



**Starhill Global Real Estate Investment Trust
(formerly known as Macquarie Prime Real Estate Investment Trust)
Financial Statements Announcement
For the Quarter and Financial Year Ended 31 December 2008**

These financial statements for the quarter from 1 October 2008 to 31 December 2008, and the financial year ended 31 December 2008, 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 (last amended and restated on 10 December 2007) between YTL Pacific Star REIT Management Limited (formerly known as Macquarie Pacific Star Prime 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 mainboard 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 office purposes, with the objective of delivering regular and stable distributions to unitholders and to achieve long-term growth in the net asset value per unit.

Starhill Global REIT owns 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 seven properties in Tokyo, Japan (the "Japanese Properties") and 100% interest in Renhe Spring Zongbei Department Store in Chengdu, China (the "Renhe Spring Zongbei Property").

**Financial Statements Announcement
For The Quarter and Financial Year Ended 31 December 2008**

SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

	Group 01/01/08 to 31/12/08	Group 01/01/07 to 31/12/07	Increase / (Decrease)
	S\$'000	S\$'000	%
Gross revenue	127,042	102,959	23.4%
Net property income	95,884	76,814	24.8%
Net income available for distribution	69,427	59,038	17.6%
	Cents per Unit		
Distribution per Unit ("DPU")			
For the quarter from 1 October to 31 December	1.85	1.68	10.1%
For the year ended 31 December	7.17	6.19	15.8%
Annualised (based on the three months ended 31 December)	7.36	6.67	10.3%

DISTRIBUTION DETAILS

Distribution period	1 October 2008 to 31 December 2008
Distribution amount	1.85 cents per unit
Books closure date	9 February 2009
Payment date	27 February 2009

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

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 (4Q 2008 vs 4Q 2007)

Notes	Group	Group	Increase /	Trust	Trust	Increase /
	01/10/08 to 31/12/08 S\$'000	01/10/07 to 31/12/07 S\$'000	(Decrease) %	01/10/08 to 31/12/08 S\$'000	01/10/07 to 31/12/07 S\$'000	(Decrease) %
	33,835	29,830	13.4%	26,635	23,998	11.0%
	(1,466)	(1,384)	5.9%	(1,408)	(1,337)	5.3%
	(1,140)	(986)	15.6%	(814)	(720)	13.1%
	(2,373)	(2,338)	1.5%	(2,211)	(2,223)	(0.5%)
	(2,884)	(2,934)	(1.7%)	(1,480)	(2,015)	(26.6%)
	(7,863)	(7,642)	2.9%	(5,913)	(6,295)	(6.1%)
	25,972	22,188	17.1%	20,722	17,703	17.1%
	5	41	(87.8%)	5	41	(87.8%)
	-	-	-	-	-	-
	(106)	(75)	41.3%	(78)	(58)	34.5%
	-	(167)	(100.0%)	-	(167)	(100.0%)
	(2,867)	(2,576)	11.3%	(2,803)	(2,527)	10.9%
	-	-	-	-	-	-
	(812)	(430)	88.8%	(684)	(328)	108.5%
	(6,278)	(5,067)	23.9%	(4,844)	(3,775)	28.3%
	(10,058)	(8,274)	21.6%	(8,404)	(6,814)	23.3%
	15,914	13,914	14.4%	12,318	10,889	13.1%
	(28,806)	473	NM	(28,578)	(4,586)	523.2%
	-	-	-	26,161	3,730	601.4%
	(160,884)	338,870	(147.5%)	(137,457)	323,652	(142.5%)
	(173,776)	353,257	(149.2%)	(127,556)	333,685	(138.2%)
	733	(2,931)	(125.0%)	-	-	-
	(173,043)	350,326	(149.4%)	(127,556)	333,685	(138.2%)
	191,118	(334,154)	(157.2%)	145,631	(317,513)	(145.9%)
	18,075	16,172	11.8%	18,075	16,172	11.8%

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 is due primarily to higher rates achieved for renewals and new leases in Singapore and higher revenue from Renhe Spring Zongbei Property. Revenue from overseas properties accounted for approximately 21% of total gross revenue for the three months ended 31 December 2008 (approximately 20% of total gross revenue for the three months ended 31 December 2007).
- (b) Property management fees comprise 3% per annum and 2% to 5% per annum of the gross revenue from the Singapore Properties and Japanese Properties respectively, and 0.8% per annum of turnover rent of the Renhe Spring Zongbei Property in China. The increase is in line with the higher gross revenue for the three months ended 31 December 2008.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

- (c) Other property expenses for the period are lower mainly due to a decrease in other property expenses from the Singapore Properties for the three months ended 31 December 2008.
- (d) Being adjustment of the initial fair value of security deposits and retention sum stated at amortised cost in accordance with Financial Reporting Standard ("FRS") 39.
- (e) Tenancy relief payments were made to tenants for the three months ended 31 December 2007 for operating under the circumstances related to the closure of the Orchard MRT linkway to Wisma Atria on 30 September 2006.
- (f) Management fees consist of the base fee, which is calculated based on 0.5% per annum of the value of the Trust Property. The higher fee is mainly in line with the higher average value of the Trust Property for the three months ended 31 December 2008.
- (g) The higher trust expenses are due to higher professional fees incurred by the Trust for the three months ended 31 December 2008.
- (h) Finance expenses are higher mainly due to refinancing costs, and include interest receivable and payable under the interest rate swaps and cross currency swap contracts.
- (i) Represented mainly the change in fair value of cross currency swaps which were entered into in relation to the acquisition of the Japanese Properties. The unrealised loss on the cross currency swaps was offset by an increase in value of the Japanese Properties due to a strengthening in foreign currency exchange rates for the three months ended 31 December 2008.
- (j) The Singapore properties were revalued at S\$1,796.7 million by CB Richard Ellis (Pte) Ltd ("CBRE") as at 31 December 2008 resulting in a revaluation loss of S\$137.5 million for the three months ended 31 December 2008. The Japanese Properties and Renhe Spring Zongbei Property were also independently revalued at Yen 14.2 billion (S\$226.4 million) and RMB 380 million (S\$80.2 million) as at 31 December 2008 by Tokyo Asset Research Co. Ltd and CB Richard Ellis Limited respectively, resulting in additional revaluation losses totaling S\$23.4 million.
- (k) Income tax expense includes withholding tax, income tax and deferred tax accrued in relation to the overseas properties. The credit balance for three months ended 31 December 2008 is caused mainly by the movement in the deferred tax liabilities arising from the downward revaluation of the overseas properties as at 31 December 2008.

