

# Bond Investor Presentation

2 February 2016



16 International Business Park

 **CAMBRIDGE**  
INDUSTRIAL TRUST

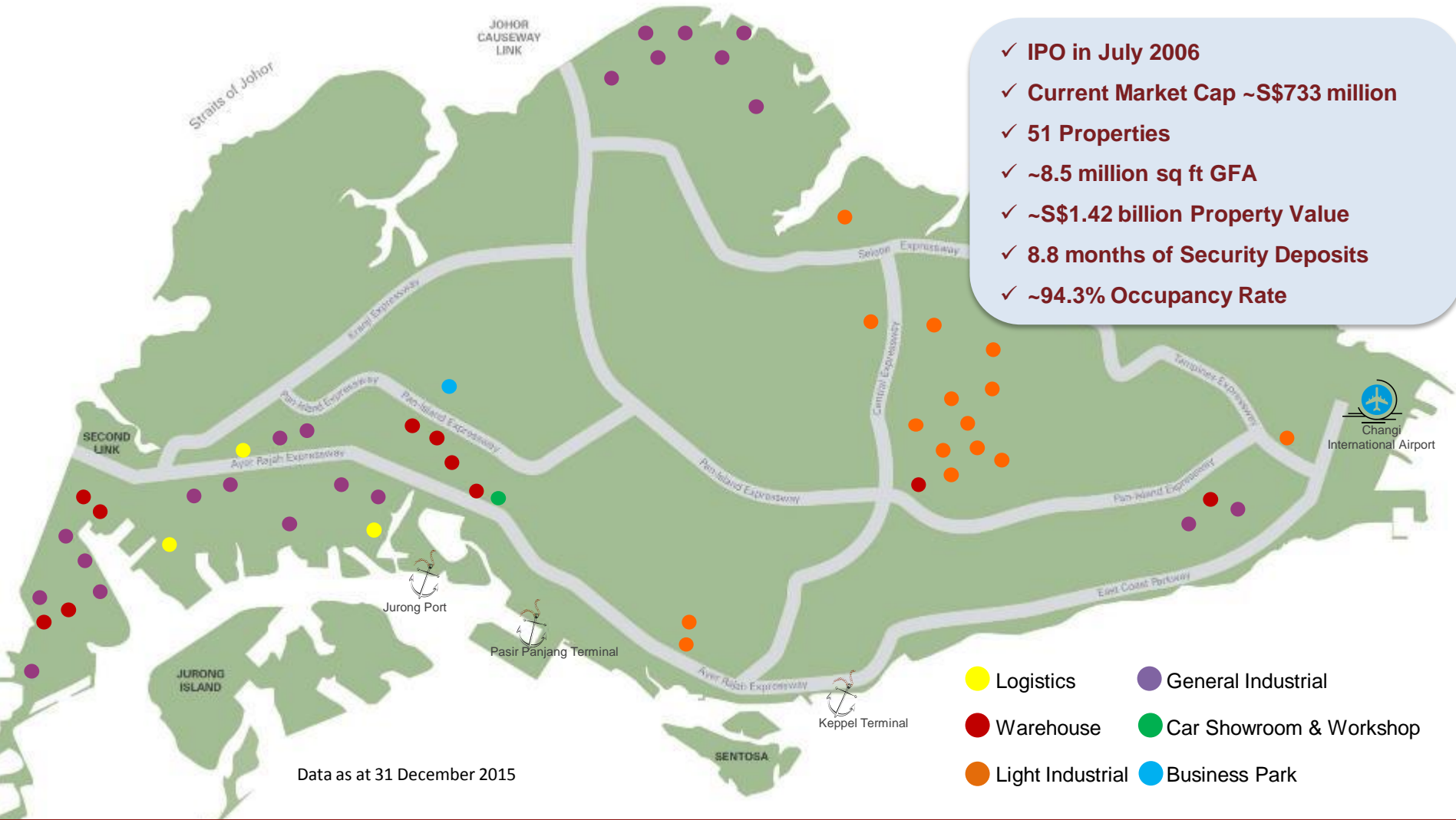
# Content

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- ❑ Overview & Executive Summary
- ❑ Capital Management Highlights
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# Overview of CIT

- ✓ IPO in July 2006
- ✓ Current Market Cap ~S\$733 million
- ✓ 51 Properties
- ✓ ~8.5 million sq ft GFA
- ✓ ~S\$1.42 billion Property Value
- ✓ 8.8 months of Security Deposits
- ✓ ~94.3% Occupancy Rate



# Executive Summary




## Robust Portfolio Management

- ✓ **Double-digit increase in Portfolio Net Property Income**
  - ✓ 10.7 % increase year-on-year
- ✓ **Proactive asset management**
  - ✓ Weighted Average Lease Expiry remains steady at 3.8 years
- ✓ **Positive rental reversions**
  - ✓ FY 2015 positive rental reversion of 9.1 %
- ✓ **Healthy portfolio occupancy**
  - ✓ Portfolio occupancy remains steady at 94.3 %

