



# Investor Presentation

## November 2014

maple<sup>tree</sup>  
industrial

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This presentation shall be read in conjunction with Mapletree Industrial Trust's ("MIT") financial results for Second Quarter Financial Year 2014/2015 in the SGXNET announcement dated 21 October 2014.

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Nothing in this presentation should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors.

# Agenda

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1 Overview of Mapletree Industrial Trust

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2 Portfolio Highlights

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3 2Q & 1HFY14/15 Financial Performance

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4 Outlook and Strategy

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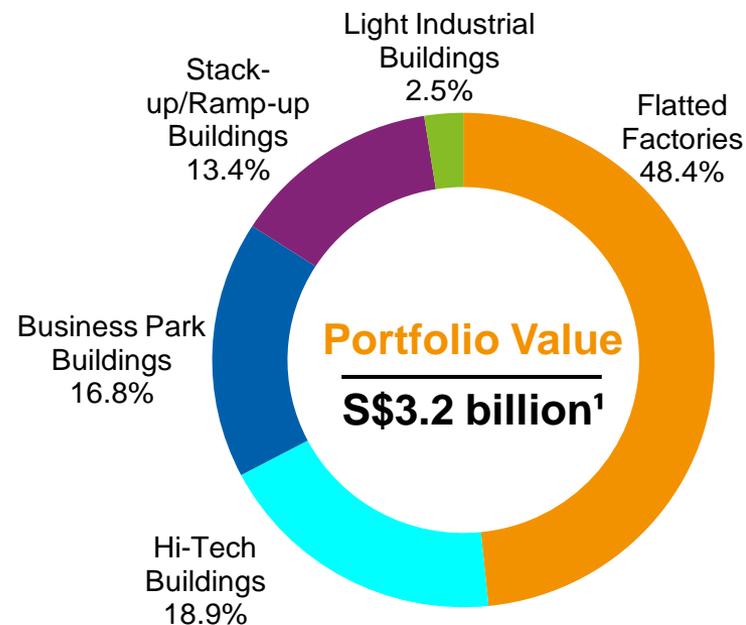
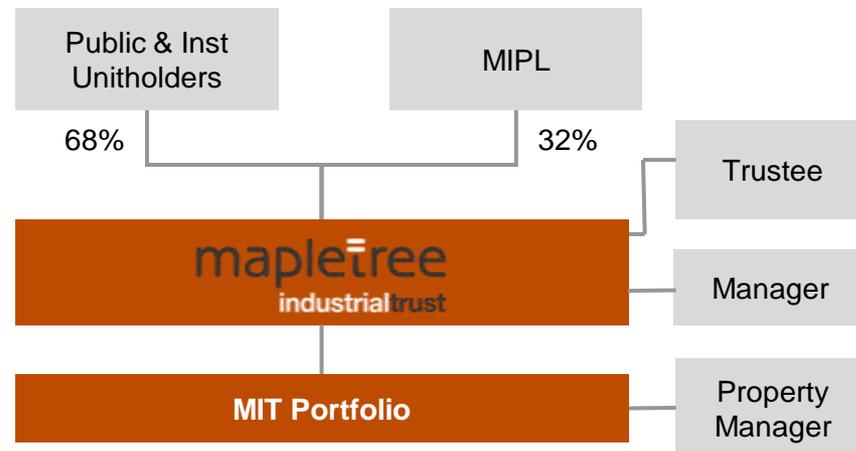
# OVERVIEW OF MAPLETREE INDUSTRIAL TRUST



Hi-Tech Building,  
K&S Corporate Headquarters

# Overview of Mapletree Industrial Trust

<b>Sponsor</b>	Mapletree Investments Pte Ltd (MIPL) Owns 32% of MIT
<b>Investment mandate</b>	Focused on industrial real estate assets in Singapore, excluding properties primarily used for logistics purposes
<b>Portfolio</b>	85 properties valued at S\$3.2 billion <sup>1</sup> 19.7 million sq ft GFA 14.6 million sq ft 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> Based on valuation of portfolio as at 31 Mar 2014 and total acquisition cost of 2A Changi North Street 2, which was acquired on 28 May 2014.

# Broad Spectrum of Industrial Facilities



## BUSINESS PARK BUILDINGS

Multi-storey suburban office buildings in specially designated “Business Park zones”. Serve as regional headquarters for MNCs as well as space for R&D and knowledge-intensive enterprises.



## STACK-UP/RAMP-UP BUILDINGS

Stacked-up factory space with vehicular access to upper floors. Multi-tenanted space suitable for manufacturing and assembly activities.



## HI-TECH BUILDINGS

High specification industrial space with higher office content for tenants in technology and knowledge-intensive sectors. Usually fitted with air-conditioned lift lobbies and common areas.



## FLATTED FACTORIES

High-rise multi-tenanted industrial buildings with basic common facilities used for light manufacturing activities.



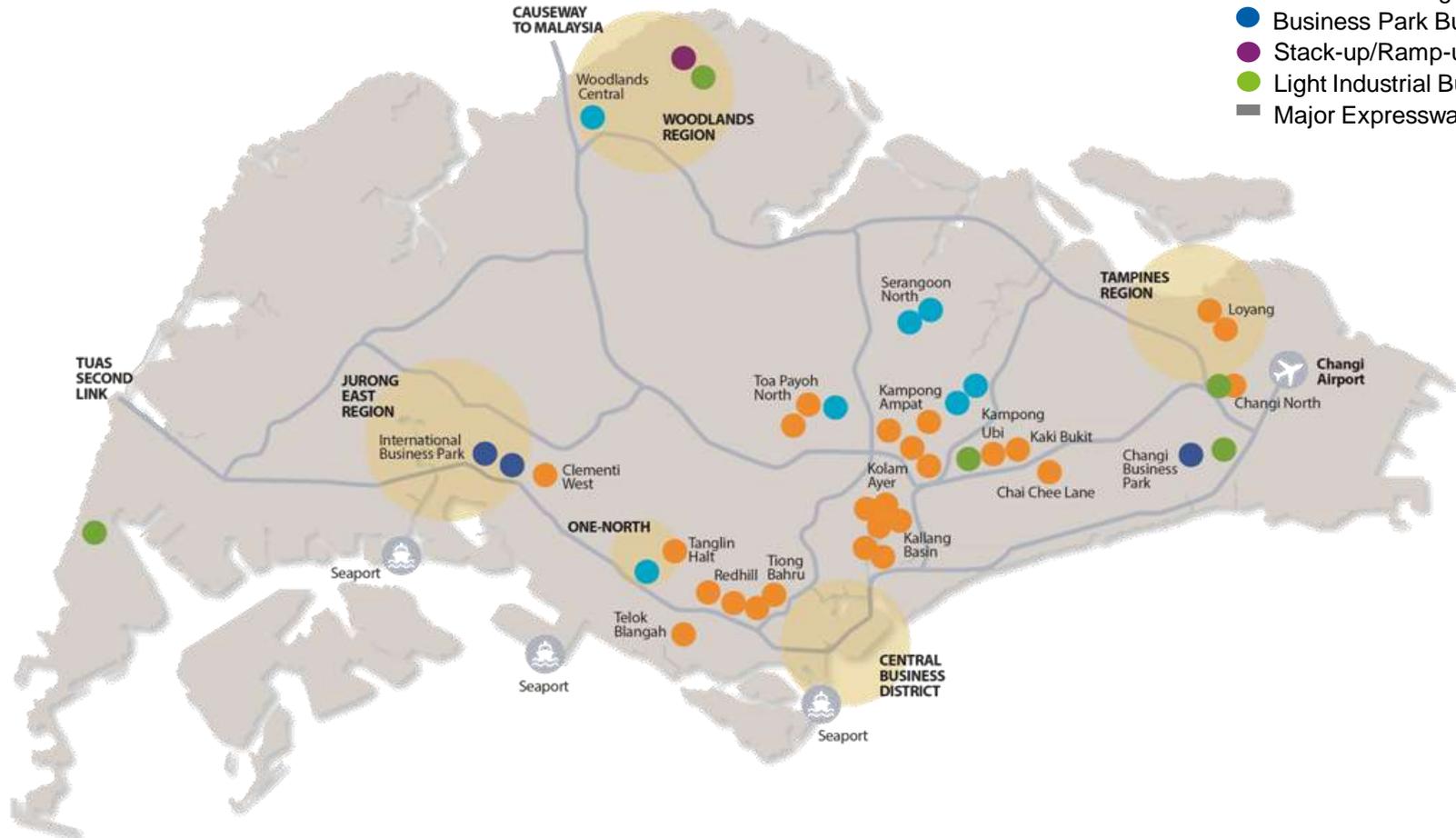
## LIGHT INDUSTRIAL BUILDINGS

Multi-storey developments usually occupied by an anchor tenant for light manufacturing activities.

