

# Investor Presentation

May 2015

maple<sup>tree</sup>  
industrial

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Nothing in this presentation should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors.

# Agenda

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1 Overview of Mapletree Industrial Trust

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2 Portfolio Highlights

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3 4Q & FY14/15 Financial Performance

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4 Outlook and Strategy

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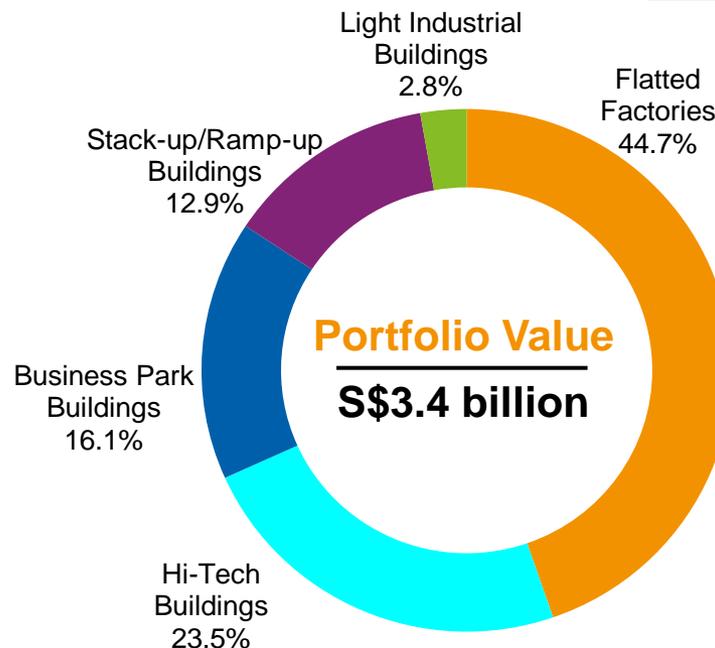
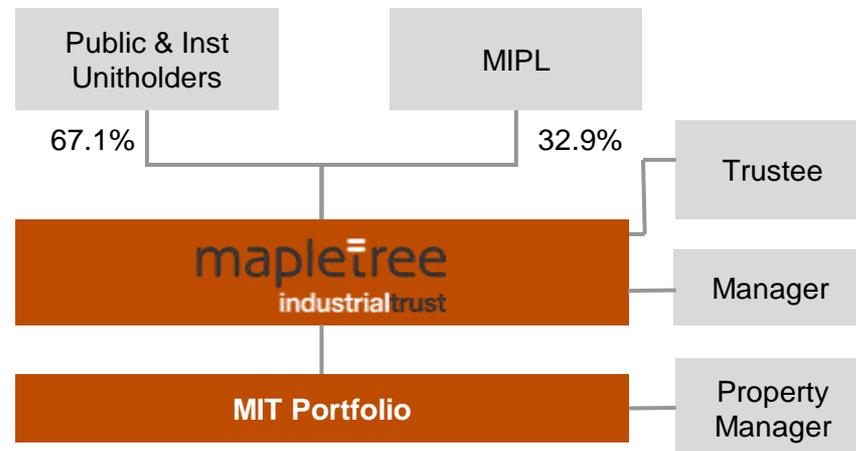
# OVERVIEW OF MAPLETREE INDUSTRIAL TRUST



Hi-Tech Building,  
Build-to-Suit Data Centre for Equinix

# Overview of Mapletree Industrial Trust

<b>Sponsor</b>	Mapletree Investments Pte Ltd (MIPL) Owns 32.9% of MIT
<b>Investment mandate</b>	Focused on industrial real estate assets in Singapore, excluding properties primarily used for logistics purposes
<b>Portfolio</b>	84 properties valued at S\$3.4 billion 19.7 million sq ft GFA 14.8 million sq ft NLA
<b>Manager</b>	Mapletree Industrial Trust Management Ltd. 100% owned by the Sponsor
<b>Property Manager</b>	Mapletree Facilities Services Pte. Ltd. 100% owned by the Sponsor
<b>Trustee</b>	DBS Trustee Limited



As at 31 Mar 2015

# Broad Spectrum of Industrial Facilities



## FLATTED FACTORIES

High-rise multi-tenanted industrial buildings with basic common facilities used for light manufacturing activities.



## STACK-UP/RAMP-UP BUILDINGS

Stacked-up factory space with vehicular access to upper floors. Multi-tenanted space suitable for manufacturing and assembly activities.



## HI-TECH BUILDINGS

High specification industrial space with higher office content for tenants in technology and knowledge-intensive sectors. Usually fitted with air-conditioned lift lobbies and common areas.



## LIGHT INDUSTRIAL BUILDINGS

Multi-storey developments usually occupied by an anchor tenant for light manufacturing activities.

