



For the period ended 28 February 2014

8 April 2014

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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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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%

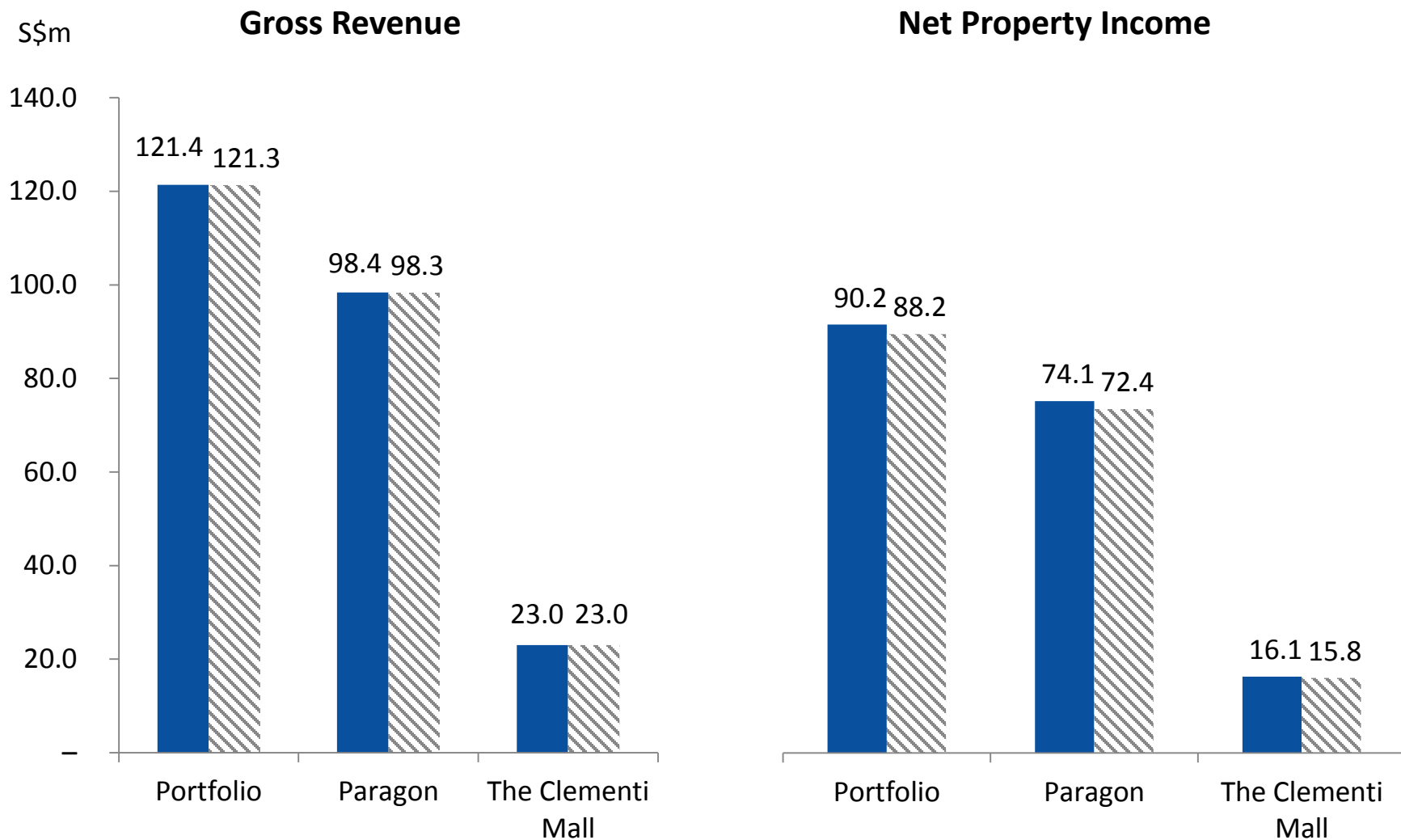
	YTD Actual ^(a) S\$'000	YTD Forecast ^{(a),(b)} S\$'000	Variance %
Gross revenue	121,442	121,256	0.2%
Property expenses	(31,249)	(33,046)	(5.4%)
Net property income (NPI)	90,193	88,210	2.2%
Total amount distributable to unitholders	81,464	78,896	3.3%
Distribution per unit (DPU) (cents)	3.25	3.15	3.2%