Distribution Statement (4Q 2008 vs 4Q 2007)

	Notes	Group 01/10/08 to 31/12/08 S\$'000	Group 01/10/07 to 31/12/07 S\$'000	Increase / (Decrease) %	Trust 01/10/08 to 31/12/08 S\$'000	Trust 01/10/07 to 31/12/07 S\$'000	Increase / (Decrease) %
Total return after tax, before distribution		(173,043)	350,326	(149.4%)	(127,556)	333,685	(138.2%)
Non-tax deductible / (chargeable) items:							
Management fees paid / payable in units		1,446	1,314	10.0%	1,446	1,314	10.0%
Finance costs	(l)	353	306	15.4%	787	247	218.6%
Sinking fund contribution		291	291	0.0%	291	291	0.0%
Tenancy relief		-	167	(100.0%)	-	167	(100.0%)
Depreciation		297	525	(43.4%)	297	525	(43.4%)
Change in fair value of unrealised derivative instruments		28,806	(473)	NM	28,578	4,586	523.2%
Change in fair value of investment properties		160,884	(338,870)	(147.5%)	137,457	(323,652)	(142.5%)
Deferred income tax		(1,476)	2,393	(161.7%)	-	-	-
Unrealised foreign exchange gain		-	-	-	(26,161)	(3,730)	601.4%
Other items	(m)	517	193	167.9%	1,279	453	182.3%
Net overseas income not distributed to the Trust		-	-	-	1,657	2,286	(27.5%)
Income available for distribution		18,075	16,172	11.8%	18,075	16,172	11.8%

Footnotes:

- (l) Finance costs include upfront costs relating to short term refinancing.
- (m) Other items include mainly trustee's fee and other non-tax deductible costs.

NM – Not Meaningful

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

Statement of Total Return and Distribution (YTD Dec 2008 vs YTD Dec 2007)

Notes	Group	Group	Increase /	Trust	Trust	Increase /
	01/01/08 to 31/12/08	01/01/07 to 31/12/07	(Decrease)	01/01/08 to 31/12/08	01/01/07 to 31/12/07	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	127,042	102,959	23.4%	104,052	94,314	10.3%
	(5,677)	(5,459)	4.0%	(5,472)	(5,348)	2.3%
	(4,200)	(3,286)	27.8%	(3,136)	(2,829)	10.9%
	(10,378)	(9,052)	14.6%	(9,909)	(8,834)	12.2%
	(10,903)	(8,348)	30.6%	(6,607)	(7,136)	(7.4%)
	(31,158)	(26,145)	19.2%	(25,124)	(24,147)	4.0%
	95,884	76,814	24.8%	78,928	70,167	12.5%
	87	222	(60.8%)	60	222	(73.0%)
	-	-	-	2,068	-	-
	(28)	42	(166.7%)	83	(387)	(121.4%)
	-	(917)	(100.0%)	-	(917)	(100.0%)
	(11,404)	(8,843)	29.0%	(11,201)	(8,751)	28.0%
	-	-	-	-	-	-
	(3,421)	(1,460)	134.3%	(3,004)	(1,236)	143.0%
	(22,146)	(16,448)	34.6%	(16,958)	(14,036)	20.8%
	(36,912)	(27,404)	34.7%	(28,952)	(25,105)	15.3%
	58,972	49,410	19.4%	49,976	45,062	10.9%
	(34,431)	(7,983)	331.3%	(34,191)	(7,698)	344.2%
	-	-	-	34,373	3,730	821.5%
	(160,884)	448,870	(135.8%)	(137,457)	433,652	(131.7%)
	(136,343)	490,297	(127.8%)	(87,299)	474,746	(118.4%)
	(935)	(3,188)	(70.7%)	-	-	-
	(137,278)	487,109	(128.2%)	(87,299)	474,746	(118.4%)
	206,705	(428,071)	(148.3%)	156,726	(415,708)	(137.7%)
	69,427	59,038	17.6%	69,427	59,038	17.6%

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 is due primarily to higher rates achieved for renewals and new leases in Singapore, as well as a full year of contribution from its overseas properties (acquired between May to September 2007) which accounted for approximately 18% of total gross revenue for the year ended 31 December 2008 (approximately 8% of total gross revenue for the year ended 31 December 2007).
- (b) Property management fees comprise 3% per annum and 2% to 5% per annum of the gross revenue from the Singapore Properties and Japanese Properties respectively, and 0.8% per annum of turnover rent of the Renhe Spring Zongbei Property in China. The increase is in line with the higher gross revenue and a full year of property management fees payable in respect of the Japanese and China properties for the year ended 31 December 2008.
- (c) Other property expenses are higher mainly due to a full year of other property expenses from the overseas properties for the year ended 31 December 2008.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

