FINANCIAL REVIEW

INCOME STATEMENT

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

	2014 FY13/14	2015 FY14/15	2016 FY15/16	2017 FY16/17	2018 FY17/18
Revenue	**1,521.9**	**1,633.9**	**1,878.9**	**2,328.8**	**3,194.4**
Earnings before interest and taxes (EBIT)	1,051.9	1,137.3	1,316.3	1,545.1	1,626.1
Share of profit/(loss) of associated companies and joint ventures (SOA) (operating)	(9.7)	4.1	10.6	30.0	107.9
EBIT + SOA	**1,042.2**	**1,141.4**	**1,326.9**	**1,575.1**	**1,734.0**
Finance cost – net	(174.6)	(167.4)	(246.2)	(331.7)	(362.2)
Income tax expense	(105.0)	(124.3)	(141.6)	(168.9)	(204.9)
Others	–	42.4	28.7	36.7	27.3
Non-controlling interests	(380.9)	(418.1)	(438.4)	(467.6)	(509.5)
Recurring PATMI	**381.7**	**474.0**	**529.4**	**643.6**	**684.7**
Asset revaluation gains[1]	478.0	545.9	404.1	662.1	1,136.7
Corporate restructuring surplus and disposal gains[2]	14.6	3.1	8.3	197.6	126.0
Other gains/(losses) – net[3]	3.9	(19.4)	23.4	(89.6)	11.2
PATMI	**878.2**	**1,003.6**	**965.2**	**1,413.7**	**1,958.6**
Attributable to:					
Equity holder of the Company	**828.6**	**954.0**	**915.6**	**1,349.6**	**1,873.6**
Perpetual securities holders	**49.6**	**49.6**	**49.6**	**64.1**	**85.0**
	878.2	**1,003.6**	**965.2**	**1,413.7**	**1,958.6**
Operational profit after tax and minority interests (Operational PATMI)	**392.7**	**467.6**	**651.0**	**1,376.5**	**764.4**

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

2 Net of tax and non-controlling interests but including share of associated companies and joint ventures.

3 Extraordinary gains or losses that were not in the ordinary course of business, net of tax and non-controlling interests.

BALANCE SHEET

As at 31 March (S$ million)

	2014 FY13/14	2015 FY14/15	2016 FY15/16	2017 FY16/17	2018 FY17/18
Assets					
Investment properties:					
Completed properties	20,478.0	22,453.9	27,567.1	30,386.8	37,296.1
Under redevelopment	304.1	704.3	996.5	299.6	126.2
Property held for sale	15.9	17.2	16.5	41.2	87.5
Properties under development	1,443.3	1,790.4	1,647.2	1,663.0	409.8
Property, plant and equipment	10.3	9.1	11.3	175.6	165.3
Investments in associated companies and joint ventures	621.3	922.4	871.0	1,279.0	1,509.4
Cash and cash equivalents	717.0	752.0	1,027.0	1,179.8	1,267.6
Others	414.9	554.5	821.4	1,234.2	1,713.1
Total Assets	**24,004.8**	**27,203.8**	**32,958.0**	**36,259.2**	**42,575.0**
Liabilities					
Borrowings/Medium term notes	7,077.9	8,332.3	13,219.3	13,095.5	16,623.4
Current and deferred income tax liabilities	292.0	343.7	384.9	422.9	546.2
Others	884.5	1,132.6	1,294.1	1,517.0	1,488.4
Total Liabilities	**8,254.4**	**9,808.6**	**14,898.3**	**15,035.4**	**18,658.0**
Net Assets	**15,750.4**	**17,395.2**	**18,059.7**	**21,223.8**	**23,917.0**
Shareholder’s funds	8,343.6	9,330.1	9,941.3	11,184.1	12,785.9
Perpetual securities	941.1	941.1	941.1	1,817.8	1,760.0
Non-controlling interests	6,465.7	7,124.0	7,177.3	8,221.9	9,371.1
Total Equity	**15,750.4**	**17,395.2**	**18,059.7**	**21,223.8**	**23,917.0**

FINANCIAL REVIEW

KEY HIGHLIGHTS – FY17/18

- The Group concluded the year with a record PATMI of S$1,958.6 million, 39% higher than the previous financial year. The profitability of the Group was underpinned by strong recurring earnings of S$684.7 million, a year-on-year (y-o-y) growth of 6% or S$41.1 million higher than FY16/17. In addition, the Group recorded increased investment and other gains of S$137.2 million and asset revaluation gain (net) of S$1,136.7 million. The Group achieved an operational PATMI of S$764.4 million, a y-o-y decline of 44% or S$612.1 million against FY16/17 as the prior financial year benefitted from a large divestment gain, measured from the original invested cost (OIC) from the divestment of Mapletree Business City I (MBC I) to Mapletree Commercial Trust (MCT) in August 2016 and divestment of three Japan logistics assets to MJLD.

- Following the successful syndication of Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) in March 2017, the Group continued to deepen its presence in this sector with another acquisition in May 2017 from Kayne Anderson Real Estate Advisors (Kayne Real Estate). The portfolio of assets acquired comprised eight purpose-built student housing assets with 3,611 beds in the United States (US) and 140 beds in Canada, and four multi-family assets with 1,388 units in the US.

- In addition, the Group acquired The Maltings in July 2017, a student accommodation asset comprising 779 beds located in Colchester, the United Kingdom (UK) for £61.5 million (~S$110 million). In January 2018, the Group acquired evo at Cira Centre South, an 850-bed student housing asset located in Philadelphia, Pennsylvania for approximately US$202.4 million (~S$270 million).

- In December 2017, Mapletree Investments and Mapletree Industrial Trust (MIT) entered into a joint venture to acquire 14 data centres in the US at a purchase consideration of approximately US$750 million (~S$1,020 million). This portfolio acquisition is the Group's first foray into the growing US data centre sector. The increasing data creation and storage, growth in cloud-based applications as well as the need for local data storage continue to drive the demand for data centre services in established cities.

- The Group also expanded its presence in the Australia office portfolio with two office assets acquisitions – 417 St Kilda Road in Melbourne and 11 Waymouth Street in Adelaide in June 2017 and March 2018 respectively. The combined value of the two acquisitions was S$350 million.

