



Mapletree Commercial Trust

1Q FY16/17 Financial Results

26 July 2016

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Agenda

- Key Highlights
- Financial Performance
- Portfolio Update
- Outlook

1Q FY16/17 Key Highlights







- Gross Revenue and Net Property Income (“NPI”) for 1Q FY16/17¹ grew 5.2% and 3.7% from 1Q FY15/16²
- Distribution per Unit (“DPU”) for 1Q FY16/17 was 2.03 Singapore cents, up 1.0% year-on-year
- VivoCity Basement 2 asset enhancement works on track for completion
- Obtained unitholders’ approval for the proposed acquisition of Mapletree Business City (Phase 1) (the “Property”) on 25 July 2016
- The acquisition of the Property is expected to be DPU accretive

1. The period from 1 April 2016 to 30 June 2016, referred to as 1Q FY16/17
 2. The period from 1 April 2015 to 30 June 2015, referred to as 1Q FY15/16

Financial Performance



1Q FY16/17 Financial Scorecard

S\$'000 unless otherwise stated	1Q FY16/17	1Q FY15/16 ¹	Change
Gross Revenue	73,377	69,727	 5.2 %
Property Operating Expenses	(17,093)	(15,463)	 10.5% ²
Net Property Income	56,284	54,264	 3.7%
Net Finance Costs	(10,630)	(9,461)	 12.4% ³
Income Available for Distribution	43,446	42,536	 2.1%
Distribution per Unit (cents)	2.03	2.01	 1.0%

1. The period from 1 April 2015 to 30 June 2015, referred to as 1Q FY15/16

2. Due largely to higher staff costs, operations and property maintenance expenses and higher advertising and promotion expenses and one-off and non-recurring adjustments made in 1Q FY15/16

3. Due mainly to higher fixed debt ratio achieved in the quarter and higher rates on interest rates swaps ("IRS") executed to replace expired IRS

Balance Sheet

S\$'000 unless otherwise stated	As at 30 Jun 2016	As at 31 Mar 2016
Investment Properties	4,343,675	4,341,800
Other Assets	90,749	73,379
Total Assets	4,434,424	4,415,179
Borrowings	1,561,114	1,551,519
Other Liabilities	112,155	99,684
Net Assets	2,761,155	2,763,976
Units in Issue ('000)	2,134,251	2,130,003
Net Asset Value per Unit (S\$)	1.29¹	1.30

1. Net asset value per unit dropped marginally by \$0.004 from \$1.298 per unit (as at 31 March 2016) to \$1.294 per unit (as at 30 June 2016) due partly to mark-to-market fair value loss of certain interest rate swaps executed to hedge floating rate borrowings to fixed rate debt and partly to increased in number of units in issue

Key Financial Indicators

	As at 30 Jun 2016	As at 31 Mar 2016
Total Debt Outstanding	S\$1,550.5 mil	S\$1,550.5 mil
% Fixed Debt	77.9%	73.8%
Gearing Ratio	35.0%¹	35.1%
Interest Coverage Ratio (YTD)	4.8 times	5.0 times
Average Term to Maturity of Debt	3.7 years	3.4 years
Weighted Average All-In Cost of Debt (p.a.)	2.73%²	2.52%³
Unencumbered Assets as % of Total Assets	100%	100%
MCT Corporate Rating (by Moody's)	Baa1⁴	Baa1

1. Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to total net assets is 56.2%

