Starhill Global Real Estate Investment Trust
Financial Statements Announcement
For the Second Quarter Ended 30 June 2013

These financial statements for the quarter from 1 April 2013 to 30 June 2013 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 and a third Supplemental Deed dated 7 June 2010) between YTL Starhill Global 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 ("Unitholders") and to achieve long-term growth in the net asset value per unit.

As at 30 June 2013, the property portfolio of Starhill Global REIT consists of:

- 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 Starhill Gallery and 137 strata parcels and two accessory parcels within Lot 10 shopping centre ("Lot 10 Property") in Kuala Lumpur, Malaysia (collectively the "Malaysia Properties");
- 100% interest in Renhe Spring Zongbei Department Store in Chengdu, China (the "Renhe Spring Zongbei Property");
- 100% interest in David Jones Building and Plaza Arcade in Perth, Australia (the "Australia Properties"); and
- 100% interest in six properties in Tokyo, Japan (the "Japan Properties").

SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013

	Group 01/04/13 to 30/06/13 S$'000	Group 01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %
Gross revenue	49,128	46,356	6.0%
Net property income	39,073	37,142	5.2%
Income available for distribution	26,747	23,309	14.7%
Income to be distributed to:			
- Convertible preferred units ("CPU") Holder(s)	269	2,286	(88.2%)
- Unitholders	25,623	20,985	22.1%
Total income to be distributed	25,892	23,271	11.3%

	Group 01/04/13 to 30/06/13	Group 01/04/12 to 30/06/12	Increase / (Decrease)
	Cents per unit/CPU		%
Distribution per unit ("DPU")/per CPU			
CPU Holder(s)			
For the quarter from 1 April to 30 June [1]	1.32	1.32	(0.0%)
Annualised (based on the three months ended 30 June)	5.30	5.31	(0.2%)
Unitholders			
For the quarter from 1 April to 30 June [2]	1.19	1.08	10.2%
Annualised (based on the three months ended 30 June)	4.77	4.34	9.9%

Footnotes:

(1) On 5 July 2013, 152,727,825 CPU have been converted into 210,195,189 ordinary units ("Conversion Units"). The number of Conversion Units was calculated based on a conversion price of S$0.7266 per Conversion Unit. The actual distribution to CPU Holder(s) for the quarter ended 30 June 2013 in respect of the remaining 20,334,750 CPU is 1.3207 cents (quarter ended 30 June 2012: 1.3209 cents) per CPU.

(2) The computation of DPU for the quarter ended 30 June 2013 is based on total number of units entitled to the distributable income for the period from 1 April 2013 to 30 June 2013 (including the Conversion Units) of 2,153,218,267.

DISTRIBUTION DETAILS

Distribution period	1 April 2013 to 30 June 2013
Distribution amount to:	
CPU Holder	1.3207 cents per CPU
Unitholders	1.19 cents per unit
Books closure date	31 July 2013
Payment date	23 August 2013

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 (2Q 2013 vs 2Q 2012)

	Notes	Group 01/04/13 to 30/06/13 S$'000	Group 01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %	Trust 01/04/13 to 30/06/13 S$'000	Trust 01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**49,128**	**46,356**	**6.0%**	**31,312**	**29,110**	**7.6%**
Maintenance and sinking fund contributions	(b)	(1,651)	(1,487)	11.0%	(1,602)	(1,415)	13.2%
Property management fees	(c)	(1,186)	(1,178)	0.7%	(935)	(838)	11.6%
Property tax	(d)	(3,883)	(3,635)	6.8%	(2,991)	(2,845)	5.1%
Other property expenses	(e)	(3,335)	(2,914)	14.4%	(1,481)	(1,269)	16.7%
Property expenses		**(10,055)**	**(9,214)**	**9.1%**	**(7,009)**	**(6,367)**	**10.1%**
Net property income		**39,073**	**37,142**	**5.2%**	**24,303**	**22,743**	**6.9%**
Finance income	(f)	133	135	(1.5%)	6	15	(60.0%)
Dividend income from subsidiaries		-	-	-	5,664	8,739	(35.2%)
Fair value adjustment on security deposits	(g)	99	1,867	(94.7%)	162	1,940	(91.6%)
Management fees	(h)	(3,549)	(3,515)	1.0%	(3,262)	(3,215)	1.5%
Trust expenses	(i)	(835)	(912)	(8.4%)	(653)	(610)	7.0%
Finance expenses	(j)	(7,571)	(8,189)	(7.5%)	(2,695)	(3,366)	(19.9%)
Non property (expenses)/income		**(11,723)**	**(10,614)**	**10.4%**	**(778)**	**3,503**	**NM**
Net income before tax		**27,350**	**26,528**	**3.1%**	**23,525**	**26,246**	**(10.4%)**
Change in fair value of derivative instruments	(k)	5,309	(3,263)	NM	5,218	(3,366)	NM
Unrealised foreign exchange (loss)/gain	(l)	-	-	-	(3,638)	3,770	NM
Total return for the period before tax and distribution		**32,659**	**23,265**	**40.4%**	**25,105**	**26,650**	**(5.8%)**
Income tax expense	(m)	(1,069)	(1,059)	0.9%	-	-	-
Total return for the period after tax, before distribution		**31,590**	**22,206**	**42.3%**	**25,105**	**26,650**	**(5.8%)**
Non-tax (chargeable)/deductible items and other adjustments	(n)	(4,843)	1,103	NM	1,642	(3,341)	NM
Income available for distribution		**26,747**	**23,309**	**14.7%**	**26,747**	**23,309**	**14.7%**

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 largely attributed to the increases in the base rent for master tenant Toshin at Ngee Ann City Property, stronger performance of Wisma Atria Property following the asset redevelopment, as well as full quarter contribution from the newly acquired Plaza Arcade. Revenue from the remaining overseas properties largely decreased compared to the corresponding period. Approximately 36% (2012: 37%) of total gross revenue for the three months ended 30 June 2013 were contributed by the overseas properties.

(b) The increase in maintenance and sinking fund contributions for the current quarter is mainly attributed to Wisma Atria Property.

(c) Property management fees comprise mainly 3.0% per annum and 1.8% per annum of the gross revenue from Singapore Properties and Japan Properties respectively, and 1.0% per annum of gross sales of Renhe Spring Zongbei Property.

(d) Property tax expenses are higher for the current quarter mainly due to higher property tax expenses for the Singapore Properties and Australia Properties, in line with the higher revenue for the Singapore Properties and full quarter contribution from Plaza Arcade.

(e) Other property expenses are higher for the current quarter mainly due to higher operating expenses incurred by the Singapore Properties and Australia Properties.

(f) Represents interest income from bank deposits and current accounts for the three months ended 30 June 2013.