- The Group also made progress in the development front with its activities primarily in Asia. Specifically in China, the logistics portfolio added 12 new projects. The Group also completed the development of eight new logistics projects in China bringing total gross floor area (GFA) to 3.5 million square metres (sqm) (a 26% y-o-y increase) as at 31 March 2018. In Hong Kong SAR, Mapletree Bay Point – a Grade A office building with retail facilities and GFA of 61,315.5 sqm near Kwun Tong located within the business district obtained its temporary occupation permit (TOP) in April 2018. In Singapore, 18 Tai Seng achieved occupancy of 84.4% as at 31 March 2018.

- The Group grew its total real estate assets owned and managed (AUM) by 17% from S$39.5 billion to S$46.3 billion during the financial year.

- The Group executed a number of win-win capital recycling transactions. In October 2017, Mapletree Investments divested Mapletree Logistics Hub Tsing Yi (MLHTY) to Mapletree Logistics Trust (MLT) in a win-win capital recycling transaction. The property was a strategic addition to MLT's existing portfolio with Hong Kong SAR becoming the second largest income contributor to MLT, accounting for 27% of its Net Property Income (NPI), diversifying the Trust's tenant base and was Distributon per Unit (DPU) accretive. On the other hand, Mapletree realised an attractive return and recycled gross proceeds of S$835 million.

- Additionally, in May 2018, the Group's managed private fund, MJOF, divested six office buildings in Japan to MGCCT. This acquisition is DPU accretive and is a welcome diversification beyond Hong Kong SAR and China for MGCCT.

- The Group successfully tapped the capital markets through a S$700 million award-winning 3.95% Singapore dollar perpetual securities issuance in 2017. Part of the proceeds was used to redeem the S$600 million 5.125% perpetual securities issued in July 2012. In addition, the four REITs also raised gross proceeds of S$1,195.7 million from the capital market through equity fund raising of S$795.7 million, perpetual securities issuance of S$180 million and bond issuance of S$220 million.

- The Group delivered a return on equity (ROE) of 15.7% and return on invested equity (ROIE) of 8.7% for FY17/18.

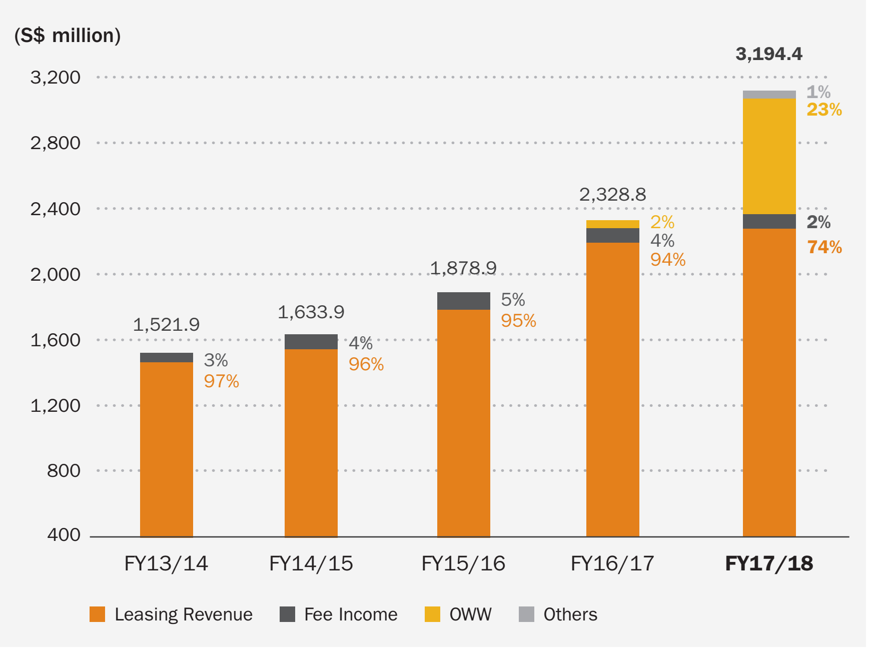
- Total Debt/Total Asset ratio was 39% as at 31 March 2018 and the Group has ample financial flexibility with S$9.9 billion cash and undrawn facilities at the end of the financial year.

PERFORMANCE OVER FIVE YEARS

- The Group grew its PATMI from S$951.5 million in FY12/13 to S$1,958.6 million in FY17/18. PATMI compounded annual growth rate (PATMI CAGR) since 31 March 2013 was 15.5% per annum (p.a.).
- Growth in asset performance, fee businesses, new acquisitions as well as completed development projects enabled recurring PATMI to increase every year over the past five years, from S$276.6 million in FY12/13 to S$684.7 million in FY17/18.
- Fee income (including REIT management fees) increased from S$188.1 million in FY12/13 to S$302.1 million in FY17/18 at a CAGR of 9.9% p.a.
- Five-year average ROE for the Group stood at 11.9% while the five-year average ROIE was 10.2%.
- The Group grew its shareholder's funds by S$5.2 billion over a five-year period to S$12.8 billion as at 31 March 2018. Net asset value compounded annual growth rate (NAV CAGR) since 31 March 2013 was 12.4% p.a.
- Total AUM grew by close to 2.1 times from S$21.8 billion as at 31 March 2013 to S$46.3 billion as at 31 March 2018.
- Asia accounted for 79% of the Group's AUM in FY17/18. The Group made a strategic decision to expand beyond Asia into the developed economies of North America, Australia and Europe four years ago. These developed economies now comprise 21% of Mapletree's total owned and managed real estate assets, with a total AUM of S$9.6 billion as at 31 March 2018.

REVENUE

SOURCES OF REVENUE (%)



In FY17/18, Mapletree achieved a total revenue of S$3,194.4 million, representing a strong y-o-y growth of 37% or a CAGR of 18.1% over the last five years.

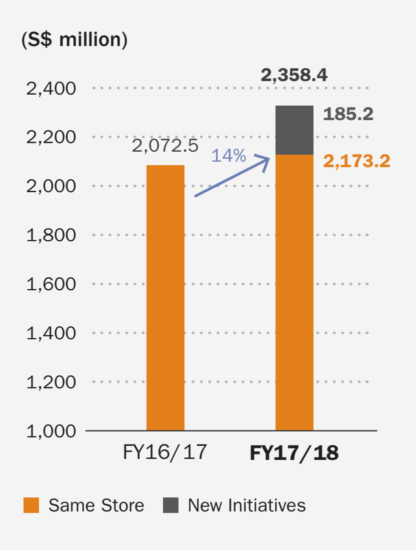
Oakwood Worldwide (OWW), a premier global provider of corporate housing/ serviced apartment solutions acquired in February 2017 contributed significantly to the increase in revenue. FY16/17 had consisted one month revenue contribution from OWW. Full year contribution from OWW added S$743.8 million to the Group's revenue in FY17/18.