2. Annualised based on the quarter ended 30 June 2016

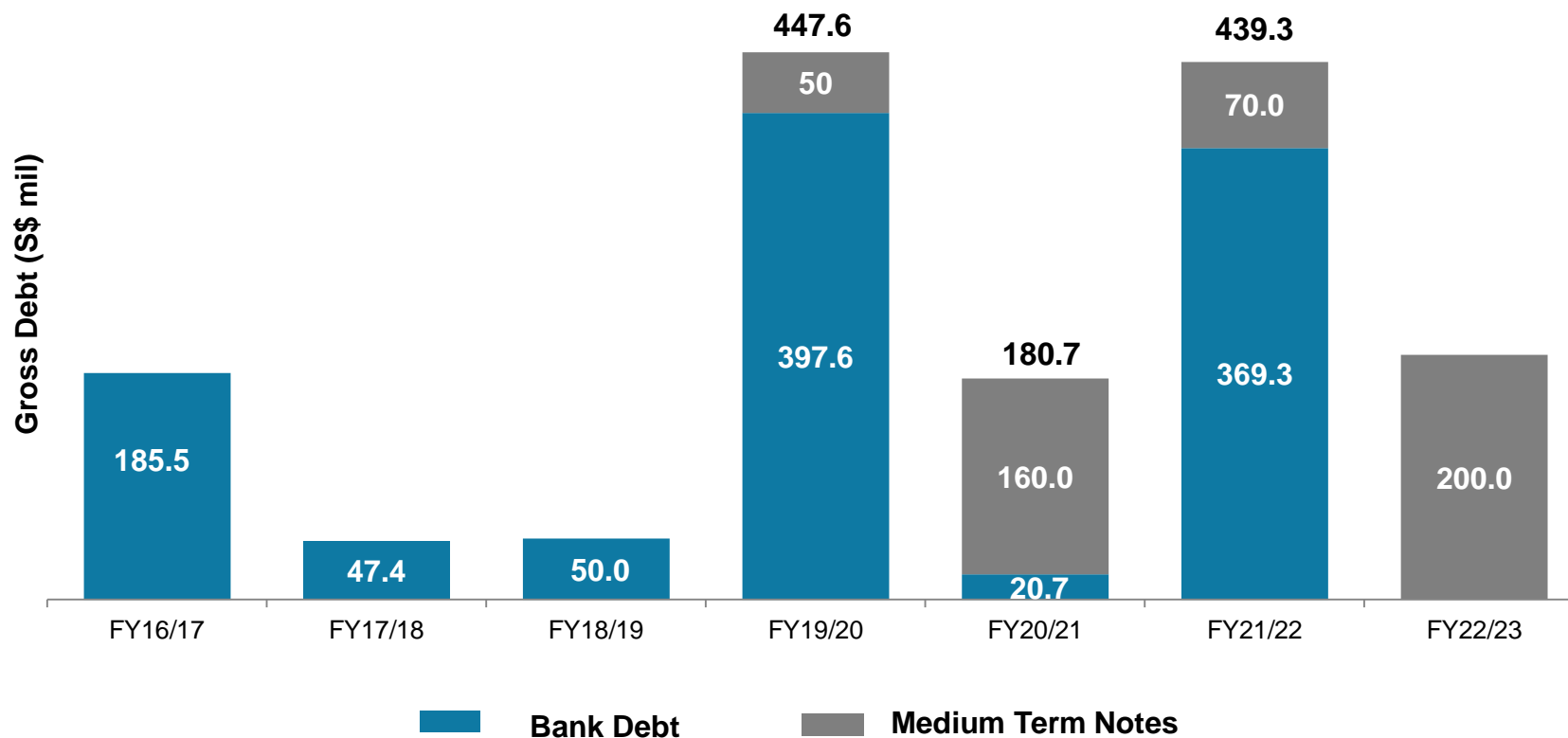
3. For the year ended 31 March 2016

4. Re-affirmed by Moody's Investor Service on 5 July 2016 after MCT's announcement on the proposed acquisition of Mapletree Business City (Phase 1)

Debt Expiry Profile

(as at 30 June 2016)

Total gross debt: S\$1,550.5 million



Percentage of Total Debt	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23
	12%	3%	3%	29%	12%	28%	13%

Distribution Details

Distribution Period	1 April 2016 – 30 June 2016
Distribution Amount	2.03 cents per unit

Distribution Timetable

Notice of Books Closure Date	Tuesday, 26 July 2016
Last Day of Trading on “cum” Basis	Friday, 29 July 2016
Ex-Date	Monday, 1 August 2016
Books Closure Date	5:00 pm, Wednesday, 3 August 2016
Distribution Payment Date	Monday, 29 August 2016

