

# 4Q 2010 Financial Results



27 January 2011

**ARA** - **CWT**  
(An Affiliate of Cheung Kong Group)

**ARA-CWT Trust Management (Cache) Limited**

- 4Q 2010 Financial Results
- Portfolio Update
- Going Forward

## 4Q 2010 Results

- Net Property Income of S\$14.4m in line with forecast
- Distributable income of S\$12.3m exceeded forecast by 1.1%
- DPU for the period of 1.938 cents exceeded forecast by 1.2%
- Healthy Balance Sheet with aggregate leverage of 23.7%

# 4Q 2010 Financial Results

For the period 1 Oct 2010 to 31 Dec 2010

In S\$'000	Actual	Forecast <sup>(1)</sup>	Fav / (Unfav) (%)
<b>Gross Revenue</b>	<b>14,748</b>	<b>14,748</b>	-
Property Expenses	(398)	(390)	(2.1)
<b>Net Property Income (NPI)</b>	<b>14,350</b>	<b>14,358</b>	<b>(0.1)</b>
Net Financing Costs	(1,946)	(2,066)	5.8
Manager's Fees	(1,163)	(1,130)	(2.9)
Other Trust Expenses	(276)	(304)	9.2
Net Income Before Tax	10,965	10,858	1.0
Change In Fair Value of Investment Properties	2,800	-	nm
Distribution Adjustments	(1,461)	1,309	nm
<b>Distributable Income</b>	<b>12,304</b>	<b>12,167</b>	<b>1.1</b>
<b>Distribution Per Unit</b>	<b>1.938 cents</b>	<b>1.915 cents</b>	<b>1.2</b>

- **Gross Revenue and NPI in line with forecast**
- **Net Financing Costs 5.8% lower than forecast due to lower all-in average interest rate achieved**
- **Distributable Income 1.1% higher than forecast mainly due to lower financing costs**

(1) Based on figures for the Forecast Year 2010 as stated in the prospectus prorated for the period 1 Oct to 31 Dec 2010.

nm : not meaningful

# Year-to-Date Financial Results

For the period 12 Apr 2010 <sup>(1)</sup> to 31 December 2010

In S\$'000	Actual	Forecast <sup>(2)</sup>	Fav / (Unfav) (%)
Net Property Income	41,360	41,338	0.1
Distributable Income	35,440	35,016	1.2
Distribution Per Unit (DPU)	5.588 cents <sup>(3)</sup>	5.520 cents	1.2
Annualised DPU	7.726 cents	7.632 cents	1.2
Annualised Distribution Yield			
- IPO price at S\$0.88	8.8%	8.7%	0.1 ppts
- Current price at S\$0.99 <sup>(4)</sup>	7.8%	7.7%	0.1 ppts

- (1) Cache was a dormant private trust from the date of constitution on 11 February 2010 until the Properties were acquired on 12 April 2010. Cache was officially listed on the same day on the SGX-ST. Consequently the operations of Cache commenced from 12 April 2010.
- (2) Based on figures for the Forecast Year 2010 as stated in the prospectus prorated for the period 12 Apr to 31 Dec 2010 except for change in fair value of investment properties and transaction cost relating to an interest rate swap which are not prorated.
- (3) Based on 3.65 cents paid for period 12 April to 30 September 2010 and 1.938 cents payable for 1 Oct to 31 Dec 2010.
- (4) Based on the last traded price of S\$0.99 per unit as at 26 Jan 2011.

<b>As at 31 Dec 2010</b>	<b>S\$'000</b>
Investment Properties	744,000
Other Assets	8,178
<b>Total Assets</b>	<b>752,178</b>
Debt, at amortised cost	172,658
Other Liabilities	4,402
<b>Total Liabilities</b>	<b>177,060</b>
Net assets attributable to Unitholders	575,118
Units in Issue <sup>(1)</sup>	634,774,066
<b>NAV per Unit</b>	<b>\$0.91</b>
<b>Adjusted NAV per Unit <sup>(2)</sup></b>	<b>\$0.89</b>

(1) Comprises 633,862,855 units in issue as at 31 Dec 2010 and 911,211 units to be issued to the Manager by 28 Jan 2011 as partial consideration of Manager's fees incurred for the period 1 Oct 2010 to 31 Dec 2010.