In addition, leasing revenue from the newly completed development projects, new income streams from acquisitions in the US, Europe and Australia as well as the increased rental revenue of the four Mapletree managed REITs – MLT, MIT, MCT and MGCCT, contributed to the growth in leasing revenue.

The Group recorded fee income of S$70.9 million in FY17/18 compared to S$78.9 million in FY16/17 (fee income of REITs management companies were eliminated on consolidation). The decrease y-o-y of 10.1% was primarily due to lower private fund base fee as China and Japan funds entered into divestment stage.

FINANCIAL REVIEW

LEASING REVENUE Y-O-Y ANALYSIS



MLT's revenue growth was mainly due to organic growth from existing portfolio, contributions from new acquisitions and contributions from the newly completed redevelopment of Mapletree Pioneer Logistics Hub (formerly known as 76 Pioneer Road).

MIT's gross revenue for FY17/18 was S$363.2 million, 7% (or S$22.7 million) higher compared to the corresponding period last year. This was mainly due to revenue contribution from HP and pre-termination compensation sum from Johnson & Johnson Pte Ltd, partially offset by lower portfolio occupancy.

MCT's revenue rose 15% to S$433.5 million for FY17/18, driven by full year contribution from MBC I in FY17/18 and higher contributions from VivoCity and Bank of America Merrill Lynch HarbourFront, offset by lower contributions from PSA Building and Mapletree Anson.

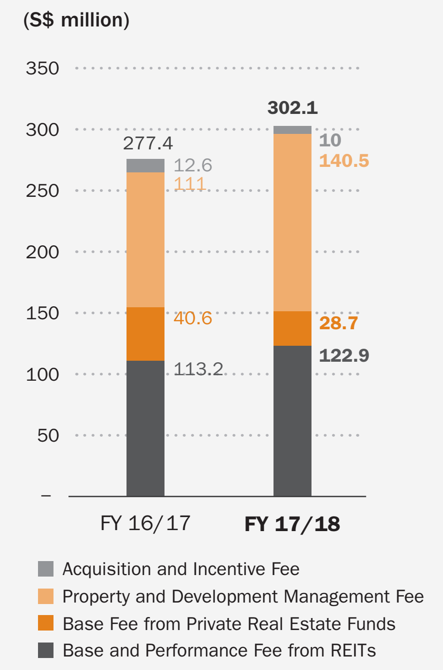
MGCCT's improved y-o-y performance was largely driven by higher revenue growth from Festival Walk and Gateway Plaza.

Aside from the REIT leasing revenue growth, the Group's same store assets delivered better performance in leasing revenue from existing projects in China, the UK, Europe and Australia.

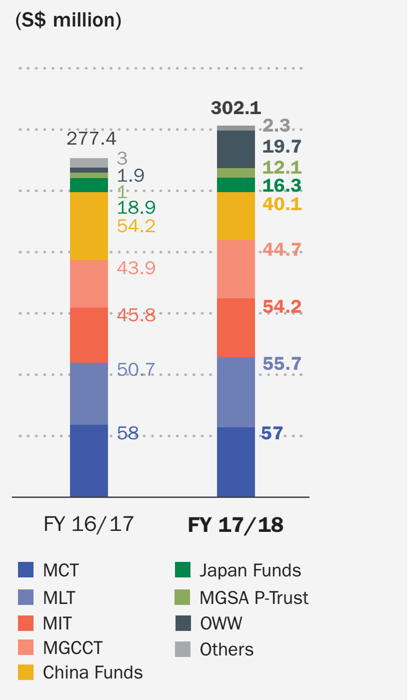
In addition, new initiatives of the Group including acquisitions in the US, Europe and Australia, also contributed significantly to the growth in revenue. This was in line with the Group's strategic decision to expand beyond Asia and into developed economies.

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 while Mapletree is one of the leading 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.

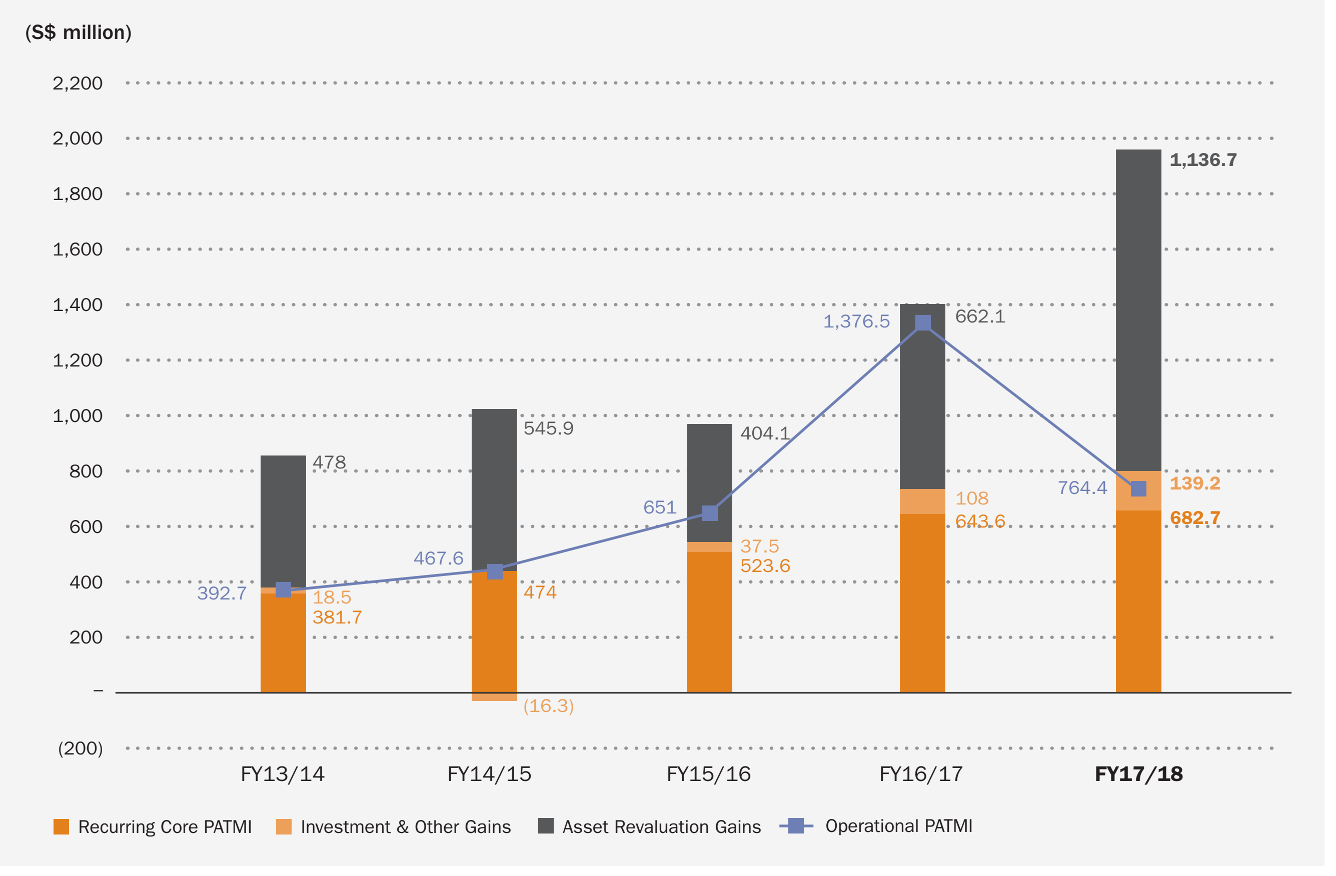
Including REIT management fees, fee income increased from S$277.4 million in FY16/17 to S$302.1 million in FY17/18, driven by higher fee contribution from three of the Group's managed REITs – MLT, MIT and MGCCT.

