



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

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

## STARHILL GLOBAL REIT REPORTS 38.7% INCREASE IN 3Q 2010 REVENUE

### HIGHLIGHTS

- Strong performance primarily due to first quarterly contribution from Starhill Gallery and Lot 10
- 3Q 2010 DPU of 1.00 cent is 9.9% above 2Q 2010 and 5.3% higher than 3Q 2009
- On an annualized basis, 3Q 2010 DPU represents a yield of 6.84%<sup>1</sup>
- Prudent gearing level of 31% with a post refinancing weighted average debt maturity of 3.4 years

**SINGAPORE, 26 October 2010** – YTL Starhill Global today announced that Starhill Global REIT's 3Q 2010 revenue was S\$45.2 million, 38.7% higher than that achieved in 3Q 2009. Net property income was higher at S\$35.8 million, representing an increase of 37.0% over 3Q 2009, mainly attributed to contribution from the recently acquired Starhill Gallery and Lot 10 in Malaysia, and David Jones Building in Australia.

Income to be distributed to Unitholders in 3Q 2010 was S\$19.4 million, 5.8% higher than that of S\$18.4 million in 3Q 2009. Distribution Per Unit (DPU) for the period 1 July 2010 to 30 September 2010 was 1.00 cent, 5.3% higher compared to the 0.95 cents achieved for the previous corresponding period. On an annualised basis, the latest distribution represents a yield of 6.84%<sup>1</sup>.

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<sup>1</sup> Based on closing unit price of S\$0.58 on 30 September 2010.

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

	3Q 2010	3Q 2009	% Change
Revenue (S\$ million)	45.2	32.6	38.7
Net property income (S\$ million)	35.8	26.1	37.0
Income available for distribution (S\$ million)	22.4	18.5	21.0
Income to be distributed to Unitholders (S\$ million) <sup>2</sup>	19.4	18.4	5.8
Income to be distributed to CPU holders (S\$ million)	2.5	-	n/m
<b>DPU (cents)</b>	<b>1.00</b>	<b>0.95</b>	<b>5.3</b>
<b>Annualised DPU (cents)</b>	<b>3.97</b>	<b>3.77</b>	<b>5.3</b>

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Starhill Global, said, "Our endeavours to grow Starhill Global REIT and create value for our stakeholders have led us to complete three quality acquisitions in 1H 2010 and diversify geographically into the best one-third retail stretch in two key cities – Perth, Australia and Kuala Lumpur, Malaysia."

Mr Ho Sing, CEO of YTL Starhill Global, said, "DPU for 3Q 2010 was 1.00 cent, up 9.9% from 0.91 cents in 2Q 2010, mainly due to the first quarterly contributions from Starhill Gallery and Lot 10. With the inclusion of the Malaysian properties, retail contributed 87% of our portfolio's 3Q 2010 revenue, up from 84% in the previous quarter. This increase provides our portfolio with a stronger revenue mix supported by the relatively robust retail sector."

"Orchard Road office rents have transitioned to a phase of gradual recovery and are supported by strong demand from prospective tenants in the retail and services sectors. The retail market continues to benefit from growing tourist numbers, drawn by Singapore's two integrated resorts, the inaugural Youth Olympic Games, the Formula 1 Singapore Grand Prix and the continued strength of the Asian economy. Our continued efforts to refresh the tenant mix in the basement and first floor of Wisma Atria have increased shopper traffic to the mall. For the first nine months of 2010, shopper traffic at Wisma Atria was 19.1 million, an increase of 33% compared to 14.4 million for the same period in 2009."

<sup>2</sup> Approximately S\$0.5 million of income available for distribution for the quarter ended 30 September 2010 has been retained to satisfy certain legal reserve requirements in China and for working capital requirements.

