

PRESS RELEASE

Mapletree Industrial Trust's 3QFY19/20 Distribution per Unit Increases 2.9% Year-on-Year to 3.16 cents

- Steady growth underpinned by new revenue contributions from acquisitions and development projects
- Completion of the acquisition of 13 data centres in North America marked another milestone in growing the Hi-Tech Buildings segment

21 January 2020 – 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 2019/2020 from 1 October 2019 to 31 December 2019 (“3QFY19/20”) increased 2.9% year-on-year to 3.16 cents on an enlarged unit base.

Financial Results of MIT for 3QFY19/20

	3QFY19/20	2QFY19/20	↑/(↓)%	3QFY18/19	↑/(↓)%
Gross revenue (S\$'000)	102,610	101,872	0.7	93,571	9.7
Property expenses (S\$'000)	(20,705)	(21,883)	(5.4)	(21,696)	(4.6)
Net property income (S\$'000)	81,905	79,989	2.4	71,875	14.0
Distributable income (S\$'000)	69,436	63,507	9.3	58,253	19.2
No. of units in issue ('000)	2,200,749	2,200,484	*	1,898,997	15.9
DPU (cents)	3.16	3.13	1.0	3.07	2.9

* Percentage is less than 0.1%

Gross revenue and net property income for 3QFY19/20 were S\$102.6 million and S\$81.9 million respectively, representing year-on-year increases of 9.7% and 14.0% over the same period last year. The stronger performance was mainly driven by new revenue

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contributions from 18 Tai Seng and 7 Tai Seng Drive as well as higher revenue contribution from 30A Kallang Place.

Distributable income for 3QFY19/20 grew 19.2% year-on-year to S\$69.4 million as a result of higher net property income, interest income and distributions declared by joint ventures. The acquisition of an 80% interest in three fully fitted hyperscale data centres¹ located in North America (the “Turnkey Portfolio”) by Mapletree Rosewood Data Centre Trust, a 50:50 joint venture between MIT and Mapletree Investments Pte Ltd, was completed on 1 November 2019.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “Our proactive portfolio rebalancing efforts through acquisitions and developments have underpinned the steady growth in distributable income and DPU in 3QFY19/20. The completion of the acquisition of 13 data centres in North America will position MIT to capture opportunities in the fast-growing data centre sector. We will continue to actively pursue investment opportunities to enhance the quality of the portfolio.”

Completion of the Turnkey Portfolio and 10 Powered Shell Data Centres in North America

The acquisition of an 80% interest in the Turnkey Portfolio and 10 powered shell data centres by Mapletree Rosewood Data Centre Trust from Digital Realty were completed on 1 November 2019 and 14 January 2020 respectively. With a total purchase consideration of US\$1,367.9 million (approximately S\$1,860.3 million²), 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 US\$683.9 million (approximately S\$930.1 million). The completion of the acquisition of 13 data centres in North America will improve the resilience of MIT portfolio with the increased freehold land component and long leases with embedded rental growth.

¹ Mapletree Rosewood Data Centre Trust holds an 80% interest, with Digital Realty holding the remaining 20% interest in the Turnkey Portfolio.

² Based on the exchange rate of US\$1.00 to S\$1.360.

Following the completion of both acquisitions, MIT's portfolio comprises 87 industrial properties in Singapore and 27 data centres in North America (through joint ventures with Mapletree Investments Pte Ltd) as at 14 January 2020.

Portfolio Update

Average Overall Portfolio occupancy for 3QFY19/20 was higher at 90.9%, compared to 90.5% in the preceding quarter. This was largely attributable to the improvement of the Singapore Portfolio occupancy from 90.2% in 2QFY19/20 to 90.5% in 3QFY19/20 as higher occupancies were registered for the Hi-Tech Buildings and Business Park Buildings segments. The US Portfolio³ occupancy rate increased from 97.4% in 2QFY19/20 to 97.8% in 3QFY19/20 following the addition of the Turnkey Portfolio held under Mapletree Rosewood Data Centre Trust, which was 100% leased.

The weighted average lease to expiry ("WALE") for the Overall Portfolio increased quarter-on-quarter from 3.6 years to 3.9 years as at 31 December 2019. This was primarily due to the long WALE of the Turnkey Portfolio of 7.8 years as at 31 December 2019.

62 out of the 108 existing tenants at the Kolam Ayer 2 Cluster had committed to new leases at alternative MIT clusters. Kolam Ayer 2 Cluster will be redeveloped into a new high-tech industrial precinct. The construction of the redevelopment of the Kolam Ayer 2 Cluster remained on track to commence in the second half of 2020.

Capital Management Update

Total debt increased quarter-on-quarter by S\$391.3 million to S\$1,644.8 million as at 31 December 2019. This was due to the additional loans drawn to fund the acquisition of the Turnkey Portfolio. Consequently, MIT's aggregate leverage increased quarter-on-quarter from 29.2% to 34.1% as at 31 December 2019. The weighted average all-in funding cost for 3QFY19/20 stood at 3.0%, compared to 2.9% for 2QFY19/20.

³ The US Portfolio included the 14 data centres in the United States held under Mapletree Redwood Data Centre Trust and the Turnkey Portfolio held under Mapletree Rosewood Data Centre Trust as at 31 December 2019.

Outlook

Based on Singapore Commercial Credit Bureau's Business Optimism Index study⁴, business confidence rose slightly for the first quarter of 2020, after reaching a near two-year low for the fourth quarter of 2019. A softer outlook is projected for the manufacturing and construction sectors in the coming months.

According to CBRE⁵, another record level of absorption for the primary data centre markets in the United States of America in 2019 is expected with more than 120 megawatt of preleased capacity delivering in end 2019. Total new deliveries will increase the primary markets' total data centre inventory by 17.3% in 2019, increasing the competition among certain markets in 2020. The large amount of new supply comes primarily from two sources: new providers bringing their first capacity online and expansions by existing providers. Competition between providers will continue to drive market pricing and contractual terms.

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.

Distribution to Unitholders

Unitholders can expect to receive the DPU of 3.36 cents for the period from 26 September 2019 to 31 December 2019 on 26 February 2020. The balance DPU of 0.20 cent⁶ from 26 September to 30 September 2019 will be payable together with 3QFY19/20 DPU of 3.16 cents from 1 October 2019 to 31 December 2019. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 30 January 2020.

⁴ Source: Singapore Commercial Credit Bureau, 1Q2020.

⁵ Source: CBRE Research, 2020 U.S. Real Estate Market Outlook.

⁶ Refer to the announcement dated 25 September 2019 titled "Details of Advanced Distribution in Connection with the Private Placement by Mapletree Industrial Trust".

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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 17 data centres in the United States (through the joint ventures 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 2019, MIT’s total assets under management was S\$5.4 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, 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.