



# CapitaLand Commercial Trust Singapore's First Commercial REIT

## Financial Year 2015 Results

20 January 2016



# Important Notice

**This presentation shall be read in conjunction with CCT's FY 2015 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.



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

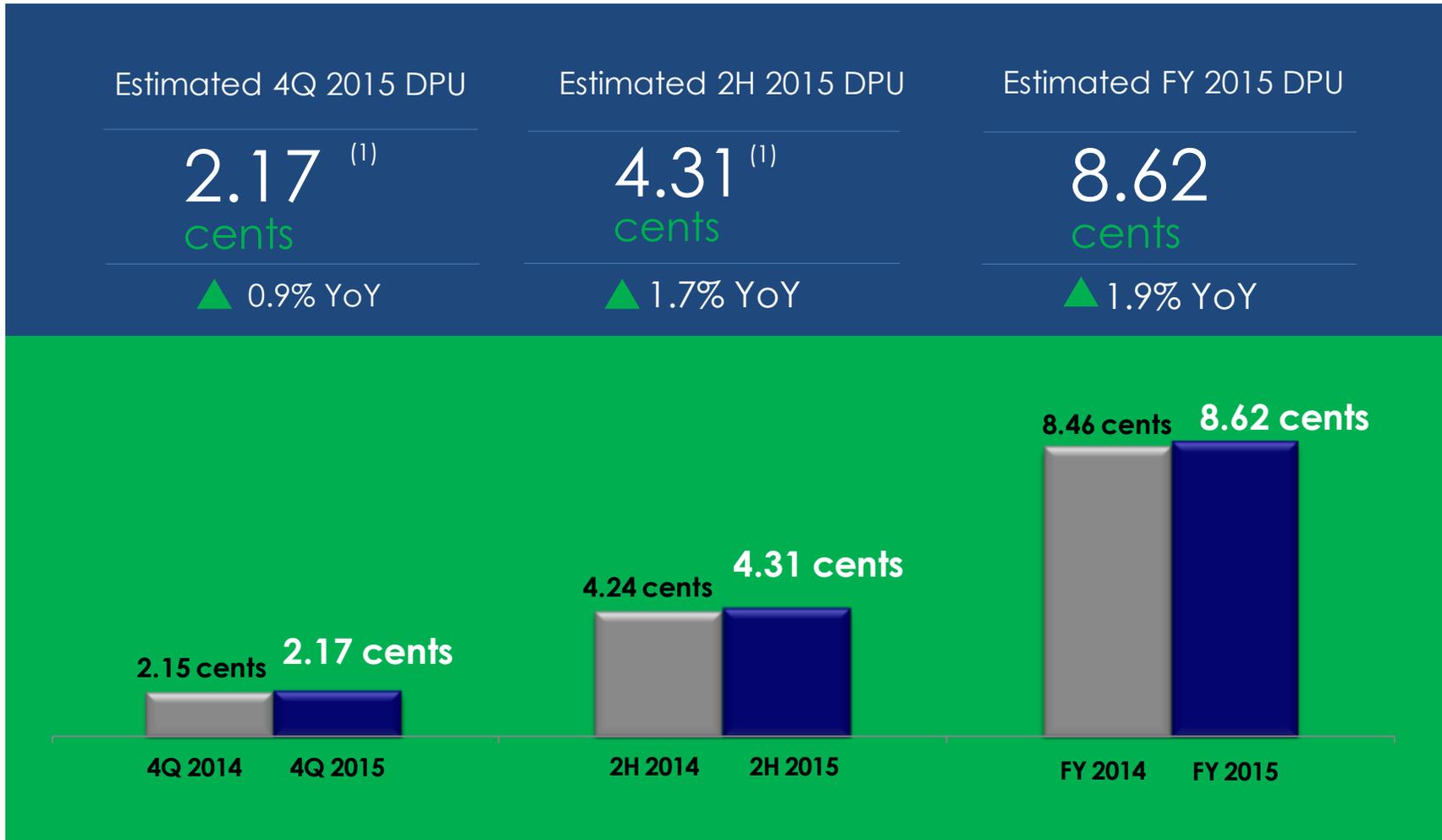
A low-angle photograph of the Capital Tower in Singapore, showing its distinctive stepped design and glass facade against a blue sky with scattered white clouds. The tower's structure is composed of several distinct sections, each with a different facade pattern, including glass and white panels.

# 1. Highlights

Capital Tower, Singapore



# FY 2015 distribution per unit up by 1.9%



**Note:**

(1) DPU for 2H 2015 and FY 2015 were computed on the basis that none of the convertible bonds due 2017 (CB 2017) is converted into CCT units on or before books closure date. 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\$1.5409.



# Resilient performance

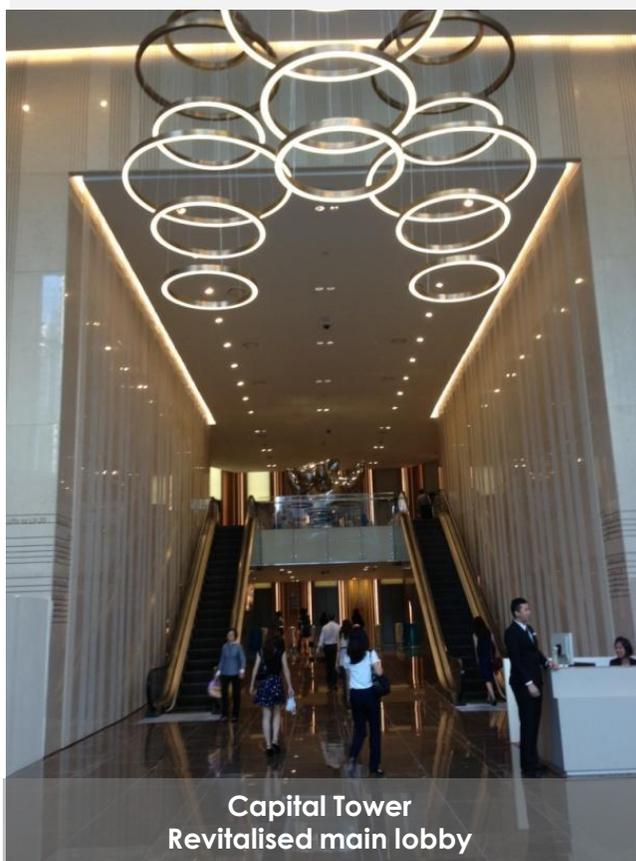
Financial Performance	FY 2014	FY 2015	Change (%)
Distributable income	\$249.2 mil	<b>\$254.5 mil</b>	2.1%
Deposited properties	\$7,633.6 mil	<b>\$7,721.5 mil</b>	1.2%
NAV per Unit	\$1.71	<b>\$1.73</b>	1.2%
Portfolio Performance	31 Dec 2014	31 Dec 2015	Change (%)
Portfolio occupancy	96.8%	<b>97.1%</b>	0.3%
Tenant retention rate	86%	<b>83%</b>	Nm <sup>(1)</sup>
Monthly average office rent	\$8.61	<b>\$8.90</b>	3.4%

Note:

(1) Nm indicates "Not Meaningful"

# Value creation for CCT

Through asset enhancement initiatives (AEIs) and development



**Completed S\$35.0 million  
AEI at Capital Tower in  
4Q 2015**

Achieved return on  
investment of **8.2%**

**CapitaGreen's committed  
occupancy rose to  
91.3% from 69.3%  
12 months ago**





# Proactive capital management

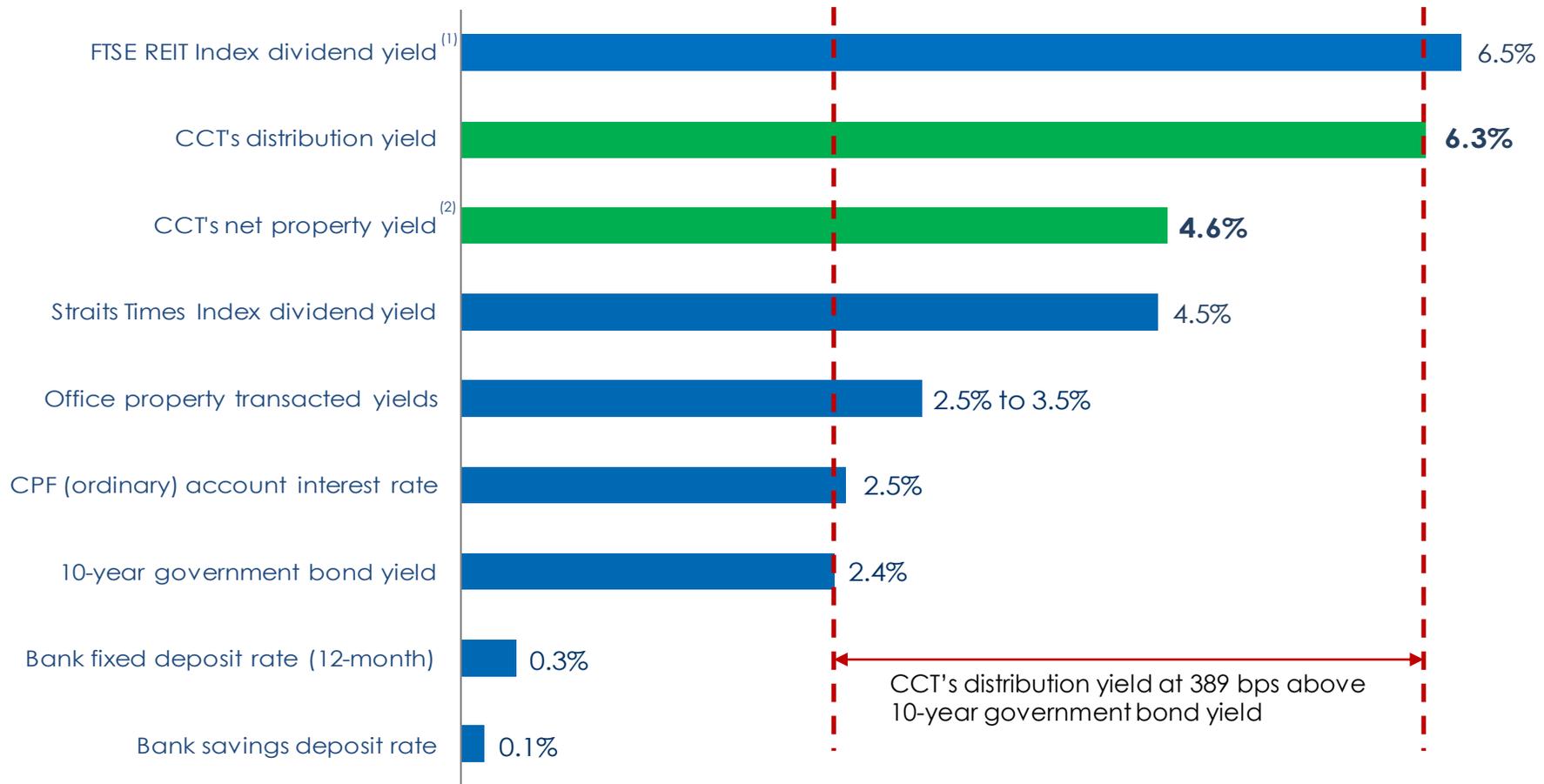
Healthy balance sheet provides financial flexibility for growth

Low gearing	Average cost of debt	Gross borrowings on fixed rate	Debt headroom
<b>29.5%</b>	<b>2.5% p.a.</b>	<b>84%</b>	<b>S\$1.3 billion</b>
4Q 2014: 29.3%	Increased from 2.3% p.a. in 4Q 2014	4Q 2014: 83%	Assuming 40% gearing

- **Tap on market when there are opportunities to issue MTNs at low interest rate on long-dated maturity**
  - Issued S\$100.0 million equivalent of Japanese yen-denominated Medium Term Note 3.05% p.a. due 2023
  - Issued S\$100.0 million Medium Term Note 2.96% p.a. due 2021



