



Annual General Meeting

19 April 2016

Important Notice

This presentation shall be read in conjunction with OUE Commercial REIT's Financial Results announcement for 4Q 2015 dated 26 January 2016.

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Investors should note that they will have no right to request the Manager to redeem or purchase their Units while the Units are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

- Overview
- Financial Performance
- Capital Management
- Portfolio Performance
- Outlook

About OUE Commercial REIT

- OUE C-REIT's principal investment strategy is to invest in income-producing real estate which is used primarily for commercial purposes in financial and business hubs in key gateway cities

- With a total assets-under-management of approximately S\$3.4 billion as at 31 December 2015, OUE C-REIT's portfolio comprises
 - **OUE Bayfront**, a premium Grade A office building located at Collyer Quay between the Marina Bay downtown and Raffles Place in Singapore;
 - **One Raffles Place**, an integrated commercial development comprising two Grade A office towers and a retail mall located in the heart of the Singapore's central business district at Raffles Place; and
 - **Lippo Plaza**, a Grade A commercial building located in Huangpu, one of Shanghai's established core CBD locations

Premium Portfolio of Assets

OUE Bayfront



Located at Collyer Quay in Singapore's CBD, comprising:

- **OUE Bayfront** : 18-storey premium office building with rooftop restaurant premises
- **OUE Tower** : conserved tower building with panoramic views of the Marina Bay landscape which is currently occupied by a fine dining restaurant
- **OUE Link** : link bridge with retail shops

OUE Bayfront	
GFA (sq m)	46,774.6
NLA (sq m)	Office : 35,334.5 Retail : 1,830.1 Overall : 37,164.6
Committed Occupancy as at 31 Dec 2015	Office : 98.2% Retail : 100.0% Overall : 98.3%
Number of Car Park Lots	245
Valuation (as at 31 Dec 2015)	S\$1,146.0m / S\$2,865 psf
Land Use Right Expiry	OUE Bayfront & OUE Tower : 99 yrs from 12 November 2007 OUE Link : 15 yrs from 26 March 2010 Underpass : 99 yrs from 7 Jan 2002
Completion Year	2011

Premium Portfolio of Assets

One Raffles Place



- Located at Raffles Place in the heart of Singapore's CBD comprising:
 - **Tower 1** : 62-storey Grade A office with rooftop restaurant and observation deck
 - **Tower 2** : 38-storey Grade A office completed in 2012
 - **One Raffles Place Shopping Mall** : six-storey retail podium which is the largest purpose-built mall in Raffles Place
 - OUE C-REIT has a 67.95% effective stake

One Raffles Place	
GFA (sq m)	119,626.2
Attributable NLA (sq m)	Office (Tower 1) : 28,890.7 Office (Tower 2) : 27,061.8 Retail : 9,500.2 Overall : 65,452.7
Committed Occupancy as at 31 Dec 2015	Office (Tower 1) : 87.2% Office (Tower 2) : 93.2% Retail : 96.1% Overall : 91.1%
Number of Car Park Lots	326
Valuation⁽¹⁾ (as at 31 Dec 2015)	S\$1,734.0m / S\$2,461 psf
Land Use Right Expiry	Office Tower 1 : 841 yrs from 1 Nov 1985 Office Tower 2 : 99 yrs from 26 May 1983 Retail : ~75% of NLA is on 99 yrs from 1 Nov 1985
Completion Year	Office Tower 1 : 1986 Office Tower 2 : 2012 Retail (major refurbishment) : 2014

(1) Based on OUB Centre Limited's 81.54% interest in One Raffles Place. OUE C-REIT has an 83.33% indirect interest in OUB Centre Limited held via its wholly-owned subsidiaries

Premium Portfolio of Assets

Lippo Plaza



- Located on Huaihai Zhong Road within the Huangpu district in the Puxi area of downtown Shanghai
- Grade-A 36 storey commercial building with a three-storey retail podium and basement carpark
- OUE C-REIT has 91.2% strata ownership of Lippo Plaza

Lippo Plaza	
GFA (sq m)	58,521.5
Attributable NLA (sq m)	Office: 33,538.6 Retail: 5,685.9 Overall: 39,224.5
Committed Occupancy as at 31 December 2015	Office : 99.2% Retail : 77.7% Overall : 96.0%
Number of Car Park Lots	168
Valuation⁽¹⁾ (as at 31 Dec 2015)	RMB2,401.0m / RMB41,028 psm (S\$523.2m / S\$8,940 psm) ⁽²⁾
Land Use Right Expiry	50 yrs from 2 July 1994
Completion Year	1999

