



## SUNTEC REAL ESTATE INVESTMENT TRUST

Financial Results for the Quarter  
1 Oct 2008 – 31 Dec 2008

 Trust Management (Suntec) Limited  
(An Affiliate of Cheong Kong Group)



### Agenda



- Financial Highlights
- Update on Portfolio Performance
- Update on Asset Enhancement
- Acquisition Strategy & Update
- Unit Performance



## Financial Summary: 1 Oct '08 – 31 Dec '08



**DPU of 2.858¢ outperformed by 25.4% y-o-y**

Period: 1 Oct – 31 Dec	2008	2007	Change
<b>Distribution income</b>	<b>S\$44.15 mil</b>	<b>S\$33.52 mil</b>	<b>+31.7%</b>
<b>Distribution per unit<sup>1</sup></b>	<b>2.858¢</b>	<b>2.279¢</b>	<b>+25.4%</b>
<b>Annualised distribution per unit<sup>1</sup></b>	<b>11.339¢</b>	<b>9.040¢</b>	<b>+25.4%</b>
<b>Annualised distribution yield</b>	<b>17.4%<sup>2</sup></b>	<b>5.3%<sup>3</sup></b>	<b>N.M</b>

Source: ARA Trust Management (Suntec) Limited ("ARATMS")

Notes:

1. Based on 1,571,198,028 units in issue as at 31 December 2008 & 7,567,046 units issuable to the Manager by 30 January 2009 as partial satisfaction of management fee incurred for the period 1 October 2008 to 31 December 2008. Excludes 138,001,446 deferred units payable to Suntec City Development Pte Ltd, the remaining four equal installments which will be issued semi-annually from 9 June 2009 as partial satisfaction of the purchase consideration for the initial portfolio of properties
2. Based on the last traded price of \$0.65 per unit as at 21 January 2009
3. Based on the closing price of \$1.71 per unit as at 31 December 2007

## Financial Summary: 15 months DPU (1 Oct '07- 31 Dec '08)



**DPU of 13.303¢ for the period Oct 07- Dec 08**

Period:	1 Oct '07 – 31 Dec '08
<b>Distribution income</b>	<b>S\$201.2 mil</b>
<b>Distribution per unit<sup>1</sup></b>	<b>13.303¢</b>

Source: ARATMS  
Notes:

1. Based on 1,571,198,028 units in issue as at 31 December 2008 & 7,567,046 units issuable to the Manager by 30 January 2009 as partial satisfaction of management fee incurred for the period 1 October 2008 to 31 December 2008. Excludes 138,001,446 deferred units payable to Suntec City Development Pte Ltd, the remaining four equal installments which will be issued semi-annually from 9 June 2009 as partial satisfaction of the purchase consideration for the initial portfolio of properties

## Financial Summary: 12 months DPU (1 Jan- 31 Dec '08)



### DPU of 11.024¢ for the period Jan – Dec 08

Period:	1 Jan '08 - 31 Dec '08	1 Jan '07 - 31 Dec '07	Change
Distribution income	S\$167.7 mil	S\$121.9 mil	+37.6%
Distribution per unit <sup>1</sup>	11.024¢	8.466¢	+30.2%
Distribution yield	17.0% <sup>2</sup>	5.0% <sup>3</sup>	N.M

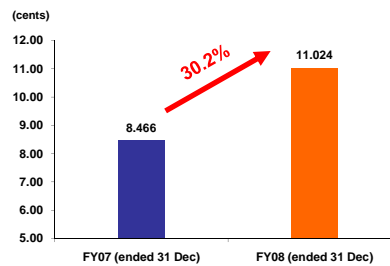
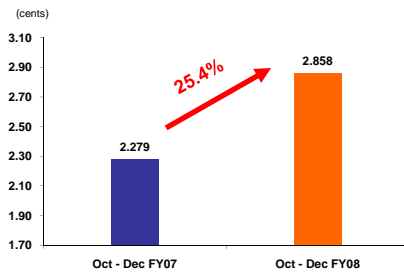
Source: ARATMS  
Notes:

1. Based on 1,571,198,028 units in issue as at 31 December 2008 & 7,567,046 units issuable to the Manager by 30 January 2009 as partial satisfaction of management fee incurred for the period 1 October 2008 to 31 December 2008. Excludes 138,001,446 deferred units payable to Suntec City Development Pte Ltd, the remaining four equal instalments which will be issued semi-annually from 9 June 2009 as partial satisfaction of the purchase consideration for the initial portfolio of properties
2. Based on the last traded price of \$0.65 per unit as at 21 January 2009
3. Based on the closing price of \$1.71 per unit as at 31 December 2007

## DPU Performance



### Quarterly DPU up by 25.4% & Annual DPU up by 30.2%



- Oct - Dec 2008 DPU of 2.858 cents grew by 25.4% year-on-year

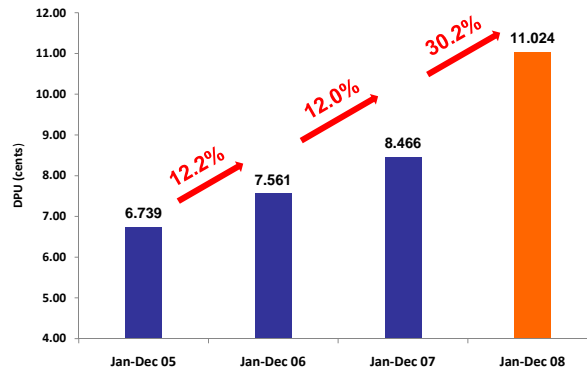
- Jan - Dec 2008 DPU of 11.024 cents grew by 30.2% year-on-year

Source: ARATMS

## Delivering Strong Growth



### DPU grew by 30.2% Year-on-Year



Source: ARATMS

## Financial Results : 1 Oct '08 – 31 Dec '08



### Quarterly DPU up by 25.4% Y-o-Y

For the period 1 Oct 2008 – 31 Dec 2008	2008 (S\$'000)	2007 (S\$'000)	Change (%)
<b>Revenue</b>	63,485	54,337	16.8
Less property expenses	15,569	16,937	8.1
<b>Net property income</b>	47,916	37,400	28.1
Other income <sup>1</sup>	6,894	6,367	8.3
Less finance costs (net)	13,795	10,245	(34.7)
Less amortisation costs	6,522	-	NM
Less net trust expenses <sup>2</sup>	9,064	7,020	(29.1)
<b>Net income before tax</b>	25,429	26,502	(4.0)
Non-tax deductible (chargeable) items	16,706	7,168	133.1
<b>Taxable income</b>	42,135	33,670	25.1
Dividend income fr. jointly controlled entity	2,760	1,000	176.0
Less income tax expense	750	1,146	34.6
<b>Income available for distribution</b>	44,145	33,524	31.7
<b>DPU (cents)</b>	2.858	2.279	25.4

- Revenue grew by 16.8% y-o-y
- NPI grew by 28.1% y-o-y
- Income available for distribution grew by 31.7% y-o-y
- Quarterly DPU grew by 25.4% y-o-y
- Cost-to-Revenue ratio of 24.5% for the quarter

Source: ARATMS.

1. Refers to the income support received from the vendor, Cavell Limited
2. Net trust expenses include the Manager's fee, trustee fees and administrative fees

## Financial Results : Oct'07 – Dec'08 & Jan – Dec'08



### DPU of 13.303¢ for Oct 07- Dec 08 & 11.024¢ for Jan–Dec 08

	15 Months 1 Oct 07- 31 Dec 08 (S\$'000)	12 Months 1 Jan 08- 31 Dec 08 (S\$'000)
Revenue	294,465	240,128
Less property expenses	74,956	58,019
<b>Net property income</b>	<b>219,509</b>	<b>182,109</b>
Other income <sup>1</sup>	32,362	25,995
Less finance costs (net)	53,385	43,140
Less Amortisation costs	30,615	30,615
Less net trust expenses <sup>2</sup>	39,457	32,437
<b>Net income before tax</b>	<b>128,414</b>	<b>101,912</b>
Non-tax deductible (chargeable) items	64,491	57,323
<b>Taxable income</b>	<b>192,905</b>	<b>159,235</b>
Dividend income fr. jointly controlled entity	11,768	10,768
Less income tax expense	3,487	2,341
<b>Income available for distribution</b>	<b>201,186</b>	<b>167,662</b>
<b>DPU (cents)</b>	<b>13.303</b>	<b>11.024</b>

