

maple<sup>tree</sup>  
industrial trust

Investor Presentation

November 2011



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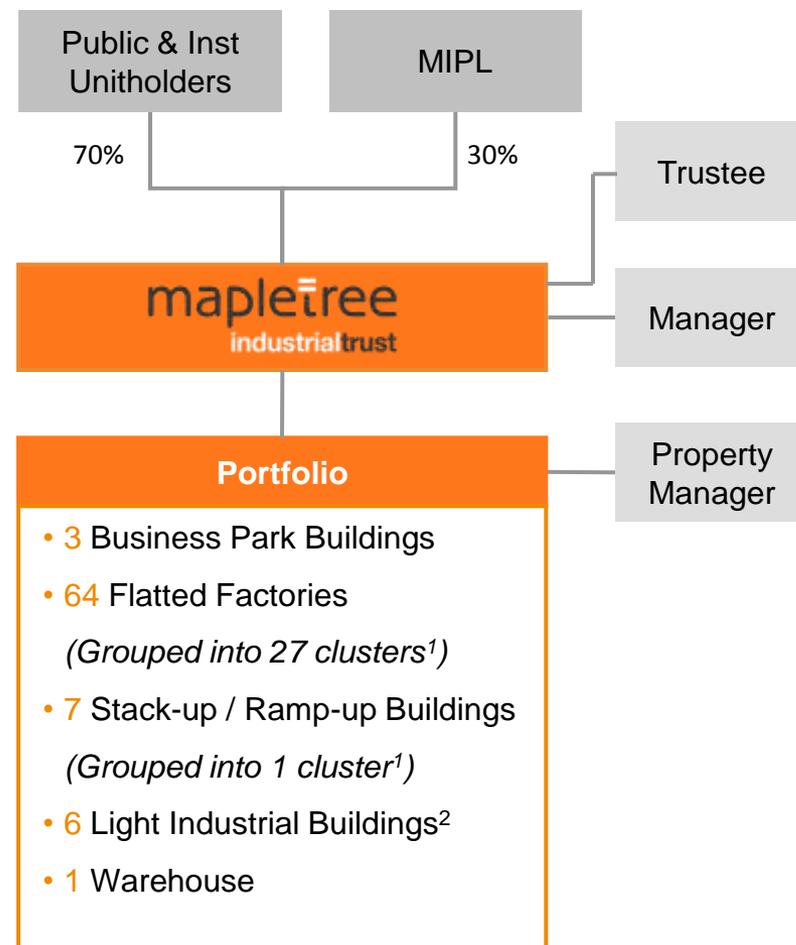
Strategy & Outlook

# Overview of Mapletree Industrial Trust



# Overview of Mapletree Industrial Trust

<b>Sponsor</b>	Mapletree Investments Pte Ltd (“MIPL”) Owns 30% of MIT
<b>Investment mandate</b>	Focused on income producing real estate in Singapore primarily used for industrial purposes, excluding properties primarily used for logistics purposes
<b>Portfolio</b>	81 properties valued at S\$2.6 billion 1.8 million sq m GFA 1.3 million sq m NLA
<b>Manager</b>	Mapletree Industrial Trust Management Ltd. 100% owned by the Sponsor
<b>Property Manager</b>	Mapletree Facilities Services Pte. Ltd. 100% owned by the Sponsor
<b>Trustee</b>	DBS Trustee Limited



<sup>1</sup> A property “cluster” consists of one or more individual buildings situated on the same land lot or adjoining land lots

<sup>2</sup> Includes 26 Woodlands Loop, which is a property comprising 3 individual buildings



# Key Milestones Achieved in 1<sup>st</sup> Year



21 October 2010

**S\$1.188 billion raised via Initial Public Offering on SGX Mainboard**

25 Oct 2011

**2QFY2011 Results  
DPU of 2.05 cents**

16 Aug 2011

**Establishment of MTN Programme**

27 Jul 2011

**Launched Successful S\$177mil Equity Fund Raising**

26 Jul 2011

**1QFY2011 Results  
DPU of 1.98 cents**

1 Jul 2011

**Award of JTC Portfolio worth S\$400.3 mil**

26 Mar 2011

**2<sup>nd</sup> Financial Results  
DPU of 1.93 cents**

26 Jan 2011

**First Financial Results Exceed Forecast by 13.4%; DPU of 1.52 cents**

*Index Constituent of:*

- ✓ FTSE EPRA/NAREIT Developed Asia Index
- ✓ FTSE ST RE Investment Trust Index



# 81 Properties Spanning 4 Key Property Types

- One of the largest industrial landlords in Singapore
  - Total assets of approx. **S\$2.7 billion**
  - Total GFA of approx. **1.8 million sq m**
  - Total NLA of approx. **1.3 million sq m**
  - Tenant base of more than **2,000** MNCs, listed companies & local enterprises
- ✓ **Largest tenant base among industrial S-REITs**



