



AGM Presentation
For the period ended 31 August 2014
28 November 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 4Q and financial year ended 31 August 2014 in the SGXNET announcement.

Contents

Results & Balance Sheet	Slide 3
Operational performance	Slide 11
Growth strategy and market outlook	Slide 19

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.

Results & Balance sheet

Key highlights

- 4Q FY14[#] DPU exceeded forecast[^] by 6.1%
- YTD[#] DPU of 5.99 cents
- Annualised distribution yield:
 - 5.08% (based on closing price of \$1.065 per unit on 29 August 2014), and
 - 6.01% (based on IPO price of \$0.90 per unit on 24 July 2013)
- Positive YTD rental reversions of 8.5%
- Valuation of properties increased 3.4% to about S\$3.16 billion as at 31 August 2014

“4Q FY14” refers to the quarter from 1 June 2014 to 31 August 2014. “YTD” refers to the period from 24 July 2013 (listing date) to 31 August 2014.

[^] As derived from forecast in the Prospectus.

YTD Distribution per unit exceeded forecast by 3.8%

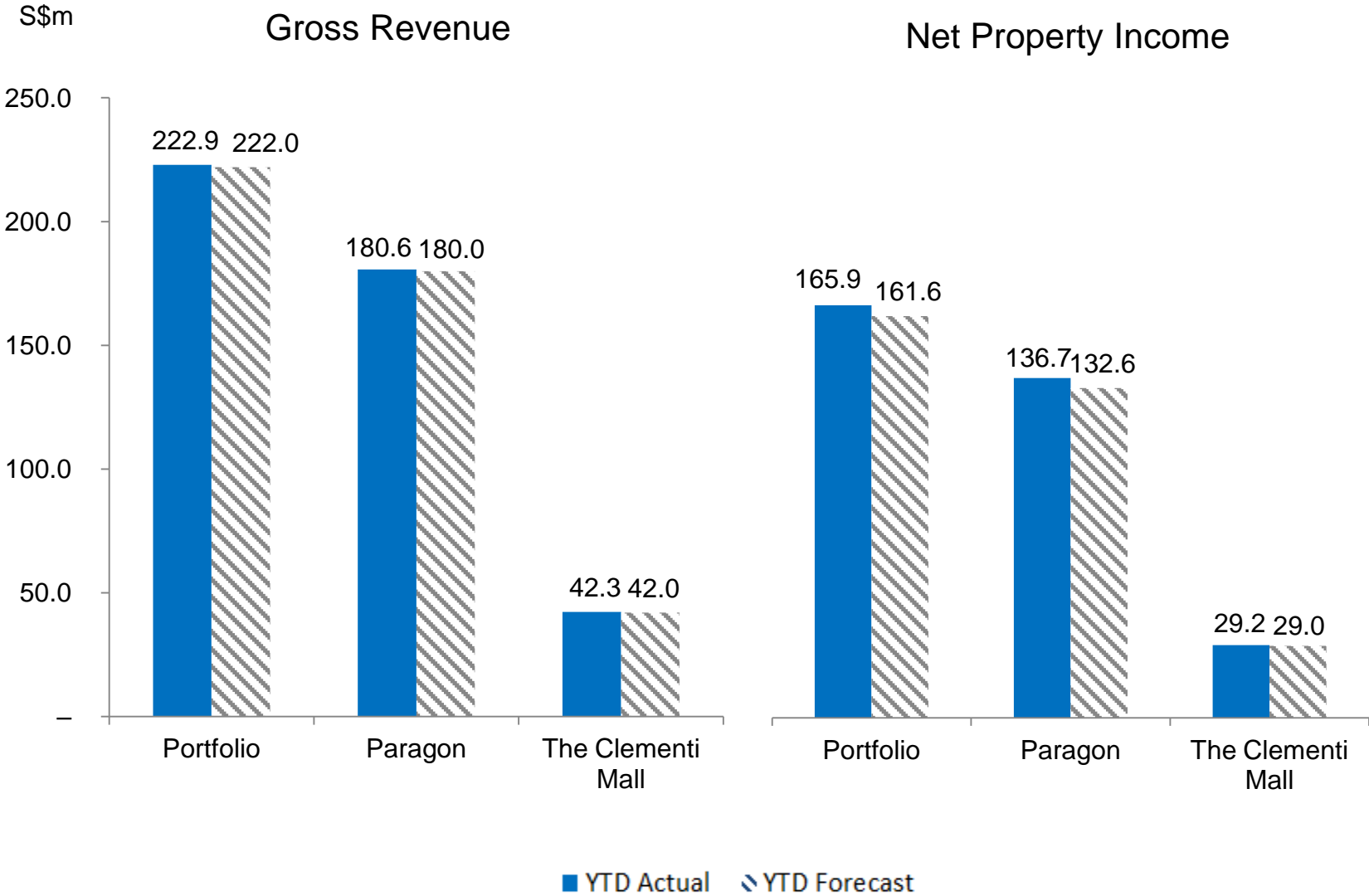
	YTD Actual ^(a) S\$'000	YTD Forecast ^{(a),(b)} S\$'000	Variance %
Gross revenue	222,921	221,977	0.4%
Property expenses	(57,011)	(60,378)	(5.6%)
Net property income (NPI)	165,910	161,599	2.7%
Total amount distributable to unitholders	150,345	144,484	4.1%
Distribution per unit (DPU) (cents)	5.99	5.77	3.8%

