

## FINANCIAL RESULTS

For The First Quarter Ended 31 March 2013

## AGENDA

- ❖ Q1 Highlights
- ❖ Financial Performance
- ❖ Portfolio Performance
- ❖ AEI Updates
- ❖ Looking Ahead
- ❖ Unit Performance



## Q1 HIGHLIGHTS

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- **Distribution income of S\$50.3 million and DPU of 2.228 cents**
  - **Inclusive of capital distribution of S\$2.7 million**
- **Refinanced S\$270 million convertible bonds**
- **Portfolio occupancy of 99.7% (Office) and 99.4% (Retail)**
- **MBFC Properties achieved 100% committed occupancy**
- **Park Mall Office regained 100% committed occupancy**
- **Suntec City AEI leases pre-committed**
  - **Phase 1: Approx 96.7%**
  - **Phase 2: Approx 53.0%**



## FINANCIAL PERFORMANCE

### FINANCIAL PERFORMANCE: 1Q FY13

Delivered DPU of 2.228 cents

1 January – 31 March 2013	1Q FY13	1Q FY12	Change
<b>Gross Revenue</b>	<b>S\$49.7 mil</b>	<b>S\$73.3 mil</b>	<b>-32.2%</b>
<b>Net Property Income</b>	<b>S\$30.7 mil</b>	<b>S\$49.0 mil</b>	<b>-37.4%</b>
<b>Distributable Income</b>	<b>S\$50.3mil</b>	<b>S\$54.9 mil</b>	<b>-8.4%</b>
- from operations	S\$47.6 mil	S\$54.9 mil	-13.3%
- from capital	S\$2.7 mil	-	-
<b>Distribution per unit<sup>1</sup></b>	<b>2.228¢</b>	<b>2.453¢</b>	<b>-9.2%</b>
- from operations	2.108	2.453	-14.1%
- from capital	0.120	-	-
<b>Annualised Distribution Yield<sup>2</sup></b>	<b>4.7%</b>	<b>5.1%</b>	

- Revenue and net property income declined y-o-y mainly due to the partial closure of Suntec City Mall and Suntec Singapore for asset enhancement works

Notes:

- Based on 2,252,354,234 units in issue as at 31 March 2013 and 4,078,943 units to be issued to the Manager by 30 April 2013 as partial satisfaction of management fee incurred for the period 1 January to 31 March 2013.
- Based on the last traded price of S\$1.925 per unit as at 24 April 2013.

Source: ARATMS

## PORTFOLIO REVENUE AND NPI CONTRIBUTION

1Q FY13 Composition of Office and Retail Revenue and NPI		
Asset	Revenue	NPI
<b>Suntec City</b>		
• Office	S\$29.9 mil	S\$23.8 mil
• Retail	S\$14.0 mil	S\$9.2 mil
<b>Park Mall</b>		
• Office	S\$2.0 mil	S\$1.5 mil
• Retail	S\$3.7 mil	S\$2.8 mil
<b>Total</b>	<b>S\$49.6 mil</b>	<b>S\$37.3 mil</b>

- Office revenue contributed approximately 64% of the Total Gross Revenue<sup>1</sup> for 1Q FY13
- Retail revenue contributed approximately 36% of the Total Gross Revenue<sup>1</sup> for 1Q FY13

Note:

1. Excludes revenue contribution from jointly controlled entities and Suntec Singapore

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## DEBT-TO-ASSET RATIO STOOD AT 36.1%

