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FLT Overview

Clifford Hallam Facility, Victoria, Australia
LGI Facility, Freiberg, Germany
Introduction to FLT

Frasers Logistics & Industrial Trust
A SGX-ST listed real-estate investment trust with a quality portfolio concentrated within major logistics and industrial markets in Australia, Germany and the Netherlands

82 properties

A High Quality Portfolio Focused on Major Developed Logistics Markets

A$3.0 billion
Portfolio Value\(^{(1)}\)

1,964,443 sq m
Gross Lettable Area ("GLA")

99.6%
Occupancy Rate\(^{(2)}\)

1. Based on the appraised value of FLT’s portfolio as at 30 September 2018. Based on an exchange rate of €1:A$1.5905 for the properties in Germany and the Netherlands
2. By Gross Rental Income ("GRI"), being the contracted rental income and estimated recoverable outgoings for the month of 31 March 2019. Excludes straight line rental adjustments
Key Milestones (IPO to September 2018)

- **Listed on the SGX-ST on 20 June 2016** (51 Properties)
  - Property Price: A$32.5 mm
  - GLA: 21,660 sq m
  - Occupancy: 100%
  - WALE\(^{(2)}\): 15.0 years

- **Acquired Two Call Option\(^{(1)}\) Properties**
  - Property Price: A$36.7 mm
  - GLA: 30,618 sq m
  - Occupancy: 100%
  - WALE\(^{(2)}\): 6.0 years

- **Acquired 3rd Call Option\(^{(1)}\) Property**
  - Property Price: A$58.2 mm
  - GLA: 18,848 sq m
  - Occupancy: 100%
  - WALE\(^{(2)}\): 20.0 years

- **1st Portfolio Acquisition: 7 Properties in Australia**
  - Portfolio Price: A$169.3 mm
  - GLA: 124,527 sq m
  - Occupancy: 100\%(3)
  - WALE\(^{(2)}\): 9.6 years

- **Private Placement**
  - Private placement of 78 mm new units in FLT at an issue price of S$1.01 per Unit.
  - The new issuance was 4.62 times subscribed

- **2nd Portfolio Acquisition: 21 Properties in Germany and the Netherlands**
  - Portfolio Price: €596.8 mm
  - GLA: 620,786 sq m
  - Occupancy: 100\%(4)
  - WALE\(^{(2)}\): 8.0 years

- **Equity Fund Raising**
  - Launch of equity fund raising to raise S$476 mm by way of:
    - Private placement (3.9 times subscribed)
    - Preferential offering (1.9 times subscribed)

- **Divested Two Non-core Properties**
  - Lot 102 Coghlan Road, Outer Harbor, South Australia
    - Sale Consideration: A$8.75 mm
    - Book Value: A$6.4 mm
    - Premium to Book Value: 36.7%
  - 80 Hartley Street, Smeaton Grange, New South Wales, Australia
    - Sale Consideration: A$90.5 mm
    - Book Value: A$64.5 mm
    - Premium to Book Value: 40.3%

- **Acquired Two New Australian Properties**
  - Property Price: A$31.5 mm
  - GLA: 20,078 sq m
  - Occupancy: 100%
  - WALE\(^{(2)}\): 7.0 years
  - Property Price: A$31.1 mm
  - GLA: 19,487 sq m
  - Occupancy: 100%
  - WALE\(^{(2)}\): 4.2 years

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1. In relation to call option agreements entered into at FLT’s IPO
2. Refers to the weighted average lease expiry ("WALE") based on GRI as reported in the respective acquisition announcements
3. Including pre-committed leases for the three development properties
4. Based on 100% interest in the properties acquired and on the basis of the completion of the committed asset enhancement works (where applicable)
Key Developments in the Year-to-Date

**Acquired a Prime, Freehold Logistics Property in the Netherlands on 31 October 2018**

- Property Price: €25.36 mm\(^{(1)}\)
- GLA: 31,013 sq m
- Occupancy: 100%
- WALE\(^{(2)}\): 14.6 years

**Included in the FTSE EPRA/NAREIT Developed Index since 18 March 2019**

- Entry into a leading benchmark index for institutional real-estate investors
- Unit price up approximately 4.6\(^{(3)}\) with higher daily average volume

**Healthy Leasing Momentum**

- Completed 46,078 sq m of leasing/renewals in Australia, with reversion of -6.3%
- Includes a 10-year lease extension and asset enhancement for the property at 468 Boundary Derrimut, Victoria, Australia

