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

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

SGREIT's 5Q FY14/15

DPU Up 1.6% Year-on-Year to 1.26 cents on sustained strength of its Singapore portfolio

HIGHLIGHTS

- Singapore portfolio remains the key driver with 3.6% increase in NPI in 5Q FY14/15 over the previous corresponding period
- Wisma Atria Retail achieved 13.3% rental reversions for leases committed in 5Q FY14/15
- Proposed accretive acquisition of Myer Centre Adelaide in Australia at below replacement cost with potential upside from enhancement opportunities
- Received commitment to refinance existing unsecured term loan facility of JPY6.3 billion ahead of maturity at lower all-in interest margin

SINGAPORE, 29 April 2015 – YTL Starhill Global REIT Management Limited, the manager of SGREIT, is pleased to announce the results for the fifth quarter (5Q FY14/15)[1] ended 31 March 2015. Income to be distributed to Unitholders was S$27.1 million for 5Q FY14/15, 1.6% higher than that of S$26.7 million for the previous corresponding period (1Q FY14/15). Distribution Per Unit ("DPU") for the period from 1 January 2015 to 31 March 2015 was 1.26 cents, 1.6% higher compared to the 1.24 cents achieved for the previous corresponding period. On an annualised basis, the latest distribution represents a yield of 6.12%[2]. Unitholders can expect to receive their 5Q FY14/15 DPU on 29 May 2015. Book closure date is on 8 May 2015 at 5.00 pm.

Revenue for SGREIT group declined marginally by 2.7% over the previous corresponding period to S$47.9 million in 5Q FY14/15 mainly due to lower contributions from China, loss of income contribution from Japan divestment in March 2014 and net foreign currency movements, partially offset by the Singapore portfolio. Net property income ("NPI") for 5Q FY14/15 decreased marginally

[1] SGREIT's financial year end has been changed from 31 December to 30 June. Thus the FY14/15 financial year will be a 18-month period from 1 January 2014 to 30 June 2015.

[2] Based on the closing price of S$0.835 as at 31 March 2015.

by 0.6% over the previous corresponding period to S$38.9 million, mainly due to lower revenue, partially offset by lower property taxes for the Singapore and Malaysia portfolios, lower operating expenses in Australia and cost containment efforts in China.

On 20 April 2015, SGREIT entered into a sale and purchase agreement for the proposed acquisition of Myer Centre Adelaide for A$288.0 million. The proposed acquisition is to be fully funded by internal working capital and debt. Following the announcement, Standard & Poor's has affirmed its 'BBB+' rating with a stable outlook.

Overview of Starhill Global REIT's financial results

(S$ million)	**3 months ended 31 March 15**	**3 months ended 31 March 14**	**Change (%)**
Revenue	47.9	49.2	(2.7)
Net property income	38.9	39.1	(0.6)
Income available for distribution	28.4	27.9	1.8
Income to be distributed to Unitholders[3]	27.1	26.7	1.6
Income to be distributed to CPU holder	0.2	0.3	(3.1)
Distribution per Unit (cents)			
- For the period 1 Jan – 31 Mar	**1.26**	**1.24**	**1.6**
- Annualised	**5.11**	**5.03**	**1.6**

Mr Ho Sing, CEO of YTL Starhill Global, said, "SGREIT's portfolio continued to perform, with the Singapore portfolio continuing to be the key driver, turning in a 3.6% increase in NPI over the previous corresponding period despite headwinds faced by the industry. We have also received commitment for the refinancing of the JPY6.3 billion unsecured term loan facility ahead of its maturity in September 2016 and at a lower all-in interest margin."

Mr Ho added, "We have entered into a sale and purchase agreement to acquire Myer Centre Adelaide, a freehold asset and the city's largest shopping centre of 602,000 sq ft of net lettable area of largely retail space, at a purchase price of A$288.0 million, which is below replacement cost and equal to its latest valuation. This asset complements our quality portfolio of properties in prime locations. The property provides an attractive yield of 6.6%[4], is 2.8%[5] accretive to our DPU on a pro

[3] Approximately S$1.0 million of income available for distribution for the quarter ended 31 March 2015 has been retained for working capital requirements.

[4] Based on the net income of approximately A$19.0 million that is derived based on information available to the Manager, namely the tenancy schedule as at 31 March 2015 and actual property expenses for the 12 months ended 30 June 2014.

[5] The pro forma financial effects of the acquisition of Myer Centre Adelaide are strictly for illustrative purposes only and were prepared based on the unaudited consolidated financial statements of Starhill Global REIT for the 12 months ended 31 December 2014.

forma historical basis. Its premier location in Adelaide is likely to be one of the preferred locations for international retailers who are just beginning to look at expanding into Adelaide. There is also good potential upside from asset enhancement opportunities for the mall."

