



NEWS RELEASE

For Immediate Release

13 October 2011

## CCT achieved distributable income of S\$51.9 million in 3Q 2011

*Strong balance sheet with low gearing at 27.4%*

**Singapore, 13 October 2011** – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or Trust), wishes to announce a distributable income of S\$51.9 million for the financial period from 1 July 2011 to 30 September 2011 (3Q 2011). This is less than the distributable income of S\$56.2 million for the same period last year, mainly due to lower rental income following the sales of Starhub Centre and Market Street Car Park (for redevelopment) as well as negative rent reversions from the expiring office leases this year. However, robust performance from Raffles City Singapore together with lower property tax payment and interest savings mitigated the decline in income. Distribution per unit (DPU) in 3Q 2011 is 1.83 cents, which is lower than the 1.99 cents last year. CCT's distribution yield is 7.0% based on the closing price of S\$1.07 per unit on 12 October 2011.

### Summary of CCT's 3Q and Year-to-date 2011 Results

	3Q 2011	3Q 2010	Change %	YTD Sept 2011	YTD Sept 2010	Change %
Gross Revenue (S\$'000)	<b>89,326</b>	97,782	(8.6)	<b>271,359</b>	299,818	(9.5)
Net Property Income (S\$'000)	<b>69,237</b>	76,288	(9.2)	<b>208,990</b>	228,095	(8.4)
Distributable Income (S\$'000)	<b>51,864</b>	56,236	(7.8)	<b>158,360</b>	166,251	(4.7)
Distribution Per Unit						
- For the period	<b>1.83¢</b>	1.99¢	(8.0)	<b>5.59¢</b>	5.89¢	(5.1)

Mr. Richard Hale, Chairman of the Manager, said, "The Trust's third quarter financial performance is within market expectations as it continues to register lower rental income due to negative rent reversions. We are mindful of the current weak global macroeconomic climate and the risks associated with the euro zone's sovereign debt instability. However, compared with the 2008 global financial crisis, the Trust is in a stronger position today – our balance sheet is strong with substantial cash reserve. Our gearing is low at 27.4% and we do not have any outstanding debt to refinance this year. In view of the macroeconomic uncertainty, we will continue to adopt a cautious stance for the Trust, focusing on active cost management measures to mitigate any further fall in rental income resulting from negative rent

reversions, as well as continued proactive leasing to ensure stability of occupancy rates. The current macroeconomic uncertainty could offer investment opportunities which, given our strong financial position, we would be able to seize.”

Ms. Lynette Leong, Chief Executive Officer of the Manager, said, “The Trust’s weaker contribution from its office rental income has been partially counterbalanced by the stronger performance of its retail and hotels and convention centre income, the latter of which contribute 36% of the Trust’s gross rental income. Although office leasing activities slowed down in the third quarter, we have signed office leases amounting to 151,000 square feet consisting of renewals and new leases. We are pleased to have completed a forward lease renewal with the Singapore Economic Development Board (EDB) which will bolster the occupancy rate of Raffles City Tower in 2012. EDB is now one of the Trust’s top 10 tenants and the lease has also extended the weighted average lease expiry of this group to 4.7 years. Collectively contributing 46% of its gross rental income, the Trust’s top 10 tenants underpin the stability of its income stream.”

This quarter, the Trust also welcomed new tenants and other lease renewals which included Mayer Brown JSM (Singapore) Pte Ltd, The Bank of Fukuoka, Ltd, Whittington Asia Pte. Ltd., and City Index Limited, amongst others. The Trust’s portfolio committed occupancy was at 97.2% as at 30 September 2011 with Grade A office occupancy at 96.4%. These figures are better than market occupancy rates, Grade A office being at 89.1%. Whereas the latter has fallen from last quarter’s 94.0%, Grade A rent in the office market showed a quarter-on-quarter increase of 4.3% from S\$10.60 per square foot per month to S\$11.06 per square foot per month in the second quarter and third quarter of 2011 respectively. Nevertheless, office market rents are still lower than that in 2008 when most of the Trust’s leases expiring this year were signed. Hence, negative rent reversions for the Trust’s expiring office leases are expected to continue for the rest of the year through to next year depending on the office market conditions.

Ms Leong adds, “In mid-September, we unveiled the design for the Market Street office development whilst demolition works of the old Market Street Car Park have commenced. We are on track to complete the new Grade A office tower by second half of 2014. Our leasing team has started engaging prospective tenants who are interested in this prominent, strategically-located, new office building.”

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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\$3.0 billion based on the last traded price of S\$1.07 per unit on 12 October 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 30 September 2011, 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 development (40% interest through the joint venture, MSO Trust).

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