# 2Q FY13/14 Financial Results

17 October 2013


# Disclaimer

*This Presentation is focused on comparing results for the three months ended 30 Sep 2013 versus results achieved in the three months ended 30 Sep 2012 and versus results achieved in the previous quarter ended 30 Jun 2013. This shall be read in conjunction with Mapletree Logistics Trust's financial results for the three months ended 30 Sep 2013 in the SGXNET announcement.*

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This presentation 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 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.

# Agenda

- **Key Highlights**
- **Financial Review**
- **Capital Management**
- **Business Review**
- **Outlook**

# Key Highlights

# 2Q FY13/14 Highlights

- **2Q FY13/14 DPU up 6% y-o-y**
  - Amount distributable to Unitholders up 7% y-o-y
  - Growth driven by enlarged portfolio, positive rental reversions and lower financing costs
  - Excluding divestment gain from 30 Woodlands Loop, amount distributable to Unitholders & DPU would have grown 6% and 5% y-o-y, respectively

- **Resilient portfolio**
  - Stable occupancy at 98.7%
  - Positive rental reversions of 24%
  - 62% of leases due for expiry in FY13/14 have been renewed / replaced to-date

- **Prudent capital management**
  - Weighted average borrowing cost stable at 1.9%
  - Aggregate leverage ratio up slightly to 34.4% due to completion of acquisition of The Box Centre
  - Over 90% of amount distributable in FY13/14 is hedged into / derived in SGD

# Financial Review

# 2Q FY12/13 vs. 2Q FY13/14 (Year-on-Year)

| S$'000 | 2Q FY12/13 [1] (3 mths ended 30 Sep 2012) | 2Q FY13/14 [2] (3 mths ended 30 Sep 2013) | y-o-y change (%) |
|---|---|---|---|
| Gross Revenue | 77,481 | 77,051 | (1%) ↓ |
| Property Expenses | (9,989) | (10,452) | 5% ↑ |
| Net Property Income ("NPI") | 67,492 | 66,599 | (1%) ↓ |
| Borrowing Costs | (10,031) | (7,327) | (27%) ↓ |
| Amount Distributable | 46,134 | 49,233[3] | 7% ↑ |
| • To Perpetual Securities Holders | 4,742 | 4,742 | - |
| • To Unitholders | 41,392 | 44,491 | 7% ↑ |
| Available DPU (cents) | 1.71 | 1.82 | 6% ↑ |
| **Excluding Divestment Gains** | | | |
| Adjusted Amount Distributable to Unitholders | 41,392 | 43,871 | 6% ↑ |
| Adjusted DPU (cents) | 1.71 | 1.80 | 5% ↑ |

Footnotes:
1) 2Q FY12/13 started with 109 properties and ended with 110 properties.
2) 2Q FY13/14 started with 110 properties and ended with 111 properties.
3) This includes partial distribution of the gain from the divestment of 30 Woodlands Loop amounting to S$620,000 per quarter (for 8 quarters from 1Q FY13/14).

- Gross revenue and NPI declined y-o-y due mainly to JPY depreciation. Excluding forex impact, gross revenue and NPI would have grown 4% and 3% respectively due to an enlarged portfolio & positive rental reversions
- Property expenses increased 5% y-o-y due to:
  - An enlarged portfolio
  - Higher term contract rates
  - Conversions from SUAs to MTBs in Singapore
  - Partially offset by impact of weaker JPY
- Borrowing costs down 27% due to lower average interest rates achieved & weaker JPY
- Impact of weaker JPY on distribution is mitigated by currency hedges

# 1H FY12/13 vs. 1H FY13/14 (Year-on-Year)

| S$'000 | 1H FY12/13 [1] (6 mths ended 30 Sep 2012) | 1H FY13/14 [2] (6 mths ended 30 Sep 2013) | y-o-y change (%) |
|---|---|---|---|
| Gross Revenue | 154,580 | 152,461 | (1%) ↓ |
| Property Expenses | (19,549) | (20,561) | 5% ↑ |
| Net Property Income ("NPI") | 135,031 | 131,900 | (2%) ↓ |
| Borrowing Costs | (20,054) | (14,499) | (28%) ↓ |
| Amount Distributable | 91,957 | 97,885[3] | 6% ↑ |
| • To Perpetual Securities Holders | 9,432 | 9,432 | - |
| • To Unitholders | 82,525 | 88,453 | 7% ↑ |
| Available DPU (cents) | 3.41 | 3.62 | 6% ↑ |
| **Excluding Divestment Gains** | | | |
| Adjusted Amount Distributable to Unitholders | 82,525 | 87,213 | 6% ↑ |
| Adjusted DPU (cents) | 3.41 | 3.58 | 5% ↑ |

Footnotes:
1) 1H FY12/13 started with 105 properties and ended with 110 properties.
2) 1H FY13/14 started and ended with 111 properties.
3) This includes partial distribution of the gain from the divestment of 30 Woodlands Loop amounting to S$1,240,000 for 1H FY13/14.

- Gross revenue and NPI declined y-o-y due mainly to JPY depreciation. Excluding forex impact, gross revenue and NPI would have grown 4% and 3% respectively due to an enlarged portfolio & positive rental reversions
- Property expenses increased 5% y-o-y due to:
  - An enlarged portfolio
  - Higher term contract rates
  - Conversions from SUAs to MTBs in Singapore
  - Partially offset by impact of weaker JPY
- Borrowing costs down 28% due to lower average interest rates achieved & weaker JPY
- Impact of weaker JPY on distribution is mitigated by currency hedges

# 1Q FY13/14 vs. 2Q FY13/14 (Quarter-on-Quarter)

| S$'000 | 1Q FY13/14 [1] (3 mths ended 30 Jun 2013) | 2Q FY13/14 [2] (3 mths ended 30 Sep 2013) | q-o-q change (%) |
|---|---|---|---|
| Gross Revenue | 75,410 | 77,051 | 2% ⬆ |
| Property Expenses | (10,109) | (10,452) | 3% ⬆ |
| Net Property Income ("NPI") | 65,301 | 66,599 | 2% ⬆ |
| Borrowing Costs | (7,172) | (7,327) | 2% ⬆ |
| Amount Distributable | 48,652[3] | 49,233[3] | 1% ⬆ |
| • To Perpetual Securities Holders | 4,690 | 4,742 | 1% ⬆ |
| • To Unitholders | 43,962 | 44,491 | 1% ⬆ |
| Available DPU (cents) | 1.80 | 1.82 | 1% ⬆ |

- Q-o-Q growth in gross revenue due to:
  - An enlarged portfolio
  - Positive rental reversions
  - Improved occupancies in Hong Kong & China
- Higher property expenses due to newly acquired property in South Korea and higher expenses in South Korea, China & Japan

Footnotes:
1) 1Q FY13/14 started with 111 properties and ended with 110 properties.
2) 2Q FY13/14 started with 110 properties and ended with 111 properties.
3) This includes partial distribution of the gain from the divestment of 30 Woodlands Loop amounting to S$620,000 per quarter (for 8 quarters from 1Q FY13/14).

