



# CapitaLand Commercial Trust

## Singapore's First Commercial REIT

### Second Quarter 2016 Financial Results

Wednesday, 20 July 2016



# Important Notice

**This presentation shall be read in conjunction with CCT's 2Q 2016 Unaudited Financial Statement Announcement.**

The past performance of CCT is not indicative of the future performance of CCT. Similarly, the past performance of CapitaLand Commercial Trust Management Limited, the manager of CCT is not indicative of the future performance of the Manager.

The value of units in CCT (CCT Units) and the income derived from them may fall as well as rise. The CCT Units are not obligations of, deposits in, or guaranteed by, the CCT Manager. An investment in the CCT Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the CCT Manager redeem or purchase their CCT Units while the CCT Units are listed. It is intended that holders of the CCT Units may only deal in their CCT Units through trading on Singapore Exchange Securities Trading Limited (SGX-ST). Listing of the CCT Units on the SGX-ST does not guarantee a liquid market for the CCT Units.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the CCT Manager on future events.



# Contents

	Slide No.
1. Highlights	04
2. Financial Results and Proactive Capital Management	11
3. Portfolio Value Creation	21
4. Singapore Office Market	32
5. Summary	36
6. Additional Information	41

\*Any discrepancies in the tables and charts between the listed figures and totals thereof are due to rounding.



A low-angle photograph of the Capital Tower in Singapore, showing its distinctive tiered structure and glass facade against a blue sky with scattered white clouds. The tower's design features a series of horizontal setbacks and a top section with a more complex, grid-like pattern.

# 1. Highlights

Capital Tower, Singapore



# CCT: Resilient performance

2Q 2016 distributable income

**S\$65.1 mil ▲ 1.0% YoY**

2Q 2016 DPU

**2.20 cents ▲ 0.5% YoY**

1H 2016 distributable income

**S\$129.9 mil ▲ 2.2% YoY**

1H 2016 DPU

**4.39 cents ▲ 1.9% YoY**

Investment properties value  
as at 30 Jun 2016

**S\$7,509.4 mil**  
**0.4% ▲ from 31 Dec 2015**

Deposited properties  
as at 30 Jun 2016

**S\$7,787.8 mil**  
**0.9% ▲ from 31 Dec 2015**

**Note:**

(1) Estimated DPU for 2Q and 1H 2016 were computed on the basis that none of the convertible bonds due Sep 2017 (CB 2017) is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of CB 2017 is converted into CCT units. The current conversion price of CB 2017 is S\$1.4816.

Assuming all the outstanding S\$175.0 million CB 2017 were converted on or before books closure date, DPU for 2Q 2016 and 1H 2016 would be reduced by 0.08 cents and 0.16 cents respectively (assuming no interest expense savings).





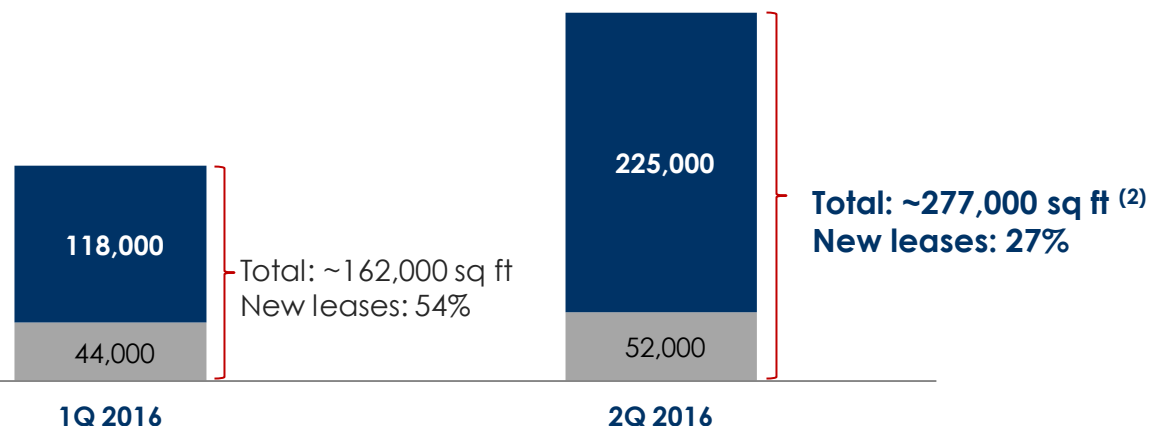
# Positive portfolio leasing activities for CCT

## New leases and renewals (sq ft)

■ Retail leases ■ Office leases

**CCT portfolio committed occupancy as at 30 Jun 2016** **97.2%**

**Core CBD market occupancy<sup>(1)</sup>** **95.1%**



- New and renewed tenants in 2Q 2016 include:

Tenant	Trade Sector	Building
Economic Development Board	Government	Raffles City Tower
The Korea Development Bank	Banking	CapitaGreen
Freemont Capital Pte. Ltd.	Financial Services	Six Battery Road
General Mills Singapore Pte. Ltd.	Manufacturing and Distribution	Capital Tower
Sea Hub Energy Pte. Ltd.	Maritime and Logistics	Capital Tower
Invictus Asset Management Pte. Ltd.	Financial Services	One George Street

Notes:

(1) Source: CBRE MarketView 2Q 2016

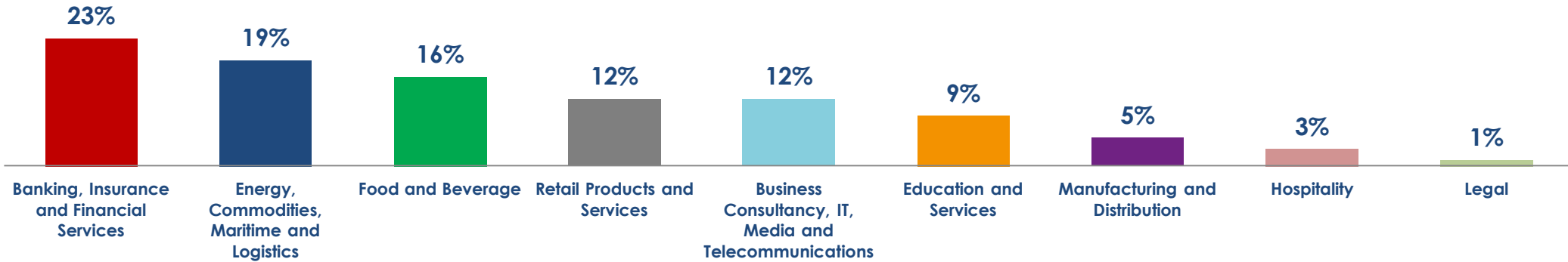
(2) Include forward renewal of leases due in 2017





# New demand in CCT's portfolio mainly supported by tenants from diverse trade sectors

New leases signed in 2Q 2016: ~76,000 sq ft (representing approximately 27% of 277,000 sq ft)



**Note:**

(1) Based on net lettable area of new leases committed and using 100% basis for Raffles City Singapore and CapitaGreen



# Healthy balance sheet as at 30 Jun 2016

Low aggregate leverage ratio<sup>(1)</sup>

**29.8%**

2Q 2015: 29.5%

Average cost of debt <sup>(2)</sup>

**2.5% p.a.**

2Q 2015: 2.4% p.a.

## ✓ Proactive capital management

Completed refinancing of RCS Trust's debt due Jun 2016

- Unencumbered Raffles City Singapore
- Refinanced with unsecured bank facilities of various maturities
- Weighted term to maturity of approximately 3.5 years

## ✓ Tap market when opportunities arise

CCT issued S\$75.0 million 6-year Medium Term Notes due 2022 on 4 Jul 2016. All-in interest cost at 2.77% p.a.

### Notes:

(1) In accordance with Property Funds Appendix, CCT's proportionate share of its joint ventures borrowings and deposited property values are included when computing the aggregate leverage ratio.

(2) Ratio of interest expense over weighted average borrowings (excludes borrowings of RCS Trust and MSO Trust).





# Acquiring 60.0% interest of CapitaGreen from JV partners having satisfied the call option conditions

Obtained unitholders' approval at EGM on 13 Jul 2016; expect completion in 3Q 2016



<b>Current ownership</b>	CCT 40.0% CapitaLand 50.0% Mitsubishi Estate Asia 10.0%
<b>Description</b>	40-storey Grade A office tower with ancillary retail units
<b>Site Area</b>	58,971 sq ft
<b>Gross Floor Area</b>	882,681 sq ft
<b>Net Lettable Area</b>	703,122 sq ft
<b>Committed Occupancy</b>	94.6% as at 30 Jun 2016
<b>Annualised forecast 4Q 2016 net property income yield</b>	3.8% <sup>(1)</sup>
<b>Land Tenure</b>	Leasehold with remaining term of 57 years expiring 31 Mar 2073
<b>Car Park Lots</b>	180
<b>Agreed Market Value</b>	<b>\$S1,600.5 mil</b> (\$S2,276 psf) as at 6 Apr 2016  Based on average of two independent market valuations

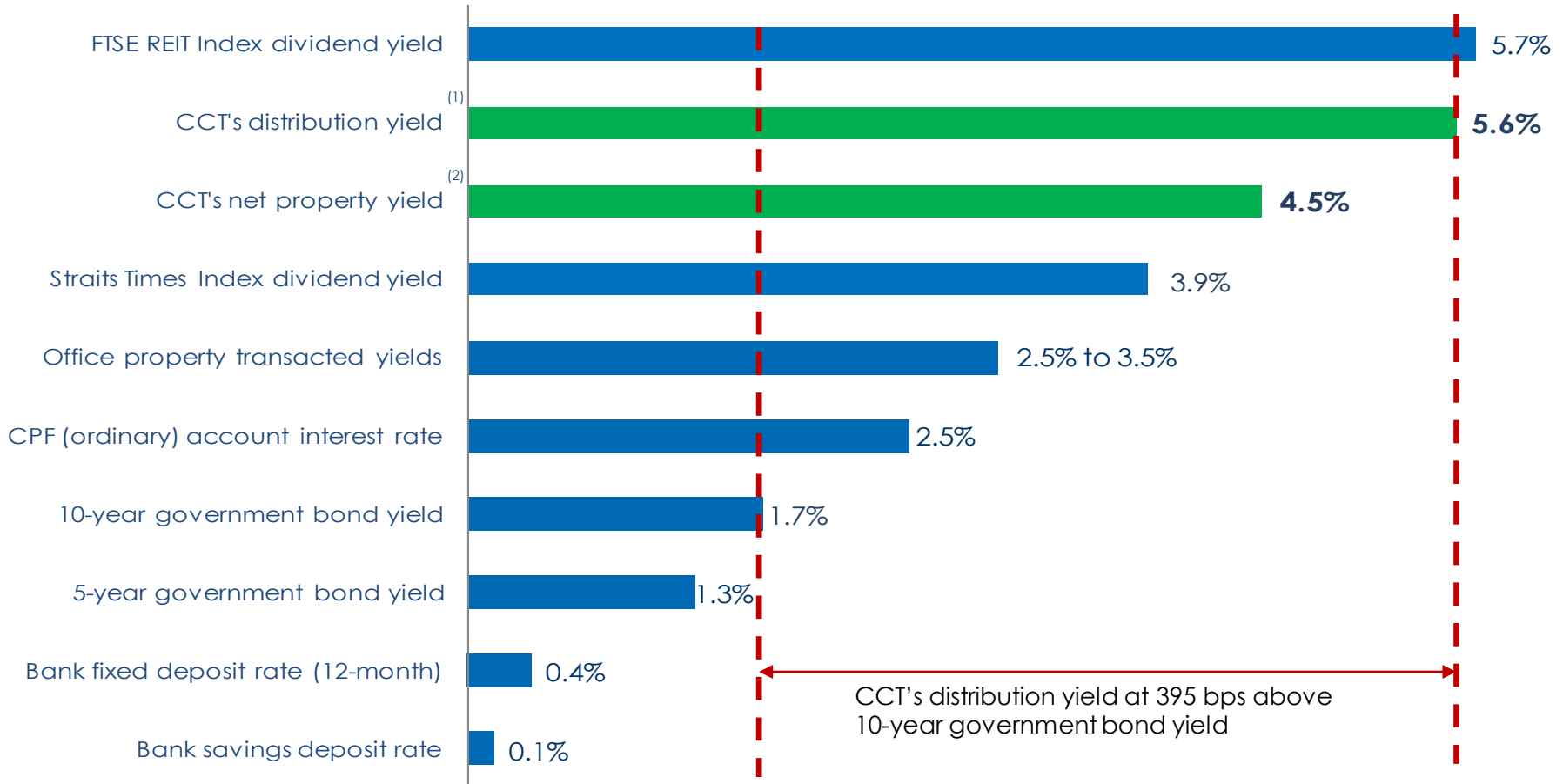
Note:

(1) Derived from CapitaGreen's annualised forecast 4Q 2016 NPI, revenue occupancy of 94.6%, assuming various revenue commencement dates in 4Q 2016 and valuation as at 6 Apr 2016.





