



**Suntec Real Estate Investment Trust
2010 First Quarter Unaudited Financial Statements & Distribution Announcement**

Suntec Real Estate Investment Trust ("Suntec REIT") is a real estate investment trust constituted by the Trust Deed entered into on 1 November 2004 (as amended) between ARA Trust Management (Suntec) Limited as the Manager of Suntec REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of Suntec REIT.

Suntec REIT was listed on the Singapore Exchange Securities Trading Limited on 9 December 2004.

Suntec REIT owns Suntec City Mall and certain office units in Suntec Towers One, Two and Three and the whole of Suntec Towers Four and Five, which form part of the integrated commercial development known as "Suntec City". The property portfolio also comprises Park Mall, Chijmes, one-third interest in One Raffles Quay and 20 per cent interest in a joint venture company which owns Suntec Singapore International Convention & Exhibition Centre.

The financial information for the period from 1 January 2010 to 31 March 2010 has not been audited but has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

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SUMMARY OF SUNTEC REAL ESTATE INVESTMENT TRUST RESULTS

	Group		
	1/1/10 to 31/3/10	1/1/09 to 31/3/09	Change
	S\$'000	S\$'000	%
Gross revenue	62,451	64,926	-3.8%
Net property income	47,822	49,174	-2.7%
Income available for distribution	45,371	46,350	-2.1%
Distribution per unit (cents) ¹	2.513	2.918	-13.9%
Annualised distribution per unit (cents)	10.192	11.834	-13.9%

Footnote:

1. Please refer to Page 10 for the distribution per unit computation.

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1 (a)(i) Statement of Total Return and Distribution statement for the Quarter ended 31 March 2010

Statement of total return	Group		
	1/1/10 to 31/3/10	1/1/09 to 31/3/09	Change
	S\$'000	S\$'000	%
Gross revenue ^(a)	62,451	64,926	-3.8%
Maintenance charges	(4,134)	(4,134)	0.0%
Property management fees	(1,874)	(1,863)	-0.6%
Property tax	(5,417)	(5,630)	3.8%
Other property expenses ^(b)	(3,204)	(4,125)	22.3%
Property expenses	(14,629)	(15,752)	7.1%
Net property income	47,822	49,174	-2.7%
Other income ^(c)	5,590	6,744	-17.1%
Net financing costs ^(d)	(2,109)	(9,287)	77.3%
Amortisation expense ^(e)	(5,289)	(6,380)	17.1%
Asset management fees	(6,568)	(6,852)	4.1%
Trust expenses	(706)	(561)	-25.8%
Net income before share of profit of jointly controlled entities	38,740	32,838	18.0%
Share of profit of jointly controlled entities	1,152	3,117	-63.0%
Total return for the period before taxation	39,892	35,955	10.9%
Income tax expense ^(f)	(528)	(704)	25.0%
Total return for the period after taxation	39,364	35,251	11.7%

Distribution statement	Group		
	1/1/10 to 31/3/10	1/1/09 to 31/3/09	Change
	S\$'000	S\$'000	%
Net income before share of profit of jointly controlled entities	38,740	32,838	18.0%
Net effect of non-tax deductible items ^(g)	4,267	11,116	-61.6%
Taxable income	43,007	43,954	-2.2%
Dividend income from jointly controlled entities ^(h)	2,892	3,100	-6.7%
Income tax expense ^(f)	(528)	(704)	25.0%
Income available for distribution to Unitholders at end of the period	45,371	46,350	-2.1%

Footnotes:

- (a) Gross revenue comprises mainly base rentals, service charges from retail mall and offices, promotion fund from retail mall and income from rentals of atrium spaces, push carts, kiosks and media spaces.
- (b) The lower other property expenses as compared to the corresponding period was mainly due to lower advertising & promotion expense and allowance for doubtful receivables.

