



Presentation for REITs Symposium 2016

4 June 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.

- Overview
- Financial Performance & Capital Management
- Portfolio Performance
- Summary

About OUE Commercial REIT

- OUE C-REIT's principal investment strategy is to invest in income-producing real estate which is used primarily for commercial purposes in financial and business hubs in key gateway cities

- With a total assets-under-management of approximately S\$3.4 billion as at 31 March 2016, 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

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 6 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

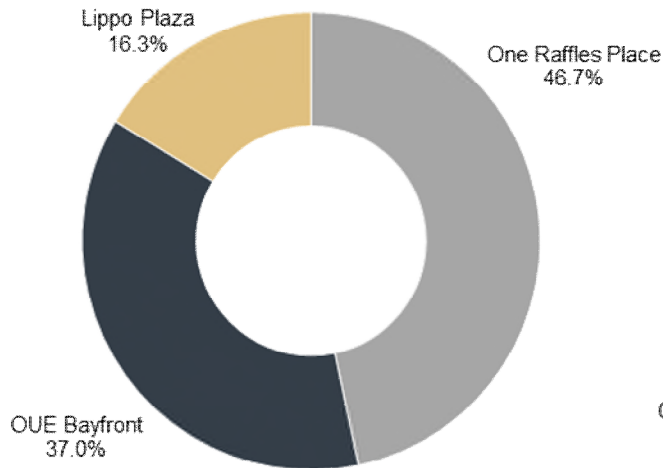
Lippo Plaza	
GFA (sq m)	58,521.5
Attributable NLA (sq m)	Office: 33,538.6
	Retail: 5,685.9
	Overall: 39,224.5
Committed Occupancy as at 31 Mar 2016	Office : 98.1%
	Retail : 92.5%
	Overall : 97.3%
Number of Car Park Lots	168
Valuation⁽¹⁾ (as at 31 Dec 2015)	RMB2,401.0 m / RMB41,028 psm (S\$504.0m) ⁽²⁾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

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

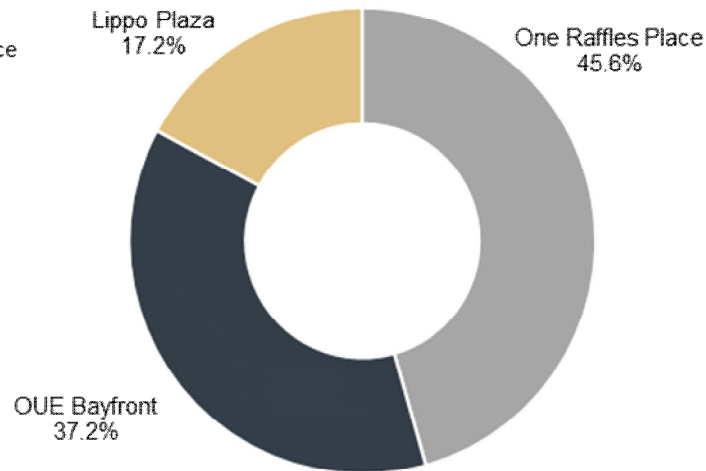
(2) Based on SGD:CNY exchange rate of 1 : 4.764 as at 31 March 2016

