

# FINANCIAL RESULTS

## For Second Quarter and Half Year ended 30 June 2015

### AGENDA

- ❖ Q2 Highlights
- ❖ Financial Performance
- ❖ Portfolio Performance
- ❖ AEI Updates
- ❖ Looking Ahead
- ❖ Unit Performance



## Q2 HIGHLIGHTS

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### FINANCIAL HIGHLIGHTS

- Distributable income of S\$62.9 mil, +11.1% y-o-y
- DPU of 2.500¢, +10.3% y-o-y

### CAPITAL MANAGEMENT

- Average all-in financing cost of 2.70%

### DIVESTMENT & REDEVELOPMENT OF PARK MALL

- Realised the value of Park Mall at S\$411.8 mil
- Entered into joint venture to redevelop Park Mall
  - 30% interest in JV
  - Redevelop Park Mall into two office blocks with an ancillary retail component

### PORTFOLIO MANAGEMENT

- Portfolio occupancy as at 30 June 2015
  - Office - 99.0%
  - Retail - 95.1%
- Suntec City AEI - 95.3% overall committed occupancy to-date



## FINANCIAL PERFORMANCE

### FINANCIAL PERFORMANCE: 2Q FY15

#### Achieved DPU of 2.500 cents

1 April – 30 June 2015	2Q FY15	2Q FY14	Change
Gross Revenue	S\$81.4 mil	S\$68.1 mil	19.6%
Net Property Income	S\$56.9 mil	S\$46.1 mil	23.5%
Distributable Income	S\$62.9 mil	S\$56.6 mil	11.1%
- from operations	S\$56.9 mil	S\$51.6 mil	10.2%
- from capital	S\$6.0 mil	S\$5.0 mil	20.0%
Distribution per unit <sup>1</sup>	2.500¢	2.266¢	10.3%
- from operations	2.261¢	2.066¢	9.4%
- from capital	0.239¢	0.200¢	19.5%
Annualised Distribution Yield <sup>2</sup>	5.8%	5.3%	

- Revenue and net property income increased y-o-y mainly due to the opening of Suntec City Phase 2 and stronger performance from Suntec Singapore.

Notes:

- Based on 2,510,787,767 units in issue as at 30 June 2015 and 4,795,767 units to be issued to the Manager by 30 July 2015 as partial satisfaction of management fee incurred for the period 1 April to 30 June 2015.
- Based on the last traded price of S\$1.715 per unit as at 22 July 2015.

Source: ARATMS

## FINANCIAL PERFORMANCE: 1H FY15

Achieved DPU of 4.730 cents

1 January – 30 June 2015	1H FY15	1H FY14	Change
Gross Revenue	S\$155.9 mil	S\$134.1 mil	16.3%
Net Property Income	S\$108.3 mil	S\$89.9 mil	20.5%
Distributable Income	S\$118.9 mil	S\$107.5 mil	10.6%
- from operations	S\$112.9 mil	S\$102.5 mil	10.1%
- from capital	S\$6.0 mil	S\$5.0 mil	20.0%
Distribution per unit <sup>1</sup>	4.730¢	4.495¢	5.2%
- from operations	4.491¢	4.295¢	4.6%
- from capital	0.239¢	0.200¢	19.5%
Annualised Distribution Yield <sup>2</sup>	5.6%	5.3%	

- Revenue and net property income increased y-o-y mainly due to the opening of Suntec City Phase 2 and stronger performance from Suntec Singapore.

Notes:

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Source: ARATMS

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## PORTFOLIO REVENUE AND NPI CONTRIBUTION

2Q FY15

Composition of Office, Retail and Convention Revenue and NPI

Asset	Revenue	NPI
<b>Suntec City</b>		
• Office	S\$32.3 mil	S\$25.6 mil
• Retail	S\$21.4 mil	S\$15.8 mil
<b>Park Mall</b>		
• Office	S\$2.3 mil	S\$1.7 mil
• Retail	S\$3.6 mil	S\$2.7 mil
<b>Suntec Singapore</b>		
• Convention	S\$15.7 mil	S\$6.1 mil
• Retail	S\$6.1 mil	S\$5.0 mil
<b>Total</b>	<b>S\$81.4 mil</b>	<b>S\$56.9 mil</b>

- Office revenue contributed approximately 43% of the Total Gross Revenue<sup>1</sup> for 2Q FY15
- Retail revenue contributed approximately 38% of the Total Gross Revenue<sup>1</sup> for 2Q FY15
- Convention revenue contributed approximately 19% of the Total Gross Revenue<sup>1</sup> for 2Q FY15

Note:

- Excludes revenue contribution from joint ventures

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## DEBT-TO-ASSET RATIO STOOD AT 35.3%

