

maple<sup>tree</sup>  
industrial trust

Investor Presentation  
November 2012



# DISCLAIMER

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This presentation may contain forward-looking statements that involve risks and uncertainties. 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 other companies and venues for the sale/ distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employees wages, benefits and training, 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 of future events.

# AGENDA

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Overview of Mapletree Industrial Trust

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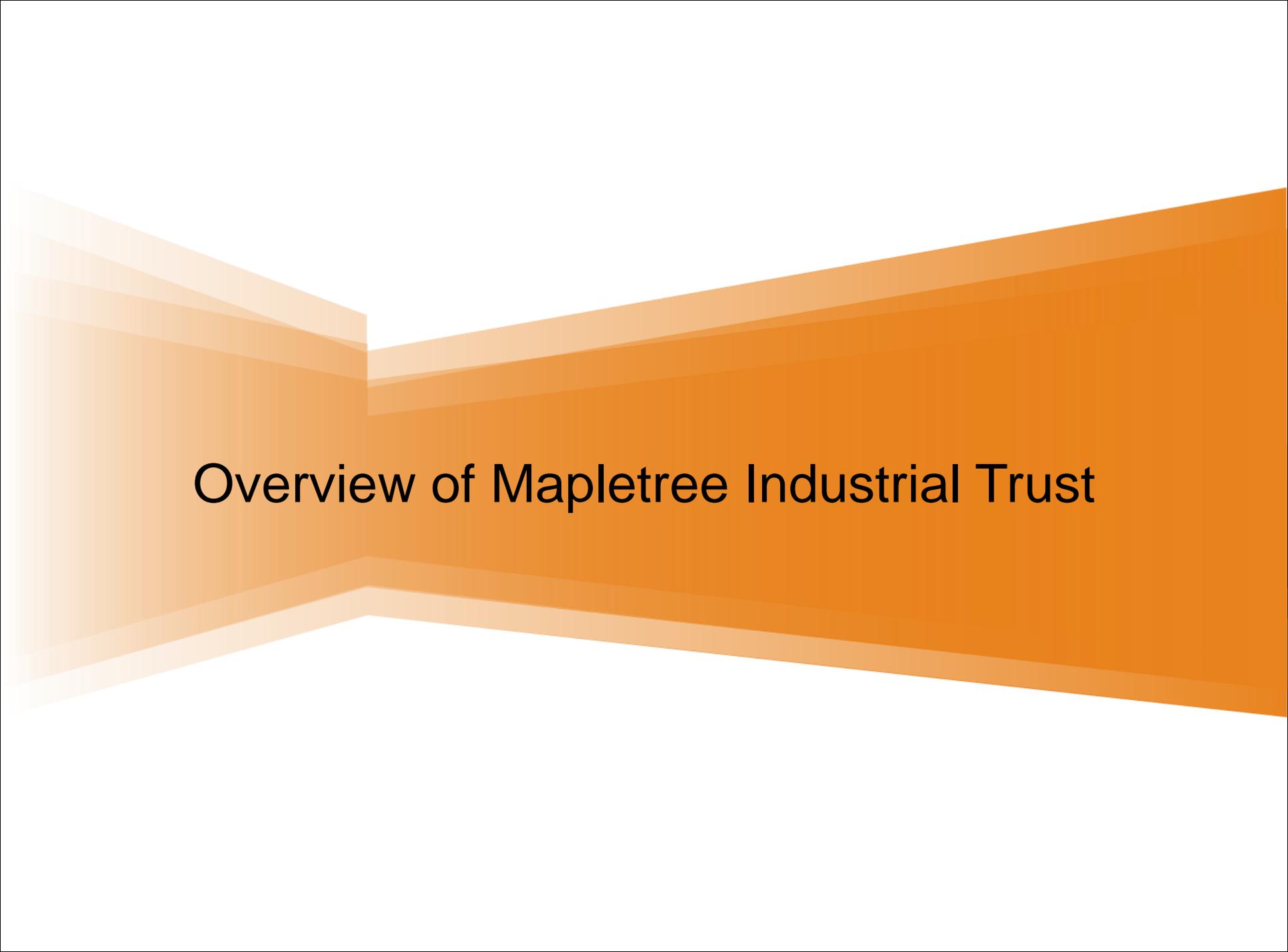
Portfolio Highlights

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2QFY12/13 Financial Performance

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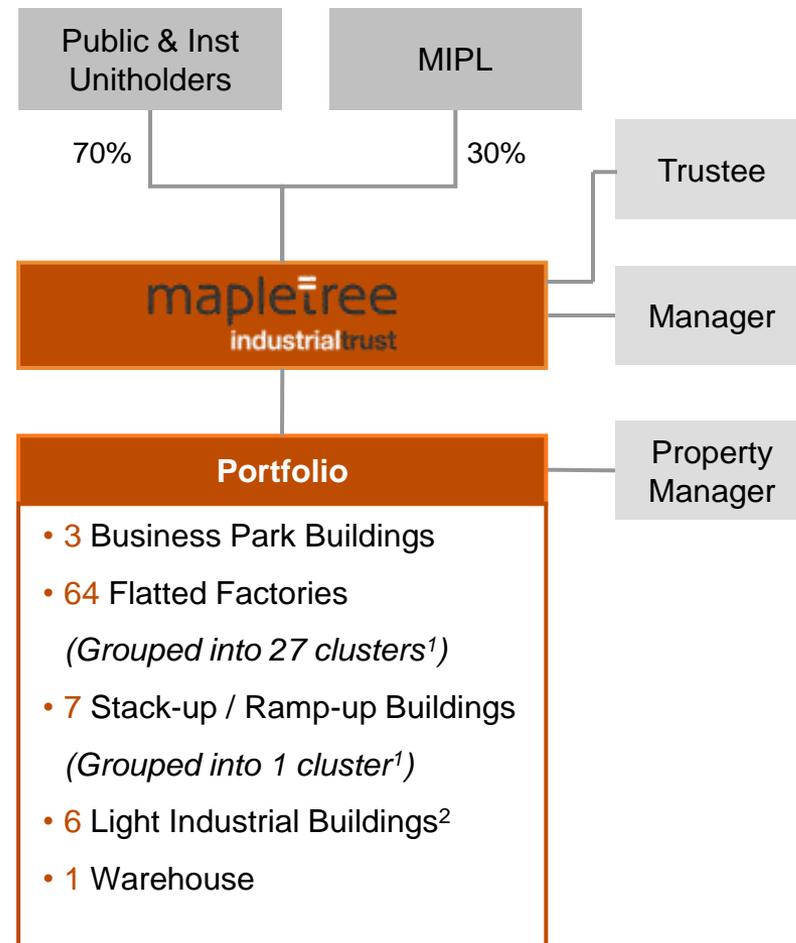
Strategy & Outlook



# 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\$2.7 billion 19.1 million sq ft GFA 13.2 million sq ft 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