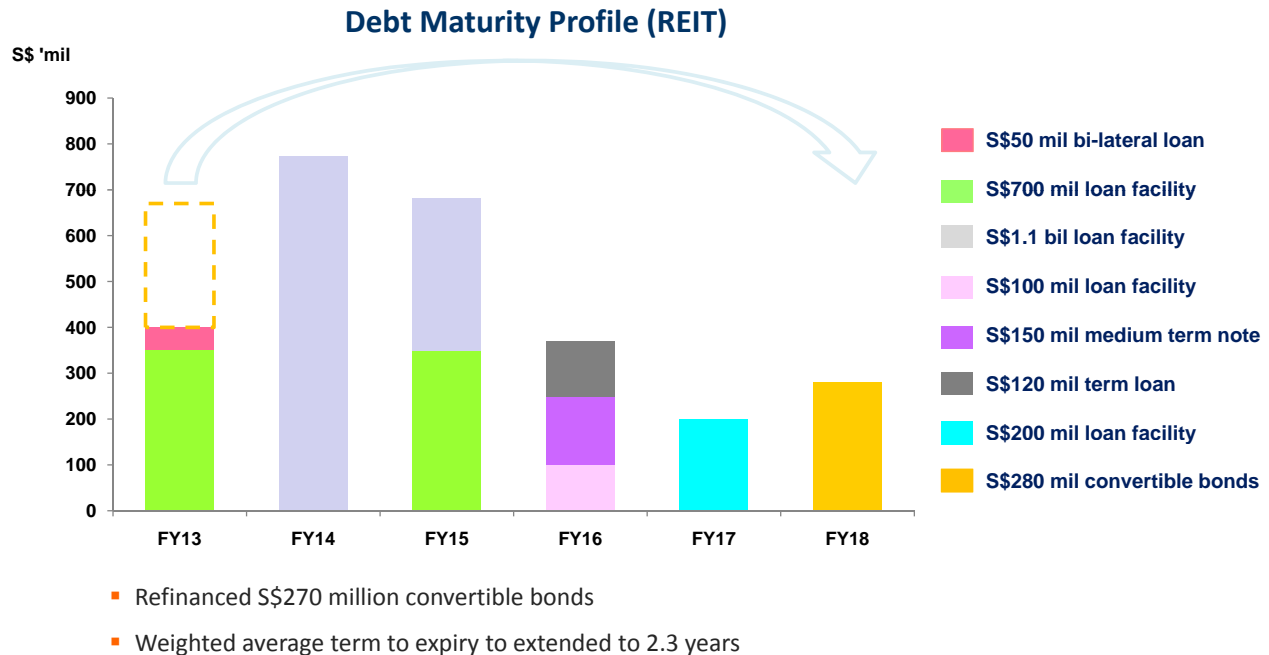
Debt Metrics	31 Mar 2013
Total Debt Outstanding (Group)	S\$2.890 bil
Debt-to-Asset Ratio <sup>1</sup>	36.1%
All-in Financing Cost	2.79%
Interest Coverage Ratio	3.5 x
Issuer Rating	"Baa2"

Note:

- Suntec REIT's "Aggregate Leverage Ratio" as at 31 March 2013 was 38.6%. "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

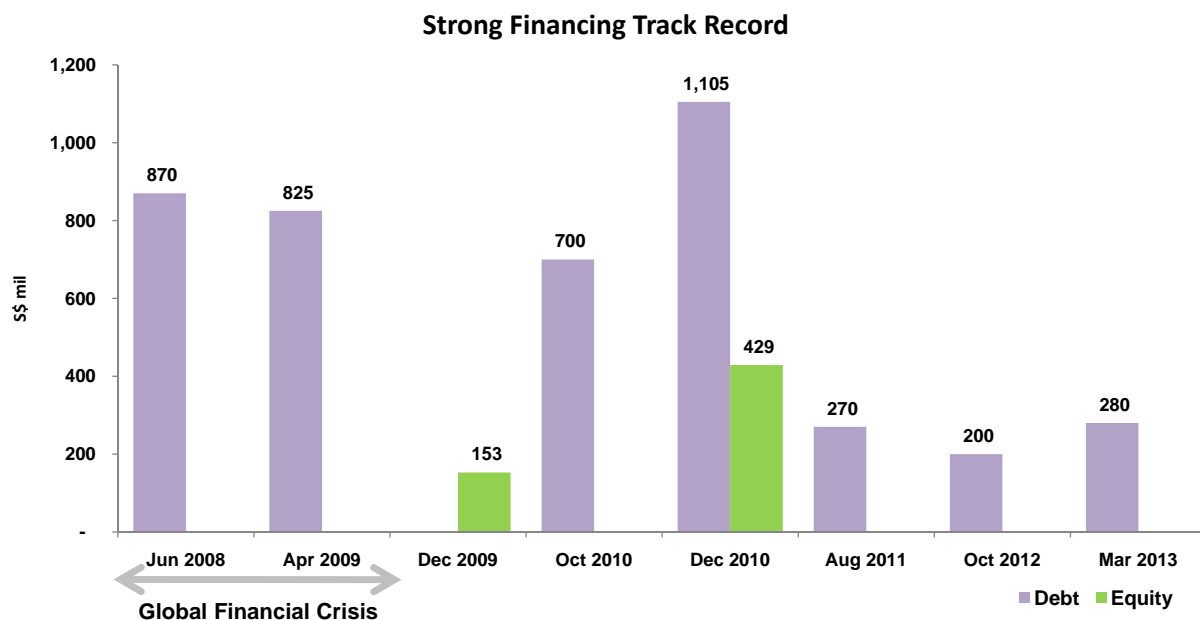
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## DEBT MATURITY PROFILE AS AT 31 MARCH 2013



