

## FINANCIAL RESULTS

For Second Quarter and Half Year ended 30 June 2012

## AGENDA

- ❖ Q2 Highlights
- ❖ Financial Performance
- ❖ Portfolio Performance
- ❖ AEI Updates
- ❖ Looking Ahead
- ❖ Unit Performance



## Q2 HIGHLIGHTS

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- Distribution income of S\$53.0 million and DPU of 2.361 cents
- Suntec City Office Towers achieved 100% committed occupancy
- Office Portfolio committed occupancy strengthened to 99.9%
- Suntec City AEI –
  - ▣ Phase 1 commenced on 1 June 2012
  - ▣ 58.5% of Suntec REIT's Phase 1 leases pre-committed
- MBFC Properties holding company obtained LLP status
  - ▣ Unitholders of Suntec REIT to benefit from the conversion



## FINANCIAL PERFORMANCE

### FINANCIAL PERFORMANCE: 2Q FY12

**Delivered DPU of 2.361 cents**

1 April – 30 June 2012	2Q FY12	2Q FY11	Change
<b>Gross Revenue</b>	<b>S\$71.0 mil</b>	<b>S\$61.3 mil</b>	<b>15.8%</b>
<b>Net Property Income</b>	<b>S\$45.4 mil</b>	<b>S\$46.9 mil</b>	<b>-3.1%</b>
<b>Distributable Income</b>	<b>S\$53.0 mil</b>	<b>S\$56.2 mil</b>	<b>-5.7%</b>
<b>Distribution per unit<sup>1</sup></b>	<b>2.361¢</b>	<b>2.532¢</b>	<b>-6.8%</b>
<b>Annualised distribution yield<sup>2</sup></b>	<b>6.5%</b>	<b>7.0%</b>	

**Notes:**

- Based on 2,237,422,709 units in issue as at 30 June 2012 and 5,480,341 units to be issued to the Manager by 30 July 2012 as partial satisfaction of management fee incurred for the period 1 April to 30 June 2012.
- Based on the last traded price of S\$1.46 per unit as at 18 July 2012.

## FINANCIAL PERFORMANCE: 1H FY12

Delivered DPU of 4.814 cents

1 January – 30 June 2012	1H FY12	1H FY11	Change
Gross Revenue	S\$144.3 mil	S\$122.3 mil	18.0%
Net Property Income	S\$94.4 mil	S\$93.6 mil	0.9%
Distributable Income	S\$107.9 mil	S\$109.0 mil	-1.1%
Distribution per unit <sup>1</sup>	4.814¢	4.920¢	-2.2%
Annualised distribution yield <sup>2</sup>	6.6%	6.8%	

Notes:

- Based on 2,237,422,709 units in issue as at 30 June 2012 and 5,480,341 units to be issued to the Manager by 30 July 2012 as partial satisfaction of management fee incurred for the period 1 April to 30 June 2012.
- Based on the last traded price of S\$1.46 per unit as at 18 July 2012.

Source: ARATMS

7

## DEBT-TO-ASSET RATIO STOOD AT 37.5%

Debt Metrics	30 June 2012
Total Debt Outstanding	S\$2.822 bil
Debt-to-Asset Ratio <sup>1</sup>	37.5%
Average All-in Financing Cost	2.85%
Interest Coverage Ratio	4.0 x
Corporate Family Rating	"Baa2"

