

For Immediate Release

## MAPLETREE LOGISTICS TRUST'S QUARTERLY DISTRIBUTION PER UNIT RISES 10% YEAR-ON-YEAR

### Highlights:

- Distribution Per Unit ("DPU") of 1.70 cents for the 3 months ended 31 March 2012
- Portfolio valued at S\$4.1 billion, including revaluation gain of S\$113 million (about 3% increase)
- Strong balance sheet with minimal refinancing risks in FY12/13

Singapore, 19 April 2012 – The Board of Directors of Mapletree Logistics Trust Management Ltd. ("MLTM"), manager ("Manager") of Mapletree Logistics Trust ("MLT"), is pleased to announce results for the fifth quarter ("5Q FY11/12") and full year ("FY11/12") ended 31 March 2012<sup>1</sup>.

	3 months ended 31 Mar 2012 <sup>a</sup> (S\$' 000)	3 months ended 31 Mar 2011 <sup>b</sup> (S\$' 000)	Variance (y-o-y)	15 months ended 31 Mar 2012 (S\$' 000)
Gross Revenue	71,235	62,244	14.4% ↑	339,535
Property Expenses	(9,852)	(7,571)	30.1% ↑	(45,957)
Net Property Income	61,383	54,673	12.3% ↑	293,578
Amount Distributable To Unitholders	41,343	37,536	10.1% ↑	199,934
Available DPU (cents)	1.70 <sup>c</sup>	1.55	9.7% ↑	8.24 <sup>d</sup>

### Footnotes:

- Quarter ended 31 March 2012 started with 98 properties and ended with 105 properties.
- Quarter ended 31 March 2011 started with 96 properties and ended with 98 properties.
- This includes 0.03 cents from the net divestment gain of 9 Tampines St 92 and 39 Tampines St 92. The total net divestment gain of 0.09 cents was distributed at 0.03 cents per quarter from 3Q FY11/12 onwards.
- This includes 0.09 cents from the net divestment gain of 9 Tampines St 92 and 39 Tampines St 92.

<sup>1</sup> MLT's financial year-end has been changed to 31 March as per announcement dated 21 June 2011. Consequently, FY11/12 comprises five quarters ended 31 March 2012.

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For 5Q FY11/12, gross revenue grew 14% year-on-year (“y-o-y”) to S\$71.2 million and net property income (“NPI”) increased by 12% y-o-y to S\$61.4 million. The revenue and income growth were mainly driven by contribution from the four properties acquired in the past 15 months<sup>2</sup> and a 5.6% organic growth from the existing portfolio. Consequently, amount distributable increased by 10% y-o-y to S\$41.3 million while DPU grew 10% to 1.70 cents. The DPU included the third and final payout of the net gain from divestment of two properties, amounting to 0.03 cents<sup>3</sup>.

For the financial year ended 31 March 2012 which comprises 15 months, MLT achieved a DPU of 8.24 cents. This included 0.09 cents from the divestment gains of two properties<sup>3</sup>.

Mr Richard Lai, Chief Executive Officer of MLTM, said, “We are pleased to conclude FY11/12 with continuing steady performance in operating results and on a strong financial position. Whilst we focus on delivering organic growth and building scale in the target markets, we are also constantly evaluating ways to strengthen and optimise MLT’s capital structure, as seen in the recent issuance of S\$350 million perpetual securities. This issuance has provided an alternative source of funding for MLT and enhanced its financial flexibility to pursue investment opportunities.”

## **A Diversified and Resilient Portfolio**

As at 31 March 2012, MLT’s portfolio comprised 105 properties with a book value of approximately S\$4.1 billion. This includes a revaluation gain of S\$113 million following the annual valuation exercise completed in March 2012, which represents an increase of approximately 3%.

Of the 105 properties in the portfolio, 53 are located in Singapore, 22 in Japan, 11 in Malaysia, 8 in Hong Kong, 6 in China, 4 in South Korea and 1 in Vietnam. Singapore, Japan and Hong Kong remained the key income contributors to the portfolio, contributing 87% of MLT’s NPI in FY11/12.

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<sup>2</sup> MLT also acquired another seven properties in Japan during FY11/12. As the acquisition was completed in end March 2012, the contribution to 5Q FY11/12’s revenue was marginal and the full quarter’s impact for the seven properties will only be felt from the next quarter onwards.

<sup>3</sup> The net gain arising from the divestments of 9 Tampines St 92 and 39 Tampines St 92 amounting to approximately S\$2.1 million was distributed over 3 quarters commencing with 3Q FY11/12. Please refer to the announcement dated 21 July 2011 for details.

