



Trust Management (Suntec) Limited

Press Release

19 July 2012

Manager of



**Suntec REIT Achieves Distribution Per Unit of 2.361 cents for 2Q FY12
1H FY12 DPU of 4.814 cents
Suntec City Office Towers Achieves 100% Occupancy**

Singapore, 19 July 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 per unit (“DPU”) of 2.361 Singapore cents for the period 1 April to 30 June 2012 (“2Q FY12”), resulting in a DPU of 4.814 Singapore cents for the half year ended 30 June 2012 (“1H FY12”).

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “Notwithstanding the divestment of CHIJMES in January 2012 and the commencement of the asset enhancement initiatives at Suntec City in June, Suntec REIT achieved a DPU of 2.361 cents for 2Q FY12. With this, the DPU for the half year ended 30 June was 4.814 cents, a marginal decline of 2.2% year-on-year. We are also pleased to report that Suntec City Office Towers achieved 100% committed occupancy as at 30 June 2012.”

On the retail portfolio, the committed occupancy of Suntec City Mall remained stable at 98.1%¹, whilst Park Mall continued to enjoy 100.0% occupancy. The overall committed occupancy for the retail portfolio stood at 98.5% as at 30 June 2012.

For the jointly controlled entities, One Raffles Quay continued to enjoy full occupancy, whilst the committed occupancy for the MBFC Properties² strengthened further to 99.5% as at 30 June 2012.

Suntec REIT’s overall committed occupancy for the office portfolio recorded a high of 99.9% as at 30 June 2012.

Commenting on Suntec REIT’s office performance, Mr. Yeo said, “With Suntec REIT’s high committed occupancy of 99.9%, coupled with a balance of only 2.2% of its office leases due to expire in 2012, we are positive on the performance of our office portfolio for the current financial year.”

¹ Reflects areas not affected by the asset enhancement initiatives

² Marina Bay Financial Centre Towers 1 and 2, and the Marina Bay Link Mall

The conversion of BFC Development Pte Ltd, the holding company of MBFC Properties³ to BFC Development LLP, a limited liability partnership, was completed on 15 June 2012. With the successful conversion, Suntec REIT will now enjoy tax transparency contribution from the MBFC Properties³ which will translate to higher distributable income to unitholders.

Comparison of Suntec REIT's 2Q and 1H FY12 Results

	2Q FY12 (S\$'000)	2Q FY11 (S\$'000)	% Change	1H FY12 (S\$'000)	1H FY11 (S\$'000)	% Change
Gross revenue	70,997	61,300	15.8	144,292	122,323	18.0
Net property income	45,430	46,900	(3.1)	94,428	93,583	0.9
Income available for distribution	52,961	56,175	(5.7)	107,838	109,042	(1.1)
Distribution per unit	2.361¢	2.532¢	(6.8)	4.814¢	4.920¢	(2.2)
Distribution yield (annualised) ⁴						
- based on 30 Jun 2012 closing price of S\$1.35	7.0%	7.5%		7.2%	7.3%	
- based on 18 Jul 2012 closing price of S\$1.46	6.5%	7.0%		6.6%	6.8%	

For 2Q FY12, Suntec REIT achieved gross revenue of S\$71.0 million which was 15.8% higher year-on-year mainly due to the consolidation of S\$13.2 million in revenue from Suntec Singapore. For the same period, the net property income of S\$45.4 million was 3.1% lower year-on-year.

The income available for distribution of S\$53.0 million was 5.7% lower year-on-year mainly due to the lower net property income attributable to the divestment of CHIJMES and the commencement of the AEI works.

The distribution per unit for 2Q FY12 amounted to 2.361 Singapore cents. The annualised distribution yield was 6.5%⁵.

For 1H FY12, Suntec REIT's gross revenue and net property income was S\$144.3 million and S\$94.4 million respectively. The income available for distribution of S\$107.8 million was marginally lower year-on-year. The distribution per unit amounted to 4.814 Singapore cents representing an annualized distribution yield of 6.6%⁵.

The debt-to-asset ratio stood at 37.5% as at 30 June 2012.

³ Marina Bay Financial Centre Towers 1 and 2, and the Marina Bay Link Mall

⁴ Past performance is not necessarily indicative of future performance of Suntec REIT

⁵ Based on the unit price of S\$1.46 as at 18 Jul 2012

Suntec City AEI Update

Works on Phase 1 of the asset enhancement initiative (“AEI”) that encompasses Suntec Singapore and Galleria section of Suntec City Mall, commenced on 1 June 2012 and is progressing smoothly. Approximately 193,000 sq ft of retail net lettable area (“NLA”) is being closed progressively in phases and is on schedule to complete by the second quarter of 2013.



Mr. Yeo said, “On the marketing front, we are pleased to report that we have achieved a pre-commitment of 58.5% of Suntec REIT’s Phase 1 NLA to-date. Based on our leasing progress to-date, our projected rental enhancement and return on investment of 10.1% are on track.”

Some of the additional brands that have signed up for Phase 1 include Braun Buffel, Celio, Charles & Keith, Crabtree & Evelyn, Dockers, GRATiAE, KP (New York) Inc, Levi’s, Pachelbel, Pedro, Swatch and T.M.Lewin. Additional new food and beverage names that have signed up are, Aston’s Specialities, Muthu’s Curry, Starbucks, as well as concepts by Akashi Group and the Deliciae Group that include Akashi Japanese Restaurant, & Made and L’Entrecôte.

Looking ahead, Mr. Yeo said, “Our priorities are to focus on the smooth execution of the AEI and proactive lease management to increase the lease commitments, as well as maintain the high occupancy level for the rest of our office and retail portfolios.”

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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, 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.

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.

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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