CAMBRIDGE INDUSTRIAL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

LAUNCH OF EQUITY FUND RAISING TO RAISE UP TO S$50.4 MILLION FOR THE ACQUISITIONS OF FOUR PROPERTIES IN SINGAPORE

(A) ACQUISITION OF 25 TAI SENG AVENUE, 511 & 513 YISHUN INDUSTRIAL PARK A AND POTENTIAL ACQUISITIONS OF TWO PROPERTIES IN THE WESTERN PART OF SINGAPORE

(B) EQUITY FUND RAISING TO RAISE UP TO S$50.4 MILLION

- Equity Fund Raising to comprise:
  - Private Placement of 56,498,000 new units in Cambridge Industrial Trust ("**CIT**") to raise gross proceeds of approximately S$30.0 million; and
  - Preferential Offering of up to 38,483,354 new units in CIT to raise gross proceeds of up to approximately S$20.4 million
- New units to be offered at a price of S$0.531 for the Private Placement and S$0.531 for the Preferential Offering
- Retail Offering to be made on the basis of each unitholder having a preferential offer of one (1) Preferential Unit for every twenty five (25) existing units in CIT held by entitled unitholders as at 5.00 p.m. on 29 October 2010, plus the opportunity to apply for additional units
- Net proceeds to be used to part-finance two (2) announced properties and two (2) potential acquisitions, all located in Singapore, with aggregate cost of approximately S$74.3 million
- Expected benefits to CIT from the addition of these properties:
  - Improvement in asset quality through an enlarged portfolio;
  - Improved portfolio and tenant diversification; and
  - Positive impact on weighted average lease tenure and weighted average lease expiry
- Post-completion of the Equity Fund Raising, CIT's gearing level is estimated to fall from 39.2% to 38.6%, strengthening CIT's capital structure

1. INTRODUCTION

Cambridge Industrial Trust Management Limited (the "**Manager**"), as the manager of Cambridge Industrial Trust ("**CIT**"), is pleased to announce that:

(a) RBC Dexia Trust Services Singapore Limited, in its capacity as trustee of CIT (the "**Trustee**"), has entered into separate Put and Call Option Agreements (as defined below) to acquire certain properties (namely, 25 Tai Seng Avenue and 511 & 513 Yishun Industrial Park A (as respectively defined below);

(b) the Manager, in its capacity as manager of CIT, has entered into separate MOUs (as defined below) to acquire certain properties located in the western part of Singapore;

(c) the Manager, in its capacity as manager of CIT, intends to undertake an equity fund raising ("**Equity Fund Raising**") of approximately S$50.4 million by way of:

  (i) a private placement of 56,498,000 new units in CIT (the "**Placement Units**") at an issue price of S$0.531 per Placement Unit (the "**Placement Issue Price**") to raise gross proceeds of approximately S$30.0 million; and

  (ii) a pro-rata and non-renounceable preferential offering of up to 38,483,354 new units in CIT (the "**Preferential Units**"), on the basis of one (1) Preferential Unit for every twenty five (25) existing units in CIT held by Entitled Unitholders[1] as at 5.00 p.m. on 29 October 2010 (the "**Books Closure Date**"), fractions of a Preferential Unit to be disregarded, at an issue price of S$0.531 per Preferential Unit (the "**Preferential Issue Price**") to raise gross proceeds of up to approximately S$20.4 million.

Note:

1. "**Entitled Unitholders**" refers to unitholders of CIT as at the Books Closure Date, other than those whose registered addresses with The Central Depository (Pte) Limited (the "**CDP**") are outside Singapore, and who have not, at least three (3) market days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.

2. ACQUISITION OF PROPERTIES

2.1 Put and Call Option Agreements and Memoranda of Understanding

The Trustee, on behalf of CIT, has entered into separate put and call option agreements (the "**Put and Call Option Agreements**") as follows:

(a) as announced on 29 September 2010, the Trustee has entered into a put and call option agreement with Scorpio East Properties Pte Ltd for the acquisition by CIT of the property located at 25 Tai Seng Avenue, Singapore 534104 ("**25 Tai Seng Avenue**"); and

(b) the Trustee has on 20 October 2010 entered into a put and call option agreement with Seksun International Pte Ltd for the acquisition by CIT of the property located at 511 & 513 Yishun Industrial Park A, Singapore 768768 and 768736 respectively ("**511 & 513 Yishun Industrial Park A**").

