



**Starhill Global Real Estate Investment Trust
Financial Statements Announcement
For the Third Quarter Ended 30 September 2013**

These financial statements for the quarter from 1 July 2013 to 30 September 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 September 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”).

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

	Group 01/07/13 to 30/09/13 S\$'000	Group 01/07/12 to 30/09/12 S\$'000	Increase / (Decrease) %
Gross revenue	48,781	46,252	5.5%
Net property income	38,027	36,416	4.4%
Income available for distribution	27,063	24,681	9.7%
Income to be distributed to:			
- Unitholders	26,054	21,568	20.8%
- Convertible preferred units ("CPU") Holder(s)	263	2,300	(88.6%)
Total income to be distributed	26,317	23,868	10.3%

	Group 01/07/13 to 30/09/13	Group 01/07/12 to 30/09/12	Increase / (Decrease) %
	Cents per unit/CPU		%
Distribution per unit ("DPU")/per CPU			
<u>Unitholders</u>			
For the quarter from 1 July to 30 September	1.21	1.11	9.0%
Annualised (based on the three months ended 30 September)	4.80	4.42	8.6%
<u>CPU Holder(s)</u>			
For the quarter from 1 July to 30 September ⁽¹⁾	1.30	1.33	(2.5%)
Annualised (based on the three months ended 30 September)	5.14	5.29	(2.8%)

Footnote:

- ⁽¹⁾ On 5 July 2013, 152,727,825 CPU were 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 September 2013 in respect of the remaining 20,334,750 CPU is 1.2955 cents (quarter ended 30 September 2012: 1.3291 cents) per CPU.

DISTRIBUTION DETAILS

Distribution period	1 July 2013 to 30 September 2013
Distribution amount to:	
Unitholders	1.21 cents per unit
CPU Holder	1.2955 cents per CPU
Books closure date	4 November 2013
Payment date	25 November 2013

Financial Statements Announcement

For The Third Quarter Ended 30 September 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 (3Q 2013 vs 3Q 2012)

	Notes	Group 01/07/13 to 30/09/13 S\$'000	Group 01/07/12 to 30/09/12 S\$'000	Increase / (Decrease) %	Trust 01/07/13 to 30/09/13 S\$'000	Trust 01/07/12 to 30/09/12 S\$'000	Increase / (Decrease) %
Gross revenue	(a)	48,781	46,252	5.5%	32,274	29,602	9.0%
Maintenance and sinking fund contributions	(b)	(1,654)	(1,487)	11.2%	(1,602)	(1,415)	13.2%
Property management fees	(c)	(1,221)	(1,171)	4.3%	(975)	(895)	8.9%
Property tax	(d)	(3,901)	(3,540)	10.2%	(3,035)	(2,886)	5.2%
Other property expenses	(e)	(3,978)	(3,638)	9.3%	(1,658)	(1,708)	(2.9%)
Property expenses		(10,754)	(9,836)	9.3%	(7,270)	(6,904)	5.3%
Net property income		38,027	36,416	4.4%	25,004	22,698	10.2%
Finance income	(f)	134	125	7.2%	28	7	300.0%
Dividend income from subsidiaries		-	-	-	5,224	10,986	(52.4%)
Fair value adjustment on security deposits	(g)	(152)	(144)	5.6%	(85)	(94)	(9.6%)
Management fees	(h)	(3,557)	(3,547)	0.3%	(3,281)	(3,251)	0.9%
Trust expenses	(i)	(784)	(686)	14.3%	(568)	(427)	33.0%
Finance expenses	(j)	(7,603)	(8,110)	(6.3%)	(2,893)	(3,416)	(15.3%)
Non property (expenses)/income		(11,962)	(12,362)	(3.2%)	(1,575)	3,805	NM
Net income before tax		26,065	24,054	8.4%	23,429	26,503	(11.6%)
Change in fair value of derivative instruments	(k)	(2,228)	2,979	NM	(2,212)	3,259	NM
Unrealised foreign exchange loss	(l)	-	-	-	(539)	(2,582)	(79.1%)
Total return for the period before tax and distribution		23,837	27,033	(11.8%)	20,678	27,180	(23.9%)
Income tax expense	(m)	(789)	(885)	(10.8%)	-	-	-
Total return for the period after tax, before distribution		23,048	26,148	(11.9%)	20,678	27,180	(23.9%)
Non-tax deductible/(chargeable) items and other adjustments	(n)	4,015	(1,467)	NM	6,385	(2,499)	NM
Income available for distribution		27,063	24,681	9.7%	27,063	24,681	9.7%

Footnotes:

- 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 contribution from the newly acquired Plaza Arcade. Revenue from the remaining overseas properties decreased compared to the corresponding period. Approximately 34% (2012: 36%) of total gross revenue for the three months ended 30 September 2013 were contributed by the overseas properties.
- The increase in maintenance and sinking fund contributions for the current quarter is mainly attributed to Wisma Atria Property.
- 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.
- 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.
- Other property expenses are higher for the current quarter mainly due to higher operating expenses incurred by the Australia Properties and Japan Properties for the three months ended 30 September 2013.
- Represents interest income from bank deposits and current accounts for the three months ended 30 September 2013.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

- (g) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard ("FRS") 39.
- (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 increase in trust expenses is mainly due to higher expenses incurred by the Singapore Properties and Renhe Spring Zongbei Property for the three months ended 30 September 2013, partially offset by the lower expenses incurred by the Japan Properties.
- (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 September 2013, partially offset by interest costs incurred on the RCF drawn to part finance the acquisition of Plaza Arcade.
- (k) Represents mainly the change in the fair value of interest rate swaps and caps for the three months ended 30 September 2013. The fair value loss for the current quarter is mainly attributable to the interest rate swaps and caps entered into to hedge the interest rate exposure on the Singapore borrowings which were drawn down 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 September 2013.
- (m) Income tax expense includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The decrease in tax expense is mainly due to lower net income of Renhe Spring Zongbei Property for the three months ended 30 September 2013.
- (n) See details in the distribution statement below.

Distribution Statement (3Q 2013 vs 3Q 2012)

Notes	Group	Group	Increase / (Decrease) %	Trust	Trust	Increase / (Decrease) %
	01/07/13 to 30/09/13 S\$'000	01/07/12 to 30/09/12 S\$'000		01/07/13 to 30/09/13 S\$'000	01/07/12 to 30/09/12 S\$'000	
Total return after tax, before distribution	23,048	26,148	(11.9%)	20,678	27,180	(23.9%)
Non-tax deductible/(chargeable) items:	4,015	(1,467)	NM	6,385	(2,499)	NM
Finance costs (o)	500	688	(27.3%)	838	964	(13.1%)
Sinking fund contribution	387	294	31.6%	387	294	31.6%
Change in fair value of derivative instruments	2,228	(2,979)	NM	2,212	(3,259)	NM
Deferred income tax	44	75	(41.3%)	-	-	-
Unrealised foreign exchange loss	-	-	-	539	2,582	(79.1%)
Fair value adjustment on security deposits	152	144	5.6%	85	94	(9.6%)
Other items (p)	704	311	126.4%	(73)	1,172	NM
Net overseas income not distributed to the Trust, net of amount received	-	-	-	2,397	(4,346)	NM
Income available for distribution	27,063	24,681	9.7%	27,063	24,681	9.7%
Income to be distributed to:						
- Unitholders (q)	26,054	21,568	20.8%	26,054	21,568	20.8%
- CPU Holder(s) (r)	263	2,300	(88.6%)	263	2,300	(88.6%)
Total income to be distributed	26,317	23,868	10.3%	26,317	23,868	10.3%

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.
- (q) Approximately S\$0.7 million of income available for distribution for the three months ended 30 September 2013 has been retained for working capital requirements.
- (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. Income to be distributed to CPU Holder for the quarter ended 30 September 2013 decreased by 88.6% to S\$0.3 million following the CPU conversion into 210,195,189 ordinary units on 5 July 2013.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

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

	Notes	Group 01/01/13 to 30/09/13 S\$'000	Group 01/01/12 to 30/09/12 S\$'000	Increase / (Decrease) %	Trust 01/01/13 to 30/09/13 S\$'000	Trust 01/01/12 to 30/09/12 S\$'000	Increase / (Decrease) %
Gross revenue	(a)	151,543	138,641	9.3%	99,880	86,811	15.1%
Maintenance and sinking fund contributions	(b)	(4,962)	(4,460)	11.3%	(4,806)	(4,245)	13.2%
Property management fees	(c)	(3,797)	(3,429)	10.7%	(3,000)	(2,538)	18.2%
Property tax	(d)	(12,013)	(10,707)	12.2%	(9,452)	(8,452)	11.8%
Other property expenses	(e)	(11,733)	(9,143)	28.3%	(5,530)	(3,954)	39.9%
Property expenses		(32,505)	(27,739)	17.2%	(22,788)	(19,189)	18.8%
Net property income		119,038	110,902	7.3%	77,092	67,622	14.0%
Finance income	(f)	388	417	(7.0%)	38	48	(20.8%)
Dividend income from subsidiaries		-	-	-	13,647	21,657	(37.0%)
Fair value adjustment on security deposits	(g)	42	1,707	(97.5%)	234	1,903	(87.7%)
Management fees	(h)	(10,613)	(10,554)	0.6%	(9,761)	(9,653)	1.1%
Trust expenses	(i)	(2,282)	(2,371)	(3.8%)	(1,733)	(1,545)	12.2%
Finance expenses	(j)	(22,754)	(24,637)	(7.6%)	(8,645)	(10,144)	(14.8%)
Loss on divestment of investment property	(k)	(300)	-	NM	-	-	-
Non property expenses/(income)		(35,519)	(35,438)	0.2%	(6,220)	2,266	NM
Net income before tax		83,519	75,464	10.7%	70,872	69,888	1.4%
Change in fair value of derivative instruments	(l)	3,943	9,359	(57.9%)	3,774	9,372	(59.7%)
Unrealised foreign exchange loss	(m)	-	-	-	(2,692)	(5,015)	(46.3%)
Total return for the period before tax and distribution		87,462	84,823	3.1%	71,954	74,245	(3.1%)
Income tax expense	(n)	(2,929)	(3,061)	(4.3%)	-	-	-
Total return for the period after tax, before distribution		84,533	81,762	3.4%	71,954	74,245	(3.1%)
Non-tax (chargeable)/deductible items and other adjustments	(o)	(929)	(10,451)	(91.1%)	11,650	(2,934)	NM
Income available for distribution		83,604	71,311	17.2%	83,604	71,311	17.2%

