

Press Release

## CACHE LOGISTICS TRUST'S FULL YEAR 2013 DISTRIBUTABLE INCOME INCREASED 14.1% TO S\$65.6 MILLION

- Net Property Income up 11.1% year-on-year (“y-o-y”) to S\$76.8 million in 2013
- Full Year 2013 Distribution per Unit (“DPU”) of 8.644 Singapore cents
- 100% occupied portfolio with only 3% of its leased area up for renewal in 2014
- Strong Balance Sheet with low aggregate leverage of 29.1%

### **Financial Performance**

*(In S\$ '000 unless otherwise stated)*

	2013	2012	Change (%)	4Q 2013	4Q 2012	Change (%)
Gross Revenue	80,955	72,638	11.4	20,694	19,127	8.2
Net Property Income	76,813	69,144	11.1	19,574	18,278	7.1
Distributable Income	65,555	57,464	14.1	16,611	15,151	9.6
Distribution Per Unit (“DPU”) (in cents)	8.644	8.365	3.3	2.137 <sup>1</sup>	2.154 <sup>2</sup>	(0.8)

**Singapore, 21 January 2014** – ARA-CWT Trust Management (Cache) Ltd., the manager (“Manager”) of Cache Logistics Trust (“Cache”) announced today a Distribution per Unit (“DPU”) of 8.644 cents for the financial year ended 31 December 2013, up 3.3% from a year ago.

In financial year 2013, Gross Revenue increased 11.4% to S\$81.0 million and Net Property Income (“NPI”) rose 11.1% to S\$76.8 million. Distributable Income grew 14.1% to S\$65.6 million. The increase was primarily attributable to rental contribution from the acquisition of Precise Two in April 2013 as well as built-in rental escalation within the portfolio.

Mr. Daniel Cerf, CEO of the Manager said: “Cache started financial year 2013 on a strong footing: A robust balance sheet comprising a low gearing, an unused revolving credit facility, and a credit rating of Baa3 with stable outlook. In March 2013, the Manager also successfully completed a capital raising exercise which generated strong demand from over new and existing institutional

<sup>1</sup> Based on 777,440,340 issued units includes 776,307,743 issued units as at 31 December 2013 and 1,132,597 units to be issued to the Manager in 1Q 2014 as partial consideration of Manager’s fees.

<sup>2</sup> Based on 703,353,638 issued units includes 702,418,479 issued units as at 31 December 2012 and 935,159 units issued to the Manager in 1Q 2013 as partial consideration of Manager’s fees.

investors. We then went on to accretively acquire Precise Two, a newly completed ramp-up warehouse in Gul Way.

Mr Daniel Cerf continued: “Cache has always pride itself for delivering sustainable growth since listing. In 2013, we increased our DPU by a solid 3.3%, which compares favourably to the 1.6% growth in DPU in 2012 over 2011. We currently have a quality portfolio that is 100% occupied with only 3% due for renewal this year, and for the lease renewals coming up in 2015, we are in advanced negotiations with our Sponsor and their end-users. This year, we hope to repeat our success of acquisition growth as well as leverage on our Sponsor in our pursuit of more organic growth opportunities in AEI works, potential redevelopment and perhaps built-to-suit projects.”

### **Portfolio Update**

As at 31 December 2013, Cache owns 13 quality logistics warehouse properties located in Singapore and China. These properties are strategically located in well-established logistics parks with close proximity to the airport and seaport, catering to major international third-party logistics providers (“3PLs”) and distributors.

Cache continues to maintain a fully occupied portfolio in 2013 compared to the average Singapore warehouse occupancy of 93.3%<sup>3</sup>, with a Weighted Average Lease to Expiry (“WALE”) of 3.1 years as at end-December.

Cache’s portfolio was valued at S\$1,035.0 million by an independent valuer Jones Lang LaSalle. This compares to a portfolio value of S\$971.9 million<sup>4</sup> a year ago, up by approximately 6.5%.