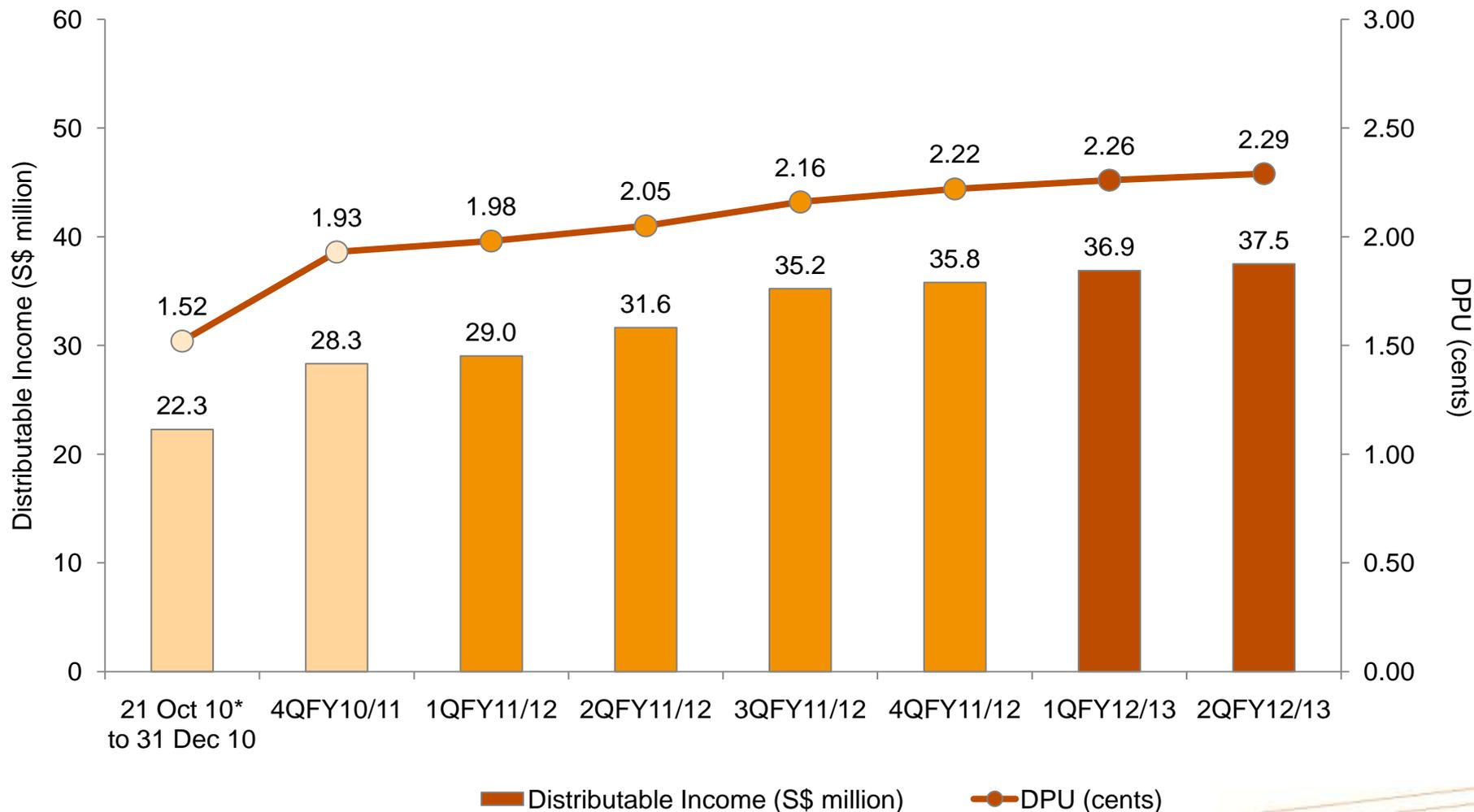


<sup>1</sup> A property “cluster” consists of one or more individual buildings situated on the same land lot or adjoining land lots

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



# SCORECARD SINCE IPO



\*MIT was listed on 21 Oct 10



# 81 PROPERTIES ACROSS 4 KEY PROPERTY TYPES

- One of the largest industrial landlords in Singapore
  - Total property assets of approx. **S\$2.7 billion**
  - Total GFA of approx. **19.1 million sq ft**
  - Total NLA of approx. **13.2 million sq ft**
  - Tenant base of more than **2,000** MNCs, listed companies & local enterprises
- ✓ **Largest tenant base among industrial S-REITs**



Flatted Factories



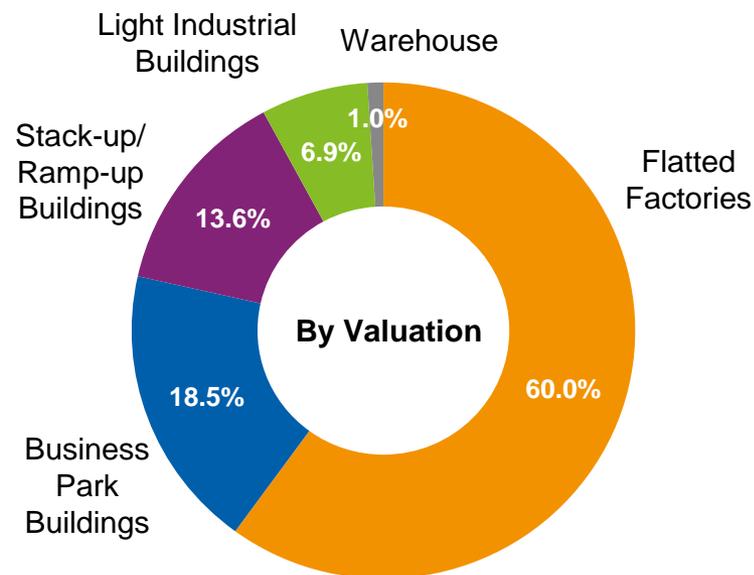
Business Park Buildings



Stack-up / Ramp-up Buildings



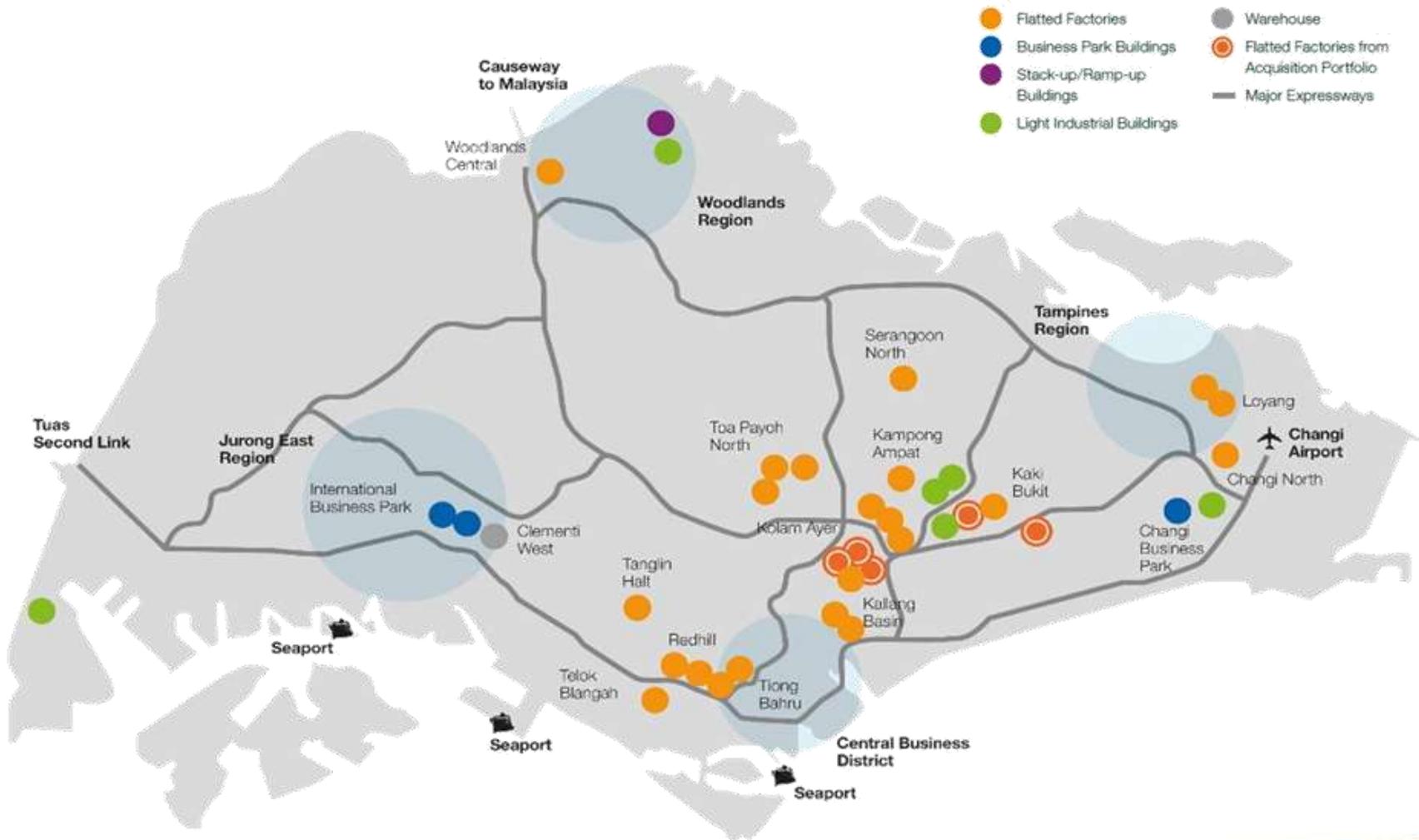
Light Industrial Buildings



As at 31 March 2012



# STRATEGICALLY LOCATED ACROSS SINGAPORE



# DIVERSE OFFERING OF INDUSTRIAL SPACE



Kampong Ubi



Telok Blangah



Redhill 1



Kallang Basin 3



Kampong Ampat



Kolam Ayer 5



The Signature



The Synergy



The Strategy



Woodlands Spectrum 1 & 2



19 Tai Seng Drive



Tata Communications Exchange

## LEGEND

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



# KEY MILESTONES



## October 2010

- S\$1.188 billion raised via Initial Public Offering on SGX Mainboard
- Institutional Subscription of 39.6 times
- Public Offer Subscription of 27.7 times



