



Mapletree Commercial Trust

2Q FY16/17 Financial Results

26 October 2016

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Agenda

- Key Highlights
- Financial Performance
- Portfolio Updates
- Outlook

Key Highlights

VivoCity

Key Highlights

Financial Performance

- Gross revenue and net property income ("NPI") for 2Q FY16/17[1] grew 23.6% and 24.8% respectively from 2Q FY15/16[2]
- Income available for distribution for 2Q FY16/17 grew 25.4% year-on-year to S$53.7 mil
- Driven by strong performance by Existing Portfolio[3] which registered about 6% year-on-year growth in both gross revenue and NPI in 2Q FY16/17

Portfolio Performance

- VivoCity recorded 2.7% growth in sales in 2Q FY16/17 against 2Q FY15/16. Total sales in 1H FY16/17 reached S$451.4 mil
- VivoCity Basement 2 and Level 3 asset enhancement works completed
- Major leases totaling 260,000 sq ft of net lettable area ("NLA") at VivoCity expiring in FY16/17[4] have been renewed

1. The period from 1 July 2016 to 30 September 2016, referred to as 2Q FY16/17
2. The period from 1 July 2015 to 30 September 2015, referred to as 2Q FY15/16
3. Refers to VivoCity, PSA Building, Mapletree Anson and Bank of America Merrill Lynch HarbourFront ("MLHF")
4. The period from 1 April 2016 to 31 March 2017, referred to as FY16/17

Key Highlights

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Completed Acquisition of Mapletree Business City I ("MBC I") on 25 August 2016

- Successfully raised S$1.04 bil through private placement and preferential offering, increasing market capitalisation and free float
- Acquisition is accretive to distribution per unit ("DPU") and net asset value ("NAV") without income support
- Total value of properties under management enlarged to S$6.2 bil from S$4.3 bil post-acquisition

Capital Management

- Maintained healthy balance sheet with 37.3% aggregate leverage and extended term to debt maturity to 4.3 years. Weighted average cost of financing at 2.66% p.a.
  - Refinanced existing debts through issuance of $175.0 mil 3.11% p.a. Fixed Rate Notes due 2026
  - Drew down S$800.0 mil term loan to part finance acquisition of MBC I
- Moody's reaffirmed MCT's Baa1(stable) credit rating

Financial Performance

PSA Building

2Q FY16/17 Financial Scorecard

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Strong Financial Performance Underpinned by Existing Portfolio
With Newly Acquired MBC I Contributing from 25 August 2016

S$'000 unless otherwise stated	2Q FY16/17	2Q FY15/16	Change
Gross Revenue	**88,082**	**71,275**	▲ **23.6%**
Property Operating Expenses	**(19,668)**	**(16,473)**	▲ **19.4%**[1]
Net Property Income	**68,414**	**54,802**	▲ **24.8%**
Net Finance Costs	**(12,032)**	**(9,800)**	▲ **22.8%**[2]
Income Available for Distribution	**53,654**	**42,799**	▲ **25.4%**
Distribution per Unit (cents)	**2.05**[3,4]	**2.02**	▲ **1.5%**

1. Due largely to property operating expenses from newly acquired MBC I, higher property maintenance expenses, property taxes and property management fees incurred by existing properties as well as higher advertising and promotion expenses
2. Due largely to debt drawdown to part finance the acquisition of MBC I, as well as higher fixed debt ratio achieved in the quarter and higher rates on interest rate swaps ("IRS") to replace expired IRS
3. Based on the enlarged base of 2,868,691,493 Units which includes 364,879,000 new Units issued on 4 August 2016 pursuant to the Private Placement, and 362,822,648 new Units issued on 25 August 2016 pursuant to the Preferential Offering. These new Units rank pari passu in all respects with the existing Units in issue on the day immediately prior to the date of issuance, including the right to MCT's distributions for the period from 4 August 2016 to 30 September 2016, as well as all distributions thereafter, other than the cumulative distribution paid for the period from 1 April 2016 to 3 August 2016
4. DPU for 2Q FY16/17 comprises Advanced Distribution of 0.74 Singapore cents for the period from 1 July 2016 to 3 August 2016 that has been paid out on 29 August 2016, and 1.31 Singapore cents for the period from 4 August 2016 to 30 September 2016 expected to be paid out on 29 November 2016