(2) Excludes income available for distribution.

As at	31 Dec 2010	30 Sep 2010
Borrowings	S\$178.0m	S\$178.0m
Aggregate Leverage <sup>(1)</sup>	23.7%	23.4%
For the quarter ended	31 Dec 2010	30 Sep 2010
Average all-in financing cost <sup>(2)</sup>	4.36%	4.33%
Interest cover <sup>(3)</sup>	9.3 times	9.2 times

- 4-year facility comprising:
  - S\$178m term loan (fully drawn)
  - S\$25m committed revolving credit facility
  
- Plain vanilla interest rate swaps in place
  - Fixed rates for S\$160m for first 2 years
  - Post year-end: fixed rates for 100% of the term loan for the remaining loan tenure

(1) Ratio of total debt over deposited properties as defined in the Property Funds Appendix of the Code on Collective Investment Schemes

(2) Inclusive of margin of 2.3% and amortisation of upfront fee capitalised

(3) Ratio of Net Property Income over interest expense (excluding amortisation and other fees)

## Distribution for the period 1 Oct 2010 to 31 Dec 2010

<b>DPU</b>	<b>1.938 cents</b>
Last day of trading (cum dividend)	1 Feb 2011
Ex-date	2 Feb 2011
Books Closure Date	8 Feb 2011
Date Payable	1 Mar 2011



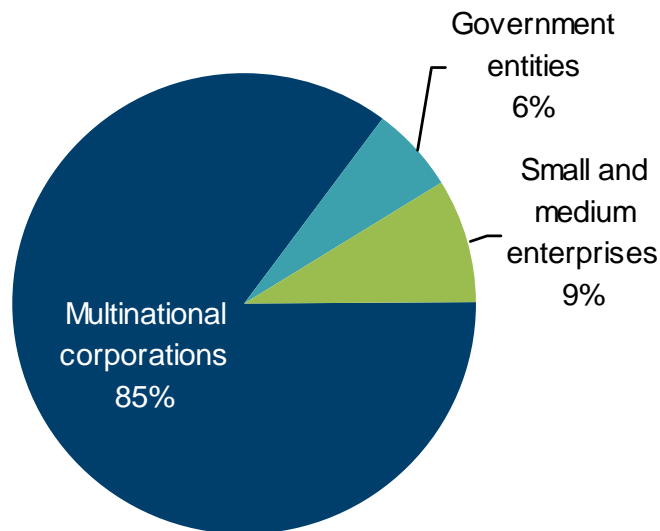
# Portfolio Update



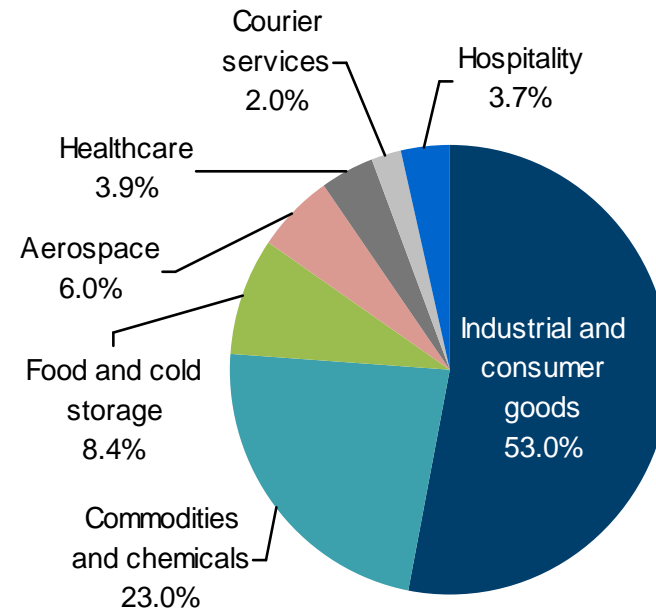
- **Proactively Working with Master Lessees**
  - Branding each premises completed
  - Attracting quality long-term end-users
  - Provide greater certainty and growth beyond current Master Leases
  - Identifying and executing value-add asset enhancement initiatives
- **Recent successes**
  - Secured several new multinational end-users at CWT Commodity Hub
  - New end-users occupying approx 350,000 sf of warehouse/office space
  - Min 8-year commitment with locked-in annual rental escalation
  - Capex employed to enhance space with associated recovery by way of additional rental

