



PRESS RELEASE

ARA POSTS 1Q2014 NET PROFIT OF S\$17.8 MILLION TOTAL ASSETS UNDER MANAGEMENT OF S\$25.4 BILLION

- Recurrent management fees up 11% to S\$29.7 million
- Net profit up 6% to S\$17.8 million

1Q2014 Results Highlights

		1Q2014	1Q2013	% Change
Revenue				
Management fees	(S\$'000)	29,684	26,674	11%
Acquisition, divestment and performance fees	(S\$'000)	2,613	953	174%
Finance income	(S\$'000)	5,817	4,588	27%
Other income	(S\$'000)	69	21	229%
Total Revenue	(S\$'000)	38,183	32,236	18%
Results from operating activities	(S\$'000)	20,883	19,235	9%
Share of Profit of Associates	(S\$'000)	807	845	(4%)
Net Profit attributable to equity holders of the Company	(S\$'000)	17,830	16,815	6%
EPS ¹	(S cents)	2.11	1.99	6%

7 May 2014 – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report total revenue of S\$38.2 million and net profit of S\$17.8 million for the first quarter ended 31 March 2014 (“1Q2014”).

Recurrent management fees for 1Q2014 grew 11% year-on-year to S\$29.7 million, due to higher REIT management fees and real estate management fees received.

REIT management fees were higher as a result of the improved asset performance post the various asset enhancement initiatives undertaken, as well as the fees arising from the acquisitions made by the various REITs in FY2013, all of which have resulted in the higher property valuations and recurrent revenue of the REIT portfolios under management.

¹ Based on net profit attributable to equity holders of the Company, and the issued share capital of 845,151,093 shares as at 31 March 2014.

Real estate management fees were also higher due to the higher leasing commission and property management fees recognised by the APM Group of companies, and convention and exhibition service fees received by the Group.

Compared to the first quarter of last year, the Group has received portfolio management fees from the newly-established Morningside Investment Partners, LLC (“**MIP**”) and Straits Investment Partners (“**SIP**”). Fees were also higher from the Asia Dragon Fund II (“**ADF II**”), ARA Harmony Fund and ARA China Investment Partners, LLC (“**CIP**”). This was offset by the reduced fees from the Asia Dragon Fund, which has entered into its divestment phase since 2012.

The acquisition, divestment and performance fees received for 1Q2014 was S\$2.6 million, compared to S\$1.0 million a year ago. This increase was primarily due to acquisition fees received in 1Q2014 relating to Prosperity REIT’s acquisition of 9 Chong Yip Street in January 2014 and Suntec REIT’s progress payments during the quarter for its acquisition of 177 Pacific Highway.

The Group’s AUM stood at approximately S\$25.4 billion as at 31 March 2014.

Commenting on ARA’s results, ARA Group CEO, Mr. John Lim said: “We are pleased to start the year with an overall good financial performance. The double-digit growth in our recurrent management fees at 11% remains strong.”

In April 2014, ARA completed the acquisition of Macquarie Real Estate Korea Limited (renamed as ARA Korea Limited), a real estate management company based in Seoul. With this, ARA currently manages two privately-held Korean Real Estate Investment Trusts invested in office properties. It has also expanded its regional network to span 14 cities in the Asia-Pacific, across Singapore, Hong Kong, China, Malaysia, Australia and South Korea.

Mr. John Lim commented on the acquisition: “South Korea is one of our target markets, and we are pleased to acquire this platform with a good local team in place and with one of the leading regional sovereign wealth funds as our partner. Over time, we look to grow the platform with the establishment of new REITs and private funds.”

Mr. Lim added: “2014 will be a busy year for us, as we continue to seek growth in our AUM and deliver shareholder value. Our focus remains on active asset management to add value to the properties we manage, making acquisitions of value-adding assets and developing strategies to expand our suite of private funds.”

– End of Release –

About ARA Asset Management Limited

ARA is a real estate fund management company listed on the main board of the Singapore Exchange. ARA's business is focused on the following primary segments:

- (a) REITs – The Group is one of the largest REIT managers in Asia ex-Japan and currently manages six REITs listed in three countries namely, Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Hui Xian REIT and Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia. The Group also manages two privately-held REITs in South Korea;
- (b) Private real estate funds – The Group manages several private funds investing in real estate in Asia;
- (c) Real estate management services – The Group provides property management services and manages the award-winning Suntec Singapore International Convention & Exhibition Centre; and
- (d) Corporate finance advisory services – The Group has an in-house advisory arm providing corporate finance advisory services to related corporations.

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