# Healthy Balance Sheet

| S$'000 | 30 Jun 2013 | 30 Sep 2013 |
|---|---|---|
| Investment Properties | 4,098,431 | 4,136,809 |
| Total Assets | 4,271,850 | 4,311,022 |
| Total Liabilities | 1,673,903 | 1,694,176 |
| Net Assets Attributable to Unitholders | 2,242,961 | 2,266,717 |
| NAV Per Unit | S$0.92[1] | S$0.93[2] |

Footnotes:
1) Included net derivative financial instruments, at fair value, asset of S$11.1 million. Excluding this, NAV per unit would be S$0.92.
2) Included net derivative financial instruments, at fair value, asset of S$12.1 million. Excluding this, NAV per unit would be S$0.92.

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# MLT Distribution Details

| Distribution Details | |
|---|---|
| SGX Stock Code | M44U |
| Distribution Period | 1 Jul 2013 - 30 Sep 2013 |
| Distribution Amount | 1.82 cents per unit |

| Distribution Timetable | |
|---|---|
| Last day of trading on "cum" basis | 22 Oct 2013, 5:00 pm |
| Ex-Date | 23 Oct 2013, 9:00 am |
| Books Closure Date | 25 Oct 2013, 5:00 pm |
| Distribution Payment Date | 29 Nov 2013 |
| Credit of new Units to Unitholders' securities accounts | 29 Nov 2013 |

# Capital Management

# Prudent Capital Management

| | As at 30 Jun 2013 | As at 30 Sep 2013 |
|---|---|---|
| Aggregate Leverage Ratio | 34.0% | 34.4% |
| Total Debt (S$ million) | 1,450 | 1,478 |
| Weighted Average Annualised Interest Rate (%) [1] | 1.9 | 1.9 |
| Average Debt Duration (years) | 4.0 | 3.6 |
| Interest Cover Ratio (times) [2] | 8.7 | 8.6 |
| MLT Credit Rating by Moody's | Baa1 with stable outlook | Baa1 with stable outlook |

Footnotes:
1) For the quarter ended.
2) Ratio of EBITDA over interest expense for period up to balance sheet date.

- Aggregate leverage ratio up slightly to 34.4% due to completion of acquisition of The Box Centre
- Approximately 74% of total debt hedged into fixed rates
- All loans are unsecured with minimal financial covenants

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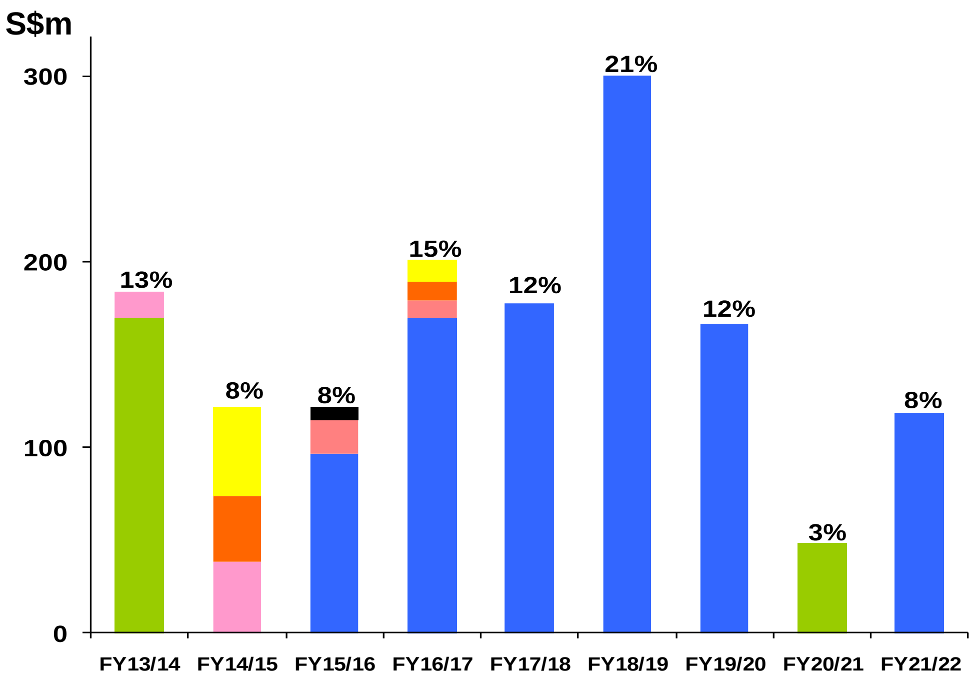
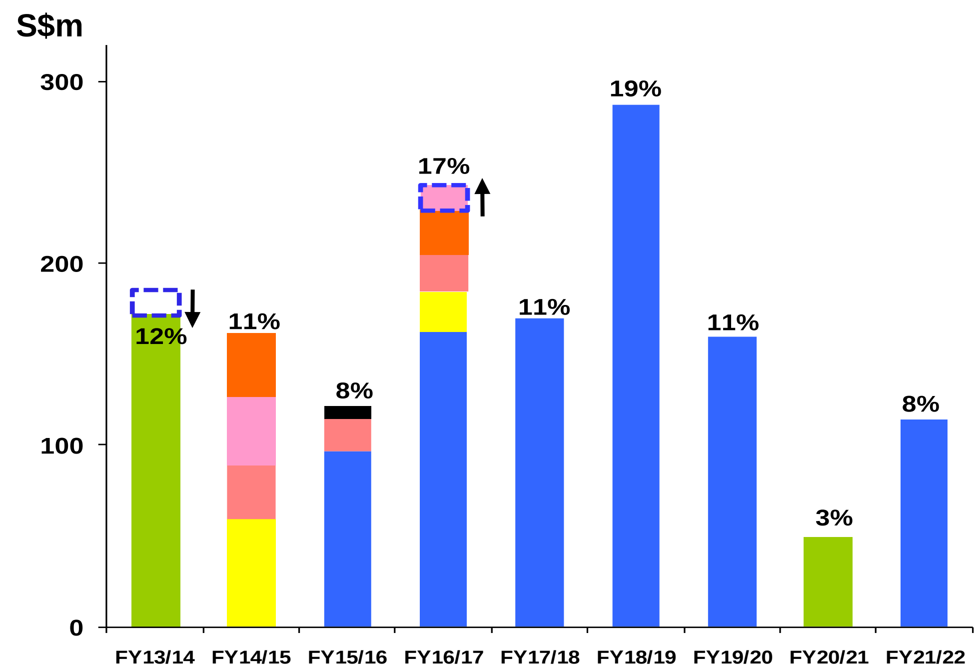
# Debt Maturity Profile (By Currency)

