



NEWS RELEASE

For Immediate Release  
18 October 2006

## **Distributable income for 3Q 2006 up 19.2% from 3Q 2005**

*- In September 2006, actual distributable income exceeds forecast<sup>1</sup> by 6.5%*

**Singapore, 18 October 2006** – CapitaCommercial Trust Management Limited (the “CCT Manager”), the manager of CapitaCommercial Trust (“CCT”), is pleased to announce a distributable income of S\$19.4 million for the three months ended 30 September 2006 (“3Q 2006”). This is an increase of 19.2% compared to the S\$16.3 million reported for the corresponding period in 2005 (“3Q 2005”). Distribution per unit (“DPU”) for 3Q 2006 was 1.80 cents. Actual DPU for the month of September 2006 was 0.66 cents and based on CCT’s closing price of S\$2.20 on 17 October 2006, this translates to a distribution yield of 3.7%.

The 3Q 2006 DPU of 1.80 cents included a DPU of 1.14 cents for the months of July 2006 and August 2006 and a DPU of 0.66 cents for the month of September 2006. In connection with the equity fund raising for the acquisition of Raffles City, a cumulative DPU for the period 1 January 2006 to 31 August 2006, (the day prior to the date on which new units in CCT were issued) was proposed to be paid. Hence, a cumulative distribution of 4.63 cents for the period from 1 January 2006 to 31 August 2006 was paid on 26 September 2006. As CCT’s policy is to distribute on a semi-annual basis, the balance DPU of 0.66 cents will be paid in February 2007, together with the DPU for the three months ending 31 December 2006.

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<sup>1</sup> The forecast is based on the forecast for the financial period from 1 September 2006 to 31 December 2006, together with the accompanying assumptions in the CCT circular dated 15 August 2006 (“Circular”) for the equity fund raising to acquire a 60% interest in RCS Trust, an unlisted sub-trust which owns Raffles City.

## Summary of CCT Results

	3Q 2006	1 Sep to 30 Sep 2006		
	Actual (S\$'000)	Actual (S\$'000)	Forecast (S\$'000)	Variance %
Gross Revenue	38,585	17,496	17,245	1.5%
Net Property Income	28,285	12,787	12,543	1.9%
Distributable Income	19,388	9,105	8,601	5.9%
<b>Distribution Per Unit</b>				
For the period	1.80¢	0.66¢	0.62¢	6.5%
Annualised	7.14¢	8.03¢	7.54¢	6.5%
<b>Distribution Yield</b>				
- S\$2.21 per unit (closing price on 30 September 2006)	3.2%	3.6%	3.4%	-
- S\$2.20 per unit (closing price on 17 October 2006)	3.2%	3.7%	3.4%	-

CCT's gross revenue for 3Q 2006 was S\$38.6 million, an increase of 32.5% over S\$29.1 million of 3Q 2005. Compared to 3Q 2005, the gross revenue for 3Q 2006 included a month's revenue from CCT's 60% interest in Raffles City albeit with lower income contributions from Market Street Car Park and Golden Shoe Car Park which are undergoing asset enhancement.

CCT's portfolio continues to maintain a strong tenant retention rate of about 85% and enjoys a close to 100%<sup>2</sup> committed occupancy rate as at 30 September 2006.

Mr Richard Hale, Chairman of the CapitaCommercial Trust Manager, commented "This was a very eventful and rewarding quarter for the Trust following our acquisition of 60% of Raffles City, which in total was one of the largest property deals in Asia this year. In connection with this purchase, we successfully completed Asia's largest follow-on equity fund raising of S\$803.0 million to partially finance it. In addition, the issue of commercial mortgaged backed securities by RCS Trust was Singapore's largest yet at S\$866.0 million. Having completed the Raffles City transaction, CapitaCommercial Trust is now the biggest commercial REIT in Singapore with S\$3.6 billion worth of assets under management. Last month, it received an accolade for maintaining high standards of corporate governance and transparency when it won the 2006 SIAS Investors' Choice Award (REITs category).

<sup>2</sup> Excludes the retail space in two properties - the Market Street Car Park and Golden Shoe Car Park – which are currently undergoing asset enhancement

We will continue to maintain the Trust's leading edge through pro-active asset management and suitable acquisitions to augment our portfolio."

