



# 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\$151 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\$77 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\$151 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

# Capital Recycling Strategy



- 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)

- GLP and GLP Japan Income Partners I sell assets to GLP J-REIT

- GLP sells 1/3 stake in China business to investor consortium in FY14