**Strategic Divestments in Australia**

- 29 March 2019: Announced divestment of 63-79 South Park Drive in Victoria for A$17.25 mm, representing a 13.1% premium to book value of A$15.25 mm\(^{(4)}\)
- 16 May 2019: Announced partial divestment of 610 Heatherton Road in Victoria for A$15.0 mm, representing a 11.1% premium to the apportioned book value of A$13.5 mm\(^{(5)}\)

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1. 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 property as set out in the announcement dated 31 October 2018.
2. Based on GRI as reported in the acquisition announcement.
3. For the period from 28 February 2019 (Being the inclusion announcement date) to 16 May 2019.
4. Based on the valuation by CIVAS (VIC) Pty Limited ("Colliers") as at 30 September 2018.
5. Apportioned book value of the warehouse and hardstand components based on the valuation by Savills Valuation Pty Ltd as at 15 April 2019. The total book value of the property as at 15 April 2019 was A$18.0 million.
Delivering Stable Distributions

- **Distribution Policy**
  - FLT makes distributions to its Unitholders on a semi-annual basis, with the amount calculated as at 31 March and 30 September each year for the six-month period ending on each of the said dates.
  - Unitholders will receive their Distribution in Singapore dollars, unless they elect to receive their Distribution in Australian dollars by submitting a completed "Currency Election Notice" to CDP.

Includes DPU of **0.10** Singapore cents (0.10 Australian cents) for the period from 20 Jun to 30 Jun 16.
Attractive Trading Fundamentals

Trading Performance since IPO (20 June 2016 – 16 May 2019)

IPO Issue Price: $0.89

Closing Price (16 May 2019): $1.15

FLT units rose by approximately 29.2% for the period from 20 June 2016 to 16 May 2019; outperforming the FTSE ST REIT Index

Stock Information (As at 16 May 2019)

<table>
<thead>
<tr>
<th>Stock Information</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market capitalisation</td>
<td>S$2,331.1 million</td>
</tr>
<tr>
<td>Free Float</td>
<td>~73%</td>
</tr>
<tr>
<td>1-year average daily traded volume</td>
<td>~5.1 million units</td>
</tr>
<tr>
<td>Annualised Distribution Yield</td>
<td>6.1%</td>
</tr>
<tr>
<td>Annualised Total Return since IPO</td>
<td>15.8%</td>
</tr>
<tr>
<td>Distribution Payment</td>
<td>Semi-annual</td>
</tr>
</tbody>
</table>

1. Based on FLT’s closing price of A$1.15 per unit as at 16 May 2019 and by annualising FLT’s interim distribution of 3.54 Singapore cents for the period from 1 October 2018 to 31 March 2019
2. Source: Bloomberg LLP (For the period from 21 June 2018 to 16 May 2019). Calculation of total return assumed the distributions paid during the period are reinvested
3. Source: Monetary Authority of Singapore Daily SGS Prices and interest rates of banks and finance companies (Last accessed on 16 May 2019)
Portfolio and Asset Management

Nick Scali & Plastic Bottles Facility, New South Wales, Australia
Portfolio Overview Australia

Prime and modern properties with an average age of 7.6 years properties concentrated within major logistics and industrial markets

As at 31 March 2019

A$2.0 billion Portfolio Value\(^{(1)}\)

1,311,924 sq m Portfolio GLA

99.4% Occupancy

6.43 years WALE\(^{(3)}\)

3.1% p.a. Average Fixed Rental Increases

1. Based on the appraised value of FLT’s Australian portfolio as at 30 September 2018
2. 14 properties located in Sydney, 1 property located in Wollongong
3. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of March 2019. Excludes straight lining rental adjustments
**Portfolio Overview Melbourne**

- FLT’s properties in Melbourne are primarily located in the west and south east industrial precincts and service Melbourne’s port and large south eastern residential population base.

<table>
<thead>
<tr>
<th>Sub-market</th>
<th>Location</th>
<th>No. of Properties</th>
<th>Precinct Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>South East</td>
<td>A</td>
<td>5</td>
<td>Access to M1 (Monash Freeway) and M3 (EastLink)</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>8</td>
<td>Services the large south eastern residential population base</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>North</td>
<td>D</td>
<td>6</td>
<td>Access to key freeways, including the Tullamarine Freeway, Citylink Tollway, and Western Ring Road, together with the Tullamarine Airport.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sydney is accessed via the Hume Highway</td>
</tr>
<tr>
<td>West</td>
<td>E</td>
<td>6</td>
<td>Close to the shipping port and access to the M1, Geelong Road, M80 Western Ring Road</td>
</tr>
<tr>
<td>City Fringe</td>
<td>F</td>
<td>1</td>
<td>Access to the M1 (Westgate Freeway) linking it to the west precinct</td>
</tr>
<tr>
<td></td>
<td>G</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>29</strong></td>
<td></td>
</tr>
</tbody>
</table>
**Portfolio Overview Sydney**

- FLT's properties in Sydney are well-connected to major freeways, Sydney's port and are able to service growing population in the north west.

