



1QFY17/18 Financial Results

25 July 2017

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1 Key Highlights – 1 Apr 2017 to 30 Jun 2017

2 1QFY17/18 Financial Performance

3 Portfolio Update

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KEY HIGHLIGHTS

1 APR 2017 TO 30 JUN 2017



Flatted Factory, Kolam Ayer 1

- ✦ **Consistent performance driven mainly by revenue contribution from Phase One of build-to-suit (“BTS”) project for HP Singapore (“HP”)**
 - 1QFY17/18 Distributable Income: S\$52.9 million (▲ 2.7% y-o-y)
 - 1QFY17/18 DPU: 2.92 cents (▲ 2.5% y-o-y)

- ✦ **Portfolio performance in 1QFY17/18**
 - Average portfolio passing rental rate increased to S\$1.95 psf/mth
 - Average portfolio occupancy of 92.6%

- ✦ **Successfully completed largest BTS project for HP in Jun 2017**
 - Phase Two lease will commence on 1 Sep 2017 with a rent-free period of 4.5 months

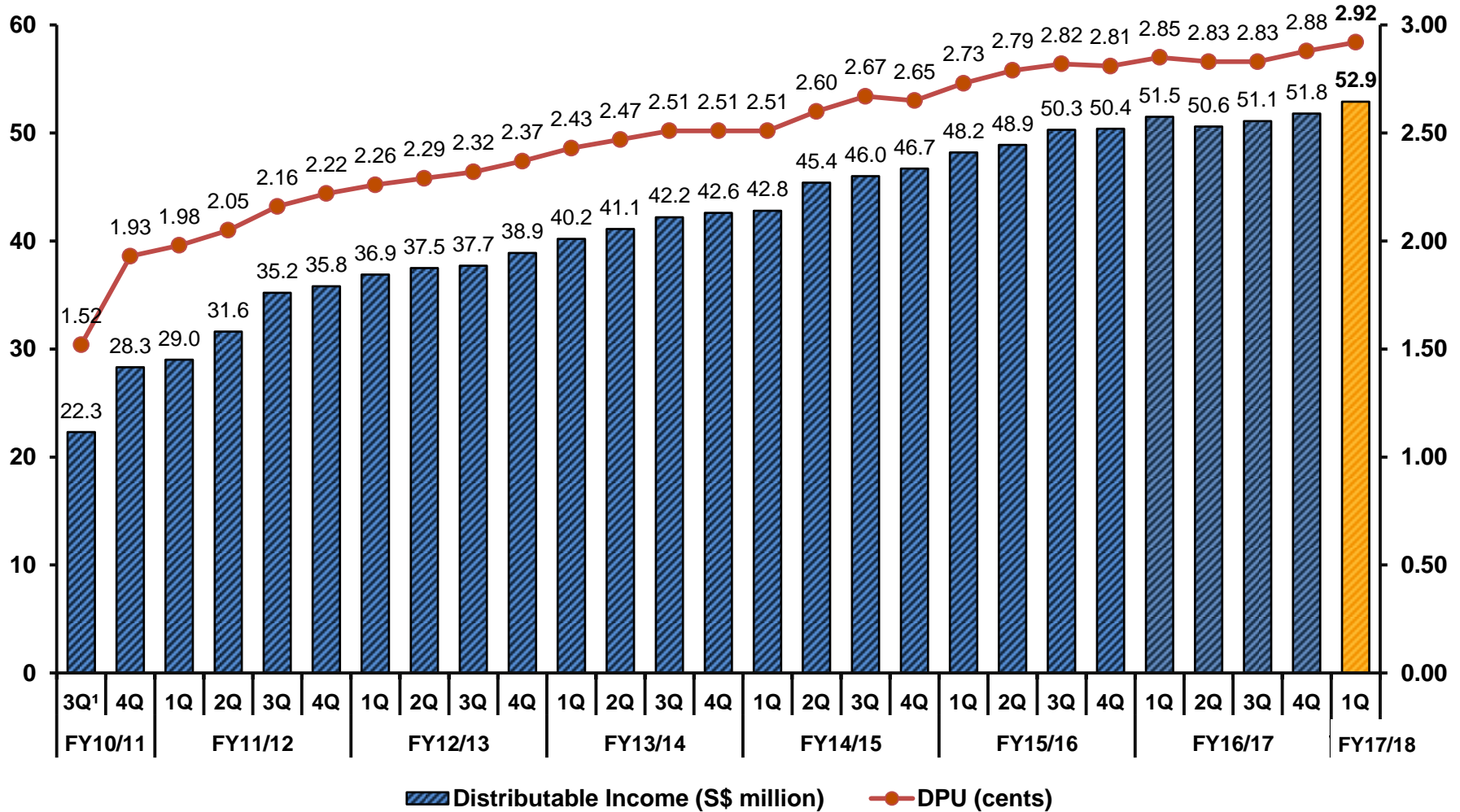
- ✦ **Divestment of 65 Tech Park Crescent was announced in 1QFY17/18 and completed on 20 Jul 2017**

- ✦ **Prudent capital management**
 - Low aggregate leverage of 29.8%
 - Hedged borrowings of 72.8%

Sustainable and Growing Returns

Distributable Income
(S\$ million)

DPU
(cents)



¹ MIT was listed on 21 Oct 2010.

