

For Immediate Release

## MAPLETREELOG'S AMOUNT DISTRIBUTABLE RISES BY 21% IN FY 2009

### Highlights:

- Improvement in full year results on the back of 12% increase in net property income (“NPI”) and one-time gain on extension of lease of an existing property.
- Available distribution per unit (“DPU”) of 1.59 cents for 4Q 2009 is 7% higher than 3Q 2009’s DPU of 1.48 cents.
- Portfolio value steady at S\$2.9 billion after revaluation.
- Successful private placement of 115 million new units in MapletreeLog in November 2009 to acquire a total of 3 properties in Singapore and Japan.

**Singapore, 21 January 2010** – The Board of Directors of Mapletree Logistics Trust Management Ltd. (“MLTM”), manager (“Manager”) of Mapletree Logistics Trust (“MapletreeLog” or “Trust”), is pleased to announce a total amount distributable of S\$32 million for 4Q 2009, an improvement of 12% compared with 4Q 2008.

	4Q 2009 Actual <sup>1</sup>	4Q 2008 Actual <sup>1</sup>	Variance (4Q 2009 vs 4Q 2008)	FY 2009 Actual	FY 2008 Actual	Variance (FY 2009 vs FY 2008)	3Q 2009 Actual	Variance (4Q 2009 vs 3Q 2009)
Gross Revenue (S\$'000)	50,785	52,397	-3.1% ↓	206,786	184,922	11.8% ↑	50,767	0.0% ↔
Net Property Income (S\$'000)	44,941	45,101	-0.4% ↓	180,837	160,993	12.3% ↑	44,060	2.0% ↑
Amount Distributable (S\$'000)	31,826	28,349	12.3% ↑	117,881	97,413	21.0% ↑	28,793	10.5% ↑
Available DPU per unit (cents)	1.59 <sup>2,3</sup>	1.46	8.9% ↑	6.02 <sup>3,4</sup>	7.24 <sup>4</sup>	-16.9% ↓	1.48	7.4% ↑

#### Footnote:

1. 4Q 2009 started with 81 properties and ended with 82 properties. 4Q 2008 started with 79 properties and ended with 81 properties.
2. Comprise 0.75 cents for the period 1 October 2009 to 17 November 2009 and 0.84 cents for the period from 18 November 2009 to 31 December 2009.
3. This included the 0.11 cents resulting from a one-time consideration from Prima Limited (“Prima”) to extend the leases and licenses with Prima at 201 Keppel Road by 8 years.
4. The decrease in FY 2009 DPU compared to FY 2008 is due to the additional units arising from the rights issue in August 2008 and the private placement in November 2009.

#### Note to table:

MapletreeLog’s distribution policy as per stated in the prospectus dated 18 July 2005, is to distribute at least 90% of its taxable income to Unitholders, 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, “Despite the challenging environment, we are pleased to announce that MapletreeLog’s performance for the fourth quarter of 2009 has been maintained. DPU for 4Q 2009 was 1.59 cents, which is 7% higher than 3Q 2009’s DPU of 1.48 cents. Excluding the one-time effect of Prima<sup>1</sup>, DPU is 1.48 cents, which is the same as in 3Q 2009. Amount distributable for 4Q 2009 was S\$32 million, an increase of 12% year-on-year compared to 4Q 2008.

We are also pleased with MapletreeLog’s steady performance for the whole of FY 2009 in spite of the difficult economic environment last year. NPI and amount distributable in FY 2009 increased by 12% and 21% respectively compared to FY 2008. DPU in FY 2009 was 6.02 cents compared to 7.24 cents in FY 2008 – the decline was largely due to the additional units arising from the rights issue in August 2008 and also the private placement in November 2009. If we remove the impact of additional units from both years, the DPU would be 10.64 cents in FY 2009 compared to 8.79 cents in FY 2008 – an increase of 21%. The steady performance reflects the resilience of MapletreeLog’s portfolio which continues to enjoy high occupancy rates and sustained rental rates, anchored by a sound capital management strategy to protect distributable income.”

As at 31 December 2009, the Trust’s portfolio comprises 82 properties, with a book value of approximately S\$2.9 billion. Of the 82 properties, 48 are in Singapore, 11 in Malaysia, 8 each in Hong Kong and Japan, 6 in China and 1 in South Korea.

### **Building acquisition pipeline for growth**

In 4Q 2009, MapletreeLog completed the acquisition of 7 Penjuru Close for \$43 million. Two other acquisitions (one in Singapore and the other in Japan) were also announced in 4Q 2009, and we expect to complete them in 1Q 2010. Upon completion, MapletreeLog’s portfolio will comprise 84 properties with a book value of around S\$3 billion: 49 properties in Singapore, 11 in Malaysia, 8 in Hong Kong, 9 in Japan, 6 in China and 1 in South Korea.

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<sup>1</sup> There was a one-time consideration from Prima Limited (“Prima”) to extend the leases and licenses with Prima at 201 Keppel Road by 8 years. For details, please see SGXNET announcement dated 31 December 2009.

### **A diversified and stable regional portfolio**

Singapore, Hong Kong and Japan continue to contribute close to 90% of MapletreeLog's NPI. As at 31 December 2009, Singapore contributed about 50% of the Trust's NPI, Hong Kong 22%, Japan 15%, China 7%, Malaysia 5%, and the balance from South Korea. The geographical diversification of the portfolio has enabled the Trust to consistently deliver stable distributions to Unitholders.

