

Press Release

Cache Logistics Trust Achieves Distribution per Unit of 8.500 Cents in FY2015

Highlights:

- FY2015 Distributable Income increased 1.6% year-on-year (“y-o-y”) to S\$68.0 million.
- Acquisition of six warehouses in Australia totalling A\$164 million and 1.45 million square feet.
- Completion of first build-to-suit warehouse for DHL Supply Chain.
- Above-industry weighted average lease to expiry (“WALE”) ¹ of 4.4 years.
- Portfolio occupancy remained stable at approximately 95% post conversion of four master-leased premises to multi-tenanted properties.

Financial Performance

In S\$'000 unless otherwise noted	4Q 2015	4Q 2014	y-o-y Change (%)	FY 2015	FY 2014	y-o-y Change (%)
Gross Revenue	24,028	20,608	16.6	89,721	82,852	8.3
Net Property Income (NPI)	19,177	19,380	(1.0)	76,156	78,000	(2.4)
Income Available for Distribution ¹	17,571	16,785	4.7	67,960	66,880	1.6
Distribution per unit (DPU) (Cents) ¹	2.074 ²	2.146 ³	(3.4)	8.500	8.573	(0.9)

Notes:

- (1) Includes a partial capital distribution of S\$2.1 million from the proceeds received from the divestment of Kim Heng Warehouse in 4Q 2015, totaling S\$5.08 million in FY2015.
- (2) Includes the Advanced Distribution of S\$0.009 based on 785,576,123 units which was paid on 29 December 2015, and S\$0.01174 based on 893,472,054 issued units to be paid on 29 February 2016.
- (3) Based on 781,758,464 issued units.

Singapore, 25 January 2016 – ARA-CWT Trust Management (Cache) Limited, the manager (the “Manager”) of Cache Logistics Trust (“Cache”), would like to announce a DPU of 2.074 cents² for 4Q 2015, and 8.500² cents for the financial year ended 31 December 2015 (“FY2015”).

¹ By Net Lettable Area (NLA).

² Includes the Advanced Distribution of 0.9 Singapore cents² which was paid on 29 December 2015, and S\$0.01174 based on 893,472,054 issued units to be paid on 29 February 2016.

Mr Daniel Cerf, Chief Executive Officer of the Manager said: “FY2015 was a busy year for Cache. We acquired six warehouses in Australia which not only strengthens our ability to deliver regular and stable distributions but also provides income growth and diversification. In addition, we completed our first build-to-suit warehouse development for DHL Supply Chain which commences generating rental revenue from January 2016.”

4Q 2015 Gross Revenue increased 16.6% y-o-y to S\$24.0 million while the Net Property Income (“NPI”) declined 1.0% y-o-y to S\$19.2 million. On a full year basis, Gross Revenue increased 8.3% to S\$89.7 million while NPI fell 2.4% to S\$76.2 million. The NPI was lower primarily due to the conversion of several properties from master lease to multi-tenancy, leading to a slight increase in vacancy and property expenses including land rent, property tax, maintenance and leasing expenses, offset by incremental revenue from the newly-acquired properties in Australia. Distributable Income in 4Q 2015 and FY2015 amounted to S\$17.6 million³ and S\$68.0 million³ respectively.

Mr Cerf added: “Given the challenging operating environment, we managed to achieve an overall high portfolio occupancy of close to 95% despite the conversion of four properties from master-leases to multi-tenancies within the year. This was achieved through proactive lease management and investing in various initiatives to offer real estate solutions to our tenants.”

Active Year of Acquisitions and Portfolio Rejuvenation

During the year, Cache acquired six high quality, well-located logistics warehouses in Australia, leveraging on the major trade and distribution cities of Melbourne, Sydney, Brisbane and Adelaide. The Australian warehouses, which span over 1.4 million square feet or approximately one-fifth of Cache’s portfolio, were purchased over the course of the year for approximately A\$164 million. The Australian acquisitions generally come with freehold land tenure and a longer weighted average lease to expiry (WALE), features that provide a good balance to Cache’s predominantly Singapore-based portfolio.