Business Park Buildings



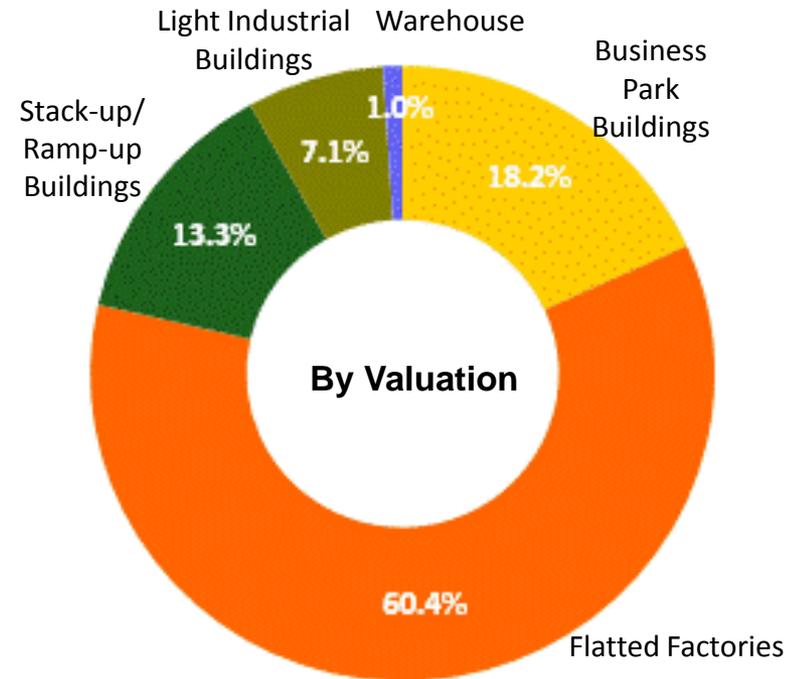
Flatted Factories



Stack-up / Ramp-up Buildings



Light Industrial Buildings



As at 30 Sep 2011

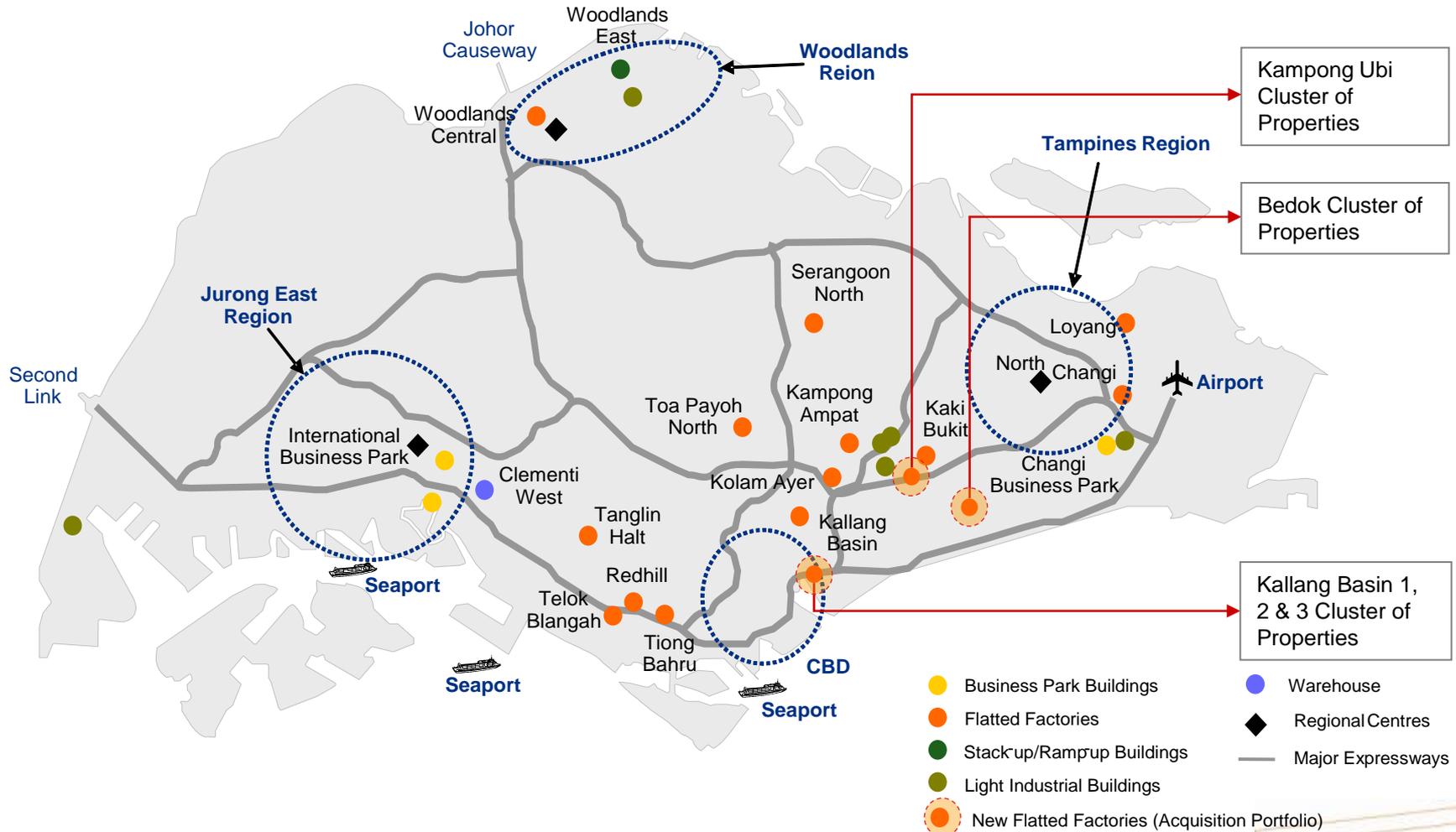


# Maiden Acquisition increases Portfolio Size by 18%

- MIT's maiden acquisition since its IPO
- Acquisition of 11 flatted factories and amenity centres from JTC Corporation's divestment exercise
  - On 2 Jul 2011, MIT won bid to **acquire the assets at S\$400.3m (valued at S\$402.7m)** by Knight Frank
  - Acquisition was completed on 26 Aug 2011
- Quality portfolio of industrial real estate
  - 11 properties comprising 8 flatted factories and 3 amenity centres
  - Properties located in established industrial estates in the Central and Eastern regions of Singapore and are well connected by major roads and expressways
  - Approximately **500 tenants** with average **occupancy rate of over 95%**
  - Passing rent of Acquisition Portfolio is more than **30% below latest JTC Posted Rents** as of 1 July 2011



# Strategically Located Across Singapore



# Selected MIT Properties



● The Signature



● The Synergy



● The Strategy



● Kaki Bukit



● Kampong Ampat



● Telok Blangah



● Loyang 1



● Redhill 1



● Woodlands Central



● Woodlands Spectrum 1 & 2



● 19 Tai Seng Drive



● Tata Communications Exchange

## LEGEND

● Business Park Buildings ● Flatted Factories ● Stack-up/Ramp-Up Buildings ● Light Industrial Buildings