- Portfolio 100% leased on long-term, triple-net master lease
- WALE as at 31 Dec 10 was 5.8 years
- High underlying end-user occupancy
- Strong and diverse demand by underlying end-users

Over 91% of GFA taken up by MNCs and government agencies



End-users from diverse trade sectors



Note: Charts reflect breakdown by Occupied GFA

- Cache has 25% market share of ramp-up warehouses in Singapore
- Average age of properties 3.1 years (weighted by GFA)
- Increase in portfolio valuation over 14 months ~ 2%



	CWT Commodity Hub	CWT Cold Hub	Schenker Megahub	Hi-Speed Logistics Centre	C&P Changi Districentre	C&P Changi Districentre 2	Total
Master Lessee	CWT		C&P and/or subsidiaries				
Ramp-up feature	✓	✓	✓	✓	✓	Cargo lift	
Location	Penjuru	Penjuru	ALPS	ALPS	Changi South	Changi South	
GFA (approx)	2,300,000sf	342,000sf	440,000sf	308,000sf	364,000sf	106,000sf	3,860,000sf
Valuation <sup>(1)</sup>	S\$330.5 mil	S\$134.3 mil	S\$102.2 mil	S\$71.9 mil	S\$85.2 mil	S\$19.9mil	S\$744.0 mil <sup>(1)</sup>

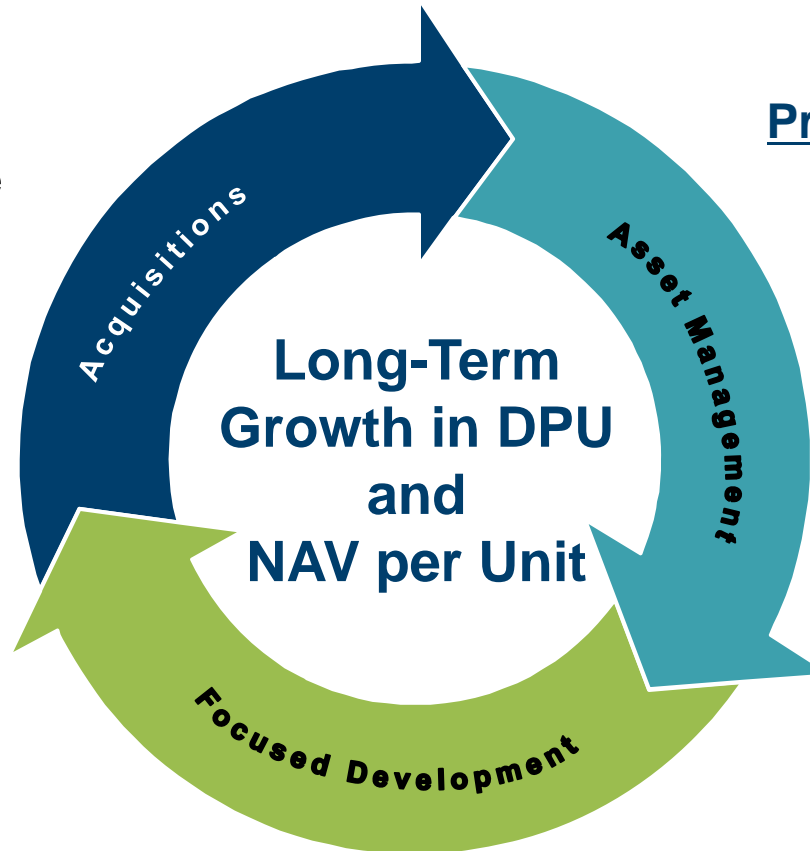
(1) Based on valuation from Knight Frank dated 31 Dec 2010

# Going Forward



## Grow the Portfolio

- Broad Asia-Pacific mandate
- Right of first refusal from CWT and C&P
- Pursue acquisitions conducive to the portfolio



## Prudently Manage the Portfolio

- Work with the Master Lessees and end-users
- Grow organically
- Minimize re-leasing risk
- Secure longer-term tenure with strong credit-worthy end-users

