**Starhill Global Real Estate Investment Trust**
**Financial Statements Announcement**
**For the First Quarter Ended 31 March 2010**

These financial statements for the quarter from 1 January 2010 to 31 March 2010 have not been audited or reviewed by our auditors.

Starhill Global Real Estate Investment Trust ("Starhill Global REIT" or "Trust"), is a real estate investment trust constituted by the Trust Deed entered into on 8 August 2005 (amended and restated on 10 December 2007 and supplemented by a second Supplemental Deed dated 22 April 2010) between YTL Pacific Star REIT Management Limited as the Manager of Starhill Global REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of Starhill Global REIT. Starhill Global REIT was listed on the main board of the Singapore Exchange Securities Trading Limited on 20 September 2005.

The principal activity of Starhill Global REIT and its subsidiaries (the "Group") is to invest primarily in prime real estate used mainly for retail and/or office purposes, with the objective of delivering regular and stable distributions to unitholders and to achieve long-term growth in the net asset value per unit.

Starhill Global REIT owns 257 strata lots representing 74.23% of the total share value of the strata lots in Wisma Atria ("Wisma Atria Property") and 4 strata lots representing 27.23% of the total share value of the strata lots in Ngee Ann City ("Ngee Ann City Property") (collectively the "Singapore Properties"), 100% interest in seven properties in Tokyo, Japan (the "Japanese Properties"), 100% interest in Renhe Spring Zongbei Department Store in Chengdu, China (the "Renhe Spring Zongbei Property") and 100% interest in David Jones Building in Perth, Australia (the "David Jones Building Property").

## SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

| | Group 01/01/10 to 31/03/10 S$'000 | Group 01/01/09 to 31/03/09 S$'000 | Increase / (Decrease) % |
|---|---|---|---|
| Gross revenue | 37,622 | 34,325 | 9.6% |
| Net property income | 29,138 | 27,053 | 7.7% |
| Net income available for distribution | 18,730 | 19,079 | (1.8%) |
| Income to be distributed | 18,384 | 18,023 | 2.0% |
| | Cents per Unit | | |
| **Distribution per Unit ("DPU")** | | | |
| For the quarter from 1 January to 31 March | NA | 1.87 | NM |
| For the quarter from 1 January to 31 March (restated) [1] | 0.95 | 0.93 | 2.2% |
| Annualised (based on the three months ended 31 March) | 3.85 | 3.77 | 2.1% |

Footnotes:

1. The number of units used to calculate DPU for 1Q 2009 includes 963,724,106 rights units ("Rights Units") issued pursuant to the rights issue completed in August 2009 ("Rights Issue").

## DISTRIBUTION DETAILS

| | |
|---|---|
| Distribution period | 1 January 2010 to 31 March 2010 |
| Distribution amount | 0.95 cents per unit |
| Books closure date | 5 May 2010 |
| Payment date | 27 May 2010 |