# CCT distribution yield at 395 bps above 10-year government bond yield

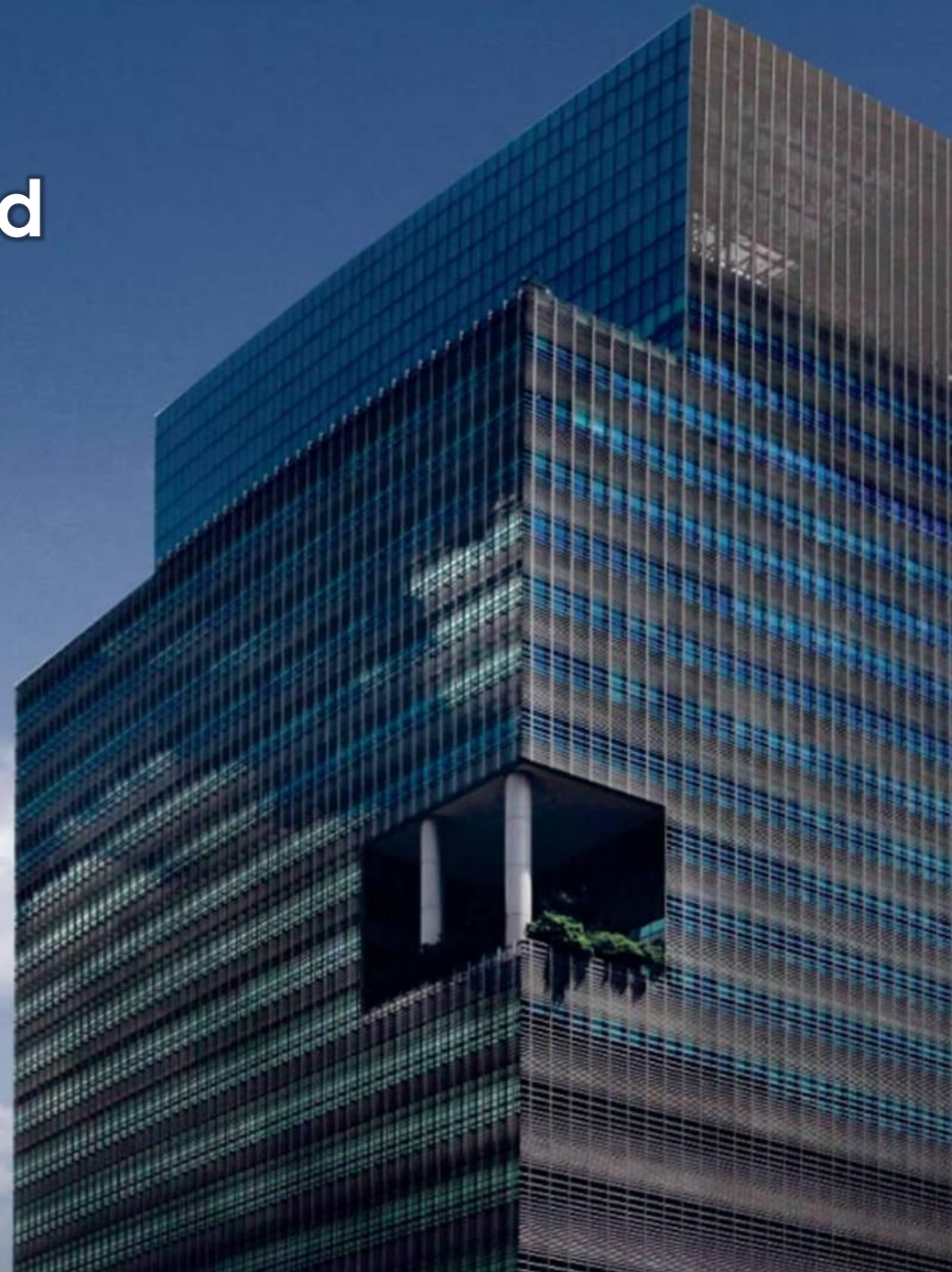


**Notes:**

- (1) CCT Group distribution yield is based on annualised 1H 2016 DPU of 4.39 cents over closing price of S\$1.57 as at 19 Jul 2016.
  - (2) CCT Group (including RCS Trust and CapitaGreen) net property yield based on 1H 2016 net property income and Jun 2016 valuation.
  - (3) All information as at 30 Jun 2016 except for FTSE REIT Index, STI, 5-year and 10-year government bond yield which are as at 19 Jul 2016.
- Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities, CBRE Pte. Ltd.

## 2. Financial Results and Proactive Capital Management

One George Street, Singapore







# 2Q 2016 distributable income rose 1.0% YoY

	2Q 2016	2Q 2015	Change (%)	Remarks
<b>Gross Revenue <sup>(1)</sup> (\$\$ mil)</b>	<b>67.57</b>	69.11	(2.2)	Lower occupancies from some properties
<b>Property Operating Expenses <sup>(1)</sup> (\$\$ mil)</b>	<b>(16.12)</b>	(15.25)	5.7	Mainly due to higher property tax and leasing commission
<b>Net Property Income <sup>(1)</sup> (\$\$ mil)</b>	<b>51.45</b>	53.86	(4.5)	
<b>Distributable Income (\$\$ mil)</b>	<b>65.09</b>	64.43	1.0	More distribution from RCS Trust and MSO Trust (owns CapitaGreen)
<b>DPU (cents)</b>	<b>2.20<sup>(2)</sup></b>	2.19	0.5	

- Notes:
- (1) Exclude joint ventures
  - (2) Estimated DPU for 2Q was computed on the basis that none of the convertible bonds due Sep 2017 (CB 2017) is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of CB 2017 is converted into CCT units on or before books closure date. The current conversion price of CB 2017 is S\$1.4816.

Assuming all the outstanding S\$175.0 million CB 2017 were converted on or before books closure date, DPU for 2Q 2016 would be reduced by 0.08 cents (assuming no interest expense savings).





# 1H 2016 distributable income rose 2.2% YoY

	1H 2016	1H 2015	Change (%)	Remarks
<b>Gross Revenue <sup>(1)</sup> (\$\$ mil)</b>	<b>134.43</b>	137.28	(2.1)	Lower occupancies from some properties
<b>Property Operating Expenses <sup>(1)</sup> (\$\$ mil)</b>	<b>(30.95)</b>	(29.45)	5.1	Mainly due to higher property tax and leasing commission
<b>Net Property Income <sup>(1)</sup> (\$\$ mil)</b>	<b>103.48</b>	107.83	(4.0)	
<b>Distributable Income <sup>(2)</sup> (\$\$ mil)</b>	<b>129.93</b>	127.18	2.2	More distribution from RCS Trust and MSO Trust (owns CapitaGreen)
<b>DPU (cents)</b>	<b>4.39<sup>(3)</sup></b>	4.31	1.9	

- Notes:
- (1) Exclude joint ventures
  - (2) Retained taxable income from RCS Trust in 1Q 2015 and 1Q 2016.
  - (3) Estimated DPU 1H 2016 was computed on the basis that none of the convertible bonds due Sep 2017 (CB 2017) is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of CB 2017 is converted into CCT units on or before books closure date. The current conversion price of CB 2017 is S\$1.4816.

Assuming all the outstanding S\$175.0 million CB 2017 were converted on or before books closure date, DPU for 1H 2016 would be reduced by 0.16 cents (assuming no interest expense savings).



# 1H 2016 performance of joint ventures: RCS Trust and MSO Trust

RCS Trust	60% interest			100% interest
	1H 2016	1H 2015	Variance %	1H 2016
Gross Revenue (\$\$ mil)	70.83	70.92	(0.1)	118.05
Net Property Income (\$\$ mil)	53.58	52.38	2.3	89.29

MSO Trust	40% interest			100% interest
	1H 2016	1H 2015	Variance %	1H 2016
Gross Revenue (\$\$ mil)	14.51	0.84	NM	36.27
Net Property Income (\$\$ mil)	10.90	(2.78)	NM	27.25

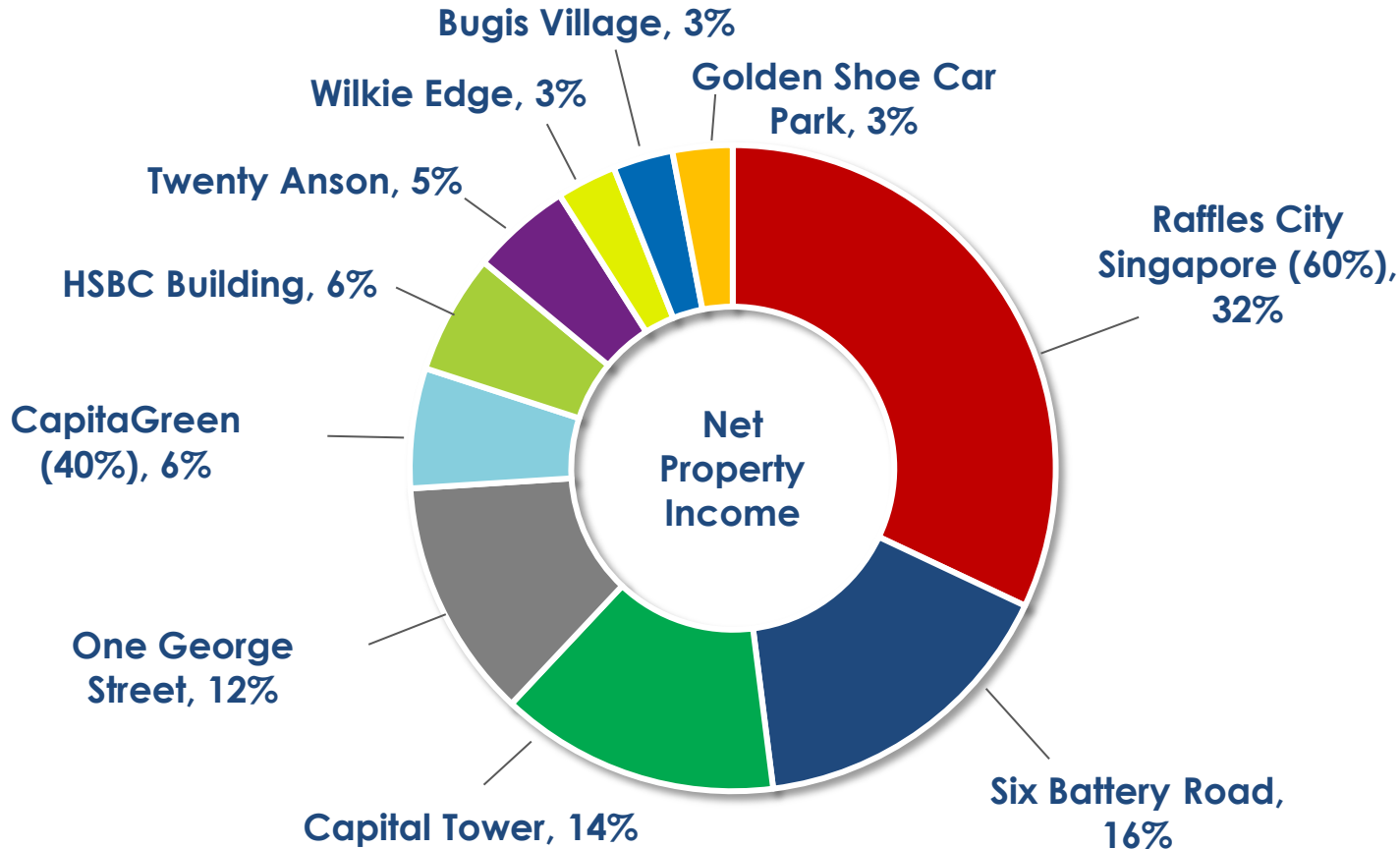
**Note:**

(1) NM indicates "Not Meaningful"



# Portfolio diversification with income contribution from 10 properties<sup>(1)</sup>

40.0% interest in CapitaGreen contributed 6% in 1H 2016



Note:

(1) For reference only: based on respective properties' proportionate net property income (NPI) contribution in 1H 2016. NPI from CCT's wholly owned properties was S\$103.5 million, while NPI from its 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen was S\$53.6 million and S\$10.9 million respectively.





# Valuation of portfolio up 0.4%

Mainly due to higher net property income

Investment Properties	31-Dec-15	30-Jun-16	Variance	30-Jun-16
	\$m	\$m	%	Capital Value (\$ psf)
Capital Tower	1,317.0	1,319.0	0.2	1,787
Six Battery Road	1,358.0	1,365.0	0.5	2,762
One George Street	1,010.0	1,012.0	0.2	2,262
HSBC Building	452.0	455.0	0.7	2,270
Twenty Anson	431.0	431.0	-	2,086
Wilkie Edge	199.0	199.0	-	1,288
Golden Shoe Car Park	141.0	141.0	-	NM <sup>(1)</sup>
Bugis Village <sup>(2)</sup>	53.7	50.0	(6.9)	413
<b>Sub- Total</b>	<b>4,961.7</b>	<b>4,972.0</b>	<b>0.2</b>	
Raffles City (60%)	1,881.6	1,897.2	0.8	NM <sup>(1)</sup>
CapitaGreen (40%)	634.8	640.2 <sup>(3)</sup>	0.9	2,276
<b>Total</b>	<b>7,478.1</b>	<b>7,509.4</b>	<b>0.4</b>	

Notes:

- (1) NM indicates "Not Meaningful".
- (2) The valuation of Bugis Village takes into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019 upon payment of S\$6,610,208.53 plus accrued interest.
- (3) CapitaGreen's valuation was based on the average of two valuations as at 6 April 2016 by two independent valuers in relation to the proposed acquisition by CCT for the remaining 60% interest in CapitaGreen not owned by CCT.





# Assumptions are largely unchanged

- Office rent growth rates<sup>(1)</sup> assumed for discounted cash flow method remained at 3.8%<sup>(2)</sup> per annum over 10 years.
- Terminal yields<sup>(3)</sup> are 0.25% higher than capitalisation rates for the portfolio except for Six Battery Road and HSBC Building where terminal yields are the same given their 999-year lease tenures.

