

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

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

## SGREIT's 1Q 2013 DPU Up 28.0% Year-on-Year.

### HIGHLIGHTS

- Singapore portfolio continues its strong performance with full occupancy and positive rental reversions.
- Toshin rent review for June 2011 successfully concluded with 10% increase in base rent. Net rental arrears to December 2012 to be paid out with 1Q 2013 distribution.
- Rebalancing of SGREIT's portfolio with acquisition of Plaza Arcade in Perth and divestment of Roppongi Primo in Tokyo.
- Successfully secured JPY7 billion and S\$600 million unsecured loan facilities to refinance its debts maturing in September and December 2013.

**SINGAPORE, 26 April 2013** – YTL Starhill Global REIT Management Limited, the manager of SGREIT, today announced 1Q 2013 revenue of S\$53.6 million, 16.5% increase over that achieved in 1Q 2012. Net property income ("NPI") for 1Q 2013 was S\$41.9 million, representing an increase of 12.3% over 1Q 2012, mainly attributable to the strong contribution from the Singapore portfolio.

Income to be distributed to Unitholders in 1Q 2013 was S\$26.6 million, 28.0% higher than that of S\$20.8 million in 1Q 2012. Distribution Per Unit ("DPU") for the period 1 January 2013 to 31 March 2013 was 1.37 cents, 28.0% higher compared to the 1.07 cents achieved for the previous corresponding period. The DPU payout for 1Q 2013 includes the accumulated rental arrears net of expenses from Toshin master lease between June 2011 to December 2012 of 0.19 cents ("Toshin Payout"). On an annualised basis excluding the Toshin Payout, the latest distribution represents a yield of 5.38%<sup>1</sup>. Unitholders can expect to receive their 1Q 2013 DPU on 29 May 2013. Book closure date is on 7 May 2013 at 5.00 pm.

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<sup>1</sup> Based on closing unit price of S\$0.89 as at 31 March 2013.

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## Overview of Starhill Global REIT's financial results

(S\$ million)	1Q 2013	1Q 2012	Change (%)
Revenue	53.6	46.0	16.5
Net property income	41.9	37.3	12.3
Income available for distribution	29.8	23.3	27.8
Income to be distributed to Unitholders <sup>2</sup>	26.6	20.8	28.0
Income to be distributed to CPU holders	2.3	2.4	(3.7)
<b>Distribution per Unit (cents)</b>			
- For the period 1 Jan – 31 Mar	1.37	1.07	28.0
- Annualised	5.56	4.30	29.3
- For the period 1 Jan – 31 Mar (exclude Toshin Payout)	1.18	1.07	10.3
- Annualised (exclude Toshin Payout)	4.79	4.30	11.4

Tan Sri Dato' Dr Francis Yeoh, Executive Chairman of YTL Starhill Global, said, "SGREIT delivered strong earnings growth in 1Q 2013 underpinned by the performance of its Singapore portfolio. We are rebalancing our asset portfolio with the strategic acquisition of Plaza Arcade in Perth, Australia, and divestment of one of the seven properties in Tokyo at the beginning of the year. Our Singapore properties will continue to benefit from tourism growth and penetration of new brands in Singapore. Looking ahead, we are encouraged by the gradual upturn in the global economic outlook, though we remain vigilant in our approach as we continue to enhance asset returns and source for yield accretive acquisitions of prime assets in SGREIT's core markets when opportunity arises."

Mr Ho Sing, CEO of YTL Starhill Global, said, "NPI for our core portfolio based in Singapore grew by 25.3% in 1Q 2013 on a y-o-y basis, driven by full occupancy and positive rental reversions from both the retail and office segments. Following the completion of the asset development of Wisma Atria in 3Q 2012, we continue to enhance the positioning of the mall. New-to-market brands and new retail concepts will be introduced from 2Q 2013. We have also successfully concluded the rent review for our master tenant at Ngee Ann City, Toshin, with a 10% increase in base rent from June 2011. The accumulated rental arrears net of expenses amounting to approximately S\$3.8 million will be distributed to Unitholders, together with the distributable income for 1Q 2013."

