

## FLT Acquires Freehold Logistics Property in the Netherlands

- ◆ **Agreed Property Purchase Price of €25.36 million<sup>1</sup>** (approximately S\$39.88 million<sup>2</sup>)
- ◆ Recently completed **modern logistics property** with a **long-term, triple-net lease of 15 years** to a Dutch multinational dairy company
- ◆ **Accretive acquisition** with a net property income (“NPI”) **yield of 5.4%**

### SINGAPORE, 31 OCTOBER 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 announce that FLT has entered into a share purchase agreement with Frasers Property Investments (Europe) B.V. (“the “**Vendor**”), an indirect wholly-owned subsidiary of Frasers Property Limited (“**FPL**”), to acquire all the issued shares of FPE Investments RE20 B.V. (the “**Target Company**”) which holds the freehold interest in a prime logistics property located at Mandeveld 12, Meppel, the Netherlands, and leased to a Dutch multinational dairy company, FrieslandCampina Nederland B.V. (“**FrieslandCampina**”) (the “**New Property**”). The acquisition was signed and completed today.

FPL’s European platform, Frasers Property Europe (“**FPE**”), which has extensive experience in the management of logistics and industrial properties in Europe, is FLT’s local property and asset manager. With the addition of the New Property, FPE now manages 22 properties in Europe for FLT out of its local offices in Amsterdam, Cologne and Munich.

The agreed property purchase price of the New Property is €25.36 million (approximately S\$39.88 million) (the “**Property Purchase Price**”) and the consideration for the transaction is approximately €24.8 million<sup>3</sup> (approximately S\$39.0 million) (the “**Share Purchase Consideration**”). The Share Purchase Consideration is based on the net asset value of the Target Company as at completion, taking into account the Property Purchase Price, adjusted in accordance with the terms of the share purchase agreement and the amount of the inter-company loan owing by the Target Company to the Vendor as at completion which has been assigned to FLT.

Recently completed in May 2018, the New Property is a modern, freehold logistics facility built in accordance to BREEAM<sup>4</sup> “Very Good” certification requirements. Occupying a gross lettable area (“**GLA**”) of 31,013 square metres (“**sq m**”) with a long WALE<sup>5</sup> of approximately 14.9 years<sup>6</sup>, the New Property is fully-leased to FrieslandCampina. The lease benefits from annual consumer-price-index indexation and the New Property also has an additional land plot adjacent to the existing facility, which provides possibility for future building expansion.

Commenting on the acquisition, Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, “The acquisition presents a strategic opportunity to deepen FLT’s footprint in the highly sought-after Dutch logistics and industrial sector, which has benefited from sustained economic growth and remains an important European transportation and logistics hub. With a NPI yield of 5.4%, the acquisition is also accretive to FLT’s distribution per unit.”

<sup>1</sup> Negotiated on a willing-buyer and willing-seller basis and supported by independent valuations conducted by CBRE Ltd. and Colliers International Valuation UK LLP as at 1 October 2018 based on 100% interest in the New Property

<sup>2</sup> Unless otherwise stated, the S\$ equivalent of the € figures in this press release have been arrived at based on an assumed exchange rate of €1:S\$1.5725

<sup>3</sup> Subject to completion adjustments

<sup>4</sup> Refers to Building Research Establishment Environmental Assessment Method

<sup>5</sup> Refers to weighted average lease expiry (“**WALE**”) by gross rental income, being the contracted rental income and estimated recoverable outgoings for the month of June 2018. Excludes straight lining rental adjustments

<sup>6</sup> As at 30 June 2018

The Dutch economy has to-date reported 17 consecutive quarters of growth, underpinned by growth in exports<sup>7</sup>. It is also one of Europe's key logistics hubs supported by the Port of Rotterdam, Schiphol Airport and well-connected motorways, together with a well-established supply chain network. The Netherlands logistics and industrial market has also been well supported by the growth in e-commerce with high levels of take-up and limited supply of space for industrial and logistics users in recent years.

