Financial Review

Income Statement

For the financial year ended 31 March (S$ million)

	2013 FY12/13	2014 FY13/14	2015 FY14/15	2016 FY15/16	2017 FY16/17
Revenue	**1,388.9**	**1,521.9**	**1,633.9**	**1,878.9**	**2,328.8**
Earnings before interest and taxes (EBIT)	884.9	1,051.9	1,137.3	1,316.3	1,545.1
Share of profit/(loss) of associated companies and joint ventures (SOA) (operating)	(7.6)	(9.7)	4.1	10.6	30.0
EBIT + SOA[1]	**877.3**	**1,042.2**	**1,141.4**	**1,326.9**	**1,575.1**
Finance cost – net	(194.0)	(174.6)	(167.4)	(246.2)	(331.7)
Income tax expense	(86.8)	(105.0)	(124.3)	(141.6)	(168.9)
Others	–	–	42.4	28.7	36.7
Non-controlling interests	(319.9)	(380.9)	(418.1)	(438.4)	(467.6)
Recurring PATMI	**276.6**	**381.7**	**474.0**	**529.4**	**643.6**
Asset revaluation gains[2]	297.5	478.0	545.9	404.1	662.1
Corporate restructuring surplus and disposal gains – net[2]	355.5	14.6	3.1	8.3	197.6
Other gains/(losses) – net[3]	21.9	3.9	(19.4)	23.4	(89.6)
PATMI[4]	**951.5**	**878.2**	**1,003.6**	**965.2**	**1,413.7**
Attributable to:					
Equity holder of the Company	**917.2**	**828.6**	**954.0**	**915.6**	**1,349.6**
Perpetual securities holders	**34.3**	**49.6**	**49.6**	**49.6**	**64.1**
	951.5	**878.2**	**1,003.6**	**965.2**	**1,413.7**
Operational profit after tax and minority interests (Operational PATMI[5])	**781.6**	**392.7**	**467.6**	**583.9**	**1,376.5**

Footnotes:

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.

2 Net of tax and non-controlling interests, including share of associated companies' and joint ventures' revaluation gains or losses.

3 Net of tax and non-controlling interests, including share of associated companies and joint ventures, mark-to-market fair value adjustments, negative goodwill, dilution gains or losses and the like.

4 PATMI denotes net profit (after tax and non-controlling interests) attributable to perpetual securities holders and equity holder of the Company.

5 Operational PATMI denotes net income derived from the underlying operating activities of the Group including, inter-alia, real estate leasing and sales activities, capital management fee income businesses, investments in real estate related assets and/or securities, and corporate restructuring surplus or deficit. Any gains or losses on disposal and corporate restructuring surplus or deficit are measured based on the relevant original invested costs (OIC). Gains or losses on foreign exchange, fair value adjustments for financial derivatives and financial assets available-for-sale (per FRS 39 Financial Instruments: Recognition and Measurement), unrealised gains or losses, inter-alia, pure revaluation gains or losses, negative goodwill and dilution gains or losses are not included.

6 ROE denotes return on equity and is computed based on PATMI attributable to equity holders of the Company over shareholder's funds.

7 ROIE is computed based on Operational PATMI (less profit attributable to perpetual securities) over the Group's equity from shareholder adjusted for unrealised revaluation gains or losses and such other non-cash flow and non-operating items including mark-to-market fair value adjustments and negative goodwill.

8 NAV CAGR is adjusted for dividends distributed to shareholder and calculated excluding non-controlling interests and perpetual securities and with NAV as of 31 March 2012 as starting base.

9 Recurring Core PATMI is derived from Recurring PATMI less incentive fees and residential gross profit.

10 Relate to acquisitions and developments completed in FY16/17.

Balance Sheet

As at 31 March (S$ million)

	2013 FY12/13	2014 FY13/14	2015 FY14/15	2016 FY15/16	2017 FY16/17
Assets					
Investment properties:					
Completed properties	19,264.4	20,478.0	22,453.9	27,567.1	30,386.8
Under redevelopment	30.4	304.1	704.3	996.5	299.6
Property held for sale	31.2	15.9	17.2	16.5	41.2
Properties under development	560.1	1,443.3	1,790.4	1,647.2	1,663.0
Property, plant and equipment	12.4	10.3	9.1	11.3	175.6
Investments in associated companies and joint ventures	876.3	621.3	922.4	871.0	1,279.0
Cash and cash equivalents	2,263.5	717.0	752.0	1,027.0	1,179.8
Others	418.5	414.9	554.5	821.4	1,234.2
Total Assets	**23,456.8**	**24,004.8**	**27,203.8**	**32,958.0**	**36,259.2**
Liabilities					
Borrowings/Medium term notes	7,761.7	7,077.9	8,332.3	13,219.3	13,095.5
Current and deferred income tax liabilities	285.5	292.0	343.7	384.9	422.9
Others	1,042.3	884.5	1,132.6	1,294.1	1,517.0
Total Liabilities	**9,089.5**	**8,254.4**	**9,808.6**	**14,898.3**	**15,035.4**
Net Assets	**14,367.3**	**15,750.4**	**17,395.2**	**18,059.7**	**21,223.8**
Shareholder's funds	7,584.2	8,343.6	9,330.1	9,941.3	11,184.1
Perpetual securities	941.1	941.1	941.1	941.1	1,817.8
Non-controlling interests	5,842.0	6,465.7	7,124.0	7,177.3	8,221.9
Total Equity	**14,367.3**	**15,750.4**	**17,395.2**	**18,059.7**	**21,223.8**

Key Highlights – FY16/17

- The Group concluded the year with a record PATMI[4] of S$1,413.7 million, 46% higher than the previous financial year. The profitability of the Group was underpinned by strong recurring earnings of S$643.6 million, a year-on-year (y-o-y) growth of 22% or S$114.2 million higher than FY15/16. In addition, the Group recorded increased investment and other gains of S$108.0 million and revaluation gain (net) of S$662.1 million.

- The Group also achieved the largest ever Operational PATMI[5] of S$1,376.5 million, close to 2.4 times that of FY15/16.

- The Group expanded its international presence with the acquisition of Green Park, a 79-hectare freehold business park in Thames Valley, Reading, United Kingdom (UK) on 18 May 2016, bringing the assets under management (AUM) in the UK to S$2.5 billion, 47% higher than FY15/16. In November 2016, the Group made its maiden investment in a student accommodation portfolio in the United States (US) – the world's largest student accommodation market – by acquiring seven student accommodation assets located across six states. These acquisitions contributed new leasing income streams of S$83.9 million in FY16/17.

- In February 2017, Mapletree accelerated the Group's long-term strategy of global expansion into the corporate housing / serviced apartment business by acquiring Oakwood Worldwide, a premier global provider of corporate housing / serviced apartment solutions.

- Within Asia, the Group made strong headway in Vietnam when it acquired Kumho Asiana Plaza (KAP) in District 1, Ho Chi Minh City (HCMC) in June 2016. KAP is a prime mixed-use complex of about 146,000 square metres (sqm) in gross floor area (GFA) of offices, serviced apartments and a hotel. The hotel and serviced apartments are managed by InterContinental Hotels Group. In March 2017, the Group opened Mapletree Business Centre, its first office development of international Grade A specifications. The 17-storey office tower is Phase Two of the Group's mixed-use development, Saigon South Place, in the affluent District 7 of HCMC.

