

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Interim financial report on results for the financial period ended 31 March 2009.

The figures have not been audited.

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2008 RM'000	CURRENT YEAR TO DATE 31.03.2009 RM'000	PRECEDING YEAR TO DATE 31.03.2008 RM'000
NET REVENUE	27,296	27,379	82,370	80,956
PROPERTY OPERATING EXPENSES	(4,739)	(4,423)	(14,139)	(13,183)
NET PROPERTY INCOME	22,557	22,956	68,231	67,773
OTHER INCOME	626	857	2,297	2,408
FAIR VALUE ADJUSTMENT OF INVESTMENT PROPERTIES*	-	-	254,360	-
TRUST EXPENSES	(984)	(915)	(2,970)	(2,724)
ADMINISTRATION EXPENSES	(11)	(12)	(272)	(97)
BORROWING COST	(2,133)	(2,156)	(6,494)	(6,517)
INCOME BEFORE TAXATION	20,055	20,730	315,152	60,843
TAXATION	-	-	-	-
INCOME FOR THE PERIOD	20,055	20,730	315,152	60,843

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CONDENSED INCOME STATEMENT – continued

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	RM'000	RM'000	RM'000	RM'000
INCOME FOR THE PERIOD IS MADE UP AS FOLLOWS :-				
REALISED	20,055	20,730	60,792	60,843
UNREALISED *	-	-	254,360	-
	-----	-----	-----	-----
	20,055	20,730	315,152	60,843
	=====	=====	=====	=====
EARNINGS PER UNIT (Sen)	1.70	1.76	26.73	5.16
	=====	=====	=====	=====
GROSS DISTRIBUTION PER UNIT (Sen)	1.70	1.76	5.16	5.16
	=====	=====	=====	=====

* The fair value adjustment of investment properties relates to the revaluation surplus that arose from the revaluation of the investment properties, namely Lot 10, Starhill Gallery and JW Marriott Hotel Kuala Lumpur, which was approved by Securities Commission on 11 July 2008. The Trust had incorporated the revaluation surplus into the Income Statement on 15 July 2008. This is an unrealised income and it is not available for income distribution.

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The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED BALANCE SHEET

	AS AT 31.03.2009 RM'000	AS AT 30.06.2008 RM'000
ASSETS		
INVESTMENT PROPERTIES	1,530,201	1,275,135
Current Assets		
Trade receivables	5,132	2,895
Other receivables	1,729	176
Fixed deposits	78,366	103,588
Bank balances	122	167
	-----	-----
	85,349	106,826
	-----	-----
TOTAL ASSETS	1,615,550	1,381,961
	=====	=====
UNITHOLDERS' FUNDS		
Unitholders' capital	1,145,895	1,145,895
Undistributed income	254,361	1
	-----	-----
Net Asset Value	1,400,256	1,145,896
	-----	-----
LIABILITIES		
Non-current liabilities		
Borrowing	180,000	180,000
Other payables	11,256	8,531
	-----	-----
	191,256	188,531
	-----	-----
Current Liabilities		
Other payables	3,981	6,378
Provision for income distribution	20,057	41,156
	-----	-----
	24,038	47,534
	-----	-----
TOTAL LIABILITIES	215,294	236,065
	-----	-----
TOTAL UNITHOLDERS' FUNDS & LIABILITIES	1,615,550	1,381,961
	=====	=====

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CONDENSED BALANCE SHEET – continued

	AS AT 31.03.2009 RM'000	AS AT 30.06.2008 RM'000
Number of units in circulations ('000)	1,178,889 =====	1,178,889 =====
Net asset value per unit (RM)	1.1878 =====	0.9720 =====

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The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 30 June 2008 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 MARCH 2009**

9 months ended 31 March 2009	Unitholders' Capital RM'000	Distributable		Unitholders' Funds RM'000
		Undistributed Income Realised RM'000	Unrealised RM'000	
As at 1 July 2008	1,145,895	1	-	1,145,896
Operations for the period				
Net income for the period	-	60,792	254,360	315,152
Increase in net assets resulting from operations	-	60,792	254,360	315,152
Unitholders transactions				
Distribution paid	-	(40,735)	-	(40,735)
Provision for income distribution	-	(20,057)	-	(20,057)
Decrease in net assets resulting from unitholders transactions	-	(60,792)	-	(60,792)
As at 31 March 2009	1,145,895	1	254,360	1,400,256