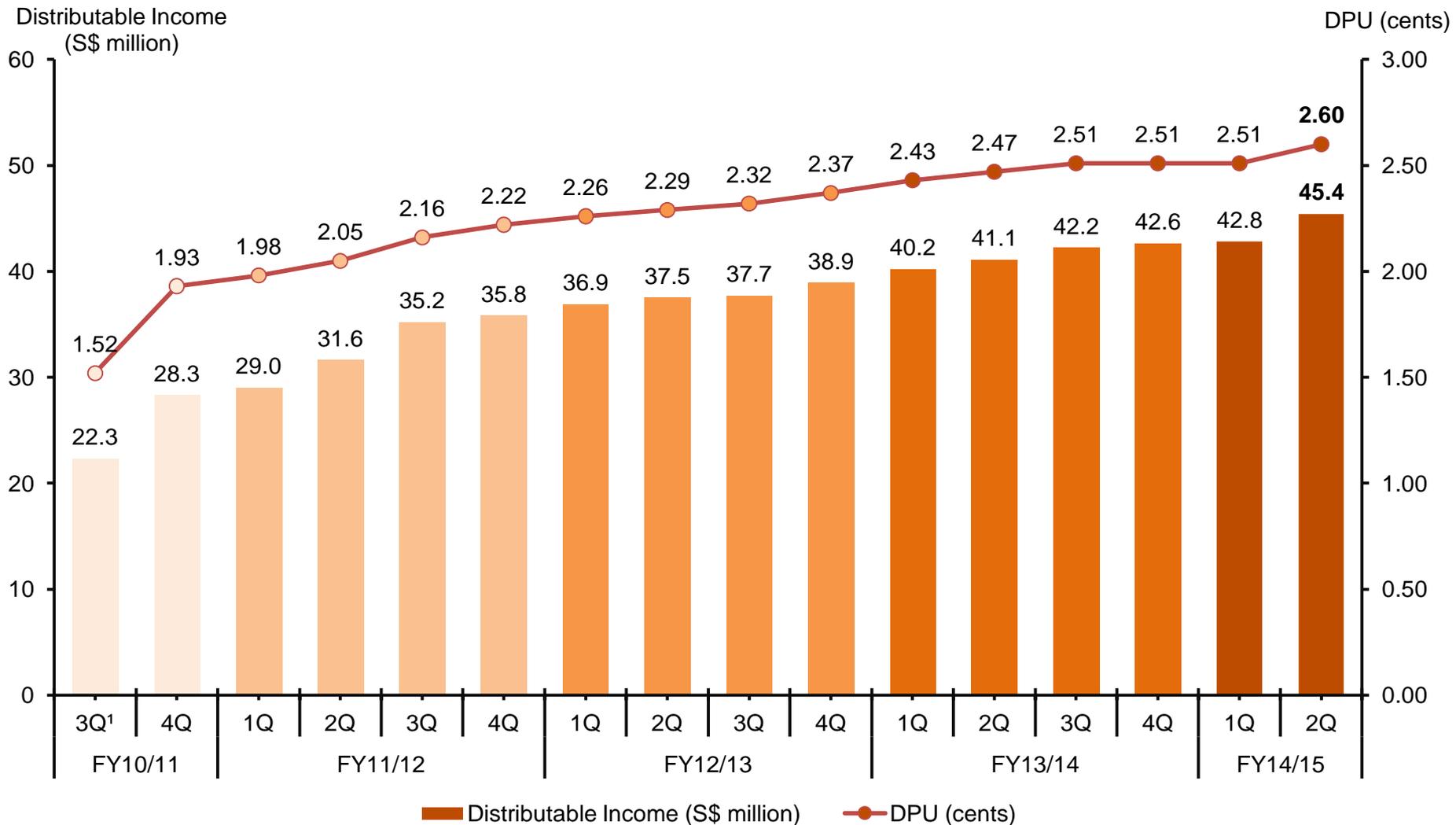
# Strategically Located across Singapore

## Close to Public Transportation Networks and Established Industrial Estates

- Flatted Factories
- Hi-Tech Buildings
- Business Park Buildings
- Stack-up/Ramp-up Buildings
- Light Industrial Buildings
- Major Expressways



# Scorecard since IPO



<sup>1</sup> MIT was listed on 21 Oct 2010.

# Attractive Returns since IPO

## RETURN ON INVESTMENT (FROM LISTING DATE TO 30 SEP 2014)

Total Return	91.5% <sup>1</sup>
Capital Appreciation	52.7%
Distribution Yield	38.8%

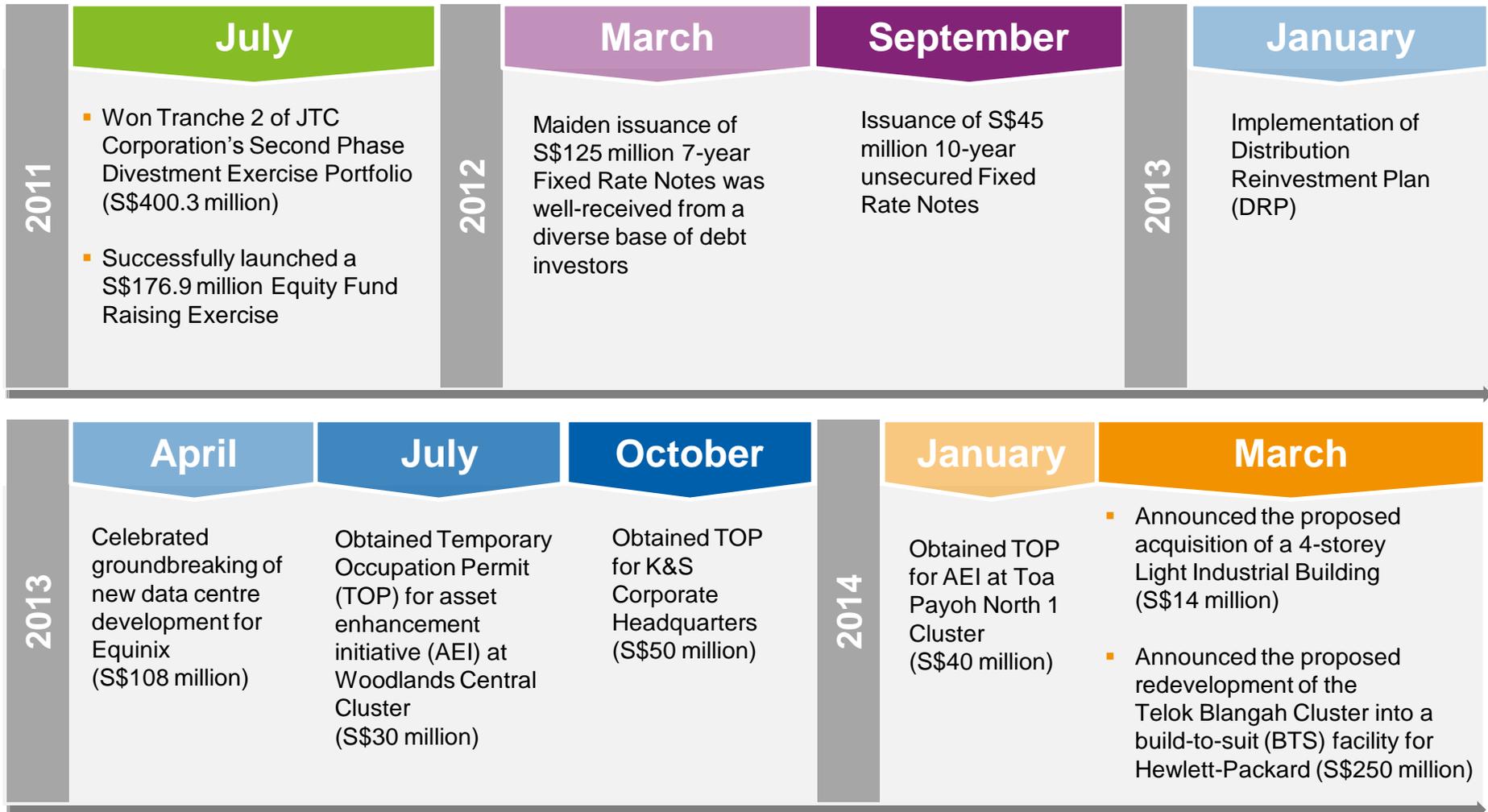


Source: Bloomberg

For the period 21 Oct 2010 to 30 Sep 2014

<sup>1</sup> Sum of distributions and capital appreciation for the period over the issue price of S\$0.93.