In addition, the Manager, on behalf of CIT, has entered into separate memoranda of understanding (the "**MOUs**") with an unrelated third party ("**Vendor**") in respect of the following:

(c) the acquisition by CIT of a completed property located in the western part of Singapore ("**Potential Property 1**"); and

(d) the built-to-suit development by CIT of a development site located in the western part of Singapore ("**Potential Property 2**").

The proposed acquisition of Potential Property 1 by CIT is conditional upon the successful assignment of the development site in respect of Potential Property 2 to CIT.

Unless otherwise indicated, the properties referred to in (a) to (d) above are herein collectively referred to as the "**Properties**" and each a "**Property**", and the acquisitions of the Properties as stated above are herein collectively referred to as the "**Acquisitions**".

2.2 Information on the Properties

The information on each of the Properties to be acquired pursuant to the Put and Call Option Agreements and potentially to be acquired as indicated in the MOUs is set out below:

(a) 25 Tai Seng Avenue is a new 7-storey light industrial-cum-office building which was completed in 2009. This property is located within the Paya Lebar i-Park and is easily accessible by the Pan Island Expressway, Kallang-Paya Lebar Expressway and the Tai Seng MRT Station. This property will be leased back to Scorpio East Properties Pte Ltd, a wholly-owned subsidiary of SGX-listed Scorpio East Holdings Ltd for five (5) years from the legal completion of the sale, with an option to renew for a further five (5) years.

(b) 511 Yishun Industrial Park A is a 5-storey light industrial building with ancillary workers' dormitory, clean room facilities and surface carpark lots. 513 Yishun Industrial Park A is a 4-storey industrial building with mezzanine level. These two buildings are connected by a bridge via the second floor of each building. The properties are easily accessible via the Seletar Expressway. Both properties will be leased back to Seksun International Pte. Ltd. for five (5) years from the legal completion of the sale.

(c) Potential Property 1 is a 4-storey factory with an ancillary office which was completed in 2008. It is easily accessible via the Ayer Rajah Expressway and located near the Tuas checkpoint. This property will be leased back to the Vendor for seven (7) years from the legal completion of the sale.

(d) The proposed development involving Potential Property 2 is a built-to-suit project for lease to the Vendor for 10 + 5 years. It is located in the western part of Singapore, easily accessible via the Pan Island Expressway and the Ayer Rajah Expressway. The building will sit on a land area of approximately 13,000 sqm and is expected to have a gross floor area of approximately 11,200 sqm on completion. The development is expected to be completed and operational in 2011.

2.3 Independent Valuation

25 Tai Seng Avenue has been appraised by an independent valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**"), while 511 & 513 Yishun Industrial Park A have been appraised by an independent valuer, Jones Lang LaSalle ("**JLL**"), each using the direct comparison method, discounted cash flow analysis and the capitalisation approach. The appraised values of these two Properties as at their respective valuation dates are set out below:

Properties	Appraised Value	Date of Valuation	Independent Valuer
25 Tai Seng Avenue[1]	S$21.5 million	5 August 2010	Colliers
511 & 513 Yishun Industrial Park A[2]	S$32.6 million	1 October 2010	JLL
Total	**S$54.1 million**	-	-

Notes:

1. As announced on 29 September 2010.
2. 511 Yishun Industrial Park A and 513 Yishun Industrial Park A have stand alone values of S$25.8 million and S$6.8 million respectively.

2.4 Principal Terms and Conditions

The purchase consideration for each of the Properties under the Put and Call Option Agreements and the purchase consideration agreed in principle for each of the Properties under the MOUs are set out below:

Properties	Purchase Consideration
25 Tai Seng Avenue	S$21.1 million
511 & 513 Yishun Industrial Park A	S$32.6 million
Potential Property 1	S$6.4 million
Potential Property 2	S$13.1 million[1]
Total	**S$73.2 million**

Note:

1. This figure represents the estimated total development cost required to complete the built-to-suit project on Potential Property 2.

The purchase consideration for each Property was arrived at on a willing-buyer and willing-seller basis, and in the case of 25 Tai Seng Avenue and 511 & 513 Yishun Industrial Park A, the purchase consideration were determined taking into account the appraised value of the relevant Property determined pursuant to valuations conducted by either Colliers or JLL in respect of that Property.

