



CAPITAMALL TRUST

2010 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

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Summary of CMT Results

	FY 2008	FY 2009	1 April 2010 to 30 June 2010		
	Actual	Actual	Actual	Forecast ¹	% Change
Gross Revenue (S\$'000)	510,901	552,700	142,473	139,506	2.1
Net Property Income (S\$'000)	341,130	376,768	98,768	94,236	4.8
Amount Available for Distribution (S\$'000)	238,357	281,966	73,052	69,545	5.0
Distributable Income (S\$'000)	238,357	281,966	73,052	72,042 ²	1.4
Distribution Per Unit ("DPU") (cents)					
For the period	14.29¢	8.85¢	2.29¢ ³	2.26¢	1.4
Annualised	14.29¢ ⁴	8.85¢ ⁴	9.19¢ ³	9.06¢ ⁶	1.4
For Information Only					
DPU (cents) (adjusted for Rights Units (as defined below))					
Annualised	7.52¢ ⁵	8.85¢ ⁴	9.19¢ ³	9.06¢ ⁶	1.4

Footnotes:

1. The forecast is based on the CapitaMall Trust ("CMT") Circular dated 24 March 2010.
2. Forecast included release of approximately S\$2.5 million retention of distribution income from CapitaRetail China Trust ("CRCT") in 1Q 2010.
3. DPU in the table above is computed on the basis that none of the S\$650.0 million convertible bonds due 2013 (the "Convertible Bonds") are converted into units in CMT ("Units") before the book closure date. Accordingly, the actual quantum of DPU may differ from the table above if any of the Convertible Bonds are converted into Units before the book closure date.
4. Refers to actual DPU for the respective years.
5. FY 2008 DPU have been restated with the effects of underwritten renounceable 9-for-10 rights issue ("Rights Issue") and are computed based on the issued Units at end of the year plus 1,502,358,923 new Units (the "Rights Units") pursuant to the Rights Issue.
6. Annualised DPU is derived based on DPU for three months period ended 30 June 2010.

For a meaningful analysis/comparison of the actual results against the CMT Circular dated 24 March 2010, please refer to paragraph 9 of this announcement.

DISTRIBUTION & BOOKS CLOSURE DATE

Distribution	For 1 April 2010 to 30 June 2010
Distribution type	Taxable income
Estimated distribution rate ¹	Taxable income distribution of 2.29 cents per Unit
Books closure date	30 July 2010
Payment date	27 August 2010

Footnote:

1. The above estimated DPU is computed on the basis that none of the Convertible Bonds are converted into Units before the books closure date. Accordingly, the actual quantum of DPU may differ from the above estimated DPU if any of the Convertible Bonds are converted into Units before the books closure date.

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INTRODUCTION

CMT was established under a trust deed dated 29 October 2001 entered into between CapitaMall Trust Management Limited (as manager of CMT) (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CMT) (the “Trustee”), as amended.

CMT is the first Real Estate Investment Trust (“REIT”) listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”) in July 2002.

The principal activity of CMT is to own and invest in quality incoming producing real estate, which is used or substantially used for retail purposes with the primary objective of achieving an attractive level of return from rental income and for long term capital growth.

CMT’s current portfolio comprises 14 retail properties which are strategically located in the suburban areas and downtown core of Singapore - Tampines Mall, Junction 8, Funan DigitaLife Mall, IMM Building, Plaza Singapura, Bugis Junction, Sembawang Shopping Centre, Jurong Entertainment Centre, Hougang Plaza, a 40.0% interest in Raffles City Singapore (“RCS”), Lot One Shoppers’ Mall, 90 out of 91 strata lots in Bukit Panjang Plaza, Rivervale Mall and The Atrium@Orchard (“Atrium”).

CMT also owns an approximately 19.7% interest in CapitaRetail China Trust, the first China shopping mall REIT listed on the SGX-ST in December 2006.

On 1 January 2010, pursuant to an internal restructuring exercise (“CRS restructuring”), the three properties namely Lot One Shoppers’ Mall, Rivervale Mall and 90 out of 91 strata lots in Bukit Panjang Plaza (the “CRS Properties”) previously held by CapitaRetail Singapore Limited (“CRS”) are now held directly by CMT and the three properties have been unencumbered.

On 28 January and 15 March 2010, CMT’s wholly owned subsidiary, CMT MTN Pte Ltd (“CMT MTN”), issued 2 tranches of fixed rate notes at S\$100.0 million each through the S\$2.5 billion Multicurrency Medium Term Note Programme (“MTN Programme”) at 3.288% and 3.85% and with the tenors of 5 and 7 years respectively. The proceeds from the issue of notes were on lent to CMT.

On 8 April 2010, CMT MTN issued US\$500.0 million fixed rate notes due in 2015 at 4.321% through the US\$2.0 billion Euro-Medium Term Note Programme (“EMTN Programme”) established by CMT MTN on 29 March 2010. CMT MTN has entered into swap transactions to swap the United States dollar proceeds into Singapore dollar proceeds of S\$699.5 million at a S\$ fixed interest rate of 3.794% per annum. The proceeds from the issue of notes were on lent to CMT.

On 9 February 2010, the Manager announced that CMT has entered into a sale and purchase agreement to acquire Clarke Quay. The acquisition was approved by holders of Units (“Unitholders”) at an Extraordinary General Meeting on 14 April 2010 and was completed on 1 July 2010.

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1(a)(i) **Statement of Total Return and Distribution statement (2Q 2010 vs 2Q 2009)**

	Group			Trust		
	2Q 2010 S\$'000	2Q 2009 S\$'000	% Change	2Q 2010 ¹ S\$'000	2Q 2009 S\$'000	% Change
Statement of Total Return						
Gross rental income	132,001	128,795	2.5	112,603	94,815	18.8
Car park income	3,591	3,529	1.8	3,096	2,484	24.6
Other income	6,881	6,319	8.9	6,444	4,858	32.6
Gross revenue	142,473	138,643	2.8	122,143	102,157	19.6
Property management fees	(5,417)	(5,212)	3.9	(4,629)	(3,820)	21.2
Property tax	(12,232)	(13,351)	(8.4)	(10,351)	(9,762)	6.0
Other property operating expenses ²	(26,056)	(26,268)	(0.8)	(22,848)	(19,739)	15.8
Property operating expenses	(43,705)	(44,831)	(2.5)	(37,828)	(33,321)	13.5
Net property income	98,768	93,812	5.3	84,315	68,836	22.5
Interest income	708	475	NM	704	7,273	(90.3)
Investment income ³	-	-	-	10,391	10,152	2.4
Asset management fees	(8,825)	(8,703)	1.4	(7,598)	(6,545)	16.1
Trust expenses	(674)	(1,259)	(46.5)	(598)	(1,090)	(45.1)
Foreign exchange gain -realised ⁴	-	14,780	NM	-	-	-
Finance costs	(32,777)	(27,443)	19.4	(28,995)	(22,692)	27.8
Net income before share of profit of associate	57,200	71,662	(20.2)	58,219	55,934	4.1
Share of (loss)/profit of associate ⁵	2,203	2,142	NM	-	-	-
Net Income	59,403	73,804	(19.5)	58,219	55,934	4.1
Net change in fair value of financial derivatives ⁶	(8,119)	(5,733)	NM	(8,119)	4,189	NM
Net change in fair value of investment properties	(112,469)	(276,226)	(59.3)	(114,928)	(191,155)	(39.9)
Total return for the period before taxation	(61,185)	(208,155)	(70.6)	(64,828)	(131,032)	(50.5)
Taxation ⁷	-	(2,342)	NM	-	-	-
Total return for the period	(61,185)	(210,497)	(70.9)	(64,828)	(131,032)	(50.5)