- (d) Represents dividend income from its wholly-owned subsidiary, Top Sure Investment Limited, for the year ended 31 December 2008.
- (e) Being adjustment of the initial fair value of security deposits and retention sum stated at amortised cost in accordance with Financial Reporting Standard ("FRS") 39.
- (f) Tenancy relief payments were made to tenants for the year ended 31 December 2007 for operating under the circumstances related to the closure of the Orchard MRT linkway to Wisma Atria on 30 September 2006.
- (g) Management fees consist of the base fee, which is calculated based on 0.5% per annum of the value of the Trust Property. The higher fee is mainly in line with the higher average value of the Trust Property for the year ended 31 December 2008.
- (h) The higher trust expenses are mainly due to non-recurring strategic review costs and higher professional fees incurred by the Trust for the year ended 31 December 2008.
- (i) Finance expenses are higher due to a full year of debt costs relating to the financing of the overseas properties acquisitions as well as refinancing costs, and include interest receivable and payable under the interest rate swaps and cross currency swap contracts.
- (j) Represented mainly the change in fair value of cross currency swaps which were entered into in relation to the acquisition of the Japanese Properties. The unrealised loss on the cross currency swaps was offset by an increase in value of the Japanese Properties due to a strengthening in foreign currency exchange rates for the year ended 31 December 2008.
- (k) The Singapore properties were revalued at S\$1,796.7 million by CB Richard Ellis (Pte) Ltd ("CBRE") as at 31 December 2008 resulting in a revaluation loss of S\$137.5 million for the year ended 31 December 2008. The Japanese Properties and Renhe Spring Zongbei Property were also independently revalued at Yen 14.2 billion (S\$226.4 million) and RMB 380 million (S\$80.2 million) as at 31 December 2008 by Tokyo Asset Research Co. Ltd and CB Richard Ellis Limited respectively, resulting in additional revaluation losses totaling S\$23.4 million.
- (l) Income tax expense includes withholding tax and income tax accrued in relation to the overseas properties, offset by movement in the deferred tax liabilities, arising from the downward revaluation of the overseas properties as at 31 December 2008.

Distribution Statement (YTD Dec 2008 vs YTD Dec 2007)

	Notes	Group 01/01/08 to 31/12/08 S\$'000	Group 01/01/07 to 31/12/07 S\$'000	Increase / (Decrease) %	Trust 01/01/08 to 31/12/08 S\$'000	Trust 01/01/07 to 31/12/07 S\$'000	Increase / (Decrease) %
Total return after tax, before distribution		(137,278)	487,109	(128.2%)	(87,299)	474,746	(118.4%)
Non-tax deductible / (chargeable) items:							
Management fees paid / payable in units		5,843	4,914	18.9%	5,843	4,914	18.9%
Finance costs	(m)	2,289	910	151.5%	3,116	910	242.4%
Sinking fund contribution		1,165	1,167	(0.2%)	1,165	1,167	(0.2%)
Tenancy relief		-	917	(100.0%)	-	917	(100.0%)
Depreciation		1,562	1,700	(8.1%)	1,562	1,700	(8.1%)
Change in fair value of unrealised derivative instruments		34,431	7,983	331.3%	34,191	7,698	344.2%
Change in fair value of investment properties		160,884	(448,870)	(135.8%)	137,457	(433,652)	(131.7%)
Deferred income tax		(1,261)	2,415	(152.2%)	-	-	-
Unrealised foreign exchange gain		-	-	-	(34,373)	(3,730)	821.5%
Other items	(n)	1,792	793	126.0%	2,695	1,503	79.3%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	5,070	2,865	77.0%
Income available for distribution		69,427	59,038	17.6%	69,427	59,038	17.6%

Footnotes:

- (m) Finance costs include upfront costs relating to short term refinancing.
- (n) Other items include mainly trustee's fee and non-tax deductible costs relating to the strategic review.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

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

Balance Sheet as at 31 Dec 2008

	Notes	Group 31/12/08 S\$'000	Group 31/12/07 S\$'000	Trust 31/12/08 S\$'000	Trust 31/12/07 S\$'000
Assets					
Investment properties	(a)	2,103,278	2,208,574	1,796,700	1,932,350
Interests in subsidiaries		-	-	252,223	226,399
Plant and equipment		670	2,259	593	2,155
Intangible asset	(b)	12,613	12,613	-	-
Derivative financial instruments	(c)	8,714	1,920	8,714	1,447
Trade and other receivables		5,391	9,499	4,927	5,281
Cash and cash equivalents		32,704	42,686	4,131	19,057
Total assets		2,163,370	2,277,551	2,067,288	2,186,689
Liabilities					
Trade and other payables	(d)	(47,133)	(57,563)	(32,827)	(44,590)
Derivative financial instruments	(c)	(49,467)	(8,036)	(49,595)	(8,036)
Income tax payable		(656)	(656)	-	-
Deferred tax liabilities	(e)	(16,585)	(16,598)	-	-
Borrowings	(f)	(665,991)	(657,531)	(611,845)	(612,741)
Total liabilities		(779,832)	(740,384)	(694,267)	(665,367)
Net assets attributable to unitholders		1,383,538	1,537,167	1,373,021	1,521,322

Footnotes:

- Investment properties have decreased largely due to a downward revaluation losses of S\$160.9 million for the year ended 31 December 2008, offset by the impact from the strengthening in foreign currency exchange rates in respect of its overseas properties. The Singapore Properties, Japanese Properties and the Renhe Spring Zongbei Property were independently revalued to an aggregate amount of approximately S\$2,103.3 million as at 31 December 2008, by CB Richard Ellis (Pte) Ltd, Tokyo Asset Research Co. Ltd and CB Richard Ellis Limited respectively.
- Intangible asset represents goodwill on acquisition of Top Sure Investment Limited in August 2007. The company owns, through its wholly owned subsidiary, the Renhe Spring Zongbei Property.
- Derivative financial instruments include the fair value of the interest rate swaps, interest rate caps, cross currency swaps and foreign currency contracts taken out in relation to the acquisition of the Group's overseas properties.
- The decrease at 31 December 2008 is mainly due to the settlement of approximately S\$13.7 million payables, which forms part of the consideration for the investment properties retained under the sale & purchase agreement in respect of Wisma Atria Property.
- Deferred tax liabilities are mainly in respect of the Renhe Spring Zongbei Property and have been estimated on the basis of an asset sale at the current book value. The amount will not be payable if the investment property were sold through a sale of shares in Top Sure Investment Limited.
- Borrowings include a S\$380 million term loan, a S\$190 million term loan, S\$46.1 million drawdown from existing revolving credit facility ("RCF"), a Yen 3.1 billion (S\$49.4 million) Japanese bond and a RMB 27.5 million (S\$5.8 million) loan payable to a third party property vendor in China.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

1(b) (ii) Aggregate amount of borrowings

	Notes	Group 31/12/08 S\$'000	Group 31/12/07 S\$'000	Trust 31/12/08 S\$'000	Trust 31/12/07 S\$'000
Secured borrowings	(a)				
Amount repayable within one year		-	-	-	-
Amount repayable after one year		600,000	380,000	600,000	380,000
		600,000	380,000	600,000	380,000
Unsecured borrowings	(b)				
Amount repayable within one year		16,995	235,833	16,067	235,000
Amount repayable after one year		54,256	45,067	-	-
Total borrowings		671,251	660,900	616,067	615,000
Less: Unamortised loan acquisition expenses		(5,260)	(3,369)	(4,222)	(2,259)
Total borrowings		665,991	657,531	611,845	612,741

Footnotes:

(a) Secured

The Group has in place a secured term loan of S\$380 million with a tenure of five years (repayable on 20 September 2010) (the "Senior Facility"), as well as a two-year term loan of S\$190 million (terminating on 10 September 2010) and a two-year RCF of S\$30 million (repayable on 10 September 2010) (the "Junior Facility").

The Senior Facility and the Junior Facility are secured on the following:

- (i) A first and second legal mortgage on the Singapore Properties respectively;
- (ii) A first and second fixed charge over the Trust's rental collection, current and fixed deposit accounts respectively;
- (iii) A first and second assignment of the Trust's rights, title and interest in the property management agreement, tenancy documents and proceeds and insurance policies in relation to the Singapore Properties respectively; and
- (iv) A first and second fixed and floating charge over the assets of the Trust in relation to the Singapore Properties, agreements and collateral, as required by the financial institution granting the facilities respectively.

(b) Unsecured

The Group has a RCF of up to S\$35 million for a remaining tenure of less than one year. Currently, S\$16.1 million is outstanding under the RCF, repayable on 31 March 2009.

In addition, the Group has a five-year bond facility of Yen 3.1 billion (S\$49.4 million) maturing in May 2012, which was used to part finance the acquisition of the Japanese Properties. Whilst no security has been pledged, the bondholders have a statutory preferred right, under Japanese Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of the issuer.

The Group also has a loan of RMB 34.3 million (2007: RMB 40.0 million) from a third party property vendor, which was assumed as part of the acquisition of the Renhe Spring Zongbei Property. The carrying amount of RMB 27.5 million (S\$5.8 million) represents the discounted value of the RMB 34.3 million loan, which is interest-free and repayable in equal, annual installments, ending in August 2014. RMB 5.7 million (S\$1.2 million), representing the first installment, was repaid for the year ended 31 December 2008.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

1(c) Consolidated cash flow statement (4Q 2008 vs 4Q 2007) and (YTD Dec 2008 vs YTD Dec 2007)

	Notes	Group	Group	Group	Group
		01/10/08 to 31/12/08	01/10/07 to 31/12/07	01/01/08 to 31/12/08	01/01/07 to 31/12/07
		S\$'000	S\$'000	S\$'000	S\$'000
Operating activities					
Total return for the period before tax and distribution		(173,776)	353,257	(136,343)	490,297
Adjustments for					
Finance income		(5)	(41)	(87)	(222)
Fair value adjustment on security deposits and retention sum		106	75	28	(42)
Depreciation		330	533	1,606	1,708
Management fees paid / payable in units		1,446	1,314	5,843	4,914
Finance expense		6,278	5,067	22,146	16,448
Change in fair value of unrealised derivative instruments		28,806	(473)	34,431	7,983
Change in fair value of investment properties		160,884	(338,870)	160,884	(448,870)
Operating income before working capital changes		24,069	20,862	88,508	72,216
Changes in working capital:					
Trade and other receivables		5,782	1,596	4,087	(2,462)
Trade and other payables		(937)	(1,658)	2,332	6,030
Income tax paid		(262)	(226)	(1,956)	(226)
Cash generated from operating activities		28,652	20,574	92,971	75,558
Investing activities					
Net cash outflow on purchase of investment properties	(a)	-	-	-	(180,305)
Net cash outflows on acquisition of subsidiary	(b)	-	(202)	-	(59,859)
Retention sums paid ⁽¹⁾		(13,700)	-	(13,700)	-
Purchase of plant and equipment		-	(475)	(11)	(478)
Capital expenditure on investment properties		(184)	-	(1,977)	(698)
Interest received on deposits		7	75	108	220
Cash flows from investing activities		(13,877)	(602)	(15,580)	(241,120)
Financing activities					
Borrowing costs paid		(4,335)	(3,897)	(22,776)	(18,161)
Proceeds from borrowings		16,967	23,500	289,286	314,560
Repayment of borrowings		(16,063)	(27,500)	(289,416)	(51,500)
Distributions paid to unitholders		(17,051)	(14,650)	(66,845)	(56,799)
Cash flows from financing activities		(20,482)	(22,547)	(89,751)	188,100
Net increase / (decrease) in cash and cash equivalents		(5,707)	(2,575)	(12,360)	22,538
Cash and cash equivalents at the beginning of the period		37,100	45,441	42,686	20,122
Effects of exchange rate differences on cash		1,311	(180)	2,378	26
Cash and cash equivalents at the end of the period		32,704	42,686	32,704	42,686

