



# Cambridge Industrial Trust

Financial results for the first quarter ended 31 March 2010



21 April 2010

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# important notice

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The image shows the exterior of a large industrial building, the Jurong DistriCentre. The building has a white corrugated metal facade with a dark blue horizontal band of windows. The logo for Jurong DistriCentre is visible on the upper part of the building. In the foreground, several colorful shipping containers (orange, blue, and red) are stacked on a paved area. The sky is blue with some white clouds.

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*3 Pioneer Sector (Jurong DistriCentre)*

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## FY2010 key highlights

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- ❖ CIT achieved an increase in portfolio occupancy to 99.9%, well above the Singapore industrial average of 91.9%\*
- ❖ The first DRP was offered to Unitholders at an issue price of S\$0.445 (post a 2% discount). The take up rate was about 10% (~2.6 million new units)
- ❖ Completion of the divestments of 32 strata units at 48 Toh Guan East (*Enterprise Hub*) as at 31 March 2010. The total gross sale proceeds of S\$21.5 million exceeded book value by S\$1.6 million

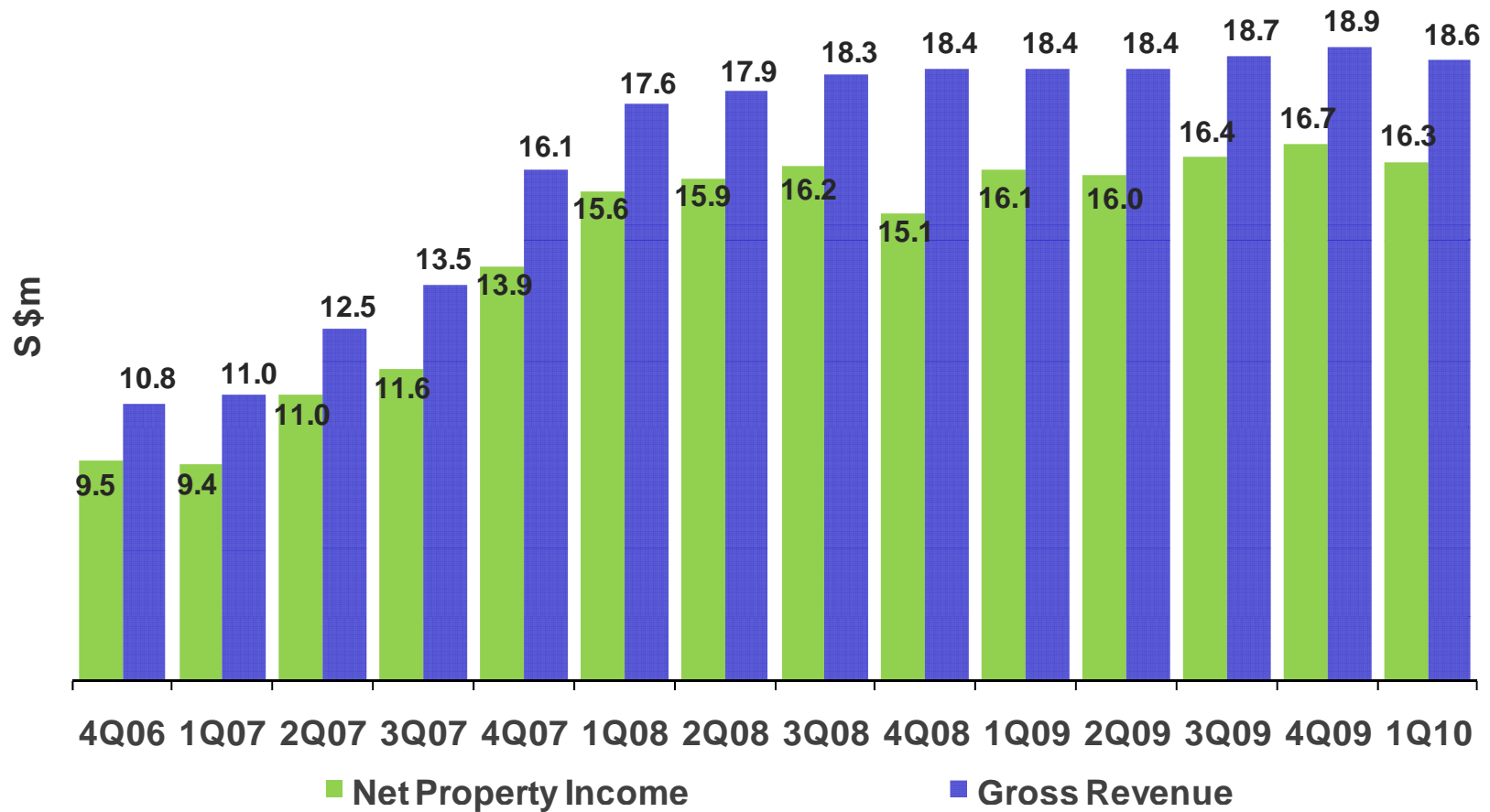
\* Urban Redevelopment Authority, Release of 4Q2009 Real Estate Statistics, 22 Jan 2010.