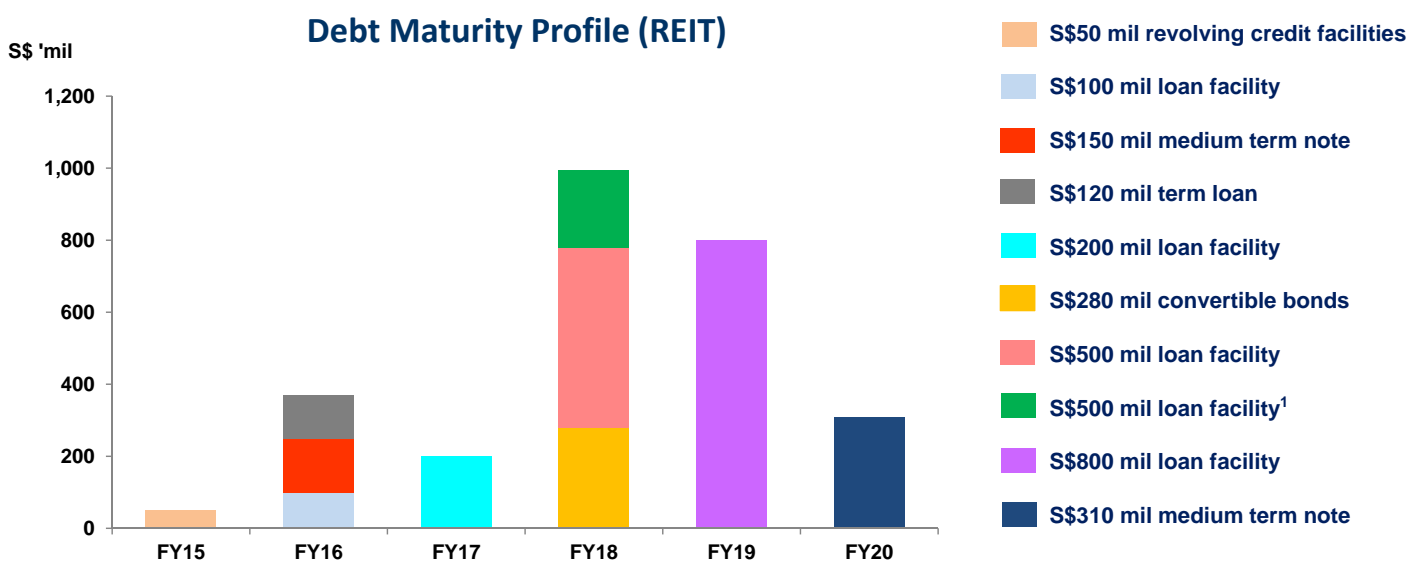
Debt Metrics	30 Jun 2015
Total Debt Outstanding (Group)	S\$3.090 bil
Debt-to-Asset Ratio <sup>1</sup>	35.3%
All-in Financing Cost	2.70%
Interest Coverage Ratio	4.2x
Issuer Rating	"Baa2"

**Note:**

- Suntec REIT's "Aggregate Leverage Ratio" as at 30 June 2015 was 36.2%. "Aggregate Leverage Ratio" refers to the ratio of total borrowings (inclusive of proportionate share of borrowings of joint ventures) and deferred payments (if any) to the value of the Deposited Property

Source: ARATMS

## DEBT MATURITY PROFILE AS AT 30 JUNE 2015



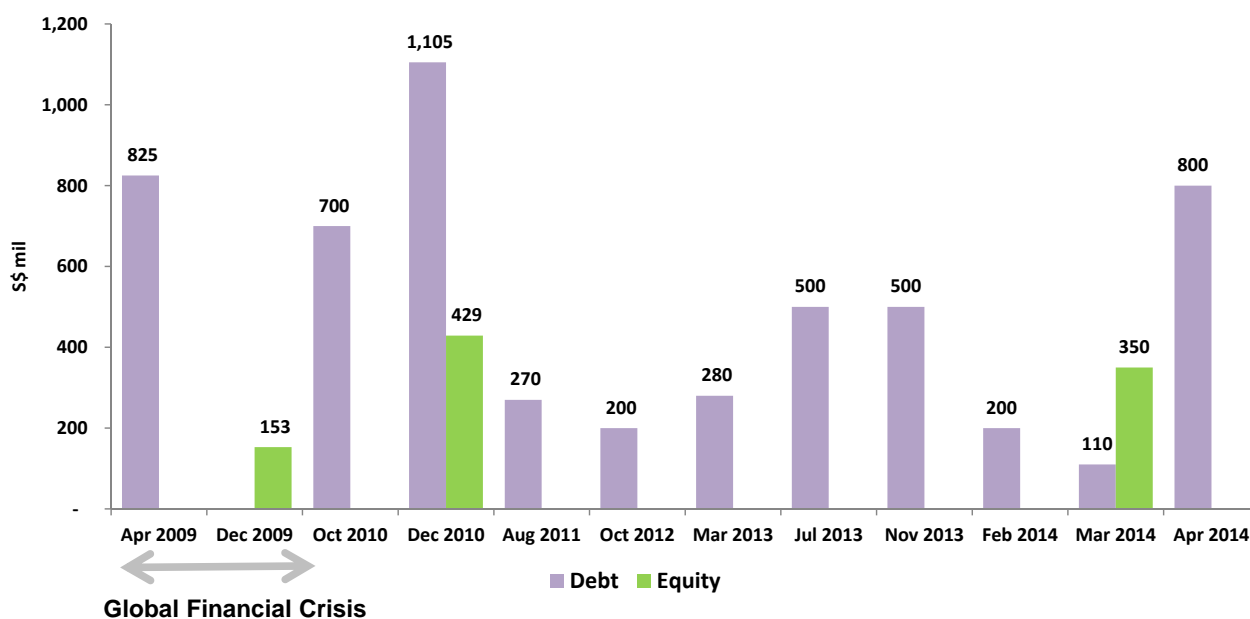
- Weighted average term to expiry of 3.08 years