Source: ARATMS

## S\$4.8 BILLION OF FINANCING SINCE JUNE 2008



- Average all-in financing cost of 2.79% for 1Q FY13

Source: ARATMS

## NAV PER UNIT OF S\$2.058 AS AT 31 MARCH 2013

Consolidated Balance Sheet	31 Mar 2013
<b>Total Assets</b>	<b>S\$7,878 mil</b>
<b>Total Liabilities</b>	<b>S\$3,112 mil</b>
<b>Net Assets Attributable to Unitholders</b>	<b>S\$4,644 mil</b>
<b>NAV Per Unit<sup>1</sup></b>	<b>S\$2.058</b>
<b>Adjusted NAV Per Unit<sup>2</sup></b>	<b>S\$2.035</b>

Notes:

1. Based on 2,252,354,234 units in issue as at 31 March 2013 and 4,078,943 units to be issued to the Manager by 30 April 2013 as partial satisfaction of management fee incurred for the period 1 January to 31 March 2013.
2. After DPU adjustment of 2.228 cents for the quarter ended 31 March 2013.

Source: ARATMS

## DISTRIBUTION TIMETABLE

Distribution Payment	
<b>Distribution Period</b>	<b>1 January – 31 March 2013</b>
Amount (cents/unit)	2.228

<b>Ex-date</b>	<b>2 May 2013</b>
<b>Books closure date</b>	<b>6 May 2013</b>
<b>Payment date</b>	<b>29 May 2013</b>

Source: ARATMS

## PORTFOLIO PERFORMANCE

### STRONG PORTFOLIO COMMITTED OCCUPANCY

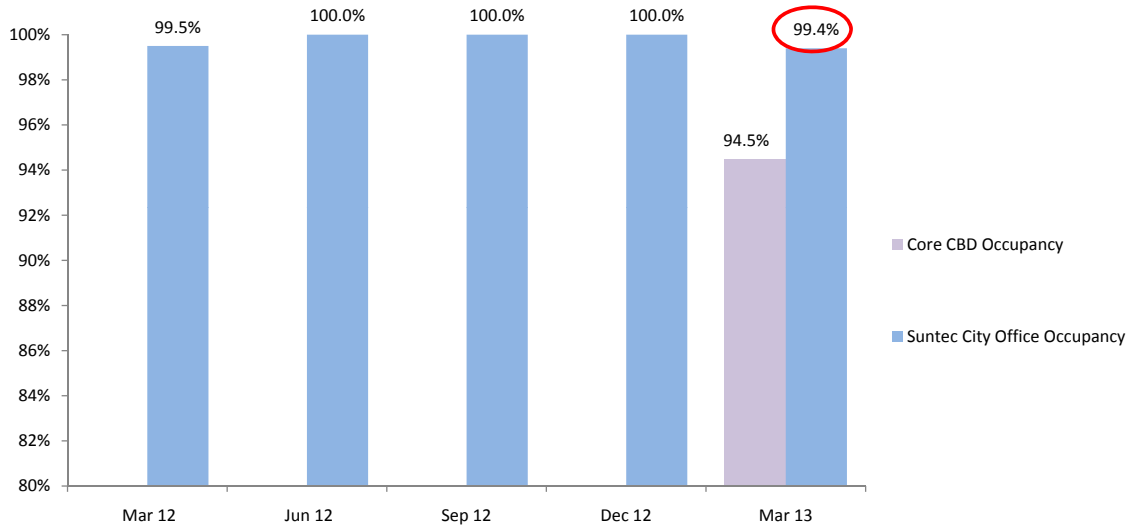
Property	As at Mar 12	As at Jun 12	As at Sep 12	As at Dec 12	As at Mar 13
<b>Suntec City:</b>					
- Office	99.5%	100%	100%	100%	99.4%
- Retail	96.7%	98.1%	98.2%	97.6%	99.0% <sup>1</sup>
<b>Park Mall:</b>					
- Office	100%	100%	100%	94.6%	100%
- Retail	100%	100%	100%	100%	99.9%
<b>One Raffles Quay</b>	100%	100%	100%	100%	99.9%
<b>MBFC Properties</b>	98.7%	99.5%	99.5%	99.9%	100%
<b>Office Portfolio Occupancy</b>	99.4%	99.9%	99.9%	99.7%	99.7%
<b>Retail Portfolio Occupancy</b>	97.3%	98.5%	98.6%	98.1%	99.4%

