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Croesus Retail Trust's Distribution Per Unit for FY2014 exceeds forecast by 6.3%

Singapore, 28 August 2014 – Croesus Retail Asset Management Pte. Ltd., the Trustee-Manager of Croesus Retail Trust (“CRT”) (SGX: S6NU.SI), has announced that its Net Property Income (NPI) for 10 May 2013 to 30 June 2014 (“FY2014”) is higher than the Forecast NPI¹ by 4.8%. The income available for distribution for FY2014 (in Japanese Yen) exceeded Forecast¹ by 6.2%.

For the quarter ended 30 June 2014 (“4Q FY 2014”), NPI exceeded Forecast¹ by 2.6% and the income available for distribution was higher by 2.1%.

Highlights:

	4Q FY2014 (1 April 2014 to 30 June 2014)			Year-to-Date FY2014 (10 May 2013 to 30 June 2014) ²		
	Actual	Forecast ¹	Variance (%)	Actual	Forecast ¹	Variance (%)
Gross Revenue (JPY million)	1,584	1,599	-0.9%	6,261	6,203	+0.9%
Net Property Income (JPY million)	1,020	994	+2.6%	4,029	3,843	+4.8%
Income Available for Distribution (JPY million)	707	693	+2.1%	3,180	2,995	+6.2%
Available Distribution per Unit (Singapore cents)	2.00	1.96	+2.0%	8.98	8.45	+6.3%

¹ The forecast figures (“Forecast”) are extracted from the announcement dated 27 February 2014 (the “Acquisition Announcement”) in relation to the acquisition of Luz Omori and NIS Wave I (the “Additional Portfolio”) and forecast figures for Forecast Year 2014 which are extracted from the prospectus of CRT dated 2 May 2013 (the “Prospectus”), subject to the bases and assumptions stated therein respectively, and pro-rated or, as the case may be, extrapolated for the actual number of days attributable to the respective reporting period, except for non-recurring items such as unrealised fair value gains, their related deferred tax expenses and prepaid property tax which are not proportionally pro-rated, or as the case may be, extrapolated. Such forecast figures are for illustrative purposes only and should not be construed as a representation or a forecast of the performance or results of CRT.

² The acquisition of the Initial Portfolio of CRT was completed on 10 May 2013 which was the day it was officially listed on the SGX-ST (the “Listing Date”).

Since Listing -- Strong First Year Results

CRT recorded gross revenue of JPY 6,261 million for FY2014, 0.9% higher than Forecast. This was due to better-than-expected overall tenant sales and rental income for the year, accompanied by the Trustee-Manager's efforts to attract high-quality tenants, organising promotional activities to draw customer traffic to the properties and favourable tenant replacements. Store traffic and tenant sales also benefitted from the rise in consumer spending just before Japan's consumption tax rose from 5% to 8% on 1 April 2014.

NPI for FY2014 was JPY 4,029 million, 4.8% higher than Forecast, due to savings in property management expenses and repair expenses, despite an increase in utility expenses as well as additional sales and promotional expenses to enhance store traffic at Mallage Shobu. Overall property expenses came in 5.4% lower than Forecast.

Consequently, income available for distribution for FY2014 was JPY 3,180 million, 6.2% higher than Forecast, due to higher NPI and property tax rebates. Overall, CRT recorded a distribution per unit of CRT ("Unit") of 8.98 Singapore cents for FY2014, which is 6.3% higher than Forecast.

Mr. Jim Chang, Chief Executive Officer and Executive Director of Croesus Retail Asset Management Pte. Ltd., said, "Our properties were resilient through the year. Japan had experienced typhoons in September 2014 and heavy winter snowfalls in February 2014, but our results still exceeded Forecast due to the retail fundamentals and strong tenant sales at our properties. The slight disruption in sales patterns due to the consumption tax hike in April 2014 was anticipated but this has been mitigated due to a high component of fixed and guaranteed minimum rent at our properties."

Mr. Jeremy Yong, Co-Founder and Group Managing Director of Croesus Merchants International Pte. Ltd. (the sponsor of CRT) and Director of Croesus Retail Asset Management Pte. Ltd. said, "This year, we also grew our portfolio with the acquisition of Luz Omori and NIS Wave I in the Greater Tokyo region. This brought our net lettable area up by approximately 9% to 198,148 sq m, and grew our portfolio value by approximately 28.3% to JPY 67,830 million. This expansion of our portfolio puts us and CRT's unitholders in an even better position to benefit from the recovering Japanese economy."

