

FLT 1QFY20 DPU UP 1.1% TO 1.83 AUSTRALIAN CENTS

1QFY20 Quarter Highlights

- ◆ Distributable Income **up 12.9% to A\$41.4 million**
- ◆ Four leases signed, including a new lease to Amazon at the Perth Airport facility, bringing the portfolio **occupancy to 100%**
- ◆ Completed the acquisition of **two properties in Germany** bringing the total portfolio size to **93 properties worth A\$3.6 billion**
- ◆ Announced **the proposed merger with Frasers Commercial Trust** on 2 December 2019, which is expected to create **a top-10 SREIT by market capitalisation**

Summary of Results

A\$'000	1QFY20	1QFY19	Variance (%)
Revenue	64,404	59,524	8.2
Adjusted Net Property Income ¹	52,905	48,930	8.1
Distributable Income	41,446	36,698	12.9
DPU (Australian cents)	1.83	1.81	1.1
DPU (Singapore cents)	1.74	1.78	(2.2)

SINGAPORE, 6 FEBRUARY 2020

Frasers Logistics & Industrial Asset Management Pte. Ltd., the manager of Frasers Logistics & Industrial Trust ("FLT" and the manager of FLT, the "REIT Manager"), today announced FLT's results for the quarter ended 31 December 2019 ("1QFY20").

REVIEW OF FINANCIAL PERFORMANCE

FLT reported higher revenue and adjusted net property income of A\$64.4 million and A\$52.9 million respectively, representing an increase of 8.2% from A\$59.5 million and 8.1% from A\$48.9 million respectively in the corresponding financial quarter ("1QFY19"). Acquisitions in Europe and Australia supported the increase in income, which was partially offset by divestment activities in Australia². Distributable income was accordingly higher at A\$41.4 million for 1QFY20, representing an increase of 12.9% from A\$36.7 million a year ago.

¹ 1QFY20 Adjusted net property income ("Adjusted NPI") is calculated based on the actual net property income excluding straight lining rental adjustments for rental income and adding lease payments for right-of-use assets. 1QFY19 Adjusted NPI is calculated based on the actual net property income excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases

² Please refer to Pages 2 and 17 of FLT's Financial Statements dated 6 February 2020 for details of the acquisitions and divestments

Distribution per unit (“DPU”) for 1QFY20 was 1.83 Australian cents, up 1.1% from 1.81 Australian cents a year ago. In SGD terms, 1QFY20 DPU was 1.74 Singapore cents³.

ACQUISITIONS AND PORTFOLIO UPDATE

In 1QFY20, FLT completed four leasing transactions for a total gross lettable area (“GLA”) of 42,116 square metres (“sq m”) in Germany and Australia, which included a five-year lease agreement with Amazon Commercial Services Pty Ltd (“Amazon”) for its 9,539 sq m tenancy at 60 Paltridge Road, Perth Airport, Western Australia. The Amazon lease increased FLT’s portfolio occupancy rate to 100% as at 31 December 2019.

FLT also completed the acquisition of the two remaining German properties during the quarter, completing the portfolio acquisition of interests in 12 prime logistics properties in Germany and Australia that was announced in July 2019.

Accordingly, as at 31 December 2019, the FLT portfolio has a weighted average lease expiry (“WALE”) of 6.23 years⁴, and minimal lease expiries representing 2.2% of gross rental income for the financial year ending 30 September 2020. The total value of FLT’s portfolio was approximately A\$3.6 billion⁵ as at 31 December 2019.

Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, “It was an exciting first quarter for FLT marked by two major milestones. First, the signing of a five-year lease to Amazon for our one remaining vacancy at Perth Airport, which brought FLT’s portfolio occupancy to 100% as at 31 December 2019. Secondly, on 2 December 2019, we announced the proposed merger between FLT and our sister REIT – Frasers Commercial Trust. The merger would be a transformational development for the combined entities delivering DPU accretion and greater long-term growth prospects to unitholders.

From an earnings viewpoint, notwithstanding the impact of a volatile currency market, FLT’s financial performance remained robust, highlighted by a 12.9% growth in distributable income which translated to a DPU of 1.74 Singapore cents for 1QFY20.”

CAPITAL MANAGEMENT

As at 31 December 2019, FLT’s aggregate leverage was 35.5%. Total borrowings were A\$1,342 million, 53% of which were at fixed interest rates. The weighted average cost of debt for 1QFY20 was 2.0% per annum compared to 2.4% a year ago.

INDUSTRIAL MARKET OUTLOOK

Australia⁶

National take-up levels over the 12 months to 31 December 2019 were 2.0 million sq m, with Melbourne continuing to be the top performing industrial market in terms of leasing activity, accounting for approximately 39% of total Australian take-up over the past 12 months. Melbourne’s continued strength has been supported by strong economic fundamentals and rental affordability. The demand for industrial space is largely attributable to strong population growth, public infrastructure spending and growth in the e-commerce sector.

³ 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.

