

Financial Statements and Related Announcement::Second Quarter and/ or Half Yearly Results

Issuer & Securities

Issuer/ Manager	SPH REIT MANAGEMENT PTE. LTD.
Securities	SPH REIT - SG2G02994595 - SK6U

Announcement Details

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Additional Details

For Financial Period Ended	28/02/2014
Attachments	<p>SPHREITSGXAnnouncement2QResultsFY2014.pdf</p> <p>SPHREITPressRelease2QFY14.pdf</p> <p>SPHREITPresentationSlides2QFY14.pdf</p> <p>Total size =2964K</p>

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SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT *
FOR THE PERIOD ENDED 28 FEBRUARY 2014

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* ***Please refer to the attached auditors' review report.***

Constituted in the Republic of Singapore pursuant to a Trust Deed dated 9 July 2013.

Credit Suisse (Singapore) Limited was the sole global coordinator and issue manager for the initial public offering of SPH REIT (the "Offering"). Credit Suisse (Singapore) Limited, DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited were the joint bookrunners and underwriters of the Offering (collectively, the "Joint Bookrunners").

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

Introduction

SPH REIT is a real estate investment trust constituted by the Trust Deed entered into on 9 July 2013 between SPH REIT Management Pte. Ltd. as the Manager of SPH REIT, and DBS Trustee Limited as the Trustee of SPH REIT. SPH REIT was listed on SGX-ST on 24 July 2013.

The investment strategy of SPH REIT is 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.

The initial portfolio of SPH REIT comprises the following two high quality and well located commercial properties in Singapore:

- Paragon, a premier upscale retail mall and medical suite/office property, well known for its upscale mall housing many luxury brands, located in the heart of Orchard Road; and
- The Clementi Mall, a mid-market suburban mall located in the centre of Clementi town, an established residential estate in the west of Singapore.

As disclosed in the Prospectus, SGX-ST has granted SPH REIT a waiver from compliance with Listing Rule 705 (1) which requires the announcement of the financial statements for the full year (for the period ended 31 August 2013) and to incorporate the period from the listing date to 31 August 2013 in its FY2014 result announcements. Hence, SPH REIT presented its results from listing date to 28 February 2014 in this announcement*.

The notes as follows shall be applicable to the relevant sections thereafter:

- “Actual” - Although SPH REIT was constituted on 9 July 2013, the acquisition of the properties was completed on 24 July 2013 and listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 24 July 2013. Consequently, the actual income derived from the properties for the current period was from 24 July 2013 (listing date) to 28 February 2014. The results of SPH REIT during its private trust period from 9 July 2013 to 23 July 2013 were insignificant.
- “Pro forma” – The comparative figures were derived from the Prospectus for the financial year ended 31 August 2012 and six-month period ended 28 February 2013.
- “Forecast” - The forecast figures were derived from the Forecast Period 2H FY2013 (for the period 24 July to 31 August 2013) and Projection Year FY2014 (for the period 1 September 2013 to 28 February 2014) as disclosed in the Prospectus.
- “2Q” - Refers to the second quarter from 1 December 2013 to 28 February 2014 for the current year or the corresponding second quarter of the preceding year.
- “YTD” - Refers to the period from 24 July 2013 to 28 February 2014 for the current year or the corresponding period of the preceding year.

* ***Please refer to the attached auditors’ review report.***

For The Period Ended 28 February 2014

1(a) An income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Statement of Total Return

	Actual 2Q 2014	Pro forma 2Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	51,044	48,698	4.8	121,442	117,457	3.4
Property operating expenses	(12,222)	(12,947)	(5.6)	(31,249)	(31,252)	-*
Net property income	38,822	35,751	8.6	90,193	86,205	4.6
Income support ¹	884	1,235	(28.4)	2,703	3,067	(11.9)
Amortisation of intangible asset	(884)	(1,235)	(28.4)	(2,703)	(3,067)	(11.9)
Manager's management fees	(3,891)	(3,735)	4.2	(9,285)	(9,038)	2.7
Trust expenses ²	(542)	(566)	(4.2)	(1,120)	(1,373)	(18.4)
Finance income	51	18	183.3	72	43	67.4
Finance costs	(4,894)	(4,993)	(2.0)	(11,882)	(12,119)	(2.0)
Total return for the period before taxes and distribution	29,546	26,475	11.6	67,978	63,718	6.7
Less: income tax	-	-	NM	-	-	NM
Total return for the period after taxes and before distribution	29,546	26,475	11.6	67,978	63,718	6.7

Notes:

- Income support relates to the top-up payment from the vendors of The Clementi Mall pursuant to the Deed of Income Support.
- Includes recurring trust expenses such as trustee's fees, listing fees, valuation fees, audit and tax adviser's fees, cost associated with the preparation of annual reports, and investor communication costs.

NM *Not Meaningful*

* *Less than 0.05%*

For The Period Ended 28 February 2014

1(a)(ii) Distribution Statement

	Actual 2Q 2014	Pro forma 2Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after taxes and before distribution	29,546	26,475	11.6	67,978	63,718	6.7
Add: Non-tax deductible items ¹	5,392	5,458	(1.2)	13,486	13,290	1.5
Total amount distributable to Unitholders for the period	34,938	31,933	9.4	81,464	77,008	5.8

Notes:

1. Non-tax deductible items refer to the Manager's management fees paid in units, trustee's fees, amortisation of income support and amortisation of debt issuance costs.

For The Period Ended 28 February 2014

1(b)(i) A balance sheet together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheet	Actual As at 28 Feb 14 S\$'000	Pro forma As at 28 Feb 13¹ S\$'000
Non-current assets		
Plant and equipment	1,100	765
Investment properties	3,054,314	3,053,000
Intangible asset ²	14,797	17,500
	3,070,211	3,071,265
Current assets		
Trade and other receivables	5,332	1,343
Cash and cash equivalents	88,230	43,569
	93,562	44,912
Total assets	3,163,773	3,116,177
Non-current liabilities		
Loan and borrowing	842,157	840,892
Derivative financial instruments ³	7,085	-
Trade and other payables	31,162	32,754
	880,404	873,646
Current liabilities		
Trade and other payables	27,722	10,815
	27,722	10,815
Total liabilities	908,126	884,461
Net assets attributable to Unitholders	2,255,647	2,231,716

Notes:

1. SPH REIT completed the acquisition of Paragon and The Clementi Mall on listing date, the financial statements incorporate the two properties in its portfolio accordingly. SPH REIT balance sheet is compared against the Pro forma Balance Sheet as at 28 February 2013 in the Prospectus, prepared based on the assumptions, inter alia, that the listing exercise, changes in debt capital structure and the acquisition of the two properties had occurred on or were effective on 28 February 2013.
2. Intangible asset relates to income support provided by the vendors of The Clementi Mall.
3. Derivative financial instruments represent the fair value as at 28 February 2014 of the interest rate swap contracts to swap floating rates for fixed interest rates.