Notes:

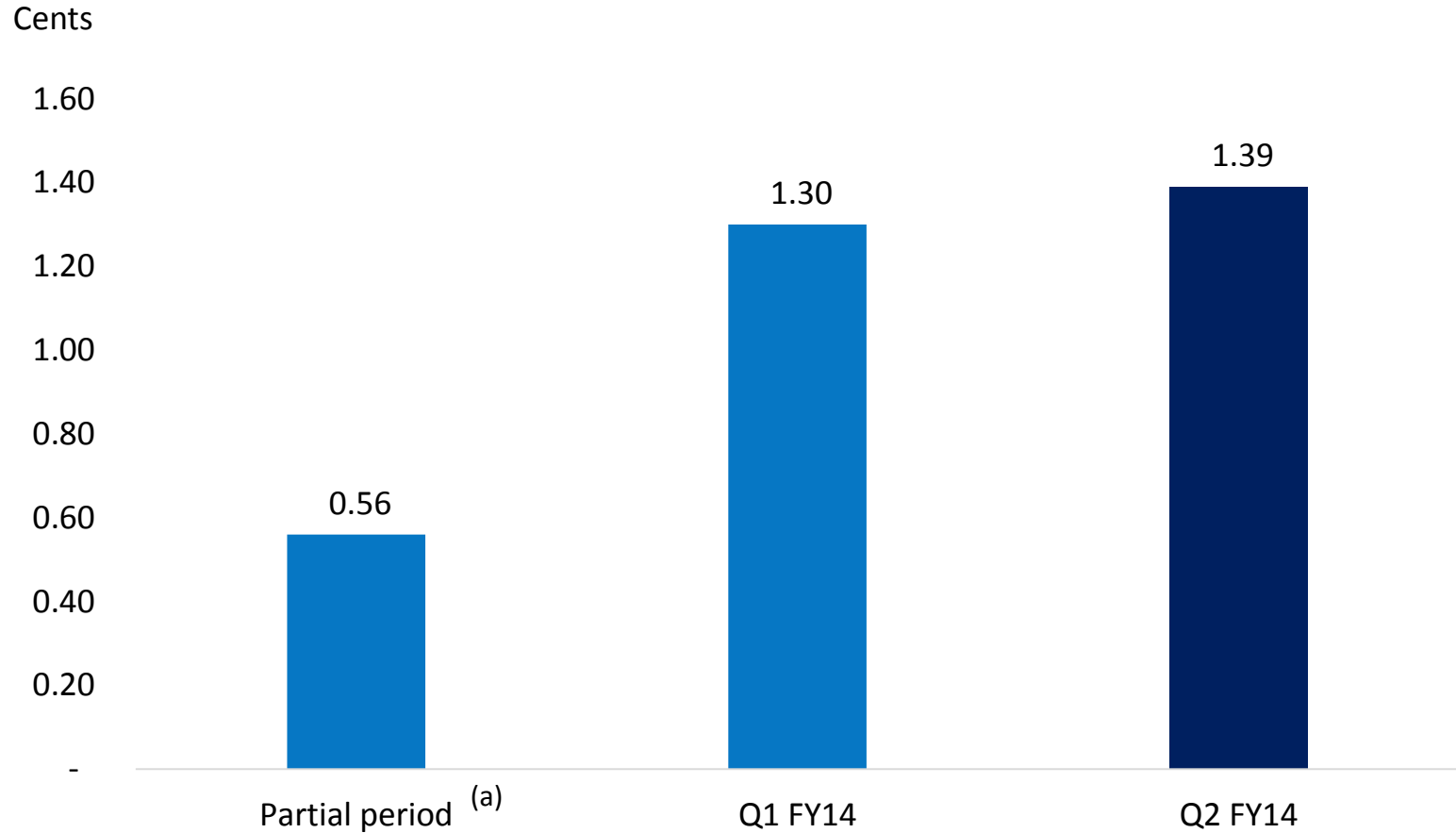
(a) Although SPH REIT was constituted on 9 Jul 2013, the results of SPH REIT during its private trust period from 9 Jul 2013 to 23 Jul 2013 are insignificant. Hence, "YTD" was for the financial period from 24 Jul 2013 (listing date) to 28 Feb 2014.

