




**Financial Results for the Quarter  
and Nine Months ended  
30 September 2010**

**ARA** Trust Management (Suntec) Limited



**Financial results for the Quarter  
and Nine Months ended  
30 September 2010**

**Agenda**

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

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**Financial Summary: 1 July – 30 September FY10 (3Q FY10)**

**Achieved Distribution Income of S\$46.2 million**

Period: 1 July – 30 September	3Q FY10	3Q FY09	Change
Distribution income	S\$46.23 mil	S\$47.74 mil	-3.2%
Distribution per unit <sup>1</sup>	2.502¢	2.921¢	-14.3%
Annualised distribution per unit <sup>1</sup>	9.926¢	11.589¢	-14.3%
Annualised distribution yield <sup>2</sup>	6.4%	7.5%	-14.3%

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

Notes:

- Based on 1,843,698,849 units in issue as at 30 September 2010 and 3,662,934 units issuable to the Manager by 30 October 2010 as partial satisfaction of management fee incurred for the period 1 July 2010 to 30 September 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\$1.54 per unit as at 25 October 2010

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**Financial Summary: 1 January – 30 September FY10 (YTD FY10)**

**Achieved Distribution Income of S\$137.5 million**

Period: 1 January – 30 September	YTD FY10	YTD FY09	Change
Distribution income	S\$137.53 mil	S\$141.79 mil	-3.0%
Distribution per unit <sup>1</sup>	7.543¢	8.816¢	-14.4%
Annualised distribution per unit <sup>1</sup>	10.085¢	11.787¢	-14.4%
Annualised distribution yield <sup>2</sup>	6.6%	7.6%	-14.4%

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

Notes:

- Based on 1,843,698,849 units in issue as at 30 September 2010 and 3,662,934 units issuable to the Manager by 30 October 2010 as partial satisfaction of management fee incurred for the period 1 July 2010 to 30 September 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\$1.54 per unit as at 25 October 2010

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### Financial Results: Third Quarter FY10

#### Achieved DPU of 2.502 cents

For the period 1 July – 30 September 2010	3Q FY10 (\$'000)	3Q FY09 (\$'000)	Change (%)
<b>Revenue</b>	<b>63,231</b>	<b>61,948</b>	<b>2.1</b>
Less property expenses	12,621	14,904	15.3
<b>Net property income</b>	<b>50,610</b>	<b>47,044</b>	<b>7.6</b>
Other income <sup>1</sup>	5,714	6,894	(17.1)
Less financing costs (net)	12,471	9,022	(38.2)
Less amortisation expense	5,406	6,522	17.1
Less net trust expenses <sup>2</sup>	7,528	7,516	(0.2)
<b>Net income before tax</b>	<b>30,919</b>	<b>30,878</b>	<b>0.1</b>
Net effect of non-tax deductible items	13,586	14,003	(3.0)
<b>Taxable income</b>	<b>44,505</b>	<b>44,881</b>	<b>(0.8)</b>
Dividend income	2,243	3,645	(38.5)
Less income tax expense	518	785	34.0
<b>Income available for distribution</b>	<b>46,230</b>	<b>47,741</b>	<b>(3.2)</b>
<b>DPU (cents)</b>	<b>2.502</b>	<b>2.921</b>	<b>(14.3)</b>

- Revenue grew by 2.1% y-o-y
- NPI grew by 7.6% y-o-y
- Marginal dip of 3.2% y-o-y in Income available for distribution
- Quarterly DPU dipped by 14.3% y-o-y
- Cost-to-Revenue ratio of 20.0% 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: Nine Months FY10

