

## FINANCIAL RESULTS

For Third Quarter and Nine Months ended 30 Sep 2012

## AGENDA

- ❖ Q3 Highlights
- ❖ Financial Performance
- ❖ Portfolio Performance
- ❖ AEI Updates
- ❖ Looking Ahead
- ❖ Unit Performance



## Q3 HIGHLIGHTS

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- Distribution income of S\$52.8 million and DPU of 2.35 cents
- Suntec City Office Towers maintained 100% committed occupancy
- Office Portfolio committed occupancy remained at a high of 99.9%
- Suntec City AEI –
  - 71.2% of Suntec REIT's Phase 1 leases pre-committed
- Refinancing
  - Refinanced S\$200 million loan due in 2012



## FINANCIAL PERFORMANCE

### FINANCIAL PERFORMANCE: 3Q FY12

Delivered DPU of 2.35 cents

1 July – 30 September 2012	3Q FY12	3Q FY11	Change
Gross Revenue	S\$62.6 mil	S\$67.9 mil	-7.8%
Net Property Income	S\$38.4 mil	S\$47.8 mil	-19.5%
Distributable Income	S\$52.8 mil	S\$56.4 mil	-6.3%
Distribution per unit <sup>1</sup>	2.35¢	2.533¢	-7.2%
Annualised distribution yield <sup>2</sup>	5.9%	6.4%	

- Net property income declined y-o-y due to the partial closure of Suntec Singapore and Suntec City Mall for asset enhancement works and the divestment of CHIJMES

Notes:

1. Based on 2,242,903,050 units in issue as at 30 September 2012 and 4,920,866 units to be issued to the Manager by 30 October 2012 as partial satisfaction of management fee incurred for the period 1 July to 30 September 2012.

2. Based on the last traded price of S\$1.58 per unit as at 24 October 2012.

Source: ARATMS

## FINANCIAL PERFORMANCE: YTD FY12

Delivered DPU of 7.164 cents

1 January – 30 September 2012	YTD FY12	YTD FY11	Change
Gross Revenue	S\$206.9 mil	S\$190.2 mil	8.7%
Net Property Income	S\$132.9 mil	S\$141.4mil	-6.0%
Distributable Income	S\$160.7 mil	S\$165.4 mil	-2.9%
Distribution per unit <sup>1</sup>	7.164¢	7.453¢	-3.9%
Annualised distribution yield <sup>2</sup>	6.1%	6.3%	

Notes:

- Based on 2,242,903,050 units in issue as at 30 September 2012 and 4,920,866 units to be issued to the Manager by 30 October 2012 as partial satisfaction of management fee incurred for the period 1 July to 30 September 2012.
- Based on the last traded price of S\$1.58 per unit as at 24 October 2012.

Source: ARATMS

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## DEBT-TO-ASSET RATIO STOOD AT 37.8%

Debt Metrics	30 Sep 2012
Total Debt Outstanding	S\$2.841 bil
Debt-to-Asset Ratio <sup>1</sup>	37.8%
Average All-in Financing Cost	2.85%
Interest Coverage Ratio	3.9 x
Corporate Family Rating	"Baa2"

Note:

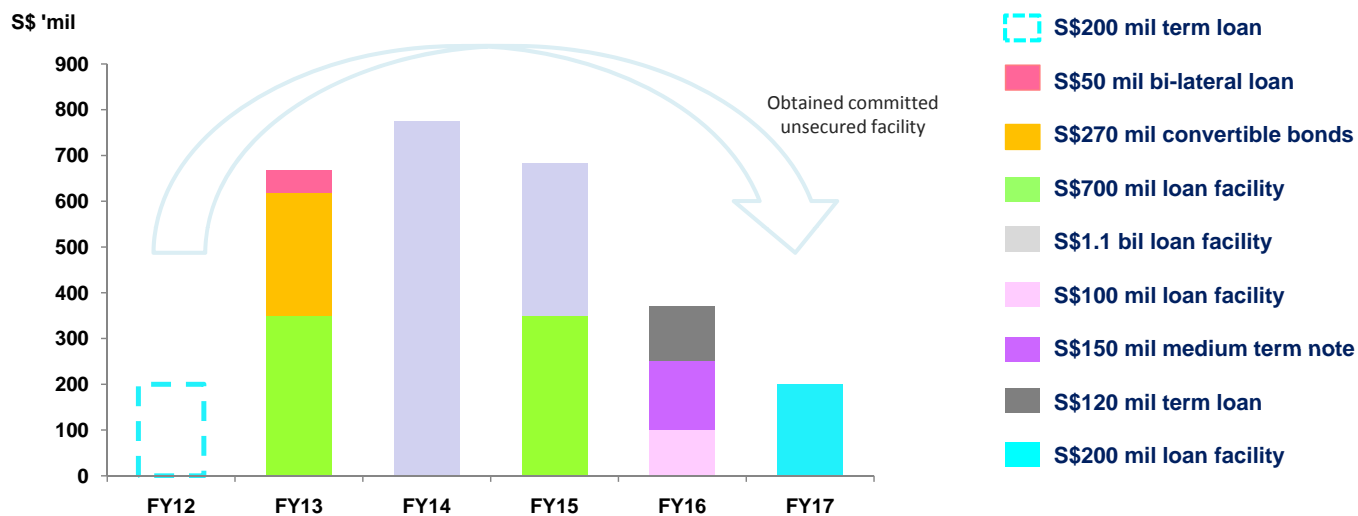
- Suntec REIT's "Aggregate Leverage Ratio" as at 30 September 2012 was 39.5%. "Aggregate Leverage Ratio" refers to the ratio of total borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property

Source: ARATMS

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## DEBT MATURITY PROFILE AS AT 30 SEPTEMBER 2012

### Debt Maturity Profile (REIT Level)

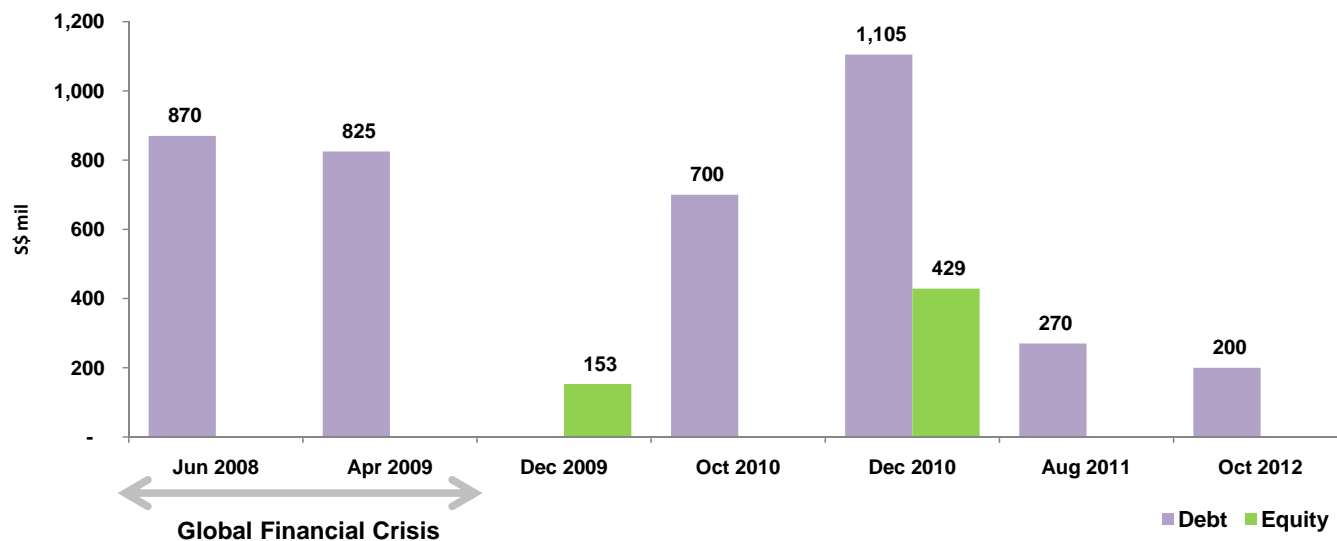


- Upon drawdown of the S\$200 mil loan, the weighted average term to expiry will be 2.2 years
- No refinancing requirement till 2013

