
FINANCIAL STATEMENT ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2014

The Directors of Cambridge Industrial Trust Management Limited ("CITM"), as Manager of Cambridge Industrial Trust ("CIT") are pleased to announce the unaudited results of the Group and CIT for the third quarter ended 30 September 2014.

CIT and its subsidiary (the "Group") have a diversified portfolio of 49 properties located across Singapore. The portfolio has a carrying value approximating S\$1.3 billion and a total gross floor area approximating 8.3 million square feet as at 30 September 2014. The portfolio comprises properties ranging from logistics and warehousing properties to light and general industrial properties to car showroom and workshop located close to major transportation hubs and key industrial zones island-wide.

The Group's results included the consolidation of 100% interest in a wholly-owned subsidiary, Cambridge-MTN Pte. Ltd. ("Cambridge MTN") and a 60% interest in a limited liability partnership, Cambridge SPV1 LLP ("Cambridge LLP"), on an equity accounting basis. Cambridge LLP owns a property with a carrying value of S\$38.0 million.

The commentaries below are based on Group results unless otherwise stated.

Summary of Group's Results

	3Q2014 S\$'000	3Q2013 S\$'000	Inc/ (Dec) %
Gross revenue	25,013	23,832	5.0
Net property income	19,656	19,306	1.8
Distributable amount	15,803	15,419	2.5
Distribution per unit ("DPU") (cents)	1.250	1.251	(0.1)
Annualised DPU (cents)	4.959	4.963	(0.1)
Annualised Distribution Yield (%)^(a)	6.94	6.94	0.0

Note:

- (a) All yields are computed based on the closing price of S\$0.715 as at 30 September 2014, being the last trading day of the quarter.

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Distribution and Book Closure Date Details

Distribution period	1 July 2014 to 30 September 2014
Distribution rate	1.250 cents per unit comprising: (a) taxable income 1.173 cents per unit (b) capital gains⁽¹⁾ 0.077 cents per unit
Books closure date	31 October 2014
Payment date	12 December 2014

Notes:

- ⁽¹⁾ Distribution of approximately S\$1.0 million from capital gains on sale of investment properties from prior years that have been confirmed by IRAS as capital gains to fund reduction in income contribution for the period from properties undergoing asset enhancement initiatives including asset repositioning.

The Manager has determined that the distribution reinvestment plan will apply to the distribution for the period from 1 July 2014 to 30 September 2014. The pricing of the DRP units issued will be based on the market price to be announced by the Manager on 3 November 2014, less a discount of 2%.

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1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Total Return (3Q2014 vs 3Q2013)

	Note	Group			Trust		
		3Q2014 S\$'000	3Q2013 S\$'000	Inc/ (Dec) %	3Q2014 S\$'000	3Q2013 S\$'000	Inc/ (Dec) %
Gross revenue	(a)	25,013	23,832	5.0	25,013	23,832	5.0
Property manager's fees	(b)	(1,024)	(905)	13.1	(1,024)	(905)	13.1
Property tax	(c)	(1,210)	(968)	25.0	(1,210)	(968)	25.0
Land rents	(c)	(1,476)	(1,223)	20.7	(1,476)	(1,223)	20.7
Other property expenses	(d)	(1,647)	(1,430)	15.2	(1,647)	(1,430)	15.2
Property expenses		(5,357)	(4,526)	18.4	(5,357)	(4,526)	18.4
Net property income		19,656	19,306	1.8	19,656	19,306	1.8
Management fees	(e)	(1,671)	(1,667)	0.2	(1,671)	(1,667)	0.2
Trust expenses	(f)	(412)	(622)	(33.8)	(413)	(622)	(33.6)
Interest income		23	16	43.8	23	16	43.8
Borrowing costs	(g)	(4,233)	(5,525)	(23.4)	(4,233)	(5,525)	(23.4)
Non-property expenses		(6,293)	(7,798)	(19.3)	(6,294)	(7,798)	(19.3)
Net income before share of profits in jointly-controlled entity		13,363	11,508	16.1	13,362	11,508	16.1
Share of profits in jointly-controlled entity	(h)	233	292	(20.2)	-	-	-
Distribution income from jointly-controlled entity		-	-	-	176	396	(55.6)
Net income after share of profits in jointly-controlled entity		13,596	11,800	15.2	13,538	11,904	13.7
Gain on disposal of investment properties		-	34,777	n.m	-	34,777	n.m
Change in fair value of financial derivatives	(i)	452	263	71.9	452	263	71.9
Total return for the period before income tax and distribution		14,048	46,840	(70.0)	13,990	46,944	(70.2)
Less: Income tax expense		-	-	-	-	-	-
Total return for the period after income tax before distribution		14,048	46,840	(70.0)	13,990	46,944	(70.2)

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Distribution Statement (3Q2014 vs 3Q2013)

Note	Group			Trust		
	3Q2014 S\$'000	3Q2013 S\$'000	Inc/ (Dec) %	3Q2014 S\$'000	3Q2013 S\$'000	Inc/ (Dec) %
Total return for the period after income tax before distribution	14,048	46,840	(70.0)	13,990	46,944	(70.2)
Net effect of non-taxable items	(j) 777	(32,662)	n.m	835	(32,766)	n.m
Net income available for distribution for the period	14,825	14,178	4.6	14,825	14,178	4.6
Distribution from capital gains	(k) 978	1,241	(21.2)	978	1,241	(21.2)
Total amount available for distribution for the period	(l) 15,803	15,419	2.5	15,803	15,419	2.5
Distribution per unit (cents):						
For the period	(m) 1.250	1.251	(0.1)	1.250	1.251	(0.1)
Annualised	4.959	4.963	(0.1)	4.959	4.963	(0.1)

n.m. - Not meaningful

Notes:

- (a) Gross revenue for 3Q2014 of S\$25.0 million was S\$1.2 million higher than its comparative quarter, 3Q2013 at S\$23.8 million. Excluding straight line rent adjustments of S\$0.3 million and S\$0.1 million for 3Q2014 and 3Q2013 respectively, gross revenue for 3Q2014 was S\$24.7 million, an increase of S\$0.8 million in relation to the comparative gross revenue for 3Q2013 of S\$23.9 million.

