

Media release by: YTL Pacific Star REIT Management Limited (YTL Pacific Star)
Manager of: Starhill Global Real Estate Investment Trust (Starhill Global REIT)

Embargoed until after 5.05 pm

STARHILL GLOBAL REIT PROPOSES TO ACQUIRE DAVID JONES BUILDING IN PERTH FOR S\$148.0 MILLION

**And enters into heads of agreement to acquire Starhill Gallery and Lot 10 in
Malaysia for S\$423.3 million**

HIGHLIGHTS

- Total portfolio size to grow to S\$2.5 billion
- Extension of 'globalisation' aspiration through geographical diversification

SINGAPORE, 18 November 2009 – YTL Pacific Star, the Manager of Starhill Global REIT today announced that Starhill Global REIT proposes to acquire David Jones Building, a retail property located in central Perth, Australia for A\$114.5 million (approximately S\$148.0 million) from Centro, a fully integrated real estate company based in Australia, via a special purpose unit trust structure established in Australia. A heads of agreement has also been entered into with the trustee of Starhill REIT of Malaysia, to indirectly acquire Starhill REIT's interests in Starhill Gallery and Lot 10 Shopping Centre ("**Lot 10**") on Bukit Bintang, Kuala Lumpur's main shopping street, through an asset backed securitisation ("**ABS**") structure, for a total consideration of RM1,030 million (approximately S\$423.3 million).

David Jones Building is located in the epicentre of the Perth CBD and enjoys dual frontage to Hay Street and Murray Street, the only two retail pedestrian malls in the city. The building is also linked seamlessly to another major department store via a covered walkway on the first floor. The four-level property, which includes a heritage-listed building constructed circa 1910 that was formerly the Savoy Hotel, is anchored

YTL Pacific Star REIT Management Limited

CRN 200502123C

Manager of Starhill Global REIT, 391B Orchard Road, Tower B #21-08 Ngee Ann City, Singapore 238874

Tel: +65 6835 8633 Fax: +65 6835 8644 www.ytlpacificstar.com



by the popular David Jones department store and six other speciality tenancies. David Jones, which has a lease in the building until October 2032, occupies approximately 22,903 sq m or 95% of the total gross lettable area (GLA) and accounts for 75% of the annual gross rental.

Starhill Gallery and Lot 10 are prime retail properties strategically located in the heart of Kuala Lumpur's "Golden Triangle". The two properties, comprising total net lettable area of 554,165 sq ft, will be acquired via an ABS structure. A bankruptcy-remote special purpose vehicle incorporated in Malaysia ("**ABS SPV**"), will issue Senior Medium Term Notes ("**MTNs**"), Junior MTNs and non-redeemable preference shares ("**NRPS**"). Starhill Global REIT via its wholly-owned subsidiary, SG REIT (M) Pte. Ltd., will subscribe to all of the Junior MTNs and NRPS. Under the heads of agreement, Katagreen Development Sdn Bhd, an indirect wholly-owned subsidiary of YTL Corporation Berhad, will be the master lessee in both properties with a tenure of 3+3+3 years. The lease would be automatically renewed for the second term and both the ABS SPV and Katagreen Development Sdn Bhd will have a put and call option respectively to extend the lease upon expiry of the second term. The master lease will incorporate a step-up rental feature every three years.

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Pacific Star, said, "We are very pleased with our first proposed investment in Australia as the David Jones Building will be a good fit to our current portfolio of quality assets in prime locations. Our long-term vision for Starhill Global REIT to be the main YTL-linked vehicle for ownership of prime retail/commercial properties will be further realised through its acquisition of the two centrally located quality Malaysian assets. With these proposed acquisitions, Starhill Global REIT's total portfolio size will grow to S\$2.5 billion, further extending Starhill Global REIT's globalisation aspirations, while diluting our geographical concentration risks."

In his capacity as Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of Starhill REIT, Tan Sri Dato' (Dr) Francis Yeoh said in Starhill REIT's press release today that following the transaction, the Malaysia-listed REIT will be transformed into a pure-play vehicle for hotel and hospitality related assets.

Mr Franklin Heng, Chief Executive Officer of YTL Pacific Star, said, "Capitalisation rates for assets in Australia are near an all time high in the past decade, indicating that the Australian property cycle is near a trough. However, yields of prime assets in the Perth CBD have remained reasonably stable given the short supply. The cap rate of 7.9% for the David Jones Building is attractive compared to the long-term average cap rate of 7.7% for prime retail assets in Perth. Moreover, the long-term lease with David Jones provides a resilient, stable and recurring income, with the benefit of rental upside from a rent review every

three years. The leases with the other well-established specialty tenants also have an annual rent increase component. The heritage-listed building adds to the character of the David Jones Building. Following completion of the acquisition, we would propose the appointment of a heritage specialist to review asset enhancement options for more optimal utilisation of space in the property.”