	Capitalisation Rates						Discount Rates					
	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Jun-16	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Jun-16
Capital Tower	4.00	3.75	3.75	3.85	3.85	<b>3.85</b>	7.50	8.00	8.00	7.50	7.25	<b>7.25</b>
Six Battery Road	4.00	3.75	3.75	3.75	3.75	<b>3.75</b>	7.50	8.00	8.00	7.50	7.25	<b>7.25</b>
One George Street	4.00	3.75	3.75	3.85	3.85	<b>3.85</b>	7.50	8.00	8.00	7.50	7.25	<b>7.25</b>
HSBC Building	4.00	3.75	3.75	3.85	3.85	<b>3.75</b>	7.50	8.00	8.00	7.50	7.25	<b>7.25</b>
Twenty Anson	NA	3.75	3.75	3.85	3.85	<b>3.85</b>	NA	8.00	8.00	7.50	7.25	<b>7.25</b>
Wilkie Edge	4.40	4.25	4.25	4.25	4.25	<b>4.25</b>	7.75	8.00	8.00	7.50	7.25	<b>7.50</b>
CapitaGreen <sup>(4)</sup>	NA	NA	NA	4.00	4.15	<b>4.15</b>	NA	NA	NA	7.25	7.25	<b>7.25</b>
Raffles City SG												
Office	4.50	4.25	4.25	4.25	4.25	<b>4.25</b>	7.50	7.50	7.35	7.50	7.25	<b>7.25</b>
Retail	5.40	5.40	5.25	5.25	5.25	<b>5.25</b>	7.75	7.80	7.65	7.50	7.50	<b>7.50</b>
Hotel	5.75	5.75	5.55	5.25	5.13	<b>5.14</b>	7.75	8.00	7.75	7.75	7.75	<b>7.40</b>

## Notes:

- (1) Excludes Golden Shoe Car Park and Bugis Village.
- (2) Calculated on a simple average basis
- (3) Excludes Bugis Village due to the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019 upon payment of S\$6,610,208.53 plus accrued interest.
- (4) CapitaGreen's valuation was based on the average of two valuations as at 6 April 2016 by two independent valuers in relation to the proposed acquisition by CCT for the remaining 60% interest in CapitaGreen not owned by CCT.
- (5) Knight Frank was the appointed valuer for Capital Tower, Six Battery Road, One George Street, HSBC Building, Twenty Anson, Raffles City Singapore (office and retail), while JLL was the appointed valuer for Wilkie Edge and Raffles City Singapore (Hotel)



# Robust balance sheet

As at 30 June 2016

	S\$ million
Non-current Assets	6,496.09
Current Assets	149.20
<b>Total Assets</b>	<b>6,645.29</b>
Current Liabilities	46.99
Non-current Liabilities	1,371.45
<b>Total Liabilities</b>	<b>1,418.44</b>
<b>Net Assets</b>	<b>5,226.85</b>
<b>Unitholders' Funds</b>	<b>5,226.85</b>

**Units in issue ('000)** **2,956,335**

	S\$ million
<b>Deposited Properties<sup>(1)</sup></b>	<b>7,787.84</b>

<b>Net Asset Value Per Unit</b>	<b>\$1.77</b>
<b>Adjusted Net Asset Value Per Unit (excluding distributable income)</b>	<b>\$1.72</b>

**Credit Rating**  
**A-** by **S&P**  
 Outlook Stable

**Note:**

1. Deposited properties for CCT Group includes CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust



# Stable financial ratios

	1Q 2016	2Q 2016	Remarks
Total Gross Debt <sup>(1)</sup>	S\$2,318.1 m	<b>S\$2,320.0 m</b>	<b>Increased</b> (More borrowings)
Aggregate Leverage <sup>(2)</sup>	30.1%	<b>29.8%</b>	<b>Decreased</b> (Higher valuation)
Net Debt / EBITDA <sup>(3)</sup>	4.7 times	<b>4.9 times</b>	<b>Higher</b> (Lower EBITDA)
Unencumbered Assets as % of Total Assets <sup>(4)</sup>	100.0%	<b>100.0%</b>	<b>Stable</b>
Average Term to Maturity <sup>(5)</sup>	3.8 years	<b>3.6 years</b>	<b>Lower</b> (Passing of time)
Average Cost of Debt (p.a.) <sup>(6)</sup>	2.5%	<b>2.5%</b>	<b>Stable</b>
Interest Coverage <sup>(7)</sup>	7.4 times	<b>7.2 times</b>	<b>Stable</b>

**Notes:**

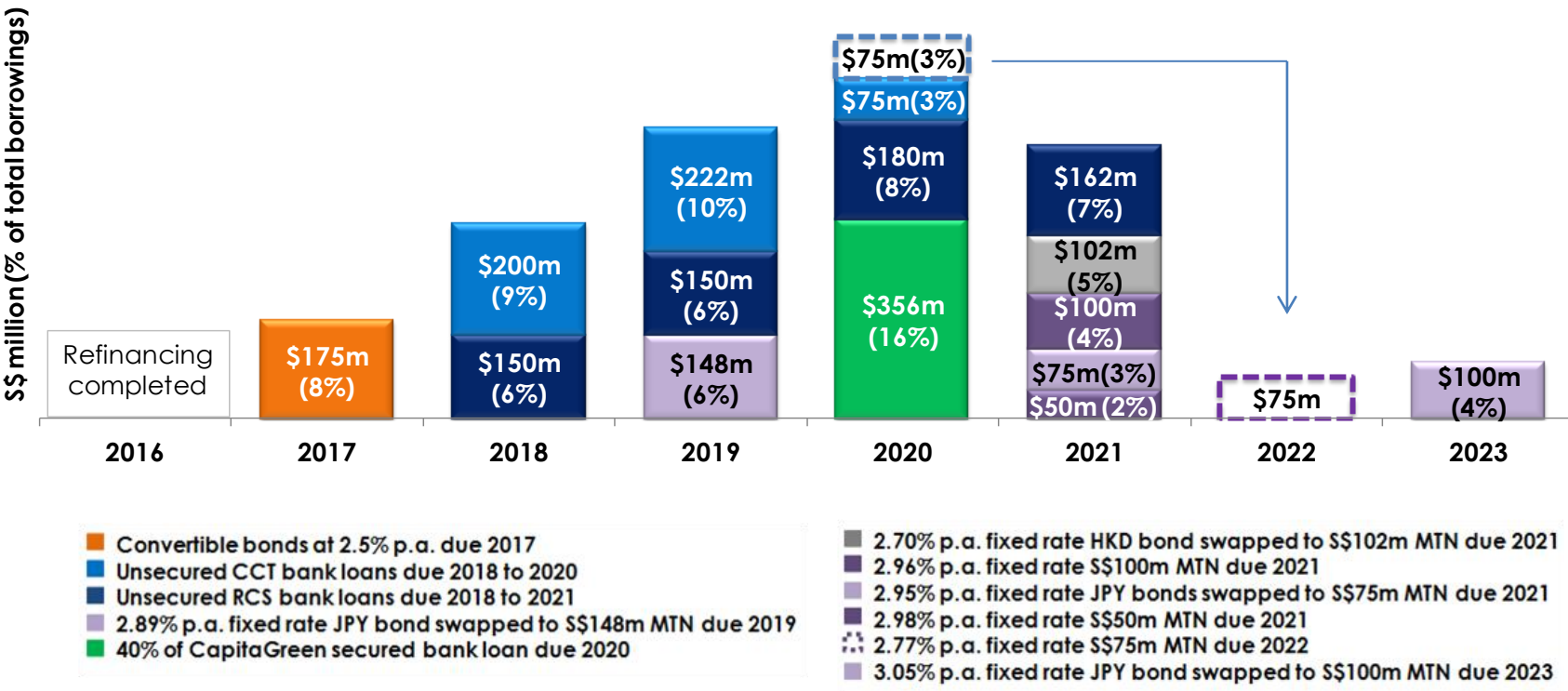
- (1) Total gross debt includes CCT's 60.0% interest in RCS Trust and 40.0% interest in MSO Trust.
- (2) In accordance with Property Funds Appendix, CCT's proportionate share of its joint ventures borrowings and deposited property values are included when computing aggregate leverage.
- (3) Net debt excludes borrowings of RCS Trust and MSO Trust. EBITDA refers to earnings before interest, tax, depreciation and amortisation but after share of profit of associate and joint ventures.
- (4) Investment properties at CCT Trust are all unencumbered.
- (5) Excludes borrowings of RCS Trust and MSO Trust.
- (6) Ratio of interest expense over weighted average borrowings (excludes borrowings of RCS Trust and MSO Trust).
- (7) Ratio of EBITDA over finance costs includes amortisation and transaction costs (excludes borrowings of RCS Trust and MSO Trust).



# Proactive capital management

RCS Trust borrowings refinanced with unsecured bank facilities and CCT issued S\$75 million 6-year Medium Term Notes due 2022 on 4 July to refinance bank loan due 2020

as at 30 June 2016





### 3. Portfolio Value Creation

Capita Commercial  
Capita Mall  
Raffles City



# Creating value through portfolio strategy

## Grow portfolio

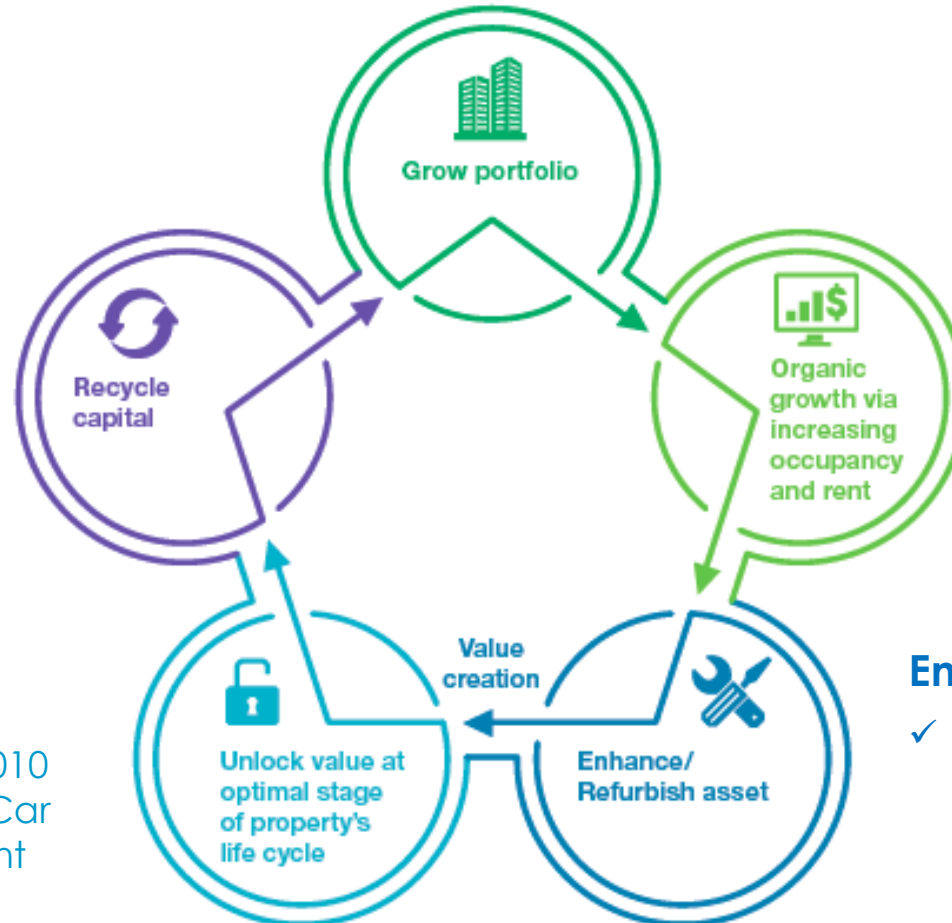
- Acquisition of balance stake to own 100.0% of CapitaGreen
- Acquired Twenty Anson in 2012

## Flexibility to seize growth opportunities

- ✓ Disciplined and sustainable acquisition of third-party properties
- ✓ Development
  - Recycled sale proceeds for redevelopment into CapitaGreen
  - CCT took 40.0% stake as a JV partner in MSO Trust

## Unlock value

- Sale of two assets in 2010
- Sale of Market Street Car Park for redevelopment under MSO Trust



## Organic growth

- ✓ High portfolio occupancy
- ✓ Well spread portfolio lease profile with major leases expiring in 2019 and beyond
- ✓ Minimised leases due in 2016 and 2017 and focusing on tenant retention and attraction
  - CapitaGreen offers income upside with higher occupancy

## Enhance / Refurbish asset

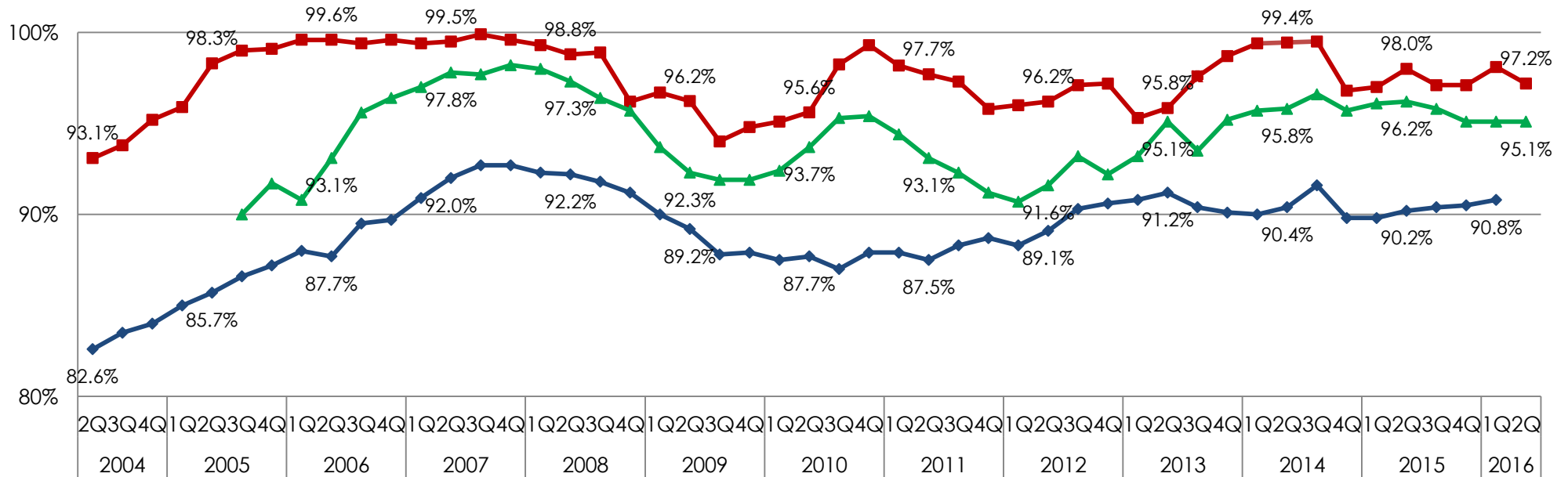
- ✓ Achieved ROIs of 8.2% to 9.3% through asset enhancement initiatives (AEIs)