## Participate in Focused Development (medium to long term)

Leverage on the strengths of the Sponsor and relationships with end-users



- Focusing on sustainable growth in DPU, NAV per unit
- Mandate provides for acquisitions in Asia Pacific<sup>(1)</sup>
- Emphasis on acquisitions in Singapore, China and Malaysia
- Looking beyond ROFR towards 3<sup>rd</sup>-party transactions
- Maintain an appropriate capital structure

(1) Asia Pacific defined as:

Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam, China, India, Hong Kong, Macau, Taiwan, Japan, Korea, Australia and New Zealand.

# Acquisitions Strategy

## ROFR Properties

### Right of First Refusal

- Granted by CWT and C&P on properties in Asia Pacific
- Covers both sale of and offer of properties by both parties

### Existing properties covered by the ROFR

- 13 properties with 2.9m sq ft GFA
- Located in Singapore and China

### Selected properties covered by the ROFR

No.	Name	Owner	Description	Year of Completion	Location	GFA (sq ft)
1	CWT Logistics Hub 3	CWT	5-storey ramp-up warehouse	2011	Singapore	834,430
2	Pandan Logistics Hub	CWT	5-storey ramp-up warehouse	2011	Singapore	323,066
3	CWT Logistics Hub 1	CWT	2-storey ramp-up warehouse	2007	Singapore	375,233
4	Jinshan Districentre	CWT	Single storey warehouse	2007	Shanghai	145,815
5	CWT Tianjin Logistics Hub (Ph 1)	CWT	Single storey warehouse	2010	Tianjin	84,668



# Sustainable Distributions

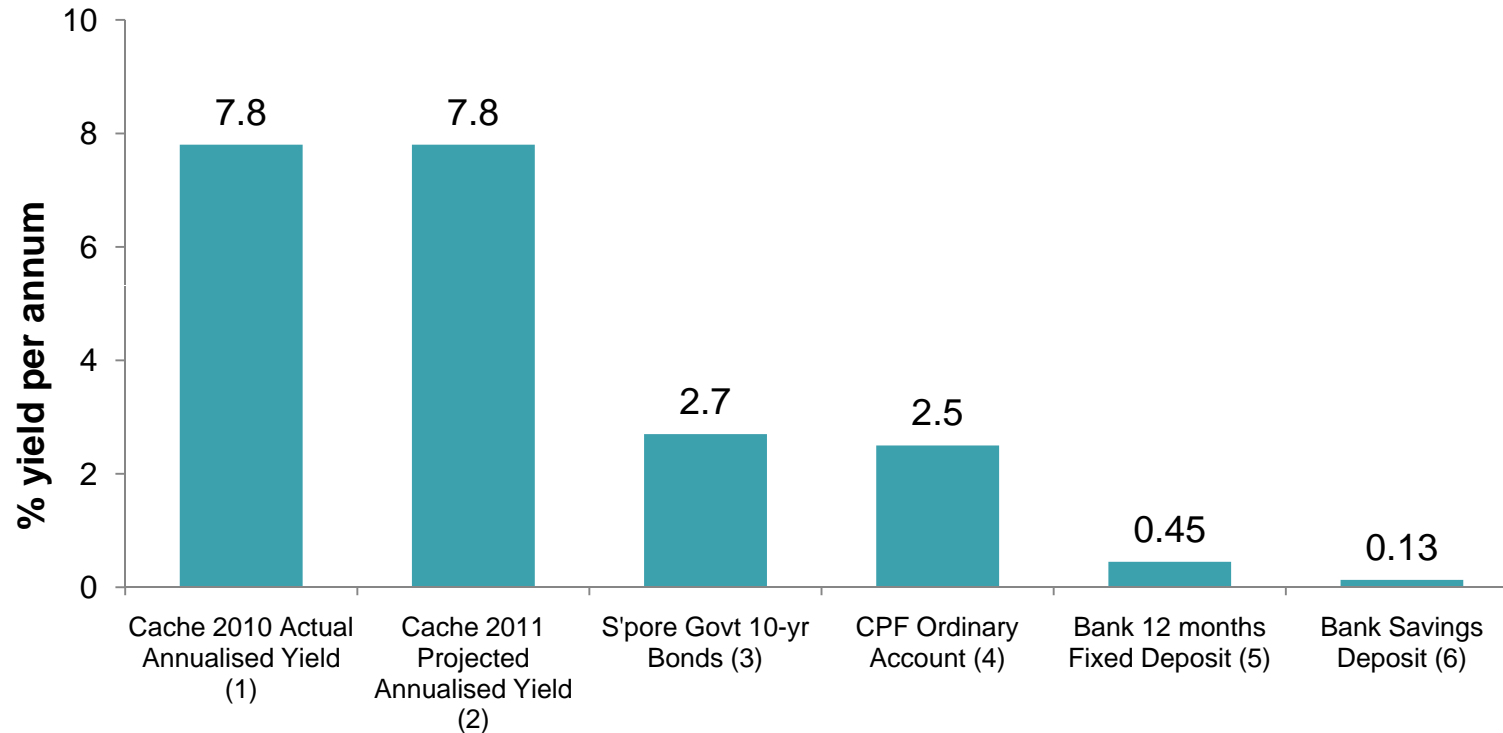
- Long-term master lease
- Triple-net lease
- 1.5% annual rental escalations for first 5 years
- Fixed interest rates for first 2 years