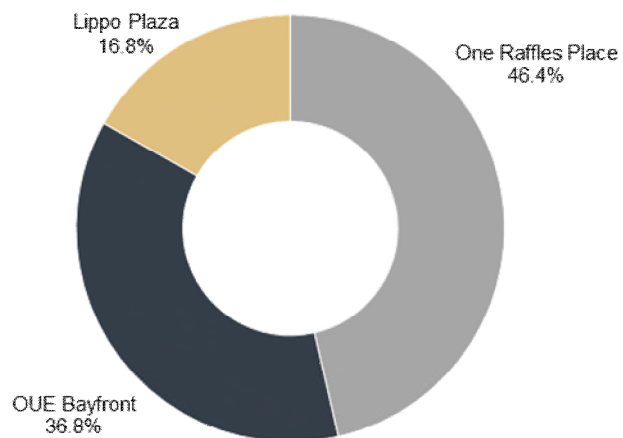
(1) Based on 91.2% strata ownership of Lippo Plaza

(2) Based on SGD:CNY exchange rate of 1 : 4.589 as at 31 December 2015

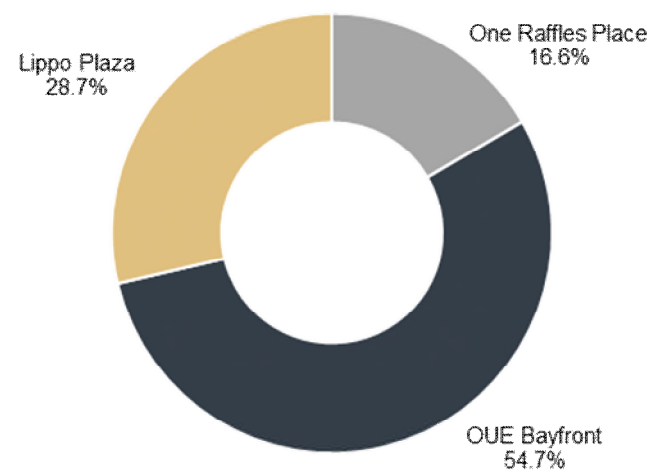
Portfolio Composition

Enhanced diversification of OUE C-REIT's portfolio post completion of the acquisition of One Raffles Place on 8 October 2015

By Asset Value⁽¹⁾



By Revenue Contribution⁽²⁾



(1) Based on OUE C-REIT's proportionate interest in One Raffles Place

(2) For FY2015 and based on OUE C-REIT's attributable interest in One Raffles Place from acquisition completion date of 8 October 2015 to 31 December 2015

Financial Performance & Capital Management



FY2015 vs Prior Period and FY 2014

	FY2015	Prior Period ⁽¹⁾	Change	FY 2014 ⁽²⁾	Change
Gross Revenue (S\$m)	101.0	71.5	+41.2%	77.0	+31.2%
Net Property Income (S\$m)	75.6	53.8	+40.5%	58.0	+30.5%
Amount Available for Distribution (S\$m)	56.1 ⁽³⁾	45.9	+22.2%	49.4	+13.5%
DPU (cents)	4.38 ⁽³⁾	3.63 ⁽⁴⁾	+20.7%	-	-

- FY2015 gross revenue was 31.2% higher than FY2014 due to contribution from One Raffles Place from October 2015, as well as better performance at OUE Bayfront and Lippo Plaza
- Property operating expenses were higher due to the inclusion of One Raffles Place's results. This was partially offset by lower utility expenses at OUE Bayfront, and lower maintenance costs at OUE Bayfront and Lippo Plaza. As a result, net property income was 30.5% higher YoY
- Finance costs were higher in FY2015 due to higher amount of loans outstanding as additional loans were drawn to part-finance the acquisition of One Raffles Place, as well as higher interest rates during the year
- Consequently, FY2015 amount available for distribution was 13.5% higher than FY2014

(1) Prior Period relates to the period from Listing Date of 27 January 2014 to 30 December 2014

(2) For a meaningful comparison of FY2015 performance against the prior corresponding period, FY2014 figures were extrapolated from the Prior Period

(3) Includes a one-off distribution of capital return of S\$1.3 million in relation to certain expenses which are non-tax deductible from a tax perspective. Excluding this one-off distribution, DPU would be 4.28 cents

(4) Restated to include the 393,305,817 new Units issued on 4 August 2015 at an issue price of S\$0.555 per Unit pursuant to the rights issue. This DPU is presented for comparison purposes only. The actual Prior Period DPU was 5.27 cents

FY2015 vs FY2014 (Excluding One Raffles Place)

	FY2015 Ex-ORP ⁽¹⁾	FY2014 ⁽²⁾	Change
Gross Revenue (S\$m)	81.6	77.0	+5.9%
Net Property Income (S\$m)	62.0	58.0	+6.9%
Amount Available for Distribution (S\$m)	51.2	49.4	+3.6%

- FY2015 ex-ORP⁽¹⁾ gross revenue was 5.9% higher YoY, due to higher other property-related income from OUE Bayfront and Lippo Plaza
- Net property income was 6.9% higher YoY due to higher gross revenue, as well as lower utility expenses at OUE Bayfront and lower maintenance expenses at both properties
- The outperformance in net property income was partially offset by higher finance costs arising from higher interest rates in FY2015
- As a result, amount available for distribution from the IPO portfolio increased by 3.6% YoY. This is 6.0% higher than the IPO forecast for FY2015 of S\$48.3 million

