mapletree logistics

press release

For Immediate Release

MAPLETREE LOGISTICS TRUST'S DISTRIBUTION PER UNIT FOR 1Q FY13/14 RISES 6% YEAR-ON-YEAR

Highlights:

- *Stable operations with 98.2% occupancy rate, positive rental reversions*
- *Distribution Per Unit ("DPU") of 1.80 cents for 1Q FY13/14*[3]

Singapore, 18 July 2013 – The Board of Directors of Mapletree Logistics Trust Management Ltd. ("MLTM"), manager ("Manager") of Mapletree Logistics Trust ("MLT"), is pleased to announce results for the first quarter ended 30 June 2013 ("1Q FY13/14").

(S$ '000)	1Q FY13/14 3 mths ended 30 Jun 2013 [1]	1Q FY12/13 3 mths ended 30 Jun 2012 [2]	Variance (y-o-y)
Gross Revenue	75,410	77,099	-2.2% ↓
Property Expenses	(10,109)	(9,560)	5.7% ↑
Net Property Income ("NPI")	65,301	67,539	-3.3% ↓
Amount Distributable	48,652	45,823	6.2% ↑
- To Perpetual securities holders	4,690	4,690	-
- To Unitholders	43,962 [3]	41,133	6.9% ↑
Available Distribution Per Unit ("DPU") (cents)	**1.80**	**1.70**	**5.9%** ↑
Excluding Divestment Gains			
Adjusted Amount Distributable to Unitholders	**43,342**	**41,133**	**5.4%** ↑
Adjusted DPU (cents)	**1.78**	**1.70**	**4.7%** ↑

Footnotes:

1. *1Q FY13/14 started with 111 properties and ended with 110 properties.*
2. *1Q FY12/13 started with 105 properties and ended with 109 properties.*
3. *This includes partial distribution of the gain from the divestment of 30 Woodlands Loop amounting to S$620,000 per quarter (for eight quarters from 1Q FY13/14).*

Mapletree Logistics Trust Management Ltd.
10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438
tel 65 6377 6111 **fax** 65 6273 2753
Co. Reg. No. 200500947N

MLT registered gross revenue of S$75.4 million and net property income of S$65.3 million for 1Q FY13/14, representing a decrease of 2% and 3% respectively over the same period last year ("1Q FY12/13"). The year-on-year ("y-o-y") decline was mainly due to the depreciation of the Japanese Yen. Excluding forex impact, gross revenue would have increased by S$2.4 million or 3% y-o-y, driven by an enlarged portfolio and higher rent from existing assets due to positive rental reversions. Accordingly, net property income would have reported a 2% y-o-y growth.

The impact of the Japanese Yen depreciation on distributable income was mitigated by currency hedges as the income stream for the quarter was fully hedged into or derived in Singapore dollar. The 1Q FY13/14 results also benefitted from a S$2.9 million or 28% y-o-y fall in borrowing costs. This was mainly due to lower average interest rates achieved on the new interest rate swaps and fixed rate notes entered into during the quarter to replace expiring interest rate hedges.

Additionally, this quarter's results included the partial distribution of the net gain from the divestment of 30 Woodlands Loop. The S$4.96 million divestment gain will be distributed over eight quarters commencing from this quarter. This translated to S$0.6 million in amount distributable per quarter or about 0.025 cents per Unit.

Consequently, amount distributable to Unitholders increased 7% y-o-y to S$44.0 million while DPU grew 6% to 1.80 cents.

Ms Ng Kiat, Chief Executive Officer of MLTM, said, "We are pleased to announce another quarter of steady performance for MLT. Underpinned by a stable portfolio performance, DPU for 1Q FY13/14 grew 6% y-o-y, driven mainly by lower borrowing costs as well as the gain from the divestment of 30 Woodlands Loop. Excluding this divestment gain, both amount distributable to Unitholders and DPU for 1Q FY13/14 would have reported a y-o-y improvement of 5%. However, forex volatility may persist in the near term and we will continue to actively manage this through hedging so as to mitigate its impact on distributable income."

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Portfolio Update

As at 30 June 2013, MLT's portfolio comprised 110 properties, with a book value of S$4.1 billion. Occupancy rate for the portfolio has remained stable at 98.2%.