**Note:**

- Under the S\$500 million loan facility, S\$214.4 million has been utilised.

## \$S6.4 BILLION OF FINANCING SINCE APRIL 2009

### Strong Financing Track Record



- Average all-in financing cost of 2.70% for 2Q FY15

## NAV PER UNIT OF \$S2.101 AS AT 30 JUNE 2015

### Consolidated Balance Sheet

30 Jun 2015

<b>Total Assets</b>	<b>\$S8,681 mil</b>
<b>Total Liabilities</b>	<b>\$S3,281 mil</b>
<b>Net Assets Attributable to Unitholders</b>	<b>\$S5,286 mil</b>
<b>NAV Per Unit<sup>1</sup></b>	<b>\$S2.101</b>
<b>Adjusted NAV Per Unit<sup>2</sup></b>	<b>\$S2.076</b>

Notes:

1. Based on 2,510,787,767 units in issue as at 30 June 2015 and 4,795,767 units to be issued to the Manager by 30 July 2015 as partial satisfaction of management fee incurred for the period 1 April to 30 June 2015.
2. After DPU adjustment of 2.500 cents for the quarter ended 30 June 2015.

Source: ARATMS

## DISTRIBUTION TIMETABLE

### Distribution Payment

<b>Distribution Period</b>	<b>1 April – 30 June 2015</b>
Amount (cents/unit)	2.500

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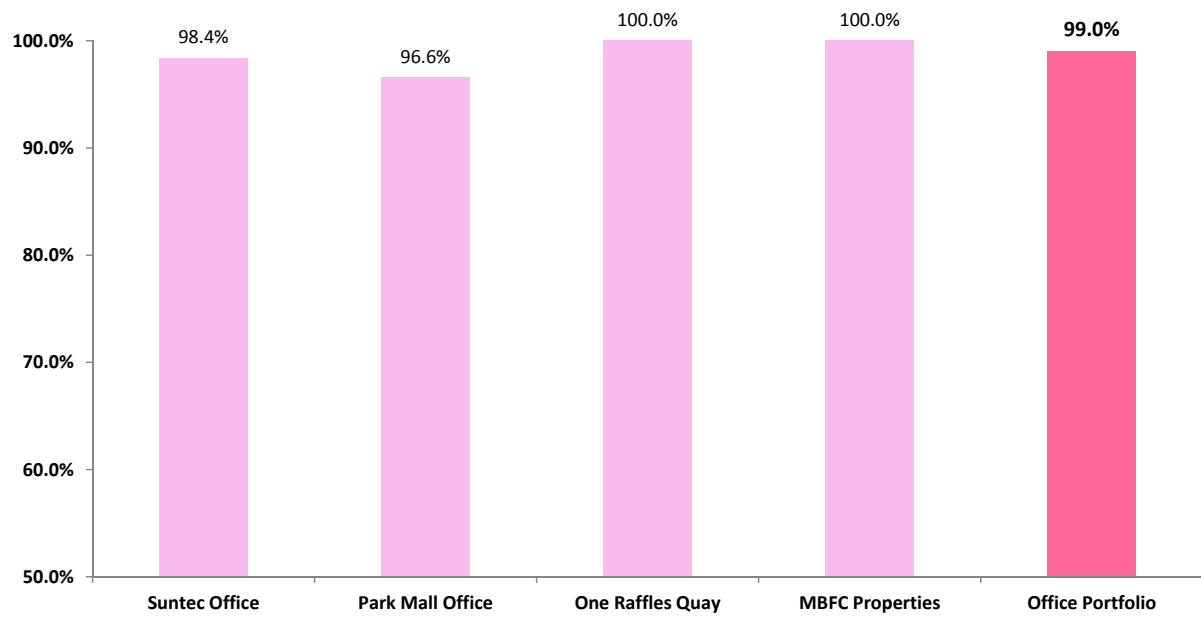
Ex-date	29 July 2015
Books closure date	31 July 2015
Payment date	26 August 2015

