











CapitaCommercial Trust

CapitaLand Debt Investors Day 2014

Presentation by Ms Lynette Leong
CEO, CapitaCommercial Trust Management Ltd

11 August 2014

Important Notice

This presentation shall be read in conjunction with CCT's 2Q 2014 Unaudited Financial Statement Announcement.

The past performance of CCT is not indicative of the future performance of CCT. Similarly, the past performance of CapitaCommercial 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.

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



1. Overview of CCT

Capital Tower, Singapore

CapitaCommercial Trust

First and Largest Listed Commercial REIT in Singapore (11 May 2004)

S$4.9b#	10	S$7.3b*	3m sq ft	32%	30%
Market Capitalisation	Properties in Singapore's Central Area	Deposited Properties	NLA	Owned by CapitaLand Group	Stake in Quill Capita Trust


Capital Tower


Wilkie Edge


HSBC Building



Twenty Anson


One George Street


Six Battery Road



Raffles City Singapore (60% stake)


CapitaGreen (40% stake)


Golden Shoe Car Park



Bugis Village

 # Market Capitalisation as at 31 July 2014
*** Deposited Properties as at 30 June 2014**

Owns 10 strategically-located quality commercial properties



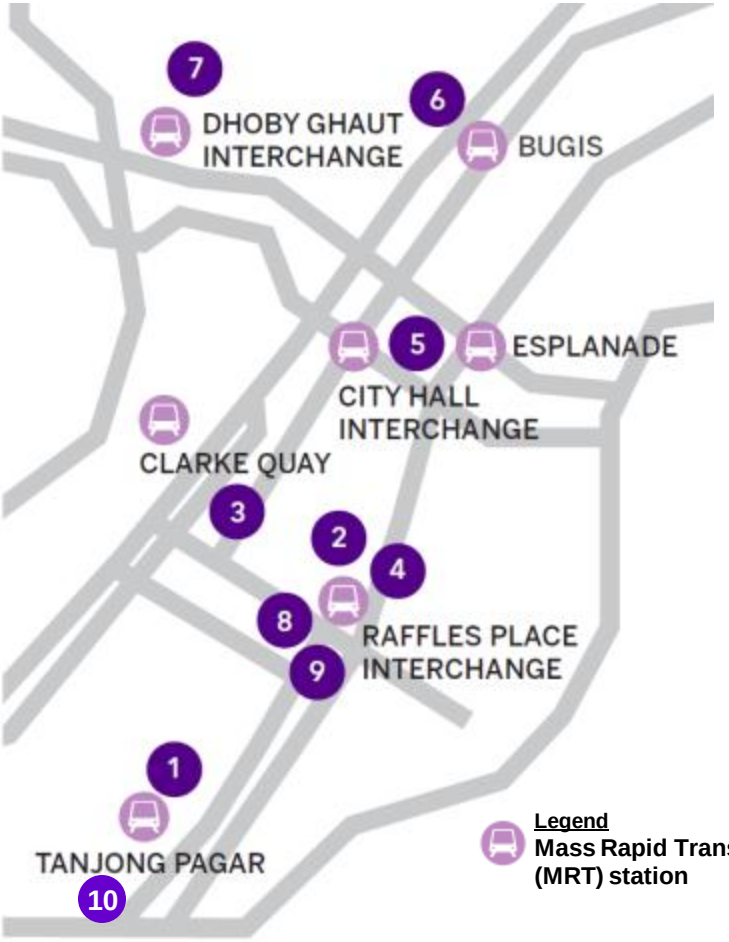


















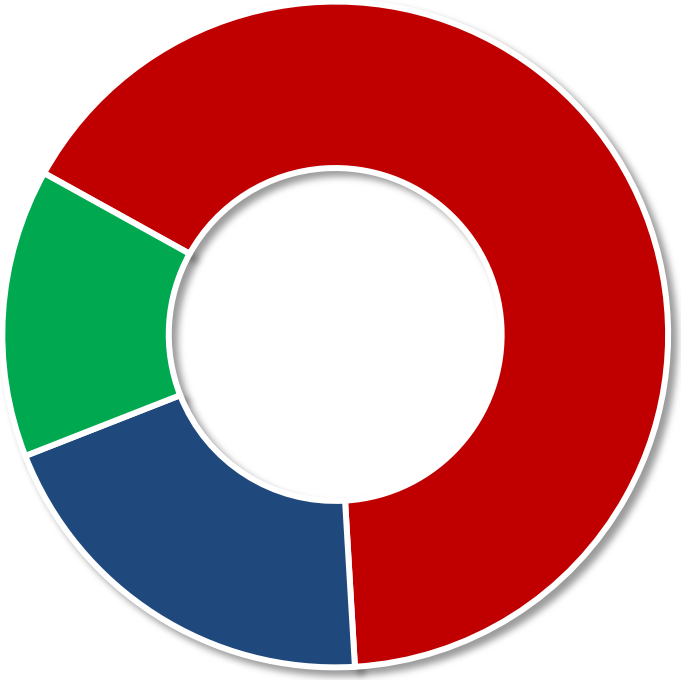


1. Capital Tower
2. Six Battery Road
3. One George Street
4. HSBC Building
5. Raffles City Singapore
6. Bugis Village
7. Wilkie Edge
8. Golden Shoe Car Park
9. CapitaGreen (development)
10. Twenty Anson

CapitaCommercial Trust

66% of gross rental income[(1)] contributed by office and 34% by retail and hotel & convention centre

CCT's income contribution by sector



Office, 66%

Retail[(2)], 20%

Mainly from 60% interest in Raffles City

Hotels & Convention Centre, 14%

Master lease to hotel operator with over 70% of rent on fixed basis

Notes:

(1) Based on gross rental income excluding retail turnover rent from 1 Jan 2014 to 30 Jun 2014

(2) Includes gross rental income from CCT's 60.0% interest in Raffles City Singapore

CCT's strategies for growth

Active leasing
– Portfolio occupancy at 99.4%
- CapitaGreen secures 23% of lease commitment ahead of building's completion in end 2014

Well spread portfolio lease expiry profile to ride the office property cycle
– positive rent reversions with improving Singapore office market sentiments

Value creation through asset enhancement initiatives (AEIs) , acquisition and development (within 10% development limit)

Proactive capital management: Low gearing with debt headroom of S$1.3 billion
Provides flexibility and enables quick response to acquisition opportunities



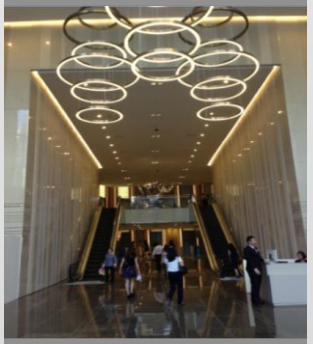
Acquisition pipeline: Call option to buy 60% interest in CapitaGreen within 3 years after completion



Raffles City – Refurbished main lobby



Six Battery Road – Refurbished main lobby



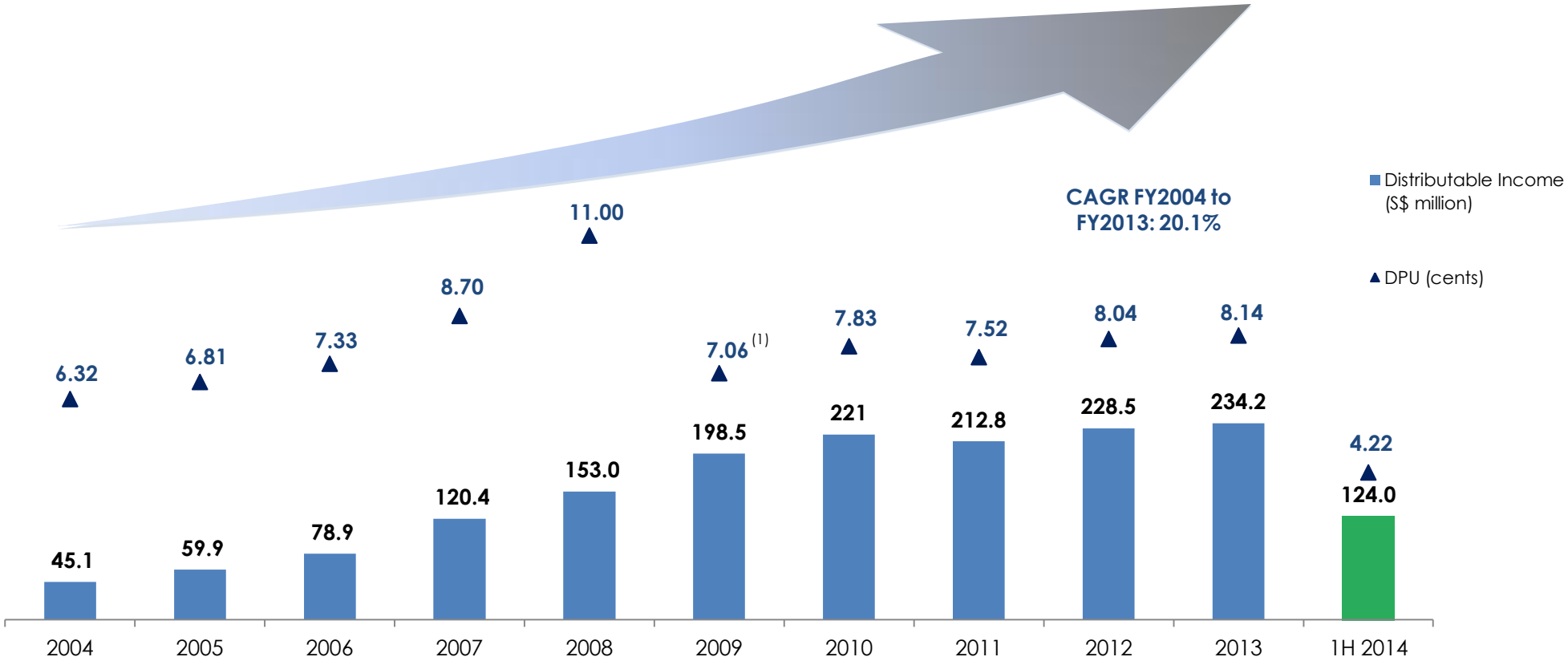
Capital Tower – Main lobby

2. Financial Highlights



One George Street, Singapore

Performance of distributable income and distribution per unit since inception



Note (1) After taking into consideration the issue of rights units in July 2009

1H 2014 distribution per unit up by 5.2%

2Q 2014 DPU

2.18 cents

▲ 5.3% YoY

1H 2014 DPU

4.22 cents

▲ 5.2% YoY



Improvement in rents raised valuation of CCT's properties by 1.4% (excluding Raffles City Singapore and CapitaGreen)

