

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Interim financial report on results for the financial period ended 31 December 2007.

The figures have not been audited.

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2006 RM'000	CURRENT YEAR TO DATE 31.12.2007 RM'000	PRECEDING YEAR TO DATE 31.12.2006 RM'000
NET REVENUE	26,685	23,801	53,577	47,940
PROPERTY OPERATING EXPENSES	(4,415)	(4,331)	(8,760)	(8,549)
NET PROPERTY INCOME	22,270	19,470	44,817	39,391
OTHER INCOME	803	803	1,551	1,624
TRUST EXPENSES	(902)	(804)	(1,809)	(1,619)
ADMINISTRATIVE EXPENSES	(15)	(23)	(85)	(41)
BORROWING COSTS	(2,181)	(2,179)	(4,361)	(4,359)
INCOME BEFORE TAXATION	19,975	17,267	40,113	34,996
TAXATION	-	-	-	-
INCOME AFTER TAXATION	19,975	17,267	40,113	34,996
EARNINGS PER UNIT (Sen)	1.69	1.66	3.40	3.37
GROSS DISTRIBUTION PER UNIT (Sen)	1.69	1.66	3.40	3.37

The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

CONDENSED BALANCE SHEET

	AS AT 31.12.2007 RM'000	AS AT 30.06.2007 RM'000
ASSETS		
INVESTMENT PROPERTIES	1,275,000	1,275,000
Current Assets		
Trade receivables	3,708	2,384
Other receivables	89	174
Fixed deposits	101,522	84,842
Bank balances	133	942
	-----	-----
	105,452	88,342
	-----	-----
TOTAL ASSETS	1,380,452	1,363,342
	=====	=====
UNITHOLDERS' FUNDS		
Unitholders' capital	1,145,895	1,145,901
Undistributed income	2	1
	-----	-----
Net Asset Value	1,145,897	1,145,902
	-----	-----
LIABILITIES		
Non-current liabilities		
Borrowing	180,000	180,000
Other payables	10,121	6,294
	-----	-----
	190,121	186,294
	-----	-----
Current Liabilities		
Other payables	4,322	5,766
Provision for income distribution	40,112	25,380
	-----	-----
	44,434	31,146
	-----	-----
TOTAL LIABILITIES	234,555	217,440
	-----	-----
TOTAL UNITHOLDERS' FUNDS & LIABILITIES	1,380,452	1,363,342
	=====	=====

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

CONDENSED BALANCE SHEET – continued

	AS AT 31.12.2007 RM'000	AS AT 30.06.2007 RM'000
Number of units in circulations ('000)	1,178,889 <u> </u>	1,178,889 <u> </u>
Net asset value per unit (RM)	0.972 <u> </u>	0.972 <u> </u>

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2007**

	Unitholders' Capital	Distributable Undistributed Income	Unitholders' Funds
6 months ended 31 December 2007	RM'000	RM'000	RM'000
Net assets as at 1 July 2007	1,145,901	1	1,145,902
Acquisition expenses	(6)	-	(6)
Net income for the period	-	40,113	40,113
Provision for income distribution	-	(40,112)	(40,112)
As at 31 December 2007	<u>1,145,895</u>	<u>2</u>	<u>1,145,897</u>

	Unitholders' Capital	Distributable Undistributed Income	Unitholders' Funds
6 months ended 31 December 2006	RM'000	RM'000	RM'000
Net assets as at 1 July 2006	1,022,756	1	1,022,757
Listing expenses	95	-	95
Net income for the period	-	34,996	34,996
Provision for income distribution	-	(34,996)	(34,996)
As at 31 December 2006	<u>1,022,851</u>	<u>1</u>	<u>1,022,852</u>

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

**CONDENSED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2007**

	6 months ended	
	31.12.2007	31.12.2006
	RM'000	RM'000
Net cash generated from operating activities	44,062	37,239
Net cash generated from investing activities	1,545	1,719
Net cash used in financing activities	(29,736)	(40,261)
Net increase / (decrease) in cash and cash equivalent	15,871	(1,303)
Cash and cash equivalents at beginning of period	85,784	97,991
Cash and cash equivalent at end of the period (note a)	101,655	96,688

Note (a)

Cash and cash equivalent

	As At	As At
	31.12.2007	31.12.2006
	RM'000	RM'000
Fixed Deposit	101,522	96,554
Bank balances	133	134
	101,655	96,688

The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Notes :

Disclosure requirement per FRS 134 – paragraph 16

The interim financial report should be read in conjunction with the audited financial report of the Trust for the year ended 30 June 2007. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Trust since the financial year ended 30 June 2007.

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with FRS134 “Interim Financial Reporting” and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The significant accounting policies adopted are consistent with those adopted in the audited financial report for the year ended 30 June 2007, except for the adoption of the relevant new/revised Financial Reporting Standards (FRS) effective for the financial year beginning 1 July 2007 as disclosed below:-

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 124	Related Party Disclosures
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above new / revised FRSs does not have significant financial impact on the Trust.

