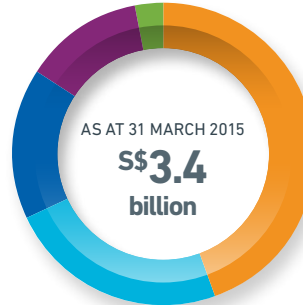
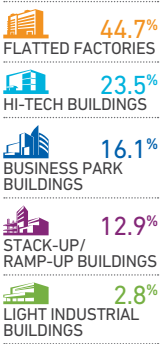


# STRATEGIC LOCATIONS ACROSS SINGAPORE

## Mapletree Industrial Trust

has a diverse portfolio of industrial properties in **five property segments**. They are strategically located in established industrial estates and business parks with **good transportation infrastructure**.

### PORTFOLIO VALUE

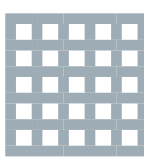


### DIVERSE PORTFOLIO OF

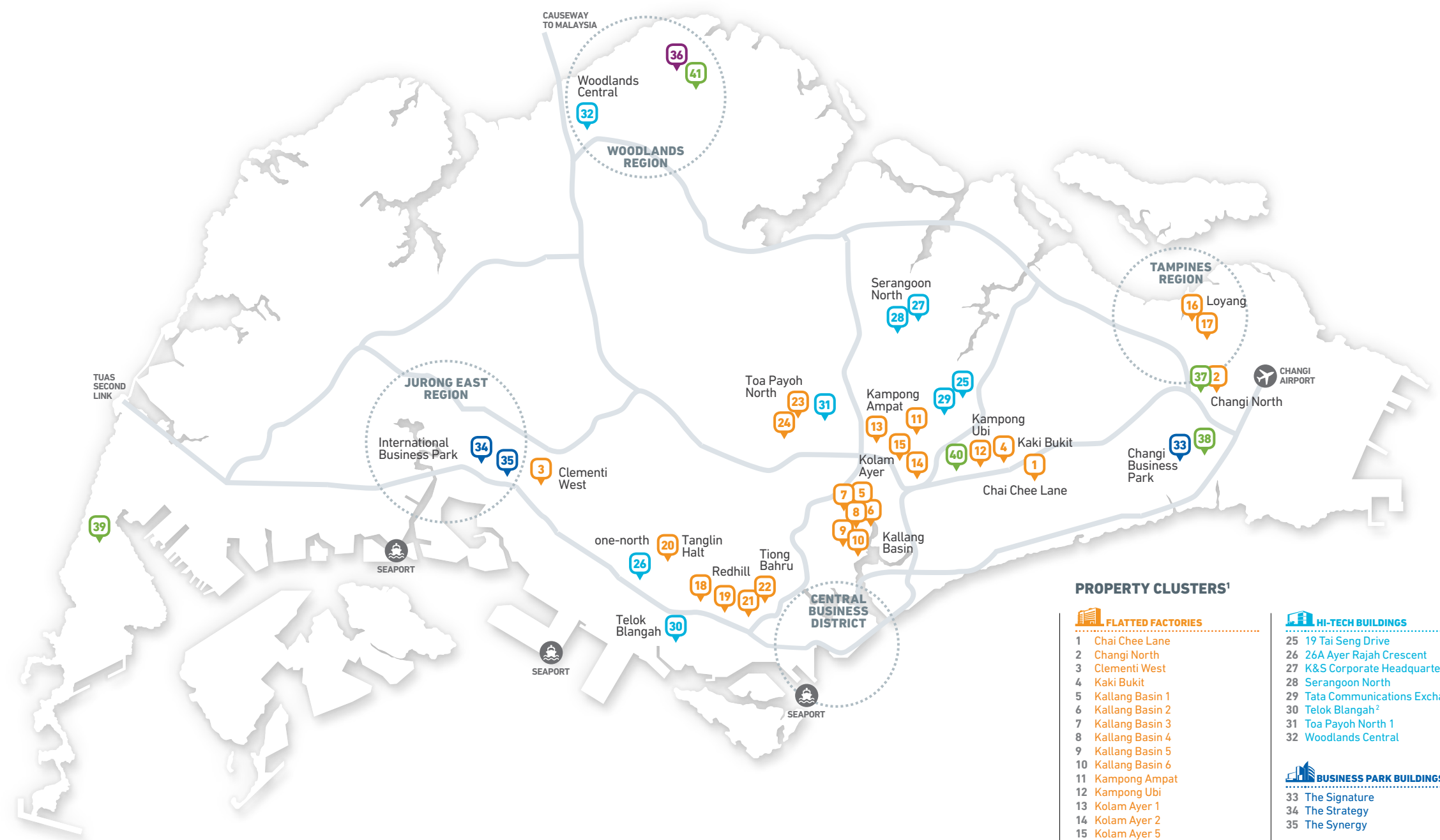
**84**  
PROPERTIES



LARGE TENANT  
BASE OF  
**2,301**  
TENANTS



TOTAL GFA  
OF  
**19.7**  
MILLION SQ FT



### PROPERTY CLUSTERS<sup>1</sup>

#### FLATTED FACTORIES

- 1 Chai Chee Lane
- 2 Changi North
- 3 Clementi West
- 4 Kaki Bukit
- 5 Kallang Basin 1
- 6 Kallang Basin 2
- 7 Kallang Basin 3
- 8 Kallang Basin 4
- 9 Kallang Basin 5
- 10 Kallang Basin 6
- 11 Kampong Ampat
- 12 Kampong Ubi
- 13 Kolam Ayer 1
- 14 Kolam Ayer 2
- 15 Kolam Ayer 5
- 16 Loyang 1
- 17 Loyang 2
- 18 Redhill 1
- 19 Redhill 2
- 20 Tanglin Halt
- 21 Tiong Bahru 1
- 22 Tiong Bahru 2
- 23 Toa Payoh North 2
- 24 Toa Payoh North 3

#### HI-TECH BUILDINGS

- 25 19 Tai Seng Drive
- 26 26A Ayer Rajah Crescent
- 27 K&S Corporate Headquarters
- 28 Serangoon North
- 29 Tata Communications Exchange
- 30 Telok Blangah<sup>2</sup>
- 31 Toa Payoh North 1
- 32 Woodlands Central

#### BUSINESS PARK BUILDINGS

- 33 The Signature
- 34 The Strategy
- 35 The Synergy

#### STACK-UP/RAMP-UP BUILDINGS

- 36 Woodlands Spectrum 1 and 2

#### LIGHT INDUSTRIAL BUILDINGS

- 37 2A Changi North Street 2
- 38 19 Changi South Street 1
- 39 65 Tech Park Crescent
- 40 45 Ubi Road 1
- 41 26 Woodlands Loop

<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> The redevelopment of the Telok Blangah Cluster as a BTS facility for Hewlett-Packard had commenced in FY14/15. On 31 March 2015, the Telok Blangah Cluster was reclassified from a Flatted Factory Cluster to a Hi-Tech Building Cluster.

