



## News Release

For Immediate Release  
22 July 2010

### **CMT's Second Quarter 2010 Distribution Per Unit Increases 7.5% Year-on-Year**

Positive rental reversions achieved on the back of improved consumer confidence

**Singapore, 22 July 2010** – CapitaMall Trust Management Limited (CMTML), the manager of CapitaMall Trust (CMT), is pleased to announce that CMT has achieved a Second Quarter 2010 (2Q 2010) distribution per unit (DPU) of 2.29<sup>1</sup> cents which is 7.5% higher than the DPU of 2.13 cents for the same period in 2009 and 1.4% higher than the Forecast<sup>2</sup> 2Q 2010 DPU of 2.26 cents. This brings CMT's DPU to 4.52<sup>1</sup> cents for First Half 2010 (1H 2010), exceeding the First Half 2009 (1H 2009) DPU of 4.10 cents by 10.2%.

The better performance in 1H 2010 was driven mainly by higher rental rates for new and renewed leases and lower operating expenses. Unitholders can expect to receive their 2Q 2010 DPU on 27 August 2010. The Books Closure Date is on 30 July 2010.

Mr James Koh Cher Siang, Chairman of CMTML, said, "We are pleased to report that CMT has delivered strong operating performance for 2Q 2010. The positive trend in retail sales<sup>3</sup> remains intact, with seven consecutive months of year-on-year increases from November 2009 to May 2010. In addition, Singapore's tourism industry is also growing strongly in recent months, with tourist arrivals up 21.8% year-on-year in the first five months of the year. The improving economic conditions, rising consumer confidence and growing tourist arrivals are expected to spur further growth in the retail industry in the second half of this year."

Mr Simon Ho, CEO of CMTML, said, "CMT's overall portfolio has seen strong rental reversions in 2Q 2010 as the leasing market for retail space continues to show signs of strength. For our asset enhancement initiatives at Raffles City Singapore and JCube (formerly known as Jurong Entertainment Centre), we are now expecting higher returns on investment as compared to our initial announced budgets due to higher projected rental revenue and lower construction costs respectively. We have also completed CMT's acquisition of Clarke Quay on 1 July 2010. Thirteen

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<sup>1</sup> The DPU is computed on the basis that none of the S\$650.0 million convertible bonds (CBs) due in 2013 are converted into Units before the books closure date (BCD). The actual quantum of DPU may differ from the figure above if any of the CBs are converted into Units before the BCD.

<sup>2</sup> The Forecast is based on CMT's Circular dated 24 March 2010.

<sup>3</sup> Retail sales excluding motor vehicles.

out of 14 leases expiring this year at Clarke Quay have already been successfully renewed with a 10.3% increase over preceding rental rates.”

## Summary of CMT’s Results

Period: 1 April to 30 June (2Q) and 1 January to 30 June (1H)

	2Q 2010 (S\$’000)	2Q 2009 (S\$’000)	Variance %	1H 2010 (S\$’000)	1H 2009 (S\$’000)	Variance %
Gross Revenue	142,473	138,643	2.8	281,572	273,169	3.1
Net Property Income	98,768	93,812	5.3	196,441	186,199	5.5
Income Available for Distribution	73,052	67,123	8.8	153,673	135,356	13.5
Distributable Income to Unitholders	73,052	67,924	7.5	144,191	130,556	10.4
<b>Distribution Per Unit for the period</b>	2.29¢ <sup>1</sup>	2.13¢	7.5	4.52¢ <sup>1</sup>	4.10¢	10.2
<b>Annualised</b>	<b>9.19¢<sup>1</sup></b>	<b>8.54¢</b>	<b>7.5</b>	<b>9.11¢<sup>1</sup></b>	<b>8.27¢</b>	<b>10.2</b>
<b>Annualised Distribution Yield</b> (Based on unit price of S\$1.98 on 21 Jul 2010)	<b>4.64%</b>	<b>4.31%</b>	<b>7.5</b>	<b>4.60%</b>	<b>4.18%</b>	<b>10.2</b>

## Positive Rental Reversions

Rental renewal rates in 1H 2010 registered positive growth of 6.3% over preceding rental rates. Gross revenue increased 2.8% year-on-year to S\$142.5 million in 2Q 2010 while net property income grew 5.3% over that of 2Q 2009. CMT’s portfolio occupancy continued to be strong at 99.5% as at 30 June 2010.

