

## Press Release

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# **CIT announces S\$72.3 million property acquisition in Paya Lebar iPark; issues S\$50 million Fixed Rate Notes**

- Acquires 16 Tai Seng Street, a contemporary 5-storey industrial building with an ancillary showroom, in line with the Trust's continued focus to acquire yield-accretive and value-enhancing properties
- Issues S\$50 million 4.75% Fixed Rate Notes due 2015 under its S\$500 million Multicurrency Medium Term Note Programme as part of its strategy to diversify the Trust's funding sources

**Singapore, 14 March 2012** – Cambridge Industrial Trust Management Limited (“CITM”), the Manager (“Manager”) of **Cambridge Industrial Trust** (“CIT”), today announced that it is acquiring its maiden property in the new Paya Lebar iPark precinct, for an aggregate sum of S\$72.3 million. Located at 16 Tai Seng Street, the purpose-built contemporary five-storey industrial building with an ancillary showroom (the “Property”) has a current gross floor area (“GFA”) of approximately 16,282 square metres (“sq m”) that will eventually increase to 19,878 sq m.

Situated in the central part of Singapore, the Property is in close proximity to the Tai Seng MRT station and easily accessible by the Central Expressway and the Pan Island Expressway. This Property is located within the up-and-coming Paya Lebar iPark, a 15-hectare estate which is JTC's test-bed for the next-generation industrial parks, with green open spaces and specially designed buildings for companies in light manufacturing and lifestyle-related sectors.

### **Yield-Accretive Acquisition**

RBC Dexia Trust Services Singapore Limited, in its capacity as trustee of CIT (the “Trustee”), has entered into a conditional sale and purchase agreement with SGX-ST Mainboard-listed Nobel Design Holdings Ltd (the “Vendor”) in connection with the

proposed acquisition of the Property (the “Acquisition”), for a purchase consideration of S\$59.25 million.

On completion of the Acquisition, the Vendor has agreed to leaseback the Property from CIT for a period of six years. The proposed sale and leaseback agreement is subject to the approval of the Vendor’s shareholders.

In addition, the Vendor will undertake and bear the costs of alterations and additions (the “A&A Works”) to construct additional floors which will increase the Property’s GFA by 22%, from approximately 16,282 sq m to approximately 19,878 sq m. The A&A Works are expected to be completed within 12 months from the date of completion of the Acquisition. Upon completion of the A&A Works and following the grant of the temporary occupation permit (“TOP”), CIT will pay a sum of S\$13.083 million (based on the expected increase in GFA and subject to survey) to the Vendor.

The aggregate purchase price of S\$72.3 million was arrived at on a willing-buyer and willing-seller basis, taking into consideration the appraised value of the Property (having regard to the A&A Works) arrived at in an independent valuation conducted by Colliers International & Valuation Singapore Pte Ltd last month. A deposit of S\$1.18 million has been paid and the balance of the purchase price of S\$59.25m shall be paid at the completion of the Acquisition. The amount of S\$13.083 million is payable upon completion of the A&A works and the grant of TOP.

### **Latest Acquisition Poised To Be Trust’s Flagship Property**

“We are delighted to announce our latest property acquisition which is a yield accretive, high quality asset in a growing industrial park precinct. The Property is a strategic acquisition that complements and enhances the quality of CIT’s portfolio, as well as further diversifies our asset and tenant base. The acquisition will not only be accretive at the distribution level, but will also offer the potential for future capital appreciation in the up-and-coming Paya Lebar iPark area,” said Mr Chris Calvert, Chief Executive Officer of CITM.

Assuming that the Acquisition, including A&A Works, had been effected on 1 January 2011, the pro forma financial impact on both the earnings per unit and distribution per unit for FY2011 are 0.16 cents. Based on the rental income for December 2011, the Acquisition will also increase CIT's Weighted Average Lease to Expiry ("WALE") profile from 3.3 years to 3.4 years.

### **Prudent Capital Management**

CIT has sufficient financial flexibility and capacity to fund the Acquisition – which is expected to complete by the second quarter of 2012 – through a combination of 40% debt from the Acquisition Term Loan Facility and 60% cash from the net proceeds from the Medium Term Note (the "MTN") Issuance.

CIT yesterday announced that it has issued S\$50 million Fixed Rate Notes (the "Notes") under the S\$500 million MTN programme established last month. The Notes will bear an interest rate of 4.75% per annum payable semi-annually in arrear, and will mature on 13 March 2015. Australia and New Zealand Banking Group Limited and The Royal Bank of Scotland plc have been appointed as joint lead managers in relation to the issue and offering of the Notes.

"The MTN Programme is part of our efforts to diversify our sources of funding to increase emphasis on unsecured financing. With the MTN Programme in place, we now have greater financial flexibility and an even stronger balance sheet – well positioning us to continue the momentum we have gained over FY2011 to the first quarter of FY2012 with our numerous acquisitions and initiatives," explained Mr Calvert.

"Moving forward, we will continue to focus on implementing our strategic platform, namely, acquiring value-enhancing assets, pro-actively managing our existing portfolio, divesting non-core assets, and managing capital and risk prudently. Our objective is to grow the Trust's DPU on a consistent basis, increase the scale of our portfolio to generate greater diversification of income, both of which we expect to positively impact on the net tangible asset per Unit," he concluded.

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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 45 properties and 2 built-to-suit (BTS) projects at an aggregate book value of S\$1,027.2 million as at 31 December 2011, 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; and*
- *value enhancing investments.*

*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 specializing in real estate and private equity investments across Asia-Pacific. 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, liabilities or obligations of, or deposits in, Cambridge Industrial Trust Management Limited (“**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 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.