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Source: ARATMS

## PORTFOLIO PERFORMANCE

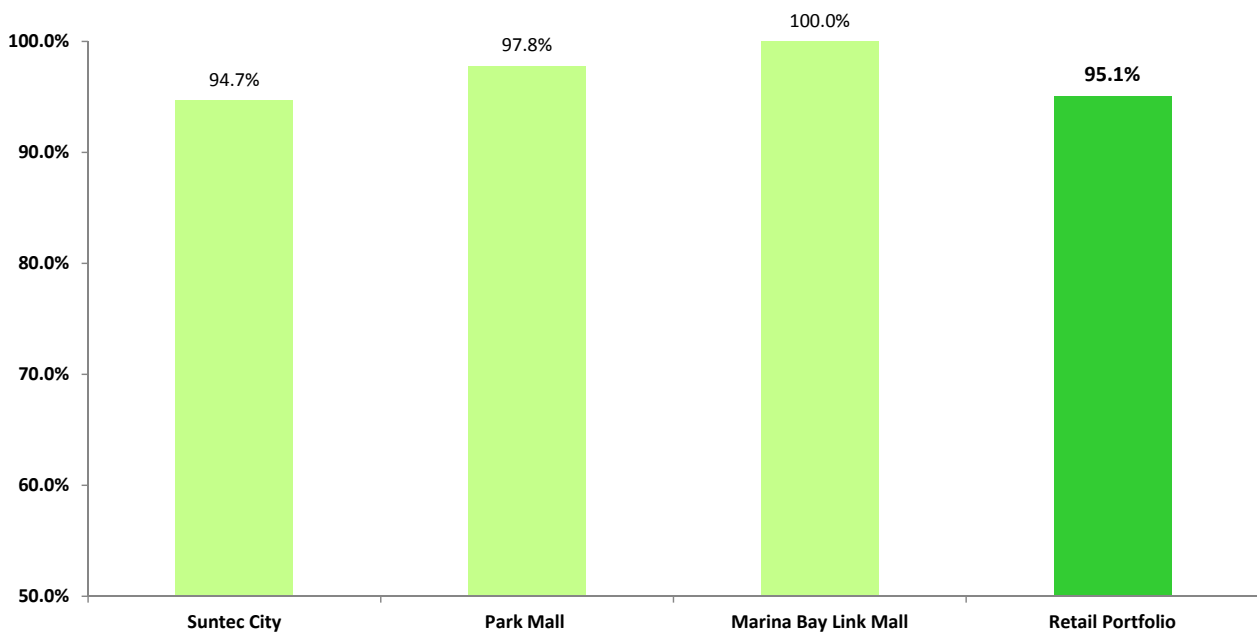
## STRONG OFFICE PORTFOLIO COMMITTED OCCUPANCY