Base fee from private real estate funds have reduced by S$11.9 million y-o-y as Japan and China funds enter into divestment stage.

Property and development management fee increased by S$29.5 million due to management fee income earned from OWW and the Group's sponsored MGSA P-Trust syndicated in March 2017.

EARNINGS PROFILES

PATMI AND OPERATIONAL PATMI



In FY17/18, the Group produced commendable results, attaining the highest ever PATMI of S$1,958.6 million. This is a growth of 39% y-o-y. All three elements – (1) recurring core PATMI (2) investments and other gains (3) asset revaluation gains contributed to the increase.

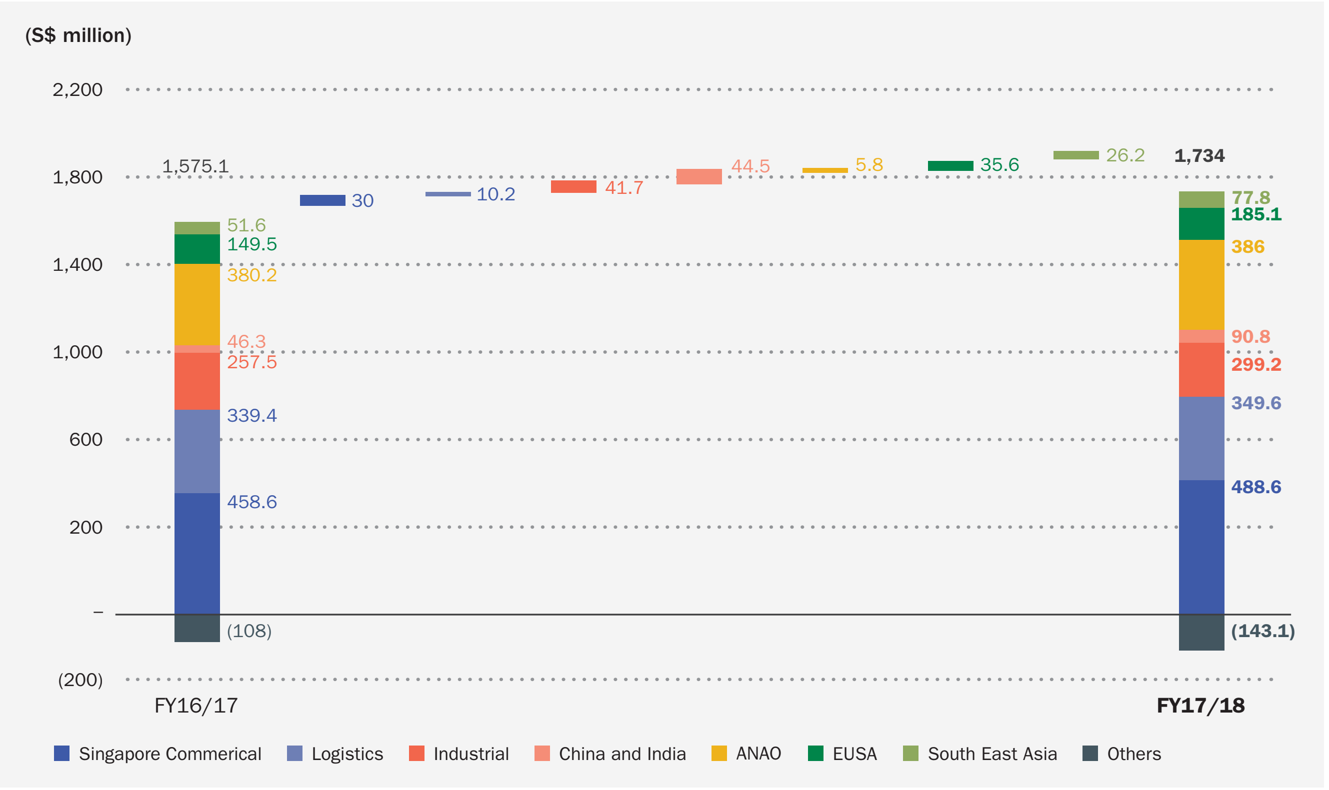
Recurring core PATMI grew by 6% from S$643.6 million in FY16/17 to S$682.7 million in FY17/18 driven by strong recurring earnings and the Group's efforts to build up its presence globally across various major asset classes.

Asset revaluation gains of S$1,136.7 million were recorded in FY17/18, supported by the underlying performance of Mapletree's AUM.

The Group achieved Operational PATMI of S$764.4 million in FY17/18, compared to S$1,376.5 million in FY16/17. The exceptionally high Operational PATMI in the previous financial year was mainly a result of the divestment of MBC I to MCT and the divestment of three Japan logistics assets to MJLD.

FINANCIAL REVIEW

EBIT + SOA Y-O-Y GROWTH ANALYSIS BY BUSINESS UNIT (BU)



The Group recorded higher EBIT + SOA from S$1,575.1 million in FY16/17 to S$1,734 million in FY17/18 contributed from new acquisitions and newly completed development projects. Active lease management and cost containment of the portfolio, as well as new income streams from acquired properties in the US, the UK, Australia and Japan and contributed to the improvement.

