



For Immediate Release

NEWS RELEASE

CCT's FY 2015 DPU of 8.62 cents up 1.9% year-on-year
Increased occupancy rate and strong balance sheet
continue to underpin the Trust

Singapore, 20 January 2016 – CapitaLand Commercial Trust Management Limited, the Manager of CapitaLand Commercial Trust (CCT or Trust), is pleased to report an estimated distribution per unit (DPU) of 2.17 cents for 4Q 2015, which was 0.9% above the 4Q 2014 DPU of 2.15 cents. For the financial year ended 31 December 2015 (FY 2015), the estimated DPU was 8.62 cents¹, up 1.9% from the 8.46 cents reported for financial year ended 31 December 2014 (FY 2014). Based on CCT's closing price per unit of S\$1.365 on 19 January 2015 and FY 2015 DPU, CCT's distribution yield is 6.3%.

The Trust's distributable income of S\$254.5 million in FY 2015 was 2.1% higher than the S\$249.2 million achieved in FY 2014. This was largely due to higher net property income (NPI) from CCT's wholly owned properties and higher distributable income from Raffles City Singapore. The 4Q 2015 distributable income of S\$64.1 million was up 0.8% year-on-year.

The estimated DPU for the financial period from 1 July 2015 to 31 December 2015 (2H 2015) is 4.31 cents¹. Books closure date for 2H 2015 DPU is Thursday, 28 January 2016, and payment for the distribution is expected to be on Friday, 26 February 2016.

The Trust's investment properties, including its joint venture interests in Raffles City Singapore and CapitaGreen, have been assessed by independent valuers to be worth S\$7,478.1 million as at 31 December 2015. This is an increase in fair value of investment properties of S\$119.6 million or 1.6% compared to that as at 31 December 2014. The Trust's adjusted net asset value per unit is \$1.73, after deducting the distributable income payable to unitholders.

The Trust's unaudited Consolidated Financial Statements for FY 2015 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

¹ The estimated DPU for 4Q 2015, 2H 2015 and FY 2015 were computed on the basis that none of the convertible bonds due 2017 ("CB 2017") is converted into CCT units ("Units"). Accordingly, the actual quantum of DPU may differ if any of the CB 2017 is converted into Units on or before books closure date.

SUMMARY OF CCT GROUP RESULTS

	2H 2015	4Q 2015	4Q 2014	Change %	FY 2015	FY 2014	Change %
Gross Revenue (S\$'000)	135,944	67,599	66,361	1.9	273,219	262,608	4.0
Net Property Income (S\$'000)	104,925	52,254	50,646	3.2	212,752	205,249	3.7
Distributable Income (S\$'000)	127,277	64,127	63,605	0.8	254,455	249,213	2.1
- Taxable (S\$'000)	126,981	63,831	61,920	3.1	254,159	245,178	3.7
- Tax-exempt (S\$'000)	296	296	1,685	(82.4)	296	4,035	(92.7)
Distribution Per Unit ("DPU") (cents)	4.31¹	2.17¹	2.15	0.9	8.62¹	8.46	1.9
- Taxable (cents)	4.30	2.16	2.10	2.9	8.61	8.33	3.4
- Tax-exempt (cents)	0.01	0.01	0.05	(80.0)	0.01	0.13	(92.3)

Mr Soo Kok Leng, Chairman of the Manager, said, "The proactive management of CCT's resilient portfolio and prudent capital management have generated a positive set of financial results for 2015 notwithstanding the year of economic challenges. The Trust benefited from healthy rent reversions as most of the leases due for renewal were signed at rental rates higher than the expiring rents. Our forehanded leasing strategy also contributed to a high committed portfolio occupancy rate for the Trust."

Mr Soo added, "We have adopted a forward-looking and disciplined approach with our portfolio reconstitution strategy which seeks to refresh the portfolio so that all the properties stay relevant to meet demands of tenants. Asset enhancement initiatives to upgrade our older Grade A office buildings have been completed over the years. We have successfully redeveloped Market Street Car Park into CapitaGreen, and CCT will progressively reap income contribution from its 40.0% interest in CapitaGreen from 2016 onwards. Maintaining financial flexibility with a strong balance sheet remains our priority as it allows CCT to respond quickly to market opportunities. We will continue to evaluate value creation opportunities with discipline and with the view to generating higher DPU for CCT unitholders."

