



**NEWS RELEASE**

**For Immediate Release**

**19 January 2011**

**CCT's FY 2010 DPU of 7.83 cents Up 11% from 2009**

**- FY results boosted by higher occupancy and effective cost savings**

**- Seeking investment opportunities**

**Singapore, 19 January 2011** – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or Trust), is pleased to announce a distributable income of S\$221.0 million for the financial year ended 31 December 2010 (FY 2010). This is 11.3% above the same period last year. FY 2010 estimated distribution per unit (DPU) of 7.83 cents is a 10.9% year-on-year increase from FY 2009 DPU of 7.06 cents. For the financial period 1 October 2010 to 31 December 2010 (4Q 2010), a distributable income of S\$54.7 million was achieved. 4Q 2010 estimated DPU of 1.94 cents is 3.2% above 4Q 2009 DPU of 1.88 cents.

The estimated DPU for financial period 1 July 2010 to 31 December 2010 (2H 2010) is 3.93 cents, which is 5.4% above the same period last year. The books closure date is on Friday, 28 January 2011. Unitholders can expect to receive this payout on Monday, 28 February 2011. Based on the closing price of S\$1.51 per unit on 18 January 2011, CCT's distribution yield is 5.2%.

An independent valuation records the value of the Trust's investment properties to be S\$5,475.4 million as at 31 December 2010. This translates to a S\$227.8 million net fair value gain. The valuation has excluded Starhub Centre which was divested on 16 September 2010. The total asset size of the Trust as at end-December 2010 is S\$6.2 billion. The net asset value per unit after adjusting for the 2H 2010 distributable income to unitholders, is S\$1.47.

The Trust's unaudited Consolidated Financial Statements for FY 2010 are available on its website ([www.cct.com.sg](http://www.cct.com.sg)) and on SGXNet ([www.sgx.com](http://www.sgx.com)).

### Summary of CCT's FY 2010 Results

	Actual 2H 2010	Actual 4Q 2010	Actual 4Q 2009	Change %	Actual FY 2010	Actual FY 2009	Change %
Gross Revenue (S\$'000)	189,875	92,093	103,240	(10.8)	391,911	403,323	(2.8)
Net Property Income (S\$'000)	147,176	70,888	80,001	(11.4)	298,983	300,211	(0.4)
Distributable Income (S\$'000)	110,942	54,706	52,893	3.4	220,957	198,452	11.3
Distribution Per Unit - For the Period	3.93¢	1.94¢	1.88¢	3.2%	7.83¢	7.06¢	10.9%

Mr. Richard Hale, Chairman of the Manager, said, "CapitaCommercial Trust's full-year report card is in line with its past performance, which has been consistently healthy. This year, the Trust delivered a credible growth in distributable income and distribution per unit of 7.83 cents. It has benefited from higher rents and occupancies at its properties, primarily due to proactive leasing. We have also done well in managing the interest cost and operating expenses of the properties. During the year, all the Trust's refinancing due in 2010 was completed well ahead of maturities."

"As part of our portfolio reconstitution strategy to unlock the value of assets that have reached the optimal stage of their life cycles, we divested two non-Grade A office buildings with significant capital gains. Other initiatives included the asset enhancement plan to reposition Six Battery Road, a Grade A office building, to capture the office market recovery. The building is the first operating office building in Singapore to be conferred with a Green Mark Platinum award by the Building and Construction Authority. This is the highest level of ranking for the Green Mark awards in recognition of best practices in environmental design and performance. Additionally, we further strengthened the Trust's financial flexibility by lowering its gearing ratio to 28.6% from 31.5%. We also prepaid a secured term loan of S\$142.6 million due in 2012. With a strong balance sheet, we are actively evaluating investment opportunities this year."

Ms. Lynette Leong, Chief Executive Officer of the Manager, said, "In tandem with the optimistic economic outlook for Singapore and Asia, the resultant office market recovery and our proactive tenant engagement, we continue to experience positive growth in office demand from our tenants. Our portfolio's occupancy rate is now 99.3% and our Grade A offices are fully occupied, better than the

market average occupancy rates of 95.3% and 97.3% respectively for the overall and Grade A office buildings in Singapore's core Central Business District. Wilkie Edge's occupancy rate is now 98.4%, up from 78.4% at end-October 2010. In fact, the full occupancy at our Grade A offices often makes it challenging for us to meet our tenants' office expansion needs. We continue to concentrate our leasing efforts to understand and respond to their needs through pre-commitments or proactive negotiations in line with our space availability and current and projected market conditions."

The Trust signed new office and retail leases and renewals of about 920,000 square feet in 2010. Major tenants who have signed renewals and new leases for 4Q 2010 include JPMorgan Chase Bank, N.A., Global Maritime Supplies Pte. Ltd., Skadden, Arps, Slate, Meagher & Flom and Kaplan Financial (S) Pte Ltd.

#### **Six Battery Road: Strong pre-commitment for upgraded space available in 2011**

Of the 65,600 square feet of lettable area expected to be upgraded and available in 2011, 52% has already been pre-leased to new and existing tenants. Phase one enhancement works, comprising upgrading of the main lobby and installation of the "green" wall and new turnstiles, commenced in November 2010 and are expected to be completed by March 2011. Feedback from tenants has been favourable.

#### **Outlook for 2011**

Approximately 60% of the new Grade A office supply to be completed in 2011 has already been pre-leased. Given that new office supply will decrease sharply from 2012, and that global economic recovery is expected to spur office demand, there are prospects for moderate rental growth in 2011.

Singapore's office market rents rose at a faster pace in 4Q 2010, with average Grade A office monthly rent at \$9.90 per square foot (up 10.0% from \$9.00 last quarter) and average prime office monthly rent at \$8.30 per square foot (up 12.2% from \$7.40). Despite the upturn, prime office rentals are still approximately 48% below the peak achieved prior to the recent global financial crisis. As a result, negative rent reversions are expected for the leases expiring in 2011. This will negatively affect the Trust's operating revenue in 2011, although the impact should be mitigated by generally rising office rental rates.

Ms Leong adds, "We will leverage on the Trust's strong balance sheet and financial flexibility to enhance value for our Unitholders. The Trust has internal resources and debt capacity to seize

investment opportunities of up to S\$1.6 billion without exceeding the gearing of 40%. We will continue with our rigorous and disciplined implementation of our portfolio reconstitution strategy to ride on the positive outlook of Singapore's office market.”

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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\$4.3 billion based on the last traded price of S\$1.51 per unit on 18 January 2011. 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 31 December 2010, comprising a portfolio of nine 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), 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.

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 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.