



Mapletree Commercial Trust

4Q & FY17/18 Financial Results

24 April 2018

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Agenda

- Key Highlights
- Financial Performance
- Portfolio Updates
- Outlook

Key Highlights

VivoCity

Key Highlights

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Financial Performance

- Full year distribution per unit ("DPU") up 4.9% to 9.04 Singapore cents
- Gross revenue and net property income ("NPI") for 4Q FY17/18 grew 1.3% and 1.2% respectively from 4Q FY16/17, driven by higher contribution from VivoCity, MBC I and MLHF
- DPU for 4Q FY17/18 grew 0.4% to 2.27 Singapore cents
- Total valuation of investment properties rose 5.4% to S$6.7 bil, NAV per unit up 8.0% to S$1.49

Portfolio Performance

- VivoCity achieved record S$958.2 mil of sales in FY17/18, up 0.7% from the previous year. Resilient performance in light of strong FY16/17 and downtime from the ongoing asset enhancement initiatives ("AEI")
- Level 3 and Basement 1 AEI making good progress. The additional 24,000 square feet of retail space on Basement 1 has been fully committed with lifestyle and athleisure brands
- VivoCity to accommodate Zara's largest concept store in Singapore by 1Q FY18/19

Key Highlights

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Capital Management

- Refinanced existing borrowings through issuance of S$120 mil 3.28% p.a. Fixed Rate Notes due 2024, rated Baa1 by Moody's Investors Service ("Moody's"), extending average term to maturity of debt to 3.9 years
- Maintained robust balance sheet with aggregate leverage lowered to 34.5%. Weighted average cost of financing was 2.75% p.a.
- Well-distributed debt maturity profile with no more than 20% of debt due for refinancing in any financial year

Financial Performance

Bank of America Merrill Lynch HarbourFront

4Q FY17/18 Financial Scorecard

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4Q FY17/18 DPU up 0.4% to 2.27 Singapore cents
Driven by higher contribution from VivoCity, MBC I and MLHF

S$'000 unless otherwise stated	4Q FY17/18	4Q FY16/17	Variance
Gross Revenue	**108,880**	**107,527**	▲ **1.3%**
Property Operating Expenses	**(24,595)**	**(24,279)**	▲ **1.3%**
Net Property Income	**84,285**	**83,248**	▲ **1.2%**
Net Finance Costs	**(16,233)**	**(15,423)**	▲ **5.3%**
Income Available for Distribution	**64,839**	**64,557**	▲ **0.4%**
Distribution per Unit (cents)	**2.27**	**2.26**	▲ **0.4%**

FY17/18 Financial Scorecard

FY17/18 gross revenue and NPI up 14.8% and 15.9% respectively
Income available for distribution up 14.6%

S$'000 unless otherwise stated	FY17/18	FY16/17	Variance
Gross Revenue	433,525	377,747	▲ 14.8%
Property Operating Expenses	(94,680)	(85,441)	▲ 10.8%
Net Property Income	338,845	292,306	▲ 15.9%
Net Finance Costs	(63,926)	(53,705)	▲ 19.0%
Income Available for Distribution	260,359	227,243	▲ 14.6%
Distribution per Unit (cents)	9.04	8.62	▲ 4.9%

Portfolio Valuation

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Total valuation of investment properties rose 5.4% to S$6.7 bil

	Valuation as at 31 March 2018[1]			Valuation as at 31 March 2017
	S$ million	S$ per sq ft NLA	Cap Rate (%)	S$ million
VivoCity	3,028.0	2,811 psf	4.75%	2,741.0
MBC I	1,892.0	1,109 psf	Office: 4.10% Business Park: 5.35%	1,853.0
PSA Building	740.0	1,413 psf	Office: 4.20% Retail: 5.00%	735.0
Mapletree Anson	701.0	2,123 psf	3.70%	690.0
MLHF	321.0	1,488 psf	4.10%	318.0
MCT Portfolio	**6,682.0**			**6,337.0**

1. The valuation for VivoCity was undertaken by CBRE Pte Ltd, while the valuations for MBC I, PSA Building, Mapletree Anson and MLHF were undertaken by Knight Frank Pte Ltd

Balance Sheet

Maintained robust balance sheet through prudent and active capital management

S$'000 unless otherwise stated	As at 31 March 2018	As at 31 March 2017
Investment Properties	6,682,000	6,337,000
Other Assets	58,813	68,653
Total Assets	6,740,813	6,405,653
Net Borrowings	2,329,431	2,329,754
Other Liabilities	128,009	118,446
Net Assets	4,283,373	3,957,453
Units in Issue ('000)	2,880,156	2,871,143
Net Asset Value per Unit (S$)	1.49	1.38

Key Financial Indicators

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Consistently healthy financial indicators

	As at 31 March 2018	As at 31 December 2017	As at 31 March 2017
Total Debt Outstanding	**S$2,327.6 mil**	**S$2,327.6 mil**	**S$2,327.6 mil**
% Fixed Debt	**78.9%**	**78.0%**	**81.2%**
Gearing Ratio	**34.5%**[1]	**36.3%**	**36.3%**
Interest Coverage Ratio (YTD)	**4.8 times**	**4.8 times**	**4.9 times**
Average Term to Maturity of Debt	**3.9 years**	**3.6 years**	**4.0 years**
Weighted Average All-In Cost of Debt (p.a.)	**2.75%**	**2.73%**[2]	**2.66%**
Unencumbered Assets as % of Total Assets	**100%**	**100%**	**100%**
MCT Corporate Rating (by Moody's)	**Baa1**	**Baa1**	**Baa1**

