CAMBRIDGE
INDUSTRIAL TRUST

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 31 March 2006 (as amended))

MI-REIT: AIMS Recapitalisation Proposal

Basic Analysis for Brokers and Unitholders

Cambridge Industrial Trust Management Limited ("CITM), the manager of Cambridge Industrial Trust ("CIT"), holds 9.78% of MacarthurCook Industrial REIT ("MI-REIT"), and is the largest unitholder in MI-REIT.

CITM has today released an analysis of the AIMS recapitalisation proposal for MI-REIT to retail brokers and certain investors in MI-REIT, to assist consideration and recommendations in relation to AIMS proposal. A copy of the analysis is attached.

The AIMS recapitalisation proposal for MI-REIT comes before unitholders for their vote next Monday, 23 November 2009. CIT, as the largest MI-REIT unitholder, will be voting against the resolutions. For the reasons identified in the analysis, CITM recommends that all other MI-REIT unitholders vote against the resolutions proposed at the Extraordinary General Meeting.

BY ORDER OF THE BOARD
Cambridge Industrial Trust Management Limited
(Company Registration No. 200512804G, Capital Markets Services licence no.: 100132-1)
As Manager of Cambridge Industrial Trust

Chris Calvert
Chief Executive Officer
16 November 2009

CAMBRIDGE
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Memorandum
16 November 2009

By Email/ Facsimile

Att: Analysts / Brokers
cc Securities Investors Association (Singapore) Att: Mr. David Gerald

MI-REIT: DISECTION OF AIMS RECAPITALISATION PROPOSAL

Cambridge Industrial Trust ("CIT") holds 9.76% of MacarthurCook Industrial REIT ("MI-REIT") and is the largest unitholder in MI-REIT.

Cambridge Industrial Trust Management Limited ("CITM"), the manager of CIT, has briefly analysed the major elements of the AIMS recapitalisation proposal for MI-REIT, as contained in the Circular to Unitholders released by MacarthurCook Investment Managers (Asia) Limited ("MIM") and dated 6 November 2009. CITM has performed that assessment in the course of assessing CIT's position in relation to that proposal.

In CITM's view, it is clear that the AIMS recapitalisation proposal is massively value-destructive for existing MI-REIT unitholders. It appears, however, quite favourable to:

1. Standard Chartered Group ("Standard Chartered");
2. AMP Capital ("AMP");
3. AIMS Financial Group ("AIMS") and MIM;
4. to a lesser extent, the Cornerstone Investors; and
5. probably, National Australia Bank Limited ("NAB") and Macquarie Capital Securities (Singapore) Pte Limited ("MCS") as underwriters (although details of any sharing of underwriting and other fees with Standard Chartered are not adequately disclosed).

A dot-point summary of key elements and issues arising from our review of the AIMS recapitalisation proposal is set out below. It does not purport to be exhaustive or detailed. It does, however, in the view of CITM, raise issues to be considered and assessed by MI-REIT unitholders in determining whether or not to support the AIMS recapitalisation proposal.

Fees identified in the analysis are only the fees that CITM has been able to identify with some certainty from the AIMS recapitalisation proposal Circular. In addition, it is noted that Cazenove & Co (Singapore) Pte Limited is a wholly-owned subsidiary of Standard Chartered, and Macarthur Cook Limited ("MCK") has been acquired by AIMS; those companies are not separately identified from their group, for simplicity and clarity.

KEY ELEMENTS OF AIMS RECAPITALISATION PROPOSAL

1. Starting point at time of issue of Circular:

(a) *MI-REIT units on issue:*
- 266,385,094

(b) *Major holdings:*
- AIMS, through MacarthurCook Group entities and funds: 7.4% aggregate
- Cornerstone Investors, including Hunter Hall Investment Management Limited and Universities Superannuation Scheme Ltd: 11.0%

(c) *NAV per unit:*
- S$0.94 per unit, with 44.7% gearing

2. Initial step in AIMS recapitalization – the placement:

(a) *Proposed placement:*
- to AIMS (9,821,429 units)
- to Cornerstone Investors (133,035,714 units)
- to AMP (78,571,429 units)
- bears no alignment to existing register – AIMS, AMP and Cornerstone Investors are parties who need to act in concert to benefit from the AIMS recapitalisation