- Singapore Commercial business unit (BU) recorded a higher EBIT + SOA of S$30 million over FY16/17 mainly due to higher earnings from MBC I, MBC II, VivoCity and 18 Tai Seng (obtained TOP in November 2016).

- Logistics BU reported an increase of S$10.2 million, largely attributable to higher leasing revenue from the China logistics portfolio, and higher contribution from MLT, partially offset by lower revenue due to the divestment of Japan logistics properties to MJLD in February 2017.

- Industrial BU posted an increase of S$41.7 million from higher MIT earnings attributed to higher revenue contribution from Phase 1 of the build-to-suit for HP which obtained TOP in October 2016 and the new data centres acquired in FY17/18.

- China and India BU recorded higher EBIT + SOA by S$44.5 million mainly due to higher contribution from Mapletree China Opportunity Fund II (MCOF II) from sale of residential units in Nanhai Business City 4 upon completion. In addition, higher leasing revenue from Phase 2 retail of VivoCity Shanghai which commenced operations in March 2017 and higher lease rental revenue from Phase 1 office of MBC Shanghai, both of which are owned by Mapletree China Funds, also contributed to higher earnings.

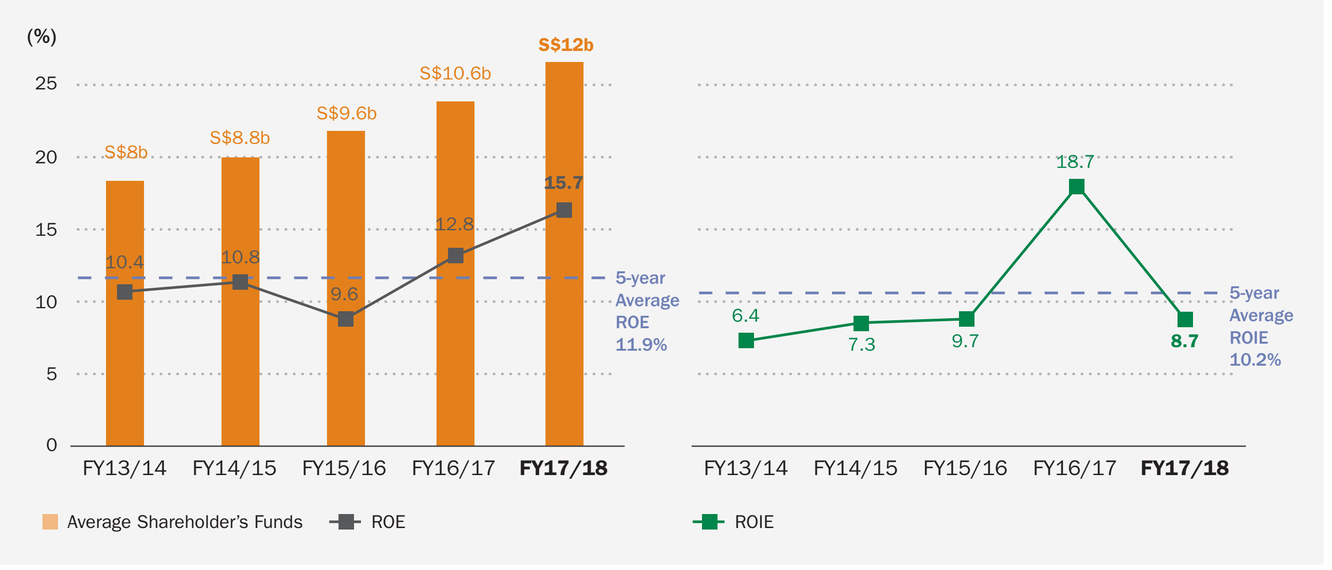
- Australia-New Zealand, North Asia and Oakwood (ANAO) BU recorded higher EBIT + SOA by S$5.8 million primarily attributable to increased contributions from corporate lodging and serviced apartments.

- Europe and USA (EUSA) BU achieved higher EBIT + SOA by S$35.6 million primarily attributable to full year contributions from FY16/17 acquisitions and new acquisitions of student accommodation and office buildings in the US and the UK.

- South East Asia BU registered higher EBIT + SOA of S$26.2 million mainly due to full year contribution from mPlaza Saigon and Mapletree Business Centre, as well as overall strong performance of the Vietnam market.

EARNINGS RATIO

ROE (%) AND ROIE (%)



ROE increased from 12.8% in FY16/17 to 15.7% in FY17/18 attributable to higher operating earnings, corporate restructuring surplus, disposal gains and asset revaluation gains.