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: 37%) of total gross revenue for the nine months ended 30 September 2013 were contributed by the overseas properties.
- (b) The increase in maintenance and sinking fund contributions for the nine months ended 30 September 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 nine months ended 30 September 2013.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

- (f) Represents interest income from bank deposits and current accounts for the nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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 and caps for the Singapore borrowings for the nine months ended 30 September 2013.
- (m) Represents mainly the unrealised foreign exchange differences on translation of the Trust's intercompany loans and borrowings for the nine months ended 30 September 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 Sep 2013 vs YTD Sep 2012)

Notes	Group	Group	Increase / (Decrease) %	Trust	Trust	Increase / (Decrease) %
	01/01/13 to 30/09/13 S\$'000	01/01/12 to 30/09/12 S\$'000		01/01/13 to 30/09/13 S\$'000	01/01/12 to 30/09/12 S\$'000	
Total return after tax, before distribution	84,533	81,762	3.4%	71,954	74,245	(3.1%)
Non-tax (chargeable)/deductible items:	(929)	(10,451)	(91.1%)	11,650	(2,934)	NM
Finance costs (p)	1,339	1,698	(21.1%)	2,326	2,696	(13.7%)
Sinking fund contribution	1,161	882	31.6%	1,161	882	31.6%
Change in fair value of derivative instruments	(3,943)	(9,359)	(57.9%)	(3,774)	(9,372)	(59.7%)
Deferred income tax	151	168	(10.1%)	-	-	-
Unrealised foreign exchange loss	-	-	-	2,692	5,015	(46.3%)
Fair value adjustment on security deposits	(42)	(1,707)	(97.5%)	(234)	(1,903)	(87.7%)
Other items (q)	405	(2,133)	NM	918	291	215.5%
Net overseas income not distributed to the Trust, net of amount received	-	-	-	8,561	(543)	NM
Income available for distribution	83,604	71,311	17.2%	83,604	71,311	17.2%
Income to be distributed to:						
- Unitholders (r)	78,296	63,343	23.6%	78,296	63,343	23.6%
- CPU Holder(s) (s)	2,794	6,936	(59.7%)	2,794	6,936	(59.7%)
Total income to be distributed	81,090	70,279	15.4%	81,090	70,279	15.4%

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 variance 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) Approximately S\$2.5 million of income available for distribution for the nine months ended 30 September 2013 has been retained for working capital requirements.
- (s) 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 current period, following the CPU conversion on 5 July 2013.

**Financial Statements Announcement
For The Third Quarter Ended 30 September 2013**

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

Balance Sheet as at 30 September 2013

	Notes	Group 30/09/13 S\$'000	Group 31/12/12 S\$'000	Trust 30/09/13 S\$'000	Trust 31/12/12 S\$'000
Non-current assets					
Investment properties	(a)	2,728,073	2,713,003	1,903,741	1,903,000
Plant and equipment		1,333	1,616	-	-
Interests in subsidiaries		-	-	587,295	548,220
Intangible asset	(b)	10,450	10,169	-	-
Derivative financial instruments	(c)	2,086	16	1,931	-
Trade and other receivables	(d)	6,447	6,656	3,681	4,039
		2,748,389	2,731,460	2,496,648	2,455,259
Current assets					
Derivative financial instruments	(c)	22	1	22	1
Trade and other receivables	(d)	10,756	9,351	7,067	10,548
Cash and cash equivalents	(e)	55,200	79,376	9,837	38,377
		65,978	88,728	16,926	48,926
Total assets		2,814,367	2,820,188	2,513,574	2,504,185
Non-current liabilities					
Trade and other payables	(f)	22,365	22,480	17,424	17,095
Deferred tax liabilities	(g)	19,679	18,668	-	-
Borrowings	(h)	800,731	357,339	582,801	123,502
		842,775	398,487	600,225	140,597
Current liabilities					
Trade and other payables	(f)	42,489	43,607	25,552	26,913
Derivative financial instruments	(c)	-	2,545	-	2,650
Income tax payable		2,202	1,442	-	-
Borrowings	(h)	52,855	492,044	51,768	490,923
		97,546	539,638	77,320	520,486
Total liabilities		940,321	938,125	677,545	661,083
Net assets		1,874,046	1,882,063	1,836,029	1,843,102
Represented by:					
Unitholders' funds		1,853,666	1,708,618	1,815,649	1,669,657
Convertible preferred units (CPU)	(i)	20,380	173,445	20,380	173,445
		1,874,046	1,882,063	1,836,029	1,843,102