# Significant Events

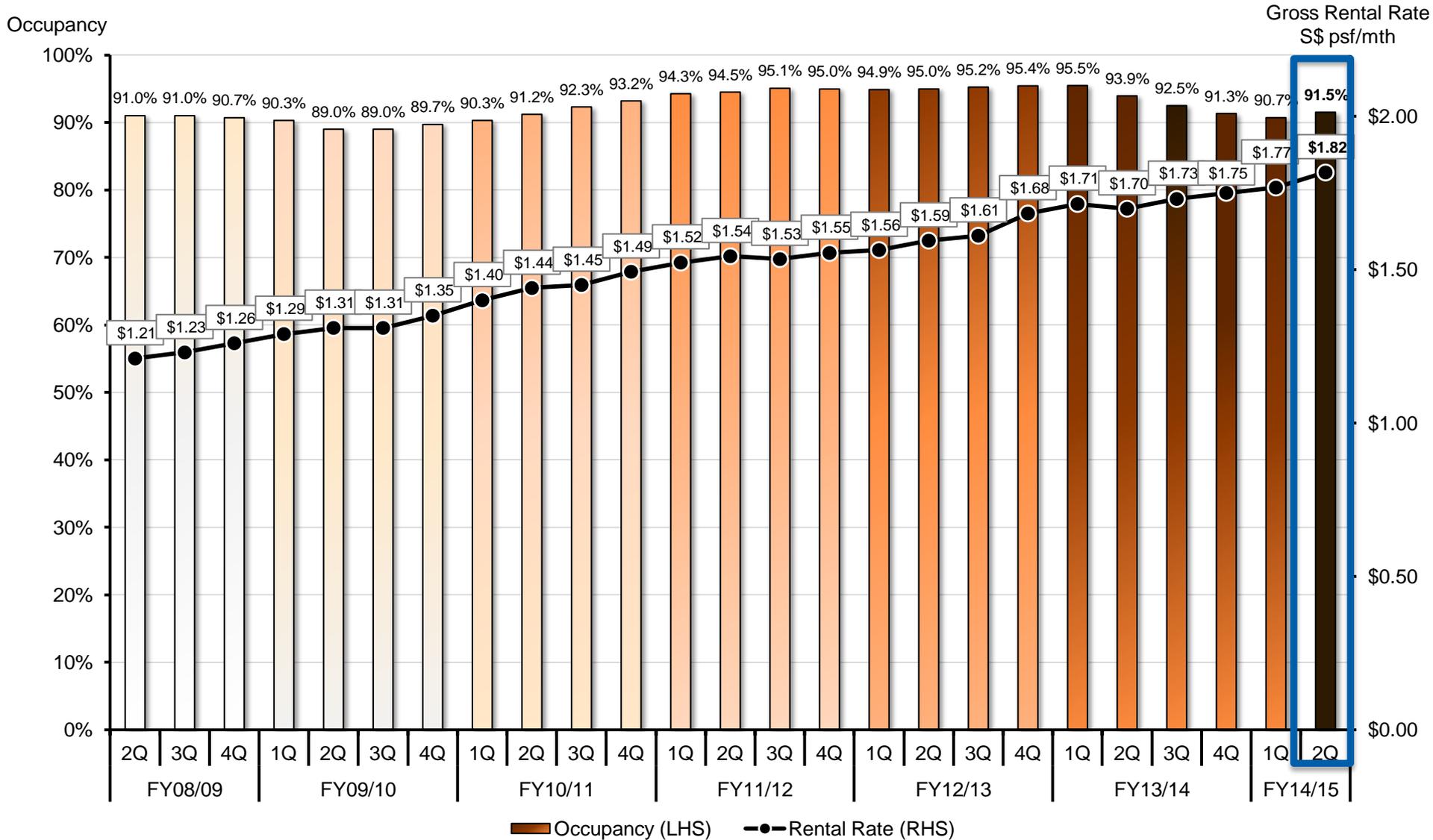


# PORTFOLIO HIGHLIGHTS

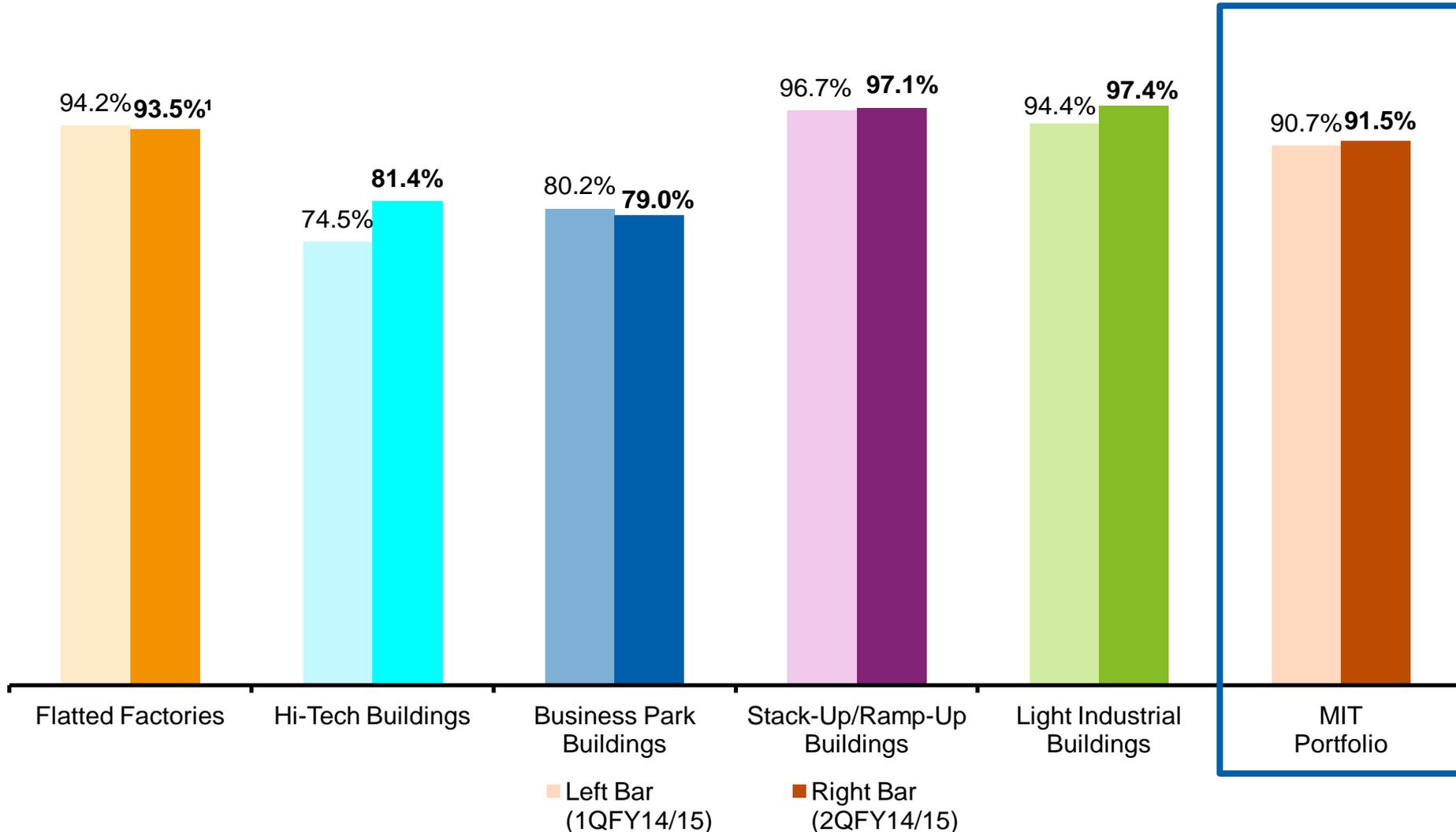


Hi-Tech Building,  
Tata Communications Exchange

# Resilient Portfolio Performance



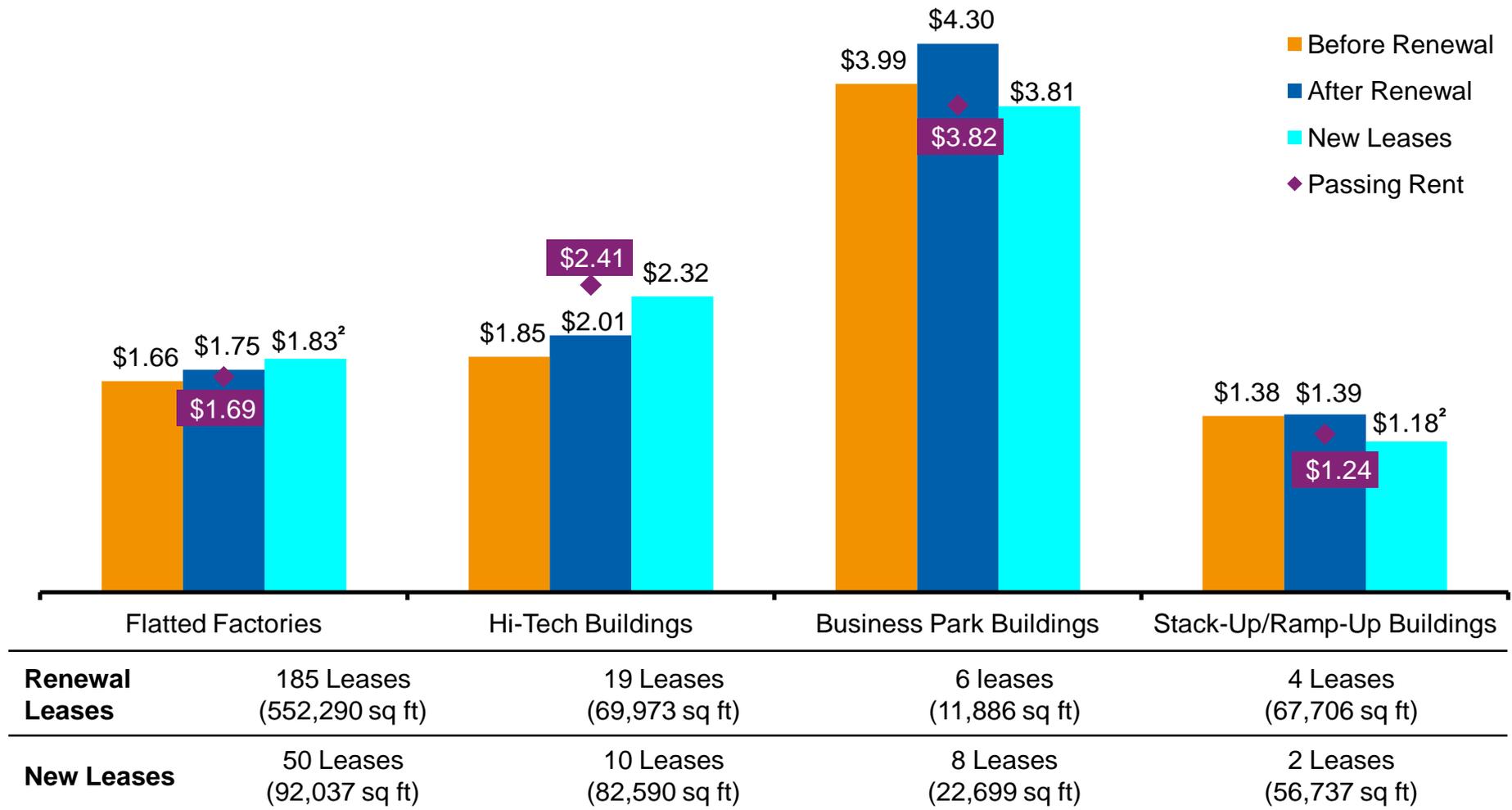
# Segmental Occupancy Levels



<sup>1</sup> The fall in occupancy rate was partially attributed to the progressive relocation of the tenants from the Telok Blangah Cluster. The Telok Blangah