







CapitaCommercial Trust

CapitaCommercial Trust

Investing in Singapore's largest office REIT (by market cap)

Singapore Investment Week 2014

24 May 2014

Important Notice

This presentation shall be read in conjunction with CCT's 1Q 2014 Unaudited Financial Statement Announcement.

The past performance of CCT is not indicative of the future performance of CCT. Similarly, the past performance of CapitaCommercial 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.

1. About CCT



Raffles City Singapore

CapitaCommercial Trust

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

S$4.8b#	10	S$7.2b*	3m sq ft	32%	30%
Market Capitalisation	Properties in Singapore's Central Area	Deposited Properties	NLA	Owned by CapitaLand Group	Stake in Quill Capita Trust


Capital Tower


Wilkie Edge


HSBC Building



Twenty Anson


One George Street


Six Battery Road



Raffles City Singapore (60% stake)


CapitaGreen (40% stake)


Golden Shoe Car Park



Bugis Village

 # Market Capitalisation of S$4.8 billion as at 23 May 2014
*** Deposited Properties as at 31 March 2014**

Owns 10 centrally-located quality commercial properties



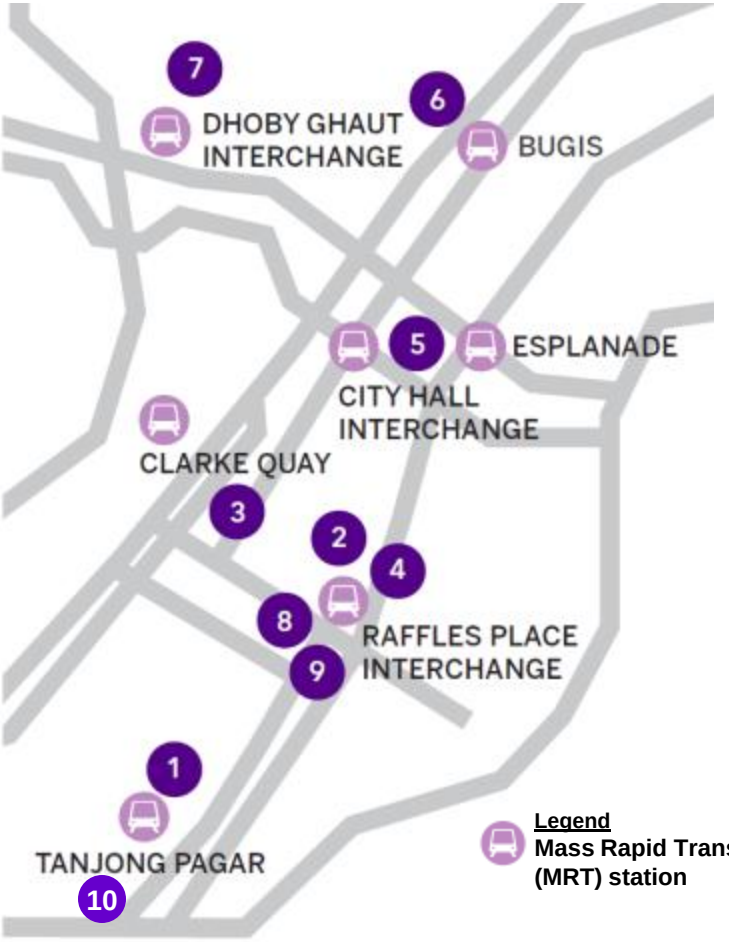




















1. Capital Tower
2. Six Battery Road
3. One George Street
4. HSBC Building
5. Raffles City Singapore
6. Bugis Village
7. Wilkie Edge
8. Golden Shoe Car Park
9. CapitaGreen (development)
10. Twenty Anson

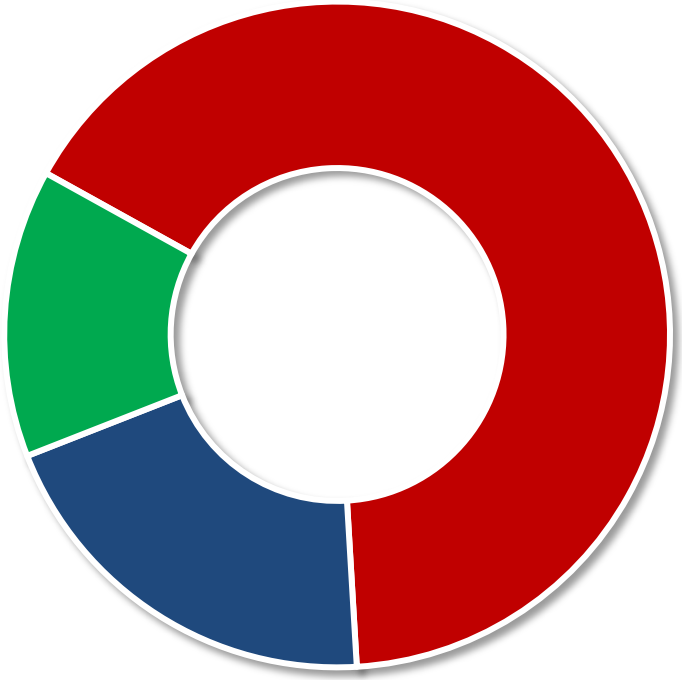
66% of gross rental income[(1)] contributed by office and 34% by retail and hotel & convention centre

CCT's income contribution by sector

Mainly from 60% interest in Raffles City

Hotels & Convention Centre, 14%

Master lease to hotel operator with over 70% of rent on fixed basis



Office, 66%

Retail[(2)], 20%

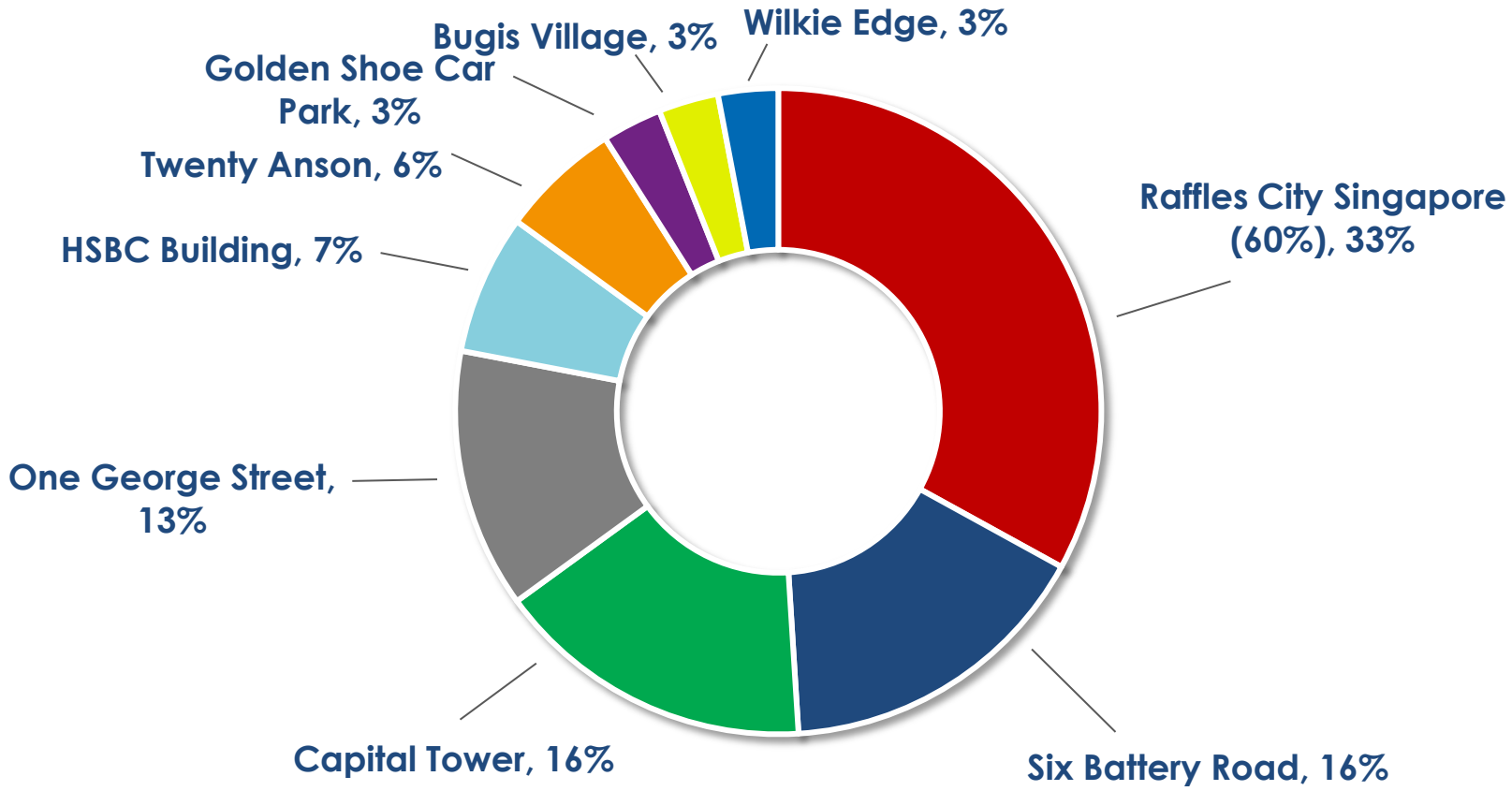
Notes:

(1) Including gross rental income from CCT's 60.0% interest in RCS Trust from 1 Jan 2014 to 31 Mar 2014

(2) Excluding retail turnover rent

Portfolio diversification with focus on quality

91% of Net Property Income[(1)] from Grade A and prime offices[(2)]



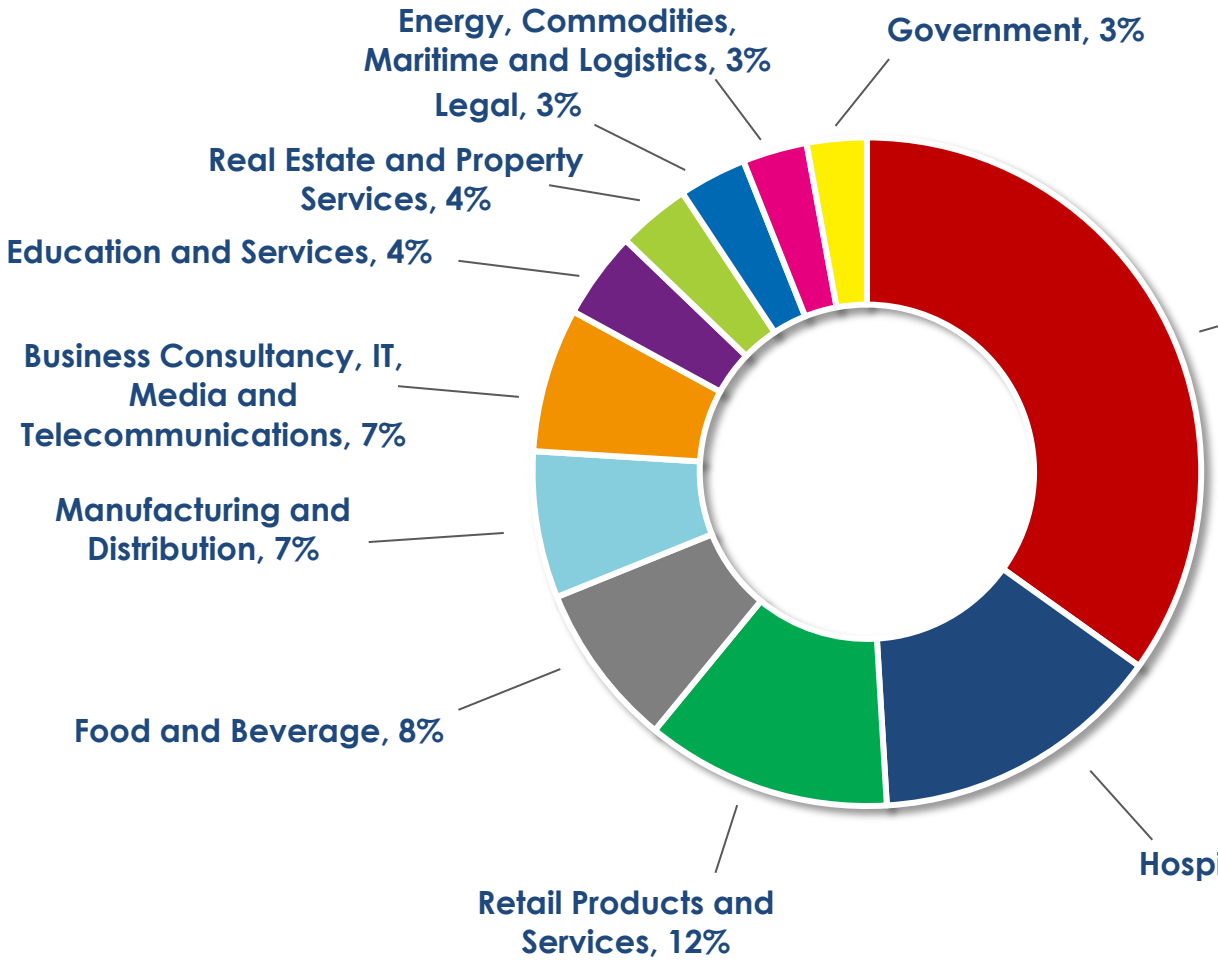
Notes:

(1) For the period from 1 Jan 2014 to 31 Mar 2014

(2) Includes CCT's 60% interest in Raffles City Singapore

Diverse tenant mix in CCT's portfolio[(1) (2)]

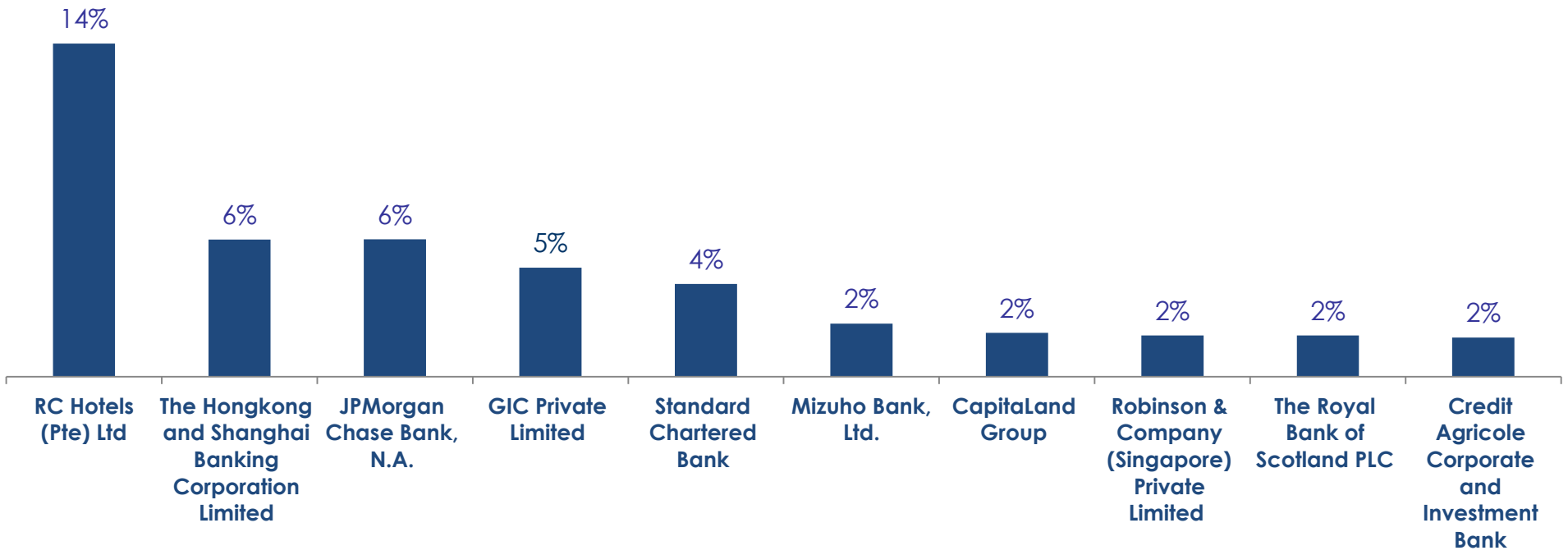
Tenant mix in CCT portfolio



Of the 35%, the following key tenants collectively contribute approximately 62%:
- HSBC
- JPMorgan
- GIC
- Standard Chartered Bank
- Mizuho