# Robust, Resilient, Relevant & Reputable



**Embedded Organic Growth Potential**



**Large, Diversified and Resilient Portfolio with Market Presence**



**Growth Opportunity from Asset Enhancements and Acquisitions**



**Experienced Manager and Committed Sponsor**

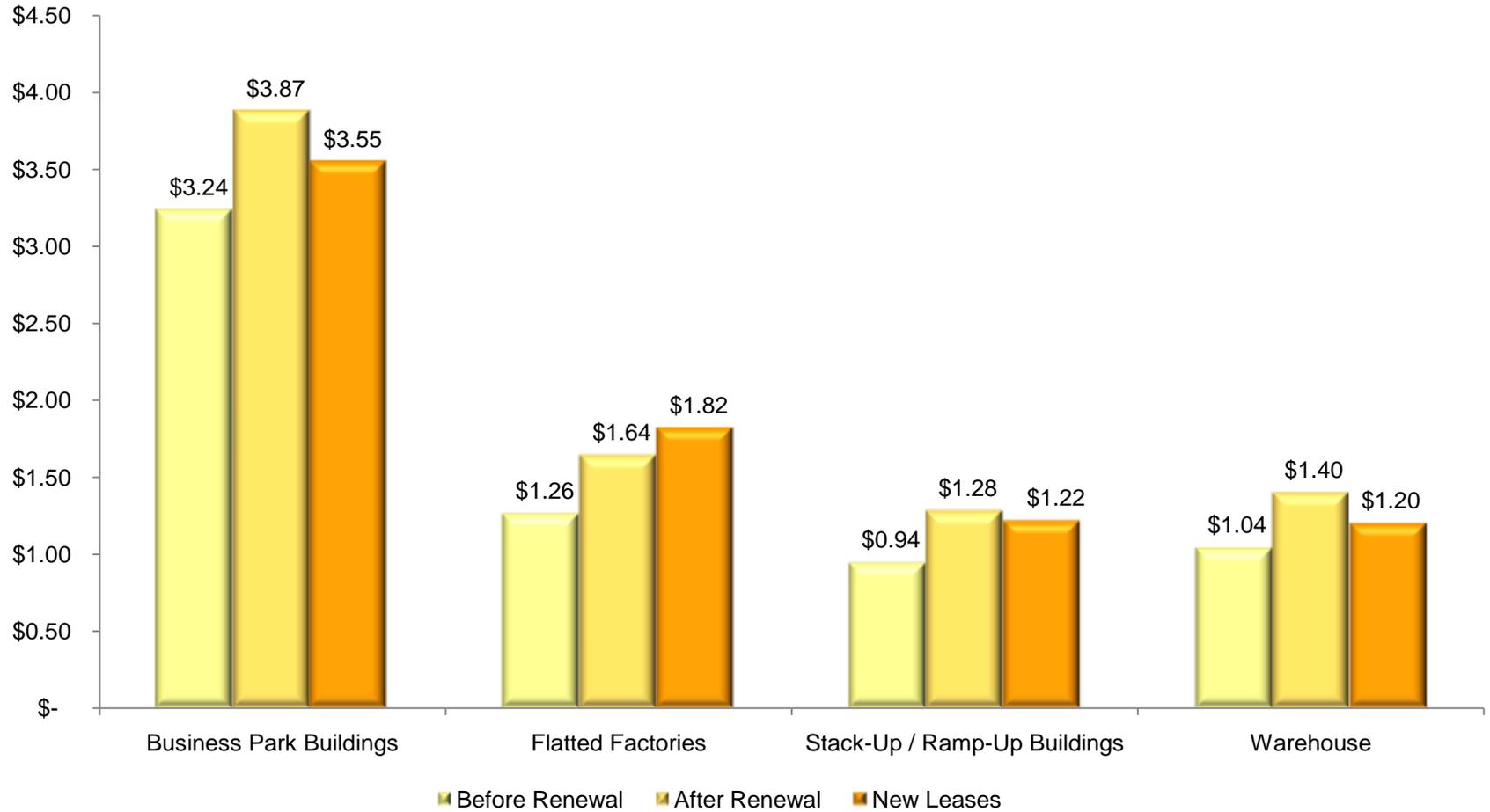


# Portfolio Highlights

# Positive Rental Revisions



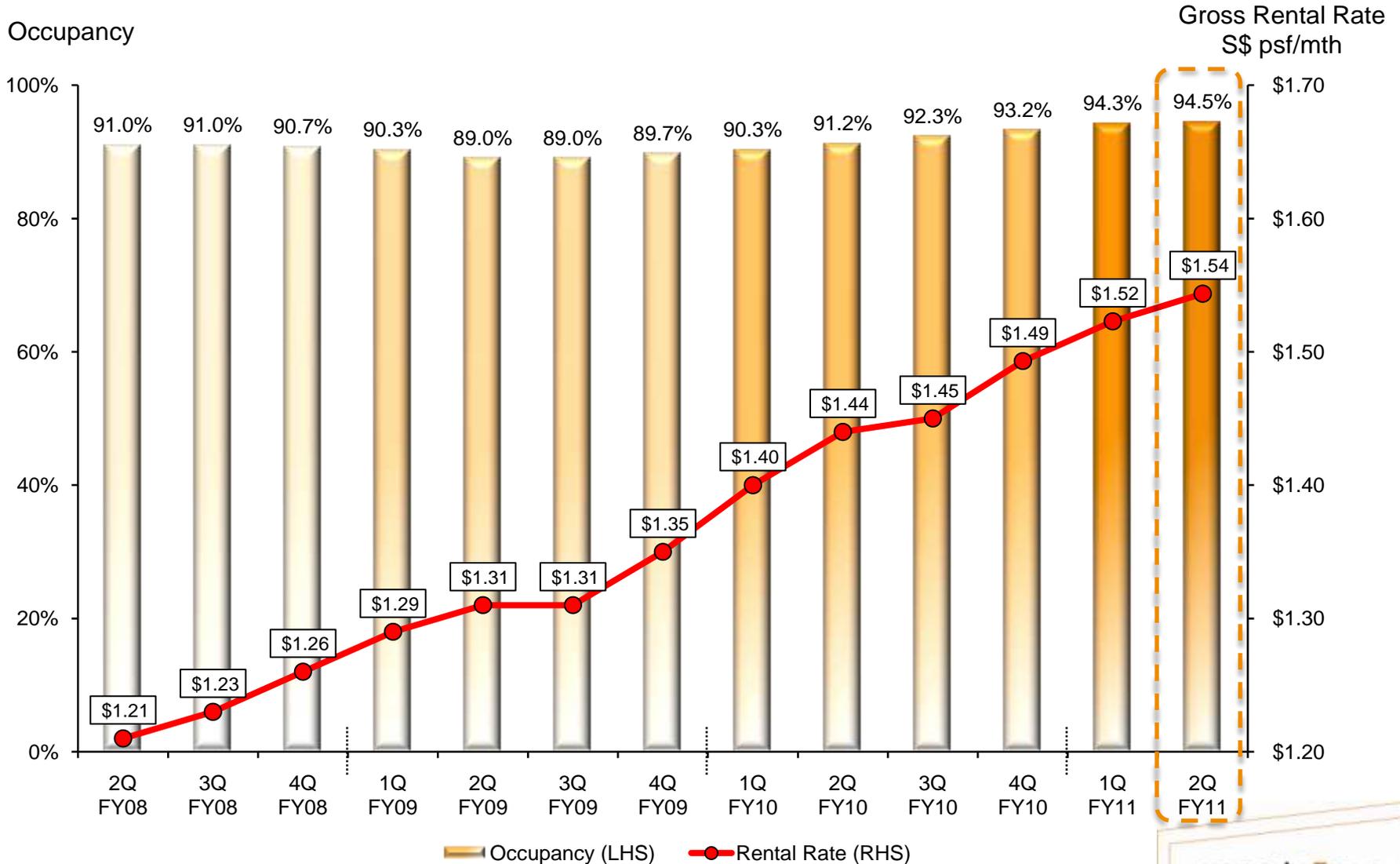
Gross Rental Rate  
S\$ psf/mth



For period 2QFY2011



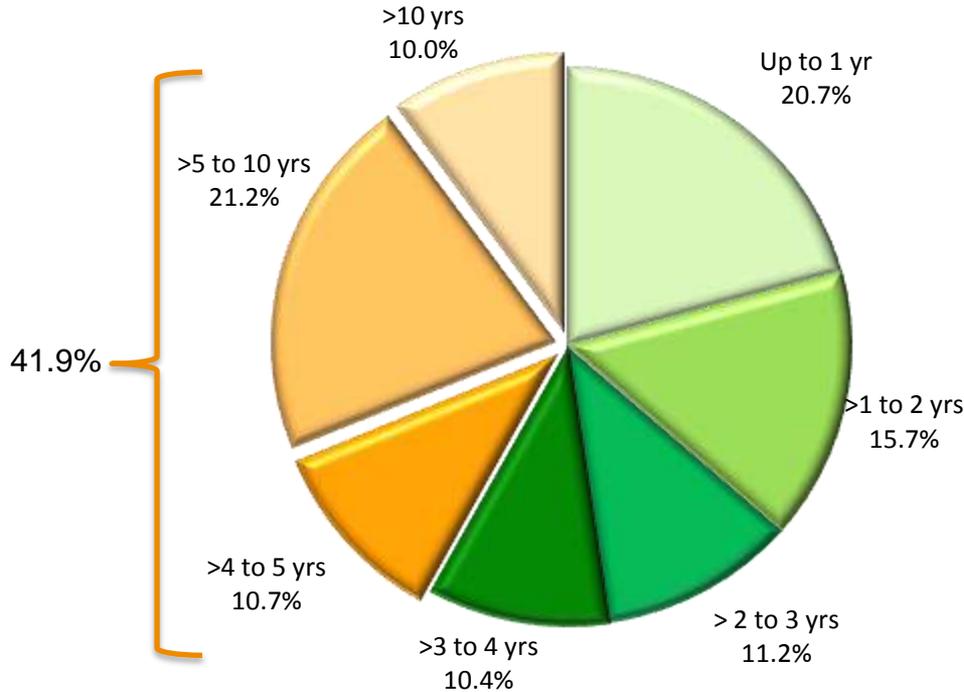
