

Press Release

23 July 2015

Manager of



**Suntec REIT's 2Q FY15 DPU 10.3% Higher Year-on-Year
1H FY15 DPU of 4.730 cents**

Singapore, 23 July 2015 – ARA Trust Management (Suntec) Limited, the manager of Suntec Real Estate Investment Trust (“Suntec REIT”, and the “Manager”), is pleased to announce a distributable income of S\$62.9 million for the period 1 April to 30 June 2015 (“2Q FY15”) which was 11.1% higher compared to the quarter ended 30 June 2014 (“2Q FY14”). The distribution per unit (“DPU”) of 2.500 cents for 2Q FY15 was 10.3% higher than 2Q FY14 DPU of 2.266 cents.

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “We are pleased to report that during the second quarter of 2015, the distributable income from operations grew by 10.2% year-on-year to S\$56.9 million. This was mainly attributable to the higher revenue and net property income from the completion of Suntec City Phase 2. Including a capital distribution of S\$6.0 million, distributable income of S\$62.9 million was 11.1% higher year-on-year.”

On the retail portfolio, the committed occupancy for Suntec City was 94.7% while the committed occupancy for Park Mall was 97.8%. The overall committed occupancy for the retail portfolio stood at 95.1% as at 30 June 2015.

On the office portfolio, Suntec City Office Towers achieved 98.4% committed occupancy while Park Mall Office committed occupancy was 96.6% as at 30 June 2015. For the joint ventures, One Raffles Quay and MBFC Properties continued to enjoy 100% committed occupancy. Suntec REIT’s overall committed occupancy for the office portfolio stood at 99.0% as at 30 June 2015.

On Suntec REIT’s office performance, Mr. Yeo said, “We are pleased to report that our office portfolio continues to perform strongly. In the second quarter of 2015, we have renewed and replaced approximately 169,000 sq ft of leases, leaving us with a balance of only 6.0% of the office leases due to expire in 2015. Looking ahead, notwithstanding the impending supply in 2016 and 2017, we remain positive on the performance of our office portfolio in 2015.”

On 29 June 2015, Suntec REIT announced the divestment of Park Mall for S\$411.8 million. Suntec REIT acquired Park Mall in 2005 for S\$245.1 million¹. In conjunction with the divestment, Park Mall Investment Limited, a joint venture company of which Suntec REIT has a 30% interest, has been set up to redevelop Park Mall into a commercial development comprising two office blocks with an ancillary retail component.

Commenting on the divestment and redevelopment of Park Mall, Mr. Yeo See Kiat, said, “The divestment is in line with Suntec REIT’s proactive approach in reviewing and evaluating asset plans of its portfolio. In addition, the redevelopment will unlock the underlying value of the property by further enhancing the gross floor area of the site and Suntec REIT will have the ability to own part of the redeveloped property by acquiring one office block upon completion.”

Summary of Suntec REIT’s 2Q and 1H FY15 Results

	2Q FY15 (S\$'000)	2Q FY14 (S\$'000)	% Change	1H FY15 (S\$'000)	1H FY14 (S\$'000)	% Change
Gross revenue	81,446	68,114	19.6	155,909	134,068	16.3
Net property income	56,919	46,106	23.5	108,272	89,877	20.5
Distributable income	62,855	56,594	11.1	118,852	107,478	10.6
- from operations	56,855	51,594	10.2	112,852	102,478	10.1
- from capital	6,000	5,000	20.0	6,000	5,000	20.0
Distribution per unit	2.500¢	2.266¢	10.3	4.730¢	4.495¢	5.2
- from operations	2.261¢	2.066¢	9.4	4.491¢	4.295¢	4.6
- from capital	0.239¢	0.200¢	19.5	0.239¢	0.200¢	19.5
Distribution yield (annualized) ²						
- based on 30 Jun 2015 closing price of S\$1.725	5.8%	5.3%		5.5%	5.3%	
- based on 22 Jul 2015 closing price of S\$1.715	5.8%	5.3%		5.6%	5.3%	

For 2Q FY15, Suntec REIT’s gross revenue of S\$81.4 million and net property income of S\$56.9 million were 19.6% and 23.5% higher year-on-year respectively. This was mainly due to the opening of Phase 2 of Suntec City mall and stronger performance from Suntec Singapore.

The debt-to-asset ratio stood at 35.3% as at 30 June 2015 whilst the average all-in financing cost was 2.70% for 2Q FY15.

¹ Includes the purchase price of S\$15.1 million for two strips of land amounting to 1,316.2 sq m along Penang Road that were acquired in 2007 and 2008.

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

For 1H FY15, Suntec REIT's gross revenue of S\$155.9 million and net property income of S\$108.3 million were 16.3% and 20.5% higher year-on-year respectively. This was similarly due to the opening of Phase 2 of Suntec City mall and stronger performance from Suntec Singapore. The distributable income and DPU amounted to S\$118.9 million and 4.730 cents respectively.

Suntec City AEI Update

On the remaking of Suntec City, Mr. Yeo said, "We have completed the remaking of Suntec City and have to-date achieved 95.3% committed occupancy for Suntec City mall. Our current priority is to focus on the leasing of the remaining retail spaces in Suntec City."

Mr. Yeo added, "As we complete the major asset enhancement works at Suntec City, we would like to take this opportunity to thank all our unitholders for their support."

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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 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, a wholly-owned subsidiary of ARA Asset Management Limited ("ARA"), Asia's premier integrated real estate fund manager which is listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2007.

ARA currently manages real estate investment trusts ("REITs") and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services and advisory services.

Established in 2002, to date it has over 1,100 professionals in 15 cities managing total assets in excess of S\$27 billion.

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Suntec REIT.

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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