

PRESS RELEASE

Mapletree Industrial Trust Delivers Year-on-Year Distribution per Unit Growth of 6.9% for FY15/16

- Distribution per Unit (“DPU”) for FY15/16 grew 6.9% year-on-year to 11.15 cents
- Driven by contribution from the completed build-to-suit (“BTS”) data centre at 26A Ayer Rajah Crescent and resilient portfolio performance
- Continued momentum in growing the Hi-Tech Buildings segment

25 April 2016 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that MIT’s distributable income for the Financial Year 2015/2016 from 1 April 2015 to 31 March 2016 (“FY15/16”) was S\$197.8 million, up 9.4% from S\$180.8 million achieved in FY14/15. DPU for FY15/16 increased to 11.15 cents, 6.9% higher than the DPU of 10.43 cents for FY14/15. Distributable income and DPU for the period from 1 January 2016 to 31 March 2016 (“4QFY15/16”) were S\$50.4 million and 2.81 cents respectively.

Financial Results of MIT for 4Q & FY15/16

	4QFY15/16	3QFY15/16	↑/(↓)%	FY15/16	FY14/15	↑/(↓)%
Gross revenue (S\$'000)	83,992	83,251	0.9	331,598	313,873	5.6
Property expenses (S\$'000)	(21,974)	(21,372)	2.8	(86,482)	(85,260)	1.4
Net property income (S\$'000)	62,018	61,879	0.2	245,116	228,613	7.2
Distributable income (S\$'000)	50,383	50,308 ¹	0.1	197,830	180,837	9.4
No. of units in issue ('000)	1,800,932	1,785,062	0.9	1,800,932	1,747,008	3.1
DPU (cents)	2.81	2.82 ¹	(0.4)	11.15	10.43	6.9

¹ Distributable income included an adjustment of S\$0.6 million in relation to expenses which were disallowed by the Inland Revenue Authority of Singapore. This represented a 0.03 cent increase in DPU for 3QFY15/16.

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Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “Despite the challenging market conditions, MIT continued to deliver healthy returns in FY15/16. This was largely driven by the contribution from the completed BTS data centre at 26A Ayer Rajah Crescent and resilient portfolio performance. The ongoing redevelopment at the Telok Blangah Cluster and commencement of the asset enhancement initiative (“AEI”) at Kallang Basin 4 Cluster underscore our commitment in growing the Hi-Tech Buildings segment, which will enhance MIT’s growth profile in the longer term.”

Resilient Portfolio Performance

Average portfolio occupancy for 4QFY15/16 fell marginally to 94.6% from 94.7% in the preceding quarter. Average portfolio passing rent increased to S\$1.90 per square foot per month (“psf/mth”) from S\$1.89 psf/mth in the preceding quarter. The increase was driven by positive average rental revisions for renewal leases and higher average rental rates secured for new leases during the quarter.

Increase in Portfolio Valuation and Net Asset Value (“NAV”) per Unit

MIT’s 85 investment properties were valued at S\$3,557.9 million as at 31 March 2016, which represented an increase of S\$133.7 million over the previous valuation as at 31 March 2015. The increase was due to a portfolio revaluation gain of S\$82.0 million and capitalised cost of S\$51.7 million from development and improvement works. The revaluation gain was driven by improved portfolio performance, construction progress at the Telok Blangah Cluster² and commencement of the AEI at Kallang Basin 4 Cluster³. As a result, the NAV per unit increased from S\$1.32 as at 31 March 2015 to S\$1.37 as at 31 March 2016.

² The redevelopment of the Telok Blangah Cluster as a BTS facility for Hewlett-Packard Singapore had commenced in FY14/15. On 31 March 2015, the Telok Blangah Cluster was reclassified from a Flatted Factory Cluster to a Hi-Tech Building Cluster.

³ The AEI involves the development of a new 14-storey high specification building which obtained provisional permission from Urban Redevelopment Authority on 28 March 2016. The increase in number of storeys (from 13-storey to 14-storey) was due to the higher approved gross floor area of approximately 336,000 square feet.

Proactive Capital Management

In March 2016, MIT successfully issued S\$60 million 3.79% 10-year medium term notes, which extended the maturity profile to FY25/26. This increased the weighted average tenor of debt from 3.6 years as at 31 December 2015 to 4.0 years as at 31 March 2016. Consequent to the issuance and interest rate swaps entered during the quarter, the weighted average hedge tenor increased from 2.1 years as at 31 December 2015 to 2.7 years as at 31 March 2016.

Outlook

The business environment is expected to remain challenging, given the muted global economic outlook and large supply of industrial space in Singapore. In addition, the ongoing economic restructuring in Singapore is expected to result in the cost increase of outsourced service contracts. These may exert pressure on rental and occupancy rates, while property expenses are expected to increase.

For leases expiring in FY16/17, the Manager will continue to focus on tenant retention to maintain portfolio occupancy. In order to manage cost pressures, the Manager will shift towards performance-based contracts where feasible.

The percentage of debt hedged with fixed rates remained high at 88.0% as at 31 March 2016 with a healthy interest coverage ratio of 8.0 times for 4QFY15/16. However, replacements of expiring interest rate hedges are expected to be more costly in view of the historical low interest rates of these expiring hedges.

Distribution to Unitholders

Unitholders can expect to receive their quarterly DPU for 4QFY15/16 on 30 May 2016. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 4 May 2016.

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About Mapletree Industrial Trust

Mapletree Industrial Trust is a Singapore-focused real estate investment trust (“REIT”) 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 is valued at approximately S\$3.6 billion as at 31 March 2016 and has 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 proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. 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 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. By combining its key strengths as a developer, an investor and a capital manager, MIPL has a portfolio comprising award-winning developments across real estate classes that delivers consistent and high returns.

To date, MIPL owns and manages more than S\$30.0 billion of office, logistics, industrial, residential, corporate lodging/serviced apartments and retail properties. Presently, it manages four Singapore-listed REITs and five private equity real estate funds, which together hold a diverse portfolio of assets in Singapore and Asia Pacific. MIPL has also established an extensive network of offices in Singapore, China, Hong Kong SAR, India, Japan, Malaysia, South Korea, Vietnam, Australia and the United Kingdom. MIPL’s portfolio includes award-winning properties in Singapore such as the VivoCity, Mapletree Business City and Tata Communications Exchange as well as mixed-use developments in the region such as Mapletree Business City Shanghai and VivoCity Shanghai, and Nanhai Business City in China.