



**Press Release**

30 July 2008

Manager of



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**Suntec REIT 3QFY08 Distribution Income up 40.2% y-o-y to S\$42.0m  
DPU up 33.0% y-o-y to 2.793 cents; outperformed Forecast<sup>1</sup> by 24.9%**

*Singapore, 30 July 2008* – 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\$42.0 million for the period 1 April 2008 to 30 June 2008 (3QFY08), which was 40.2% higher year-on-year against 3QFY07. The DPU of 2.793 cents for 3QFY08 was 33.0% higher year-on-year.

For the same period, Suntec REIT’s DPU was 24.9% higher than the Forecast<sup>1</sup>.

Commenting on Suntec REIT’s performance, Mr. Yeo See Kiat, Chief Executive Officer of ARA Suntec, said, “I am pleased to report a higher DPU year-on-year underpinned by the strong organic growth and asset enhancement of our properties. Notwithstanding the ongoing US subprime crisis, both the office and retail portfolios have achieved stronger committed rents compared to last quarter.”

**Continual strong growth achieved for office rentals**

The office portfolio achieved another strong performance during the quarter. Renewal and replacement leases at Suntec City were secured at higher closing rents of between S\$12.00 – S\$15.00 p.s.f. per month. Together with Park Mall, both properties have continued to achieve a significant growth over the preceding rents. As at 30 June 2008, the committed occupancy for the overall office portfolio stood at 99.4%.

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<sup>1</sup> The Forecast is extracted from the Suntec REIT Circular to Unitholders dated 18 September 2007 and pro-rated for the period 1 April 2008 to 30 June 2008

### **Committed retail passing rent at Suntec City Mall crossed S\$11 p.s.f. per month mark**

The committed retail passing rent at Suntec City Mall strengthened to a new high of S\$11.09 p.s.f. per month, whilst Park Mall and Chijmes also achieved higher committed retail passing rents of S\$7.17 p.s.f. per month and S\$10.75 p.s.f. per month respectively as at 30 June 2008. Suntec REIT's revenue from other income initiatives grew 13.7% year-on-year to S\$1.75 million for the quarter.

### **Successfully secured refinancing of bridge loans for One Raffles Quay acquisition**

On 30 June 2008, Suntec REIT signed a S\$400 million 3-year unsecured club loan facility from a panel of banks at a highly competitive interest rate to refinance the remaining outstanding bridge loans pertaining to the acquisition of a one-third interest in One Raffles Quay.

With the completion of this refinancing, Suntec REIT has no major refinancing needs for the rest of FY2008 and FY2009.

### **Summary of Suntec REIT Results Comparison**

<b>1 April 2008 to 30 June 2008</b>	<b>3QFY08 (S\$'000)</b>	<b>3QFY07 (S\$'000)</b>	<b>% Chg</b>	<b>3QFY08F<sup>1</sup> (S\$'000)</b>	<b>% Var</b>
Gross revenue	59,227	46,666	26.9%	54,082	9.5%
Net property income	45,965	34,132	34.7%	39,486	16.4%
Income available for distribution	42,033	29,988	40.2%	33,619	25.0%
<b>Distribution per unit<sup>2</sup></b>	<b>2.793¢</b>	<b>2.100¢</b>	<b>33.0%</b>	<b>2.237¢</b>	<b>24.9%</b>
<b>Annualised distribution per unit<sup>3</sup></b>	<b>11.233¢</b>	<b>8.423¢</b>	<b>33.4%</b>	<b>8.997¢</b>	<b>24.9%</b>
Distribution yield (annualised) <sup>3</sup>					
- As at 30 Jun 2008 price of S\$1.36	8.3%	6.2%	33.4%	6.6%	24.9%
- As at 29 Jul 2008 price of S\$1.50	7.5%	5.6%	33.4%	6.0%	24.9%

<sup>1</sup> The Forecast is extracted from the Suntec REIT Circular to Unitholders dated 18 September 2007 and pro-rated for the period 1 April 2008 to 30 June 2008

<sup>2</sup> Excluding 172,501,808 deferred units ("Deferred Units"), the remaining five of six equal instalments which will be issued semi-annually from 9 June 2008 (being the issue date of the first instalment) to Suntec City Development Pte Ltd, as partial satisfaction of the purchase consideration for the initial portfolio of properties

<sup>3</sup> Please note that past performance is not necessarily indicative of future performance of Suntec REIT

For the period 1 April 2008 to 30 June 2008, Suntec REIT recorded gross revenue of S\$59.2 million, which was 26.9% and 9.5% higher year-on-year and against the Forecast<sup>1</sup> respectively. The income available for distribution of S\$42.0 million was 40.2% and 25.0% higher year-on-year and against the Forecast<sup>1</sup> respectively.

The distribution per unit of 2.793 cents was 33.0% and 24.9% higher year-on-year and against the Forecast<sup>1</sup> respectively.

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<sup>1</sup> The Forecast is extracted from the Suntec REIT Circular to Unitholders dated 18 September 2007 and pro-rated for the period 1 April 2008 to 30 June 2008

**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, Chijmes, and one-third interest in One Raffles Quay. 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, a real estate fund management company, is an affiliate of the Cheung Kong Group, and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. ARA's business segments comprise REIT management, private real estate fund management, and specialist equity fund management and corporate finance advisory services. For more details, please visit [www.ara-asia.com](http://www.ara-asia.com).

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**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.

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## 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 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. The first instalment was issued on 9 June 2008 (being the date falling 42 months after 9 December 2004 which is the date of completion of the sale and purchase of the Properties) and the rest of the instalments will be issued 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**"):

<b>Distribution per unit ("DPU") under the scenario that all Deferred Units are issued on the Listing Date</b>	<b>Actual (1 Apr 08 – 30 Jun 08)</b>	<b>Forecast<sup>1</sup> (1 Apr 08 – 30 Jun 08)</b>
<b>DPU based on total number of Units entitled to the distribution (cents)</b>	<b>2.793</b>	<b>2.237</b>
DPU assuming Deferred Units were issued on the Listing Date (cents)	2.465	1.9786

Notes:

1. The Forecast is extracted from the Suntec REIT Circular to Unitholders dated 18 September 2007 and pro-rated for the period 1 April 2008 to 30 June 2008

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## Media and investor contacts

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