

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

Manager of: Starhill Global Real Estate Investment Trust (SGREIT)

SGREIT's 1Q 2014 DPU Up 5.1% Year-on-Year excluding one-off item¹ in 1Q 2013

HIGHLIGHTS

- 1Q 2014 earnings driven mainly by strong Singapore portfolio performance and full-quarter contribution from yield-accretive acquisition of Plaza Arcade
- Refining of SGREIT's portfolio with divestment of Holon L in Tokyo
- Extended average debt maturity following issuance of S\$100 million seven-year unsecured fixed rate notes

SINGAPORE, 29 April 2014 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, today announced 1Q 2014 revenue of S\$49.2 million, 8.3% decrease over that achieved in 1Q 2013. Net property income (“NPI”) for 1Q 2014 was S\$39.1 million, representing a decrease of 6.7% over 1Q 2013. The declines were mainly attributable to the one-time receipt of accumulated rental arrears net of expenses from the Toshin master lease in 1Q 2013 (“Toshin Payout”). Excluding the Toshin Payout, 1Q 2014 revenue and NPI would be 1.8% and 2.5% higher than 1Q 2013 respectively, driven mainly by the strong Singapore portfolio performance and full-quarter contribution from Plaza Arcade which was acquired in 1Q 2013.

Income to be distributed to Unitholders in 1Q 2014 was S\$26.7 million, 0.3% higher than that of S\$26.6 million in 1Q 2013. Distribution Per Unit (“DPU”) for the period 1 January 2014 to 31 March 2014 was 1.24 cents, 9.5% lower compared to the 1.37 cents achieved for the previous corresponding period. However, excluding the Toshin Payout¹ of 0.19 cents in 1Q 2013, 1Q 2014's DPU was 5.1% higher than the 1.18 cents achieved in 1Q 2013. On an annualised basis, the latest

¹ The exclusion of the “Toshin Payout” in the DPU for the previous corresponding period refers to the one-time DPU payout of 0.19 cents for 1Q 2013 due to the receipt of the accumulated rental arrears net of expenses from Toshin master lease for the period June 2011 to December 2012.



distribution represents a yield of 6.37%². Unitholders can expect to receive their 1Q 2014 DPU on 30 May 2014. Book closure date is on 8 May 2014 at 5.00 pm.

Overview of Starhill Global REIT's financial results

(\$ million)	1Q 2014	1Q 2013	1Q 2013 (excluding Toshin Payout)	Change (%)	Change (%) (excluding Toshin Payout)
Revenue	49.2	53.6	48.3	(8.3)	1.8
Net property income	39.1	41.9	38.2	(6.7)	2.5
Income available for distribution	27.9	29.8	26.0	(6.4)	7.2
Income to be distributed to Unitholders ³	26.7	26.6	22.8	0.3	16.9
Income to be distributed to CPU holder(s)	0.3	2.3	2.3	(88.7)	(88.7)
Distribution per Unit (cents)					
- For the period 1 Jan – 31 Mar	1.24	1.37	1.18¹	(9.5)	5.1
- Annualised	5.03	5.56	4.79¹	(9.5)	5.0

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Starhill Global, said, "SGREIT continued to benefit from the strong performances of its Singapore and Australia portfolios in the first quarter. During the quarter, SGREIT divested another property in Tokyo as part of our efforts to further refine the portfolio. Since the beginning of 2013, SGREIT has divested approximately S\$22 million of non-core assets and invested approximately S\$60 million to strengthen its portfolio of prime retail assets in the Asia Pacific region. Looking ahead, the Asian economies should continue its growth trajectory as they leverage on the progressive recovery in most advanced economies. Against this backdrop, we will continue to create value for Unitholders through active asset management efforts and source for yield accretive acquisitions of prime assets in our core markets, while maintaining our proactive capital management approach."

Mr Ho Sing, CEO of YTL Starhill Global, said, "Excluding the one-time receipt of the accumulated rental arrears from Toshin in 1Q 2013, SGREIT's underlying operations in Singapore registered a 7.6% y-o-y NPI growth, driven by high occupancies and positive rental reversions from both the retail and office segments. Wisma Atria Retail attained a 8.9% rent reversion, while the Singapore office portfolio achieved positive rental reversion of 11.7% in 1Q 2014. As part of our proactive capital management efforts, we have successfully issued a S\$100 million seven-year unsecured fixed rate

² Based on the closing price of S\$0.79 as at 31 March 2014.