## Prudent Capital Management

- ✓ **DPU – Achieved 4.793 cents for the year**
  - ✓ Quality of earnings improved with management fees now paid 100% in cash and no capital distributions
- ✓ **Approximately S\$1.2 billion of unencumbered investment properties**
- ✓ **97.4 % of interest rates fixed for the next 3 years**
- ✓ **Well-staggered debt maturity profile**
  - ✓ No refinancing due till FY2017

# FY2015 Financial Summary

	FY2015 (S\$ million)	FY2014 (S\$ million)	YoY (%)
Gross Revenue <sup>(1)</sup>	112.2	99.3	13.0 
Net Property Income <sup>(2)</sup>	86.2	77.8	10.7 
Distributable Amount <sup>(3)</sup>	61.8	63.0	1.9 

(1) FY2015 includes straight line rent adjustment of S\$2.1 million (FY2014: S\$0.8 million)

(2) Higher due to additional revenue from property acquisitions and the completion of AEI projects subsequent to 4Q2014 and straight line rent adjustment

(3) FY2015 Includes S\$2.1 million capital gains/capital distribution (0.163 cents per unit) (FY2014: S\$5.4 million; 0.431 cents per unit)



# Capital Management Highlights



511/513 Yishun Industrial Park A

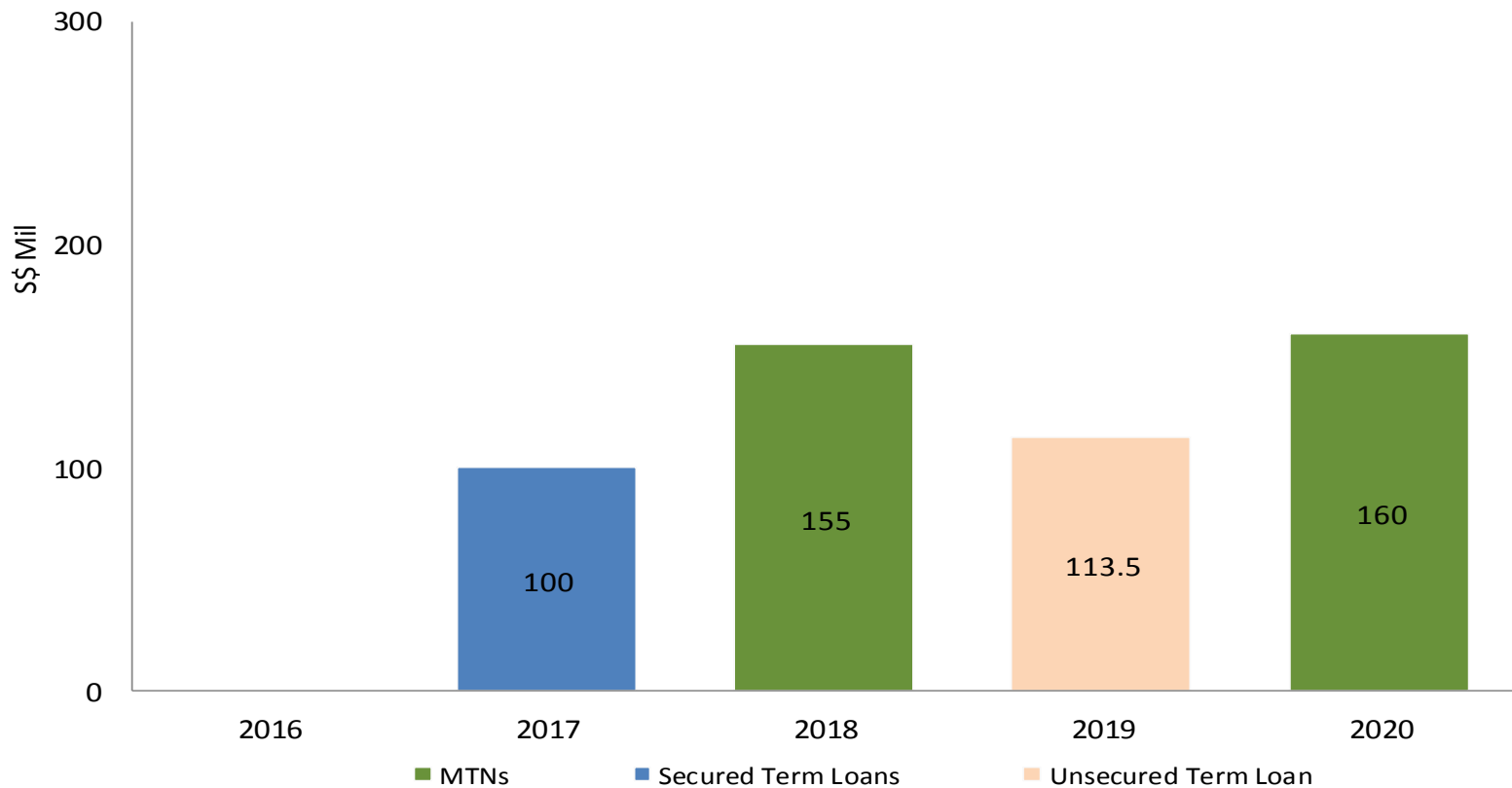
# Key Capital Management Indicators

- ✓ Unencumbered investment properties close to S\$1.2bn
- ✓ 97.4% of interest rate exposure fixed for next 3.0 years

