

## Financial Statements and Related Announcement::Full Yearly Results

## Issuer &amp; Securities

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

## Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	13-Oct-2014 18:50:23
<b>Status</b>	New
<b>Announcement Sub Title</b>	Full Yearly Results
<b>Announcement Reference</b>	SG1410130THR8AY7
<b>Submitted By (Co./ Ind. Name)</b>	Lim Wai Pun
<b>Designation</b>	Company Secretary
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	<p>The Announcement, Press Release and Results Presentation are attached.</p> <p>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").</p> <p>The Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.</p>

## Additional Details

<b>For Financial Period Ended</b>	31/08/2014
<b>Attachments</b>	<p><a href="#">SPHREITSGXAnnouncement Q4FY2014.pdf</a></p> <p><a href="#">SPHREITPressRelease Q4FY14 Board.pdf</a></p> <p><a href="#">SPHREITResultsPresentationSlidesQ4FY2014.pdf</a></p> <p>Total size =3519K</p>

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## SPH REIT FINANCIAL STATEMENT ANNOUNCEMENT \*

### FOR THE PERIOD ENDED 31 AUGUST 2014

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\* ***Please refer to the attached auditors' audit report.***

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

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.

### **Introduction**

SPH REIT is a real estate investment trust constituted by the Trust Deed entered into on 9 July 2013 between SPH REIT Management Pte. Ltd. as the Manager of SPH REIT, and DBS Trustee Limited as the Trustee of SPH REIT. SPH REIT was listed on SGX-ST on 24 July 2013.

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 initial 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.

As disclosed in the Prospectus, SGX-ST has granted SPH REIT a waiver from compliance with Listing Rule 705 (1) which requires the announcement of the financial statements for the full year (for the period ended 31 August 2013) and to incorporate the period from the listing date to 31 August 2013 in its FY2014 result announcements. Hence, SPH REIT presented its results from listing date to 31 August 2014 in this announcement. The financial information as set out in this announcement has been extracted from the audited\* financial statements for the period 24 July 2013 to 31 August 2014, 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.

The notes as follows shall be applicable to the relevant sections thereafter:

- "Actual" - Although SPH REIT was constituted on 9 July 2013, the acquisition of the properties was completed on 24 July 2013 and listed on Singapore Exchange Securities Trading Limited (the "SGX-ST") on 24 July 2013. Consequently, the actual income derived from the properties for the current period was from 24 July 2013 (listing date) to 31 August 2014. The results of SPH REIT during its private trust period from 9 July 2013 to 23 July 2013 were insignificant.
- "Pro forma" - The comparative figures were derived from the Prospectus for the financial year ended 31 August 2012 and six-month period ended 28 February 2013 (for the period 24 July 2012 to 28 February 2013). For the period 1 March 2013 to 31 August 2013, the figures were based on unaudited management accounts of Orchard 290 Ltd and CM Domain Pte Ltd after relevant adjustments to ensure consistency with the basis of preparation adopted in the Prospectus' Pro forma statements.
- "Forecast" - The forecast figures were derived from the Forecast Period 2H FY2013 (for the period 24 July to 31 August 2013) and Projection Year FY2014 (for the period 1 September 2013 to 31 August 2014) as disclosed in the Prospectus.
- "4Q" - Refers to the fourth quarter from 1 June 2014 to 31 August 2014 for the current year or the corresponding fourth quarter of the preceding year.
- "YTD" - Refers to the period from 24 July 2013 to 31 August 2014 for the current year or the corresponding period of the preceding year.

**\* Please refer to the attached auditors' audit report.**

## For The Period Ended 31 August 2014

### 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

	Actual 4Q 2014	Pro forma 4Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	51,074	49,797	2.6	222,921	216,850	2.8
Property operating expenses	(13,071)	(13,826)	(5.5)	(57,011)	(57,853)	(1.5)
<b>Net property income</b>	<b>38,003</b>	<b>35,971</b>	<b>5.6</b>	<b>165,910</b>	<b>158,997</b>	<b>4.3</b>
Income support <sup>1</sup>	1,312	1,483	(11.5)	5,092	5,775	(11.8)
Amortisation of intangible asset	(1,312)	(1,483)	(11.5)	(5,092)	(5,775)	(11.8)
Manager's management fees	(3,960)	(4,085)	(3.1)	(17,125)	(16,948)	1.0
Trust expenses <sup>2</sup>	(84)	(567)	(85.2)	(1,748)	(2,507)	(30.3)
Finance income	78	61	27.9	219	139	57.6
Finance costs	(5,006)	(4,993)	0.3	(21,898)	(22,104)	(0.9)
<b>Net income</b>	<b>29,031</b>	<b>26,387</b>	<b>10.0</b>	<b>125,358</b>	<b>117,577</b>	<b>6.6</b>
Fair value change on investment properties <sup>3</sup>	102,603	-	NM	102,603	-	NM
<b>Total return for the period before taxes and distribution</b>	<b>131,634</b>	<b>26,387</b>	<b>NM</b>	<b>227,961</b>	<b>117,577</b>	<b>NM</b>
Less: income tax	-	-	NM	-	-	NM
<b>Total return for the period after taxes and before distribution</b>	<b>131,634</b>	<b>26,387</b>	<b>NM</b>	<b>227,961</b>	<b>117,577</b>	<b>NM</b>

Notes:

1. Income support relates to the top-up payment from the vendors of The Clementi Mall pursuant to the Deed of Income Support.
2. 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.
3. This relates to the fair value change on Paragon and The Clementi Mall as at 31 August 2014, based on independent valuations conducted by DTZ Debenham Tie Leung (SEA) Pte Ltd. Pro forma figures do not include the fair value change on investment properties, as the properties were acquired at fair value.

NM Not Meaningful

## For The Period Ended 31 August 2014

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### 1(a)(ii) Distribution Statement

	Actual 4Q 2014 S\$'000	Pro forma 4Q 2013 S\$'000	Change %	Actual YTD 2014 S\$'000	Pro forma YTD 2013 S\$'000	Change %
<b>Net income</b>	<b>29,031</b>	<b>26,387</b>	<b>10.0</b>	<b>125,358</b>	<b>117,577</b>	<b>6.6</b>
Add: Non-tax deductible items <sup>1</sup>	5,909	6,184	(4.4)	24,987	25,149	(0.6)
<b>Total amount distributable to Unitholders for the period</b>	<b>34,940</b>	<b>32,571</b>	<b>7.3</b>	<b>150,345</b>	<b>142,726</b>	<b>5.3</b>

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.