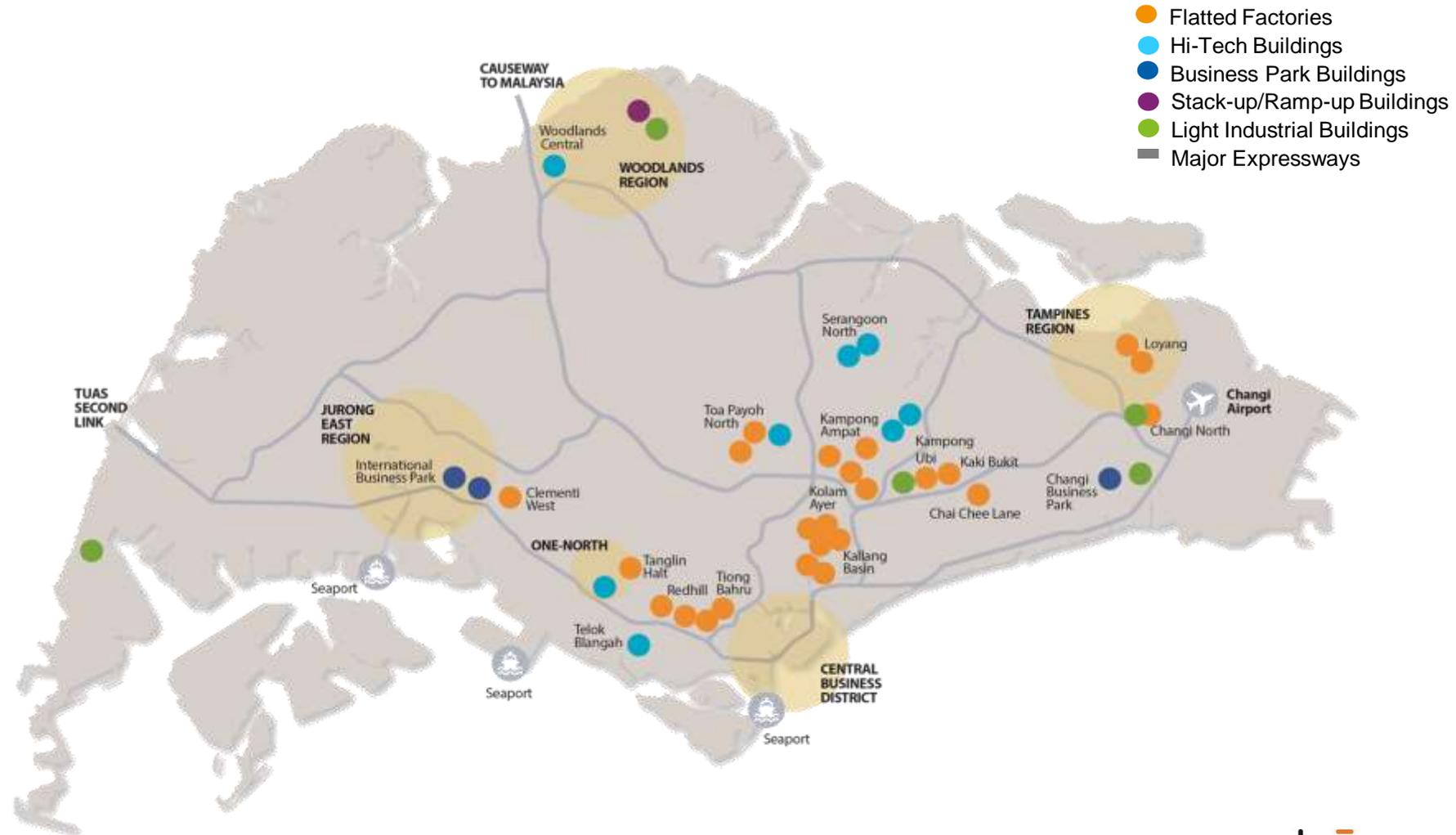


## BUSINESS PARK BUILDINGS

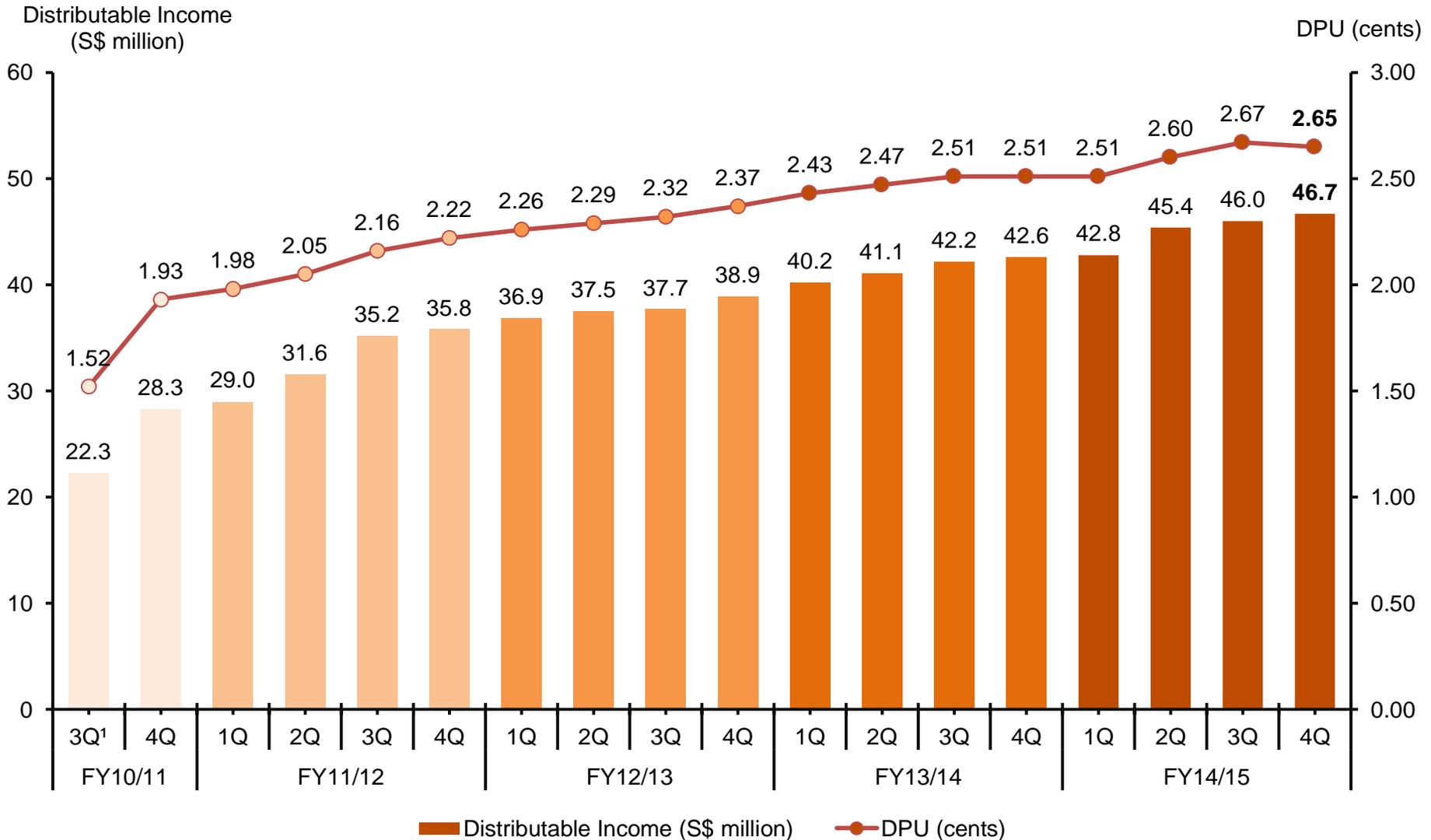
Multi-storey suburban office buildings in specially designated "Business Park zones". Serve as regional headquarters for MNCs as well as space for R&D and knowledge-intensive enterprises.

# Strategically Located across Singapore

## Close to Public Transportation Networks and Established Industrial Estates



# Scorecard since IPO

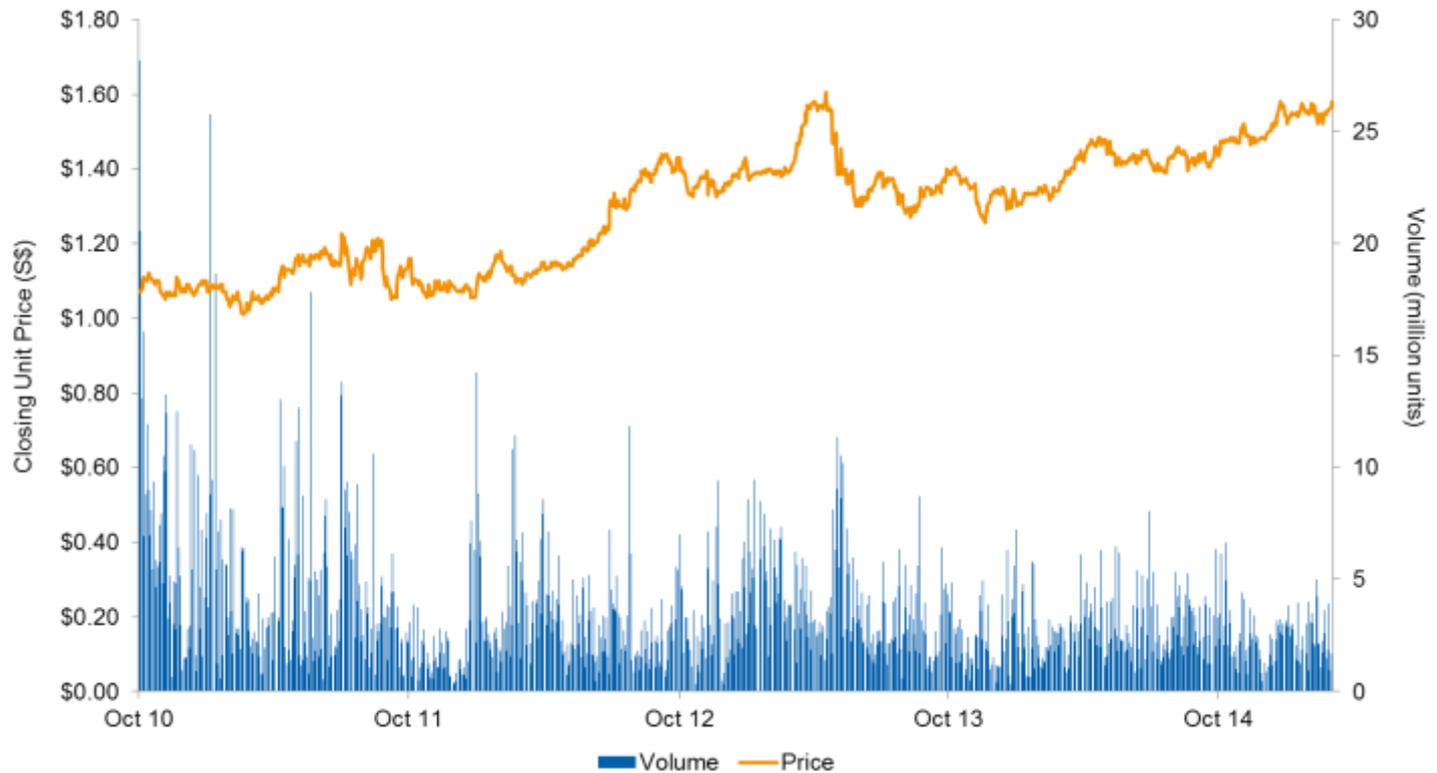


<sup>1</sup> MIT was listed on 21 Oct 2010.

# Attractive Returns since IPO

## RETURN ON INVESTMENT (FROM LISTING DATE TO 31 MAR 2015)

Total Return	114.5% <sup>1</sup>
Capital Appreciation	69.9%
Distribution Yield	44.6%