# Higher Occupancy and Passing Rents



# Continued Strong Tenant Retention



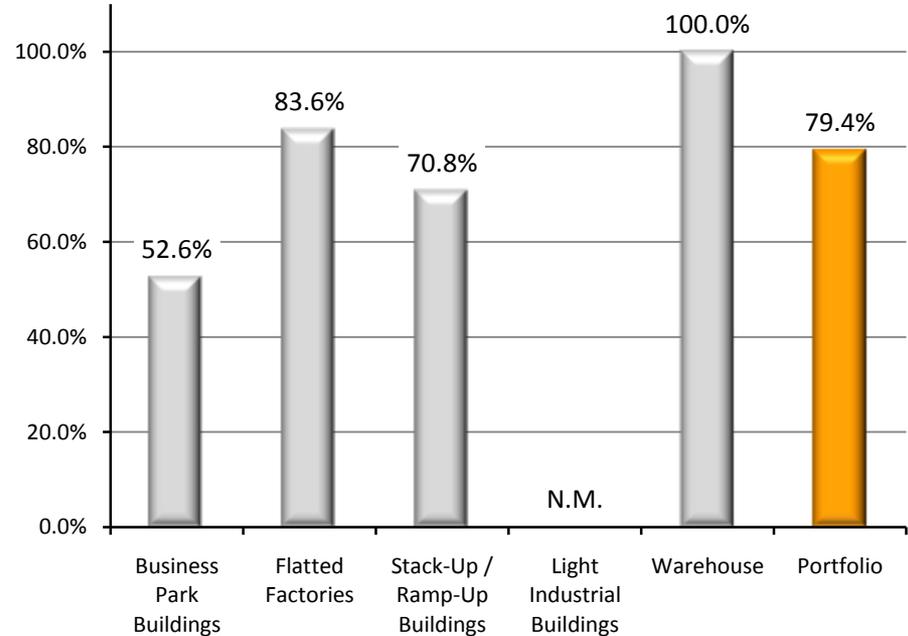
## Long Staying Tenants



By number of tenants  
As at 30 September 2011

## High Retention Rate for 2QFY2011

Average Retention Rate



Based on NLA.  
Not meaningful for Light Industrial Buildings as no leases were due for renewal

- 41.9% of the tenants have leased the properties for more than 4 years
- High tenant retention rate of 79.4% in 2QFY2011

