



Financial Results for 1st Quarter 2016

10 May 2016

Important Notice

This presentation shall be read in conjunction with OUE Commercial REIT's Financial Results announcement for 1Q 2016 dated 10 May 2016.

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Investors should note that they will have no right to request the Manager to redeem or purchase their Units while the Units are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Agenda

- Key Highlights
- Financial Performance and Capital Management
- Portfolio Performance
- Outlook
- Appendices

Key Highlights

Financial Highlights

- 1Q 2016 gross revenue and net property income more than doubled from a year ago to S\$42.9 million and S\$33.3 million respectively due to contribution from One Raffles Place, which was acquired in October 2015
- As a result, 1Q 2016 amount available for distribution was S\$17.0 million, an increase of 35.1% year-on-year (“YoY”)
- Excluding contribution from One Raffles Place, organic growth in net property income of the portfolio is 7.8% YoY

Portfolio Performance

- Portfolio committed occupancy as at 31 March 2016 increased to 94.8%, from 94.3% as at 31 December 2015. Committed office occupancy at OUE Bayfront and One Raffles Place was steady at 98.2% and 90.6% respectively, while Lippo Plaza’s committed office occupancy was 98.1%
- OUE Bayfront and One Raffles Place achieved positive rental reversions of 4.9% and 3.0% respectively in 1Q 2016, while Lippo Plaza recorded a 5.3% rental uplift
- Year-on-year, OUE Bayfront’s average office passing rent increased 11.5% to S\$11.82 psf/month, while Lippo Plaza’s increased by 4.0% to RMB9.55 psm/day

Key Highlights

Capital Management

- Aggregate leverage as at 31 March 2016 of 40.5% with a weighted average cost of debt of 3.56% p.a.
- Proportion of fixed rate loans increased from 63.8% as at 31 December 2015 to 79.2% as at 31 March 2016, with an average term of fixed rate debt of 2.95 years
- No refinancing requirement in 2016
- 20% of base management fees to be paid in cash with the balance in Units, in line with Manager's objective of delivering sustainable and stable DPU

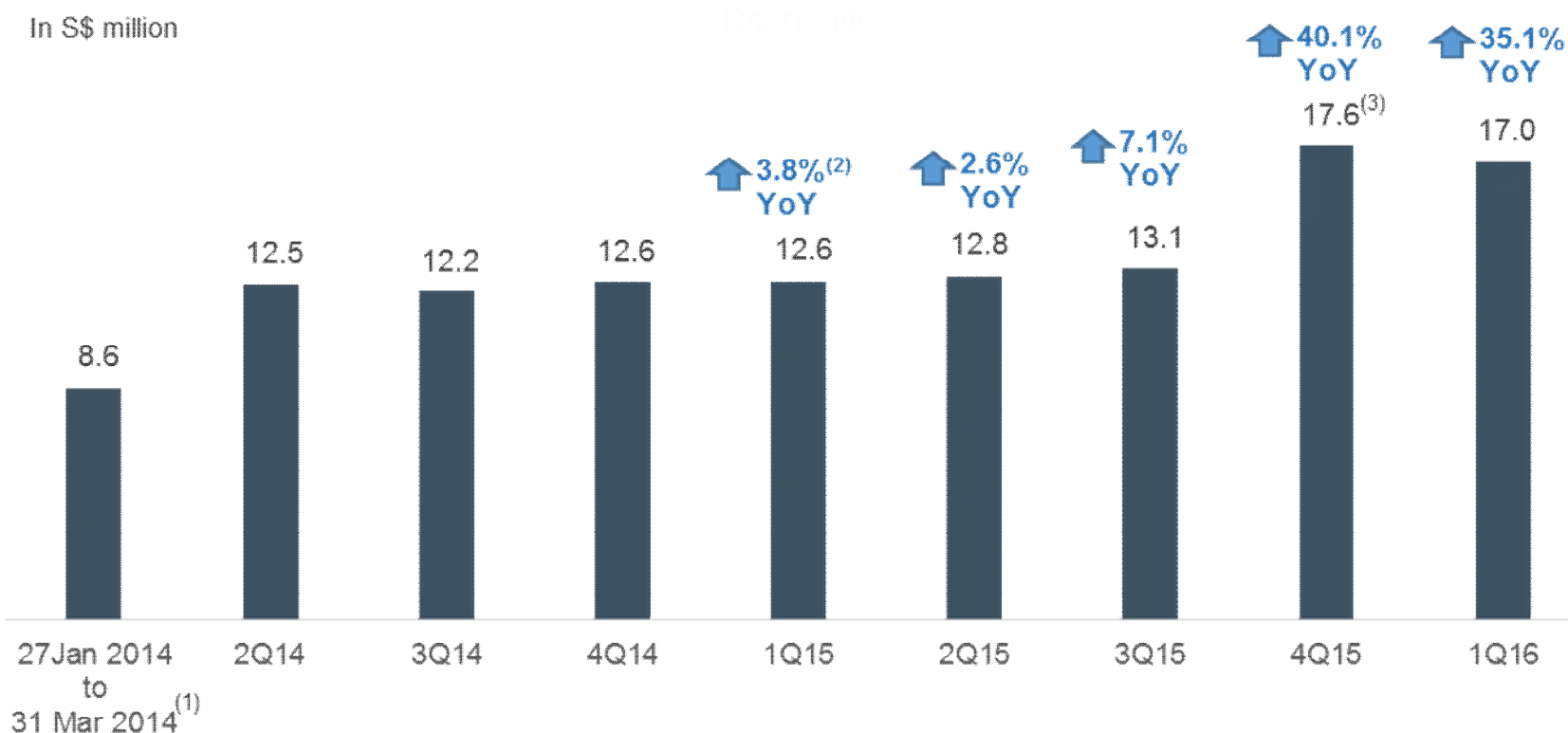
Financial Performance & Capital Management



Consistent Growth in Distribution

Delivered consistent year-on year growth in distribution to Unitholders

Distribution History Since IPO



(1) Period commencing from OUE C-REIT's listing date of 27 January 2014 to 31 March 2014

(2) For a meaningful comparison, the amount available for distribution for the period 27 January 2014 to 31 March 2014 of S\$8.6 million was extrapolated to a full quarter in the computation of the year-on-year growth in distribution for 1Q 2015

(3) Includes a one-off distribution of capital return of S\$1.3 million in relation to certain expenses which are non-tax deductible from a tax perspective

1Q 2016 vs 1Q 2015

	1Q 2016	1Q 2015	Change
Gross Revenue (S\$m)	42.9	20.4	+110.2%
Net Property Income (S\$m)	33.3	15.7	+111.7%
Amount Available for Distribution (S\$m)	17.0⁽¹⁾	12.6	+35.1%
DPU (cents)	1.32	0.99⁽²⁾	+33.3%

- 1Q 2016 gross revenue of S\$42.9 million more than doubled from 1Q 2015 due to contribution from One Raffles Place, as well as better performance at OUE Bayfront
- As a result, 1Q 2016 net property income was S\$33.3 million, increasing from S\$15.7 million in 1Q 2015
- Excluding contribution from One Raffles Place, 1Q 2016 organic growth in net property income of the portfolio is 7.8% YoY
- 1Q 2016 finance costs was higher due to higher amount of loans outstanding as well as higher interest rates, resulting in an amount available for distribution of S\$17.0 million, 35.1% higher YoY

(1) Excludes amount reserved for distribution to convertible perpetual preferred units ("CPPU") holder

(2) The number of Units entitled for distribution and DPU have been restated to include the 393,305,817 new Units issued on 4 August 2015 at an issue price of S\$0.555 per Unit as such Units were entitled to the amount available for distribution in respect of 1Q 2015