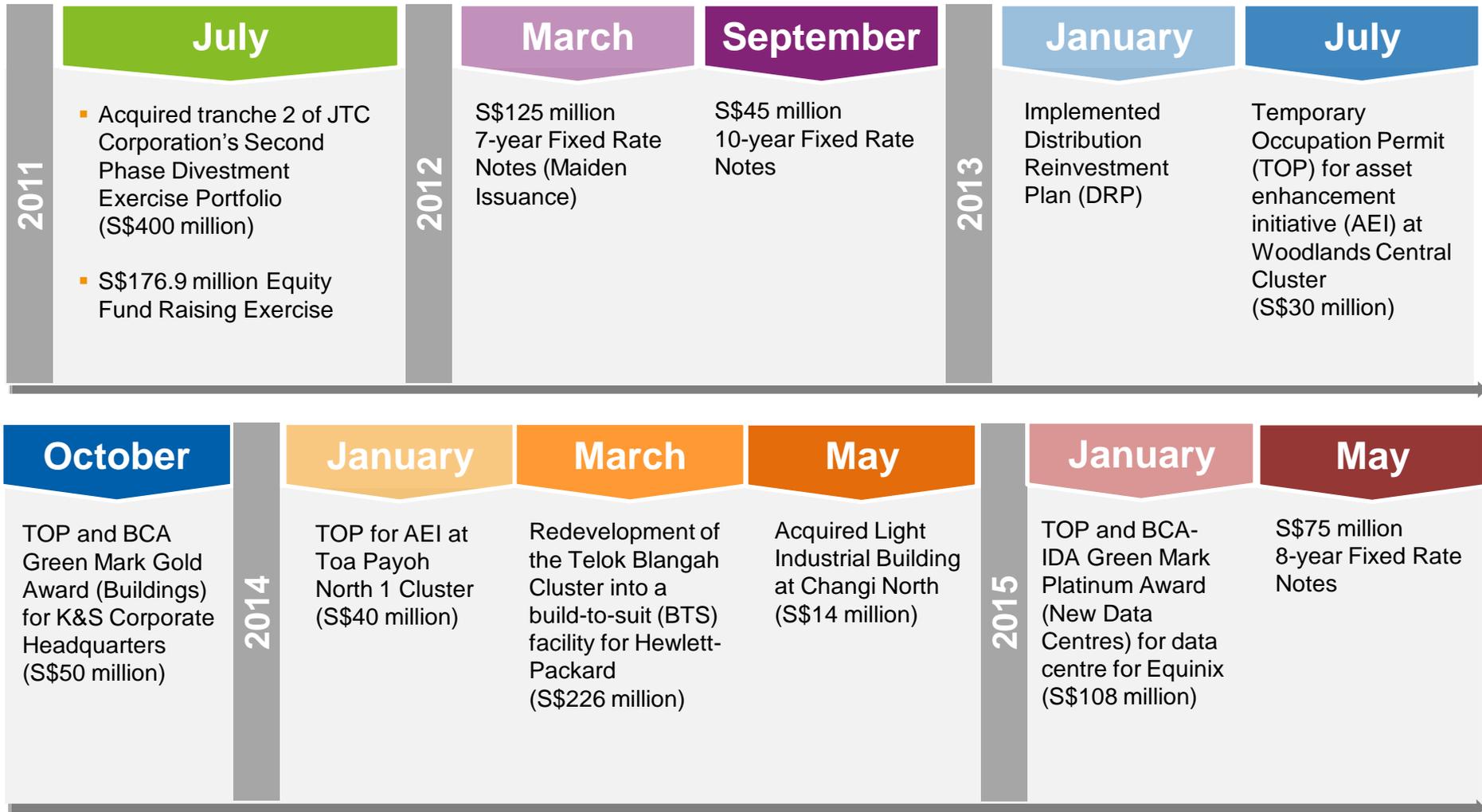


Source: Bloomberg

For the period 21 Oct 2010 to 31 Mar 2015

<sup>1</sup> Sum of distributions and capital appreciation for the period over the IPO issue price of S\$0.93.

