



Formation of SPH REIT and Special Dividend EGM for shareholders' approval

27 May 2013



Transaction summary

EGM to seek shareholders' approval on:

- 1 The proposed establishment of SPH REIT and the injection of the Paragon Property and the Clementi Mall into SPH REIT
- 2 The proposed Special Dividend

1 Proposed establishment of SPH REIT

- Singapore Press Holdings Limited ("SPH") proposes to seek the approval of SPH shareholders ("shareholders") for the proposed establishment of SPH REIT
- 99-year leasehold interest in Paragon commencing on the date of listing of SPH REIT ("Listing Date") (the "Paragon Property") and 99-year leasehold interest commencing on 31 August 2010 in The Clementi Mall (the "Clementi Mall" and together with the Paragon Property, the "Properties") to be injected into SPH REIT ("Proposed Transfers")
- SPH will hold approximately 70%⁽¹⁾ of SPH REIT as at the completion of the initial public offering (the "Offering") of units in SPH REIT ("Units")

2 The proposed Special Dividend

- SPH proposes to seek the approval of Shareholders for the declaration of a special one-tier tax-exempt dividend (the "Special Dividend") of S\$0.18 per share in SPH, which the Shareholders will receive in cash on such date as the Directors shall determine in their discretion after the completion of the Proposed Transfers
- The payment of the Special Dividend shall be conditional upon the completion of the Offering and the listing and quotation of the Units and commencement of trading of such Units on the SGX-ST

(1) Assuming that an over-allotment option to be granted by TPR Holdings Pte. Ltd. (a company incorporated in Singapore which is an indirect wholly-owned subsidiary of SPH) to the joint bookrunners of the offering (the "Over-Allotment Option") is fully exercised.

Proposed SPH REIT

- SPH REIT's principal objective to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily⁽¹⁾ for retail purposes in Asia-Pacific, as well as real estate-related assets
- Total consideration for the Properties of S\$3,070.5 million:
 - S\$2,500 million for 99-year leasehold interest in Paragon⁽²⁾
 - S\$570.5 million for 99-year leasehold interest in Clementi Mall⁽³⁾
- SPH Group to receive cash and Units as consideration for the Properties



(1) For the avoidance of doubt, "primarily" shall mean 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.

(2) 99-year leasehold title commencing on the Listing Date.

(3) 99-year leasehold title commencing on 31 August 2010.

Property profile – Paragon



- Paragon is a premier upscale retail mall and medical suite / office property located in the heart of Orchard Road, Singapore's most famous shopping and tourist precinct
- Strategically located in the heart of the Orchard Road shopping and tourist precinct and is very well-known for its upscale mall housing many luxury brands

Key property information

Independent valuation (\$m)⁽¹⁾	2,502.0
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Independent valuation weighting (%)	81.4% of the Properties
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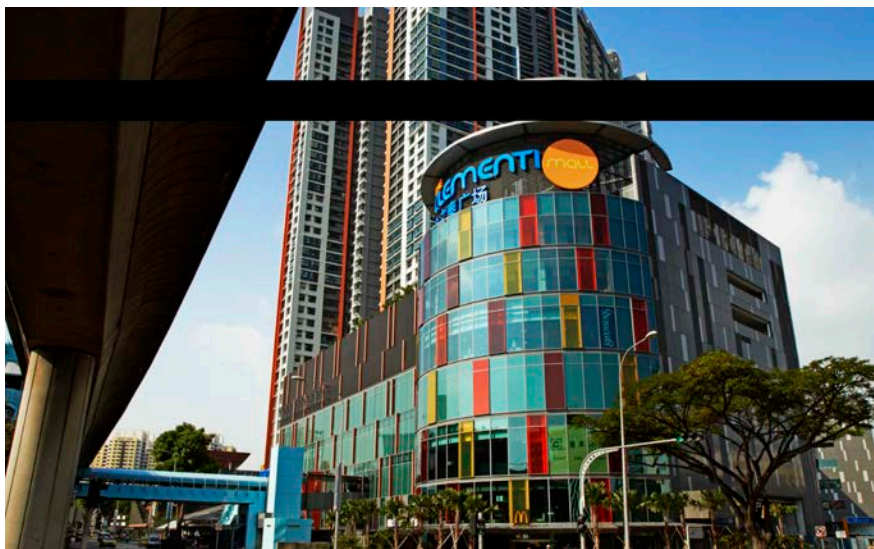
NLA (sq ft)	Retail: 483,690 Medical suite / office: 223,000 Total: 706,690
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Title	99-year leasehold title commencing on the Listing Date
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Sale consideration (\$m)	2,500.0
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(1) Independent valuation by Knight Frank Pte Ltd as at 28 February 2013 on a 99-year leasehold basis. Independent valuation on a freehold basis is S\$2,610m.

Property profile – Clementi Mall



- Clementi Mall is a mid-market suburban mall located in the centre of Clementi town, an established residential estate in the West of Singapore
- The retail mall, which also houses a public library, is part of an integrated mixed-use development that includes Housing Development Board residential blocks and a bus interchange
- Clementi Mall enjoys high levels of visitation with over 27.1 million visitors in 2012

Key property information

Independent valuation (S\$m)⁽¹⁾⁽²⁾	570.0
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Independent valuation weighting (%)	18.6% of the Properties
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NLA (sq ft)	192,089
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Title	99-year leasehold title commencing on 31 August 2010
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Sale consideration (S\$m)	570.5
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(1) Independent valuation by Knight Frank Pte Ltd as at 28 February 2013.

