



**Financial Results for the Quarter
and Half Year ended
30 June 2010**



**Financial results for the Quarter
and Half Year ended 30 June 2010**

Agenda

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



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Financial Summary: 1 April – 30 June FY10 (2Q FY10)

Achieved Distribution Income of S\$45.9 million

Period: 1 April – 30 June	2Q FY10	2Q FY09	Change
Distribution income	S\$45.93 mil	S\$47.70 mil	-3.7%
Distribution per unit ¹	2.528¢	2.977¢	-15.1%
Annualised distribution per unit ¹	10.140¢	11.941¢	-15.1%
Annualised distribution yield ²	7.1%	8.3%	-15.1%

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

Notes:

- Based on 1,839,746,688 units in issue as at 30 June 2010 and 3,952,161 units issuable to the Manager by 30 July 2010 as partial satisfaction of management fee incurred for the period 1 April 2010 to 30 June 2010. Excludes 34,500,360 deferred units, being the last of six equal instalments which are issued semi-annually from 9 June 2008 (being the issue date of the first instalment) to Suntec City Development Pte Ltd in satisfaction of the deferred payment consideration for the purchase of the initial portfolio properties in December 2004.
- Based on the last traded price of S\$1.43 per unit as at 21 July 2010

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Financial Summary: 1 January – 30 June FY10 (1H FY10)

Achieved Distribution Income of S\$91.3 million

Period: 1 January – 30 June	1H FY10	1H FY09	Change
Distribution income	S\$91.31 mil	S\$94.05 mil	-2.9%
Distribution per unit ¹	5.041¢	5.895¢	-14.5%
Annualised distribution per unit ¹	10.166¢	11.888¢	-14.5%
Annualised distribution yield ²	7.1%	8.3%	-14.5%

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

Notes:

- Based on 1,839,746,688 units in issue as at 30 June 2010 and 3,952,161 units issuable to the Manager by 30 July 2010 as partial satisfaction of management fee incurred for the period 1 April 2010 to 30 June 2010. Excludes 34,500,360 deferred units, being the last of six equal instalments which are issued semi-annually from 9 June 2008 (being the issue date of the first instalment) to Suntec City Development Pte Ltd in satisfaction of the deferred payment consideration for the purchase of the initial portfolio properties in December 2004.
- Based on the last traded price of S\$1.43 per unit as at 21 July 2010

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Financial Results: Second Quarter FY10
Achieved DPU of 2.528 cents

For the period 1 April – 30 June 2010	2Q FY10 (S\$'000)	2Q FY09 (S\$'000)	Change (%)
Revenue	62,393	64,513	(3.3)
Less property expenses	14,970	15,720	4.8
Net property income	47,423	48,793	(2.8)
Other income ¹	5,652	6,819	(17.1)
Less financing costs (net)	16,349	18,780	12.9
Less amortisation expense	5,347	6,451	17.1
Less net trust expenses ²	7,215	7,494	3.7
Net income before tax	24,164	22,887	5.6
Net effect of non-tax deductible items	19,330	24,490	(21.1)
Taxable income	43,494	47,377	(8.2)
Dividend income	2,977	945	215.0
Less income tax expense	537	623	13.8
Income available for distribution	45,934	47,699	(3.7)
DPU (cents)	2.528	2.977	(15.1)

- Marginal dip of 3.3% y-o-y in revenue
- Marginal dip of 2.8% y-o-y in NPI
- Marginal dip of 3.7% y-o-y in Income available for distribution
- Quarterly DPU dipped by 15.1% y-o-y
- Cost-to-Revenue ratio of 24.0% for the quarter

Source: ARATMS. Notes:

1. Refers to the income support received from the vendor, Cavell Limited
2. Net trust expenses include the asset management fees and trust expenses

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Financial Results: First Half FY10
Achieved DPU of 5.041 cents