# Significant Events

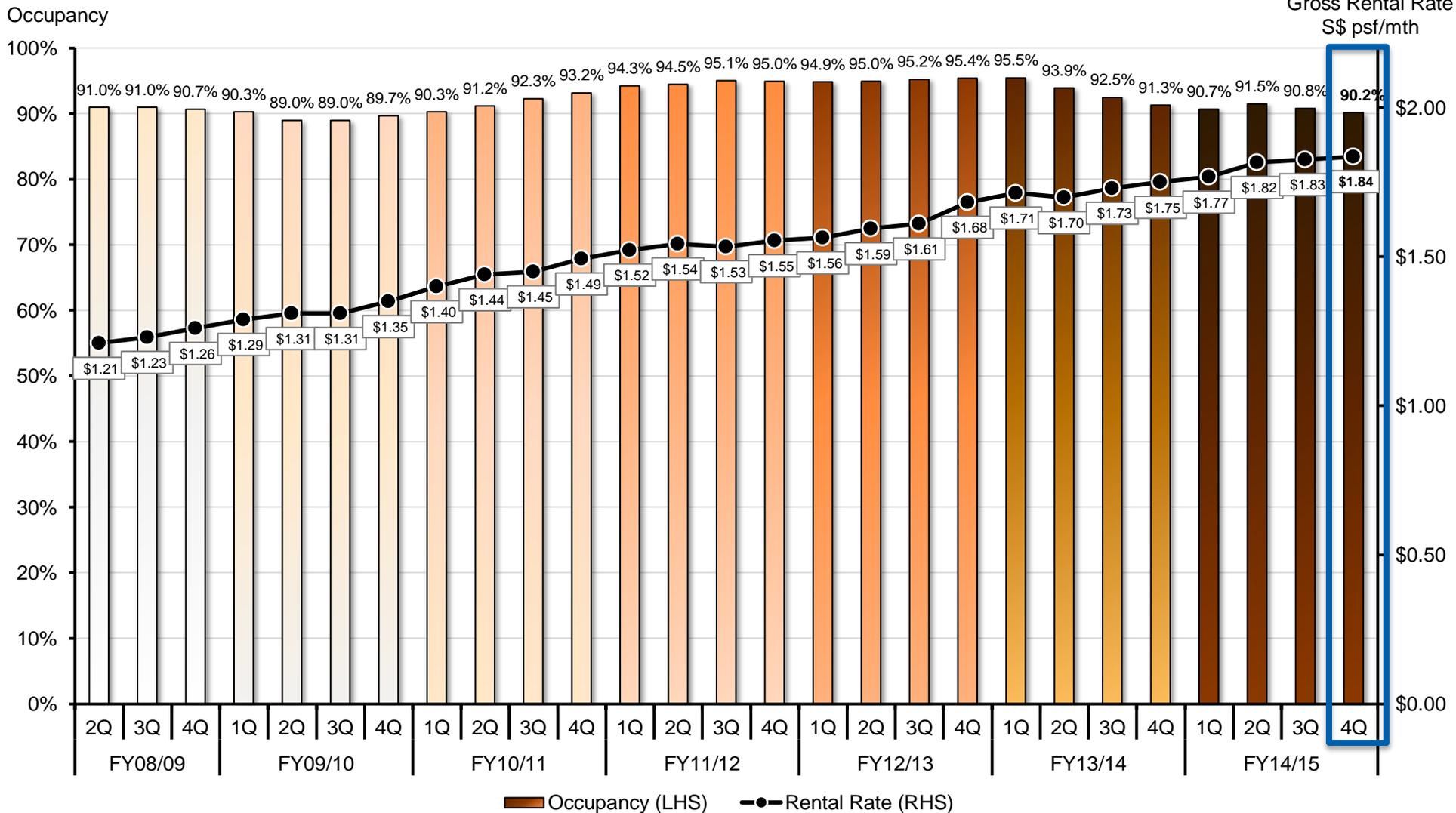


# PORTFOLIO HIGHLIGHTS

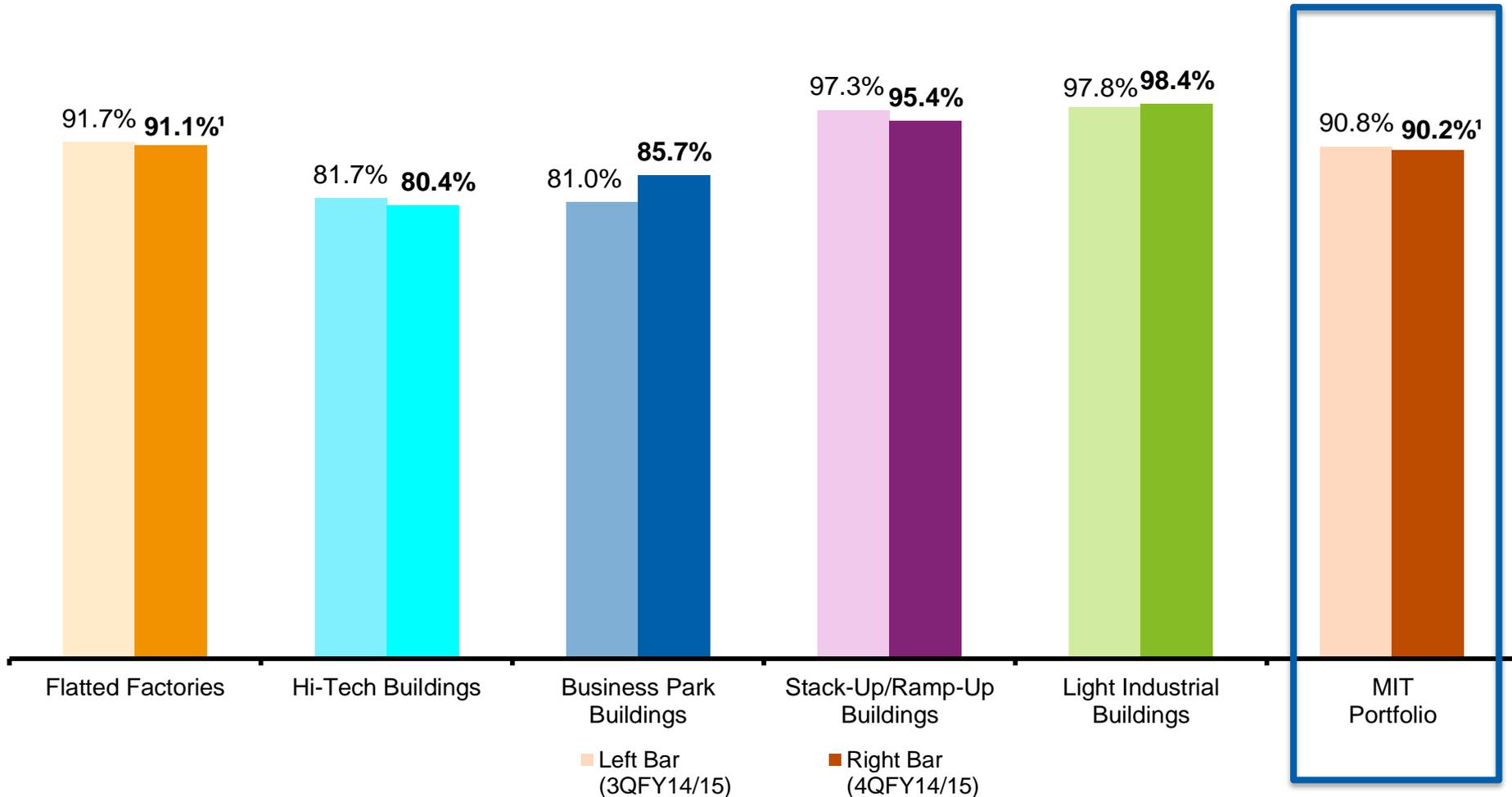


Hi-Tech Building,  
K&S Corporate Headquarters

# Resilient Portfolio Performance



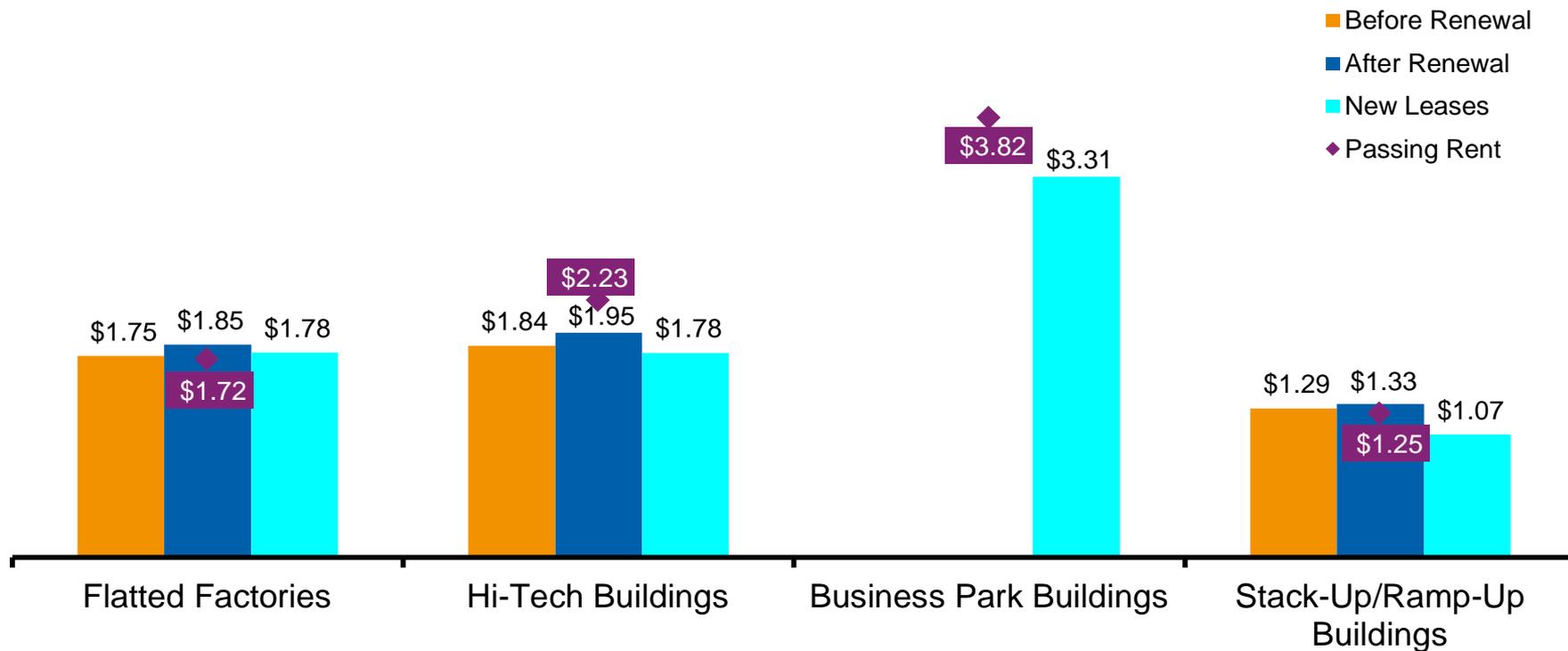
# Segmental Occupancy Levels



<sup>1</sup> The fall in occupancy rate was due to the progressive relocation of the tenants from the Telok Blangah Cluster. The Telok Blangah Cluster is being redeveloped as a BTS project for Hewlett Packard.

# Positive Rental Revisions

## Gross Rental Rate (\$\$ psf/mth)<sup>1</sup>



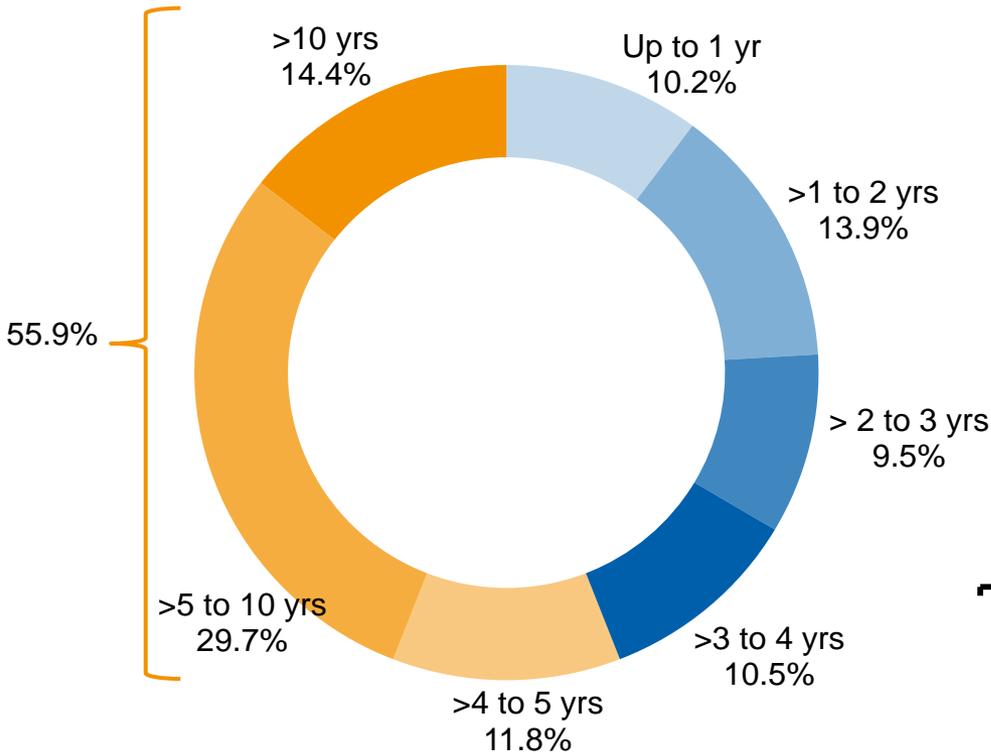
<b>Renewal Leases</b>	75 Leases (254,109 sq ft)	9 Leases (14,565 sq ft)	0 Lease	4 Leases (49,923 sq ft)
<b>New Leases</b>	49 Leases (199,063 sq ft)	14 Leases (470,686 sq ft)	6 Leases (61,893 sq ft)	2 Leases (73,033 sq ft)

For period 4QFY14/15

<sup>1</sup> Gross Rental Rate figures exclude short term leases; except Passing Rent figures which include all leases.