Portfolio Composition

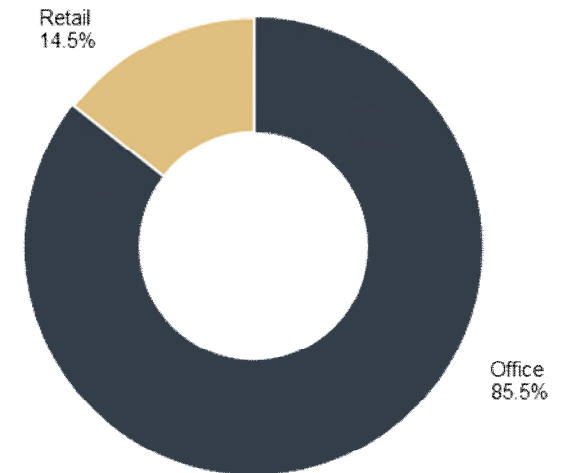
By Asset Value⁽¹⁾



By Revenue Contribution⁽²⁾

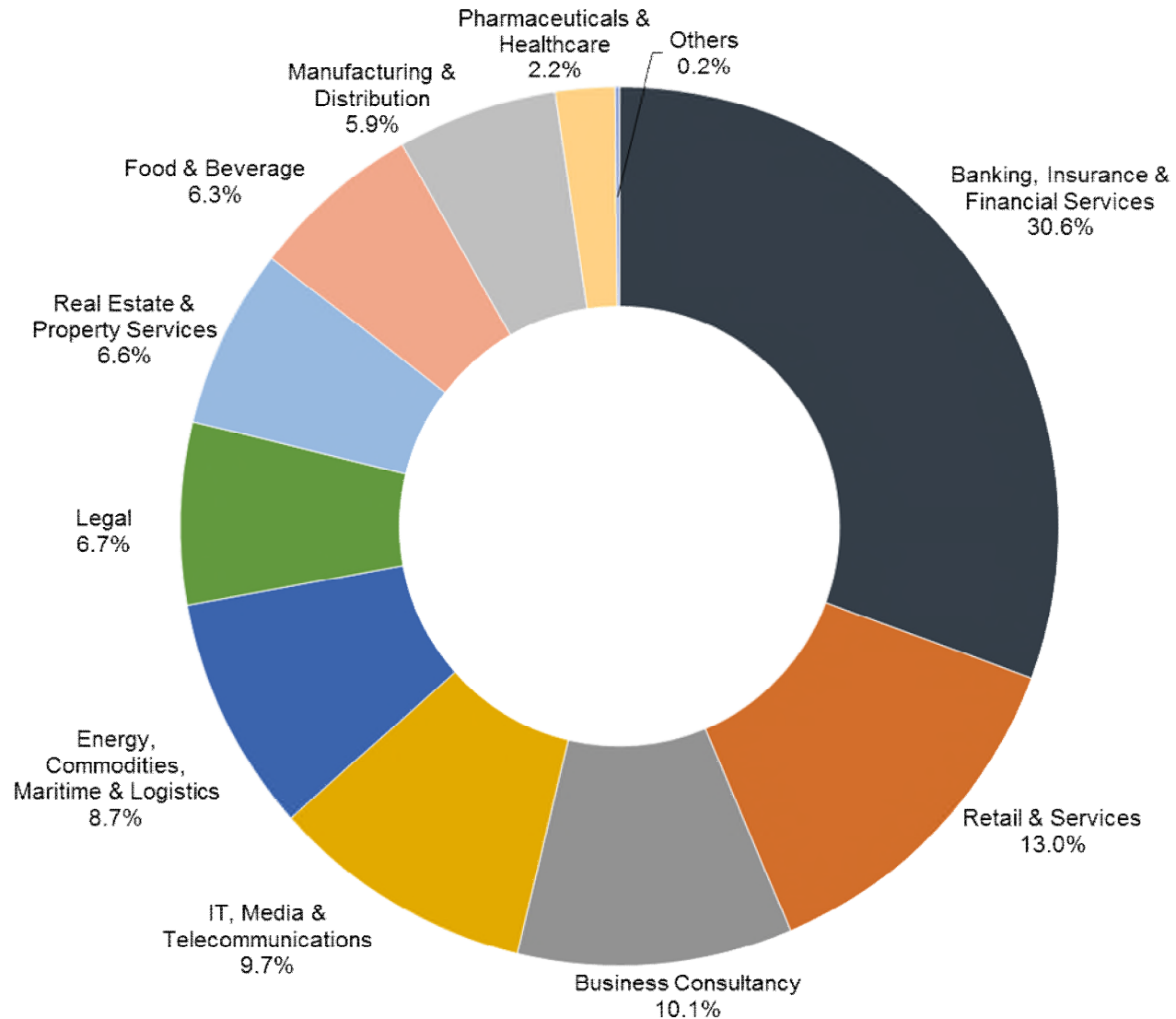


By Segment Revenue⁽²⁾



