



FOR IMMEDIATE RELEASE

Soilbuild REIT 2Q FY2015 DPU increased by 7.7% over prior corresponding period

- **2Q FY2015 DPU of 1.615 cents¹, an increase of 7.7% year-on-year**
- **Portfolio occupancy 99.8% as at 30 June 2015**
- **Over 210,000 sq ft of renewals and new leases signed in 2Q FY2015**
- **Completion of equity private placement and maiden medium term notes issuance in the quarter, both of which saw strong demand from investors**

Singapore, 14 July 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 1.615 cents¹ for the three months from 1 April 2015 to 30 June 2015 (“2Q FY2015”), which is 7.7% above the corresponding period last year (“2Q FY2014”) of 1.500 cents. DPU for 1H FY2015 was 3.248 cents, which was 6.1% ahead of 1H FY2014.

Mr Shane Hagan, CEO of the Manager, said: “I am pleased to once again report that DPU exceeded the prior corresponding period as a result of continuing stable performance from the existing portfolio as well as contribution from the four acquisitions that have been completed in 2014 and 2015. 2Q FY2015 was a very rewarding quarter for Soilbuild REIT with occupancy remaining high in the midst of a challenging operating environment. In addition, the quarter saw a successful private placement which raised S\$90 million to substantially fund the Technics acquisition, and S\$100 million of 3 year medium term notes was issued to refinance existing debt. These were part of the capital management strategy to primarily reduce Soilbuild REIT’s gearing and to provide additional funding flexibility. Both issues drew very good demand from institutional investors and helped raise Soilbuild REIT’s profile in the capital markets.”

	2Q FY15	2Q FY14	Variance	1H FY15	1H FY14	Variance
	S\$'000	S\$'000	(%)	S\$'000	S\$'000	(%)
Gross revenue	19,590	16,708	17.2	38,205	33,547	13.9
Property operating expenses	(2,878)	(2,666)	(8.0)	(5,695)	(5,310)	(7.3)
Net property income	16,712	14,042	19.0	32,510	28,237	15.1
Net finance expenses	(3,286)	(2,312)	(42.1)	(6,232)	(4,474)	(39.3)
Manager's fees	(1,431)	(1,214)	(17.9)	(2,763)	(2,475)	(11.6)
Trust expenses	(382)	(244)	(56.6)	(876)	(481)	(82.1)
Total trust expense	(5,099)	(3,770)	(35.3)	(9,871)	(7,430)	(32.9)
Net income	11,613	10,272	13.1	22,639	20,807	8.8
Non-tax deductible items	2,691	1,862	44.5	4,990	3,933	26.9
Distributable income	14,304	12,134	17.9	27,629	24,740	11.7
DPU (cents)	1.615¹	1.500	7.7	3.248	3.062	6.1

2Q FY2015 gross revenue and property operating expenses were 17.2% and 8.0% higher than 2Q FY2014 respectively, mostly due to the acquisitions completed in 2014 and 2015. Finance costs were higher due to additional borrowings to fund the new acquisitions as well as a higher average all-in interest rate. As a result, distributable income was S\$2.2 million higher than last year.

Acquisition of Technics Property and Equity Fund Raising

On 27 May 2015, the Manager announced the completion of the acquisition of the property known as Technics, located at 72 Loyang Way, Singapore 508762 for a total acquisition cost of S\$98.1 million. The acquisition was substantially funded with the proceeds of a private placement of new units carried out in early May 2015. The private placement raised gross proceeds of S\$90 million with the new units being priced at SGD 80.5 cents, which represented a small premium to net asset value and a discount of only 2.1% to the adjusted volume weighted average price² of trades done on the day prior to launching the placement. This represented the tightest discount for a private placement by a Singapore REIT over the preceding two years.

Maiden MTN Issue

On 14 May 2015, the Manager announced that it had successfully priced an issue of S\$100 million 3.45% fixed rate notes due 21 May 2018 (the "Notes") under Soilbuild REIT's recently established S\$500 million Multicurrency Debt Issuance Programme. This was Soilbuild

REIT's debut Singapore dollar notes issuance and it was pleasing to see strong demand from investors. The net proceeds were used to refinance existing borrowings that were due to expire in August 2015.

Portfolio Update

During the quarter, renewals and new leases were signed for over 210,000 sq ft bringing the total for 1H FY2015 to in excess of 500,000 sq ft. Occupancy remained high at 99.8% and lease renewals rental reversion was approximately 5%.

Outlook

The industrial property market in Singapore continues to face a challenging operating environment with issues such as historically high new supply and a weak macro-economic outlook putting pressure on rentals and occupancy. However, leasing activities in 2Q 2015 progressed well, confirming the attractiveness of our properties.

The Manager will now focus on the leases expiring in 2H FY2015 which amount to just over 400,000 sq ft. 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.

Footnote

1. An advanced distribution of SGD 0.628 cents per Unit for the period from 1 April 2015 to 4 May 2015 was paid on 28 May 2015. The balance distribution of SGD 0.987 cents for the period from 5 May 2015 to 30 June 2015 will be paid on 18 August 2015.
2. Adjusted volume weighted average price of trades done on 22 April 2015 is adjusted after subtracting the advanced distribution which was paid out for the period from 1 April 2015 to 4 May 2015.

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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 3.53 million square feet and an occupancy rate of 99.8% as at 30 June 2015.

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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.
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