



FOR IMMEDIATE RELEASE

## Soilbuild REIT FY2015 and 4Q FY2015 DPU increased by 4.7% and 1.8% respectively year-on-year

- FY2015 DPU of 6.487 cents, an increase of 4.7% year-on-year
- 4Q FY2015 DPU of 1.614 cents, an increase of 1.8% year-on-year
- Portfolio occupancy 96.8% as at 31 December 2015
- Over 190,000 sq ft of renewals and new leases signed in 4Q FY2015
- FY2016 focus on active asset management of the approximately 500,000 sq ft (14.9%) lease expiries

### Summary of Financial Results:

	Unaudited 4Q FY2015	4Q FY2014	Variance	Unaudited FY2015	FY2014	Variance
	S\$'000	S\$'000	(%)	S\$'000	S\$'000	(%)
Gross revenue	20,434	17,682	15.6	79,340	68,145	16.4
Net property income	17,490	14,932	17.1	67,777	57,362	18.2
Distributable income	15,091	12,892	17.1	57,867	50,169	15.3
DPU (cents)	1.614	1.585	1.8	6.487	6.193	4.7

**Singapore, 21 January 2016** – SB REIT Management Pte. Ltd. (“Manager”), the Manager of Soilbuild Business Space REIT (“Soilbuild REIT”), is pleased to announce that Soilbuild REIT has delivered a Distribution per Unit (“DPU”) of 6.487 cents and 1.614 cents for the financial year (“FY2015”) and quarter (“4Q FY2015”) ended 31 December 2015 respectively, which is 4.7% and 1.8% above the comparative periods.

Mr Roy Teo, CEO of the Manager, said: “Albeit a challenging year, I am pleased once again to report a higher DPU compared to the prior corresponding period as a result of stable performance from the existing portfolio. Soilbuild REIT achieved over 190,000 sq ft of renewals and new leases in 4Q FY2015, reflecting the team’s effort on key performance areas. FY2016

will see continued focus on tenant retention as we have about 500,000 sq ft or 14.9% of leases expiring, out of which 80,000 sq ft has been committed as at 31 December 2015.”

4Q FY2015 gross revenue and net property income were 15.6% and 17.1% higher than 4Q FY2014 respectively, mostly due to the acquisitions completed in 2014 and 2015. The increase in net property income is partially offset by higher net finance costs and manager’s fees. Net finance expenses rose due to additional borrowings to fund the new acquisitions. The increase in manager’s base and performance fees is attributed to higher distributable income and distribution per unit. As a result, full year distributable income in FY2015 increased 15.3% year-on-year to S\$57.9 million.

As at 31 December 2015, Soilbuild REIT’s portfolio was valued at S\$1.19 billion by independent valuers, Colliers International and CBRE Limited. Net Asset Value per unit for FY2015 stood at S\$0.80.

### **Prudent and Pro-active Capital Management**

In September 2015, Soilbuild REIT announced the successful refinancing of its S\$185 million Club Loan Facility. With this, Soilbuild REIT successfully lengthened its weighted average debt expiry to 3.2 years and reduced the all-in cost of debt to 3.21% p.a. as at 31 December 2015. Borrowing costs are significantly insulated against interest rate hikes, with 97.9% of the interest rate exposure fixed. Soilbuild REIT’s unencumbered assets are now in excess of S\$0.5 billion, representing approximately 43% of investment properties by value. The refinancing is in-line with the Manager’s strategy of increasing unencumbered assets.

### **Portfolio Update**

During the quarter, renewals and new leases were signed for over 190,000 sq ft, bringing the total lease renewals and new take-up for financial year ended FY2015 to in excess of 880,000 sq ft. Occupancy rates remained high at 96.8%, and the Weighted Average Lease Expiry by gross rental income stands at 4.8 years. As at 31 December 2015, Soilbuild REIT has 11 properties in its portfolio, consisting of two business park properties and nine industrial properties, with a total net lettable area (NLA) of approximately 3.5 million sq ft.

### **Outlook**

According to Ministry of Trade and Industry, Singapore’s economy grew by 2.0% in 4Q 2015 over the same period a year ago, an improvement from the 1.8% growth in 3Q 2015. On a quarter-on-quarter basis, the economy expanded by 5.7%, an improvement compared to the 1.7% growth in the preceding quarter. Purchasing Managers’ Index for December was 49.5, having contracted for 6 consecutive months previously.

The manufacturing sector continued to reflect persistent weakness with four-quarters of decline on a year-on-year basis, registering a 4.8% contraction for the whole of 2015. Industrial property market faces a challenging operating environment and with the slowdown in manufacturing sector it places further downward pressure on industrial rents and occupancy in the next 12 months.

The leasing activities in 4Q FY2015 affirm the attractiveness of our properties. With the focus on renewing leases expiring this year and barring any unforeseen events, the Manager expects Soilbuild REIT's portfolio to maintain a stable performance in FY2016.

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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 96.8% as at 31 December 2015.

### **For media queries, please contact:**

Ms Denise Ng  
Investor Relations  
DID: +65 6415 4560  
Email: [denise.ng@soilbuild.com](mailto:denise.ng@soilbuild.com)  
Website: [www.soilbuildreit.com](http://www.soilbuildreit.com)

### **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.