The increase was attributable to additional revenue from property acquisitions net of divestments and the completion of an asset enhancement initiative ("AEIs") since YTD3Q2013.

- (b) Property Manager's fees for 3Q2014 were higher by S\$0.1 million over the previous comparative quarter largely due to the marketing service commission paid for securing new leases and lease renewals for the properties.

- (c) The increase in land rents and property tax was attributed mainly to an increased number of multi-tenanted buildings for which CIT bears these costs. Higher land rents also resulted from an upward revision of land rent rates for several properties in the portfolio during the period.
- (d) Other property expenses were higher in 3Q2014 by S\$0.2 million due to increased utilities costs and integrated facility management expenses for the multi-tenanted buildings where CIT bears these costs. The number of multi-tenanted properties has increased from ten to 15 since 3Q2013.
- (e) The Manager has elected to pay S\$0.6 million of its management fee in units, and the balance of S\$1.1 million in cash for 3Q2014.
- (f) Trust expenses were lower by S\$0.2 million for 3Q2014, as 3Q2013 included the cost of projects which did not materialise, and legal and professional fees.
- (g) Borrowing costs for 3Q2014 decreased by approximately S\$1.3 million, largely due to:
- lower loan transaction costs by S\$0.8 million as comparative quarter included accelerated loan transaction cost from loan repayments, and loan facilities were refinanced with lower set up costs in October 2013;
 - lower commitment fees of S\$0.3 million as loan facilities were drawn to finance AEs and property acquisitions; and
 - net interest cost saving of S\$0.2 million as a result of lower average borrowings outstanding for 3Q2014 (approximately S\$438.8 million) compared to 3Q2013 (approximately S\$455.2 million);

Please refer to 1(b)(ii) for more details on the loan facilities.

- (h) The share of profits in the jointly-controlled entity refers to the equity accounting of CIT's 60% interest in Cambridge LLP's 2Q2014 results which comprises mainly the net rental income from the 3 Tuas South Avenue 4 property.

The share of profits for 3Q2014 was lower than the comparative due to increased interest cost for more loan drawdowns to finance the development works and professional fees incurred for a project which did not materialise.

- (i) The change in fair value of financial derivatives represented the change in fair value of interest rate swaps which were entered into, to hedge the interest rate risk on the loan facilities. Please refer to 1(b)(i)(f) for more details.

In accordance with *FRS 39 Financial Instruments*, the fair value change on interest rate swaps is recognised in the Statement of Total Return. It is non-tax deductible and has no impact on the net income available for distribution.

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- (j) Non-taxable items (distribution adjustments)

	Group		Trust	
	3Q2014 S\$'000	3Q2013 S\$'000	3Q2014 S\$'000	3Q2013 S\$'000
<u>Non-tax deductible items and other adjustments:</u>				
Management fees payable in units	646	-	646	-
Trustee's fees	93	92	93	92
Transaction costs relating to debt facilities	1,009	1,816	1,009	1,816
Change in fair value of financial derivatives	(452)	(263)	(452)	(263)
Professional fees	72	267	72	249
Straight line rent and lease incentives	(633)	68	(633)	68
Share of profits in jointly-controlled entity	(233)	(292)	-	-
Distribution income from jointly-controlled entity	176	396	-	-
Miscellaneous expenses	99	31	100	49
	777	2,115	835	2,011
<u>Income not subject to tax:</u>				
Gain on disposal of an investment property	-	(34,777)	-	(34,777)
Net effect of non-taxable items	777	(32,662)	835	(32,766)

- (k) Distribution from capital gains of S\$1.0 million refers to the capital gains realised from the sale of investment properties to fund the reduction in income contribution for the period from properties undergoing asset enhancement initiatives including asset repositioning.

- (l) Total amount available for distribution for the period comprised:

	Group and Trust		
	3Q2014 S\$'000	3Q2013 S\$'000	Inc/ (Dec) %
Taxable income	14,825	14,178	4.6
Capital gains	978	1,241	(21.2)
Total amount available for distribution for the period	15,803	15,419	2.5

- (m) The total distributable amount of S\$15.8 million after distribution adjustments of S\$0.8 million and based on 1,263,787,494 issued and issuable units, translated to a DPU of 1.250 cents for 3Q2014.

