



# 2Q & 1HFY15/16 Financial Results

20 October 2015

maple<sup>tree</sup>  
industrial

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# Agenda

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1 Key Highlights – 1 Jul 2015 to 30 Sep 2015

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2 2Q & 1HFY15/16 Financial Performance

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3 Portfolio Update

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4 Development Update

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5 Outlook and Strategy

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# KEY HIGHLIGHTS

1 JUL 2015 TO 30 SEP 2015

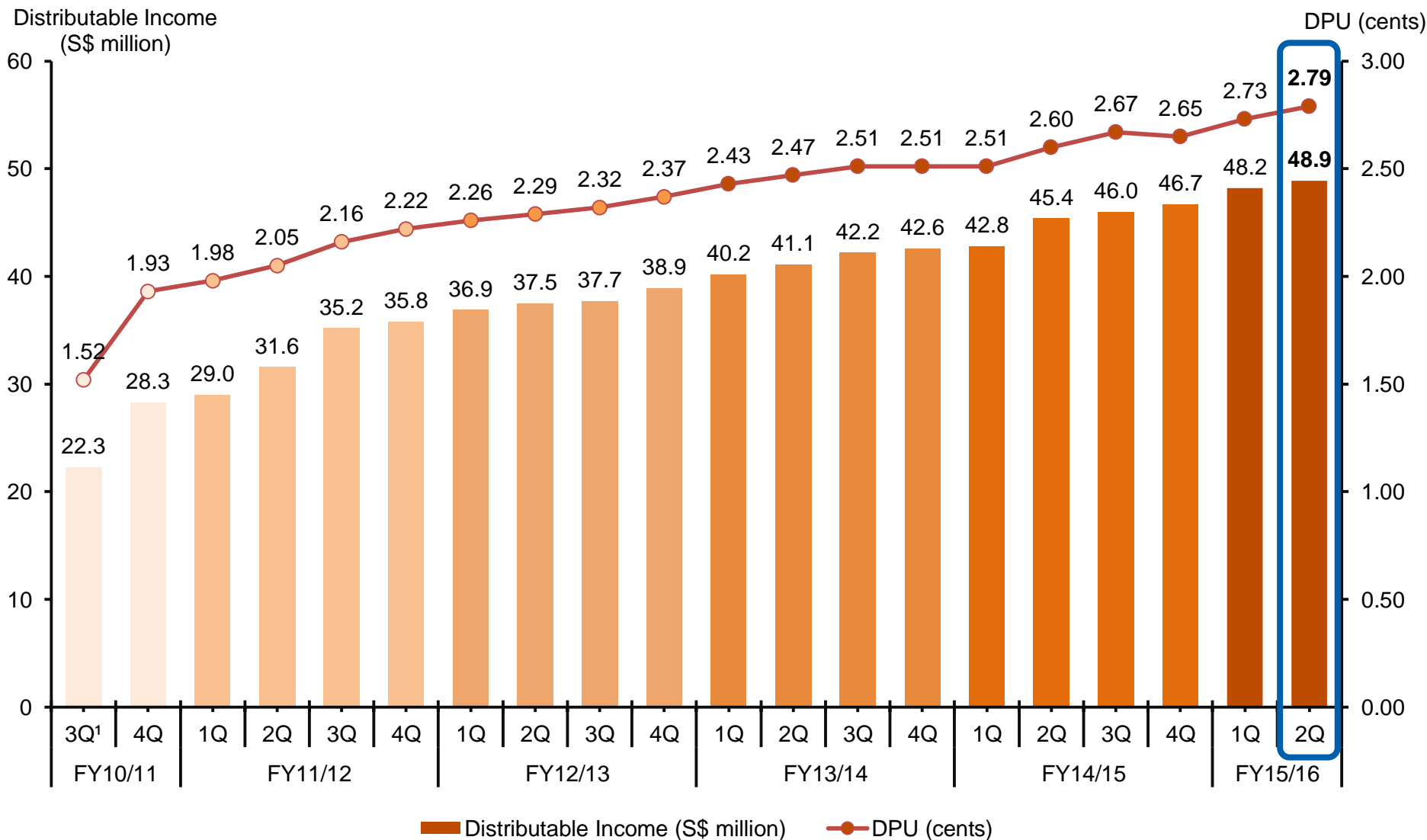


Hi-Tech Building,  
Build-to-Suit Data Centre for Equinix

# Key Highlights

- **Robust results driven by year-on-year higher occupancies, stable rental rates and contribution from build-to-suit (BTS) data centre for Equinix**
  - ▲ 2QFY15/16 Distributable Income: S\$48.9 million (↑ 7.7% y-o-y)
  - ▲ 2QFY15/16 DPU: 2.79 cents (↑ 7.3% y-o-y)
- **New asset enhancement initiative (AEI) to grow Hi-Tech Buildings segment**
  - ▲ S\$77 million AEI at Kallang Basin 4 Cluster to be completed in the fourth quarter of 2017
  - ▲ Development of a new 11-storey Hi-Tech Building on existing open car park space and improvement works to existing buildings
- **Stable operational performance**
  - ▲ Higher average portfolio occupancy of 93.8% and portfolio passing rental rate of S\$1.88 psf/mth
  - ▲ Only 5.5% of leases (by revenue) remain due for renewal in FY15/16
- **Prudent capital management**
  - ▲ Hedged borrowings of 80% to minimise impact of interest rate volatility on distributions

# Scorecard since IPO



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

# 2Q & 1HFY15/16

## FINANCIAL PERFORMANCE



Flatted Factory,  
Kallang Basin 4 Cluster

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

	2QFY15/16 (S\$'000)	2QFY14/15 (S\$'000)	↑ / (↓)
Gross revenue	82,736	77,909	6.2%
Property operating expenses	(21,709)	(21,713)	(0.0%)
<b>Net property income</b>	<b>61,027</b>	<b>56,196</b>	<b>8.6%</b>
Interest on borrowings	(6,402)	(5,916)	8.2%
Trust expenses	(7,228)	(6,761)	6.9%
<b>Total return for the period</b>	<b>47,397</b>	<b>43,519</b>	<b>8.9%</b>
Net non-tax deductible items	1,510	1,879	(19.6%)
<b>Amount available for distribution</b>	<b>48,907</b>	<b>45,398</b>	<b>7.7%</b>
<b>Distribution per Unit (cents)</b>	<b>2.79</b>	<b>2.60</b>	<b>7.3%</b>



