



**NEWS RELEASE**

**For Immediate Release**

**22 July 2009**

**CCT's First Half 2009 DPU Increased 29.1% from 2008<sup>1</sup>**

**92% of forecast 2009 gross rental income has been locked-in**

**Successfully raised S\$828.3 million through 1-for-1 rights issue**

**Singapore, 22 July 2009** – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT), is pleased to announce a distributable income of S\$93.4 million for the period from 1 January 2009 to 30 June 2009 (1H 2009). This is a year-on-year increase of 29.9% from 1H 2008. Distribution per unit (DPU) for 1H 2009 achieved is 3.33 cents after adjusting for the rights issue. This represents a year-on-year increase of 29.1% from 2.58 cents<sup>1</sup> for 1H 2008.

The distributable income and DPU are respectively 17.6% and 17.7% above the forecast as stated in the circular to unitholders dated 9 June 2008, after adjusting for the issued rights units. Its distribution yield is 7.6% based on the closing price of S\$0.88 per unit on 21 July 2009.

Unitholders can expect to receive their distribution payment on 28 August 2009. The books closure date is 31 July 2009 and CCT remains committed to maintain a 100% distribution payout this financial year. Its unaudited Consolidated Financial Statements for 2Q 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)).

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<sup>1</sup> The first half 2008 distribution per unit of 2.58 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.

## Summary of CCT's 2Q 2009 Results

	1H 2008	2Q 2009 vs 2Q 2008			1 Jan 2009 to 30 Jun 2009		
	Actual S\$'000	2Q 2009 S\$'000	2Q 2008 S\$'000	Var.	Actual S\$'000	Circular Forecast S\$'000	Var.
Gross Revenue	145,585	99,974	74,390	34.4%	197,435	194,945	1.3%
Net Property Income	101,150	73,283	51,524	42.2%	143,153	137,190	4.3%
<b>Distributable Income</b>	<b>71,918</b>	<b>48,019</b>	36,060	33.2%	<b>93,423</b>	79,445	<b>17.6%</b>
<b>Distribution Per Unit (adjusted for Rights Issue)</b>							
- For the Period	2.58¢	1.71¢	1.29¢	32.6%	3.33¢	2.83¢	17.7%

Mr. Richard Hale, Chairman of the Manager, said, "We are gratified by the tremendous support from unitholders with the success of our recent rights issue that raised S\$828.3 million. The oversubscription demonstrates unitholders' confidence in the market, and CapitaCommercial Trust and its management team. We continue to deliver strong results this first half of 2009, achieving a distribution per unit of 3.33 cents which exceeds first half 2008 by 29.1%. With a robust balance sheet, a low gearing and about S\$3 billion worth of unencumbered properties, we are well-positioned to ride through the challenges of the weak global economy. We also maintain our focus in the areas of proactive lease management, cost savings and risk management for the rest of the year."

Ms. Lynette Leong, Chief Executive Officer of the Manager, said, "Despite the challenging market conditions, we delivered a consistently strong performance for this first half of 2009. CCT's 1H 2009 distributable income increased significantly by 29.9% from the same period last year. The growth is mainly due to higher rental income and improved operating margin from our portfolio. More than half of our portfolio's leases expiring in 2009 have already been renewed and we are actively pursuing the rest of the renewals. We are also encouraged by our success achieved in renewing leases that will expire in 2010 and beyond, and will continue to proactively engage our tenants. From the proceeds raised from the recent rights issue, S\$664.0 million have been used to repay a significant part of our borrowings thereby reducing CCT's gearing to a comfortable 31% as at 3 July 2009, which is at the low end of our target gearing range of 30% to 45% through property market cycles. Much of the balance of the rights proceeds are earmarked to further reduce existing borrowings. All refinancing has been completed for 2009 and CCT has no major debt refinancing need until 2011. CCT's balance sheet is in excellent health."

### Active lease management, high occupancy rate, positive rental reversion

As at 30 June 2009, 92% of 2009's forecast gross rental income has been locked-in with committed leases. Portfolio committed occupancy rate remains high at 96.2%, compared to the market occupancy level of about 92% in second quarter 2009 according to July 2009 industry statistics.

The average monthly office rent for CCT's portfolio is at S\$8.14 per square foot, which remains below the second quarter average monthly market rate. In May and June 2009, about 139,380 square feet (or 4.1% of the portfolio net lettable area) of renewals and new leases have been signed with tenants such as Cisco Systems (USA) Pte. Ltd., EIM (Asia) Pte. Ltd., and the European Commission – Delegation of the European Commission. Rental reversion is positive at 45% above their previous rental levels on a weighted average basis.

### **Focus on Fundamentals**

Taking reference from the latest figures by the Ministry of Trade and Industry, Singapore's economy is expected to contract from 4.0% to 6.0% this year, instead of an earlier projection of 6.0% to 9.0%. According to industry statistics, the pace of office rental declines has also eased compared to the last quarter. Nonetheless, the local and global economic conditions remain weak.

“We are cognizant that Singapore’s office market is still susceptible to downside risks. Following the successful completion of the recent rights issue that has reinforced CCT’s balance sheet, our immediate priority going forward is to continue to focus on strengthening our fundamentals through astute asset management and prudent capital management to entrench CCT’s competitive edge,” said Ms Leong.

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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\$2.5 billion based on the closing price of S\$0.88 per unit on 21 July 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\$6.2 billion as at 30 June 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 CapitaLand'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.

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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This release may contain forward-looking statements that involve assumptions, 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 occupancy or property rental income, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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.