



## **SPH REIT achieved steady performance**

- 3Q 2016 DPU was 1.36 cents, an increase of 0.7% year-on-year
- Portfolio achieved full occupancy

**SINGAPORE, July 7, 2016** – 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 2016 (“3Q 2016”) grew by \$1.0 million (1.9%) to \$52.2 million, on the back of higher rental income achieved from Paragon. The Clementi Mall maintained its performance with renewal of 11% of net lettable area. Net property income (“NPI”) of \$40.0 million was \$0.7 million (1.8%) higher in 3Q 2016 compared to the same quarter last year (“3Q 2015”).

Income available for distribution to unitholders increased by \$0.4 million (1.1%) to \$35.0 million for 3Q 2016. Distribution per unit (“DPU”) for 3Q 2016 was 1.36 cents, an increase of 0.7% against 3Q 2015. The aggregate DPU was 4.09 cents for the year-to-date ended 31 May 2016 (“YTD 3Q 2016”). The 3Q 2016 distribution will be paid to unitholders on 16 August 2016.

### **Steady and resilient operational performance**

Both properties continued to demonstrate resilience, with positive rental reversion and 100% occupancy. Paragon achieved a moderate rental uplift of 4.9% for new and renewed leases in YTD 3Q 2016. The Clementi Mall recorded a positive rental reversion of 4.5% in YTD 3Q 2016.

## **Capital Management**

SPH REIT has a well-staggered debt maturity profile, with gearing level of 25.7% as at 31 May 2016. It registered an average cost of debt of 2.84% p.a. for YTD 3Q 2016. To mitigate exposure to interest rate risk, 84.7% of the total borrowing was on fixed rate basis. Average weighted debt maturity was 2.2 years as at 31 May 2016, which is expected to be extended when the refinancing of the tranche due in July is completed.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd. said: "“We are pleased that SPH REIT properties are operating at 100% committed occupancy and we have achieved a positive rental reversion of 4.9%. The Asset Enhancement Initiative involving the decanting of Air Handling Units at Paragon are progressing well and we have secured tenancies for all the newly created units ahead of its opening end of this year.

“We have received strong demand from retailers for the reconfiguration of Basement 1 at The Clementi Mall. In this exercise, we will create an additional 7 food kiosks giving us a total of 21 kiosks, of which 4 are new food concepts. The revamped food cluster will be a refreshing destination for our shoppers.

“Barring any unforeseen circumstances, the two properties are expected to remain resilient, and turn in a steady performance.”

## **Summary Results of SPH REIT**

	<b>3Q 2016 \$'000</b>	<b>3Q 2015 \$'000</b>	<b>Change %</b>
Gross revenue	52,232	51,235	1.9
Net property income	40,023	39,327	1.8
Income available for distribution	34,995	34,612	1.1
Distribution to Unitholders <sup>1</sup>	34,575	34,094	1.4
Distribution per unit (cents)	1.36	1.35	0.7

Notes:

1. For 3Q 2016, the distribution to unitholders was 98.8% of taxable income available for distribution.

	<b>YTD 3Q 2016 \$'000</b>	<b>YTD 3Q 2015 \$'000</b>	<b>Change %</b>
Gross revenue	157,417	154,324	2.0
Net property income <sup>1</sup>	120,736	117,455	2.8
Income available for distribution <sup>2</sup>	106,728	104,985	1.7
Distribution to Unitholders <sup>3</sup>	103,802	102,886	0.9
Distribution per unit (cents)	4.09	4.08	0.2
Annualised distribution yield (%)	5.81 <sup>4</sup>	5.25 <sup>5</sup>	10.7

Notes:

1. Included additional property tax of \$0.9 million relating to prior years. Excluding the effect of prior year property tax, NPI was \$121.7 million, an increase of \$4.2 million (3.6%) compared to YTD 3Q FY15.
2. The prior year property tax does not have an effect on current year's distribution.
3. For YTD 3Q 2016, the distribution to unitholders was 97.3% of taxable income available for distribution.
4. Based on \$0.940 per unit closing price on 31 May 2016.
5. Based on \$1.040 per unit closing price on 29 May 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\$3.21 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 440 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.