



SPH REIT strengthens position and improves returns

- Declares FY2019 DPU of 5.60 cents, an increase of 1.1% year-on-year
- Maintained high portfolio occupancy rate of 99.1%
- Figtree Grove Shopping Centre and The Rail Mall contributed a total NPI of S\$12.4 million

SINGAPORE, October 10, 2019 – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that net property income (“NPI”) for the year ended 31 August 2019 (“FY2019”) was S\$179.8 million, an increase of S\$13.8 million (8.3%) compared to last year.

Paragon and The Clementi Mall continue to deliver steady performance and contributed an increase in NPI of approximately S\$2.0 million. In 2018, SPH REIT acquired The Rail Mall in June and Figtree Grove Shopping Centre in December. For FY2019, NPI contribution from The Rail Mall and Figtree Grove Shopping Centre were S\$3.8 million and S\$8.5 million, respectively.

FY2019 DPU was 5.60 cents, an increase of 1.1% compared to DPU in FY2018 of 5.54 cents. For 4Q FY2019, DPU of 1.46 cents will be distributed on 20 November 2019.

Operational performance

SPH REIT’s portfolio registered an occupancy rate of 99.1%. The three assets in the Singapore portfolio maintained its high occupancy rate of 99.1% and delivered a positive rental reversion of 9.4%. The newly acquired Australian asset, Figtree Grove Shopping Centre enjoyed an occupancy rate of 99.2%.

Paragon's positive rental reversion in FY2019 was 9.7% for new and renewed leases. These leases represented 26.6% of total NLA. Paragon's prime location in Orchard Road benefited from the higher international tourist arrivals and the mall's visitor traffic improved by approximately 1.0% to 19 million. Tenant sales increased by 2.2% to S\$708 million.

The positive rental reversion at The Clementi Mall in FY2019, was 5.0% representing 10.7% of the total NLA. The Clementi Mall continues to draw strong visitorship of 31.6 million and tenant sales improved by 3.0% to S\$237 million.

The Rail Mall, which was acquired in June 2018 is a unique retail strip, with about 360 metres of main road frontage along Upper Bukit Timah Road, comprising 43 single-storey shop units. The mall registered a positive rental reversion of 9.4% from lease renewals and new leases, which represented 23.5% of total NLA.

The newly acquired asset, Figtree Grove Shopping Centre recorded a negative rental reversion of 2.7%. The reversion fared favourably compared to the acquisition financial model, which had made provisions for renewals based on market trends.

Valuation

As at 31 August 2019, all three assets in the Singapore portfolio recorded higher valuations compared to last year. The combined valuation of these assets was S\$3,405.8 million which was an increase of S\$37.5 million.

The valuation of Figtree Grove Shopping Centre, the Australian asset, as at 31 August 2019 remained unchanged compared to the valuation at acquisition, at A\$206.0 million.

Net asset value per unit as at 31 August 2019 maintained at S\$0.95.

Capital Management

SPH REIT continues to manage its balance sheet optimally by ensuring a well staggered and spread out debt maturity profile to avoid major concentration of debts maturing in any single year. As at 31 August 2019, total borrowings were approximately S\$1.1 billion with a debt gearing ratio of 27.5%. One of the loan tranches of S\$210 million was successfully refinanced in July 2019 resulting to an average term to maturity of 2.5 years with an annualized average cost of debt of 2.91% p.a.

In August 2019, SPH REIT established a S\$1.0 billion Multicurrency Debt Issuance Programme to tap into the debt capital market. On 23 August 2019, SPH REIT successfully launched its maiden perpetual securities issuance of S\$300.0 million at a fixed coupon rate of 4.1% p.a.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd. said: “We are pleased to close the year with set of positive results. The full year DPU of 5.60 cents was 1.1% higher than last year. Paragon’s tenants’ sales were 2.2% higher, year-on-year at S\$708m. Similarly, The Clementi Mall’s tenants’ sales registered a 3% increase at S\$237m. The occupancy rate across the portfolio was close to 100%.

In December 2018, SPH REIT completed its maiden overseas acquisition in Australia; Figtree Grove Shopping Centre, an established sub-regional shopping centre in Wollongong, New South Wales. The asset has a high occupancy rate of 99.2%. The annual tenants’ sales was 2% higher at A\$187m, compared to the previous year.

With the establishment of S\$1.0 billion debt issuance programme established in the year, it gives us greater flexibility to maintain an appropriate capital structure. As we move forward into FY2020, we will continue to explore growth; both organic and inorganic.”

Summary Results of SPH REIT

	4Q 2019 S\$'000	4Q 2018 S\$'000	Change %
Gross revenue	58,374	52,962	10.2
Net property income	45,809	40,979	11.8
Income available for distribution	35,368	34,576	2.3
Distribution to Unitholders	37,795	36,778	2.8
Distribution per unit (cents)	1.46	1.43	2.1

	FY2019 S\$'000	FY2018 S\$'000	Change %
Gross revenue	228,635	211,802	7.9
Net property income	179,779	165,996	8.3
Income available for distribution	145,034	142,310	1.9
Distribution to Unitholders ¹	144,790	142,310	1.7
Distribution per unit (cents)	5.60	5.54	1.1
Annualised distribution yield (%)	5.14% ²	5.54% ³	(0.4)

Notes:

1. For FY2019, the distribution to unitholders was 99.8% of income available for distribution.
2. Based on S\$1.09 per unit closing price on 31 August 2019.
3. Based on S\$1.00 per unit closing price on 31 August 2018.

For further information and enquiries, please contact:

Benjamin Kuah Hsien Yiao
Chief Financial Officer &
Head of Investor Relations
SPH REIT Management Pte. Ltd.
Tel: +65 6319 3391
Email: benkuah@sphreit.com.sg

Chin Soo Fang
Head
Corporate Communications & CSR
Singapore Press Holdings
Tel: +65 6319 1216
Email: soofang@sph.com.sg

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.

SPH REIT has a portfolio of four assets in Singapore and Australia.

Its portfolio of properties in Singapore comprises a 99-year leasehold interest in Paragon commencing on 24 July 2013, a 99-year leasehold interest in The Clementi Mall commencing on 31 August 2010 and a 99-year leasehold interest in The Rail Mall commencing on 18 March 1947. Valued at S\$3.405.8 billion as at 31 August 2019 with an aggregate net lettable area of approximately 960,000 sq. ft.

In Australia, SPH REIT owns an 85% stake in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. Valued at A\$206.0 million as at 31 August 2019 with an aggregate gross lettable area of approximately 236,000 sq. ft.

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 SPONSOR: SINGAPORE PRESS HOLDINGS LTD

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.

SPH's core business is publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns approximately 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH REIT also holds 85% equity stake in Figtree Grove, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. SPH owns and operates The Seletar Mall and is developing a new commercial cum residential site, The Woodleigh Residences and The Woodleigh Mall. It also owns a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

It is in the aged care sector and owns Orange Valley, one of Singapore's largest nursing homes.

SPH runs a regional events arm and a chain of Buzz retail outlets. It also invested in the education business.

For more information, please visit www.sph.com.sg.

Facebook: facebook.com/officialsph/

Twitter: @official_sph

LinkedIn: linkedin.com/company/singapore-press-holdings/

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.