

## PRESS RELEASE

### Mapletree Industrial Trust Achieves 5.6% Year-on-Year Growth for 3QFY15/16 Distribution per Unit

- Distribution per Unit (“DPU”) for 3QFY15/16 increased 5.6% year-on-year to 2.82 cents
- Driven by stable operational performance and contribution from the completed build-to-suit (“BTS”) data centre at 26A Ayer Rajah Crescent
- Suspension of Distribution Reinvestment Plan (“DRP”) after 3QFY15/16 distribution

26 January 2016 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that MIT has achieved a distributable income of S\$50.3 million for the Third Quarter Financial Year 2015/2016 from 1 October 2015 to 31 December 2015 (“3QFY15/16”), a year-on-year increase of 9.5% from S\$46.0 million. DPU for 3QFY15/16 was 2.82 cents, an increase of 5.6% over the DPU of 2.67 cents for 3QFY14/15.

#### Financial Results of MIT for 3QFY15/16

	3QFY15/16	2QFY15/16	↑/(↓)%	3QFY14/15	↑/(↓)%
Gross revenue (S\$'000)	83,251	82,736	0.6	78,131	6.6
Property expenses (S\$'000)	(21,372)	(21,709)	(1.6)	(20,155)	6.0
Net property income (S\$'000)	61,879	61,027	1.4	57,976	6.7
Distributable income (S\$'000)	50,308 <sup>1</sup>	48,907	2.9	45,951	9.5
No. of units in issue ('000)	1,785,062	1,770,286	0.8	1,732,299	3.0
DPU (cents)	2.82 <sup>1</sup>	2.79	1.1	2.67	5.6

<sup>1</sup> Distributable income included an adjustment of S\$0.6 million in relation to expenses which were disallowed by the Inland Revenue Authority of Singapore. This represented a 0.03 cent increase in DPU for 3QFY15/16.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “MIT has achieved a credible set of financial results in 3QFY15/16. This was underpinned by contribution from the completed BTS data centre at 26A Ayer Rajah Crescent, as well as stable occupancies and rental rates across various segments. Looking ahead, the weakening global economic outlook, rising interest rate and large supply of industrial space in Singapore would exert downward pressure on rental revenue. We remain focused on retaining tenants and mitigating the effects of upward cost adjustments, while continuing to be prudent in capital management.”

### **Stable Operational Performance**

Average portfolio occupancy rose to 94.7% from 93.8% in the preceding quarter. Average portfolio passing rent increased to S\$1.89 per square foot per month (“psf/mth”) from S\$1.88 psf/mth in the preceding quarter. The increase was driven by positive rental revisions for renewal leases and higher rental rates secured for new leases at the Flatted Factories and Business Park Buildings segments during the quarter. The portfolio’s retention rate was also higher at 84.2%, up from 70.3% in the preceding quarter.

### **Suspension of DRP after 3QFY15/16 Distribution**

As at 31 December 2015, MIT’s aggregate leverage ratio was at a healthy level of 29.3%, well within the 45% leverage limit imposed by the Monetary Authority of Singapore. The application of the DRP over the last three years had contributed to the low aggregate leverage ratio. As MIT has sufficient financial capacity to support potential growth opportunities in the near term, the Manager will suspend the application of the DRP after the 3QFY15/16 distribution.

### **Outlook**

The business environment is expected to be challenging in view of the upcoming supply of industrial space and rising interest rates. In addition, the ongoing economic restructuring in Singapore is expected to result in the cost increase of outsourced service contracts. These are likely to exert pressure on rental and occupancy rates, while property expenses and interest expenses are expected to increase.

As at 31 December 2015, only 2.1% of leases (by gross rental revenue) are due for renewal in FY15/16. The Manager will continue to focus on tenant retention to maintain portfolio occupancy, while shifting towards performance-based contracts to manage cost pressures.

The percentage of debt hedged with fixed rates remained high at 85.6% with a healthy interest coverage ratio of 8.3 times. However, replacement of expiring interest rate hedges is expected to be more costly in view of rising interest rates. The Manager will continue with appropriate interest rate hedging strategies to manage interest rate increases.

### **Distribution to Unitholders**

Unitholders can expect to receive their quarterly DPU for the period 1 October to 31 December 2015 in cash or units on 7 March 2016. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 3 February 2016.

For further information, please contact:

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## **About Mapletree Industrial Trust**

Mapletree Industrial Trust is a Singapore-focused real estate investment trust that invests in a diversified portfolio of real estate used primarily for industrial purposes, whether wholly or partially, in Singapore, as well as real estate-related assets.

MIT's portfolio of 84 properties in Singapore is valued at approximately S\$3.4 billion as at 31 March 2015 and has a total gross floor area of approximately 19.7 million square feet. MIT has a large and diversified tenant base of more than 2,000 multi-national companies and local enterprises. MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

## **About Mapletree Industrial Trust Management Ltd.**

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT's assets and liabilities for the benefit of the Unitholders, sets MIT's strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT's assets in accordance with MIT's investment strategy. Employing proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

## **About Mapletree Investments Pte Ltd**

Mapletree Investments Pte Ltd ("MIPL") is a leading real estate development, investment and capital management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths as a developer, an investor and a capital manager, MIPL has a portfolio comprising award-winning developments across real estate classes that delivers consistent and high returns.

To date, MIPL owns and manages close to S\$30.0 billion of office, logistics, industrial, residential, corporate lodging/serviced apartment and retail properties. Presently, it manages four Singapore-listed REITs and six private equity real estate funds, which together hold a diverse portfolio of assets in Singapore and Asia. MIPL has also established an extensive network of offices in Singapore, China, Hong Kong SAR, India, Japan, Malaysia, South Korea, Vietnam and the United Kingdom. MIPL's property portfolio includes award-winning projects in Singapore such as the VivoCity, Mapletree Business City, and Tata Communications Exchange as well as mixed-use developments in the region such as Mapletree Business City Shanghai and VivoCity Shanghai, and Nanhai Business City in China.