Source: ARATMS

## S\$4.55 BILLION OF FINANCING SINCE JUNE 2008

### Strong Financing Track Record



- Average all-in financing cost of 2.85% for 3Q FY12

Source: ARATMS

## NAV PER UNIT OF S\$1.969 AS AT 30 SEPTEMBER 2012

Consolidated Balance Sheet	30 Sep 2012
<b>Total Assets</b>	<b>S\$7,493 mil</b>
<b>Total Liabilities</b>	<b>S\$2,955 mil</b>
<b>Net Assets Attributable to Unitholders</b>	<b>S\$4,427 mil</b>
<b>NAV Per Unit<sup>1</sup></b>	<b>S\$1.969</b>
<b>Adjusted NAV Per Unit<sup>2</sup></b>	<b>S\$1.946</b>

Notes:

1. Based on 2,242,903,050 units in issue as at 30 September 2012 and 4,920,866 units to be issued to the Manager by 30 October 2012 as partial satisfaction of management fee incurred for the period 1 July to 30 September 2012.
2. After DPU adjustment of 2.350 cents for the quarter ended 30 September 2012.

Source: ARATMS

## DISTRIBUTION TIMETABLE

Distribution Payment	
<b>Distribution Period</b>	<b>1 July – 30 September 2012</b>
<b>Amount (cents/unit)</b>	<b>2.350</b>

<b>Ex-date</b>	<b>1 November 2012</b>
<b>Books closure date</b>	<b>5 November 2012</b>
<b>Payment date</b>	<b>29 November 2012</b>

Source: ARATMS

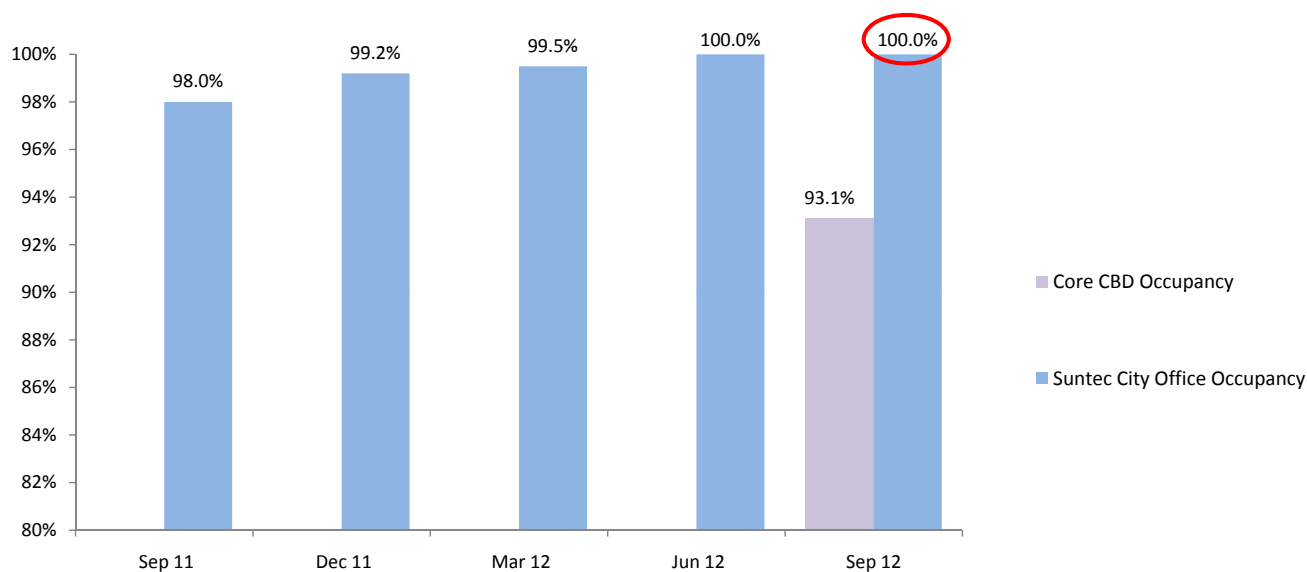
## PORTFOLIO PERFORMANCE

### STRONG PORTFOLIO COMMITTED OCCUPANCY

Property	As at Sep 11	As at Dec 11	As at Mar 12	As at Jun 12	As at Sep 12
<b>Suntec City:</b>					
- Office	98.0%	99.2%	99.5%	100%	100%
- Retail	96.5%	96.7%	96.7%	98.1%	98.2% <sup>1</sup>
<b>Park Mall:</b>					
- Office	100%	100%	100%	100%	100%
- Retail	100%	100%	100%	100%	100%
<b>One Raffles Quay</b>	100%	100%	100%	100%	100%
<b>MBFC Properties</b>	98.5%	98.6%	98.7%	99.5%	99.5%
<b>Office Portfolio Occupancy</b>	98.6%	99.2%	99.4%	99.9%	99.9%
<b>Retail Portfolio Occupancy</b>	97.3%	97.5%	97.3%	98.5%	98.6%