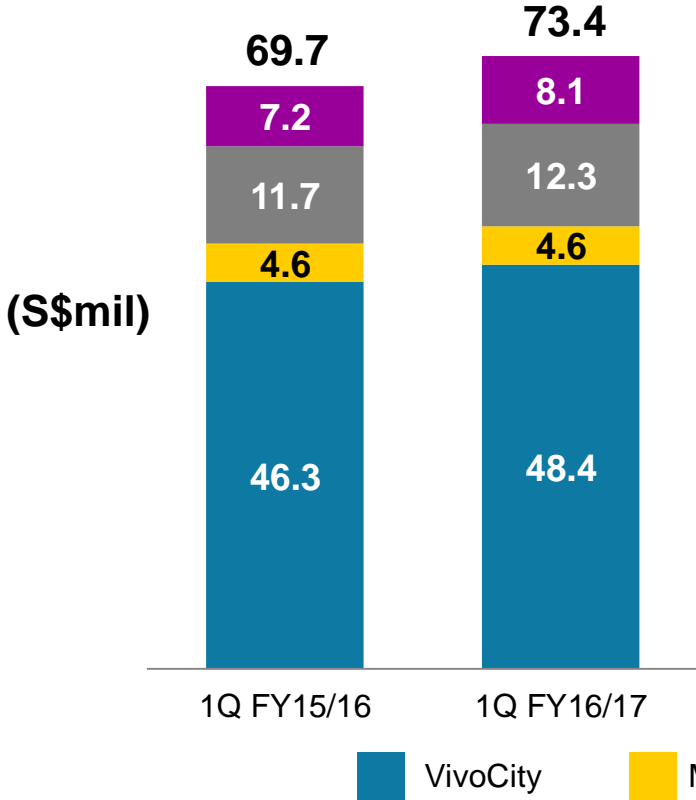


Portfolio Highlights

Portfolio Revenue and Net Property Income

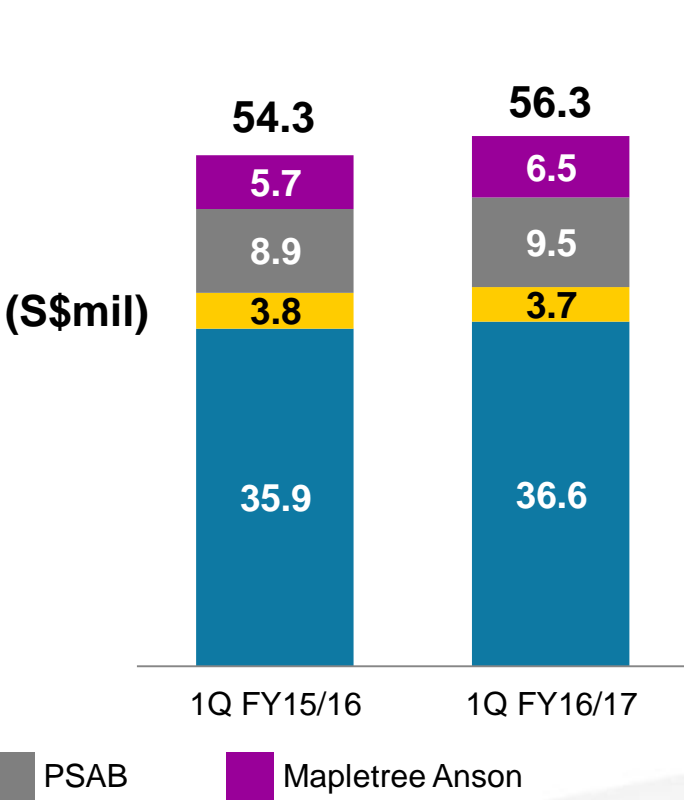
Gross Revenue

▲ 5.2%



Net Property Income

▲ 3.7%



Note: Total may not add up due to rounding differences

Portfolio Occupancy

	As at 31 Mar 2016	As at 30 Jun 2016
VivoCity	99.6%	98.9% ¹
MLHF	100.0%	100.0%
PSA Building	92.8% ²	96.5% ²
Mapletree Anson	91.0% ³	94.7% ³
MCT Portfolio	96.6%	97.8%

1. Due to AEI and fitting out works in the mall. Committed occupancy for VivoCity is 99.9%
2. Committed occupancy for PSA Building is 98.5%
3. Committed occupancy for Mapletree Anson is 100%