## April 2011

DPU for FY10/11 of 3.45 cents exceeded Forecast by 11.3%



## July 2011

- Won Tranche 2 of JTC Corporation's Second Phase Divestment Exercise Portfolio at S\$400.3 million
- Successfully launched a S\$176.9 million Equity Fund Raising Exercise



## August 2011

Established a S\$1.0 billion Multi-Currency Medium Term Note Programme



## March 2012

Maiden issuance of S\$125 million 7-year Fixed Rate Notes was well-received from a diverse base of debt investors



## April 2012

DPU of 8.41 cents for FY11/12 exceeded Forecast by 12.7%



## May 2012

Groundbreaking of MIT's latest build-to-suit development for Kulicke & Soffa



## September 2012

- Fitch Ratings affirmed MIT's 'BBB+' Rating with a Stable Outlook
- Successful issuance of S\$45.0 million 10-year unsecured Fixed Rate Notes



## October 2012

Achieved DPU of 4.55 cents for 1HFY12/13, 12.9% higher Year-on-Year



Artist's impression of the completed development for K&S





# Portfolio Highlights

# ROBUST, RESILIENT, RELEVANT & REPUTABLE



**Embedded Organic Growth Potential**



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



**Growth Opportunity from Asset Enhancements and Acquisitions**

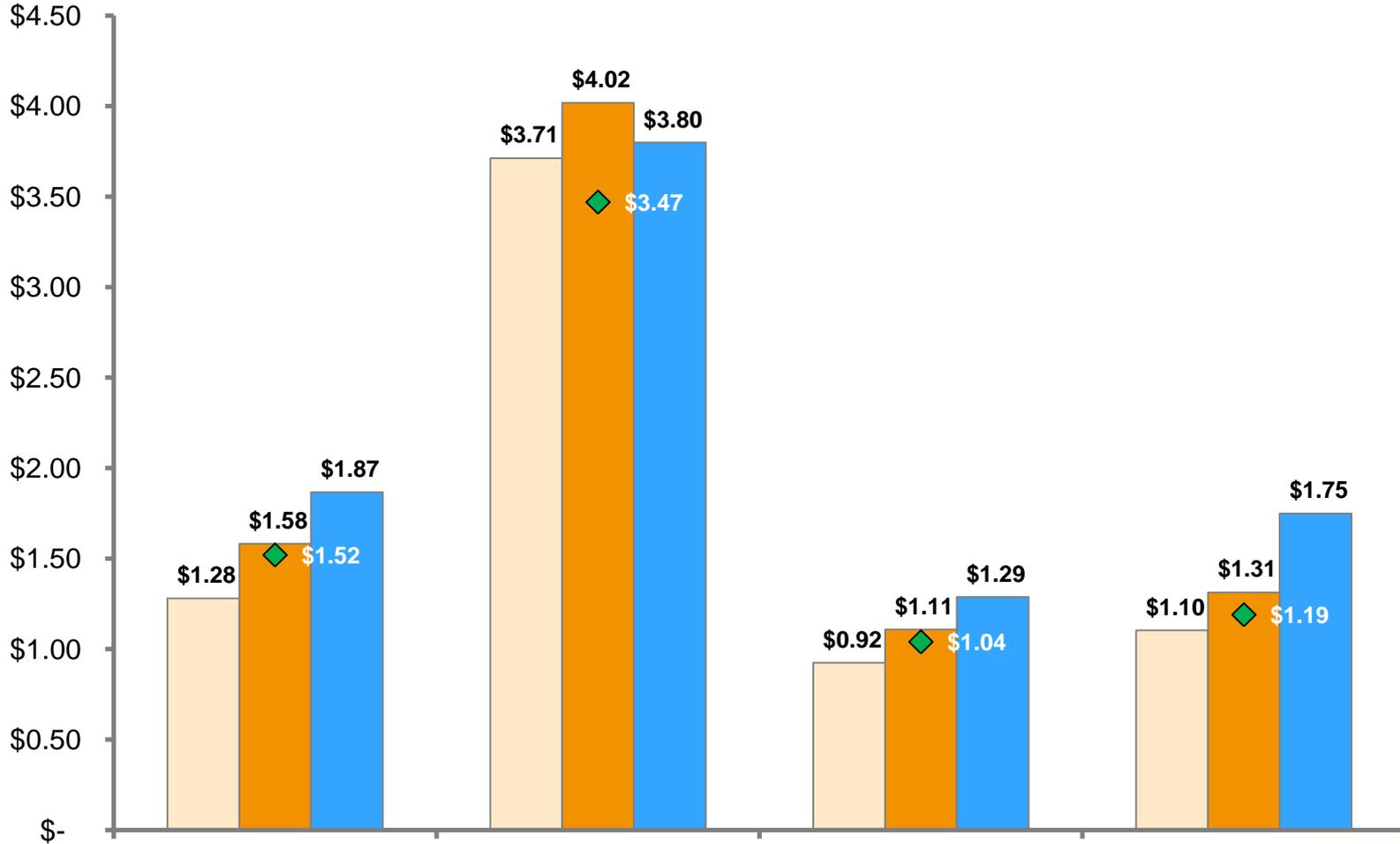


**Experienced Manager and Committed Sponsor**

# EMBEDDED ORGANIC GROWTH



Gross Rental Rate  
S\$ psf/mth



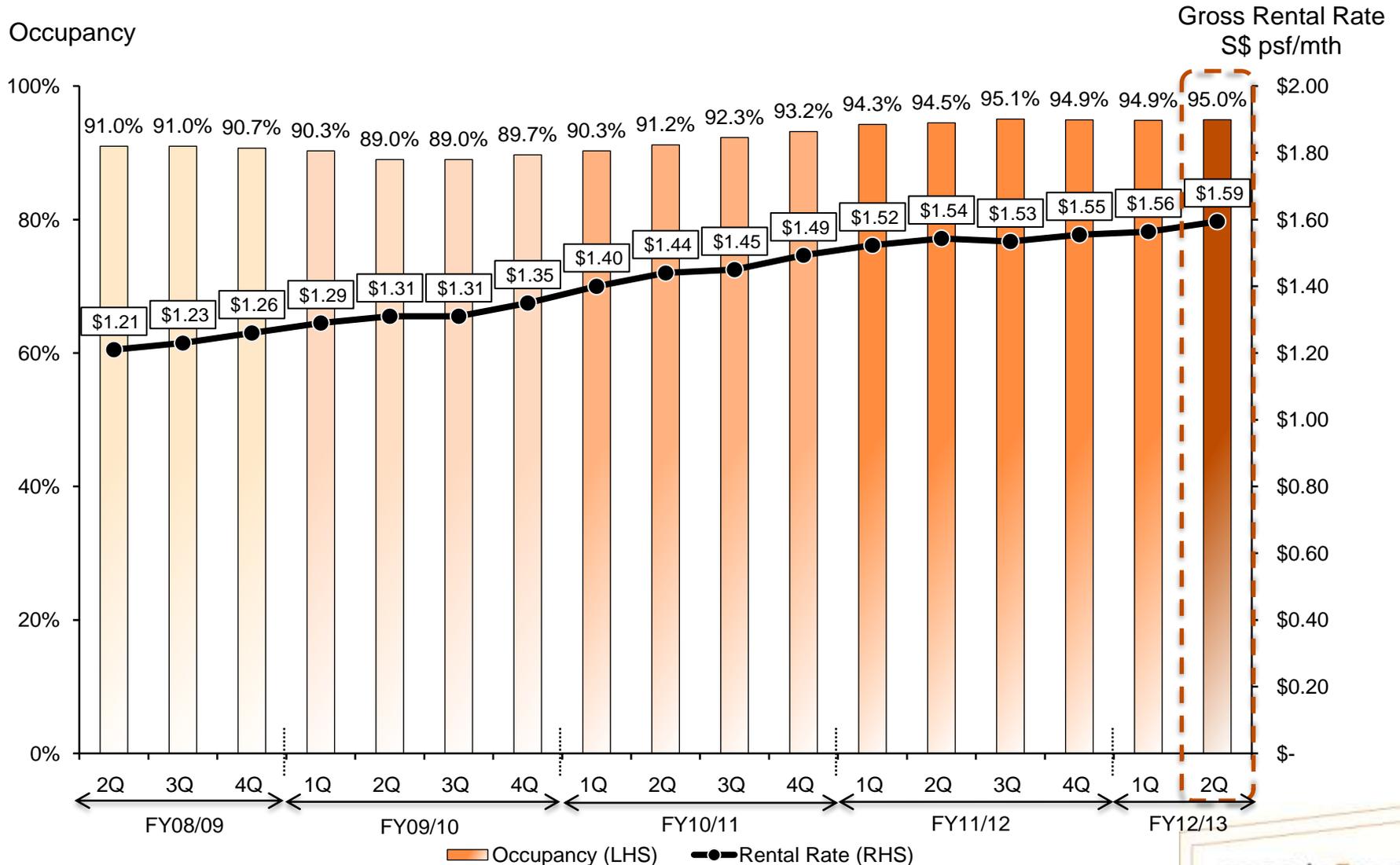
For period 2QFY12/13

12

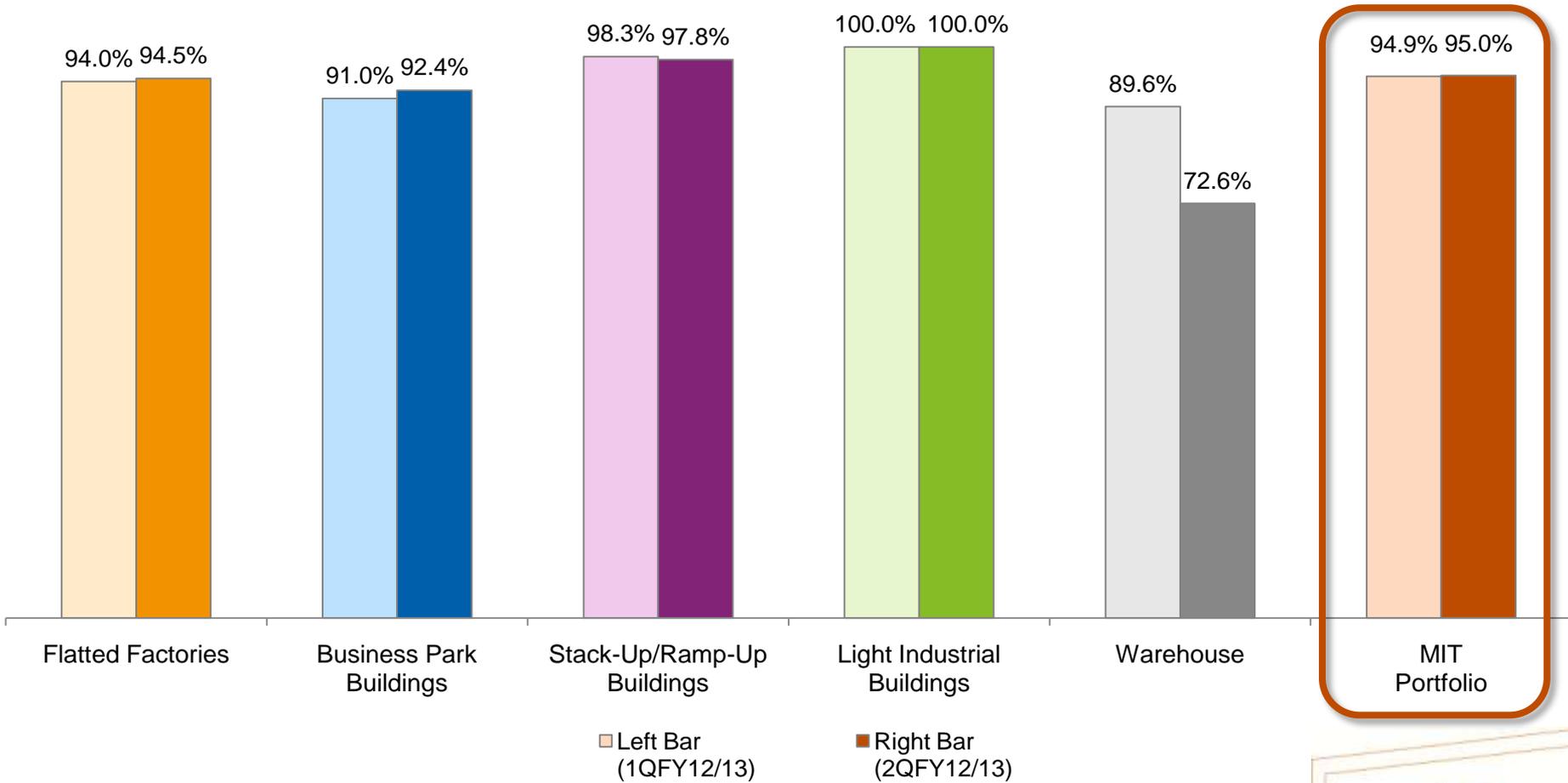
Before Renewal
  After Renewal
  New Leases
  Passing Rent