⁴ Calculated on a gross rental income basis (excluding straight lining rental adjustments) with respect to the unexpired lease terms of the existing tenants

⁵ Excludes recognition of right-of-use assets upon the adoption of FRS 116 Leases with effect from 1 October 2019

⁶ Sources: JLL Research – Industrial Market Snapshots 4Q 2019; Knight Frank Research – Australian Capital View Outlook 2019, Knight Frank Research – Sydney Industrial Vacancy October 2019, Knight Frank Research – Melbourne Industrial Vacancy October 2019, Knight Frank Research – Melbourne Industrial Vacancy October 2019

New industrial supply is below the long-term average with approximately 1.1 million sq m being completed over the past 12 months, lower compared to 2018 as a result of a shortage of serviced industrial land and a reduction in development activity. In the last 12 months national take up continues to outpace new supply. As such, vacancies in the three major industrial markets of Sydney, Melbourne and Brisbane remain near their historic five year low.

Despite the decrease in new supply in 2019 there continues to be a strong development pipeline of industrial property in Sydney and Melbourne which are due to complete in 2020. Developers are currently seeking to capitalise on the strength of the industrial market and increase the development pipeline on a speculative basis.

Prime face rents have recorded steady year-on-year growth of 2.4% and 1.3% in Sydney and Melbourne respectively. The Brisbane industrial market has recovered well in the last 12 months with 2.3% prime rental growth. The recovery has been driven by a strengthening local economy, limited new development and declining vacancies.

Investor demand for industrial space remains strong with evidence of further yield compression compared to the third quarter of 2019. However, the yield compression is forecast to stabilise. In the absence of capital growth, rental growth is expected to drive industrial returns in future years.

Germany and the Netherlands⁷

In Germany, take-up levels for logistics and industrial properties above 5,000 sq m were approximately 5.0 million sq m in 2019, albeit lower in some of the main hubs due to a lack of available modern space. The overall market remained strong with companies shifting to smaller locations outside the traditional hubs due to supply limitations. Average prime yields for the major German logistics hubs firmed to 3.7% as at December 2019, which is the lowest yield recorded for Europe.

For the Netherlands, take-up levels for logistics and industrial properties above 5,000 sq m also remained high at approximately 2.7 million sq m in 2019, with all of the major occupier markets recording healthy transaction volumes. Prime rents increased, while prime yields firmed to 4.4% for the Venlo logistics market over the course of 2019.

Overview

The REIT Manager continues to monitor key macro developments, including the ongoing global trade tensions, Brexit and the recent outbreak of the novel coronavirus. The REIT Manager is also closely monitoring the Australian bushfires that had impacted certain rural regions. FLT's properties are unaffected as they are located away from the affected areas. Looking ahead, the REIT Manager will remain focused on its proactive asset and lease management strategies and will continue to grow FLT's portfolio with a focus on generating sustainable long-term value for unitholders.

END

⁷ Source: BNP Paribas Real Estate International Research ("BNP"), 3Q 2019

About Frasers Logistics & Industrial Trust

Frasers Logistics & Industrial Trust (“**FLT**”) is the first Singapore-listed real estate investment trust with a portfolio comprising 93⁸ logistics and industrial properties, worth approximately A\$3.6 billion, concentrated within major logistics and industrial markets in Australia, Germany and the Netherlands. FLT was listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 20 June 2016.

FLT’s investment strategy is to invest globally in a diversified portfolio of income-producing industrial and logistics properties⁹. With strong connectivity to key infrastructure, FLT’s modern portfolio consists predominantly of freehold and long leasehold land tenure assets with a well-diversified tenant base. FLT is sponsored by Frasers Property Limited.

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

About the Sponsor: Frasers Property Limited

Frasers Property Limited (“**Frasers Property**” and together with its subsidiaries, the “**Group**”), is a multi-national company that develops, owns and manages a diverse, integrated portfolio of properties. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and headquartered in Singapore, the Group has total assets of approximately S\$37.6 billion as at 30 September 2019.

Frasers Property’s assets range from residential, retail, commercial & business parks, to logistics & industrial in Southeast Asia, Australia, Europe and China. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities across Asia, Australia, Europe, the Middle East and Africa. The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

Frasers Property is also the sponsor of three real estate investment trusts and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust are focused on retail, commercial & business parks, and logistics & industrial properties respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, Frasers Property Thailand is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on logistics and industrial properties in Thailand and is listed on the Stock Exchange of Thailand.

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

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⁸ Excludes 610 Heatherton Road, Clayton South, Victoria, Australia

⁹ Such real estate assets used for “logistics” or “industrial” purposes also include office components ancillary to the foregoing purposes

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The value of the units in FLT ("**Units**") and the income derived from them may fall or rise. The Units are not obligations of, deposits in, or guaranteed by the REIT Manager, Perpetual (Asia) Limited (as trustee of FLT), or Frasers Property Limited (as the sponsor of FLT).

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the REIT Manager redeem or purchase 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 press release may contain forward-looking statements or financial information that involve assumptions, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of FLT. The forecast financial performance or financial information of FLT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements or financial information, which are based on the REIT Manager's current view of future events.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

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