Notes:

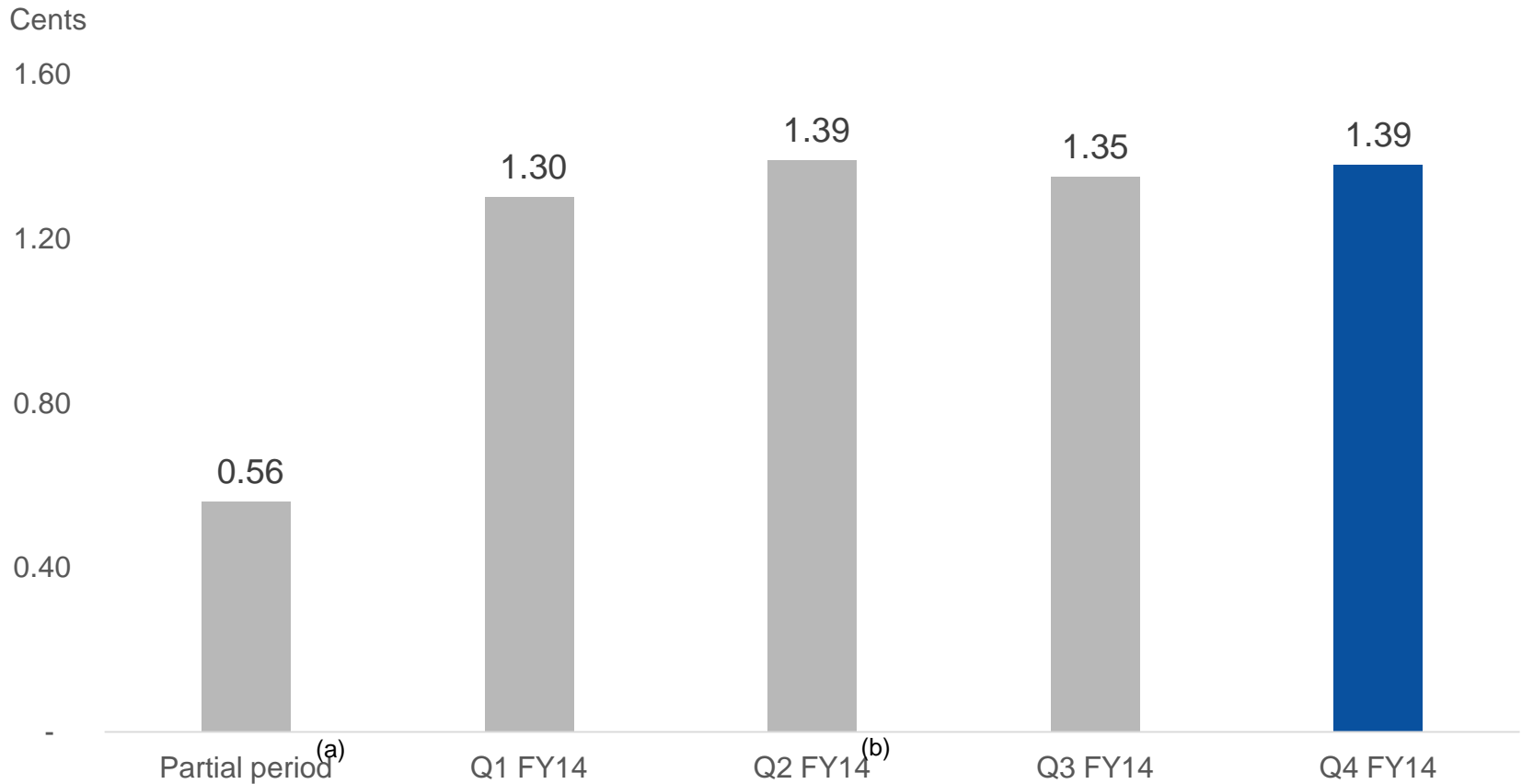
(a) Although SPH REIT was constituted on 9 July 2013, the results of SPH REIT during its private trust period from 9 July 2013 to 23 July 2013 are insignificant. Hence, "YTD" was for the financial period from 24 July 2013 (listing date) to 31 August 2014.

