

*For Immediate Release*

## MAPLETREELOG'S AMOUNT DISTRIBUTABLE FOR 2Q 2008 RISES 28% YEAR-ON-YEAR

### Highlights:

- Amount Distributable of S\$22.6 million for the three months ended 30 June 2008 ("2Q 2008") is 28% higher than that in the same period last year ("2Q 2007").
- Available distribution per unit ("DPU") of 2.04 cents for 2Q 2008 is 28% higher than the 2Q 2007 DPU.
- Value of completed assets is close to S\$2.5 billion with another S\$167 million acquisitions announced but pending completion as at 30 June 2008.

**Singapore, 18 July 2008** – The Board of Directors of Mapletree Logistics Trust Management Ltd. ("MLTM"), manager of Mapletree Logistics Trust ("MapletreeLog"), is pleased to announce a total amount distributable of S\$22.6 million for 2Q 2008, an improvement of 28% compared with 2Q 2007.

S\$'000	2Q 2008 Actual	2Q 2007 Actual	Variance (2Q 2008 vs 2Q 2007)	1H 2008 Actual	1H 2007 Actual	Variance (1H 2008 vs 1H 2007)	1Q2008 Actual	Variance (2Q 2008 vs 1Q 2008)
Gross Revenue	43,841	34,148	28.4% ↑	86,478	62,949	37.4%	42,636	2.8% ↑
Net Property Income	38,292	30,028	27.5% ↑	75,647	55,707	35.8%	37,354	2.5% ↑
<b>Amount Distributable</b>	<b>22,625</b>	<b>17,655</b>	<b>28.2% ↑</b>	43,632	32,988	32.3%	21,007	7.7% ↑
<b>Available DPU (cents)</b>	<b>2.04</b>	<b>1.59</b>	<b>28.3% ↑</b>	3.94	3.07	28.3%	1.90	7.4% ↑

**Note to table:** MapletreeLog's distribution policy is to distribute at least 90% of its taxable income, comprising substantially its income from the letting of its properties and related property services income after deduction of allowable expenses and allowances, and of its tax-exempt income, if any.

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Mr. Chua Tiow Chye, Chief Executive Officer of MLTM, said, “We are very pleased with MapletreeLog’s strong performance for the second quarter of 2008, with 2Q 2008 DPU registering a 28% y-o-y increase. The 28% increase in amount distributable and DPU is largely due to the additional 18 properties acquired within the past one year. We also continue to see strong rental reversions for leases that came up for renewal. As at 30 June 2008, the Trust’s portfolio comprises 76 properties, with a book value of close to S\$2.5 billion. In addition, there are another 5<sup>1</sup> acquisitions, with a book value of S\$167 million that have been announced but are pending completion as at 30 June 2008. Upon completion, MapletreeLog’s portfolio will comprise 81 properties with a book value of approximately S\$2.7 billion: 47 properties in Singapore, 11 in Malaysia, 8 each in Hong Kong and Japan, 6 in China and 1 property in South Korea.”

#### **A robust regional portfolio**

The Trust’s portfolio value grew 3% quarter-on-quarter, from 72 properties valued at S\$2,416.9 million as at 31 March 2008, to 76 properties valued at S\$2,485.5 million as at 30 June 2008. The manager did not announce any new acquisitions during 2Q 2008.

In terms of 2Q 2008 net property income, Singapore accounted for 54%, Hong Kong, 23%, Japan 13%, Malaysia 5%, China 4% and Korea 1%.

“MapletreeLog’s geographically-diversified portfolio, comprising properties spread across 6 countries, continues to generate diversified and stable cashflows for our unitholders”, Mr. Chua added.

