



Trust Management (Suntec) Limited

Press Release

24 April 2014

Manager of



Suntec REIT Achieves Distribution Per Unit of 2.229 cents for 1Q FY14 Signed S\$800 million 5-year Unsecured Loan Facility

Singapore, 24 April 2014 – ARA Trust Management (Suntec) Limited, the manager of Suntec Real Estate Investment Trust (“Suntec REIT”, and the “Manager”), is pleased to announce a distribution income of S\$50.9 million for the period 1 January to 31 March 2014 (“1Q FY14”) which was 1.2% higher compared to the quarter ended 31 March 2013 (“1Q FY13”). The distribution per unit (“DPU”) of 2.229 cents delivered for 1Q FY14 was in-line with 1Q FY13 DPU of 2.228 cents.

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “During the first quarter of 2014, we commenced Phase 3 of the AEI works in Suntec City which together with the on-going works for Phase 2, constituted a major closure of Suntec City mall. Notwithstanding this, we are pleased to deliver a distribution income of S\$50.9 million which was 1.2% higher year-on-year. This was mainly attributable to the completion of Suntec City Phase 1 and contribution from the recent acquisition in North Sydney.”

On the retail portfolio, the committed occupancy for Suntec City mall (Phase 1) achieved 100%. Likewise, Park Mall maintained 100% committed occupancy. The overall committed occupancy for the retail portfolio stood at 98.7% as at 31 March 2014.

On the office portfolio, Suntec City Office Towers continued to maintain a high committed occupancy of 98.7%, while Park Mall Office maintained 100% occupancy as at 31 March 2014. For the joint ventures, One Raffles Quay and MBFC Properties¹ continued to enjoy 100% occupancy as at 31 March 2014. Suntec REIT’s overall committed occupancy for the office portfolio stood at 99.4% as at 31 March 2014.

Commenting on Suntec REIT’s office performance, Mr. Yeo said, “Our office portfolio continues to perform strongly. As part of our proactive leasing strategy, we have forward renewed more than 100,000 sq ft of leases due to expire in 2014, leaving us with a balance of only 9.6% of the office

¹ Marina Bay Financial Centre Towers 1 and 2, and the Marina Bay Link Mall

leases due to expire in 2014. Looking ahead, we remain positive on the performance of our office portfolio in 2014.”

On the capital management front, Mr. Yeo said, “During the quarter, Suntec REIT issued S\$310 million 6-year 3.35% euro medium term notes and raised S\$350 million from a private placement exercise. We are pleased to also report that Suntec REIT has signed a S\$800 million 5-year unsecured loan facility today to repay the loan due in 2014 and 2015. With this, Suntec REIT has no refinancing requirement till 2016.”

Summary of Suntec REIT’s 1Q FY14 Results

	1Q FY14 (S\$'000)	1Q FY13 (S\$'000)	% Change
Gross revenue	65,955	49,662	32.8
Net property income	43,771	30,679	42.7
Total amount available for distribution	50,884	50,270	1.2
- from operations	50,884	47,570	7.0
- from capital	-	2,700	-100
Distribution per unit	2.229¢	2.228¢	0.0
- from operations	2.229¢	2.108¢	5.7
- from capital	-	0.120¢	-100
Distribution yield (annualized) ²			
- based on 31 Mar 2014 closing price of S\$1.66	5.4%	5.4%	
- based on 23 Apr 2014 closing price of S\$1.71	5.3%	5.3%	

For 1Q FY14, Suntec REIT gross revenue of S\$66.0 million was 32.8% higher year-on-year. This was mainly due to the opening of Suntec City Phase 1 following the completion of its AEI works.

For the same period, the net property income of S\$43.8 million was 42.7% higher year-on-year mainly due to the opening of Suntec City Phase 1.

