



News Release

26 January 2006

For Immediate Release

CMT Achieves 11%¹ Higher Fourth Quarter² 2005 Distribution

***URA gives provisional permission to increase IMM's commercial gross floor area by approximately 188,000 square feet, asset enhancement commences
Target to grow asset size locally to S\$5-S\$6 billion in next three years***

Singapore, 26 January 2006 – CapitaMall Trust Management Limited (“CMTML”), the manager of CapitaMall Trust (“CMT”), is pleased to announce a distributable income of S\$25.8 million to unitholders of CMT (“Unitholders”) for Fourth Quarter² 2005. This is an increase of S\$0.58 million over the forecast distributable income³ of S\$25.2 million for Fourth Quarter² 2005. Distribution Per unit in CMT (“DPU”) for Fourth Quarter² 2005 is 1.87 cents (11.02 cents on an annualised basis), which is 2.9% higher than the forecast DPU³ of 1.82 cents for Fourth Quarter² 2005 (10.71 cents on an annualised basis). When compared against the Fourth Quarter⁴ in 2004, the DPU registered an increase of 10.8% from 9.95 cents (on an annualised basis) to 11.02 cents (on an annualised basis). Given this Fourth Quarter² 2005 DPU, the annualised distribution yield of units in CMT (“Units”) is 4.77%, based on the closing price of S\$2.31 per Unit on 25 January 2006. The Books Closure Date is on 7 February 2006, and Unitholders can expect to receive their fourth quarterly distribution of 1.87 cents per unit on 28 February 2006.

CMT's gross revenue for Fourth Quarter² 2005 was S\$51.8 million. This is an increase of S\$2.5 million or 5.0% over the forecast gross revenue³ for Fourth Quarter² 2005. Gross revenue at all malls across CMT's portfolio performed better than forecast³. CMT's net

¹ Annualised Distribution per Unit for the period from 31 October 2005 to 31 December 2005 versus the annualised Distribution per Unit for the period from 1 October 2004 to 31 December 2004.

² For the period from 31 October 2005 to 31 December 2005.

³ Based on the forecast and projection, together with the accompanying assumptions, in the CMT Circular dated 18 October 2005 (adjusted to include actual for 31 October 2005).

⁴ For the period from 1 October 2004 to 31 December 2004.

property income for Fourth Quarter² 2005 also exceeded the forecast net property income³ for Fourth Quarter² 2005 presenting an increase of S\$77,000 or 0.2%. Rental renewal rates for 2005 registered robust growth of 12.6%⁵ over preceding rental rates and 6.6%⁴ over forecast rental rates⁶.

CMT's DPU has grown by 63% since Initial Public Offering and yield accretive acquisitions, innovative asset enhancements and proactive leasing have each contributed 49%, 21% and 19% respectively to the DPU growth.

Mr Hsuan Owyang, Chairman of CMTML, said, "CMT has once again outperformed forecasts to deliver increased returns to Unitholders. For 2005, CMT's unit price appreciated 27%⁷ and provided Unitholders with a total return of 33%⁸. We will continue to leverage on our multi-pronged strategy of yield accretive acquisitions, innovative asset enhancements and proactive leasing to drive growth going forward. With these established platforms in place and together with our conservative debt structure, we are well positioned and will continue to actively pursue yield accretive acquisitions to grow our asset size to S\$5-S\$6 billion in the next three years. On the back of the general positive economic sentiments, improving retail sales growth, coupled with our strong ability to continuously add value to our enlarged portfolio of quality assets, we are confident of delivering our 2006 forecast³ DPU of 11.04 to Unitholders."

Mr Pua Seck Guan, CEO of CMTML, said, "2005 has been a significant year of achievement for CMT. With four acquisitions totaling approximately S\$770.6 million, we have grown our asset size to S\$3.4 billion and our market capitalisation to S\$3.2 billion, further strengthening our position as the largest REIT by asset size and market capitalisation in Singapore. With the newly acquired assets, we have put in place a continuous growth pipeline for Unitholders. The major asset enhancement initiatives at IMM, Sembawang Shopping Centre and Jurong Entertainment Centre are expected to drive DPU growth for the next three years. We will continue to create value through proactively managing our assets so as to maximise returns to Unitholders, and at the same time, endeavour to provide shoppers with one of the best retail experience at our malls."

⁵ Tampines Mall, Junction 8, Funan DigitalLife Mall, IMM Building and Plaza Singapura.

⁶ Based on the forecast and projection, together with the accompany assumptions, in the CMT Circular dated 20 July 2004.

⁷ Based on the CMT closing unit price of S\$1.76 on 31 December 2004 and the closing unit price of S\$2.24 on 30 December 2005.

⁸ Based on total DPU of 10.23 cents for the financial year ended 31 December 2005, the closing unit price of S\$1.76 on 31 December 2004 and the closing unit price of S\$2.24 on 30 December 2005.

Summary of CMT Results

(31 October 2005 to 31 December 2005)

	Actual	Forecast ¹	Variance	
			Amount	%
Gross Revenue (S\$'000)	51,796	49,344	2,452	5.0
Net Property Income (S\$'000)	32,377	32,300	77	0.2
Distributable Income to Unitholders (S\$'000)	25,822	25,242	580	2.9
Distribution Per Unit (cents)				
For the period 31 Oct to 31 Dec 2005	1.87¢	1.82¢	0.05¢	2.9%
Annualised	11.02¢	10.71¢	0.31¢	2.9%
Distribution Yield				
- S\$2.24 per unit (closing as at 30 Dec 2005)	4.92%	4.78%	0.14%	2.9%
- S\$2.31 per unit (closing as at 25 Jan 2006)	4.77%	4.64%	0.13%	2.9%

Provisional Permission Obtained Increases Commercial GFA ("GFA") at IMM Building ("IMM")

CMT has obtained provisional permission from the Urban Redevelopment Authority (URA) to increase the allowable commercial GFA at IMM from 26.8% to 40.0%, subject to the payment of a differential payment. The 13.2% increase translates to approximately 188,000 Square Feet ("sq ft") of additional commercial GFA at the mall.