(1) For a meaningful comparison of the year-on-year performance of the IPO portfolio which comprises OUE Bayfront and Lippo Plaza, contribution from One Raffles Place was excluded from FY2015 figures

(2) For a meaningful comparison of the year-on-year performance of the IPO portfolio which comprises OUE Bayfront and Lippo Plaza, FY2014 figures were extrapolated from the prior period which relates to the period from listing date of 27 January 2014 to 31 December 2014

4Q 2015 - Actual vs Circular Forecast

	Actual	Circular Forecast ⁽¹⁾	Change
Gross Revenue (S\$m)	40.3	38.7	+4.2%
Net Property Income (S\$m)	29.7	27.8	+6.6%
Amount Available for Distribution (S\$m)	17.6⁽²⁾	14.6	+21.1%
DPU (cents)	1.36⁽²⁾	1.13	+20.4%

- 4Q 2015 gross revenue was 4.2% higher than Circular Forecast due to better performance at all three properties
- Net property income was 6.6% higher than Circular Forecast due to higher gross revenue, and lower utilities expenses at OUE Bayfront and One Raffles Place
- Amount available for distribution in 4Q 2015 of S\$17.6 million exceeded Circular Forecast by 21.1% due to higher net property income, augmented by lower than expected finance expenses

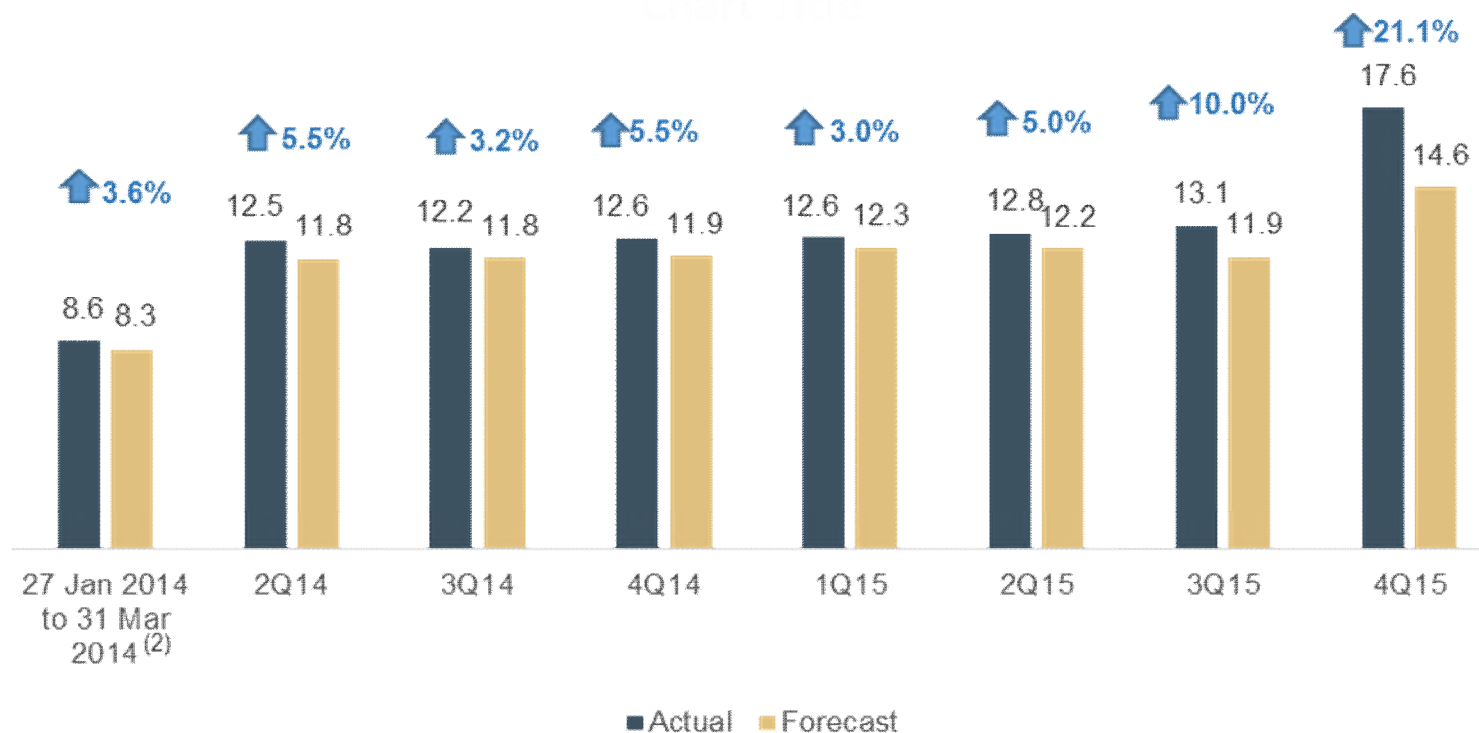
(1) The Circular Forecast was derived by pro-rating the Forecast Statement of Total Return (Scenario B) as disclosed in the Circular