# RESILIENT PORTFOLIO PERFORMANCE



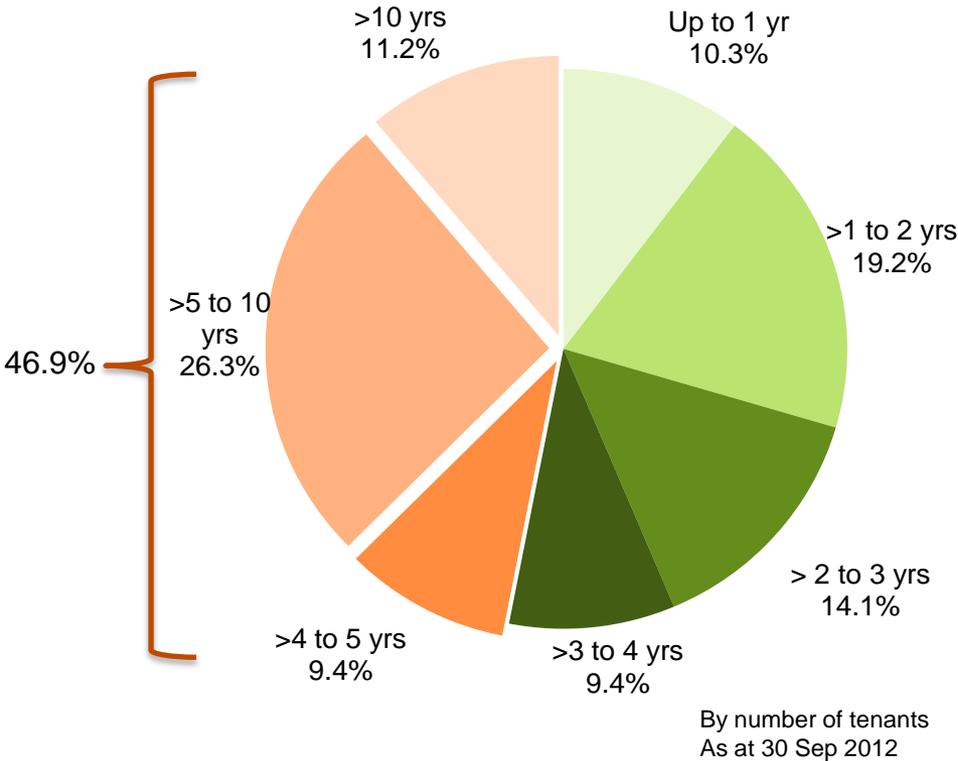
# STABLE OCCUPANCY LEVELS



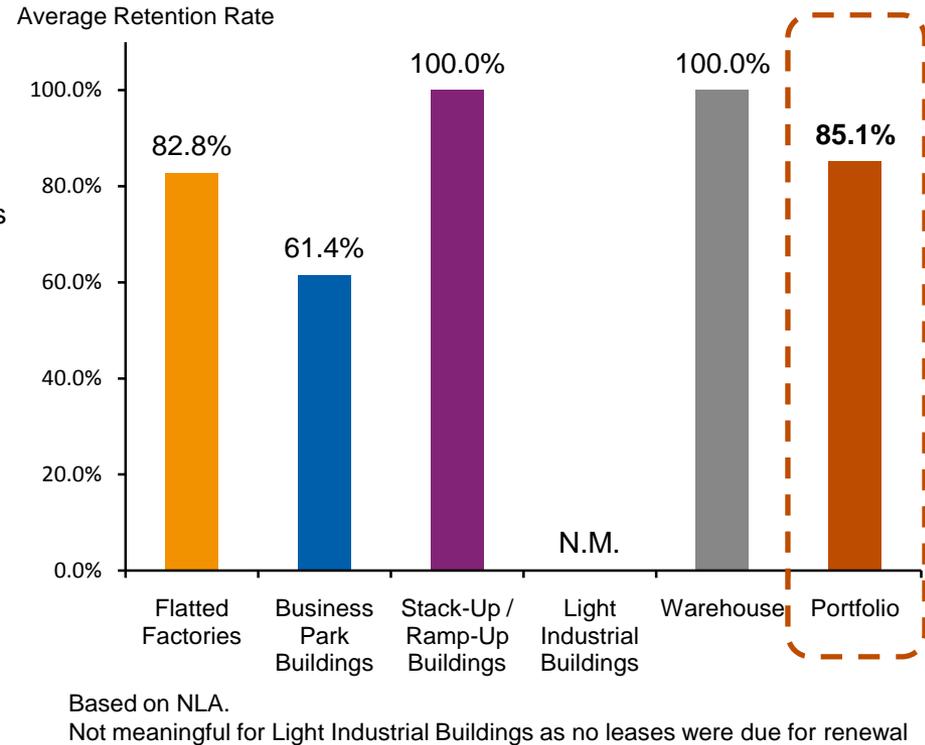
# STRONG TENANT RETENTION



## Long Staying Tenants



## Retention Rate for 2QFY12/13



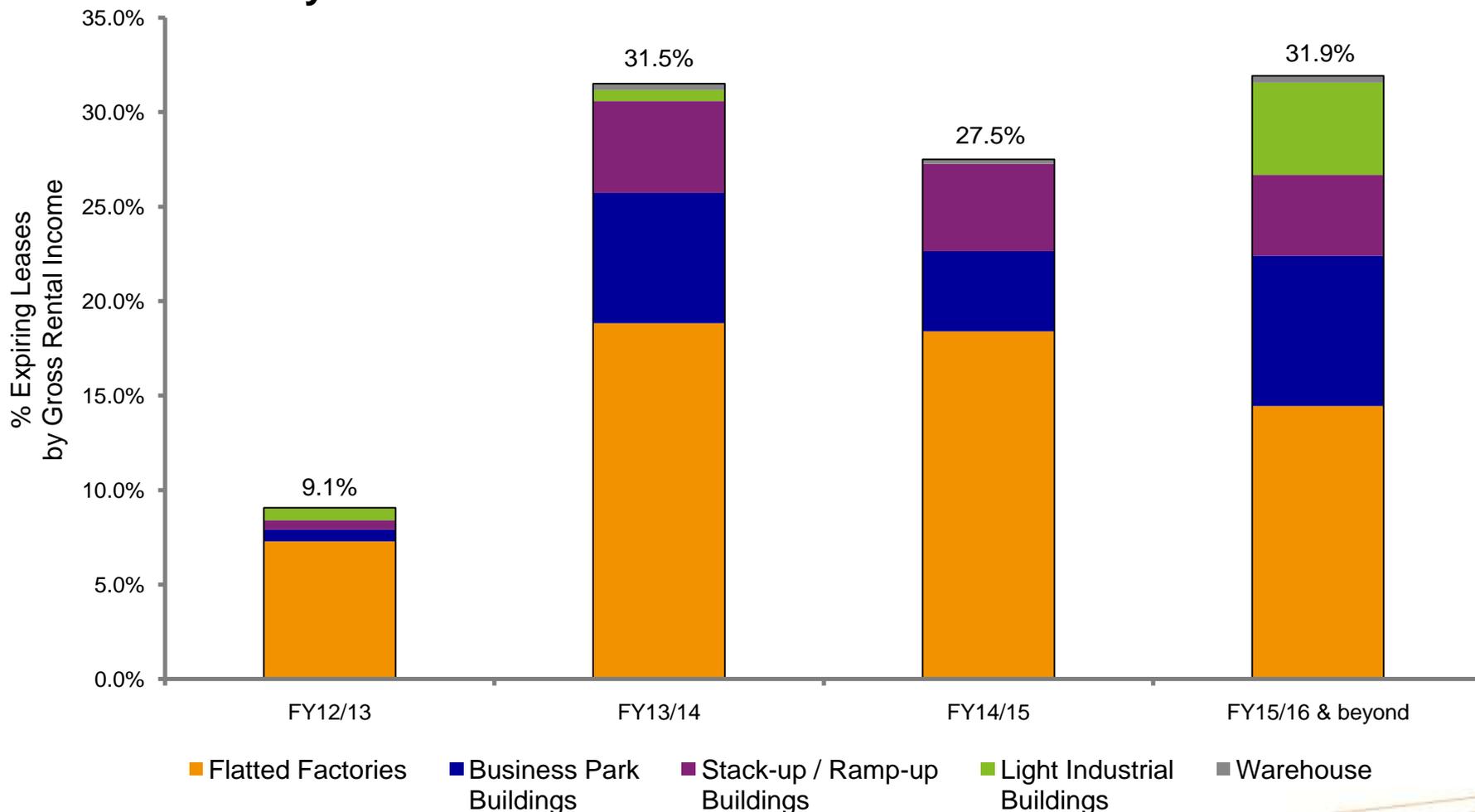
- 46.9% of the tenants have leased the properties for more than 4 years
- Tenant retention rate of 85.1% in 2QFY12/13