## 1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

### Statement of Total Return and Distribution (1Q 2010 vs 1Q 2009)

| | Notes | Group 01/01/10 to 31/03/10 S$'000 | Group 01/01/09 to 31/03/09 S$'000 | Increase / (Decrease) % | Trust 01/01/10 to 31/03/10 S$'000 | Trust 01/01/09 to 31/03/09 S$'000 | Increase / (Decrease) % |
|---|---|---|---|---|---|---|---|
| **Gross revenue** | (a) | **37,622** | **34,325** | **9.6%** | **28,407** | **27,523** | **3.2%** |
| Maintenance and sinking fund contributions | | (1,478) | (1,467) | 0.7% | (1,415) | (1,408) | 0.5% |
| Property management fees | (b) | (1,161) | (1,178) | (1.4%) | (847) | (851) | (0.5%) |
| Property tax | (c) | (3,081) | (1,780) | 73.1% | (2,604) | (1,492) | 74.5% |
| Other property expenses | (d) | (2,764) | (2,847) | (2.9%) | (1,023) | (1,517) | (32.6%) |
| **Property expenses** | | **(8,484)** | **(7,272)** | **16.7%** | **(5,889)** | **(5,268)** | **11.8%** |
| **Net property income** | | **29,138** | **27,053** | **7.7%** | **22,518** | **22,255** | **1.2%** |
| Finance income | | 267 | 9 | NM | 196 | 1 | NM |
| Fair value adjustment on security deposits | (e) | (28) | (179) | (84.4%) | (41) | (110) | (62.7%) |
| Management fees | (f) | (2,960) | (2,671) | 10.8% | (2,917) | (2,611) | 11.7% |
| Performance fees | | - | - | - | - | - | - |
| Trust expenses | (g) | (877) | (843) | 4.0% | (419) | (591) | (29.1%) |
| Finance expenses | (h) | (6,834) | (5,893) | 16.0% | (4,372) | (4,437) | (1.5%) |
| **Non property expenses** | | **(10,432)** | **(9,577)** | **8.9%** | **(7,553)** | **(7,748)** | **(2.5%)** |
| **Net income before tax** | | **18,706** | **17,476** | **7.0%** | **14,965** | **14,507** | **3.2%** |
| Change in fair value of unrealised derivative instruments | (i) | 2,259 | (2,332) | NM | 2,650 | (2,350) | NM |
| Unrealised foreign exchange loss | | - | - | - | (1,970) | (4,672) | (57.8%) |
| **Total return for the period before tax and distribution** | | **20,965** | **15,144** | **38.4%** | **15,645** | **7,485** | **109.0%** |
| Income tax expense | (j) | (774) | (648) | 19.4% | - | - | - |
| **Total return for the period after tax, before distribution** | | **20,191** | **14,496** | **39.3%** | **15,645** | **7,485** | **109.0%** |
| Non-tax deductible/(chargeable) items and other adjustments | (k) | (1,461) | 4,583 | NM | 2,676 | 11,594 | (76.9%) |
| **Income available for distribution** | | **18,730** | **19,079** | **(1.8%)** | **18,321** | **19,079** | **(4.0%)** |

Footnotes:

(a) Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The increase in gross revenue for the Group was mainly due to the revenue contributed by the newly acquired David Jones Building Property, offset by the decrease in revenue from the Japanese Properties due to higher vacancies. Revenue from overseas properties accounted for approximately 25% (2009: 20%) of total gross revenue for the three months ended 31 March 2010.

(b) Property management fees comprise mainly 3% per annum and 1.8% per annum of the gross revenue from the Singapore Properties and Japanese Properties respectively, and 0.8% per annum of gross sales of the Renhe Spring Zongbei Property in China.

(c) The increase in property tax expense for the three months ended 31 March 2010 was mainly due to the expiry of property tax rebates granted by the Singapore government on the Singapore Properties in 2009.

(d) Other property expenses for the period are lower mainly due to a decrease in leasing and upkeep expenses of the Singapore Properties and no allowance made for bad debts for the three months ended 31 March 2010.

(e) Being change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard ("FRS") 39.

(f) Management fees consist of the base fee, which is calculated based on 0.5% per annum of the value of the trust property. The higher fee for the three months ended 31 March 2010 is in line with the higher average value of the trust property for the quarter.

(g) The higher trust expenses are mainly due to higher professional fees incurred by the Group in relation to its overseas properties for the three months ended 31 March 2010.

(h) Finance expenses are higher for the period mainly due to the interest incurred on the term loan taken up in relation to the acquisition of the David Jones Building Property.

(i) Represents mainly the change in fair value of cross currency swaps which were entered into in relation to the acquisition of the Japanese Properties. The unrealised gain on the cross currency swaps was offset by a decrease in value of the Japanese Properties due to a weakening in foreign currency exchange rates for the three months ended 31 March 2010.

(j) Income tax expense includes withholding tax, income tax and deferred tax provided for in relation to the overseas properties.

(k) See details in the distribution statement below.

### Distribution Statement (1Q 2010 vs 1Q 2009)

| | Notes | Group 01/01/10 to 31/03/10 S$'000 | Group 01/01/09 to 31/03/09 S$'000 | Increase / (Decrease) % | Trust 01/01/10 to 31/03/10 S$'000 | Trust 01/01/09 to 31/03/09 S$'000 | Increase / (Decrease) % |
|---|---|---|---|---|---|---|---|
| **Total return after tax, before distribution** | | **20,191** | **14,496** | **39.3%** | **15,645** | **7,485** | **109.0%** |
| Non-tax deductible/(chargeable) items: | | (1,461) | 4,583 | NM | 3,085 | 11,594 | (73.4%) |
| Management fees paid/payable in units | (l) | - | 1,337 | NM | - | 1,337 | NM |
| Finance costs | (m) | 338 | 339 | (0.3%) | 810 | 788 | 2.8% |
| Sinking fund contribution | | 293 | 292 | 0.3% | 293 | 292 | 0.3% |
| Depreciation | | 51 | 51 | - | 51 | 51 | - |
| Change in fair value of unrealised derivative instruments | | (2,259) | 2,332 | NM | (2,650) | 2,350 | NM |
| Deferred income tax | | 113 | 38 | 197.4% | - | - | - |
| Unrealised foreign exchange loss | | - | - | - | 1,970 | 4,672 | (57.8%) |
| Other items | (n) | 3 | 194 | (98.5%) | 504 | 690 | (27.0%) |
| Net overseas income not distributed to the Trust | | - | - | - | 2,107 | 1,414 | 49.0% |
| **Income available for distribution** | | **18,730** | **19,079** | **(1.8%)** | **18,730** | **19,079** | **(1.8%)** |
| **Income to be distributed** | (o) | **18,384** | **18,023** | **2.0%** | **18,384** | **18,023** | **2.0%** |