A photograph showing the entrance to YCH DistrPark. In the foreground, there is a brick wall with a metal gate. The wall features the YCH logo and the text 'YCH DistrPark'. To the left, a white building with a glass facade and a 'YCH' sign is visible. Three flagpoles stand in the middle ground, flying the Indonesian national flag and two yellow flags with the YCH logo. The scene is set against a clear blue sky with some greenery and palm trees in the background.

**financial performance**

*YCH DistrPark, 30 Tuas Road*

# sustainable revenue performance since IPO



## 1Q2010 financial summary

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	1Q2010	4Q2009	Q-o-Q %	1Q2009	Y-o-Y %
Gross Revenue	S\$18.6m	S\$18.9m	(1.6)	S\$18.4m	1.1
Net Property Income	S\$16.3m	S\$16.7m	(2.4)	S\$16.1m	1.2
Distributable Income	S\$11.1m	S\$11.9m	(6.7)	S\$10.3m	7.8
<b>Distribution Per Unit (DPU)</b>	<b>1.274 cents</b>	<b>1.377 cents</b>	<b>(7.5)</b>	<b>1.291 cents</b>	<b>(1.3)</b>
Annualised DPU	5.167 cents	5.463 cents	(5.4)	5.236 cents	(1.3)

*Note: 1Q2010 gross revenue decreased marginally due to rental reduction arising from asset disposals (divestments of 32 strata units at 48 Toh Road East).*

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## 1Q2010 vs 4Q2009 balance sheet

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S\$'000	31 Mar 2010 (S\$million)	31 Dec 2009 (S\$million)
Investment Properties	854.5	874.2
Current Assets	60.4	41.2
<b>Total Assets</b>	<b>914.9</b>	<b>915.4</b>
Borrowings	(376.9)	(375.2)
Other Liabilities	(21.9)	(23.8)
<b>Total Liabilities</b>	<b>(398.8)</b>	<b>(399.0)</b>
<b>Net Assets Attributable to Unitholders</b>	<b>516.1</b>	<b>516.4</b>
No. of units issued (in million)	870.1	867.5
<b>NTA Per Unit</b>	<b>59.3 cents</b>	<b>59.5 cents</b>



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## 1Q2010 distribution timetable

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Event	Important Dates
Distribution Period	1 January 2010 to 31 March 2010
Distribution Rate	1.274 Singapore cents per unit
Last Day of Trading on “Cum” Basis	Friday, 23 April 2010
Ex-date	Monday, 26 April 2010
Books Closure Date	Wednesday, 28 April 2010
Distribution Payment Date	Monday, 14 June 2010

- ❖ Debt maturity profile: the facility expires Feb 2012 (S\$390.1 m syndicated term loan facility)
- ❖ Interest rates have been swapped from variable to fixed, minimising effects of interest rate fluctuation

Debt Profile	31 Mar 2010
Bank LTV – secured properties <sup>(1)</sup>	44.4%
Gearing ratio	42.6%
All-in cost of debt <sup>(2)</sup>	5.97%
Interest cover ratio <sup>(3)</sup>	3.5 times
Interest cover ratio covenant <sup>(4)</sup>	2.2 times

(1) Loan to value covenant is 55%. There is a covenant at 50% which will trigger the banks' right to lock up the cash proceeds.

(2) Cost of debt for the quarter includes amortisation of start-up costs.

(3) The ratio is tabulated in accordance with the bank facility agreement.

(4) There is a covenant at 2.5 times which will trigger the banks' right to lockup the cash proceeds.



