

For Immediate Release

## MAPLETREELOG'S AMOUNT DISTRIBUTABLE FOR 2Q 2009 RISES 27% YEAR-ON-YEAR

### Highlights:

- Amount distributable increased by 27% year-on-year to S\$29 million for the three months ended 30 June 2009 ("2Q 2009") compared to the same period last year ("2Q 2008").
- Improvement largely driven by 19% year-on-year increase in net property income ("NPI") of S\$46 million.
- Available distribution per unit ("DPU") of 1.48 cents for 2Q 2009 as compared to 1.47 cents for 1Q 2009.
- No refinancing risk this year.

**Singapore, 23 July 2009** – The Board of Directors of Mapletree Logistics Trust Management Ltd. ("MLTM"), manager ("Manager") of Mapletree Logistics Trust ("MapletreeLog"/ "Trust"), is pleased to announce a total amount distributable of S\$29 million for 2Q 2009, an improvement of 27% compared with 2Q 2008.

	2Q 2009 Actual <sup>1</sup>	2Q 2008 Actual <sup>1</sup>	Variance (2Q 2009 vs 2Q 2008)	1H 2009 Actual	1H 2008 Actual	Variance (1H 2009 vs 1H 2008)	1Q 2009 Actual	Variance (2Q 2009 vs 1Q 2009)
Gross Revenue (S\$'000)	51,965	43,841	18.5% ↑	105,234	86,478	21.7% ↑	53,268	-2.4% ↓
Net Property Income (S\$'000)	45,651	38,292	19.2% ↑	91,837	75,647	21.4% ↑	46,185	-1.2% ↓
Amount Distributable (S\$'000)	28,662	22,625	26.7% ↑	57,262	43,632	31.2% ↑	28,600	0.2% ↑
Available DPU (cents)	1.48 <sup>2</sup>	2.04 <sup>2</sup>	-27.5% ↓	2.95 <sup>2</sup>	3.94 <sup>2</sup>	-25.1% ↓	1.47	0.7% ↑

#### Footnote:

1. 2Q 2009 started and ended with 81 properties. 2Q 2008 started with 72 properties and ended with 76 properties.

2. The decrease in 2Q 2009 & 1H 2009 DPU compared to 2Q 2008 & 1H 2008 DPU was due to additional units arising from the rights issue in August 2008.

#### 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 second quarter of 2009 has been maintained. DPU for 2Q 2009 was 1.48 cents, a slight improvement to 1Q 2009's DPU of 1.47 cents. The performance reflects the resilience of the portfolio which continues to enjoy high occupancy rates, coupled with lower borrowing costs due to a general reduction in interest rates and effectiveness of hedging strategies.

Amount distributable for 2Q 2009 was S\$29 million, an increase of 27% year-on-year compared to 2Q 2008. On a half yearly basis, amount distributable in 1H 2009 was S\$57 million, an improvement of 31% over the corresponding period last year."

As at 30 June 2009, the Trust's portfolio comprises 81 properties, with a book value of close to S\$3 billion. Of the 81 properties, 47 are in Singapore, 11 in Malaysia, 8 each in Hong Kong and Japan, 6 in China and 1 in South Korea.

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

Singapore, Hong Kong and Japan continue to contribute close to 90% of MapletreeLog's NPI. As at 30 June 2009, Singapore contributed about 50% of the Trust's NPI, Hong Kong 23%, Japan 15%, China 6%, Malaysia 5%, and the balance from South Korea. The geographical diversification of the portfolio has enabled the Trust to mitigate any severe economic impact from any one particular country.

#### **Focus on yield optimisation**

Portfolio occupancy rates for MapletreeLog have been sustained at above 98% with renewal rates maintained at around 80%. To-date, of the approximately 20% of total leases (by portfolio gross revenue) which are up for renewal in 2009, the Manager has successfully renewed about 65%, leaving the balance of about 7% of total leases to be renewed in the next two quarters. Given the current economic environment, tenancy retention remains a priority; hence the average rental reversion rate for all leases renewed to-date is almost flat.

The weighted average lease term to expiry ("WALE") for the portfolio is about 5 years with around

57% of the leases expiring in 2012 and beyond<sup>1</sup>. As at 30 June 2009, the weighted average unexpired lease term of underlying land of the portfolio is over 155 years<sup>2</sup>. In addition to MapletreeLog's diverse and high-quality tenant base and strong leasing covenants, the Trust has security deposits equivalent to 62% of 2008 gross revenue, or 6.6 months coverage.

### **Capital management strategy**

As at 2Q 2009, MapletreeLog had a comfortable gearing ratio of 37.8%<sup>3</sup> due to stronger Singapore dollar compared to Hong Kong dollar and Japanese yen. The weighted average borrowing cost for 2Q 2009 decreased to 2.7% from 3.0% for 1Q 2009 as MapletreeLog enjoyed lower interest rates during the quarter. The average duration of MapletreeLog's debt is 2.2 years as at 30 June 2009 compared to 2.3 years as at 31 March 2009, due to natural amortisation of loan durations. The Manager is currently documenting an additional term debt facility of approximately S\$29 million which, upon completion, will improve the average duration of MapletreeLog's debt.

During the quarter, MapletreeLog raised approximately S\$66 million of debt which were substantially used to term out current debt and to prepay current loans with higher spreads.

Of MapletreeLog's S\$1,173 million debt as at 30 June 2009, approximately S\$107 million are due for refinancing before the end of this year. For this, the Manager has earmarked S\$40 million since 1Q 2009 to partially refinance the medium term note ("MTN") due in October, while the term debt mentioned earlier of approximately S\$29 million is expected to be completed in early August 2009. The balance S\$38 million will be refinanced by MapletreeLog's committed revolving credit facilities that are more than adequate to fund this balance.

Towards the end of the quarter, the interest rate environment became more volatile on the back of mixed signals on the state of the global economy. In view of this, the Manager increased the percentage of MapletreeLog's total borrowings that are hedged to 65% from 59% as at 31 March 2009.

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<sup>1</sup> Based on gross revenue for June 2009.

<sup>2</sup> For computation purposes, freehold properties are assigned a lease term of 999 years.

<sup>3</sup> Excludes S\$40 million borrowings ear-marked for re-financing existing borrowings. If we include the S\$40 million, the leverage ratio would be 38.7%.

## **Outlook**

Mr. Chua said, "While the economic environment appears to have stabilised, it remains challenging. Uncertainty remains over how long and difficult the road to full recovery will be. We will continue to evaluate any opportunity that may arise while continuing to focus on optimising yield from MapletreeLog's portfolio and to preserve its cash flow by active asset and lease management.

MapletreeLog has no refinancing risk and has enough committed lines for all its refinancing needs that are due for the rest of the year. We are comfortable with MapletreeLog's current gearing level and do not have plans for any equity fund raising for recapitalisation purposes. Any equity fund raising should be to capitalise on accretive opportunistic acquisitions.

For the balance of the year, the challenging environment may exert pressure on occupancy and rental rates. However, any fall in rates will be mitigated by MapletreeLog's geographically diversified portfolio of quality assets, diversified tenants and end users base, high portfolio occupancy rates and high proportion of long leases. Tenant retention continues to be the primary asset management goal as we work with MapletreeLog's tenants to help them through this difficult period. Barring any further deterioration in the economic climate, we expect MapletreeLog's NPI and amount distributable for FY 2009 to be better than FY 2008."

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

## **Distribution to Unitholders**

MapletreeLog will pay a 2Q 2009 DPU of 1.48 cents on 28 August 2009 for the period from 1 April 2009 to 30 June 2009.

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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 2009, it has a portfolio of 81 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**

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.