### **Prudent Capital and Risk Management**

In the area of capital management, Cache maintained its aggregate leverage at a conservative 29.1%, below the average gearing level for Singapore-listed REITs. Cache does not have any loans maturing until 2015 and enjoys financial flexibility with an undrawn revolving credit facility of S\$62.0 million in place as at 31 December 2013. Total borrowings amounted to S\$313.0 million where 70% is hedged, enabling significant certainty over financing costs.

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<sup>3</sup> URA Vacancy Rate of Warehouse Space in Singapore as at 3Q 2013

<sup>4</sup> Excludes Precise Two which was acquired in April 2013

**Outlook for 2014**

According to Colliers International<sup>5</sup>, going forward, in the next three years, the Singapore industrial property sector is expected to face an increase in the supply of industrial space, which could place some downward pressure on warehouse occupancy rates and rents over the short term. On the other hand, growth in the region and an anticipated recovery in the US economy appear to provide noticeable user-led demand from major third-party logistics providers (“3PLs”) and distributors.

In financial year 2014, Cache is well positioned with a strong balance sheet, a quality portfolio with low renewal risk, and sustainable, predictable earnings. The Manager will continue to grow Cache via quality, accretive acquisitions in Asia Pacific and also seek potential built-to-suit and redevelopment initiatives in its current portfolio. Barring any unforeseen event, the Manager is confident of continuing to deliver sustainable returns to Unitholders for the rest of 2014.

– END –

By Order of the Board  
ARA-CWT Trust Management (Cache) Limited (as manager of Cache Logistics Trust)  
(Company registration no. 200919331H)

Daniel Cerf  
Chief Executive Officer  
21 January 2014

For enquiries, please contact

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*5 Colliers International Consultancy & Valuation Singapore Pte Ltd, Singapore Market Study for Annual Report 2013*



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### **ABOUT CACHE LOGISTICS TRUST (“CACHE”)**

Cache Logistics Trust is a Real Estate Investment Trust (“REIT”) publicly listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX-ST) on 12 April 2010. Cache principally invests in quality income-producing real estate used for logistics purposes, as well as real estate-related assets, in Asia-Pacific.

As at 31 December 2013, its portfolio of 13 high quality logistics warehouse properties are strategically located in established logistics clusters in Singapore and China, with a total gross floor area of 5.1 million square feet and a property value of approximately S\$1.04 billion.

Cache is managed by ARA-CWT Trust Management (Cache) Limited. For more information, please visit [www.cache-reit.com](http://www.cache-reit.com).

### **ABOUT ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED**

Cache is managed by ARA-CWT Trust Management (Cache) Limited, a joint-venture REIT management company between ARA Asset Management Limited (“ARA”) and CWT Limited (“CWT”).

ARA is a real estate fund management company listed on the Main Board of the Singapore Exchange Securities Trading Limited. More information on ARA can be found at [www.ara-asia.com](http://www.ara-asia.com).

CWT is a leading solutions provider of integrated logistics and supply chain management committed to connecting world trade and sustainable development. A Forbes Asia Fab 50 company, CWT serves the spectrum from small establishments to multinational corporations across multiple markets and geographies. Leveraging its strength and scale in logistics competencies, infrastructure and global network, CWT delivers solutions that help customers succeed and communities thrive. CWT has built a diversified portfolio around its core logistics capabilities. CWT provides commodity supply chain management for base metals and energy products. It is also engaged in engineering services for buildings, facilities and equipment fleet; property management; brokering services for exchange listed products; and asset and trust management for Cache Logistics Trust, a logistics property REIT. CWT is a Singapore corporation established in 1970 and traded on the Singapore Exchange since 1993. CWT employs around 6,000 people and reported revenue of S\$5,397 million in 2012. For more information, please visit [www.cwtlimited.com](http://www.cwtlimited.com).

## **Important Notice**

This document does not constitute an offer, invitation or solicitation of securities in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

This document may contain forward-looking statements that involve 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 property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

The value of units in Cache (“Units”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA-CWT Trust Management (Cache) Limited (as the manager of Cache) (the “Manager”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Cache is not necessarily indicative of the future performance of Cache.