## Refinancing of Debt Due in 2010 Completed

Following the completion of the refinancing of borrowings due in 2010, CMT’s average cost of debt and gearing ratio were 3.7% and 34.8% respectively as at 30 June 2010. Interest cover stood at approximately 3.3 times. We will now proactively explore options to reduce CMT’s refinancing exposure in 2011.

## Acquisition of Clarke Quay

On 1 July 2010, CMT completed its yield-accretive acquisition of Clarke Quay which was financed wholly by debt. With this completion, CMT now has 15 properties with an asset size of approximately S\$8.0 billion as at 30 June 2010 – up from 14 properties with an asset size of approximately S\$7.8 billion prior to the acquisition.

## Updates on Asset Enhancement Initiatives

At Raffles City Singapore, a new Basement 2 link to the Esplanade MRT station (Circle Line) has commenced operations this month. The remaining asset enhancement works for Basement 1 are on schedule to be completed by end-2010. To date, about 86.0% of the additional net lettable area created on Basement 1 and 2, has been committed. The project is now anticipated to increase NPI by S\$3.1 million<sup>4</sup> per annum, instead of the original budgeted S\$2.7 million<sup>4</sup> because of higher expected rental revenue. This translates to an ungeared return on investment (ROI) of 8.9%, up from the budgeted 8.0%.

<sup>4</sup> Based on 100% share; CMT’s share is 40.0% of this amount.

At JCube, asset enhancement works are in progress. Groundbreaking for the new larger mall took place in May 2010. Revised capital expenditure for the asset enhancement is now projected to be approximately S\$165 million, S\$35 million lower than budget. This is expected to improve ungeared ROI for the project to 9.7%, significantly higher than the initial budget of 8.0%.

For The Atrium@Orchard, we are targeting to commence asset enhancement works in the first quarter of 2011 and complete the project by the third quarter of 2012<sup>5</sup>. We have appointed RSP Architects Planners & Engineers and Benoy as architect and concept consultant respectively for the project.

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

CMT is the first Real Estate Investment Trust (REIT) listed on Singapore Exchange Securities Trading Limited (SGX-ST) in July 2002. CMT is also the largest REIT by asset size, approximately S\$7.8 billion and by market capitalisation, S\$5.9 billion (as at 30 June 2010) in Singapore. 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 30 June 2010, CMT's portfolio comprised a diverse list of approximately 2,300 leases with local and international retailers and achieved a committed occupancy of close to 100.0%. CMT Group's 14 quality retail properties, which are strategically located in the suburban areas and Downtown Core of Singapore, include Tampines Mall, Junction 8, Funan DigitalLife Mall, IMM Building, Plaza Singapura, Bugis Junction, Sembawang Shopping Centre, JCube (formerly known as Jurong Entertainment Centre), Hougang Plaza, Raffles City Singapore (40.0% interest), Lot One Shoppers' Mall, Bukit Panjang Plaza, Rivervale Mall and The Atrium@Orchard. CMT also owns 122.7 million units in CapitaRetail China Trust, the first China shopping mall REIT listed on SGX-ST in December 2006.

CMT is managed by an external manager, CapitaMall Trust Management Limited, which is a wholly-owned subsidiary of CapitaMalls Asia Limited, one of Asia's largest listed shopping mall developers, owners and managers.

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<sup>5</sup> Target completion is based on Manager's estimates and subject to final asset enhancement plans and relevant approvals.

## **IMPORTANT NOTICE**

The past performance of CMT is not indicative of the future performance of CMT. Similarly, the past performance of CMTML (the Manager) is not indicative of the future performance of the Manager.

The value of units in CMT (Units) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager 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 holders of Units may only deal in their Units through trading on SGX-ST. Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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**Issued by: CapitaMall Trust Management Limited (Company Registration No. 200106159R)**  
**Date: 22 July 2010**

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