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Croesus Retail Trust's First Distribution Per Unit Exceeds Forecast for 1H FY2014

- **Croesus Retail Trust's ("CRT") First Distribution per Unit of 5.24 Singapore cents is higher than the forecast at its initial public offering¹ (the "IPO Forecast") by 3.1%, and will be paid to unitholders on 31 March 2014**
- **Income Available for Distribution and Net Property Income exceeds IPO Forecast by 7.4% and 2.8%, respectively**

Singapore, 14 February 2014 – Croesus Retail Trust ("CRT") (SGX:S6NU.SI), the first Asia-Pacific retail business trust with an initial portfolio located in Japan listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST"),² today reports its results for the period from 10 May 2013 (being the date of its listing) to 31 December 2013 ("1H FY2014").

Financial Highlights

	1H 2014 Actual	1H 2014 IPO Forecast ³	Variance (%)
Gross Revenue (JPY '000)	3,285,149	3,262,271	+0.7%
Net Property Income (JPY '000)	2,075,316	2,018,450	+2.8%
Income Available for Distribution (JPY '000)	1,852,529	1,724,912	+7.4%
Distribution per Unit (Singapore cents)	5.24	5.08	+3.1%

¹ The forecast figures are extracted from the Prospectus, subject to the bases and assumptions stated therein, and pro-rated to 92 days and 236 days for the period from 1 October 2013 to 31 December 2013 and for the period from 10 May 2013 to 31 December 2013, respectively, except for non-recurring items such as unrealised fair value gains, their related deferred tax expenses and prepaid property tax which are not proportionally prorated.

² DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. are the joint global coordinators, issue managers, bookrunners and underwriters to the Offering (the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this press release.

³ Please refer to page 14 of the results announcement by Croesus Retail Asset Management Pte. Ltd., (in its capacity as trustee-manager of Croesus Retail Trust) dated 14 February 2014 for information on the deviation of the forecast figures.

CRT's first income available for distribution and net property income exceeded its IPO Forecast by 7.4% and 2.8%, respectively. In addition, CRT's available distribution per unit ("DPU") for 1H FY2014 was 5.24 Singapore cents, or 3.1% higher than the forecast DPU of 5.08 Singapore cents. This is CRT's first distribution and will be paid on 31 March 2014.

Mr. Jim Chang, Chief Executive Officer and Executive Director of Croesus Retail Asset Management Pte. Ltd., the trustee-manager of CRT, said, "Across 1H FY2014, we are seeing a healthy level of consumer activity at our properties as well as encouraging macroeconomic indicators that point to growing optimism and confidence in the Japanese economy. We are in a good place to benefit from these economic conditions given our close to 100% occupancy rates and stable rents across CRT's four retail assets. We will continue to focus on strengthening our portfolio to deliver sustainable and growing distributions to our unitholders."

Mr. Jeremy Yong, Co-Founder and Group Managing Director of Croesus Merchants International Pte. Ltd. (Sponsor of CRT) and Non-Executive Director of Croesus Retail Asset Management Pte. Ltd. said, "As the Sponsor of CRT, we are extremely thrilled that CRT has so far delivered what was promised to investors in outperforming its maiden distribution per unit against the IPO Forecast. We are very proud of the management team and their efforts in building value from the existing portfolio of assets."

Gross revenue for the period under review recorded JPY 3,285 million or 0.7% higher than the IPO Forecast indicating the resilience and stability of the income stream from CRT's portfolio assets. This was mainly due to better than expected tenant sales from Mallage Shobu (CRT's largest mall), despite the impact of typhoons that hit Japan in September, the colder month of July that decreased sales of summer-season products, and the one year anniversary and tenant renewal of competing malls within a 10km radius of Mallage Shobu. The revenue from Aeon Town Moriya, Aeon Town Suzuka and Luz Shinsaibashi were largely in line with IPO Forecasts.

CRT reported net property income of JPY 2,075 million, or 2.8% higher than the IPO Forecast. The positive variance was from property management, repair and other property expenses, offset by higher utility expenses and expenditure on sales and promotional expenses to enhance Mallage Shobu's competitiveness. Overall property expenses were 2.7% lower than the IPO Forecast.

CRT recorded an income available for distribution of JPY 1,852 million, or 7.4% higher than the IPO Forecast. The higher than forecasted income available for distribution was mainly due to property tax rebates and lower than forecasted non-property expenses. This was offset by the difference between actual and forecasted distribution hedge rates for the period.