- Predictable cash flows
- Resilient earnings
- Sustainable distributions

- Delivered Forecast 2010 DPU
- On track to deliver Forecast 2011 DPU

# Stable and Attractive Yield

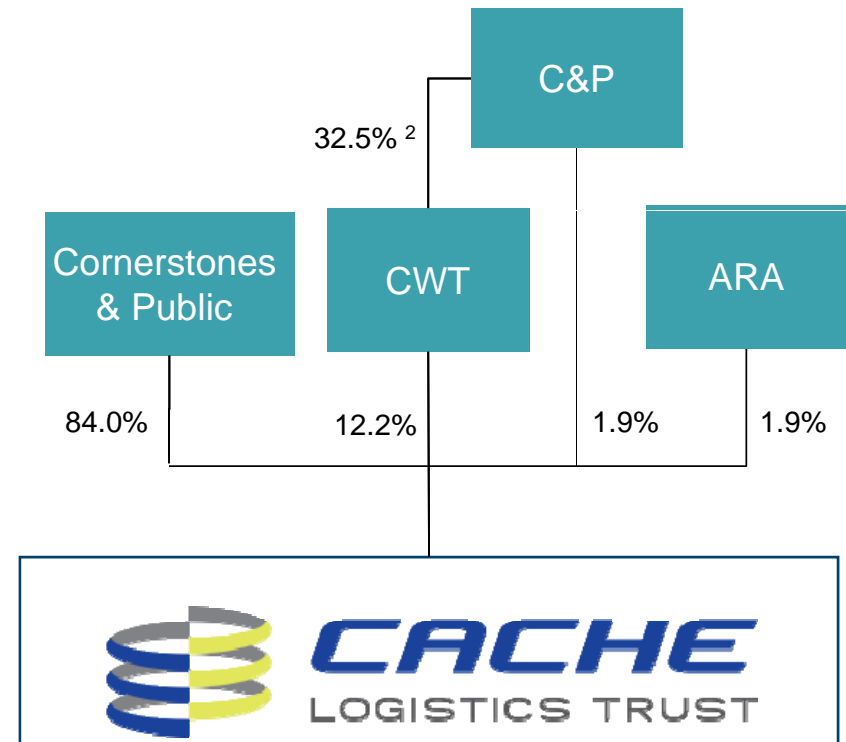


- (1) Based on closing price of \$0.99 as at 26 Jan 2011 and Actual Annualised DPU of 7.726 cents for FY2010
- (2) Based on closing price of \$0.99 as at 26 Jan 2011 and Forecast DPU of 7.76 cents for Projection Year 2011 as stated in the Prospectus
- (3) Based on Bloomberg data as at 31 Dec 2010

- (4) Prevailing CPF Ordinary Account interest rate
- (5) Bank 12 months fixed deposit rate as at end of Dec 2010. Source: MAS website
- (6) Bank savings deposit rate as at end of Dec 2010. Source: MAS website