Notes:
(1) Including gross rental income from CCT's 60.0% interest in RCS Trust from 1 Jan 2014 to 31 Mar 2014
(2) Excluding retail turnover rent

Top 10 blue-chip tenants contribute 43% of monthly gross rental income[(1)]



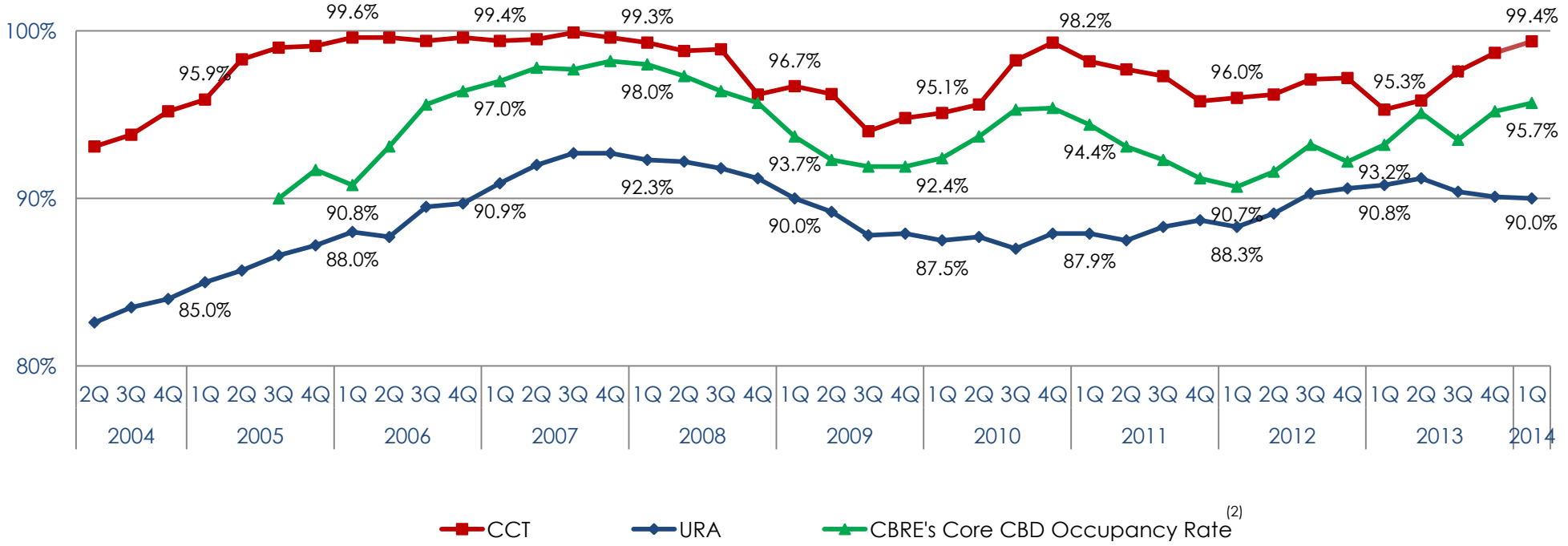
Note:

(1) Based on monthly gross rental income of top ten tenants excluding retail turnover rent as at 31 Mar 2014. Total percentage may not add up due to rounding.

CCT's portfolio occupancy above market level

	CCT Committed Occupancy Level				Industry Statistics Occupancy Level [1]			
Grade A Office	1Q 2014	99.8% ↑	4Q 2013	98.4%	1Q 2014	94.8% ↑	4Q 2013	93.7%
Portfolio	1Q 2014	99.4% ↑	4Q 2013	98.7%	1Q 2014	95.7% ↑	4Q 2013	95.2%

CCT's Committed Occupancy Since Inception



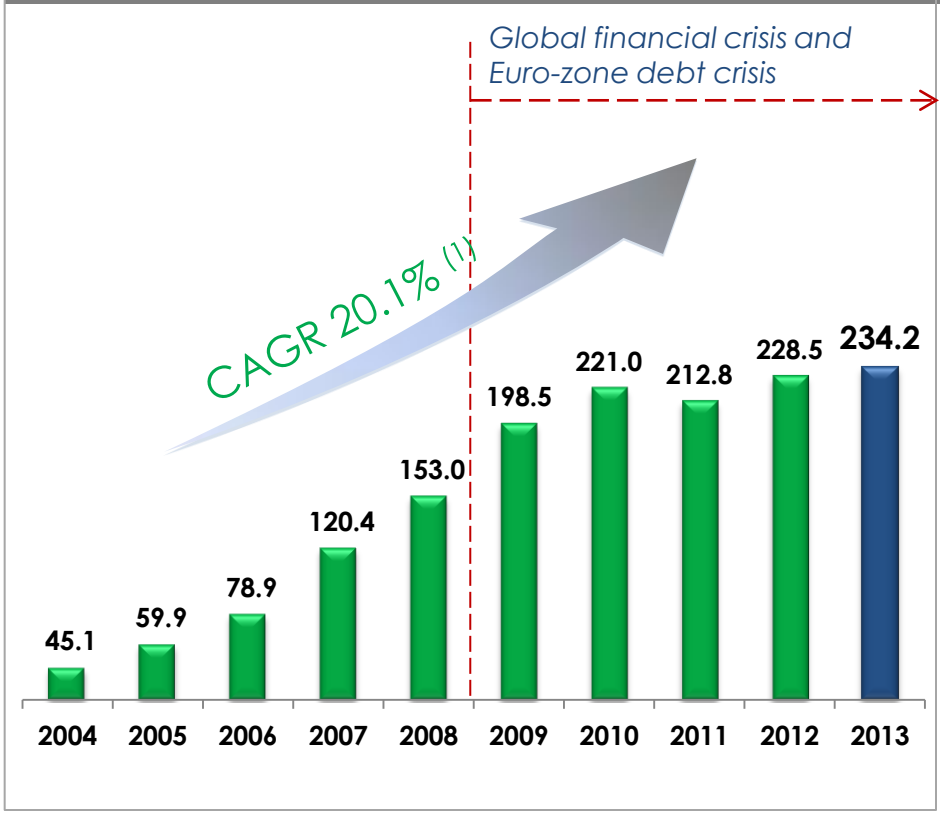
Notes:

(1) Source: CBRE Pte. Ltd. and Urban Redevelopment Authority (URA), 1Q 2014

(2) Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay, data only available from 3Q 2005 onwards

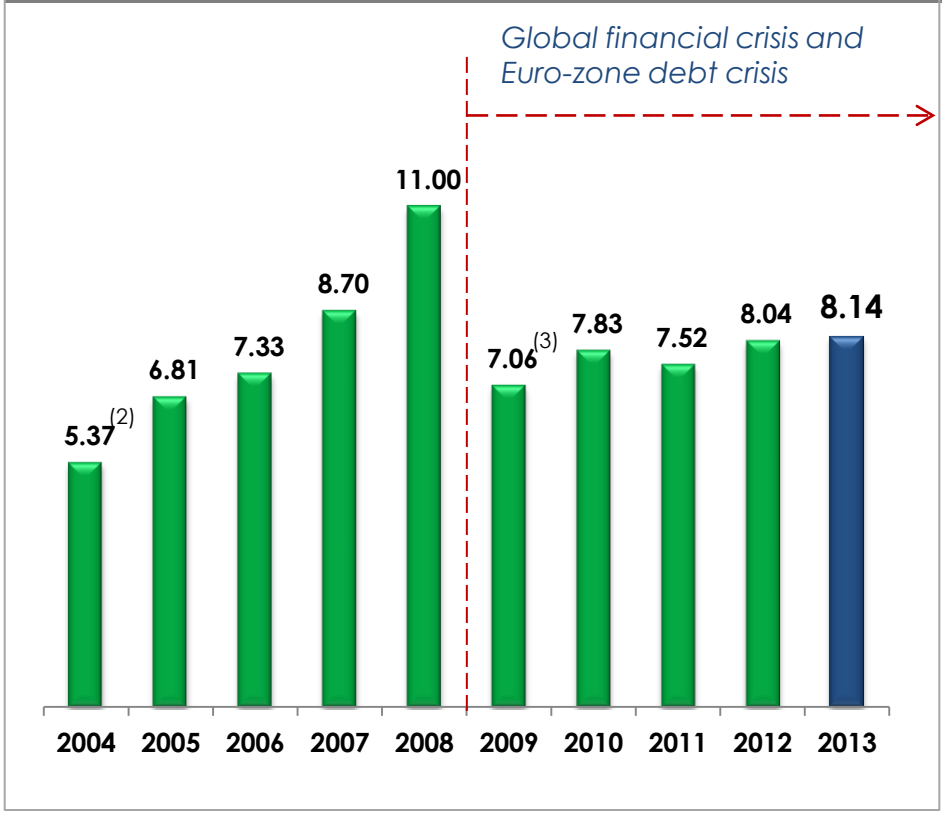
CCT delivered higher returns despite challenges post-financial crises