He added, “There are tremendous synergistic benefits to be reaped between our Singapore assets and the Malaysia assets in terms of retail management and economies of scale. YTL Corporation has completely transformed and repositioned Starhill Gallery and Lot 10 into successful retail centres in recent years. For both deals, we look forward to working with excellent retail operators who have exemplary track records. The master and long term lease arrangements will underpin the stable revenue stream for Starhill Global REIT, while allowing us to tap on the retail management expertise of the key lessees.”

The proposed Australian acquisition is expected to be completed in January 2010 and will be funded by a combination of debt and proceeds raised from Starhill Global REIT’s recent rights issue. The acquisition is expected to be accretive to Starhill Global REIT’s distribution per unit (“DPU”). The pro forma financial effect of the acquisition on the DPU for the financial year ended 31 December 2008 is an additional 0.22 Singapore cents per unit.

With the signing of the heads of agreement for the acquisition of the properties in Malaysia, both parties agree that they shall negotiate in good faith and use their best efforts to finalise the definitive agreements in relation to the properties. Further details will be announced at the appropriate time in due course.

About David Jones Building

The David Jones Building and former Savoy Hotel sit on a freehold site of approximately 6,640 sq m in the epicenter of the bustling Murray Street and Hay Street. Located a few minutes’ walk from the Perth Central train station, the property was redeveloped in 2002 and comprises a four-level retail shopping complex, featuring a David Jones department store and six specialty tenancies, with a total GLA of about 24,076 sq m. As at 31 October 2009, the property enjoys 100% occupancy.

David Jones Limited, colloquially known as DJs, is an up-market Australian-listed operator of some 37 premium department stores across the country. David Jones was founded in 1838 by David Jones, a

Welsh immigrant, and is claimed to be the oldest continuously operating department store in the world still trading under its original name. The six specialty tenants in the David Jones Building are well-established local brands including The Merchant Tea & Co, Jean West, Pandora, Zu and century-old brands Colorado and Betts & Betts.

About the Western Australia retail sector

Retail trade in Western Australia has grown at remarkable levels over the past few years as employment grew along with household incomes. Consumer confidence is improving as the economy is starting to pick up. A recent increase in interest rates shows that consumer confidence should improve through 2011 to 2012 and return to more reasonable levels of growth beyond that. The strong population growth should keep Western Australia retail growth stronger than other parts of Australia. Western Australia has been one of the key performers behind the country's strong economic growth in recent years with a 10-year average compounded annual growth rate of 4.4% compared with 3.5% for Australia in general. The medium to long-term economic outlook for Western Australia remains strong, despite the current global economic downturn.

About Starhill Gallery and Lot 10

Both properties are landmarks in Kuala Lumpur, strategically located in the Jalan Bukit Bintang area which forms part of the city's "Golden Triangle". Jalan Bukit Bintang is one of Kuala Lumpur's main tourist hubs, popularly known as "Bintang Walk", and attracts a large number of tourists all year-round. Both Starhill Gallery and Lot 10 enjoy high occupancy levels, reflecting the demand for high quality space at prominent locations. As at 30 June 2009, Starhill Gallery and Lot 10 had occupancy rates of 96.4% and 86.4% respectively. The properties are tenanted by high profile, international brand names and prominent local retailers. Lot 10 was recently repositioned to appeal to young urbanites with the addition of new tenants including the soon-to-be opened Debenhams flagship store, The Actors' Studio, Timberland and an Apple store.

About the Malaysia retail sector

The retail sector is one of the most active sub-sectors in the Malaysian economy, contributing approximately 14.7% to total GDP in 2008 and is expected to increase to 15.2% by 2009, supported by higher consumer spending, stable employment and the strong tourism industry. Tourist arrivals to Malaysia for the first eight months of 2009 increased 4.4% to 15.4 million visitors, driven by a jump of 13% in Singapore visitors, buoyed by the attractive conversion rates between the two currencies and the proliferation of budget flight services.

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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\$2.0 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 for more details.*

Media, Analyst and Investor Contact:

Ms Mok Lai Siong

YTL Pacific Star REIT Management Limited

Tel: (65) 6835 8693

Mobile: (65) 9791 8900

Email: mok.laisiong@ytlpacificstar.com

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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.

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