1H FY16/17 Financial Scorecard

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1H FY16/17 Gross Revenue and NPI up 14.5% and 14.3% respectively
Income Available for Distribution up 13.8%

S$'000 unless otherwise stated	1H FY16/17[1]	1H FY15/16[2]	Change
Gross Revenue	161,459	141,002	▲ 14.5 %
Property Operating Expenses	(36,761)	(31,936)	▲ 15.1%[3]
Net Property Income	124,698	109,066	▲ 14.3%
Net Finance Costs	(22,662)	(19,261)	▲ 17.7%[4]
Income Available for Distribution	97,100	85,335	▲ 13.8%
Distribution per Unit (cents)	4.08	4.03	▲ 1.2%

1. The period from 1 April 2016 to 30 September 2016, referred to as 1H FY16/17
2. The period from 1 April 2015 to 30 September 2015, referred to as 1H FY15/16
3. Due largely to property expenses from newly acquired MBC I, higher property maintenance expenses incurred by existing properties, higher advertising and promotion expenses and one-off and non-recurring adjustments made in 1H FY15/16
4. Due largely to debt drawdown to part finance the acquisition of MBC I, as well as higher fixed debt ratio achieved and higher rates on IRS to replace expired IRS

Financial Scorecard of Existing Portfolio
(For Illustrative Purposes Only)

Existing Portfolio Registered about 6% Year-on-Year Growth in both Gross Revenue and NPI in 2Q FY16/17

S$'000 unless otherwise stated	2Q FY16/17	2Q FY15/16	Change	1H FY16/17	1H FY15/16	Change
Gross Revenue	75,513	71,275	▲ 5.9 %	148,890	141,002	▲ 5.6 %
Property Operating Expenses	(17,429)	(16,473)	▲ 5.8%	(34,522)	(31,936)	▲ 8.1%
Net Property Income	58,084	54,802	▲ 6.0%	114,368	109,066	▲ 4.9%

Balance Sheet

S$'000 unless otherwise stated	As at 30 September 2016	As at 31 March 2016
Investment Properties	6,189,745[1]	4,341,800
Other Assets	78,256	73,379
Total Assets	6,268,001	4,415,179
Borrowings	2,350,332[2]	1,551,519
Other Liabilities	123,689	99,684
Net Assets	3,793,980	2,763,976
Units in Issue ('000)	2,868,691	2,130,003
Net Asset Value per Unit (S$)	1.32[1]	1.30

1. Investment properties are carried at fair value base on independent valuations as at 31 March 2016. The increase in investment properties was due to the acquisition of MBC I which is stated at cost, as well as additional capital expenditure incurred from 1 April 2016 to 30 September 2016
2. The increase in borrowings was mainly due to the drawdown of S$800.0 million term loan to part finance the acquisition of MBC I

Key Financial Indicators

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	As at 30 September 2016	As at 30 June 2016
Total Debt Outstanding	**S$2,340.0 mil**	**S$1,550.5 mil**
% Fixed Debt	**74.1%**	**77.9%**
Gearing Ratio	**37.3%**[1]	**35.0%**
Interest Coverage Ratio (YTD)	**4.9 times**	**4.8 times**
Average Term to Maturity of Debt	**4.3 years**	**3.7 years**
Weighted Average All-In Cost of Debt (p.a.)	**2.66%**[2]	**2.73%**[3]
Unencumbered Assets as % of Total Assets	**100%**	**100%**
MCT Corporate Rating (by Moody's)	**Baa1**	**Baa1**