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- (c) This relates to the income support received from the vendor, Cavell Limited in relation to the acquisition of a one-third interest in One Raffles Quay Pte Ltd.
- (d) Included in the net financing costs are the following:

	Group		
	1/1/10 to 31/3/10	1/1/09 to 31/3/09	Change
	S\$'000	S\$'000	%
Finance income:			
Unrealised gain arising from remeasurement of interest rate swaps ⁽¹⁾	540	2,061	-73.8%
Unrealised gain arising from remeasurement of convertible bonds ⁽¹⁾	10,270	863	1090.0%
Interest income			
- fixed deposits and current account	5	70	-92.9%
- interest rate swaps	457	694	-34.1%
- loan to jointly controlled entities	3,915	1,892	106.9%
	15,187	5,580	172.2%
Finance expenses:			
Unrealised loss arising from remeasurement of interest rate swaps ⁽¹⁾	(555)	(178)	211.8%
Amortisation of transaction costs	(3,969)	(2,090)	89.9%
Interest expense			
- bank loans and convertible bonds	(11,796)	(10,671)	-10.5%
- interest rate swaps	(976)	(1,928)	49.4%
	(17,296)	(14,867)	-16.3%
Net financing costs	(2,109)	(9,287)	77.3%

(1) This relates to the gain/(loss) arising from remeasurement of the interest rate swaps and convertible bonds that had been entered into. This has no impact on distributable income.

- (e) This relates to the amortisation of the intangible asset relating to the income support receivable by Suntec REIT (please refer to note(c) above and note 1(b)(i) below). This amortisation does not have any impact on distributable income.
- (f) This relates to income tax provision on the income support received (see note (c) above).
- (g) Included in the net tax adjustments are the following:

	Group		
	1/1/10 to 31/3/10	1/1/09 to 31/3/09	Change
	S\$'000	S\$'000	%
Non-tax deductible / (chargeable) items:			
Amortisation costs	9,258	8,470	9.3%
Asset management fees payable in units	5,254	5,482	-4.2%
Non-tax deductible/(chargeable):			
- interest income	-	(555)	100.0%
- gain arising from remeasurement of interest rate swaps and convertible bonds	(10,255)	(2,746)	-273.5%
Temporary differences and other adjustments	10	465	-97.8%
Net tax adjustments	4,267	11,116	-61.6%

- (h) This relates to the dividend income received from One Raffles Quay Pte Ltd and Suntec Harmony Pte Ltd.

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1 (b)(i) Balance sheet as at 31 March 2010

	Group		Trust	
	31/3/10	31/12/09	31/3/10	31/12/09
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	41	45	41	45
Investment properties	4,202,398	4,202,000	4,202,398	4,202,000
Intangible asset ^(a)	30,835	36,124	30,835	36,124
Interest in jointly controlled entities ^(b)	885,210	880,953	344,946	344,946
Investment in subsidiaries ^(c)	-	-	510,527	511,329
Derivative assets	1,696	1,762	1,696	1,762
Total non-current assets	5,120,180	5,120,884	5,090,443	5,096,206
Current assets				
Trade and other receivables	4,782	5,970	4,782	5,970
Amounts due from jointly controlled entities ^(d)	4,245	11,824	-	-
Amounts due from subsidiaries	-	-	27,892	28,499
Cash and cash equivalents	31,487	31,228	30,487	31,228
Total current assets ^(g)	40,514	49,022	63,161	65,697
Total assets	5,160,694	5,169,906	5,153,604	5,161,903
Current liabilities				
Interest bearing borrowings ^(e)	32,486	-	32,486	-
Trade and other payables	35,551	35,381	35,551	35,381
Derivative liabilities ^(f)	2,081	1,581	2,081	1,581
Current portion of security deposits	25,443	23,374	25,443	23,374
Provision for taxation	6,738	6,210	6,738	6,210
Total current liabilities ^(g)	102,299	66,546	102,299	66,546
Non-current liabilities				
Interest bearing borrowings ^(e)	1,693,189	1,721,722	1,693,189	1,721,722
Derivative liabilities ^(f)	4,722	15,542	4,722	15,542
Non-current portion of security deposits	35,845	38,239	35,845	38,239
Total non-current liabilities	1,733,756	1,775,503	1,733,756	1,775,503
Total liabilities	1,836,055	1,842,049	1,836,055	1,842,049
Net assets	3,324,639	3,327,857	3,317,549	3,319,854
Unitholders' funds ^(h)	3,324,639	3,327,857	3,317,549	3,319,854

