**NEWS RELEASE** **For Immediate Release**

**23 January 2013**

# CCT's FY 2012 DPU of 8.04[1] cents up by 6.9% year-on-year

***Singapore, 23 January 2013*** – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or Trust), is pleased to announce a distribution per unit (DPU) of 8.04 cents for the financial year ended 31 December 2012 (FY 2012), up 6.9% compared to the 7.52 cents for the same period last year. Based on CCT's closing price per unit of S$1.695 on 22 January 2013, it translates to a distribution yield of 4.7%.

The estimated DPU for the financial period from 1 July 2012 to 31 December 2012 (2H 2012) is 4.08[1] cents, which is 8.8% higher than the DPU for the same period last year. The Trust pays out its distributable income semi-annually in February and August. With the books closure date for 2H 2012 being Thursday, 31 January 2013, payment is expected to be made on Thursday, 28 February 2013.

The distributable income of S$228.5 million in FY 2012 was 7.4% higher than the S$212.8 million achieved in the same period last year. This is mainly attributable to higher income contribution from HSBC Building and additional income from the acquisition of Twenty Anson. It was partially off-set by a reduction of income from Six Battery Road due to negative reversions and loss of income from the former Market Street Car Park given its redevelopment to CapitaGreen. Net property income of S$295.5 million in FY 2012 represented a 6.6% increase

---

[1] Subsequent to 31 December 2012, $250,000 of the convertible bonds due 2015 (CB due 2015) were converted into 197,347 units. The estimated DPUs were computed on the basis that none of the remaining CB due 2015 or none of the convertible bonds due 2017 (CB due 2017) is converted into units on or before the books closure date. Assuming the remaining S$224.25 million of CB due 2015 were converted on or before the books closure date, the 4Q 2012 and 2H 2012 DPUs would be reduced by 0.12 cents and 0.23 cents respectively. Separately, assuming all the outstanding S$175.0 million CB due 2017 were converted on or before the books closure date, the 4Q 2012 and 2H 2012 DPUs would be reduced by 0.07 cents and 0.14 cents respectively.

on a year-on-year basis due to lower property operating expenses.

The Trust's investment properties have been assessed by independent valuers to be worth S$6,380.2 million as at 31 December 2012. As a result, a net fair value gain in investment properties of S$129.4 million is registered when compared to the value of the properties in June 2012. The Trust's total asset value as at year end is S$7,003.0 million. The adjusted net asset value per unit, excluding distributable income to unitholders, is S$1.62 as at 31 December 2012.

The Trust's unaudited Consolidated Financial Statements for 4Q 2012 and Full Year 2012 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

**Summary of CCT's 4Q 2012, 2H 2012 and FY 2012 Results**

| | 2H 2012 | 4Q 2012 | 4Q 2011 | Change % | Actual FY 2012 | Actual FY 2011 | Change % |
|---|---|---|---|---|---|---|---|
| Gross Revenue (S$'000) | **192,614** | **97,075** | 89,883 | 8.0 | **375,806** | 361,242 | 4.0 |
| Net Property Income (S$'000) | **150,342** | **75,175** | 68,325 | 10.0 | **295,524** | 277,315 | 6.6 |
| Distributable Income (S$'000) | **116,135** | **58,266** | 54,430 | 7.0 | **228,515** | 212,790 | 7.4 |
| Distribution Per Unit (cents) | | | | | | | |
| - For the period | **4.08**[1]¢ | **2.05**[1]¢ | 1.92¢ | 6.8 | **8.04**[1]¢ | 7.52¢ | 6.9 |

Mr Richard Hale, Chairman of the Manager, said, "The Trust has delivered a good set of results with higher returns notwithstanding the challenging economic environment. We achieved a higher DPU for 2012 compared to 2011 through our proactive but disciplined approach towards acquisitions, portfolio and capital management. The successful rejuvenation of our portfolio with the acquisition of Twenty Anson, the development of CapitaGreen and asset enhancement initiatives for Six Battery Road and Raffles City Tower are positioning the Trust for stronger growth in the longer term. The Trust's balance sheet is healthy with low gearing of 30.1%, giving us a debt capacity of S$1 billion assuming gearing level of 40% to further invest in value-add opportunities. We will continue to strive to increase returns with an active portfolio and capital management strategy."

Ms Lynette Leong, Chief Executive Officer of the Manager, said, "We are delighted that CCT's portfolio occupancy increased to 97.2% in 4Q 2012, better than the market occupancy of 92.2% for Core CBD. CCT's average office portfolio rent continues to increase, from $7.53 per square foot in 3Q 2012 to $7.64 per square foot in 4Q 2012. We are also proactive in lease negotiations - out of the office portfolio leases expiring in 2013, more than half of the leases are already in negotiations."

