

Press Release

Cambridge Industrial Trust delivers steady performance in 1Q2016, focused on quality of earnings

- Net property income increased 1.2% to S\$21.5 million
- Underlying 1Q2016 DPU increased over 1Q2015 DPU on an adjusted basis by 3.8% ⁽²⁾
- Focused on executing strategy to upgrade and optimise portfolio in 2016
- Entered into an agreement in Australia with Commercial and General (“C&G”), a leading Australian industrial property specialist
- Early adopter of sustainability reporting

Summary of Financial Results:

	1Q2016 (S\$ mil)	1Q2015 (S\$ mil)	Y-on-Y (%)
Gross Revenue⁽¹⁾	28.4	27.5	3.2
Net Property Income	21.5	21.2	1.2
Net Income	14.2	13.6	4.3
Net effect of non-taxable items	0.3	1.0	(70.0)
Distribution from capital	-	1.1	(100.0)
Amount available for distribution	14.5	15.7	(7.5)
Distribution Per Unit (“DPU”) (cents)⁽¹⁾	1.112	1.225	(9.2)
Adjusted Distribution Per Unit⁽²⁾ (“DPU”) (cents)	1.112	1.071	3.8

(1) 100% of management fees in cash in 1Q2016 compared to 50% cash/50% units in 1Q2015.

(2) 1Q2015 results adjusted to reflect management fees wholly paid in cash and no capital distribution for a like-for-like comparison to 1Q2016

Singapore, 28 April 2016 – Cambridge Industrial Trust Management Limited (“CITM”), the Manager (“Manager”) of **Cambridge Industrial Trust** (“CIT”), today announced gross revenue of S\$28.4 million and net property income (“NPI”) of S\$21.5 million for the first quarter ended 31 March 2016 (“1Q2016”), an increase of 3.2% and 1.2% respectively from a year ago (“1Q2015”). Distribution per unit (“DPU”) for 1Q2016 was 1.112 cents, a 9.2% decrease year-on-year. However, underlying 1Q2016 DPU registered a 3.8% increase year-on-year, compared to 1Q2015 DPU adjusted for all management fees payable in cash and no capital distribution.

Mr. Philip Levinson, CEO of CITM, commented, "We maintained momentum in 1Q2016 despite challenging market conditions. Occupancy levels remain healthy and above industry average. Notwithstanding rental pressures ahead due to the softer economic environment, the Manager is committed to executing its strategy for the year and maintaining the quality of earnings."

CIT recently announced its FY2016 business strategy, focusing on four key areas:

- Divestment of non-core assets
- Asset Enhancement Initiatives ("AEIs") for selected existing assets
- Recycling capital to reduce gearing, and
- Providing future growth through the acquisition of quality, value-adding properties locally and overseas

Following through on the strategy, the Manager today announced that it has entered into an agreement with Commercial and General ("C&G") to explore opportunities in the Australian industrial market.

Commenting on this development, Levinson said: "C&G is a leading Australian industrial property specialist. They will act as our eyes and ears in the Australian Industrial sector and co-invest with us when suitable properties are found".

Real Estate Portfolio Highlights

As at 31 March 2016, occupancy for the portfolio comprising 193 tenants was 94.1% with a weighted average lease expiry (WALE) of 3.6 years. Approximately 110,000 sq ft of space was re-leased with a weighted positive rental reversion of 2.9%. The average portfolio rental remains unchanged at S\$1.27 psf. During 1Q2016 AEI works at the property at 86 International Road were completed and it obtained its Temporary Occupation Permit (TOP).

CIT is a long-term investor in industrial properties. The Manager actively reviews CIT's portfolio on a regular basis and under this review certain properties may be considered for divestment to improve overall portfolio quality and returns. Consistent with this approach, CIT recently entered into a conditional sale and purchase agreement with Reliance Products Pte Ltd for the divestment of 23 Tuas Ave 10. The divestment is targeted for completion in June, for a purchase consideration of S\$16.5 million, which is 5% above valuation and close to double the original 2006 purchase price.

Financial and Capital Management

CIT's current gearing ratio of 37.1% is within its target gearing range of 30 - 40%. The Manager maintains a prudent capital management approach, with all-in cost of debt at 3.64% p.a. and 96.7% of the Trust's interest rate exposure fixed for the next 2.7 years. Unencumbered investment properties are valued close to S\$1.2 billion, representing about 82.6% of CIT's investment properties by value.

Corporate Credit Rating Update

CIT now carries a "Baa3" issuer rating with a stable outlook by Moody's Investors Service ("Moody's"). In connection with this, the Manager has now requested Standard & Poor's ("S&P") to discontinue its credit rating assigned to CIT. S&P has reaffirmed the final "BBB-" long term corporate credit rating to CIT, with a stable outlook. All outstanding series of Medium Term Notes continue to be rated "Baa3" by Moody's as well.

Corporate Developments

The Manager has announced that it will be conducting a strategic review of CIT's business and operations, as it strives to fulfil its strategy of maximising value for Unitholders of CIT. In this regard, the Manager has recently appointed Goldman Sachs (Singapore) Pte. to assist the Manager in its analysis of certain recent trends and developments in the Singapore REIT sector and their potential implications to CIT.

In keeping with its sustainability commitments and in anticipation of the implementation of the new SGX guidelines on sustainability reporting, the Manager has chosen to be proactive and an early adopter of the new guidelines, to ensure the availability of comparative numbers and trends in time for their proposed implementation in 2017. CIT's inaugural standalone sustainability report is prepared in accordance with the Global Reporting Initiative ("GRI") G4 Guidelines – Core, and the GRI Construction and Real Estate Sector Supplement ("CRESS"). The report is available on our corporate website.

"The Manager continues to make good progress on our ambition to become a top-tier Asia Green Industrial REIT, having installed solar panels in nine properties thus far, with plans to install more across our portfolio. We are committed to conducting business responsibly and sustainably, and aspire to attain Green Mark certification for our assets, wherever economically possible, to become one of Asia's Greenest Industrial REITs", said Levinson.

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For analyst enquiries, please contact:

Cambridge Industrial Trust Management Limited

Elena Arabadjieva
Head of Investor Relations and Corporate Communications
Tel: +65 6827 9363
elena.arabadjieva@cambridgeitm.com

For media enquiries, please contact:

Tulchan Communications

Jean Zhuang
Tel: +65 6222 3765
CIT@tulchangroup.com

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 51 properties located across Singapore, with a total gross floor area of approximately 8.5 million sq ft and a property value of S\$1.42 billion as at 31 March 2016. The properties range from logistics, warehousing, light industrial, general industrial, a car showroom and a workshop to a business park, and 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;
- Pro-active 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 stakeholders, 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>

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 Limited, 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.