1(b)(ii) Aggregate Amount of Borrowings

Secured borrowings

	Actual As at 28 Feb 14 S\$'000	Pro forma As at 28 Feb 13 S\$'000
Amount repayable within one year	-	-
Amount repayable after one year	842,157	840,892

Details of collateral

On 24 July 2013, SPH REIT established a term loan facility available for drawdown up to the amount of S\$975 million. As at the balance sheet date, the amount drawn down was S\$850 million. The amount of S\$842.2 million represented the loan stated at amortised cost. The loan has repayment terms ranging from three to seven years, of which S\$250 million is repayable on 23 July 2016, S\$300 million on 23 July 2018 and S\$300 million on 22 July 2020.

The term loan is secured by way of a first legal mortgage on Paragon, first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of insurance taken in relation to Paragon.

For The Period Ended 28 February 2014

1(c) A cash flow statement together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Cash Flows^{1,2}

	Actual 2Q 2014 S\$'000	Actual YTD 2014 S\$'000
Cash flows from operating activities		
Total return for the period	29,546	67,978
Adjustments for:		
Manager's fee paid/payable in units	3,891	9,285
Depreciation of plant and equipment	28	59
Interest income	(51)	(72)
Finance costs	4,894	11,882
Amortisation of intangible asset	884	2,703
Operating cash flow before working capital changes	39,192	91,835
Changes in operating assets and liabilities		
Trade and other receivables	371	(5,310)
Trade and other payables	(328)	56,941
Net cash from operating activities	39,235	143,466
Cash flows from investing activities		
Acquisition of investment properties	-	(1,306,000)
Capital expenditure on investment properties	(210)	(1,143)
Acquisition of intangible asset	-	(17,500)
Purchase of plant and equipment	(47)	(1,159)
Interest received	44	57
Net cash used in investing activities	(213)	(1,325,745)
Cash flows from financing activities		
Proceeds from issue of units	-	503,896
Issue expenses paid	(6,544)	(18,908)
Proceeds from bank loan (net of transaction costs)	-	840,983
Distribution to unitholders	(46,519)	(46,519)
Interest paid	(4,507)	(8,943)
Net cash (used in)/from financing activities	(57,570)	1,270,509
Net (decrease)/increase in cash and cash equivalents	(18,548)	88,230
Cash and cash equivalents at beginning of the period	106,778	-
Cash and cash equivalents at end of the period	88,230	88,230

Notes:

- There was no comparative Statement of Cash Flows for the period ended 28 February 2013 as SPH REIT was only constituted on 9 July 2013.
- Significant non-cash transactions: SPH REIT has acquired Paragon and The Clementi Mall from Orchard 290 Ltd and CM Domain Pte Ltd respectively on 24 July 2013 (listing date). The acquisition was partially settled by way of issuance of units in the Trust amounting to S\$1,747,000,000.

For The Period Ended 28 February 2014

1(d)(i) Statement of Changes in Unitholders' Funds¹

	Actual 2Q 2014	Actual YTD 2014
	S\$'000	S\$'000
Balance as at beginning of period	2,267,932	-
<u>Operations</u>		
Total return for the period / net increase in assets resulting from operations	29,546	67,978
<u>Hedging reserve</u>		
Movement in hedging reserve ²	526	(7,085)
<u>Unitholders' transactions</u>		
Issue of new units on listing	-	2,250,896
Issue expenses ³	271	(18,908)
Distribution to unitholders	(46,519)	(46,519)
Manager's fee paid/payable in units	3,891	9,285
Balance as at end of period	2,255,647	2,255,647

Notes:

1. There was no comparative Statement of Changes in Unitholders' Funds for the period ended 28 February 2013 as SPH REIT was only constituted on 9 July 2013.
2. This relates to the hedging reserve arising from interest rate swap arrangements.
3. This relates to Initial Public Offering ("IPO") expenses capitalised under capital reserves. The IPO expenses relates to underwriting fees, professional fees and other miscellaneous expenses. The actual issue expenses as of 28 February 2014 was \$271,000 below what was provided in the Prospectus.

1(d)(ii) Details of Changes in Issued and Issuable Units

	Actual 2Q 2014	Actual YTD 2014
	No. of units	No. of units
Issued units as at beginning of period	2,500,995,000	1
Issue of new units:		
Placement at listing	-	2,500,994,999
Manager's fee paid in units ¹	5,499,120	5,499,120
Issuable units:		
Manager's fee payable in units ²	3,980,929	3,980,929
Total issued and issuable units as at end of period	2,510,475,049	2,510,475,049

Notes:

1. There were 5,499,120 units issued to the REIT Manager as satisfaction of management fee incurred for the period from 24 July 2013 (listing date) to 30 November 2013.
2. There are 3,980,929 units to be issued to the REIT Manager as satisfaction of management fee incurred for the current quarter. This is calculated based on volume weighted average traded price for the last 10 business days for the respective periods, as provided in the Trust Deed.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial information for the period 24 July 2013 to 28 February 2014 as set out in this announcement has been extracted from the interim financial information for the period 24 July 2013 to 28 February 2014, which has been reviewed by our auditors, KPMG LLP, in accordance with the Singapore Standard on Review Engagement 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Please refer to the attached auditor's review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation have been consistently applied during the current reporting period.

For The Period Ended 28 February 2014

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per unit (“EPU”) and Distribution per unit (“DPU”)**

	Actual 2Q 2014	Pro forma 2Q 2013	Actual YTD 2014	Pro forma YTD 2013
<u>Earnings per unit</u>				
Weighted average number of units ¹	2,506,537,866	2,500,995,000	2,503,984,362	2,500,995,000
Total return for the period after tax (S\$'000)	29,546	26,475	67,978	63,718
EPU (basic and diluted) (cents)	1.18	1.06	2.71	2.55
<u>Distribution per unit</u>				
Total number of units in issue at end of period	2,506,494,120	2,500,995,000	2,506,494,120	2,500,995,000
Income available for distribution to Unitholders (S\$'000)	34,938	31,933	81,464	77,008
DPU ² (cents)	1.39	1.28	3.25	3.08

Notes:

1. The actual weighted average number of units was based on the number of units in issue and issuable units to the Manager during the period. The number of units in issue at listing date was used for comparative Pro forma figure.
2. The DPU was computed based on the number of units entitled to distribution at the end of the period. The number of units in issue at listing date was used for comparative Pro forma figure.

