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## **UNILATERAL ADJUSTMENT TO PERFORMANCE FEES IN FAVOUR OF UNITHOLDERS**

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### **1. REVIEW AND ADJUSTMENT TO PERFORMANCE FEE COMPUTATION**

Following a review by the Board, Cambridge Industrial Trust Management Limited, as manager of Cambridge Industrial Trust (“CIT” and the manager of CIT, the “Manager”), has decided to waive a certain portion of its performance fee in certain circumstances with immediate effect, for the benefit of unitholders of CIT (the “Unitholders”).

### **2. PERFORMANCE FEE BASED ON TOTAL RETURNS**

Under the trust deed dated 31 March 2006 (as amended) (the “Trust Deed”) constituting CIT and as described in the prospectus of CIT dated 14 July 2006 (the “Prospectus”), the Manager is entitled to be paid a performance fee (the “Performance Fee”) if the total return<sup>1</sup> performance of CIT (described as the “Trust Index” in the Prospectus) exceeds the performance of a benchmark index (described as the “Benchmark Index” in the Prospectus), which is based on the total return performance of a number<sup>2</sup> of the largest real estate investment trusts (“REITs”) listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Trust Index and the Benchmark Index are maintained independently by FTSE International Limited (“FTSE”).

Under the current provisions of the Trust Deed, the outperformance is measured every half year. The existing 2-tier Performance Fee calculations are as follows:

- (a) Tier 1 Performance Fees is calculated as  $\text{Outperformance} \times 5\% \times \text{Market Capitalisation}$ .
- (b) Tier 2 Performance Fees is calculated as  $(\text{Outperformance} - 1\%) \times 15\% \times \text{Market Capitalisation}$ .

If Outperformance is below 1% per Half Year then Tier 2 Performance Fees do not apply.

### **3. UNILATERAL ADJUSTMENT TO TIER 2 COMPUTATION**

The Manager has decided to unilaterally adjust the Tier 2 Performance Fee computation in favour of Unitholders. The Tier 2 Performance Fee rate will be reduced to 5% from 15% previously.

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<sup>1</sup> Combines both capital performance of CIT units and its reinvested income

<sup>2</sup> The Benchmark Index is made up of 9 constituents as of 16 April 2014, consisting of Ascendas Real Estate Investment Trust, CapitaCommercial Trust, CapitaMall Trust, CDL Hospitality Trusts, Keppel REIT, Mapletree Commercial Trust, Mapletree Industrial Trust, Mapletree Logistics Trust and Suntec Real Estate Investment Trust.

The revised 2-tier performance fees measurements are as follows:

- (a) Tier 1 Performance Fees is calculated as Outperformance x 5% x Market Capitalisation.
- (b) Tier 2 Performance Fees is calculated as (Outperformance - 1%) x 5% x Market Capitalisation.

If Outperformance is below 1% per Half Year then Tier 2 Performance Fees do not apply.

For illustrative purposes, the pro forma impact to past performance fees if the adjustment were applied retrospectively is illustrated below.

<b>Performance Fees</b>	<b>1H2012</b>	<b>2H2012</b>	<b>1H2013</b>	<b>Cumulative Total</b>
Outperformance	0.73%	2.80%	16.86%	
Market Capitalisation (\$m)	675.1	813.0	861.1	
<b>Performance Fees Entitled Under Existing Method</b>				
Tier 1 Fee (\$m)	0.25	1.14	7.26	8.64
Tier 2 Fee (\$m)	-	2.20	20.48	22.68
Total Fees (\$m)	0.25	3.34	27.74	31.32
Actual Fees Charged (\$m)	0.25	3.34	13.87 <sup>3</sup>	17.45
<b>Performance Fees Entitled if Adjustment applied retrospectively</b>				
Tier 1 Fees (\$m)	0.25	1.14	7.26	8.64
Tier 2 Fees (\$m)	-	0.73	6.83	7.56
Total Fees (\$m)	0.25	1.87	14.08	16.20

The revised fee arrangement will be formalised by way of an irrevocable undertaking to be given by the Manager to the Trustee.

BY ORDER OF THE BOARD  
Philip Levinson  
Chief Executive Officer & Executive Director

Cambridge Industrial Trust Management Limited  
As Manager of Cambridge Industrial Trust  
(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-2)

17 April 2014

<sup>3</sup> As per the announcement "Performance fee payable to Cambridge Industrial Trust Management Limited" dated 7 July 2013, the Manager has unilaterally waived 50% of the entitlement. The final performance fees payable is **\$13.87m**.

**For further enquiries, please contact:**

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**About Cambridge Industrial Trust**

Cambridge Industrial Trust (“CIT”), publicly listed on the Singapore Exchange Securities Trading Limited since 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 48 properties located across Singapore, with a total gross floor area of approximately 7.8 million square feet and a property value of S\$1.3 billion as at 31 March 2014. They range from logistics and warehousing properties to light industrial properties, which are located close to major transportation hubs and key industrial zones island-wide.

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

- Pro-active asset management;
- Acquisition of value-enhancing properties;
- Divestment of non-core properties; and
- Prudent capital and risk management.

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 specialising in real estate and private equity investments across Asia-Pacific; and
- Mitsui is one of the largest corporate conglomerates in Japan and listed on the Tokyo Stock Exchange. It is 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 or deposits in, or 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.