In 4Q 2012, the Trust signed 140,000 square feet of leases which contributed to an aggregate of 459,500 square feet for 2012. Of the latter, about 54% were new leases and these were supported by tenants from diverse trade sectors such as manufacturing and distribution, banking, insurance and financial services, and legal. New tenants in 4Q 2012 included The Executive Centre Singapore Pte Ltd, Orka Energy Pte Ltd and Ferragamo (Singapore). Tenants that signed renewals included ExxonMobil Exploration and Upstream Ventures Limited (Singapore branch); GfK Asia Pte Ltd even added expansion space with its lease renewal.

Ms Leong said, "In 2012, we repurchased and redeemed all outstanding convertible bonds due 2013 largely with a new issue of five-year S$175.0 million convertible bonds due 2017. In addition, CCT also issued its first seven-year Japanese Yen medium term notes due in December 2019. The proceeds have been swapped to Singapore dollars for the amount of S$148.3 million at an effective interest rate of 2.8875% p.a. This is in line with CCT's strategy to lengthen its debt maturities where possible. CCT's outstanding debt in 2013 is only S$50.0 million which can be easily refinanced by existing bank facilities, and we are already looking into refinancing the debt maturing in 2014."

**Value Creation with Asset Enhancement Initiatives**

The asset enhancement works at Six Battery Road are on track to be completed by end-2013 with a target return on investment of 8.1%. The property's occupancy has further increased to 93.0% as at 4Q 2012. In 2012, of the 16 floors comprised of 200,000 square feet of lettable area that were upgraded, about 91% have committed leases. We have also achieved more than 25% of energy savings equivalent to an expected full year savings of over $500,000.

In November 2012, asset enhancement works on Raffles City Tower started while it was 100% occupied. The enhancements are expected to be completed by 2Q 2014 with a projected return on investment of 8.6%.

The development of CapitaGreen is progressing on track and scheduled to be completed in 4Q 2014. Pre-marketing to select, target tenants have commenced with private viewings at the showsuite commencing in February 2013. This iconic Grade A office tower will be the only office building in the CBD completing in 2014.

**Strong Corporate Governance leads the Trust**

CCT is committed to maintaining high standards of corporate governance and observing best practices.

On 1 January 2013, the Manager announced changes to the Board of Directors. Out of the eventual nine-member Board of Directors, effective from 23 January 2013, five are independent directors including the Chairman.

**Included in MSCI**

With effect from 3 December 2012, CCT was upgraded from a small cap to mid-cap stock by MSCI and added to the MSCI Global Standard Indices, a reputable series of indices which is tracked by investors for the benchmarking of portfolio and performance measurement.

**Singapore CBD Office Market**

Notwithstanding that anchor tenant deals of above 30,000 square feet remained limited in 2012; the Singapore office market has gained greater tenant diversification in respect of more diversified sectors and with an increase in small to mid-size companies taking up space in the central business district (CBD). Office occupancy rate in the CBD fell from 93.2% in 3Q 2012 to 92.2% in 4Q 2012. However on full year basis, 2012's occupancy increased from 91.2% to 92.2%, compared to 2011, which saw a decrease from 95.3% to 91.2%.

Although the average monthly Grade A office rent declined by approximately 2.2% from 3Q 2012 to $9.58 per square foot in 4Q 2012, the rate of rental decline has eased. On a year-on-year basis, monthly office rent was 12.9% lower compared to $11.00 per square foot in 4Q 2011.

**Outlook**

Looking ahead, Singapore CBD's new office supply from 2013 to 2015 is estimated to be less than 1 million square feet annually. Only one new office building will add to the supply in 2013 and it has achieved pre-commitment for about 11%, allaying market concerns of a vacant building. The average annual new supply of 1.2 million square feet from 2013 to 2017 is lower than the historical average annual supply of 1.3 million square feet over a 20-year period. whereas average annual net absorption was 1.1 million square feet. These statistics alleviate any concern about oversupply.

The Manager will continue to proactively manage its portfolio to increase occupancy rate and generate higher rental income. However, the yield protection of One George Street will cease on 10 July 2013, which will affect the property's net property income for the financial year 2013. This yield protection is currently granted by CapitaLand Commercial Limited which guarantees a minimum net property income of S$49.5 million per annum, being 4.25% per annum of S$1.165 billion (being the purchase price for One George Street) for a period of five years from 11 July 2008.

– END –

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

CapitaCommercial Trust is Singapore's first 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 used, or predominantly used, for commercial purposes. The total asset size of CCT is S$7.0 billion as at 31 December 2012, 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% interest through RCS Trust), Twenty Anson, Bugis Village, Wilkie Edge, Golden Shoe Car Park and CapitaGreen (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.

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.

---

**Issued by CapitaCommercial Trust Management Limited**
(Company registration no. 200309059W)

**Contact**
Ho Mei Peng
Head, Investor Relations & Communications
DID: (65) 6826 5586
Mobile: (65) 9668 8290
Email: ho.meipeng@capitaland.com

Lee Wai Leng
Manager, Investor Relations & Communications
DID: (65) 6826 5568
Mobile: (65) 9800 1009
Email: lee.waileng@capitaland.com