Major Expressways

BTS data centre for Equinix.



BUILDING MOMENTUM IN GROWING THE HI-TECH BUILDINGS SEGMENT

The successful completion of the BTS data centre for Equinix and commencement of the redevelopment at the Telok Blangah Cluster in FY14/15 were significant milestones in the Manager’s strategy to grow the Hi-Tech Buildings segment. This was in line with the increasing demand for industrial spaces with higher specifications as Singapore continued to move up the value chain in manufacturing activities.

With an estimated development cost of S\$108 million, the purpose-built data centre for Equinix obtained its Temporary Occupation Permit on 27 January 2015. Located strategically within the one-north precinct, the seven-storey data centre for Equinix extends MIT’s presence in the growing data centre trade sector. With a total GFA of 385,000 sq ft, it has been fully leased to Equinix for a minimum tenure of 20 years with annual rental escalations of 2%. This would provide MIT income stability from a high-quality tenant.

During the financial year, the Manager also commenced the redevelopment of the Telok Blangah Cluster<sup>1</sup> as a S\$226 million<sup>2</sup> BTS project for Hewlett-Packard. 69% of the affected tenants chose to relocate to alternative MIT clusters, underscoring the positive tenant relations. Hewlett-Packard has committed to lease the BTS facility for an initial lease term of 10.5 years with annual rental escalations of 2%. The redevelopment will unlock value for MIT’s portfolio by almost doubling the GFA of the cluster to about 824,500 sq ft. Development of the BTS facility is undertaken in two phases. Construction of the first phase is expected to complete in the second half of 2016 while the second phase is expected to complete in the first half of 2017. The two new Hi-Tech Buildings in the cluster will include a world-class facility for manufacturing, product and software development as well as an office.