### **Proactive capital management**

In 3Q 2010, Starhill Global REIT completed the refinancing of S\$570 million secured debt with proceeds from (a) S\$496 million secured 3-year loan facilities (including a S\$50 million RCF available for working capital purposes) from a syndicate of five banks, and (b) the issuance of S\$124 million 3.405% unsecured Series 001 Notes due 2015 under the Group's S\$2,000,000,000 Multicurrency Medium Term Notes Programme. As at 30 September 2010, Starhill Global REIT's outstanding debt was S\$844.7 million and post refinancing, the weighted debt maturity profile has been extended to approximately 3.4 years. Starhill Global REIT's gearing level remains prudent at 31.0% and its interest cover ratio stood at a robust 4.0 times. The weighted average effective interest rate as at 30 September 2010 was 3.50% per annum.

### **Update on management fees**

On 28 October 2009, YTL Starhill Global announced its decision to receive 100% of the Manager's management fee in cash for year 2010. To minimize the long term dilutive effect of additional management fee units, the Manager has elected to continue receiving 100% of its management fee in cash. Starhill Global REIT's IPO prospectus states that the Manager may opt to receive the management fee in cash or units after 2006.

### **Review of portfolio performance**

Starhill Global REIT's portfolio now includes 13 prime properties across five countries valued at approximately S\$2.6 billion. The geographic breakdown of the portfolio by asset value as at 30 September 2010 was as follows: Singapore 66.3%, Malaysia 17.2%, Japan 7.4%, Australia 6.0%, and China 3.1%. With Starhill Gallery and Lot 10 contributing in 3Q 2010, the geographical dependency of Starhill Global REIT on Singapore has been diversified.

Starhill Global REIT's Singapore portfolio, comprising its interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 60.8% of total revenue, or S\$27.5 million in 3Q 2010. The Singapore portfolio's net property income for 3Q 2010 was S\$21.1 million, 5.6% lower than in 3Q 2009, primarily due to the office segment. Notwithstanding the strong demand from prospective tenants and higher office occupancy rates achieved during the quarter, new and renewed office leases were secured at rental rates below the peak levels achieved in 2007. The Singapore portfolio's committed occupancy improved from 95.8% in 30 June 2010 to 96.1% in 30 September 2010.

Starhill Global REIT's Malaysia portfolio, comprising Starhill Gallery and Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 18.3% of total revenue, or S\$8.3 million in 3Q 2010. Net property income for 3Q 2010 was S\$8.0 million. Acquired on 28 June 2010, the properties are let under a master lease arrangement which provides Starhill Global REIT with a stable rental income.

Renhe Spring Zongbei in Chengdu, China continued to enjoy full occupancy and contributed to 8.2% of total revenue during the quarter. In 3Q 2010, revenue was S\$3.7 million, 21.9% higher than in 3Q 2009, primarily due to higher turnover generated by summer and autumn collection sales, as well as the completion of works for the subway station outside the department store in September 2010, and a two-month closure of Rendong mall for renovation in 3Q 2010, thus diverting traffic to Renhe Spring Zongbei mall. Both malls operate the same VIP loyalty programme to strengthen and deepen the relationship with their customers and tenants. Net property income for 3Q 2010 was S\$2.0 million, an increase of 13.0% from 3Q 2009, mainly due to higher revenue.

The David Jones Building in Perth, Australia contributed 7.6% of total revenue or S\$3.4 million in 3Q 2010. Net property income for 3Q 2010 was S\$2.9 million. As at 30 September 2010, the property was fully occupied and its portfolio of tenants included the David Jones department store and six other specialty tenants.

In 3Q 2010, Starhill Global REIT's Japan portfolio contributed 5.1% or S\$2.3 million of total revenue. The Japan portfolio's net property income for 3Q 2010 was S\$1.7 million, 12.7% lower than in 3Q 2009 due to lower occupancy. Overall committed occupancy for the seven properties in Japan was 83.8% as at 30 September 2010.

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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, Japan and China, valued at about S\$2.6 billion.*

*These include interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore, Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia, full ownership of a premier retail property in Chengdu, China, seven properties in the prime areas of Tokyo, Japan and the David Jones Building in Perth, Australia. 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 subsidiary of YTL Corporation Berhad.*

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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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