



**For Immediate Release**

## **GLP SELLS GREATER TOKYO LOGISTICS DEVELOPMENT**

- ***GLP to sell its 50% share of GLP • MFLP Ichikawa Shiohama for JPY15.5 billion (US\$151 million) to GLP J-REIT***
- ***Sale is consistent with GLP's capital recycling strategy and highlights embedded value of GLP's development pipeline***
- ***Transaction expected to be completed in September 2016***

**Tokyo, 30 June 2016** – GLP, the leading global provider of modern logistics facilities, today announced that it will sell its 50% share of GLP • MFLP Ichikawa Shiohama to GLP J-REIT for approximately JPY15.5 billion (US\$151 million<sup>1</sup>) or a 4.5% cap rate. The sale crystallizes JPY4.9 billion (US\$48 million) of development profit for GLP, representing a 46% development profit margin. GLP's disposition generates a net levered property IRR of 23% (before fees) since construction began in December 2012.

Mr. Yoshiyuki Chosa, President of GLP Japan said, "This transaction creates considerable value for GLP and highlights the embedded value of our development pipeline. GLP remains committed to its strategy of recycling capital and growing its fund management platform to maximize value for its shareholders."

The sale price is in line with the latest appraisal value<sup>2</sup> as of 31 March 2016 and the

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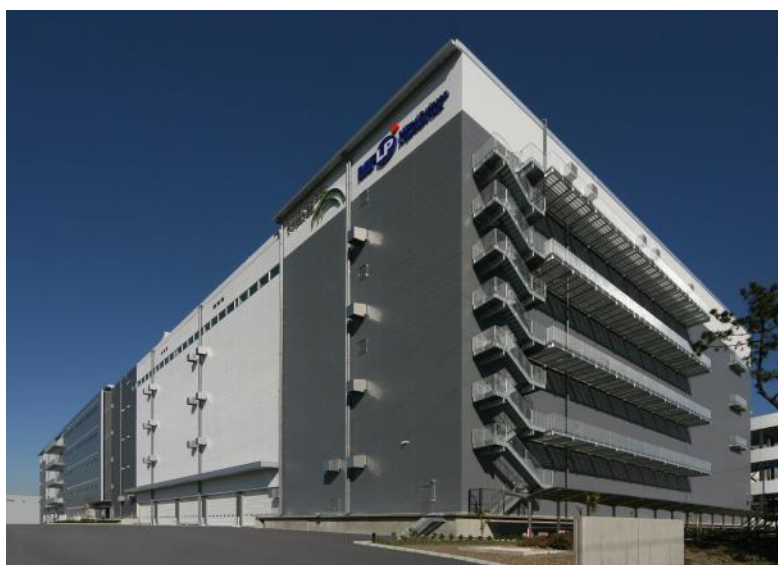
<sup>1</sup> Unless stated, all exchange rates are reported as 1 USD = JPY102.83, the closing exchange rate as of 29 June 2016

<sup>2</sup> Appraisal commissioned by GLP and performed on the basis of desktop valuations. The book value and appraisal value of GLP's 50% stake in GLP•MFLP Ichikawa Shiohama as of 31 March 2016 was JPY15.5 billion (US\$151 million)

transaction<sup>3</sup> is expected to be completed in September 2016. Net sale proceeds for GLP are estimated to be approximately JPY7.9 billion (US\$77 million), which GLP plans to reinvest into development in Japan.

GLP • MFLP Ichikawa Shiohama is a 50:50 joint venture project with Mitsui Fudosan, located along the Tokyo Bay Area, about 15 km from the city center. The 122,000 square meters (1.3 million square feet) property was completed in January 2014 and is fully leased to leading global retailers like Rakuten, H&M and Forever 21.

GLP J-REIT, listed on the Tokyo Stock Exchange in December 2012, is a real estate investment trust focused on operating logistics properties in Japan. GLP is the property and asset manager of the J-REIT. GLP J-REIT has the right of first look on a further 20 properties (US\$2.2 billion) wholly owned by GLP.



GLP • MFLP Ichikawa Shiohama

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<sup>3</sup> This transaction falls under the category of “non-discloseable transactions” for the purpose of Chapter 10 of the SGX-ST Listing Manual

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**About GLP ([www.glprop.com](http://www.glprop.com))**

GLP is a fund manager, developer and owner-operator of modern logistics facilities. As of 31 March 2016, GLP owns and operates a global portfolio of 52 million square meters (559 million square feet) that caters primarily to domestic consumption. GLP's 4,000 customers include some of the world's most dynamic manufacturers, retailers and third party logistics companies. GLP's US\$36 billion fund management platform is a key area of growth going forward.

GLP is listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX stock code: MC0.SI; Reuters ticker: GLPL.SI; Bloomberg ticker: GLP SP).

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# GLP Sells Greater Tokyo Logistics Development

30 June 2016



# Transaction Overview and Rationale



## Crystallize Attractive Returns

- GLP will sell 50% share of GLP-MFLP Ichikawa Shiohama to GLP J-REIT for approximately JPY 15.5 billion (US\$152 million) or a 4.5% cap rate
- Sale consistent with GLP's capital recycling strategy and highlights embedded value of GLP's development pipeline
- Transaction crystallizes JPY4.9 billion (US\$48 million) of development profit, representing a 46% development profit margin and 23% net levered IRR (before fees) for GLP
- Expected net sales proceeds of JPY 7.9 billion (US\$78 million) to be reinvested into development in Japan
- Transaction expected to be completed in September 2016

## GLP-MFLP Ichikawa Shiohama, Tokyo Bay Area, Japan

## GLP Crystallizes

### Ichikawa Shiohama

- 50:50 JV with Mitsui Fudosan

### December 2012

- Construction began

### January 2014

- Property completed

### Project Details

- **Area: 122,000 sqm**
- **100% leased to global retailers like Rakuten, H&M and Forever 21**

### September 2016

- GLP will sell 50% to GLP J-REIT JPY 15.5 billion (US\$152 million); Expected completion Sept 2016

- **Development profit margin: 46%**
- **Net levered property IRR: 23%**
- **Consistent with capital recycling strategy**

Note:

1. Determined using, among other things, estimates of fund management fees and rental income

- Fund management provides a platform for GLP to monetize revaluation gains into cash profit
  - GLP generated US\$1.6bn of cash from US\$6.3bn of asset monetizations in Japan and China between FY12–FY16
- 66% of GLP’s assets today are managed within funds- this percentage is expected to grow as GLP executes its capital recycling strategy and grow its fund management platform
  - Japan: GLP J-REIT has the right of first look on a further 20 properties (US\$2.2bn) wholly owned by GLP

## Capital Recycling Initiatives (FY12 - FY16)

### Asset Sales (US\$ billion)

