Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

Issuer/ Manager	SPH REIT MANAGEMENT PTE. LTD.
Securities	SPH REIT - SG2G02994595 - SK6U
Stapled Security	No

Announcement Details

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Additional Details

For Financial Period Ended	31/08/2015
Attachments	SPH REIT - SGX Announcement Q4FY15.pdf SPH REIT - Press Release Q4FY15.pdf SPH REIT - Results Presentation Slides Q4FY2015.pdf Total size =3971K

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SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT *
FOR THE YEAR ENDED 31 AUGUST 2015

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

Introduction

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 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.

Audited Financial Information

The financial information as set out in this announcement for the fourth quarter and year ended 31 August 2015 has been extracted from the audited* financial statements for the fourth quarter and year ended 31 August 2015, in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts", the Code on Collective Investment Schemes (the "CIS Code") and the provisions of the Trust Deed.

***** ***Please refer to the attached audit report.***

TABLE OF CONTENTS

Item No.	Description	Page No.
1	Statement of Total Return and Distribution Statement	3 - 4
	Balance Sheet	5
	Borrowing	6
	Statement of Cash Flows	6 - 7
	Statement of Changes in Unitholders' Funds	8
	Details of Changes in Issued and Issuable Units	8 - 9
2 & 3	Audit Statement	9
4 & 5	Changes in Accounting Policies	9 - 10
6	Earnings ("EPU") and Distribution ("DPU")	10
7	Net Asset Value ("NAV")	11
8	Review of Performance	11-12
9	Variance from Prospect Statement	12
10	Outlook and Prospects	12
11 - 12	Distribution	13 - 14
13 - 14	Segment Results	15
15	Breakdown of Gross revenue and Net Income	15
16	Breakdown of Total Distributions	16
17	General mandate relating to Interested Person Transactions	16
18	Confirmation Pursuant to Rule 704(13) of the Listing Manual	16

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

	4Q 2015	4Q 2014	Change	FY 2015	FY 2014[1]	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	50,789	51,074	(0.6)	205,113	202,241	1.4
Property operating expenses	(12,624)	(13,071)	(3.4)	(49,493)	(51,590)	(4.1)
Net property income	**38,165**	**38,003**	**0.4**	**155,620**	**150,651**	**3.3**
Income support[2]	744	1,312	(43.4)	3,008	4,424	(32.0)
Amortisation of intangible asset	(744)	(1,312)	(43.4)	(3,008)	(4,424)	(32.0)
Manager's management fees	(3,994)	(3,960)	0.9	(15,976)	(15,521)	2.9
Trust expenses[3]	(281)	(84)	234.5	(1,689)	(1,641)	2.9
Finance income	196	78	151.3	657	219	200.0
Finance costs	(5,951)	(5,006)	18.9	(21,669)	(19,797)	9.5
Net income	**28,135**	**29,031**	**(3.1)**	**116,943**	**113,911**	**2.7**
Fair value change on investment properties[4]	36,588	102,603	(64.3)	36,588	102,603	(64.3)
Total return before taxes and distribution	**64,723**	**131,634**	**(50.8)**	**153,531**	**216,514**	**(29.1)**
Less: income tax	-	-	NM	-	-	NM
Total return after taxes and before distribution	**64,723**	**131,634**	**(50.8)**	**153,531**	**216,514**	**(29.1)**

Notes:

1. The comparative figures were for the period from 1 September 2013 to 31 August 2014. These figures were extracted from SPH REIT's results announcement which was audited by KPMG LLP for the period from 24 July 2013 (listing date) to 31 August 2014.
2. Income support relates to the top-up payment from the vendors of The Clementi Mall pursuant to the Deed of Income Support.
3. 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.
4. This relates to the fair value change on Paragon and The Clementi Mall as at 31 August 2015 and 31 August 2014, based on independent valuations conducted by DTZ Debenham Tie Leung (SEA) Pte Ltd.

NM Not Meaningful

1(a)(ii) Distribution Statement

	4Q 2015	4Q 2014	Change	FY 2015	FY 2014	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Net income	**28,135**	**29,031**	**(3.1)**	**116,943**	**113,911**	**2.7**
Add: Non-tax deductible items[1]	5,418	5,909	(8.3)	21,595	22,453	(3.8)
Income available for distribution	**33,553**	**34,940**	**(4.0)**	**138,538**	**136,364**	**1.6**
Distribution to Unitholders[2]	**35,158**	**34,949**	**0.6**	**138,044**	**136,193**	**1.4**

Notes:

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

2. Distribution for 4Q 2015 includes taxable income available for distribution retained earlier in the year. For FY2015, the distribution to unitholders was 99.6% of taxable income available for distribution.

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

Balance Sheet	**As at 31 Aug 15**	**As at 31 Aug 14**
	S$'000	**S$'000**
Non-current assets		
Plant and equipment	1,044	1,055
Investment properties[1]	3,212,500	3,159,000
Intangible asset[2]	9,400	12,408
Derivative financial instruments[3]	3,949	-
	3,226,893	3,172,463
Current assets		
Trade and other receivables[4]	5,008	5,912
Derivative financial instruments[3]	365	-
Cash and cash equivalents	77,355	90,658
	82,728	96,570
Total assets	**3,309,621**	**3,269,033**
Non-current liabilities		
Borrowing	595,565	843,125
Derivative financial instruments[3]	-	8,758
Trade and other payables	36,685	28,953
	632,250	880,836
Current liabilities		
Borrowing	249,330	-
Trade and other payables	30,231	35,131
	279,561	35,131
Total liabilities	**911,811**	**915,967**
Net assets attributable to Unitholders	**2,397,810**	**2,353,066**

Notes:

1. The fair value of Paragon and The Clementi Mall as at 31 August 2015 was S$2,641.0 million and S$571.5 million respectively. The fair value of the investment properties were based on independent valuations conducted by DTZ Debenham Tie Leung (SEA) Pte Ltd ("DTZ").

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 balance sheet date of the interest rate swap contracts to swap floating rates for fixed interest rates.

4. Trade and other receivables comprised mainly rental receivable and trade amount due from related parties.

1(b)(ii) Borrowing

Secured borrowing

	As at 31 Aug 15 S$'000	As at 31 Aug 14 S$'000
Amount repayable within one year	249,330	-
Amount repayable after one year	595,565	843,125
Total	844,895	843,125

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$844.9 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 25 July 2016, S$135 million on 26 March 2018, S$185 million on 24 July 2018 and S$280 million on 24 July 2020.

Management is currently reviewing the refinancing options for the S$250 million tranche.

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 certain insurances taken in relation to Paragon.

