



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

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

SGREIT's FY 2015/16 DPU achieved growth of 1.4% y-o-y at 5.18 cents

HIGHLIGHTS

- 4Q FY15/16 DPU stable at 1.29 cents and FY 2015/16 DPU at 5.18 cents
- Australia portfolio's NPI for FY 2015/16 was up 89.1% y-o-y and 4Q FY15/16 was up 32.6% y-o-y on full period contribution from Myer Centre Adelaide
- Base rent for master lease at Ngee Ann City Property up 5.5% while annual rent for master leases at Malaysia Properties up 6.67%, both effective from June 2016

SINGAPORE, 29 July 2016 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, is pleased to announce the results for the financial year ended 30 June 2016 ("FY 2015/16"). Revenue for SGREIT group in FY 2015/16 grew 11.4% over the previous corresponding period (12 months ended 30 June 2015) to S\$219.7 million and net property income ("NPI") for FY 2015/16 grew 6.9% over the previous corresponding period to S\$170.3 million. The increase in revenue and NPI was largely attributed to the full period contribution from Myer Centre Adelaide which was acquired in May 2015, partially offset by lower contributions mainly from China, Perth and Japan assets, as well as net foreign currency movements. Income to be distributed to Unitholders for FY 2015/16 was S\$113.0 million, an increase of 2.4% over the previous corresponding period. Distribution Per Unit ("DPU") for FY 2015/16 was 5.18 cents, representing a 1.4% growth over the previous corresponding period.

For the three months ended 30 June 2016 ("4Q FY15/16"), revenue for SGREIT group grew 3.6% over the previous corresponding period to S\$53.6 million and NPI grew 0.2% over the previous corresponding period to S\$41.4 million. The increase in revenue and NPI was mainly driven by the full quarter contribution from Myer Centre Adelaide, partially offset by lower contributions mainly from Wisma Atria Property, China and Japan assets, as well as net foreign currency movements. Income to be distributed to Unitholders for 4Q FY15/16 was S\$28.1 million, same as the previous corresponding period of three months ended 30 June 2015 ("6Q FY14/15"). DPU for 4Q FY15/16 was maintained at 1.29 cents, same as the previous corresponding period. On an annualised basis,

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the latest distribution represents a yield of 6.61%¹. Unitholders can expect to receive their 4Q FY15/16 DPU on 29 August 2016. Book closure date is on 8 August 2016 at 5.00 pm.

SGREIT group's investment properties have been assessed by independent valuers at S\$3,136.6 million as at 30 June 2016 (June 2015: S\$3,116.2 million), resulting in a net revaluation gain of S\$78.0 million over the last valuation exercise in June 2015. The higher portfolio valuation was mainly attributed to higher valuation for the Singapore Properties and Australia Properties, partially offset by the divestment of Roppongi Terzo in January 2016, decrease in valuation for Renhe Spring Zongbei and net negative foreign currency movements.

Overview of Starhill Global REIT's financial results

(S\$ million)	3 months ended 30 Jun 2016	3 months ended 30 Jun 2015	Change (%)	12 months ended 30 Jun 2016	12 months ended 30 Jun 2015	Change (%)
Revenue	53.6	51.8	3.6	219.7	197.2	11.4
Net property income	41.4	41.3	0.2	170.3	159.4	6.9
Income available for distribution	28.4	29.5	(3.4)	116.5	115.5	0.9
Income to be distributed to Unitholders ²	28.1	28.1	-	113.0	110.4	2.4
Income to be distributed to CPU holder ³	-	-	-	-	0.8	(100.0)
Distribution per Unit (cents)						
- For the period	1.29	1.29	-	5.18	5.11	1.4
- Annualised	5.19	5.17	0.4	-	-	-

Tan Sri Dato' (Dr) Francis Yeoh, Non-Executive Chairman of YTL Starhill Global, said, "SGREIT has delivered another steady financial performance this quarter amidst economic headwinds and the challenging retail environment. Going forward, we will remain focused on growing the REIT and building value for our unitholders through organic growth, creative asset enhancement initiatives, mall repositioning and prudent capital management."

¹ Based on the closing price of S\$0.785 as at 30 June 2016.

² Approximately S\$0.3 million (6Q FY14/15: S\$1.3 million) of income available for distribution for 4Q FY15/16 has been retained for working capital requirements.

³ There is no CPU distribution for 4Q FY15/16 and FY 2015/16, following the conversion of the remaining 20,334,750 CPU into 27,986,168 ordinary units on 25 June 2015.



