

## CACHE LOGISTICS TRUST 2Q12 DISTRIBUTABLE INCOME INCREASES BY 4.5%

- 1H12 distributable income rises 6.0%; annualised DPU of 8.18 cents represents approximately 7.8% distribution yield<sup>1</sup>
- Financial position strengthened with enlarged portfolio of quality assets; debt profile improved via capital management exercise
- Strong fundamentals and contribution from recent acquisitions to drive 2H12 growth

(S\$'000)	2Q12	2Q11	Change (%)	1H12	1H11	Change (%)
<b>Net Property Income</b>	16,720	15,462	8.1	32,816	29,880	9.8
<b>Distributable Income</b>	13,893	13,289	4.5	27,250	25,697	6.0
<b>DPU (S\$ cents)</b>	1.98	2.09	-5.0	4.07	4.04	0.7
<b>Annualised DPU (S\$ cents)</b>	7.97	8.37	-4.8	8.18	8.14	0.4
<b>Annualised Distribution Yield:</b> <small>based on closing price of S\$1.05 as at 29 June 2012 and the units in issue on 30 June 2012</small>	7.6%	N.A.	N.A.	7.8%	N.A.	N.A.

**Singapore, 25 July 2012** – Cache Logistics Trust (“**Cache**”), a SGX-listed industrial REIT managed by ARA-CWT Trust Management (Cache) Limited (the “**Manager**”), achieved a higher distributable income of S\$13.9 million for the period of 1 April to 30 June 2012 (2Q12), 4.5% above that achieved for the same period in 2011. Cache’s distribution per unit in Cache (“**DPU**”) declined by 5.0% to 1.98 cents, given an enlarged share base arising from a successful private placement of 60 million new units in Cache (“**Units**”) on 30 March 2012<sup>2</sup>.

Distributable income grew 6.0% to S\$27.3 million for the six months ended 30 June 2012, representing a DPU of 4.07 cents versus 4.04 cents previously. This translates to an annualised distribution yield of approximately 7.8% based on the closing price of S\$1.05 per Unit on 30 June 2012.

**Mr. Daniel Cerf, CEO of the Manager** said: “First half of 2012 has certainly been very eventful for Cache. Riding on the momentum of our performance record, we continue on our growth track by adopting a two-pronged strategy of strengthening our asset base as well as our financial position.

On the acquisition front, we acquired Pan Asia Logistics Centre in April 2012 and Pandan Logistics Hub earlier this month, both of which are excellent additions to our portfolio and well-supported by Unitholders. In funding the acquisitions, we were judicious in our capital management and employed a combination of debt and equity. A highlight for the quarter was our capital management exercise, which increased our pool of unsecured assets, lowered borrowing costs, improved our debt expiry profile and increased our financial flexibility going forward.

On the back of these initiatives, we are pleased to report that we are in a stronger position to continue delivering sustainable distributions to our shareholders going forward.”

<sup>1</sup> Based on closing price of S\$1.05 as at 29 June 2012 and the number of units in issue as at 30 June 2012 (being 699,888,315 Units)

<sup>2</sup> 60,000,000 new units were issued at an issue price of S\$0.985 on 30 March 2012

**Prudent Growth**

Gross revenue for the quarter was S\$17.6 million, an increase of 8.5% over the previous year. Net property income was S\$16.7 million, or 8.1% higher. The increase in revenue and net property income was primarily the result of the additional rental income from upward rental adjustments and acquisitions of investment properties.

Full revenue contribution from the acquisition of Pan Asia Logistics Centre and Pandan Logistics Hub will be more noticeable in the second half of 2012 (2H12). Post completion of the Pandan Logistics Hub property, the portfolio now consists of 12 quality logistics warehouse properties in Singapore and China worth approximately S\$944.3 million.

In managing its capital structure, Cache refinanced its entire loan portfolio with a new S\$375.0 million bank facility secured against existing collateral. Aside from lowering the cost of funds and increasing the debt maturity, the new facility also includes an increased committed line of funding which provides Cache with greater financial flexibility in the future.

The Cache portfolio is 100% occupied, with a combination of triple-net master leases and multi-tenancy lease structures, and has a weighted average lease to expiry of 4.4 years including the recent Pandan Logistics Hub acquisition. In addition, Cache has secured, locked-in rental income with fixed annual step-ups as well as no lease renewal exposure throughout 2012, all of which provide a high degree of predictability in cash flow and earnings stability.

**Outlook**

According to Colliers, prime conventional warehouse rents rose to a new high. The average monthly gross rents of prime ground floor warehouse space increased by 1.2% q-o-q to S\$2.50 per sq ft, while the upper floor warehouse space increased by 1.0% q-o-q to S\$2.06 per sq ft<sup>3</sup>. Savills believes industrial rents will likely hold firm this year as industrialists appear to be deferring the renewal of their leases in anticipation of pending new supply<sup>4</sup>. As such, all indications point to the fact that the industrial property market should remain buoyant in the near term.

**Conclusion**

Mr Cerf concluded by saying, "With a strong sponsor in CWT Limited and professional management through the ARA-CWT Trust Management joint venture, the Manager looks to continue growing its portfolio via quality, accretive acquisitions while seeking asset enhancement initiatives in Singapore and Asia-Pacific.

Notwithstanding the changing economic and business environment, given the strong financial and property fundamentals of Cache, including the two recent acquisitions, the Manager is confident of delivering good value to Unitholders in 2H12."

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<sup>3</sup> Colliers Singapore Real Estate Market (Industrial) – 2Q 2012

<sup>4</sup> Savills Industrial Sector Briefing – July 2012

**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<sup>5</sup>, well as real estate-related assets. Cache presently holds a portfolio of high quality logistics warehouse properties strategically located in established logistics clusters in Asia-Pacific. 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).

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<sup>5</sup> For the purposes of the investment mandate of Cache, “Asia-Pacific” is defined as Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam, China, India, Hong Kong, Macau, Taiwan, Japan, Korea, Australia and New Zealand.