1QFY17/18 FINANCIAL PERFORMANCE



Hi-Tech Buildings, build-to-suit project for HP

Statement of Total Returns (Year-on-Year)

	1QFY17/18 (S\$'000)	1QFY16/17 (S\$'000)	↑ / (↓)
Gross revenue	88,812	84,092	5.6%
Property operating expenses	(20,620)	(20,293)	1.6%
Net property income	68,192	63,799	6.9%
Borrowing costs	(7,874)	(6,481)	21.5%
Trust expenses	(7,693)	(7,187)	7.0%
Total return for the period before tax	52,625	50,131	5.0%
Income tax credit	-	*	**
Total return for the period after tax	52,625	50,131	5.0%
Net non-tax deductible items	280	1,381	(79.7%)
Amount available for distribution	52,905	51,512	2.7%
Distribution per Unit (cents)	2.92	2.85	2.5%

* Amount less than S\$1,000

** Not meaningful

Statement of Total Returns (Qtr-on-Qtr)

	1QFY17/18 (S\$'000)	4QFY16/17 (S\$'000)	↑ / (↓)
Gross revenue	88,812	87,812	1.1%
Property operating expenses	(20,620)	(21,840)	(5.6%)
Net property income	68,192	65,972	3.4%
Borrowing costs	(7,874)	(7,263)	8.4%
Trust expenses	(7,693)	(7,374)	4.3%
Net income	52,625	51,335	2.5%
Net fair value gain on investment properties and investment properties under development	-	70,236	**
Total return for the period before tax	52,625	121,571	(56.7%)
Income tax expense	-	(*)	**
Total return for the period after tax	52,625	121,571	(56.7%)
Net non-tax deductible items	280	(69,821)	**
Amount available for distribution	52,905	51,750	2.2%
Distribution per Unit (cents)	2.92	2.88	1.4%

* Amount less than S\$1,000

** Not meaningful

Balance Sheet

	30 Jun 2017	31 Mar 2017	↑ / (↓)
Total assets (S\$'000)	3,819,454	3,798,061	0.6%
Total liabilities (S\$'000)	1,288,313	1,265,272	1.8%
Net assets attributable to Unitholders (S\$'000)	2,531,141	2,532,789	(0.1%)
Net asset value per Unit (S\$)¹	1.40²	1.41	(0.7%)

¹ Net tangible asset per unit was the same as net asset value per unit as there were no intangible assets as at the statement of position dates.

² The net asset value per Unit as at 30 Jun 2017 was lower for MIT Group and MIT mainly arising from the lower valuation of the interest rate swaps recognised in the hedging reserve as at 30 Jun 2017.

Strong Balance Sheet

	30 Jun 2017	31 Mar 2017
Total debt	S\$1,139.5 million	S\$1,107.9 million
Aggregate leverage ratio	29.8%	29.2%
Weighted average tenor of debt	3.4 years	3.5 years

Strong balance sheet to pursue growth opportunities

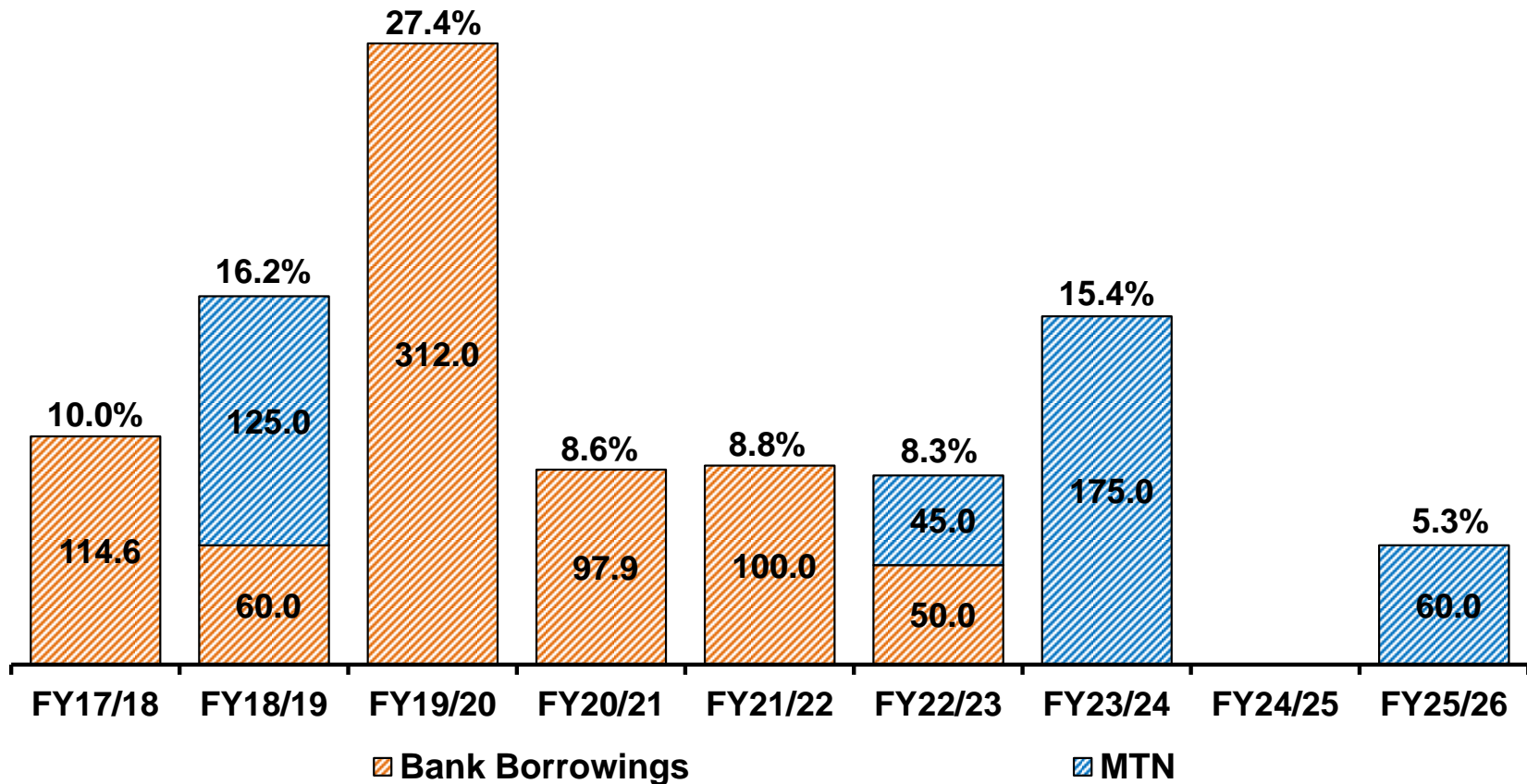
- ✦ 'BBB+' rating with Stable Outlook by Fitch Ratings
- ✦ 100% of loans unsecured with minimal covenants