	4Q2015
Total Debt (S\$ million)	528.5
Gearing Ratio (%)	36.9
All-in Cost (%) p.a.	3.67
Weighted Average Debt Expiry (years)	3.2
Interest Coverage Ratio	4.0
Interest Rate Exposure Fixed (%)	97.4
Proportion of Unencumbered Investment Properties (%)	82.6
Available Committed Facilities (S\$ million)	36.5

# Diversified Debt Maturity Profile

- ✓ Well-staggered debt maturity profile, with no refinancing due till FY2017
- ✓ Available RCF of S\$36.5m provides CIT with financial flexibility





# Interest Rate Risk Management

- ✓ 97.4% of interest rate exposure fixed for next 3.0 years
- ✓ Borrowing costs significantly insulated against interest rate increases

Increase in Interest Rate p.a.	Impact on All-in Cost of Debt	Decrease in distributable Income (S\$m)	Change as % of FY2015 Distribution	Impact of FY2015 DPU (Cents) <sup>(1)</sup>
0.5%	3.69%	0.07	0.11%	0.005
1.0%	3.70%	0.14	0.22%	0.010
1.5%	3.71%	0.20	0.33%	0.016
2.0%	3.73%	0.27	0.44%	0.021

<sup>(1)</sup> Based on number of units in issue as of 31 December 2015

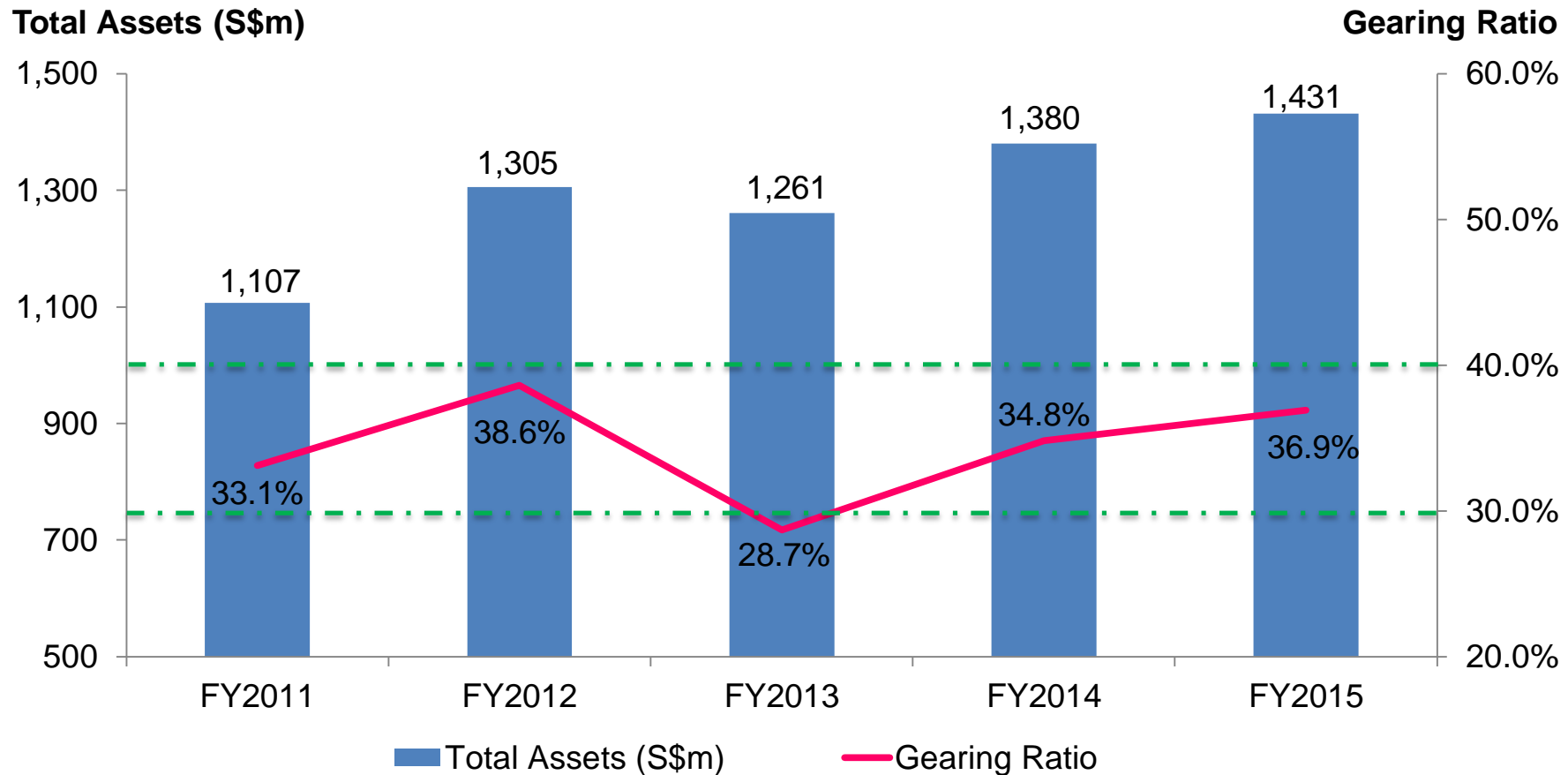
# Balance Sheet Summary

	<b>4Q2015 (S\$ million)</b>
Investment Properties	1,418.0
Total Assets	1,430.9
Total Borrowings (net of loan transaction costs)	525.3
Net assets attributable to Unitholders	872.9
No. of Units Issued / Issuable (million)	1,297.8
NAV Per Unit (cents)	67.3
Gearing Ratio (%)	36.9

