

## CACHE LOGISTICS TRUST EXCEEDS FORECAST WITH 2.086 CENTS DPU FOR 2Q 2011

- On track to deliver forecast annualised Distribution per Unit (DPU) of 7.76 cents for 2011
- Total DPU of 2.086 cents for the period 1 April to 30 June 2011
- Annualised DPU of 8.367 cents represents a distribution yield of approximately 8.5%<sup>1</sup>
- Strong balance sheet with an aggregate leverage of 29.1%

### Results Highlights

(\$'000)	1/4/11 to 30/6/11	11/2/10 to 30/6/10 <sup>2</sup>
Net Property Income ("NPI")	S\$15,462	S\$12,648
Distributable Income	S\$13,289	S\$10,831
DPU (S\$ cents)	2.086	1.710
Annualised DPU (S\$ cents)	8.367	7.810
Annualised Distribution Yield:		
- based on closing price of S\$0.98 and the units in issue on 26 July 2011	8.5%	8.0%

**Singapore, 27 July 2011** – Cache Logistics Trust ("**Cache**"), an industrial REIT managed by ARA-CWT Trust Management (Cache) Limited (the "**Manager**"), has achieved a DPU of 2.086 cents for the period of 1 April to 30 June 2011 to outperform its forecast<sup>3</sup>. The income available for distribution was approximately S\$13.3 million which gives an annualised yield of 8.5% based on the closing price of S\$0.98 and the 636.8 million issued Units in Cache ("**Units**") on 26 July 2011.

**Mr. Daniel Cerf, CEO of ARA-CWT Trust Management (Cache)** commented, "We are pleased with our results for this quarter and the DPU which is higher than that forecasted. The increased distributable income of S\$13.3 million was due largely to the upward rental adjustments for the majority of the portfolio and the contributions from the acquisitions we completed in the quarter.

Our investment strategy has always been to deliver sustainable and growth in distributions. We are also committed to our 100% distribution policy for FY2011 and thereafter to distribute at least 90% of our distributable income.

1 Based on the closing price of S\$0.98 and the 636,843,288 issued Units on 26 July 2011.

2 Cache was a dormant private trust from 11 February 2010 (date of constitution) until its acquisition of the Properties on 12 April 2010. It officially commenced operation and was listed on SGX-ST from 12 April 2010. The figures are not comparable as:

- Cache's operations for 2Q10 is from 12 April to 30 June 2010 compared to a full quarter in 2Q11
- Cache's operations for Year to date 30 June 2010 is from 12 April to 30 June 2010, compared to six months for Year to date 30 June 2011

The comparative figures for the corresponding period of the immediately preceding financial year relate solely to the financial figures of the Trust. The incorporation of subsidiaries took place in 2011.

3 Based on the Projection Year 2011 forecast as stated in the Prospectus dated 1 April 2010 and prorated for the respective period.

As seen by our strong performance and barring any unforeseen circumstances we are on track to meet the forecast DPU for FY2011.”

### **Strong Balance Sheet**

The Cache portfolio of investment properties stood at S\$805.1 million at the end of 30 June 2011, compared to S\$744.0 million at the end of 31 December 2010.

The portfolio was 100% occupied at end-June with a combination of triple-net<sup>4</sup> master leases and multi-tenancy lease structures. The portfolio's weighted average lease to expiry of 5.1 years as at 30 June 2011 provides a high degree of predictability in cash flow and stability in earnings.

Aggregate leverage stood at 29.1% at the end of June 2011. The overall all-in interest cost for 2Q2011 was 3.92%, down from 4.37% in the previous quarter.

With its strong balance sheet, Cache is well-positioned to execute its strategy to increase distributable income by way of value-add acquisitions to improve earnings.

### **Positive Outlook**

According to Collier International's 2Q11 industrial property report, the industrial property market in Singapore showed signs of acceleration in the second quarter, indicating the fastest quarterly growth in three years. The monthly gross rents for prime factory and warehouse space increased between 6 and 7 per cent over 1Q2011. Rents and capital values of industrial properties are expected to increase more modestly. Overall, the outlook for the industrial property market remains positive in the short to medium term.