⁽¹⁾ Represents the settlement of retention sum payable, which forms part of the consideration for the investment properties retained under the sale & purchase agreement in respect of Wisma Atria Property during the year ended 31 December 2008.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

Footnotes:

(a) Net cash outflow on purchase of investment properties (including acquisition costs) is set out below:

	Group 01/10/08 to 31/12/08	Group 01/10/07 to 31/12/07	Group 01/01/08 to 31/12/08	Group 01/01/07 to 31/12/07
	S\$'000	S\$'000	S\$'000	S\$'000
Investment properties	-	-	-	181,256
Cash and cash equivalents	-	-	-	1,629
Trade and other payables	-	-	-	(1,629)
Cash consideration paid	-	-	-	181,256
Cash (acquired)	-	-	-	(1,629)
Acquisition costs paid	-	-	-	678
Net cash outflow on purchase of investment properties	-	-	-	180,305

(b) Net cash outflow on acquisition of subsidiary (net of cash and cash equivalents acquired) is set out below:

	Group 01/10/08 to 31/12/08	Group 01/10/07 to 31/12/07	Group 01/01/08 to 31/12/08	Group 01/01/07 to 31/12/07
	S\$'000	S\$'000	S\$'000	S\$'000
Investment properties	-	-	-	70,636
Plant and equipment	-	-	-	56
Trade and other receivables	-	-	-	2,874
Cash and cash equivalents	-	-	-	4,184
Trade and other payables	-	-	-	(5,681)
Borrowings	-	-	-	(6,096)
Deferred tax liability	-	-	-	(14,543)
Net assets acquired	-	-	-	51,430
Goodwill on consolidation	-	202	-	12,613
Cash consideration paid	-	202	-	64,043
Cash (acquired)	-	-	-	(4,184)
Net cash outflow on acquisition of subsidiary (net of cash and cash equivalents acquired)	-	202	-	59,859

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

1(d) (i) Statement of movements in net assets attributable to Unitholders (4Q 2008 vs 4Q 2007)

	Group 01/10/08 to 31/12/08	Group 01/10/07 to 31/12/07	Trust 01/10/08 to 31/12/08	Trust 01/10/07 to 31/12/07
Notes	S\$'000	S\$'000	S\$'000	S\$'000
Net assets attributable to unitholders at the beginning of the period	1,540,971	1,201,726	1,516,182	1,200,973
Operations				
Change in net assets attributable to unitholders resulting from operations, before distributions	(173,043)	350,326	(127,556)	333,685
(Decrease)/Increase in net assets resulting from operations	(173,043)	350,326	(127,556)	333,685
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	5,054	(5,279)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	26,161	3,730	-	-
Net gain (loss) recognised directly in net assets attributable to unitholders	31,215	(1,549)	-	-
Unitholders' transactions				
Creation of units:				
- Management fees paid in units	-	-	-	-
- Management fees payable in units	1,446	1,314	1,446	1,314
Distribution to unitholders	(17,051)	(14,650)	(17,051)	(14,650)
Decrease in net assets resulting from unitholders' transactions	(15,605)	(13,336)	(15,605)	(13,336)
Net assets attributable to unitholders at the end of the period	1,383,538	1,537,167	1,373,021	1,521,322

Footnotes:

- (a) Change in net assets attributable to unitholders resulting from operations for the three months ended 31 December 2008, includes the loss in fair value of investment properties of S\$160.9 million and loss in fair value of unrealised derivative instruments of S\$28.8 million.
- (b) The movement in foreign currency translation reserve relates to the exchange differences arising on the translation of foreign controlled entities and intercompany loans that form part of the Group's net investment in the foreign entities.
- (c) There are an estimated 2,746,493 units to be issued to the Manager by 30 January 2009 as partial satisfaction of the base fee element of the management fee incurred for the three months ended 31 December 2008.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

1(d) (i) Statement of movements in net assets attributable to Unitholders (YTD Dec 2008 vs YTD Dec 2007)

	Group 01/01/08 to 31/12/08	Group 01/01/07 to 31/12/07	Trust 01/01/08 to 31/12/08	Trust 01/01/07 to 31/12/07
Notes	S\$'000	S\$'000	S\$'000	S\$'000
Net assets attributable to unitholders at the beginning of the period	1,537,167	1,098,461	1,521,322	1,098,461
Operations				
Change in net assets attributable to unitholders resulting from operations, before distributions	(137,278)	487,109	(87,299)	474,746
(Decrease)/Increase in net assets resulting from operations	(137,278)	487,109	(87,299)	474,746
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	10,278	(248)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	34,373	3,730	-	-
Net gain recognised directly in net assets attributable to unitholders	44,651	3,482	-	-
Unitholders' transactions				
Creation of units:				
- Management fees paid in units	4,397	3,600	4,397	3,600
- Management fees payable in units	1,446	1,314	1,446	1,314
Distribution to unitholders	(66,845)	(56,799)	(66,845)	(56,799)
Decrease in net assets resulting from unitholders' transactions	(61,002)	(51,885)	(61,002)	(51,885)
Net assets attributable to unitholders at the end of the period	1,383,538	1,537,167	1,373,021	1,521,322