- Achieved DPU of 13.303¢ for the period Oct 07- Dec 08
- Achieved DPU of 11.024 ¢ for the period Jan-Dec 08
- Cost-to-Revenue Ratio of 25.5% for the period Oct 07-Dec 08
- Cost-to-Revenue Ratio of 24.2% for the period Jan-Dec 08

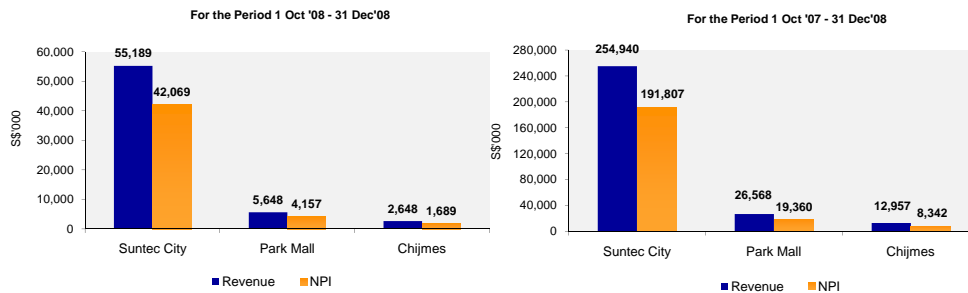
1. Refers to the income support received from the vendor, Cavell Limited
2. Net trust expenses include the Manager's fee, trustee fees and administrative fees

Source: ARATMS

## Portfolio Distribution



### Suntec City Properties contribute 87% of Total Gross Revenue<sup>1</sup>



- Suntec City contributed 87% of the Total Gross Revenue<sup>1</sup> for the period Oct - Dec 2008
- Retail revenue contributed approximately 55% of the Total Gross Revenue<sup>1</sup> for the period Oct - Dec 2008
- Office revenue contributed approximately 45% of the Total Gross Revenue<sup>1</sup> for the period Oct - Dec 2008

Source: ARATMS

1. Excluding One Raffles Quay revenue

## Debt Capital Details



### Debt-to-Assets ratio 34.3%

As at 31 Dec 08	
Total Debt Outstanding	S\$1.877 bn
Debt-to-Assets Ratio	34.3%
Average All-in Financing Cost	3.26%
Interest Coverage Ratio	3.8x
<ul style="list-style-type: none"> <li>• Corporate Family Rating</li> <li>– CMBS Debt Rating</li> <li>– Unsecured Debt Rating</li> </ul>	“Baa1” “AAA” “Baa2”

Source: ARATMS

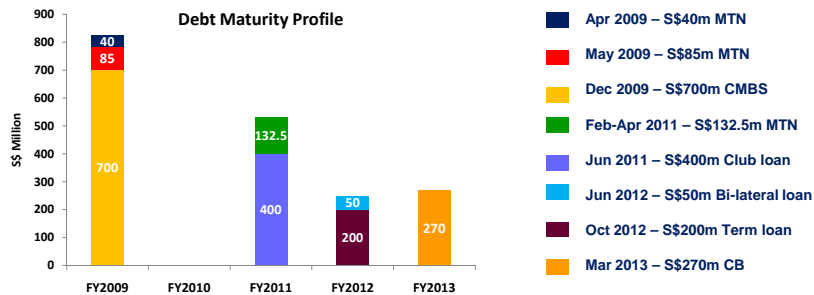
Notes:

1. According to the MAS revised property fund guidelines, “Borrowing Limit” will be replaced with “Aggregate Leverage Limit” which comprises actual borrowings and deferred payments. This means that Suntec REIT’s “Aggregate Leverage Ratio” is 36.8% including the 138 million deferred units.

