



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

## SGX Release

---

### **CIT increases acquisition term loan facility, agrees key terms on debt refinancing, and completes renounceable rights issue**

---

Date: 28 April 2011

Release: Immediate

---

**Cambridge Industrial Trust ("CIT") announces its unaudited first quarter financial results ended 31 March 2011.**

#### **Key highlights include:**

- Fully underwritten and renounceable Rights Issue of approximately 132.1 million units raising gross proceeds of approximately S\$56.7 million. Issue price of S\$0.429 per Unit. Rights Issue was 2.51 times subscribed.
- Debt refinancing with S\$320.0 million new term loan agreed (subject to loan documentation) with a syndicate of financial institutions. All-in debt cost is approx. 4.4% p.a.
- CIT increased its Acquisition Term Loan Facility from S\$50.0 million to S\$120.0 million. All-in debt cost is approx. 3.0% p.a.
- Distributable income for 1Q2011 was S\$11.9 million, representing a 1.0% decrease from 4Q2010 distributable income of S\$12.0 million.

**Singapore, 28 April 2011** - Cambridge Industrial Trust Management Limited ("CITM"), the Manager ("Manager") of CIT, announced that CIT registered gross revenue of S\$19.3 million and a net property income ("NPI") of S\$16.6 million for its first quarter financial results ended 31 March 2011 ("1Q2011").

The Trust has delivered a distribution per unit ("DPU") of 1.001 cents to its Unitholders for 1Q2011, which will be payable to Unitholders on 14 June 2011.

1Q2011 DPU of 1.001 cents is 16.1% less than the DPU for 4Q2010. This is largely attributable to the distribution being diluted as a result of the recent Rights Issue. Unitholders who exercised their Rights, and as a result have been issued additional Units, will receive a distribution payment not affected by this dilution.

If the Rights Units had been excluded from the distribution calculation (as the capital raised did not contribute to the 1Q2011 earnings), the 1Q2011 DPU would have been 1.126 cents, which is 5.6% less than the previous quarter. This decrease is attributable to dilution from the equity raising in November 2010 and the time being taken to deploy the proceeds of this raise into income earning assets.

In March 2011, the Manager launched a fully underwritten and renounceable 1-for-8 Rights Issue which raised S\$56.7 million, to part finance the acquisition of three quality industrial properties, one located at 4 & 6 Clementi Loop and two potential acquisitions located in the western part of Singapore, for a total purchase consideration, including acquisition costs, of S\$119.3 million.

“The Rights Issue provided CIT’s Unitholders with the opportunity to participate on a pro-rata basis in the growth of CIT. We are pleased that the Rights Issue was well supported by Unitholders. In fact, 95.5% of Rights were taken up and the Rights Issue was 2.51 times subscribed,” said Mr Calvert, Chief Executive Officer of CITM.

The Trust strengthened its balance sheet and improved financial flexibility through the following prudent capital and risk management initiatives:

- Agreed on key terms of commitment documents (subject to loan documentation) of a new term loan of S\$320.0 million with a syndicate of financial institutions. All-in debt cost is approx. 4.4% p.a.
- Reduced gearing to 33.3% (as at 31 Mar 2011), from 34.7% (as at 31 Dec 2010), principally through using divestment proceeds to repay debt.
- Increased its Acquisition Term Loan Facility from S\$50.0 million to S\$120.0 million, providing it with the financial capacity to part-finance up to approximately S\$240.0 million worth of acquisitions. All-in debt cost is approximately 3.0% p.a.

#### Overview of 1Q2011 Financial Results:

	1Q2011 (S\$ 'm)	4Q2010 (S\$ 'm)	Q-o-Q (%)	1Q2010 (S\$ 'm)	Y-o-Y (%)
<b>Gross Revenue</b>	19.3	19.1	1.3	18.6	3.8
<b>Net Property Income ("NPI")</b>	16.6	16.8	(1.5)	16.3	1.9
<b>Distributable Income</b>	11.9	12.0	(1.0)	11.1	7.4
<b>DPU (cents)</b>	1.001	1.193	(16.1)	1.274	(21.4)
<b>DPU (excluding Rights Units)</b>	1.126	1.193	(5.6)	1.274	(11.6)
<b>Annualised DPU (cents)</b>	4.060	4.733	(14.2)	5.167	(21.4)

#### Property Portfolio

As at 31 March 2011, CIT’s portfolio comprised 43 properties with approximately 638,085 square metres of lettable area, leased to 106 tenants. The Trust’s underlying property fundamentals remained resilient, attributing to a stable rental income. In 1Q2011, the Trust achieved healthy portfolio occupancy of 98.83%, weighted average lease to expiry

of 3.9 years, low arrears of around 0.7% of annualised rent, and average security deposits equivalent to 14.1 months rent.