# CCT distribution yield at 389 bps above 10-year government bond yield

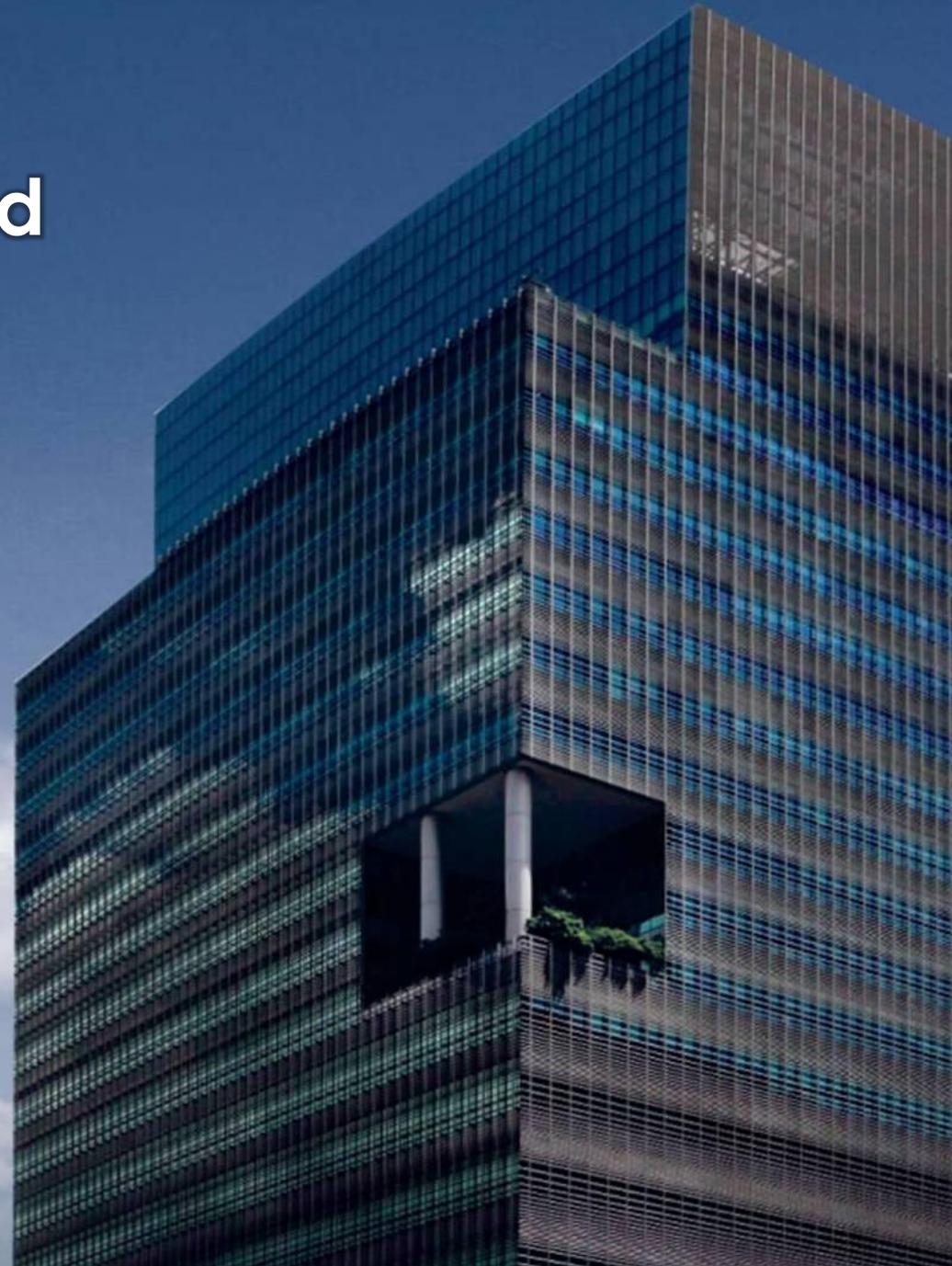


**Notes:**

- (1) CCT Group distribution yield is based on FY 2015 DPU of 8.62 cents over closing price of S\$1.365 as at 19 Jan 2016.
  - (2) CCT Group (including RCS Trust and excluding CapitaGreen) net property yield based on FY 2015 net property income and Dec 2015 valuation.
  - (3) All information as at 31 Dec 2015 except for FTSE REIT Index, STI and 10-year government bond yield which are as at 19 Jan 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





# 4Q 2015 distributable income rose by 0.8% YoY

Gross Revenue

**\$67.6**  
million

▲ 1.9% YoY

Net Property Income

**\$52.3**  
million

▲ 3.2% YoY

Distributable Income<sup>(1)</sup>

**\$64.1**  
million

▲ 0.8% YoY

\$ million



**Gross Revenue**

Growth in revenue due to higher rents and portfolio occupancy

**Net Property Income**

Mainly due to revenue growth albeit offset by higher property tax and other expenses

**Distributable Income**

Higher NPI for CCT portfolio and higher distributable income from RCS Trust

Note:

(1) Includes tax-exempt income in 4Q 2015 of \$0.3 million (4Q 2014: \$1.7 million)



# FY 2015 distributable income rose by 2.1% YoY

Gross Revenue

**S\$273.2**  
million

▲ 4.0% YoY

Net Property Income

**S\$212.8**  
million

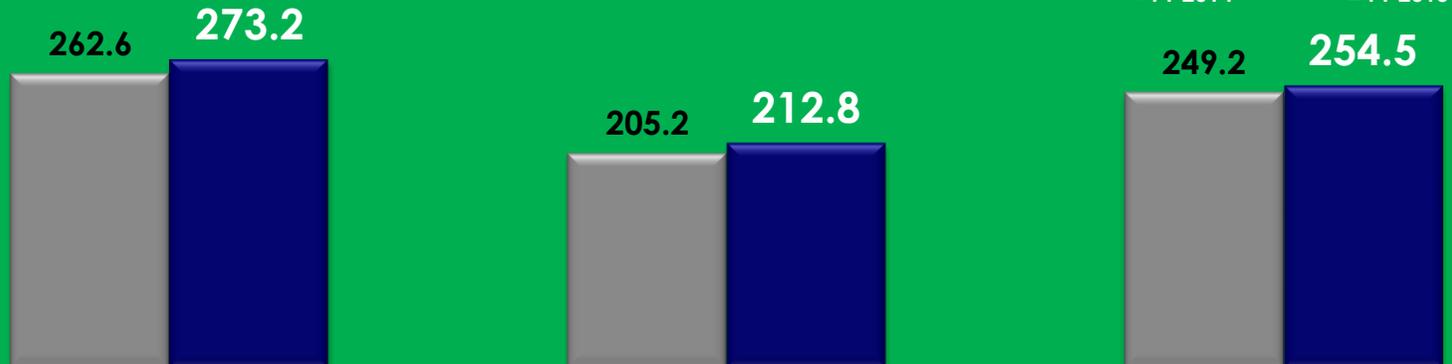
▲ 3.7% YoY

Distributable Income <sup>(1)</sup>

**S\$254.5**  
million

▲ 2.1% YoY

S\$ million



**Gross Revenue**

Growth in revenue due to higher rents and portfolio occupancy

**Net Property Income**

Mainly due to revenue growth albeit offset by higher property tax and other expenses

**Distributable Income**

Higher NPI for CCT portfolio and higher distributable income from RCS Trust

Note:

(1) Includes tax-exempt income in FY 2015 of S\$0.3 million (FY 2014: S\$4.0 million)



# Valuation of portfolio up 1.6% YoY mainly due to higher net property income

Investment Properties	31-Dec-14 \$m	30-Jun-15 \$m	31-Dec-15 \$m	31-Dec-15 \$ per sq foot	12-month Variance (Dec 2014 to Dec 2015) %	6-month Variance (Jun 2015 to Dec 2015) %
Capital Tower	1,309.0	1,310.0	<b>1,317.0</b>	1,774	0.6	0.5
Six Battery Road	1,330.0	1,345.0	<b>1,358.0</b>	2,748	2.1	1.0
One George Street	975.0	1,000.0	<b>1,010.0</b>	2,258	3.6	1.0
HSBC Building	450.0	452.0	<b>452.0</b>	2,255	0.4	0.0
Twenty Anson	431.0	431.0	<b>431.0</b>	2,094	0.0	0.0
Wilkie Edge	191.0	194.0	<b>199.0</b>	1,288	4.2	2.6
Golden Shoe Car Park	141.0	141.0	<b>141.0</b>	Nm <sup>(1)</sup>	0.0	0.0
Bugis Village <sup>(2)</sup>	55.4	55.2	<b>53.7</b>	443	-3.1	-2.7
<b>Sub- Total</b>	<b>4,882.4</b>	<b>4,928.2</b>	<b>4,961.7</b>		<b>1.6</b>	<b>0.7</b>
Raffles City (60%)	1,865.7	1,872.9	<b>1,881.6</b>	Nm <sup>(1)</sup>	0.9	0.5
CapitaGreen (40%)	610.4	626.4	<b>634.8</b>	2,253	4.0	1.3
<b>Total</b>	<b>7,358.5</b>	<b>7,427.5</b>	<b>7,478.1</b>		<b>1.6</b>	<b>0.7</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.



# Valuation assumptions largely unchanged

- Office rent growth rates<sup>(1)</sup> assumed for discounted cashflow method averaged 3.8% per annum over 10 years, slight reduction from the 3.9% assumed in previous valuation.
- Terminal yields<sup>(2)</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 <sup>(3)</sup>	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15 <sup>(3)</sup>
Capital Tower	4.00	3.75	3.75	3.85	<b>3.85</b>	7.50	8.00	8.00	7.50	<b>7.25</b>
Six Battery Road	4.00	3.75	3.75	3.75	<b>3.75</b>	7.50	8.00	8.00	7.50	<b>7.25</b>
One George Street	4.00	3.75	3.75	3.85	<b>3.85</b>	7.50	8.00	8.00	7.50	<b>7.25</b>
HSBC Building	4.00	3.75	3.75	3.85	<b>3.85</b>	7.50	8.00	8.00	7.50	<b>7.25</b>
Twenty Anson	NA	3.75	3.75	3.85	<b>3.85</b>	NA	8.00	8.00	7.50	<b>7.25</b>
Wilkie Edge <sup>(4)</sup>	4.40	4.25	4.25	4.25	<b>4.25</b>	7.75	8.00	8.00	7.50	<b>7.25</b>
CapitaGreen	NA	NA	NA	4.00	<b>4.15</b>	NA	NA	NA	7.25	<b>7.25</b>
Raffles City SG										
Office	4.50	4.25	4.25	4.25	<b>4.25</b>	7.50	7.50	7.35	7.50	<b>7.25</b>
Retail	5.40	5.40	5.25	5.25	<b>5.25</b>	7.75	7.80	7.65	7.50	<b>7.50</b>
Hotel	5.75	5.75	5.55	5.25	<b>5.13</b>	7.75	8.00	7.75	7.75	<b>7.75</b>

## Notes:

- (1) Excludes Golden Shoe Car Park and Bugis Village, and calculated on a simple average basis
- (2) 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
- (3) Capitalisation and discount rate assumed were the same as in the June 2015 valuation
- (4) Refers to office capitalisation rate only



# Robust balance sheet

## Statement of Financial Position As at 31 Dec 2015

	S\$ '000
Non-current Assets	6,466,067
Current Assets	126,478
<b>Total Assets</b>	<b>6,592,545</b>
Current Liabilities	45,938
Non-current Liabilities	1,312,471
<b>Total Liabilities</b>	<b>1,358,409</b>
<b>Net Assets</b>	<b>5,234,136</b>
<b>Unitholders' Funds</b>	<b>5,234,136</b>
<b>Units in issue ('000)</b>	<b>2,952,931</b>

**Note:**

Deposited properties for CCT Group includes CCT's 60.0% interest in RCS Trust (S\$1.89 billion) and 40.0% interest in MSO Trust (S\$0.65 billion).

	S\$ '000
<b>Deposited Properties<sup>(1)</sup></b>	<b>7,721,477</b>

**Net Asset Value Per Unit** **\$1.77**

**Adjusted Net Asset Value Per Unit  
(excluding distributable income)** **\$1.73**

**Credit Rating**

A- by S&P

A3 by Moody's

Outlook Stable



# Strong financial ratios

	3Q 2015	4Q 2015	Remarks
Total Gross Debt <sup>(1)</sup>	S\$2,302.9 m	<b>S\$2,280.7 m</b>	<b>Decreased</b> (Lower borrowings)
Gearing <sup>(2)</sup>	30.1%	<b>29.5%</b>	<b>Decreased</b> (Lower borrowings and higher deposited properties)
Net Debt / EBITDA <sup>(3)</sup>	5.1 times	<b>4.9 times</b>	<b>Stable</b>
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>	3.7 years	<b>4.2 years</b>	<b>Increased</b>
Average Cost of Debt (p.a.) <sup>(6)</sup>	2.4%	<b>2.5%</b>	<b>Stable</b>
Interest Coverage <sup>(7)</sup>	7.3 times	<b>7.4 times</b>	<b>Stable</b>

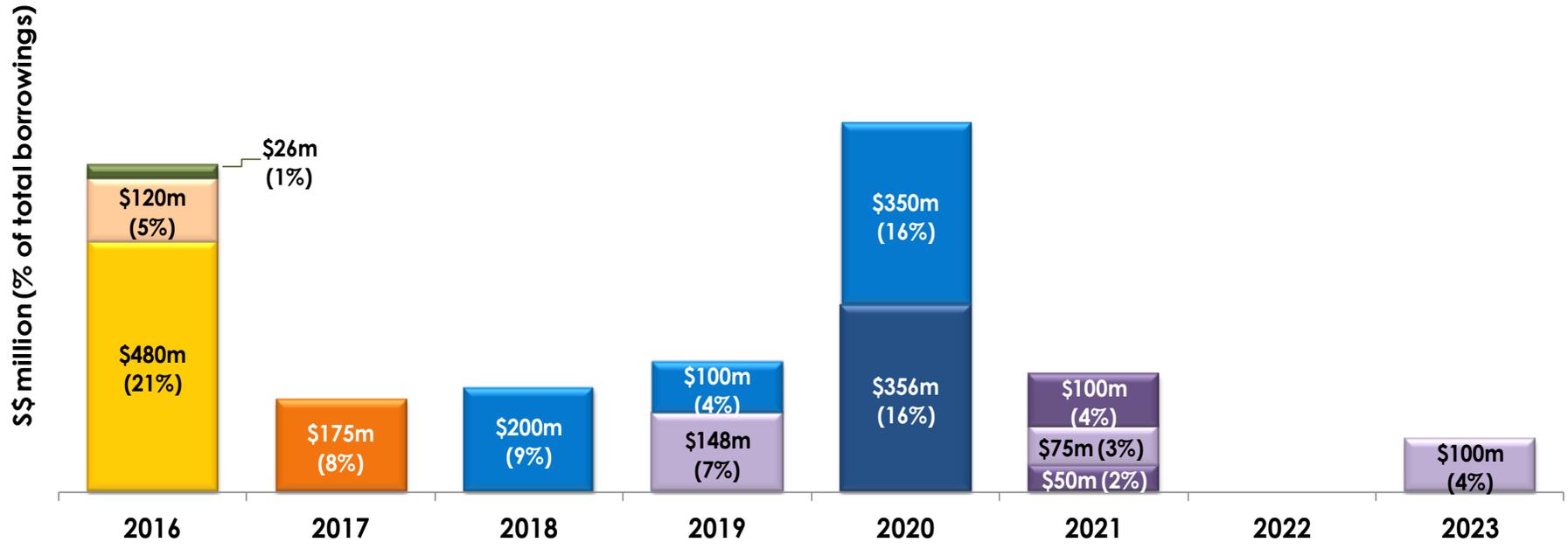
**Notes:**

- (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 the gearing ratio.
- (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).



