



## News Release

20 April 2007

For Immediate Release

# CMT Achieves Over 10%<sup>1</sup> Higher First Quarter<sup>2</sup> 2007 Distribution per Unit

**Singapore, 20 April 2007** – CapitaMall Trust Management Limited (“CMTML”), the manager of CapitaMall Trust (“CMT”), is pleased to announce a distributable income<sup>3</sup> of S\$46.9 million to unitholders of CMT (“Unitholders”) for First Quarter<sup>2</sup> 2007. The distributable income<sup>3</sup> of S\$46.9 million is approximately 90% of S\$51.5 million, which is CMT’s taxable income available for distribution to Unitholders. CMT is committed to distribute 100% of its taxable income available for distribution to Unitholders for the full financial year ending 31 December 2007.

Distributable income<sup>3</sup> for First Quarter 2007 is S\$2.9 million or 6.8% higher than the forecast<sup>4</sup> distributable income of S\$44.0 million. If it is based on 100% of CMT’s taxable income available for distribution to Unitholders, the increase over the forecast<sup>4</sup> distributable income is higher by 16.9% or S\$7.5 million.

Distribution Per Unit in CMT (“DPU”) for First Quarter<sup>2</sup> 2007 is 3.00 cents (12.17 cents on an annualised basis), which is 6.8% higher than the forecast<sup>4</sup> DPU of 2.81 cents for First Quarter<sup>2</sup> 2007 (11.40 cents on an annualised basis). When compared against the First Quarter<sup>5</sup> in 2006, the DPU registered an increase of 10.2% from 11.04 cents (on an annualised basis) to 12.17 cents (on an annualised basis). The Books Closure Date is on 30 April 2007, and Unitholders can expect to receive their First Quarter<sup>2</sup> 2007 distribution of 3.00 cents per unit on 29 May 2007.

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<sup>1</sup> Annualised Distribution per Unit for the period from 1 January 2007 to 31 March 2007 versus the annualised Distribution per Unit for the period from 1 January 2006 to 31 March 2006.

<sup>2</sup> For the period from 1 January 2007 to 31 March 2007.

<sup>3</sup> For the first quarter ended 31 March 2007, the distributable income to Unitholders is based on approximately 90% of CMT’s taxable income available for distribution to Unitholders. Due to significant asset enhancement works, income streams for the coming quarters are expected to fluctuate. To be prudent, CMT has retained S\$4.6 million of its taxable income available for distribution to Unitholders. CMT is committed to distribute 100% of its taxable income available for distribution to Unitholders for the full financial year ended 31 December 2007.

<sup>4</sup> Based on the forecast and projection, together with the accompanying assumptions, in the CMT Offer Information Statement dated 29 August 2006.

<sup>5</sup> For the period from 1 January 2006 to 31 March 2006.

Mr Hsuan Owyang, Chairman of CMTML, said, “CMT has once again outperformed its forecast in First Quarter<sup>2</sup> 2007 to deliver enhanced returns to Unitholders. In First Quarter<sup>2</sup> 2007, CMT’s unit price has appreciated 29% and provided Unitholders with an attractive total return of 33%. CMT’s strategic long term investment of a 20% stake in CapitaRetail China Trust also registered a net unrealised gain of over S\$150 million as at 19 April 2007, with CapitaRetail China Trust’s unit price appreciating 165% since its listing in December 2006. CMT continues to enjoy a quality portfolio of assets that have substantial value creation opportunities, including its pipeline of assets with the proposed acquisition of Lot One Shoppers’ Mall, Bukit Panjang Plaza and Rivervale Mall. Overall, we expect to deliver continuous long term growth to our Unitholders.”

## Summary of CMT Results

(1 January 2007 to 31 March 2007)

	Actual	Forecast <sup>4</sup>	Variance	
			Amount	%
Gross Revenue (S\$'000)	97,442	92,323	5,119	5.5
Net Property Income (S\$'000)	66,559	61,283	5,276	8.6
Taxable Income Available for Distribution (S\$'000)	51,498	44,046	7,452	16.9
Distributable Income to Unitholders (S\$'000)	46,898 <sup>3</sup>	44,046	2,852	6.8
<b>Distribution Per Unit (cents)</b>				
For the period 1 Jan to 31 Mar 2007	3.00¢	2.81¢	0.19¢	6.8%
<b>Annualised</b>	<b>12.17¢</b>	<b>11.40¢</b>	<b>0.77¢</b>	<b>6.8%</b>
<b>Distribution Yield</b>				
- S\$3.76 per unit (closing as at 30 Mar 2007)	<b>3.24%</b>	<b>3.03%</b>	<b>0.21%</b>	<b>6.8%</b>
- S\$3.60 per unit (closing as at 19 Apr 2007)	<b>3.38%</b>	<b>3.17%</b>	<b>0.21%</b>	<b>6.8%</b>

CMT is committed to distribute 100% of its taxable income available for distribution for the full financial year ending 31 December 2007 and remains confident of delivering its 2007 forecast<sup>4</sup> DPU of 11.48 cents to Unitholders. This year, a significant amount of asset enhancement initiatives will be in progress at various malls across the CMT portfolio. These include the major redevelopment works at Sembawang Shopping Centre (SSC), which commenced in First Quarter<sup>2</sup> 2007 and is expected to be completed by First Quarter<sup>6</sup> 2008, on-going works at IMM Building (IMM), Tampines Mall, Plaza Singapura and Junction 8. As these works are carried out, vacancy voids may have a varying impact on operational costs in the coming quarters in 2007.

<sup>6</sup> For the period from 1 January 2008 to 31 December 2008.