The Manager expects completion of the Acquisitions (including assignment of the development site but excluding completion of the development on Potential Property 2) to take place around December 2010.

The acquisition of 25 Tai Seng Avenue and 511 & 513 Yishun Industrial Park A are subject to certain conditions precedents, including but not limited to the following:

(a) the vendor not being in breach of any provisions of the respective head lease or failing to perform and comply in all respects with any of the covenants and agreements contained therein; and

(b) sufficient debt and equity being raised by CIT to complete the acquisitions.

2.5 Estimated Cost of Acquisitions

The aggregate cost of the proposed Acquisitions (the "**Total Acquisition Cost**") is estimated to be approximately S$74.3 million, comprising the following:

(a) the aggregate purchase consideration of the Properties of S$73.2 million (including the development cost of S$13.1 million as stated in paragraph 2.4 above);

(b) the acquisition fee payable to the Manager in respect of the Acquisitions, under the trust deed dated 31 March 2006 constituting CIT entered into between the Trustee and the Manager (as amended), which amounts to approximately S$0.6 million; and

(c) the professional and other fees and expenses incurred or to be incurred in connection with the Acquisition which amount to approximately S$0.5 million.

The Manager intends to finance approximately S$48.6 million of the Total Acquisition Cost with the net proceeds from the Equity Fund Raising. The balance of the cost of the Acquisitions of approximately S$25.7 million will be financed by a partial draw-down of S$21.0 million under an existing acquisition term loan facility (the "**Acquisition Term Loan Facility**") and existing cash of S$4.7 million.

2.6 Rationale and Benefits of the Acquisitions

(a) Improvement in Asset Quality through an Enlarged Portfolio

The Manager believes that the Properties are quality industrial assets that have been purchased at attractive yields which are comparable or better than yields of recent transactions in the market.

(b) Improved Portfolio and Tenant Diversification

The Acquisitions will further reduce the reliance of CIT's income stream on any single asset and tenant.

(c) Positive Impact on Weighted Average Lease Tenure and Weighted Average Lease Expiry

On completion of the Acquisitions, the weighted average lease tenure of CIT's portfolio will increase from 4.1 years to 4.3 years. CIT's weighted average lease expiry concentration will also be reduced from (i) 23.5% to 21.2% for 2013 and (ii) 39.6% to 35.7% for 2014.

2.7 Interests of Directors of the Manager and Controlling Unitholders

As at the date of this Announcement, none of the directors of the Manager (the "**Directors**") or the controlling unitholders of CIT have any direct or indirect interest in the Acquisitions.

3. <u>EQUITY FUND RAISING</u>

3.1 Private Placement and Preferential Offering

The Manager is undertaking an Equity Fund Raising by way of:

(a) a private placement of 56,498,000 Placement Units at the Placement Issue Price to raise gross proceeds of approximately S$30.0 million (the "**Private Placement**"); and

(b) a pro-rata and non-renounceable preferential offering of up to 38,483,354 Preferential Units, on the basis of one (1) Preferential Unit for every twenty five (25) existing units in CIT held by Entitled Unitholders as at the Books Closure Date, fractions of a Preferential Unit to be disregarded, at the Preferential Issue Price to raise gross proceeds of up to approximately S$20.4 million (the "**Preferential Offering**").

The Manager has appointed The Royal Bank of Scotland N.V., Singapore Branch ("**RBS**") as the sole global co-ordinator of the Equity Fund Raising, and the sole bookrunner and underwriter for the Private Placement.

The Placement Issue Price and Preferential Issue Price represent a discount of approximately 4.87% to the volume weighted average price of S$0.5582 per unit of CIT (the "**VWAP**") for all trades done in the units of CIT (the "**Units**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the full market day on 19 October 2010 up to the trading halt on 20 October 2010.

The Placement Units will be offered to not more than 50 investors pursuant to section 302C of the Securities and Futures Act (Chapter 289) of Singapore, and the Private Placement will be fully underwritten by RBS.