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

	1HFY15/16 (S\$'000)	1HFY14/15 (S\$'000)	↑ / (↓)
Gross revenue	164,355	156,334	5.1%
Property operating expenses	(43,136)	(43,468)	(0.8%)
<b>Net property income</b>	<b>121,219</b>	<b>112,866</b>	<b>7.4%</b>
Interest on borrowings	(12,847)	(11,825)	8.6%
Trust expenses	(14,301)	(13,340)	7.2%
<b>Total return for the period before tax</b>	<b>94,071</b>	<b>87,701</b>	<b>7.3%</b>
Income tax expense	-	(1,083) <sup>1</sup>	N.M.*
<b>Total return for the period after tax</b>	<b>94,071</b>	<b>86,618</b>	<b>8.6%</b>
Net non-tax deductible items	3,068	1,542	99.0%
<b>Amount available for distribution</b>	<b>97,139</b>	<b>88,160</b>	<b>10.2%</b>
<b>Distribution per Unit (cents)</b>	<b>5.52</b>	<b>5.11</b>	<b>8.0%</b>

\*N.M. – Not meaningful.

Footnote:

- 1 The income tax expense relates mainly to industrial building allowances claimed when MIT was a private trust, which has been disallowed by the Inland Revenue Authority of Singapore.

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

	2QFY15/16 (S\$'000)	1QFY15/16 (S\$'000)	↑ / (↓)
Gross revenue	82,736	81,619	1.4%
Property operating expenses	(21,709)	(21,427)	1.3%
<b>Net property income</b>	<b>61,027</b>	<b>60,192</b>	<b>1.4%</b>
Interest on borrowings	(6,402)	(6,445)	(0.7%)
Trust expenses	(7,228)	(7,073)	2.2%
<b>Total return for the period</b>	<b>47,397</b>	<b>46,674</b>	<b>1.5%</b>
Net non-tax deductible items	1,510	1,558	(3.1%)
<b>Amount available for distribution</b>	<b>48,907</b>	<b>48,232</b>	<b>1.4%</b>
<b>Distribution per Unit (cents)</b>	<b>2.79</b>	<b>2.73</b>	<b>2.2%</b>

# Balance Sheet

	30 Sep 2015	30 Jun 2015	↑ / (↓)
Total Assets (S\$'000)	3,521,636	3,516,270	0.2%
Total Liabilities (S\$'000)	1,174,676	1,184,567	(0.8%)
<b>Net Assets Attributable to Unitholders (S\$'000)</b>	<b>2,346,960</b>	<b>2,331,703</b>	<b>0.7%</b>
<b>Net Asset Value per Unit (S\$)</b>	<b>1.33</b>	<b>1.32</b>	<b>0.8%</b>

# Strong Balance Sheet

	30 Sep 2015	30 Jun 2015
Total Debt	<b>S\$1,049.7 million</b>	S\$1,060.5 million
Aggregate Leverage Ratio	<b>29.7%</b>	30.0%
Fixed as a % of Total Debt	<b>80%</b>	88%
Weighted Average Tenor of Debt	<b>3.8 years</b>	4.1 years

	2QFY15/16	1QFY15/16
Weighted Average All-in Funding Cost	<b>2.3%</b>	2.3%
Interest Coverage Ratio*	<b>8.3 times</b>	8.2 times

\* Includes capitalised interest.

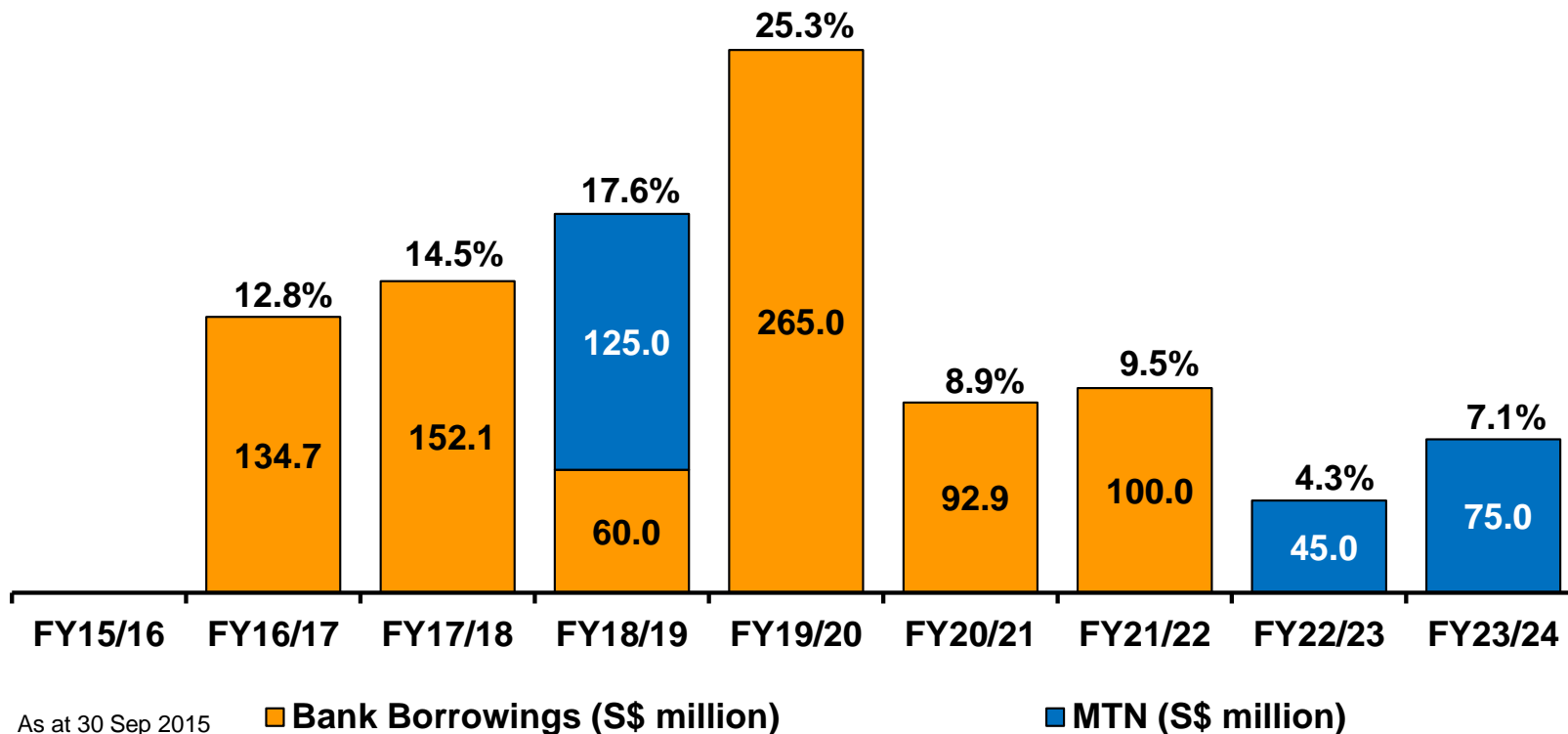
## Strong balance sheet to pursue growth opportunities