(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

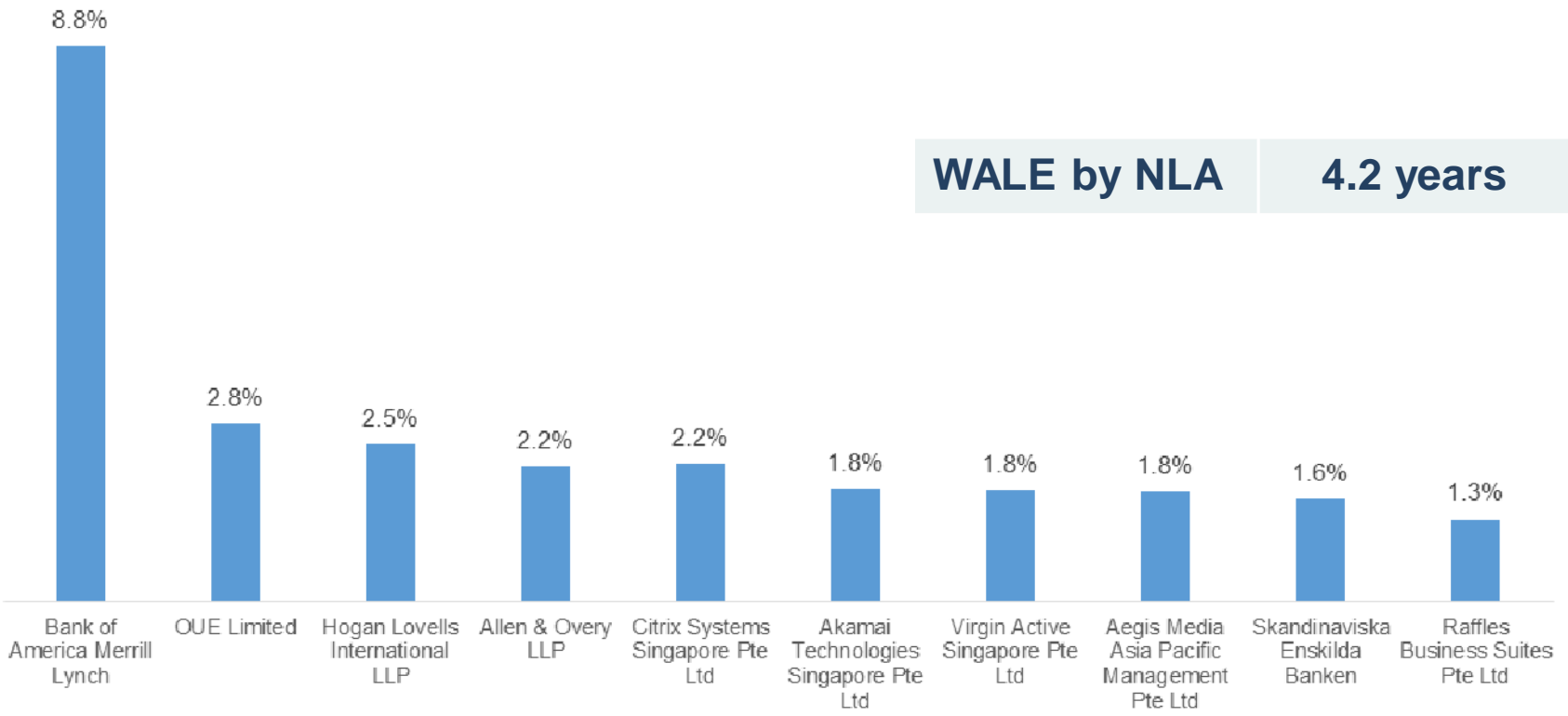
Diversified Tenant Base



By gross rental income for month of March 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