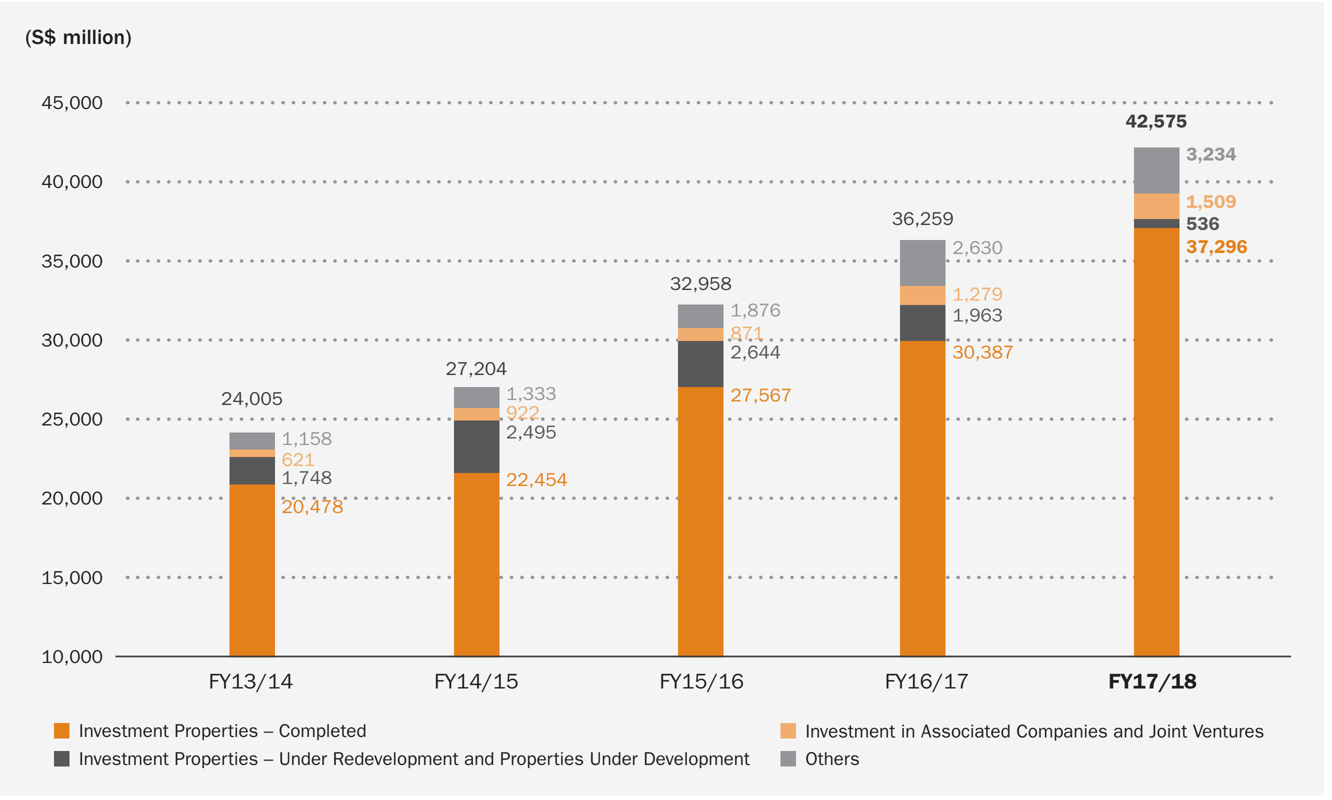
ROE for a real estate company includes gains or losses from revaluation of investment properties in accordance with Singapore Financial Reporting Standards 40 which can be significant. From an operational measurement point of view, the Group also considers ROIE as one of its performance measurement metrics. 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 to its shareholders a ROIE of 8.7% in FY17/18. The decline in ROIE from 18.7% to 8.7% was because FY16/17 had the benefit of the divestment of MBC I to MCT and the divestment of three Japan logistics assets to MJLD. The divestment gain (from OIC) of MLHTY warehouse in Hong Kong SAR to MLT in FY17/18 was insufficient to offset those in FY16/17. The lower divestment gain from OIC contributed a decrease in Operational PATMI from $1,376.5 million last year to S$764.4 million in the current year.

FINANCIAL REVIEW

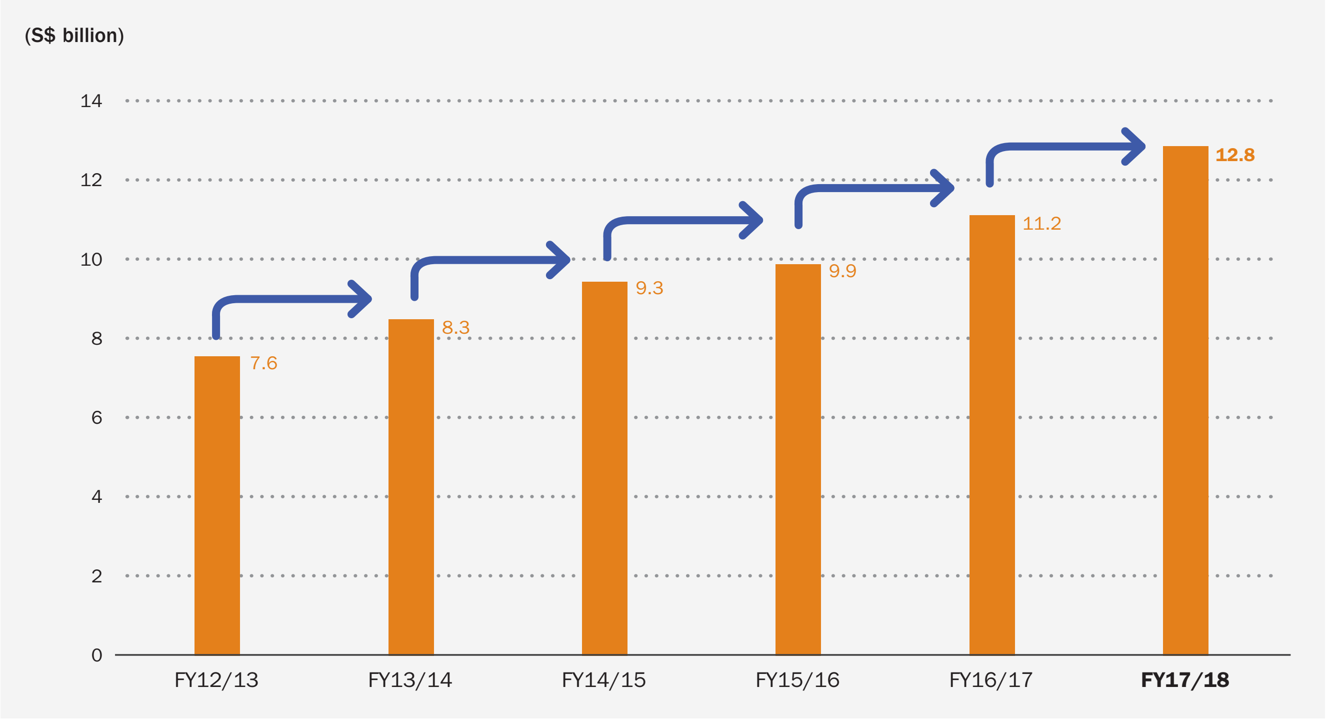
TOTAL ASSET BASE AND SHAREHOLDER'S FUNDS

TOTAL ASSET BASE



Total assets grew from S$36,259 million in FY16/17 to S$42,575 million in FY17/18, primarily due to an increase of S$6.9 billion in Investment Properties – Completed. The increase is attributed to several factors which include new acquisitions of investment properties in the US, Europe, Australia and Japan, capital uplift of the overall portfolio and the completion of several properties under construction.