- Proceeds of S\$14 million from DRP in 1QFY15/16 mainly used to repay loans drawn previously to fund completed projects
- 'BBB+' rating with Stable Outlook by Fitch Ratings
- 100% of loans unsecured with minimal covenants

# Well Diversified Debt Maturity Profile

## DEBT MATURITY PROFILE

- No refinancing requirement for FY15/16
- Weighted average tenor of debt was 3.8 years



# Distribution Details

<b>Distribution Period</b>	<b>Distribution per Unit (cents)</b>
1 Jul 2015 to 30 Sep 2015	2.79

<b>Distribution Timetable</b>	<b>Dates</b>
Last day of trading on “cum” basis	23 Oct 2015 (Fri), 5:00pm
Ex-date	26 Oct 2015 (Mon), 9:00am
Book closure date	28 Oct 2015 (Wed), 5:00pm
Cash distribution payment date	By 4 Dec 2015 (Fri)
Crediting of DRP Units to Unitholders’ securities accounts and listing of the DRP Units on the SGX-ST	By 4 Dec 2015 (Fri)

# PORTFOLIO UPDATE



Hi-Tech Building,  
K&S Corporate Headquarters

# 84 Properties Across 5 Property Types



Flatted Factories



Hi-Tech Buildings



Business Park Buildings

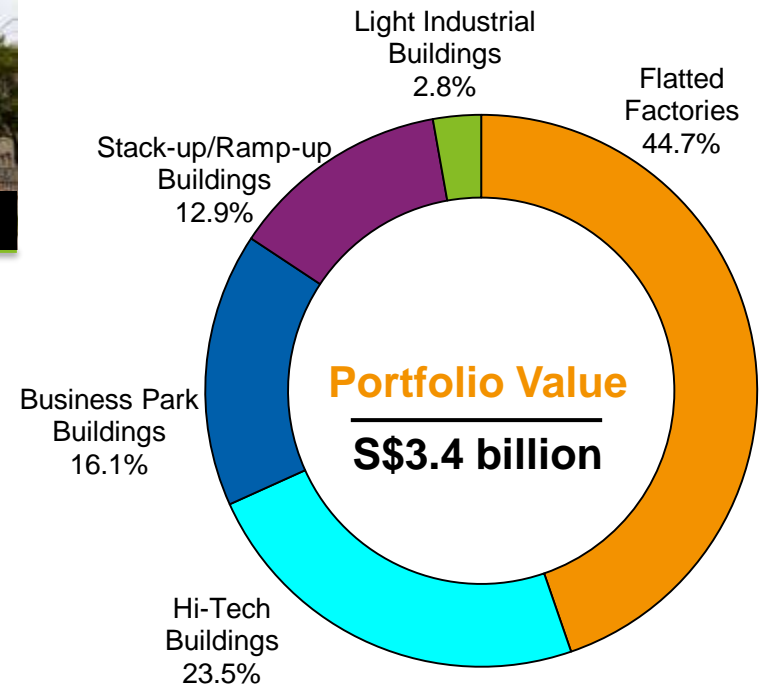


Stack-up/Ramp-up Buildings



Light Industrial Buildings

- Total property assets of approx. **S\$3.4 billion**
- Total GFA of approx. **19.7 million sq ft**
- Total NLA of approx. **14.8 million sq ft**
- Largest tenant base among industrial SREITs with over **2,000** MNCs, listed companies & local enterprises



