FOR IMMEDIATE RELEASE

Soilbuild REIT 1Q FY2015 result achieves year-on-year growth of 4.5%

- **1Q FY2015 DPU of 1.633 cents, 4.5% above the corresponding period last year**
- **Portfolio 100% occupancy maintained as at 31 March 2015**
- **Remaining FY2015 lease expiries now represent only 18.4% of NLA compared to 29.7% before the start of FY2015**
- **Rental reversion of 9.3% achieved for renewals in 1Q FY2015**
- **Acquisition of Technics property expected to be completed in June 2015**
- **Agreement reached with JTC for paying an upfront land premium for Solaris**

Singapore, 13 April 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 1.633 cents for the three months ended 31 March 2015 ("1Q FY2015"), which is 4.5% above the corresponding period last year ("1Q FY2014") of 1.562 cents.

Mr Shane Hagan, CEO of the Manager, said: "We are pleased to report a higher DPU than 1Q FY2015 as a result of a stable performance from the existing portfolio as well as the benefit from the three acquisitions that were completed in FY2014. In 1Q FY2015 all 17 expiring leases covering 294,000 sqft of space, have been renewed with an average positive rental reversion of 9.3%. We will continue to focus on the remaining lease expiries in FY2015.

Statement of Total Return	Unaudited Actual 1QFY2015 (S$'000)	Unaudited Actual 1QFY2014 (S$'000)	Variance (%)
Gross revenue	18,615	16,839	10.5%
Property operating expenses	(2,817)	(2,644)	(6.5%)
Net property income	**15,798**	**14,195**	**11.3%**
Net finance expenses	(2,946)	(2,162)	(36.3%)
Manager's fees	(1,332)	(1,261)	(5.6%)
Trust expenses	(494)	(237)	(108.4%)
Total trust expense	**(4,819)**	**(3,660)**	**(31.7%)**
Net income	**11,026**	**10,535**	**4.7%**
Non-tax deductible items	2,299	2,071	11.0%
Distributable income	**13,325**	**12,606**	**5.7%**
DPU (cents)	**1.633**	**1.562**	**4.5%**

Gross Revenue and property operating expenses were 10.5% and 6.5% higher respectively, mostly due to the acquisitions completed in 2014. Finance costs were higher due to the new loans to fund the new acquisitions as well as a higher average all-in interest rate. Distributable income was S$0.7 million higher than last year mainly due to the above reasons.

Acquisitions

On 12 March 2015, the Manager announced the proposed acquisition of the property known as Technics, located at 72 Loyang Way, Singapore 508762. The property, to be acquired at a total acquisition cost of $98.1 million, is a fully integrated facility comprising two blocks of ancillary office, two high ceiling production facilities, a blasting and spray painting chamber, a 200 worker dormitory and a jetty with 142 metres of sea frontage which serves as a offshore supply base approved by Maritime and Port Authority. The type and location of this property provides further diversification for Soilbuild REIT given it is a rare and unique seafront property featuring a large heavy loading open yard and jetty facility. The sale and leaseback transaction will be accretive to Soilbuild REIT's distribution per unit based on an optimal capital structure.

The Singapore government announced in the 2015 Budget that stamp duty remission on Singapore properties would expire on 31 March 2015. Thus new acquisitions by REITs after that date would be subjected to the 3% stamp duty payment. However, the Technics acquisition will not be subjected to stamp duty as the agreement was signed prior to 31 March 2015. The acquisition is expected to be completed in June 2015.

Solaris Land Rent issue

The Manager announced on 17 March 2015, that an agreement had been entered into with JTC, whereby the parties have agreed to the conversion of the Solaris land lease from an annual land rental payment scheme to an upfront land premium payment scheme. The details of the agreement and benefits for Soilbuild REIT are set out in the announcement.

Outlook

Looking forward, the industrial property sector continues to have a supply/demand imbalance in the next two years, with historically high supply not being matched by the same demand. In addition, Industrialists are expected to remain cost sensitive in evaluating their business space needs – as manufacturing output in Singapore continues to decline, coupled with a fragile global economic outlook and lingering global risks, such as the ongoing oil and gas downturn.

In spite of this, we continue to have confidence in our properties due to their superior building specifications. Business park and high-tech space are expected to benefit from the increase in office rents, which will drive tenants who qualify for industrial space to look to more affordable alternatives.

Prior to the start of FY2015, the Manager had proactively negotiated and secured a number of forward renewal commitments for FY2015 lease expiries. By the end of Q1 FY2015, negotiations for renewals for over a third of the FY2015 lease expiries have been completed. Barring any unforeseen events and subject to renewing and re-leasing a large portion of the remaining space that expires this year, the Manager expects Soilbuild REIT's portfolio to maintain a stable performance in FY2015.

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<u>About Soilbuild Business Space REIT</u>

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 March 2015.

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