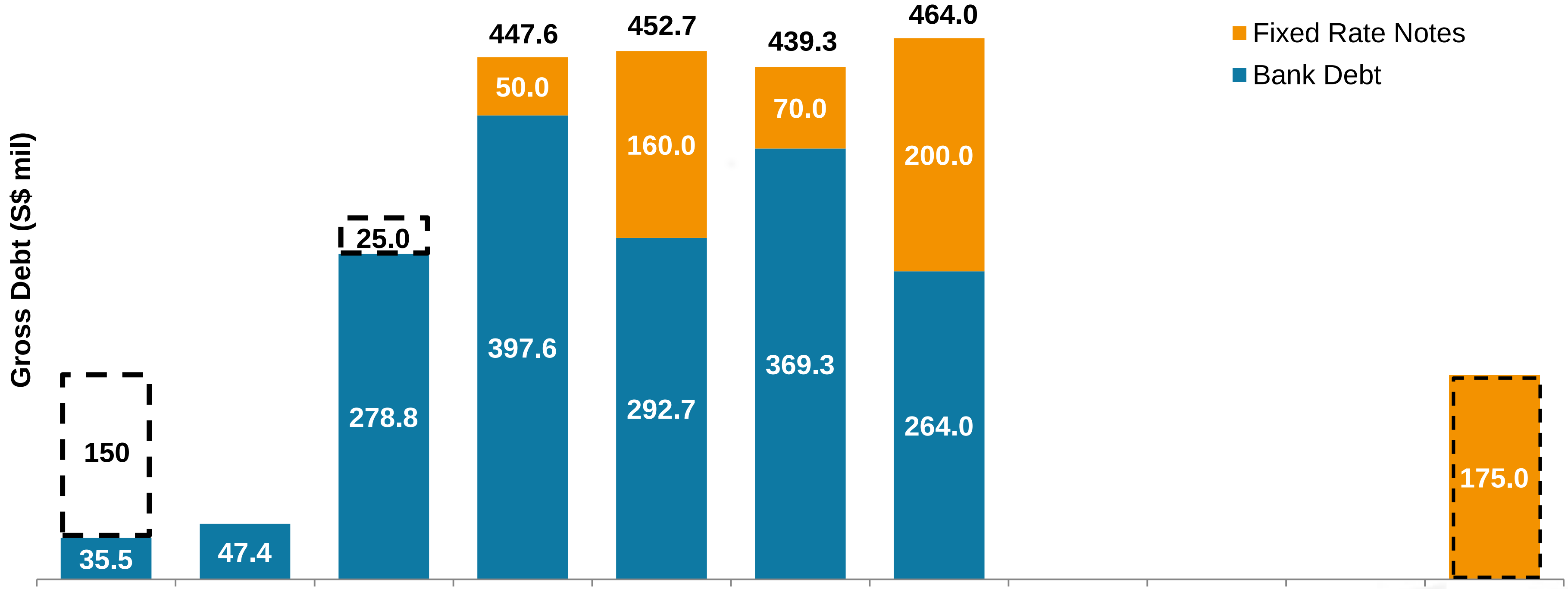
1. Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to total net assets is 61.7%
2. Annualised based on 1H FY16/17
3. Annualised based on 1Q FY16/17

Debt Maturity Profile

(as at 30 September 2016)

Total gross debt: S$2,340.0 mil

- Refinanced existing debts through issuance of $175.0 mil 3.11% p.a. Fixed Rate Notes due 2026, rated Baa1 by Moody's
- Balance of S$35.5 mil debt due in FY16/17 to be refinanced via existing bank facilities



	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27
% of Total Debt	1.5%	2.0%	11.9%	19.1%	19.4%	18.8%	19.8%	-	-	-	7.5%

Distribution Details

Including Advanced Distribution of 0.74 Singapore cents[1] paid out on 29 August 2016, 2Q FY16/17 Distribution totals 2.05 Singapore cents

Distribution Period	4 August 2016 – 30 September 2016
Distribution Amount	1.31 Singapore cents per unit

Distribution Timetable	
Notice of Books Closure Date	Wednesday, 26 October 2016
Last Day of Trading on "cum" Basis	Monday, 31 October 2016
Ex-Date	Tuesday, 1 November 2016
Books Closure Date	5:00 pm, Thursday, 3 November 2016
Distribution Payment Date	Tuesday, 29 November 2016

