

FY2015 Financial Results Presentation

14 January 2016



16 International Business Park

 **CAMBRIDGE**
INDUSTRIAL TRUST

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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**
- ✓ **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

4Q2015 Financial Summary





	4Q2015 (S\$ million)	4Q2014 (S\$ million)	YoY (%)
Gross Revenue ⁽¹⁾	28.5	26.2	8.7 
Net Property Income ⁽²⁾	21.6	19.5	10.7 
Distributable Amount ⁽³⁾	14.8	15.9	7.2 
Distribution Per Unit⁽³⁾ (“DPU”) (cents)	1.139	1.252	9.0 
Annualised DPU (cents)	4.519	4.967	9.0 

(1) Includes straight line rent adjustment of S\$0.5 million (4Q2014: S\$0.4 million)

(2) Higher due to full period revenue contribution from property acquisitions and asset enhancement initiatives projects completed during the period from 4Q2014 to 4Q2015.

(3) There is no capital distribution for 4Q2015 (4Q2014: capital distribution of S\$0.2 million (0.019 cents per unit). 100% of management fees are payable in cash for 4Q2015 (4Q2014: 100% of management fees were paid in units)

FY2015 Financial Summary

	FY2015 (S\$ million)	FY2014 (S\$ million)	YoY (%)
Gross Revenue ⁽¹⁾	112.2	99.3	13.0 
Net Property Income ⁽²⁾	86.2	77.8	10.7 
Distributable Amount ⁽³⁾	61.8	63.0	1.9 
Distribution Per Unit⁽³⁾ (“DPU”) (cents)	4.793	5.004	4.2 

(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)

Real Estate Highlights



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
Total	51	1,418.0	50	1,369.7

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)



Purchase Consideration

~S\$11.0 million (Net Asset Value)

Total GFA

~316,000 sq ft

Completion Date

20 March 2015

Description

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

Land Tenure

~ 44 years balance

Tenant

Agila Specialties Global Pte Ltd

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)
Total for 2015	~402,079		27.2

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
Total for 2015	~424,485		73.3

Financial and Capital Management Highlights



511/513 Yishun Industrial Park A

Balance Sheet Summary

	4Q2015 (S\$ million)
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

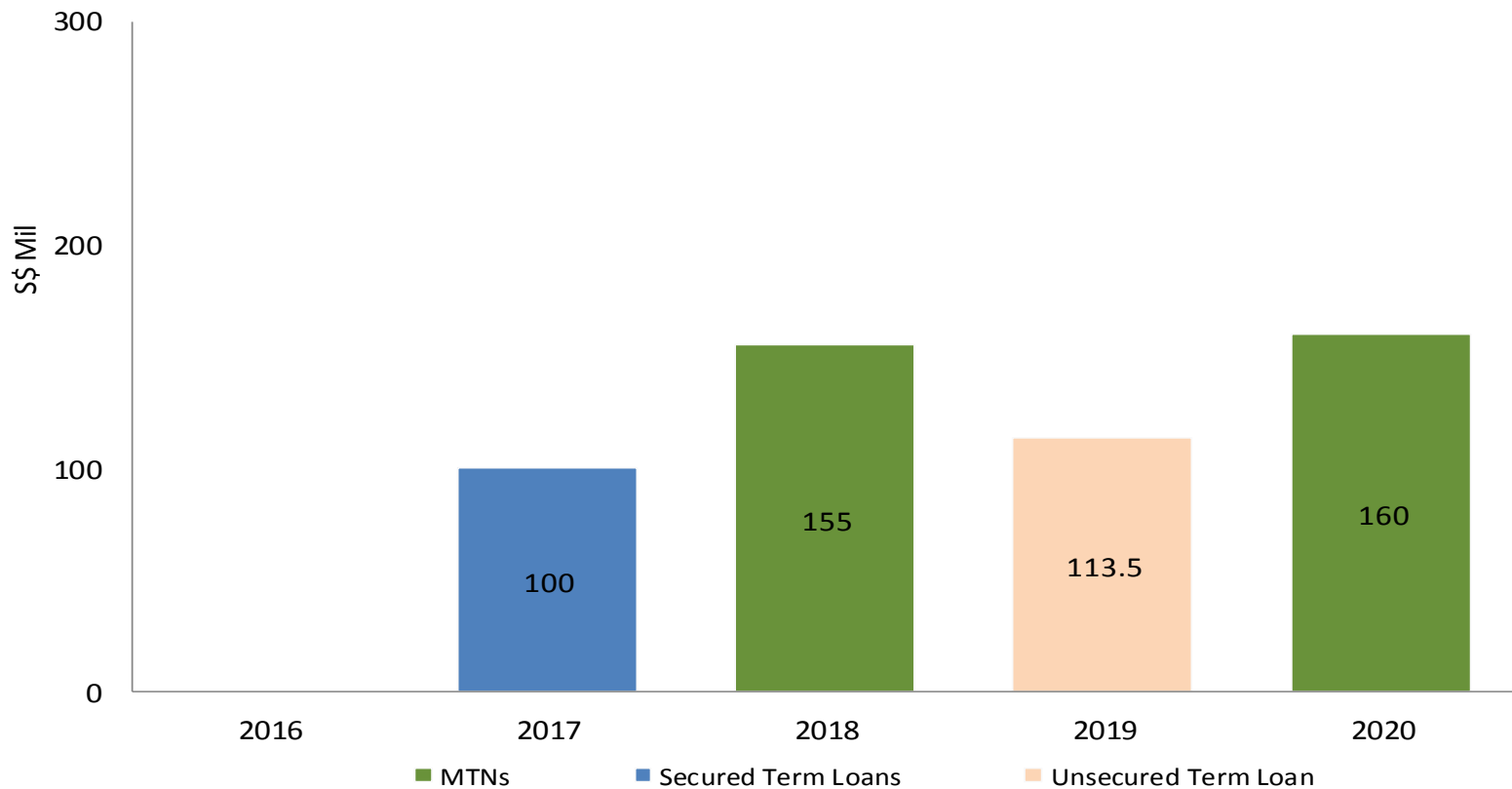
Key Capital Management Indicators

- ✓ Weighted average debt expiry at 3.2 years
- ✓ Unencumbered investment properties close to S\$1.2bn

	4Q2015
Total Debt (S\$ million)	528.5
Gearing Ratio (%)	36.9
All-in Cost (%) p.a.	3.67
Weighted Average Fixed Debt Expiry (years)	3.0
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) ⁽¹⁾
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

⁽¹⁾ Based on number of units in issue as of 31 December 2015

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 using 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.