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INTERIM FINANCIAL REPORT

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009 - continued**

9 months ended 31 March 2008	Unitholders' Capital RM'000	Distributable		Unitholders' Funds RM'000
		Undistributed Income Realised RM'000	Unrealised RM'000	
As at 1 July 2007	1,145,901	1	-	1,145,902
Operations for the period				
Net income for the period	-	60,843	-	60,843
Increase in net assets resulting from operations	-	60,843	-	60,843
Unitholders transactions				
Acquisition expenses	(6)	-	-	(6)
Distribution paid	-	(40,112)	-	(40,112)
Provision for income distribution	-	(20,730)	-	(20,730)
Decrease in net assets resulting from unitholders transactions	(6)	(60,842)	-	(60,848)
As at 31 March 2008	1,145,895	2	-	1,145,897

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009**

	9 months ended	
	31.03.2009	31.03.2008
	RM'000	RM'000
Net cash generated from operating activities	61,519	65,381
Net cash generated from investing activities	1,591	2,402
Net cash used in financing activities	(88,377)	(72,002)
Net decrease in cash and cash equivalent	(25,267)	(4,219)
Cash and cash equivalents at beginning of financial period	103,755	85,784
Cash and cash equivalent at end of financial period (note a)	78,488	81,565

Note (a)

Cash and cash equivalent

	As At	As At
	31.03.2009	31.03.2008
	RM'000	RM'000
Fixed Deposit	78,366	81,191
Bank balances	122	374
	78,488	81,565

The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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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 2008. 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 2008.

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”).

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.

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

The interim distribution of 3.4554 sen per unit (which is tax exempt at Trust level under Section 61A, Income Tax Act, 1967), totalling RM40,735,327, in respect of the six-month period ended 31 December 2008 was paid during the current financial quarter.

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INTERIM FINANCIAL REPORT

Notes : - continued

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.

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INTERIM FINANCIAL REPORT

Notes :

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

B1. Review of Performance

The Trust recorded RM27.296 million and RM20.055 million of revenue and income before taxation respectively for the current financial quarter ended 31 March 2009, representing a marginal decrease of 0.30% and 3.26% recorded in previous corresponding quarter ended 31 March 2008. The decrease in income before taxation was due substantially to the increase in property operating expenses and the decrease in the interest income generated from placement of fund following Bank Negara Malaysia's reduction in its overnight policy rate during the current financial quarter.

For the financial period ended 31 March 2009, the Trust recorded RM82.370 million and RM315.152 million of revenue and income before taxation respectively, representing an increase of 1.75% and 417.98% recorded in previous corresponding period ended 31 March 2008. Included in the income before taxation was the fair value adjustment of investment properties amounting to RM254.360 million, in respect of the revaluation surplus that arose from the revaluation of investment properties, namely Lot 10, Starhill Gallery and JW Marriott Hotel Kuala Lumpur, which was approved by the Securities Commission on 11 July 2008. The Trust had incorporated the revaluation surplus into the Income Statement on 15 July 2008. The increase in revenue was mainly contributed by increase in service charge rate for all tenancies on July 2008. The Trust's income before taxation (before fair value adjustment of investment properties) decreased marginally to RM60.792 million from RM60.843 million, representing a decrease of 0.08% due substantially to increase in property operating expenses.

B2. Comparison with Preceding Quarter

	Current Quarter 31.03.2009 RM'000	Preceding Quarter 31.12.2008 RM'000
Revenue	27,296	27,208
Income before taxation	20,055	20,104
Income after taxation before provision for income distribution	20,055	20,104

The Trust's revenue for the current financial quarter ended 31 March 2009 increased marginally to RM27.296 million from RM27.208 million whilst income before taxation decreased marginally to RM20.055 million from RM20.104 million recorded in the preceding financial quarter ended 31 December 2008.

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Notes : continued

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 the financial year ending 30 June 2009.

B4. Profit Forecast

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

B5. Taxation

The Trust has paid and 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 quarter.

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

As at the date of this report, there was no corporate proposal announced and pending completion.

B9. Borrowings and Debt Securities

The borrowing of RM180 million is long term and secured.

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Notes : continued

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.

B12. Income Distribution

No distribution has been declared for the current financial quarter. A provision is made to distribute approximate 100% of the distributable income during the current financial quarter pursuant to the provision in the Trust Deed dated 18 November 2005 to distribute at least 90% of the distributable income for each financial year.

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
	31.03.2009	31.03.2008
Income after taxation for the quarter (RM'000)	20,055	20,730
Weighted average number of Units in issue ('000)	1,178,889	1,178,889
Earnings per unit (sen)	1.70	1.76

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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
	31.03.2009	31.03.2008
Provision for income distribution (RM'000)	20,055	20,730
Number of units in issue ('000)	1,178,889	1,178,889
Distribution per unit (sen)	1.70	1.76

B15. Audit Report of preceding financial year ended 30 June 2008

The audit report on the financial statements of the preceding financial year ended 30 June 2008 was not subject to any qualification.

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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: 21 May 2009