

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Interim financial report on result for the financial period ended 30 June 2006

The figures have not been audited.

CONDENSED INCOME STATEMENTS

	INDIVIDUAL QUARTER PRECEDING YEAR CURRENT YEAR QUARTER 30.06.2006 RM'000	CUMULATIVE QUARTER PRECEDING YEAR CURRENT PERIOD TO DATE 30.06.2006 RM'000	CUMULATIVE QUARTER PRECEDING YEAR CURRENT PERIOD TO DATE 30.06.2005 RM'000	
REVENUE	23,523	N/A	50,739	N/A
PROPERTY OPERATING EXPENSES	(4,192)	N/A	(9,152)	N/A
NET PROPERTY INCOME	19,331	N/A	41,587	N/A
OTHER INCOME	731	N/A	1,466	N/A
TRUST EXPENSES	(91)	N/A	(1,713)	N/A
ADMINISTRATIVE EXPENSES	(103)	N/A	(104)	N/A
FINANCE COSTS	(2,822)	N/A	(5,331)	N/A
INCOME BEFORE TAXATION	17,046	N/A	35,905	N/A
TAXATION	-	N/A	-	N/A
INCOME AFTER TAXATION	17,046	N/A	35,905	N/A
PROVISION FOR INCOME DISTRIBUTION	(17,045)	N/A	(35,904)	N/A
NET INCOME RETAINED	1	N/A	1	N/A
EARNINGS PER UNIT (SEN)	1.64	N/A	3.45	N/A
GROSS DISTRIBUTION PER UNIT (SEN)	1.64	N/A	3.45	N/A

The comparative financial information for corresponding period is not available as the Trust was established on 18 November 2005.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT CONDENSED BALANCE SHEET

	AS AT 30.06.2006 RM'000	AS AT 30.06.2005 RM'000
INVESTMENT PROPERTIES	1,150,000	N/A
CURRENT ASSETS		
Trade receivables	1,738	N/A
Other receivables	238	N/A
Fixed deposits	97,917	N/A
Cash and bank balance	74	N/A
	<u>99,967</u>	<u>N/A</u>
CURRENT LIABILITIES		
Other payables	11,306	N/A
Provision for income distribution	35,904	N/A
	<u>47,210</u>	<u>N/A</u>
NET CURRENT ASSETS	<u>52,757</u>	<u>N/A</u>
NON CURRENT LIABILITIES		
Bank borrowing	180,000	N/A
	<u>1,022,757</u>	<u>N/A</u>
UNITHOLDERS' FUNDS		
Unitholders' capital	1,022,756	N/A
Retained income	1	N/A
UNITHOLDERS' FUNDS	<u>1,022,757</u>	<u>N/A</u>
Number of units in circulation ('000)	<u>1,040,000</u>	<u>N/A</u>
Net assets value per unit (RM)	<u>0.983</u>	<u>N/A</u>

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CONDENSED CASH FLOW STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2006

	30.06.2006 RM'000	30.06.2005 RM'000
Net cash generated from operating activities	48,433	N/A
Net cash used in investing activities	(458,975)	N/A
Net cash generated from financing activities	508,533	N/A
Net increase in cash and cash equivalents	97,991	N/A
Cash and cash equivalents at beginning of period	-	N/A
Cash and cash equivalent at end of the period (note a)	97,991	N/A

Note (a)

Cash and cash equivalent

	30.06.2006 RM'000	30.06.2005 RM'000
Fixed Deposit	97,917	N/A
Cash and bank balances	74	N/A
Cash and cash equivalent at end of the period	97,991	N/A

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CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE PERIOD ENDED 30 JUNE 2006

	Unitholders' Capital RM'000	Retained Income RM'000	Unitholders' Funds RM'000
Net assets as at 18 November 2005	1	-	1
Proceeds from Initial Public Offering	1,043,595	-	1,043,595
Listing expenses	(20,840)	-	(20,840)
Distributable income for the period	-	35,905	35,905
Provision for income distribution		(35,904)	(35,904)
As at 30 June 2006	<u>1,022,756</u>	<u>1</u>	<u>1,022,757</u>

The comparative financial information for corresponding period is not available as the Trust was established on 18 November 2005.

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Notes :

Disclosure requirement per FRS 134 (formerly known as MASB 26) – paragraph 16

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” (formerly known as MASB 26) and Chapter 9, part K of the listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by the Trust in this interim financial report are consistent with those adopted in the prospectus of Starhill REIT dated 22 November 2005.