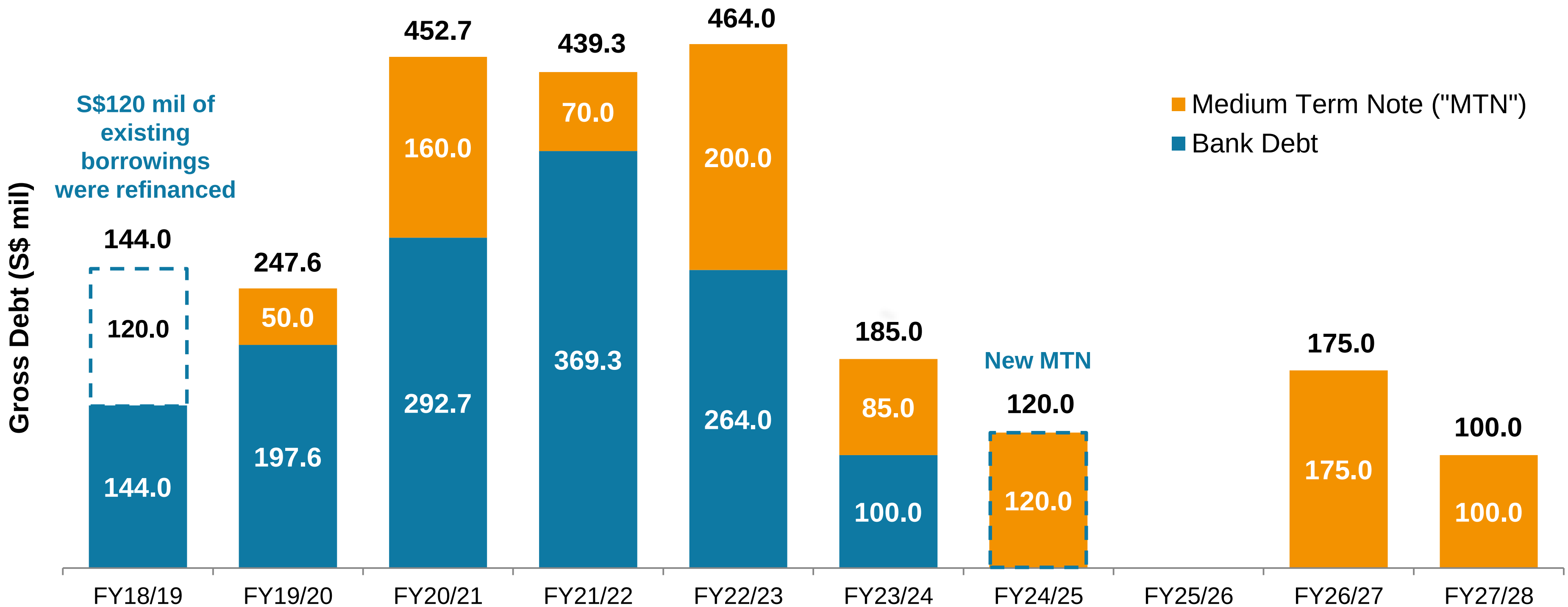
1. Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to total net assets is 54.3%
2. Annualised based on YTD ended 31 December 2017

Debt Maturity Profile (as at 31 March 2018)

Well-distributed with no more than 20% of debt due for refinancing in any financial year

Total gross debt: S$2,327.6 mil

- Refinanced existing borrowings through issuance of S$120 mil 3.28% p.a. Fixed Rate Notes due 2024, rated Baa1 by Moody's



