



NEWS RELEASE

For Immediate Release

20 July 2012

**CCT 2Q 2012 DPU of 2.06 cents up by 7.3% year-on-year**  
**Raffles City Singapore's Hotels and Convention Centre lease renewed to 2036**

**Singapore, 20 July 2012** – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or Trust), is pleased to announce a distribution per unit (DPU) of 2.06 cents for the financial quarter ended 30 June 2012 (2Q 2012). This is 7.3% above the DPU of 1.92 cents reported in 2Q 2011, and is the highest quarterly DPU since 2009. Based on CCT's closing price of S\$1.335 per unit on 19 July 2012, its distribution yield is 6.0% which is 4.6% higher than the Singapore 10-year government bond yield.

2Q 2012 distributable income of S\$58.5 million is 7.5% higher than for the same period last year of S\$54.4 million. This is attributable to revenue contribution from the acquisition of Twenty Anson, higher rental income from HSBC Building and Raffles City Singapore, and higher yield protection income for One George Street. Lower property tax, and increased interest income specifically that earned from shareholder loan to CCT's wholly-owned entity that holds Twenty Anson, also contributed to the higher distributable income.

The Trust pays out its distributable income on a semi-annual basis. The estimated DPU for the financial period 1 January 2012 to 30 June 2012 (1H 2012) is 3.96<sup>1</sup> cents, which is 5.0% above the 3.77 cents reported for the same period last year. The books closure date is on Tuesday, 31 July 2012, and payment is expected to be made on Wednesday, 29 August 2012.

---

<sup>1</sup> 1H 2012 DPU was computed on the basis that none of the Convertible Bonds due in 2013 and Convertible Bonds due in 2015 is converted into units. Accordingly, the actual quantum of DPU may differ if any of the Convertible Bonds is converted into units.

An independent valuation of the Trust's investment properties as at 30 June 2012 reported an aggregate value of S\$6,226.6 million. The Trust's total asset value was S\$6,827.4 million as at 30 June 2012 including the book value of its proportionate 40.0% interest in the development of CapitaGreen. The net asset value per unit was S\$1.58 after deducting the 1H 2012 distributable income to unitholders.

The Trust's unaudited Consolidated Financial Statements for 2Q and 1H 2012 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 2Q and 1H 2012 Results

	2Q 2012	2Q 2011	Change %	1H 2012	1H 2011	Change %
Gross Revenue (S\$'000)	<b>95,759</b>	91,018	5.2	<b>183,192</b>	182,033	0.6
Net Property Income (S\$'000)	<b>75,246</b>	69,832	7.8	<b>145,182</b>	139,753	3.9
Distributable Income (S\$'000)	<b>58,466</b>	54,379	7.5	<b>112,380</b>	106,496	5.5
Distribution Per Unit						
- For the period	<b>2.06</b>	1.92	7.3	<b>3.96¢</b>	3.77¢	5.0

Mr. Richard Hale, Chairman of the Manager, said, "We are pleased with the strong 2Q 2012 results arising from the DPU-accretive acquisition of Twenty Anson as well as higher income contributions from HSBC Building and Raffles City Singapore. The Trust's balance sheet is healthy with a low gearing of 30.1% and average cost of debt at 3.1% per annum. The upgrading works at Six Battery Road are progressing on-track and occupancy there is up at 88%. We continue to manage our existing properties and ongoing development of CapitaGreen proactively to generate long term growth."

Ms. Lynette Leong, Chief Executive Officer of the Manager, said, "We have completed the rent review of the master lease of the hotels & convention centre space at Raffles City Singapore with RC Hotels Pte Ltd and will continue to benefit from this prime asset's substantial positive contribution. About 70% of the gross revenue from this lease is contributed by a fixed rent and service charge with annual escalation thereby enhancing the cash flow stability. More importantly, we have successfully signed a forward lease renewal with RC Hotels Pte Ltd for another 20 years to 2036, which provides for a rent review every five years. As a result, CCT's weighted average lease term to expiry for its top 10 tenants is increased to 17.9 years as at

end-June 2012, compared to 4.2 years as at end-March 2012. Over 1H 2012, income from the hotels & convention centre contributed 16% of CCT's total gross rental income. Raffles City Singapore remains the largest asset in CCT's portfolio with income from its 60% interest in this strategically located, mixed-use asset contributing 35% of CCT's total gross rental income."

Ms Leong added, "Office demand is still positive although the leasing of small to mid-size office space dominates. We signed a total of 180,500 square feet of leases in the first half of 2012 comprising new tenants such as IntercontinentalExchange, Inc. Branch Office Singapore, Toji Trading Singapore Pte Ltd, OptionsXpress Singapore Pte Ltd and Mechel Carbon (Singapore) Pte Ltd, as well as renewed leases such as with Cambridge Associates Asia Pte Ltd and Astra Oil Company Pte Ltd. The key business sector of the new and renewed tenants was financial services. CCT's portfolio occupancy has increased to 96.2%, which is higher than market occupancy of 91.6% for the core Central Business District (CBD) in end-June 2012."

### **Value-add to Assets**

The Trust has revised its car park rates upwards across its property portfolio to keep up with the increase in operating costs and in line with market rates. The revised rates were effective from 1 June 2012 and 1 August 2012 for non-CCT tenants' and CCT tenants' season parking respectively. In 2012, the projected car park revenue for CCT properties is expected to increase by about 7.5% over the car park revenue in 2011.

Another asset enhancement initiative (AEI) will be taking place at Golden Shoe Car Park, targeting at conversion of existing storerooms to office space and upgrading of the lift lobbies on level 10. The AEI is targeted to begin in 3Q 2012 and is projected to generate a return on investment of approximately 14% upon completion.

### **Resilient Portfolio**

The Trust has a well-spread office portfolio lease expiry profile. As at 30 June 2012, only 4.0% of office leases on a portfolio gross rental income basis will be due for renewal in the second half of 2012. The office segment contributed 62% of the Trust's gross rental income as at 30 June 2012 while the retail and hotels & convention centre segments from CCT's portfolio contributed 22% and 16% respectively.

## **Singapore Office Market**

Singapore office net absorption was positive at 473,200 square feet in 2Q 2012 adding up to 1.06 million square feet in the first half of 2012, with leasing activity predominant among the small to mid-size occupiers. Average office occupancy rate in Singapore's core CBD increased to 91.6% in 2Q 2012 from 90.7% in 1Q 2012. However, the current economic uncertainty continues to be a weight on office market rentals. The average monthly rent for Grade A office market declined by approximately 4.7% to S\$10.10 per square foot in 2Q 2012, which is 8.7% below the peak rent of S\$11.06 per square foot in 3Q 2011. Looking ahead, Singapore CBD's annual new office supply from 2013 to 2015 is estimated to be less than 1 million square feet, below the 20-year (1993 to 2012 year-to-date) average of 1.3 million square feet. This mitigates any concerns of oversupply.

– END –

## **About CapitaCommercial Trust ([www.cct.com.sg](http://www.cct.com.sg))**

CapitaCommercial Trust is Singapore's first listed commercial REIT with a market capitalization of S\$3.8 billion based on the last traded price of S\$1.335 per unit on 19 July 2012. 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 June 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](mailto:ho.meipeng@capitaland.com)

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

**Important Notice**

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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.