- Park Mall Office and MBFC Properties achieved 100% occupancy
- Strong occupancy of 99.7% and 99.4% achieved for office and retail portfolio respectively

Source: ARATMS

Notes:  
1. Reflects area not affected by the AEI works

## SUNTEC CITY OFFICE COMMITTED OCCUPANCY REMAINS STRONG

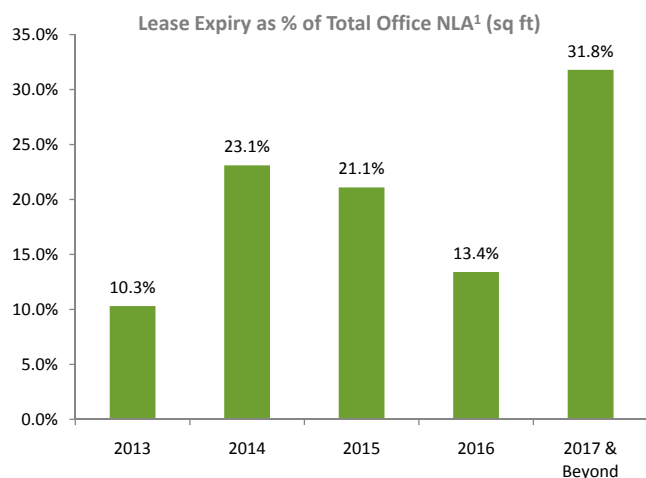


- Suntec City Office committed occupancy stood at 99.4% versus Singapore average CBD Grade A office occupancy of 94.5%
- Leases secured for the quarter at an average rent of S\$8.55 psf pm

Source: Colliers International, ARATMS

## OFFICE LEASES EXPIRING IN FY 2013 DOWN TO 10.3%

Expiry Profile As at 31 Mar 2013	Net Lettable Area <sup>1</sup>	
	Sq ft	% of Total
FY 2013	247,266	10.3%
FY 2014	556,301	23.1%
FY 2015	508,658	21.1%
FY 2016	325,112	13.4%
FY 2017 & Beyond	766,789	31.8%



- Balance of office leases expiring in FY 2013 reduced to 10.3%

Note:

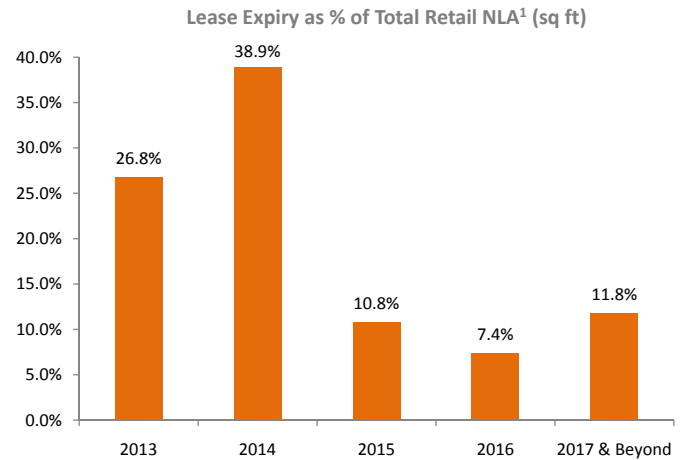
1. Assumes one third of total office net lettable area of One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2

