CapitaMalls Malaysia Trust

# CapitaMalls Malaysia Trust

## *Malaysia's Largest "Pure-Play" Shopping Mall REIT*

**4Q 2011 Financial Results**

**20 January 2011**

# Disclaimer

*The information in this presentation is qualified in its entirety by, and is subject to, the more detailed information set out in the Prospectus dated 28 June 2010 registered with the Securities Commission of Malaysia and any subsequent announcements released by CMMT thereafter.*

*The past performance of CMMT is not indicative of the future performance of CMMT. Similarly, the past performance of CapitaMalls Malaysia REIT Management Sdn. Bhd. (the "Manager") is not indicative of the future performance of the Manager.*

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*These materials 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.*

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# Key Highlights

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# 4Q 2011 Highlights

- **4Q 2011 Distribution Per Unit**
  - Quarter: 1.99 sen (4Q 2010: 1.84 sen)
  - FY 2011 DPU of 7.87 sen, exceeds forecast DPU of 7.46 sen by 5.5%
- **Final Income Distribution of 1.14 sen per unit for the period 11 November 2011 to 31 December 2011**
- **Revaluation of Portfolio from RM2.76 billion to RM2.78 billion**
- **Completed Acquisition of East Coast Mall in Kuantan on 14 November 2011**
- **Gurney Plaza completed Reconfiguration Works at Basement 1, 5th floor and 6th floor**

# 4Q 2011 DPU Exceeds Forecast by 5.3%

| | 4Q 2011 Actual [1] (Unaudited) | 4Q 2011 Forecast [2] | Change % | FY 2011 Actual [1] (Unaudited) | FY 2011 Forecast [2] | Change % |
|---|---|---|---|---|---|---|
| Distributable Income [3] (RM'000) | 32,824 | 28,521 | 15.1 | 118,258 | 109,454 | 8.0 |
| DPU (sen) [4] | 1.99 | 1.89 | 5.3 | 7.87 | 7.46 | 5.5 |
| DPU (sen) - annualised | 7.90 | 7.49 | 5.5 | 7.87 | 7.46 | 5.5 |
| Distribution yield (%) (Based on market price of RM1.44 on 30 December 2011 and 19 January 2012 ) | 5.49 | 5.20 | 5.5 | 5.47 | 5.18 | 5.5 |

1. 4Q and FY2011 actual results include the financial results of Gurney Plaza Extension (GPE) and East Coast Mall (ECM). GPE was acquired on 28 March 2011 and ECM was acquired on 14 November 2011.
2. 4Q and FY 2011 forecast comprise profit forecast for the existing portfolio and GPE for the relevant period as disclosed in CMMT's circular to unitholders dated 23 February 2011. For ECM, no forecast was announced previously.
3. CMMT intends to distribute 100% of its distributable income to its unitholders for the financial year ended 31 December 2011.
4. FY 2011 DPU of 7.87 sen per unit includes actual income distribution of 6.73 sen per unit paid in April , August and December 2011.

# 4Q 2011 DPU up 8.2% Y-o-Y

| | 4Q 2011 Actual [1] (Unaudited) | 4Q 2010 Actual (Unaudited) | Change % | FY 2011 Actual [1] (Unaudited) | FP 2010 Actual [2] (Audited) | Change % |
|---|---|---|---|---|---|---|
| Distributable Income [3] (RM'000) | 32,824 | 24,818 | 32.3 | 118,258 | 45,910 | 157.6 |
| DPU (sen) [4] | 1.99 | 1.84 | 8.2 | 7.87 | 3.40 | 131.5 |
| DPU (sen) - annualised | 7.90 | 7.29 | 8.4 | 7.87 | 7.26 | 8.4 |
| Distribution yield (%) (Based on market price of RM1.44 on 30 December 2011 and 19 January 2012 ) | 5.49 | | | 5.47 | | |

1. 4Q and FY2011 actual results include the financial results of GPE and ECM. GPE was acquired on 28 March 2011 and ECM was acquired on 14 November 2011.
2. FP 2010 actual results refer to the period from 14 July 2010 to 31 December 2010.
3. CMMT intends to distribute 100% of its distributable income to its unitholders for the financial year ended 31 December 2011.
4. FY 2011 DPU of 7.87 sen per unit includes actual income distribution of 6.73 sen per unit paid in April , August and December 2011.

# Final Income Distribution for 2011

| | |
|---|---|
| Distribution period | 11 November to 31 December 2011 [1] |
| Distribution per unit (sen) | 1.14 [2] |

| Distribution timetable | |
|---|---|
| Notice of book closure date | 20 January 2012 |
| Last day of trading on cum basis | 03 February 2012 |
| Ex-date | 08 February 2012 |
| Book closure date | 10 February 2012 |
| Distribution payment date | 08 March 2012 |

1. CMMT distributed 6.73 sen per unit to its unitholders for the period from 1 January to 10 November 2011. For FY 2011, CMMT will distribute 100% of its distributable income, i.e 7.87 sen per unit to its unitholders.
2. 0.98 sen per unit is taxable and 0.16 sen per unit is non-taxable in the hands of unitholders.

