



GLOBAL LOGISTIC PROPERTIES LIMITED<sup>1</sup>  
(Registration No. 200715832Z)

For Immediate Release

NEWS RELEASE<sup>2</sup>

## GLP AND CHINA INVESTMENT CORPORATION FORM JOINT VENTURE TO ACQUIRE MODERN LOGISTICS FACILITIES IN JAPAN

- *GLP continues to grow its fund management platform with the establishment of the joint venture with China Investment Corporation.*
- *GLP and CIC will each hold a 50 per cent stake in the portfolio of 15 facilities acquired from LaSalle Investment Management.*
- *GLP's equity investment of JPY 21.22 billion (US\$272.9 million<sup>3</sup>) will be immediately accretive. GLP's equity investment will be funded by cash on hand.*
- *The transaction would have lifted FY2011 PATMI by approximately US\$38 million<sup>4</sup>.*

**Singapore, 19 December 2011** - Global Logistic Properties Limited ("GLP"), the market leader in modern logistics facilities in China and Japan, today announced that GLP and China Investment Corporation ("CIC"), through their respective wholly-owned subsidiaries, have entered into a 50:50 joint venture to acquire 15 modern logistics facilities in Japan from LaSalle Investment Management ("LIM") for JPY122.6 billion (US\$1.6 billion).

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<sup>1</sup> The initial public offering of the Company was sponsored by Citigroup Global Markets Singapore Pte. Ltd. and J.P. Morgan (S.E.A.) Limited (the "Joint Global Coordinators and Joint Issue Managers"). The Joint Global Coordinators and Joint Issue Managers assume no responsibility for the contents of this announcement.

<sup>2</sup> This news release serves as a summary of the key points of the announcement dated 19 December 2011 that was issued by GLP on the SGXnet and should be read and understood in conjunction with the announcement.

<sup>3</sup> Unless noted, all exchange rates are reported as 1 USD = 77.76 JPY, the closing exchange rate as of 16 December 2011.

<sup>4</sup> Assuming the transaction would have been completed 1 April 2010. Exchange rate 1 USD = 85.73 JPY actual average exchange rate in FY 2011 (1 April 2010 to 31 March 2011).

A joint venture agreement and purchase and sale agreement were signed on 19 December 2011 by Light Year TMK. The initial equity injected by each party is JPY 21.22 billion (US\$272.9 million). GLP will act as the asset manager of the acquired properties. This joint venture is the first collaboration between GLP and CIC.

The portfolio of 15 properties to be acquired will have a Gross Floor Area (“GFA”) of 770,989 sqm with more than 90 per cent of the GFA located within the Greater Tokyo and Osaka areas. The current occupancy of the properties is 98.3 per cent with a weighted average lease expiry of 5.6 years. The portfolio comprises modern facilities with a weighted average building age of only 6.9 years.

### **Transaction Creates Value for Shareholders**

Jeffrey Schwartz, Deputy Chairman of GLP said, “The transaction will be accretive to GLP from day one. The equity portion of this transaction represents less than one year of our operating cash flow created by our current Japan operations.”

“We are very excited about this opportunity, which we believe will create strong value for our shareholders. GLP and CIC are only acquiring the assets that met our investment criteria.” added Mr. Schwartz.

The transaction would have lifted FY2011 PATMI by approximately US\$38 million<sup>5</sup> assuming the transaction had been completed 1 April 2010.

### **Opportunities for GLP as Japan Continues to Improve its Supply Chain**

Ming Z Mei, CEO of GLP said, “Demand in Japan continues to come from companies working to become more competitive and are focused on ensuring they have more efficient warehouses. Companies are also rethinking how their supply chains are managed so they can minimise any risk of disruption in the future.

As a result, demand for quality modern warehouse space is on the rise, while there remains a lack of supply of modern warehouse. The properties we are acquiring come with a strong tenant profile – 67 per cent of the space is utilised by large third-party logistics service providers and 13 per cent is leased by e-commerce companies.”

Mr. Mei added, “After this acquisition, our Japan portfolio will grow approximately 30 per cent to 3.6 million sqm, making our footprint almost 40 per cent larger than our next largest competitor.”

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<sup>5</sup> Exchange rate 1 USD = 85.73 JPY actual average exchange rate in FY 2011 (1 April 2010 to 31 March 2011).

## **Building GLP's Fund Management Platform**

The joint venture with CIC is a continuation of GLP's strategy to establish its fund management platform. Earlier this year, GLP initiated its fund management platform with the Japan development joint venture with the Canadian Pension Plan Investment Board.

As GLP continues to grow its fund management platform in Japan, the company will look to expand its market presence and recycle capital within the market. GLP's equity exposure to Japan will remain stable or go down over time.

## **Funding**

The joint venture has entered into an agreement with a group of domestic Japanese banks for debt financing of JPY 81 billion (US\$1.0 billion). GLP will fund its equity commitment of US\$272.9 million from internal capital. No new equity needs to be issued to fund this transaction given GLP has US\$1.7 billion of cash on its balance sheet as at September 30, 2011.

## **Completion of Transaction**

The acquisition is expected to be completed in the first quarter 2012 when GLP will assume its role as the asset manager.

## **Teleconference for Investors and Analysts**

A teleconference for investors and analysts is scheduled on Monday, 19 December at 6.00pm Singapore time. The dial in number is +65 6723 9388 and the conference ID is 35780368.

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### **About Global Logistic Properties ([www.glprop.com](http://www.glprop.com))**

*Global Logistic Properties (GLP) is Asia's largest provider of modern logistics facilities. It owns, manages and leases out 380 completed properties in 133 logistics parks spread across 28 major cities in China and Japan, forming an efficient logistics network with properties strategically located in key logistics hubs, industrial zones and urban distribution centres. By providing flexible solutions of Multi-tenant, Build-to-Suit and Sale-and-Leaseback, GLP is dedicated to improving the supply chain efficiency for strategic expansion goals of the most dynamic manufacturers, retailers and 3rd party*

logistics companies in the world. The Group was listed on the Mainboard of Singapore Exchange Securities Trading Limited on 18 October 2010 (Stock code: MC0.SI).

**Issued by: Global Logistic Properties Limited**

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**## END ##**

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