

**CCT's 2004 Distributable Income Exceeds Forecast by 11.2%**

*To distribute S\$3.4 million more to unitholders*

*Unveils Growth Strategies and Enhancement Plan for Market Street Car Park*

**Singapore, 19 January 2005** – CapitaCommercial Trust Management Limited (“CCTML”), the manager of CapitaCommercial Trust (“CCT”), is pleased to announce a distributable income of S\$33.5 million to unitholders for the period from 15 May 2004<sup>1</sup> to 31 December 2004. This is an increase of S\$3.4 million or 11.2% over the forecast<sup>2</sup>.

Distribution per unit to unitholders (“DPU”) is 3.99¢ for the period 15 May 2004<sup>1</sup> to 31 December 2004. On an annualised basis, the DPU is 6.32¢, higher than the forecast of 5.68¢. With this DPU, the annualised distribution yield is 4.94% based on the closing price of S\$1.28 per unit on 18 January 2005.

**Summary of CCT Results  
(15 May 2004 to 31 December 2004)**

	Actual	Forecast <sup>1</sup>	Variance	
			Amount	%
Gross Revenue (S\$'000)	68,263	66,684	1,579	2.4%
Net Property Income (S\$'000)	48,513	47,089	1,424	3.0%
Distributable Income to Unitholders <sup>3</sup> (S\$'000)	33,459	30,080	3,379	11.2%
<b>Distribution Per Unit (cents)</b> For the period 15 May 2004 to 31 Dec 2004	3.99¢	3.58¢	0.41¢	11.2%
<b>Annualised</b>	<b>6.32¢</b>	<b>5.68¢</b>	<b>0.64¢</b>	<b>11.2%</b>
<b>Distribution Yield</b>				
- S\$1.27 per unit (closing as at 31 Dec 2004)	4.98%	4.47%	0.51%	11.2%
- S\$1.28 per unit (closing as at 18 Jan 2005)	4.94%	4.44%	0.50%	11.2%

<sup>1</sup> As stated in CCT's Introductory Document dated 16 March 2004 (the “Introductory Document”), all distributable income from the date of distribution *in specie*, i.e. 15 May 2004, is attributable to the unitholders.

<sup>2</sup> Based on the forecast, together with the accompanying assumptions, in the Introductory Document for the period from 1 May 2004 to 31 December 2004 pro-rated for the period from 15 May 2004 to 31 December 2004.

<sup>3</sup> Based on payout of 95% of taxable income.

Mr Sum Soon Lim, Chairman of CCTML, said, “The improved distribution to unitholders is due to CCT’s active leasing strategy and proactive asset management of its existing properties. In addition, management will look to grow CCT’s portfolio and returns by implementing a two-pronged growth strategy namely, to widen its sectoral coverage, for example, by including mixed developments and to acquire yield accretive properties outside Singapore. It intends to double its property portfolio within a three-year time frame.”

### **Two-pronged Portfolio Growth Strategy**

Although CCT will remain an office-focused Reit, the Manager intends to widen its investment coverage to invest in other yield-accretive commercial sectors such as mixed developments, business parks and car parks. Through this sectoral diversification, the Manager will increase the opportunities to acquire more properties that are yield accretive to CCT.

In addition, the Manager intends to acquire properties overseas, with a focus on premier offices and mixed developments. CCTML will explore opportunities overseas leveraging on CapitaLand Group’s operational presence in these markets, in particular where there are no established or mature REIT platforms.

### **Asset Enhancement**

In addition to its growth strategy, the Manager will also seek opportunities to grow its distributions through active enhancement plans such as asset refurbishment and repositioning.

As a first initiative, the Manager has formulated an asset enhancement plan for Market Street Car Park which capitalises on the property’s prime location in the Central Business District. Subject to approval by the relevant authorities, the plan will increase patronage of its facilities, create new lettable area and increase advertisement revenue opportunities.

Mr Martin Tan, CEO of CCTML, said, “While our portfolio growth strategy provides us a basis for growing our size, we will also work actively to improve the performance of our existing assets. Market Street and Golden Shoe Car Parks hold good potential for such efforts. The first project to enhance the existing portfolio is to revitalise Market Street Car Park. This asset enhancement plan will increase its property yield and deliver greater value to CCT unitholders. The Market Street Car Park is a landmark car park in the Central Business District, and its retail and food & beverage outlets are very popular amongst the office workers. The upgrading will inject life and vibrancy into the property and will also

enhance its usage as a preferred transportation hub in the Central Business District. Various enhancement options for Golden Shoe Car Park have been reviewed and a decision on an appropriate scheme will be made within the next three months.”

### **Positive Office Rental Market Trend**

Based on MTI’s advanced estimates, Singapore’s gross domestic product (GDP) in the fourth quarter of 2004 grew by 5.4% compared to the same period in 2003. On a quarter-on-quarter seasonally adjusted annualised basis, GDP increased by 2.4%, after declining by 3% in the previous quarter. For 2004 as a whole, it is estimated that the economy grew by 8.1%.

2004 was a year of recovery for the office rental market and the outlook for 2005 is positive. Market sentiment has improved significantly and office demand turned positive after three years of decline. According to CB Richard Ellis (“CBRE”), average prime office rent rose by 4.8% in the fourth quarter over the third quarter, bringing the gain over the past year to 10%, the first yearly increase since 2000.

In addition, potential new office space supply will be limited to 2.67 million square feet in the next four years. This translates to about 0.67 million square feet per year, much less than the 10-year historical average annual new supply of 2.3 million square feet. The overall market trend is generally positive and it is projected that there would be an increase in prime office rent by 10 to 12% in 2005 even though the economy may experience a lower annual GDP growth of between 3 to 5%.

### **About CapitaCommercial Trust**

CCT is Singapore’s first commercial property REIT. Its aim is 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\$2 billion portfolio of seven prime properties in Singapore’s Central Business District. The properties are Capital Tower, 6 Battery Road, Starhub Centre, Robinson Point, Bugis Village, Golden Shoe Car Park and Market Street Car Park.

Listed on 11 May 2004, CCT was launched by CapitaLand Limited via an innovative capital reduction exercise. CapitaLand retained 40% of the CCT units and distributed the remaining 60% to its then existing shareholders *in specie*.

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

Issued by CapitaCommercial Trust Management Limited

Visit CCT's website at [www.capitacommercial.com](http://www.capitacommercial.com) for more details

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**Important Notice**

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The value of units in CCT and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in units is subject to investment risks, including the possible loss of the principal amount invested.