

*For Immediate Release*

## MAPLETREELOG'S 4Q 2006 DISTRIBUTABLE INCOME SOARS 96.8% YEAR-ON-YEAR

**Highlights:**

- Distributable income of S\$11.8 million for the three months ended 31 December 2006 ("4Q 2006") is 96.8% higher than that in the same period last year ("4Q 2005").
- Available distribution per unit ("DPU") of 1.45 cents for 4Q 2006 brings the full year 2006 total DPU to 5.07 cents, which is 10.7% higher than the forecast of 4.58 cents<sup>1</sup>.
- Value of completed assets reaches S\$1,429.0 million with another S\$221.3 million worth of acquisitions announced but pending completion as at 31 December 2006.

**Singapore, 16 January 2007** – The Board of Directors of Mapletree Logistics Trust Management Ltd. ("MLTM"), manager of Mapletree Logistics Trust ("MapletreeLog"), is pleased to announce a 4Q 2006 distributable income of S\$11.8 million, an improvement of 96.8% compared with 4Q 2005.

Summary of results					
	4Q 2006 Actual	4Q 2005 Actual	Variance (4Q 2006 vs 4Q 2005)	4Q 2006 Forecast <sup>2</sup>	Variance (Actual vs Forecast)
Gross Revenue (S\$'000)	26,863	10,046	167.4% ↑	16,297	64.8% ↑
Net Property Income (S\$'000)	23,361	7,914	195.2% ↑	13,219	76.7% ↑
<b>Distributable Income (S\$'000)</b>	<b>11,759</b>	<b>5,974</b>	<b>96.8% ↑</b>	<b>9,384</b>	<b>25.3% ↑</b>
<b>Available DPU (cents)</b>	<b>1.45</b>	<b>1.05</b>	<b>38.1% ↑</b>	<b>1.16</b>	<b>25.0% ↑</b>

**Note to table:**

MapletreeLog intends to distribute 100% of its taxable income and tax-exempt income (if any) for the period from 28 July 2005 to 31 December 2006.

<sup>1</sup> Based on the Circular dated 22 December 2005.

<sup>2</sup> The Forecast figures are extracted from the Circular dated 22 December 2005 and pro-rated equally for the 92-day period from 1 October 2006 to 31 December 2006.

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Available DPU of 1.45 cents for 4Q 2006 is 38.1% higher than that in 4Q 2005 and 25.0% higher than the quarterised forecast of 1.16.

Mr. Chua Tiow Chye, Chief Executive Officer of MLTM, said, "We are very pleased with MapletreeLog's fourth quarter performance, with the full year 2006 DPU surpassing our forecast by 10.7%, allowing our unit holders to enjoy a one-year total return, including capital gains, of about 30%. The 96.8% year-on-year jump in fourth quarter distributable income is largely due to the additional 23 properties acquired within the past one year. Of these 23 properties, five were acquired during the fourth quarter, bringing the Trust's portfolio size to 41 properties, valued at a total of about S\$1.4 billion."

"Since MapletreeLog's listing in July 2005, we have consistently executed our Asia-focused yield plus growth strategy. Including the 15 announced acquisitions, we have added assets valued at a total of about S\$1.2 billion to the Trust's portfolio within one year. We are confident that we will be able to sustain this momentum as we continue to ramp up traction in our acquisition pipeline in the region" Mr. Chua added.

#### **A robust and expanding regional portfolio**

The Trust's portfolio value grew 24.8 % quarter-on-quarter, from 36 properties valued at S\$1,145.4 million as at 30 September 2006, to 41 properties valued at S\$1,429.0 million as at 31 December 2006. This includes a revaluation surplus of S\$55.7 million recognised during 4Q 2006.

In addition to the 41 properties, another 15 property acquisitions have been announced but are pending completion as at end-2006. This will bring the portfolio size to 56 properties comprising 38 assets in Singapore, six in Hong Kong, two in China, nine in Malaysia and one in Japan, with a total value of about S\$1.7 billion. The value of this enlarged portfolio represents a more than three-fold increase from the S\$461.8 million asset value as at end-2005.

"The geographical distribution of MapletreeLog's portfolio value reflects our strategy to build a core stable asset base anchored in mature markets such as Singapore and Hong Kong, which account

for 66.2% and 28.5% respectively of the Trust's gross revenue for 4Q 2006. At the same time, we are actively building up our assets in developing markets such as Malaysia and China. A key milestone for the Trust last year was our announced maiden acquisition in Japan – our fourth key overseas market after Hong Kong, China and Malaysia, demonstrating the Manager's commitment to continue to source new markets for growth and diversification," Mr. Chua said.

### **Growing DPU quarter-on-quarter**

During the financial year 2006, MapletreeLog's DPU has been steadily rising from quarter to quarter. MapletreeLog paid out a first quarter DPU of 1.11 cents, followed by 1.19 cents for the second quarter and 1.32 cents for the third quarter.