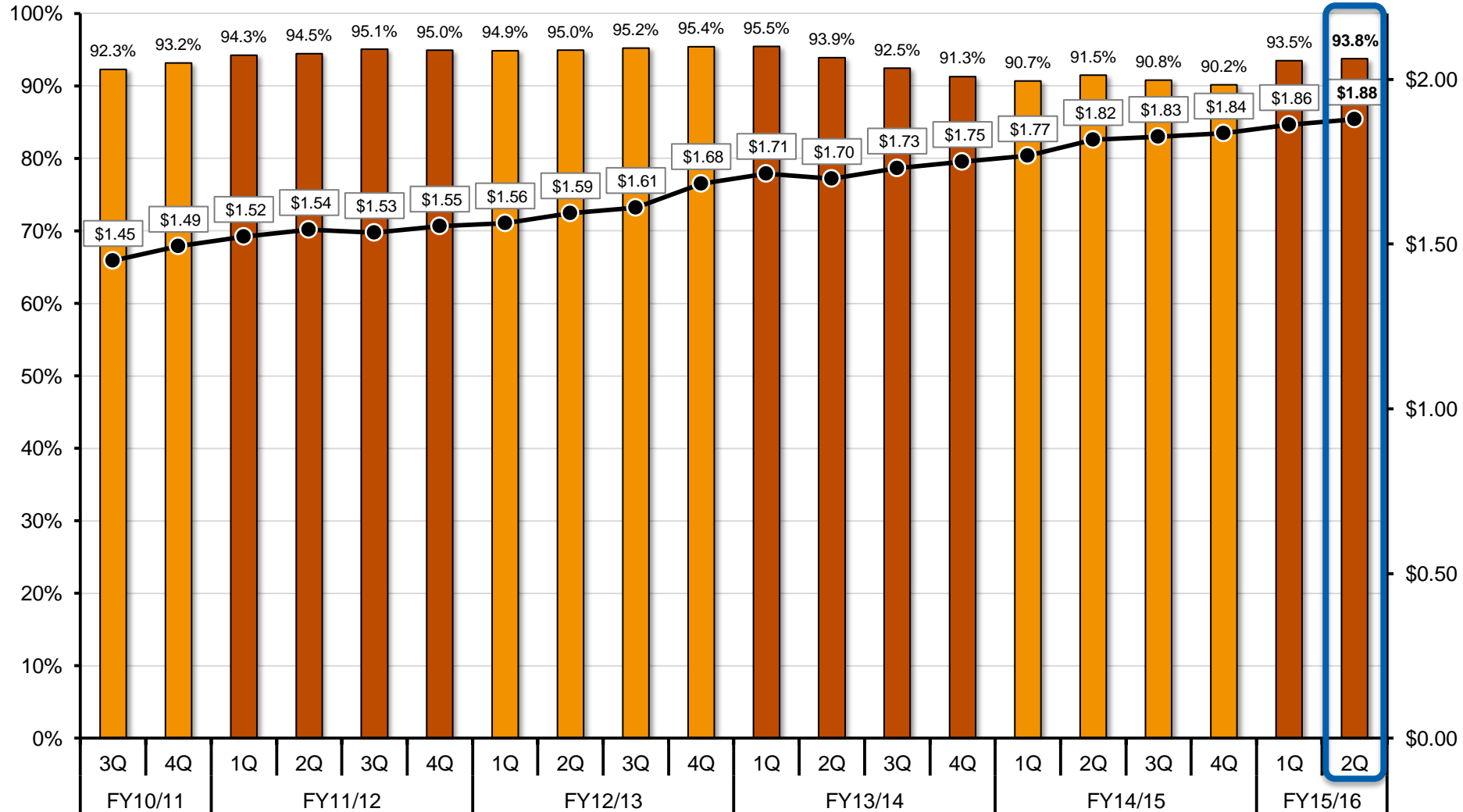
As at 31 Mar 2015



# Resilient Portfolio Performance

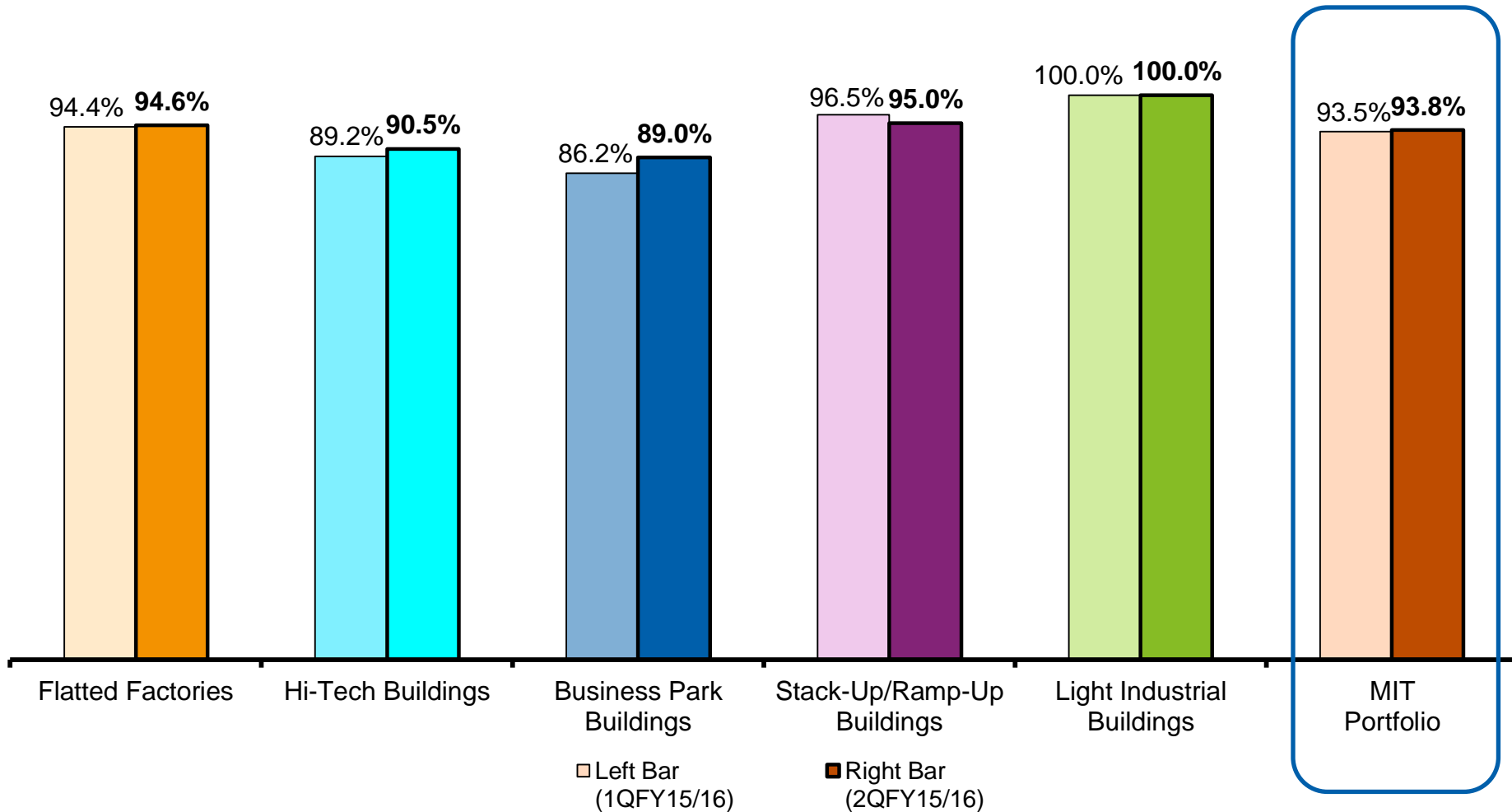
