



SPH REIT's 3Q 2015 Net Property Income increased 4.3% year-on-year

- 3Q 2015 DPU was maintained at 1.35 cents, same as last year
- YTD 3Q 2015 portfolio average rental reversion of 9.2%
- Resilient portfolio occupancy of 99.8%

SINGAPORE, July 7, 2015 – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, reported that SPH REIT’s gross revenue for the third quarter ended 31 May 2015 (“3Q 2015”) improved by \$0.8m (1.6%) to \$51.2m, on the back of higher rental income in both Paragon and The Clementi Mall. Net property income of \$39.3m for 3Q 2015 was \$1.6m (4.3%) higher than the same quarter last year.

Income available for distribution to unitholders was \$34.6m for 3Q 2015, an increase of 2.0% year-on-year. Distribution per unit (“DPU”) for 3Q 2015 was maintained at 1.35 cents, same as last year. The aggregate DPU of 4.08 cents for the year-to-date ended 31 May 2015 (“YTD 3Q 2015”) was higher than last year by 1.0%. The 3Q 2015 distribution will be paid to unitholders on 14 August 2015.

Steady and resilient operational performance

Paragon's occupancy was 99.8% as at 31 May 2015, after an unexpected lease termination of an office unit. However, Paragon is now fully committed. The Clementi Mall remained fully leased.

Paragon continues to achieve consistently robust performance with rental uplift of 9.8% for new or renewed leases in the YTD 3Q 2015. The Clementi Mall recorded a negative rental reversion of 11.4% on 3.4% of total net lettable area, as it continues to balance the tenancy mix and strengthen the offering to a wider base of shoppers.

Capital Management

During the quarter, SPH REIT revised the maturity profile of the existing loan facility for the purpose of rebalancing costs and average maturity. Certain loan tranches maturing in July 2018 and July 2020, totalling \$135 million, were revised to a 3-year maturity period ending in March 2018. The weighted average term to maturity was 3.2 years as at 31 May 2015. At the same time, to mitigate exposure to interest rate risk, SPH REIT entered into interest rate swaps to fix an amount of \$255 million and increased the percentage of total borrowing on fixed interest rate basis from 54.7% to 84.7%. It registered gearing level of 26.0% and average cost of debt of 2.55% as at 31 May 2015.

Ms Susan Leng, CEO of SPH REIT Management Pte. Ltd., said, “SPH REIT has continued its resilient performance amid challenging retail environment. Our asset enhancement program will create additional lettable space which enables us to work with some tenants to expand their presence thereby strengthening their positions in Singapore. We also took this opportunity to introduce new tenants to refresh the mall’s offering and to enhance shoppers’ experience. We remain focused on our strategy to continually revitalise tenant mix, thereby maintaining relevance and elevating the positioning of the properties. Barring any unforeseen circumstances, the two properties are expected to remain resilient and turn in a steady performance.”

Summary Results of SPH REIT

	3Q 2015 \$'000	3Q 2014 \$'000	Change %
Gross revenue	51,235	50,406	1.6
Net property income	39,327	37,715	4.3
Income available for distribution	34,612	33,940	2.0
Distribution to Unitholders ¹	34,094	33,940	0.5
Distribution per unit (cents)	1.35	1.35	-

Note:

1. For 3Q FY15, SPH REIT had retained S\$0.5 million of taxable income available for distribution, for future distribution to unitholders.

	YTD 3Q 2015 \$'000	YTD 3Q 2014 \$'000	Change %
Gross revenue	154,324	151,168	2.1
Net property income	117,455	112,647	4.3
Income available for distribution	104,985	101,423	3.5
Distribution to Unitholders ¹	102,886	101,423	1.4
Distribution per unit (cents)	4.08	4.04	1.0
Annualised distribution yield (%) Based on \$1.040 per unit (closing price on 29 May 2015)	5.25	5.32	(1.3)

Note:

1. For YTD 3Q FY15, SPH REIT had retained S\$2.1 million of taxable income available for distribution, for future distribution to unitholders.

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 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 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.