- During the year, the Group grew its logistics development projects in China, bringing the total GFA from 1,547,000 sqm to 2,800,000 sqm, a y-o-y increase of 81%. More than 80% of total GFA across 34 projects is located in Tier 1 and 2 cities.

- Mapletree Business City I (MBC I) was injected into Mapletree Commercial Trust (MCT) in August 2016 at a consideration of S$1.8 billion. The acquisition of MBC I reinforced MCT's position as a leading real estate investment trust (REIT) in Singapore with an asset base of S$6.3 billion and was both distribution per unit and net asset value per unit accretive to MCT. Mapletree also divested three logistics properties in Japan to MJLD in February 2017 at a consideration of S$535 million. The acquisition of Joso Centre, Odawara Centre 1 and 2 by MJLD increased its capital deployment significantly.

- Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) was successfully syndicated and closed in March 2017. MGSA P-Trust holds about S$1.8 billion in student accommodation assets located in the UK and US, the two largest student accommodation markets in the world, and is the first trust in Singapore to focus on this resilient and strong-yielding sector.

- In January 2017, Mapletree Treasury Services Limited launched and priced S$625 million principal amount of 4.5% perpetual securities. This was the first Singapore dollar debt capital market transaction and the first public Asian hybrid issuance of 2017.

- The Group delivered a return on equity (ROE[6]) of 12.8% and return on invested equity (ROIE[7]) of 18.7% for FY16/17.

Performance over Five Years

- Five-year average ROE[6] for the Group stood at 11.3% while the five-year average ROIE[7] was 11.2%.

- The Group grew its shareholder's funds by S$4.5 billion over a five-year period to S$11.2 billion as at 31 March 2017. Net asset value compounded annual growth rate (NAV CAGR[8]) since 31 March 2012 was 11.8% per annum (p.a.).

- Successful acquisitions as well as completed development projects enabled recurring core PATMI[9] to increase every year over the past five years, from S$279.3 million in FY11/12 to S$643.6 million in FY16/17.

- Operational PATMI[5] grew from S$1,203.6 million in FY11/12 to S$1,376.5 million in FY16/17 on the back of higher recurring PATMI[4], coupled with gains from OIC on divestments.

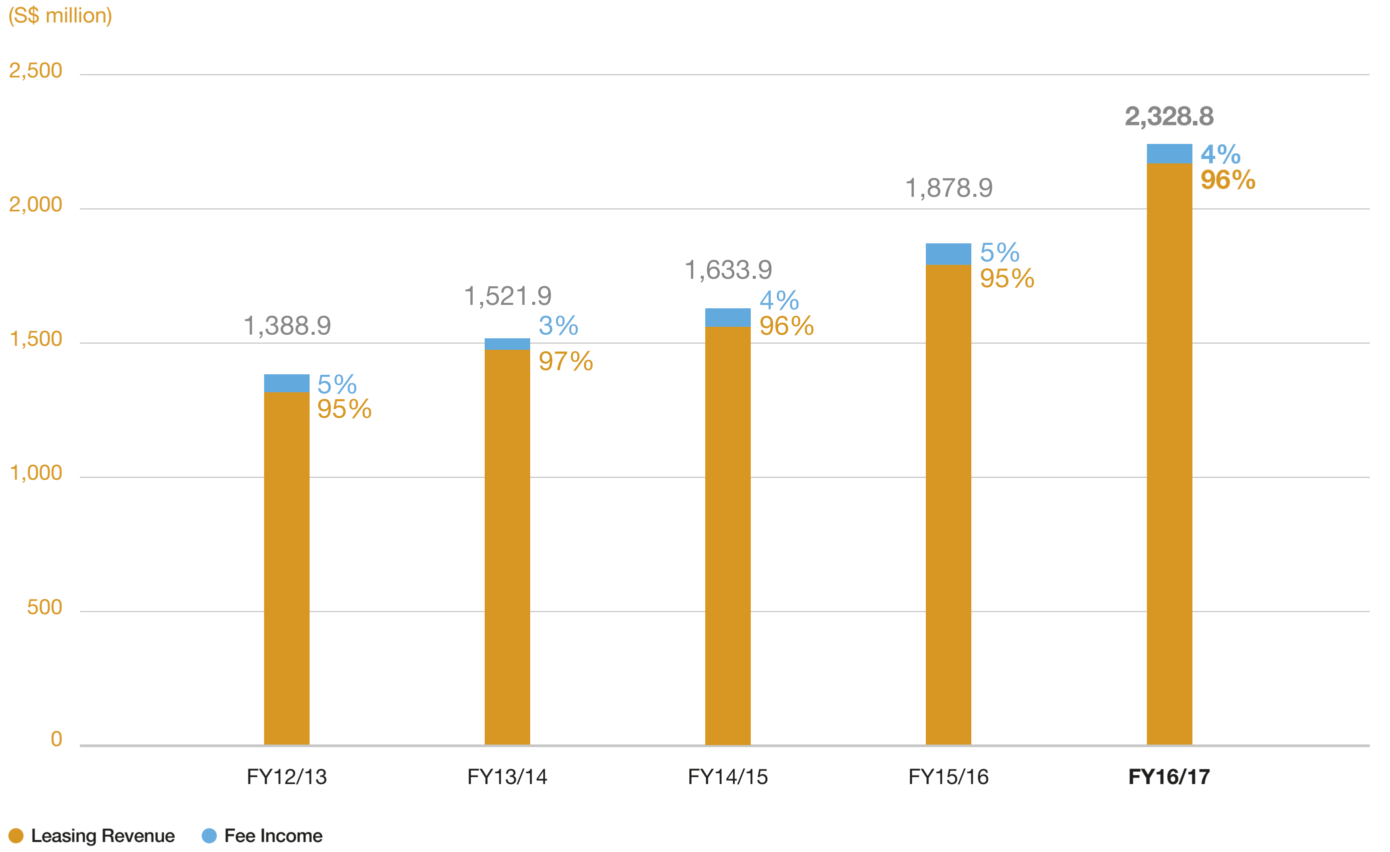
- Fee income (including REIT management fees) increased from S$134.3 million in FY11/12 to S$277.4 million in FY16/17 at a CAGR of 15.6% p.a.

- Total real estate assets owned and managed grew by close to 2.0 times from S$19.9 billion as at 31 March 2012 to S$39.5 billion as at 31 March 2017.

- Asia accounted for 86% of the Group's AUM in FY16/17. The Group made a strategic decision to expand beyond Asia into the developed economies of US, Australia and Europe three years ago. These developed economies now comprise 14% of Mapletree's total owned and managed real estate assets, with total AUM of S$5.6 billion as at 31 March 2017.