Occupancy

Gross Rental Rate  
S\$ psf/mth



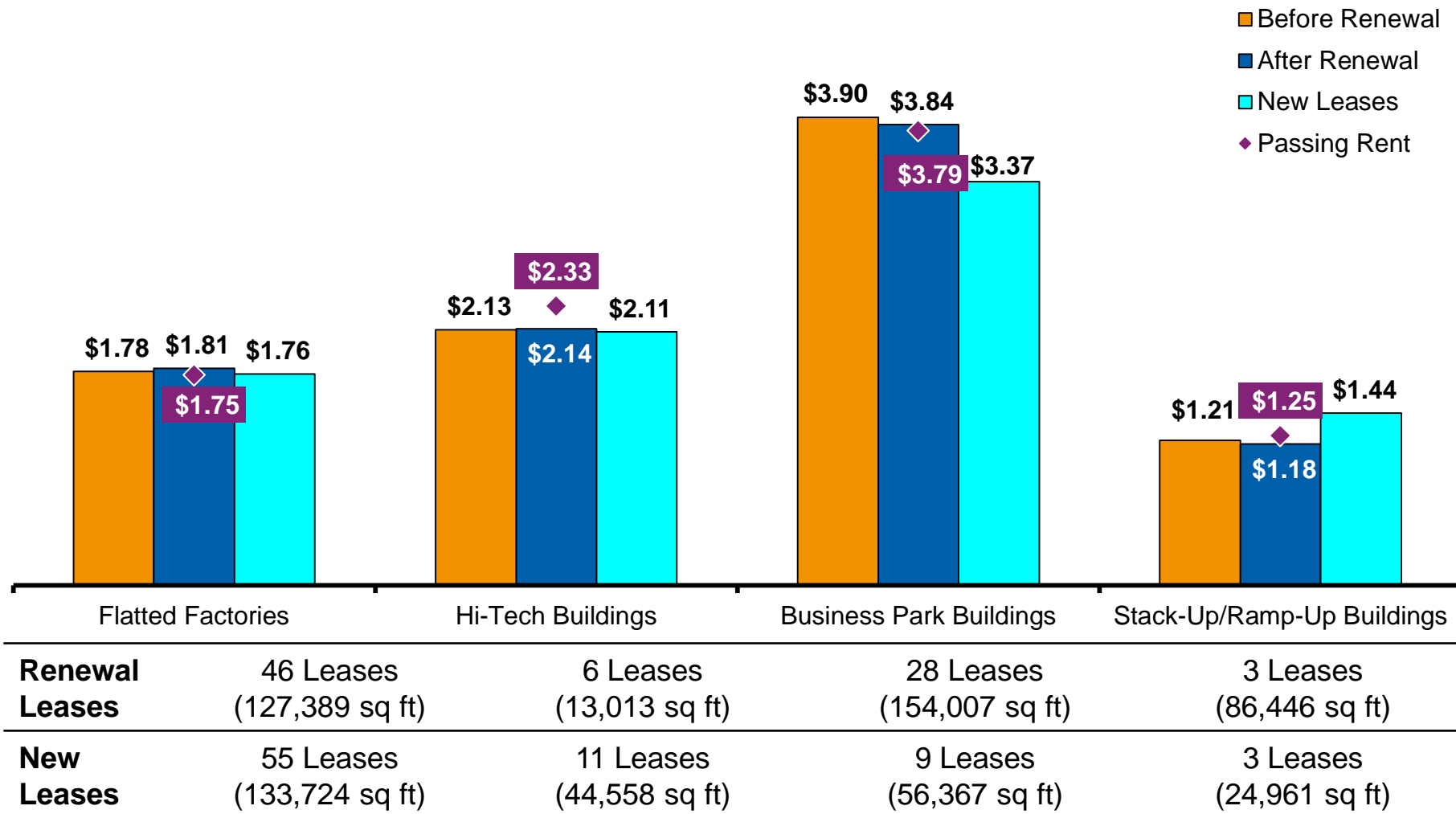
Occupancy (LHS) Rental Rate (RHS)