#### Achieved DPU of 7.543 cents

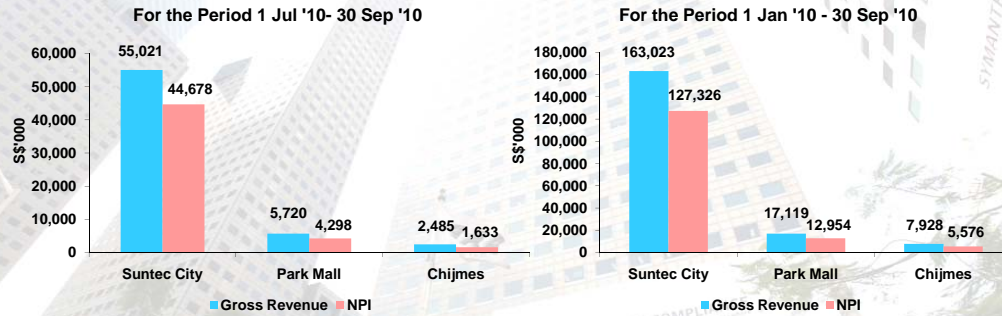
For the period 1 January – 30 September 2010	YTD FY10 (\$'000)	YTD FY09 (\$'000)	Change (%)
<b>Revenue</b>	<b>188,074</b>	<b>191,386</b>	<b>(1.7)</b>
Less property expenses	42,218	46,376	9.0
<b>Net property income</b>	<b>145,856</b>	<b>145,010</b>	<b>0.6</b>
Other income <sup>1</sup>	16,957	20,456	(17.1)
Less financing costs (net)	30,930	37,090	16.6
Less amortisation expense	16,043	19,353	17.1
Less net trust expenses <sup>2</sup>	22,016	22,422	1.8
<b>Net income before tax</b>	<b>93,824</b>	<b>86,601</b>	<b>8.3</b>
Net effect of non-tax deductible items	37,182	49,610	(25.1)
<b>Taxable income</b>	<b>131,006</b>	<b>136,211</b>	<b>(3.8)</b>
Dividend income	8,112	7,690	5.5
Less income tax expense	1,583	2,111	25.0
<b>Income available for distribution</b>	<b>137,535</b>	<b>141,790</b>	<b>(3.0)</b>
<b>DPU (cents)</b>	<b>7.543</b>	<b>8.816</b>	<b>(14.4)</b>

- Marginal dip of 1.7% y-o-y in Revenue
- Marginal increase of 0.6% y-o-y in NPI
- Marginal dip of 3.0% y-o-y in Income available for distribution
- DPU for the period dipped by 14.4% y-o-y
- Cost-to-Revenue ratio of 22.4% 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 Revenue<sup>1</sup> for 3Q FY10
- Retail revenue contributed approximately 53% of the Total Gross Revenue<sup>1</sup> for 3Q FY10
- Office revenue contributed approximately 47% of the Total Gross Revenue<sup>1</sup> for 3Q FY10