# STABLE RENTAL REVENUE



## Only 9.1% of Leases Remain Due for Renewal in FY12/13



**Portfolio WALE by Gross Rental Income = 2.4 years**

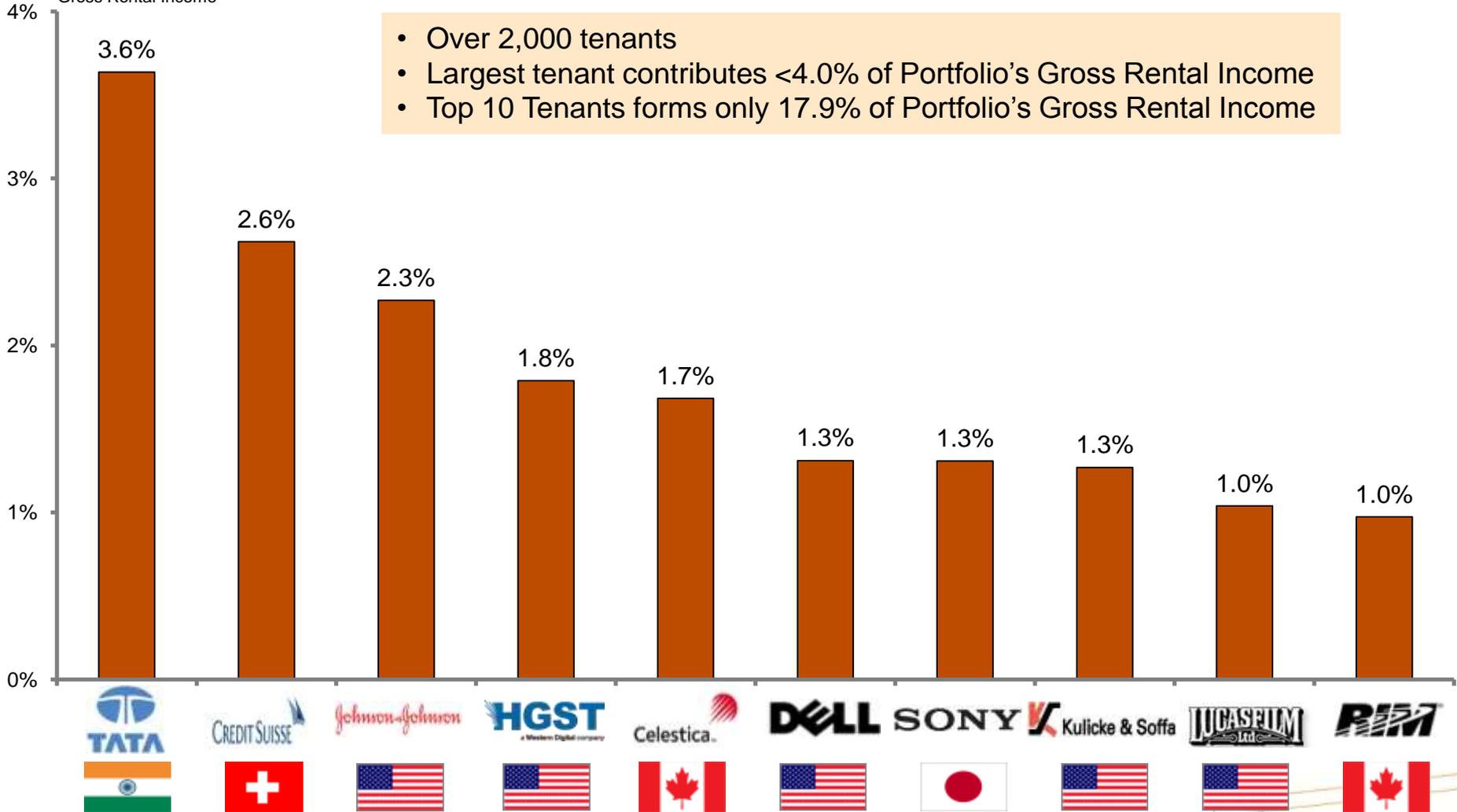


# LARGE AND DIVERSE TENANT BASE

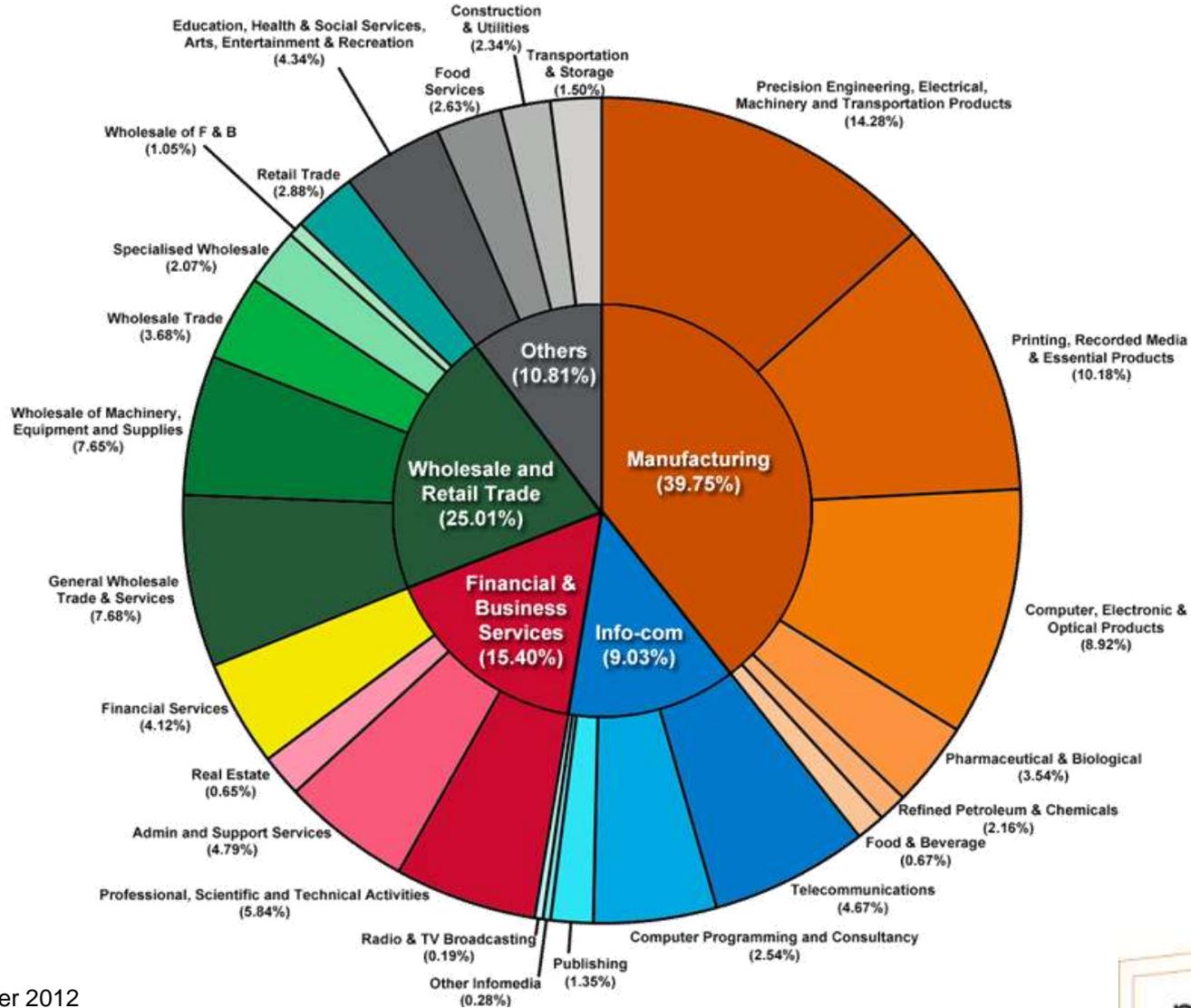


Percentage of Portfolio's Gross Rental Income

- Over 2,000 tenants
- Largest tenant contributes <4.0% of Portfolio's Gross Rental Income
- Top 10 Tenants forms only 17.9% of Portfolio's Gross Rental Income



# DIVERSITY OF TENANT TRADE SECTOR



By Revenue  
As at 30 September 2012

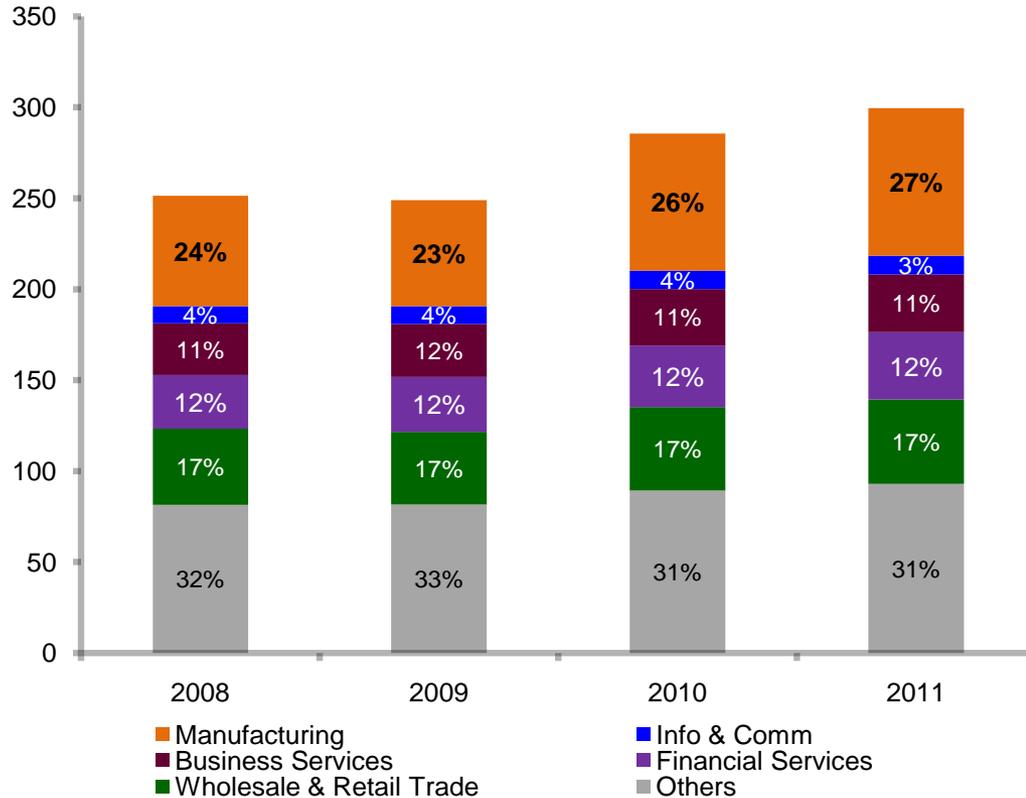


# TENANT PROFILE REFLECTS KEY ECONOMIC SECTORS



## Manufacturing Remains a Pillar of Singapore's Economy

Real GDP  
(S\$ billion)



- Manufacturing sector remains relevant and continues to be the largest contributor to Singapore's GDP<sup>1</sup>
- Our tenant profile tracks 5 major sectors
  - ✓ Manufacturing
  - ✓ Information & Communications
  - ✓ Business Services
  - ✓ Financial Services
  - ✓ Wholesale & Retail Trade

which together make up more than two-thirds of Singapore's GDP

<sup>1</sup> Real GDP based on 2005 prices



# GROWTH BY SELECTIVE DEVELOPMENT



<b>Build-to-Suit Development - Kulicke &amp; Soffa</b>	<b>Asset Enhancement - Woodlands Central</b>	<b>Asset Enhancement - Toa Payoh North 1</b>
		