# FY2015 Capital Management Activities Summary

- In January, completed a S\$55m secondary issuance of MTN Series 003. The issuance was 1.4x subscribed and institutional investors took 99% of the issuance.
- In May, S&P assigned “BBB-“ investment grade rating on CIT’s MTN programme and all its outstanding MTN series.
- In May, priced S\$130 million 5-year MTN @ 3.95%. Issuance was more than 2x subscribed and institutional investors took 91% of the issuance.
- In June, completed the refinancing of the S\$250m Club Loan Facility, using the proceeds from MTN and a new unsecured bilateral loan facility.
- In November, CITM is recognised as the Highly Commended Winner for Best Financing Solution at the Adam Smith Asia Awards 2015, organised by Treasury Today Asia
- FY2015 average DRP take-up rate was 24 %, reflecting continued support from Unitholders.

# Prudent Capital Management Track Record



All-in costs of Debt (%)	4.1	4.0	3.9	3.6	3.7
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# CIT's MTNs trading at Premium to Par

- ✓ All outstanding MTNs trading at Premium to Par
- ✓ S&P assigned "BBB-" to CIT's MTN programme in May 2015
- ✓ Previously unrated MTN series 002 and 003 now carry an investment grade rating

Series	Bond	Size (S\$m)	At Issuance		Secondary Markets		Premium to Par
			Par	Coupon (%)	Bid	Implied Yield (%)	
002	CREISP 04/20	30	100.00	4.10	101.35	3.75	Yes
003	CREISP 11/18	155	100.00	3.50	100.45	3.33	Yes
004	CREISP 05/20	130	100.00	3.95	100.65	3.78	Yes

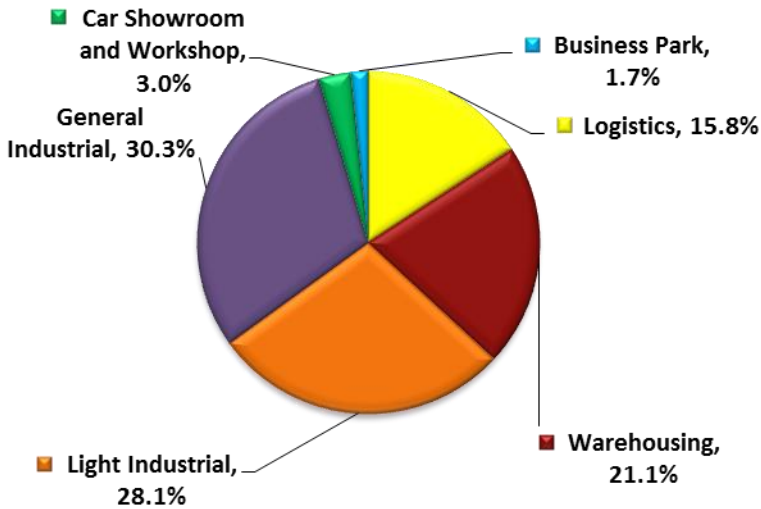
Data as of 29 January 2016



# Real Estate Highlights



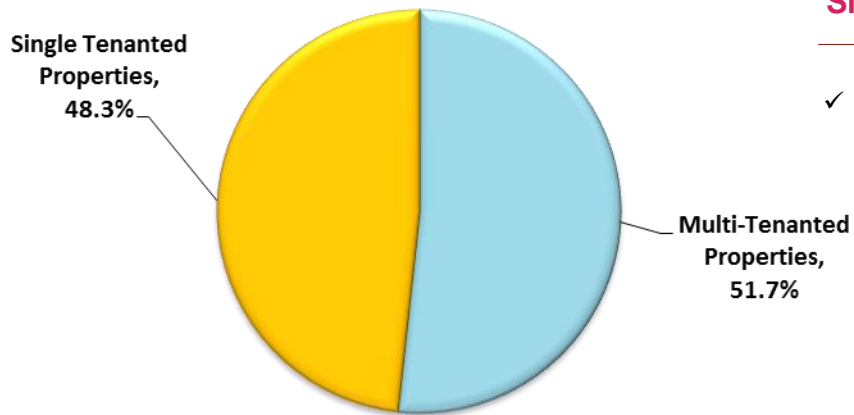
# Diversified Portfolio



## Asset Class by Rental Income

	2015	2014
No of Properties	51	50
Property Value (S\$ billion)	1.42	1.37
Total Portfolio GFA (million sq ft)	~8.5	~8.4
Total Net Lettable Area (million sq ft)	~8.0	~7.9
Portfolio Occupancy (%)	94.3*	96.0
Total no. of Tenants	187	168