<table>
<thead>
<tr>
<th>Sub-market</th>
<th>Location</th>
<th>No. of Properties</th>
<th>Precinct Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outer Central West</strong></td>
<td>A</td>
<td>4</td>
<td>- Excellent access to key motorways, including M7, M4 and other main arterial roads</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>2</td>
<td>- Third-party logistics (&quot;3PL&quot;), retail and wholesale distribution centres for key brand name operators are located in this precinct</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Outer North West</strong></td>
<td>D</td>
<td>4</td>
<td>- Close to M2 and M7 and access to the large and growing north west population corridor</td>
</tr>
<tr>
<td></td>
<td>E</td>
<td>1</td>
<td>- Supply is moderately constrained – sites suit smaller development</td>
</tr>
<tr>
<td><strong>Port Kembla (Wollongong)</strong></td>
<td>N.A.</td>
<td>1</td>
<td>- One of the three major trade ports within New South Wales and is situated within the southern industrial city of Wollongong</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>15</td>
<td></td>
</tr>
</tbody>
</table>
**Portfolio Overview Brisbane**

- FLT’s properties in Brisbane are primarily concentrated in the southern sub-market, which has good road linkages to the north, west and south to the Gold Coast residential population bases.

<table>
<thead>
<tr>
<th>Sub-market</th>
<th>Location</th>
<th>No. of Properties</th>
<th>Precinct Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern</td>
<td>A</td>
<td>1</td>
<td>• Largest geographical industrial precinct that has good road linkages to the north, west and south to the Gold Coast residential population</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>E</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>G</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>H</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Trade Coast</td>
<td>J</td>
<td>1</td>
<td>• Close to key infrastructure, including Port of Brisbane and the Brisbane Airport</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Access north and south via the M1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Supply is constrained. Alternative use is strong competition for development in neighbouring suburbs</td>
</tr>
<tr>
<td>Northern</td>
<td>K</td>
<td>1</td>
<td>• Services the population to the North of Brisbane via the Gympie Road, Bruce Highway and Houghton Highway</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Limited availability of development land</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>
Portfolio Overview Germany and the Netherlands

22 prime and predominantly freehold industrial properties located in key global logistics hubs

As at 31 March 2019

€629.1 million Portfolio Value\(^{(1)}\)

652,519 sq m Portfolio GLA

100% Occupancy

7.08 years WALE\(^{(2)}\)

89% leases with CPI-linked indexation or fixed escalation

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1. Based on the appraised value as at 30 September 2018, and includes the property at Mandeveld 12, Meppel, the Netherlands, which was acquired on 31 October 2018
2. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of September 2018. Excludes straight lining rental adjustments
Exposure to the Attractive German and Dutch Logistics and Industrial Markets

Germany and the Netherlands sit at the crossroads of key global trade routes.

- Key global logistics hub — Germany and the Netherlands ranked No.1 and No.6 logistics hubs globally\(^1\)
- Located in heart of Europe with extensive road, motorway and rail network
- Further extension of global reach given critical role in China’s Belt and Road Initiative

Europe’s Main Trade Arteries Traverse Germany and the Netherlands

China’s Belt and Road Initiative

- Over 62% of the World’s Population
- Over 34% of the World’s Merchandise Trade
- Over 31% of the World’s Gross Domestic Product (“GDP”)

Germany and the Netherlands are expected to benefit directly from China’s Belt and Road Initiative given their trade-oriented economies

Source: Independent Market Research Report
1. Based on World Bank 2018 LPI Global Ranking
Prime, Modern Logistics and Industrial Properties with High Specifications

- Modern portfolio with average age of 7.82 years\(^{(1)}\)
- Portfolio Age by GLA\(^{(1)}\):
  - < 2 Years, 9.2%
  - 2 - 5 Years, 31.1%
  - 5 - 10 Years, 24.1%
  - > 10 Years, 35.6%

- Portfolio comprises predominantly freehold land and long leasehold land tenure

- Land Tenure by Value\(^{(1)}\):
  - Freehold, 70.5%
  - Other Leasehold, 8.2%
  - > 80 Year Leasehold, 21.2%

- Strong location within key logistics and industrial hubs / centers with strong connectivity to key infrastructure

- Modern logistics and industrial properties with high specification installations including solar PV systems, hardstand, LED lighting, in-rack, sprinkler systems, crane installation and ventilation plants

1. As at 31 March 2019
2. Based on the appraised value of FLT’s portfolio as at 30 September 2018. Based on an exchange rate of €1:A$1.5905 for the properties in Germany and the Netherlands
Well-Diversified and High Quality Tenant Base

High quality, diversified tenant base underpinned by primary industries including consumer, logistics services, manufacturing and automotives.