Revenue

Sources of Revenue (%)



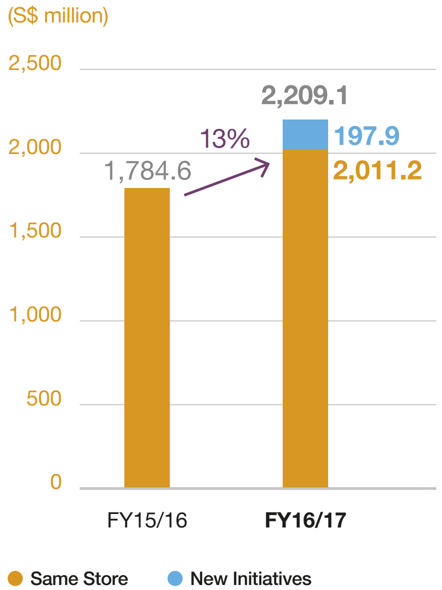
In FY16/17, Mapletree achieved total revenue of S$2,328.8 million, representing a strong y-o-y growth of 24% or a CAGR of 14.6% over the last five years. The increase is anchored by organic growth and new income sources. Leasing revenue contribution to total revenue remained high at 96% for the year.

The higher leasing revenue is mainly due to new income streams arising from acquisitions in Asia and the New Markets as well as the continued growth of the four Mapletree managed REITs – Mapletree Logistics Trust (MLT), Mapletree Industrial Trust (MIT), MCT and Mapletree Greater China Commercial Trust (MGCCT). Contributions from the new acquisitions of KAP in Vietnam, Green Park in the UK and student accommodation in the US amounted to approximately S$148.0 million in FY16/17. Full-year contributions from FY15/16 acquisitions of corporate housing / serviced apartment in the US, office buildings in the UK, Australia and Germany and student accommodation in the UK amounted to about S$198.2 million. New leasing income streams from the completion of development properties, Mapletree Business City II (MBC II) and Mapletree Logistics Hub Tsing Yi in Hong Kong SAR contributed about S$55.3 million.

The Group recorded fee income of S$78.9 million in FY16/17 compared to S$84.5 million in FY15/16 primarily due to the incentive fee income of S$13.1 million from Mapletree Industrial Fund (MIF) in FY15/16 upon the full realisation of the fund.

Please refer to page 34 for each footnote explanation.

Leasing Revenue Y-O-Y Analysis



MLT's revenue grew y-o-y, mainly driven by contributions from accretive acquisitions.

MIT's improved y-o-y performance was driven by higher rental rates achieved across all property segments as well as revenue contribution from Phase One of the build-to-suit (BTS) development for Hewlett-Packard Singapore (Hewlett-Packard).

MCT's revenue rose 5% to S$302.6 million for FY16/17 mainly driven by the continued healthy performance of VivoCity, Mapletree Anson and PSA Building.

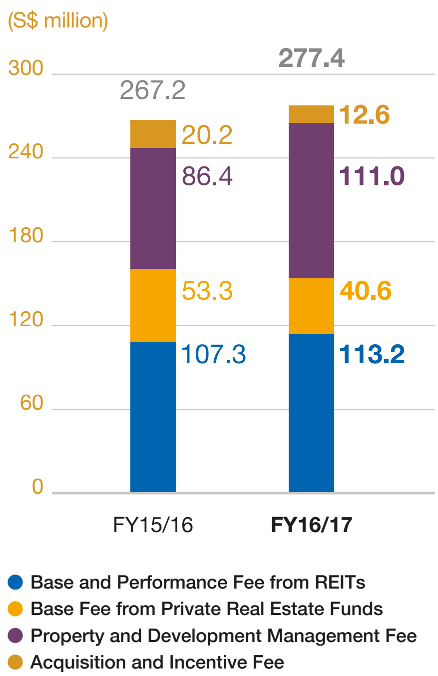
MGCCT's higher revenue was largely driven by positive rental uplifts from Festival Walk and the full year contribution from Sandhill Plaza which was acquired in June 2015.

In addition to the improved performance of the REITs, the Group's same store revenue grew y-o-y, primarily attributed to the full-year leasing contribution from Mapletree Logistics Hub Tsing Yi and FY15/16 acquisitions in Australia, Europe and US.

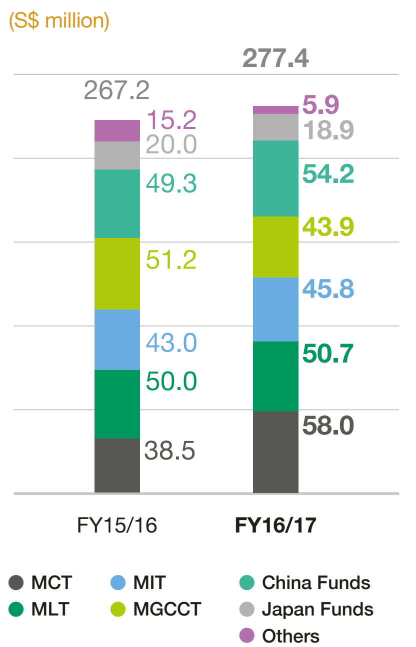
Accounting for more than 9% of total leasing revenue, revenue from new initiatives[10] was largely generated from acquisitions by MLT, the Group's acquisitions in Vietnam, UK and US, and properties which attained temporary occupation permit (TOP) in FY16/17.

Fee Income (Including Reit Management Fees) Y-O-Y Analysis

Fee Income by Type



Fee Income by Business Unit (BU)



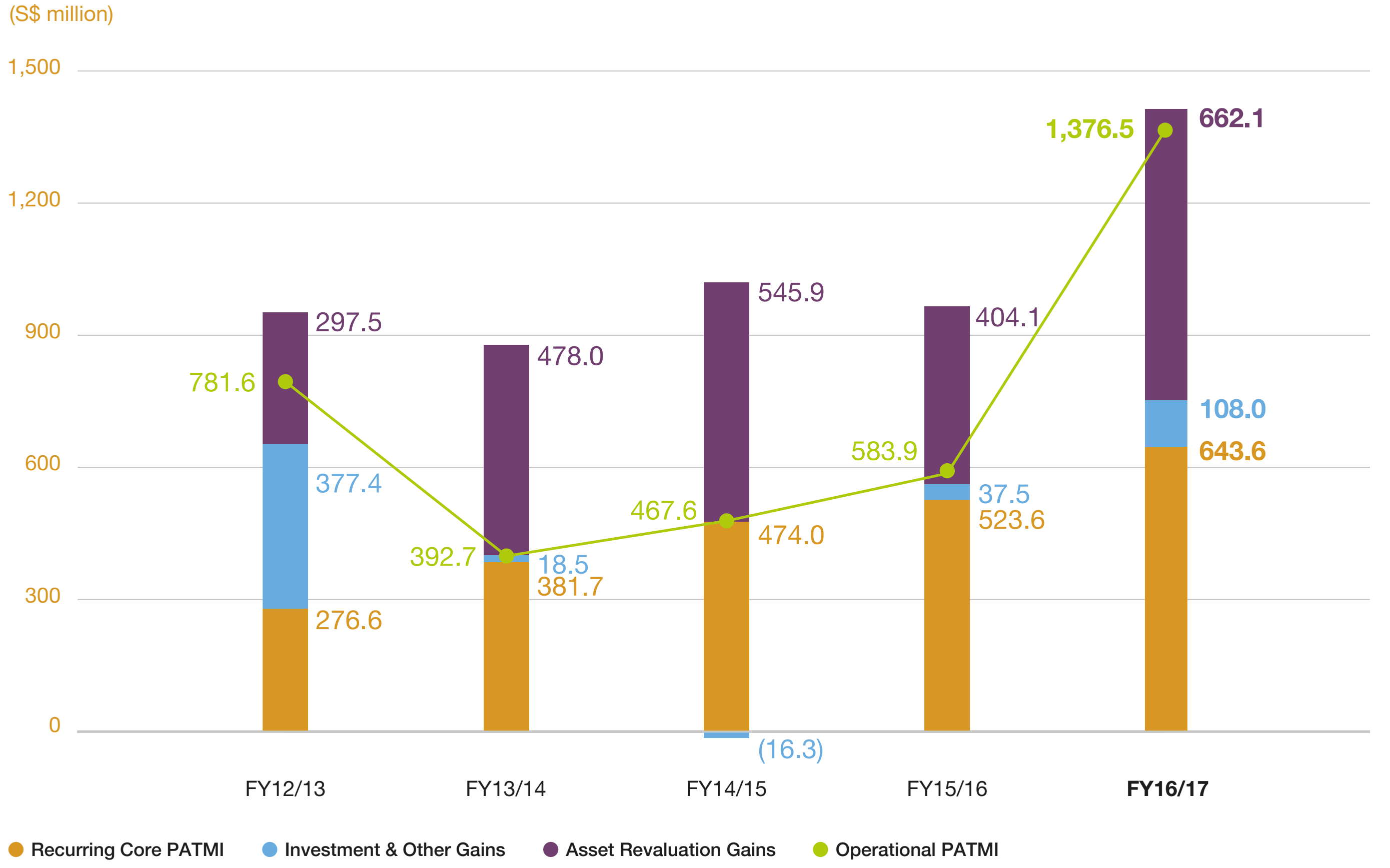
The management of REITs is a core business of the Group and Mapletree is one of the largest REIT managers in Singapore. Hence, it is meaningful for fee income analysis to include REIT management fee income in addition to fees from its private funds and other fee revenue.

