



Driving values through sustainable growth

MEDIA RELEASE

23 October 2012

## FINANCIAL RESULTS ANNOUNCEMENT

### Sunway REIT's 1Q2013 Net Income (Realised) Climbed 17.6% y-o-y

#### Key Highlights:

- Net property income rose 3.7% year-on-year in 1Q2013 supported by strong performance from the retail assets.
- Issuance of RM400 million 5-year Unrated Medium Term Note on 9 October 2012
- Year-to-date total return of 12.2%, comprising 6.6% from capital appreciation and 5.6% derived from annualised distribution yield.

#### Financial Highlights

	Current quarter			Year to date		
	1Q 2013 (Unaudited)	1Q 2012 (Audited)	Change	1Q2013 (Unaudited)	1Q2012 (Audited)	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Gross revenue	99,772	95,039	5.0	99,772	95,039	5.0
Net property income (NPI)	72,880	70,254	3.7	72,880	70,254	3.7
Net income						
- <b>Realised</b>	<b>51,997</b>	<b>44,230</b>	<b>17.6</b>	<b>51,997</b>	<b>44,230</b>	<b>17.6</b>
- Unrealised	12	-366	103.3	12	-366	103.3
Total Profit for the period / year	52,009	43,864	18.6	52,009	43,864	18.6
Proposed / declared distribution	54,782	47,062	16.4	54,782	47,062	16.4
Distribution per unit (DPU) (sen)	2.03	1.75	16.0	2.03	1.75	16.0
Annualised DPU (sen)				8.12	7.50 <sup>1</sup>	8.3
Annualised dividend yield (Based on closing price of RM1.45 per unit on 30 September 2012)				5.6%	5.2% <sup>2</sup>	N.M

N.M – Not meaningful

<sup>1</sup> Actual Distribution per unit (DPU) declared for FY2012.

<sup>2</sup> Actual Distribution yield for FY2012 based on closing price of RM1.36 as at 30 June 2012.



**Driving values through sustainable growth**

***Petaling Jaya, 23 October 2012*** – Sunway REIT Management Sdn. Bhd., the Manager of Sunway Real Estate Investment Trust (“Sunway REIT”), is pleased to announce the first quarter unaudited financial results for financial year ending June 2013 for the period of 1 July 2012 to 30 September 2012 (“1Q2013”).

Sunway REIT registered a healthy set of results in 1Q2013. Gross revenue and net property income (“NPI”) in 1Q2013 grew by 5.0% and 3.7% year-on-year respectively supported by strong performance from the retail assets. NPI of retail segment for 1Q2013 registered a growth of 7.6% year-on-year mainly contributed by robust performance of Sunway Pyramid Shopping Mall and Sunway Carnival Shopping Mall.

Meanwhile, the hotel segment witnessed a softer quarter in 1Q2013 on the back of Ramadhan fasting month, Hari Raya which resulted in lower tourist arrivals from the Middle East as well as lower Meetings, Incentives, Conferencing, Exhibitions (MICE) activities. In addition, the softer performance was also attributable to the ongoing refurbishment in Sunway Hotel Seberang Jaya. For 1Q2013, the hotel segment’s NPI was largely unchanged compared to the corresponding period in the previous year. In the office segment, 1Q2013 NPI was lower compared to last year on the back of lower occupancy in Sunway Tower and Sunway Putra Tower.

Net realised profit surged 17.6% in 1Q2013 compared to the corresponding period in the previous year on the back of lower finance cost arising from refinancing of existing borrowing which has led to lower borrowing costs.

The Manager declared a quarterly distribution per unit (“DPU”) of 2.03 sen for the period from 1 July 2012 to 30 September 2012, representing a 16.0% increase compared to the corresponding period in the preceding financial year. The distribution translated into annualised distribution yield of 5.6% based on Sunway REIT’s closing unit price of RM1.45 as at 30 September 2012. During the financial quarter under review, the unit price of Sunway REIT has appreciated by 6.6%, generating financial year-to-date total return of 12.2%.

Dato’ Jeffrey Ng, CEO of Sunway REIT Management Sdn. Bhd., commented, “We are pleased that 1Q2013 growth remained healthy with strong resiliency in the key assets. The Manager expects DPU to be sustained for FY2013 despite the expected loss of income contribution from Sunway Putra Mall upon the closure of the mall for refurbishment in 3Q2013, cushioned by interest savings from the capital management initiatives. The Manager expects the business performance of the retail assets and hotel assets to register healthy growth whilst office sector will remain challenging”.



**Driving values through sustainable growth**

Sunway REIT has embarked on a proactive Capital Management Programme (“CMP”) to exploit the prevailing accommodative low interest rate environment. It is the business strategy of the Manager to actively manage the capital structure in optimizing cost of capital as well as managing risks. On 9 October 2012, the Manager has issued a total of 5-year RM400.0 million in nominal value of Unrated Medium Term Notes (“Unrated MTNs”) pursuant to the Medium Term Note Programme (“MTN Programme”) of up to RM1.0 billion. The proceeds from the issuance was used to partially repay the outstanding revolving loan of Sunway REIT. Following the issuance of the Unrated MTNs and ongoing CMP, Sunway REIT has managed to lower to average cost of debt from 4.45% for the year ended 30 June 2012 to 3.70% for the quarter ended 30 September 2012. The differential in interest cost will translate into interest savings that will flow directly to the distributable income to unitholders of Sunway REIT.

On 9 October 2012, The Manager has announced that OSK Trustees Berhad, as trustee of Sunway REIT (“Trustee”), has entered into a conditional sale and purchase agreement (“SPA”) with Sunway Medical Centre Berhad (“SMCB”), to acquire the land and building of Sunway Medical Centre (“SunMed Property”) for a total purchase consideration of RM310.0 million. Alongside with the proposed acquisition, the Manager has concurrently announced a proposed private placement of new units (“Placement Units”) to raise up to RM320.0 million at an issue price to be determined through a book building process.

Dato’ Jeffrey added, “It is Sunway REIT’s key growth strategy to grow by way of acquisitions. Through the proposed acquisition, total assets under management will grow from RM4.63 billion to RM4.94 billion, reaffirming Sunway REIT’s leading position in M-REITs. ”.

### **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 real estate investment trust (“REIT”) in terms of assets size as at 30 September 2012. The assets of Sunway REIT comprise shopping malls, hotels and offices that are located in Bandar Sunway, Kuala Lumpur, Seberang Jaya and Ipoh. Sunway REIT’s market capitalization is RM3.91 billion and has total assets valued at RM4.63 billion as at 30 September 2012.

### **Important notice**

Kindly read this media release in conjunction with the announcement released to Bursa Malaysia dated 23 October 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



**Driving values through sustainable growth**

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.

For more information, please contact:

Crystal Teh  
Sunway REIT Management Sdn. Bhd.  
(As Manager of Sunway Real Estate Investment Trust)

Tel : +603 5639 8864  
Fax : +603 5639 8001  
Mobile : +6012 330 6963  
E-mail : [crystalte@sunway.com.my](mailto:crystalte@sunway.com.my)

Website of Sunway REIT: [www.sunwayreit.com](http://www.sunwayreit.com)