Top 10 Tenants\(^{1}\)

<table>
<thead>
<tr>
<th>Tenant</th>
<th>% of GRI</th>
<th>WALE (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coles</td>
<td>7.0</td>
<td>13.2</td>
</tr>
<tr>
<td>BMW</td>
<td>3.6</td>
<td>6.7</td>
</tr>
<tr>
<td>CEVA Logistics</td>
<td>3.6</td>
<td>6.1</td>
</tr>
<tr>
<td>Schenker</td>
<td>3.2</td>
<td>5.5</td>
</tr>
<tr>
<td>Mainfreight</td>
<td>2.9</td>
<td>6.9</td>
</tr>
<tr>
<td>Constellium</td>
<td>2.5</td>
<td>8.3</td>
</tr>
<tr>
<td>Bakker Logistics</td>
<td>2.4</td>
<td>11.6</td>
</tr>
<tr>
<td>DSV Solutions</td>
<td>2.3</td>
<td>5.6</td>
</tr>
<tr>
<td>Techtronics Industries</td>
<td>2.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Inchcape Motors</td>
<td>2.2</td>
<td>3.5</td>
</tr>
</tbody>
</table>

1. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of March 2019. Excludes straight lining rental adjustments

High quality tenant base that includes MNCs, ASX-listed companies and conglomerates with strong lease terms
Proactive Asset Management

Well spread-out lease expiry profile(1)

46,078 sq m of leasing completed in 1HFY19

Only one lease expiry remaining for FY2019, representing just 1.3% of portfolio GRI

No concentration of lease expiry, providing long-term cash flow stability

As at Mar-2019
As at Mar-2018

1. Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of March 2019. Excludes straight lining rental adjustments
### Proactive Asset Management

#### Value creation through selective asset enhancement initiatives ("AEI")

<table>
<thead>
<tr>
<th>57-71 Platinum Street, Crestmead, QLD, Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 1,219 sq m warehouse expansion with installation of a 773 sq m awning</td>
</tr>
<tr>
<td>• Building upgrades and sustainability initiatives including a 125 kilowatt hour (&quot;kWh&quot;) solar photovoltaic (&quot;PV&quot;) system</td>
</tr>
<tr>
<td>• Return on AEI: Approximately 10%</td>
</tr>
<tr>
<td>• Accompanied by 12-year lease extension by the tenant to November 2031</td>
</tr>
<tr>
<td>• Completed in December 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Keperstraße 10, Nuremberg, Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 22,355 sq m warehouse expansion</td>
</tr>
<tr>
<td>• 5,489 sq m of the expanded space leased to Johnson Outdoors for a 10-year lease term expiring 30 June 2028</td>
</tr>
<tr>
<td>• Additional 5,676 sq m and 11,190 sq m respectively taken up by existing tenants Roman and Hellmann</td>
</tr>
<tr>
<td>• Completed in June 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>466 Boundary Road, Derrimut, Victoria, Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Expansion to existing hardstand area and an upgrade of existing facilities, including an office refurbishment(1)</td>
</tr>
<tr>
<td>• Sustainability Upgrades: LED lighting replacements as well as the installation of a 250 kWh solar PV system</td>
</tr>
<tr>
<td>• Expected return on AEI: Approximately 8.0%</td>
</tr>
<tr>
<td>• 10-year lease extension by CHEP Australia to August 2031</td>
</tr>
<tr>
<td>• Completion expected by July 2019</td>
</tr>
</tbody>
</table>

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1. Includes a A$0.8 million (exclusive of GST) acquisition of an adjacent 12,320 sq m freehold site (59A Foxley Court, Derrimut) from Frasers Property Australia
Commitment To Environment Sustainability

FLT’s commitment to environmental sustainability has been recognised by both GRESB\(^{(1)}\) and GBCA\(^{(2)}\).

**GRESB Assessment\(^{(1)}\)**
- In 2017, FLT’s first year of participation in the GRESB assessment, the company was awarded Regional Sector Leader (Australia / New Zealand), with a score of 80.
- Subsequently in 2018, the company was ranked 1st globally with an improved score of 91.