For the period 1 January – 30 June 2010	1H FY10 (S\$'000)	1H FY09 (S\$'000)	Change (%)
Revenue	124,844	129,438	(3.5)
Less property expenses	29,598	31,472	6.0
Net property income	95,246	97,966	(2.8)
Other income ¹	11,242	13,562	(17.1)
Less financing costs (net)	18,458	28,068	34.2
Less amortisation expense	10,636	12,832	17.1
Less net trust expenses ²	14,489	14,903	2.8
Net income before tax	62,905	55,725	12.9
Net effect of non-tax deductible items	23,596	35,606	(33.7)
Taxable income	86,501	91,331	(5.3)
Dividend income	5,869	4,045	45.1
Less income tax expense	1,065	1,327	19.7
Income available for distribution	91,305	94,049	(2.9)
DPU (cents)	5.041	5.895	(14.5)

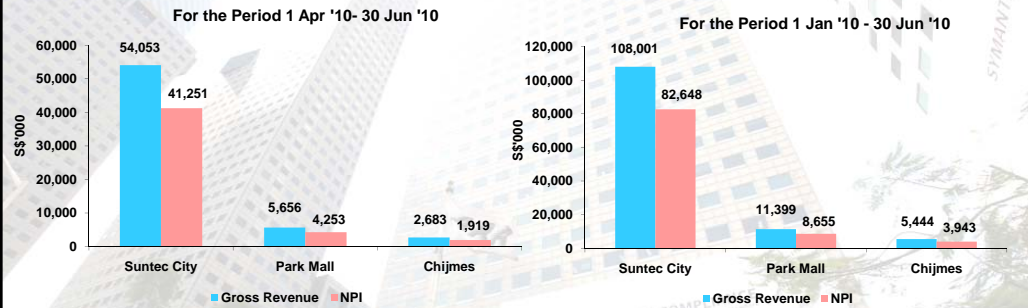
- Marginal dip of 3.5% y-o-y in revenue
- Marginal dip of 2.8% y-o-y in NPI
- Marginal dip of 2.9% y-o-y in Income available for distribution
- DPU for the period dipped by 14.5% y-o-y
- Cost-to-Revenue ratio of 23.7% for the period

Source: ARATMS. Notes:

1. Refers to the income support received from the vendor, Cavell Limited
2. Net trust expenses include the asset management fees and trust expenses

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Portfolio Revenue and NPI Distribution



- Suntec City contributed approximately 87% of the Total Gross Revenue¹ for 2Q FY10
- Retail revenue contributed approximately 53% of the Total Gross Revenue¹ for 2Q FY10
- Office revenue contributed approximately 47% of the Total Gross Revenue¹ for 2Q FY10

Source: ARATMS
Note:
1. Excluding One Raffles Quay

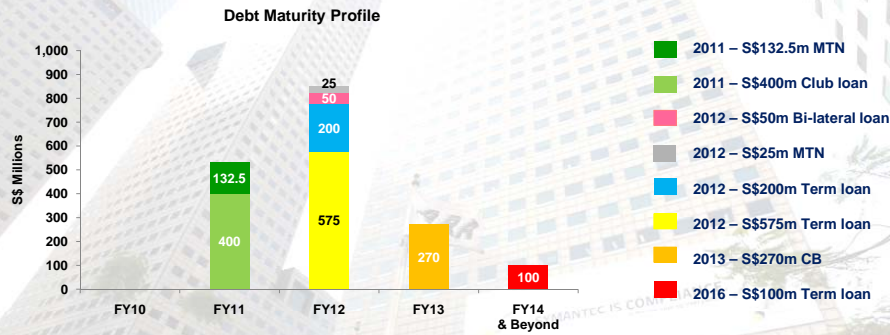
Debt-to-Assets Ratio 33.6%

As at 30 June 2010	
Total Debt Outstanding	S\$1.752 bil
Debt-to-Assets Ratio	33.6%
Average All-in Financing Cost	3.68%
Interest Coverage Ratio	4.3x
• Corporate Family Rating	“Baa1”
– Unsecured Debt Rating	“Baa2”

Source: ARATMS

Note:
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 34.2% including the 34 million deferred units.