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

	4Q 2015	4Q 2014	FY 2015	FY 2014
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Total return for the period/year	64,723	131,634	153,531	216,514
Adjustments for:				
Fair value change on investment properties	(36,588)	(102,603)	(36,588)	(102,603)
Manager's fee paid/payable in units	3,994	3,960	15,976	15,521
Depreciation of plant and equipment	45	34	160	119
Finance income	(196)	(78)	(657)	(219)
Finance costs	5,951	5,006	21,669	19,797
Amortisation of intangible asset	744	1,312	3,008	4,424
Operating cash flow before working capital changes	38,673	39,265	157,099	153,553

1(c) Statement of Cash Flows (Cont'd)

	4Q 2015	4Q 2014	FY 2015	FY 2014
	S$'000	S$'000	S$'000	S$'000
Changes in operating assets and liabilities				
Trade and other receivables	490	289	955	10,991
Trade and other payables	1,390	2,520	321	9,981
Net cash from operating activities	**40,553**	**42,074**	**158,375**	**174,525**
Cash flows from investing activities				
Additions to investment properties	(4,757)	(822)	(15,318)[3]	(2,729)
Purchase of plant and equipment	(92)	(2)	(125)	(160)
Interest received	220	81	606	214
Net cash used in investing activities	**(4,629)**	**(743)**	**(14,837)**	**(2,675)**
Cash flows from financing activities				
Issue expenses paid	-	-	-	(8,959)
Distribution to unitholders[1]	(34,094)	(33,891)	(137,835)	(115,250)
Payment of transaction costs related to borrowing	(18)	(18)	(220)[2]	(18)
Interest paid	(4,551)	(4,466)	(18,786)	(17,837)
Net cash used in financing activities	**(38,663)**	**(38,375)**	**(156,841)**	**(142,064)**
Net (decrease)/increase in cash and cash equivalents	**(2,739)**	**2,956**	**(13,303)**	**29,786**
Cash and cash equivalents at beginning of the period/year	80,094	87,702	90,658	60,872
Cash and cash equivalents at end of the period/year	**77,355**	**90,658**	**77,355**	**90,658**

Notes:

1. Distribution to unitholders for FY2015 was for the 4Q 2014 ended 31 August 2014 of S$34.9 million, 1Q 2015 ended 30 November 2014 of S$33.5 million, 2Q 2015 ended 28 February 2015 of S$35.3 million, and 3Q 2015 ended 31 May 2015 of S$34.1 million. Distribution for FY2014 was for SPH REIT's inaugural distribution of S$46.5 million for the period 24 July 2013 (listing date) to 30 November 2013, 2Q 2014 ended 28 February 2014 of S$34.8 million, and 3Q 2014 ended 31 May 2014 of S$33.9 million.

2. This includes upfront fees paid for revision to the tenures of the existing loan facility. Please refer to paragraph 1(b)(ii) Borrowing.

3. This include payments relating to the replacement and relocation of chillers and decanting works.

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

	4Q 2015	4Q 2014	FY 2015	FY 2014
	S$'000	S$'000	S$'000	S$'000
Balance as at beginning of period/year	**2,354,360**	**2,251,121**	**2,353,066**	**2,243,788**
Operations				
Total return for the period/year	64,723	131,634	153,531	216,514
Hedging reserve				
Movement in hedging reserve[1]	8,827	242	13,072	(7,778)
Unitholders' transactions				
Issue expenses	-	-	-	271
Distribution to unitholders[2]	(34,094)	(33,891)	(137,835)	(115,250)
Manager's fee paid/payable in units	3,994	3,960	15,976	15,521
	(30,100)	(29,931)	(121,859)	(99,458)
Balance as at end of period/year	**2,397,810**	**2,353,066**	**2,397,810**	**2,353,066**

Notes:

1. This relates to interest rate swap arrangements.
2. Please refer to 1(c) Statement of Cash Flows [Note 1].

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

	4Q 2015	4Q 2014	FY 2015	FY 2014
	No. of units	No. of units	No. of units	No. of units
Issued units as at beginning of period/year	**2,525,504,384**	**2,510,475,049**	**2,514,276,488**	**2,500,995,000**
Issue of new units:				
Manager's fee paid in units[1]	3,804,918	3,801,439	15,032,814	13,281,488
Issuable units:				
Manager's fee payable in units[2]	4,211,448	3,678,691	4,211,448	3,678,691
Total issued and issuable units as at end of period/year	**2,533,520,750**	**2,517,955,179**	**2,533,520,750**	**2,517,955,179**

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

Notes:

1. For FY2015, there were 3,804,918 units, 3,845,216 units, 3,703,989 units, and 3,678,691 units issued to the REIT Manager as satisfaction of management fee for the 3Q 2015 ended 31 May 2015, 2Q 2015 ended 28 February 2015, 1Q 2015 ended 30 November 2014 and 4Q 2014 ended 31 August 2014, respectively. For FY 2014, there were 3,801,439 units, 3,980,929 units, and 5,499,120 units issued to the REIT Manager as satisfaction of management fee for the 3Q 2014 ended 31 May 2014, 2Q 2014 ended 28 February 2014, and period 24 July 2013 (listing date) to 30 November 2013.

2. There are 4,211,448 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. As at 31 August 2014, there were 3,678,691 units to be issued to the REIT Manager as satisfaction of management fee for 4Q 2014.

1(d)(iii) To show the total number of issued units excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 August 2015, SPH REIT had 2,529,309,302 units (31 August 2014: 2,514,276,488 units).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

The figures for the year have been audited. The auditors' report on the financial statements of SPH REIT was not subject to any modification.

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 audit 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.

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.

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial period, except for new or amended accounting policies adopted in the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" which became effective from this financial year.

The adoption of the new/revised accounting policies has not resulted in any substantial changes to SPH REIT's accounting policies nor any significant impact on these financial statements.

6. Earnings per unit ("EPU") and Distribution per unit ("DPU")

	4Q 2015	4Q 2014	FY 2015	FY 2014
Earnings per unit				
Weighted average number of units[1]	2,529,354,586	2,514,316,044	2,523,660,181	2,508,533,801
Total return for the period/year after tax (S$'000)	64,723	131,634	153,531	216,514
EPU[4] (basic and diluted) (cents)	2.56	5.24	6.08	8.63
Distribution per unit				
Total number of units in issue at end of period/year	2,529,309,302	2,514,276,488	2,529,309,302	2,514,276,488
Distribution to Unitholders[2] ($'000)	35,158	34,949	138,044	136,193
DPU[3] (cents)	1.39	1.39	5.47	5.43

Notes:

1. The weighted average number of units was based on the number of units in issue and issuable units to the Manager.
2. As shown in 1(a)(ii) Distribution Statement.
3. The DPU was computed based on the number of units entitled to distribution.
4. Included the effects of fair value change on investment properties for the respective periods/years.

7. Net Asset Value ("NAV") per unit

	As at 31 Aug 15	As at 31 Aug 14
NAV per unit[1] (S$)	0.95	0.93

Note:

1. The NAV per unit was computed based on the number of units in issue at the end of the year.

8. Review of Performance

Review of Results for the Fourth Quarter ended 31 August 2015 ("4Q 2015") compared with the Fourth Quarter ended 31 August 2014 ("4Q 2014")

Gross revenue for 4Q 2015 was down marginally by S$0.3 million (0.6%) to S$50.8 million. Higher rental income from positive portfolio reversion was impacted by fitting-out period scheduled for the tenancy revitalisation program at Paragon.

Property operating expenses of S$12.6 million was S$0.5 million (3.4%) lower than 4Q 2014. Savings in utilities and lower maintenance cost were partially offset by higher property taxes and marketing expenses. Decrease in utilities was due to lower tariff rate and savings in consumption from the new and more efficient chillers.

Consequently, net property income ("NPI") of S$38.2 million for 4Q 2015 was S$0.2 million (0.4%) marginally above 4Q 2014. NPI of Paragon of S$31.2 million was S$0.4 million (1.3%) lower, while The Clementi Mall's NPI of S$7.0 million was S$0.6 million (8.9%) higher, compared to 4Q 2014.