Distribution Timetable

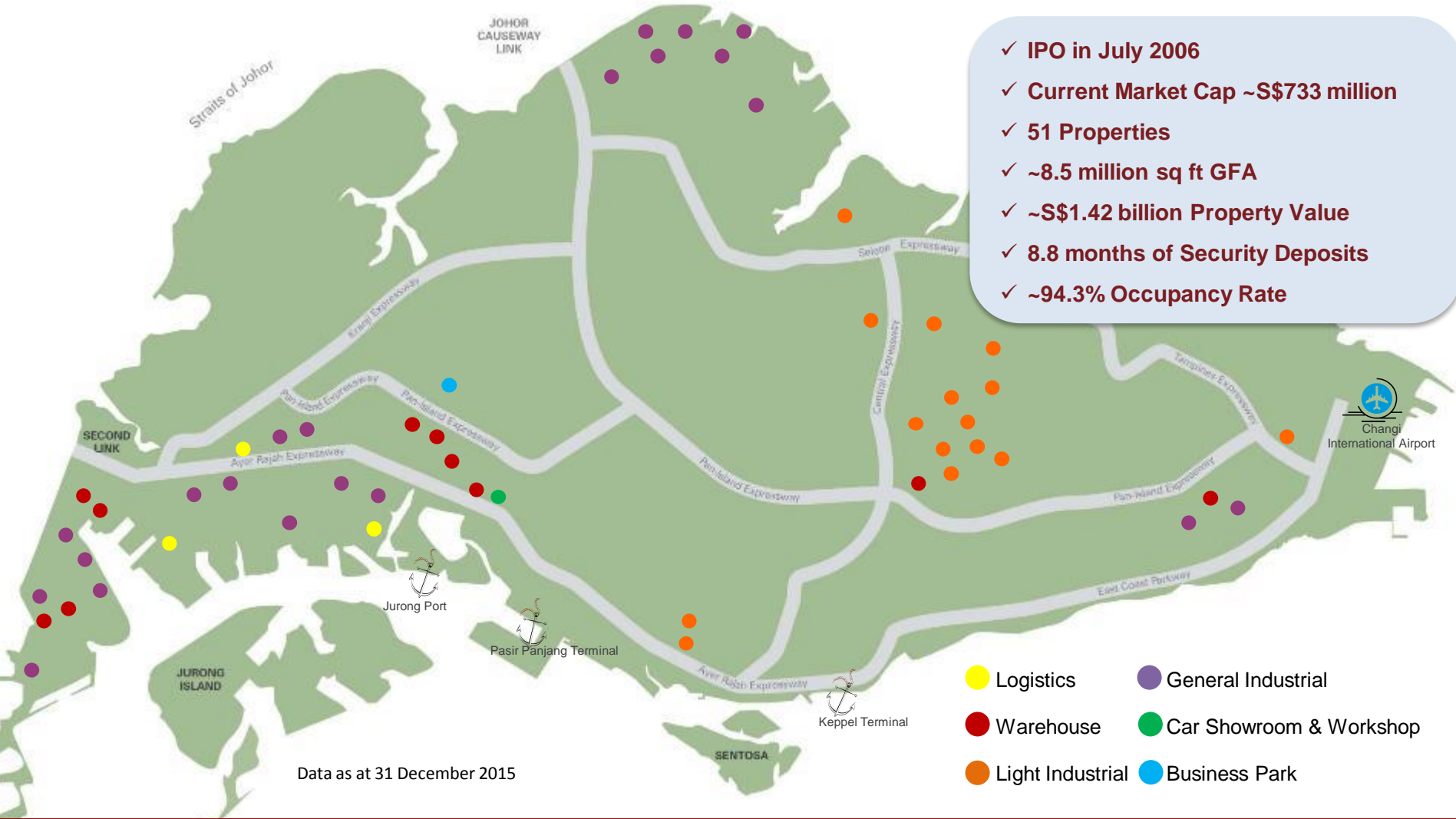
Distribution Details	
Distribution Period	1 October 2015 to 31 December 2015
Distribution Rate	1.139 cents per unit from taxable income
Distribution Reinvestment Plan (“DRP”)	2% Discount
Distribution Timetable	
Last Trading Day on a “Cum Distribution” Basis	19 January 2016
Ex-date	20 January 2016
Books Closure Date	22 January 2016
Fixing of Unit Price for DRP	25 January 2016
Distribution Payment Date	29 February 2016

Appendix

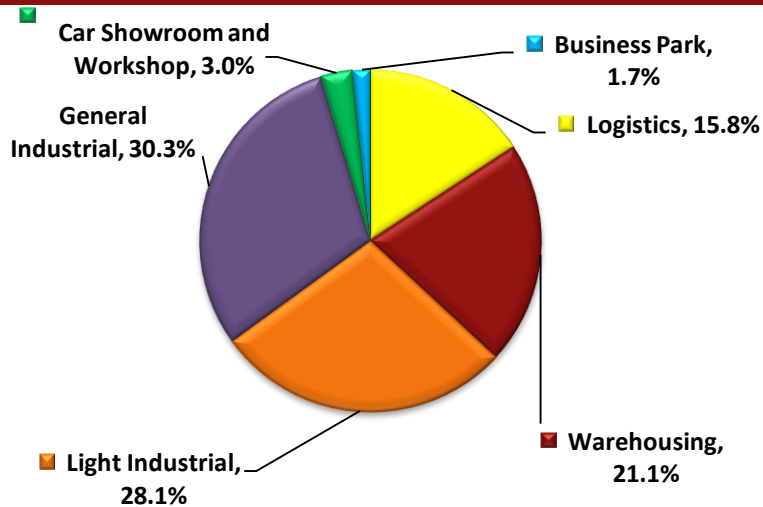


Overview of CIT

- ✓ 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



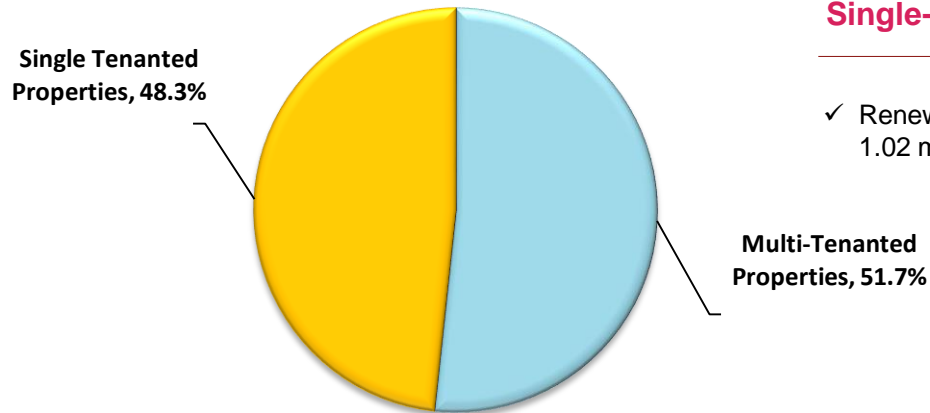
Diversified Portfolio



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)