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Statement of Total Return (YTD 3Q2014 vs YTD 3Q2013)

Note	Group			Trust		
	YTD		Inc/ (Dec) %	YTD		Inc/ (Dec) %
	3Q2014 S\$'000	3Q2013 S\$'000		3Q2014 S\$'000	3Q2013 S\$'000	
Gross revenue	73,124	73,202	(0.1)	73,124	73,202	(0.1)
Property manager's fees	(2,871)	(2,452)	17.1	(2,871)	(2,452)	17.1
Property tax	(3,112)	(2,784)	11.8	(3,112)	(2,784)	11.8
Land rents	(3,934)	(3,379)	16.4	(3,934)	(3,379)	16.4
Other property expenses	(4,922)	(3,128)	57.4	(4,922)	(3,128)	57.4
Property expenses	(14,839)	(11,743)	26.4	(14,839)	(11,743)	26.4
Net property income	58,285	61,459	(5.2)	58,285	61,459	(5.2)
Management fees	(4,856)	(4,884)	(0.6)	(4,856)	(4,884)	(0.6)
Performance fees	(1,684)	(13,869)	(87.9)	(1,684)	(13,869)	(87.9)
Trust expenses	(1,113)	(1,766)	(37.0)	(1,114)	(1,767)	(37.0)
Interest income	94	55	70.9	94	55	70.9
Borrowing costs	(12,877)	(18,702)	(31.1)	(12,877)	(18,702)	(31.1)
Non-property expenses	(20,436)	(39,166)	(47.8)	(20,437)	(39,167)	(47.8)
Net income before share of profits in jointly-controlled entity	37,849	22,293	69.8	37,848	22,292	69.8
Share of profits in jointly-controlled entity	531	13,672	(96.1)	-	-	-
Distribution income from jointly-controlled entity	-	-	-	512	396	29.3
Net income after share of profits in jointly-controlled entity	38,380	35,965	6.7	38,360	22,688	69.1
Gain on disposal of investment properties	1,047	34,777	(97.0)	1,047	34,777	(97.0)
Change in fair value of financial derivatives	465	1,299	(64.2)	465	1,299	(64.2)
Change in fair value of investment properties and investment properties under development	(7,251)	31,877	n.m	(7,251)	31,877	n.m
Total return for the period before income tax and distribution	32,641	103,918	(68.6)	32,621	90,641	(64.0)
Less: Income tax expense	(102)	-	n.m	(102)	-	n.m
Total return for the period after income tax before distribution	32,539	103,918	(68.7)	32,519	90,641	(64.1)

Distribution Statement (YTD 3Q2014 vs YTD 3Q2013)

Note	Group			Trust		
	YTD		Inc/ (Dec) %	YTD		Inc/ (Dec) %
	3Q2014 S\$'000	3Q2013 S\$'000		3Q2014 S\$'000	3Q2013 S\$'000	
Total return for the period after income tax before distribution	32,539	103,918	(68.7)	32,519	90,641	(64.1)
Net effect of non-taxable items	(n) 9,391	(74,711)	n.m	9,411	(61,434)	n.m
Net income available for distribution for the period	41,930	29,207	43.6	41,930	29,207	43.5
Distribution from capital gains and capital	(o) 5,180	16,575	(68.7)	5,180	16,575	(68.7)
Total amount available for distribution for the period	47,110	45,782	2.9	47,110	45,782	2.9
Distribution per unit (cents):						
For the period	(q) 3.752	3.725	0.7	3.752	3.725	0.7
Annualised	5.016	4.980	0.7	5.016	4.980	0.7

n.m. - Not meaningful

Notes:

- (a) Gross revenue for YTD3Q2014 was S\$73.1 million, being marginally lower than YTD3Q2013 by S\$0.1 million. Excluding straight line rent adjustments of S\$0.5 million and S\$1.6 million for YTD3Q2014 and YTD3Q2013 respectively, gross revenue for YTD3Q2014 was S\$72.6 million, an increase of S\$1.0 million in relation to the comparative gross revenue for YTD3Q2013 of S\$71.6 million.

The increase was attributable to additional revenue from property acquisitions net of divestments, completion of AEI and property developments, and rent escalations since YTD3Q2013.

- (b) Property Manager's fees for YTD3Q2014 were higher than YTD3Q2013 due to the marketing service commission paid for securing new leases and lease renewals for the properties.

- (c) The increase in land rents and property tax attributed mainly to the increasing number of multi-tenanted buildings for which CIT bears these costs. Higher land rents also resulted from an upward revision of land rent rates for several properties in the portfolio during the period.
- (d) Other property expenses were higher in YTD3Q2014 by approximately S\$1.8 million mainly due to:
- increased utilities costs and integrated facility management expenses for the multi-tenanted buildings where CIT bears these costs. The number of multi-tenanted properties was increased from ten to 15 since 3Q2013; and
 - provision for doubtful debts of S\$0.25 million relating to overdue accounts.
- (e) Management fees included an amount of S\$0.6 million which the Manager has elected to be paid in units and the balance was paid/payable in cash.
- (f) This refers to the performance fee payable to the Manager during the half year ended 30 June 2014.
- (g) Trust expenses decreased by approximately S\$0.7 million mainly due to a reduction in valuation fees of S\$0.2 million and legal and professional fees of S\$0.5 million in YTD3Q2013 relating to the setup of Cambridge LLP and a project which did not materialise.
- (h) Borrowing costs for YTD3Q2014 decreased by approximately S\$5.8 million, largely due to:
- loan transaction costs were lower than YTD3Q2013 by S\$3.5 million as the loan facilities were refinanced with lower set up costs in October 2013 and the comparative period included accelerated loan transaction cost from loan repayments and a bridge loan expiry;
 - net interest cost saving of S\$1.8 million as a result of lower average borrowings outstanding for loan facilities for YTD3Q2014 (approximately S\$410.1 million) compared to YTD3Q2013 (approximately S\$467.5 million); and
 - lower commitment fee of S\$0.5 million due to revolving credit facilities were drawn to finance AEs which commenced in 3Q2013.

Please refer to 1(b)(ii) for more details on loan facilities.