# CCT's portfolio occupancy of 97.2% is above market occupancy of 95.1%

	CCT Committed Occupancy		Market Occupancy Level <sup>(1)</sup>	
	2Q 2016	1Q 2016	2Q 2016	1Q 2016
Grade A office	96.7%	98.0%	94.8%	95.0%
Portfolio	97.2%	98.1%	95.1%	95.1%

CCT's Committed Occupancy Since Inception

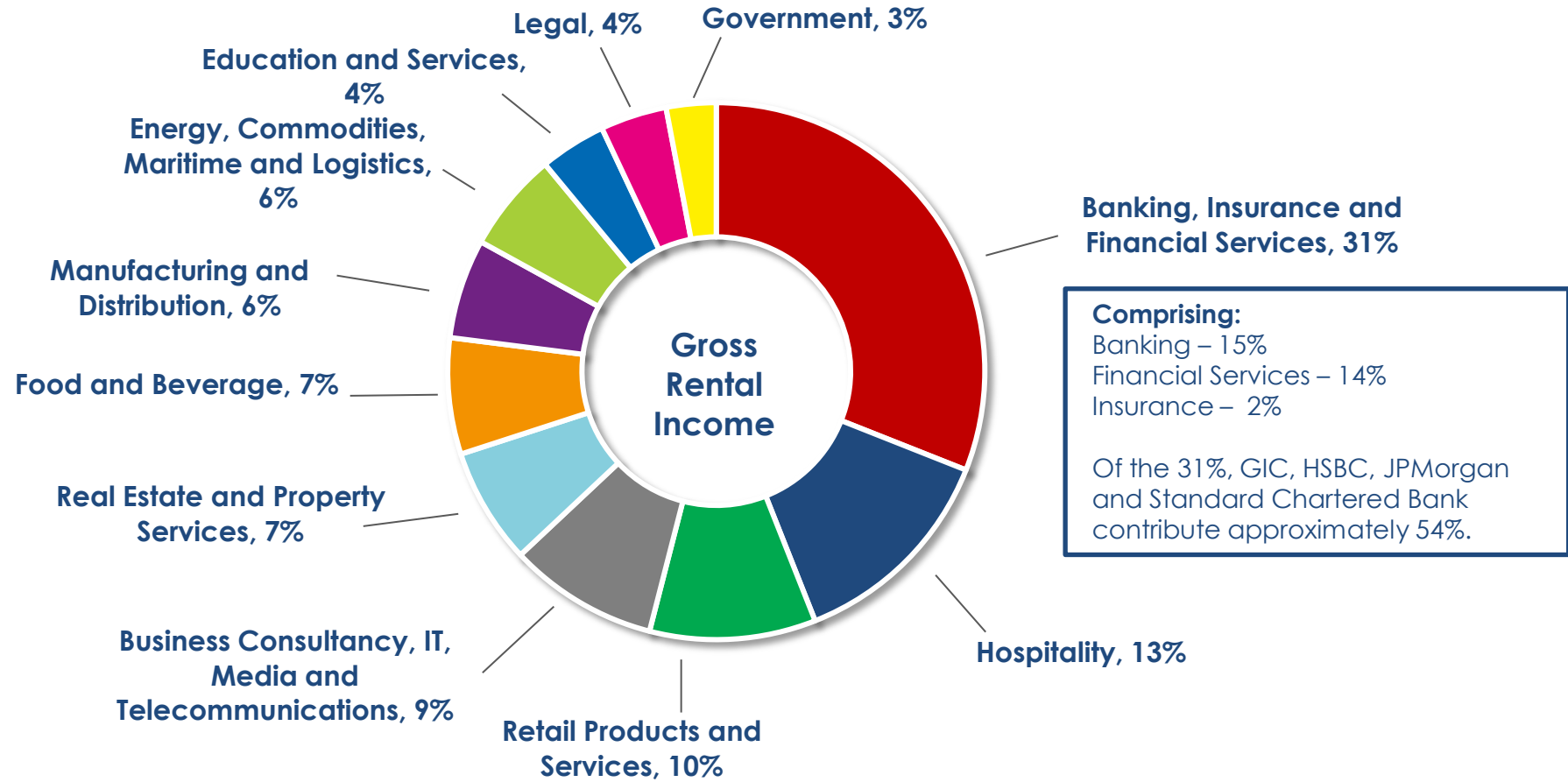


- Notes:**
- (1) Source: CBRE Pte. Ltd.
  - (2) Source: URA. URA has not released Occupancy Index Figure for 2Q 2016
  - (3) Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay, data only available from 3Q 2005 onwards



# Diverse tenant mix in CCT's portfolio<sup>(1)</sup>

## Tenant mix in CCT portfolio



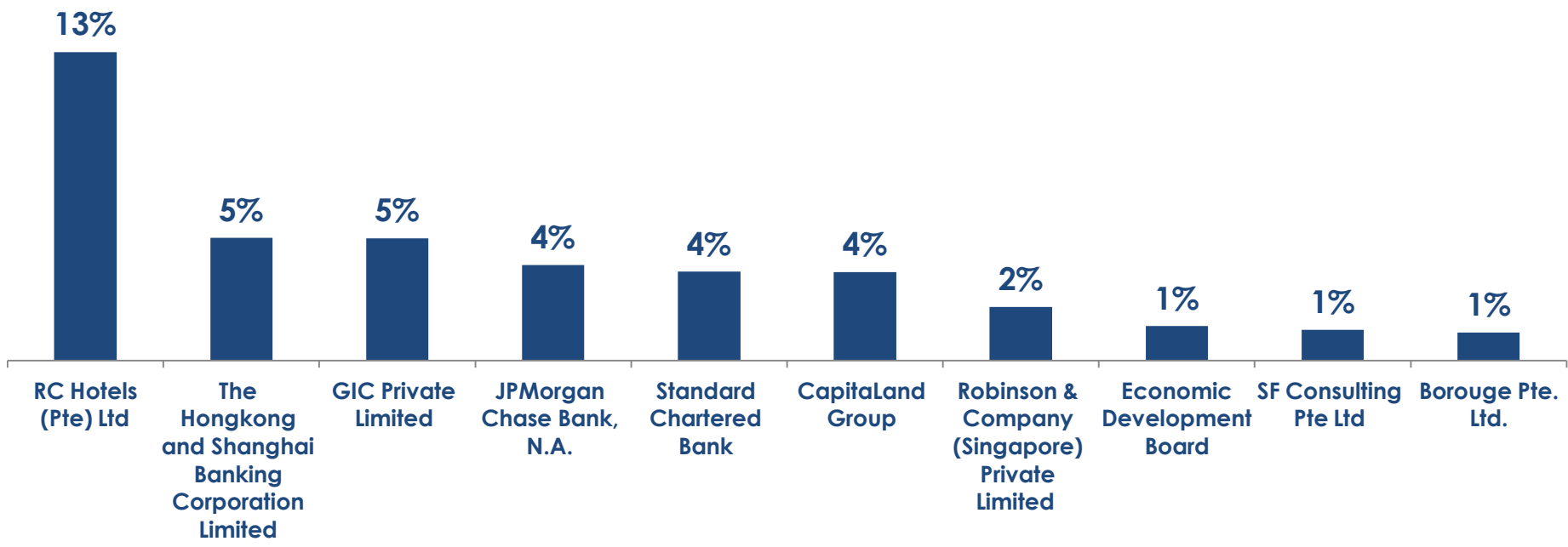
Note:

(1) Based on committed monthly gross rental income of tenants as at 30 Jun 2016, including CCT's 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen, and excluding retail turnover rent





# Top 10 tenants contribute 40% of monthly gross rental income<sup>(1)</sup>



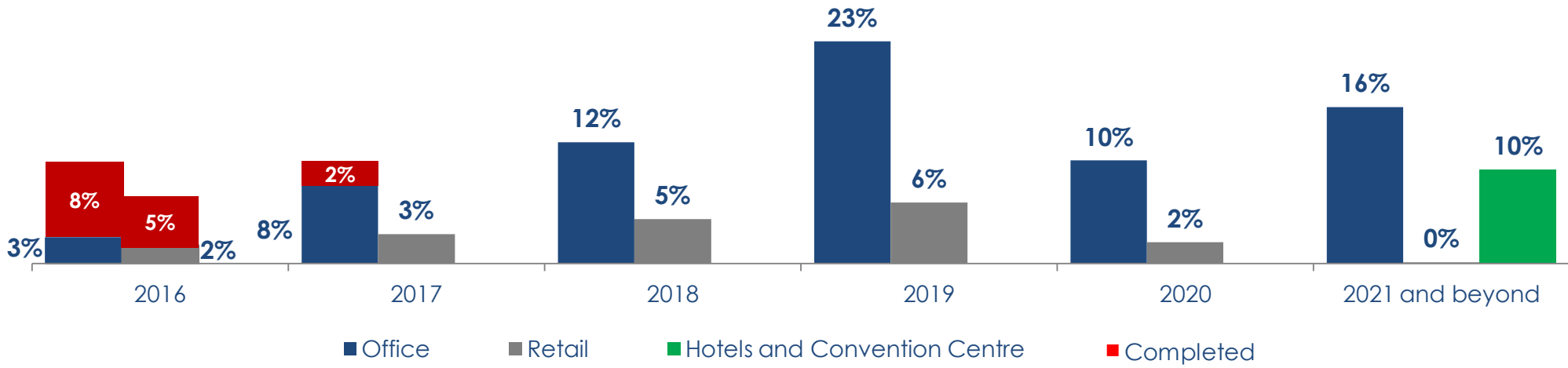
**Note:**

(1) Based on monthly gross rental income of top ten tenants as at 30 Jun 2016, excluding retail turnover rent. Total percentage may not add up due to rounding



# Well spread portfolio lease expiry profile

Lease expiry profile as a percentage of committed monthly gross rental income<sup>(1)</sup>



Portfolio WALE<sup>(2)</sup> by NLA as at end Jun 2016 = 7.4 years

Notes:

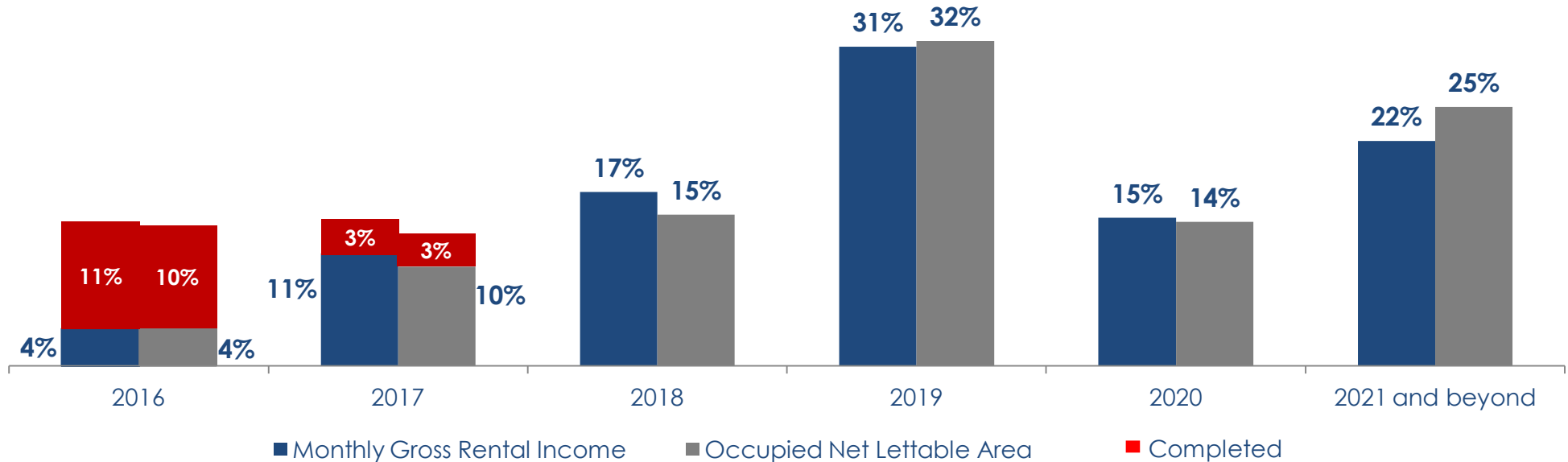
(1) As at 30 Jun 2016 and excludes retail and hotel turnover rent

(2) WALE: Weighted Average Lease term to Expiry



# Continuing with proactive lease management

## Mitigating office leasing risk by tenant retention and forward renewals



Note:

(1) Office lease expiry profile as at 30 Jun 2016



# Still achieving positive reversions for office leases committed in 2Q 2016

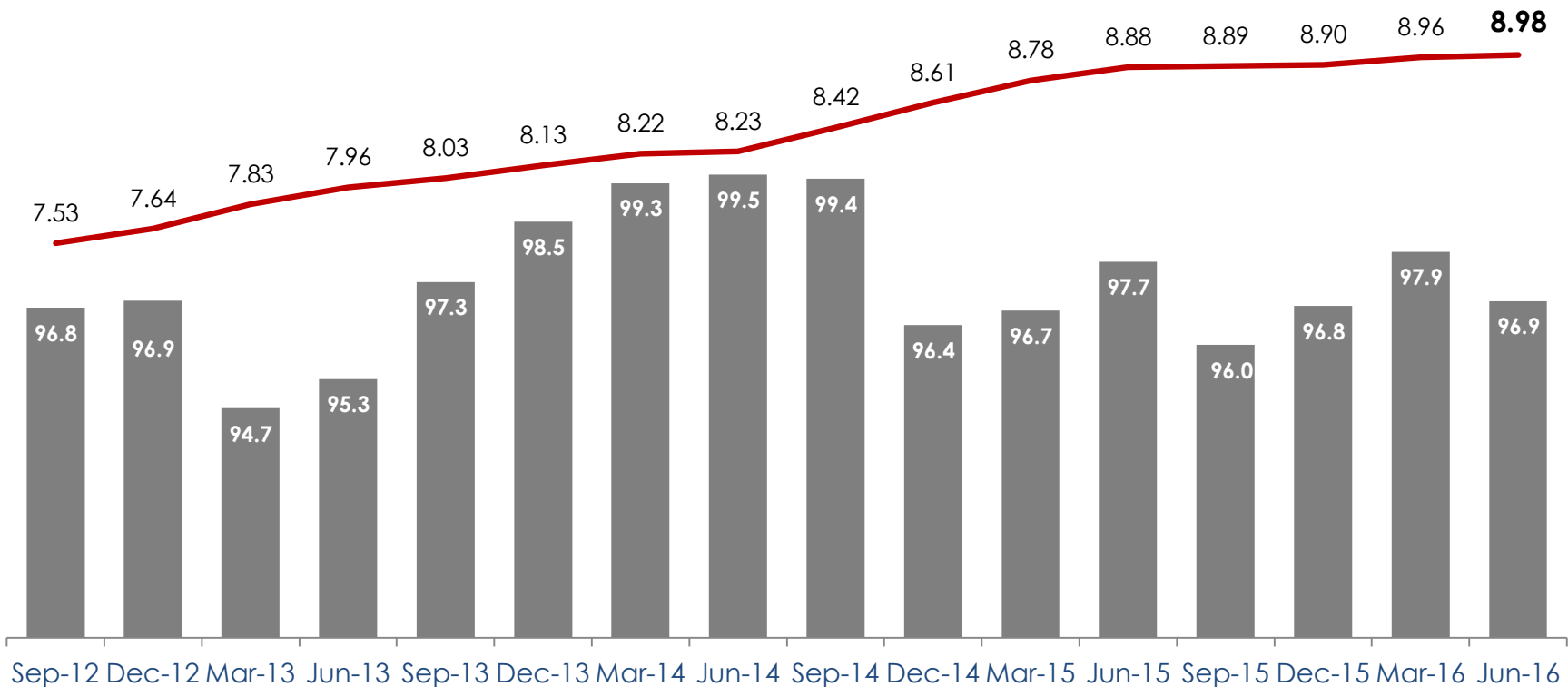
Building	Average Expired Rents (\$\$)	Committed Rents <sup>(1)</sup> (\$\$)	Sub-Market	Market Rents of Comparative Sub-Market (\$\$)	
				Cushman & Wakefield <sup>(2)</sup>	Knight Frank <sup>(3)</sup>
CapitaGreen	-	10.60 – 12.00	Premium Grade Raffles Place	9.13	9.60 – 10.10
Six Battery Road	12.28	11.00 – 13.00	Grade A Raffles Place	9.13	8.50 – 9.00
One George Street	9.30	8.80 – 10.00	Grade A Raffles Place	9.13	8.50 – 9.00
Capital Tower	NM	7.88 – 8.39	Tanjong Pagar	7.65	7.60 – 8.10

**Notes:**

- (1) Renewal/new leases committed in 2Q 2016
- (2) Source: Cushman & Wakefield 2Q 2016
- (3) Source: Knight Frank 2Q 2016; based on leases of a whole floor office space on the mid-floor levels of office properties, and taking into account rent free period and other concessions
- (4) For reference only: CBRE Pte. Ltd.'s 2Q 2016 Grade A rent is S\$9.50 psf per month and they do not publish sub-market rents



# Monthly average office rent of CCT's portfolio<sup>(1)</sup> up by 0.2% QoQ



Committed occupancy of office portfolio (%)
  Average gross rent per month for office portfolio (\$\$ psf)

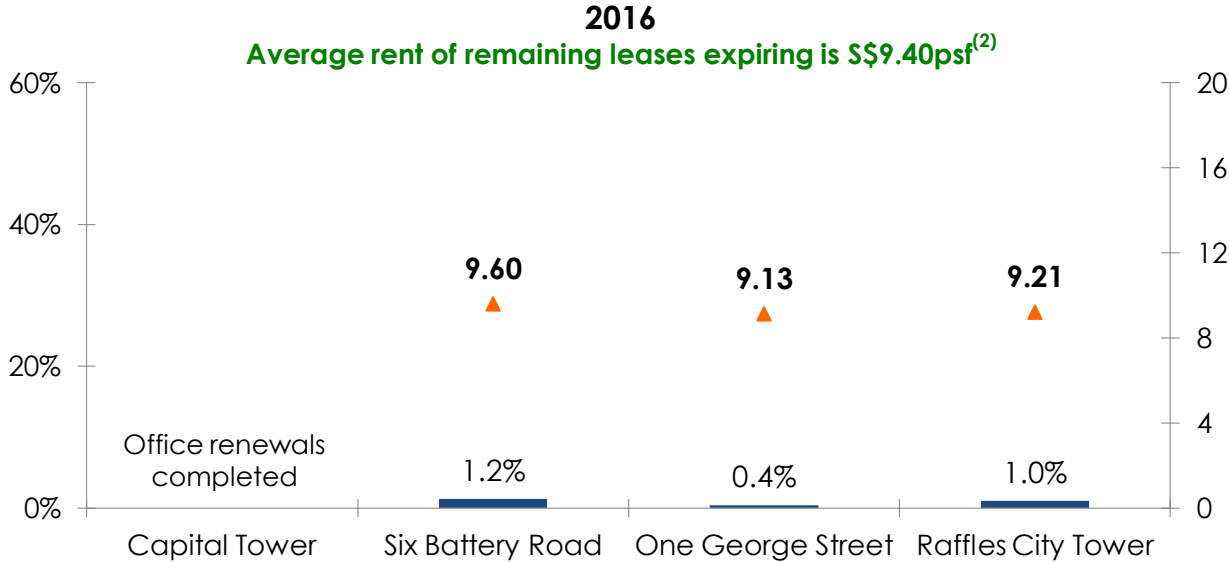
**Note:**

(1) Average gross rent per month for office portfolio (\$\$ psf) = 
$$\frac{\text{Total committed gross rent for office per month}}{\text{Committed area of office per month}}$$



# Limited remaining expiries in 2016

2Q 2016 Industry Statistics<sup>(1)</sup> –  
Grade A Office Average Market Rent: S\$9.50 psf per month



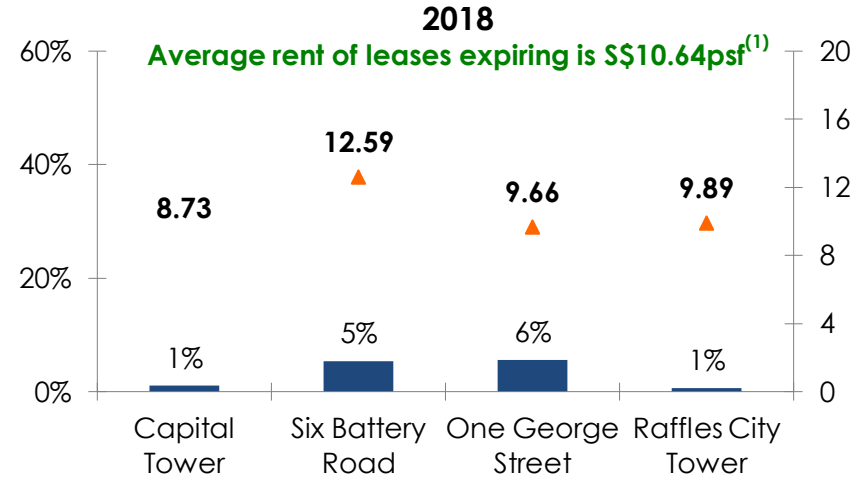
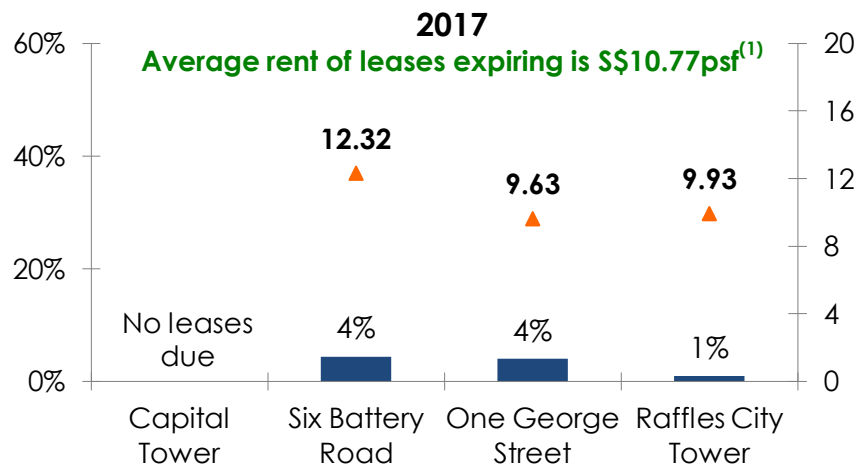
- ▲ Average monthly gross rental rate for expiring leases (S\$ psf / month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

**Notes:**  
 (1) Source: CBRE Pte. Ltd. as at 2Q 2016  
 (2) Three Grade A buildings and Raffles City Tower only





# Low percentage of leases expiring in 2017 and 2018



- ▲ Average monthly gross rental rate for expiring leases (\$ psf/month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

**Note:**  
(1) Three Grade A buildings and Raffles City Tower only

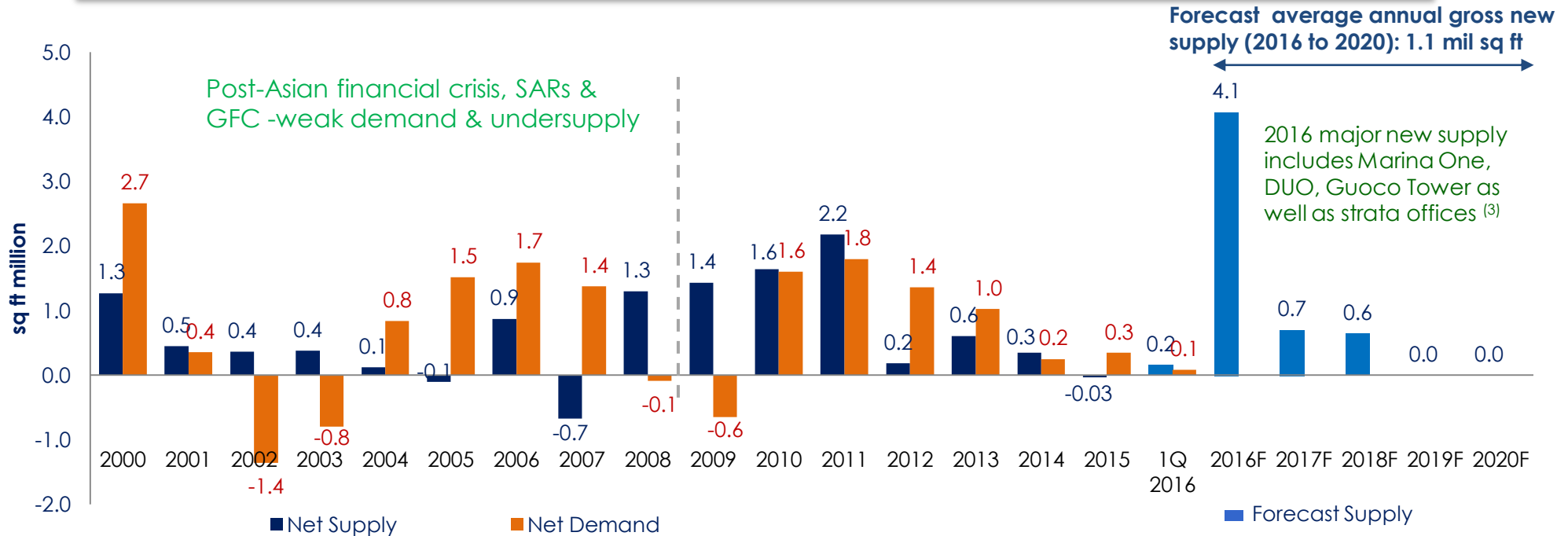
## 4. Singapore office market





# Annual new supply to average 1.1m sq ft in 2016-2020; CBD Core occupancy at 95.1% as at end Jun 2016

## Singapore Private Office Space (Central Area) <sup>(1)</sup> – Net Demand & Supply



Periods	Average annual net supply <sup>(2)</sup>	Average annual net demand
2006 – 2015 (through 10-year property market cycles)	0.8m sq ft	0.9m sq ft
2011 – 2015 (five years period post GFC)	0.7m sq ft	1.0m sq ft
2016 – 2020 (forecast gross supply)	1.1m sq ft	N.A.