3.2 Rationale for the Equity Fund Raising

The rationale for the Equity Fund Raising and the benefits to the unitholders of CIT (the "**Unitholders**") are as follows:

(a) Finance CIT's acquisition of properties

All of the net proceeds from the Equity Fund Raising amounting to approximately S$48.6 million will be used to part-finance the proposed Acquisitions (including the two Properties under the MOUs). The balance of the cost of the Acquisitions amounting to approximately S$25.7 million will be financed by a partial draw-down of S$21.0 million under the Acquisition Term Loan Facility and existing cash of S$4.7 million.

(b) Strengthen CIT's balance sheet and capital structure

Assuming that the Private Placement and the Preferential Offering are fully subscribed, the completion of the Equity Fund Raising and the Acquisitions (the "**Transactions**") is expected to reduce CIT's Aggregate Leverage[1] from approximately 39.2% as at 30 September 2010 to 38.6% as illustrated in the table below:

	As at 30 September 2010	
	Actual	**Unaudited pro forma adjusted for the Transactions**
Borrowings (S$'000)	363,350	384,385
Total Assets (S$'000)	926,227	995,862
Aggregate Leverage (%)	39.2	38.6

The Manager has also committed on 14 October 2010 to pay down CIT's existing term loan facility by S$35.0 million via the use of divestment proceeds from the sale of non-core assets. Pursuant to the foregoing, CIT's Aggregate Leverage is expected to be further reduced from 38.6% to 36.4%.

The reduction in CIT's Aggregate Leverage will strengthen CIT's capital structure and its credit profile, and enhance CIT's balance sheet as well as its ability to secure additional debt facilities at potentially more competitive terms.

Note:

1. "**Aggregate Leverage**" is defined in Appendix 2 of the Code on Collective Investment Schemes as the ratio of CIT's borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Units) to the value of CIT's deposited property.

(c) DPU accretion for existing Unitholders

The Manager will deploy net proceeds from the Equity Fund Raising towards accretive acquisitions where possible and when suitable opportunities arise which may result in further distribution per unit ("**DPU**") accretion to Unitholders. The Acquisitions are expected to be accretive on a pro forma basis. For illustrative purposes, the pro forma DPU for third quarter of 2010 ("**3Q2010**") as adjusted for effect of the Acquisitions of 1.205 cents is 1.5% higher than the actual DPU for 3Q2010 of 1.187 cents.

(d) Potentially increase the liquidity of CIT's units

The Placement Units and Preferential Units issued pursuant to the Equity Fund Raising will increase the number of Units in issue as at 30 September 2010 by up to approximately 9.9%. This increase in the total number of Units in issue may potentially increase the free float of Units on the SGX-ST and the level of trading liquidity of the Units. This could potentially lead to an increase of CIT's weighting in certain benchmark equity indices. Unitholders will also be able to benefit from any improvement in trading liquidity of the Units.

3.3 Intended Use of Proceeds

Assuming that the Private Placement and the Preferential Offering are fully subscribed, and after taking into account estimated fees and expenses (including professional fees) of approximately S$1.8 million incurred or to be incurred, the Manager intends to apply the net proceeds from the Equity Fund Raising of approximately S$48.6 million to partly fund the proposed Acquisitions.

Pending deployment, the net proceeds from the Equity Fund Raising may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

In addition, the Manager would like to inform Unitholders that while there are unused amounts of approximately S$14.9 million and S$11.4 million from CIT's previous fund raising exercises on 12 August 2009 and 12 August 2010 respectively, such funds have been earmarked to fund future acquisitions, asset enhancements, developments and general working capital needs.

3.4 Authority to Issue Units

The Manager intends to issue the Placement Units and the Preferential Units (collectively, the "**New Units**") under the Equity Fund Raising pursuant to a general mandate (the "**General Mandate**") given by Unitholders at the annual general meeting of CIT held on 23 April 2010.

The General Mandate authorises the Manager to issue new Units and/or convertible securities or other instruments which may be convertible into Units (the "**Convertible Securities**"), provided that the new Units issued (and/or Units into which the Convertible Securities may be converted) do not exceed 50% of the total number of Units in issue as at 23 April 2010 (the "**Base Figure**"), of which the new Units issued (and/or Units into which the Convertible Securities may be converted) other than on a pro rata basis to Unitholders does not exceed 20% of the Base Figure.

