

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

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

SGREIT's 3Q 2014 DPU Up 5.0% Year-on-Year to 1.27 cents

HIGHLIGHTS

- Wisma Atria Retail achieved 6.3% y-o-y rise in shopper traffic and 6.7% rental reversions in 3Q 2014. Singapore office achieved 8.8% rental reversion
- Australia portfolio benefited from 6.12% rental uplift from key tenant's lease review
- Refinanced RM330 million MTN to September 2019 ahead of its maturity and at lower effective interest cost with no refinancing requirement till July 2015

SINGAPORE, 30 October 2014 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, reported that income to be distributed to Unitholders was S\$27.3 million for 3Q 2014, 5.0% higher than that of S\$26.1 million in 3Q 2013. Distribution Per Unit ("DPU") for the period from 1 July 2014 to 30 September 2014 was 1.27 cents, 5.0% higher compared to the 1.21 cents achieved for the previous corresponding period. On an annualised basis, the latest distribution represents a yield of 6.38%¹. Unitholders can expect to receive their 3Q 2014 DPU on 28 November 2014. Book closure date is on 7 November 2014 at 5.00 pm.

Revenue for SGREIT group declined marginally by 0.4% to S\$48.6 million in 3Q 2014 mainly due to lower contributions from China and Japan, partially offset by the rest of the portfolio. Net property income ("NPI") for 3Q 2014 increased 4.1% over 3Q 2013 to S\$39.6 million, mainly due to the lower operating expenses incurred, positive rental reversions for the Singapore portfolio and David Jones Building in Perth, Australia, partially offset by lower revenue from Renhe Spring Zongbei in Chengdu, China, loss of income contribution from Japan divestment in March 2014 and net foreign currency movements.

¹ Based on the closing price of S\$0.790 as at 30 September 2014.

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Overview of Starhill Global REIT's financial results

(S\$ million)	3Q 2014	3Q 2013	Change (%)
Revenue	48.6	48.8	(0.4)
Net property income	39.6	38.0	4.1
Income available for distribution	28.6	27.1	5.5
Income to be distributed to Unitholders ²	27.3	26.1	5.0
Income to be distributed to CPU holder	0.3	0.3	1.1
Distribution per Unit (cents)			
- For the period 1 July – 30 September	1.27	1.21	5.0
- Annualised	5.04	4.80	5.0

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Starhill Global, said, "Our balanced portfolio of prime retail assets has shown its resilience against the uncertain economic backdrop resulting from recent geopolitical events and government policies. We will continue to sharpen our portfolio and leverage on our strong financial standing to seek out opportunities in our core markets."

Mr Ho Sing, CEO of YTL Starhill Global, said, "As part of our proactive capital management strategy, we have successfully refinanced RM330 million medium term notes (MTN) ahead of maturity in June 2015 at a lower effective interest cost of 4.75%³ per annum up to September 2019, as compared to the previous coupon rate of 5.35% per annum. SGREIT's overall capital structure has been further improved with the extension of average debt maturity from 3.2 years to approximately 3.6 years. The Group has no refinancing requirement until July 2015, where the maturing S\$124 million MTN is covered by available undrawn committed credit facilities and/or untapped balance from our MTN programme. SGREIT's borrowings are fully fixed or hedged via interest rate swaps and caps, minimising the impact of any significant interest rate increases."

Added Mr Ho, "SGREIT's portfolio continued to perform, underpinned by a high portfolio occupancy rate of 99.1% as at 30 September 2014. Wisma Atria continued to see strong shopper traffic growth of 6.3% y-o-y to 6.8 million in 3Q 2014 and its retail tenant demand is demonstrated by a 6.7% rental reversion for leases committed in 3Q 2014. Our Australia portfolio has also benefited from the increased rental rate from key tenant David Jones, following its lease review in August 2014. We have been working with the City of Perth for the redevelopment of Plaza Arcade, in line with its plan to rejuvenate the CBD shopping precinct."

