

**NEWS RELEASE**
*For Immediate Release*
**FLT exceeds Forecast by 6.7% with 1.75 Singapore Cents DPU for the Quarter ended 31 March 2017**

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**Highlights**

- Distributable Income for the Quarter at A\$25.1 million is 5.9% above Forecast<sup>(1)</sup>
- Declared distribution of 3.49 Singapore cents for the six month period ended 31 March 2017, exceeding forecast by 6.4%<sup>(2)</sup>
- Lower borrowing costs than Forecast<sup>(1)</sup>
- 13,111 sq m of new lease and lease renewals executed
- High portfolio occupancy of 99.3%

**Summary of results**

	01/01/2017 to 31/03/2017			20/06/2016 to 31/03/2017		
A\$ mil	Actual	Forecast <sup>(1)</sup>	Change (%)	Actual	Forecast <sup>(1)</sup>	Change (%)
<b>Gross Revenue</b>	40.9	40.3	1.6	123.7	123.3	0.3
<b>Adjusted Net Property Income<sup>(3)</sup></b>	30.9	30.8	0.3	94.3	94.4	(0.1)
<b>Distributable Income</b>	25.1	23.7	5.9	76.3	73.1	4.4
<b>Distribution Per Unit (DPU) (Singapore cents)</b>	1.75	1.64	6.7	5.33	5.07	5.1

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**Singapore, 5 May 2017** – Frasers Logistics & Industrial Asset Management Pte. Ltd. (“星狮物流工业资产管理公司”), the manager of Frasers Logistics & Industrial Trust (“星狮物流工业信托”) (“FLT”, and the manager of FLT, the “REIT Manager”), is pleased to announce FLT’s results for the financial quarter ended 31 March 2017 (the “Quarter”).

*DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. are the joint financial advisers, global coordinators and issue managers for the initial public offering of the units in Frasers Logistics & Industrial Trust (the “Offering”) (collectively, the “Joint Global Coordinators”). DBS Bank Ltd., Citigroup Global Markets Singapore Pte. Ltd., Morgan Stanley Asia (Singapore) Pte., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited are the joint bookrunners and underwriters for the Offering (collectively, the “Joint Bookrunners”). The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.*

<sup>1</sup> The forecast figures for the quarter ended 31 March 2017 (“Forecast”) have been proportionally pro-rated from the Projection for the Enlarged Portfolio for Projection Year 2017 (1 October 2016 to 30 September 2017) (which takes into account the acquisition of the three Call Option Properties) which are set out in the Prospectus. The forecast figures for the financial period from 30 November 2015 (the date of constitution of FLT) to 31 March 2017 comprises (i) the Forecast, (ii) the forecast figures for the quarter ended 31 December 2016 and (iii) the forecast figures for the period 20 June 2016 to 30 September 2016. Please refer to Note 1 in Paragraph 9 of FLT’s Financial Statements Announcement dated 5 May 2017 for details.

<sup>2</sup> FLT’s forecast DPU for the six months ended 31 March 2017 was 3.28 Singapore cents.

<sup>3</sup> After straight lining rental adjustments.

## REVIEW OF FINANCIAL PERFORMANCE

FLT recorded gross revenue of A\$40.9 million for the Quarter, 1.6% above the Forecast of A\$40.3 million. Excluding straight lining rental adjustment, gross revenue was in line with Forecast. Actual property operating expenses was A\$6.4 million, 2.3% below Forecast due mainly to an exemption for Absentee Landlord Tax Levy<sup>(4)</sup> by the Victorian State Government for the 2017 tax year, which was partially offset by provisions for repairs and maintenance costs incurred for some properties that had their leases extended and those undergoing leasing negotiations. As a result, Adjusted Net Property Income for the Quarter was marginally above Forecast at A\$30.9 million.

Distributable Income and DPU were A\$25.1 million and 1.75 Singapore cents respectively, exceeding Forecasts by 5.9% and 6.7% respectively. The positive variances were mainly attributable to lower trust expenses and interest savings from a lower actual weighted average interest rate of 2.8%<sup>(5)</sup> per annum, compared to a forecast weighted average interest rate of 3.4%<sup>(5)</sup> per annum.

Compared to the previous quarter ended 31 December 2016, FLT's distributable income and DPU grew 0.7% and 0.6%, from A\$24.9 million and 1.74 Singapore cents, to A\$25.1 million and 1.75 Singapore cents.

Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, "We are heartened that FLT has achieved results ahead of Forecast for the third consecutive financial period. This was made possible on the back of interest cost savings, proactive leasing activities and the acquisition of the three call option properties in late 2016."

## PORTFOLIO UPDATE

13,111 square metres ("sq m") of new lease and lease renewals were completed in the Quarter, bringing total new leases and renewals executed since FLT's listing to 113,956 sq m, or 9.3% of the total Portfolio GLA.

Portfolio occupancy held firm at 99.3% as at 31 March 2017, with a WALE of 6.7 years and minimal lease expiries of 0.2% (by gross rental income) for the financial year ending 30 September 2017.

FLT also has the largest industrial Green Star performance rated portfolio in Australia with 59 tenancies across 48 properties having achieved Green Star Performance ratings. The Green Star rating is provided by the Green Building Council of Australia (GBCA) which assesses properties against nine key performance criteria – energy, water, transport, materials, indoor environment quality, management, land use & ecology, emissions and innovation.

The total value of FLT's portfolio was A\$1.75 billion as at 31 March 2017.