- Maintained healthy balance sheet with a well staggered debt maturity profile
- Refinanced MYR36m (~S$14m) of loans due in FY13/14 through a 3-year loan extension
- In advanced stages to refinance the balance 12% in HKD loans maturing in Mar 2014

| Debt as at 30 Jun 2013 | Debt as at 30 Sep 2013 |
|---|---|



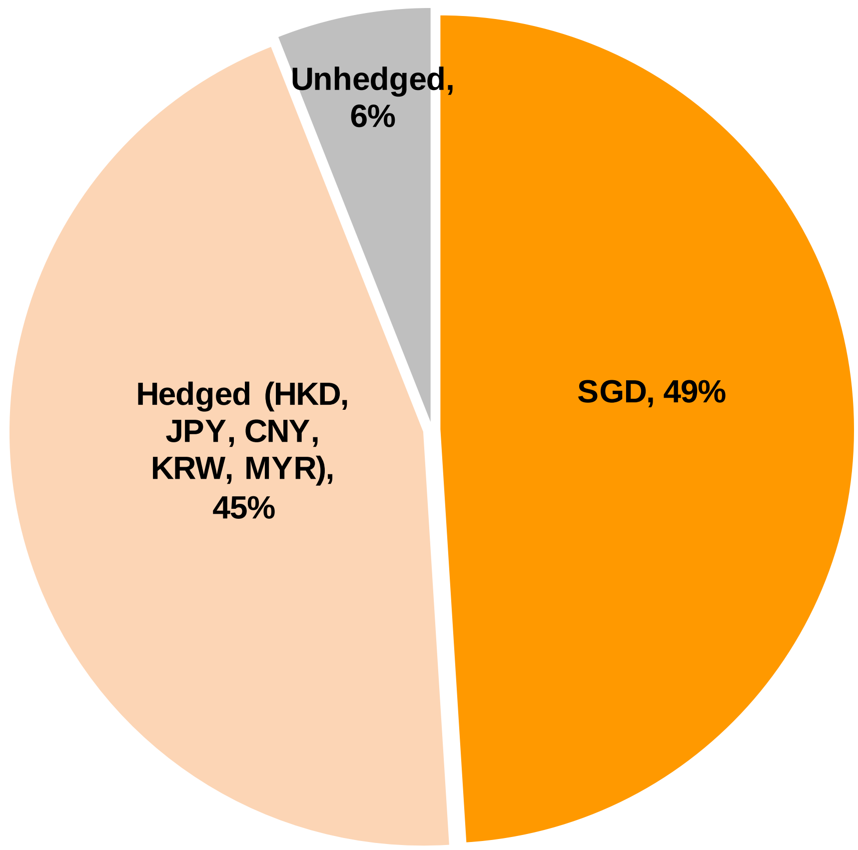




**Debt amount: S$1,450 million** | **S$1,478 million**

CNY SGD HKD JPY MYR KRW USD

# Forex Risk Management

- Over 90% of amount distributable in FY13/14 is hedged into / derived in SGD



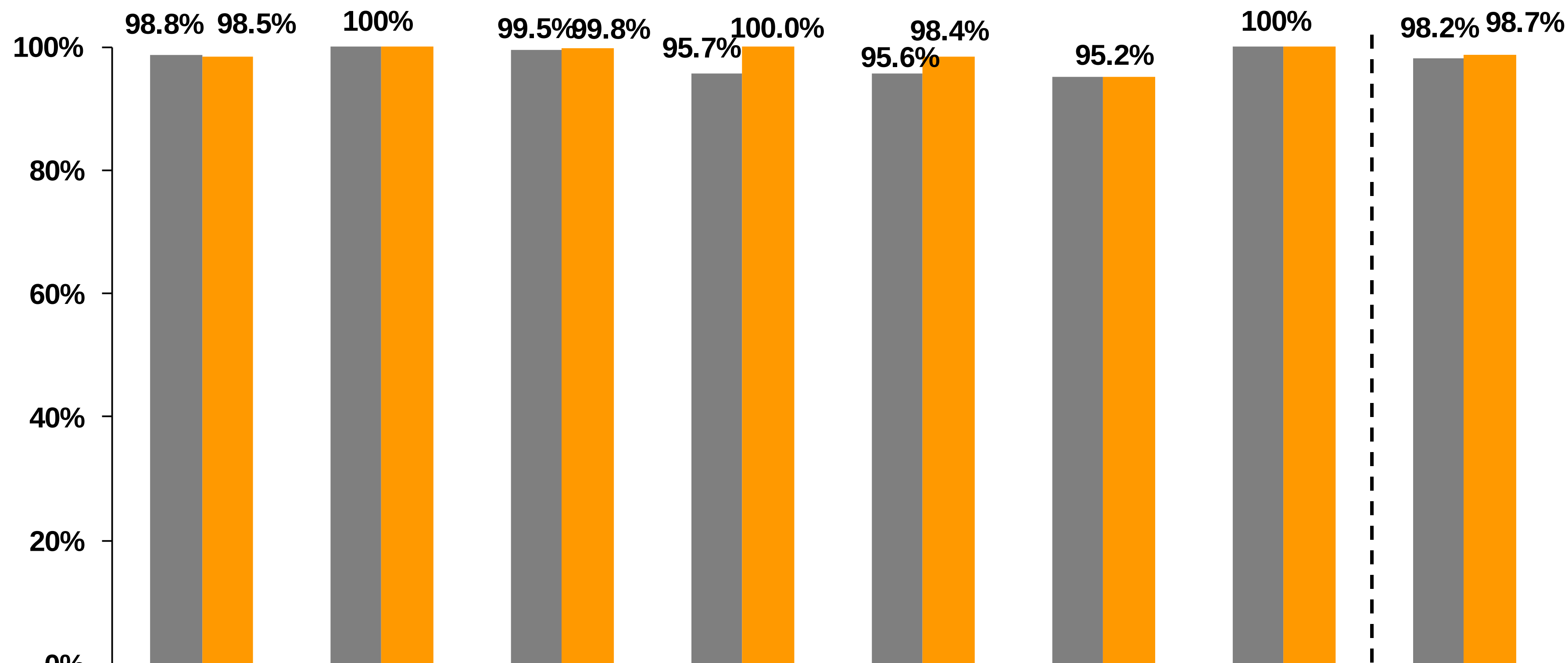
# Business Review

# Stable Portfolio

- **Active asset and lease management**
  - Stable operations with 98.7% occupancy rate
  - Positive rental reversions of 24% for leases renewed / replaced in 2Q FY13/14, mainly due to leases in Singapore & Hong Kong
- **Stability from long leases**
  - Weighted average lease term to expiry (by net lettable area) at about 4.9 years
  - Approximately 41% of MLT's leases are expiring in FY17/18 and beyond
- **Arrears ratio remained low and stable**
  - Less than 1% of annualised gross revenue