² Approximately S\$0.9 million of income available for distribution for the quarter ended 30 September 2014 has been retained for working capital requirements.

³ Taking into account the issuance of the new medium term notes at a discount of approximately RM5 million.

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 67.1% of total revenue, or S\$32.7 million in 3Q 2014. NPI for 3Q 2014 increased by 3.8% y-o-y to S\$26.0 million, led by positive rental reversions for both the retail and office units. Revenue from Ngee Ann City Retail gained 0.6% y-o-y while NPI increased 0.8% y-o-y. Wisma Atria Retail revenue increased 0.1% y-o-y and its NPI grew 6.2% over 3Q 2013 on the back of lower operating expenses. Wisma Atria Retail achieved positive rental reversions of 6.7% for leases committed in 3Q 2014. Shopper traffic increased by 6.3% y-o-y and 5.2% from the previous quarter to 6.8 million in 3Q 2014. For the nine months to September 2014, shopper traffic was 4.0% higher compared to the corresponding period in 2013. Tenant sales at Wisma Atria decreased 8.7% y-o-y, reflecting the ongoing repositioning of the mall in which approximately 8.0% of the mall's net lettable area underwent tenant transitions and renovations, coupled with a decline in tourist arrivals and softer retail sentiments during the quarter. The Singapore office portfolio maintained high occupancy, achieving 8.8% positive rental reversion for leases committed in 3Q 2014, on the back of healthy leasing demand and limited upcoming supply of office space in Orchard Road.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 15.4% of total revenue, or S\$7.5 million in 3Q 2014. NPI for 3Q 2014 was approximately S\$7.5 million, 3.7% higher than in 3Q 2013, largely due to lower expenses as a result of a one-time property tax rebate and reversal of property tax provision made in 1H 2014, following a revised assessment in 3Q 2014. A new pedestrian bridge from Bukit Bintang Monorail station was completed in September 2014, providing shoppers direct access to Level 1 of Lot 10. The new Lot 10 Sports Hub, which showcases international sporting brands including Asia's first Liverpool FC boutique, was also officially launched during the quarter.

SGREIT's Australia portfolio, comprising the David Jones Building and adjoining Plaza Arcade in Perth, Western Australia, contributed 10.4% of total revenue, or S\$5.0 million in 3Q 2014. NPI for 3Q 2014 was S\$4.0 million, an increase of 8.7% y-o-y. The growth was mainly due to the positive rental reversion on the leases for David Jones Building including the 6.12% rental uplift following David Jones' lease review with effect from 1 August 2014. The asset redevelopment plans to optimise upper-storey space at Plaza Arcade have been submitted to the City of Perth and we are currently awaiting approvals. CBD retail space remains in demand for retailers seeking a presence in Perth with the recent openings of Topshop and Zara in the CBD shopping precinct.

Renhe Spring Zongbei in Chengdu, China, contributed 4.8% of total revenue, or S\$2.3 million in 3Q 2014. NPI for 3Q 2014 was S\$1.3 million, a decline of 20.4% from 3Q 2013, an improvement from the 35.7% decrease in the previous quarter. The decline was largely attributed to lower revenue amidst contraction of the high-end and luxury retail segment resulting from the central government's austerity drive and intensified competition from new and upcoming retail developments in the city. Notwithstanding the above, Renhe Spring Zongbei remains focused in fine-tuning its tenancy mix aimed at increasing its VIP customer base, while continuing to employ cost containment efforts.

In 3Q 2014, SGREIT's Japan portfolio, which comprises five properties located in central Tokyo, contributed 2.3% of total revenue. NPI for 3Q 2014 was S\$0.8 million, 67.0% higher than in 3Q 2013, mainly due to the reversal of rental arrears provision in 3Q 2014, partially offset by the depreciation of the Japanese Yen against the Singapore Dollar and the loss of income contribution from Holon L which was divested in March 2014.

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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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