Including REIT management fees, fee income increased from S$267.2 million in FY15/16 to S$277.4 million in FY16/17, driven by higher fee contribution from three of the Group's managed REITs – MCT, MLT and MIT, partially offset by the reduction in "Others" mainly due to S$13.1 million MIF incentive fee income in FY15/16.

Property and development management fee increased by S$24.6 million, in line with the acquisition activities mainly by MJOF and completion of development properties mainly from Mapletree China Opportunity Fund II (MCOF II) and MJLD. This is partially offset by lower base fee of S$12.7 million from MCOF II and MJOF due to change in base fee calculation from committed to contributed capital.

Earnings Profiles

PATMI[4] and Operational PATMI[5]



Despite global economic uncertainty brought on by events such as Brexit and the US Federal Reserve's interest rate hike, the Group produced commendable results, attaining the highest ever PATMI[4] of S$1,413.7 million for FY16/17. The higher profitability was due to strong operating performance, new income streams, higher corporate restructuring surplus and capital uplift.

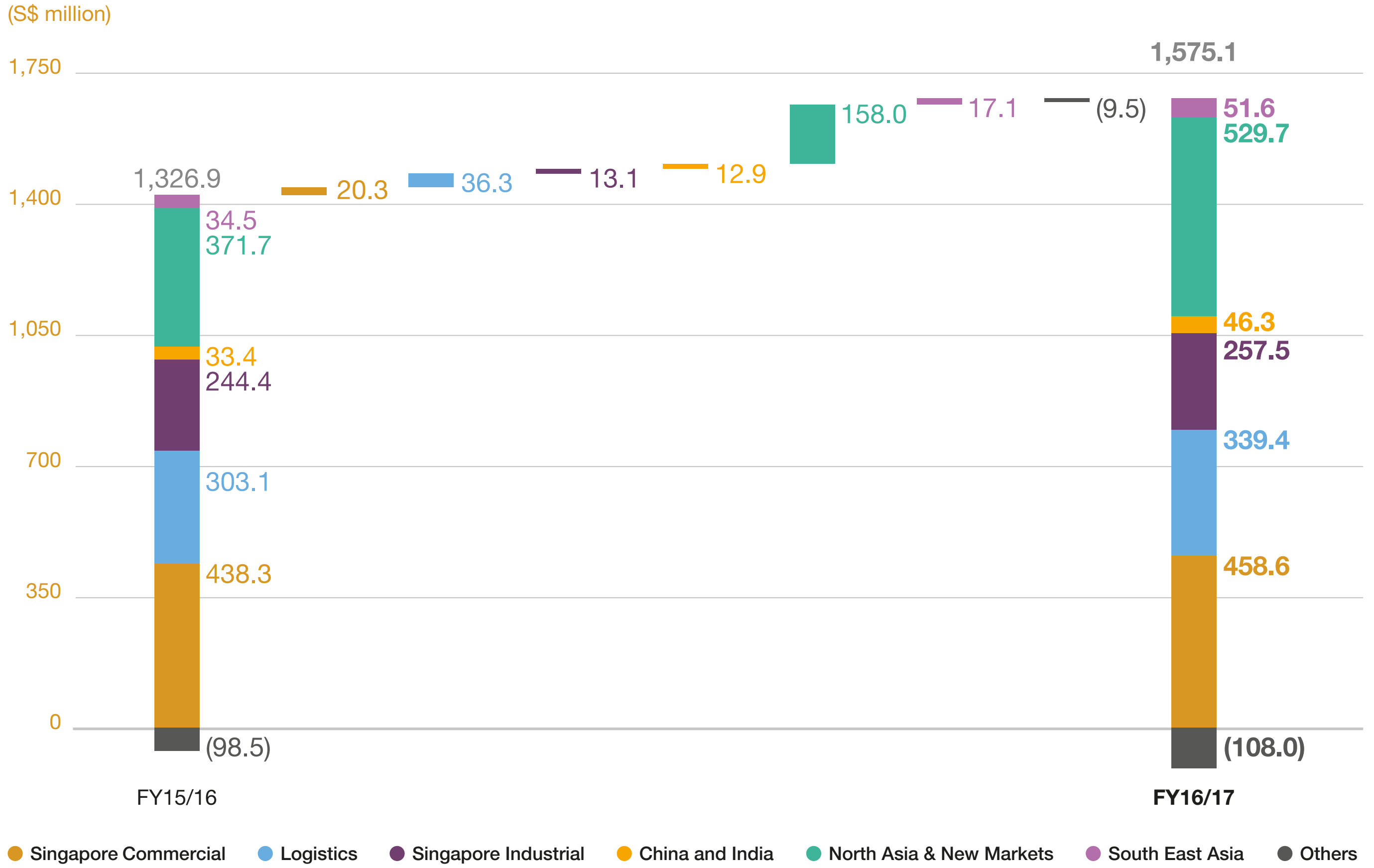
Recurring core PATMI[9] grew by 23% from S$523.6 million in FY15/16 to S$643.6 million in FY16/17 driven by the Group's efforts to build up its presence in existing and new markets and strong recurring earnings.

Asset revaluation gains[2] of S$662.1 million was recorded in FY16/17, supported by the resilient underlying performance of Mapletree's owned and managed real estate assets.