Mr David Tan, CEO of the CCT Manager, said, "CCT continues to benefit from strong tenant demand for quality office space and tight supply. Leases due for renewal in CCT's portfolio in 2007 and 2008 will offer significant potential for rental upside given current positive rental reversions. CCT's portfolio includes Singapore's landmark Raffles City, premium office buildings, and major car park assets which are being revitalized in the Central Business District. This portfolio is now more resilient and robust, with a diversified tenant base to support stronger earnings. CCT is the best performing REIT for the year to-date<sup>3</sup>, having delivered total returns of 56%. Moving forward, we will continue to deliver value to unitholders through asset enhancement initiatives, while actively seeking acquisitions in Singapore and overseas to grow CCT's asset size to S\$5-6 billion by 2009."

### **Raffles City Singapore Performs In Line with Forecast<sup>1</sup>**

From 1 September 2006, CCT owns 60% of Raffles City Singapore through RCS Trust, jointly with CapitaMall Trust who holds the remaining 40% interest. Gross revenue and net property income contribution from Raffles City for the month of September 2006 was in line with the forecast shown in the Circular. Raffles City's overall committed occupancy rate is 98.6%, with the occupancy rate of Raffles City Office Tower remaining high at 99.8% and Raffles City Shopping Centre with an occupancy rate of 97.2% (including the newly opened 53,000 sqft of retail space in basement 1) as at 30 September 2006. As part of the repositioning exercise, the Raffles City Shopping Centre is undergoing some tenancy remixing. Concurrently, the asset enhancement plans are being evaluated for progressive implementation.

### **Singapore Office Market Outlook Remains Optimistic**

Advance estimates by Singapore's Ministry of Trade and Industry showed that real gross domestic product ("GDP") rose by 7.1% in the third quarter of 2006 compared to the same period last year. URA reported that islandwide office occupancy rate was 87.7% as at end-June 2006, compared to 85.7% a year ago. CB Richard Ellis (Pte) Ltd ("CBRE") said that vacancy rate in the Central Business District fell to 4.5% from 7.1% in the second quarter due to continued high demand for office space. Occupancy for Grade A offices within the Raffles Place, Marina Centre and Shenton Way areas rose to 99.3%.

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<sup>3</sup> Source: Bloomberg – Total returns for the period from 3 January 2006 to 17 October 2006

CBRE reported that average prime rents in Singapore rose 15% on quarter to S\$6.90 psf per month as of the end of September, while rent for Grade A offices gained 11.8% on quarter to average S\$7.60 psf. Following which, CBRE has again revised their last quarter's year end projections from S\$7.00 psf per month and S\$8.00 psf per month for prime office rents and Grade A office rents, to reach S\$7.30 psf per month and S\$8.30 psf per month, respectively, by end-2006.

### **Kuala Lumpur Office Market Outlook Is Positive**

Colliers International's Regional Research August 2006 reported that Malaysia's real GDP growth is likely to grow by an annual average of over 5.0% in 2006/2007 due to firm private consumption and strong external demand. This in turn will benefit the office property sector. With a shortage of quality office stock particularly in the popular areas such as the Golden Triangle, prime office rentals continued to forge ahead with a growth of 2% quarter-on-quarter to Malaysian Ringgit 5.12 per sq ft per month as at the end of 2Q 2006.

### **About CapitaCommercial Trust ([www.cct.com.sg](http://www.cct.com.sg))**

CCT is Singapore's first commercial property trust with a market capitalisation of S\$3.0 billion based on the closing price of S\$2.20 per unit on 17 October 2006. It aims to own and invest in real estate and real estate-related assets which are income producing and used, or predominantly used, for commercial purposes. CCT currently owns a S\$3.6 billion portfolio of nine prime properties in Singapore's Central Business District and Downtown Core and, an office asset in Kuala Lumpur's Golden Triangle, Malaysia. The properties are Capital Tower, 6 Battery Road, HSBC Building, Raffles City (60% interest through RCS Trust), Starhub Centre, Robinson Point, Bugis Village, Golden Shoe Car Park and Market Street Car Park in Singapore, and Wisma Technip (through an investment in junior bonds) in Malaysia. On 26 July 2006, CCT was accorded "A3" corporate rating with a stable rating outlook by Moody's Investor Service.

CCT is managed by an external manager, CapitaCommercial Trust Management Limited, which is an indirect wholly-owned subsidiary of CapitaLand Limited, one of the largest listed real estate companies in Asia.

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**Issued by :**

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The past performance of CCT is not necessarily indicative of the future performance of CCT.