(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 31 Aug 2014) as disclosed in the Prospectus.

Higher NPI contribution from both properties



Total DPU of 5.99 cents since IPO



Note:

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

(b) Q2 FY14 performance was boosted by variable rent during the festive period.

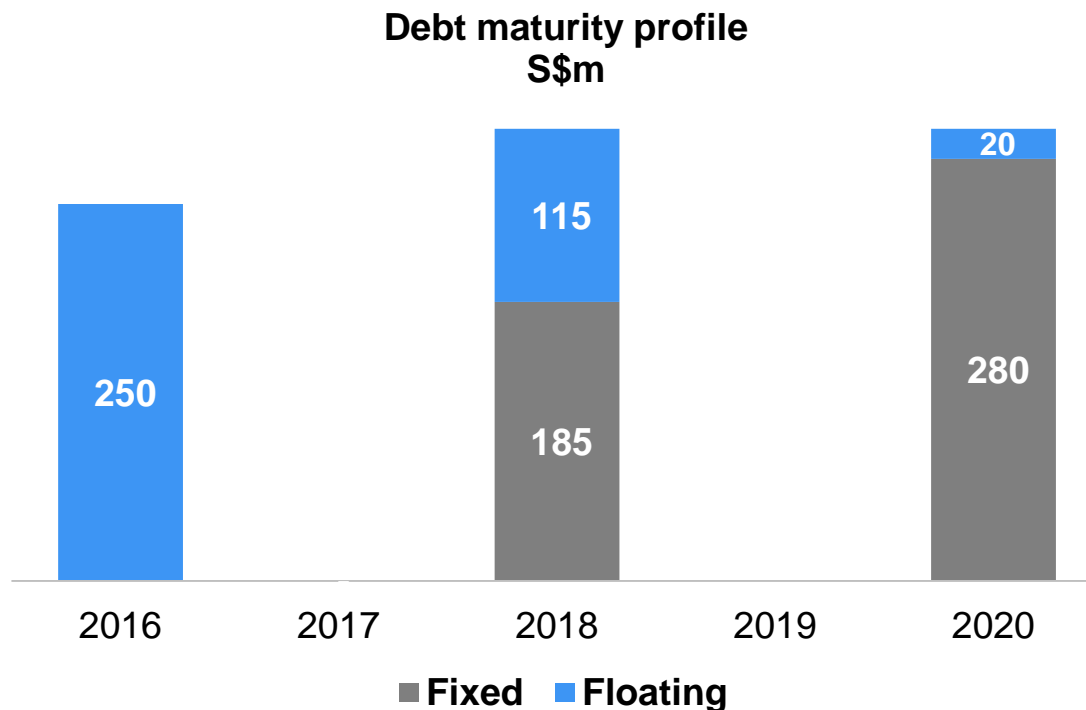
Financial position

	Actual 31 Aug 2014 S\$'000	Prospectus Pro-forma 28 Feb 2013 S\$'000
Total assets	3,269,033	3,116,177
Total liabilities	915,967	884,461
Net assets	2,353,066	2,231,716
Net asset value per unit	S\$0.93	S\$0.89
Gearing ^(a)	26.0%	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 a fixed rate basis
- Average cost of debt: 2.33%
- Weighted average term to maturity: 4.0 years



Valuation of properties about S\$3.16b

	Valuation as at 31 Aug 2014 S\$m ^(a)	Valuation as at 28 Feb 2013 S\$m ^(c)	Capitalisation rate
Paragon	2,588.0	2,500.0	4.85% - Retail 4.25% - Medical Suite/Office
The Clementi Mall ^(b)	571.0	553.0	5.00%
SPH REIT Portfolio	3,159.0	3,053.0	

Notes

(a) Valuations as at 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.

(c) Valuations as at 28 February 2013 were based on the average independent valuations by CBRE & DTZ.