1Q FY16/17 Leasing Update

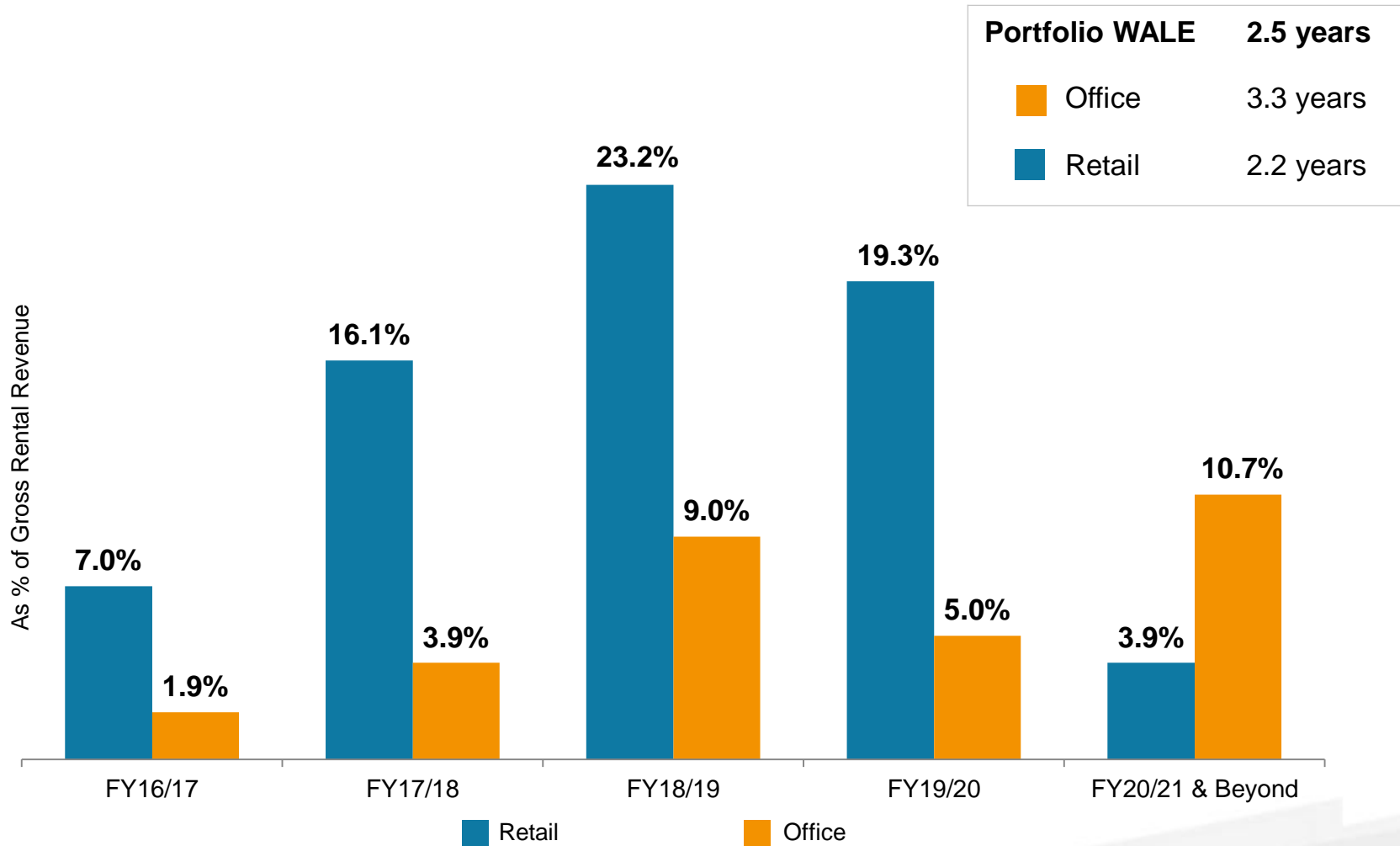
FY16/17 leasing status

	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents ¹
Retail	93	94.3%	12.0% ²
Office	12	80.8%	14.0%

1. Based on average of the fixed rents over the lease period of the new leases divided by the preceding fixed rents of the expiring leases
2. Includes the effect from trade mix changes and units subdivided and/or amalgamated

Lease Expiry Profile

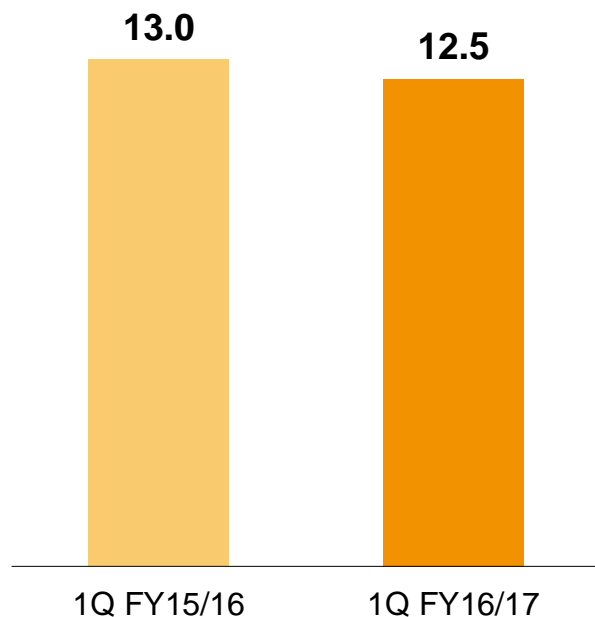
(As at 30 Jun 2016)



