

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Interim financial report on result for the financial quarter ended 31 March 2006

The figures have not been audited.

CONDENSED INCOME STATEMENTS

	INDIVIDUAL QUARTER PRECEDING YEAR CURRENT YEAR QUARTER 31.03.2006 RM'000	CORRESPONDING QUARTER 31.03.2005 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31.03.2006 RM'000	PRECEDING YEAR TO DATE 31.03.2005 RM'000
REVENUE	23,267	N/A	27,216	N/A
PROPERTY OPERATING EXPENSES	(4,232)	N/A	(4,960)	N/A
NET PROPERTY INCOME	19,035	N/A	22,256	N/A
OTHER INCOME	520	N/A	735	N/A
TRUST EXPENSES	(855)	N/A	(1,622)	N/A
ADMINISTRATIVE EXPENSES	(1)	N/A	(1)	N/A
FINANCE COSTS	(2,130)	N/A	(2,509)	N/A
INCOME BEFORE TAXATION	16,569	N/A	18,859	N/A
TAXATION	-	N/A	-	N/A
DISTRIBUTABLE INCOME	16,569	N/A	18,859	N/A
PROVISION FOR INCOME DISTRIBUTION	(16,569)	N/A	(18,859)	N/A
NET INCOME RETAINED	-	N/A	-	N/A
EARNINGS PER UNIT (SEN)	1.59	N/A	1.81	N/A
GROSS DISTRIBUTION PER UNIT (SEN)	1.59	N/A	1.81	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 31.03.2006 RM'000	AS AT 30.06.2005 RM'000
INVESTMENT PROPERTIES	1,150,000	N/A
	-----	-----
CURRENT ASSETS		
Trade receivables	2,949	N/A
Other receivables	1,234	N/A
Fixed deposits	78,919	N/A
Cash and bank balance	128	N/A
	-----	-----
	83,230	N/A
	-----	-----
CURRENT LIABILITIES		
Other payables	11,640	N/A
Provision for income distribution	18,858	N/A
	-----	-----
	30,498	N/A
	-----	-----
NET CURRENT ASSETS	52,732	N/A
	-----	-----
	1,202,732	N/A
	=====	=====
UNITHOLDERS' FUNDS		
Unitholders' capital	1,043,596	N/A
Listing expenses	(20,864)	N/A
Retained income	-	N/A
	-----	-----
UNITHOLDERS' FUNDS	1,022,732	N/A
	-----	-----
NON CURRENT LIABILITIES		
Bank borrowings	180,000	N/A
	-----	-----
	1,202,732	N/A
	=====	=====
Net assets value per unit (RM)	0.983	N/A
	=====	=====

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STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

**CONDENSED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2006**

	31.03.2006 RM'000	31.03.2005 RM'000
Net cash generated from operating activities	25,580	N/A
Net cash used in investing activities	(1,149,265)	N/A
Net cash generated from financing activities	1,202,732	N/A
Net increase in cash and cash equivalents	79,047	N/A
Cash and cash equivalents at beginning of the year	-	N/A
Cash and cash equivalent at end of the period (note a)	79,047	N/A

Note (a)

Cash and cash equivalent

	31.03.2006 RM'000	31.03.2005 RM'000
Cash and bank balances	128	N/A
Fixed Deposit	78,919	N/A
Cash and cash equivalent at end of the period	79,047	N/A

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STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE PERIOD ENDED 31 MARCH 2006**

	Unitholders Capital RM'000	Retained Income RM'000	Total RM'000
Net assets as at 18 November 2005	-	-	-
Proceeds from promoter unit	1	-	1
Proceeds from Initial Public Offering	1,043,595	-	1,043,595
Listing expenses	(20,864)	-	(20,864)
Distributable income for the period	-	18,859	18,859
Provision for income distribution		(18,859)	(18,859)
As at 31 March 2006	<u>1,022,732</u>	<u>-</u>	<u>1,022,732</u>

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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

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.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Notes : - continued

A7. Income Distribution

There was no distribution paid during the current financial quarter ended 31 March 2006. Provision was made to distribute 100% of the distributable income during the quarter in accordance with the Trust Deed dated 18 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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STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

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

B1. Review of Performance

The Trust recorded RM27.216 million and RM18.859 million in revenue and profit before taxation respectively for the current financial quarter ended 31 March 2006.

B2. Comparison with Preceding Quarter

	Current Quarter 31.03.2006 RM'000	Preceding Quarter 31.12.2005 RM'000
Revenue	23,267	3,949
Profit before taxation	16,569	2,290
Profit after taxation before provision for income distribution	16,569	2,290

As this is the first set of results of a full financial quarter reported by the Trust since listing on the Main Board of Bursa Malaysia Securities Berhad on 16 December 2005, the Trust's revenue and profit before taxation for the current financial quarter ended 31 March 2006 increased to RM23.267 million and RM16.569 million from RM3.949 million and RM2.290 million recorded for the 16 day period from 16 December 2005 (date of listing of the Trust on Bursa Malaysia) to 31 December 2005.

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.

B4. Profit Forecast

This is not applicable as the Trust did not issue any profit forecast or profit guarantee for the current financial quarter.

B5. Taxation

There was no tax payable as the Trust has provided 100% of the distributable income to unitholders.

STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Notes : continued

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 over the properties owned by the Trust.

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

No distribution has been declared for the current financial quarter. Provision was made to distribute 100% of the distributable income during the quarter in accordance with the Trust Deed dated 18 November 2005.

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STARHILL REAL ESTATE INVESTMENT TRUST

INTERIM FINANCIAL REPORT

Notes : continued

B13. 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 31.03.2006	Preceding Year Corresponding Quarter 31.03.2005
Provision for income distribution (RM'000)	16,569	N/A
Number of units in issue ('000)	1,040,000	N/A
Distribution per unit (sen)	1.59	N/A

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

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: 18 May 2006