Owing to the Manager's proactive capital management, CCT's average term to maturity has been extended and the refinancing of Raffles City Singapore's borrowings due in June 2016 are in progress and should be completed ahead of maturity. About 84% of CCT's total borrowings are on fixed interest rates which limit exposure to interest rate fluctuations and provide certainty of interest expense. The Trust has a healthy balance sheet with low gearing of 29.5%. Assuming a gearing level of 40.0%, CCT has debt headroom of S\$1.3 billion and the financial flexibility to execute potential growth opportunities.

Ms Lynette Leong, Chief Executive Officer of the Manager, said "Driven by existing tenants' expansion and entry of new tenants, CCT's property portfolio committed occupancy rate rose to 97.1% from 96.8% a year ago, including CapitaGreen's increased committed occupancy rate of 91.3%. This is underpinned by a high tenant retention rate of 83% achieved for FY 2015. We also continued to sign higher rents compared to expiring rents, resulting in an increase in the average monthly office portfolio rent to S\$8.90 per square foot as at 31 December 2015 from S\$8.61 per square foot as at 31 December 2014."

Ms Leong added, "Only 15% of CCT's total office net lettable area is expiring in 2016, which is not high. We have already proactively renewed one-third of this percentage and will continue to advance the proactive approach. While we expect to continue to face headwinds in the Singapore office market, we believe that CCT is well positioned and we will persist in maintaining its high and above-market occupancy rate as well as robust balance sheet."

An aggregate of 205,000 square feet of new leases and renewals were signed in 4Q 2015. Approximately 850,000 square feet of new leases and renewals were signed in FY 2015, of which 38% were new leases. Capital Tower's committed occupancy rate was 94.1% as at end-December 2015, and discussions are in progress for the remaining space. Twenty-five per cent (25%) of the total space to be vacated by The Royal Bank of Scotland PLC at One George Street has been pre-leased.

New demand in CCT's portfolio was supported by tenants from diverse trade sectors including Technology, Banking, Insurance and Financial Services, and Energy and Commodities. New and renewed tenants in 4Q 2015 included Simmons & Simmons Asia LLP, Intralinks Asia Pacific Pte Ltd, Sequoia Capital India (Singapore) Pte Ltd, Capita Pte Ltd, and Stryker Singapore Private Limited.

CCT's latest asset enhancement initiative at Capital Tower was completed in December 2015. Based on the estimated expenditure of S\$35.0 million, a return on investment of 8.2% was achieved, which is above the target return on investment of 7.8%.

Outlook for Singapore Central Business District (CBD) Office Market

Singapore's Core CBD occupancy rate declined marginally from 95.7% in 4Q 2014 to 95.1% in 4Q 2015. Average monthly Grade A office market rent reported a similar easing trend of 7.1% year-on-year, dropping to S\$10.40 psf in 4Q 2015. An above-normal new office supply in 2016 is anticipated to cause downward pressure on the office market. The Manager will continue to limit CCT's exposure to expiring leases in 2016 and proactively engage tenants so as to maintain a high and above-market committed portfolio occupancy rate.

About CapitaLand Commercial Trust (www.cct.com.sg)

CapitaLand Commercial Trust is Singapore's first and largest commercial REIT with a market capitalisation of approximately S\$4 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\$7.7 billion as at 31 December 2015 comprising a portfolio of 10 prime commercial properties in Singapore. The properties in Singapore are Capital Tower, Six Battery Road, One George Street, Raffles City (60.0% interest through RCS Trust), CapitaGreen (40.0% interest through the joint venture, MSO Trust), HSBC Building, Twenty Anson, Bugis Village, Wilkie Edge and Golden Shoe Car Park.

CCT has been 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, CapitaLand Commercial Trust Management Limited, which is an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies headquartered and listed in Singapore.

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