

maple<sup>tree</sup>  
industrialtrust

# Investor Presentation

May 2011



# Mapletree Industrial Trust (“MIT”)

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- Overview of Mapletree Industrial Trust
- Second Financial Results
- Portfolio Highlights – ‘**R**obust, **R**esilient, **R**elevant & **R**eputable’
- Conclusion

# Overview of Mapletree Industrial Trust

# Strong Support at IPO



**S\$1.188 billion raised via  
Initial Public Offering on SGX Mainboard  
21 October 2010**

- Institutional Subscription of 39.6x
- Public Offer Subscription of 27.7x

<b>Ticker / Listing:</b>	MINT / Singapore Exchange (SGX)
<b>Transaction Type:</b>	Initial Public Offering
<b>Distribution of Units:</b>	Public & institutional investors: 69% Mapletree Investments Pte Ltd (Sponsor): 31%
<b>Offer Price:</b>	S\$0.93
<b>Total Units:</b>	1,462,664,000 units

## Joint Global Coordinators

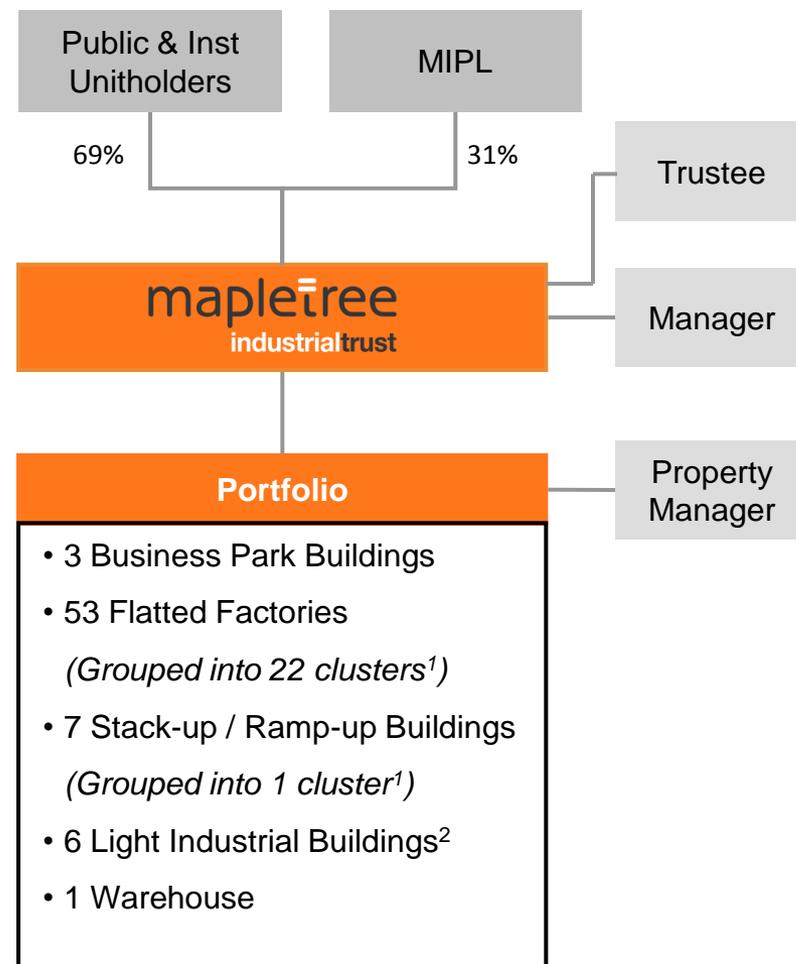


## Joint Bookrunners, Issue Managers and Underwriters



# Overview of Mapletree Industrial Trust

<b>Sponsor</b>	Mapletree Investments Pte Ltd (“MIPL”) Holds 31% of MIT
<b>Investment mandate</b>	Focused on income producing real estate in Singapore primarily used for industrial purposes, excluding properties primarily used for logistics purposes
<b>Portfolio</b>	70 properties valued at S\$2.2 billion 1.5million sq m GFA 1.1million sq m NLA
<b>Manager</b>	Mapletree Industrial Trust Management Ltd. 100% owned by the Sponsor
<b>Property Manager</b>	Mapletree Facilities Services Pte. Ltd. 100% owned by the Sponsor
<b>Trustee</b>	DBS Trustee Limited



<sup>1</sup> A property “cluster” consists of one or more individual buildings situated on the same land lot or adjoining land lots

<sup>2</sup> Includes 26 Woodlands Loop, which is a property comprising 3 individual buildings



# 70 Properties Spanning 4 Key Property Types

- One of the largest industrial landlords in Singapore
  - Total assets of approx. S\$2.3 billion
  - Total GFA of approx. 1.5 million sq m
  - Total NLA of approx. 1.1 million sq m
  - Tenant base of more than 1,500 MNCs, listed companies & local enterprises
- ✓ *Largest tenant base among industrial S-REITs*