Investment Properties	31 Dec 2013 S$m	30 Jun 2014 S$m	Variance %	30 Jun 2014 S$psf
CCT Group				
Capital Tower	1,282.0	**1,301.0**	1.5	1,764
Six Battery Road	1,285.0	**1,312.0**	2.1	2,653
One George Street	959.0	**963.0**	0.4	2,152
Twenty Anson	431.0	**431.0**	0.0	2,113
HSBC Building	429.0	**446.0**	4.0	2,225
Golden Shoe Car Park	138.4	**139.0**	0.4	NM(3)
Wilkie Edge	186.0	**188.0**	1.1	1,239
Bugis Village (1)	58.6	**57.9**	(1.2)	478
CCT Group	**4,769.0**	**4,837.9**	**1.4**	

Joint Ventures	31 Dec 2013 S$m	30 Jun 2014 S$m	Variance %	30 Jun 2014 S$psf
Raffles City Singapore (60% interest)	1,810.8	**1,846.8**	2.0	NM(3)
CapitaGreen (2) (40% interest) – book value of property under construction	380.0	**438.5**	15.4	NM(3)

Notes:

(1) Excludes Bugis Village which has lower rental rates assumed 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.

(2) Land valuation of CapitaGreen as at 30 Jun 2014 was S$284.8 million (40% interest) and took into consideration all applicable differential premiums paid to government authority.

(3) NM – Not Meaningful

Robust balance sheet (1)

As at 30 June 2014

	S$ '000
Non-current Assets	6,235,472
Current Assets	85,482
Total Assets	**6,320,954**
Current Liabilities	179,037
Non-current Liabilities	1,108,271
Total Liabilities	**1,287,308**
Net Assets	**5,033,646**
Unitholders' Funds	**5,033,646**
Units in issue ('000)	**2,934,543**

	S$ '000
Deposited Properties(2)	**7,349,201**
Net Asset Value Per Unit	**S$1.72**
Adjusted Net Asset Value Per Unit (excluding distributable income)	**S$1.67**

Credit Rating

Baa1 by Moody's / BBB+ by S&P

Outlook stable by both rating agencies

Notes:

(1) CCT Group has accounted for its 60% interest in RCS Trust and 40% interest in MSO Trust based on the respective joint ventures' net carrying amounts of assets and liabilities.

(2) Deposited properties for CCT Group includes CCT's 60% interest in RCS Trust and 40% interest in MSO Trust.

3. Proactive Capital Management



Wilkie Edge, Singapore

Proactive capital management strategy

1. Refinance ahead of debt maturities
2. Diversify sources of funding
3. Lengthen debt maturities
4. Increase financial flexibility

Strong financial ratios

	1Q 2014	2Q 2014	Remarks
Net Debt / EBITDA[(1)]	5.0 times	**4.6 times**	**Improved** (Lower Net Debt)
Unencumbered Assets as % of Total Assets[(2)]	100.0%	**100.0%**	**Stable**
Average Term to Maturity	3.7 years	**4.0 years**	**Improved** (Due to refinancing of CB 2015)
Average Cost of Debt (p.a.)[(3)]	2.4%	**2.4%**	**Stable**
Interest Coverage[(4)]	6.6 times	**6.8 times**	**Improved** (Lower interest expense and higher EBITDA)

Notes:

(1) 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.

(2) Investment properties at CCT Trust and Twenty Anson (held through CCT's 100% interest in FirstOffice Pte. Ltd.) are all unencumbered.

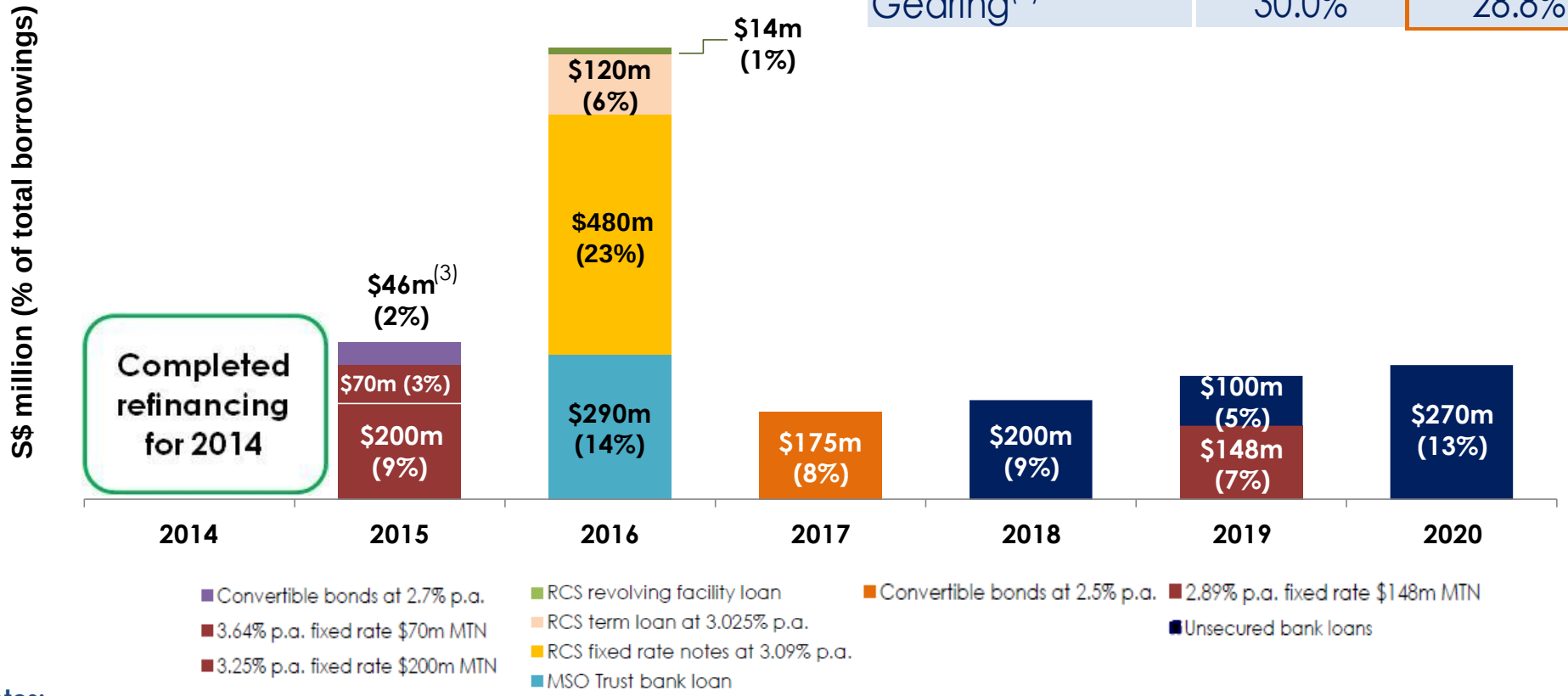
(3) Ratio of interest expense over weighted average borrowings.

(4) Ratio of EBITDA over finance costs includes amortisation and transaction costs.

