

For Immediate Release

## MAPLETREE LOGISTICS TRUST DELIVERS 1.86 CENTS DISTRIBUTION PER UNIT FOR 2Q FY15/16

### Highlights:

- Amount Distributable to Unitholders of S\$46.2 million
- Healthy portfolio occupancy rate of 96.9% and weighted average lease expiry of 4.8 years

**Singapore, 19 October 2015** – The Board of Directors of Mapletree Logistics Trust Management Ltd. (“MLTM”), manager (“Manager”) of Mapletree Logistics Trust (“MLT”), is pleased to announce the results for the second quarter (“2Q FY15/16”) and half year (“1H FY15/16”) ended 30 September 2015.

(\$'000)	2Q FY15/16 <sup>1</sup>	2Q FY14/15 <sup>2</sup>	Y-o-Y % change	1H FY15/16 <sup>3</sup>	1H FY14/15 <sup>4</sup>	Y-o-Y % change
Gross Revenue	87,462	81,513	7.3 ↑	172,526	162,511	6.2 ↑
Property Expenses	(14,507)	(12,851)	12.9 ↑	(28,438)	(24,883)	14.3 ↑
Net Property Income (“NPI”)	72,955	68,662	6.3 ↑	144,088	137,628	4.7 ↑
<b>Amount Distributable To Unitholders</b>	<b>46,152</b>	<b>46,274<sup>5</sup></b>	<b>(0.3) ↓</b>	<b>91,999</b>	<b>92,863<sup>5</sup></b>	<b>(0.9) ↓</b>
<b>Available DPU (cents)</b>	<b>1.86</b>	<b>1.88</b>	<b>(1.1) ↓</b>	<b>3.71</b>	<b>3.78</b>	<b>(1.9) ↓</b>

### Footnotes:

1. 2Q FY15/16 started with 118 properties and ended with 119 properties.
2. 2Q FY14/15 started with 112 properties and ended with 113 properties.
3. 1H FY15/16 started with 117 properties and ended with 119 properties.
4. 1H FY14/15 started with 111 properties and ended with 113 properties.
5. This includes partial distribution of the gain from the divestment of 30 Woodlands Loop distributed over 8 quarters (from 1Q FY13/14 to 4Q FY14/15), amounting to S\$620,000 in amount distributable or approximately 0.025 cents DPU per quarter.

MLT registered gross revenue of S\$87.5 million and net property income of S\$73.0 million for 2Q FY15/16, representing an increase of 7% and 6% respectively over the same period last year (“2Q FY14/15”). The improvements were mainly due to contributions from acquisitions and organic growth from the existing portfolio. Overall growth continued to be constrained by the impact of recent conversions of single-user assets (“SUAs”) to multi-tenanted buildings (“MTBs”) in

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Singapore, although this was partially offset by progressive leasing up of vacant space at some properties that were converted to MTBs last year.

Amount distributable to Unitholders for 2Q FY15/16 was S\$46.2 million, similar to the S\$46.3 million registered in 2Q FY14/15, after taking into account higher borrowing costs, tax, management fees and absence of divestment gain. Accordingly, Distribution Per Unit (“DPU”) for the quarter was 1.86 cents, compared with 1.88 cents last year, after accounting for an increase in issued units base due to the implementation of MLT’s Distribution Reinvestment Plan.

Ms Ng Kiat, Chief Executive Officer of MLTM, said, “We have maintained a stable DPU of 1.86 cents in 2Q FY15/16, comparable to the 1.85 cents achieved in 1Q FY15/16. We continue to focus on asset and lease management, actively engaging tenants for forward renewals in view of the upcoming SUA/MTB conversions in our portfolio as well as the economic slowdown. To-date, we have renewed the bulk of the leases which are due for expiry this year, leaving a balance of about 5% of leases, by net lettable area, to be renewed in subsequent quarters.”