Well Diversified Debt Maturity Profile

DEBT MATURITY PROFILE

As at 30 June 2017

Weighted Average Tenor of Debt = 3.4 years



* Amounts in S\$ million

Interest Rate Risk Management

	30 Jun 2017	31 Mar 2017
Fixed as a % of total debt	72.8%	74.9%
Weighted average hedge tenor	3.7 years	4.0 years
	1QFY17/18	4QFY16/17
Weighted average all-in funding cost	2.8%	2.7%
Interest coverage ratio	7.2 times	7.7 times

- ✦ No hedges are due to expire in FY17/18

PORTFOLIO UPDATE



Business Park Buildings, The Strategy and The Synergy

86 Properties¹ Across 5 Property Segments

Portfolio Value¹

\$S\$3.77 billion

Total GFA (sq ft)

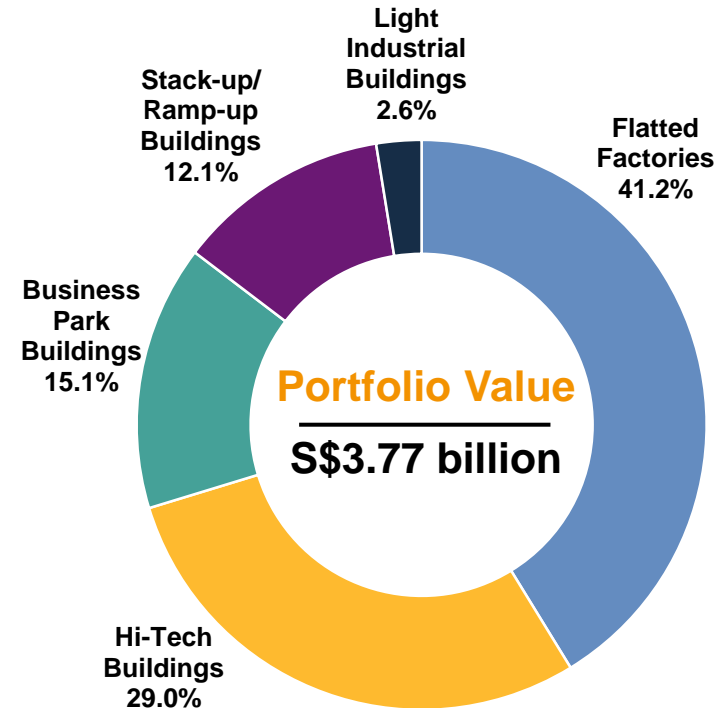
20.5 million

Total NLA (sq ft)