(g) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard ("FRS") 39. The fair value change in the corresponding period is mainly due to the extended weighted average lease expiry of the Singapore portfolio, in line with the exercise of option by the master tenant in April 2012 to renew the existing master lease at Ngee Ann City Property for a further term of 12 years commencing from June 2013.

(h) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property.

(i) The decrease in trust expenses is mainly due to lower expenses incurred by Japan Properties for the three months ended 30 June 2013, partially offset by the higher expenses incurred by the Trust.

(j) Finance expenses are lower for the current quarter mainly due to lower interest costs incurred on the Trust's borrowings, Japan bond and A$ term loan for the three months ended 30 June 2013.

(k) Represents mainly the change in the fair value of interest rate swaps for the three months ended 30 June 2013. The fair value gain for the current quarter is mainly attributable to the new interest rate swaps entered into to hedge the interest rate exposure on the Singapore borrowings commencing in September 2013.

(l) Represents mainly the unrealised foreign exchange differences on translation of the Trust's intercompany loans and borrowings for the three months ended 30 June 2013.

(m) Income tax expense includes withholding tax, corporate tax and deferred tax provided for the overseas properties.

(n) See details in the distribution statement below.

Distribution Statement (2Q 2013 vs 2Q 2012)

	Notes	Group 01/04/13 to 30/06/13 S$'000	Group 01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %	Trust 01/04/13 to 30/06/13 S$'000	Trust 01/04/12 to 30/06/12 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**31,590**	**22,206**	**42.3%**	**25,105**	**26,650**	**(5.8%)**
Non-tax (chargeable)/deductible items:		(4,843)	1,103	NM	1,642	(3,341)	NM
Finance costs	(o)	420	510	(17.6%)	744	911	(18.3%)
Sinking fund contribution		387	294	31.6%	387	294	31.6%
Change in fair value of derivative instruments		(5,309)	3,263	NM	(5,218)	3,366	NM
Deferred income tax		54	67	(19.4%)	-	-	-
Unrealised foreign exchange loss/(gain)		-	-	-	3,638	(3,770)	NM
Fair value adjustment on security deposits		(99)	(1,867)	(94.7%)	(162)	(1,940)	(91.6%)
Other items	(p)	(296)	(1,164)	(74.6%)	206	(392)	NM
Net overseas income not distributed to the Trust, net of amount received		-	-	-	2,047	(1,810)	NM
Income available for distribution		**26,747**	**23,309**	**14.7%**	**26,747**	**23,309**	**14.7%**
Income to be distributed to:							
- CPU Holder(s)	(q)	**269**	**2,286**	**(88.2%)**	**269**	**2,286**	**(88.2%)**
- Unitholders	(r)	**25,623**	**20,985**	**22.1%**	**25,623**	**20,985**	**22.1%**
Total income to be distributed		**25,892**	**23,271**	**11.3%**	**25,892**	**23,271**	**11.3%**

Footnotes:

(o) Finance costs include mainly amortisation of upfront borrowing costs.

(p) Other items include mainly trustee's fee, straight-line rental adjustments and other non-tax deductible costs. The decrease is largely attributed to the higher straight-line adjustments on the retail leases due to the asset redevelopment of Wisma Atria Property in the corresponding period.

(q) Subject to the sole discretion of the Manager, the CPU Holder(s) are entitled to a discretionary, non-cumulative variable S$ coupon of up to RM0.1322 per CPU, equivalent to a distribution rate of 5.65% per annum assuming the CPU distribution is paid in full and based on the RM amount of the CPU determined on the date of issuance of the CPU. Income to be distributed to CPU Holder for the quarter ended 30 June 2013 decreased by 88.2% to S$0.3 million following the CPU conversion into 210,195,189 ordinary units on 5 July 2013.

(r) Approximately S$0.9 million of income available for distribution for the three months ended 30 June 2013 has been retained for working capital requirements.

NM – Not Meaningful

Statement of Total Return and Distribution (YTD Jun 2013 vs YTD Jun 2012)

	Notes	Group 01/01/13 to 30/06/13 S$'000	Group 01/01/12 to 30/06/12 S$'000	Increase / (Decrease) %	Trust 01/01/13 to 30/06/13 S$'000	Trust 01/01/12 to 30/06/12 S$'000	Increase / (Decrease) %
Gross revenue	(a)	**102,762**	**92,389**	**11.2%**	**67,606**	**57,209**	**18.2%**
Maintenance and sinking fund contributions	(b)	(3,308)	(2,973)	11.3%	(3,204)	(2,830)	13.2%
Property management fees	(c)	(2,576)	(2,258)	14.1%	(2,025)	(1,643)	23.3%
Property tax	(d)	(8,112)	(7,167)	13.2%	(6,417)	(5,566)	15.3%
Other property expenses	(e)	(7,755)	(5,505)	40.9%	(3,872)	(2,246)	72.4%
Property expenses		**(21,751)**	**(17,903)**	**21.5%**	**(15,518)**	**(12,285)**	**26.3%**
Net property income		**81,011**	**74,486**	**8.8%**	**52,088**	**44,924**	**15.9%**
Finance income	(f)	254	292	(13.0%)	10	41	(75.6%)
Dividend income from subsidiaries		-	-	-	8,423	10,671	(21.1%)
Fair value adjustment on security deposits	(g)	194	1,851	(89.5%)	319	1,997	(84.0%)
Management fees	(h)	(7,056)	(7,007)	0.7%	(6,480)	(6,402)	1.2%
Trust expenses	(i)	(1,498)	(1,685)	(11.1%)	(1,165)	(1,118)	4.2%
Finance expenses	(j)	(15,151)	(16,527)	(8.3%)	(5,752)	(6,728)	(14.5%)
Loss on divestment of investment property	(k)	(300)	-	NM	-	-	-
Non property expenses		**(23,557)**	**(23,076)**	**2.1%**	**(4,645)**	**(1,539)**	**201.8%**
Net income before tax		**57,454**	**51,410**	**11.8%**	**47,443**	**43,385**	**9.4%**
Change in fair value of derivative instruments	(l)	6,171	6,380	(3.3%)	5,986	6,113	(2.1%)
Unrealised foreign exchange loss	(m)	-	-	-	(2,153)	(2,433)	(11.5%)
Total return for the period before tax and distribution		**63,625**	**57,790**	**10.1%**	**51,276**	**47,065**	**8.9%**
Income tax expense	(n)	(2,140)	(2,176)	(1.7%)	-	-	-
Total return for the period after tax, before distribution		**61,485**	**55,614**	**10.6%**	**51,276**	**47,065**	**8.9%**
Non-tax (chargeable)/deductible items and other adjustments	(o)	(4,944)	(8,984)	(45.0%)	5,265	(435)	NM
Income available for distribution		**56,541**	**46,630**	**21.3%**	**56,541**	**46,630**	**21.3%**

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 largely attributed to the increases in the base rent for master tenant Toshin at Ngee Ann City Property and the receipt of the resulting rental arrears from June 2011 to December 2012, stronger performance of Wisma Atria Property following the asset redevelopment, as well as contribution from newly acquired Plaza Arcade from March 2013. Revenue from the remaining overseas properties decreased compared to the corresponding period. Approximately 34% (2012: 38%) of total gross revenue for the six months ended 30 June 2013 were contributed by the overseas properties.