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Footnotes:

- (a) This represents the unamortised income support provided by Cavell Limited, the vendor of the one-third interest in One Raffles Quay Pte Ltd, the Group's jointly controlled entity. The income support is amortised over 53 months commencing 31 October 2007.
- (b) In respect of the Group, this relates to the one-third interest in One Raffles Quay Pte Ltd and 20 per cent interest in Harmony Investors Group Limited, the Group's jointly controlled entities. In respect of the Trust, this relates to advances to One Raffles Quay Pte Ltd.
- (c) This relates to Comina Investment Limited and Suntec Harmony Pte. Ltd., which are wholly-owned subsidiaries of Suntec REIT.
- (d) The movement in Amounts due from jointly controlled entities is due to the reclassification of the amount to Interest in jointly controlled entities.
- (e) The interest-bearing borrowings are stated at amortised cost.
- (f) This relates to the interest rate swaps at fair value through statement of total return and embedded derivative relating to convertible bonds.
- (g) The negative working capital is a result of a medium term note due in February 2011 under the \$500.0 million medium term note program, which will be refinanced under the program.
- (h) Please refer to statement of movements in unitholders' funds item 1(d)(i) for details.

1 (b)(ii) Aggregate amount of borrowings and debt securities

	GROUP		TRUST	
	31/3/10	31/12/09	31/3/10	31/12/09
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Unsecured ^(b)	32,486	-	32,486	-
	32,486	-	32,486	-
Amount repayable after one year				
- Secured ^(a)	653,031	650,849	653,031	650,849
- Unsecured ^(b)	1,040,158	1,070,873	1,040,158	1,070,873
	1,693,189	1,721,722	1,693,189	1,721,722
	1,725,675	1,721,722	1,725,675	1,721,722

Details of borrowings and collaterals

- (a) Suntec REIT has in place secured facilities of S\$675.0 million Term Loan Facility with a panel of banks, comprising a \$575.0 million loan for a term of 3 years and a \$100.0 million fixed-rate loan for a term of seven years.

The facility is secured on the following:

- A first legal mortgage on Suntec City Mall, Suntec City Office Tower 3 and Tower 4 (the "Properties");
- A first fixed charge over the central rental collection account in relation to the Properties;
- An assignment of Suntec REIT's rights, title and interest in the property management agreement in relation to the Properties;
- An assignment of Suntec REIT's rights, title and interest in the tenancy documents and the proceeds in connection with the Properties;
- An assignment of Suntec REIT's rights, title and interest in the insurance policies in relation to the Properties;
- A fixed and floating charge over the assets of Suntec REIT in relation to the Properties, agreements, collateral, as required by the financial institution granting the facilities; and
- An assignment of any interest swaps facility, which may be entered into by Suntec REIT in relation to the term loan facility

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(b) *The interest-bearing borrowings (unsecured) comprise S\$157.5 million from Sunshine Assets Limited via a medium term note programme, S\$650.0 million from various institutional banks and S\$270.0 million of convertible bonds due 2013.*

1 (c) Cash flow statement

	GROUP	
	1/1/10 to 31/3/10	1/1/09 to 31/3/09
	S\$'000	S\$'000
Operating activities		
Net income	39,892	35,955
Adjustments for:		
Depreciation	10	17
Asset management fees paid in units ^(a)	5,254	5,482
Net finance costs ^(b)	2,109	9,287
Amortisation expense	5,289	6,380
Allowance for doubtful receivables	373	715
Share of profit of jointly controlled entities	(1,152)	(3,117)
Operating income before working capital changes	51,775	54,719
Changes in working capital		
Trade and other receivables	1,212	(1,758)
Trade and other payables	396	(10,066)
Cash flow from operating activities	53,383	42,895
Investing activities		
Interest received	4,152	1,962
Dividend received	3,499	2,760
Capital expenditure on investment properties	(397)	(203)
Purchase of plant and equipment	(7)	-
Loan repayment from a jointly controlled entity	-	4,000
Interest in jointly controlled entity	803	-
Cash flow from investing activities	8,050	8,519
Financing activities		
Financing costs paid	(13,338)	(10,097)
Distribution to unitholders	(47,836)	(44,375)
Cash flow from financing activities	(61,174)	(54,472)
Net increase / (decrease) in cash and cash equivalents	259	(3,058)
Cash and cash equivalents at beginning of the period	31,228	54,056
Cash and cash equivalents at end of the period	31,487	50,998