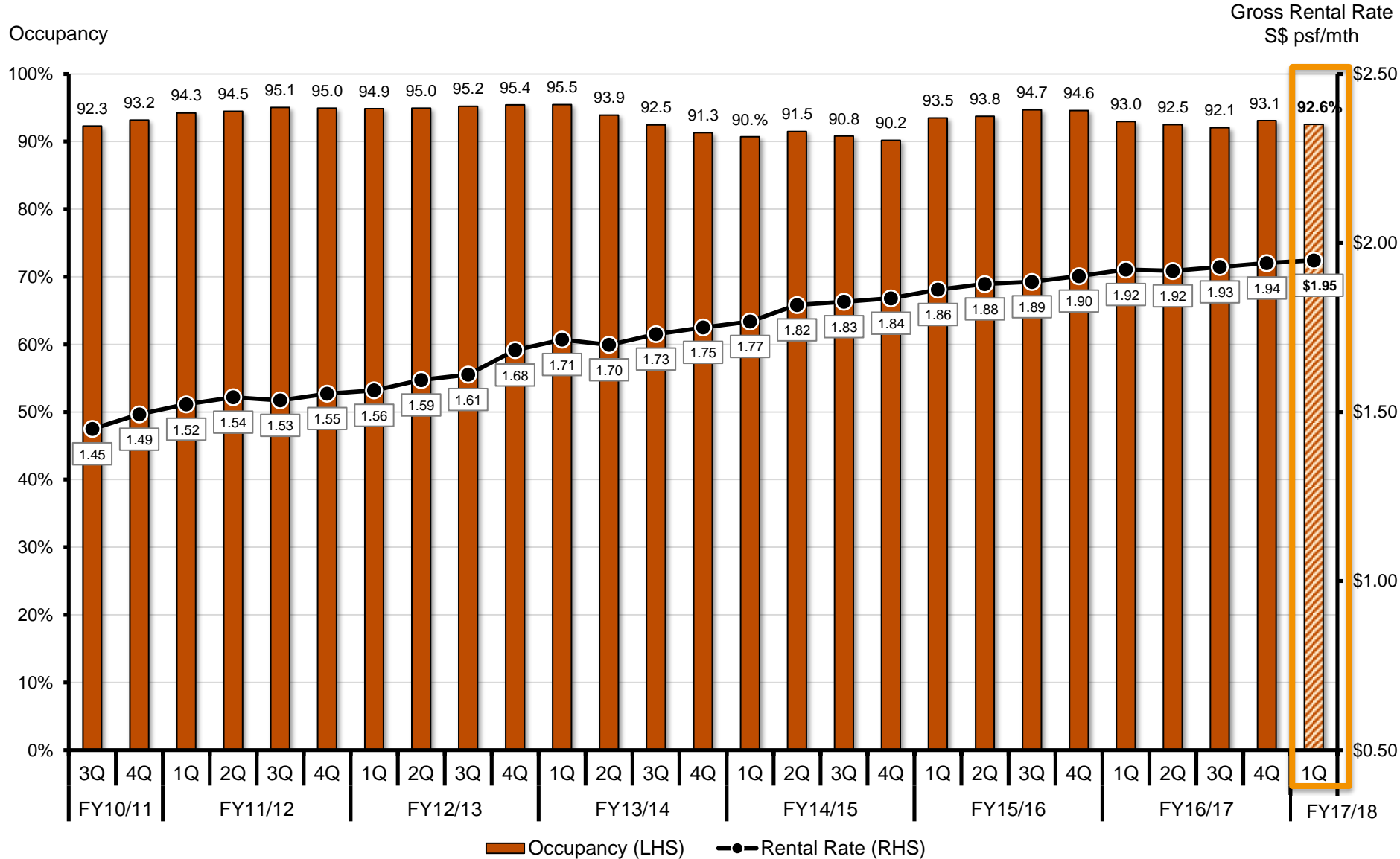
15.6 million

Tenant Base

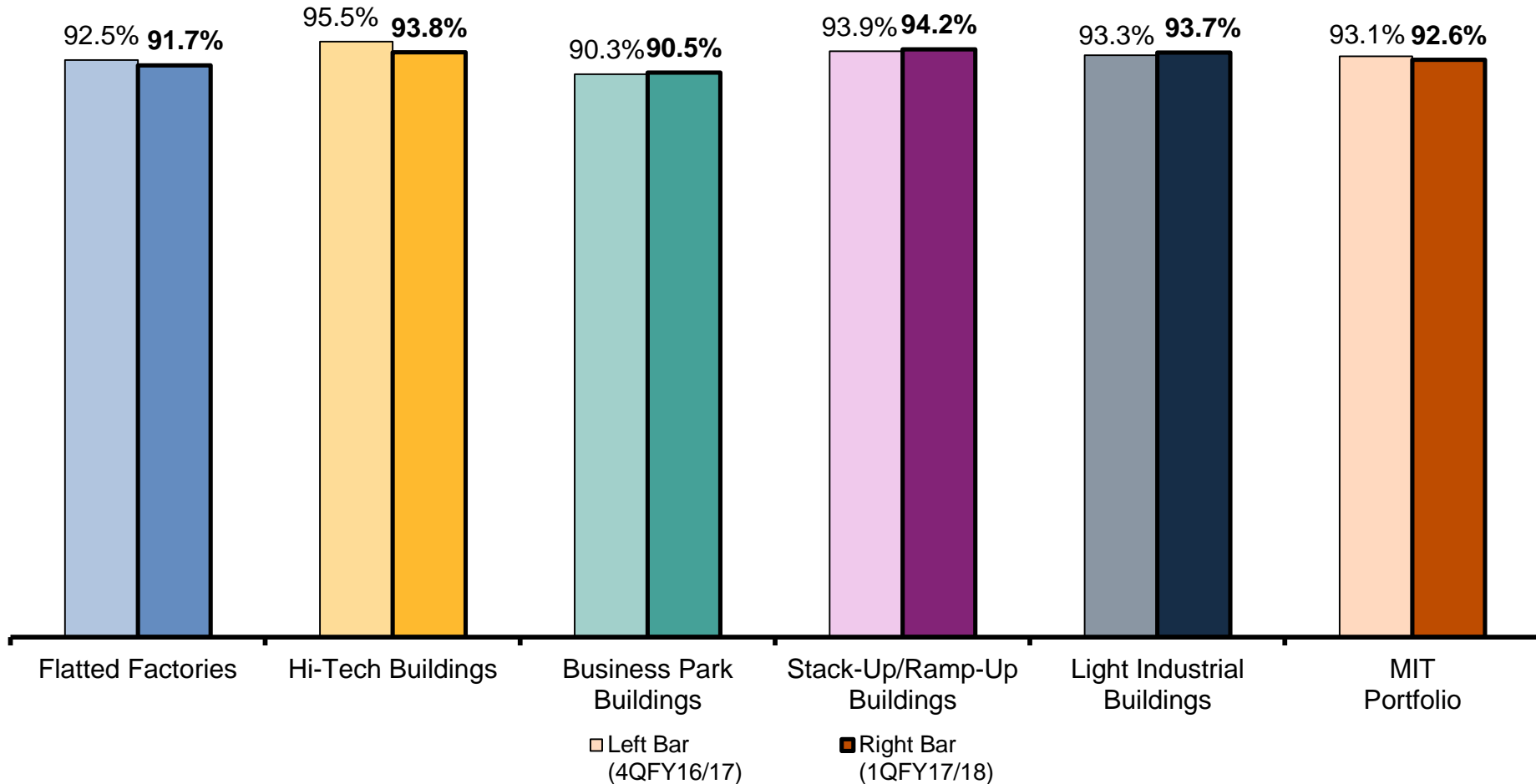
>2,000 tenants



Portfolio Performance



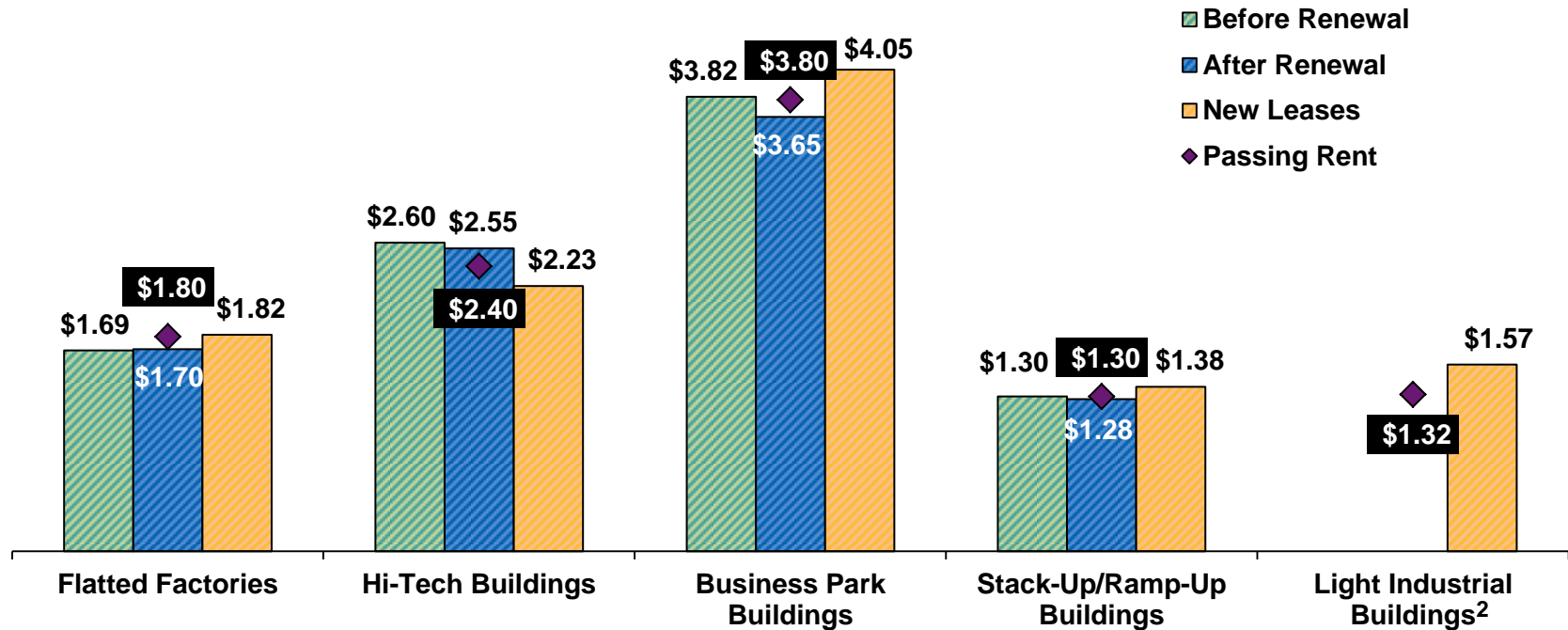
Segmental Occupancy Levels



Rental Revisions

Gross Rental Rate (\$/psf/mth)¹

For period 1QFY17/18

