

## PROPOSED ACQUISITION OF 21 PRIME INDUSTRIAL PROPERTIES IN KEY GLOBAL LOGISTICS HUBS IN GERMANY & THE NETHERLANDS

- ◆ Strategic entry into the **attractive German and Dutch logistics and industrial markets through the acquisition of a €596.8 million (approximately S\$972.8 million<sup>1</sup>) portfolio** (the “**Proposed Acquisition**”)
- ◆ Prime, strategically located and **predominantly freehold portfolio** with diversified tenant mix
- ◆ 100% occupancy with **weighted average lease expiry (“WALE”) of 8.0 years**
- ◆ Proposed acquisition is expected to be **DPU accretive<sup>2</sup>**

### SINGAPORE, 20 APRIL 2018

Fraser's Logistics & Industrial Asset Management Pte. Ltd., the manager of Fraser's Logistics & Industrial Trust (“**FLT**” and the manager of FLT, the “**REIT Manager**”), is pleased to announce that FLT has entered into a share purchase agreement (the “**Share Purchase Agreement**”) with Fraser's Property Investments (Holland) B.V. (the “**Vendor**”), a wholly-owned subsidiary of Fraser's Property Limited (“**FPL**” or the “**Sponsor**”) to acquire all the shares of FPE Logistics B.V. (the “**Target Company**”) which holds interests in 21 properties in Germany and the Netherlands (the “**New Properties**”).

The agreed purchase price for the New Properties is approximately €596.8 million<sup>3</sup> (approximately S\$972.8 million) (the “**Property Purchase Price**”). The consideration of approximately €316.2 million (approximately S\$515.4 million) (the “**Purchase Consideration**”) is based on the aggregate value of the Property Purchase Price, adjusted for the estimated consolidated net assets and liabilities<sup>4</sup> of the Target Company and the amount of the inter-company loan owing by the Target Company to the Vendor which will be assigned to FLT.

Situated at the crossroads of key global trade routes, Germany and the Netherlands together accounts for approximately 34.5% of total trade in the European Union in 2016, and are global logistics hubs characterised by robust net absorption trends driven by limited supply and strong demand drivers<sup>5</sup>. The Proposed Acquisition is a strategic entry to access the attractive German and Dutch logistics and industrial markets and allows FLT to diversify its portfolio beyond Australia.

<sup>1</sup> Based on an assumed exchange rate of €1:00:S\$1.63

<sup>2</sup> Please refer to the paragraph 5 of the announcement dated 20 April 2018 by FLT in relation to the Proposed Acquisition (the “**Announcement**”) for the pro forma financial effects of, *inter alia*, the Proposed Acquisition on the distribution per unit in FLT (“**DPU**”)

<sup>3</sup> Negotiated and taking into account the two independent valuations conducted by CBRE Ltd. and Colliers International Valuation UK LLP as at 31 March 2018 and 100% interest in each of the New Properties

<sup>4</sup> Including the existing debt facilities of the property holding companies of the New Properties to be assumed by FLT amounting to approximately €262.7 million (approximately S\$428.2 million) as well as FLT's effective interests in each entity held under the Target Company

<sup>5</sup> Source: “Independent Market Research Report” issued by Jones Lang LaSalle Limited

*DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. are the joint financial advisers, global coordinators and issue managers for the initial public offering of the units in Fraser's Logistics & Industrial Trust (the “**Offering**”). DBS Bank Ltd., Citigroup Global Markets Singapore Pte. Ltd., Morgan Stanley Asia (Singapore) Pte., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited are the joint bookrunners and underwriters for the Offering (collectively, the “**Joint Bookrunners**”). The Joint Bookrunners for the Offering assume no responsibility for the contents of this press release.*

Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, commented, “This is a transformational acquisition for FLT to expand its initial focus from Australia to Germany and the Netherlands through the acquisition of a prime portfolio from the Sponsor. We expect enhanced synergistic alignment with our Sponsor through leveraging their established European management platform to undertake property and asset management functions of this portfolio.”

Mr Wallace added, “In Germany, warehouse take-up has outpaced completions since 2008 due to limited land supply and strong underlying demand driven by a growing economy including expansion of the eCommerce sector. In the Netherlands, we continue to see rising take-up vis-à-vis a declining supply of industrial and logistics properties since 2014 due to a shortage of modern and high quality logistics space and the increasing prominence of intra-Europe shipment buoyed by rising eCommerce activities.”

With a total gross lettable area (“**GLA**”) of approximately 595,000 square metres (“**sq m**”), the New Properties are predominantly freehold<sup>6</sup> and strategically located within the major logistics hubs of Germany and the Netherlands. The New Properties have 100% occupancy with a long WALE of 8.0 years, underpinned by 20 quality tenants from primary industries of the resilient German and Dutch economies, including logistics services, automotive, food logistics and industrial manufacturing. These include multinational corporations with investment grade ratings and publicly listed corporations such as BMW Group, Volkswagen, Mainfreight, DSV Solutions, Constellium and Transgourmet. 89% of the leases have CPI-linked indexation or fixed rental escalations.

With a young average portfolio age of 7.0 years, the New Properties are modern logistics facilities with high specifications.

