NEWS RELEASE

For Immediate Release

17 July 2013

CCT achieved higher DPU of 2.07 cents in 2Q 2013

Singapore, 17 July 2013 – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or Trust), is pleased to announce a distribution per unit (DPU) of 2.07[1] cents for the financial quarter ended 30 June 2013 (2Q 2013). This is 0.5% higher than the DPU of 2.06 cents reported in 2Q 2012. Based on CCT's closing price per unit of S$1.50 on 16 July 2013, CCT's distribution yield is 5.4%.

The 2Q 2013 distributable income to unitholders of S$59.6 million was 1.9% above the S$58.5 million achieved in 2Q 2012 due to higher revenue and lower interest expenses. Gross revenue in 2Q 2013 increased by 1.8% to S$97.5 million from 2Q 2012 largely due to better performance from Six Battery Road and higher rental contribution from HSBC Building.

The estimated DPU for the financial period 1 January 2013 to 30 June 2013 (1H 2013) was 4.01 cents[1], which was 1.3% above the 3.96 cents reported 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 1H 2013 being Wednesday, 31 July 2013, payment is expected to be made on Thursday, 29 August 2013.

CCT's investment properties were assessed by independent valuers to be worth S$6.5 billion as at 30 June 2013, resulting in a net fair value gain of S$85.3 million. Including CapitaGreen, the investment property under construction, and other assets, CCT's total asset size increased to S$7.06 billion. The net asset value per unit was S$1.65 after excluding the 1H 2013 distributable income to unitholders.

[1] DPU for 2Q 2013 and 1H 2013 were computed on the basis that none of the convertible bonds due 2015 or convertible bonds 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 on or before books closure date. If all of the Convertible Bonds were to be converted into Units on or before books closure date, the DPU for 2Q 2013 and 1H 2013 would be reduced by 0.17 cents and 0.34 cents respectively.

The Trust's unaudited Consolidated Financial Statements for 2Q 2013 and 1H 2013 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

Summary of CCT's 2Q 2013 and 1H 2013 Results

	2Q 2013	2Q 2012	Change %	1H 2013	1H 2012	Change %
Gross Revenue (S$'000)	**97,511**	95,759	1.8	**193,426**	183,192	5.6
Net Property Income (S$'000)	**74,861**	75,246	(0.5)	**149,771**	145,182	3.2
Distributable Income (S$'000)	**59,557**	58,466	1.9	**115,260**	112,380	2.6
Distribution Per Unit - For the period	**2.07¢**[1]	2.06¢	0.5	**4.01¢**[1]	3.96¢	1.3

Mr Kee Teck Koon, Chairman of the Manager, said, "CCT delivered a good set of results with higher DPU from positive rent reversions and savings from lower interest cost. The Trust's consistent strategy of proactive asset and portfolio management has generated higher revenue. Given the positive feedback from tenants and better financial performance arising from the ongoing revitalisation of Six Battery Road and Raffles City Tower, we have decided to embark on the upgrading of the common areas and certain technical specifications of Capital Tower. Costing S$40.0 million, Capital Tower's upgrading programme is expected to generate a projected return on investment of 7.8%."

Mr Kee added, "CCT's balance sheet is robust with a low gearing of 28.9% and an average cost of debt at 2.8% per annum. 76% of our total borrowings are on fixed interest rates, thereby minimising the impact of any interest rate increases. While this proportion of fixed-rate borrowings is within our target range, we will closely monitor the interest rate environment and make the appropriate adjustments as and when required to mitigate our interest exposure risk."

Ms Lynette Leong, Chief Executive Officer of the Manager, said, "We saw active leasing at CCT's properties, resulting in an increase in portfolio occupancy to 95.8% in 2Q 2013, from 95.3% in 1Q 2013. Of the total net lettable area of 191,700 square feet committed in 2Q 2013 for both office and retail spaces, 58% were renewals and the remaining were new leases. We signed a higher average effective Grade A rent of S$9.93 per square foot per month for the new and renewed office leases compared to the average Grade A market rent of S$9.55 per square foot per month for the second quarter. Overall, CCT's average committed rent for the office portfolio continued to increase in 2Q 2013 from S$7.83 per square foot per month to S$7.96 per square foot per month as a result of the cumulative positive rent reversions from leases signed."

Ms Leong added, "In particular, we are encouraged by the leasing progress of our three Grade A office buildings. The occupancy rate of Six Battery Road rose to 94.2% in 2Q 2013 from 93.2% in 1Q 2013, and it is expected to continue to increase through the second half of 2013 given the impending completion of the building's asset enhancement works. Capital Tower's remaining vacancy is currently under lease negotiation and, when completed, will substantially improve the building's committed occupancy rate. One George Street's occupancy rate increased from 94.4% to 97.2% this quarter due to new leases signed as well as expansion by existing tenants, although the occupancy rate will continue to fluctuate even as proactive backfilling of the expected vacancies take place. We will continue with our active leasing strategy to ensure better portfolio occupancy for CCT, with due regard to balancing it with the achievement of optimal rents."

