

*For Immediate Release*

## Mapletree Commercial Trust's Distribution per Unit for 1Q FY15/16<sup>1</sup> rose 3.1% year-on-year

- Distribution per Unit ("DPU") for 1Q FY15/16 up 3.1%, to 2.01 cents
- Property Operating Expenses lower by 9.0%
- Net Property Income ("NPI") for 1Q FY15/16 rose 5.0%
- VivoCity Basement 1 Asset Enhancement completed and all tenants have commenced business

**Singapore, 23 July 2015** – Mapletree Commercial Trust Management Ltd. ("MCTM"), the Manager of Mapletree Commercial Trust ("MCT" or the "Trust"), is pleased to announce that MCT has recorded a DPU of 2.01 cents for 1Q FY15/16, an increase of 3.1% against 1Q FY14/15<sup>2</sup>.

### Summary of MCT's Results

|   | 1Q FY15/16 | 1Q FY14/15 | Variance % |
|---|------------|------------|------------|
| Gross revenue (S\$'000)                     | 69,727     | 68,661     | 1.6        |
| Property operating expenses (S\$'000)       | (15,463)   | (16,992)   | 9.0        |
| Net property income (S\$'000)               | 54,264     | 51,669     | 5.0        |
| Income available for distribution (S\$'000) | 42,536     | 40,973     | 3.8        |
| Distribution per unit (cents)               | 2.01       | 1.95       | 3.1        |

Ms Amy Ng, Chief Executive Officer of MCTM, said, "For the first quarter of FY15/16, we delivered a healthy 3.1% DPU growth, driven by a 5.0% year-on-year portfolio NPI growth. Our relentless focus on cost management and improving operational efficiencies yielded good results and continued to contribute to the bottom line with operating expenses coming in at 9.0% lower than the same period last year. We have closed this quarter with a more robust balance sheet

<sup>1</sup> The period from 1 April 2015 to 30 June 2015, referred to as 1Q FY15/16

<sup>2</sup> The period from 1 April 2014 to 30 June 2014, referred to as 1Q FY14/15

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having extended the average debt term to maturity to 4.1 years, compared to 3.3 years a year ago. While interest cost inched up in the quarter, the increase was well managed on the back of a much higher corresponding increase in benchmark rates since December 2014.”

## **Portfolio Performance**

VivoCity continued to deliver robust performance with Gross Revenue and NPI rising 3.8% and 8.8% year-on-year respectively. Tenant sales remained relatively resilient despite the increased trading downtime from tenants being relocated during the Asset Enhancement Initiative (“AEI”) and also tenants undergoing renovations during the quarter. All tenants at the newly created Basement 1 retail space have now commenced trading.

Having achieved 100% occupancy in the office portfolio in the last financial year, expiring leases in two of MCT’s office assets, Mapletree Anson & PSA Building, resulted in some transitional vacancy in 1Q FY15/16 and a slight decline in the office portfolio NPI by about 2.2% on a year-on-year basis.

Robust NPI uplift at VivoCity of 8.8% contributed to an overall portfolio NPI improvement of 5.0%.

## **Capital Management**

The debt that matured in April 2015 had been fully refinanced as planned with longer tenor borrowings. Accordingly, the average debt to maturity of MCT’s gross borrowings was extended from 3.6 years (as at 31 March 2015) to 4.1 years (as at 30 June 2015). Coupled with the effects of higher short term interest rates on the unhedged floating rate debt, the weighted average all-in cost of debt is 2.41% p.a.. The increase in all-in cost of debt compared to the same period last year is nonetheless smaller than the increase in short term interest rates of more than 0.5% over the same period. Interest coverage ratio remained healthy at 5.1 times. As at 30 June 2015, MCT’s aggregate leverage ratio stood at 36.4% and around 70.6% of the total gross debt is fixed by way of fixed rate debt or interest rate swaps.

## **Distribution to Unitholders**

MCT's DPU for 1Q FY15/16 is 2.01 cents. Unitholders can expect to receive the distribution on Friday, 4 September 2015. The closure of MCT's Transfer Books and Register of Unitholders is 5.00pm on Friday, 31 July 2015.

## **Distribution Reinvestment Plan**

The distribution reinvestment plan ("DRP") will apply to the 1Q FY15/16 distribution. The DRP will enable unitholders of MCT to acquire additional units in MCT without having to incur transaction or other related costs by electing to receive all or part of the distributions in the form of units instead of cash. Unitholders who wish to participate in the DRP will have to complete the Notice of Election and send it to the Unit Registrar such that it is received by **5.00 pm on Friday, 21 August 2015**. Unitholders who do not wish to participate in the DRP need not complete the Notice of Election and will receive their distributions in cash.

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## **About Mapletree Commercial Trust**

MCT is a Singapore-focused REIT that invests on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, whether wholly or partially, as well as real estate related assets. MCT's portfolio comprises VivoCity, Bank of America Merrill Lynch HarbourFront, PSA Building and Mapletree Anson. These four assets have a total Net Lettable Area ("NLA") of 2.1 million square feet and are valued at S\$4,199.0 million in aggregate as at 31 March 2015.

For more information, please visit [www.mapletrerecommercialtrust.com](http://www.mapletrerecommercialtrust.com).

## **About the Manager – Mapletree Commercial Trust Management Ltd.**

MCT is managed by Mapletree Commercial Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. The Manager's main responsibility is to manage MCT's assets and liabilities for the benefit of Unitholders. The Manager is also responsible for setting the strategic direction of MCT on the acquisition, divestment and/or enhancement of assets of MCT in accordance with its stated investment strategy. Some of the key financial objectives of the Manager are to provide Unitholders of MCT with an attractive rate of return on their investment through regular and stable distributions and to achieve long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure for MCT.

## **About the Sponsor – Mapletree Investments Pte Ltd**

Mapletree Investments Pte Ltd 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, the Group has established a track record of award-winning projects in Singapore, and delivers consistent and high returns across various real estate classes in Asia.

As at 31 March 2015, Mapletree owned and managed S\$28.4 billion of office, logistics, industrial, residential, corporate lodging/serviced apartment and retail properties. Currently, it manages four Singapore-listed real estate investment trusts (REITs) and six private equity real estate funds, which together hold a diverse portfolio of assets in Singapore and Asia. The Group has also established an extensive network of offices in Singapore, China, Hong Kong SAR, India, Japan, Malaysia, South Korea and Vietnam to support its regional expansion. Mapletree's property portfolio includes award-winning projects in Singapore such as VivoCity, Mapletree Business City, and Tata Communications Exchange, as well as mixed-use developments in the region such as Future City and Nanhai Business City in China.

## **IMPORTANT NOTICE**

This release is for information only and does not constitute an offer or solicitation of an offer to sell or invitation to subscribe for or acquire any units in Mapletree Commercial Trust ("MCT") and units in MCT, ("Units").

The past performance of the Units and MCT is not indicative of the future performance of MCT or Mapletree Commercial Trust Management Ltd. ("Manager"). The value of Units and the income from them may rise or fall. Units are not obligations of, deposits in or guaranteed by the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may also contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions. Representative examples of these factors include general industry and economic conditions, interest rate trends, cost of capital, occupancy rate, construction and development risks, changes in operating expenses (including employees wages, benefits and training costs), governmental and public policy changes and the continued availability of financing. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

Nothing in this release should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors. This release shall be read in conjunction with MCT's financial results for 1Q FY15/16 in the SGXNET announcement dated 23 July 2015.

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