**portfolio management**

*25 Changi South Avenue 2 (Wan Tai)*

# competitive advantages

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Strategic  
Located  
Quality Assets

Built-in  
Rental  
Escalation

Stable  
Income  
Flow

Robust  
Occupancy  
Rates



Strong Lease  
Expiry  
Profile

Long  
Average  
Lease Term

High Level  
Of Security  
Deposits

Diversified  
Asset Class &  
Tenant Trade

Low  
Arrears  
Ratio



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## portfolio highlights

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	31 Mar 2010	31 Dec 2009	30 Sep 2009
Total Portfolio GFA (sq m)	642,956	651,508	656,281
Portfolio Occupancy (%)	99.9	99.8	99.7
Total no. of tenants	79	78	74
Weight Average Lease Expiry (years)	4.4	4.7	4.9
Arrears Ratio (%) (against CIT's annualised rent)	1.0	0.5	1.4
Average Security Deposits (months)	15.3	15.5	15.7

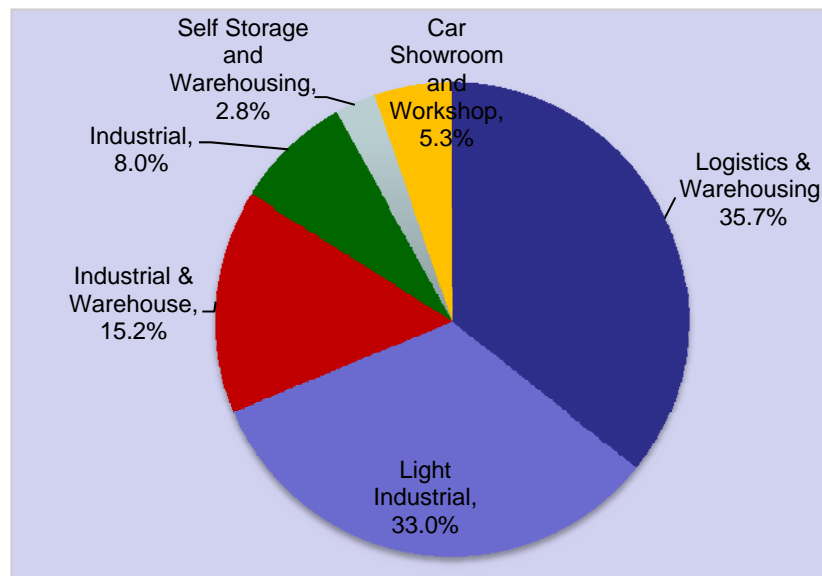
❖ **Secured Tenant Base**

- ❖ All contracted portfolio leases expiring in 1Q2010 have been renewed or alternative tenants secured, resulting in an increased occupancy rate

❖ **Diversified Asset Class Base**

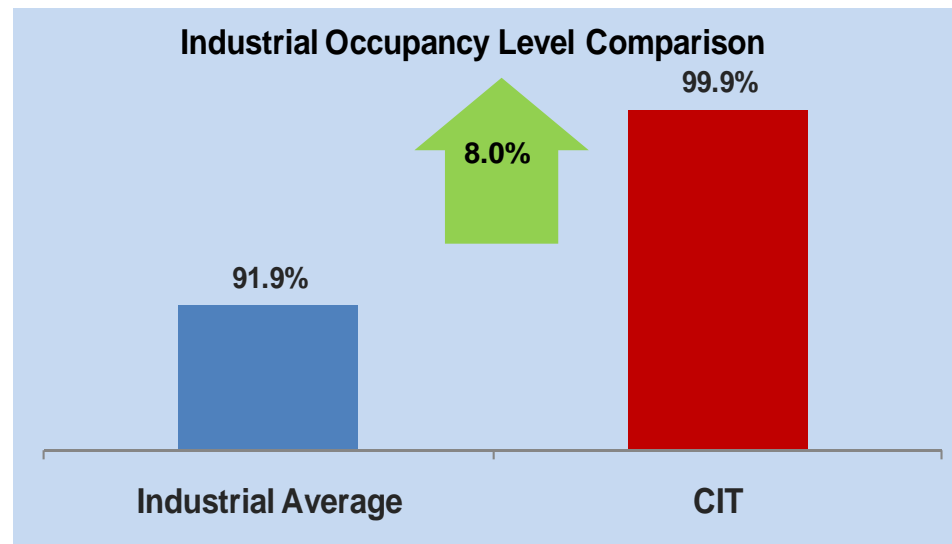
- ❖ Diversified asset class base, catering to a variety of tenant sector mix, mitigating income risk