# Financial Results

CapitaMalls Malaysia Trust

# Distribution Statement - 2011 Actual vs Forecast

| | 4Q 2011 Actual [1] (RM '000) | 4Q 2011 Forecast [2] (RM '000) | Variance (%) | FY 2011 Actual [1] (RM '000) | FY 2011 Forecast [2] (RM '000) | Variance (%) |
|---|---|---|---|---|---|---|
| Gross revenue | 63,145 | 57,538 | 9.7 | 230,887 | 223,569 | 3.3 |
| Less: Property operating expenses | (19,376) | (16,130) | 20.1 | (68,492) | (63,762) | 7.4 |
| **Net property income** | **43,769** | **41,408** | **5.7** | **162,395** | **159,807** | **1.6** |
| Interest income | 799 | 118 | 577.1 | 3,063 | 426 | 619.0 |
| Other non-operating income | 422 | - | N.M. | 2,305 | - | N.M. |
| Fair value gain of investment properties | 14,690 | - | N.M. | 68,910 | 5,841 | 1,079.8 |
| **Net investment income** | **59,680** | **41,526** | **43.7** | **236,673** | **166,074** | **42.5** |
| Manager's management fee | (4,456) | (3,965) | 12.4 | (16,286) | (15,421) | 5.6 |
| Trust and other expenses | (210) | (212) | (0.9) | (1,866) | (1,624) | 14.9 |
| Finance costs | (9,900) | (11,496) | (13.9) | (38,707) | (44,103) | (12.2) |
| **Profit before taxation** | **45,114** | **25,853** | **74.5** | **179,814** | **104,926** | **71.4** |
| Taxation | - | - | - | - | - | - |
| **Profit for the period/ year** | **45,114** | **25,853** | **74.5** | **179,814** | **104,926** | **71.4** |
| Distribution adjustments | (12,460) | 2,668 | N.M. | (61,531) | 4,528 | N.M. |
| Income available for distribution | **32,654** | **28,521** | **14.5** | **118,283** | **109,454** | **8.1** |
| **Distributable income [3]** | **32,824** | **28,521** | **15.1** | **118,258** | **109,454** | **8.0** |
| DPU (sen) | 1.99 | 1.89 | 5.3 | 7.87 | 7.46 | 5.5 |

1. 4Q and FY2011 actual results include the financial results of GPE and ECM. GPE was acquired on 28 March 2011 and ECM was acquired on 14 November 2011.
2. 4Q and FY 2011 forecast comprise profit forecast for the existing portfolio and GPE for the relevant period as disclosed in CMMT's circular to unitholders dated 23 February 2011. For ECM, no forecast was announced previously.
3. The difference between distributable income and income available for distribution is due to rollover adjustment for rounding effect of DPU.

