



News Release

19 October 2006

For Immediate Release

CMT Achieves 11.8%¹ Higher Third Quarter² 2006 Distribution per Unit

***Committed leases from IMM's asset enhancement creates S\$9.8³ million additional income
Bugis Junction's multi-faceted asset enhancement plan supports continuous growth***

Singapore, 19 October 2006 – CapitaMall Trust Management Limited (“CMTML”), the manager of CapitaMall Trust (“CMT”), is pleased to announce a distributable income of S\$41.23 million to unitholders of CMT (“Unitholders”) for Third Quarter² 2006, comprising S\$26.61 million for the period from 1 July 2006 to 31 August 2006 and S\$14.62 million for the period 1 September 2006 to 30 September 2006.

During the equity fund raising exercise for the acquisition of a 40% interest in Raffles City, New Units for CMT were issued but trading under a temporary stock counter, CapitaMall A. These New Units were separate from the main CMT stock counter for the existing unitholders of CMT. As the New Units, CapitaMall A, were listed on 1 September 2006, they do not qualify for the distributable income of CMT for the period from 1 July 2006 to 31 August 2006. The Existing units will however qualify for the distributable income of CMT for the full Third Quarter² 2006 period from 1 July 2006 to 30 September 2006. The CapitaMall A stock counter was merged with the main stock counter, CapitaMall Trust, at 9am on Monday, 2 October 2006.

The distributable income for Third Quarter² 2006 is based on 100% of CMT's taxable income available for distribution to Unitholders for the same period. Distribution Per unit in CMT (“DPU”) for Third Quarter² 2006 is 2.85 cents (11.31 cents on an annualised basis), comprising 1.92 cents (11.30 cents on an annualised basis) for the period from 1 July 2006 to 31 August 2006 and 0.93 cents (11.32 cents on an annualised basis) for the period from 1 September 2006 to 30 September 2006.

¹ Annualised Distribution per Unit for the period from 1 July 2006 to 30 September 2006 versus the annualised Distribution per Unit for the period from 1 July 2005 to 30 September 2005.

² For the period from 1 July 2006 to 30 September 2006.

³ Annual rental revenue based on committed leases.

When compared against the Third Quarter⁴ in 2005, the DPU registered an increase of 11.8%¹ from 10.12 cents (on an annualised basis) to 11.31 cents (on an annualised basis). Given this Third Quarter² 2006 DPU, the annualised distribution yield of units in CMT (“Units”) is 4.40%, based on the closing price of S\$2.57 per Unit on 18 October 2006. The Books Closure Date is on 4 October 2006, and Unitholders of temporary stock counter, CapitaMall A, and main stock counter, CapitaMall, can expect to receive their third quarterly distribution of 0.93 cents per unit and 2.85 cents per unit respectively on 20 November 2006.

In First Quarter⁵ 2006, 10% of CMT’s distributable income which amounted to S\$4.1 million, was retained to provide a sustainable pool of funds to help negate the potential impact of the fluctuating operational cash flows as CMT embarks on the construction of the 2-storey retail annex at IMM Building (“IMM”). As the anticipated vacancy void for the asset enhancement works at IMM has been well-managed, and that CMT is fully committed to distribute 100% of its taxable income available for distribution for the full financial year ending 31 December 2006, the 10% retained distributable income will be paid to Unitholders in Fourth Quarter⁶ 2006.

The DPU for Third Quarter² 2006 of 11.31 cents (annualised), which excludes the 10% distributable income from First Quarter⁴ 2006, has already exceeded the forecast DPU for Third Quarter 2006⁷ of 11.07 cents (annualised). With the expected payout of the 10% distributable income from First Quarter⁴ 2006 in Fourth Quarter⁵ 2006, we are confident of outperforming the forecast 2006 DPU of 11.23⁸ cents (annualised for the period from 1 September 2006 to 31 December 2006) announced during our recent acquisition of the 40% interest in Raffles City.

Mr Pua Seck Guan, CEO of CMTML, said, “We are pleased that CMT has once again exceeded forecasts to deliver higher returns to Unitholders. The asset enhancement at IMM has been progressing well, with close to 50% of the works completed on schedule. Based on committed leases at the new retail extension, an additional revenue pool of S\$9.8³ million has been created. As part of our strategy to ensure continuous organic growth through asset enhancements, we are embarking on our next major asset enhancement initiative at Bugis Junction. The multi-faceted works to be carried out at Bugis Junction is expected to create an additional net property income of S\$4.0 million per annum and achieve an ungeared return of investment of 12.8%. Together with the pipeline of value creation opportunities at Sembawang Shopping Centre, Jurong Entertainment Centre, Hougang Plaza and Raffles City, we are confident to deliver stable long term growth to Unitholders.”