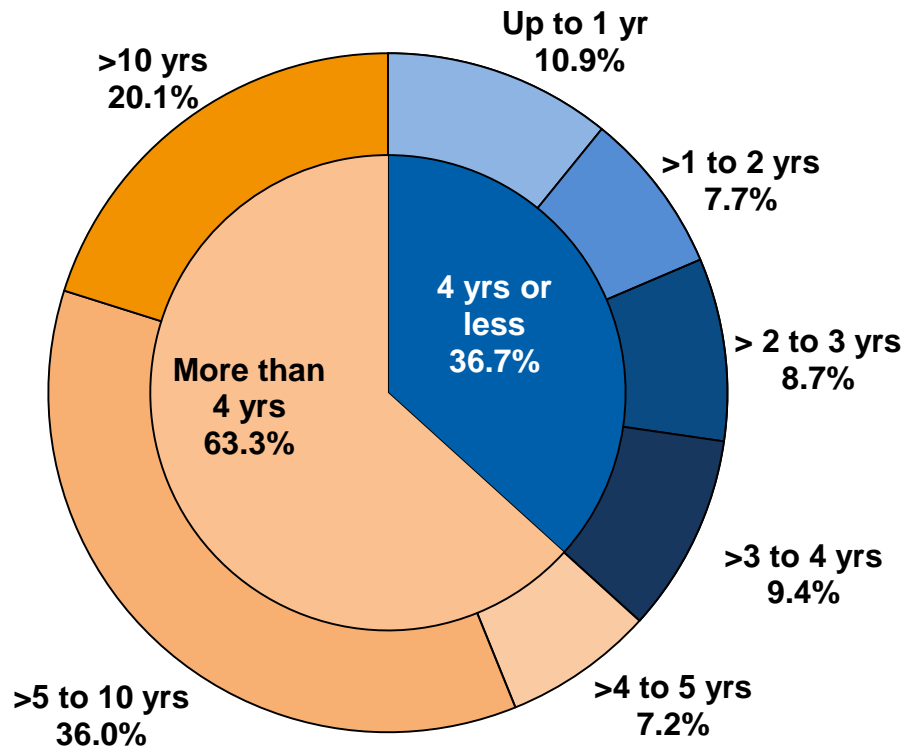


Renewal Leases	167 Leases (484,524 sq ft)	23 Leases (86,743 sq ft)	12 Leases (102,387 sq ft)	13 Leases (254,967 sq ft)	-
New Leases	45 Leases (83,763 sq ft)	13 Leases (55,743 sq ft)	11 Leases (23,631 sq ft)	3 Leases (35,005 sq ft)	2 Leases (18,891 sq ft)