N.M. Not meaningful

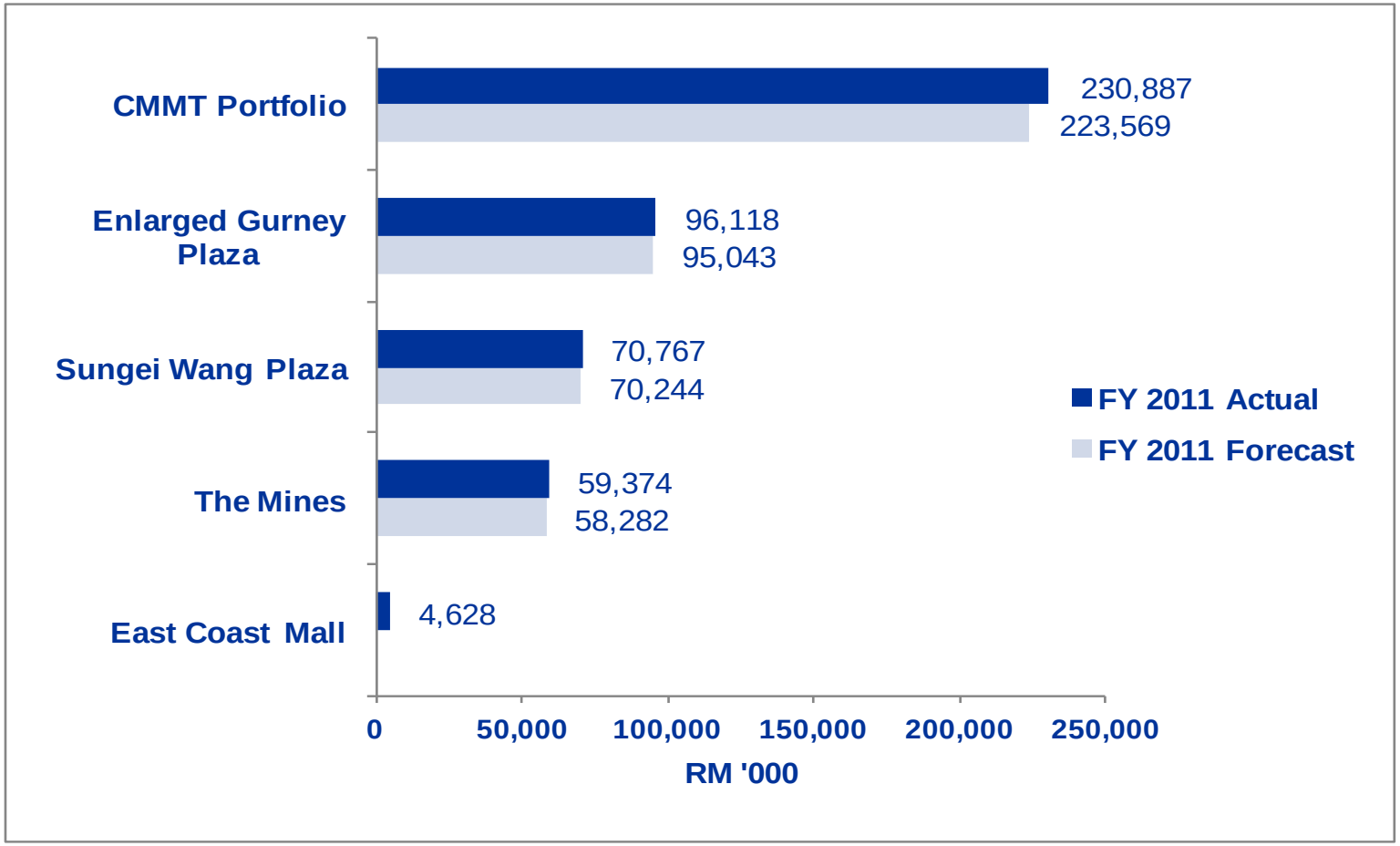
# Distribution Statement - 2011 vs 2010

| | 4Q 2011 Actual [1] (RM '000) | 4Q 2010 Actual (RM '000) | Variance (%) | FY 2011 Actual [1] (RM '000) | FP 2010 Actual [2] (RM '000) | Variance (%) |
|---|---|---|---|---|---|---|
| Gross revenue | 63,145 | 51,251 | 23.2 | 230,887 | 94,636 | 144.0 |
| Less: Property operating expenses | (19,376) | (15,733) | 23.2 | (68,492) | (28,811) | 137.7 |
| **Net property income** | **43,769** | **35,518** | **23.2** | **162,395** | **65,825** | **146.7** |
| Interest income | 799 | 666 | 20.0 | 3,063 | 954 | 221.1 |
| Other non-operating income | 422 | - | N.M. | 2,305 | - | N.M. |
| Fair value gain of investment properties | 14,690 | 5,347 | 174.7 | 68,910 | 81,347 | (15.3) |
| **Net investment income** | **59,680** | **41,531** | **43.7** | **236,673** | **148,126** | **59.8** |
| Manager's management fee | (4,456) | (3,527) | 26.3 | (16,286) | (6,506) | 150.3 |
| Trust and other expenses [3] | (210) | (495) | (57.6) | (1,866) | (14,905) | (87.5) |
| Finance costs | (9,900) | (9,398) | 5.3 | (38,707) | (17,319) | 123.5 |
| **Profit before taxation** | **45,114** | **28,111** | **60.5** | **179,814** | **109,396** | **64.4** |
| Taxation | - | - | - | - | - | - |
| **Profit for the period/ year** | **45,114** | **28,111** | **60.5** | **179,814** | **109,396** | **64.4** |
| Distribution adjustments | (12,460) | (3,293) | N.M. | (61,531) | (63,486) | N.M. |
| Income available for distribution | **32,654** | **24,818** | **31.6** | **118,283** | **45,910** | **157.6** |
| **Distributable income [4]** | **32,824** | **24,818** | **32.3** | **118,258** | **45,910** | **157.6** |
| DPU (sen) | 1.99 | 1.84 | 8.2 | 7.87 | 3.40 | 131.5 |

1. 4Q and FY2011 actual results include the financial results of GPE and ECM. GPE was acquired on 28 March 2011 and ECM was acquired on 14 November 2011.
2. FP 2010 actual results refer to the period from 14 July 2010 to 31 December 2010.
3. 4Q and FP 2010 trust and other expenses include listing expenses in relation to the initial public offering.
4. The difference between distributable income and income available for distribution is due to rollover adjustment for rounding effect of DPU.