(b) *Placement deeply discounted at S$0.28 per unit:*
- a 70% discount to NAV (NTA)
- a 32% discount to VWAP prior to placement (S$0.4119 per unit)

(c) *Placement massively dilutes existing unitholders:*
- existing unitholders, excluding AIMS and Cornerstone Investors, move from being 73% of register to 40% of the register, with corresponding dilution in NAV per unit

3. Placement fee to Standard Chartered

- 3.25% placement fee (S$2.1 million) paid to Standard Chartered to underwrite the placement to AIMS, AMP and Cornerstone Investors

- each of AIMS, AMP and Cornerstone Investors are parties already committed to take up these units in any case, to get the benefit of the balance of their AIMS recapitalisation deal
- the S$2.1 million fee paid to Standard Chartered is, essentially, a fee for underwriting insignificant or no risk

4. 2:1 rights issue on expanded unit base

(a) *MI-REIT units to participate in 2:1 rights issue, following placement:*
- 975,627,332 units are issued;
- 522,805,332 units or 54% are issued into hands of AIMS and AMP and Cornerstone Investors as the placement affiliates of AIMS

(b) *Rights issue price is even more deeply discounted at S$0.159 per unit:*
- a massive 83% discount to NAV
- a 61% discount to VWAP

5. Underwriting fee to Standard Chartered (plus MCS and NAB):

(a) *S$9 million underwrite fee to Standard Chartered*
- the 2:1 rights issue is to raise S$155.1 million through issuing 975,627,332 units
- Standard Chartered's S$9 million underwriting fee (excluding a further discretionary incentive fee of S$500,000), represents 5.80% of the proceeds of the rights issue
- the S$9 million underwriting fee is shared by Standard Chartered with MCS and NAB (but with MCS and NAB not participating in the 'financial advisory' component - reference p.20 of Circular).

(b) *Underwrite is of only 48.6% of rights issue*
- the Standard Chartered underwrite fee is charged on the whole 975,627,332 units offered under the rights issue: **But** to get their initial placement entitlement (at S$0.28 per unit), AMP, AIMS and the Cornerstone Investors have already undertaken to subscribe to take up their rights (other than, re AIMS, for units held by its underlying funds)
- as a result, the S$9 million underwriting fee is actually levied on only 474,394,188 units or a S$75.43 million capital raise – representing an 11.93% fee (or an 8.75% fee if it is appropriate to deduct the 3.25% fee on placement rights)

(c) *Little underwrite risk on rights*
- the 11.93% underwrite fee is for underwriting a deeply discounted (61% to VWAP) renounceable rights issue, where:
  - there will be trading by investors not wanting to subscribe their rights; and
  - the Cornerstone Investors are also committed to Standard Chartered to sub-underwrite any shortfall in part as well (so, essentially, sharing in a fee, part of which relates to their own commitment)

- in CITM's view, a S$9 million underwriting fee to underwrite a deeply discounted renounceable rights issue of only S$75.43 million and priced at discounts of a massive 83% to NAV and 61% to VWAP is highly offensive from the position of existing MI-REIT unitholders

- deducting the Standard Chartered fee from proceeds of the rights issue, the net rights issue price is actually an 84% discount to NAV

6. AMP Property Shuffle

(a) *AMP sale of 4 properties to MI-REIT:*

- sale price of 4 properties is S$68.6 million, representing a mere 2% discount to valuation
- AMP has been sounding out the market for the sale of these 4 properties since November 2008, and has not been able to sell them – AMP had not elicited interest at a price anywhere near their book value
- disregarding the Japanese asset (as to which CITM ascribes no net value), the 4 AMP properties are, in the assessment of CITM, of lesser quality than the balance of the MI-REIT portfolio

(b) *Money go-round:*

- Under the placement, AMP subscribes for 79 million units at S$0.28 each, as well as taking up rights to 157 million units at S$0.159 each, for a total S$46.99 million cash outlay
- AMP is then paid its sale price of S$70.35 million, so AMP extracts cash of S$21.6 million from this recapitalisation and shifts its 4 properties off its hands

(c) *MIM shareholding equity deal with AMP:*

- as part of these arrangements, AMP also becomes a 50% shareholder in MIM
- no disclosure is made as to the nature of the MIM equity deal or any related arrangements collateral to the AMP property transaction (if any)
- likewise, United Engineers has ceased to be a shareholder in MIM – AIMS has made no disclosure of that transaction or any links to the new AMP involvement