Business Park Buildings



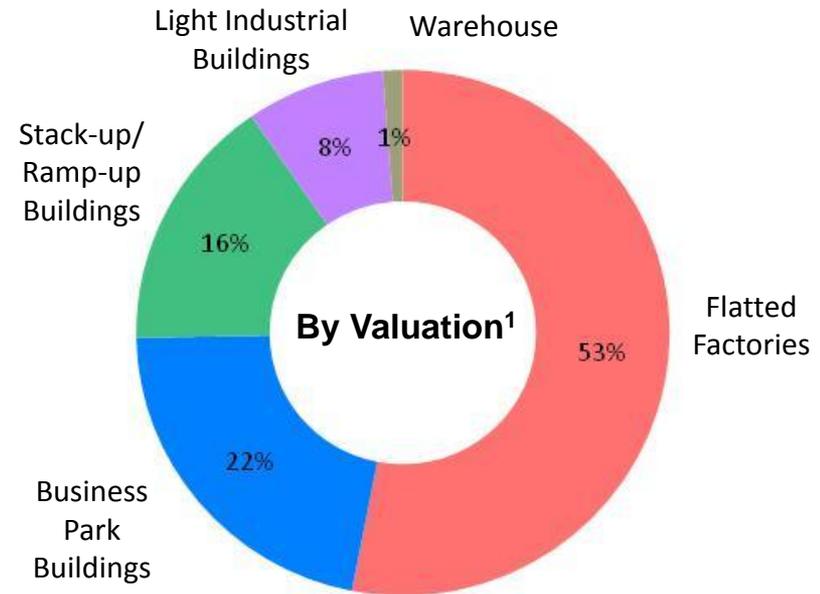
Flatted Factories



Stack-up / Ramp-up Buildings



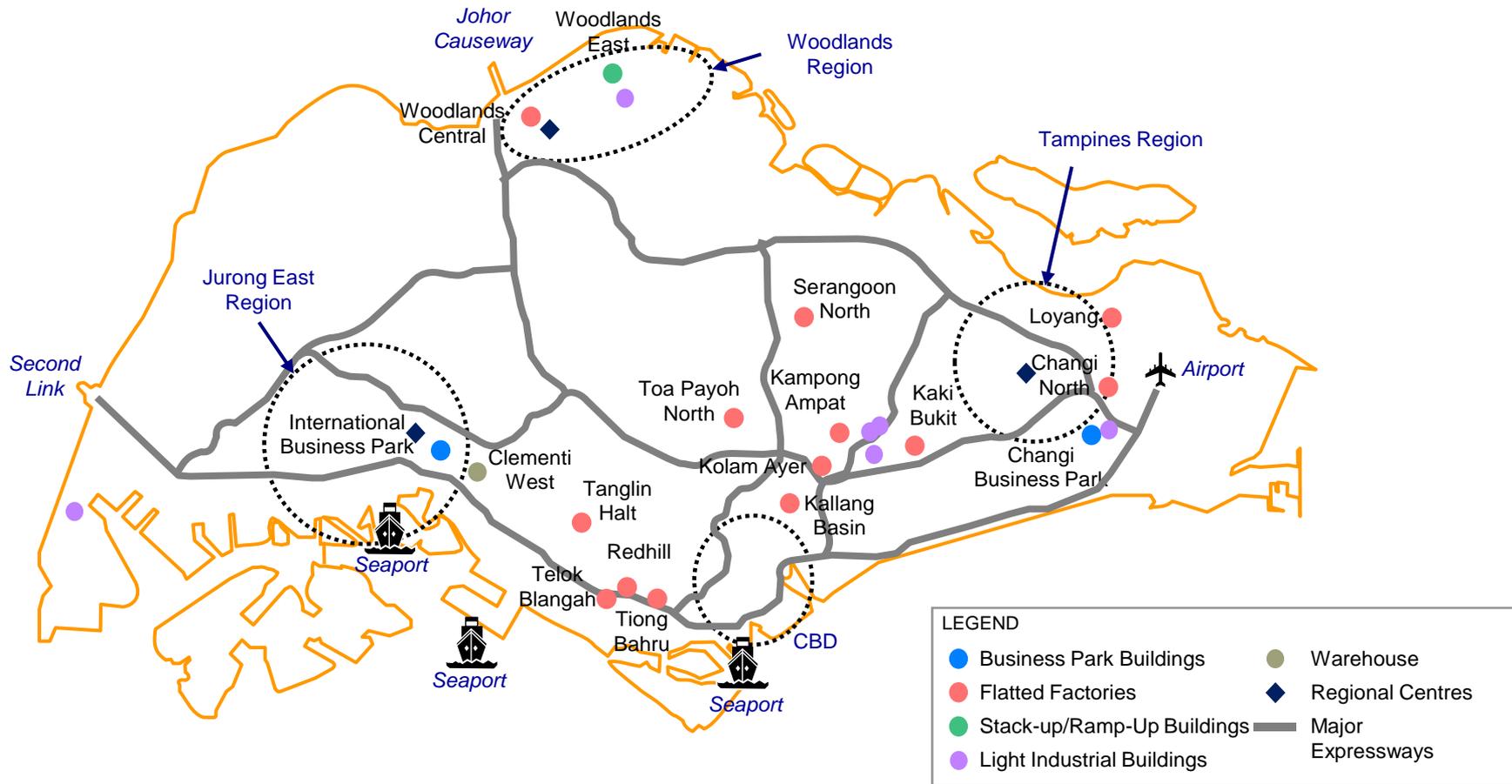
Light Industrial Buildings



<sup>1</sup> S\$2.2 billion as at 31 March 2011 by Colliers International



# Strategically Located Across Singapore



# Selected MIT Properties



● The Signature



● The Synergy



● The Strategy



● Kaki Bukit



● Kampong Ampat



● Telok Blangah



● Loyang 1



● Redhill 1



● Woodlands Central



● Woodlands Spectrum 1 & 2



● 19 Tai Seng Drive

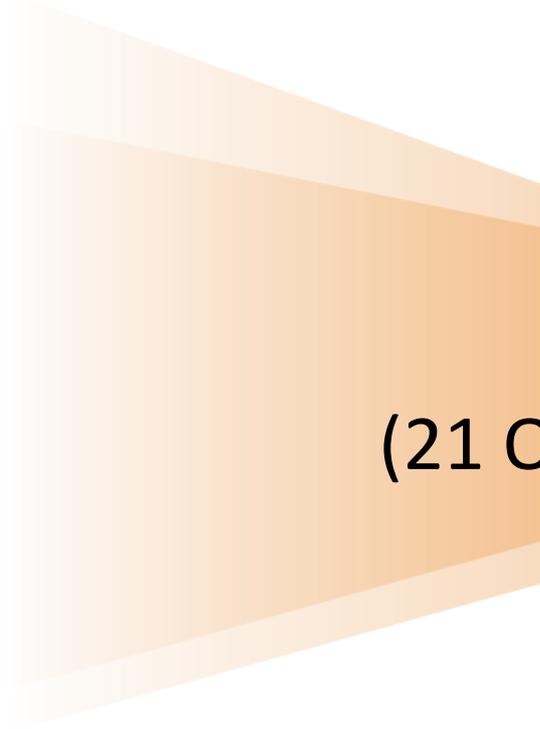


● Tata Communications Exchange

## LEGEND

- Business Park Buildings
- Flatted Factories
- Stack-up/Ramp-Up Buildings
- Light Industrial Buildings

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# Second Financial Results (21 October 2010 – 31 March 2011)

# Key Highlights

- DPU of 1.93 cents for period 1 Jan to 31 Mar 2011 (“4Q FY2010”) exceeds forecast by 9.7%
- DPU for period from Listing Date to 31 Mar 2011 exceeds forecast by 11.3%
- Higher average occupancy rate of 93.2% and higher average passing rental rate of S\$1.49 psf/mth
- Strong upward rental reversions
  - ✓ Retention rate of 85.9% in 4Q FY2010 (from 80.6% in 3Q FY10)
- Positive response to recently completed INNO ● CENTRE with 60% of the space committed as at 31 Mar 2011
- Higher Net Asset Value per unit of S\$0.95 (from S\$0.86) – New valuation of assets at S\$2,197.1 million (Gain of S\$102.0 million)

# Actual vs Prospect Statement

	Actual 4Q FY2010 (S\$'000)	Forecast <sup>1</sup> 4Q FY2010 (S\$'000)	↑ / (↓)	Actual 21 Oct 10 to 31 Mar 11 (S\$'000)	Forecast <sup>1</sup> 21 Oct 10 to 31 Mar 11 (S\$'000)	↑ / (↓)
Gross revenue	53,352	52,072	2.5%	94,861	91,695	3.5%
Property operating expenses	(16,108)	(16,448)	(2.1%)	(28,024)	(28,840)	(2.8%)
<b>Net Property Income</b>	<b>37,244</b>	<b>35,624</b>	<b>4.5%</b>	<b>66,837</b>	<b>62,855</b>	<b>6.3%</b>
Interest on borrowings	(5,016)	(5,312)	(5.6%)	(8,971)	(9,419)	(4.8%)
Trust expenses	(4,331)	(5,038)	(14.0%)	(8,098)	(8,865)	(8.7%)
<b>Net income before tax &amp; distribution</b>	<b>27,897</b>	<b>25,274</b>	<b>10.4%</b>	<b>49,768</b>	<b>44,571</b>	<b>11.7%</b>
Net appreciation in the value of investment properties	102,031	NA	-	102,031	-	-
<b>Total return for the period before tax</b>	<b>129,928</b>	<b>25,274</b>	<b>N.M</b>	<b>151,799</b>	<b>44,571</b>	<b>N.M</b>
Net non-tax deductible items	(101,608)	403	N.M	(101,197)	715	N.M
<b>Adjusted taxable income available for distribution to unitholders</b>	<b>28,320</b>	<b>25,677</b>	<b>10.3%</b>	<b>50,602</b>	<b>45,286</b>	<b>11.7%</b>
<b>Distribution per Unit (cents)</b>	<b>1.93</b>	<b>1.76</b>	<b>9.7%</b>	<b>3.45</b>	<b>3.10</b>	<b>11.3%</b>

**Footnote:**

1 The Forecast figures formed part of the Forecast Year 2010/2011 figures disclosed in the Prospectus dated 12 October 2010 (the "Prospectus").



