

## CCT achieved higher DPU of 1.96 cents in 1Q 2013

**Singapore, 19 April 2013** – CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT or Trust), is pleased to announce a distribution per unit (DPU) of 1.96 cents for the financial quarter ended 31 March 2013 (1Q 2013). This is 3.2% above DPU of 1.90 cents reported in 1Q 2012. Based on CCT's closing price per unit of S\$1.705 on 18 April 2013, CCT's distribution yield is 4.7%.

CCT's 1Q 2013 distributable income of S\$55.7 million is 3.3% higher than the S\$53.9 million achieved in 1Q 2012. 1Q 2013 gross revenue grew by 9.7% from 1Q 2012 mainly due to a full quarter contribution from Twenty Anson acquired in March 2012 and HSBC Building's higher rent which started from end-April 2012. Net property income in 1Q 2013 saw a 7.1% rise due to higher revenue offset by higher property tax and operating expenses. An increase of interest income from shareholder's loan and lower interest expenses also contributed to higher distributable income.

The Trust's unaudited Consolidated Financial Statements for 1Q 2013 results is 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 1Q 2013 Results

|                                | 1Q 2013            | 1Q 2012 | Change |
|--------------------------------|--------------------|---------|--------|
| Gross Revenue (S\$'000)        | 95,915             | 87,433  | 9.7%   |
| Net Property Income (S\$'000)  | 74,910             | 69,936  | 7.1%   |
| Distributable Income (S\$'000) | 55,703             | 53,914  | 3.3%   |
| Distribution Per Unit (cents)  |                    |         |        |
| - For the period               | 1.96¢ <sup>1</sup> | 1.90¢   | 3.2%   |

(1) DPU for 1Q 2013 was computed on the basis that none of the convertible bonds due 2015 ("CB due 2015") and/or 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 Kee Teck Koon, Chairman of the Manager, said, “The Trust has delivered a good set of results with a higher DPU for 1Q 2013 compared to the same period last year. This is attributable to our proactive approach towards asset and portfolio management, and capital management. CCT’s office portfolio is well positioned to benefit from positive rent reversions given that the average rent of leases expiring in the rest of 2013 is lower than the average monthly office market rent as at 1Q 2013. The ongoing asset enhancement works at Six Battery Road and Raffles City Tower are scheduled for completion by end-2013 and 2Q 2014 respectively. The development of CapitaGreen is on track to be completed by the fourth quarter of 2014. Together with our active leasing efforts, these asset enhancement initiatives and the future rental income from CapitaGreen will underpin the growth of the Trust for the long term.”

Mr Kee added, “With a total asset value of approximately S\$7 billion, CCT has a strong balance sheet given the low gearing at 30.4%, and 78% of the debt being fixed rate borrowings. The 69% of assets being unsecured also affords CCT greater flexibility in capital management.”

Ms Lynette Leong, Chief Executive Officer of the Manager, said, “CCT’s portfolio occupancy is resilient at 95.3% compared to the market average occupancy of 93.2% for Core CBD as at the end of 1Q 2013. CCT’s properties also registered positive rent reversions; as a result, CCT’s average monthly portfolio office rent continued to increase from S\$7.64 per square feet in 4Q 2012 to S\$7.83 per square feet in 1Q 2013.”

Ms Leong added, “A total of 409,900 square feet of new and renewed leases for both office and retail spaces were signed in the first quarter of 2013. Of the total lettable area committed in 1Q 2013, about 88% were renewals and 12% new leases. The activities were largely generated by expansion of existing tenants within our portfolio and also new tenants relocating from another building. CCT’s weighted average lease term to expiry for its top 10 tenants (excluding the lease to the hotels and convention centre) is now 3.8 years extended from 3.0 years in the fourth quarter of 2012, due to a few major tenants’ renewals. We are pleased by the lease renewals of JPMorgan Chase Bank N.A., The Royal Bank of Scotland PLC, and Henderson Global Investors (Singapore) Limited, and are delighted to welcome new tenants, General Mills Sales Singapore Pte Ltd and New Zealand High Commission.”

## **Robust Capital Structure**

The Trust's outstanding debt of S\$50.0 million due in June 2013 will be easily refinanced by its existing bank facilities. The percentage of borrowings on fixed interest rate reduced from 96% in 4Q 2012 to 78% in 1Q 2013 due to the expiry of the S\$370 million notional amount of fixed interest rate swap in March 2013. The weighted average interest rate for the expired interest rate swap was at 3.59% per annum, and hence, we would expect interest rate savings assuming funding at the current lower interest rate. However, the savings may be partially offset by increased borrowings required to fund existing asset enhancement initiatives and capital expenditure requirements going forward.

## **Singapore Office Market**

Singapore island-wide office's net demand was approximately 126,046 sq ft in the first quarter of 2013. The Core Central Business District (CBD) occupancy increased from 92.2% in the fourth quarter of 2012 to 93.2% in the first quarter of 2013. The office market has gained greater tenant profile diversification with increased demand from small to mid-size companies in the Central Business District. The average monthly Grade A office rent was stable at S\$9.55 per square foot in the first quarter of 2013, compared to S\$9.58 per square foot reported in the fourth quarter of 2012.

## **Outlook**

Looking ahead, Singapore's new office supply in the CBD and decentralised area is expected to be limited, with an average of about 1 million square feet per annum from 2013 to 2016.

CapitaGreen, our Grade A office tower under development, is expected to be the only new office supply completing in 2014 in the CBD. Active pre-marketing to select prospective tenants has commenced. The upgrading of Six Battery Road is on track to be completed by end of this year and the upgraded office space is able to command premium rental rates. The upgrading of Raffles City Tower has also made good progress and tenants will enjoy a refreshed working environment.

These developments will rejuvenate CCT's property portfolio which will reap future benefits to our unitholders.

However, CCT's performance in the later half of 2013 will be affected by One George Street, the yield protection for which will expire on 10 July 2013. To minimise this impact, CCT will continue its proactive portfolio management to increase overall occupancy rates and generate higher property income.

Note: Source of office market statistics, CBRE Research 1Q 2013

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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\$4.85 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 approximately S\$7 billion as at 31 March 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.

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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.