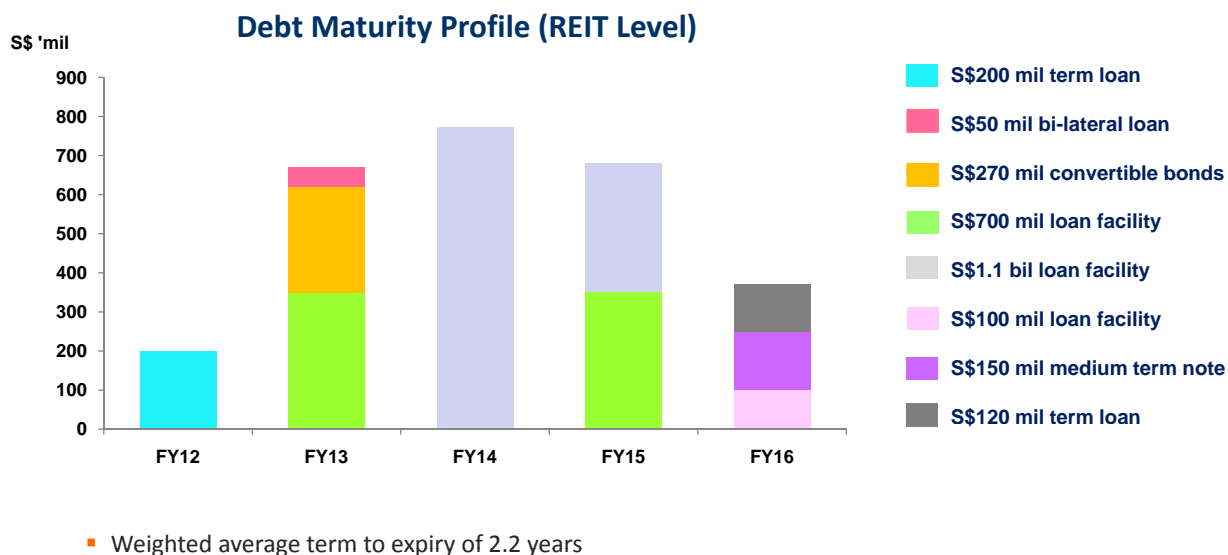
Note:

- Suntec REIT's "Aggregate Leverage Ratio" as at 30 June 2012 was 39.3%. "Aggregate Leverage Ratio" refers to the ratio of total borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property

Source: ARATMS

8

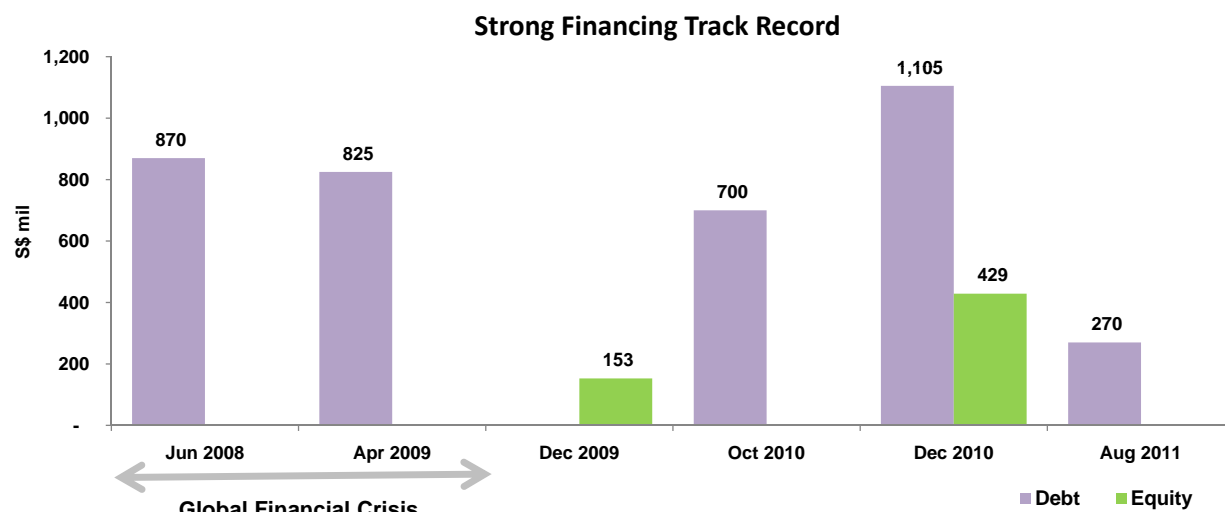
## DEBT MATURITY PROFILE AS AT 30 JUNE 2012



Source: ARATMS

9

## \$4.35 BILLION OF FINANCING SINCE JUNE 2008



- Raised S\$3.77 bil of debt financing
- Raised S\$582 mil of equity financing
- Average all-in financing cost of 2.85% for 2Q FY12

Source: ARATMS

10

## NAV PER UNIT OF S\$1.979 AS AT 30 JUNE 2012

Consolidated Balance Sheet	30 June 2012
Total Assets	S\$7,486 mil
Total Liabilities	S\$2,935 mil
Net Assets Attributable to Unitholders	S\$4,439 mil
NAV Per Unit <sup>1</sup>	S\$1.979
Adjusted NAV Per Unit <sup>2</sup>	S\$1.955

Notes:

1. Based on 2,237,422,709 units in issue as at 30 June 2012 and 5,480,341 units to be issued to the Manager by 30 July 2012 as partial satisfaction of management fee incurred for the period 1 April to 30 June 2012.
2. After DPU adjustment of 2.361 cents for the quarter ended 30 June 2012.