Net income decreased by S$0.9 million (3.1%) to S$28.1 million for 4Q 2015 mainly due to the increase in finance cost arising from higher interest rate.

Income available for distribution to unitholders was S$33.6 million for 4Q 2015, a decrease of S$1.3 million (4.0%) against 4Q 2014, mainly due to the higher finance cost and lower NPI from Paragon.

Review of Results for the Full year ended 31 August 2015 ("FY2015") compared with the Full year ended 31 August 2014 ("FY2014")

Gross revenue for FY2015 was up S$2.9 million (1.4%) to S$205.1 million. The positive results were driven by good progress in leasing activities. The portfolio average rental reversion was 8.6% for the new or renewed leases in FY2015.

Property operating expenses was S$2.0 million (4.1%) lower against FY2014. This was largely due to lower maintenance, utilities and marketing cost, partially offset by higher property tax and property management fees.

Consequently, NPI of S$155.6 million for FY2015, was S$4.9 million (3.3%) higher than last year. Both Paragon and The Clementi Mall performed better than the previous year, by S$3.5 million (2.9%) and S$1.4 million (5.3%) respectively. NPI margin of 75.9% was achieved, better than FY2014 of 74.5%.

Net income increased by S$3.0 million (2.7%) to S$116.9 million for FY2015 against last year. This was mainly attributable to the higher NPI and finance income, partially offset by the increase in finance cost. Finance cost was S$1.9 million (9.5%) higher as the average cost of debt as at 31 August 2015 was 2.55% compared to last year of 2.33%.

After taking into account the fair value change of S$36.6 million, total return for FY2015 was S$153.5 million. As at 31 August 2015, the portfolio was valued at S$3.212 billion by DTZ Debenham Tie Leung (SEA) Pte Ltd. The revaluation change represented an increase of 1.7% from the valuation of S$3.159 billion as at 31 August 2014.

Income available for distribution of S$138.5 million for FY2015 was S$2.1 million (1.6%) higher compared to FY2014 mainly due to the increase in Paragon's NPI, partially offset by the higher finance cost.

9. Variance from Prospect Statement

No forecast was made previously.

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 1.8 per cent on a year-on-year basis in the second quarter, slower than the 2.8 per cent growth in the previous quarter. With the Singapore labour market expected to remain tight, growth in some labour-intensive sectors such as retail and food services may continue to be weighed down by manpower constraints. Against a backdrop of uncertainties in the global environment and potential domestic headwinds to growth, the Ministry of Trade and Industry has narrowed the growth forecast for 2015 to between 2.0% and 2.5%.

The retail environment remains challenging. Based on figures released by the Singapore Department of Statistics (DOS), the retail sales index (excluding motor vehicles) declined year-on-year by 0.7% in 2014. Retail sales continued to contract year-on-year by a marginal 0.1% in Q1 2015, and 0.8% in Q2 2015.

According to Singapore Tourism Board (STB) statistics, decline in international visitor arrivals (IVA) moderated to 1.7% in the first seven months of 2015. IVA recorded positive year-on-year growth from May to July 2015 for the first time since February 2014. STB has forecast visitor arrivals to grow between 0% and 3%, and tourist receipts to grow between 0% and 2% in 2015.

SPH REIT has a portfolio of two high quality and well-positioned retail properties in prime locations. Paragon had remained resilient and turned in a steady performance through previous economic cycles. 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:	Distribution for the period from 1 June 2015 to 31 August 2015
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 2020. All other investors will receive their distributions after deduction of tax at the rate of 17%.

11. Distribution

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of distribution:	Distribution for the period from 1 June 2014 to 31 August 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%.

(c) Date payable

The date the distribution is payable: Monday, 16 November 2015.

(d) Record date

The Transfer Books and Register of Unitholders of SPH REIT will be closed at 5.00pm on 20 October 2015 for purposes of determining each Unitholder's entitlement to SPH REIT distribution.

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

Not applicable.

13. Segment Results

	4Q 2015	4Q 2014	Change	FY 2015	FY 2014	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross Revenue						
Paragon	41,029	41,281	(0.6)	166,070	163,915	1.3
The Clementi Mall	9,760	9,793	(0.3)	39,043	38,326	1.9
Total	50,789	51,074	(0.6)	205,113	202,241	1.4
Net Property Income						
Paragon	31,157	31,566	(1.3)	127,627	124,075	2.9
The Clementi Mall	7,008	6,437	8.9	27,993	26,576	5.3
Total	38,165	38,003	0.4	155,620	150,651	3.3

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 on page 11.

15. Breakdown of Gross revenue and Net Income

	FY2015	FY2014	Change
	S$'000	S$'000	%
1 September to 28 February (First half year)			
Gross revenue	103,089	100,762	2.3
Net income	59,534	56,531	5.3
1 March to 31 August (Second half year)			
Gross revenue	102,024	101,479	0.5
Net income	57,409	57,380	0.1

16. Breakdown of Total Distributions

	FY2015	FY2014
	S$'000	S$'000
24 July 2013 (listing date) to 31 August 2013[1]	-	14,006
1 September 2013 to 30 November 2013	-	32,513
1 December 2013 to 28 February 2014	-	34,840
1 March 2014 to 31 May 2014	-	33,891
1 June 2014 to 31 August 2014	-	34,949
1 September 2014 to 30 November 2014	33,489	-
1 December 2014 to 28 February 2015	35,303	-
1 March 2015 to 31 May 2015	34,094	-
1 June 2015 to 31 August 2015[2]	35,158	-
	138,044	150,199

Notes:

1. Distribution for the period from 24 July 2013 (listing date) to 31 August 2013 of S$14.0 million, was paid together with 1Q 2014 distribution on 14 February 2014.
2. Please refer to paragraph 11(a) on page 15.

17. 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.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, SPH REIT Management Pte. Ltd. (the "Company"), as manager of SPH REIT, confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of SPH REIT.

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,
12 October 2015

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Independent auditors' report

To the Unitholders of SPH REIT
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 9 July 2013)

Report on the financial statements

We have audited the accompanying financial statements of SPH REIT (the "Trust"), which comprise the Balance Sheet and Portfolio Statement of the Trust as at 31 August 2015, and the Statement of Total Return, Distribution Statement and Statement of Changes in Unitholders' Funds and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages # to #.

Manager's responsibility for the financial statements

The Manager of the Trust ("the Manager") is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Opinion

In our opinion, the financial statements of the Trust present fairly, in all material respects, the financial position of the Trust as at 31 August 2015 and the total return, distributable income, changes in Unitholders' funds and cash flows of the Trust for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 October 2015

The page numbers are as stated in the Independent Auditors' Report dated 12 October 2015 included in SPH REIT Annual Report for the financial year ended 31 August 2015.

For Immediate Release **PRESS RELEASE**
October 12, 2015

SPH REIT's FY2015 Net Property Income increased 3.3% year-on-year

- FY2015 DPU was 5.47 cents
- Achieved healthy portfolio average rental reversion of 8.6% for FY2015
- Track record of full occupancy
- Revitalise tenant mix

SINGAPORE, October 12, 2015 – SPH REIT Management Pte. Ltd. ("SPH RM" or the "Manager"), the Manager of SPH REIT, reported that gross revenue for the year ended 31 August 2015 ("FY2015") grew $2.9m (1.4%) to $205.1m, on the back of higher rental income in both Paragon and The Clementi Mall. Net property income ("NPI") of $155.6m for FY2015 was $4.9m (3.3%) higher than last year, as a result of proactive management of expenses.