Mr Wallace added, "With attractive property metrics such as being a newly completed, freehold and modern facility supported by a long WALE of approximately 15 years and strong tenant covenants, the New Property is highly complementary to FLT's existing portfolio."

Post-acquisition, FLT's portfolio will have 83 properties with a total GLA of approximately 2.0 million sq m and a portfolio value of approximately A\$2.9 billion as at 30 June 2018<sup>8</sup>. The portfolio will also comprise the following attributes:

- Modern portfolio with an average age of 7.1 years (as compared to 7.2 years prior to the proposed acquisition<sup>9</sup>);
- Retain a high portfolio occupancy rate of 99.3%; and
- Long portfolio WALE of 7.14 years (as compared to 7.06 years prior to the proposed acquisition<sup>11</sup>).

The acquisition from the Sponsor is considered an interested party transaction under the Listing Manual of Singapore Exchange Securities Trading Limited and an interested person transaction under Appendix 6 of the Code on Collective Investment Schemes (collectively, "**Related Party Transactions**"). During the course of the current financial year ending 30 September 2019, the aggregate value of Related Party Transactions is approximately A\$40.7 million (approximately S\$40.0 million), which is approximately 3.0% of the latest net tangible assets based on the audited consolidated financial statements of FLT for the financial year ended 30 September 2017<sup>10</sup>.

The Audit, Risk & Compliance Committee of the REIT Manager is of the view that the proposed acquisition is on normal commercial terms and not prejudicial to the interests of FLT and its minority unitholders.

The acquisition was fully funded from existing undrawn loan facilities.

**END**

### **About the New Property**

Built over a site area of approximately 70,000 sq m, the New Property comprises a GLA of 31,031 sq m and some ancillary office spaces. The New Property sits strategically within "Noord (II)", an industrial estate in the municipality of Meppel which is in close proximity to FrieslandCampina's production and supply chain operations. The New Property consolidates FrieslandCampina's logistics activities in the north of the Netherlands and serves as a centralised distribution centre for outgoing goods from FrieslandCampina production plants in Beilen and Meppel. The New Property also benefits from the municipality's strong transport connectivity to existing and upcoming national motorways, as well as the Meppel Barge Terminal, which FrieslandCampina uses to ship their products to the Port of Rotterdam.

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<sup>7</sup> Source: Statistics Netherlands (CBS) (<https://www.cbs.nl/en-gb/news/2018/38/gdp-growth-rate-0-8-percent-in-q2-2018>)

<sup>8</sup> Based on an exchange rate of €1:A\$1.58. Excludes Lot 102 Coghlan Road in South Australia and 80 Hartley Street in New South Wales which were divested on 17 August 2018 and 20 August 2018, respectively. Includes 3 Burilda Close, Wetherill Park, New South Wales and 103-131 Wayne Gross Drive, Berrinba, Queensland which were acquired on 5 September 2018

<sup>9</sup> Please refer to the press release dated 31 August 2018

<sup>10</sup> For further details, please refer to paragraph 7.1 of the announcement dated 31 October 2018

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

Frasers Logistics & Industrial Trust (“**FLT**”) is the first Singapore-listed real estate investment trust with a portfolio<sup>11</sup> comprising 83 logistics and industrial properties, worth approximately A\$2.9 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](http://www.fraserslogisticstrust.com)

### **About Frasers Property Europe**

Frasers Property Europe is focused on long-term leased, modern logistics assets and mission-critical light industrial facilities in Germany, Austria and the Netherlands. Frasers Property Europe has a property portfolio of circa €1.5 billion under management. The company develops and manages industrial properties for its own balance sheet and for third-party clients.

### **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 Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and headquartered in Singapore, the Company is organised around five asset classes with total assets of approximately S\$32 billion as at 30 June 2018.

Frasers Property’s assets range from residential, retail, commercial and business parks, to logistics and industrial 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 to customers and stakeholders, leveraging on its 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, commercial, and logistics and industrial 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 [frasersproperty.com](http://frasersproperty.com).

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<sup>11</sup> Including the New Property