



## SPH REIT achieved steady performance

- 2Q 2017 DPU was 1.40 cents
- Maintained 100% committed occupancy

**SINGAPORE, April 10, 2017** – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that gross revenue for the second quarter ended 28 February 2017 (“2Q 2017”) grew S\$0.9 million (1.7%) to S\$54.0 million, on the back of higher rental income. Net property income (“NPI”) of S\$42.7 million was S\$2.1 million (5.2%) higher in 2Q 2017 compared to the same quarter last year (“2Q 2016”), mainly due to proactive management of utility contract and lower property tax as last year’s result included one-off provision for prior years’ property tax. Excluding the effect of the property tax provision, NPI increase was S\$1.2 million (2.9%) compared to 2Q 2016.

Income available for distribution to unitholders increased by S\$0.9 million (2.4%) to S\$37.3 million for 2Q 2017. Distribution per unit (“DPU”) for 2Q 2017 was maintained at 1.40 cents, same as 2Q 2016. The aggregate DPU was 2.74 cents for the half year ended 28 February 2017 (“1H 2017”). The 2Q 2017 distribution will be paid to unitholders on 22 May 2017.

### Resilient operational performance

Both properties continued to demonstrate resilience, with positive rental reversion and full occupancy. Paragon achieved a moderate rental uplift of 4.3% for new and renewed leases in 1H 2017.

The Clementi Mall’s second renewal cycle in 2017 is progressing well. With about 85% of leases expiring in 2017, about 74% by gross rental income have been renewed ahead of time. The Clementi Mall recorded a positive rental reversion of 8.3% for the leases

expiring in 1H 2017 representing 30% of the second renewal cycle. The Clementi Mall received strong endorsement by tenants with an estimated retention rate of 90% by NLA and management also took the opportunity to curate fresh F&B concepts to continually excite the shoppers.

### **Capital Management**

SPH REIT has a well-staggered debt maturity profile, with weighted average term to maturity of 2.6 years and gearing level of 25.7% as at 28 February 2017. It registered an average cost of debt of 2.79% p.a. for 1H 2017. To mitigate exposure to interest rate risk, 85.9% of the total borrowing was on fixed rate basis.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd. said: “SPH REIT has continued to deliver resilient financial and operating performance despite the prevailing economic headwinds and weak consumer sentiment. Working in close partnership with our tenants, both malls maintained its track record of 100% committed occupancy. We continue to curate a tenancy mix that will strengthen the positioning of each mall. Our tenants are the cornerstone of our business. Besides introducing new tenants to the malls, we proactively engage our tenants to rejuvenate their concepts and ambience of their stores. We strive to deliver stable and sustainable returns for Unitholders.”

## **Summary Results of SPH REIT**

	<b>2Q 2017</b>	<b>2Q 2016</b>	<b>Change %</b>
	S\$'000	S\$'000	
Gross revenue	54,009	53,090	1.7%
Net property income <sup>1</sup>	42,737	40,609	5.2%
Income available for distribution	37,312	36,425	2.4%
Distribution to Unitholders <sup>2</sup>	35,743	35,531	0.6%
Distribution per unit (cents)	1.40	1.40	-

Notes:

1. NPI for 2Q 2016 included additional one-off provision for prior years' property tax based on the assessment received. Excluding the effect of the property tax provision, the NPI increase was S\$1.2 million (2.9%) compared to 2Q 2016.
2. For 2Q 2017, the distribution to unitholders was 95.8% of taxable income available for distribution.

	<b>1H 2017</b>	<b>1H 2016</b>	<b>Change %</b>
	S\$'000	S\$'000	
Gross revenue	106,588	105,185	1.3%
Net property income	84,159	80,713	4.3%
Income available for distribution	73,686	71,733	2.7%
Distribution to Unitholders <sup>1</sup>	69,926	69,227	1.0%
Distribution per unit (cents)	2.74	2.73	0.4%
Annualised distribution yield (%)	5.70 <sup>2</sup>	5.81 <sup>3</sup>	(1.9)%

Notes:

1. For 1H 2017, the distribution to unitholders was 94.9% of taxable income available for distribution.
2. Based on S\$0.970 per unit closing price on 28 February 2017.
3. Based on S\$0.945 per unit closing price on 29 February 2016.

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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 and a 99-year leasehold interest in The Clementi Mall commencing on 31 August 2010. Valued at S\$3.23 billion with an aggregate net lettable area of approximately 907,000 sq ft, the properties have a committed occupancy of 100% and have a diverse and high quality tenant base of about 460 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, 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](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.