# Diversified funding sources

Debt Maturity Profile as at 31 Dec 2015

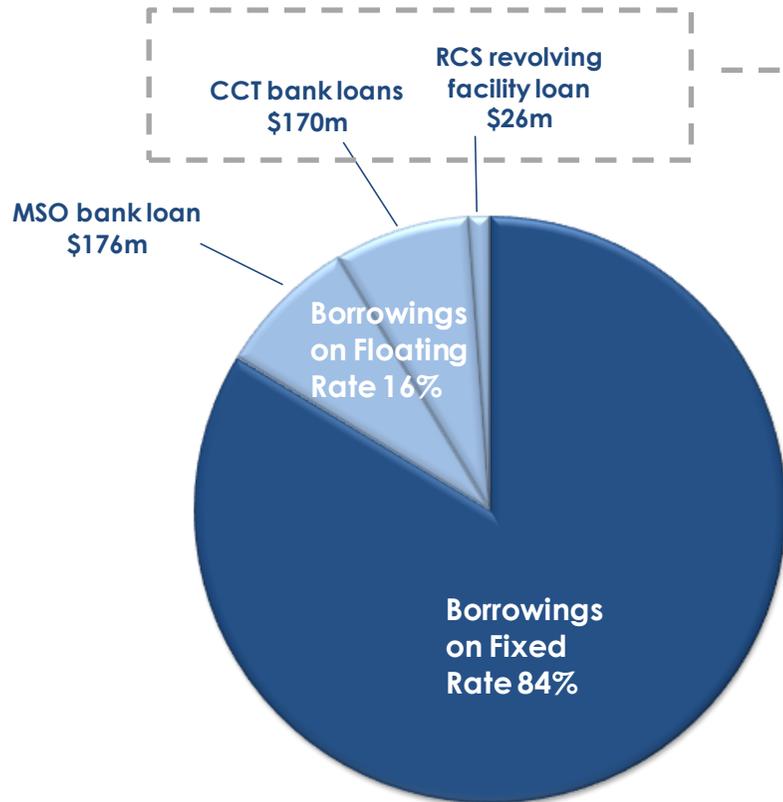


- RCS revolving facility loan due 2016
- RCS term loan at 3.025% p.a. due 2016
- RCS fixed rate notes at 3.09% p.a. due 2016
- Convertible bonds at 2.5% p.a. due 2017
- Unsecured bank loans due 2018, 2019 & 2020

- CapitaGreen bank loan due 2020
- 2.89% p.a. fixed rate JPY bond swapped to S\$148m MTN due 2019
- 2.96% p.a. fixed rate S\$100m MTN due 2021
- 2.95% p.a. fixed rate JPY bonds swapped to S\$75m MTN due 2021
- 2.98% p.a. fixed rate S\$50m MTN due 2021
- 3.05% p.a. fixed rate JPY bond swapped to S\$100m MTN due 2023



# 84% of borrowings on fixed rate provides certainty of interest expense



Proforma FY 2015 impact:	Assuming +0.5% p.a. increase in interest rate
Interest expense <sup>(1)</sup>	+\$1.0 million p.a.
FY 2015 DPU	-0.03 cents (0.4% of DPU)

**Note:**

(1) Excludes floating rate borrowings of CapitaGreen (owned by MSO Trust) given that CapitaGreen did not contribute to CCT's FY 2015 distributable income

### 3. Portfolio Value Creation

Capita Commercial  
Capita Mall  
Raffles City



# CCT's strategies for portfolio and asset management

## Delivering consistent growth

High portfolio occupancy: 93% - 99% since 2004

## Building a resilient portfolio

- Portfolio occupancy at 97.1%
- 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

## Generating economic value

- Achieved ROIs of 8.2% to 9.3% through asset enhancement initiatives (AEIs)
- Development of CapitaGreen enhanced asset value from public car park to Grade A office building



Acquisition pipeline: Call option to buy 60.0% interest in CapitaGreen within 3 years after completion



Capital Tower: Achieved AEI ROI of 8.2% p.a. in 2015



Raffles City Tower: Achieved AEI ROI of 9.3% p.a. in 2014



Six Battery Road: Achieved AEI ROI of 8.6% p.a. in 2012



# CCT maintained a high retention rate and improved occupancy in 2015

	FY 2014	FY 2015
Total new and renewal leases	900,000 sf	<b>850,000 sf</b>
% of new leases	15%	<b>38%</b>
Portfolio occupancy as at 31 Dec	96.8%	<b>97.1%</b>
Tenant retention ratio <sup>(1)</sup>	86%	<b>83%</b>

- In 2015, CCT signed approximately 850,000 square feet of new and renewal leases, of which 38% are new leases.
- The above include retail space of approximately 139,000 square feet.
- Portfolio occupancy improved from 96.8% to 97.1% and retention rate remained at a high level of 83%.

Note:

(1) Tenant retention rate = 
$$\frac{\text{Net lettable area renewed in the subject year}}{\text{Total net lettable area due for renewal in the subject year}}$$



# Active portfolio leasing activities for CCT

	New and renewed leases signed in 2015				
Quarter	1Q	2Q	3Q	4Q	FY 2015
Area (sf)	240,000	179,000	226,000	205,000	850,000

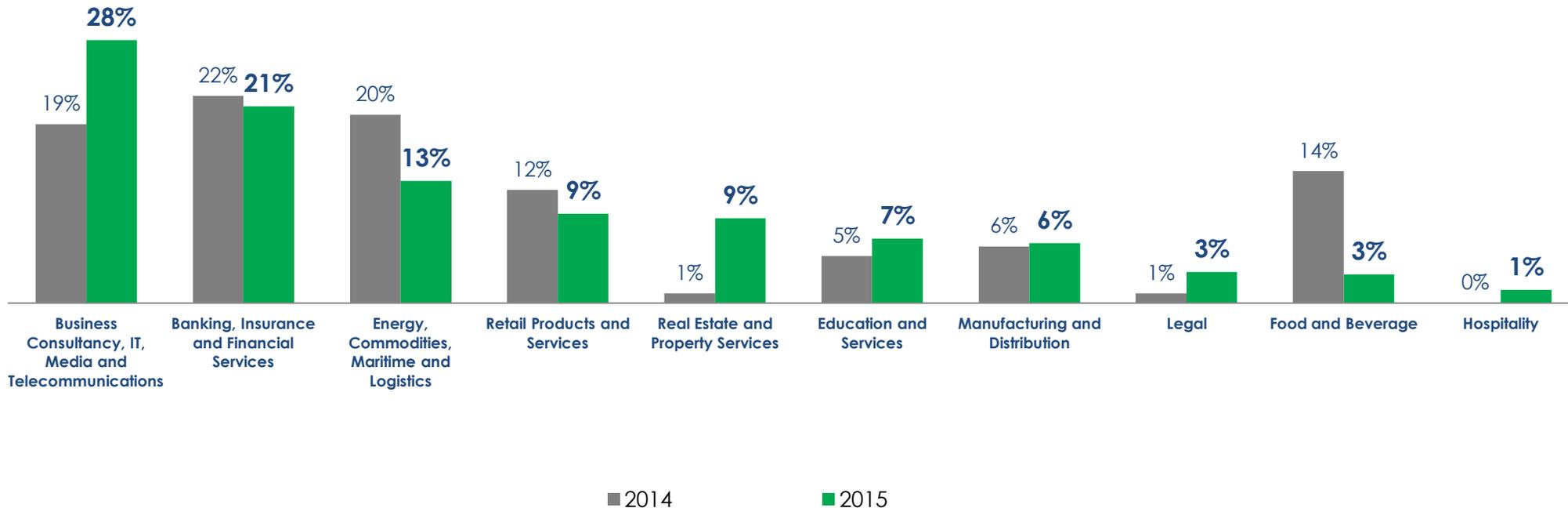
- For 4Q 2015, new and renewed leases include:

Tenant	Trade Sector	Building
Simmons & Simmons Asia LLP	Legal	Capital Tower
Intralinks Asia Pacific Pte. Ltd.	IT	Six Battery Road
Sequoia Capital India (Singapore) Pte. Ltd.	Financial Services	Six Battery Road
Capita Pte. Ltd.	Business Consultancy	Six Battery Road
Stryker Singapore Private Limited	Manufacturing and Distribution	Six Battery Road



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

Trade mix of new leases signed in 2015 compared to 2014<sup>(1)</sup>



**Note:**

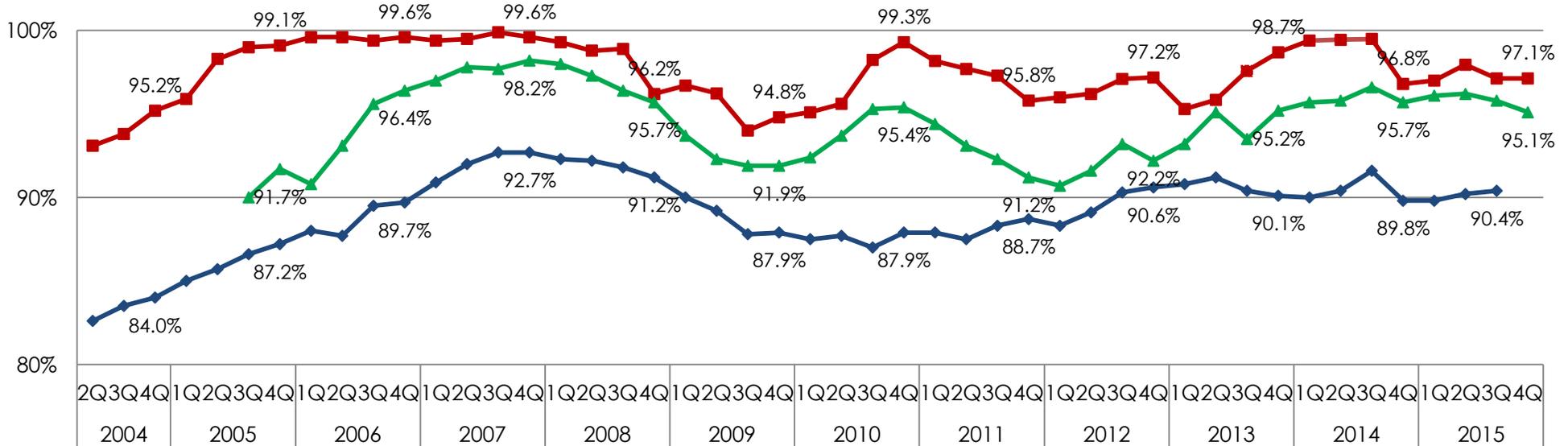
(1) Based on net lettable area of new leases committed and using 100% basis for Raffles City Singapore and CapitaGreen



# CCT's portfolio occupancy of 97.1% is above market occupancy of 95.1%

	CCT Committed Occupancy <sup>(1)</sup>		Market Occupancy Level <sup>(2)</sup>	
	4Q 2015	3Q 2015	4Q 2015	3Q 2015
Grade A office	95.8%	94.7%	94.8%	94.8%
Portfolio	97.1%	96.4%	95.1%	95.8%