Footnotes:

(l) The Manager has elected to receive 100% of its base management fees in cash for the year ending 31 December 2010. There is no fees payable in units for the three months ended 31 March 2010.

(m) Finance costs include mainly amortisation of upfront costs relating to refinancing.

(n) Other items include mainly trustee's fee, fair value adjustment on security deposits, straight line rental adjustments and other non-tax deductible costs.

(o) Approximately S$0.3 million of income available for distribution has been retained by the Group for the three months ended 31 March 2010 to satisfy certain legal reserve requirements in China and for working capital and capital expenditure purposes.

NM – Not Meaningful

## 1(b) (i) Balance sheet, together with comparatives as at the end of the immediately preceding financial year

### Balance Sheet as at 31 March 2010

| | Notes | Group 31/03/10 S$'000 | Group 31/12/09 S$'000 | Trust 31/03/10 S$'000 | Trust 31/12/09 S$'000 |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Investment properties | (a) | 2,135,455 | 1,981,786 | 1,714,230 | 1,714,230 |
| Plant and equipment | | 795 | 638 | 339 | 390 |
| Interests in subsidiaries | | - | - | 303,612 | 226,341 |
| Intangible asset | (b) | 11,633 | 11,678 | - | - |
| Derivative financial instruments | (c) | 1,110 | 448 | 125 | 448 |
| Trade and other receivables | (d) | 1,860 | 16,488 | 1,451 | 16,488 |
| | | **2,150,853** | **2,011,038** | **2,019,757** | **1,957,897** |
| **Current assets** | | | | | |
| Trade and other receivables | (d) | 11,385 | 3,370 | 4,823 | 3,212 |
| Cash and cash equivalents | (e) | 235,193 | 297,937 | 201,627 | 270,319 |
| | | **246,578** | **301,307** | **206,450** | **273,531** |
| **Total assets** | | **2,397,431** | **2,312,345** | **2,226,207** | **2,231,428** |
| **Non-current liabilities** | | | | | |
| Trade and other payables | | 16,530 | 16,411 | 15,335 | 15,293 |
| Derivative financial instruments | (c) | 38,193 | 41,685 | 38,200 | 41,696 |
| Deferred tax liabilities | (f) | 18,507 | 18,440 | - | - |
| Borrowings | (g) | 129,871 | 50,133 | - | - |
| | | **203,101** | **126,669** | **53,535** | **56,989** |
| **Current liabilities** | | | | | |
| Trade and other payables | (h) | 37,082 | 29,161 | 17,454 | 16,782 |
| Income tax payable | | 490 | 573 | - | - |
| Borrowings | (g) | 570,098 | 569,414 | 568,926 | 568,239 |
| | | **607,670** | **599,148** | **586,380** | **585,021** |
| **Total liabilities** | | **810,771** | **725,817** | **639,915** | **642,010** |
| **Net assets** | | **1,586,660** | **1,586,528** | **1,586,292** | **1,589,418** |
| **Represented by:** | | | | | |
| **Unitholders' funds** | | **1,586,660** | **1,586,528** | **1,586,292** | **1,589,418** |

Footnotes:

(a) Investment properties have increased largely due to the acquisition of 100% interest in David Jones Building Property in Perth, Australia.

(b) Intangible asset represents goodwill on acquisition of Top Sure Investment Limited in August 2007. The company owns, through its wholly owned subsidiary, the Renhe Spring Zongbei Property.

(c) Derivative financial instruments include the fair value of the interest rate swaps, interest rate caps, cross currency swaps and foreign currency contracts taken out in relation to the acquisition of the Group's overseas properties.

