



For immediate release

NEWS RELEASE

CCT's 3Q 2015 distribution per unit grew 2.4% year-on-year

Singapore, 28 October 2015 – 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 2.14 cents for the financial quarter ended 30 September 2015 (3Q 2015). The estimated DPU of 2.14 cents for 3Q 2015, together with the DPU for 4Q 2015, will be paid out in February 2016 as CCT pays distribution semi-annually. Based on CCT's closing price per unit of S\$1.435 on 27 October 2015, CCT's distribution yield is 6.0%.

Year-on-year, 3Q 2015 distributable income grew by 2.6% to S\$63.2 million while year-to-date September 2015 distributable income rose 2.5% to S\$190.3 million. The growth in distributable income was due to higher net property income (NPI) from the Trust's wholly-owned properties and more distributable income received from its 60.0% interest in Raffles City Singapore.

The Trust's balance sheet remains robust with gearing at a low 30.1%. As with 2Q 2015, 83.0% of the Trust's borrowings are on fixed interest rates which reduces CCT's susceptibility to rising interest rates. Average cost of debt has remained constant, at 2.4% per annum.

During 3Q 2015, the Trust seized an opportunity to issue S\$100.0 million of medium term notes at a low fixed interest rate of 2.96% for six years, due in August 2021. A five-year banking facility has also been put in place to refinance the outstanding borrowings of CapitaGreen due in end 2015. CCT's 40.0% interest in the borrowings of CapitaGreen (held through MSO Trust) is S\$356.0 million.

The Trust's unaudited Consolidated Financial Statements for 3Q 2015 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

Summary of CCT Group Results

	3Q 2015	3Q 2014	Change %	YTD Sep 2015	YTD Sep 2014	Change %
Gross Revenue (S\$'000)	68,345	66,420	2.9	205,620	196,247	4.8
Net Property Income (S\$'000)	52,671	51,903	1.5	160,498	154,603	3.8
Distributable Income (S\$'000)	63,150	61,579	2.6	190,328	185,608	2.5
-Taxable (S\$'000)	63,150	61,579	2.6	190,328	183,258	3.9
-Tax-exempt (S\$'000)	-	-	-	-	2,350	NM
Distribution Per Unit (DPU) (cents)	2.14⁽¹⁾	2.09⁽²⁾	2.4	6.45⁽¹⁾	6.31⁽²⁾	2.2
-Taxable (cents)	2.14	2.09	2.4	6.45	6.23	3.5
-Tax-exempt (cents)	-	-	-	-	0.08	NM

Ms Lynette Leong, Chief Executive Officer of the Manager, said, “CCT’s portfolio occupancy of 96.4% as at 30 September 2015 is above CBD Core market occupancy of 95.8%. On executing our proactive leasing strategy, we continue to commit rents that are higher than the expiring rents for leases due in 2015, thereby generating positive rent reversions. CCT’s monthly average office portfolio gross rent rose marginally to \$8.89 per square foot (psf) for 3Q 2015. In anticipation of the new office supply expected in the second half of 2016, we have proactively implemented a well-spread portfolio lease expiry profile with major leases expiring in 2019 and beyond. Retention of strategic tenants and attracting new tenants to our portfolio of properties remain our priority.”

CapitaGreen, CCT’s joint venture development with CapitaLand and Mitsubishi Estate Asia was officially opened on 9 September 2015. As at 27 October 2015, committed occupancy was 87.7% or approximately 616,600 square feet of net lettable area. Most of the committed tenants are on leases longer than the usual three-year term, thereby providing stability; and 72% of committed net lettable area is taken up by tenants from three major industries, namely, Insurance, Energy & Commodities and IT, Media & Telecommunications.

Ms Leong added, “We are happy that CapitaGreen provides a vibrant and conducive environment where our tenants can flourish. Looking ahead to 2016, the additional, progressive income contributions from our 40.0% stake in CapitaGreen will mitigate potential headwinds in the office market. In addition, with debt headroom of S\$1.3 billion assuming 40.0% gearing, CCT has the financial flexibility to execute potential growth opportunities.”

In 3Q 2015, CCT signed approximately 226,000 square feet of new leases and renewals, of which 36% are new leases. New and renewed tenants in the quarter included AAPC Singapore

(1) The estimated DPU for 3Q 2015 and YTD September 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.

(2) DPU for 3Q 2014 was adjusted from 2.10 cents to 2.09 cents. The adjustment took into account the conversion of the principal amount of S\$5.0 million of convertible bonds due 2015 (“CB 2015”) into 4.2 million Units in 4Q 2014. DPU for YTD September 2014 of 6.31 cents comprise of the 1H 2014 DPU of 4.22 cents and the 3Q 2014 adjusted DPU of 2.09 cents.

Pte Ltd, Capgemini Singapore Pte Ltd, Open Text (Asia) Pte Ltd, Phillip Securities Pte Ltd, Servcorp Battery Road Pte Ltd, TH Real Estate, Universal Business Suites Pte Ltd, and Vertex Venture Management Pte Ltd.

Among the Trust's Grade A properties, One George Street achieved monthly rents in the range of S\$9.30 to S\$12.30 psf, while Six Battery Road and CapitaGreen achieved monthly rents in the range of S\$10.50 to S\$13.50 psf and S\$11.90 to S\$14.00 psf respectively.

Accolades

CapitaGreen was awarded the 2015 Building & Construction Authority Building Information Modelling (BIM) Platinum Award – Project Category. This is in recognition of the project team's use of technology to enhance productivity during the construction process.

Outlook for Singapore Central Business District (CBD) Office Market

Singapore's CBD Core occupancy rate declined marginally in 3Q 2015 compared to 2Q 2015 by 0.4% to 95.8%. Average monthly Grade A office market rent reported a similar easing trend from S\$11.30 per square foot in 2Q 2015 to S\$10.90 per square foot in the 3Q 2015. With the impending completion of new supply in 2016, downward pressure is expected on office market rents as landlords focus on retaining and attracting tenants.

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\$4.2 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 30 September 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 Singapore (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 is 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.

**Issued by CapitaLand Commercial Trust Management Limited
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