Income available for distribution to unitholders was $138.5m for FY2015, an increase of $2.1m (1.6%) compared to last year. The aggregate distribution per unit ("DPU") for FY2015 of 5.47 cents was 0.7% higher against last year. The DPU for 4Q 2015 of 1.39 cents will be paid to unitholders on 16 November 2015.

Steady and resilient operational performance

Both Paragon and The Clementi Mall maintained 100% occupancy. Paragon continues to achieve consistently robust performance with rental uplift of 9.1% for new or renewed leases in FY2015. For The Clementi Mall, which completed its first renewal cycle last year, the focus was to finetune tenancy mix to attract the desired retailers and strengthen the offering to a wider base of shoppers. It recorded a negative rental reversion of 5.6% on a very small percentage (5%) of total net lettable area.

Visitor traffic for Paragon and The Clementi Mall was 18.8m and 30.8m respectively for FY2015. This translated to a 2.0% and 4.7% increase against last year for the two malls. Paragon's tenant sales declined by 3.2% to $657m, primarily impacted by fitting-out period scheduled for the tenancy revitalisation program at Paragon. At The Clementi Mall, tenant sales improved by 3.6% to $242m in FY2015.

Tenancy Revitalisation

In line with its philosophy of treating the relationship with tenants as a partnership, the Manager worked with several established international tenants to expand their presence in Paragon during the quarter. This included Givenchy, Jimmy Choo, Cortina Watch and The Hour Glass. The food & beverage offering was boosted by the new PAUL café, a bigger space at Din Tai Fung and MUJI's first 'Café&Meal MUJI' concept in Singapore. There were also several changes and new additions to strengthen Paragon Junior's offering, including the new Nicholas & Bears store and expanded product variety from existing tenants such as Little Colette, Stride Ride, ELM Tree and Lemmi Fashion.

These continuous efforts to revitalise the tenant mix would strengthen various clusters in Paragon and enhance its premier positioning. The new and exciting retail offers would also provide a refreshing experience to shoppers.

Revaluation of properties to $3.21 billion

As at 31 August 2015, the portfolio was valued at $3.21b by DTZ Debenham Tie Leung (SEA) Pte Ltd. This represented an increase of $53.5m (1.7%) from last year's valuation of $3.16b. Compared to last year, the net asset value per unit has increased from $0.93 to $0.95 and gearing has reduced from 26.0% to 25.7% as at 31 August 2015.

Capital Management

SPH REIT has a well-staggered debt maturity profile, with weighted average term to maturity of 2.9 years as at 31 August 3015. To mitigate exposure to interest rate risk, the Manager has increased the percentage of total borrowing on fixed rate basis from 54.7% to 84.7% as at 31 August 2015. The average cost of debt was 2.55% as at 31 August 2015.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd., said, “We are pleased that SPH REIT has delivered another year of healthy operating and financial results in FY2015, amid challenging retail environment. We will continue to proactively manage our properties while seeking opportunities to create value for unitholders. The chiller decanting project at Paragon was completed on schedule during the year. This asset enhancement initiative converted about 5,000 sqft of back-of-house areas to valuable lettable space and contributed close to $1m incremental rental income annually. Paragon will also enjoy savings in utility consumption from the more efficient chillers. We are confident that our continual efforts to build on the strong positioning of both properties, firm partnership with tenants and philosophy of continual asset enhancement will sustain future performance.

On the outlook for FY2016, the near-term economic growth for Singapore is expected to remain modest, amid persisting uncertainties in the global economy and continued tight labour conditions weighing on the domestic economy. Barring any unforeseen circumstances, SPH REIT’s two high quality and well-positioned retail properties in prime locations, are expected to remain resilient, and turn in a steady performance.”

Summary Results of SPH REIT

	4Q 2015 $’000	**4Q 2014** $’000	**Change %**
Gross revenue	50,789	51,074	(0.6)
Net property income	38,165	38,003	0.4
Income available for distribution	33,553	34,940	(4.0)
Distribution to Unitholders[1]	35,158	34,949	0.6
Distribution per unit (cents)	1.39	1.39	-

	2015 $'000	2014 $'000	Change %
Gross revenue	205,113	202,241	1.4
Net property income	155,620	150,651	3.3
Income available for distribution	138,538	136,364	1.6
Distribution to Unitholders[2]	138,044	136,193	1.4
Distribution per unit (cents)	5.47	5.43	0.7
Distribution yield (%)	5.70[3]	5.10[4]	11.8

Note:

1. Distribution for 4Q 2015 includes taxable income available for distribution retained earlier in the year.
2. For FY2015, the distribution to unitholders was 99.6% of taxable income available for distribution.
3. Based on $0.96 per unit closing price on 31 August 2015.
4. Based on $1.065 per unit closing price on 31 August 2014.

For further information and enquiries, please contact:

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Head of Investor Relations
SPH REIT Management Pte. Ltd.
Tel: +65 6303 8879
Email: ssuethar@sphreit.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.

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 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.

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.







FY2015 Financial Results

12 October 2015

sph Reit

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 fourth quarter and financial year ended 31 August 2015 in the SGXNET announcement.

Contents

Results	**Slide 3**
Balance sheet	**Slide 7**
Operational performance	**Slide 11**
Growth strategy and market outlook	**Slide 20**
Distribution details and timetable	**Slide 23**

Key highlights

- FY15 DPU was 5.47 cents, an increase of 0.7% against last year
- 4Q 2015 DPU was 1.39 cents
- Distribution yield was 5.70% (based on closing price of $0.96 per unit on 31 August 2015)
- Healthy portfolio rental reversion of 8.6%
- Revitalisation of tenant mix
- Strong balance sheet, with low gearing of 25.7% and 84.7% debt on fixed rate