## For The Period Ended 31 August 2014

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

<b>Balance Sheet</b>	<b>Actual As at 31 Aug 14 S\$'000</b>	<b>Pro forma As at 28 Feb 13<sup>1</sup> S\$'000</b>
<b>Non-current assets</b>		
Plant and equipment	1,055	765
Investment properties <sup>2</sup>	3,159,000	3,053,000
Intangible asset <sup>3</sup>	12,408	17,500
	<b>3,172,463</b>	<b>3,071,265</b>
<b>Current assets</b>		
Trade and other receivables	5,912	1,343
Cash and cash equivalents	90,658	43,569
	<b>96,570</b>	<b>44,912</b>
<b>Total assets</b>	<b>3,269,033</b>	<b>3,116,177</b>
<b>Non-current liabilities</b>		
Borrowing	843,125	840,892
Derivative financial instruments <sup>4</sup>	8,758	-
Trade and other payables	28,953	32,754
	<b>880,836</b>	<b>873,646</b>
<b>Current liabilities</b>		
Trade and other payables	35,131	10,815
	<b>35,131</b>	<b>10,815</b>
<b>Total liabilities</b>	<b>915,967</b>	<b>884,461</b>
<b>Net assets attributable to Unitholders</b>	<b>2,353,066</b>	<b>2,231,716</b>

Notes:

1. SPH REIT completed the acquisition of Paragon and The Clementi Mall on listing date, the financial statements incorporate the two properties in its portfolio accordingly. SPH REIT balance sheet is compared against the Pro forma Balance Sheet as at 28 February 2013 in the Prospectus, prepared based on the assumptions, inter alia, that the listing exercise, changes in debt capital structure and the acquisition of the two properties had occurred on or were effective on 28 February 2013.
2. The fair value of Paragon and The Clementi Mall as at 31 August 2014 was S\$2,588.0 million and S\$571.0 million respectively. The fair value of the investment properties were based on independent valuations conducted by DTZ Debenham Tie Leung (SEA) Pte Ltd ("DTZ").
3. Intangible asset relates to income support provided by the vendors of The Clementi Mall.
4. Derivative financial instruments represent the fair value as at 31 August 2014 of the interest rate swap contracts to swap floating rates for fixed interest rates.

**1(b)(ii) Borrowing**

**Secured borrowing**

	<b>Actual As at 31 Aug 14 S\$'000</b>	<b>Pro forma As at 28 Feb 13 S\$'000</b>
Amount repayable within one year	-	-
Amount repayable after one year	843,125	840,892

**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\$843.1 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 23 July 2016, S\$300 million on 23 July 2018 and S\$300 million on 22 July 2020.

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<sup>1, 2</sup>**

	<b>Actual 4Q 2014 S\$'000</b>	<b>Actual YTD 2014 S\$'000</b>
<b>Cash flows from operating activities</b>		
Total return for the period	131,634	227,961
Adjustments for:		
Fair value change on investment properties	(102,603)	(102,603)
Manager's fee paid/payable in units	3,960	17,125
Depreciation of plant and equipment	34	127
Finance income	(78)	(219)
Finance costs	5,006	21,898
Amortisation of intangible asset	1,312	5,092
Operating cash flow before working capital changes	39,265	169,381
Changes in operating assets and liabilities		
Trade and other receivables	289	(5,893)
Trade and other payables	2,520	61,497
<b>Net cash from operating activities</b>	<b>42,074</b>	<b>224,985</b>
<b>Cash flows from investing activities</b>		
Acquisition of investment properties	-	(1,306,000)
Capital expenditure on investment properties	(822)	(2,729)
Acquisition of intangible asset	-	(17,500)
Purchase of plant and equipment	(2)	(1,178)
Interest received	81	214
<b>Net cash used in investing activities</b>	<b>(743)</b>	<b>(1,327,193)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	-	503,896
Issue expenses paid	-	(18,908)
Proceeds from bank loan (net of transaction costs)	(18)	840,965
Distribution to unitholders	(33,891)	(115,250)
Interest paid	(4,466)	(17,837)
<b>Net cash (used in)/from financing activities</b>	<b>(38,375)</b>	<b>1,192,866</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,956</b>	<b>90,658</b>
Cash and cash equivalents at beginning of the period	87,702	-
<b>Cash and cash equivalents at end of the period</b>	<b>90,658</b>	<b>90,658</b>

Notes:

- There was no comparative Statement of Cash Flows as SPH REIT was constituted on 9 July 2013 and SGX-ST has granted SPH REIT a waiver for the announcement of the financial statement for the period ended 31 August 2013.
- Significant non-cash transactions: SPH REIT acquired Paragon and The Clementi Mall from Orchard 290 Ltd and CM Domain Pte Ltd respectively on 24 July 2013 (listing date). The acquisition was partially settled by way of issuance of units in the Trust amounting to S\$1,747,000,000.



## For The Period Ended 31 August 2014

### 1(d)(i) Statement of Changes in Unitholders' Funds<sup>1</sup>

	Actual 4Q 2014	Actual YTD 2014
	S\$'000	S\$'000
<b>Balance as at beginning of period</b>	<b>2,251,121</b>	<b>-</b>
<b><u>Operations</u></b>		
Total return for the period / net increase in assets resulting from operations	131,634	227,961
<b><u>Hedging reserve</u></b>		
Movement in hedging reserve <sup>2</sup>	242	(8,758)
<b><u>Unitholders' transactions</u></b>		
Issue of new units on listing	-	2,250,896
Issue expenses <sup>3</sup>	-	(18,908)
Distribution to unitholders	(33,891)	(115,250)
Manager's fee paid/payable in units	3,960	17,125
<b>Balance as at end of period</b>	<b>2,353,066</b>	<b>2,353,066</b>

Notes:

1. There was no comparative Statement of Cash Flows as SPH REIT was constituted on 9 July 2013 and SGX-ST has granted SPH REIT a waiver for the announcement of the financial statement for the period ended 31 August 2013.
2. This relates to the hedging reserve arising from interest rate swap arrangements.
3. This relates to Initial Public Offering ("IPO") expenses capitalised under capital reserves. The IPO expenses relates to underwriting fees, professional fees and other miscellaneous expenses.

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

	Actual 4Q 2014	Actual YTD 2014
	No. of units	No. of units
<b>Issued units as at beginning of period</b>	<b>2,510,475,049</b>	<b>1</b>
<b>Issue of new units:</b>		
Placement at listing	-	2,500,994,999
Manager's fee paid in units <sup>1</sup>	3,801,439	13,281,488
<b>Issuable units:</b>		
Manager's fee payable in units <sup>2</sup>	3,678,691	3,678,691
<b>Total issued and issuable units as at end of period</b>	<b>2,517,955,179</b>	<b>2,517,955,179</b>

Notes:

1. There were 5,499,120 units, 3,980,929 units, and 3,801,439 units issued to the REIT Manager as satisfaction of management fee for the period from 24 July 2013 (listing date) to 30 November 2013, for the second quarter ended 28 February 2014, and for the third quarter ended 31 May 2014, respectively.
2. There are 3,678,691 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.

**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 2014, SPH REIT had 2,514,276,488 units (31 August 2013: 2,500,995,000 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 the Group 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.

## For The Period Ended 31 August 2014

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.**

Not applicable.

