



# CapitaLand Commercial Trust Singapore's First and Largest Commercial REIT

## First Quarter 2017 Financial Results

Wednesday, 19 April 2017



# Important Notice

**This presentation shall be read in conjunction with CCT's 1Q 2017 Unaudited Financial Statement Announcement.**

The past performance of CCT is not indicative of the future performance of CCT. Similarly, the past performance of CapitaLand Commercial 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.*

A low-angle photograph of the Capital Tower in Singapore, showing its distinctive stepped design and glass facade against a blue sky with scattered white clouds. The tower's facade is a mix of blue-tinted glass and white panels, with several prominent horizontal setbacks.

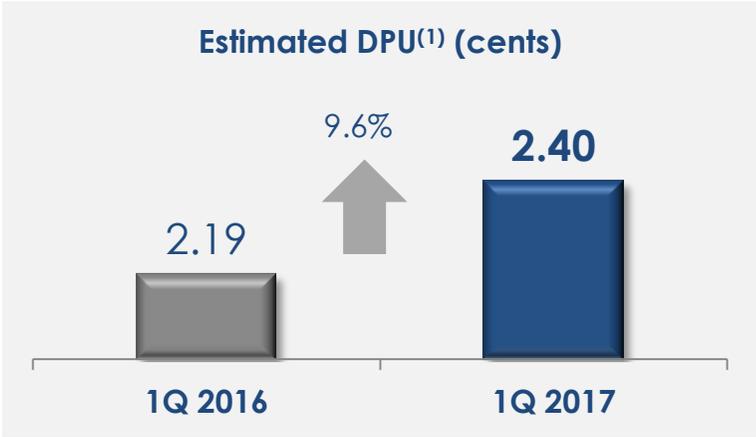
# 1. Highlights

Capital Tower, Singapore



# 1Q 2017 distribution per unit increased 9.6% YoY

1Q 2017 distributable income  
**S\$71.3 million** ▲ 9.9%  
 1Q 2016: S\$64.8 million



Increase in net property income from CapitaGreen and Capital Tower contributed to higher distributable income for CCT

**Note:**

(1) Estimated DPU for 1Q 2017 was computed on the basis that none of the convertible bonds due on 12 Sep 2017 (CB 2017) is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of CB 2017 is converted into CCT units. The current conversion price of CB 2017 is S\$1.4265.

Assuming all the outstanding S\$175.0 million CB 2017 were converted, DPU for 1Q 2017 would be reduced by 0.09 cents (assuming no interest expense savings).





# Active portfolio leasing activities for CCT

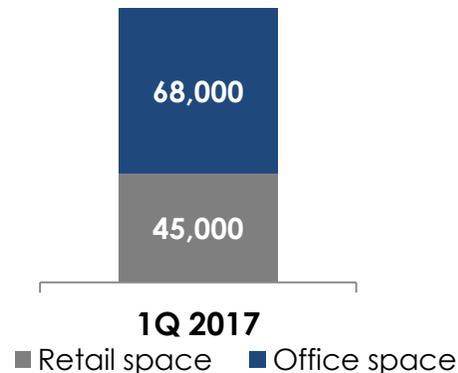
CCT portfolio  
committed  
occupancy  
as at 31 Mar 2017

**97.8%**

Core CBD  
market  
occupancy

**95.6%**

New leases and renewals: 113,000 sq ft  
(50% are new leases)



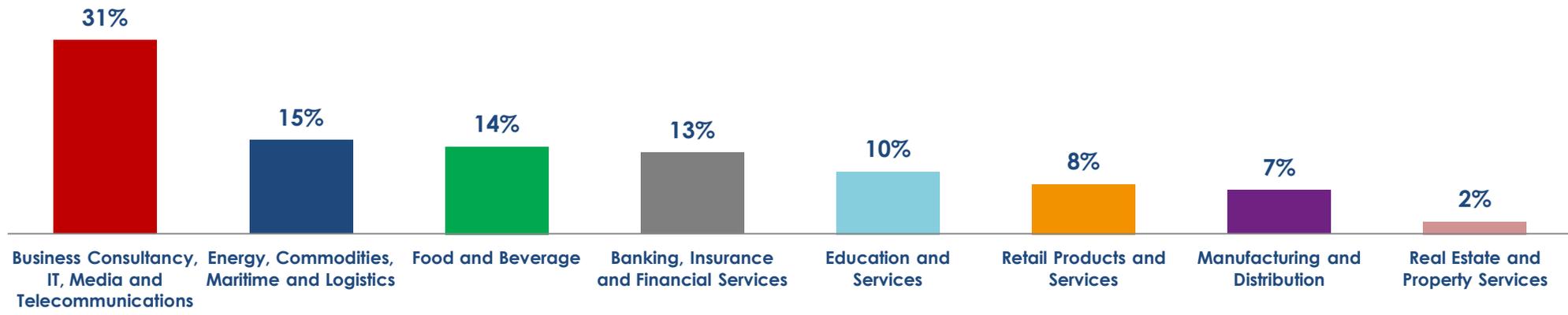
- For 1Q 2017, new and renewed tenants include:

Tenant	Trade Sector	Building
Dow Jones AER Company, Inc. (Singapore Branch)	Business Consultancy, IT, Media and Telecommunications	CapitaGreen
China International Capital Corporation (Singapore) Pte. Limited	Banking, Insurance and Financial Services	Six Battery Road
Springs Capital Management (Singapore) Pte. Ltd.	Banking, Insurance and Financial Services	Six Battery Road
Saudi Aramco Trading Singapore Pte. Ltd.	Energy, Commodities, Maritime and Logistics	Six Battery Road
En Dining Holdings Pte. Ltd.	Food and Beverage	Capital Tower



