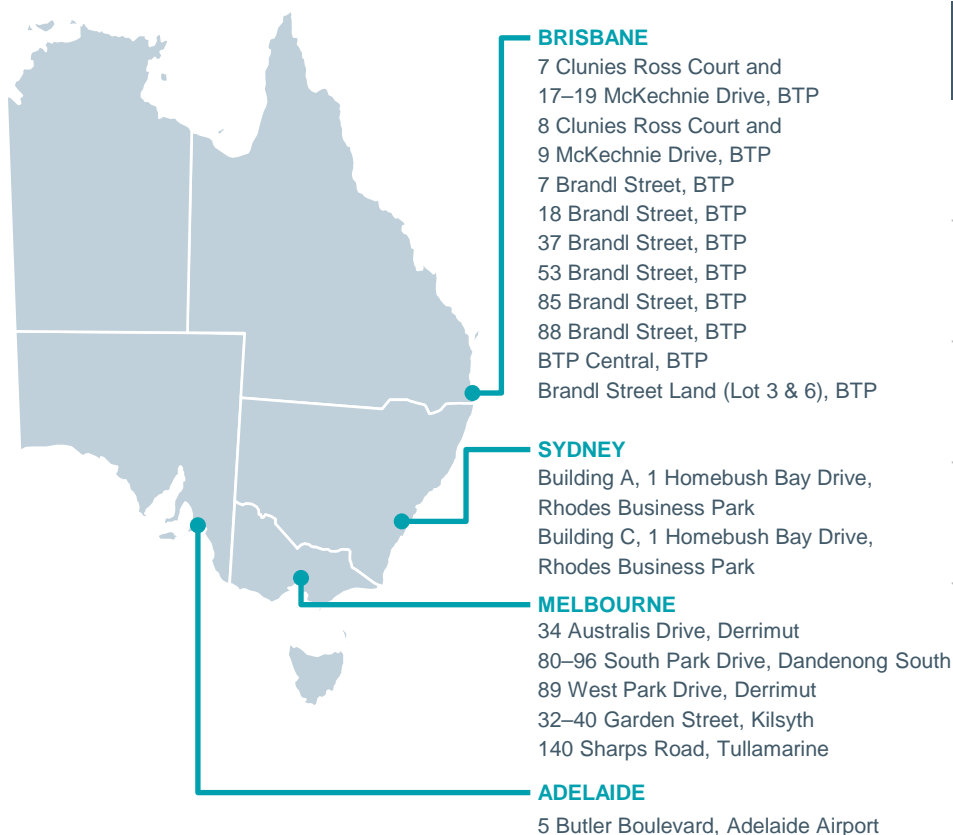
- Good progress in achieving objectives and forecasts outlined at IPO

Key Metric	PDS/Prospectus Forecast	FY2014 Actual
Distributable Earnings	9.94 cents per unit	9.98 cents per unit
Initial Distribution – Paid 29 August 2014	9.54 cents per unit	9.54 cents per unit
Statutory Profit	\$9.6 million	\$27.5 million
Payout ratio (Distribution / Distributable Earnings)	96.0%	95.6%
Tax deferred component of Distribution	48.0%	60.2%



Results and Performance

18 quality industrial, technology park and business park assets located primarily in Australian capital city locations



Key portfolio metrics	At IPO	FY14
Investment properties	18	18
Portfolio value (\$ million)	378	404
Weighted average cap rate	8.44%	8.29%
Average asset age (years)	6.3	7.0



Results and Performance

Property portfolio increased in value by 9.4%

- Property portfolio increased \$34.7 million to \$404 million
- NTA increased from \$1.94 at IPO to \$2.00 as at 30 June 2014
- Weighted average cap rate of 8.29%



PORTFOLIO OVERVIEW AND RECENT ACTIVITIES





Development update

Completed on time and budget with agreement for lease with Queensland Health

- 51A McKechnie Drive completed on time and budget
- Practical completion 30 June 2014
- 100% leased to Queensland Health for 6 years