\* Note that 513 Yishun will be undergoing AEI works. Excluding 513 Yishun, the portfolio occupancy would be 94.8%



## Single-Tenanted vs Multi-Tenanted (By Rental Income)

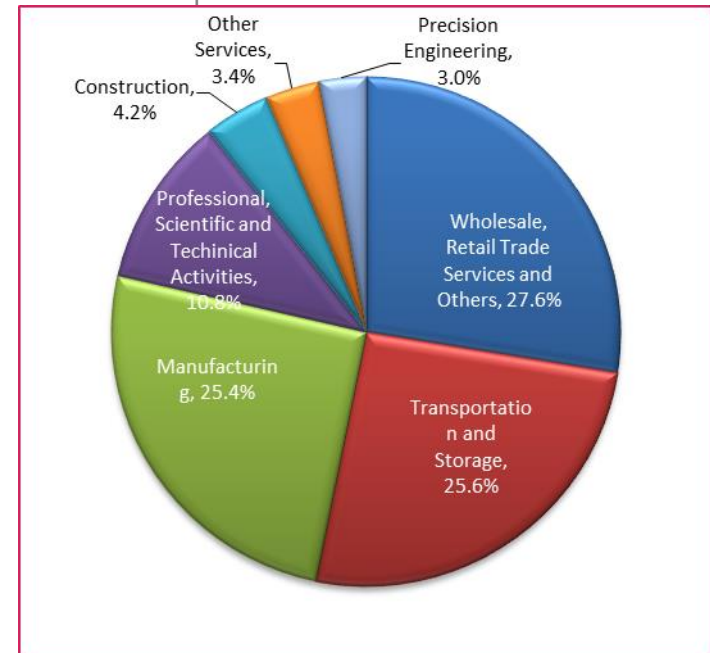
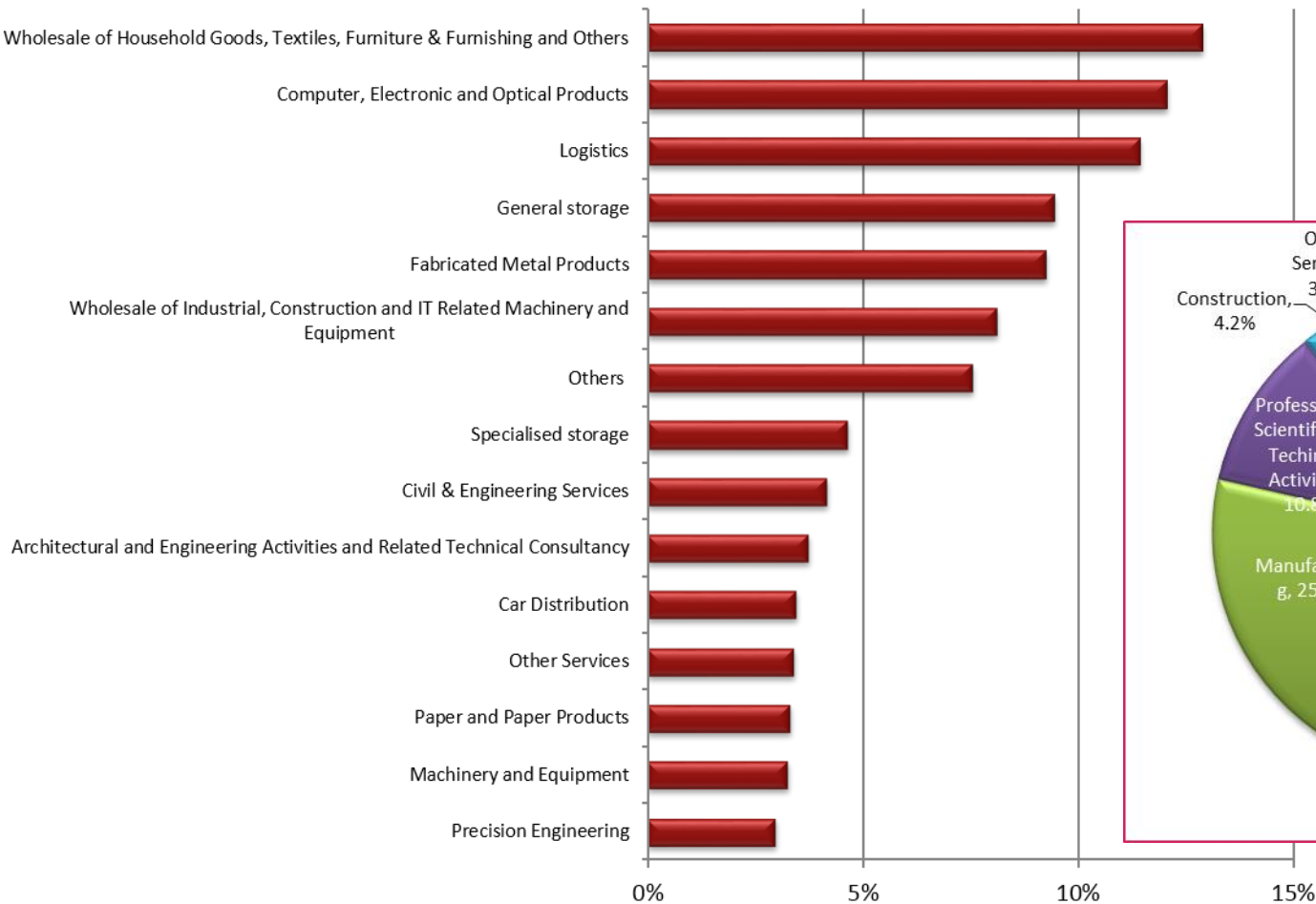
- ✓ Renewed approximately 306,000 sq ft of leases in 4Q2015, amounting to 1.02 million sq ft of leases for FY2015