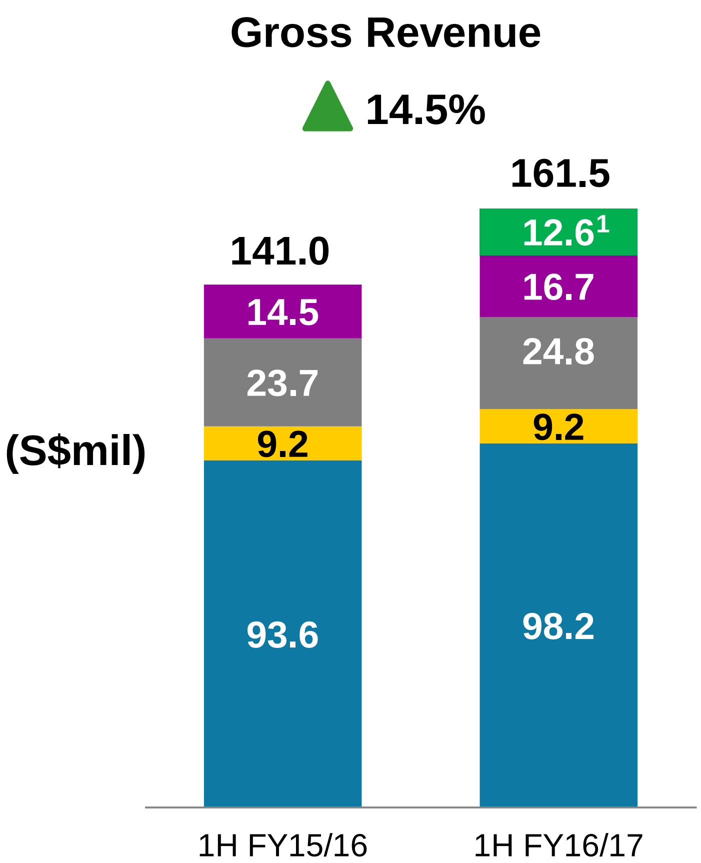
1. For the period from 1 July 2016 to 3 August 2016, paid out as part of the Cumulative Distribution in connection with the Equity Fund Raising. Quarterly distributions will resume thereafter

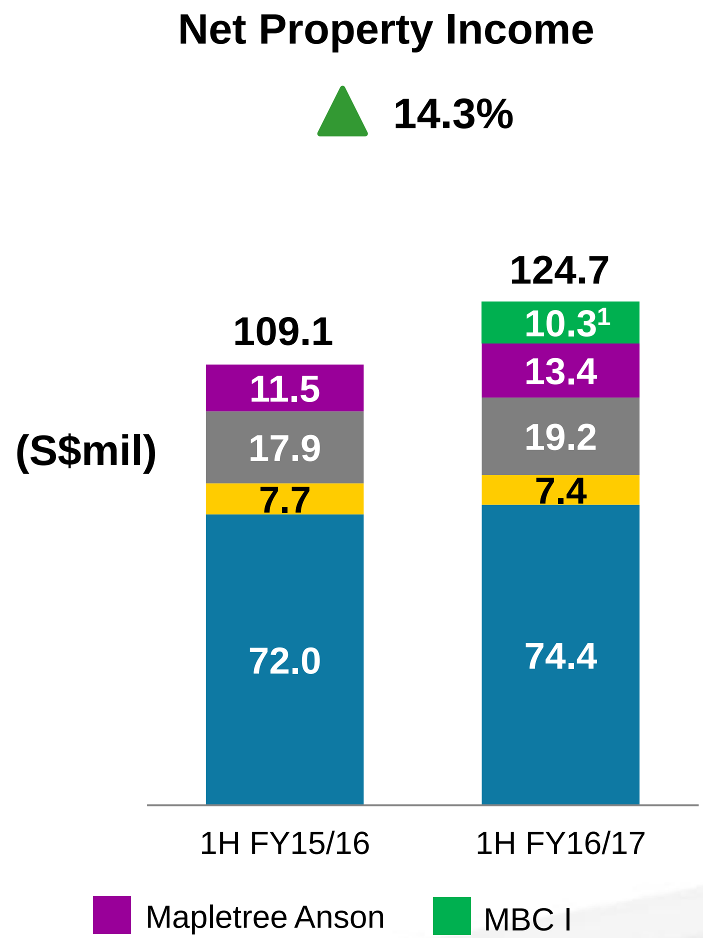
Portfolio Updates

VivoCity

Portfolio Revenue and Net Property Income

Growth in Gross Revenue and NPI Driven by Existing Portfolio and Newly Acquired MBC I