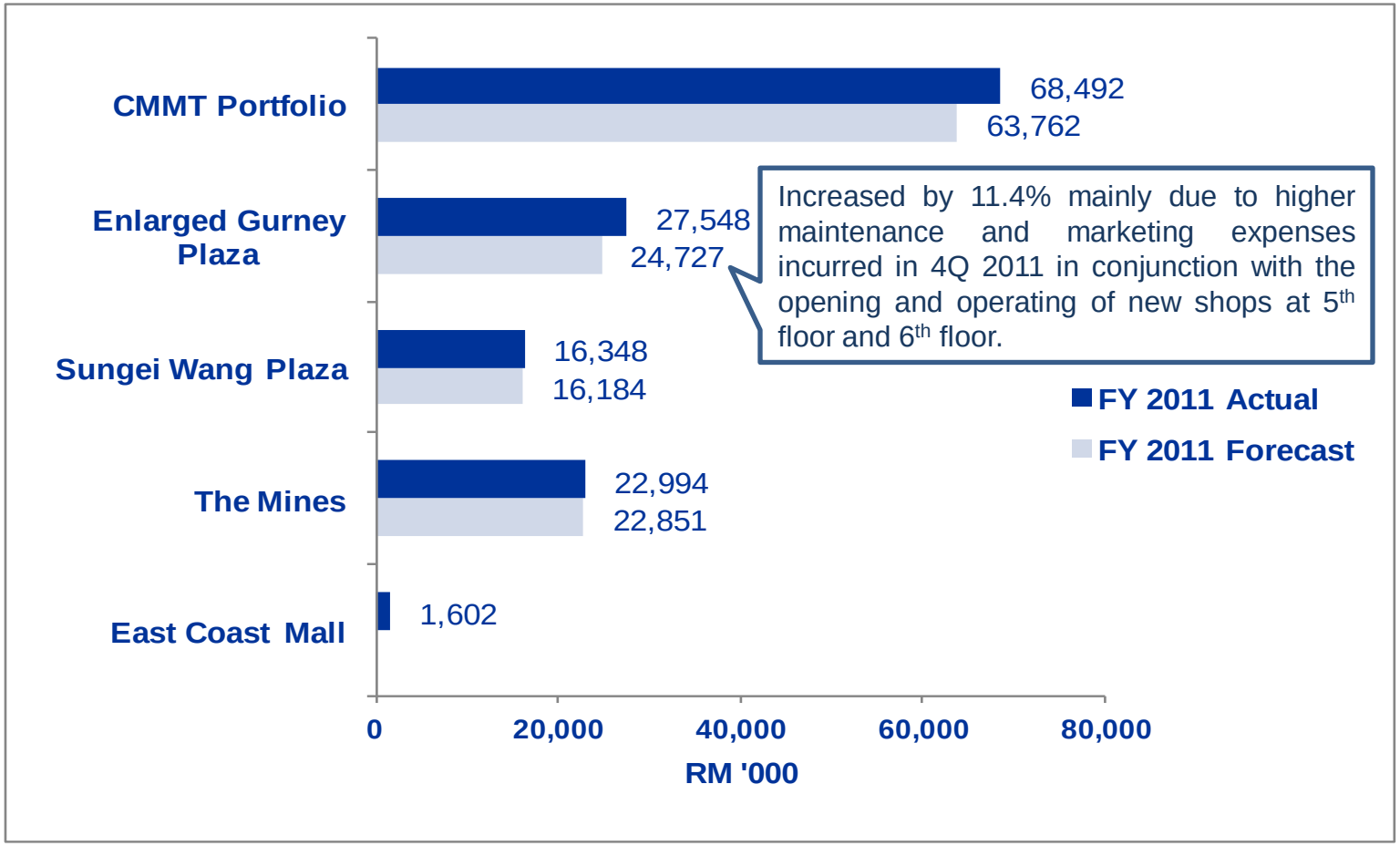
N.M. Not meaningful

# FY 2011 Gross Revenue - Increased by 3.3% vs Forecast



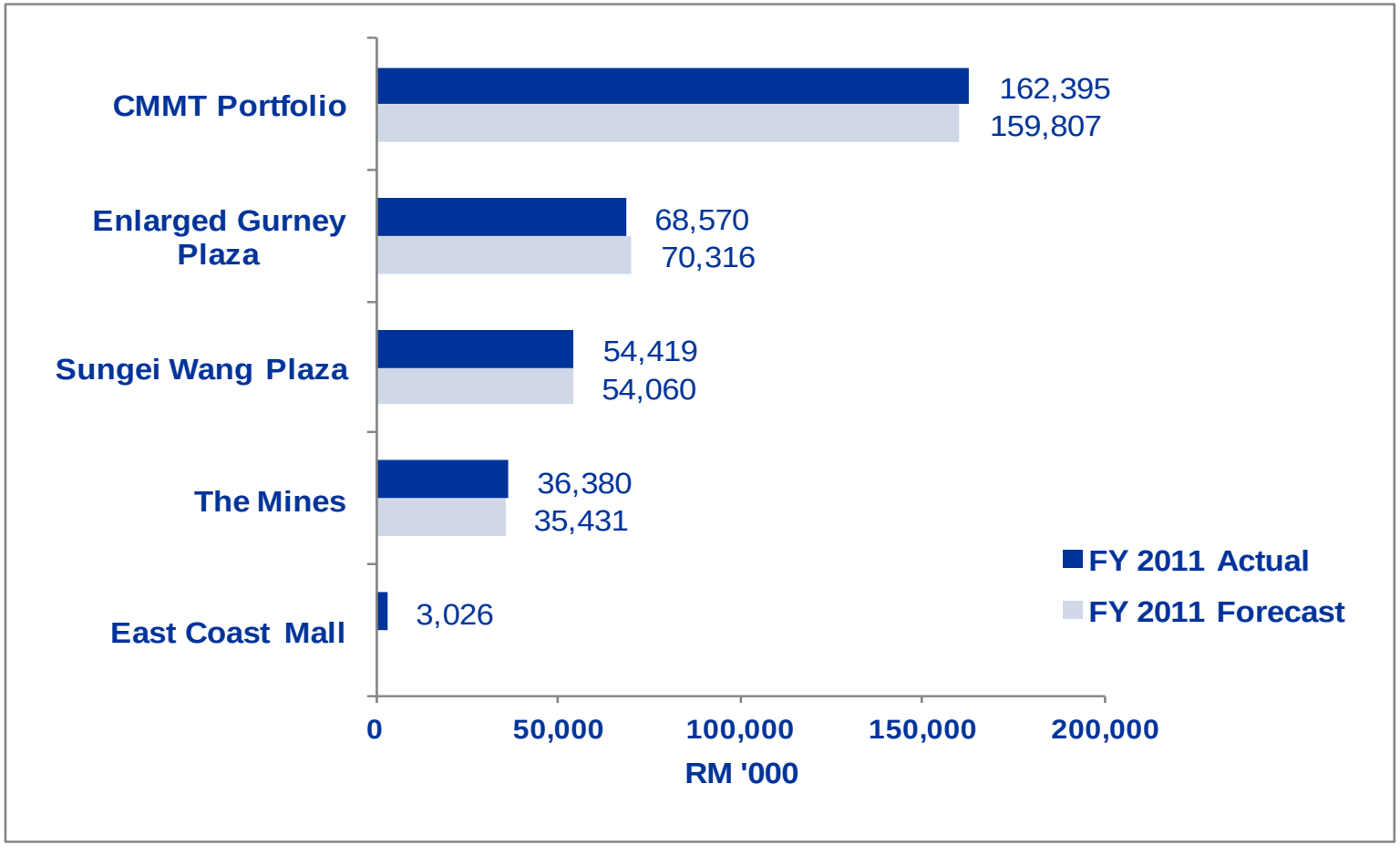

1. Enlarged Gurney Plaza includes GPE.
2. FY2011 forecast comprises profit forecast for the existing portfolio and GPE for the relevant period as disclosed in CMMT's circular to unitholders dated 23 February 2011. For ECM, no forecast was announced previously.

# FY 2011 Property Operating Expense - Increased by 7.4% vs Forecast




1. Enlarged Gurney Plaza includes GPE.
2. FY2011 forecast comprises profit forecast for the existing portfolio and GPE for the relevant period as disclosed in CMMT's circular to unitholders dated 23 February 2011. For ECM, no forecast was announced previously.

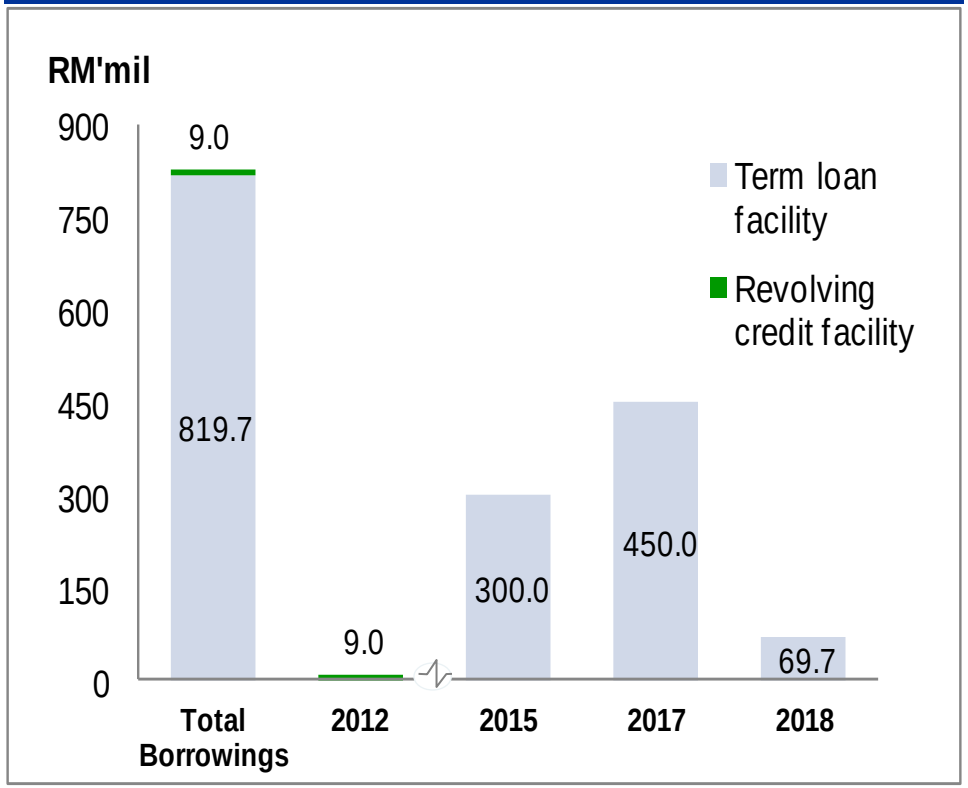
# FY 2011 Net Property Income - Increased by 1.6% vs Forecast



