

## For Immediate Release

# MAPLETREE INDUSTRIAL TRUST (“MIT”) LAUNCHES INITIAL PUBLIC OFFERING

- Offering of 594,913,000 units<sup>1</sup> in MIT (the “Units”), subject to Over-Allotment Option, priced at the top end of the indicative offering price range at S\$0.93 per Unit (the “Offering Price”)
- Annualised distribution yield of about 7.6% for the Forecast Year 2010/2011<sup>2</sup> and 8.0% for the Projection Year 2011/2012<sup>3</sup>
- Total gross proceeds of about S\$1,187.6 million to be raised

*Singapore, 12 October 2010* – Mapletree Industrial Trust (“MIT”), a Singapore-focused real estate investment trust (“REIT”) and one of the largest landlords of privately-owned multi-user flatted factory space in Singapore has registered its prospectus (the “Prospectus”) with the Monetary Authority of Singapore today, in connection with its listing on the Main Board of Singapore Exchange Securities Trading Limited (the “SGX-ST”). With an extensive portfolio consisting of high quality industrial properties, as well as a large and diversified tenant base, MIT presents investors an attractive opportunity to participate in Singapore’s robust economy and resilient industrial property market.

## Offering Information

Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of MIT, is making an offering (the “Offering”) of 594,913,000 Units for subscription.

The Offering comprises:

- (i) an international placement of 488,768,000 Units to investors (the “Placement Tranche”); and
- (ii) an offering of 106,145,000 Units to the public in Singapore (the “Public Offer”), of which 25,500,000 Units are reserved for subscription by the directors, management, employees and

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<sup>1</sup> Including 25,500,000 Units reserved for subscription by the directors, management, employees and business associates of MIPL and its subsidiaries.

<sup>2</sup> Based on the offering price of S\$0.93 per Unit and the annualised distribution per Unit (“DPU”) forecast for the period from the Listing Date (as defined in the Prospectus) to 31 March 2011, together with the accompanying assumptions in the Prospectus.

<sup>3</sup> Based on the offering price of S\$0.93 per Unit and the DPU projection for the full financial year from 1 April 2011 to 31 March 2012, together with the accompanying assumptions in the Prospectus.

business associates of Mapletree Investments Pte Ltd (“MIPL” or the “Sponsor”) and its subsidiaries.

As a result of positive feedback from institutional investors during the book-building process, the Units have been priced at the top end of the indicative offering price range at S\$0.93 per Unit.

Concurrently with, but separate from the Offering, MIPL, a leading Asia-focused real estate capital management company and the sponsor of MIT, will subscribe for 359,449,000<sup>4</sup> Units (the “Mapletree Cornerstone Subscription Units”) at the Offering Price through two of its wholly-owned subsidiaries. This reinforces the Sponsor’s strong support of and commitment to MIT.

In addition, MIT has secured prominent cornerstone investors such as Stichting Depository APG Tactical Real Estate Pool, American International Assurance Company Limited, Singapore Branch, American International Assurance Company (Bermuda) Limited, Henderson Global Investors, Columbia Wanger Asset Management, LLC, D.E. Shaw Valence International, Inc. and Prudential Asset Management (Singapore) Limited (acting for itself and on behalf of one or more investment funds and clients), who have subscribed for an aggregate of 322,578,000 Units (the “Cornerstone Units”). These Cornerstone Units are also separate from the Offering.

The Public Offer opens at 9.00 a.m. on Wednesday, 13 October 2010 and closes at 8.00 a.m. on Monday, 18 October 2010. The Units are expected to commence trading on the SGX-ST at 2.00 p.m. on Thursday, 21 October 2010.

### **Overview of Mapletree Industrial Trust**

MIT’s principal investment strategy focuses on investing, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for industrial purposes, whether wholly or partially, in Singapore, as well as real estate-related assets. These include, but are not limited to, business park buildings, flatted factories, stack-up/ramp-up buildings, hi-tech and light industrial buildings and general industrial buildings, but exclude properties used primarily for logistics purposes. MIT is structured as a conventional REIT and is not a Shariah-compliant REIT.

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<sup>4</sup> Through Mapletree Dextra Pte. Ltd. and Sienna Pte. Ltd., both of which are wholly-owned subsidiaries of the Sponsor.

MIT is managed by Mapletree Industrial Trust Management Ltd., which has an experienced team equipped with extensive real estate knowledge and a proven track record in sourcing and actively managing a large portfolio of assets. The Manager is a wholly-owned subsidiary of MIPL.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “MIT is attractive to investors because of its extensive portfolio of high quality industrial space, coupled with a good spread of tenants across industries. The response to the offering has been particularly encouraging given the interest shown by institutional investors who see MIT as a means to ride on Singapore’s robust economy and resilient industrial property market.”

