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Introduction

Fraser's Logistics & Industrial Trust ("FLT" or the "Trust") is a real estate investment trust established under a Trust Deed dated 30 November 2015 (as amended) entered into between Fraser's Logistics & Industrial Asset Management Pte. Ltd. ("FLIAM") (as manager of FLT) (the "Manager") and Perpetual (Asia) Limited (in its capacity as trustee of FLT) (the "Trustee").

At its Initial Public Offering on 20 June 2016, FLT held 51 properties. This was subsequently increased to 54 properties after the completion of the acquisition of the 3 call option properties. 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 "FY2017 Acquisition Transaction"). The REIT Manager completed the acquisitions of the four completed properties on 1 August 2017. The three development properties achieved practical completion from October 2017 to May 2018.

On 20 April 2018, FLT announced its second portfolio acquisition of 17 industrial properties located in Germany and four located in the Netherlands (the "FY2018 European Properties"). The agreed purchase price for the FY2018 European Properties was approximately €596.8 million (the "Property Purchase Price"). The consideration of approximately €308.2 million was based on the aggregate value of the Property Purchase Price, adjusted for the consolidated net assets and liabilities of FPE Logistics B.V. ("the Target Company") which included the existing debt of €265.4 million (the "FY2018 European Acquisition"). On 8 May 2018, unitholders at FLT's EGM approved the FY2018 European Acquisition as it was an interested person transaction. The REIT Manager raised total proceeds of S\$476 million through a private placement and a preferential offering to part finance the transaction which was completed on 25 May 2018.

On 17 and 20 August 2018, FLT completed the divestment of Lot 102 Coghlan Road in South Australia and 80 Hartley Street in New South Wales respectively (the "FY2018 Divestments"). The former property was divested for A\$8.75 million and the latter for A\$90.5 million.

On 31 August 2018, FLT announced the acquisition of a freehold property at 103 -131 Wayne Goss Drive, Berrinba, Queensland and a leasehold property at 3 Burilda Close, Wetherill Park, New South Wales for a total consideration of A\$62.6 million (the "FY2018 Australian Acquisition"). The transaction was completed on 5 September 2018.

On 31 October 2018, FLT announced the acquisition of the freehold interest in a prime logistics property located at Mandeveld 12, Meppel, the Netherlands (the "FY2019 Dutch Property"). The agreed property purchase price of the FY2019 Dutch Property was €25.4 million (approximately A\$40.6 million). The consideration for the transaction was approximately €24.8 million (approximately A\$39.6 million) based on the net asset value of the company acquired as at completion ("FY2019 Dutch Acquisition").

On 29 March 2019, FLT announced the unconditional sale of 63-79 South Park Drive, Dandenong South, Victoria for a consideration of A\$17.25 million. The proposed divestment is expected to be completed by the first half of 2019.

Following the above, FLT's portfolio comprises 82 logistics and industrial properties located in Australia, Germany and the Netherlands.

Number of Properties

GLA (sq m)

Occupancy

WALE¹

Portfolio Age²

Portfolio as at 31/3/2019
82
1,964,443
99.6%
6.61 years
7.82 years

FLT's investment strategy is to invest globally, directly or indirectly, in a diversified portfolio of income producing real estate assets which are predominantly used for logistics or industrial purposes³, whether wholly or partially, as well as such industrial⁴ real estate-related assets in connection with the foregoing.

¹ The weighted average lease expiry or "WALE" is calculated on a gross rental income basis (excluding straight lining rental adjustments) with respect to the unexpired lease terms of the existing tenants.

² Portfolio age refers to the average age of the buildings of the properties, weighted by value.

³ Such real estate assets used for "logistics" or "industrial" purposes also include office components ancillary to the foregoing purposes.

⁴ References to real estate assets used for "industrial" purposes means real estate assets used for "industrial" or "logistics" purposes interchangeably.

Distribution Policy

FLT will distribute at least 90% of its Distributable Income. Distributions will be made on a semi-annual basis for the six-month periods ending 31 March and 30 September. The actual level of distributions above 90% is to be determined at the REIT Manager's discretion. Unitholders have the option to elect to receive distributions in Singapore dollars or Australian dollars.

Summary of Group Results

	Note	Group					
		1/1/2019 to 31/3/2019 2QFY19 A\$'000	1/1/2018 to 31/3/2018 2QFY18 A\$'000	Change %	1/10/2018 to 31/3/2019 1HFY19 A\$'000	1/10/2017 to 31/3/2018 1HFY18 A\$'000	Change %
		Revenue		59,666	43,575	36.9	119,190
Adjusted net property income*		47,866	33,414	43.3	96,796	66,805	44.9
Total return for the period		33,979	25,243	34.6	63,991	50,803	26.0
Attributable to:							
- Unitholders of the Trust		33,641	25,243	33.3	63,362	50,803	24.7
- Non-controlling interests		338	-	N.M	629	-	N.M
Distributable Income	1	36,909	25,866	42.7	73,607	51,720	42.3
Distribution per Unit ("DPU")							
- Australian cents	2	1.82	1.70	7.1	3.63	3.40	6.8
- Singapore cents	1	1.76	1.81	(2.8)	3.54	3.61	(1.9)

* Adjusted net property income ("Adjusted NPI") comprises the actual net property income excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases.