<p>New 6-storey high-tech industrial building for Kulicke &amp; Soffa located at Serangoon North Ave 5</p>	<p>Repositioning cluster as a high-tech industrial space with extension of 6-storey wing, multi-storey car park and canteen</p>	<p>New high-tech industrial building and amenity block with canteen, multi-storey car park and showrooms</p>
<p>330,000 sq ft</p>	<p>70,000 sq ft</p>	<p>150,000 sq ft</p>
<ul style="list-style-type: none"> <li>▪ Piling works completed</li> <li>▪ 1<sup>st</sup> storey structural works in-progress</li> <li>▪ 69% of space committed by Kulicke &amp; Soffa</li> </ul>	<ul style="list-style-type: none"> <li>▪ Commenced upgrading of facilities &amp; façade enhancement</li> <li>▪ Piling works in-progress</li> <li>▪ 50% of new wing committed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Canteen and bin centre demolished</li> <li>▪ Piling works in-progress</li> </ul>
<p>2<sup>nd</sup> Half 2013</p>	<p>2<sup>nd</sup> Quarter 2013</p>	<p>4<sup>th</sup> Quarter 2013</p>

# EXPERIENCED MANAGER & COMMITTED SPONSOR

Reputable



- Leading Asia-focused real estate and capital management company
- Owns and manages S\$19.9 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 31 March 2012

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



A decorative graphic consisting of several overlapping, semi-transparent orange shapes that form a ribbon-like structure. The ribbon starts on the left, narrows, and then widens as it extends towards the right. The colors range from light orange to a darker, more saturated orange.

**2QFY12/13**  
**Financial Performance**

# KEY HIGHLIGHTS

- **Consistent growth driven by better operating performance and contributions from Acquisition Portfolio**
  - ✓ 2QFY12/13 Distributable Income rose by 18.4% y-o-y to S\$37.5 million
  - ✓ DPU increased by 11.7% y-o-y to 2.29 cents
- **Resilient Portfolio with higher average occupancy and rental rates**
  - ✓ Achieved higher average passing rental rate of S\$1.59 psf/mth
  - ✓ Average portfolio occupancy rate stable at 95.0%
  - ✓ Positive rental revisions of between 8.4% and 23.4% achieved across all property segments
- **Enhanced capital structure with extended debt maturity profile**
  - ✓ Completed refinancing of all borrowings due in FY12/13
  - ✓ Healthy balance sheet with weighted average tenor of debt extended to 3.2 years and weighted all-in funding cost lowered to 2.3%

# STATEMENT OF TOTAL RETURNS (YEAR-ON-YEAR)

	2QFY12/13 (S\$'000)	2QFY11/12 (S\$'000)	↑ / (↓)
Gross revenue	68,218	59,419	14.8%
Property operating expenses	(19,804)	(17,887)	10.7%
<b>Net Property Income</b>	<b>48,414</b>	<b>41,532</b>	<b>16.6%</b>
Interest on borrowings	(6,776)	(5,626)	20.4%
Trust expenses	(5,734)	(5,527)	3.7%
<b>Net income before tax &amp; distribution</b>	<b>35,904</b>	<b>30,379</b>	<b>18.2%</b>
Net non-tax deductible items	1,566	1,268	23.5%
<b>Adjusted taxable income available for distribution to Unitholders</b>	<b>37,470</b>	<b>31,647</b>	<b>18.4%</b>
<b>Distribution per Unit (cents)</b>	<b>2.29</b>	<b>2.05</b>	<b>11.7%</b>

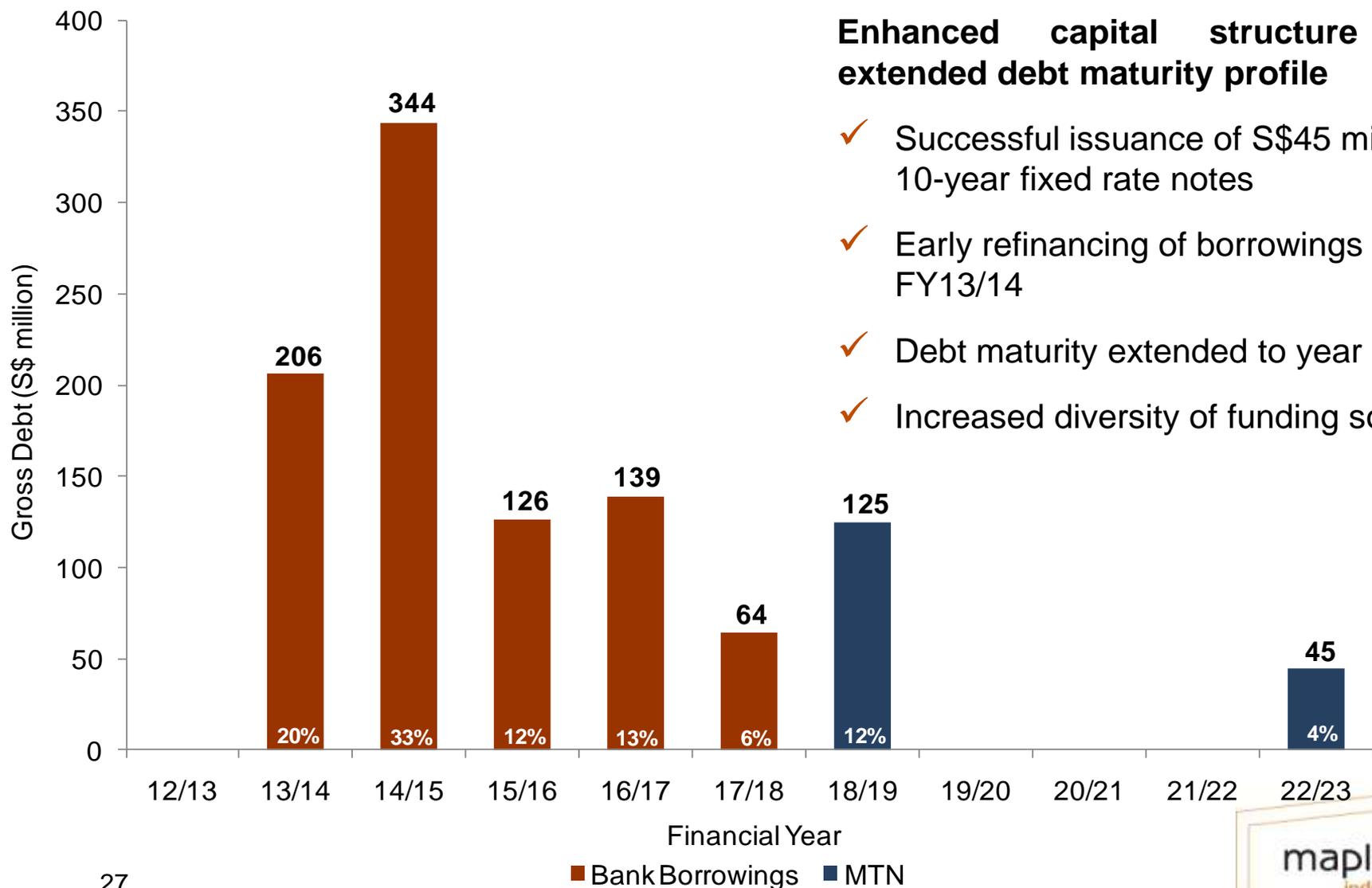
# STATEMENT OF TOTAL RETURNS (QTR-ON-QTR)

	2QFY12/13 (S\$'000)	1QFY12/13 (S\$'000)	↑ / (↓)
Gross revenue	68,218	66,864	2.0%
Property operating expenses	(19,804)	(18,520)	6.9%
<b>Net Property Income</b>	<b>48,414</b>	<b>48,344</b>	<b>0.1%</b>
Interest on borrowings	(6,776)	(6,994)	(3.1%)
Trust expenses	(5,734)	(5,557)	3.2%
<b>Net income before tax &amp; distribution</b>	<b>35,904</b>	<b>35,793</b>	<b>0.3%</b>
Net non-tax deductible items	1,566	1,104	41.8%
<b>Adjusted taxable income available for distribution to Unitholders</b>	<b>37,470</b>	<b>36,897</b>	<b>1.6%</b>
<b>Distribution per Unit (cents)</b>	<b>2.29</b>	<b>2.26</b>	<b>1.3%</b>

# HEALTHY BALANCE SHEET

	30 Sep 2012	30 Jun 2012
Total Assets (S\$'000)	2,806,404	2,824,565
Total Liabilities (S\$'000)	1,151,380	1,169,919
<b>Net Assets Attributable to Unitholders (S\$'000)</b>	<b>1,655,024</b>	<b>1,654,646</b>
<b>Net Asset Value per Unit (S\$)</b>	<b>1.02</b>	<b>1.02</b>