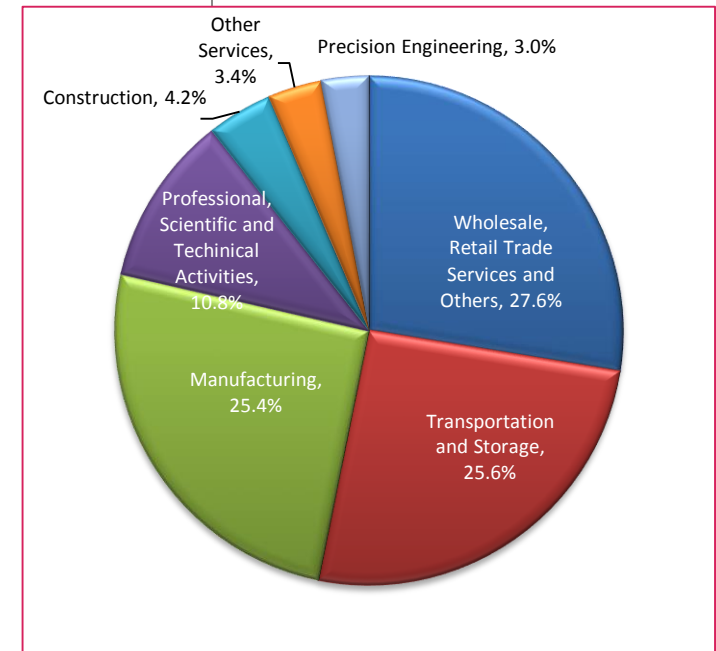
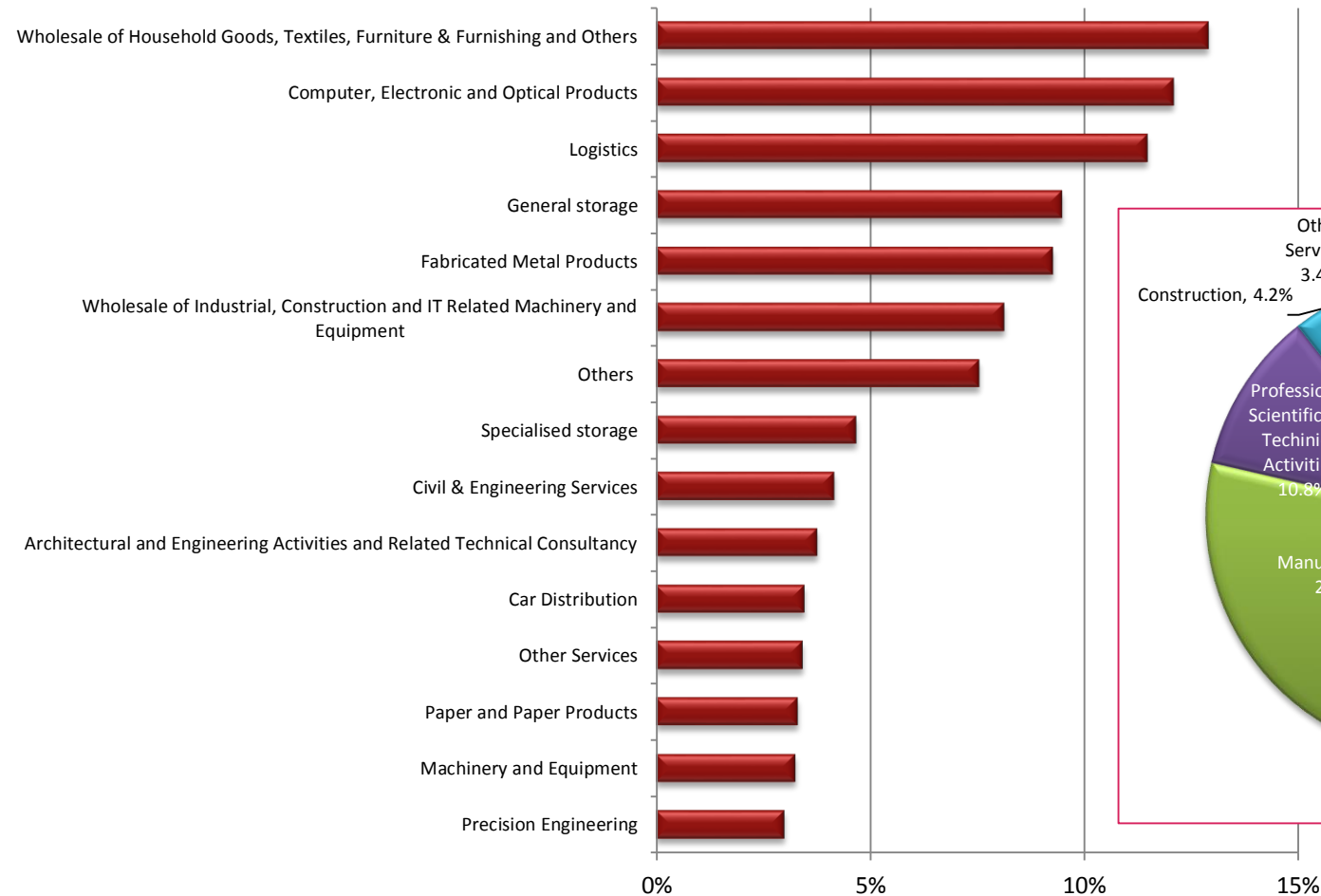
- ✓ Renewed approximately 306,000 sq ft of leases in 4Q2015, amounting to 1.02 million sq ft of leases for FY2015

Diversified Tenant Base and Trade Sector

Tenant Classification (Sub Sectors)