The Group achieved Operational PATMI[5] of S$1,376.5 million in FY16/17, compared to S$583.9 million in FY15/16 underpinned by stronger broad base recurring earnings, as well as gains recorded, amongst others, from the divestment of MBC I to MCT and the divestment of three Japan logistics assets to MJLD.

Please refer to page 34 for each footnote explanation.

EBIT + SOA[1] Y-O-Y Growth Analysis by Business Unit (BU)

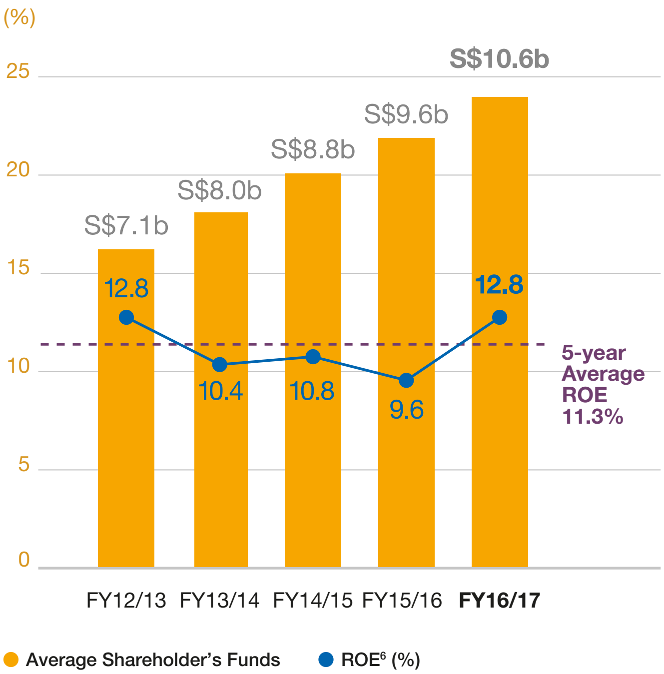


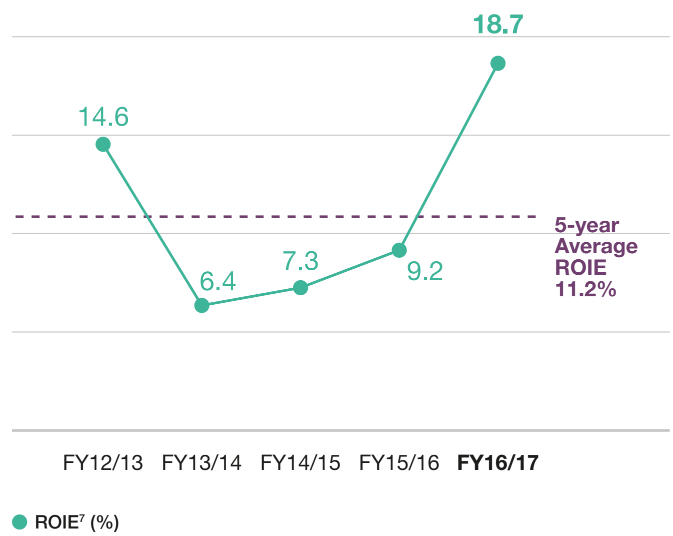
The Group recorded higher EBIT + SOA[1] from S$1,326.9 million in FY15/16 to S$1,575.1 million in FY16/17. Active lease management and cost containment of the portfolio, as well as new income streams from acquired properties in Vietnam, US and the UK contributed to the improvement.

- Singapore Commercial BU recorded a higher EBIT + SOA[1] of S$20.3 million over FY15/16 mainly due to the TOP of MBC II in April 2016 and higher earnings from VivoCity, Mapletree Anson and PSA Building.
- Logistics BU reported an increase of S$36.3 million, largely attributable to MLT with higher leasing revenue from newly acquired properties in Australia and full year leasing contribution from Mapletree Logistics Hub Tsing Yi which obtained TOP in March 2016.
- Singapore Industrial BU posted an increase of S$13.1 million from higher MIT earnings attributed to higher rental rates achieved across all property segments, improved occupancies in Hi-Tech Buildings and revenue contribution from Phase One of the BTS for Hewlett-Packard which obtained TOP in October 2016.
- China and India BU recorded higher EBIT + SOA[1] by S$12.9 million mainly due to higher fee income from MCOF II following the commencement of Phase Two construction of Nanhai Business City 4 in August 2016, and share of lower loss from MCOF II with the en bloc sale of one office block at Mapletree Business City Shanghai. Higher occupancy and rental rates from Arca Building in Beijing also contributed to higher earnings.
- North Asia & New Markets BU achieved higher EBIT + SOA[1] by S$158.0 million primarily attributable to full year contributions from FY15/16 acquisitions, new acquisitions of business park in the UK and student accommodation in the US, full year contribution from Sandhill Plaza acquired in FY15/16 and strong rental uplift from Festival Walk, Hong Kong SAR under MGCCT, and share of higher profit from MJOF due to higher revenue from existing properties and new acquisitions.
- South East Asia BU registered higher EBIT + SOA[1] of S$17.1 million mainly due to new EBIT contribution from KAP, but partially negated by the full realisation of MIF in FY15/16.

Earnings Ratio

ROE[6] and ROIE[7]





ROE[6] increased from 9.6% in FY15/16 to 12.8% in FY16/17 mainly attributable to higher operating earnings, corporate restructuring surplus, disposal gains and asset revaluation gains.

