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## Croesus Retail Trust's Available Distribution Per Unit Exceeds Forecast by 8.0% for 3Q FY2014

### *Improved performance from higher than Forecast Gross Revenue and Net Property Income*

**Singapore, 15 May 2014** – Croesus Retail Asset Management Pte. Ltd., the trustee-manager of Croesus Retail Trust (“CRT”) (SGX: S6NU.SI) an Asia-Pacific retail business trust with a portfolio of six retail properties in Japan – Mallage Shobu, Aeon Town Moriya, Aeon Town Suzuka, Luz Shinsaibashi, Luz Omori and NIS Wave I – out of which four are located in the Greater Tokyo region, today announced that its Net Property Income and Income Available for Distribution for the quarter ended 31 March 2014 (“3Q FY2014”) exceeded its previously announced forecast<sup>1</sup> (“Forecast”) by 12.3% and 7.4%, respectively. Distribution per Unit for 3Q FY2014 is 1.76 cents or 8.0% higher than Forecast.

### Financial Highlights

	1 January 2014 to 31 March 2014			10 May 2013 to 31 March 2014 <sup>2</sup>		
	3Q 2014 Actual	3Q 2014 Forecast <sup>1</sup>	Variance (%)	YTD FY2014 Actual	YTD FY2014 Forecast <sup>1</sup>	Variance (%)
Gross Revenue (JPY '000)	1,391,654	1,341,658	+3.7%	4,676,803	4,603,929	+1.6%
Net Property Income (JPY '000)	933,733	831,291	+12.3%	3,009,049	2,849,741	+5.6%
Income Available for Distribution (JPY '000)	619,785	576,946	+7.4%	2,472,314	2,301,859	+7.4%
Available Distribution per Unit (Singapore cents)	1.76	1.63	+8.0%	7.00	6.50	+7.7%

<sup>1</sup> The forecast figures are extracted from the announcement dated 27 February 2014 in relation to the acquisition of Luz Omori and NIS Wave I (the “Additional Portfolio”), subject to the bases and assumptions stated therein, and pro-rated using 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, prepaid property tax and a part of finance cost which are not proportionally prorated.

<sup>2</sup> The acquisition of the initial portfolio of CRT was completed on 10 May 2013 (being the date which it was officially listed on the SGX-ST, the “Listing Date”).

For 3Q FY2014, CRT recorded gross revenues of JPY 1,391 million or 3.7% higher than the Forecast, mainly due to better than expected tenant sales from Mallage Shobu – one of CRT’s largest properties in terms of Net Lettable Area (“NLA”).

Gross revenue, which was impacted in February 2014 by one of the heaviest snowstorms to hit Tokyo in the last 45 years recovered with strong tenant sales and increased rental income in March 2014. This was enhanced by a combination of active marketing and promotional activities, and increased purchases ahead of the consumption tax increase that came into effect on 1 April 2014.

Net property income for 3Q FY2014 was JPY 933 million or 12.3% higher than the Forecast. Overall, property operating expenses were also 10.3% lower than the Forecast due to savings on property management expenses and lower utilities expenses.

**Mr. Jim Chang, Chief Executive Officer and Executive Director of Croesus Retail Asset Management Pte. Ltd.**, said, “Our performance this quarter puts us on track to meet our full year forecast. In March, we completed our first acquisition since our IPO, and the performance of the two properties – Luz Omori and NIS Wave I – is yield-accretive, and we have since realised the contributions in our results. We have also increased management efficiencies for our properties, lowering our operating expenses for this period. While we manage our costs without sacrifice of service to our tenants, we remain laser-focused on actively managing our existing portfolio. At the same time, seeking out opportunities to increase our exposure through investments that reflect the growing strength of the Japanese economy.”

**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, “We are pleased that CRT is able to mark its first anniversary of its listing by recently acquiring two high quality assets, delivering another solid set of results this quarter and receiving market recognition by winning the ‘Best Small-cap in Singapore’ in FinanceAsia’s Best Managed Companies Poll 2014.”

Income available for distribution for 3Q FY2014 was higher than Forecast by 7.4% or JPY 620 million, mainly due to higher net property income. Overall, the available distribution per unit for 3Q FY2014 was 1.76 Singapore cents or 8.0% higher than Forecast.

### **Distribution Policy**

CRT’s distribution policy is to distribute 100% of its distributable income for the period from the Listing Date 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.

### Outlook<sup>3</sup>

Macroeconomic indicators for Japan have shown continued improvement and an upturn 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. 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 10 to 30bps (or 0.1% to 0.3%) for the period 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.

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 2014, 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 increased in recent months, and the management is presently pursuing acquisition of high quality assets for CRT.

CRT has financed its initial portfolio with a five year Japanese Yen debt maturing in 2018, and the additional acquisition of Luz Omori and NIS Wave I with a five year Japanese Yen debt maturing in 2019 and the issuance of S\$100,000,000 4.6% Fixed Rate Notes due in 2017 (the "Notes") as part of its U.S.\$500,000,000 Euro Medium Term Note Programme established on 3 January 2014. In order to hedge its interest rate and foreign currency exposure, CRT has entered into five 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.

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

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<sup>3</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.

### Other Information

Croesus Retail Trust was awarded 'Best Small-cap Company in Singapore' in FinanceAsia's Best Managed Companies Poll 2014. CRT is also part of the FTSE ST Small Cap Index and the TR/GPR/APREA Composite Index.

On 6 March 2014, Croesus Retail Asset Management Pte. Ltd. completed the acquisition of two retail properties in Tokyo, Japan – Luz Omori and NIS Wave I. With the acquisitions, CRT's NLA expanded by approximately 9.0% to 198,168 sqm, and its portfolio value grew by approximately 28.3% to JPY 67,830 million. The acquisition of the two assets represented a strategic move that was yield-accretive to CRT. Luz Omori and NIS Wave I are two strategically-located retail properties in growing residential areas within Tokyo, which has excellent accessibility to major transportation nodes.

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**Investor contact:**

Ms. Hanako Tokunaga

Tel: +65 6622 5531

Email: [htokunaga@croesusgroup.com](mailto:htokunaga@croesusgroup.com)

**Media contact:**

Ms. Deborah Yeo

Tel: +65 6825 8083 / +65 9661 8390

Email: [dyeo@webershandwick.com](mailto:dyeo@webershandwick.com)

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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 – Mallage Shobu, Aeon Town Moriya, Aeon Town Suzuka, Luz Shinsaibashi, Luz Omori 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 'Best Small-cap Company in Singapore' in FinanceAsia's Best Managed Companies Poll for 2014. CRT is also 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).

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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.