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

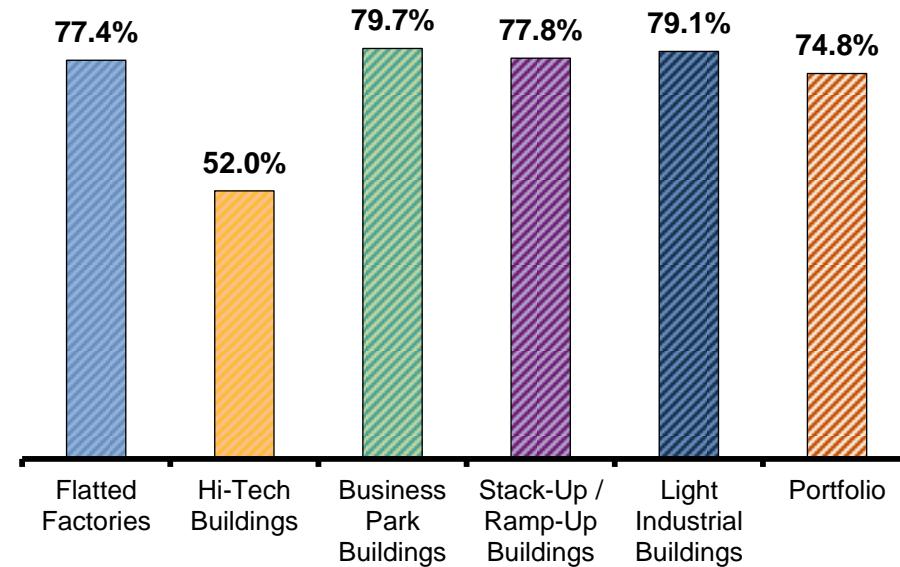
² Excluded information on the sole renewal lease at Light Industrial Buildings for confidentiality.

LONG STAYING TENANTS



As at 30 Jun 2017
By number of tenants.

RETENTION RATE FOR 1QFY17/18

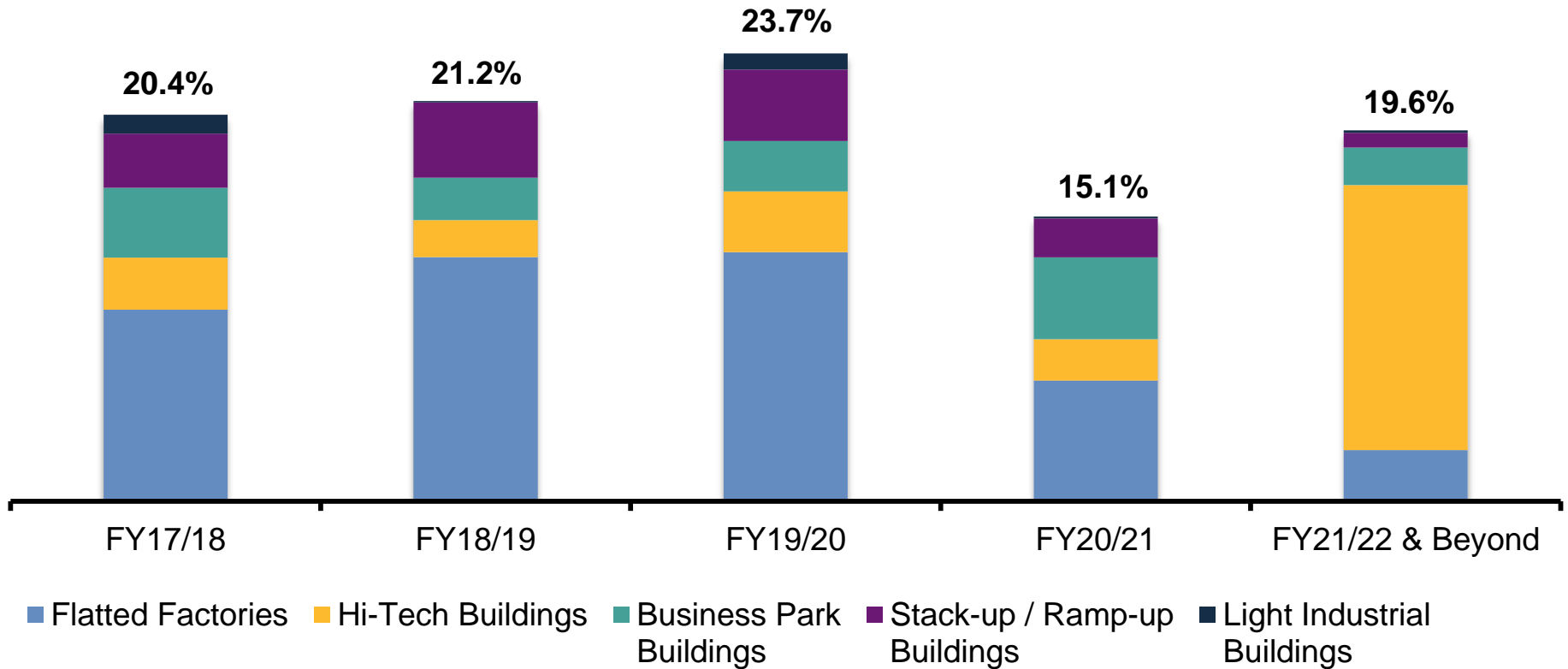


Based on NLA.

- ✦ 63.3% of the tenants have leased the properties for more than 4 years
- ✦ Tenant retention rate of 74.8% in 1QFY17/18