(2) Includes a one-off distribution of capital return of S\$1.3 million in relation to certain expenses which are non-tax deductible from a tax perspective. Excluding this one-off distribution, DPU would be 1.26 cents

Consistently Outperformed Forecast since Listing

Distribution has exceeded Forecast⁽¹⁾ for eight consecutive quarters since IPO

Actual vs Forecast Distribution To Unitholders (\$m)



(1) For the quarterly periods from 27 January 2014 to 30 September 2015, Forecast was derived from the "Forecast for 2014" and "Projection for 2015" as disclosed in the IPO prospectus dated 17 January 2014. For 4Q 2015, Forecast was derived by pro-rating the Forecast Statement of Total Return (Scenario B) as disclosed in the Circular

(2) Period commencing from OUE C-REIT's Listing Date of 27 January 2014 to 31 March 2014

Valuation as at 31 Dec 2015

Valuation of initial portfolio increased 2.4% due to improved rental performance

	Valuation ⁽¹⁾ as at 31 December 2014 (S\$ m)	Valuation ⁽²⁾ as at 31 December 2015 (S\$ m)	Office Cap Rate
OUE Bayfront	1,135.0	1,146.0	3.80%
One Raffles Place ⁽³⁾	-	1,734.0	3.75% - 4.25%
Lippo Plaza	495.6 (RMB 2,340.0 m)	523.2 (RMB 2,401.0 m)	N.A. ⁽⁴⁾

(1) Based on independent valuations as at 31 December 2014 and SGD:CNY exchange rate of 1:4.721

(2) Based on independent valuations as at 31 December 2015 and SGD:CNY exchange rate of 1:4.589

(3) Based on OUB Centre's 81.54% interest in One Raffles Place. OUE C-REIT has an 83.33% indirect interest in OUB Centre Limited held via its wholly-owned subsidiaries

(4) Not applicable. Valuation of Lippo Plaza was conducted based on Discounted Cashflow methodology only

Capital Management

- Proportion of fixed rate borrowings increased to about 72.3% in 2016. Average cost of debt is expected to increase to 3.48% p.a.
- Every 25bps increase in floating interest rates is expected to reduce distribution by S\$0.9 million, or 0.07 cents in DPU

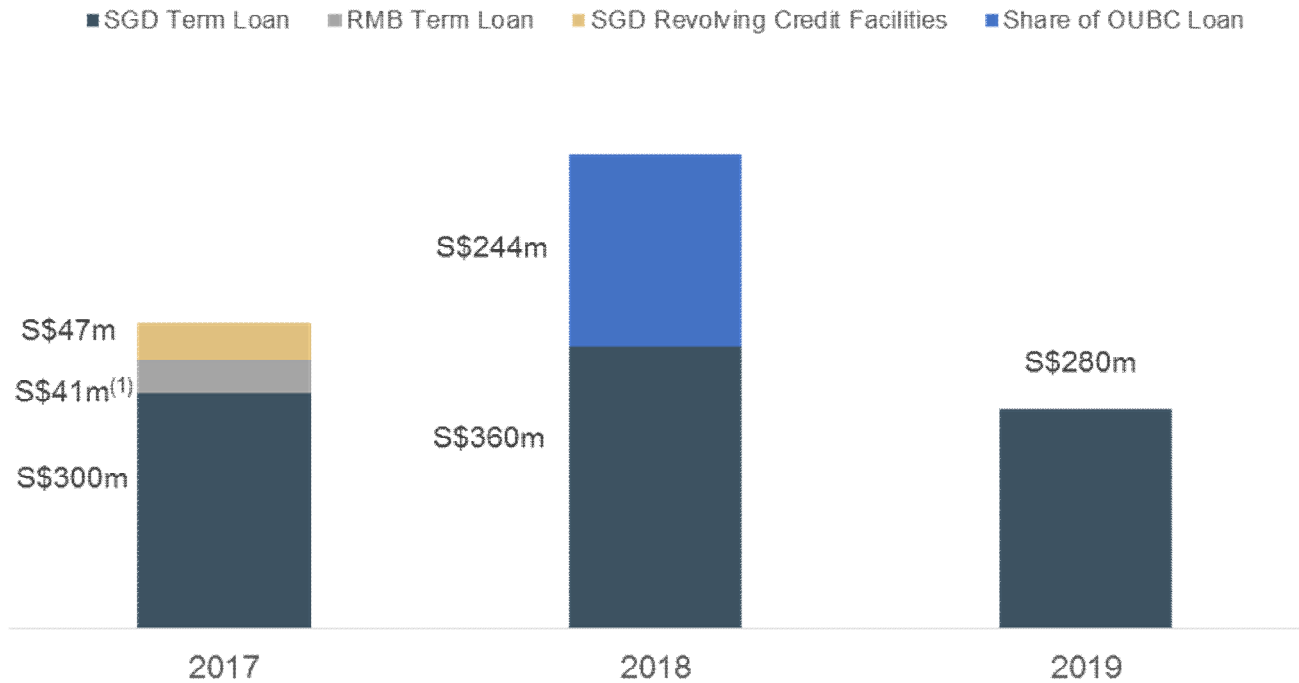
	As at 31 Dec 2014	As at 31 Dec 2015
Aggregate Leverage	38.3%	40.1%
Total debt	S\$644m ⁽¹⁾ comprising - S\$580m - RMB304m	S\$1,272m ⁽²⁾ comprising - S\$1,231m - RMB189m
Average cost of debt⁽³⁾	2.81% p.a.	3.45% p.a.
Average term of debt	2.95 years	2.31 years
% fixed rate debt	73.6%	63.8%
Average term of fixed rate debt	3.2 years	3.2 years
Interest service ratio	3.9x	3.7x