³ Approximately S\$0.9 million of income available for distribution for the quarter ended 31 March 2014 has been retained for working capital requirements.



notes at a competitive rate of 3.5% per annum. This issuance has further diversified our sources of funding, extended our average debt maturity profile and fixed our borrowing cost. SGREIT's borrowings are fully fixed or hedged via interest rate swaps and caps."

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 66.9% of total revenue, or S\$32.9 million in 1Q 2014. The Singapore portfolio's NPI for 1Q 2014 decreased by 7.0% to S\$25.8 million due to the Toshin Payout in 1Q 2013. Excluding this one-time payout, the Singapore portfolio's NPI increased by 7.6% y-o-y, led by positive rental reversions and high occupancies for both the retail and office units. Excluding the Toshin Payout in 1Q 2013, revenue from Ngee Ann City Retail gained 5.7% y-o-y while NPI increased 6.0% y-o-y, largely driven by the upward rent reversion from the rent review exercise with Toshin following the renewal of master lease from June 2013. Wisma Atria Retail revenue increased 5.3% y-o-y and its NPI grew 7.7% over 1Q 2013. In spite of ongoing tenant relocations and renovations in the mall which led to a 3.0% y-o-y marginal decrease in tenant sales, Wisma Atria Retail achieved positive rental reversions of 8.9% for leases committed in 1Q 2014. The Singapore office portfolio maintained high occupancy of 99.0% through active leasing efforts, and achieved positive rental reversion of 11.7% for leases committed in 1Q 2014, underpinned by limited new supply of office space in Orchard Road and healthy demand.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 14.9% of total revenue, or S\$7.4 million in 1Q 2014. NPI for 1Q 2014 was S\$7.0 million, 6.0% lower than in 1Q 2013, mainly due to the depreciation of the Malaysian Ringgit against the Singapore Dollar and higher property taxes accrued in 1Q 2014. In 1Q 2014, key luxury tenant Louis Vuitton tripled its presence in Starhill Gallery to approximately 16,000 sq ft with the opening of its first global boutique in Malaysia. Dior is currently renovating to double its store size to approximately 6,200 sq ft, and is slated to open in 2Q 2014.

SGREIT's Australia portfolio, comprising the David Jones Building and adjoining Plaza Arcade in Perth, Western Australia, contributed 9.8% of total revenue, or S\$4.8 million in 1Q 2014. NPI for 1Q 2014 was S\$3.6 million, an increase of 9.9% y-o-y, mainly due to full-quarter contributions from Plaza Arcade, offsetting the depreciation of the Australian Dollar against the Singapore Dollar. Asset redevelopment plans to optimise upper-storey space in our Australian assets are ongoing, in anticipation of demand from international retailers seeking to establish a presence in



the city. Perth is beginning to attract major international retailers such as Topshop and Zara, and its CBD retail space remains a choice destination for these tenants.

Renhe Spring Zongbei in Chengdu, China, contributed 5.8% of total revenue, or S\$2.8 million in 1Q 2014. NPI for 1Q 2014 was S\$1.6 million, a decline of 34.4% from 1Q 2013. The decline was largely attributed to lower revenue amid intensified competition from new and upcoming retail developments in the city, as well as softer demand particularly in the high-end and luxury retail segments, resulting from the central government's austerity drive. Notwithstanding the above, Renhe Spring Zongbei remains focused as a destination for high-end retail shopping and will continue to fine-tune its tenancy mix aimed at increasing its VIP customer base.

In March 2014, SGREIT divested Holon L in Tokyo at JPY1,026.0 million (approximately S\$12.8 million), a 6.0% premium to the latest independent valuation as at 31 December 2013. This divestment is part of SGREIT's ongoing strategy to refine its portfolio. In 1Q 2014, SGREIT's Japan portfolio, which now comprises five properties located in central Tokyo as at 31 March 2014, contributed to less than 3% of the Group's total revenue. NPI for 1Q 2014 was S\$1.0 million, 10.5% higher than in 1Q 2013, mainly due to the reversal of rental arrears provision in 1Q 2014, partially offset by the depreciation of the Japanese Yen against the Singapore Dollar and loss of income contribution from Roppongi Primo following its disposal in 1Q 2013.

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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 12 properties in Singapore, Malaysia, Australia, China, and Japan, valued at about S\$2.8 billion.

These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore, Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia, the David Jones Building and Plaza Arcade in Perth, Australia, a premier retail property in Chengdu, China, and five properties in the prime areas of Tokyo, Japan. 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 wholly-owned subsidiary of YTL Corporation Berhad.

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