1Q 2016 vs 1Q 2015

S\$'000	1Q 2016	1Q 2015	Change (%)
Gross revenue	42,914	20,411	110.2
Property operating expenses	(9,659)	(4,704)	105.3
Net property income	33,255	15,707	111.7
Other income	703	1,798	(60.9)
Amortisation of intangible asset	(1,118)	(1,047)	6.8
Manager's management fees	(2,345)	(1,262)	85.8
Net non-property expenses	(704)	(519)	35.6
Net finance costs	(13,701)	(4,527)	202.7
Foreign exchange differences	(396)	489	NM ⁽¹⁾
Total return before tax	15,694	10,639	47.5
Tax expense	(3,911)	(1,331)	NM
Total return for period	11,783	9,308	26.6
Non-controlling interests	(1,818)	-	NM
CPPU holder distribution	(1,367)	-	NM
Distribution adjustments	8,443	3,309	NM
Amount available for distribution to Unitholders	17,041	12,617	35.1

(1) NM: Not meaningful

Healthy Balance Sheet

S\$ million	As at 31 Mar 2016
Investment Properties	3,384.0
Total Assets	3,435.1
Loans and borrowings	1,305.6
Total Liabilities	1,490.3
Net Assets Attributable to Unitholders	1,181.0
Units in Issue ('000)	1,292,335
NAV per Unit (S\$)	0.91

Capital Management

Every 25bps increase in floating interest rates is expected to reduce distribution by S\$0.7 million per annum, or 0.05 cents in DPU

	As at 31 Mar 2016	As at 31 Dec 2015
Aggregate Leverage	40.5%	40.1%
Total debt	S\$1,274m ⁽¹⁾ comprising - S\$1,236m - RMB185m	S\$1,272m ⁽²⁾ comprising - S\$1,231m - RMB189m
Weighted average cost of debt⁽³⁾	3.56% p.a.	3.45% p.a.
Average term of debt	2.04 years	2.31 years
% fixed rate debt	79.2%	63.8%
Average term of fixed rate debt	2.95 years	3.20 years
Interest service ratio	3.4x	3.7x

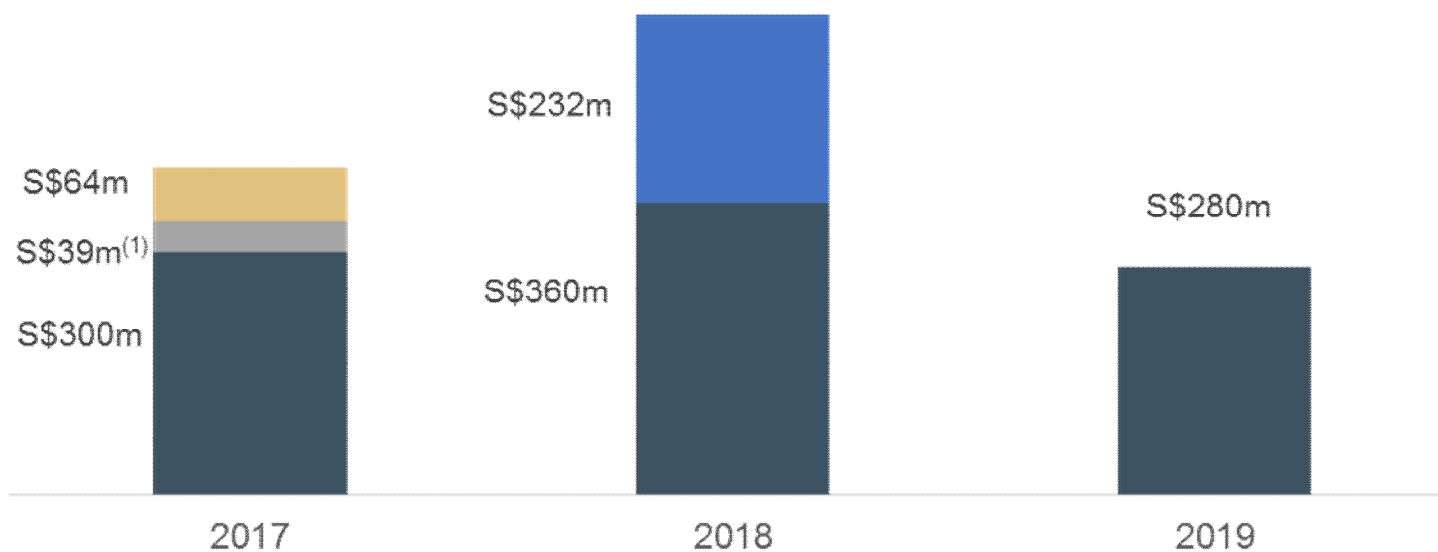
(1) Based on SGD:CNY exchange rate of 1:4.764 as at 31 March 2016 and includes OUE C-REIT's share of OUB Centre Limited's loan

(2) Based on SGD:CNY exchange rate of 1:4.589 as at 31 December 2015 and includes OUE C-REIT's share of OUB Centre Limited's loan

(3) Including amortisation of debt establishment costs

Debt Maturity Profile as at 31 Mar 2016

■ SGD Term Loan ■ RMB Term Loan ■ SGD Revolving Credit Facilities ■ Share of OUB Centre Limited's Loan



No refinancing requirement in 2016

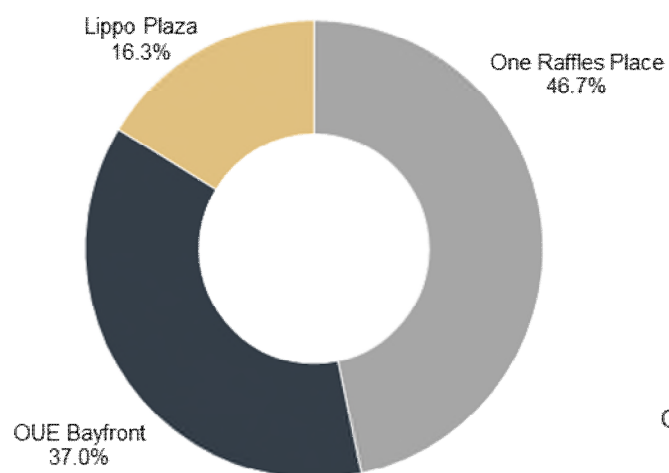
(1) Based on SGD:CNY exchange rate of 1:4.764

