



Trust Management (Suntec) Limited

Press Release

23 January 2014

Manager of



Suntec REIT Achieves Distribution Per Unit of 2.562 cents for 4Q FY13 DPU of 9.328 cents for FY13

Singapore, 23 January 2014 – 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\$58.2 million for the period 1 October to 31 December 2013 (“4Q FY13”) which was 11.0% higher compared to the quarter ended 31 December 2012 (“4Q FY12”). For the financial year ended 31 December 2013 (“FY13”), the distribution income of S\$211.2 million was 0.9% lower compared to the financial year ended 31 December 2012 (“FY12”).

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “With the opening of Suntec City mall (Phase 1) and Suntec Singapore, the total amount available for distribution from operations of S\$54.2 million was 3.4% higher year-on-year. Including the capital distribution of S\$4.0 million from part of the sale proceeds from the divestment of CHIJMES, we are pleased to deliver a distribution income of S\$58.2 million and DPU of 2.562 cents for the quarter, which was 11.0% and 10.1% higher year-on-year respectively.”

Mr. Yeo added, “For the financial year ended 2013, notwithstanding the major asset enhancement works at Suntec City, the distribution income of S\$211.2 million was a marginal decline of 0.9% year-on-year. Following the completion of Phase 1 of the remaking of Suntec City and the better than expected performance of the office portfolio and jointly controlled entities, we utilized only S\$19.0 million from the sale proceeds from CHIJMES for capital distribution and we are pleased to deliver a DPU of 9.328 cents for 2013.”

On the retail portfolio, the committed occupancy for Suntec City mall (Phase 1) was 99.6% while the committed occupancy for the rest of mall unaffected by the AEI works was 91.3%. Park Mall maintained 100% committed occupancy. The overall committed occupancy for the retail portfolio stood at 97.3% as at 31 December 2013.

On the office portfolio, Suntec City Office Towers continued to maintain a high committed occupancy of 99.2%, while Park Mall Office maintained 100% occupancy as at 31 December 2013. For the jointly

controlled entities, One Raffles Quay achieved 100% committed occupancy and MBFC Properties¹ continued to enjoy 100% occupancy as at 31 December 2013.

Suntec REIT's overall committed occupancy for the office portfolio stood at 99.6% as at 31 December 2013.

Commenting on Suntec REIT's office performance, Mr. Yeo said, "Our office portfolio continues to perform strongly. As part of our proactive leasing strategy, we have forward renewed more than 268,000 sq ft of leases due to expire in 2014, leaving us with a balance of only 12.5% of the office leases due to expire in 2014. Looking ahead, we remain positive on the performance of our office portfolio in 2014."

On 15 November 2013, Suntec REIT announced the acquisition of a 100% interest in 177-199 Pacific Highway, a freehold land and property to be developed for A\$413.19 million. The 31-storey A grade state-of-the-art commercial tower is 100% pre-committed and when completed in early 2016, will be North Sydney's newest landmark office tower.

Commenting on Suntec REIT's first overseas acquisition, Mr. Yeo See Kiat, said, "In addition to being a strategic fit with Suntec REIT's portfolio of high quality commercial assets, the transaction will improve earnings and boost distribution income to unitholders as there will be coupon payments of 6.32% per annum payable to Suntec REIT during the construction. Unitholders will also enjoy income certainty and stability through the long lease terms with annual rental escalations."

Summary of Suntec REIT's 4Q and FY13 Results

| | 4Q FY13 (S\$'000) | 4Q FY12 (S\$'000) | % Change | FY13 (S\$'000) | FY12 (S\$'000) | % Change |
|-------------------------------------------------|-------------------------|-------------------------|-------------|-------------------|-------------------|--------------|
| Gross revenue | 71,617 | 55,003 | 30.2 | 234,091 | 261,883 | (10.6) |
| Net property income | 49,781 | 30,552 | 62.9 | 148,670 | 163,429 | (9.0) |
| Total amount available for distribution | 58,182 | 52,394 | 11.0 | 211,157 | 213,047 | (0.9) |
| - from operations | 54,182 | 52,394 | 3.4 | 192,157 | 213,047 | (9.8) |
| - from capital | 4,000 | - | - | 19,000 | - | - |
| Distribution per unit | 2.562¢ | 2.326¢ | 10.1 | 9.328¢ | 9.490¢ | (1.7) |
| - from operations | 2.387¢ | 2.326¢ | 2.6 | 8.489¢ | 9.490¢ | (10.5) |
| - from capital | 0.175¢ | - | - | 0.839¢ | - | - |
| Distribution yield | | | | | | |
| - based on 31 Dec 2013 closing price of S\$1.54 | | | | 6.1% | 6.2% | |
| - based on 22 Jan 2014 closing price of S\$1.59 | | | | 5.9% | 6.0% | |

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

For 4Q FY13, Suntec REIT gross revenue of S\$71.7 million was 30.2% higher year-on-year. This was mainly due to the opening of Suntec City mall (Phase 1) and Suntec Singapore following the completion of its AEI works.

For the same period, the net property income of S\$49.8 million was 62.9% higher year-on-year mainly due to the opening of Suntec City mall (Phase 1) and Suntec Singapore.

The total distribution of S\$58.2 million and DPU of 2.562 cents for 4Q FY13 was 11.0% and 10.1% higher year-on-year respectively.

The debt-to-asset ratio stood at 38.0% as at 31 December 2013 whilst the average all-in financing cost was 2.5% for 4Q FY13 and 2.66% for FY13.

For FY13, Suntec REIT's gross revenue and net property income was S\$234.1 million and S\$148.7 million respectively. The total distribution and DPU amounted to S\$211.2 million and 9.328 cents respectively.

As at 31 December 2013, Suntec REIT's assets under management stood at S\$8.6 billion.

Suntec City AEI Update



Mr. Yeo said, "On the marketing front, we are pleased to report that for Phase 2 of the remaking of Suntec City, we have achieved a pre-committed occupancy of 97.0% to-date. Based on our leasing progress, our projected rental enhancement and return on investment of 10.1% are on track."

Additional F&B offerings in Phase 2 include Marché, McDonald's, Andersen's of Denmark, Duke Bakery, Gelateria Italia and Jamaica Blue while the new retail brands that have signed up include

Avenue Kids, Bricksworld, Cellini, Cold Wear, Etude House, Forever Flawless, Habanos, Liv Activ, OGAWA, Optics House and Schmidt.

Looking ahead, Mr. Yeo said, "Our current priorities are to focus on the smooth execution of Phase 2 and 3 of the AEI as well as 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 Convention & Exhibition Centre. Suntec REIT holds a 100% interest in a commercial building located at 177-199 Pacific Highway, North Sydney Australia which is currently under development. 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

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, wholly-owned subsidiary of ARA Asset Management Limited ("ARA"). ARA is a real estate fund management company which is listed on the Main Board of the Singapore Exchange Securities Trading Limited. More information on ARA Asset Management Limited can be found at 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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