“The Proposed Acquisition will enhance FLT’s defensive attributes through geographical diversification, increased freehold component, reduced tenancy concentration risk and an improved WALE of 7.1 years, from 6.8 years as at 31 December 2017. The Proposed Acquisition is also expected to be DPU accretive<sup>7</sup>, aligned with our objectives of providing stable and regular distribution and achieving long-term growth for FLT unitholders,” Mr Wallace concluded.

As at 31 March 2018, FLT has a right of first refusal over the Sponsor’s remaining 39 Australian and European logistics and industrial assets amounting to approximately 1.2 million sq m<sup>8</sup>.

Funding for the Purchase Consideration will be via a combination of equity and borrowings. The Proposed Acquisition is expected to be completed by June 2018, subject to approval from FLT unitholders at an extraordinary general meeting to be convened (details of which will be set out in a circular to be issued) and a successful equity fund raising. The Sponsor has also demonstrated its support for the Proposed Acquisition by undertaking to subscribe for its pro-rata interests in FLT during the equity fund raising.

**END**

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<sup>6</sup> 93% of the New Properties by appraised value comprises freehold land

<sup>7</sup> Please refer to the paragraph 5 of the announcement dated 20 April 2018 by FLT in relation to the Proposed Acquisition for the pro forma financial effects of, *inter alia*, the Proposed Acquisition on FLT’s DPU

<sup>8</sup> Subject to the completion of the proposed acquisition of Alpha Industrial GmbH & Co KG’s portfolio of 16 completed logistics and industrial assets and one logistics asset in Germany by the Sponsor

## APPENDIX

### KEY STATISTICS AS AT 31 DECEMBER 2017 (UNLESS OTHERWISE STATED)

	Existing Portfolio	Proposed Acquisition	Post-Proposed Acquisition
<b>No. of Properties</b>	Australia: 61 <sup>9</sup>	Germany: 17 The Netherlands: 4 Total: 21	Australia: 61 Germany: 17 The Netherlands: 4 Total: 82
<b>GLA</b>	1.3 million sq m <sup>10</sup>	0.6 million sq m	1.9 million sq m
<b>Portfolio Value</b>	A\$1.9 billion <sup>11</sup>	A\$1.0 billion <sup>12</sup>	A\$2.9 billion
<b>Geographical Diversification<sup>13</sup></b>	Australia: 100%	Germany: 75% The Netherlands: 25%	Australia: 67% Germany: 25% The Netherlands: 8%
<b>Proportion of Freehold Assets<sup>13</sup></b>	60%	93%	71%
<b>WALE<sup>14</sup></b>	6.8 years	8.0 years	7.1 years

#### About Frasers Logistics & Industrial Trust

Frasers Logistics & Industrial Trust (“**FLT**”) is the first Singapore-listed real estate investment trust with an initial pure-play Australian industrial and logistics portfolio. FLT’s investment strategy is to invest globally in a diversified portfolio of income-producing industrial and logistics properties. With strong connectivity to key infrastructure, FLT’s modern portfolio consists predominantly of freehold and long leasehold land tenure assets with a well-diversified tenant base. FLT is sponsored by Frasers Property Limited.

As at 31 December 2017, FLT’s portfolio comprises 61 Australian industrial and logistics real estate assets concentrated within major industrial markets in Australia, which include Sydney, Melbourne and Brisbane. FLT’s Australian portfolio is valued at A\$1.9 billion as at 30 September 2017.

For more information about FLT, visit [www.fraserslogisticstrust.com](http://www.fraserslogisticstrust.com)

<sup>9</sup> One of the properties in the existing portfolio, being the Clifford Hallam Facility located at 17 Hudson Court, Keysborough, Victoria, Australia, is currently under development and is expected to be completed in May 2018

<sup>10</sup> Excludes the Clifford Hallam Facility which is currently under development and is expected to be completed in May 2018

<sup>11</sup> The existing portfolio appraised value as at 30 September 2017 (the “**Existing Portfolio Appraised Value**”) includes the balance of the acquisition amounts payable in respect of the Beaulieu Facility and the Stanley Black & Decker Facility which were paid by FLT on 13 October 2017 and 17 November 2017, respectively

<sup>12</sup> Based on the higher of the two independent valuations and translated at an exchange rate of €1.00:A\$1.5896

<sup>13</sup> Based on the Existing Portfolio Appraised Value and based on the higher of the two independent valuations (in respect of the New Properties)

<sup>14</sup> Based on the gross rental income, being the contracted rental income and estimated recoverable outgoings, for the month of December 2017

**About the Sponsor: Frasers Property Limited**

Frasers Property Limited ("**Frasers Property**" or the "**Company**"), is a multi-national company that owns, develops and manages a diverse, integrated portfolio of properties. Listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and headquartered in Singapore, the Company is organised around five asset classes with assets totalling S\$28 billion as at 31 December 2017.

Frasers Property's assets range from residential, retail, commercial and business parks, to logistics and industrial in Singapore, Australia, Europe, China and Southeast Asia. Its well-established hospitality business owns and / or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The Company is unified by its commitment to deliver enriching and memorable experiences for customers and stakeholders, leveraging 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 Centrepont Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust are focused on retail properties, office and business space properties and business parks, logistics and industrial properties respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties.

For more information on Frasers Property, please visit [www.frasersproperty.com](http://www.frasersproperty.com).

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The value of the 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 the 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 press release is not an offer or sale of the Units in the United States. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Any public offering of the Units in the United States would be made by means of a prospectus that would contain detailed information about FLT, the REIT Manager and its management, as well as financial statements.

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