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## News Release

9 February 2009

For Immediate Release

### **CMT Rights Issue to raise approximately S\$1.23 billion**

*Rights issue price of S\$0.82 at 43.4% discount to closing price*

**Singapore, 9 February 2009** – CapitaMall Trust Management Limited (“CMTML”), the manager of CapitaMall Trust (“CMT”) today announced a fully<sup>1</sup> underwritten renounceable 9-for-10<sup>2</sup> rights issue to raise gross proceeds of approximately S\$1.23 billion (the “Rights Issue”) at an issue price of S\$0.82 (the “Rights Issue Price”) per new unit in CMT (“Rights Unit”).

The gross proceeds from the Rights Issue will be used principally to repay borrowings due in 2009 totaling S\$956.2 million. The balance of the net proceeds will be used to pay for committed asset enhancement initiatives, and general corporate and working capital purposes.

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<sup>1</sup> Full underwriting of 1,502,358,923 Rights Units on the basis that none of the Convertible Bonds will be converted into Units at or prior to the Rights Units books closure date.

<sup>2</sup> On the basis of 9 Rights Units for every 10 existing Units (as defined herein).

## Key Rationale of the Rights Issue

### 1. Strengthen Balance Sheet and Enhance Financial Flexibility

Following the Rights Issue, CMT's gearing<sup>3</sup> is expected to be reduced from 43.2% (as at 31 December 2008) to 29.1%<sup>4</sup>, further strengthening its balance sheet. The lower gearing will optimise CMT's capital structure and strengthen its credit profile, enhancing CMT's ability to secure future debt facilities at potentially more competitive terms. In addition, it will increase CMT's financial flexibility to capitalise on opportunities, including asset enhancements at its malls (renovation, upgrading and improvements works).

### 2. Attractively Priced to Unitholders

Existing Unitholders can subscribe for their pro rata entitlement to the Rights Units at the Rights Issue Price of S\$0.82, which is at a discount of approximately 43.4% to the closing price of S\$1.45 per unit in CMT ("Unit") as at 6 February 2009 (the "Closing Price"), and a discount of approximately 49.1% to the 30-day volume weighted average price ("VWAP") of S\$1.61 per Unit. The Rights Issue Price also represents a discount of approximately 28.7% to the Theoretical Ex-Rights Price ("TERP")<sup>5</sup> of S\$1.15 per Unit. The Rights Issue Price represents a discount of approximately 50.3% to pro forma net asset value per Unit<sup>6</sup> after completion of the Rights Issue. Unitholders who do not wish to subscribe for the Rights Units may choose to renounce or sell their Rights Entitlements<sup>7</sup> during the "nil-paid" rights trading period to realise the value of their Rights Entitlements. Unitholders may also apply for excess Rights Units.

DBS Bank Ltd ("DBS") is the sole financial adviser for the Rights Issue. The Rights Issue is managed and underwritten by joint lead managers and underwriters, DBS and J.P. Morgan (S.E.A.) Limited. To demonstrate its strong commitment as the sponsor of CMT, CapitaLand Limited ("CapitaLand") has committed to subscribe up to 60.0% of the total size of the Rights Issue<sup>8</sup>, including its rights entitlement under the Rights Issue based on its stake of approximately 29.7%<sup>9</sup> in CMT. The directors of CMTML who own Units intend to fully take up their pro rata Rights Entitlements.

<sup>3</sup> The ratio of the value of total borrowings and deferred payments (if any) to the value of the gross assets of CMT and its subsidiaries (the "CMT Group"), including all its authorised investments held or deemed to be held upon the trust, under the trust deed dated 29 October 2001 as amended, varied, or supplemented from time to time.

<sup>4</sup> Assuming the borrowings are repaid immediately after completion of the Rights Issue and after adjustment for the S\$15.0 million revolving credit facility ("RCF") repaid on 3 February 2009 and the S\$15.0 million RCF expected to be repaid in March 2009.