⁴ For the period from 1 July 2005 to 30 September 2005.

⁵ For the period from 1 January 2006 to 31 March 2006.

⁶ For the period from 1 October 2006 to 31 December 2006.

⁷ Annualised forecast distribution per unit for the period from 1 September 2006 to 31 December 2006 in the CMT Circular dated 29 August 2006

⁸ Based on CMT Circular dated 29 August 2006.

Summary of CMT Results

(1 July 2006 to 31 August 2006)

	Actual	Forecast ¹	Variance	
			Amount	%
Gross Revenue (S\$'000)	52,658	48,796	3,862	7.9
Net Property Income (S\$'000)	33,134	31,857	1,277	4.0
Distributable Income to Unitholders (S\$'000)	26,611	26,100	511	2.0
Distribution Per Unit (cents)				
For the period 1 Jul to 31 Aug 2006	1.92¢	1.88¢	0.04¢	2.0
Annualised	11.30¢	11.07¢	0.23¢	2.0
Distribution Yield				
- S\$2.36 per unit (closing as at 31 Aug 2006)	4.79%	4.69%	0.10%	2.0%
- S\$2.57 per unit (closing as at 18 Oct 2006)	4.40%	4.31%	0.09%	2.0%

(1 September 2006 to 30 September 2006)

	Actual	Forecast ¹	Variance	
			Amount	%
Gross Revenue (S\$'000)	29,412	29,043	369	1.3
Net Property Income (S\$'000)	20,032	18,897	1,135	6.0
Distributable Income to Unitholders (S\$'000)	14,615	14,246	369	2.2
Distribution Per Unit (cents)				
For the period 1 Sept to 30 Sept 2006	0.93¢	0.91¢	0.02¢	2.2
Annualised	11.32¢	11.07¢	0.25¢	2.2
Distribution Yield				
- S\$2.54 per unit (closing as at 29 Sept 2006)	4.46%	4.36%	0.10%	2.2%
- S\$2.57 per unit (closing as at 18 Oct 2006)	4.41%	4.31%	0.10%	2.2%

CMT's gross revenue for Third Quarter² 2006 was S\$82.07 million. This is an increase of S\$4.23 million or 5.4% over the forecast gross revenue of Third Quarter² 2006. Gross revenue at all malls across CMT's portfolio outperformed forecast for Third Quarter² 2006. CMT's net property income for Third Quarter 2006 also exceeded the forecast net property income for Third Quarter 2006 by S\$2.41 million or 4.8%. Rental renewal rates for the first nine months of 2006 registered strong growth of 8.7% over preceding rental rates and 5.2% over forecast rental rates⁹.

⁹ Based on the forecast shown in the CMT OIS dated 29 August 2006.

Update on IMM

At IMM, construction of the two-storey retail extension block at IMM is progressing well on track. The construction of the circular carpark ramp, installation of the electronic carpark guidance system and Level 1 of the retail extension block were all completed on-schedule in third quarter 2006. Retailers which have commenced operations on Level 1 include Espirit, Samuel and Kevin, Adidas, G2000 Men, MOS Burger, Fish & Co and the Face Shop. Level 2 of the retail extension block is expected to be completed by fourth quarter 2006, just in time for the Christmas festive shopping. The final part of the asset enhancement work, which involves the reconfiguration of the internal space on Level 1 to 3 of the existing block at IMM, is expected to be completed by first quarter 2008.

Leasing of the retail extension block has also been above expectations. We have achieved a committed occupancy for Level 1, 2 and 3 of 96.8%, 73.1% and 35.5% respectively. The average rental achieved at IMM, after the asset enhancement works, will increase by 27.9% from S\$7.99 per square feet (sq ft) to S\$10.22 per sq ft. The average rental achieved is 6.13% higher than the projected rental. The additional rental revenue pool for IMM on a stabilised basis is S\$11.4 million per annum. Based on an estimated capital expenditure of S\$92.5 million, the return on investment is expected to be 10.1%.

Bugis Junction's Asset Enhancement Plans

At Bugis Junction, significant asset enhancement works will commence in fourth quarter 2006. The asset enhancement initiatives include:

(1) Extension of lease line on Level 1 and creation of balconies on Level 2

Through the extension of lease line on Level 1 and the creation of balconies on Level 2 of the restaurant block along Hylam Street, we expect the creation of approximately 5,000 sq ft of prime retail space. As a result, rental revenue is expected to increase approximately S\$1.6 million per annum from these initiatives. The extension of lease line is expected to be completed by second quarter 2007, whilst the creation of balconies is expected to be completed by third quarter 2007.