Source: ARATMS

## DISTRIBUTION TIMETABLE

Distribution Payment	
Distribution Period	1 April – 30 June 2012
Amount (cents/unit)	2.361

Ex-date	26 July 2012
Books closure date	30 July 2012
Payment date	27 August 2012

Source: ARATMS

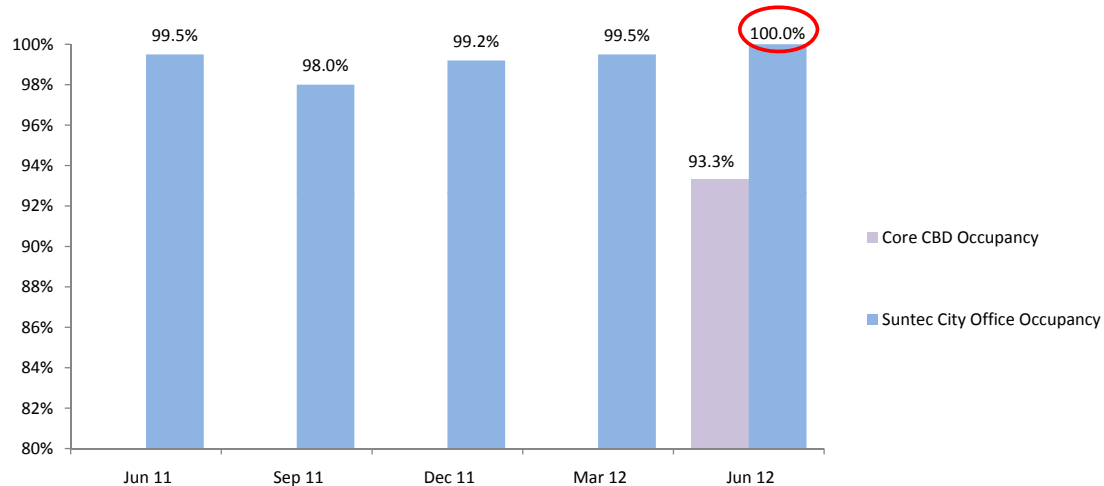
## PORTFOLIO PERFORMANCE

## STRONG PORTFOLIO COMMITTED OCCUPANCY

Property	As at Jun 11	As at Sep 11	As at Dec 11	As at Mar 12	As at Jun 12
<b>Suntec City:</b>					
- Office	99.5%	98.0%	99.2%	99.5%	100%
- Retail	97.1%	96.5%	96.7%	96.7%	98.1% <sup>1</sup>
<b>Park Mall:</b>					
- Office	100%	100%	100%	100%	100%
- Retail	100%	100%	100%	100%	100%
<b>One Raffles Quay</b>	100%	100%	100%	100%	100%
<b>MBFC Properties</b>	97.4%	98.5%	98.6%	98.7%	99.5%
<b>Office Portfolio Occupancy</b>	99.2%	98.6%	99.2%	99.4%	99.9%
<b>Retail Portfolio Occupancy</b>	97.7%	97.3%	97.5%	97.3%	98.5%

- Suntec City office achieved 100% occupancy
- Strong occupancy of 99.9% and 98.5% achieved for office and retail portfolio respectively

## SUNTEC CITY OFFICE ACHIEVED 100% COMMITTED OCCUPANCY



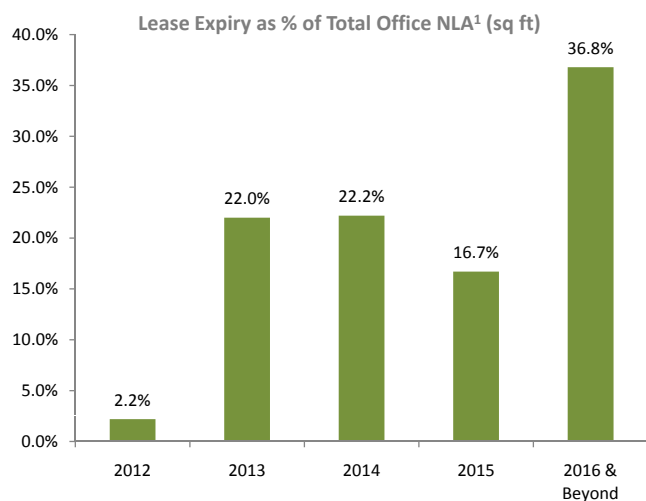
- Suntec City Office achieved 100% committed occupancy versus Singapore average CBD Grade A office occupancy of 93.3%
- Leases secured for the quarter at an average rent of S\$8.71 psf pm