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

	Actual 4Q 2014	Pro forma 4Q 2013	Actual YTD 2014	Pro forma YTD 2013
<b><u>Earnings per unit</u></b>				
Weighted average number of units <sup>1</sup>	2,514,316,044	2,500,995,000	2,507,824,706	2,500,995,000
Total return for the period after tax (S\$'000)	131,634	26,387	227,961	117,577
EPU (basic and diluted) (cents)	5.24	1.06 <sup>3</sup>	9.09	4.70 <sup>3</sup>
<b><u>Distribution per unit</u></b>				
Total number of units in issue at end of period	2,514,276,488	2,500,995,000	2,514,276,488	2,500,995,000
Total amount distributable to unitholders for the period (S\$'000)	34,940	32,571	150,345	142,726
DPU <sup>2</sup> (cents)	1.39	1.30	5.99	5.71

Notes:

1. The actual weighted average number of units was based on the number of units in issue and issuable units to the Manager during the period. The number of units in issue at listing date was used for comparative Pro forma figure.
2. The DPU was computed based on the number of units entitled to distribution at the end of the period. The number of units in issue at listing date was used for comparative Pro forma figure.
3. Pro forma figures do not include the fair value change on investment properties, as the properties were acquired at fair value.

**7. Net Asset Value (“NAV”) per unit**

	<b>Actual As at 31 Aug 14</b>	<b>Pro forma As at 28 Feb 13</b>
NAV per unit <sup>1</sup> (S\$)	0.93	0.89

Notes:

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

**8. Review of Performance**

**a. Actual 4Q 2014 vs Pro forma 4Q 2013**

Gross revenue for the quarter from 1 June 2014 to 31 August 2014 (“4Q 2014”) improved by S\$1.3 million (2.6%) to S\$51.1 million, on the back of higher rental income achieved by both Paragon and The Clementi Mall.

Property operating expenses of S\$13.1 million were S\$0.8 million (5.5%) below Pro forma 4Q 2013. Savings in utilities and lower marketing cost were partially offset by higher maintenance and property tax.

Consequently, net property income of S\$38.0 million for 4Q 2014, was S\$2.0 million (5.6%) higher than the Pro forma 4Q 2013.

Net Income increased by S\$2.6 million (10.0%) to S\$29.0 million for 4Q 2014 against the same quarter last year. The positive result was attributable to the higher net property income and savings in trust expenses.

Total amount distributable to unitholders of S\$34.9 million for 4Q 2014 was S\$2.4 million (7.3%) above the corresponding quarter last year.

**b. Actual YTD 2014 vs Pro forma YTD 2013**

Gross revenue for the period from 24 July 2013 (listing date) to 31 August 2014 (“YTD 2014”) of S\$222.9 million was S\$6.1 million (2.8%) higher against Pro forma YTD 2013. The healthy results was driven by good progress in leasing activities. Both Paragon and The Clementi Mall were fully leased with rental reversion of 10.5% and 5.5% respectively for the new or renewed leases in YTD 2014.

Property operating expenses were lower by S\$0.8 million (1.5%) against the Pro forma expenses incurred in the corresponding period last year. This was largely due to higher maintenance and property tax offset by reduced utilities cost.

Consequently, net property income (NPI) of S\$165.9 million for YTD 2014, was S\$6.9 million (4.3%) higher than the same period last year. NPI margin of 74.4% was achieved, better than Pro forma YTD 2013 of 73.3%.

Net income increased by S\$7.8 million (6.6%) to S\$125.4 million for YTD 2014 against the corresponding period last year. This was mainly attributable to the higher net property income and saving in trust expenses.

## For The Period Ended 31 August 2014

After taking into account the fair value change of S\$102.6 million, total return for the YTD 2014 was S\$228.0 million. As at 31 August 2014, the portfolio was valued at S\$3.159 billion by DTZ Debenham Tie Leung (SEA) Pte Ltd. The revaluation change represented an increase of 3.4% from the IPO valuation of S\$3.053 billion as at 28 February 2013.

Total amount distributable to unitholders of S\$150.3 million was S\$7.6 million (5.3%) above the Pro forma YTD 2013.

### 9. Variance from Prospect Statement

#### 9(a) Statement of Total Return

	Actual 4Q 2014	Forecast 4Q 2014	Change	Actual YTD 2014	Forecast YTD 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	51,074	50,360	1.4	222,921	221,977	0.4
Property operating expenses	(13,071)	(13,703)	(4.6)	(57,011)	(60,378)	(5.6)
<b>Net property income</b>	<b>38,003</b>	<b>36,657</b>	<b>3.7</b>	<b>165,910</b>	<b>161,599</b>	<b>2.7</b>
Income support	1,312	1,237	6.1	5,092	5,316	(4.2)
Amortisation of intangible asset	(1,312)	(1,237)	6.1	(5,092)	(5,316)	(4.2)
Manager's management fees	(3,960)	(3,795)	4.3	(17,125)	(16,767)	2.1
Trust expenses	(84)	(566)	(85.2)	(1,748)	(2,505)	(30.2)
Finance income	78	-	NM	219	-	NM
Finance costs	(5,006)	(4,995)	0.2	(21,898)	(22,087)	(0.9)
<b>Net income</b>	<b>29,031</b>	<b>27,301</b>	<b>6.3</b>	<b>125,358</b>	<b>120,240</b>	<b>4.3</b>
Fair value change on investment properties	102,603	-	NM	102,603	-	NM
<b>Total return for the period before taxes and distribution</b>	<b>131,634</b>	<b>27,301</b>	<b>NM</b>	<b>227,961</b>	<b>120,240</b>	<b>NM</b>
Less: income tax	-	-	NM	-	-	NM
<b>Total return for the period after taxes and before distribution</b>	<b>131,634</b>	<b>27,301</b>	<b>NM</b>	<b>227,961</b>	<b>120,240</b>	<b>NM</b>

## For The Period Ended 31 August 2014

### 9(b) Distribution Statement

	Actual 4Q 2014 S\$'000	Forecast 4Q 2014 S\$'000	Change %	Actual YTD 2014 S\$'000	Forecast YTD 2014 S\$'000	Change %
<b>Net income</b>	<b>29,031</b>	<b>27,301</b>	<b>6.3</b>	<b>125,358</b>	<b>120,240</b>	<b>4.3</b>
Add: Non-tax deductible items	5,909	5,520	7.0	24,987	24,244	3.1
<b>Total amount distributable to Unitholders for the period</b>	<b>34,940</b>	<b>32,821</b>	<b>6.5</b>	<b>150,345</b>	<b>144,484</b>	<b>4.1</b>

### 9(c) Variance between the Forecast and Actual Results

#### i. Actual 4Q 2014 vs Forecast 4Q 2014

Gross revenue for the quarter from 1 June 2014 to 31 August 2014 ("4Q 2014") of S\$51.1 million was S\$0.7 million (1.4%) higher than forecast.

Property operating expenses were S\$0.6 million (4.6%) lower than forecast at S\$13.1 million for the quarter. This was mainly due to lower property tax and continued savings in utilities, partially offset by higher maintenance costs.

Consequently, net property income of S\$38.0 million for 4Q 2014 was S\$1.3 million (3.7%) above forecast.

Net income 4Q 2014 was S\$29.0 million, an increase of S\$1.7 million (6.3%) compared to forecast, mainly due to higher net property income and saving in trust expenses.

Total amount distributable to unitholders of S\$34.9 million for 4Q 2014 was S\$2.1 million (6.5%) above forecast.