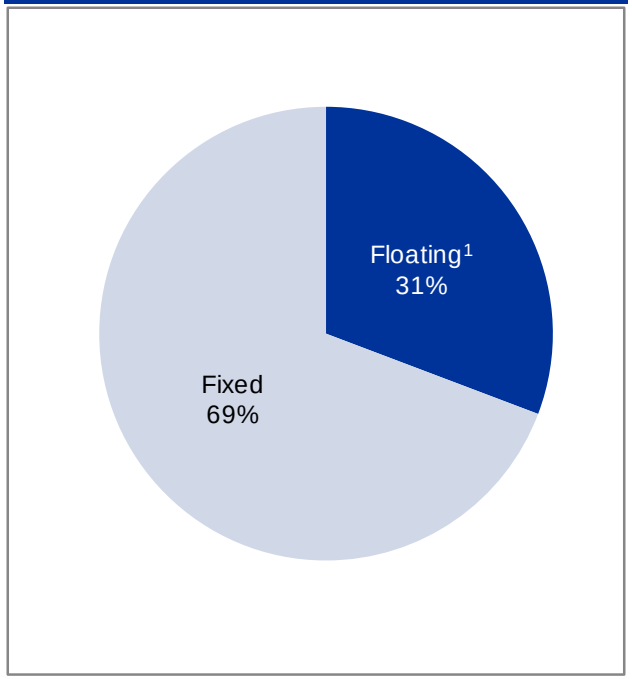

1. Enlarged Gurney Plaza includes GPE.
2. FY2011 forecast comprises profit forecast for the existing portfolio and GPE for the relevant period as disclosed in CMMT's circular to unitholders dated 23 February 2011. For ECM, no forecast was announced previously.

# Debt Profile (As at 31 December 2011)

## Debt Maturity Profile




## Interest Rate Profile




1. Includes short term revolving credit facility of RM9.0 million

# Key Financial Indicators

| | 4Q 2011 | 3Q 2011 |
|---|---|---|
| Unencumbered assets as % of total assets | 42.5% | 35.2% |
| Gearing ratio | 28.7% | 33.3% |
| Net debt / EBITDA (times) | 5.7 | 6.0 |
| Interest coverage (times) | 3.8 | 3.8 |
| Average term of maturity (years) | 5.2 | 6.3 |
| Average cost of debt | 4.6% | 4.6% |

# Firm Balance Sheet

| As at 31 December 2011 | RM'mil |
|---|---|
| Non-current Assets | 2,782 |
| Current Assets | 125 |
| **Total Assets** | **2,907** |
| Current Liabilities | 92 |
| Non-current Liabilities | 863 |
| **Total Liabilities** | **955** |
| **Net Assets** | **1,952** |
| **Total Unitholders' Funds** | **1,952** |
| **Number of Units in Circulation (in million units)** | **1,763** |

| | |
|---|---|
| **NAV (RM'mil)** | |
| - before income distribution | 1,952 |
| - after income distribution | 1,932 |
| **NAV per unit (RM)** | |
| - before income distribution | 1.11 |
| - after income distribution | 1.10 |

# Valuation of Portfolio

| | Previous Valuation (30 June 2011) RM 'mil | Current Valuation (31 Dec 2011) RM 'mil | Variance (%) | Property Yield (%) | Current Valuation (per sf of NLA) RM |
|---|---|---|---|---|---|
| Enlarged Gurney Plaza [1] | 1,090 | 1,100 | 0.9% | 6.6% | 1,261 |
| Sungei Wang Plaza | 790 | 792 | 0.3% | 6.9% | 1,769 |
| The Mines | 550 | 559 | 1.6% | 6.5% | 779 |
| East Coast Mall [2] | - | 330 | N.M. | 7.0% | 747 |
| **Total** | **2,430** | **2,781** | **14.4%** | **6.7%** | **1,122** |

1. The valuation of enlarged Gurney Plaza as at 31 December 2011 includes GPE. CMMT acquired GPE on 28 March 2011 and incorporated GPE's acquisition valuation of RM225 million (dated 30 September 2010) in 1Q 2011 actual results.
2. CMMT acquired ECM on 14 November 2011 and incorporated ECM's latest valuation of RM330 million (dated 31 December 2011) in Q4 2011 actual results.

N.M. Not Meaningful.

# Portfolio Update

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# Close to Full Occupancy

| | 1Q 2011 | 2Q 2011 | 3Q 2011 | 4Q 2011 |
|---|---|---|---|---|
| | 31 Mar 11[1] | 30 Jun 11[1] | 30 Sep 11[1] | 31 Dec 11[1] |
| Gurney Plaza | 98.7% | 99.4% | 98.6% | 98.5% |
| Sungei Wang Plaza | 98.5% | 98.5% | 98.4% | 98.2% |
| The Mines | 99.0% | 99.1% | 99.0% | 98.8% |
| East Coast Mall[2] | NA | NA | NA | 98.9% |
| CMMT Portfolio | 98.7% | 99.1% | 98.7% | 98.6% |

1. Based on committed leases.
2. Acquisition of East Coast Mall completed on 14 November 2011.

# Positive Rental Reversion of 5.6%

| From 1 January 2011 to 31 December 2011 (excluding newly created and reconfigured units) | | |
|---|---|---|
| | No. of new leases/renewals | Var. over preceding rental[1, 2, 3] (%) |
| Gurney Plaza | 143 | +5.1 |
| Sungei Wang Plaza | 115 | +6.9 |
| The Mines | 172 | +5.0 |
| East Coast Mall[4] | N/A | N/A |
| CMMT Portfolio | 430 | +5.6 |

1. Excluding gross turnover component.
2. Majority of leases have rental escalation clause.
3. The % is computed based on the increase in the 1st year rental of the renewed term over last year rental of the preceding term.
4. Acquisition of East Coast Mall completed on 14 November 2011.