# Segmental Occupancy Levels



# Rental Revisions

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

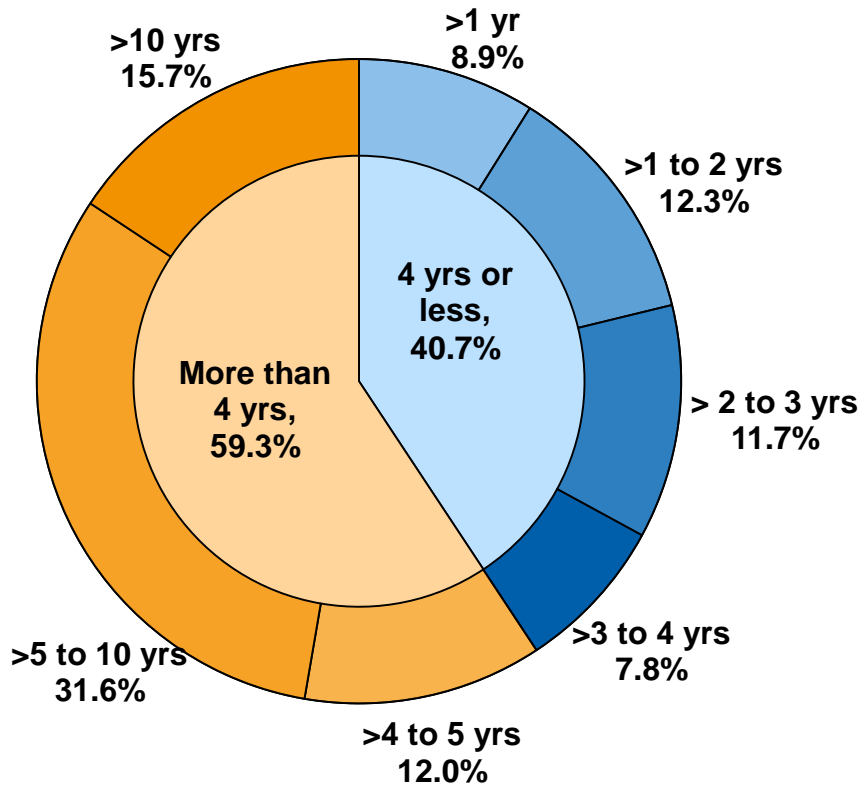


For period 2QFY15/16

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

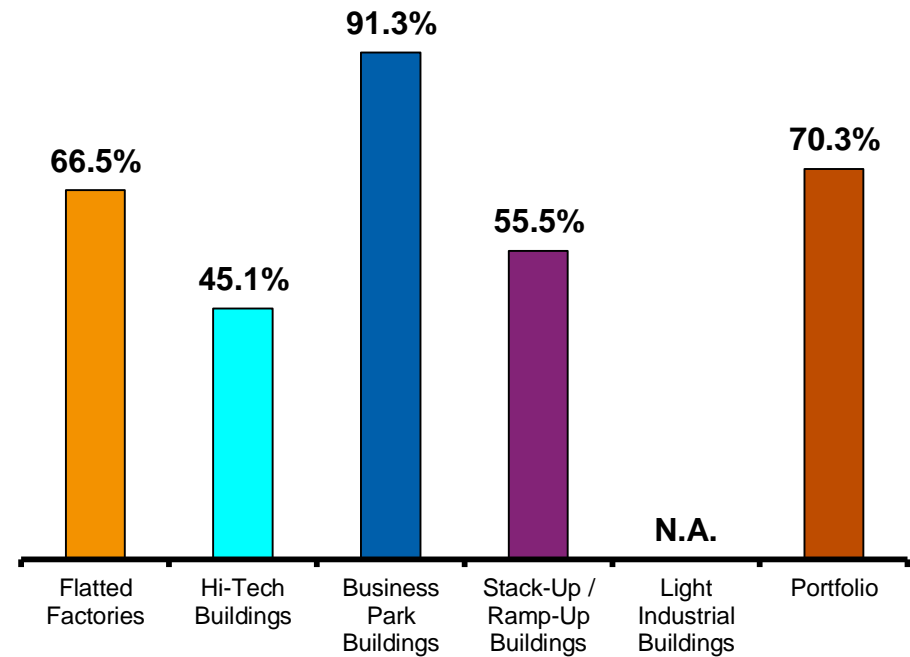
# Healthy Tenant Retention

## LONG STAYING TENANTS



As at 30 Sep 2015  
By number of tenants.

## RETENTION RATE FOR 2QFY15/16



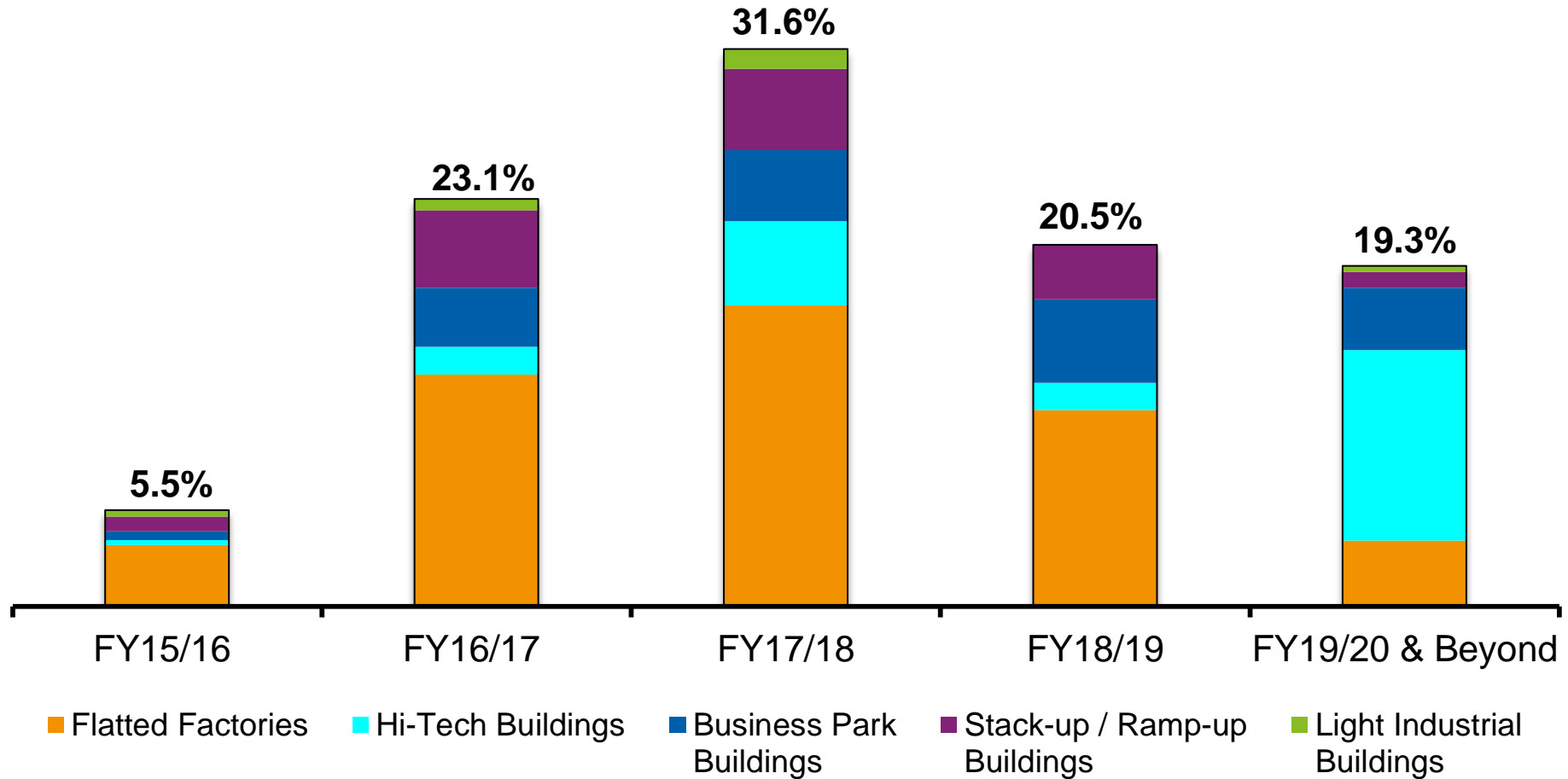
Based on NLA.

