

FLT 3QFY18 DPU UP 2.9% TO 1.80 SINGAPORE CENTS¹

- ◆ **3QFY18 Distributable Income 22.4%** higher at A\$30.7 million
- ◆ Three leases signed in 3QFY18; **WALE of 7.01 years** and **occupancy of 99.3%** as at 30 June 2018
- ◆ **Completed the acquisition of 21 prime industrial properties** in key global logistics hubs in Germany and the Netherlands on 25 May 2018
- ◆ Announced proposed divestment of 80 Hartley Street, Smeaton Grange, New South Wales for A\$90.5 million, **40.3% above book value**

Summary of Results

A\$'000	3QFY18	3QFY17 ²	Variance (%)	9MFY18	9MFY17 ²	Variance (%)
Gross Revenue	49,322	40,226	22.6	135,327	120,843	12.0
Adjusted Net Property Income³	39,287	30,843	27.4	106,092	92,415	14.8
Distributable Income	30,666⁴	25,047 ⁴	22.4	82,386	74,984	9.9
DPU (Singapore cents)	1.80	1.75	2.9	5.41	5.24	3.2

SINGAPORE, 1 AUGUST 2018

Frasers Logistics & Industrial Asset Management Pte. Ltd., the manager of Frasers Logistics & Industrial Trust ("FLT" and the manager of FLT, the "REIT Manager"), is pleased to report a 2.9% year-on-year growth in distribution per unit ("DPU") to 1.80 Singapore cents for the quarter ended 30 June 2018 ("3QFY18").

REVIEW OF FINANCIAL PERFORMANCE

Gross revenue and Adjusted Net Property Income grew by 22.6% and 27.4% respectively during 3QFY18 to A\$49.3 million and A\$39.3 million, compared to gross revenue and Adjusted Net Property Income of A\$40.2 million and A\$30.8 million for the previous corresponding quarter ("3QFY17"). The uplift was backed by additional contributions from (i) the four completed properties in the 2017 Acquisition Transaction⁵, (ii) the Beaulieu, Stanley Black & Decker and Clifford Hallam facilities, which had achieved practical completion on 13 October 2017, 17 November 2017 and 4 May 2018, respectively, as well as (iii) maiden contributions from the 2018 Acquisition Transaction⁶.

¹ FLT's distributions are made on a semi-annual basis for the six-month periods ending 31 March and 30 September

² The comparative figures for 3QFY17 are for the quarter from 1 April 2017 to 30 June 2017 (extracted from Paragraph 1 of FLT's Financial Statements Announcement dated 28 July 2017). The comparative 9MFY17 figures are an aggregate of the 1QFY17 (extracted from Paragraph 1 of FLT's Financial Statements Announcement dated 3 February 2017), 2QFY17 results (extracted from Paragraph 1 of FLT's Financial Statements Announcement dated 5 May 2017) and 3QFY17 results

³ Net property income excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases

⁴ Based on 100% (3QFY17: 100%) of management fees to be taken in the form of units

⁵ On 6 June 2017, FLT announced its first portfolio acquisition of seven industrial properties located in Australia comprising four completed properties and three development properties for an aggregate consideration of approximately A\$169.3 million (the "2017 Acquisition Transaction")

⁶ On 20 April 2018, FLT announced its second portfolio acquisition of 17 industrial properties located in Germany and 4 located in the Netherlands at a consideration of approximately €316.2 million (the "2018 Acquisition Transaction") which was completed on 25 May 2018

Underpinned by the abovementioned positive factors, distributable income rose 22.4% to A\$30.7 million for 3QFY18, compared to A\$25.0 million a year ago.

FLT's 3QFY18 DPU was 1.80 Singapore cents, an increase of 2.9% from 1.75 Singapore cents in 3QFY17.

For the nine-month period from 1 October 2017 to 30 June 2018 ("**9MFY18**"), FLT's distributable income rose 9.9% to A\$82.4 million, from A\$75.0 million in the corresponding financial period ("**9MFY17**"). 9MFY18 DPU grew 3.2% to 5.41 Singapore cents, compared to 5.24 Singapore cents for 9MFY17.

PORTFOLIO UPDATE

Three leases in Australia were executed during the review quarter for a total gross lettable area ("**GLA**") of approximately 118,279 square metres ("**sq m**"). As at 30 June 2018, FLT's portfolio remained at near full occupancy of 99.3%, with a weighted average lease expiry ("**WALE**") by gross rental income ("**GRI**") of 7.01 years, and minimal lease expiries by GRI of 0.1% and 3.4% respectively.

Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, "We are pleased to report yet another quarter of positive financial and operational performance for FLT, with a major milestone marked by the completion of our first portfolio acquisition in Europe, comprising 21 prime industrial and logistics properties in Germany and the Netherlands. Leasing activity during the quarter was also buoyant, with 118,279 sq m of leasable space contracted, de-risking our expiry profile further."

CAPITAL MANAGEMENT

As at 30 June 2018, FLT's aggregate leverage was 36.3%, providing adequate available debt headroom for growth. Total borrowings were A\$1,082 million, 81% of which were at fixed interest rates. The weighted average interest rate for borrowings for 3QFY18 was 2.5%⁷ per annum.

SUBSEQUENT EVENT

In line with the REIT Manager's proactive asset management and portfolio rebalancing strategies to improve the quality of FLT's portfolio, FLT had on 3 July 2018 announced the proposed divestment of 80 Hartley Street, Smeaton Grange, New South Wales, Australia for A\$90.5 million, representing a 40.3% premium above the property's book value. The divestment is expected to be completed by no later than October 2018.

MARKET UPDATE

Australia⁸

The leasing market has been robust with national take-up levels 13% above the 10-year average over the past 12 months. Third party logistics and consumer sectors have been leading demand nationally with the rise of online retailing becoming more significant. E-commerce growth potential and increased government infrastructure continue to have positive spill over effects on demand for industrial space. Australian supply levels are above the long-term average and set to continue at solid levels in the second half of 2018, with the majority of space concentrated in Sydney and Melbourne. In addition, land values have been rising across the three major cities, driven by the demand-led expansion in development activity and re-zoning of land in the inner submarkets of Sydney and Melbourne.

Yields across prime and secondary assets continued to tighten over the year to June 2018. In the absence of the yield compression that has driven returns in recent years, the rental growth in the three major cities is expected to be positive, supported by improving economic fundamentals.

⁷ Excluding upfront debt related expenses

⁸ M3property Research – m3commentary National Industrial, Winter 2018; JLL Real Estate Intelligence Service – Industrial Market Snapshot 2Q 2018; Colliers Radar – the e-Commerce growth potential, July 2018

Germany and the Netherlands⁹

The German industrial and logistics market remains underpinned by increasing demand, including growth in e-commerce and a favourable economic environment. New industrial supply remains limited, with prime rents stable in most markets. Logistics assets continue to attract capital, with approximately €3 billion in investments recorded in the first half of 2018. Following a strong compression in 2016 and 2017, yields saw a slight decrease in the second quarter of 2018 in the major logistics hubs.

Business confidence in the Netherlands has been boosted by improving domestic demand and industrial output. Industrial and logistics investment continued to increase sharply, representing 20% of total commercial real estate investment over the past 12 months to June 2018, with further yield tightening in markets such as Venlo, Breda, Amsterdam and Rotterdam.

OVERVIEW

The REIT Manager continues to monitor developments on the global trade tensions. Looking ahead, the REIT Manager will continue to grow FLT's prime industrial portfolio with a focus on generating sustainable long-term value for unitholders.

END

⁹ Source: BNP Paribas Real Estate International Research, July 2018

About Frasers Logistics & Industrial Trust

Frasers Logistics & Industrial Trust (“**FLT**”) is the first Singapore-listed real estate investment trust with a portfolio comprising 82 logistics and industrial properties, worth approximately A\$2.8 billion, concentrated within major logistics and industrial markets in Australia, Germany and the Netherlands. FLT was listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 20 June 2016.

FLT’s investment strategy is to invest globally in a diversified portfolio of income-producing industrial and logistics 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. FLT is sponsored by Frasers Property Limited.

For more information about FLT, visit www.fraserslogisticstrust.com

About the Sponsor: Frasers Property Limited

Frasers Property Limited (“**Frasers Property**” or the “**Company**”), is a multi-national company that owns, develops and manages a diverse, integrated portfolio of properties. Listed on the Mainboard of the SGX-ST and headquartered in Singapore, the Company is organised around five asset classes with total assets of S\$30 billion as at 31 March 2018.

Frasers Property’s assets range from residential, retail, commercial and business parks, to industrial and logistics in Singapore, Australia, Europe, China and Southeast Asia. Its well-established hospitality business owns and / or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The Company is unified by its commitment to deliver enriching and memorable experiences for customers and stakeholders, leveraging knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

Frasers Property is also the sponsor of three real estate investment trusts and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust are focused on retail properties, office and business space properties and business parks, industrial and logistics properties respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties.

For more information on Frasers Property, please visit www.frasersproperty.com.

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