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<sup>1</sup> Comprises 3 in China (ISH WaiGaoQiao and 2 buildings in Northwest Logistics Park), 1 in Malaysia (G-Force) and 1 in Japan (Kashiwa Centre)

### **Growing quarterly DPU**

MapletreeLog's 2Q 2008 DPU of 2.04 cents registered a 28% y-o-y increase. Mr. Chua said, "We are confident that our robust regional portfolio and strong operating performance will provide our unitholders with steady and growing distributions. The successful completion of our rights issue will also have a positive impact on distributions for the rest of 2008. This will come primarily from lower interest expense as a result of paring down some existing debt and higher net property income once the 5 properties that are pending completion as of 30 June 2008 are completed with the rights issue proceeds."

### **Focus on organic growth**

In 2Q 2008, about 55,490 sqm of space were renewed or replaced with new leases. Rents achieved were, on average, about 12% higher than the preceding rents. These were from leases in Singapore and Hong Kong with reversion rates of 16.0% and 11.4% respectively. For the rest of 2008, rental reversions will continue to come mainly from Singapore and Hong Kong and the manager expects to achieve a positive rental reversion of at least 12% for all renewals in 2008.

MapletreeLog has a diversified and strong tenant base, with the top ten tenants accounting for 29% of its monthly gross revenue<sup>2</sup>. Portfolio occupancy rates remain consistently high at approximately 99%. The weighted average lease term to expiry is over 5 years with around 62% of the leases having expiry dates beyond 3 years. As at 30 June 2008, the weighted average unexpired lease term of underlying land of the portfolio is over 141 years.

### **Capital management strategy**

As at 30 June 2008, MapletreeLog's leverage ratio was 56.3%, up slightly from 54.7% as at 31 March 2008. The increase in leverage ratio was largely due to the borrowings drawn down to fund the completion of 4 committed acquisitions announced in previous quarters. As at 30 June 2008, MapletreeLog's total borrowings was S\$1,461.3 million, of which about 45% is hedged. The

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<sup>2</sup> Based on gross revenue for the month of June 2008.

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weighted average annualised interest rate declined from 2.9% p.a. in 1Q 2008 to 2.7% p.a. in 2Q 2008, due to the continued drop in interest rates for the major currencies during the quarter.

At an extraordinary general meeting held on 18 July 2008, unitholders approved the underwritten renounceable rights issue to raise equity of approximately S\$606.7 million. The fund-raising will strengthen MapletreeLog's balance sheet and enhance its financial flexibility by lowering its aggregate leverage to below 40% and of this, more than 60% of the debt will be hedged. It will also improve MapletreeLog's percentage of non-current loans to total borrowings to about 90% and increase the average duration of debt to about 3 years. The more robust balance sheet will result in lower cost of debt financing and buffer MapletreeLog from adverse market movements in interest rates and foreign exchange rates.

## **Outlook**

"While we remain committed to our yield plus growth strategy, in the current environment, the manager's immediate focus is to optimise yield from organic growth through extracting positive rental reversions and undertaking asset enhancements. We have a healthy portfolio of assets with strong tenants and long locked-in leases, which will enable us to continue making stable and growing distributions to unitholders. When market conditions are more conducive, MapletreeLog's stronger balance sheet will enable us to capitalise on value opportunities which may become available in the current environment. We believe that with a robust balance sheet after the rights issue, we are well positioned to operate in the current more uncertain times. While the current market conditions do make acquisition opportunities more readily available, we will evaluate these selectively and only if they are highly accretive, taking into account MapletreeLog's weighted average cost of capital prevailing at the time of considering such opportunities. We are confident that MapletreeLog's strong performance will continue for the rest of the year." Mr. Chua said.

**Distribution to unitholders**

The 2Q 2008 DPU of 2.04 cents represents a 28% y-o-y increase and is 7% higher than the 1Q 2008 DPU of 1.90 cents. MapletreeLog will pay this DPU of 2.04 cents on 29 August 2008 for the period from 1 April 2008 to 30 June 2008.

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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 included in the FTSE ST Mid-Cap Index, the Global Property Research (GPR) 250 Index and GPR 250 REIT Index. MapletreeLog's principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 30 June 2008, it has a portfolio of 76 logistics assets in Singapore, Hong Kong, Japan, China, Malaysia and South Korea with a total book value of close to S\$2.5 billion. 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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