



**Media release by:** YTL Pacific Star REIT Management Limited (YTL Pacific Star)

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

**For immediate release**

## **STARHILL GLOBAL REIT'S**

### **4Q 2009 INCOME TO BE DISTRIBUTED UP 5.6%**

#### **HIGHLIGHTS**

- 4Q 2009 income to be distributed of S\$18.8 million represents a 5.6% increase over 4Q 2008
- Acquisition of David Jones Building in Perth completed in January 2010

**SINGAPORE, 28 January 2010** – YTL Pacific Star, the Manager of Starhill Global REIT - the S-REIT with the largest presence in Orchard Road – today announced that Starhill Global REIT's fourth quarter (4Q) 2009 income to be distributed was S\$18.8 million, 5.6% higher than that of S\$17.8 million in 4Q 2008. Distribution Per Unit (DPU) (post-rights) for the period 1 October to 30 December 2009 was 0.97 cents, 5.4% higher compared to the restated 0.92 cents<sup>1</sup> achieved for the previous corresponding period. On an annualised basis, the latest distribution represents a yield of 7.33%<sup>2</sup>. Starhill Global REIT's portfolio of 10 properties was valued at S\$1.98 billion as at 31 December 2009, up from S\$1.95 billion as at 15 June 2009.

Approximately S\$2.0 million or 2.6% of the income available for distribution (comprising overseas income) for the year ended 31 December 2009 has been retained to satisfy certain legal reserve requirements in China and for working capital and capital expenditure purposes. Starhill Global REIT remains committed to distribute 100% of its Singapore taxable income.

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<sup>1</sup> 4Q 2008 DPU has been restated to include 963,724,106 rights units

<sup>2</sup> Based on last traded unit price of S\$0.525 on 31 December 2009

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Gross revenue in 4Q 2009 was S\$34.3 million, 1.5% higher than that achieved in 4Q 2008. Net property income was higher at S\$26.8 million, an increase of 3.2% over 4Q 2008, mainly attributed to better performance by the Singapore properties, offset by lower contribution from the Chengdu property.

#### Overview of Starhill Global REIT's financial results

	4Q 2009	4Q 2008	% Change
Gross revenue (S\$ million)	34.3	33.8	1.5
Net property income (S\$ million)	26.8	26.0	3.2
Income available for distribution (S\$ million) <sup>(1)</sup>	19.1	18.1	5.5
Income to be distributed (S\$ million) <sup>(1)</sup>	18.8	17.8	5.6
<b>DPU (cents) (pre-rights)</b>	<b>N/A</b>	<b>1.85</b>	<b>N/A</b>
<b>DPU (cents) (post-rights) <sup>(2)</sup></b>	<b>0.97</b>	<b>0.92</b>	<b>5.4</b>
<b>Annualised DPU (cents)</b>	<b>3.85</b>	<b>3.66</b>	<b>5.2</b>

(1) Approximately S\$0.3 million of income available for distribution for the quarter ended 31 December 2009 has been retained to satisfy certain legal reserve requirements in China.

(2) 4Q 2008 DPU has been restated to include 963,724,106 rights units.

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Pacific Star, said, "Business sentiment has improved significantly over the last quarter. The completion of our acquisition of the David Jones Building in Perth earlier this month is timely, as the property will start contributing immediately to Starhill Global REIT's FY 2010 revenue and net property income. Visitorship to our Singapore malls have continued to improve with the added buzz arising from new malls and the rejuvenation of Orchard Road and we expect this to increase in tandem with tourist arrivals when the integrated resorts open.

"DPU (post-rights) of 0.97 cents for 4Q 2009, is 5.4% higher than the restated DPU of 0.92 cents<sup>3</sup> in 4Q 2008. Occupancy for retail space in both Wisma Atria and Ngee Ann City is at 100%, while occupancy for office space is at 87%. The slowdown in the rate of decline in office rents and the high occupancy levels of new retail space on Orchard Road will ease downward pressure on rents in our Singapore properties. This positive outlook is reflected in the S\$30.6 million increase in the valuation of our Singapore properties from the previous valuation," he continued.

