



NEWS RELEASE

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CMT distribution to unitholders exceeds forecast by 8.4% since SGX debut

Asset enhancement plans accelerated

Singapore, 15 January 2003 - CapitaMall Trust Management Limited (“CMTML”), the manager of CapitaMall Trust (“CMT”), is pleased to announce a distribution to unitholders of 3.38 cents per unit for the period 16 July 2002 to 31 December 2002. This distribution to unitholders exceeds the 2002 forecast⁽¹⁾ of 3.12 cents, an increase by 8.4%. Based on the issue price of S\$0.96, the annualised pre-tax distribution yield rose to 7.66% from the earlier forecast of 7.06%⁽¹⁾. Distributions will be paid to unitholders on 21 February 2003.

Net property income for the three properties — Tampines Mall, Junction 8 and Funan The IT Mall — increased by more than 5% above the 2002 forecast⁽¹⁾. All three properties contributed positively to net property income, exceeding forecast by between 4% and 7%.

Summary of CMT Results

(reporting period 29 October 2001 to 31 December 2002)⁽²⁾

	Actual	Forecast ⁽¹⁾	Change (%)
Gross revenue (S\$'000)	88,390	85,777	3.0
Net property income (S\$'000)	64,376	61,179	5.2
Distributable income to post-IPO unitholders (S\$'000)	24,970	23,038	8.4
Distribution per unit (cents)	3.38	3.12	8.4
Annualised distribution yield			
- based on S\$0.96 (IPO issue price)	7.66%	7.06%	8.4
- based on S\$1.03 (closing price on 13 Jan 03)	7.14%	6.58%	8.4

Footnotes:

(1) Forecast extracted from the offering circular dated 28 June 2002.

(2) CMT's first financial period is from 29 October 2001 (date of inception of CMT) to 31 December 2002. The acquisition of the properties was only completed on 28 December 2001 and hence the income derived from the properties was effectively from 29 December 2001 onwards.

CMTML's CEO Pua Seck Guan said, "The main focus in 2002 was on driving the performance of the malls. During the year, we renewed 175 leases at an average increase of 25% over preceding rents and 9% above the forecast rental. In addition, we collected turnover rent from almost half of the tenants, which is three times as the previous year. Both these revenue streams have been key contributors, enabling us to outperform our earlier forecasts despite a challenging economic back drop."

CMT's market valuation for its portfolio of three properties in December 2002 was S\$935 million, an increase of 5% from the values adopted during the initial public offering. As a result, CMT now has a revaluation surplus of S\$15.9 million.

Accelerated asset enhancement plans

Enhancement work at Tampines Mall has been accelerated by one year in order to meet increased tenant demand for space. Works are targeted to start in March 2003 and completion is expected later in November.

CMTML's CEO Pua Seck Guan said, "Response to the new proposed space at Tampines Mall has been overwhelming. Rental offers received for all seven new retail units have exceeded our forecasts."

For Junction 8, the timeline for enhancement plans is on track with works targeted to start in July 2003. These plans have also been modified to reduce disruption to the current retail operation and to better optimize available space. Instead of creating new space on Levels 1, 2 and 3, the revised plans will include Basement 1, and Levels 1 and 2. This offers the opportunity to connect the basement with the new MRT circle line station, subject to approval by the relevant authorities. The works will be carried out in two phases, with Basement 1 targeted for completion in December 2003 and the remainder in December 2004.

Marketing for the new retail space in Junction 8 has commenced. A list of prospects has been identified and the Manager is confident of securing commitments for at least half of the new space before the commencement of work in July 2003.

The Manager has also identified other income generating initiatives for the three malls. This includes creating more retail kiosks at the malls. At Junction 8, the Manager will be subdividing bigger anchor spaces to accommodate smaller specialty tenants. Not only will these new shops improve the tenancy mix, they are also expected to yield 35% more in rental income.

Resilient unit price performance

Since listing, CMT's unit price has demonstrated resilience in a period of economic uncertainty, appreciating by up to 8%. This is in contrast to other broader indices like the ST Index and the Singapore Property Equities Index, which fell 12% and 21% respectively over the same period. This is a clear demonstration of CMT's ability to offer unitholders opportunities for capital appreciation, on top of steady and attractive distribution yields.

CMTML's CEO Pua Seck Guan said, "The resilience of CMT's unit price in the midst of a general stock market downturn highlights its value as an effective wealth-preservation and risk diversification instrument."

Well-positioned for 2003

Market sentiment in Singapore is expected to remain cautious and retail spending subdued for at least the first half of 2003. As such, it is expected that shopping malls and retailers that are focused on the basic and essential consumer segments, or are innovatively differentiated from competitors, would fare better.

The main objectives for CMT will be to maintain the existing high occupancy rate, control costs, execute asset enhancement initiatives and achieve targeted earnings for the year.

CMT is well-positioned for another strong year. The manager is confident of delivering the 2003 forecast distribution of 6.96 cents per unit.

About CapitaMall Trust

The launch of CMT by CapitaLand Limited in July 2002 marked the establishment of the first listed real estate investment trust (Reit) in Singapore. CMT currently consists of three major shopping malls - Tampines Mall, Junction 8 Shopping Centre and Funan The IT Mall. The total net lettable area of the three malls is in excess of 800,000 sq ft with more than 420 individual leases.

CMT's principal investment strategy is to invest in real estate in Singapore that is income producing and which is substantially used for retail purposes. The manager plans to achieve additional net property income growth and enhance the value of CMT's real property portfolio through active management of its properties, besides asset enhancements and identifying and acquiring suitable and attractive malls in Singapore.

CMTML is an indirectly wholly-owned subsidiary of CapitaLand Limited, one of the largest listed real estate companies in Asia.

Visit www.capitamall.com for more details.

Issued by CapitaMall Trust Management Limited

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