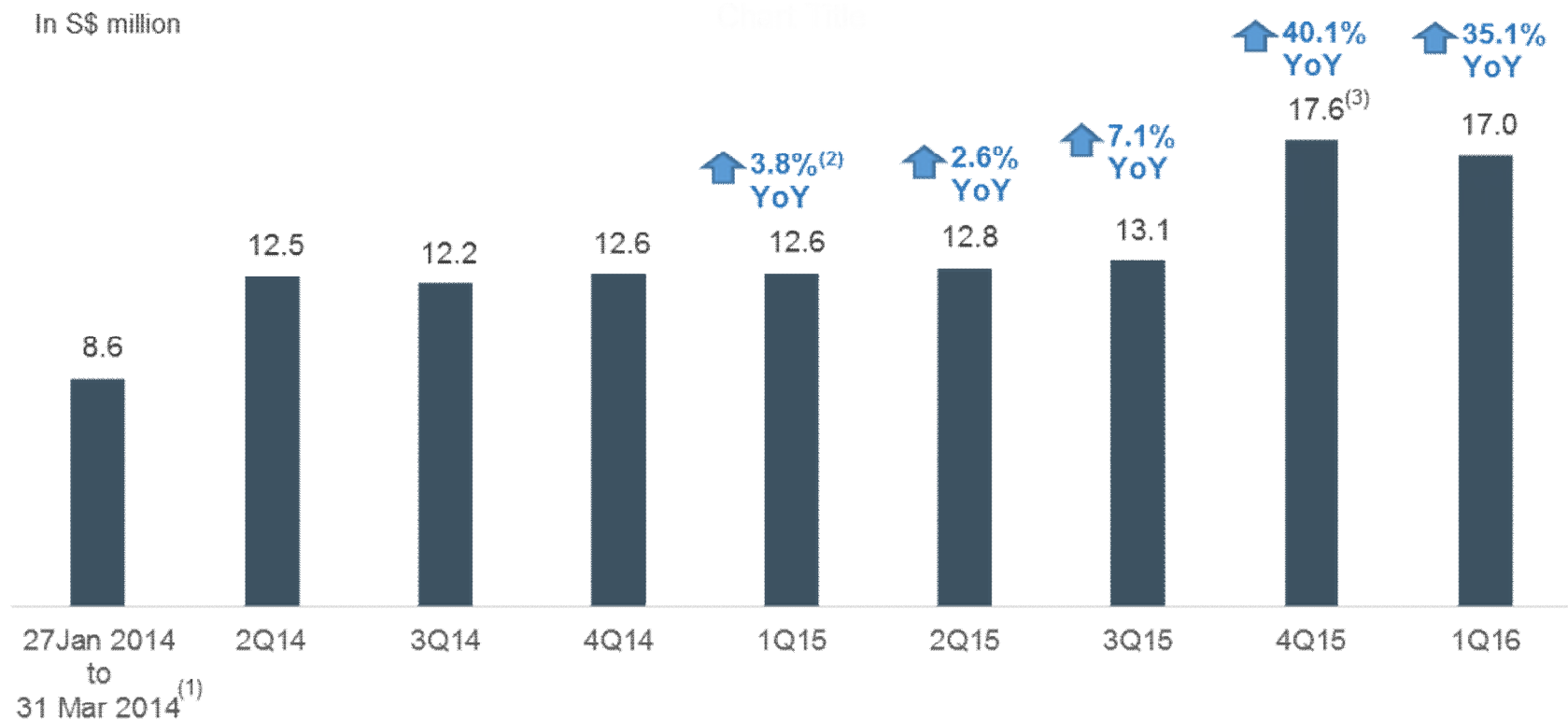
Financial Performance & Capital Management