The Base Figure, being the number of Units in issue as at 23 April 2010, is 870,131,173. The Manager had in August 2010 undertaken a private placement, pursuant to which it had issued 83,683,000 Units, representing approximately 9.62% of the Base Figure. The 56,498,000 Placement Units to be issued pursuant to the Private Placement, which represents approximately 6.49% of the Base Figure combined with the previous private placement, are hence within the 20.0% limit for placements pursuant to the General Mandate.

The maximum of 38,483,354 Preferential Units to be issued pursuant to the Preferential Offering, which represents approximately 4.42% of the Base Figure, are within the 50.0% limit for pro rata issue pursuant to the General Mandate.

3.5 Details of Preferential Offering

Pursuant to the Preferential Offering, the Manager intends to offer up to 38,483,354 Preferential Units at the Preferential Issue Price to Entitled Unitholders, on the basis of one (1) Preferential Unit for every twenty five (25) existing Units held by Entitled Unitholders as at the Books Closure Date, fractions of a Preferential Unit to be disregarded.

Accordingly, Entitled Unitholders will be provisionally allotted Preferential Units on the basis of their respective unitholdings in CIT as at the Books Closure Date. Entitled Unitholders are at liberty to accept or decline their provisional allotments of Preferential Units and are eligible to apply for additional Preferential Units in excess of their provisional allotments under the Preferential Offering (the "**Excess Preferential Units**"). However, they are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their provisional allotments of Preferential Units and/or eligibility to apply for Excess Preferential Units.

The Preferential Units represented by the provisional allotments of (i) Entitled Unitholders who decline or do not accept (in full or in part) their provisional allotments of Preferential Units under the Preferential Offering and/or (ii) Unitholders who are not Entitled Unitholders, may be issued to satisfy applications for Excess Preferential Units as the Manager may, in its absolute discretion, deem fit. In the allotment of Excess Preferential Units, preference will be given to the rounding of odd lots, and the directors of the Manager and substantial Unitholders will rank last in priority.

The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries (other than Singapore) where Unitholders may have their addresses registered with the CDP, the Preferential Offering will not be extended to Unitholders whose registered addresses with CDP are outside Singapore, and who have not, at least three (3) market days prior to the Books Closure Date, provided CDP with addresses in Singapore for service of notices and documents.

Unitholders whose registered addresses with CDP are outside Singapore but who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for service of notices and documents at least three (3) market days prior to the Books Closure Date.

The instruction booklet of CIT in connection with the Preferential Offering (the "**Instruction Booklet**") and the Acceptance Form for Preferential Units provisionally allotted to Entitled Unitholders and Application Form for Excess Preferential Units (the "**ARE**") will be despatched to Entitled Unitholders in due course, and an announcement on such despatch will be made by the Manager. Details of the Preferential Offering and the procedures for the acceptance of and payment for provisional allotments of Preferential Units and application of and payment for Excess Preferential Units will be contained in the Instruction Booklet and ARE.

3.6 Details of Underwriting

In connection with the Equity Fund Raising, the Manager and RBS have entered into a placement agreement dated 21 October 2010 (the "**Placement Agreement**"). Pursuant to the Placement Agreement, (i) RBS has agreed to procure subscriptions for, or failing which to subscribe for, the 56,498,000 Placement Units to be issued pursuant to the Private Placement at the Placement Issue Price and (ii) the Manager has agreed to pay RBS an underwriting fee of 3.5% of the gross proceeds from the Private Placement and an advisory fee of S$150,000 for the Preferential Offering.

The Equity Fund Raising shall be subject to, *inter alia*, conditions precedent more particularly set out in the Placement Agreement.

In connection with the private placement exercise undertaken by the Manager on behalf of CIT as announced on 12 August 2010 (the "**12 August Announcement**"), the Manager has agreed to, *inter alia*, a 90-day moratorium with respect to certain corporate actions including but not limited to the offering, issuance and sale of Units (as more particularly described in paragraph 3.5 of the 12 August Announcement, the "**Lock-up**"). For the purposes of the Equity Fund Raising, RBS has given its consent to the offer and issue by the Manager of the New Units in connection with the Equity Fund Raising and the announcement by the Manager of its intention to do so.