New tenants signed in 2Q 2013 included AIMS AMP Capital Industrial REIT Management Limited and Mitsubishi UFJ Lease (Singapore) Pte. Ltd. Renewals were completed with tenants such as Bryan Cave International Consulting (Asia Pacific) Pte. Ltd, CBRE Pte. Ltd., and Noonday Asset Management Asia Pte Ltd. Demand in 2Q 2013 was supported by leasing interest from business sectors including Banking, Insurance and Financial Services, Business Consultancy, IT Media and Telecommunications and Manufacturing and Distribution.

Asset Enhancement Initiatives (AEIs) Updates

(1) Capital Tower

To maintain its lead position as a premium Grade A office tower, Capital Tower will undergo an upgrading of its common lobby areas and restrooms and modernisation of certain technical specifications. The main lobby will allow for a separate concierge for the major tenants of the building, and a turnstile system will be introduced to enhance security access. The entire upgrading is expected to cost S$40.0 million and generate a projected return on investment of 7.8%. The works will take place in phases while tenants are in place with a scheduled completion date of 2Q 2015.

(2) Raffles City Tower

Raffles City Tower's AEI at the main lobby, entrance lay-by (drop-off area), installation of security turnstiles, and Phases 1 and 2 of the complete makeover of the upper lift lobbies were completed in June 2013. The entire upgrading will end by 2Q 2014, targeting a return on investment of 8.6%. The office tower's occupancy rate remains at 100% as at end-June 2013.

(3) Six Battery Road

The AEI at Six Battery Road is on track to be completed by end-2013. Of the 171,000 square feet targeted for upgrading in 2013, about 54% was upgraded by end-June 2013. The target return on investment is 8.1%, which we expect to exceed.

Prudent Capital Management

Prudent capital management is one of the key thrusts for the Manager particularly in the midst of volatile capital market conditions. We have repaid the remaining debt outstanding in 2013, the S$50.0 million 3.5% medium term notes, and are looking into the refinancing of the Trust's debt maturing in 2014 and 2015. Given the expiry of S$370.0 million of interest rate swap in mid-March 2013, the borrowings were revised to floating interest rate basis at a significantly lower rate than the fixed rate of the interest rate swap. This resulted in the Trust's lower portfolio average cost of debt of 2.8% per annum in 2Q 2013. The Trust's gearing of 28.9% in 2Q 2013 was lowered from the previous 30.4% primarily due to the cancellation of S$34.0 million of the CB due 2015 given its conversion into CCT units. This gives the Trust debt headroom, assuming a gearing of 40%, of S$1.2 billion, for growth and investment opportunities.

Singapore Central Business District (CBD) Office Market

Occupancy rate in Singapore's core Central Business District ("CBD") rose from 93.2% to 95.1% as a result of higher net absorption. The average monthly Grade A office rent was stable at S$9.55 per square foot in the second quarter of 2013.

Outlook

Looking ahead, Singapore CBD's annual new office supply from 2013 to 2016 is expected to average about 1 million square feet. This compares favourably with the 20-year historical average annual new supply and average net absorption of 1.1 million square feet and 1.0 million square feet respectively. Office leasing activities are expected to remain healthy, providing an opportunity for average market rentals to be strengthened. This will benefit CCT given its lease expiry profile: the office leases that are due for renewal over the course of 2014 and an office lease that is due for review to market rent level in January 2014. For the month of June 2013, these leases contributed 12.7% and 4.1% of CCT's gross rental income respectively.

In the second half of 2013 ("2H 2013"), CCT's performance will be impacted by the cessation of yield protection for One George Street on 10 July 2013. The expected loss of yield protection income for 2H 2013 is estimated to be approximately S$8 million[2]. However, this will be mitigated by better portfolio occupancy combined with positive rent reversions, and interest expense savings. In addition, CCT has retained S$10.8 million of tax-exempt distributable income from Quill Capita Trust and is evaluating various options of use, including future distributions to CCT unitholders.

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

CapitaCommercial Trust is Singapore's first listed commercial REIT with a market capitalisation of S$4.3 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$7.06 billion as at 30 June 2013, 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)

[2] Assuming all new leases in 2H 2013 would be signed at S$9.20 psf per month and occupancy net of upcoming vacancies as at end 2013 to be 92.3%.

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