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

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 September 2013 include mainly 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 attributed to the new interest rate swaps and caps entered into during the current period for the new loan facilities which were drawn down in September 2013. The decrease in derivative liabilities is mainly due to change in fair value of the matured interest rate swaps for the refinanced loans during the current period.
- (d) The increase in trade and other receivables is mainly due to increase in receivables for Singapore Properties, Australia Properties and Renhe Spring Zongbei Property, as well as higher straight-line rental adjustments during the current period.
- (e) The decrease in cash and cash equivalents is mainly due to the payment of distributions, borrowing costs and the purchase consideration for Plaza Arcade during the current period, partially offset by cash generated from operations.
- (f) The decrease in trade and other payables is mainly due to settlement of interest payables and asset redevelopment costs and payables in relation to Wisma Atria Property and Renhe Spring Zongbei Property during the current period, partially offset by increase in security deposits received for the Singapore Properties.
- (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\$350 million term loans, JPY7 billion (S\$89.9 million) term loan, S\$124 million Singapore MTN, S\$76.9 million revolving credit facilities, JPY1.5 billion (S\$18.6 million) Japan bond, RMB5.3 million (S\$1.1 million) loan payable to a third party in China, A\$63 million (S\$73.7 million) term loan and RM330 million (S\$127.0 million) Malaysia MTN. Please refer to Section 1(b)(ii) for details of the borrowings.

The increase in the non-current portion of borrowings is mainly due to the drawdown of S\$422 million and JPY7 billion of unsecured long term borrowings to refinance the repayment of JPY12.5 billion term loans, S\$284 million term loan, and S\$62 million revolving credit facilities (of which S\$39.5 million was drawn in 1Q 2013 to part finance the acquisition of Plaza Arcade) during the current period. The remaining current portion of borrowings as at 30 September 2013 comprise mainly short term loans drawn from its revolving credit facilities for working capital purposes. As at 30 September 2013, the Group has available undrawn and long term committed revolving credit facilities to cover the repayment of these short term loans.

- (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. 152,727,825 CPU were converted into 210,195,189 new ordinary units on 5 July 2013 and 20,334,750 CPU remain outstanding.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 30/09/13 S\$'000	Group 31/12/12 S\$'000	Trust 30/09/13 S\$'000	Trust 31/12/12 S\$'000
Secured borrowings	(a)				
Amount repayable within one year		-	468,314	-	468,314
Amount repayable after one year		200,692	211,815	-	-
		200,692	680,129	-	468,314
Unsecured borrowings	(b)				
Amount repayable within one year		52,986	25,621	51,900	24,500
Amount repayable after one year		607,492	147,658	588,859	124,000
Total borrowings		861,170	853,408	640,759	616,814
Less: Unamortised loan acquisition expenses		(7,584)	(4,025)	(6,190)	(2,389)
Total borrowings		853,586	849,383	634,569	614,425

Footnotes:

(a) Secured

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\$127.0 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 has in place 3-year and 5-year unsecured loan facilities with a club of eight banks, comprising:

- (i) outstanding term loans of JPY7 billion (S\$89.9 million) and S\$100 million (maturing in September 2016);
- (ii) outstanding term loan of S\$250 million (maturing in September 2018); and
- (iii) S\$250 million revolving credit facilities ("RCF") (maturing in September 2018) including an S\$50 million uncommitted tranche. Approximately S\$25 million RCF was drawn as at 30 September 2013.

The Group has also drawn down S\$51.9 million of short term loans from its other unsecured multicurrency revolving credit facilities as at 30 September 2013.

The Group issued S\$124 million unsecured 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 bear a fixed rate interest of 3.405% per annum payable semi-annually in arrear and have a rating of "BBB+" by Standard & Poor's Rating Services.