Leasing update

Good progress despite some challenging market conditions

- Over 5,300 sqm of leasing transactions completed over the period
- Advanced discussions with over 6,000 sqm of FY15 expiries
- Modest expiry profile:
 - Over FY15/16
 - Longer term with maximum annual expiry of 16% (total area) to FY23

Key Leasing Transactions

Property	Tenant	NLA	Term
8 Clunies Ross Crt, BTP	Medical Packaging Systems Australia	884 sqm	5 years
8 Clunies Ross Crt, BTP	BGC Contracting	743 sqm	3 years
Rhodes Building C	Diebold	650 sqm	5 years
51A McKechnie Dr, BTP	Queensland Health	2,838 sqm	6 years



Acquisition of 88 Brandl Street

Attractive acquisition terms secured, consistent with strategy

- Purchased the remaining 50% of 88 Brandl Street
- Only property in Industria's portfolio not previously 100% owned
- Consistent with strategy to purchase modern well located assets with excellent amenity

Key metrics

Purchase price (100%)	\$13,300,000
Independent valuation (100%)	\$14,000,000
Capitalisation rate	8.88%
WALE (by income)	3.7 years
Occupancy	100%
Net lettable area	3,283 sqm
Major tenants	Zernike, ASCT





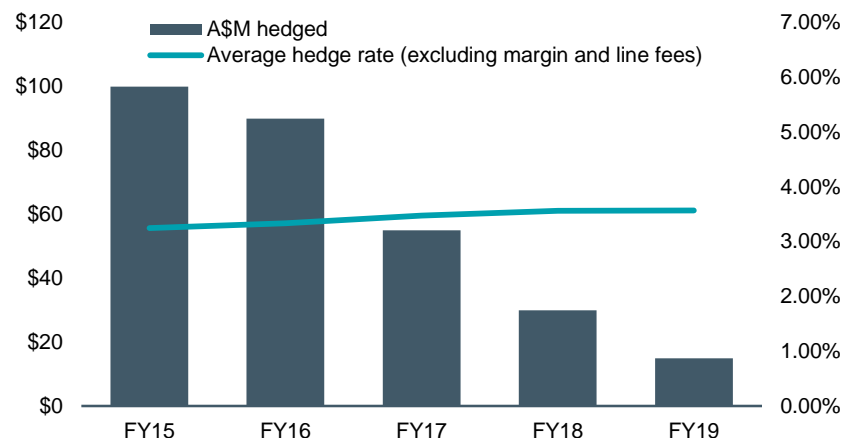
Capital Management

Conservative capital structure

- Gearing¹ of 33.4%
- Target gearing range of 30% to 40%
- Multiple lenders and staggered debt expiry profile
- Hedging profile consistent with stated policy
- Weighted average all-in cost of debt of 5.1% and weighted average duration of 3.4 years
- Staggered debt maturity profile (equal 3 and 5 year original terms)

Debt terms	
Banks	ANZ and NAB
Facility limit	\$155 million
Drawn	\$137.5 million
Average interest rate	4.3% p.a. (Inc. margin and hedging)
Hedging policy	Range of 50% and 100% of drawn debt

Interest Rate Hedging Profile



1. Industria's debt less cash, divided by the value of the Portfolio



Post Balance Date Transactions

Sale of 53 Brandl Street, Brisbane Technology Park

- Exchanged unconditional contracts for \$10.25 million
- Offer above 30 June 2014 book value of \$9.2 million
- Net proceeds will be used to reduce debt
- Management will pursue acquisitions selectively to enhance diversification, whilst continually reviewing the medium and long term strategy for each asset within the portfolio