## Debt Capital Details



### Debt-to-Assets ratio 34.3%



Total debt of S\$1.877bn as at 31 December 2008

## Balance Sheet



Total assets under management for the Group stood at S\$5.43 billion

Balance Sheet (S\$'000)	as at 31 Dec'08 Group
Investment properties	4,352,000
Interest in jointly controlled entity <sup>1</sup>	952,128
<b>Total assets</b>	<b>5,431,636</b>
Debt, at amortised cost	1,860,763
<b>Total liabilities</b>	<b>1,975,638</b>
<b>Net assets</b>	<b>3,455,998</b>
Unitholders' Funds	3,455,998
<b>Total Units<sup>2</sup></b>	<b>1,716,766,520</b>

### Relevant Per Unit Statistics (Group)

Net asset value (NAV) per unit <sup>3</sup>	S\$2.013
Adjusted NAV per unit (excl. income available for distribution)	S\$1.984
Unit price as at 21 January 2009	S\$0.65
Premium/(Discount) to Adjusted NAV	(67.2%)

Source: ARATMS

Notes:

1. Arising from the acquisition of a one-third interest in One Raffles Quay through the purchase of the entire issued share capital of Comina Investment Limited
2. Includes 7,567,046 units issuable to the Manager by 30 January 2009 as asset management fee payable for the period Oct-Dec 2008, and 138,001,446 deferred units payable to Suntec City Development Pte Ltd, the remaining four equal installments which will be issued semi-annually from 9 June 2009 as partial satisfaction of the purchase consideration for the initial portfolio of properties
3. Includes DPU of S\$0.02858 for the quarter ended 31 December 2008 (excluding deferred units)

## Distribution Timetable

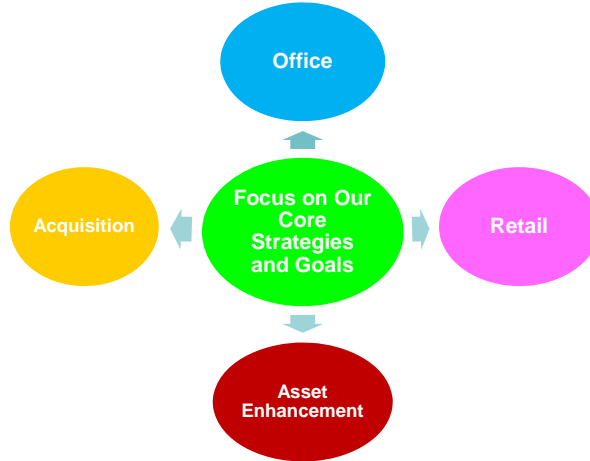


Suntec REIT units trade Ex-Distribution on 30 January 2009

Distribution payment (for the period 1 Oct 08 to 31 Dec 08)	
Amount (cents/unit)	2.858
Ex date	30 Jan 09
Books closure	3 Feb 09
Payment	27 Feb 09

Source: ARATMS

## Update On Portfolio Performance



## Update On Office Portfolio Performance





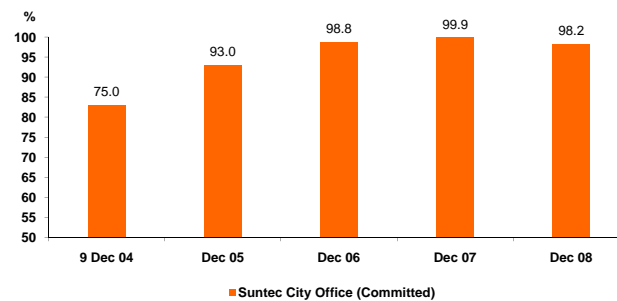
## Overall portfolio committed occupancy of 98.7%

Property	As at 31 Dec 05	As at 31 Dec 06	As at 31 Dec 07	As at 31 Dec 08
Suntec Office Towers	93.0%	98.8%	99.9%	98.2%
Park Mall	85.1%	96.1%	97.4%	99.2%
One Raffles Quay	-	-	100%	100%
<b>Suntec REIT Portfolio</b>	<b>92.3%</b>	<b>98.6%</b>	<b>99.8%</b>	<b>98.7%</b>