By Gross Revenue

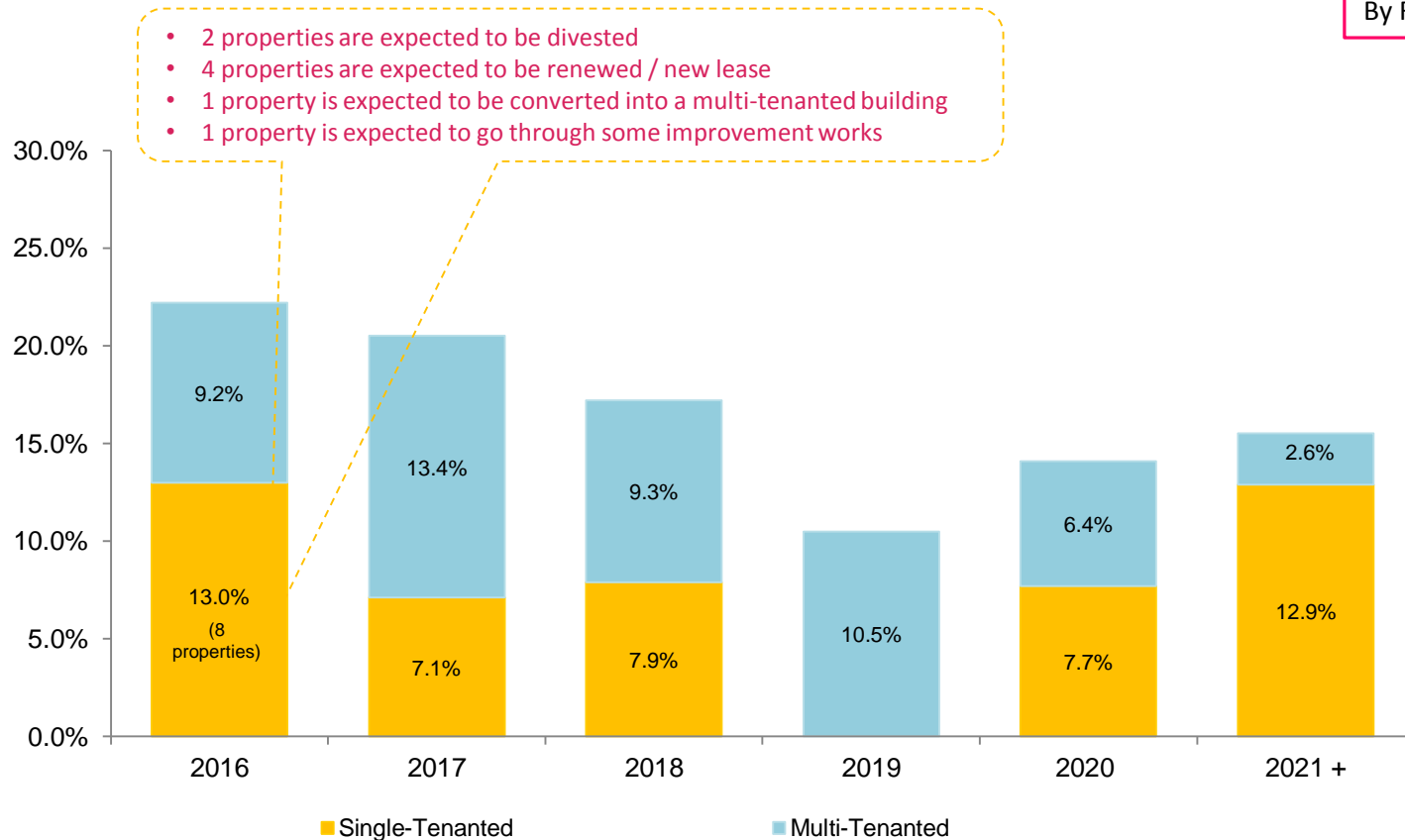
Tenant Classification Main Trade Sectors



Proactive Lease Management

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

By Rental Income

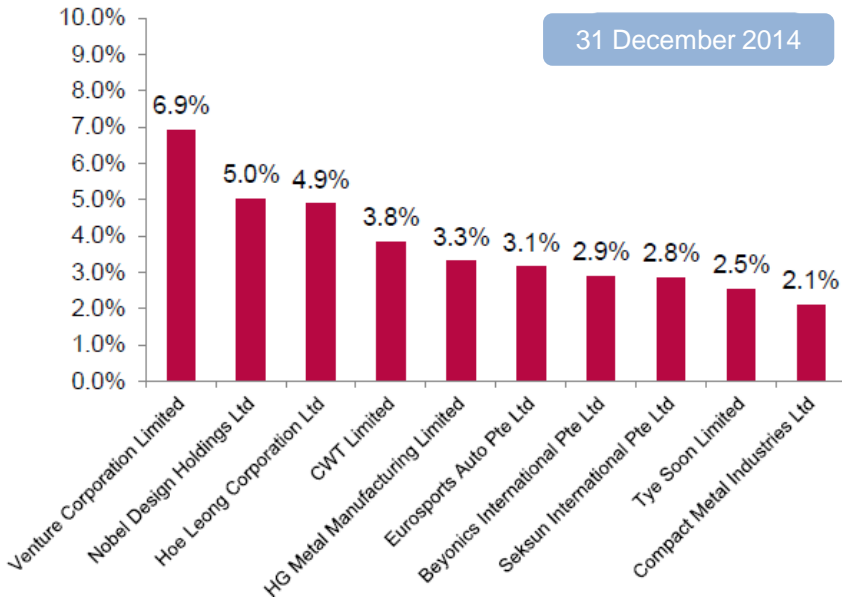


- 2 properties are expected to be divested
- 4 properties are expected to be renewed / new lease
- 1 property is expected to be converted into a multi-tenanted building
- 1 property is expected to go through some improvement works