# REFINANCING COMPLETED FOR FY12/13



# PROACTIVE CAPITAL MANAGEMENT

## Proactive capital management to maintain an optimal capital structure with financial flexibility

- ✓ 100% of loans unsecured with minimal covenants
- ✓ High interest coverage ratio of 6.3 times
- ✓ Sufficient facilities to fund ongoing projects
- ✓ Affirmed 'BBB+' rating with Stable Outlook by Fitch Ratings

	As at 30 Sep 2012	As at 30 Jun 2012
Total Debt	S\$1,048.5 million	S\$1,069.2 million
Aggregate Leverage Ratio	37.2%	37.7%
Fixed as a % of Total Debt	87%	85%
Weighted Average Tenor of Debt	3.2 years	2.7 years

	2Q FY12/13	1Q FY12/13
Weighted Average All-in Funding Cost	2.3%	2.5%
Interest Coverage Ratio	6.3 times	6.1 times



# Strategy & Outlook

# TO DELIVER SUSTAINABLE GROWTH IN DPU

## ACTIVE ASSET MANAGEMENT

- Proactive leasing and marketing initiatives
- Deliver quality service and customised solutions
- Improve operational efficiency to reduce operating cost
- Implement asset enhancement initiatives

## ACQUISITION GROWTH / SELECTIVE DEVELOPMENT

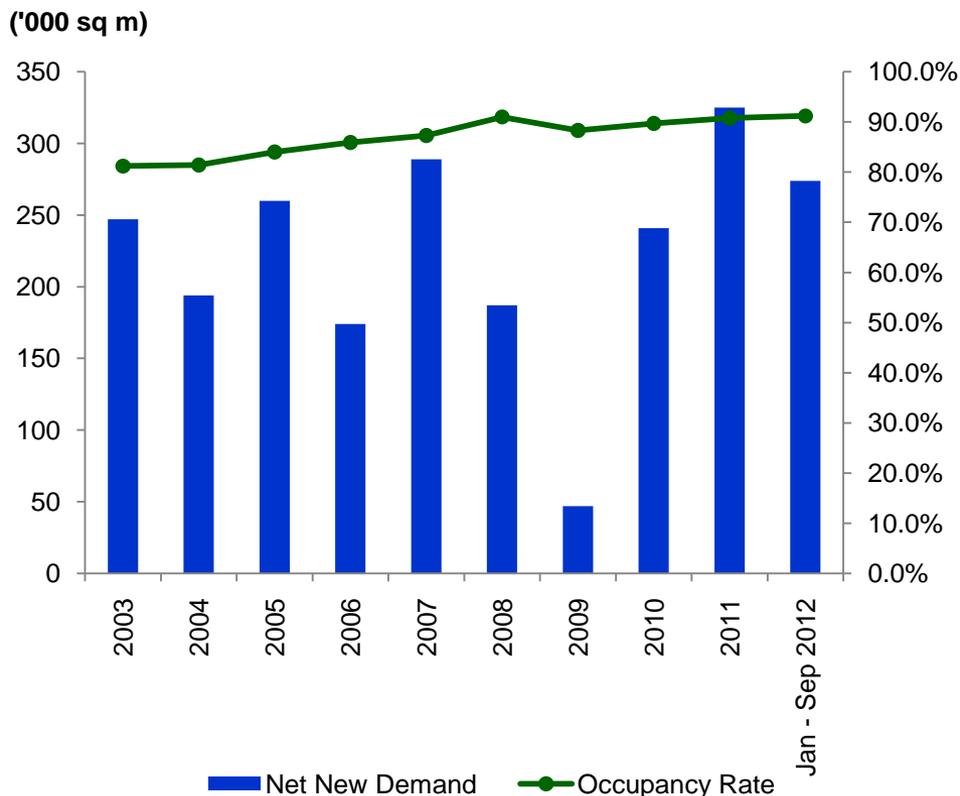
- Identify and source acquisition and development opportunities
- Conduct feasibility studies to consider impact on Unitholders and tenants
- Pursue investments with the potential for long-term returns

## CAPITAL AND RISK MANAGEMENT

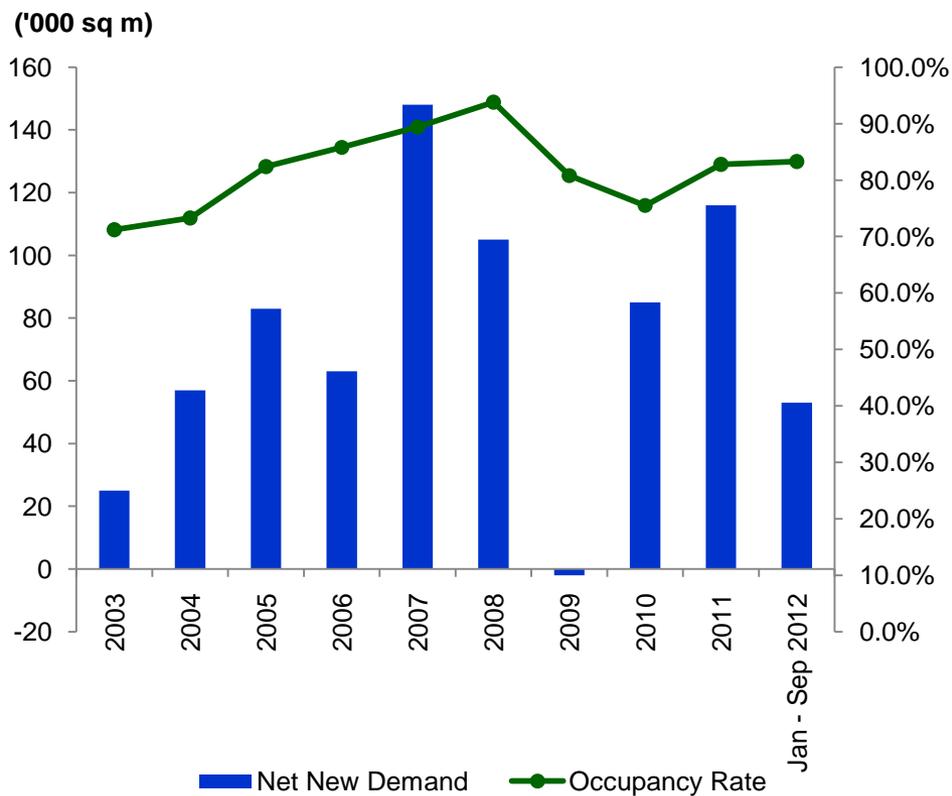
- Maintain a strong balance sheet
- Employ appropriate capital structure
- Diversify sources of funding
- Active interest rate management

# INDUSTRIAL PROPERTY MARKET DYNAMICS

## DEMAND AND OCCUPANCY FOR FLATTED FACTORIES



## DEMAND AND OCCUPANCY FOR BUSINESS PARKS



Source: URA/Colliers International Singapore Research, November 2012



# MARKET OUTLOOK

- The economy contracted by 1.5% for the quarter ended 30 September 2012 on a seasonally-adjusted quarter-on-quarter annualised basis, as compared to 0.2% expansion in the previous quarter<sup>1</sup>
  - ✓ Due to a 3.9% quarter-on-quarter decline in manufacturing sector
- Nonetheless, the Singapore economy is on track to grow by 1.5% to 2.5% in 2012<sup>1</sup>
- Average rents for industrial real estate<sup>2</sup> for 2QFY12/13 :
  - ✓ Business Park Space : S\$3.91 psf/mth (+0.3%)
  - ✓ Factory (Ground Floor) : S\$2.45 psf/mth (+2.1%)
  - ✓ Factory (Upper Floor) : S\$2.15 psf/mth (+2.4%)

<sup>1</sup> Ministry of Trade and Industry (Advance Estimates)

<sup>2</sup> Colliers Market Report

# MAINTAINING MOMENTUM OF GROWTH

## RESILIENT AND ROBUST PORTFOLIO

- Higher Portfolio occupancy and rental rates
- Positive rental revisions achieved across segments
- Limited leasing risk with only 9.1% of Portfolio's leases due for renewal in FY12/13

## FINANCIAL FLEXIBILITY AND HEALTHY BALANCE SHEET

- No outstanding borrowings due in FY12/13
- Increased weighted average tenor debt of 3.2 years
- High interest cover ratio of 6.3 times

## GROWTH BY SELECTIVE DEVELOPMENT

- Development of AEs and BTS on track
- Focus on value-adding development projects



Thank You

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