Distribution statement

Net income before share of profit of associate	57,200	71,662	(20.2)	58,219	55,934	4.1
Net effect of non-tax deductible items ⁸	15,684	12,605	24.4	14,269	11,189	27.5
Rollover Adjustment ⁹	564	-	NM	564	-	NM
Net (profit)/loss from subsidiaries/joint venture ¹⁰	(396)	(17,144)	NM	-	-	-
Amount available for distribution to Unitholders	73,052	67,123	8.8	73,052	67,123	8.8
Distributable income to Unitholders ¹¹	73,052	67,924	7.5	73,052	67,924	7.5

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Footnotes:

1. Following the CRS restructuring on 1 January 2010, the Trust's results include results of the CRS Properties now held directly by CMT. As a result, interest income from CRS ceased from 1 Jan 2010 at the Trust. In 2Q 2009, the results of CRS Properties were consolidated under the Group's results.

2. Included as part of the other property operating expenses are the following:

	Group			Trust		
	2Q 2010 S\$'000	2Q 2009 S\$'000	% Change	2Q 2010 S\$'000	2Q 2009 S\$'000	% Change
Depreciation and amortisation	118	361	(67.3)	198	159	24.5
Bad debts written off	20	3	NM	16	3	NM

3. Investment income relates to distributable income from RCS Trust and CRCT.

4. In 2Q 2009, the Group repaid US\$138.0 million (part of S\$320.0 million CRS term loan) at the hedged rate compared to the exchange rate as at 31 March 2009, resulting in realised foreign exchange gain of S\$14.8 million. The above loan was fully hedged and the exchanged differences arose only as a result of translation of the foreign currency loan. There is no impact on the distribution income.

5. Share of profit of associate relates to the equity accounting of CRCT's results on a 3 month lag basis.

6. This relates to the fair value change on re-measurement of the derivatives arising on the Convertible Bonds and interest rate swap.

7. This includes 100% share in CRS's and CMT MTN's income tax.

8. Included in the non-tax deductible items are the following:

	Group			Trust		
	2Q 2010 S\$'000	2Q 2009 S\$'000	% Change	2Q 2010 S\$'000	2Q 2009 S\$'000	% Change
Non-tax deductible items						
- Asset management fees ^(A)	1,227	3,574	(65.7)	-	2,376	NM
- Trustee's fees	259	235	10.2	226	202	11.9
- Temporary differences and other adjustments ^(B)	14,198	8,796	61.4	14,043	8,611	63.1
Net effect of non-tax deductible items	15,684	12,605	24.4	14,269	11,189	27.5

^(A) At Group level, asset management fees for 2Q 2010 relates only to RCS. Asset management fees for 2Q 2010 in respect of the CMT malls are paid in cash instead of in Units.

^(B) 2Q 2010 includes the amortisation costs of S\$6.2 million relating to the Convertible Bonds and other non-tax deductible items that are non income generating. 2Q 2009 includes the amortisation costs of S\$5.9 million relating to the Convertible Bonds, the interest and borrowing cost of S\$0.3 million which has been deducted against distribution income from CRCT and other non-tax deductible items that are non income generating.

9. This is the difference between the taxable income previously distributed and the quantum finally agreed with the Inland Revenue Authority of Singapore ("IRAS") for the Years of Assessment 2003 to 2005 and has to be adjusted under the rollover adjustment mechanism agreed with the IRAS.

10. Following the CRS restructuring exercise on 1 January 2010, net profit from subsidiaries in 2Q 2010 relates solely to CMT MTN.

Net profit from joint venture relates to RCS Trust retention of S\$0.4 million (CMT's 40.0% interest) of its taxable income. In view of the current Asset Enhancement Initiative ("AEI") at Raffles City, RCS Trust has retained S\$1.0 million (100%) of its taxable income available for distribution which will be released in 2H 2010.

In 2Q 2009, net profit from subsidiaries relates mainly to the realised foreign exchange gain of S\$14.8 million (see footnote 4 above) included in the net profit before tax from CRS.

11. In 2Q 2009, CMT retained S\$1.5 million of its taxable income available for distribution to Unitholders and released S\$2.3million of net capital distribution income and net tax-exempt income (after interest expense of S\$0.3m) from CRCT retained in 1Q 2009.

NM – not meaningful

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1(a)(ii) Statement of total return (1H 2010 vs 1H 2009)

	Group			Trust		
	1H 2010 S\$'000	1H 2009 S\$'000	% Change	1H 2010 ¹ S\$'000	1H 2009 S\$'000	% Change
Gross rental income	261,466	254,335	2.8	222,960	187,160	19.1
Car park income	7,300	6,893	5.9	6,256	4,780	30.9
Other income	12,806	11,941	7.2	12,030	9,273	29.7
Gross revenue	281,572	273,169	3.1	241,246	201,213	19.9
Property management fees	(10,745)	(10,313)	4.2	(9,171)	(7,584)	20.9
Property tax	(24,978)	(26,460)	(5.6)	(21,217)	(19,323)	9.8
Other property operating expenses ²	(49,408)	(50,197)	(1.6)	(43,539)	(36,861)	18.1
Property operating expenses	(85,131)	(86,970)	(2.1)	(73,927)	(63,768)	15.9
Net property income	196,441	186,199	5.5	167,319	137,445	21.7
Interest income	1,004	558	79.9	996	12,600	(92.1)
Investment income ³	-	-	-	26,423	25,024	5.6
Asset management fees	(17,419)	(17,031)	2.3	(14,969)	(12,725)	17.6
Trust expenses	(1,366)	(2,087)	(34.5)	(1,222)	(1,674)	(27.0)
Foreign exchange gain - realised ⁴	-	3,402	NM	-	-	-
Finance costs	(57,504)	(56,762)	1.3	(49,977)	(45,351)	10.2
Net income before share of profit of associate	121,156	114,279	6.0	128,570	115,319	11.5
Share of profit of associate ⁵	5,668	1,598	254.7	-	-	-
Net income	126,824	115,877	9.4	128,570	115,319	11.5
Net change in fair value of financial derivatives ⁶	7,277	(3,782)	NM	7,277	4,319	NM
Net change in fair value of investment properties	(112,469)	(276,226)	NM	(114,928)	(191,155)	NM
Total return for the period before taxation	21,632	(164,131)	NM	20,919	(71,517)	NM
Taxation ⁷	-	(2,438)	NM	-	-	-
Total return for the period	21,632	(166,569)	NM	20,919	(71,517)	NM