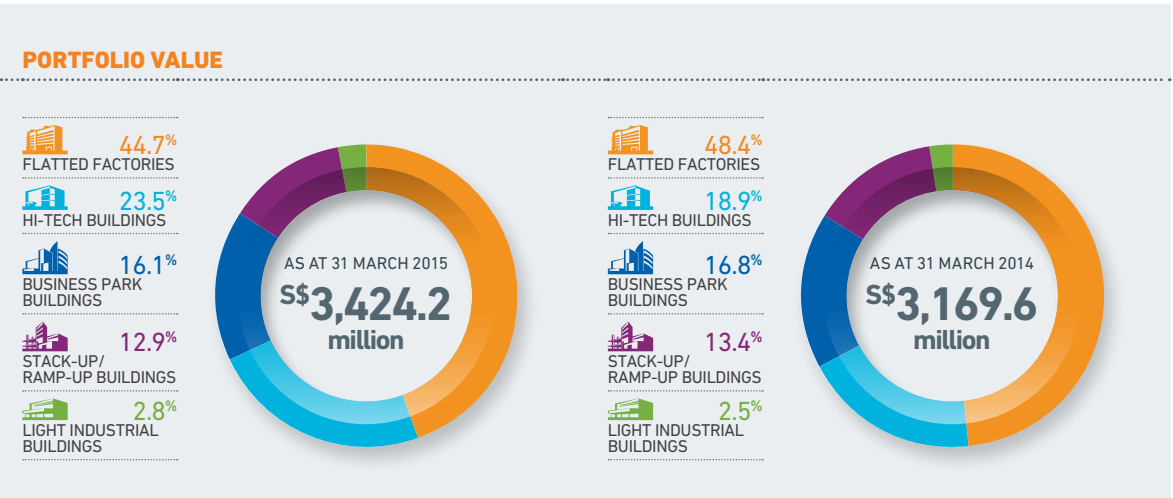
As at 31 March 2015, the Hi-Tech Buildings segment accounted for 23.5% of the portfolio by valuation, an increase from 18.9% a year ago. The Manager remains focused on growing the Hi-Tech Buildings segment to drive MIT’s next phase of growth.

<sup>1</sup> The redevelopment of the Telok Blangah Cluster as a BTS facility for Hewlett-Packard had commenced in FY14/15. On 31 March 2015, the Telok Blangah Cluster was reclassified from a Flatted Factory Cluster to a Hi-Tech Building Cluster.  
<sup>2</sup> Includes book value of S\$56 million (as at 31 March 2014) for existing Telok Blangah Cluster.

GOOD QUALITY ASSET FOR THE PORTFOLIO

The Manager completed the acquisition of four-storey Light Industrial Building, 2A Changi North Street 2 for S\$13.6 million<sup>3</sup> on 28 May 2014. Under the sale-and-leaseback arrangement, the property is leased to Stamping Industries Pte Ltd<sup>4</sup> for a minimum period of five years with annual rental escalations. Located in a Business 2 zone, the property is near Pasir Ris and Tampines regional centres. It is used for manufacturing, warehousing and as an ancillary office.

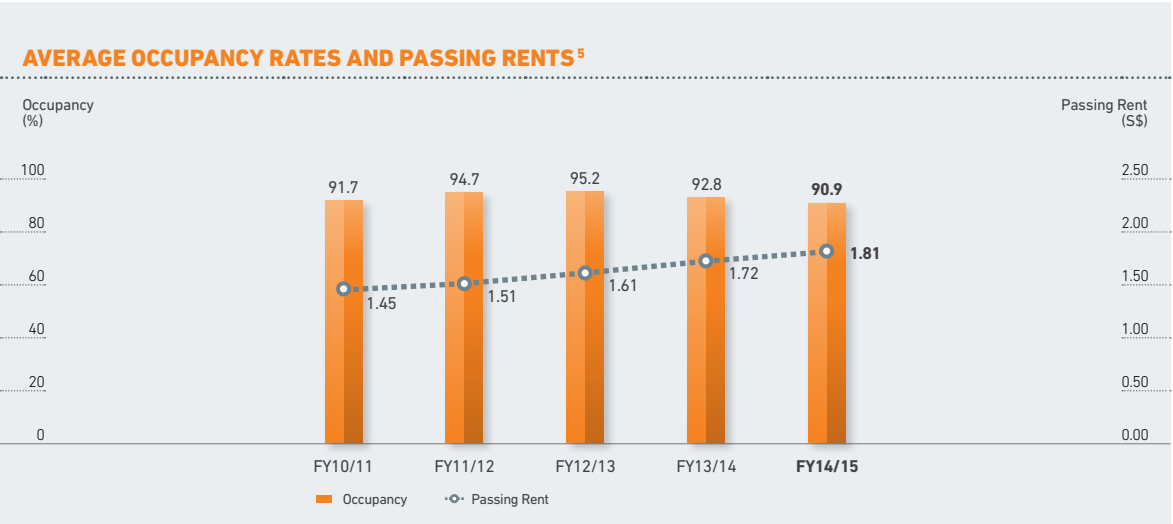
As at 31 March 2015, MIT’s 84 investment properties were valued at S\$3,424.2 million, which was an increase of 8.0% over the previous valuation as at 31 March 2014. The increase was due to a portfolio revaluation gain of S\$197.4 million and capitalised cost of S\$57.2 million from developments and acquisition. The revaluation gain was driven by commencement of the redevelopment of the Telok Blangah Cluster and improved portfolio performance.



<sup>3</sup> The property was valued at S\$14.1 million on 14 February 2014 by CBRE Pte. Ltd. The valuation was based on the capitalisation approach, discounted cash flow analysis and the direct comparison method.  
<sup>4</sup> The company changed its name to Aureumaex Industries (S) Pte. Ltd. in February 2015.