Operational performance

Steady and resilient performance

- Track record of 100% occupancy
- Strong rental reversions
- FY14# visitor traffic held steady year-on-year
- Tenant sales impacted by retail sentiment and decline in tourist arrivals
- FY14# occupancy cost was 18.1% for Paragon and 15.3% for The Clementi Mall



Paragon - P S. Cafe



The Clementi Mall - Atrium

Rental reversions up 8.5% 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	102	282,316	39.9%	10.5%
The Clementi Mall	127	153,272	79.6%	5.5%
SPH REIT Portfolio	229	435,588	48.4% ^(b)	8.5%

Notes:

(a) For expiries in the YTD period from 24 July 2013 (listing date) to 31 August 2014.

(b) As a % of SPH REIT portfolio's total Net Lettable Area ("NLA") of 900,300sf as at 31 August 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 31 August 2014

By NLA 2.2 years

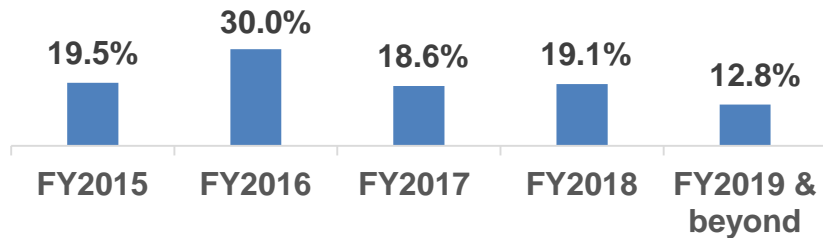
By Gross Rental Income 2.4 years

Lease expiry as at 31 August 2014

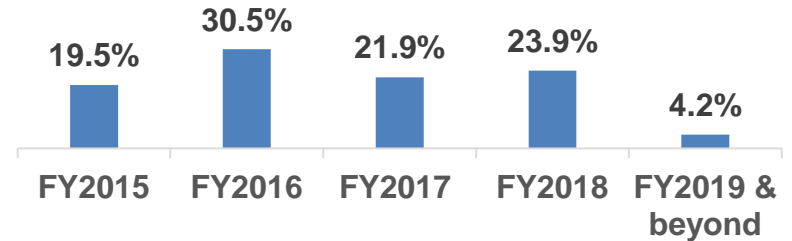
	FY2015	FY2016	FY2017	FY2018	FY2019 and beyond
Expiries as a % of total NLA	16.3%	26.1%	35.3%	18.9%	3.4%
Expiries as a % of Gross rental income	16.9%	25.9%	31.2%	15.6%	10.4%