- Suntec City office continued to enjoy 100% occupancy
- Strong occupancy of 99.9% and 98.6% achieved for office and retail portfolio respectively

## SUNTEC CITY OFFICE MAINTAINED 100% COMMITTED OCCUPANCY

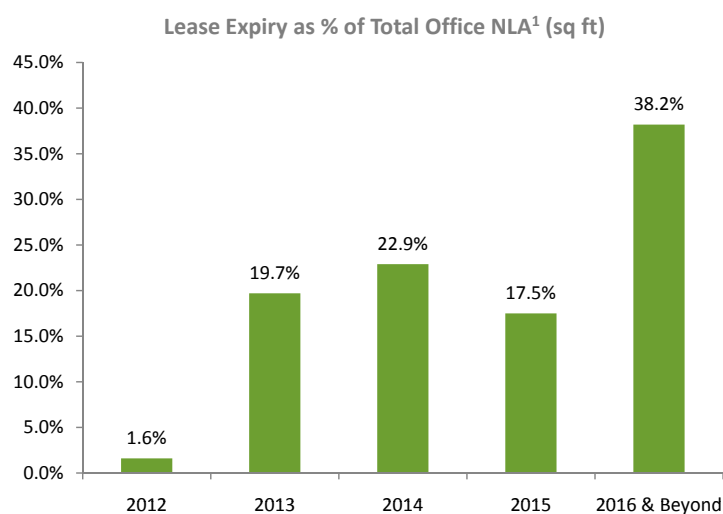


- Suntec City Office maintained 100% committed occupancy versus Singapore average CBD Grade A office occupancy of 93.1%
- Leases secured for the quarter at an average rent of S\$8.96 psf pm

Source: Colliers International, ARATMS

## OFFICE LEASES EXPIRING IN FY 2012 DOWN TO 1.6%

Expiry Profile As at 30 Sep 2012	Net Lettable Area <sup>1</sup>	
	Sq ft	% of Total
FY 2012	38,505	1.6%
FY 2013	476,560	19.7%
FY 2014	551,446	22.9%
FY 2015	423,286	17.5%
FY 2016 & Beyond	922,587	38.2%



- Balance of office leases expiring in FY 2012 and FY 2013 reduced to 1.6% and 19.7% respectively

Note:

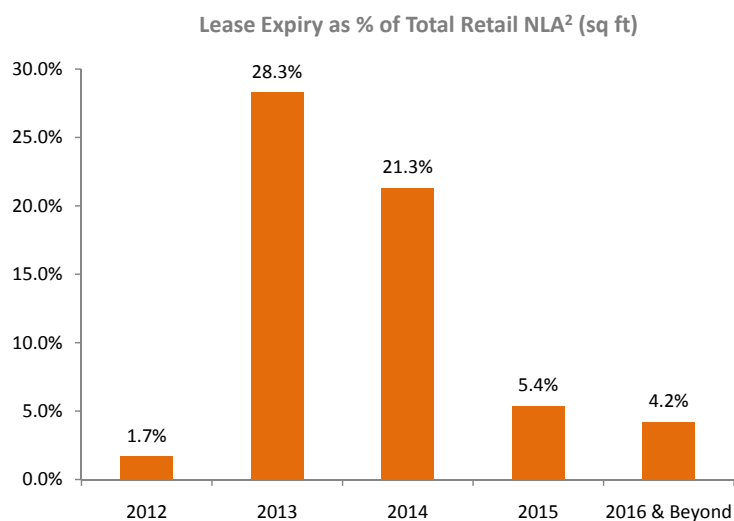
1. Assumes one third of total office net lettable area of One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2

Source: ARATMS



## RETAIL PORTFOLIO LEASE EXPIRY PROFILE

Expiry Profile <sup>1</sup> As at 30 Sep 2012	Net Lettable Area <sup>2</sup>	
	Sq ft	% of Total
FY 2012	15,618 <sup>3</sup>	1.7%
FY 2013	254,631	28.3%
FY 2014	192,166	21.3%
FY 2015	48,244	5.4%
FY 2016 & Beyond	37,792	4.2%