(b) The increase in maintenance and sinking fund contributions for the six months ended 30 June 2013 is mainly attributed to Wisma Atria Property.

(c) Property management fees comprise mainly 3.0% per annum and 1.8% per annum of the gross revenue from Singapore Properties and Japan Properties respectively, and 1.0% per annum of gross sales of Renhe Spring Zongbei Property. The increase for the current period is in line with the higher revenue for the Singapore Properties.

(d) Property tax expenses are higher for the current period mainly due to higher property tax expenses for the Singapore Properties and Australia Properties.

(e) Other property expenses are higher for the current period mainly due to higher operating expenses incurred by the Singapore Properties, Japan Properties and Australia Properties for the six months ended 30 June 2013.

(f) Represents interest income from bank deposits and current accounts for the six months ended 30 June 2013.

(g) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard ("FRS") 39. The fair value change in the corresponding period is mainly due to the extended weighted average lease expiry of the Singapore portfolio, in line with the exercise of option by the master tenant in April 2012 to renew the existing master lease at Ngee Ann City Property for a further term of 12 years commencing from June 2013.

(h) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property.

(i) The decrease in trust expenses is mainly due to lower expenses incurred by Japan Properties for the six months ended 30 June 2013.

(j) Finance expenses are lower for the current period mainly due to lower interest costs incurred on the Trust's borrowings, Japan bond and A$ term loan for the six months ended 30 June 2013.

(k) Represents the difference between the net proceeds (including directly attributable costs) from divestment and the carrying amount of Roppongi Primo divested during the current period.

(l) Represents mainly the change in the fair value of interest rate swaps for the Singapore borrowings for the six months ended 30 June 2013.

(m) Represents mainly the unrealised foreign exchange differences on translation of the Trust's intercompany loans and borrowings for the six months ended 30 June 2013.

(n) Income tax expense includes withholding tax, corporate tax and deferred tax provided for the overseas properties.

(o) See details in the distribution statement below.

Distribution Statement (YTD Jun 2013 vs YTD Jun 2012)

	Notes	Group 01/01/13 to 30/06/13 S$'000	Group 01/01/12 to 30/06/12 S$'000	Increase / (Decrease) %	Trust 01/01/13 to 30/06/13 S$'000	Trust 01/01/12 to 30/06/12 S$'000	Increase / (Decrease) %
Total return after tax, before distribution		**61,485**	**55,614**	**10.6%**	**51,276**	**47,065**	**8.9%**
Non-tax (chargeable)/deductible items:		(4,944)	(8,984)	(45.0%)	5,265	(435)	NM
Finance costs	(p)	839	1,010	(16.9%)	1,488	1,732	(14.1%)
Sinking fund contribution		774	588	31.6%	774	588	31.6%
Change in fair value of derivative instruments		(6,171)	(6,380)	(3.3%)	(5,986)	(6,113)	(2.1%)
Deferred income tax		107	93	15.1%	-	-	-
Unrealised foreign exchange loss		-	-	-	2,153	2,433	(11.5%)
Fair value adjustment on security deposits		(194)	(1,851)	(89.5%)	(319)	(1,997)	(84.0%)
Other items	(q)	(299)	(2,444)	(87.8%)	991	(881)	NM
Net overseas income not distributed to the Trust, net of amount received		-	-	-	6,164	3,803	62.1%
Income available for distribution		**56,541**	**46,630**	**21.3%**	**56,541**	**46,630**	**21.3%**
Income to be distributed to:							
- CPU Holder(s)	(r)	**2,531**	**4,636**	**(45.4%)**	**2,531**	**4,636**	**(45.4%)**
- Unitholders	(s)	**52,242**	**41,775**	**25.1%**	**52,242**	**41,775**	**25.1%**
Total income to be distributed		**54,773**	**46,411**	**18.0%**	**54,773**	**46,411**	**18.0%**

Footnotes:

(p) Finance costs include mainly amortisation of upfront borrowing costs.

(q) Other items include mainly trustee's fee, straight-line rental adjustments and other non-tax deductible costs. The decrease is largely attributed to the higher straight-line adjustments on the retail leases due to the asset redevelopment of Wisma Atria Property in the corresponding period.

(r) Subject to the sole discretion of the Manager, the CPU Holder(s) are entitled to a discretionary, non-cumulative variable S$ coupon of up to RM0.1322 per CPU, equivalent to a distribution rate of 5.65% per annum assuming the CPU distribution is paid in full and based on the RM amount of the CPU determined on the date of issuance of the CPU. The decrease is in line with the lower distributable income to CPU Holder for the quarter ended 30 June 2013, following the CPU conversion on 5 July 2013.

(s) Approximately S$1.8 million of income available for distribution for the six months ended 30 June 2013 has been retained for working capital requirements.

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 30 June 2013

	Notes	Group 30/06/13 S$'000	Group 31/12/12 S$'000	Trust 30/06/13 S$'000	Trust 31/12/12 S$'000
Non-current assets					
Investment properties	(a)	2,742,813	2,713,003	1,903,741	1,903,000
Plant and equipment		1,444	1,616	-	-
Interests in subsidiaries		-	-	588,700	548,220
Intangible asset	(b)	10,501	10,169	-	-
Derivative financial instruments	(c)	4,578	16	4,374	-
Trade and other receivables	(d)	6,988	6,656	3,863	4,039
		2,766,324	**2,731,460**	**2,500,678**	**2,455,259**
Current assets					
Derivative financial instruments	(c)	-	1	-	1
Trade and other receivables	(d)	7,433	9,351	5,858	10,548
Cash and cash equivalents	(e)	62,065	79,376	14,188	38,377
		69,498	**88,728**	**20,046**	**48,926**
Total assets		**2,835,822**	**2,820,188**	**2,520,724**	**2,504,185**
Non-current liabilities					
Trade and other payables	(f)	23,750	22,480	18,478	17,095
Deferred tax liabilities	(g)	19,669	18,668	-	-
Borrowings	(h)	346,710	357,339	123,437	123,502
		390,129	**398,487**	**141,915**	**140,597**
Current liabilities					
Trade and other payables	(f)	45,522	43,607	29,127	26,913
Derivative financial instruments	(c)	954	2,545	954	2,650
Income tax payable		1,726	1,442	-	-
Borrowings	(h)	508,660	492,044	507,485	490,923
		556,862	**539,638**	**537,566**	**520,486**
Total liabilities		**946,991**	**938,125**	**679,481**	**661,083**
Net assets		**1,888,831**	**1,882,063**	**1,841,243**	**1,843,102**
Represented by:					
Unitholders' funds		1,715,386	1,708,618	1,667,798	1,669,657
Convertible preferred units (CPU)	(i)	173,445	173,445	173,445	173,445
		1,888,831	**1,882,063**	**1,841,243**	**1,843,102**

Footnotes:

(a) Investment properties increased largely due to the acquisition of Plaza Arcade, partially offset by the divestment of Roppongi Primo and net movement in foreign currencies in relation to overseas properties during the current period.