- (i) The share of profits in the jointly-controlled entity referred to the equity accounting of CIT's 60% interest in Cambridge LLP's results for YTD3Q2014 which comprised mainly the net rental income from the 3 Tuas South Avenue 4 property.

The share of profits for the comparative period was higher as it included a net fair valuation of S\$13.1 million on the 3 Tuas South Avenue 4 property. The property was purchased for S\$15.0 million on a vacant possession basis and was revalued to S\$38.0 million in March 2013.

- (j) This refers to the net gain on disposal of the 81 Defu Lane property in 1Q2014.

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- (k) The change in fair value of financial derivatives represented the change in fair value of interest rate swaps which were entered into, to hedge the interest rate risk on the loan facilities. Please refer to 1(b)(i)(f) for more details.

In accordance with *FRS 39 Financial Instruments*, the fair value change on interest rate swaps is recognised in the Statement of Total Return. It is non-tax deductible and has no impact on the net income available for distribution.

- (l) This refers to the fair value change on revaluation of the investment properties and the investment properties under development in June 2014 in accordance with *FRS40 Investment Property*. The revaluations are inclusive of adjustments for straight line rent of S\$1.8 million.

The revaluations are non-tax deductible and have no impact on the net income available for distribution.

- (m) This refers to income tax payable on the rental support received in respect of one property. Distribution of the net of tax amounts were made in prior quarters.

- (n) Non-taxable items (distribution adjustments)

	Group		Trust	
	YTD		YTD	
	3Q2014	3Q2013	3Q2014	3Q2013
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-tax deductible items and other adjustments:</u>				
Management fees payable in units	646	-	646	-
Trustee's fees	270	271	270	271
Transaction costs relating to debt facilities	3,396	7,242	3,396	7,242
Change in fair value of investment properties and investment properties under development	7,251	(31,877)	7,251	(31,877)
Change in fair value of financial derivatives	(465)	(1,299)	(465)	(1,299)
Professional fees	179	543	179	543
Straight line rent and lease incentives	(1,277)	(1,556)	(1,277)	(1,556)
Share of profits in jointly-controlled entity	(531)	(13,672)	-	-
Distribution income from jointly-controlled entity	512	396	-	-
Miscellaneous expenses	207	18	208	19
Provision for doubtful debts	250	-	250	-
	10,438	(39,934)	10,458	(26,657)
<u>Income not subject to tax:</u>				
Gain on disposal of investment properties	(1,047)	(34,777)	(1,047)	(34,777)
Net effect of non-taxable items	9,391	(74,711)	9,411	(61,434)

- (o) The distribution from capital gains and capital includes an aggregate of:
- (i) approximately S\$3.5 million from the capital gains realised from the sale of investment properties from prior years to fund the reduction in income contribution for the period from properties undergoing asset enhancement initiatives, including asset repositioning; and
 - (ii) approximately S\$1.7 million from capital to fund the reduction in net income from the performance fees payable in cash.
- (p) Total amount available for distribution for the period comprised:

	Group and Trust		
	YTD		Inc/ (Dec) %
	3Q2014 S\$'000	3Q2013 S\$'000	
Taxable income	41,715	29,207	42.8
Tax exempt income ⁽¹⁾	215	-	n.m
Capital gains	3,496	2,706	29.2
Capital	1,684	13,869	(87.9)
Total amount available for distribution for the period	47,110	45,782	2.9

Note:

⁽¹⁾ Tax exempt income relates to rental support received less tax payable by CIT.

- (q) The total distributable amount of S\$47.1 million after distribution adjustments of S\$9.4 million, translated to a DPU of 3.752 cents for YTD3Q2014.

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1(b)(i) Statement of Financial Position, together with comparatives as at the end of the immediately preceding financial year

Note	Group		Trust	
	30-09-14 S\$'000	31-12-13 S\$'000	30-09-14 S\$'000	31-12-13 S\$'000
Assets				
Non-current assets				
Investment properties	(a) 1,281,776	1,132,598	1,281,776	1,132,598
Investment properties under development	(b) 12,323	22,292	12,323	22,292
Investment in subsidiary	(c) -	-	-	-
Investment in jointly-controlled entity	(d) 16,453	16,435	3,078	3,078
Trade and other receivables	(e) -	1,820	-	1,820
Derivative financial instruments	(f) -	227	-	227
	1,310,552	1,173,372	1,297,177	1,160,015
Current assets				
Investment properties held for divestment	(a) 11,700	6,700	11,700	6,700
Trade and other receivables	(e) 12,087	7,304	12,087	7,304
Cash and cash equivalents	(g) 15,713	73,540	15,704	73,526
	39,500	87,544	39,491	87,530
Total assets	1,350,052	1,260,916	1,336,668	1,247,545
Liabilities				
Current liabilities				
Trade and other payables	(h) 20,650	31,320	20,645	31,308
Interest-bearing borrowings (net of transaction costs)	(i) 77,536	-	77,536	-
Derivative financial instruments	(f) -	1,161	-	1,161
	98,186	32,481	98,181	32,469
Non-current liabilities				
Trade and other payables	(h) 11,674	11,986	11,674	11,986
Interest-bearing borrowings (net of transaction costs)	(i) 375,656	354,903	375,656	354,903
Derivative financial instruments	(f) 400	-	400	-
	387,730	366,889	387,730	366,889
Total liabilities	485,916	399,370	485,911	399,358
Net assets	864,136	861,546	850,757	848,187
Represented by:				
Unitholders' funds	864,136	861,546	850,757	848,187

Notes:

(a) The total carrying value of investment properties (including investment properties held for divestment) was S\$1,293.5 million as at 30 September 2014. The net increase of S\$154.2 million during the period was mainly driven by:

- Property acquisitions net of divestments and completion of a development property, at a total of S\$152.2 million;
- capital expenditure and asset enhancement initiatives of S\$7.5 million; and
- net revaluation decrement arising from independent valuation of the properties in June 2014 of S\$5.5 million.