Subsequent to the quarter, MLT increased its presence in South Korea with the KRW28.75 billion acquisition of The Box Centre, a modern 3-storey dry warehouse with an initial net property income yield of 8.4%. Following the completion of the acquisition on 4 July 2013, MLT's portfolio has increased to 111 properties. Of the 111 properties, 52 are in Singapore, 22 in Japan, 13 in Malaysia, 8 in Hong Kong, 7 in China, 8 in South Korea and 1 in Vietnam.

In FY13/14, around 15% of the leases (by net lettable area) are due for expiry and to date, approximately 27% of these have been successfully renewed or replaced. For leases renewed/replaced during the quarter, average rentals achieved were on average 17% higher than the preceding rentals. The positive rental reversion was mainly contributed by leases in Hong Kong and Singapore. The weighted average lease term to expiry for the portfolio is around 5.1 years with around 40% of the leases expiring in FY17/18 and beyond.

Capital Management Update

As at 30 June 2013, MLT's aggregate leverage ratio was maintained at approximately 34%, similar to the prior quarter. Following the completion of the acquisition of The Box Centre, aggregate leverage has increased to around 34.6%.

The weighted average borrowing cost for 1Q FY13/14 has declined to 1.9%, compared to 2.4% in the previous financial year FY12/13. The decline is mainly attributed to lower average interest rates achieved on the new interest rate swaps and fixed rate notes of 4 to 7 years tenor entered into during the quarter to replace expiring interest rate hedges.

As part of its active capital management efforts, the Manager issued a 7-year HKD300 million medium term note at 3% fixed rate per annum to refinance part of the HKD1.35 billion bank loan ahead of its maturity in March 2014. Following this issuance and other term loans taken to refinance maturing debt, the total debt maturing in FY13/14 has declined to S$184 million or 13%

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of overall debt, compared to S$289 million or 20% last quarter. The average duration of MLT's debt has increased slightly to 4.0 years as of 30 June 2013, from 3.9 years as of 31 March 2013.

The Manager will continue to proactively optimise its capital structure and diversify its sources of funding to support MLT's strategic growth plans. In addition, the Manager will continue to implement measures to mitigate the impact of foreign exchange and interest rate fluctuations on distribution. Currently, about 70% of MLT's total debt has been hedged into fixed rates while about 90% of MLT's income stream for FY13/14 has been hedged into or is derived in Singapore dollar.

Outlook

The global economic outlook remains uncertain. United States and Japan have shown signs of a pick-up in economic activity. China has reported slowing growth and Europe remains mired in recession. Demand for logistics facilities in the Asian markets is stable and accordingly rental and occupancy rates are expected to hold steady.

MLT's redevelopment project at 21 Benoi Sector in Singapore is expected to be completed in 3Q FY13/14. Upon completion, it will yield a gross floor area of approximately 92,500 sqm, representing a four-fold increase from 22,500 sqm previously. The project has received keen interest from third party logistics players and is currently 94% pre-leased, with the balance in advanced negotiations. Its contribution to DPU in FY13/14 will not be material.

In recent quarters, there has been an upward trend in MLT's property expenses, arising mainly from higher term contract rates and costs associated with the conversion of single user assets to multi-tenanted buildings.

The Manager will continue to focus on active asset management and strategic acquisition opportunities with a view to provide stable returns and value for Unitholders. This will be supported by a prudent capital management approach to maintain a strong balance sheet with diversified funding sources.

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Distribution to Unitholders

MLT will pay a distribution of 1.80 cents per unit on **29 August 2013** for the period from 1 April 2013 to 30 June 2013. The book closure date is on **26 July 2013**.

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About Mapletree Logistics Trust (MLT)

MLT, the first Asia-focused logistics REIT in Singapore, was listed on the SGX-ST main board on 28 July 2005. MLT is also included in the FTSE ST Mid-Cap Index and the Global Property Research ("GPR") General Index. MLT's principal strategy is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets. As at 30 June 2013, it has a portfolio of 110 logistics assets in Singapore, Hong Kong, Japan, China, Malaysia, South Korea and Vietnam with a total book value of S$4.1 billion. MLT is managed by Mapletree Logistics Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. For more information, please visit www.mapletreelogisticstrust.com.

For enquiries, please contact:
Ms Lum Yuen May
Vice President, Investor Relations
Tel: +65 6659-3671
Email: lum.yuenmay@mapletree.com.sg

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