# Diversified Tenant Base and Trade Sector

## Tenant Classification (Sub Sectors)

By Gross Revenue

## Tenant Classification Main Trade Sectors

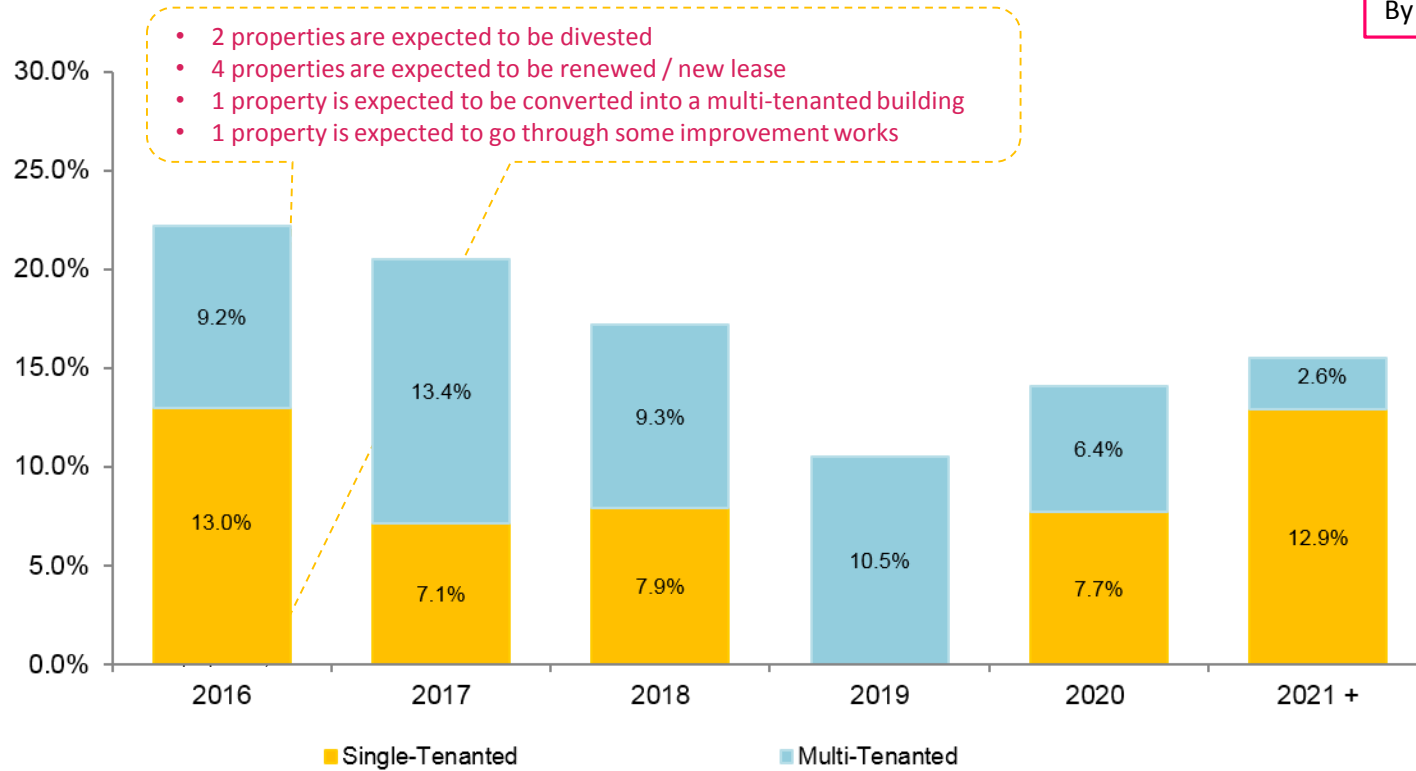




# Proactive Lease Management

Weighted Average Lease Expiry (WALE) remains steady at 3.8 years

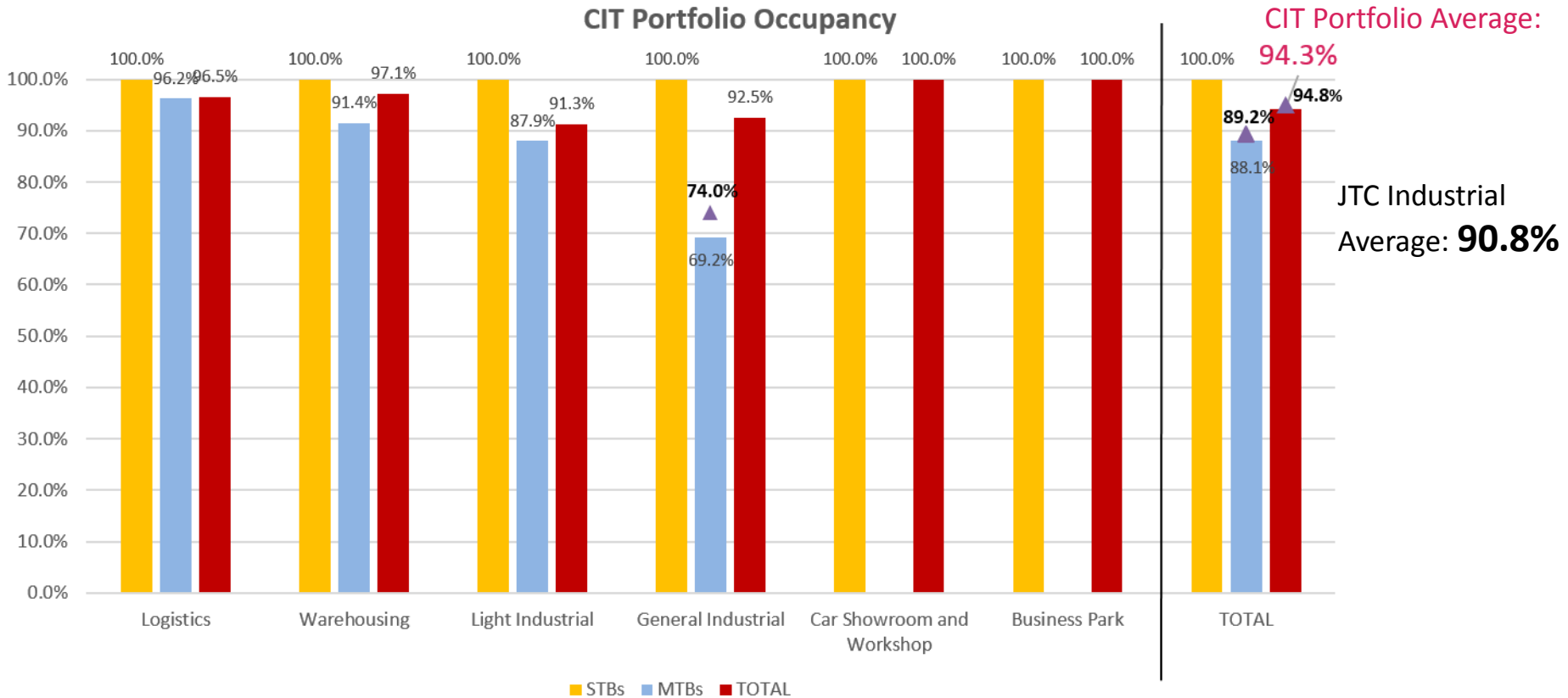