Cluster will be redeveloped as a BTS project for Hewlett Packard.

# Positive Rental Revisions

## Gross Rental Rate (\$\$ psf/mth)<sup>1</sup>



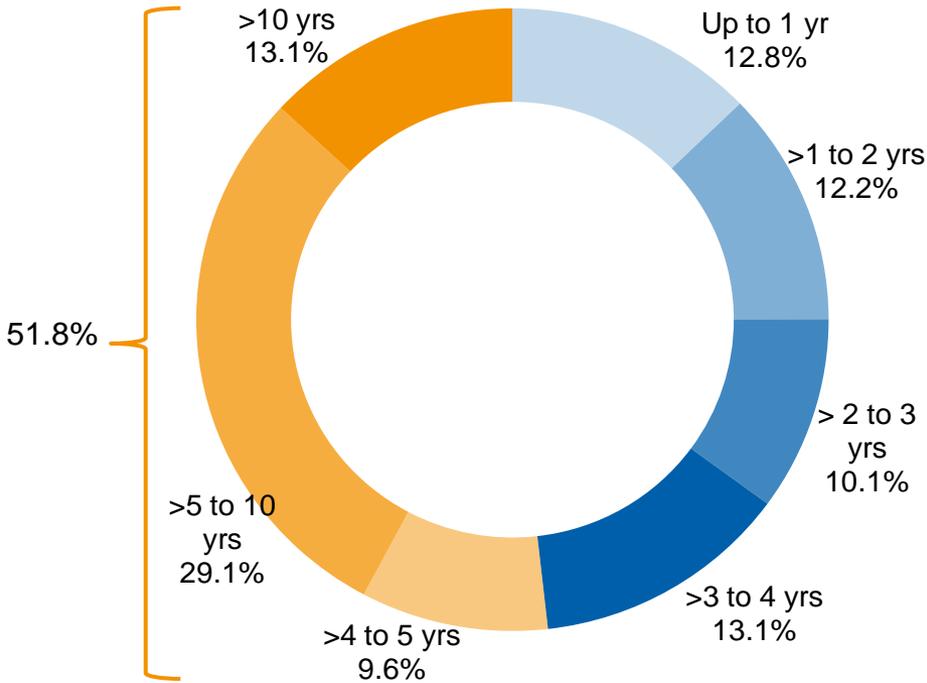
For period 2QFY14/15

<sup>1</sup> Gross Rental Rate figures exclude short term leases; except Passing Rent figures which include all leases.

<sup>2</sup> Excludes new leases signed at preferential rates with tenants relocated from the Telok Blangah Cluster.

