Media release by: YTL Starhill Global REIT Management Limited (YTL Starhill Global)

Manager of: Starhill Global Real Estate Investment Trust (SGREIT)

SGREIT's 3Q 2013 DPU up 9.0% y-o-y mainly driven by strong performance of the Singapore portfolio

HIGHLIGHTS

- Singapore portfolio continues its strong performance with high occupancies and positive rental reversions in both retail and office sectors
- Step-up rent increase of 7.2% for Malaysia portfolio and the Plaza Arcade acquisition contributed to overseas portfolio
- Drawdown of new unsecured loan facilities to refinance its matured debts in 2013, with no refinancing requirement until June 2015
- Corporate rating was upgraded to 'BBB+' (with stable outlook) by Standard & Poor's in July 2013

SINGAPORE, 25 October 2013 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, today announced 3Q 2013 revenue of S$48.8 million, 5.5% increase over that achieved in 3Q 2012. Net property income ("NPI") for 3Q 2013 was S$38.0 million, representing an increase of 4.4% over 3Q 2012, mainly attributable to the continued strong performance of the Singapore portfolio.

Income to be distributed to Unitholders in 3Q 2013 was S$26.1 million, 20.8% higher than that of S$21.6 million in 3Q 2012. Income to be distributed to CPU holder(s) in 3Q 2013 declined 88.6% y-o-y to S$0.3 million following the CPU conversion into 210.2 million units by the YTL Group on 5 July 2013. Distribution Per Unit ("DPU") for the period 1 July 2013 to 30 September 2013 was 1.21 cents, 9.0% higher compared to the 1.11 cents achieved for the previous corresponding period. On an annualised basis, the latest distribution represents a yield of 6.04%[1]. Unitholders can expect to receive their 3Q 2013 DPU on 25 November 2013. Book closure date is on 4 November 2013 at 5.00 pm.

[1] Based on closing unit price of S$0.795 as at 30 September 2013.

Overview of Starhill Global REIT's financial results

(S$ million)	3Q 2013	3Q 2012	Change (%)	YTD 2013	YTD 2012	Change (%)
Revenue	48.8	46.3	5.5	151.5	138.6	9.3
Net property income	38.0	36.4	4.4	119.0	110.9	7.3
Income available for distribution	27.1	24.7	9.7	83.6	71.3	17.2
Income to be distributed to Unitholders[2]	26.1	21.6	20.8	78.3	63.3	23.6
Income to be distributed to CPU holder(s)	0.3	2.3	(88.6)	2.8	6.9	(59.7)
Distribution per Unit (cents)						
- For the period 1 Jul – 30 Sep	1.21	1.11	9.0	3.77[3]	3.26	15.6
- Annualised	4.80	4.42	8.6	n.a	n.a	n.a

Tan Sri Dato' Dr Francis Yeoh, Executive Chairman of YTL Starhill Global, said, "SGREIT has delivered another good set of results in 3Q 2013 as the Singapore portfolio continues to perform strongly. Although the outlook of the global economy over the next 12 months is less certain, our portfolio of prime retail assets is well-placed to benefit from positive macroeconomic trends such as tourism growth and rising wealth and consumerism in the Asia Pacific region. The quality of our portfolio and strength of our balance sheet will continue to enable the REIT to pursue future growth opportunities and to deliver stable long-term returns to Unitholders."

Mr Ho Sing, CEO of YTL Starhill Global, said, "Our Singapore portfolio continued to benefit from the Wisma Atria asset redevelopment and upward rent reviews for the master tenant at Ngee Ann City Retail. The office segment also recorded positive rental reversions. Step-up rent of 7.2% for the Malaysia portfolio and the Plaza Arcade acquisition contributed positively to the overseas portfolio. We have further improved our financial standing by drawing down our new unsecured loan facilities in September 2013 and following this, the REIT has no refinancing requirement until June 2015. As at 30 September 2013, approximately 94% of the Group's borrowings are being fixed or hedged via interest rate swaps and caps, mitigating the impact of interest rate fluctuations on distribution. We will continue to refine our portfolio and create value from potential asset management initiatives."

[2] Approximately S$0.7 million of income available for distribution for 3Q 2013 (YTD 2013: S$2.5 million) has been retained for working capital requirements.

[3] Includes a one-time DPU payout of 0.19 cents to Unitholders on 29 May 2013 due to the receipt of the accumulated rental arrears net of expenses from Toshin master lease in 1Q 2013.

