





Mapletree Commercial Trust

3Q FY17/18 Financial Results

24 January 2018

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Agenda

- Key Highlights
- Financial Performance
- Portfolio Updates
- Outlook



Key Highlights



Key Highlights

Financial Performance

- Gross revenue and net property income ("NPI") for 3Q FY17/18 grew 0.8% and 1.9% respectively from 3Q FY16/17, driven by higher contribution from VivoCity and Mapletree Business City I ("MBC I")
- Distribution per unit ("DPU") for 3Q FY17/18 grew 0.9% to 2.30 Singapore cents, bringing YTD FY17/18 DPU to 6.77 Singapore cents, up 6.4%

Portfolio Performance

- VivoCity recorded 1.2% growth in tenant sales for YTD FY17/18
- Asset enhancement initiative ("AEI") in progress to add a public library on Level 3 and to extend Basement 1 of VivoCity. On track for completion in phases by 3Q FY18/19

Capital Management

- Maintained robust balance sheet with 36.3% aggregate leverage and 3.6 years average term to maturity of debt. Weighted average cost of financing at 2.73% p.a.
- Well-distributed debt maturity profile, with no more than 20% of debt due for refinancing in any financial year. No refinancing due in FY17/18

Financial Performance



Bank of America Merrill Lynch HarbourFront

3Q FY17/18 Financial Scorecard

3Q FY17/18 DPU up 0.9% to 2.30 Singapore cents
Driven by higher contribution from VivoCity and MBC I

S$'000 unless otherwise stated	3Q FY17/18	3Q FY16/17	Variance	
Gross Revenue	**109,669**	**108,761**	▲	**0.8%**
Property Operating Expenses	**(23,714)**	**(24,401)**	▼	**2.8%**
Net Property Income	**85,955**	**84,360**	▲	**1.9%**
Net Finance Costs	**(16,313)**	**(15,620)**	▲	**4.4%**
Income Available for Distribution	**66,454**	**65,586**	▲	**1.3%**
Distribution per Unit (cents)	**2.30**	**2.28**	▲	**0.9%**

YTD FY17/18 Financial Scorecard

YTD FY17/18 gross revenue and NPI up 20.1% and 21.8% respectively
Income available for distribution up 20.2%

S$'000 unless otherwise stated	YTD FY17/18	YTD FY16/17	Variance
Gross Revenue	**324,645**	**270,220**	▲ **20.1%**
Property Operating Expenses	**(70,085)**	**(61,162)**	▲ **14.6%**
Net Property Income	**254,560**	**209,058**	▲ **21.8%**
Net Finance Costs	**(47,693)**	**(38,282)**	▲ **24.6%**
Income Available for Distribution	**195,520**	**162,686**	▲ **20.2%**
Distribution per Unit (cents)	**6.77**	**6.36**	▲ **6.4%**

Balance Sheet

Maintained robust balance sheet through prudent and active capital management

S$'000 unless otherwise stated	As at 31 December 2017	As at 31 March 2017
Investment Properties	**6,347,819**	**6,337,000**
Other Assets	**59,044**	**68,653**
Total Assets	**6,406,863**	**6,405,653**
Net Borrowings	**2,325,233**	**2,329,754**
Other Liabilities	**125,190**	**118,446**
Net Assets	**3,956,440**	**3,957,453**
Units in Issue ('000)	**2,878,915**	**2,871,143**
Net Asset Value per Unit (S$)	**1.37**[1]	**1.38**

1. Lower net asset value per unit as compared to 31 March 2017 mainly due to the higher number of units in issue

Key Financial Indicators

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Healthy set of financial indicators

	As at 31 December 2016	As at 30 September 2017	As at 31 December 2017
Total Debt Outstanding	**S$2,327.6 mil**	**S$2,327.6 mil**	**S$2,327.6 mil**
% Fixed Debt	**81.2%**	**78.0%**	**78.0%**
Gearing Ratio	**37.0%**	**36.4%**	**36.3%[1]**
Interest Coverage Ratio (YTD)	**4.9 times**	**4.8 times**	**4.8 times**
Average Term to Maturity of Debt	**4.3 years**	**3.9 years**	**3.6 years**
Weighted Average All-In Cost of Debt (p.a.)	**2.64%[2]**	**2.70%[3]**	**2.73%[4]**
Unencumbered Assets as % of Total Assets	**100%**	**100%**	**100%**
MCT Corporate Rating (by Moody's)	**Baa1**	**Baa1**	**Baa1**

