

Media Release

CIT acquires new assets, reduces gearing and maintains stable results in 3Q2010

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Release: Immediate

Cambridge Industrial Trust (“CIT”) announces its unaudited third quarter financial results for the period ended 30 September 2010 (“3Q2010”). Key financial and portfolio management highlights are noted below:

Quarterly highlights:

- Successfully acquired new assets worth S\$37.1 million, supported by a S\$40.0 million Private Placement in August 2010.
- Reduced gearing from 42.3% to 39.2%, following loan prepayment of S\$32.0 million. Further repayment is planned.
- Improved financial flexibility with a new three-year Acquisition Term Loan and Revolving Credit Facility totalling S\$70.0 million.
- Delivered distributable income in 3Q2010 of S\$10.8 million, which translated to a distribution per unit (“DPU”) of 1.187 cents.
- Successfully completed an asset enhancement initiative, with three others in the pipeline, plus leases re-negotiated.

Singapore, 20 October 2010 - Cambridge Industrial Trust Management Limited (“CITM”), the Manager (“Manager”) of CIT, announced that CIT achieved gross revenue of S\$18.2 million and a net property income (“NPI”) of S\$15.9 million for its 3Q2010 financial results.

“CIT has achieved another set of stable financial results for its Unitholders for 3Q2010 with a DPU of 1.187 cents. An advanced distribution of 0.680 cents per unit was paid on 16 September 2010 in conjunction with the private placement exercise carried out in August 2010. The balance of 0.507 cents DPU will be payable on 30 November 2010,” said Mr. Chris Calvert, Chief Executive Officer of CITM.

Earlier on 13 August 2010, the Manager completed a private placement of S\$40 million. Approximately S\$24.7 million of the net proceeds have been used to partly fund the acquisition of two quality industrial properties (i.e. 22 Chin Bee Drive and 1&2 Changi

North Street 2) for a total purchase consideration, including acquisition costs, of S\$37.7 million.

“We were delighted to receive strong interest from both institutional and certain private investors for the recent private placement, demonstrating the attractiveness of CIT as a REIT investment. These funds have been used to acquire quality assets which are consistent with our strategy of continually improving the calibre of CIT’s portfolio and keeping it contemporary,” said Mr. Calvert.

The Trust’s financial flexibility was further enhanced with a new three-year Acquisition Term Loan and Revolving Credit Facility totalling S\$70.0 million. The S\$50.0 million 3-year term loan facility was secured at an all-in-cost interest rate of approximately 3.0%.

“The Trust has strengthened its balance sheet and reduced its gearing ratio to approximately 39% during the quarter. The Trust holds S\$86.2 million in cash as at 30 September 2010, including approximately S\$35.0 million relating to divestment proceeds. We have committed to use these proceeds to repay the syndicated term loan facility on 17 November 2010. This is expected to further reduce gearing to approximately 36.8%,” highlighted Mr. Calvert.

Overview of 3Q2010 Financial Results:

	3Q2010 (S\$m)	2Q2010 (S\$m)	Q-o-Q Incr / (Decr) %	3Q2009 (S\$m)	Y-o-Y Incr / (Decr) %
Gross Revenue	18.2	18.3	(0.5)	18.7	(2.6)
Net Property Income	15.9	16.1	(0.9)	16.4	(2.6)
Distributable Income	10.8	10.8	(-)	11.2	(3.6)
DPU (cents)	1.187	1.238	(4.1)	1.344	(11.7)
Annualised DPU (cents)	4.709	4.966	(5.2)	5.332	(11.7)

3Q2010 NPI decreased by 0.9% to S\$15.9 million in comparison to 2Q2010. The decrease is predominantly due to a reduction in rental revenue arising from the disposal of 15 strata units at 48 Toh Guan Road East.

Property Portfolio

The carrying value of the property portfolio increased by S\$7.3 million during the quarter to S\$838.5 million as at 30 September 2010, mainly as a result of the acquisition of 22 Chin Bee Drive, less divestments during the period.

The Trust's underlying property fundamentals have remained resilient, with 3Q2010 portfolio occupancy maintained at almost 100%, a weighted average lease expiry of 4.1 years and continued low arrears trending at around 0.7% of annualised rent. The 3Q2010 occupancy rate for CIT of 99.97%, remains higher than the national average of 92.3%¹.

In line with the Manager's strategy of implementing value-adding asset enhancement initiatives ("AEI") for the Trust, a S\$1.6 million AEI at 1 Third Lok Yang Road/4 Fourth Lok Yang Road for the tenant, YCH DistriPark, was completed in July 2010. This resulted in a NPI yield of 20.0%. There are three other AEIs in the pipeline which are expected to yield between 10%-16%. A number of leases have also been re-structured to facilitate these AEIs, which, in turn enable the Manager to maximise the properties' plot ratios, and enhance capital values.

Distribution Reinvestment Plan

Given that a cash distribution of 0.68 cents per unit for the period 1 July 2010 to 22 August 2010 was paid to Unitholders in September 2010, the Manager has determined that the DRP will not apply to the remainder of 3Q2010.

Outlook

Singapore's economy expanded by 17.9% on an annualised basis in the first half of 2010. The Ministry of Trade and Industry has maintained the GDP growth forecast at 13.0% to 15.0% for 2010². This improvement in macro economic conditions has positively impacted the industrial real estate sector, evidenced by recent URA's statistics. Property prices and rentals for multiple-user factory space increased by 5.7% and 1.3% respectively in 2Q2010³.

"While recent economic data has illustrated the pace of growth has slowed from 1H2010, the Manager remains optimistic that the industrial real estate market will steadily improve in 2H2010 based on the existing sectors demand and supply fundamentals," said Mr. Calvert.

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¹ URA, "Release of 2nd quarter 2010 Real Estate Statistics", 23 July 2010

² Ministry of Trade and Industry, "2010 GDP Growth Forecast Maintained at 13.0 to 15.0 Per Cent", 10 August 2010

³ URA, "Release of 2nd quarter 2010 Real Estate Statistics", 23 July 2010

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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 41 properties valued at S\$838.5 million (as at 30 September 2010), 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;
- proactive 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/>

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