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13 April 2016

Pacific Industrial & Logistics REIT plc
("Pacific Industrial & Logistics", the "Company" or the "Group")

Admission to AIM and First Day of Dealings

Introduction

Pacific Industrial & Logistics, a newly incorporated closed-ended investment company, announces the admission to trading on the AIM market of the London Stock Exchange plc ("AIM") of its entire issued Ordinary Share capital, and commencement of dealings, at 8.00am today under the ticker PILR.

The Company has been established to invest in UK based industrial and logistics properties (typically single let). Investments will be in smaller industrial and logistics properties (with an average lot value across a portfolio at acquisition of less than £10 million (increased by RPI from Admission)) across the UK.

The Placing and Subscription

Pursuant to the Placing and the Subscription, on Admission the Company will issue 10,177,000 New Ordinary Shares as well as 2,000,000 Preference Shares (which will be issued to Affiliates of Pacific) to raise Gross Proceeds of £12.2 million. The Company will also issue 3,027,000 Warrants to subscribe for new Ordinary Shares (on a one-for-one basis) at 97 pence per new Ordinary Share to Placees and Subscribers except to members of the Concert Party, Richard Moffitt or Christopher Turner (Richard Moffitt and Christopher Turner being the Management Team as set out below). At Admission, the Ordinary Shares, but not the Warrants nor the Preference Shares, will be admitted to trading on AIM. The Company is expected to have a market capitalisation of approximately £10.3 million on Admission.

finnCap Limited has acted as Nominated Adviser, Broker and Placing Agent to the Company.

The M1 Portfolio

The Group has conditionally agreed to acquire the M1 Portfolio, with completion to take place shortly after Admission and anticipated to take place on 14 April 2016. The M1 Portfolio consists of properties primarily located around Bardon, Northampton, Bedford and Dunstable, close to the M1 motorway and other major trunk roads and the "Golden Triangle" area, which is bounded by the M1, M6 and M42 motorways. The "Golden Triangle" is the UK's premier location for logistics and distribution, from which 98 per cent. of the UK's population can be accessed by road within four hours. The M1 Portfolio consists of 11 properties, including 465,416 square foot of industrial and warehouse accommodation. The Group has agreed to purchase the M1 Portfolio for £27 million.

The Group has entered into a Facility Agreement with, inter alia, Santander UK plc pursuant to which the lenders have agreed to make available to the Group a £50 million sterling term loan facility of which up to £15.5 million is available in connection with the acquisition/refinance of the M1 Portfolio. Further details on the Facility Agreement can be found in the Admission Document, available on the Company's website (www.pacificil.com).

The Company intends to carry on business as a REIT, subject to meeting the necessary qualifying conditions. It is expected that the Group will, on completion of the acquisition of the M1 Portfolio, qualify as a REIT.

Richard Moffitt, Non-Executive Director, commented:

"We are pleased to have raised the funds to acquire our first portfolio. By building a high quality logistics portfolio in established regions we will offer investors exposure to a real estate sector that offers attractive returns. The smaller lot size market has excellent fundamentals with strong occupational demand whilst being relatively under-invested."

Further information on the Group

Investment Objective

The Investment Objective is to deliver investment returns through income, with regular dividends providing Shareholders with a sustainable income stream that will grow over the medium term, and some targeted capital growth which the Company believes will enhance Shareholders' total return over the long term.

Investing Policy

The Company intends to achieve the Investment Objective by investing in and growing a diversified portfolio of primary and secondary grade industrial and logistics properties within the UK, and by engaging in active asset management to leverage and enhance returns.

The Company will invest in assets that comprise an interest in freehold or leasehold property (other than by way of security), which meet the following criteria:

- UK industrial or logistics properties (typically single let);
- modern (typically post-1980) constructions; and
- representing average lot value across the portfolio at acquisition of less than £10 million (increased by RPI from Admission).

In addition, the Company will seek to invest in properties that have good underlying features in established logistics regions, such as the Midlands' "Golden Triangle", including:

- the opportunity for rental growth and out-performance;
- strong tenant financial covenant;
- lease terms focusing on duration and rental growth; and
- positive geographical characteristics, including age and repair, location, building quality, site cover, transportation links, workforce availability and internal operational efficiencies.

The Company may acquire properties directly or through holdings in SPVs and properties may be held through limited partnerships, trusts or other vehicles with third party co-investors.

The Company may invest up to 10 per cent. of its Net Asset Value (at the time of investment) in properties requiring re-development (such as extending, reconfiguring and refurbishing existing assets), with the intention of holding any completed development as an investment.

Investments will not be undertaken speculatively, although the Company may take options over adjacent land/property.

Borrowing and gearing policy

The Company will seek to use gearing to enhance returns over the long-term and, in addition, will seek to fix its borrowing rates. Gearing, represented by borrowings (but excluding, for the avoidance of doubt, any Preference Shares) as a percentage of gross assets, will not exceed 57.5 per cent. at the time of investment. It is the Directors' current intention to target gearing of 45 per cent. of Gross Asset Value in the medium term and to comply with the REIT condition relating to the ratio between the Group's 'property profits' and 'property finance costs'.

