



PRESS RELEASE

CIT delivers a 3Q08 DPU of 1.490 cents

Highlights:

- CIT delivers a 3Q2008 annualised distribution per unit (“DPU”) of 5.928 cents which is 7.0% higher than the of 5.542 cents forecast in the offering circular of 15 October 2007
- Net Property Income of S\$16.2 million reflects a 1.9% increase of S\$0.3 million quarter –on –quarter
- Changes to the Manager’s ownership strengthen and stabilize its structure
- Six new directors appointed to the Manager

Statement of total return

	3Q2008 (1 July to 30 Sep 2008)		
	Actual	Forecast ⁽¹⁾	Increase / (Decrease) %
Gross Revenue	S\$18.3m	S\$17.4m	+ 5.2%
Net Property Income (NPI)	S\$16.2m	S\$15.0m	+ 8.0%
Distributable Income	S\$11.9m	S\$11.0m	+ 8.2%
Distribution Per Unit (DPU)	1.490 cents ⁽²⁾		
Annualised Distribution Per Unit			
	5.928 cents ⁽³⁾	5.542 cents ⁽⁴⁾	+ 7.0%
Annualised Distribution Yield:			
2007 Placement price (S\$0.70)	8.47%	7.92% ⁽⁴⁾	
Current price (S\$0.435) ⁽⁵⁾	13.63%	12.74%	

Notes:

- (1) Forecast means prorated forecast figures derived from the Projection Year 2008 (from 1 Jan to 31 Dec 2008) based on the portfolio of 40 investment properties as disclosed in the Offer Information Statement ("OIS") dated 1 Oct 2007, for the quarter ended 30 Sep 2008.
- (2) Computation of the actual DPU of 1.490 cents is based on 796,405,934 applicable units as at 30 Sep 2008.
- (3) Computation of the actual annualised DPU of 5.928 cents is based on the simple annualisation of the actual DPU of 1.490 cents for 3Q2008.
- (4) Forecast annualised DPU of 5.542 cents was based on the weighted average number of applicable units of 796,916,400 (based on the actual issue price of S\$0.70 per unit) as disclosed in the OIS dated 1 Oct 2007.
- (5) Computation based on closing price of S\$0.435 as at 30 Sep 2008.

Singapore, 30 October 2008 – Cambridge Industrial Trust Management Ltd. (“CITM”), the Manager (“the Manager”) of Cambridge Industrial Trust (“CIT”), is pleased to announce a distribution of 1.490 cents per unit for the quarter 1 July 2008 to 30 September 2008.

Mr Ang Poh Seong, CEO of the Manager said “We are pleased to report another set of steady results for 3Q2008 despite the negative economic climate. These results underscore the defensive nature of the industrial sector in general and CIT in particular

“Net Property Income exceeded forecast by 8.0% while Distributable Income exceeded forecast by 8.2%. Our annualised DPU of 5.928 cents represents a 7.0% increase over the forecast DPU for the same period. At 30 September 2008, our occupancy rate remains at 100% and we are on track to complete our refinancing.”

Stable Yield

CIT’s total net distributable income for the quarter was S\$11.9 million with an annualised DPU of 5.928 cents. This represents an annualised yield of 13.6% based on the closing price of S\$0.435 per unit on 30 September 2008. All the properties are signed with long leases up to 15 years with fixed rental escalation. The weighted average remaining lease term of CIT’s existing portfolio of 43 properties remained stable at 5.9 years as at 30 September 2008.

Property Portfolio

As at 30 September 2008, CIT has a portfolio of 43 properties with 656,281.1 sq m of lettable area valued at S\$966.8 million. The weighted average land lease on these properties is 40.0 years, excluding freehold property which comprises 5.4% of total lettable area. Approximately 35.2% of the portfolio of properties is in the logistics and warehousing sector, with the next significant segment in the light industrial space accounting for 34.1%; the remaining properties are represented across a well-diversified spectrum of tenant uses such as car showrooms, self-storage facilities as well as industrial and warehousing.

