

*For Immediate Release*

## MAPLETREELOG CONTINUES ITS ACCRETIVE GROWTH WITH 3 PROPERTIES IN JAPAN FOR S\$200 MILLION

- Acquisition of 3 properties in Japan for JPY 13 billion
- Initial property yield of 7.3%; higher than existing Japan portfolio of 5%
- Accretion of 0.33 cents (~ 5.6%) above 1H10 annualised DPU

**Singapore, 28 July 2010** – Mapletree Logistics Trust Management Ltd. (“MLTM”), as Manager of Mapletree Logistics Trust (“MapletreeLog”), is pleased to announce that a binding Memorandum Of Understanding (“MOU”) has been signed with Kabushiki Kaisha A-Max (“A-Max”) to acquire the following properties in Japan (the “Acquisition”):

- Iwatsuki Logistics Centre:** a distribution centre with ancillary office located in Iwatsuki, Saitama Prefecture with gross floor area (“GFA”) of 30,000 sqm.
- Iruma Logistics Centre:** a distribution centre with ancillary office with GFA of 26,000 sqm, located in the city of Iruma, Saitama Prefecture; and
- Noda Logistics Centre:** a distribution centre with ancillary office with GFA of 36,000 sqm, located in the city of Noda, Saitama Prefecture, (collectively the “Properties”).

The Properties will be acquired for a total purchase consideration of JPY 13 billion; equivalent to approximately S\$200 million<sup>1</sup>. The vendor, A-Max, is a logistics facilities development and management company.

This Acquisition will be the sixth announced since December last year bringing the total acquisitions announced and/or completed to date to about S\$ equivalent of \$430 million. With the completion of all these acquisitions, MapletreeLog will have a portfolio value of approximately S\$3.3 billion.

The Manager believes that the Acquisition will have significant benefits for unit holders as follows:

---

<sup>1</sup> Exchange rate: S\$ 1 = JPY 64.63

**(A) Attractive Net Property Income (“NPI”) yield and DPU accretion**

- At purchase price of JPY 13 billion and an initial property yield of 7.3%, the yield on these Properties compare favorably to the implied property yield of the existing Japan portfolio of 5.0%. The accretion to MapletreeLog’s distribution per unit (“DPU”) will be 0.33 cents or 5.6%<sup>2</sup> above the actual 1H10 annualised DPU of 6.00 cents<sup>3</sup>.

**(B) Stable leases with quality customers and long lease terms**

- The Properties are 100% leased for the next 8-10 years; providing a stable rental income stream to MapletreeLog.
- Iwatsuki Logistics Centre and Iruma Logistics Centre will be purchased with existing leases to Oji Transportation Co., Ltd. (“Oji”) with remaining eight years on the leases. Oji is a major local third-party logistics player who covers mainly the Kanto/Tohoku region north of Tokyo.
- Noda Logistics Centre will be leased to Izu Express Trucking Inc. (“Izu”) on a fresh 10-year lease. Izu is a subsidiary of TL Logicom, a logistics service provider company that has presence both in Japan and China.
- The Manager believes the customers are of good quality and financial standing.

**(C) Quality properties in good locations**

- The Properties are located in the key logistics hubs in Kanto region and are well connected by major roads and expressways.
- Iwatsuki Logistics Centre is located about 10 minutes from Tohoku Expressway, Iwatsuki Interchange and is in one of the main logistics area for in-land distribution in Kanto region (Greater Tokyo). It is easily accessible via major roads.
- Iruma Logistics Centre, a 5-minute drive from Iruma Interchange of Ken-O Expressway, is similarly located in another key logistics hub in Kanto.

<sup>2</sup> Assuming MapletreeLog has purchased, held and operated the Properties on a proforma basis from the beginning of January 2010 based on annualised 1H 2010 financial results and assuming that the acquisitions are 100% debt funded. However, if the Acquisitions are 40% debt funded and assuming new units are issued at S\$0.84 per unit, the corresponding accretion would be 0.01 cents or 0.15%. Given the low interest rates in Japan, it is likely that this Acquisition will be funded predominantly by debt. Any proceeds from equity issuance will likely be applied towards other acquisitions or refinancing of other more expensive debt in the portfolio to maintain a gearing below 45%.

<sup>3</sup> Actual 1H10 DPU of 3.00 cents, annualised at 6.00 cents

- Noda Logistics Centre is located about 15 minutes from Kashiwa Interchange, Joban Expressway - an area where large-scale logistics facilities are gathered with easy access to the Greater Tokyo region.

### **Rationale for the acquisition in Japan**

Mr Richard Lai, Chief Executive Officer of MLTM, said, “We are very pleased that these Properties will be added into MapletreeLog’s diversified portfolio of assets. The stable income stream from these properties will provide further certainty and stability in cashflow for MapletreeLog, adding to the Trust’s stable core of long-term leases which generate stable returns for our unitholders.

We are pleased to welcome Oji and Izu both, major logistics operators in Japan, into our family of customers. We look forward to a long and mutually beneficial relationship as we work together to help them grow locally as well as overseas.

The Japan logistics market remains attractive to us as it has breadth and depth which is currently unmatched in Asia. We will continue to expand our portfolio in Japan by selectively acquiring yield-accretive logistics assets of good quality and location. We also seek to enhance the quality of our income stream through addition of good quality customers to our diversified customer base. In the current economic climate, we believe there are opportunities for MapletreeLog to increase its market share with good yielding assets. We will continue to focus on such accretive third-party acquisitions as a key strategy to grow our portfolio, and in turn, the returns to our unitholders.”

### **Funding for the acquisition**

MapletreeLog has sufficient financial flexibility and capacity to fund the Acquisition which is expected to be completed by end 3Q 2010. The purchase price and other acquisition costs of the Properties will be fully funded by debt, which will bring MapletreeLog’s gearing level to 43.6%, after taking into account all acquisitions announced to date.

**= END =**

**About MapletreeLog ([www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com))**

MapletreeLog, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. The Trust is also included in the FTSE ST Mid-Cap Index, the Global Property Research's GPR 250 Index and GPR 250 REIT Index. MapletreeLog's principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 30 June 2010, it has a portfolio of 86 logistics assets in Singapore, Hong Kong, Japan, China, Malaysia, South Korea and Vietnam with a total book value of approximately S\$3.0 billion. MapletreeLog is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

For enquiries, please contact:

Ms. Ler Lily  
Head, Treasury and Investor Relations  
Tel: +65 6377-6207  
Email: [lilyler@mapletree.com.sg](mailto:lilyler@mapletree.com.sg)

Ms. Judy Lee  
Investor Relations Manager  
Tel: +65 6377-6597  
Email: [judy.lee@mapletree.com.sg](mailto:judy.lee@mapletree.com.sg)

**Important Notice**

The value of units in MapletreeLog ("Units") and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of MapletreeLog is not necessarily indicative of its future performance.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.