An investment property with carrying value of S\$11.7 million as at 30 September 2014, has been reclassified as investment properties held for divestment. This reclassification is required by *FRS 105 – Non-current Assets held for Sale and Discontinued Operations* as the divestments are planned within the next 12 months from the reporting date.

(b) Investment properties under development refers to the progress billings of a development project located at 21B Senoko Loop. This project is carried in the books at cost which approximates its fair value as at 30 September 2014.

(c) At the Trust level, this pertains to an investment in a wholly owned subsidiary, Cambridge MTN, with a capital of S\$1.00, which is eliminated at the consolidated level.

(d) The interest in jointly-controlled entity referred to CIT's 60% interest in Cambridge LLP.

(e) The trade and other receivables were up by S\$3.0 million (including the current and non-current portion), largely due to increased rent receivable of S\$1.1 million and the deferred marketing commission expenditure of S\$1.7 million to be amortised over the tenor of the leases.

(f) Derivative financial instruments represent the fair value of interest rate swaps entered into to hedge the interest rate risk on the loan facilities.

(g) Cash and cash equivalents decreased by S\$57.8 million as at 30 September 2014. The decrease was due to:

- the financing of property acquisitions, progress payments for the properties under development and AElS of S\$51.7 million; and
- refund of retention sums of S\$6.1 million.

(h) The decrease in trade and other payables approximately by S\$11.0 million to S\$32.3 million (including current and non-current portion) attributed mainly to the following:

- refund of retention sums of S\$6.1 million to vendors; and
- payment of progress billings on development projects of S\$4.3 million.

Trade and other payables included security deposits of S\$1.4 million (current) and S\$5.8 million (non-current), performance fees payable of S\$4.2 million (current) and S\$5.8 million (non-current).

The payment for the total of the Manager's fees and performance fees are capped at 0.4% of the CIT's total deposited property value per half year under the Trust Deed. The amount in excess of the fee cap will be carried forward for payment in the future half year periods.

- (i) The increase in the interest-bearing borrowings (including current and non-current portion) from S\$354.9 million as at 31 December 2013, to S\$453.2 million as at 30 September 2014 was mainly due to:
- additional loans drawn down of S\$65.8 million to finance the payments for property acquisitions and AEs;
 - issue of Series 002 MTN of S\$30.0 million in April 2014 pursuant to the S\$500 million Multicurrency Medium Term Note Programme; and
 - lower amortisation cost of loan facilities by S\$2.5 million.

1(b)(ii) Aggregate amount of borrowings

	Note	Group and Trust		
		30-09-14 S\$'000	31-12-13 S\$'000	
Secured borrowings	(a)			
Amount payable within one year		28,000	-	
Less: Unamortised loan transaction costs		(356)	-	
		27,644	-	
Amount payable after one year		350,000	312,172	
Less: Unamortised loan transaction costs		(4,124)	(6,980)	
		345,876	305,192	
Total secured borrowings		373,520	305,192	
Unsecured borrowings		(b)		
Amount payable within one year			50,000	-
Less: Unamortised loan transaction costs	(108)		-	
	49,892		-	
Amount payable after one year	30,000		50,000	
Less: Unamortised loan transaction costs	(220)		(289)	
	29,780		49,711	
Total unsecured borrowings	79,672		49,711	
Total borrowings	453,192	354,903		
Current	77,536	-		
Non-current	375,656	354,903		
	453,192	354,903		

Details of borrowings and collateral:

(a) Secured borrowings

CIT has in place a secured S\$250.0 million club loan facility ("CLF") from a syndicate of four financial institutions consisting of:

- Facility A: S\$100 million term loan facility, maturing in June 2016;
- Facility B: S\$100 million term loan facility, maturing in June 2016; and
- Facility D: S\$50 million revolving credit facility, maturing in June 2016.

The S\$100 million short term loan facility (Facility C) was repaid in 1Q2013 when the facility matured in March 2013.

The CLF bears an interest rate comprising a margin plus swap offer rate per annum and is secured by way of the following:

- mortgages over a single pool of 20 investment properties (“Portfolio Properties 1”);
- debentures creating fixed and floating charges on all present and future assets in relation to the Portfolio Properties 1;
- an assignment of all tenancy agreements, sales agreements, insurance policies, rental assignments, bankers’ guarantees and property management agreement in relation to the Portfolio Properties 1; and
- an assignment of all rental, sale and insurance proceeds and all sums from time to time which CIT is entitled to receive from Portfolio Properties 1.

A total of S\$250.0 million was outstanding on the CLF as at 30 September 2014.

- (ii) CIT has in place a secured S\$100 million term loan facility (“TLF”), which bears an interest rate comprising a margin plus swap offer rate per annum. The TLF has a tenor of 3 years and matures in April 2017.

The TLF is secured by way of the following:

- a mortgage over seven investment properties (“Portfolio Properties 2”);
- a debenture creating fixed and floating charges on all present and future assets in relation to the Portfolio Properties 2;
- an assignment of all tenancy agreements, sales agreements, insurance policies, rental assignments, bankers’ guarantees and property management agreement in relation to the Portfolio Properties 2; and
- an assignment of all rental, sale and insurance proceeds and all sums from time to time which CIT is entitled to receive from Portfolio Properties 2.