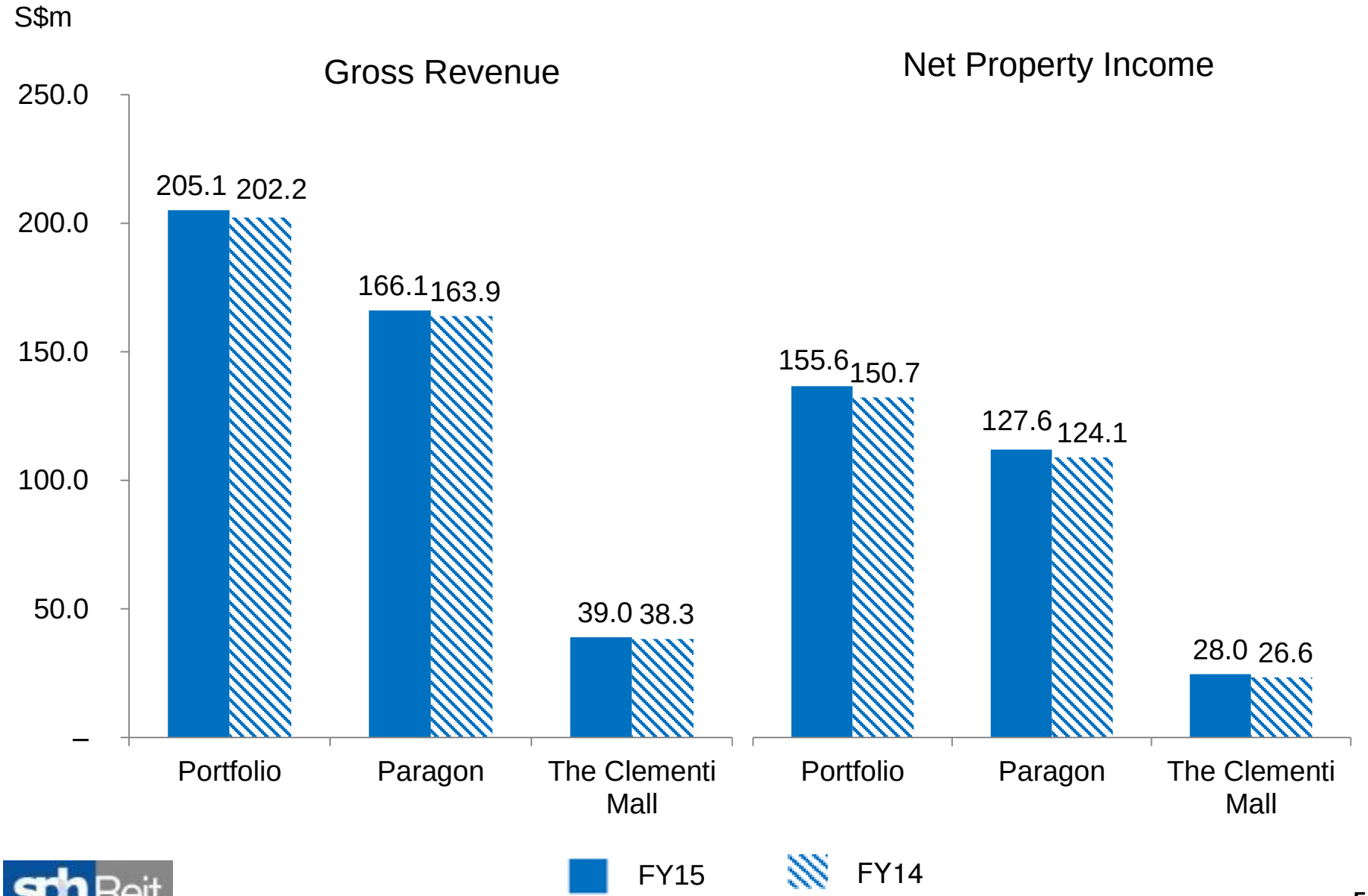
Resilient Performance

	FY15 S$'000	FY14 S$'000	Change %
Gross revenue	205,113	202,241	1.4%
Property expenses	(49,493)	(51,590)	(4.1%)
Net property income (NPI)	155,620	150,651	3.3%
Income available for distribution	138,538	136,364	1.6%
Distribution to Unitholders[(a)]	138,044	136,193	1.4%
Distribution per unit (DPU) (cents)	5.47	5.43	0.7%

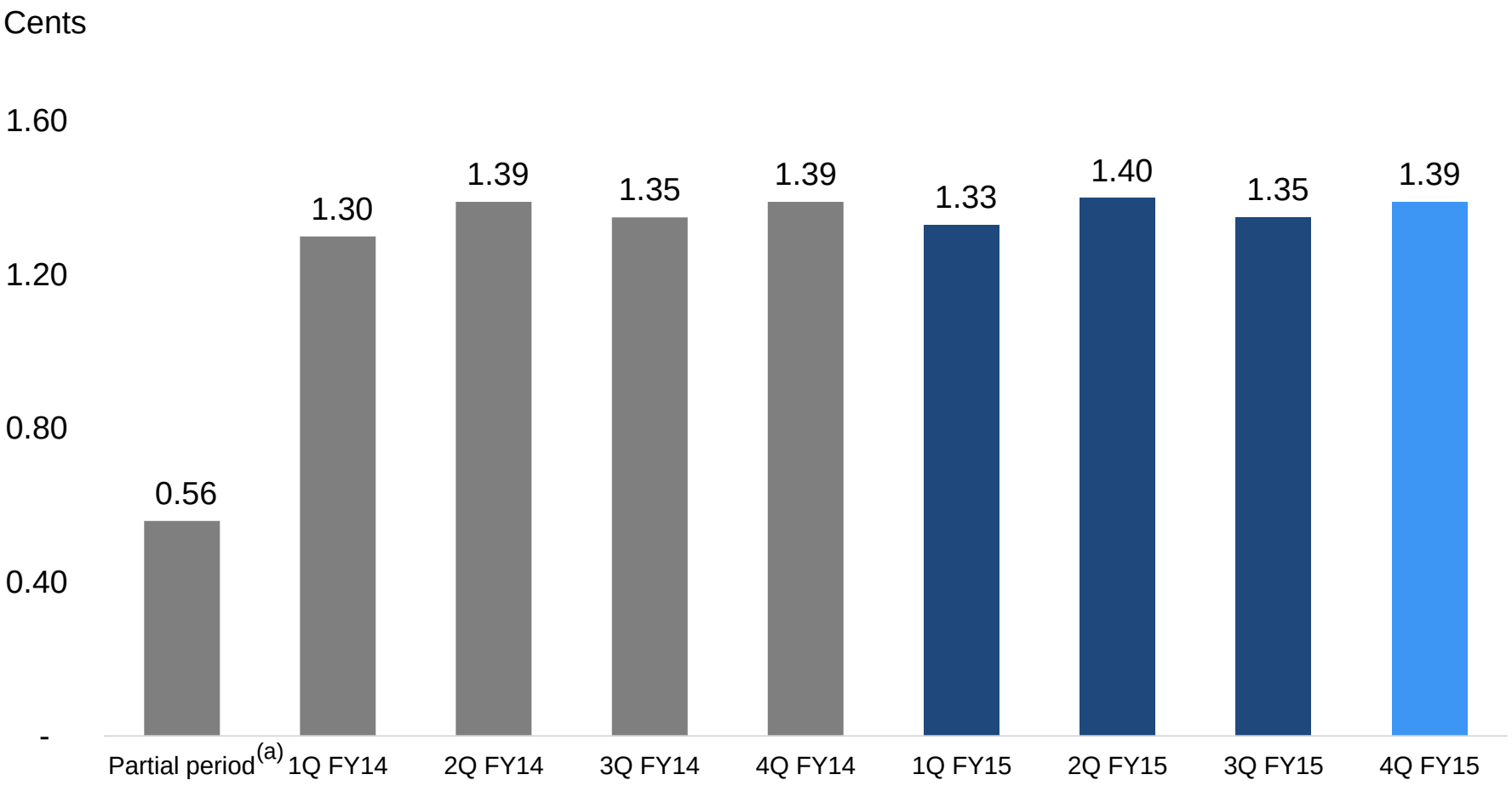
Note:

(a) For FY2015, the distribution to unitholders was 99.6% of taxable income available for distribution.

Higher Gross Revenue and NPI



Stable and regular DPU



Note:

(a) For the period from 24 July 2013 (listing date) to 31 August 2013.

