



## SPH REIT delivered steady performance

- 1Q 2017 DPU was 1.34 cents, an increase of 0.8% against last year
- Income available for distribution of 1Q 2017 increased 3.0% year-on-year
- Maintained 100% occupancy

**SINGAPORE, January 11, 2017** – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that gross revenue for the first quarter ended 30 November 2016 (“1Q 2017”) grew \$0.5 million (0.9%) to \$52.6 million. With proactive management of utility and other key service contracts, net property income (“NPI”) of \$41.4 million was \$1.3 million (3.3%) higher in 1Q 2017 compared to the same period last year (“1Q 2016”).

Income available for distribution to unitholders was \$36.4 million for 1Q 2017, an increase of \$1.1 million (3.0%) compared to the corresponding quarter last year. Distribution per unit (“DPU”) for 1Q 2017 was 1.34 cents, an increase of 0.8% against 1Q 2016. The 1Q 2017 distribution will be paid to unitholders on 16 February 2017.

### Resilient operational performance

Both properties continued to demonstrate resilience, with positive rental reversion and full occupancy. Despite headwinds in the retail environment, both properties are well positioned to deliver steady performance.

Paragon achieved a moderate rental uplift of 4.4% for new and renewed leases in 1Q 2017. The Clementi Mall recorded a positive rental reversion of 9.1% in 1Q 2017 with renewal of 0.7% of net lettable area. The Clementi Mall’s second renewal cycle in 2017 is progressing well. With about 85% of leases expiring in 2017, about 60% by gross rental income have been renewed ahead of time.

The Manager remains focused on its efforts to continually refresh tenant mix that would strengthen various clusters in the malls and create exciting retail offers to enhance shopping experience for shoppers.

Paragon welcomed the new Greyhound Café, its first outlet in Singapore. Quoted by Fortune Magazine as "The hottest seats in Bangkok" when Greyhound Café first opened its door in 1997, it offers a total experience of trendy and creative mix of menus, great service and ambience at competitive prices. Puma launched its new concept store in Paragon, building up the mall's sports cluster of Adidas, Nike and The North Face among others. At the Clementi Mall, the revamped eatery cluster opened in November and the refurbished look for the entire basement provided a breath of fresh air for shoppers.

### **Capital Management**

SPH REIT has a well-staggered debt maturity profile, with weighted average term to maturity of 2.8 years and gearing level of 25.7% as at 30 November 2016. It registered an average cost of debt of 2.81% p.a. for 1Q 2017. To mitigate exposure to interest rate risk, 85.9% of the total borrowing was on fixed rate basis.

### **Review of management fees**

Since the listing of SPH REIT, the Manager has received payment for services fully in the form of units. In accordance with the amendment to the Trust Deed on the performance fees to be paid to the Manager and to minimise any long-term dilutive effect with payment fully in units, the Manager intends to elect for partial payment in cash. The proportion of cash will be determined before the start of each quarter without significantly impacting annual DPU.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd. said: "We are pleased that SPH REIT has kept its growth momentum with steady distribution, 100% committed occupancy and positive rental reversion for both malls. The retail environment will remain challenging in 2017 amid modest economic growth and heightened uncertainties of the global environment. Our assets are well located with clear market positioning to serve us well in embracing the challenges ahead. We will continue to seek opportunities to create value and strengthen long-term sustainability of the properties."

## Summary Results of SPH REIT

	<b>1Q 2017 \$'000</b>	<b>1Q 2016 \$'000</b>	<b>Change %</b>
Gross revenue	52,579	52,095	0.9
Net property income	41,422	40,104	3.3
Income available for distribution	36,374	35,308	3.0
Distribution to Unitholders <sup>1</sup>	34,182	33,696	1.4
Distribution per unit (cents)	1.34	1.33	0.8
Annualised distribution yield (%)	5.60 <sup>2</sup>	5.78 <sup>3</sup>	(3.1)

Note:

1. For 1Q 2017, the distribution to unitholders was 94.0% of taxable income available for distribution.
2. Based on \$0.960 per unit closing price on 30 November 2016.
3. Based on \$0.925 per unit closing price on 30 November 2015.

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## **ABOUT SPH REIT**

SPH REIT is a Singapore-based real estate investment trust established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia-Pacific, as well as real estate-related assets.

Its portfolio of properties comprises a 99-year leasehold interest in Paragon commencing on the date of listing of SPH REIT and a 99-year leasehold interest in The Clementi Mall commencing on 31 August 2010. Valued at S\$3.23 billion with an aggregate net lettable area of approximately 907,000 sq ft, the properties have a committed occupancy of 100% and have a diverse and high quality tenant base of about 460 local and international retailers and medical specialists.

Visit SPH REIT's website at [www.sphreit.com.sg](http://www.sphreit.com.sg) for more details.

## **ABOUT THE REIT MANAGER: SPH REIT MANAGEMENT PTE. LTD.**

SPH REIT is managed by SPH REIT Management Pte. Ltd., a wholly-owned subsidiary of Singapore Press Holdings Limited. The Manager's key objective for SPH REIT is to provide Unitholders with regular and stable distributions, and sustainable long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.

## **ABOUT THE SPONSOR: SINGAPORE PRESS HOLDINGS**

Incorporated in 1984, main board-listed Singapore Press Holdings Ltd (SPH) is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms, ranging from print, digital, radio and out-of-home media.

SPH owns award-winning newspapers, magazines and best-selling books in both print and digital editions, as well as online classified businesses in the region. In addition, SPH has two English radio stations and one Chinese radio station, an out-of-home digital advertising unit, a regional events and conferences arm, and runs a chain of modern retail convenience stores. SPH also has a 20 per cent stake in MediaCorp TV Holdings Pte Ltd, which operates free-to-air channels 5, 8 and U, and a 40 per cent stake in MediaCorp Press Limited, which publishes the free newspaper, Today.

SPH owns 70 per cent of SPH REIT, which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road and The Clementi Mall, a mid-market suburban mall. SPH's latest retail development is The Seletar Mall located in Sengkang.

For more information, please visit [www.sph.com.sg](http://www.sph.com.sg).

## **Important Notice**

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, 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 current view of SPH REIT Management Pte. Ltd. (as the manager of SPH REIT) on future events.