Footnotes:

The significant non-cash transactions for the quarter ended 31 March 2010 were as follows:

- (a) *the Group will be issuing a total of 3,868,851 units to the Manager amounting to S\$5.3 million as satisfaction of asset management fees payable in units in respect of the financial quarter ended 31 March 2010.*
- (b) *Please refer to footnote (d) under note 1(a)(i) above.*

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1 (d)(i) Statement of movements in unitholders' funds

	Group		Trust	
	1/1/10 to 31/3/10	1/1/09 to 31/3/09	1/1/10 to 31/3/10	1/1/09 to 31/3/09
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	3,327,857	3,455,998	3,319,854	3,363,808
Operations				
Total return after tax	39,364	35,251	40,277	35,234
Net increase in net assets resulting from operations	39,364	35,251	40,277	35,234
Hedging transaction ^(a)	-	2,335	-	2,335
Unitholders' transactions				
Units to be issued				
- asset management fees payable in units ^(b)	5,254	5,482	5,254	5,482
Distribution to unitholders	(47,836)	(44,375)	(47,836)	(44,375)
Net decrease in net assets resulting from unitholders' transactions	(42,582)	(38,893)	(42,582)	(38,893)
Unitholders' funds as at end of period	3,324,639	3,454,691	3,317,549	3,362,484

Footnotes: Group and Trust

(a) This relates to the effective portion of the change in fair value of the interest rate swap, which has been designated as a cash flow hedge. The cash flow hedge expired during the last financial year.

(b) This represents the value of units issued and to be issued to the Manager as partial satisfaction of the asset management fees incurred for the quarter. The units are to be issued within 30 days from quarter end.

1 (d)(ii) Details of any changes in the units since the end of the previous period reported on

	GROUP AND TRUST	
	1/1/10 to 31/3/10	1/1/09 to 31/3/09
	Units	Units
Issued units at the beginning of the period	1,797,300,104	1,571,198,028
Creation of units:		
- as payment for asset management fees	4,077,371	7,567,046
Issued units at the end of the period	1,801,377,475	1,578,765,074
Units to be issued:		
- asset management fees payable in units ^(a)	3,868,851	9,356,638
Issuable units at the end of the period	3,868,851	9,356,638
Deferred Units to be issued:		
- as satisfaction of deferred consideration on investment properties acquired ^(b)	69,000,722	138,001,446
	69,000,722	138,001,446
Total issued and issuable units	1,874,247,048	1,726,123,158

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Footnotes:

- (a) *These are additional units to be issued to the Manager as partial satisfaction of asset management fees incurred for the quarter.*
- (b) *This refers to the 69,000,722 Deferred Units for the remaining of two of six equal instalments issued semi-annually from 9 June 2008 (being the issue date of the first instalment) to Suntec City Development Pte Ltd in satisfaction of the deferred payment consideration for the purchase of the initial portfolio properties in December 2004.*

Convertible Bonds – Group & Trust

Suntec REIT has issued the following convertible bonds, which remained outstanding as at 31 March 2010:

- *\$270 million of Convertible Bonds due in 2013 which are convertible by holders into units of Suntec REIT at any time on or after 30 April 2008 at an adjusted conversion price of \$1.741 per unit.*

There has been no conversion of any of the above convertible bonds since the date of their issue.

Assuming the bonds are fully converted based on the adjusted conversion price, the number of new units to be issued would be 155,083,285 (31 March 2009: 150,250,417), representing 8.6% (31 March 2009: 9.5%) of the total number of units of Suntec REIT in issue as at 31 March 2010.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures for the three-month period ended 31 March 2010 have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please see attached review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has applied the same accounting policies and methods of computation as in the audited financial statements for the period ended 31 December 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

There is no change in the accounting policies and methods of computation adopted.