Paragon: well staggered lease expiry

Expiry by Gross Rental Income

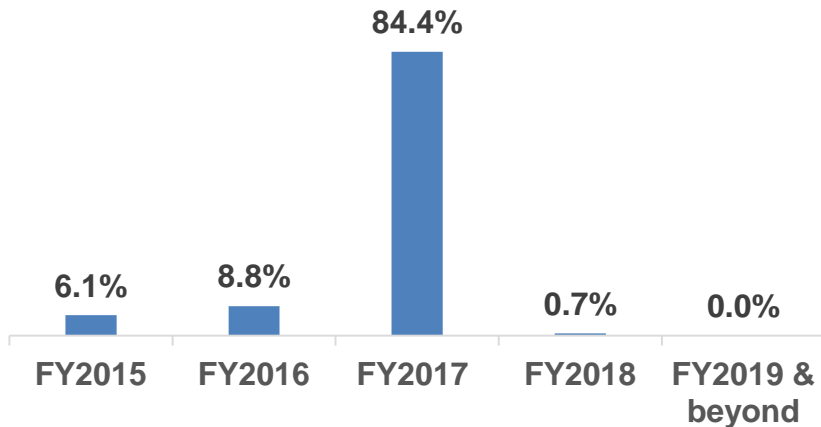


Expiry by NLA

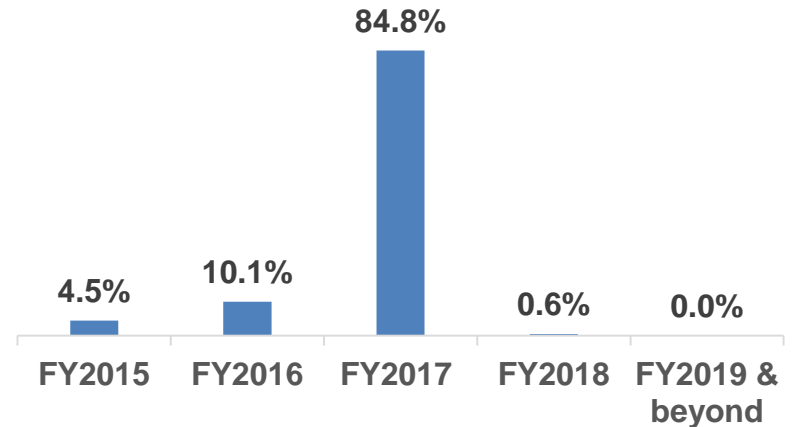


The Clementi Mall (a) : tenant retention rate of more than 90% for first renewal cycle