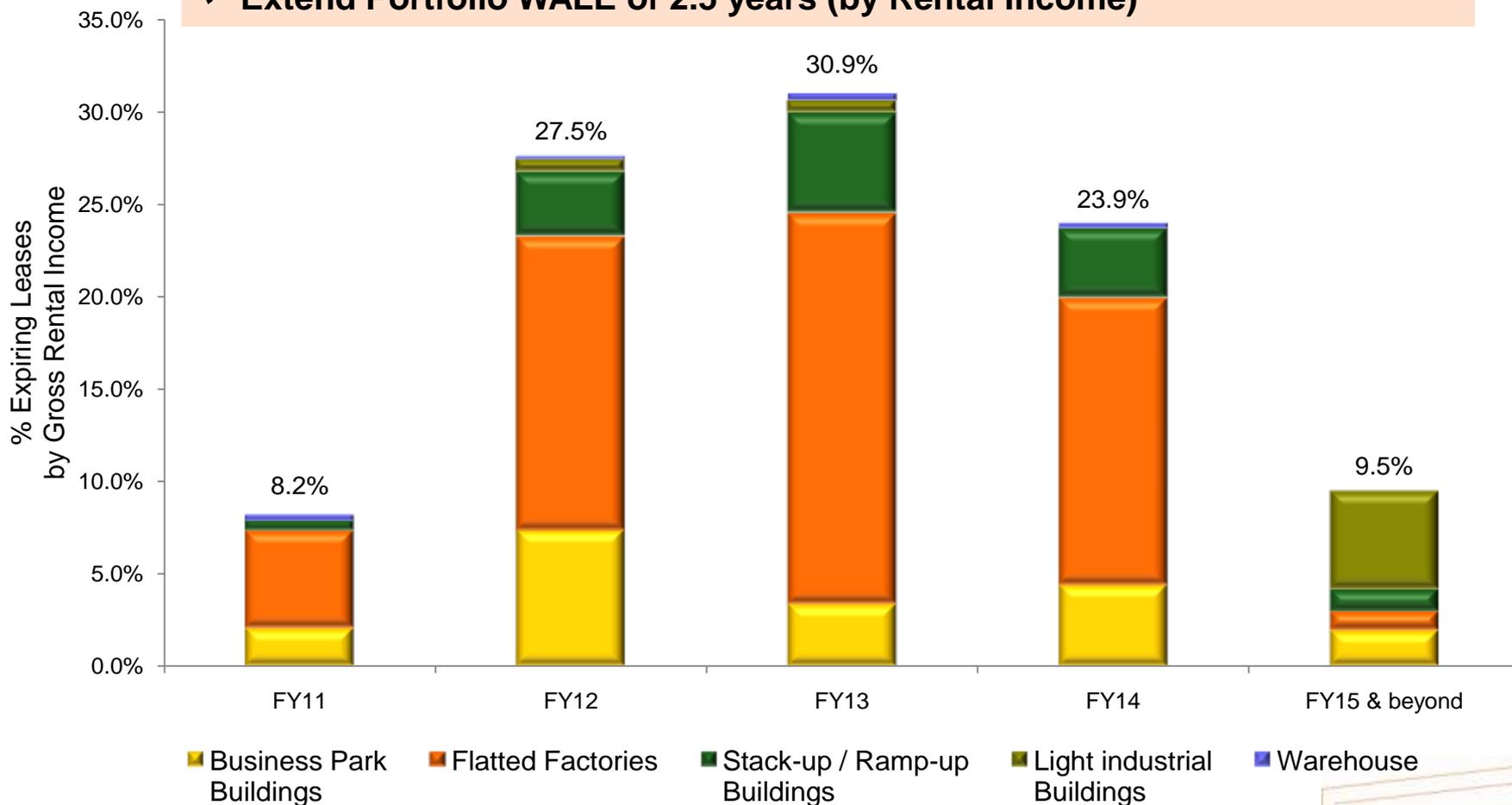


# Only 8.2% of Leases Due for Renewal in FY2011



Introduction of longer lease packages to:

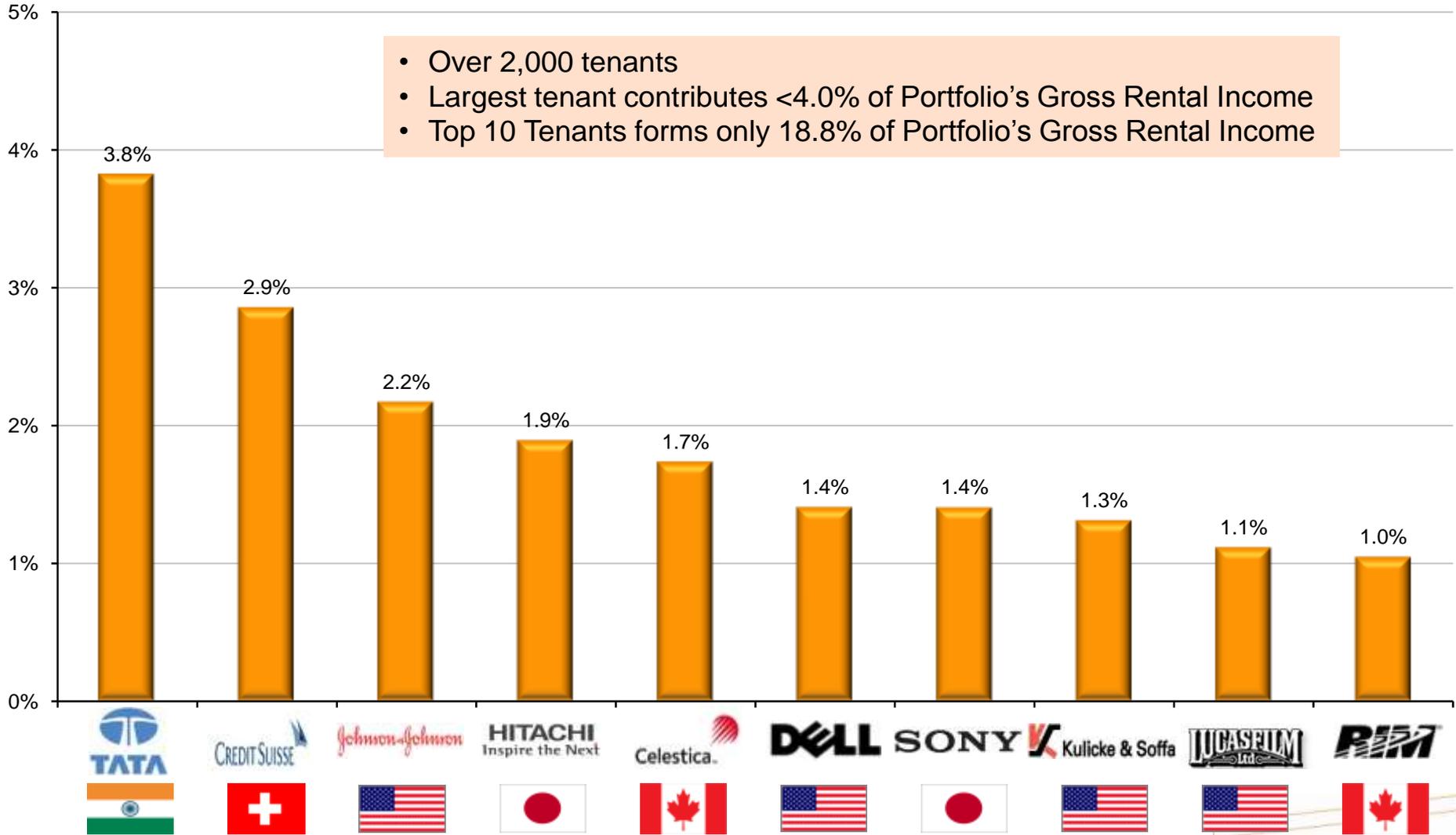
- ✓ Help tenants have longer-term rental certainty for their business
- ✓ Extend Portfolio WALE of 2.5 years (by Rental Income)



