

Frasers Logistics & Industrial Trust

Exercise of the Martin Brower Call Option and completion of the Martin Brower Acquisition

30 November 2016



1 Burilda Close, Wetherill Park, New South Wales



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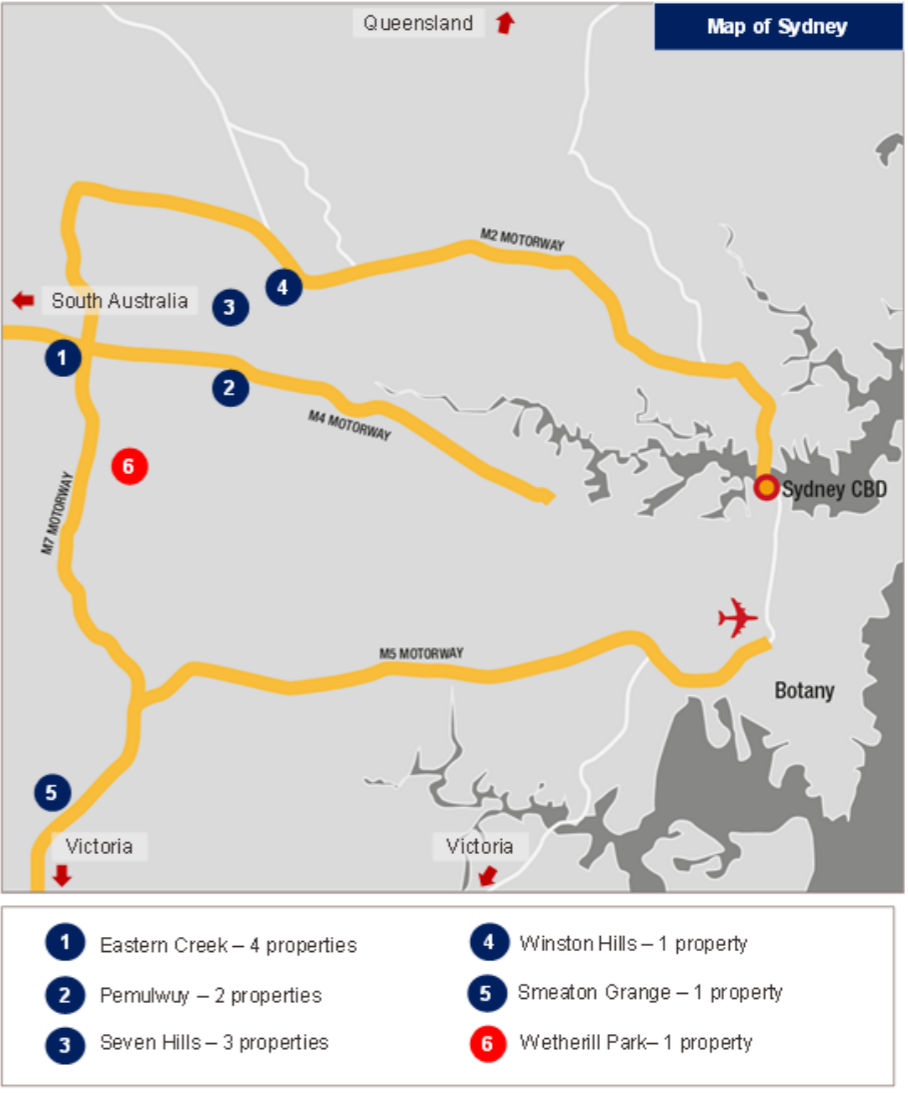
- **Martin Brower Property**
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The Martin Brower Property

- The Property, located within the Horsley Drive Business Park, comprises a specialised temperature controlled warehouse together with a two level office. It enjoys excellent road transportation links given its proximity to the M7 and M4 Motorways.
- The Property is fully leased to Martin-Brower Australia Pty Ltd (“Martin Brower”) for a term of 20 years. Martin Brower is one of the top end-to-end supply chain management solutions companies in the United States and a key supplier of McDonald’s.
- This Property has achieved a 6 Star Green Star Design rating.



Title	90 years leasehold
Practical Completion Date	30 September 2016
Occupancy	100%
Gross Lettable Area (“GLA”)	18,848 sqm ¹
New Valuation by Savills	A\$58.3 million
New Valuation by Urbis	A\$58.8 million
Adjusted Purchase Consideration	A\$58.2 million ²



Note 1: As per final survey.
 Note 2: Including an adjustment to the original agreed price to account for an increase in GLA (as defined herein) from the planned GLA and a further increase to take into account the increase in rent payable by Martin Brower under the terms of its tenancy due to the installation of a solar panel system for Martin Brower.

Additional Adjustments to the Purchase Consideration

- The consideration payable by FLT to FPA for the Martin Brower Property under the call option deed dated 3 June 2016 (the “Call Option Agreement”) was an agreed price of A\$57.1 million¹ (the “Agreed Price”), subject to adjustments arising from the actual GLA, being more or less than the planned GLA.
- Subsequent to the entry into the Call Option Agreement, a solar panel system has been installed for Martin Brower, hence the rent has been increased.
- The rent increase has resulted in an increase in the valuation of the Martin Brower Property. Accordingly, FLT and FPA have agreed to a further adjustment to the Agreed Price of A\$1,122,170.