(1) Based on SGD:CNY exchange rate of 1:4.721 as at 31 December 2014

(2) Based on SGD:CNY exchange rate of 1:4.589 as at 31 December 2015 and includes OUE C-REIT's share of OUBC's loan

(3) Including amortisation of debt establishment costs

Debt Maturity Profile as at 31 Dec 2015



No refinancing requirement in 2016

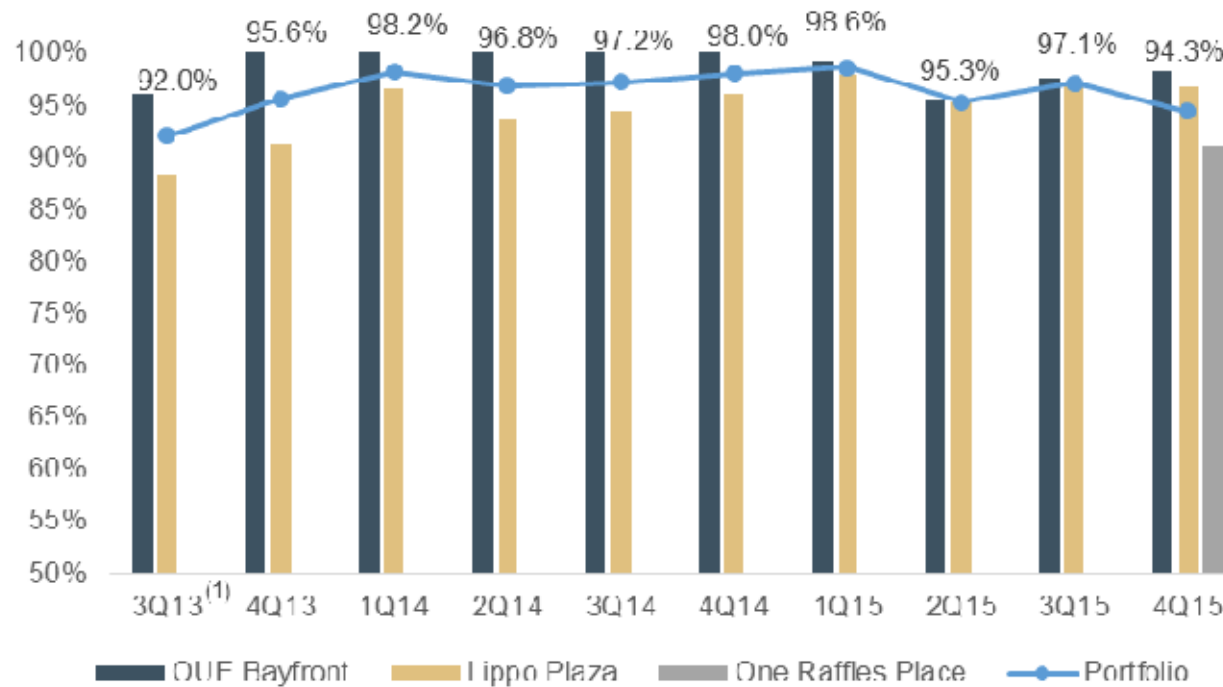
(1) Based on SGD:CNY exchange rate of 1:4.589

Portfolio Performance



Resilient and Steady Portfolio

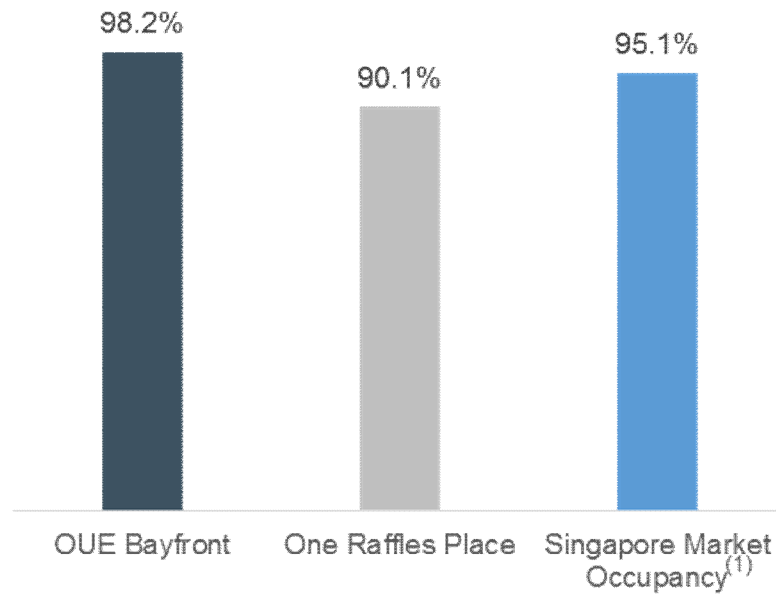
OUE C-REIT's Portfolio Committed Occupancy