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6. Earnings per unit (“EPU”) and Distribution per unit (“DPU”) for the financial period

Earnings per unit

	GROUP	
	1/1/10 to 31/3/10	1/1/09 to 31/3/09
Weighted average number of units	1,870,421,184	1,716,870,483
Earnings per unit for the period based on the weighted average number of units in issue (cents)	2.105	2.053
Weighted average number of units ^(a)	2,025,504,469	1,867,120,900
Earnings per unit for the period based on the fully diluted basis (cents) ^(a)	1.607	2.023

Footnote

(a) For the purpose of calculating the diluted EPU, the weighted average number of units in issue is adjusted to take into the account the dilutive effect arising from full conversion of convertible bonds to units, with the potential units weighted for the period outstanding.

Distribution per Unit

In computing the DPU, the number of units as at the end of each period is used for the computation. The DPU for the Group and Trust are the same.

	Group and Trust	
	1/1/10 to 31/3/10	1/1/09 to 31/3/09
Number of issued and issuable units at end of period entitled to distribution (excluding Deferred Units) ^(a)	1,805,246,326	1,588,121,712
Number of issued and issuable units at end of period (including Deferred Units) ^(b)	1,874,247,048	1,726,123,158
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	2.513	2.918
Distribution per unit for the period including Deferred Units (cents)	2.421	2.685

(1) The distribution per unit for the quarter ended 31 March 2010 of **2.513** cents per unit (31 March 2009: **2.918** cents per unit) comprised a taxable income component of **2.271** cents per unit (31 March 2009: **2.582** cents per unit) and a tax exempt income component of **0.242** cents per unit (31 March 2009: **0.336** cents per unit).

Footnotes:

(a) The computation of actual DPU for the period from 1 January 2010 to 31 March 2010 is based on the number of units entitled to the distribution:

(i) The number of units in issue as at 31 March 2010 of 1,801,377,475; and

(ii) The units issuable to the Manager by 30 April 2010 as partial satisfaction of management fees incurred for the period from 1 January 2010 to 31 March 2010 of 3,868,851.

(b) The computation of actual DPU for the period from 1 January 2010 to 31 March 2010 including Deferred units is based on:

(i) The number of units in issue as at 31 March 2010 of 1,801,377,475;

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- (ii) The units issuable to the Manager by 30 April 2010 as partial satisfaction of management fees incurred for the period from 1 January 2010 to 31 March 2010 of 3,868,851; and
- (iii) Deferred Units of 69,000,722 as at 31 March 2010. The Deferred Units being the remaining balance of two equal instalments will be issued semi-annually to Suntec City Development Pte Ltd as satisfaction of the deferred payment consideration for the purchase of the properties in December 2004.

7. Net asset value (“NAV”) per unit at the end of current period

	GROUP		TRUST	
	31/3/10 ^(a)	31/12/09	31/3/10 ^(a)	31/12/09
NAV per unit (S\$)	1.774	1.779	1.770	1.775

Footnotes:

(a) The number of units used for computation of actual NAV per unit is 1,874,247,048. This comprised:

- (i) The number of units in issue as at 31 March 2010 of 1,801,377,475;
- (ii) The units issuable to the Manager by 30 April 2010 as partial satisfaction of management fees incurred for the period from 1 January 2010 to 31 March 2010 of 3,868,851; and
- (iii) The Deferred Units comprising 69,000,722 units, being the remaining balance of two equal instalments will be issued semi-annually to Suntec City Development Pte Ltd as satisfaction of the deferred payment consideration for the purchase of the properties in December 2004.

8. Review of the performance for the quarter ended March 2010

Gross revenue achieved for the quarter ended 31 March 2010 was S\$62.4 million, a decline of S\$2.5 million or 3.8% over the quarter ended 31 March 2009 (1Q FY09). Net property income for the quarter was S\$47.8 million, a dip of S\$1.3 million or 2.7% over the corresponding period in 2009, and the income available for distribution of S\$45.4 million was S\$1.1 million or 2.1% lower year-on-year.