In July 2015, Cache completed its first build-to-suit warehouse for DHL Supply Chain Singapore. The logistics facility which measure over 989,200 square-feet, is on a 10-year lease to DHL Supply Chain based on progressive occupation in the first 4 years. In addition, in line with the Manager’s asset management strategy to streamline the portfolio and unlock value for unitholders, Cache divested Kim Heng Warehouse, its smallest property, for a consideration sum of S\$9.7 million, realising a capital gain of approximately S\$0.7 million.

³ This includes a partial capital distribution from the proceeds from the proceeds received from the divestment of Kim Heng Warehouse in Singapore in June 2015.

As at 31 December 2015, the portfolio occupancy stood at 94.9% and the portfolio WALE was approximately 4.4 years⁴, both above the industry average for industrial S-REITs. Approximately 40% of leases are committed from 2020 and beyond. For the leases expiring during the year, an aggregate of 3.1 million square feet of new leases and renewals were signed. In addition, another approximately 200,000 square feet of forward renewals has been signed for leases expiring in 2016.

Proactive Capital Management

As at 31 December 2015, the aggregate leverage ratio stood at 39.8% and the all-in financing cost averaged 3.25% for the financial year. The Manager continues to mitigate the impact of interest rate fluctuations on the distribution income by hedging approximately 62% of Cache's total borrowings into fixed rates. Cache has a weighted average tenure of debt outstanding of 3.1 years with no refinancing requirement until October 2017.

Outlook

Given the uncertainties in the global economy, the Singapore industrial property market conditions will remain challenging over the next 12 months. The sector continues to be weighed down by an imbalance in the supply and demand of industrial space, slowing global growth and government regulations.

The Australian economy is improving, with growth currently at around 2.5%⁵. The lower dollar is seen as helping the non-mining sectors of the economy, particularly tourism and education. The economic outlook remains cautious due to, amongst others, uncertainty in commodity prices and a slowing Chinese economy. Nevertheless, the WALE for Cache's Australian warehouses average 6.8 years, which enables Cache to ride on the long term growth in Australia.

Notwithstanding a challenging operating environment, the Manager will continue to proactively manage its portfolio to maintain high occupancy, as well as seek quality acquisitions and development opportunities as part of its growth strategy, all with a view to creating sustainable long term value for unitholders.

Distribution to Unitholders

Pursuant to the Private Placement launched on 3 November 2015, for the financial period 1 October 2015 to 12 November 2015, an Advanced Distribution of 0.9 Singapore cents per unit was paid on 29 December 2015. Cache will pay a distribution of 1.174 Singapore cents per unit for the financial period from 13 November 2015 to 31 December 2015. The books closure date is 2 February 2016.

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⁴ By Net Lettable Area (NLA).

⁵ JLL Australia, Economic Outlook December 2015, <http://www.jll.com.au/australia/en-au/Research/jll-australian-economic-report-december-2015.pdf?68f8b221-f21c-4eb7-92bc-bcf94aa79b8f>



**ARA-CWT Trust Management (Cache) Limited
Manager of Cache Logistics Trust**

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

Daniel Cerf
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ABOUT CACHE LOGISTICS TRUST (“CACHE”)

Listed on the Singapore Exchange on 12 April 2010, Cache Logistics Trust is a real estate investment trust (“REIT”) that invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets, in Asia Pacific.

Cache’s portfolio comprises 19 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China. The portfolio has a total gross floor area of approximately 7.5 million square feet valued at approximately S\$1.3 billion as at 31 December 2015.

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

ABOUT ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

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

ARA is Asia’s premier integrated real estate fund manager which is listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2007. It currently manages real estate investment trusts (“REITs”) and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services and advisory services. Established in 2002, to date it has over 1,100 professionals in 15 cities managing total assets in excess of S\$26 billion.

For more information, please visit www.ara-asia.com.

CWT is a leading provider of integrated logistics and supply chain solutions. CWT’s business is about connecting world trade. CWT moves, builds and powers its customers’ supply chain forward. CWT Group combines its logistics capabilities, global network and resources to add value for its customers. CWT Group also provides commodity marketing, financial and engineering services ancillary to its core logistics business.

For more information, please visit www.cwtlimited.com.

IMPORTANT NOTICE

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.