(d) The decrease in the non-current portion of trade and other receivables relates mainly to the S$14.8 million deposit paid in November 2009 for the acquisition of the David Jones Building Property in Australia, which has been reclassified to investment properties upon the completion of the acquisition in January 2010.

The increase in the current portion of trade and other receivables relates mainly to the outstanding receivables arising from member card sales of Renhe Spring Zongbei Property for the month of March 2010 which had been fully settled subsequently.

(e) The decrease in cash and cash equivalents is due largely to the settlement of the remaining purchase consideration for the acquisition of the David Jones Building Property in January 2010 and the payment of distribution to unitholders during the quarter.

(f) Deferred tax liabilities are mainly in respect to the Renhe Spring Zongbei Property and have been estimated on the basis of asset sale at the current book value. The amount will not be payable if the investment property were sold through a sale of shares in Top Sure Investment Limited.

(g) Borrowings include a S$380 million term loan, a S$190 million term loan, a Yen3.1 billion (S$46.5 million) Japan bond, a RMB23.7 million (S$5.0 million) loan payable to a third party property vendor in China and a A$63 million (S$80.8 million) term loan taken up for the acquisition of the David Jones Building Property in Perth, Australia.

(h) The increase in the current portion of trade and other payable is mainly due to outstanding payables to the concessionaires of Renhe Spring Zongbei Property for the month of March 2010 and payables of David Jones Building Property, which is newly acquired in January 2010.

## 1(b) (ii) Aggregate amount of borrowings

| | Notes | Group 31/03/10 S$'000 | Group 31/12/09 S$'000 | Trust 31/03/10 S$'000 | Trust 31/12/09 S$'000 |
|---|---|---|---|---|---|
| **Secured borrowings** | (a) | | | | |
| Amount repayable within one year | | 570,000 | 570,000 | 570,000 | 570,000 |
| Amount repayable after one year | | 80,794 | - | - | - |
| | | **650,794** | **570,000** | **570,000** | **570,000** |
| **Unsecured borrowings** | (b) | | | | |
| Amount repayable within one year | | 1,172 | 1,175 | - | - |
| Amount repayable after one year | | 50,314 | 50,797 | - | - |
| **Total borrowings** | | **702,280** | **621,972** | **570,000** | **570,000** |
| Less: Unamortised loan acquisition expenses | | (2,311) | (2,425) | (1,074) | (1,761) |
| **Total borrowings** | | **699,969** | **619,547** | **568,926** | **568,239** |

Footnotes:

(a) Secured
The Group has in place a secured term loan of S$380 million with a tenure of five years (repayable on 20 September 2010) (the "Senior Facility"), a two-year term loan of S$190 million (repayable on 10 September 2010) and a two-year RCF of S$30 million (repayable on 10 September 2010) (the "Junior Facility"). There is no amount outstanding on the RCF as at 31 March 2010. In April 2010, Starhill Global REIT received a committed 3 and/or 5 year fully underwritten bank facility proposal of up to S$620 million (subject to inter alia documentation). The said facility will be utilised to refinance Starhill Global REIT's existing debt obligation and to meet working capital requirements.

The Senior Facility and the Junior Facility are secured on the following:
(i) A first and second legal mortgage on the Singapore Properties respectively;
(ii) A first and second fixed charge over the Trust's rental collection, current and fixed deposit accounts respectively;
(iii) A first and second assignment of the Trust's rights, title and interest in the property management agreement, tenancy documents and proceeds and insurance policies in relation to the Singapore Properties respectively; and
(iv) A first and second fixed and floating charge over the assets of the Trust in relation to the Singapore Properties, agreements and collateral, as required by the financial institution granting the facilities respectively.

The Group has obtained a three-year term loan of A$63 million (S$80.8 million) for the acquisition of the David Jones Building Property in January 2010. The loan is repayable on 18 January 2013 and secured by a fixed and floating charge over all the assets of the SG REIT (WA) Trust and a mortgage over the David Jones Building Property.

(b) Unsecured

The Group has a five-year bond facility of Yen3.1 billion (S$46.5 million) maturing in May 2012, which was used to part finance the acquisition of the Japanese Properties. Whilst no security has been pledged, the bondholders have a statutory preferred right, under Japanese Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of the issuer.