1. Revenue and NPI from MBC I from completion of acquisition on 25 August 2016 to 30 September 2016

Portfolio Occupancy

Increased Occupancy Levels Across Portfolio

	As at 31 March 2016	As at 30 June 2016	As at 30 September 2016
VivoCity	99.6%	98.9%	99.3%[1]
MLHF	100.0%	100.0%	100.0%
PSA Building	92.8%	96.5%	98.5%[2]
Mapletree Anson	91.0%	94.7%	100%
Mapletree Business City I	-	-	98.3%[3]
MCT Portfolio	**96.6%**	**97.8%**	**98.8%**

1. Committed occupancy for VivoCity is 99.9%
2. Committed occupancy for PSA Building is 98.7%
3. Committed occupancy for MBC I is 99.0%

1H FY16/17 Leasing Update

1H FY16/17 Leasing Status

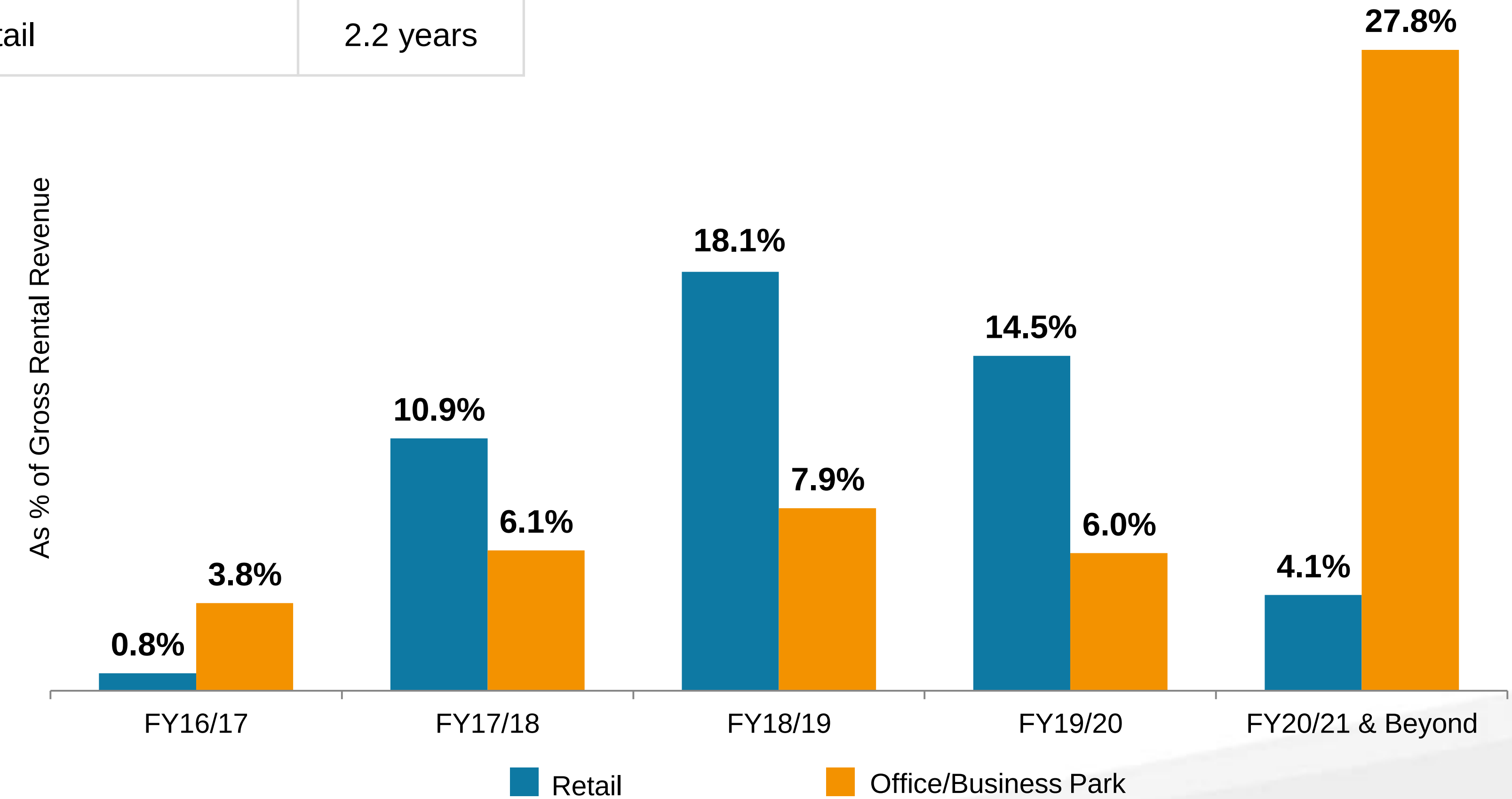
	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents[1]
Retail	114	95.4%	13.8%[2]
Office/ Business Park[3]	15	83.3%	12.3%[4]