(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

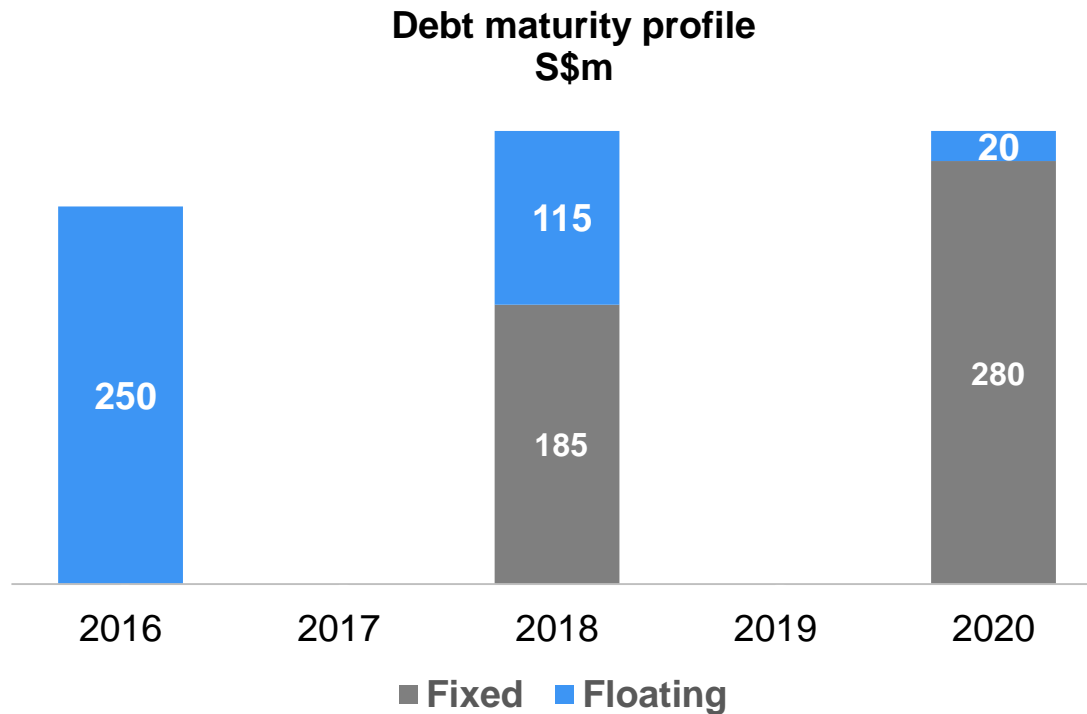
Financial position

	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

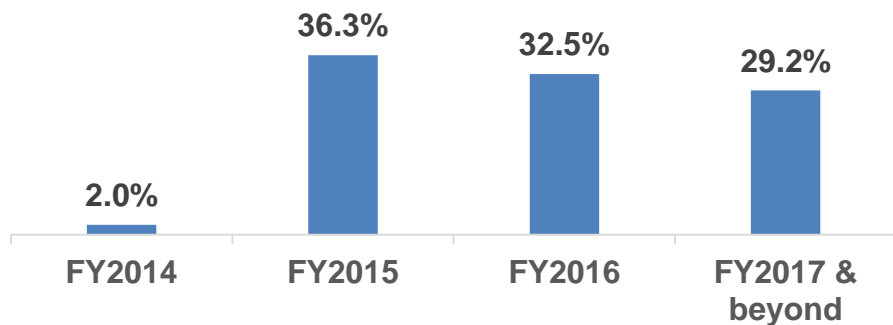
By NLA	2.3 years
By Gross Rental Income	2.2 years