# Healthy Occupancy Levels

**Country Breakdown of Occupancy Levels**




| | Singapore | Japan | Hong Kong | S. Korea | China | Malaysia | Vietnam | Portfolio |
|---|---|---|---|---|---|---|---|---|
| Jun 13 | 98.8% | 100.0% | 99.5% | 95.7% | 95.6% | 95.2% | 100.0% | 98.2% |
| Sep 13 | 98.5% | 100.0% | 99.8% | 100.0% | 98.4% | 95.2% | 100.0% | 98.7% |

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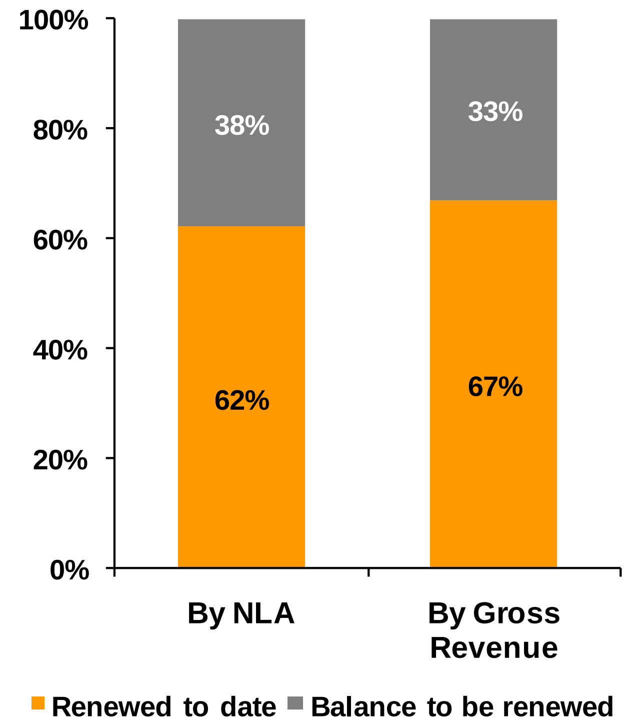
# Successful Lease Renewals in FY13/14

- 15% of MLT's leases (by NLA) are due for expiry in FY13/14
- Approximately 62% of these have been successfully renewed/replaced to-date

| NLA renewed / replaced in FY13/14 ('000 sqm) | Total renewable | Spaces renewed / replaced to date | Balance spaces renewable |
|---|---|---|---|
| Singapore | 222 | 131 | 91 |
| Malaysia | 73 | 38 | 35 |
| Hong Kong | 54 | 51 | 3 |
| China | 45 | 28 | 17 |
| South Korea | 24 | 8 | 16 |
| Vietnam | 10 | 10 | 0 |
| **Total Area** | **428** | **266** | **162** |

**Total Renewable in FY13/14 (%)**

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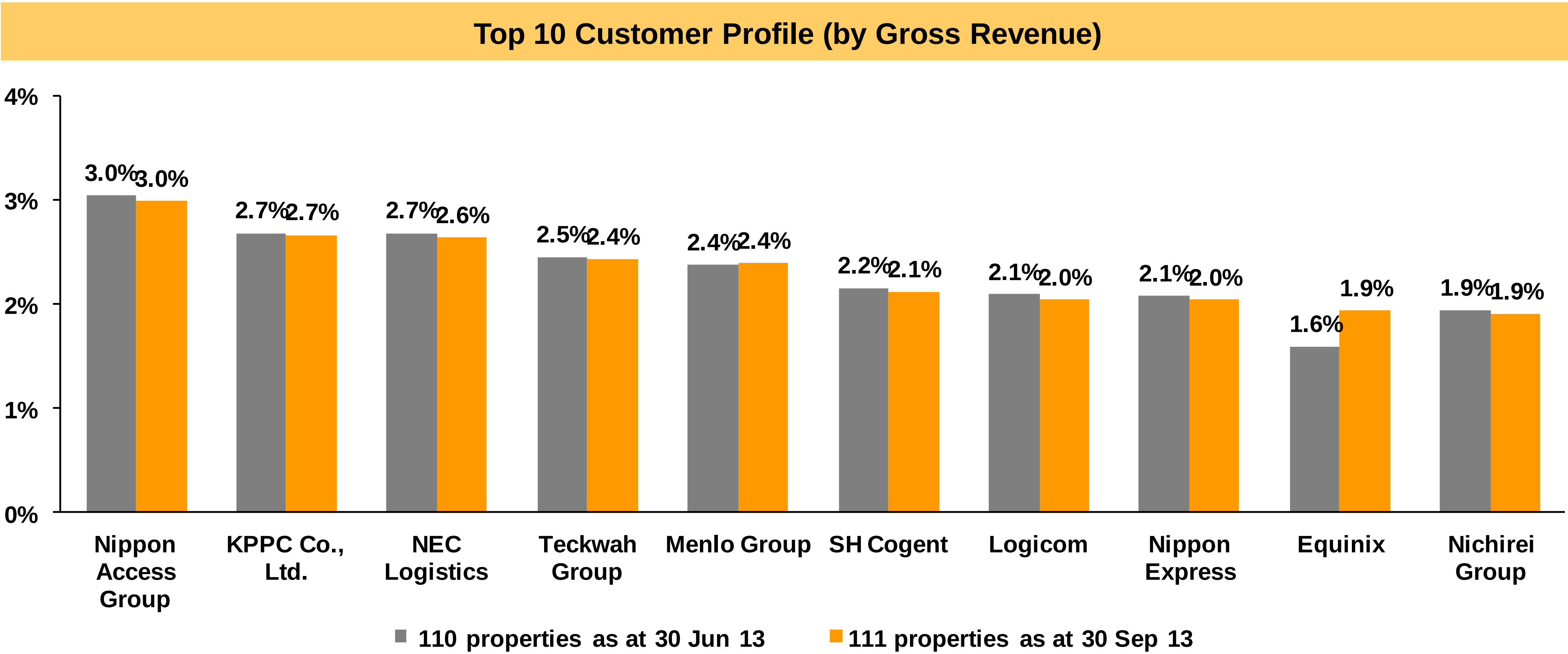
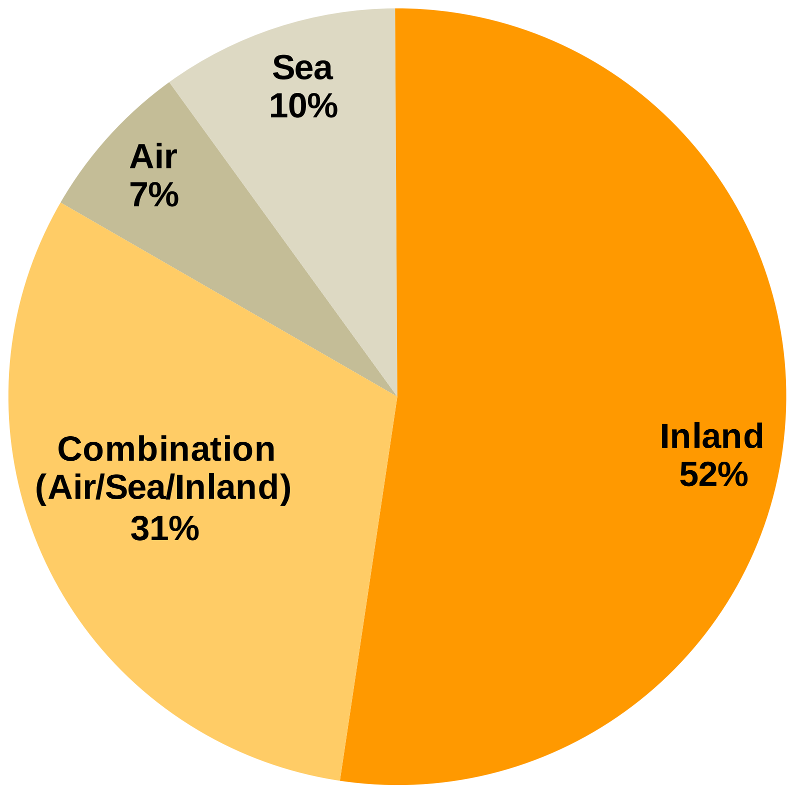
# Top 10 Customer Profile