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

- 59.3% of the tenants have leased the properties for more than 4 years
- Tenant retention rate of 70.3% in 2QFY15/16

# Lease Expiry Profile

## EXPIRING LEASES BY GROSS RENTAL INCOME (%)



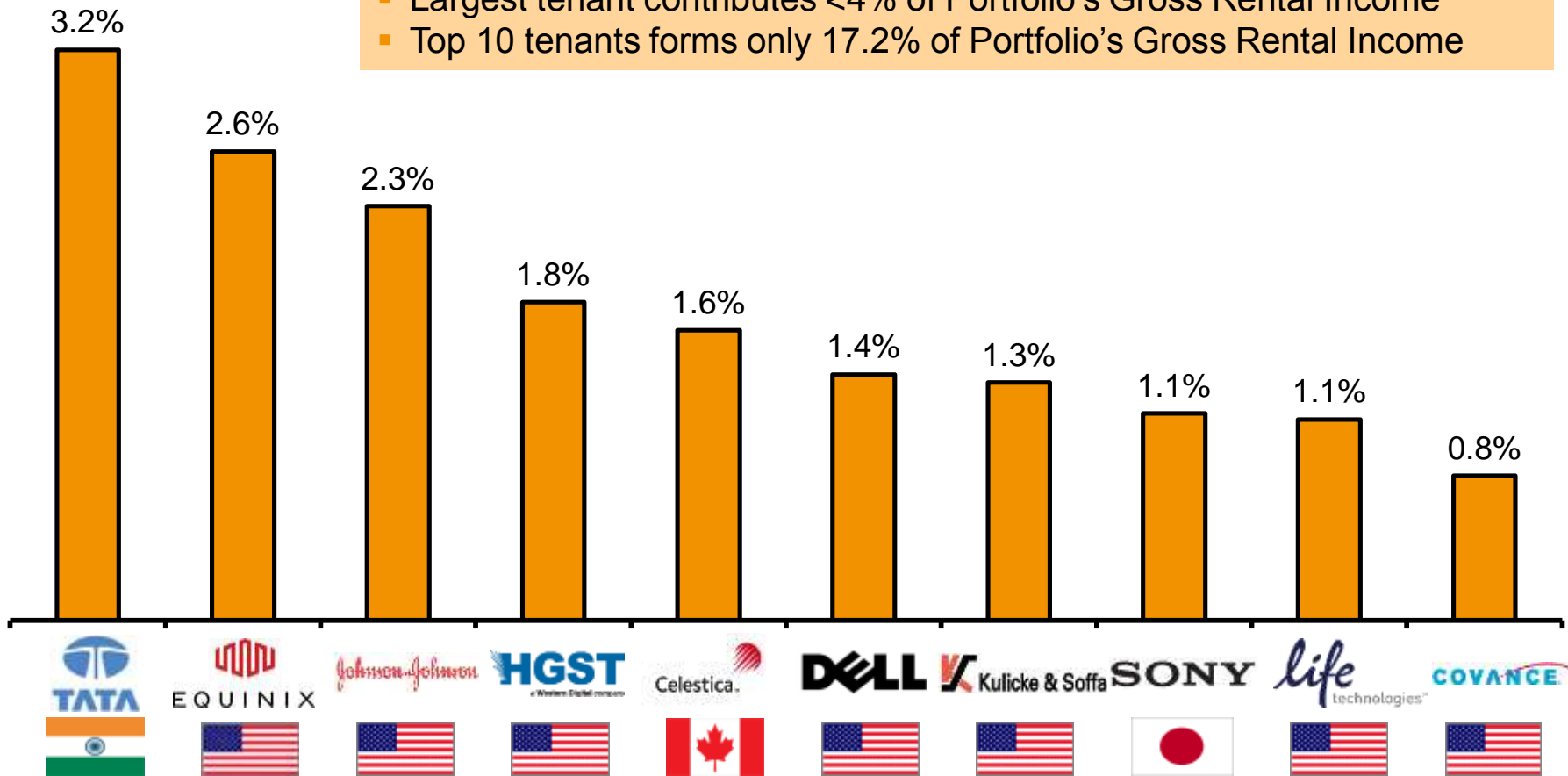
**Portfolio WALE by Gross Rental Income = 3.1 years**

