



**NEWS RELEASE**

**17 April 2003  
For Immediate Release**

## **CMT distributable income exceeds forecast by 5% in 1Q2003**

**Unitholders to get S\$651,000 more**

**Singapore, 17 April 2003** - CapitaMall Trust Management Limited (CMTML), the manager of CapitaMall Trust (CMT), is pleased to announce that the total net property income for the first quarter of 2003 is S\$16.0 million, exceeding the year-to-date IPO forecast by 3.6%. The distributable income to unitholders for the first quarter of 2003 is S\$13.6 million, an increase of 5% or S\$651,000. The 2003 annualised forecast distribution per unit (DPU) is expected to be 7.34 cents, up from 6.96 cents as stated in the IPO forecast.

### **Summary of CMT Results**

**(reporting period 1 January to 31 March 2003)**

	<b>Actual</b>	<b>Forecast <sup>(1)</sup></b>	<b>Change (%)</b>
Gross revenue (S\$'000)	23,381	22,128	5.7
Net property income (S\$'000)	16,049	15,486	3.6
Distributable income to unitholders (S\$'000)	13,570	12,919	5.0
DPU (cents)			
- for the period			
1 Jan – 31 Mar 2003	1.84	1.74	5.5
- 2003 annualised forecast	7.34	6.96	5.5
Annualised distribution yield			
- based on S\$0.96 (IPO issue price)	7.65%	7.25%	5.5
- based on S\$1.04 (closing price on 16 Apr 2003 )	7.06%	6.69%	5.5

CMTML's CEO Pua Seck Guan said: "CMT continues to deliver strong sustainable performance to unitholders in the midst of the current challenging economic conditions. It is testament to the underlying strength of CMT's stable of high quality shopping malls. Also, this result demonstrates our ability to proactively manage our portfolio to extract value for

*Footnotes:*

*(1) Forecast extracted from the offering circular dated 28 June 2002.*

unitholders, create a better retail environment for tenants, and enhance the shopping experience for shoppers.”

CMT malls enjoy occupancies of over 99% and have continued to experience promising rental growth in 2003. Throughout the first quarter, 50 leases were renewed, achieving an average increase of 18% over preceding rents and 12% above the forecast rental. Most of these renewals were from Junction 8 and Funan The IT Mall which achieved growth of 19% and 11% respectively over preceding rents.

#### Unit Price Performance

Since paying out CMT's first distribution to unitholders in February this year, the Trust's unit price has grown steadily, closing at S\$1.04 on 16 April 2003, or 8% above the IPO price of S\$0.96. CMT's unit price performance continues to outperform other broader indices like the Straits Times Index and Singapore Property Equities Index, which has fallen by 19% and 27% over the same period.

#### **Effect from SARS**

The effect of SARS on CMT's performance is being closely monitored. The manager would like to reiterate that currently the impact on CMT's rental revenue is minimal, as only less than 2% of it is tied to tenants' sales (or gross turnover rents).

#### **Asset Enhancement Plans**

The asset enhancement initiatives to create prime new retail space at Tampines Mall and Junction 8 are on schedule and expected to deliver superior returns.

#### Asset Enhancement - Tampines Mall

At Tampines Mall, construction commenced in March 2003 and is expected to be completed by year end. The response received for the seven new shops on the ground level facing neighbouring Century Square has been overwhelming. Prior to construction, the manager had already confirmed four well-known food & beverage tenants. It is confident of signing on leases for the rest of the space by the middle of the year. Rents achieved for this space are well above the S\$20.00 psf target which translates into a return on investment of 19% for unitholders.

### Summary of Tampines Mall Asset Enhancements, as at 31 March 2003 \*

	Net lettable area (sf)	Capital Expenditure	Start Date	Completion Date
IPO	8,006	S\$5.9 mil	2004	2005
Revised	8,202	S\$5.9 mil	Mar 2003	Nov 2003

Gross revenue (net of rental loss from decanted spaces)	S\$1.7 mil p.a
Net Property Income	S\$1.1 mil p.a
Return on investment of S\$5.9 mil	19%
Capital Value (assumed at 7% capitalisation rate)	S\$15.7 mil
Increase in Capital Value	S\$9.8 mil

\*Based on manager's forecasts

### Asset Enhancement - Junction 8

The asset enhancement works at Junction 8 have been split into two phases to reduce disruption to the current retail operations and to better optimise available space. The focus this year is on the first phase which involves constructing 25 new shops at Basement 1 and Level 1. The retail mix for this precinct has been carefully developed to complement the recently opened NTUC Fairprice supermarket, featuring food & beverage and convenience-based service operators. The Basement 1 refurbishment will capitalise on the direct underground link to the future MRT Circle Line station.

The manager has received an overwhelming response, like in Tampines Mall, to these 25 prime new shops. To date, over 30 offers have been received for this space.

### Summary of Junction 8 Asset Enhancements, as at 31 March 2003\*

	Net lettable area (sf)	Capital Expenditure	Start Date	Completion Date
IPO	51,652	S\$21.5 mil	2003	2004
Revised	74,434	S\$27.0 mil		
<i>Phase 1 – B.1</i>		<i>S\$15.5 mil</i>	<i>May 2003</i>	<i>Nov 2003</i>
<i>Phase 2 – L.1&amp; 2</i>		<i>S\$11.5 mil</i>	<i>Jan 2004</i>	<i>Dec 2004</i>

Gross revenue (net of rental loss from decanted spaces)	S\$4.8 mil p.a**
Net Property Income	S\$3.9 mil p.a
Return on investment of S\$27.0 mil	14%
Capital Value (assumed at 7% capitalisation rate)	S\$55.7 mil
Increase in Capital Value	S\$28.7 mil

\*Based on manager's forecasts

\*\* Phase One will contribute S\$3.1 mil p.a gross revenue

## **Outlook**

In addition to the asset enhancement works, the manager remains committed to improving operational efficiencies across the CMT portfolio through the execution of ongoing cost control measures, retail mix refinements, and promotion of top-of-mind awareness.

The manager is confident of delivering the full year 2003 forecast distribution of 6.96 cents per unit with potential for upside, barring unforeseen circumstances.

## **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 420 local and international tenants. With a portfolio made up of three major shopping malls in both the suburban and city areas - Tampines Mall, Junction 8 and Funan The IT Mall, CMT has performed well and exceeded initial forecasts in year 2002.

CMT is managed by an external manager, CMTML, which is an indirect wholly-owned subsidiary of CapitaLand Limited, one of the largest listed real estate companies in South East Asia.

Visit [www.capitamall.com](http://www.capitamall.com) for more details.

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