# Healthy Balance Sheet

	<b>Actual 31 Mar 2011</b>	<b>As at Listing Date<sup>2</sup></b>
Total Assets (S\$'000)	2,308,038 <sup>1</sup>	2,163,733
Total Liabilities (S\$'000)	924,208	906,556
<b>Net Assets Attributable to Unitholders</b>	<b>1,383,830</b>	<b>1,257,177</b>
<b>Net Asset Value per Unit (S\$)</b>	<b>0.95</b>	<b>0.86</b>

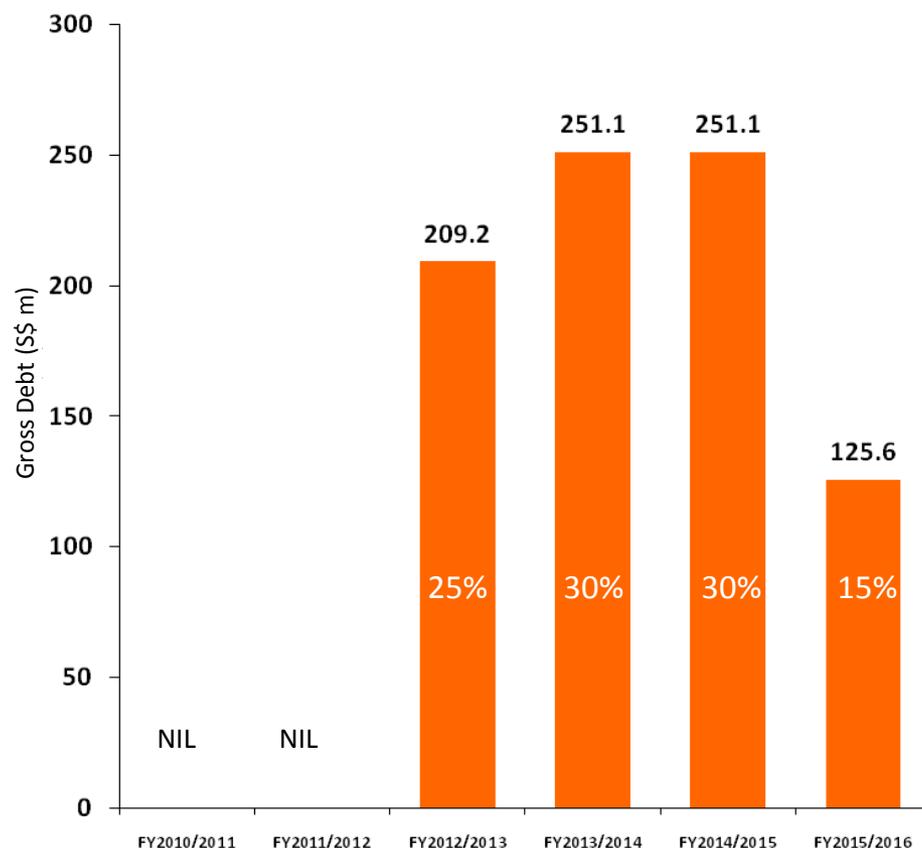
**Footnote:**

<sup>1</sup> Higher asset value due mainly to net appreciation in the value of investment properties of S\$102.0 million from Listing Date

<sup>2</sup> As disclosed in the Prospectus dated 12 October 2010

# Capital Structure

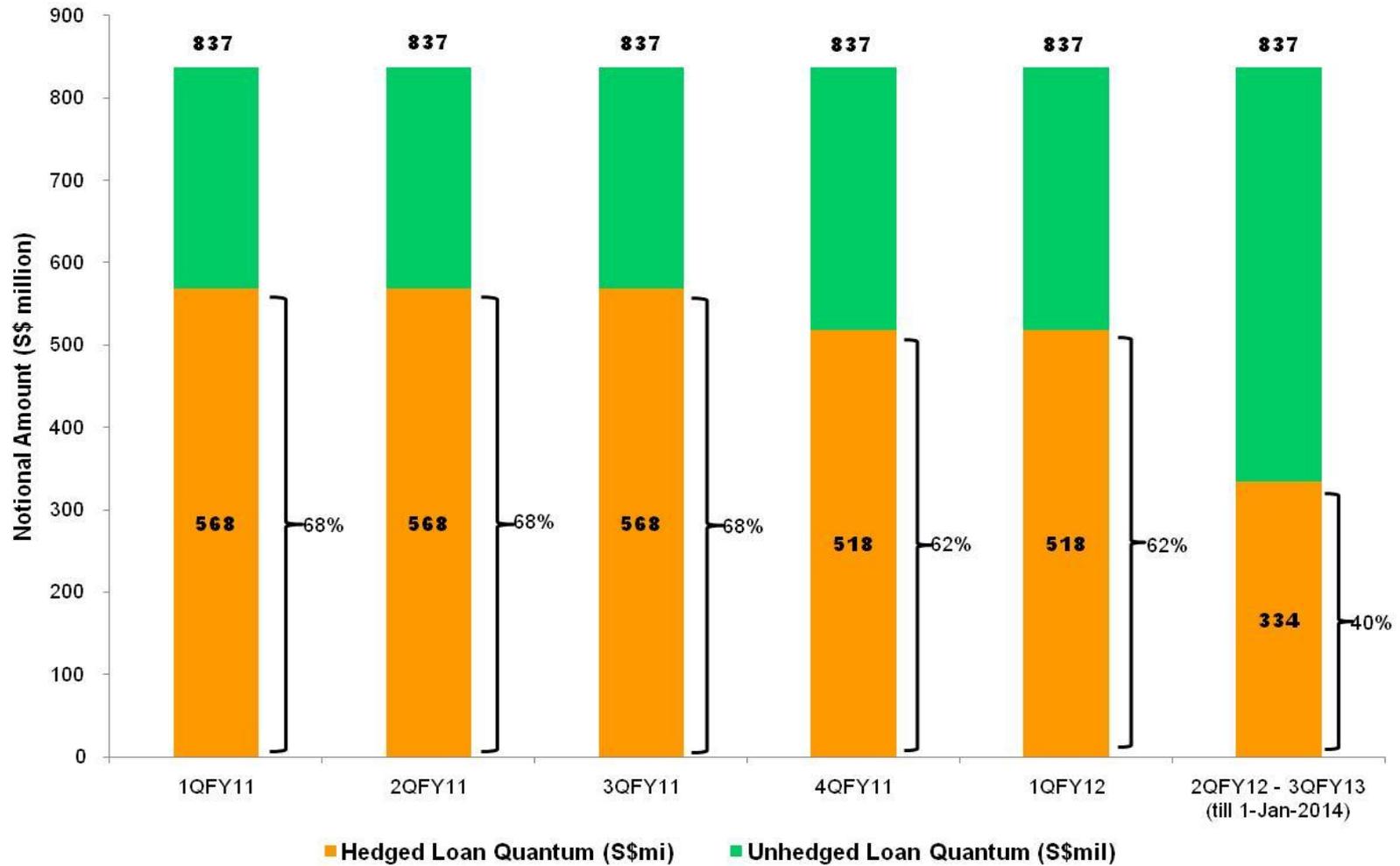
## Debt Maturity Profile



## Borrowing Cost Details

<b>Total Debt</b>	S\$837 m
<b>Aggregate Leverage</b>	36.1%
<b>Additional Debt Headroom</b>	S\$373m (based on 45% aggregate leverage)
<b>Credit Rating</b>	BBB+ (Fitch Ratings)