Distributable Income (S$ million)



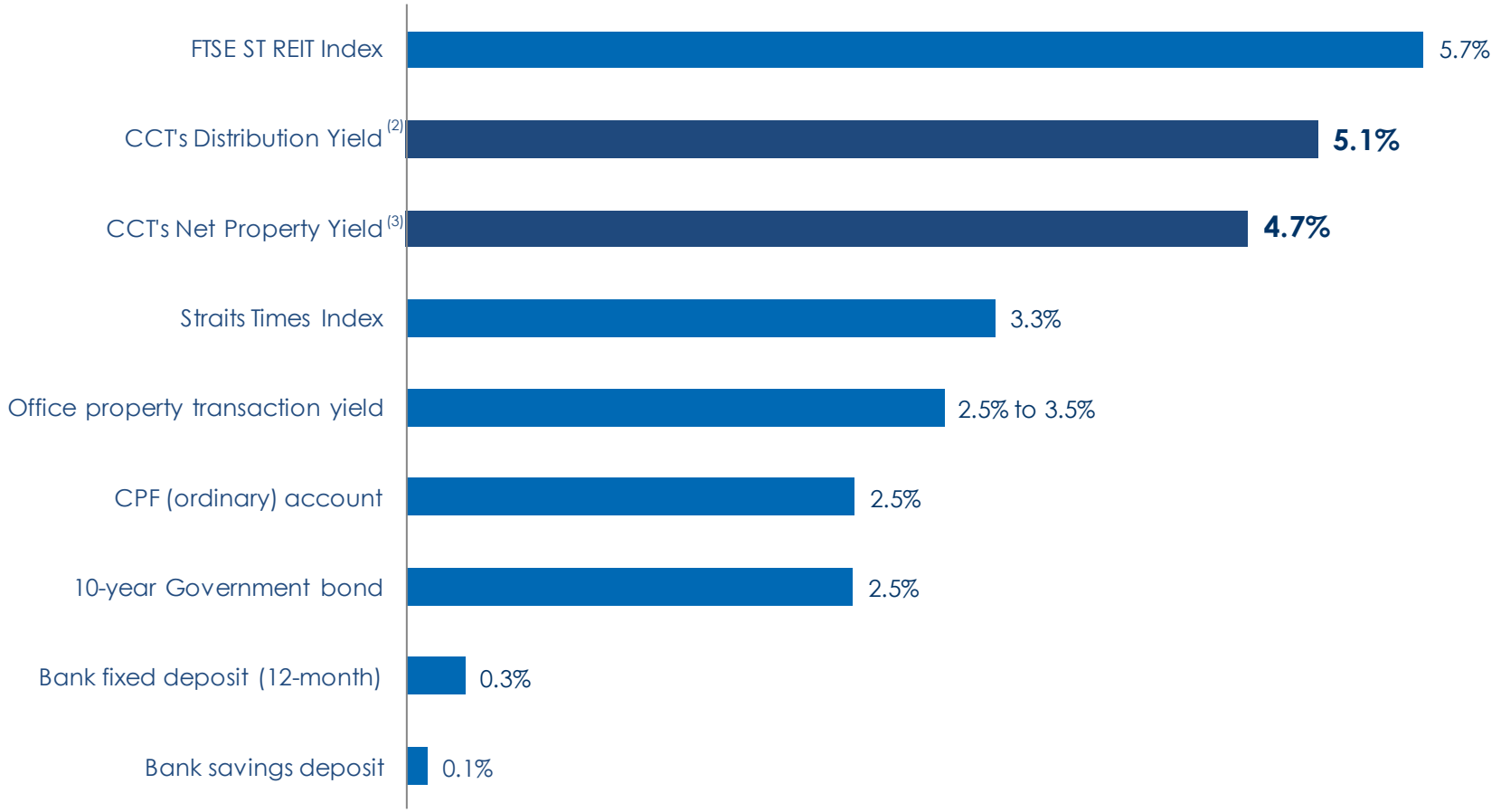
(1) CAGR: Compounded Annual Growth Rate

Distribution Per Unit (cents)



(2) Annualised
(3) After taking into consideration the issue of rights units in July 2009

Attractive yield compared to other investments(1)



Notes:

(1) All information as at 31 Mar 2014. Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities, CBRE Pte. Ltd.

(2) CCT Group distribution yield is based on annualised 1Q 2014 DPU of 8.44 cents over closing price of S$1.67 as at 23 May 2014

(3) CCT Group (including RCS Trust) net property yield based on annualised 1Q 2014 net property income and Dec 2013 valuation

2. Financial Results and Capital Management



Six Battery Road, Singapore

Distributable income higher by 7.6%; DPU of 2.08[1] cents up by 7.2%

S$ '000	1Q 2013 (Restated) [2]	1Q 2014	Chg (%)
Gross revenue	62,028	64,001	3.2
Less property operating expenses	(12,074)	(13,298)	10.1
Net property income	**49,954**	**50,703**	**1.5**
Interest and other income	956	929	(2.8)
Administrative expenses	(5,087)	(5,275)	3.7
Finance costs	(12,967)	(9,700)	(25.2)
Net income before share of profit of associate and joint ventures	**32,856**	**36,657**	**11.6**
Net tax and other adjustments	3,310	3,123	(5.6)
Distribution from associate	1,801	1,737	(3.6)
Distribution from joint venture	20,437	21,049	3.0
Income available for distribution to unitholders	58,404	62,566	7.1
Distributable income retained [3]	(2,701)	(2,637)	(2.4)
Distributable income to unitholders	**55,703**	**59,929**	**7.6**
DPU	1.94	2.08 [1]	7.2

Notes:

(1) DPU for 1Q 2014 was computed on the basis that none of the CB due 2015 or convertible bonds due 2017 ("CB due 2017") collectively known as "Convertible Bonds", is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of these Convertible Bonds is converted into CCT units. Assuming all the outstanding S$190.25 million CB due 2015 and S$175.0 million CB due 2017 were converted, DPU for 1Q 2014 would be reduced by 0.18 cents (assuming no interest expense savings). On 12 May 2014, S$15.75 million of CB due 2015 was converted into 13,206,438 CCT units.

(2) 1Q 2013 has been restated with the adoption of FRS 111 Joint Arrangement. The adoption of FRS 111 has no impact on the total return for the period after tax and distributable income to unitholders.

(3) Retained S$0.9 million of taxable income from RCS Trust (1Q 2013: S$0.9 million) and S$1.7 million of net tax-exempt income from QCT (1Q 2013: S$1.8 million).

Healthy balance sheet[1]

(as at 31 Mar 2014)

	S$ '000
Non-current Assets	6,125,453
Current Assets	94,479
Total Assets	**6,219,932**
Current Liabilities	133,155
Non-current Liabilities	1,234,502
Total Liabilities	**1,367,657**
Net Assets	**4,852,275**
Unitholders' Funds	**4,852,275**
Units in issue ('000)	**2,880,900**[3]

	S$ '000
Deposited Properties[2]	**7,214,002**
Net Asset Value Per Unit	**S$1.68**
Adjusted Net Asset Value Per Unit (excluding distributable income)	**S$1.66**

Credit Rating

Baa1 by Moody's / BBB+ by S&P

Outlook stable by both rating agencies

Notes:

(1) CCT Group has adopted FRS 111 Joint Arrangement. Accordingly, the Group has accounted for its 60% interest in RCS Trust and 40% interest in MSO Trust based on the respective joint ventures' net carrying amounts of assets and liabilities.

(2) Deposited properties for CCT Group includes CCT's 60% interest in RCS Trust and 40% interest in MSO Trust was S$7,214.0 million as at 31 Mar 2014 (31 Mar 2013: S$6,953.7 million).