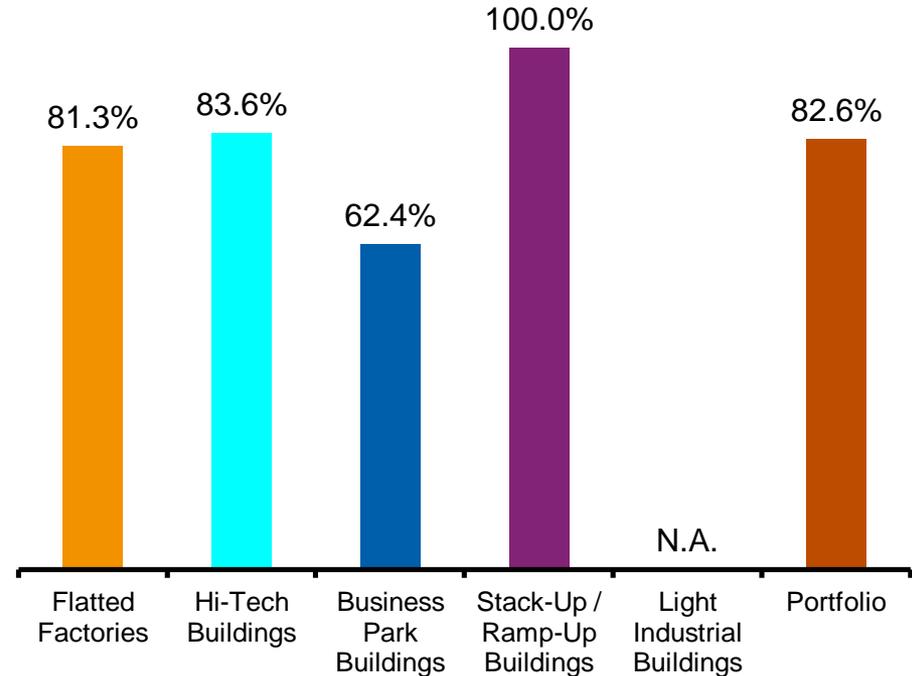
# Healthy Tenant Retention

## LONG STAYING TENANTS



As at 30 Sep 2014  
By number of tenants.

## RETENTION RATE FOR 2QFY14/15

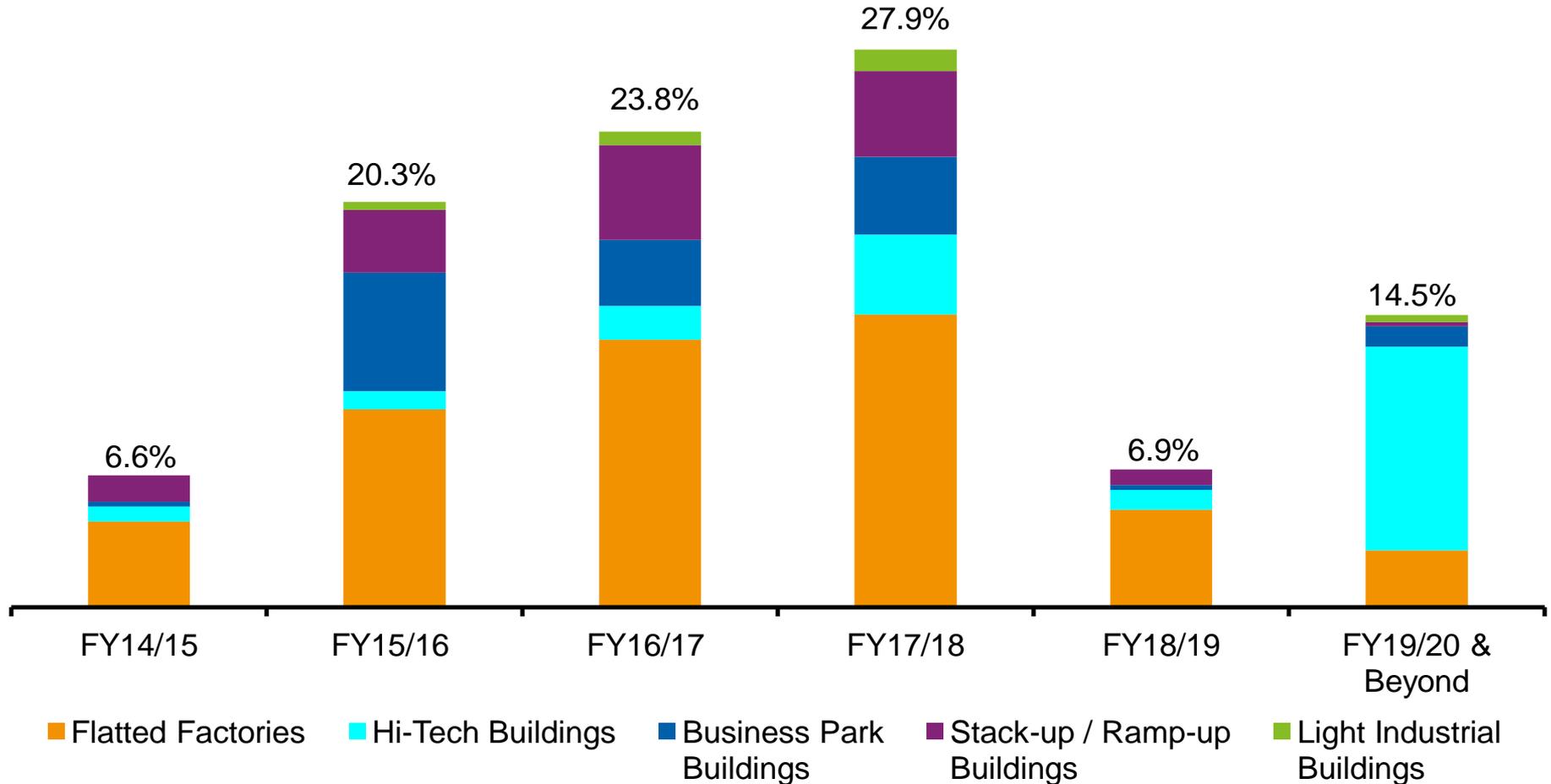


Based on NLA.  
N.A. - Not applicable as no leases were due for renewal.

- 51.8% of the tenants have leased the properties for more than 4 years
- Tenant retention rate of 82.6% in 2QFY14/15

# Lease Expiry Profile

## EXPIRING LEASES BY GROSS RENTAL INCOME (%)



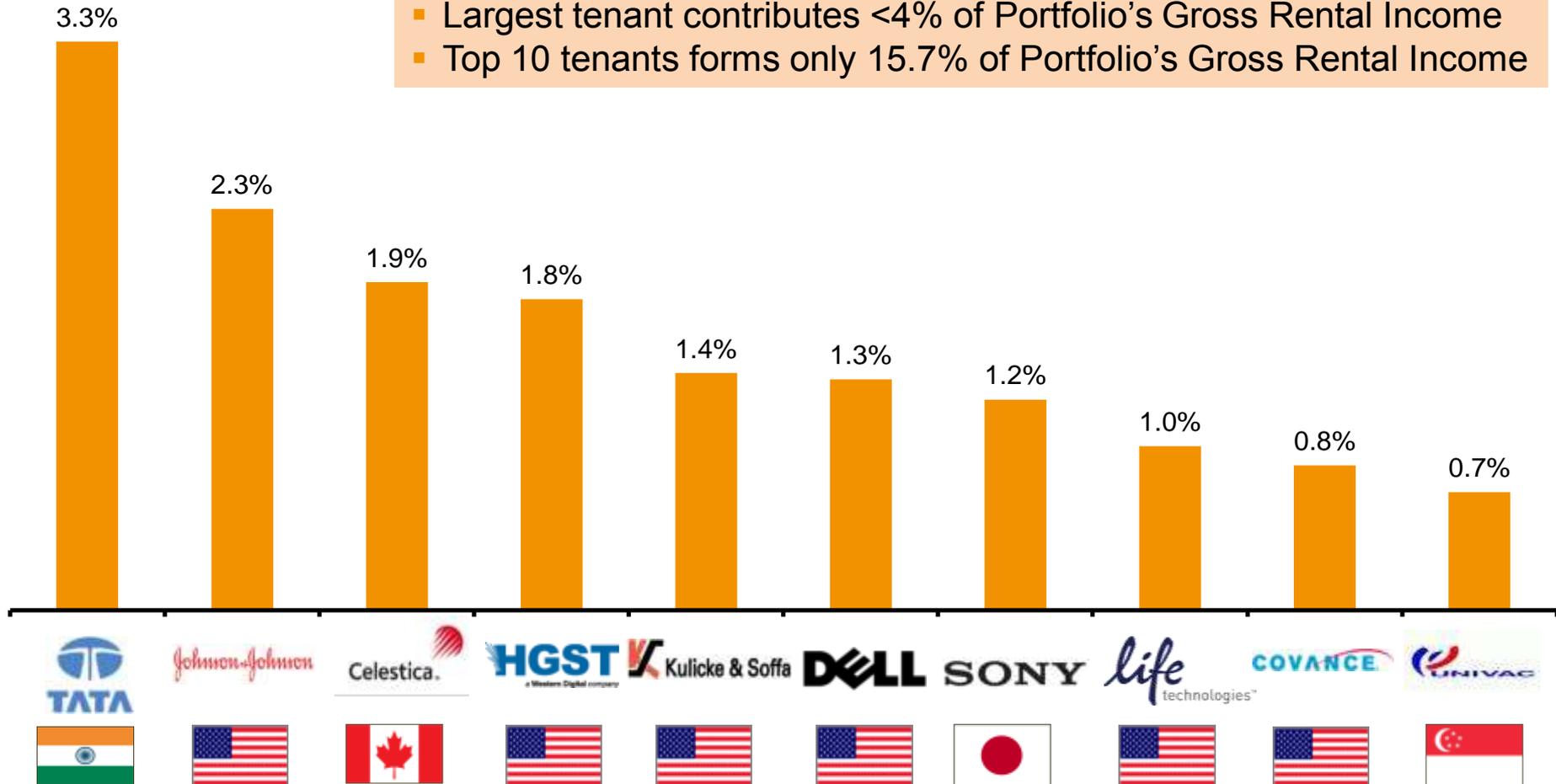
**Portfolio WALE by Gross Rental Income = 2.7 years**