A2. Audit Report of preceding financial year ended 30 June 2005

There was no annual report of preceding financial year ended 30 June 2005 as the Trust was established on 18 November 2005.

A3. Seasonality or Cyclicity of Operations

The business operations of the Trust are not materially affected by any seasonal or cyclical factor.

A4. 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.

A5. Changes in estimates of amounts reported

This is not applicable as there was no estimate of amount reported.

A6. 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.

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INTERIM FINANCIAL REPORT

Notes : - continued

A7. Income Distribution

There was no distribution paid during the current financial quarter ended 30 June 2006. Provision was made to distribute approximate 100% of the distributable income at the end of the financial quarter ended 30 June 2006 in accordance with the Prospectus dated 22 November 2005.

A8. Segment Reporting

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

A9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without any amendments from the valuation report dated 1 March 2005.

A10. Material Events Subsequent to the end of the interim period

There is no material event subsequent to the end of the interim period.

A11. Changes in the Composition of the Trust

There is no change in composition of the Trust during the current financial quarter.

A12. Changes in Contingent Liabilities

There is no contingent liability to be disclosed.

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Notes :

Disclosure requirement per Bursa Malaysia listing requirements Part A of Appendix 9B

B1. Review of Performance

The Trust recorded RM50.739 million and RM35.905 million of revenue and income before taxation respectively for the financial period ended 30 June 2006.

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2006 RM'000	Preceding Quarter 31.03.2006 RM'000
Revenue	23,523	23,267
Income before taxation	17,046	16,569
Income after taxation before provision for income distribution	17,046	16,569

The Trust's revenue and income before taxation for the current financial quarter ended 30 June 2006 increased to RM23.523 million and RM17.046 million from RM23.267 million and RM16.569 million recorded in the preceding financial quarter ended 31 March 2006. This represents an increase of 1.10% and 2.88% in revenue and income before taxation respectively. The Trust has performed steadily throughout the financial period under review.

B3. Prospects

The Trust, after considering the strength of the real estate portfolio invested, is expected to achieve satisfactory performance for financial year ending 2006.

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Notes : continued

B4. Profit Forecast

	Actual 30.06.2006 RM'000	Forecast 30.06.2006 RM'000
Income after taxation	35,905	32,304

During the financial period ended 30 June 2006, the Trust has recorded income after taxation of RM35.905 million as compared to income after taxation of RM32.304 million forecasted in the prospectus dated 22 November 2005, representing an increase of 11.15% in income after taxation.

Included in the income after taxation for the financial period ended 30 June 2006 was income recorded for the 16-day period from 16 December 2005, being the date of commencement of business of the Trust, to 31 December 2005, compared to the profit forecast period of 1 January 2006 to 30 June 2006. Excluding the above-mentioned 16-day period from 16 December 2005 to 31 December 2005, Starhill REIT's income after taxation still exceeded the forecast result by 1.93%, this increase was mainly attributable to the interest income generated from the placement of funds with licensed financial institutions.

B5. Taxation

There was no tax payable during the financial period, as the Trust has provided approximately 100% of the distributable income to unitholders.

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.

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Notes : continued

B10. Off Balance Sheet Financial Instruments

No off balance sheet financial instruments were utilised for the current financial quarter.

B11. Material litigation

There was no material litigation as at the end of current financial quarter.

B12. Income Distribution

The Board of Pintar Projek Sdn Bhd has proposed to declare a final income distribution of 3.4524 sen a unit, representing approximately 100% of the distribution payout for the financial period ended 30 June 2006. The distribution is subject to approval of the Trustee, Mayban Trustees Berhad.

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 total number of units in issue during the financial quarter.

	Current Quarter 30.06.2006	Preceding Year Corresponding Quarter 30.06.2005
Provision for income distribution (RM'000)	17,046	N/A
Number of units in issue ('000)	1,040,000	N/A
Distribution per unit (sen)	1.64	N/A

The comparative financial information for corresponding period is not available as the Trust was established on 18 November 2005.

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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 30.06.2006	Preceding Year Corresponding Quarter 30.06.2005
Provision for income distribution (RM'000)	17,045	N/A
Number of units in issue ('000)	1,040,000	N/A
Distribution per unit (sen)	1.64	N/A

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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 July 2006