Mr Ho Sing, CEO of YTL Starhill Global, said, “The master lease with Toshin, together with the extension of the master tenancy agreements for the Malaysia Properties, provide the REIT with income stability and growth. These master leases combined represent approximately 34% of SGREIT’s gross rent and full period contributions from the revised rents will benefit FY 2016/17. The net increase in portfolio valuation solidifies the resilience of our quality core assets in key Asia-Pacific cities. Our overall financial position remains strong with a stable gearing of 35.0% as at 30 June 2016 and no significant debt refinancing requirements until 2018. Going into the new financial year, we will focus on enhancing our Australian assets.”

Review of portfolio performance

SGREIT’s Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 61.9% of total revenue, or S\$33.2 million in 4Q FY15/16. NPI for 4Q FY15/16 declined 2.2% y-o-y to S\$26.2 million mainly due to Wisma Atria retail and Singapore offices, as the overall Singapore portfolio occupancy dipped to 97.9% as at 30 June 2016 from 99.3% as at 30 June 2015. Wisma Atria retail revenue declined 4.1% y-o-y and its NPI declined 3.8% over the previous corresponding period mainly due to lower occupancies. Wisma Atria retail recorded an occupancy of 97.7% as at 30 June 2016 amidst the tepid retail environment, while tenant transitions and reconfigurations remain ongoing. Shopper traffic at Wisma Atria rose 2.3% y-o-y in 4Q FY15/16 despite ongoing tenant mix reconfiguration while tenant sales declined 2.5% y-o-y in 4Q FY15/16. Isetan’s own strata-owned space is progressively being re-opened for operations after its closure for renovations since April 2015, with tenants such as the recently-launched Japan Food Town, Franck Muller, Pasquale Bruni and Mango, injecting vibrancy into the mall. Ngee Ann City retail revenue gained 1.9% y-o-y while NPI increased 0.5% y-o-y. Ngee Ann City retail achieved 5.5% increase in base rent from the Toshin master lease which is effective from 8 June 2016⁴. The Singapore office portfolio revenue and NPI declined 0.9% and 3.6% y-o-y respectively in 4Q FY15/16 over the previous corresponding period due to lower occupancies which stood at 95.6% as at 30 June 2016. However, positive rental reversion of 3.5% was achieved for leases committed in 4Q FY15/16. Proactive leasing efforts also saw forward renewal of approximately 15% of the office leases by gross rent due for expiry in FY 2016/17 being committed as at 30 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 upward-only rent review (equivalent or higher than the current annual base rent) every 3 years, capped at 125% of the current annual base rent.



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 22.6% of total revenue, or S\$12.1 million in 4Q FY15/16. NPI for 4Q FY15/16 was S\$8.0 million, 32.6% higher than the previous corresponding period mainly due to the full quarter contribution from Myer Centre Adelaide, partially offset by depreciation of the Australian dollar against the Singapore dollar.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 12.1% of total revenue, or S\$6.5 million in 4Q FY15/16. NPI for 4Q FY15/16 was S\$6.2 million, 7.3% lower than the previous corresponding period mainly due to depreciation of the Malaysian ringgit against the Singapore dollar. More than half of the net foreign income in Malaysian ringgit for 4Q FY15/16 was hedged via foreign exchange forward contracts. The 6.67% increase in annual rent for the master tenancy agreements of both malls with Katagreen Development Sdn Bhd, which have been extended for a third three-year term, is effective from 28 June 2016.

Renhe Spring Zongbei in Chengdu, China, contributed 1.9% of total revenue, or S\$1.0 million in 4Q FY15/16. NPI for 4Q FY15/16 was S\$0.4 million, a decline of 55.8% from the previous corresponding period. The decline was largely attributed to lower revenue due to the softening retail climate and depreciation of the Chinese renminbi against the Singapore dollar, partially offset by lower operating expenses. 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. Renhe Spring Zongbei will continue to explore options to reposition the mall.

SGREIT's Japan portfolio, which comprises four properties located in central Tokyo, contributed 1.5% of total revenue in 4Q FY15/16. NPI for 4Q FY15/16 was S\$0.6 million, 37.0% lower than the previous corresponding period, largely attributable to loss of income contribution from the divestment of Roppongi Terzo in January 2016, partially offset by appreciation of the Japanese yen against the Singapore dollar.

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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\$3.1 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.

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