#### ii. Actual YTD 2014 vs Forecast YTD 2014

Gross revenue of S\$222.9 million for the period from 24 July 2013 (listing date) to 31 August 2014 ("YTD 2014"), was marginally higher by S\$0.9 million (0.4%) compared to forecast.

Property operating expenses were S\$3.4 million (5.6%) lower than forecast at S\$57.0 million for the period. This was largely due to lower utilities, property taxes and other expenses partially offset by higher maintenance costs.

Consequently, net property income of S\$165.9 million was S\$4.3 million (2.7%) higher than forecast. Both Paragon and The Clementi Mall exceeded forecast by S\$4.1 million (3.1%) and S\$0.2 million (0.8%) respectively. NPI margin of 74.4% was achieved, better than the forecast of 72.8%.

Net income for YTD 2014 was S\$125.4 million, an increase of S\$5.1 million (4.3%) compared to forecast, mainly due to higher net property income and lower trust expenses. The savings in trust expenses was mainly due to lower professional fees, as well as from the waiver to prepare and distribute the financial statement for the period from listing date to 31 August 2013. Finance cost was marginally lower as average cost of debt as at 31 August 2014 was 2.33%, within the forecast all-in-rate of 2.35%.

Total amount distributable to unitholders for YTD 2014 of S\$150.3 million was S\$5.9 million (4.1%) above forecast.

**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 is expected to grow modestly, amidst uncertainties in the global environment and potential domestic headwinds to growth. Continuing manpower crunch is expected to weigh on growth in some labour-intensive segments such as retail and food services and take a toll on expansion plans of retailers. Against this backdrop, the Ministry of Trade and Industry (MTI) has narrowed the GDP growth forecast for 2014 to between 2.5% and 3.5%.

Retail sales has moderated in recent months. Based on figures released by the Singapore Department of Statistics (DOS), the year-on-year decline in monthly retail sales index (excluding motor vehicle sales) ranged from 0.3% to 2.1% from March to July 2014. The exception was a marginal increase of 0.2% in May 2014.

The Singapore Tourism Board (STB) has forecast visitor arrivals to grow to between 16.3 million and 16.8 million and tourist receipts to be in the range of S\$23.8 billion to S\$24.6 billion in 2014. For the period January to July 2014, visitor arrivals declined year-on-year by 2.5% to 8.9 million. Tourism receipts for Q1 2014 registered a 5% year-on-year increase to S\$6.0 billion. Declines in spending on shopping (6%) and food and beverage (1%) were observed for the quarter.

Barring any unforeseen circumstances, SPH REIT's portfolio of two high quality and well-positioned retail properties in prime locations, is expected to remain resilient and turn in a steady performance. The Manager remains focused on proactively managing 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:	4 <sup>th</sup> 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:	<p>Taxable Income Distribution:</p> <p>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.</p> <p>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.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p>

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Not applicable.

**(c) Date payable**

The date the distribution is payable: Friday, 14 November 2014.



**(d) Books closure date**

The Transfer Books and Register of Unitholders of SPH REIT will be closed at 5.00pm on 21 October 2014 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**

	Actual 4Q 2014	Pro forma 4Q 2013	Change	Actual YTD 2014	Pro forma YTD 2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b><u>Gross Revenue</u></b>						
Paragon	41,281	40,184	2.7	180,628	175,095	3.2
The Clementi Mall	9,793	9,613	1.9	42,293	41,755	1.3
Total	51,074	49,797	2.6	222,921	216,850	2.8
<b><u>Net Property Income</u></b>						
Paragon	31,566	29,706	6.3	136,717	130,461	4.8
The Clementi Mall	6,437	6,265	2.7	29,193	28,536	2.3
Total	38,003	35,971	5.6	165,910	158,997	4.3

**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 and 12.

**15. Breakdown of Gross revenue and Net Income**

	Actual YTD 2014
	<u>S\$'000</u>
<b><u>24 July 2013 (listing date) to 31 August 2013</u></b>	
Gross revenue	20,680
Net income	11,447
<b><u>First half year<sup>1</sup></u></b>	
Gross revenue	100,762
Net income	56,531
<b><u>Second half year<sup>2</sup></u></b>	
Gross revenue	101,479
Net income	57,380

Notes:

1. The results for the first half year relates to the period from 1 September 2013 to 28 February 2014.
2. The results for the second half year relates to the period from 1 March 2014 to 31 August 2014.

**16. Breakdown of Total Distributions**

	Actual YTD 2014
	<u>S\$'000</u>
24 July 2013 to 31 August 2013	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 <sup>1</sup>	34,949
	<u>150,199</u>

Notes:

1. 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,  
13 October 2014



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**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 2014, and the Statement of Total Return, Distribution Statement and Statement of Changes in Unitholders' Funds and the Statement of Cash Flows for the period from 9 July 2013 (date of constitution) to 31 August 2014, 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.



**SPH REIT**

*Independent auditors' report*

*For the period from 9 July 2013 (date of constitution)  
to 31 August 2014*

*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 2014 and the total return, distributable income, changes in unitholders' funds and cash flows of the Trust for the period 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**

13 October 2014

# The page numbers are as stated in the Independent Auditors' Report dated 13 October 2014 included in SPH REIT Annual Report for the financial period ended 31 August 2014.



## **SPH REIT's 4Q FY14 Distribution of 1.39 cents exceeds Forecast by 6.1%**

- Paragon and The Clementi Mall achieved healthy rental reversion of 10.5% and 5.5% respectively. Maintained track record of full occupancy.
- Portfolio valuation was \$3.16 billion as at 31 August 2014, an increase of 3.4% compared to IPO valuation.

**SINGAPORE, October 13, 2014** – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that SPH REIT’s income distributable to unitholders was \$34.9m for the fourth quarter ended 31 August 2014 (“4Q FY14”). This translated to a distribution per unit (“DPU”) of 1.39 cents for 4Q FY14, an increase of 6.1% against IPO forecast. The 4Q FY14 distribution will be paid to unitholders on 14 November 2014.

The aggregate DPU of 5.99 cents for the period from 24 July 2013 to 31 August 2014 (“YTD period”) was higher than forecast by 3.8%. On an annualised basis, the distribution represented a yield of 6.0%, based on IPO price of \$0.90 and 5.1%, based on closing price of \$1.065 on 29 August 2014.

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

Both Paragon and The Clementi Mall were fully leased. For the YTD period, gross revenue for both properties was in line with forecast. Net property income of Paragon and The Clementi Mall exceeded forecast by 3.1% and 0.8% respectively, due to proactive management of expenses.

Paragon continues to achieve consistently robust performance with rental uplift of 10.5% for the YTD period. The Clementi Mall completed the first lease renewal cycle<sup>1</sup> in 2014

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<sup>1</sup> The Clementi Mall opened in two phases in January 2011 and March 2011.

and achieved a high tenant retention rate of more than 90% (by net lettable area). The average rental rates achieved for expiring leases in the YTD period was 5.5% higher than the average rates of the preceding leases typically contracted three years ago.

The strong operational performance is a testament to the Manager's proactive leasing strategy that treats the relationship with tenants as a partnership, focusing on sustainable returns for both landlord and tenants.