EXPIRING LEASES BY GROSS RENTAL INCOME

As at 30 June 2017



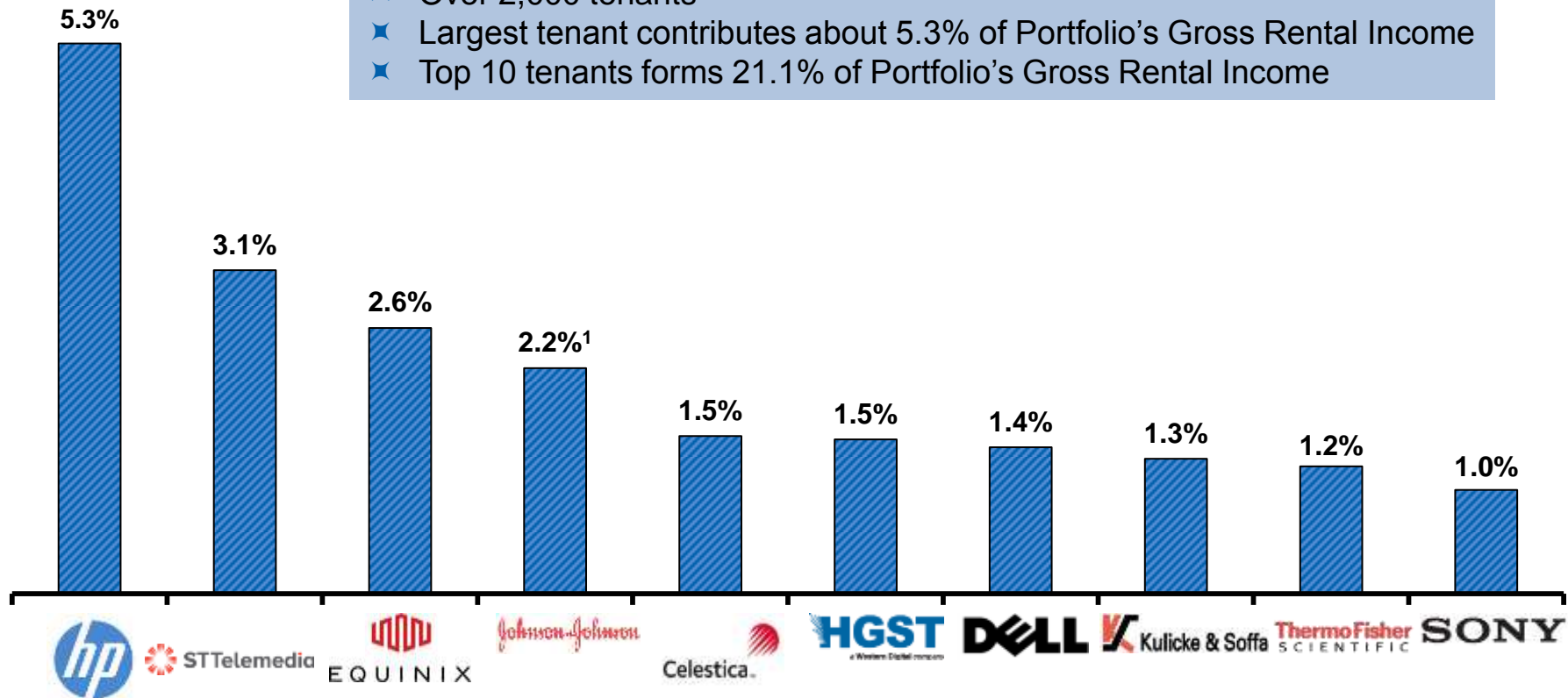
Portfolio WALE by Gross Rental Income = 3.1 years

Large and Diversified Tenant Base

TOP 10 TENANTS BY GROSS RENTAL INCOME

As at 30 June 2017

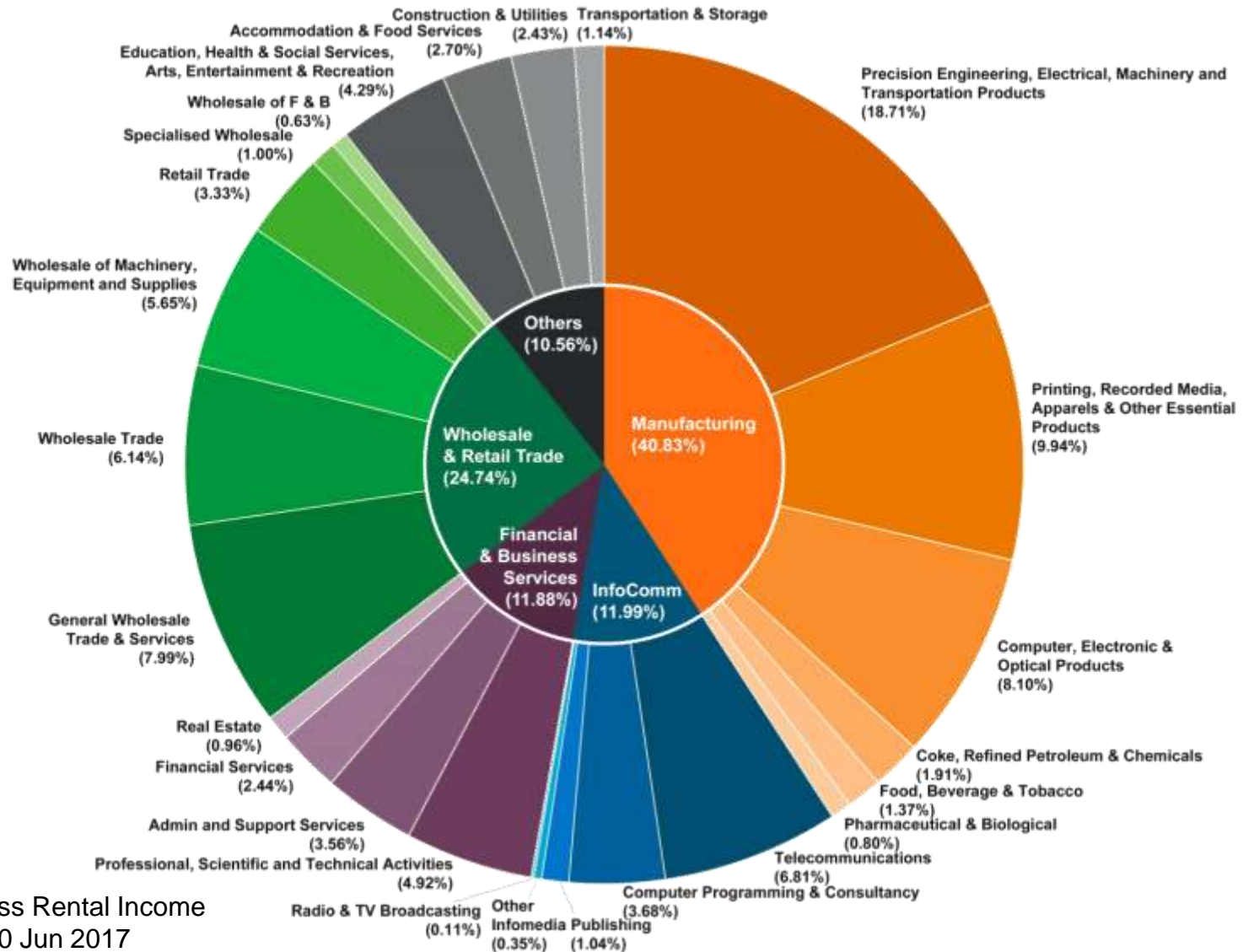
- ✦ Over 2,000 tenants
- ✦ Largest tenant contributes about 5.3% of Portfolio's Gross Rental Income
- ✦ Top 10 tenants forms 21.1% of Portfolio's Gross Rental Income