➤ Achieved 99.0% committed occupancy for office portfolio as at 30 June 2015

Source: ARATMS

## RETAIL PORTFOLIO COMMITTED OCCUPANCY

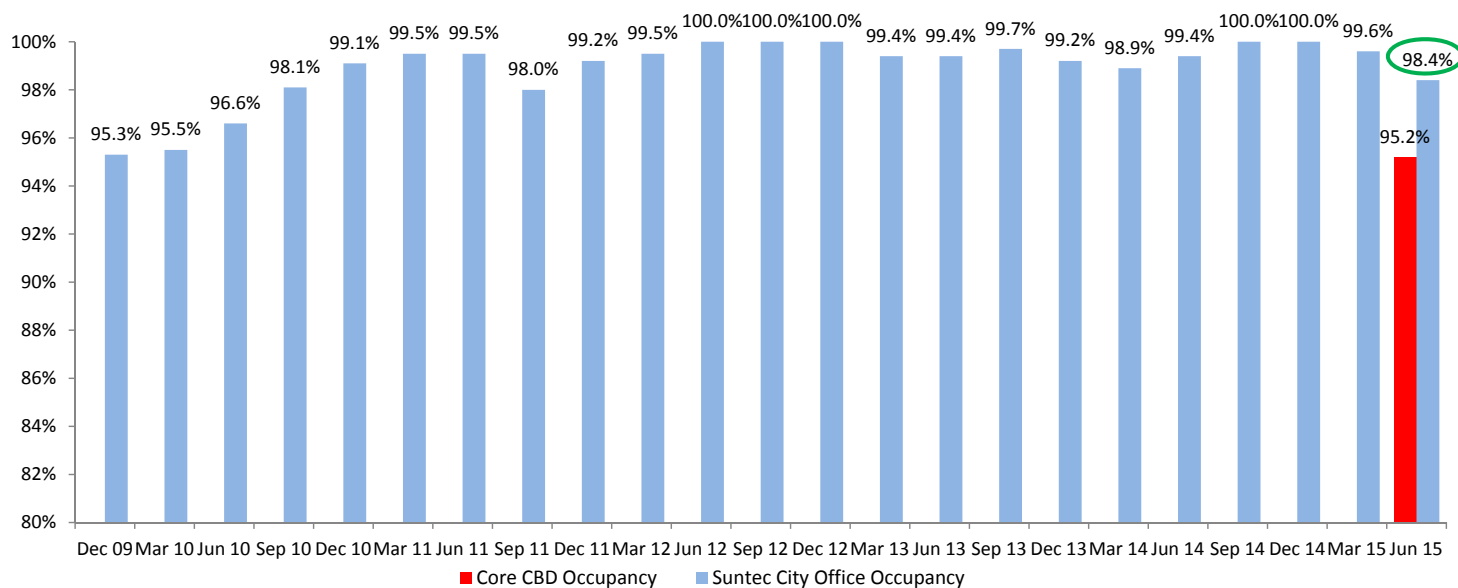


➤ Committed occupancy for retail portfolio stood at 95.1% as at 30 June 2015

Source: ARATMS



## SUNTEC CITY OFFICE ACHIEVED 98.4% COMMITTED OCCUPANCY



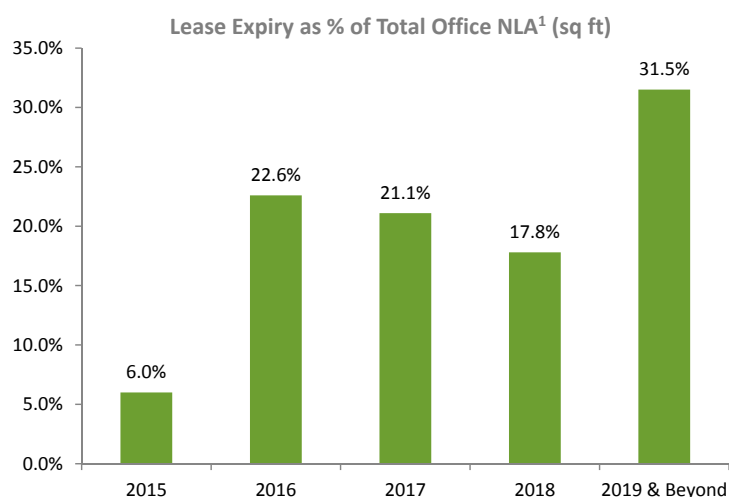
➤ Suntec City Office achieved committed occupancy of 98.4% versus Singapore average CBD Grade A office occupancy of 95.2%

➤ Leases secured for the quarter at an average rent of S\$9.14 psf/mth

Source: Colliers International, ARATMS

## OFFICE LEASES EXPIRING IN FY 2015 REDUCED TO 6.0 %

Expiry Profile As at 30 Jun 2015	Net Lettable Area <sup>1</sup>	
	Sq ft	% of Total
FY 2015	144,251	6.0%
FY 2016	545,491	22.6%
FY 2017	507,560	21.1%
FY 2018	428,941	17.8%
FY 2019 & Beyond	758,993	31.5%



➤ Balance of office leases expiring in FY 2015 reduced to 6.0%

➤ Signed approximately 169,000 sq ft of renewal and replacement leases in 2Q FY15

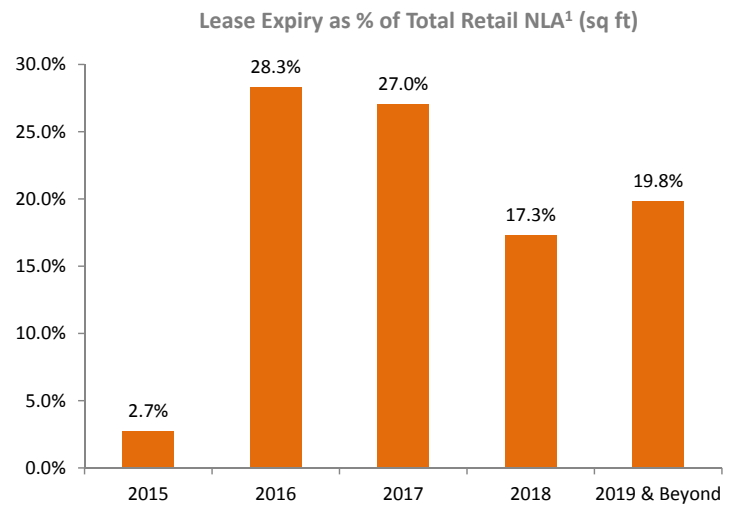
Note:

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 30 Jun 2015	Net Lettable Area <sup>1</sup>	
	Sq ft	% of Total
FY 2015	<b>28,131</b>	<b>2.7%</b>
FY 2016	<b>296,338</b>	<b>28.3%</b>
FY 2017	<b>281,830</b>	<b>27.0%</b>
FY 2018	<b>180,883</b>	<b>17.3%</b>
FY 2019 & Beyond	<b>207,126</b>	<b>19.8%</b>