Distribution statement

Net income before share of profit of associate	121,156	114,279	6.0	128,570	115,319	11.5
Net effect of non-tax deductible items ⁸	27,368	22,864	19.7	24,539	20,037	22.5
Rollover Adjustment ⁹	564	-	NM	564	-	NM
Distribution income from associate ¹⁰	4,982	5,252	(5.1)	-	-	-
Net profit from subsidiaries/ Joint venture ¹¹	(397)	(7,039)	NM	-	-	-
Amount available for distribution to Unitholders	153,673	135,356	13.5	153,673	135,356	13.5
Distributable income to Unitholders¹⁰	144,191	130,556	10.4	144,191	130,556	10.4

Footnotes :

- Following the CRS restructuring on 1 January 2010, the Trust's results include results of the CRS Properties now held directly by CMT. As a result, interest income from CRS ceased from 1 Jan 2010 at the Trust. In 1H 2009, the results of CRS Properties were consolidated under the Group's results.

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2. Included as part of the other property operating expenses are the following:

	Group			Trust		
	1H 2010 S\$'000	1H 2009 S\$'000	% Change	1H 2010 S\$'000	1H 2009 S\$'000	% Change
Depreciation and amortization	501	610	(17.9)	417	315	32.4
Bad debts written off	17	3	NM	20	3	NM

3. Investment income relates to distributable income from RCS Trust and CRCT.

4. In 2Q 2009, the Group repaid US\$138.0 million (part of S\$320.0 million CRS term loan) at the hedged rate compared to the exchange rate as at 31 March 2009, resulting in realised foreign exchange gain of S\$14.8 million. The realised foreign exchange gain of S\$14.8 million recognised in 2Q 2009 offset the unrealised foreign exchange loss of S\$11.4 million recognised in 1Q 2009. The above loan was fully hedged and the exchanged differences arose only as a result of translation of the foreign currency loan. There is no impact on the distribution income.

5. Share of profit of associate relates to the equity accounting of CRCT's results on a 3 month lag basis.

6. This relates to the fair value change on re-measurement of the derivatives arising on the Convertible Bonds and interest rate swap.

7. This includes 100% share in CRS's and CMT MTN's income tax.

8. Included in the non-tax deductible items are the following:

	Group			Trust		
	1H 2010 S\$'000	1H 2009 S\$'000	% Change	1H 2010 S\$'000	1H 2009 S\$'000	% Change
Non-tax deductible items						
- Asset management fees ^(A)	2,450	7,612	(67.8)	-	5,214	NM
- Trustee's fees	510	457	11.6	445	390	14.1
- Temporary differences and other adjustments ^(B)	24,408	14,795	NM	24,094	14,433	NM
Net effect of non-tax deductible items	27,368	22,864	19.7	24,539	20,037	22.5

^(A) At Group level, asset management fees for 1H 2010 relates only to RCS. Asset management fees for 1H 2010 in respect of the CMT malls are paid in cash instead of in Units.

^(B) 1H 2010 includes the amortisation costs of S\$12.3 million relating to the Convertible Bonds and other non-tax deductible items that are non income generating. 1H 2009 includes the amortisation costs of S\$11.7 million relating to the Convertible Bonds, the interest and borrowing cost of S\$1.3 million which has been deducted against distribution income from CRCT and other non-tax deductible items that are non income generating.

9. This is the difference between the taxable income previously distributed and the quantum finally agreed with the Inland Revenue Authority of Singapore (IRAS) for the Years of Assessment 2003 to 2005 and has to be adjusted under the rollover adjustment mechanism agreed with the IRAS.

10. CMT is committed to distribute 100% of its taxable income available for distribution to Unitholders for the full financial year ended 31 December 2010. To be prudent, for the 1st half ended 30 June 2010, CMT has retained S\$4.5 million of its taxable income available for distribution to Unitholders. Tax-exempt income received from CRCT for the period 1 July 2009 to 31 December 2009 of S\$5.0 million has also been retained for future distributions.

In 1st half ended 30 June 2009, CMT retained a total of S\$4.8 million of its taxable income available for distribution to Unitholders.

11. Following the CRS restructuring exercise on 1 January 2010, net profit from subsidiaries in 1H 2010 relates solely to CMT MTN.

Net profit from joint venture relates to RCS Trust retention of S\$0.4 million (CMT's 40% interest) of its taxable income. In view of the current AEI at Raffles City, RCS Trust has retained S\$1.0 million (100% interest) of its taxable income available for distribution which will be released in 2H 2010.

For 1H 2009, net profit from subsidiaries mainly relates to the net realised foreign exchange gain of S\$3.4 million (see footnote 4 above) included in the net profit before tax from CRS.

NM – Not meaningful

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1(b)(i) **Balance sheet**

As at 30 June 2010 vs 31 Dec 2009

	Group			Trust		
	30 June 2010 S\$'000	31 Dec 2009 S\$'000	% Change	30 June 2010 ¹ S\$'000	31 Dec 2009 S\$'000	% Change
Non-current assets						
Plant & equipment	2,068	2,383	(13.2)	1,834	1,535	19.5
Investment properties ²	6,827,800	6,920,500	(1.3)	5,799,000	5,132,500	13.0
Interest in subsidiaries	-	-	-	80	149,620	(99.9)
Interest in associate ³	134,075	137,062	(2.2)	130,836	130,836	-
Interest in joint venture	-	-	-	541,858	539,394	0.5
Financial derivatives ⁴	2,434	-	NM	-	-	-
Total non-current assets	6,966,377	7,059,945	(1.3)	6,473,608	5,953,885	8.7
Current assets						
Inventories	186	195	(4.6)	-	-	-
Trade & other receivables ⁵	9,362	12,036	(22.2)	17,476	592,773	(97.1)
Cash & cash equivalents	802,212	350,825	NM	787,493	315,147	NM
Total current assets	811,760	363,056	NM	804,969	907,920	(11.3)
Total assets	7,778,137	7,423,001	4.8	7,278,577	6,861,805	6.1
Current liabilities						
Financial derivatives	-	353	NM	-	353	NM
Trade & other payables	151,238	147,187	2.8	127,127	108,452	17.2
Short term borrowings ⁶	-	440,000	NM	-	440,000	NM
Provisions for taxation	1,239	1,387	(10.7)	-	-	-
Total current liabilities	152,477	588,927	(74.1)	127,127	548,805	(76.8)
Non-current liabilities						
Financial derivatives ⁷	26,429	33,706	(21.6)	26,429	33,706	(21.6)
Long term borrowings ⁶	2,054,548	1,150,669	78.6	1,681,120	781,338	NM
Debt securities ⁷	628,378	616,048	2.0	628,378	616,048	2.0
Non-current portion of security deposits	70,619	64,038	10.3	64,604	49,237	31.2
Total non-current liabilities	2,779,974	1,864,461	49.1	2,400,531	1,480,329	62.2
Total liabilities	2,932,451	2,453,388	19.5	2,527,658	2,029,134	24.6
Net assets	4,845,686	4,969,613	(2.5)	4,750,919	4,832,671	(1.7)
Unitholders' funds	4,845,686	4,969,613	(2.5)	4,750,919	4,832,671	(1.7)

