

## ANNOUNCEMENT

### CORRIGENDUM TO PRESS RELEASE ON SECOND QUARTER AND FIRST HALF FINANCIAL YEAR 2019/2020 FINANCIAL RESULTS

23 October 2019 – Mapletree Industrial Trust Management Ltd., as manager (the “**Manager**”) of Mapletree Industrial Trust (“**MIT**”), wishes to inform that the press release titled “MIT Delivers Year-on-Year Growth of 4.0% for 2QFY19/20 Distribution per Unit, Underpinned by New Projects” (the “**Press Release**”) contains a typographical error at Page 3. MIT’s aggregate leverage should be 29.2% as at 30 September 2019.

There is no impact to other figures or details in the Press Release, the financial statement and the slides on Second Quarter and First Half Financial Year 2019/2020 Financial Results. An amended version of the Press Release is attached.

By order of the Board  
Wan Kwong Weng  
Joint Company Secretary  
Mapletree Industrial Trust Management Ltd.  
(Company Registration No. 201015667D)  
As Manager of Mapletree Industrial Trust

#### Important Notice

The value of units and the income derived from them may fall as well as rise. 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 of MIT may only deal in their units through trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the units on the SGX-ST does not guarantee a liquid market for the units.

The past performance of MIT is not necessarily indicative of the future performance of MIT.

## PRESS RELEASE

### **MIT Delivers Year-on-Year Growth of 4.0% for 2QFY19/20 Distribution per Unit, Underpinned by New Projects**

- Growth underpinned by contributions from new projects; namely, 18 Tai Seng, 30A Kallang Place and Mapletree Sunview 1
- Expanding presence in the fast-growing data centre sector with completion of 7 Tai Seng Drive and the acquisition of 13 data centres in North America

22 October 2019 – 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 Second Quarter Financial Year 2019/2020 from 1 July 2019 to 30 September 2019 (“2QFY19/20”) rose 12.1% year-on-year to S\$63.5 million. Distribution per Unit (“DPU”) for 2QFY19/20 increased 4.0% year-on-year to 3.13 cents.

Gross revenue and net property income for 2QFY19/20 grew 10.5% and 13.3% to S\$101.9 million and S\$80.0 million respectively. The robust performance was largely attributed to new revenue contributions from 18 Tai Seng, 30A Kallang Place and Mapletree Sunview 1.

For the First Half Financial Year 2019/2020 from 1 April 2019 to 30 September 2019 (“1HFY19/20”), distributable income was S\$126.7 million, an increase of 11.6% over the S\$113.6 million in the corresponding period last year. The improvement was driven by higher net property income from the Singapore Portfolio and income contribution from MIT’s 40% interest in the portfolio of 14 data centres in the United States of America (the “United States”). Correspondingly, DPU for 1HFY19/20 rose 3.7% year-on-year to 6.23 cents.

An advanced distribution of 2.93 cents per unit for the period from 1 July 2019 to 25 September 2019 was paid to Unitholders<sup>1</sup> on 21 October 2019. The balance DPU of 0.20 cent from 26

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<sup>1</sup> The advanced distribution was paid to Unitholders on MIT’s Unitholders register as at 25 September 2019, which was the date immediately prior to the issuance of the new units pursuant to the private placement.

September 2019 to 30 September 2019 will be payable together with the Third Quarter Financial Year 2019/2020 distribution from 1 October 2019 to 31 December 2019.

### Financial Results of MIT for 2Q & 1HFY19/20

	2QFY19/20	2QFY18/19	↑/(↓)%	1HFY19/20	1HFY18/19	↑/(↓)%
Gross revenue (S\$'000)	101,872	92,221	10.5	201,447	183,708	9.7
Property expenses (S\$'000)	(21,883)	(21,635)	1.1	(43,539)	(43,663)	(0.3)
Net property income (S\$'000)	79,989	70,586	13.3	157,908	140,045	12.8
Distributable income (S\$'000)	63,507	56,662	12.1	126,748	113,570	11.6
No. of units in issue ('000)	2,200,484	1,886,354	16.7	2,200,484	1,886,354	16.7
DPU (cents)	3.13	3.01	4.0	6.23	6.01	3.7

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “Contributions from the acquisitions and development projects are expected to underpin MIT’s steady growth profile. We have continued our shift towards higher-specification industrial space with the recent acquisition of 13 data centres in North America and the ongoing redevelopment of the Kolam Ayer 2 Cluster. These strategic initiatives will help in building a more resilient portfolio and delivering sustainable growth to Unitholders.”