### **Focus on yield optimisation**

Portfolio occupancy rates for MapletreeLog have improved to 98.1% as at 31 December 2009, compared to 97.1% as at 30 September 2009. This was due to several new leases signed in Singapore, Hong Kong and China in 4Q 2009. To-date, of the approximately 20% of total leases (by portfolio gross revenue) which were up for renewal in 2009, the Manager has successfully renewed about 95% of these. In the recovering but still uncertain economic environment, tenant retention continues to be a priority.

The weighted average lease term to expiry ("WALE") for the portfolio is about 5 years with more than 60% of the leases expiring in 2012 and beyond<sup>2</sup>. As at 31 December 2009, the weighted average unexpired lease term of underlying land of the portfolio is around 153 years<sup>3</sup>. In addition to MapletreeLog's diverse and high-quality tenant base and strong leasing covenants, the Trust has security deposits equivalent to 55% of 2009 gross revenue, or 6.8 months coverage.

### **Annual revaluation of portfolio**

MapletreeLog's portfolio was revalued marginally downward by S\$16.5 million which represents less than 1% of MapletreeLog's portfolio value.

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<sup>2</sup> Based on gross revenue for December 2009.

<sup>3</sup> For computation purposes, freehold properties are assigned a lease term of 999 years.

### **Capital management strategy**

During the quarter, MapletreeLog completed its private placement of 115 million new units raising S\$79 million of gross proceeds for acquisitions. The Manager will continue to proactively optimise its capital structure and diversify its sources of funding in consideration of Management's strategic growth plans and the prevailing market conditions.

As at 31 December 2009, MapletreeLog's borrowings have been reduced to S\$1,093 million after the redemption of S\$60 million expiring MTN with the earlier cash reserve set aside and loan repayments made in the interim with the equity placement proceeds.

Accordingly, MapletreeLog's leverage ratio has reduced to 36.7% as at 31 December 2009 compared to 38.1% as at 30 September 2009. The weighted average borrowing cost was reduced marginally to 2.6% in 4Q 2009 as compared to 2.7% in 3Q 2009. Due to natural amortisation of loan durations, the average duration of MapletreeLog's debt is 1.9 years as at 31 December 2009.

Of MapletreeLog's S\$1,093 million debt as at 31 December 2009, approximately S\$204 million or 19% of total debt are due for refinancing this year, which is about the same amount that was due at the beginning of last year. The Manager is working towards terming out this debt and has already received firm offers from banks to refinance them. The thawing of credit markets over the last 6 months has allowed MapletreeLog to access debt at significantly lower rates compared to a year ago e.g. the Manager is currently seeing credit spreads well below 200bps for 3-year loans, compared to credit spread of around 350bps on a loan secured last year. This, combined with current credit facilities, will allow the Manager to address MapletreeLog's refinancing needs for 2010.

Approximately 70% of MapletreeLog's total borrowings as at 31 December 2009 are hedged, up slightly from 66% as of 30 September 2009, due to new cross currency swap transactions entered in the quarter.

## Outlook

Mr. Chua said, “MapletreeLog delivered another year of strong operating and financial performances in spite of the difficult capital market environment and a weak global economy in 2009.

The global economic situation appears to show some initial signs of a recovery. In 2010, Asian economies are likely to report positive growth rates, supported by resilient domestic consumption and stable intra-regional trade flows. However, as the recovery may not be smooth or robust, the economic outlook continues to be challenging.

Nevertheless, with the improving outlook, we expect pressure on rental rates and occupancy to ease a little. We believe that MapletreeLog’s geographically diversified portfolio of quality assets, diversified tenants and end users base, high portfolio occupancy rates and high proportion of long leases will continue to provide resilience to the portfolio. Tenant retention continues to be a priority as we work with MapletreeLog’s tenants to help them go through the recovery period.

Our focus will be two pronged - we will remain focused on the primary aim of protecting MapletreeLog’s balance sheet and ensuring consistent distribution yields to Unitholders from our existing portfolio. At the same time, in line with our “Yield plus Growth” strategy, we have started building up a pipeline of yield-accretive acquisitions which will enable us to deliver some growth to Unitholders. We hope to take advantage of the current market conditions to buy assets at good values, without compromising on the quality of the asset, location, tenants, etc. We have a strong, experienced team with proven track record and remain committed to maintaining the quality of MapletreeLog’s portfolio.

To support the growth strategy, we will fund acquisitions through a mixture of debt and equity, while maintaining gearing at an acceptable level. Our medium term target gearing has been between 40%-45%. This is of course dependant on a number of factors, including market conditions. Accordingly, any acquisition exercise must be accretive and any equity fund raising will be to partially fund these acquisitions.

To MapletreeLog's Unitholders, we remain fully committed to paying out full distributions", Mr. Chua said.

**Distribution to Unitholders**

MapletreeLog will pay a 4Q 2009 DPU of 1.59 cents for Q4 2009 which comprises of 0.75 cents for the period 1 October 2009 to 17 November 2009 and 0.84 cents for the period from 18 November 2009 to 31 December 2009 – the latter will be paid on 26 February 2010. For the whole year of 2009, the DPU by MapletreeLog will be 6.02 cents.

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**About MapletreeLog ([www.mapletree.logisticstrust.com](http://www.mapletree.logisticstrust.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 and the Global Property Research (“GPR”) General 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 31 December 2009, it has a portfolio of 82 logistics assets in Singapore, Hong Kong, Japan, China, Malaysia and South Korea with a total book value of close to S\$3 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**

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The value of units in MapletreeLog (“Units”) and the income derived 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 of MapletreeLog may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (“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. The information in this Announcement must not be published outside the Republic of Singapore and in particular, but without limitation, must not be published in any United States edition of any publication.

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