CCT's Committed Occupancy Since Inception

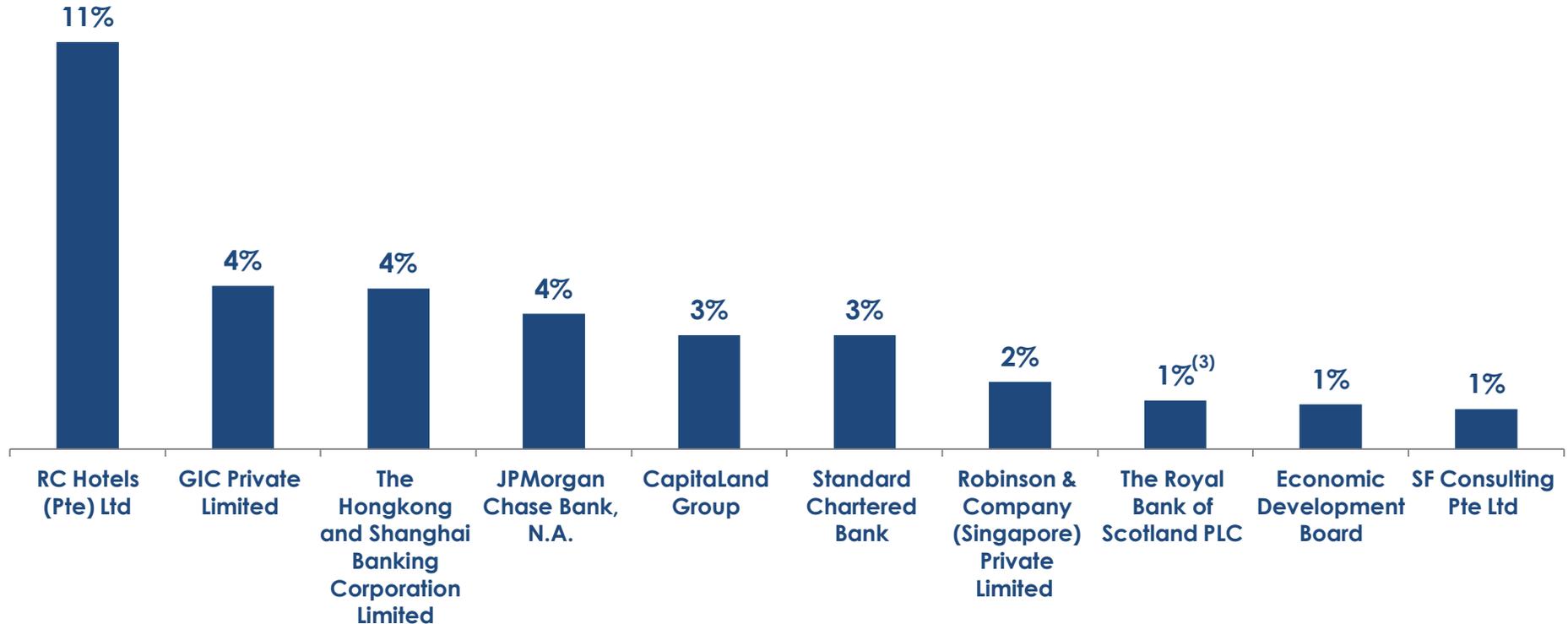


- Notes:**
- (1) Including CapitaGreen's occupancy of 91.3% as at 31 Dec 2015
  - (2) Source: CBRE Pte. Ltd.
  - (3) Source: URA. URA has not released Occupancy Index Figure for 4Q 2015
  - (4) Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay, data only available from 3Q 2005 onwards





# Top 10 tenants contribute 35% of monthly gross rental income<sup>(1)(2)</sup>



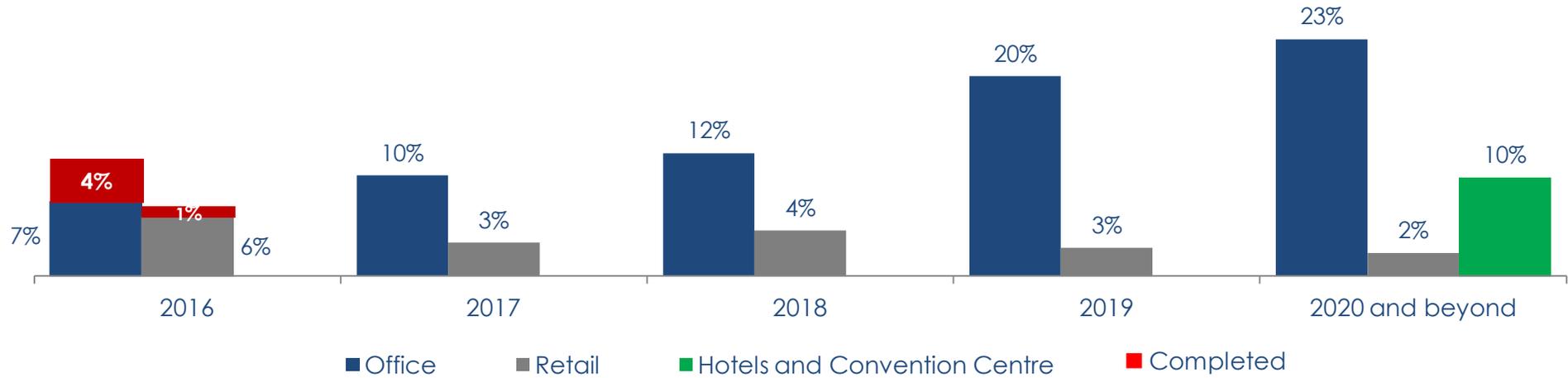
**Notes:**

- (1) Based on monthly gross rental income of top ten tenants as at 31 Dec 2015, excluding retail turnover rent. Total percentage may not add up due to rounding.
- (2) Contribution from CCT's top ten tenants has reduced due to enlarged contribution from 40.0% interest in CapitaGreen.
- (3) The Royal Bank of Scotland PLC's lease will expire in Mar 2016.



# 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 Dec 2015 = 7.5 years**

**Notes:**

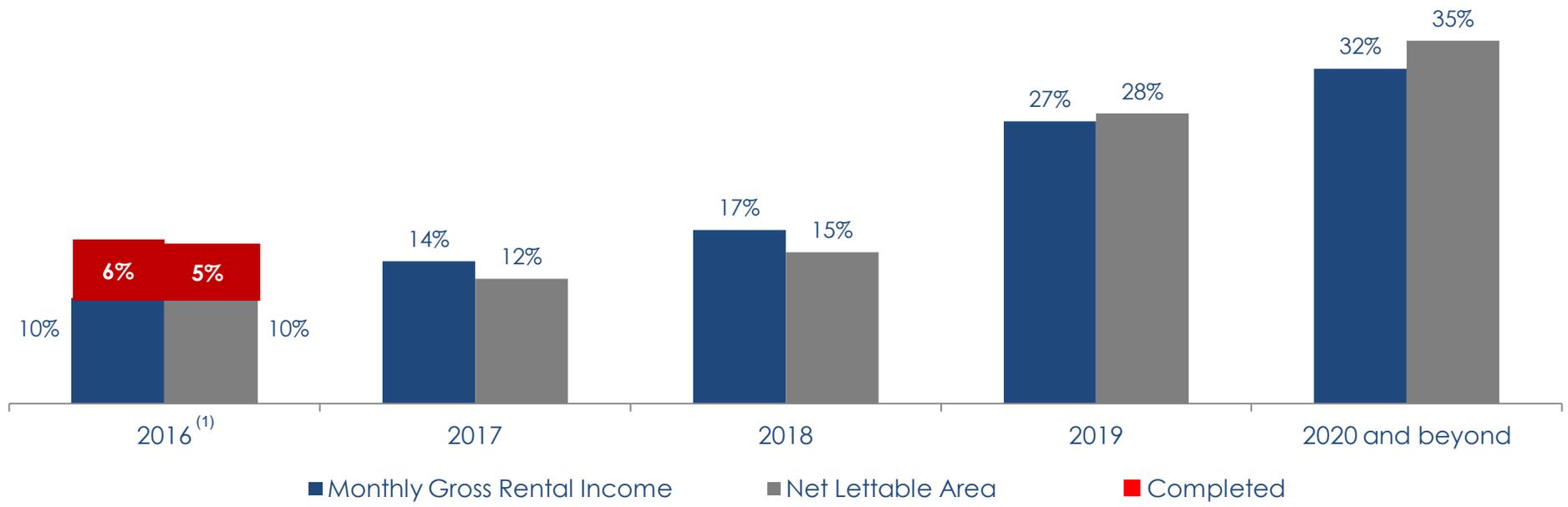
(1) Excludes retail and hotel turnover rent

(2) WALE: Weighted Average Lease term to Expiry



# One third of 2016 expiring leases renewed

## Office lease expiry profile



**Note:**

(1) The Royal Bank of Scotland PLC's lease will expire in Mar 2016. 25% of the space has been pre-committed and accounted for in the red bar.



# Overall positive rental reversions for CCT's Grade A office leases committed in 4Q 2015

S\$ psf per month	Average Expired Rents	Committed Rents <sup>(1)</sup>	Sub-Market	Market Rents of Comparative Sub-Market	
				Colliers <sup>(2)</sup>	DTZ <sup>(3)</sup>
CapitaGreen	-	11.47 – 13.00	Premium Grade Raffles Place	S\$11.68	S\$10.45
Six Battery Road	11.68	11.27 – 13.20	Grade A Raffles Place	S\$10.18	S\$10.45
One George Street	9.06	8.75 – 10.80	Grade A Raffles Place	S\$10.18	S\$10.45

**Notes:**

(1) Renewal/new leases committed in 4Q 2015

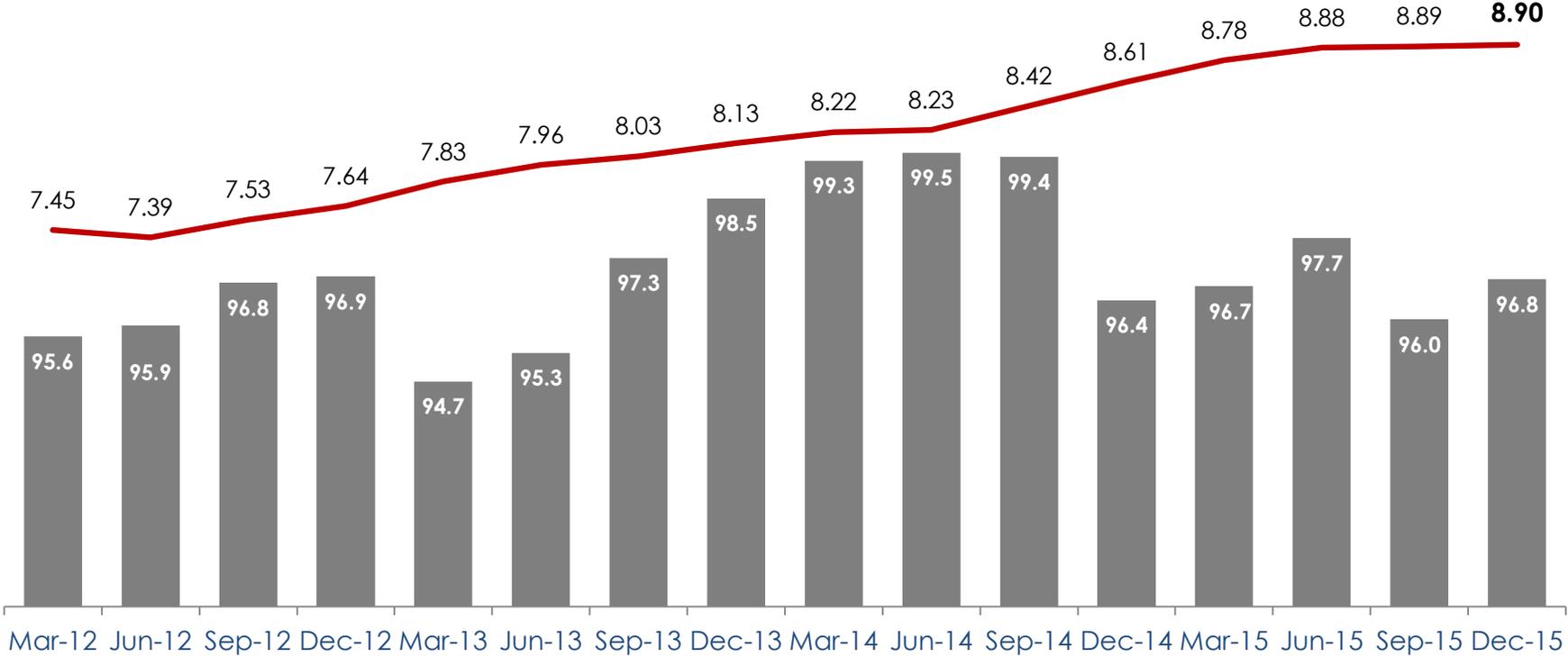
(2) Source: Colliers International 3Q 2015

(3) DTZ average gross rent for Raffles Place. Source: DTZ 3Q 2015.

