



Co. Reg. No.: 200512804G

NEWS RELEASE

CAMBRIDGE INDUSTRIAL TRUST LAUNCHES IPO OF 206,109,000 UNITS ON SGX-ST AT S\$0.68 PER UNIT

- **Forecast Yield of up to 7.71%¹ tax free²**
- **To leverage on the relationships with vendors, tenants, the Mitsui network and CWT, to further expand CIT's portfolio**

Singapore, July 14, 2006 – Cambridge Industrial Trust (“CIT”) (剑桥工业信托), Singapore’s first independent³ industrial REIT, announced today that it has registered its prospectus (the “Prospectus”) with the Monetary Authority of Singapore for a listing on the Main Board of The Singapore Exchange Securities Trading Limited (“SGX-ST”). Cambridge Industrial Trust Management Limited (“CITM”), as Manager of CIT, is launching its initial public offering (“IPO”) of 206,109,000 Units at S\$0.68 per Unit.

At S\$0.68 per Unit, the annualized distribution yield for the Forecast Period 2006 is 7.71%¹ while the total distribution per Unit is 2.12 cents⁴ per Unit

¹ Annualised yield for the Forecast Period 2006 (for the period from 31 July 2006 to 31 December 2006) assuming the Over-allotment Option is not exercised and based on the Offering Price of S\$0.68 per Unit and other assumptions as set out in the Prospectus.

² For individuals (regardless of nationality) who hold Units as investment assets and not through a partnership in Singapore.

³ The Manager is not majority controlled by any property company which develops or owns real estate for commercial sale or investment purposes.

⁴ Based on the weighted average number of approximately 497.4 million Units in issue as at 31 December 2006.



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Said Dr Finian Tan (陈诚锦), Chairman of Cambridge Industrial Trust Management Limited ("CITM"), "This offer is our response to the market : Our REIT is attractively structured. With a forecast yield of up to 7.71%¹, we believe that it will offer one of the highest yields compared to other REITs in the Singapore market. There is something on the table for both investors and us."

CIT's distribution policy is to distribute 100.0% of its taxable income for the period from the Listing Date to 31 December 2006 and thereafter to distribute at least 90.0% of its taxable income. Distributions will be made on a quarterly basis, except for the first distribution, which will be in respect of the period from the Listing Date to 30 September 2006 and will be paid by the Manager on or before 29 November 2006.

The Offering

The Offering comprising 206,109,000 Units at S\$0.68 per Unit, is expected to raise total gross proceeds of approximately S\$140.2 million.

It comprises both an international placement and an offering to the public in Singapore :

- 188,609,000 Units by way of an international placement, including institutional and other investors in Singapore; and
- 17,500,000 Units by way of Public Offer of which:
 - 11,500,000 Units will be reserved for the Directors, management, employees and business associates of CITM and others who have contributed to the success of the Offering; as well as employees of the vendors of the Properties; and
 - 6,000,000 Units will be offered to the public.

¹ Annualised yield for the Forecast Period 2006 (for the period from 31 July 2006 to 31 December 2006) assuming the Over-allotment Option is not exercised and based on the Offering Price of S\$0.68 per Unit and other assumptions as set out in the Prospectus.

Separate from the Offering: -

- certain Cornerstone Investors comprising ABN AMRO Asset Management (Asia) Limited (“ABN AMRO Asset Management”), Allianz Global Investors Hong Kong Limited (“Alliance Global Investors”), Mitsui & Co., Ltd (“Mitsui”), Henderson Global Investors Limited (“Henderson”) and NTUC Income Insurance Cooperative Limited (“NTUC Income”), have entered into subscription agreements to subscribe for an aggregate of 97,118,412 Units (approximately S\$66.0 million); and
- the vendors of certain of the properties (the “Investing Vendors”) will receive an aggregate of 193,841,142 Units as part consideration for the sale of their respective Properties to RBC Dexia Trust Services Singapore Limited, the trustee of CIT.

The Joint Global Co-ordinators, Joint Lead Underwriters and Bookrunners and Joint Financial Advisers for the IPO are ABN AMRO Rothschild and CLSA Merchant Bankers Limited while the Public Offer Co-ordinator and Sub-placement Agent is Philip Securities Pte Ltd.

Added Mr Leong Weng Chee (梁榮梓), CEO of CITM, “We have on board a number of strong cornerstone investors comprising ABN AMRO Asset Management, Alliance Global Investors, Henderson and NTUC Income. We believe the advantages of being independent is that CITM is not controlled by any single property company which develops or owns real estate for commercial sale or investment purposes. We believe we would be viewed more positively when approaching property owners-developers as we are not perceived to be in competition with them. This would potentially give us access to a larger pool of properties.

“In this regard, our property vendors are minority Unitholders of the REIT and none of our investing property vendors has a significant stake which would allow them to influence CITM, for example, into buying properties that are unsuitable, or at inappropriate valuations.”

Growth Strategies

CITM intends to pursue a 3-pronged strategy to enhance CIT’s asset base. Through an Acquisition Growth Strategy, CITM aims to look for opportunities that will enhance CIT’s asset base and provide an attractive cash flow and distribution profile for Unitholders.

In addition, CITM will also adopt an Active Asset Management Strategy, managing its assets through prudent control of property outgoings, active marketing and leasing of vacant properties or properties whose leases are expiring, and asset refurbishment and enhancement projects to maintain the competitive positioning of the assets.

In terms of Capital and Risk Management, CIT will employ appropriate debt and equity financing in the acquisition of the Properties and future acquisitions and will utilize interest rate and currency hedging instruments, where appropriate, to optimize risk adjusted returns to Unitholders.