### MIT’s Second Overseas Acquisition in North America

On 16 September 2019, MIT and Mapletree Investments Pte Ltd (“MIPL”) formed a 50:50 joint venture (“MIT-MIPL JV”) to acquire 10 Powered Base Building® data centres (the “Powered Shell Portfolio”) from Digital Realty at a purchase consideration of approximately US\$557.3 million (S\$774.2 million<sup>2</sup>), and to enter into a joint venture with Digital Realty to co-invest in three existing Digital Realty Turn-Key Flex® hyper-scale data centres (the “Turnkey Portfolio”) at a purchase consideration of approximately US\$810.6 million (S\$1,126.1 million). The MIT-MIPL JV will hold a 80% interest, with Digital Realty holding the remaining 20% interest, in the Turnkey Portfolio.

<sup>2</sup> Based on the exchange rate of US\$1.00 to S\$1.38927 used in the announcement dated 16 September 2019.

With a total purchase consideration of US\$1,367.9 million (approximately S\$1,900.3 million), the 13 data centres are located across North America, with 12 in the United States and one in Canada. MIT's proportionate share of the total purchase consideration is S\$683.9 million (approximately S\$950.2 million). The acquisitions of the Turnkey Portfolio and the Powered Shell Portfolio are expected to complete in late 2019 and early 2020 respectively.

### **Completion of the Upgrading of 7 Tai Seng Drive as a Data Centre**

The Manager completed the upgrading of 7 Tai Seng Drive as a data centre on 3 July 2019. With a gross floor area of about 256,600 square feet, the seven-storey data centre has been fully leased to Equinix Singapore for 25 years from 20 July 2019<sup>3</sup>.

### **Portfolio Update**

Average portfolio occupancy for 2QFY19/20 was 90.5%, which was lower than 90.8% in the preceding quarter. The Singapore Portfolio occupancy fell marginally to 90.2% in 2QFY19/20 from 90.5% in 1QFY19/20. This was mainly attributed to the lower occupancies registered at the Light Industrial Buildings and Stack-up/Ramp-up Buildings segments. The US Portfolio occupancy rate remained unchanged at 97.4%.

The weighted average lease to expiry for the Overall Portfolio increased quarter-on-quarter from 3.4 years to 3.6 years as at 30 September 2019, which was primarily due to the commencement of the 25-year lease of Equinix Singapore at 7 Tai Seng Drive.

### **Capital Management Update**

The Manager successfully raised gross proceeds of about S\$400.0 million from a private placement on 17 September 2019 to partially fund the US Acquisition. Consequently, MIT's aggregate leverage remained healthy at 29.2% as at 30 September 2019 following the repayment of MIT's total debt. The weighted average all-in funding cost for 2QFY19/20 was marginally lower at 2.9%, compared to 3.0% for 1QFY19/20.

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<sup>3</sup> This includes a rent-free period of two months and annual rental escalations.

## **Outlook**

Based on Singapore Commercial Credit Bureau's Business Optimism Index study<sup>4</sup>, local business confidence fell to a near two-year low for the fourth quarter of 2019, after edging up slightly in the third quarter. The manufacturing and wholesale trade sectors are bracing for a downturn, as they are the most exposed to the heightened trade tensions between the United States and China.

According to 451 Research<sup>5</sup>, the United States remained the world's largest and most established data centre market, which accounted for about 32% of the global insourced and outsourced data centre space (by net operational sq ft). The United States leased data centre supply (by net operational sq ft) and demand (by net utilised sq ft) are expected to grow at a compound annual growth rate of 4.6% and 6.5% respectively.

The Manager will continue to proactively manage the existing portfolio and adopt a disciplined approach to investment opportunities while monitoring the global economic developments closely.

For further information, please contact:

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<sup>4</sup> Source: Singapore Commercial Credit Bureau, 4Q2019.

<sup>5</sup> Source: 451 Research, LLC., 2Q2019.

## **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 87 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 30 September 2019, MIT’s total assets under management was S\$4.8 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, 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, 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, Europe, the United Kingdom and the United States.

As at 31 March 2019, MIPL owns and manages S\$55.7 billion of office, retail, logistics, industrial, residential and lodging properties.

MIPL’s assets are located across 12 markets globally, namely Singapore, Australia, China, Europe, 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.