- 373 customers; none accounts for >3% of total revenue
- Top 10 customers ~ 23% of total gross revenue

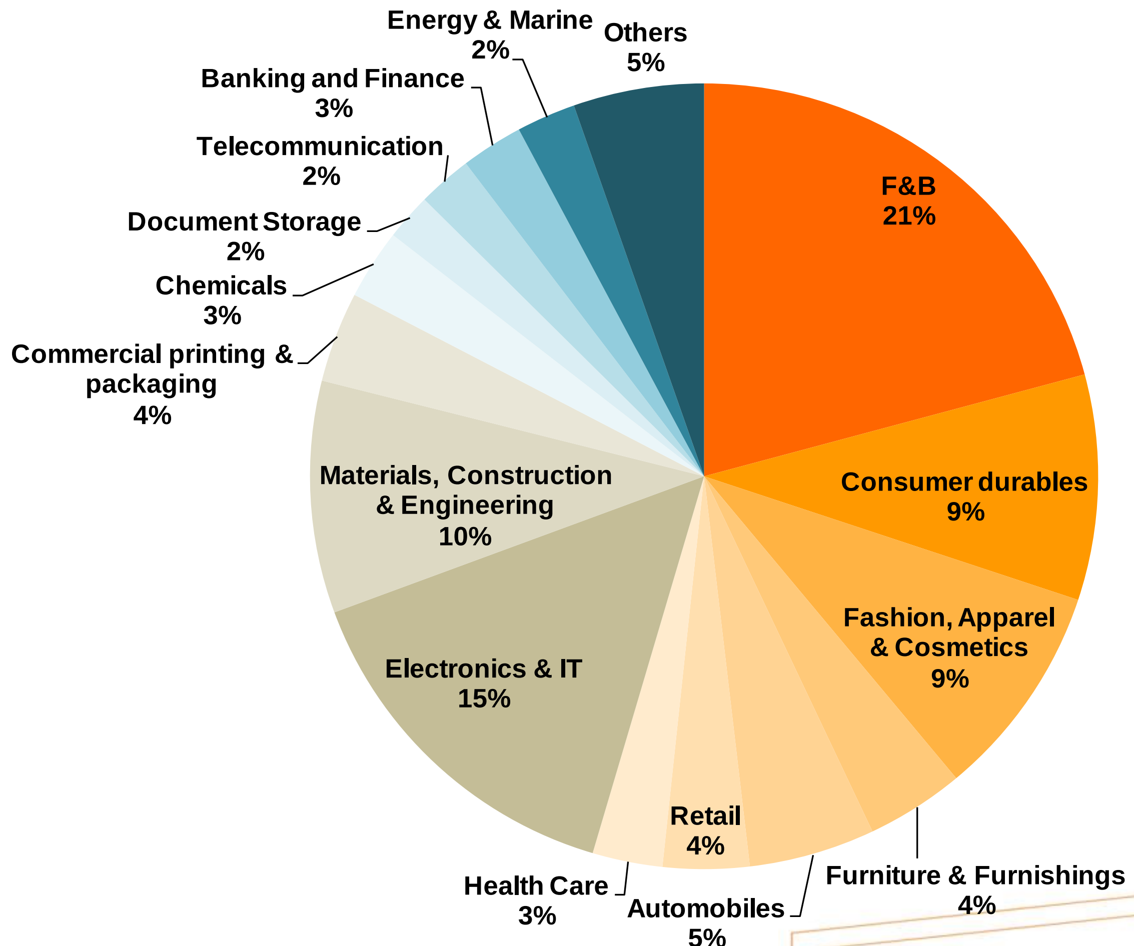


# Diversified Customer Mix Provides Portfolio Stability

**Sep 2013 Revenue Contribution (By Distribution Channel)**

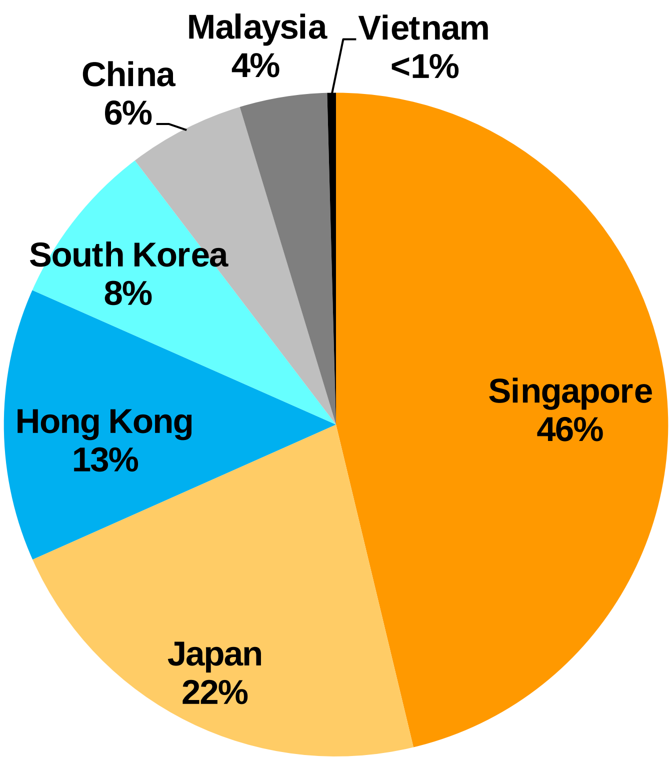


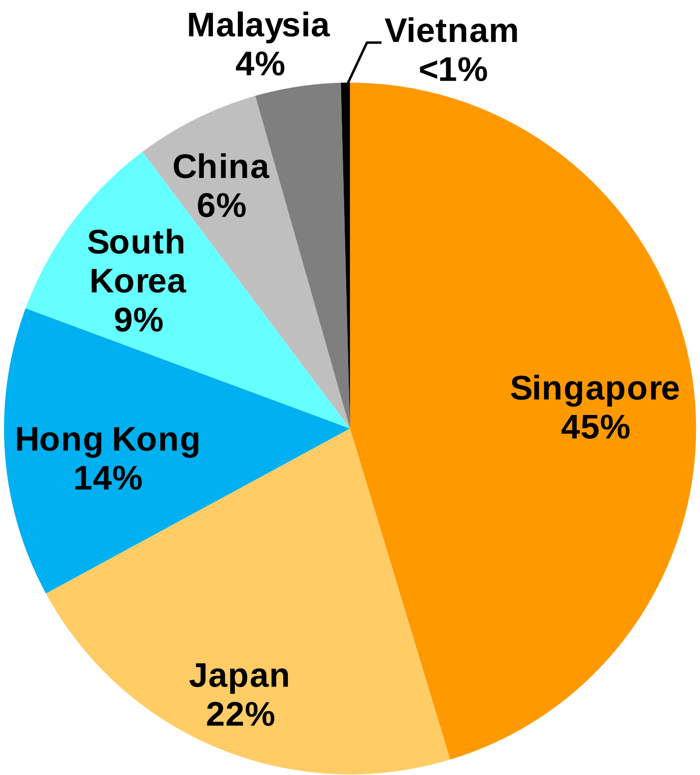

**Sep 2013 Revenue Contribution (By Industry)**



# Geographical Diversification

| 1Q FY13/14 Revenue Contribution by Country (110 properties as at 