### Portfolio Update

During 2Q FY15/16, MLT completed the divestment of 134 Joo Seng Road for S\$13.5 million and announced the proposed divestment of 20 Tampines Street 92 for S\$20 million. Capital released from these divestments will be channelled into investments of modern higher yielding assets to raise the overall quality of MLT’s portfolio. Consistent with this strategy, MLT completed three accretive acquisitions in Australia, South Korea and Vietnam with a combined value of S\$295 million during the first half of FY15/16.

As at 30 September 2015, MLT’s portfolio comprised 119 properties with a book value of S\$4.98 billion and a gross floor area of approximately 3.3 million square metres (“sqm”). Of the 119 properties, 52 are in Singapore, 22 in Japan, 8 in Hong Kong, 14 in Malaysia, 9 in China, 11 in South Korea, 1 in Australia and 2 in Vietnam.

Portfolio occupancy improved from 96.6% in the previous quarter to 96.9%, partly due to higher occupancies at several properties that were converted to MTBs last year. The portfolio’s weighted

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average lease term to expiry (by net lettable area) increased to 4.8 years, from 4.1 years in the previous quarter.

To-date, of the 740,000 sqm of leases due for expiry in FY15/16, the Manager has successfully renewed/replaced approximately 572,000 sqm, leaving a balance of about 168,000 sqm (or approximately 5.4% of net lettable area) to be renewed/replaced. In line with a subdued economic environment, the average rental reversion rate for leases renewed/replaced in 2Q FY15/16 moderated to 3%, from 5% in the previous quarter, with Hong Kong and Singapore being the main contributors.

### Capital Management Update

During the quarter, MLT drew about S\$293 million equivalent of borrowings, largely in AUD loans, to finance acquisitions and capital expenditure. Accordingly, MLT's aggregate leverage increased to 38.8% as at 30 September 2015, from 34.4% previously. The average borrowing rate for 2Q FY15/16 was 2.3%, while the average duration of debt was around 3.4 years.

About 81% of MLT's total debt has been hedged into fixed rates. In addition, over 85% of MLT's income stream for this financial year has been hedged into or is derived in Singapore dollars, thereby mitigating the impact of foreign exchange fluctuations on distribution.

### Outlook

The global economic outlook has weakened in recent months as a deepening slowdown in China and growing uncertainties in other emerging markets outweigh an improvement in the U.S. While leasing activities have remained stable, given the current subdued business environment, MLT's customers continue to be cautious.

Looking ahead, the Manager remains focused on active asset and lease management to optimise portfolio returns, especially with regard to the management of single-tenant master leases expiring in the coming 12 months. For the remainder of FY15/16, a balance of 5.4% of MLT's leases (by net lettable area) are due for expiry, of which 1.7% are leases for single-user assets and 3.7% are leases for multi-tenanted buildings. The likely conversion of some of these single-user assets to

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multi-tenanted buildings is expected to exert pressure on occupancy and keep property expenses on an uptrend during the transition stage.

Where appropriate, the Manager will pursue asset enhancement, redevelopment or divestment initiatives to deliver a stable income stream. At the same time, the Manager will selectively pursue opportunities for strategic acquisitions while maintaining a disciplined capital management approach.

### **Distribution to Unitholders**

MLT will pay a distribution of 1.86 cents per unit on **27 November 2015** for the period from 1 July 2015 to 30 September 2015. The books closure date is on **27 October 2015**.

### **Results Briefing**

The Manager will be hosting a results briefing on 20 October 2015, 11:00 am (Singapore time). Live audio webcast of the briefing will be made available at the following link:

<http://edge.media-server.com/m/p/gym9vw2k>

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### **About Mapletree Logistics Trust (MLT)**

MLT, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. MLT's principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 30 September 2015, it has a portfolio of 119 logistics assets in Singapore, Hong Kong, Japan, China, Malaysia, South Korea, Australia and Vietnam with a total book value of S\$4.98 billion. MLT is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. For more information, please visit [www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com).

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### **Important Notice**

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