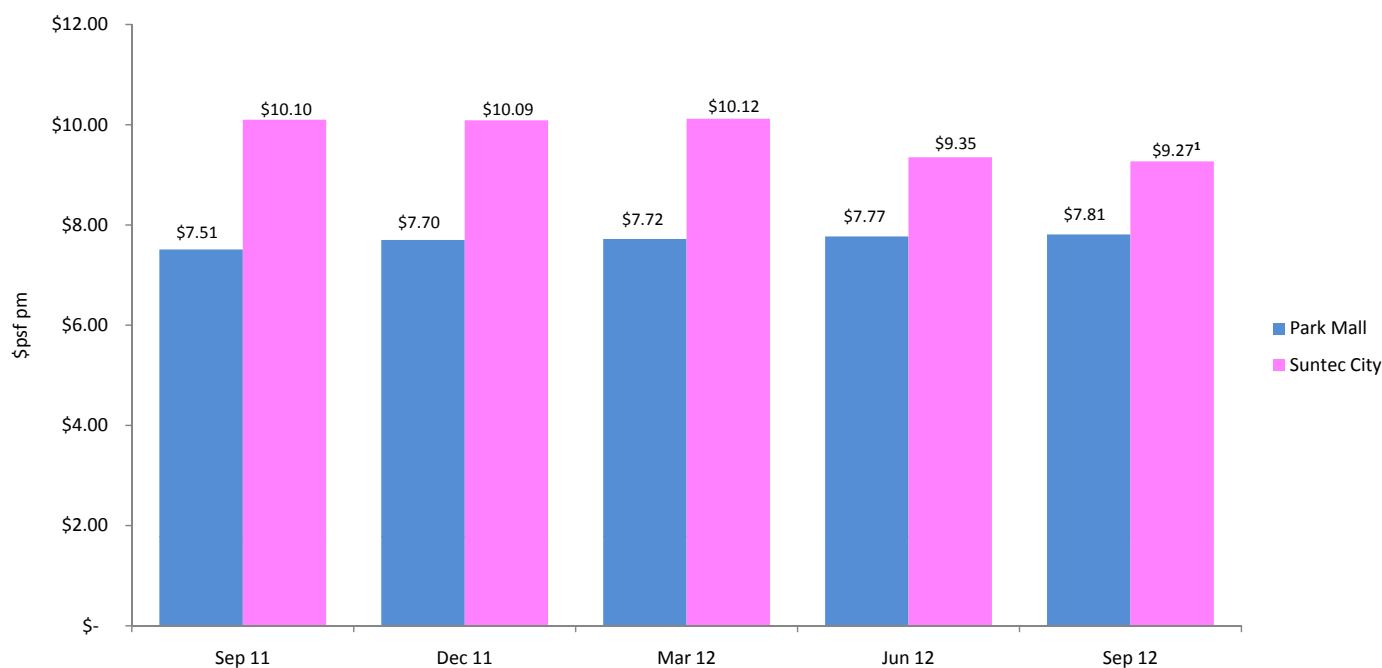
- Balance 1.7% of retail leases expiring in FY 2012

Notes:

- Adjusted for leases that will be affected by Phase 1 of the asset enhancement initiatives in Suntec City
- Assumes one third of total retail net lettable area of One Raffles Quay, Marina Bay Link Mall
- Excludes Carrefour lease

Source: ARATMS

## SUNTEC CITY AND PARK MALL COMMITTED RETAIL PASSING RENTS



- Park Mall average passing rent strengthened to \$7.81 psf/mth

Note:

- Average passing rent for Suntec City Mall adjusted for AEI works

Source: ARATMS

## REMAKING OF SUNTEC CITY – AEI UPDATES

### REMAKING OF SUNTEC CITY

#### **S\$410m AEI**

- Suntec City Mall \$230m;
- Suntec Singapore \$180m
- 4 phased project (from June 2012 to end 2014)

#### **Increased Retail Presence**

- Retail NLA in Suntec City will increase from current 855,000sf to 980,000sf
- L1/L2 of convention centre converted to retail use

#### **Exciting New Tenant Mix**

- Introduction of anchor and mini-anchor stores
- New F&B outlets and watering holes