Source: ARATMS



## RETAIL PORTFOLIO LEASE EXPIRY PROFILE

Expiry Profile As at 31 Mar 2013	Net Lettable Area <sup>1</sup>	
	Sq ft	% of Total
FY 2013	115,086	26.8%
FY 2014	167,159	38.9%
FY 2015	46,339	10.8%
FY 2016	31,707	7.4%
FY 2017 & Beyond	50,838	11.8%



- Balance 26.8% of retail leases expiring in FY 2013

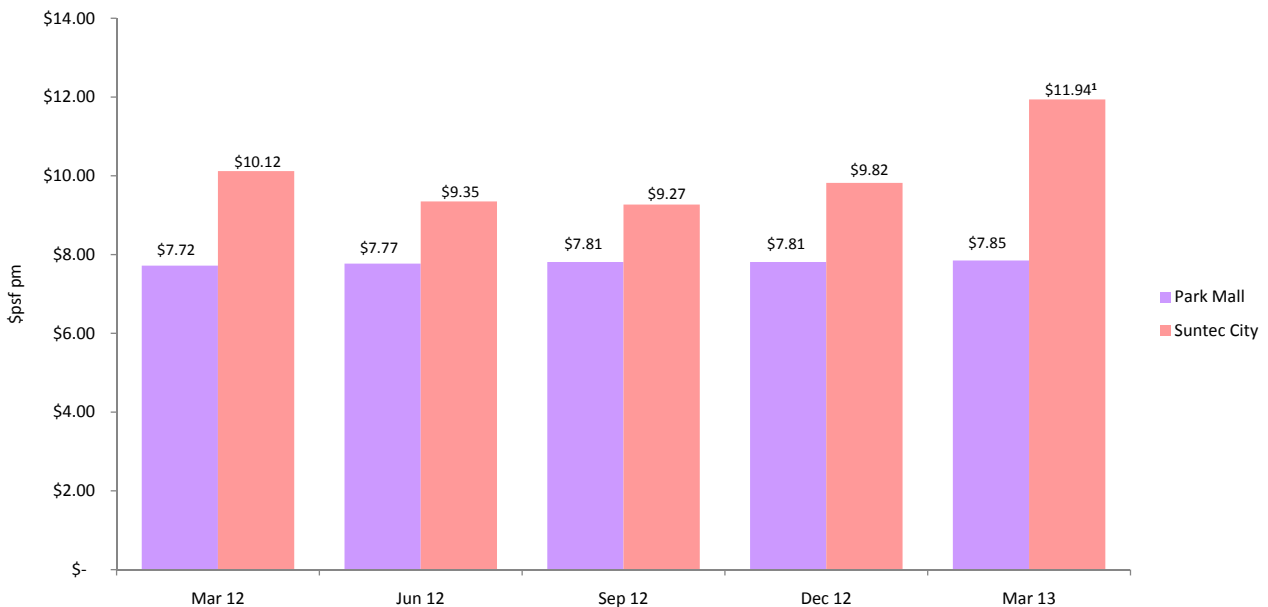
Notes:

- Assumes one third of total retail net lettable area of One Raffles Quay, Marina Bay Link Mall

Source: ARATMS

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## SUNTEC CITY AND PARK MALL COMMITTED RETAIL PASSING RENTS



- Park Mall average passing rent improved to \$7.85 psf/mth

Note:

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

Source: ARATMS

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## REMAKING OF SUNTEC CITY – AEI UPDATES



### REMAKING OF SUNTEC CITY

#### S\$410m AEI

- Suntec City Mall \$230m;
- Suntec Singapore \$180m
- 3 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

- Strengthen fashion and entertainment offerings
- New F&B outlets and watering holes