Portfolio Performance

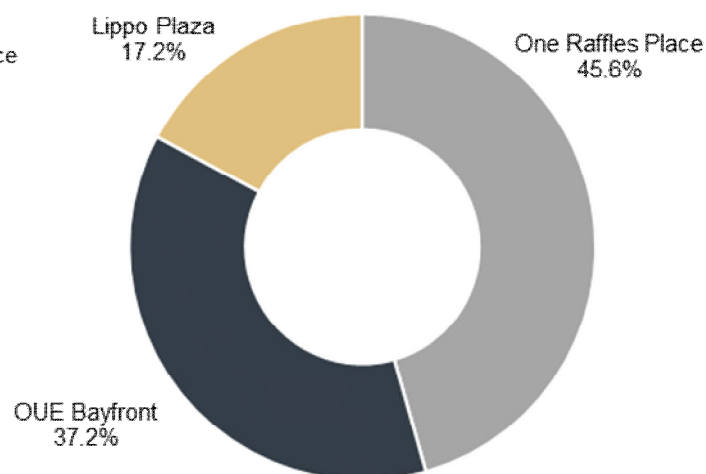


Portfolio Composition

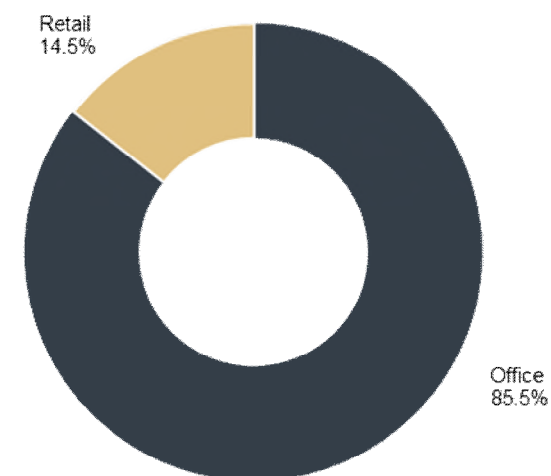
By Asset Value⁽¹⁾



By Revenue Contribution⁽²⁾



By Segment Revenue⁽²⁾

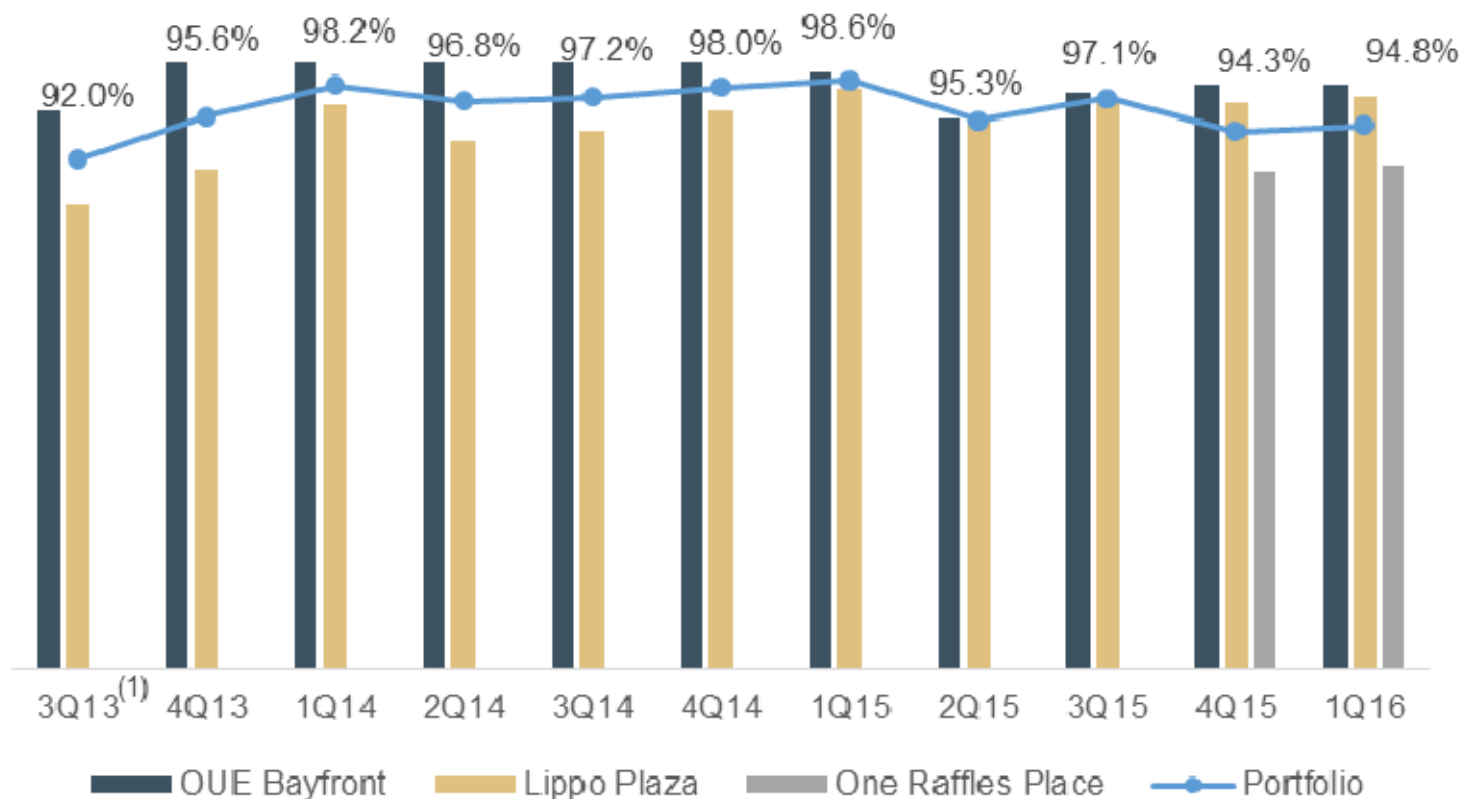


(1) Based on independent valuations as at 31 December 2015 and OUE C-REIT's proportionate interest in One Raffles Place

(2) For 1Q 2016 and based on OUE C-REIT's attributable interest in One Raffles Place

Resilient and Steady Portfolio

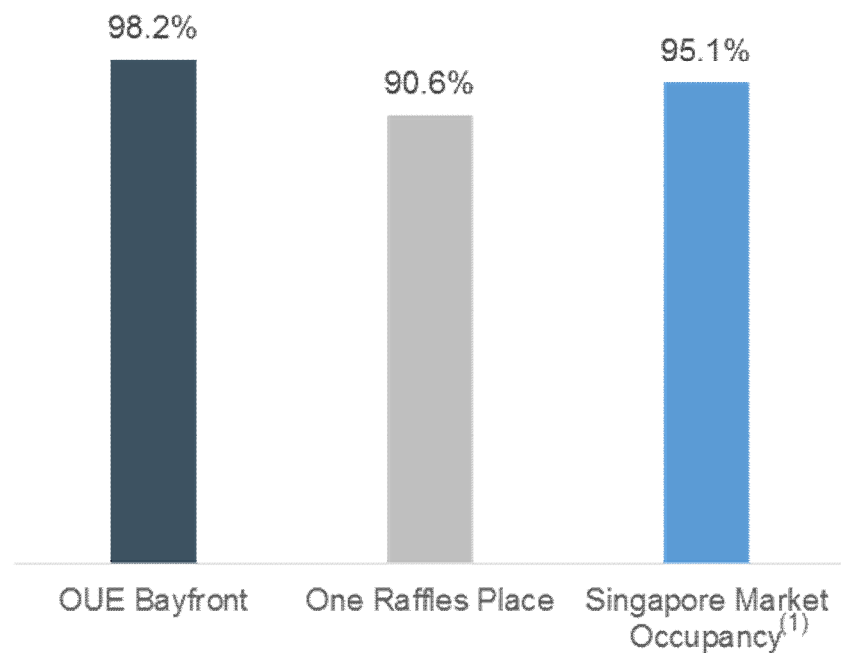
OUE C-REIT's Portfolio Committed Occupancy



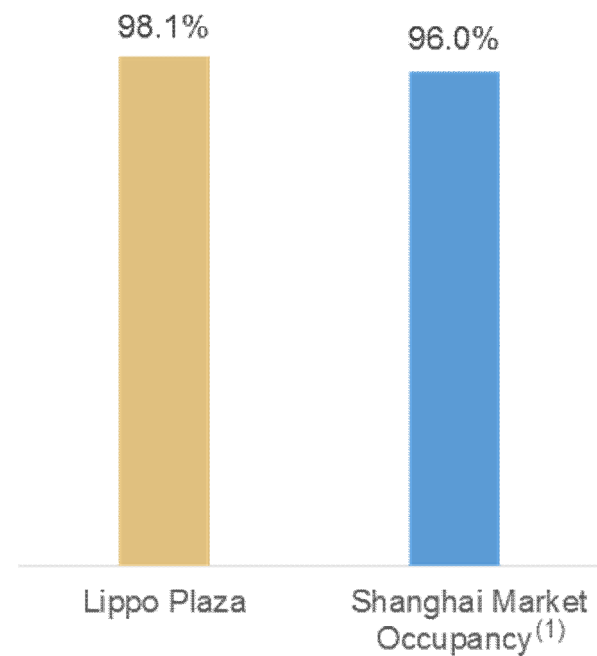
(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

Office Occupancy In Line with Market

Singapore



Shanghai



(1) Singapore Market Occupancy refers to Core CBD office occupancy for 1Q 2016 according to CBRE Research. Shanghai Market Occupancy refers to Shanghai Grade A office occupancy for 1Q 2016 according to Colliers International Shanghai