- Overall portfolio occupancy stood at 98.7% as at 31 December 2008

Source: ARATMS

## Suntec office committed occupancy at 98.2%



- Committed occupancy of 98.2% as at 31 December 2008
- Leases secured at the average rent of S\$11.20 psf pm for the quarter

Source: ARATMS

## Lease Expiry Profile excluding One Raffles Quay

	Net Lettable Area	
	Sq. ft.	% of Total
FY 2009	521,557	36.6
FY 2010	417,369	29.3
FY 2011	418,569	29.4
FY 2012	42,674	3.0

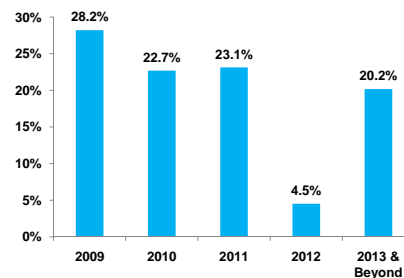
- The average rent for expiring leases in 2009 is S\$5.33 psf pm

Source: ARATMS

Lease Expiry Profile including One Raffles Quay<sup>1</sup>

	Net Lettable Area	
	Sq. ft.	% of Total
FY 2009	527,136	28.2
FY 2010	423,590	22.7
FY 2011	431,859	23.1
FY 2012	84,625	4.5
FY 2013 & Beyond	376,812	20.2

Lease Expiry as % of Total Office NLA (sf)



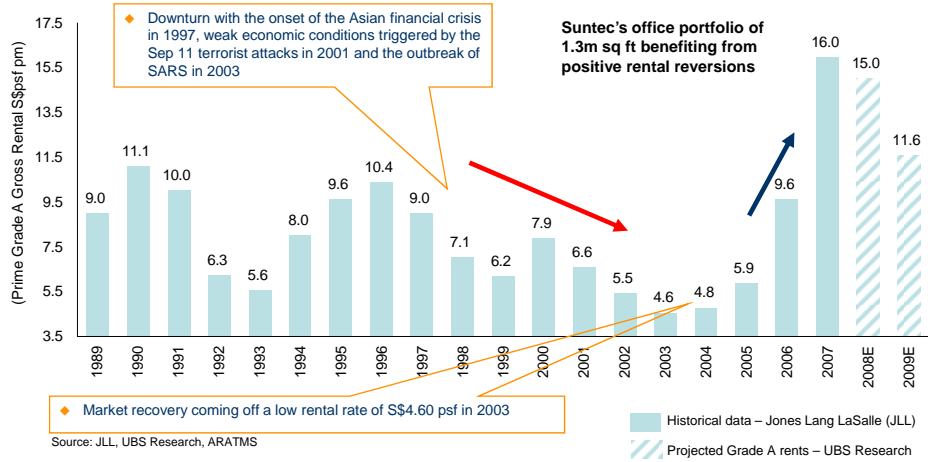
- The average rent for expiring leases in 2009 is S\$5.42 psf pm

Source: ARATMS

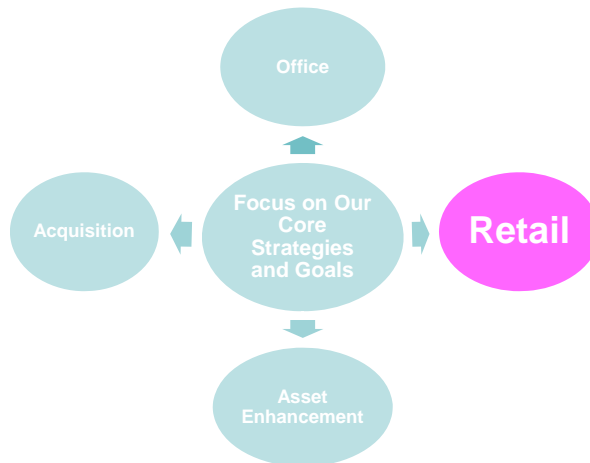
Notes:

1. Assumes one third of One Raffles Quay's total net lettable area

Suntec City office rents are still below market rents



Update On Retail Portfolio Performance



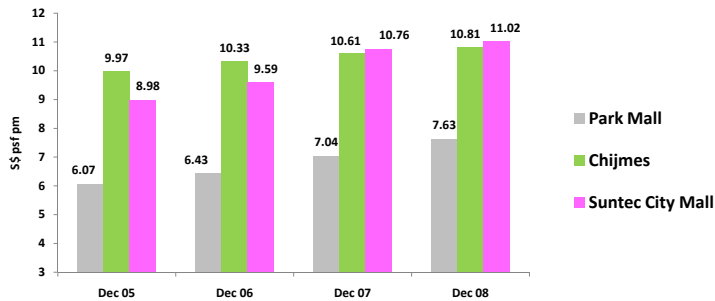
Consistently High Occupancy Rates

Property	As at Dec 05	As at Dec 06	As at Dec 07	As at Dec 08
Suntec City Mall	99.0%	96.0%	99.6%	98.9%
Park Mall	98.4%	100%	99.9%	100%
Chijmes	100%	100%	97%	99.3%
<b>Suntec REIT Portfolio</b>	<b>99.0%</b>	<b>96.9%</b>	<b>99.4%</b>	<b>99.1%</b>

• Overall portfolio occupancy stood at 99.1% as at 31 December 2008

Source: ARATMS

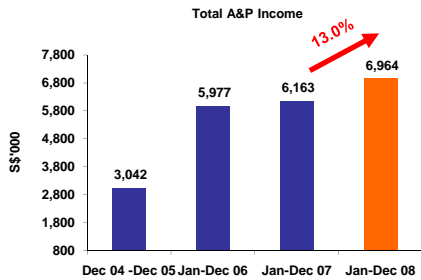
Committed retail passing rents achieved growth Year-on-Year



• Committed average passing rent at Suntec City Mall stood at S\$11.02 psf pm as at 31 Dec 08

Source: ARATMS

### Total Other Income for the period Jan - Dec 08 up 13.0% Y-o-Y



- Other Income of \$6.96 million for the period Jan-Dec 08 grew by 13.0% y-o-y

Source: ARATMS



### Lease Expiry Profile as at 31 December 08

	Net Lettable Area	
	Sq. ft.	% of Total
FY 2009	404,966	38.8
FY 2010	279,144	26.8
FY 2011	267,634	25.6
FY 2012	19,524	1.9
FY 2013 & Beyond	62,647	6.0

Source: ARATMS



Asset Enhancement

Strong Execution and Delivery of Asset Enhancement Plans

**e-life@Suntec**  
 ✓ Achieved close to S\$16 psfpm from S\$6.14 psfpm previously

**Happy Kidz**  
 ✓ Achieved rental target of S\$3 million per annum

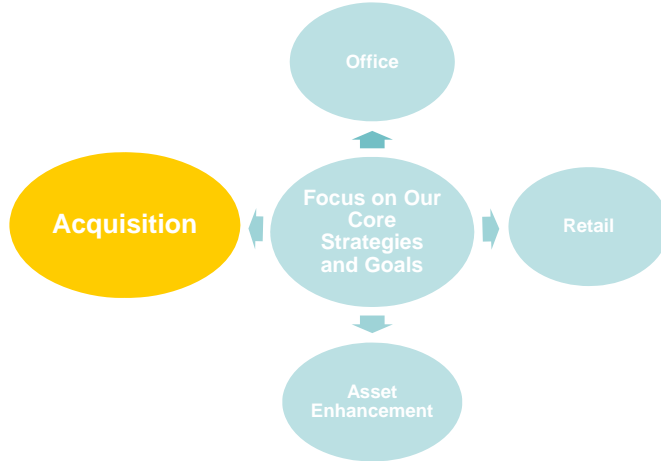
**MY.PLAYground**  
 ✓ Achieved average rents of S\$15 psfpm from S\$6.54 psfpm previously