The decline in gross revenue was mainly due to the lower office and retail revenue achieved during the quarter.

Gross office revenue achieved for the quarter was S\$29.3 million, a decline of S\$0.9 million or 2.9% over 1Q FY09, mainly due to lower revenue achieved for Suntec City. Suntec City office contributed approximately S\$27.1 million in revenue whilst Park Mall office contributed S\$2.2 million in revenue for the period.

The committed occupancy of Suntec City Office improved slightly to 95.5% compared to last quarter, whilst Park Mall and One Raffles Quay achieved full occupancy as at 31 March 2010.

The overall committed occupancy for the office portfolio stood at 96.9% as at 31 March 2010.

Gross retail revenue achieved for the quarter was S\$33.1 million, a decline of S\$1.6 million or 4.6% over 1Q FY09, mainly due to lower revenue achieved for Suntec City Mall, partially offset by higher revenue achieved for Chijmes. Suntec City Mall contributed approximately S\$26.8 million in revenue, whilst Park Mall and Chijmes contributed S\$6.3 million in revenue for the period.

The committed occupancy of Suntec City Mall stood at 96.4%, whilst Park Mall and Chijmes achieved full occupancy as at 31 March 2010.

The overall committed occupancy for the retail portfolio stood at 97.2% as at 31 March 2010.

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The property expenses incurred for the quarter amounted to S\$14.6 million, which was S\$1.1 million or 7.1% lower than 1Q FY09. This was mainly due to lower property tax and other property expenses. The cost-to-revenue ratio for the quarter was 23.4%, compared to 24.3% in 1Q FY09.

Net financing costs for the quarter was S\$2.1 million, a decline of S\$7.2 million or 77.3% over 1Q FY09, mainly due to the net gain of S\$10.3 million arising from the remeasurement of interest rate swap transactions and convertible bonds, an increase of S\$7.5 million over the corresponding period in 2009. This net gain/loss from remeasurement has no impact on the income available for distribution.

Excluding the remeasurement, the net financing costs for the quarter was approximately S\$12.4 million, an increase of S\$0.3 million over 1Q FY09.

For the quarter, the overall all-in financing cost averaged 3.77%, and the gearing ratio stood at 33.4% as at 31 March 2010.

9. Variance between the forecast and actual results

Not applicable.

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Based on the economic data released by the Ministry of Trade and Industry (MTI) on 14 April 2010, Singapore's GDP registered a year-on-year growth of 13.1% in the first quarter of 2010, up from a year-on-year growth of 4.0% in the preceding quarter.

MTI has also upgraded the official growth forecast for 2010 to between 7.0% and 9.0%, up from between 4.5% and 6.5% previously. This is in view of the exceptionally strong growth for the Singapore economy in the first quarter and the overall improved outlook for external economies for the rest of 2010. MTI is of the view that although downside risks stemming from sovereign debt risks in Europe and economic slowdown due to withdrawal of fiscal measures are still present, these risks are outweighed by stronger signs of improvement in global economic conditions, and the expectations of a firm economic growth in Asia.

According to Colliers International¹, CB Richard Ellis¹ and DTZ¹ (the "Property Consultants"), the Singapore office market has stabilised with the majority of leasing activities fueled by renewals and relocations. Prime office rents averaged between S\$6.70 and S\$6.85 per sq ft per month whilst Grade A office rents averaged between S\$7.80 and S\$8.00 per sq ft per month in the first quarter of 2010. Grade A vacancy levels declined to 5.5% this quarter from 6.2% in the preceding quarter. Property Consultants noted that with the more positive economic outlook, some occupiers have started to gear up on their leasing decisions to take advantage of competitive rents.

For the Singapore retail sector, Property Consultants noted that the retail leasing market remained active in the first quarter, as retail malls slated for openings in 2010 have reported pre-commitments of more than 60%. Going forward in 2010, they also expect the vibrant retail landscape to be further enhanced by the imminent opening of the integrated resorts, as well as the entry of more new-to-market labels and international brands into the Singapore market.