Notes:

(1) 2QFY19 DPU is calculated based on 100% (2QFY18: 67.5%) of management fees to be taken in the form of units and after taking into consideration the foreign currency forward contracts entered into to hedge the currency risk for distributions to Unitholders at A\$1.00: S\$0.9666 (1QFY18: A\$1.00: S\$1.0647).

1HFY19 DPU is calculated based on 91.6% (1HFY18: 72.8%) of management fees to be taken in the form of units and after taking into consideration the foreign currency forward contracts entered into to hedge the currency risk for distributions to Unitholders at A\$1.00: S\$0.9743 (1HFY18: A\$1.00: S\$1.0615).

(2) For illustration and comparison purpose only, assuming 100% of management fees had been taken in the form of units, 1HFY19 DPU would have been 3.67 Australian cents (1HFY18: 3.52 Australian cents).

1(a) Consolidated Statement of Total Return and Distribution Statement

		Group					
	Note	2QFY19 A\$'000	2QFY18 A\$'000	Change %	1HFY19 A\$'000	1HFY18 A\$'000	Change %
Revenue	1	59,666	43,575	36.9	119,190	86,005	38.6
Property operating expenses	2	(10,698)	(7,868)	36.0	(19,970)	(15,510)	28.8
Net property income		48,968	35,707	37.1	99,220	70,495	40.7
Managers' management fee							
- Base fee		(3,047)	(1,989)	53.2	(6,131)	(3,992)	53.6
- Performance fee		(1,720)	(1,221)	40.9	(3,414)	(2,424)	40.8
Trustees' fees		(107)	(78)	37.2	(211)	(162)	30.2
Trust expenses		(614)	(342)	79.5	(1,526)	(772)	97.7
Finance income		242	333	(27.3)	523	777	(32.7)
Finance costs		(7,239)	(4,883)	48.2	(14,751)	(9,653)	52.8
Exchange gains/(losses) (net)	3	2,731	254	N.M	1,142	(703)	N.M
Net income		39,214	27,781	41.2	74,852	53,566	39.7
Net change in fair value of investment properties	4	-	-	N.M	108	-	N.M
Net change in fair value of derivative financial instruments	5	462	1,492	(69.0)	624	5,449	(88.5)
Total return for the period before tax		39,676	29,273	35.5	75,584	59,015	28.1
Tax expenses	6	(5,697)	(4,030)	41.4	(11,593)	(8,212)	41.2
Total return for the period		33,979	25,243	34.6	63,991	50,803	26.0
Attributable to:							
Unitholders of the Trust		33,641	25,243	33.3	63,362	50,803	24.7
Non-controlling interests		338	-	N.M	629	-	N.M
		33,979	25,243	34.6	63,991	50,803	26.0
Distribution Statement							
Total return after tax		33,641	25,243	33.3	63,362	50,803	24.7
Tax related and other adjustments	7	3,268	623	424.6	10,245	917	N.M
Income available for distribution to Unitholders		36,909	25,866	42.7	73,607	51,720	42.3
For information:							
Adjusted NPI		47,866	33,414	43.3	96,796	66,805	44.9

Notes:

(1) Revenue comprises the following:

		Group					
		2QFY19 A\$'000	2QFY18 A\$'000	Change %	1HFY19 A\$'000	1HFY18 A\$'000	Change %
Rental income		51,480	36,933	39.4	102,635	72,986	40.6
Incentives reimbursement		1,219	1,504	(18.9)	2,535	2,788	(9.1)
Recoverable outgoings		6,967	5,138	35.6	12,784	10,231	25.0
Others*		-	-	N.M	1,236	-	N.M
		59,666	43,575	36.9	119,190	86,005	38.6

* Relates to the early surrender fee received for Lot 63-79 South Park Drive, Dandenong South, Victoria.

Notes (cont'd):

(2) Property operating expenses comprise the following:

	Group					
	2QFY19	2QFY18	Change	1HFY19	1HFY18	Change
	A\$'000	A\$'000	%	A\$'000	A\$'000	%
Land tax	(2,459)	(1,791)	37.3	(4,341)	(3,205)	35.4
Ground lease expenses*	(2,604)	(2,015)	29.2	(5,118)	(4,043)	26.6
Statutory expenses**	(1,830)	(1,667)	9.8	(3,294)	(3,156)	4.4
Property management fee	(740)	(442)	67.4	(1,478)	(879)	68.1
Other property expenses	(3,065)	(1,953)	56.9	(5,739)	(4,227)	35.8
	(10,698)	(7,868)	36.0	(19,970)	(15,510)	28.8

* Includes straight lining adjustments for annual increments.

**Relates to council rates, utility charges and other government levies.

(3) Net exchange gains/(losses) relate mainly to the realised and unrealised exchange differences arising from translation of the Trust's foreign currency borrowings and the exchange differences arising from settlement of foreign currency forward contracts.

(4) Net change in fair value of investment properties relates to the accounting adjustment on investment property from the FY2019 Dutch Acquisition.

(5) Net change in fair value of derivative financial instruments relates to the change in fair value of foreign currency forward contracts entered into to hedge the currency risk on distributions to Unitholders.