7. Net Asset Value (“NAV”) per unit

	Actual As at 28 Feb 14	Pro forma As at 28 Feb 13
NAV per unit ¹ (S\$)	0.90	0.89

Notes:

1. The NAV per unit was computed based on the number of units in issue and issuable units to the Manager at the end of the period.

8. Review of Performance

a. Actual 2Q 2014 vs Pro forma 2Q 2013

Gross revenue for the quarter from 1 December 2013 to 28 February 2014 (“2Q 2014”) was S\$51.0 million, an increase of S\$2.3 million (4.8%) against Pro forma 2Q 2013. This was on the back of higher rental income from both properties.

Property operating expenses were down by S\$0.7 million (5.6%) to S\$12.2 million, when compared to the expenses for Pro forma 2Q 2013. This was largely due to lower utilities partially offset by higher maintenance and property tax.

Consequently, net property income of S\$38.8 million for 2Q 2014, was S\$3.1 million (8.6%) higher than the Pro forma 2Q 2013 figure. Total return increased by S\$3.1 million (11.6%) to S\$29.5 million for 2Q 2014 against the same quarter last year. This was mainly attributable to the higher net property income.

Total amount distributable to unitholders of S\$34.9 million for 2Q 2014 was S\$3.0 million (9.4%) above the corresponding quarter last year.

b. Actual YTD 2014 vs Pro forma YTD 2013

Gross revenue for the period from 24 July 2013 (listing date) to 28 February 2014 (“YTD 2014”) of S\$121.4 million was S\$4.0 million (3.4%) higher against Pro forma YTD 2013. The positive results was driven by good progress in leasing activities. Both Paragon and The Clementi Mall achieved healthy rental reversion of 13.6% and 5.1% respectively.

Property operating expenses were flat against the Pro forma expenses incurred in the corresponding period last year. This was largely due to higher maintenance and property tax offset by lower utilities cost.

Consequently, net property income of S\$90.2 million for YTD 2014, was S\$4.0 million (4.6%) higher than the Pro forma figure for the same period last year. Total return increased by S\$4.3 million (6.7%) to S\$68.0 million for YTD 2014 against the same period last year. This was mainly attributable to the higher net property income.

Total amount distributable to unitholders of S\$81.5 million was S\$4.5 million (5.8%) above the Pro forma YTD 2013.

For The Period Ended 28 February 2014

9. Variance from Prospect Statement

9(a) Statement of Total Return

	Actual 2Q 2014	Forecast 2Q 2014	Change	Actual YTD 2014	Forecast YTD 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	51,044	50,361	1.4	121,442	121,256	0.2
Property operating expenses	(12,222)	(13,246)	(7.7)	(31,249)	(33,046)	(5.4)
Net property income	38,822	37,115	4.6	90,193	88,210	2.2
Income support ¹	884	1,179	(25.0)	2,703	2,972	(9.1)
Amortisation of intangible asset	(884)	(1,179)	(25.0)	(2,703)	(2,972)	(9.1)
Manager's management fees	(3,891)	(3,798)	2.4	(9,285)	(9,175)	1.2
Trust expenses ²	(542)	(567)	(4.4)	(1,120)	(1,370)	(18.2)
Finance income	51	-	NM	72	-	NM
Finance costs	(4,894)	(4,992)	(2.0)	(11,882)	(12,100)	(1.8)
Total return for the period before taxes and distribution	29,546	27,758	6.4	67,978	65,565	3.7
Less: income tax	-	-	NM	-	-	NM
Total return for the period after taxes and before distribution	29,546	27,758	6.4	67,978	65,565	3.7

For The Period Ended 28 February 2014

9(b) Distribution Statement

	Actual 2Q 2014	Forecast 2Q 2014	Change	Actual YTD 2014	Forecast YTD 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after taxes and before distribution	29,546	27,758	6.4	67,978	65,565	3.7
Add: Non-tax deductible items	5,392	5,465	(1.3)	13,486	13,331	1.2
Total amount distributable to Unitholders for the period	34,938	33,223	5.2	81,464	78,896	3.3

9(c) Variance between the Forecast and Actual Results

i. Actual 2Q 2014 vs Forecast 2Q 2014

Gross revenue for the quarter from 1 December 2013 to 28 February 2014 ("2Q 2014") was S\$51.0 million, an increase of S\$0.7million (1.4%) compared to forecast. The performance of both properties was boosted by variable rent from the festive period and other income.

Property operating expenses were S\$1.0 million (7.7%) lower than forecast at S\$12.2 million for the quarter. The main reason was savings in utilities arising from lower consumption and more competitive prices.

Consequently, net property income of S\$38.8 million for 2Q 2014 was S\$1.7 million (4.6%) higher than forecast. Total return for 2Q 2014 was S\$29.5 million, an increase of S\$1.8 million (6.4%) compared to forecast, mainly due to higher net property income.

Total amount distributable to unitholders of S\$34.9 million for 2Q 2014 was S\$1.7 million (5.2%) above forecast.

ii. Actual YTD 2014 vs Forecast YTD 2014

Gross revenue for the period from 24 July 2013 (listing date) to 28 February 2014 ("YTD 2014") was S\$121.4 million, in line with forecast.

Property operating expenses were S\$1.8 million (5.4%) lower than forecast at S\$31.2 million for the period. This was largely due to lower utilities, property taxes and other expenses partially offset by higher marketing and maintenance costs.

Consequently, net property income of S\$90.2 million was S\$2.0 million (2.2%) higher than forecast. Both Paragon and The Clementi Mall exceeded forecast by S\$1.7 million (2.4%) and S\$0.3 million (1.7%) respectively.

For The Period Ended 28 February 2014

Total return for YTD 2014 was S\$68.0 million, an increase of S\$2.4 million (3.7%) compared to forecast, mainly due to higher net property income and lower trust expenses. Finance cost was marginally lower as average cost of debt as at 28 February 2014 was 2.33%, within the forecast all-in-rate of 2.35%.

Total amount distributable to unitholders of S\$81.5 million was S\$2.6 million (3.3%) above forecast.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Singapore economy grew by 4.1% in 2013. The global economic outlook is expected to improve modestly in 2014. However, uncertainties remain and tight labour market conditions may constrain growth for labour-intensive, domestic-oriented sectors. Against this backdrop, the Ministry of Trade and Industry (MTI) has maintained the growth forecast of 2.0% to 4.0% for 2014.

The retail sales index (excluding motor vehicle sales) improved year-on-year by 9.2% in January 2014 and 0.3% in December 2013, based on figures released by Singapore Department of Statistics.