#### **Higher Yielding NLA**

- Decanting of low yielding upper floors to prime locations
- Overall stabilised rents projected to increase by 25%

## PHASING OF WORKS – AEI FAST TRACKED TO COMPLETE BY END 2014

PHASING	ESTIMATED DATE OF COMPLETION*	ESTIMATED AREA INVOLVED*
Phase 1	2Q 2013	193,000 sf
Phase 2	4Q 2013	380,000 sf
Phase 3/4	4Q 2014	249,000 sf



\* Management's estimates. Subject to adjustments

## FUNDING ARRANGEMENTS

PHASING	ESTIMATED CAPEX *
Phase 1	\$55m
Phase 2	\$75m
Phase 3/4	\$100m

### SUNTEC REIT'S FUNDING ARRANGEMENT

- Minimal funding requirement for phase 1 and 2
- Funding of \$230m capex supported by:
  - Sale proceeds from divestment of Chijmes
  - Bank borrowings
  - Minimal impact on gearing post-AEI

### SUNTEC SINGAPORE'S FUNDING ARRANGEMENT

- Capex of \$180m to be funded by own bank borrowings

\* Management's estimates. Subject to adjustments

## PHASE 1 UPDATE

- ❖ Phase 1 works on some 193,000 sf of NLA in the Galleria and Fountain Terrace zones is progressing smoothly and is on schedule to complete circa 2Q 2013

### 71.2% OF PHASE 1 NLA PRE-COMMITTED TO-DATE

- ❖ Committed rents and projected return on investment of 10.1% on track



Source: ARATMS

### NEWLY COMMITTED TENANTS INCLUDE:



## PERSPECTIVES



Source: ARTMS

Artist's impressions only, subject to approval and change without notice

## VALUE ENHANCEMENTS – SUNTEC REIT

**Projected ROI of 10.1% and 84% increase in capital value over Capex**

	Before AEI	After AEI *	Variance	
Average Rent per sq ft per mth (\$ psf)	\$10.10 psf pm	\$12.59 psf pm	+\$2.49 psf pm	+25%
NPI per month (\$m) **	\$5.9m	\$7.8m	+\$1.9m	+33%

VALUE ENHANCEMENTS	Manager's Projection
Incremental NPI per annum	\$23.2m
Capital expenditure ("Capex") estimated	\$230m
Return on Investment	10.1%
Capital Value of AEI ***	\$422m
Increase in Capital Value	\$192m
- % increase in capital value over capex	+83.5%

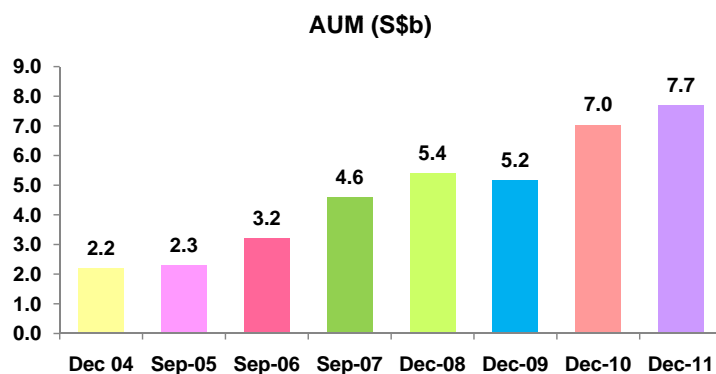
\* Based on manager's projection of stabilised rents on NLA of 823,688sf

\*\* Excludes turnover rent and other income

\*\*\* Based on current 5.5% capitalisation rate

## LOOKING AHEAD

# AUM OF S\$7.6 BILLION \*



- Singapore’s 2nd largest REIT by AUM with a strong portfolio of strategically-located prime assets
- Office portfolio of 2.4 mil sq ft and retail portfolio of 1.0 mil sq ft
- Anchored by major asset Suntec City, one of Singapore’s largest office and retail properties

\* The divestment of Chijmes at \$177mil was completed in Jan 2012

Source: ARATMS

# WELL POSITIONED IN SINGAPORE-REIT SECTOR

## OUTLOOK

- Cautiously optimistic on the economic outlook
- Positive on 2012 office portfolio performance

## TRACK RECORD

- Proven track record in enhancing the performance of our property portfolio
- Strong credit standing and debt financing record
- Delivered 72.4 cents of DPU since IPO in December 2004