STABLE OPERATIONAL PERFORMANCE

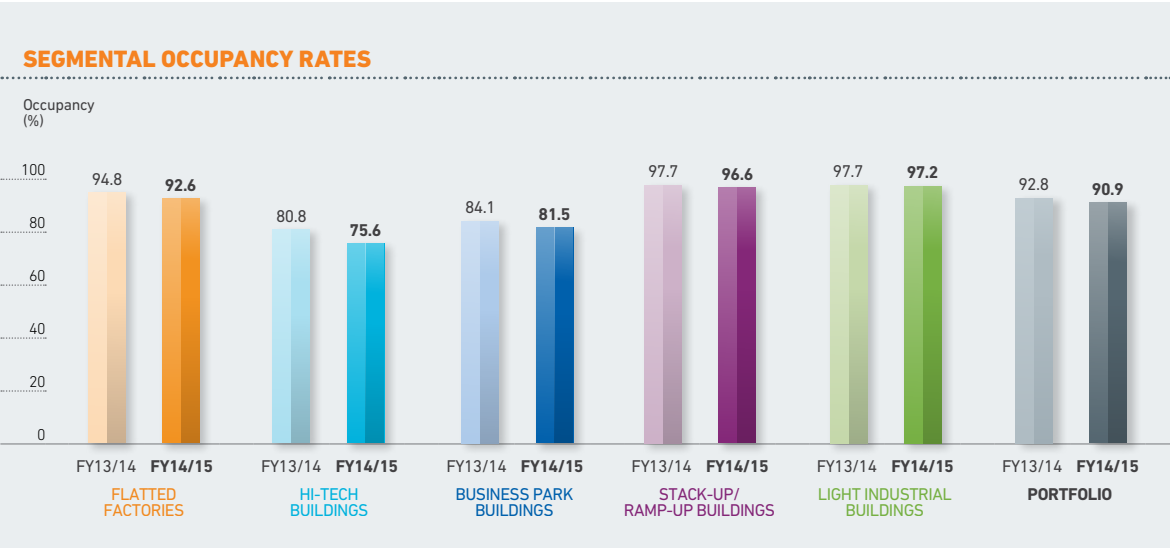
The portfolio’s passing rental rate in FY14/15 increased by 5.2% to S\$1.81 psf/mth from S\$1.72 psf/mth in FY13/14. The average occupancy rate of the portfolio decreased marginally to 90.9% in FY14/15 from 92.8% in the preceding year. This was mainly due to the progressive relocation of the tenants from the Telok Blangah Cluster.



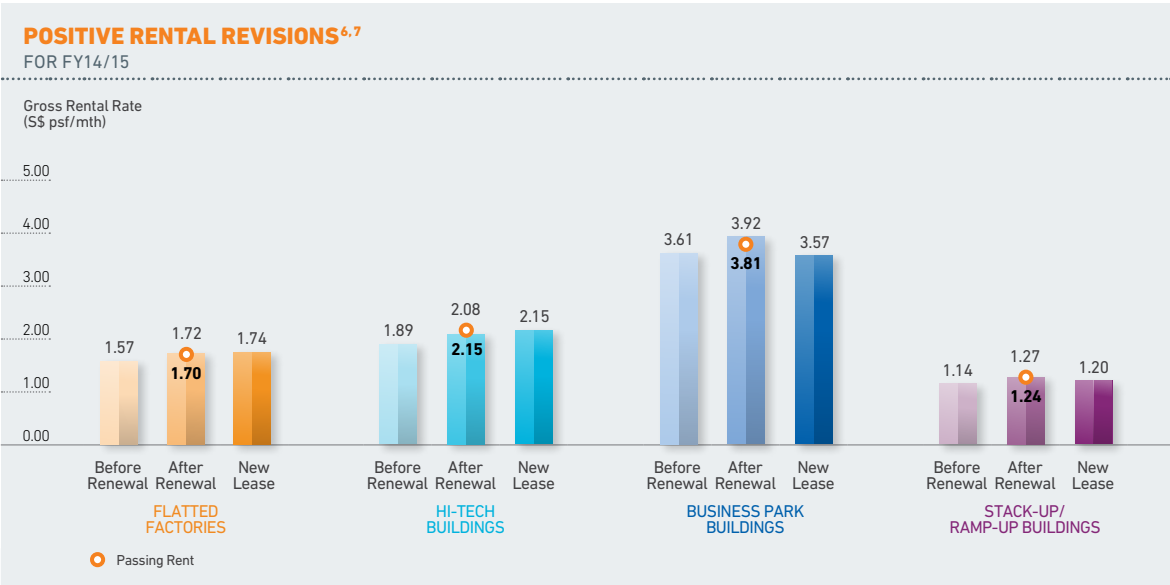
<sup>5</sup> All figures include properties as and when acquired by MIT and MSIT.