Debt maturity profile termed out

As at 30 June 2014

	1Q 2014	2Q 2014
Total Gross Debt[1]	S$ 2,166.4 m	S$2,113.2
Gearing[2]	30.0%	28.8%



Notes:

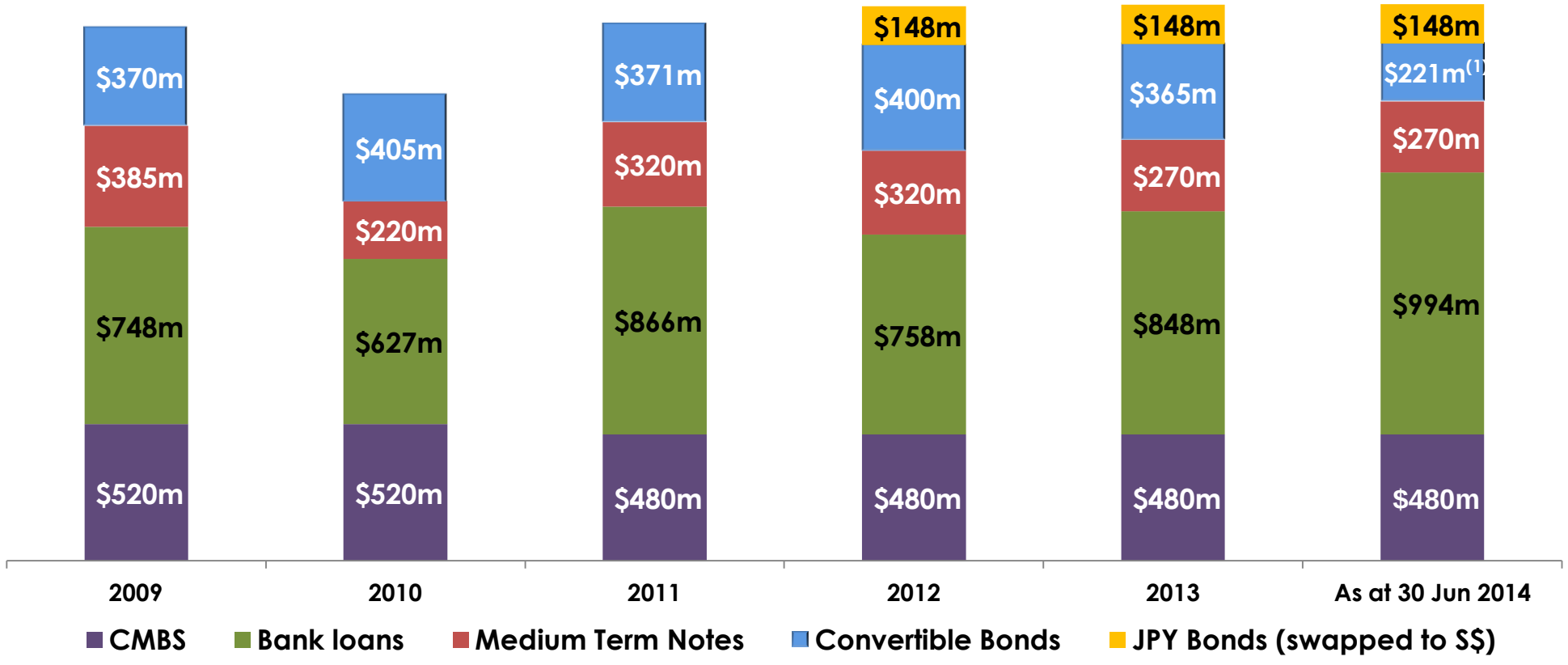
(1) Total gross debt of CCT Group includes CCT's 60% interest in RCS Trust and 40% interest in MSO Trust.

(2) Gearing was computed based on total gross debt over total deposited properties which includes CCT's 60% interest in RCS Trust and 40% interest in MSO Trust.

(3) Subsequent to 30 June 2014, S$1.0 million of the principal amount of CB 2015 was converted into CCT units and S$37.5 million of principal amount of CB 2015 was repurchased. The remaining balance of CB 2015 is S$7.0 million.

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Diverse sources of funding to mitigate risks

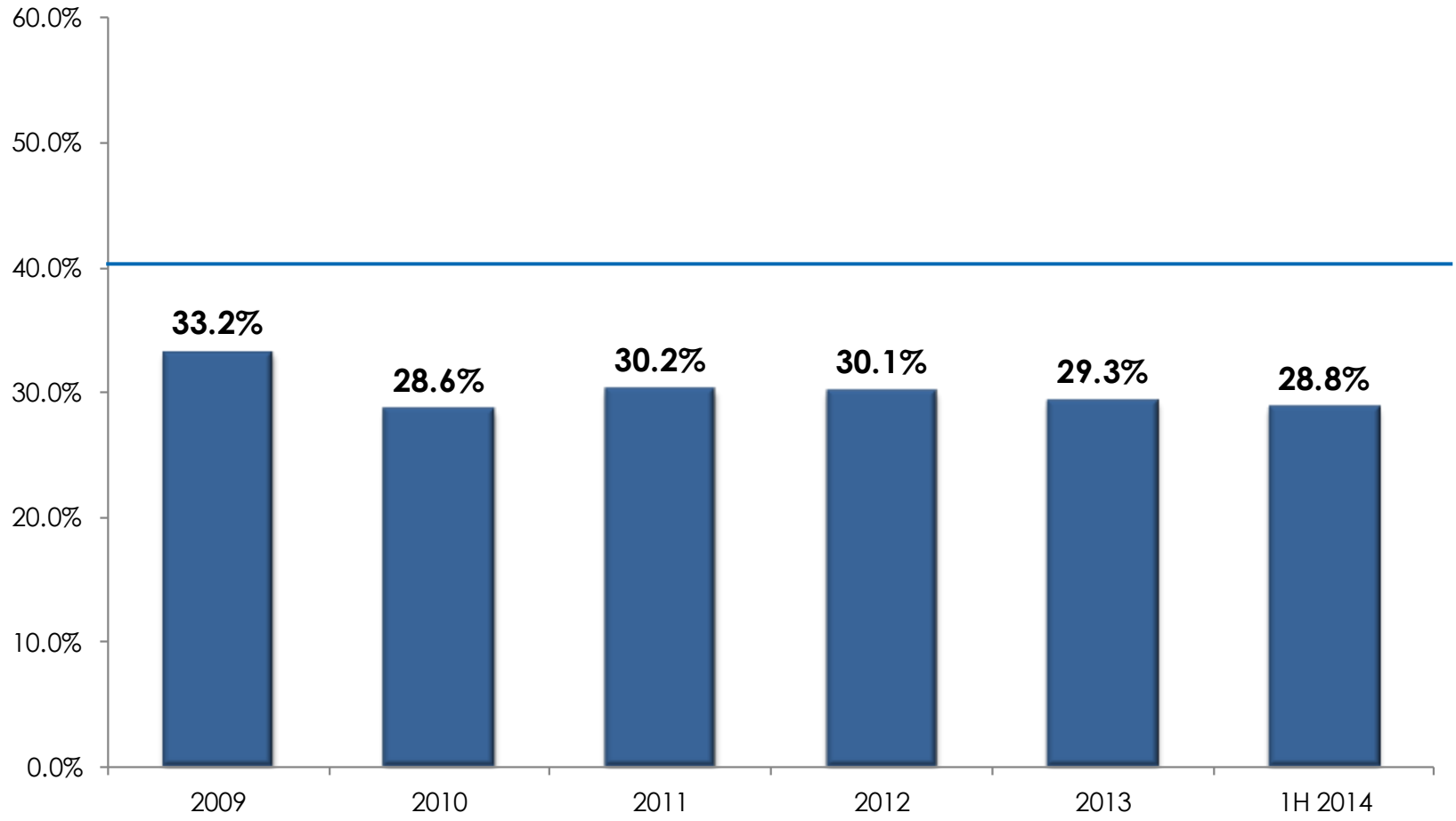


Note:

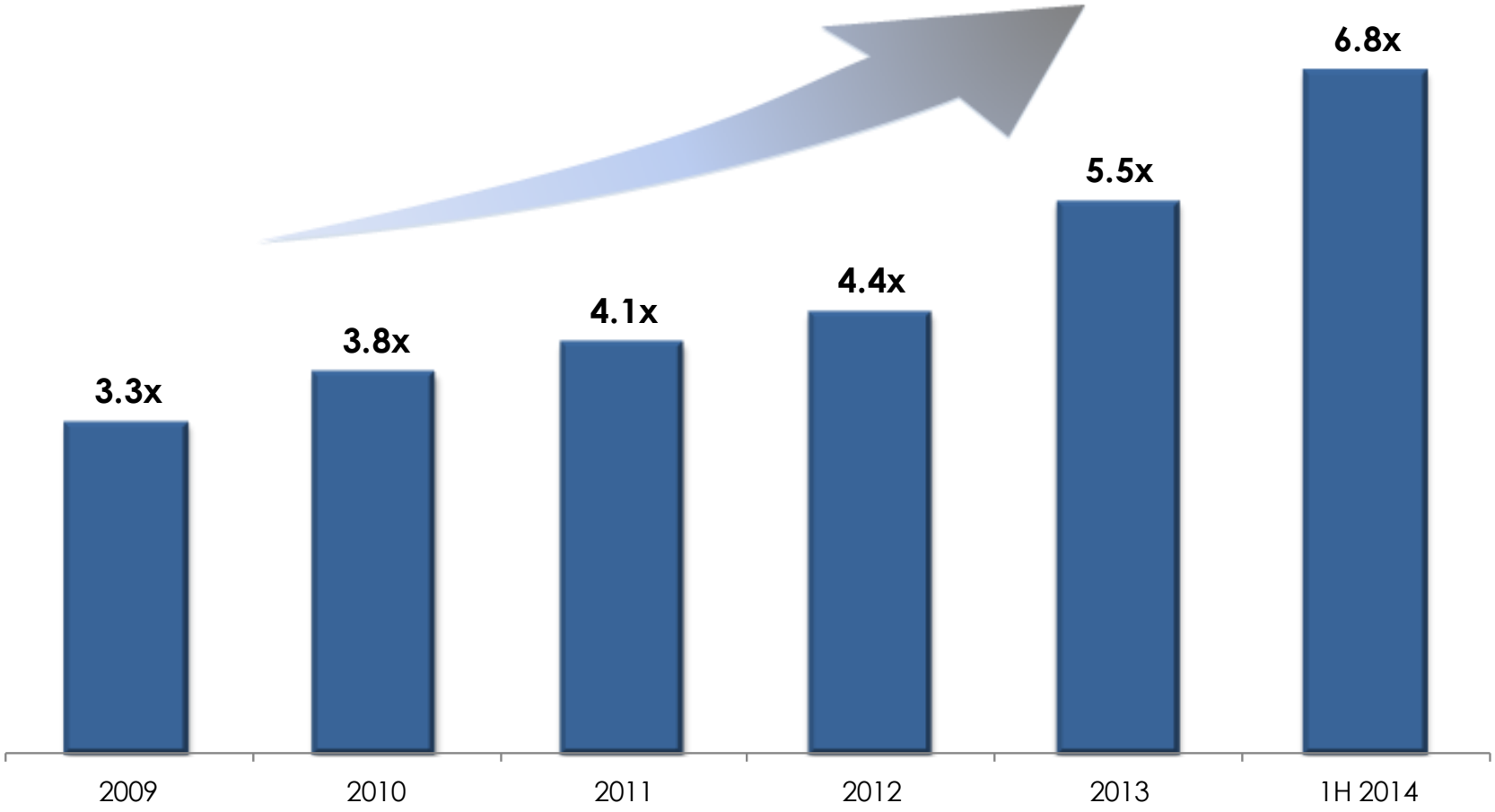
(1) Subsequent to 30 June 2014, S$1.0 million of the principal amount of CB 2015 was converted into CCT units and S$37.5 million of principal amount of CB 2015 was repurchased. The remaining balance of CB 2015 is S$7.0 million. Hence, the aggregate amount of CB due 2015 and 2017 is reduced to S$182 million from S$221 million.