Expiry by Gross Rental Income



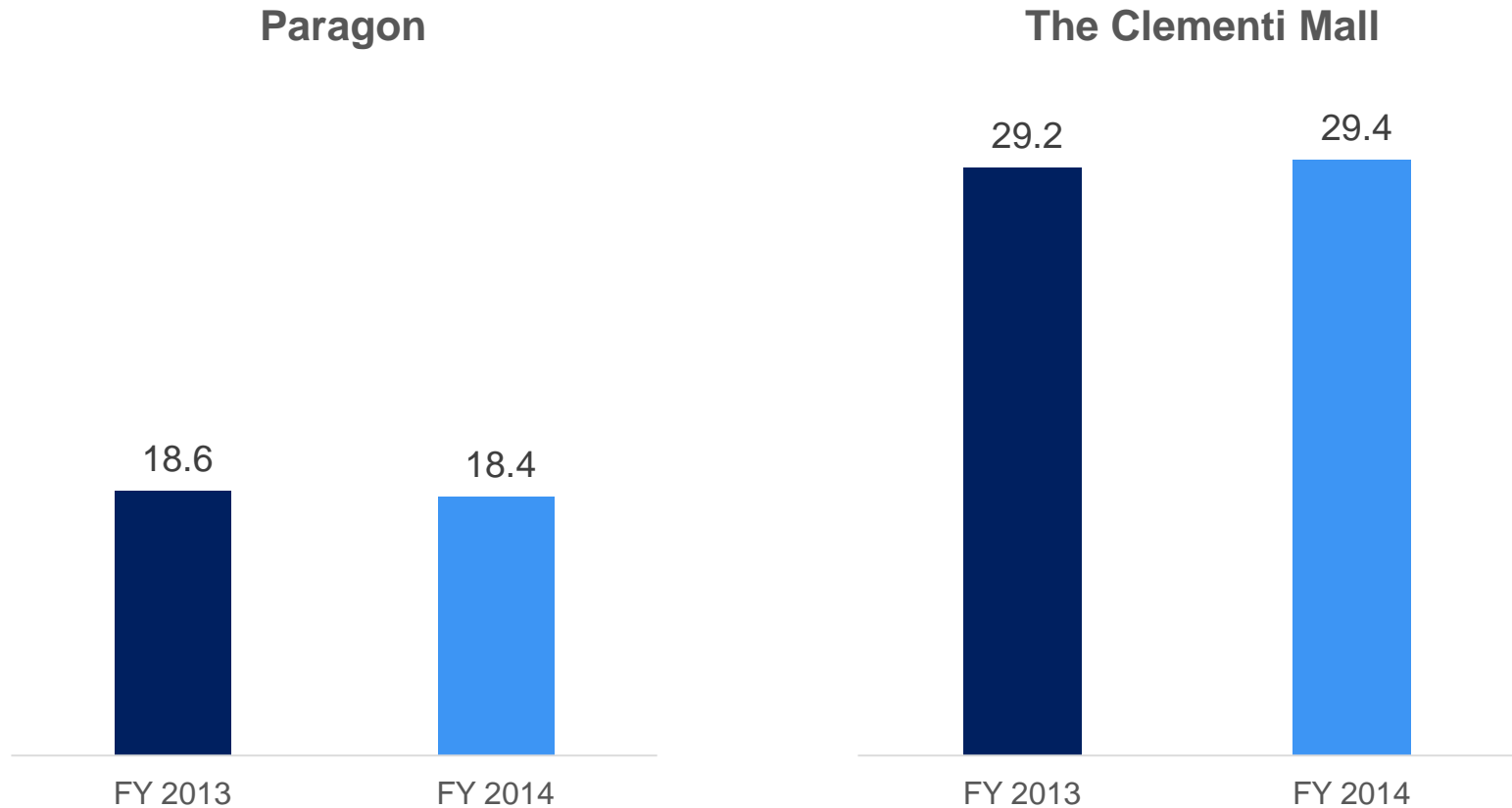
Expiry by NLA



Notes

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

Steady visitor traffic



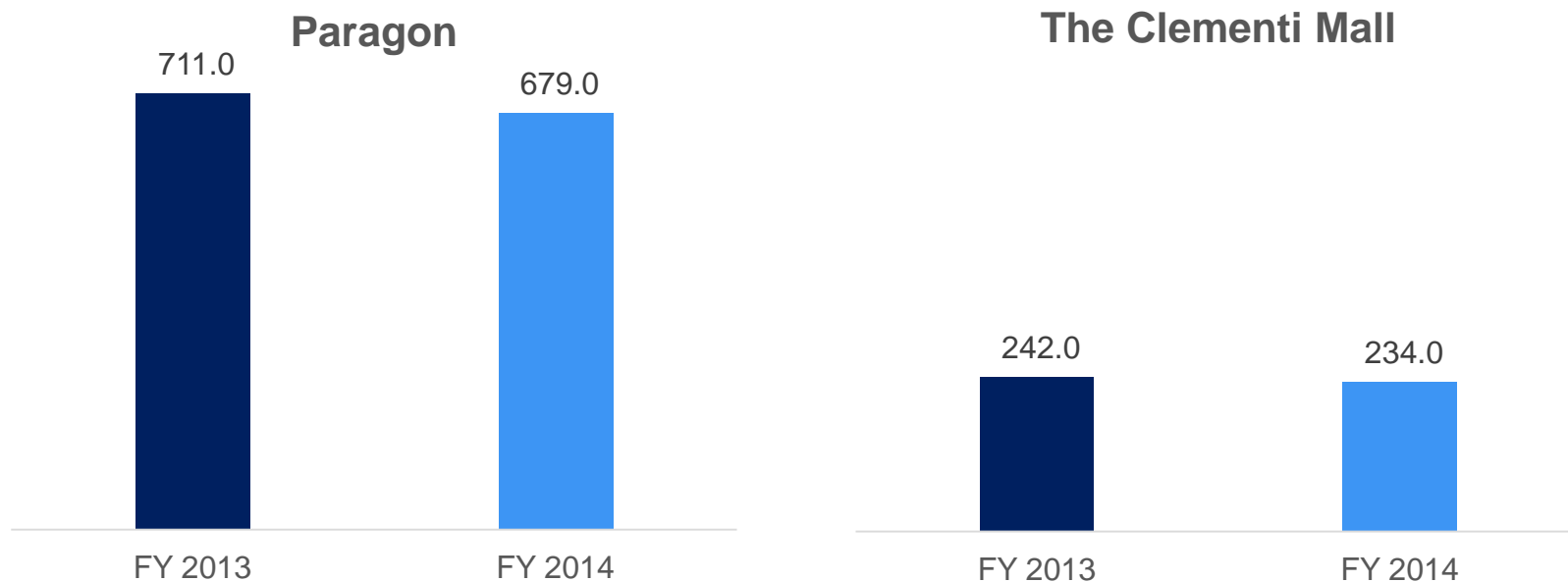
* All figures (in million)

Note:

(a) FY 2013 refers to the financial year from 1 September 2012 to 31 August 2013

(b) FY 2014 refers to the financial year from 1 September 2013 to 31 August 2014

Tenant sales impacted by retail sentiment and decline in tourist arrivals



* All figures (in \$million)

Note:

(a) FY 2013 refers to the financial year from 1 September 2012 to 31 August 2013

(b) FY 2014 refers to the financial year from 1 September 2013 to 31 August 2014

Events

28 June 2014

New Zealand "Westlake Choralation" Choir performance
(1st place winner in the Vienna 8th Summa Cum Laude
International Youth Music Festival)



16 - 20 July 2014

"See The Big Picture" event by world renowned savant artist
Stephen Wiltshire who drew the skyline of Singapore from
memory after a short helicopter ride



Photograph by The Straits Times



30 - 31 August 2014

Cultural performances at The Clementi Mall
(Kungfu Tea Pouring, Face Changing Act)



1 March 2014

SPH 30th anniversary SSO concert
at Paragon

Growth strategy and market outlook

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 scheduled to open by end 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 in progress

- Chiller decanting project
 - Creation of approximately 5,000sf of net lettable area
 - Works are expected to complete in FY 2016
- Other two asset enhancement projects
 - To generate a combined net lettable area of 5,000sf, to be phased in from FY 2016
 - Projects are still at the planning stage
 - More details will be announced in due course

Market outlook

- **Outlook for Singapore economy remains modest**
 - MTI expects the Singapore economy to grow by around 3.0% for the whole of 2014 and by 2.0% to 4.0% in 2015.
 - Growth in labour intensive segments such as retail and food services may be weighed down by labour constraints
- **Visitor arrivals declined in recent months**
 - For the period January to August 2014, visitor arrivals declined year-on-year by 3.3% to 10.3 million
 - Tourism receipts for 1H 2014 registered a 2% year-on-year increase to S\$11.8 billion. Declines in spending on shopping (13%) and food and beverage (2%) were observed for the first half.
- **Retail sales softening**
 - In the past few months between March 2014 and September 2014, the Retail Sales Index (excluding motor vehicles) fell year-on-year by between 0.4% to 2.0%, excluding May 2014 and September 2014 which saw a marginal increase of 0.3% and 0.6% respectively.

Thank You

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