



SPH REIT's 1Q 2016 Net Property Income up 5.9% year-on-year

- 1Q 2016 DPU was 1.33 cents
- Income available for distribution of 1Q 2016 increased 3.8% year-on-year
- Resilient portfolio occupancy of 99.8%

SINGAPORE, January 5, 2016 – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that gross revenue for the first quarter ended 30 November 2015 (“1Q 2016”) grew \$1.5m (2.9%) to \$52.1m, on the back of higher rental income. With proactive management of expenses, net property income (“NPI”) of \$40.1m was \$2.2m (5.9%) higher in 1Q 2016 compared to the same period last year (“1Q 2015”).

Income available for distribution to unitholders was \$35.3m for 1Q 2016, an increase of \$1.3m (3.8%) compared to the corresponding quarter last year. Distribution per unit (“DPU”) for 1Q 2016 was maintained at 1.33 cents, same as 1Q 2015. The 1Q 2016 distribution will be paid to unitholders on 15 February 2016.

Steady and resilient operational performance

Both properties continued to demonstrate resilience and achieved positive rental reversion.

Paragon's occupancy was 99.8% as at 30 November 2015. The marginal dip from full occupancy was due to timing of amalgamation of space to create a contiguous unit. The relatively moderate rental uplift at Paragon of 3.2% for new or renewed leases in 1Q 2016, was mainly due to the prevailing weak retail sentiment. The Clementi Mall remained fully leased, with positive rental reversion of 5.4% for renewal during the quarter.

Paragon continued to see healthy leasing demand and welcomed several international retailers such as Loewe, Ralph Lauren Children, Lalique, and APM Monaco to the mall. Emporio Armani has also pre-committed to take up part of the reconfigured space at level one from the Air Handling Unit (AHU) decanting project. The Manager remains focused on its effort to revitalise the tenant mix, strengthen various clusters and enhance the premier positioning of Paragon.

Capital Management

SPH REIT has a well-staggered debt maturity profile, with weighted average term to maturity of 2.7 years and gearing level of 25.7% as at 30 November 2015. It registered an average cost of debt of 2.84% p.a. for 1Q 2016. To mitigate exposure to interest rate risk, 84.7% of the total borrowing was on fixed rate basis.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd. said: "We are pleased that SPH REIT has continued to deliver steady financial and operating performance. To sustain returns to unitholders, we will continue to build firm partnership with tenants and pursue opportunities to reinforce the positioning of our properties.

"The AHU project at Paragon is progressing on schedule. We have identified an asset enhancement initiative for The Clementi Mall which will create a more efficient layout and increase the range and depth of merchandise to drive higher sales. Both projects will create value and strengthen the long-term sustainability of the properties. We are confident that our philosophy of continual asset enhancement will sustain future performance."

Summary Results of SPH REIT

	1Q 2016 \$'000	1Q 2015 \$'000	Change %
Gross revenue	52,095	50,635	2.9
Net property income	40,104	37,873	5.9
Income available for distribution	35,308	34,031	3.8
Distribution to Unitholders ¹	33,696	33,489	0.6
Distribution per unit (cents)	1.33	1.33	-
Annualised distribution yield (%)	5.78 ²	5.05 ³	14.5

Note:

1. For 1Q 2016, the distribution to unitholders was 95.4% of taxable income available for distribution.
2. Based on \$0.925 per unit closing price on 30 November 2015.
3. Based on \$1.060 per unit closing price on 28 November 2014.

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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 S\$3.21 billion with an aggregate net lettable area of approximately 900,000 sq ft, the properties have a committed occupancy of 99.8% 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.