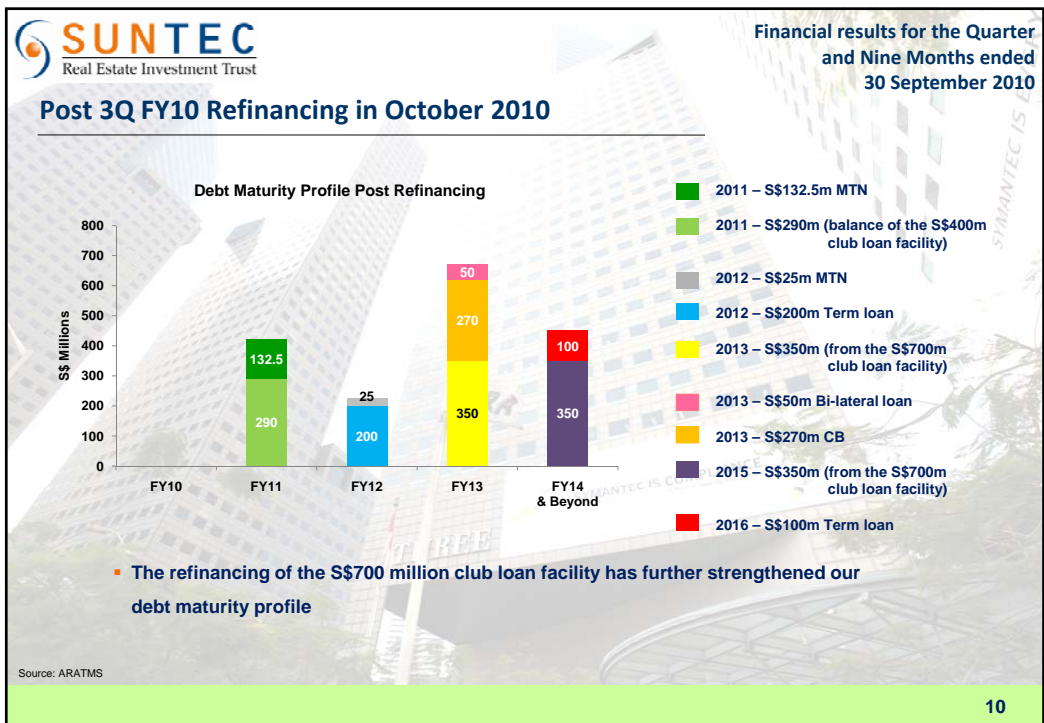
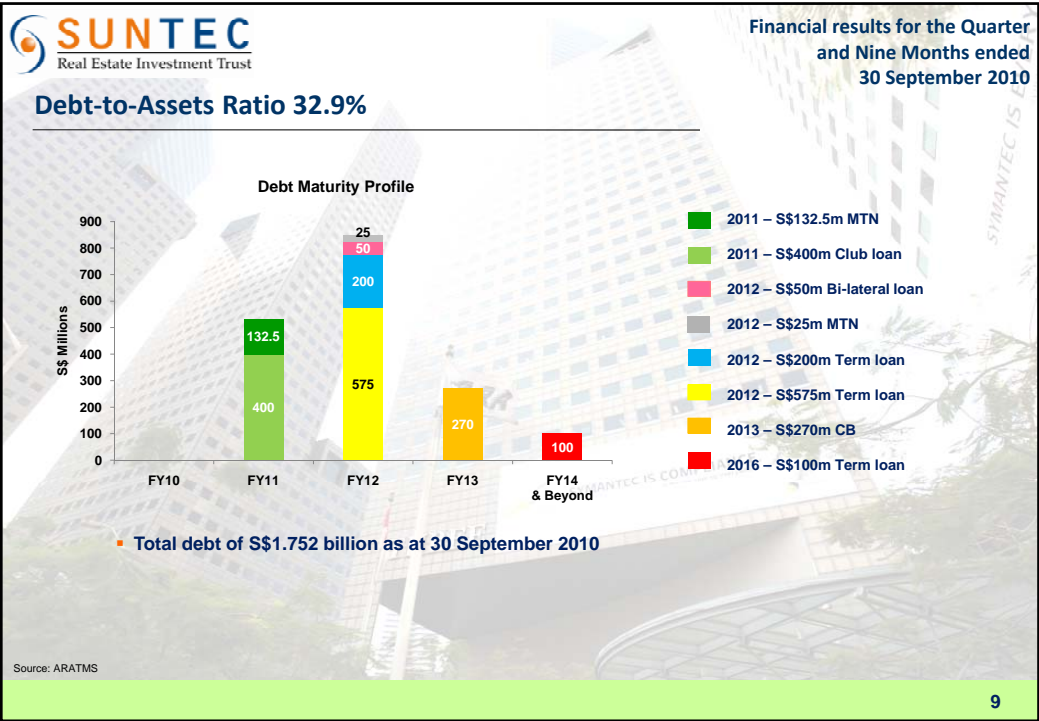
Source: ARATMS  
Note:  
1. Excluding One Raffles Quay

**Debt-to-Assets Ratio 32.9%**

As at 30 September 2010	
Total Debt Outstanding	S\$1.752 bil
Debt-to-Assets Ratio <sup>1</sup>	32.9%
Average All-in Financing Cost	3.77%
Interest Coverage Ratio	4.3x
• Corporate Family Rating	“Baa1”
– Unsecured Debt Rating	“Baa2”

Source: ARATMS

Note:  
1. Suntec REIT's "Aggregate Leverage Ratio" as at 30 September 2010 was 33.0%. "Aggregate Leverage Ratio" refers to the ratio of the value of borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property.



