



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

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

SGREIT's 2Q FY15/16 NPI grew 10.4% y-o-y while DPU increased 2.3% y-o-y to 1.32 cents

HIGHLIGHTS

- Group revenue and NPI up 13.8% and 10.4% y-o-y respectively
- Australia portfolio's NPI up 121.6% y-o-y on contribution from Myer Centre Adelaide
- Singapore portfolio demonstrated resilience as NPI increased 2.7% y-o-y

SINGAPORE, 26 January 2016 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, is pleased to announce the results for the three months ended 31 December 2015 (2Q FY15/16). Revenue for SGREIT group grew 13.8% over the previous corresponding period to S\$55.6 million in 2Q FY15/16 and net property income ("NPI") for 2Q FY15/16 grew 10.4% over the previous corresponding period to S\$43.7 million. The growth in revenue and NPI was mainly driven by the contribution from Myer Centre Adelaide which was acquired in May 2015 and the resilience of the Singapore portfolio performance, partially offset by lower contributions from China and net foreign currency movements. Income to be distributed to Unitholders was S\$28.8 million for 2Q FY15/16, 3.7% higher than that of S\$27.8 million for the previous corresponding period of three months ended 31 December 2014.

Distribution Per Unit ("DPU") for the period from 1 October 2015 to 31 December 2015 was 1.32 cents, 2.3% higher compared to the 1.29 cents achieved for the previous corresponding period. On an annualised basis, the latest distribution represents a yield of 6.94%¹. Unitholders can expect to receive their 2Q FY15/16 DPU on 29 February 2016. Book closure date is on 3 February 2016 at 5.00 pm.

¹ Based on the closing price of S\$0.755 as at 31 December 2015.

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Overview of Starhill Global REIT's financial results

(S\$ million)	3 months ended 31 Dec 2015	3 months ended 31 Dec 2014	Change (%)
Revenue	55.6	48.9	13.8
Net property income	43.7	39.6	10.4
Income available for distribution	30.1	29.1	3.5
Income to be distributed to Unitholders ²	28.8	27.8	3.7
Income to be distributed to CPU holder ³	-	0.3	(100.0)
Distribution per Unit (cents)			
- For the period 1 October – 31 December	1.32	1.29	2.3
- Annualised	5.24	5.12	2.3

Tan Sri Dato' (Dr) Francis Yeoh, Non-Executive Chairman of YTL Starhill Global, said, "SGREIT delivered another strong earnings growth in 2Q FY15/16 underpinned by the resilience of the Singapore portfolio and contribution from our latest acquisition. While Asia's economic growth is expected to ease, we are confident our prime assets in key Asia-Pacific cities will remain resilient in an evolving retail landscape."

Mr Ho Sing, CEO of YTL Starhill Global, said, "Our robust performance of 10.4% y-o-y growth in NPI in 2Q FY15/16 was led by the strength of our Singapore portfolio amidst market challenges and contribution from Myer Centre Adelaide acquisition in May 2015. In January 2016, we divested one of our five properties in Tokyo. This sale marks the third property we have divested in Tokyo in the past three years while we have reinvested in two high-yielding Australian properties as we continue to sharpen and improve the quality of our portfolio."

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 60.8% of total revenue, or S\$33.8 million in 2Q FY15/16. NPI for 2Q FY15/16 increased by 2.7% y-o-y to S\$27.3 million, led by positive rental reversions achieved in previous quarters. Singapore retail portfolio recorded flat rental reversions for leases committed in 2Q FY15/16. Wisma Atria retail revenue increased 1.7% y-o-y and its NPI grew 3.0% over the previous corresponding period on the back of higher revenue and lower operating expenses. Tenant sales at

² Approximately S\$1.2 million of income available for distribution for the quarter ended 31 December 2015 has been retained for working capital requirements (Quarter ended 31 December 2014: S\$1.0 million).

³ There is no CPU distribution for 2Q FY15/16, following the conversion of the remaining 20,334,750 CPU into 27,986,168 new ordinary units on 25 June 2015.



