**For Immediate Release**

# GLP REPORTS STRONG DEVELOPMENT AND LEASING; CONTINUED FUND MANAGEMENT GROWTH

- ***1H FY15 pro-forma earnings (PATMI) up 12%[1] year-on-year, driven by strong leasing in China and recent portfolio acquisition in Brazil***
- ***1H FY15 development starts up 160%, new and expansion leases up 55%***
- ***1H FY15 fund management fees up 87% year-on-year to US$49 million[2]***
- ***GLP generated US$76 million of development revaluation gains in 1H FY15; future developments to drive recurring value creation***

| US$ million | 1H FY15 | Pro-forma[1] 1H FY15 | YoY Change | Pro-forma[1] YoY Change | 2Q FY15 | Pro-forma[1] 2Q FY15 | YoY Change | Pro-forma[1] YoY Change |
|---|---|---|---|---|---|---|---|---|
| Revenue | 362 | 362 | 25% | 27% | 193 | 193 | 32% | 37% |
| EBIT | 473 | 527 | (2%) | 16% | 200 | 254 | (11%) | 22% |
| Earnings | 269 | 319 | (23%) | 12% | 89 | 132 | (38%) | 11% |

***Singapore, 4 November 2014*** – Global Logistic Properties Limited ("GLP"), the leading provider of modern logistics facilities in China, Japan and Brazil, reported a 25% increase in Group revenue for the six months ended 30 September 2014 ("1H FY15") to US$362 million. Results were driven by strong leasing and rent growth in China as well as the recent portfolio acquisition in Brazil.

[1] *Pro-forma figures adjusted for the 33.8% investment in GLP China by the investor consortium, sale of assets to GLP J-REIT, FX-related effects and material non-recurring items. Material non-recurring items adjusted in 1H FY15 include US$54 million of FX losses from the sale of assets to GLP J-REIT and GLP Brazil Income Partners II*

[2] *Fund management fee reflects 100% of fees charged*

1H FY15 earnings (PATMI) were US$269 million. Results in the quarter included $54 million of one-time foreign exchange ("FX") losses in Japan and Brazil related to the contribution of assets into the fund management platform:

- Japan: US$29 million of FX losses arising from the repatriation of proceeds back to the Group from asset sales to the J-REIT
- Brazil: US$25 million of FX losses, as previously disclosed, in relation to the formation of GLP Brazil Income Partners II. GLP recognized the FX losses when it sold a 60% interest in the portfolio of assets acquired from BR Properties earlier this year due to the depreciation of the BRL against the US$. The sale price in local currency is consistent with the price GLP paid plus retained earnings

These one-time FX losses impacted GLP's earnings this quarter but have already been reflected in reported Net Asset Value ("NAV") as GLP's net assets are marked-to-market every quarter. Both of these transactions expand GLP's fund management platform, which continues to be an important source of growth and longer-term will enhance GLP's return on equity ("ROE").

In September, GLP completed its US$2.5 billion landmark agreement with a group of Chinese state-owned enterprises ("SOEs") and leading financial institutions, who now own 33.8% of GLP China. This transaction is expected to enhance GLP's access to land and generate new business opportunities to drive 30-40% growth in China development expenditure for the next three to five years.

Adjusting for the above transactions, 1H FY15 earnings increased 12% year-on-year.

**Recurring Value Creation Profit from Developments**

Value creation through development is an important part of GLP's longer-term earnings composition. Key contributors of recurring value creation include revaluation gains earned on development completion, development fees and fund management promotes. In 1H FY15, GLP recognized US$76 million of revaluation gains earned on development completions and US$27 million of development fees.

Over the next three years, GLP expects to generate approximately US$1 billion of revaluation gains, with further upside from development fees and promotes.

Mr. Jeffrey H. Schwartz, Chairman of the Executive Committee said: "Our operational momentum continues to accelerate across all markets. In the first half of the year, GLP's new and expansion leases grew by 55%, reflecting the continued strong demand for modern logistics facilities in China, Japan and Brazil. We are also excited to further grow our best-in-class fund management platform by US$2.5 billion. The increased AUM will boost our earnings and ROE longer term."

**Operational Highlights**

Leasing in China remained strong, with 1.3 million sqm (14 million sq ft) of new and expansion leases signed in 1H FY15, up 74% year-on-year. The stabilized logistics portfolio lease ratio in China remained stable at 90%, with same-property net operating income up 6.5% year-on-year in 1H FY15. GLP commenced US$846 million of new developments in China in 1H FY15, 80% higher than a year earlier. This represents approximately 51% of the Company's FY15 target of US$1.7 billion.

In Japan, GLP commenced US$368 million of new developments in 1H FY15. This represents approximately 55% of the Company's FY15 target of US$675 million. GLP's stabilized portfolio lease ratio in Japan remains high at 99%. GLP signed 132,000 sqm (1.4 million sq ft) of new and expansion leases in Japan in 1H FY15 and the Group continues to see solid customer demand driven by limited supply of modern logistics infrastructure and ongoing supply chain modernization. Construction costs in Japan have risen amid the ongoing labor shortage and upcoming Olympics and GLP will continue to be disciplined in pursuing new developments.

