



**Driving values through sustainable growth**

MEDIA RELEASE

9 February 2012

**FINANCIAL RESULTS ANNOUNCEMENT**

**Sunway REIT Declared Record High Quarterly Distribution in Second Quarter  
Financial Year Ending June 2012**

**Key Highlights:**

- 2Q2012 net property income soared 25.3% year-on-year to RM78.7 million underpinned by strong performance from initial portfolio and positive contribution from Sunway Putra Place.
- Distribution per unit rose by 13.7% year-on-year to 1.99 sen per unit.
- Year-to-date 2Q 2012 total return of 18.5%.
- Sunway Putra Place has returned to the black

**Financial Highlights**

	Current quarter			Year to date		
	2Q 2012 (Unaudited)	2Q2011 (Audited)	Change	2Q 2012 (Unaudited)	2Q 2011 <sup>1</sup> (Audited)	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Gross revenue	110,737	85,333	29.8	205,776	157,778	30.4
Net property income (NPI)	78,722	62,836	25.3	148,976	118,049	26.2
Net income						
- Realised	50,738	44,679	13.6	94,968	83,090	14.3
- Unrealised	23	557	-95.9	(343)	272,784	-100.1
Total	50,761	45,236	12.2	94,625	355,874	-73.4
Income distribution declared	53,566	46,941	14.1	100,628	87,411	15.1
Distribution per unit (DPU) (sen)	1.99	1.75	13.7	3.74	3.26	14.7
Annualised DPU (sen)				7.42	6.70	10.8
Annualised dividend yield (Based on closing price of RM1.25 per unit on 31 December 2011) (2Q 2011 is computed based on closing price of RM1.03 as at 31 December 2011)				5.9%	6.5%	N.M

N.M – Not meaningful

<sup>1</sup> The comparative financial results reported refers to the period from 20 May 2010, being the date that Sunway REIT was constituted, to 31 December 2010. The acquisition of the initial portfolio of eight assets was completed on listing date, 8 July 2010.



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***Petaling Jaya, 9 February 2012*** – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (“Sunway REIT”), is pleased to announce the second quarter unaudited financial results for financial year ending June 2012 for the period of 1 October 2011 to 31 December 2011 (“2Q 2012”).

The Manager wishes to announce a distribution income of RM53.6 million in 2Q 2012, representing an increase of 14.1% compared to the corresponding quarter in the preceding year. This translates into a record high in quarterly distribution per unit (“DPU”) of 1.99 sen. On a year-on-year basis, DPU rose 13.7% in 2Q 2012 from 1.75 sen declared for the period 1 October 2010 to 31 December 2010 (“2Q 2011”).

On a cumulative basis, DPU declared year-to-date for FYE June 2012 amounted to 3.74 sen, translating into annualized distribution yield of 5.9%<sup>1</sup>.

Dato’ Jeffrey Ng, the CEO of Sunway REIT Management Sdn Bhd commented, “On behalf of the Board of Directors of Sunway REIT Management Sdn Bhd, we are happy to deliver a record high quarterly DPU of 1.99 sen to our unitholders on the back of strong performance from the initial portfolio and positive contribution from Sunway Putra Place. We endeavour to continue to enhance unit holders’ value by striving to achieve sustainability in income and growth. Sunway REIT’s unit price has appreciated by 12.6%<sup>1</sup> year-to-date 2Q 2012 bringing total return of 18.5% for the 6 months period from 1 July 2011 to 31 December 2011. ”

For the financial quarter under review, Sunway REIT’s net property income (“NPI”) soared 25.3% year-on-year to RM78.7 million underpinned by strong performance from initial portfolio and full income recognition from Sunway Putra Place following the full control and possession of the assets on 28 September 2011. NPI for the initial portfolio of 8 assets grew by 9.6% year-on-year in 2Q 2012 to RM68.9 million while Sunway Putra Place contributed RM9.8 million in the same period.

Net realized income jumped 13.4% in 2Q 2012 to RM50.7 million, from RM44.7 million in 2Q 2011. The initial portfolio of 8 assets recorded an increase of RM3.5 million while the balance was contributed by Sunway Putra Place. Sunway Putra Place has turnaround from a loss of RM1.8 million in 1Q 2012 to a positive RM2.6 million contribution in 2Q 2012.

The Manager has consistently achieved strong rental reversion for the stable of assets in the portfolio since IPO. Year-to-date 2Q 2012, the portfolio achieved 15.8% increase in rental rates over duration of three years. Sunway Pyramid Shopping Mall achieved the highest in rental reversion rate amongst the assets. Year-to-date 2Q 2012, a total lettable space of 266,465 sq. ft. in Sunway Pyramid Shopping Mall was renewed at 17.1% rental reversion increase over a period of three years. The rental reversion rate has improved further from the 16.0% rental reversion achieved in 1Q 2012.

<sup>1</sup> Based on Sunway REIT’s closing price of RM1.25 on 31 December 2011



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For the quarter under review, asset enhancement initiatives (AEIs) were undertaken for Sunway Pyramid Shopping mall for the Canopy Walk Extension Phase 3 with an estimated cost of RM4.0 million and ROI of 33.9%. The mall has also commenced works on retrofitting of chiller to improve electricity savings in the long term. The estimated capex for the exercise is RM18.6 million and ROI of 16.8%. The exercise is expected to be completed by December 2012.

Sunway Hotel Seberang Jaya has embarked on a major refurbishment exercise to re-strengthen the market position of a 4-star rated city hotel in mainland of Penang and appeal to high yield market segment and business travellers. The refurbishment exercise is estimated to cost RM12.1 million with an estimated ROI of 10.5%. The renovation will be carried out progressively and will be completed by December 2012.

Dato' Jeffrey Ng commented, "We are confident that the assets in the portfolio will continue to perform well. Seven out of eleven of the assets in the portfolio are strategically located in the vibrant townships master planned and developed by the Sponsor, Sunway Berhad, with inherent captive markets. The captive market element is crucial in providing comfortable levels of resiliency to the assets."

"Going forward, we strive to enhance unit holders' value through acquisitions, asset enhancement initiatives and proactive capital management" he concluded.

### **About Sunway Real Estate Investment Trust**

Sunway Real Estate Investment Trust ("Sunway REIT") was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010 and is the country's largest retail focused real estate investment trust ("REIT") in terms of asset size and market capitalization as at 31 December 2011. Assets in Sunway REIT comprise of shopping mall, hotel and office that are located in Bandar Sunway, Kuala Lumpur, Seberang Jaya and Ipoh. Sunway REIT's market capitalization is RM3.36 billion and total assets valued at RM4.47 billion as at 31 December 2011.



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## **Important notice**

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 9 February 2012 for a more comprehensive understanding of Sunway REIT's financial results.

This media release may contain certain forward looking statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions; interest rate trends; cost of capital and capital availability including availability of financing in the amounts and the terms necessary to support future business; availability of real estate properties; competition from other companies; changes in operating expenses including employee wages, benefits and training, property expenses, government and public policy changes. You are cautioned not to place undue reliance on these forward looking statements which are based on Management's current view of future events. Past performance is not necessarily indicative of its future performance.

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