% of Total Debt	6%	11%	19%	19%	20%	8%	5%	-	8%	4%

FY17/18 – Performance In A Glance

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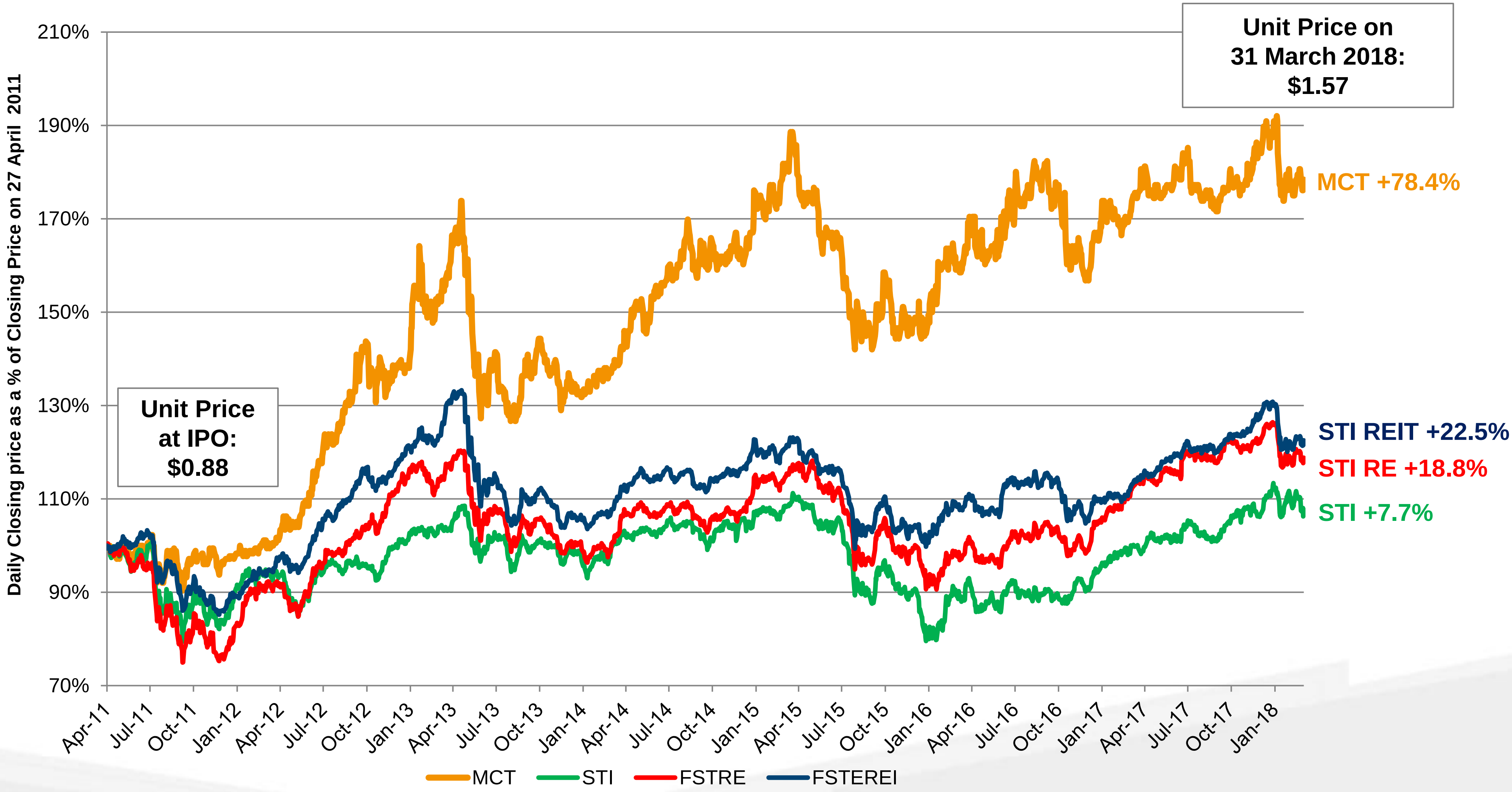
VivoCity	MBC I	PSA Building	Mapletree Anson	MLHF
				

Key Indicators	As at or for Financial Year ended 31 March 2017		As at or for Financial Year ended 31 March 2018
Gross Revenue (S$ million)	377.7	14.8%	433.5
NPI (S$ million)	292.3	15.9%	338.8
Income Available for Distribution (S$ million)	227.2	14.6%	260.4
DPU (Singapore cents)	8.62	4.9%	9.04
Market Capitalisation (S$ million)	4,393	2.9%	4,522
Investment Property Value (S$ million)	6,337	5.4%	6,682
Net Asset Value per Unit (S$)	1.38	8.0%	1.49
Gearing (%)	36.3	1.8 p.p.	34.5

MCT Unit Price Performance

(Relative Price Performance from MCT's Listing on 27 April 2011 to 31 March 2018)

Consistent and steady unit price performance since IPO



Total Returns to Unitholders

Track record in delivering steady total returns

Unit Price of S$1.57 as at 31 March 2018	**Since IPO**	**For FY17/18**
Capital Appreciation	78.4%[1]	2.6%[2]
Total Distributions Paid Out / Payable[3]	60.1%	5.9%
Total Returns	**138.5%**	**8.5%**

1. Based on closing unit price of S$1.57 as at 31 March 2018 compared against IPO unit price of S$0.88
2. Based on closing unit price of S$1.57 as at 31 March 2018, compared against closing unit price of S$1.53 as at 31 March 2017
3. Including 2.27 Singapore cents payable for 4Q FY17/18, adding up to 9.04 Singapore cents for FY17/18 and 52.92 Singapore cents since IPO

Distribution Details

Distribution Period	1 January 2018 – 31 March 2018
Distribution Amount	2.27 Singapore cents per unit