➤ **Balance 2.7% of retail leases expiring in FY 2015**

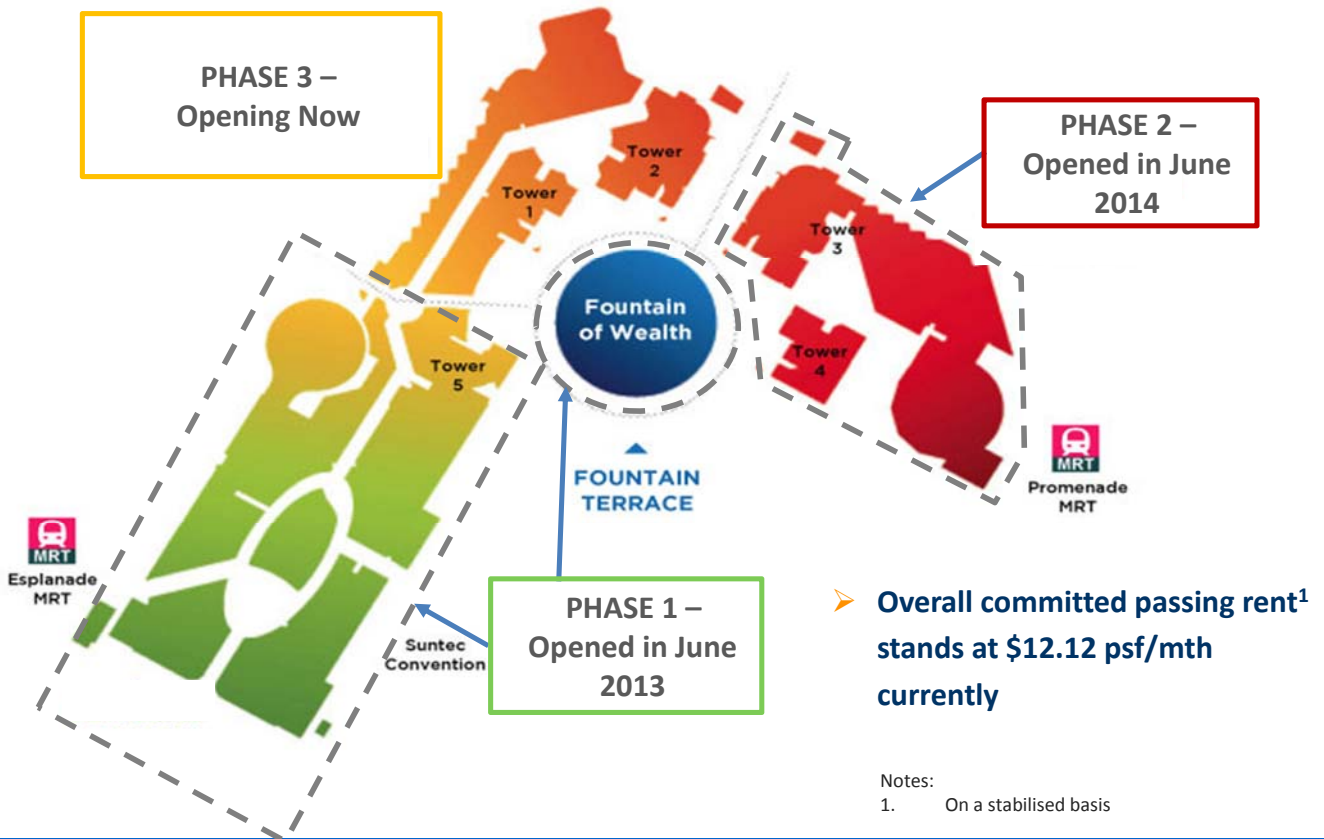
Notes:

- Assumes one third of total retail net lettable area of One Raffles Quay, Marina Bay Link Mall and 60.8% interest in Suntec Singapore