**IPO Portfolio**

Valued at approximately S\$2.1 billion as at 31 August 2010, MIT’s initial portfolio (the “IPO Portfolio”) comprises 70 industrial properties strategically located across Singapore, with an aggregate net lettable area (“NLA”) of approximately 1.1 million square metres and a total gross floor area of approximately 1.5 million square metres.

<b>IPO Portfolio</b>	<b>No. of Properties</b>
Business park buildings	3
Flatted factories	53 (Grouped into 22 clusters <sup>5</sup> )
Stack-up/ ramp-up buildings	7 (Grouped into 1 cluster) <sup>5</sup>
Light industrial buildings	6 <sup>6</sup>
Warehouse	1
<b>Total</b>	<b>70</b>

**Key Investment Highlights**

Key Investment Highlights of the IPO Portfolio include:

- Potential for organic rental revenue growth in the next few years as MIT’s average rents catch up with market rents, aided by a short weighted average lease duration to expiry of 2.6 years as at 30 June 2010
- Singapore-based portfolio that is poised to maintain its strong performance, leveraging on

<sup>5</sup> A property “cluster” consists of one or more individual buildings situated on the same land lot or adjoining land lots.

<sup>6</sup> Includes 26 Woodlands Loop, which is a property comprising three individual buildings.

Singapore's robust economic outlook, strong fundamentals of the manufacturing sector, and a resilient industrial property sector

- Largest private landlord in Singapore for multi-user flatted factory space with 11.2% market share by NLA
  
- Largest tenant base among Singapore-listed industrial REITs with over 1,500 tenants ranging from multi-national corporations from the 2010 Fortune Global 500 and Forbes Global 2000 lists of companies and other publicly listed companies to small and medium enterprises
- Diversified and quality tenant base from a multitude of industries including high value-added sectors such as machinery, electronics and electrical products, engineering, info-communications and biomedical, ensures a comprehensive source of rental income contribution, as well as non-reliance on any one particular trade sector
- Upside potential from increasing occupancy levels based on occupancy rate of 90.9% for the month of June 2010, and high average tenant retention rate of 84.0% for the year ended 31 March 2010, supporting a steady rental revenue base with room to grow

### Key Strategies

The Manager intends to achieve its objective of providing Unitholders with an attractive rate of return for their investment through regular and stable distributions to Unitholders and achieving long-term growth in DPU and net asset value per Unit, while maintaining an appropriate capital structure, through undertaking the following strategies:

- Active asset management strategy – Pro-active measures such as (but not limited to) tenant management, active leasing, as well as asset refurbishment and enhancement initiatives to maintain the competitive positioning of the assets to improve the returns from MIT's portfolio
- Acquisition growth strategy – Source for and acquire assets that fit within MIT's investment strategy to enhance the returns to Unitholders and improve potential opportunities for future income and capital growth. This includes leveraging on the Sponsor's extensive network, strong development expertise and a pipeline of income-producing assets on a Right of First Refusal basis
- Capital and risk management strategy – Employ an appropriate mix of debt and equity in financing acquisitions, and utilise interest rate hedging strategies where appropriate. The Manager has obtained, in respect of MIT, an expected credit rating of BBB+ from Fitch Inc.

(“Fitch”)<sup>7</sup>

- Selective development strategy – Endeavour to selectively undertake development activities which may include (but will not be limited to) built-to-suit developments

### Use of Proceeds

The Manager will raise gross proceeds of approximately S\$1,187.6 million from the Offering as well as the Mapletree Cornerstone Subscription Units and the Cornerstone Units and intends to draw down S\$837.0 million from an unsecured floating rate term loan facility from DBS Bank Ltd., Standard Chartered Bank and Citibank, N.A., Singapore Branch (“New Debt Facility”) on the Listing Date.

The total cash proceeds raised from the Offering, the Mapletree Cornerstone Subscription Units and the Cornerstone Units, as well as the amount drawn down from the New Debt Facility will be used towards the following:

- S\$183.3 million for the purchase consideration for MSIT<sup>8</sup> comprising acquisition of the MSIT Units for S\$2.00, repayment of MSIT’s related party loans of S\$58.3 million, repayment of MSIT’s bank borrowings of S\$90.0 million and payment of distribution of retained earnings of S\$35.0 million to existing MSIT unitholders;
- S\$286.7 million payment of the MIT Private Trust Distribution<sup>9</sup> to the Existing MIT Unitholders<sup>10</sup>;
- S\$544.5 million partial redemption of the MIT Private Trust Units (as defined in the Prospectus);
- repayment of S\$977.8 million of MIT’s existing Private Trust debt;
- payment of issue and debt related costs; and
- working capital.

DBS Bank Ltd. and Goldman Sachs (Singapore) Pte. are the Joint Global Coordinators for the Offering. DBS Bank Ltd., Goldman Sachs (Singapore) Pte., Citigroup Global Markets Singapore Pte.