Portfolio Statistics

	Existing Portfolio (as at 30 Sep 2016)	Post - Acquisition of the Martin Brower Property
Number Of Properties	53	54
Appraised Value	A\$1,677.7 million	A\$1,736.5 million
GLA (sq m)	1,209,264	1,228,112
Occupancy	99.2%	99.3%
WALE¹	6.6 years	7.0 years
Portfolio Age	6.5 years	6.2 years

Note 1: By adjusted gross rental income

Pro Forma Financial Effects - DPU

- The pro forma financial effects¹ of the Martin Brower Acquisition on the DPU for 1Q FY2016 (based on the Unaudited Pro Forma Financial Information for 1Q FY2016 as set up in the Prospectus), as if FLT had completed the call option acquisition on 1 October 2015 and the pre-committed leases has commenced are set out below.

	Unaudited Pro Forma Financial Information for 1Q FY2016	After the Martin Brower Acquisition <u>only</u>	After the three Call Option Acquisitions ⁽¹⁾
Net Property Income (A\$ '000)	25,932	26,967	28,278
Distributable Income (A\$ '000)	18,842	19,273	19,686
Issued and issuable Units ('000)	1,427,251 ⁽²⁾	1,427,344 ⁽³⁾	1,427,449 ⁽⁴⁾
DPU⁵ (Singapore cents)	1.41	1.44	1.47

Note:

(1) "Call Option Acquisitions" refers to the Martin Brower Acquisition and Indian Drive and Pearson Road Acquisitions collectively. FLT had on 31 August 2016, exercised the *call options* in respect of the Indian Drive Property and Pearson Road Property and completed the Indian Drive and Pearson Road Acquisitions. (Please see the announcement dated 31 August 2016 for further details.)

(2) Comprises (i) the 1,425,150,000 Units issued under the Offering and (ii) the 2,100,636 Units issued on 8 November 2016 for payment of the REIT management fees and HAUT management fees. The issue price of the issued Units is S\$0.89 per Unit (for the 1,425,150,000 Units issued under the Offering) and S\$0.9756 per Unit (for the 2,100,636 Units issued on 8 November 2016 as payment of the REIT management fees and HAUT management fees).

(3) Comprises (i) the 1,425,150,000 Units issued under the Offering, (ii) the 2,100,636 Units issued on 8 November 2016 for payment of the REIT management fees and HAUT management fees; and (iii) approximately 0.09 million new Units which are issuable as payment of REIT management fees and HAUT management fees for 1Q FY2016 (taking into account the inclusion of the Martin Brower Property in FLT's portfolio). The issue price for the issuable Units (which are to be issued as payment of management fees for 1Q FY2016) is assumed to be S\$0.915 per Unit (being the closing price of the Units on 29 November 2016).

(4) Comprises (i) the 1,425,150,000 Units issued under the Offering, (ii) the 2,100,636 Units issued on 8 November 2016 for payment of the REIT management fees and HAUT management fees; and (iii) approximately 0.20 million new Units which are issuable as payment of REIT management fees and HAUT management fees for 1Q FY2016 (taking into account the inclusion of the Martin Brower Property, the Indian Drive Property and the Pearson Road Property in FLT's portfolio). The issue price for the issuable Units (which are to be issued as payment of management fees for 1Q FY2016) is assumed to be S\$0.915 per Unit (being the closing price of the Units on 29 November 2016).

(5) Based on an assumed exchange rate between Australian dollar and Singapore dollar of A\$1.00 : S\$1.0681.

Pro Forma Financial Effects - NAV

- The pro forma financial effects of the Martin Brower Acquisition on the NAV per Unit as at 31 December 2015, as if the Call Option Acquisitions were completed on 31 December 2015 and based on an exchange rate of A\$1.00 : S\$1.0681 as at 29 November 2016.

	Unaudited Pro Forma Financial Information for 1Q FY2016	After the Martin Brower Acquisition <u>only</u>	After the three Call Option Acquisitions ⁽¹⁾
NAV (A\$ '000)	1,236,839 ⁽²⁾	1,236,839	1,236,839
Issued Units ⁽³⁾ ('000)	1,427,251	1,427,251	1,427,251
NAV per Unit (Australian Cents)	86.7 ⁽³⁾	86.7	86.7

Note:

(1) "Call Option Acquisitions" refers to the Martin Brower Acquisition and Indian Drive and Pearson Road Acquisitions collectively. FLT had on 31 August 2016, exercised the *call options* in respect of the Indian Drive Property and Pearson Road Property and completed the Indian Drive and Pearson Road Acquisitions. (Please see the announcement dated 31 August 2016 for further details.)

(2) Based on the Unaudited Pro Forma Financial Information and adjusted to include retained earnings for 1Q FY2016 from the properties comprising the IPO Portfolio (save for the Mazda Property, CEVA Logistics Property and Schenker Extension) of an aggregate sum of approximately A\$13.6 million.

(3) Comprises (i) the 1,425,150,000 Units issued under the Offering and (ii) the 2,100,636 Units issued on 8 November 2016 for payment of the REIT management fees and HAUT management fees. The issue price of the issued Units is S\$0.89 per Unit (for the 1,425,150,000 Units issued under the Offering) and S\$0.9756 per Unit (for the 2,100,636 Units issued on 8 November 2016 as payment of the REIT management fees and HAUT management fees).

Financing

- The Martin Brower Acquisition has been funded by an aggregate of A\$41.0 million of debt drawdown from FLT's five-year revolving credit facility of A\$200 million put in place for the IPO and approximately A\$20.5 million from FLT's working capital.

	Before the Call Option Acquisitions	After the two Call Option Acquisitions	After the three Call Option Acquisitions
Debt (A\$ million)	426	499	540
Aggregate Leverage	25.7%	28.2% ⁽¹⁾	29.8%
Assumed Cost of Debt	3.4% ⁽²⁾	3.4% ⁽²⁾	3.4% ⁽²⁾

Note:

(1) Aggregate leverage of FLT as at 30 September 2016 is 28.2%.

(2) Excluding debt transaction costs. Please refer to 168 of Prospectus for further details.