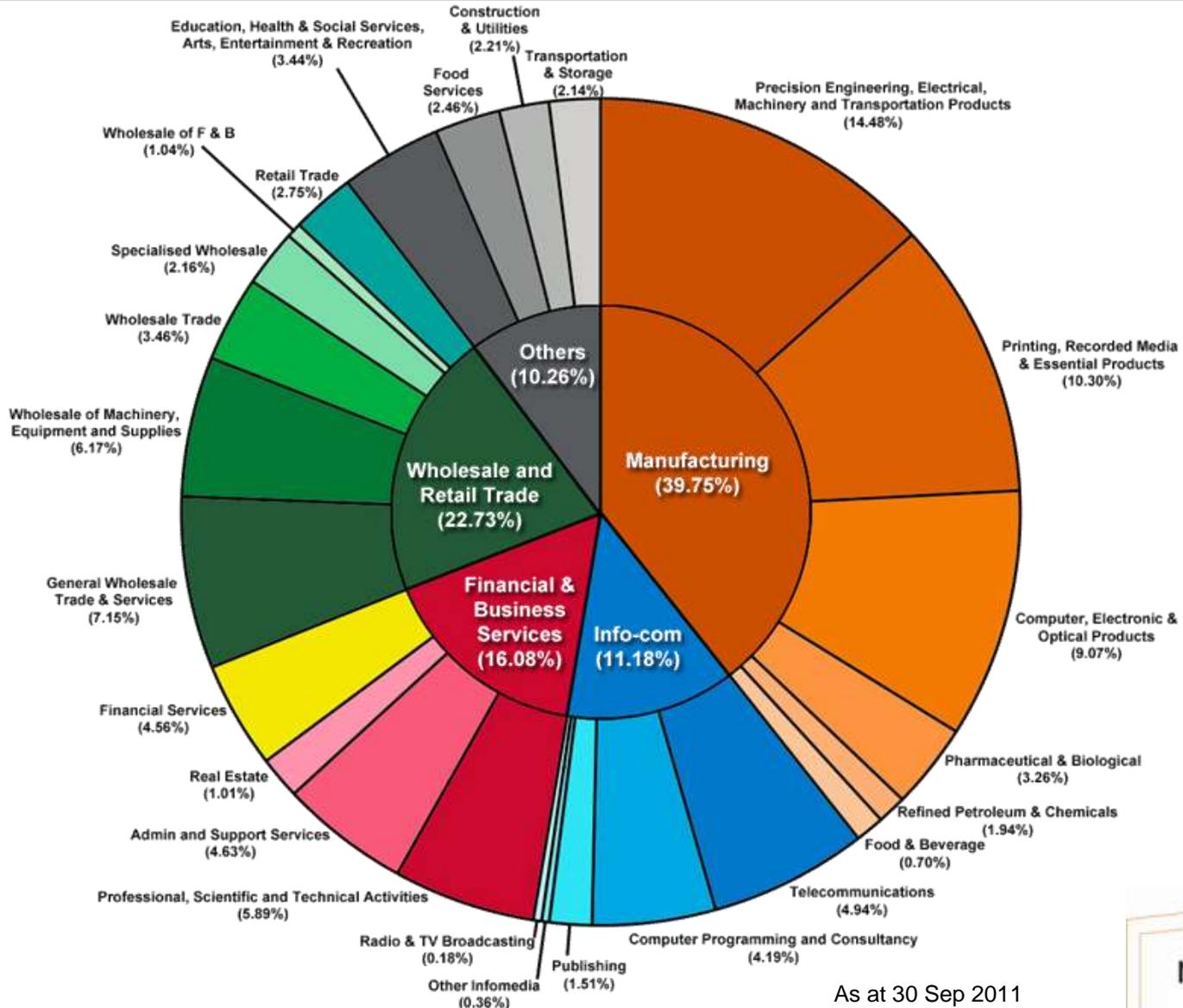
# Larger and Diverse Tenant Base



- Over 2,000 tenants
- Largest tenant contributes <4.0% of Portfolio's Gross Rental Income
- Top 10 Tenants forms only 18.8% of Portfolio's Gross Rental Income



# Diversity of Tenant Trade Sector



# Opportunities for Acquisition & Development

Relevant

## Asset Investment Criteria

- 1 **Positive impact on Distributions**
- 2 **Location**
- 3 **Building & Facilities Specifications**
- 4 **Asset Enhancement Potential**
- 5 **Tenant Composition & Lease Expiry Profile**
- 6 **Lease Expiry Profile & Land Lease Tenure**

## Development Strategy

- Built-to-Suit (“BTS”) projects
- Development of empty land plots
- Development of under-utilised plot ratios
- Capacity for up to S\$271 million of development activities<sup>1</sup>

*Example of BTS – Tata Communications Exchange*



<sup>1</sup> Based on 10% development limit of MIT's deposited property

# Completed Asset Enhancement – Redhill 2



Conversion of Redhill 2 Flatted Factory space (7<sup>th</sup> Floor) into e-Business space

Project Status	Actual Cost	Converted NLA	Number of Units	Leasing Status
Completed in Feb 2011	S\$2.6M	28,300 sq ft	57 (250 to 1,000 sq ft)	100% committed



Reception Area



Lift Lobby



18 Meeting Room



Breakout Area



Common Toilet



# Proven Management & Committed Sponsor



- Leading Asia-focused real estate and capital management company
- Owns and manages S\$18.7 billion<sup>1</sup> of office, logistics, industrial, residential and retail/lifestyle properties
- Extensive regional network in Singapore, China, Hong Kong, India, Japan, Malaysia, South Korea and Vietnam
- Business model:
  - ✓ Incubate, develop and rejuvenate real estate assets
  - ✓ Unlock asset value through origination of REITs and private real estate funds

## Proven management track record

- Acquired and managed portfolio from JTC since 1 July 2008 and grew revenue through the financial crisis
- Sourced for, developed and managed portfolio under Mapletree Industrial Fund

<sup>1</sup> As at 30 Sep 2011

<sup>2</sup> Excluding Mapletree Business City and Comtech

## Benefits to MIT

### 1 Leverage on Sponsor's network

Leverage on Mapletree's financial strength, market reach and network

### 2 Alignment of Sponsor's interest with Unitholders

Committed Sponsor's stake of 30% in MIT

### 3 Development capabilities

Able to support growth of MIT by developing and warehousing assets to offer to MIT

### 4 Right of First Refusal to MIT

Sponsor has granted right of first refusal to MIT over future sale or acquisition of industrial or business park properties<sup>2</sup>



# 2Q & 1H FY2011 Financial Performance

# Key Highlights for 2Q FY2011 Financial Performance

- Achieves DPU of 2.05 cents for 2QFY2011 (above Forecast by 10.8%); 3.5% increase over the previous quarter
- Robust performance driven by positive rental revisions and initial contributions from newly acquired Flatted Factories from JTC
  - ✓ Healthy retention rate of 79.4%
  - ✓ Only 8.2% of portfolio leases (by Gross Revenue) are due for renewal in the next 6 months
- Healthy Balance Sheet and proactive capital management
  - ✓ Good interest coverage ratio of 6.4 times
  - ✓ Low blended cost of interest on borrowings at 2.2% p.a.
  - ✓ 78% of MIT's total borrowings hedged to fixed rates via interest rate swaps
  - ✓ Aggregate leverage ratio of 39.2% at sustainable level

# Actual versus Prospect Statement

	Actual 2QFY2011 (S\$'000)	Forecast <sup>1</sup> 2QFY2011 (S\$'000)	↑ / (↓)	Actual 1QFY2011 (S\$'000)	↑ / (↓)
Gross revenue	59,419	53,218	11.7%	55,000	8.0%
Property operating expenses	(17,887)	(16,717)	7.0%	(16,760)	6.7%
<b>Net Property Income</b>	<b>41,532</b>	<b>36,501</b>	<b>13.8%</b>	<b>38,240</b>	<b>8.6%</b>
Interest on borrowings	(5,626)	(5,322)	5.7%	(4,964)	13.3%
Trust expenses	(5,527)	(4,453)	24.1%	(4,653)	18.8%
<b>Net income before tax &amp; distribution</b>	<b>30,379</b>	<b>26,726</b>	<b>13.7%</b>	<b>28,623</b>	<b>6.1%</b>
Net appreciation in the value of investment properties	-	NA	-	-	-
<b>Total return for the period before tax</b>	<b>30,379</b>	<b>26,726</b>	<b>13.7%</b>	<b>28,623</b>	<b>6.1%</b>
Net non-tax deductible items	1,268	404	213.9	408	210.8%
<b>Adjusted taxable income available for distribution to unitholders</b>	<b>31,647</b>	<b>27,130</b>	<b>16.6%</b>	<b>29,031</b>	<b>9.0%</b>
<b>Distribution per Unit (cents)</b>	<b>2.05</b>	<b>1.85</b>	<b>10.8%</b>	<b>1.98</b>	<b>3.5%</b>

**Footnote:**

1 The Forecast figures formed part of the Forecast Year 2011/2012 figures disclosed in the Prospectus dated 12 October 2010 (the "Prospectus"). The Forecast does not include the contributions from the Flatted Factories portfolio acquired from JTC on 26 Aug 2011.