Positive Office Rental Reversions

	1Q 2016 Rental Reversions ⁽¹⁾	1Q 2016 Committed Rents ⁽²⁾	Average Passing Rent	
			Mar 2016	Mar 2015
OUE Bayfront	4.9%	S\$12.00 – S\$12.30 psf/mth	S\$11.82 psf/mth	S\$10.60 psf/mth
One Raffles Place	3.0%	S\$8.50 – S\$12.50 psf/mth	S\$10.27 psf/mth	N.A. ⁽³⁾
Lippo Plaza	5.3%	RMB9.50 – RMB11.33 psm/day	RMB9.55 psm/day	RMB9.18 psm/day

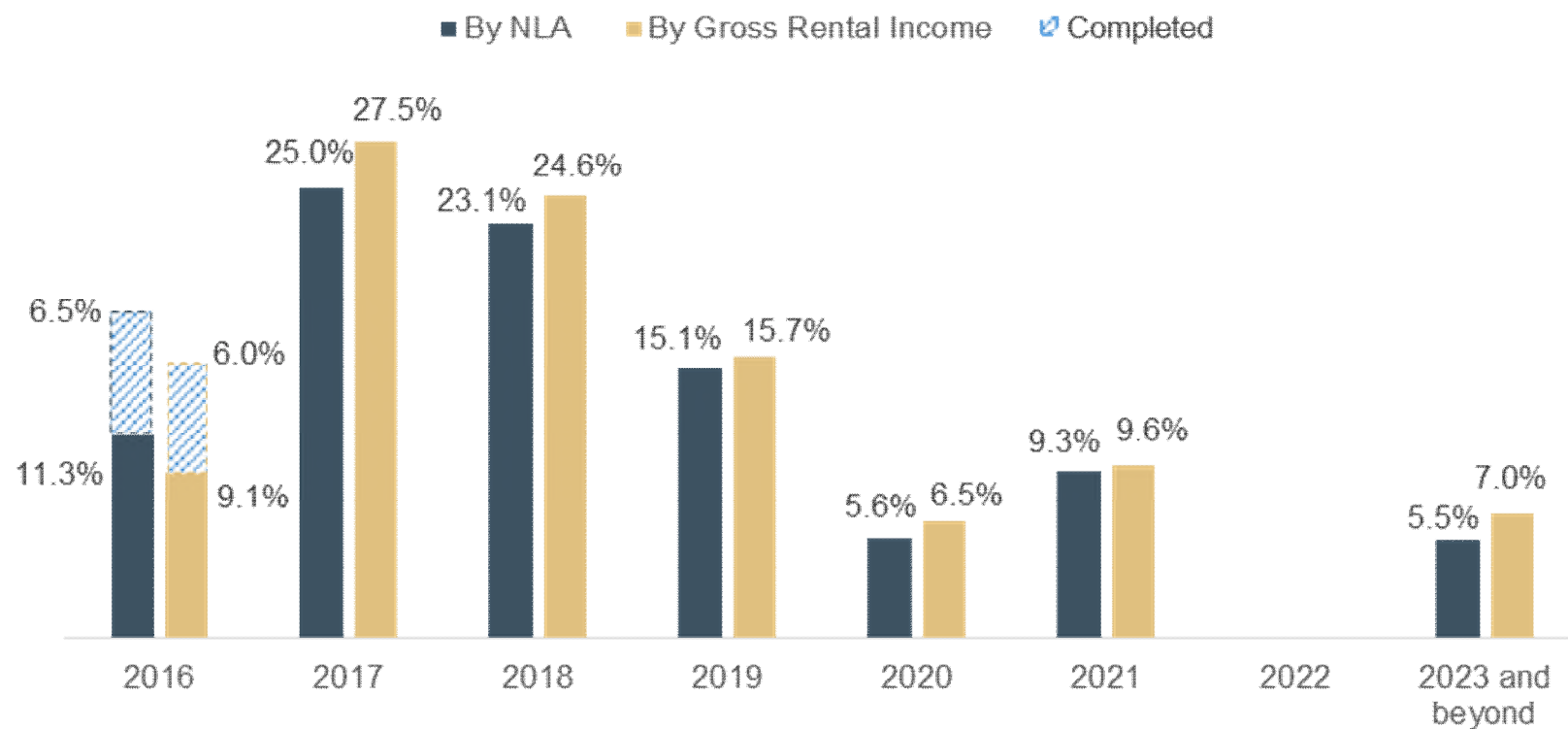
- Average passing rents continued to increase due to positive rental reversions
- OUE Bayfront's average office passing rent was S\$11.82 psf/mth for March 2016, increasing 11.5% YoY from S\$10.60 psf/mth
- Lippo Plaza's average office passing rent was RMB9.55 psm/day for March 2016, increasing 4.0% YoY from RMB9.18 psm/day

(1) Includes rent reviews. Computed based on renewal / reviewed rental rates vs preceding rental rates