# OPERATIONS REVIEW

The occupancy rate of the Hi-Tech Buildings was lower at 75.6% in FY14/15, compared to 80.8% in FY13/14. This was due to the handover preparation period from the Temporary Occupation Permit date of 27 January 2015 to the lease commencement on 1 March 2015 for the BTS data centre for Equinix.



For FY14/15, MIT's portfolio achieved positive rental revisions of between 8.6% to 11.4% across the various property segments.

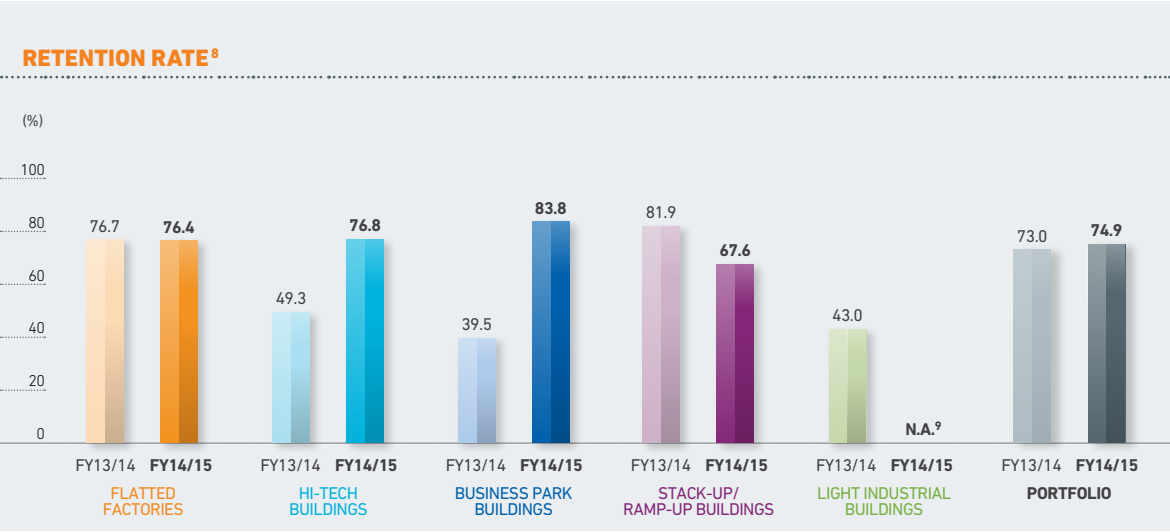


<sup>6</sup> Gross Rental Rates figures exclude short term leases of less than three years; except Passing Rent figures which include all leases.

<sup>7</sup> Not applicable for Light Industrial Buildings as no leases were due for renewal in FY14/15.

## HEALTHY TENANT RETENTION

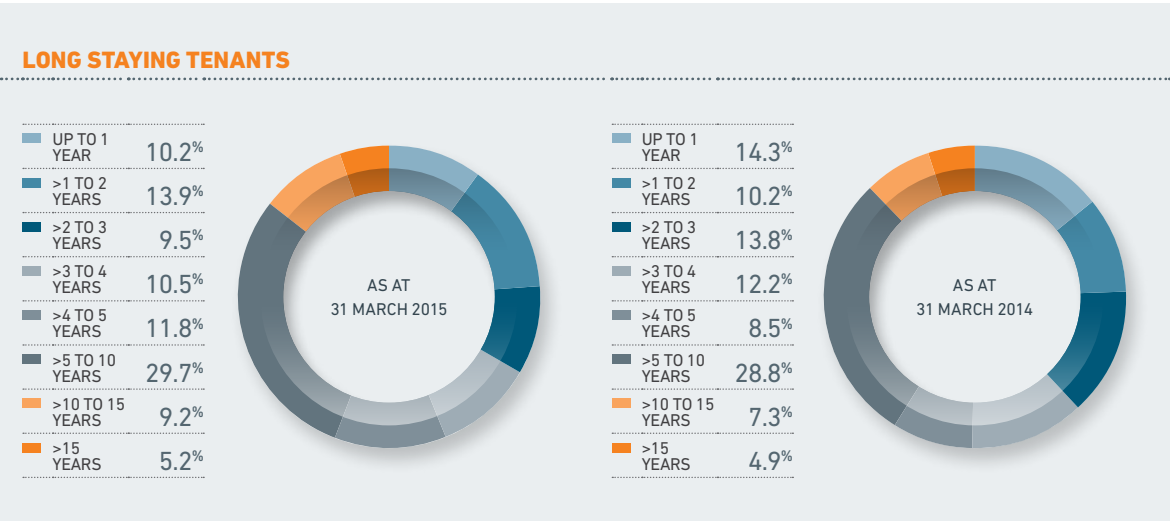
The Manager remained focused in managing lease renewals to minimise downtime and to maximise returns for the portfolio. The Manager successfully renewed 74.9% of the leases which were due for renewal in FY14/15.