According to the Ministry of Manpower, the overall annual average unemployment rate was at 1.9% in 2013 and likely to remain low in 2014. Real median monthly income growth for full-time employed citizens was 4.6% in 2013, up from 1.2% in 2012.

Based on preliminary estimates by the Singapore Tourism Board (STB), visitor arrivals rose 7.2% year-on-year to 15.5 million and tourist receipts increased 1.6% to S\$23.5 billion in 2013. The STB has forecast visitor arrivals to grow to between 16.3 million and 16.8 million and tourist receipts to be in the range of S\$23.8 billion to S\$24.6 billion in 2014.

Barring any unforeseen circumstances, SPH REIT's portfolio of two high quality and fully leased retail properties in prime locations, is expected to turn in a steady performance. The Manager will continue to proactively manage the properties to deliver sustainable returns while seeking new opportunities to create value for unitholders.

11. **Distribution**

(a) **Current Financial Period**

Any distribution recommended for the current financial period reported on? Yes.

Name of distribution:	2 nd Distribution for the period from 1 December 2013 to 28 February 2014
Distribution Type:	Taxable Income
Distribution rate per unit (cents):	1.39 cents per unit
Par value of units:	Not applicable.
Tax rate:	Taxable Income Distribution: Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. This is based on the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors during the period from 18 February 2005 to 31 March 2015. All other investors will receive their distributions after deduction of tax at the rate of 17%.

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Any distribution declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(c) **Date payable**

The date the distribution is payable: Wednesday, 14 May 2014.

(d) **Books closure date**

The Transfer Books and Register of Unitholders of SPH REIT will be closed at 5.00pm on 16 April 2014 for purposes of determining each Unitholder's entitlement to SPH REIT distribution.

For The Period Ended 28 February 2014

12. **If no distribution has been declared (recommended), a statement to that effect**

Not applicable.

13. **Segment Results**

	Actual 2Q 2014	Pro forma 2Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Gross Revenue</u>						
Paragon	41,435	39,339	5.3	98,422	94,824	3.8
The Clementi Mall	9,609	9,359	2.7	23,020	22,633	1.7
Total	51,044	48,698	4.8	121,442	117,457	3.4
<u>Net Property Income</u>						
Paragon	31,956	29,235	9.3	74,110	70,460	5.2
The Clementi Mall	6,866	6,516	5.4	16,083	15,745	2.1
Total	38,822	35,751	8.6	90,193	86,205	4.6

14. **If the group has obtained a general mandate from shareholders for Interested Person Transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

SPH REIT has not obtained a general mandate from unitholders for Interested Person Transactions.

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.

BY ORDER OF THE BOARD

Lim Wai Pun
Khor Siew Kim

Company Secretaries

Singapore,
8 April 2014



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Co. Regn No. 201305497E

CONFIRMATION BY THE BOARD Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of the Trust (comprising the balance sheet, statement of total return and distribution statement, statement of changes in Unitholders' funds and cashflow statement, together with their accompanying notes) as at 28 February 2014, to be false or misleading in any material respect.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'Leong'.

LEONG HORN KEE
Chairman

A handwritten signature in blue ink, appearing to read 'Anthony Mallek'.

ANTHONY MALLEK
Director

Singapore,
8 April 2014



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**The Board of Directors
SPH REIT Management Pte Ltd
(in its capacity as Manager of SPH REIT)**

**Review of the Interim Financial Information
For the period from 9 July 2013 (date of constitution) to 28 February 2014**

We have reviewed the accompanying Balance Sheet and Portfolio Statement of SPH REIT (the "Trust") as at 28 February 2014, the Statement of Total Return, Distribution Statement, Statement of Changes in Unitholders' Funds and Statement of Cash Flows of the Trust for the period from 9 July 2013 (date of constitution) to 28 February 2014 ("Interim Financial Information"), as set out on pages FS1 to FS14.

The Manager of the Trust is responsible for the preparation and presentation of this Interim Financial Information in accordance with the provisions of the Statement of Recommended Accounting Practice ("RAP") 7 Reporting Framework for Unit Trusts relevant to interim financial information. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with the provisions of RAP 7 Reporting Framework for Unit Trusts relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust to meet the requirements of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 April 2014



SPH REIT's 2Q FY14 Distribution of 1.39 cents exceeds Forecast by 4.5%

- Paragon and The Clementi Mall achieved healthy rental reversion of 13.6% and 5.1% respectively. Full occupancy maintained.

SINGAPORE, April 8, 2014 – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that SPH REIT’s income distributable to unitholders was \$34.9m for the second quarter ended 28 February 2014 (“2Q FY14”). This translated to a distribution per unit (“DPU”) of 1.39 cents for 2Q FY14, an increase of 4.5% against IPO forecast. The aggregate DPU of 3.25 cents for the period from 24 July 2013 to 28 February 2014 (“YTD period”) was higher than forecast by 3.2%. The 2Q FY14 distribution will be paid to unitholders on 14 May 2014.

Steady and resilient operational performance

Both Paragon and The Clementi Mall were fully leased. For the YTD period, gross revenue for both properties was in line with forecast. Net property income of Paragon and The Clementi Mall exceeded forecast by 2.4% and 1.7% respectively.

Paragon continues to achieve consistently robust performance with rental uplift of 13.6% for the YTD period. The Clementi Mall has completed the first lease renewal cycle and more than 90% of the tenants (by net lettable area) have committed for another lease term. The rental reversion for the YTD period¹ was 5.1%.

¹ The Clementi Mall opened in two phases in January 2011 and March 2011. For the YTD period ended 28 February 2014, there were 45 new or renewed leases representing 26.9% of net lettable area at The Clementi Mall.

Capital Management

SPH REIT has a well-staggered debt profile with no refinancing requirement till 2016 and weighted average term to maturity of 4.5 years. It registered gearing level of 26.9% and average cost of debt of 2.33% as at 28 February 2014.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd., said, “SPH REIT has delivered another quarter of strong operating and financial performance that exceeded forecast in 2Q FY14. Barring any unforeseen circumstances, the two retail properties are expected to turn in a steady performance. To sustain returns to unitholders, we will continue to strengthen the partnership with our tenants and pursue opportunities to enhance the premier positioning of the malls.”

Credit Suisse (Singapore) Limited was the sole global coordinator and issue manager for the initial public offering of SPH REIT (the “Offering”). Credit Suisse (Singapore) Limited, DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited were the joint bookrunners and underwriters of the Offering (collectively, the “Joint Bookrunners”).