(2) Relocation of Basement 1 food court to Level 3

The food court on Basement 1 will be relocated to Level 3. Concurrently, approximately 6,400 sq ft of new retail space will be created through the amalgamation of corridor space on Level 3. As a result, rental revenue is expected to increase by 57% from S\$1.57 million to S\$2.46 million. The asset enhancement works on Level 3 is expected to be completed by third quarter 2007.

(3) Reconfiguration of Basement 1 for new specialty shops and food concept outlets

Through the reconfiguration of Basement 1, which has direct connectivity to the Bugis MRT station, rental revenue per annum is expected to increase by 40.3% from S\$8.22 million to S\$11.53 million. Phase 1 of the reconfiguration works is expected to be completed by fourth quarter 2007 and Phase 2 is expected to be completed by second quarter 2008.

(4) New Façade along Hylam and Malay Streets

To create a more open concept, the shop fronts on the second and third storey fronting Hylam and Malay Streets will be giving a face-lift. Other than the creation of balconies on Level 2, the previously opaque shop fronts on Level 3 will be opened-up and replaced with glass parapets. The new façade is expected to be completed by third quarter 2007.

The entire asset enhancement exercise, based on an estimated capital expenditure of S\$31.4 million, is expected to increase total gross revenue and net property income by S\$5.4 million per annum and S\$4.0 million per annum respectively. The ungeared return on investment is approximately 12.8%.

Update on Raffles City

From 1 September 2006, CMT owns 40% of Raffles City Singapore through RCS Trust, jointly with CapitaCommercial Trust who holds the remaining 60% interest. Gross revenue and net property income contribution from Raffles City for the month of September 2006 was in line with the forecast shown in the CMT Circular. Raffles City's overall committed occupancy rate is 98.6%, with the occupancy rate of Raffles City Office Tower remaining high at 99.8% and Raffles City Shopping Centre's with an occupancy rate of 97.2% (including the newly opened 53,000 sq ft of retail space in Basement 1) as at 30 September 2006. As part of the repositioning exercise, the Raffles City Shopping Centre is undergoing some tenancy remixing. Concurrently, the asset enhancement plans are being evaluated for progressive implementation.

Corporate Governance and Investor Relations Awards

(1) Securities Investors' Association (Singapore) ("SIAS") Investors' Choice Award 2006

CMT emerged the winner of the SIAS Investors' Choice "Most Transparent Company (REIT Category)" Award 2006, at an award ceremony held on 22 September 2006, for the third consecutive year. The prestigious award is based on key criteria such as timeliness of news release, substantiality of news releases, clarity of news release, degree of media access, frequency of corporate results, availability of segmental information and communication channels. Nominations were made by investment analysts, heads of research, fund managers and members of the mass media.

(2) IR Magazine South East Asia Awards 2006

The IR Magazine Awards are the definitive measure of outstanding investor relations performance worldwide. At the award ceremony held on 12 October 2006, CMT's Chief Executive Officer, Mr Pua Seck Guan, won the "Best Investor Relations by a CEO or Chairman (Small or Mid-Cap)" award. During the poll results, the feedback received stated that "He is clear in his explanation of the company's strategy and business rationales".

In addition, CMT was also highly commended, as one of the three nominees, for the "Best Annual Report or Other Corporate Literature (Small or Mid-Cap)" Award.

CMTML would like to thank all investors, analysts, members of the press and investment community for their strong support. The Awards recognises CMTML's efforts in maintaining high corporate governance standards and commitment towards good investor relations. CMTML will continue to strive towards enhancing corporate governance and transparency levels for CMT.

About CapitaMall Trust (www.capitamall.com)

CMT is the first listed real estate investment trust ("REIT") in Singapore. Launched in 2002, it invests in quality income-producing assets which are used, or predominantly used, for retail purposes in Singapore. Income is mainly derived from rental payments received from a diverse range of over 1,200 leases from local and international tenants. It currently has a portfolio of 10 quality shopping malls in both the suburban and central areas – Tampines Mall, Junction 8, Funan DigitaLife Mall, IMM Building, Plaza Singapura, Hougang Plaza, Sembawang Shopping Centre, Jurong Entertainment Centre, Bugis Junction and a 40% interest in Raffles City. With an asset size of S\$4.3 billion and a market capitalisation of approximately S\$4.0 billion as at 18 October 2006, it is currently Singapore's largest REIT by asset size and market capitalisation.

CMT has been assigned an "A2" rating with a stable outlook by Moody's Investor Services. It is managed by an external manager, CMTML, which is an indirect wholly-owned subsidiary of CapitaLand, one of the largest listed real estate companies in Asia.

IMPORTANT NOTICE

The past performance of CapitaMall Trust ("CMT") is not indicative of the future performance of CMT. Similarly, the past performance of the CapitaMall Trust Management Limited (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. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units (“**Unitholders**”) may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may contain forward-looking statements that involve assumptions, 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 developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), 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 the current view of management on future events.

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