



NEWS RELEASE

For Immediate Release

21 October 2009

## CCT's third quarter 2009 DPU increases 20% from 2008<sup>1</sup>

### Positive rental reversions and cost savings contribute to robust earnings

**Singapore, 21 October 2009** – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or the Trust), is pleased to announce a distributable income of S\$52.1 million for the period from 1 July 2009 to 30 September 2009 (3Q 2009). This is a year-on-year increase of 20.8% from 3Q 2008. Distribution per unit (DPU) achieved for 3Q 2009 is 1.85 cents which represents a year-on-year increase of 20.1% from 1.54 cents<sup>1</sup> for 3Q 2008.

The distributable income and DPU are respectively 16.4% and 15.6% above the forecast as stated in the circular to unitholders dated 9 June 2008, after adjusting for the issued rights units<sup>1</sup>. The latest DPU translates to a distribution yield of 6.6% based on the closing price of S\$1.05 per unit on 20 October 2009. There is no distribution payment this quarter as CCT distributes semi-annually. Its unaudited Consolidated Financial Statements for 3Q 2009 are available on the Trust's website ([www.cct.com.sg](http://www.cct.com.sg)) and on SGXNet ([www.sgx.com](http://www.sgx.com)).

### Summary of CCT's 3Q (1 July to 30 September) and Year-To-Date (1 January to 30 September) 2009 Results

	YTD Sep 2009	YTD Sep 2008	Change (%)	3Q 2009	3Q 2008	Change (%)
Gross Revenue (S\$'000)	300,083	238,121	26.0	102,648	92,536	10.9
Net Property Income (S\$'000)	220,210	167,862	31.2	77,057	66,712	15.5
<b>Distributable Income (S\$'000)</b>	145,559	115,083	26.5	52,136	43,165	20.8
<b>Distribution Per Unit (adjusted for Rights Issue)</b>						
- For the Period	<b>5.18¢</b>	<b>4.12¢</b>	<b>25.7</b>	<b>1.85¢</b>	<b>1.54¢</b>	<b>20.1</b>

<sup>1</sup> The third quarter 2008 distribution per unit of 1.54 cents has been restated taking into account the following: (i) the effect of the renounceable underwritten 1-for-1 rights issue to raise gross proceeds of approximately S\$828.3 million at an issue price of S\$0.59 per rights unit as announced by CCT on 22 May 2009 (Rights Issue), and (ii) the issued units at the end of each period aggregated with the 1,403,891,006 rights units pursuant to the Rights Issue.

Mr. Richard Hale, Chairman of the Manager, said, "Following the solid growth in distributable income over the first half of 2009, CapitaCommercial Trust continues well for the third quarter. We achieved a distribution per unit of 1.85 cents, which is 20% higher than that for the third quarter 2008, through proactive lease renewals, new leasing and execution of cost management measures. With gearing of 31.2% and unencumbered property assets worth S\$3 billion, the Trust's balance sheet is in an excellent state of health. I am also happy to share that CapitaCommercial Trust has been included in the FTSE4Good Index Series, which recognises companies meeting international corporate responsibility standards."

Ms. Lynette Leong, Chief Executive Officer of the Manager, said, "Our performance is consistently strong this quarter, contributed by our proactive lease and cost management strategies. Besides keeping operating costs low, interest expenses have also been reduced this quarter following our prepayment of debt in early July using part of the proceeds of our recent rights issue. Given positive rental reversions, the average monthly office rent for CCT's portfolio has increased to S\$8.49 per square foot per month. CCT's Grade A offices' occupancy increased, in contrast to market trend, to about 98% this quarter, while our portfolio committed occupancy at 94% remains consistently above market occupancy of about 91%. Year-to-date, we have completed new leases and renewals totaling 709,690 square feet (more than 20% of our total portfolio net lettable area), of which approximately 95,000 square feet are forward office lease renewals. We have also successfully locked in 97% of forecast gross rental income for 2009."

### **Successful leasing efforts**

For the quarter, CCT has successfully signed leases with companies like Servcorp Pte Ltd (serviced office operator), Borouge Pte Ltd (leading plastics solution provider), Exane SNC (financial services company) and Egon Zehnder International Pte Ltd (executive search firm).

### **Asset enhancement initiative at Raffles City Singapore**

In the fourth quarter of 2009, we will commence the re-configuration of the basement 1 space in conjunction with CapitaMall Trust. The capital expenditure for this initiative is about S\$33.2 million with an expected return on investment of 8.0% which will contribute positively to CCT's income when the works are completed. In addition, there will be connection between the current City Hall MRT station to the new Esplanade MRT station through basement 1 and 2 of Raffles City Singapore. The Esplanade MRT Station is expected to open by third quarter of 2010. With this latest link to the circle line, there will be three train lines bringing shoppers to Raffles City Singapore.

### **Easing office rental decline, positive sign of gradual economic recovery**

According to recent industry reports, the rate of decline in Singapore office rentals continues to ease. The Singapore government's advance estimate of Singapore's third quarter gross domestic product (GDP) shows an increase of 14.9% on a seasonally adjusted quarter-on-quarter annualized basis, and a 0.8 per cent growth on year-on-year terms. "Singapore's economy is seeing a gradual recovery," adds Ms Leong. "If this trend continues and shows a sustainable economic recovery, we expect positive demand for office space to return and rental rates to stabilise. In fact, we are already experiencing an increase in leasing enquiries and more and more tenants planning for future expansion."

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

CapitaCommercial Trust is Singapore's first listed commercial REIT with a market capitalisation of S\$2.95 billion based on the closing price of S\$1.05 per unit on 20 October 2009. CCT 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. The total asset size of CCT is S\$6.3 billion as at 30 September 2009, comprising a portfolio of 11 prime properties in Singapore, as well as investments in Malaysia. The properties in Singapore are Capital Tower, Six Battery Road, One George Street, HSBC Building, Raffles City (60% interest through RCS Trust), Starhub Centre, Robinson Point, Bugis Village, Wilkie Edge, Golden Shoe Car Park and Market Street Car Park. In addition, CCT is a substantial unitholder of Quill Capita Trust with 30% unitholdings and has taken a 7.4% stake in the Malaysia Commercial Development Fund Pte. Ltd. (MCDF). Quill Capita Trust is a commercial REIT listed on Bursa Malaysia Securities Berhad, with a portfolio of ten commercial properties in Kuala Lumpur, Cyberjaya and Penang. MCDF is CapitalLand's first and largest Malaysia private real estate fund with a focus on real estate development properties primarily in Kuala Lumpur and the Klang Valley, Malaysia.

Effective from 18 September 2009, CCT is a constituent of FTSE4Good Index Series (FTSE4Good), a series of benchmark and tradable indices derived from the globally recognised FTSE Global Equity Index Series. FTSE4Good is designed to track the performance of companies meeting international corporate responsibility (CR) standards and forms the basis for over 70 different funds and investment products.

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 real estate companies in Southeast Asia by market capitalisation.

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**Issued by CapitaCommercial Trust Management Limited**

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The value of Units 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.

Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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