Full Occupancy Backed by Strong Demand

The occupancy of CIT's portfolio of 43 properties remained at 100% as at 30 September 2008. 35.2 % of CIT's property portfolio is in the high-growth logistics and warehousing sector, and 34.1% is in the light industrial space for which demand remains strong. The Manager believes that the current high office rental in the Central Business District will have a spill over demand for light industrial space.

Capital Management

CIT continues to place prudent capital management at the centre of its business strategy. CIT's gearing at 30 September 2008 was maintained at 37.6%. CIT's intention is to maintain leverage at 40% or below; the Manager does not intend to pursue acquisitions which would take leverage above this target without immediate visibility on further equity.

The Manager is working on a re-financing solution which will be confirmed by 4Q 2008.

CIT executed an interest rate swap on 1 February, 2008, fixing its base interest rate on its entire outstanding debt at that date of S\$358 million at 2.58% until 25 July 2013. Singapore Dollar interest rates have risen since that date, supporting CIT's hedging strategy. The surplus from mark-to-market valuation of CIT's swap is S\$3.3 million as at 30 September 2008. CIT's remaining S\$11.3 million of interest-bearing debt accrues interest at the 1 month Singapore Dollar Swap Offer Rate, plus a margin.

The Manager has elected to receive 100% of its management fees for 3Q 2008 as cash, where in previous quarters 65% of the management fee had been accepted in the form of CIT units.

Outlook

The ongoing worldwide financial turmoil has affected the global economy. The Ministry of Trade and Industry (“MTI”) on 10 October 2008 has taken into account the slowdown in global economy and key domestic sectors and has revised its 2008 GDP growth forecast downwards from 4 – 5% to around 3% ⁽¹⁾.

The economic slowdown has started to affect the property market. As reported by DTZ⁽²⁾, rental growth for conventional private industrial space has slowed in 3Q2008. Rental values of first-storey private industrial space were unchanged while rental values of upper-storey private industrial space grew by 2.5% QoQ, a small decline over the 2.6% growth rate seen in 2Q2008. Average islandwide occupancy of private factories increased by 0.6%-point QoQ to 92.4% while occupancy of private warehouses averaged at 92.0%, rising by 0.5%-point QoQ.

In these uncertain economic times, the following characteristics of CIT’s portfolio will continue to underpin future distributions:

- a) the portfolio’s long average remaining lease term of 5.9 years backed by high average security deposits of 16 months
- b) that the majority of the leases were contracted at low rental base in 2005/2006 when the industrial rental market had just started to recover from its low in 2003/2004; and
- c) the absence of an exposure to currency risk as all the properties are located in Singapore.

The global banking crisis has significantly increased the cost of funds for all borrowers, including REITs. CIT is currently in the process of refinancing its debt; as such the Manager expects the cost of CIT’s debt to be higher in 2009, with a corresponding reduction in distributions. The Manager will advise the quantum of this reduction in distributions when CIT’s refinancing is complete.

The Manager remains committed to pursue its current strategy of prudent capital management and active asset management to optimize the performance of CIT's portfolio under the current uncertain economic environment.

Notes:

(1) Ministry of Trade and Industry, "Advance GDP Estimates for Third Quarter 2008", 10 October 2008

(2) DTZ Research, 3Q2008 Singapore Property Market Report, 8 October 2008

(3) Figure calculated as at 30 September 2008

----- The End -----

Important Notice

The value of units in CIT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or RBC Dexia Trust Services Singapore Limited (in its capacity as trustee of CIT), or any of their respective affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units (“Unitholders”) 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

For enquiries, please contact:

Anthony White
Senior Vice President, Corporate Finance and Investor Relations
Cambridge Industrial Trust Management Limited
Tel: (65) 6827 9352
Email: anthony.white@cambridgeITM.com