### Notes:

- (1) Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'
- (2) Supply is calculated as net change of stock over the quarter and may include office stock removed from market due to conversions or demolitions.
- (3) 2016 forecast new supply includes strata offices, namely, SBF Centre and EON Shenton and GSH Building
- (4) Source: Historical data from URA statistics as at 4Q 2015; Forecast supply from CBRE Pte. Ltd. as at 4Q 2015.

# Known Future Office Supply in Central Area (2016 – 2018 and beyond)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
3Q 2016	DUO (about 30% <sup>(1)</sup> pre-committed)	Bugis	570,000
3Q 2016	Guoco Tower (about 18% <sup>(2)</sup> pre-committed)	Tanjong Pagar	890,000
4Q 2016	Marina One (about 30% <sup>(3)</sup> pre-committed)	Marina Bay	1,876,000
4Q 2016	EON Shenton (Redevelopment of Marina House) (Strata Office)	Shenton Way	101,000
4Q 2016	SBF Centre (Strata Office)	Shenton Way	353,000
4Q 2016	GSH Building (Strata Office) (Remodeling of existing buildings)	Raffles Place	282,000
		<b>Subtotal (2016):</b>	<b>4,072,000</b>
1Q 2017	Redevelopment of International Factors Building and Robinson Towers	Robinson Road	194,000
1Q 2017	V on Shenton (Former UIC Building at 5 Shenton Way)	Shenton Way	278,000
2Q 2017	Crown @ Robinson	Robinson Road	70,000
2017	Oxley Tower (Strata Office)	Shenton Way	112,000
		<b>Subtotal (2017):</b>	<b>654,000</b>
2Q 2018	Fraser's Tower	Shenton Way	645,000
		<b>Subtotal (2018 and beyond):</b>	<b>645,000</b>
<b>TOTAL FORECAST SUPPLY (2016-2018 and beyond)</b>			<b>5,371,000</b>
<b>Total forecast supply excluding strata offices</b>			<b>4,523,000</b>

#### Notes:

(1) DUO's pre-commitment is about 30%, according to a Credit Suisse report dated 15 Sep 2015.

(2) Guoco Tower's pre-commitment is about 18%, according to a Business Times report dated 7 Apr 2016.

(3) Signed leases, together with those under documentation, at Marina One is over 550,000sqft (about 30% pre-leased) according to Business Times & Straits times reports dated 22 Jun 2016.

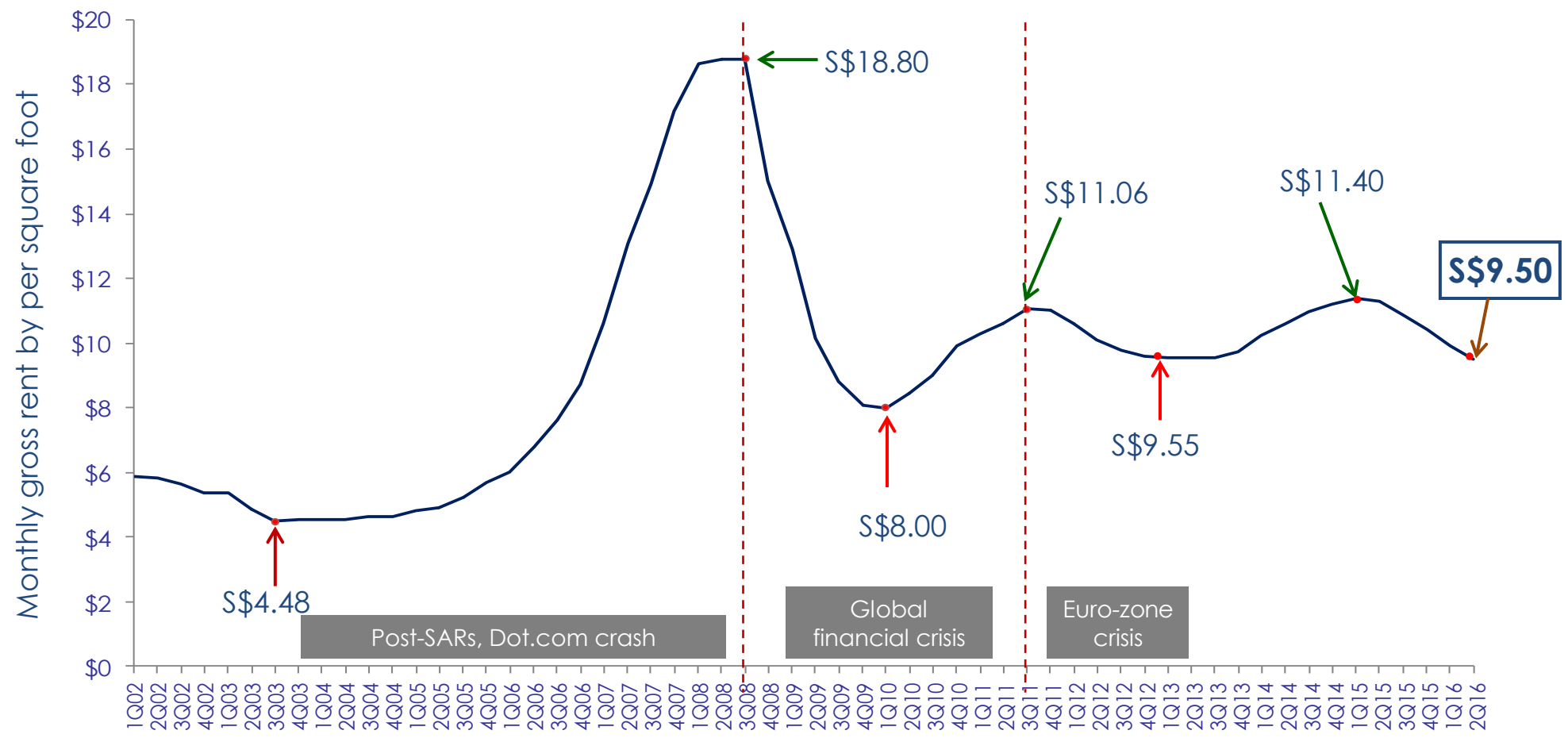
(4) Source: CBRE Pte. Ltd.





# Grade A office market rent declined 8.7% YTD

	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16
Mthly rent (S\$ / sq ft )	11.30	10.90	10.40	9.90	<b>9.50</b>
% change	-0.9%	-3.5%	- 4.6%	- 4.8%	<b>- 4.0%</b>



Source of data: CBRE Pte. Ltd. (figures as at end of each quarter).



# 5. Summary

Raffles City

Raffles City Singapore





# 2016 and 2017 drivers

## 1 Mitigating office leasing risk by tenant retention and forward renewals

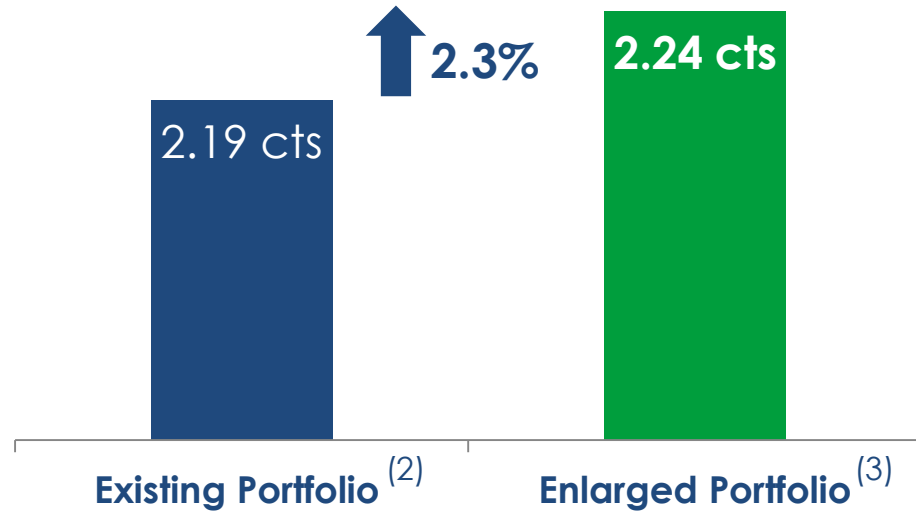
### Limited lease expiries in 2016 and 2017 (Office portfolio lease expiry profile)

■ Monthly gross rental income ■ Occupied NLA



## 2 Additional income upon completion of acquisition of 60.0% units in CapitaGreen

Expected DPU accretion of 2.3% for 4Q 2016 forecast <sup>(1)</sup>



**Notes:**

- (1) Please refer to the assumptions in Appendix B – Profit Forecast in CCT’s circular dated 21 June 2016.
- (2) Existing Portfolio refers to the portfolio of properties currently held by CCT, including its Joint Ventures and MQREIT.
- (3) Enlarged Portfolio refers to the Existing Portfolio and 60.0% of the units in MSO Trust not currently held by CCT.





# Other opportunities

## External Growth

### ✓ Development:

Development capacity equivalent to 10%<sup>(1)</sup> of deposited property: Up to c.S\$840 million on completion of CapitaGreen acquisition

### ✓ Opportunistic acquisition of third party assets in Singapore

## Retained tax-exempt income

### ✓ S\$15.5 million mainly from MRCB-Quill REIT

**Note:**

(1) Item 7.1 (d) of Property Funds Appendix: the total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10% of the property fund's deposited property. The total contract value of property development activities may exceed 10% of the property fund's deposited property (subject to a maximum of 25% of the property fund's deposited property) only if:

(i) the additional allowance of up to 15% of the property fund's deposited property is utilised solely for the redevelopment of an existing property that has been held by the property fund for at least three years and which the property fund will continue to hold for at least three years after the completion of the redevelopment; and

(ii) the property fund obtains the specific approval of participants' at a general meeting for the redevelopment of the property.





# CCT 1H 2016 distribution details

<b>Distribution period</b>	1 January to 30 June 2016
<b>Estimated DPU <sup>(1)</sup></b>	Taxable <b>4.39</b> cents
<b>Books Closure Date</b>	Thursday, 28 July 2016
<b>Distribution Payment Date</b>	Thursday, 25 August 2016

**Note:**

- (1) The estimated DPU was computed on the basis that none of the CB 2017 is converted into units on or before the books closure date. Accordingly, the actual quantum of DPU may differ if any of the CB 2017 is converted into units on or before the books closure date.



# Thank you

For enquiries, please contact: Ms Ho Mei Peng , Head, Investor Relations & Communications, Direct: (65) 6713 3668

Email: [ho.meipeng@capitaland.com](mailto:ho.meipeng@capitaland.com)