Mr Ho added, "As part of our proactive capital management initiative, we have recently entered into an agreement with a club of 8 banks to secure JPY7 billion and S\$600 million unsecured three-year and five-year loan facilities to refinance approximately S\$513 million debts maturing in September

<sup>2</sup> Approximately S\$0.9 million of income available for distribution for the quarter ended 31 March 2013 has been retained for working capital requirements.



and December 2013. This will further enhance our financial flexibility and extend our average debt maturity profile. SGREIT would have no refinancing requirement for its existing debt portfolio until June 2015 following this refinancing.”

### **Review of portfolio performance**

SGREIT’s Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 67.7% of total revenue, or S\$36.3 million in 1Q 2013. The Singapore portfolio’s NPI for 1Q 2013 grew by 25.3% to S\$27.8 million. The improvement was largely attributed to full occupancy driven by strong demand from international tenants and positive rental reversions for both the retail and office units. Revenue from Ngee Ann City retail gained 59.6% y-o-y, largely attributed to the 10.0% increase in base rent and the resulting rental arrears of the Toshin master lease from 8 June 2011 to 31 December 2012 received in 1Q 2013. A separate rent review for the period from June 2013 to June 2016 is in progress as Toshin has exercised its option to renew its lease for another 12-year term. In 1Q 2013, Wisma Atria’s retail revenue increased 13.5% y-o-y and its NPI grew 8.4% over 1Q 2012.

SGREIT’s Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 14.3% of total revenue, or S\$7.6 million in 1Q 2013. NPI for 1Q 2013 was S\$7.4 million, 3.2% lower than in 1Q 2012, mainly due to the depreciation of the Malaysian Ringgit against the Singapore Dollar. A rent increase of approximately 7.2% from the master leases is expected for Starhill Gallery and Lot 10 Property, following the start of the second term of the 3+3 master tenancy agreements in June 2013.

SGREIT’s Australia portfolio, comprising the David Jones Building and the newly-acquired Plaza Arcade in Perth, Western Australia, contributed 7.7% of total revenue, or S\$4.1 million, in 1Q 2013. NPI for 1Q 2013 was S\$3.3 million, an increase of 5.2% y-o-y. The increase in NPI was largely due to contributions from Plaza Arcade from 1 March 2013. There are potential synergies to be reaped between the two properties. Connections and potential optimisation of unutilised space between the two buildings will be studied at a later stage. As at 31 March 2013, occupancy for the Australia portfolio was 99.5%.

Renhe Spring Zongbei in Chengdu, China, contributed 7.5% of total revenue, or S\$4.0 million in 1Q 2013. NPI for 1Q 2013 was S\$2.5 million, a decline of 12.8% from 1Q 2012. The easing in China’s growth and the country’s ongoing austerity drive have affected consumer sentiments, leading to a softening in the high-end and luxury retail segments. While the market is expected to remain active



due to increased demand from international brands, newly completed malls in the city have intensified competition in the retail market. Renhe Spring Zongbei is continuously revamping its tenant mix to enhance its retail offerings as it remains focused as a destination for high-end retail shopping with an extensive VIP customer base. In the recent earthquake on 20 April 2013 in Lushan county, south-west of Chengdu, operations were not disrupted at Renhe Spring Zongbei and there was no known damage to the property.

SGREIT's Japan portfolio, which comprises six properties located in central Tokyo as at 31 March 2013, contributed to less than 3% of the Group's total revenue. NPI for 1Q 2013 was S\$0.9 million, 37.8% lower than in 1Q 2012. The decline in NPI was mainly due to loss of income contribution from Roppongi Primo following its disposal on 1 February 2013, depreciation of the Japanese Yen against the Singapore Dollar and the provision for rental arrears.

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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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