Balance sheet



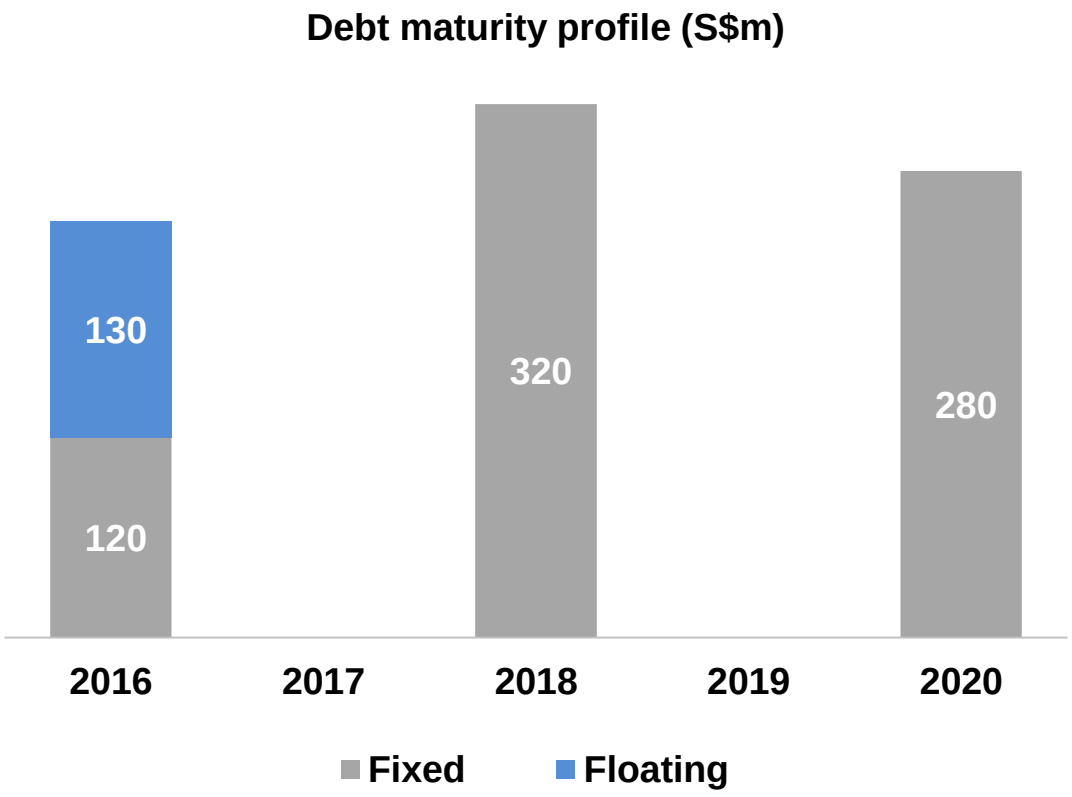
Financial position

	As at 31 August 2015 S$'000	As at 31 August 2014 S$'000
Total assets	3,309,621	3,269,033
Total liabilities	911,811	915,967
Net assets	2,397,810	2,353,066
Net asset value per unit	S$0.95	S$0.93
Gearing [(a)]	25.7%	26.0%

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

Low gearing and 85% of debt fixed

- Proactive capital management with 84.7% of the S$850m debt facility on a fixed rate basis
- Average cost of debt: 2.55%
- Weighted average term to maturity: 2.9 years



Market Value of Properties

	Valuation as at 31 August [a]		Capitalisation Rate As at 31 August 2015 and 2014
	2015 S$m	2014 S$m	
Paragon	2,641.0	2,588.0	4.85% - Retail 4.25% - Medical Suite/Office
The Clementi Mall [b]	571.5	571.0	5.00%
SPH REIT Portfolio	3,212.5	3,159.0	

Notes

(a) Valuations as at 31 August 2015 and 31 August 2014 were conducted by DTZ.

(b) The Clementi Mall's valuation excludes income support. The guaranteed Net Property Income (NPI) per year is S$31 million and the aggregate top up NPI shall not exceed $20 million over five years from 24 July 2013 (Listing date).



Operational performance

Steady and resilient performance

- Track record of 100% committed occupancy
- FY15 visitor traffic improved year-on-year by 2.0% for Paragon and 4.7% for The Clementi Mall
- Healthy portfolio rental reversion of 8.6%
- Paragon's tenant sales declined by 3.2% to $657m in FY15, primarily due to fitting out period arising from the tenancy revitalisation program at Paragon.
- Tenant sales for The Clementi Mall improved by 3.6% to $242m in FY15.
- FY15 occupancy cost was 19.0% for Paragon and 14.6% for The Clementi Mall

Rental reversions up 8.6% for the portfolio

	Number of renewals / new leases [(a)]	NLA renewed / new leases (sf)	As a % of properties' NLA	Change compared to preceding rental rates [(c)]
Paragon	118	235,948	33.0%	9.1%
The Clementi Mall	20	9,556	5.0%	- 5.6% [(d)]
SPH REIT Portfolio	138	245,504	27.1% [(b)]	8.6%

Notes:

(a) For expiries in FY15.

(b) As a % of SPH REIT portfolio's total Net Lettable Area ("NLA") of 906,797sf as at 31 August 2015.

(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.

(d) Negative rental reversion was recorded as The Clementi Mall continues to balance the tenancy mix and strengthen the offering to a wider base of shoppers.

Strategy to revitalise tenant mix

- Strategy to continually revitalise tenant mix to keep the properties relevant and elevate the properties' positioning
- Has embarked on these initiatives to strengthen the various clusters
- Asset enhancement works will be managed to minimise disruption to shoppers and tenants

Strategy to revitalise tenant mix

New Brands







New Look / Concept













Well-staggered portfolio lease renewal

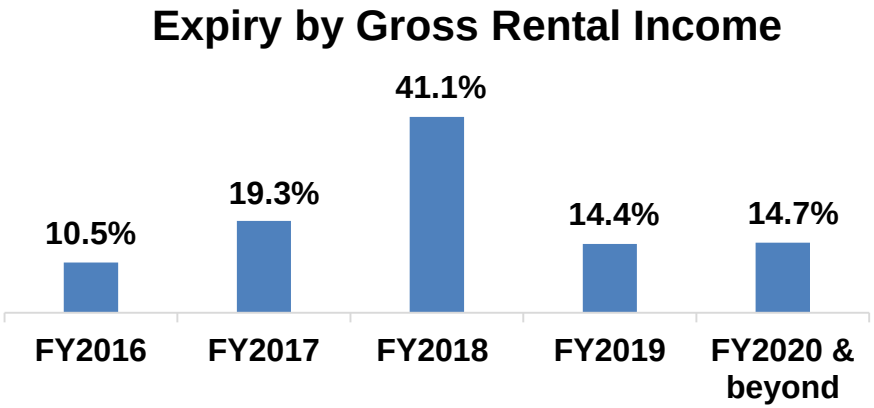
Weighted Average Lease Expiry (WALE)
as at 31 August 2015