# Interest Rate Hedge Profile



As at 31 March 2011



# Portfolio Highlights

# Robust, Resilient Relevant & Reputable

Robust

Strong Embedded Organic Growth Potential

Resilient

Large, Diversified and Resilient Portfolio with Market Presence

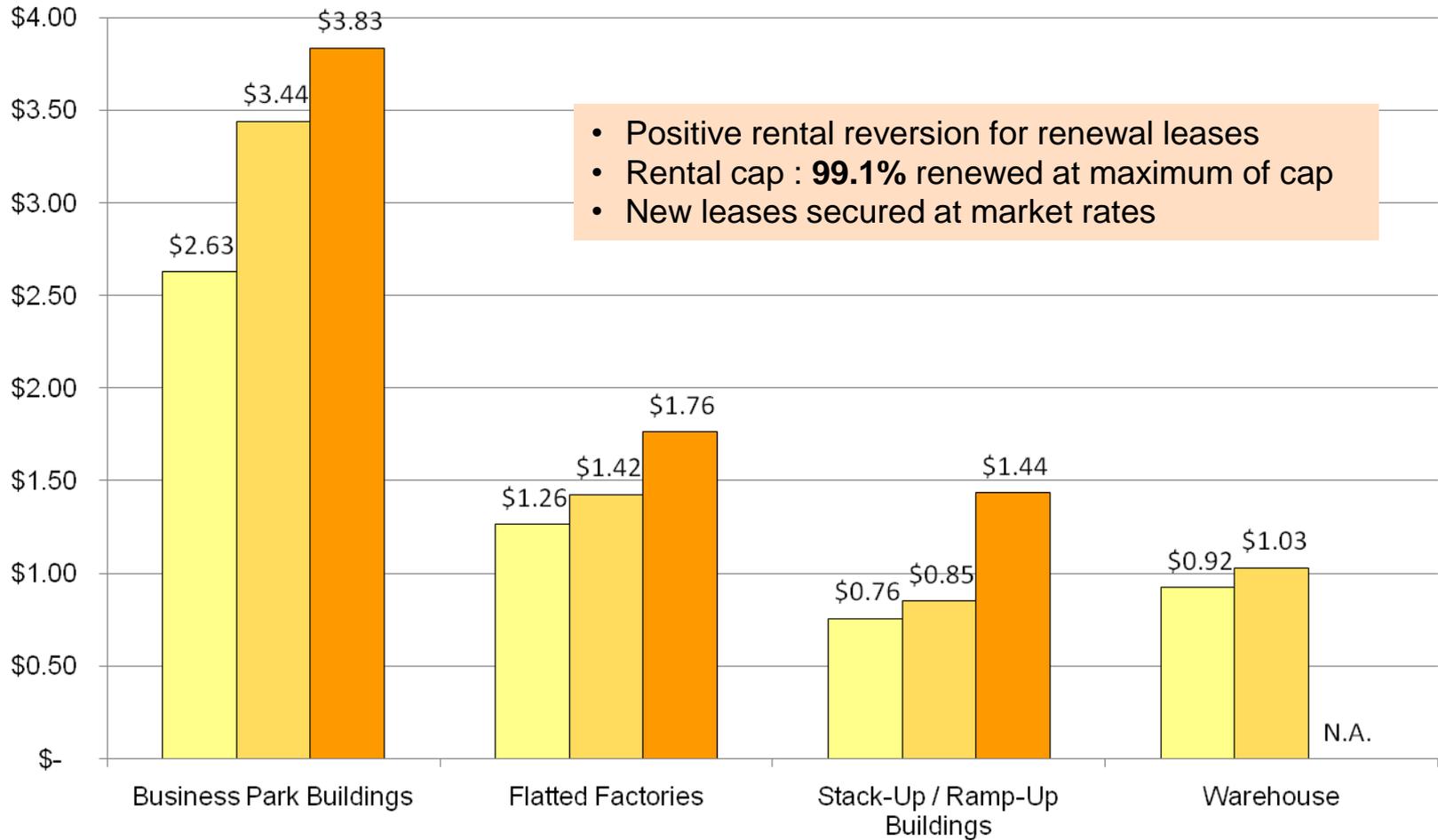
Relevant

Strong Market Fundamentals

Reputable

Experienced Manager and Committed Sponsor

# Positive Rental Reversions



- Positive rental reversion for renewal leases
- Rental cap : **99.1%** renewed at maximum of cap
- New leases secured at market rates

For period 4QFY10. All currencies in S\$  
 Note : No new leases secured for Warehouse

Before Renewal    After Renewal    New Leases

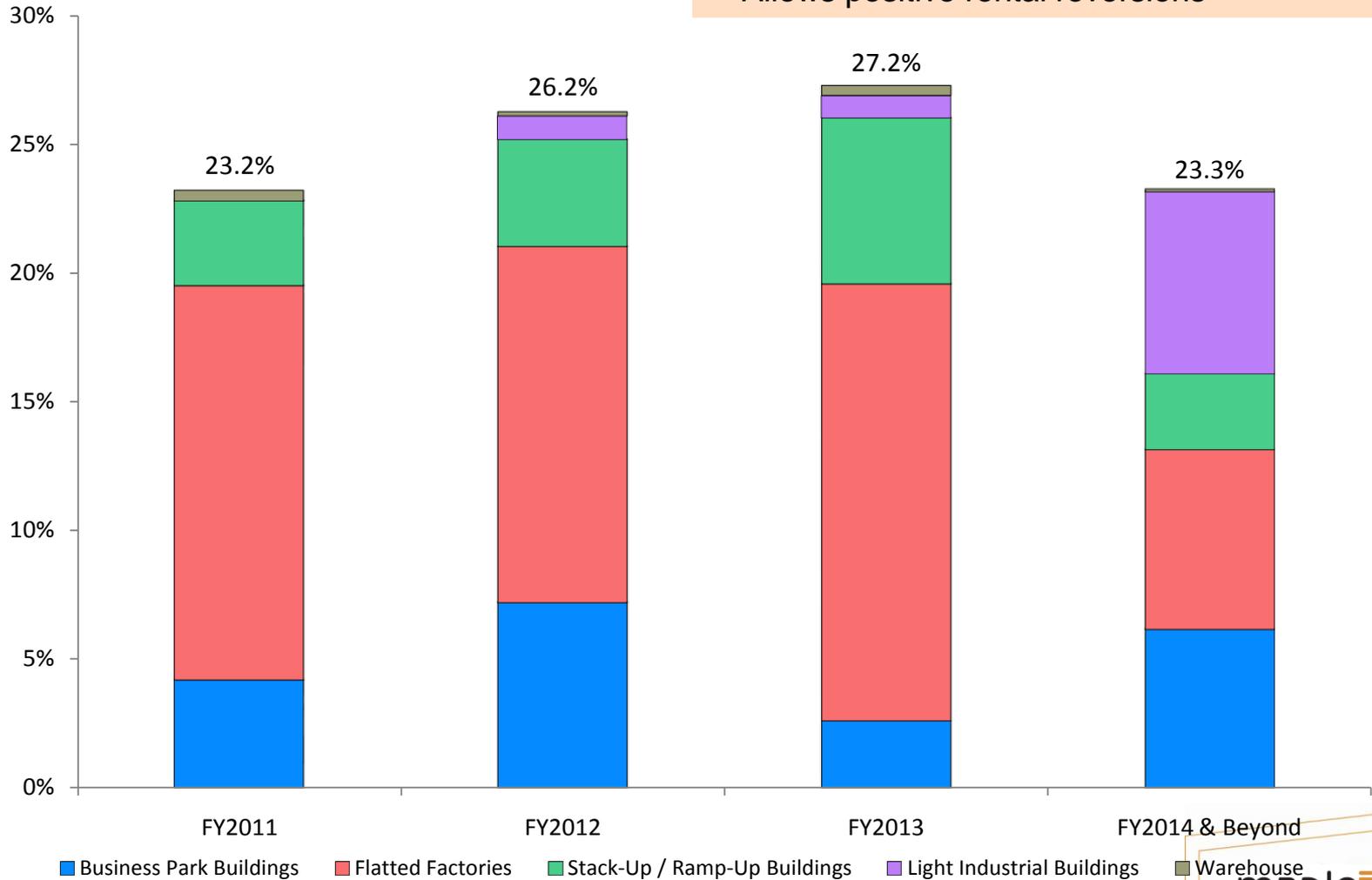


# Well-Positioned to Capitalise on Growth



% Expiring Leases  
by Rental Income

- Portfolio WALE by Rental Income = 2.6 years
- Allows positive rental reversions