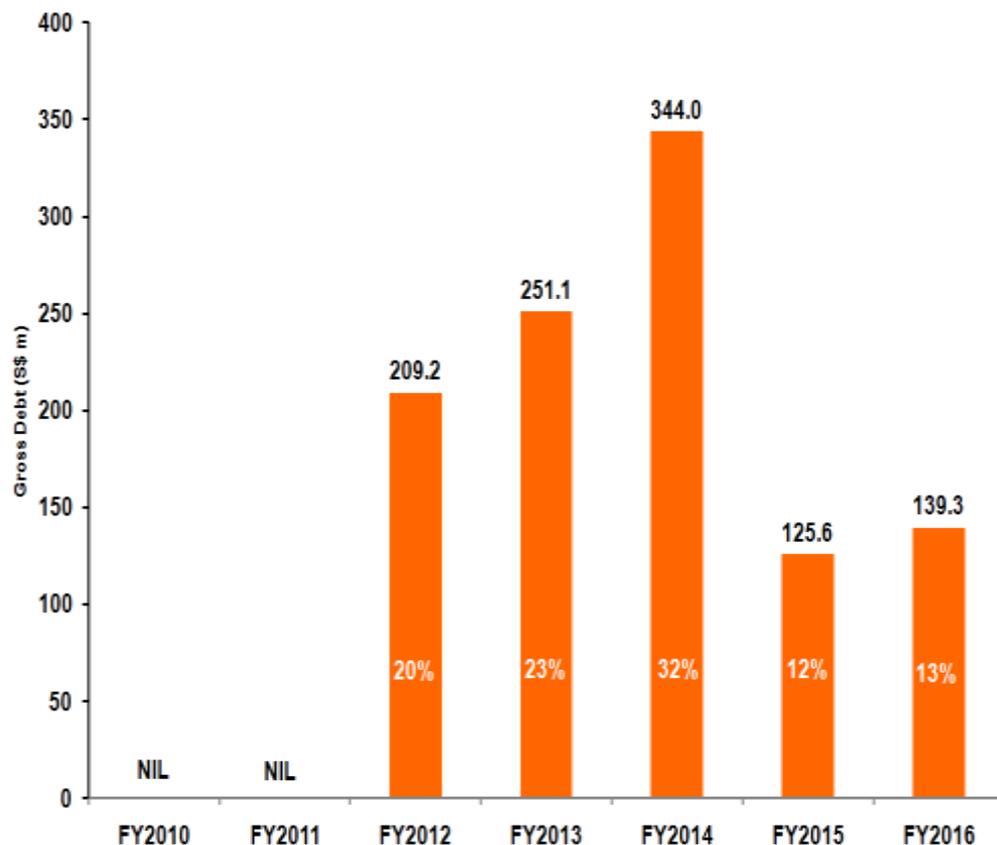


# Healthy Balance Sheet

	Actual 30 Sep 2011	Actual 30 Jun 2011
Total Assets (S\$'000)	2,716,477 <sup>1</sup>	2,313,853
Total Liabilities (S\$'000)	1,177,018	932,009
<b>Net Assets Attributable to Unitholders (S\$'000)</b>	<b>1,539,459</b>	<b>1,381,844</b>
<b>Net Asset Value per Unit (S\$)</b>	<b>0.95</b>	<b>0.95</b>
<b>Aggregate Leverage Ratio (%)</b>	<b>39.2</b>	<b>36.0</b>
<b>Interest Coverage Ratio</b>	<b>6.4 times</b>	<b>6.8 times</b>

<sup>1</sup> The increase in value of investment properties reflects the acquisition value of the Flatted Factories portfolio acquired from JTC on 26 Aug 2011.

# Sustainable Capital Structure



	As at 30 Sep 2011
<b>Total Debt</b>	<b>S\$1,069.2 mil</b>
<b>Fixed as a % of Total Debt</b>	<b>78%</b>
<b>Weighted Average All-in Funding Cost</b>	<b>2.2%</b>
<b>Weighted Average Tenor of Debt</b>	<b>2.7 years</b>
<b>Assets Unencumbered as % of Total Assets</b>	<b>100%</b>
<b>MIT's Issuer Default Rating (by Fitch Ratings)</b>	<b>BBB+ with Stable Outlook</b>

# Strategy & Outlook

# Strategy for MIT



*Conversion to e-business space*

*Acquisition of S\$400.3mil from JTC*



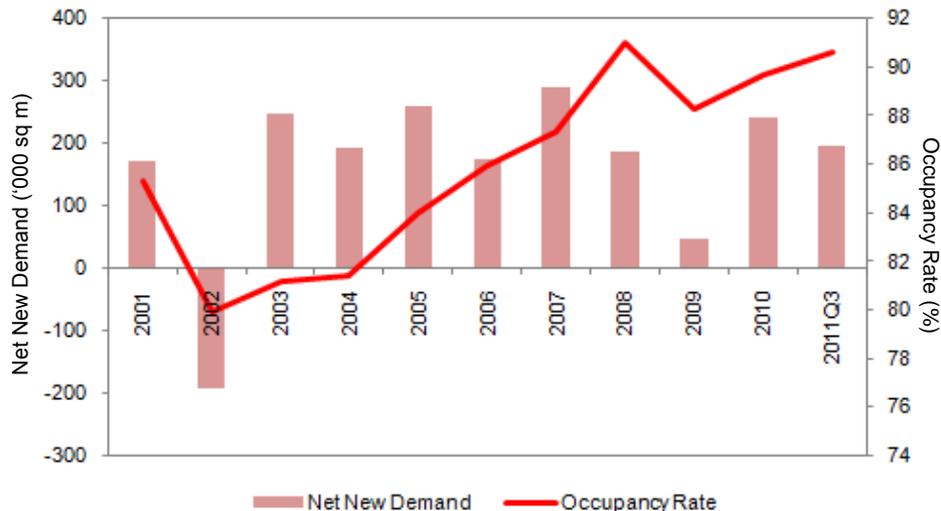
*Equity Fund Raising for Accretive Acquisitions*