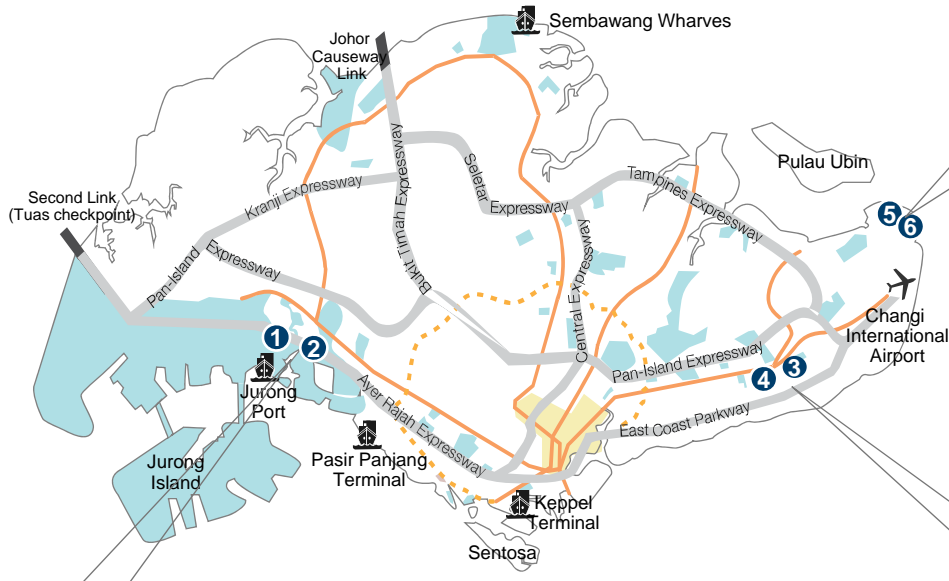
# ***Additional Slides***

Sponsor	CWT Limited	
REIT Manager	ARA-CWT Trust Management (Cache) Limited	
Property Manager	Cache Property Management Pte Ltd	
Issue Statistics	Listing date	12 Apr 2010
	Market cap	S\$628 mil <sup>(1)</sup>
Substantial Institutional Unitholders	JPMorgan Chase	8%
	Morgan Stanley	7%
	The Capital Group	6%
Objectives	<ul style="list-style-type: none"> <li>Regular and stable distributions</li> <li>Long term growth in DPU and NAV</li> <li>Maintain appropriate capital structure</li> </ul>	
Mandate	Asia Pacific	
Distribution Policy	100% of Distributable Income for FY10 & FY11	



(1) Based on closing price of S\$0.99 as at 26 January 2011

(2) As at 26 January 2011



## Airport Logistics Park Singapore (“ALPS”)

- Immediately adjacent to Changi Airport
- Directly accessible to airport compound
- Only logistics park with Free Trade Zone status



**5** Schenker Megahub  
51 ALPS Avenue



**6** Hi-Speed Logistics  
40 ALPS Avenue

## Penjur

- Close to PSA terminals, Jurong Port, Tuas checkpoint and key container yards in Singapore
- Superior to other locations in the Jurong vicinity



**1** CWT Cold Hub  
2 Fishery Port Road



**2** CWT Commodity Hub  
24 Penjur Road

## Changi South

- Close proximity to Changi Airport
- One of the most established logistics clusters in Singapore



**3** C&P Changi Districentre 2  
3 Changi South Street 3



**4** C&P Changi Districentre 5  
5 Changi South Lane

## CWT

- One of the largest listed logistics operators in SE Asia
- Developed and managed over 8.5mil sq ft of logistics properties globally
- Provide complementary services to global logistics companies
- 75 offices across 14 countries



## ARA

- One of the largest REIT managers in Asia (ex-Japan) with S\$16.2 billion<sup>(1)</sup> real estate AUM
- Established track record of managing publicly-listed REITs in Singapore, Hong Kong and Malaysia
- Diversified portfolio spanning office, retail and industrial sectors

Cache leverages on the **complementary strengths** of CWT and ARA

- ☑ CWT has logistics operations as its core business
- ☑ ARA has established real estate and fund management expertise

(1) As at 9 December 2010

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