(2) Committed rents for renewal leases, reviewed leases and new leases

(3) OUE C-REIT acquired One Raffles Place on 8 October 2015

Lease Expiry Profile - Portfolio



WALE⁽¹⁾ of 2.8 years by NLA⁽²⁾ and 2.9 years by Gross Rental Income

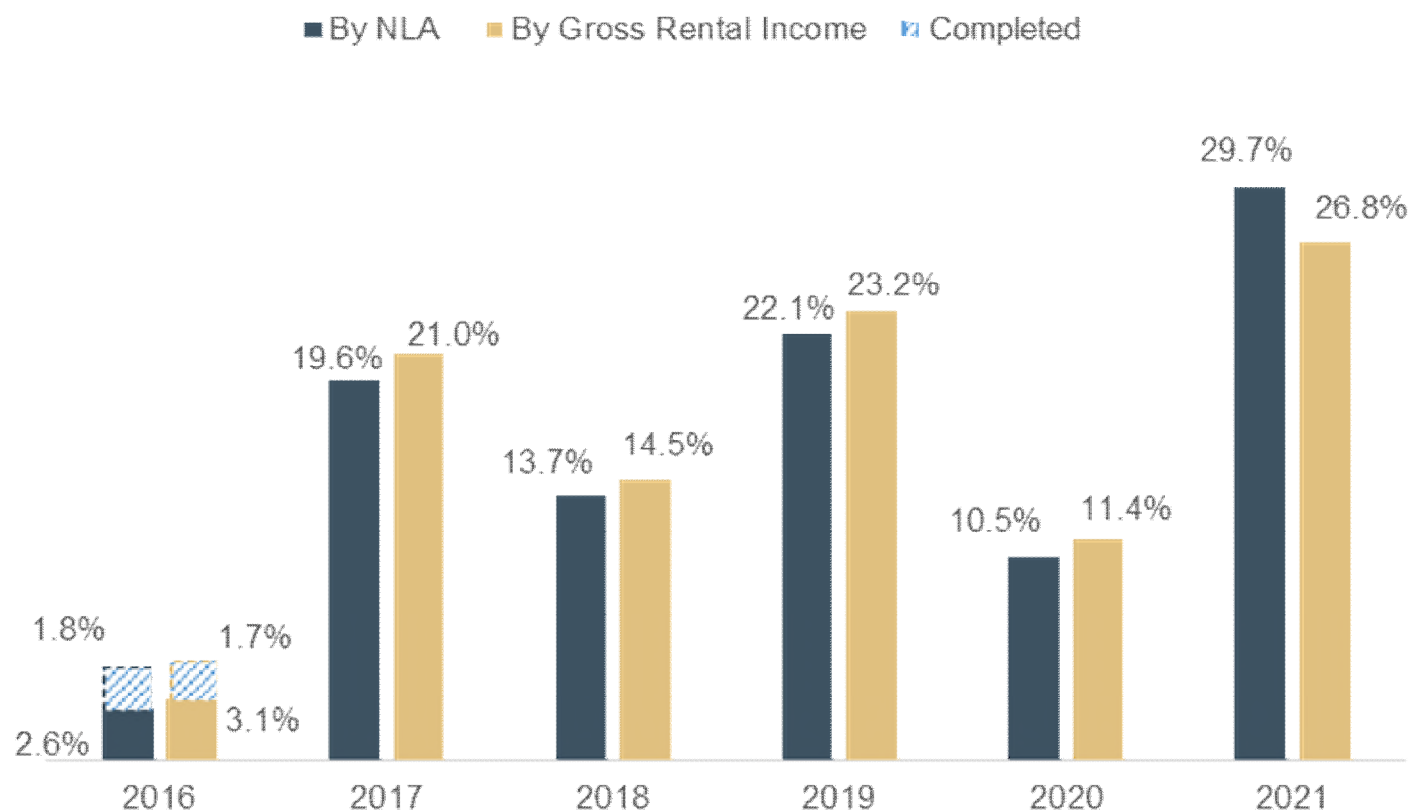
As at 31 Mar 2016

(1) "WALE" refers to the weighted average lease term to expiry

(2) "NLA" refers to net lettable area

Lease Expiry Profile - OUE Bayfront

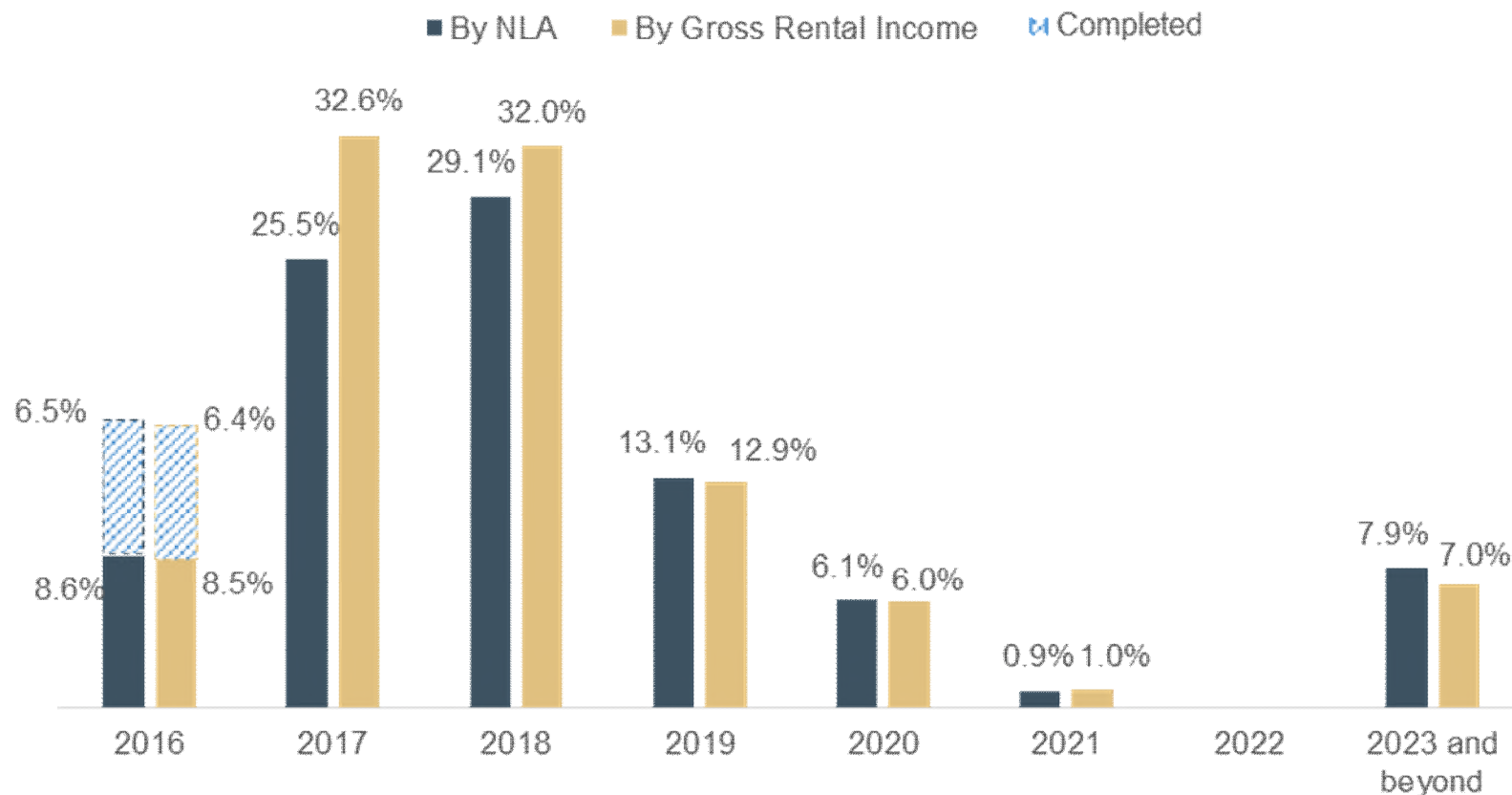
More than 60% of gross rental income is due only in 2019 and beyond. To-date, the Manager has completed the renewal of all expiring leases in 2016



WALE of 3.5 years by NLA and 3.4 years by Gross Rental Income

As at 31 Mar 2016

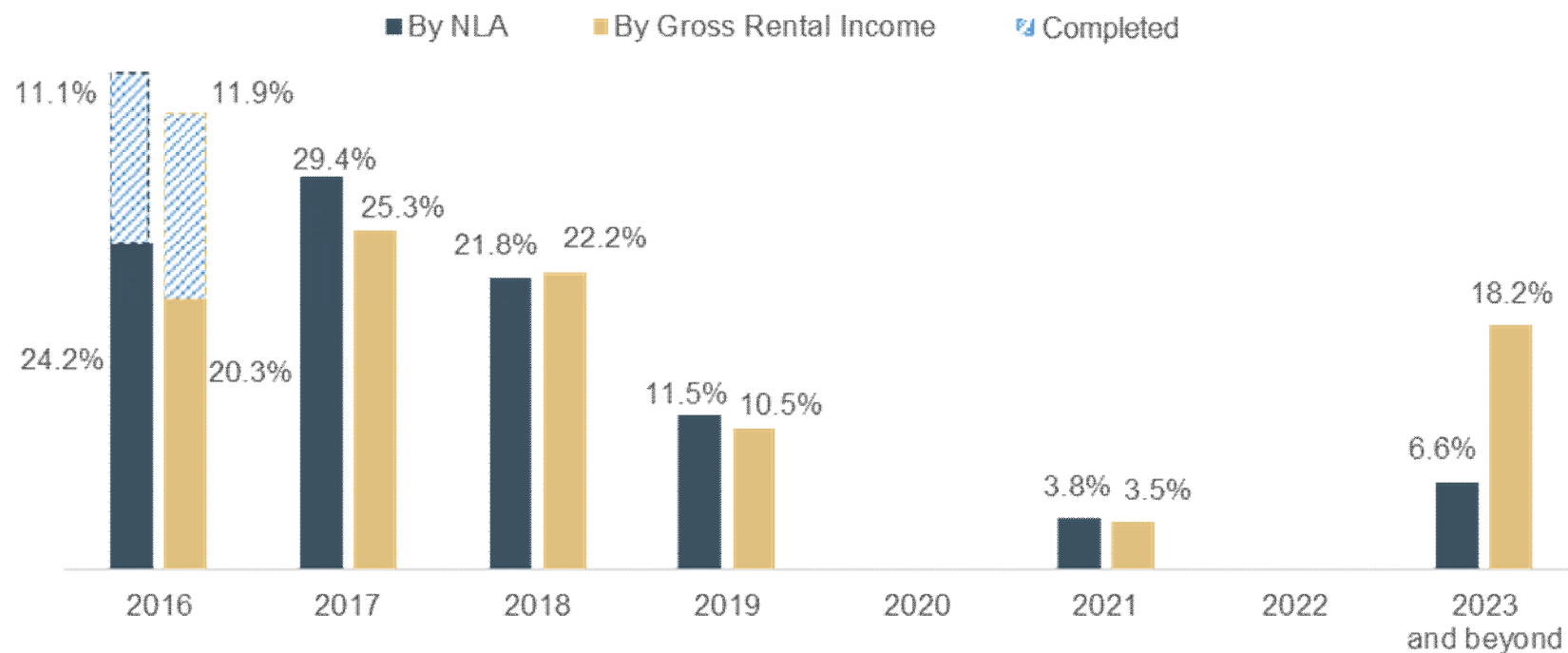
Lease Expiry Profile - One Raffles Place