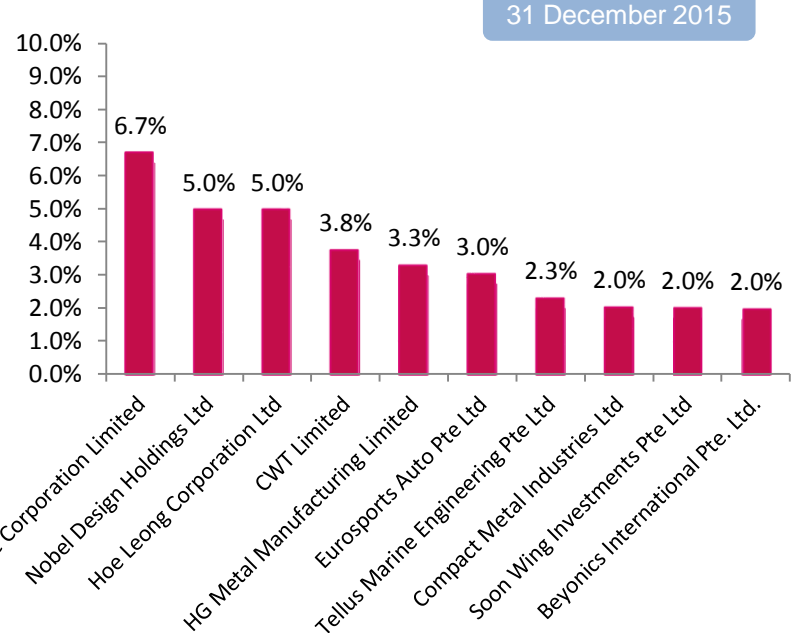
As at 31 December 2015

Quality and Diversified Tenant Base

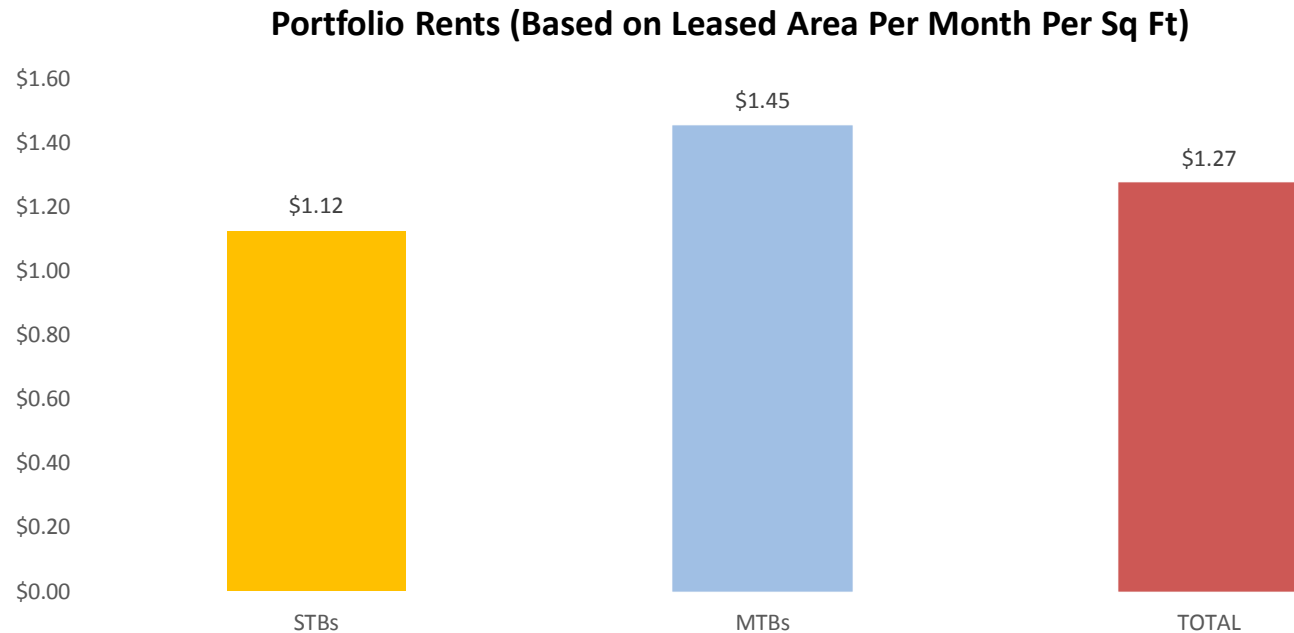
Top 10 Tenants Account for ~37.3% of Rental Income