**FLT’s Green Star-rated Status\(^{(2,3)}\)**
- Highest Green Star performance-rated portfolio in Australia
  - Achieved an overall 4 Star Green Star rating as assessed by the GBCA
  - First to achieve 6 Star Green Star ratings for industrial facilities in each of New South Wales, Victoria and Queensland

**Potential Sustainability Benefits**
- Reduces ongoing occupancy costs
- Attracting new tenants, especially those using sustainability as a criteria
- Assists in retaining tenants at lease expiry
- Decreases building obsolescence
- Minimises vacancy downtime

**Sustainability Initiatives**
- Energy-efficient LED lighting
- Solar PV systems
- Geothermal heating and cooling

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1. Refers to the 2018 Real Estate Assessment by Global Real Estate Sustainability Benchmark (GRESB), the global ESG benchmark for real estate.
2. Green Star ratings are awarded by the Green Building Council of Australia (GBCA) which has assessed the Australian properties against nine key performance criteria – energy, water, transport, materials, indoor environment quality management, land use & ecology, emissions and innovation.
3. As at 31 December 2018
Key Markets Overview
Australia – Economic Snapshot

Key Economic Indicators

- **GDP Growth**: 2.3% for the 12-month ended Dec 2018, lower than the preceding 12-month period, with the slower growth due largely to softening in the construction and residential sectors. Public infrastructure investment continues to support the economy.

- **Low Unemployment rate**: 5.2% in April 2019. Wage growth in the 12 months to Nov 2018 was 2.4% and is expected to pick up gradually as the labour market strengthens.

- **Australian Dollar**: In recent months, the Australian dollar has come under pressure, possibly arising from continued financial market volatility and global trade tensions.

- **Official Interest Rates**: Cash rate maintained at 1.5%.

- **Australian government 10-year bond yields**: 1.71% as of 9 May 2019.

Over the medium to long term, the three major Australian cities of Sydney, Melbourne and Brisbane are expected to remain in the top 10 fastest growing major cities in the developed world.

This means that demand for logistics space will continue to grow in Australia, particularly as Australians become more accustomed to ecommerce as a way to shop for goods.

Governments across the nation have now accepted that population and freight growth need to be catered for, and Australia now has A$260 billion worth of major transport infrastructure projects under construction or planned across 315 projects, up from A$211 billion across 260 projects only three years ago.

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2. Australian Bureau of Statistics. Annual figures are for the period from October to September
Australian Industrial Market

- **National take-up levels** have been robust with a total of approximately 2.5 million sq m leased over the preceding 12 months to March 2019 (15% above the 10-year average), underpinned by an upswing in demand from retail, food and logistics occupiers.

- **Australian industrial supply** is approximately 1.2 million sq m over the previous year to March 2019. There has been increasing speculative developments in Melbourne and Sydney which reflects confidence in the leasing market.

- As national take-up levels have consistently exceeded new completions, **vacancy levels** are at 5 year lows across the three eastern seaboard cities of Sydney, Melbourne and Brisbane.

- **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 has continued to accelerate with further yield compression compared to the first quarter of 2018 (“1Q18”).

- **Rental growth** is expected to remain positive as a result of increasing land values, strong projected population growth and the e-commerce boom.

![Australian Total Industrial Supply](chart.png)

**Sources:** JLL Real Estate Intelligence Service – Industrial Market Snapshot 1Q 2019; Jones Lang LaSalle Real Estate Data Solution – Industrial Occupier Moves from 1Q09 to 1Q19; Knight Frank Research – Australian Capital View Outlook 2019
Sydney Industrial Market

- **Supply**: Supply levels have continued to significantly eclipse the long term average with 654,000 sq m new space added to the market over the last 12 months, which accounted for more than half of new completions in Australia. Robust construction activity is underpinned by significant public infrastructure spending. The forward pipeline remains solid over 2019 however, a constrained supply of serviced land is likely to limit the amount of development activity

- **Demand**: Annual take-up levels were recorded at 763,000 sq m which continued to surpass new completions. The strong demand for industrial space has spurred increasing speculative developments (predominantly in Outer West precincts) with most new space taken up prior to completion. The strong leasing market has been buoyed by consumer demand combined with growth in last mile logistics

- **Rents**: The y-o-y rental growth was 3.5% across all precincts and prime rents in the Outer Central West precinct increased by 4.3% to currently sit at A$122/sq m. The rental uplift is expected to remain strong as tenants are willing to pay a premium to secure new developments of higher quality and specification compared to the existing stock

- **Vacancy**: The level of available space remains well below historical average

