

RETAIL SECTOR

Klang Valley
1H 2008



SUPPLY as at 1H 2008:

Zone	Qtr	New Building	New NLA	Total NLA
KL	1H 08	Solaris Mont' Kiara & Kepong Brem Mall	306,000 sq ft	24.89 mil sq ft
SUB	1H 08	Carrefour Klang	86,000 sq ft	12.46 mil sq ft
Total KV				37.35 mil sq ft
Future Supply	2H 08	AEON AU2, Tropicana Mall, Tesco & Giant Hypermarkets		
	2009	1 Shamelin Shopping Mall, Axis Atrium, Harbour Place, Wangsa Walk, USJ Nineteen, Subang Avenue Promenade, HPmall@Harbour Point, IOI Mall Phase 2, Bangsar Shopping Centre (new wing) and Intermark Mall		
	2010	Empire Gallery, First Subang, Paradigm, One Mont' Kiara and Lot C - KLCC		

DEMAND as at 1H 2008:

- § The retail market remained resilient during the first half of 2008 in general especially in the first quarter. However the steep price in fuel and rising costs of food and energy in the second quarter has dampened the retail sentiment as consumers tighten their purse strings
- § The overall retail occupancy showed improvement at 86.7% during 1H 2008 (2H 2007: 85.7%). In terms of locality, the average occupancy rate for KLCA, KLM and SUB registered 85.9%, 84.3% and 89.9% respectively in 1H 2008
- § Some of the notable tenants opening during 1H 2008:

Zone	Shopping Centre	Tenant	Est. Floor Area (Sq Ft)
KUL	Pavilion KL	Gucci	4,290 sq ft
	Solaris Mont' Kiara	Cold Storage	25,000 sq ft
	Kepong Brem Mall	Giant	30,000 sq ft
		Y Fitness	25,000 sq ft

SUMMARY:

- § Gucci has launched its first flagship store with a space of about 4,290 sq ft in Pavilion Kuala Lumpur
- § Cold Storage opened its first flagship supermarket comprising 2-storeys in Solaris Mont' Kiara totaling some 25,000 sq ft in April
- § Kepong Brem Mall finally opened its doors in SUB with anchor tenants being Giant and Y Fitness taking up approximately 30,000 sq ft and 25,000 sq ft respectively
- § CapitaLand Retail acquired about 61.9% of Sungei Wang Plaza for RM595 million during the review period
- § The curtain finally came down on Jaya Shopping Centre as the owner, CIMB-Mapletree Management Sdn Bhd plans to construct a new retail centre of approximately 300,000 sq ft

OUTLOOK:

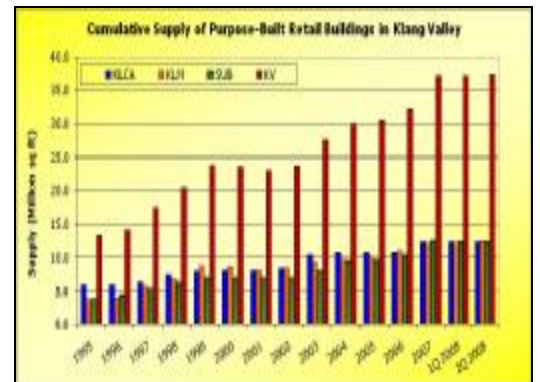
- § Future supply of retail space which is expected to come on stream by end 2008 and 2009 is approximately 1.24 million and 3.32 million sq ft respectively
- § Retail sales only expanded by 6.9% during first half 2008, about half the projected pace of 12% due to a steep increase in fuel price and rising inflation
- § The outlook of the retail sector in Klang Valley within the next six months is expected to remain stable as a result of year-end bonus payments, year-end festivities and back-to-school sales
- § However, due to rising inflation in line with the global economic downturn coupled with the relatively large supply of retail centres, the outlook of retail sector remains uncertain over the next few years

PERFORMANCE

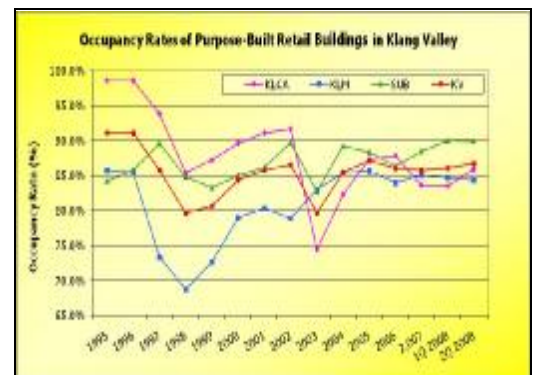
2H 2007 1H 2008



CUMULATIVE SUPPLY



AVERAGE OCCUPANCY RATES



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Unless otherwise stated, all currencies are expressed in

Ringgit Malaysia (RM)

All dimensions are expressed in square feet.

(1 square metre = 10.7639 square feet)