As at 31 March 2011

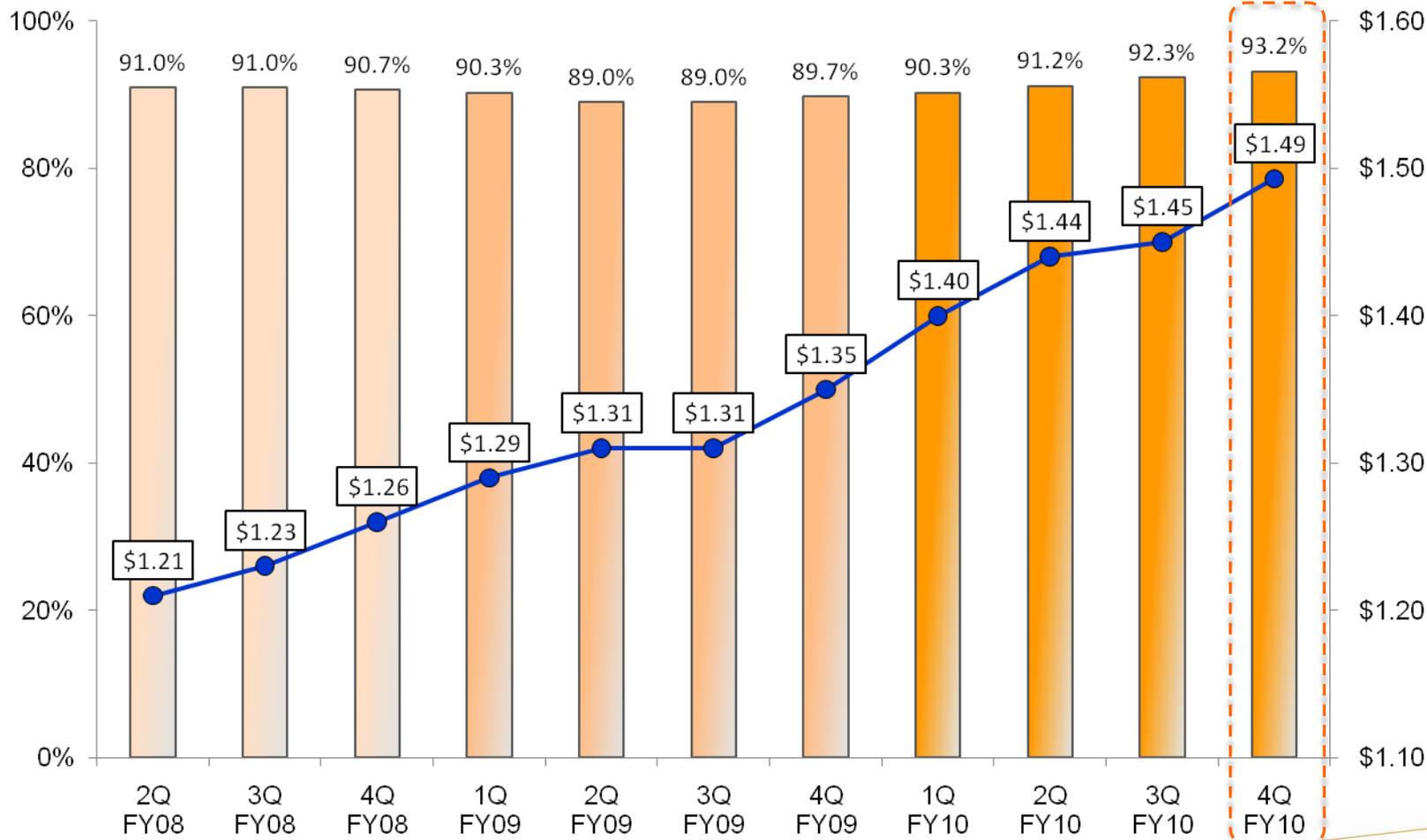


# Healthy Occupancy & Passing Rents



Occupancy

Rental Rate  
S\$ psf/mth



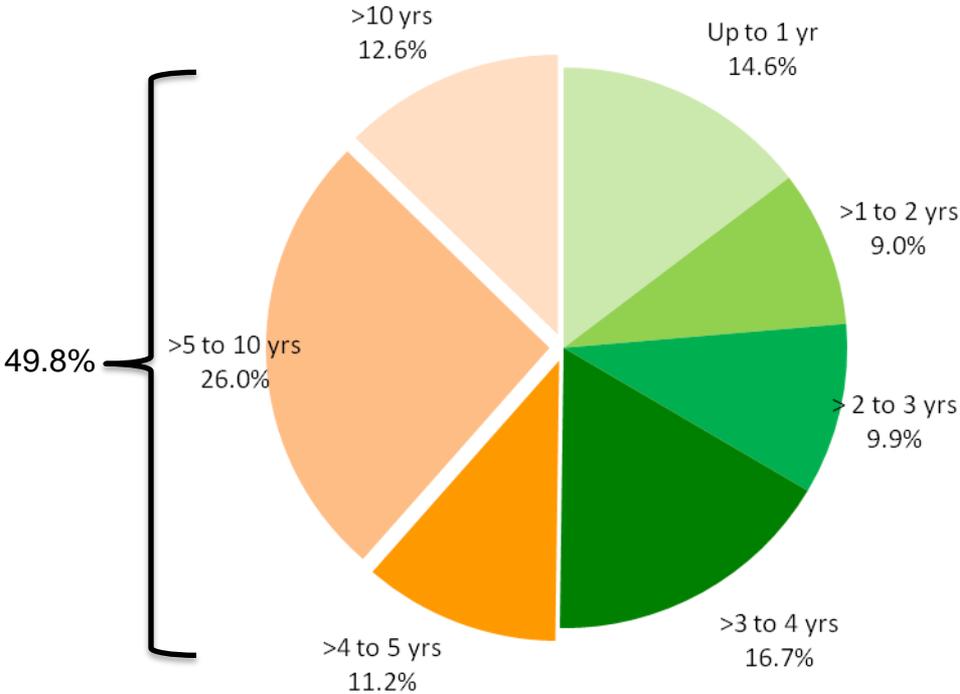
Occupancy (LHS) Rental Rate (RHS)



# Strong Tenant Retention



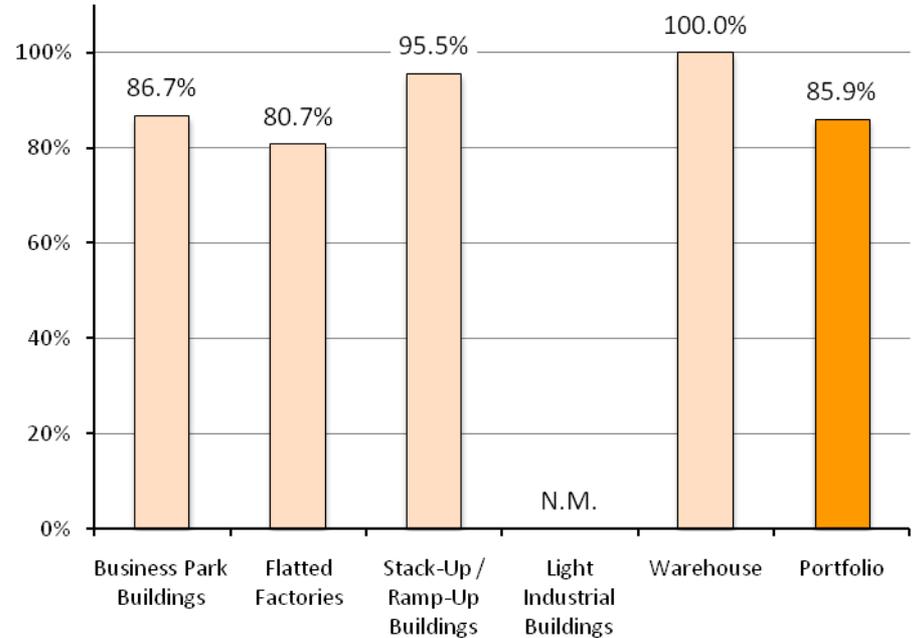
## Long Staying Tenants



As at 31 March 2011

## High Retention Rate for 4QFY10

Average Retention Rate



Based on NLA.