# Portfolio Lease Expiry (By Year)

| As at 31 December 2011 | CMMT Portfolio | | |
|---|---|---|---|
| | No of Leases[1] | Gross Rental Income RM'000 | % of Total (Dec 11)[2] |
| 2012 | 394 | 4,266 | 23.0% |
| 2013 | 407 | 5,330 | 28.7% |
| 2014 | 431 | 7,217 | 38.9% |
| 2015 | 70 | 1,180 | 6.3% |
| Beyond 2015 | 4 | 569 | 3.1% |

1. Based on all committed leases as at 31 December 2011.
2. As percentage of total gross rental income for the month of December 2011.

# Portfolio Lease Expiry Profile for 2012

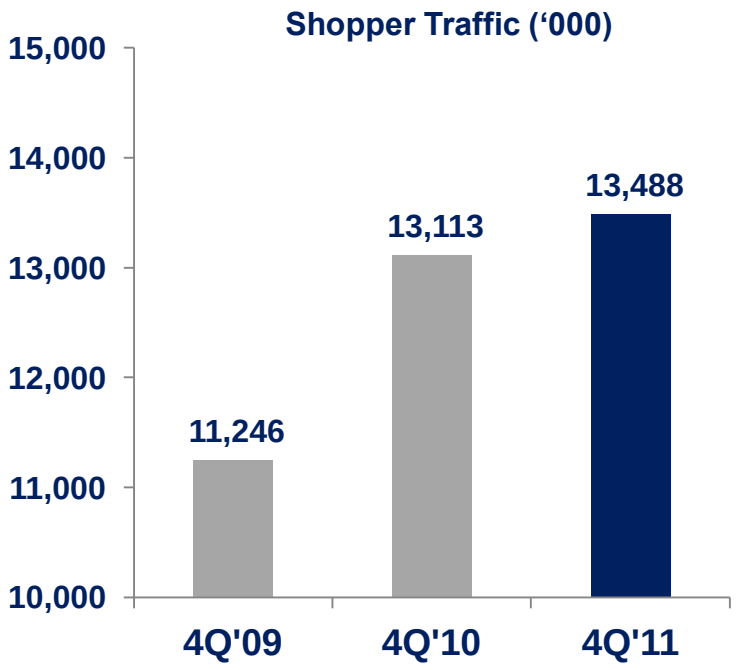
| As at 31 December 2011 | No. of Leases[1] | Net Lettable Area | | Gross Rental Income | |
|---|---|---|---|---|---|
| | | Sq ft | % of total | RM'000 | % of total[2] |
| Gurney Plaza | 93 | 158,192 | 29.8% | 1,366 | 32.0% |
| Sungei Wang Plaza | 136 | 100,783 | 19.0% | 1,271 | 29.8% |
| The Mines | 120 | 205,330 | 38.7% | 1,318 | 30.9% |
| East Coast Mall[3] | 45 | 65,932 | 12.5% | 311 | 7.3% |
| CMMT Portfolio | 394 | 530,237 | 100% | 4,266 | 100% |

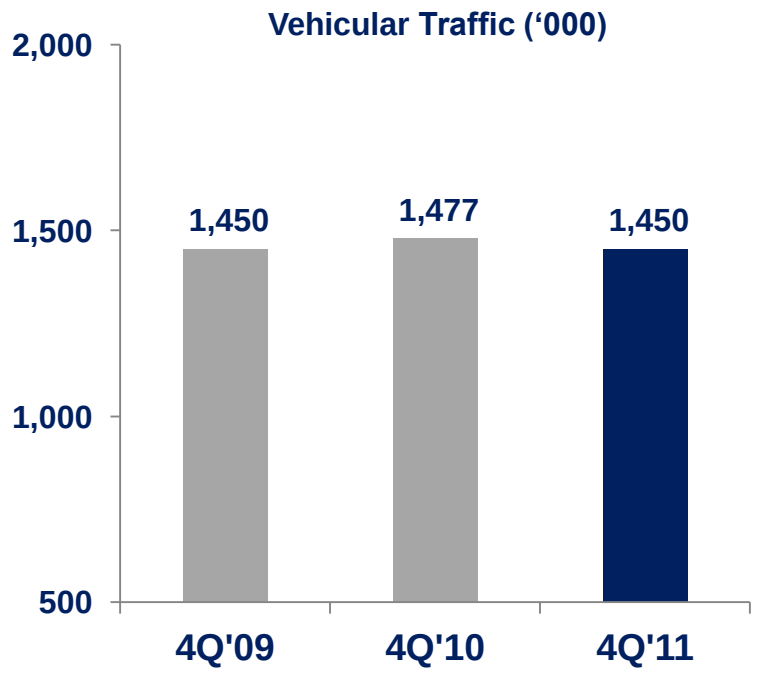
1. Based on all committed leases as at 31 December 2011.
2. As percentage of total gross rental income for the month of December 2011.
3. Acquisition of East Coast Mall completed on 14 November 2011.

# Shopper and Vehicular Traffic Remains Strong

**Shopper traffic**
**2.9% higher than 4Q 2010**
**19.9% higher than 4Q 2009**

**Vehicular traffic**
**1.8% lower than 4Q 2010**
**Neutral compared to 4Q 2009**




Note:
Shopper traffic and vehicular traffic statistics exclude East Coast Mall.