Top 10 Tenants Account for ~35.1% of Rental Income



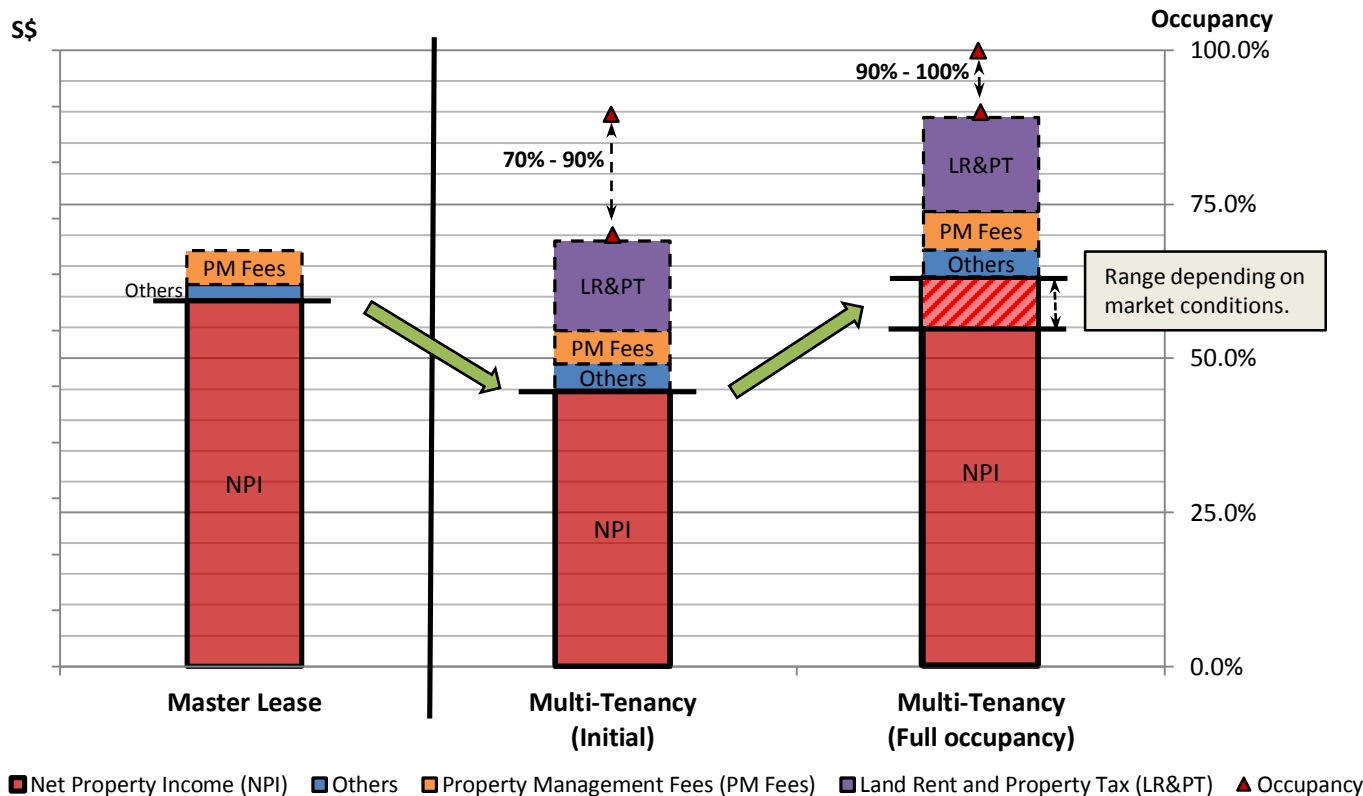
Portfolio Rent and Rental Reversion



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

As at 31 December 2015

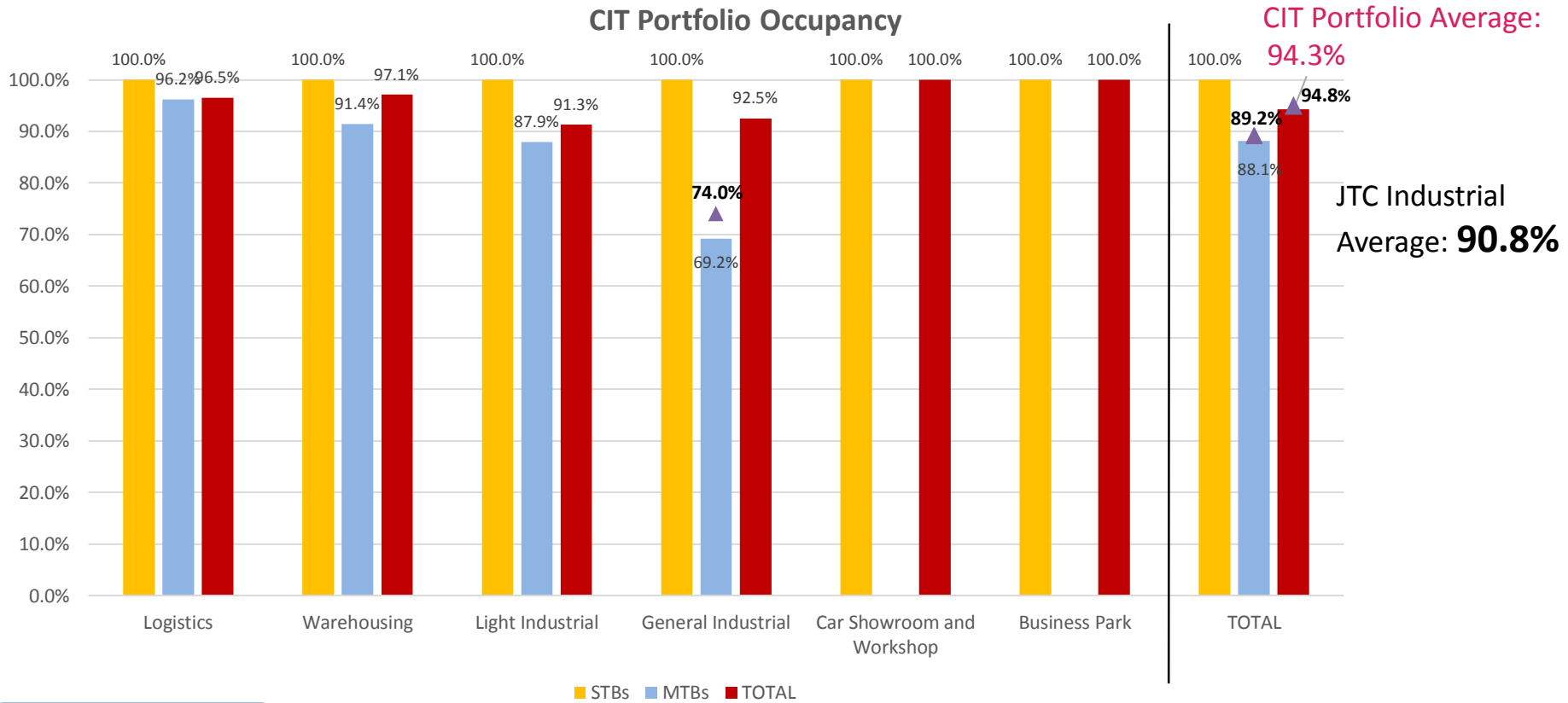
Illustration of Short-Term and Long-Term Effects of Conversion of Master Leased Property to Multi – Tenancy Property



- ✓ During the initial conversion period, NPI decreases, due to (a) temporary drop in occupancy, (b) loss in efficiency from subdivision of space and renovations and (c) bearing additional property related expenses.
- ✓ However, in the long run and as occupancy normalises, the overall NPI is expected to gradually increase with built-in rental escalations in our committed rents, subject to market conditions
- ✓ With approximately 13% of CIT's portfolio due for lease renewal in 2016, the illustration provides background on the anticipated effects on NPI in the initial stages of conversions

Portfolio Occupancy Levels by Asset Class

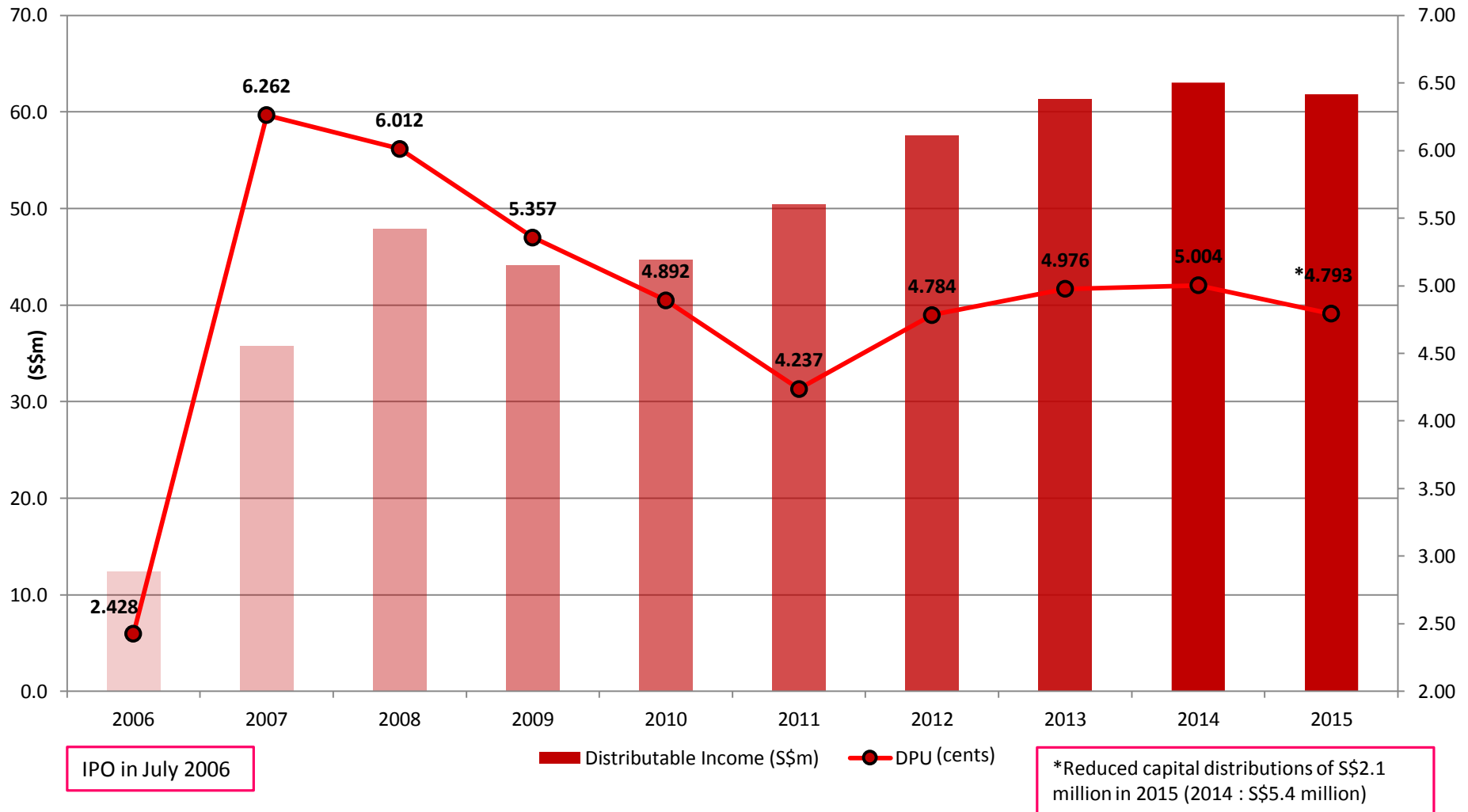
Healthy portfolio occupancy compared to industry average