30 Jun 2013) [1] | 2Q FY13/14 Revenue Contribution by Country (111 properties as at 30 Sep 2013) [2] |
|---|---|

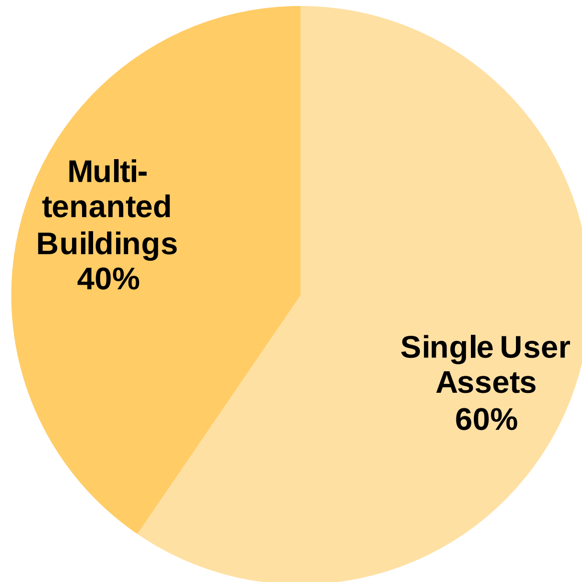


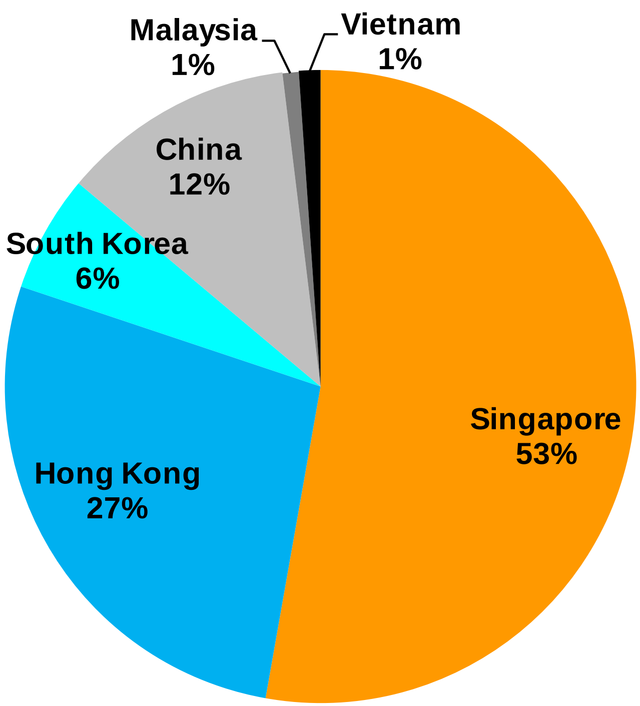

| S$75.4 million | S$77.1 million |
|---|---|

Footnotes:
1) 1Q FY13/14 started with 111 properties and ended with 110 properties.
2) 2Q FY13/14 started with 110 properties and ended with 111 properties.

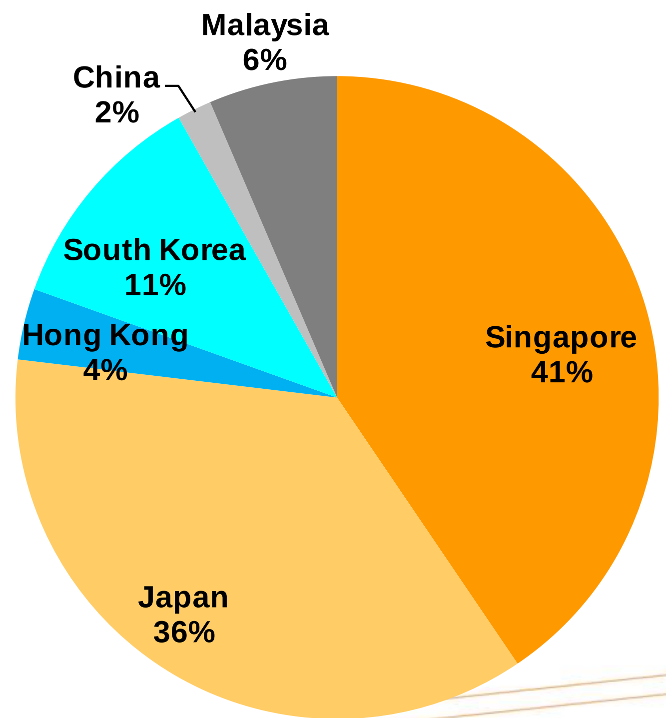
# Multi-tenanted Buildings vs. Single User Assets