Gearing below 40% throughout property market cycle

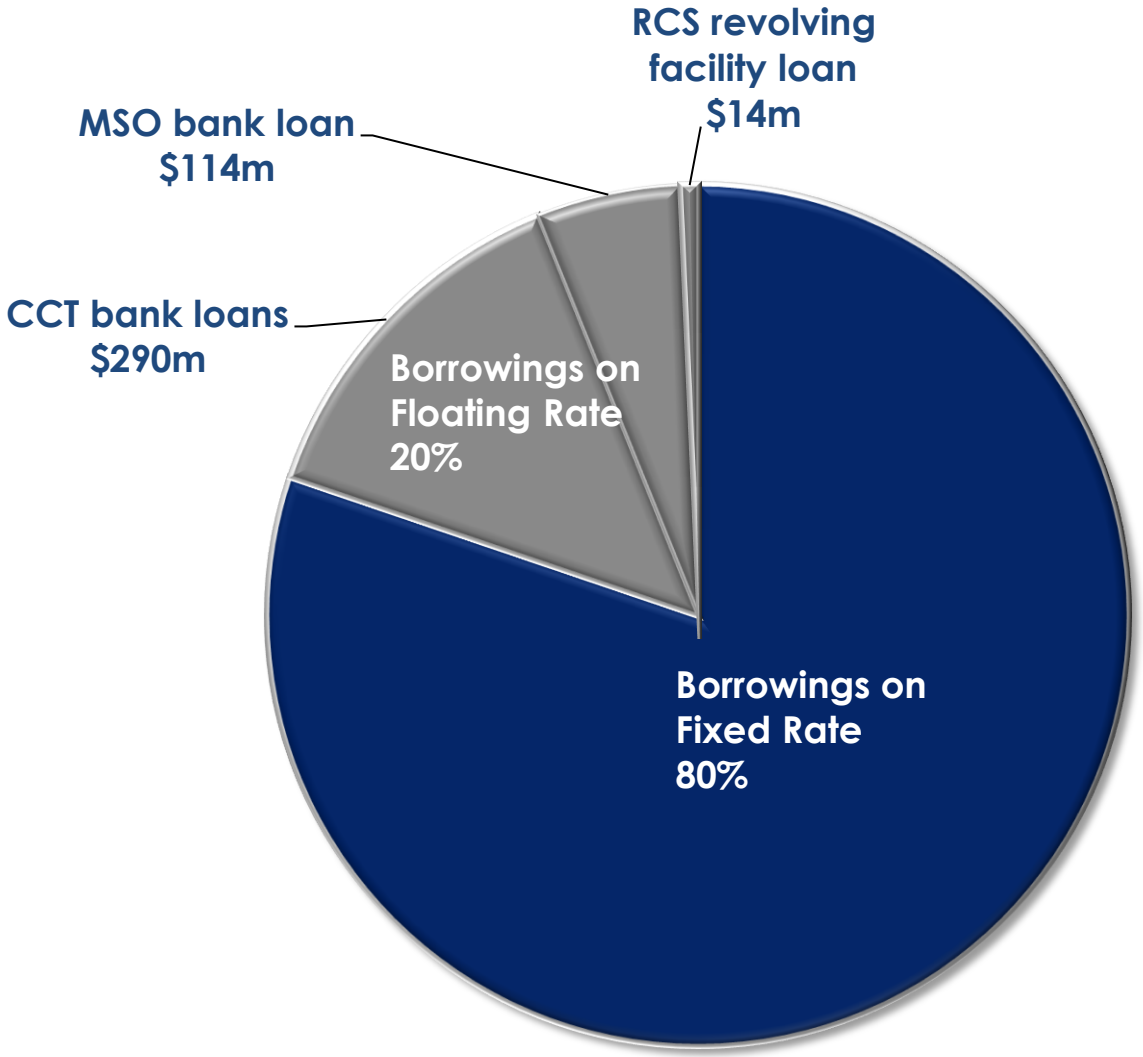
Assuming gearing of 40%, CCT has debt headroom of S$1.3 billion



Improved interest service ratio



80% of fixed rate borrowings provides certainty of interest expense



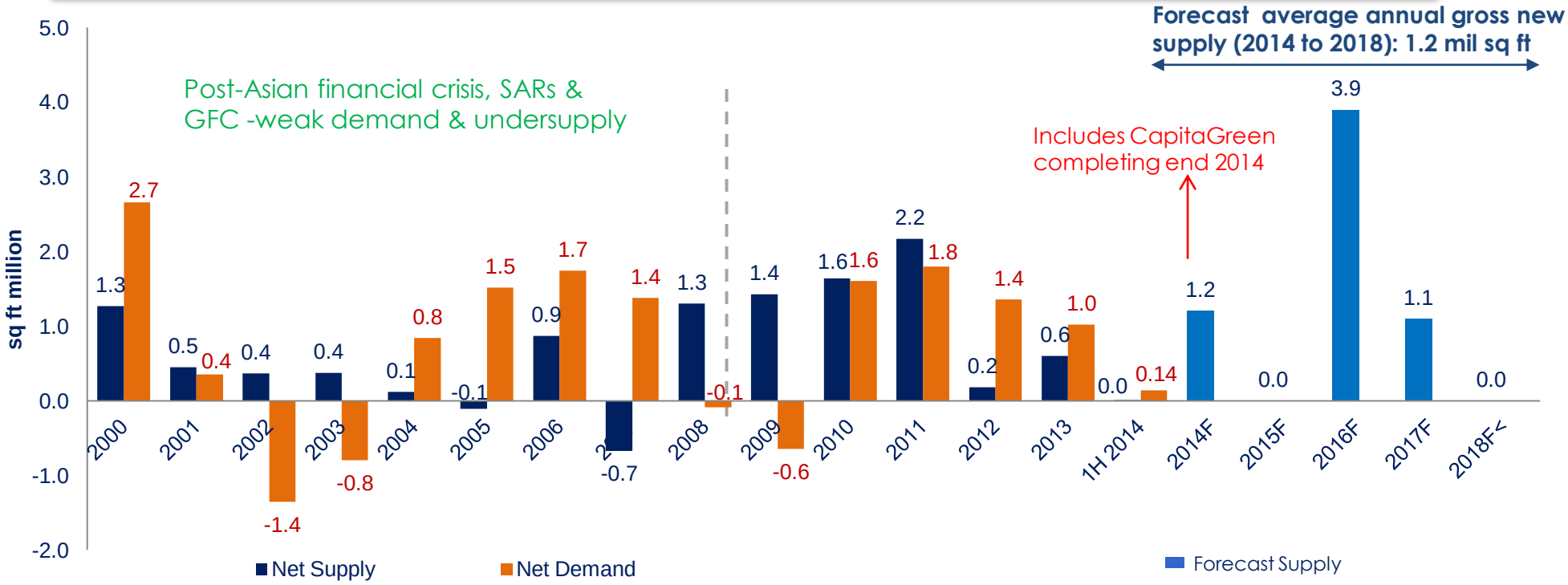
4. Positive Singapore Office Market



Wilkie Edge, Singapore

No new supply in CBD in 2015; Core CBD occupancy at 95.8% as at end-Jun 2014

Singapore Private Office Space (Central Area) – Net Demand & Supply



Periods	Average annual net supply	Average annual net demand
2004 – 2013 (through 10-year property market cycles)	0.8m sq ft	1.1m sq ft
2009 – 2013 (five years period during and post GFC)	1.2m sq ft	1.0m sq ft
2014 – 2018 & beyond (gross supply)	1.2m sq ft	N.A.