**Rental Income Contribution by Asset Class Base  
as at 31 March 2010**



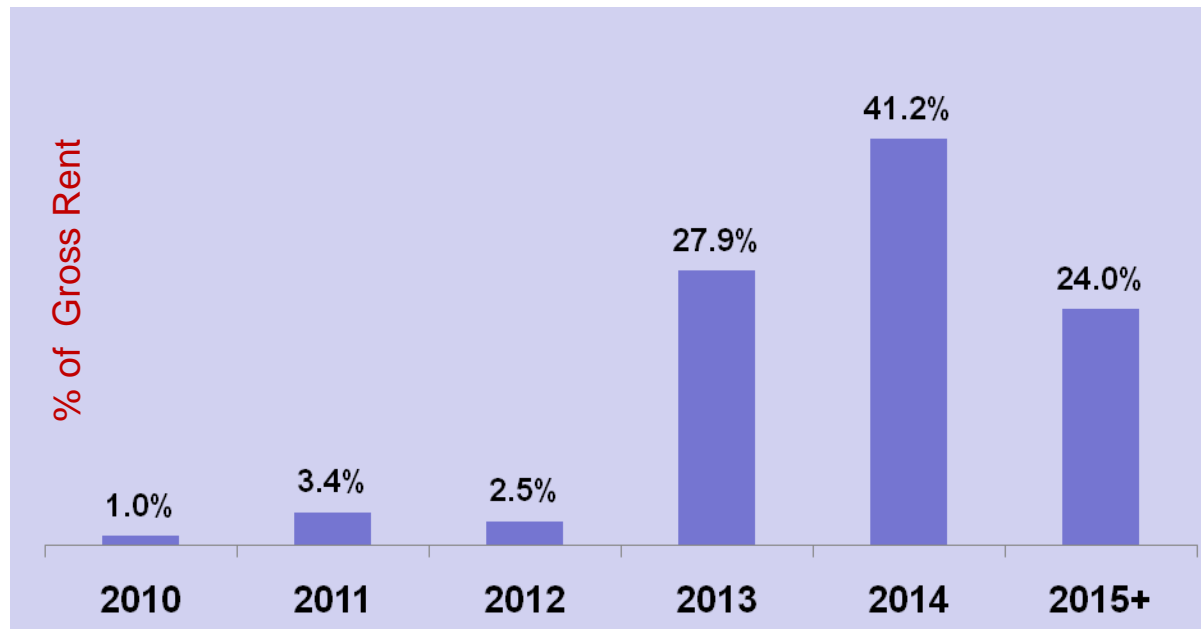
### ❖ Near Full Occupancy Rate

- ❖ Reduction of vacant areas, increasing portfolio occupancy to 99.9% in 1Q2010, (0.1% increase q-o-q from 99.8%), which is 8.0% above the industrial market's average of 91.9% (URA 4Q2009 real estate statistics)



- ❖ **Long Average Lease Term and Strong Lease Expiry Profile**
  - ❖ Average lease expiring weighted by income is approx. 4.4 years with approx. 6.9% of portfolio rental expiring before 2013
  - ❖ Stable portfolio – approx. 1.0% of income due for renewal in FY2010