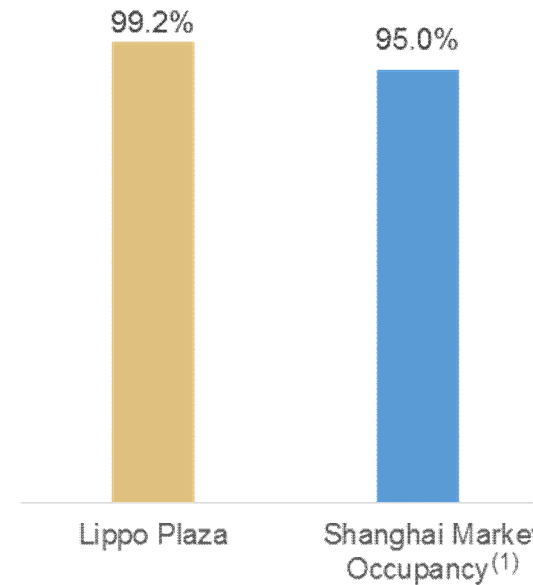
(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

Office Occupancy In Line with Market

Singapore



Shanghai



(1) Singapore Market Occupancy refers to Core CBD office occupancy for 4Q 2015 according to CBRE Research. Shanghai Market Occupancy refers to Shanghai Grade A office occupancy for 4Q 2015 according to Colliers International Shanghai

Increasing Office Rental Rates

	FY2015 Rental Reversions	Average Office Passing Rent		
		Dec 2015	Dec 2014	At IPO ⁽¹⁾
OUE Bayfront	23.4%	S\$11.75 psf/mth	S\$11.38 psf/mth	S\$10.40 psf/mth
One Raffles Place	15.7% ⁽²⁾	S\$10.26 psf/mth	-	-
Lippo Plaza	10.5%	RMB9.45 psm/day (S\$5.84 psf/mth ⁽³⁾)	RMB9.35 psm/day (S\$5.78 psf/mth ⁽³⁾)	RMB9.06 psm/day (S\$5.60 psf/mth ⁽³⁾)

- Full impact of FY2015 rent reversions will be reflected in 2016
- OUE Bayfront's average office passing rent increased by 13.0% since IPO
- Lippo Plaza's average office passing rents for increased by 4.3% since IPO

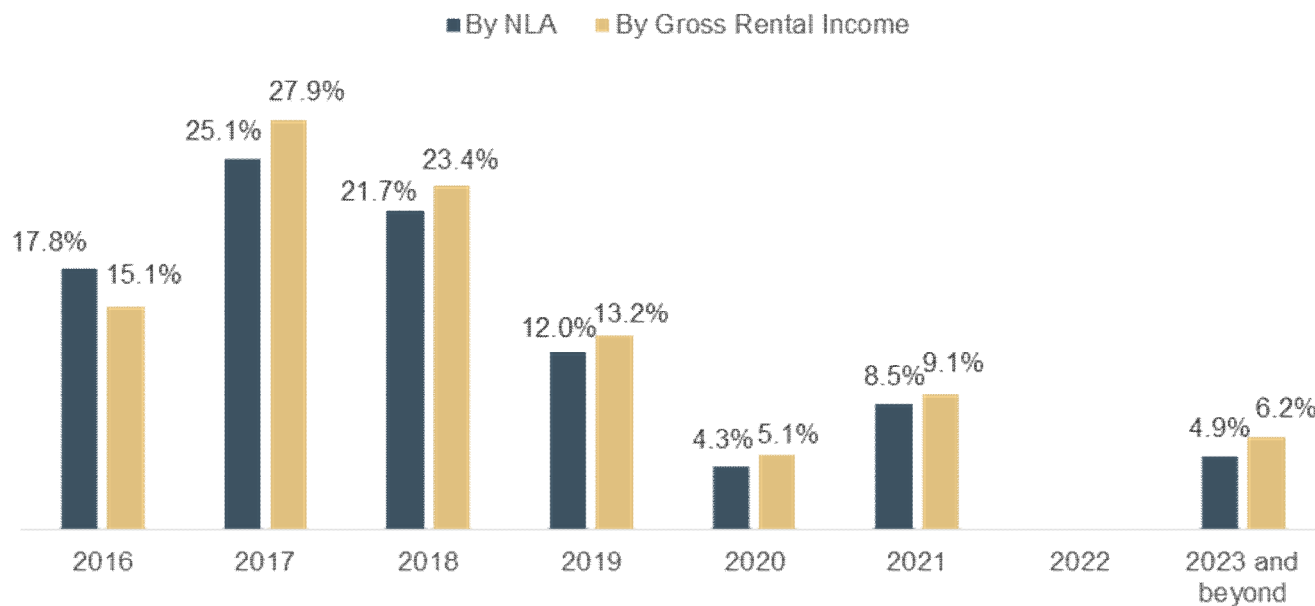
(1) For the month of September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

