

(Constituted in Republic of Singapore pursuant to a Trust Deed dated 29 January 2008 (as amended))

## PRESS RELEASE

### Mapletree Industrial Trust's 2QFY16/17 Distribution per Unit Increased 1.4% Year-on-Year to 2.83 cents

- Distributable income for 2QFY16/17 grew 3.4% year-on-year to S\$50.6 million
- Successful completion of Phase One of build-to-suit ("BTS") development for Hewlett-Packard Singapore ("Hewlett-Packard")

25 October 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 Second Quarter Financial Year 2016/2017 from 1 July 2016 to 30 September 2016 ("2QFY16/17") was S\$50.6 million, a 3.4% increase over the distributable income of S\$48.9 million for 2QFY15/16. DPU for 2QFY16/17 was 2.83 cents, 1.4% higher than the 2.79 cents for 2QFY15/16.

Distributable income and DPU for the First Half Financial Year 2016/2017 from 1 April 2016 to 30 September 2016 ("1HFY16/17") were S\$102.1 million and 5.68 cents respectively, representing year-on-year increases of 5.1% and 2.9%.

#### Financial Results of MIT for 2Q & 1HFY16/17

	2QFY16/17	2QFY15/16	↑/(↓)%	1HFY16/17	1HFY15/16	↑/(↓)%
Gross revenue (S\$'000)	<b>84,208</b>	82,736	1.8	<b>168,300</b>	164,355	2.4
Property expenses (S\$'000)	<b>(20,578)</b>	(21,709)	(5.2)	<b>(40,871)</b>	(43,136)	(5.3)
Net property income (S\$'000)	<b>63,630</b>	61,027	4.3	<b>127,429</b>	121,219	5.1
Distributable income (S\$'000)	<b>50,594</b>	48,907	3.4	<b>102,106</b>	97,139	5.1
No. of units in issue ('000)	<b>1,801,552</b>	1,770,286	1.8	<b>1,801,552</b>	1,770,286	1.8
DPU (cents)	<b>2.83</b>	2.79	1.4	<b>5.68</b>	5.52	2.9

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Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “MIT’s 2QFY16/17 DPU year-on-year increase of 1.4% was underpinned by higher rental rates secured across all property segments and higher occupancy achieved at Hi-Tech Buildings. The timely completion of Phase One of the BTS development for Hewlett-Packard marks another milestone in our strategy to grow the Hi-Tech Buildings segment. Its revenue contribution as MIT’s largest tenant will help to mitigate the negative impact of the weak Singapore industrial market on the portfolio.”

### **Continued Momentum in Growing Hi-Tech Buildings Segment**

The first of two Hi-Tech Buildings of the BTS development for Hewlett-Packard obtained its Temporary Occupation Permit on 21 October 2016 (“Phase One”). This 11-storey Hi-Tech Building has a gross floor area (“GFA”) of about 421,000 square feet (“sq ft”). The second building is on track for completion in the second quarter of 2017 (“Phase Two”). Upon completion of both phases, the redevelopment will increase the utilised plot ratio from 1.3 to 2.5. The completed buildings with a total GFA of 824,500 sq ft will feature facilities for manufacturing, product and software development and an office. Hewlett-Packard has committed to lease the entire BTS facility for an initial period of 10.5<sup>1</sup> years, with an option to renew for two additional five-year terms.

### **Portfolio Update**

Average portfolio passing rent remained the same as the previous quarter at S\$1.92 per square foot per month. Average portfolio occupancy decreased to 92.5% from 93.0% in the preceding quarter as lower occupancies were registered for Flatted Factories, Business Park Buildings and Stack-up/Ramp-up Buildings segments.

### **Proactive Capital Management**

MIT’s balance sheet remained robust with a healthy interest cover ratio of 8.0 times in 2QFY16/17. The weighted average all-in funding cost increased marginally from 2.5% in 1QFY16/17 to 2.6% in 2QFY16/17 due to higher replacement cost of expiring interest rate hedges, which were previously secured at historical low rates. About 68.6% of MIT’s gross borrowings of S\$1,064.0 million had been hedged through interest rate swaps and fixed rate

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<sup>1</sup> This includes the six-month rent-free periods, which will be redistributed over the first 18 months for both phases.

borrowings. The low aggregate leverage ratio of 29.0% will provide MIT financial flexibility for growth opportunities.

### **Outlook**

The business environment is expected to remain challenging in view of the uncertain macroeconomic environment and large impending supply of industrial space in Singapore. This is likely to exert pressure on occupancy and rental rates. For 6.8% of the leases (by gross rental income) due for renewal in FY16/17, the Manager remains focused on tenant retention to maintain stable portfolio occupancy.

### **Distribution to Unitholders**

Unitholders can expect to receive their quarterly DPU for the period 1 July to 30 September 2016 on 28 November 2016. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 2 November 2016.

For further information, please contact:

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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.

As at 31 March 2016, MIPL owns and manages S\$34.7 billion of office, retail, logistics, industrial, residential, corporate lodging/serviced apartments and student housing properties. Presently, it manages four Singapore-listed REITs and five private equity real estate funds, which 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.