Subsequent to Q2 on 23 January 2014, CRT issued a S\$100,000,000 4.6% Fixed Rate Notes due 2017 (the "Notes") as part of its U.S. \$500,000,000 Euro Medium Term Note Programme established on 3 January 2014. CRT has entered into a swap transaction to swap the Singapore dollar proceeds of the Notes into Yen proceeds of JPY 8,176,795,580 at the forward exchange rate of JPY 81.768 to SGD 1 at a JPY fixed interest rate of 3.83% per annum.

The proceeds will be used by CRT and its subsidiaries to finance or refinance acquisitions and/or investments, for development and asset enhancement works on its properties and general corporate purposes.

Distribution Policy

CRT's distribution policy is to distribute 100% of its distributable income for the period from the Listing Date to 30 June 2015 and at least 90% of its distributable income thereafter. CRT receives its distributable income in Japanese Yen but pays out distributions in Singapore Dollars to its unitholders semi-annually (for the six-month period as at 30 June and 31 December each year).

To minimise the exposure to fluctuations in exchange rates, CRT has hedged 80% or more of the distribution for the two forecast periods, from the Listing Date up to 30 June 2015.

Outlook⁴

Macroeconomic indicators for Japan show continued improvement in consumer sentiment. Japan's quarterly GDP (gross domestic product), monthly CPI (consumer price index), monthly retail sales and the quarterly Tankan survey all point to optimism and confidence in the Japanese economy.

Based on a survey by the Japan Real Estate Institute, suburban Tokyo, suburban Nagoya and prime Osaka, have all shown expected capitalisation rate compressions of approximately 10 to 30bps (or 0.1% to 0.3%) from April 2012 to October 2013, and in the case of Tokyo suburban, a compression of 50bps (or 0.5%) from its recent peak in 2011. This highlights an upward trend in property valuation for these areas.

On 1 October 2013, Prime Minister Abe officially approved plans to increase Japan's consumption tax from 5% to 8% in April 2014, while at the same time announcing a JPY 5 trillion stimulus package. On 31 January 2013, the Japanese Ministry of Internal Affairs and Communication released CPI for the year of 2013, indicating for the first time an annual increase in the past five years. The competition for acquiring real estate assets in Japan has also increased in recent months, and the management is presently pursuing acquisition of yield-accretive high quality assets for CRT.

CRT has financed its acquisition with five year Japanese Yen debt maturing in 2018 and in order to hedge its interest rate exposure, CRT has entered into 5-year interest rate swaps.

⁴ Each of Barclays and the Japan Real Estate Institute has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Trustee-Manager has taken reasonable actions to ensure that the information from the respective reports published by Barclays and the Japan Real Estate Institute is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Trustee-Manager nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

Barring any unforeseen circumstances, CRT's properties are expected to continue generating stable cash flows and is expected to meet its IPO Forecast for the period ending 30 June 2014.

Other Information

Croesus Retail Trust has been added to the FTSE ST Small Cap Index from 24 June 2013 and the TR/GPR/APREA Composite Index from 23 September 2013.

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About Croesus Retail Trust

Croesus Retail Trust ("CRT") is the first SGX-listed Asia-Pacific retail business trust with an initial portfolio located in Japan. CRT is principally focused on investing in a diversified portfolio of predominantly retail real estate assets located in the Asia Pacific region. CRT's initial portfolio of assets in Japan allows it to create a core portfolio of stable income generating assets that serves as a foundation for CRT to pursue development and acquisition opportunities in the Asia-Pacific region, including Japan, to generate long-term capital value and long-term returns.

CRT is part of the FTSE ST Small Cap Index and the TR/GPR/APREA Composite Index. For more information on CRT, please visit www.croesusretailtrust.com.

Important Notice

This press release is not an offer of securities for sale or a solicitation of an offer to purchase securities. This release may contain forward-looking statements that involve risks and uncertainties. Forward-looking statements include statements regarding the intent, belief and current expectations of CRT or its officers with respect to various matters. When used in this press release, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of 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, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events and speak only as of the date of this press release. CRT does not undertake to revise forward-looking statements to reflect future events or circumstances.

No assurance can be given that future events will occur, that projections will be achieved, or that CRT's assumptions are correct. The past performance of CRT is not indicative of the future performance of CRT. Similarly, the past performance of the Trustee-Manager is not indicative of the future performance of the Trustee-Manager.