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

(c) Derivative financial instruments as at 30 June 2013 include the fair value of the interest rate swaps and caps entered into to hedge the interest rate exposure on borrowings. The increase in derivative assets is mainly due to change in fair value of new interest rate swaps entered into during the current period for the new loan facilities commencing in September 2013. The decrease in derivative liabilities is mainly due to change in fair value of existing interest rate swaps maturing in September 2013.

(d) The increase in non-current portion of the trade and other receivables relates mainly to straight line rental adjustments for Malaysia Properties. The decrease in current portion is mainly due to decrease in receivables arising from member card sales of Renhe Spring Zongbei Property.

(e) The decrease in cash and cash equivalents is mainly due to the payment of distributions and the purchase consideration for Plaza Arcade during the current period, partially offset by cash generated from operations.

(f) The increase in trade and other payables is mainly due to increase in trade and other payables of Renhe Spring Zongbei Property and Singapore Properties and security deposits received for the Singapore Properties, partially offset by the settlement of interest payables and asset redevelopment costs and payables in relation to Wisma Atria Property during the current period.

(g) Deferred tax liabilities are mainly in respect of Renhe Spring Zongbei Property and have been estimated on the basis of asset sale at the current book value.

(h) Borrowings include S$284 million term loan, JPY12.5 billion (S$159.5 million) term loans, a S$124 million Singapore MTN, S$64.6 million revolving credit facilities, JPY1.5 billion (S$18.6 million) Japan bond, a RMB10.8 million (S$2.2 million) loan payable to a third party in China, a A$63 million (S$73.7 million) term loan and RM330 million (S$131.5 million) Malaysia MTN. Please refer to Section 1(b)(ii) for details of the borrowings.

The increase in total borrowings is largely due to the drawdown of S$40.1 million of the revolving credit facility mainly to part finance the acquisition of Plaza Arcade and for workings capital purposes, partially offset by repayment of JPY0.6 billion (S$8.6 million) borrowings and the net movement in foreign currencies during the current period.

(i) Represents the value of the CPU issued to partially fund the acquisition of Malaysia Properties, net of capitalised costs incurred directly attributable to the CPU issue. The actual number of CPU issued was 173,062,575 at an issue price of S$1.00 per CPU. The CPU Holders have the right to convert the CPU into units from 28 June 2013 at a conversion price of S$0.7266 per unit. Subsequent to 30 June 2013, 152,727,825 CPU have been converted into 210,195,189 new ordinary units on 5 July 2013 and 20,334,750 CPU remain outstanding.

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 30/06/13 S$'000	Group 31/12/12 S$'000	Trust 30/06/13 S$'000	Trust 31/12/12 S$'000
Secured borrowings	(a)				
Amount repayable within one year		443,514	468,314	443,514	468,314
Amount repayable after one year		205,226	211,815	-	-
		648,740	**680,129**	**443,514**	**468,314**
Unsecured borrowings	(b)				
Amount repayable within one year		65,775	25,621	64,600	24,500
Amount repayable after one year		143,602	147,658	124,000	124,000
Total borrowings		**858,117**	**853,408**	**632,114**	**616,814**
Less: Unamortised loan acquisition expenses		(2,747)	(4,025)	(1,192)	(2,389)
Total borrowings		**855,370**	**849,383**	**630,922**	**614,425**

Footnotes:

(a) Secured
The Group has in place JPY13 billion secured loan facilities ("JPY Loan Facilities") (maturing in September 2013) from a bank, of which JPY12.5 billion (S$159.5 million) is outstanding as at 30 June 2013.

The Group has outstanding secured term loan of S$284 million (maturing in September 2013) from a syndicate of five banks and a revolving credit facility ("Secured RCF") of S$50 million (maturing in September 2013) (collectively the "SGD Loan Facilities"). There is no amount outstanding on the Secured RCF as at 30 June 2013.

The SGD Loan Facilities and JPY Loan Facilities are both secured on the following:
(i) A first legal mortgage on Ngee Ann City Property;
(ii) A first fixed charge over Ngee Ann City Property's rental collection, operating and fixed deposit accounts;
(iii) An assignment of the Trust's rights, title and interest in the property management agreements, tenancy documents, sale and purchase agreements and proceeds (if any) and insurance policies in relation to Ngee Ann City Property; and
(iv) A fixed and floating charge over the assets of the Trust in relation to Ngee Ann City Property.

During the current quarter, the Group entered into an agreement with a club of eight banks to secure three-year and five-year unsecured loan facilities to refinance the above secured borrowings maturing in September 2013 and the unsecured revolving credit facilities maturing in December 2013. The utilisation of the new facilities is expected to take place from September 2013.

The Group acquired the Malaysia Properties through an asset-backed securitisation structure in June 2010. Under the structure, the properties were acquired by Ara Bintang Berhad (a bankruptcy-remote special purpose vehicle) which issued five-year fixed-rate RM330 million (S$131.5 million) of Malaysia MTN to partially fund the acquisition of the Malaysia Properties. The Malaysia MTN have an expected maturity date of 5 years and legal maturity date of 6.5 years from the issuance date, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad.

The Group has a term loan of A$63 million (S$73.7 million) (maturing in June 2017) secured by a fixed and floating charge over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building. SG REIT (WA) Trust is wholly owned by the Group.

(b) Unsecured

The Group issued S$124 million five-year Singapore MTN comprised in Series 001 (the "Series 001 Notes") in July 2010 (maturing in July 2015) under its S$2 billion Multicurrency MTN Programme. The Series 001 Notes are unsecured and have a fixed rate interest of 3.405% per annum payable semi-annually in arrear. Subsequent to the balance sheet date, the rating of the Series 001 Notes have been upgraded to "BBB+" by Standard & Poor's Rating Services.