As such, the First Quarter<sup>2</sup> 2007 distribution income is based on approximately 90% of CMT's taxable income available for distribution to Unitholders. The retained taxable income will provide a sustainable pool of funds which will help negate the impact of the fluctuating operational cash flows, thereby providing Unitholders with stable 2007 quarterly distributions.

CMT's gross revenue for First Quarter<sup>2</sup> 2007 was S\$97.4 million. This is an increase of S\$5.1 million or 5.5% over the forecast<sup>4</sup> gross revenue for First Quarter<sup>2</sup> 2007. Other than the higher rental rates achieved for new and renewal leases, the higher gross revenue for First Quarter<sup>2</sup> 2007 was predominantly due to higher revenue registered at IMM where leases previously assumed to be vacant, were renewed or leased. In addition, at IMM, the new and reconfigured units created as part of the asset enhancement works achieved better than forecasted rental. Separately, part of the increase in gross revenue at IMM was offset by lower than forecast<sup>4</sup> gross revenue at SSC as redevelopment works, forecasted to commence in Fourth Quarter<sup>7</sup> 2007, were brought forward to First Quarter<sup>2</sup> 2007.

CMT's net property income for First Quarter<sup>2</sup> 2007 also exceeded the forecast<sup>4</sup> net property income for First Quarter<sup>2</sup> 2007 by 8.6% or S\$5.3 million. IMM, Plaza Singapura and Funan DigitalLife Mall (Funan) outperformed their respective forecast<sup>4</sup> net property income for First Quarter<sup>2</sup> 2007 by a remarkable 24.9%, 13.3% and 11.5% respectively. Rental renewal rates for the First Quarter<sup>2</sup> 2007 registered robust growth of 16.3% over preceding rental rates and 10.5% over forecast rental rates<sup>8</sup>.

### **Update on IMM**

Following the completion of the 2-storey retail extension block and the commencement of trading by tenants in December 2006, works have started on the internal reconfiguration of the main building from Level 1 to Level 3. As at 31 March 2007, strong leasing commitment of over 90% was achieved for the new and reconfigured units under the full enhancement works planned at IMM. As a result, S\$11.8 million, or approximately 98%, out of the S\$12.1 million projected increase in rental revenue per annum has been committed on a stabilised basis. The entire asset enhancement initiative is on track to be completed by First Quarter<sup>6</sup> 2008.

### **Update on Tampines Mall**

At Tampines Mall, Phase 1 of the asset enhancement works, termed the 'Courts Cluster' on Level 1 and Level 2, has commenced. On Level 1, the escalator providing direct access into Courts on Level 2 has been removed. The space occupied by the escalator, together with some

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<sup>7</sup> For the period from 1 October 2007 to 31 December 2007.

<sup>8</sup> Forecast rental rates for the period 1 January 2007 to 31 March 2007 is the basis for the forecast shown in the CMT Offer Information Statement dated 29 August 2006.

retail space and common corridor spaces amounting to over 1,000 square feet (sq ft), will be reconfigured to optimise the overall space efficiency. On Level 2, the space occupied by Courts will be taken over by new specialty shops. To enhance the vertical circulation to the 'Courts Cluster', an escalator, fronting Tampines Mall Mass Rapid Transit (MRT), will also be installed as part of the Phase 1 works.

The average rental is expected to increase by 87%, from the current S\$10.53 per sq ft to S\$19.74 per sq ft, under the Phase 1 'Courts Cluster' asset enhancement initiative. As a result, the gross incremental revenue per annum is expected to grow by 79% or approximately S\$0.9 million. 100% of the new units have already been committed. Phase 1 is scheduled to be completed by Mid-May 2007.

Phase 2 of the asset enhancement initiatives, termed the 'Isetan Cluster' on Level 2, is expected to commence in Third Quarter<sup>9</sup> 2007 and completed by First Quarter<sup>6</sup> 2008. An escalator, fronting Century Square, will also be installed to direct traffic from the street level to the new specialty shops created under the 'Isetan Cluster' on Level 2.

Following the completion of Phase 1 and Phase 2 of the asset enhancement works at Tampines Mall, the annual incremental revenue and net property income are expected to be approximately S\$1.42 million and S\$1.14 million respectively. Based on an estimated capital expenditure of S\$9.85 million, the ungeared return on investment is expected to be 11.6%.

### **Update on SSC**

At SSC, redevelopment works have started in First Quarter<sup>2</sup> 2007. To date, 30% of the total Net Lettable Area (NLA) has been committed by Giant Hypermart. The entire redevelopment exercise is slated for completion in First Quarter<sup>6</sup> 2008. The project is expected to incur a capital expenditure of S\$48.5 million, and is expected to increase net property income by S\$4.4 million per annum and achieve a return on investment of 9.0%.

### **Update on Junction 8**

At Junction 8, the Marketplace on Basement 1 will be renovated. The revamp will increase the Marketplace's NLA by approximately 31% and add two more kiosks to the existing 11. Annual gross rental increase from this exercise is expected to be close to 15%. All 13 new kiosks have been committed.

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<sup>9</sup> For the period from 1 July 2007 to 30 September 2007.

## **Update on Plaza Singapura**

Leasing of the revamped Marketplace on Basement 2 of Plaza Singapura has been progressing well, with more than 50% commitment achieved. The face-lift is expected to increase the number of food kiosks from 7 to 21 and provide seating areas and enhanced visibility to diners and tenants respectively.

## **About CapitaMall Trust ([www.capitamall.com](http://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 DigitalLife 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\$4.8 billion as at 31 March 2007 and a market capitalisation of approximately S\$5.6 billion as at 19 April 2007, CMT 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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