WALE of 2.6 years by NLA and 2.4 years by Gross Rental Income

As at 31 Mar 2016

Lease Expiry Profile - Lippo Plaza

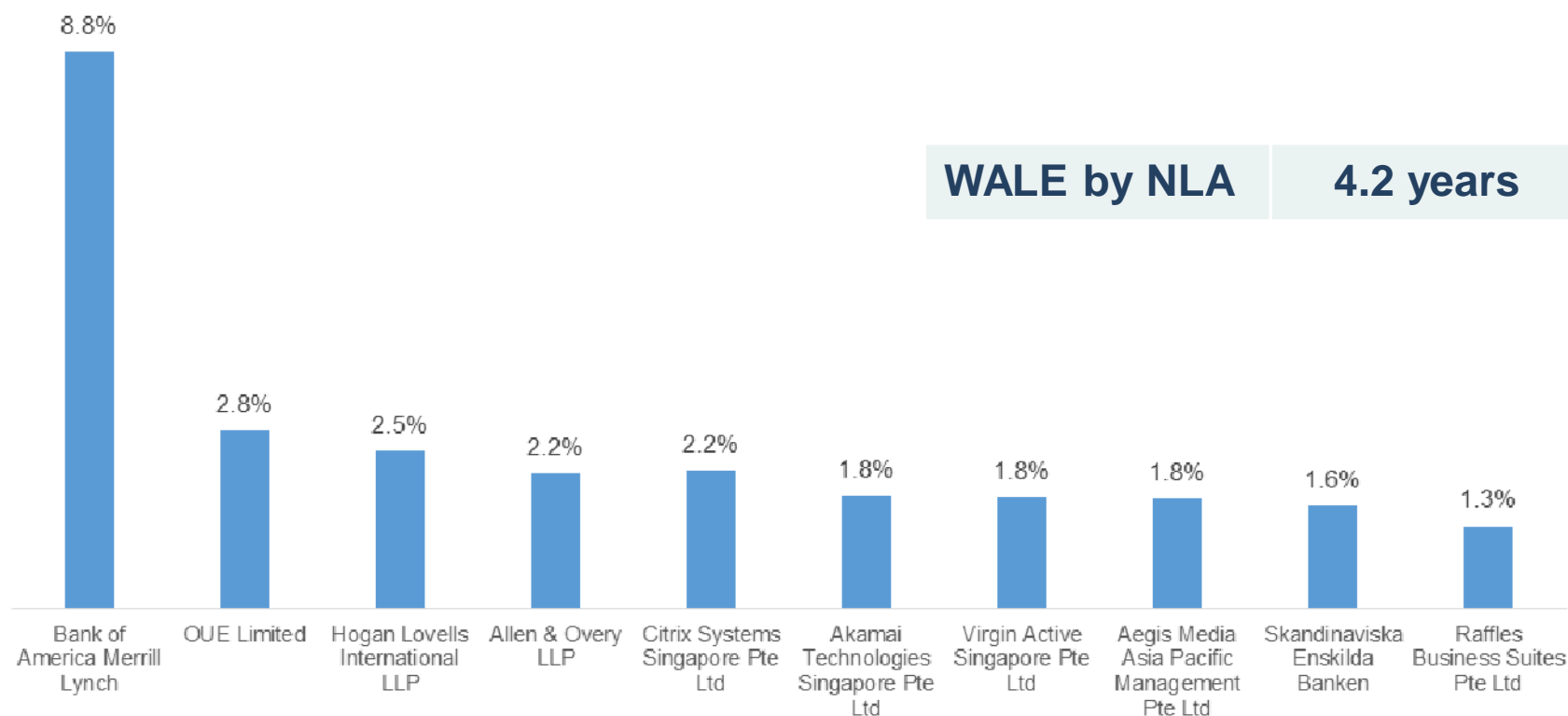


WALE of 2.3 years by NLA and 3.3 years by Gross Rental Income

As at 31 Mar 2016

Quality and Diversified Tenant Base

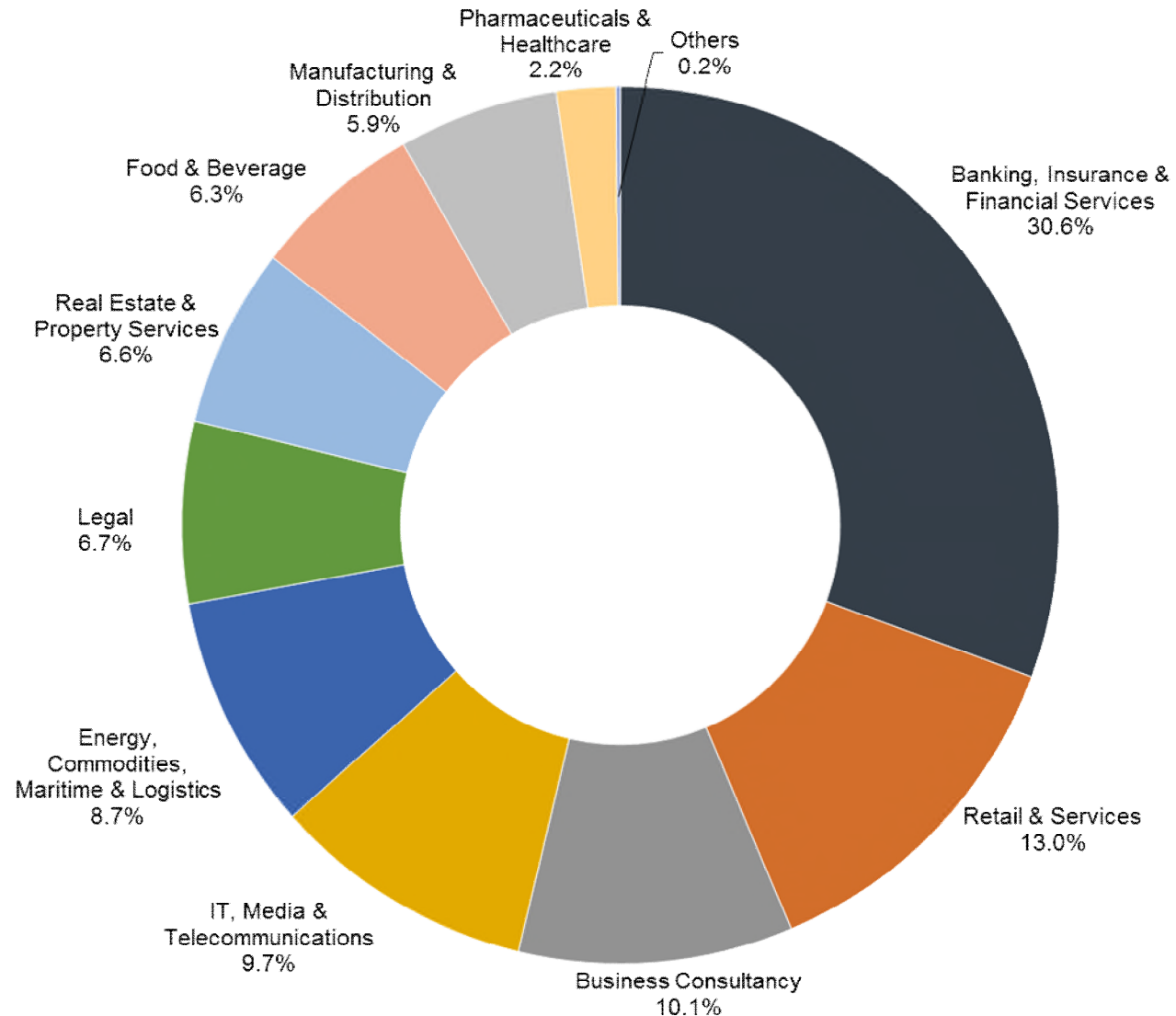
Top 10 tenants⁽¹⁾ contribute approximately 26.8% of gross rental income