7. MacarthurCook / AIMS double-dip

(a) *MIM fee for taking on AMP properties:*
- in conjunction with conceding 50% of the equity in MIM to AMP and causing MI-REIT to acquire the 4 AMP properties, MIM charges a "property acquisition fee" as permitted by the MI-REIT trust deed
- MIM takes its property acquisition fee in units, being 3.076 million MI-REIT units issues at TERP of S$0.22.3 each – effectively, a fee of circa S$686,000 paid out of the MI-REIT trust (half of which then flows back to AMP?)

(b) *AIMS fee for essentially same transaction:*
- as a coup de grace, AIMS then charges MI-REIT a fee of a S$565,000 (under a service agreement with MIM) for work it has done on the 1A International Business Park (Tolarum) acquisition (for which an acquisition fee of 1% or S$900,000 has already been accrued and is payable to MIM) and the 4 AMP property acquisitions (for which MIM has charged its property acquisition fee)
- as a result, MI-REIT unitholders pay out circa S$1.25m in fees to AIMS for having the NAV of their units decimated and the 4 AMP properties placed into the MI-REIT portfolio

(c) *Additional fee payments and costs recoveries*
- On top of the fees, MIM / AIMS also pays itself out of MI-REIT:
  - o the S$900,000 in property acquisition fee for the 1A International Business Park (Tolarum) asset, previously accrued in the MI-REIT accounts but unable to be paid; and
  - o up to S$10,000 of and (subject to convincing the MI-REIT trustee to give approval) any other 'reasonable out-of-pocket expenses relating to [AIMS] performance of its services ... including the cost of travel and accommodation' – this amount is unquantified by the Circular
- even more egregiously, MIM paid itself a performance fee of S$1.087 million on 26 May 2009 for bringing MI-REIT to this position (4,669,249 MI-REIT units at S$0.2328 each)

8. New MI-REIT debt facility from Standard Chartered, CBA & NAB

(a) *Following recapitalization, a new debt facility:*
- proceeds of the AIMS recapitalisation are used to pay down S$202.3 million of MI-REIT debt and allow a new facility to be put in place with Standard Chartered, CBA & NAB, to replace the existing facility expiring in December 2009
- MIM will use equity of existing MI-REIT unitholders yielding 16.8% pre AIMS recapitalisation proposal to pay down debt costing MI-REIT circa 5% on an

all-in interest rate margin

- under the new facility, MI-REIT gearing is to be reduced to 33% aggregate leverage to allow drawing; interest rates (disregarding hedging, establishment and other costs) then are:
    - o Gearing below 35%: SOR + 3½%
    - o Gearing between 35% and 38%: SOR + 4½%
    - o Gearing above 38%: default

(b) *Comparison to CIT debt facility:*

- on a like-for-like basis (ie, disregarding hedging, establishment and other costs), the existing CIT facility interest rates (negotiated at the height of the GFC) are:
    - o Gearing below 50%: SOR + 2.¼%
    - o Gearing above 50%: default
- in CITM's view, the new MI-REIT debt terms do not appear particularly competitive

9. End result

if the AIMS recapitalisation proposal is carried through as contemplated by the Circular, AIMS, AMP and the Cornerstone Investors have achieved a take over of more than 50% of the equity in MI-REIT at an average cost of S$0.20 per unit (disregarding cost recoveries by AIMS)

Chris Calvert
Chief Executive Officer

Cambridge Industrial Trust Management Limited

(Company Registration No. 200512804G, Capital Markets Services licence no.: 100132-1)

As Manager of Cambridge Industrial Trust

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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 43 properties valued at S$880.4 million (as at 30 September 2009), strategically located across Singapore.

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

- Prudent capital and risk management;
- Proactive asset management;
- Value enhancing investments and disposal of non-core assets.

Cambridge Industrial Trust Management Limited, the Manager of CIT, is 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 specializing in real estate and private equity investments across Asia-Pacific. Mitsui is a company incorporated in Japan and listed on the Tokyo Stock Exchange in Japan. 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, liabilities or obligations of, or deposits in, the Manager, RBC Dexia Trust Services 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 should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.