As at 30 Sep 2014

# Large and Diversified Tenant Base

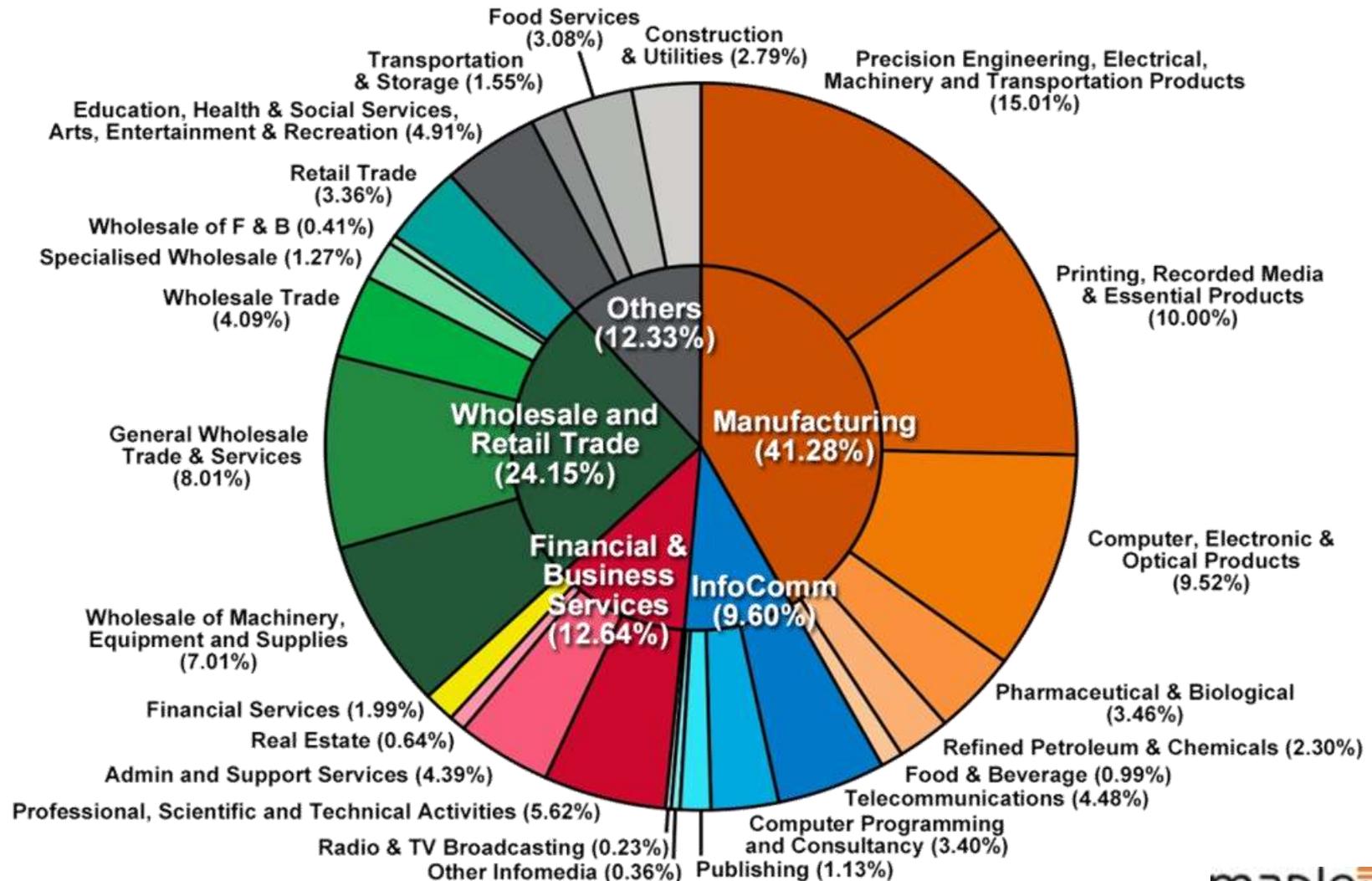
## TOP 10 TENANTS (BY GROSS RENTAL INCOME)

- Over 2,000 tenants
- Largest tenant contributes <4% of Portfolio's Gross Rental Income
- Top 10 tenants forms only 15.7% of Portfolio's Gross Rental Income



# Tenant Diversification Across Trade Sectors

No single trade sector accounted >16% of Portfolio's Gross Rental Income



By Gross Rental Income  
As at 30 Sep 2014

# BTS – Equinix

Location	GFA	Estimated Cost	Date of Completion
26A Ayer Rajah Crescent	385,000 sq ft	S\$108 million	1 <sup>st</sup> Quarter 2015



Façade and external works in progress



Artist's impression of completed development

- New 7-storey data centre for Equinix (100% of space committed)
- 20-year lease with the option to renew for another two additional 5-year terms, or any duration depending on the remaining land lease
- Land lease of 30 years
- Embedded annual rental escalations

# BTS – Hewlett-Packard

Telok Blangah Cluster,  
1160, 1200 and 1200A  
Depot Road



**Before**



**After Redevelopment**

<b>Property</b>	Two 7-storey Flatted Factories and a canteen	Two Hi-Tech Buildings
<b>GFA</b>	437,300 sq ft	824,500 sq ft
<b>Plot ratio</b>	1.3	2.5
<b>Land Tenure</b>	60 years (from 1 July 2008)	

- Secured largest BTS project at S\$250 million<sup>1</sup> with 100% commitment by Hewlett-Packard
- 63 of 100 existing tenants have committed to new leases at alternative MIT clusters
- Income stability from lease term of 10.5<sup>2</sup> + 5 + 5 years with annual rental escalations
- Phase 1: Commence in 2H2014 and complete in 2H2016
- Phase 2: Commence in 1H2015 and complete in 1H2017

<sup>1</sup> Includes construction and other costs but excludes book value of S\$56 million for existing Telok Blangah Cluster.

<sup>2</sup> Includes a rent-free period of six months.

# Committed Sponsor with Aligned Interest

## REPUTABLE SPONSOR



- Leading Asia-focused real estate and capital management company
- Owns and manages S\$24.6 billion<sup>1</sup> of office, logistics, industrial, residential and retail/lifestyle properties
- Manages 4 Singapore-listed real estate investment trusts and 7 private equity real estate funds with assets in Singapore and across Asia
- Extensive regional network in Singapore, China, Hong Kong, India, Japan, Malaysia, South Korea and Vietnam

<sup>1</sup> As at 31 Mar 2014

<sup>2</sup> Excluding Mapletree Business City.