Earlier, CMT had announced the proposed asset enhancement plan at IMM which involves the decantation of 53,700 sq ft of Net Lettable Area ("NLA") from the secondary corridor spaces at the mall, and to transfer the said NLA to a two-storey retail extension block which will be constructed on the existing open-air carpark space. At a capital expenditure of S\$45.0 million, the project was expected to increase gross revenue by S\$6.0 million per annum, net property income by S\$4.8 million per annum and provide a return of investment of 11.0%. The proposed work, which was supposed to commence in 2005, was rescheduled as the Manager was in discussions with URA to optimise the initial asset plan.

The increase in IMM's allowable commercial GFA is expected to lift rental income by S\$3.3 million while advertising and promotional income from events and push cart spaces will be up by S\$2.8 million. The total incremental gross revenue from the revised asset

enhancement plan is expected to be S\$12.1 million. With a higher capital expenditure of S\$92.5 million, including the differential premium, the project is expected to increase net property income by S\$9.3 million per annum and achieve a return on investment of 10.1%.

As part of the works, a speed ramp will be constructed to provide shoppers quick access to all five Levels of the carpark. The newly created carpark on Level 5 will replace the open-air carpark, ensuring the same number of carpark lots is maintained. In addition, an Electronic Carpark Guidance System will be installed so as to provide clear information on the availability of carpark lots on each level. The revised asset enhancement initiative at IMM is expected to commence by 3rd quarter 2006 and is targeted to be completed by 1st quarter 2008.

Strategic Initiative

We have started to pilot the **Point of Sales (POS) system** at Junction 8 and achieved over 90% subscription rate. The POS system will be progressively rolled out to all malls across the portfolio. The implementation of the POS system will allow us to capture tenants' sales more efficiently and effectively as we gradually move towards a new rental structure of either base rent plus a percentage of Gross Turnover ("GTO") or a percentage of GTO, whichever is higher. Deployment of the POS system will enable us to capture the revenue upside from GTO rent.

Malls Update and Future Plans

At **Funan DigitaLife Mall**, installation of new escalators from Basement 3 to Level 1 to enhance the accessibility of shoppers from the carpark to the mall was completed on schedule in August 2005. Vehicular and shoppers' traffic have also registered an increase of 5.6% and 20.2% respectively in 2005 versus 2004.

Asset enhancement work has started on the development of a two-storey annex which will add close to 8,000 sq ft of NLA to Funan DigitaLife Mall. Times the Bookshop will occupy the entire 1st level of the annex comprising approximately 4,700 sq ft or 60% of the newly created space. The remaining space on the second level of the annex will be leased to a restaurant operator. The adjoining annex which will be constructed at a capital expenditure of S\$5.0 million, is expected to increase net property income by S\$0.50 million per annum and provide a return on investment of 10.1%. The project is expected to be completed by

second quarter 2006. Funan DigitaLife Mall still has approximately 300,000 sq ft of unutilised GFA, which we will actively explore utilisation when the opportunity arises.

On Basement 1 at **Tampines Mall**, reconfiguration of the food kiosk area which increased the total number of food kiosks from 13 to 18 was completed in October 2005. The reconfiguration initiative, which incurred a capital expenditure of S\$2.9 million, created additional net property income of S\$0.31 million per annum and achieved a return on investment of 10.6%. All tenants had since commenced trading.

On Level 2 at **Jurong Entertainment Centre**, the amalgamation of two retail units to create a food court and open terrace was completed in December 2005. Kopitiam, a popular food court operator, has since commenced business at the mall. There are also further plans to fine-tune the tenancy mix at the mall to enhance the rental revenue contribution from Jurong Entertainment Centre.

At **Sembawang Shopping Centre**, the revised asset enhancement plan which incorporates an additional 45,267 sq ft of GFA from the decantation of the residential block has been developed. This follows the Outline Permission granted by the URA on 18 October 2005 to convert the said residential GFA from the residential block for retail usage. The decanted space from the residential block and part of the retail space on Level 4 will be transferred to create more prime retail space on three levels of an extension which will be built on an empty plot of land adjoining the mall. The decanted space on Level 4 will be converted to an Open Landscape Plaza which will feature a children's playground and an event space. The project is expected to incur a capital expenditure of S\$38.9 million, and is expected to increase net property income by S\$3.7 million per annum and achieve a return on investment of 9.5%. Construction of the extension block is expected to commence in 3rd quarter 2006 and Phase 1 is expected to be completed by 2nd quarter 2008.

About CapitaMall Trust

CMT is the first listed real estate investment trust ("REIT") in Singapore. Launched in 2002, it invests in quality income-producing retail properties in Singapore. Income is mainly derived from rental payments received from a diverse range of over 1000 leases from local and international tenants. It currently has a portfolio of nine quality shopping malls in both the suburban and city areas – Tampines Mall, Junction 8, Funan DigitaLife Mall, IMM

Building, Plaza Singapura, Hougang Plaza Units, Sembawang Shopping Centre, Jurong Entertainment Centre and Bugis Junction. With a market capitalisation of approximately S\$3.2 billion as at 24 January 2005, it is currently Singapore's largest REIT.

CMT 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.

Visit CMT's website at www.capitamall.com for more details.

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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