

Press Release

CIT FY2014 Distribution Per Unit increases to 5.0 cents

- Completion of acquisition of maiden business park brings the total portfolio to 50 properties
- Total acquisitions for FY2014: S\$140.8 million
- Renewed approximately 1.88 million sq ft of leases for FY2014
- Increased Weighted Average Lease Expiry to 4.0 years
- 21B Senoko Loop adds ~73,000 sq ft to total GFA

Summary of Financial Results:

	FY2014 (S\$ mil)	FY2013 (S\$ mil)	Y-on-Y (%)
Gross Revenue⁽¹⁾	99.3	96.5	3.0
Net Property Income	77.8 ⁽²⁾	80.4	(3.2)
Distributable Amount⁽³⁾	63.0	61.3	2.9
Distribution Per Unit⁽³⁾ ("DPU") (cents)	5.004	4.976	0.6

(1) Includes straight line rent adjustment of S\$0.9 million (FY2013: S\$1.6 million)

(2) Lower due to higher property expenses from conversion of properties to multi-tenancy and the impact of properties undergoing asset enhancement initiatives including asset repositioning

(3) FY2014 includes S\$3.5 million capital gains (0.201 cents per unit) (FY2013: S\$3.9 million; 0.296 cents per unit) and S\$0.2 million capital distribution to fund the reduction in net income from properties undergoing asset enhancement initiatives including asset repositioning, and S\$1.7 million capital distribution (FY2013: S\$13.9 million; 1.151 cents per unit) to fund the performance fees payable in cash

Singapore, 16 January 2015 – Cambridge Industrial Trust Management Limited ("CITM"), the Manager ("Manager") of **Cambridge Industrial Trust** ("CIT"), today announced a distribution per unit ("DPU") of 5.004 cents for its financial year ended 31 December 2014 ("FY2014"), up 0.6% from 4.976 cents in the same period a year ago.

During the year, gross revenue increased 3.0% to S\$99.3 million, while net property income (“NPI”) declined 3.2% to S\$77.8 million as a result of higher property expenses due to the conversion from single-tenancy to multi-tenancy. We have converted four single-tenanted properties to multi-tenanted properties (“MTBs”) with another two to come in 2015. This brings the total number of converted MTBs to 19.

In addition, as part of CIT’s strategy, we acquired a number of value-add properties which will contribute to rental revenue once fully leased. FY2014 distribution of S\$63.0 million was 2.9% higher than FY2013 (S\$61.3 million).

Commenting on the results, Mr Philip Levinson, CEO of CITM, remarked, “This quarter we achieved a significant milestone in the acquisition of our 50th property, which was also our maiden business park asset investment. We took advantage of the low interest rate environment to reduce the cost of our debt through a well subscribed S\$100 million MTN issue.”

“We will continue to explore value-creating acquisition opportunities, proactively manage our high quality Singapore portfolio and deliver value through ongoing asset enhancement initiatives, whilst maintaining a disciplined financial and capital management approach. CIT has a strong platform, supported by a high calibre team, which positions us well to achieve sustainable growth and value for our Unitholders into the future.”

Proactive Capital and Interest Rate Management

As at 31 December 2014, CIT’s total debt was S\$480.0 million with a weighted average debt expiry of 2.2 years and an all-in cost of debt of 3.68%. In line with the Manager’s prudent capital and risk management strategy, approximately 90.0% of total debt has been fixed for the next two years, and CIT remains well positioned with S\$407.5 million in unencumbered assets, S\$90.0 million in available committed facilities and a gearing ratio of 34.8%.

Diversified and Quality Portfolio

On 19 December 2014, CIT completed the acquisition of its maiden business park, 16 International Business Park at a purchase consideration of S\$28.0 million. This 3-storey purposed-built building with a mezzanine floor and a basement carpark has a GFA of approximately 69,258 sq ft and is leased to M+W Singapore Pte Ltd for 11.6 years

With the completion of 16 International Business Park, CIT has 50 properties located in Singapore. As at 31 December 2014, CIT's properties are leased to a diversified base of 168 tenants with total gross floor area of approximately 8.4 million sq ft.

A list of our acquisitions made in FY2014 can be found in Appendix A

The Manager continues to proactively manage the properties through asset enhancement initiatives ("AEI"). On 10 December 2014, CIT completed the Phase II AEI works for 21B Senoko Loop which involved the construction of a 4-level warehouse with a basement and a detached single-tenanted factory building. This AEI brings an additional GFA of approximately 73,026 sq ft. The property is currently undergoing Phase I AEI works which involve the upgrading of the cargo-lift and is targeted to complete in 1Q2015. Upon the completion of Phase I, the property will have a total GFA of approximately 196,872 sq ft.

Details of the AEIs are found in Appendix A

As at 31 December 2014, CIT's portfolio was valued at S\$1.37 billion by independent valuers, Colliers International and Knight Frank Pte Ltd. Net Asset Value per unit for FY2014 stood at 68.1 cents.

Appendix A

Completed Acquisitions

Acquisitions	GFA (sq ft)	Completion	Purchase Price (S\$ million)
16 International Business Park	~69,258	19 Dec 2014	28.0
12 Ang Mo Kio Street 65	~180,424	12 Sep 2014	39.8
11 Chang Charn Road	~97,542	31 Mar 2014	32.0
30 Teban Gardens Crescent	~139,525	17 Mar 2014	41.0
Total for 2014	~486,749		140.8

Updates on Asset Enhancement Initiatives

AEIs/Developments	Add'l GFA (sq ft)	Completion	Contract Cost / Cost (S\$ million)
3 Pioneer Sector 3 (Phase I)	315,350	3 Jun 2014	44.4
30 Toh Guan Road	--	Jul 2014	2.3
21B Senoko Loop (Phase II) (Phase I)	~73,026 ~26,744	10 Dec 2014 1Q2015	12.8
3 Pioneer Sector (Phase II)	--	1Q2015	12.4
31 Changi South Avenue 2	~9,242	1Q2015	1.6
Total for 2014	~424,362		73.5

Divestment on non-core properties

Divestments	GFA (sq ft)	Completion	Book Value (S\$ million)	Gross Proceeds (S\$ million)	Premium to Book Value
81 Defu Lane 10	45,242	24 Mar 2014	6.7	7.8	16%
Total for 2014	45,242		6.7	7.8	

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About Cambridge Industrial Trust

Cambridge Industrial Trust (“CIT”), publicly listed on the Singapore Exchange Securities Trading Limited since 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 50 properties located across Singapore, with a total gross floor area of approximately 8.4 million sq ft and a property value of S\$1.37 billion as at 31 December 2014. They range from logistics, warehousing, light industrial, general industrial, car showroom and workshop to business park 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:

- Acquisition of value-enhancing properties;
- Proactive asset management;
- 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 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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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.

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