



# CapitaLand Limited

Acquisition Of 94.9% Interest In  
Main Airport Center in  
Frankfurt, Germany

28 December 2017

# Disclaimer

---

This presentation may contain forward-looking statements that involve 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, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, 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 current view of management on future events.

---



# Acquisition Of Main Airport Center (MAC) In Frankfurt

## CapitaLand's First Investment Into Germany's Office Market

<b>Location</b>	Unterschweinstiege 2-14, 60549 Frankfurt
<b>Description</b>	A 13-level (including basement) multi-tenanted office, a multi-storey car park and a petrol station
<b>Land Tenure</b>	Freehold
<b>NLA</b>	~60,231 sqm/ ~648,000 sq ft
<b>Car Park</b>	~1,400 lots
<b>Occupancy</b>	84%, expected to be >95% <sup>1</sup> by Jun 2018
<b>No. Of Tenants</b>	>30
<b>Key Tenants</b>	Dell and Mastercard (German HQ), Lufthansa (Customer Loyalty Operations HQ)
<b>WALE<sup>2</sup></b>	~4 years
<b>Gross Investment Yield</b>	~5.5% <sup>3</sup>



Main Airport Center, Frankfurt, Germany

<b>Agreed Property Value</b>	EUR 245.0 million (~\$392 million <sup>4</sup> )
<b>Property Valuation</b>	EUR 248.2 million (~\$397 million <sup>4</sup> )

**Strategically Located Near Frankfurt International Airport And Only A 20-Minute Drive To The Central Business District**

Note:

1. Based on the leases already secured.
2. WALE denotes Weighted Average Lease Expiry. <20% of the leases are expiring in the next two years.
3. Based on annualised committed gross rental income.
4. Based on exchange rate of EUR1: S\$1.6013.

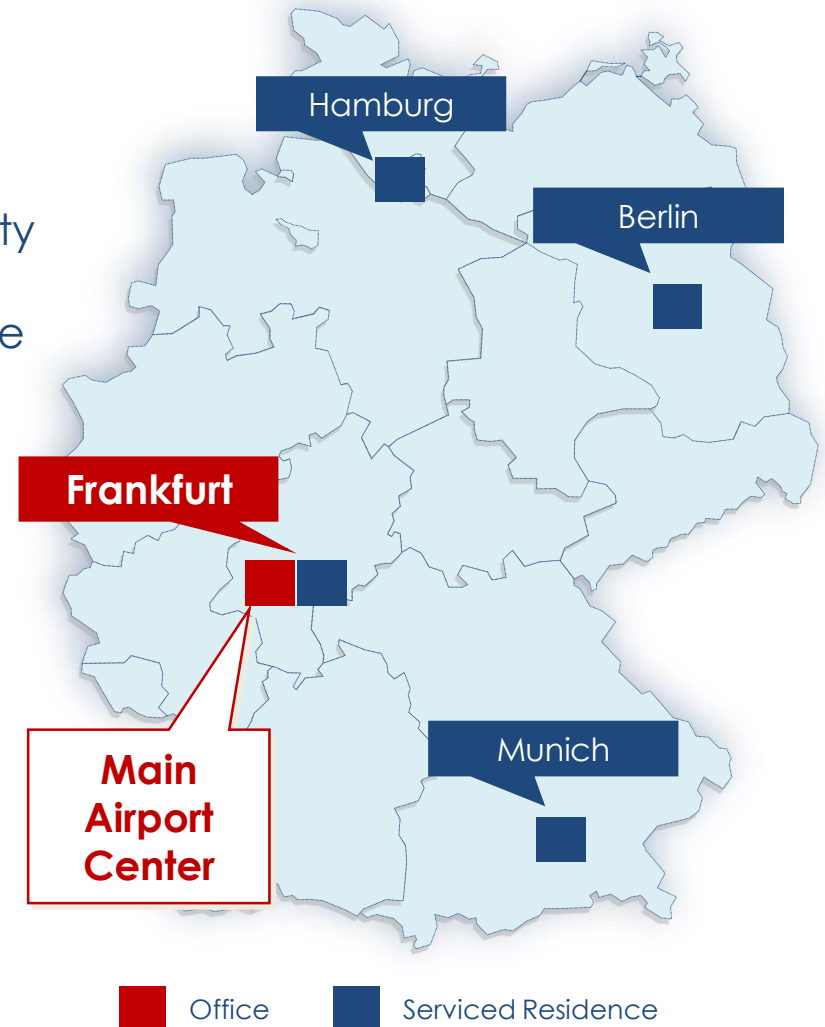


# MAC Enriches CapitaLand's Property Portfolio In Germany

All Properties Are In Top Cities Of Berlin, Hamburg, Munich And Frankfurt

CapitaLand currently owns/ manages 721 serviced residence units across five properties in the country.