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Footnotes:

1. *Following the CRS restructuring on 1 January 2010, the assets and liabilities of CRS Properties are now held directly by CMT. As at 31 December 2009, the assets and liabilities of CRS Properties were consolidated under the Group's results.*
2. *Investment properties are stated at valuation performed by independent professional valuers as at 30 June 2010.*
3. *Interest in associate consists of cost of investment in CRCT. Aggregate investment in CRCT amount to 122,705,000 Units in CRCT at a cost of S\$130.8 million.*
4. *Financial derivatives asset as at 30 June 2010 relates mainly to the fair value of the cross currency interest rate swap from the US\$500.0 million EMTN issuance on 8 April 2010.*
5. *As at 31 December 200, Trust includes investment in S\$213.0 million of junior bond in CRS and S\$350.0 million intercompany loan to CRS. These balances have been fully offset following the CRS restructuring on 1 January 2010.*
6. *On 28 January 2010 and 15 March 2010, CMT MTN issued 2 tranches of fixed rate notes at S\$100.0 million each through its MTN Programme at 3.288% and 3.85% and tenors of 5 and 7 years respectively. On 8 April 2010, CMT MTN issued US\$500.0 million fixed rate notes due in 2015 at 4.321%, concurrently CMT MTN entered into a swap transaction to swap the United States dollar proceeds into Singapore dollar proceeds of S\$699.5 million at 3.794% per annum. These were on lent to CMT. At Group level, RCS Trust has drawn down a further S\$10.0 million of Revolving Credit Facilities and CMT's 40.0% interest thereof is S\$4.0 million.
On 1 April 2010 and 29 April 2010, the Group has repaid the Medium Term Notes ("MTN") of S\$155.0 million and S\$160.0 million issued by CMT MTN under the unsecured multi-currency medium term note programme.
On 28 June 2010, the Trust repaid S\$125.0 million term loan from Silver Maple Investment Corporation Ltd ("SM"), and the S\$15.0 million cash previously pledged with SM was simultaneously released.*
7. *Financial derivatives liabilities as at 30 June 2010 relate mainly to the fair value of the derivatives arising from the Convertible Bonds.
Debt Securities relates mainly to the Convertible Bonds, adjusted for the fair value of derivatives, net of fee and expenses incurred for the debt raising exercise amortised over 5 years.*

NM – not meaningful

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1(b)(ii) Aggregate amount of borrowings and debt securities

	Group		Trust	
	30 June 2010 S\$'000	31 Dec 2009 S\$'000	30 June 2010 S\$'000	31 Dec 2009 S\$'000
<u>Secured borrowings</u>				
Amount repayable after one year	1,157,000	1,153,000	783,000	783,000
Debt securities	634,870	623,515	634,870	623,515
	1,791,870	1,776,515	1,417,870	1,406,515
Less: Fees and costs in relation to debt raising exercises amortised over the tenor of secured loans and debt securities	(8,344)	(9,798)	(7,872)	(9,129)
	1,783,526	1,766,717	1,409,998	1,397,386
Amount repayable within one year	-	125,000	-	125,000
Total secured borrowings	1,783,526	1,891,717	1,409,998	1,522,386
<u>Unsecured borrowings</u>				
Amount repayable after one year	899,400	-	899,500	-
Amount repayable within one year	-	315,000	-	315,000
Total unsecured borrowings	899,400	315,000	899,500	315,000
Grand total	2,682,926	2,206,717	2,309,498	1,837,386

Details of any collateral at CMT

As security for the borrowings, CMT has granted in favour of the lender the following:

- (i) a mortgage over each of the properties;
- (ii) an assignment and charge of the rental proceeds and tenancy agreements of Units in the properties;
- (iii) an assignment of the insurance policies relating to the properties;
- (iv) an assignment of the agreements relating to the management of the properties; and
- (v) a charge creating a fixed and floating charge over certain assets of CMT relating to the properties.

Details of any collateral at RCS Trust

As security for the borrowings, RCS Trust has granted in favour of the lender the following:

- (i) a mortgage over RCS;
- (ii) an assignment and charge of the rental proceeds and tenancy agreements of Units in RCS;
- (iii) an assignment of the insurance policies relating to RCS;
- (iv) an assignment of the agreements relating to the management of RCS; and
- (v) a charge creating a fixed and floating charge over certain assets of RCS Trust relating to RCS.

Details of collateral for Debt Securities

The Convertible Bonds are secured by a first priority legal mortgage over Atrium granted by the Trustee in favour of the bond trustee of the Convertible Bonds.

As of to date, the following properties have been unencumbered:

- i) Plaza Singapura
- ii) Lot One Shoppers' Mall
- iii) Bukit Panjang Plaza
- iv) Rivervale Mall

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1(c) **Cash flow statement (2Q 2010 vs 2Q 2009)**

	Group	
	2Q 2010 S\$'000	2Q 2009 S\$'000
Operating activities		
Net Income	59,403	73,804
Adjustments for:		
Interest income	(708)	(475)
Finance costs	32,777	27,443
Assets written off	-	14
Foreign exchange gain - realised	-	(14,780)
Depreciation and amortisation	118	361
Bad debts written off	20	3
Asset management fee paid/payable in Units	1,227	3,574
Share of profit of associate	(2,203)	(2,142)
Operating income before working capital changes	90,634	87,802
Changes in working capital:		
Inventories	(1)	(2)
Trade and other receivables	(1,139)	(1,434)
Trade and other payables	7,292	3,058
Security deposits	5,158	1,678
Cash flows from operating activities	101,944	91,102
Investing activities		
Interest received	714	476
Capital expenditure on investment properties	(12,332)	(12,801)
Purchase of plant and equipment	(102)	(293)
Cash flows from investing activities	(11,720)	(12,618)
Financing activities		
Issue and financing expenses	(2,927)	(31,716)
Proceeds from interest bearing loans and borrowings	701,500	6,400
Repayment of interest bearing loans and borrowings	(440,000)	(626,200)
Proceeds from issue of Right Units	-	1,231,934
Distribution to Unitholders ¹	(70,934)	(62,481)
Cash Pledge ²	15,000	-
Interest paid	(21,434)	(22,915)
Cash flows from financing activities	181,205	495,022
Increase in cash and cash equivalents	271,429	573,506
Cash and cash equivalents at beginning of period	530,783	123,860
Cash and cash equivalents at end of period	802,212	697,366

Footnotes:

- Distribution for 2Q 2010 is for the period from 1 January 2010 to 31 March 2010 paid in May 2010. Distribution for 2Q 2009 is for the period from 1 January 2009 to 31 March 2009 paid in May 2009.*
- Upon the repayment of S\$125.0 million term loan from SM, the S\$15.0 million pledged with SM was simultaneously released.*