### **Revaluation of properties to \$3.16 billion**

As at 31 August 2014, the portfolio was valued at \$3.16 billion by DTZ Debenham Tie Leung (SEA) Pte Ltd. This represented an increase of 3.4% from the IPO valuation of \$3.05 billion<sup>2</sup>. As compared to the pro-forma financial position in the IPO prospectus, the net asset value per unit has increased from \$0.89 to \$0.93 and gearing has reduced from 27.3% to 26.0% as at 31 August 2014.

### **Capital Management**

SPH REIT has a well-staggered debt maturity profile with no refinancing requirement till 2016 and weighted average term to maturity of 4.0 years. The average cost of debt was 2.33% as at 31 August 2014, marginally lower than the IPO forecast all-in-rate of 2.35%.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd., said, "We are pleased that the unitholders of SPH REIT has enjoyed a commendable total return of 25.0%<sup>3</sup> for the maiden year from 24 July 2013 (listing date) to 31 August 2014. On the outlook for FY2015, the near-term economic growth for Singapore is expected to remain modest, amidst uncertainties in the global environment and constraint of continuing manpower crunch on some domestic-oriented, labour-intensive sectors. 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. We are confident that our philosophy of continual enhancement will sustain future performance."

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<sup>2</sup> The valuations for the IPO were the average of CBRE Pte. Ltd. and DTZ Debenham Tie Leung (SEA) Pte Ltd as at 28 February 2013.

<sup>3</sup> The total return takes into account of both price appreciation of 18.3% and total distribution of 5.99 cents over the issue price of \$0.90.

## **Summary Results of SPH REIT**

<b>4Q FY14</b>	<b>Actual \$'000</b>	<b>Forecast<sup>2</sup> \$'000</b>	<b>Change %</b>
Gross revenue	51,074	50,360	1.4
Net property income	38,003	36,657	3.7
Total amount distributable to unitholders	34,940	32,821	6.5
Distribution per unit (cents)	1.39	1.31	6.1
Annualised distribution yield (%)			
- Based on \$0.90 per unit (IPO price)	6.13	5.77	6.1
- Based on \$1.065 per unit (closing price on 29 August 2014)	5.18	4.88	6.1

<b>For the period from 24 July 2013 (listing date) to 31 August 2014</b>	<b>Actual<sup>1</sup> \$'000</b>	<b>Forecast<sup>2</sup> \$'000</b>	<b>Change %</b>
Gross revenue	222,921	221,977	0.4
Net property income	165,910	161,599	2.7
Total amount distributable to unitholders	150,345	144,484	4.1
Distribution per unit (cents)	5.99	5.77	3.8
Annualised distribution yield (%)			
- Based on \$0.90 per unit (IPO price)	6.01	5.79	3.8
- Based on \$1.065 per unit (closing price on 29 August 2014)	5.08	4.89	3.8

*Footnotes:*

1. 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.
2. The forecast figures were derived from the Forecast Period 2H FY2013 (for the period 24 July 2013 to 31 August 2013) and Projection Year FY2014 (for the period 1 September 2013 to 31 August 2014) as disclosed in the Prospectus dated 17 July 2013.



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.

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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 over S\$3.16 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. SPH has 19 titles licensed under the Newspaper Printing and Presses Act, of which nine are daily newspapers across four languages. On an average day, 3.05 million individuals or 76 per cent of people above 15 years old, read one of SPH's news publications. Beyond print, SPH's suite of digital products includes online editions of newspapers and magazines, as well as mobile applications. Our online products enjoy 360 million page views with 23 million unique browsers every month. Other new media initiatives include AsiaOne, omy.sg, ST701, Stomp and SPH Razor. SPH has also ventured into book publishing, broadcasting, out-of-home advertising and properties. 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.



**For the period ended 31 August 2014**

**13 October 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

<b>Results</b>	<b>Slide 3</b>
<b>Balance sheet</b>	<b>Slide 8</b>
<b>Operational performance</b>	<b>Slide 12</b>
<b>Growth strategy and market outlook</b>	<b>Slide 20</b>
<b>Distribution details and timetable</b>	<b>Slide 23</b>

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

- 4Q FY14<sup>#</sup> DPU exceeded forecast<sup>^</sup> by 6.1%
- YTD<sup>#</sup> 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.

## 4Q Distribution per unit exceeded forecast by 6.1%

4Q FY14	Actual S\$'000	Forecast <sup>(a)</sup> S\$'000	Variance %
Gross revenue	51,074	50,360	1.4%
Property expenses	(13,071)	(13,703)	(4.6%)
Net property income (NPI)	38,003	36,657	3.7%
Total amount distributable to unitholders	34,940	32,821	6.5%
Distribution per unit (DPU) (cents)	1.39	1.31	6.1%

Note:

(a) The forecast figures were derived from the Projection Year FY2014 (for the quarter 1 June 2014 to 31 August 2014) as disclosed in the Prospectus.

# YTD Distribution per unit exceeded forecast by 3.8%

	YTD Actual <sup>(a)</sup> S\$'000	YTD Forecast <sup>(a),(b)</sup> 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%

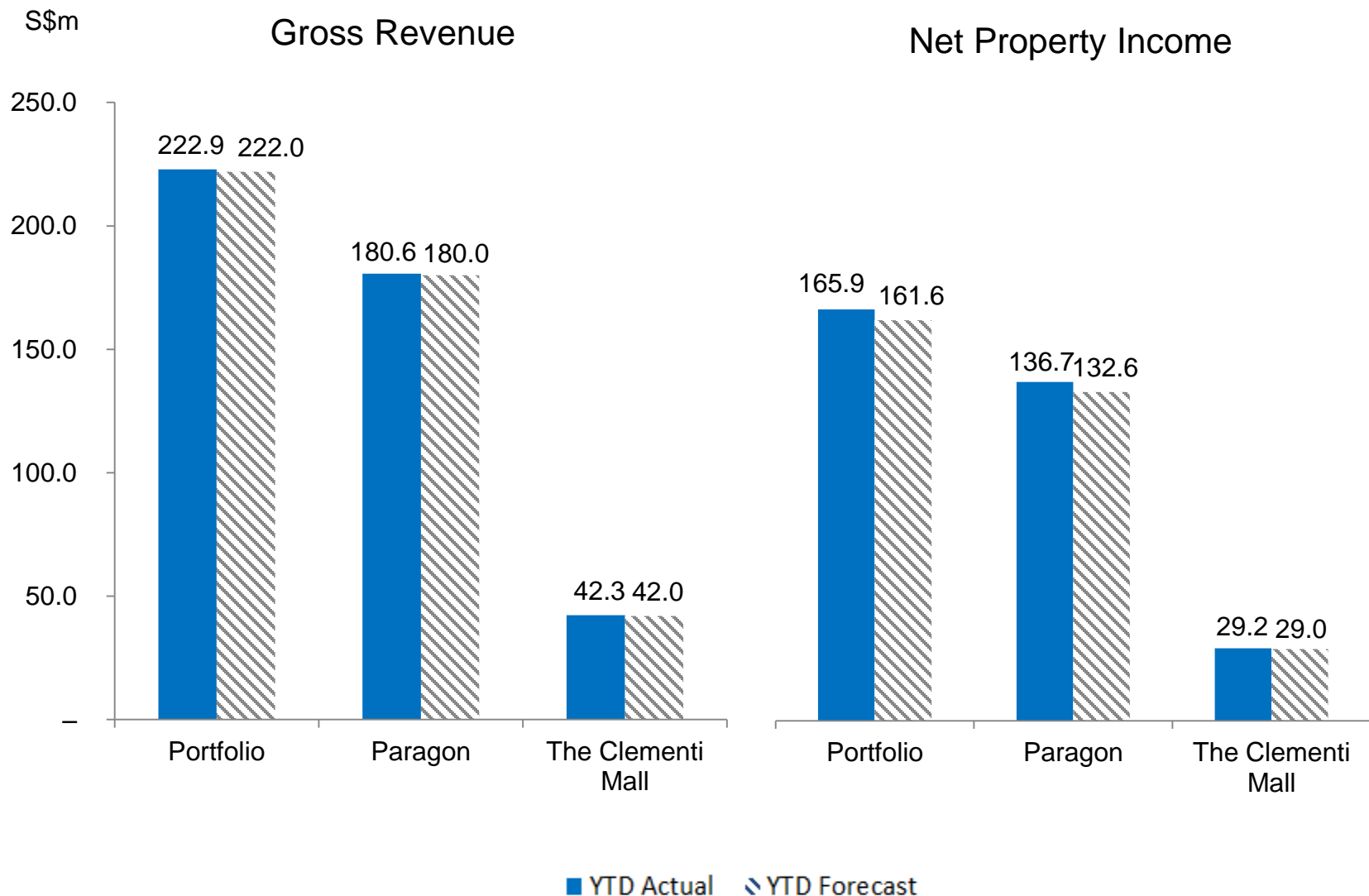
Notes:

(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.

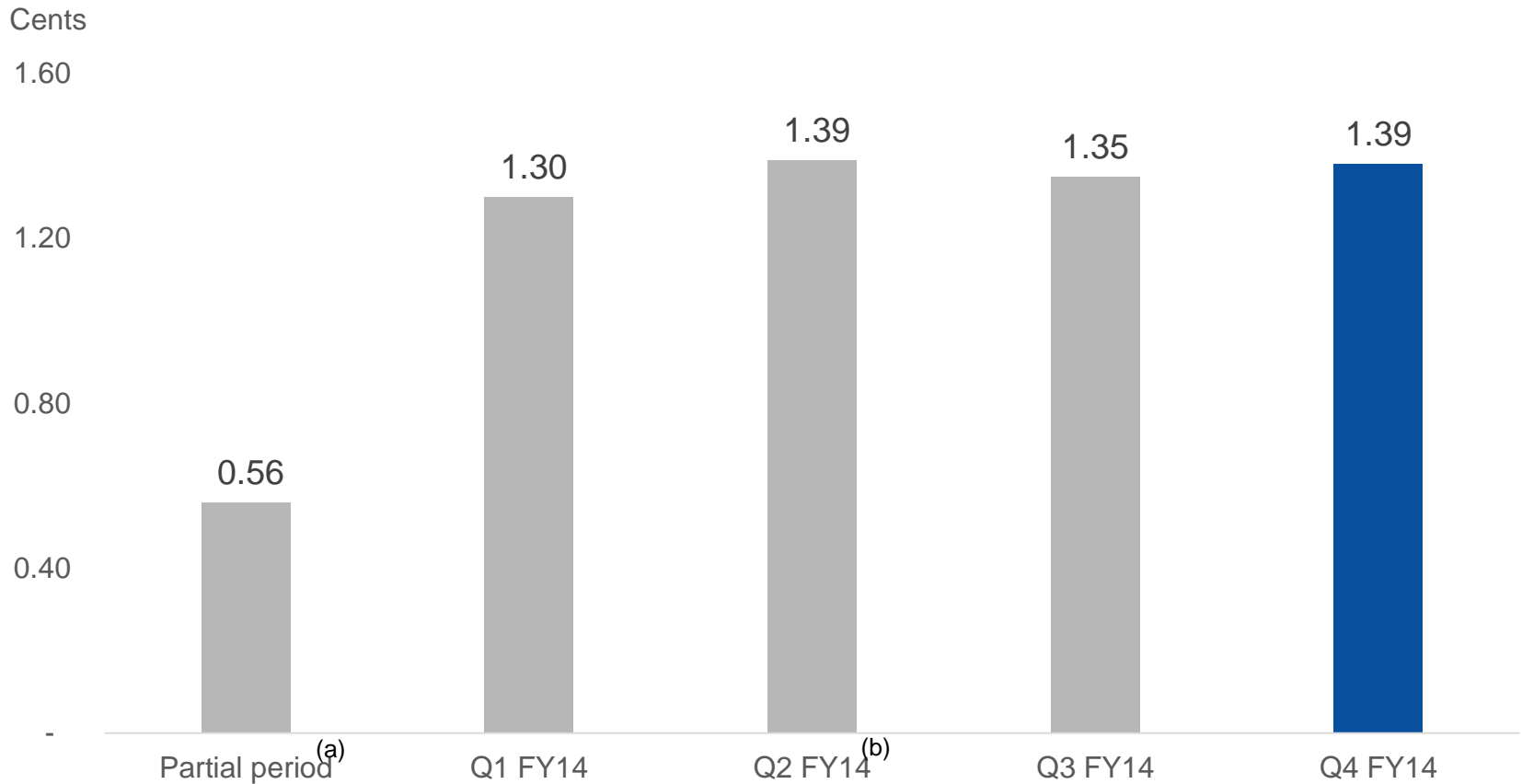
(b) The forecast figures were derived from the Forecast Period 2H FY2013 (for the period 24 Jul 2013 to 31 Aug 2013) and Projection Year FY2014 (for the period 1 Sep 2013 to 31 Aug 2014) as disclosed in the Prospectus.



