



Trust Management (Suntec) Limited

Press Release

25 April 2013

Manager of



**Suntec REIT Distributes DPU of 2.228 cents
Remaking of Suntec City – 97% Leased for Phase 1**

Singapore, 25 April 2013 – 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\$50.3 million for the period 1 January to 31 March 2013 (“1Q FY13”) which was 8.4% lower compared to the quarter ended 31 March 2012 (“1Q FY12”). This was mainly due to the partial closure of Suntec City Mall and Suntec Singapore for the asset enhancement initiative (“AEI”) works. The distribution per unit (“DPU”) of 2.228 Singapore cents achieved for 1Q 2013 was 9.2% lower year-on-year.

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “In March 2013, we further closed another portion of Suntec City Mall next to Promenade MRT station to execute Phase 2 of our AEI works. Notwithstanding this substantial closure, out of the distribution income of S\$50.3 million in 1Q 2013 only S\$2.7 million from the sale proceeds of Chijmes was utilized for capital distribution.”

“We are pleased to deliver a DPU of 2.228 cents for this quarter, despite the major closure of the Mall during this period.”

On the retail portfolio, the committed occupancy for the rest of Suntec City Mall unaffected by the AEI works remained stable at 99.0%, whilst Park Mall committed occupancy stood at 99.9%. The overall committed occupancy for the retail portfolio stood at 99.4% as at 31 March 2013.

On the office portfolio, Suntec City Office Towers continued to enjoy a high committed occupancy of 99.4% while Park Mall office regained 100% occupancy as at 31 March 2013. For the jointly controlled entities, One Raffles Quay committed occupancy stood at 99.9%, whilst MBFC Properties¹ achieved 100% occupancy as at 31 March 2013.

Suntec REIT’s overall committed occupancy for the office portfolio stood at 99.7% as at 31 March 2013.

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

Commenting on Suntec REIT's office performance, Mr. Yeo said, "Our office portfolio continues to perform strongly. During the first quarter of 2013, we signed a total of 185,000 sq ft of new and renewed leases which leaves us with a balance of only 10.3% of the office leases due to expire in 2013. We remain positive on the performance of our office portfolio in 2013."

On the refinancing front, Suntec REIT refinanced the convertible bonds that were due in 2013 with a new five-year S\$280 million convertible bonds due in 2018 at a lower coupon of 1.4%.

Comparison of Suntec REIT's 1QFY13 and 1QFY12 Results

	1Q FY13 (S\$'000)	1Q FY12 (S\$'000)	% Change
Gross revenue	49,662	73,295	(32.2)
Net property income	30,679	48,998	(37.4)
Income available for distribution	50,270	54,877	(8.4)
- from operations	47,570	54,877	(13.3)
- from capital	2,700	-	-
Distribution per unit	2.228¢	2.453¢	(9.2)
- from operations	2.108¢	2.453¢	(14.1)
- from capital	0.12¢	-	-
Distribution yield (annualized) ²			
- based on 31 Mar 2013 closing price of S\$1.80	5.0%	5.5%	
- based on 24 Apr 2013 closing price of S\$1.925	4.7%	5.1%	

For 1Q FY13, Suntec REIT gross revenue of S\$49.7 million was 32.2% lower year-on-year. This was mainly due to the partial closure of Suntec City Mall and Suntec Singapore for the AEI works which was partially mitigated by higher office revenue.

For the same period, the net property income of S\$30.7 million was 37.4% lower year-on-year mainly due to the AEI works, which was partially mitigated by higher office income.

The income available for distribution of S\$50.3 million was 8.4% lower year-on-year.

The distribution per unit for 1Q FY13 amounted to 2.228 Singapore cents.

The debt-to-asset ratio stood at 36.1% as at 31 March 2013.

² Past performance is not necessarily indicative of future performance of Suntec REIT

Suntec City AEI Update



Mr. Yeo said, “On the marketing front, we are pleased to report that to-date we have achieved a pre-commitment of about 96.7% in relation to Phase 1. We have also commenced Phase 2 of the AEI works in March 2013 and we are pleased to report that 53% of Phase 2 NLA has been pre-committed. 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 Adidas, Aibi, Bread Society, BYSI, Cotton On, ECCO, Fossil, Giordano, Gong Cha, Harvey Norman, HSBC, J. Lindeberg, Love & Co., M1, OSIM, Royal Selangor, Singtel, The Coffee Bean & Tea Leaf and Stargems.

Looking ahead, Mr. Yeo said, “Our current priorities are to focus on the opening of Phase 1 of the Remaking of Suntec City and the smooth execution of the subsequent phases of the AEI. We are also focusing on our proactive lease management to strengthen the lease commitments and maintain the high occupancy level 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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