

## CCT's 3Q 2012 DPU of 2.04 cents up by 11.5% year-on-year

**Singapore, 25 October 2012** – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or Trust), is pleased to announce a distribution per unit (DPU) of 2.04 cents for the quarter ended 30 September 2012 (3Q 2012), up 11.5% compared to the 1.83 cents for the same quarter last year. Based on CCT's closing price per unit of S\$1.58 on 25 October 2012, it translates to an annualised distribution yield of 5.1%.

The distributable income of S\$57.9 million in 3Q 2012 was 11.6% higher than the S\$51.9 million achieved in the same period last year. This is attributable to income contribution from the acquisition of Twenty Anson, and higher revenue by HSBC Building, Capital Tower, Golden Shoe Car Park, Bugis Village and yield protection income from One George Street. In addition, lower property tax, higher interest income earned from shareholder's loan, and lower interest expenses resulted in higher distributable income.

The Trust's unaudited Consolidated Financial Statements for 3Q and Year-to-date results 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 3Q and Year-to-date Results

	3Q 2012	3Q 2011	Change %	Actual YTD Sep 2012	Actual YTD Sep 2011	Change %
Gross Revenue (S\$'000)	95,539	89,326	7.0	278,731	271,359	2.7
Net Property Income (S\$'000)	75,167	69,237	8.6	220,349	208,990	5.4
Distributable Income (S\$'000)	57,869	51,864	11.6	170,249	158,360	7.5
Distribution Per Unit (cents)						
- For the period	2.04 <sup>1</sup> ¢	1.83¢	11.5	6.00 <sup>1</sup> ¢	5.59¢	7.3

(1) DPU for 3Q 2012 and YTD September 2012 were computed on the basis that none of the convertible bonds due 2013 ("CB due 2013"), convertible bonds due 2015 ("CB due 2015") and S\$175.0 million 2.5 per cent. convertible bonds due 2017 ("CB due 2017") collectively known as "Convertible Bonds", is converted into CCT units ("Units"). Accordingly, the actual quantum of DPU may differ if any of these Convertible Bonds is converted into Units.

Mr Richard Hale, Chairman of the Manager, said, “The Trust’s sterling 3Q 2012 performance is testament to a resilient portfolio. This is the result of our successful portfolio reconstitution strategy and proactive capital management efforts, even in the midst of uncertain macroeconomic environment. The Trust has a strong balance sheet with gearing at only 30.9%. The low gearing provides the Trust with considerable debt capacity to fund investment opportunities. We will continue to focus on creating value from our portfolio of properties, at the same time pursuing acquisition opportunities in Singapore to enhance the income contribution to the Trust.”

Ms Lynette Leong, Chief Executive Officer of the Manager, said, “Similar to 2Q 2012, we continue to experience positive leasing demand for CCT’s properties. CCT’s portfolio occupancy increased to 97.1% from 96.2% in 2Q 2012, which is higher than market occupancy of 93.2% for the core Central Business District (CBD) as of end September 2012. In 3Q 2012, we also witnessed a positive turn in the Trust’s average office portfolio rent per square foot to S\$7.53, the first increase after seven quarters of decline since the global financial crisis in 4Q 2010. We anticipate the increase to continue. About a third of the Trust’s office leases (by net lettable area) will be due in 2013 and given that market rent is currently S\$9.80 per square foot, we expect positive rent reversions to start kicking in when next year’s leases are renewed.”

### **New Leases and Renewals Contributing to Higher Occupancy**

In 3Q 2012, the Trust signed new leases and renewals amounting to 139,000 square feet, aggregating a total of 319,500 square feet of leases from January to September 2012. Between the new leases and renewals, the former constituted 59% of the 139,000 square feet of committed space in 3Q 2012 and they were mainly from the manufacturing and distribution, and financial services sectors. New tenants such as The Japan Council of Local Authorities for International Relations, Singapore and Otis International Inc were added to the portfolio. Existing tenants such as Phillips Securities Pte Ltd at Raffles City Tower and Emirates at Twenty Anson have renewed their leases with the Trust. These renewals registered positive rent reversions.

### **Value Creation through Asset Enhancement Initiatives**

The asset enhancement works at Six Battery Road are on track, with 85% of 160,000 square feet of upgraded space for the year-to-date having secured lease commitments. The building's occupancy rate increased sharply over the quarter from 88.0% to 91.6% demonstrating Six Battery Road's continued appeal.

The Manager recently announced the S\$34.7 million asset enhancement initiative of Raffles City Tower together with joint venture partner, CapitaMall Trust Management Limited. Commencing in November 2012, the initiative will reinforce the building's attractive positioning in the City Hall sub-market and keep its occupancy rate high.

### **Completed Refinancing Due in 2013**

On 13 August 2012, CCT launched an invitation to tender for its S\$146.8 million convertible bonds (CB) due in 2013. The result was that S\$126.0 million CB due in 2013 were validly tendered at the close of the tender offer date. Hence, the aggregate principal amount of S\$126.0 million CB due in 2013 were canceled in 3Q 2012. CCT also exercised the clean-up call option for the remaining aggregate principal amount of S\$20.8 million CB due in 2013, which resulted in this remaining amount being redeemed on 15 October 2012. Consequently, the entire S\$146.8 million CB due 2013 was successfully refinanced ahead of its maturity date. This was funded via a new CB issue of S\$175.0 million due in 2017 which extended the debt maturity profile of the Trust to 2017. The premium redemption inherent in the S\$146.8 million CB due 2013 would have resulted in a potential negative impact of about S\$15.6 million on the distributable income in Financial Year 2013. As a result of the early refinancing exercise, this negative impact in Financial Year 2013 has been completely eliminated, leaving a negative impact of only S\$1.9 million in 4Q 2012.

In addition, the Trust has sufficient bank credit facility in place for the refinancing of the S\$50.0 million Medium Term Note due in 2013. Hence, the Trust has effectively completed its refinancing due in 2013.

## **Singapore Office Market**

Average office occupancy rate in Singapore's core CBD increased to 93.2% in 3Q 2012 from 91.6% in 2Q 2012. Notwithstanding the uncertain global economic conditions post-global financial crisis, the average annual net absorption from 2010 to YTD 2012 was still high at 1.7 million square feet and has exceeded 20-year historical average annual demand of 1.1 million square feet. While occupier demand has surprised on the upside, it was not enough to avert further rental corrections although the rate of decline has eased. In 3Q 2012, Grade A office rents fell by 3.0% quarter-on-quarter to \$9.80 per square foot per month. Looking ahead, Singapore economic growth will still be the main demand driver for office space. Whilst Singapore's near term economic performance may be volatile given the currently uncertain global economic environment, Singapore's longer term economic prospects remain bright as there is broader diversity of its economic base and it will underpin office leasing demand. New supply of CBD office space is expected to average only 0.8 million square feet per annum over the next three years which is considerably below the 20-year historical average of 1.3 million square feet per annum. This augurs well for a potential rental recovery of the 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\$4.5 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\$6.8 billion as at 30 September 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.

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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.