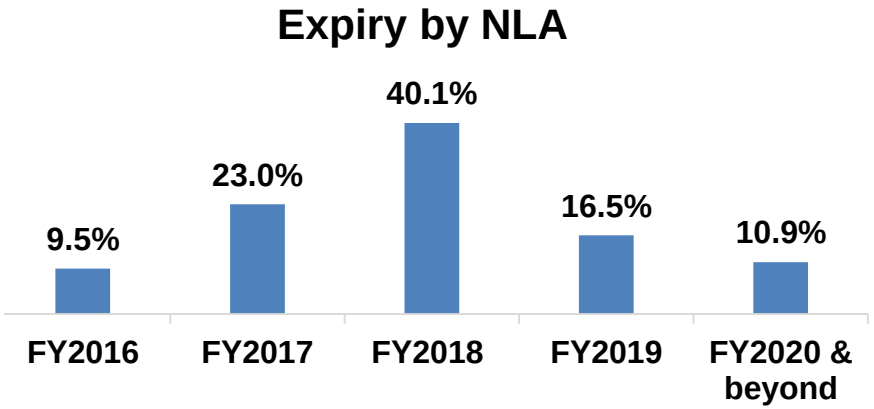
By NLA	2.3 years
By Gross Rental Income	2.4 years

Lease expiry as at 31 August 2015

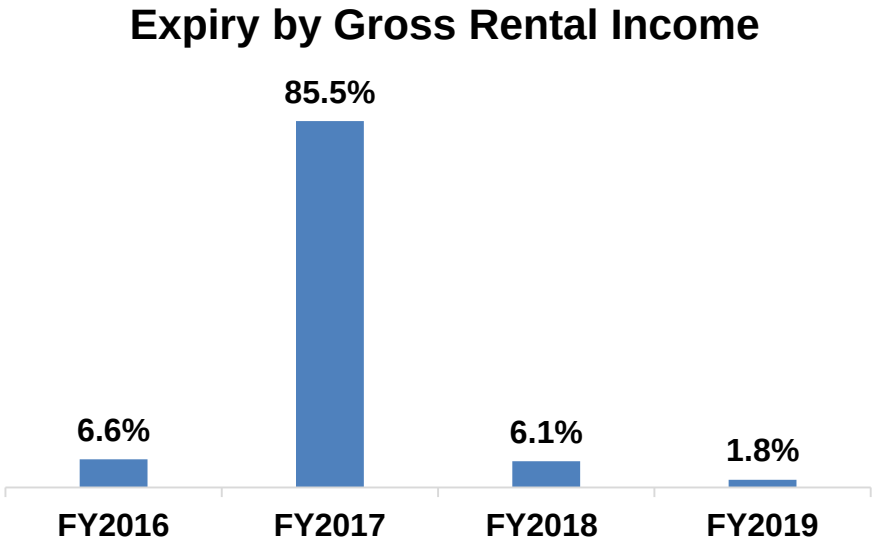
	FY2016	FY2017	FY2018	FY2019	FY2020 and beyond
Expiries as a % of total NLA	9.4%	36.0%	32.7%	13.4%	8.5%
Expiries as a % of Gross rental income	9.8%	31.9%	34.5%	12.0%	11.8%

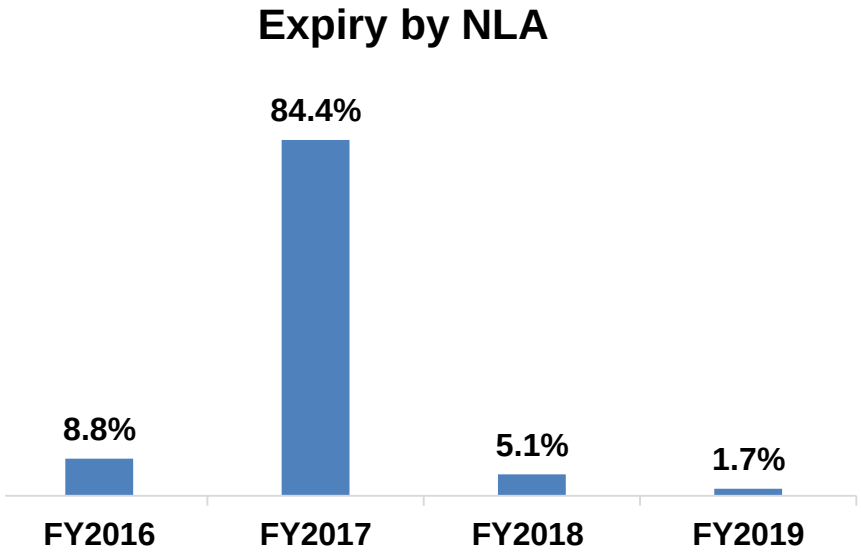
Paragon: well staggered lease expiry





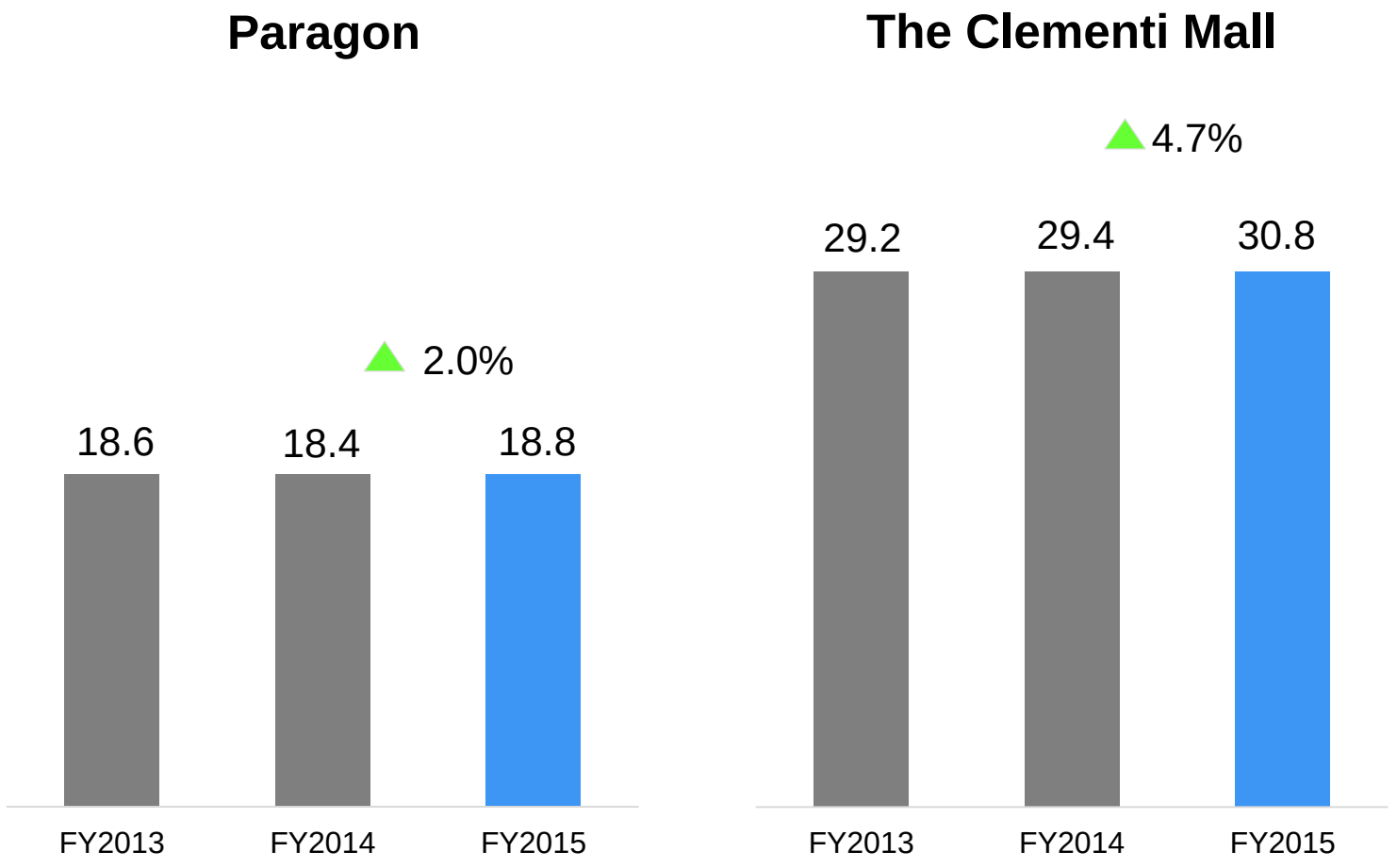
The Clementi Mall [(a)] : tenant retention rate of more than 90% for first renewal cycle