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

Summary Results of SPH REIT

2Q FY14	Actual \$'000	Forecast ² \$'000	Change %
Gross revenue	51,044	50,361	1.4
Net property income	38,822	37,115	4.6
Total amount distributable to unitholders	34,938	33,223	5.2
Distribution per unit (cents)	1.39	1.33	4.5
Annualised distribution yield (%)			
- Based on \$0.90 per unit (IPO price)	6.26	5.99	4.5
- Based on \$0.975 per unit (closing price on 28 February 2014)	5.78	5.53	4.5

For the period from 24 July 2013 (listing date) to 28 February 2014	Actual¹ \$'000	Forecast² \$'000	Change %
Gross revenue	121,442	121,256	0.2
Net property income	90,193	88,210	2.2
Total amount distributable to unitholders	81,464	78,896	3.3
Distribution per unit (cents)	3.25	3.15	3.2
Annualised distribution yield (%)			
- Based on \$0.90 per unit (IPO price)	5.99	5.81	3.1
- Based on \$0.975 per unit (closing price on 28 February 2014)	5.53	5.36	3.2

Footnotes:

1. *Although SPH REIT was constituted on 9 July 2013, the results of SPH REIT during its private trust period from 9 July 2013 to 23 July 2013 are insignificant.*
2. *The forecast figures were derived from the Forecast Period 2H FY2013 (for the period 24 July 2013 to 31 August 2013) and Projection Year FY2014 (for the period 1 September 2013 to 28 February 2014) as disclosed in the Prospectus dated 17 July 2013.*

For further information and enquiries, please contact:

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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 over S\$3.0 billion with an aggregate net lettable area of approximately 900,000 sq ft, the properties have a committed occupancy of 100% and have a diverse and high quality tenant base of about 430 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

Main board-listed Singapore Press Holdings Ltd (SPH) is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms. SPH has 19 titles licensed under the Newspaper Printing and Presses Act, of which nine are daily newspapers across four languages, and over 100 magazine titles in Singapore and the region. On an average day, – 3.05 million individuals or 76 percent of people above 15 years old, read one of SPH's news publications. SPH's internet editions of its major newspapers enjoy over 300 million page views with 20 million unique visitors each month. Other new media initiatives include AsiaOne, omy.sg, ST701, Stomp and The Straits Times RazorTV. SPH has also ventured into book publishing, broadcasting, out-of-home advertising and properties. 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.



For the period ended 28 February 2014

8 April 2014

Disclaimer

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in SPH REIT (“Units”). The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of SPH REIT is not necessarily indicative of its future performance. This presentation may also 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

This presentation shall be read in conjunction with SPH REIT’s financial results for the period from 1 December 2013 to 28 February 2014 in the SGXNET announcement.

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Results	Slide 3
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Operational performance	Slide 12
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Credit Suisse (Singapore) Limited was the sole global coordinator and issue manager for the initial public offering of SPH REIT (the “Offering”). Credit Suisse (Singapore) Limited, DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited were the joint bookrunners and underwriters of the Offering (collectively, the “Joint Bookrunners”).

The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

Key highlights

- 2Q FY14[#] DPU exceeded forecast[^] by 4.5%
- YTD[#] DPU of 3.25 cents and annualised distribution yield of 5.53% (based on closing price of \$0.975 per unit on 28 Feb 2014)
- Net Asset Value per unit increased 1.1% since listing
- Positive rental reversions of 10.8%
- Strong balance sheet, with gearing at 26.9%

[#] “2Q FY14” refers to the quarter from 1 Dec 2013 to 28 Feb 2014. “YTD” refers to the period from 24 July 2013 (listing date) to 28 Feb 2014.

[^] As derived from forecast in the Prospectus

2Q Distribution per unit exceeded forecast by 4.5%

2Q FY14	Actual S\$'000	Forecast ^(a) S\$'000	Variance %
Gross revenue	51,044	50,361	1.4%
Property expenses	(12,222)	(13,246)	(7.7%)
Net property income (NPI)	38,822	37,115	4.6%
Total amount distributable to unitholders	34,938	33,223	5.2%
Distribution per unit (DPU) (cents)	1.39	1.33	4.5%

Note:

(a) The forecast figures were derived from the Projection Year FY2014 (for the quarter 1 Dec 2013 to 28 Feb 2014) as disclosed in the Prospectus.

YTD Distribution per unit exceeded forecast by 3.2%

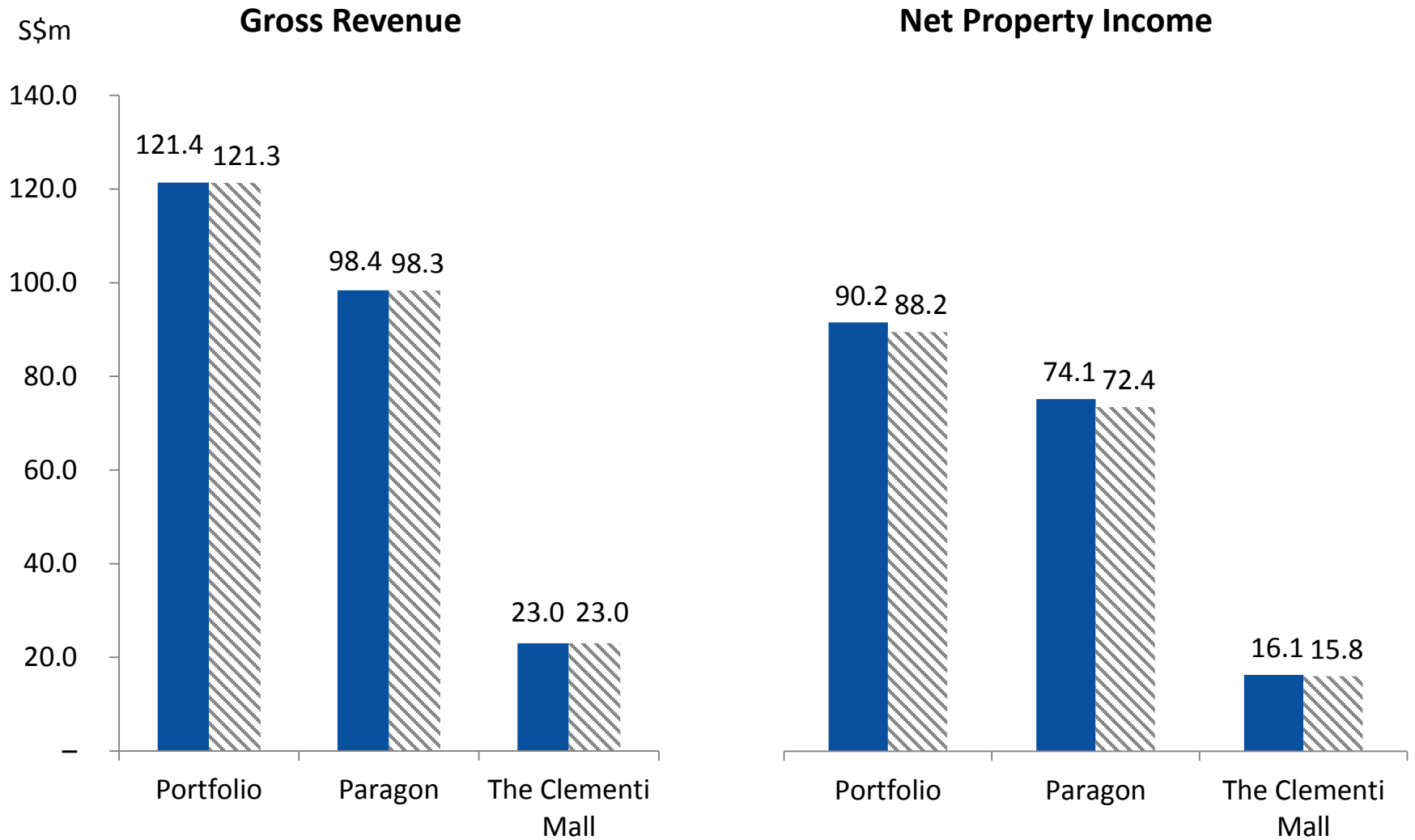
	YTD Actual ^(a) S\$'000	YTD Forecast ^{(a),(b)} S\$'000	Variance %
Gross revenue	121,442	121,256	0.2%
Property expenses	(31,249)	(33,046)	(5.4%)
Net property income (NPI)	90,193	88,210	2.2%
Total amount distributable to unitholders	81,464	78,896	3.3%
Distribution per unit (DPU) (cents)	3.25	3.15	3.2%