**Capitaland Commercial Trust Management Limited (<http://www.cct.com.sg>)**

168 Robinson Road, #28-00 Capital Tower, Singapore 068912

Tel: (65) 6713 2888; Fax: (65) 6713 2999



# 6. Additional Information

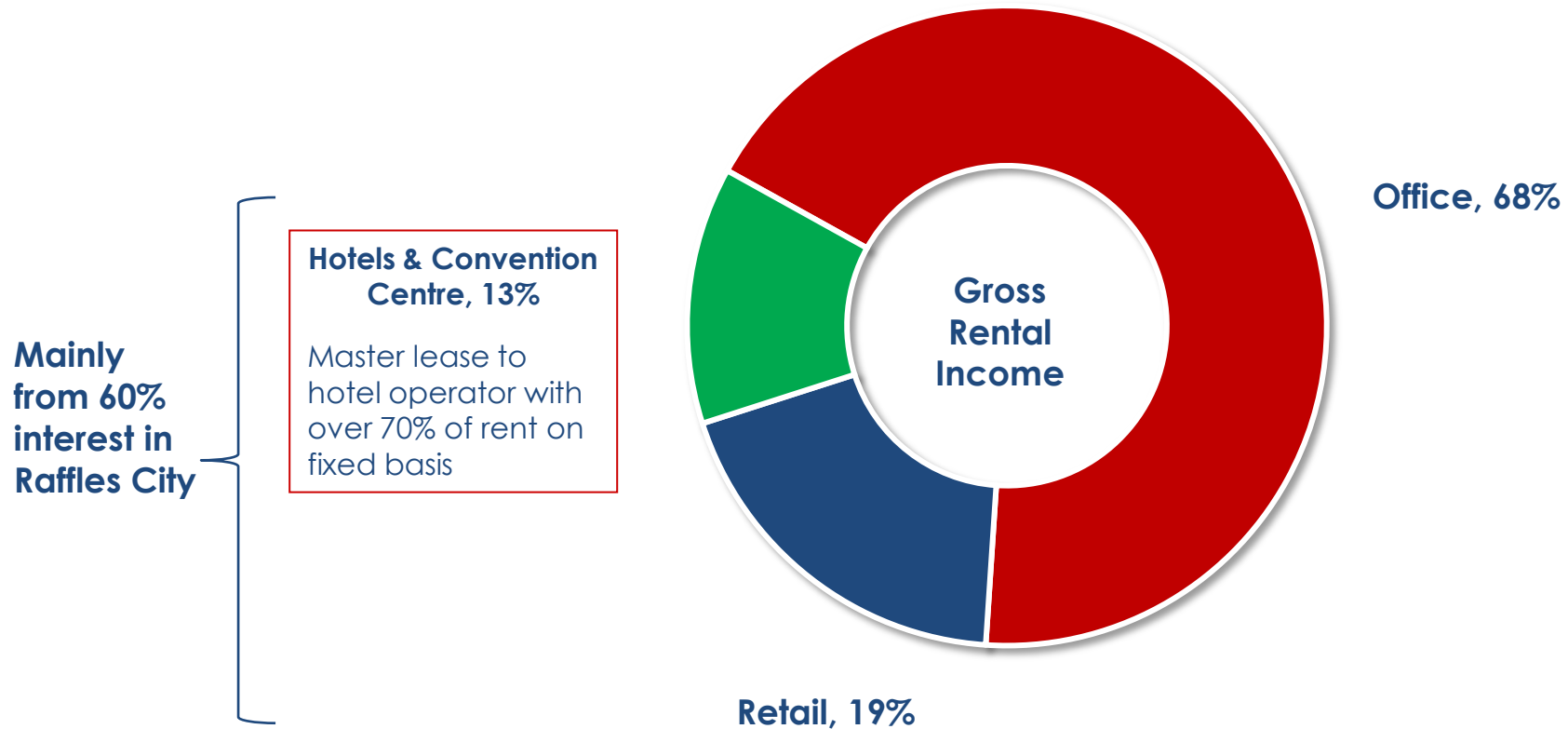
Raffles City Singapore





# 68% of gross rental income<sup>(1)</sup> contributed by office and 32% by retail and hotel & convention centre

## CCT's income by sector

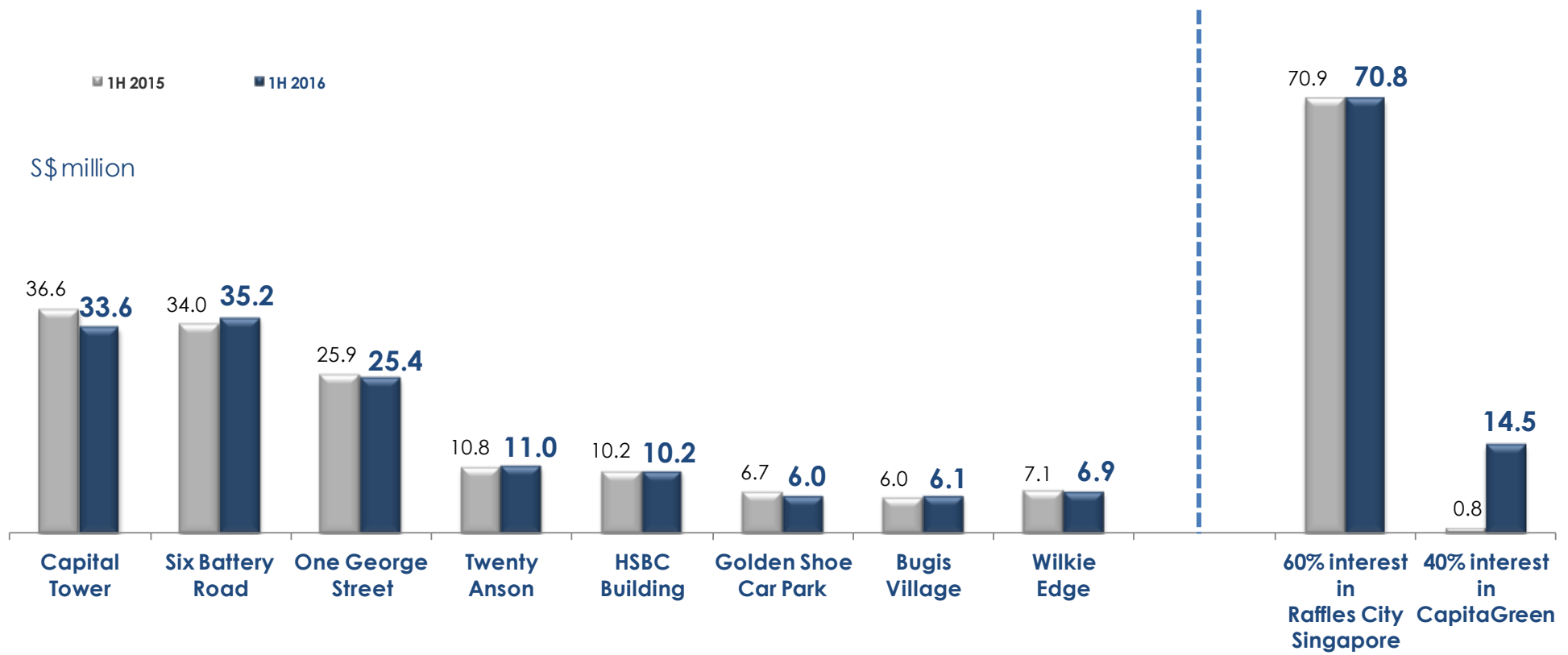


Note:

(1) Based on gross rental income 1 Jan 2016 to 30 Jun 2016, including gross rental income from CCT's 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen, and excluding retail turnover rent

# 1H 2016 Gross Revenue lower by 2.1% YoY<sup>(1)</sup>

Vacancy in some properties contributing to lower revenue

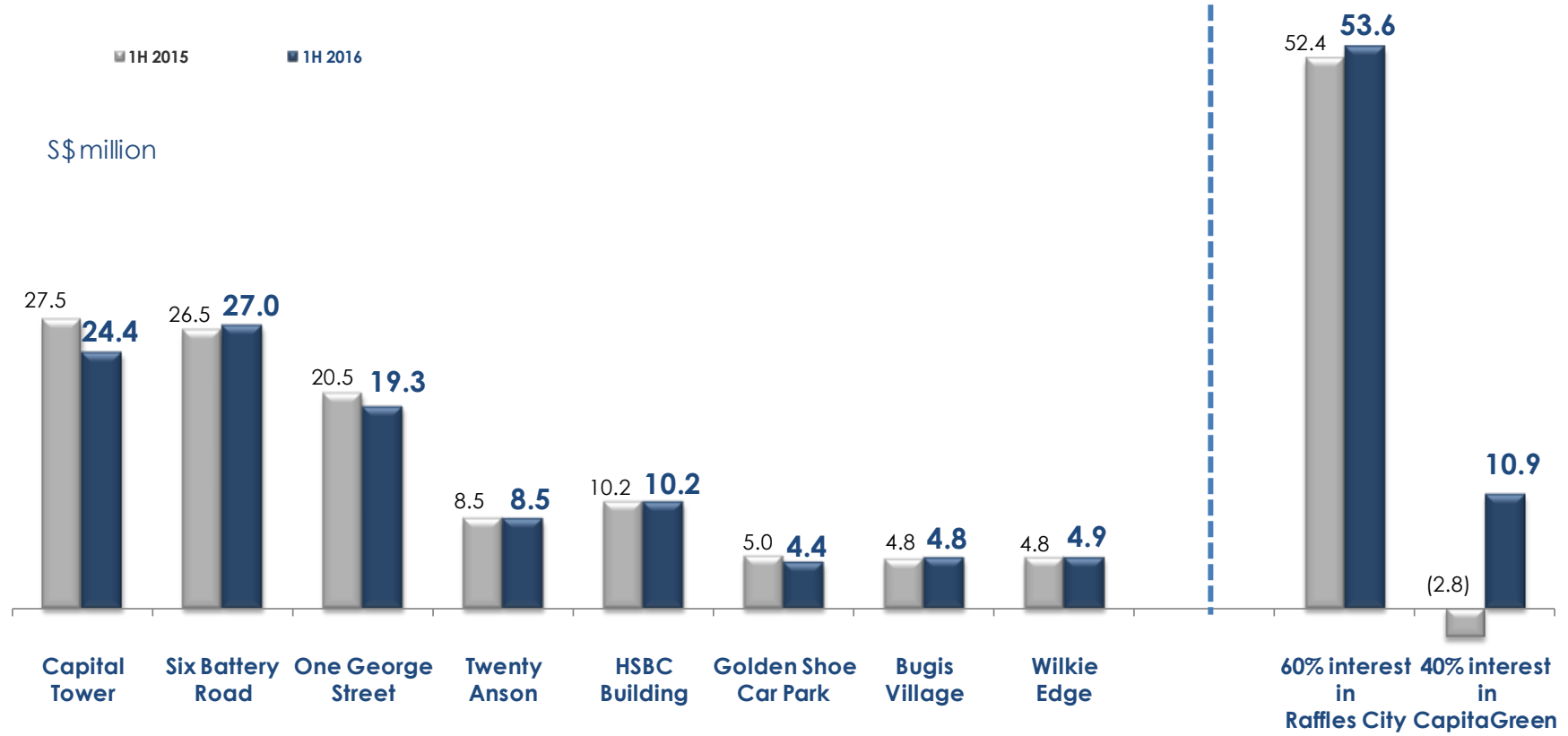


Note:  
(1) Excludes joint ventures



# 1H 2016 Net Property Income lower by 4.0% YoY<sup>(1)</sup>

Flow through from lower gross revenue



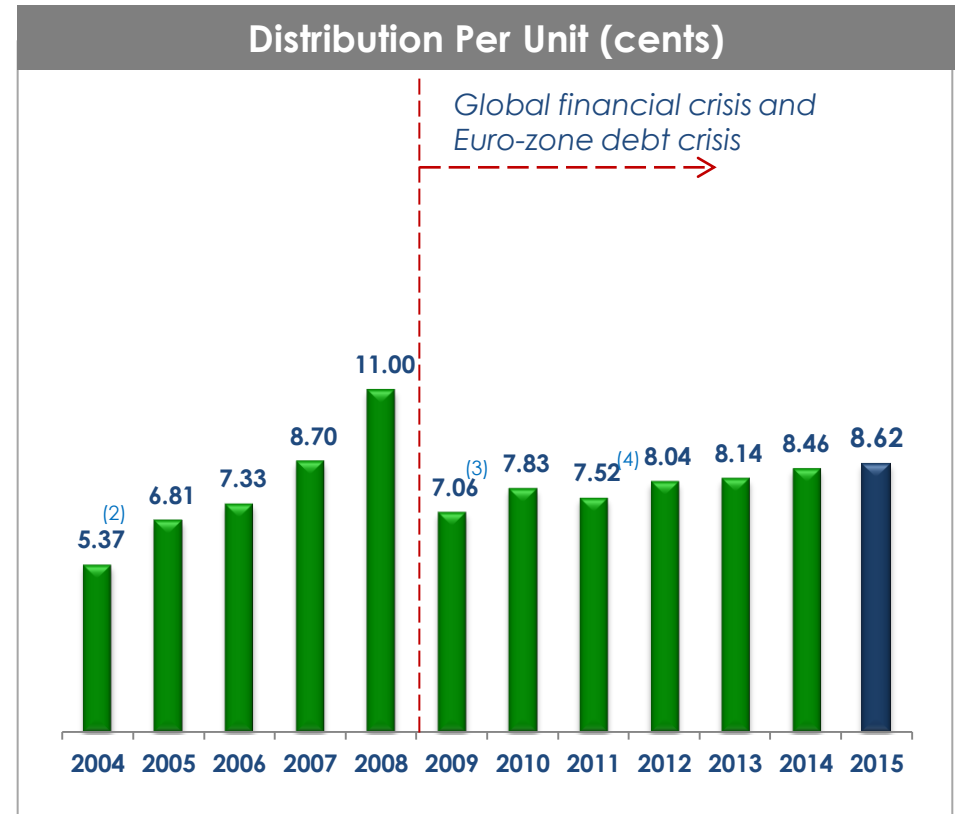
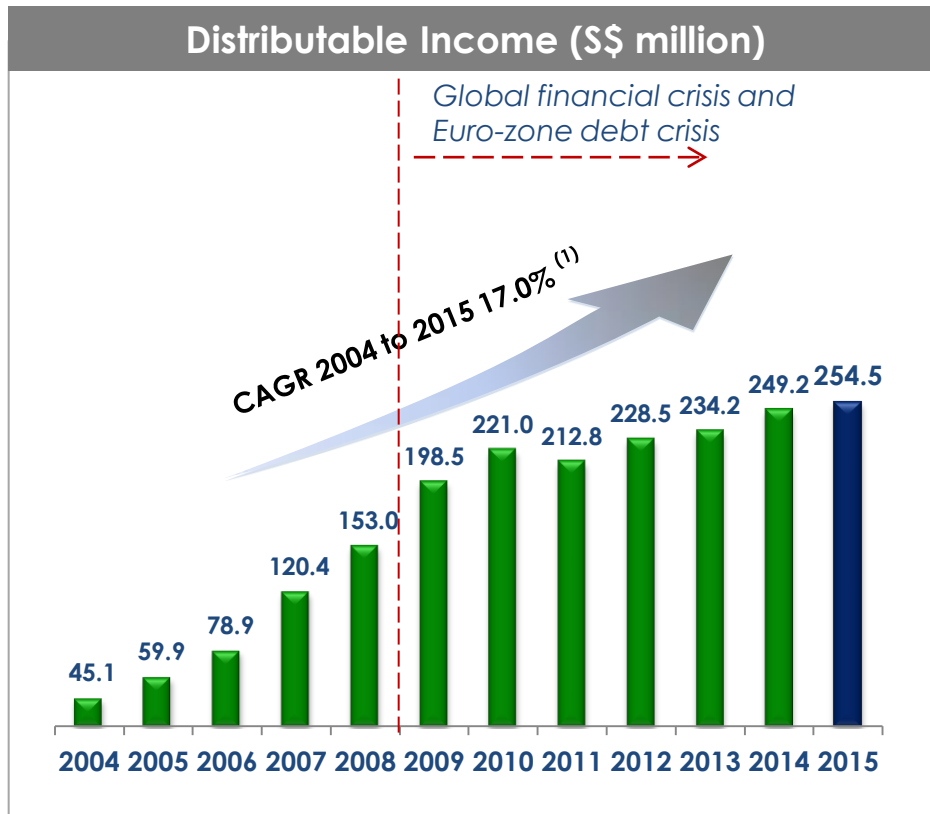
Note:  
(1) Excludes joint ventures