# 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.

# Balance sheet

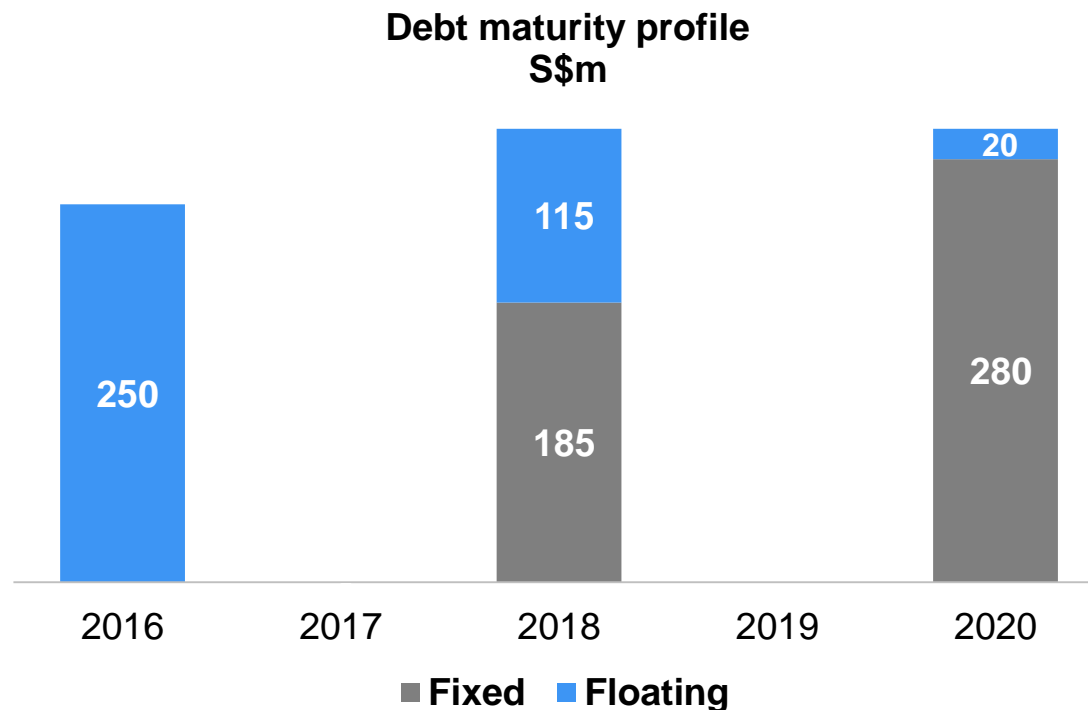
## Financial position

	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 <sup>(a)</sup>	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 <sup>(a)</sup>	Valuation as at 28 Feb 2013 S\$m <sup>(c)</sup>	Capitalisation rate
Paragon	2,588.0	2,500.0	4.85% - Retail 4.25% - Medical Suite/Office
The Clementi Mall <sup>(b)</sup>	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<sup>#</sup> visitor traffic held steady year-on-year
- Tenant sales impacted by retail sentiment and decline in tourist arrivals
- FY14<sup>#</sup> 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 <sup>(a)</sup>	NLA renewed / new leases (sf)	As a % of properties' NLA	Change compared to preceding rental rates <sup>(c)</sup>
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% <sup>(b)</sup>	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

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By NLA	2.2 years
By Gross Rental Income	2.4 years

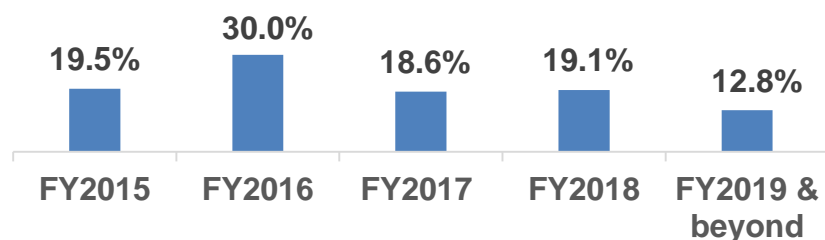
## Lease expiry as at 31 August 2014

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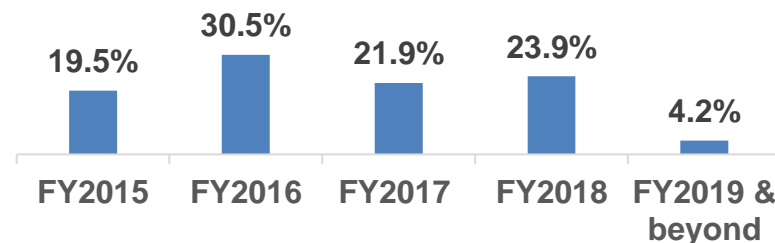
	FY2015	FY2016	FY2017	FY2018	FY2019 and beyond
Expiries as a % of total NLA	16.3%	26.1%	35.3%	18.9%	3.4%
Expiries as a % of Gross rental income	16.9%	25.9%	31.2%	15.6%	10.4%