Notes:

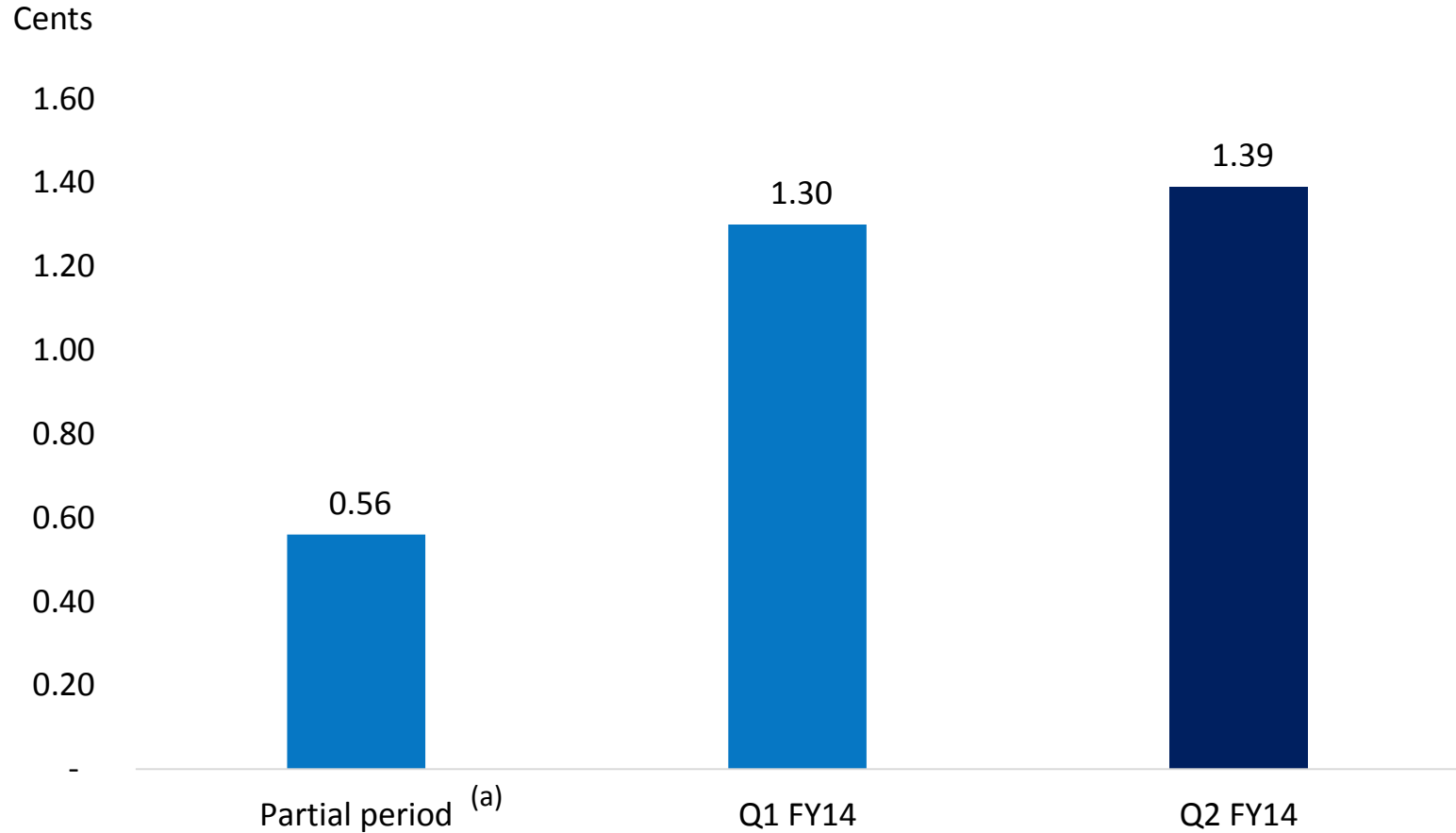
(a) Although SPH REIT was constituted on 9 Jul 2013, the results of SPH REIT during its private trust period from 9 Jul 2013 to 23 Jul 2013 are insignificant. Hence, "YTD" was for the financial period from 24 Jul 2013 (listing date) to 28 Feb 2014.

(b) The forecast figures were derived from the Forecast Period 2H FY2013 (for the period 24 Jul 2013 to 31 Aug 2013) and Projection Year FY2014 (for the period 1 Sep 2013 to 28 Feb 2014) as disclosed in the Prospectus.

Positive NPI contribution from both properties



Stable and regular DPU



Note:

(a) For the period from 24 Jul 2013 (listing date) to 31 Aug 2013.