Investment restrictions

The Company will invest and manage its assets with an objective of spreading risk through the following investment restrictions:

- the Company will derive its rental income from a portfolio of not less than three properties;
- other than any investment properties requiring re-development, the Company will not invest in assets which are unoccupied or not producing income at the time of acquisition unless part of or less than, 10 per cent. of the Gross Asset Value;
- at least 90 per cent. by value of the properties directly or indirectly owned by the Company shall be in the form of freehold or long leasehold (over 60 years remaining at the time of acquisition) properties or the equivalent; and
- the Company will not invest in closed-ended investment companies.

The Directors currently intend, at all times, to conduct the affairs of the Group so as to enable it to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

Target return and dividend policy

Following the acquisition of the M1 Portfolio the Company will aim to achieve a minimum annualised net dividend yield of 6 per cent., by reference to the Issue Price.

Over a five year period, the Directors expect that the dividend will grow through lease renewals and upward only rent reviews typically contained in the leases of the target assets and, as such, are targeting a total return over the medium term of between 10 per cent. and 15 per cent. per annum (assuming flat exit yields). The Company will target rental growth of up to 10 per cent. per annum across its portfolio via rent reviews and taking advantage of re-letting opportunities.

The Company intends, in due course, to declare dividends on a half-yearly basis in March (based on half-yearly reporting) and September, subject to its loan-to-value being 50 per cent. or less. The Directors believe that this will be the case following a secondary fundraising.

In order to maintain REIT status the Company will be required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits of the Property Rental Business of the Group for each accounting period, as adjusted for tax purposes.

The Directors anticipate declaring the Company's first dividend on or before 30 September 2017.

Investors should note that the targeted minimum annualised net dividend, targeted annual total return and targeted rental growth are targets only and not profit forecasts and there can be no assurance that they will be met or that any dividend, rental growth or capital growth will be achieved.

The Directors

The Company's independent, non-executive chairman is Jonathan Gray and, alongside him will be Richard Moffitt, who leads the Management Team. Richard was most recently an executive director at CBRE, where he was Head of the UK Industrial team and he has more than 25 years' experience of the UK Industrial market. He brings to the team an in-depth market understanding and awareness of current issues, and a thorough understanding of owner and tenant requirements. The Board also comprises Bruce Anderson who is an Independent Director. The Directors collectively have experience in real estate, corporate finance, debt markets and capital markets.

Further information on Pacific

Pacific was formed in 1993 by Sir John Beckwith and Mark Johnson following the sale of Sir John Beckwith's London & Edinburgh Trust Plc. Pacific has founded a number of successful asset management businesses, including Liontrust Asset Management, Europa Capital, River & Mercantile Group and Thames River Capital. Pacific will provide the Company with operational support, strategic oversight and access to a wide network of investors and business contacts.

The Company has appointed Pacific Capital Partners Limited, a member of the Pacific Group, as the Manager of the Company, pursuant to the Investment Management Agreement. The Manager will act as the Company's manager for the purposes of the AIFMD and certain other ancillary services.

The Management Team, being the personnel of the Manager who will be involved with the provision of investment management services to the Company consists of Richard Moffitt and Christopher Turner. Christopher has over 25 years' experience in real estate investment and asset management. He has a track record in the acquisition and performance monitoring of real estate across the UK and European markets, including office, industrial and retail real estate and his focus is on detailed attention to tenant performance, adding value and active asset management.

Pacific, Sir John Beckwith and his Affiliates have invested in the Subscription with a £7 million investment in New Ordinary Shares and will enter into the Relationship Agreement with the Company and finnCap. In order to provide the Group with medium term funding, Affiliates of Pacific have subscribed for, in aggregate, 2,000,000 Preference Shares at £1.00 per Preference Share, such subscription proceeds to be used to fund the acquisition of the M1 Portfolio and the working capital of the Company.

For further information regarding Pacific Industrial & Logistics REIT plc please call:

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Stuart Andrews/ Grant Bergman/ Giles Rolls -
Corporate finance

Christian Hobart - Corporate broking

Important notices:

Defined terms and full details of the Placing and the Subscription can be found in the Admission Document that is available on the Company's website www.pacificil.com.

This communication is only addressed to, and directed at, persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("**Qualified Investors**"). For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each member state of the European Economic Area which has implemented the Prospectus Directive. In addition, in the United Kingdom, this communication is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments who fall within the definition of "investment professional" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (ii) who are high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order, and (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this communication relates is available only to and will only be engaged in with such persons. This communication must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons and (ii) in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe, for shares ("**Shares**") in the capital of the Company in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or finnCap Limited ("**finnCap**"). The offer and sale of Shares has not been and will not be registered under the application securities law of Canada, Japan,

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The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Company has not been and will not be registered under the U. S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares are being offered and sold outside the United States to non-U.S. Persons in reliance on Regulation S under the U.S. Securities Act.