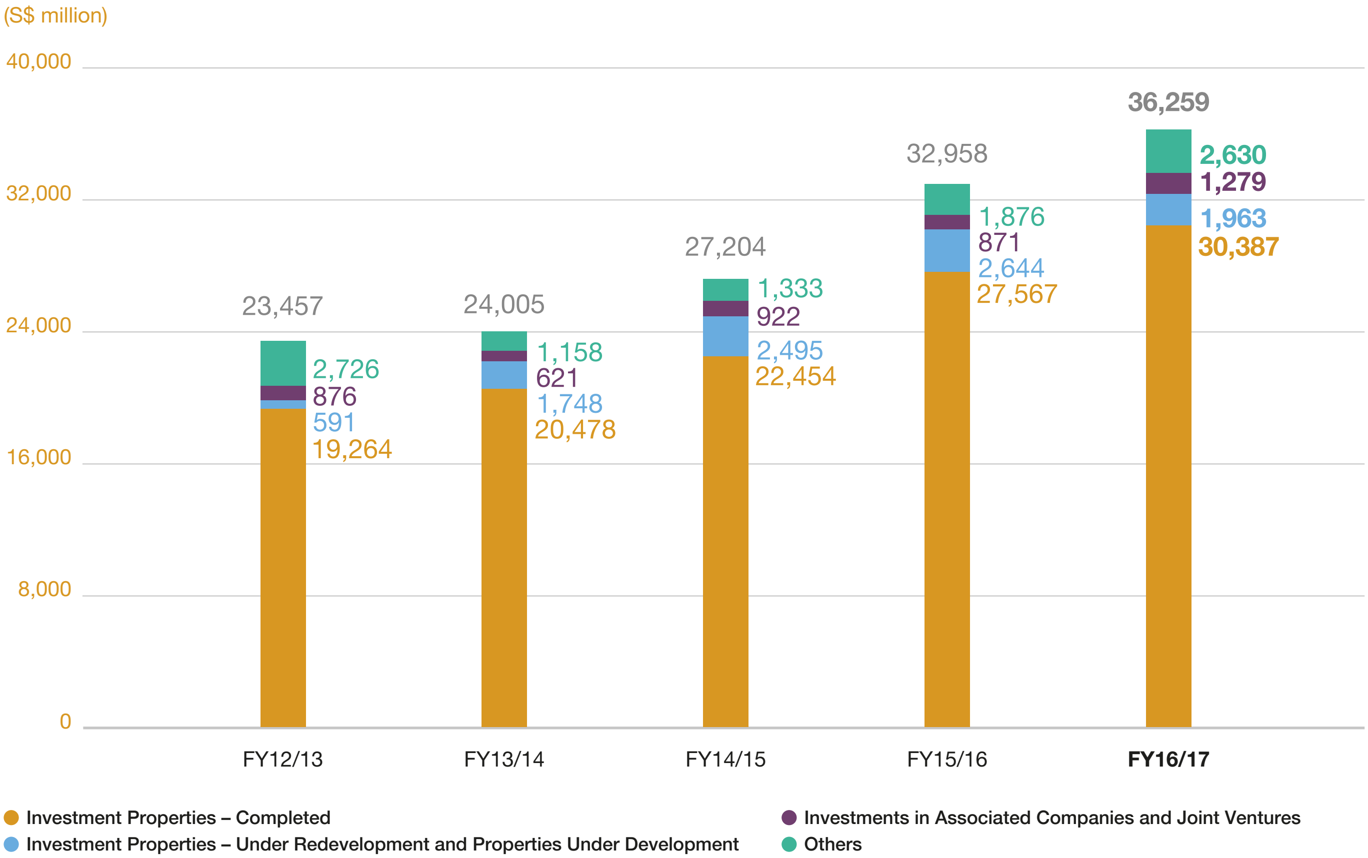
ROE[6] for a real estate company includes gains or losses from revaluation of investment properties in accordance with Singapore Financial Reporting Standards 40 which can be significant. From an operational measurement point of view, the Group also considers ROIE[7] as one of its performance measurement matrices. This ratio captures operating returns of the Group for the amount invested by its shareholder in the underlying businesses adjusted for the effect of non-operating and non-cash flow items, such as unrealised investment properties revaluation gains and losses, negative goodwill, dilution gain or loss and fair value adjustments for financial derivatives and available-for-sale financial assets.

The Group delivered strong return to its shareholder with a ROIE[7] of 18.7% in FY16/17, higher than the ROIE[7] of 9.2% in FY15/16. This is driven by higher recurring earnings and corporate restructuring surplus and share of associated companies' gain on disposal, both of which are measured from OIC rather than the revalued book value.

Please refer to page 34 for each footnote explanation.

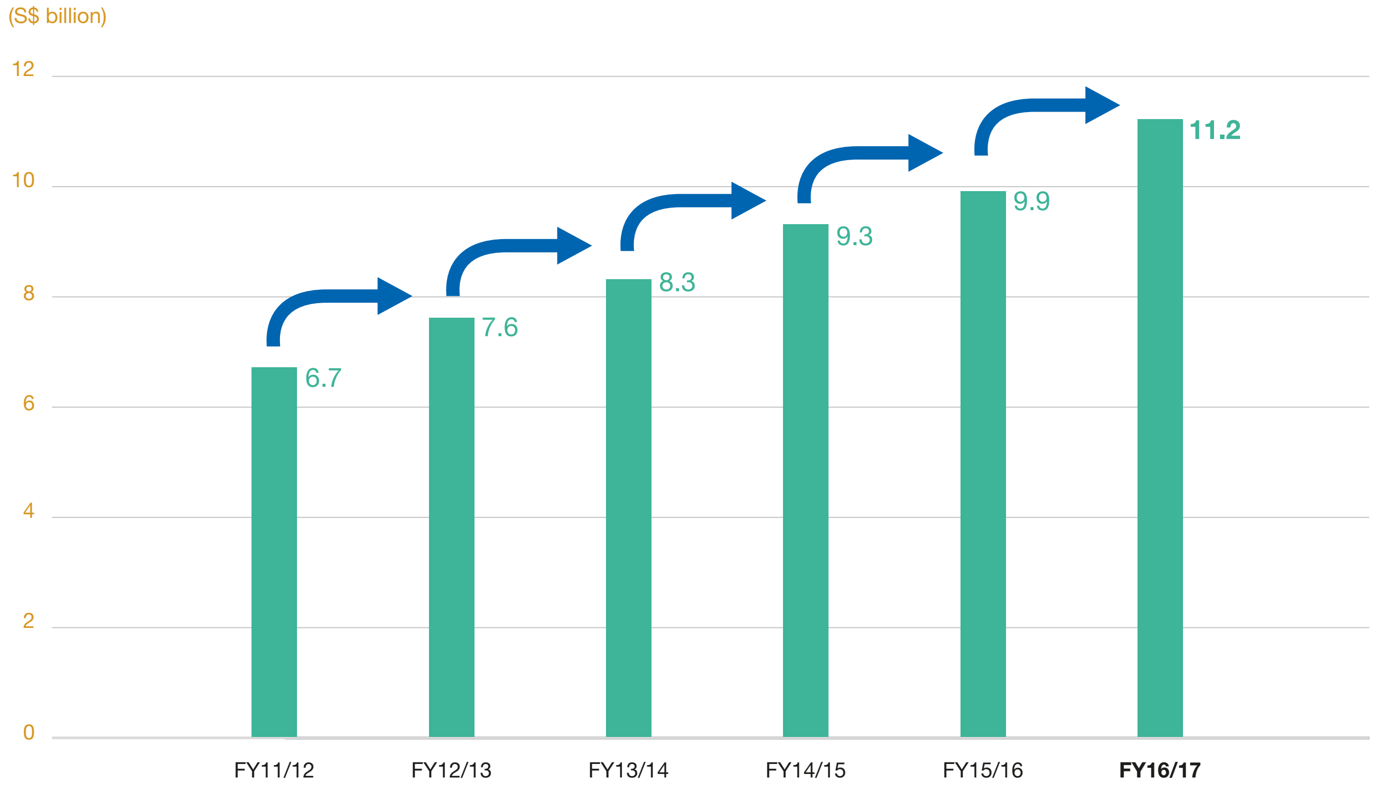
Total Asset Base and Shareholder's Funds

Total Asset Base



Total assets grew from S$32,958 million in FY15/16 to S$36,259 million in FY16/17, primarily attributed to the acquisition of investment properties in Vietnam, US and Europe, the completion of MBC II and 18 Tai Seng in Singapore, and properties under construction - Mapletree Bay Point in Hong Kong SAR and logistics projects in China and Malaysia.