## 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**
  - Mapletree's stake of 32% demonstrates support in MIT
- 3. In-house development capabilities**
  - Able to support growth of MIT by providing development capabilities
- 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 in Singapore<sup>2</sup>
  - Sponsor won the government tender for a 126,700 sq ft industrial site located next to Tai Seng MRT Station

# 2Q & 1HFY14/15

## FINANCIAL PERFORMANCE



Flatted Factory,  
Kallang Basin 4 Cluster

# Key Highlights

## ■ **Steady Growth**

- ▲ 2QFY14/15 Distributable Income: S\$45.4 million (↑ 10.4% y-o-y)
- ▲ 2QFY14/15 DPU: 2.60 cents (↑ 5.3% y-o-y)
- ▲ Driven by higher rental rates secured for leases across all property segments as well as revenue contribution from completed development projects

## ■ **Resilient Portfolio Performance**

- ▲ Higher portfolio passing rent of S\$1.82 psf/mth with positive rental revisions across all property segments
- ▲ Higher average portfolio occupancy of 91.5% and portfolio retention rate of 82.6% on a quarter-on-quarter basis
- ▲ Only 6.6% of leases (by revenue) remain due for renewal in FY14/15

## ■ **Robust Capital Structure**

- ▲ Refinanced debt of S\$251 million due in Sep 2014 by 5 years to Sep 2019
- ▲ Strengthened capital structure with a lower aggregate leverage ratio of 33.1% and longer weighted average tenor of debt of 3.8 years (as at 30 Sep 2014)

## ■ **Seeking Growth from Developments**

- ▲ BTS development projects for Equinix and Hewlett-Packard on track

# Statement of Total Returns (Year-on-Year)

	2QFY14/15 (S\$'000)	2QFY13/14 (S\$'000)	↑ / (↓)
Gross revenue	77,909	73,374	6.2%
Property operating expenses	(21,713)	(19,366)	12.1%
<b>Net property income</b>	<b>56,196</b>	<b>54,008</b>	<b>4.1%</b>
Interest on borrowings	(5,916)	(6,790)	(12.9%)
Trust expenses	(6,761)	(6,427)	5.2%
<b>Total return for the period before tax</b>	<b>43,519</b>	<b>40,791</b>	<b>6.7%</b>
Net non-tax deductible items	1,879	322	483.5%
<b>Amount available for distribution</b>	<b>45,398</b>	<b>41,113</b>	<b>10.4%</b>
<b>Distribution per Unit (cents)</b>	<b>2.60</b>	<b>2.47</b>	<b>5.3%</b>

# Statement of Total Returns (Year-on-Year)

	1HFY14/15 (S\$'000)	1HFY13/14 (S\$'000)	↑ / (↓)
Gross revenue	156,334	148,472	5.3%
Property operating expenses	(43,468)	(42,010)	3.5%
<b>Net property income</b>	<b>112,866</b>	<b>106,462</b>	<b>6.0%</b>
Interest on borrowings	(11,825)	(13,385)	(11.7%)
Trust expenses	(13,340)	(12,531)	6.5%
<b>Total return for the period before tax</b>	<b>87,701</b>	<b>80,546</b>	<b>8.9%</b>
Income tax expense	(1,083)	-	N.M.*
<b>Total return for the period after tax</b>	<b>86,618</b>	<b>80,546</b>	<b>7.5%</b>
Net non-tax deductible items	1,542	781	97.4%
<b>Amount available for distribution</b>	<b>88,160</b>	<b>81,327</b>	<b>8.4%</b>
<b>Distribution per Unit (cents)</b>	<b>5.11</b>	<b>4.90</b>	<b>4.3%</b>

Footnote:

\* N.M. - Not meaningful.

# Statement of Total Returns (Qtr-on-Qtr)

	2QFY14/15 (S\$'000)	1QFY14/15 (S\$'000)	↑ / (↓)
Gross revenue	77,909	78,425	(0.7%)
Property operating expenses	(21,713)	(21,755)	(0.2%)
<b>Net property income</b>	<b>56,196</b>	<b>56,670</b>	<b>(0.8%)</b>
Interest on borrowings	(5,916)	(5,909)	0.1%
Trust expenses	(6,761)	(6,579)	2.8%
<b>Total return for the period before tax</b>	<b>43,519</b>	<b>44,182</b>	<b>(1.5%)</b>
Income tax expense	-	(1,083)	(100.0%)
<b>Total return for the period after tax</b>	<b>43,519</b>	<b>43,099</b>	<b>1.0%</b>
Net non-tax deductible items	1,879	(337)	N.M.*
<b>Amount available for distribution</b>	<b>45,398</b>	<b>42,762</b>	<b>6.2%</b>
<b>Distribution per Unit (cents)</b>	<b>2.60</b>	<b>2.51</b>	<b>3.6%</b>

Footnote:

\* N.M. - Not meaningful.

# Balance Sheet

	30 Sep 2014	30 Jun 2014	↑ / (↓)
Total Assets (S\$'000)	3,270,811	3,277,961	(0.2%)
Total Liabilities (S\$'000)	1,205,311	1,228,887	(1.9%)
<b>Net Assets Attributable to Unitholders (S\$'000)</b>	<b>2,065,500</b>	<b>2,049,074</b>	<b>0.8%</b>
<b>Net Asset Value per Unit (S\$)</b>	<b>1.20</b>	<b>1.20</b>	<b>-</b>

# Strong Balance Sheet

	As at 30 Sep 2014	As at 30 Jun 2014
Total Debt	<b>S\$1,085.6 million</b>	S\$1,103.4 million
Aggregate Leverage Ratio	<b>33.1%</b>	33.6%
Fixed as a % of Total Debt	<b>77%</b>	75%
Weighted Average Tenor of Debt	<b>3.8 years</b>	2.9 years

	2QFY14/15	1QFY14/15
Weighted Average All-in Funding Cost	<b>2.1%</b>	2.1%
Interest Coverage Ratio <sup>1</sup>	<b>8.0 times</b>	8.2 times

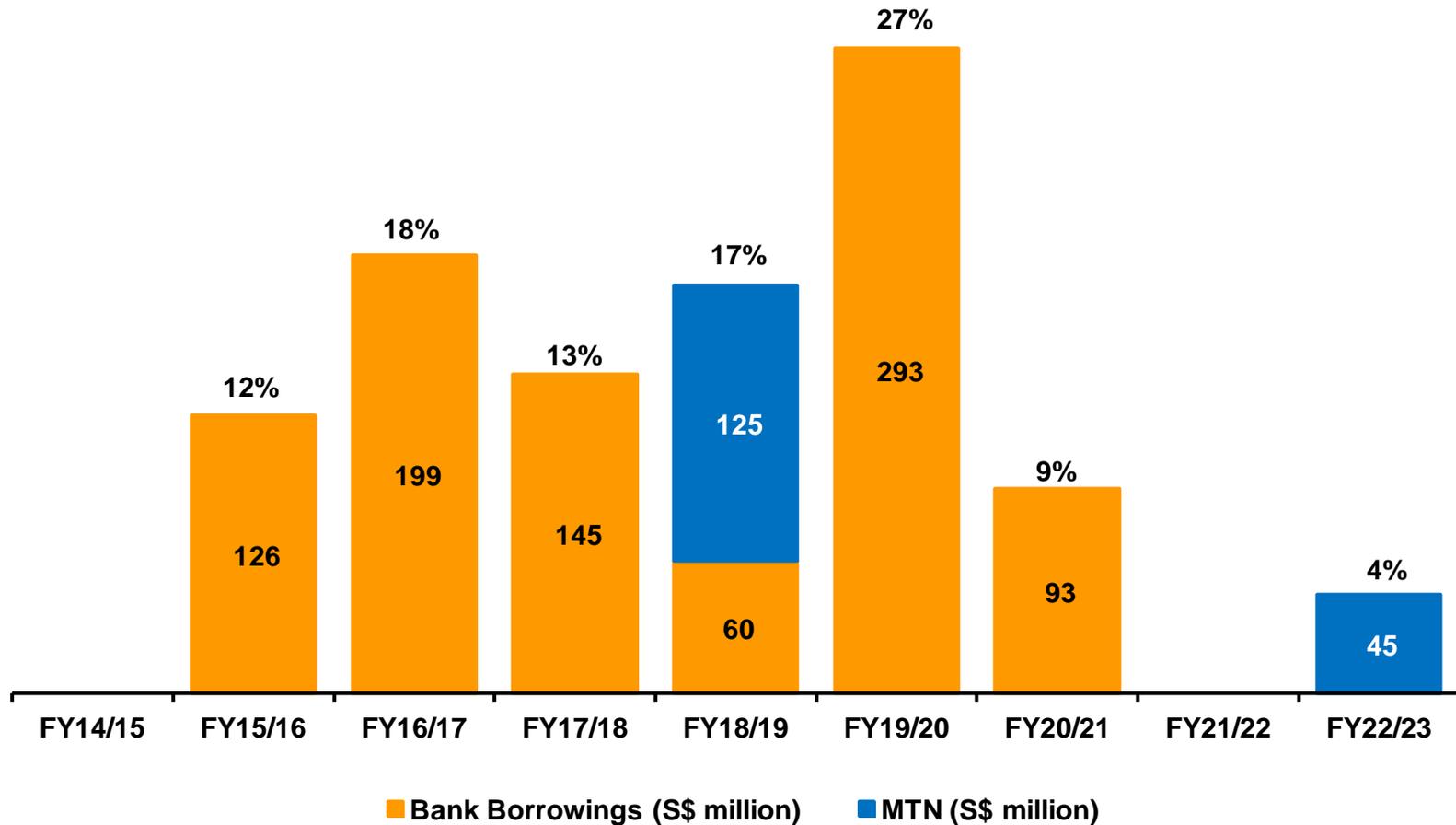
## Strong balance sheet to pursue growth opportunities

