

**Media release by:** YTL Pacific Star REIT Management Limited (YTL Pacific Star)

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

**For immediate release**

## STARHILL GLOBAL REIT REPORTS 6.3% INCREASE IN 1Q 2009 DPU

### HIGHLIGHTS

- 1Q 2009 DPU of 1.87 cents achieved, 6.3% higher than 1Q 2008
- Resilient retail master lease structure at Ngee Ann City to be bolstered by expected surge in shopper traffic when Wisma Atria basement linkway to MRT station reopens
- Weighted average effective interest rate remains low at 2.95% per annum after refinancing of S\$35 million of Revolving Credit Facility now due March 2010

**SINGAPORE, 27 April 2009** – YTL Pacific Star, the Manager of Starhill Global REIT - the S-REIT with the largest presence in Orchard Road – today announced that Starhill Global REIT's first quarter (1Q 2009) income to be distributed was S\$18.0 million, comprising 100% of taxable income from its Singapore portfolio. Approximately \$1.1 million relating mainly to overseas income has been retained. Distribution Per Unit (DPU) for the period 1 January to 31 March 2009 was 1.87 cents, 6.3% higher compared to the 1.76 cents achieved for the previous corresponding period. On an annualised basis, the latest distribution represents a yield of 16.66%<sup>1</sup>.

Gross revenue in 1Q 2009 was S\$34.3 million, or 12.8% higher than that of S\$30.4 million in 1Q 2008, due primarily to higher rates achieved for renewals and new leases in Singapore, rent review of the master lease in Ngee Ann City, as well as higher revenue from the Chengdu property. Net property

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<sup>1</sup> Based on last traded unit price of S\$0.455 on 31 March 2009

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income was higher at S\$27.1 million, an increase of 17.2% over 1Q 2008, mainly attributed to higher gross revenue.

#### Overview of Starhill Global REIT's financial results

	1Q 2009	1Q 2008	% Change
Gross revenue (S\$ million)	34.3	30.4	12.8
Net property income (S\$ million)	27.1	23.1	17.2
Income available for distribution (S\$ million)	19.1	17.0	12.2
Income to be distributed (S\$ million) <sup>(1)</sup>	18.0	16.8	7.4
<b>DPU (cents)</b>	<b>1.87</b>	<b>1.76</b>	<b>6.3</b>
<b>Annualised DPU (cents)</b>	<b>7.58</b>	<b>7.08</b>	<b>7.1</b>

(1) The income to be distributed is based on 100% of taxable income for the current period. Approximately S\$1.1 million of income available for distribution for the first quarter ended 31 March 2009, comprising mainly overseas income, has been retained to satisfy certain legal reserve requirements and for prudence.

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Pacific Star, said, "We are pleased to report that Starhill Global REIT has delivered robust results in 1Q 2009, against the backdrop of increasingly challenging market conditions. Our master lease in Ngee Ann City, which accounts for 25.9% of our total gross revenue in 1Q 2009, is a key contributing factor to the resilience of our portfolio. We are also excited about the imminent reopening of the Wisma Atria basement linkway to the Orchard MRT station, which is expected to significantly increase shopper traffic to the centre and stimulate sales for our retailers. Going forward, we will continue to focus on tenant retention and to strengthen our asset positioning to drive performance, while enhancing our long-term growth prospects by sourcing for attractive acquisitions and internationalising the 'Starhill' brand."

Mr Franklin Heng, Chief Executive Officer of YTL Pacific Star, said, "DPU of 1.87 cents for 1Q 2009, is 6.3% higher than the 1.76 cents paid in 1Q 2008. Occupancy for office and retail space in both Wisma Atria and Ngee Ann City remained healthy in the 90% region, reflecting the prime locations, quality and sustained appeal of Starhill Global REIT's assets despite the current economic climate.

"In 1Q 2009, we refinanced a S\$35 million revolving credit facility, from which only S\$16.0 million has been drawn down to-date. Gearing remains low at 31.1%, with a weighted average interest rate of 2.95% and interest cover of 4.9 times. Starhill Global REIT is also shielded from interest rate volatility as 89.4% of the REIT's debt is fixed until September 2010. With this new revolving credit facility, Starhill Global

REIT is clear of refinancing requirements in 2009. We continue to exercise prudence in our capital management strategies amid a tight credit market.”

### **Update on Singapore portfolio**

Starhill Global REIT's Singapore portfolio contributed 80.2% of total gross revenue, or S\$27.5 million in 1Q 2009. This is an increase of 11.0% over the corresponding period in 1Q 2008. The Singapore portfolio's Net Property Income for 1Q 2009 was S\$22.3 million, 19.0% higher than in 1Q 2008.

In 1Q 2009, 2,680 sq ft of office space was renewed at a 92.3% increase over previous rent. Starhill Global REIT's Singapore portfolio has an evenly distributed expiry profile. For the rest of 2009, 68,664 sq ft of office space (28.6% of the total Singapore office portfolio by NLA) and 32,389 sq ft of retail space (8.5% of the total Singapore retail portfolio by NLA) will expire.

Contribution to Net Property Income by the Singapore portfolio in 1Q 2009 was bolstered by the increase in rent for the master lease and new leases in the beauty and wellness area on Level 5 in Ngee Ann City, as well as various new office and retail leases.

### **Update on Japan portfolio**

In 1Q 2009, Starhill Global REIT's Japan portfolio contributed 7.7%, or S\$2.6 million to gross revenue. Six of the seven properties in the portfolio enjoyed 100% occupancy, except for Daikanyama (88% occupied). During 1Q 2009, full occupancy was achieved for Roppongi Primo, which was 86% occupied in 4Q 2008. Savills Japan K.K. has been appointed as the asset manager of Ebisu Fort, replacing Future Revolution. Savills will also assume the role of asset manager for the rest of the Japan portfolio on 1 June 2009. The Manager is also working to replace the property manager for the Japan portfolio, with the aim to further drive performance at these assets.

### **Update on Chengdu property**

As at 31 March 2009, the Renhe Spring Department Store in Chengdu enjoyed 100% occupancy. In 1Q 2009, the department store achieved sales 14.6% higher than in 1Q 2008.

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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. Listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 20 September 2005, Starhill Global REIT owns two landmark properties on Orchard Road, Singapore’s premier shopping and tourist precinct. Its initial portfolio included a 74.23% strata title interest in Wisma Atria and a 27.23% strata title interest in Ngee Ann City.*

*In 2007, Starhill Global REIT enlarged its asset base and geographical footprint with the acquisition of seven properties in the prime areas of Roppongi, Shibuya-ku, Minato-ku and Meguro-ku in Tokyo, Japan and a premier retail property in Chengdu, China. Starhill Global REIT’s portfolio now comprises 10 properties in the three countries, valued at about S\$2.1 billion. Starhill Global REIT remains focused on sourcing property assets in Asia, 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 Pacific Star REIT Management Limited**. The Manager is a wholly owned subsidiary of YTL Pacific Star REIT Management Holdings Pte Ltd, a 50:50 joint venture between Starhill Global REIT Management Limited (an indirect wholly owned subsidiary of YTL Corporation Berhad) and Pacific Star REIT Management Holdings Limited. Visit Starhill Global REIT’s website at [www.starhillglobalreit.com](http://www.starhillglobalreit.com) for more details.*

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### **Important Notice**

The value of Starhill Global REIT units (“Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Starhill Global REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Starhill Global REIT is not necessarily indicative of the future performance of Starhill Global REIT.

This document 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 costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s view of future events.