The Group has drawn down S$64.6 million of short term loans from its unsecured multicurrency revolving credit facilities as at 30 June 2013.

The Group has JPY1.5 billion (S$18.6 million) of Japan bond outstanding as at 30 June 2013, maturing in November 2016 ("Series 2 Bonds"). The bondholders of Series 2 Bonds have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

The Group has a loan of RMB40.0 million from a third party, which was assumed as part of the acquisition of Renhe Spring Zongbei Property in 2007. The loan is interest-free and repayable in equal and annual instalments, of which five annual instalments of approximately RMB5.7 million each have been repaid as at 30 June 2013. The carrying amount of RMB10.8 million (S$2.2 million) represents the discounted value of the RMB11.4 million (S$2.3 million) loan. The final instalment is due in August 2014.

1(c) Consolidated cash flow statement
(2Q 2013 vs 2Q 2012) and (YTD Jun 2013 vs YTD Jun 2012)

	Group 01/04/13 to 30/06/13 S$'000	Group 01/04/12 to 30/06/12 S$'000	Group 01/01/13 to 30/06/13 S$'000	Group 01/01/12 to 30/06/12 S$'000
Operating activities				
Total return for the period before tax and distribution	32,659	23,265	63,625	57,790
Adjustments for				
Finance income	(133)	(135)	(254)	(292)
Fair value adjustment on security deposits	(99)	(1,867)	(194)	(1,851)
Depreciation	122	70	243	109
Finance expenses	7,571	8,189	15,151	16,527
Loss on divestment of investment property	-	-	300	-
Change in fair value of derivative instruments	(5,309)	3,263	(6,171)	(6,380)
Operating income before working capital changes	34,811	32,785	72,700	65,903
Changes in working capital:				
Trade and other receivables	1,709	1,251	1,590	(6,384)
Trade and other payables	(116)	(827)	5,562	(4,188)
Income tax paid	(951)	(382)	(1,310)	(1,914)
Cash generated from operating activities	**35,453**	**32,827**	**78,542**	**53,417**
Investing activities				
Net cash outflows on purchase of investment property [1]	-	-	(65,221)	-
Net proceeds on divestment of investment property	-	-	9,068	-
Capital expenditure on investment properties	(1,075)	(6,136)	(2,465)	(9,486)
Purchase of plant and equipment	(5)	(32)	(15)	(179)
Interest received on deposits	130	135	251	292
Cash flows from investing activities	**(950)**	**(6,033)**	**(58,382)**	**(9,373)**
Financing activities				
Borrowing costs paid	(5,805)	(5,392)	(15,072)	(14,257)
Proceeds from borrowings [2]	600	24,500	40,100	24,500
Repayment of borrowings [2]	-	(24,540)	(8,578)	(24,540)
Distributions paid to CPU Holders	(2,262)	(2,350)	(4,560)	(4,715)
Distributions paid to Unitholders	(26,619)	(20,790)	(48,575)	(40,415)
Cash flows from financing activities	**(34,086)**	**(28,572)**	**(36,685)**	**(59,427)**
Net increase/(decrease) in cash and cash equivalents	**417**	**(1,778)**	**(16,525)**	**(15,383)**
Cash and cash equivalents at the beginning of the period	62,181	92,595	79,376	107,973
Effects of exchange rate differences on cash	(533)	174	(786)	(1,599)
Cash and cash equivalents at the end of the period [3]	**62,065**	**90,991**	**62,065**	**90,991**

Footnotes:

(1) Net cash outflows on purchase of Plaza Arcade include acquisition costs paid during the current period.

(2) Includes the drawdown of S$39.5 million RCF to part finance the acquisition of Plaza Arcade and repayment of JPY0.6 billion (S$8.6 million) borrowings during the current period.

(3) The Trust issued 963,724,106 new units pursuant to the rights issue in August 2009 and received total gross proceeds of $337.3 million in consideration. Usage of proceeds for the six months ended 30 June 2013 is as follows:

	Group and Trust S$' million
Balance as at 31 December 2012	30.2
Payment for asset redevelopment costs of Wisma Atria Property	(1.5)
Payment for acquisition of Plaza Arcade	(24.3)
Balance of net proceeds included in cash and cash equivalents as at 30 June 2013	**4.4**

The above utilisations are in accordance with the intended use, and the percentage allocated for the use, of the proceeds of the rights issue as stated in the announcement dated 22 June 2009 in respect of the rights issue. The balance of net proceeds will be used for payment of the remaining asset redevelopment costs of Wisma Atria Property.

1(d) (i) Statement of movements in Unitholders' Funds (2Q 2013 vs 2Q 2012)

	Notes	Group 01/04/13 to 30/06/13 S$'000	Group 01/04/12 to 30/06/12 S$'000	Trust 01/04/13 to 30/06/13 S$'000	Trust 01/04/12 to 30/06/12 S$'000
Unitholders' funds at the beginning of the period		1,724,352	1,685,852	1,671,574	1,650,828
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	31,590	22,206	25,105	26,650
Increase in Unitholders' funds resulting from operations		**31,590**	**22,206**	**25,105**	**26,650**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(8,037)	(11,236)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(3,638)	3,770	-	-
Net loss recognised directly in Unitholders' funds	(b)	**(11,675)**	**(7,466)**	**-**	**-**
Unitholders' transactions					
Distributions to CPU Holders		(2,262)	(2,350)	(2,262)	(2,350)
Distributions to Unitholders		(26,619)	(20,790)	(26,619)	(20,790)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(28,881)**	**(23,140)**	**(28,881)**	**(23,140)**
Unitholders' funds at the end of the period		**1,715,386**	**1,677,452**	**1,667,798**	**1,654,338**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the three months ended 30 June 2013, includes a gain in the fair value of derivative instruments of S$5.3 million (2012: loss of S$3.3 million).

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

1(d) (i) Statement of movements in Unitholders' Funds (YTD Jun 2013 vs YTD Jun 2012)

	Notes	Group 01/01/13 to 30/06/13 S$'000	Group 01/01/12 to 30/06/12 S$'000	Trust 01/01/13 to 30/06/13 S$'000	Trust 01/01/12 to 30/06/12 S$'000
Unitholders' funds at the beginning of the period		1,708,618	1,677,522	1,669,657	1,652,403
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	61,485	55,614	51,276	47,065
Increase in Unitholders' funds resulting from operations		**61,485**	**55,614**	**51,276**	**47,065**
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		571	(8,121)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(2,153)	(2,433)	-	-
Net loss recognised directly in Unitholders' funds	(b)	**(1,582)**	**(10,554)**	**-**	**-**
Unitholders' transactions					
Distributions to CPU Holders		(4,560)	(4,715)	(4,560)	(4,715)
Distributions to Unitholders		(48,575)	(40,415)	(48,575)	(40,415)
Decrease in Unitholders' funds resulting from Unitholders' transactions		**(53,135)**	**(45,130)**	**(53,135)**	**(45,130)**
Unitholders' funds at the end of the period		**1,715,386**	**1,677,452**	**1,667,798**	**1,654,338**

Footnotes:

(a) Change in Unitholders' funds resulting from operations for the six months ended 30 June 2013, includes a gain in the fair value of derivative instruments of S$6.2 million (2012: S$6.4 million).

