

WPT Industrial REIT announces solid growth in third quarter 2013

Written by Australian Business

TORONTO, Nov. 12, 2013 /CNW/ - WPT Industrial Real Estate Investment Trust (the "**REIT**") (TSX: WIR.U) (OTCQX: WPTIF) announced today its financial and operating results for the three months ended September 30, 2013 and the period from March 4, 2013 to September 30, 2013. This period reflects the REIT's operations commencing after completion of its Initial Public Offering ("IPO") on April 26, 2013 compared to the REIT's financial forecast provided in its IPO Prospectus dated April 18, 2013, prorated to correspond with the period from April 26, 2013 to September 30, 2013 (the "Forecast"). The REIT had no material operations prior to April 26, 2013. All dollar amounts are stated in US funds.

HIGHLIGHTS:

- Solid operating results in third quarter and period since IPO.
- Occupancy improves to 96.9% as at September 30, 2013.
- Average remaining lease term increased from 4.7 years to 5.3 years.
- Revenues, NOI and AFFO all exceed Forecast before the impact of the accretive acquisition on July 15, 2013.
- AFFO payout ratio for the period from March 4, 2013 to September 30, 2013 of less than 90% (adjusted for the underwriters' over-allotment and non-recurring general and administration expenses related to the acquisition on July 15, 2013).
- Flexible liquidity position with 52.9% debt-to-gross book value ratio.
- Purchased for cancellation of 679,800 REIT Units under NCIB at weighted average price

of \$8.14 per REIT Unit.

"We continue to generate measurable gains in our key performance benchmarks, driven by higher occupancies, the accretive contribution from our recent acquisition, and solid operating performance throughout the portfolio," stated Scott Frederiksen, Chief Executive Officer. "Looking ahead, we expect the size and scope of our portfolio will continue to increase through the accretive purchase of institutional quality distribution properties in our targeted geographic markets that will further diversify our portfolio, increase our cash flows, and continue to create value for our Unitholders."

SOLID OPERATING PERFORMANCE

Net Operating Income ("NOI") was higher than the prior period and the Forecast due to the contribution from an asset acquisition completed on July 15, 2013 and increased occupancy within the portfolio.

General and administrative expenses were higher than the prior period and the Forecast due primarily to non-recurring expenses associated with regulatory requirements related to the July 15, 2013 acquisition and the timing of certain expenses, in particular, professional fees not incurred evenly throughout the period that the Forecast assumed would be incurred evenly.

Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO") were higher than the prior period and the Forecast due primarily to the higher operating revenues and NOI as outlined above. FFO per Unit and AFFO per Unit amounts were lower than Forecast due to the increase in the actual weighted average number of Units outstanding compared to the Forecast as well as the increase in non-recurring general and administrative expenses associated with the July 15, 2013 acquisition. The REIT's AFFO payout ratio (including the impact of the underwriters' over-allotment and non-recurring general and administration expenses related to the July 15, 2013 acquisition) for the period from March 4, 2013 to September 30, 2013 was 97.9%. Excluding the impact of these transactions, which were not contemplated in our Forecast, our AFFO payout ratio falls below 90%.

STRONG FINANCIAL & LIQUIDITY POSITION

As at September 30, 2013 the REIT's debt-to-gross-book-value ratio was a conservative 52.9% with an interest coverage ratio of 3.19 times. The weighted average effective interest rate on its outstanding debt was 4.0% with a weighted average term to maturity of 6.5 years on its mortgages payable, well matched by the weighted average remaining lease term of 5.3 years. As at September 30, 2013 the REIT had approximately \$19.8 million available on its \$75.0 million revolving credit facility. Should the REIT take its debt-to-gross-book value ratio to the maximum 60% allowable, it would have the capacity to purchase an additional \$87.5 million in investment properties.

On August 12, 2013 the Toronto Stock Exchange approved the REIT's notice of intention to purchase and cancel its REIT Units pursuant to a Normal Course Issuer Bid ("NCIB"). As of September 30, 2013 the REIT had purchased and cancelled 679,800 REIT Units under its NCIB at a weighted average price of \$8.14 per REIT Unit.