<sup>3</sup> 4Q 2008 DPU has been restated to include 963,724,106 rights units

“The search for a new CEO is well underway and an announcement will be made in due course. In the meantime, the Board of Directors and management team remain committed to continued smooth operations at Starhill Global REIT and YTL Pacific Star,” he added.

### **Update on capital management**

As at 31 December 2009, Starhill Global REIT’s gearing ratio is 26.9%, with a weighted average effective interest rate of 2.98% per annum and interest cover of 4.5 times. Starhill Global REIT remains shielded from interest rate volatility as 96.0% of the REIT’s debt is fixed until September 2010. Credit margins have tightened over the past six months. The Manager is in active discussions with its relationship banks to finalise terms for the refinancing of S\$570 million of debt that falls due in September 2010.

### **Update on Singapore portfolio**

Starhill Global REIT’s Singapore portfolio contributed 79.3% of total gross revenue, or S\$27.2 million in 4Q 2009. This is an increase of 2.3% over the corresponding period in 4Q 2008. The Singapore portfolio’s Net Property Income for 4Q 2009 was S\$21.7 million, 4.6% higher than in 4Q 2008.

In 4Q 2009, renewed and new office leases made up 17,373 sq ft, at rates that were 15.6% lower than previous rent, while renewed and new retail leases made up 10,682 sq ft, at rates that were 9.0% lower than previous rent. In 2010, 85,983 sq ft of office space or 42.0% of the total Singapore office portfolio by net lettable area (NLA) and 43,996 sq ft of retail space or 11.5% of the total Singapore retail portfolio by NLA will expire. Of these, 15,328 sq ft of office space or 6.4% of the total Singapore office portfolio by NLA and 5,823 sq ft of retail space or 1.5% of the total Singapore retail portfolio by NLA will expire in the first quarter of 2010.

### **Update on Japan portfolio**

In 4Q 2009, Starhill Global REIT’s Japan portfolio contributed 6.5%, or S\$2.2 million to gross revenue. All of the seven properties in the portfolio enjoyed 100% occupancy, except for Ebisu Fort (93% occupied),



Daikanyama (88% occupied) and Holon L (33% occupied) as weak retail sentiment persisted in Japan. On 1 December 2009, the Manager's special purpose vehicle, Starhill Global ML K.K. assumed the role of master lessee of the Japan portfolio, easing tenant concentration risks. Starhill Global ML K.K. has since obtained consent from 100% of end tenants to assume the role of master lessee under the sub-lease agreements.

### **Update on Chengdu property**

The Renhe Spring Zongbei Property in Chengdu continued to enjoy 100% occupancy over the quarter. In 4Q 2009, the department store's gross sales in RMB were 18.6% higher than in 4Q 2008, boosted by higher sales generated by some international brands. Net Property Income for 4Q 2009 was S\$2.9 million, 9.8% lower than in 4Q 2008, due mainly to the weakening of the RMB and higher advertising and promotion expenses.

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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 Securities Trading Limited ("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 11 properties in Singapore, China, Japan and Australia, valued at about S\$2.1 billion.*

*These include a 74.23% strata title interest in Wisma Atria and a 27.23% strata title interest in Ngee Ann City in Singapore, full ownership of a premier retail property in Chengdu, China, seven properties in the prime areas of Tokyo, Japan and the recently acquired David Jones Building in Perth, Australia. In November 2009, Starhill Global REIT also announced plans to acquire Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia. 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 Pacific Star REIT Management Limited. The Manager is a wholly-owned subsidiary of YTL Pacific Star REIT Management Holdings Pte Ltd, a 50:50 joint venture between Starhill Global REIT Management Limited (an indirect wholly-owned subsidiary of YTL Corporation Berhad) and Pacific Star REIT Management Holdings Limited.*

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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.

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