By Rental Income



As at 31 December 2015

# Portfolio Occupancy Levels by Asset Class

Healthy portfolio occupancy compared to industry average

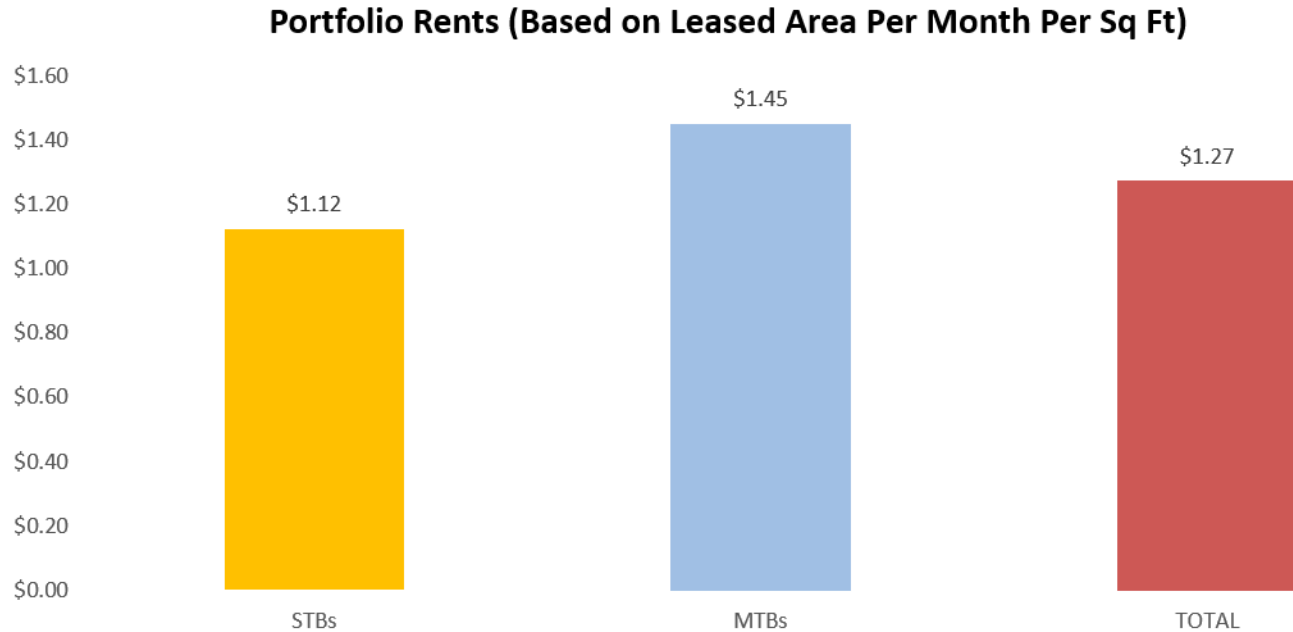


As at 31 Dec 2015

▲ Reflects the occupancy level if we exclude 513 Yishun that will be undergoing AEI works