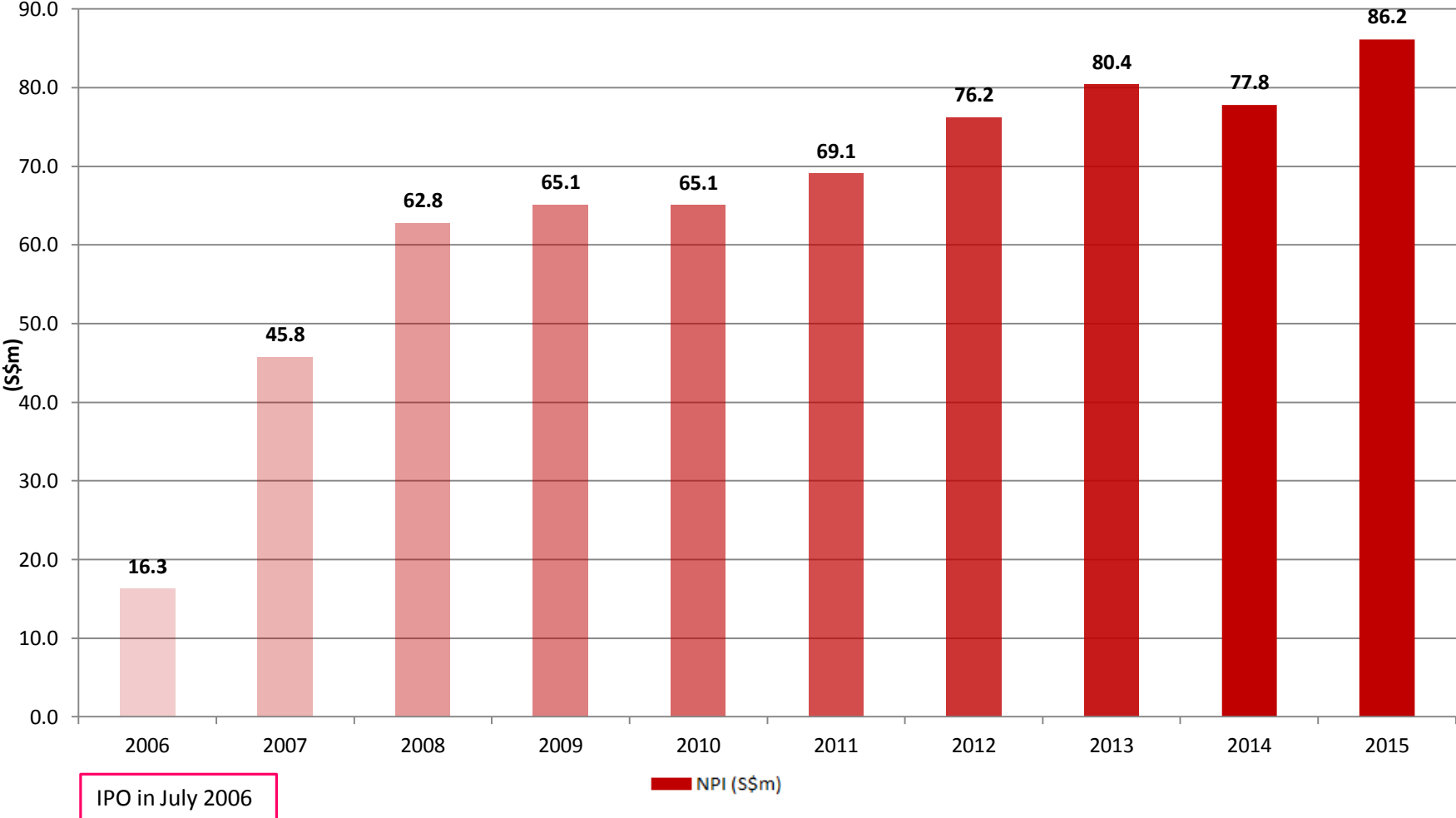
As at 31 Dec 2015

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

Distributable Income and Distribution Per Unit (DPU)

