

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

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

## STARHILL GLOBAL REIT ACHIEVES 2.0% HIGHER INCOME TO BE DISTRIBUTED IN 1Q 2010

*Gross revenue up 9.6% and NPI up 7.7% primarily due to contribution from the newly acquired David Jones Building*

**SINGAPORE, 26 April 2010** – YTL Pacific Star today announced that Starhill Global REIT's 1Q 2010 income to be distributed was S\$18.4 million, 2.0% higher than that of S\$18.0 million in 1Q 2009. Distribution Per Unit (DPU) (post-rights) for the period 1 January to 31 March 2010 was 0.95 cents, 2.2% higher compared to the restated 0.93 cents<sup>1</sup> achieved for the previous corresponding period. On an annualised basis, the latest distribution represents a yield of 6.88%<sup>2</sup>.

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

	1Q 2010	1Q 2009	% Change
Gross revenue (S\$ million)	37.6	34.3	9.6
Net property income (S\$ million)	29.1	27.1	7.7
Income available for distribution (S\$ million) <sup>3</sup>	18.7	19.1	(1.8)
Income to be distributed (S\$ million) <sup>3</sup>	18.4	18.0	2.0
<b>DPU (cents) (pre-rights)</b>	<b>N/A</b>	<b>1.87</b>	<b>N/A</b>
<b>DPU (cents) (post-rights)<sup>1</sup></b>	<b>0.95</b>	<b>0.93</b>	<b>2.2</b>
<b>Annualised DPU (cents)</b>	<b>3.85</b>	<b>3.77</b>	<b>2.1</b>

Gross revenue in 1Q 2010 was S\$37.6 million, 9.6% higher than that achieved in 1Q 2009. Net property income was higher at S\$29.1 million, an increase of 7.7% over 1Q 2009, mainly attributed to contribution

<sup>1</sup> 1Q 2009 DPU has been restated to include 963,724,106 rights units.

<sup>2</sup> Based on the closing unit price of S\$0.560 on 31 March 2010.

<sup>3</sup> Approximately S\$0.3 million of income available for distribution for the quarter ended 31 March 2010 has been retained to satisfy certain legal reserve requirements in China and for working capital and capital expenditure purposes.

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from the newly acquired David Jones Building in Australia, partially offset by weaker performance from the Japan properties.

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Pacific Star, said, "We continue to be moderately optimistic on the performance of our portfolio of retail malls with the general improvement in business sentiment in most of the markets that we operate. Our Singapore properties, Wisma Atria and Ngee Ann City, continue to anchor the portfolio, contributing 75.5% of total revenue during the quarter. Despite the opening of new malls and increased competition along Orchard Road, shopper traffic at Wisma Atria was 6.5 million for the quarter, an increase of 88.0% compared to the year ago. The well-timed acquisition of David Jones building in Perth has allowed us to count another quality mall in our portfolio of prime retail assets and provides Starhill Global REIT with enhanced geographical diversification. Acquired at a cap rate of 7.9%, the David Jones Building was immediately accretive, contributing to 7.1% of total revenue during the quarter. The mall will provide Starhill Global REIT with strong and stable recurring income, with the benefit of rental upside from a rent review every three years until October 2032.

"The Board is pleased to welcome Mr. Ho Sing onboard as Chief Executive Officer of YTL Pacific Star to take Starhill Global REIT to the next stage of its growth cycle. Mr. Ho comes with excellent credentials and a wealth of management, leadership and global investment experience. Mr. Ho is a great addition to an already strong management team and will assist the Executive Chairman and the Board in the formulation of business, investment and operational strategies for Starhill Global REIT and the implementation of these strategies, including overseeing investment and asset management strategies. Mr. Ho will also work closely with the Board to bring to fruition the strategic initiatives that will deliver long-term superior returns to our Unitholders."

### **Update on capital management**

In April 2010, Starhill Global REIT received a committed 3 and/or 5 year fully underwritten bank facility proposal of up to S\$620.0 million. The said facility will be utilized to refinance Starhill Global REIT's existing debt obligations and to meet working capital requirements. Starhill Global REIT's outstanding debt was S\$702.3 million as of 31 March 2010, of which S\$570.0 million or 81.2% matures in September 2010.

As of 1Q 2010, Starhill Global REIT has a prudent gearing of 29.3% and its interest cover ratio stood at a robust 4.6 times. Moody's and Standard & Poor's have accorded Starhill Global REIT corporate family ratings of 'Baa2' and 'BBB' respectively. As part of a continuing review of its corporate rating needs, Starhill Global REIT has decided to retain the rating services of Standard & Poor's only.

### **Update on Properties**

Starhill Global REIT's Singapore portfolio contributed 75.5% of total gross revenue, or S\$28.4 million in 1Q 2010. This is an increase of 3.2% over the corresponding period in 1Q 2009. The Singapore portfolio's Net Property Income for 1Q 2010 was S\$22.5 million, 1.2% higher than in 1Q 2009. In 1Q 2010, committed occupancy for our retail space was 99.3% despite the increased competition arising from the opening of new malls.

Renhe Spring Zongbei in Chengdu, China contributed 11.1% of total gross revenue and continued to enjoy 100% occupancy over the quarter. In 1Q 2010, the department store's revenue was S\$4.2 million, slightly higher than in 1Q 2009 by 0.5%. Net Property Income for 1Q 2010 was S\$2.5 million, 3.9% lower than in 1Q 2009, due mainly to the weakening of the RMB.

The David Jones Building in Perth, Australia was acquired in January 2010 and contributed 7.1% of total gross revenue, or S\$2.7 million in 1Q 2010. Net Property Income for 1Q 2010 was S\$2.2 million. As at 31 March 2010, the building enjoys 100% occupancy with David Jones department store and six other specialty tenants.

In 1Q 2010, Starhill Global REIT's Japan portfolio contributed 6.3%, or S\$2.4 million of gross revenue. The Japan portfolio's Net Property Income for 1Q 2010 was S\$1.9 million, 14.0% lower than in 1Q 2009. Overall occupancy for the seven properties was 88.6% for the quarter reflecting the weak retail sentiment in Japan. On 1 December 2009, the Group's special purpose vehicle, Starhill Global ML K.K. assumed the role of master lessee of the Japan portfolio.

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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 Securities Trading Limited (“SGX-ST”) on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 11 properties in Singapore, China, Japan and Australia, valued at about S\$2.1 billion.*

*These include a 74.23% strata title interest in Wisma Atria and a 27.23% strata title interest in Ngee Ann City in Singapore, full ownership of a premier retail property in Chengdu, China, seven properties in the prime areas of Tokyo, Japan and the recently acquired David Jones Building in Perth, Australia. In November 2009, Starhill Global REIT also announced plans to acquire Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia. 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 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.*

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### **Important Notice**

The value of Starhill Global REIT units (“Units”) and the income derived from them may fall or 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.