<sup>5</sup> The TERP is calculated as follows, assuming that approximately 1.50 billion Rights Units are issued under the Rights Issue:

$$\text{TERP} = \frac{\text{Market capitalisation of CMT (based on the Closing Price)} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

<sup>6</sup> The pro forma net asset value per Unit is S\$1.65 as at 31 December 2008 adjusted for the effects of the Rights Issue and subject to certain assumptions as described in paragraph 3 of the Letter to Unitholders contained in the Unitholders' Circular (as defined herein).

<sup>7</sup> The provisional allotments of Rights Units to eligible Unitholders under the Rights Issue.

<sup>8</sup> Based on the 1,502,358,923 Rights Units which are fully underwritten by the Joint Lead Managers and Underwriters under the terms and conditions of the Underwriting Agreement.

<sup>9</sup> As at 6 February 2009.

Mr James Koh Cher Siang, Chairman of CMTML, said, “We are proposing this Rights Issue from a position of strength. CMT is the largest real estate investment trust by asset size and market capitalisation in Singapore with a strong track record. The Rights Issue is attractively priced at a discount of approximately 43.4% to the closing price, translating to a yield of 10.2%<sup>10</sup>, which represents an all-time high yield spread of over 800 basis points for CMT over the Singapore 10-year Government bond<sup>11</sup>. This provides an excellent opportunity for existing and new Unitholders to subscribe for Units in CMT. We are confident that the Rights Issue will be well received by investors.”

Mr Lim Beng Chee, Chief Executive Officer of CMTML, said, “As part of our on-going pro-active capital management, the proposed Rights Issue will strengthen CMT’s balance sheet and position CMT to ride through the current financial uncertainties. Given the resilience of our portfolio, with approximately 80.0% of the malls catering towards necessity shopping, we are confident of successfully steering CMT through these turbulent times. In addition, the Rights Issue will provide CMT with greater financial flexibility for potential opportunities, which includes asset enhancement at Jurong Entertainment Centre and The Atrium@Orchard.”

The Rights Units will be entitled to any distributions which may accrue from 1 January 2009<sup>12</sup>. CMT remains committed to distribute 100.0% of its distributable income.

In connection with the Rights Issue, CMTML has today issued a circular to its Unitholders (“Unitholders’ Circular”) to convene an extraordinary general meeting (“EGM”) to seek Unitholders’ approval for the Rights Issue and the proposed Whitewash Resolution (as defined in the Unitholders’ Circular). The EGM will be held on Monday, 2 March 2009 at 2.30 p.m. at STI Auditorium, Level 9, 168 Robinson Road, Capital Tower, Singapore 068912.

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<sup>10</sup> Based on pro forma distribution per Unit of 8.40 cents for Full Year 2008 adjusted for the effects of the Rights Issue and subject to certain assumptions as described in paragraph 3 of the Letter to Unitholders contained in the Unitholders’ Circular.

<sup>11</sup> Singapore Government 10-year bond yield as at 6 February 2009.

<sup>12</sup> For the avoidance of doubt, the Rights Units will not be entitled to CMT’s distribution for the fourth quarter of 2008 which will be paid on 27 February 2009.

**Timeline<sup>13</sup> and Details of the Rights Issue**

Date / Time	Event
Monday, 9 February 2009	Announcement of Rights Issue
Saturday, 28 February 2009, 2.30pm	Last date and time to lodge proxy forms
<b>Monday, 2 March 2009, 2.30pm</b>	<b>EGM</b>
Tuesday, 3 March 2009	Last day of “cum-rights” trading for Rights Issue
Wednesday, 4 March 2009	First day of “ex-rights” trading for Rights Issue
<b>Friday, 6 March 2009, 5.00pm</b>	<b>Rights Issue books closure date</b>
<b>Wednesday, 11 March 2009</b>	<b>Commencement of “nil-paid” rights trading</b>
Thursday, 19 March 2009	Last day of “nil-paid” rights trading
<b>Wednesday, 25 March 2009</b>	<b>Last day of acceptance and payment of Rights Units</b>
Thursday, 2 April 2009	Expected date of issue of Rights Units
Friday, 3 April 2009	Expected date of commencement of trading of the Rights Units on Singapore Exchange Securities Trading Limited (the “SGX-ST”)

