**FOR IMMEDIATE RELEASE**

# Soilbuild REIT exceeds IPO forecast by 6.1% with Distribution per Unit of 1.562 cents for the quarter ended 31 March 2014

- **Portfolio occupancy increased to 100.0% as at 31 March 2014;**
- **All expiring leases in 1Q FY2014 were either renewed or the space re-let;**
- **Over 78% of all the lease expiries due in 2014 have already been renewed, re-let or pre-committed; and**
- **New tenant, DBS Bank Limited welcomed in Eightrium @ Changi Business Park.**

***Singapore, 29 April 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 1.562 cents for the three months ended 31 March 2014 ("1Q FY2014"), marking an increase of 6.1% over the IPO Forecast[1] ("Forecast") of 1.472 cents.

Mr Shane Hagan, CEO of the Manager, said: "The 1Q FY2014 results are the third set of results released by Soilbuild REIT and it is very pleasing to see the actual results exceeding the Forecast disclosed in the Prospectus for the third time in a row. Each of our three multi-tenanted properties has exceeded the Forecast for both revenue and net property income. Management continues to focus on early renewals or re-leasing of space that expires this year and is delighted to announce that over 78% of the total lease area that expires this year has already been renewed, re-let or pre-committed".

[1] 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:

| S$'000 unless otherwise stated | 1Q FY2014 | | |
|---|---|---|---|
| | **Actual** | **Forecast** | **Variance (%)** |
| Gross Revenue[(1)] | 16,839 | 16,209 | 3.9% |
| Property Operating Expenses | (2,644) | (2,723) | 2.9% |
| **Net Property Income** | **14,195** | **13,486** | **5.3%** |
| Finance Expenses | (2,162) | (2,302) | 6.1% |
| Manager's Fees | (1,261) | (1,188) | (6.1%) |
| Trust Expenses | (237) | (222) | (6.8%) |
| **Net Investment Income before Tax** | **10,535** | **9,774** | **7.8%** |
| Non-Tax Deductible Items | 2,071 | 2,102 | (1.5%) |
| **Distributable Income** | **12,606** | **11,876** | **6.1%** |
| **DPU (cents)** | **1.562** | **1.472** | **6.1%** |
| Adjusted Annualised DPU (cents)[(2)] | 6.028 | | |
| Adjusted Annualised Distribution Yield [(2)] | 7.7% | | |

(1) Includes one-off revenue of S$0.4 million received from a tenant pre-terminating its lease.

(2) Adjusted by excluding the one-off revenue of S$0.4 million. Adjusted annualised distribution yield is based on the closing price of S$0.78 as at 31 March 2014.

Total revenue for 1Q FY2014 was S$16.8 million, which was 3.9% higher than Forecast. This included an amount of S$0.4 million received from a tenant in Westpark Biz Central that had requested to pre-terminate its lease due to the company being acquired. The space vacated was taken over by an existing tenant to fulfil its expansion plans. As a result, the income received, which represented a significant portion of the exiting tenant's remaining lease liability, was recognised.

Barclays' lease of 29,041 sq ft of space in Eightrium @ Changi Business Park expired on 16 March 2014 but DBS Bank Limited signed a two year lease over the vacated space at market rental rates commencing on 17 March 2014. This was a major success for Soilbuild REIT amidst a competitive market in Changi Business Park which has recently seen higher vacancy due to several large lease expiries in competing buildings within the area. Only 4,090 sq ft of space in Eightrium @ Changi Business Park will be expiring for the remainder of 2014.

Further good news in 1Q FY2014 for Eightrium @ Changi Business Park was the expansion space taken by one tenant and new take up by another tenant of the two remaining vacant

spaces, taking Eightrium @ Changi Business Park and more importantly, the Soilbuild REIT portfolio to full occupancy at 100.0%.

Soilbuild REIT's conservative capital management policy with 100.0% of the interest rate exposure fixed through interest rate swaps of 1 to 4 years in duration resulted in an unchanged all-in interest rate of 3.12% p.a. as at 31 March 2014 compared to the Forecast of 3.28% p.a. in the Prospectus. As at 31 March 2014, Soilbuild REIT maintained a stable aggregate leverage of 29.1%.

On 14 March 2014, the Manager announced that it had entered into a conditional sale and purchase agreement with Tellus Marine Engineering Pte Ltd to acquire the property known as 39 Senoko Way, Singapore 758052 for $18.0 million. This represents the maiden acquisition for Soilbuild REIT since listing. The Manager will make a further announcement when this transaction is completed, which is expected to be in 2Q FY2014.

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

The Manager believes Soilbuild REIT's portfolio is well placed in terms of location, quality and specifications which manifests itself in the 100.0% occupancy rate as at 31 March 2014. It is these factors which should support the renewing or re-leasing of remaining space that expires in 2014, notwithstanding the continuing 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 100.0% as at 31 March 2014.

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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.