The Group also has a loan of RMB28.6 million from a third party, which was assumed as part of the acquisition of the Renhe Spring Zongbei Property. The carrying amount of RMB23.7 million (S$5.0 million) represents the discounted value of the RMB28.6 million loan, which is interest-free and repayable in equal and annual instalments. The final instalment is due in August 2014.

## 1(c) Consolidated cash flow statement (1Q 2010 vs 1Q 2009)

| | Group 01/01/10 to 31/03/10 S$'000 | Group 01/01/09 to 31/03/09 S$'000 |
|---|---|---|
| **Operating activities** | | |
| Total return for the period before tax and distribution | 20,965 | 15,144 |
| **Adjustments for** | | |
| Finance income | (267) | (9) |
| Fair value adjustment on security deposits | 28 | 179 |
| Depreciation | 73 | 55 |
| Management fees paid / payable in units | - | 1,337 |
| Finance expense | 6,834 | 5,893 |
| Change in fair value of unrealised derivative instruments | (2,259) | 2,332 |
| Operating income before working capital changes | 25,374 | 24,931 |
| Changes in working capital: | | |
| Trade and other receivables | (7,080) | (4,436) |
| Trade and other payables | 6,857 | (1,225) |
| Income tax paid | (635) | (1,164) |
| **Cash generated from operating activities** | **24,516** | **18,106** |
| **Investing activities** | | |
| Net cash outflows on purchase of investment property [1] | (140,006) | - |
| Purchase of plant and equipment | (231) | (1) |
| Capital expenditure on investment properties | - | (192) |
| Interest received on deposits | 347 | 8 |
| **Cash flows from investing activities** | **(139,890)** | **(185)** |
| **Financing activities** | | |
| Borrowing costs paid | (8,595) | (4,614) |
| Proceeds from borrowings [2] | 80,151 | 16,354 |
| Repayment of borrowings | - | (16,421) |
| Distributions paid to unitholders | (18,771) | (17,775) |
| **Cash flows from financing activities** | **52,785** | **(22,456)** |
| **Net decrease in cash and cash equivalents** | **(62,589)** | **(4,535)** |
| **Cash and cash equivalents at the beginning of the period** | 297,937 | 32,704 |
| Effects of exchange rate differences on cash | (155) | 668 |
| **Cash and cash equivalents at the end of the period** | **235,193** | **28,837** |

(1) Net cash outflows on purchase of the David Jones Building Property include acquisition costs paid during current period, but exclude a deposit of S$14.8 million which was paid in November 2009.

(2) Increase is mainly due to the three-year term loan obtained for the acquisition of the David Jones Building Property in January 2010.

## 1(d) (i) Statement of movements in Unitholders' Funds (1Q 2010 vs 1Q 2009)

| | Notes | Group 01/01/10 to 31/03/10 S$'000 | Group 01/01/09 to 31/03/09 S$'000 | Trust 01/01/10 to 31/03/10 S$'000 | Trust 01/01/09 to 31/03/09 S$'000 |
|---|---|---|---|---|---|
| **Unitholders' funds at the beginning of the period** | | 1,586,528 | 1,383,538 | 1,589,418 | 1,373,021 |
| **Operations** | | | | | |
| Change in unitholders' funds resulting from operations, before distributions | (a) | 20,191 | 14,496 | 15,645 | 7,485 |
| **Increase in unitholders' funds resulting from operations** | | **20,191** | **14,496** | **15,645** | 7,485 |
| **Foreign currency translation reserve** | | | | | |
| Translation differences from financial statements of foreign entities | | 682 | 2,804 | - | - |
| Exchange differences on monetary items forming part of net investment in foreign operations | | (1,970) | (4,672) | - | - |
| **Net loss recognised directly in unitholders' funds** | (b) | **(1,288)** | **(1,868)** | **-** | **-** |
| **Unitholders' transactions** | | | | | |
| Creation of units: | | | | | |
| - Management fees payable in units | | - | 1,337 | - | 1,337 |
| Distribution to unitholders | | (18,771) | (17,775) | (18,771) | (17,775) |
| **Decrease in unitholders' funds resulting from unitholders' transactions** | | **(18,771)** | **(16,438)** | **(18,771)** | **(16,438)** |
| **Unitholders' funds at the end of the period** | | **1,586,660** | **1,379,728** | **1,586,292** | **1,364,068** |

Footnotes:

(a) Change in unitholders' funds resulting from operations for the three months ended 31 March 2010, includes unrealised gain on derivative instruments of S$2.3 million.