(3) On 12 May 2014, S$15.75 million of CB due 2015 was converted into 13,206,438 CCT units. Arising from the conversion of CB due 2015 into CCT units as well as payment of management fees in CCT units, units in issue as at 12 May 2014 was 2,896,180,951.

Robust capital structure

	4Q 2013 (Restated)[1]	1Q 2014	Remarks
Net Debt / EBITDA[2]	5.0 times	**5.0 times**	**Stable**
Unencumbered Assets as % of Total Assets[3]	100.0%	**100.0%**	**Stable**
Average Term to Maturity	3.9 years	**3.7 years**	**Decreased** (Passing of time)
Average Cost of Debt (p.a.)[4]	2.6%	**2.4%**	**Improved**
Interest Coverage[5]	5.9 times	**6.6 times**	**Improved**

Notes:

(1) 4Q 2013 was restated with the adoption of FRS 111 Joint Arrangements whereby CCT's 60% interest in RCS Trust and 40% interest in MSO Trust were accounted based on equity method.

(2) 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.

(3) Investment properties at CCT Trust and Twenty Anson (held through CCT's 100% interest in FirstOffice Pte. Ltd.) are all unencumbered.

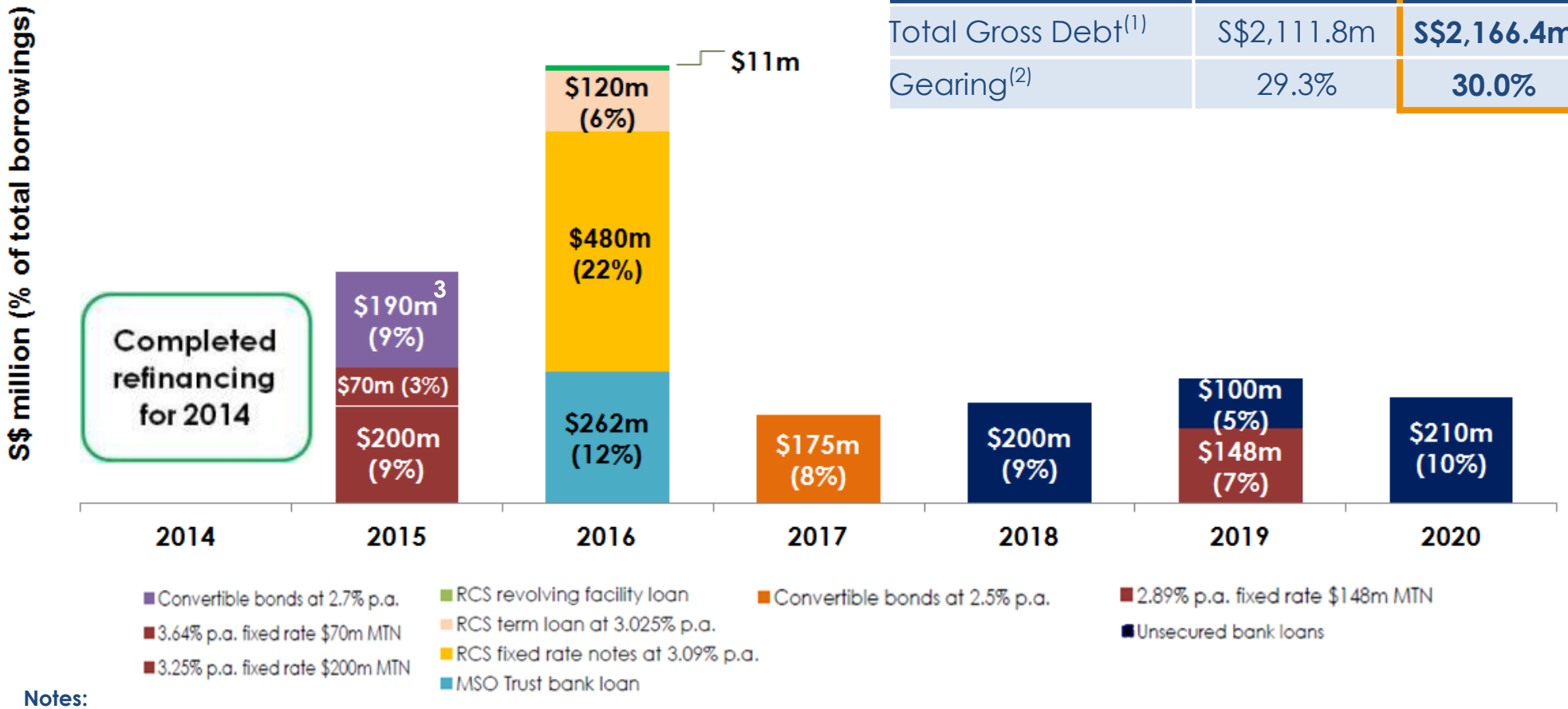
(4) Ratio of interest expense over weighted average borrowings.

(5) Ratio of EBITDA over finance costs includes amortisation and transaction costs.

Low gearing at 30%; Refinancing completed for 2014

Debt maturity profile as at 31 Mar 2014

	4Q 2013	1Q 2014
Total Gross Debt[1]	S$2,111.8m	**S$2,166.4m**
Gearing[2]	29.3%	**30.0%**



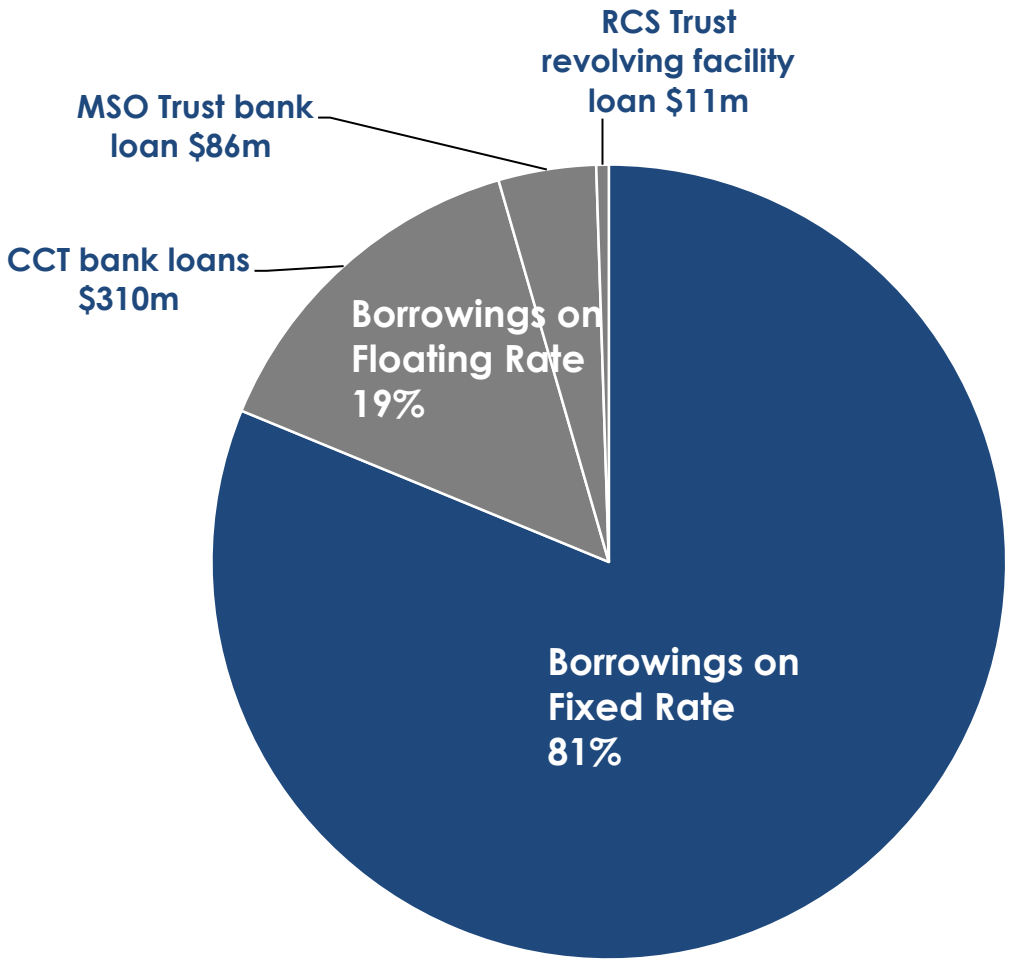
Notes:

(1) Total gross debt of CCT Group includes CCT's 60% interest in RCS Trust and 40% interest in MSO Trust.