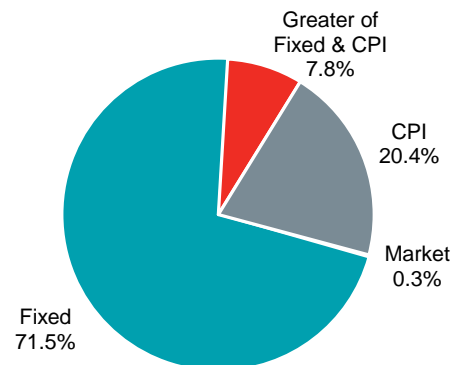


Portfolio diversity summary

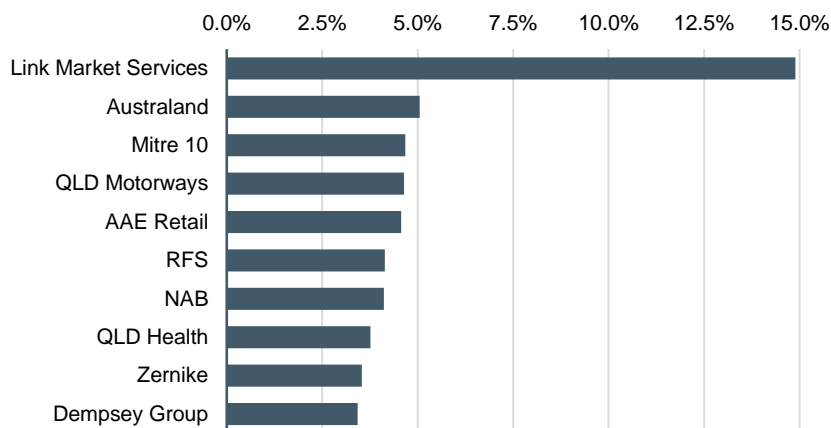
Industria's portfolio is well diversified by both sector and geography with contracted growth across 99% of existing leases

- Well diversified income profile
 - By sector
 - By geography
 - By tenant
- No tenant represents more than 15% of Industria's total rental income
- Contracted growth – >99% of leases with fixed or CPI-linked increases
- Organic growth from BTP development pipeline

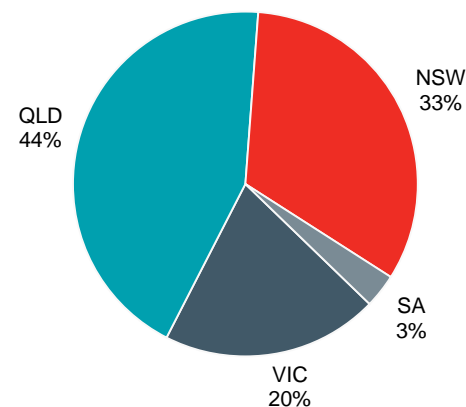
Rental Review Profile



Tenant diversification (top 10 tenants by income)



Geographic diversification (by value)



OUTLOOK





Market and Leasing Outlook

- Business and Technology Parks markets experiencing difficult leasing conditions
- Nationally, vacancy has risen as well as tenant incentives – reluctance to enter into new leases
- Market conditions are presently more challenging than expected at the time of IPO
- Recently, improvements in the Sydney market, however Queensland remains challenging
- Despite a difficult market, we have completed over 5,900 square metres of leasing transactions
- Focused on future lease expiries

Industria REIT presents a defensive investment underpinned by well located, modern quality real estate with high occupancy rates, attractive long term contracted rental growth and an experienced management team.