### Net asset value per unit of S\$1.828 as at 30 September 2010

#### Group Balance Sheet as at 30 September 2010 (S\$'000)

Investment properties	4,335,000
Interest in jointly controlled entities <sup>1</sup>	912,128
<b>Total assets</b>	<b>5,275,256</b>
Debt, at amortised cost	1,733,568
<b>Total liabilities</b>	<b>1,836,097</b>
<b>Net assets</b>	<b>3,439,159</b>
<b>Total Units<sup>2</sup></b>	<b>1,881,862,143</b>

#### Relevant Per Unit Statistics (Group)

Net asset value (NAV) per unit <sup>3</sup>	S\$1.828
Adjusted NAV per unit (excl. income available for distribution)	S\$1.803
Unit price as at 25 October 2010	S\$1.54
Premium/(Discount) to Adjusted NAV	(14.6%)

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 and the 20% interest in the joint venture company which acquired the Suntec Singapore International Convention & Exhibition Centre.
2. Includes 3,662,934 units issuable to the Manager by 30 October 2010 as partial satisfaction of management fee for the period 1 July 2010 to 30 September 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.
3. Includes DPU of S\$0.02502 for the quarter ended 30 September 2010 (excluding deferred units)

### Distribution Timetable

#### Distribution Payment (for the period 1 July to 30 September 2010)

<b>Amount (cents/unit)</b>	<b>2.502</b>
Ex date	1 November 2010
Books closure date	3 November 2010
Payment date	29 November 2010

Source: ARATMS

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### Update on Portfolio Performance

Office

Acquisition

Focus on Our Core Strategies and Goals

Retail

Asset Enhancement

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### Update on Office Portfolio Performance

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Acquisition

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Retail

Asset Enhancement

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**Office Portfolio Committed Occupancy hit 98.5%**

Property	As at Sep 09	As at Dec 09	As at Mar 10	As at Jun 10	As at Sep 10
Suntec City Office	94.8%	95.3%	95.5%	96.6%	98.1%
Park Mall Office	100%	100%	100%	100%	97.5%
One Raffles Quay	100%	100%	100%	100%	100%
<b>Suntec REIT Portfolio</b>	<b>96.4%</b>	<b>96.8%</b>	<b>96.9%</b>	<b>97.6%</b>	<b>98.5%</b>

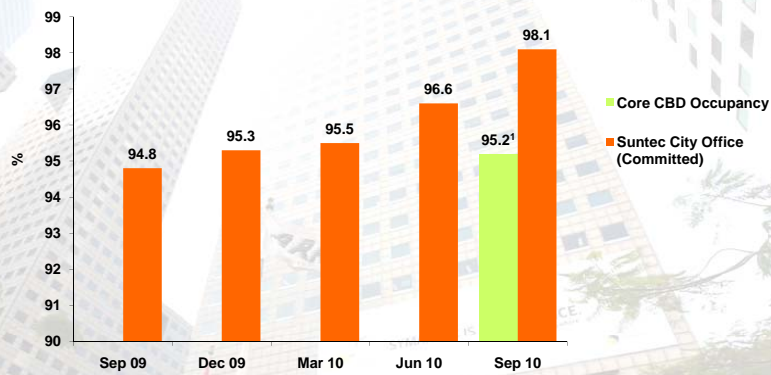
- Suntec City office occupancy chalked up 5 straight quarters of growth
- Office portfolio committed occupancy hit 98.5% as at 30 September 2010

