

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

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

SGREIT's 2Q 2014 DPU Up 5.0% Year-on-Year to 1.25 cents

HIGHLIGHTS

- Strong performance from the Singapore portfolio
- Submission of development approvals for asset redevelopment of Plaza Arcade in Perth, Australia
- Extended the maturity of A\$63 million term loan by two years to June 2019 at a lower all-in interest margin

SINGAPORE, 29 July 2014 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, reported that income to be distributed to Unitholders was S\$26.9 million for 2Q 2014, 5.0% higher than that of S\$25.6 million in 2Q 2013. Distribution Per Unit (“DPU”) for the period from 1 April 2014 to 30 June 2014 was 1.25 cents, 5.0% higher compared to the 1.19 cents achieved for the previous corresponding period. On an annualised basis, the latest distribution represents a yield of 6.07%¹. Unitholders can expect to receive their 2Q 2014 DPU on 28 August 2014. Book closure date is on 6 August 2014 at 5.00 pm.

Revenue for SGREIT group declined marginally by 1.4% to S\$48.4 million in 2Q 2014. While revenue from the Singapore operations increased by 3.6% to S\$32.4 million and its net property income (“NPI”) was up by 5.5% to S\$25.6 million in 2Q 2014, it was offset by weaker overseas contributions mainly due to declining revenue from Renhe Spring Zongbei in Chengdu, China, loss of income contribution from Japan divestment in March 2014 and net foreign currency movements. NPI for 2Q 2014 rose by 0.2% to S\$39.2 million as operating expenses for Singapore, Japan and China properties declined.

¹ Based on the closing price of S\$0.825 as at 30 June 2014.

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Overview of Starhill Global REIT's financial results

(\$ million)	2Q 2014	2Q 2013	Change (%)
Revenue	48.4	49.1	(1.4)
Net property income	39.2	39.1	0.2
Income available for distribution	28.2	26.7	5.5
Income to be distributed to Unitholders ²	26.9	25.6	5.0
Income to be distributed to CPU holder	0.3	0.3	(3.0)
Distribution per Unit (cents)			
- For the period 1 April – 30 June	1.25	1.19	5.0
- Annualised	5.01	4.77	5.0

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Starhill Global, said, "Tourist arrivals in Singapore have been affected by recent regional events. Despite this, our portfolio in Singapore continued to perform well, reflecting the quality of the assets as well as the continuous drive in repositioning our malls. We remain positive on the outlook of Asia's economies and will continue to sharpen our portfolio while seeking out opportunities either through enhancement of our existing portfolio or acquisitions when opportunities arise in our core markets."

Mr Ho Sing, CEO of YTL Starhill Global, said, "Our Singapore portfolio, which contributed 67.0% of the SGREIT group's revenue in 2Q 2014, performed strongly with rental reversions for the office segment of 17.9% while retail at Wisma Atria enjoyed a 12.3% reversion. In Australia, development approvals have been submitted for the proposed phase 1 asset redevelopment of Plaza Arcade. The proposed plan will convert approximately 9,000 square feet of space for retail use and the estimated cost of approximately A\$10 million is expected to be funded from internal resources. During the quarter, as part of our proactive capital management initiatives, we have also successfully extended the maturity of A\$63 million term loan by two years to June 2019 at a lower all-in interest margin."

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 67.0% of total revenue, or S\$32.4 million in 2Q 2014. The Singapore portfolio's NPI for 2Q 2014 increased by 5.5% y-o-y to S\$25.6 million, led by positive rental reversions for both the retail and office units. Revenue from Ngee Ann City Retail gained 4.6% y-o-y while NPI

² Approximately S\$1.1 million of income available for distribution for the quarter ended 30 June 2014 has been retained for working capital requirements.

increased 6.0% y-o-y, largely due to the 6.7% increase in base rent from Toshin following their lease renewal in June 2013. Wisma Atria Retail revenue increased 1.9% y-o-y and its NPI grew 4.1% over 2Q 2013 on the back of strong tenant demand and continued interest in prime retail spaces along Orchard Road. Wisma Atria Retail achieved positive rental reversions of 12.3% for leases committed in 2Q 2014. Tenant sales were flat y-o-y while shopper traffic increased by 6.8% to 6.5 million in 2Q 2014. The Singapore office portfolio is fully occupied through active leasing efforts, achieving 17.9% positive rental reversion for leases committed in 2Q 2014, underpinned by limited upcoming supply of office space in Orchard Road and healthy demand.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 15.3% of total revenue, or S\$7.4 million in 2Q 2014. NPI for 2Q 2014 was S\$7.0 million, 6.2% lower than in 2Q 2013, mainly due to the depreciation of the Malaysian Ringgit against the Singapore Dollar and higher property taxes accrued in 2Q 2014. Dior re-opened at Starhill Gallery in June 2014, doubling its store size to approximately 6,200 sq ft. In 2Q 2014, Lot 10 also unveiled the Sports Floor on level 4 showcasing a variety of popular sportswear and equipment brands including Nike and Converse.

SGREIT's Australia portfolio, comprising the David Jones Building and adjoining Plaza Arcade in Perth, Western Australia, contributed 10.2% of total revenue, or S\$4.9 million in 2Q 2014. NPI for 2Q 2014 was S\$3.9 million, a decrease of 3.3% y-o-y, mainly due to the depreciation of the Australian Dollar against the Singapore Dollar. Asset redevelopment plans to optimise upper-storey space at Plaza Arcade are underway, and development approvals have been submitted to the City of Perth. As major international retailers such as Topshop and Zara are slated to open in Perth in the second half of 2014, CBD retail space remains a choice destination for retailers seeking a presence in Perth.

Renhe Spring Zongbei in Chengdu, China, contributed 5.1% of total revenue, or S\$2.5 million in 2Q 2014. NPI for 2Q 2014 was S\$1.5 million, a decline of 35.7% from 2Q 2013. The decline was largely attributed to lower revenue amidst contraction of the high-end and luxury retail segment resulting from the central government's austerity drive and intensified competition from new and upcoming retail developments in the city. Notwithstanding the above, Renhe Spring Zongbei remains focused as a destination for high-end retail shopping and will continue to fine-tune its tenancy mix aimed at increasing its VIP customer base.

In 2Q 2014, SGREIT's Japan portfolio, which comprises five properties located in central Tokyo, contributed 2.4% of total revenue. NPI for 2Q 2014 was S\$1.0 million, 21.1% higher than in 2Q 2013, mainly due to the reversal of rental arrears provision in 2Q 2014, partially offset by the depreciation of the Japanese Yen against the Singapore Dollar and the loss of income contribution from Holon L which was divested in March 2014.

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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 12 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, a premier retail property in Chengdu, China, and five 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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