# Improvement Works & New Initiatives

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# Gurney Plaza

## Asset Enhancement Initiatives (AEI)

**Asset enhancement initiative works completed in 2011 includes:**

- **5th floor and 6th floor - Conversion of car park spaces to retail units**
- **Basement 1 - Reconfiguration of retail and F&B units**
- **Ground floor's main entrance - Extension of lease line**
- **2nd floor - Reconfiguration of retail units**
- **First stage of interior refurbishment - Installation of fascia panels, hand rails and panels at central atrium**
- **Toilet upgrading**

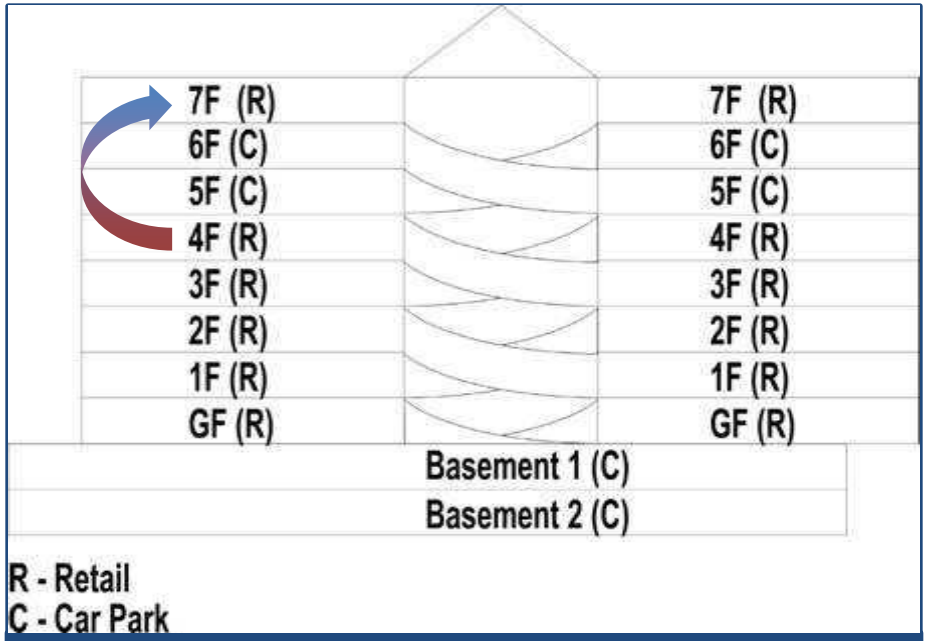
| AEI Analysis | |
|---|---|
| Est. Incremental Revenue (RM p.a.) | 2.8 mil |
| Est. Incremental NPI (RM p.a.) | 2.4 mil |
| Est. Project Cost (RM) | 21.9 mil |
| **Est. Return on Investment** | **11%** |

# Gurney Plaza

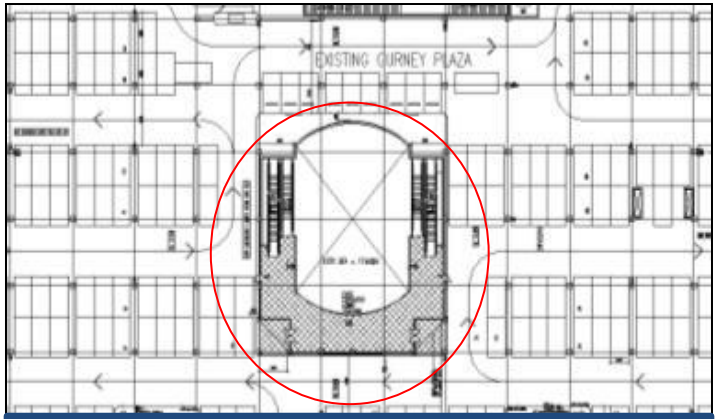
## AEI - Conversion of Car Park Lots at 5th Floor and 6th Floor

**Conversion of car park lots into new shops resulting:**

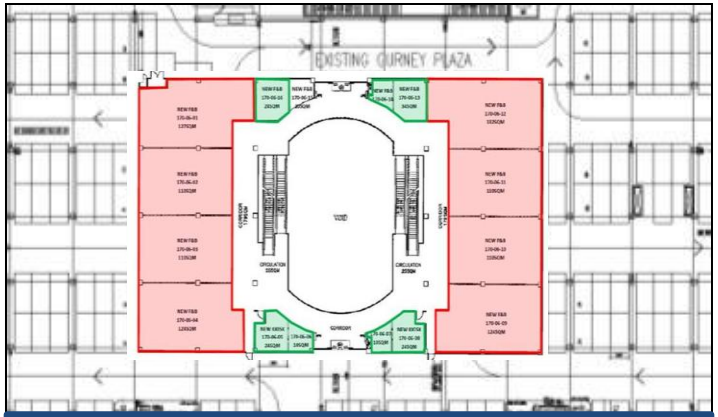
- **Continuous retail activities from 4th floor to 7th floor**
- **Additional net lettable area of 20,161 sq ft**
- **Creation of 28 more shops with new rental income**




Sectional plan




Before AEI




After AEI

# Gurney Plaza

## AEI - Reconfiguration

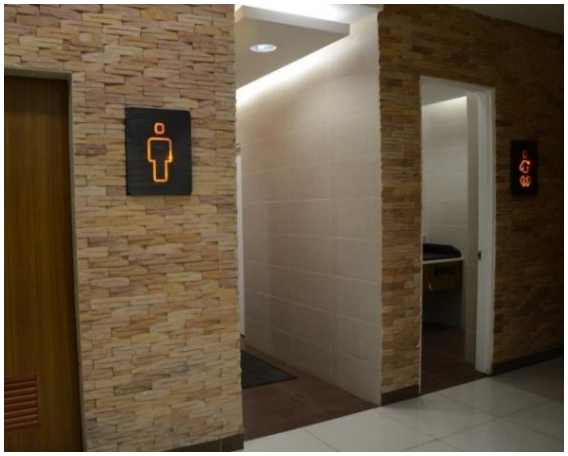
Reconfiguration of retail units at 2nd floor