1. Based on average of the fixed rents over the lease period of the new leases divided by the preceding fixed rents of the expiring leases
2. Includes the effect from trade mix changes and units subdivided and/or amalgamated
3. Includes all MBC I leases expiring in FY16/17.
4. Excluding MBC I, office portfolio rental uplift is 14.0%. MBC 1 rental uplift is 8.5%.

Lease Expiry Profile

(as at 30 September 2016)

Portfolio WALE	2.8 years
Office/Business Park	3.4 years
Retail	2.2 years



Overall Top 10 Tenants

(by Gross Rental Revenue as at 30 September 2016)

	Tenant	% of Gross Rental Income
1	Merrill Lynch Global Services Pte. Ltd.	4.3%
2	The Hongkong and Shanghai Banking Corporation Limited	3.5%
3	Info-Communications Development Authority of Singapore / Assurity Trusted Solutions Pte. Ltd.	2.9%
4	Samsung Asia Pte. Ltd.	2.7%
5	Unilever Asia Pte Ltd / Unilever Singapore Pte. Limited	2.4%
6	SAP Asia Pte Ltd	2.3%
7	BW Marine Pte Ltd / BW Offshore Singapore Pte. Ltd.	1.9%
8	Cold Storage Singapore (1983) Pte Ltd	1.9%
9	PSA Corporation Limited	1.8%
10	Nike Trading Company B.V. Singapore Branch / Nike Global Trading B.V. Singapore Branch	1.8%
	MCT Portfolio	**25.4%[1]**

1. Total may not add up due to rounding differences

Portfolio Tenant Trade Mix

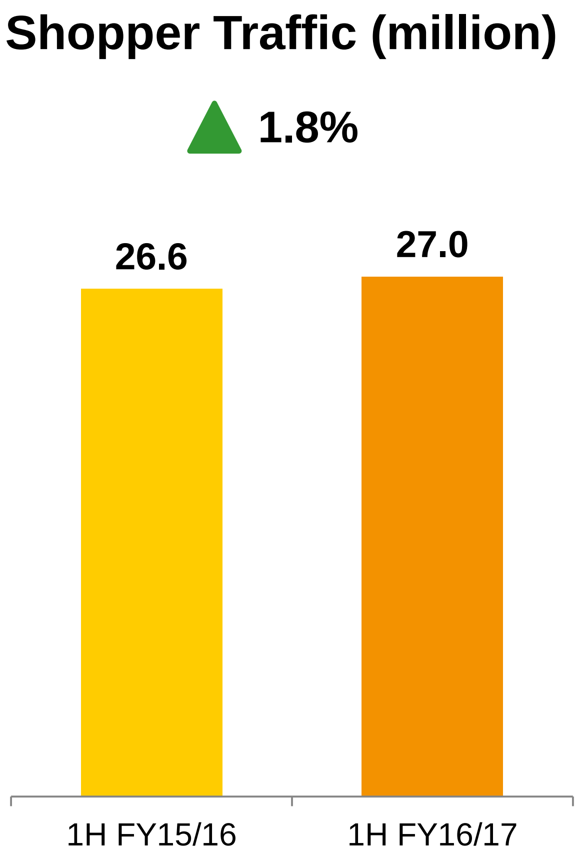
(by Gross Rental Revenue as at 30 September 2016)

