

**PRESS RELEASE****Mapletree Investments and Mapletree Industrial Trust Form Joint Venture to Acquire 14 Data Centres in the United States of America**

- 60:40 Joint venture between Mapletree Investments Pte Ltd and Mapletree Industrial Trust to acquire 14 data centres in the United States of America (the “United States”) for US\$750 million (S\$1,020 million<sup>1</sup>)
- Portfolio acquisition extends Mapletree group’s footprint in the fast growing data centre sector

24 October 2017 – Mapletree Investments Pte Ltd (“MIPL” or the “Sponsor”) and Mapletree Industrial Trust (“MIT”) are pleased to announce the formation of a joint venture which entered into a conditional purchase and sale agreement through an unlisted single purpose trust, Mapletree Redwood Data Centre Trust (“MRDCT”) to co-invest in a portfolio of 14 data centres in the United States from Carter Validus Mission Critical REIT, Inc. at a purchase consideration of approximately US\$750 million (S\$1,020 million) (the “Proposed Acquisition”). Under the joint venture agreement, MIPL holds 60% interest in MRDCT while MIT holds the remaining 40% interest.

The 14 data centres are strategically located in established data centre markets across the United States (the “Target Portfolio” or “Properties”). These Properties are sited on freehold land<sup>2</sup> with a total net lettable area of about 2.3 million square feet (“sq ft”). With a high portfolio occupancy of 97.4%<sup>3</sup>, the Target Portfolio is leased to 15 high-quality tenants from a diverse range of industries such as telecommunications, information technology and financial services.

With a long weighted average lease to expiry (by gross rental income) of about 6.7 years<sup>3</sup>, the Target Portfolio has a well-staggered lease expiry profile, with only 1.3% leases expiring

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<sup>1</sup> Based on the exchange rate of US\$1.00 to S\$1.36.

<sup>2</sup> All properties are sited on freehold land, except for the parking deck (150 Carnegie Way) at 180 Peachtree, which has a remaining land lease tenure of about 38.2 years with the option to renew for 40 years (from 30 September 2017).

<sup>3</sup> As at 30 September 2017.

within the next three years. 97.6% of leases (by gross rental income) include fixed annual rental escalations of more than 2%, which will offer embedded rental growth. The Properties are primarily core-and-shell data centres on triple net leases whereby all outgoings are borne by tenants, which will minimise leasing and operating risks.

Mr Hiew Yoon Khong, Group Chief Executive Officer of MIPL, said, “We are pleased to extend our presence in the United States in a sector with strong growth prospects. The Target Portfolio is anchored by long leases from established tenants, including Fortune Global 500 corporations and NYSE-listed/Nasdaq-listed companies. The growth in data creation and cloud computing will continue to drive the demand for data centre space, especially in the United States, leveraging on the highly developed infrastructure and favourable business environment. The Proposed Acquisition marks another milestone in our strategy to broaden our investments into sustainable growth sectors in developed economies.”

Mr Tham Kuo Wei, Chief Executive Officer of Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of MIT, said, “The Proposed Acquisition is in line with the expansion of MIT’s investment strategy to acquire data centres worldwide beyond Singapore<sup>4</sup>. The contribution from data centres will increase from 6.7% to 16.0% of MIT’s portfolio<sup>5</sup>. The Target Portfolio with long leases on freehold land will help to improve the quality of the enlarged MIT portfolio and stability of returns to Unitholders. The joint venture with the Sponsor is a prudent and measured approach for MIT’s first overseas investment in the United States, the largest data centre market in the world.”

As the United States is the largest and most established data centre market in the world, it is underpinned by favourable underlying demand fundamentals. According to 451 Research, the United States comprises about 28.0% of the global insourced and outsourced data centre market (by net operational square feet), with the market expected to grow at a compound annual growth rate of 3.1% between 2015 and 2020. The increasing data creation and storage, growth in cloud-based applications as well as the need for local data

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<sup>4</sup> Details can be found in the announcement dated 26 September 2017 titled “Expansion of Investment Strategy”.

<sup>5</sup> Based on MIT’s book value as at 30 September 2017 and MIT’s total cost of the Proposed Acquisition of US\$304.8 million (S\$414.6 million).

storage continue to drive the demand for data centre services in established cities while creating interest in secondary cities.

The joint venture will enable the Manager to leverage on the Sponsor's financial strength, local market experience and resources in the United States and ensure a smooth continuation of the operations. In addition, the remaining 60% interest in MRDCT held by the Sponsor is similarly subject to the right of first refusal granted by the Sponsor to MIT, which MIT could consider as an investment opportunity in future.

The purchase consideration of US\$750.0 million for the Target Portfolio is about 3.4% lower than the independent valuation of US\$776.4 million<sup>6</sup> provided by Cushman & Wakefield Western, Inc., using the sales comparison and income capitalisation approach.

The Proposed Acquisition is expected to complete in the fourth quarter of 2017.

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<sup>6</sup> The Target Portfolio was valued at US\$776.4 million based on valuations of the Properties conducted in August and September 2017.

**Selected Photographs of Largest Properties (by Net Property Income) in the Target Portfolio**



7337 Trade Street, San Diego



180 Peachtree, Atlanta



402 Franklin Road, Brentwood



2000 Kubach Road, Philadelphia

For further information, please contact:

**Mapletree Investments Pte Ltd**

Grace Lee  
Assistant Manager,  
Corporate Communications  
Tel: +65 6377 6218  
Email: [grace.lee@mapletree.com.sg](mailto:grace.lee@mapletree.com.sg)  
Website: [www.mapletree.com.sg](http://www.mapletree.com.sg)

**Mapletree Industrial Trust Management Ltd.**

Melissa TAN  
Vice President,  
Investor Relations  
Tel: +65 6377 6113  
Email: [melissa.tanhl@mapletree.com.sg](mailto:melissa.tanhl@mapletree.com.sg)  
Website: [www.mapletreeindustrialtrust.com](http://www.mapletreeindustrialtrust.com)

**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 established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

MIPL currently manages four Singapore-listed REITs and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, the United Kingdom (“UK”) and the United States (“US”).

As at 31 March 2017, MIPL owns and manages S\$39.5 billion of office, retail, logistics, industrial, residential, corporate housing and serviced apartment, and student accommodation properties.

MIPL’s assets are located across 12 economies globally, namely Singapore, Australia, China, Germany, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.

**About Mapletree Industrial Trust**

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of the Singapore Exchange 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. From 26 October 2017, MIT’s investment strategy will be expanded to include real estate and real estate-related assets used primarily as data centres worldwide beyond Singapore.

MIT’s portfolio of 85 properties in Singapore has a total gross floor area of approximately 20.4 million square feet with a total book value of approximately S\$3.78 billion as at 30 September 2017. 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.