New shops at 5th floor and 6th floor

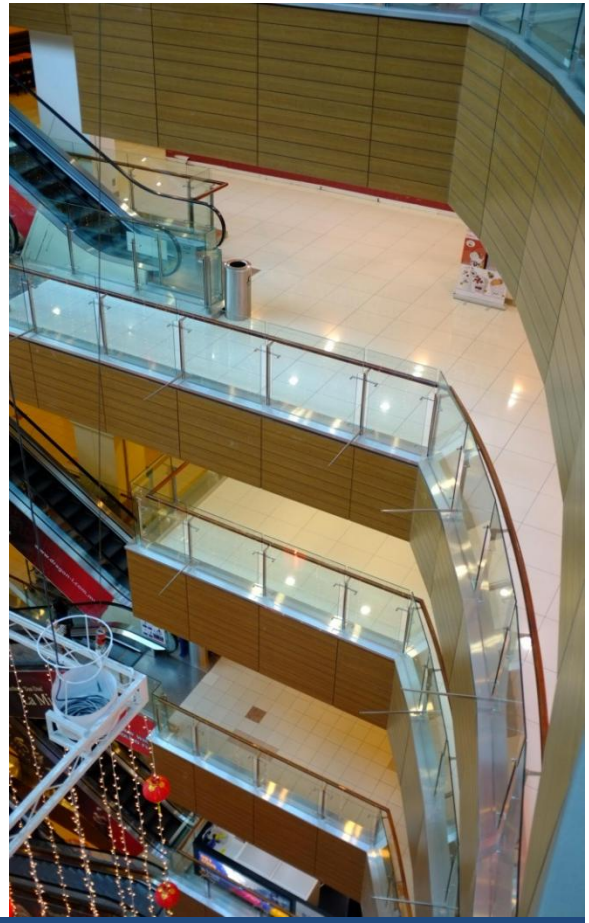
New shops at ground floor's main entrance

# Gurney Plaza

## AEI - Interior Refurbishment



Toilet upgrading



Interior refurbishment at central atrium

# Gurney Plaza

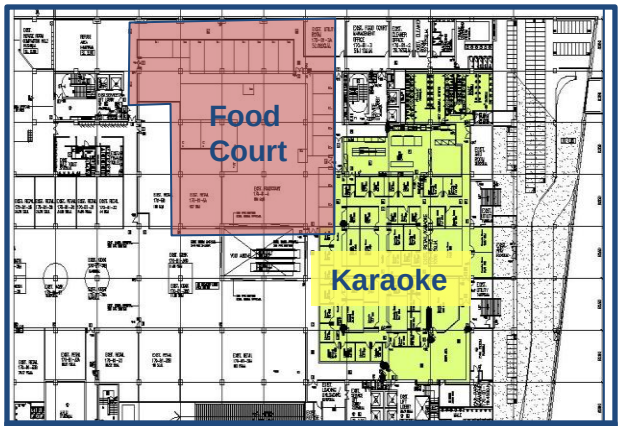
## AEI: Reconfiguration of Basement 1

**Reconfiguration of the former mini anchor space at Basement 1 resulting:**

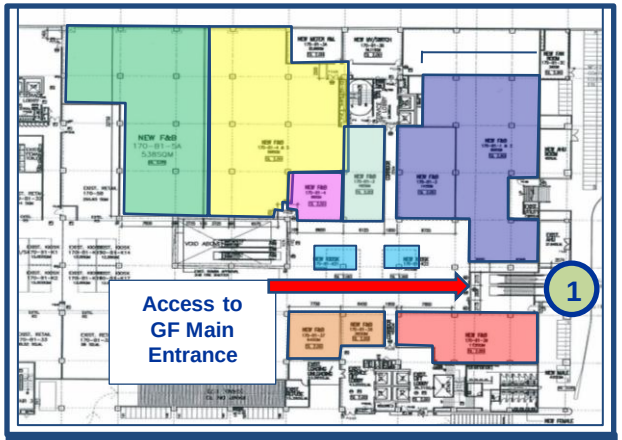
- **Better line of sight and improve of accessibility**
- **Additional net lettable area of 2,800 sq ft**
- **Creation of more shops with higher rental income**

1 Installation of new escalator

New shops at Basement 1




Before AEI




After AEI

# Gurney Plaza and The Mines

## Green Initiatives

- New water recycling tank to reduce water usage
- Environmental green bins to sort out recyclable materials
- Additional energy efficient lighting to conserve energy usage

Installation of water recycling tank

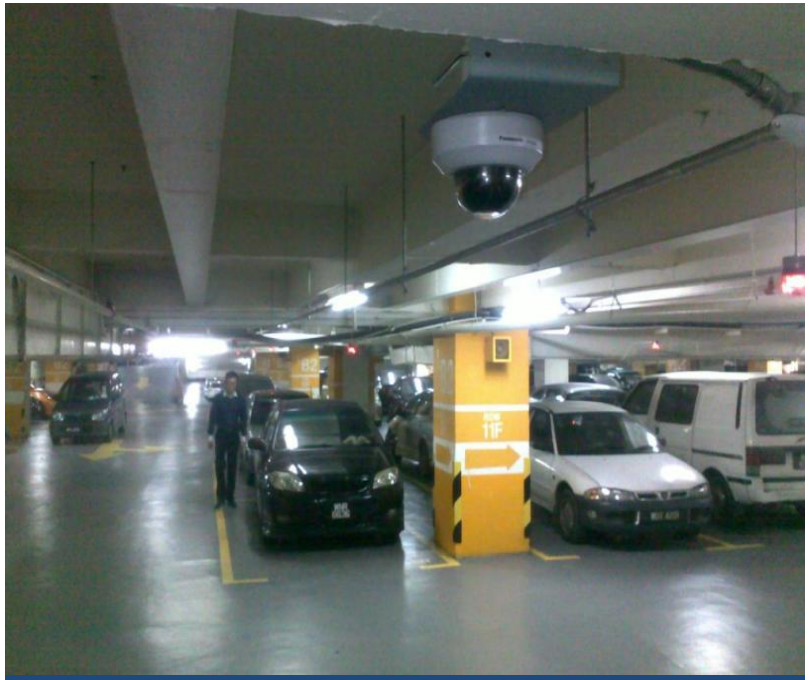
Offering of environmental green bins

Installation of energy efficient lighting

# Sungei Wang Plaza

## Security Enhancement

- **Additional CCTV cameras to cover car park hotspots and hidden locations**
- **New CCTV monitors and video recorders in security room**




Installation of CCTV camera at strategic location

Installation of CCTV monitors and video recorders

# Marketing Activities

## Media Appreciation Night

**The inaugural Media Appreciation Night was held on 13 December 2011 at Le Meridian Hotel for about 180 media personnel.**

**A successful year end event:**

- **To maintain rapport with local media**
- **To create greater awareness for CMMT**

# Corporate Social Responsibility

## My Schoolbag Programme

**My Schoolbag Programme**

- **Offers underprivileged children to shop for school necessities in the mall sponsored by CapitaLand Hope Foundation**
- **Assist 600 underprivileged children from 25 charity homes with donation of RM150,000.**

# Thank You

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