Shareholder's Funds

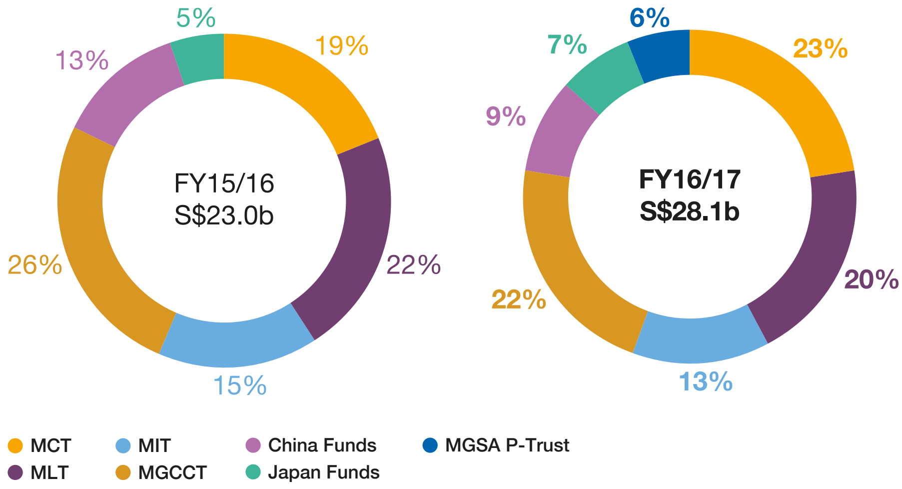


Over the years, the Group continued to seek quality and yield-accretive investment opportunities that deliver long-term value across different asset classes, as well as executing well on its development projects. Strong underlying businesses, increase in real estate valuation and capital management platforms underpinned returns and generated considerable value to the Group's shareholder's funds over the past few years.

The Group's PATMI[4] of S$1,413.7 million in FY16/17 contributed to a 13% increase in shareholder's funds from S$9.9 billion for FY15/16 to S$11.2 billion for FY16/17.

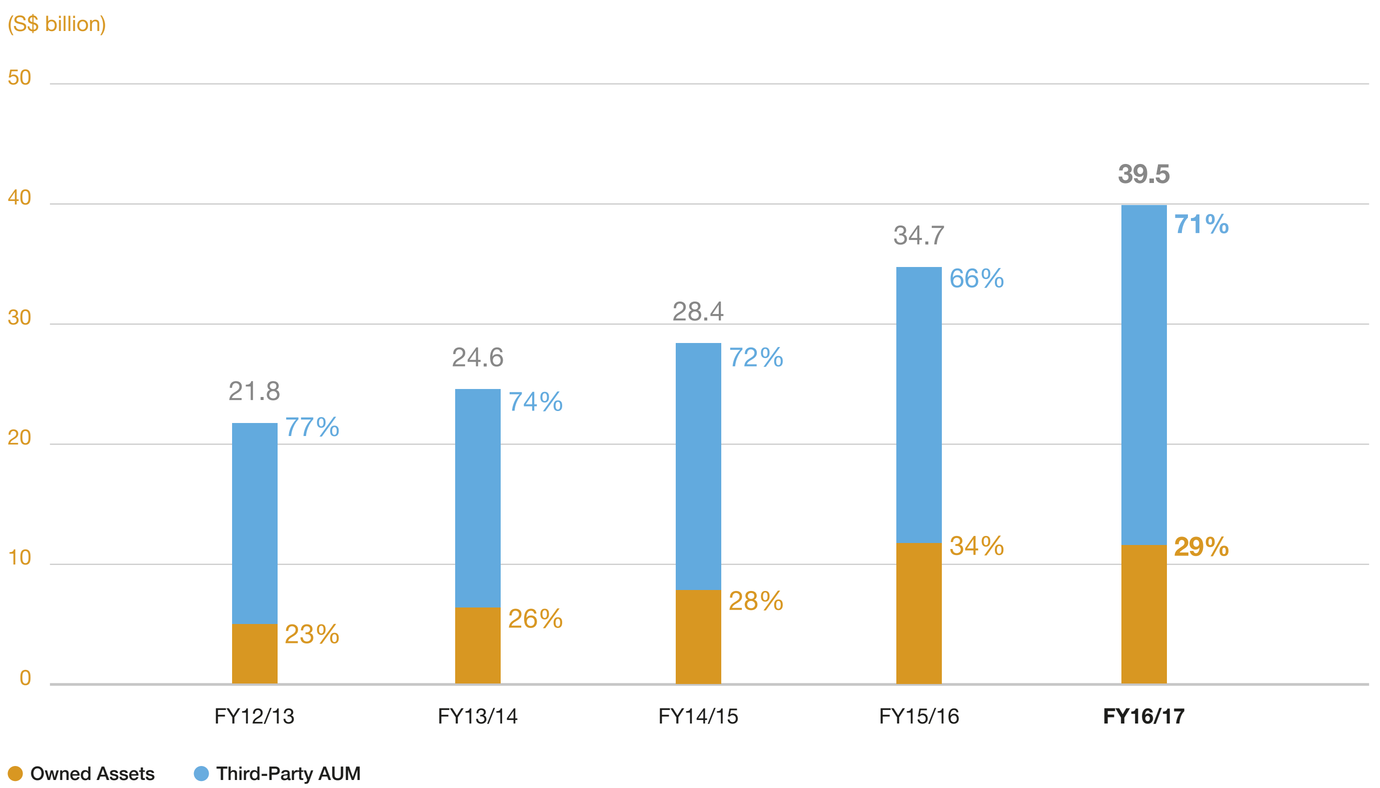
Please refer to page 34 for footnote explanation.

Third-Party Assets Under Management (AUM) by Segment (%)



Third-party AUM grew by S$5.1 billion from S$23.0 billion in FY15/16 to S$28.1 billion in FY16/17. The increase is mainly driven by the divestment of MBC I to MCT in August 2016 and three high-yield logistics assets to MJLD in February 2017 as well as the successful close of MGSA P-Trust in March 2017.