(b) The movement in foreign currency translation reserve relates mainly to the exchange differences arising on the translation of foreign controlled entities and intercompany loans and borrowings 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 01/04/13 to 30/06/13 Units	Group and Trust 01/04/12 to 30/06/12 Units	Group and Trust 01/01/13 to 30/06/13 Units	Group and Trust 01/01/12 to 30/06/12 Units
Issued units at the beginning of the period		1,943,023,078	1,943,023,078	1,943,023,078	1,943,023,078
Management fees payable in units (base fee)	(a)	-	-	-	-
Management fees payable in units (performance fee)	(b)	-	-	-	-
Total issued units at the end of the period		**1,943,023,078**	**1,943,023,078**	**1,943,023,078**	**1,943,023,078**
Number of units after conversion of CPU on 5 July 2013	(c)	**2,153,218,267**	**NA**	**2,153,218,267**	**NA**
Number of units that may be issued on conversion of CPU outstanding	(d)	**27,986,168**	**238,181,358**	**27,986,168**	**238,181,358**

Footnotes:

(a) The Manager has elected to receive 100% of its base management fees in cash. There are no base fees payable in units for the six months ended 30 June 2013.

(b) Performance fees are calculated for each six-month period ending 30 June and 31 December. There is no performance fee for the six-month period ended 30 June 2013, as the performance is below the benchmark index.

(c) On 5 July 2013, 152,727,825 CPU were converted into 210,195,189 ordinary units at the conversion price of S$0.7266 per unit.

(d) Post CPU conversion on 5 July 2013, there are 20,334,750 CPU outstanding (2012: 173,062,575 CPU). The CPU Holder(s) have the right to convert the CPU outstanding into units from 28 June 2013 at a conversion price of S$0.7266 per unit.

NA – Not Applicable

1(d)(iii) To show the total number of issued units excluding treasury units as at the end of the current financial period, and as at the end of the immediately preceding year

Starhill Global REIT did not hold any treasury units as at 30 June 2013 and 31 December 2012. The total number of issued units as at the end of the current period, and as at the end of the immediately preceding year are disclosed in Section 1(d)(ii).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury units as at the end of the current financial period reported on

Not applicable.

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

On 1 January 2013, the Group adopted the revised version of the Statement of Recommended Accounting Practice 7 (2012) issued by the Institute of Certified Public Accountants of Singapore which has no significant impact to the financial statements of the Group.

The Group has applied the same accounting policies and method of computation in the preparation of 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 2012, 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 2013.

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 01/04/13 to 30/06/13 S$'000	Group 01/04/12 to 30/06/12 S$'000
Total return for the period after tax, before distribution		31,590	22,206
Income to be distributed to CPU Holder(s)		(269)	(2,286)
Earnings attributable to Unitholders		31,321	19,920
EPU			
Basic EPU			
Weighted average number of units	(a)	1,943,023,078	1,943,023,078
Earnings per unit (cents)	(b)	1.61	1.03
Diluted EPU			
Weighted average number of units	(c)	2,181,204,436	2,181,204,436
Earnings per unit on a fully diluted basis (cents)		1.45	1.02
DPU			
Number of units issued at end of period	(d)	2,153,218,267	1,943,023,078
DPU for the period based on the total number of units entitled to distribution (cents)		1.19	1.08

Footnotes:

(a) For the purpose of computing the basic EPU, the earnings attributable to Unitholders and the weighted average number of units during the period ended 30 June 2013 are used and have been calculated on a time-weighted basis.

(b) The earnings per unit for the three months ended 30 June 2013 includes a gain in the fair value of derivative instruments of S$5.3 million (2012: loss of S$3.3 million).

(c) For the purpose of computing the diluted EPU, the weighted average number of units in issue is adjusted to take into account the full conversion of the CPU outstanding at the period end into 238,181,358 ordinary units at the conversion price of S$0.7266 per unit.

(d) The computation of DPU for the quarter ended 30 June 2013 is based on total number of units of 2,153,218,267 which include the conversion of the CPU into 210,195,189 ordinary units on 5 July 2013.

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

	Notes	Group 30/06/13	Group 31/12/12	Trust 30/06/13	Trust 31/12/12
Net asset value per unit (S$) based on:					
- units issued at the end of the period	(a)	0.97	0.97	0.95	0.95
- units issued at the end of the period, including Conversion Units issued on 5 July 2013	(b)	0.88	NA	0.86	NA
- units issued at the end of the period, assuming full conversion of CPU outstanding	(c)	0.87	0.86	0.84	0.84

Footnotes:

(a) The number of units used for computation of NAV per unit is 1,943,023,078 which represents the number of units in issue as at 30 June 2013.

(b) The number of units used for computation of NAV per unit is 2,153,218,267 which includes the 210,195,189 ordinary units from the CPU conversion on 5 July 2013.

(c) For illustrative purposes, the NAV per unit assumed full conversion of the 20,334,750 CPU outstanding into 27,986,168 ordinary units after 5 July 2013 (2012: 238,181,358 ordinary units).

8 Review of the performance
Consolidated Statement of Total Return and Distribution
(2Q 2013 vs 2Q 2012) and (YTD Jun 2013 vs YTD Jun 2012)

	Group 01/04/13 to 30/06/13	Group 01/04/12 to 30/06/12	Increase / (Decrease)	Group 01/01/13 to 30/06/13	Group 01/01/12 to 30/06/12	Increase / (Decrease)
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	**49,128**	**46,356**	**6.0%**	**102,762**	**92,389**	**11.2%**
Property expenses	(10,055)	(9,214)	9.1%	(21,751)	(17,903)	21.5%
Net property income	**39,073**	**37,142**	**5.2%**	**81,011**	**74,486**	**8.8%**
Non property expenses	(11,723)	(10,614)	10.4%	(23,557)	(23,076)	2.1%
Net income before tax	**27,350**	**26,528**	**3.1%**	**57,454**	**51,410**	**11.8%**
Change in fair value of derivative instruments	5,309	(3,263)	NM	6,171	6,380	(3.3%)
Total return for the period before tax and distribution	**32,659**	**23,265**	**40.4%**	**63,625**	**57,790**	**10.1%**
Income tax expense	(1,069)	(1,059)	0.9%	(2,140)	(2,176)	(1.7%)
Total return for the period after tax, before distribution	**31,590**	**22,206**	**42.3%**	**61,485**	**55,614**	**10.6%**
Non-tax (chargeable)/deductible items and other adjustments	(4,843)	1,103	NM	(4,944)	(8,984)	(45.0%)
Income available for distribution	**26,747**	**23,309**	**14.7%**	**56,541**	**46,630**	**21.3%**
Income to be distributed to:						
- CPU Holder(s)	**269**	**2,286**	**(88.2%)**	**2,531**	**4,636**	**(45.4%)**
- Unitholders	**25,623**	**20,985**	**22.1%**	**52,242**	**41,775**	**25.1%**
Total income to be distributed	**25,892**	**23,271**	**11.3%**	**54,773**	**46,411**	**18.0%**