Source: ARATMS

Office

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**Suntec City Office Occupancy strengthened further to 98.1%**



- Suntec City Office occupancy higher than Singapore Core CBD office occupancy of 95.2%<sup>1</sup>
- Leases secured for the quarter at an average rent of S\$7.39 psf pm

Source: ARATMS  
Note:  
1. Source: CB Richard Ellis (Pte) Ltd

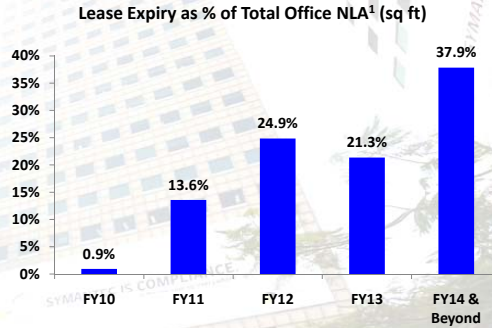
Office

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**Leases expiring in FY 2010 down to 0.9%**

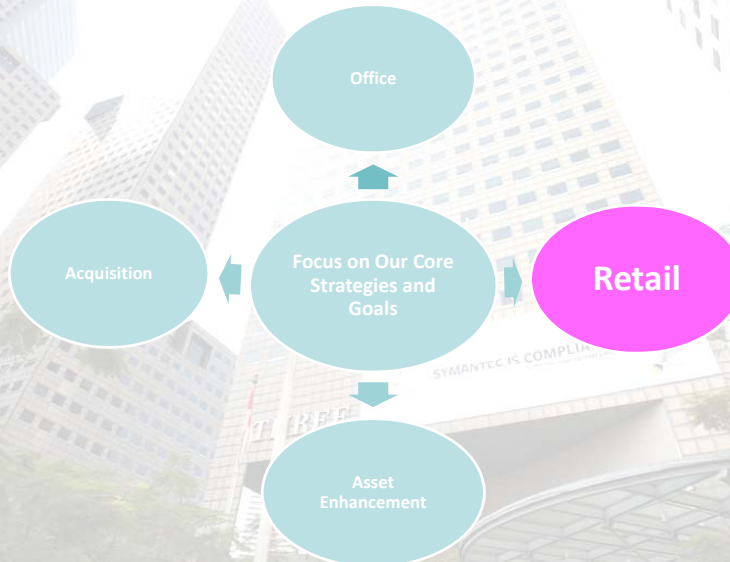
As at 30 September 2010	Net Lettable Area	
	Sq ft	% of Total
FY10	17,143	0.9
FY11	253,491	13.6
FY12	464,030	24.9
FY13	398,573	21.3
FY14 & Beyond	706,764	37.8



- Less than 1% of office portfolio expiring in FY 2010
- Ongoing forward renewals of leases expiring in FY 2011
- Renewed and signed more than 580,000 sq ft of leases in nine months of 2010

Source: ARATMS  
Note:  
1. Assumes one third of One Raffles Quay's total net lettable area