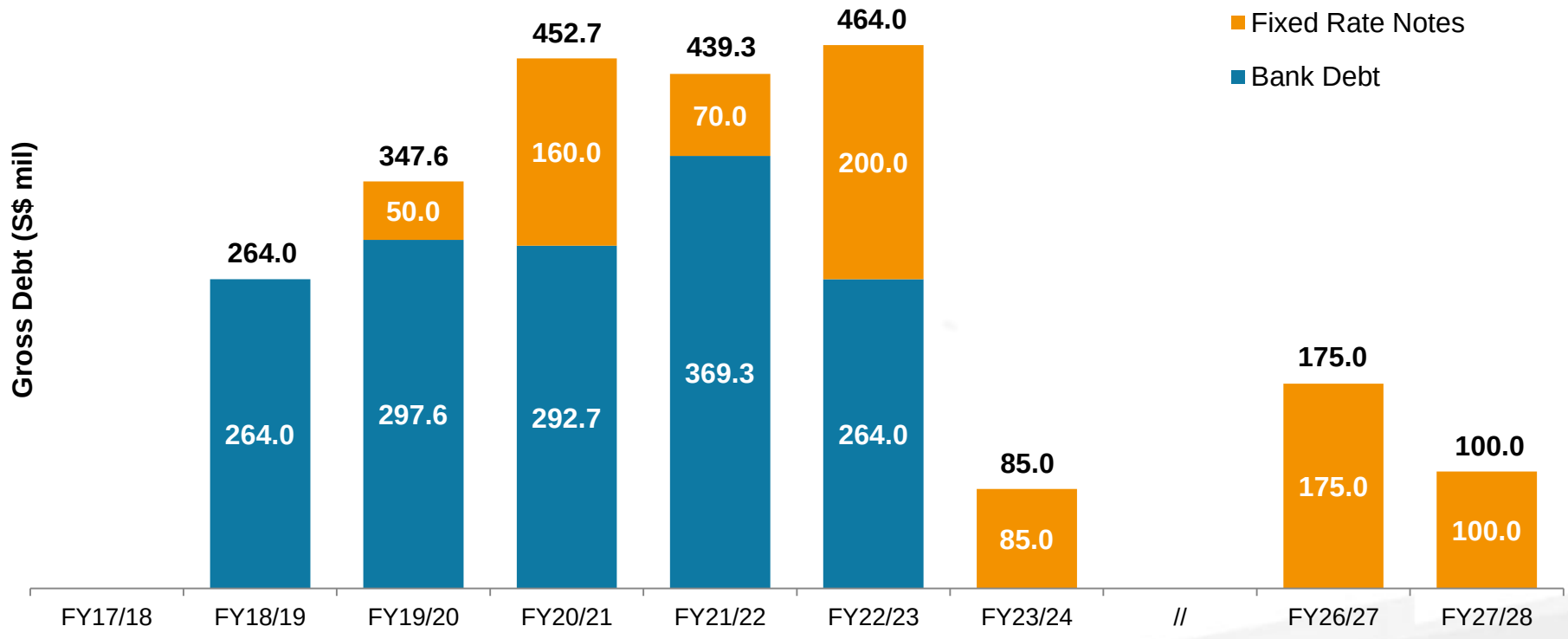
1. Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to total net assets is 58.8%
2. Annualised based on YTD ended 31 December 2016
3. Annualised based on 1H ended 30 September 2017
4. Annualised based on YTD ended 31 December 2017

Debt Maturity Profile (as at 31 December 2017)

Well-distributed with less than 20% of debt due for refinancing in any financial year