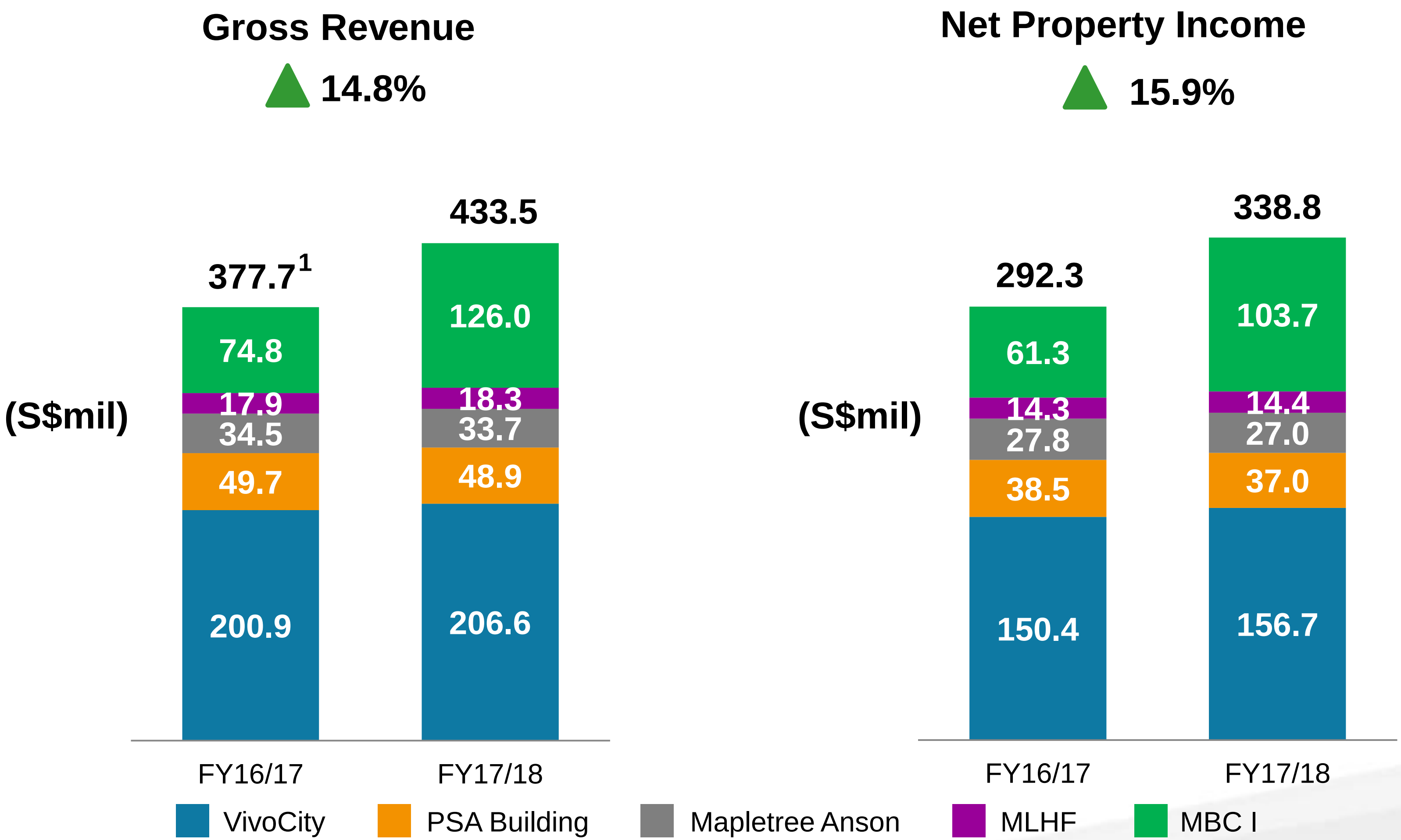
Distribution Timetable	
Notice of Books Closure Date	Tuesday, 24 April 2018
Last Day of Trading on “cum” Basis	Friday, 27 April 2018
Ex-Date	Monday, 30 April 2018
Books Closure Date	5:00 pm, Thursday, 3 May 2018
Distribution Payment Date	Thursday, 31 May 2018

Portfolio Updates

Mapletree Business City I

Portfolio Revenue and Net Property Income

Continued growth in gross revenue and NPI driven by full year contribution and step-up rents from MBC I, as well as higher contribution from VivoCity and MLHF



1. Total may not add up due to rounding differences

Portfolio Occupancy

Overall portfolio committed occupancy at 99.5%

	As at 31 March 2017	As at 31 December 2017	Occupancy as at 31 March 2018	
			Actual	Committed
VivoCity	99.0%	98.2%	93.1%[1]	99.8%
MBC I	99.0%	93.3%	99.4%	99.4%
PSA Building	98.3%	94.0%	96.1%	98.7%
Mapletree Anson	100.0%	92.9%	86.6%	100.0%
MLHF	79.2%	91.6%	100.0%	100.0%
MCT Portfolio	**97.9%**	**94.6%**	**96.1%**	**99.5%**

1. This actual occupancy is based on VivoCity's enlarged NLA of 1,077,191 square feet resulting from the added public library on Level 3 and bonus GFA (from the Community/Sports Facility Scheme) deployed to extend Basement 1. The additional NLA on Level 3 and Basement 1 has been fully committed but is currently undergoing fitting-out

FY17/18 Leasing Update

Achieved 0.6% portfolio rental reversion in FY17/18[1]

	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents[2]
Retail	107	77.0%	1.5%[3]
Office/Business Park	18	77.4%	-8.7%[4]
▪ Including replacement tenant for pre-terminated lease[1]	-	-	-0.7%
MCT Portfolio	**125**	**77.3%**	**-2.1%**
▪ Including replacement tenant for pre-terminated lease[1]	-	-	0.6%

1. Includes the effect of the replacement lease for ~104,000 square feet of pre-terminated space at MBC I (refer to the SP Variation Letter as disclosed in the Circular dated 5 July 2016) which was committed in 2Q FY17/18. The average fixed rent of the replacement lease is more than 20% higher than the expiring fixed rent of the pre-terminated lease
2. Based on the average of the fixed rents over the lease period of the new leases divided by the preceding fixed rents of the expiring leases. Replacement of pre-terminated tenants are typically not included in the calculation of rental reversions
3. Includes the effect from trade mix changes and units subdivided and/or amalgamated
4. Excluding MBC I, office portfolio rental uplift is -4.2%. MBC I's rent reversion is -11.4% and would be +0.7% if the effect of change in tenant for the pre-terminated space were included

Lease Expiry Profile (as at 31 March 2018)