Steady Performance over 4Q FY2014

In 4Q FY2014, CRT recorded gross revenues of JPY 1,584 million, which was 0.9% lower than Forecast, due to a country-wide decline in overall retail consumption following the increase in the national consumption tax in Japan on 1 April 2014.

Rental revenue from five out of six properties (Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi, Luz Omori and NIS Wave I) however, stayed in line with Forecast because the rental income is substantially fixed and thus, tenant sales did not materially affect the income at these properties. While the change in consumption tax impacted rental

income for Mallage Shobu which has a variable rent component, the dip in rental income was partially offset by an increase in utilities income.

NPI for 4Q FY2014 was JPY 1,020 million, 2.6% higher than Forecast. Property operating expenses were 6.8% lower than Forecast, due to savings on property management expenses and lower repair expenses.

The income available for distribution for 4Q FY2014 was therefore 2.1% higher than Forecast at JPY 707 million, primarily due to the higher NPI. This translated into a higher distribution per unit for 4Q FY2014 at 2.00 Singapore cents, 2.0% higher than Forecast.

Distribution Policy

CRT's distribution policy is to distribute 100% of its distributable income for the period from the Listing Date (10 May 2013) 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 approximately 80% of the distribution for the two forecast and projection periods, from the Listing Date up to 30 June 2015.

Outlook³

Macroeconomic indicators for Japan show a sustained improvement in consumer sentiment, despite the impact of the consumption tax increase introduced on 1 April 2014 which has impacted consumer spending and GDP for April to June 2014. Japan's quarterly GDP (gross domestic product), monthly CPI (consumer price index), monthly retail sales and the quarterly Tankan survey all point to firming confidence in the Japanese economy. Tokyo's successful bid for the 2020 summer Olympics has also contributed to a more upbeat sentiment across Japan.

Based on a survey by the Japan Real Estate Institute, suburban Tokyo, suburban Nagoya and prime Osaka, have all shown expected capitalisation rate compression of approximately

³ Each of Barclays, the Japan Real Estate Institute and the Japanese Ministry of Internal Affairs and Communication, from which the information is sourced, 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.

20 to 50bps (or 0.2% to 0.5%) for April 2012 to April 2014, and in the case of Tokyo suburban, a compression of 70bps (or 0.7%) from its recent peak in 2011.

In the Japanese Ministry of Internal Affairs and Communication release of CPI data for 2013, Japan showed a CPI of 0.36%, the first time a positive (inflationary) annual increase in the past five years has been recorded. The competition for acquiring real estate assets in Japan has increased in recent months, and the Trustee-Manager is presently considering several acquisitions of high quality assets for CRT.

CRT has financed its initial acquisition in connection with the listing of CRT with a five year Japanese Yen debt maturing in 2018, and the additional acquisition post-listing with a five year Japanese Yen debt maturing in 2019 and S\$100 million in principal amount of 4.6% Fixed Rate Notes due in 2017. In order to hedge its interest rate and foreign currency exposure, CRT has entered into 5-year interest rate swaps for each of the Japanese Yen debt and has entered into swap transactions to swap the Singapore dollar proceeds of the Notes into Japanese Yen proceeds at a JPY fixed interest rate of 3.83% per annum.

During the next financial year ending 30 June 2015, CRT's largest property, Mallage Shobu, has approximately 150 tenants whose leases will expire. The rental income for these tenants account for approximately 20% of the total revenue of the portfolio. CRT is evaluating the performance of each of these tenants and will replace or renew the lease agreement in order to maximise future cash flows.

Barring any unforeseen circumstances, CRT expects its properties to continue to generate robust and stable cash flows for the next quarterly reporting period and the next 12 months.

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About Croesus Retail Trust

Croesus Retail Trust (“CRT”) is the first SGX-listed Asia-Pacific retail business trust with a 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 currently has six retail properties in Japan – Aeon Town Moriya, Aeon Town Suzuka, Croesus Shinsaibashi, Luz Omori, Mallage Shobu and NIS Wave I – out of which four are located in the Greater Tokyo area. CRT’s 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 was awarded by FinanceAsia as ‘Best Small-cap Company in Singapore’ in its Best Managed Companies Poll for 2014. 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.