Total gross debt: S$2,327.6 mil

- No refinancing due in FY17/18



% of Total Debt	-	11%	15%	19%	19%	20%	4%	-	8%	4%

Distribution Details

3Q FY17/18 DPU of 2.30 Singapore cents

Distribution Period	1 October 2017 – 31 December 2017
Distribution Amount	2.30 Singapore cents per unit

Distribution Timetable	
Notice of Books Closure Date	Wednesday, 24 January 2018
Last Day of Trading on “cum” Basis	Monday, 29 January 2018
Ex-Date	Tuesday, 30 January 2018
Books Closure Date	5:00 pm, Thursday, 1 February 2018
Distribution Payment Date	Wednesday, 28 February 2018

Portfolio Updates



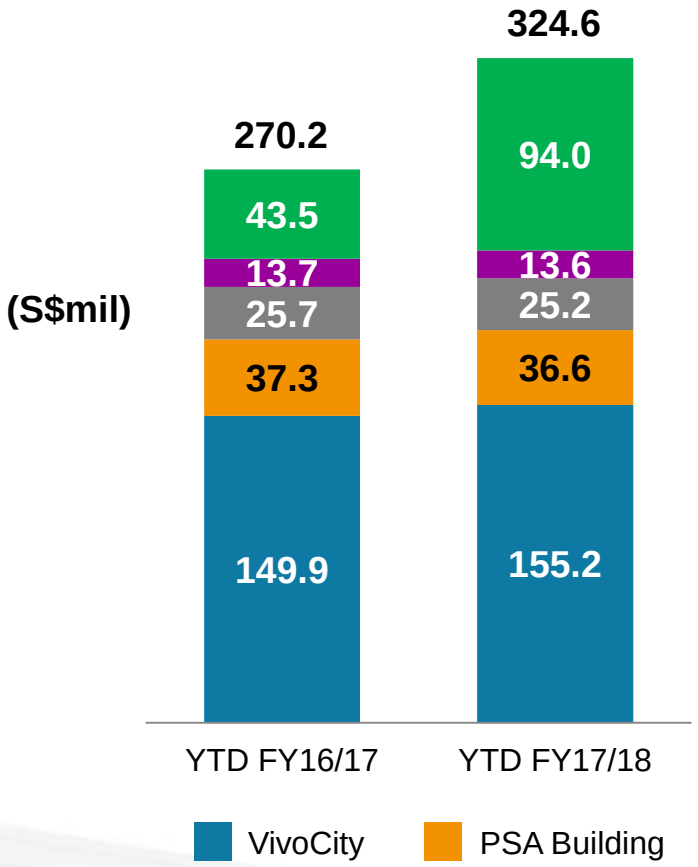
Mapletree Business City I

Portfolio Revenue and Net Property Income

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

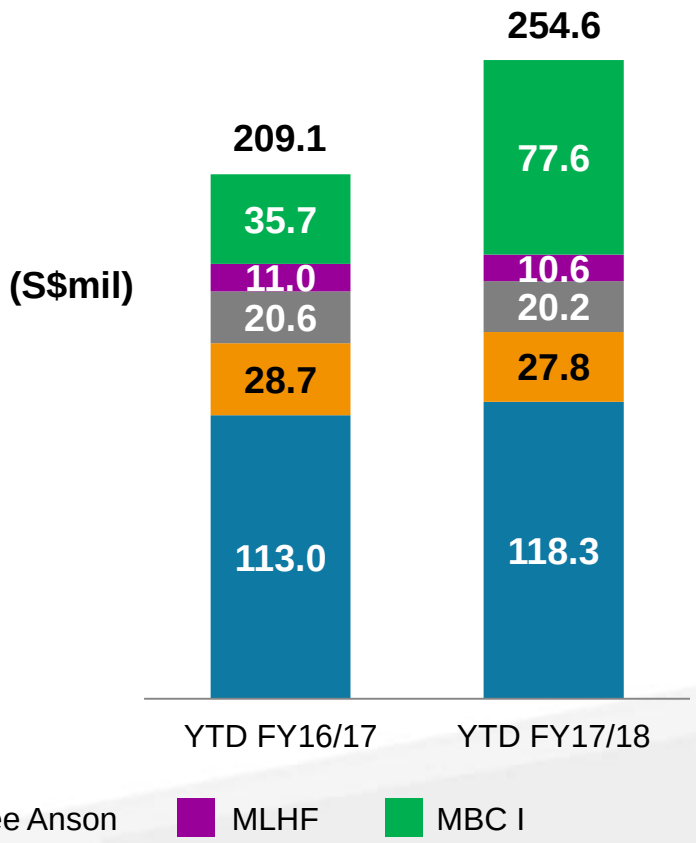
Gross Revenue

▲ 20.1%



Net Property Income

▲ 21.8%



VivoCity | PSA Building | Mapletree Anson | MLHF | MBC I

Portfolio Occupancy

Overall portfolio committed occupancy at 98.7%

	As at 31 December 2016	As at 30 September 2017	Occupancy as at 31 December 2017	
			Actual	Committed
VivoCity	99.9%	99.7%	98.2%	99.7%
MBC I	99.0%	99.1%	93.3%[1]	99.4%
PSA Building	96.2%	94.4%	94.0%	97.4%
Mapletree Anson	100.0%	92.9%	92.9%	92.9%
MLHF	100.0%	91.6%	91.6%	100.0%
MCT Portfolio	**99.0%**	**97.6%**	**94.6%**	**98.7%**

1. The temporary drop in actual occupancy is due to fitting-out by the replacement tenant for the pre-terminated space at MBC I. There is no impact on the overall revenue from MBC I during this fitting-out period due to payment received from the outgoing tenant (refer to the SP Variation Letter as disclosed in the Circular dated 5 July 2016)

YTD FY17/18 Leasing Update

Achieved 1.2% portfolio rental reversion in YTD FY17/18[1]

	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents[2]
Retail	98	77.4%	2.3%[3]
Office/Business Park	15	82.9%	-9.5%[4]
▪ Including replacement tenant for pre-terminated lease[1]	-	-	-0.4%
MCT Portfolio	**113**	**80.5%**	**-1.8%**
▪ Including replacement tenant for pre-terminated lease[1]	-	-	1.2%