Lease expiry as at 28 Feb 2014

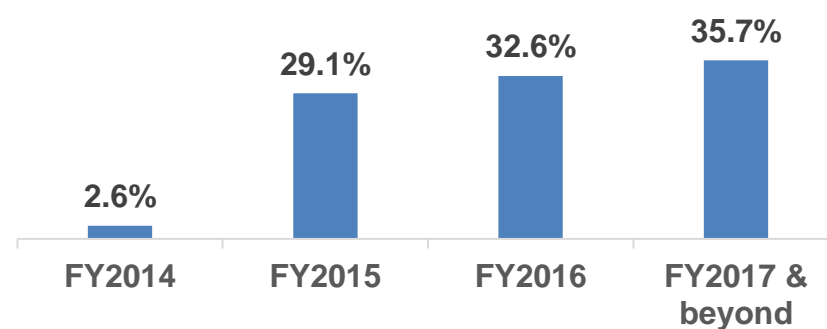
	FY2014	FY2015	FY2016	FY2017 and beyond
Expires as a % of total NLA	2.4%	23.9%	27.6%	46.1%
Expires as a % of Gross rental income	2.2%	30.8%	28.0%	38.9%

Paragon: well staggered lease expiry

Expiry by Gross Rental Income

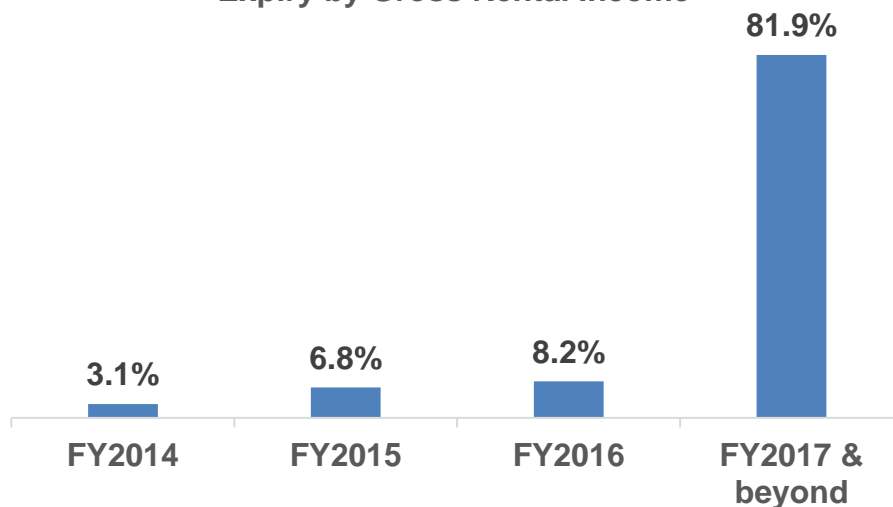


Expiry by NLA

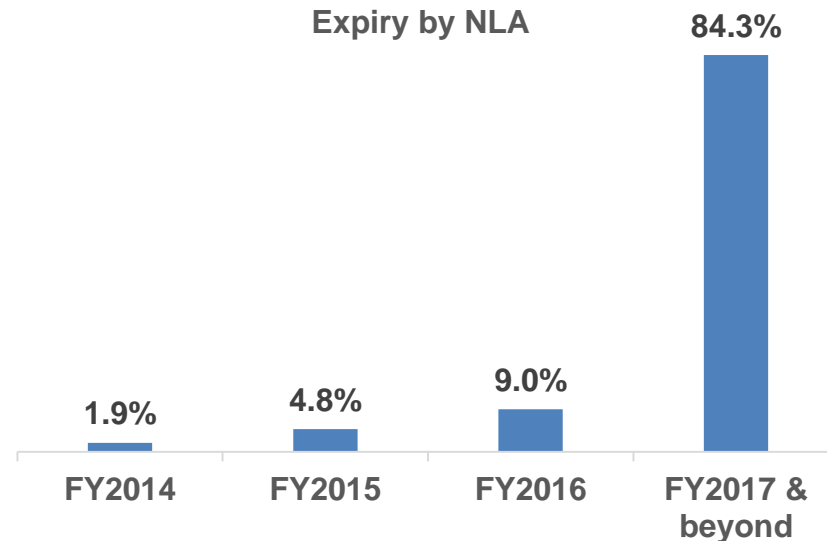


The Clementi Mall^(a): more than 90% tenants renewed^(b)

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.