



SPH REIT delivered steady distribution

- 1Q 2019 DPU held steady at 1.34 cents
- Maintained high occupancy of 99.2%
- Figtree Grove Shopping Centre – yield-accretive acquisition in New South Wales, Australia

SINGAPORE, January 4, 2019 – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that net property income (“NPI”) for the first quarter ended 30 November 2018 (“1Q 2019”) was S\$41.8 million, a decrease of S\$0.4 million (1.0%) compared to the same quarter last year, mainly due to lower revenue at Paragon cushioned by higher contribution from The Clementi Mall and The Rail Mall. In addition, property operating expenses increased as a result of higher marketing expenses for the quarter.

Income available for distribution to unitholders of S\$35.9 million for 1Q 2019 was lower by S\$0.7 million (1.9%) compared to 1Q 2018. Distribution per unit (“DPU”) for 1Q 2019 held steady at 1.34 cents. The 1Q 2019 distribution will be paid to unitholders on 15 February 2019.

Operational performance

SPH REIT’s properties maintained high occupancy of 99.2% as at 1Q 2019.

Paragon recorded positive rental reversion of 10.1% for new and renewed leases for 1Q 2019. This represented 8.4% of Paragon’s net lettable area. The overall portfolio registered a positive rental reversion of 9.7%.

Capital Management

SPH REIT proactively manages its financing risk by staggering the debt maturity profile so that it is well spread out without major concentration of debts maturing in any single year. The gearing was low at 26.3% and weighted average term to maturity of 2.0 years as at 30 November 2018. It registered an average cost of debt of 2.80% p.a. for 1Q 2019. New loans were taken up in December 2018 to finance the acquisition of Figtree Grove Shopping Centre. Post-acquisition, gearing ratio was approximately 30%.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd. said: “We are pleased that SPH REIT continued to deliver steady distribution with overall positive rental reversion of 9.7% for 1Q 2019.

In line with our strategy of acquiring yield-accretive retail properties that provide sustainable returns to unitholders, SPH REIT completed the acquisition of 85% stake in Figtree Grove Shopping Centre, with our joint venture partner, Moelis Australia Limited holding the remaining stake. The property is an established sub-regional shopping centre in Wollongong, New South Wales, Australia and is a strategic fit with SPH REIT's portfolio of quality assets. This acquisition provides SPH REIT with the opportunity to further create value and continue to deliver long term returns for unitholders. The full contribution from Figtree Grove Shopping Centre is expected in the second half of the year.”

Summary Results of SPH REIT

	1Q 2019 S\$'000	1Q 2018 S\$'000	Change %
Gross revenue	53,805	53,479	0.6
Net property income	41,786	42,190	(1.0)
Income available for distribution	35,856	36,540	(1.9)
Distribution to Unitholders ¹	34,602	34,380	0.6
Distribution per unit (cents)	1.34	1.34	-
Annualised distribution yield (%)	5.37 ²	5.12 ³	4.9

Notes:

1. For 1Q 2019, the distribution to unitholders was 96.5% of income available for distribution.
2. Based on S\$1.000 per unit closing price on 30 November 2018.
3. Based on S\$1.050 per unit closing price on 30 November 2017

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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 24 July 2013, a 99-year leasehold interest in The Clementi Mall commencing on 31 August 2010 and a leasehold interest in The Rail Mall with remaining lease tenure of about 28 years. Valued at S\$3.368 billion with an aggregate net lettable area of approximately 960,000 sq. ft, the properties have a committed occupancy of 99.2% and have a diverse and high quality tenant base of about 500 local and international retailers and medical specialists.

On 21 December 2018, SPH REIT completed the acquisition of 85% stake in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. Valued at A\$206.0 million with an aggregate gross lettable area of approximately 236,000 sq. ft, the property has a committed occupancy of 98.5%.

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.

SPH's core business is publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH REIT also holds 85% equity stake in Figtree Grove, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. SPH owns and operates The Seletar Mall. It is developing a new commercial cum residential site at Woodleigh. It also has a stake in Chinatown Point and acquired a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

It is in the aged care sector and owns Orange Valley, Singapore's largest private nursing home operator.

SPH runs a regional events arm and a chain of Buzz retail outlets. It also invested in the education business.

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.