SHAREHOLDER'S FUNDS

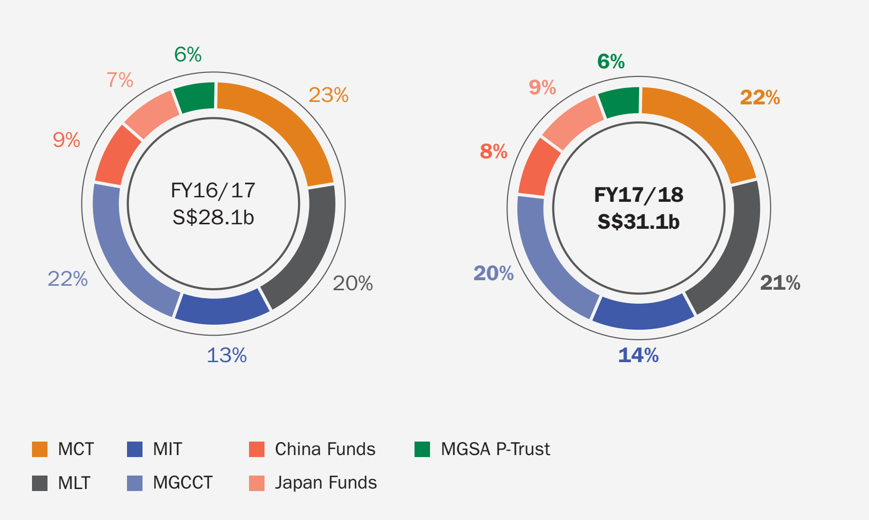


Over the years, the Group continued to seek quality and yield-accretive investment opportunities that deliver long-term value across different asset classes, as well as executing well on its development projects. Strong underlying businesses, increase in real estate valuation and capital management platforms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

The Group's PATMI of S$1,958.6 million in FY17/18 contributed to a 14% increase in shareholder's funds from S$11.2 billion for FY16/17 to S$12.8 billion for FY17/18.

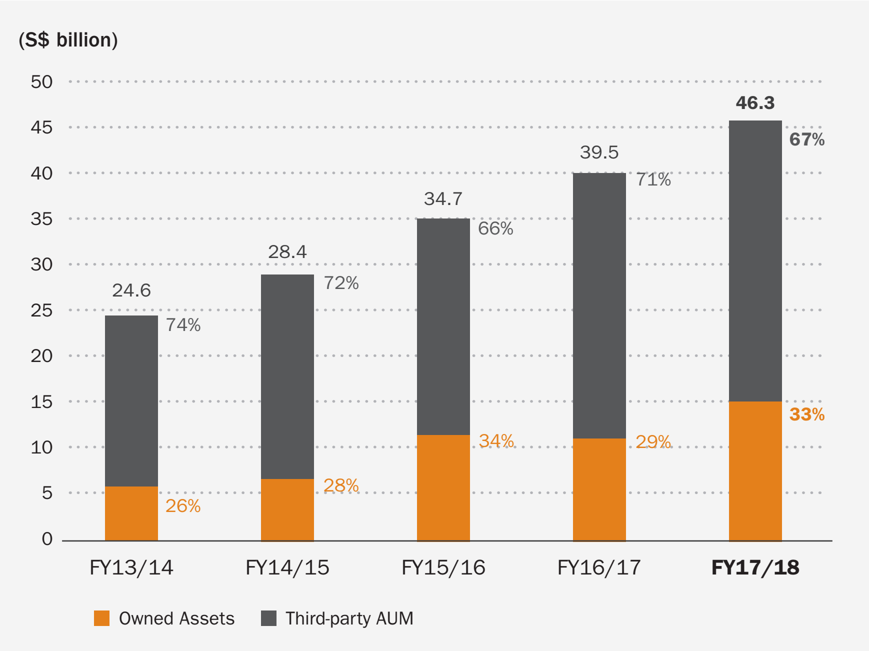
FINANCIAL REVIEW

THIRD-PARTY ASSETS UNDER MANAGEMENT (AUM) BY SEGMENT (%)



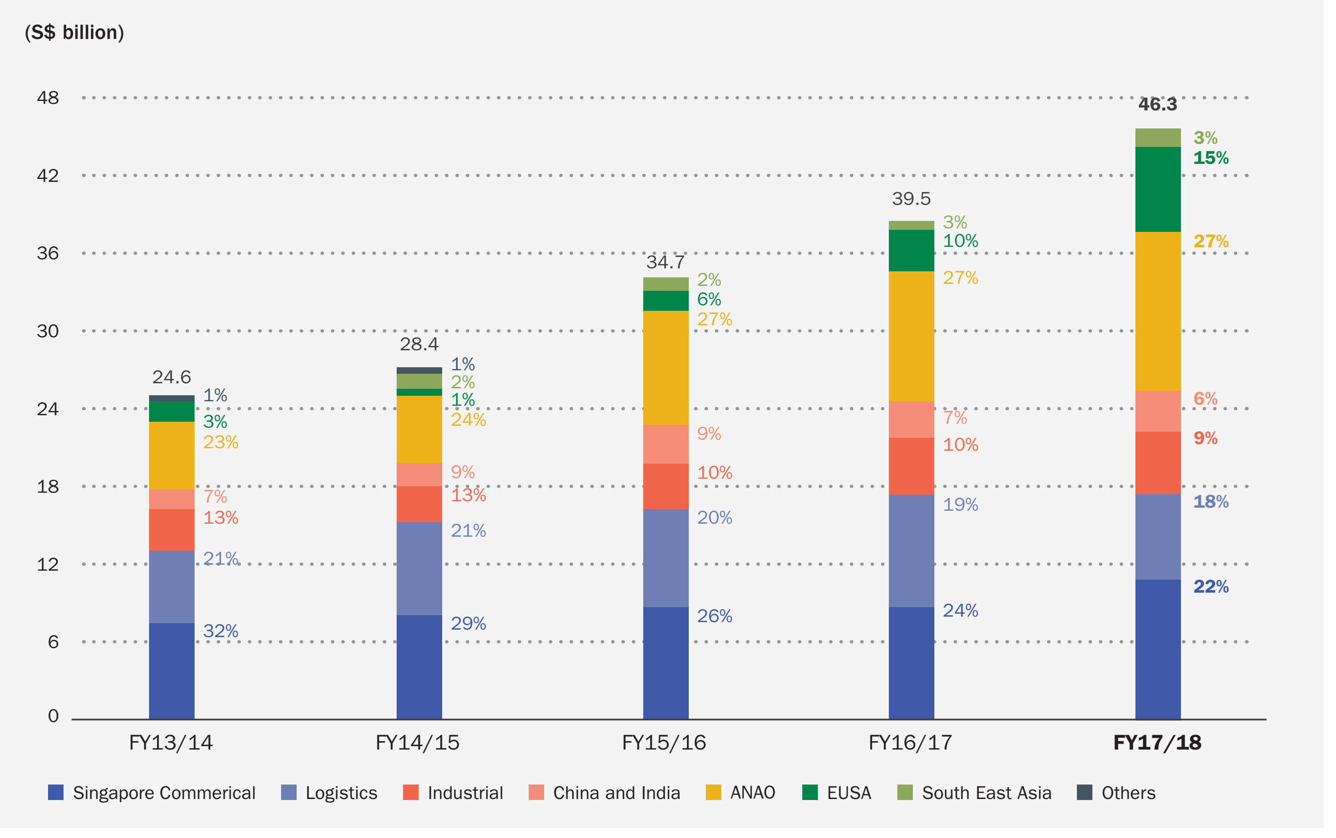
Third-party AUM grew by S$3 billion from S$28.1 billion in FY16/17 to S$31.1 billion in FY17/18. The increase is mainly driven by MIT entering into a joint venture to acquire 14 data centres in December 2017, divestment of MLHTY to MLT and capital value uplift of the REITs' portfolio.

