

**Press Release**

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## CIT's 2Q2013 Distribution Per Unit Grows 5.1% Year-on-Year

- Net property income registered 13.4% year-on-year (“y-o-y”) growth
- Portfolio occupancy remains strong at 98.4%
- Gearing stable at 35.8%
- Commencement of Asset Enhancement Initiative (“AEI”) on 21B Senoko Loop for \$12.8 million

**Summary of 2Q2013 Financial Results:**

|  | 2Q2013<br>(S\$ mil) | 2Q2012<br>(S\$ mil) | Y-o-Y (%) |
|--|---------------------|---------------------|-----------|
| <b>Gross Revenue</b>                         | 24.6                | 21.5                | 14.1      |
| <b>Net Property Income (“NPI”)</b>           | 20.8                | 18.4                | 13.4      |
| <b>Distributable Amount</b>                  | 15.3                | 14.1                | 7.8       |
| <b>Distribution Per Unit (“DPU”) (Cents)</b> | 1.240               | 1.180               | 5.1       |
| <b>Annualised DPU (Cents)</b>                | 4.974               | 4.746               | 4.8       |

**Singapore, 24 July 2013** – Cambridge Industrial Trust Management Limited (“CITM”), the Manager (“Manager”) of **Cambridge Industrial Trust** (“CIT”), today announced a distribution per unit (“DPU”) of 1.240 cents for its second quarter ended 30 June 2013 (“2Q2013”), up 5.1% from 1.180 cents in the same period a year ago. Based on an annualised DPU of 4.974 cents for 2Q2013 and the closing price of S\$0.725 as at 28 June 2013, CIT’s annualised yield is approximately 6.9%.

The improved performance in DPU was contributed to by the completion of new acquisitions, development projects and AEIs, as well rental escalations and positive reversions.

### **Unlocking Value by Maximising of Plot Ratio**

“2Q2013 has been a busy quarter as we commenced further AEI works designed to maximise part of the Trust’s under-utilised plot ratio. In May 2013, the Manager completed the AEI works for 86/88 International Road by maximising the plot ratio from 0.8x to 1.4x which resulted in an increase in capital value from S\$17.5 million to S\$40.0 million. We have also recently announced the development of a ramp-up facility at 3 Pioneer Sector 3. The AEI works is expected to commence in August and upon completion, the plot ratio will be maximised from 0.8x to 1.4x. In addition, we commenced the AEI at 21B Senoko Loop, where the plot ratio will increase from the current 1.4x to 2.4x when completed. These two new AEIs will add a further combined GFA of approximately 385,128 sq ft to the portfolio when completed. Moving forward, the Manager will continue to pursue AEI opportunities within the Trust in its efforts to improve portfolio total returns,” said Mr Chris Calvert, Chief Executive Officer of CITM.

### **Portfolio Update**

The revaluation of CIT’s properties as at 30 June 2013 resulted in a net revaluation gain of S\$31.9 million. On a ‘like for like’ basis, there was an increase of 3.3% over the December 2012 values. CIT now has 51 properties located in Singapore, with approximately 8.2 million sq ft of gross floor area (“GFA”), leased to a diversified base of 153 tenants.

The portfolio occupancy remains strong at 98.4%, with a Weighted Lease to Expiry (“WALE”) of 3.4 years (by income), and average security deposits equivalent to 12.9 months rental per tenant.

### **Completed the Acquisition of 16 Tai Seng Street (Phase II)**

The acquisition of 16 Tai Seng Street (Phase II) was completed at a cost of S\$13.7 million on 4 April 2013. This second phase resulted in an additional GFA of 40,403 sq ft which now brings the total GFA to 215,665 sq ft, with a market value (for Phase I and II) of S\$73.0 million. The property is currently leased to Nobel Design Holdings Ltd for a period of 6 years.

### **Divestment of 63 Hillview Avenue**

On 5 July 2013, the Manager announced the sale of its strata holding in 63 Hillview Avenue for a price of S\$140.8 million, representing 28% above its book value of S\$110.0 million. The divestment is expected to be completed by 3Q2013.

### **Performance Fee**

For the 6 month period ended 30 June 2013, the total return of CIT's Trust Index has exceeded the total return of the Benchmark Index by 16.9%, resulting in a fee of approximately S\$27.7 million. The Manager has voluntarily and irrevocably elected a once off fee waiver to reduce the performance fee for the half year to approximately S\$13.9 million, being 50% of the Manager's entitlement under the Trust Deed.

### **Further Updates on Asset Enhancement Initiatives**

#### **3 Pioneer Sector 3**

On 13 May 2013, we announced the AEI at 3 Pioneer Sector 3. The property is located within the Jurong Industrial Estate and is well-served by major arterial roads/expressways such as Jalan Ahmad Ibrahim, Ayer Rajah Expressway and the Pan-Island Expressway. This will be our first development of a ramp-up warehouse, with a GFA of approximately 303,753 sq ft at a cost of S\$45.4 million and is targeted to complete in 4Q2014. Upon completion, the total GFA for this property will be approximately 716,571 sq ft.

#### **88 International Road**

The AEI works for 88 International Road was completed on 20 May 2013 for a total cost of S\$16.4 million. This multi-tenanted property, with a total GFA of 153,299 sq ft, is located near the Ayer Rajah Expressway and is accessible via the East-West Mass Rapid Transport Line.

**21B Senoko Loop**

On 3 July 2013, we commenced the AEI works for 21B Senoko Loop which is easily accessible via the Seletar Expressway and the Bukit Timah Expressway. The AEI works involving partial demolition and redevelopment will generate an additional GFA of approximately 81,375 sq ft, costing \$12.8 million. This will bring the total GFA to approximately 197,145 sq ft and will be leased out to our current tenant, Tellus Marine Engineering Pte Ltd, for a period of ten years upon completion in 1Q2015.

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For further enquiries, please contact:

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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 51 properties located across Singapore, with a total gross floor area of approximately 8.2 million sq ft and a property value of S\$1.3 billion as at 30 June 2013. They range from logistics and warehousing properties to light industrial properties, which are located close to major transportation hubs and key industrial zones island-wide.

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

- Pro-active asset management;
- Acquisition of value-enhancing properties;
- Divestment of non-core properties; and
- Prudent capital and risk management.

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 specialising in real estate and private equity investments across Asia-Pacific; and
- 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 or deposits in, liabilities or obligations of, Cambridge Industrial Trust Management Limited ("**Manager**"), RBC Investor Services Trust 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.