(2) Gearing was computed based on total gross debt over total deposited properties which includes CCT's 60% interest in RCS Trust and 40% interest in MSO Trust.

(3) S$15.75 million of CB due 2015 was converted into CCT units on 12 May 2014 resulting in a lower outstanding CB due 2015 amount of S$174.25 million from S$190.0 million.

81% of fixed rate borrowings provides certainty of interest expense



3. Portfolio Growth



One George Street, Singapore

"Portfolio Reconstitution Strategy" repositions CCT's portfolio for further growth



Redevelopment of Market Street Car Park into Grade A office – CapitaGreen (Completing in end 2014)

Flexibility and speed to seize growth opportunities



Acquisition of Twenty Anson in Mar 2012

Recycle capital

Acquire good quality asset

Funding flexibility

Organic growth







Unlock value at optimal stage of life cycle

Enhance / refurbish asset





Divestments:
2010 - Robinson Point and StarHub Centre 2011 - Market Street Car Park
Total proceeds: S$639m

Value creation

1. Asset enhancement at Raffles City Singapore (completed)
2. Completed Six Battery Road AEI in December 2013
3. S$34.7m upgrading at Raffles City Tower (Nov 2012 to 2Q 2014)
4. S$40.0m upgrading of Capital Tower (Nov 2013 to 2Q 2015)

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Potential income from 40% share and acquisition pipeline of remaining 60%; Only Grade A office building completing in 2014


CapitaGreen

CapitaGreen
For Business, Naturally

138 Market Street

- Total project development cost of S$1.4 billion
- CCT owns 40% share of CapitaGreen
- Has call option to acquire balance 60% from JV partners
- Purchase price at market valuation
- Subject to minimum of development cost compounded at 6.3% p.a.
- Exercise period: within 3 years after completion, i.e. between 2015 and 2017

CapitaCommercial Trust

CapitaGreen secures commitments for about 12% of total NLA ahead of completion in end-2014

Leased approximately 81,000 square feet of building's NLA[(1)]

Committed tenants are:

1. **Bordier & Cie (Singapore) Ltd**
   - Signed over 12,000 sq ft of NLA
   - Fully independent subsidiary of Bordier & Cie, a Swiss private bank founded in 1844
   - Banking, Insurance and Financial Services sector

2. **Cargill**
   - Signed 51,000 sq ft of NLA
   - One of America's largest privately-held companies with almost 150 years in the commodities industry
   - Commodities sector

3. **International gym operator**
   - Signed 18,000 sq ft of NLA
   - Plans to launch a new club and lifestyle concept



CapitaGreen
- a 40-storey Grade A office tower

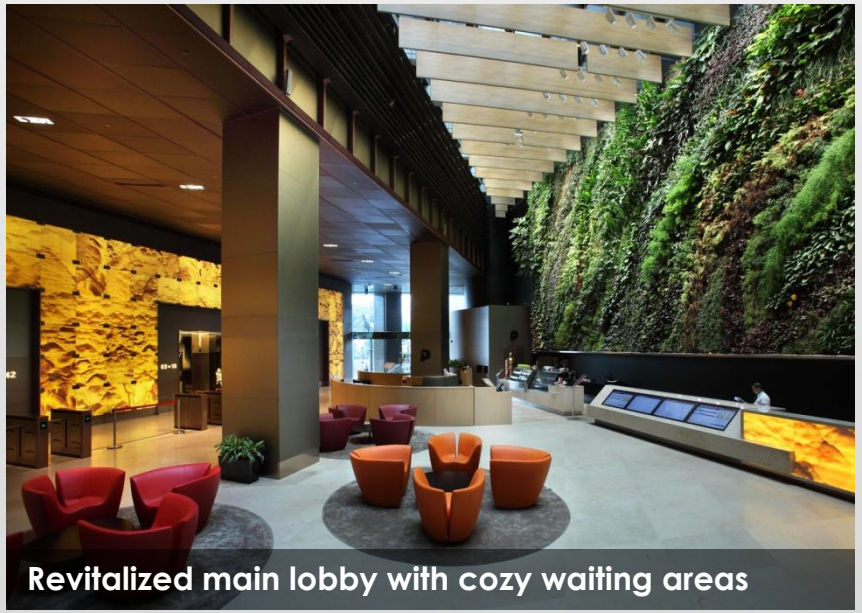
Note:

(1) NLA: Net Lettable Area

Six Battery Road's AEI: Completed

Achieved targeted reduction in energy consumption of over **25%** annually for the past 2 years, translating to savings of about **S$545,000** per year.

Estimated AEI cost of **S$85.8m**



Revitalized main lobby with cozy waiting areas

Average occupancy rate during the AEI was **92%**

Rental difference between an upgraded and non-upgraded space **12%**(1)

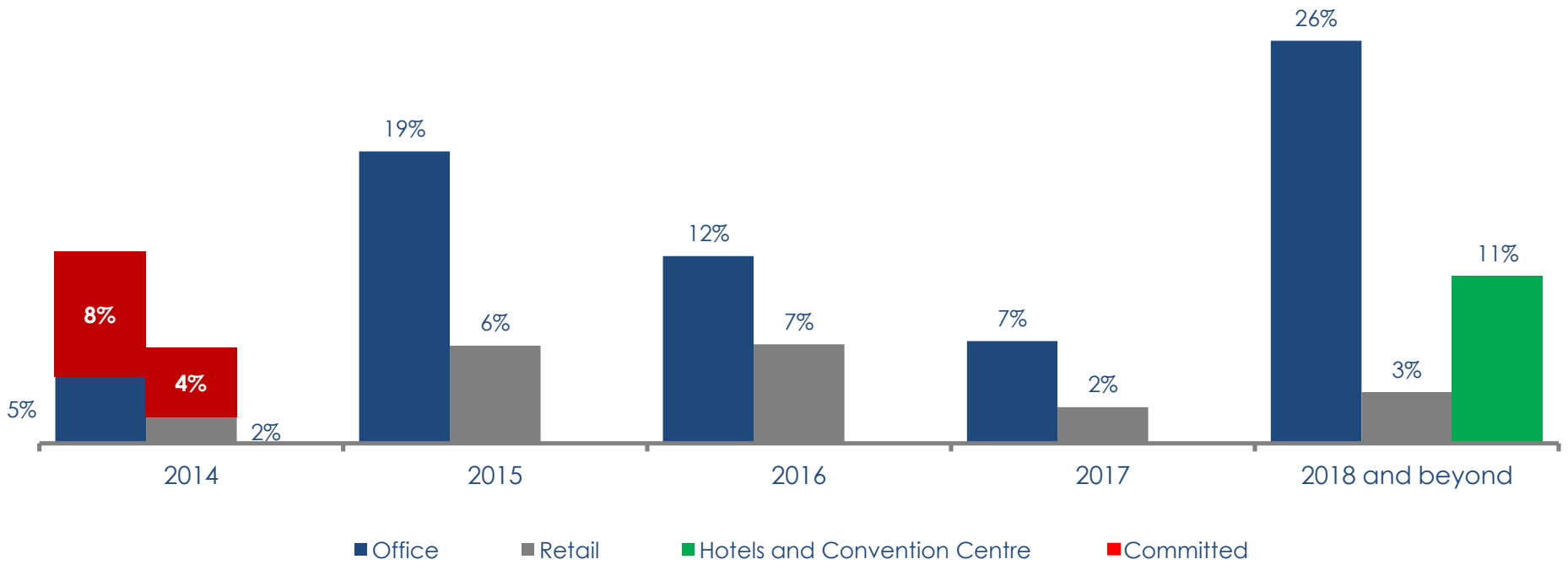
Note:
(1) Derived from the rents of leases committed during the 3 years of AEI

Value creation through AEIs

Property	Six Battery Road	Raffles City Tower	Capital Tower
Occupancy rate (as at 31 Mar 2014)	99.2%	100.0%	100.0%
Total AEI budget	S$85.8m	S$20.8m (60% interest)	S$40.0m
Amount paid (as at 31 Mar 2014)	Completed	S$16.4m (60% interest)	S$6.2m
Target return on investment	8.6% (achieved)	8.6%	7.8%
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	Completed in Dec 2013	4Q 2012 to 2Q 2014	4Q 2013 to 2Q 2015