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 growth of 16%. Total owned and managed real estate assets increased from S$39.5 billion in FY16/17 to S$46.3 billion in FY17/18 mainly underpinned by increased acquisitions in the US, Europe, Australia and Japan. Positive value contributions from development activities, capital value uplift of the REITs' portfolio and the Group's owned assets including MBC II and Mapletree Bay Point in Hong Kong SAR, also contributed to the growth in AUM.

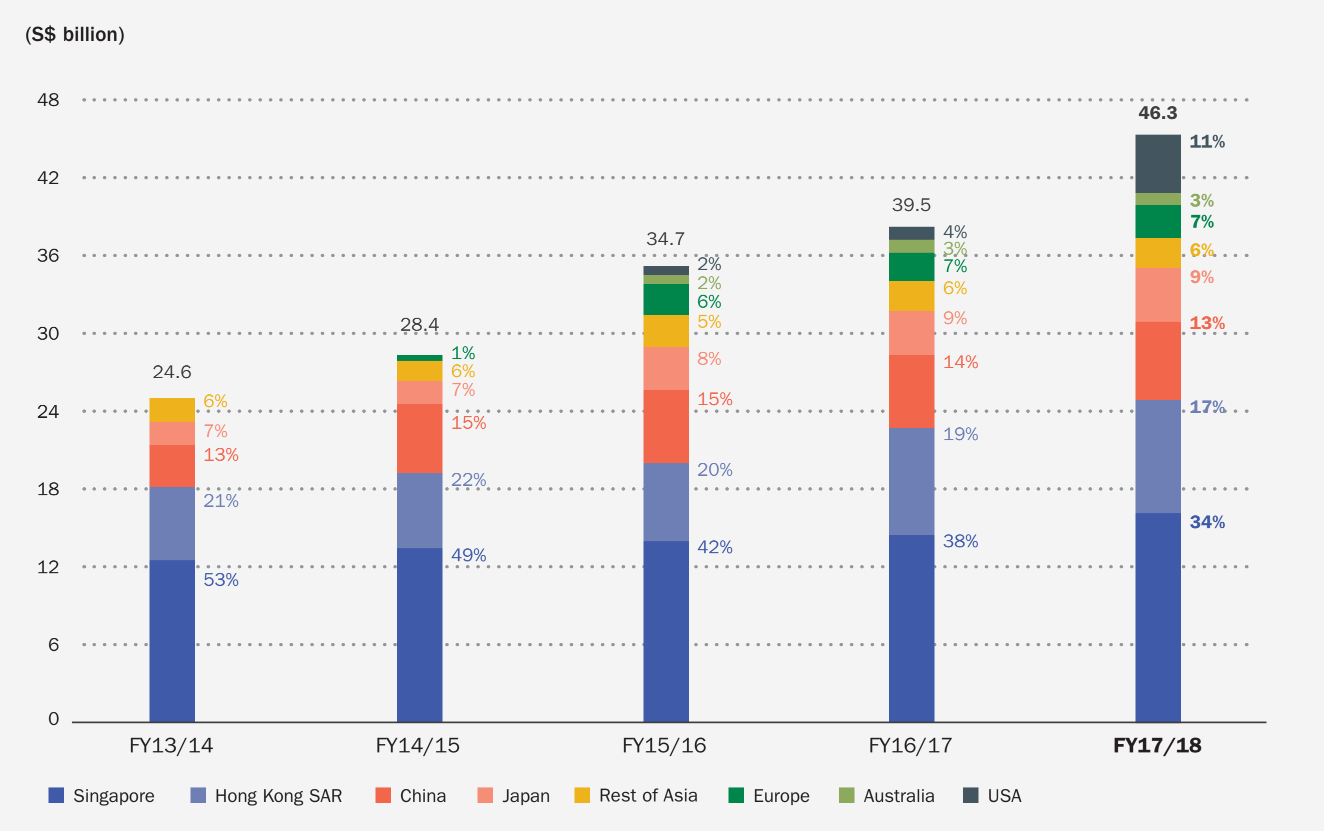
TOTAL OWNED AND MANAGED REAL ESTATE ASSETS BY BU (%)



In line with the Group's strategy to grow new income streams beyond Asia, both EUSA and ANAO BUs have accelerated their growth and accounted for 42% of AUM as of 31 March 2018. ANAO BU was the largest BU by AUM, accounting for 27% of AUM. Singapore Commercial and Logistics BU continued to be the second and third largest BU by AUM respectively since FY15/16.

FINANCIAL REVIEW

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 US, the UK, Australia, Japan, Hong Kong SAR and China markets mainly in the corporate housing/serviced apartment, data centre, logistics, office and student accommodation sectors. Mapletree's total owned and managed real estate assets in the US, Australia and Europe accounted for 21% of the Group's total AUM as compared to 14% a year ago. Regardless, Singapore remains predominant, with the largest proportion of assets at 34%.

GLOSSARY

EBIT + SOA	Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.
MGCCT	Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.
NAV CAGR	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 2013 as starting base.
New Initiatives	New initiatives relate to acquisitions and developments completed in FY17/18.
Operational PATMI	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 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.
PATMI	PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holders and Equity Holder of the Company.
Recurring Core PATMI	Recurring Core PATMI is derived from Recurring PATMI less incentive fees and residential gross profit.
ROE	ROE denotes return on equity and is computed based on PATMI attributable to equity holder of the Company over shareholder's funds.
ROIE	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.