FOR IMMEDIATE RELEASE

Soilbuild REIT FY2014 result exceeds IPO forecast by 3.8%

- **4Q FY2014 DPU of 1.585 cents, 5.9% above IPO Forecast**
- **FY2014 DPU of 6.193 cents, 3.8% above IPO Forecast**
- **Portfolio 100% occupied as at 31 December 2014**
- **Early focus on FY2015 lease expiries with over 20% of FY2015 lease expiries already successfully negotiated for renewal**
- **Total portfolio size in excess of S$1 billion following completion of 3 acquisitions in FY2014**

Singapore, 21 January 2015 – 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 1.585 cents for the three months ended 31 December 2014 ("4QFY2014"), which is 5.9% above the IPO Forecast[1] ("Forecast") of 1.497 cents. This represents the sixth consecutive quarter of outperformance since Soilbuild REIT's IPO on 16 August 2013. For the year ended 31 December 2014 ("FY2014"), Soilbuild REIT has recorded a DPU of 6.193 cents, which is 3.8% above the Forecast of 5.965 cents.

Mr Shane Hagan, CEO of the Manager, said: "We are pleased to report on DPU outperformance notwithstanding a continued subdued industrial market. With the portfolio fully occupied heading into FY2015, we are well-prepared to proactively focus on dealing with the leases expiring in FY2015. To date, we have completed negotiations for renewals of over 200,000 sq ft, representing over 20% of total FY2015 expiries. We hope that these early results will help to drive the momentum for the rest of the FY2015 lease expiries."

[1] The Forecast is based on the Soilbuild REIT's Initial Public Offering ("IPO") Prospectus dated 7 August 2013 ("Prospectus").

	Unaudited Actual 4QFY2014 (S$'000)	IPO Forecast 4QFY2014 (S$'000)	Variance (%)	Unaudited Actual FY2014 (S$'000)	IPO Forecast FY2014 (S$'000)	Variance (%)
Gross revenue	17,682	16,724	5.7%	68,145	66,259	2.8%
Property operating expenses	(2,750)	(2,538)	(8.4%)	(10,783)	(11,050)	2.4%
Net property income	**14,932**	**14,186**	**5.3%**	**57,362**	**55,209**	**3.9%**
Net finance expenses	(2,740)	(2,299)	(19.2%)	(9,658)	(9,205)	(4.9%)
Manager's fees	(1,748)	(1,481)	(18.0%)	(5,477)	(5,095)	(7.5%)
Trust expenses	(190)	(222)	14.4%	(1,068)	(888)	(20.3%)
Total trust expense	**(4,678)**	**(4,002)**	**(16.9%)**	**(16,203)**	**(15,188)**	**(6.7%)**
Net income	**10,254**	**10,184**	**0.7%**	**41,159**	**40,021**	**2.8%**
Net change in fair value of investment properties	901	-	Nm	901	-	nm
Non-tax deductible items	1,737	2,214	(21.5%)	8,109	8,510	(4.7%)
Distributable income	**12,892**	**12,398**	**4.0%**	**50,169**	**48,531**	**3.4%**
DPU (cents)	**1.585**	**1.497**	**5.9%**	**6.193**	**5.965**	**3.8%**

The 4QFY2014 outperformance against the Forecast was mainly due to higher income from the recently acquired properties which was partially offset by higher property tax incurred for West Park BizCentral.

For the FY2014 result, the outperformance was largely driven by new acquisitions, higher income from Eightrium @ Changi Business Park due to new take up of space over a previously vacant area, as well as the pre-termination income recognised at West Park BizCentral in 1Q FY2014.

Soilbuild REIT's portfolio occupancy stood at 100.0% as at 31 December 2014, an increase from the 99.9% in 3QFY2014 following new take-up at West Park BizCentral. The focus in FY2015 will be at West Park BizCentral and Tuas Connection where 511,624 sq ft and 261,243 sq ft of space are outstanding for renewal, respectively.

Third-party Acquisitions

In 4QFY2014, the Manager announced the completion of 20 Kian Teck Lane and 61 & 71 Tuas Bay Drive, respectively. They represent the second and third acquisitions for Soilbuild REIT since its IPO, bringing the total portfolio value beyond S$1.0 billion.

As at 31 December 2014, Soilbuild REIT's fixed interest rate exposure stood at 81.9% with a lower all-in interest rate of 3.19% p.a. compared to the IPO Forecast of 3.27% p.a. The aggregate leverage stood at 35.4%.

Outlook

Looking forward, the industrial property sector continues to have a mixed outlook for FY2015. Industrialists are expected to remain cost sensitive and take longer to evaluate their business space needs – on the back of a declining manufacturing output in Singapore, as well as a fragile global economic outlook and lingering global risks, such as the ongoing oil and gas crisis.

In spite of this, real estate market commentators have pointed out that properties with higher building specifications, such as those located within the business parks, as well as high-tech industrial properties, could see some upside due to a tightening in supply. Business park and high-tech space are also expected to benefit from the increase in office rents, which will drive tenants who qualify for industrial space to look to more affordable alternatives. However, rents for conventional industrial space may not fare as well due to mounting supply pressures.

As Soilbuild REIT has a majority of its portfolio focused in the business parks and hi-specifications sector, Management expects Soilbuild REIT to maintain a stable performance in FY2015, barring any unforeseen events and subject to renewing and re-leasing a large portion of the space that expires this year.

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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 3,334,324 square feet and an occupancy rate of 100.0% as at 31 December 2014.

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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.