#### Higher Yielding NLA

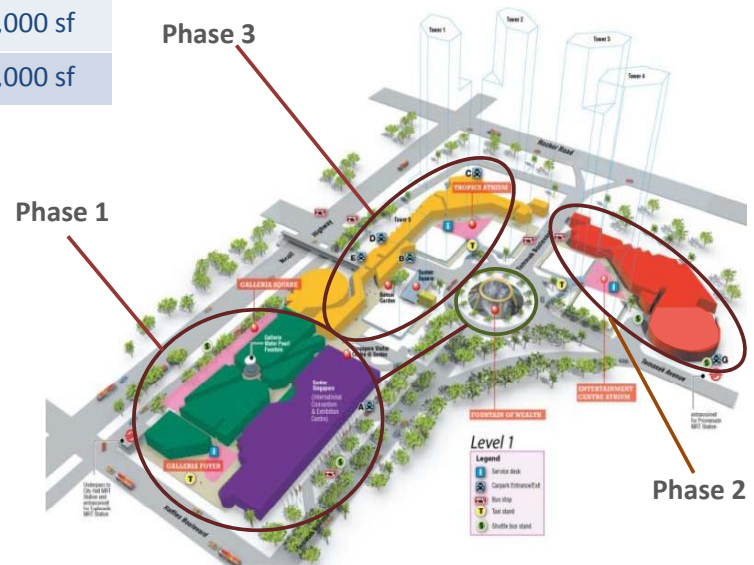
- Decanting of low yielding upper floors to prime locations
- Overall stabilised rents projected to increase by 25%

#### Funding Arrangement

- Suntec REIT – Minimal funding requirement for Phase 1 and 2
- Suntec Singapore – Capex to be funded by own bank borrowings

## 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	4Q 2014	249,000 sf



\* Management's estimates. Subject to adjustments

## PHASES 1 & 2 UPDATE – ROI OF 10.1% ON TRACK

### Phase 1

- Approx 96.7% of NLA pre-committed to-date
- Scheduled to open in Jun 2013

### Phase 2

- Approx 53.0% of NLA pre-committed to-date
- Commenced works in Mar 2013

### NEWLY COMMITTED TENANTS INCLUDE:



Source: ARATMS

**EXCITING NEW TENANT MIX**



video 23

**PERSPECTIVES**



Source: ARTMS



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

## PARTIAL OPENING OF PHASE 1



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## 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

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## WELL POSITIONED IN SINGAPORE-REIT SECTOR

### OUTLOOK

- Cautiously optimistic on the economic outlook
- Positive on 2013 office portfolio performance

### TRACK RECORD

- Proven track record in enhancing the performance of our property portfolio
- Strong credit standing and debt financing record
- Delivered 77 cents of DPU since IPO in December 2004

### STRATEGY

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

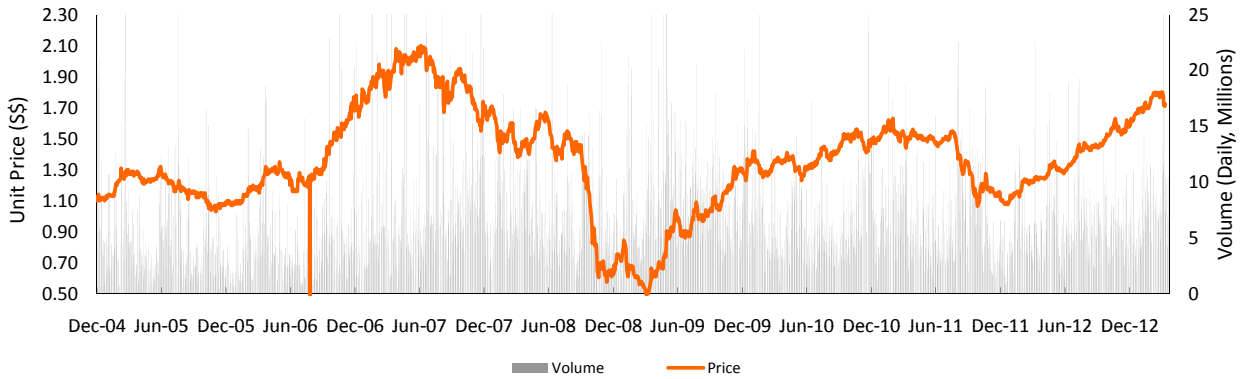
Source: ARATMS

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## UNIT PERFORMANCE

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- 1Q FY2013 DPU of 2.228 cents
- Trading yield of 5.02%<sup>1</sup>
- Market Capitalisation of S\$4.1 billion<sup>1</sup> as at 31 Mar 2013
- 46th largest company<sup>2</sup> on SGX