Debt-to-Assets Ratio 33.6%



- Total debt of S\$1.752 billion as at 30 June 2010
- No refinancing requirement until FY 2011

Source: ARATMS

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Net asset value per unit of S\$1.762 as at 30 June 2010

**Group Balance Sheet as at 30 June 2010
(S\$'000)**

Investment properties	4,202,923
Interest in jointly controlled entities ¹	912,231
Total assets	5,151,464
Debt, at amortised cost	1,729,561
Total liabilities	1,841,412
Net assets	3,310,052
Unitholders' Funds	3,310,052
Total Units²	1,878,199,209

Relevant Per Unit Statistics (Group)

Net asset value (NAV) per unit ³	S\$1.762
Adjusted NAV per unit (excl. income available for distribution)	S\$1.738
Unit price as at 21 July 2010	S\$1.43
Premium/(Discount) to Adjusted NAV	(17.7%)

Source: ARATMS

Notes:

- 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 and the 20% interest in the joint venture company which acquired the Suntec Singapore International Convention & Exhibition Centre. Includes intangible asset of S\$25.5 million
- Includes 3,952,161 units issuable to the Manager by 30 July 2010 as partial satisfaction of management fee incurred for the period 1 April 2010 to 30 June 2010, and 34,500,360 deferred units, the last of six equal instalments issued semi-annually from 9 June 2008 (being the issue date of the first instalment) to Suntec City Development Pte Ltd in satisfaction of the deferred payment consideration for the purchase of the initial portfolio properties in December 2004.
- Includes DPU of S\$0.02528 for the quarter ended 30 June 2010 (excluding deferred units)

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Distribution Timetable

Distribution Payment (for the period 1 April to 30 June 2010)	
Amount (cents/unit)	2.528
Ex date	30 July 2010
Books closure date	3 August 2010
Payment date	27 August 2010

Source: ARATMS

Update on Portfolio Performance



Update on Office Portfolio Performance

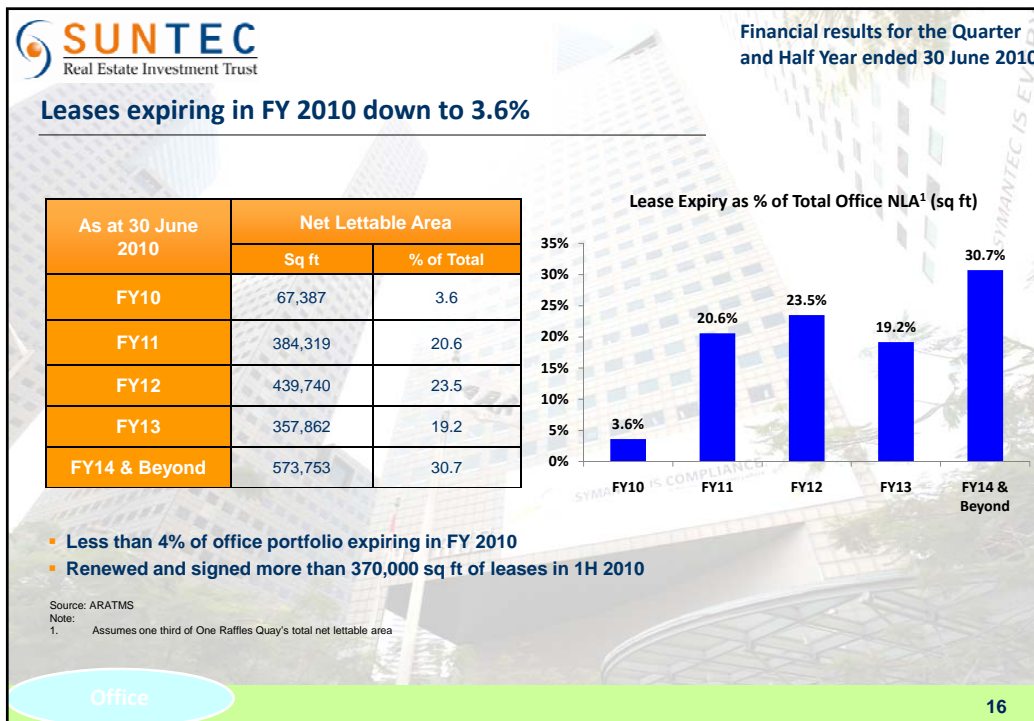
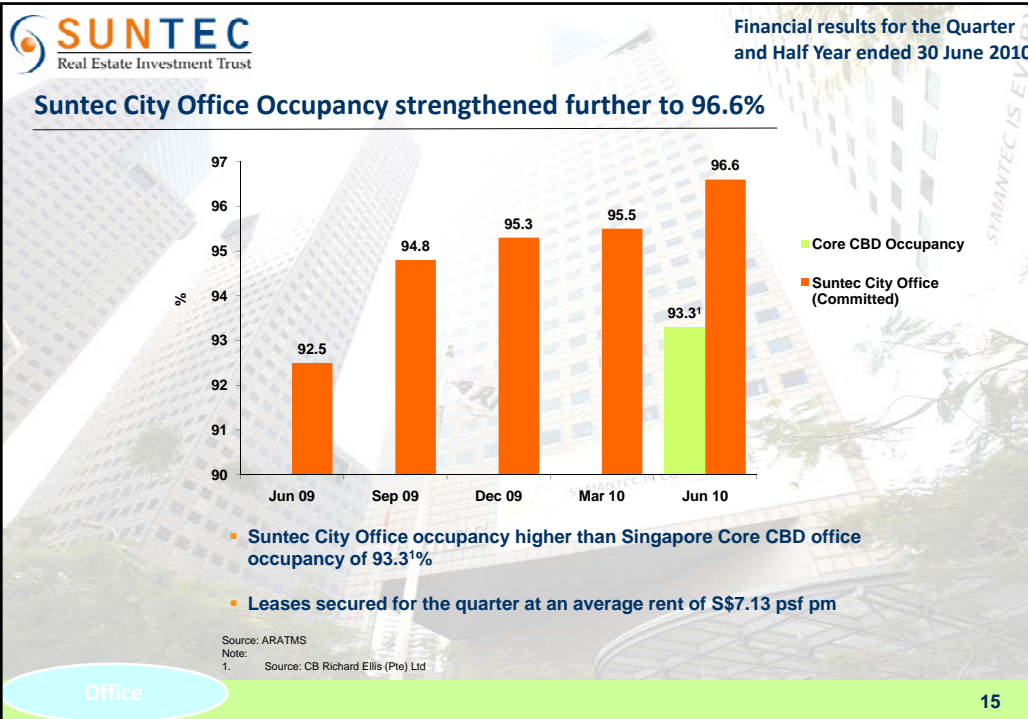