(2) OUE C-REIT acquired an indirect interest in One Raffles Place on 8 October 2015. Figures for FY2015 are shown for comparison purposes

(3) Based on SGD:CNY exchange rate of 1:4.572

Portfolio Lease Expiry Profile

- Proactively secured renewals and new leases for more than 25% of portfolio leases due in 2016
- Reduced OUE C-REIT’s gross rental income due for renewal in 2016 to 15.1% as at 31 December 2015



WALE⁽¹⁾ of 2.7 years by NLA⁽²⁾ and 2.9 years by Gross Rental Income

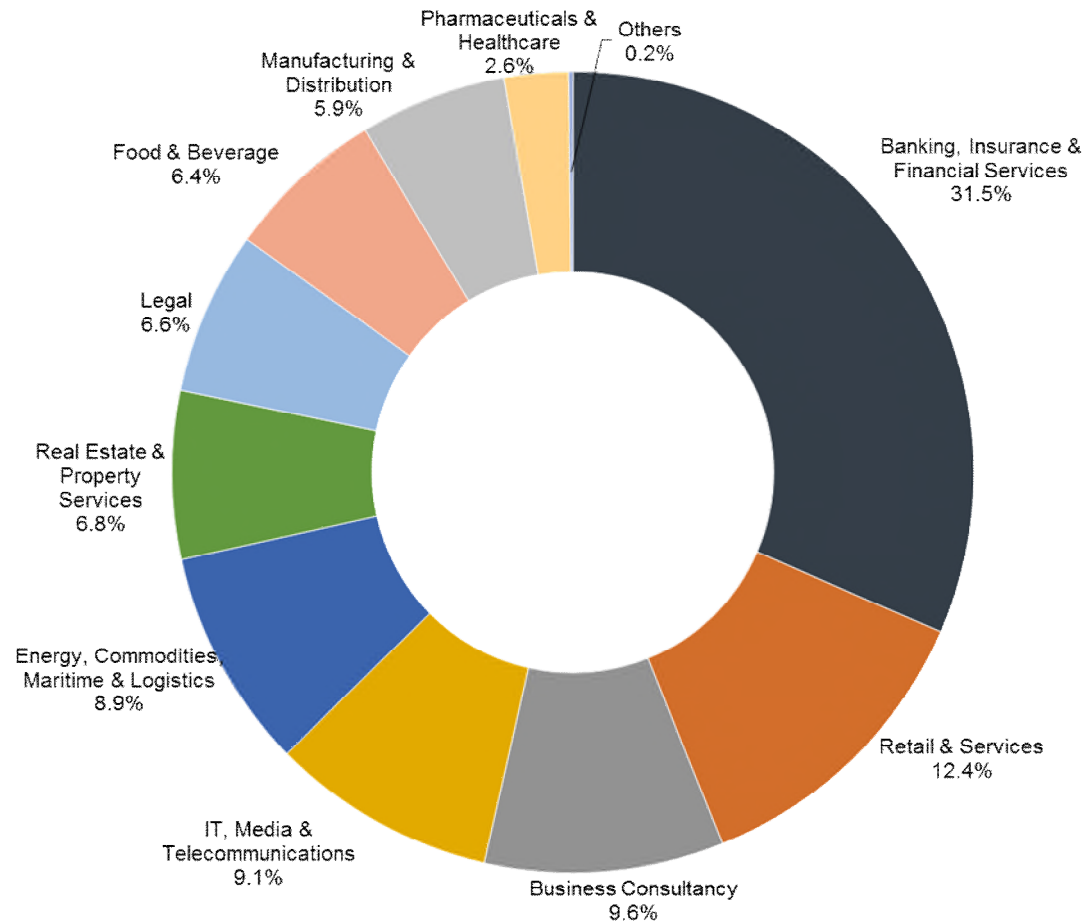
As at 31 December 2015

(1) “WALE” refers to the weighted average lease term to expiry

(2) “NLA” refers to net lettable area

Diversified Tenant Base

Portfolio exposure to the Banking, Insurance & Financial Services sector reduced to 31.5%, from 37.3%⁽²⁾ prior to the acquisition of One Raffles Place