Source: ARATMS

## REMAKING OF SUNTEC CITY – AEI UPDATES

**REMAKING OF SUNTEC CITY ACHIEVED 95.3% COMMITTED OCCUPANCY TO-DATE**



**PHASE 3 – RETAIL AND F&B TENANTS**



# LOOKING AHEAD

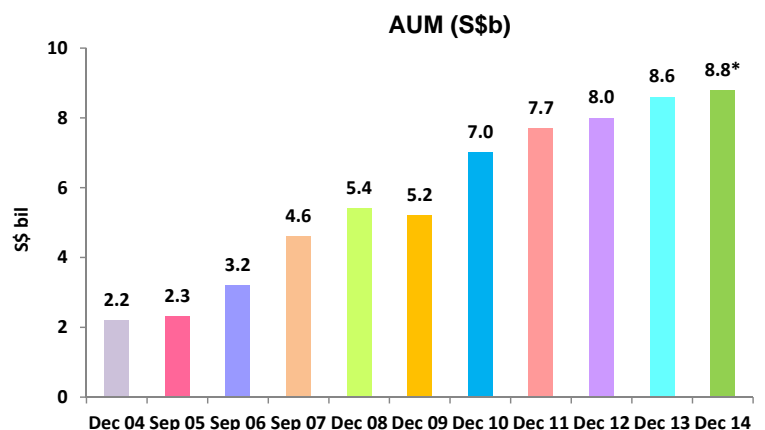
## AUM OF S\$8.8 BILLION\*

### ASSETS UNDER MANAGEMENT

#### SINGAPORE:



AUSTRALIA – 177 PACIFIC HIGHWAY,  
NORTH SYDNEY



Source: ARATMS

- 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 1.1 mil sq ft
- Entered into a conditional property sale agreement to divest Park Mall on 29 June 2015. The divestment is expected to complete by end 3Q 2015.

Note:

\*Includes S\$176.9 million for 177 Pacific Highway

## WELL POSITIONED IN SINGAPORE-REIT SECTOR

### OUTLOOK

- Economy to remain stable
- Positive on 2015 office portfolio performance

### TRACK RECORD

- Proven track record in enhancing the performance of our property portfolio
- Strong credit standing and debt financing record
- Delivered 98.2 cents of DPU since IPO in December 2004

### STRATEGY

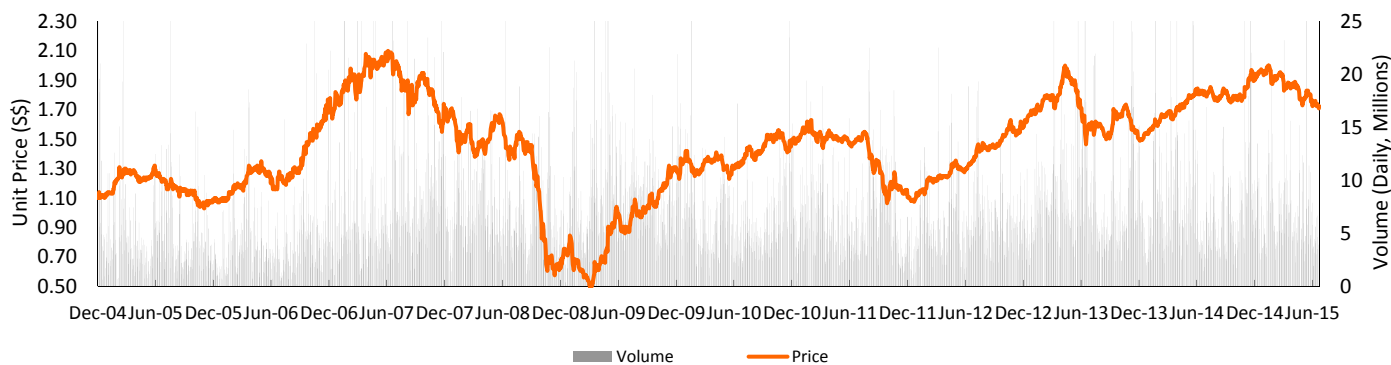
- Proactive leasing management
- Prudent and proactive capital management

Source: ARATMS

## UNIT PERFORMANCE

## UNIT PERFORMANCE

- 2Q FY2015 DPU of 2.500 cents
- Trading yield of 5.81%<sup>1</sup>
- Market Capitalisation of S\$4.3 billion<sup>1</sup> as at 30 June 2015
- 43<sup>rd</sup> largest company<sup>2</sup> on the SGX