2Q 2013 vs 2Q 2012

Gross revenue increased mainly due to the increases in the base rent for master tenant Toshin at Ngee Ann City Property, stronger performance of Wisma Atria Property following the asset redevelopment, as well as full quarter contribution from the newly acquired Plaza Arcade. Revenue from overseas properties accounted for approximately 36% (2012: 37%) of total gross revenue for the three months ended 30 June 2013.

Property expenses increased mainly due to higher property taxes and operating expenses incurred by the Singapore Properties and Australia Properties for the three months ended 30 June 2013.

Non property expenses were higher mainly due to fair value adjustment on security deposits recorded in the corresponding period as a result of the extended weighted average lease expiry of the portfolio, partially offset by lower interest costs incurred on the Trust's borrowings, Japan bond and A$ term loan for the three months ended 30 June 2013.

The gain on derivative instruments for the current quarter represents mainly the change in the fair value of interest rate swaps entered into for the Singapore borrowings commencing in September 2013.

Income available for distribution and income to be distributed to CPU Holder(s) and Unitholders for the three months ended 30 June 2013 were S$26.7 million and S$25.9 million respectively, being 14.7% and 11.3% higher than the corresponding period.

YTD Jun 2013 vs YTD Jun 2012

Gross revenue increased mainly due to the increases in the base rent for master tenant Toshin at Ngee Ann City Property and the receipt of the resulting rental arrears from June 2011 to December 2012, stronger performance of Wisma Atria Property following the asset redevelopment, as well as contribution from newly acquired Plaza Arcade from March 2013. Revenue from overseas properties accounted for approximately 34% (2012: 38%) of total gross revenue for the six months ended 30 June 2013.

Property expenses increased mainly due to higher property taxes and operating expenses incurred by the Singapore Properties, Japan Properties and Australia Properties for the six months ended 30 June 2013.

Non property expenses were higher mainly due to fair value adjustment on security deposits recorded in the corresponding period as a result of the extended weighted average lease expiry of the portfolio, partially offset by lower interest costs incurred on the Trust's borrowings, Japan bond and A$ term loan for the six months ended 30 June 2013.

The gain on derivative instruments for the six months ended 30 June 2013 represents mainly the change in the fair value of interest rate swaps for the Singapore borrowings.

Income available for distribution and income to be distributed to CPU Holder(s) and Unitholders for the six months ended 30 June 2013 were S$56.5 million and S$54.8 million respectively, being 21.3% and 18.0% higher than the corresponding period.

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

Based on advanced estimates, the Singapore economy grew by 3.7% year-on-year ("y-o-y") in 2Q 2013[1] due primarily to the rebound of the biomedical manufacturing and electronics clusters. The services and construction sectors continue to expand at a healthy rate on a quarter-on-quarter ("q-o-q") seasonally-adjusted annualised basis, the economy advanced by a healthy 15.2%, up from the 1.8% growth in 1Q 2013[1]. Earlier, the Ministry of Trade and Industry had forecasted Singapore's economic growth for 2013 to between 1.0% to 3.0%[2]. In terms of tourism prospects, the Singapore Tourism Board forecasts visitor arrivals to continue rising from 14.4 million in 2012, to between 14.8 million and 15.5 million in 2013, generating tourist receipts of S$23.5 billion to S$24.5 billion[3], from S$23.0 billion in 2012. Preliminary figures for the three months to March 2013 indicate that visitor arrivals rose 6.4% y-o-y to 3.8 million[3].

According to CB Richard Ellis, the average prime Orchard Road retail rents in 2Q 2013 stayed firm at S$32.20 per square foot per month ("psfpm") as retail markets held up in light of the muted economic outlook[4]. The retail market in Singapore is expected to be subdued over the next six to twelve months given cautious consumer sentiments and labour restriction issues. Notwithstanding this, the Ministry of Trade & Industry has reported a 3.2% y-o-y rise in retail sales in May 2013 with sales of watches and jewellery rising by as much as 14.7%[5]. For the office sector in general, average rents for Grade A and B space maintained at about S$9.55 psfpm and S$7.10 psfpm respectively on the back of steady occupier demand for prime space and stable supply[4]. Office vacancy at Core CBD decreased to 5.0% in 2Q 2013[4].

Malaysia's GDP grew at a healthy pace of 4.1% in 1Q 2013, despite the slower economic growth across Asia given weaker exports[6]. Resilient domestic demand is expected to be the key growth driver in 2013, underpinned by sustained private sector expansion. The World Bank projects 2013 growth to accelerate to 5.1% on the back of strong consumer and business spending[7]. Tourist arrivals to Malaysia increased 1.3% y-o-y to 25.0 million in 2012, and generated tourism receipts of RM60.6 billion[8]. In 1Q 2013, tourist arrivals have grown by a robust 15.9% y-o-y to 6.4 million[8].

On a seasonally-adjusted basis, the Australian economy grew 0.6% in 1Q 2013, primarily driven by the retail industry which contributed a 0.1% increase in GDP. Retail spending is seeing positive signs as the national retail turnover rose 0.1% in May 2013, recovering from a revised fall of 0.6% and 0.1% in March and April 2013 respectively[9]. Western Australia saw the highest growth in spending, up 1.6% on a seasonally adjusted basis[9] and demand for space is expected to be competitive with the entry of international retailers. According to Colliers, the Murray and Hay Street Mall precinct in Perth recorded a moderate upswing in average rents in the first quarter[10].