Source: Savills Research, ARATMS

15

## OFFICE LEASES EXPIRING IN FY 2012 DOWN TO 2.2%

Expiry Profile As at 30 Jun 2012	Net Lettable Area <sup>1</sup>	
	Sq ft	% of Total
FY 2012	52,695	2.2%
FY 2013	530,628	22.0%
FY 2014	536,122	22.2%
FY 2015	403,691	16.7%
FY 2016 & Beyond	889,216	36.8%



- Balance of office leases expiring in FY 2012 reduced to 2.2%

Note:

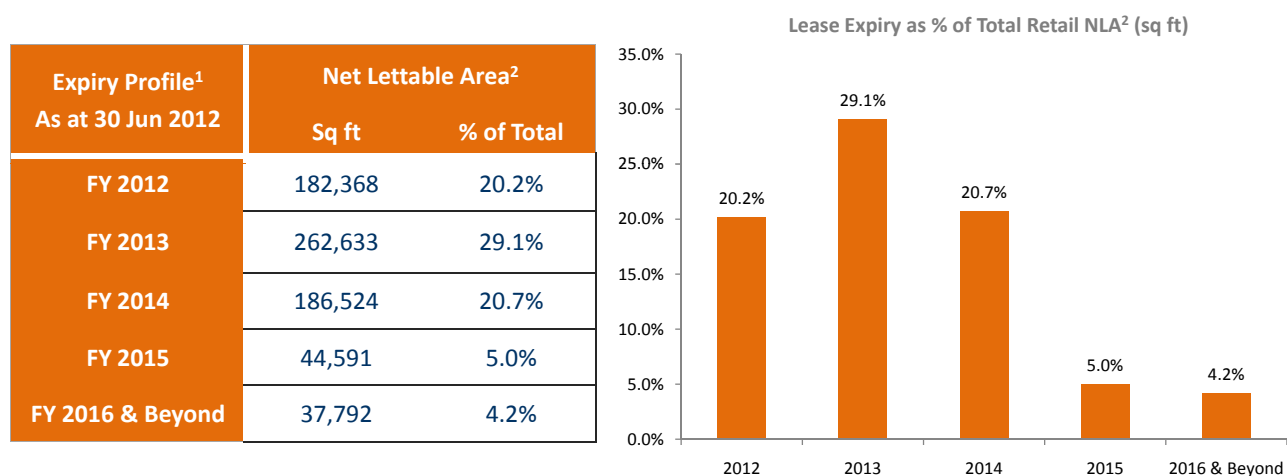
1. Assumes one third of total office net lettable area of One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2

Source: ARATMS

16



## RETAIL PORTFOLIO LEASE EXPIRY PROFILE



### Balance 20.2% of retail leases expiring in FY 2012

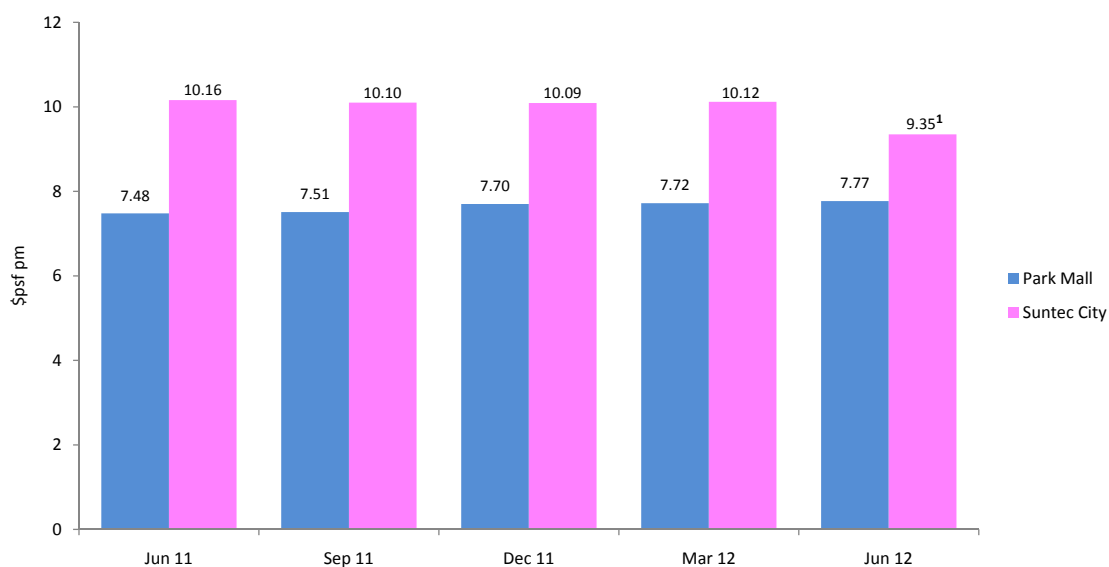
Notes:

- Adjusted for leases that will be affected by Phase 1 of the asset enhancement initiatives in Suntec City
- Assumes one third of total retail net lettable area of One Raffles Quay, Marina Bay Link Mall

Source: ARATMS

17

## SUNTEC CITY AND PARK MALL COMMITTED RETAIL PASSING RENTS



### Park Mall average passing rent strengthened to \$7.77 psf/mth

Note:

- Average passing rent for Suntec City Mall adjusted for AEI works

Source: ARATMS

18

## REMAKING OF SUNTEC CITY – AEI UPDATES



### REMAKING OF SUNTEC CITY

#### **S\$410m AEI**

- Suntec City Mall \$230m;
- Suntec Singapore \$180m
- 4 phased project (from June 2012 to end 2014)

#### **Increased Retail Presence**

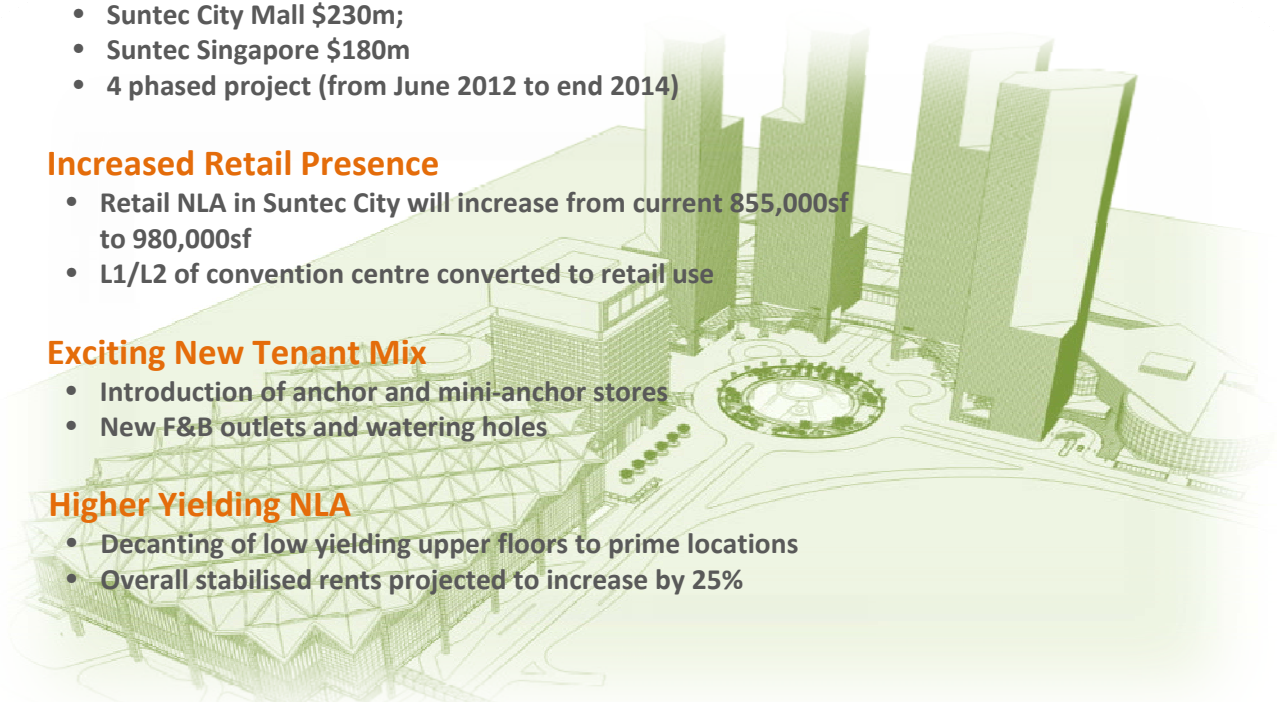
- Retail NLA in Suntec City will increase from current 855,000sf to 980,000sf
- L1/L2 of convention centre converted to retail use

