



**FOR IMMEDIATE RELEASE**

## **Soilbuild REIT exceeds IPO forecast by 3.4% with second Distribution per Unit of 1.51 cents for 4QFY2013**

- **Portfolio occupancy increased to 99.9% as at 31 December 2013; 100% tenant retention rate since listing with positive rental reversion of 7.9%**
- **Quality portfolio of assets assigned investment grade rating of BBB- by Standard & Poor's Ratings Services**
- **Portfolio well positioned despite subdued industrial property market**

**Singapore, 23 January 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 1.510 cents for the quarter ended 31 December 2013 ("4QFY2013"), marking an increase of 3.4% over the IPO Forecast<sup>1</sup> ("Forecast") of 1.461 cents. For the period from listing date of 16 August 2013 to 31 December 2013, actual DPU recorded exceeded forecast by 3.2% at 2.270 cents. This equates to an annualised DPU yield of 7.8% based on the closing price of \$0.77 per unit as at 31 December 2013.

Mr Shane Hagan, CEO of the Manager, said: "It is pleasing to see continued outperformance in DPU against the Forecast disclosed in the Prospectus. This reflects continued focus from our team on the key performance areas such as asset management and capital management in a benign operating environment. Revenue, property expenses and finance costs all recorded positive variances and contributed to a higher than forecast distributable income line".

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

A summary of the results is shown in the table below:

\$000 unless stated	4Q FY2013			16 Aug to 31 Dec 2013		
	Actual	Forecast	Variance (%)	Actual	Forecast	Variance (%)
Gross Revenue	16,333	16,189	0.9%	24,565	24,353	0.9%
<b>Net Property Income</b>	<b>13,696</b>	<b>13,413</b>	<b>2.1%</b>	<b>20,605</b>	<b>20,189</b>	<b>2.1%</b>
Finance Expenses	(2,206)	(2,302)	4.2%	(3,307)	(3,465)	4.6%
Manager's Fees	(1,365)	(1,182)	(15.5%)	(1,976)	(1,775)	(11.3%)
Trust Expenses	(227)	(213)	(6.6%)	(337)	(326)	(3.4%)
<b>Net Income</b>	<b>9,898</b>	<b>9,716</b>	<b>1.9%</b>	<b>14,985</b>	<b>14,623</b>	<b>2.5%</b>
Net Change in Fair Value of Investment Properties	-	-	-	29,748	-	n.m.
<b>Net Investment Income before Tax</b>	<b>9,898</b>	<b>9,716</b>	<b>1.9%</b>	<b>44,733</b>	<b>14,623</b>	<b>n.m.</b>
Non-Tax Deductible Items	2,252	2,025	11.2%	(26,470)	3,048	n.m.
<b>Distributable Income</b>	<b>12,150</b>	<b>11,741</b>	<b>3.5%</b>	<b>18,263</b>	<b>17,671</b>	<b>3.4%</b>
<b>DPU (cents)</b>	<b>1.510</b>	<b>1.461</b>	<b>3.4%</b>	<b>2.270</b>	<b>2.199</b>	<b>3.2%</b>
Annualised DPU (cents)	5.99			6.00		
Annualised Distribution Yield @ S\$0.77 per unit (31 Dec 13 closing price)	7.8%			7.8%		

Continued focus on asset management has manifested another positive result at the operating level supported by new take-up and lease renewals. 100% retention of leases expiring since listing and expansion space by existing tenants have pushed occupancy up to 99.9% as at 31 December 2013. Since listing, positive rental reversions of 7.9% have been recorded over preceding average rental rates. The asset management team will now focus on 2014 expiries where 17% of the portfolio NLA is up for renewal. Management will focus on early engagement of tenants to ensure that the retention rate remains high.

Soilbuild REIT's conservative capital management policy has resulted in an all-in interest rate of 3.12% as at 31 December 2013 compared to the Forecast of 3.28% in the Prospectus, with 100% of the interest rate exposure fixed through interest rate swaps of 1 to 4 years in duration. Aggregate leverage stood at 29.3% as at 31 December 2013, below the 29.9% Forecast in the Prospectus.

Mr Shane Hagan added, "Moving forward, we are pleased to announce that Standard & Poor's Ratings Services has assigned an investment grade credit rating of BBB- to Soilbuild

REIT. This is a testament to the quality of the portfolio and the efforts of the management team and sponsor in establishing a robust platform.”

### **Outlook for the financial year ending 31 December 2014**

The Manager believes Soilbuild REIT’s portfolio is well placed in terms of location, quality, specifications which should lead to continued tenant demand notwithstanding a subdued industrial property market.

Barring any unexpected non-renewals, Soilbuild REIT is well placed to deliver on the Forecast set out in the Prospectus for the year ending 31 December 2014. This is underpinned by the continued focus on early renewal negotiations for lease expiries, minimising operating expenses, and maintaining a high level of fixed interest costs.

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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 2,955,338 square feet and an occupancy rate of 99.9% as at 31 December 2013.

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

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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.