

PRESS RELEASE

Mapletree Industrial Trust Achieves Higher DPU of 11.75 Cents in FY17/18

- Year-on-year growth of 5.3% and 3.2% for distributable income and distribution per unit (“DPU”) in FY17/18 respectively
- Positive results underpinned by contribution from the build-to-suit (“BTS”) project for HP Singapore (Private) Limited (“HP”) and MIT’s 40.0% interest in the portfolio of 14 data centres in the United States of America (the “United States”) ¹

23 April 2018 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that MIT’s distributable income for the Financial Year 2017/2018 from 1 April 2017 to 31 March 2018 (“FY17/18”) was S\$215.8 million, a 5.3% increase from S\$205.0 million achieved in FY16/17. DPU of 11.75 cents for FY17/18 was 3.2% higher than the DPU of 11.39 cents for FY16/17. Distributable income and DPU for the period from 1 January 2018 to 31 March 2018 (“4QFY17/18”) were S\$55.5 million and 2.95 cents respectively.

The growth in distributable income for FY17/18 was driven by the income contribution from the BTS project for HP, pre-termination compensation from Johnson & Johnson Pte Ltd., as well as contribution from MIT’s 40.0% interest in the portfolio of 14 data centres in the United States, partially offset by lower portfolio occupancy.

¹ The portfolio of 14 data centres in the United States is held through Mapletree Redwood Data Centre Trust, which is a 40:60 joint venture with Mapletree Investments Pte Ltd.

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Financial Results of MIT for 4Q & FY17/18

	4QFY17/18	3QFY17/18	↑/(↓)%	FY17/18	FY16/17	↑/(↓)%
Gross revenue (S\$'000)	90,391	91,465	(1.2)	363,230	340,565	6.7
Property expenses (S\$'000)	(22,512)	(20,610)	9.2	(85,627)	(83,735)	2.3
Net property income (S\$'000)	67,879	70,855	(4.2)	277,603	256,830	8.1
Distributable income (S\$'000)	55,482²	53,451	3.8	215,848	204,960	5.3
No. of units in issue ('000)	1,885,218	1,884,967	*	1,885,218	1,802,160	4.6
DPU (cents)	2.95	2.88 ³	2.4	11.75	11.39	3.2

* Increase less than 0.1%

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “We continued to execute our strategy to grow the Hi-Tech Buildings segment in FY17/18. Our first overseas acquisition of 14 data centres in the United States and the progressive completion of development projects in Singapore will enhance the portfolio resilience and support our growth momentum.”

Portfolio Performance and Update

Average portfolio occupancy decreased to 90.0% in 4QFY17/18 from 90.5% in the preceding quarter. The Singapore portfolio occupancy rate fell to 89.6% in 4QFY17/18 from 90.1%, which was attributed to the increase in leasable area upon completion of the asset enhancement initiative (“AEI”) at 30A Kallang Place. The US portfolio occupancy rate remained stable at 97.4%.

Positive Growth Momentum

The AEI at 30A Kallang Place obtained its temporary occupation permit on 13 February 2018, adding approximately 336,000 square feet of gross floor area to the portfolio. Strategically located close to the Kallang iPark, the leasing interest for the new 14-storey Hi-

² Distributable income included distribution declared by joint venture of S\$3.2 million based on MIT’s 40.0% interest in the joint venture with Mapletree Investments Pte Ltd.

³ DPU included an advanced distribution of 0.99 cent per unit for the period from 1 October 2017 to 1 November 2017, which was paid on 28 November 2017. The DPU for the enlarged units in issue for the remaining period from 2 November 2017 to 31 December 2017 was 1.89 cents per unit.

Tech Building has been positive, with commitment secured for 40.2% of the total net lettable area.

Increase in Portfolio Valuation

MIT's portfolio of 85 properties in Singapore were valued at S\$3,908.3 million as at 31 March 2018, which represented an overall increase of S\$159.7 million over the previous valuation as at 31 March 2017. Excluding the divestment of 65 Tech Park Crescent⁴ on 20 July 2017, the increase in portfolio value comprised a portfolio revaluation gain of S\$65.5 million and capitalised cost of S\$111.8 million from development and improvement works.

The portfolio of 14 data centres in the United States held through Mapletree Redwood Data Centre Trust (the "MRDCT Portfolio") was valued at US\$783.4 million (approximately S\$1,032.8 million⁵) as at 31 March 2018. This represented an overall increase of US\$7.0 million (approximately S\$9.2 million) over the previous valuation of US\$776.4 million (approximately S\$1,023.6 million) conducted in August and September 2017. MIT's 40.0% interest in the MRDCT Portfolio was US\$313.4 million (approximately S\$413.1 million) as at 31 March 2018.

MIT's total assets under management grew from S\$3,748.7 million as at 31 March 2017 to S\$4,321.4 million as at 31 March 2018. Over the same period, the net asset value per unit increased from S\$1.41 to S\$1.47.

Proactive Capital Management

The weighted average all-in funding cost for 4QFY17/18 remained stable at 2.9%. About 85% of MIT Group's gross borrowings of S\$1,219.8 million had been hedged through interest rate swaps and fixed rate borrowings, which will minimise the impact of interest rate fluctuations on distributions. MIT's aggregate leverage of 33.1%⁶ as at 31 March 2018 will provide sufficient headroom for future investment opportunities.

⁴ 65 Tech Park Crescent was valued at S\$17.6 million as at 31 March 2017.

⁵ Based on the exchange rate of US\$1 to S\$1.31839.

⁶ In accordance with Property Funds Guidelines, the aggregate leverage ratio includes proportionate share of borrowings of the joint venture and deposited property values.

Outlook

The wider economy and business sentiments of the small and medium enterprises in Singapore have been improving. Despite the positive outlook, threats to free trade and geopolitical tensions continue to threaten the growth momentum. In addition, the impending large supply of competing industrial space will exert pressure on both occupancy and rental rates. The Manager will continue to focus on tenant retention to maintain a stable portfolio occupancy.

According to 451 Research, LLC, the growth of data and content as well as mobile services and the adoption of cloud services will continue to drive the demand for data centre space. The demand for edge data centres is also rising to meet the growing need for data to be stored close to its end users due to latency requirements. The supply for multi-tenant data centres in the United States (in net operational square feet) will grow by 8.8% while the demand will grow by 13.4% in 2018⁷. This will underpin the stability of revenue contribution from the US portfolio.

Distribution to Unitholders

Unitholders can expect to receive their quarterly DPU for the period 1 January to 31 March 2018 on 30 May 2018. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 2 May 2018.

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⁷ Source: 451 Research, LLC, March 2018.

About Mapletree Industrial Trust

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore, and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

MIT’s property portfolio comprises 85 industrial properties in Singapore and 14 data centres in the United States (40.0% interest through the joint venture with Mapletree Investments Pte Ltd). The properties in Singapore include Flatted Factories, Hi-Tech Buildings, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings. As at 31 March 2018, MIT’s total assets under management was S\$4.3 billion.

MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

About Mapletree Industrial Trust Management Ltd.

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

About Mapletree Investments Pte Ltd

Mapletree Investments Pte Ltd (“MIPL”) is a leading real estate development, investment and capital management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths as a developer, an investor and a capital manager, MIPL has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

MIPL currently manages four Singapore-listed REIT and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, the United Kingdom (“UK”) and the United States (the “United States”).

As at 31 March 2017, MIPL owns and manages S\$39.5 billion of office, retail, logistics, industrial, residential, corporate housing / serviced apartment, and student accommodation properties.

MIPL’s assets are located across 12 economies globally, namely Singapore, Australia, China, Germany, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.