Footnotes:

- Change in net assets attributable to unitholders resulting from operations for the year ended 31 December 2008, includes the loss in fair value of investment properties of S\$160.9 million and loss in fair value of unrealised derivative instruments of S\$34.4 million.
- The movement in foreign currency translation reserve relates to the exchange differences arising on the translation of foreign controlled entities and intercompany loans that form part of the Group's net investment in the foreign entities.
- There are an estimated 2,746,493 units to be issued to the Manager by 30 January 2009 as partial satisfaction of the base fee element of the management fee incurred for the three months ended 31 December 2008.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

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

	Group and Trust 01/10/08 to 31/12/08	Group and Trust 01/10/07 to 31/12/07	Group and Trust 01/01/08 to 31/12/08	Group and Trust 01/01/07 to 31/12/07
Notes	Units	Units	Units	Units
Issued units at the beginning of the period	955,222,043	950,279,963	951,328,908	947,375,680
Management fees issued in units (base fee)	2,711,568	1,048,945	6,604,703	3,872,267
Management fees issued in units (performance fee)	-	-	-	80,961
Issued units at the end of the period	957,933,611	951,328,908	957,933,611	951,328,908
Management fees payable in units to be issued (base fee) (a)	2,746,493	1,188,409	2,746,493	1,188,409
Management fees payable in units (performance fee) (b)	-	-	-	-
Total issued and issuable units at the end of the period	960,680,104	952,517,317	960,680,104	952,517,317

Footnotes:

- (a) There are an estimated 2,746,493 units to be issued to the Manager by 30 January 2009 as partial satisfaction of the base fee element of the management fee incurred for the three months ended 31 December 2008.
- (b) There is no performance fee for the three months ended 31 December 2008 or for the year ended 31 December 2008 as performance is below the benchmark index.

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.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

Yes.

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.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

6 Consolidated earnings per unit ('EPU') and distribution per unit ('DPU') for the financial period

	Notes	Group 01/10/08 to 31/12/08	Group 01/10/07 to 31/12/07	Group 01/01/08 to 31/12/08	Group 01/01/07 to 31/12/07
Weighted average number of units	(a)	957,108,731	950,999,778	954,388,349	949,538,604
Earning (loss) per unit for the period based on the weighted average number of units in issue (cents)	(b)	(18.08)	36.84	(14.38)	51.30
Number of units issued and issuable at end of period		960,680,104	952,517,317	960,680,104	952,517,317
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	(c)	1.85	1.68	7.17	6.19
Distribution per unit for the period based on the total number of units entitled to distribution including performance fee units (cents)		1.85	1.68	7.17	6.19

Footnotes:

- (a) (i) The actual weighted average number of units used for computation of EPU for the three months ended 31 December 2008 is 957,108,731 and has been calculated on a time-weighted basis. This comprises the weighted average number of units in issue of 957,078,878 and the weighted average number of units issuable to the Manager of 29,853.
- (ii) The actual weighted average number of units used for computation of EPU for the year ended 31 December 2008 is 954,388,349 and has been calculated on a time-weighted basis. This comprises the weighted average number of units in issue of 954,380,845 and the weighted average number of units issuable to the Manager of 7,504.
- (b) The earning (loss) per unit include:
- (i) Loss in fair value of investment properties of S\$160.9 million and loss in fair value of unrealised derivative instruments of S\$28.8 million for the three months ended 31 December 2008; and
- (ii) Loss in fair value of investment properties of S\$160.9 million and loss in fair value of unrealised derivative instruments of S\$34.4 million for the year ended 31 December 2008
- (c) The computation of DPU is based on number of units entitled to distributions comprising:
- (i) The number of units in issue as at 31 December 2008 of 957,933,611;
- (ii) The estimated number of units issuable to the Manager as partial satisfaction of management fee incurred for the three months ended 31 December 2008 of 2,746,493.

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

	Notes	Group 31/12/08	Group 31/12/07	Trust 31/12/08	Trust 31/12/07
Net asset value per unit (S\$)	(a)	1.44	1.61	1.43	1.60

Footnotes:

- (a) The number of units used for computation of NAV per unit is 960,680,104. This comprises:
- (i) The number of units in issue as at 31 December 2008 of 957,933,611;
- (ii) The estimated number of units issuable to the Manager as partial satisfaction of management fee (base fee) incurred for the three months ended 31 December 2008 of 2,746,493.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

8 Review of the performance Consolidated Statement of Total Return and Distribution (4Q 2008 vs 4Q 2007) and (YTD Dec 2008 vs YTD Dec 2007)

