

PRESS RELEASE

Mapletree Industrial Trust Achieved 6.3% Year-on-Year Growth for 1QFY14/15 Distributable Income

- Distributable income for 1QFY14/15 grew 6.3% year-on-year to S\$42.8 million
- Distribution per Unit (“DPU”) increased 3.3% year-on-year to 2.51 cents in 1QFY14/15
- Strengthened capital structure with a lower aggregate leverage ratio and well-distributed debt maturity profile

22 July 2014 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that MIT has achieved a distributable income of S\$42.8 million for the First Quarter Financial Year 2014/2015 from 1 April 2014 to 30 June 2014 (“1QFY14/15”). This was 6.3% higher than the S\$40.2 million for the same period last financial year. DPU for 1QFY14/15 was 2.51 cents, a 3.3% increase over the 2.43 cents for 1QFY13/14.

Financial Results of MIT for 1QFY14/15

	1QFY14/15	4QFY13/14	↑/(↓)%	1QFY13/14	↑/(↓)%
Gross revenue (S\$'000)	78,425	75,169	4.3	75,098	4.4
Property expenses (S\$'000)	(21,755)	(21,874)	(0.5)	(22,644)	(3.9)
Net property income (S\$'000)	56,670	53,295	6.3	52,454	8.0
Distributable income (S\$'000)	42,762	42,613	0.3 ¹	40,214	6.3
No. of units in issue ('000)	1,705,859	1,690,406	0.9	1,652,717	3.2
Available DPU (cents)	2.51	2.51	-	2.43	3.3

¹ Although net property income increased by 6.3%, distributable income increased by 0.3% after adjusting for non-tax deductible items.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “The year-on-year growth in distributable income and DPU in 1QFY14/15 was mainly driven by higher rental rates secured for leases across all property segments except Business Park Buildings. We have extended bank borrowings of S\$92.9 million due in August 2014 by six years to August 2020, increasing the weighted average tenor of debt from 2.6 years as at 31 March 2014 to 2.9 years as at 30 June 2014. The aggregate leverage ratio was also lower at 33.6% compared to 34.4% in the preceding quarter, which provides more debt headroom for investment opportunities.”

Resilient Portfolio Performance

Average portfolio passing rent increased to S\$1.77 per square foot per month (“psf/mth”) from S\$1.75 psf/mth in the preceding quarter with positive rental revisions across all property segments. Average portfolio occupancy decreased from 91.3% to 90.7% in 1QFY14/15, partly attributed to the progressive relocation of the tenants from the Telok Blangah Cluster. The Telok Blangah Cluster will be redeveloped as a build-to-suit project for Hewlett-Packard Singapore.

The Manager proactively engages the tenants with leases due for renewal through advance negotiations. Consequently, leases that remain due for renewal in FY14/15 were reduced from 22.5% (by revenue) as at 31 March 2014 to 13.0% as at 30 June 2014.

Acquisition with Steady Income Stream

The acquisition of the four-storey Light Industrial Building, 2A Changi North Street 2 was completed on 28 May 2014. The property was acquired on a sale-and-leaseback (“SLB”) arrangement from Stamping Industries Pte Ltd at S\$13.7 million². Under the SLB arrangement, the property will be leased to Stamping Industries Pte Ltd for a period of five years with annual escalations. This good-quality asset in the established Changi North Industrial Estate will provide a steady income stream for Unitholders and extend the portfolio’s weighted average lease to expiry.

² Includes purchase consideration of S\$12 million, land premium and other acquisition-related expenses.

Proactive Capital Management

MIT's balance sheet remained robust with a healthy interest cover ratio of 8.5 times and a low weighted average all-in funding cost of 2.1% in 1QFY14/15. About 75% of MIT's gross borrowings of S\$1,103.4 million had been hedged through interest rate swaps and fixed rate borrowings, which will minimise the effect of interest rate fluctuations on distributions to Unitholders. The Manager will continue to apply the distribution reinvestment plan ("DRP") for 1QFY14/15 distribution following the positive take-up rate of 50.5% in the preceding quarter. The proceeds from the DRP will help finance the progressive funding needs of the development projects.

Market Outlook

The Ministry of Trade and Industry reported in its advance estimates on 14 July 2014 that the Singapore economy grew by 2.1% year-on-year in the second quarter of 2014 ("2Q2014"), slower than the 4.7% growth in the preceding quarter. Similarly, the manufacturing sector grew by only 0.2% year-on-year compared to the 9.9% growth in the preceding quarter. The deceleration in growth of the manufacturing sector was largely due to a contraction in electronics output and slower growth in transport engineering output.

The median rental rate for multi-user factory space island-wide in 2Q2014 decreased slightly to S\$1.98 psf/mth from S\$2.00 psf/mth in the preceding quarter, according to the data from JTC Corporation³. The median rental rate for business park space island-wide fell to S\$4.16 psf/mth from S\$4.23 psf/mth in the preceding quarter.

For the next 12 months, the potential supply of factory space is expected to be higher than the historical annual supply. Overall industrial market rents are expected to remain stable or ease over the next six months⁴.

JTC recently revised its subletting policy to increase the amount of space in a building that must be occupied by anchor tenants from 50% to 70%. This revised policy will take effect from 1 October 2014 and a grace period is given until 31 December 2017 for compliance.

³ Source: Urban Redevelopment Authority / JTC Corporation as at 22 July 2014

⁴ Source: 2Q2014 Singapore industrial property market report by Colliers International Research

Distribution to Unitholders

Unitholders can expect to receive their quarterly DPU for the period 1 April to 30 June 2014 in cash or DRP units by 1 September 2014. The closure of MIT's transfer books and register of Unitholders is at 5.00pm on 31 July 2014.

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About Mapletree Industrial Trust

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

MIT's portfolio of 85 properties in Singapore has a total book value of approximately S\$3.2 billion as at 30 June 2014 with a total gross floor area of approximately 19.7 million square feet. MIT has a large and diversified tenant base of more than 2,000 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. 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, Mapletree Industrial Trust Management Ltd. 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 development, investment and capital management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential in Asia. By combining its key strengths as a developer, an investor and a capital manager, MIPL has established a track record of award-winning projects in Singapore and delivered consistent and high returns from across various real estate classes in Asia.

As at 31 March 2014, MIPL owned and managed S\$24.6 billion of office, logistics, industrial, residential, serviced apartments, retail and mixed-use properties. Presently, it manages four Singapore-listed REITs and seven private equity real estate funds, which together hold a diverse portfolio of assets in Singapore and throughout Asia. MIPL has also established an extensive network of offices in Singapore, China, Hong Kong SAR, India, Japan, Malaysia, South Korea and Vietnam to support its regional expansion. MIPL's property portfolio includes award-winning projects in Singapore such as the VivoCity, Mapletree Business City, and Tata Communications Exchange as well as mixed-use developments in the region such as Future City and Nanhai Business City in China.