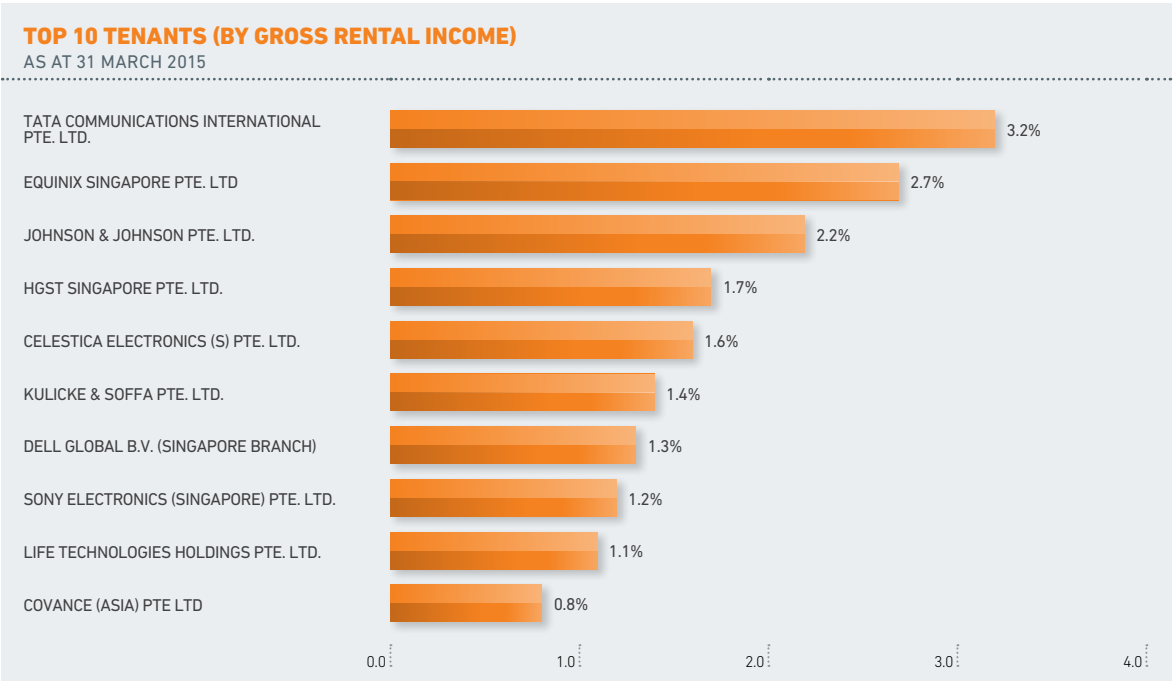
<sup>8</sup> Based on net lettable area ("NLA").

<sup>9</sup> Not applicable for Light Industrial Buildings as no leases were due for renewal in FY14/15.

MIT's tenants continued to demonstrate a high degree of stickiness to the portfolio in FY14/15. As at 31 March 2015, 14.4% have remained in the portfolio for more than 10 years and 55.9% of the tenants have been leasing space in the portfolio for more than four years. This represented a corresponding increase from 12.2% and 49.5% in FY13/14.