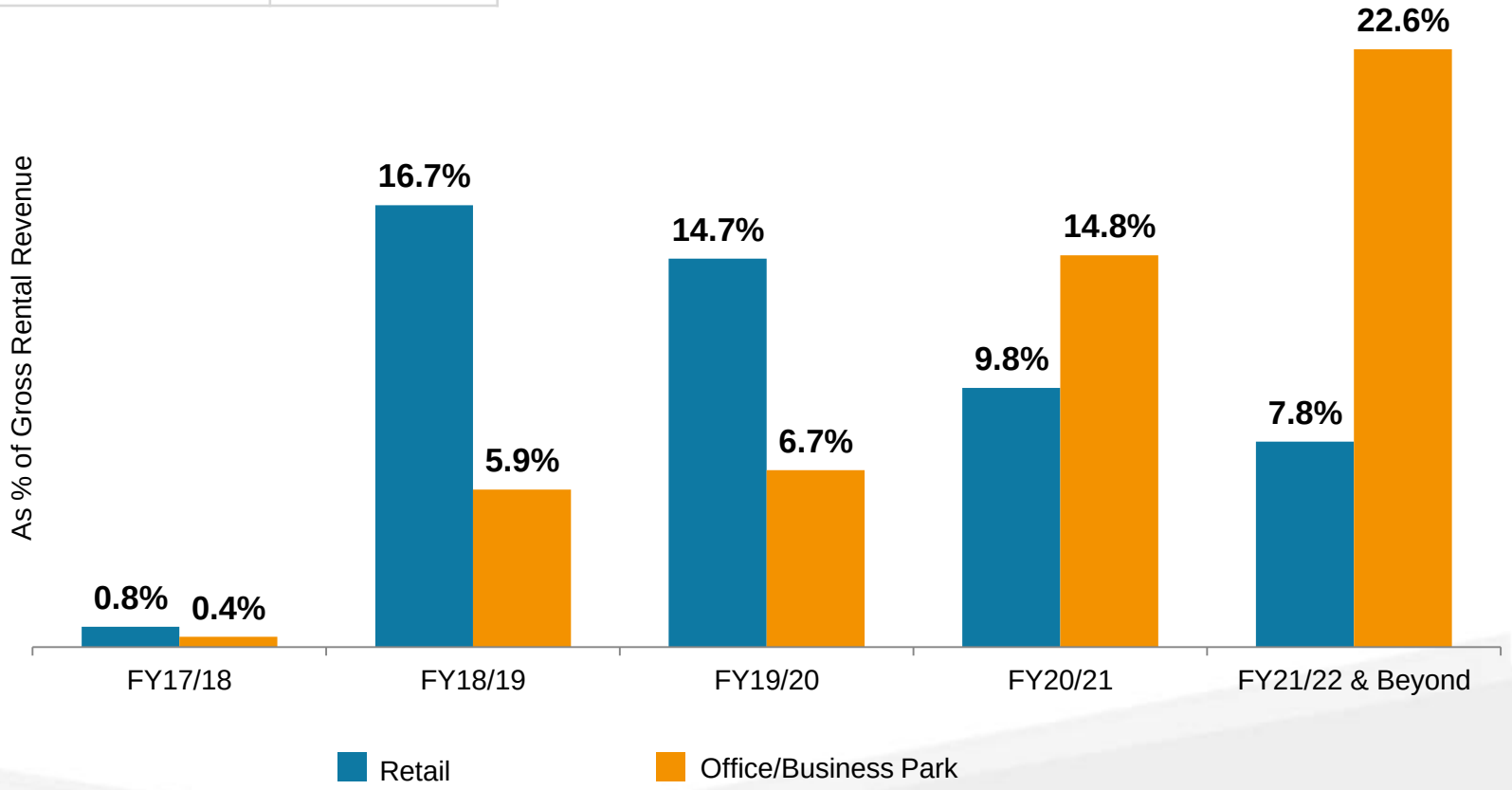
1. Includes the effect of the replacement lease for ~104,000 square feet of pre-terminated space at MBC I (refer to the SP Variation Letter as disclosed in the Circular dated 5 July 2016) which was committed in 2Q FY17/18. The average fixed rent of the replacement lease is more than 20% higher than the 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 -4.6%. 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 December 2017)

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Portfolio resilience supported by manageable lease expiries

Portfolio WALE	2.7 years
Office/Business Park	3.4 years
Retail	2.0 years

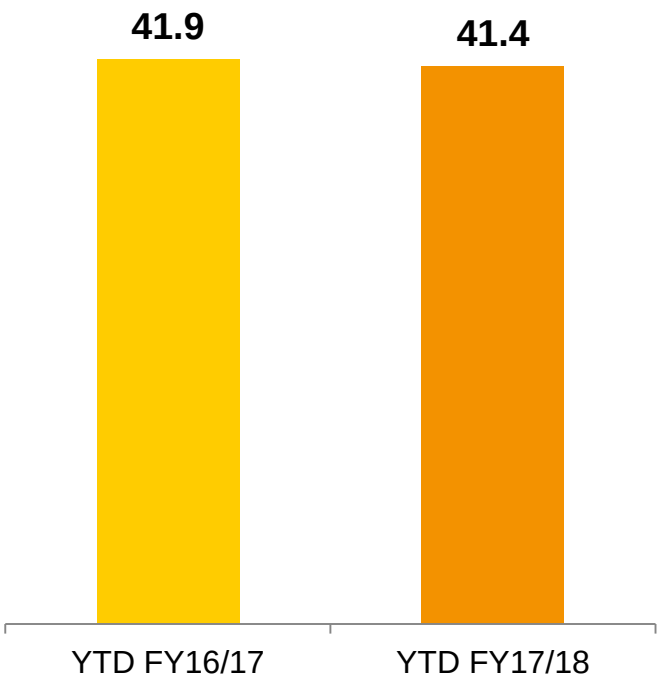


VivoCity – Shopper Traffic and Tenant Sales

1.2% growth in YTD FY17/18 tenant sales despite a 1.2% decline in shopper traffic
Resilient performance against a strong YTD FY16/17