**Lease Expiry Profile as at 31 March 2010**



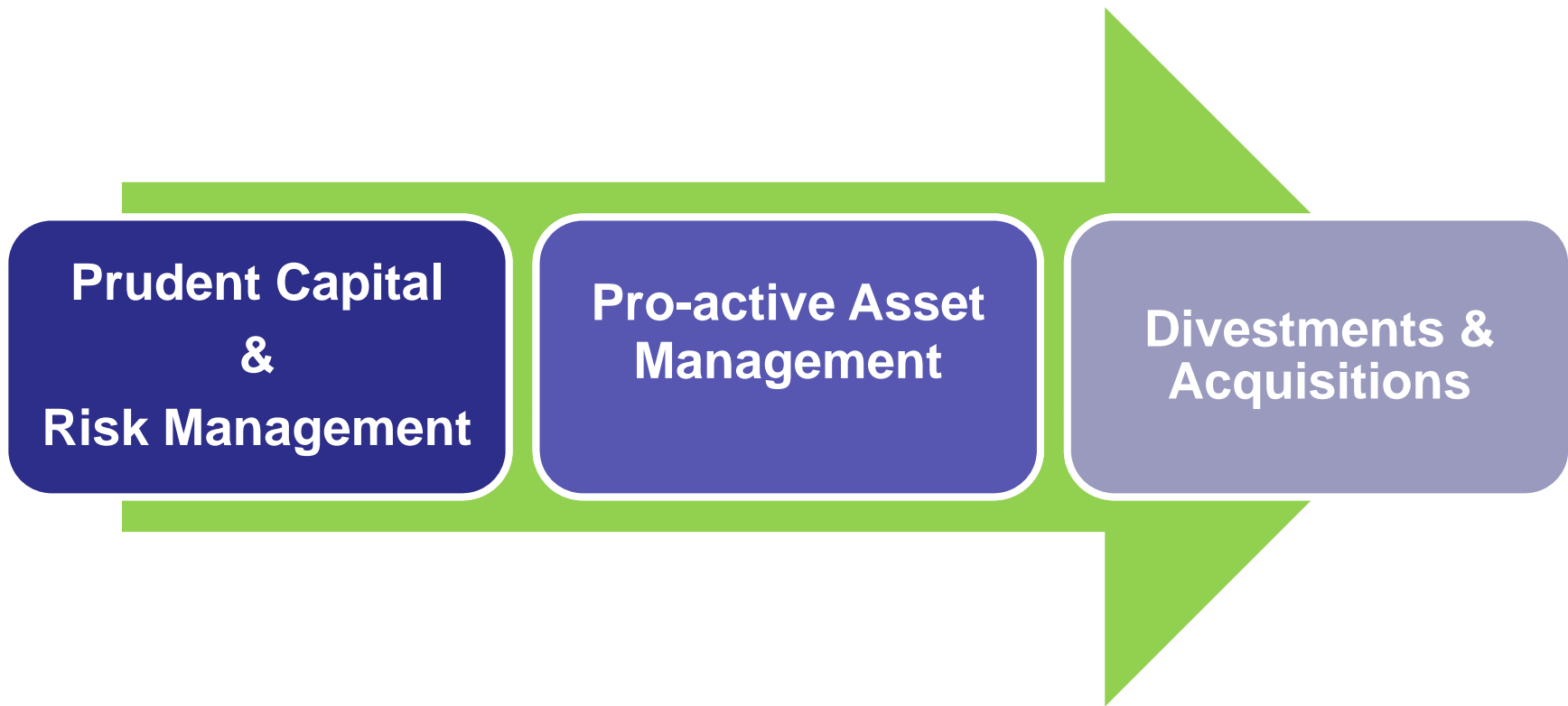


- ❖ **Organic Portfolio Growth** (based on GFA sq ft)
  - ❖ 1.8% (1 property) of the portfolio have contracted rent reviews of 5.0% and 2,113 sq m of new and renewed lease transactions have been secured in 1Q2010
  
- ❖ **Low Current Arrears Ratio**
  - ❖ Low current arrears at ~ 1.0% of annualised gross rent
  
- ❖ **High Levels of Bank-guaranteed Security Deposits**
  - ❖ Averaging 15.3 months of rental per tenant to provide buffer / confidence of cashflow



**strategic platform**

*2 Ubi View (CSE Global Building)*



## Prudent Capital & Risk Management

- ❖ Long term gearing ratio target of approximately 30% to 35%.
- ❖ Retiring debt through divestment proceeds and the implementation of a Distribution Reinvestment Plan.

## Pro-active Asset Management

- ❖ Progressing asset enhancement opportunities to increase rental income and capital values.

## Divestments & Acquisitions

- ❖ Sale of non-core assets to keep the portfolio contemporary and expand the platform for value accretive acquisitions.