A2. Seasonality or Cyclicity of Operations

The business operations of the Trust are not affected by any material seasonal or cyclical factors.

A3. Exceptional or Unusual Items

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Trust.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Notes : - continued

A4. Changes in estimates of amounts reported

This is not applicable as there were no estimates previously reported.

A5. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter. The outstanding debts are disclosed in Note B9.

A6. Income Distribution

There was no distribution paid during the current financial quarter ended 31 December 2007. A provision was made to distribute approximate 100% of the distributable income for the half year ended 31 December 2007 in accordance with the Trust Deed dated 18 November 2005.

A7. Segment Reporting

No segment information is prepared as the Trust's activities are predominantly in one industry segment and occur predominantly in Malaysia.

A8. Material Events Subsequent to the end of the interim period

There was no material event subsequent to the end of the current financial quarter.

A9. Changes in the Composition of the Trust

There is no change in composition of the Trust during the current financial quarter and the fund size stands at 1,178,888,889 units.

A10. Changes in Contingent Liabilities

There were no contingent liabilities to be disclosed.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Notes :

Disclosure requirement per Bursa Securities' Listing Requirements Part A of Appendix 9B

B1. Review of Performance

The Trust recorded RM53.577 million and RM40.113 million of revenue and income before taxation respectively for the six months period ended 31 December 2007, representing an increase of 11.76% and 4.62% recorded in previous corresponding period ended 31 December 2006. The increases in revenue and income before taxation were mainly contributed by rental received from The Residences at The Ritz-Carlton, Kuala Lumpur acquired in May 2007 and higher rental rates received from the renewal of existing tenancies and commencement of new tenancies from Starhill Gallery and Lot 10.

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2007 RM'000	Preceding Quarter 30.09.2007 RM'000
Revenue	26,685	26,892
Income before taxation	19,975	20,138
Income after taxation before provision for income distribution	19,975	20,138

The Trust's revenue and income before taxation for the current financial quarter ended 31 December 2007 decreased marginally to RM26.685 million and RM19.975 million from RM26.892 million and RM20.138 million recorded in the preceding financial quarter ended 30 September 2007. This represents a decrease of 0.77% and 0.81% in revenue and income before taxation respectively. The decrease was mainly due to a temporary reduction in occupancy in retail space as a result of the transition period between the changeover of expired tenancies to commencement of new tenancies.

B3. Prospects

The Manager, after considering the strength of the real estate portfolio invested, is optimistic that the Trust is expected to achieve satisfactory performance for financial year ending 2008.

B4. Profit Forecast

The Trust did not issue any profit forecast or profit guarantee during the current financial quarter.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Notes : continued

B5. Taxation

The Trust has provided approximately 100% of the distributable income to unitholders, which income at the Trust level is exempted from tax in accordance with the Section 61A, Income Tax Act, 1967 , thus no tax is payable during the financial period.

B6. Sales of Unquoted Investment and /or Properties

There was no sale of unquoted investment or properties during the current financial quarter.

B7. Quoted Investment

During the current financial quarter, there was no purchase or disposal of quoted investment.

B8. Corporate Development

There was no corporate proposal announced during the current financial quarter.

B9. Borrowings and Debt Securities

The borrowing of RM180 million is long term and secured.

B10. Off Balance Sheet Financial Instruments

The Trust has no financial instruments with off balance sheet risks as at the date of this report.

B11. Material litigation

There was no material litigation as at the date of this report.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Notes : continued

B12. Income Distribution

The Board of Pintar Projek Sdn Bhd has declared an interim income distribution of 3.4025 sen per unit (tax exempt at Trust level under Section 61A, Income Tax Act, 1967), totaling RM40,111,694, representing approximately 100% of the distribution payout for the six months period ended 31 December 2007.

B13. Earnings Per Unit

The earnings per unit of the Trust have been computed by dividing the income after taxation for the financial quarter by the weighted average number of units in issue during the financial quarter.

	Current Quarter	Preceding Year Corresponding Quarter
	31.12.2007	31.12.2006
Income after taxation for the quarter (RM'000)	19,975 =====	17,267 =====
Weighted average number of Units in issue ('000)	1,178,889 =====	1,040,000 =====
Earnings per unit (sen)	1.69 =====	1.66 =====

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Notes : continued

B14. Distribution Per Unit

The distribution per unit of the Trust has been computed by dividing the provision for income distribution for the financial quarter by the total number of units in issue during the financial quarter.

	Current Quarter	Preceding Year Corresponding Quarter
	31.12.2007	31.12.2006
Provision for income distribution (RM'000)	19,975	17,267
Number of units in issue ('000)	1,178,889	1,040,000
Distribution per unit (sen)	1.69	1.66

B15. Audit Report of preceding financial year ended 30 June 2007

The audit report on the financial statements of the preceding financial year ended 30 June 2007 was not subject to any qualification.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

By Order of the Board
HO SAY KENG
Secretary
Pintar Projek Sdn Bhd
Company No : 314009-W
(As the Manager of Starhill Real Estate Investment Trust)

Kuala Lumpur
Dated: 24 January 2008