In conclusion, Mr Leong adds, “We will leverage on our strong relationship with CWT Limited and Mitsui as well as the tenants and vendors of our properties to expand our portfolio. With CWT, we have a right of first refusal and last look arrangement over each of the industrial properties owned or that may be owned by CWT or its subsidiaries in Singapore, Malaysia, Indonesia, Thailand, Philippines, Australia, China, Taiwan and the special administrative regions of Hong Kong and Macau. Additionally, we have also been granted a right of first refusal by C & P Holdings, the parent company of CWT, over a property in Changi South Lane.

“With Mitsui as a partner, they have much to contribute in expertise gained from managing Japan’s first listed industrial REIT dedicated to investing in distribution facilities and provide us with opportunities for acquisitions from their business network, especially the Japanese business community, both in Singapore and the region.

“We offer the potential for yield accretion through our acquisition strategies and we intend to explore opportunities in China, Malaysia and possibly Thailand in the short to medium term and other Asian countries in the longer term, depending on investment opportunities and market conditions.”

Use of Proceeds

The total proceeds from the Offering, combined with proceeds from the subscription of Units by the Cornerstone Investors, are estimated to be S\$206.2 million, based on the Offering Price of S\$0.68 per Unit. Together with borrowings of S\$202.9 million, these will be used as follows:

- approximately S\$387.2 million for the cash portion of Acquisition Value of the Properties⁵;
- approximately S\$21.5 million for transaction costs⁶; and
- the balance of S\$433,000 for use as working capital⁷.

The Offering will close at 12.00 noon on Wednesday, 19 July 2006. Trading for the Units is expected to commence at 2.00 pm on 25 July 2006.

⁵ Excludes part settlement of the Acquisition Value of the Properties via Investing Vendor Consideration Units.

⁶ This comprises payment of the Acquisition Related Costs of the Properties and issue costs, incurred in relation to the Offering and the subscription by the Cornerstone Investors.

⁷ Excludes current portion of Borrowings.



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To invest in CIT, simply apply at any ATM of the UOB Group, DBS Bank (including POSB) or OCBC. If you are an internet banking customer, you may also visit www.uobgroup.com or www.dbs.com. Anyone wishing to apply for the Units under the Offering will need to make an application in the manner set out in the Prospectus relating to the Offering.

About Cambridge Industrial Trust

CIT is a real estate investment trust established with the objective of investing directly or indirectly in income-producing real estate and real estate-related assets which are used mainly for industrial (including warehousing) purposes.

The initial portfolio of CIT will comprise 27 Properties, covering an aggregate of approximately 426,725.2 sq m of Lettable Area, all of which are located in Singapore. The total Appraised Value, as determined by the Independent Valuers, of the entire initial portfolio of Properties amounts to S\$519.0 million.

Cambridge Industrial Trust Management Limited (the “Manager”) is a joint venture between Cambridge Real Estate Investment Management Pte. Ltd. (“CREIM”), CWT Limited (“CWT”), a Singapore-incorporated company listed on the Main Board of the SGX-ST which is engaged in the business of cargo logistics and distribution, and Mitsui & Co., Ltd (“Mitsui”). Mitsui manages the Japan Logistics Fund Inc., the first listed industrial REIT in Japan dedicated to investing in distribution facilities. 60.0% of the issued share capital of the Manager is held by CREIM, 20.0% is held by Mitsui, and the remaining 20.0% is held by CWT.

CITM is not controlled by any property company which develops or owns real estate for commercial sale or investment purposes. CITM believes this provides the following advantages :

- potentially being viewed more positively when they approach property owners who are also property developers as they would not be, or be perceived to be, in competition with the property owner's other related property development businesses; and
- in the course of its decision-making for CIT, the Manager will focus on the interests of CIT and its Unitholders, and this will enable the interests of the Manager to be aligned with those of Unitholders.

CREIM's management team has experience in fund, asset and property management in Singapore and the regional industrial property markets, and a number of its directors are real estate specialists with strong credentials and/or practical experience in the real estate industry.

IMPORTANT NOTICE

The information contained in this document does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to subscribe for or purchase units ("Units") in Cambridge Industrial Trust ("CIT") in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever.

The information in this document is qualified in its entirety by, and is subject to, the more detailed information set out in the prospectus (the "Prospectus") registered by the Monetary Authority of Singapore on 14 July 2006. Words and expressions not defined herein have the same meaning as in the Prospectus. Copies of the Prospectus relating to the proposed initial public offering of Units may be obtained, subject to availability, from ABN AMRO Rothschild, CLSA Merchant Bankers Limited and Phillip Securities Pte Ltd and, where applicable, from members of the Association of Banks in Singapore, members of The Singapore Exchange Securities Trading Limited (the "SGX-ST") and merchant banks in Singapore. Anyone wishing to subscribe for or purchase the Units should read the Prospectus before deciding whether to subscribe for or purchase the Units and will need to make an application in the manner set out in the Prospectus.

The value of the Units and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document contains forward-looking statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CIT or the Manager, or industry results, to be materially different from any future results, performance or achievements expressed or explained in the Prospectus.



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The past performance of the Manager is not indicative of the future performance of the Manager. Predictions, projections and forecasts of the economy or economic trends of the markets are not necessarily indicative of the future performance of CIT. The forecast and projected financial performance of CIT is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of the Prospectus for details of the forecasts and consider the assumptions used and make their own assessment of the future performance of CIT or seek professional advice from the relevant advisors before deciding whether to subscribe for or purchase the Units.

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