(4) CBRE Pte. Ltd.'s 4Q 2015 Grade A rent is S\$10.40 psf per month and they do not publish sub-market rents



# Monthly average office rent of CCT's portfolio<sup>(1)(2)</sup> up by 3.4% YoY



■ Committed occupancy of office portfolio (%)

— Average gross rent per month for office portfolio (\$/psf)

**Notes:**

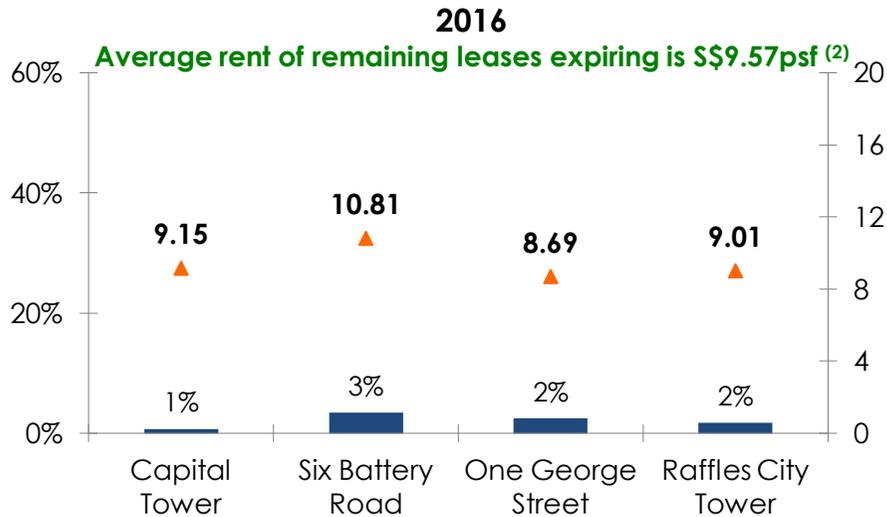
(1) Average gross rent per month for office portfolio (\$/psf) =  $\frac{\text{Total committed gross rent for office per month}}{\text{Committed area of office per month}}$

(2) Includes 40.0% interest in CapitaGreen with effect from Dec 2014



# Average expiring rent below current market rent

4Q 2015 Industry Statistics<sup>(1)</sup> –  
Grade A Office Average Market Rent: S\$10.40 psf per month



Period	1H 2016		2H 2016	
	% of Expiring Leases	Rental Rates of Expiring Leases	% of Expiring Leases	Rental Rates of Expiring Leases
Capital Tower	0.04%	S\$10.30	0.64%	S\$9.08
Six Battery Road	1.87%	S\$11.28	1.52%	S\$10.28
One George Street	1.80%	S\$8.60	0.64%	S\$8.96
Raffles City Tower	0.38%	S\$8.49	1.35%	S\$9.17
<b>Total / Weighted Average<sup>(3)</sup></b>	<b>4.09%</b>	<b>S\$9.65</b>	<b>4.15%</b>	<b>S\$9.50</b>

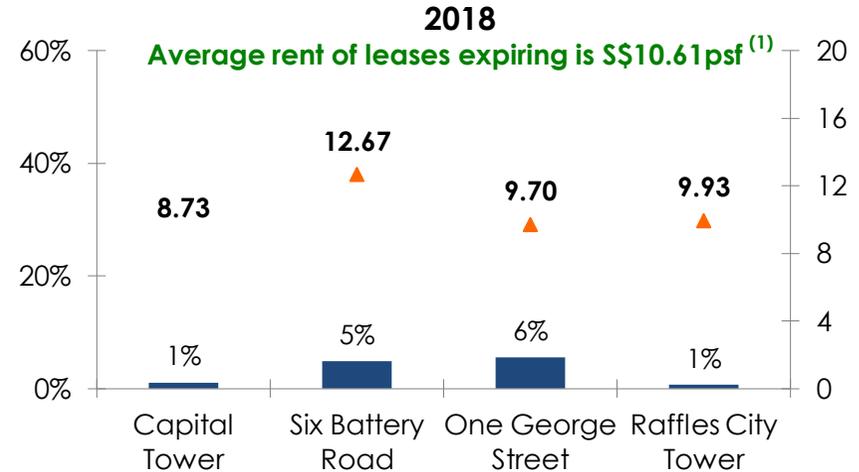
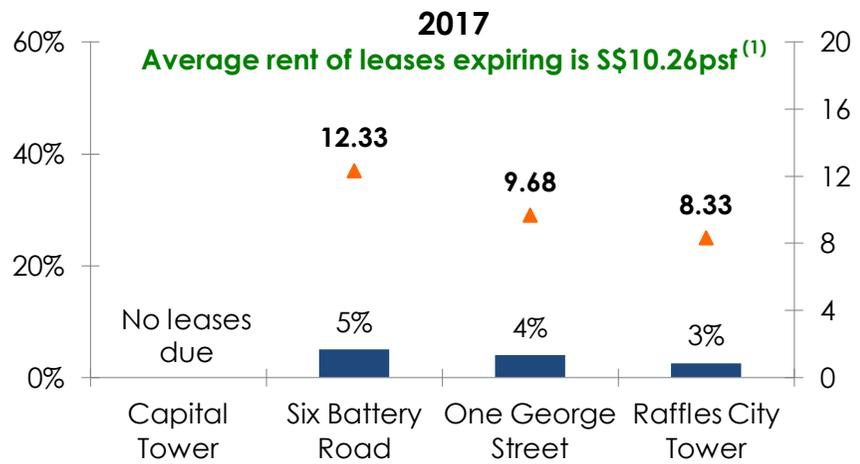
- ▲ Average monthly gross rental rate for expiring leases (S\$ psf / month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

**Notes:**

- (1) Source: CBRE Pte. Ltd. as at 4Q 2015
- (2) Three Grade A buildings and Raffles City Tower only
- (3) Percentages may not add up due to rounding



# Low percentage of leases expiring in 2017 and 2018



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

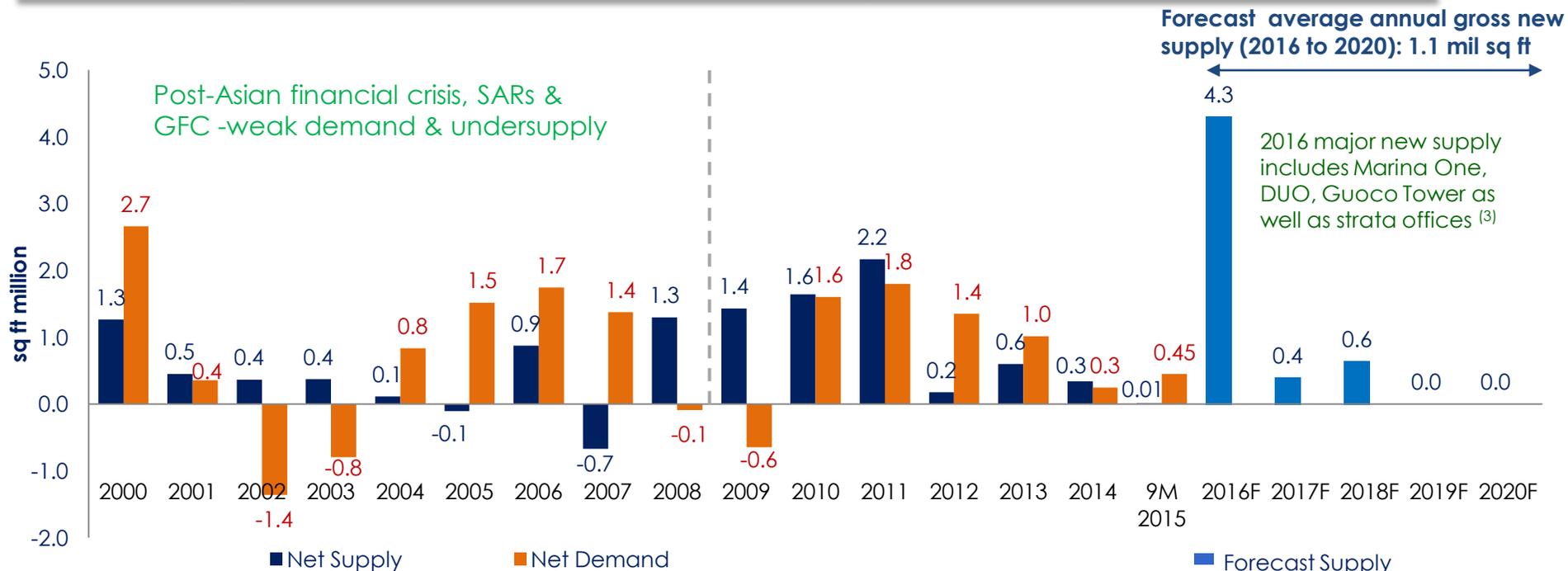
**Note:**  
 (1) Three Grade A buildings and Raffles City Tower only

## 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 Dec 2015

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



Periods	Average annual net supply <sup>(2)</sup>	Average annual net demand
2005 – 2014 (through 10-year property market cycles)	0.8m sq ft	1.0m sq ft
2010 – 2014 (five years period post GFC)	1.0m sq ft	1.2m 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 3Q 2015 (URA has not released 4Q 2015 statistics); Forecast supply from CBRE Pte. Ltd. as at 3Q 2015.



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

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
3Q 2016	DUO <sup>(1)</sup>	Bugis	570,000
3Q 2016	Guoco Tower <sup>(2)</sup>	Tanjong Pagar	850,000
4Q 2016	V on Shenton (Former UIC Building at 5 Shenton Way)	Shenton Way	278,000
4Q 2016	Marina One	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>4,310,000</b>
2017	Redevelopment of International Factors Building and Robinson Towers	Robinson Road	215,000
2017	Crown @ Robinson	Robinson Road	70,000
2017	Oxley Tower (Strata Office)	Shenton Way	112,000
		<b>Subtotal (2017):</b>	<b>397,000</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>5,352,000</b>
<b>Total forecast supply excluding strata offices</b>			<b>4,504,000</b>

**Notes:**

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

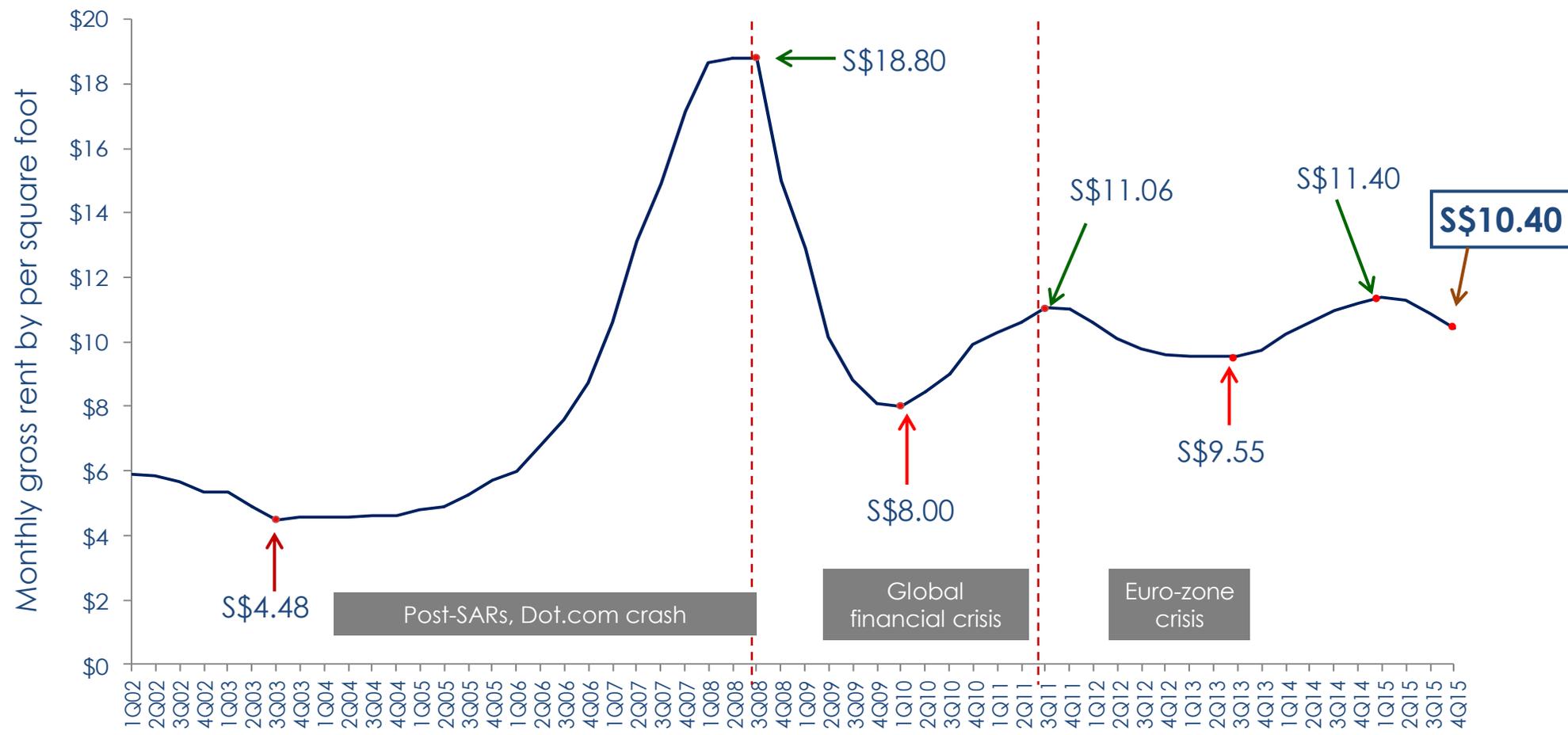
(2) Guoco Tower's pre-commitment is about 10%, according to a Straits Times report dated 14 Jan 2016.

(3) Source: CBRE Pte. Ltd.