(b) The movement in foreign currency translation reserve relates to the exchange differences arising on the translation of foreign controlled entities and intercompany loans that form part of the Group's net investment in the foreign entities.

## 1(d)(ii) Details of any change in the units since the end of the previous period reported on

| | Notes | Group and Trust 01/01/10 to 31/03/10 Units | Group and Trust 01/01/09 to 31/03/09 Units |
|---|---|---|---|
| **Issued units at the beginning of the period** | | 1,932,418,044 | 957,933,611 |
| Management fees issued in units (base fee) | | 2,695,380 | 2,870,243 |
| Management fees issued in units (performance fee) | | - | - |
| Issued units at the end of the period | | 1,935,113,424 | 960,803,854 |
| Management fees payable in units to be issued (base fee) | (a) | - | 2,972,852 |
| Management fees payable in units (performance fee) | (b) | - | - |
| **Total issued and issuable units at the end of the period** | | **1,935,113,424** | **963,776,706** |

Footnotes:

(a) The Manager has elected to receive 100% of its base management fees in cash for the year ending 31 December 2010. There is no fees payable in units for the three months ended 31 March 2010.

(b) Performance fee is calculated for each six-month period ending 30 June and 31 December.

## 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

## 3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

## 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2009, except for the adoption of the new and revised Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 1 January 2010.

## 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

## 6 Consolidated earnings per unit ('EPU') and distribution per unit ('DPU') for the financial period

| | Notes | Group 01/01/10 to 31/03/10 | Group 01/01/09 to 31/03/09 |
|---|---|---|---|
| **EPU** | | | |
| **Basic and dilutive EPU** | | | |
| Weighted average number of units | (a) | 1,934,274,861 | 1,227,104,038 |
| Earnings per unit for the period based on the weighted average number of units in issue (cents) | (b) | 1.04 | 1.18 |
| **DPU** | | | |
| Number of units issued and issuable at end of period | | 1,935,113,424 | 963,776,706 |
| DPU for the period based on the total number of units entitled to distribution (cents) (pre-rights issue) | | NA | 1.87 |
| DPU for the period based on the total number of units entitled to distribution including performance fee units (cents) (pre-rights issue) | | NA | 1.87 |
| DPU (cents) (post-rights issue) | (c) | 0.95 | 0.93 |

Footnotes:

(a) The actual weighted average number of units used for computation of EPU for the three months ended 31 March 2010 is 1,934,274,861 and has been calculated on a time-weighted basis. The comparative has been restated to adjust for the effects of the Rights Issue.

(b) The earnings per unit for the three months ended 31 March 2010 includes the unrealised gain on derivative instruments of S$2.3 million. The comparative EPU has been restated to adjust for the effects of the Rights Issue.

(c) The computation of Q1 2010 DPU is based on number of units entitled to distributions comprising the number of units in issue as at 31 March 2010 of 1,935,113,424. The computation of comparative DPU has been restated to include 963,724,106 Rights Units.

## 7 Net asset value per unit based on units issued at the end of the period

| | Notes | Group 31/03/10 | Group 31/12/09 | Trust 31/03/10 | Trust 31/12/09 |
|---|---|---|---|---|---|
| Net asset value per unit (S$) | (a) | 0.82 | 0.82 | 0.82 | 0.82 |

Footnotes:

(a) The number of units used for computation of NAV per unit is 1,935,113,424, which represents the number of units in issue as at 31 March 2010.

## 8 Review of the performance
**Consolidated Statement of Total Return and Distribution**
**(1Q 2010 vs 1Q 2009)**

| | Group 01/01/10 to 31/03/10 S$'000 | Group 01/01/09 to 31/03/09 S$'000 | Increase / (Decrease) % |
|---|---|---|---|
| **Gross revenue** | **37,622** | **34,325** | **9.6%** |
| Property expenses | (8,484) | (7,272) | 16.7% |
| **Net property income** | **29,138** | **27,053** | **7.7%** |
| Non property expenses | (10,432) | (9,577) | 8.9% |
| **Net income before tax** | **18,706** | **17,476** | **7.0%** |
| Change in fair value of unrealised derivative instruments | 2,259 | (2,332) | NM |
| **Total return for the period before tax and distribution** | **20,965** | **15,144** | **38.4%** |
| Income tax expense | (774) | (648) | 19.4% |
| **Total return for the period after tax, before distribution** | **20,191** | **14,496** | **39.3%** |
| Non tax deductible/(chargeable) items and other adjustments | (1,461) | 4,583 | NM |
| **Income available for distribution** | **18,730** | **19,079** | **(1.8%)** |
| **Income to be distributed** | **18,384** | **18,023** | **2.0%** |

The increase in gross revenue for the Group was mainly due to the revenue contributed by the newly acquired David Jones Building Property, offset by the decrease in revenue from the Japanese Properties due to higher vacancies. Revenue from overseas properties accounted for approximately 25% (2009: 20%) of total gross revenue for the three months ended 31 March 2010.