**Update on Retail Portfolio Performance**



**Stable Retail Portfolio Occupancy**

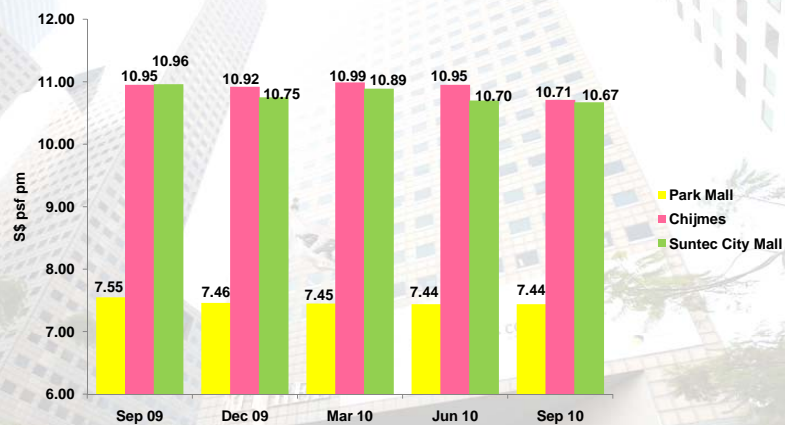
Property	As at Sep 09	As at Dec 09	As at Mar 10	As at Jun 10	As at Sep 10
Suntec City Mall	99.0%	97.6%	96.4%	98.3%	98.0%
Park Mall	100%	100%	100%	100%	100%
Chijmes	98.7%	100%	100%	100%	90.0%
One Raffles Quay	100%	100%	100%	100%	100%
<b>Suntec REIT Portfolio</b>	<b>99.3%</b>	<b>98.1%</b>	<b>97.2%</b>	<b>98.7%</b>	<b>97.6%</b>

- Retail portfolio committed occupancy stood at 97.6% as at 30 September 2010

Source: ARATMS

Retail

**Steady Committed Retail Passing Rents**

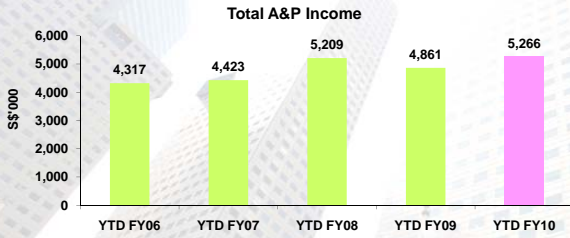


- Committed average passing rent of all three malls remain stable

Source: ARATMS

Retail

**Revenue from Other Income Initiatives up 8.3% y-o-y**



- Achieved Total Other Income of S\$1.90 million for 3Q FY10
- Total Other Income of S\$5.27 million for YTD FY10



Retail

**Retail Portfolio Lease Expiry Profile**

As at 30 September 2010	Net Lettable Area	
	Sq ft	% of Total
FY10	78,414	7.5
FY11	285,589	27.2
FY12	309,620	29.4
FY13	221,430	21.1
FY14 & Beyond	130,218	12.4

- Balance of 7.5% of retail portfolio net lettable area expiring in FY 2010
- Renewed and signed more than 170,000 sq ft of renewals and replacements in the nine months of 2010

Source: ARATMS

Retail

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## Acquisition Strategy & Update

Office

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Asset Enhancement

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## Assets Under Management

Asset Size (S\$ billion)

Date	Asset Size (S\$ billion)
IPO Dec 04	2.2
Sep-05	2.3
Sep-06	3.2
Sep-07	4.6
Dec-08	5.4
Dec-09	5.2
Sep-10	5.3

- Total assets of S\$5.3 million as at 30 September 2010
- Portfolio of well-located prime assets well-positioned for market recovery

MRT Stations

- North-South Line
- North-East Line
- East-West Line
- Circle Line (Under construction)
- Downtown Line (Under construction)

Source: ARATMS

Acquisition

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## Unit Performance

- Annualised YTD FY10 DPU of 10.085 cents
- Average annual return of 14.8%<sup>1</sup> since listing
- 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 30 September 2010	
20-day volume as percentage of free float	5.6%
Free float	94 %
Market cap	S\$2,784.0 mil



Source: Bloomberg, ARATMS

Note:  
1. Based on the last traded price of S\$1.51 per unit as at 30 September 2010

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**Thank You**

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## Disclaimer

This presentation is focused on the comparison of actual results for the three months ended 30 September 2010 versus results achieved in the three months ended 30 September 2009. It should be read in conjunction with Paragraph 8 of Suntec REIT's financial results for the period 1 July 2010 to 30 September 2010 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.

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## 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 July – 30 September 2010)
DPU based on total number of Units entitled to the distribution (cents)	2.502
DPU assuming Deferred Units were issued on the Listing Date (cents)	2.456