



Trust Management (Suntec) Limited

**Press Release**

19 January 2012

Manager of



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**Record High Distribution Income of S\$220.7 million for FY2011**

**DPU of 9.932 cents 14.2% above Forecast<sup>1</sup>**

**4Q FY2011 DPU 7.0% Higher Year-on-Year**

**Singapore, 19 January 2012** – 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\$55.3 million for the period 1 October to 31 December 2011 (“4Q FY11”), an increase of 23.1% compared to the quarter ended 31 December 2010 (“4Q FY10”).

The distribution per unit (“DPU”) of 2.479 Singapore cents achieved for 4Q FY11 was 7.0% higher year-on-year and outperformed the Forecast<sup>1</sup> by 19.9%.

For the financial year ended 31 December 2011 (“FY11”), the DPU of 9.932 Singapore cents was marginally higher than the financial year ended 31 December 2010 (“FY10”) and exceeded the Forecast<sup>1</sup> by 14.2%.

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “I am happy to report that we have delivered a record high distribution income for FY11 despite the negative rental reversions in our office portfolio during the year. This was achieved on the back of strong performance from MBFC Properties<sup>2</sup> as well as prudent capital management that led to greater interest savings.”

Mr. Yeo added, “As part of our long term strategy to deliver enhanced value to our unitholders, we acquired an additional 40.8% equity interest in Suntec Singapore, divested Chijmes and initiated asset enhancement initiatives for Suntec City Mall and Suntec Singapore in FY11.”

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<sup>1</sup> The forecast is based on the assumptions as set out in Suntec REIT’s circular to Unitholders dated 8 November 2010 (“Forecast”)

<sup>2</sup> Marina Bay Financial Centre Towers 1 and 2, and Marina Bay Link Mall

The committed occupancy of Suntec City Office Towers strengthened to 99.2% whilst Park Mall office maintained full occupancy as at 31 December 2011. The committed occupancy of Suntec City Mall improved marginally from 96.5% to 96.7%, whilst Park Mall and Chijmes achieved 100.0% committed occupancy as at 31 December 2011.

For the jointly controlled entities, One Raffles Quay achieved full occupancy, whilst the committed occupancy for the MBFC Properties<sup>2</sup> stood at 98.6% as at 31 December 2011. The overall committed occupancy for Suntec REIT's office and retail portfolio stood at 99.2% and 97.5% respectively as at 31 December 2011.

Commenting on Suntec REIT's office portfolio, Mr. Yeo said, "In view of the current Euro crisis and the uncertain economic outlook in 2012, we stepped up our proactive leasing strategy and forward renewed more than 233,000 sq ft of our leases due to expire in 2012. With a balance of approximately 10.0% of our leases due to expire in 2012, we are well positioned to meet the challenges ahead."

#### Comparison of Suntec REIT 4Q FY11 Results against 4Q FY10 and Forecast<sup>1</sup>

	<b>4QFY11</b> <b>(S\$'000)</b>	<b>4QFY10</b> <b>(S\$'000)</b>	<b>% Chg</b>	<b>4QFY11F<sup>1</sup></b> <b>(S\$'000)</b>	<b>% Chg</b>
Gross revenue	80,045	61,405	30.4%	59,967	33.5%
Net property income	52,023	47,234	10.1%	43,938	18.4%
Income available for distribution	55,302	44,942	23.1%	45,827	20.7%
<b>Distribution per unit</b> <b>(Singapore cents)</b>	<b>2.479</b>	<b>2.316</b>	<b>7.0%</b>	<b>2.068</b>	<b>19.9%</b>

For 4Q FY11, Suntec REIT achieved gross revenue of S\$80.0 million which was 30.4% higher year-on-year and 33.5% above Forecast<sup>1</sup> mainly due to the consolidation of \$20.0 million in revenue from Suntec Singapore.

For the same period, the net property income of S\$52.0 million was 10.1% higher year-on-year and 18.4% above Forecast<sup>1</sup>.

Consequently, the income available for distribution of S\$55.3 million was 23.1% higher year-on-year and 20.7% higher than the Forecast<sup>1</sup>. This was mainly attributable to higher contributions from jointly controlled entities as well as lower financing costs.

The distribution per unit for 4Q FY11 amounted to 2.479 Singapore cents which was 7.0% higher year-on-year and 19.9% higher than the Forecast<sup>1</sup>.

The debt-to-asset ratio improved to 37.3% as at 31 December 2011.

### Comparison of Suntec REIT FY11 Results against FY10 and Forecast<sup>1</sup>

	<b>FY11 (S\$'000)</b>	<b>FY10 (S\$'000)</b>	<b>% Chg</b>	<b>FY11F<sup>1</sup> (S\$'000)</b>	<b>% Chg</b>
Gross revenue	270,282	249,479	8.3%	243,649	10.9%
Net property income	193,383	193,090	0.2%	181,739	6.4%
Income available for distribution	220,700	182,477	20.9%	192,822	14.5%
<b>Distribution per unit (Singapore cents)</b>	<b>9.932</b>	<b>9.859</b>	<b>0.7%</b>	<b>8.699</b>	<b>14.2%</b>
Distribution yield					
- As at 31 December 2011 price of S\$1.075	9.2%	9.2%		8.1%	
- As at 18 January 2012 price of S\$ 1.15	8.6%	8.6%		7.6%	

For FY11, Suntec REIT recorded gross revenue of S\$270.3 million which was 8.3% higher year-on-year and 10.9% above the Forecast<sup>1</sup> due to the consolidation of S\$27.4 million in revenue from Suntec Singapore.

For the same period, the net property income of S\$193.4 million was marginally higher year-on-year and 6.4% above the Forecast<sup>1</sup>.

The income available for distribution of S\$220.7 million was 20.9% higher year-on-year and exceeded the Forecast<sup>1</sup> by 14.5%.

The distribution per unit of 9.932 Singapore cents was 0.7% higher year-on-year and outperformed the Forecast<sup>1</sup> by 14.2%.

Mr. Yeo reiterated, "Despite the negative rental reversions pressures in FY11, we managed to achieve a DPU of 9.932 cents which was marginally higher than FY10 as we strived to deliver sustainable returns to our unitholders."

## **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, 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 International Convention & Exhibition Centre. 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](http://www.suntecreit.com).

## **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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