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1(c) Cash flow statement (1H 2010 vs 1H 2009)

	Group	
	1H 2010 S\$'000	1H 2009 S\$'000
Operating activities		
Net Income	126,824	115,877
Adjustments for:		
Interest income	(1,004)	(558)
Finance costs	57,504	56,762
Assets written off	2	17
Foreign exchange gain - realised	-	(3,402)
Depreciation and amortisation	501	610
Bad debts written off	17	3
Asset management fee paid/payable in Units	2,450	7,612
Share of profit of associate	(5,668)	(1,598)
Operating income before working capital changes	180,626	175,323
Changes in working capital:		
Inventories	9	(4)
Trade and other receivables	2,574	(1,245)
Trade and other payables	1,780	(1,346)
Security deposits	6,230	2,392
Income taxes paid	(148)	(310)
Cash flows from operating activities	191,071	174,810
Investing activities		
Interest received	1,023	558
Distribution received from associate	4,982	5,252
Capital expenditure on investment properties	(20,727)	(42,439)
Purchase of plant and equipment	(123)	(890)
Cash flows from investing activities	(14,845)	(37,519)
Financing activities		
Issue and financing expenses	(2,927)	(31,716)
Proceeds from interest bearing loans and borrowings	903,500	15,400
Repayment of interest bearing loans and borrowings	(440,000)	(656,200)
Proceeds from issue of Right Units	-	1,231,934
Distribution to Unitholders ¹	(147,236)	(123,320)
Cash Pledge ²	15,000	-
Interest paid	(38,176)	(44,378)
Cash flows from financing activities	290,161	391,720
Increase in cash and cash equivalents	466,387	529,011
Cash and cash equivalents at beginning of year	335,825	168,355
Cash and cash equivalents at end of year	802,212	697,366

Footnotes:

- Distribution for 1H 2010 is for the period from 1 October 2009 to 31 December 2009 and 1 January 2010 to 31 March 2010 paid in February 2010 and May 2010 respectively. Distribution for 1H 2009 is for the period from 1 October 2008 to 31 December 2008 and 1 January 2009 to 31 March 2009 paid in February 2009 and May 2009 respectively.*

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2. Upon the repayment of S\$125.0 million term loan from SM, the S\$15.0 million pledged with SM was simultaneously released.

1(d)(i) **Statement of changes in Unitholders' funds (2Q 2010 vs 2Q 2009)**

	Group		Trust	
	2Q 2010 S\$'000	2Q 2009 S\$'000	2Q 2010 ¹ S\$'000	2Q 2009 S\$'000
Balance as at beginning of period	4,970,562	4,084,311	4,885,104	3,848,553
Operations				
Total return for the period / net decrease in net assets resulting from operations	(61,185)	(210,497)	(64,828)	(131,032)
Movement in hedging reserves²	2,853	63	354	(276)
Movement in foreign currency translation reserves²	3,096	1,694	-	-
Movement in general reserve²	71	37	-	-
Unitholders' transactions				
Creation of Units				
- Management fee paid in Units	-	2,376	-	2,376
- Units to be issued in respect of RCS Trust's manager's asset management fees	1,223	1,200	1,223	1,200
- Right Issue	-	1,231,934	-	1,231,934
Issue expenses	-	(31,716)	-	(31,716)
Distribution to Unitholders ³	(70,934)	(62,481)	(70,934)	(62,481)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(69,711)	1,141,313	(69,711)	1,141,313
Balance as at end of period	4,845,686	5,016,921	4,750,919	4,858,558

Footnotes:

- Following the CRS restructuring on 1 January 2010, the Trust's results include results of the CRS Properties now held directly by CMT. In 2Q 2009, the results of CRS Properties were consolidated under the Group's results.
- This includes CMT MTN's hedging reserves and the Group's share in CRCT's hedging reserves, general reserves and foreign currency translation reserves.
- Distribution for 2Q 2010 is for the period from 1 January 2010 to 31 March 2010 paid in May 2010. Distribution for 2Q 2009 is for the period from 1 January 2009 to 31 March 2009 paid in May 2009.

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1(d)(i) **Statement of changes in Unitholders' funds (1H 2010 vs 1H 2009)**

	Group		Trust	
	1H 2010 ¹ S\$'000	1H 2009 S\$'000	1H 2010 ¹ S\$'000	1H 2009 S\$'000
Balance as at beginning of period	4,969,613	4,079,606	4,832,671	3,845,610
Operations				
Total return for the period / net increase/(decrease) in net assets resulting from operations	21,632	(166,569)	20,919	(71,517)
Movement in hedging reserves²	2,810	8,199	354	(87)
Movement in foreign currency translation reserves²	(3,744)	11,104	-	-
Movement in general reserve²	148	29	-	-
Movement in capital reserve³	-	-	41,748	-
Unitholders' transactions				
Creation of Units				
- Management fee paid in Units	-	5,214	-	5,214
- Units to be issued in respect of RCS Trust's manager's asset management fees	2,463	2,440	2,463	2,440
- Rights Issue	-	1,231,934	-	1,231,934
Issue expenses	-	(31,716)	-	(31,716)
Distribution to Unitholders ⁴	(147,236)	(123,320)	(147,236)	(123,320)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(144,773)	1,084,552	(144,773)	1,084,552
Balance as at end of period	4,845,686	5,016,921	4,750,919	4,858,558

Footnotes:

1. Following the CRS restructuring on 1 January 2010, the Trust's results include results of the CRS Properties now held directly by CMT. In 2H 2009, the results of CRS Properties were consolidated under the Group's results.
2. This includes CMT MTN's hedging reserves and the Group's share in CRCT's hedging reserves, general reserves and foreign currency translation reserves.
3. This represents the excess of the carrying amount of net assets related to the CRS Properties over the consideration given by the Trust pursuant to the CRS restructuring.
4. Distribution for 1H 2010 is for the period from 1 October 2009 to 31 December 2009 and 1 January 2010 to 31 March 2010 paid in February 2010 and May 2010 respectively. Distribution for 1H 2009 is for the period from 1 October 2008 to 31 December 2008 and 1 January 2009 to 31 March 2009 paid in February 2009 and May 2009 respectively.