As at 31 Mar 2016

(1) The top ten tenants of the portfolio does not take into account one tenant who would otherwise be among the top 10 tenants by gross rental income as it has not consented to the disclosure of details of its tenancy agreement

Diversified Tenant Base



By gross rental income for month of March 2016

Outlook



Outlook and Prospects

Singapore

- According to the Ministry of Trade and Industry (“MTI”), Singapore’s 1Q 2016 GDP grew by 1.8%⁽¹⁾ YoY, unchanged from the previous quarter. While the manufacturing sector continued to contract, growth in the services sector also eased. MTI’s GDP growth forecast for 2016 is between 1.0% to 3.0%
- Core CBD office occupancy remained unchanged quarter-on-quarter (“QoQ”) at the end of 1Q 2016 at 95.1%⁽²⁾, with CBD Grade A office rents declining by 4.8% QoQ to S\$9.90 psf per month, according to CBRE. With lacklustre demand levels, the completion of major new office developments from 3Q 2016 is expected to impact vacancy

China

- China’s 1Q 2016 GDP growth was 6.7%⁽³⁾ YoY, in line with the 6.5% to 7.0% growth target set by the government for 2016
- As demand remained firm amidst a lack of new completions during the quarter, Shanghai CBD Grade A office vacancy declined 1.0 ppt QoQ to 4.0% as at 1Q 2016, according to Colliers International⁽⁴⁾. Consequently, CBD Grade A office rents in Shanghai rose 1.7% QoQ to RMB10.3 psm per day. In Puxi, average Grade A office rents rose 0.9% QoQ to RMB9.5 psm per day. In view of further new supply for the rest of 2016, the overall Shanghai vacancy rate may increase in the coming quarters and hence the rental outlook is expected to be subdued

(1) Ministry of Trade and Industry Press Release, 14 April 2016

(2) CBRE, Singapore Market View, 1Q 2016

(3) National Bureau of Statistics of China Press Release, 15 April 2016

(4) Colliers International, Shanghai Research and Forecast Report 1Q 2016

Outlook and Prospects

Outlook for the financial year ending 2016

- OUE C-REIT's portfolio of strategically located Grade A office properties continue to record healthy occupancy levels which provide stability in income
- In 2016, OUE C-REIT will enjoy a full year's contribution from its effective 67.95% indirect interest in One Raffles Place which was acquired on 8 October 2015
- At Lippo Plaza, we are pleased to welcome Victoria's Secret first flagship store in China which is expected to open in end-2016. The long-term lease committed further underpins the stability of income of the property
- Barring any unforeseen event and unexpected weakening of the economic environment, the Manager expects OUE C-REIT's financial performance to remain stable in 2016

Appendices

- Overview of OUE C-REIT
- OUE C-REIT's Portfolio
- Singapore Office Market
- Shanghai Office Market



Overview of OUE C-REIT

About OUE C-REIT

- OUE C-REIT is a Singapore real estate investment trust listed on the Mainboard of Singapore Exchange Securities Trading Limited with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for commercial purposes
- OUE C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of OUE Limited

Quality Portfolio

OUE C-REIT's portfolio comprises :

- **OUE Bayfront**, a premium Grade A office building located at Collyer Quay between the Marina Bay downtown and Raffles Place in Singapore;
- **One Raffles Place**, an integrated commercial development comprising two Grade A office towers and a retail mall located in the heart of the Singapore's central business district at Raffles Place; and
- **Lippo Plaza**, a Grade A commercial building located in Huangpu, one of Shanghai's established core CBD locations

Strong Sponsor

- Committed Sponsor in OUE Group which has a 65.0% stake in OUE C-REIT
- Right of First Refusal over 1 million sq ft NLA of commercial space
- Sponsor has proven track record in real estate ownership and operations
- Leverage on Sponsor's asset enhancement and redevelopment expertise

Premium Portfolio of Assets

OUE Bayfront



Located at Collyer Quay in Singapore's CBD, comprising:

- **OUE Bayfront** : 18-storey premium office building with rooftop restaurant premises
- **OUE Tower** : conserved tower building with panoramic views of the Marina Bay landscape which is currently occupied by a fine dining restaurant
- **OUE Link** : link bridge with retail shops

OUE Bayfront	
GFA (sq m)	46,774.6
NLA (sq m)	Office: 35,334.5 Retail: 1,830.1 Overall: 37,164.6
Committed Occupancy as at 31 Mar 2016	Office : 98.2% Retail : 98.8% Overall : 98.2%
Number of Car Park Lots	245
Valuation (as at 31 Dec 2015)	S\$1,146.0 m
Land Use Right Expiry	OUE Bayfront & OUE Tower : 99 yrs from 12 November 2007 OUE Link : 15 yrs from 26 March 2010 Underpass : 99 yrs from 7 January 2002
Completion Year	2011

Premium Portfolio of Assets

One Raffles Place



- Located at Raffles Place in the heart of Singapore's CBD comprising:
 - **Tower 1** : 62-storey Grade A office with rooftop restaurant and observation deck
 - **Tower 2** : 38-storey Grade A office completed in 2012
 - **One Raffles Place Shopping Mall** : six-storey retail podium which is the largest purpose-built mall in Raffles Place
 - OUE C-REIT has a 67.95% effective stake

One Raffles Place	
GFA (sq m)	119,626.2
Attributable NLA (sq m)	Office (Tower 1): 28,890.7 Office (Tower 2): 27,061.8 Retail: 9,500.2 Overall: 65,452.7
Committed Occupancy as at 31 Mar 2016	Office (Tower 1): 88.0% Office (Tower 2): 93.2% Retail: 95.6% Overall: 91.4%
Number of Car Park Lots	326
Valuation⁽¹⁾ (as at 31 Dec 2015)	S\$1,734.0 m
Land Use Right Expiry	Office Tower 1 : 841 yrs from 1 November 1985 Office Tower 2: 99 yrs from 26 May 1983 Retail: ~75% of NLA is on 99 yrs from 1 November 1985
Completion Year	Office Tower 1 : 1986 Office Tower 2 : 2012 Retail (major refurbishment) : 2014

(1) Based on OUB Centre Limited's 81.54% interest in One Raffles Place. OUE C-REIT has an 30 83.33% indirect interest in OUB Centre Limited held via its wholly-owned subsidiaries

Premium Portfolio of Assets

Lippo Plaza



- Located on Huaihai Zhong Road within the Huangpu district in the Puxi area of downtown Shanghai
- Grade-A 36 storey commercial building with a three-storey retail podium and basement carpark
- OUE C-REIT has 91.2% strata ownership of Lippo Plaza