Notes:

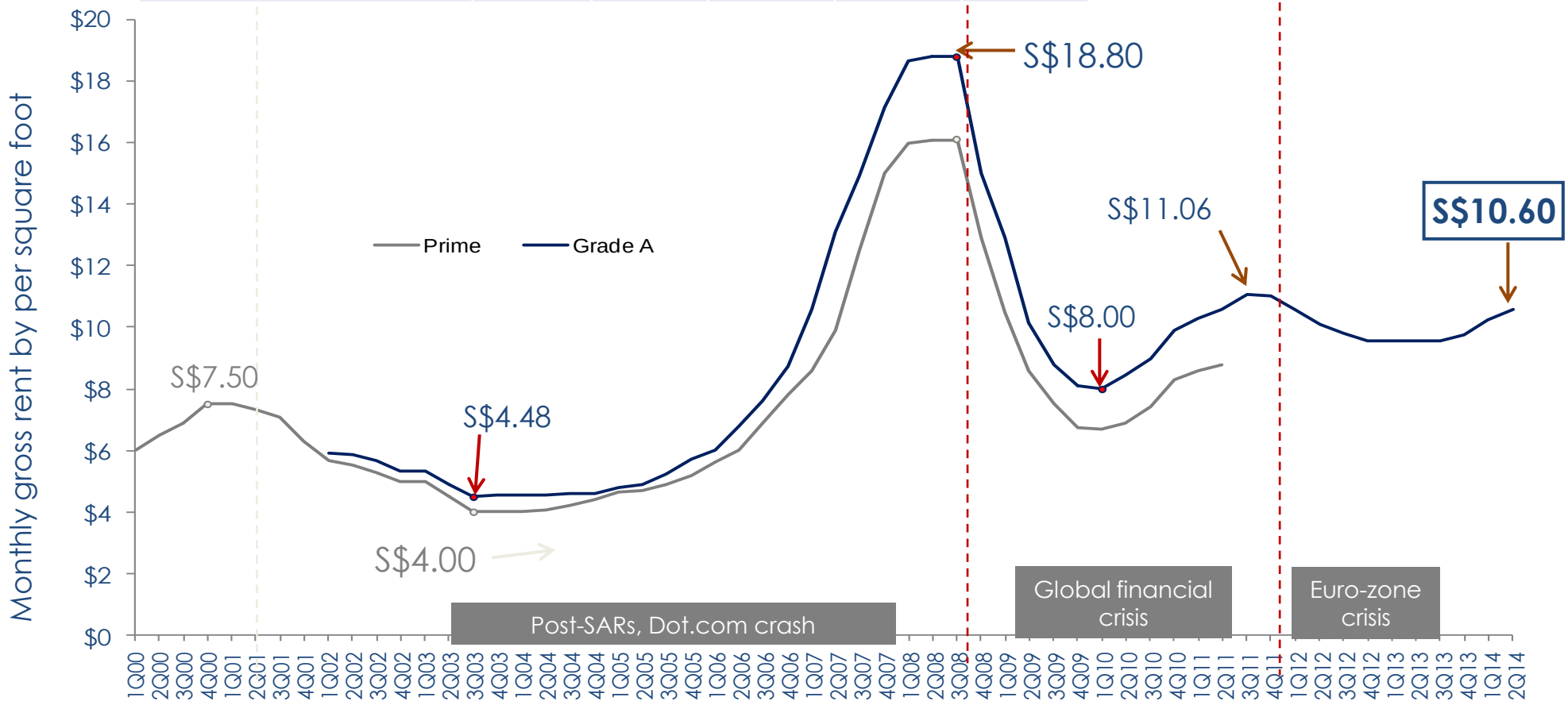
(1) Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'

(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) Source: Historical data from URA statistics as at 2Q 2014; Forecast supply from Jones Lang LaSalle and CBRE Pte. Ltd.

Grade A office market rent increased by 3.4% QoQ

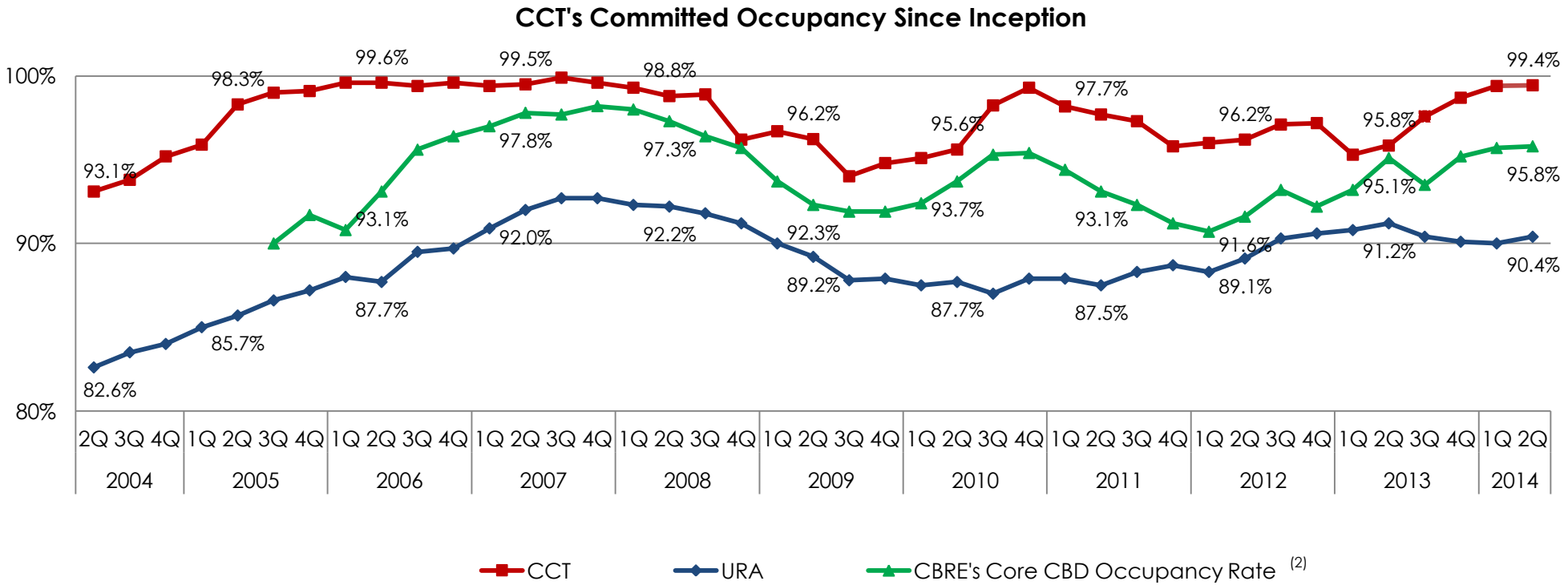
	2Q 13	3Q 13	4Q 13	1Q 14	2Q 14*
Mthly rent (S$ / sq ft)	9.55	9.55	9.75	10.25	**10.60**
% change	0.0	0.0	+2.1%	+5.1%	**+3.4%**



***No historical data for Grade A rents prior to 2002.**
Source of data: CBRE Pte. Ltd. (figures as at end of each quarter). CBRE no longer tracks prime rents from 3Q 2011.

CCT's portfolio occupancy above market level

	CCT Committed Occupancy Level				Industry Statistics Occupancy Level[1]			
Grade A Office	2Q 2014	99.8% ⟷	1Q 2014	99.8%	2Q 2014	94.8% ⟷	1Q 2014	94.8%
Portfolio	2Q 2014	99.4% ⟷	1Q 2014	99.4%	2Q 2014	95.8% ↑	1Q 2014	95.7%