3.7 Status of New Units

The next quarterly distribution of CIT was originally scheduled to take place in respect of its distributable income for the period of 1 October 2010 to 31 December 2010 (the "**Scheduled Distribution**"). However, in connection with the Equity Fund Raising, the Manager intends to declare, in lieu of the Scheduled Distribution, a distribution of the distributable income for the period from 1 October 2010 to the day immediately prior to the date on which the Preferential Units are to be issued pursuant to the Preferential Offering (the "**Advanced Distribution**"). The Manager will make a further announcement on the amount of the Advanced Distribution in due course. The next distribution thereafter will comprise CIT's distributable income for the period from the date of issue of the Preferential Units to 31 December 2010. Quarterly distributions will resume thereafter.

The Advanced Distribution is intended to ensure that the distributable income accrued by CIT, up to the day immediately preceding the date of issue of the Preferential Units pursuant to the Preferential Offering, is only distributed in respect of the Units in issue on such preceding day, as a means to ensure fairness to the holders of the Existing Units.

The Placement Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with then existing Units, including the right to CIT's distributable income for the period from the date of issue of the Preferential Units to 31 December 2010, as well as the distributions thereafter, but excluding the right to the Advanced Distribution and the eligibility to participate in the Preferential Offering.

The Preferential Units issued pursuant to the Preferential Offering will, upon issue, rank *pari passu* in all respects with the then existing Units, including the right to CIT's distributable income for the period from the date of issue of the Preferential Units to 31 December 2010, as well as the distributions thereafter, but excluding the right to the Advanced Distribution.

3.8 Indicative Timetable

The indicative timetable below sets out the expected dates and times of key events in relation to the Private Placement and the Preferential Offering.

Events	Dates
Book Closure Date for Preferential Offering	29 October 2010
Issue of Placement Units	1 November 2010
Commencement of trading of Placement Units	2 November 2010 from 9.00 a.m.
Despatch of Instruction Booklet and ARE	3 November 2010
Opening of Preferential Offering	3 November 2010 at 9.00 a.m.
Closing of Preferential Offering	10 November 2010 (5.30 p.m. for ARE)

	(9.30 p.m. for ATM application)
Issue of Preferential Units	18 November 2010
Commencement of trading of Preferential Units	19 November 2010 from 9.00 a.m.

The Manager, may, with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via the SGXNET. However, as at the date of this Announcement, the Manager does not expect the above timetable to be modified.

3.9 Approval in-Principle from SGX-ST

The Manager has on 21 October 2010 received the approval in-principle from the SGX-ST for the admission to and the listing and quotation of the Placement Units and the Preferential Units to be issued pursuant to the Equity Fund Raising on the Main Board of the SGX-ST. The SGX-ST's approval in-principle is subject to, *inter alia*, the following conditions:

(a) compliance with the SGX-ST's listing requirements;

(b) confirmation letters from the Manager and RBS that the Placement Units will not be placed to the persons specified under Rule 812(1) of the Listing Manual;

(c) undertaking that the Manager will (i) announce the use of proceeds of the Private Placement and the Preferential Offering as and when such funds are materially disbursed, and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in CIT's announcement in connection with the Private Placement and the Preferential Offering and (ii) where there is any material deviation from the stated use of proceeds, announce the reasons for such deviation, and (iii) provide a status report on the use of the proceeds in the annual report of CIT; and

(d) undertaking from the Manager that in the allotment of excess Preferential Units, preference will be give to the rounding of odd lots, and Directors and substantial Unitholders will rank last in priority.

The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Private Placement, the Preferential Offering, the New Units and/or CIT.

4. <u>PRO FORMA FINANCIAL EFFECTS</u>

4.1 Assumptions

The unaudited pro forma financial effects of the Transactions on the distribution per Unit ("**DPU**") and net asset value ("**NAV**") per Unit as at 30 September 2010 are strictly for illustrative purposes and were prepared based on CIT's unaudited financial statements for the three-month period ended 30 September 2010 (the "**3Q2010 Unaudited Financial Statements**"), taking into account the estimated costs of the Equity Fund Raising and assuming that:

(a) 56,498,000 Placement Units are issued at the Placement Issue Price to raise gross proceeds of approximately S$30.0 million pursuant to the Private Placement, and

38,483,354 Preferential Units are issued at the Preferential Issue Price to raise gross proceeds of approximately S$20.4 million pursuant to the Preferential Offering;

(b) the net proceeds of the Equity Fund Raising, after taking into account the estimated fees and costs incurred or to be incurred by CIT in connection with the Equity Fund Raising of approximately S$1.8 million, is approximately S$48.6 million;

