

**Press Release**

## Cambridge Industrial Trust delivers steady business performance for the first nine months of 2016

- Gross revenue increased 0.7% to S\$84.3 million for 9M2016
- Portfolio occupancy remains stable at 93.6%<sup>1</sup>
- Strong capital structure with no major refinancing requirements until 2H2018
- Remains focused on tenant retention, cost-saving initiatives and proactive asset management

**Summary of Financial Results:**

	9M2016 (S\$ mil)	9M2015 (S\$ mil)	Y-on-Y (%)	Adjusted <sup>(1)</sup> 9M2015 (S\$ mil)	Adjusted Y-on-Y (%)
<b>Gross Revenue<sup>(2)</sup></b>	84.3	83.7	0.7	83.7	0.7
<b>Net Property Income<sup>(3)</sup></b>	62.6	64.5	(3.1)	64.5	(3.1)
<b>Amount available for distribution<sup>(4)</sup></b>	41.5	47.0	(11.8)	42.2	(1.7)
<b>Distribution Per Unit ("DPU") (cents)</b>	3.177	3.654	(13.1)	3.286	(3.3)
<b>Annualised DPU (cents)</b>	4.236	4.885	(13.3)	4.393	(3.6)

(1) YTD3Q2015 results adjusted to reflect management fees wholly paid in cash and no capital distribution for a like-for-like comparison to YTD3Q2016

(2) Includes straight line rent adjustment of S\$1.3 million (YTD3Q2015: S\$1.7 million)

(3) Lower net property income due to higher operating expenses of properties converted from single-tenanted property to multi-tenancy offset by revenue contribution from acquisitions in the prior year, leasing up and rental escalations of several properties.

(4) 100% of management fees paid in cash in YTD3Q2016 compared to 50% cash/50% units and capital distribution in YTD3Q2015

**Singapore, 26 October 2016** – Cambridge Industrial Trust Management Limited ("CITM"), the Manager ("Manager") of Cambridge Industrial Trust ("CIT"), today announced gross revenue of S\$84.3 million for the nine months ended 30 September 2016 ("9M2016"), 0.7% higher than the previous year ("9M2015"). This was mainly due to full period revenue contribution from property acquisitions and completion of AEIs in the previous year, and the leasing up of properties and rental escalations in the existing portfolio. Net property income ("NPI") for the period fell 3.1% to

<sup>1</sup> Excluding 2 Ubi View that is in process of divestment

\$62.6 million due to higher expenses from ongoing single-tenancy to multi-tenancy conversion, divestment of a property and expiry of existing leases.

Distribution per unit (“DPU”) fell 13.1% to 3.177 cents for 9M2016. However, after adjusting 9M2015 DPU to exclude one-off capital distribution and management fees paid in units, 9M2016 DPU would be 3.3% lower year-on-year.

Mr. Philip Levinson, CEO of CITM, commented, “Despite challenging economic conditions during the quarter, I am encouraged to report steady progress in our strategy to divest non-core properties and recycle capital to optimise our portfolio and capital structure. In this quarter, we have fully unencumbered our property portfolio and have no major refinancing requirements until 2H2018, which provide us with greater operational and financial flexibility.”

### **Real Estate Highlights**

As at 30 September 2016, occupancy for CIT’s portfolio comprising 205 tenants remained stable at 93.6%, with weighted average lease expiry (WALE) improved to 3.8 years. Approximately 1.2 million sq ft of space was renewed in 9M2016.

On 5 September 2016, CIT announced the proposed divestment of 2 Ubi View for S\$10.5 million, representing approximately 6% above valuation and a 40% premium to the purchase price of S\$7.5 million in 2006. This divestment is consistent with CIT’s FY2016 strategy to focus on recycling capital for greater investment flexibility, and the Manager’s role to actively review and divest non-core assets to improve overall portfolio quality and generate better returns.

### **Financial and Capital Management Highlights**

On 19 September 2016, CIT successfully refinanced the loan facility previously granted by National Australia Bank with a new loan facility from The Hong Kong and Shanghai Banking Corporation Limited, thereby lengthening CIT’s weighted average debt expiry to 3.4 years. 88.4% of interest rate exposure is fixed, and all-in cost of debt is stable at 3.65% p.a. All of CIT’s properties, valued in excess of S\$1.4 billion, also became unencumbered as a result of the refinancing, thereby strategically improving CIT’s operational flexibility. As at 30 September 2016, CIT’s gearing ratio was 36.9%, within the Manager’s target gearing range of 30-40%.

Mr. Levinson commented, "Looking into the final quarter of 2016, we remain cautious on the industrial leasing market due to muted global economic prospects and continued rental pressure. That said, we are staying the course and will continue to focus on tenant retention, cost-savings and proactive asset management to maintain our performance and deliver value to Unitholders."

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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\$1.4 billion as at 30 September 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.

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