Office Portfolio Committed Occupancy of 97.6%

Property	As at Jun 09	As at Sep 09	As at Dec 09	As at Mar 10	As at Jun 10
Suntec City Office	92.5%	94.8%	95.3%	95.5%	96.6%
Park Mall Office	99.6%	100%	100%	100%	100%
One Raffles Quay	100%	100%	100%	100%	100%
Suntec REIT Portfolio	94.8%	96.4%	96.8%	96.9%	97.6%

- Office portfolio committed occupancy continued to strengthen to 97.6% as at 30 June 2010

Source: ARATMS



SUNTEC
Real Estate Investment Trust

Financial results for the Quarter and Half Year ended 30 June 2010

Update on Retail Portfolio Performance

Office

Acquisition

Focus on Our Core Strategies and Goals

Retail

Asset Enhancement

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SUNTEC
Real Estate Investment Trust

Financial results for the Quarter and Half Year ended 30 June 2010

Strong Retail Portfolio Occupancy

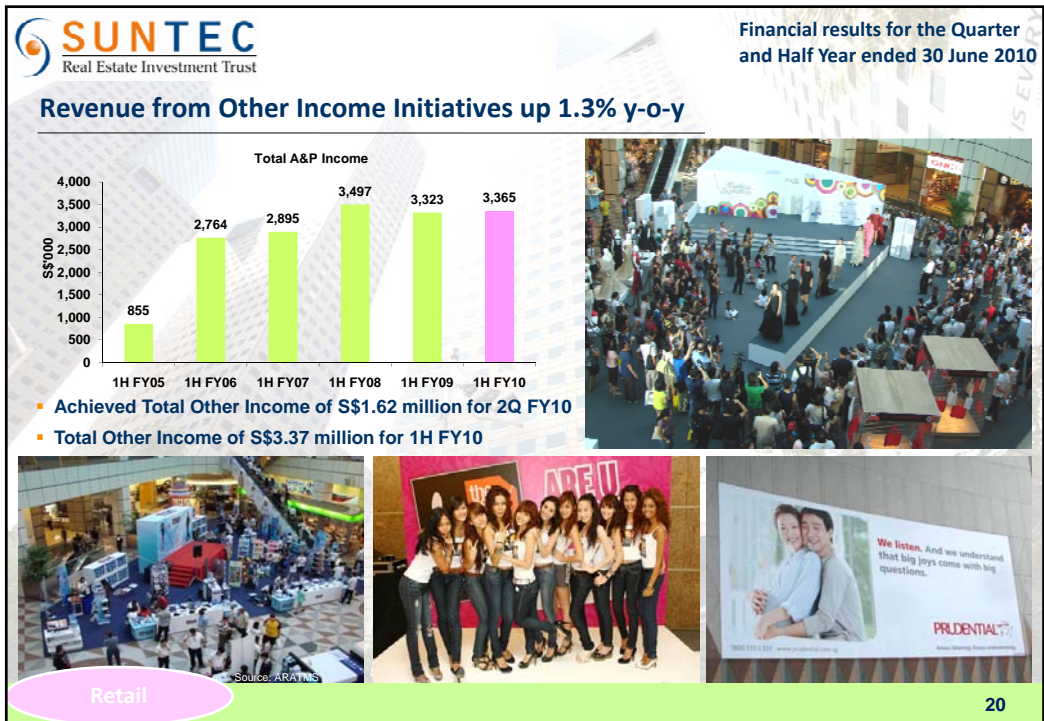
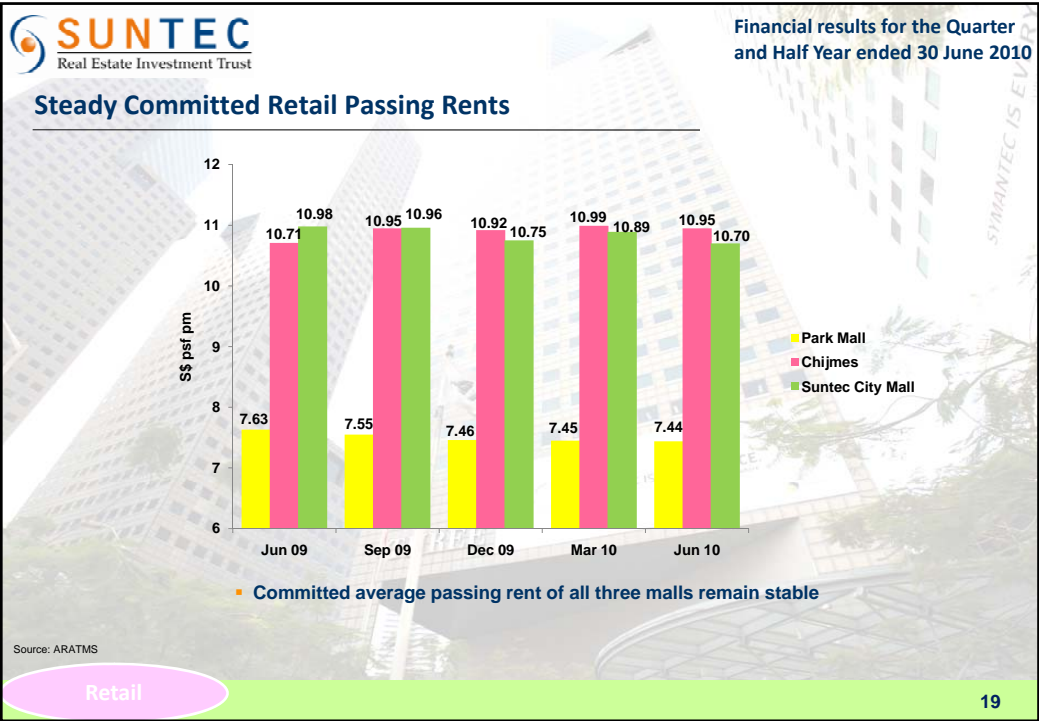
Property	As at Jun 09	As at Sep 09	As at Dec 09	As at Mar 10	As at Jun10
Suntec City Mall	98.1%	99.0%	97.6%	96.4%	98.3%
Park Mall	99.9%	100%	100%	100%	100%
Chijmes	98.7%	98.7%	100%	100%	100%
One Raffles Quay	100%	100%	100%	100%	100%
Suntec REIT Portfolio	98.4%	99.3%	98.1%	97.2%	98.7%

