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## **Croesus Retail Trust<sup>1</sup>'s 1QFY2014 Income Available for Distribution Exceeds Forecast<sup>2</sup>**

- **Income Available for Distribution per Unit of 3.26 Singapore cents for the period from Listing to 30 September 2013 is higher than IPO Forecast<sup>2</sup> by 4.6%**
- **Croesus Retail Trust's Income Available for Distribution and Net Property Income exceeds Forecast by 8.3% and 3.1% respectively**

**Singapore, 13 November 2013** – 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”), today reports its first financial results from its Initial Public Offering (“IPO”) on 10 May 2013 to the end of its first quarter (“1QFY2014”) ended 30 September 2013.

CRT's first income available for distribution and net property income exceeded the forecast by 8.3% and 3.1% respectively. In addition, CRT's available distribution per unit (“DPU”) is 3.26 Singapore cents for the period from 10 May 2013 (being the date of listing of CRT) to 30 September 2013. This is an increase of 4.6% over the forecast<sup>1</sup> DPU of 3.11 Singapore cents.

**Mr. Jim Chang, Chief Executive Officer and Executive Director of Croesus Retail Asset Management Pte. Ltd., the trustee-manager of CRT**, said, “We are extremely pleased with Croesus Retail Trust's first set of results – exceeding forecasts for both income available for distribution and net property income. Our occupancy rate and stable rents across CRT's four retail properties also speaks of the quality and stability of our assets.”

“With a healthy level of consumer activity as well as encouraging macroeconomic indicators showing promising signs of optimism and confidence in the Japanese economy, CRT will continue to focus on strengthening the portfolio to deliver sustainable and growing distributions to all unitholders.”

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<sup>1</sup> 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.

<sup>2</sup> The forecast figures are extracted from the prospectus dated 2 May 2013 (the “Prospectus”) and pro-rated to 144 days for the period from 10 May 2013 to 30 September 2013, except for non-recurring items such as unrealised fair value gain on investment properties and their related deferred tax expense which are not pro-rated and property tax added back to distributable income which is pro-rated based upon only the period in which the property tax was prepaid.

## Results Summary

	1Q 2013 Actual	1Q 2013 Forecast <sup>3</sup>	Variance (%)
Gross Revenue (JPY '000)	1,998,237	1,990,538	<b>+0.4%</b>
Net Property Income (JPY '000)	1,269,448	1,231,596	<b>+3.1%</b>
Income Available for Distribution (JPY '000)	1,139,521	1,052,489	<b>+8.3%</b>
Income Available for Distribution per Unit (Singapore cents) <i>after translation from JPY to SGD at the exchange rate of the forward exchange contract</i>	3.26	3.11	<b>+4.6%</b>

Gross revenue for the period under review met expectations, recording JPY 1,998 million or 0.4% higher than the forecast. This increase was despite the impact of Typhoon Man-yi that hit Japan in September, as well as a colder July season resulting in lower sales of summer-season products.

CRT reported a net property income of JPY 1,269 million, or 3.1% higher than the forecast. Property management repair and other property expenses had positive variances, offset by the negative variance of increased utility expenses. Overall, property expenses were below forecast by 4.0% for the period.

CRT recorded an income available for distribution of JPY 1,139 million, or 8.3% higher than the forecast. The increase in income available for distribution was due to property tax rebates and to a decrease in current income tax. Increase in income available for distribution was offset by the difference in hedge rates between actual and forecasted for the period.

### 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. To minimise the exposure to fluctuations in exchange rates, CRT has hedged at least 80% of the distribution for the two forecast periods from the Listing Date.

Available DPU for the period under review was 3.26 Singapore cents, or 4.6% higher than the forecast. The lower increase is due to the exchange rate of the forward exchange contract

<sup>3</sup> Please refer to page 13 of the results announcement for information on the deviation of the forecast figures.

that CRT has entered into. CRT has a policy to hedge at least 80% of the expected cash flow distributions in the forecasted period up to 30 June 2015. The first distribution is for the period from the Listing Date to 31 December 2013, and will be paid on or before 31 March 2014.

#### **Outlook<sup>4</sup>**

Recent macroeconomic indicators for Japan have shown signs of improvement and an upturn in consumer sentiment. Japan's quarterly gross domestic product, monthly consumer price index, monthly retail sales and quarterly Tankan survey all show promising signs of optimism and confidence in the Japanese economy. Tokyo's successful bid for the 2020 summer Olympics has also added to the overall euphoria and sentiment in Japan.

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 10bps for the period April 2012 to April 2013, and in the case of Tokyo suburban, a compression of 30bps from its recent peak in 2011.

On 1 October 2013, Prime Minister Abe officially approved plans to raise Japan's consumption tax from 5% to 8% in April 2014, while at the same time announcing a JPY 5 trillion stimulus package.

The competition for acquiring real estate assets in Japan has increased in recent months, and the management is actively pursuing acquisition of high quality assets for CRT.

CRT has financed its acquisition with a 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.

Barring any unforeseen circumstances, CRT's properties are expected to continue to generate robust and stable cash flow to meet the forecast for the period ending 30 June 2014.

#### **Other Information**

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

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<sup>4</sup> 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.

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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](http://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.

