

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

**Manager of:** Starhill Global Real Estate Investment Trust (Starhill Global REIT)

## STARHILL GLOBAL REIT REPORTS

### QUARTERLY DPU OF 1.04 CENTS IN 2Q 2011

#### HIGHLIGHTS

- **2Q 2011 DPU of 1.04 cents achieved, a 14.3% increase over 2Q 2010.**
- **Asset redevelopment work has started for Wisma Atria, Singapore, in July 2011. 75% pre-commitment achieved for the double-storey facade units fronting Orchard Road.**
- **Redevelopment is on track for completion for Starhill Gallery in Kuala Lumpur, Malaysia.**

**SINGAPORE, 25 July 2011** – YTL Starhill Global today announced that Starhill Global REIT's 2Q 2011 revenue was S\$44.2 million, 18.9% higher than that achieved in 2Q 2010. Net property income was higher at S\$35.6 million, representing an increase of 23.4% over 2Q 2010, primarily due to the contribution from Starhill Gallery and Lot 10 in Malaysia, which were acquired in June 2010.

Income to be distributed to Unitholders in 2Q 2011 was S\$20.2 million, 14.3% higher than that of S\$17.7 million in 2Q 2010. Distribution Per Unit (DPU) for the period 1 April 2011 to 30 June 2011 was 1.04 cents, 14.3% higher compared to the 0.91 cents achieved for the previous corresponding period. This brings DPU to 2.11 cents for First Half 2011 (1H 2011), exceeding the First Half 2010 (1H 2010) DPU of 1.86 cents by 13.4%. On an annualised basis, the latest 1H 2011 DPU represents a yield of 6.54%<sup>1</sup>. Unitholders can expect to receive their 2Q 2011 DPU on 29 August 2011. Book Closure Date is on 2 August 2011 (5.00 pm).

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<sup>1</sup> Based on closing unit price of S\$0.65 on 30 June 2011.



## Overview of Starhill Global REIT's financial results

(S\$ millions)	2Q 2011	2Q 2010	Change %
Revenue	44.2	37.2	18.9
Net property income	35.6	28.8	23.4
Income available for distribution	22.8	18.0	26.8
Income to be distributed to Unitholders <sup>2</sup>	20.2	17.7	14.3
Income to be distributed to CPU holders	2.3	0.1	n/m
<b>Distribution per Unit (cents)</b>			
- For the period 1 April – 30 June	<b>1.04</b>	<b>0.91</b>	<b>14.3</b>
- Annualised based on 1H DPU	<b>4.25</b>	<b>3.75</b>	<b>13.3</b>

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Starhill Global, said, "We are pleased to report that Starhill Global REIT has delivered strong earnings growth this quarter. Our acquisitions of Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia and David Jones Building in Perth, Australia last year have been key contributors to the growth. Meanwhile, we continue to see positive momentum for the retail spending in Asia, driven by healthy economic and job prospects and positive consumer confidence. Consumer demand is also transforming the retail scene, prompting more international brands to establish presence in this region."

Mr Ho Sing, CEO of YTL Starhill Global, said, "Our redevelopment work at Starhill Gallery in Malaysia is on track. Redevelopment work at Wisma Atria in Singapore has started with completion estimated at 3Q 2012. The double-storey facade fronting Orchard Road will give highlight to new and existing brands. Approximately 75% of these retail units undergoing refurbishment have been committed. With growing consumer spending demonstrated in the recent Great Singapore Sale and rising tourism numbers, demand for prime retail space will definitely remain firm."

As at 30 June 2011, Starhill Global REIT's outstanding debt was S\$838.6 million with a weighted debt maturity of approximately 2.6 years. Starhill Global REIT's gearing level remained at 30.2% and its interest cover ratio stood at a robust 4.4 times for the quarter ended 30 June 2011. The weighted average effective interest rate as at 30 June 2011 was 3.49% per annum. There is no refinancing requirement in 2011.

<sup>2</sup> Approximately S\$0.2 million of income available for distribution for the quarter ended 30 June 2011 has been retained to satisfy certain legal reserve requirements in China.



## **Review of portfolio performance**

Starhill Global REIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 62.0% of total revenue, or S\$27.5 million in 2Q 2011. The Singapore portfolio's net property income for 2Q 2011 was S\$21.5 million, 3.3% lower than in 2Q 2010. While the take up rate for office space in Singapore has been healthy, overall rental rates have declined as new and renewed office leases were secured at rental rates which are below the peak levels achieved in 2007. With the general strong demand from international tenants in the retail sector, committed occupancy for Wisma Atria office rose to 92% as at 30 June 2011 while that of Ngee Ann City office maintained at above 95%. For the retail space at Wisma Atria and Ngee Ann City, committed occupancy remained healthy at 98% and almost 100% respectively.

Starhill Global REIT's Malaysia portfolio, comprising Starhill Gallery and Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 17.3% of total revenue, or S\$7.7 million in 2Q 2011. Net property income for 2Q 2011 was S\$7.4 million. Acquired on 28 June 2010, the properties are let under a master lease arrangement which provides Starhill Global REIT with a stable rental income.

Renhe Spring Zongbei in Chengdu, China continued to enjoy full occupancy and contributed to 8.4% of total revenue during the quarter. In 2Q 2011, revenue was S\$3.7 million, 4.4% higher than in 2Q 2010. Net property income for 2Q 2011 was S\$2.3 million, an increase of 17.4% from 2Q 2010, mainly due to lower expenses during the quarter.

The David Jones Building in Perth, Australia contributed 8.3% of total revenue, or S\$3.7 million in 2Q 2011. Net property income for 2Q 2011 was S\$3.0 million, an increase of 8.3% from 2Q 2010. The improvement is mainly due to the strengthening of the Australian Dollar against the Singapore Dollar. As at 30 June 2011, the property was fully occupied.

Starhill Global REIT's Japan portfolio comprises seven properties located in central Tokyo. Starhill Global REIT's Japan portfolio contributed 4.0% or S\$1.8 million of total revenue in 2Q 2011. Overall committed occupancy for the Japan portfolio was 78.9% as at 30 June 2011. An inspection by structural engineers of the properties recently confirmed no structural damages as a result of the March 2011 earthquake.

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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 13 properties in Singapore, Malaysia, China, Australia and Japan, valued at about S\$2.7 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, full ownership of a premier retail property in Chengdu, China, the David Jones Building in Perth, Australia and seven 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 subsidiary of YTL Corporation Berhad.*

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This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Starhill Global REIT is not necessarily indicative of the future performance of Starhill Global REIT.

This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.