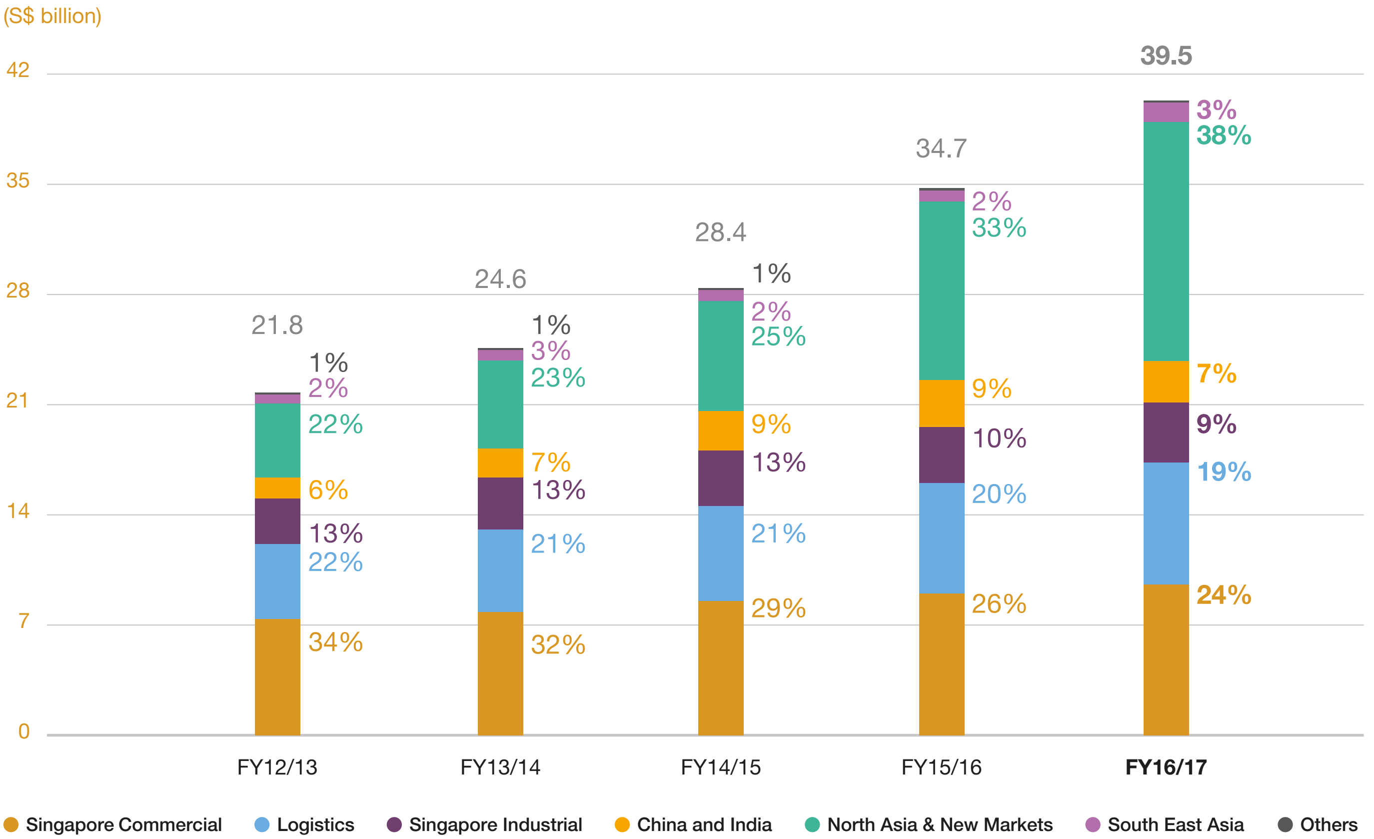
Total Real Estate Asset Base



The Group continued to achieve significant growth in its real estate AUM in the last five years with a CAGR of 15%. Total owned and managed real estate assets increased from S$34.7 billion in FY15/16 to S$39.5 billion in FY16/17 mainly underpinned by acquisitions in Vietnam, US, Europe and Australia.

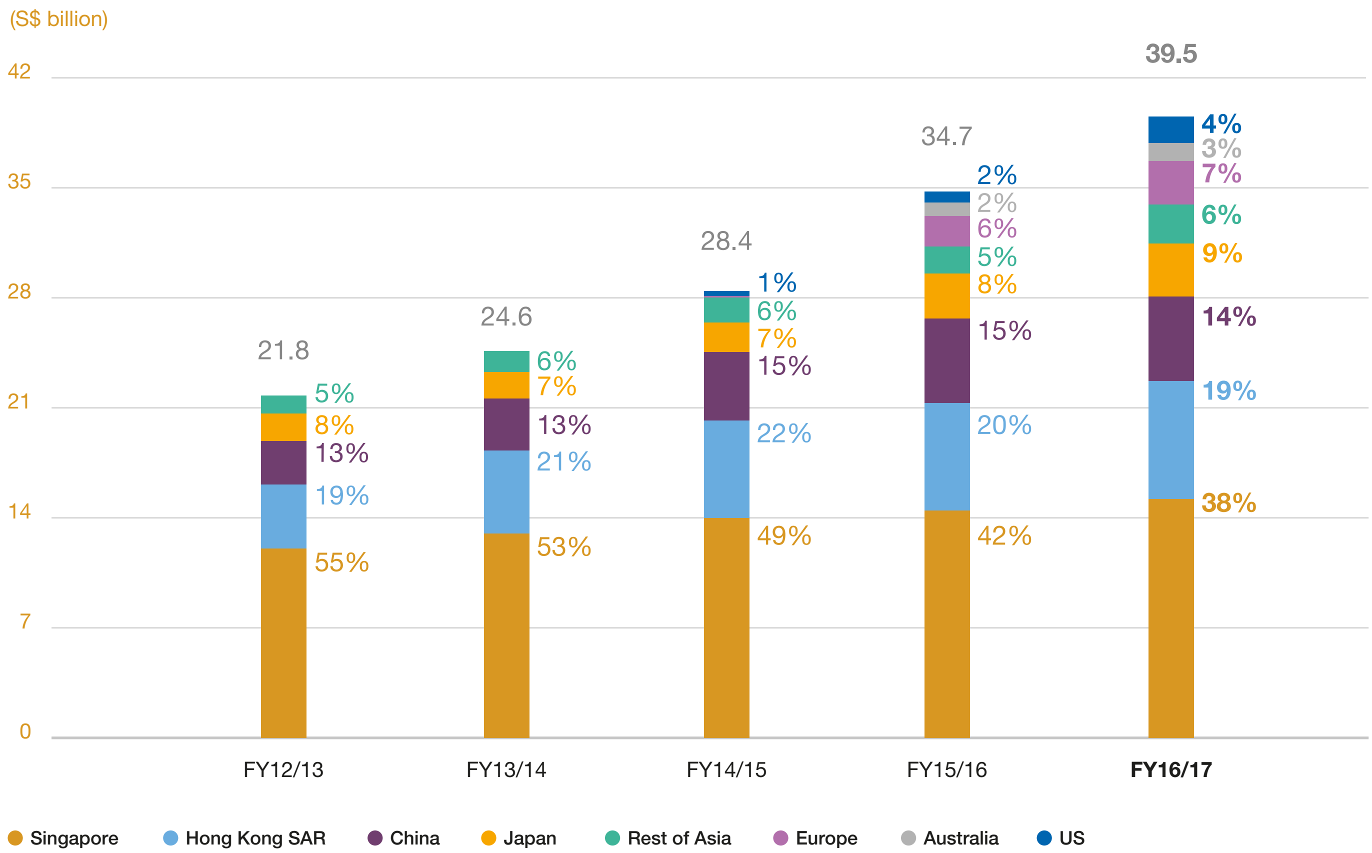
Development activities mainly in Tier 1 and 2 cities in China, capital value uplift of the REITs' portfolio and the Group's owned assets including MBC II, which obtained TOP in 2016 also contributed to the growth in AUM.

Total Owned and Managed Real Estate Assets by BU (%)



In line with the Group's strategy to grow new income streams beyond Asia and diversify its business in the developed markets of US, Australia and Europe, North Asia & New Markets BU remained the largest BU by AUM, accounting for 38% of AUM. Singapore Commercial and Logistics BU continued to be the second and third largest BU by AUM respectively since FY15/16.

Total Owned and Managed Real Estate Assets by Country (%)



To date, the Group owns and manages real estate assets across 12 economies. During the year, the Group further boosted its presence in the UK, US, Vietnam and Japan, mainly in the business park, corporate housing / serviced apartment, student accommodation and mixed-use development sectors. Mapletree's total owned and managed real estate assets in the US, Australia and Europe account for 14% of the Group's total AUM as compared to 10% a year ago. Regardless, Singapore remains predominant, with the largest proportion of assets at 38%.