Property expenses were higher mainly due to the increase in property tax expense for the three months ended 31 March 2010 as a result of the expiry of property tax rebates granted by the Singapore government in 2009 and the inclusion of the property expenses by the newly acquired David Jones Building Property. The increase was offset by the decrease in other property expenses mainly due to a decrease in leasing and upkeep expenses of the Singapore Properties and no allowance made for bad debts for the three months ended 31 March 2010.

Non property expenses were higher mainly due to the interest incurred on the term loan taken up in relation to the acquisition of the David Jones Building Property for the three months ended 31 March 2010.

The unrealised gain on the derivative instruments for the three months ended 31 March 2010 represents mainly the change in fair value of cross currency swaps which were entered into in relation to the acquisition of the Japanese Properties. The unrealised gain on the cross currency swaps was offset by a decrease in value of the Japanese Properties due to a weakening in foreign currency exchange rates for the three months ended 31 March 2010.

The non tax deductible items decreased mainly due to the unrealised gain on the derivative instrument for the current period, compared to an unrealised loss in the previous period, and there were no management fees payable in units in this current period.

Income available for distribution and income to be distributed for the three months ended 31 March 2010 was S$18.7 million and S$18.4 million which were 1.8% lower and 2.0% above the previous comparative period respectively.

**9 Variance between forecast and the actual results**

The Trust has not disclosed any forecast to the market.

**10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

Advance estimates indicate that Singapore's GDP grew by 13.1% yoy in 1Q 2010 and 32.1% qoq. The Ministry of Trade and Industry (MTI) upgraded its GDP growth forecast for 2010 to 7.0% to 9.0%, an improvement from the earlier forecast of 4.5% to 6.5% in view of the strong growth in the first quarter.[1]

According to CB Richard Ellis (CBRE), the pace of decline of prime Orchard Road retail rents has slowed compared to the previous four quarters, averaging S$32.30 per square foot per month (psf pm) in 1Q 2010, down 0.7% from that in 4Q 2009.[2] According to the Urban Redevelopment Authority (URA), office rents based on commenced leases edged up 0.4% in 1Q 2010 from the preceding quarter, reversing a 3.3% drop that quarter from the one before. The rise in 1Q 2010 marked the end of a six-quarter fall that began in 2Q 2008 as the global financial crisis unfolded.[3]

In 2009, Chengdu's GDP grew 14.7% yoy, at a much faster pace than the national GDP growth of 8.7%. The capital of Sichuan province also saw strong growth in retail sales which increased 20.3% yoy.[4] In 2010, China's economy is likely to expand more than 9.0% due to pro-growth policies and an improving global environment.[5] Prime retail rents in Chengdu saw a marginal rise in 1Q 2010, but vacancy also rose due to the opening of new malls.[6] Greater competition is expected to put pressure on retail rents and occupancy rates, but many new local and foreign brands are entering the Chengdu market which will fuel demand for prime retail space.

Japan's economy showed some signs of improvement with GDP rising 3.8% yoy in 4Q 2009. Unemployment rate dropped to a 10-month low of 4.9% in January 2010.[7] Despite signs of improving economic conditions, analysts expect the recovery in Japan to remain slow as companies are still far from operating at full capacity and unemployment is still at a relatively high level. Retail rents are expected to continue to be under pressure in 2010 amid the weak economy.[8]

Western Australia's GDP grew 2.7% in 2009, the highest level of annual growth since mid-2008.[9] Real output growth for Western Australia is forecasted to be 5.6% in 2010. Central Business District (CBD) retail rents have remained steady throughout 2009 due to high occupancy rates and an improving economic outlook. As at December 2009, Super Prime gross face rents ranged between A$3,500 per square meter per month ("psm pm") and A$4,500 psm pm with an indicative rent of A$4,125 psm pm. Perth CBD retail locations remain in demand, particularly along the Hay and Murray Street Malls. Tightly held Super Prime locations have seen low vacancy rates over the twelve months to December 2009, recording a 1.1% vacancy rate.[10] With retailer demand remaining steady, low vacancy rates are likely to remain in 2010. However, increasing competition due to new developments opening in the CBD could see CBD rental levels plateau over the short term.