Review of portfolio performance

SGREIT's Singapore portfolio, comprising interests in Wisma Atria and Ngee Ann City on Orchard Road, contributed 69.8% of total revenue, or S$33.4 million in 5Q FY14/15. NPI for 5Q FY14/15 increased by 3.6% y-o-y to S$26.8 million, led by positive rental reversions for both the retail and office units. Wisma Atria Retail revenue increased 1.3% y-o-y and its NPI grew 6.2% over the previous corresponding period on the back of higher revenue and lower operating expenses. Wisma Atria Retail achieved positive rental reversions of 13.3% for leases committed in 5Q FY14/15. Tenant sales at Wisma Atria decreased 9% y-o-y in 5Q FY14/15, attributable to the ongoing repositioning of the mall as 7.7% of the retail net lettable area was affected by tenant transitions and renovations, as well as decline in tourist arrivals and soft retail sentiments. Revenue from Ngee Ann City Retail gained 0.4% y-o-y while NPI increased 1.1% y-o-y. Level 3 of Ngee Ann City Property has been repositioned following the relocation of Books Kinokuniya to Level 4 in the previous quarter. New fashion and lifestyle retailers include American Vintage, British India, LaPrendo, La Cure Gourmande, Suntime Watch and ABC Cooking Studio from Japan which have started operations, as well as international brands including Anne Fontaine, Lululemon Athletica and Red Valentino which will be opening by mid-2015. The Singapore office portfolio continued to benefit from healthy leasing demand amidst limited upcoming office supply space in Orchard Road as revenue increased 3.6% and NPI increased 2.9% in 5Q FY14/15 over the previous corresponding period, on the back of 6.0% positive rental reversions for leases committed in 5Q FY14/15.

SGREIT's Malaysia portfolio, comprising Starhill Gallery and interest in Lot 10 along Bukit Bintang in Kuala Lumpur, contributed 14.9% of total revenue, or S$7.1 million in 5Q FY14/15. NPI for 5Q FY14/15 was approximately S$6.9 million, 1.5% lower than the previous corresponding period, mainly due to depreciation of the Malaysian ringgit against the Singapore dollar, partially offset by lower property taxes.

SGREIT's Australia portfolio, comprising the David Jones Building and adjoining Plaza Arcade in Perth, Western Australia, contributed 9.3% of total revenue, or S$4.5 million in 5Q FY14/15. NPI for 5Q FY14/15 was S$3.6 million, 1.5% lower than the previous corresponding period mainly due to depreciation of the Australian dollar against the Singapore dollar, partially offset by lower operating expenses. We are currently in negotiation with prospective tenants in our asset redevelopments plans to accommodate anchor tenants and optimise upper-storey space at Plaza Arcade.

Renhe Spring Zongbei in Chengdu, China, contributed 3.8% of total revenue, or S$1.8 million in 5Q FY14/15. NPI for 5Q FY14/15 was S$0.8 million, a decline of 49.6% 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 official austerity measures the central government has put in place, as well as increased competition from newly-opened and upcoming malls in the city which adds pressure on retail sales performance. As we review our long-term China strategy, we maintain our efforts in cost containment measures and fine-tuning the tenancy mix.

In 5Q FY14/15, SGREIT's Japan portfolio, which comprises five properties located in central Tokyo, contributed 2.2% of total revenue. NPI for 5Q FY14/15 was S$0.8 million, 19.1% lower than in the previous corresponding period, largely attributable to the Japan divestment in March 2014 and the depreciation of the Japanese yen against the Singapore dollar. The overall committed portfolio occupancy was maintained at 96.1% as at 31 March 2015 with full occupancies in four out of its five properties. The portfolio is fully hedged by yen denominated debt, mitigating foreign exchange volatility.

Proposed acquisition of Myer Centre Adelaide

On 20 April 2015, SGREIT entered into a sale and purchase agreement to acquire Myer Centre Adelaide for A$288.0 million (approximately S$302.4 million[6]), which is equal to its latest valuation and below the current replacement cost. Sitting on a freehold site, Myer Centre Adelaide is the city's largest shopping centre with a net lettable area of approximately 504,000 sq ft of retail component and an office component of approximately 98,000 sq ft. Completed in 1991, the property last went through a major A$35 million asset enhancement in 2013 and 2014 which included the refurbishment of the five-storey Myer departmental store. Anchor tenant Myer accounts for 53% of the retail gross rent[7] and 68% of the retail leased area. Located in the city's premier retail precinct along Rundle Mall, the city's only retail pedestrian street which attracts 24 million shoppers annually, the property is also located within walking distance to the newly-refurbished Riverbank Entertainment Precinct, universities and hostels, and other upcoming projects by the city council in its efforts to rejuvenate the area. Myer Centre Adelaide's property yield is attractive at 6.6%[4], is expected to be approximately 2.8%[5] accretive to SGREIT's DPU on a pro forma historical basis, assuming the acquisition is fully funded by internal working capital and debt (approximately A$145 million and S$150 million term loans), resulting in an increase in gearing from 28.6% as at 31 December 2014 to 35.3% upon

[6] Based on exchange rate of A$1.00 : S$1.05.

[7] Based on tenancy schedule as at 31 March 2015.

completion of the acquisition. Its premier location in Adelaide is likely to be one of the preferred destinations for international retailers who are expanding into Adelaide and there are potential upsides from asset enhancement opportunities and annual rent increase component embedded in most leases. The proposed acquisition, which will be subject to, among other things, the approval of the Australian Foreign Investment Review Board, is expected to be completed within the quarter ending 30 June 2015.

- End -

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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