- Retail portfolio committed occupancy strengthened to 98.7% as at 30 June 2010

Source: ARATMS

Retail

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Retail Portfolio Lease Expiry Profile

As at 30 June 2010	Net Lettable Area	
	Sq ft	% of Total
FY10	128,569	12.3
FY11	276,341	26.3
FY12	307,598	29.3
FY13	202,026	19.2
FY14 & Beyond	121,543	11.6

- Balance of 12.3% of retail portfolio net lettable area expiring in FY 2010
- Renewed and signed more than 130,000 sq ft of renewals and replacements in 1H 2010

Source: ARATMS

Retail

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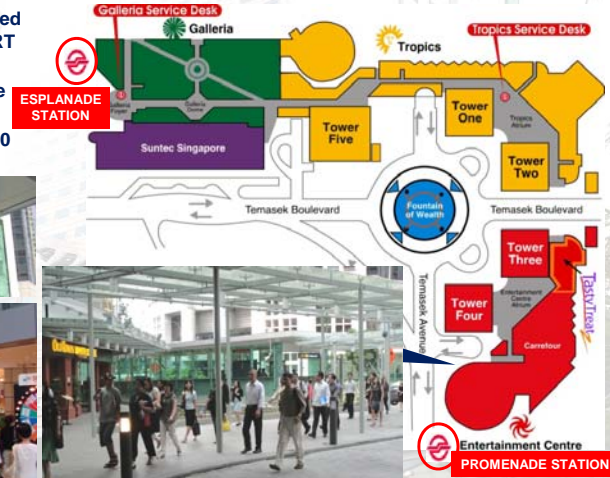
Update on Asset Management



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Asset Enhancement Works for Suntec City

- Completed external glass facade and covered walkway linking entrance of Promenade MRT station to Suntec City Mall
- Creation of additional F&B outlets along the new walkway
- Circle Line MRT operational on 17 April 2010