# Market Demand and Supply for Flatted Factory Space

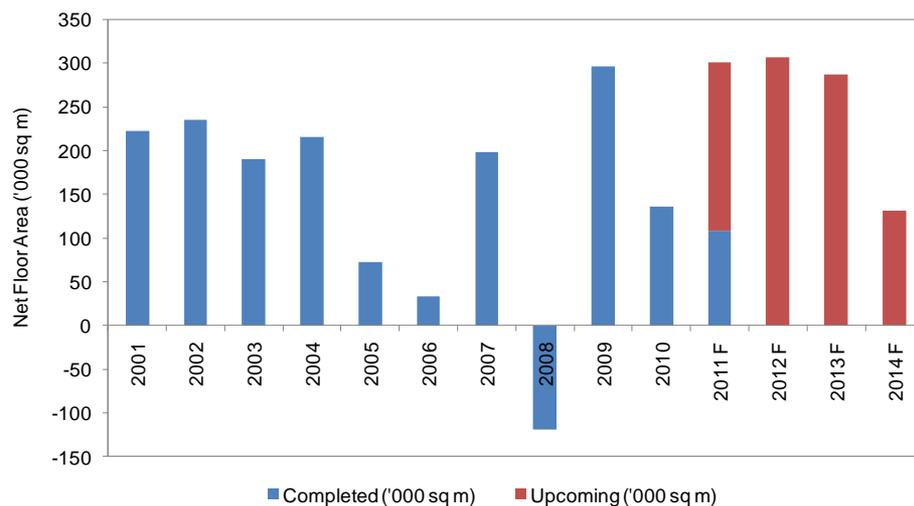
**High market occupancy of 90.6% for Flatted Factory space**

**Net New Demand and Occupancy**



Source: URA Realis

**Net New and Potential Supply**



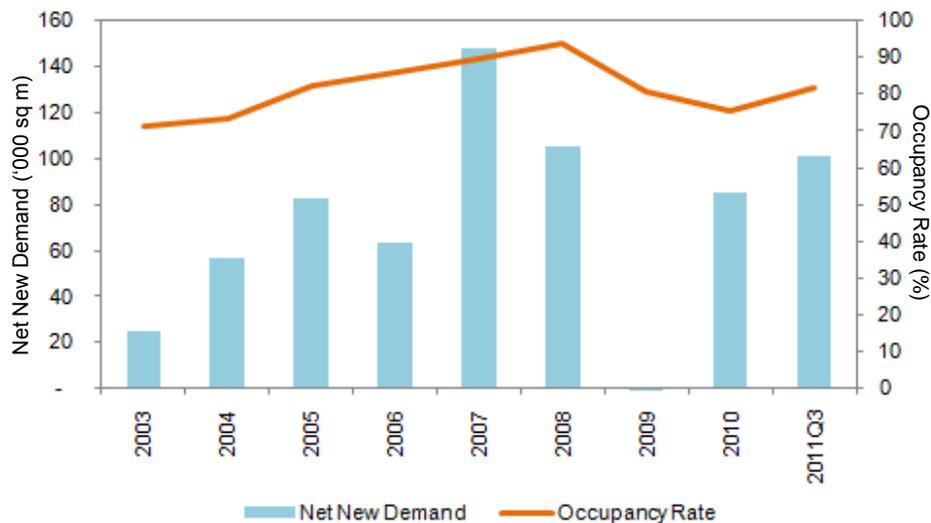
Source: URA/Colliers International Singapore Research



# Market Demand and Supply for Business Park Space

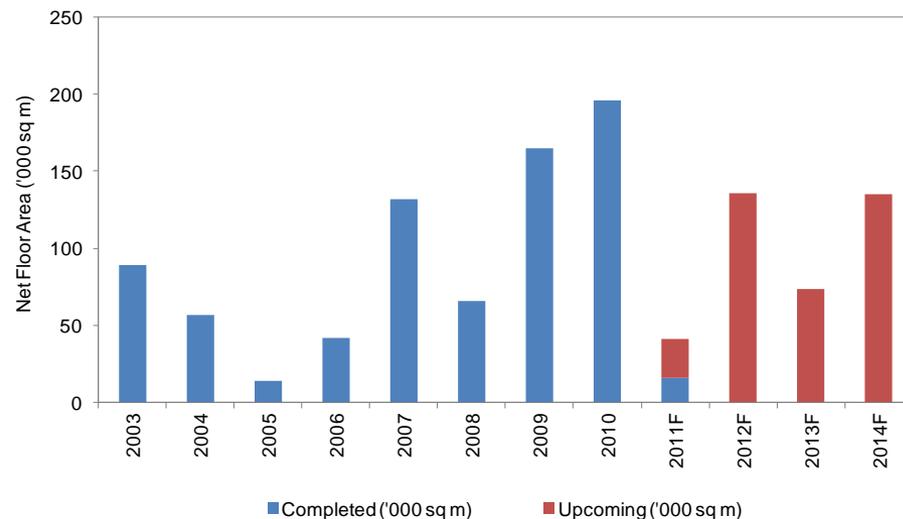
## Positive net new demand for Business Park space in 2010 and 2011

Net New Demand and Occupancy



Source: URA Realis

Net New and Potential Supply



Source: URA/Colliers International Singapore Research



# Market Outlook

- For the quarter ending 30 Sep 2011, on a seasonally-adjusted quarter-on-quarter (“q-o-q”) annualized basis, the Singapore economy grew by 6.1% compared to the 1.0% growth recorded in the previous quarter<sup>1</sup>
  - ✓ Growth bolstered by the biomedical manufacturing cluster
- Full year Singapore GDP 2011 growth expected to be at 5.0% while 2012 GDP estimates are weaker at 1 – 3%<sup>1</sup>
- Average rents of prime industrial real estate for the quarter ending 30 Sep 2011 has increased from the previous quarter <sup>2</sup>
  - ✓ Hi-Specs Space : S\$3.46 psf/mth (+1.5%)
  - ✓ Factory (Ground Floor) : S\$2.34 psf/mth (+4.0%)
  - ✓ Factory (Upper Floor) : S\$2.04 psf/mth (+4.1%)
- Barring any additional shocks to the global economy, the Manager expects market rents to stay flat in the near term

<sup>1</sup> Ministry of Trade and Industry, Singapore

<sup>2</sup> Colliers Market Report

# On Track to Deliver FY2011 DPU

- ✓ **A larger and more resilient Portfolio post acquisition**
- ✓ **Stable revenue for FY2011**
- ✓ **Embedded organic potential within Portfolio**
- ✓ **High market occupancy for generic Flatted Factory space**
- ✓ **Healthy Balance Sheet and proactive capital management**

# End of Presentation

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