**Sep 2013 MTB Revenue Contribution by Country**



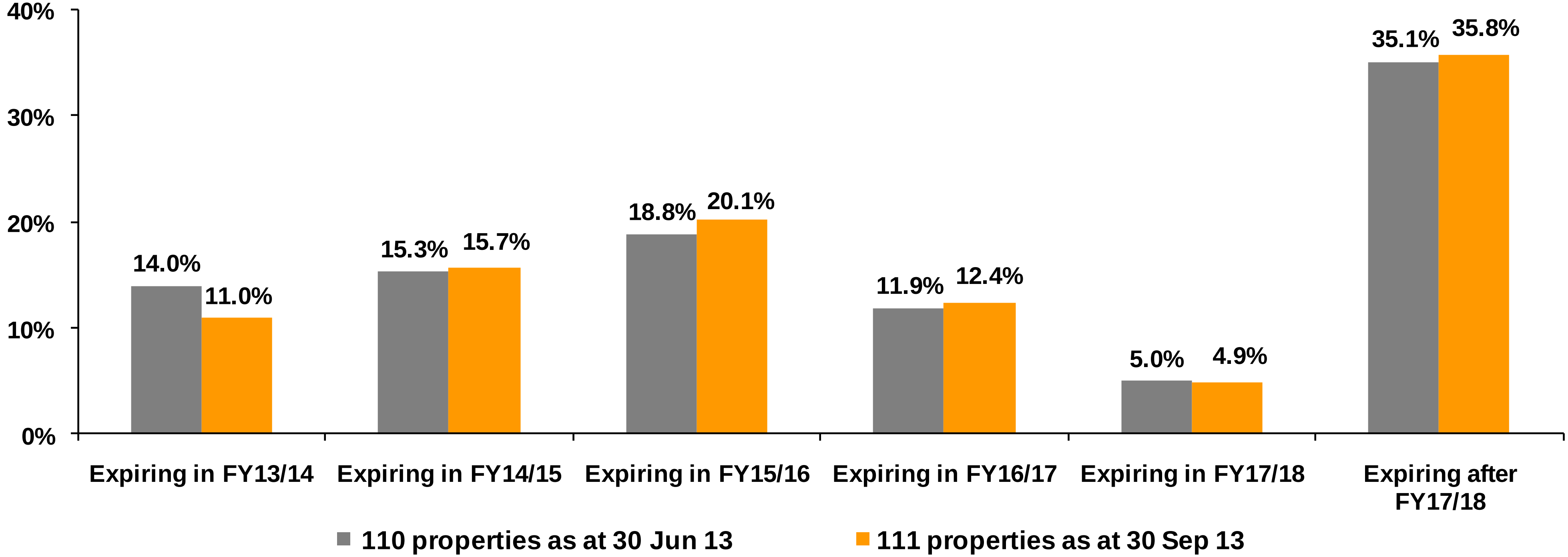

**Sep 2013 SUA Revenue Contribution by Country**



# Long Leases Provide Portfolio Stability

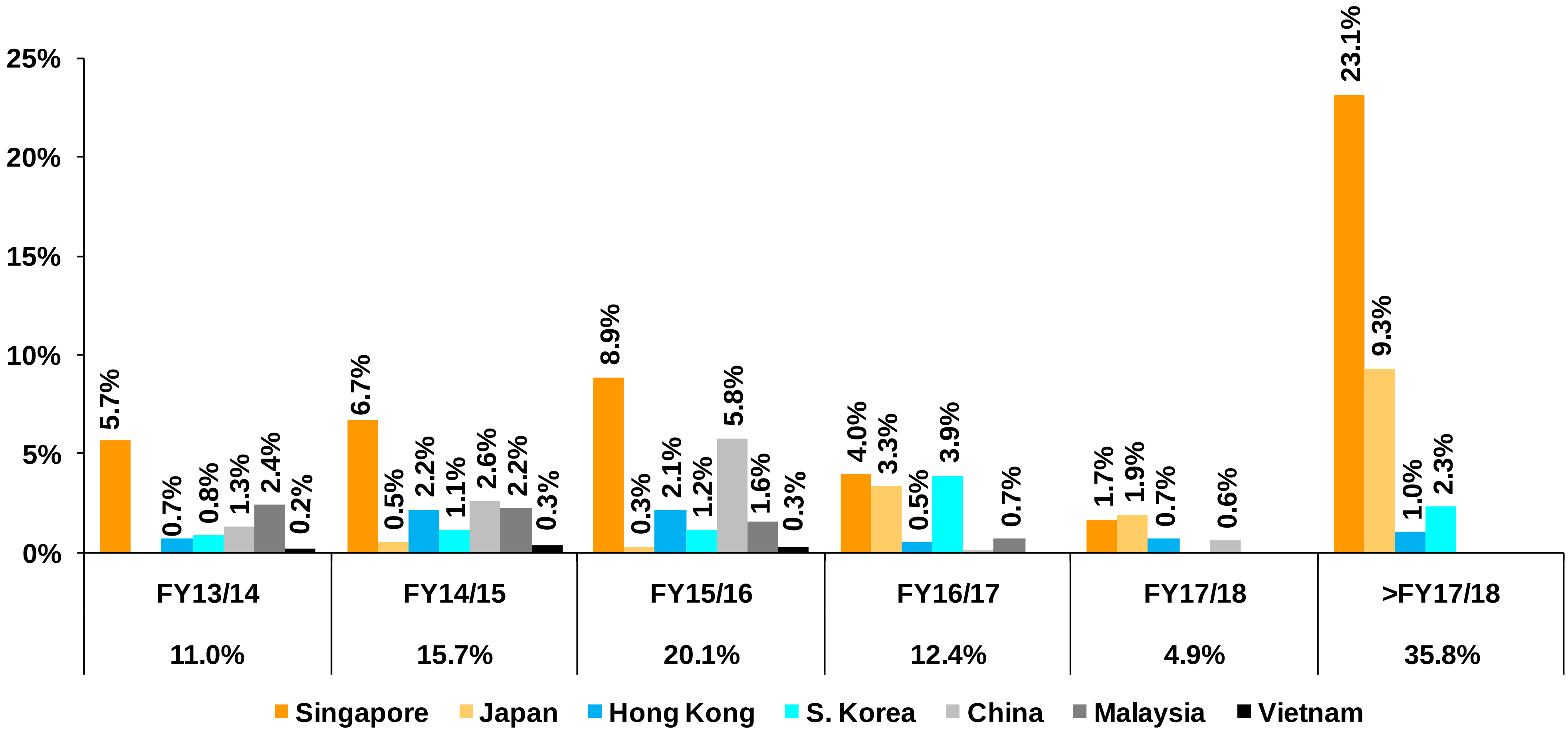
- Weighted average lease term to expiry (by NLA): 4.9 years