**appendix**



*45 Changi South Avenue 2 (Techplas Industrial Building)*

- ❖ **Built-in Portfolio Rental Escalation of ~2.5% pa**
  - ❖ Contracted leases vary from 1 to 15 years with fixed rental escalations providing a low level of volatility in CIT's cashflow

## Organic Growth – Rental Escalations



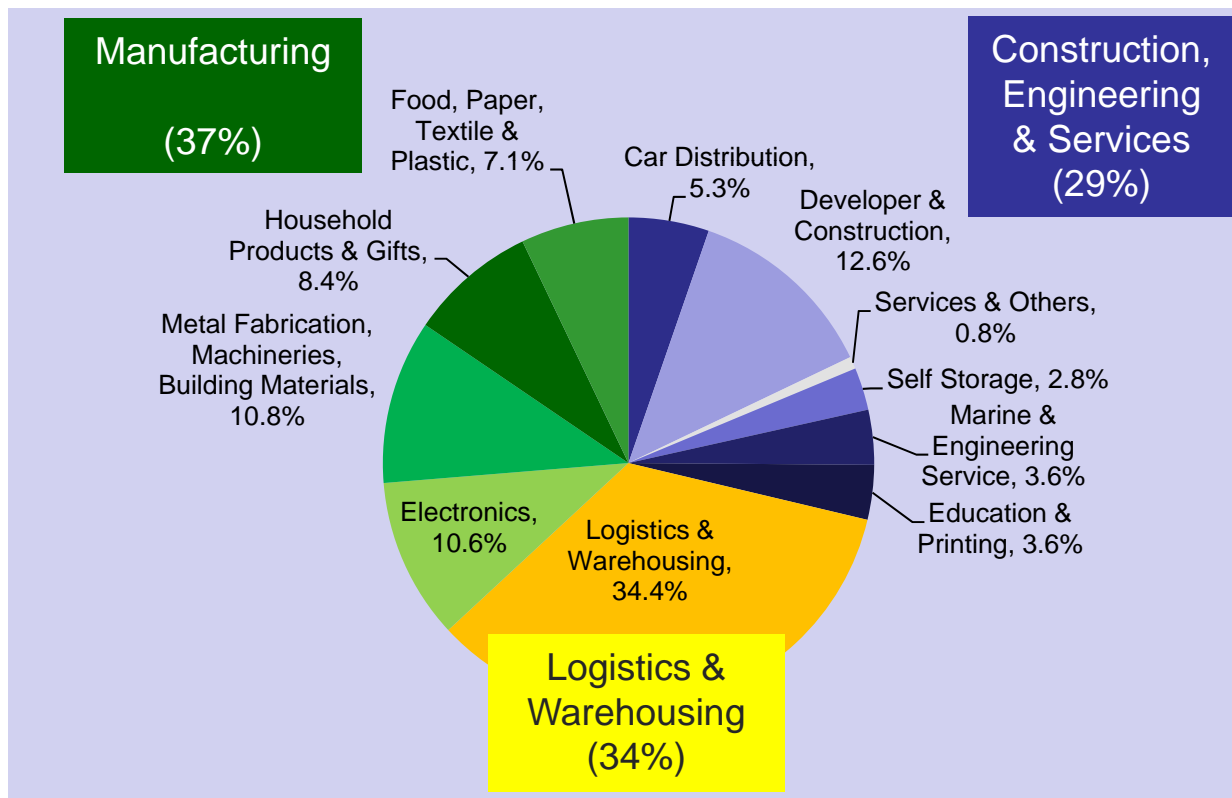
- ❖ **Quality and Diversified Rental Income Base**
  - ❖ 44.2% of property portfolio from public listed companies (SGX, HKEX, NYSE) or wholly/ majority owned subsidiaries
  - ❖ 51.0% of total portfolio rent supported by subtenants' rent which provides a second layer of income buffer
  - ❖ Top 10 tenants account for 60.7% of total portfolio rent

Top 10 Tenants as at 31 March 2010





## Rental Income Contribution by Tenant Trade-Sector As at 31 March 2010





**questions?**

*MI Building, 11 Serangoon North Avenue 5*

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## further information

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Please contact:

**Mr Chris Calvert**

Chief Executive Officer

[chris.calvert@cambridgeitm.com](mailto:chris.calvert@cambridgeitm.com)

DID: (65) 6827 9330

**Ms Bridget Phua**

Investor & Public Relations Manager

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

**Cambridge Industrial Trust Management Limited**

61 Robinson Road, #12-01

Robinson Centre

Singapore 068893

Tel: (65) 6222 3339

Fax: (65) 6827 9339

[www.cambridgeindustrialtrust.com](http://www.cambridgeindustrialtrust.com)