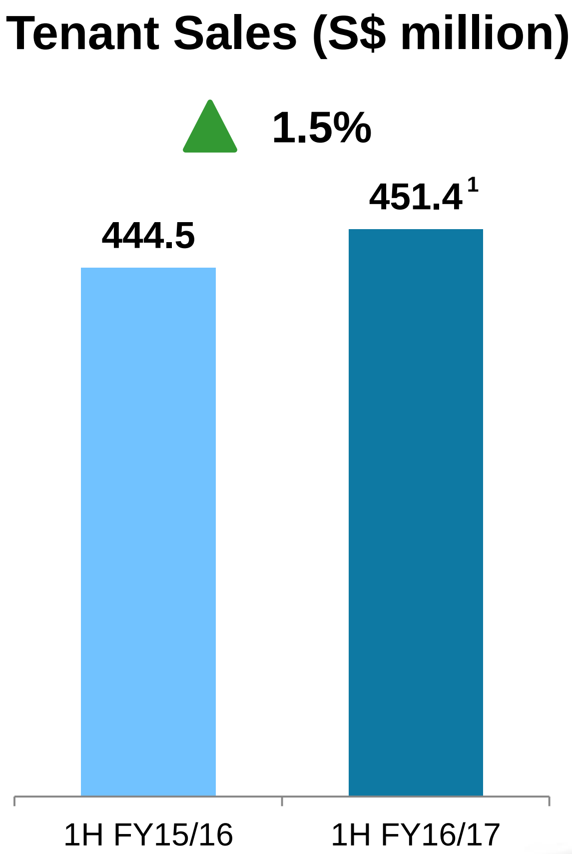
	Trade Mix	% of Gross Rental Income
1	Food & Beverage	15.7%
2	Banking & Financial Services	13.8%
3	Fashion	10.6%
4	Shipping Transport	6.2%
5	Government Related	5.8%
6	IT Services & Consultancy	5.3%
7	Fashion Related	4.8%
8	Electronics	4.3%
9	Consumer Goods	4.1%
10	Beauty	3.2%
11	Trading	3.2%
12	Lifestyle	2.8%
13	Real Estate	2.5%
14	Departmental Store / Hypermart	4.1%
15	Electronics - Retail	2.1%
16	Others[1]	11.6%

1. Others includes: Sports, Energy, Pharmaceutical, Entertainment, Retail Bank, Insurance, Optical, Education, Consumer Services, Medical, Services and Convenience.

VivoCity – Shopper Traffic and Tenant Sales

- 2Q FY16/17 Shopper Traffic up 7.0% year-on-year
- 2Q FY16/17 Tenant Sales up 2.7% year-on-year





1. Includes estimates of Tenant Sales for a small portion of tenants

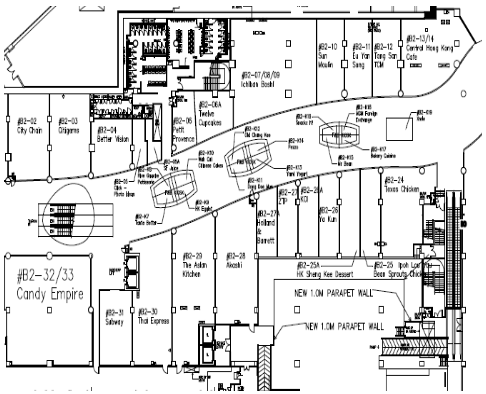
VivoCity – Asset Enhancement Works

AEI on Basement 2 and Level 3 Fully Completed[1]

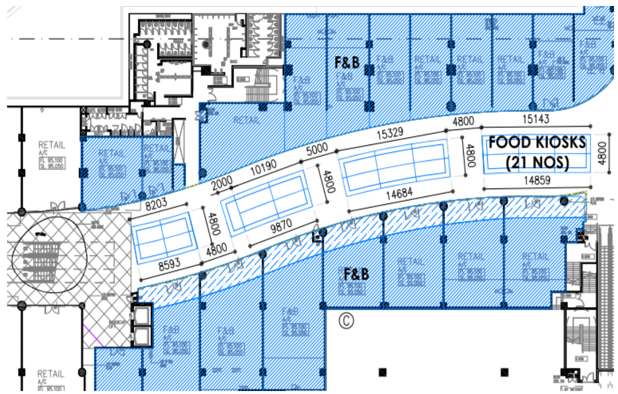
Basement 2 (before AEI)

Basement 2 (after AEI) – Improved layout

- Improved layout through redesigning kiosks and circulation space
- Increased F&B kiosks from 13 to 21 on Basement 2
- Enhanced space utilisation and introduced popular steamboat restaurant on Level 3
- ROI in excess of 20% on a stabilised basis[2]



Basement 2 (before AEI)



Basement 2 (after AEI)

Change of use on Level 3: Introduced popular steamboat restaurant

1. Basement 2 and Level 3 were completed on 25 July 2016 and 28 September 2016 respectively
2. Based on capital expenditure of S$5.5 million.