	Group 01/10/08 to 31/12/08	Group 01/10/07 to 31/12/07	Increase / (Decrease)	Group 01/01/08 to 31/12/08	Group 01/01/07 to 31/12/07	Increase / (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	33,835	29,830	13.4%	127,042	102,959	23.4%
Property expenses	(7,863)	(7,642)	2.9%	(31,158)	(26,145)	19.2%
Net property income	25,972	22,188	17.1%	95,884	76,814	24.8%
Non property expenses	(10,058)	(8,274)	21.6%	(36,912)	(27,404)	34.7%
Net income before tax	15,914	13,914	14.4%	58,972	49,410	19.4%
Change in fair value of unrealised derivative instruments	(28,806)	473	NM	(34,431)	(7,983)	331.3%
Change in fair value of investment properties	(160,884)	338,870	(147.5%)	(160,884)	448,870	(135.8%)
Total return for the period before tax and distribution	(173,776)	353,257	(149.2%)	(136,343)	490,297	(127.8%)
Income tax expense	733	(2,931)	(125.0%)	(935)	(3,188)	(70.7%)
Total return for the period after tax, before distribution	(173,043)	350,326	(149.4%)	(137,278)	487,109	(128.2%)
Non tax deductible/(chargeable) items and other adjustments	191,118	(334,154)	(157.2%)	206,705	(428,071)	(148.3%)
Income available for distribution	18,075	16,172	11.8%	69,427	59,038	17.6%

Gross revenue was higher due primarily to higher rates achieved for renewals and new leases in Singapore and higher revenue from Renhe Spring Zongbei Property. Revenue from overseas properties accounted for approximately 21% (Q4 2007: 20%) of total gross revenue for the three months ended 31 December 2008. Property expenses were also higher mainly due to increase in other property expenses and property management fees from its overseas properties.

The unrealised loss on the derivative instruments for the three months ended 31 December 2008 of S\$28.8 million represented the change in fair value of interest rate swaps, interest rate caps and cross currency swaps which were entered into in relation to the overseas properties. The unrealised loss on the cross currency swaps was offset by an increase in value of the overseas properties due to a strengthening in foreign currency exchange rates during the period.

Total return for the period before tax and distribution for the three months ended 31 December 2008 was a loss of S\$173.8 million, which was mainly due to the revaluation losses of S\$160.9 million (Q4 2007: revaluation gain of S\$338.9 million) from the investment properties as at 31 December 2008 and unrealised loss on the derivative instruments of S\$28.8 million (Q4 2007: unrealised gain of S\$0.5 million) during the period.

Income available for distribution for the three months ended 31 December 2008 was S\$18.1 million, 11.8% above the previous comparative period. This increase is largely contributed from overall stronger performance of the Singapore Properties and Renhe Spring Zongbei Property in China during the period.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

9 Variance between forecast and the actual results

The Trust has not disclosed any forecast to the market.

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

Singapore's economy contracted 12.5% quarter-on-quarter in 4Q 2008, with full year 2008 GDP growth at 2.6%. Full year 2009 growth is estimated at between -5% to -2%¹. Retail supply along Orchard Road is expected to increase by 36% in 2009 alone². Rents for prime Orchard Road retail space is expected to fall by as much as 13% in 2009³. According to a report by CB Richard Ellis, after rising steadily for nearly four years, average Grade A and prime office rental values in Singapore are estimated to have dropped about 20 per cent in the fourth quarter of 2008 over the preceding quarter. With this decline in 4Q 2008, the estimated fall in rentals for the whole year is around 13 per cent for Grade A space and 14 per cent for prime space.

China's gross domestic product in the first 9 months of 2008 grew 12.2% year-on-year. According to China's State Information Centre, China's GDP is likely to slow to 8-9% for the full year 2009 mainly due to slowing export growth⁴.

According to a report by Barclay's Capital, Japan's gross domestic product has likely shrunk in the October-December 2008 quarter by 12.1 percent on an annualised basis, in what would be its sharpest contraction in 34 years⁵.

Outlook for the next 12 months

Retail sales are expected to be affected in Singapore, Japan and China given the slowdown in the worldwide economic conditions. This is likely to put a downward pressure on rents. However, the Singapore's retail assets which contribute the bulk of Starhill Global REIT's revenue have mitigating measures such as Toshin's long master lease for the bulk of retail space in Ngee Ann City, and a staggered lease term expiry profile. Average prime office rents may fall from \$14.80 psf per month in 2008 to \$12.00 psf per month in 2009 due to various factors such as the completion of an estimated additional 2.7 million sq ft of office space by 2010, and the general weak economic outlook for 2009 which is expected to dampen demand for office space⁶.

On 26 December 2008, the parent company of the local asset and property managers of Starhill Global REIT's Japan portfolio commenced the civil rehabilitation process. On 16 January 2009, the parent company assigned 100% of its interest in Future Revolution, the property manager and master lessee to a non-related party, Hexagon Capital Partners. While this is a positive development, the Manager will closely monitor the situation in close consultation with its legal advisors and will take necessary actions to further mitigate Starhill Global REIT's risk exposure.

Sources

1. <http://app.mti.gov.sg/default.asp?id=148&articleID=17221>
2. CBRE Singapore Real Estate Research Report 3rd Quarter 2008
3. Business Times 27 Dec 2008 "Retail rents expected to fall in 2009"
4. http://www.straitstimes.com/Breaking%2BNews/Money/Story/STIStory_322112.html
5. <http://www.fxstreet.com/news/forex-news/article.aspx?StoryId=55afd63a-1ebd-4d79-9ecb-dfb77da9dfec>
6. Cushman & Wakefield, Jan 2009 "Time to Go Shopping for Singapore Office Space"

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: Fourth quarter distribution for the period from 1 October 2008 to 31 December 2008.

Distribution rate: 1.85 cents per unit

Distribution type:

Type	Cents
Taxable income component	1.73
Capital component	0.12
Total	1.85

Par value of units: NA

Tax rate: Taxable income component

Taxable income distributions are made out of the Trust's taxable income. 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).

Capital component

The capital component of the distribution represents a return of capital to 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 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.

(b) Corresponding period of the immediately preceding financial period

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: Fourth quarter distribution for the period from 1 October 2007 to 31 December 2007.