Not meaningful for Light Industrial Buildings as no leases were due for renewal

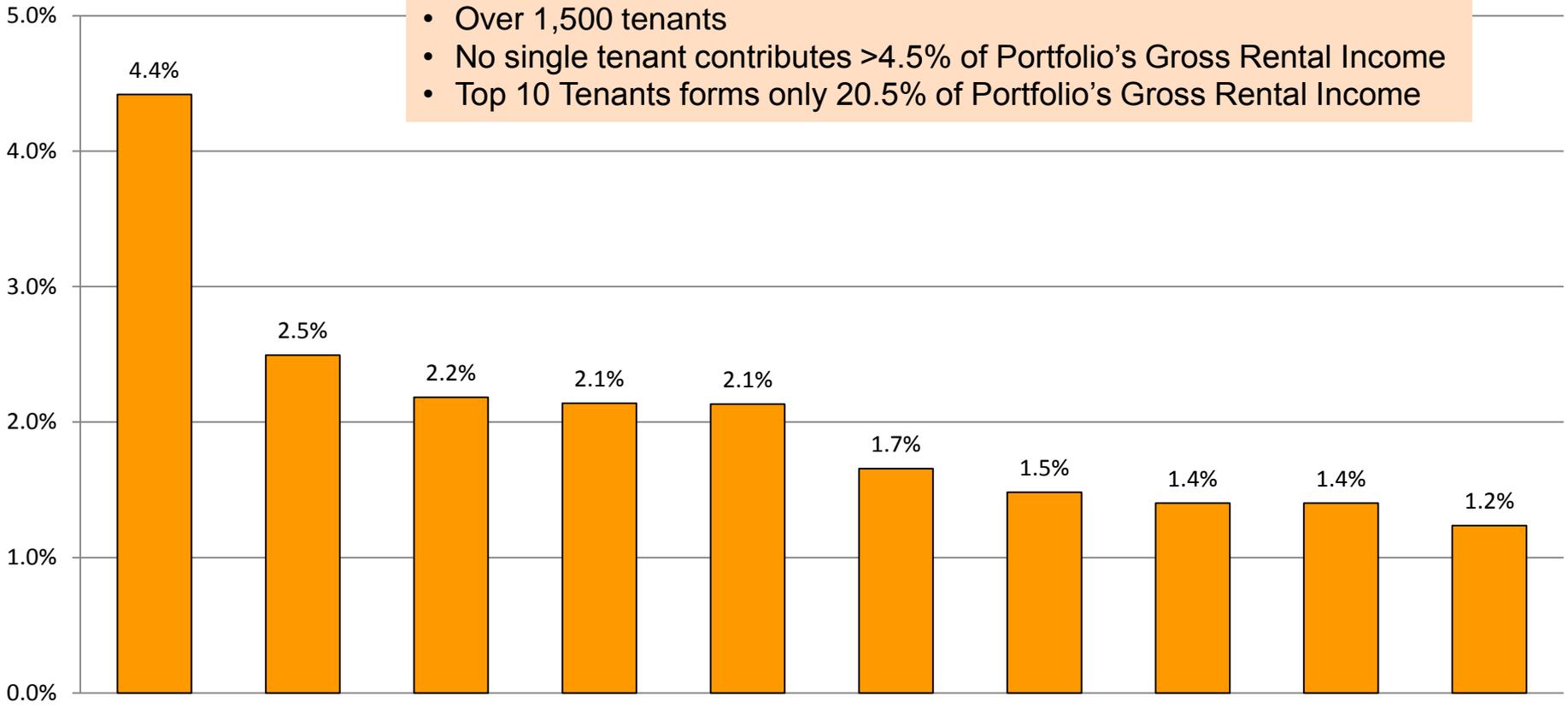
- 49.8% of the tenants have leased the properties for more than 4 years
- High tenant retention rate of 85.9% in 4QFY10



# High Quality Tenant Base



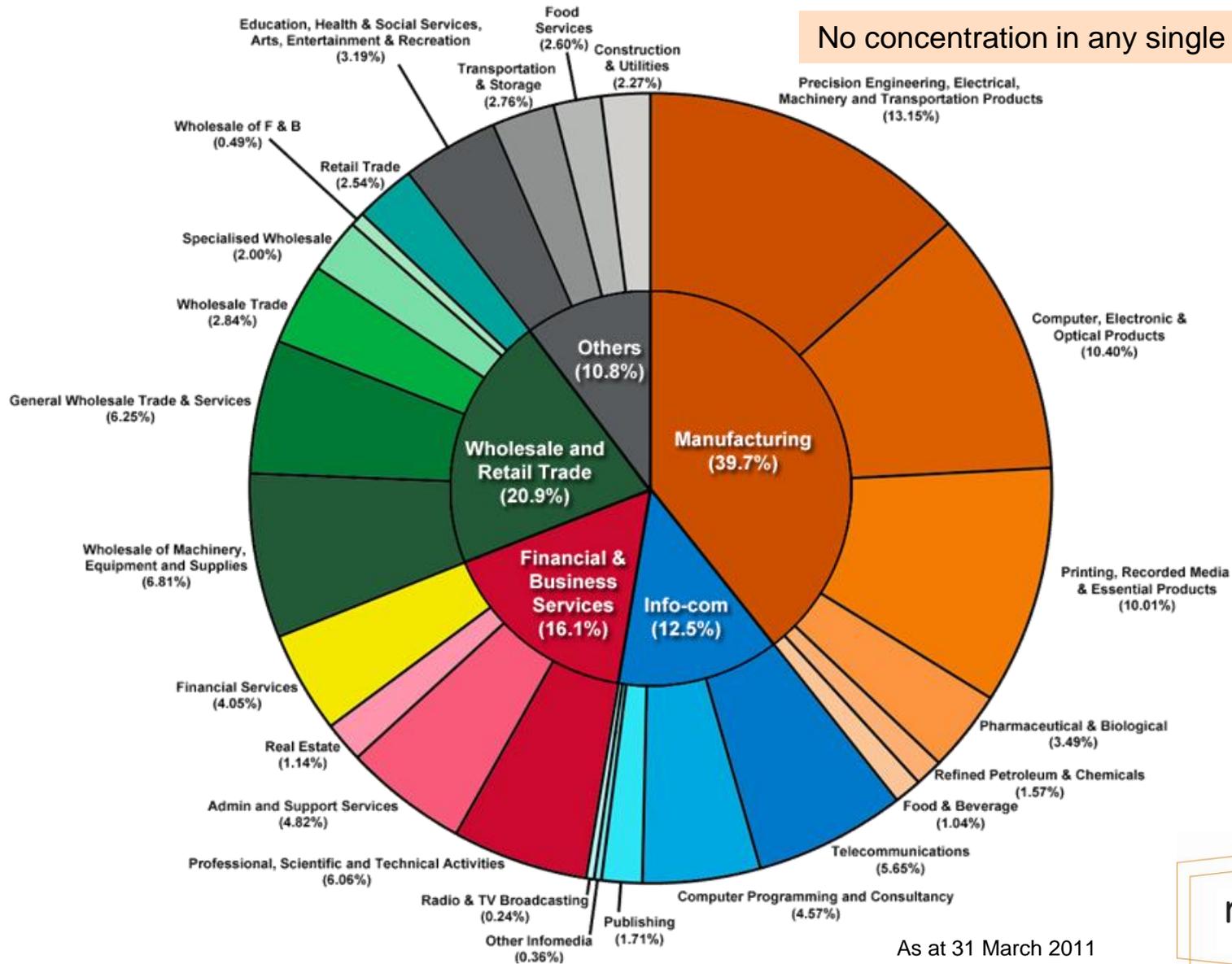
- Over 1,500 tenants
- No single tenant contributes >4.5% of Portfolio's Gross Rental Income
- Top 10 Tenants forms only 20.5% of Portfolio's Gross Rental Income



# Diversity of Tenant Trade Sector



No concentration in any single trade sector



# Relevance of Singapore in Asia



## Ranking

	# 1	# 2	# 3	# 4	# 5
Ease of Doing Business <sup>1</sup>					
Most Open Economy for International Trade and Investment <sup>2</sup>					
Most Competitive Economy <sup>3</sup>					
Best Business Environment <sup>4</sup>					
Best Economic Dynamism <sup>5</sup>					
APAC Talent Index <sup>6</sup>					
Best Country to Work in <sup>3</sup>					
World's Freest Economy <sup>7</sup>					
City with Best Investment Potential <sup>8</sup>					

