

Press Release

26 October 2006
Embargoed till 5.30 p.m.

Manager of



**Suntec REIT Outperforms IPO Forecast¹ by 23%;
Distribution Income increased to S\$24.8 million**

Singapore, 26 October 2006 – ARA Trust Management (Suntec) Limited (“ARA Suntec”), Manager of Suntec Real Estate Investment Trust (“Suntec REIT”), is pleased to announce a distribution income of S\$24.8 million for the period 1 July 2006 to 30 September 2006 (4Q FY2006), an increase of 22.6% from the S\$20.3 million Forecast¹ for the period. As a result, unitholders will enjoy a distribution payout of 1.91 cents per unit, the highest quarterly distribution since IPO.

Commenting on Suntec REIT’s performance, Mr. Yeo See Kiat, Chief Executive Officer of ARA Suntec, said, “Suntec REIT has ended its financial year 2006 on a high note with a total return of almost 60% since IPO. I am delighted that we were able to exceed our IPO forecast in each and every quarter”.

Office occupancy hit highest level since IPO. The overall committed occupancy for the office portfolio strengthened to 97.2% as at end September 2006, the highest level attained since IPO. “We are optimistic that the positive outlook for the Singapore office market will boost our office occupancies and strengthen our rentals even further”, says Mr. Yeo.

Suntec City’s retail passing rent reached post-IPO high of S\$9.45 psf. The retail passing rent for Suntec City Mall has increased by more than S\$1 psf since IPO to S\$9.45 psf as at 30 September 2006, up from S\$8.38 psf. Retail passing rents have also increased for Park Mall and Chijmes, both of whom have achieved 100% committed occupancy. The overall committed occupancy for the retail portfolio stood at 98.1% as at end September 2006.

Asset Enhancement Updates. e-life@Suntec, the new digital zone, has attained 90% committed occupancy to date, achieving a revenue growth of approximately 71% to S\$2.4 million as compared to S\$1.4 million previously.

¹ Based on assumptions stated in the IPO Prospectus dated 29 November 2004 which only consists of properties in Suntec City. The actual results for the period also include Park Mall & Chijmes, the acquisitions of which were completed on 28 October 2005 and 1 December 2005 respectively.

Prudent Capital Management. As at 30 September 2006, 71% of the total debt outstanding of S\$1,032 million has been hedged at an all-in blended rate of 2.85% p.a., out of which S\$500 million has been hedged at 2.55% p.a. up to 2009.

Summary of Suntec REIT Results for 4Q FY2006

From 1 July 2006 to 30 September 2006	Actual	Forecast	Variance
Revenue (S\$'000)	44,895	34,450	30.3%
Net property income (S\$'000)	32,660	25,408	28.5%
Income available for distribution (S\$'000)	24,839	20,262	22.6%
Distribution per unit ³ (cents)	1.91¢	1.56¢	22.4%
Distribution yield (annualized) ²			
- based on 30 September 2006 closing price of S\$1.48	5.1%	4.2%	22.4%
- based on 25 October 2006 closing price of S\$1.56	4.9%	4.0%	22.4%

For the period 1 July 2006 to 30 September 2006, Suntec REIT recorded a gross revenue of S\$44.9 million. This is an increase of 30.3% above the Forecast. Distribution income rose to S\$24.8 million, which exceeded the Forecast by 22.6%. Distribution payout to unitholders amounted to 1.91 cents per unit, which exceeded the IPO Forecast by 22.4%.

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³ Excluding 207,002,170 units ("Deferred Units") which will be issued to Suntec City Developments Pte Ltd over 6 installments, the first of which falls 42 months after 9 December 2004, as partial satisfaction of the purchase consideration for the initial portfolio of properties

⁴ Please note that past performance is not necessarily indicative of future performance of Suntec REIT.

ABOUT SUNTEC REIT

Listed on 9 December 2004, Suntec REIT holds properties in Suntec City, Singapore's largest integrated commercial development (including one of Singapore's largest shopping mall), Park Mall and Chijmes. Its aim is to invest in income-producing real estate which is primarily used for retail and/or office purposes. Suntec REIT is managed by an external manager, ARA Trust Management (Suntec) Limited.

ABOUT ARA TRUST MANAGEMENT (SUNTEC) LIMITED

ARA Trust Management (Suntec) Limited, part of the ARA Asset Management Limited group ("ARA"), is the manager of Suntec REIT. ARA is a member of the Cheung Kong Group. ARA is currently involved in managing the publicly listed Fortune REIT and Prosperity REIT, and private equity real estate funds such as Al Islami Far Eastern Real Estate Fund Limited and China Capital Partners Limited. It is staffed by experienced professionals who have extensive experience in the real estate industry in Singapore and the region.

IMPORTANT NOTICE

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) (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 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 Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.

Pro Forma Impact of Deferred Units Issuance

Suntec City Development Pte Ltd, the vendor of Suntec City Mall and Suntec City Office Towers (both as defined in the prospectus dated 29 November 2004 (the "Prospectus") issued in connection with the initial public offering of units in Suntec REIT ("Units") in November/December 2004 and together, the "Properties"), will be issued with 207,002,170 additional Units (the "Deferred Units") in satisfaction of the deferred payment consideration for the purchase of the Properties. The Deferred Units will be issued in six equal instalments, with the first instalment to be issued on the date falling 42 months after 9 December 2004 (being the date of completion of the sale and purchase of the Properties) and the rest semi-annually thereafter. Any change in rental rates, occupancy rates and distributable income of Suntec REIT can affect the impact of any dilution in the yields of Suntec REIT arising from the issuance of the Deferred Units in the future. The table below illustrates the pro forma impact under the scenario where the Deferred Units were entirely issued on 9 December 2004, the date of admission of Suntec REIT to the Official List of the SGX-ST (the "Listing Date"):

	Distribution per unit ("DPU") under the scenario that all Deferred Units are issued on the Listing Date	
	Actual (1 Jul 06 – 30 Sep 06)	Forecast (1 Jul 06 – 30 Sep 06)
DPU based on total number of units entitled to the distribution (cents)	1.907	1.558
DPU assuming Deferred Units were issued on the Listing Date (cents)	1.646	1.344

Media and investor contacts

Yeo See Kiat	Marilyn Tan
Chief Executive Officer	Manager, Investor Relations
Tel: +65 6835 9232	Tel: +65 6835 9232
seekiatyeo@ara.com.hk	marilyntyntan@ara.com.hk

Vicky Lim
Assistant Manager
Investor Relations and Financial Analyst
Tel: +65 6835 9232
vickylim@ara.com.hk