Distribution rate: 1.68 cents per unit

**Financial Statements Announcement
For The Quarter and Financial Year Ended 31 December 2008**

Distribution type:

Type	Cents
Taxable income component	1.49
Capital component	0.19
Total	1.68

Par value of units: NA

Tax rate: Taxable income component

Taxable income distributions are made out of the Trust's taxable income. 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).

Capital component

The capital component of the distribution represents a return of capital to 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 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.

Footnotes:

NA – Not applicable

(c) Date payable: 27 February 2009

(d) Books Closure Date: 9 February 2009

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

Not applicable

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

13 Segmented revenue and results for business or geographical segments (of the Group) 2008

Business segments:

	Wisma Atria Property (Singapore) 2008 S\$'000	Ngee Ann City Property (Singapore) 2008 S\$'000	Japan Properties (Tokyo, Japan) 2008 S\$'000	Renhe Spring Zongbei Property (Chengdu, China) 2008 S\$'000	Total 2008 S\$'000
Property income and expenses					
Gross revenue	53,316	50,736	9,157	13,833	127,042
Property operating expenses	(14,825)	(10,300)	(1,438)	(4,595)	(31,158)
Net property income	38,491	40,436	7,719	9,238	95,884
Interest income					87
Accretion of tenancy deposits and retention sum stated at amortised cost					(28)
Non-property expenses					(14,825)
Borrowing costs					(22,146)
Change in fair value of derivative instruments - unrealised					(34,431)
Change in fair value of investment properties					(160,884)
Income tax expense					(935)
Total return for the year					(137,278)
Assets and liabilities					
Segment assets	853,354	947,603	226,486	94,302	2,121,745
Unallocated assets					41,625
Total assets					2,163,370
Segment liabilities	(18,844)	(10,274)	(5,115)	(9,191)	(43,424)
Unallocated liabilities					(736,408)
Total liabilities					(779,832)
Other segmental information					
Capital expenditure	1,015	791	171	11	1,988
Depreciation	1,562	-	-	44	1,606
Change in fair value of investment properties	(52,665)	(84,791)	(21,318)	(2,110)	(160,884)

Geographical segments:

As at 31 December 2008, the Group's operations and its identifiable assets are located in Singapore (represented by Wisma Atria Property and Ngee Ann City Property, Tokyo (represented by 7 properties in Japan) and Chengdu (represented by Renhe Spring Zongbei Property in China). Accordingly, no geographical segmental analysis is separately presented.

Financial Statements Announcement For The Quarter and Financial Year Ended 31 December 2008

13 Segmented revenue and results for business or geographical segments (of the Group) 2007

Business segments:

	Wisma Atria Property (Singapore) 2007 S\$'000	Ngee Ann City Property (Singapore) 2007 S\$'000	Japan Properties (Tokyo, Japan) 2007 S\$'000	Renhe Spring Zongbei Property (Chengdu, China) 2007 S\$'000	Total 2007 S\$'000
Property income and expenses					
Gross revenue	51,370	42,944	3,987	4,658	102,959
Property operating expenses	(15,143)	(9,004)	(557)	(1,441)	(26,145)
Net property income	36,227	33,940	3,430	3,217	76,814
Interest income					222
Accretion of tenancy deposits and retention sum stated at amortised cost					42
Non-property expenses					(11,220)
Borrowing costs					(16,448)
Change in fair value of derivative instruments - unrealised					(7,983)
Change in fair value of investment properties					448,870
Income tax expense					(3,188)
Total return for the year					487,109
Assets and liabilities					
Segment assets	906,825	1,030,582	201,213	94,090	2,232,710
Unallocated assets					44,841
Total assets					2,277,551
Segment liabilities	(31,369)	(9,370)	(3,920)	(8,975)	(53,634)
Unallocated liabilities					(686,750)
Total liabilities					(740,384)
Other segmental information					
Capital expenditure	1,121	-	-	55	1,176
Depreciation	1,700	-	-	8	1,708
Change in fair value of investment properties	150,755	282,897	7,345	7,873	448,870

Geographical segments:

As at 31 December 2007, the Group's operations and its identifiable assets are located in Singapore (represented by Wisma Atria Property and Ngee Ann City Property, Tokyo (represented by 7 properties in Japan) and Chengdu (represented by Renhe Spring Zongbei Property in China). Accordingly, no geographical segmental analysis is separately presented.

14 In the review of performance, the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Section 8 for the review of actual performance.

**Financial Statements Announcement
For The Quarter and Financial Year Ended 31 December 2008**

15 Breakdown of sales

	Group 01/01/08 to 31/12/08	Group 01/01/07 to 31/12/07	Increase / (Decrease)
	S\$'000	S\$'000	%
Gross revenue report for first half year	60,619	47,011	28.9%
Total return after tax for the first half year	33,801	134,237	(74.8%)
Gross revenue report for second half year	66,423	55,948	18.7%
Total return after tax for the second half year	(171,079)	352,872	(148.5%)

16 Breakdown of total distribution for the financial year ended 31 December 2008

	Group 01/01/08 to 31/12/08	Group 01/01/07 to 31/12/07
	S\$'000	S\$'000
1 January to 31 March	16,004	13,941
1 April to 30 June	16,787	13,954
1 July to 30 September	17,003	14,254
1 October to 31 December	17,051	14,650

The amounts shown above are based on actual distributions paid to unitholders during the respective periods.

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 PACIFIC STAR REIT MANAGEMENT LIMITED
AS MANAGER OF STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST**

Patricia Ong
Joint Company Secretary
30 January 2009