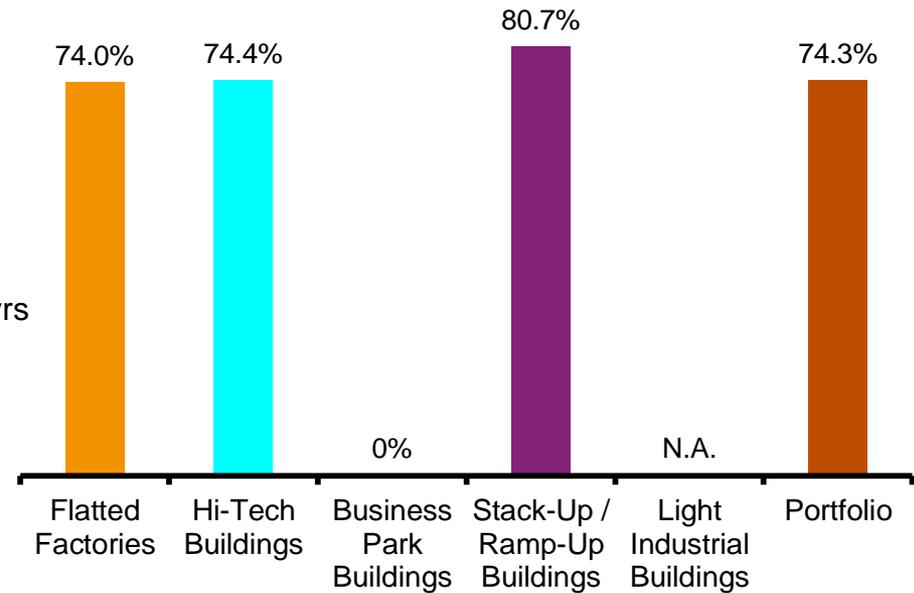
# Healthy Tenant Retention

## LONG STAYING TENANTS



As at 31 Mar 2015  
By number of tenants.

## RETENTION RATE FOR 4QFY14/15

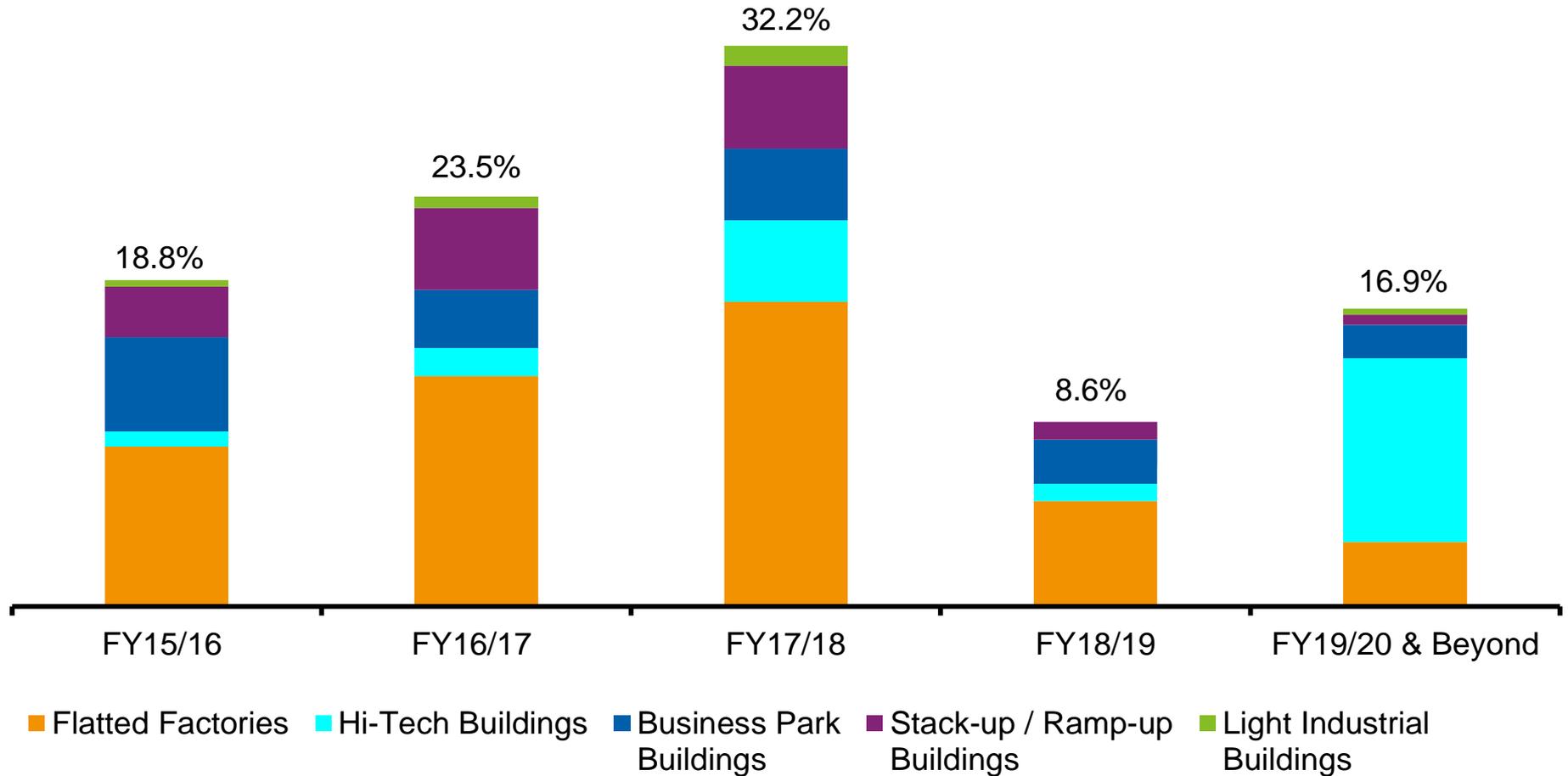


Based on NLA.  
N.A. - Not applicable as no leases were due for renewal.

- 55.9% of the tenants have leased the properties for more than 4 years
- Tenant retention rate of 74.3% in 4QFY14/15

# Lease Expiry Profile

## EXPIRING LEASES BY GROSS RENTAL INCOME (%)



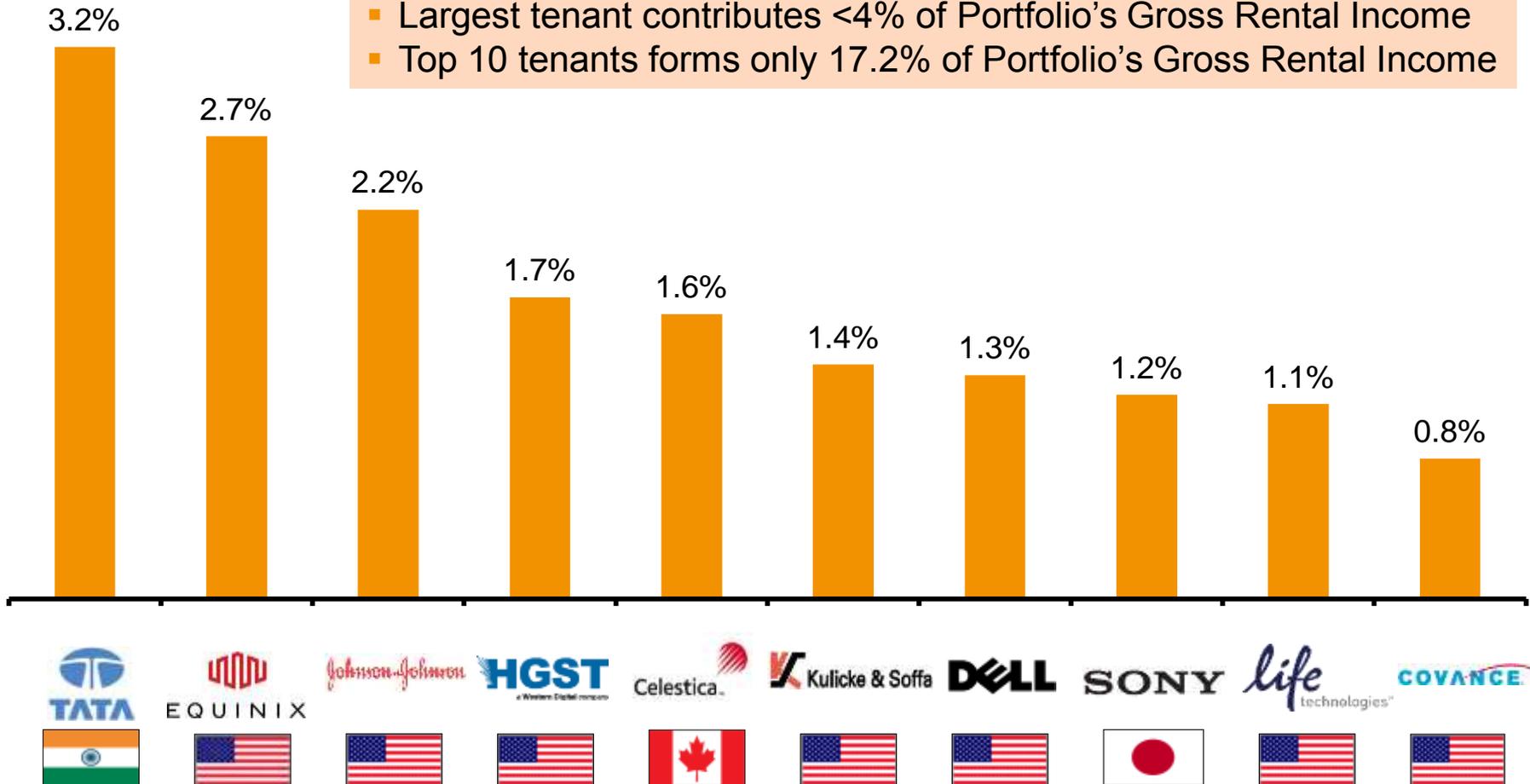
**Portfolio WALE by Gross Rental Income = 3.1 years**