This acquisition adds the first office property in Germany to CapitaLand's portfolio, creating a new source of recurring income from Europe to the Group.

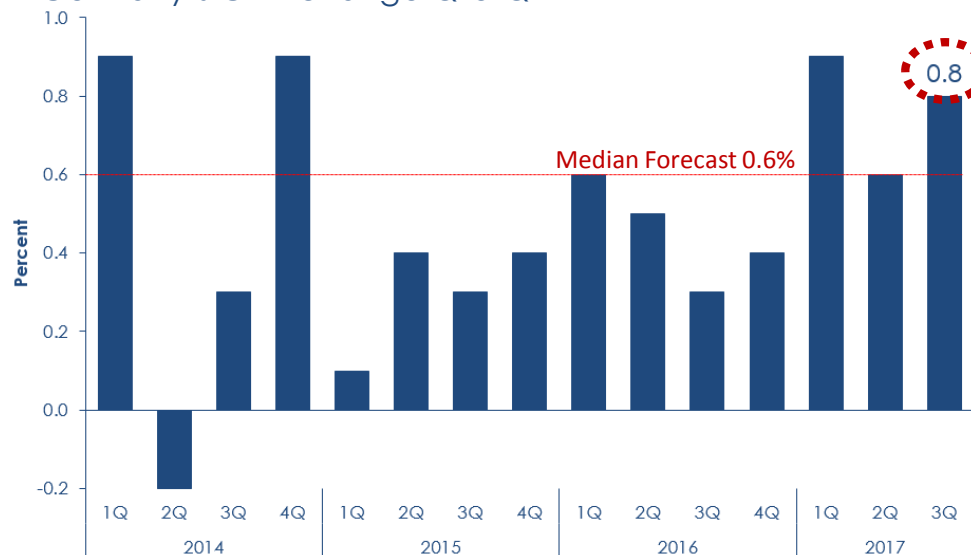




# Riding On The Growth Of Germany, Europe's Largest Economy

## Germany's Economic Growth Is On Track For Its Best Year Since 2011

Germany's GDP change Q-o-Q



Germany's Gross Domestic Product (GDP) grew 0.8% in 3Q17, topping the 0.6% median forecast in a survey published by Bloomberg on 14 Nov 2017.

Source: Bloomberg, German Federal Statistical Office

## A Healthy Economy Is Expected To Support Demand For Office

- In Frankfurt, the office market is on an upswing as major multinational companies and Japanese banks are planning to open new offices in the city.
- The city's office leasing market remained strong in 3Q17 with a 24%<sup>1</sup> y-o-y increase in take-up of leases. Transaction volume for offices also grew by around 13%<sup>1</sup> y-o-y.

Note:

1. Source: Colliers International (9 Oct 2017)



# Frankfurt Is Germany's Financial Centre

The City Is Home To European Central Bank And Deutsche Bank

- Frankfurt is at the core of the dynamic Rhine-Main Metropolitan Area.
- It is located in central Germany/Europe – over 40 million people live within its 200 km radius.
- 365,000 businesses in Rhine-Main area generate an annual GDP of ~€200 billion and employ ~2.9 million people.
- Its important sectors include ICT, logistics, automotive, chemical, environmental and energy.
- Well-known companies operating in Frankfurt include Lufthansa, Deutsche Bahn, Commerzbank, Deutsche Bank, Continental, Opel, Dell.
- Frankfurt Trade Fair is the second largest exhibition centre in the world.



# Investment Rationale

## Deploying Capital In Germany, A Developed Market

### 1 The Property's Strategic Location

- MAC is strategically located close to the Frankfurt Airport, one of the busiest airports in Europe, and is only a 20-minute drive to Frankfurt's Central Business District. The property is located near several hotels. That provides convenience to the tenants and their visitors.
- A new metro station just 600 metres away will be ready in 2019. The metro will offer a 10-minute direct connection to the city centre, and also to the airport.
- The airport region is a popular office location for international and domestic companies, from varied industries such as aviation, logistics, technology, business services, consulting and healthcare.

### 2 Immediate Income Contribution To CapitaLand

- The property is in operation and will contribute income to the Group immediately.
- The property also presents rental upside potential through rental reversion and asset enhancement.

### 3 Diversifying CapitaLand's Asset Classes In Europe

- The acquisition adds the first office property in Germany to CapitaLand's current portfolio of serviced residences in the continent, hence creating a new source of recurring income to the Group.



# Thank You

For enquiries, please contact Ms. Chang Rui Hua, Head of Investor Relations and Capital Markets Compliance,  
Direct: (65) 6713 2903; Email: [chang.ruihua@capitaland.com](mailto:chang.ruihua@capitaland.com)