In 5Q FY11/12, the portfolio continued to register a healthy organic growth of 5.6%, albeit slower than the 5.9% achieved in the previous quarter. Growth was driven by positive rental reversions and high occupancy. For leases renewed/replaced in 5Q FY11/12, average rentals achieved were 12% higher than preceding rentals. The positive rental reversion was contributed by leases in Singapore and Hong Kong. At the same time, portfolio occupancy remained high at 98.7% compared with 98.8% in the previous quarter. The slight dip in occupancy was due to lower occupancy rates at two properties in Singapore which transitioned from single-user assets to multi-tenanted buildings.

The weighted average lease term to expiry (by net lettable area) of the portfolio is about 6 years, with over 50% of the leases expiring in FY15/16 and beyond.

### **Disciplined Investments**

During FY11/12, MLT announced 15 acquisitions in Japan, Singapore, Malaysia and South Korea. As at 31 March 2012, MLT has completed 11 of the announced acquisitions.

Mr Lai said, "We continue to be on the lookout for strategic acquisitions with a disciplined approach. Amidst ongoing economic uncertainties globally, investment opportunities that were taken off the market previously have returned, and at more compelling prices. This has provided us with the opportunity to acquire quality assets which can generate sustainable, yield accretive returns. This quarter, we announced the acquisition of 11 properties in Japan, Malaysia and South Korea. These are well-located, quality assets with a weighted average NPI yield of around 7.1%. When all the announced acquisitions are completed, MLT's portfolio will increase to 109 assets with a value of approximately S\$4.2 billion."

### **Prudent and Proactive Capital Management**

Adopting prudent and proactive capital management strategies to strengthen and optimise MLT's capital structure has remained a key management priority. During FY11/12, the Manager embarked on several capital management initiatives to enhance MLT's capital structure and to achieve a balanced debt maturity profile. These include:

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- Extension of a JPY 17 billion term loan maturing in April 2012 by 6 years to April 2018;
- Issuance of JPY 9 billion 10-year fixed rate notes in December 2011 to a long-term financial investor at a fixed interest rate of 2.71% per annum; and
- Issuance of S\$350 million 5.375% perpetual securities in March 2012, a first for MLT and the Singapore REIT market.

As a result of the above initiatives, MLT's weighted average debt maturity has been extended from 2.2 years at the start of FY11/12 to 4.2 years as at 31 March 2012. The weighted average borrowing cost for 5Q FY11/12 was 2.4%. Aggregate leverage stood at 35.2%, compared to 41.4% in the previous quarter. Aggregate leverage will increase to approximately 37% upon the completion of the four announced acquisitions in South Korea and Malaysia<sup>4</sup>.

In addition, the Manager will continue to implement measures to mitigate the impact of foreign exchange and interest rate fluctuations on distribution. Currently, close to 70% of MLT's total debt has been hedged into fixed rates while 82% of MLT's income stream for FY12/13 has been hedged into Singapore dollars.

## Outlook

The global economic environment remains highly uncertain. Concerns about the euro zone debt crisis, sustainability of the U.S. economic recovery and rising oil prices continue to weigh on the market.

In the next financial year, about 15% of MLT's leases (by revenue contribution) will be expiring, of which approximately 19% has been renewed ahead of expiry. The majority of the lease expiries will be in Singapore and Hong Kong. With the lingering economic uncertainties in the West, market sentiments in Asia are expected to remain cautious. Consequently, the strong organic growth and positive rental reversion experienced in FY11/12 are likely to moderate going forward although occupancy rate is expected to remain stable.

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<sup>4</sup> The two acquisitions in South Korea (announced on 23 March 2012) were completed on 13 April 2012. The two acquisitions in Malaysia (announced on 28 February 2012) are expected to complete by July 2012.

“For the coming year, we will continue to focus on optimising yield through active asset and lease management, and pursue strategic investment opportunities that deliver long-term value. On the capital management front, we have minimal refinancing risks. With a quality portfolio, geographical and tenant diversification, a well staggered lease expiry profile and prudent capital management, we believe MLT is well positioned to weather the current economic uncertainties and continue to deliver stable returns to our Unitholders,” said Mr Lai.

### **Distribution to Unitholders**

MLT will pay a distribution of 1.70 cents per unit on **30 May 2012** for the period from 1 January 2012 to 31 March 2012. The book closure date is on **27 April 2012**.

### **Results Briefing**

The Manager will be hosting a results briefing on 20 April 2012, 10 am (Singapore time). Live audio webcast of the briefing will be made available at the following link:

<http://www.mapletreelogisticstrust.com/page.aspx?pageid=286&status=1>

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### **About Mapletree Logistics Trust (MLT)**

MLT, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. MLT is also included in the FTSE ST Mid-Cap Index and the Global Property Research (“GPR”) General Index. MLT’s principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 31 March 2012, it has a portfolio of 105 logistics assets in Singapore, Hong Kong, Japan, China, Malaysia, South Korea and Vietnam with a total book value of around S\$4.1 billion. MLT is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. For more information, please visit [www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com).

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