#### **Exciting New Tenant Mix**

- Introduction of anchor and mini-anchor stores
- New F&B outlets and watering holes

#### **Higher Yielding NLA**

- Decanting of low yielding upper floors to prime locations
- Overall stabilised rents projected to increase by 25%



## PHASING OF WORKS – AEI FAST TRACKED TO COMPLETE BY END 2014

PHASING	ESTIMATED DATE OF COMPLETION*	ESTIMATED AREA INVOLVED*
Phase 1	2Q 2013	193,000 sf
Phase 2	4Q 2013	380,000 sf
Phase 3/4	4Q 2014	249,000 sf



\* Management's estimates. Subject to adjustments

21

## FUNDING ARRANGEMENTS

PHASING	ESTIMATED CAPEX *
Phase 1	\$55m
Phase 2	\$75m
Phase 3/4	\$100m

### SUNTEC REIT'S FUNDING ARRANGEMENT

- Minimal funding requirement for phase 1 and 2
- Funding of \$230m capex supported by:
  - Sale proceeds from divestment of Chijmes
  - Bank borrowings
  - Minimal impact on gearing post-AEI

### SUNTEC SINGAPORE'S FUNDING ARRANGEMENT

- Capex of \$180m to be funded by own bank borrowings

\* Management's estimates. Subject to adjustments

22

## PHASE 1 UPDATE

- ❖ Phase 1 works on some 193,000sf of NLA in the Galleria zone and Fountain Terrace zones had progressively commenced on 1 Jun 2012 and will complete circa 2Q 2013

### 58.5% OF PHASE 1 NLA PRE-COMMITTED TO-DATE

- ❖ Committed rents and projected return on investment of 10.1% on track



Source: ARATMS

### NEWLY COMMITTED TENANTS INCLUDE:



23

## PERSPECTIVES



Source: ARTMS



Artist's impressions only, subject to approval and change without notice

24

## VALUE ENHANCEMENTS – SUNTEC REIT

### Projected ROI of 10.1% and 84% increase in capital value over Capex

	Before AEI	After AEI *	Variance	
Average Rent per sq ft per mth (\$ psf)	\$10.10 psf pm	\$12.59 psf pm	+\$2.49 psf pm	+25%
NPI per month (\$m) **	\$5.9m	\$7.8m	+\$1.9m	+33%

VALUE ENHANCEMENTS	Manager's Projection
Incremental NPI per annum	\$23.2m
Capital expenditure ("Capex") estimated	\$230m
Return on Investment	10.1%
Capital Value of AEI ***	\$422m
Increase in Capital Value	\$192m
- % increase in capital value over capex	+83.5%

\* Based on manager's projection of stabilised rents on NLA of 823,688sf

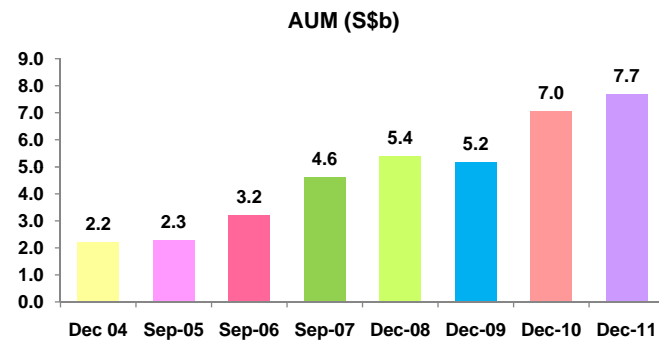
\*\* Excludes turnover rent and other income