(6) Tax expenses comprise the following:

	Group					
	2QFY19	2QFY18	Change	1HFY19	1HFY18	Change
	A\$'000	A\$'000	%	A\$'000	A\$'000	%
Current tax expenses	(3,485)	(2,017)	72.8	(6,925)	(4,474)	54.8
Deferred tax expenses	(2,212)	(2,013)	9.9	(4,668)	(3,738)	24.9
	(5,697)	(4,030)	41.4	(11,593)	(8,212)	41.2

Current tax expenses comprise mainly the income tax on the FY2019 Dutch Acquisition and the FY2018 European Acquisition and withholding tax on the taxable distributable income and interest income from the Group's Australian entities. Deferred tax is provided on the temporary differences between the tax bases of investment properties and their carrying amounts at the reporting date.

Notes (cont'd):

(7) Tax related and other adjustments comprise the following:

	Group					
	2QFY19	2QFY18	Change	1HFY19	1HFY18	Change
	A\$'000	A\$'000	%	A\$'000	A\$'000	%
Straight-lining of rental adjustments	(1,102)	(2,293)	(51.9)	(2,424)	(3,690)	(34.3)
Managers' management fee paid/payable in Units*	4,767	2,166	120.1	8,740	4,671	87.1
Exchange (gains)/losses (net)	(2,686)	(255)	N.M	(1,109)	700	N.M
Net change in fair value of investment properties	-	-	N.M	(108)	-	N.M
Net change in fair value of derivative financial instruments	(462)	(1,492)	(69.0)	(624)	(5,449)	(88.5)
Deferred tax	2,212	2,013	9.9	4,668	3,738	24.9
Other adjustments	539	484	11.4	1,102	947	16.4
Tax related and other adjustments	3,268	623	424.6	10,245	917	N.M

* The REIT Manager has elected to receive 100% for 2QFY19 (2QFY18: 67.5%) and 91.6% for 1HFY19 (1HFY18: 72.8%) of management fees in the form of units.

1(b) (i) Statements of Financial Position

	Note	Group		Trust	
		31/3/2019 A\$'000	30/9/2018 A\$'000	31/3/2019 A\$'000	30/9/2018 A\$'000
Non-current assets					
Investment properties	1	3,002,650	2,978,204	-	-
Investment in subsidiaries		-	-	858,036	858,036
Loans to subsidiaries		-	-	1,622,688	1,568,967
Derivative financial instruments	2	-	1,133	-	1,133
Total non-current assets		3,002,650	2,979,337	2,480,724	2,428,136
Current assets					
Cash and cash equivalents		99,131	105,664	51,574	53,130
Trade and other receivables		13,360	9,691	41,694	26,154
Derivative financial instruments	2	584	283	584	283
Investment property held for sale	3	15,289	-	-	-
Total current assets		128,364	115,638	93,852	79,567
Total assets		3,131,014	3,094,975	2,574,576	2,507,703
Current liabilities					
Trade and other payables		33,365	40,404	1,665	2,408
Derivative financial instruments	2	-	148	-	148
Current tax liabilities		3,428	6,741	142	84
Borrowings	4	233,718	219,654	169,882	169,619
Total current liabilities		270,511	266,947	171,689	172,259
Non-current liabilities					
Trade and other payables		2,290	2,459	-	-
Derivative financial instruments	2	3,472	620	3,472	620
Borrowings	4	859,357	845,121	568,184	495,722
Deferred tax liabilities		41,194	36,574	-	-
Total non-current liabilities		906,313	884,774	571,656	496,342
Total liabilities		1,176,824	1,151,721	743,345	668,601
Net assets attributable to Unitholders		1,954,190	1,943,254	1,831,231	1,839,102
Represented by:					
Unitholders' funds		1,934,878	1,924,388	1,831,231	1,839,102
Non-controlling interests	5	19,312	18,866	-	-
Total equity		1,954,190	1,943,254	1,831,231	1,839,102

Notes:

- (1) Investment properties include fair value adjustments made based on independent valuations as at 30 September 2018. The increase in investment properties was due mainly to (a) completion of acquisition of the freehold interest in a prime logistics property located at Mandeveld 12, Meppel, the Netherlands on 31 October 2018. The agreed purchase price for the property was €25.4 million (approximately A\$40.6 million); and (b) purchase of freehold land adjacent to the CHEP Property for A\$0.8 million; which was partially offset by a reclassification to investment property held for sale (as detailed in point (3) below).
- (2) Derivative financial instruments relate to fair values of interest rate swaps entered into to hedge the Group's interest rate risk in respect of its borrowings and foreign currency forward contracts. The movement is due to changes in fair value of derivative financial instruments.