### Sources

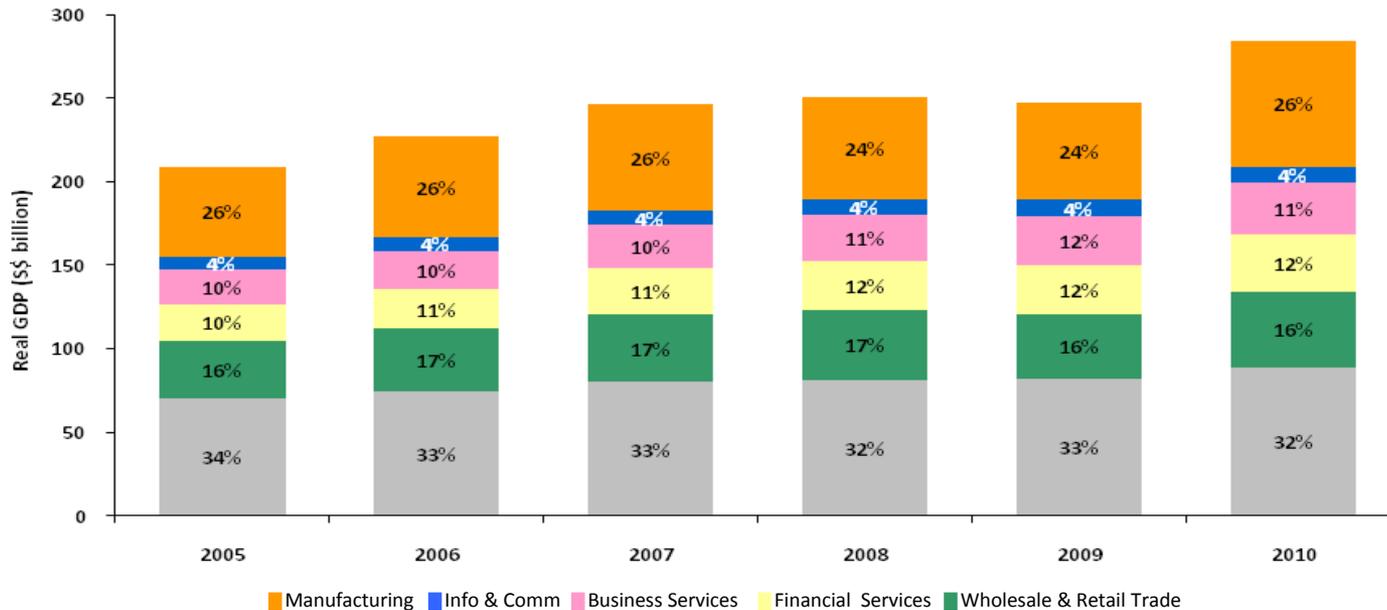
1. World Bank, "Doing Business 2010 Report"
2. The Global Enabling Trade Report 2010
3. IMD World Competitiveness Yearbook 2010
4. EIU Country Forecasts 2009
5. Newsweek, "The World's Best Countries 2010"
6. Heidrick & Struggles and the EIU, "Overall Talent Index 2012"
7. The Heritage Foundation & Wall Street Journal, "2010 Index of Economic Freedom"
8. BERI Report 2010-I



# Favourable Singapore Economic Outlook



## Manufacturing consistently contributes about 25% of Singapore's GDP <sup>1</sup>



- Manufacturing sector remains relevant and continues to be the largest contributor to Singapore's GDP
  - Our tenant profile tracks 5 major sectors
    - ✓ Manufacturing
    - ✓ Information & Communications
    - ✓ Business Services
    - ✓ Financial Services
    - ✓ Wholesale & Retail Trade
- which together make up approximately two-thirds of Singapore's GDP

**Singapore's GDP Forecast for 2011: 4% to 6% <sup>2</sup>**



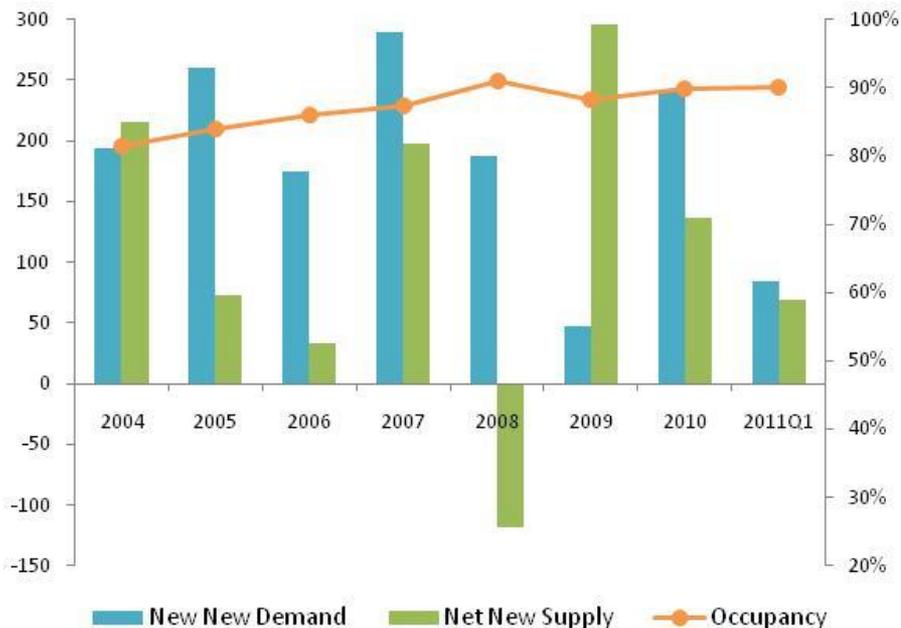
<sup>1</sup> Real GDP, based on 2005 prices

<sup>2</sup> Source: Ministry of Trade and Information

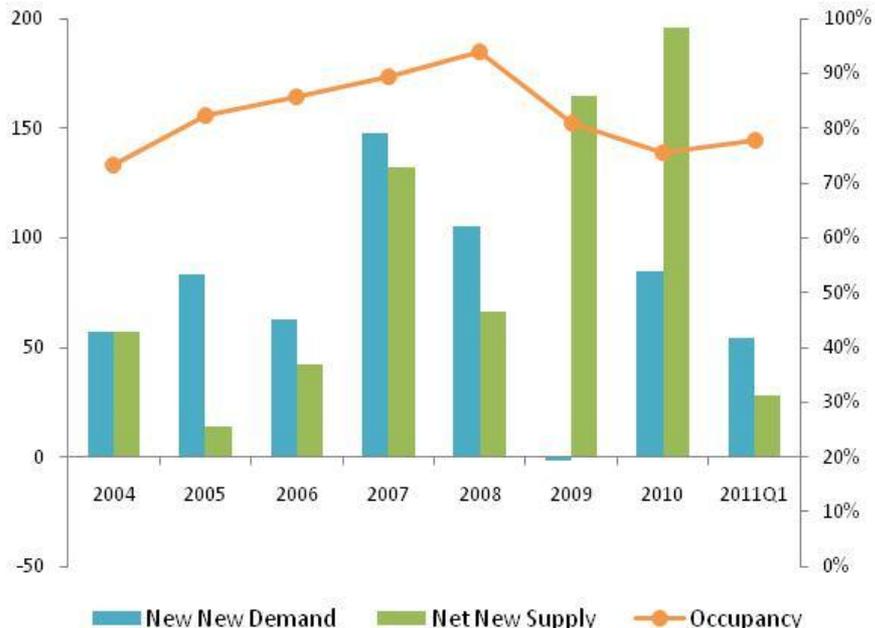
# Positive Outlook for Industrial Property