(c) the Total Acquisition Cost of approximately S$74.3 million will be financed (i) with all of the net proceeds of the Equity Fund Raising of approximately S$48.6 million, (ii) by a partial draw-down of S$21.0 million on the Acquisition Term Loan Facility and (iii) existing cash of S$4.7 million;

(d) the Acquisition Term Loan Facility of S$50.0 million, of which approximately S$21.0 million will be utilised for the financing of the Total Acquisition Cost, bears an annual interest rate of 3.05% per annum which includes the amortisation of the related upfront transaction costs over the loan tenor of three years; and

(e) the interest income earned on the unutilised net proceeds retained in the bank account while waiting for deployment is at an annual rate of 0.20% per annum.

4.2 Unaudited pro forma DPU, distribution yield and earnings or loss per Unit

The unaudited pro forma financial effects of the Transactions on the DPU, distribution yield and earnings per unit ("**EPU**") for 3Q2010, as if CIT had completed the Transactions and incurred S$21.0 million of additional borrowings on 1 July 2010 and held and operated the Properties through to 30 September 2010, are as follows:

	3Q2010	
	Actual[(1)]	**Unaudited pro forma adjusted for the Transactions**
Distributable income (S$'000)	10,813	12,126[2]
Weighted average number of Units in issue during the period ('000)	909,988	1,004,969
DPU (cents)	1.187	1.205
Distribution yield (%)[3]	8.3[4]	8.5[5]
EPU (cents)[6] - basic and diluted	0.858	0.900

Notes:

1. Based on the 3Q2010 Unaudited Financial Statements.
2. Distributable income with respect to the Properties is derived based on the following:
    - the agreed amount of rent payable by the respective vendors to CIT pursuant to the sale and lease back arrangement set out in the Put and Call Option Agreements and MOUs where applicable;
    - estimated operating costs associated with the Properties;
    - the fees payable to the Manager and the Trustee pursuant to the Trust Deed; and
    - debt costs associated with the Acquisition Term Loan Facility.
3. The distribution yield is annualised on the assumption that the distributable income for the next nine-month period ending 30 June 2011 will be the same as that for 3Q2010. There is no guarantee that the distribution yield for the nine-month period ending 30 June 2011 will be the same as that for 3Q2010.
4. Based on the annualised DPU divided by the closing price of S$0.565 per Unit as at 20 October 2010.

5. Based on the annualised pro forma DPU divided by the closing price of S$0.565 per Unit as at 20 October 2010.
6. Based on the weighted average number of Units in issue during the period.
7. It should be noted that the above unaudited pro forma financial effects are illustrated on the assumption that income from Potential Property 2 has been included in the determination of the relevant financial figures. Had the income from Potential Property 2 not been included, the distributable income would have been approximately S$11,842,000, the DPU 1.177 cents and the distribution yield 8.3% for 3Q2010.

4.3 Unaudited pro forma NAV per Unit

The unaudited pro forma financial effects of the Transactions on the NAV per Unit as at 30 September 2010, as if CIT had completed the Transactions, and incurred S$21.0 million of additional borrowings on 30 September 2010, are as follows:

	As at 30 September 2010	
	Actual(1)	**Unaudited pro forma adjusted for the Transactions**
NAV (S$'000)	554,066	602,666
Units in issue ('000)	962,084	1,057,065
NAV per Unit (S$)	0.576	0.570
Aggregate Leverage (%)	39.2	38.6

Note:

1. Based on the 3Q2010 Unaudited Financial Statements.

BY ORDER OF THE BOARD

Cambridge Industrial Trust Management Limited
(Company Registration No. 200512804G)
(as manager of Cambridge Industrial Trust)

Chris Calvert
Chief Executive Officer and Executive Director

21 October 2010

Important Notice

The value of the Units and the income derived from them may fall as well as rise. Units are not investments, liabilities or obligations of, or deposits in, the Manager, the Trustee, or any of their respective related corporations and affiliates (including but not limited to National Australia Bank Limited, nabInvest Capital Partners Pty Ltd, or other members of the National Australia Bank group) and their affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither CIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of CIT, any particular rate of return from investing in CIT, or any taxation consequences of an investment in CIT. Any indication of CIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future CIT business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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