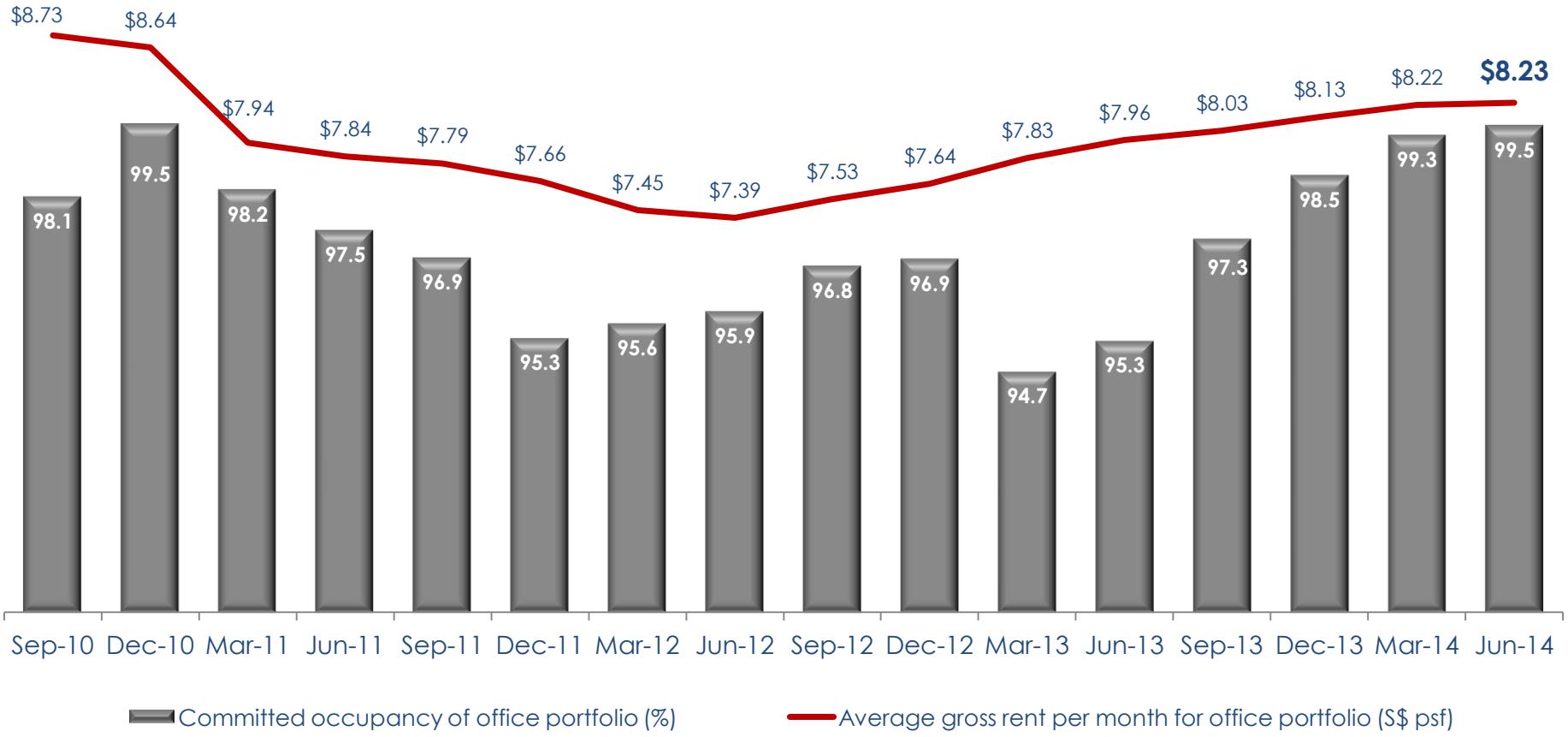


Notes:

(1) Source: CBRE Pte. Ltd.

(2)Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay, data only available from 3Q 2005 onwards

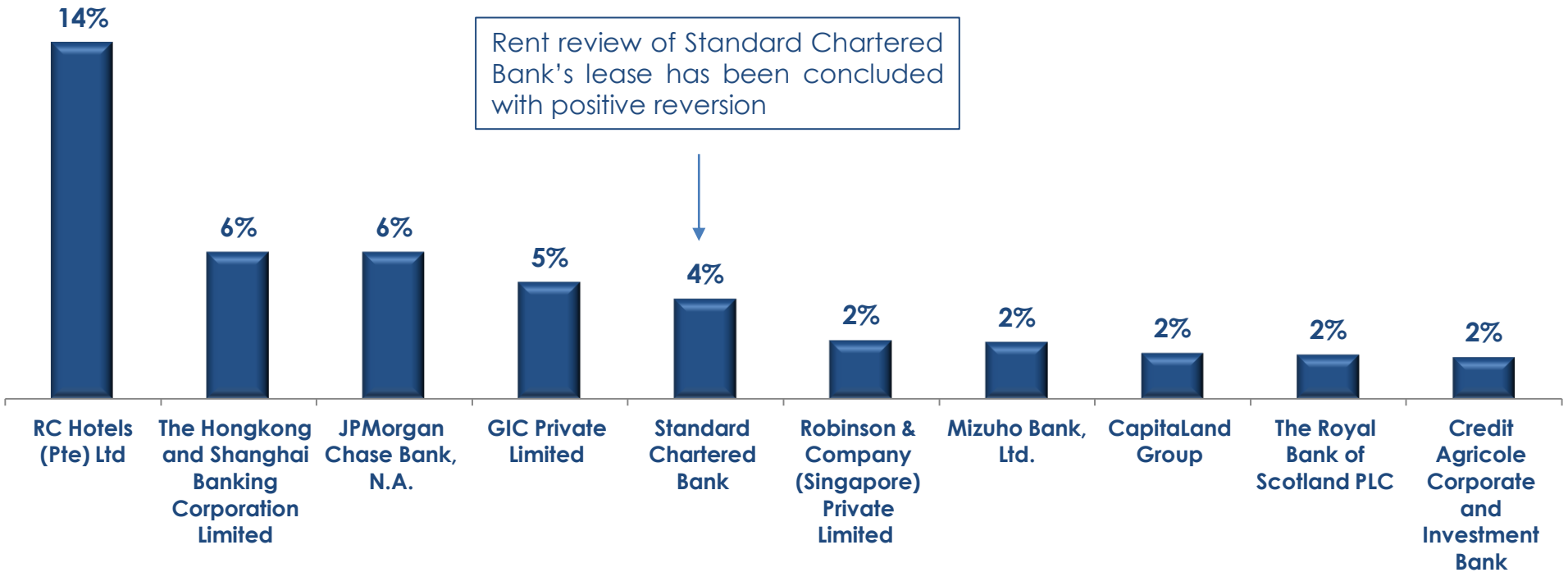
Monthly average office rent of CCT's portfolio[(1)] up by 3.4% over 12-month period



Note:

(1) Average rent per month for office portfolio (S$ psf) = Total committed gross rent for office per month / Committed area of office per month

Top 10 blue-chip tenants contribute 43% of monthly gross rental income[(1)]

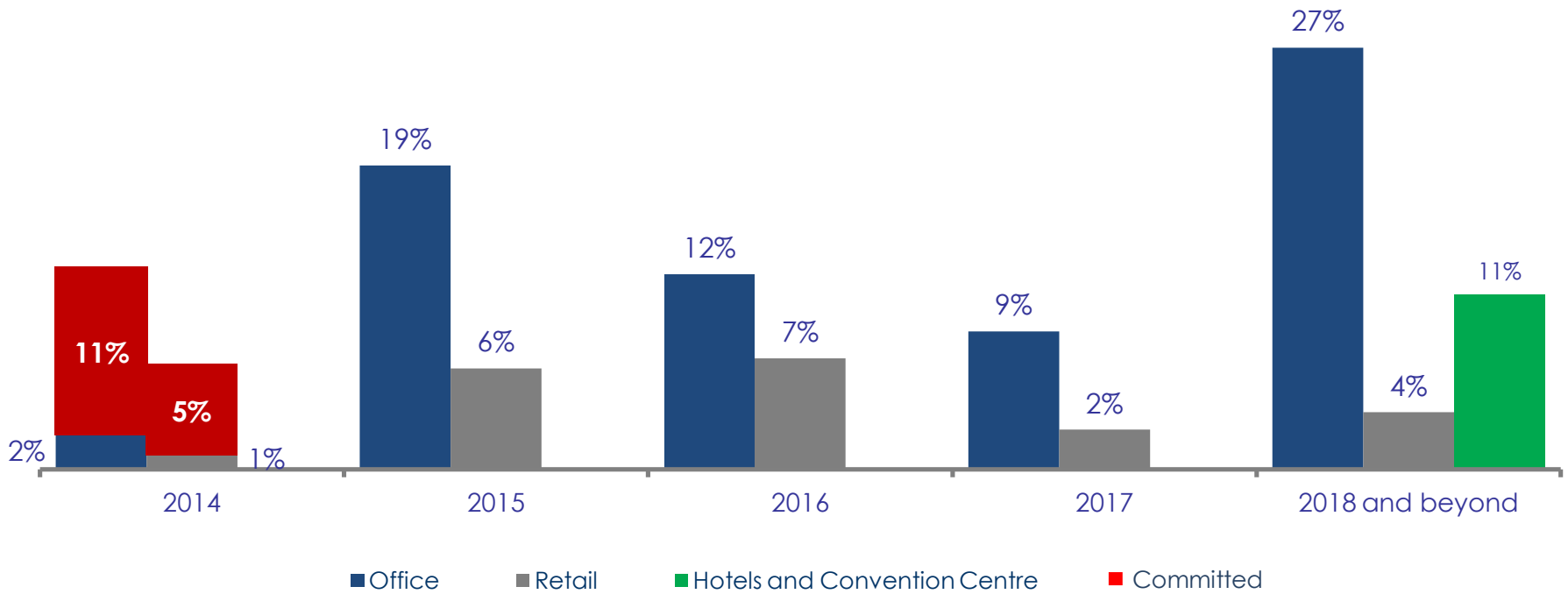


Note:

(1) Based on monthly gross rental income excluding retail turnover rent of top ten tenants as at 30 Jun 2014. Total percentage may not add up due to rounding.

CCT well spread portfolio lease expiry profile

Lease expiry profile as a percentage of monthly gross rental income[1] for Jun 2014



Portfolio WALE[2] by NLA as at end Jun 2014 = 7.8 years

Notes:

(1) Excludes retail and hotel turnover rent

(2) WALE: Weighted Average Lease term to Expiry

Six Battery Road's AEI: Completed and achieved ROI of 8.6%

Achieved targeted reduction in energy consumption of over **25%** annually for the past 2 years, translating to savings of about **S$545,000** per year.