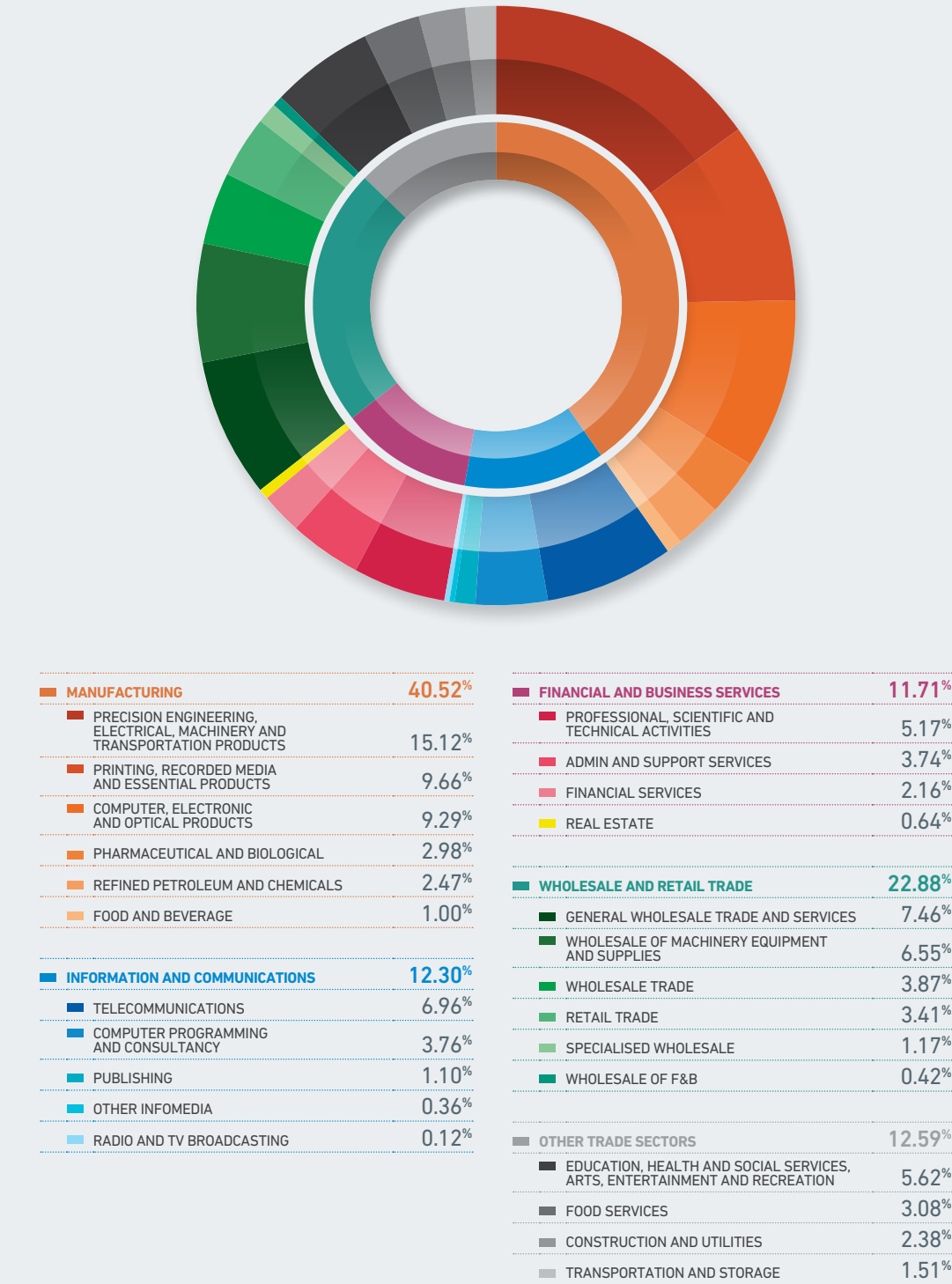
LARGE AND WELL-DIVERSIFIED TENANT BASE



MIT's large tenant base of 2,301 tenants with 3,098 leases continues to underpin the stability of its operational performance. The top 10 tenants contributed only 17.2% of the portfolio's monthly gross rental revenue as at 31 March 2015. Equinix was the latest entrant to the list of top 10 tenants following the commencement of lease at the BTS data centre in March 2015. No single tenant and trade sector accounted for more than 4% and 16% of the portfolio's monthly gross rental revenue respectively. The tenant diversification across trade sectors and low dependence on any particular tenant enabled MIT to mitigate its concentration risk and enhance its portfolio resilience.

TENANT DIVERSIFICATION ACROSS TRADE SECTORS (BY GROSS RENTAL INCOME)

