



For Immediate Release

NEWS RELEASE

CCT makes first foray into Europe with acquisition of 94.9% stake in €356.0 million freehold Grade A property in Frankfurt

Accretive acquisition will increase portfolio value and provide geographical diversification for CCT by leveraging CapitaLand Group's platform in Germany

Singapore, 17 May 2018 – Singapore's largest commercial REIT by market capitalisation, CapitaLand Commercial Trust (CCT or Trust), is expanding its footprint beyond Asia for the first time. With CapitaLand Limited, CCT is acquiring a freehold Grade A commercial property, known as Gallileo, in the prime Central Business District (CBD) of Frankfurt, Germany, at an agreed property value of €356.0 million (approximately S\$569.6 million) (on 100% basis). CCT will hold a 94.9% stake and CapitaLand will hold the remaining 5.1% stake in the Gallileo property through a special purpose vehicle. The completion of the acquisition is expected to take place in June 2018.

The agreed property value of Gallileo at €356.0 million, negotiated on a willing-buyer and willing-seller basis, represents a discount of 1.4% to the open market value of €360.9 million (approximately S\$577.4 million). The open market value as at 31 March 2018 was appraised by Cushman & Wakefield LLP, an independent valuer.

Mr Kevin Chee, Chief Executive Officer of the Manager of CCT, said: "CCT has grown to become the largest office landlord in Singapore's CBD by net lettable area over the years. Expanding overseas is a strategic move to deliver long-term sustainable distribution growth to our unitholders and inject diversity to the portfolio. CCT will remain predominantly Singapore focused and will look to allocate between 10% to 20% of its deposited property overseas. We have been actively exploring opportunities to acquire core commercial assets in key gateway cities in developed markets. Germany is a key focus for CCT given the depth of good quality investment grade commercial assets. Frankfurt's office market is particularly attractive in view of the strong momentum in office demand and resilient rents."

Mr Chee added: "The Gallileo property is a freehold Grade A asset which offers a strategic fit with CCT's existing portfolio. Providing income stability with an established anchor tenant on a long-term lease, the acquisition offers an attractive net property income yield of 4.0%¹. This accretive acquisition is expected to increase CCT's 1Q 2018 DPU² by 1.4%, to 2.15 cents from 2.12 cents on a pro forma basis. Post-acquisition, CCT's portfolio value will increase from S\$10.4 billion to S\$10.9 billion with

¹ Based on Gallileo's FY 2017 net property income on 100% occupancy and valuation as at 31 March 2018.

² The assumptions for the pro forma financial effects of the Gallileo acquisition on CCT's DPU for 1Q 2018 were: (a) The acquisition was completed on 1 January 2018 and held through to 31 March 2018. CCT's interest is 94.9%; (b) New loan facilities were used to partially fund the acquisition and refinance certain existing bank loans. The interest rate for the new loan facilities in Euros was assumed to be 1.4% per annum; (c) The total number of CCT units in issue at the end of the period includes 130 million new units issued in relation to the private placement to partially fund the acquisition.

a 5% exposure to Germany. This joint venture with CapitaLand also allows CCT to leverage our sponsor's operational expertise and network platform to deepen our presence in Germany."

Mr Gerald Yong, Deputy Chief Investment Officer of CapitaLand Limited and Head of CapitaLand International, said: "This is CapitaLand's second office acquisition in Germany in less than six months following our acquisition of the Main Airport Center in Frankfurt last December. Leveraging the Group's 15 years of experience in Germany, the acquisition of Gallileo is in line with CapitaLand's strategy of growing its platforms and increasing its holdings of well-located assets in developed markets outside of Asia. In deepening our presence in one of the world's largest and most stable economies, we will continue to deploy capital to achieve higher risk adjusted returns. When the acquisition is completed, CapitaLand's network in Europe will comprise 46 serviced residences and hotels, as well as two commercial properties with over 1 million square feet of net lettable area."

The funding of CCT's total acquisition cost of €342.7 million or approximately S\$548.3 million will be via a fully-underwritten private placement of approximately S\$208.8 million³ (38.1%) of net proceeds and bank borrowings of €212.2 million (61.9%). With the proposed private placement, the Manager intends to declare an advanced distribution of income for the period from 1 January 2018 to the day immediately prior to the date on which the new placement units are issued. The estimated distribution per CCT unit under the advanced distribution will be approximately 3.49 cents. The actual amount of advanced distribution (which may differ from the estimate above) will be made by the Manager in due course.

Since entering Europe in 2000, CapitaLand has been growing its presence in the continent. Apart from office, CapitaLand has a network of more than 5,500 serviced residence units and hotel rooms across 20 cities in seven European countries managed by its wholly owned serviced residence arm, The Ascott Limited. To deepen its presence in the continent, CapitaLand has set up investment and asset management offices in key European cities of Amsterdam, Frankfurt, London and Paris. In Europe, CapitaLand has a staff strength of more than 900, including professionals with legal, finance and technical expertise.

About the Gallileo property

The Gallileo property is strategically located in Frankfurt's prime CBD, known as the Banking District. It is in close proximity to the German Central Bank, European Central Bank office towers, and the Frankfurt Opera House. The property also has easy access to a U-Bahn station at Willy-Brandt Platz, the Frankfurt Main Railway Station, Frankfurt Airport and Messe Frankfurt, one of the world's largest trade fair venues.

³ Based on 130 million new CCT units to be issued and an issue price of S\$1.631, which is the minimum of the issue price range between S\$1.631 and S\$1.676 per new unit.

Description	A 38-storey Grade A commercial building with ancillary retail and a 4-storey heritage building for office use
Address	Gallusanlage 7/ Neckarstrasse 5, 60329 Frankfurt am Main
Title	Freehold
Date of Completion	2003
Net Lettable Area	436,175 sq ft (40,522 sqm)
Typical Floor Plate	10,549 sq ft (980 sqm)
Occupancy	100%; Commerzbank AG ⁴ anchors approximately 98%
Weight Average Lease Expiry (WALE)	10.6 years ⁴
Certification	LEED Platinum
Net Property Income Yield	c. 4.0%

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\$6.2 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 approximately S\$10.7 billion as at 31 March 2018 comprising a portfolio of 10 prime commercial properties in Singapore. The properties in Singapore are Capital Tower, CapitaGreen, Asia Square Tower 2, Six Battery Road, Raffles City (60.0% interest through RCS Trust), One George Street (50% interest through OGS LLP), HSBC Building, Twenty Anson, Bugis Village and CapitaSpring (45% interest through Glory Office Trust and Glory SR Trust), an upcoming 51-storey integrated development in Raffles Place.

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 also a constituent of other widely recognized benchmark indices such as MSCI, the SGX Sustainability Index and FTSE Straits Times Index.

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.

About CapitaLand Limited (www.capitaland.com)

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth more than S\$91 billion as at 31 March 2018, comprising integrated developments, shopping malls, serviced residences, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 150 cities in about 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and

⁴ Commerzbank AG's lease expires in 2029 and the rent is adjusted based on an inflation index every two years. However, Commerzbank AG has an option to terminate the lease in 2024 with 24 months' notice.

manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

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Jointly Issued by CapitaLand Commercial Trust Management Limited (Co. Regn.: 200309059W) and CapitaLand Limited (Co. Regn.: 198900036N)

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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.