Well spread portfolio lease expiry profile

Lease expiry profile as a percentage of monthly gross rental income[(1)] for Mar 2014



Portfolio Weighted Average Lease Term to Expiry by NLA as at end Mar 2014 = 7.9 years

Note:

(1) Excludes retail and hotel turnover rent

Overall positive rental reversions for CCT's Grade A office leases committed in 1Q 2014

S$ psf per month	Average Expired Rents	Committed Rents [1]	Sub-Market	Market Rents of Comparative Sub-Market
				Colliers [2]
Six Battery Road	10.94	11.50 – 12.80	Grade A Raffles Place	9.73
One George Street	8.39	9.50 – 11.20	Grade A Raffles Place	9.73

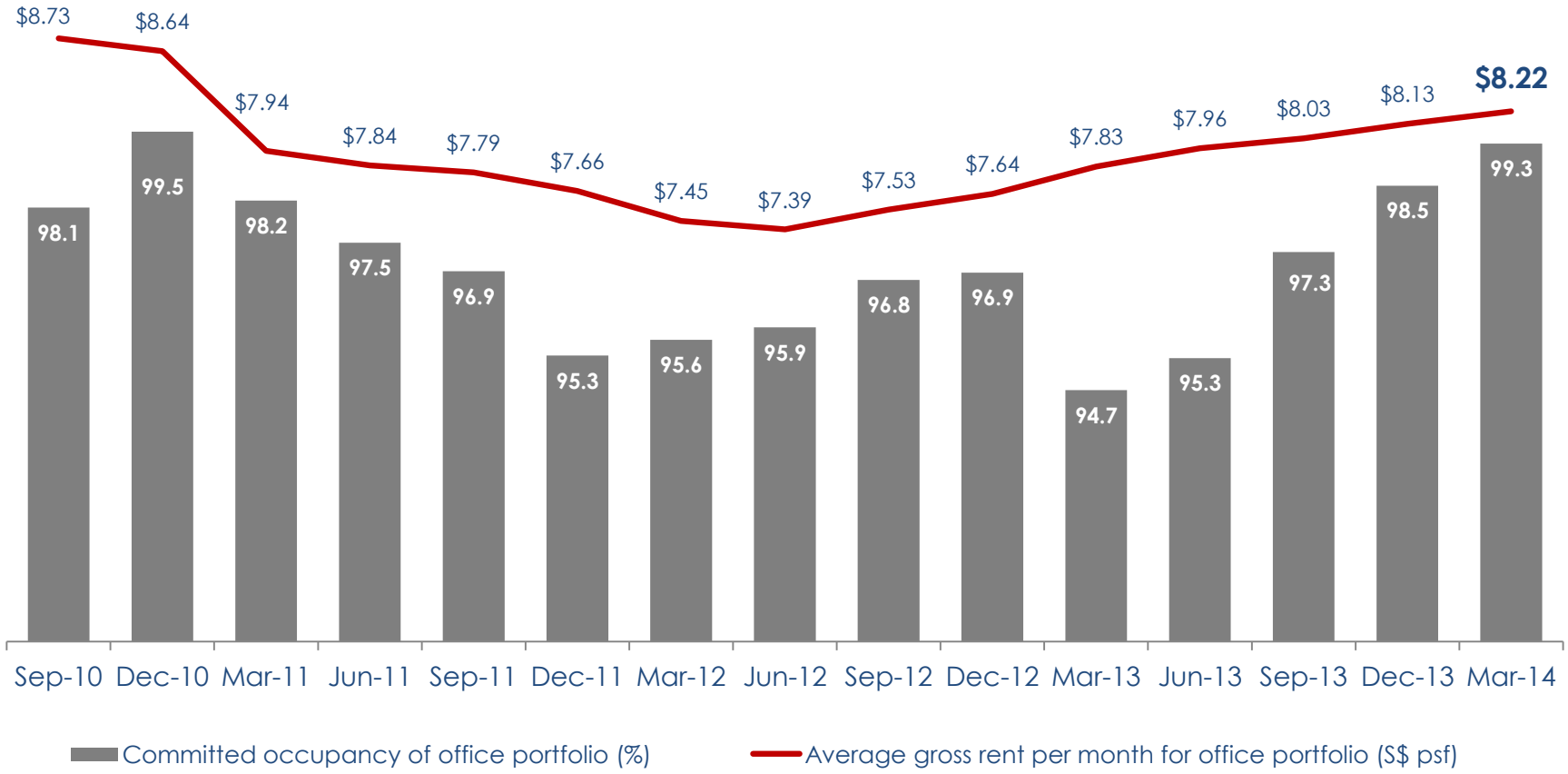
Notes:

(1) Renewal/new leases committed in 1Q 2014

(2) Source: Colliers International 1Q 2014

(3) CBRE's 1Q 2014 Grade A rent is S$10.25 psf per month and they do not publish sub-market rents

Upward trend of monthly average office rent of CCT's portfolio[(1)] resulting from cumulative positive rent reversions of leases



Note:

(1) Average rent per month for office portfolio (S$ psf) = Total committed gross rent for office per month / Committed area of office per month

4. Outlook



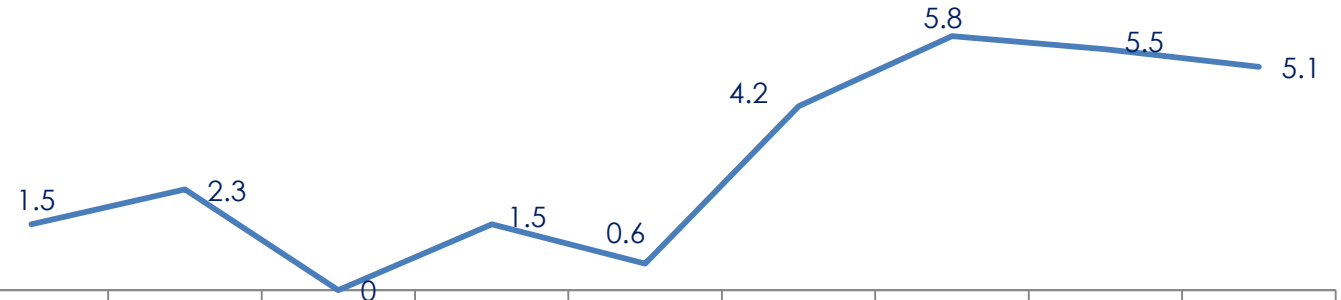
Raffles City Singapore

Wong Chow Mein, CapitaLand "Building People" Photography Competition 2012

1Q 2014: positive beginning

- Based on advance estimates, Singapore 1Q 2014 GDP grew by 5.1% (year-on-year)

Singapore Gross Domestic Product Y-o-Y Change (%)



	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014
Y-o-Y (%)	1.5	2.3	0	1.5	0.6	4.2	5.8	5.5	5.1