AS AT 31 MARCH 2015

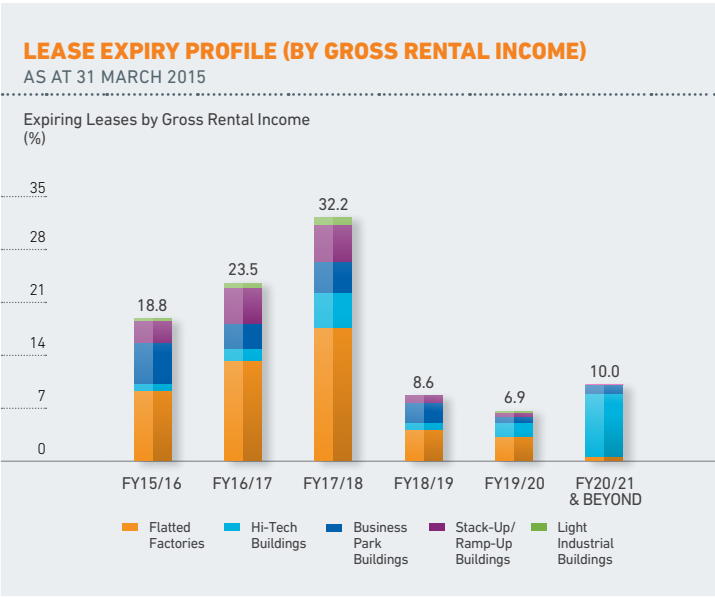




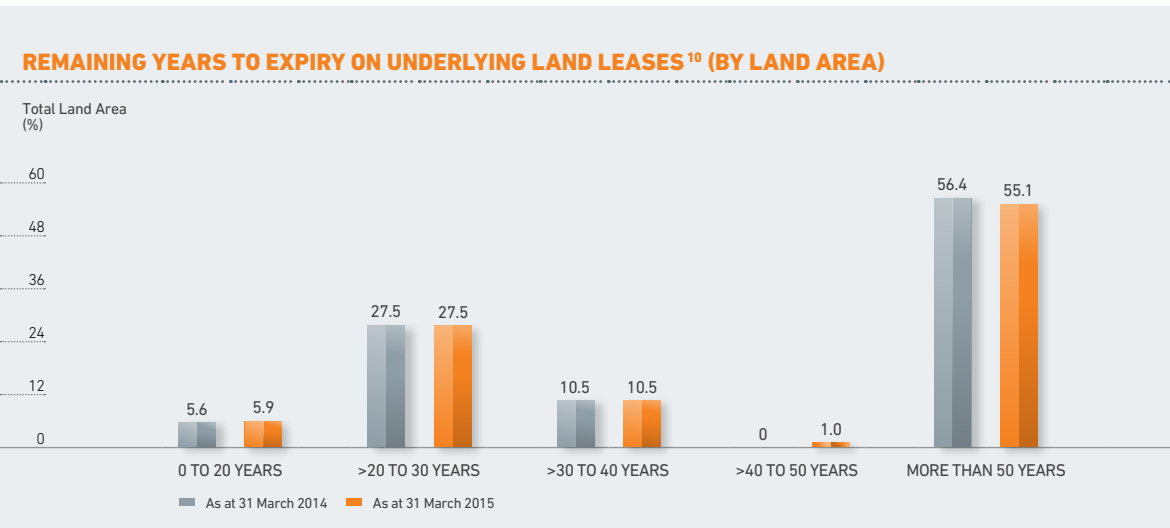
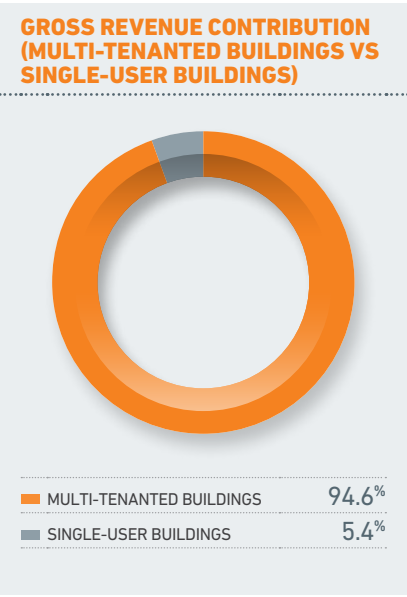
STABILITY FROM EXTENDED LEASES AND LOW ARREARS

As part of its proactive lease management efforts, the Manager has commenced negotiations to renew those leases that will be expiring in the next six months. Only 18.8% of the leases are due for renewal in FY15/16.

Since 3QFY11/12, the Manager had introduced longer lease packages (beyond the typical three-year lease term) with embedded rental escalations for both new and renewal leases. A longer lease structure with modest rental escalations provides stable and growing income streams for the portfolio, while providing tenants with rental certainty for longer periods. Approximately 36% of tenants who have been offered the longer lease packages have opted for them in FY14/15. Together with the completion of BTS data centre for Equinix, these increased the portfolio's WALE from 2.5 years as at 31 March 2014 to 3.1 years as at 31 March 2015.



For FY14/15, the gross revenue contribution from multi-tenanted buildings and single-user buildings were 94.6% and 5.4% respectively. Multi-tenanted buildings provide organic rental revenue growth potential due to the shorter lease durations while single-user buildings have longer lease periods with built-in rent escalations to provide stable income streams for the portfolio.



<sup>10</sup> Excluding option to renew.

The weighted average unexpired lease term for underlying land for the properties is 41.4 years as at 31 March 2015.

To minimise tenant credit risk, the Manager's Credit Control Committee meets fortnightly to review payment trends of tenants and initiate necessary action to address potential arrears cases. Due to the Manager's active arrears management efforts, the total arrears outstanding as at 31 March 2015 remained low at approximately 0.2% of gross revenue for FY14/15.

PROACTIVE COST MANAGEMENT

To mitigate rising operating costs, the Manager had worked with licensed electricity retailers to purchase electricity in bulk, proactively lowering the utilities costs for MIT and its qualifying tenants. The Manager has also implemented performance-based contracts for some of the labour-intensive contracts. As the procurement of services is assessed based on the expected performance level of the service contractors instead of head counts, these will allow for a more efficient allocation of resources without compromising the service standards.

The portfolio's net property income margin for FY14/15 was at a healthy level of 72.8% amid the backdrop of rising cost of service contracts as Singapore restructures its economy.