INVESTOR CONFERENCE CALL

A conference call will be hosted by the REIT's management team on Wednesday, November 13, 2013 at 10.00 am ET

. The telephone numbers to participate in the conference call are **Canada Toll Free: (855) 669-9657, U.S. Toll Free (888) 317-6016** and

International: (412) 317-6016

. The live audio conference call will also be available as a webcast. To access the live audio webcast please access the link on the "Investors" page on our web site at www.wptreit.com

. The telephone numbers to listen to the call after it is completed (Instant Replay) are Canada Toll Free (855) 669-9658, U.S. Toll Free (877) 344-7529 or International (412) 317-0088. The Passcode for the Instant Replay is 10034347#. A webcast of the call will also be archived on the REIT's web site at

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(In thousands of USD, except where noted)

Operating Results:

Investment properties revenue		\$	12,577
NOI	(1), (2)		\$
FFO	(1), (3)		\$
AFFO	(1), (4)		\$
FFO per Unit	(1)		\$
AFFO per Unit	(1)		\$

Distributions:

Distributions per Unit		\$	0.175
Distributions declared		\$	4,233
AFFO Payout ratio (9)			99.3%
Weighted-average number of units	(5)		

As at

Operational Information:

- Number of properties
- GLA
- Occupancy
- Average remaining lease term (yrs)

Ratios:

- Weighted-average effective interest rate (6)
- Variable rate debt as percentage of total debt (7)
- Debt-to-gross book value
- Interest coverage ratio (times)
- Fixed charge coverage ratio (times)
- Debt to EBITDA (times) (8)

Unit Information:

- REIT Units outstanding at period end
- Class B Units outstanding at period end
- Welsh Retained Interest at period end (on fully-diluted basis assuming all Class

Actual Results Compared to Forecast

(US \$,000 except where noted) **Three Months Ended September 30, 2013**

		Actual	
Investment properties revenue		12,577	
NOI	(1), (2)		9,370

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FFO	(1), (3)	5,686
AFFO	(1), (4)	4,264

(1)

NOI, FFO and AFFO are key measures of performance used by real estate op

(2)

NOI is defined as investment properties revenue, less investment properties e

(3)

The reconciliation of FFO to net income can be found in the REIT's MD&A for

(4)

The reconciliation of AFFO to FFO can be found in the REIT's MD&A for the p

(5)

Includes REIT Units and Class B Units (collectively, the "Units").

(6)

Includes market adjustments and financing costs.

(7)

Includes \$43,500 outstanding under the Revolving Facility and \$31,800 in mor

(8)

EBITDA is defined as NOI, less G&A and is annualized for purposes of this m

(9)

Includes the impact of the underwriters' over-allotment issued on May 16, 201

About WPT Industrial Real Estate Investment Trust

WPT Industrial Real Estate Investment Trust is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario

. The REIT has been formed to own and operate an institutional-quality portfolio of primarily industrial properties located in the United States

, with a particular focus on warehouse and distribution industrial real estate. WPT Industrial, LP (the REIT's operating subsidiary) indirectly owns a portfolio of properties consisting of approximately 9.9 million square feet of gross leasable area, comprised of 36 industrial properties and two office properties located in 12 states in the United States

. Welsh Property Trust, LLC is the external asset manager and property manager of the REIT. The REIT pays monthly cash distributions, currently at \$0.0583

per Trust Unit, or approximately \$0.70

per Trust Unit on an annualized basis, in US funds.

Forward-Looking Statements

This press release contains "forward-looking information" as defined under applicable Canadian securities law ("**forward-looking information**" or "**forward-looking statements**") which reflect management's expectations regarding objectives, plans, goals, strategies, future

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growth, results of operations, performance, business prospects and opportunities of the REIT. The words "plans", "expects", "does not expect", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the REIT as of the date of this press release, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, the REIT's and the property's future growth potential, anticipated amounts of expenses, results of operations, future prospects and opportunities, the demographic and industry trends remaining unchanged, no change in legislative or regulatory matters, future levels of indebtedness, the tax laws as currently in effect remaining unchanged, the continual availability of capital, the current economic conditions remaining unchanged, and continued positive net absorption and declining vacancy rates in the markets in which the REIT's properties are located.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors" in the REIT's final prospectus dated April 18, 2013

, which is available under the REIT's profile on SEDAR at www.sedar.com

. These forward-looking statements are made as of the date of this press release and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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