



FOR IMMEDIATE RELEASE

Soilbuild REIT exceeds IPO forecast by 1.3% for the quarter ended 30 June 2014 with Distribution per Unit of 1.500 cents

- 1H FY2014 DPU of 3.062 cents, 3.7% ahead of IPO Forecast;
- 2Q FY2014 DPU in-line with adjusted 1Q FY2014 DPU (excluding one-off items);
- Portfolio occupancy at 98.5% as of 30 June 2014; and
- Over 85% of all lease expiries due in 2014 have been committed.

Singapore, 29 July 2014 – SB REIT Management Pte. Ltd. (“Manager”), the Manager of Soilbuild Business Space REIT (“Soilbuild REIT”), is pleased to announce that Soilbuild REIT has recorded a Distribution per Unit (“DPU”) of 1.500 cents for the three months ended 30 June 2014 (“2Q FY2014”), which is 1.3% over the IPO Forecast¹ (“Forecast”) of 1.481 cents.

Mr Shane Hagan, CEO of the Manager, said: “Despite the challenging operating environment, we are pleased to have recorded results that exceeded Forecast for the fourth straight quarter since IPO. The acquisition environment has also remained competitive, but we are confident that we can continue expanding our business space portfolio in Singapore to provide further DPU accretion. In the meantime, we will focus on achieving early renewals or re-leasing of space that expires in the second half of the year”.

¹ The Forecast is based on the Soilbuild REIT’s Initial Public Offering (“IPO”) Prospectus dated 7 August 2013 (“Prospectus”).

SOILDBUILD REIT'S DISTRIBUTION STATEMENT						
	Unaudited Actual 1H FY2014 (S\$'000)	IPO Forecast 1H FY2014 (S\$'000)	Variance (%)	Unaudited Actual 2Q FY2014 (S\$'000)	IPO Forecast 2Q FY2014 (S\$'000)	Variance (%)
Gross revenue	33,547	32,765	2.4%	16,708	16,556	0.9%
Property operating expenses	(5,310)	(5,695)	6.8%	(2,666)	(2,972)	10.3%
Net property income	28,237	27,070	4.3%	14,042	13,584	3.4%
Finance expenses	(4,474)	(4,604)	2.8%	(2,312)	(2,302)	(0.4%)
Manager's fees	(2,475)	(2,386)	(3.7%)	(1,214)	(1,198)	(1.3%)
Trust expenses	(481)	(444)	(8.3%)	(244)	(222)	(9.9%)
Total trust expense	(7,430)	(7,434)	-	(3,770)	(3,722)	(1.3%)
Net income	20,807	19,636	6.0%	10,272	9,862	4.2%
Non-tax deductible items	3,933	4,214	(6.7%)	1,862	2,112	(11.8%)
Distributable income	24,740	23,850	3.7%	12,134	11,974	1.3%
DPU (cents)	3.062	2.953	3.7%	1.500	1.481	1.3%

The 2Q FY2014 outperformance against Forecast was due to a combination of higher revenue, mostly attributable to income from the recently acquired Tellus Marine, and lower property expenses due to lower maintenance costs for Eightrium @ Changi Business Park and Tuas Connection. This also drove the outperformance in the half year in addition to higher revenue in 1Q FY2014 which included pre-termination income of S\$0.4 million from a tenant in West Park BizCentral. Net property income was 4.3% higher in 1H FY2014 which served as the key driver in 1H FY2014 DPU of 3.062 cents being 3.7% above Forecast.

Soilbuild REIT's portfolio occupancy stood at 98.5% as at 30 June 2014 due mostly to a non-renewing lease expiring in Tuas Connection during the quarter. The portfolio is well placed for the remainder of 2014 as over 85% of all lease expiries due in 2014 have already been renewed, re-leased or pre-committed in the first half of the year.

On 26 May 2014, the Manager announced that the Trustee of Soilbuild REIT had completed the acquisition of the property known as Tellus Marine, at 39 Senoko Way, Singapore 758052 for S\$18.0 million, with S\$14.6 million paid upon completion, and another S\$3.4 million payable upon the temporary occupation permit being obtained in respect of a new

annex to be constructed on the property. This represents the maiden acquisition for Soilbuild REIT since listing which further enlarges and diversifies Soilbuild REIT's portfolio.

In May 2014, the Manager announced that the Trustee of Soilbuild REIT had entered into a new S\$100.0 million debt facility which will be secured by a mortgage over West Park BizCentral. S\$15.0 million of this new facility was drawn down on floating interest rate to fund the acquisition and related costs of the Tellus Marine acquisition. Accordingly Soilbuild REITs fixed interest rate exposure reduced slightly to 95% with a slightly lower all-in interest rate of 3.08% p.a. as at 30 June 2014 compared to the Forecast of 3.28% p.a. in the Prospectus. As at 30 June 2014, Soilbuild REIT maintained a conservative aggregate leverage of 30.3%.

Singapore Corporate Awards

Soilbuild REIT has received two awards at the 9th Singapore Corporate Awards held on 15 July 2014: a Merit award in "Best Investor Relations" and a Bronze award in "Best Annual Report", First-Year Listed Companies Category.

The Singapore Corporate Awards recognises and honours Singapore-listed companies and individuals who helped to raise corporate disclosure standards and corporate governance. The annual event is organised by the Institute of Singapore Chartered Accountants, Singapore Institute of Directors and The Business Times, supported by Accounting and Corporate Regulatory Authority and Singapore Exchange.

Outlook

Some real estate market commentators are pointing to upcoming supply of new industrial product having a negative impact on industrial property fundamentals over the next year. However newer high-tech industrial properties and better located business park properties will be better placed than more conventional industrial space in terms of new commitments, occupancy and rental rates.

Notwithstanding this cautious tone and barring any further unexpected non-renewals, Management believes that Soilbuild REIT is still well placed to deliver on its forecast distribution for the 2014 financial year. This continues to be underpinned by a strong focus on early renewal negotiations for lease expiries, minimising operating expenses, and maintaining a high level of fixed interest costs.

About Soilbuild Business Space REIT

Soilbuild REIT is a Singapore-focused real estate investment trust (“REIT”) with a portfolio of business parks and industrial properties used by industries engaging in manufacturing, engineering, logistic, warehousing, electronics, marine, oil & gas, research and development and value-added knowledge-based activities. Its portfolio of properties includes Solaris, a landmark development in one-north, Eightrium @ Changi Business Park, Tuas Connection and West Park BizCentral. Soilbuild REIT’s portfolio has a net lettable area of 3,050,588 square feet and an occupancy rate of 98.5% as at 30 June 2014.

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IMPORTANT NOTICE

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of Soilbuild REIT) or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of the Manager is not indicative of the future performance of the Manager.

Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited were the joint global coordinators, issue managers, bookrunners & underwriters of the initial public offering of Soilbuild REIT.