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

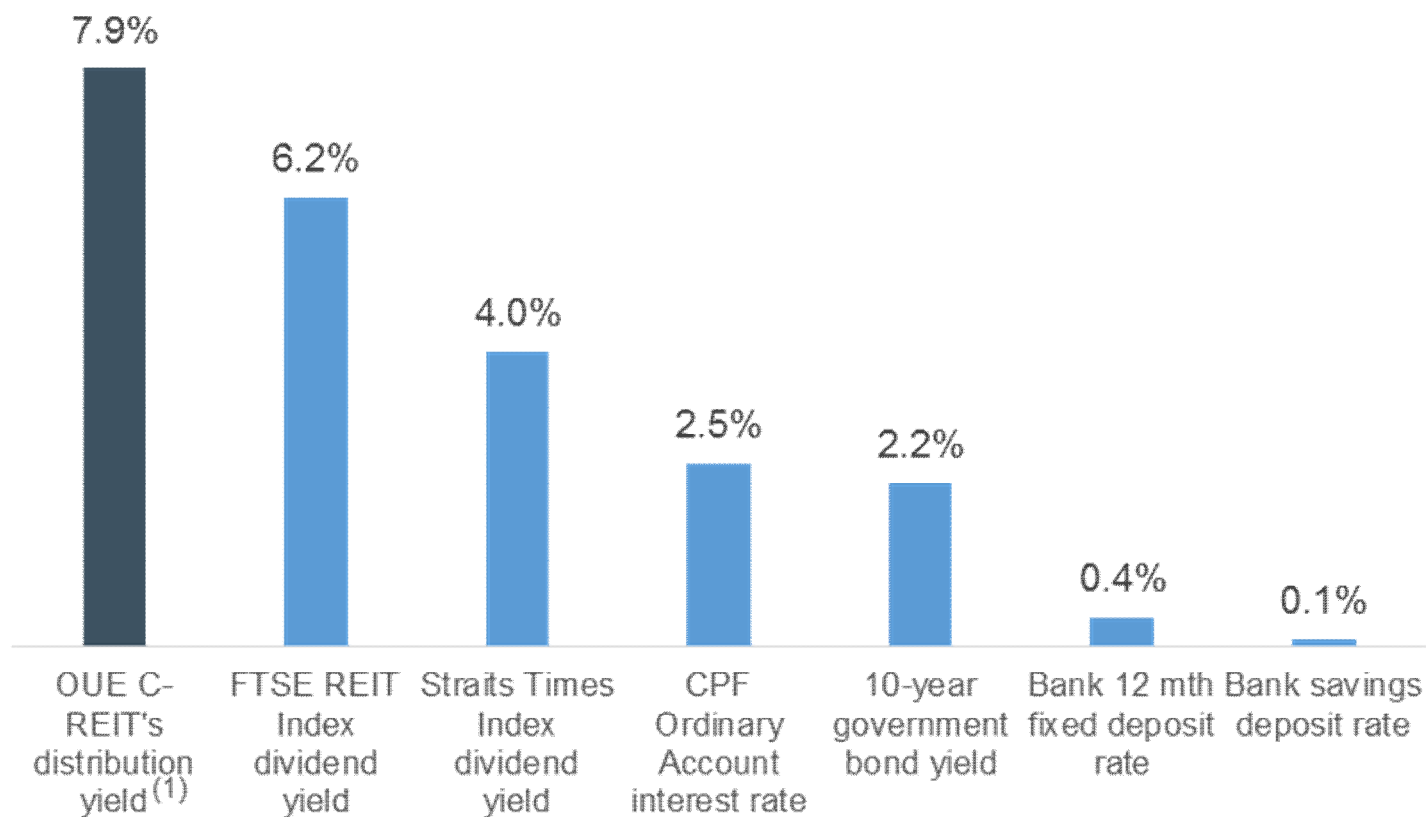
(1) Excludes amount reserved for distribution to convertible perpetual preferred units ("CPPU") holder

(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

Attractive Distribution Yield

OUE C-REIT's distribution yield is 570bps above the 10-year government bond yield

Dividend Yield Comparison



Source: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities

(1) OUE C-REIT's annualised distribution yield based on 1Q 2016 DPU of 1.32 cents and unit closing price of S\$0.65 as at 31 March 2016

(2) All information as at 31 December 2015 except for FTSE REIT Index, Straits Times Index and 10-year government bond yield which are as at 31 May 2016

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

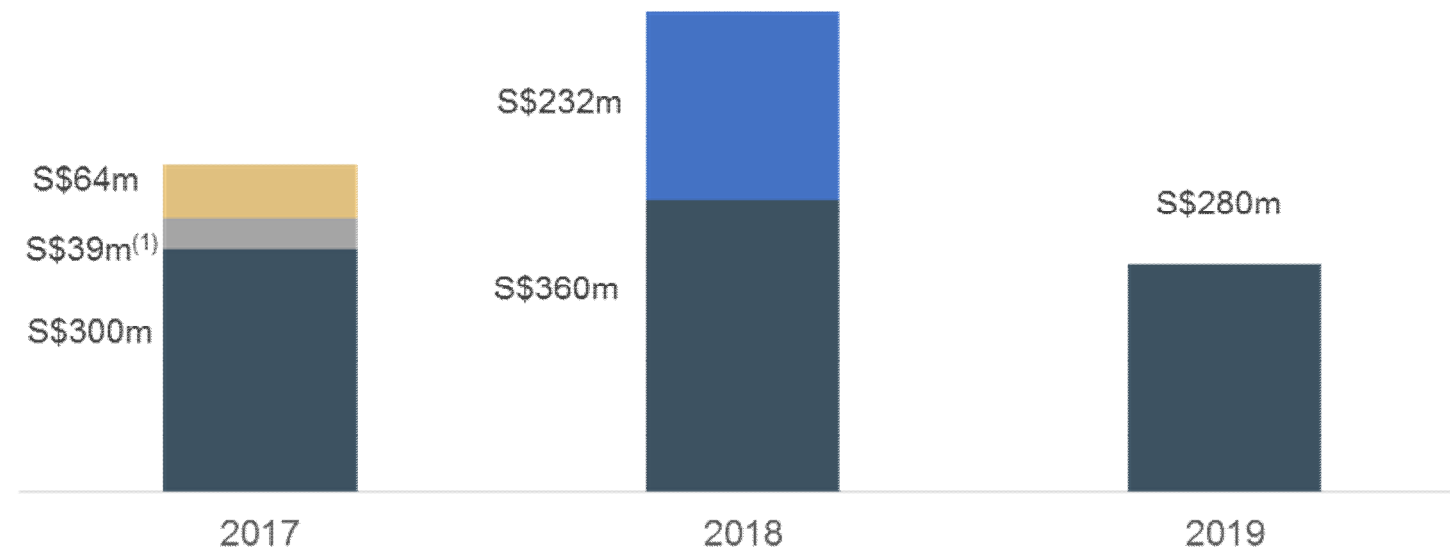
(1) Based on SGD:CNY exchange rate of 1:4.764 as at 31 March 2016 and includes OUE C-REIT's share of OUB Centre Limited's loan