VivoCity – Shopper Traffic and Tenant Sales

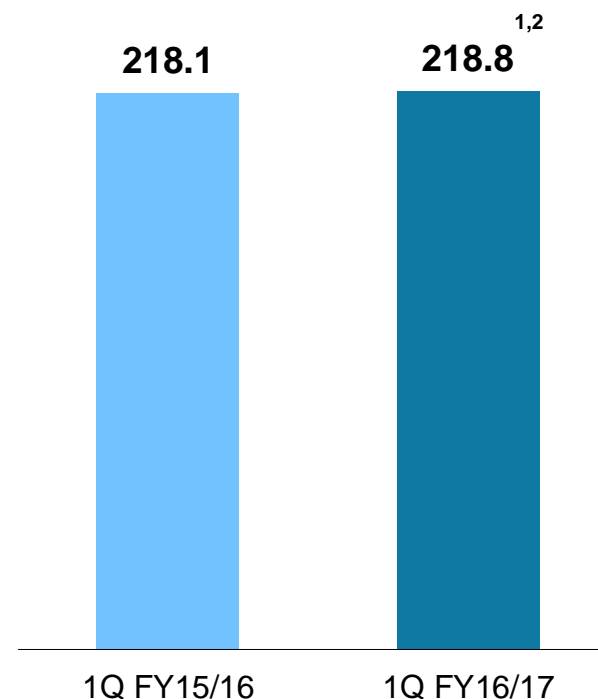
Shopper Traffic (million)

▼ 3.6%



Tenant Sales (\$ million)

▲ 0.3%



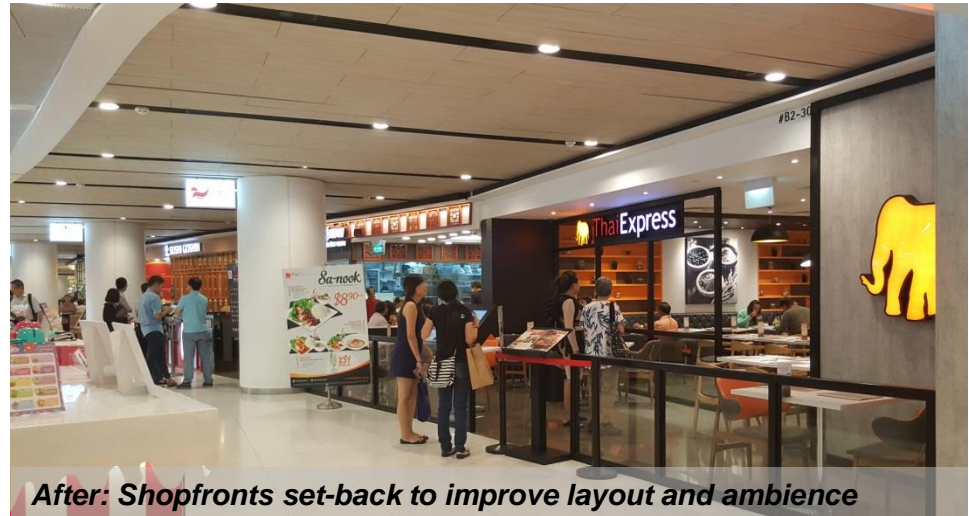
1. Includes estimates of Tenant Sales for a small portion of tenants
2. Includes effect of tenants relocated during the AEI works and undergoing fit-out in 1Q FY16/17

On Track for Completion by end July 2016

- Improved layout through redesigning kiosks and circulation space
- Wider F&B offerings, including introduction of 18 new-to-mall kiosks and outlets
 - Total kiosks increased from 13 to 21, with full commitment
 - F&B kiosks and outlets progressively opened from April 2016
- Also includes enhancement on space utilisation on the mall's upper levels
- Estimated ROI in excess of about 20% on a stabilised basis