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Sydney Industrial Total Supply

![Graph showing Sydney Industrial Total Supply over time]

Sydney Industrial Prime Grade Net Face Rents

![Graph showing Sydney Industrial Prime Grade Net Face Rents over time]

**Annualised as at Q1 2019**

Sources: Jones Lang LaSalle Real Estate Intelligence Service – Sydney Industrial Final Data 1Q19; Jones Lang LaSalle Real Estate Intelligence Service – Sydney Industrial Snapshot 1Q19; Jones Lang LaSalle Real Estate Data Solution – Sydney Construction Projects from Q1 2009 to 1Q2019; Knight Frank Research – Sydney Industrial Market Overview February 2019
Melbourne Industrial Market

- **Supply:** Supply levels in Melbourne are below the 10-year average with only 20,200 sq m space completed over the first quarter of 2019 (“Q1”). Large developers are activating their land banks, most notably in the West, to satisfy tenant demand for consolidating from a number of sites into a larger, more affordable accommodation. New supply in 2019 is expected to be constrained by the lack of development-ready sites (especially in the South East).

- **Demand:** Take-up levels were robust with 200,500 sq m space leased over Q1, predominantly driven by pre-committments in the West and South East. Third party logistics providers (“3PL”) have boosted demand for industrial space as consumer preferences shift towards online shopping. The food industry, supported by strong population growth in Victoria, is also driving occupier demand for larger, more automated warehouses (e.g. Coles and Woolworths).

- **Rents:** As strong demand has outpaced supply, prime face rents have recorded a steady y-o-y growth of 2.2% across all precincts (except for City Fringe, which was stable).

- **Vacancy:** Net absorption of industrial space remains positive. According to Knight Frank, vacancy in Melbourne is at its lowest level in 5 years with approximately 671,500 sq m of available space.

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**Melbourne Industrial Total Supply**

- Completed
- 10 year annual average

**Melbourne Industrial Prime Grade Net Face Rents**

- Annualised as at Q1 2019

Sources: Jones Lang LaSalle Real Estate Intelligence Service – Melbourne Industrial Final Data 1Q19; Jones Lang LaSalle Real Estate Intelligence Service – Melbourne Industrial Snapshot 1Q19; Jones Lang LaSalle Real Estate Data Solution – Melbourne Construction Projects from 1Q09 to 1Q19; Knight Frank Research – Melbourne Industrial Market Overview February 2019
Brisbane Industrial Market

- **Supply:** New developments in Brisbane remained subdued with only 48,200 sq m completed in 1Q19, 20% below the long-term average. This trend is expected to continue over the near term.

- **Demand:** Net absorption of industrial space has been positive with annual take-up totalling 575,400 sq m (26% above the long-term average), predominantly influenced by logistics operators as omni-channel retailing becomes entrenched in the supply chain. Occupier demand is expected to further strengthen over 2019, supported by improving merchandise exports and population growth in Queensland.

- **Rents:** The Brisbane industrial market is recovering with prime rents returning to pre-2017 levels. The falling vacancy and increasing land price have begun to translate into rental growth in the Northern and Southern precincts.

- **Vacancy:** The improved occupier demand together with modest new stock being added to the market has resulted in vacancy at below-average levels for the first time over the past five years.

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**Brisbane Industrial Total Supply**

![Brisbane Industrial Total Supply Chart]

**Brisbane Industrial Prime Grade Net Face Rents**

![Brisbane Industrial Prime Grade Net Face Rents Chart]
Economic Snapshot – Europe

Germany
- The German economy grew 1.5% for 2018, compared to 2.5% a year ago
- Solid domestic fundamentals, supported by a 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

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

EURIBOR
- EURIBOR remained in the negative range as at 31 March 2019

Source: Destatisches Bundesamt (Federal Statistics Office of Germany), CBS (Statistics Netherlands), Bloomberg, Reuters, Economist Intelligence Unit
Industrial Markets Overview Germany and the Netherlands

Germany
Take-up and Prime Rent (for warehouse >5,000 sq m)

Take-up : -22% (Q1 2019 vs Q1 2018)
- Take-up in Germany remained high at 1.2 million sq m
- New supply for the rental market remains limited with users continuing to seek build-to-suit solutions
- Investment activity dipped significantly in Q1 mainly due to a lack of available logistics products in the major logistics hubs
- Following a strong compression since 2016, average yields have stabilised at 4.1% in the major distribution hubs

The Netherlands
Take-up and Prime Rent (for warehouse >5,000 sq m)