The Group has JPY1.5 billion (S\$18.6 million) of Japan bond outstanding as at 30 September 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 six annual instalments of approximately RMB5.7 million each have been repaid as at 30 September 2013. The carrying amount of RMB5.3 million (S\$1.1 million) represents the discounted value of the RMB5.7 million (S\$1.2 million) loan. The final instalment is due in August 2014.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

1(c) Consolidated cash flow statement (3Q 2013 vs 3Q 2012) and (YTD Sep 2013 vs YTD Sep 2012)

	Group 01/07/13 to 30/09/13 S\$'000	Group 01/07/12 to 30/09/12 S\$'000	Group 01/01/13 to 30/09/13 S\$'000	Group 01/01/12 to 30/09/12 S\$'000
Operating activities				
Total return for the period before tax and distribution	23,837	27,033	87,462	84,823
Adjustments for				
Finance income	(134)	(125)	(388)	(417)
Fair value adjustment on security deposits	152	144	(42)	(1,707)
Depreciation	124	99	367	208
Finance expenses	7,603	8,110	22,754	24,637
Loss on divestment of investment property	-	-	300	-
Change in fair value of derivative instruments	2,228	(2,979)	(3,943)	(9,359)
Operating income before working capital changes	33,810	32,282	106,510	98,185
Changes in working capital:				
Trade and other receivables	(2,785)	(3,391)	(1,195)	(9,775)
Trade and other payables	(4,485)	115	1,077	(4,073)
Income tax paid	(173)	(914)	(1,483)	(2,828)
Cash generated from operating activities	26,367	28,092	104,909	81,509
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 ⁽²⁾	(184)	(10,374)	(2,649)	(19,860)
Purchase of plant and equipment	(14)	(30)	(29)	(209)
Interest received on deposits	138	125	389	417
Cash flows from investing activities	(60)	(10,279)	(58,442)	(19,652)
Financing activities				
Borrowing costs paid	(13,206)	(8,878)	(28,278)	(23,135)
Proceeds from borrowings ⁽³⁾	514,059	98,942	554,159	123,442
Repayment of borrowings ⁽³⁾	(507,821)	(100,055)	(516,399)	(124,595)
Distributions paid to CPU Holder(s)	(269)	(2,286)	(4,829)	(7,001)
Distributions paid to Unitholders	(25,623)	(20,985)	(74,198)	(61,400)
Cash flows from financing activities	(32,860)	(33,262)	(69,545)	(92,689)
Net decrease in cash and cash equivalents	(6,553)	(15,449)	(23,078)	(30,832)
Cash and cash equivalents at the beginning of the period	62,065	90,991	79,376	107,973
Effects of exchange rate differences on cash	(312)	(471)	(1,098)	(2,070)
Cash and cash equivalents at the end of the period ⁽⁴⁾	55,200	75,071	55,200	75,071

Footnotes:

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

⁽²⁾ The decrease is mainly due to the asset redevelopment costs paid during the corresponding period, in relation to Wisma Atria Property.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

- (3) The increase is mainly due to the drawdown of S\$422 million and JPY7 billion of unsecured borrowings to refinance the repayment of JPY12.5 billion term loans, S\$284 million term loan, and S\$62 million revolving credit facilities (of which S\$39.5 million was drawn in 1Q 2013 to part finance the acquisition of Plaza Arcade) during the current period.
- (4) 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 nine months ended 30 September 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 September 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.

Significant non-cash transaction

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

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

1(d) (i) Statement of movements in Unitholders' Funds (3Q 2013 vs 3Q 2012)

	Notes	Group 01/07/13 to 30/09/13 S\$'000	Group 01/07/12 to 30/09/12 S\$'000	Trust 01/07/13 to 30/09/13 S\$'000	Trust 01/07/12 to 30/09/12 S\$'000
Unitholders' funds at the beginning of the period		1,715,386	1,677,452	1,667,798	1,654,338
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	23,048	26,148	20,678	27,180
Increase in Unitholders' funds resulting from operations		23,048	26,148	20,678	27,180
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(11,402)	(1,690)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(539)	(2,582)	-	-
Net loss recognised directly in Unitholders' funds	(b)	(11,941)	(4,272)	-	-
Unitholders' transactions					
Distributions to CPU Holder(s)		(269)	(2,286)	(269)	(2,286)
Distributions to Unitholders		(25,623)	(20,985)	(25,623)	(20,985)
CPU conversion	(c)	153,065	-	153,065	-
Increase/(Decrease) in Unitholders' funds resulting from Unitholders' transactions		127,173	(23,271)	127,173	(23,271)
Unitholders' funds at the end of the period		1,853,666	1,676,057	1,815,649	1,658,247

Footnotes:

- (a) Change in Unitholders' funds resulting from operations for the three months ended 30 September 2013, includes a loss in the fair value of derivative instruments of S\$2.2 million (2012: gain of S\$3.0 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.
- (c) Represents the value of 152,727,825 CPU being converted into ordinary units at a conversion price of S\$0.7266 per unit in July 2013.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