(2) Based on SGD:CNY exchange rate of 1:4.589 as at 31 December 2015

(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



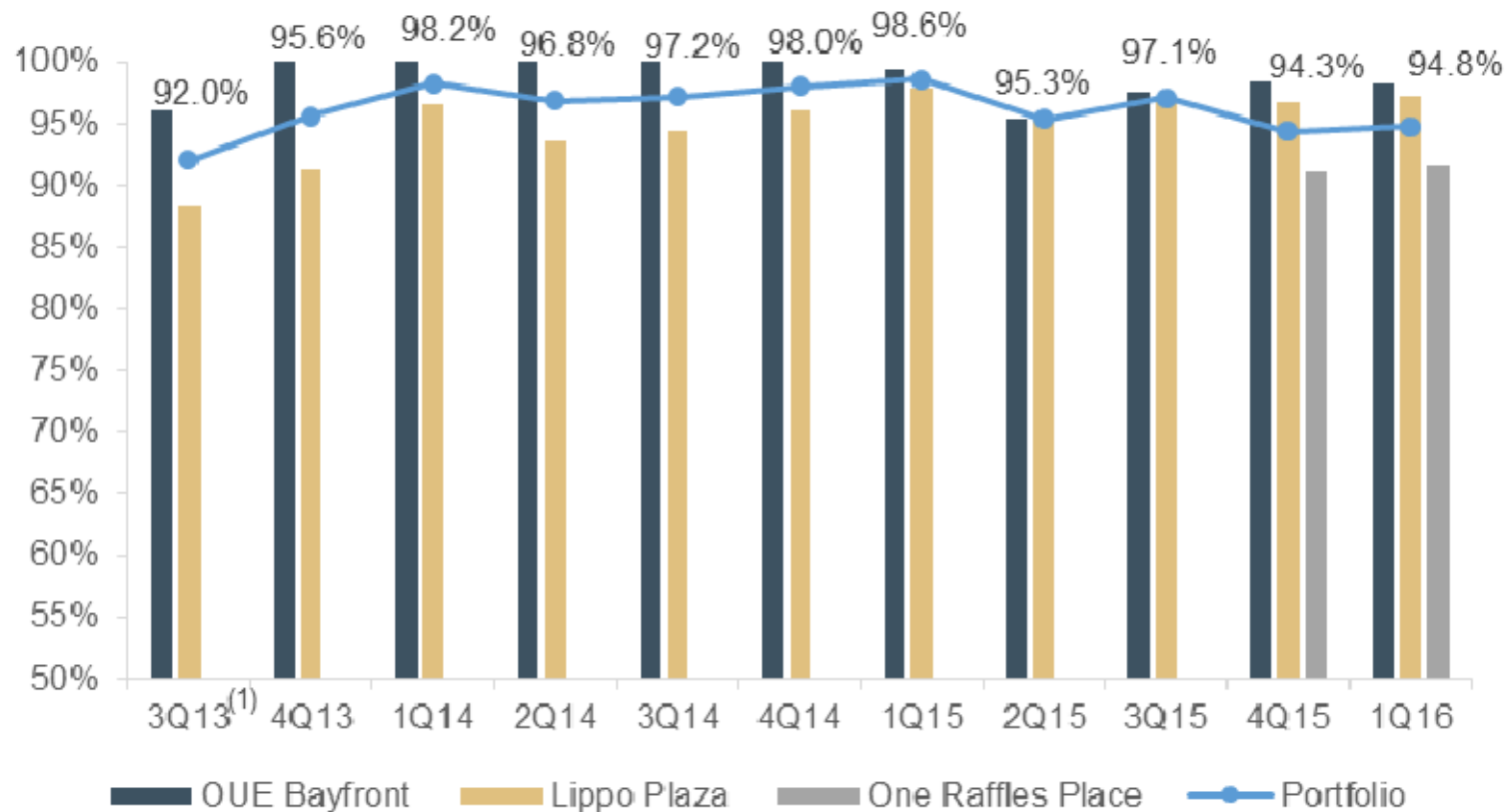
No refinancing requirement in 2016

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