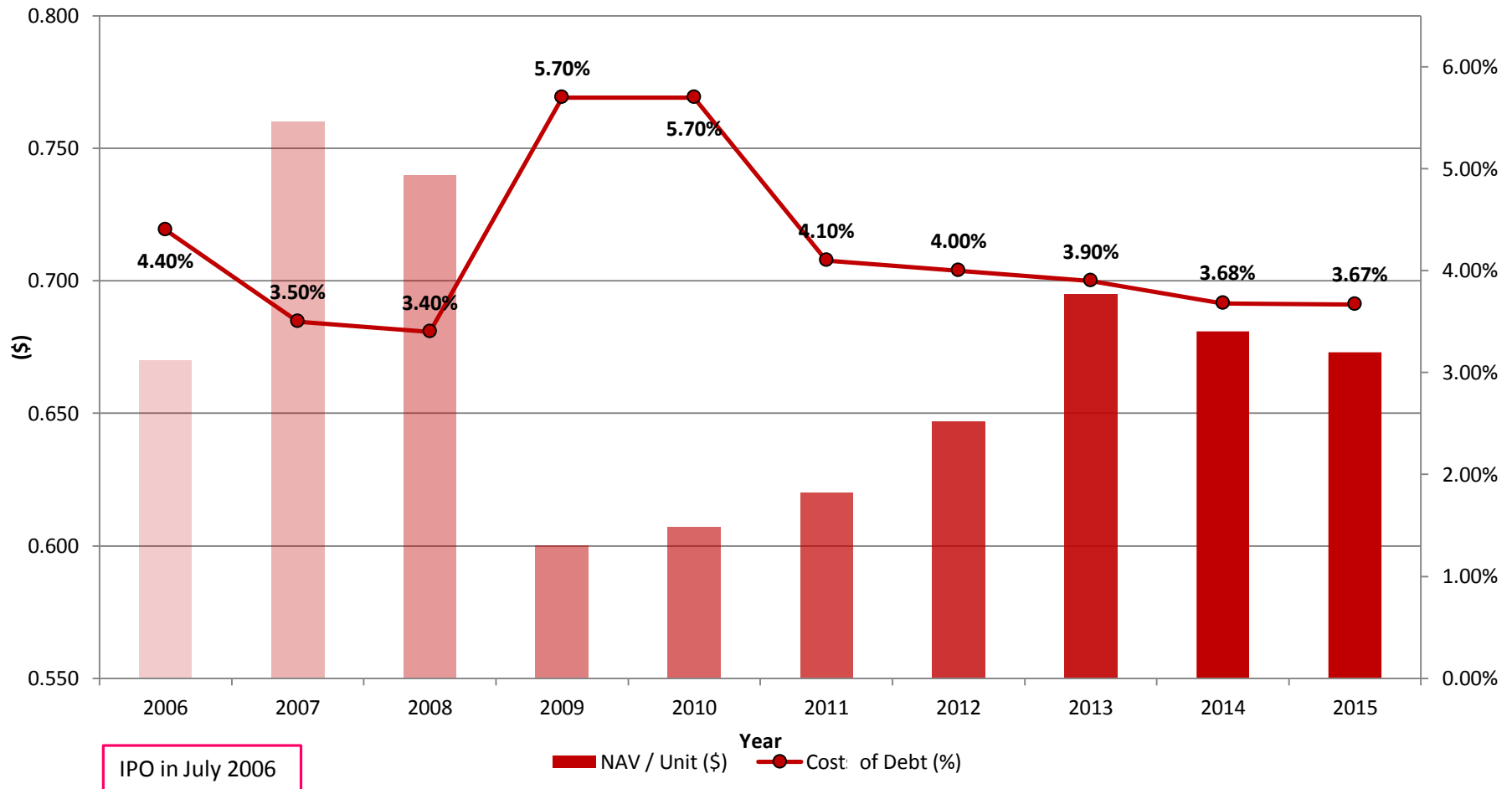


Net Property Income (NPI)



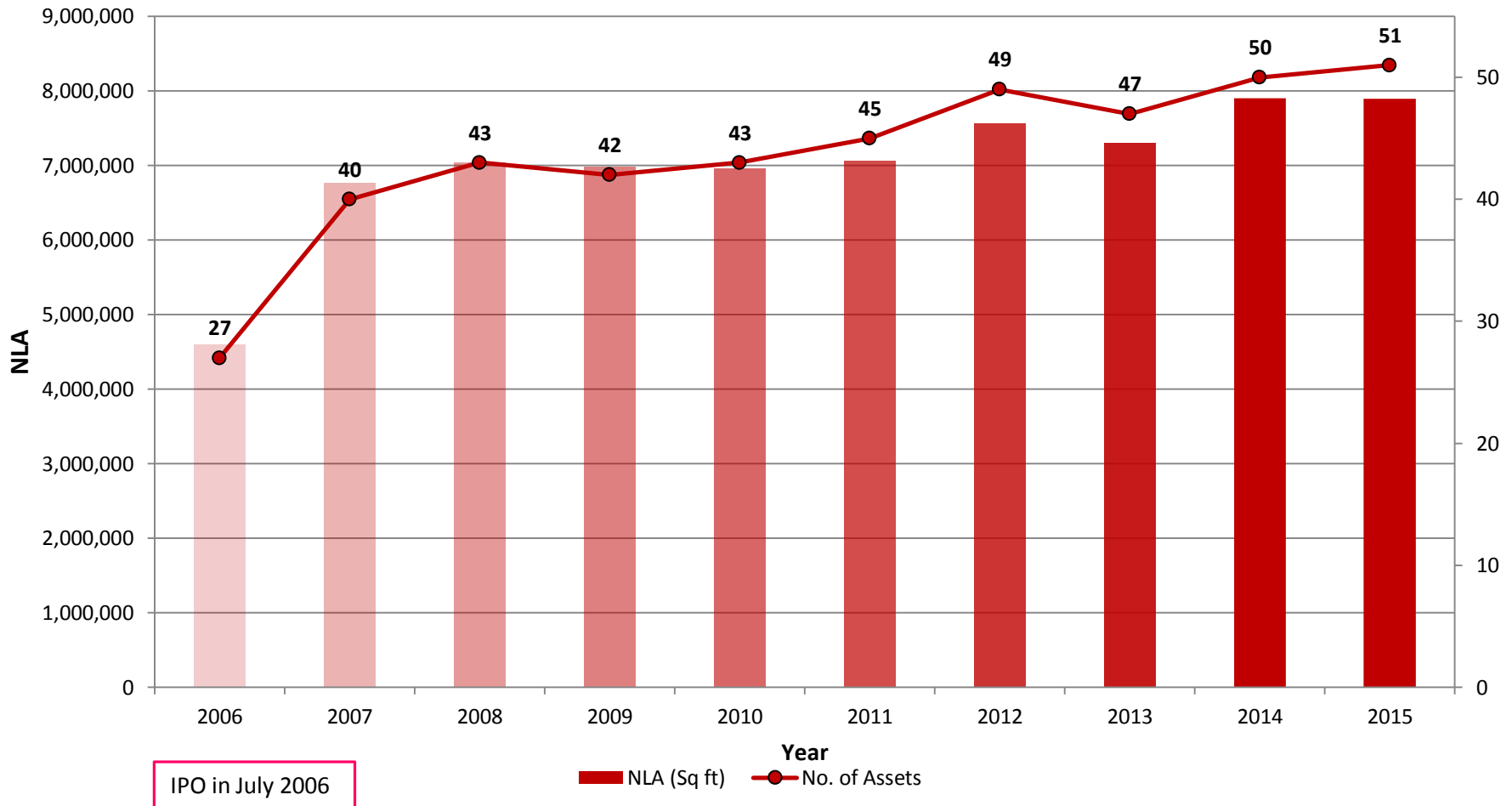
Net Asset Value (NAV) per unit and Cost of Debt

✓ Prudent cost-of-debt management



Net Lettable Area (NLA) and Number of Assets

✓ Consistent increase in NLA and Assets since IPO



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