As at 31 Mar 2015

# Large and Diversified Tenant Base

## TOP 10 TENANTS (BY GROSS RENTAL INCOME)

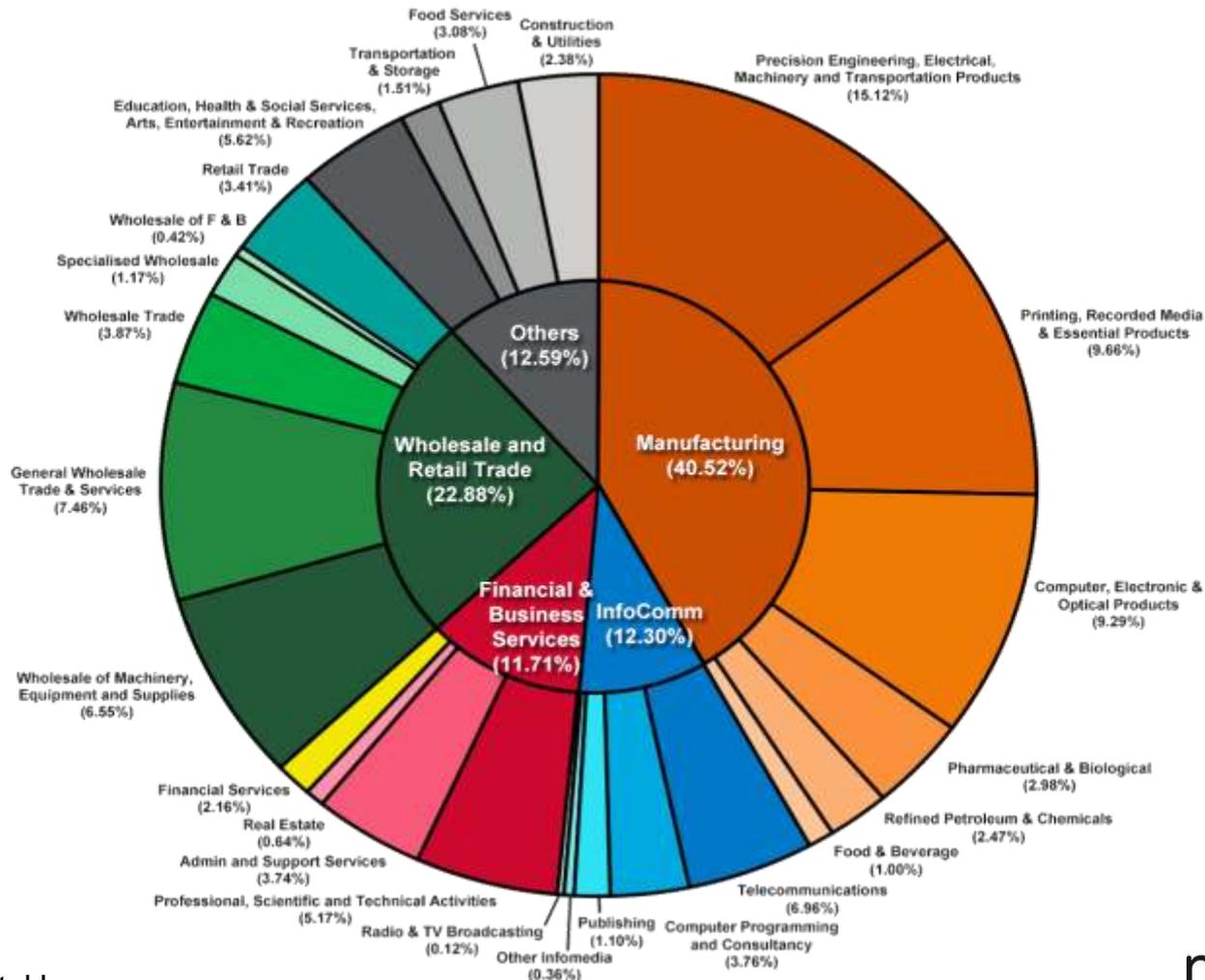
- Over 2,000 tenants
- Largest tenant contributes <4% of Portfolio's Gross Rental Income
- Top 10 tenants forms only 17.2% of Portfolio's Gross Rental Income



As at 31 Mar 2015

# Tenant Diversification Across Trade Sectors

No single trade sector accounted >16% of Portfolio's Gross Rental Income



# BTS – Equinix

Location	GFA	Estimated Cost	Date of TOP
26A Ayer Rajah Crescent	385,000 sq ft	S\$108 million	27 Jan 2015



- Completed new 7-storey data centre for Equinix
- Fully leased to Equinix for a minimum tenure of 20 years, increasing the portfolio's WALE from 2.6 years to 3.1 years
- Lease commenced with embedded annual rental escalation of 2%
- Land lease of 30 years

# BTS – Hewlett-Packard

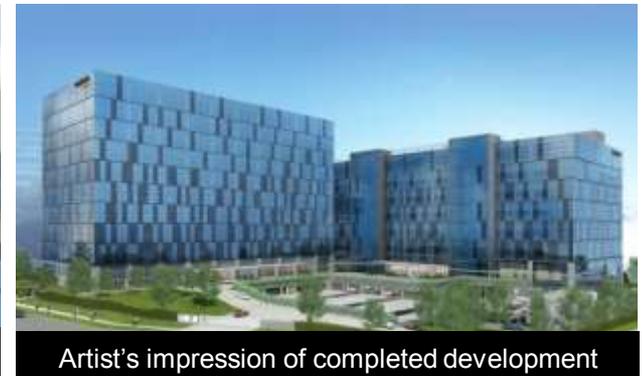
	Property	GFA	Plot Ratio
Before	Two 7-storey Flatted Factories and a canteen	437,300 sq ft	1.3
After Redevelopment	Two Hi-Tech Buildings	824,500 sq ft	2.5



Phase 1: Sub-structure works in progress



Phase 2: Demolition works in progress



Artist's impression of completed development

- Secured largest BTS project at S\$226 million<sup>1</sup> with 100% commitment by Hewlett-Packard
- Income stability from lease term of 10.5<sup>2</sup> + 5 + 5 years with annual rental escalations
- Successfully completed tenant relocation exercise with 69 of 100 tenants commenced new leases at alternative MIT clusters
- Phase 1 and Phase 2 are slated for completion in 2H2016 and 1H2017 respectively
- Land tenure of 60 years (from 1 Jul 2008)

<sup>1</sup> Includes book value of S\$56 million (as at 31 Mar 2014) for existing Telok Blangah Cluster.

<sup>2</sup> Includes a rent-free period of six months.

# Committed Sponsor with Aligned Interest

## REPUTABLE SPONSOR



- Leading Asia-focused real estate and capital management company
- Owns and manages S\$24.6 billion<sup>1</sup> of office, logistics, industrial, residential and retail/lifestyle properties
- Manages 4 Singapore-listed real estate investment trusts and 6 private equity real estate funds with assets in Singapore and across Asia
- Extensive regional network in Singapore, China, Hong Kong, India, Japan, Malaysia, South Korea and Vietnam

<sup>1</sup> As at 31 Mar 2014

<sup>2</sup> Excluding Mapletree Business City.

## BENEFITS TO MIT

- 1. Leverage on Sponsor's network**
  - Leverage on Mapletree's financial strength, market reach and network
- 2. Alignment of Sponsor's interest with Unitholders**
  - Mapletree's stake of 32.9% demonstrates support in MIT
- 3. In-house development capabilities**
  - Able to support growth of MIT by providing development capabilities
- 4. Right of First Refusal to MIT**
  - Sponsor has granted right of first refusal to MIT over future sale or acquisition of industrial or business park properties in Singapore<sup>2</sup>
  - Sponsor won the government tender for a 126,700 sq ft industrial site located next to Tai Seng MRT Station

# 4Q & FY14/15

## FINANCIAL PERFORMANCE



Flatted Factory,  
Kallang Basin 4 Cluster

# Key Highlights

- **Growth driven by higher rental rates secured for new leases and renewal leases, revenue contribution from build-to-suit (BTS) project for Equinix and acquisition of 2A Changi North Street 2**
  - ▲ FY14/15 Distributable Income: S\$180.8 million (↑ 8.9% y-o-y)
  - ▲ FY14/15 DPU: 10.43 cents (↑ 5.1% y-o-y)
  - ▲ 4QFY14/15 distributable income and DPU were S\$46.7 million and 2.65 cents respectively
- **Stable operational performance**
  - ▲ Average portfolio occupancy of 90.2% and higher portfolio passing rental rate of S\$1.84 psf/mth
  - ▲ Achieved positive rental revisions for renewal leases
- **Building momentum in growing Hi-Tech Buildings segment**
  - ▲ Obtained Temporary Occupation Permit (TOP) for Equinix on 27 Jan 2015
  - ▲ Full commencement of redevelopment of Telok Blangah Cluster in Mar 2015 following successful relocation of 69% of tenants to alternative MIT clusters
- **Higher portfolio value of S\$3,424.2 million**
  - ▲ Portfolio revaluation gain of S\$197.4 million and capitalised cost of S\$57.2 million from developments and acquisition
- **Prudent capital management**
  - ▲ Hedged borrowings of 87% to minimise impact of interest rate volatility on distributions