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1(d)(ii) Details of any change in the issued and issuable Units (2Q 2010 vs 2Q 2009)

	Trust	
	2Q 2010 Units	2Q 2009 Units
Balance as at beginning of period	3,180,895,775	1,669,287,693
New Units issued :		
- As payment of asset management fees ¹	666,494	3,407,907
- Rights Issue ²	-	1,502,358,923
Issued Units as at end of period	3,181,562,269	3,175,054,523
New Units to be issued		
- As payment of asset management fees ³	-	1,754,037
Total issued and issuable Units as at end of period	3,181,562,269	3,176,808,560

Footnotes:

1. *These were the performance component of the asset management fees for 1Q 2010 (in respect of RCS Trust's manager's asset management fees) and 1Q 2009 which were issued in May 2010 and May 2009.*
2. *The Rights Units were issued on 2 April 2009 pursuant to the renounceable underwritten 9-for-10 Rights Issue and listed on SGX-ST on 3 April 2009.*
3. *In 2Q 2010, the performance component of the asset management fees in respect of CMT malls are paid in cash instead of Units and in 2Q 2009, the performance component of the asset management fees was 1,754,037 Units which were issued in August 2009.*

1(d)(ii) Details of any change in the issued and issuable Units (1H 2010 vs 1H 2009)

	Trust	
	1H 2010 Units	1H 2009 Units
Balance as at beginning of period	3,179,267,877	1,666,831,203
New Units issued :		
- As payment of asset management fees ¹	2,294,392	5,864,397
- Rights Issue ²	-	1,502,358,923
Issued Units as at end of period	3,181,562,269	3,175,054,523
New Units to be issued		
- As payment of asset management fees ³	-	1,754,037
Total issued and issuable Units as at end of period	3,181,562,269	3,176,808,560

Footnotes:

1. *These were the performance component of the asset management fees for 4Q 2009 and 1Q 2010 (in respect of RCS Trust's manager's asset management fees) which were issued in February 2010 and May 2010 respectively. For 1H 2009, the Units were issued for 4Q 2008 (which included 114,913 Units being underpayment of management fee for the period 15 August 2008 to 30 September 2008) and 1Q 2009 which were issued in February 2009 and May 2009 respectively.*
2. *The Rights Units were issued on 2 April 2009 pursuant to the renounceable underwritten 9-for-10 Rights Issue and listed on SGX-ST on 3 April 2009.*
3. *In 2Q 2010, the performance component of the asset management fees in respect of CMT malls are paid in cash instead of Units and in 2Q 2009, the performance component of the asset management fees was 1,754,037 Units which were issued in August 2009.*

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Convertible Bonds

There has been no conversion of any of the above Convertible Bonds since the date of their issue.

Assuming the Convertible Bonds are fully converted based on the conversion price of S\$3.39, the number of Units to be issued would be 191,740,413 representing 6.0% of the total number of Units in issue as at 30 June 2010.

The Conversion Price was adjusted from S\$4.36 to S\$3.39 per Unit with effect from 2 April 2009, being the date of the issue of the Rights Units.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (eg. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been complied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2009.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Nil.

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6 Earnings per Unit (“EPU”) and DPU for the financial period

In computing the DPU, the number of Units as at the end of each period is used.

	Group		Trust	
	2Q 2010	2Q 2009	2Q 2010	2Q 2009
EPU				
Basic EPU				
Weighted average number of Units in issue	3,181,349,870	3,173,800,514	3,181,349,870	3,173,800,514
Based on weighted average number of Units in issue ¹	(1.92¢)	(6.63¢)	(2.04¢)	(4.13¢)
Dilutive EPU				
Weighted average number of Units in issue (Dilutive)	3,373,090,283	3,365,540,927	3,373,090,283	3,365,540,927
Based on fully diluted basis ²	(1.92¢) ⁴	(6.63¢) ⁴	(2.04¢) ⁴	(4.13¢) ⁴
DPU				
Number of Units in issue at end of period	3,181,562,269	3,175,054,523	3,181,562,269	3,175,054,523
Based on the number of Units in issue at end of period	2.29¢ ³	2.13¢	2.29¢ ³	2.13¢

Footnotes:

- In computing the EPU, total return for the period after tax and the weighted average number of Units at the end of the period are used.*
- In computing fully diluted EPU, the total return for the period after tax and the weighted average number of Units at the end of the period are adjusted for the effects of all dilutive potential Units arising from the assumed conversion of the Convertible Bonds at the conversion price of S\$3.39 to Units.*
- DPU in the table above is computed on the basis that none of the Convertible Bonds are converted into Units before the books closure date. Accordingly, the actual quantum of DPU may differ from the table above if any of the Convertible Bonds are converted into Units before the books closure date.*
- For the three months period ended 30 June 2010 and 30 June 2009, the Convertible Bonds were anti-dilutive and were excluded from the calculation of diluted EPU.*

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	Group		Trust	
	1H 2010	1H 2009	1H 2010	1H 2009
EPU				
<u>Basic EPU</u>				
Weighted average number of Units in issue	3,180,836,272	2,659,294,051	3,180,836,272	2,659,294,051
Based on weighted average number of Units in issue ¹	0.68¢	(6.26¢)	0.66¢	(2.69¢)
<u>Dilutive EPU</u>				
Weighted average number of Units in issue (Dilutive)	3,372,576,685	2,851,034,464	3,372,576,685	2,851,034,464
Based on fully diluted basis ²	0.68¢	(6.26¢) ⁴	0.66¢	(2.69¢) ⁴
DPU				
Number of Units in issue at end of period	3,181,562,269	3,175,054,523	3,181,562,269	3,175,054,523
Based on the number of Units in issue at end of period	4.52¢ ³	4.10¢	4.52¢ ³	4.10¢

Footnotes:

- 1. In computing the EPU, total return for the period after tax and the weighted average number of Units at the end of the period are used.*
- 2. In computing fully diluted EPU, the total return for the period after tax and the weighted average number of Units at the end of the period are adjusted for the effects of all dilutive potential Units arising from the assumed conversion of the Convertible Bonds at the conversion price of S\$3.39 to Units.*
- 3. DPU in the table above is computed on the basis that none of the Convertible Bonds are converted into Units before the books closure date. Accordingly, the actual quantum of DPU may differ from the table above if any of the Convertible Bonds are converted into Units before the books closure date.*
- 4. For the three months period ended 30 June 2009, the Convertible Bonds were anti-dilutive and were excluded from the calculation of diluted EPU.*

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7 Net asset value (“NAV”) backing per unit based on issued and issuable Units at the end of the period

	Group		Trust	
	30 June 2010	31 Dec 2009	30 June 2010	31 Dec 2009
Number of Units issued and issuable at end of period	3,181,562,269	3,180,193,056	3,181,562,269	3,180,193,056
NAV (\$'000)	4,845,686	4,969,613	4,750,919	4,832,671
NAV per Unit ¹ (\$)	1.52	1.56	1.49	1.52
Adjusted NAV per Unit (excluding the distributable income) (\$)	1.50	1.54	1.47	1.50

Footnotes:

1. NAV per Unit is computed based on net asset value over the issued and issuable Units at end of period.

8 Review of the performance

	Group				
	2Q 2010 S\$'000	2Q 2009 S\$'000	1Q 2010 S\$'000	1H 2010 S\$'000	1H 2009 S\$'000
<u>Income statement</u>					
Gross revenue	142,473	138,643	139,099	281,572	273,169
Property operating expenses	(43,705)	(44,831)	(41,426)	(85,131)	(86,970)
Net property income	98,768	93,812	97,673	196,441	186,199
Interest income	708	475	296	1,004	558
Asset management fees	(8,825)	(8,703)	(8,594)	(17,419)	(17,031)
Trust expenses	(674)	(1,259)	(692)	(1,366)	(2,087)
Foreign exchange gain - realised	-	14,780	-	-	3,402
Finance costs	(32,777)	(27,443)	(24,727)	(57,504)	(56,762)
Net income before share of profit of associate	57,200	71,662	63,956	121,156	114,279

