



For immediate release

NEWS RELEASE

**CCT's 3Q 2016 DPU increases by 7.5% y-o-y to 2.30 cents
boosted by 100% contribution from CapitaGreen
*Manager has submitted plans for proposed redevelopment of
Golden Shoe Car Park***

Singapore, 19 October 2016 – CapitaLand Commercial Trust Management Limited (Manager), the Manager of CapitaLand Commercial Trust (CCT or Trust), is pleased to report an estimated distribution per unit (DPU) of 2.30 cents¹ for the financial quarter ended 30 September 2016 (3Q 2016). This translates to DPU growth of 7.5% year-on-year (y-o-y). Based on CCT's closing price per unit of S\$1.555 on 18 October 2016, CCT's distribution yield is 5.7%.

Year-on-year, 3Q 2016 gross revenue increased by 8.9% to S\$74.4 million and net property income (NPI) grew by 8.3% to S\$57.0 million. This is attributable to CapitaGreen's 100.0% contribution to CCT's gross revenue and NPI since the completion on 31 August 2016 of CCT's acquisition of 60.0% stake in MSO Trust which owns CapitaGreen, a premium Grade A office building. The completion was ahead of the projected date of 1 October 2016 stated in CCT's circular to unitholders dated 21 June 2016. In addition to CapitaGreen's substantially higher contribution (from September 2016), CCT's 60.0% interest in Raffles City Singapore also registered additional contribution to CCT's 3Q 2016 distributable income which rose 8.1% to S\$68.3 million.

After assuming 60.0% of MSO Trust's borrowings and taking on new debt to fund the acquisition, CCT's aggregate leverage rose to 37.8% which is below the regulatory limit of 45.0%. The average cost of debt remains stable at 2.5%, while 80% of CCT's total borrowings are comprised of fixed-rate borrowings; these underpin the Trust's healthy balance sheet.

As at 30 September 2016, the total value of the Trust's deposited properties was S\$8,681.4 million and the adjusted net asset value per unit was S\$1.72, after deducting distributable income payable to unitholders.

3Q 2016 DPU will be distributed with 4Q 2016 DPU in February 2017 as CCT pays out semi-annually.

The Trust's unaudited Consolidated Financial Statements for 3Q 2016 results are available on its website (www.cct.com.sg) and on SGXNet (www.sgx.com).

¹ The estimated DPU of 2.30 cents for 3Q 2016 was computed on the basis that none of the convertible bonds due 12 September 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.

Summary of CCT Group Results

	3Q 2016	3Q 2015	Change %	YTD Sep 2016	YTD Sep 2015	Change %
Gross Revenue (S\$'000)	74,422	68,345	8.9	208,851	205,620	1.6
Net Property Income (S\$'000)	57,028	52,671	8.3	160,507	160,498	0.0
Distributable Income (S\$'000)	68,296	63,150	8.1	198,229	190,328	4.2
Distribution Per Unit ("DPU") (cents)	2.30 ⁽¹⁾	2.14	7.5	6.69 ⁽¹⁾	6.45	3.7

Ms Lynette Leong, Chief Executive Officer of the Manager, said, "Despite market headwinds, CCT's portfolio has remained resilient with 97.4% occupancy rate which is still higher than market occupancy rate of 95.9% in 3Q 2016. Through proactive leasing efforts, negotiations for almost all leases expiring this year have been concluded. Only 8% of office portfolio leases by committed net lettable area will expire in 2017, and remain to be renewed. We will continue with our proactive efforts to attract and retain tenants to mitigate leasing risk."

Ms Leong added, "The completion of CapitaGreen's acquisition has given CCT's DPU a significant boost this quarter and is shining testament to the successful execution of our portfolio reconstitution strategy. We are currently seeking government approvals for the redevelopment of Golden Shoe Car Park into a one million square foot commercial development and hope to repeat the same value-creation success of CapitaGreen which was redeveloped from the former Market Street Car Park. We will update the market when there is significant progress. Another example of value creation is the rejuvenation works at Raffles City Shopping Centre which has commenced in the third quarter of 2016. Apart from enhancing the shopping experience, it will reinforce Raffles City Singapore's position as one of the country's top convention and tourism destinations as well as a place to do business."

In 3Q 2016, CCT signed approximately 151,000 square feet of new leases and renewals, of which 55% were new leases. New and renewed tenants in the quarter included ChemChina (Singapore) Pte Ltd, Scheuco Singapore Pte Ltd, TSMP Law Corporation and Westmont Hospitality Investments Asia Pte Ltd.

Monthly average office rent of CCT's portfolio increased by 2.7% quarter-on-quarter, marking 17 quarters of consecutive growth in portfolio average office rent.

Value Creation Projects

The Manager has submitted plans to the relevant government authorities to redevelop Golden Shoe Car Park, a 10-storey building strategically located at Raffles Place – into a higher-value commercial development with potential commercial gross floor area of approximately one million square feet. It will include an office tower of up to 280 metres above ground that is on par with the tallest buildings in the Central Business District. The site area is 5,973 square metres with remaining leasehold land tenure of approximately 65 years expiring 31 January 2081. If all goes according to plan, including financial feasibility, the Manager targets to complete construction of the new project in 2021. Please see separate news release dated 19 October 2016 titled, "CCT seeks approval to redevelop Golden Shoe Car Park into landmark commercial development in Raffles Place".

Raffles City Shopping Centre will undergo an approximately S\$54.0 million rejuvenation of its interiors from 3Q 2016 to 1Q 2018. CCT owns 60.0% interest in Raffles City Singapore through RCS Trust.

Accolades

At the Securities Investment Association of Singapore (SIAS) 17th Investors Choice Awards, CCT was named runner-up for Most Transparent Company in the REITs and Business Trust category.

CapitaGreen was named Winner of the inaugural Singapore Green Building Council-Building Construction Authority Sustainability Leadership Awards 2016 under the Commercial Category for Sustainability in Design & Performance.

Outlook for Singapore Central Business District (CBD) Office Market

Despite the completion of a major office development in the CBD in the quarter, it did not cause market occupancy to deteriorate. In fact, Singapore's Core CBD occupancy rate registered a moderate increase to 95.9% in 3Q 2016. Average monthly Grade A office market rent continued to ease albeit by a more moderate 2.1% over 3Q 2016 to S\$9.30 per square foot, compared with the 4% decline over 2Q 2016.

About CapitaLand Commercial Trust (www.cct.com.sg)

CapitaLand Commercial Trust is Singapore's first commercial REIT with a market capitalisation of approximately S\$4.6 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\$8.7 billion as at 30 September 2016 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 (100.0% interest through 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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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.

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The past performance of CCT is not necessarily indicative of the future performance of CCT.