(2) Independent valuation is inclusive of income support. Independent valuation without income support is S\$557m.

Transaction rationale

- 1** Unlock value in the Properties
- 2** Strengthen SPH Group's balance sheet
- 3** Create an efficient platform for the holding of investment properties
- 4** Continued majority ownership of the Properties
- 5** Fee income

Rationale for the Proposed Transfers

1 Unlock value in the Properties

Net cash proceeds of approximately S\$1,048 million⁽¹⁾

- The Proposed Transfers would unlock and release capital in the Properties
- Significant proceeds from the Proposed Transfers will allow SPH Group to pursue its growth strategies across its property, media and other businesses

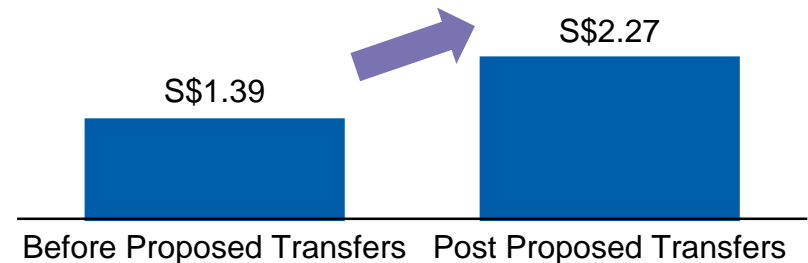
(1) Calculated assuming an Offering size of approximately S\$540 million (after exercise of the Over-Allotment Option) based on a market capitalisation of SPH REIT of approximately S\$2,200 million at IPO, debt facility of S\$900 million held by SPH REIT at IPO, less IPO expenses and debt upfront fees of approximately S\$30 million and discharge of existing encumbrances over Paragon and the amounts due to non-controlling interests in CM Domain amounting to S\$361.2 million. Figure shown is before payment of the Special Dividend.

2 Strengthen SPH Group's balance sheet

Net gearing as at 31 August 2012⁽²⁾



Net asset value per share as at 31 August 2012⁽³⁾



- Significantly strengthens SPH Group's balance sheet

(2) Net gearing is calculated as net borrowings divided by shareholders' equity assuming the Proposed Transfers had been completed on 31 August 2012 and before payment of the Special Dividend. The calculation assumes (i) an Offering size of approximately S\$540 million (assuming the Over-Allotment Option is fully exercised) and (ii) measurement of the Properties on a fair value basis as set out in paragraph 5.1(i) of the Letter to Shareholders.

(3) Based on pro forma financial effects of the Proposed Transfers as set out in paragraph 5 of the Letter to Shareholders, assuming the Proposed Transfers had been completed on 31 August 2012.

Rationale for the Proposed Transfers

3 Create an efficient platform for the holding of investment properties

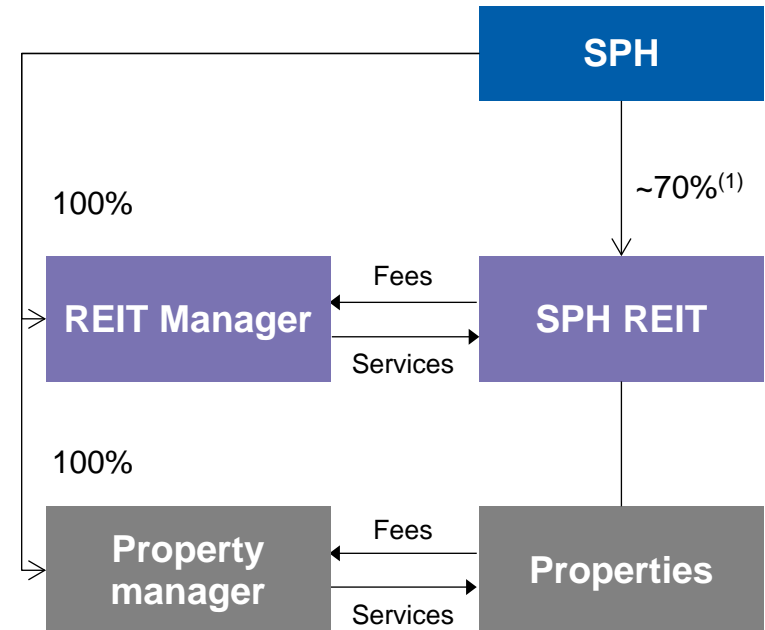
Vehicle to hold investment properties which SPH may divest to SPH REIT in the future

Potential to realise long-term capital appreciation value created in such investment properties

SPH REIT is able to finance itself independently

4 Continued majority ownership of the Properties

5 Fee income



- SPH continues to benefit from Group's majority ownership of the Properties
- Fee income from ownership of REIT Manager and Property manager

(1) Assuming that the Over-Allotment Option is fully exercised.

Proposed Special Dividend

Approval sought

SPH proposes to seek the approval of Shareholders for the declaration of a special one-tier tax-exempt dividend of S\$0.18 per share in SPH, which the shareholders will receive in cash on such date as the Directors shall determine in their discretion after the completion of the Proposed Transfers

Rationale

Rewards SPH shareholders and allows them to benefit directly from the establishment of SPH REIT

Important dates and times

Events	Date & time
Last date and time for lodgement of Proxy Forms	Sunday 16 June 2013 at 9.30 am
Date and time of Extraordinary General Meeting	Tuesday 18 June 2013 at 9.30 am
Place of Extraordinary General Meeting	The Auditorium, 1000 Toa Payoh North News Centre, 1st Storey, Annexe Block, Singapore 318994