- Proceeds of S\$13.8 million from DRP in 1QFY14/15 used to fund development costs and repay loans drawn previously to fund such costs
- 'BBB+' rating with Stable Outlook by Fitch Ratings
- 100% of loans unsecured with minimal covenants

<sup>1</sup> Restated to include capitalised interest.

# Completed Refinancing due in FY14/15

## DEBT MATURITY PROFILE



# OUTLOOK AND STRATEGY

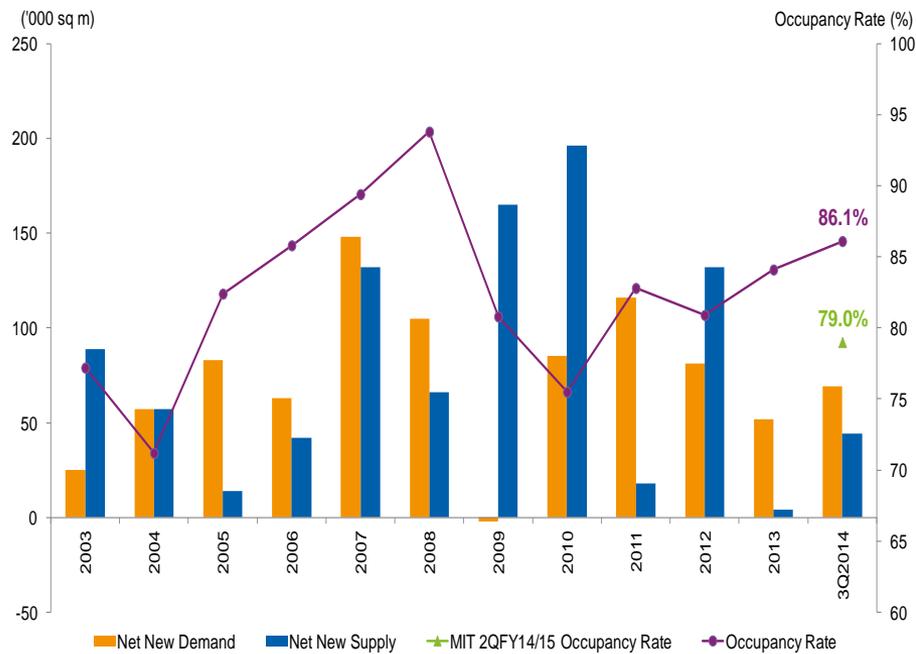
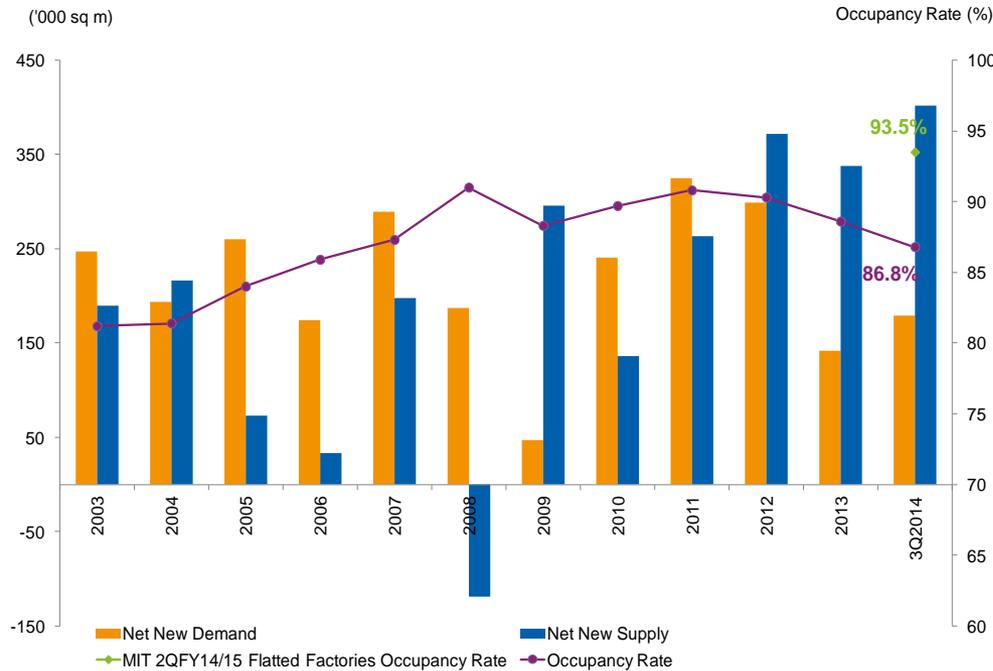


Business Park Buildings,  
The Strategy and The Synergy

# Market Outlook

## DEMAND AND SUPPLY FOR MULTI-USER FACTORIES

## DEMAND AND SUPPLY FOR BUSINESS PARKS



- The economy grew by 2.4% on a year-on-year basis for the quarter ended 30 Sep 2014, same pace of growth as the preceding quarter<sup>1</sup>
- Average rents for industrial real estate for 2QFY14/15<sup>2</sup>
  - ▲ Multi-user Factory Space: S\$1.91 psf/mth (-3.5% q-o-q)
  - ▲ Business Park Space: S\$4.00 psf/mth (-3.8% q-o-q)
- For the next 12 months, the potential supply of factory space is expected to be higher than the historical annual supply. Industrial market rents are expected to remain stable or ease marginally in the fourth quarter of 2014<sup>3</sup>

<sup>1</sup> Ministry of Trade and Industry (Advance Estimates), 14 Oct 2014

<sup>2</sup> URA/JTC Realis, 23 Oct 2014

<sup>3</sup> Singapore industrial property market 3Q2014 report by Colliers International Research

# Positioned for Growth

## Stable and Resilient Portfolio

- Achieved positive rental revisions across all segments
- Limited leasing risk with only 6.6% of leases due for renewal in FY14/15
- Healthy portfolio retention rate of 82.6%

## Enhanced Financial Flexibility

- Completed refinancing due in FY14/15 and extended weighted average tenor of debt
- Application of DRP for 2QFY14/15 distribution to finance progressive payment requirements of development projects

## Growth by Acquisitions and Developments

- BTS development for Equinix on track for completion in 1Q2015
- BTS development for Hewlett-Packard to commence in 2H2014



# End of Presentation

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