¹ Johnson & Johnson Pte. Ltd. will be terminating its lease 9 months earlier on 30 Sep 2017 with compensation of S\$3.1 million.

Tenant Diversification Across Trade Sectors

No single trade sector accounted >19% of Portfolio's Gross Rental Income



By Gross Rental Income
As at 30 Jun 2017



***INVESTMENT
UPDATE***

Stack-up/Ramp-up Buildings, Woodlands Spectrum

BTS Project – 1 and 1A Depot Close



- ✦ Completed MIT's first redevelopment project of a Flatted Factory Cluster into a purpose-built facility for HP
- ✦ 100% committed by HP for lease term of 10.5 + 5 + 5 years¹ with annual rental escalations
- ✦ Phase One has a 6-month rent-free period²
- ✦ Phase Two lease will commence on 1 Sep 2017 with a rent-free period of 4.5 months³

Estimated Cost
S\$226 million⁴

GFA
824,500 sq ft

Completed
Phase One: TOP on 21 Oct 2016
Phase Two: TOP on 22 Jun 2017

¹ Rents are on a gross basis. MIT is responsible for property tax and property operating expenses.

² Distributed over the first 18 months.

³ The first 2 months of rent-free period will begin upon the lease commencement while the remaining 2.5 months will be distributed evenly over the period from 1 Sep 2018 to 29 Feb 2020.

24 ⁴ Includes book value of S\$56 million (as at 31 Mar 2014) prior to commencement of redevelopment



Estimated Cost
S\$77 million

Additional GFA
336,000 sq ft

Completion
1Q2018

- ✦ Development of 14-storey Hi-Tech Building (at existing car park) and improvement works at existing buildings
- ✦ Located at Kallang iPark, an upcoming industrial hub for high value and knowledge-based businesses
- ✦ Completed sub-structure works
- ✦ Super-structure works completed up to 10th storey



BTS Project – New Data Centre



Artist's impression of the BTS data centre in the West Region of Singapore

Estimated Cost
S\$76 million¹

GFA
242,000 sq ft

Completion
2H2018

- ✦ Development of a six-storey BTS data centre
- ✦ 100% committed by an established data centre operator
- ✦ Initial lease term of >10 years with staggered rental escalations and renewal options
- ✦ Situated on land area of about 96,800 sq ft
- ✦ Site allocated by JTC with zoning for Business 2 use and land tenure of 30 years
- ✦ Located in a specialised industrial park for data centres with ready-built infrastructure
- ✦ Construction of pile caps and other sub-structure works is underway

Divestment – 65 Tech Park Crescent



Completion of divestment of a three-storey Light Industrial Building with two mezzanine levels

- ✦ Sale price was above acquisition price of S\$13.2 million¹ and book value of S\$17.6 million²
- ✦ 60-year land lease from 18 Aug 1993 (balance of 36 years)
- ✦ Contributed 0.3% to MIT portfolio's gross revenue in FY16/17
- ✦ Use of proceeds from divestment to fund committed development projects

Sale Price
S\$17.688 million

GFA
107,373 sq ft

Completed
20 Jul 2017

¹ Acquired by MIT on 21 Oct 2010 as part of the initial public offering portfolio.

² As at 31 Mar 2017.



OUTLOOK AND STRATEGY

Flatted Factory, Tiong Bahru 2

- ✦ Singapore economy grew by 2.5% y-o-y in the quarter ended 30 Jun 2017, same pace of growth in preceding quarter¹

- ✦ Median rents for industrial real estate for 1QFY17/18²
 - Multi-user Factory Space: S\$1.81 psf/mth (-1.1% q-o-q)
 - Business Park Space: S\$4.10 psf/mth (3.3% q-o-q)

- ✦ The business environment remains uncertain despite positive signs from the manufacturing sector in Singapore. The continued supply of competing industrial space and movement of tenants are expected to exert pressure on rental and occupancy rates.

- ✦ Continued focus on proactive asset management and capital management
 - Focusing on tenant retention to maintain portfolio occupancy
 - Implementing appropriate interest rate management strategies

¹ Ministry of Trade and Industry (Advance Estimates), 14 Jul 2017

² URA/JTC Realis, 24 Jul 2017

Stable and Resilient Portfolio

- ✦ Higher average portfolio passing rental rate of S\$1.95 psf/mth
- ✦ Average portfolio occupancy at 92.6%

Enhanced Financial Flexibility

- ✦ Hedged borrowings of 72.8%
- ✦ Aggregate leverage of 29.8% allows sufficient headroom for growth opportunities

Growth by Acquisitions and Developments

- ✦ Full completion of BTS project for HP
- ✦ AEI at 30A Kallang Place and Kallang Basin 4 Cluster on track for completion in 1Q2018
- ✦ BTS data centre development on track for completion in 2H2018



End of Presentation

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