**<u>Outlook for the next 12 months</u>**

Analysts expect the Singapore economy to be robust in 2010. The two integrated resorts are expected to boost Singapore's tourism numbers which should generate multipliers for the broader economy.[11] Despite this upbeat expectation, there may be some downward pressure on occupancy and rental rates in the short to medium term, especially for office properties due to potential oversupply. Similarly for Japan, retail rents and occupancy rates may continue to be impacted this year by the near term economic weakness. However, Starhill Global REIT's retail assets in Singapore, which contribute a significant portion of the Group's revenue, have mitigating characteristics such as the long term master lease for the bulk of retail space in the Ngee Ann City Property, and a staggered lease term expiry profile. The addition of the David Jones Building Property in Perth, Australia to the portfolio will contribute to the Group's revenue and net property income in 2010 while diluting geographical concentration risks.

In April 2010, Starhill Global REIT received a committed 3 and/or 5 year fully underwritten bank facility proposal of up to S$620 million (subject to inter alia documentation). The said facility will be utilised to refinance Starhill Global REIT's existing debt obligation and to meet working capital requirements. As of 31 March 2010, Starhill Global REIT's outstanding debt is S$702.3 million of which S$570.0 million or 81.2% matures in September 2010.

Sources

1. MTI Press Release, MTI Revises 2010 Growth Forecast to 7.0 to 9.0 Per Cent, 14 April 2010
2. CBRE MarketView, Singapore, First Quarter 2010
3. URA News Release, Release of 1st quarter 2010 real estate statistics, 23 April 2010
4. Chengdu Municipal Government <http://www.chengdu.gov.cn/news/detail.jsp?id=306956>
5. The Business Times, China's 2010 GDP to grow more than 9%, 16 March 2010
6. CBRE Media Release, Review of China's Property Market in Q1 2010, 30 March 2010
7. Bloomberg, Japan Raises Economic View for First Time Since July, 15 March 2010
8. Reuters, Japan Retail Sales Log Biggest Rise in 13 Years, 29 March 2010
9. Western Australia Treasury Corporation, Economic Analysis GDP December Quarter 2009, 3 March 2010
10. CBRE, MarketView, Perth Retail, Fourth Quarter 2009
11. The Business Times, Sustaining an upturn, 25 March 2010

## 11 Distributions

### (a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: First quarter distribution for the period from 1 January 2010 to 31 March 2010.

Distribution rate: 0.95 cents per unit (post-rights issue)

Distribution type:

| Type | Cents |
|---|---|
| Taxable income component | 0.87 |
| Capital component | 0.08 |
| **Total** | **0.95** |

Par value of units: NA

Tax rate: Taxable income component

Taxable income distributions are made out of the Trust's taxable income. Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).

Capital component

The capital component of the distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. Such distribution refers to the amount of distribution made by the Trust where the income from the underlying properties located overseas has not been received as income by the Trust. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

**(b) Corresponding period of the immediately preceding financial period**

| | |
|---|---|
| Any distributions declared for the previous corresponding financial period: | Yes |
| Name of distribution: | First quarter distribution for the period from 1 January 2009 to 31 March 2009. |
| Distribution rate: | 1.87 cents per unit (pre-rights issue) |
| Distribution type: | Taxable income |
| Par value of units: | NA |
| Tax rate: | Taxable income distributions are made out of the Trust's taxable income. Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets). |

Footnotes:

NA – Not applicable

**(c) Date payable:** 27 May 2010

**(d) Books Closure Date:** 5 May 2010

**12 If no distribution has been declared/(recommended), a statement to that effect**

Not applicable

**13 Directors' confirmation**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Trust as at 31 March 2010 (comprising the balance sheets as at 31 March 2010, the statements of total return and distribution, the cash flow statements and statements of changes in unitholders' funds for the three months ended on that date, together with their accompanying notes) to be false or misleading in any material respect.

On behalf of the Board

| | |
|---|---|
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping | Ho Sing |
| Executive Chairman | Chief Executive Officer/Director |



**BY ORDER OF THE BOARD**
**YTL PACIFIC STAR REIT MANAGEMENT LIMITED**
**AS MANAGER OF STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST**

Jeanette Lim
Joint Company Secretary
26 April 2010