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

	Notes	Group 01/01/13 to 30/09/13 S\$'000	Group 01/01/12 to 30/09/12 S\$'000	Trust 01/01/13 to 30/09/13 S\$'000	Trust 01/01/12 to 30/09/12 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)	84,533	81,762	71,954	74,245
Increase in Unitholders' funds resulting from operations		84,533	81,762	71,954	74,245
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(10,831)	(9,811)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(2,692)	(5,015)	-	-
Net loss recognised directly in Unitholders' funds	(b)	(13,523)	(14,826)	-	-
Unitholders' transactions					
Distributions to CPU Holder(s)		(4,829)	(7,001)	(4,829)	(7,001)
Distributions to Unitholders		(74,198)	(61,400)	(74,198)	(61,400)
CPU conversion	(c)	153,065	-	153,065	-
Increase/(Decrease) in Unitholders' funds resulting from Unitholders' transactions		74,038	(68,401)	74,038	(68,401)
Unitholders' funds at the end of the period		1,853,666	1,676,057	1,815,649	1,658,247

Footnotes:

- (a) Change in Unitholders' funds resulting from operations for the nine months ended 30 September 2013, includes a gain in the fair value of derivative instruments of S\$3.9 million (2012: S\$9.4 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.
- (c) Represents the value of 152,727,825 CPU being converted into ordinary units at a conversion price of S\$0.7266 per unit in July 2013.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

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

	Notes	Group and Trust 01/07/13 to 30/09/13 Units	Group and Trust 01/07/12 to 30/09/12 Units	Group and Trust 01/01/13 to 30/09/13 Units	Group and Trust 01/01/12 to 30/09/12 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
Units issued pursuant to CPU conversion	(a)	210,195,189	-	210,195,189	-
Issued units at the end of the period		2,153,218,267	1,943,023,078	2,153,218,267	1,943,023,078
Management fees payable in units (base fee)	(b)	-	-	-	-
Management fees payable in units (performance fee)	(c)	-	-	-	-
Total issued units at the end of the period		2,153,218,267	1,943,023,078	2,153,218,267	1,943,023,078
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:

- 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.
- The Manager has elected to receive 100% of its base management fees in cash. There are no base fees payable in units for the nine months ended 30 September 2013.
- Performance fees are calculated for each six-month period ending 30 June and 31 December.
- 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.

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 September 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.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

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 Singapore Chartered Accountants 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 01/07/13 to 30/09/13 S\$'000	Group 01/07/12 to 30/09/12 S\$'000
Total return for the period after tax, before distribution		23,048	26,148
Income to be distributed to CPU Holder(s)		(263)	(2,300)
Earnings attributable to Unitholders		22,785	23,848
EPU			
<u>Basic EPU</u>			
Weighted average number of units	(a)	2,144,079,346	1,943,023,078
Earnings per unit (cents)	(b)	1.06	1.23
<u>Diluted EPU</u>			
Weighted average number of units	(c)	2,181,204,435	2,181,204,436
Earnings per unit on a fully diluted basis (cents)		1.06	1.20
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)		1.21	1.11

Footnotes:

- 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 September 2013 are used and have been calculated on a time-weighted basis.
- The earnings per unit for the three months ended 30 September 2013 includes a loss in the fair value of derivative instruments of S\$2.2 million (2012: gain of S\$3.0 million).
- 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 27,986,168 (2012: 238,181,358) ordinary units at the conversion price of S\$0.7266 per unit.
- The computation of DPU for the quarter ended 30 September 2013 is based on total number of units in issue as at 30 September 2013 of 2,153,218,267.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

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

Notes	Group	Group	Trust	Trust
	30/09/13	31/12/12	30/09/13	31/12/12
Net asset value per unit (S\$) based on:				
- units issued at the end of the period (a)	0.87	0.97	0.85	0.95
- units issued at the end of the period, assuming full conversion of CPU outstanding (b)	0.86	0.86	0.84	0.84

Footnotes:

- (a) The number of units used for computation of NAV per unit is 2,153,218,267 which represents the number of units in issue as at 30 September 2013.
- (b) For illustrative purposes, the NAV per unit as at 30 September 2013 assumed full conversion of the 20,334,750 CPU outstanding into 27,986,168 ordinary units as at end of the period (2012: 238,181,358 ordinary units).

8 Review of the performance Consolidated Statement of Total Return and Distribution (3Q 2013 vs 3Q 2012) and (YTD Sep 2013 vs YTD Sep 2012)