<sup>7</sup> The Manager expects Fitch to assign its final rating for MIT on the Listing Date and will make an announcement on SGXNET of the final rating when it has been assigned to MIT. According to Fitch, “BBB” credit ratings indicate that expectations of default risk are currently low and that the capacity for payment of financial commitments is considered adequate but adverse business conditions or economic conditions are more likely to impair this capacity. Modifiers “+” or “-” are appended to a rating to denote relative status within major rating categories.

<sup>8</sup> Mapletree Singapore Industrial Trust (“MSIT”), which was constituted as a private trust on 27 March 2006, currently owns six light industrial buildings in Singapore. MSIT acquired five of its properties from various third party vendors and developed one of its properties (being Tata Communications Exchange) over a period of time (together, the “MSIT Portfolio”). MIT will acquire 100.0% of MSIT, a wholly-owned subsidiary of Mapletree Industrial Fund Ltd (“MIF”), on the Listing Date.

<sup>9</sup> The distribution of MIT’s remaining net income (net of tax payable thereon by MIT) for the period from 1 July 2008 to the day immediately preceding the Listing Date (including for the avoidance of doubt the fair value gains) and such amount of distributions distributed to the Existing MIT Unitholders as the Offering Price is greater than S\$0.88 per Unit.

<sup>10</sup> The existing Unitholders of MIT as at 12 October 2010 being Singapore Industrial Investments Limited, Mapletree Dextra Pte. Ltd., MIF and JCR1 Pte. Ltd..

Ltd. and Standard Chartered Securities (Singapore) Pte. Limited are the Joint Bookrunners, Issue Managers and Underwriters for the Offering. CIMB Securities (Singapore) Pte. Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited are the Co-Managers and Sub-Underwriters for this Offering.

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### **About Mapletree Industrial Trust**

Mapletree Industrial Trust ("MIT") is a Singapore-focused real estate investment trust ("REIT") that invests in a diversified portfolio of income-producing real estate used primarily for industrial purposes, whether wholly or partially, in Singapore, as well as real estate-related assets.

MIT's IPO Portfolio of 70 properties in Singapore is valued at approximately S\$2.1 billion as at 31 August 2010, and has a total gross floor area of approximately 1.5 million square metres. MIT has a large and diversified tenant base of more than 1,500 multi-national companies and local enterprises. MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

**About Mapletree Industrial Trust Management Ltd.**

Mapletree Industrial Trust Management Ltd. (“MITM”) is the Manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing active asset management, acquisition growth, capital and risk management, and selective development strategies, MITM seeks to generate returns for Unitholders by providing regular and stable distributions, as well as through achieving long-term growth in distribution per unit and net asset value per unit.

Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

**About Mapletree Investments Pte Ltd**

Mapletree Investments Pte Ltd (“MIPL”) is a leading Asia-focused real estate capital management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential in Asia. As at 31 March 2010, MIPL and its subsidiaries (the “Mapletree Group”) owns and manages S\$12.9 billion of office, logistics, industrial, residential and retail/lifestyle properties. This comprises S\$6.8 billion of owned real estate assets and S\$6.1 billion of third party assets under management in two REITs and four private equity real estate funds. To support its regional businesses, the Mapletree Group has established an extensive network of offices in Singapore, China, Hong Kong, India, Japan, Malaysia and Vietnam.

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## Important Notice

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Mapletree Industrial Trust (“MIT” and the units in MIT, “Units”). This press release is qualified in its entirety by, and should be viewed in conjunction with, the full text of the prospectus of MIT in relation to the initial public offering (the “Offering”) of the Units (the “Prospectus”). The Offering is made by Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of MIT. Anyone wishing to subscribe for or purchase the Units will need to make an application in the manner set out in the Prospectus.

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase 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.

This press release may contain forward-looking statements that involve assumptions, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of MIT. The forecast financial performance of MIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

A copy of the Prospectus may be obtained, during office hours and subject to availability, from DBS Bank Ltd. at 6 Shenton Way, DBS Building Tower One, Singapore 068809, Goldman Sachs (Singapore) Pte. at One Raffles Link, #07-01 South Lobby, Singapore 039393, Citigroup Global Markets Singapore Pte. Ltd. at 3 Temasek Avenue, #17-00 Centennial Tower, Singapore 039190, and Standard Chartered Securities (Singapore) Pte. Limited at 6 Battery Road, #03-00, Singapore 049909. A potential investor should read the Prospectus before deciding whether to subscribe for or purchase Units.

The forecast and projected yields and yield growth are calculated based on the offering price of S\$0.93 per Unit (the “Offering Price”) and the accompanying assumptions in the Prospectus. Such yields and yield growth will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price.

This press release is not an offer or sale of the securities in the United States. The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or the securities law of any state of the United States and the Units may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

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