Notes (cont'd):

- (3) On 29 March 2019, FLT had announced the proposed divestment of the property at 63-79 South Park Drive, Dandenong South, Victoria, Australia ("Proposed Divestment"). This relates to the net book value of the property at 31 March 2019.
- (4) Total borrowings increased due to the additional debt drawn to finance the FY2019 Dutch Acquisition.
- (5) Non-controlling interests are attributable to minority interests held by various parties in the companies acquired in the FY2018 European Acquisition.
- (6) FLT is in a net current liability position at 31 March 2019. Included in the A\$233.7 million short term borrowings is a A\$170 million term loan due in June 2019. The REIT Manager has agreed the refinancing terms for a five-year term loan with its panel of banks and is in an advanced stage of documentation for the facility agreement.

b) (ii) Aggregate Amount of Borrowings

	31/3/2019 A\$'000	30/9/2018 A\$'000
<u>Amount repayable before one year</u> ¹		
Secured	63,836	50,035
Unsecured	169,882	169,619
	233,718	219,654
<u>Amount repayable after one year</u> ¹		
Secured	291,173	349,399
Unsecured	568,184	495,722
	859,357	845,121

Details of borrowings and collateral

FLT has obtained unsecured facilities comprising (i) term loan facilities of A\$470 million; (ii) revolving credit facility amounting to a total of A\$200 million ("RCF"); (iii) money market line facility amounting to A\$50 million; (iv) S\$1 billion multicurrency debt program and (v) €100 million equivalent multicurrency facility (the "Euro Loan").

As at 31 March 2019, the A\$470 million term loan facilities were fully drawn and A\$146 million was drawn from the RCF. A total of €79.5 million was drawn from the Euro Loan. FLT had also secured borrowings of A\$355.0 million (€223.2 million) as at 31 March 2019. The borrowings are secured against the properties acquired in the FY2018 European Acquisition.

In aggregate, 79% (2QFY18: 85%) of the interest rate risk on the total borrowings were at fixed rates.

¹ Gross borrowings net of upfront debt related expenses

1(c) Consolidated Statement of Cash Flows

	Group			
	2QFY19	2QFY18	1HFY19	1HFY18
	A\$'000	A\$'000	A\$'000	A\$'000
Cash flow from operating activities				
Total return for the period before tax	39,676	29,273	75,584	59,015
Adjustments for:				
Straight-lining of rental adjustments	(1,102)	(2,293)	(2,424)	(3,690)
Effects of recognising leasing incentives on a straight line basis over the lease term	(33)	(469)	(442)	(763)
Managers' management fee paid/payable in Units	4,767	2,166	8,740	4,671
Exchange (gains)/losses (net)	(2,509)	203	(1,267)	(1,193)
Finance income	(242)	(333)	(523)	(777)
Finance costs	7,239	4,883	14,751	9,653
Net change in fair value of investment properties	-	-	(108)	-
Net change in fair value of derivative financial instruments	(462)	(1,492)	(624)	(5,449)
Cash generated from operations before working capital changes	47,334	31,938	93,687	61,467
Changes in working capital:				
Trade and other receivables	1,744	1,773	(3,685)	(412)
Trade and other payables	(3,988)	(1,302)	(6,318)	(521)
Cash generated from operations	45,090	32,409	83,684	60,534
Taxes paid	(3,240)	(984)	(10,651)	(4,182)
Net cash generated from operating activities	41,850	31,425	73,033	56,352
Cash flows from investing activities				
Acquisition of a subsidiary	-	-	(39,872)	-
Capital expenditure on investment properties	(5,545)	(619)	(6,795)	(39,846)
Interest received	385	332	440	492
Net cash used in investing activities	(5,160)	(287)	(46,227)	(39,354)
Cash flows from financing activities				
Interest paid	(6,525)	(4,393)	(13,517)	(8,646)
Proceeds from borrowings	-	50,000	72,756	85,000
Repayment of borrowings	(3,792)	(50,000)	(40,688)	(50,000)
Payment of debt-related transaction costs	-	-	-	(1,000)
Distributions paid to Unitholders	-	-	(51,591)	(25,115)
Net cash (used in)/generated from financing activities	(10,317)	(4,393)	(33,040)	239
Net increase/(decrease) in cash and cash equivalents	26,373	26,745	(6,234)	17,237
Cash and cash equivalents at beginning of period	73,042	47,985	105,664	56,097
Effect of exchange rate changes on cash and cash equivalents	(284)	(203)	(299)	1,193
Cash and cash equivalents at end of period	99,131	74,527	99,131	74,527

1(d) (i) Statements of Movements in Unitholders' Funds

	1HFY19			1HFY18
	Attributable to Unitholders A\$'000	Non-controlling interests A\$'000	Total A\$'000	Total A\$'000
Group				
At 1 October	1,924,388	18,866	1,943,254	1,337,516
Operations				
Increase in net assets resulting from operations	63,362	629	63,991	50,803
Transactions with owners				
Issue of new Units:				
- Managers' management fees/acquisition fees paid/payable in Units	8,943	-	8,943	4,672
Distributions paid to Unitholders	(51,591)	-	(51,591)	(25,115)
Net decrease in net assets resulting from transactions with owners	(42,648)	-	(42,648)	(20,443)
Hedging reserve				
Effective portion of change in fair value of cash flow hedges	(4,159)	-	(4,159)	(1,890)
Net decrease in net assets resulting from hedging reserve	(4,159)	-	(4,159)	(1,890)
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries	(6,065)	(183)	(6,248)	-
Net decrease in net assets resulting from foreign currency translation reserve	(6,065)	(183)	(6,248)	-
At 31 March	1,934,878	19,312	1,954,190	1,365,986

1(d) (i) Statements of Movements in Unitholders' Funds (cont'd)