A total of S\$100.0 million was outstanding on the TLF as at 30 September 2014.

- (iii) The Group has in place a secured S\$40 million Revolving Credit Facility (“RCF”), which bears an interest rate comprising a margin plus swap offer rate per annum. The RCF has a tenor of 3 years and matures in July 2015.

The RCF bears an interest rate comprising a margin plus swap offer rate per annum and is secured by way of the following:

- a mortgage over three investment properties (“Portfolio Properties 3”);
- a debenture creating fixed and floating charges on all present and future assets in relation to the Portfolio Properties 3;
- an assignment of all tenancy agreements, sales agreements, insurance policies, rental assignments, bankers’ guarantees and property management agreement in relation to the Portfolio Properties 3; and

- an assignment of all rental, sale and insurance proceeds and all sums from time to time which CIT is entitled to receive from Portfolio Properties 3.

A total of S\$28.0 million was outstanding on the RCF as at 30 September 2014.

(b) Unsecured borrowings

The unsecured borrowings of the Group comprise the following notes issued under its S\$500 million Multicurrency MTN Programme:

- S\$50 million three-year Singapore Dollar MTN in series 001 (the “Series 001 Notes”) issued in March 2012 and maturing in March 2015. The Series 001 Notes are unsecured and have a fixed rate of 4.75% per annum payable semi-annually in arrears; and
- S\$30 million six-year Singapore Dollar MTN in series 002 (the “Series 002 Notes”) issued in April 2014 and maturing in April 2020. The Series 002 Notes are unsecured and have a fixed rate of 4.10% per annum payable semi-annually in arrears.

(c) Unsecured investment properties

As at 30 September 2014, the Group has 18 unencumbered investment properties with a combined carrying value of S\$373.7 million.

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FINANCIAL STATEMENT ANNOUNCEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

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1 (c) Statement of Cash Flows

Note	Group			
	3Q2014 S\$'000	3Q2013 S\$'000	YTD 3Q2014 S\$'000	YTD 3Q2013 S\$'000
Cash flows from operating activities				
Total return for the period after income tax before distribution	14,048	46,840	32,539	103,918
Adjustments for:				
Interest income	(23)	(16)	(94)	(55)
Borrowing costs	4,233	5,525	12,877	18,702
Management fees payable in units	646	-	646	-
Share of profits in jointly-controlled entity	(233)	(292)	(531)	(13,672)
Gain on disposal of investment properties	-	(34,777)	(1,047)	(34,777)
Change in fair value of investment properties and investment properties under development	-	-	7,251	(31,877)
Change in fair value of financial derivatives	(452)	(263)	(465)	(1,299)
Operating income before working capital changes	18,219	17,017	51,176	40,940
Changes in working capital				
Trade and other receivables	(1,482)	(2,317)	(4,710)	(4,453)
Trade and other payables	744	5,989	278	20,828
Net cash generated from operating activities	17,481	20,689	46,744	57,315
Cashflows from investing activities				
Net cash outflow on investment properties	(41,637)	(998)	(124,542)	(99,032)
Payment for investment properties under development	(8,946)	(1,323)	(41,613)	(13,309)
Proceeds from disposal of investment properties	-	167,700	7,800	240,100
Payment for divestment costs	-	-	(107)	-
Investment in jointly-controlled entity	-	-	-	(3,078)
Interest received	23	16	94	55
Distribution income from jointly-controlled entity	156	-	534	-
Net cash (used in)/from investing activities	(50,404)	165,395	(157,834)	124,736
Cash flows from financing activities				
Equity issue costs paid	(74)	(58)	(141)	(190)
Proceeds from borrowings	38,448	-	95,827	96,836
Borrowing costs paid	(3,623)	(6,252)	(12,014)	(14,685)
Repayment of borrowings	-	(47,700)	-	(169,233)
Distributions paid to Unitholders	(10,592)	(13,772)	(30,409)	(33,020)
Net cash generated from/(used in) financing activities	24,159	(67,782)	53,263	(120,292)
Net (decrease)/increase in cash and cash equivalents	(8,764)	118,302	(57,827)	61,759
Cash and cash equivalents at beginning of the period	24,477	33,214	73,540	89,757
Cash and cash equivalents at end of the period	15,713	151,516	15,713	151,516

Notes:

- (a) Net cash outflow on investment properties (including acquisition related costs)

	Group		Group	
	3Q2014 S\$'000	3Q2013 S\$'000	YTD	
			3Q2014 S\$'000	3Q2013 S\$'000
Investment properties acquired	(39,800)	-	(112,800)	(101,021)
Acquisition related costs	(399)	(95)	(1,394)	(1,280)
Capital expenditure incurred	(1,409)	278	(4,333)	(2,964)
Retention sums	(29)	(1,181)	(6,015)	6,233
Net cash outflow	(41,637)	(998)	(124,542)	(99,032)

- (b) Proceeds from Disposal of Investment Properties

The proceeds from the disposal of investment properties for YTD3Q2014 refers to the sale of the property located at 81 Defu lane 10, which was completed in March 2014.

- (c) Proceeds from Borrowings

The proceeds from borrowings are drawn from loan facilities to partially finance the property acquisition and payments for AEI works.

- (d) Non-cash Transaction

The distribution paid to Unitholders excludes the units issued as part payment of distributions, pursuant to the Distribution Reinvestment Plan.

The Group issued 7,327,516 units in CIT amounting to approximately S\$5.1 million (net of withholding tax) in 3Q2014 as part payment of the distribution for 2Q2014 pursuant to the DRP.