Estimated AEI cost of **S$85.8 million**



Enhanced frontage of Six Battery Road

Average occupancy rate during the AEI was maintained at **92%**

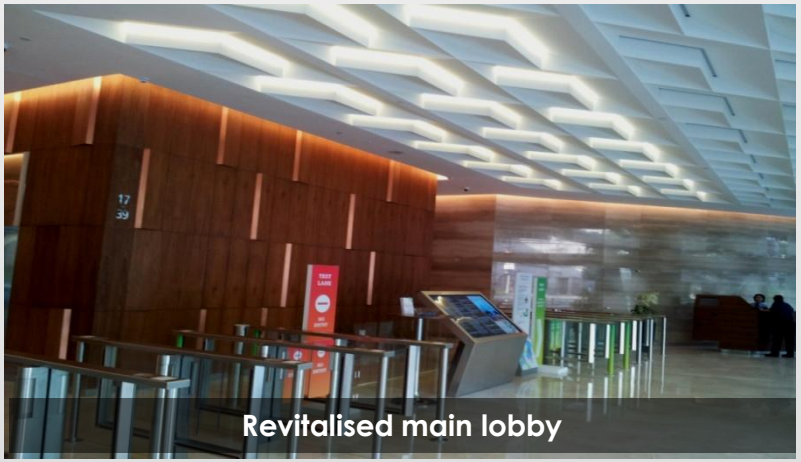
Rental difference between an upgraded and non-upgraded space **12%**(1)

Note:
(1) Derived from the rents of leases committed during the 3 years of AEI

Raffles City Tower AEI: Completed

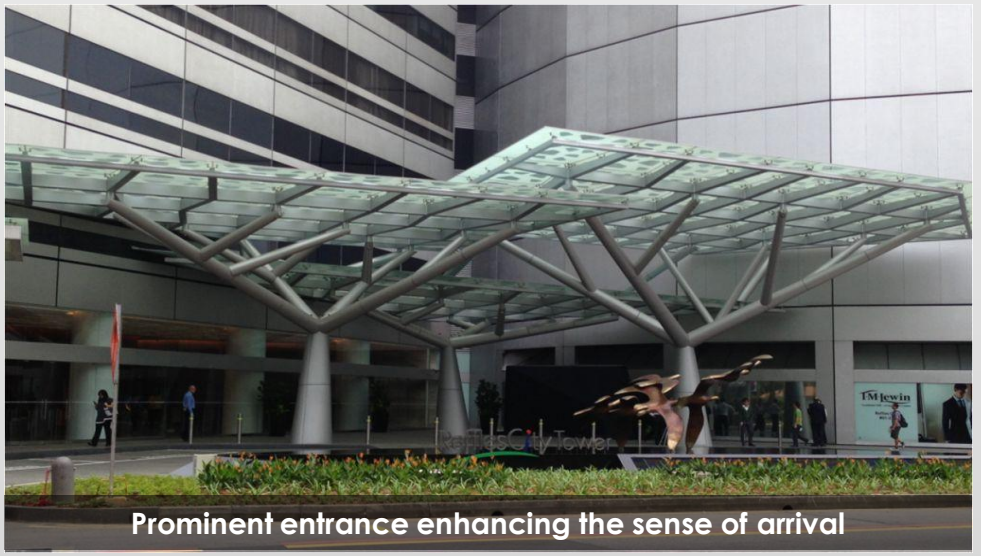
Successfully enhanced visibility of entrance and sense of arrival at the canopy, drop-off area and main lobby

Estimated AEI cost of **S$32.3 million**



Revitalised main lobby

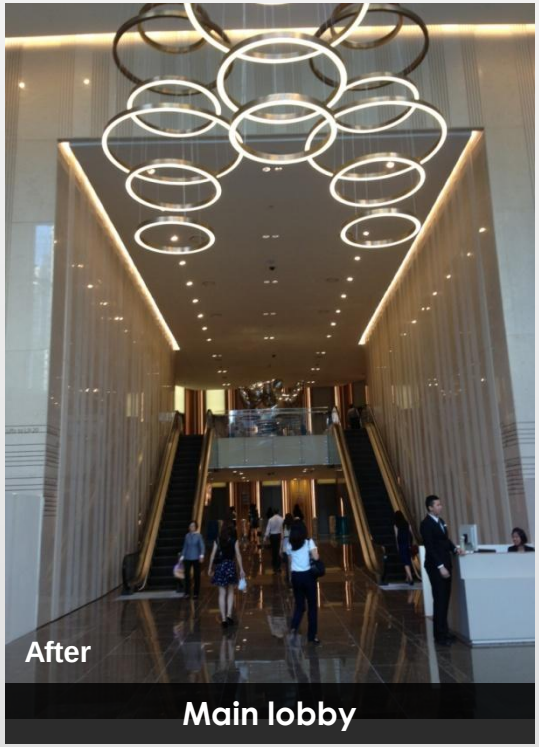
Return on Investment of **9.3%**, above target of 8.6%



Prominent entrance enhancing the sense of arrival

Average office occupancy rate during the AEI **99.9%**

Capital Tower AEI: Expanded scope within the same budget of S$40.0m; Projected ROI of 7.8%



Expanded Scope

Upgrading of upper floor lift lobbies to match the new main lobbies at Level 1 & 2

Revised Schedule for AEI Completion

4Q 2015



Same AEI Budget of

S$40.0m

S$16.1m

paid to date

100%

Committed Occupancy as at 30 Jun 2014



Restroom Upgrade

Completed **15** floors

CapitaGreen secures aggregate lease commitments for about 23% of total NLA(1)



CapitaGreen
- a 40-storey Grade A office tower

- Leased approximately 165,000 square feet of space
- Translates to about 23% of building's NLA
- Tenants from various business sectors including commodities, legal, financial services and insurance
- CapitaGreen's structural work reached top floor of building – on track to complete in end 2014

Note:
(1) NLA: Net Lettable Area



Guest-of-Honour, Minister Khaw Boon Wan and CapitaGreen's joint venture partners, design architect and main contractor performing the ceremonial topping-out on 2 July 2014

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Potential income from 40% share and acquisition pipeline of remaining 60%


CapitaGreen

CapitaGreen
For Business, Naturally

138 Market Street

- Total project development cost of S$1.4 billion
- CCT owns 40% share of CapitaGreen
- Has call option to acquire balance 60% from JV partners
- Purchase price at market valuation
- Subject to minimum of development cost compounded at 6.3% p.a.
- Exercise period: within 3 years after completion (2015 to 2017)

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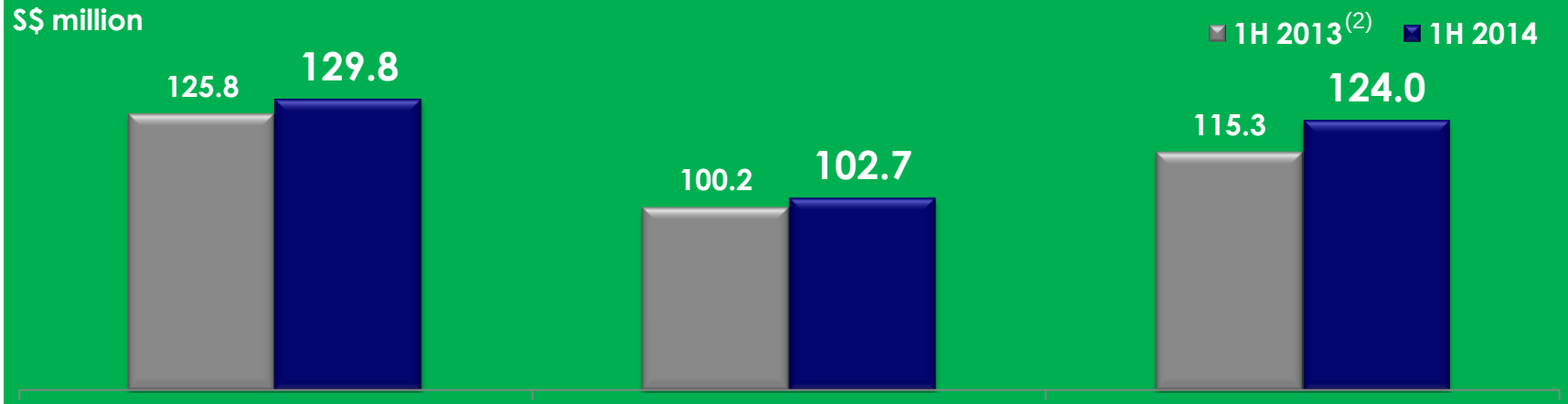
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Q&A

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

1H 2014 distributable income up by 7.6% YoY

Gross Revenue	Net Property Income	Distributable Income [1]
S$129.8 million	S$102.7 million	S$124.0 million
▲ 3.2% YoY	▲ 2.5% YoY	▲ 7.6% YoY



Gross Revenue
Higher revenue from all properties except One George Street [3]