Before asset enhancement works



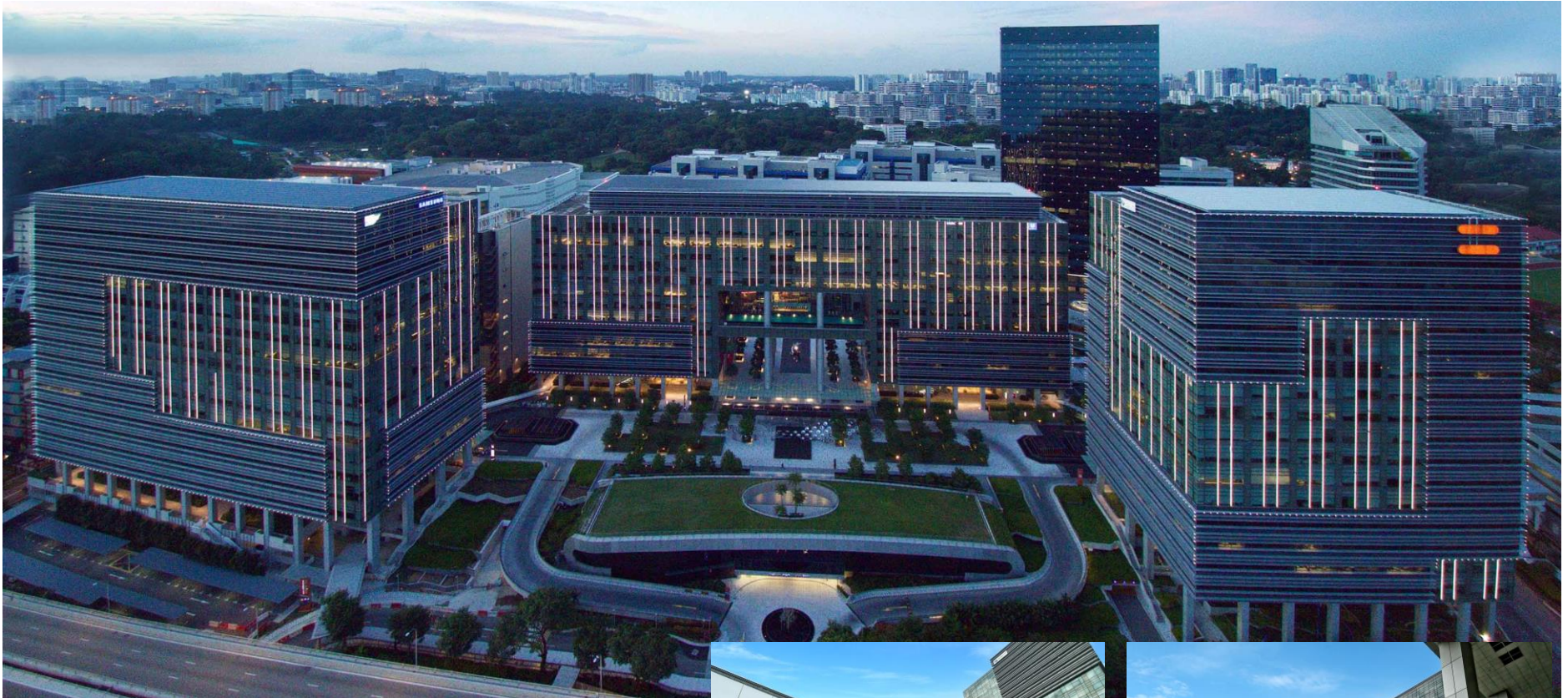
After: Shopfronts set-back to improve layout and ambience



After : Wider variety of F&B offerings with 18 new-to-mall kiosks and F&B outlets

Unitholders Approved Acquisition of Office & Business Park Components of Mapletree Business City 1 (the “MBC Property”)

MCT's Second Acquisition Since IPO



- ✓ Premier office and business park space
- ✓ Grade A building specifications
- ✓ Strong and diverse tenant base
- ✓ High occupancy rates
- ✓ Purchase Consideration : S\$1,780 million