As at 30 Sep 2015

# Large and Diversified Tenant Base

## TOP 10 TENANTS (BY GROSS RENTAL INCOME)

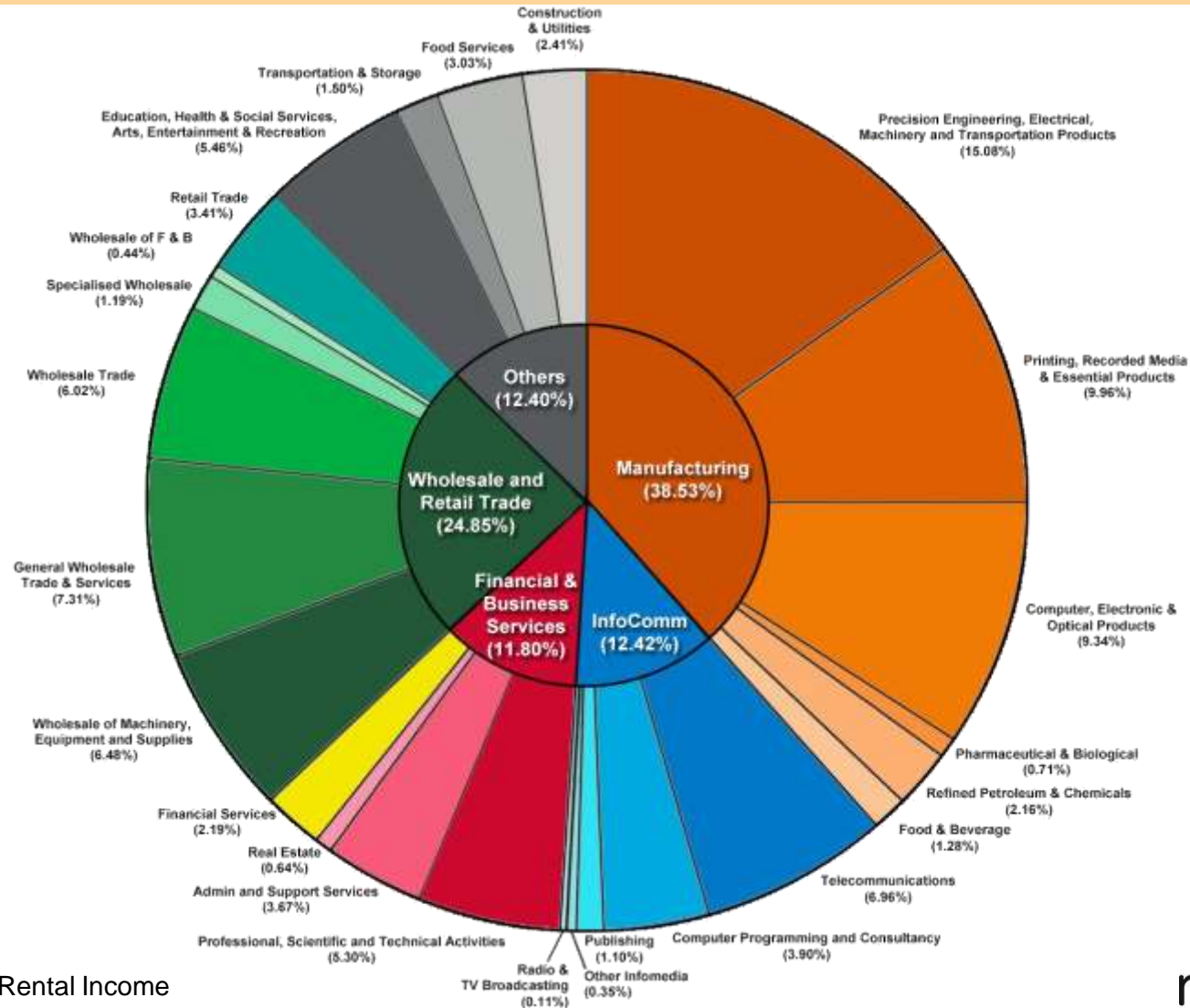
- Over 2,000 tenants
- Largest tenant contributes <4% of Portfolio's Gross Rental Income
- Top 10 tenants forms only 17.2% of Portfolio's Gross Rental Income



As at 30 Sep 2015

# 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 2015

# DEVELOPMENT UPDATE



Hi-Tech Building,  
Woodlands Central Cluster



# New AEI – Kallang Basin 4 Cluster



Location	26, 26A, 28 and 30 Kallang Place
Existing GFA	About 573,000 sq ft
Additional GFA	About 317,000 sq ft
Land tenure	33 years (from 1 July 2008)
Expected cost	S\$77 million
Proposed AEI <sup>1</sup>	<ul style="list-style-type: none"><li>▪ New 11-storey Hi-Tech Building (on existing open car park)</li><li>▪ Improvement works to existing buildings including the upgrading of lobbies, lifts and toilets</li></ul>
Completion Date	Planned for Fourth Quarter 2017

# Strategic Location and Easy Accessibility



Development of new Hi-Tech Building on existing open car park

- Located at Kallang iPark, an upcoming industrial hub for high value-add and knowledge-based businesses
- Well-served by major expressways with convenient access to established amenities in the vicinity
- Near to Boon Keng MRT station and upcoming Bendemeer MRT station



Maps powered by Streetdirectory.com

# BTS – Hewlett-Packard

	Property	GFA	Plot Ratio
Before	Two 7-storey Flatted Factories and a canteen	437,300 sq ft	1.3
After Redevelopment	Two Hi-Tech Buildings	824,500 sq ft	2.5



- Secured largest BTS project at S\$226 million<sup>1</sup> with 100% commitment by Hewlett-Packard
- Income stability from lease term of 10.5<sup>2</sup> + 5 + 5 years with annual rental escalations
- Phase 1 and Phase 2 are slated for completion in 2H2016 and 1H2017 respectively
- Land tenure of 60 years (from 1 Jul 2008)

<sup>1</sup> Includes book value of S\$56 million (as at 31 Mar 2014) for existing Telok Blangah Cluster.

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

# OUTLOOK AND STRATEGY



Business Park Buildings,  
The Strategy and The Synergy

# Market Outlook

- The economy grew by 1.4% year-on-year in the quarter ended 30 Sep 2015, easing from the 2.0% growth in preceding quarter<sup>1</sup>.
- Average rents for industrial real estate for 2QFY15/16<sup>2</sup>
  - ▲ Multi-user Factory Space: S\$1.88 psf/mth (-1.1% q-o-q)
  - ▲ Business Park Space: S\$4.11 psf/mth (-1.4% q-o-q)
- Rents for prime multi-user conventional industrial space are projected to ease further in 4Q 2015, while business park rents could experience a slight dip. However, rents of independent high-specs industrial premises could remain stable for the rest of the year on the back of limited supply<sup>3</sup>.

<sup>1</sup> Ministry of Trade and Industry (Advance Estimates), 14 Oct 2015

<sup>2</sup> URA/JTC Realis, 19 Oct 2015

<sup>3</sup> Singapore industrial property market 3Q2015 report by Colliers International Research

# Positioned for Growth

## Stable and Resilient Portfolio

- Achieved higher average portfolio occupancy of 93.8% and portfolio passing rental rate of S\$1.88 psf/mth
- Limited leasing risk as only 5.5% of leases (by revenue) due for renewal in FY15/16

## Enhanced Financial Flexibility

- Hedged borrowings of 80%
- Application of DRP for 2QFY15/16 distribution to finance progressive payment requirements of development projects

## Growth by Acquisitions and Developments

- New AEI at Kallang Basin 4 to optimise use of available GFA
- BTS development for Hewlett-Packard on track for completion in 1H2017



# End of Presentation

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