Portfolio Performance



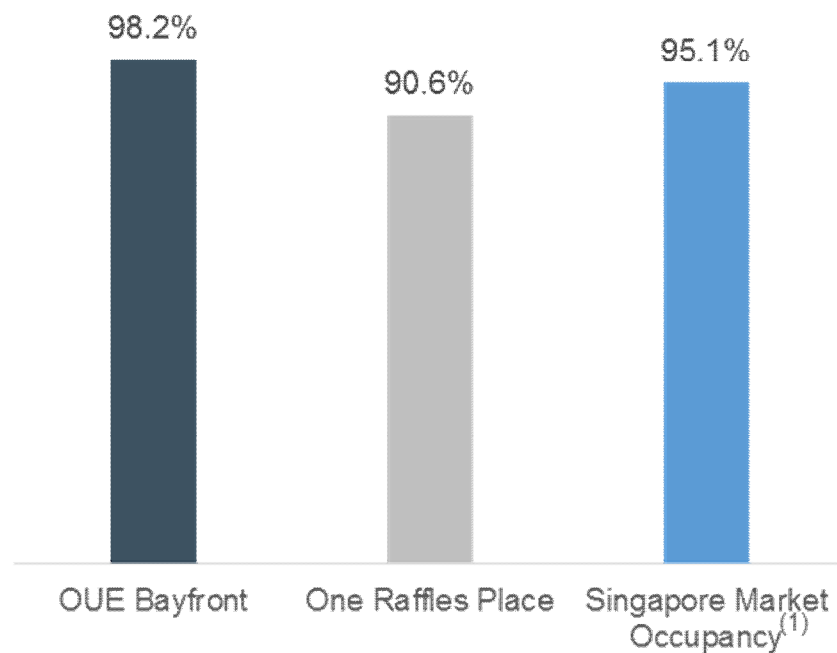
OUE C-REIT's Portfolio Committed Occupancy



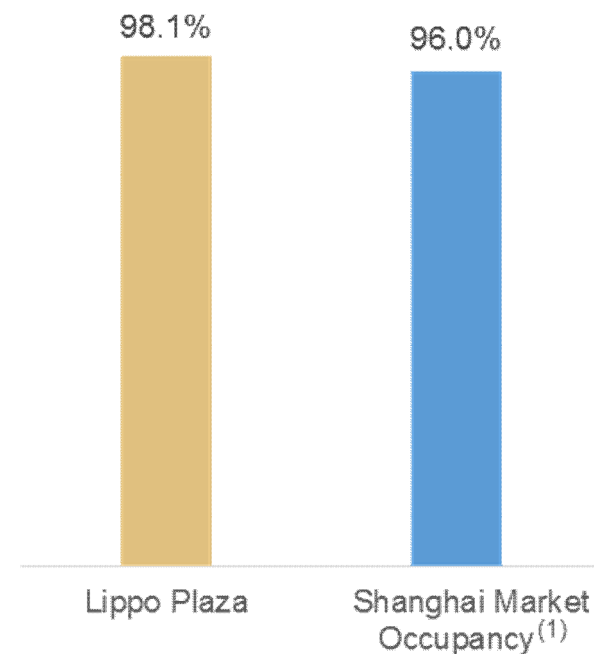
(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