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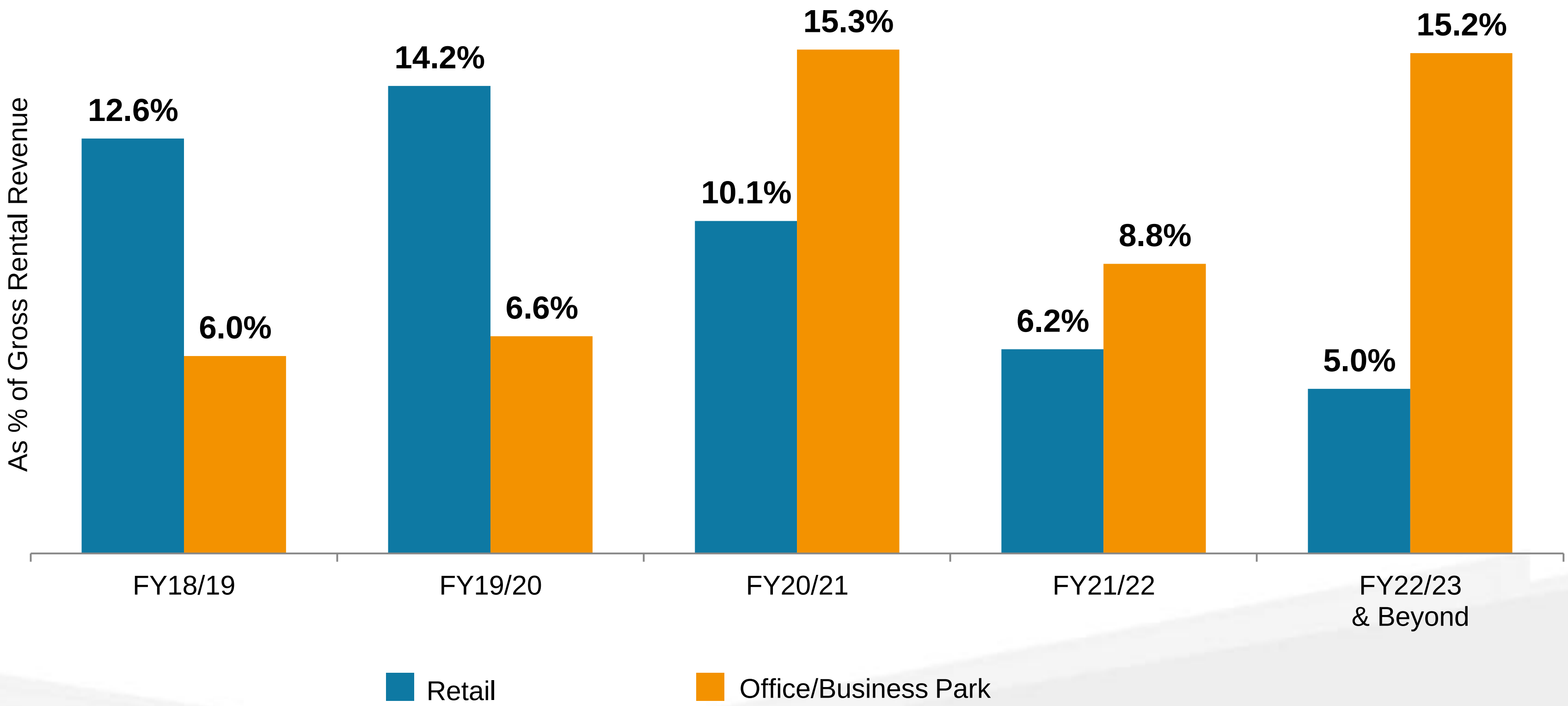
Portfolio resilience supported by manageable lease expiries

Portfolio WALE	2.7 years
Office/Business Park	3.2 years
Retail	2.1 years



Overall Top 10 Tenants

(by Gross Rental Revenue as at 31 March 2018)

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Top 10 tenants contributed 24.8% of gross rental revenue

	Tenant	% of Gross Rental Revenue
1	Merrill Lynch Global Services Pte. Ltd.	3.7%
2	The Hongkong and Shanghai Banking Corporation Limited / HSBC Bank (Singapore)	3.4%
3	Samsung Asia Pte. Ltd.	2.8%
4	Unilever Asia Pte Ltd / Unilever Singapore Pte. Limited	2.4%
5	SAP Asia Pte. Ltd.	2.4%
6	Cold Storage Singapore (1983) Pte Ltd	2.4%
7	Mapletree Investments Pte Ltd	2.0%
8	Info-Communication Media Development Authority	2.0%
9	BW Maritime Pte Ltd / BW Offshore Singapore Pte. Ltd.	1.9%
10	PSA Corporation Limited	1.8%
	MCT Portfolio	**24.8%**

Portfolio Tenant Trade Mix

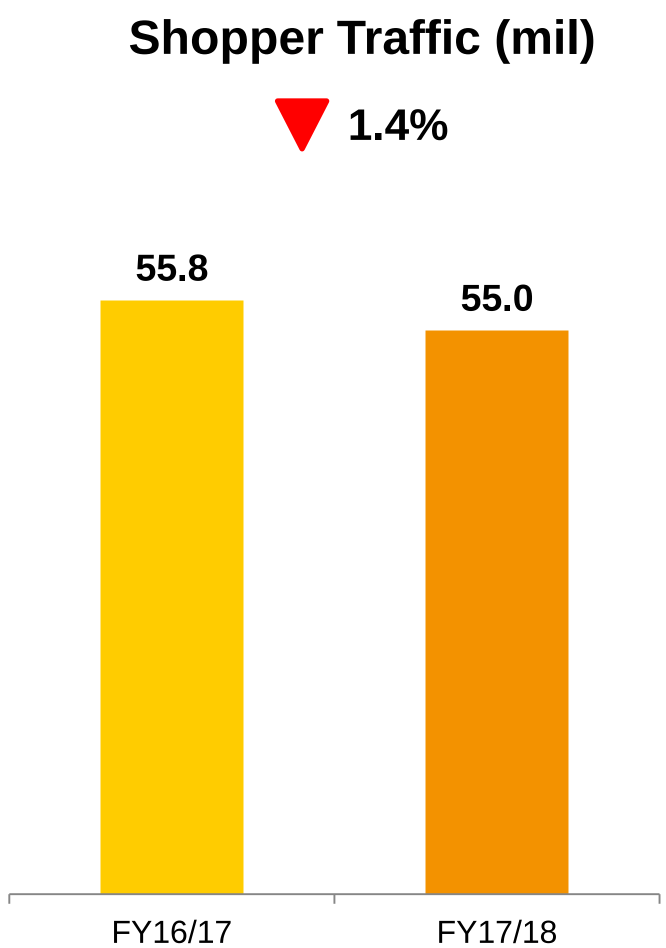
(by Gross Rental Revenue as at 31 March 2018)