"We are closing the year with 1.45 cents for the last quarter, bringing the Trust's FY2006 DPU to 5.07 cents, exceeding our full year forecast by 10.7%. We expect to maintain a healthy growth trend going forward for our DPU as we continue to expand the Trust's portfolio by acquiring accretive assets."

### **Proactive asset management**

"We are also pleased that our asset management initiatives have been successful. We continue to maintain a near full occupancy of 99.6% for MapletreeLog's portfolio in 4Q 2006. In addition, we are also in the process of adding more lettable space to TIC Tech Centre under our asset enhancement programme," Mr. Chua said.

The Trust's portfolio growth has improved the overall quality of the portfolio and added diversification benefits, as follows:

- Tenant base has been further diversified with increased exposure to the established third party logistics players sector with the addition of tenants including KWE-Kintetsu, Yusen, SDV Logistics;
- Tenant concentration has been reduced further, with the top ten tenants accounting for 32.1% of the Trust's monthly gross revenue<sup>3</sup>, down from 37.6% in 3Q 2006;

<sup>3</sup> Based on gross revenue for the month of December 2006.

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- Portfolio occupancy rate remains high at 99.6%;
- Weighted average lease term to expiry is 4.6 years;
- Weighted average of unexpired underlying land lease term remains high at 54.9 years.

### Capital management strategy

The Manager will continue to optimise MapletreeLog's funding structure in order to deliver competitive risk-adjusted total returns and achieve sustainable growth for its unitholders. With the additional borrowings undertaken to complete the five announced acquisitions during the fourth quarter of this year, the Trust's leverage ratio has increased to 54.9% as at 31 December 2006 from 49.2% as at 30 September 2006. This is after taking into account the revaluation surplus of S\$55.7 million recognised during 4Q 2006. Accordingly, on 26 December 2006, the Manager has proposed an equity fund raising to its unitholders for approval, to issue new units to raise gross proceeds of up to approximately S\$349.0 million<sup>4</sup>.

As at 31 December 2006, MapletreeLog has hedged about 63% of its total borrowings of S\$795.4 million and its weighted average annualised interest rate for 4Q 2006 was about 4.3%.

The Manager will also continue to explore other possible funding options to lengthen the debt repayment profile of MapletreeLog.

### Outlook

"MapletreeLog has ended the year 2006 with a strong performance, which puts us in good stead for another year of growth in 2007. We will continue to focus on our yield plus growth strategy to ensure improving DPU distributions to our unitholders," Mr. Chua said.

The outlook for Asia-Pacific economic growth is positive, with the United Nations forecasting an aggregate 6.9% growth rate in 2007. In particular, the Asia-Pacific logistics market is expected expand at an estimated compounded annual growth rate of 6.6% from 2005 to 2010, according to Datamonitor Market Research. In Singapore, the Ministry of Trade and Industry has announced

<sup>4</sup> Based on the Circular dated 26 December 2006.

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that the economy is estimated to have grown by 7.7% in 2006 and the Economist Intelligence Unit has forecast that the country's annual average real GDP growth will be about 4.5% in 2007-08.

In Hong Kong, the supply of warehouses remains tight and average rents and capital values for warehouses are projected to grow by 15% and 12% respectively over the next 12 months as growth in re-exports and cargo throughput fuels demand for warehousing facilities.

China's estimated 2007 growth rate of about 10% will translate to increased trade and manufacturing activities and also a higher demand for logistics facilities. CB Richard Ellis has a positive outlook on the logistics sector in Malaysia due to the increased investment in the manufacturing industry as well as the increasing trend for manufacturers to outsource their logistics requirements.

Mr. Chua said : "We are optimistic that for 2007, we will continue to grow in tandem with the positive outlook for the regional economies. We will continue to strengthen our position in our existing markets as well as explore opportunities in new markets such as Vietnam, India, South Korea and Thailand."

#### **Distribution to unitholders**

MapletreeLog will pay a distribution of between 1.75 to 1.85 cents per unit on 28 February 2007 for the period from 1 October 2006 to 24 January 2007.

Assuming the proposed equity fund raising as set out in the MapletreeLog circular<sup>5</sup> dated 26 December 2006 is approved and completed, the Manager is confident of meeting its forecast as stated in the circular, for the financial year ending 31 December 2007.

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<sup>5</sup> Please refer to section 8 of the Circular dated 26 December 2006.

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**About MapletreeLog ([www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com))**

MapletreeLog, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. The Trust is also listed in the Global Property Research (GPR) 250 Index. MapletreeLog's principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. It has a portfolio of 41 logistics assets in Singapore, Hong Kong, China and Malaysia valued at S\$1,429.0 million (as at 31 December 2006). MapletreeLog is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

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**Important Notice**

The value of units in MapletreeLog ("Units") and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of MapletreeLog is not necessarily indicative of its future performance. This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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