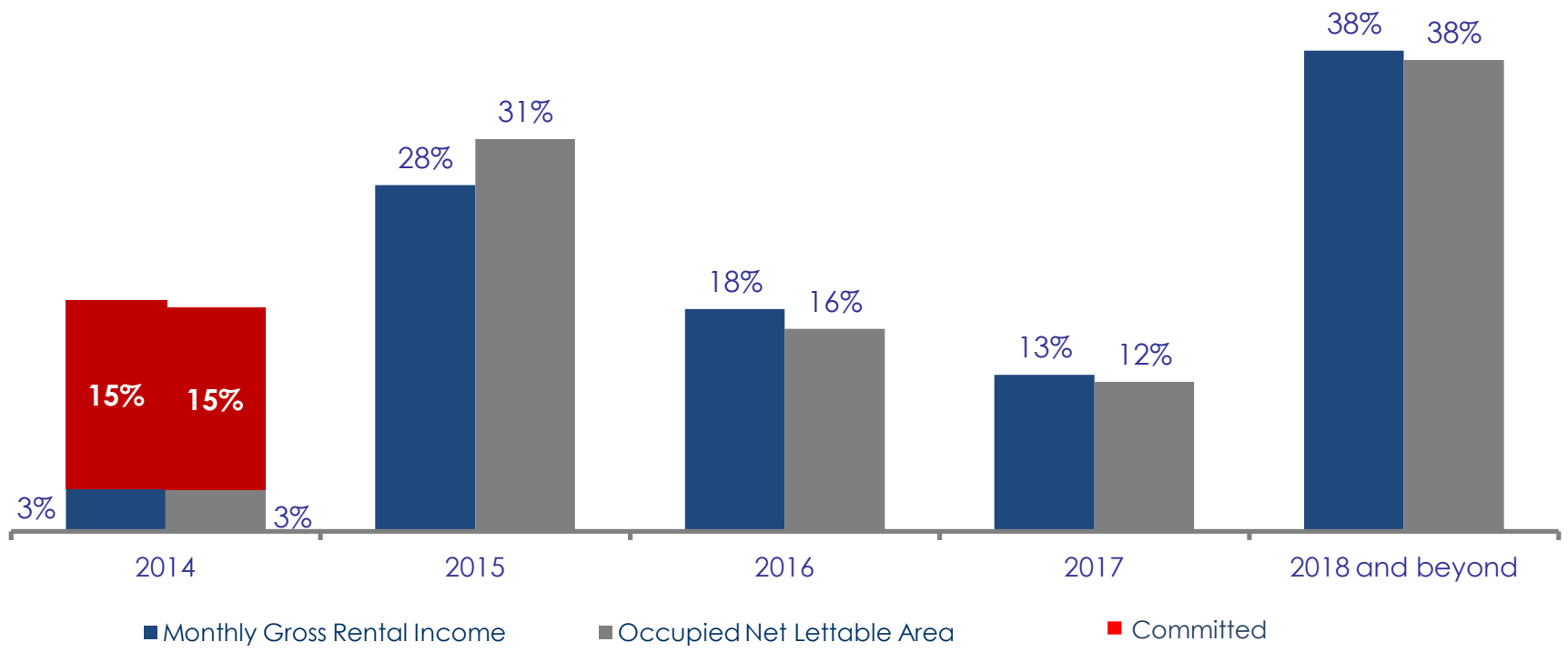
Net Property Income
Higher property tax offset the increase in revenue

Distributable Income
Higher NPI, lower interest expenses, higher distributable income from RCS Trust as well as release of retained tax-exempt income

Notes :
(1) CCT released S$2.4 million of retained tax-exempt income.
(2) 1H 2013 gross revenue and net property income have been restated with the adoption of FRS 111 Joint Arrangements.
(3) Due to cessation of yield protection income on 10 Jul 2013.

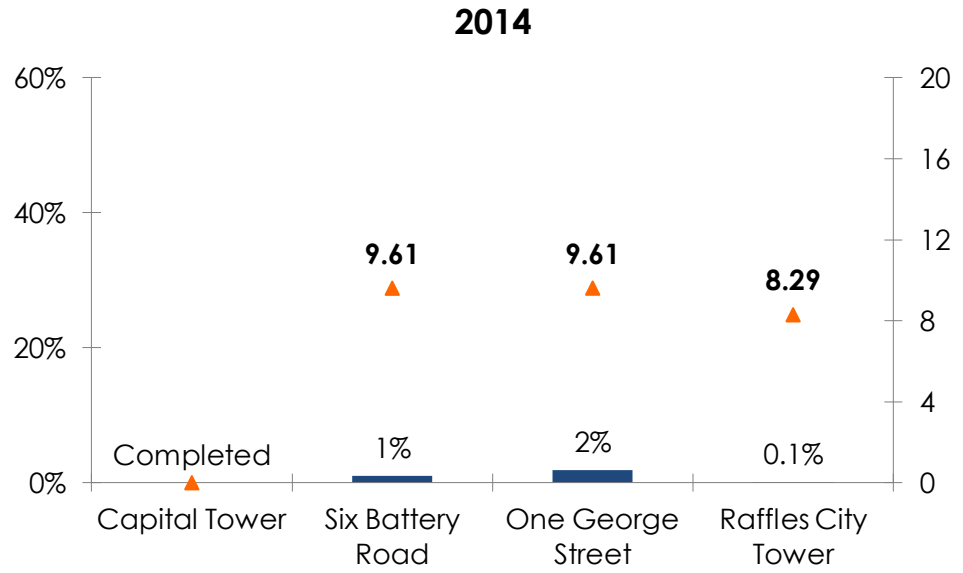
Most of the leases expiring in 2014 have been renewed

Office lease expiry profile as a percentage of net lettable area and monthly gross rental income for Jun 2014



CCT's key buildings are well positioned to capture potential rental upside

2Q 2014 Industry Statistics[1] – Grade A Office Average Market Rent: S$10.60 psf per month



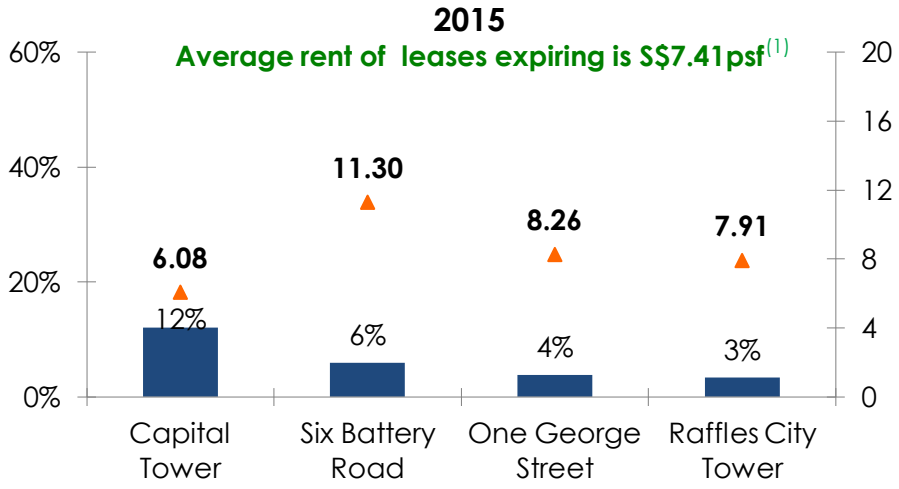
▲ Average monthly gross rental rate for expiring leases (S$ psf / month)

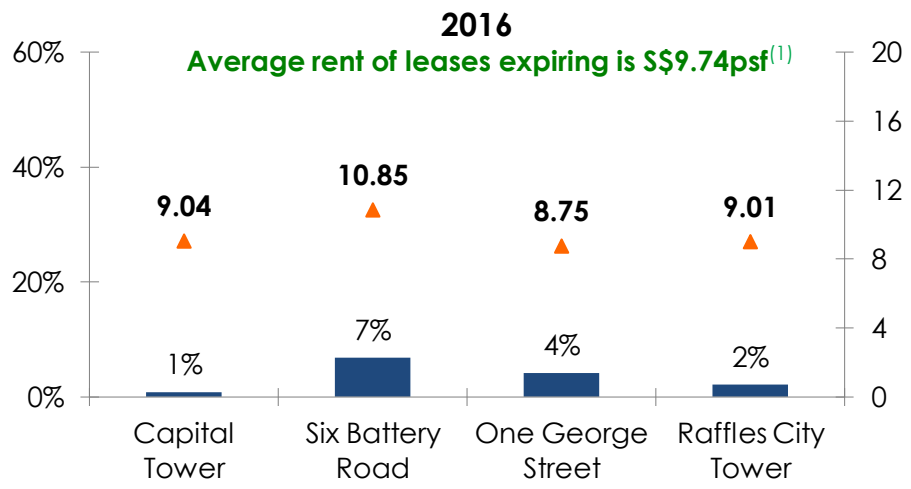
■ $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}}$ X 100%

Note:

(1) Source: CBRE Pte. Ltd. as at 2Q 2014

Well positioned to benefit from office market recovery upon lease expiries





▲ Average monthly gross rental rate for expiring leases (S$ psf/month)

■ $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}}$ X 100%

Note:

(1) 3 Grade A buildings and Raffles City Tower only

Known Future Office Supply in Central Area (2014 – 2017<)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
4Q 2014	CapitaGreen (23% of NLA committed)	Raffles Place	700,000
4Q 2014	South Beach Development	Beach Road/City Hall	501,943
		Subtotal (2014):	**1,201,943**
2015	NIL	**Subtotal (2015):**	**0**
2016	EON Shenton (Redevelopment of Marina House) (Strata Office)	Shenton Way	103,021
2016	V on Shenton (Former UIC Building at 5 Shenton Way)	Shenton Way	285,000
2016	Robinson Square (Redevelopment of The Corporate Building)	Robinson Road	35,355
2016	Marina One	Marina Bay	1,880,000
1Q 2016	Duo	Bugis	570,000
3Q 2016	Guoco Tower	Tanjong Pagar	900,000
4Q 2016	Robinson Tower	Robinson Road	128,000
		Subtotal (2016):	**3,901,376**
2017	SBF Centre (Strata Office)	Shenton Way	235,400
2017	Oxley Tower (Strata Office)	Shenton Way	111,713
2017	Site at Cecil Street	Shenton Way	720,000
		Subtotal (2017):	**1,067,113**
		TOTAL FORECAST SUPPLY (2014-2017<)	**6,170,432**
		Total forecast supply excluding strata offices	**5,720,298**