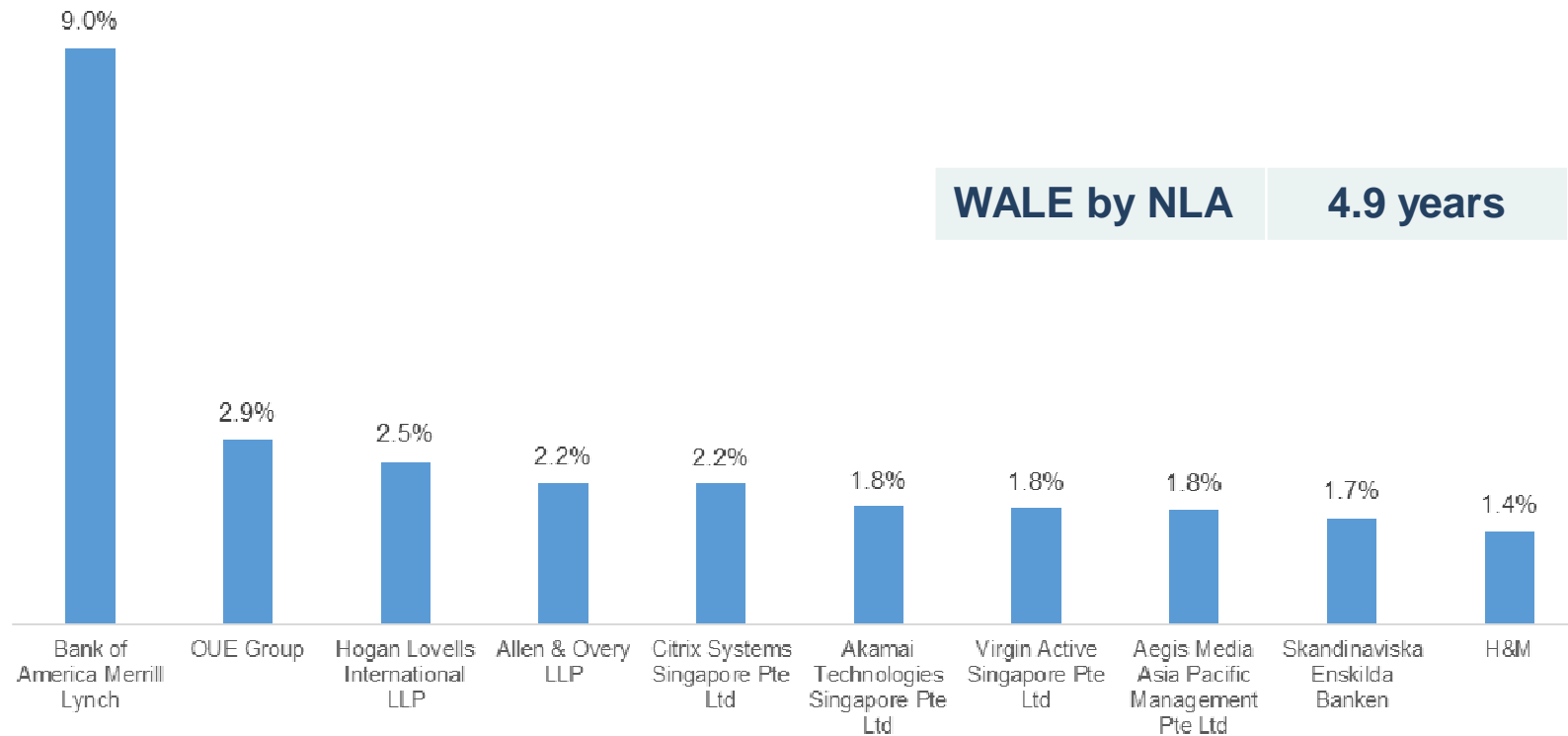


By gross rental income for month of December 2015

(1) As disclosed in OUE C-REIT's 3Q 2015 results presentation

Top 10 Tenants

Top 10 tenants contribute approximately 27.3% of gross rental income, down from 46.4%⁽¹⁾ prior to the acquisition of One Raffles Place



As at 31 December 2015

(1) As disclosed in OUE C-REIT's 3Q 2015 results presentation



Asset Enhancement Initiatives

Asset Enhancement Initiatives - Lippo Plaza

Commenced works on :

- ✓ Upgrading of lift lobbies
- ✓ Revitalising and refreshing of common corridors and restrooms

Before



After



Upgrading of lift lobbies

Asset Enhancement Initiatives - Lippo Plaza

Before



After



Refreshing of common corridor areas

Asset Enhancement Initiatives - Lippo Plaza

Before



After



Upgrading of restrooms

Summary



Summary

- Strategically located, landmark commercial properties in Singapore and Shanghai
- Stable and resilient portfolio with high occupancy
- Continue to deliver on portfolio performance for OUE Bayfront and Lippo Plaza
 - ✓ Enhance operating performance of One Raffles Place
- Significant potential acquisition pipeline from Right of First Refusal over the Sponsor's income-producing properties
 - ✓ Leverage on the Sponsor's industry experience, network and expertise in assessing potential acquisition opportunities



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Thank you