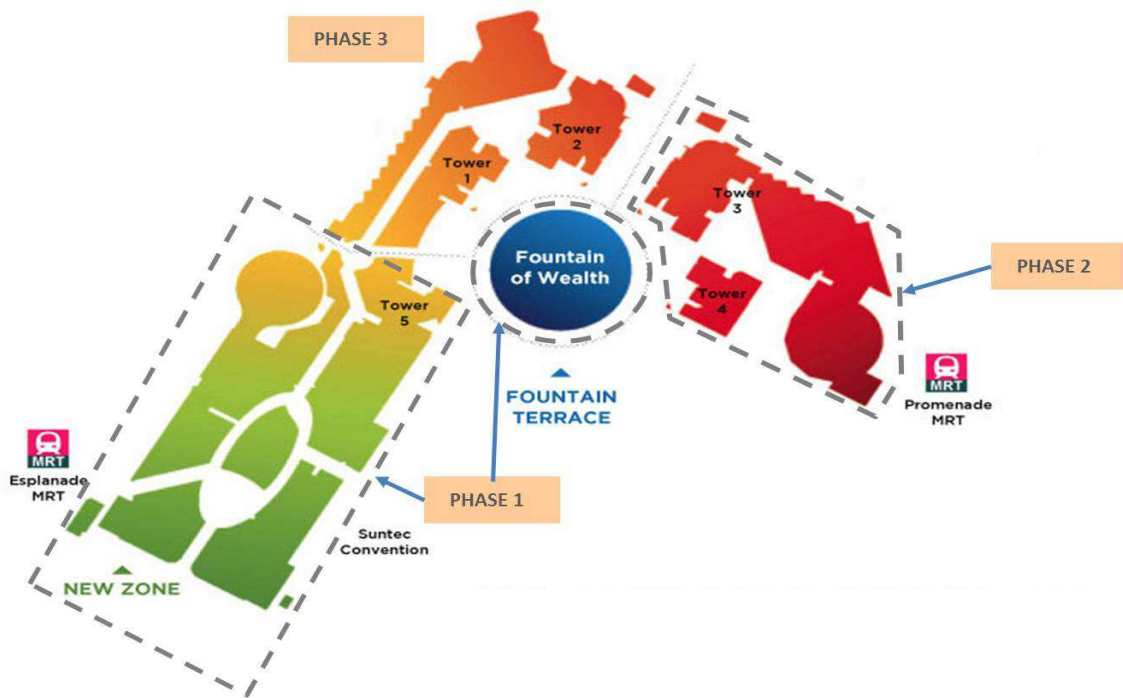
Comparing year-on-year, the total amount available for distribution and DPU from operations of S\$50.9 million and 2.229 cents was 7.0% and 5.7% higher respectively.

Consequently, the total distribution income of S\$50.9 million was 1.2% higher year-on-year while the DPU of 2.229 cents for 1Q FY14 was in-line with 1Q FY13 DPU of 2.228 cents.

The debt-to-asset ratio stood at 37.3% as at 31 March 2014 whilst the average all-in financing cost was 2.49% for 1Q FY14.

² Past performance is not necessarily indicative of future performance of Suntec REIT

Suntec City AEI Update



Mr. Yeo said, “Given the positive response for Phase 2 of the remaking of Suntec City, we have brought forward a net lettable area of approximately 32,000 sq ft from Phase 3 to Phase 2 and are pleased to report that we have achieved a pre-committed occupancy of 95.0% to-date. The team is preparing to open Phase 2 soon. Based on our leasing progress, our projected return on investment of 10.1% on a stabilised basis is on track.”

Mr. Yeo added, “We have commenced Phase 3 of the AEI works in February and construction is targeted to complete by end 2014.”

Looking ahead, Mr. Yeo said, “Our current priorities are to focus on the execution and completion of the remaking of Suntec City as well as proactive lease management to strengthen the lease commitments and maintain the high occupancy level of our office and retail portfolios.”

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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, a one-third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, and a 60.8% interest in Suntec Singapore Convention & Exhibition Centre. Suntec REIT holds a 100% interest in a commercial building located at 177 Pacific Highway, North Sydney Australia which is currently under development. 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. For more details, please visit www.suntecreit.com.

ABOUT ARA TRUST MANAGEMENT (SUNTEC) LIMITED

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, wholly-owned subsidiary of ARA Asset Management Limited ("ARA"). ARA is a real estate fund management company which is listed on the Main Board of the Singapore Exchange Securities Trading Limited. More information on ARA Asset Management Limited can be found at www.ara-asia.com.

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Suntec REIT.

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.

Contacts

ARA Trust Management (Suntec) Limited

Tel: +65 6835 9232

Yeo See Kiat
Chief Executive Officer
seekiatyeo@ara.com.hk

Susan Sim
Deputy Chief Executive Officer
susansim@ara.com.hk

Richard Tan
Senior Director, Finance
richardt@ara.com.hk

Melissa Chow
Manager, Investor Relations
melissachow@ara.com.hk