# Statement of Total Returns (Year-on-Year)

	4QFY14/15 (S\$'000)	4QFY13/14 (S\$'000)	↑ / (↓)
Gross revenue	79,408	75,169	5.6%
Property operating expenses	(21,637)	(21,874)	(1.1%)
<b>Net property income</b>	<b>57,771</b>	<b>53,295</b>	<b>8.4%</b>
Interest on borrowings	(6,185)	(5,828)	6.1%
Trust expenses	(6,807)	(6,341)	7.3%
<b>Net income</b>	<b>44,779</b>	<b>41,126</b>	<b>8.9%</b>
Net fair value gain on investment properties and investment property under development	197,424	150,701	31.0%
<b>Total return for the period before tax</b>	<b>242,203</b>	<b>191,827</b>	<b>26.3%</b>
Income tax credit / (expense)	7 <sup>1</sup>	(72) <sup>2</sup>	(109.7%)
<b>Total return for period after tax</b>	<b>242,210</b>	<b>191,755</b>	<b>26.3%</b>
Net non-tax deductible items	(195,484)	(149,142)	31.1%
<b>Amount available for distribution</b>	<b>46,726</b>	<b>42,613</b>	<b>9.7%</b>
<b>Distribution per Unit (cents)</b>	<b>2.65</b>	<b>2.51</b>	<b>5.6%</b>

Footnotes:

<sup>1</sup> The income tax credit relates mainly to adjustment passed upon finalisation of industrial building allowance claimed when MIT was a private trust.

<sup>2</sup> The income tax expense relates mainly to industrial building allowances claimed when MSIT was a private trust, which has been disallowed by IRAS.

# Statement of Total Returns (Year-on-Year)

	FY14/15 (S\$'000)	FY13/14 (S\$'000)	↑ / (↓)
Gross revenue	313,873	299,276	4.9%
Property operating expenses	(85,260)	(84,537)	0.9%
<b>Net property income</b>	<b>228,613</b>	<b>214,739</b>	<b>6.5%</b>
Interest on borrowings	(23,785)	(25,908)	(8.2%)
Trust expenses	(26,836)	(25,207)	6.5%
<b>Net income</b>	<b>177,992</b>	<b>163,624</b>	<b>8.8%</b>
Net fair value gain on investment properties and investment property under development	197,424	150,701	31.0%
<b>Total return for the year before tax</b>	<b>375,416</b>	<b>314,325</b>	<b>19.4%</b>
Income tax expense	(1,076) <sup>1</sup>	(72) <sup>2</sup>	1,394.4%
<b>Total return for the year after tax</b>	<b>374,340</b>	<b>314,253</b>	<b>19.1%</b>
Net non-tax deductible items	(193,503)	(148,142)	30.6%
<b>Amount available for distribution</b>	<b>180,837</b>	<b>166,111</b>	<b>8.9%</b>
<b>Distribution per Unit (cents)</b>	<b>10.43</b>	<b>9.92</b>	<b>5.1%</b>

Footnotes:

<sup>1</sup> The income tax expense relates mainly to industrial building allowances claimed when MIT was a private trust, which has been disallowed by IRAS.

<sup>2</sup> The income tax expense relates mainly to industrial building allowances claimed when MSIT was a private trust, which has been disallowed by IRAS.

# Statement of Total Returns (Qtr-on-Qtr)

	4QFY14/15 (S\$'000)	3QFY14/15 (S\$'000)	↑ / (↓)
Gross revenue	79,408	78,131	1.6%
Property operating expenses	(21,637)	(20,155)	7.4%
<b>Net property income</b>	<b>57,771</b>	<b>57,976</b>	<b>(0.4%)</b>
Interest on borrowings	(6,185)	(5,775)	7.1%
Trust expenses	(6,807)	(6,689)	1.8%
<b>Net income</b>	<b>44,779</b>	<b>45,512</b>	<b>(1.6%)</b>
Net fair value gain on investment properties and investment property under development	197,424	-	N.M.*
<b>Total return for the period before tax</b>	<b>242,203</b>	<b>45,512</b>	<b>432.2%</b>
Income tax credit	7 <sup>1</sup>	-	N.M.*
<b>Total return for the period after tax</b>	<b>242,210</b>	<b>45,512</b>	<b>432.2%</b>
Net non-tax deductible items	(195,484)	439	N.M.*
<b>Amount available for distribution</b>	<b>46,726</b>	<b>45,951</b>	<b>1.7%</b>
<b>Distribution per Unit (cents)</b>	<b>2.65</b>	<b>2.67</b>	<b>(0.7%)</b>

\*N.M. - Not meaningful.

Footnote:

<sup>1</sup> The income tax credit relates mainly to adjustment passed upon finalisation of industrial building allowance claimed when MIT was a private trust.

# Balance Sheet

	31 Mar 2015	31 Dec 2014	↑ / (↓)
Total Assets (S\$'000)	3,515,954	3,302,229	6.5%
Total Liabilities (S\$'000)	1,203,771	1,211,030	(0.6%)
<b>Net Assets Attributable to Unitholders (S\$'000)</b>	<b>2,312,183</b>	<b>2,091,199</b>	<b>10.6%</b>
<b>Net Asset Value per Unit (S\$)</b>	<b>1.32</b>	<b>1.21</b>	<b>9.1%</b>

# Portfolio Valuation

Property segment	Valuation as at 31 Mar 2015 (S\$ m)	Valuation as at 31 Mar 2014 (S\$ m)	Capitalisation rate
Flatted Factories <sup>1</sup>	1,531.2	1,534.7	6.50% to 7.25%
Hi-Tech Buildings <sup>1</sup>	805.9	599.2	6.50 to 7.00%
Business Park Buildings	549.8	533.4	6.25%
Stack-up/Ramp-up Buildings	441.2	423.2	7.00%
Light Industrial Buildings	96.1	79.1	6.50% to 6.75%
<b>Total</b>	<b>3,424.2</b>	<b>3,169.6</b>	

- Valuation of portfolio increased 8.0% to S\$3,424.2 million; increase in valuation was due to a portfolio revaluation gain of S\$197.4 million and capitalised cost of S\$57.2 million from developments and acquisition
- Revaluation gain of S\$197.4 million was driven by commencement of redevelopment of Telok Blangah Cluster<sup>1</sup> and improved portfolio performance
- Net Asset Value per Unit increased from S\$1.20 as at 31 March 2014 to S\$1.32 as at 31 March 2015

<sup>1</sup> The redevelopment of the Telok Blangah Cluster as a BTS facility for Hewlett-Packard had commenced in FY14/15. On 31 March 2015, the Telok Blangah Cluster was reclassified from a Flatted Factory Cluster to a Hi-Tech Building Cluster.

# Strong Balance Sheet

	As at 31 Mar 2015	As at 31 Dec 2014
Total Debt	<b>S\$1,076.6 million</b>	S\$1,085.6 million
Aggregate Leverage Ratio	<b>30.6%</b>	32.8%
Fixed as a % of Total Debt	<b>87%</b>	86%
Weighted Average Tenor of Debt	<b>3.7 years</b>	4.0 years

	4QFY14/15	3QFY14/15
Weighted Average All-in Funding Cost	<b>2.3%</b>	2.2%
Interest Coverage Ratio*	<b>8.0 times</b>	8.1 times