## STRATEGY

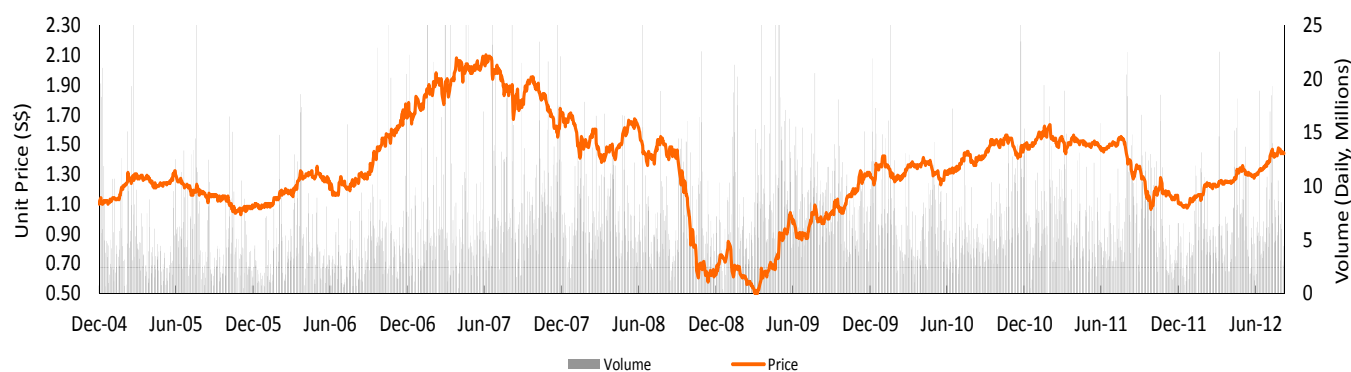
- Proactive leasing management
- Focus on smooth execution of AEI
- Prudent and proactive capital management

Source: ARATMS

## UNIT PERFORMANCE

## UNIT PERFORMANCE

- YTD FY2012 DPU of 7.164 cents
- Trading yield of 6.4%<sup>1</sup>
- Total DPU of 72.4 cents since IPO
- Market Capitalisation of S\$3.33 billion<sup>1</sup> as at 30 Sep 2012



Notes:

1. Based on the share price of S\$1.485 as at 30 September 2012

Source: ARATMS

## CONTACT

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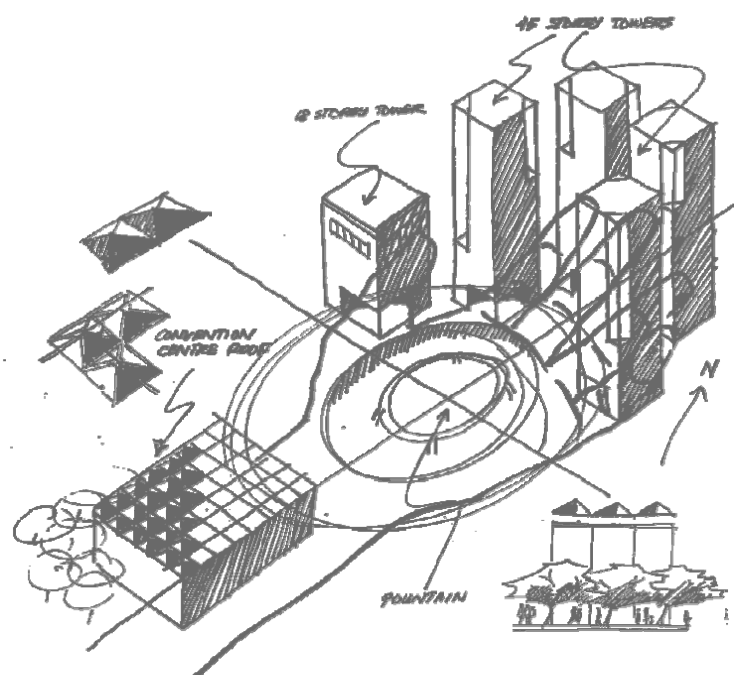
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## THANK YOU





## DISCLAIMER

This presentation is focused on the comparison of actual results for the three months ended 30 September 2012 versus results achieved in the three months ended 30 September 2011. It should be read in conjunction with Paragraph 8 of Suntec REIT's financial results for the financial period ended 30 September 2012 announced on SGXNET.

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