China continues to ease its economic growth as its GDP growth for 2Q 2013 moderated to 7.5%[11], compared to a 7.7% growth in 1Q 2013 and an average growth of 9.9% from 1999 to 2012. Although Chengdu's GDP growth of 10.5% in 1Q 2013 continues to outpace the national level, its economic growth slowed from 13.6% in 1Q 2012[12]. The prime retail area rents declined 0.6% q-o-q in 1Q 2013 to an average of RMB27.7 psm per day as the retail landscape is expected to be pressured by intensified competition from incoming new malls[13]. The softening retail market in 2Q 2013 mirrors the slower retail sales growth of 12.7% nationwide[11] (previously 14.4% in 2Q 2012). In 1Q 2013, Chengdu registered a 13.0% growth in retail sales to RMB91.4 billion[12].

In 1Q 2013, Japan's economy grew at an annualised 4.1%. In May 2013, consumer confidence was at its highest level since 2007 with retail sales gaining 1.5 percent from the previous month. The Japanese government's campaign to defeat deflation through its 10.3 trillion yen (US$114.4 billion) economic stimulus plan is gaining traction, boosting private consumption and capital spending[14]. Corporate sentiments have improved based on the quarterly Tankan index[15].

Outlook for the next 12 months

The IMF has recently revised down its 2013 global growth forecast to 3.1%, a decline from 3.3% in April 2013, and 3.5% in January 2013, on the back of a possible longer growth slowdown in key emerging-market economies affected by increased financial market volatility and rising interest rates in advanced economies[17]. It is optimistic about the effect of Japan's fiscal stimulus on its economy[17]. On the other hand, China's growth is expected to decelerate to 7.75%[16] on the government's economic tightening measures. Notwithstanding the slowdown in China, Asia is expected to continue to lead the world in economic growth with a projected 5.75% rise in GDP, driven by robust domestic consumption and investment[17]. Japan, which has been experiencing over two decades of economic contraction, is showing signs of a sustained recovery with climbing retail sales and improved corporate sentiments, following the government's fiscal stimulus package rollout[17] and the IMF has projected a stronger forecast of 2% growth in 2013[16]. Amidst the subdued global economy projected, Starhill Global REIT's balanced retail mall portfolio of long term leases and master leases across key gateway cities in Asia will provide income stability and growth for its Unitholders.

The influx of new retail developments across Singapore and labour crunch continue to present challenges to Singapore's retail landscape. However, stable consumer sentiments, rising wealth and growth in tourist arrivals and receipts are expected to have a positive effect on the retail market, particularly in the prime locations.

The high-end and luxury retail segments in China continue its decline owing to slower economic growth, weakened consumer sentiments, ongoing austerity drive and tighter credit availability. Chengdu's retail landscape is facing increasing supply of new malls and weakened consumer confidence, but partly mitigated by increased demand from international brands expanding in second-tier cities. The Renhe Spring Zongbei Property which caters to the high-end and luxury retail segment has seen a decline in sales. However, the mall is stepping up efforts to enhance its tenant mix and retail offerings, and drive advertising and promotional efforts focused on its VIP customer base.

Starhill Global REIT will continue its prudent capital management approach. Starhill Global REIT has maintained a gearing ratio of 30.3% and has secured the refinancing of the debts maturing in September 2013 ahead of maturity. These borrowings have already been substantially hedged, resulting in more than 90% of the Group's borrowings being fixed or hedged via interest rate swaps and caps post-refinancing.

Starhill Global REIT remains focused on optimising the performance of its portfolio in delivering stable growth and returns to Unitholders while sourcing for attractive prime property assets in Singapore and overseas. The Manager will continue to actively manage the portfolio, strengthen tenant positioning and create value from potential asset enhancement initiatives in the portfolio.

Sources

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3. Singapore Tourism Board, Tourist Arrivals Statistics website
4. CBRE Market View Singapore, 2Q 2013
5. Ministry of Trade and Industry Singapore, Retail Sales Index May 2013
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7. World Bank sees solid growth for Malaysian economy, Business Times Malaysia, 25 June 2013
8. Tourism Malaysia, March 2013
9. Australia Bureau of Statistics
10. Colliers International, Research and Forecast Report, Australia and New Zealand, First Half 2013
11. National Bureau of Statistics of China, China's Economy in the First Half of 2013: Stable and Moderate Growth, 15 July 2013
12. Chengdu Bureau of Statistics, Chengdu's economic performance in 2013, 28 April 2013
13. CBRE China MarketView, 1Q 2013
14. Japan recovery strengthened in May in boost for Abe: Economy, Bloomberg, 28 June 2013
15. Japanese manufacturers optimistic for first time in two years, Bloomberg, 1 July 2013
16. International Monetary Fund, World Economic Outlook Update, 9 July 2013
17. International Monetary Fund, Regional Economic Outlook: Asia and Pacific, April 2013

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution:

(1) Distribution to CPU Holder for the period from 1 April 2013 to 30 June 2013 ("CPU Distribution")

(2) Distribution to Unitholders for the period from 1 April 2013 to 30 June 2013 ("Unitholders' Distribution")

Distribution rate:

	CPU Distribution	**Unitholders' Distribution**
	For the period from 1 April 2013 to 30 June 2013	**For the period from 1 April 2013 to 30 June 2013**
	Cents	Cents
Taxable income component	1.0210	0.9200
Tax-exempt income component	0.2553	0.2300
Capital component	0.0444	0.0400
Total	**1.3207**	**1.1900**

Par value of units: Not applicable

Tax rate:

<u>Taxable income component</u>

Taxable income distributions are made out of the Trust's taxable income. CPU Holder and 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).

<u>Tax-exempt income component</u>

Tax-exempt income component is exempt from tax in the hands of all CPU Holder and Unitholders.

<u>Capital component</u>

The capital component of the distribution represents a return of capital to CPU Holder and 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 CPU Holder and 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:
(1) Distribution to CPU Holders for the period from 1 April 2012 to 30 June 2012 ("CPU Distribution")

(2) Distribution to Unitholders for the period from 1 April 2012 to 30 June 2012 ("Unitholders' Distribution")

Distribution rate:

	CPU Distribution	Unitholders' Distribution
	For the period from 1 April 2012 to 30 June 2012	**For the period from 1 April 2012 to 30 June 2012**
	Cents	Cents
Taxable income component	0.9907	0.8100
Tax-exempt income component	0.3302	0.2700
Total	**1.3209**	**1.0800**

Par value of units: Not applicable

Tax rate: Taxable income component

Taxable income distributions are made out of the Trust's taxable income. CPU Holders and 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).

Tax-exempt income component

Tax-exempt income component is exempt from tax in the hands of all CPU Holders and Unitholders.

(c) Date payable: 23 August 2013

(d) Books Closure Date: 31 July 2013

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

Not applicable

13 General mandate for interested person transactions

Starhill Global REIT has not obtained a Unitholders' mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

14 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 30 June 2013 (comprising the balance sheets as at 30 June 2013, 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

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. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

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

Lam Chee Kin
Joint Company Secretary
23 July 2013