## Strong balance sheet to pursue growth opportunities

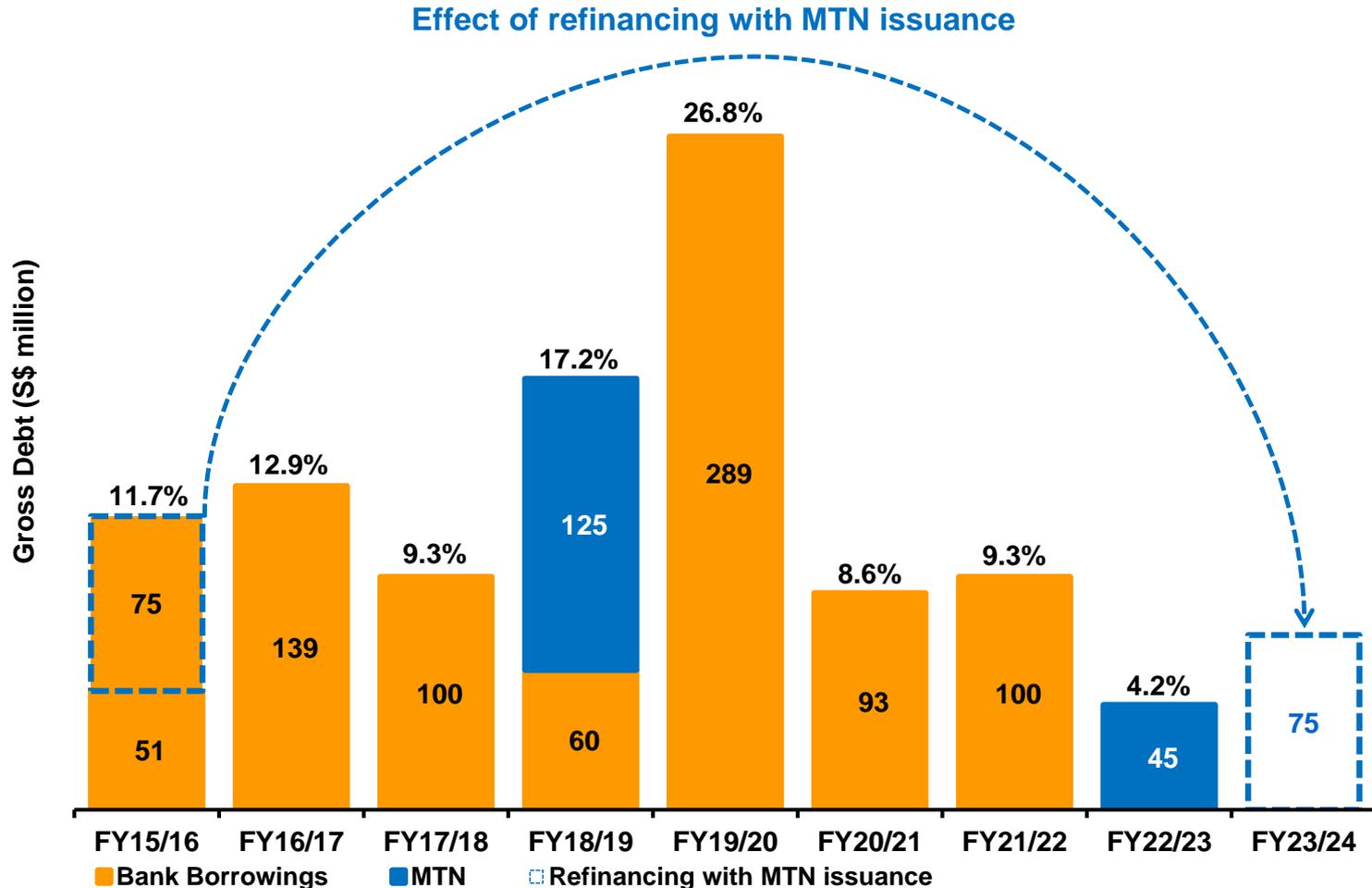
- Proceeds of S\$21.8 million from DRP in 3QFY14/15 mainly used to fund development costs, repay loans drawn previously to fund such costs and balance S\$6.1 million available to fund future project requirements
- 'BBB+' rating with Stable Outlook by Fitch Ratings
- 100% of loans unsecured with minimal covenants

\* - Includes capitalised interest

# Proforma Debt Maturity Profile After Refinancing

## DEBT MATURITY PROFILE

- Successful issuance of S\$75 million 3.02% 8-year fixed rate notes on 11 May 2015
- Increased weighted average tenor of debt from 3.7 years to 4.2 years



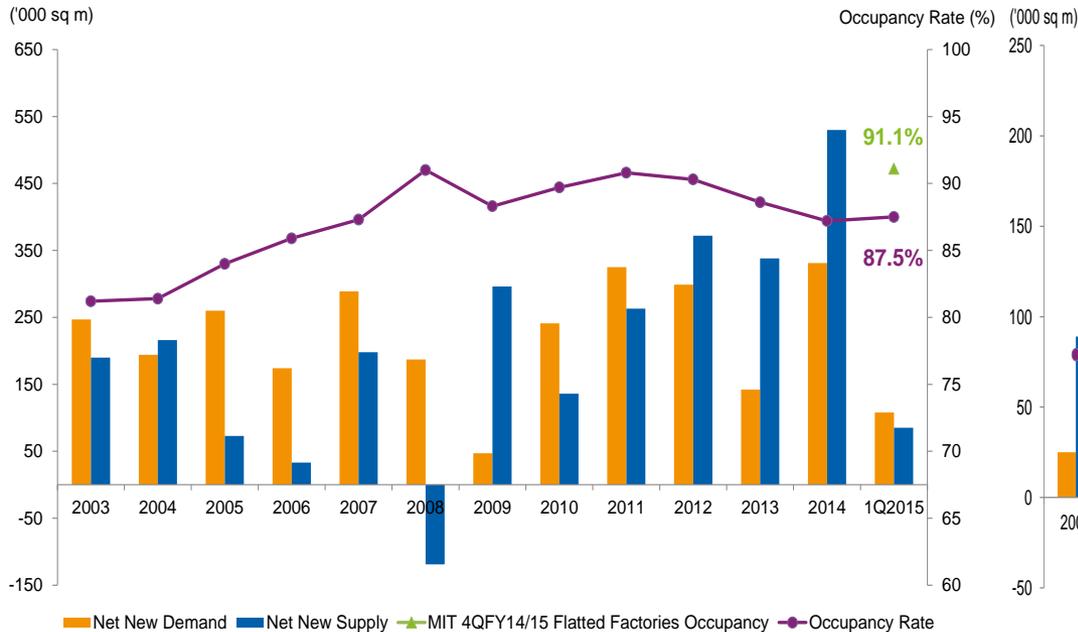
# OUTLOOK AND STRATEGY



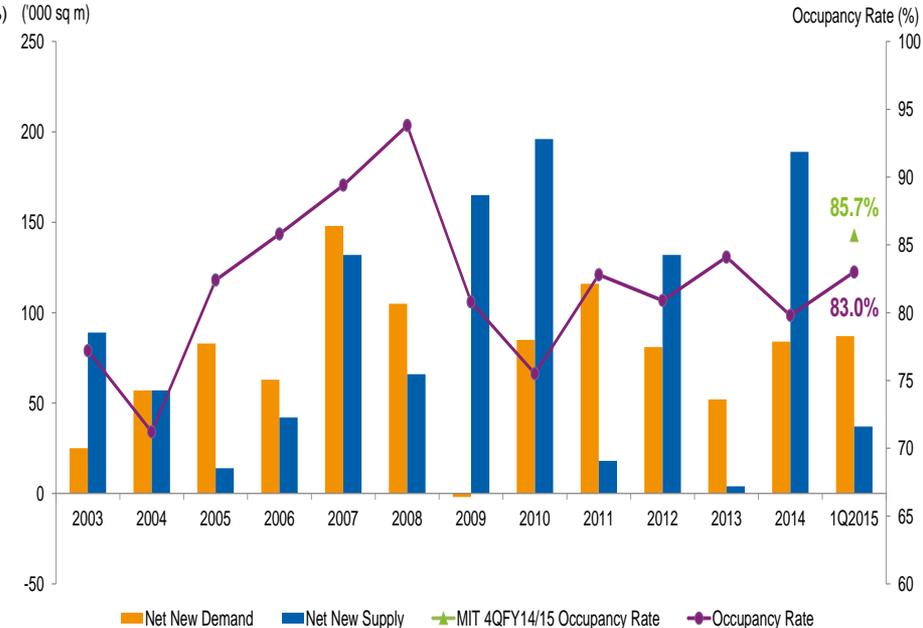
Business Park Buildings,  
The Strategy and The Synergy

# Market Outlook

## DEMAND AND SUPPLY FOR MULTI-USER FACTORIES



## DEMAND AND SUPPLY FOR BUSINESS PARKS



- The economy grew by 2.1% year-on-year basis in the quarter ended 31 Mar 2015, same rate of growth in the preceding quarter<sup>1</sup>
- Average rents for industrial real estate for 4QFY14/15<sup>2</sup>
  - ▲ Multi-user Factory Space: S\$1.95 psf/mth (-1.5% q-o-q)
  - ▲ Business Park Space: S\$4.00 psf/mth (-2.2% q-o-q)
- Overall rents for multi-user industrial developments are expected to ease further due to supply pressures while rents for business parks and higher specification buildings are expected to strengthen on the back of a tightening in supply<sup>3</sup>

<sup>1</sup> Ministry of Trade and Industry (Advance Estimates), 14 Apr 2015

<sup>2</sup> URA/JTC Realis

<sup>3</sup> Singapore industrial property market 1Q2015 report by Colliers International Research

# Positioned for Growth

## Stable and Resilient Portfolio

- Achieved positive rental revisions for renewal leases
- Net Asset Value per Unit increased by 10% to S\$1.32, due primarily to portfolio revaluation gain of S\$197.4 million

## Enhanced Financial Flexibility

- 87% of gross borrowings hedged via interest rate swaps and fixed rate borrowings
- Application of DRP for 4QFY14/15 distribution to finance progressive payment requirements of development projects
- Well-spread debt maturities with the issuance of S\$75 million fixed rate Notes

## Growth by Acquisitions and Developments

- Obtained TOP for BTS data centre for Equinix on 27 Jan 2015
- BTS development for Hewlett-Packard on track for completion in 1H2017



## End of Presentation

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