	Group 01/07/13 to 30/09/13 S\$'000	Group 01/07/12 to 30/09/12 S\$'000	Increase / (Decrease) %	Group 01/01/13 to 30/09/13 S\$'000	Group 01/01/12 to 30/09/12 S\$'000	Increase / (Decrease) %
Gross revenue	48,781	46,252	5.5%	151,543	138,641	9.3%
Property expenses	(10,754)	(9,836)	9.3%	(32,505)	(27,739)	17.2%
Net property income	38,027	36,416	4.4%	119,038	110,902	7.3%
Non property expenses	(11,962)	(12,362)	(3.2%)	(35,519)	(35,438)	0.2%
Net income before tax	26,065	24,054	8.4%	83,519	75,464	10.7%
Change in fair value of derivative instruments	(2,228)	2,979	NM	3,943	9,359	(57.9%)
Total return for the period before tax and distribution	23,837	27,033	(11.8%)	87,462	84,823	3.1%
Income tax expense	(789)	(885)	(10.8%)	(2,929)	(3,061)	(4.3%)
Total return for the period after tax, before distribution	23,048	26,148	(11.9%)	84,533	81,762	3.4%
Non-tax deductible/(chargeable) items and other adjustments	4,015	(1,467)	NM	(929)	(10,451)	(91.1%)
Income available for distribution	27,063	24,681	9.7%	83,604	71,311	17.2%
Income to be distributed to:						
- Unitholders	26,054	21,568	20.8%	78,296	63,343	23.6%
- CPU Holder(s)	263	2,300	(88.6%)	2,794	6,936	(59.7%)
Total income to be distributed	26,317	23,868	10.3%	81,090	70,279	15.4%

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

3Q 2013 vs 3Q 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 contribution from the newly acquired Plaza Arcade. Revenue from overseas properties accounted for approximately 34% (2012: 36%) of total gross revenue for the three months ended 30 September 2013.

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

Non property expenses were lower mainly due to lower interest costs incurred on the Trust's borrowings, Japan bond and A\$ term loan and higher expenses incurred by the Singapore Properties and Renhe Spring Zongbei Property for the three months ended 30 September 2013, partially offset by interest costs incurred on the RCF drawn to part finance the acquisition of Plaza Arcade.

The loss on derivative instruments for the current quarter represents mainly the change in the fair value of interest rate swaps and caps entered into for the Singapore borrowings which were drawn down in September 2013.

Income available for distribution and income to be distributed to CPU Holder(s) and Unitholders for the three months ended 30 September 2013 were S\$27.1 million and S\$26.3 million respectively, being 9.7% and 10.3% higher than the corresponding period.

YTD Sep 2013 vs YTD Sep 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: 37%) of total gross revenue for the nine months ended 30 September 2013.

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

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

Income available for distribution and income to be distributed to CPU Holder(s) and Unitholders for the nine months ended 30 September 2013 were S\$83.6 million and S\$81.1 million respectively, being 17.2% and 15.4% higher than the corresponding period.

9 Variance between forecast and the actual results

The Trust has not disclosed any forecast to the market.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

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 5.1% year-on-year (“y-o-y”) in 3Q 2013¹ supported by the growth in the manufacturing sector and healthy expansion in the service producing industries. The Ministry of Trade and Industry had upgraded its forecast for Singapore’s economic growth to be between 2.5% to 3.5%². In terms of tourism, the Singapore Tourism Board (STB) reiterates its visitor arrivals to between 14.8 million and 15.5 million in 2013³. Tourist receipt is also expected to rise to between S\$23.5 billion to S\$24.5 billion³, from S\$23.0 billion in 2012. Preliminary figures for the seven months to July 2013 showed that visitor arrivals rose 8.5% y-o-y to 10.5 million³ and is on track to meet the target set by STB for 2013.

According to CB Richard Ellis, the average prime Orchard Road retail rents in 3Q 2013 held steady at S\$32.20 per square foot per month (“psfpm”) as the retail landscape held up in light of healthy leasing interests despite subdued consumer sentiments⁴. The retail market in Singapore is expected to remain stable over the next six to twelve months. Retail sales in August grew 3.3% over the previous month, excluding motor vehicles, with sales of watches and jewellery registering a modest increase of 12.0%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 positive net absorption despite new supply⁴. Office vacancy at Core CBD increased to 6.5% in 3Q 2013 due to new office supply⁴. Cushman & Wakefield reported that the average office rents in Orchard Road moved up by around 4.6% q-o-q as demand had exceeded supply with vacancy rate of just 0.9%⁶.

Malaysia’s GDP grew at a respectable rate of 4.3% in 2Q 2013 on the back of domestic demand, despite the slower growth recorded in Asia⁷. Bank Negara had revised downwards the overall GDP growth target for Malaysia in 2013 to 4.5% to 5.0%, from its earlier target of 5% to 6% in view of the weaker external environment⁸. Resilient domestic demand is expected to be the key growth driver in 2013, underpinned by sustained private sector expansion. Tourist arrivals to Malaysia registered overall growth of 7.9% y-o-y in the first half of 2013, and correspondingly, tourist receipt rose 16.3% to RM26.8 billion⁹.

On a seasonally-adjusted basis, the Australian economy grew 0.6% in 2Q 2013, largely attributable to the Finance, Mining and Construction industries. Retail sentiments is seeing positive upside as the national retail turnover rose 0.4% in August 2013, as interest rate reductions boosted consumer spending¹⁰. Western Australia registered 0.7% spending growth¹⁰ and demand for CBD retail space is expected to remain competitive with the entry of international retailers¹¹.