Balance sheet

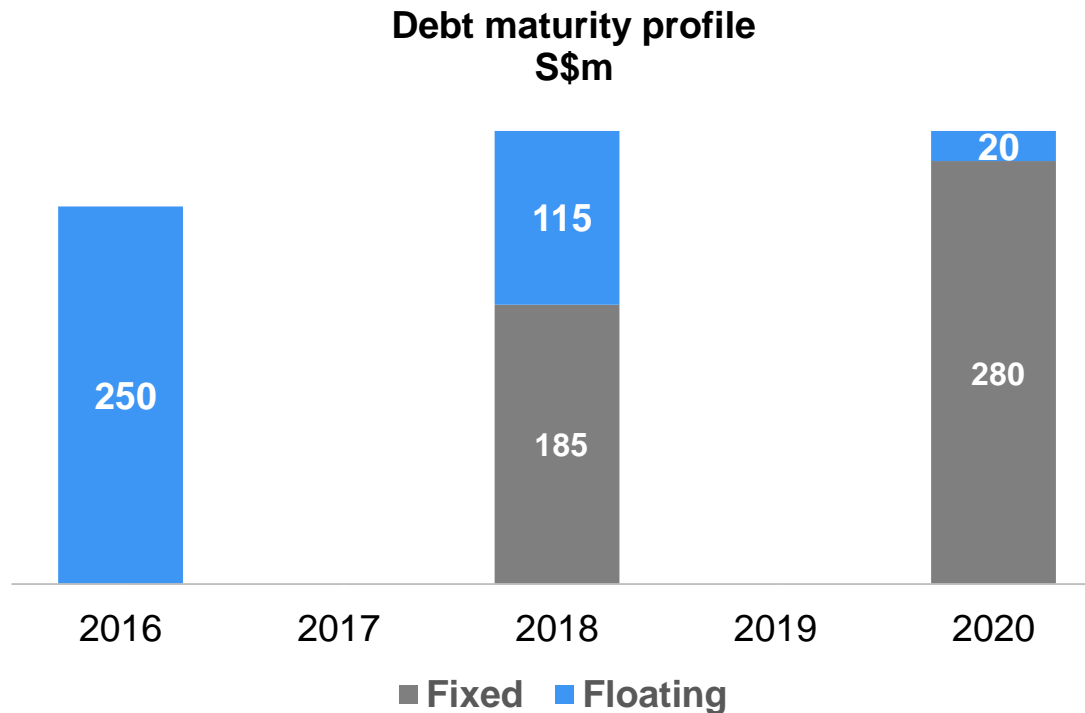
Financial position

	Actual 28 Feb 2014 S\$'000	Prospectus Pro-forma 28 Feb 2013 S\$'000
Total assets	3,163,773	3,116,177
Total liabilities	908,126	884,461
Net assets	2,255,647	2,231,716
Net asset value per unit	S\$0.90	S\$0.89
Gearing ^(a)	26.9%	27.3%

(a) Gearing is computed based on total debt/ total assets

No refinancing till 2016

- 54.7% of the S\$850m debt facility on fixed rate basis
- Average cost of debt: 2.33%
- Weighted average term to maturity: 4.5 years



Valuation of properties about S\$3.1b

	Valuation S\$m (a)	Capitalisation rate (c)
Paragon	2,500.0	4.85% - Retail 4.25% - Medical Suite/Office
The Clementi Mall	570.5 (b)	5.00%
SPH REIT Portfolio	3,070.5	

Notes

(a) Valuations were the average of CBRE & DTZ as at 28 Feb 2013. The next valuation will be done as at 31 Aug 2014.

(b) The Clementi Mall's valuation was inclusive of income support. In the absence of income support, the valuation was S\$553m.

(c) Capitalisation rate used by both valuers.

Operational performance

Two properties in strategic locations



- 100% occupancy.
- 1H FY14[#] shopper traffic held steady year-on-year.
- Burberry Children opened its first standalone boutique at Level 5, “Paragon Junior”.



- 100% occupancy.
- 1H FY14[#] shopper traffic increased 2.7% year-on-year.
- Strengthened F&B offerings.

[#] 1H FY14 refers to the six-month period from 1 Sep 2013 to 28 Feb 2014

Rental reversions up 10.8% for the portfolio

	Number of renewals / new leases ^(a)	NLA renewed / new leases (sf)	As a % of mall's NLA	Change compared to preceding rental rates ^(c)
Paragon	40	168,404	23.8%	13.6%
The Clementi Mall	45	51,788	26.9%	5.1%
SPH REIT Portfolio	85	220,192	24.5% ^(b)	10.8%

Notes:

(a) For expiries in the YTD period from 24 Jul 2013 (listing date) to 28 Feb 2014.

(b) As a % of SPH REIT portfolio's total Net Lettable Area ("NLA") of 900,305sf as at 28 Feb 2014.

(c) The change is measured between average rents of the renewed & new lease terms and the average rents of the preceding lease terms. The leases are typically committed three years ago.

Well-staggered portfolio lease renewal

Weighted Average Lease Expiry (WALE) as at 28 Feb 2014

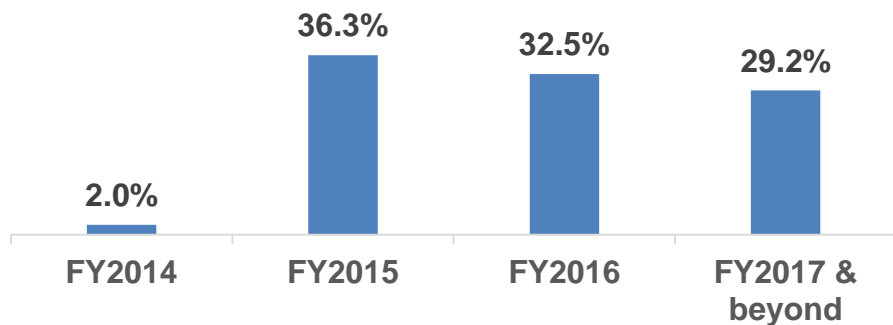
By NLA	2.3 years
By Gross Rental Income	2.2 years