# Grade A office market rent eased by 7.1% in YoY

	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15
Mthly rent (S\$ / sq ft )	11.20	11.40	11.30	10.90	<b>10.40</b>
% change	+2.3%	+1.8%	-0.9%	-3.5%	<b>- 4.6%</b>



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



# 5. Summary

Raffles City

Raffles City Singapore



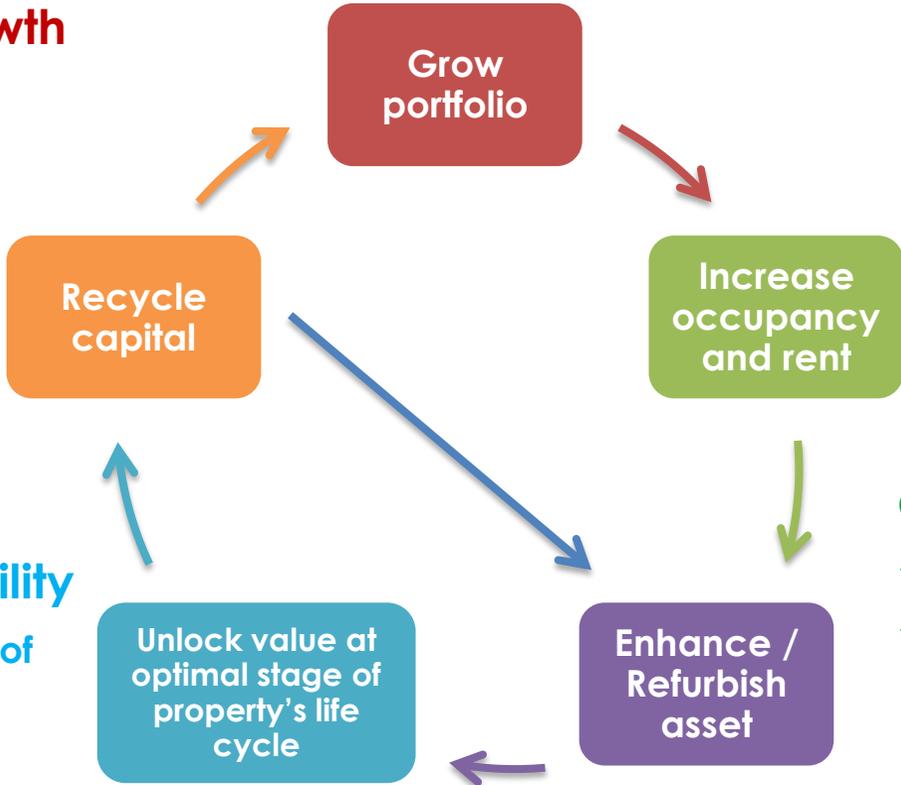
# Creating value through portfolio strategy

## Flexibility to seize growth opportunities

- ✓ Acquisition of balance stake in CapitaGreen
- ✓ Disciplined and sustainable acquisition of third-party properties
- ✓ Development

## Funding flexibility

- ✓ Debt headroom of S\$1.3 billion assuming 40.0% gearing



Value creation

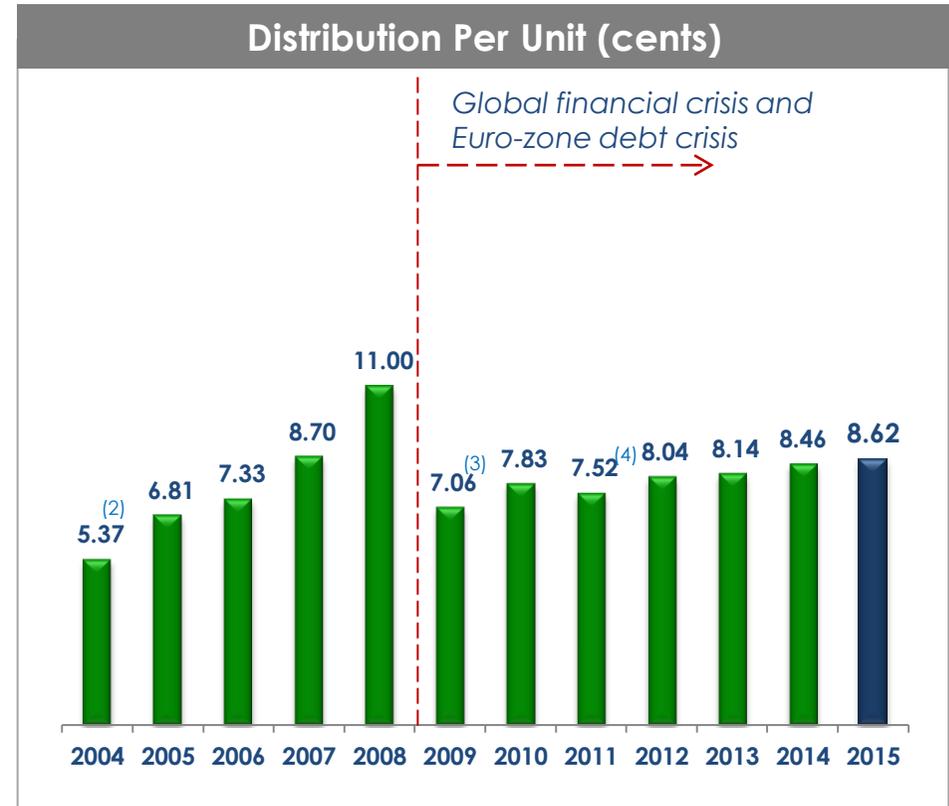
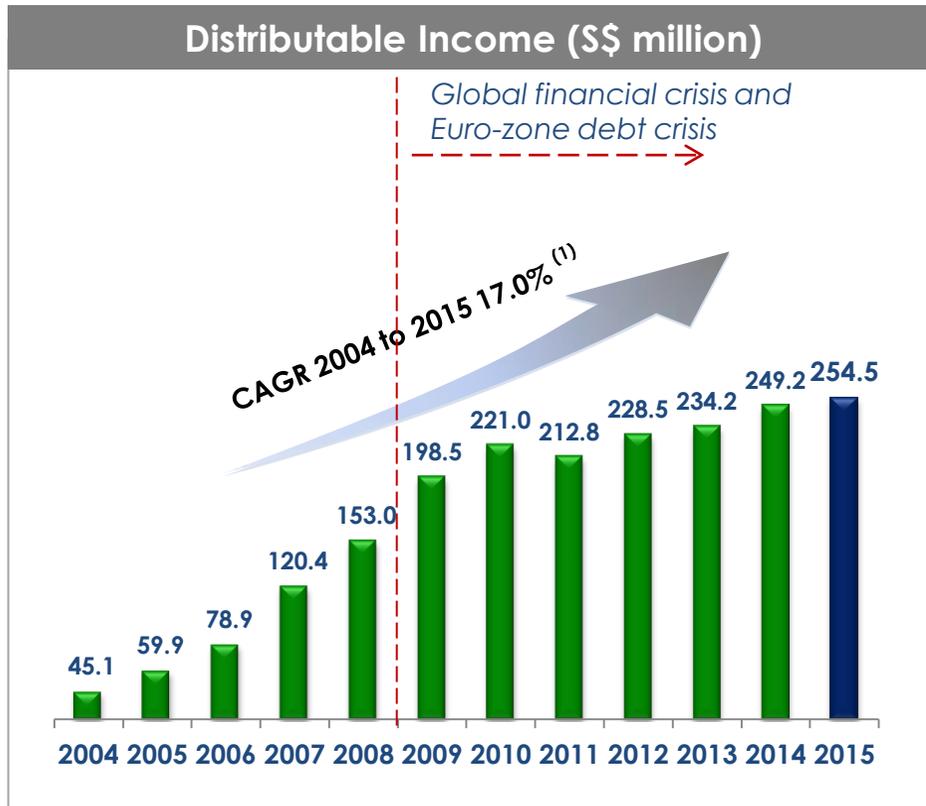
## Organic growth

- ✓ Retain and attract tenants
- ✓ Progressive contribution from 40.0% stake in CapitaGreen will mitigate potential headwinds in the office market



# 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



# CCT 2H 2015 distribution details

<b>Distribution period</b>	1 July to 31 December 2015
<b>Estimated DPU <sup>(1)</sup></b>	Taxable – 4.30 cents Tax-Exempt – 0.01 cents
<b>Books Closure Date</b>	Thursday, 28 January 2016
<b>Distribution Payment Date</b>	Friday, 26 February 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.



**In 2015, FinanceAsia's 15th annual "Asia's Best Managed Companies" poll of 250 global portfolio managers and buy-side analysts ranked CCT among the top 5 Singapore large-cap companies in two categories: Best Corporate Governance and Best Investor Relations.**

**FinanceAsia is Asia's leading financial publishing company based in Hong Kong.**



# Accolades - CapitaGreen



## CapitaGreen was accorded the following building accolades in 2015:

- **“Best Tall Building in Asia and Australasia” by the Council on Tall Buildings and Urban Habitats (CTBUH) on 22 June 2015.**

CTBUH is the world’s leading resource for professionals focused on the design and construction of tall buildings and future cities.

- **Building Information Modelling Platinum Award (Project Category) by Building and Construction Authority, Singapore on 13 October 2015.**

The BCA Building Information Modelling Awards (Project Category) recognise the contribution of project teams in their BIM projects implementation during design stage, construction stage, and facility management stage.

- **“Bronze” in the Best Office and Business Development category by MIPIM Asia on 1 December 2015.**

The MIPIM Asia Awards recognise the property industry’s best and brightest, rewarding innovation and achievement in a variety of fields.





**CapitaLand**  
Commercial Trust

# Thank you

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

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

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

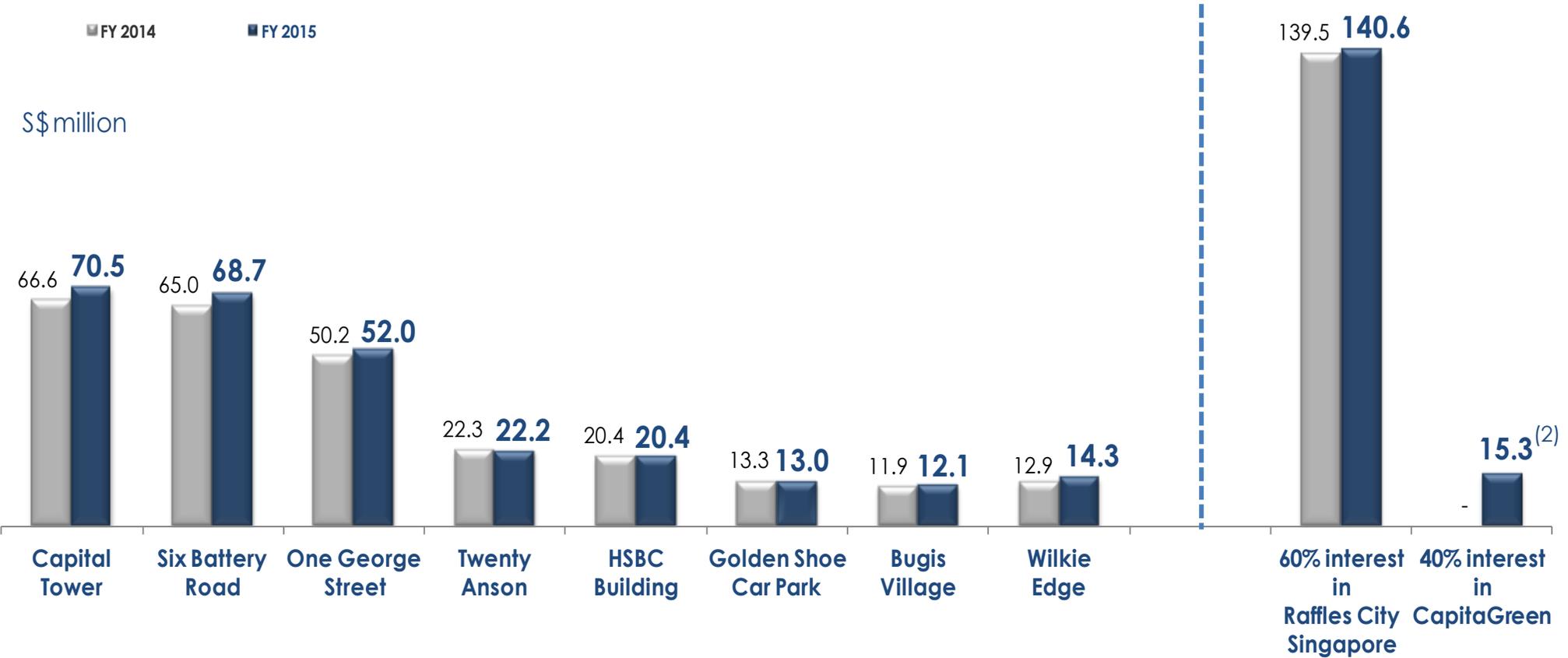
Tel: (65) 6713 2888; Fax: (65) 6713 2999

