

## PRESS RELEASE

### Mapletree Industrial Trust Delivers 4.9% Year-on-Year Growth for 2QFY18/19 Distributable Income

- Distribution per Unit (“DPU”) for 2QFY18/19 rose 0.3% year-on-year to 3.01 cents
- Asset enhancement initiative at 30A Kallang Place secured commitment of 75.0%
- Successful completion and lease commencement of Mapletree Sunview 1
- Resumption of the distribution reinvestment plan to fund progressive needs of development projects

23 October 2018 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that MIT’s distributable income and DPU for the First Half Financial Year 2018/2019 from 1 April 2018 to 30 September 2018 (“1HFY18/19”) were S\$113.6 million and 6.01 cents respectively, representing year-on-year increases of 6.2% and 1.5%.

#### Financial Results of MIT for 2Q & 1HFY18/19

	2QFY18/19	2QFY17/18	↑/(↓)%	1HFY18/19	1HFY17/18	↑/(↓)%
Gross revenue (S\$’000)	<b>92,221<sup>1</sup></b>	92,562	(0.4)	<b>183,708<sup>1</sup></b>	181,374	1.3
Property expenses (S\$’000)	<b>(21,635)</b>	(21,885)	(1.1)	<b>(43,663)</b>	(42,505)	2.7
Net property income (S\$’000)	<b>70,586<sup>1</sup></b>	70,677	(0.1)	<b>140,045<sup>1</sup></b>	138,869	0.8
Distributable income (S\$’000)	<b>56,662<sup>1</sup></b>	54,010 <sup>2</sup>	4.9	<b>113,570<sup>1</sup></b>	106,915 <sup>2</sup>	6.2
No. of units in issue (’000)	<b>1,886,354</b>	1,802,723	4.6	<b>1,886,354</b>	1,802,723	4.6
DPU (cents)	<b>3.01</b>	3.00 <sup>2</sup>	0.3	<b>6.01</b>	5.92 <sup>2</sup>	1.5

<sup>1</sup> Gross revenue, property expenses and net property income do not include MIT’s 40% interest in the joint venture with Mapletree Investments Pte Ltd. Amount available for distribution includes distribution declared by the joint venture.

<sup>2</sup> Amount available for distribution included the pre-termination compensation of S\$3.1 million received from Johnson & Johnson Pte. Ltd. which ended its lease on 30 September 2017. This represented a DPU of 0.17 cent in 2QFY17/18.

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Gross revenue and net property income for the Second Quarter Financial Year 2018/2019 from 1 July 2018 to 30 September 2018 (“2QFY18/19”) were S\$92.2 million and S\$70.6 million respectively, registering marginal declines of 0.4% and 0.1% over the same period last year. This was largely due to the effect of the pre-termination compensation received in 2QFY17/18, without which the gross revenue would have been higher by 3.1%. The lower Singapore portfolio occupancy in 2QFY18/19 was offset by contribution from Phase Two of the build-to-suit project for HP Singapore (Private) Limited and recently completed development projects.

Distributable income for 2QFY18/19 increased 4.9% year-on-year to S\$56.7 million due to contributions from development projects and income contribution from MIT’s 40% interest in the portfolio of 14 data centres in the United States of America (the “United States”). DPU for 2QFY18/19 rose 0.3% year-on-year to 3.01 cents.

### **Investment Update**

The S\$76 million build-to-suit data centre development, Mapletree Sunview 1 was successfully completed on 13 July 2018. With a gross floor area (“GFA”) of about 242,000 square feet (“sq ft”), the six-storey purpose-built data centre is fully leased to an established data centre operator for an initial lease term of more than 10 years, which commenced on 1 August 2018.

The asset enhancement initiative at 30A Kallang Place continues its leasing momentum following its completion on 13 February 2018, with a total GFA of 336,000 sq ft.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “The leasing interest for the recently completed asset enhancement initiative at 30A Kallang Place remains positive, and have attracted high quality tenants from various sectors such as information communications and technology and production engineering. To-date, we have secured commitment for 75.0% of the total net lettable area with most leases to commence progressively by the first quarter of 2019. Together with the long-term lease of Mapletree Sunview 1, these will provide stability and growth to the portfolio.”

## **Portfolio Update**

Average portfolio occupancy fell to 86.7% in 2QFY18/19 from 88.3% in the preceding quarter. The Singapore portfolio occupancy decreased to 86.2% in 2QFY18/19 from 87.8% in 1QFY18/19. Lower occupancies were registered across most property segments due to the large supply of industrial space and uneven recovery in the manufacturing sector. The lower Singapore portfolio occupancy was partly due to the scheduled termination of leases at 7 Tai Seng Drive in preparation for upgrading works, with the exit of the last tenant expected to be in the fourth quarter of 2018. Following the completion of the upgrading works in the second half of 2019, the seven-storey industrial property will be fully leased to an established information and communication technology company for an initial lease term of 25 years with annual rental escalations. The US portfolio occupancy rate remained unchanged at 97.4%.

## **Resumption of Distribution Reinvestment Plan**

The Manager will be resuming the distribution reinvestment plan (“DRP”) for the 2QFY18/19 distribution as part of MIT’s proactive capital management efforts. This will enable Unitholders to acquire new units without incurring additional transaction related costs. The issue of units in lieu of cash distributions under the DRP will strengthen MIT’s balance sheet, help finance the progressive funding needs of development projects and accord MIT greater financial flexibility to pursue growth opportunities.

## **Outlook**

Business sentiments of the small and medium enterprises in Singapore remained positive but exhibited greater caution as trade tensions continue to simmer. Uncertainties from heightened global political and trade tensions may derail the economic growth momentum. The imminent supply of new competing industrial space is expected to moderate both the market rents and occupancy rates. The Manager remains focused on tenant retention to maintain a stable portfolio occupancy.

According to JLL, the North American, EMEA and APAC data centre markets absorbed a total of 421.2 megawatts (“MW”) in the first half of 2018 (“1H2018”). The North American market accounted for the majority of the absorption with a take-up of 292.1MW, or 69.3% of the total absorption for 1H2018. This was 31.9% higher than 1H2017, demonstrating the increasing

demand for data centre space as a result of the Internet of Things, the increased migration to cloud and outsourcing and the need to be closer to both the enterprise and consumer end users<sup>3</sup>.

### **Distribution to Unitholders**

Unitholders can expect to receive their quarterly DPU for the period 1 July to 30 September 2018 in cash or DRP units by 6 December 2018. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 31 October 2018.

For further information, please contact:

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<sup>3</sup> Source: JLL Global Data Center Outlook 1H2018

## **About Mapletree Industrial Trust**

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

MIT’s property portfolio comprises 86 industrial properties in Singapore and 14 data centres in the United States (40% interest through the joint venture with Mapletree Investments Pte Ltd). The properties in Singapore include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings. As at 30 September 2018, MIT’s total assets under management was S\$4.4 billion.

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 and property 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 REIT and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, the United Kingdom and the United States.

As at 31 March 2018, MIPL owns and manages S\$46.3 billion of office, retail, logistics, industrial, residential, corporate housing / 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 United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.