Take-up : +31% (Q1 2019 vs Q1 2018)
- Business confidence has been boosted by domestic demand and industrial output over the past two years
- All major occupier markets have recorded strong volumes of transactions in Q1, with Venlo confirming its strong market position
- Following two outstanding years, industrial and logistics investment has unsurprisingly slowed in Q1 2019
- Yields stabilised at 4.5% in Venlo, while prime rents have largely remained unchanged from the preceding quarter

Source: BNP Paribas Real Estate International Research
Strategy and Conclusion
FLT’s four-pronged strategy to drive sustainable growth and distribution

### Principal Objectives

1. Achieve long-term growth in DPU
2. Deliver stable and regular distributions to unitholders
3. Invest globally in logistics and industrial assets

### Strategies to support the Principal Objectives

1. **Active Asset Management**
   - **Proactive leasing:** Maintain high occupancy rate, long WALE and well-diversified tenant base
   - **Asset Enhancement:** Assess and undertake AEIs on the FLT portfolio to unlock further value

2. **Selective Development**
   - Undertake development activities of properties complementary to the FLT portfolio
     - Development activities can be up to 10% of the current AUM as per MAS guidelines
   - Re-development of existing assets
   - Sponsor’s development pipeline

3. **Acquisition Growth**
   - Pursue strategic acquisition opportunities of quality industrial properties
     - ROFR over 47 properties from FLT’s Sponsor
     - Third-party acquisitions

4. **Capital & Risk Management**
   - Optimise capital mix and prudent capital management

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1. Regulatory limit of not more than 10% of the company’s Deposited Property (subject to maximum of 25% only if additional 15% allowance is utilised solely for redevelopment of an existing property that has been held for 3 years and continue to be held for 3 years after completion and obtains specific approval of unitholders)
Summary

FLT’s portfolio of 82 properties in Australia, Germany and the Netherlands provide positive exposure to modern and developed logistics and industrial markets

1. Prime, Modern and High Quality Portfolio
2. High occupancy rate with well-diversified tenant base
3. Predominantly freehold and long leasehold land tenure
4. Long WALE, with no concentration of lease expiry
5. Strong & Established Sponsor – Frasers Property Limited
Additional Info: 1HFY2019 Financial Review
## Financial Performance 1 October 2018 – 31 March 2019

<table>
<thead>
<tr>
<th>(A$’000)</th>
<th>1HFY19</th>
<th>1HFY18</th>
<th>Change (%)</th>
<th>Remarks</th>
</tr>
</thead>
</table>
| Revenue                       | 119,190| 86,005 | 38.6       | • Contributions from the FY2018 European Acquisition, FY2018 Australian Acquisition and the FY2019 Dutch Acquisition<sup>(2)</sup>; and  
• A$1.2 million early surrender fee received for Lot 63 - 79 South Park Drive, Dandenong South, Victoria which was partially offset by:  
• The effect of the FY2018 Divestments<sup>(2)</sup> |
| Adjusted net property income<sup>(1)</sup> | 96,796 | 66,805 | 44.9       | • Higher borrowings drawn to finance the various acquisitions in FY2018 and FY2019 and after taking in the proceeds from the FY2018 Divestments. The weighted average Interest rate excluding upfront related expenses was 2.4% per annum compared to 2.9% per annum for the corresponding period. |
| Finance costs                 | (14,751)| (9,653)| 52.8       | • Contributions from the various acquisitions; which was partially offset by:  
• Higher finance costs:  
• 91.6% of management fees paid in the form of units (1HFY18: 72.8%); and  
• Higher current income tax arising from higher distributable income |
| Distributable income to Unitholders | 73,607 | 51,720 | 42.3       | • Lower hedged exchange rate of A$1.00: S$0.9743<sup>(3)</sup> (1HFY18: A$1.00: S$1.0615) due to weaker AUD and EUR against the SGD  
• 1HFY19 hedged exchange rate has decreased by 8.2% as compared to 1HFY18 |

DPU
(Australian cents)  
3.63  
3.40  
6.8

DPU
(Singapore cents)  
3.54  
3.61  
(1.9)

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1. Net property income excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases
2. Please refer to Page 2 of FLT’s Financial Statements Announcement dated 26 April 2019 for details of the capitalised terms
3. A 100 bps increase in the AUD:SGD and EUR:SGD exchange rates relative to their respective distributable income contribution will result in an increase of 0.03 Singapore cents in DPU
Distribution

- FLT manages foreign exchange volatility on its distributable income with hedging instruments and targets to hedge distributions on a rolling six-month basis.