# 6. Supplementary Information

Raffles City Singapore

# FY 2015 Gross Revenue up 4.0% YoY<sup>(1)</sup>

Revenue for most properties higher



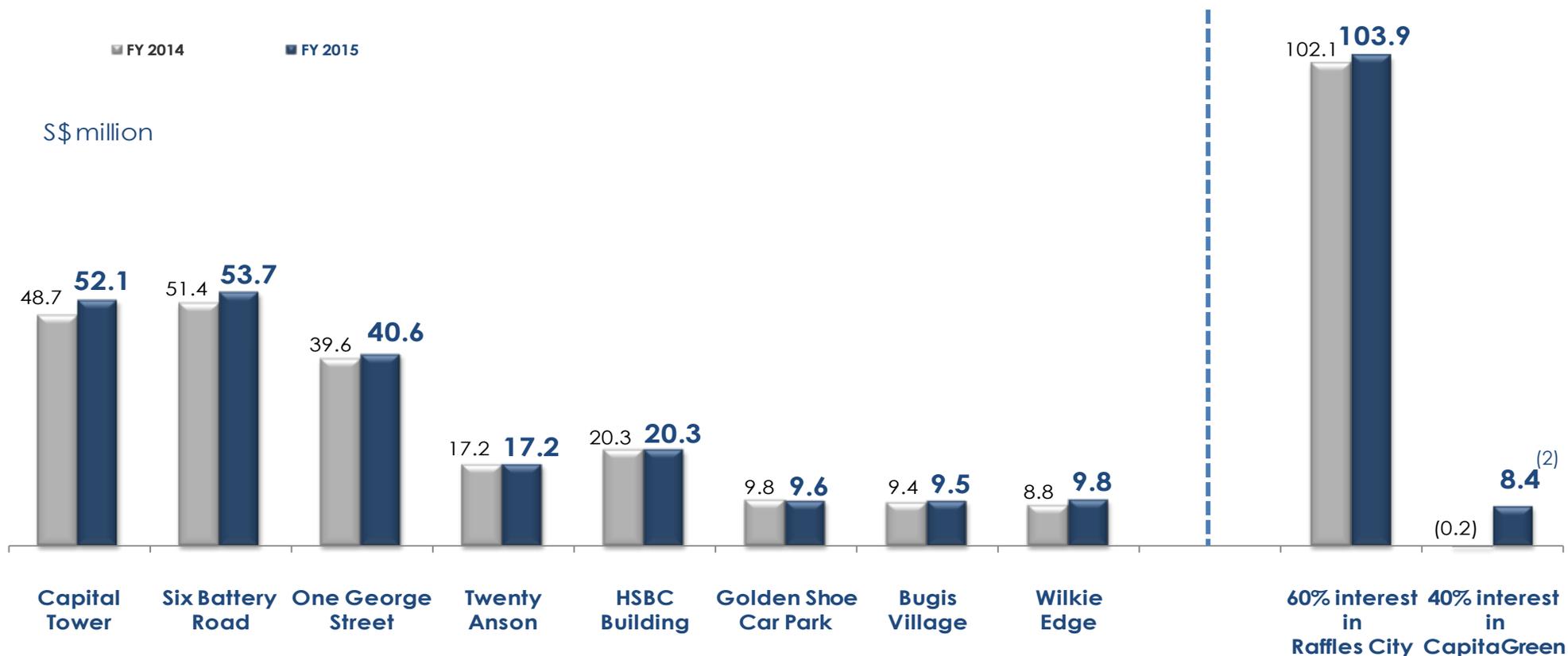
**Notes:**

(1) Excludes joint ventures

(2) Revenue of CapitaGreen includes a non-recurring S\$4.4-million adjustment in 4Q 2015

# FY 2015 Net Property Income up 3.7% YoY<sup>(1)</sup>

Higher net property income for most buildings



**Notes:**

(1) Excludes joint ventures

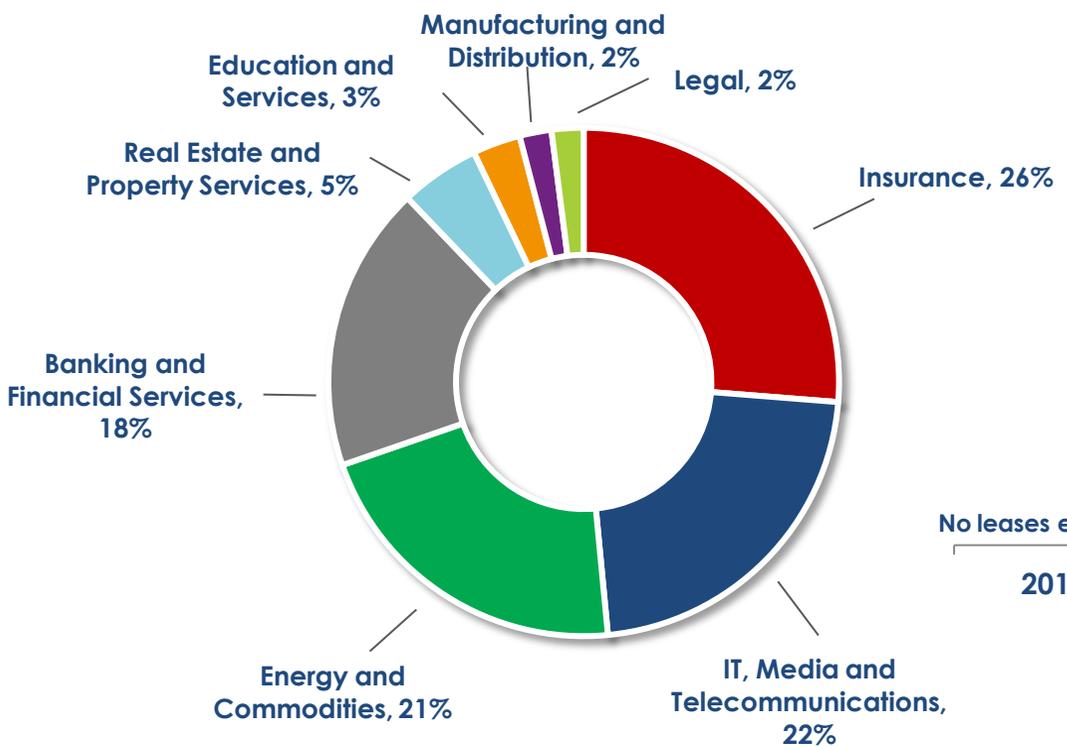
(2) Net property income of CapitaGreen includes a non-recurring S\$4.4-million adjustment in 4Q 2015



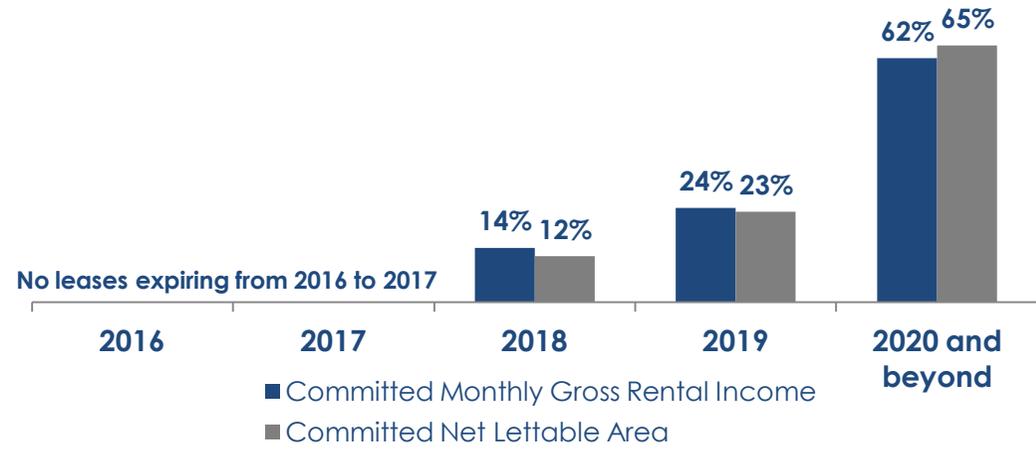
# CapitaGreen was 91.3%<sup>(1)</sup> committed as at 31 Dec 2015

Committed tenants are largely on longer term leases and 87% from the Insurance, IT, Energy and Commodities, and Banking and Financial sectors

Tenant trade mix<sup>(2)</sup> for CapitaGreen



Lease expiry profile for CapitaGreen



Notes:

- (1) Based on total net lettable area of 704,000 sf as at 31 Dec 2015
- (2) Based on net lettable area of leases committed at CapitaGreen





# Potential acquisition pipeline of remaining 60.0%



## CapitaGreen 138 Market Street

- Total project development cost of S\$1.3 billion
- CCT owns 40.0% share of CapitaGreen
- Has call option to acquire balance 60.0% from JV partners
- Purchase price at market valuation
- Subject to minimum of development cost compounded at 6.3% p.a.<sup>(1)</sup>
- Exercise period: within 3 years after completion (2015 to 2017)

Note:

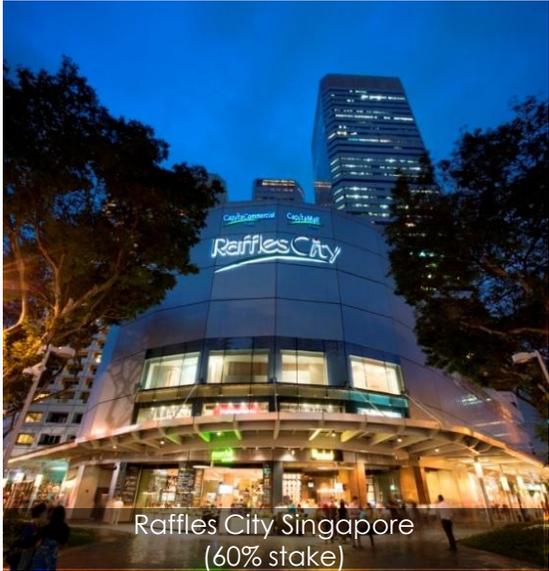
(1) Based on actual costs incurred since commencement of development in 2011 and compounded at 6.3% p.a. (less any net income received)



# CapitaLand Commercial Trust

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

<p><b>S\$4.0b<sup>#</sup></b> Market Capitalisation</p>	<p><b>10</b> Properties in Singapore's Central Area</p>	<p><b>S\$7.7b<sup>*</sup></b> Deposited Properties</p>	<p><b>About 4 million sq ft</b> NLA (100% basis)</p>	<p><b>32%</b> Owned by CapitaLand Group</p>
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<sup>#</sup> Market Capitalisation as at 19 Jan 2016  
<sup>\*</sup> Deposited Properties as at 31 Dec 2015

# Owns 10 centrally-located quality commercial properties

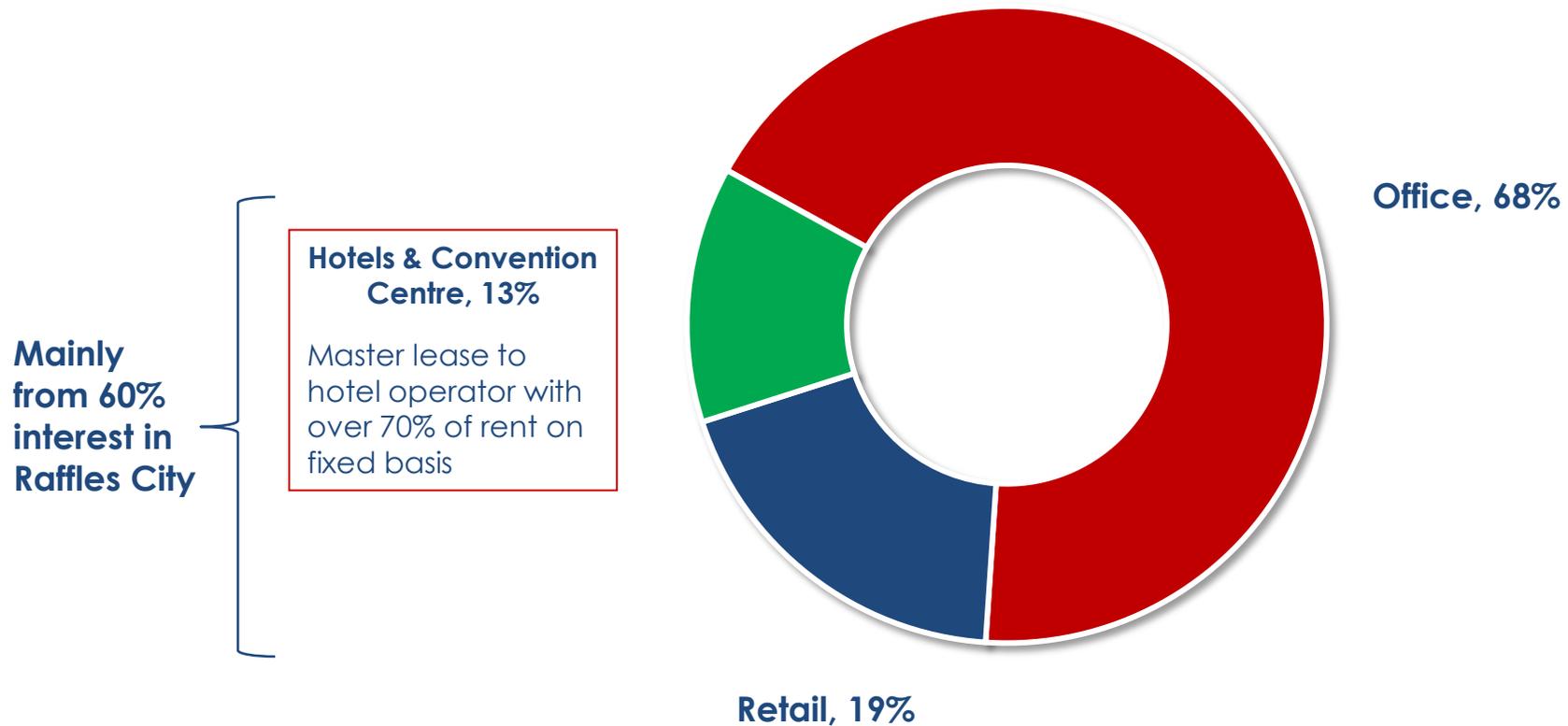


- 1. Capital Tower
- 2. Six Battery Road
- 3. One George Street
- 4. Raffles City Singapore
- 5. CapitaGreen
- 6. Twenty Anson
- 7. HSBC Building
- 8. Wilkie Edge
- 9. Bugis Village
- 10. Golden Shoe Car Park



