

For immediate release

NEWS RELEASE

**CCT's 1H 2015 DPU grew 2.1% y-o-y
driven by resilient portfolio performance**

Singapore, 24 July 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 2.19 cents⁽¹⁾ for the financial quarter ended 30 June 2015 (2Q 2015). For 1H 2015, CCT attained a DPU of 4.31 cents, a 2.1% increase year-on-year (y-o-y) due to higher rents achieved across its portfolio. Based on CCT's closing price per unit of S\$1.47 on 23 July 2015 and an annualised 1H 2015 DPU, CCT's distribution yield is 5.9%.

Year-on-year, the 2Q 2015 distributable income of S\$64.4 million is stable, whereas that of 1H 2015 grew by 2.5% to S\$127.2 million. The latter is due to higher net property income (NPI) from the Trust's wholly-owned properties and more distributable income from its 60.0% interest in Raffles City Singapore.

The Trust pays out its distributable income semi-annually in February and August. With the books closure date for 1H 2015 being Monday, 3 August 2015, payment of the 1H 2015 DPU of 4.31 cents⁽¹⁾ is expected to be made on Thursday, 27 August 2015.

As at 30 June 2015, the Trust's total deposited property value including other assets was S\$7,676.2 million. This translates to an adjusted net asset value per unit of S\$1.72, after deducting distributable income payable to unitholders. The Trust's portfolio valuation increased by 0.9% over the six-month period compared with the previous valuation as at 31 December 2014 due to better rental income performance.

The Trust's unaudited Consolidated Financial Statements for 1H 2015 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

⁽¹⁾ The estimated DPU was computed on the basis that none of the convertible bonds due 2017 ("CB 2017") is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of the CB 2017 is converted into CCT units on or before the books closure date.

Summary of CCT Group Results

	2Q 2015	2Q 2014	Change %	1H 2015	1H 2014	Change %
Gross Revenue (S\$'000)	69,113	65,826	5.0	137,275	129,827	5.7
Net Property Income (S\$'000)	53,859	51,997	3.6	107,827	102,700	5.0
Distributable Income (S\$'000)	64,425	64,100	0.5	127,178	124,029	2.5
-Taxable (S\$'000)	64,425	61,750	4.3	127,178	121,679	4.5
-Tax-exempt (S\$'000)	-	2,350	NM	-	2,350	NM
Distribution Per Unit (DPU) (cents)	2.19⁽¹⁾	2.18	0.5	4.31⁽¹⁾	4.22⁽²⁾	2.1
-Taxable (cents)	2.19	2.10	4.3	4.31	4.14	4.1
-Tax- exempt (cents)	-	0.08	NM	-	0.08	NM

Ms Lynette Leong, Chief Executive Officer of the Manager, said, “We are pleased that CCT has delivered a continued rise in DPU over the first half of 2015. Continued growth in CCT’s portfolio occupancy rate to 98.0% and increase in monthly average office portfolio gross rent to S\$8.88 psf reflect the resilience of CCT’s portfolio. The Trust’s balance sheet remains robust with a low gearing of 29.5%. 83.0% of the Trust’s borrowings are on fixed interest rates which minimises CCT’s susceptibility to rising interest rates. CCT also has the financial flexibility to execute potential growth opportunities, with debt headroom of S\$1.3 billion assuming 40.0% gearing.”

Aggregate committed occupancy at CapitaGreen rose to 80.4% as at 30 June 2015. Of the total committed net lettable area (NLA) of 566,000 square feet, half of the space is leased to tenants who have relocated to CapitaGreen from other office buildings to meet expansion needs, while 6% is taken up by newly established entities or concepts in Singapore. These two categories have generated additional net demand of 167,000 square feet or 113% more than their previous areas. The remaining 44% of NLA is leased to tenants who are consolidating their operations into one location or consolidating to enhance operational efficiency, as well as those looking for better quality buildings. The building is now home to quality, reputable companies from diverse sectors that include insurance, energy and commodities and IT, media and telecoms. Including CapitaGreen, CCT’s portfolio registered committed occupancy of 98.0% as at 30 June 2015 is above the Core CBD market occupancy level of 96.2% for the same period. For the rest of the year, tenant retention continues to be a priority with a view to sustaining the Trust’s high occupancy.

Ms Leong added, “In anticipation of the relatively large new office supply in 2016 and 2017, we have been focusing our efforts on driving stable and sustainable financial performance. Since 2014, we have been actively reducing the amount of lease expiries in 2016 and 2017 as well as extracting operational efficiencies in property management. We are also exploring new, flexible alternatives of office space utilisation to generate new demand for the Trust’s space.”

⁽²⁾ DPU for 1H 2014 of 4.22 cents consisted of the adjusted DPU of 2.04 cents from 2.08 cents for 1Q 2014 and DPU of 2.18 cents for 2Q 2014. The adjustment took into account the conversion of S\$61.5 million of convertible bonds due 2015 (“CB 2015”) into 51.6 million Units in 1H 2014.

In 2Q 2015, CCT signed approximately 179,000 square feet of new leases and renewals, of which 57% are new leases. New and renewed tenants in the quarter included Bank Islam Brunei Darussalam Berhad, Elion International Merchant Trading Asia Pte Ltd, Marubeni Asean Pte Ltd, Rakuten Asia Pte Ltd, Total Trading Gas & Power Asia Pte Ltd and Vertex Venture Management Pte Ltd.

CCT's monthly average office portfolio gross rent grew 1.1% over the quarter from S\$8.78 per square foot as at end March 2015 to S\$8.88 per square foot as at end June 2015. Among the Trust's Grade A properties, One George Street and Six Battery Road achieved monthly rents in the range of S\$12.50 per square foot and S\$14.80 per square foot. CapitaGreen achieved monthly rents between S\$12.05 per square foot to S\$16.00 per square foot.

On the capital management front, the Manager is working on refinancing CCT's debt ahead of maturities. The borrowings due in 2015 are, namely, a S\$356 million loan (based on CCT's 40% share) under MSO Trust which holds CapitaGreen and a S\$200 million medium-term note. Both are expected to be refinanced before the end of 2015.

Accolades

For its innovative and sustainable design with energy-efficient features, CapitaGreen was named 'Best Tall Building in Asia and Australasia' by the Council on Tall Buildings and Urban Habitats (CTBUH) on 22 June 2015. CTBUH is the world's leading resource for professionals focused on the design and construction of tall buildings and future cities.

Outlook for Singapore Central Business District (CBD) Office Market

Based on CBRE data, Singapore's Core CBD occupancy rose marginally to 96.2% in 2Q 2015. As at end 2Q 2015, average monthly Grade A office market rent eased to S\$11.30 per square foot from S\$11.40 per square foot as at 1Q 2015. While vacancy levels are expected to remain relatively stable over the next six months, CBRE cautioned about the wave of new development completions from 2H 2016 onwards overshadowing any slowdown in demand.

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\$4.3 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 June 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 (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 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 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.

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