**Lease Expiry Profile (By NLA)**



# Long Leases Provide Portfolio Stability

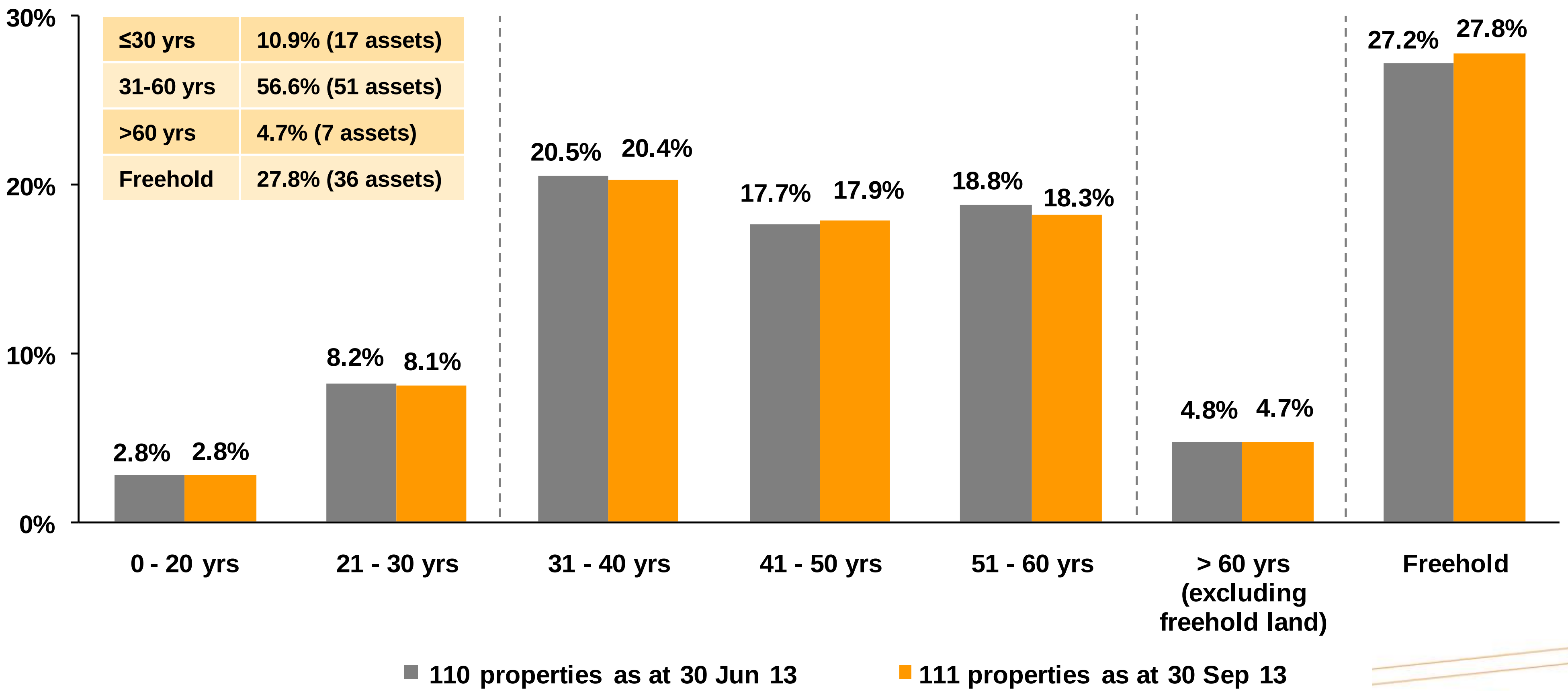
**Country Breakdown of Lease Expiry Profile as at 30 Sep 2013 (By NLA)**



# Long Leases Provide Portfolio Stability

- Weighted average lease term to expiry of underlying leasehold land (excluding freehold land): 45 years

**Remaining years to expiry of underlying land lease (By NLA)**



# Portfolio at a Glance

| | As at 30 Jun 2013 | As at 30 Sep 2013 |
|---|---|---|
| Investment Properties (S$ million) | 4,098 | 4,137 |
| WALE (by NLA) (years) | 5.1 | 4.9 |
| Net Lettable Area (million sqm) | 2.9 | 2.9 |
| Occupancy Rate (%) | 98.2 | 98.7 |
| No. of Tenants | 369 | 373 |
| **No. of Properties** | **110** | **111** |
| **No. of Properties – By Country** | | |
| Singapore | 52 | 52 |
| Japan | 22 | 22 |
| Hong Kong | 8 | 8 |
| China | 7 | 7 |
| Malaysia | 13 | 13 |
| South Korea | 7 | 8 |
| Vietnam | 1 | 1 |

# Outlook

# Outlook

- **Demand for warehouses in Asia remains stable**
- **New redevelopment project in Singapore to increase GFA by 2.7x**
  - Proposed redevelopment into a 6-storey modern ramp-up facility at 5B Toh Guan Rd East
  - Additional 40,000 sqm GFA created by increasing built plot ratio from 0.93 to 2.5
  - Scheduled to commence in early FY14/15
- **Active asset management efforts to optimise Unitholder returns**
  - Redevelopment of Mapletree Benoi Logistics Hub on track for completion in 3Q FY13/14
  - Solar panel installation at 4 Japan assets nearing completion with tariff revenue coming on-stream next quarter; another 5 assets are currently under evaluation for the next phase of installation
  - Manage increasing property expenses arising from higher term contract rates and costs associated with conversion of SUAs to MTBs in 2H FY13/14
- **Value creation for Unitholders**
  - Selectively pursue strategic acquisition opportunities
  - Disciplined capital management to maintain strong balance sheet with diversified funding sources

Thank You

# Appendix

# MIPL's Logistics Development Projects in Asia

| No. | Project | GFA (sqm) | Status |
|---|---|---|---|
| 1 | Mapletree Yangshan Bonded Logistics Park (Shanghai) | 45,900 | Completed with leasing underway |
| 2 | Mapletree Beijing FTZ Park | 35,900 | Completed with leasing underway |
| 3 | Mapletree Tianjin Airport Logistics Park | 66,500 | Completed with leasing underway |
| 4 | Mapletree Tianjin Port HaiFeng Bonded Logistics Park | 194,100 | Completed with leasing underway |
| 5 | Mapletree Zhengzhou International Logistics Park | 79,300 | Completed with leasing underway |
| | **China Subtotal** | **421,700** | |
| 6 | Mapletree Shah Alam Logistics Park | 60,000 | Completed with active renewal of leases |
| | **Malaysia Subtotal** | **60,000** | |
| 7 | Mapletree Logistics Park (Binh Duong) | 440,000 | Phases 1 & 2 completed with leasing underway |
| 8 | Mapletree Bac Ninh Logistics Park | 310,000 | Phase 1 completed with leasing underway |
| | **Vietnam Subtotal** | **750,000** | |
| 9 | Odawara Centre (Kanagawa) | 205,100 | Phases 1 & 2 completed and handed over to BTS customer |
| 10 | Joso Centre (Ibaraki) | 27,200 | Completed and handed over to BTS customer |
| | **Japan Subtotal** | **232,300** | |
| 11 | Tsing Yi Development | 85,000 | In design stage |
| | **Hong Kong Subtotal** | **85,000** | |
| | **Total** | **1,549,000** | |

 Table is updated as at 30 Sep 2013