**Key Terms of the Rights Issue**

Offer Structure	<ul style="list-style-type: none"> <li>• Underwritten and renounceable Rights Issue</li> <li>• Gross proceeds of approximately S\$1.23 billion</li> <li>• Number of Rights Units to be issued: approximately 1.50 billion units</li> <li>• Rights Ratio: 9-for-10</li> </ul>
Rights Issue Price	<ul style="list-style-type: none"> <li>• S\$0.82 per Rights Unit, representing approximately: <ul style="list-style-type: none"> <li>- 43.4% discount to Closing Price of S\$1.45 per Unit</li> <li>- 49.1% discount to 30-day VWAP of S\$1.61 per Unit</li> <li>- 28.7% discount to TERP of S\$1.15 per Unit</li> </ul> </li> </ul>
Yield	Yield of 10.2% <sup>14</sup> at Rights Issue Price of S\$0.82 per Rights Unit
Distribution	The Rights Units will be entitled to any distribution which may accrue from 1 January 2009.
Sponsor’s Commitment	CapitaLand is committed to subscribe up to 60.0% of the total Rights Issue size, including undertaking to fully subscribe for its provisional allotment of 29.7%.
Joint Lead Managers & Underwriters	DBS and J.P. Morgan (S.E.A.) Limited

<sup>13</sup> Any changes to the timetable will be announced.

<sup>14</sup> Based on pro forma distribution per Unit of 8.40 cents for Full Year 2008 adjusted for the effects of the Rights Issue and subject to certain assumptions as described in paragraph 3 of the Letter to Unitholders contained in the Unitholders’ Circular.

**About CapitaMall Trust ([www.capitamall.com](http://www.capitamall.com))**

CMT is the first Real Estate Investment Trust (“REIT”) listed on the SGX-ST in July 2002. CMT is also the largest REIT by asset size and market capitalisation in Singapore, with an asset size and market capitalisation of approximately S\$7.5 billion and S\$2.4 billion (as at 6 February 2009) respectively. CMT has been assigned an “A2” rating by Moody's Investors Service. The “A2” rating is the highest rating assigned to a Singapore REIT.

CMT owns and invests in quality income-producing assets which are used, or predominantly used, for retail purposes primarily in Singapore. As at 31 December 2008, CMT Group's portfolio comprised a diverse list of over 2,100 leases with local and international retailers and achieved a committed occupancy of close to 100.0%. CMT Group's 14 quality retail malls, which are strategically located in the suburban areas and Downtown Core of Singapore, include Tampines Mall, Junction 8, Funan DigitaLife Mall, IMM Building, Plaza Singapura, The Atrium@Orchard, Bugis Junction, Raffles City Singapore (40.0% interest), Hougang Plaza, Sembawang Shopping Centre, Jurong Entertainment Centre, Lot One Shoppers' Mall, Bukit Panjang Plaza and Rivervale Mall. CMT also owns a 20.0% stake in CapitaRetail China Trust, the first pure-play China retail REIT listed on the SGX-ST in December 2006.

CMT is managed by an external manager, CapitaMall Trust Management Limited (“CMTML”), which is an indirect wholly-owned subsidiary of CapitaLand, one of Asia's largest real estate companies.

**IMPORTANT NOTICE**

This news release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in CMT (“Units”). This news release is qualified in its entirety by, and should be read in conjunction with, the full text of the Unitholders' Circular to be dispatched in due course. Terms not defined in this announcement adopt the meanings in the Unitholders' Circular.

The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, CMTML or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of Units on the SGX-ST does not guarantee a liquid market for Units. The past performance of CMT is not necessarily indicative of its future performance.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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**Issued by CapitaMall Trust Management Limited**

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