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 66.2% of total revenue, or S$32.3 million in 3Q 2013. The Singapore portfolio's NPI for 3Q 2013 grew 10.2% y-o-y to S$25.0 million. The strong performance was led by full occupancies and positive rental reversions as prime Orchard Road space continued to be the venue of choice for international retailers. In 3Q 2013, Ngee Ann City Retail NPI gained 14.5% y-o-y, mainly attributable to full-quarter contributions of the 6.7% rental uplift from master tenant Toshin and the 10% increase in base rent following the rent review exercise in 1Q 2013. Wisma Atria Retail NPI increased 5.9% y-o-y as a result of the ongoing asset repositioning following the completion of its asset redevelopment last year. Tenant sales increased 11.8% y-o-y to S$51.8 million in 3Q 2013, which translates to an improved sales efficiency of S$134 psf. The office portfolio also maintained full occupancy with its niche positioning, and achieved a positive rental reversion of 13.7% based on leases committed between October 2012 and September 2013.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 15.2% of total revenue, or S$7.4 million in 3Q 2013. NPI for 3Q 2013 was S$7.2 million. From 28 June 2013, the Malaysia portfolio received a 7.2% rental reversion from its master tenant in respect of the lease extension for a further 3 years. The step-up rental income has been straight-lined over the fixed term of 3+3 years.

SGREIT's Australia portfolio, comprising the David Jones Building and Plaza Arcade in Perth, contributed 9.7% of total revenue, or S$4.7 million, in 3Q 2013. NPI for 3Q 2013 was S$3.7 million, an increase of 25.7% y-o-y, with the contributions from Plaza Arcade offsetting the depreciation of the Australian Dollar against the Singapore Dollar. As at 30 September 2013, occupancy for the Australia portfolio was 99.6%. Whilst retail sales in Western Australia was soft in the month of August 2013, Perth continues to attract new-to-market international fashion brands such as Topshop and Zara, which will be located near David Jones Building and Plaza Arcade.

Renhe Spring Zongbei Property in Chengdu, China, contributed 5.9% of total revenue, or S$2.9 million in 3Q 2013. NPI for 3Q 2013 was S$1.6 million, a decline of 17.7% y-o-y. The decline was underpinned by competition from supply of newly-developed and upcoming retail space in the city. The high-end and luxury retail segments continue to contract as the Chinese Government's ongoing austerity drive affected consumer sentiments. In addition, the mall was also impacted by inner-city flooding caused by prolonged rainstorms in July 2013 and traffic disruption due to public road works in front of the mall. Renhe Spring Zongbei Property remains focused as a high-end shopping destination and will continue to fine-tune the tenancy mix with more promotions aimed at increasing the VIP customer base.

SGREIT's Japan portfolio, which comprises six properties located in central Tokyo as at 30 September 2013, contributed 3% of the Group's total revenue. NPI for 3Q 2013 was S$0.5 million. The decline in NPI was mainly due to the depreciation of the Japanese Yen against the Singapore Dollar, provision for rental arrears and loss of income contribution following the divestment of Roppongi Primo in 1Q 2013.

Capital management initiatives

SGREIT completed its drawdown of new unsecured loan facilities during the current quarter to refinance its matured debts in 2013. The new loan facilities have an all-in interest cost of approximately 2.4%[4] per annum. The new loan facilities were substantially hedged, resulting in approximately 94% of the Group's borrowings being fixed or hedged via interest rate swaps and caps. Following this, SGREIT has no refinancing requirement until June 2015 and its unencumbered assets ratio increased to 79% from 42%. The weighted average debt maturity was also extended to 3.4 years from 1.2 years. As of 30 September 2013, SGREIT has a healthy gearing of 30.6% and its corporate rating was upgraded to 'BBB+' with a stable outlook in July 2013 by Standard & Poor's.

[4] Including annualised upfront fees and interest rate derivatives.

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About Starhill Global REIT

Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 13 properties in Singapore, Malaysia, Australia, China, and Japan, valued at about S$2.8 billion.

These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore, Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia, the David Jones Building and Plaza Arcade in Perth, Australia, full ownership of a premier retail property in Chengdu, China, and six properties in the prime areas of Tokyo, Japan. Starhill Global REIT remains focused on sourcing attractive property assets in Singapore and overseas, while driving organic growth from its existing portfolio, through proactive leasing efforts and creative asset enhancements.

Starhill Global REIT is managed by an external manager, YTL Starhill Global REIT Management Limited. The Manager is a wholly-owned subsidiary of YTL Starhill Global REIT Management Holdings Pte. Ltd. which is in turn an indirect wholly-owned subsidiary of YTL Corporation Berhad.

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