	2QFY19			2QFY18
	Attributable to Unitholders A\$'000	Non-controlling interests A\$'000	Total A\$'000	Total A\$'000
Group				
At 1 January	1,910,678	19,319	1,929,997	1,339,736
Operations				
Increase in net assets resulting from operations	33,641	338	33,979	25,243
Transactions with owners				
Issue of new Units:				
- Managers' management fees paid/payable in Units	4,767	-	4,767	2,166
Net increase in net assets resulting from transactions with owners	4,767	-	4,767	2,166
Hedging reserve				
Effective portion of change in fair value of cash flow hedges	(2,803)	-	(2,803)	(1,159)
Net decrease in net assets resulting from hedging reserve	(2,803)	-	(2,803)	(1,159)
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries	(11,405)	(345)	(11,750)	-
Net decrease in net assets resulting from foreign currency translation reserve	(11,405)	(345)	(11,750)	-
At 31 March	1,934,878	19,312	1,954,190	1,365,986

1(d) (i) Statements of Movements in Unitholders' Funds (cont'd)

	2QFY19	2QFY18	1HFY19	1HFY18
	A\$'000	A\$'000	A\$'000	A\$'000
Trust				
At the beginning of the period	1,796,866	1,327,625	1,839,102	1,333,309
Operations				
Increase in net assets resulting from operations	32,401	33,328	38,936	50,984
Transactions with owners				
Issue of new Units:				
- Managers' management fees/acquisition fees paid/payable in Units	4,767	2,166	8,943	4,672
Distributions paid to Unitholders	-	-	(51,591)	(25,115)
Net increase/(decrease) in net assets resulting from transactions with owners	4,767	2,166	(42,648)	(20,443)
Hedging reserve				
Effective portion of change in fair value of cash flow hedges	(2,803)	(1,159)	(4,159)	(1,890)
Net decrease in net assets resulting from hedging reserve	(2,803)	(1,159)	(4,159)	(1,890)
At the end of the period	1,831,231	1,361,960	1,831,231	1,361,960

1(d) (ii) Details of Changes in Issued and Issuable Units

		Group & Trust			
		2QFY19	2QFY18	1HFY19	1HFY18
		Units	Units	Units	Units
Balance at beginning of the period	Note	2,022,125,479	1,519,437,409	2,013,918,118	1,511,477,462
<u>Issued Units</u>					
Issuance of Units - Base fee		2,163,017	1,200,074	5,025,731	3,205,221
Issuance of Units - Performance fee		-	-	5,061,522	5,646,070
Issuance of Units - Acquisition fee		192,490	-	475,615	308,730
Total issued units at end of period		2,024,480,986	1,520,637,483	2,024,480,986	1,520,637,483
<u>Units to be issued</u>					
Managers' management fee payable in Units					
- Base fee		2,537,851	896,893	2,537,851	896,893
- Performance fee	1	2,867,013	2,303,522	2,867,013	2,303,522
Managers' acquisition fee payable in Units		-	148,101	-	148,101
Total issued and issuable units at end of period		2,029,885,850	1,523,985,999	2,029,885,850	1,523,985,999

Notes:

(1) Pursuant to the Trust Deed, the performance fee is paid only once in each financial year and, if paid in Units, at an issue price determined based on the volume weighted average price of the Units for the last 10 business days (the "10-day VWAP") of the relevant financial year. The number of performance fee Units to be issued is computed using an issue price based on the 10-day VWAP for the period ended 31 March 2019.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditor.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, there has been no change in the accounting policies and methods of computation adopted by the Trust and the Group for the current reporting period compared with the audited financial statements for the financial year ended 30 September 2018.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Trust and the Group have adopted the new FRSs (FRS 115 *Revenue from contracts with customers* and FRS 109 *Financial instruments*) that are mandatory for the financial year beginning on 1 October 2018. The adoption of these FRSs has no significant impact on the financial statements of the Trust and the Group.

6 Earnings per Unit (“EPU”) and distribution per Unit (“DPU”) for the financial period ended 31 March 2019

		Group			
		2QFY19	2QFY18	1HFY19	1HFY18
Total return for the period (A\$'000)	Note 1	33,641	25,243	63,362	50,803
<u>Basic EPU</u>					
Weighted average number of Units		2,024,509,184	1,520,647,448	2,023,381,693	1,519,982,316
Basic EPU (Australian cents)	2	1.66	1.66	3.13	3.34
<u>Diluted EPU</u>					
Weighted average number of Units		2,029,885,850	1,523,985,999	2,029,885,850	1,523,985,999
Diluted EPU (Australian cents)	3	1.66	1.66	3.12	3.33
Distributable Income (A\$'000)	1	36,909	25,866	73,607	51,720
<u>DPU</u>					
Number of issued and issuable Units entitled to distribution	4	2,027,018,837	1,521,534,376	2,027,018,837	1,521,534,376
DPU based on the total number of issued and issuable Units entitled to distribution					
- Australian cents		1.82	1.70	3.63	3.40
- Singapore cents	5	1.76	1.81	3.54	3.61

Notes:

- (1) As shown in 1(a) on page 5.
- (2) Basic EPU has been calculated by dividing the total return for the period by the weighted average number of Units during the period.
- (3) Diluted EPU has been calculated by dividing the total return for the period by the weighted average number of Units during the period, adjusted on the basis that the Managers' management fee Units and Managers' acquisition fee Units were issued at the beginning of the period.