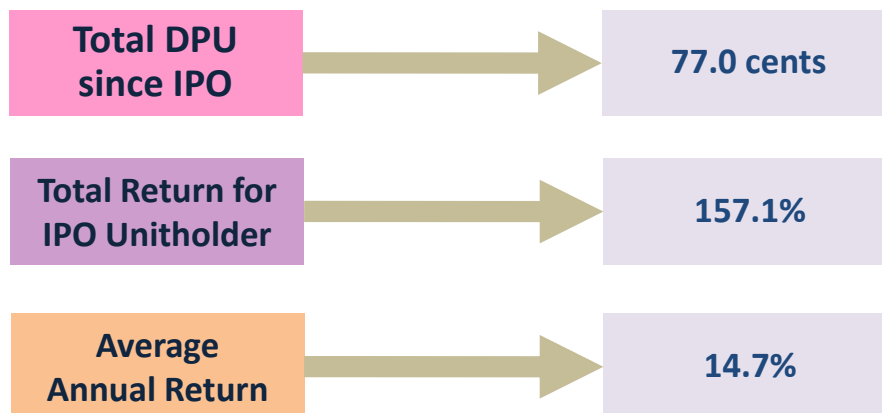


Notes:

1. Based on the share price of S\$1.80 as at 31 March 2013
2. Based on market capitalisation as at 31 December 2012

Source: ARATMS

## RETURN TO UNITHOLDERS



Source: ARATMS



## CONTACT

### ARA Trust Management (Suntec) Limited



**Yeo See Kiat**  
Chief Executive Officer  
[seekiatyeo@ara.com.hk](mailto:seekiatyeo@ara.com.hk)

**Susan Sim**  
Deputy Chief Executive Officer  
[susansim@ara.com.hk](mailto:susansim@ara.com.hk)

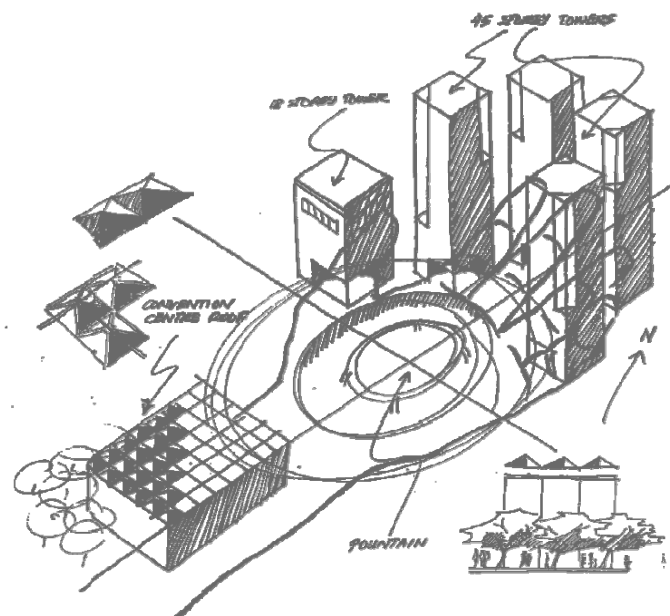
**Richard Tan**  
Senior Director, Finance  
[richardt@ara.com.hk](mailto:richardt@ara.com.hk)

**Melissa Chow**  
Assistant Manager, Investor Relations  
[melissachow@ara.com.hk](mailto:melissachow@ara.com.hk)

#16-02 Suntec Tower 4  
6 Temasek Boulevard  
Singapore 038986

Tel: +65 6835 9232  
Fax: +65 6835 9672  
[www.suntecreit.com](http://www.suntecreit.com)  
[www.ara-asia.com](http://www.ara-asia.com)

## THANK YOU



## DISCLAIMER

This presentation is focused on the comparison of actual results for the quarter ended 31 March 2013 versus results achieved for the quarter ended 31 March 2012. It should be read in conjunction with Paragraph 8 of Suntec REIT's financial results for the quarter ended 31 March 2013 announced on SGXNET.

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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.
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