	Group				
	2Q 2010 S\$'000	2Q 2009 S\$'000	1Q 2010 S\$'000	1H 2010 S\$'000	1H 2009 S\$'000
<u>Distribution statement</u>					
Net income before share of profit of associate	57,200	71,662	63,956	121,156	114,279
Net effect of non-tax deductible items	15,684	12,605	11,684	27,368	22,864
Rollover Adjustment	564	-	-	564	-
Distribution income from associate	-	-	4,982	4,982	5,252
Net (profit)/loss from subsidiaries/joint venture ¹	(396)	(17,144)	(1)	(397)	(7,039)
Amount available for distribution to Unitholders	73,052	67,123	80,621	153,673	135,356
Distributable income to Unitholders	73,052	67,924 ³	71,139 ⁴	144,191 ⁴	130,556 ⁵
DPU (in cents)					
For the period	2.29 ²	2.13 ³	2.23 ⁴	4.52 ^{2,4}	4.10 ⁵
Annualised	9.19 ²	8.54 ³	9.04 ⁴	9.11 ^{2,4}	8.27 ⁵

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Footnotes:-

1. Includes retention of S\$0.4 million of taxable income from RCS Trust.
2. DPU in the table above is computed on the basis that none of the Convertible Bonds are converted into Units before the books closure date. Accordingly, the actual quantum of DPU may differ from the table above if any of the Convertible Bonds are converted into Units before the books closure date.
3. After retaining S\$1.5 million of taxable income available for distribution to Unitholders and release of S\$2.3 million of net capital distribution income and net tax-exempt income (after interest expense of S\$0.3 million) from CRCT retained in 1Q 2009.
4. To be prudent, for the 1st half ended 30 June 2010, CMT has retained S\$4.5 million of its taxable income available for distribution to Unitholders. Tax-exempt income received from CRCT for the period 1 July 2009 to 31 December 2009 of S\$5.0 million has also been retained for future distributions.
5. After retaining S\$4.8 million of taxable income available for distribution to Unitholders.

2Q 2010 vs 2Q 2009

Gross revenue for 2Q 2010 was S\$142.5 million, an increase of S\$3.8 million or 2.8% over 2Q 2009. The increase in gross revenue is due to the higher rental rates achieved from new and renewed leases and staggered rental from most of the malls.

Property operating expenses for 2Q 2010 was S\$43.7 million, a decrease of S\$1.1 million or 2.5% from 2Q 2009, mainly due to lower property tax expense, marketing expenses and maintenance expenses incurred.

Asset management fees was S\$8.8 million, an increase of S\$0.1 million or 1.4% due to higher revenue as explained earlier.

Finance costs for 2Q 2010 of S\$32.8 million was S\$5.3 million higher than the same quarter last year. This was mainly due to higher interest and transaction costs incurred on the two tranches of fixed rates notes totaling S\$200.0 million issued in January and March 2010 through the MTN Programme and issuance of US\$500.0 million fixed rate notes through the EMTN Programme on 8 April 2010. The higher interest and transaction costs were partially offset by savings in interest expenses following the repayment of borrowings in 2009 and 2Q 2010.

2Q 2010 vs 1Q 2010

Gross revenue for 2Q 2010 was S\$142.5 million, an increase of S\$3.4 million or 2.4% over 1Q 2010. The increase in gross revenue is due to the higher rental rates achieved from new and renewed leases and staggered rental from some of the malls.

Property operating expenses for 2Q 2010 was S\$43.7 million, an increase of S\$2.3 million or 5.5% from 1Q 2010, mainly due to higher utilities and marketing expenses.

Asset management fees at S\$8.8 million, an increase of S\$0.2 million or 2.7% due to higher revenue as explained above.

Finance costs for 2Q 2010 of S\$32.8 million was S\$8.1 million or 32.6% higher than 1Q 2010. The increase was mainly due to higher interest and transaction costs incurred on the two tranches of fixed rates notes totaling S\$200.0 million issued in January and March 2010 through the MTN Programme and issuance of US\$500.0 million fixed rate notes through the EMTN Programme on 8 April 2010, partially offset by savings in interest expenses following the repayment of borrowings in April and June 2010.

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1H 2010 vs 1H 2009

Gross revenue for 1H 2010 was S\$281.6 million, an increase of S\$8.4 million or 3.1% over 1H 2009. The increase in gross revenue is due to the higher rental rates achieved from new and renewed leases and staggered rental from most of the malls.

Property operating expenses for 1H 2010 was S\$85.1 million, a decrease of S\$1.8 million or 2.1% from 1H 2009, mainly due to lower property tax and maintenance expenses.

Asset management fees at S\$17.4 million, an increase of S\$0.4 million or 2.3% due to higher revenue as explained above.

Finance costs for 1H 2010 of S\$57.5 million was S\$0.7 million or 1.3% higher than 1H 2009. The increase was mainly due to higher interest and transaction costs incurred on the two tranches of fixed rates notes totaling S\$200.0 million issued in January and March 2010 through the MTN Programme and issuance of US\$500.0 million fixed rate notes through the EMTN Programme on 8 April 2010. The higher interest and transaction costs were partially offset by savings in interest expenses following the repayment of borrowings in 2009.

9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

Below mentioned only relates to review of the results of Group.

9(i) Income statement (Actual vs Forecast)

	Actual 2Q 2010 S\$'000	Forecast ¹ 2Q 2010 S\$'000	% Change
Gross rental income	132,001	130,708	1.0
Car park income	3,591	3,498	2.7
Other income	6,881	5,300	29.8
Gross revenue	142,473	139,506	2.1
Property management fees	(5,417)	(5,232)	3.5
Property tax	(12,232)	(11,998)	2.0
Other property operating expenses	(26,056)	(28,040)	(7.1)
Property operating expenses	(43,705)	(45,270)	(3.5)
Net property income	98,768	94,236	4.8
Interest income	708	33	NM
Asset management fees	(8,825)	(8,550)	3.2
Trust expenses	(674)	(1,096)	(38.5)
Finance costs	(32,777)	(23,557)	39.1
Net income before share of profit of associate	57,200	61,066	(6.3)

Footnotes:

1. The forecast is based on the CMT Circular dated 24 March 2010.

NM – not meaningful

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9(ii) Distribution statement (Actual vs Forecast)

	Actual 2Q 2010 S\$'000	Forecast ¹ 2Q 2010 S\$'000	% Change
Net income before share of profit of associate	57,200	61,066	(6.3)
Net effect of non-tax deductible items	15,684	8,479	85.0
Rollover adjustment	564	-	NM
Net loss/(profit) from subsidiaries / joint venture	(396)	-	NM
Amount available for distribution to Unitholders	73,052	69,545	5.0
Distribution income available for distribution to Unitholders	73,052 ²	72,042 ²	1.4
Distributable per unit (in cents)			
For the period	2.29 ³	2.26	1.4
<i>Annualised</i>	9.19 ³	9.06 ⁴	1.4