Lease expiry as at 28 Feb 2014

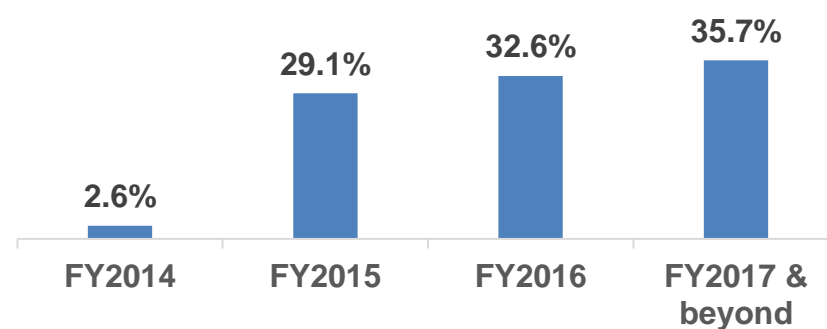
	FY2014	FY2015	FY2016	FY2017 and beyond
Expires as a % of total NLA	2.4%	23.9%	27.6%	46.1%
Expires as a % of Gross rental income	2.2%	30.8%	28.0%	38.9%

Paragon: well staggered lease expiry

Expiry by Gross Rental Income

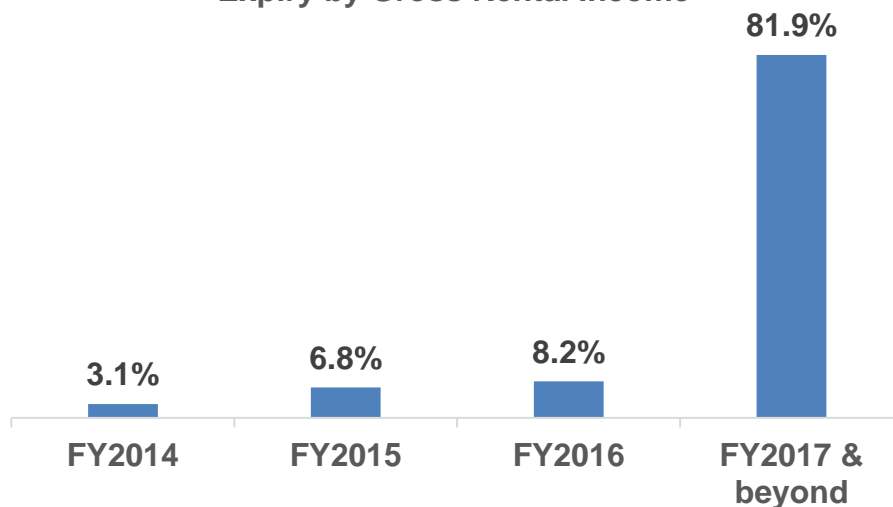


Expiry by NLA

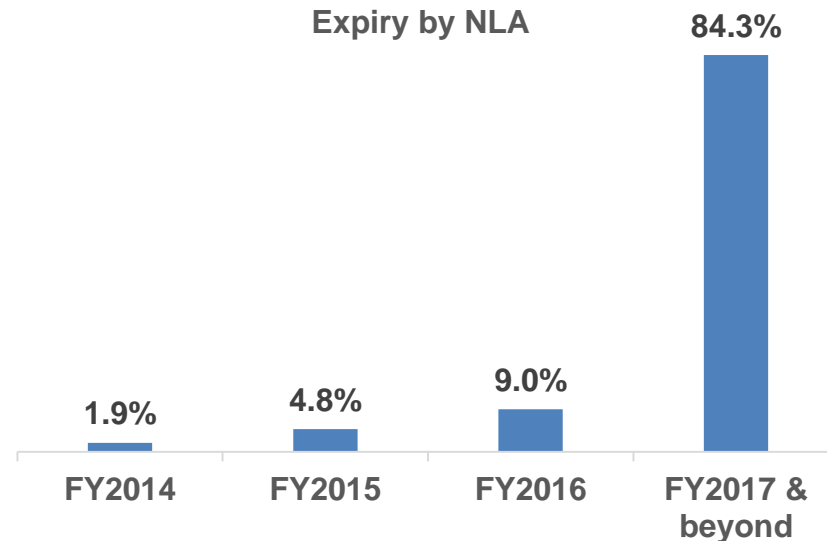


The Clementi Mall^(a): more than 90% tenants renewed^(b)

Expiry by Gross Rental Income



Expiry by NLA



Notes

(a) The Clementi Mall officially opened in May 2011 with first lease renewals in 2014.

(b) By NLA

Events and awards

14 January 2014
Noeud Rouge (Red Knot) by renowned French artist Jean-Michel Othoniel unveiled at Paragon



12 February 2014
“Most MASTERCARD Friendly” Mall



12 February 2014
Christmas 2013 Best Dressed Building – Winner



1 March 2014
SPH 30th anniversary SSO concert at Paragon



Multi-pronged growth strategy to ensure growth

Proactive asset management and asset enhancement strategy

- Ensure that interests of all stakeholders, including tenants, shoppers and unitholders are protected while keeping its properties at the forefront of evolving retail mall trends and relevant to changing demands of consumers
- Continually optimise tenant mix of its properties
- Deliver high quality service to tenants and become the landlord of choice in the Singapore retail real estate space
- Implement asset enhancement initiatives and implement proactive marketing plans

Investments and acquisition growth strategy

- ROFR on the Sponsor's future income-producing properties used primarily⁽¹⁾ for retail purposes in Asia Pacific
 - Currently one applicable ROFR property, The Seletar Mall, which is slated for completion in December 2014
- Explore acquisition opportunities that will add value to SPH REIT's portfolio and improve returns to unitholders

Note

- (1) 'primarily' means more than 50.0% of net lettable area or (in the case of a property where the concept of net lettable area is not applicable) gross floor area.

Market outlook

- **Outlook for Singapore economy remains modest**
 - The Singapore economy grew by 4.1% in 2013. MTI maintained the growth forecast for 2014 at 2.0% to 4.0%.
- **Employment in Singapore remains strong**
 - Overall annual average unemployment rate was at 1.9%^(a) in 2013 and likely to remain low in 2014.
 - Real median monthly income growth for full-time employed Singapore citizens was 4.6% in 2013, up from 1.2% in 2012.
- **Visitor arrivals and tourist receipts increased year-on-year**
 - For 2013, visitor arrivals up 7.2% year-on-year and tourist receipts increased 1.6% ^(b) year-on-year. STB has forecast steady growth for 2014.
- **Retail sales improved**
 - Retail Sales Index (excluding motor vehicles) up by 9.2% in January 2014, compared to a year ago

Notes:

(a) Based on Ministry of Manpower's Labour Market Report 2013.

(b) Based on preliminary estimates by Singapore Tourism Board.

Distribution details and timetable

Distribution period	2Q FY14 (1 December 2013 – 28 February 2014)
Distribution per unit	1.39 cents per unit
Ex-date	14 April 2014
Books closure date	16 April 2014
Payment date	14 May 2014

Thank You

Please visit www.sphreit.com.sg for more information.