## CAPITAL MANAGEMENT

As at 31 March 2017, FLT's aggregate leverage is 28.9%, providing FLT with available debt headroom for growth. Total borrowings stood at A\$530 million, 79% of which are hedged. The weighted average interest rate for borrowings for the Quarter was 2.8% per annum.

## DISTRIBUTION DETAILS

FLT has declared a distribution of 3.49 Singapore cents per Unit for the six-month period from 1 October 2016 to 31 March 2017, to be paid on 23 June 2017. The books closure date is 16 May 2017. Together with the distribution of 1.84 Singapore cents per Unit paid on 15 December 2016, FLT has to-date declared/paid total distributions amounting to 5.33 Singapore cents per Unit.

FLT's distribution policy is to distribute 100% of its distributable income to 30 September 2017, and at least 90% of its distributable income thereafter. FLT will make distributions to unitholders on a semi-annual basis for the six-month periods ending 31 March and 30 September.

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<sup>4</sup> Due to the foreign ownership structure of FLT, the Victorian portfolio of FLT is potentially subject to 1.5% surcharge on the land tax.

<sup>5</sup> Excluding upfront debt related expenses.

## OUTLOOK

Australian industrial property supply levels in 2017 are close to ten-year level highs, with development activity concentrated in Melbourne and Sydney. However, in contrast to the previous construction peak, a higher proportion of the new supply were pre-leased. Sydney remains the strongest leasing market with indications of rental growth. In Melbourne, industrial rents in the western region are essentially unchanged, whilst there has been some evidence of rental growth in the south-east region. Brisbane industrial rents remain under pressure.

Institutional investors are continuing to expand their ownership of industrial assets (particularly within the logistics sector), which diminishes the availability of assets (particularly high-quality assets) for sale. The limited supply for prime grade industrial stock has resulted in firming of investment yields for secondary stock.

“The eastern seaboard of Australia continues to show positive demand for industrial properties, driven by economic growth and healthy leasing activity. Interest rates also remain at historically low levels, fuelling investment demand. With a prime portfolio of 54 properties mostly concentrated in New South Wales, Victoria and Queensland, coupled with a solid pipeline of Sponsor-developed industrial assets, we remain confident in FLT’s ability to pursue long-term value for our unitholders,” Mr. Wallace said.

The REIT Manager currently expects FLT to at least meet the FY2017 DPU Forecast of 6.50 Singapore cents contained in the Prospectus barring any unforeseen circumstances.

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For media and investor queries, please contact:

**Frasers Logistics & Industrial Asset Management Pte. Ltd.**

Ng Chung Keat

Tel: +65 6813 0583

E-Mail: [ir@fraserslogisticstrust.com](mailto:ir@fraserslogisticstrust.com)

### **About Frasers Logistics & Industrial Trust**

Frasers Logistics & Industrial Trust (“FLT”) is the first Singapore-listed real estate investment trust with an initial pure-play Australian industrial portfolio. FLT offers investors a unique opportunity to invest in 54 Australian industrial real estate assets concentrated within major industrial markets in Australia, which include Melbourne, Sydney and Brisbane. Coupled with assets in Adelaide and Perth, FLT’s total portfolio is valued at A\$1.75 billion as at 31 March 2017.

FLT’s investment strategy is to invest globally in a diversified portfolio of income-producing industrial properties. With strong connectivity to key infrastructure, FLT’s modern portfolio consists predominantly of freehold and long leasehold land tenure assets with a well-diversified tenant base.

For more information about FLT, visit [www.fraserslogisticstrust.com](http://www.fraserslogisticstrust.com)

### **About Frasers Centrepoint Limited**

Frasers Centrepoint Limited (“FCL”) is a full-fledged international real estate company and one of Singapore’s top property companies with total assets of S\$25 billion as at 31 December 2016. FCL has three strategic business units – Singapore, Australia and Hospitality, which focus on residential, commercial, retail and industrial properties in Singapore and Australia, and the hospitality business spanning more than 80 cities across Asia, Australia, Europe, and the Middle-East. FCL also has an International Business unit that focuses on the Group’s investments in China, Southeast Asia, and the United Kingdom.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). FCL is also a sponsor and its subsidiaries are the managers of three REITs listed on the SGX-ST, Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust that are focused on retail properties, office and business space properties, and industrial properties respectively, as well as one stapled trust listed on the SGX-ST, Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) that is focused on hospitality properties.

As a testament to its excellent service standards, best practices, and support of the environment, FCL is the proud recipient of numerous awards and accolades both locally and abroad.

For more information on FCL, please visit [www.fraserscentrepoint.com](http://www.fraserscentrepoint.com).

## **IMPORTANT NOTICE**

This news release is for information purposes only and does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any securities of FLT in Singapore or any other jurisdiction, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

The value of the units in Frasers Logistics & Industrial Trust (“**Units**”) and the income derived from them may fall or rise. The Units are not obligations of, deposits in, or guaranteed by the REIT Manager, Perpetual (Asia) Limited, in its capacity as trustee of FLT, FCL, in its capacity as Sponsor of FLT, the Joint Global Coordinators or the Joint Bookrunners.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the REIT Manager redeem or purchase 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.

This news release may contain forward-looking statements that involve assumptions, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of FLT. The forecast financial performance of FLT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the REIT Manager’s current view of future events.

This news release is not an offer or sale of the Units in the United States. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Any public offering of the Units in the United States would be made by means of a prospectus that would contain detailed information about FLT, the REIT Manager and its management, as well as financial statements.

This news release is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of any other jurisdiction.