# Portfolio Rent and Rental Reversion



1,024,681 sq ft renewed in FY2015: **Positive rental reversion of 9.1%**

As at 31 December 2015

# Property Valuations

Asset Class	No of Properties as at 31 Dec 2015	Valuation as at 31 Dec 2015 (\$ million)	No of Properties as at 31 Dec 2014	Valuation as at 31 Dec 2014 (\$ million)
Logistics	3	213.9	3	211.0
Warehousing	10	296.8	10	293.6
Light Industrial	15	377.0	15	373.2
General Industrial	21	458.6	20	420.5
Car Showroom and workshop	1	40.7	1	41.0
Business Park	1	31.0	1	30.4
<b>Total</b>	<b>51</b>	<b>1,418.0</b>	<b>50</b>	<b>1,369.7</b>

Average capitalisation rate as at 31 December 2015: 6.6%; 31 December 2014: 6.7%

# FY2015 Acquisitions

## Acquired Remaining 40% Interest in Cambridge SPV1 LLP (3 Tuas South Avenue 4)



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**Purchase Consideration**

~S\$11.0 million (Net Asset Value)

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**Total GFA**

~316,000 sq ft

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**Completion Date**

20 March 2015

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**Description**

A purpose-built, three-storey warehouse, manufacturing and distribution facility

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**Land Tenure**

~ 44 years balance

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**Tenant**

Agila Specialties Global Pte Ltd

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**Balance Lease Tenure**

23 years

# FY2015 Acquisitions

## Completed Acquisition of 160A Gul Circle



### Purchase Consideration

~S\$16.2 million  
(excluding land premium of S\$2.9 million)

### Total GFA

~86,079 sq ft

### Completion Date

13 May 2015

### Description

A single-storey factory and a newly completed four-storey factory

### Land Tenure

~ 26 years balance

### Tenant

Unicable Pte Ltd

### Lease Tenure

5 years



# FY 2015 Completed AEs



## 21B Senoko Loop (Phase I & Phase II)

### Description

Phase II - Construction of a 4-level warehouse with a basement and a detached single-tenant factory building

Phase I - Cargo-lift upgrading

### Total GFA

~197,647 sq ft

### Contract Cost

S\$12.8 million (Phase I & II)

### Tenant

Tellus Marine Engineering Pte Ltd

### Completion Date

Phase II - 10 Dec 2014

Phase I - 16 Mar 2015



# FY 2015 Completed AEs



## 31 Changi South Avenue 2

### Description

Additional production area and a cargo lift

### Total GFA

~59,697 sq ft

### Contract Cost

S\$1.5 million

### Tenant

Presscrete Engineering Pte Ltd

### Completion Date

16 April 2015



## 3 Pioneer Sector 3

### Description

Connection of the existing building to new ramp-up warehouse, façade enhancement and upgrade of building facilities

### Total GFA

~716,570 sq ft (Phase I & II)

### Contract Cost

S\$12.4 million

### Tenant

Multi-Tenanted

### Completion Date

27 March 2015

# Ongoing AEI



## 86 International Road

### Description

Building façade upgrade, widening of driveway and relocation of sprinkler pump room

### Total GFA

~84,463 sq ft

### Tenant

Gliderol Doors (S) Pte Ltd

### Contract Cost

S\$2.2 million

### Completion Date

Target 1Q2016

# FY2015 Acquisitions / AEs / Developments Overview

Acquisitions	GFA (sq ft)	Completion	Purchase Price (S\$ million)
3 Tuas South Avenue 4 (40 % interest in Cambridge SPV1 LLP)	~316,000	20 March 2015	11.0 (net asset value)
160A Gul Circle	~86,079	13 May 2015	16.2 (excluding land premium of S\$2.9 million)
<b>Total for 2015</b>	<b>~402,079</b>		<b>27.2</b>

AEs/Developments	Add'l GFA (sq ft)	Completion	Contract Cost / Cost (S\$ million)
3 Pioneer Sector 3 (Phase I)	~315,350	3 June 2014	44.4
21B Senoko Loop (Phase II) (Phase I)	~73,026 ~27,057	10 December 2014 16 March 2015	12.8
3 Pioneer Sector (Phase II)	--	27 March 2015	12.4
31 Changi South Avenue 2	~9,052	16 April 2015	1.5
86 International Road	--	1Q2016	2.2
<b>Total for 2015</b>	<b>~424,485</b>		<b>73.3</b>

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# Further Information

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