Outlook for the Financial Year 2010

The Manager envisages continuing challenges in both the office and retail sectors. However, Suntec REIT's portfolio of assets is well positioned to meet these challenges. Barring any unforeseen circumstances, the Manager remains cautiously optimistic of the outlook for 2010.

¹ Colliers International Market Overview April 2010, CB Richard Ellis Market View Singapore 1Q 2010 and DTZ Property Times Q1 2010

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11. Distributions

(a) Current financial period

Any distribution declared for the current period?	Yes
Name of distribution	Distribution for the period from 1 January 2010 to 31 March 2010
Distribution Rate	i) Taxable income distribution – 2.271 cents per unit ii) Tax-exempt income distribution – 0.242 cents per unit
Distribution Type	i) Taxable income ii) Tax-exempt income
Par value of units	Not meaningful
Tax Rate	Taxable income These distributions are made out of Suntec REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets). Tax-exempt income Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.
Remark	Nil

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(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the corresponding period of the immediately preceding financial year?	Yes
Name of distribution	Distribution for the period from 1 January 2009 to 31 March 2009
Distribution Rate	i) Taxable income distribution – 2.582 cents per unit ii) Tax-exempt income distribution – 0.336 cents per unit
Distribution Type	i) Taxable income ii) Tax-exempt income
Par value of units	Not meaningful
Tax Rate	Taxable income These distributions are made out of Suntec REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets). Tax-exempt income Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.
Remark	Nil

(c) Date payable: 27 May 2010

(d) Books Closure Date: 5 May 2010

12. If no distribution has been declared/(recommended), a statement to that effect
Not applicable.

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13. Confirmation pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager of Suntec REIT (the “Manager”) which may render the unaudited interim financial statements of the Group and Trust (comprising the balance sheet as at 31 March 2010, statement of total return & distribution statement, cash flow statement and statement of changes in unitholders’ funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

On behalf of the Board of the Manager
ARA TRUST MANAGEMENT (SUNTEC) LIMITED

Lim Hwee Chiang, John
Director

Yeo See Kiat
Director and Chief Executive Officer

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This release may contain forward-looking statements that involve risks and uncertainties. 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, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

The value of units in Suntec REIT (“Units”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) (the “Manager”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.

Pro Forma Impact of Deferred Units Issuance

Suntec City Development Pte Ltd, the vendor of Suntec City Mall and Suntec City Office Towers (both as defined in the prospectus dated 29 November 2004 (the “Prospectus”) issued in connection with the initial public offering of Units in November/December 2004 and together, the “Properties”), will be issued with 207,002,170 additional Units (the “Deferred Units”) in satisfaction of the deferred payment consideration for the purchase of the Properties. The Deferred Units will be issued in six equal instalments. The first, second, third and fourth instalments were issued on 9 June 2008 (being the date falling 42 months after 9 December 2004 which is the date of completion of the sale and purchase of the Properties), 9 December 2008, 9 June 2009 and 9 December 2009 respectively, and the rest of the instalments will be issued semi-annually thereafter. Any change in rental rates, occupancy rates and distributable income of Suntec REIT can affect the impact of any dilution in the yields of Suntec REIT arising from the issuance of the Deferred Units in the future. The table below illustrates the pro forma impact under the scenario where the Deferred Units were entirely issued on 9 December 2004, the date of admission of Suntec REIT to the Official List of the SGX-ST (the “Listing Date”):

**Distribution per unit (“DPU”) under the scenario that all Deferred
Units are issued on the Listing Date**

**Actual
(1 January 2010 – 31 March 2010)**

DPU based on total number of Units entitled to the distribution (cents)	2.513
DPU assuming Deferred Units were issued on the Listing Date (cents)	2.421

BY ORDER OF THE BOARD
ARA TRUST MANAGEMENT (SUNTEC) LIMITED
AS MANAGER OF SUNTEC REAL ESTATE INVESTMENT TRUST
(Company registration no. 200410976R)

Yeo See Kiat
Director
27 April 2010