6 Earnings per Unit (“EPU”) and distribution per Unit (“DPU”) for the financial period ended 31 March 2019 (cont’d)

- (4) The higher number of units in issue compared to 2QFY18 was due to the issuance of management fee units, the placement and the preferential offering units and the manager’s acquisition fees for the FY2018 European Acquisition.
- (5) 2QFY19 DPU is calculated after taking into consideration the foreign currency forward contracts that FLT has entered into to hedge the currency risk on distributions to Unitholders at A\$1.00 : S\$0.9666 (2QFY18: A\$1.00 : S\$1.0647).

7 Net Asset Value (“NAV”) and Net Tangible Asset (“NTA”) per Unit based on Units in issue and to be issued at the end of the period

		Group		Trust	
Note		31/3/2019	30/9/2018	31/3/2019	30/9/2018
	Total issued and issuable Units at end of period	2,029,885,850	2,022,125,479	2,029,885,850	2,022,125,479
	NAV/NTA per Unit (A\$)	0.95	0.95	0.90	0.91
	NAV/NTA per Unit (S\$)	0.91	0.94	0.86	0.90

Notes:

- (1) Based on exchange rate of A\$1.00 : S\$0.9602 (30 September 2018: A\$1.00 : S\$0.9878).

8 Review of performance

Review of Performance for the quarter from 1 January 2019 to 31 March 2019 (“2QFY19”) vs 1 January 2018 to 31 March 2018 (“2QFY18”)

Adjusted NPI for 2QFY19 of A\$47.9 million was A\$14.5 million (or 43.3%) higher than 2QFY18. The higher Adjusted NPI for 2QFY19 was contributed by the FY2018 Australian Acquisition, the FY2018 European Acquisition and the FY2019 Dutch Acquisition. These were partly offsetted by the effect of the FY2018 Divestments.

2QFY19 finance costs of A\$7.2 million was A\$2.4 million higher than 2QFY18. This was due mainly to higher borrowings to finance the various acquisitions in FY2018 and FY2019 and after net proceeds from the FY2018 Divestments. Weighted average interest rate (excluding upfront debt related expenses) for 2QFY19 was 2.4% per annum and 2QFY18 was 2.9% per annum. At 31 March 2019, 79% (31 March 2018: 85%) of borrowings were at fixed rates.

The total return attributable to Unitholders of the Trust for 2QFY19 of A\$33.6 million was A\$8.4 million (or 33.3%) higher than 2QFY18 which included (a) exchange gain of A\$2.7 million which relates to translation of the Trust’s foreign currency borrowings; (b) fair value gain on foreign currency forward contracts of A\$0.5 million to hedge the currency risk on distributions to Unitholders and was partly offsetted by higher trust expenses of A\$0.3 million.

Tax expenses for 2QFY19 of A\$5.7 million was A\$1.7 million (or 41.4%) higher than 2QFY18. Current income tax was higher due mainly to higher distributable income.

The REIT Manager has elected to receive 100% of the 2QFY19 management fee in the form of units (2QFY18: 67.5%).

Income available for distribution to Unitholders was A\$36.9 million, an increase of A\$11.0 million (or 42.7%) over 2QFY18.

8 Review of performance (cont'd)

Review of Performance for the period from 1 October 2018 to 31 March 2019 (“1HFY19”) vs 1 October 2017 to 31 March 2018 (“1HFY18”)

Adjusted NPI for 1HFY19 of A\$96.8 million was A\$30.0 million (or 44.9%) higher than 1HFY18. The higher Adjusted NPI for 1HFY19 was contributed by the FY2018 Australian Acquisition, the FY2018 European Acquisition, the FY2019 Dutch Acquisition and other income of A\$1.2 million which relates to the early surrender fee received for 63-79 South Park Drive, Dandenong South, Victoria. These were partly offsetted by the effect of the FY2018 Divestments.

1HFY19 finance costs of A\$14.8 million was A\$5.1 million higher than 1HFY18. This was due mainly to higher borrowings to finance the various acquisitions in FY2018 and FY2019 and after net proceeds from the FY2018 Divestments. Weighted average interest rate (excluding upfront debt related expenses) for 1HFY19 was 2.4% per annum and 1HFY18 was 2.9% per annum. At 31 March 2019, 79% (31 March 2018: 85%) of borrowings were at fixed rates.

The total return attributable to Unitholders of the Trust for 1HFY19 of A\$63.4 million was A\$12.6 million (or 24.7%) higher than 1HFY18 which included (a) exchange gains of A\$1.1 million which relates to translation of the Trust’s foreign currency borrowings and the exchange differences arising from settlement of foreign currency forward contracts; (b) fair value gain on investment properties of A\$0.1 million; (c) fair value gain on foreign currency forward contracts of A\$0.6 million to hedge the currency risk on distributions to Unitholders and was partly offsetted by higher trust expenses of A\$0.8 million.

Tax expenses for 1HFY19 of A\$11.6 million was A\$3.4 million (or 41.2%) higher than 1HFY18. Current income tax was higher due mainly to higher distributable income.

The REIT Manager has elected to receive 91.6% of the 1HFY19 management fee in the form of units (1HFY18: 72.8%).

Income available for distribution to Unitholders was A\$73.6 million, an increase of A\$21.9 million (or 42.3%) over 1HFY18.