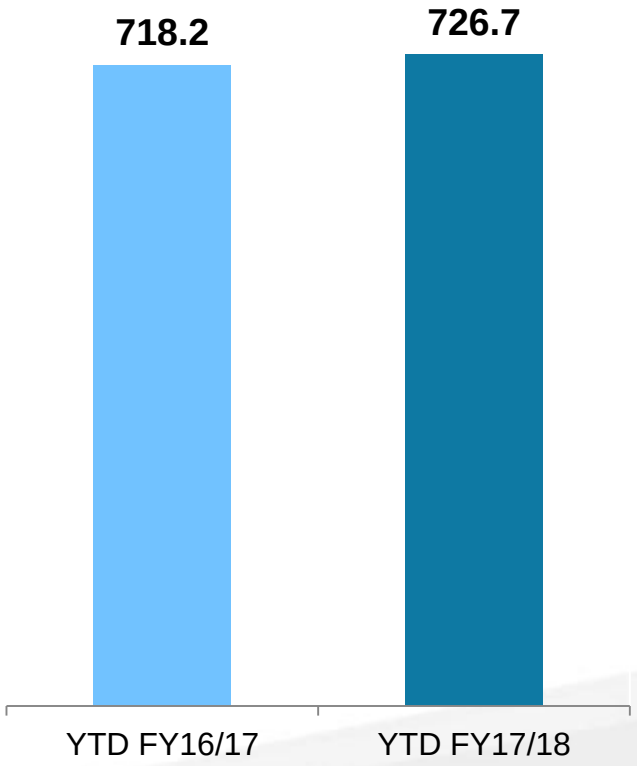
Shopper Traffic (mil)

▼ 1.2%



Tenant Sales (S$ mil)[1]

▲ 1.2%



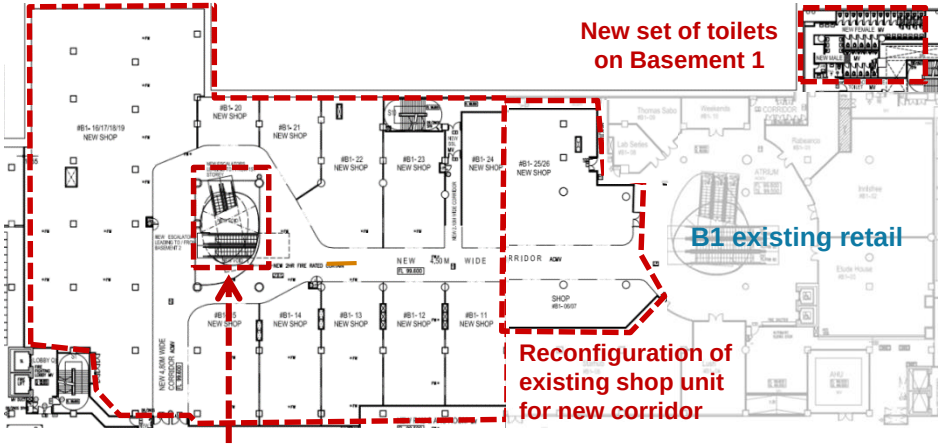
1. Includes estimates of tenant sales for a small portion of tenants

VivoCity – Asset Enhancement Initiatives

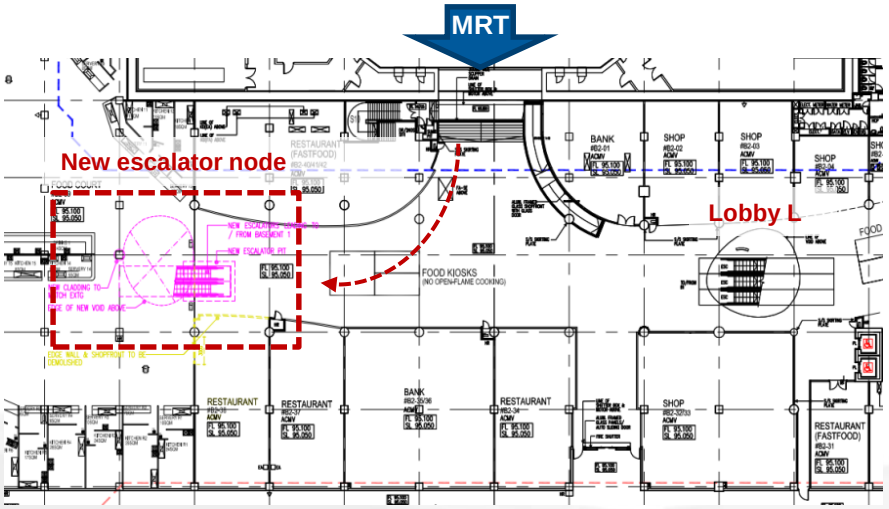
Adding a 3,000 square metre Public Library on Level 3
Extend Basement 1 with bonus GFA granted under the Community/Sports Facility Scheme