VivoCity – Asset Enhancement Works

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Wider offerings with New and Increased F&B Outlets and Food Kiosks

New To Mall Brands

- London Fat Duck 倫敦烤鴨
- 麥奀 雲吞麵世家 1920
- 大利来記 Tai Lei Loi Kei
- AOne Claypot House Since 2008
- Hai Di Lao Hot Pot 海底捞火锅
- Auntie Anne's
- Hodo Loco Korean Walnut Snack
- Churro 101
- Irvins
- 南記 Nam Kee Pau
- Teppei Daidokoro
- Mini Melts The Ice Cream Dream
- milk & honey Artisan Yogurt & Dessert Bar
- beard papa's fresh and natural cream puffs
- Famous Amos Singapore
- stuff'd mexican. turkish. delicious.
- tarta freshly baked
- 鮮 UYI
- CRAVE

Existing Tenants

- ThaiExpress
- Sushi Goshin
- 亞坤
- Texas Chicken
- Rive Gauche Patisserie
- Pezzo Pizza by the Slice
- 老曾記 Old Chang Kee
- mr bean
- 香港雞蛋仔 Hong Kong Egglet
- Twelve Cupcakes
- Taste Better

Mapletree Business City I

Mapletree Business City I

Completed Acquisition of MBC I

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Successfully Raised S$1.04 bil through Equity Fund Raising
Strong Support from Existing and New Investors with Private Placement over 3.8x Covered

- ✓ Premier office and business park space
- ✓ Close proximity to the CBD
- ✓ Grade-A building specifications
- ✓ Strong and diverse tenant base
- ✓ High occupancy rates
- ✓ Favourable and defensive lease profile

The Property	■ Strata Lease over level two to the rooftop of four blocks of office and business park space of MBC I
Purchase Consideration	■ S$1,780.0 mil (~S$1,042 psf of NLA)
Total Acquisition Costs	■ S$1,857.7 mil
Equity Fund Raising	■ Overnight private placement of 364.9 mil new units at S$1.45, 3.8x covered ■ Preferential offering of 362.8 new units at S$1.42, 1.5x covered
Debt Funding	■ S$800 mil with 4 years average tenure
Completion	■ 25 August 2016

Outlook

PSA Building - ARC

Outlook

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Singapore Economy

- The Singapore economy grew 0.6% year-on-year in the second quarter of 2016, easing from the 2.0% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted 4.1%, a reversal from the preceding quarter’s 0.2% growth.

Retail

- According to CBRE, weak retail performance and ongoing structural changes continued to weigh on occupier demand. Average prime rents for Orchard Road malls declined for the seventh straight quarter while average prime Suburban rents declined for the fourth straight quarter.
- Demand is expected to remain subdued for the rest of 2016 as ongoing economic uncertainty in local and global markets continue to impact consumer and business sentiments.

Office

- 3Q 2016 was largely in line with previous quarters whereby new office demand remained weak in the midst of weaker employment and economic growth.
- Leasing enquiries have increased in 3Q 2016 but attributable more to “flight to quality” than expansion. Relocation was mostly concentrated on higher quality buildings in the CBD and new projects which registered increased pre-commitment levels

Source: Ministry of Trade and Industry Press Release, 14 October 2016 and CBRE MarketView Singapore 3Q 2016

Outlook

Office (cont'd)

- CBRE expects rental decline to continue till next year but at a slower pace. Barring unforeseen circumstances, market recovery could arrive by early 2018 after the passing of supply wave.

Business Park

- Despite overall soft demands, the business park market remained stable with islandwide vacancy declining in 3Q 2016. Future supply remains limited with the majority of pipeline projects being built-to-suit. With no new multi-user supply in the immediate horizon, pressure on landlords was limited as business parks rents largely held firm in 3Q 2016.

Overall

- MCT's existing properties are expected to remain relatively resilient, supported by VivoCity's healthy performance in a challenging wider retail market, as well as manageable expiries in its office / business park portfolio in the next 12 months.





Thank You

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