9 Variance from Forecast Statement

Not applicable.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Australia¹

The Australian economy grew by 2.3% for the 12-month period ended December 2018, compared to 2.8% for the 12-month period ended September 2018, with the slower growth due largely to softening in the construction and residential sectors. Public infrastructure investment continues to support the economy, with approximately A\$260 billion worth of major transport infrastructure projects under construction or planned across 315 projects, up from A\$211 billion across 260 projects three years ago.² Australia's Consumer Price Index (CPI) rose 1.3% year-on-year over the 12-month period ended March 2019, compared with 1.8% for the 12-month period ended December 2018. This is below the Reserve Bank of Australia's target of 2% - 3% year on year, raising expectations that the central bank may cut interest rates in the coming months.

Australian industrial take-up levels have been robust with approximately 2.5 million sq m leased over the 12-month period to March 2019, underpinned by demand from retail, food and logistics occupiers. The strong demand for industrial space is largely attributable to population growth, public infrastructure spending, and the growth in e-commerce. Australia's population growth over the next five years is projected to rank third amongst the world's advanced economies.

Year-to-date industrial supply was recorded at approximately 1.2 million sq m. As national take-up levels have consistently exceeded new completions, vacancy is at a five-year low across the three major industrial markets of Sydney, Melbourne and Brisbane. Prime face rents have recorded steady year-on-year growths of 3.5% and 2.2% in Sydney and Melbourne respectively. The Brisbane industrial market is recovering with prime rents returning to pre-2017 levels. Rental growth in the three main industrial markets is expected to remain positive as land values have appreciated considerably on the back of the demand-led expansion in development activity amid a shortage of developable land.

Investor demand for industrial space remains strong with evidence of further yield compression as compared to the first quarter of 2018.

Germany and the Netherlands³

The German economy grew 1.5% for 2018, compared to 2.5% a year ago. Solid domestic fundamentals, supported by low unemployment rate of 3.1% in February 2019 provides support even as ongoing US-China trade tensions and Brexit continue to have an impact on economic growth.

Take-up levels for logistics and industrial properties of above 5,000 sq m remained high at 1.2 million sq m for the first quarter of 2019, as new supply for the rental market remained limited with users continuing to seek build-to-suit solutions. Average yields for the major German logistics hubs stabilised at 4.1% for the first quarter of 2019. Investment volumes were lower in the first quarter of 2019 due to a lack of available logistics products in the major distribution hubs.

¹ Source: JLL Research – Industrial Market Snapshot 1Q 2019; Knight Frank Research – Australian Capital View Outlook 2019

² Capital Markets Australia & New Zealand Investment Review, Year in Review and Outlook 2019 - Industrial, Colliers International

³ Source: BNP Paribas Real Estate International Research, April 2019

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (cont'd)

The Dutch economy grew 2.7% year-on-year for 2018, with positive contributions from household consumption, capital investments as well as a strong labour market. The unemployment rate in the Netherlands decreased to 3.3% in March 2019, from 3.6% in December 2018.

Underpinned by higher consumption and investment, all major Dutch industrial markets recorded strong volumes of transaction in the first quarter of 2019, with Venlo confirming its strong market position. Prime rents have largely remained unchanged from the preceding quarter, while prime yields remained stable for the first quarter of 2019, with yield at 4.5% for Venlo.

Overview

The REIT Manager continues to monitor developments on the global trade tensions and Brexit. 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.

11 Distributions

(a) Current financial period

Any distributions declared for the current period? Yes

Name of Distribution Distribution for the financial period from 1 October 2018 to 31 March 2019

		Singapore cents
Distribution type / rate	Tax-exempt distribution component	2.55
	Capital distribution component	0.99
	Total	3.54

Tax rate Tax-exempt income distribution component
The tax-exempt income distribution component is exempt from Singapore income tax in the hands of all unitholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted from such component.

Capital distribution component

The capital distribution component represents a return of capital to unitholders for Singapore income tax purposes. The amount of the capital distribution component will be applied to reduce the cost base of unitholders' Units for Singapore income tax purposes. For unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of the Units.

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the corresponding period of the immediate preceding financial period? Yes

Name of Distribution Distribution for the period from 1 October 2017 to 31 March 2018

		Singapore cents
Distribution type / rate	Tax-exempt distribution component	2.56
	Capital distribution component	1.05
	Total	3.61

Tax rate Tax-exempt income distribution component
The tax-exempt income distribution component is exempt from Singapore income tax in the hands of all unitholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted from such component.

Capital distribution component

The capital distribution component represents a return of capital to unitholders for Singapore income tax purposes. The amount of the capital distribution component will be applied to reduce the cost base of unitholders' Units for Singapore income tax purposes. For unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of the Units.

11 Distribution (cont'd)

(c) Date payable

26 June 2019

(d) Books closure date

7 May 2019

12 If no distributions has been declared / recommended, a statement to that effect

Not applicable

13 If the Group has obtained a general mandate from Unitholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

FLT Group has not obtained a general mandate from Unitholders for any Interested Person Transactions.

14 Additional information – Foreign Investment Regime of Australia

Australia's foreign investment regime is set out in the Australian Foreign Acquisitions and Takeovers Act 1975 (the "**FATA**"), the Australian Foreign Acquisitions and Takeovers Regulation and the Australian Government's Foreign Investment Policy, including Guidance Notes issued by the Foreign Investment Review Board ("**FIRB**").

