

PRESS RELEASE

Mapletree Industrial Trust Achieves Year-on-Year Growth of 6.6% for 3QFY18/19 Distribution per Unit

- Distributable income for 3QFY18/19 increased 9.0% year-on-year to S\$58.3 million
- Growth bolstered by contributions from development projects in Singapore and 40% interest in the portfolio of 14 data centres in the United States of America (the “United States”)
- Successfully obtained Unitholders’ approval for the proposed acquisition of 18 Tai Seng, Singapore at the extraordinary general meeting on 22 January 2019

22 January 2019 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that MIT’s distribution per Unit (“DPU”) for the Third Quarter Financial Year 2018/2019 from 1 October 2018 to 31 December 2018 (“3QFY18/19”) was 3.07 cents. This was 6.6% higher than the DPU of 2.88 cents for 3QFY17/18.

Financial Results of MIT for 3QFY18/19

	3QFY18/19	2QFY18/19	↑/(↓)%	3QFY17/18	↑/(↓)%
Gross revenue (S\$'000)	93,571	92,221	1.5	91,465	2.3
Property expenses (S\$'000)	(21,696)	(21,635)	0.3	(20,610)	5.3
Net property income (S\$'000)	71,875	70,586	1.8	70,855	1.4
Distributable income (S\$'000)	58,253	56,662	2.8	53,451	9.0
No. of units in issue ('000)	1,898,997	1,886,354	0.7	1,884,967	0.7
DPU (cents)	3.07	3.01	2.0	2.88	6.6

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On a year-on-year basis, gross revenue for 3QFY18/19 increased 2.3% to S\$93.6 million and net property income for 3QFY18/19 grew 1.4% to S\$71.9 million. These were driven by the contribution from Phase One of the build-to-suit project for HP Singapore (Private) Limited for a full quarter after the expiry of the rent-free period as well as new contributions from Mapletree Sunview 1 and 30A Kallang Place, partially offset by the lower occupancies in the Flatted Factories and Stack-up/Ramp-up Buildings segments.

Distributable income for 3QFY18/19 also rose 9.0% year-on-year to S\$58.3 million. This was mainly due to the income contribution from MIT's 40% interest in the portfolio of 14 data centres in the United States.

Investment Update

On 13 December 2018, the Manager announced the proposed acquisition of 18 Tai Seng, Singapore at an agreed property value of S\$268.3 million from its sponsor, Mapletree Investments Pte Ltd. The nine-storey high-specification mixed-use industrial development comprises Business 2 industrial, office and retail spaces with a gross floor area of about 443,810 square feet ("sq ft"). Centrally located in the Paya Lebar iPark, 18 Tai Seng is directly connected to Tai Seng MRT station (CC11) by an underground pedestrian link.

On 8 January 2019, MIT announced its collaboration with Equinix Singapore ("Equinix") as it expands its presence in Singapore. Upon completion of the upgrading works at 7 Tai Seng Drive in the second half of 2019, the seven-storey data centre with a gross floor area of about 256,600 sq ft will be Equinix's fourth data centre in Singapore. This builds on Equinix's current presence at MIT's properties, 26A Ayer Rajah Crescent, Singapore (a purpose-built data centre), and 180 Peachtree, Atlanta, the United States. The total cost of the acquisition and upgrading of 7 Tai Seng Drive is expected to be S\$95 million¹.

¹ This included the purchase consideration of 7 Tai Seng Drive at S\$68.0 million.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “We are pleased that our strategy of growing the Hi-Tech Buildings segment has yielded positive results. The year-on-year growths in distributable income and DPU were bolstered by the higher contributions from the development projects in Singapore and 40% interest in the portfolio of 14 data centres in the United States. These have helped to mitigate the headwinds we are experiencing in the Singapore industrial property market.”

Mr Tham added: “We have successfully obtained Unitholders’ approval for the proposed acquisition of 18 Tai Seng at the extraordinary general meeting on 22 January 2019, which marked another milestone in our growth strategy. This high-quality addition to the portfolio will further enhance portfolio resilience and income diversification.”

Portfolio Update

Average portfolio occupancy improved to 88.2% in 3QFY18/19 from 86.7% in the preceding quarter. The Singapore portfolio occupancy increased to 87.7% in 3QFY18/19 from 86.2% in 2QFY18/19 as all property segments recorded higher occupancies, except for the Stack-up/Ramp-up Buildings and Light Industrial Buildings segments. The weighted average lease to expiry for the Singapore portfolio increased quarter-on-quarter from 3.5 years to 3.6 years as at 31 December 2018, which was largely due to the commencement of long-term leases at 30A Kallang Place. The United States portfolio occupancy rate remained unchanged at 97.4%.

Outlook

Business sentiment among local companies moderated significantly for the first quarter of 2019 amid elevated global trade tensions. The pace of global economic expansion is projected to ease, in part due to the impact of the ongoing trade tensions. The upcoming supply of competing industrial space is expected to moderate both the market rents and occupancy rates. The Manager remains focused on tenant retention to maintain a stable portfolio occupancy.

According to CBRE², the United States wholesale data centre market absorbed over 215 megawatts through the third quarter of 2018. The growth is attributed to the strong demand largely from hyperscale cloud providers as demand continues to outpace available supply. 2018 year-to-date recorded absorption for the United States primary markets was 80% of the 2017 record level and remains a bullish indicator into 2019.

Distribution to Unitholders

Unitholders can expect to receive their quarterly DPU for the period 1 October to 31 December 2018 in cash or in units under the distribution reinvestment plan by 8 March 2019. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 30 January 2019.

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² Source: CBRE North American Data Center Market Outlook 2019.

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 86 industrial properties in Singapore and 14 data centres in the United States (40% interest through the joint venture with Mapletree Investments Pte Ltd). The properties in Singapore include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings. As at 31 December 2018, MIT’s total assets under management was S\$4.4 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 and property 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 and the United States.

As at 31 March 2018, MIPL owns and manages S\$46.3 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 United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.