- The lower DPU of 3.54 Singapore cents by 1.9% as compared to 3.61 Singapore cents for 1HFY18, and lower DPU of 1.76 Singapore cents by 2.8% as compared to 1.81 Singapore cents for 2QFY18 was due mainly to:
  - Lower hedged exchange rate of 8.2% for 1HFY19 vs 1HFY18, and 9.2% for 2QFY19 vs 2QFY18.

- FLT has paid out 100% of distributable income since IPO.

Distribution per Unit

<table>
<thead>
<tr>
<th></th>
<th>Australian Cents</th>
<th>Singapore Cents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2QFY19</td>
<td>1.82</td>
<td>1.70</td>
</tr>
<tr>
<td>2QFY18</td>
<td>1.76</td>
<td>1.81</td>
</tr>
<tr>
<td>1HFY19</td>
<td>3.63</td>
<td>3.40</td>
</tr>
<tr>
<td>1HFY18</td>
<td>3.54</td>
<td>3.61</td>
</tr>
</tbody>
</table>
The value of investment properties increased 0.8% from A$2,978 million as at 30 September 2018 to A$3,003 million as at 31 March 2019, due mainly to:

- Completion of acquisition of the freehold interest in a prime logistics property in the Netherlands on 31 October 2018. The agreed purchase price for the property was €25.36 million (approximately A$40.56 million);
- Purchase of freehold land adjacent to the CHEP Property for A$0.8 million;

which was partially offset by

- Classification of A$15.3 million for the property at 63-79 South Park Drive, Dandenong South, Victoria, Australia to “Investment Property held for sale” (included within Current assets)

FLT is in a net current liability position as at 31 March 2019. Included in current liabilities is short-term borrowings of 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.

<table>
<thead>
<tr>
<th>Balance Sheet (A$’000)</th>
<th>As at 31 Mar 19</th>
<th>As at 30 Sep 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment properties</td>
<td>3,002,650</td>
<td>2,978,204</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>-</td>
<td>1,133</td>
</tr>
<tr>
<td>Current assets</td>
<td>128,364</td>
<td>115,638</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>3,131,014</strong></td>
<td><strong>3,094,975</strong></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>906,313</td>
<td>884,774</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>270,511</td>
<td>266,947</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,176,824</strong></td>
<td><strong>1,151,721</strong></td>
</tr>
<tr>
<td>Net asset value per Unit (A$)</td>
<td>0.95(1)</td>
<td>0.95(2)</td>
</tr>
<tr>
<td>Net asset value per Unit (S$)</td>
<td>0.91</td>
<td>0.94</td>
</tr>
</tbody>
</table>

1. Based on an exchange rate of A$1.00:S$0.9602 as at 31 March 2019
2. Based on an exchange rate of A$1.00:S$0.9878 as at 30 September 2018
# Debt

## As at 31 March 2019

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aggregate Leverage</strong></td>
<td>35.1%</td>
</tr>
<tr>
<td><strong>Total Gross Borrowings</strong></td>
<td>A$1,097 million</td>
</tr>
<tr>
<td><strong>Weighted Average Cost of Borrowings</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>Average Weighted Debt Maturity</strong></td>
<td>2.4 years</td>
</tr>
<tr>
<td><strong>Interest Rate Exposure Fixed</strong></td>
<td>79%</td>
</tr>
<tr>
<td><strong>Interest Coverage Ratio</strong></td>
<td>7.5 times</td>
</tr>
<tr>
<td><strong>Debt Headroom</strong></td>
<td>A$563 million&lt;sup&gt;(2)&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

## Debt Maturity Profile

Terms *for the five-year A$ term loan have been finalised* and are in an advanced stage of documentation.

1. Excluding upfront debt related expenses
2. Prior to reaching the 45.0% aggregate regulatory leverage limit
Capital Management

Investment Properties\(^{(1)}\) and Debt (As at 31 March 2019)

<table>
<thead>
<tr>
<th></th>
<th>Value (A$ million)</th>
<th>Debt (A$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Portfolio</td>
<td>3,018</td>
<td>1,097</td>
</tr>
<tr>
<td>Australian Portfolio</td>
<td>2,017</td>
<td>616</td>
</tr>
<tr>
<td>European Portfolio</td>
<td>1,001</td>
<td>481</td>
</tr>
</tbody>
</table>

Interest Risk Management (As at 31 March 2019)

<table>
<thead>
<tr>
<th></th>
<th>Variable debt</th>
<th>% of total debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUD</td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>EURO</td>
<td></td>
<td>12%</td>
</tr>
</tbody>
</table>

1. Includes Investment Property held for sale