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

## CCT's income contribution by sector

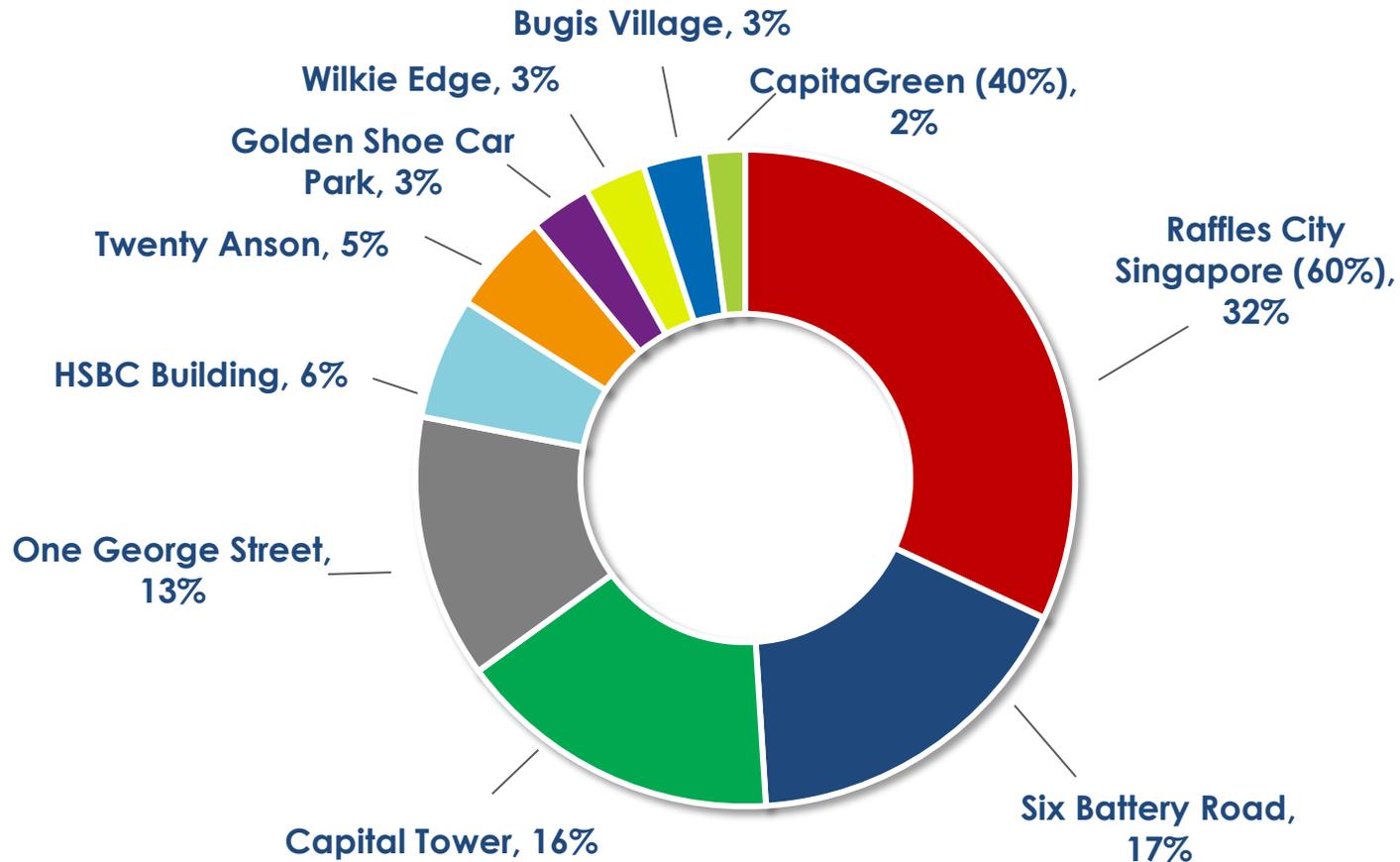


**Note:**

(1) Based on gross rental income for FY2015, 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



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

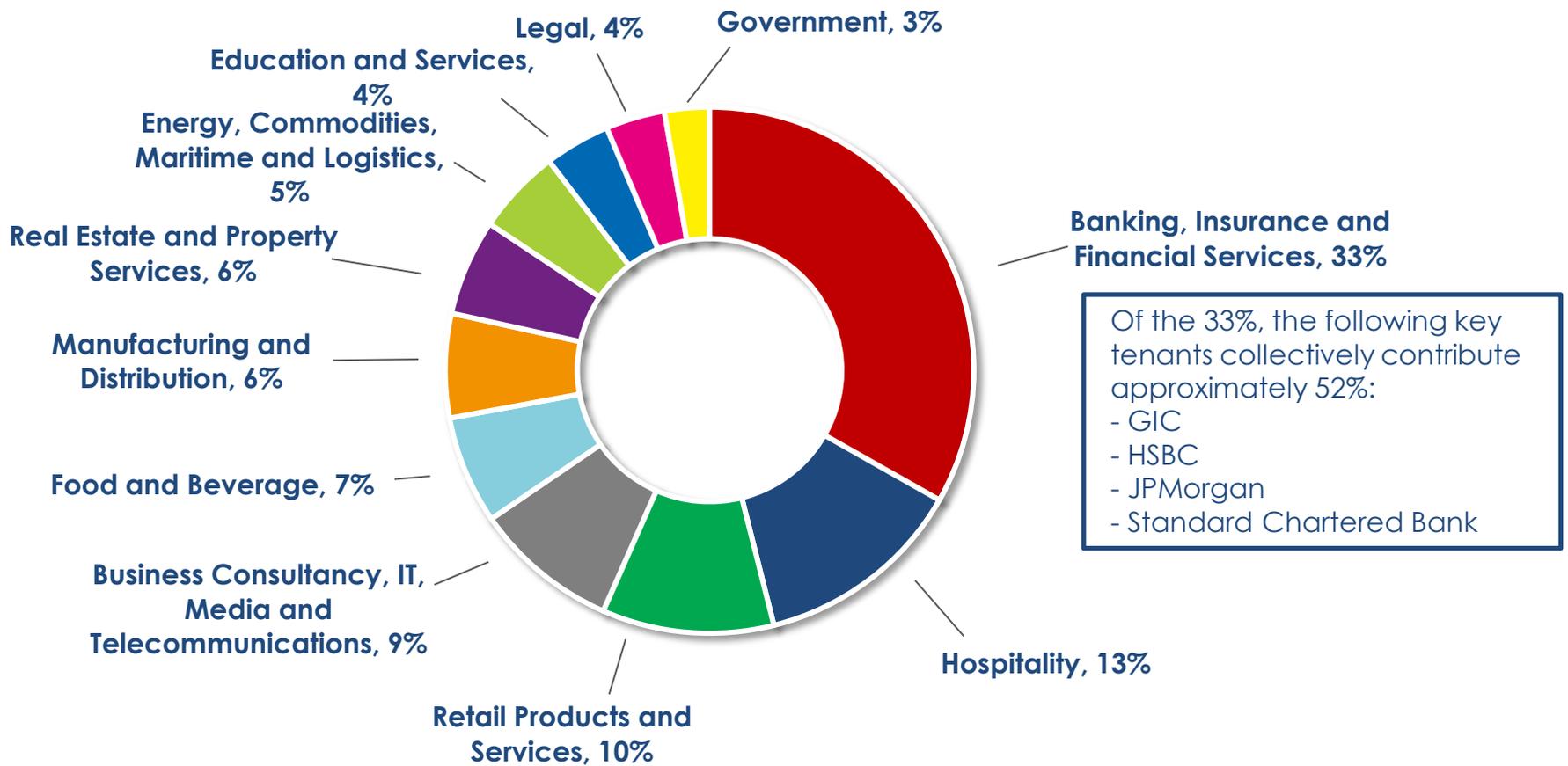


**Note:**

(1) For reference only: based on respective properties' proportionate net property income (NPI) contribution in 2015. NPI from CCT's wholly owned properties was \$212.8 million, while NPI from its 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen was \$103.9 million and \$8.4 million respectively.

# 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 31 Dec 2015, including CCT's 60.0% interest in Raffles City Singapore and 40.0% interest in CapitaGreen, and excluding retail turnover rent



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015
Capital Tower	100.0	100.0	99.9	99.9	99.9	100.0	100.0	100.0	100.0	100.0	100.0	92.2	94.1
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	99.9	100.0	99.5	98.9
Bugis Village	95.3	99.1	96.6	93.8	93.4	98.8	97.1	97.2	94.8	96.5	98.3	100.0	100.0
Golden Shoe Car Park	98.0	96.4	100.0	100.0	95.2	100.0	100.0	94.6	100.0	100.0	100.0	97.7	97.3
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	100.0
Raffles City (60% interest)	99.5	99.3	99.9	99.3	99.1	98.9	100.0	100.0	100.0	100.0	99.0	99.3	99.2
Wilkie Edge			52.5	77.9	98.4	98.4	93.9	99.6	100.0	100.0	100.0	100.0	100.0
One George Street			100.0	96.3	100.0	93.3	92.5	95.5	100.0	100.0	99.4	99.4	98.2
Twenty Anson							100.0	98.1	97.8	97.8	100.0	97.9	97.9
CapitaGreen (40% interest) <sup>(3)</sup>									69.3	69.9	80.4	85.5	91.3
<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>97.0</b>	<b>98.0</b>	<b>96.4</b>	<b>97.1<sup>(4)</sup></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.

(4) Portfolio occupancy rate excluding CapitaGreen as at 31 Dec 2015 is 97.7%.



# Value creation through AEs

Property	Six Battery Road	Raffles City Tower (100.0% interest)	Capital Tower
Occupancy rate (as at 31 Dec 2015)	98.9%	99.2% (RCS)	94.1%
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



# Capital Tower AEI completed in Dec 2015

## Completed Works

- ✓ **Revitalised all lift lobbies:**
  - Main and mezzanine lobby
  - Upper lift lobbies
- ✓ **Increased lettable area:**
  - New café at Level 36 transfer floor
- ✓ **Upgraded passenger lifts and restrooms**
- ✓ **Enhanced security**
  - Introduced turnstiles
  - Installed self registration kiosks for convenience of repeat visitors
- ✓ **Improved energy efficiency**
  - Upgraded chillers
  - Installed energy efficient lighting



Level 36 before AEI

Estimated AEI  
cost of  
**\$35m**



Level 36 energised after AEI



New café added to Level 36

**Completed  
on  
Schedule  
Dec 2015**



# Value creation for Capital Tower AEI<sup>(1)</sup>

8.2% Return on Investment on an estimated capital expenditure of S\$35m

S\$ psf	Capital Tower	Tanjong Pagar / Shenton Way sub-market <sup>(2)</sup>	Increase attributable to AEI
Difference in committed rents (before AEI vs after AEI)	\$0.84	\$0.42	\$0.42

Value creation	
<b>Incremental NPI per annum comprising:</b> <ul style="list-style-type: none"> <li>• Incremental rental per annum</li> <li>• Net savings in operating expenses per annum</li> </ul>	<b>S\$2.9m</b> S\$2.2m S\$0.7m
<b>Estimated Capital Expenditure</b> <i>(Lower than projected capital expenditure of S\$40.0m announced in 2013)</i>	<b>S\$35.0m</b>
<b>Return on Investment</b> <i>(Improvement over the projected ROI of 7.8% announced in 2013)</i>	<b>8.2%</b>
<b>Capital Value of AEI<sup>(3)</sup></b>	<b>S\$74.8m</b>
<b>Increase in Value (net of capital expenditure)</b>	<b>S\$39.8m</b>

**Notes:**

- (1) Based on Manager's estimate rounded to the nearest decimal place
- (2) Based on an average of the rents published by Knight Frank
- (3) Based on capitalisation rate of 3.85% assumed in the December 2015 valuation

# 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 (completed on 18 Dec 2014)	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	Six Battery Road Tenant Service Centre	Gold <sup>PLUS</sup> (Office Interior)



FTSE4Good

Since 18 September 2009, CCT has been and continues to be a constituent of FTSE4Good Index Series (FTSE4Good), a series of benchmark and tradable indices derived from the globally recognized FTSE Global Equity Index Series



# 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	804,000 (Office: 381,000, Retail: 423,000)	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>	94.1%	98.9%	98.2%	99.2%	97.9%
<b>Valuation (31 Dec 2015)</b>	S\$1,317.0m	S\$1,358.0m	S\$1,010.0m	S\$3,136.0m (100.0%) S\$1,881.6m (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> (100%)
<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%	100.0%	100.0%	97.3%	91.3%
<b>Valuation (31 Dec 2015)</b>	S\$452.0m	S\$199.0m	S\$53.7m	S\$141.0m	S\$1,587.0m (100.0%) S\$634.8m(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.