# Established track record: CCT delivered higher returns YoY through property market cycles

Due to successful portfolio reconstitution strategy including recycling of capital, AEI, acquisition and development



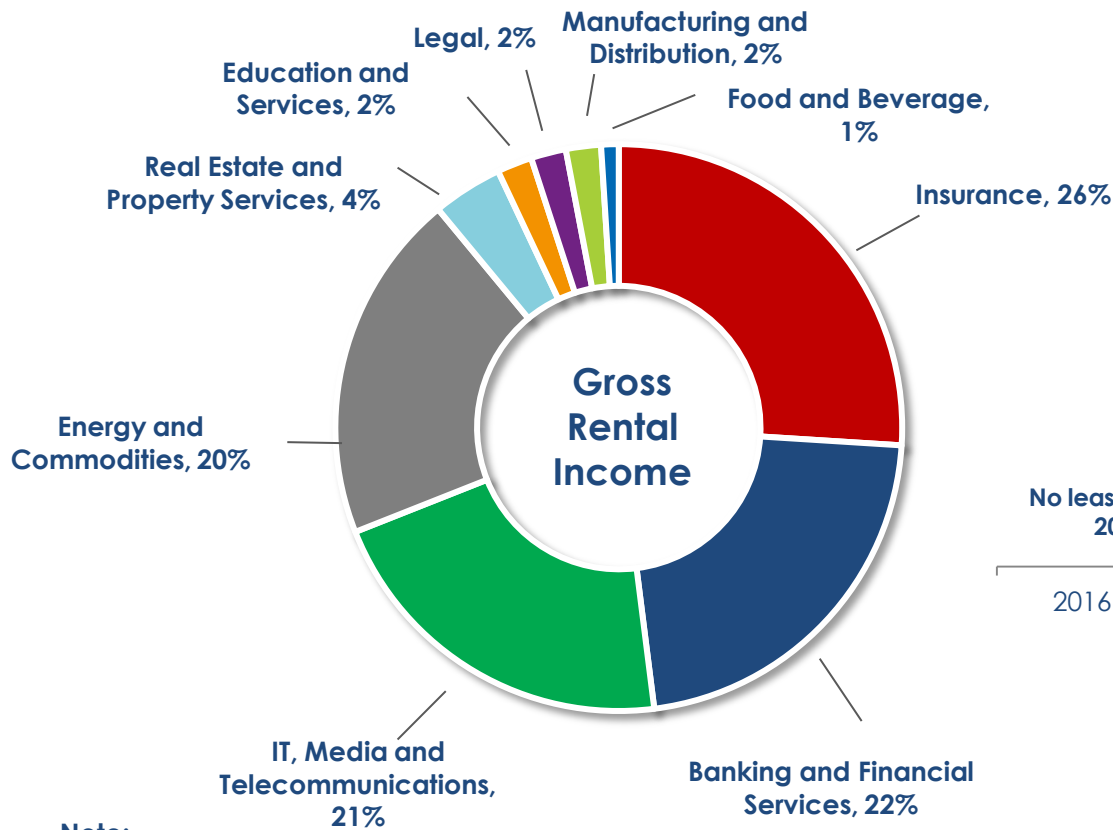
**Notes:**

- (1) CAGR: Compounded Annual Growth Rate; After taking into consideration the issue of rights units in July 2009
- (2) Annualised
- (3) After taking into consideration the issue of rights units in July 2009
- (4) Decline in 2011 DPU compared to 2010 was due to divestment of two properties in 2010, Robinson Point and StarHub Centre

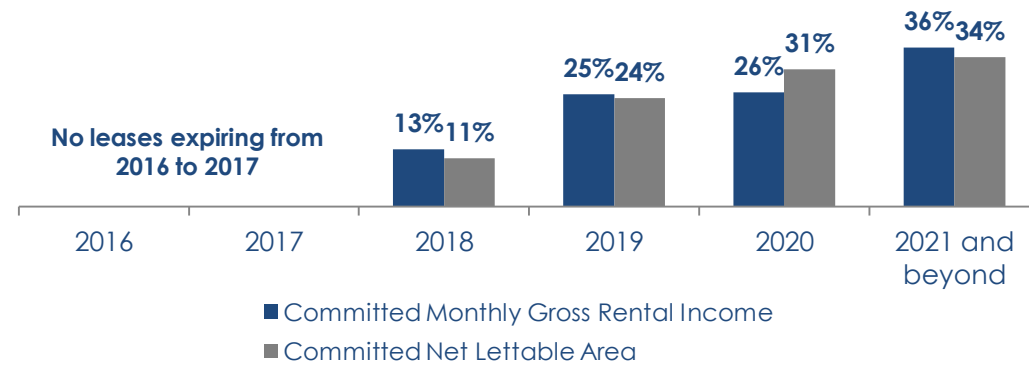


# CapitaGreen achieved 94.6% committed occupancy rate as at 30 Jun 2016

Tenant trade mix<sup>(1)</sup> for CapitaGreen



Lease expiry profile for CapitaGreen as at 30 Jun 2016



Note:  
 (1) Based on net lettable area of leases committed at CapitaGreen







# CapitaLand Commercial Trust

## First Commercial REIT in Singapore (since 11 May 2004)

**S\$4.6b<sup>#</sup>**

Market Capitalisation

**10**

Properties in Singapore's Central Area

**S\$7.8b<sup>\*</sup>**

Deposited Properties

**About 4 million sq ft** NLA (100% basis)

**32%**

Owned by CapitaLand Group



Capital Tower



CapitaGreen (40% stake)



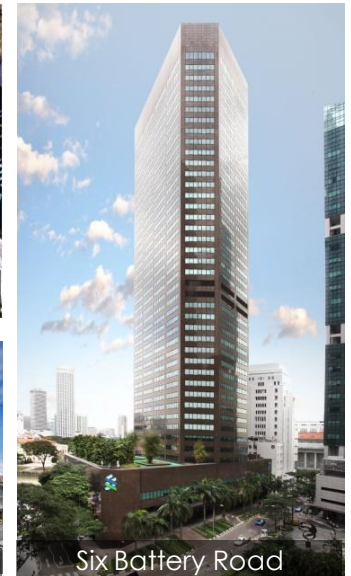
Raffles City Singapore (60% stake)



HSBC Building



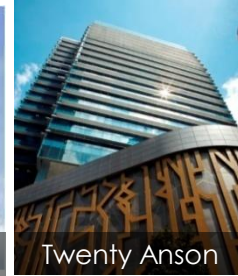
Bugis Village



Six Battery Road



One George Street



Twenty Anson



Wilkie Edge



Golden Shoe Car Park

<sup>#</sup> Market Capitalisation as at 19 Jul 2016  
<sup>\*</sup> Deposited Properties as at 30 Jun 2016





# Owns 10 centrally-located quality commercial properties



1. Capital Tower
2. Six Battery Road
3. One George Street
4. Raffles City Singapore (60.0% interest)
5. CapitaGreen (40.0% interest)
6. Twenty Anson
7. HSBC Building
8. Wilkie Edge
9. Bugis Village
10. Golden Shoe Car Park



# Portfolio committed occupancy rate<sup>(1)</sup> consistently above 90%

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	1Q 2016	2Q 2016
Capital Tower	100.0	100.0	99.9	99.9	99.9	100.0	100.0	100.0	100.0	94.1	98.1	98.7
Six Battery Road	100.0	99.9	98.6	99.2	99.7	85.4 <sup>(2)</sup>	93.0 <sup>(2)</sup>	98.6 <sup>(2)</sup>	99.2	98.9	99.4	99.8
Bugis Village	95.3	99.1	96.6	93.8	93.4	98.8	97.1	97.2	94.8	100.0	100.0	98.5
Golden Shoe Car Park	98.0	96.4	100.0	100.0	95.2	100.0	100.0	94.6	100.0	97.3	97.7	98.6
HSBC Building	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Raffles City (60% interest)	99.5	99.3	99.9	99.3	99.1	98.9	100.0	100.0	100.0	99.2	98.6	98.6
Wilkie Edge			52.5	77.9	98.4	98.4	93.9	99.6	100.0	100.0	95.0	95.0
One George Street			100.0	96.3	100.0	93.3	92.5	95.5	100.0	98.2	99.4	91.3
Twenty Anson							100.0	98.1	97.8	97.9	97.9	96.5
CapitaGreen (40% interest) <sup>(3)</sup>									69.3	91.3	92.8	94.6
<b>Portfolio Occupancy</b>	<b>99.6</b>	<b>99.6</b>	<b>96.2</b>	<b>94.8</b>	<b>99.3</b>	<b>95.8</b>	<b>97.2</b>	<b>98.7</b>	<b>96.8</b>	<b>97.1</b>	<b>98.1</b>	<b>97.2</b>

**Notes:**

(1) For years 2004 to 2009, portfolio occupancy rate includes Starhub Centre and Robinson Point which were divested in 2010

(2) Six Battery Road's AEI was completed in Dec 2013

(3) CapitaGreen is a Grade A office tower on the former site of Market Street Car Park. It obtained TOP on 18 Dec 2014



# Value creation through AEs

Property	Six Battery Road	Raffles City Tower (100.0% interest)	Capital Tower
Occupancy rate (as at 30 Jun 2016)	99.8%	98.6% (RCS)	98.7%
Total AEI final / budget	Final: S\$85.8m Budget: S\$92.0m	Final: S\$32.3m Budget: S\$34.7m	Final: S\$35.0m Budget: S\$40.0m
Target return on investment	8.1%	8.6%	7.8%
Achieved return on investment	8.6%	9.3%	8.2%
Areas of work	Upgrading of main lobby and upper floors' lift lobbies, restrooms and technical specifications, chiller replacement, increasing ceiling height of lettable area and installation of variable air volume boxes	Upgrading of main lobby, driveway, canopy, upper floors' lift lobbies, restrooms, creation of pantries and turnstiles installation	Upgrading of main and mezzanine lobbies, restrooms and technical specifications, chiller replacement and turnstiles installation
AEI Period	<b>COMPLETED</b> 4Q 2010 to 4Q 2013	<b>COMPLETED</b> 4Q 2012 to 2Q 2014	<b>COMPLETED</b> 4Q 2013 to 4Q 2015



# Successful portfolio reconstitution strategy has re-positioned CCT for further growth





# Commitment to environmental sustainability and improved energy efficiency



No.	CCT Properties	Green Mark Award
1	Six Battery Road	Platinum
2	Twenty Anson	Platinum
3	CapitaGreen	Platinum
4	Capital Tower	Platinum
5	One George Street	Gold <sup>PLUS</sup>
6	Golden Shoe Car Park	Gold <sup>PLUS</sup>
7	Raffles City Singapore	Gold
8	Wilkie Edge	Gold
9	HSBC Building	Certified
10	CapitaGreen Tenant Service Centre	Platinum (Office Interior)
10	Six Battery Road Tenant Service Centre	Platinum (Office Interior)

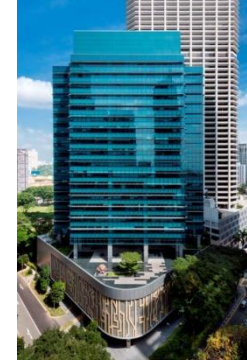


FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that CapitaLand Commercial Trust has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalise on the benefits of responsible business practice.





# Property details (1)



	Capital Tower	Six Battery Road	One George Street	Raffles City Singapore (100%)	Twenty Anson
<b>Address</b>	168 Robinson Road	6 Battery Road	1 George Street	250/252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road	20 Anson Road
<b>NLA (sq ft)</b>	742,000	494,000	447,000	805,000 (Office: 381,000, Retail: 424,000)	206,000
<b>Leasehold expiring</b>	31-Dec-2094	19-Apr-2825	21-Jan-2102	15-Jul-2078	22-Nov-2106
<b>Committed occupancy</b>	98.7%	99.8%	91.3%	98.6%	96.5%
<b>Valuation (30 Jun 2016)</b>	S\$1,319.0m	S\$1,365.0m	S\$1,012.0m	S\$3,162.0m (100.0%) S\$1,897.2m (60.0%)	S\$431.0 m
<b>Car park lots</b>	415	190	178	1,045	55



# Property details (2)



	HSBC Building	Wilkie Edge	Bugis Village <sup>(1)</sup>	Golden Shoe Car Park	CapitaGreen <sup>(2)</sup>
<b>Address</b>	21 Collyer Quay	8 Wilkie Road	62 to 67 Queen Street, 151 to 166 Rochor Road, 229 to 253 (odd nos only) Victoria Street	50 Market Street	138 Market Street
<b>NLA (sq ft)</b>	200,000	155,000	121,000	47,000	704,000
<b>Leasehold expiring</b>	18-Dec-2849	20-Feb-2105	30-Mar-2088	31-Jan-2081	31-Mar-2073
<b>Committed occupancy</b>	100.0%	95.0%	98.5%	98.6%	94.6%
<b>Valuation (31 Dec 2015)</b>	S\$455.0m	S\$199.0m	S\$50.0m	S\$141.0m	S\$1,600.5m (100.0%) S\$640.2m(40.0%)
<b>Car park lots</b>	55	215	NA	1,053	180

**Notes:**

- (1) The leasehold title and the valuation take into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the State Lease on 1 Apr 2019 upon payment of S\$6,610,208.53 plus accrued interest.
- (2) Figures shown are 100% interest. CCT owns 40.0% of CapitaGreen development with a call option to acquire balance 60.0% within 3 years upon receipt of temporary occupation permit. CapitaGreen obtained TOP on 18 Dec 2014.