On 20 July 2011, the trustee of Cache entered into a sale and purchase agreement to acquire a warehouse facility in Loyang Industrial Estate from Air Market Express (S) Pte Ltd (“**Air Market**”) via an acquisition and leaseback arrangement for S\$13.0 million. The property has 42 years remaining on the current lease and Air Market will leaseback the facility for a term of five years with an option to renew for an additional term of five years. The NPI yield<sup>5</sup> of approximately 7.4% is within the range achieved for logistic properties in eastern Singapore.

The Air Market acquisition is accretive at the distribution level, with the annualised pro forma financial effect on Cache's DPU for FY2011 expected to be an additional 0.05 cents per Unit after applicable taxes, and offers the potential for future capital appreciation. Following the completion of the Air Market acquisition, the aggregate leverage of Cache will rise to 30.2%.

Research conducted by Business Monitor International shows that there is increasing activity and optimism in China's industrial property market. Prime industrial rents in China are on an upward trend, having increased by approximately 15% year-on-year in 2010. Such a trend is driving demand for industrial and warehouse space, especially in first-tier cities such as Shanghai and Beijing.

---

4 A triple-net master lease is where the respective lessee undertakes to lease the entire specific premises and incur all property related expenses, save for the Cache property management fees (“triple-net rental”).

5 NPI yield is contracted triple-net rental over the property consideration.

**Mr. Cerf** concluded, “We are pleased with our performance and the fact we have exceeded the S\$800 million mark in assets under management. We will continue to pursue growth from within the portfolio as well as through external growth by way of acquisitions that are conducive to the portfolio. While the portfolio of Cache will remain largely Singapore-based, we believe that there is good pent-up demand for quality logistic properties in the tier-one and tier-two cities in China. We are positioning ourselves to take advantage of the growth the country has to offer.

Our expansion plans are backed by our strong fundamentals and prudent asset management strategy. We maintain our pursuit of sustainable yield-accretive returns. Bolstered by our ARA and CWT networks, we are confident of delivering regular and stable distributions to unitholders.”

– END –

#### **ABOUT CACHE**

Cache is a real estate investment trust (“**REIT**”) constituted on 11 February 2010. Cache was listed on the main board of SGX-ST and commenced operations on 12 April 2010. Cache principally invests in income-producing real estate used for logistics purposes in Asia-Pacific, as well as real estate-related assets. Cache presently holds a portfolio of quality logistics warehouse properties strategically located in Singapore’s established logistics clusters. Cache is managed by ARA-CWT Trust Management (Cache) Limited.

For more details, please visit [www.cache-reit.com](http://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, an affiliate of the Cheung Kong group, is a real estate fund management company listed on the main board of the Singapore Exchange. ARA currently manages REITs listed in Singapore, Hong Kong and Malaysia with a diversified portfolio spanning the office, retail, industrial/office and logistics sectors; private funds investing in real estate and real estate-related securities in Asia; and provides real estate management services, including property management services and convention & exhibition services; and corporate finance advisory services. For more details, please visit [www.ara-asia.com](http://www.ara-asia.com).

CWT is a leading provider of integrated logistics solutions for worldwide customers in the commodities, chemical and petrochemical, marine, oil & gas, defence and industrial sectors. CWT designs, engineers and manages unique and effective supply chain solutions leveraging its in-depth domain knowledge, innovative capabilities and global logistics infrastructure. Through its global network, the CWT Group is able to connect customers to 120 ports and over 1,200 destinations seamlessly around the world. Headquartered in Singapore, the CWT group also provides engineering management and maintenance services for facilities and vehicles and equipment fleet. The largest listed logistics company in Southeast Asia, CWT is traded on the Singapore Stock Exchange under the stock symbol CWT. For more information, visit [www.cwtlimited.com](http://www.cwtlimited.com).

---

#### **Contact Information**

<b>Financial PR Pte Ltd</b>	<b>ARA-CWT Trust Management (Cache) Limited</b>
Mr Gabriel Tan/ Miss Denise Wong	Mr Daniel Cerf
Investor Relations Consultants	Chief Executive Officer
Tel: (65) 6438 2990 / Fax: (65) 6438 0064	Tel: (65) 6512 5155
Email: <a href="mailto:staff@financialpr.com.sg">staff@financialpr.com.sg</a>	Email: <a href="mailto:danielcerf@ara.com.hk">danielcerf@ara.com.hk</a>

**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.