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Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	CAPITACOMMERCIAL TRUST
Company Registration No.	N.A.
Announcement submitted on behalf of	CAPITACOMMERCIAL TRUST ("CCT")
Announcement is submitted with respect to *	CAPITACOMMERCIAL TRUST
Announcement is submitted by *	Michelle Koh
Designation *	Company Secretary, CapitaCommercial Trust Management Limited (As manager of CCT)
Date & Time of Broadcast	16-Jul-2008 23:30:25
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *

Moody's Rating for CapitaCommercial Trust

Description

CapitaCommercial Trust's Response:

CapitaCommercial Trust Management Limited, the Manager of CapitaCommercial Trust (CCT), has in place a proactive capital management strategy. This is demonstrated by its ability to secure 100% committed funding of S$1.2 billion to finance 1 George Street in March 2008, four months ahead of its targeted completion, in the midst of the current difficult credit environment. The 1 George Street transaction was successfully completed on 11 July 2008.

In relation to the S$656 million which is due for refinancing next year, the Manager has a number of refinancing options available to it and intends to finalise them well in advance of the existing debt maturity. The Manager is of the view that CCT's current gearing of 37% is a prudent level for the trust.

There is strong organic growth within the CCT's portfolio. Current occupancy is close to 100%. In addition, the full effect of the strong positive rent reversions from leases committed in 2007 and 2008 will progressively pronouncedly come through in the current and subsequent years and further strengthen CCT's financial position.

The higher income could be seen from the strong distribution per unit growth in CCT's forecast for 2008 and projection for 2009 as shown in the forecast and assumptions stated in the Untiholder's Circular dated 9 June 2008. CCT's forecast distribution per unit for 2008 is 10.61 cents, which is 22% higher than the DPU of 8.70 cents delivered in financial year 2007. For 2009, the projected DPU of 12.34 cents is 16.3% above the forecast DPU of 10.61 cents in 2008.

Attachments

Moodys.Press.Release.16July.2008.pdf

Total size = **43K**

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Rating Action: CapitaCommercial Trust

Moody's downgrades CapitaCommercial Trust ratings

Singapore, July 16, 2008 -- Moody's has today downgraded CapitaCommerical Trust's (CCT) A3 corporate family and Baa1 senior unsecured ratings to Baa1 and Baa2 respectively following the trust's completion of its acquisition of One George Street for S$1.165 Billion. The outlook for the ratings is stable.

This completes the review for possible downgrade that commenced on 28 March 2008 when the acquisition was first announced.

"The downgrade reflects the entirely debt funded nature of the acquisition which has materially increased the leverage of CCT and to levels not consistent with its previous ratings," says Kathleen Lee, the lead analyst for CCT. "For example, interest coverage (EBITDA/Interest) is expected to fall to below 2.5 times compared to 3 to 3.5 times previously and Debt/EBITDA is expected to be at least 10 times at the end of 2009 compared to 8 times at the end of 2007," she continued.

At the same time Moody's notes that the acquisition further enhances CCT's leadership position in the office sector in Singapore with One George Street adding to its already quality property portfolio and further diversifying its overall tenant base and earnings.

"CCT has sizeable debt maturities in the next 9 months - representing about 27% of total debt -- and these remain unsupported by standby committed banking facilities." said Lee. However, the REIT has recently demonstrated solid access to the debt markets -- even in current conditions -- and Moody's expects CCT to put in place the required committed funding over the next 3-6 months.

The stable outlook reflects an expectation that interest coverage will stabilize at around 2.5 to 3 times by the end of 2009 and that Debt/EBITDA will reduce to around 9 times by the same point.

The rating is unlikely to be upgraded in the near term given the need to reduce leverage in line with the above.

On the other hand, downward rating pressure may evolve if CCT's EBITDA/Interest coverage falls below 2.5 times and Total Debt/EBITDA rises above 10x beyond the end of 2009. Evidence of the trust having difficulty raising the required financing for its funding shortfalls in 2008 or 2009 on suitable terms or at materially higher cost than anticipated would also be negative for the rating.

CapitaCommerical Trust is a Singapore-based real estate investment trust (REIT) which invests in commercial properties. As of 11 July 2008, CCT owned a portfolio of high-quality properties, mainly in the CBD of Singapore, with a valuation of approximately S$6.5 billion.

Singapore
Kathleen Lee
Vice President - Senior Analyst
Corporate Finance Group
Moody's Singapore Pte Ltd.
JOURNALISTS: (852) 2916-1150
SUBSCRIBERS: (65) 6398-8308

Sydney
Brian Cahill
Managing Director
Corporate Finance Group
Moody's Investors Service Pty Ltd
JOURNALISTS: (612) 9270-8102
SUBSCRIBERS: (612) 9270-8100