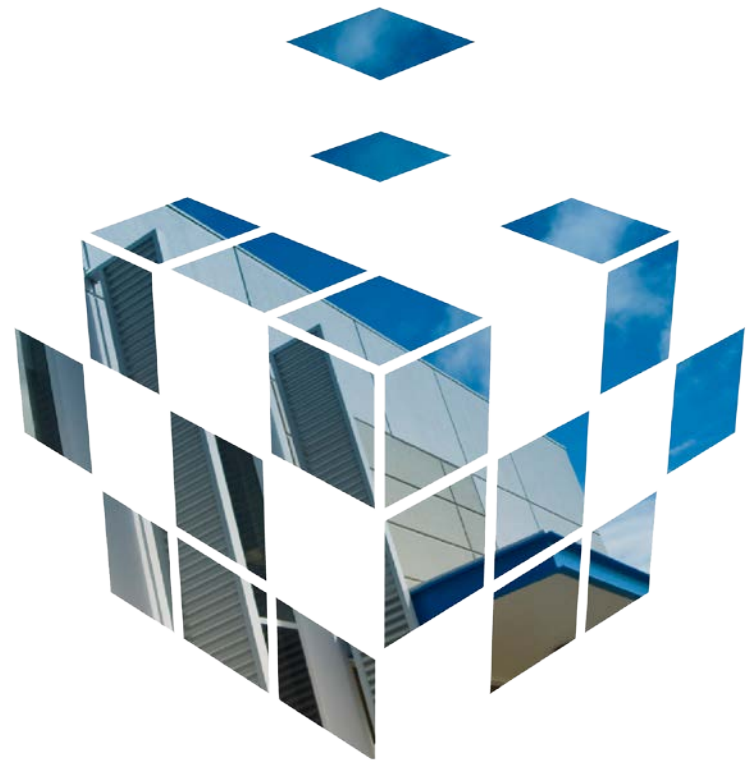


Outlook

Industria remains focussed on its objective of delivering stable cash returns with the potential for income and capital growth

- **A quality portfolio of workspace assets underpins Industria REIT**
- **Leases to a diversified tenant base providing a secure and growing income stream**
 - Early indications of an improving leasing market in Sydney and Melbourne
 - Continue to focus on asset management initiatives and leasing objectives whilst pursuing acquisition and divestment opportunities
- **Continue to maintain conservative capital structure**
 - Target gearing range 30%-40%
 - More than 70% of the current debt drawn is hedged
 - Headroom on all debt covenants
- **Attractive forecast Distribution**
 - We reiterate first-half financial year 2015 Distribution per Security of 8.36 cents, to be paid in February 2015
 - Further guidance will be provided in February 2015 at the half-year results announcement for the balance of financial year 2015

INDUSTRIA REIT





Resolution 1.1

“ That Mr Geoffrey Brunsdon, being a director who was appointed by the directors on 10 October 2013 in accordance with clause 4.6 of the Company’s constitution and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for re-election, be re-elected as a director of the Company. ”

Summary of Proxy instructions

	For	Open	Against	Abstain
Votes	30,629,181	352,196	2,000	0
Percentage	98.86%	1.14%	0.01%	-



Resolution 1.2

“ That Ms Jennifer Horrigan, being a director who was appointed by the directors on 10 October 2013 in accordance with clause 4.6 of the Company’s constitution and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers herself for re-election, be re-elected as a director of the Company. ”

Summary of Proxy instructions				
	For	Open	Against	Abstain
Votes	30,673,861	297,196	12,320	0
Percentage	99.00%	0.96%	0.04%	-



Resolution 1.3

“ That Mr Michael Johnstone, being a director who was appointed by the directors on 10 October 2013 in accordance with clause 4.6 of the Company’s constitution and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for re-election, be re-elected as a director of the Company. ”

Summary of Proxy instructions

	For	Open	Against	Abstain
Votes	30,629,181	267,196	2,000	85,000
Percentage	99.13%	0.86%	0.01%	-



Resolution 1.4

“ That Mr Howard Brenchley, being a director who was appointed by the directors on 10 October 2013 in accordance with clause 4.6 of the Company’s constitution and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for re-election, be re-elected as a director of the Company. ”

Summary of Proxy instructions				
	For	Open	Against	Abstain
Votes	30,631,181	352,196	0	0
Percentage	98.86%	1.14%	0.00%	-



Resolution 1.5

“ That Mr John Freemantle, being a director who was appointed by the directors on 30 September 2013 in accordance with clause 4.6 of the Company’s constitution and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for re-election, be re-elected as a director of the Company. ”

Summary of Proxy instructions

	For	Open	Against	Abstain
Votes	30,613,681	352,196	17,500	0
Percentage	98.81%	1.14%	0.06%	-