# Paragon: well staggered lease expiry

Expiry by Gross Rental Income

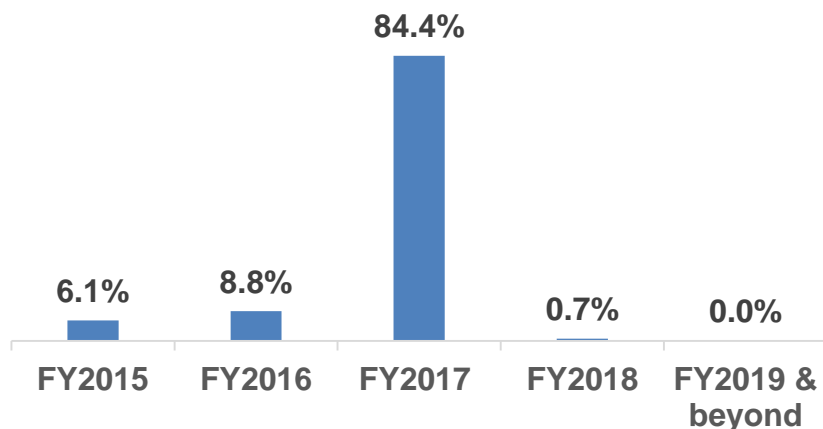


Expiry by NLA

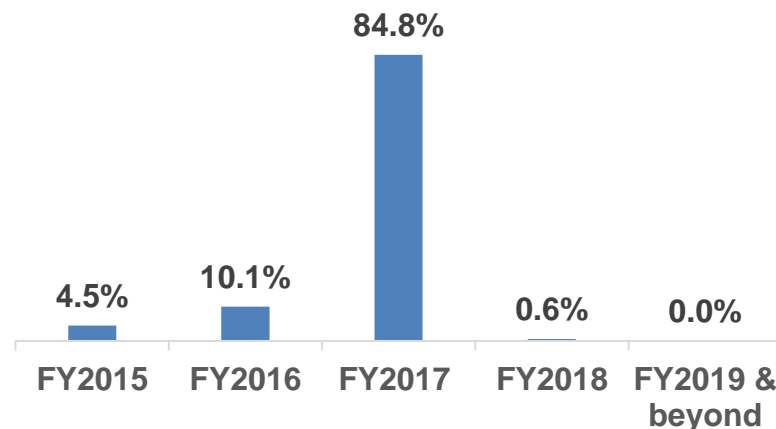


**The Clementi Mall (a) :**  
**tenant retention rate of more than 90% for first renewal cycle**

Expiry by Gross Rental Income



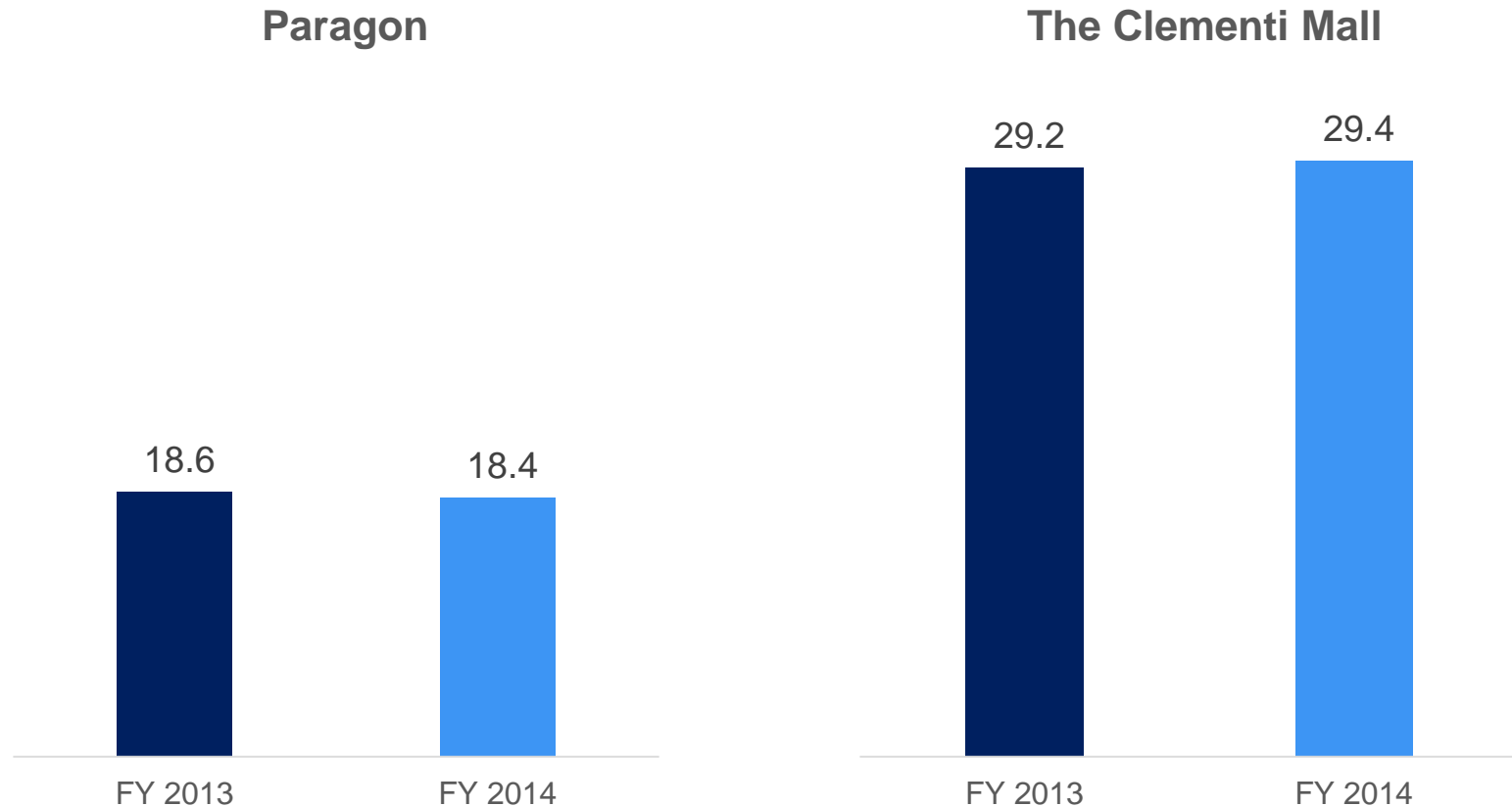
Expiry by NLA



Notes

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

# Steady visitor traffic



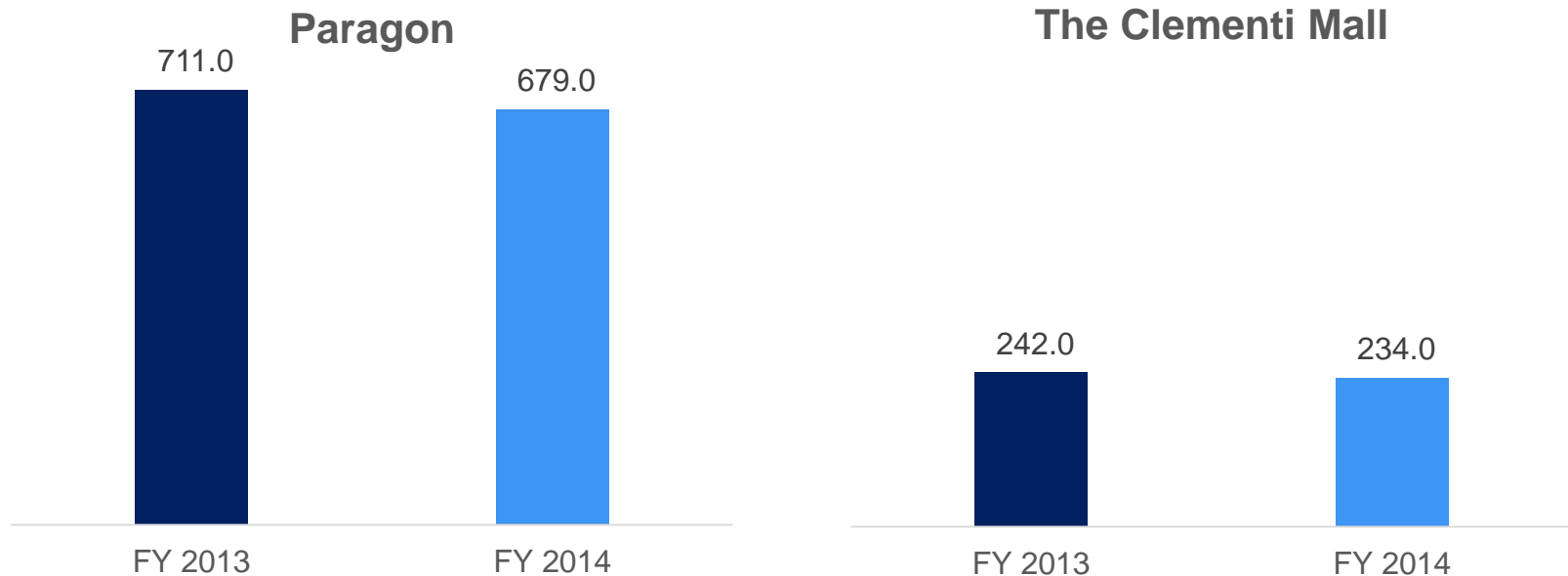
\* All figures (in million)

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 30<sup>th</sup> 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<sup>(1)</sup> 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 has narrowed the growth forecast for 2014 to between 2.5% and 3.5%
  - 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 July 2014, visitor arrivals declined year-on-year by 2.5% to 8.9 million
  - Tourism receipts for Q1 2014 registered a 5% year-on-year increase to S\$6.0 billion. Declines in spending on shopping (6%) and food and beverage (1%) were observed for the quarter.
- **Retail sales softening**
  - In the past few months between March 2014 and July 2014, the Retail Sales Index (excluding motor vehicles) fell year-on-year by between 0.3% to 2.1%, excluding May 2014 which saw a marginal increase of 0.2%.

# Distribution details and timetable

Distribution period	4Q FY14 (1 June 2014 – 31 August 2014)
Distribution per unit	1.39 cents per unit
Ex-date	17 October 2014
Books closure date	21 October 2014
Payment date	14 November 2014

# Thank You

Please visit [www.sphreit.com.sg](http://www.sphreit.com.sg) for more information.