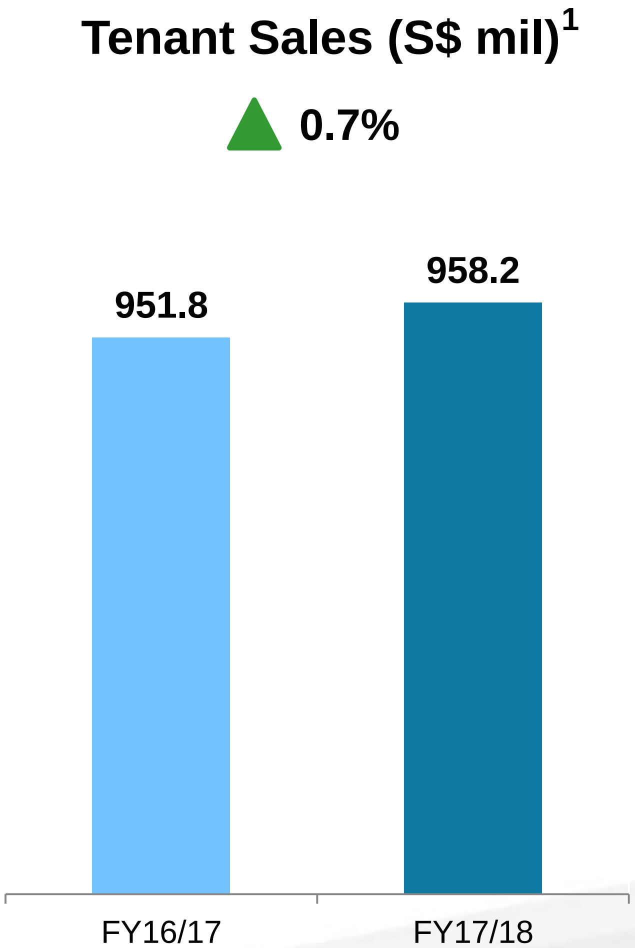
	Trade Mix	% of Gross Rental Income
1	Food & Beverage	16.0%
2	Banking & Financial Services	13.3%
3	Fashion	10.2%
4	Government Related	6.4%
5	Shipping Transport	5.6%
6	IT Services & Consultancy	5.1%
7	Fashion Related	5.0%
8	Departmental Store / Hypermart	4.6%
9	Electronics	4.3%
10	Consumer Goods	4.1%
11	Beauty	3.5%
12	Trading	3.3%
13	Lifestyle	2.5%
14	Real Estate	2.3%
15	Electronics – Retail	2.2%
16	Others[1]	11.9%[2]

1. Others includes Pharmaceutical, Sports, Energy, Entertainment, Retail Bank, Optical, Insurance, Education, Medical, Consumer Services, Services and Convenience
2. Total may not add up due to rounding differences

VivoCity – Shopper Traffic and Tenant Sales

VivoCity achieved record S$958.2 mil of sales in FY17/18, up 0.7% from the previous year
Resilient performance in light of strong FY16/17 and downtime from ongoing AEI





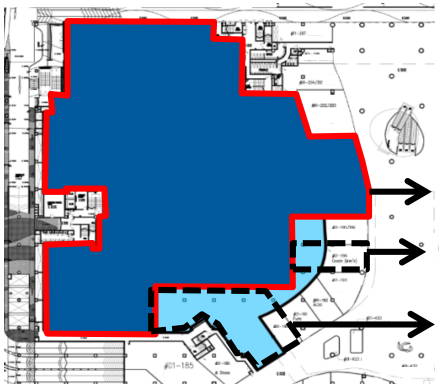
1. Includes estimates of tenant sales for a small portion of tenants

VivoCity – Completed AEI in FY17/18

Converted 9,200 square feet of lower to higher yielding spaces on Level 1 & 2

- Enhancement work started in March 2017 and fully completed in July 2017
- Stabilised ROI of approximately 29%[1]

