

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

Trading update

Pacific Industrial & Logistics REIT plc (AIM:PILR), a Real Estate Investment Trust focused on sub £10m lot size industrial and logistics properties, is pleased to issue a trading update following the close of the first interim reporting period to 30 September 2016.

HIGHLIGHTS

- Adjusted NAV* up 24% to 123.87p from issue price of 100p
- £29.9m valuation, a 10.7% uplift on the Company's portfolio since acquisition (on purchase price of £27m)
- Pipeline of further suitable investment opportunities identified with similar characteristics to the Company's initial portfolio
- Rent review and lease extension with one tenant has been agreed with a 38% uplift in annual rent
- The Company intends to embark on a capital raise by way of an equity placing shortly

Richard Moffitt, CEO of Pacific Industrial & Logistics, commented:

“We are delighted to report that the Company has significantly exceeded expectations in the interim period to 30 September 2016, through upward-only rent reviews and active asset management in a sector that continues to benefit from strong fundamentals post-EU referendum”.

PORTFOLIO UPDATE

The Company completed its successful IPO and acquisition of an initial portfolio in April 2016. Working in conjunction with the tenants of the initial portfolio, and in line with their strategy, the Company's management team has carried out the following asset management activities: (i) signed a rent review memorandum and lease extension with one tenant in Bedford at a market leading local rent of £6 psf., increasing the annual rent psf. by 38%; (ii) introduced new lease terms on a leasehold property allowing for the build out and use of the existing property as a retail outlet; and (iii) signed a new long lease following a full refurbishment by a tenant in Bedford.

Following the close of the initial interim period, the Board commissioned an independent valuation report from CBRE. The Board is pleased to report that the gross assets increased by 10.7% from £27m at purchase to £29.9m delivering a return on investment of c. 24% from a 100p issue price to 123.87p adjusted NAV per share. Management believe there is further significant upside for the portfolio.

The Board expects the interim results to be released in November.

*NAV at 30 September 2016 is 122.18p. Adjusted NAV is 123.87p (adding back the fair-value movement of an interest rate swap). Diluted NAV (adjusting for warrants in issue) is 116.47p and Adjusted Diluted NAV is 117.78p.

MARKET OUTLOOK

There has been considerable commentary in the press on the commercial property sector as a whole. The sub sector that the Company operates in, industrial and logistics, has shown little change since the EU referendum in the view of the Directors, and the Directors are aware of a number of transactions closing at pre-referendum valuations.

The Directors believe that this sector remains less vulnerable than other real estate sectors as consumers continue to migrate online and demand for logistics remains high. With growing demand from consumers who continue to rely on e-commerce, companies have to adapt their strategies. Supply in key locations across the Midlands, and other regional locations, remains constrained and development opportunities are limited.

The Directors have identified a strong pipeline of attractive assets that are complementary to the Company's existing portfolio and located in logistical locations. The Board believes these assets present the Company with a good opportunity to grow its portfolio in the coming months, subject to the necessary financing.

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

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