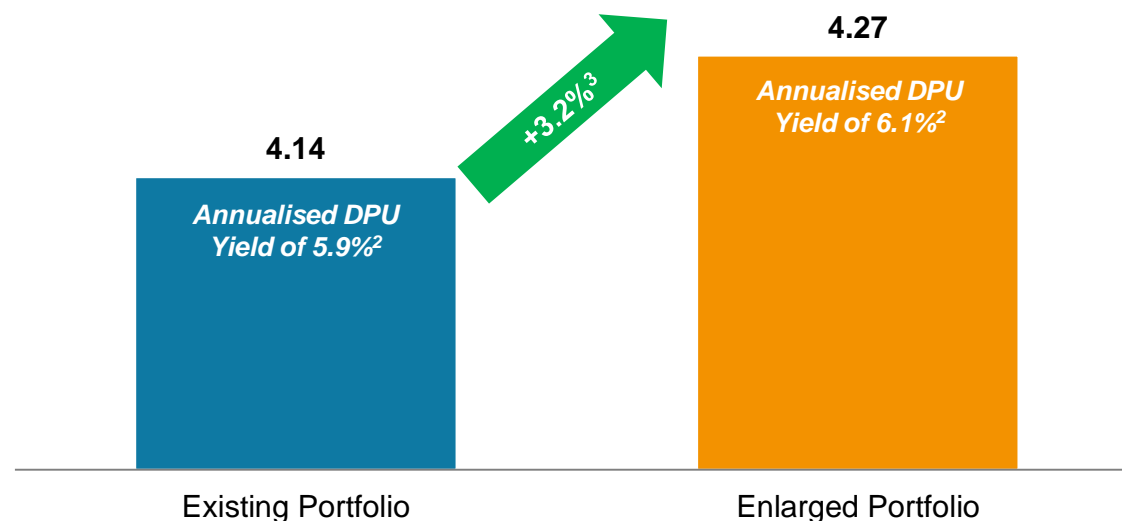


Positive Accretion Without Income Support

DPU for the Forecast Period (Singapore cents)¹

(6-month period from 1 October 2016 to 31 March 2017)

- Assuming cost of debt of 3.25% per annum
- Based on an Illustrative Issue Price of S\$1.40



- **Assuming the current low interest rate environment holds**

- Every 0.25% savings in cost of debt is expected to improve DPU accretion by approximately 0.9%

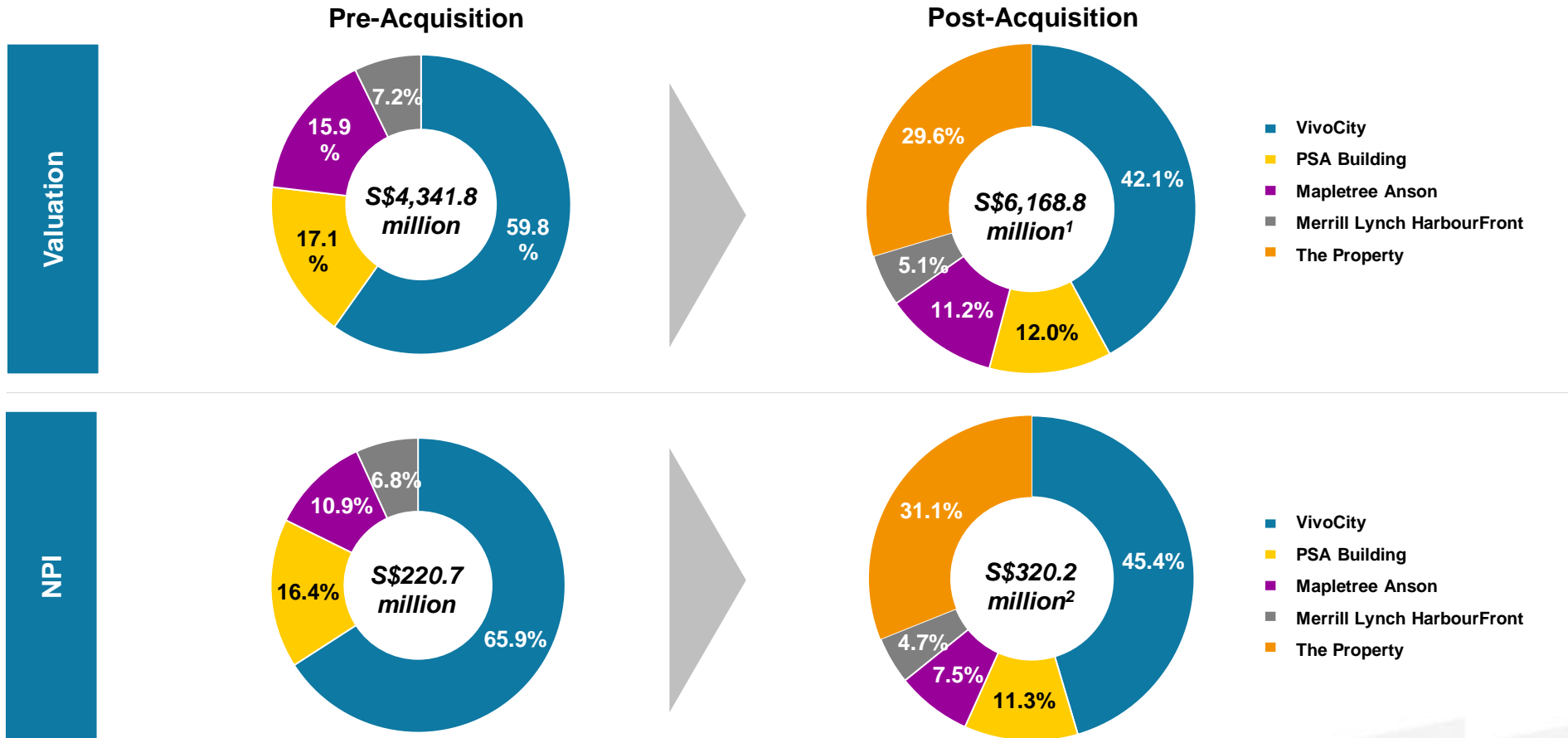
- **Depending on the eventual Issue Price**