**Fashion Zone at Galleria**  
 ✓ Achieved average rents of S\$24 psfpm from S\$12.75 psfpm previously

**Tasty Treatz**  
 ✓ Achieved average rents of more S\$35 psfpm from S\$12.75 psfpm previously

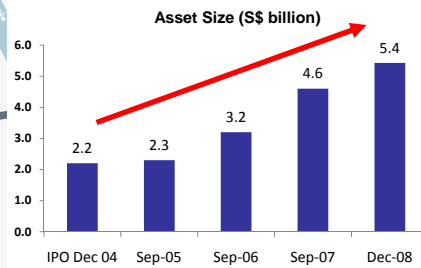
Source: ARATMS

# Acquisition Strategy & Update



## Acquisition

# Assets Under Management Update



- Completed the acquisition of approximately 73,600 sf of Suntec City strata-titled office space as at 31 December 2008
- Focus on our core strengths

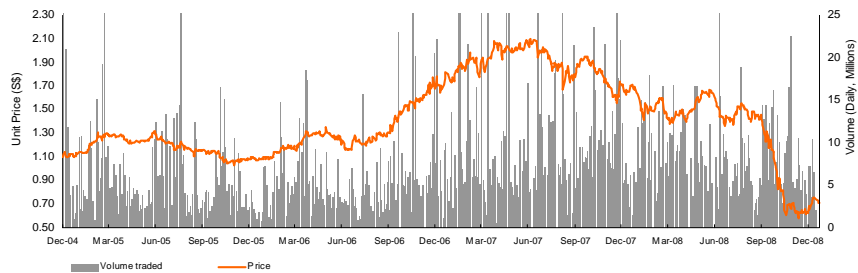
## Unit Performance



- Total return of 4.8%<sup>1</sup> and annualized return of 1.3%<sup>1</sup> since IPO
- Constituent Member of Key Indices:
  - FTSE NAREIT/EPRA Global Real Estate Index
  - Global Property Research (GPR) 250 Index series
  - FTSE Straits Times Mid Cap Index and FTSE Straits Times Real Estate Index

### Liquidity Statistics as at 31 Dec 2008

20-day volume as percentage of free float	6.2%
Free float	90 %
Market cap	US\$ 862mil



Source: Bloomberg, ARATMS

1. Based on the closing price of S\$0.71 per unit as at 31 December 2008

## Contact



### ARA Trust Management (Suntec) Limited

[www.suntecreit.com](http://www.suntecreit.com)  
[www.ara-asia.com](http://www.ara-asia.com)

#### Address:

#16-02 Suntec Tower 4  
 6 Temasek Boulevard  
 Singapore 038986

Tel: +65 6835 9232

Fax: +65 6835 9672

**Yeo See Kiat**  
 Chief Executive Officer  
[seekiatyeo@ara.com.hk](mailto:seekiatyeo@ara.com.hk)

**Richard Tan**  
 Finance Director  
[richardt@ara.com.hk](mailto:richardt@ara.com.hk)

**Marilyn Tan**  
 Investor Relations Manager  
[marilyntan@ara.com.hk](mailto:marilyntan@ara.com.hk)

**Michelle Hu**  
 Assistant Manager, Financial Analyst  
[michellehu@ara.com.hk](mailto:michellehu@ara.com.hk)



**Thank You**

## Disclaimer

This presentation is focused on the comparison of actual results for the three months ended 31 December 2008 versus results achieved in the three months ended 31 December 2007. It should be read in conjunction with Paragraph 8 and 9 of Suntec REIT's financial results for the period 1 October 2008 to 31 December 2008 announced on SGXNET.

The information included in this release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Suntec REIT ("**Units**") in Singapore or any other jurisdiction.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in the expected levels of occupancy rates, property rental income, changes in operating expenses, including employee wages, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Past performance is not necessarily indicative of future performance. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Suntec REIT. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

### IMPORTANT NOTICE

1. 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.
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.
3. The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.

## Disclaimer



### 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 installments. The first and second installments were 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 9 December 2008 respectively, and the rest of the installments 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**"):

Distribution Per Unit S\$	Actual (1 Oct 08 – 31 Dec 08)
DPU based on total number of Units entitled to the distribution (cents)	2.858
DPU assuming Deferred Units were issued on the Listing Date (cents)	2.584