**Demand and Supply for Flatted Factories**



**Demand and Supply for Business Parks**

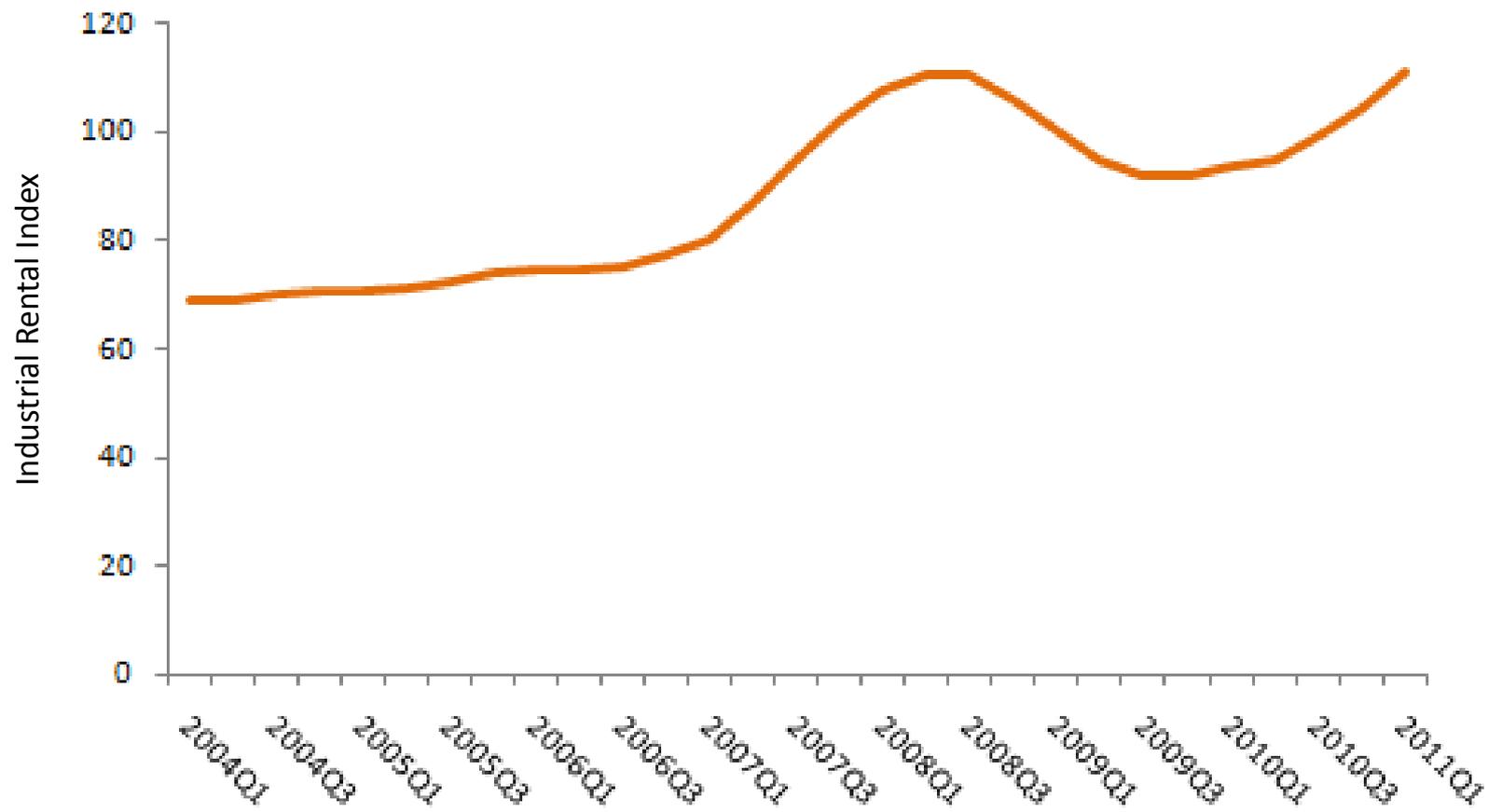


*Net new demand for flatted factories continue to outstrip net new supply in 2011Q1, particularly for flatted factories which saw a surge in demand in 2010*

Source: Realis, URA



# Industrial Rental Index



Source: Realis, URA

# Asset-Led Growth Opportunities

Relevant

*Management plans to improve the yield of the Properties by active asset management*



1003 & 3752 Bukit Merah Central

## Property Management

- Optimisation of tenant mix
- Providing value-added services, e.g. amenities, transportation services



The Synergy

## Lease Management

- Pro-active marketing & renegotiation of leases
- Tenant relationship management
- Built-in rental escalation



## Asset Enhancement

- Conversion of common space to increase NLA
- Enhancement of infrastructure for e-business space

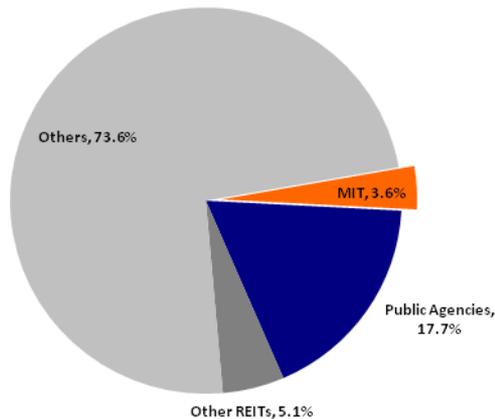


# Opportunities for Acquisition & Development

Relevant

## Acquisition Potential

*Multi-User, Single-User Factories and Business Parks' Market Share<sup>1</sup>*



- Offers ample acquisition growth opportunities for MIT

## Asset Investment Criteria

1	Positive impact on Distributions	4	Asset Enhancement Potential
2	Location	5	Tenant Composition & Lease Expiry Profile
3	Building & Facilities Specifications	6	Land Lease Maturity

<sup>1</sup> Based on NLA as at 2Q 2010

<sup>2</sup> Based on 10% development limit of MIT's deposited property (as at 31 March 2011)

Source: Realis, URA / Colliers International Singapore Research

## Development Strategy

- Built-to-Suit ("BTS") projects
- Development of empty land plots
- Development of under-utilised plot ratios
- Capacity for up to S\$230.8 million of development activities<sup>2</sup>

*Example of BTS – Tata Communications Exchange*



# Update on Asset Enhancement – Redhill 2

Relevant

Conversion of Redhill 2 Flatted Factory space (7<sup>th</sup> Floor) into e-Business space

Project Status	Actual Cost	Converted NLA	Number of Units	Leasing Status
Completed in Feb 2011	S\$2.6M	28,300 sq ft	57 (250 to 1,000 sq ft)	60% committed



Reception Area



Lift Lobby



28 Meeting Room



Breakout Area



Common Toilet





- Leading Asia-focused real estate and capital management company
- Owns and manages S\$14.4 billion<sup>1</sup> of office, logistics, industrial, residential and retail/lifestyle properties
- Extensive regional network in Singapore, China, Hong Kong, India, Japan, Malaysia, South Korea and Vietnam
- Business model:
  - ✓ Incubate, develop and rejuvenate real estate assets
  - ✓ Unlock asset value through origination of REITs and private real estate funds

## Proven management track record

- Acquired and managed portfolio from JTC since 1 July 2008 and grew revenue through the financial crisis
- Sourced for, developed and managed portfolio under Mapletree Industrial Fund

<sup>1</sup> As at 31 December 2010

<sup>2</sup> Excluding Mapletree Business City and Comtech

## Benefits to MIT

### 1 Leverage on Sponsor's network

Leverage on Mapletree's financial strength, market reach and network

### 2 Alignment of Sponsor's interest with Unitholders

Committed Sponsor's stake of 31% in MIT

### 3 Development capabilities

Able to support growth of MIT by developing and warehousing assets to offer to MIT

### 4 Right of First Refusal to MIT

Sponsor has granted right of first refusal to MIT over future sale or acquisition of industrial or business park properties<sup>2</sup>

# Conclusion

# Stable Portfolio with Growth Potential

Robust

## Continued Focus on Growth within Portfolio

- ✓ Proactive Lease and Asset Management
- ✓ Suitable Enhancement Opportunities

Resilient

**Large, Diversified and Resilient Portfolio with Market Presence**

Relevant

**Strong Market Fundamentals**

Reputable

**Potential Growth Opportunity from Acquisitions**

**Experienced Manager and Committed Sponsor**

# Contact Us

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