Resolution 2

“ That Deloitte Touche Tohmatsu, having been appointed as auditor of the Company by the directors in January 2014 in accordance with section 327A(1) of the Corporations Act and whose appointment expires at the Annual General Meeting of the Company, be re-appointed as auditor of the Company in accordance with section 327B(1)(a) of the Corporations Act. ”

Summary of Proxy instructions				
	For	Open	Against	Abstain
Votes	30,624,284	349,093	10,000	0
Percentage	98.84%	1.13%	0.03%	-



Resolution 3

“ That the constitution of the Company be amended as set out in the supplemental deed poll marked the ‘Industria Company No. 1 Ltd First Supplemental Deed Poll’ and the board of the Company be authorised to do all things necessary to give effect to this resolution, including (without limitation) to execute and lodge with the Australian Securities and Investments Commission a supplemental deed in relation to the amendments referred to in this resolution. ”

Summary of Proxy instructions

	For	Open	Against	Abstain
Votes	30,478,888	344,169	32,320	128,000
Percentage	98.78%	1.12%	0.10%	-



Resolution 4.1

“ That the constitution of Industria Trust No. 1 be amended as set out in the supplemental deed poll marked the ‘Industria Trust No. 1 Supplemental Deed Poll’ and the Responsible Entity be authorised to do all things necessary to give effect to this resolution, including (without limitation) to execute and lodge with the Australian Securities and Investments Commission a supplemental deed in relation to the amendments referred to in this resolution. ”

Summary of Proxy instructions

	For	Open	Against	Abstain
Votes	30,624,284	339,093	0	20,000
Percentage	98.90%	1.10%	0.00%	-



Resolution 4.2

“ That the constitution of Industria Trust No. 2 be amended as set out in the supplemental deed poll marked the ‘Industria Trust No. 2 Supplemental Deed Poll’ and the Responsible Entity be authorised to do all things necessary to give effect to this resolution, including (without limitation) to execute and lodge with the Australian Securities and Investments Commission a supplemental deed in relation to the amendments referred to in this resolution. ”

Summary of Proxy instructions

	For	Open	Against	Abstain
Votes	30,624,284	339,093	0	20,000
Percentage	98.90%	1.10%	0.00%	-



Resolution 4.3

“ That the constitution of Industria Trust No. 3 be amended as set out in the supplemental deed poll marked the ‘Industria Trust No. 3 Supplemental Deed Poll’ and the Responsible Entity be authorised to do all things necessary to give effect to this resolution, including (without limitation) to execute and lodge with the Australian Securities and Investments Commission a supplemental deed in relation to the amendments referred to in this resolution. ”

Summary of Proxy instructions

	For	Open	Against	Abstain
Votes	30,594,284	284,093	0	105,000
Percentage	99.08%	0.92%	0.00%	-



Resolution 4.4

“ That the constitution of Industria Trust No. 4 be amended as set out in the supplemental deed poll marked the ‘Industria Trust No. 4 Supplemental Deed Poll’ and the Responsible Entity be authorised to do all things necessary to give effect to this resolution, including (without limitation) to execute and lodge with the Australian Securities and Investments Commission a supplemental deed in relation to the amendments referred to in this resolution. ”

Summary of Proxy instructions

	For	Open	Against	Abstain
Votes	30,614,284	339,093	0	20,000
Percentage	98.90%	1.10%	0.00%	-



Resolution 4.5

“ That the constitution of the Company be amended as set out in the supplemental deed poll marked the ‘Industria Company No. 1 Second Supplemental Deed Poll’ and the board of the Company be authorised to do all things necessary to give effect to this resolution, including (without limitation) to execute and lodge with the Australian Securities and Investments Commission a supplemental deed in relation to the amendments referred to in this resolution. ”

Summary of Proxy instructions

	For	Open	Against	Abstain
Votes	30,591,657	364,093	7,627	20,000
Percentage	98.80%	1.18%	0.02%	-



INDUSTRIA REIT