During YTD3Q2014, the Group issued an aggregate of 23,536,574 units in CIT as part payment of the distribution for 4Q2013, 1Q2014 and 2Q2014, which amounted to a total of S\$16.4 million (net of withholding tax).

1(d)(i) Statement of Movements in Unitholders' funds (3Q2014 vs 3Q2013)

	Group		Trust	
	3Q2014 S\$'000	3Q2013 S\$'000	3Q2014 S\$'000	3Q2013 S\$'000
Balance at beginning of period	860,099	824,390	846,778	811,008
Operations				
Total return for the period after income tax before distribution	14,048	46,840	13,990	46,944
Net increase in net assets resulting from operations	14,048	46,840	13,990	46,944
Unitholders' transactions				
Issuance of units pursuant to:				
- Distribution Reinvestment Plan	5,115	1,484	5,115	1,484
Units to be issued:				
- Management fees payable in units	646	-	646	-
Equity costs pursuant to:				
- Distribution Reinvestment Plan	(65)	(55)	(65)	(55)
Distributions to Unitholders	(15,707)	(15,256)	(15,707)	(15,256)
Net decrease in net assets resulting from Unitholders' transactions	(10,011)	(13,827)	(10,011)	(13,827)
Balance at end of the period	864,136	857,403	850,757	844,125

Statement of Movements in Unitholders' funds (YTD 3Q2014 vs YTD 3Q2013)

	Group		Trust	
	YTD		YTD	
	3Q2014 S\$'000	3Q2013 S\$'000	3Q2014 S\$'000	3Q2013 S\$'000
Balance at beginning of period	861,546	786,693	848,187	786,692
Operations				
Total return for the period after income tax before distribution	32,539	103,918	32,519	90,641
Net increase in net assets resulting from operations	32,539	103,918	32,519	90,641
Unitholders' transactions				
Issuance of units pursuant to:				
- Distribution Reinvestment Plan	16,402	12,284	16,402	12,284
Units to be issued:				
- Management fees payable in units	646	-	646	-
Equity costs pursuant to:				
- Distribution Reinvestment Plan	(186)	(188)	(186)	(188)
Distributions to Unitholders	(46,811)	(45,304)	(46,811)	(45,304)
Net decrease in net assets resulting from Unitholders' transactions	(29,949)	(33,208)	(29,949)	(33,208)
Balance at end of the period	864,136	857,403	850,757	844,125

1(d)(ii) Details of any changes in the units

Note	Trust			
	3Q2014 Units	3Q2013 Units	YTD 3Q2014 Units	YTD 3Q2013 Units
Issued units at the beginning of period	1,255,547,939	1,230,317,703	1,239,338,881	1,216,015,451
Issue of new units pursuant to: - Distribution Reinvestment Plan	(a) 7,327,516	2,202,608	23,536,574	16,504,860
Issued units at end of the period	1,262,875,455	1,232,520,311	1,262,875,455	1,232,520,311
Units to be issued: -Management fees payable in units	(b) 912,039	-	912,039	-
Total Issued and Issuable units at end of the period	1,263,787,494	1,232,520,311	1,263,787,494	1,232,520,311

Notes:

- (a) The new units, which ranked pari passu with existing units for entitlement to distributions, were issued during the period pursuant to the Distribution Reinvestment Plan.
- (b) This refers to the estimated number of units issuable to the Manager in partial settlement of the management fee for 3Q2014.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.

There were no treasury units issued since the date of listing of CIT on 25 July 2006. The total number of issued units as at the end of the current and the preceding financial periods are disclosed in 1(d)(ii).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the accounting policies and methods of computation for the prior financial year ended 31 December 2013.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per unit ("EPU") and distribution per unit ("DPU") for the period

	Group				
	Note	YTD			
		3Q2014	3Q2013		3Q2014
EPU					
Total return after income tax before distribution for the period (S\$'000)		14,048	46,840	32,539	103,918
Weighted average number of units for the period ('000)		1,257,230	1,230,844	1,249,673	1,225,303
EPU (cents)	(a)	1.117	3.806	2.604	8.481
DPU					
Total amount available for distribution for the period (S\$'000)		15,803	15,419	47,110	45,782
Applicable number of units for calculation of DPU ('000)		1,263,787	1,232,520	1,255,597	1,228,976
DPU (cents)	(b)	1.250	1.251	3.752	3.725

Notes:

- (a) The EPU was calculated using total return after income tax before distribution for the period, which includes the management fee payable in units, share of profits in jointly-controlled entity, fair value changes investment properties and investment properties under development and financial derivatives, and the weighted average number of units.

The weighted average number of units comprises units in issue during the period and the estimated number of units issuable to the Manager for partial payment of the management fee for 3Q2014. The diluted EPU is the same as basic EPU as no dilutive instruments were in issue during the period.

- (b) DPU was calculated using total amount available for distribution and the number of units entitled to distribution during the period.

7 Net tangible assets (NTA) per unit based on units issued at the end of the period

	Note	Group		Trust	
		30-09-14	31-12-13	30-09-14	31-12-13
Net asset value per unit (cents)	(a)	68.4	69.5	67.3	68.4

Note:

- (a) NTA per unit was calculated based on the number of units issued and issuable as at the end of the respective periods.

8 Review of the performance

The review of the performance is found in Section 1(a) – Statement of Total Return and Distribution Statement and Section 1(b)(i) – Statement of Financial Position.

9 Review of the performance against Forecast/Prospect Statement

The Group has not disclosed any forecast to the market.