In Brazil, GLP commenced US$239 million of new developments in 1H FY15, more than double a year earlier. This represents approximately 61% of the Company's FY15 target of US$390 million. In 1H FY15, GLP's stabilized logistics portfolio lease ratio in Brazil increased to 98% and rents grew to BRL 19.6/sqm/month, with same-property rents up 6.3% year-on-year. GLP has capitalized on market conditions to acquire a prime, large-scale land parcel in Rio de Janeiro, comprising 350,000 sqm (3.8 million sq ft) of buildable area. During the quarter, GLP also established a new customer relationship with PepsiCo.

Mr. Ming Z. Mei, Chief Executive Officer of GLP, said: "We are very excited about what lies ahead following the completion of our China landmark agreement in September. Our strategic partners enhance our access to quality land and we are currently in discussions to collaborate on more than 5 million sqm of buildable area with our partners. As we accelerate our development pace, we expect this to form an important, recurring element of our long-term earnings composition."

**Rapid Expansion of Fund Management Platform**

Fund management revenue in 1H FY15 increased 87% year-on-year to US$49 million, driven by continued growth in GLP's fund management platform. This comprised development and acquisition fees of US$31 million and asset and property management fees of US$18 million.

In October 2014, GLP formed a US$1.1 billion partnership, GLP Brazil Income Partners II (BIP II). The Partnership controls 896,000 sqm (9.6 million sq ft) of high quality logistics assets, all of the assets acquired from BR Properties earlier this year. GLP retains a 40% stake in BIP II, with Canada Pension Plan Investment Board and a leading North American institutional investor each taking a 30% stake. GLP plans to recycle the sale proceeds into further development in Brazil and has expanded GLP Brazil Development Partners I by US$400 million to US$1.5 billion. Following these transactions, GLP's fund management platform in Brazil grows by US$1.5 billion or 68% to US$3.7 billion.

GLP continues its strategy of recycling capital from stabilized assets in Japan into development. During the quarter, the Group completed the sale of US$500 million of assets to GLP J-REIT. At the same time, GLP Japan Development Venture has been expanded by US$500 million to US$2.2 billion. The Venture has remaining investment capacity of US$800 million.

These transactions have expanded GLP's fund management platform by 23% to US$13.2 billion. Of this, US$8.8 billion has been invested, with a further US$4.4 billion of uncalled capital. Fund management is an important and growing part of GLP's business, providing significant capital to support sustainable long-term growth, while enhancing returns on GLP's invested capital.

**China Consortium Agreement to Drive Increased Growth Opportunities**

GLP has completed its US$2.5 billion landmark agreement with a group of Chinese state-owned enterprises ("SOEs") and leading financial institutions including China Life Insurance, China Development Bank, Bank of China, China Post Insurance and HOPU Fund II. The first tranche of 21.3%[3] was completed on 6 June and the second tranche of 12.5%[3] was completed on 24 September.

The landmark agreement has led to GLP forming strategic partnerships with additional leading SOE corporations and financial institutions like China Development Bank Capital, China Materials Storage and Transportation Development Company ("CMSTD"), COFCO, Sinotrans, Bank of China, Jinbei Automotive and Guangdong Holdings. GLP is currently in discussions with its partners to collaborate on more than 5 million sqm (54 million sq ft) of buildable area.

**Healthy Capital Base**

GLP's financial position remains strong, with net cash of US$587 million. Net debt to assets stands at of 3.8% on a look through basis. With a strong balance sheet in place, GLP is well positioned to capitalize on growth opportunities and selectively expand its footprint.

[3] *Based on the post-closing shareholding structure*

**Management Update**

Jeffrey H. Schwartz, Chairman of the Executive Committee, has decided to take time off to focus on health-related issues. He will however continue to be involved in strategic decisions. Chief Executive Officer, Ming Z. Mei, will continue to lead the Company.

**Earnings Call/Webcast Information**

A briefing for investors and analysts is scheduled on Tuesday, 4 November 2014 at 9:00am Singapore time. Please dial +65 6723 9381 to join the briefing (passcode: 10763847) or visit our website (ir.glprop.com) to access our webcast for the event. A replay of the briefing will also be available on our website.

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***About Global Logistic Properties (www.glprop.com)***

*Global Logistic Properties Limited ("GLP") is the leading provider of modern logistics facilities in China, Japan and Brazil. Our property portfolio of 28 million square meters (301 million square feet) is strategically located across 77 cities, forming an efficient logistics network serving more than 800 customers. We are dedicated to improving supply chain infrastructure for the world's most dynamic manufacturers, retailers and third party logistics companies. Domestic consumption is a key driver of demand for GLP.*

*The Group 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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