Level 1 Floorplan

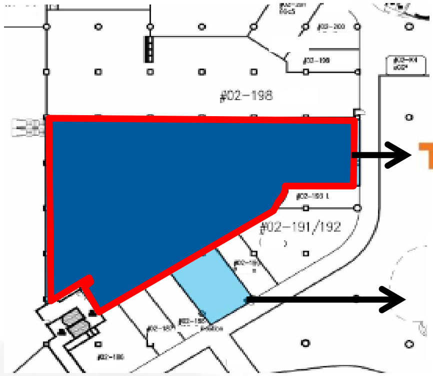


TANGS

Calvin Klein Jeans

Massimo Dutti

Level 2 Floorplan



TANGS

PAZZION Fabulously You

Tangs area effective from 1Q FY17/18

Areas recovered for re-configuration to specialty stores

Current Tenants Expanding

COACH EST. 1941 NEW YORK

THE DIAMOND ATELIER by Lee Hwa Jewellery

ALDO SHOES & ACCESSORIES

PAZZION Fabulously You

New-to-Mall Brands

Massimo Dutti

Calvin Klein Jeans

1. Based on capital expenditure of approximately S$3 mil

VivoCity – Completed AEI in FY17/18

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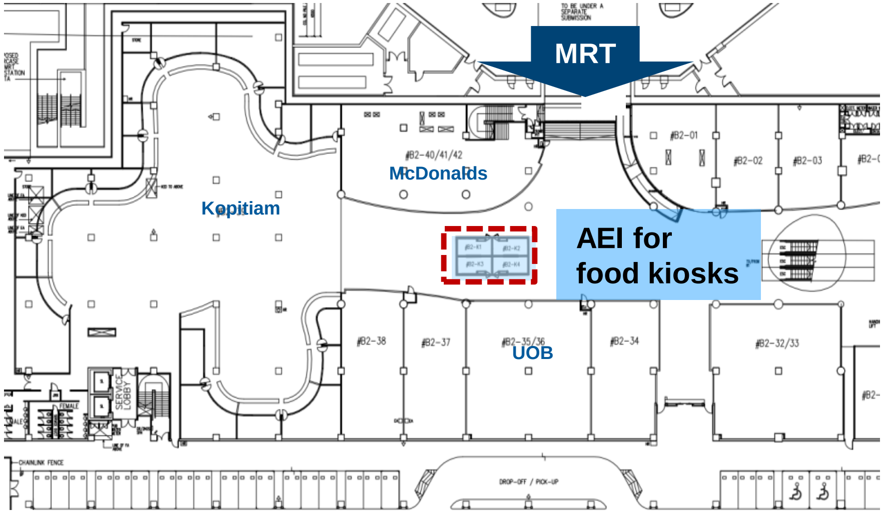
Improved line of sight for Basement 2 food kiosks

Basement 2 Floor plan



Food kiosks before AEI

Food kiosks after AEI

VivoCity – Ongoing AEI

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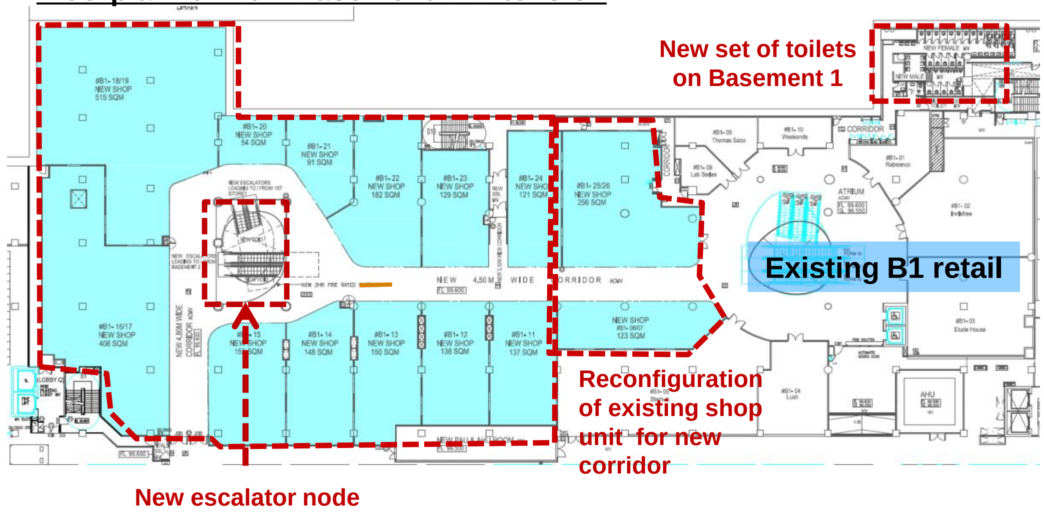
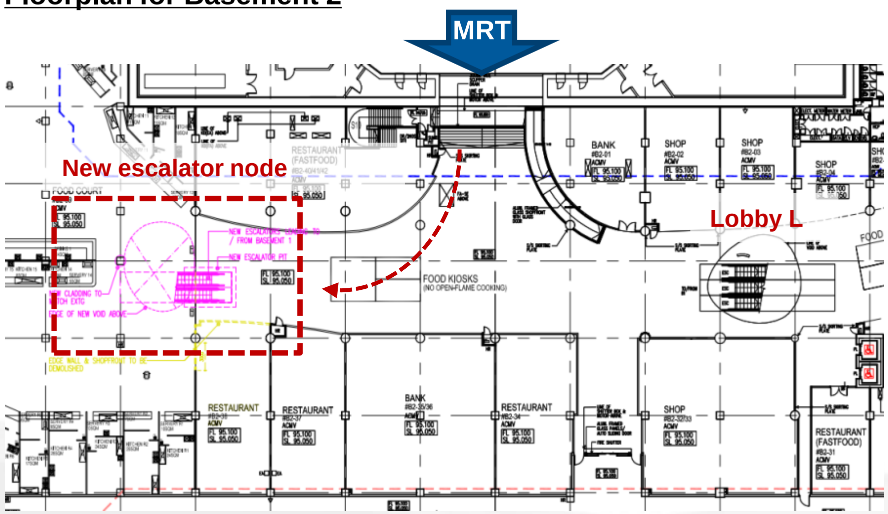
Adding a Public Library on Level 3 and extending Basement 1 with bonus GFA granted under the Community/Sports Facility Scheme

