

29 June 2018

Acquisition of industrial warehouse and debt facility increase, refinance and restructure**Highlights**

- Agreed terms to acquire 13 Ricky Way and 10 Jersey Drive, Epping, Victoria for \$15.7 million, reflecting an initial yield of 7.45%
- Enhanced cash flow profile for Industria REIT underpinned by a 6.3 year weighted average lease expiry from the property
- Introduces a new tenant to the portfolio in Edlyn Foods, a nationally recognised supplier in the food service industry established in the 1920's
- Industria's debt facilities increased by \$25 million to fund the acquisition and provide further growth capacity and restructured to a common-terms deed club structure to deliver improved flexibility and conditions
- December 2018 debt facility expiries extended for 5 years to June 2023
- FFO accretion of ~1.5% on an annualised basis

APN Funds Management Limited ('APN'), as Responsible Entity and Manager of Industria REIT ('Industria' or the 'Fund') is pleased to provide an update to the market on: the acquisition of 13 Ricky Way and 10 Jersey Drive, Epping, Victoria; and the restructure and extension of the existing Syndicated Finance Facility to a club financing structure.

Commenting on the acquisition and refinance, Fund Manager Alex Abell said: "The acquisition meets our strategic objective of owning real estate that is well located, functional and affordable for our clients. It also provides a high yield of 7.45% growing at 3.25% per annum – and is underpinned by one of Australia's leading food manufacturers, Edlyn Foods.

"Amending the financing structure to a club structure and securing a 5-year extension for near term expiries has further strengthened Industria's balance sheet, and follows an extensive process by the team at APN. I am delighted with the strong support we have had from our long-term finance partners and thank them for their continued support."

Property Acquisition

13 Ricky Way and 10 Jersey Drive, Epping, comprises of two adjoining, separately titled, and modern warehouse and office facilities constructed in 2008 and 2015. The weighted average lease expiry is 6.3 years.

Both properties have street frontages, are in the north of Melbourne, and are within close proximity to Melbourne Markets. The properties are occupied by Edlyn Foods, which was founded in Melbourne in the 1920's and has grown into a nationally recognised supplier in the food service industry. Edlyn's clients include restaurants, hotels, aged and healthcare providers, quick service restaurants and remote on-site caterers.

Settlement of the acquisition is anticipated in mid July 2018.

Finance Facility Amendments and Extension

Industria's syndicated financing arrangement has been restructured to a club structure (Common Terms Deed with bi-lateral Facility Agreements). The amendments provide more flexible terms and conditions, and have been completed with the Fund's existing finance partners.



In conjunction with this restructure, an additional \$25.0 million 5-year facility has been secured to support future growth initiatives including the acquisition outlined above. The debt facilities scheduled to expire in December 2018 have also been extended until June 2023.

Industria REIT's finance facilities now total \$240.0 million, with the nearest refinancing event being \$46.25 million in September 2019.

Financial close of the debt facility amendments, which is subject to customary conditions precedent, is scheduled to occur on or before 30 June 2018.

ENDS

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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 \$654 million portfolio of 22 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