

General Announcement::Moody's upgrades CapitaCommercial Trust to A3; outlook stable**Issuer & Securities**

Issuer/ Manager	CAPITACOMMERCIAL TRUST MANAGEMENT LIMITED
Securities	CAPITACOMMERCIAL TRUST - SG1P32918333 - C61U
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	12-Feb-2015 19:28:14
Status	New
Announcement Sub Title	Moody's upgrades CapitaCommercial Trust to A3; outlook stable
Announcement Reference	SG150212OTHRM86A
Submitted By (Co./ Ind. Name)	Doris Lai
Designation	Company Secretary, CapitaCommercial Trust Management Limited as manager of CapitaCommercial Trust
Description (Please provide a detailed description of the event in the box below)	Moody's Investors Service has upgraded CapitaCommercial Trust's issuer rating to A3 from Baa1. The outlook on the ratings is stable. Please see attached press release by Moody's Investors Service.
Attachments	 Moody's_12Feb2015.pdf Total size =111K

Like

0

Tweet

0

 +1

0

Rating Action: Moody's upgrades CapitaCommercial Trust to A3; outlook stable

Global Credit Research - 12 Feb 2015

Singapore, February 12, 2015 -- Moody's Investors Service has upgraded CapitaCommercial Trust's (CCT) issuer rating to A3 from Baa1.

Moody's has also upgraded the senior unsecured debt ratings under CCT MTN Pte. Ltd. to A3 from Baa1, and the program rating to (P)A3 from (P)Baa1.

The outlook on the ratings is stable.

RATINGS RATIONALE

The upgrade reflects CCT's: (1) strong market position, reinforced by its enlarged property portfolio of improved quality following recent successful asset enhancement initiatives; (2) successful completion and leasing trends for CapitaGreen, a new office building developed in conjunction with its sponsor, CapitaLand Limited (unrated); (3) healthy operating performance, supported by its track record of active lease management; and (4) strong financial profile with headroom to make debt-funded acquisitions for future growth.

"CCT is a major office landlord that has successfully enhanced the value and competitiveness of its older properties, Raffles City Singapore, Six Battery Road and Capital Tower through asset enhancement initiatives, and also redeveloped its former Market Street Car Park into CapitaGreen," says Jacintha Poh, a Moody's Assistant Vice President and Analyst.

CapitaGreen is a Grade A office building that obtained its temporary occupation permit on 18 December 2014. As of 31 December 2014, the office building had a committed occupancy rate of 69.3%, with over 90% of its lease expiring in 2019 and beyond. CCT, which owns a 40% interest in CapitaGreen, developed the office building with its joint venture partners CapitaLand Limited, with a 50%-interest, and Mitsubishi Estate Asia (unrated), with a 10%-interest.

"CCT has also demonstrated a good track record of active lease management, renewing its leases ahead of expiry and maintaining a well-spread lease expiry profile. This strategy has supported a committed portfolio occupancy rate of consistently above 90% since listing in 2004, in turn providing for greater income stability and visibility," adds Poh, who is also the Lead Analyst for CCT.

As of 31 December 2014, including CapitaGreen, CCT had a committed portfolio occupancy rate of 96.8%. More importantly, the trust managed its office lease expiry profile so that only a small proportion of its leases will expire in 2016 and 2017, at a time where supply of new office space in Singapore is expected to increase significantly.

According to CBRE, approximately 3.7 million square feet of new office space will become available in 2016, and another 1 million square feet in 2017.

In 2015, Moody's expects CCT's EBITDA to grow by 2%, largely driven by increased contributions from its existing office properties. We expect the growth to be more significant in the following year as CapitaGreen becomes fully operational. The improvement in EBITDA will further strengthen the trust's financial metrics, with an adjusted debt/EBITDA ratio of 7.6x-7.8x and adjusted EBITDA interest coverage ratio of 9.0x-9.3x.

Moody's also expects its adjusted debt/total deposited asset ratio to remain below 35% and adjusted secured debt/total deposited assets below 15%, positioning the trust well within the A3 rating level.

CCT's strong financial profile provides the trust with headroom to make debt-funded acquisitions for future growth, yet remain within its current rating level. Although Moody's estimates the trust to have sufficient capacity to acquire the remaining 60%-interest in CapitaGreen on a fully debt-funded basis, we expect the trust to adopt a prudent funding approach.

As of 31 December 2014, CCT had an adjusted debt/total deposited assets of 29.0%, adjusted EBITDA interest coverage of 9.5x, adjusted debt/EBITDA ratio of 7.8x, and adjusted secured debt/total deposited assets of 12.5%.

The rating outlook is stable, reflecting Moody's expectation of predictable cash generation from CCT's current portfolio, driven by steady occupancy and low lease expiry. Moody's also expects the trust to maintain financial discipline while pursuing growth, and to keep its financial metrics within targeted parameters.

Upward ratings movement is unlikely, given CCT's asset size relative to its global peers and the concentration of its portfolio in Singapore.

CCT's ratings could be downgraded if: (1) the operating environment deteriorates, leading to higher vacancy levels and declining operating cash flows, and/or (2) the trust's financial metrics weaken, with adjusted debt/total deposited assets exceeding 35%-40%, adjusted EBITDA interest coverage falling below 3x, and adjusted secured debt/total deposited assets exceeding 15% on a consistent basis.

The principal methodology used in these ratings was Global Rating Methodology for REITs and Other Commercial Property Firms published in July 2010. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

CapitaCommercial Trust is a Singapore-focused REIT, with a portfolio of 10 commercial properties, including a 40% interest in CapitaGreen. As of 31 December 2014, the properties had a total appraised value of SGD7.4 billion. The trust also holds a 30% stake in Quill Capita Trust (unrated), a commercial REIT listed on the Bursa Malaysia Securities Berhad. CCT's sponsor, CapitaLand Limited (unrated), is one of the largest property developers in Asia, and held a 32% interest in CCT as of 31 December 2014.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this rating action, and whose ratings may change as a result of this rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

Jacintha Poh
Asst Vice President - Analyst
Corporate Finance Group
Moody's Investors Service Singapore Pte. Ltd.
50 Raffles Place #23-06
Singapore Land Tower
Singapore 48623
Singapore
JOURNALISTS: (852) 3758 -1350
SUBSCRIBERS: (852) 3551-3077

Philipp L. Lotter
MD - Corporate Finance

Corporate Finance Group
JOURNALISTS: (852) 3758 -1350
SUBSCRIBERS: (852) 3551-3077

Releasing Office:
Moody's Investors Service Singapore Pte. Ltd.
50 Raffles Place #23-06
Singapore Land Tower
Singapore 48623
Singapore
JOURNALISTS: (852) 3758 -1350
SUBSCRIBERS: (852) 3551-3077



© 2015 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATION") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS FOR RETAIL INVESTORS TO CONSIDER MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS IN MAKING ANY INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually

at www.moody's.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for "retail clients" to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.