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Starhill Global REIT's MTN Program Upgraded To 'BBB' On Lower Encumbered Assets Following Proposed Refinancing

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SINGAPORE (Standard & Poor's) April 30, 2013--Standard & Poor's Ratings Services today raised its long-term rating on the medium-term notes (MTN) program of Singapore-based Starhill Global REIT MTN Pte. Ltd. to 'BBB' from 'BBB-'. We also assigned our long-term ASEAN regional scale rating of 'axA' to the Singapore dollar (S\$) 2 billion program. At the same time, we raised the long-term rating on the S\$124 million 2015 notes issued under the program to 'BBB' from 'BBB-', and assigned our long-term ASEAN regional scale rating of 'axA' to the notes. Starhill Global REIT MTN Pte. Ltd. is a wholly owned subsidiary of HSBC Institutional Trust Services (Singapore) Ltd. in its capacity as trustee of Starhill Global Real Estate Investment Trust (SGREIT: BBB/Stable/--; axA/--).

We upgraded the MTN program because we expect SGREIT's proportion of secured debt to total assets to be about 8%-10% over the next two years, after the REIT refinances about S\$449 million in secured debt in September 2013. This ratio was about 25% in 2012. At the same time, we expect the proportion of net operating income from encumbered assets to fall to about 30% of total net operating income. This ratio was about 60% in 2012. SGREIT's Ngee Ann City property in Singapore will become unencumbered when the company refinances the debt.

SGREIT announced that it has arranged unsecured financing of about S\$700 million from a group of banks. About S\$650 million of this financing is committed. SGREIT intends to use most of these facilities to refinance a S\$284

million term loan and ¥12.5 billion term loans maturing in September 2013, and about S\$64 million of unsecured revolver credit facilities maturing in December 2013.

RELATED CRITERIA AND RESEARCH

- Key Credit Factors: Global Criteria For Rating Real Estate Companies, June 21, 2011
- 2008 Corporate Criteria: Ratios And Adjustments, April 15, 2008
- 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

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