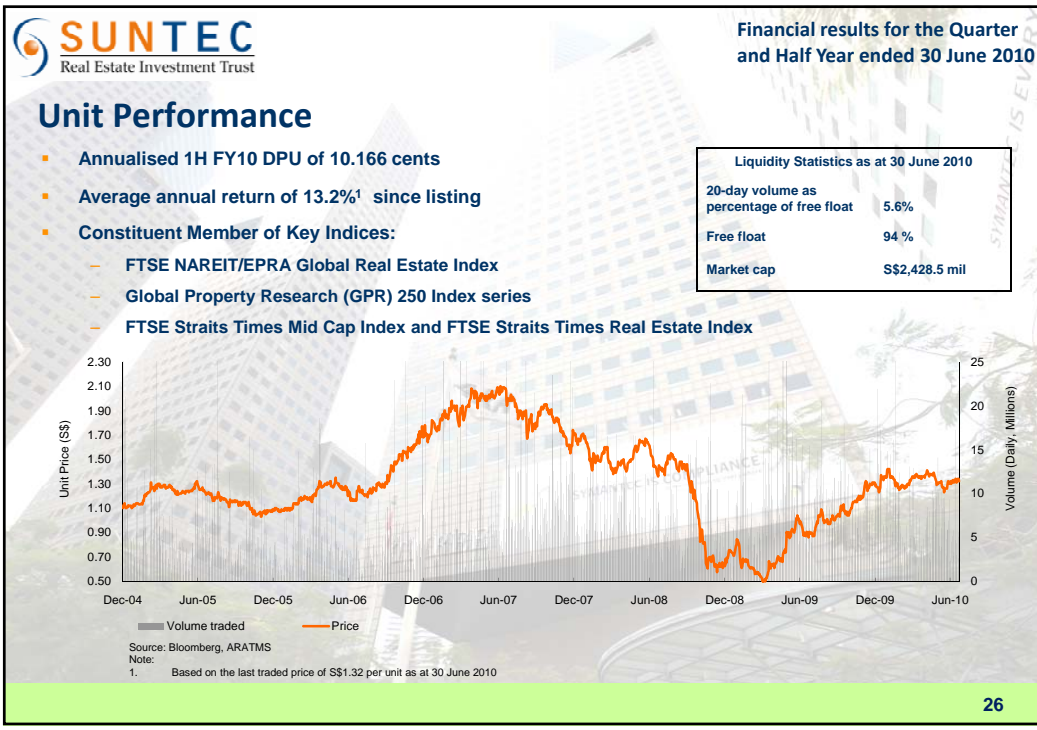
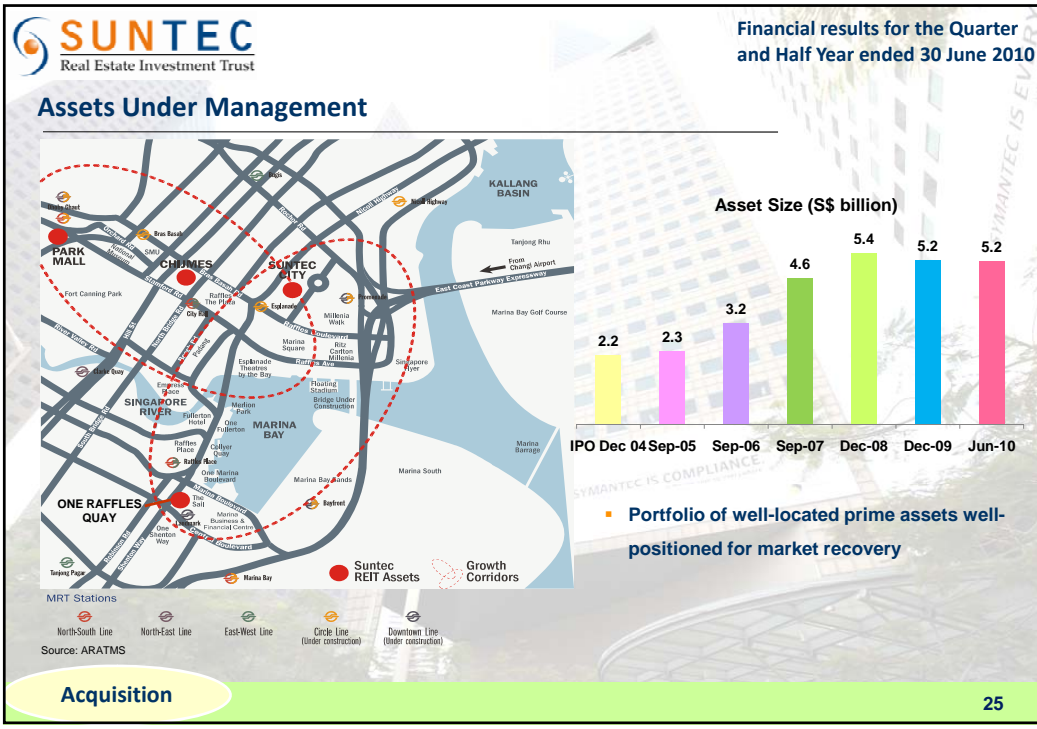


Asset Enhancement

Source: ARATMS

Acquisition Strategy & Update





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Thank You

Disclaimer

This presentation is focused on the comparison of actual results for the three months ended 30 June 2010 versus results achieved in the three months ended 30 June 2009. It should be read in conjunction with Paragraph 8 of Suntec REIT's financial results for the period 1 April 2010 to 30 June 2010 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.
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 instalments. The first, second, third, fourth and fifth instalments 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), 9 December 2008, 9 June 2009, 9 December 2009 and 9 June 2010 respectively, and the last instalment will be issued on 9 December 2010. 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 April – 30 June 2010)
DPU based on total number of Units entitled to the distribution (cents)	2.528
DPU assuming Deferred Units were issued on the Listing Date (cents)	2.446