China’s government has set a 7.5% growth target for the economy in 2013¹², a pace which is slower than the average growth of 9.9% from 1999 to 2012. After reporting subdued GDP growth numbers in past three quarters¹³, the economy is showing healthy signs of a rebound with 3Q 2013 GDP recording a better than expected growth of 7.8% while September’s official Chinese service-industry index rose to a six-month high¹².

In 2Q 2013, Japan’s economy grew at an annualised 3.8%, adding to growing signs of a recovery taking hold¹⁴. In October 2013, the government declared a sales tax increase from April 2014 and introduced additional reflationary and monetary policies to counter deflation. The Bank of Japan’s Tankan index also showed an increase in business sentiment¹⁵. According to the Bank of Japan, private consumption has remained resilient, with positive improvements in the employment and income situation¹⁶.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

Outlook for the next 12 months

The IMF has recently trimmed its 2013 global growth forecast to 2.9% from its previous projection of 3.1% in July 2013¹⁷. The downgrade stems from weaker prospects in emerging economies on tighter global financial conditions¹⁷. The Asian Development Bank had recently cut its economic growth forecast for developing Asia to 6% growth, down from 6.6% in April 2013, in light of softening growth in China, and nervousness resulting from possible tapering of the US Federal Reserve's monetary stimulus programme¹⁸. Notwithstanding the subdued economic climate and uncertainties, Starhill Global REIT's balanced retail mall portfolio including long term leases and master leases across key gateway cities in Asia will provide income stability with growth potential for its Unitholders.

The entry of new retail developments across Singapore and labour crunch continue to present challenges to Singapore's retail landscape. However, an expanding middle income segment in the region, growing tourist arrivals and rising consumerism in tourist arrivals and spending are expected to have a positive effect on the retail market, particularly in the prime locations.

For the period January 2013 to August 2013, Chengdu's retail sales registered a y-o-y increase of 13.6%¹⁹. Chengdu's retail landscape is facing an influx of new retail developments, partially mitigated by the growth in demand of retail space by 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 remains focused as a high-end shopping destination and continues to fine-tune its tenancy mix with more promotions aimed at increasing its VIP customer base.

Starhill Global REIT will continue its prudent capital management approach. Starhill Global REIT has completed the drawdown of new unsecured loan facilities in September 2013 to refinance its matured debts, with no refinancing requirement until June 2015. Post refinancing, Starhill Global REIT has maintained its gearing ratio at 30.6% and substantially hedged the new loans, resulting in 94% of the Group's borrowings being fixed or hedged via interest rate swaps and caps.

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.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

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14. Japan Q2 GDP revised up sharply, boosts case for tax hike, Reuters, 9 September 2013
15. Abe orders Japan's first sales-tax increased since '97, Bloomberg, 1 October 2013
16. Bank of Japan's Oct. 4 Monetary Policy Statement, Bloomberg, 4 October 2013
17. International Monetary Fund, World Economic Outlook Update, 8 October 2013
18. Global Economy in 'Epic Scale' Change, Says IMF's Lagarde, Financial Times, 3 October 2013
19. Chengdu Bureau of Statistics

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: (1) Distribution to Unitholders for the period from 1 July 2013 to 30 September 2013 ("Unitholders' Distribution")
(2) Distribution to CPU Holder for the period from 1 July 2013 to 30 September 2013 ("CPU Distribution")

Distribution rate:

	CPU Distribution	Unitholders' Distribution
	For the period from 1 July 2013 to 30 September 2013	For the period from 1 July 2013 to 30 September 2013
	Cents	Cents
Taxable income component	0.9850	0.9200
Tax-exempt income component	0.2141	0.2000
Capital component	0.0964	0.0900
Total	1.2955	1.2100

Par value of units: Not applicable

Tax rate: Taxable income component

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).

Tax-exempt income component

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

Capital component

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.

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

(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 Unitholders for the period from 1 July 2012 to 30 September 2012 (“Unitholders’ Distribution”)
(2) Distribution to CPU Holders for the period from 1 July 2012 to 30 September 2012 (“CPU Distribution”)

Distribution rate:

	CPU Distribution	Unitholders’ Distribution
	For the period from 1 July 2012 to 30 September 2012	For the period from 1 July 2012 to 30 September 2012
	Cents	Cents
Taxable income component	1.0657	0.8900
Tax-exempt income component	0.2634	0.2200
Total	1.3291	1.1100

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:

25 November 2013

(d) Books Closure Date:

4 November 2013

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

Not applicable

Financial Statements Announcement For The Third Quarter Ended 30 September 2013

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 September 2013 (comprising the balance sheets as at 30 September 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
Executive Chairman

Ho Sing
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
25 October 2013