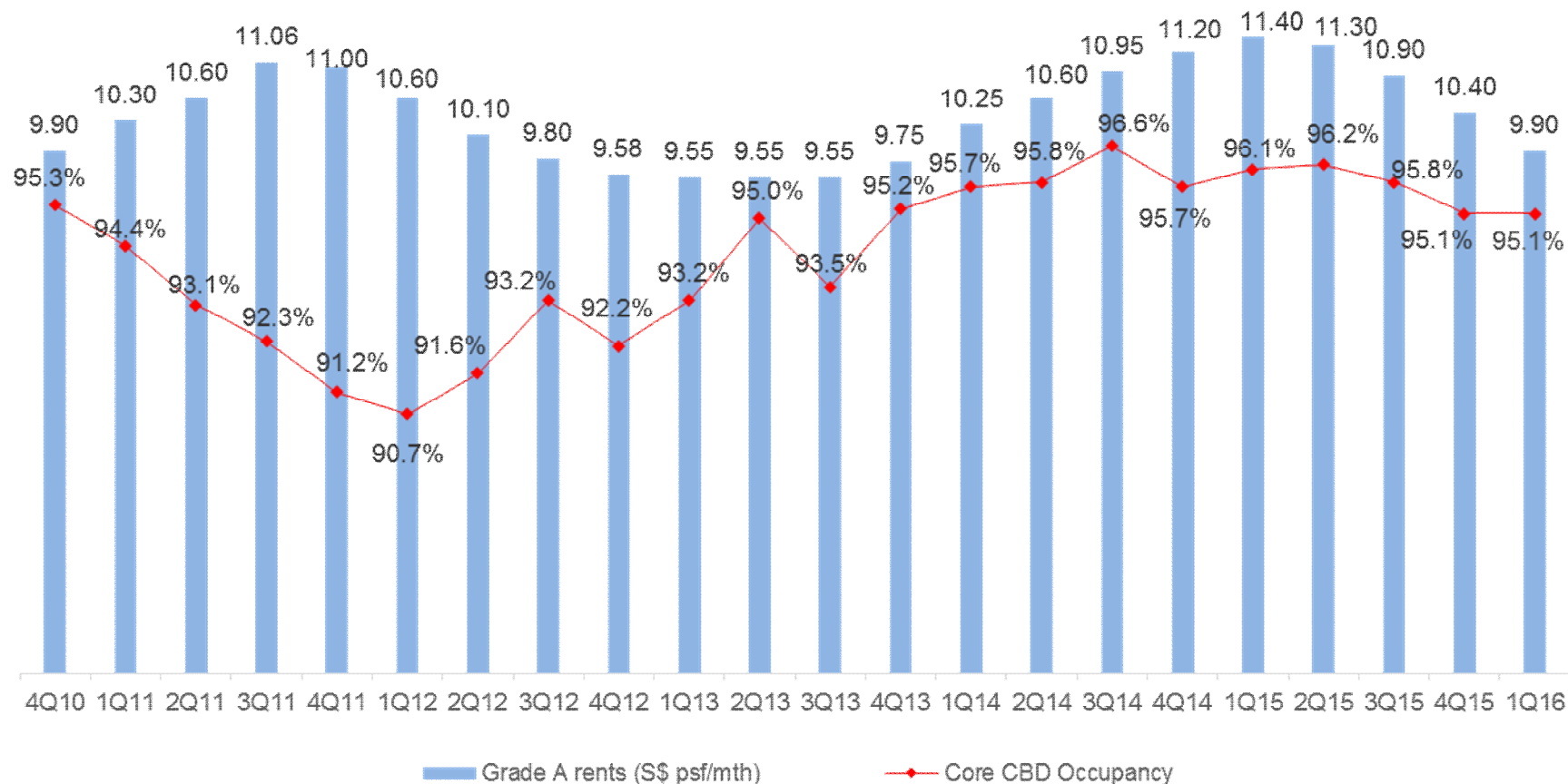
Lippo Plaza	
GFA (sq m)	58,521.5
Attributable NLA (sq m)	Office: 33,538.6 Retail: 5,685.9 Overall: 39,224.5
Committed Occupancy as at 31 Mar 2016	Office : 98.1% Retail : 92.5% Overall : 97.3%
Number of Car Park Lots	168
Valuation⁽¹⁾ (as at 31 Dec 2015)	RMB2,401.0 m / RMB41,028 psm (S\$504.0m) ⁽²⁾
Land Use Right Expiry	50 yrs from 2 July 1994
Completion Year	1999

(1) Based on 91.2% strata ownership of Lippo Plaza

(2) Based on SGD:CNY exchange rate of 1 : 4.764 as at 31 March 2016

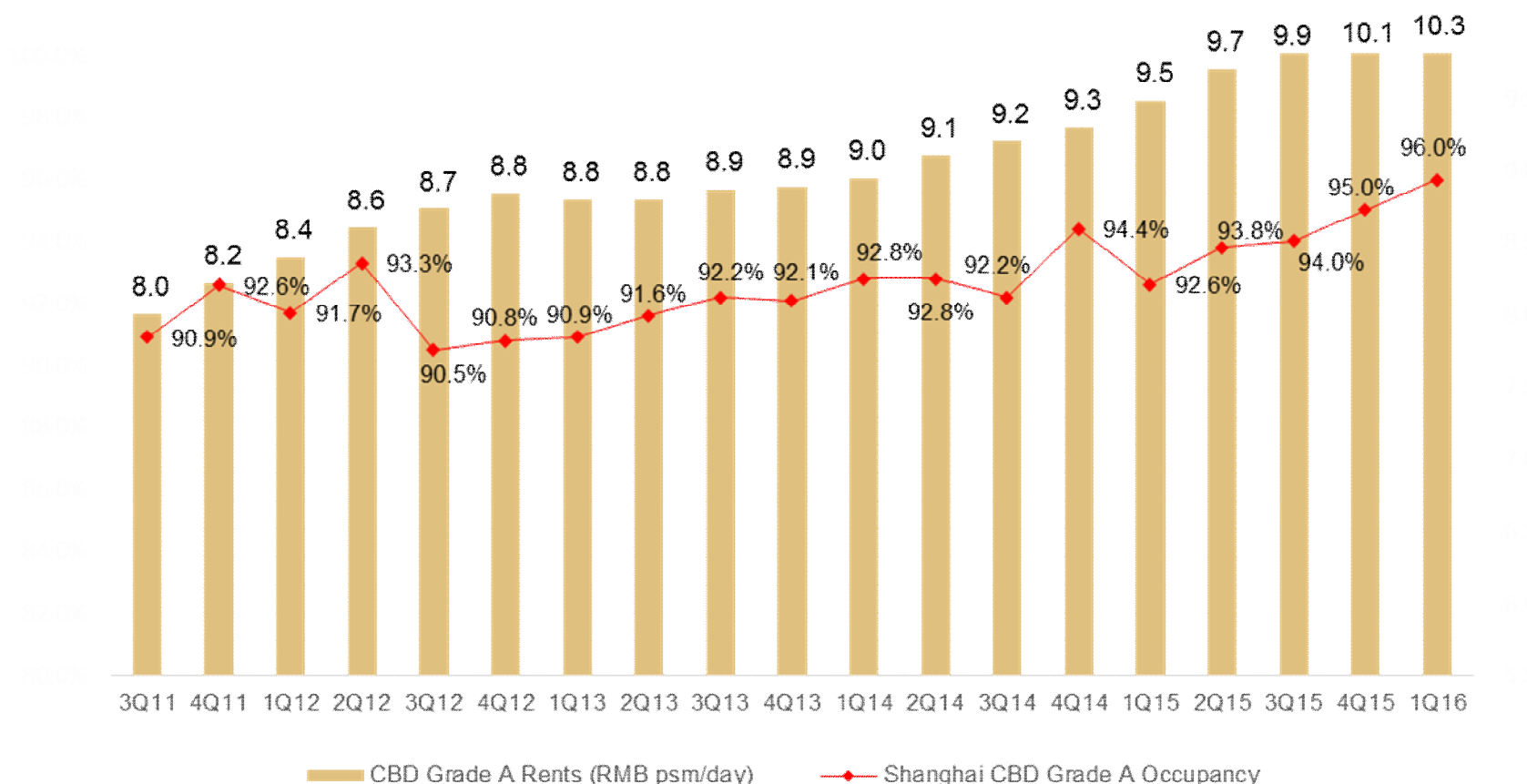
Singapore Office Market

- Core CBD office occupancy remained unchanged QoQ at 95.1% as at 1Q 2016, while Grade A office rents fell by 4.8% QoQ to S\$9.90 psf/mth
- As demand continues to be lacklustre, the completion of major new CBD office developments from 3Q 2016 is expected to impact vacancy



Shanghai Office Market

- CBD Grade A office occupancy in Shanghai continued to rise due to firm demand amidst the lack of new completions, rising 1.0 ppt QoQ to 96.0% as at 1Q 2016
- Average Shanghai CBD Grade A office rents increased 1.7% QoQ to RMB10.3 psm/day, while average rents in Puxi grew by 0.9% QoQ to RMB9.5 psm/day





Thank you