- Convert part of Level 3 to a 3,000 square metre public library
- Bonus GFA to extend Basement 1 by adding over 24,000 square feet of contiguous retail space
- Further strengthens VivoCity's positioning and offerings while promoting repeated visitorship
- Enhance connectivity with additional escalator node

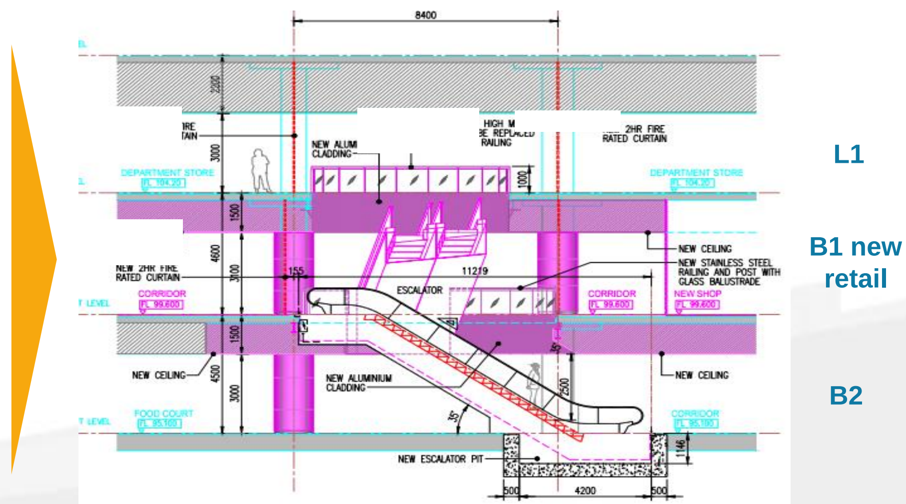
Floorplan for New Basement 1 Extension



Floorplan for Basement 2



Side Elevation of New Escalator from Basement 2 to Level 1



VivoCity – Ongoing AEI (cont'd)

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Augment existing Lifestyle and Athleisure offerings with Basement 1 extension

- Basement 1 extension fully committed with exciting lifestyle and athleisure offerings
- Entire AEI to deliver ROI of approximately 10% on a stabilised basis[1]
- AEI in progress and on track for completion in phases by 3Q FY18/19

New Offerings at Basement 1 Extension

adidas
adidas
FILA
mi
POPULAR
NEW ERA
SPECTACLE HUT
SINGAPORE'S PREMIER SOCCER STORE WESTON CORP

Artist's impression of new B1 extension
Perspective from new corridor

Artist's impression of new B1 extension
Perspective from new corridor

1. Based on currently estimated capital expenditure of approximately S$16 mil. This includes expenditure for related works such as addition of escalator and carpark deck, installation of solar panels on new carpark shelter and various M&E upgrading works

VivoCity – Enlarged Entertainment Offering

Timezone expanded 80% in size to become its flagship gaming arcade in Singapore

- Timezone relocated from Level 3 to Level 2, and expanded 80% in size to ~11,800 square feet
- New flagship arcade fully operational in 4Q FY17/18
- Includes exciting new attractions such as bumper cars, bowling alleys and party room

VivoCity – Expansion of Zara

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Accommodating the establishment of Zara's largest concept store in Singapore

- VivoCity's size enables the expansion of Zara from ~16,000 square feet to ~33,000 square feet
- To become Zara's largest store in Singapore with a complete collection for women, men and children
- Further defines VivoCity's positioning as key destination mall
- Expansion work commenced in 4Q FY17/18 and is targeted for completion by 1Q FY18/19

Outlook

VivoCity

Outlook

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Singapore Economy

- The Singapore economy grew 4.3% year-on-year in the first quarter of 2018, higher than the 3.6% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded 1.4%, a moderation from the 2.1% growth in the fourth quarter.

Retail

- According to CBRE, there is growing optimism in the retail sector, which is supported by an improving economic outlook and job market, robust growth in tourist arrivals, and an increase in retail sales.
- Moving forward, the retail market is expected to benefit from stronger economic fundamentals. However, rental recovery will remain selective and will not be felt evenly across all malls.

Office

- Higher leasing volume together with a declining supply pipeline contributed to a 3.2% quarter-on-quarter increase in Grade A Core CBD rents in Q1 2018.
- The medium term outlook for rents is positive given tapering future supply as new office developments garner healthy pre-commitments. On the demand end, there are selective signs of improving business confidence including those from the banking and professional services sectors.

Sources: Singapore’s Ministry of Trade and Industry Press Release, 13 April 2018 and CBRE MarketView Singapore 1Q 2018

Outlook

Office (cont'd)

- The technology and flexible space operators had been supporting new office demand in recent years and continue to exhibit strong expansionary appetite. However, it remains to be seen how long this can continue given recent consolidation and M&A activities.

Business Park

- Growing divergence between the two tiers of the business parks continued to be the key theme in the start of 2018. The City Fringe submarket saw an increase in rents for the third consecutive quarter while rents for the Rest of Island submarket remained at the same level.
- Business parks in the City Fringe submarket should see rental growth as vacancy tightens further on the back of demand for modern spaces by technology and financial services companies. Comparatively, fundamental quality issues mean relatively dimmer prospects for the Rest of Island submarket in the foreseeable future.

Overall

- MCT's portfolio has remained relatively resilient amid market headwinds. We will continue our proactive asset management effort and focus on retaining quality tenants to maintain overall portfolio stability.





Thank You

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