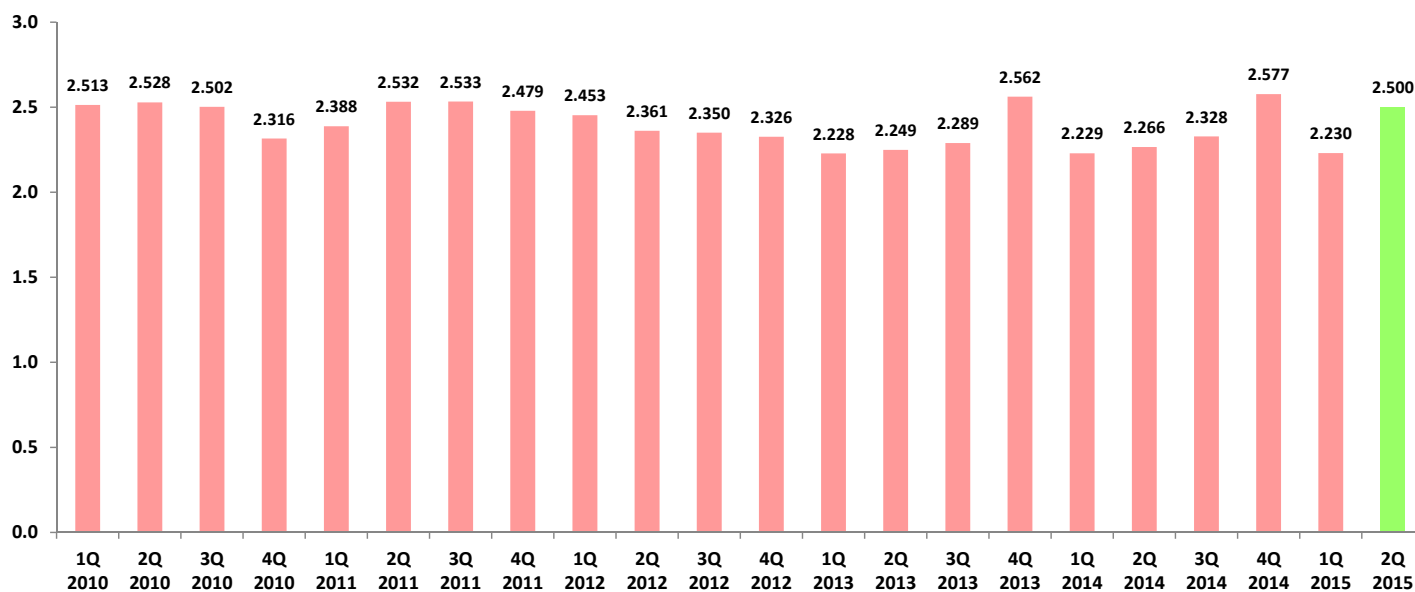


Notes:

1. Based on the share price of S\$1.725 as 30 June 2015
2. Based on the market capitalisation as at 30 June 2015

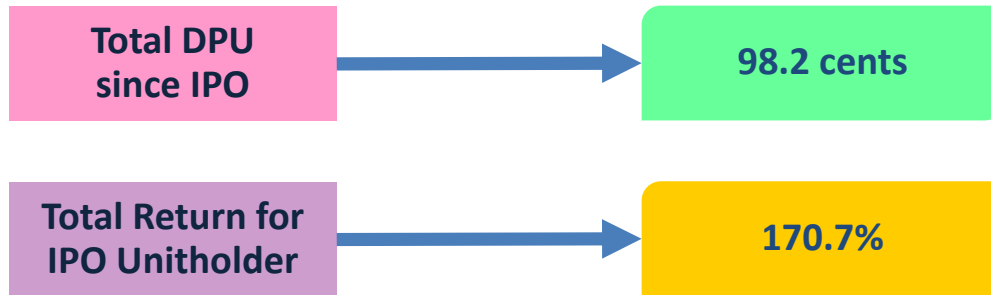
Source: ARATMS

## STABLE SUSTAINABLE DPU



- 2Q FY2015 DPU of 2.500 cents was 10.3% higher year-on-year
- Delivered a total DPU of 98.2 cents since IPO in December 2004

## OUR 10-YEAR TRACK RECORD SUMMARY



Source: ARATMS

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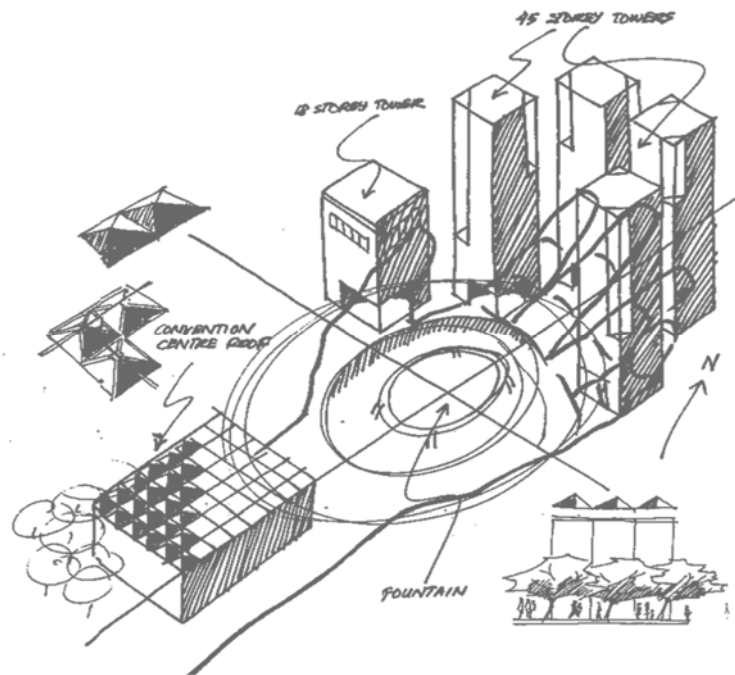
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# THANK YOU



## DISCLAIMER

This presentation is focused on the comparison of actual results for the quarter ended 30 June 2015 versus results achieved for the quarter ended 30 June 2014. It should be read in conjunction with Paragraph 8 of Suntec REIT's financial results for the quarter ended 30 June 2015 announced on SGXNET.

The information included in this release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Suntec REIT ("Units") in Singapore or any other jurisdiction.

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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.
3. The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.