\*\*\* Based on current 5.5% capitalisation rate

## LOOKING AHEAD



## AUM OF S\$7.6 BILLION \*



- Singapore's 2nd largest REIT by AUM with a strong portfolio of strategically-located prime assets
- Office portfolio of 2.4 mil sq ft and retail portfolio of 1.0 mil sq ft
- Anchored by major asset Suntec City, one of Singapore's largest office and retail properties

Source: ARATMS

\* The divestment of Chijmes at \$177mil was completed in Jan 2012

27

## WELL POSITIONED IN SINGAPORE-REIT SECTOR

### OUTLOOK

- Cautiously optimistic on the economic outlook
- Positive on 2012 office portfolio performance

### TRACK RECORD

- Proven track record in enhancing the performance of our property portfolio
- Strong credit standing and debt financing record
- Delivered 70.1 cents of DPU since IPO in December 2004

### STRATEGY

- Proactive leasing management
- Focus on smooth execution of AEI
- Prudent and proactive capital management

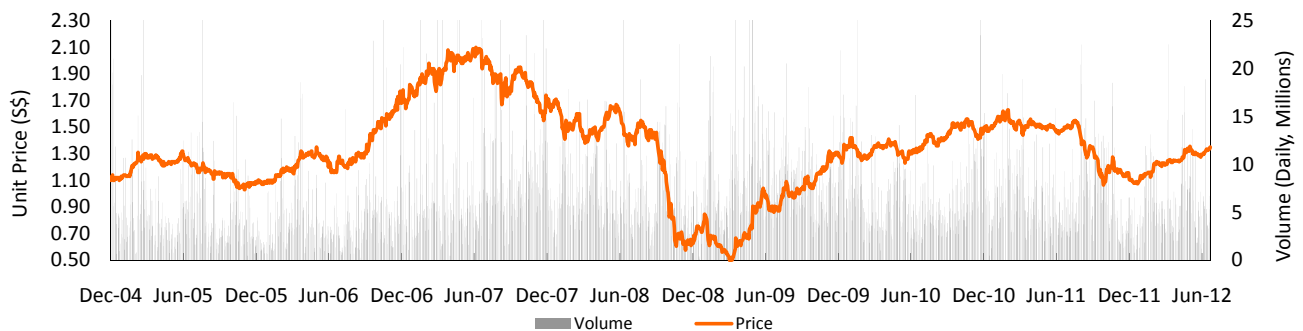
Source: ARATMS

28

## UNIT PERFORMANCE

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- 1H FY2012 DPU of 4.814 cents
- Trading yield of 7.2%<sup>1</sup>
- Total DPU of 70.1 cents since IPO
- Market Capitalisation of S\$3.02 billion<sup>1</sup> as at 30 June 2012



Notes:

1. Based on the share price of S\$1.35 as at 30 June 2012

Source: ARATMS

## CONTACT

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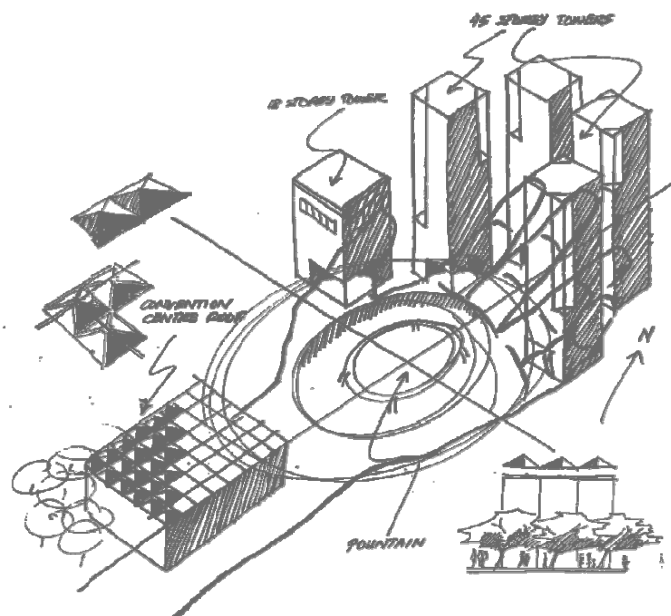
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31

## THANK YOU



32



## DISCLAIMER

This presentation is focused on the comparison of actual results for the three months ended 30 June 2012 versus results achieved in the three months ended 30 June 2011. It should be read in conjunction with Paragraph 8 of Suntec REIT's financial results for the financial period ended 30 June 2012 announced on SGXNET.

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2. 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.
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