



NEWS RELEASE

For Immediate Release
24 October 2014

CCT's 3Q 2014 distributable income up 4.8% y-o-y

Total leasing commitment at CapitaGreen at 40%, well positioned to achieve 50% target by year-end

Singapore, 24 October 2014 – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or Trust), is pleased to announce a distributable income of S\$61.6 million for the quarter ended 30 September 2014 (3Q 2014), which is 4.8% above the S\$58.8 million achieved in 3Q 2013. The increase is largely due to strong performance in the Trust's gross revenue and net property income which rose by 8.4% and 8.6% respectively. The estimated distribution per unit (DPU) of 2.10^{1 2} cents for 3Q 2014, together with the DPU for 4Q 2014, will be paid out in February 2015 as CCT distributes semi-annually. Based on CCT's closing price per unit of S\$1.625 on 23 October 2014, CCT's distribution yield is 5.2%.

CCT's balance sheet is robust with a low gearing of 30.2%, providing it with S\$1.2 billion debt headroom assuming 40% gearing, and the financial flexibility to execute potential growth opportunities. The Trust's debt maturity date has been extended to February 2021 with an issue of S\$50.0 million 2.98% per annum medium term notes in August 2014. CCT's average cost of debt improved to 2.3% per annum as at end-3Q 2014. Given the recent credit rating upgrade of CCT by Standard & Poor's to A- with a stable outlook, the highest rating for a Singapore office REIT, CCT expects to achieve lower interest cost for new issues in the debt capital market. With 80% of its borrowings on fixed rate basis, the

¹ Estimated DPU for 3Q 2014 was computed on the basis that none of the convertible bonds due 2015 ("CB 2015") or convertible bonds due 2017 ("CB 2017") collectively known as "Convertible Bonds", is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of these Convertible Bonds is converted into CCT units.

² Assuming the outstanding S\$5.25 million CB 2015 and S\$175.0 million CB 2017 were converted into CCT units, DPU for 3Q 2014 would be reduced by 0.08 cents (assuming no interest expense savings).

Trust has certainty in interest expense and limited exposure to interest rate fluctuation.

The Trust's unaudited Consolidated Financial Statements for 3Q 2014 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

Summary of CCT's 3Q 2014 Results

| | 3Q 2014 | 3Q 2013 ⁽¹⁾ | Change % | YTD Sep 2014 | YTD Sep 2013 ⁽¹⁾ | Change % |
|--|----------------------------|------------------------|------------|----------------------------|-----------------------------|------------|
| Gross Revenue (S\$'000) | 66,420 | 61,266 | 8.4 | 196,247 | 187,076 | 4.9 |
| Net Property Income (S\$'000) | 51,903 | 47,778 | 8.6 | 154,603 | 147,954 | 4.5 |
| Distributable Income (S\$'000) | 61,579 | 58,775 | 4.8 | 185,608 | 174,035 | 6.6 |
| Distribution Per Unit ("DPU") (cents) | 2.10 ⁽²⁾ | 2.04 | 2.9 | 6.32 ⁽²⁾ | 6.05 | 4.5 |

Notes:

- (1) 3Q 2013 and YTD September 2013 have been restated with the adoption of Financial Reporting Standards ("FRS") 111 Joint Arrangements.
- (2) The estimated DPU for 3Q 2014 and YTD September 2014 were computed on the basis that none of the outstanding CB 2015 or CB 2017 is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of these Convertible Bonds is converted into CCT units.

Ms Lynette Leong, Chief Executive Officer of the Manager, said, "CCT's portfolio committed occupancy rate is high at 99.4%, which is above the market occupancy rate of 96.6% in 3Q 2014. Even with the high occupancy rate, we signed new leases and renewals of approximately 131,000 square feet, of which 17% are new leases. The overall signing rents for CCT's Grade A office leases in 3Q 2014 are higher than the expiring rents. As a result, the monthly average office rent of CCT's portfolio increased by 4.9% over the past 12 months from S\$8.03 to S\$8.42 per square foot."

Third quarter's leasing demand in CCT's portfolio, excluding that at CapitaGreen, was supported by tenants from Business Consultancy, IT, Media and Telecommunications, Food and Beverage, Banking, Insurance and Financial Services, as well as Retail Products and Services. New and renewed tenants signed in 3Q 2014 include A.M. Best Asia-Pacific (Singapore) Pte Ltd, BCD Travel Asia Pacific Pte Ltd, Freight Investor Services Pte. Ltd., Total Gas & Power Asia Private Limited., and Watson, Farley & Williams Asia Practice LLP.

Added Ms Leong, “We are pleased to have secured leases for an additional 114,500 square feet of space at CapitaGreen, bringing the aggregate leasing commitment to 279,500 square feet or 40% of the building’s net lettable area. The new leases include additional space take-up by Cargill, and the tenants are from the Banking, Insurance and Financial Services, Real Estate and Food & Beverage sectors. We are in advanced stages of negotiation for another 75,000 square feet of space, positioning us well to achieve our 50% target leasing commitment by the end of the year.”

Update on Asset Enhancement Initiative (AEI)

Capital Tower AEI on schedule

To-date, the main and mezzanine lobbies of the building have been upgraded. Newly installed security turnstiles were activated in September, and self-registration kiosks also started operation. Upgrading of the lift interiors as well as upper and transfer floor lift lobbies are in progress. We have completed upgrading of restrooms for 25 out of 40 floors. The AEI remains on schedule to be completed in 4Q 2015. Capital Tower’s occupancy rate remains 100%.

Singapore Central Business District (CBD) Office Market

The office market’s average occupancy rate in the CBD Core rose from 95.8% to 96.6% in 3Q 2014, resulting in a rise in the average monthly Grade A office rent for new leases, by 3.3% from S\$10.60 per square foot at end-June 2014 to S\$10.95 per square foot at end-September 2014. The average monthly Grade A office market rent has increased by 12.3% since end-December 2013.³

Outlook

According to market reports, the tight supply in the Core CBD market is expected to continue through to the first half of 2016 which, together with healthy demand, would support rental growth. Office leases constituting 18% of CCT’s portfolio gross rental income will be due for renewal in 2015, which represent potential rental upside in the continued positive market conditions.

³ Source of office market statistics: CBRE

About CapitaCommercial Trust (www.cct.com.sg)

CapitaCommercial Trust is Singapore's first and largest listed commercial REIT with a market capitalisation of S\$4.8 billion. CCT aims to own and invest in real estate and real estate-related assets which are income producing and predominantly used, for commercial purposes. The total value of CCT's deposited properties is S\$7.4 billion as at 30 September 2014, comprising a portfolio of 10 prime commercial 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 (60.0% interest through RCS Trust), Twenty Anson, Bugis Village, Wilkie Edge, Golden Shoe Car Park and CapitaGreen (40.0% interest through the joint venture, MSO Trust).

In addition, CCT is a substantial unitholder of Quill Capita Trust with 30.0% unitholdings. Quill Capita Trust is a commercial REIT listed on Bursa Malaysia Securities Berhad, with a portfolio of 10 commercial properties in Kuala Lumpur, Cyberjaya and Penang. Since 18 September 2009, CCT has been a constituent of FTSE4Good Index Series (FTSE4Good), a series of benchmark and tradable indices derived from the globally recognized FTSE Global Equity Index Series. FTSE4Good is designed to track the performance of companies meeting international corporate responsibility 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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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.