A "foreign person"⁴ that acquires Units is required under the FATA to notify and receive a prior no objection notification ("**FIRB Approval**") of its investment in FLT from the Australian Treasurer through the FIRB if any of the circumstances set out below apply at the time the Units are acquired:

- (a) if FLT is considered to be an "Australian Land Trust"⁵ ("**ALT**") at the time of acquisition, all foreign persons acquiring Units (including existing holders of Units acquiring additional Units) will require FIRB Approval unless an exemption applies (see below);
- (b) if FLT is not an ALT, but has gross Australian assets in excess of a specified threshold prescribed under FATA (as at the Latest Practicable Date, the threshold prescribed under FATA is A\$266.0 million) at the time of acquisition, all investors (i) who are foreign persons and (ii) who are acquiring a substantial interest (20% or more held solely or together with associates) in FLT or have a substantial interest (20% or more held solely or together with associates) and increase their holding, will require FIRB Approval; or

⁴ A "**foreign person**" is broadly defined in the FATA and includes:

- an individual not ordinarily resident in Australia; or
- a corporation in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- a corporation in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings); or
- the trustee of a trust in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- the trustee of a trust in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings); or
- a foreign government.

⁵ An ALT is a unit trust in which the value of interests in Australian land exceeds 50% of the value of the total assets of the unit trust.

14 Additional information – Foreign Investment Regime of Australia (cont'd)

- (c) any investor that is a Foreign Government Investor⁶ acquiring a “direct interest”⁷ in FLT will require FIRB Approval at the time of acquisition, regardless of whether FLT is considered to be an ALT or whether FLT has gross Australian assets in excess of A\$266.0 million.

Exemptions from ALT requirements

The FATA contains two relevant exemptions from the requirement to obtain FIRB Approval that would otherwise apply if FLT was considered to be an ALT:

- (a) where the relevant person is not a foreign government investor and the relevant person's interest in FLT would not be valued in excess of a specified threshold prescribed under the FATA (at the Latest Practicable Date, the threshold prescribed under the FATA is A\$266.0 million, unless the ALT has ‘sensitive’ land holdings, in which case the threshold is A\$58.0 million)⁸; and
- (b) the relevant person, together with associates, is acquiring an interest of less than 10% in FLT and will not be in a position to influence or participate in the central management and control of the ALT or to influence, participate in or determine the policy of the ALT⁹.

Significant actions

As at 31 March 2019, the value of the Australian land assets comprised in FLT's portfolio is 64.4% of the total asset value of FLT. Consequently, FLT is considered to be an ALT. As at 31 March 2019, FLT has gross Australian assets of approximately A\$2,017 million, which is above A\$266.0 million.

Any investor that is a “foreign person” acquiring Units on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.

⁶ A “foreign government investor” means an entity that is:

- a foreign government or separate government entity; or
- a corporation, or trustee of a trust, or general partner of a limited partnership in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds an interest of at least 20%; or
 - foreign governments or separate government entities of more than one country (or parts of more than one foreign country), together with any one or more associates, hold an interest of at least 40%;
- a “separate government entity” means an individual, corporation or corporation sole that is an agency or instrumentality of a foreign country or part of a foreign country, but not part of the body politic of a foreign country or of a part of a foreign country.

The FATA deems foreign government related entities from the same country to be associated. The effect is that an entity will be a foreign government investor where one or more foreign government related entities from the same country have in aggregate a 20% or more interest in the subject entity.

⁷ A “direct interest” is defined to mean:

- an interest of at least 10% in the entity or business, or
- an interest of at least 5% in the entity or business if the person who acquires the interest has entered a legal arrangement relating to the businesses of the person and the entity or business, or
- an interest of any percentage in the entity or business if the person who has acquired the interest is in a position to:
 - participate or influence the central management and control of the entity or business; or
 - influence, participate or determine the policy of the entity or business.

⁸ This applies in respect of ALTs that have predominantly developed commercial real estate portfolios (i.e. less than 10% residential or vacant commercial land). Previously, there was no applicable monetary threshold. It is the value of the interest being acquired, rather than the value of the underlying land that is determinative for the purposes of this exemption. The concept of ‘sensitive’ land is broad and includes mines and critical infrastructure (for example, an airport or port) as well as property that has Australian government tenants.

⁹ This exemption applies where an ALT is listed on an official stock exchange (whether in Australia or not).

15 Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

Fraser's Logistics & Industrial Asset Management Pte. Ltd. ("FLIAM"), the Manager of FLT confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

16 Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of FLIAM (as Manager of FLT) which may render these interim financial results to be false or misleading, in any material aspect.

For and on behalf of the Board of Directors of
Fraser's Logistics & Industrial Asset Management Pte. Ltd.

Ho Hon Cheong
Chairman

Goh Yong Chian
Director

By Order of the Board of Directors of
Fraser's Logistics & Industrial Asset Management Pte. Ltd.
(Company registration no. 201528178Z)
As manager of Fraser's Logistics & Industrial Trust

Catherine Yeo
Company Secretary
26 April 2019

Important Notice

This announcement may 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, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Manager to redeem 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 announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of FLT and the Manager is not necessarily indicative of the future performance of FLT and the Manager.