Wisma Atria declined 1.0% y-o-y in 2Q FY15/16 mainly due to lower committed occupancies at the mall and tenant transitions during the quarter. Shopper traffic was down 2.5% y-o-y as the majority of Isetan's strata-owned space remained closed for renovations since April 2015. Wisma Atria retail recorded lower committed occupancy of 94.9% as at 31 December 2015 largely due to tenant mix reconfiguration at level 1. Ngee Ann City retail revenue gained 1.0% y-o-y while NPI increased 2.0% y-o-y. The next rent review for the Toshin master lease is due in June 2016⁴. The Singapore office portfolio continues to be supported by leasing demand as office supply pipeline in Orchard Road remains limited. The Singapore office portfolio revenue and NPI increased 3.9% and 3.4% respectively in 2Q FY15/16 over the previous corresponding period, on the back of 1.7% positive rental reversions for leases committed in 2Q FY15/16. As at 31 December 2015, full occupancies were achieved for both Wisma Atria and Ngee Ann City offices. Approximately 40% of the office leases due for expiry in FY15/16 by gross rent have been committed (renewed & new leases) as at 31 December 2015.

SGREIT's Australia portfolio, comprising Myer Centre Adelaide in Adelaide, South Australia, and the David Jones Building and adjoining Plaza Arcade in Perth, Western Australia, contributed 22.8% of total revenue, or S\$12.7 million in 2Q FY15/16. NPI for 2Q FY15/16 was S\$8.6 million, 121.6% higher than the previous corresponding period mainly due to the contribution from Myer Centre Adelaide which was acquired in May 2015, partially offset by depreciation of the Australian dollar against the Singapore dollar and lower occupancies. For the asset redevelopment plans at Plaza Arcade to accommodate anchor tenants and optimise upper-storey space, talks with a prospective international tenant are progressing well.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 11.3% of total revenue, or S\$6.3 million in 2Q FY15/16. NPI for 2Q FY15/16 was approximately S\$6.1 million, 14.8% lower than the previous corresponding period, mainly due to depreciation of the Malaysian ringgit against the Singapore dollar. Approximately 70% of the net foreign income in Malaysian ringgit for 2Q FY15/16 was hedged via foreign exchange forward contracts. The master leases for both malls with Katagreen Development Sdn Bhd are up for renewal in June 2016. The leases have a put and call option by the landlord and the master tenant respectively to extend the tenancies for another three years upon expiry in June 2016.

⁴ Toshin rent review in June 2016 is part of the 12-year master lease agreement which commenced in June 2013. The agreement incorporates an upwards-only rent review (equivalent or higher than the current annual base rent) every 3 years, capped at 125% of the current annual base rent.



Renhe Spring Zongbei in Chengdu, China, contributed 3.0% of total revenue, or S\$1.7 million in 2Q FY15/16. NPI for 2Q FY15/16 was S\$0.8 million, a decline of 37.5% from the previous corresponding period. The decline was largely attributed to lower revenue as the high-end luxury retail segment continues to be impacted by the austerity measures the central government has put in place, as well as increasing challenges and competition from new and upcoming malls in the city, partially offset by lower operating expenses. Renhe Spring Zongbei will continue to finetune the tenancy mix and repositioning of the mall.

In 2Q FY15/16, SGREIT's Japan portfolio, which comprises five properties (including Roppongi Terzo which was divested in January 2016) located in central Tokyo, contributed 2.1% of total revenue. NPI for 2Q FY15/16 was S\$1.0 million, 27.7% higher than in the previous corresponding period, largely attributable to higher occupancies and appreciation of the Japanese yen against the Singapore dollar. On 7 January 2016, SGREIT divested Roppongi Terzo at JPY2,500.0 million (or approximately S\$29.9⁵ million) compared to the latest independent valuation of JPY2,440.0 million as at 31 December 2015. The transacted price represented a yield of 4.4% and is part of SGREIT's strategy to sharpen its portfolio. Following the divestment, SGREIT's portfolio in Japan will be reduced to four properties, which were fully occupied as at 31 December 2015.

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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 (the "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 12 properties in Singapore, Australia, Malaysia, China, and Japan, valued at about S\$3.0 billion.

These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore, Myer Centre Adelaide, David Jones Building and Plaza Arcade in Australia, Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia, a retail property in Chengdu, China, and four 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.

⁵ Based on exchange rate of S\$1.00:JPY83.61 as at 6 January 2016.



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