

*For Immediate Release*

## MAPLETREELOG'S 3Q 2006 DISTRIBUTABLE INCOME JUMPS BY 125.6%

### Highlights:

- Distributable income of S\$10.7 million for the three months ended 30 September 2006 ("3Q 2006") is 125.6% higher than that in the same period last year<sup>1</sup> ("3Q 2005").
- Available distribution per unit ("DPU") of 1.32 cents for 3Q 2006 is 13.8% higher than the quarterised forecast of 1.16<sup>2</sup> and 10.9% higher than second quarter 2006 ("2Q 2006") DPU.
- Value of completed assets reaches S\$1,145.4 million with another S\$254.0 million worth of acquisitions announced but pending completion as at 30 September 2006.

**Singapore, 26 October 2006** – The Board of Directors of Mapletree Logistics Trust Management Ltd. ("MLTM"), manager of Mapletree Logistics Trust ("MapletreeLog"), is pleased to announce a 3Q 2006 distributable income of S\$10.7 million, an improvement of 125.6% compared with 3Q 2005.

Summary of results					
	3Q 2006 Actual	3Q 2005 <sup>1</sup> Actual	Variance (3Q 2006 vs 3Q 2005)	3Q 2006 Forecast	Variance (Actual vs Forecast)
Gross Revenue (S\$'000)	21,459	9,166	134.1% ↑	16,297	31.7% ↑
Net Property Income (S\$'000)	19,249	6,840	181.4% ↑	13,219	45.6% ↑
<b>Distributable Income (S\$'000)</b>	<b>10,683</b>	<b>4,735</b>	<b>125.6% ↑</b>	<b>9,384</b>	<b>13.8% ↑</b>
<b>Available DPU (cents)</b>	<b>1.32</b>	<b>NM<sup>3</sup></b>	<b>NM</b>	<b>1.16<sup>2</sup></b>	<b>13.8% ↑</b>

<sup>1</sup> Includes period from 1 July to 27 July 2005 where MapletreeLog was held as a private trust and period from 28 July to 30 September 2005 where it became a public trust.

<sup>2</sup> Prorating 92 days out of 365 on the full year forecast of 4.58 cents disclosed in the Circular dated 22 December 2005.

<sup>3</sup> NM – Not meaningful as distributions of S\$3.08 million in relation to the income of the trust from 5 July 2004 to 27 July 2005 has been made to Mapletree Logistics Properties Pte Ltd which held 100% of the units in MapletreeLog before the Listing Date.

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**Note to table:**

1. MapletreeLog intends to distribute 100% of its taxable income and tax-exempt income (if any) for the period from 28 July 2005 to 31 December 2006.

Available DPU of 1.32 cents for 3Q 2006 is 13.8% higher than the quarterised forecast of 1.16 and 10.9% higher than the 2Q 2006 DPU of 1.19 cents.

Mr. Chua Tiow Chye, Chief Executive Officer of MLTM, said: "We are very pleased with MapletreeLog's robust third quarter performance. The 125.6% year-on-year jump in distributable income for 3Q 2006 is largely contributed by an additional 21 accretive acquisitions completed within the past one year. During the third quarter, the Trust's portfolio size expanded by 14.4% quarter-on-quarter to S\$1,145.4 million in value terms, with fresh rental contributions from eight new properties, of which seven are located in Singapore and one in Hong Kong."

Mr Chua added, "In terms of executing our Asia-focused yield plus growth strategy, we are pleased to report that, including announced acquisitions, our portfolio size has increased from 15 assets at IPO to 44 after one year with a corresponding trebling of asset value from S\$422 million to about S\$1.4 billion. We are therefore on track to achieve our target of adding S\$1 billion of asset acquisitions to our portfolio for this year."

**A growing resilient regional portfolio**

In 3Q 2006, the value of MapletreeLog's portfolio has grown by 14.4% quarter-on-quarter, from 28 properties with a total value of S\$1,001.3 million as at 30 June 2006 to 36 properties amounting to S\$1,145.4 million as at 30 September 2006. In terms of 3Q 2006 net property income, Singapore accounted for 60.7%, Hong Kong, 35.4%, China, 2.0% and Malaysia, the remaining 1.9%. The Manager has also announced that as at 30 September 2006, MapletreeLog has a further eight asset acquisitions which are pending completion, bringing the total number of properties to 44, valued at about S\$1.4 billion. Of these eight acquisitions, three were completed in October 2006 and five are pending completion.

### **Increasing pace of quarterly DPU growth**

The pattern of DPU growth arising from MapletreeLog's yield plus growth strategy is reflected in the increasing pace of the Trust's DPU growth quarter-on-quarter as the Trust progressively recognises rental contributions from its acquisitions.