- 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
- AEI in progress and on track for completion in phases by 3Q FY18/19

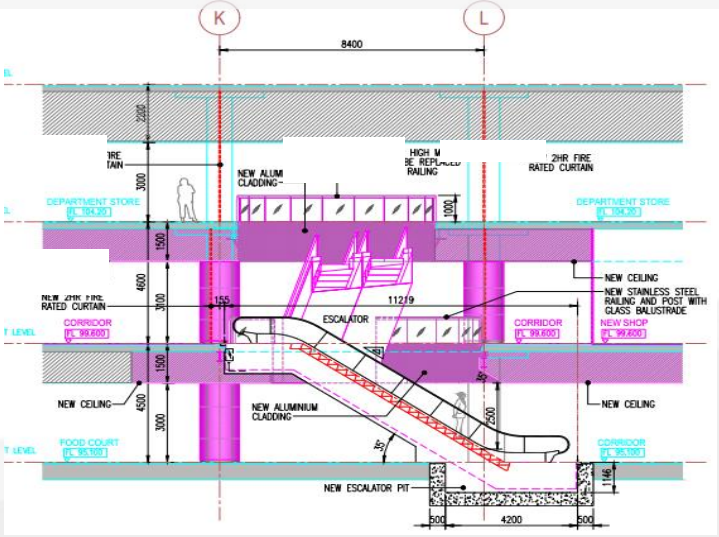
Floorplan for New Basement 1 Extension



Floorplan for Basement 2



Side Elevation of New Escalator from Basement 2 to Level 1



Outlook



VivoCity

Outlook

Singapore Economy

- The Singapore economy grew 3.1% year-on-year in the fourth quarter of 2017, easing from the 5.4% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower 2.8% compared to the 9.4% in the preceding quarter.

Retail

- According to CBRE, retail macro indicators appeared to have held up relatively well into the end of 2017. However, while the retail sector looked poised to recover, there was no significant uptick in rents.
- The retail market in 2018 could surprise on the upside if growth momentum sustains. The modest supply situation over the next 3 years could also lend some support to a stronger rental performance. However, this optimism is not broad-based as the retail market is still trying to find its footing.

Office

- Stronger leasing activity was observed in the final quarter of 2017 as both existing and some pipeline projects enjoyed notable increases in commitment levels. Grade A Core CBD rent recovery continued into Q4 2017 with rents recording a 3.3% quarter-on-quarter increase.

Sources: Singapore's Ministry of Trade and Industry Press Release, 2 January 2018 and CBRE MarketView Singapore Q4 2017

Outlook

Office (cont'd)

- Underpinned by stronger economic fundamentals and with a lower quantum of new supply expected over the medium term, the general outlook for the office market looks positive. However, there are still some factors that may moderate the extent of rebound such as residual availability from completed developments over the last two years and upcoming secondary space in some older buildings.

Business Park

- It was a relatively subdued quarter as occupier activity continued to be more concentrated in the office sector. The City Fringe submarket, which boasts products of higher quality and better locations, has seen significantly healthier occupier demand and interest. In contrast, business parks in the Rest of Island submarket are facing challenges.
- Looking forward, on the back of improving economic fundamentals and emergence of higher tech industries, demand for business park space is expected to remain steady albeit highly selective.

Overall

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







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Thank You

For enquiries, please contact:

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