



SPH REIT achieved steady performance

- 3Q 2017 DPU was 1.37 cents, an increase of 0.7% year-on-year
- Maintained 100% committed occupancy

SINGAPORE, July 12, 2017 – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that gross revenue for the third quarter ended 31 May 2017 (“3Q 2017”) grew S\$1.0 million (2.1%) to S\$53.3 million, on the back of higher rental income. With proactive management of utility contract and other expenses, net property income (“NPI”) of S\$42.2 million was S\$2.1 million (5.4%) higher in 3Q 2017 compared to the same quarter last year (“3Q 2016”).

Income available for distribution to unitholders increased by S\$0.7 million (2.0%) to S\$35.7 million for 3Q 2017. Distribution per unit (“DPU”) for 3Q 2017 was 1.37 cents, an increase of 0.7% against 3Q 2016. The aggregate DPU was 4.11 cents for the year-to-date ended 31 May 2017 (“YTD 3Q 2017”). The 3Q 2017 distribution will be paid to unitholders on 23 August 2017.

Resilient operational performance

Both properties continued to demonstrate resilience, with positive rental reversion and full occupancy. Paragon recorded a moderate rental uplift of 3.6% for new and renewed leases in YTD 3Q 2017, amidst prevailing headwinds in the retail environment.

The Clementi Mall has completed its second renewal cycle and recorded a positive rental reversion of 3.7%. The mall continued to receive strong endorsement by tenants with retention rate of 89% by NLA. In conjunction with this renewal cycle, Management reconfigured the spaces at basement and Level 4 to create additional lettable area and introduce a wider range of F&B offerings for its stable base of shoppers. The incremental

rental revenue of about S\$0.8 million per year from the reconfiguration would boost effective rental reversion to 6.4%.

Capital Management

SPH REIT has a well-staggered debt maturity profile, with weighted average term to maturity of 2.3 years and gearing level of 25.6% as at 31 May 2017. It registered an average cost of debt of 2.81% p.a. for YTD 3Q 2017, with 85.9% of the total borrowing on fixed rate basis.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd. said: “SPH REIT has continued to maintain its track record of 100% committed occupancy and delivered stable performance. We remain committed to our management philosophy that treats the relationship with tenants as a partnership, focusing on sustainable returns for both tenants and landlord. We will continue to work closely with our tenants to ride through the challenges in the retail industry, including optimization of sales productivity, embracing the fast-changing consumer expectations, identifying opportunities in e-commerce and technology advancement. This firm partnership and the well-established positioning of our properties would underpin the long-term sustainability of SPH REIT.”

Summary Results of SPH REIT

	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %
Gross revenue	53,318	52,232	2.1
Net property income	42,170	40,023	5.4
Income available for distribution	35,711	34,995	2.0
Distribution to Unitholders ¹	35,006	34,575	1.2
Distribution per unit (cents)	1.37	1.36	0.7

Notes:

1. For 3Q 2017, the distribution to unitholders was 98.0% of taxable income available for distribution.

	YTD 3Q 2017 S\$'000	YTD 3Q 2016 S\$'000	Change %
Gross revenue	159,906	157,417	1.6
Net property income ¹	126,329	120,736	4.6
Income available for distribution	109,397	106,728	2.5
Distribution to Unitholders ²	104,932	103,802	1.1
Distribution per unit (cents)	4.11	4.09	0.5
Annualised distribution yield (%)	5.50 ²	5.81 ³	(5.3)

Notes:

1. NPI for YTD 3Q 2016 included additional one-off provision for prior years' property tax based on the assessment received. Excluding the effect of the property tax provision, the NPI increase was \$4.7 million (3.8%) compared to YTD 3Q 2016.
2. For YTD 3Q 2017, the distribution to unitholders was 95.9% of taxable income available for distribution.
3. Based on S\$1.000 per unit closing price on 31 May 2017.
4. Based on S\$0.940 per unit closing price on 31 May 2016.

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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 24 July 2013 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 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 REIT 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.

SPH is in the healthcare sector, operating private nursing homes under Orange Valley.

For more information, please visit 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.