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

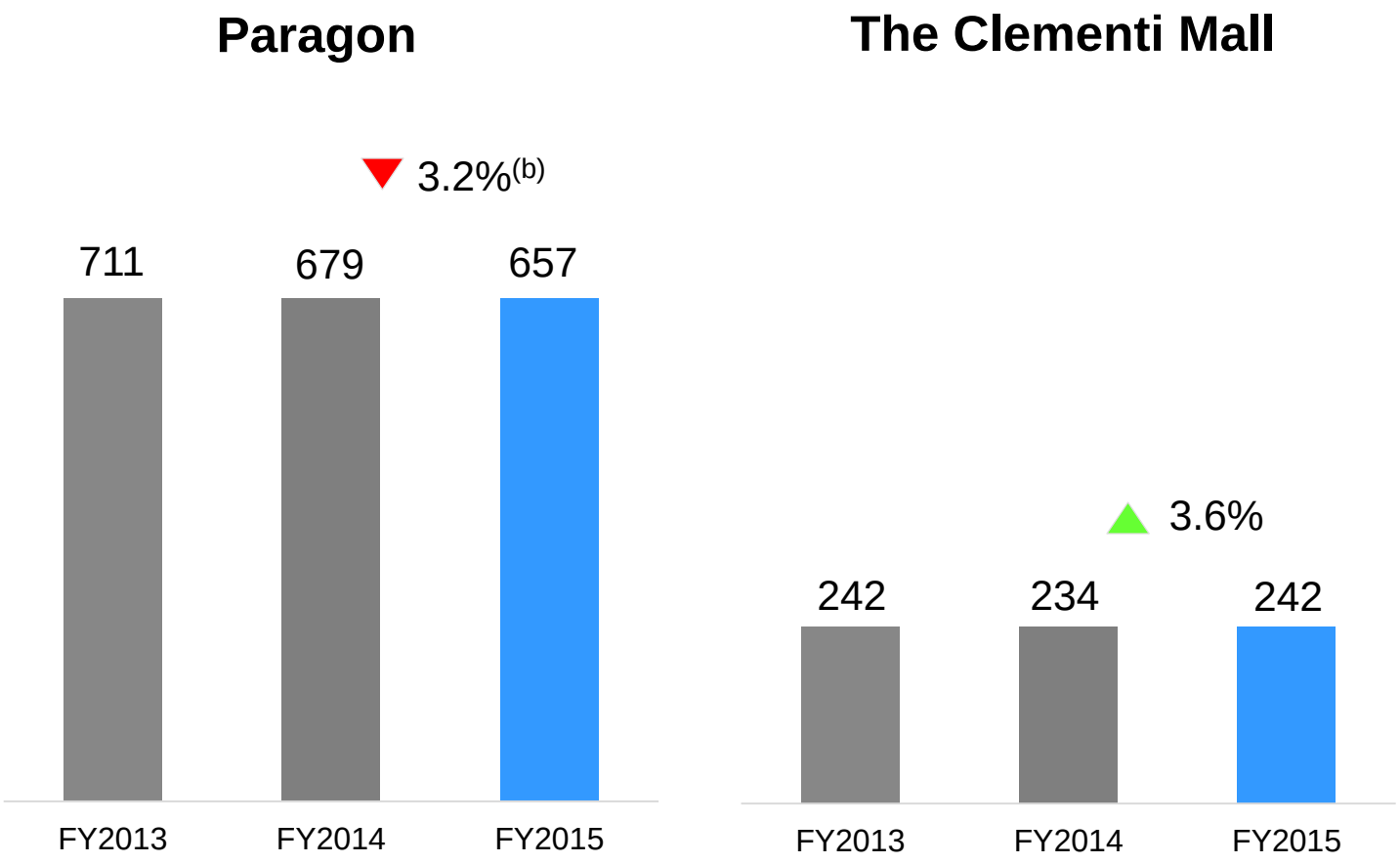
Steady visitor traffic



* All figures (in million)

Note:
(a) Financial year refers to the period from 1 September to 31 August in the respective year 2013, 2014, and 2015.

Tenant Sales



* All figures (in $million)

Note:
(a) Financial year refers to the period from 1 September to 31 August in the respective year 2013, 2014, and 2015.
(b) Primarily impacted by fitting-out period scheduled for the tenancy revitalisation program

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 pro-active 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 has opened on 28 November 2014, achieved 100% committed occupancy rate since 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.

Continual Asset Enhancement

Air Handling Unit ("AHU") Decanting Project

- Project to replace aging AHUs with fan coil unit ("FCU") in Paragon
- And convert about 7,000 sqft back-of-house spaces into revenue generating net lettable area at retail levels
- Multi-phased approach to tie in with tenants' lease expiries from September 2015 to March 2018 to minimise disruption to tenants

Chiller Decanting Project

- Project completed on schedule.
- All tenants committed for the newly-created space have started trading by August.
- With contribution of annual rental income of close to $1m, the return on investment was above 7%[1].
- Paragon will enjoy savings in utilities consumption from the more efficient chillers.

Note
(1) Excludes equipment cost as they were due for replacement

Market outlook

- **Outlook for Singapore economy remains modest**
  - The Singapore economy grew by 1.8% on a year-on-year basis in the second quarter, slower than the 2.8% growth in the previous quarter.
  - MTI has narrowed the growth forecast for 2015 to between 2.0% to 2.5%.
  - Growth in labour-intensive segments such as retail and food services may continue to be weighed down by manpower constraints.
- **STB has forecast visitor arrivals and tourist receipts to post flat-to-modest growth in 2015**
  - Decline in international visitor arrivals moderated to 1.7% in the first seven months of 2015. IVA recorded positive year-on-year growth from May to July 2015 for the first time since February 2014.
  - STB has forecast visitor arrivals to grow between 0% and 3%, and tourist receipts to grow between 0% and 2% in 2015.
- **Retail remains challenging**
  - The retail sales index (excluding motor vehicles) declined year-on-year by 0.7% in 2014. Retail sales continued to contract year-on-year by a marginal 0.1% in Q1 2015, and 0.8% in Q2 2015.

Distribution details and timetable

Distribution period	4Q FY15 (1 June 2015 – 31 August 2015)
Distribution per unit	1.39 cents per unit
Ex-date	16 October 2015
Record date	20 October 2015
Payment date	16 November 2015

Thank You

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