- Every 5 cents increase in Issue Price is expected to improve DPU accretion by approximately 0.9%

1. Assuming a drawdown of S\$860.0 million from the Loan Facilities, gross proceeds of S\$989.6 million raised from the Equity Fund Raising, the issuance of the New Units and Acquisition Fee Units at the Illustrative Issue Price of S\$1.40, the issue date of the New Units and Acquisition Fee Units is 1 October 2016, and completion of the Acquisition on 1 October 2016
2. Based on the Illustrative Issue Price of S\$1.40. The annualised DPU for the Forecast Period may not reflect actual performance over a one-year period
3. Accretion based on actual numbers and does not take into account the impact from rounding

Impact on the Enlarged Portfolio Post Acquisition

Increased Diversification by Asset Class & Reduced Concentration by Property



1. As disclosed in the Circular dated 5 July 2016. Based on the valuation of the Existing Portfolio as at 31 March 2016 and the average of the independent valuations by DTZ and Knight Frank for the Property as at 31 May 2016
2. As disclosed in the Circular dated 5 July 2016. Based on FY2015/16 pro forma

Outlook



The Coffee Bean & Tea Leaf.

Outlook

Singapore economy

- The Singapore economy grew by 2.2% year-on-year in the second quarter of 2016, marginally higher than the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded 0.8%, faster than the preceding quarter's 0.2%¹.

Retail

- According to CBRE, occupier demand continued to remain weak as the market is undergoing structural changes. More retailers were observed to exit the market and to rightsize their operations in Q2 2016.
- Prime rents in the Orchard Road and Suburban sub-markets continued to decline in Q2 2016 at 1.1% and 0.7% respectively on a quarter-on-quarter basis, as more landlords had forward renewed leases to maintain occupancy levels.
- On the whole, challenges remain for the wider retail market as weak retail sales continue to be the main drag on demand, which is expected to persist in the medium term.

1. Based on Ministry of Trade and Industry's advanced GDP estimates

Outlook

Office

- Global economic concerns continued to dampen Singapore's business outlook. This in turn affected the performance of the office market as it recorded a fourth consecutive quarter of negative absorption.
- The increase in leasing activity observed in Q2 2016 was largely bolstered by “flight to quality” as occupiers taking advantage of attractive leasing terms for new developments. Such relocations were from older generation buildings and will result in some secondary vacancies.
- Vacancy levels are expected to rise over the next six to nine months with the physical completions of several new developments. CBRE expects further rental declines as developers of new buildings have been proactively structuring new pre-leasing deals with intensifying competition.

Overall

- MCT's existing properties are expected to remain resilient, supported by VivoCity's healthy performance in a challenging wider retail market and manageable expiries in its office portfolio in the next 12 months.
- The acquisition of the MBC Property is a strategic addition to MCT's portfolio. Together with VivoCity, both properties will contribute a substantial portion of MCT's NPI.



Thank You

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