As part of CIT's efforts to enhance the intrinsic value of the portfolio, various initiatives were carried out, including:

- Divestment of 29 units at 48 Toh Guan Road East in 1Q2011 with total sale proceeds exceeding book value by 11.3%.
- Upgrading of 30 Toh Guan Road to improve the building façade and technical capabilities to enhance the quality of the property.
- Renegotiation of several leases which resulted in the smoothing out of CIT's lease expiry profile, reducing the combined lease expiry concentration in 2013/2014 from 54.6% (by income) as at 31 December 2010 to 53.4% (by income) as at 31 March 2011.

### **Outlook**

The Ministry of Trade & Industry reported that the Singapore economy continued to grow at a healthy pace in the first quarter of 2011. Based on advance estimates, the economy expanded by 8.5 percent on a year-on-year basis, compared to 12.0 percent in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy grew by 23.5 percent<sup>1</sup>.

According to a recent report by CB Richard Ellis<sup>2</sup>, the prices for 60 year leasehold strata-titled factory space and freehold strata-titled warehouse space have increased by about 5 per cent quarter-on-quarter. It also observed that the capital values for industrial properties are growing at a faster rate as compared to the rental rates, although monthly rents for industrial space were also markedly higher. In the first quarter, the average monthly rent for warehouse rose by 3.1 percent for ground floor units, and 8 percent for upper floors, on a quarter to quarter basis.

The above macro economic outlook, combined with the recent statistical data on the industrial real estate sector, should assist the Manager in its mission to deliver its Unitholders with a stable and secure income stream, and capital appreciation to the CIT portfolio.

--- End ---

---

<sup>1</sup> MTI Press Release, "Singapore's Growth Momentum Picked Up in First Quarter 2011", 14 April 2011.

<sup>2</sup> The Straits Times, "Prices rise as investments in industrial properties soar", 5 April 2011.

For further enquiries, please contact:

Cambridge Industrial Trust Management Limited

Ms Bridget Phua

Investor & Public Relations Manager

(65) 6222 3339

[bridget.phua@cambridgeITM.com](mailto:bridget.phua@cambridgeITM.com)

### **About Cambridge Industrial Trust**

Cambridge Industrial Trust ("CIT"), publicly listed on the Singapore Exchange Securities Trading Limited on 25 July 2006, is Singapore's first independent industrial real estate investment trust (REIT).

CIT invests in quality income-producing industrial properties and has a diversified portfolio of 43 properties with a book value of S\$911.1 million (as at 31 March 2011), located across Singapore.

The Manager's objective is to provide unitholders with a stable and secure income stream through the successful implementation of the following strategies:

- prudent capital and risk management;
- pro-active asset management; and
- value-enhancing investments and disposal of non-core assets.

Cambridge Industrial Trust Management Limited, the Manager of CIT, is indirectly owned by three strategic sponsors namely National Australia Bank Group ("NAB") (56%), Oxley Group (24%) and Mitsui & Co., Ltd ("Mitsui") (20%). NAB, one of Australia's four largest banks, is an international financial services group that provides a comprehensive and integrated range of financial products and services. Oxley Group is an innovative private investment house specializing in real estate and private equity investments across Asia-Pacific. Mitsui is one of the largest corporate conglomerates in Japan and listed on the Tokyo Stock Exchange. It is also one of the largest publicly traded companies in the world. Mitsui also developed the Japan Logistics Fund Inc., a publicly listed REIT in Japan dedicated to investing in distribution facilities.

For further information on CIT, please visit <http://www.cambridgeindustrialtrust.com/>

## Important Notice

The value of units in CIT (“**Units**”) and the income derived from them may fall as well as rise. Units are not investments, liabilities or obligations of, or deposits in, Cambridge Industrial Trust Management Limited (“**Manager**”), RBC Dexia Trust Services Singapore Limited (in its capacity as trustee of CIT) (“**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 Singapore Exchange Securities Trading Limited (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.

This release is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this release is not to be construed as investment or financial advice, and does not constitute an offer or an invitation to invest in CIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.