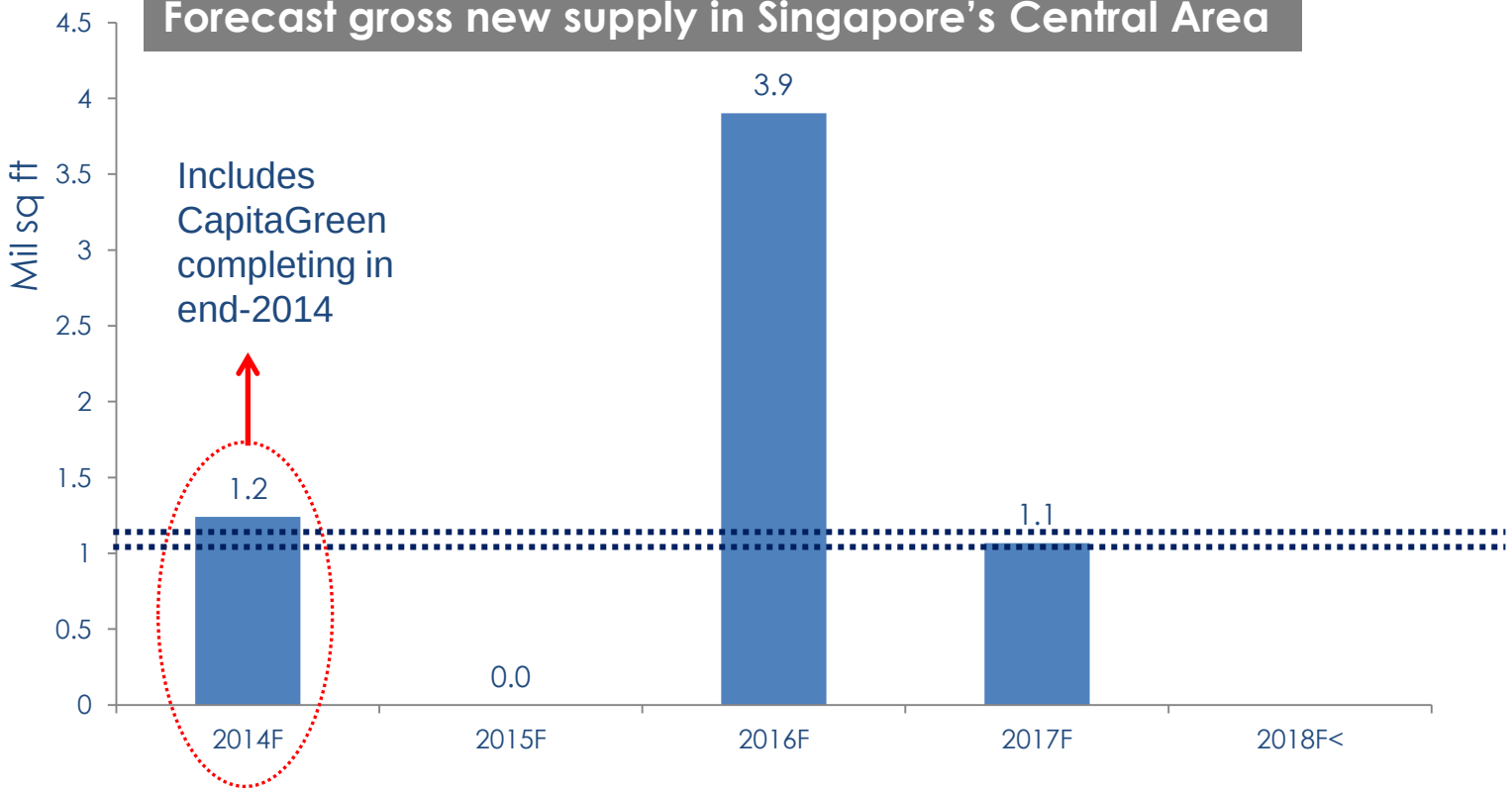
- 1Q 2014 CBD office market statistics

	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Change (4Q 2013 vs 1Q 2014)
Core CBD occupancy	92.2%	92.2%	95.0%	93.5%	95.2%	**95.7%**	**+0.5%**
Average Grade A monthly office rent (psf)	S$9.58	SS$9.55	SS$9.55	SS$9.55	S$9.75	**$10.25**	**+5.1%**
Average Prime capital value (psf)	S$2,350	S$2,400	S$2,400	S$2,400	S$2,400	**S$2,750**	**+14.6%**

Source: CB Richard Ellis, Mar 2013 and 2014

No new supply in CBD in 2015; Core CBD occupancy at 95.2% as at end-Dec 2013

Forecast gross new supply in Singapore's Central Area



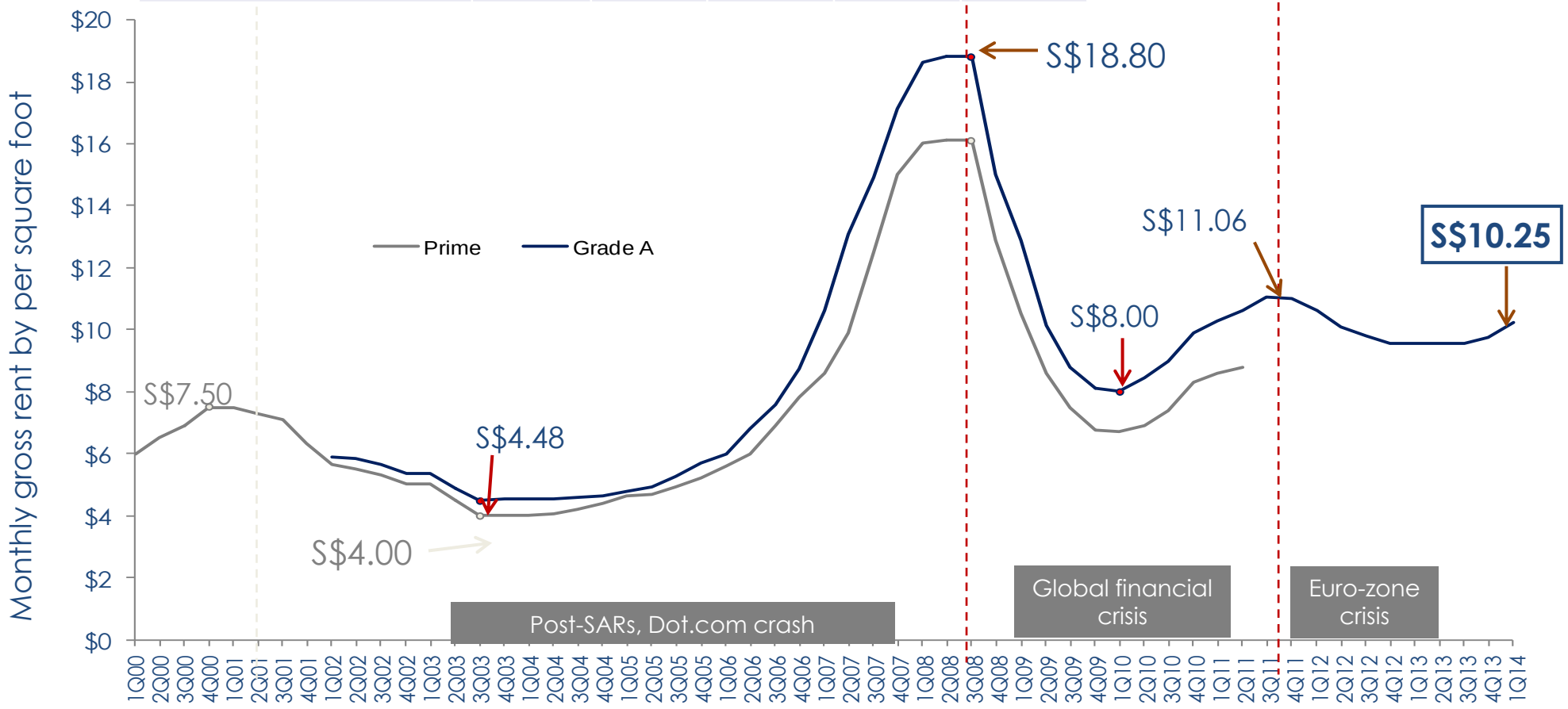
1.1 mil sq ft
Average net office demand through 10-year property market cycles(2004 – 2013)

1.0 mil sq ft
Average net office demand during and post GFC (2009 – 2013)

Periods	Average annual net supply	Average annual net demand
2004 – 2013 (through 10-year property market cycles)	0.8m sq ft	1.1m sq ft
2009 – 2013 (five years period during and post GFC)	1.2m sq ft	1.0m sq ft
2014 – 2018 & beyond	1.2m sq ft (gross)	N.A.

Grade A office market rent increased by 5.1% QoQ

	1Q 13	2Q 13	3Q 13	4Q 13	1Q 14*
Mthly rent (S$ / sq ft)	9.55	9.55	9.55	9.75	**10.25**
% change	-0.3%	0.0	0.0	+2.1%	**+5.1%**



***No historical data for Grade A rents prior to 2002.**
Source of data: CBRE Pte. Ltd. (figures as at end of each quarter). CBRE no longer tracks prime rents from 3Q 2011.

2014 growth opportunities

- ✓ Office market rents expected to continue rising
- ✓ 9% of portfolio gross rental income up for renewal and rent review
- ✓ Full year contribution of positive rent reversions signed in 2013
- ✓ AEIs and CapitaGreen to provide revenue growth
- ✓ Acquisition focus in Singapore; assuming gearing increases from 30% to 40% gearing, CCT has debt headroom of S$1.2 billion



Year of acquisition: 2005



Year of acquisition: 2006



Year of acquisition: 2008



Year of acquisition: 2008



Year of acquisition: 2012









CapitaCommercial Trust

Thank you

For enquiries, please contact: Ms Ho Mei Peng , Head, Investor Relations & Communications, Direct: (65) 6826 5586
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