Footnotes:

- 1. The forecast is based on the CMT Circular dated 24 March 2010.*
- 2. In 2Q 2010, RCS Trust has retained S\$0.4 million (CMT's 40% interest) of its taxable income. In view of the current AEI at Raffles City, RCS Trust has retained S\$1.0 million (100% interest) of its taxable available for distribution which will be released in 2H 2010. Forecast assumed release of approximately S\$2.5 million retained from CRCT in 1Q 2010.*
- 3. DPU in the table above is computed on the basis that none of the S\$650.0 million convertible bonds due 2013 (the "Convertible Bonds") are converted into Units before the book closure date. Accordingly, the actual quantum of DPU may differ from the table above if any of the Convertible Bonds are converted into Units before the book closure date.*
- 4. Annualised DPU is derived based on the DPU for three months period ended 30 June 2010.*

NM – not meaningful

9(iii) Review of the performance

Gross revenue for 2Q 2010 was S\$142.5 million, an increase of S\$3.0 million or 2.1% over the forecast for the same period. This was mainly due to higher rental rates achieved on new and renewed leases and higher other income.

Property operating expenses for the period was S\$43.7 million, which was S\$1.6 million lower than forecast for the same period, mainly due to lower maintenance expenses.

Asset management fees for the period was S\$8.8 million, an increase of S\$0.2 million or 3.2% due to higher revenue as explained earlier.

Finance cost for the period was S\$32.8 million or S\$9.2 million higher than the forecast for the same period mainly due to interest expense and transaction costs incurred on the issuance of fixed rates notes of S\$100.0 million issued in March 2010 through the MTN Programme and issuance of US\$500.0 million fixed rate notes through the EMTN Programme on 8 April 2010.

10 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

According to the Ministry of Trade and Industry (MTI), the Singapore economy has continued to expand strongly by 19.3% year-on-year in the second quarter of 2010, after growing by 16.9% in the first quarter of 2010. On a seasonally adjusted quarter-on-quarter basis, Singapore's GDP grew by 26.0% in the second quarter of 2010, with the growth led by the manufacturing sector. On the back of improved retail operating environment, Singapore retail sales (excluding motor vehicle sales) registered a year-on-year growth of 7.8% in May 2010, making it the seventh consecutive month of increase.

Outlook for 2010

Although the global economy remains on a recovery path, the pace of growth has slowed. The exceptionally strong growth experienced by the Singapore economy in the first half of 2010 is therefore not likely to be sustained into the second half of the year. MTI is upgrading the GDP growth forecast to between 13.0% and 15.0% in 2010, up from the previous forecast of between 7.0% and 9.0%. The growth forecast reflects the exceptionally strong growth for the Singapore economy in the first half of the year and the anticipated slowdown in growth momentum for the rest of 2010.

Employment market continues to stay healthy with Singapore's Ministry of Manpower reporting an unemployment rate of 2.2% in March 2010, compared to 3.2% in March 2009. The tourism industry is also seeing positive development in recent months, with tourist arrivals growing by 21.8% year-on-year in the first five months of the year. Singapore Tourism Board expects tourist arrivals to reach between 11.5 million and 12.5 million in 2010, representing an 18.6% increase from 9.7 million in 2009. The two recently opened integrated resorts, the upcoming Youth Olympic Games and Formula One Singapore Grand Prix are likely catalysts for higher tourist arrivals in the remaining months of the year.

CMT is well-positioned to capitalise on the expected growth in retail consumption in Singapore arising from positive economic conditions and the expected growth in the tourism industry. CMT's property portfolio comprises quality shopping malls which are well-connected to public transportation systems and are strategically located either in areas with large population catchment or within Singapore's popular shopping and tourist destinations. The large and diversified tenant base of the portfolio will continue to contribute to the stability and sustainability of the malls' occupancy rates and rental revenues.

Going forward, the Manager of CMT will continue to focus on growing DPU through active lease management, value creation through asset enhancements, acquisitions of yield-accretive properties and selective participation in greenfield development of shopping malls.

Based on the committed leases as at 30 June 2010, gross revenue locked-in for 2010 is close to 93.0% of FY2009 total gross revenue. Barring any unforeseeable circumstances, the Manager expects to achieve the projected distribution of 9.05 cents¹ as stated in the forecast announced in the CMT Circular dated 24 March 2010.

Footnote:

- 1. 9.05 cents refers to forecast for FY2010 on Existing Portfolio (excluding Clarke Quay). Including the completion of Clarke Quay on 1 July 2010, the forecast DPU is 4.61 cents from 1 July 2010 to 31 December 2010 or 9.14 cents on an annualised basis.
(Capitalised terms are as defined in the CMT Circular dated 24 March 2010.)*

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11 Distributions

11(a) Current financial period

Any distributions declared for the current financial period? Yes.

Name of distribution : Distribution for 1 April 2010 to 30 June 2010

Distribution Type	Distribution Rate Per Units (cents) ¹
Taxable Income	2.29
Total	2.29

Footnote:

1. The above estimated DPU is computed on the basis that none of the Convertible Bonds are converted into Units before the books closure date. Accordingly, the actual quantum of the DPU may differ from the above estimated DPU if any of the Convertible Bonds are converted into Units before the books closure date.

Par value of Units : NA

Tax rate : Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession in Singapore.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. This is based on the announcement in the Singapore Budget 2010 that the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors will be renewed for the period 18 February 2010 to 31 March 2015.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Remarks : NA

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- 11(b) Corresponding period of the preceding financial period
 Any distributions declared for the corresponding period of the immediate preceding financial period? Yes.
 Name of distribution : Distribution for 1 April 2009 to 30 June 2009

Distribution Type	Distribution Rate Per Unit (cents)
Taxable Income	2.06
Tax-Exempt Income	0.01
Capital	0.06
Total	2.13

Par value of Units : NA

Tax rate : Taxable Income Distribution
 Qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession in Singapore.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution
 Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders.

Capital Distribution
 Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sale of CMT Units, the amount of capital distribution will be applied to reduce the cost base of their CMT Units for Singapore income tax purposes.

Remarks : NA.

11(c) Date payable : 27 August 2010

11(d) Books closure date : 30 July 2010

12 If no distribution has been declared/recommended, a statement to that effect

NA

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13 Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of the Group and the Trust (comprising the balance sheets, consolidated statement of total return, statement of changes in Unitholders' funds and consolidated cash flow statement, together with their accompanying notes) as at 30 June 2010 and the results of the business, changes in Unitholders' funds and cash flows of the Group for the 6 months ended on that date, to be false or misleading in any material respect.

On behalf of the Board of the Manager

Lim Beng Chee
Director

Ho Chee Hwee Simon
Chief Executive Officer

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 other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, 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.

BY ORDER OF THE BOARD
CAPITAMALL TRUST MANAGEMENT LIMITED
(Company registration no. 200106159R)
(as Manager of CapitaMall Trust)

Kannan Malini
Company Secretary
22 July 2010