

(Constituted in Republic of Singapore pursuant to a Trust Deed dated 29 January 2008 (as amended))

PRESS RELEASE

Mapletree Industrial Trust's 1QFY17/18 Distribution per Unit Grows 2.5% Year-on-Year

- Distribution per unit ("DPU") for 1QFY17/18 was 2.92 cents, a year-on-year increase of 2.5%
- Consistent performance driven mainly by revenue contribution from Phase One of the build-to-suit ("BTS") development for HP Singapore ("HP")
- Successfully completed its largest BTS development for HP in June 2017

25 July 2017 – Mapletree Industrial Trust Management Ltd., as manager (the "Manager") of Mapletree Industrial Trust ("MIT"), is pleased to announce that MIT's distributable income for the First Quarter Financial Year 2017/2018 from 1 April 2017 to 30 June 2017 ("1QFY17/18") was S\$52.9 million, a 2.7% year-on-year increase from S\$51.5 million in 1QFY16/17. DPU for 1QFY17/18 rose to 2.92 cents, up 2.5% from 2.85 cents in 1QFY16/17.

Financial Results of MIT for 1QFY17/18

	1QFY17/18	4QFY16/17	↑/(↓)%	1QFY16/17	↑/(↓)%
Gross revenue (S\$'000)	88,812	87,812	1.1	84,092	5.6
Property expenses (S\$'000)	(20,620)	(21,840)	(5.6)	(20,293)	1.6
Net property income (S\$'000)	68,192	65,972	3.4	63,799	6.9
Distributable income (S\$'000)	52,905	51,750	2.2	51,512	2.7
No. of units in issue ('000)	1,802,447	1,802,160	*	1,801,250	0.1
DPU (cents)	2.92	2.88	1.4	2.85	2.5

* Increase less than 0.1%

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Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “MIT has delivered another set of consistent financial results notwithstanding the headwinds in the Singapore industrial property market. The year-on-year growths in distributable income and DPU were driven mainly by revenue contribution from Phase One of the BTS development for HP. The completion of the redevelopment of Flatted Factories at the Telok Blangah Cluster into a world-class facility for HP affirmed the successful execution of our strategy to grow the Hi-Tech Buildings segment. With a low aggregate leverage of 29.8% as at 30 June 2017, we have sufficient headroom to support the pursuit of investment opportunities to grow the portfolio.”

Portfolio Performance and Update

Average portfolio passing rent increased marginally to S\$1.95 per square foot per month (“psf/mth”) in 1QFY17/18 from S\$1.94 psf/mth in the preceding quarter. All property segments registered quarter-on-quarter improvements in average rental rates, except for Flatted Factories, which remained flat. Average portfolio occupancy for 1QFY17/18 fell to 92.6% from 93.1% in the preceding quarter.

In June 2017, the Manager completed its largest BTS development for HP at 1 and 1A Depot Close. It comprised a 11-storey Hi-Tech Building with a gross floor area (“GFA”) of about 421,000 square feet (“sq ft”) and an eight-storey Hi-Tech Building with GFA of about 403,500 sq ft (respectively, “Phase One” and “Phase Two”). The Phase One lease included a six-month rent-free period distributed over the first 18 months. Phase Two lease will commence on 1 September 2017 and include a rent-free period of 4.5 months¹ following HP’s earlier access since April 2017 to facilitate fit-out works.

¹ The first 2 months of the rent-free period will begin upon lease commencement on 1 September 2017 while the remaining 2.5 months will be distributed evenly over the period from 1 September 2018 to 29 February 2020.

The divestment of 65 Tech Park Crescent was successfully completed on 20 July 2017, in line with the Manager's strategy of proactively managing its assets to add value to the portfolio. The sale price of S\$17.688 million was 34% higher than MIT's acquisition price of S\$13.2 million. The proceeds from the divestment will be used to fund committed development projects. Following the completion of this divestment, MIT's portfolio comprises 85 properties with total book value of S\$3.75 billion².

Prudent Capital Management

As at 30 June 2017, about 72.8% of MIT's gross borrowings had been hedged through interest rate swaps and fixed rate borrowings. The weighted average all-in funding cost increased to 2.8% in 1QFY17/18 from 2.7% in the preceding quarter, due to the full quarter effect of the issuance of S\$100 million medium term notes towards the end of the last quarter on 23 March 2017.

Outlook

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. The Manager continues to focus on tenant retention to maintain a stable portfolio occupancy.

Distribution to Unitholders

Unitholders can expect to receive their quarterly DPU for the period 1 April to 30 June 2017 on 29 August 2017. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 2 August 2017.

² Based on MIT's book value of investment properties and investment properties under development as at 30 June 2017.

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About Mapletree Industrial Trust

Mapletree Industrial Trust is a Singapore-focused real estate investment trust (“REIT”) 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 86 properties in Singapore is valued at approximately S\$3.77 billion³ as at 30 June 2017 and has a total gross floor area of approximately 20.5 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 established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

³ Based on MIT’s book value of investment properties and investment properties under development as at 30 June 2017. This included 65 Tech Park Crescent which was divested on 20 July 2017.

MIPL currently manages four Singapore-listed REITs and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, the United Kingdom (“UK”) and the United States (“US”).

As at 31 March 2017, MIPL owns and manages S\$39.5 billion of office, retail, logistics, industrial, residential, corporate housing and serviced apartment, and student housing properties.

MIPL’s assets are located across 12 economies globally, namely Singapore, Australia, China, Germany, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.