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

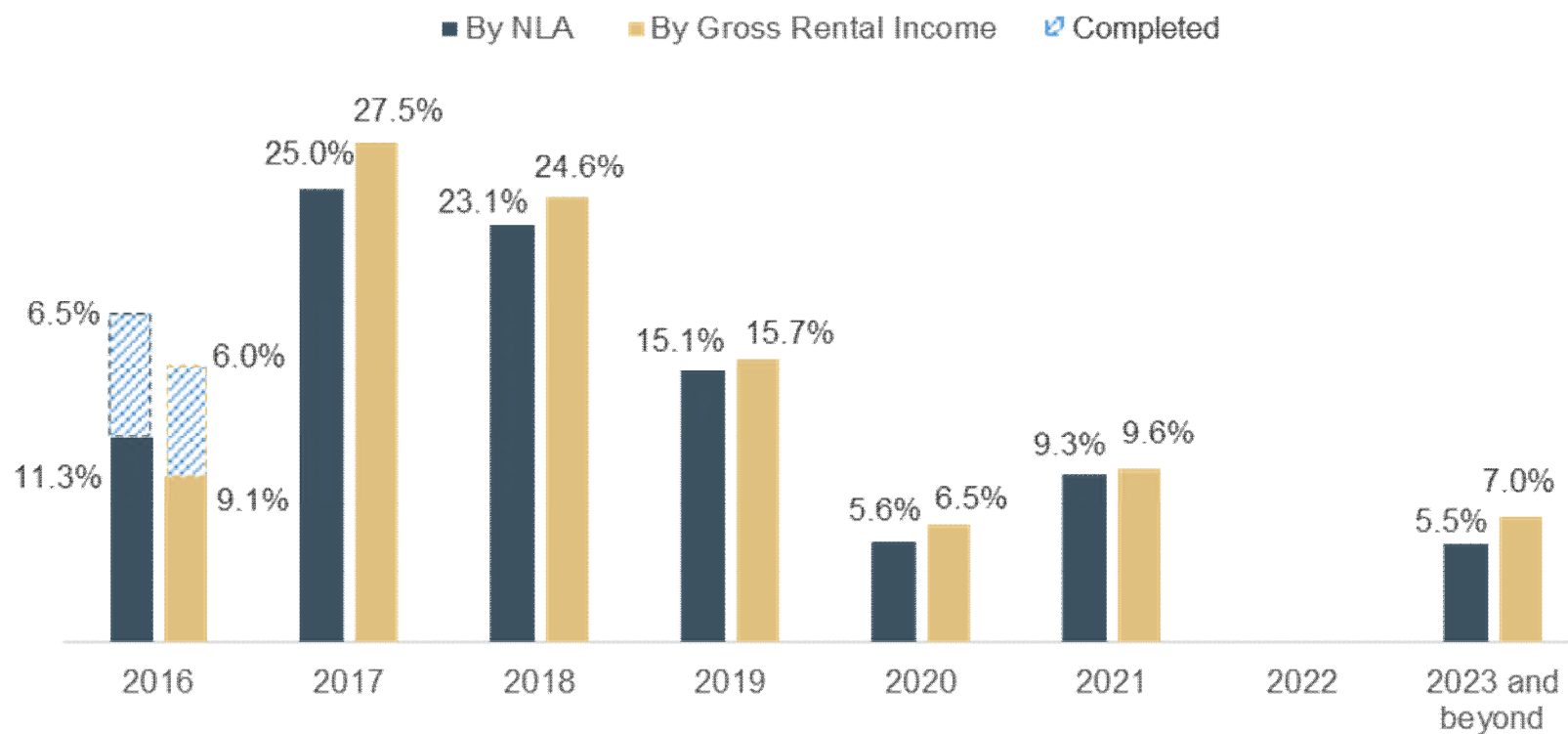
(1) Includes rent reviews. Computed based on renewal / reviewed rental rates vs preceding rental rates

(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

To-date, completed the renewal of all expiring leases in 2016 at OUE Bayfront



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

Summary



Summary

- Strategically located, landmark commercial properties in Singapore and Shanghai
- Stable and resilient portfolio with high occupancy
- Continue to deliver on portfolio performance for OUE Bayfront and Lippo Plaza
 - ✓ Enhance operating performance of One Raffles Place
- Significant potential acquisition pipeline from Right of First Refusal over the Sponsor's income-producing properties
 - ✓ Leverage on the Sponsor's industry experience, network and expertise in assessing potential acquisition opportunities



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Thank you