Mr Chua said, "Compared to 1Q 2006 and 2Q 2006 DPU of 1.11 cents and 1.19 cents respectively, MapletreeLog's 3Q of 1.32 cents DPU registered a 10.9% quarter-on-quarter growth. This brings the cumulative year-to-date DPU to 3.62 cents, reflecting firstly that the Trust has achieved 79% of the year's forecast of 4.58 cents and secondly, the stepped-up pattern of MapletreeLog's DPU growth being incrementally higher in each successive quarter. This stepped-up quarter-on-quarter and year-on-year DPU growth pattern is a feature of MapletreeLog as the Manager continues to grow the Trust's portfolio and assets are brought in along the way."

### **Proactive asset management**

"We are also particularly pleased that our asset management initiatives have yielded positive results. The Manager has achieved near full occupancy of 99.9% for MapletreeLog's portfolio in 3Q 2006. This represents a 3.1 percentage-point increase from 96.8% in the second quarter of this year, due primarily to the higher occupancy at Pulau Sebarok and TIC Tech Centre. We are also in the process of adding more lettable space to TIC Tech Centre under our asset enhancement programme. These efforts will complement the organic growth in our portfolio," Mr. Chua added.

The Trust's portfolio growth has improved the overall quality of the portfolio and added diversification benefits, as follows:

- Tenant base has been further diversified with the addition of established regional third party logistics players including S H Cogent Logistics, ASW Supply Chain Management, Shibusawa (Hong Kong) and Markono Logistics;
- Tenant concentration has been reduced further, with the top ten tenants accounting for 37.6% of the Trust's monthly gross revenue<sup>4</sup> instead of 42.9%;

<sup>4</sup> Based on gross revenue for the month of September 2006.

- Portfolio occupancy rate increased from 96.8% in 2Q 2006 to 99.9% in 3Q 2006;
- The weighted average lease term to expiry remained stable at 5.3 years;
- The weighted average of unexpired lease term of underlying land remains high at 54.6 years.

### **Capital management**

The Manager will continue to optimise MapletreeLog's capital structure and has earlier indicated that the Trust will be using debt financing to fund announced acquisitions.

With the completion of MapletreeLog's announced acquisitions in the third quarter of this year, the Trust's leverage ratio has increased to 49.2% as at 30 September 2006. Going forward, in accordance with its funding strategy, the Manager is considering alternative funding options such as the issuance of new units in the Trust to fund acquisitions and/or to refinance existing debt. The Manager will also continue to explore other possible funding options to lengthen the debt repayment profile of MapletreeLog and to optimise its funding structure.

### **Outlook**

"We expect to close the year with about S\$1.5 billion worth of announced acquisitions although some of the acquisitions will be completed in 2007. By then, the Trust's portfolio value would have a good geographical mix across four markets: approximately 60% from Singapore, 30% from Hong Kong and the remainder from China and Malaysia," Mr. Chua said.

"The economic outlook remains healthy for the various countries in which MapletreeLog operates in while property consultants continue to be positive on the outlook for the region's logistics and warehouse property sector," Mr. Chua commented.

CB Richard Ellis expects rents for all industrial space in Singapore to increase by a further 1% to 1.5% by end-2006, in line with the country's strengthening economic outlook. The property consultant also reported that the emergence of near-term supply pressure in Hong Kong is positive for the warehouse property sector there and that demand for logistics properties in Shanghai,

China remains keen. For the Malaysia market, research firm, Frost & Sullivan, is projecting fast growth for the country's third-party logistics market which is estimated to grow between 8% and 9% over the next two years.

"We will continue to seek yield-accretive acquisitions which generate stable and long term rental income in our mature markets such as Singapore while at the same time, continue to leverage on the rental reversion potential in high growth markets such as Hong Kong and China with shorter rental lease tenures there," Mr. Chua said. To enhance the Trust's medium-to long-term growth, the Manager is also exploring new markets such as Japan, India, Thailand and South Korea.

**Distribution to unitholders and confidence in meeting 2006 DPU forecast**

MapletreeLog will pay a distribution of 1.32 cents per unit on 29 November 2006 for the period from 1 July 2006 to 30 September 2006. MapletreeLog's DPU for the first three quarters of 2006 totaled 3.62 cents, representing 79.0% of its full-year forecast of 4.58 cents.

Mr. Chua said: "Given the good progress made and based on our year-to-date results, we are affirming our confidence in meeting the full-year forecast."

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**About MapletreeLog ([www.mapletreelogisticstrust.com](http://www.mapletreelogisticstrust.com))**

MapletreeLog, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. The Trust is also listed in the Global Property Research (GPR) 250 Index. MapletreeLog's principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. It has a portfolio of 36 logistics assets in Singapore, Hong Kong, China and Malaysia valued at S\$1,145.4 million (as at 30 September 2006). MapletreeLog is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

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**Important Notice**

The value of units in MapletreeLog ("Units") and the income 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 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. The past performance of MapletreeLog is not necessarily indicative of its future performance. This release may 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 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and 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 on future events.

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