10. Commentary on the significant trends and competitive conditions of the industry in which the group operates.

The Singapore GDP grew 2.4%¹ on a year-on-year (y-o-y) basis in the third quarter of 2014 and expanded 1.2% on a quarter-on-quarter seasonally adjusted annualized basis, based on advance estimates. The growth in the manufacturing sector was supported primarily by the biomedical manufacturing and electronics clusters, and the growth in the services producing industries was supported by the finance & insurance and business services sectors. The construction sector however, moderated from the previous quarter due to weaker private sector construction activities.

On a y-o-y basis, Singapore's non-oil domestic exports (NODX) grew by 0.9%² in September 2014, following the 6% increase in the previous month. The decrease, in contrast to the previous month, is due to a rise in non-electronic NODX which outweighed the decline in electronic NODX.

The Singapore industrial property experienced stable leasing activity but sale remained subdued in 3Q2014, particularly the strata-titled sales sector, according to the latest research report by Colliers International³. The mixed sentiment is caused by the slower pace of economic growth, both on the global and local economics fronts and the restrictions on foreign labour supply which has quite significant impact on the manufacturing, construction and services industries. The industrial investment sector, on the other hand, has seen sales rebounded in 3Q2014, buoyed by the renewed confidence among institutional investors.

¹ Ministry of Trade and Industry (MTI), Singapore's GDP Grew 2.4 Per Cent in the Third Quarter of 2014, 14 October 2014

² International Enterprise (IE) Singapore, Singapore's External Trade – September 2014, 17 Oct 2014

³ Colliers International (Colliers), Research & Forecast Report, Singapore Industrial and Investment 3Q2014

Any known factors or events that may affect the group in the next reporting period and the next 12 months.

1. Management of lease expiries

Two properties, which account for approximately 3.1% of total rental revenue for September 2014, have head leases expiring in 2014. The Manager expects to convert these properties to multi-tenancy in 4Q2014.

About 15.8% of CIT's leases by total rental revenue is due for renewal in FY2015, of which 8.3% are leases for single-tenanted buildings and 7.5% are leases for multi-tenanted buildings. Some of the single-tenanted buildings may be converted to multi-tenanted buildings and these conversions may have impact on portfolio occupancy and revenue, and result in an increase in property expenses.

Management will continue to proactively manage the Group's portfolio to maintain maximum occupancy to ensure that the Group's portfolio value and rental yields are maximised.

2. Debt expiry

The Group has the following debt expiries within the next 12 months:

- S\$50 million three-year Singapore Dollar MTN maturing in March 2015; and
- S\$28 million three-year revolving credit facilities maturing in July 2015.

Management expects to refinance these debt expiries ahead of their maturity dates.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: **Thirty-fifth** distribution for the period from 1 July 2014 to 30 September 2014

Distribution Type: Taxable income/Capital gains

Distribution Rate: 1.250 cents per unit comprising:
(a) taxable income 1.173 cents per unit
(b) capital gains 0.077 cents per unit

Par value of units: Not meaningful

Tax Rate: Taxable income distribution
The distribution is made out of CIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets).

Capital gains distribution
The distribution is made out of gains arising from sale of investment properties from prior years that have been confirmed by the Inland Revenue Authority of Singapore as capital gains. Unitholders receiving distributions out of capital gains are not subject to Singapore income tax unless they hold the Units as trading assets.

The Manager has determined that the Distribution Reinvestment Plan ("DRP") will apply to the distribution for the period from 1 July 2014 to 30 September 2014.

The DRP provides the Unitholders with an option to receive fully paid units in CIT in lieu of the cash amount of distribution (including any final or other distribution) which is declared on the units held by them after the deduction of any applicable income tax. The Unitholders will receive a copy of the Notice of Election for their distribution election. The pricing of the DRP units issued will be based on the market price to be announced by the Manager on 3 November 2014, less a discount of 2%.

(b) Corresponding period of the immediately preceding year

Any distributions declared for
the previous corresponding
financial period:

Yes

Name of distribution: **Thirty-first** distribution for the period from 1 July 2013 to 30 September 2013

Distribution Type: Taxable income/Capital gains

Distribution Rate: 1.251 cents per unit comprising:
(a) taxable income 1.150 cents per unit
(b) capital gains 0.101 cents per unit

Par value of units: Not meaningful

Tax Rate: Taxable income distribution
The distribution was made out of CIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets).

Capital gains distribution
The distribution is made out of gains arising from sale of investment properties from prior years that have been confirmed by the Inland Revenue Authority of Singapore as capital gains. Unitholders receiving distributions out of capital gains are not subject to Singapore income tax unless they hold the Units as trading assets.

(c) Books closure date: 31 October 2014

(d) Date payable: 12 December 2014

12 If no distribution has been declared/ (recommended), a statement to that effect

Not applicable.

- 13 If the Group has obtained a general mandate from shareholders for IPTs , the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained any IPT mandate from the Unitholders.

By Order of the Board
Cambridge Industrial Trust Management Limited
(as Manager of Cambridge Industrial Trust)
Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-2

Philip Levinson
Chief Executive Officer and Executive Director
23 October 2014

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of Cambridge Industrial Trust Management Limited (as Manager for Cambridge Industrial Trust) which may render these interim financial results to be false or misleading in any material respect.

On behalf of the Board of Directors of
Cambridge Industrial Trust Management Limited
(as Manager for Cambridge Industrial Trust)
Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-2

Dr Chua Yong Hai
Chairman

Philip Levinson
Chief Executive Officer and Executive Director

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.

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.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.