# New demand in CCT's portfolio supported by tenants from diverse business sectors

Business sectors of new leases are largely from Business Consultancy, IT, Media and Telecommunications; Energy, Commodities, Maritime and Logistics; and Food and Beverage<sup>(1)</sup>



Note:

(1) Based on net lettable area of new leases committed and using 100% basis for Raffles City Singapore



# Healthy balance sheet as at 31 Mar 2017

Low aggregate leverage ratio <sup>(1)</sup>	Average cost of debt <sup>(2)</sup>	Gross borrowings on fixed rate
<b>38.1%</b>	<b>2.6% p.a.</b>	<b>80%</b>

- ✓ **Established US\$2 billion Euro Medium Term Notes (MTN) programme for Raffles City Singapore jointly with CapitaLand Mall Trust**
  - Enhance financial flexibility
  - Diversify funding sources

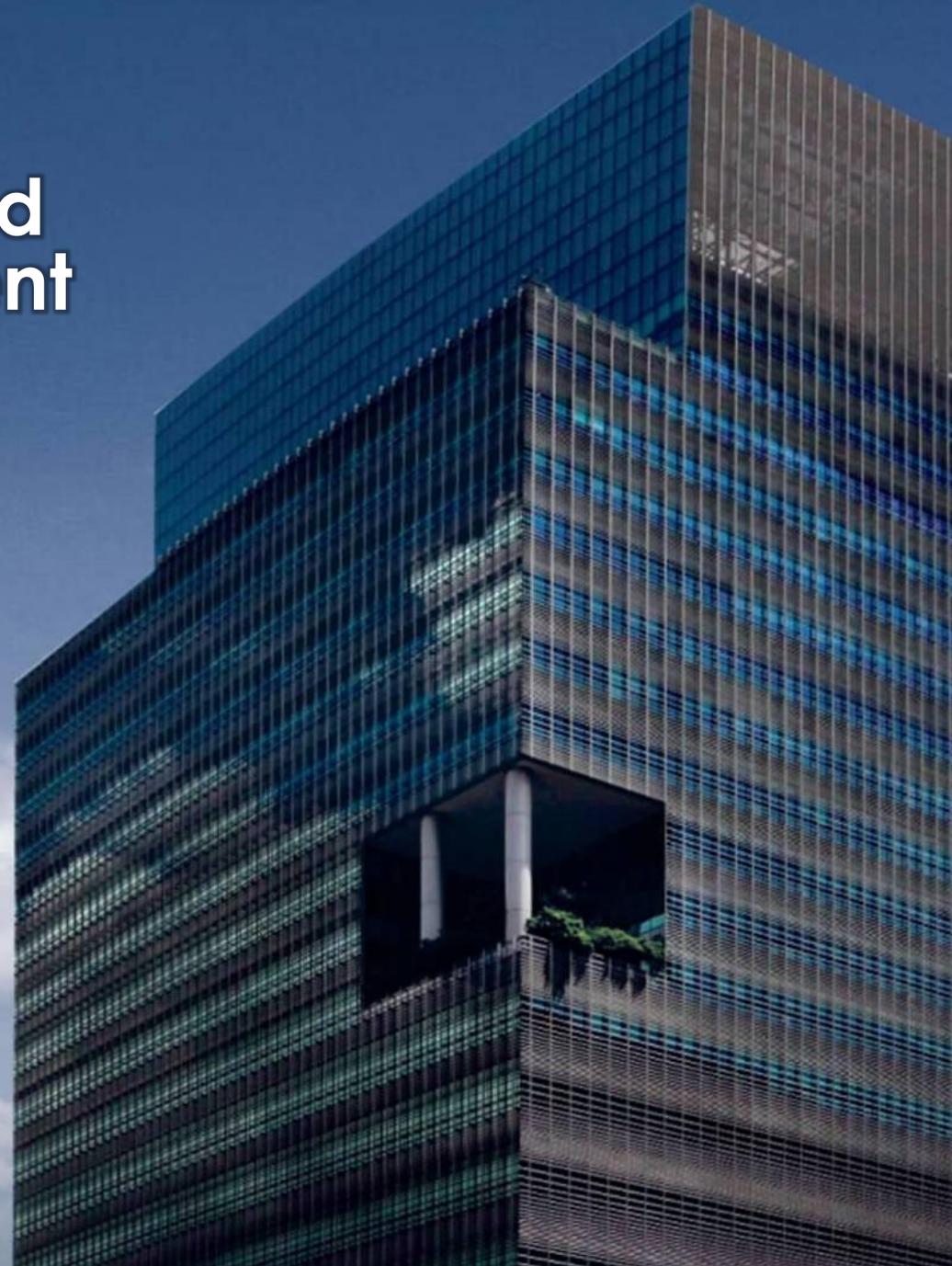
**Notes:**

(1) In accordance with Property Funds Appendix, CCT's proportionate share of its joint ventures borrowings and deposited property values are included when computing the aggregate leverage ratio.

(2) Ratio of interest expense over weighted average borrowings (excludes borrowings of RCS Trust).

## 2. Financial Results and Capital Management

One George Street, Singapore





# 1Q 2017 distributable income rose 9.9% YoY

	1Q 2017	1Q 2016	Change (%)	Remarks
<b>Gross Revenue (\$\$ million)</b>	<b>89.5</b>	66.9	33.9	
<b>Property Operating Expenses (\$\$ million)</b>	<b>(19.7)</b>	(14.8)	32.6	Please see note (1)
<b>Net Property Income (\$\$ million)</b>	<b>69.9</b>	52.0	34.3	
<b>Distributable Income (\$\$ million)</b>	<b>71.3</b>	64.8	9.9	Please see note (2)
<b>DPU (cents)</b>	<b>2.40</b>	2.19	9.6	

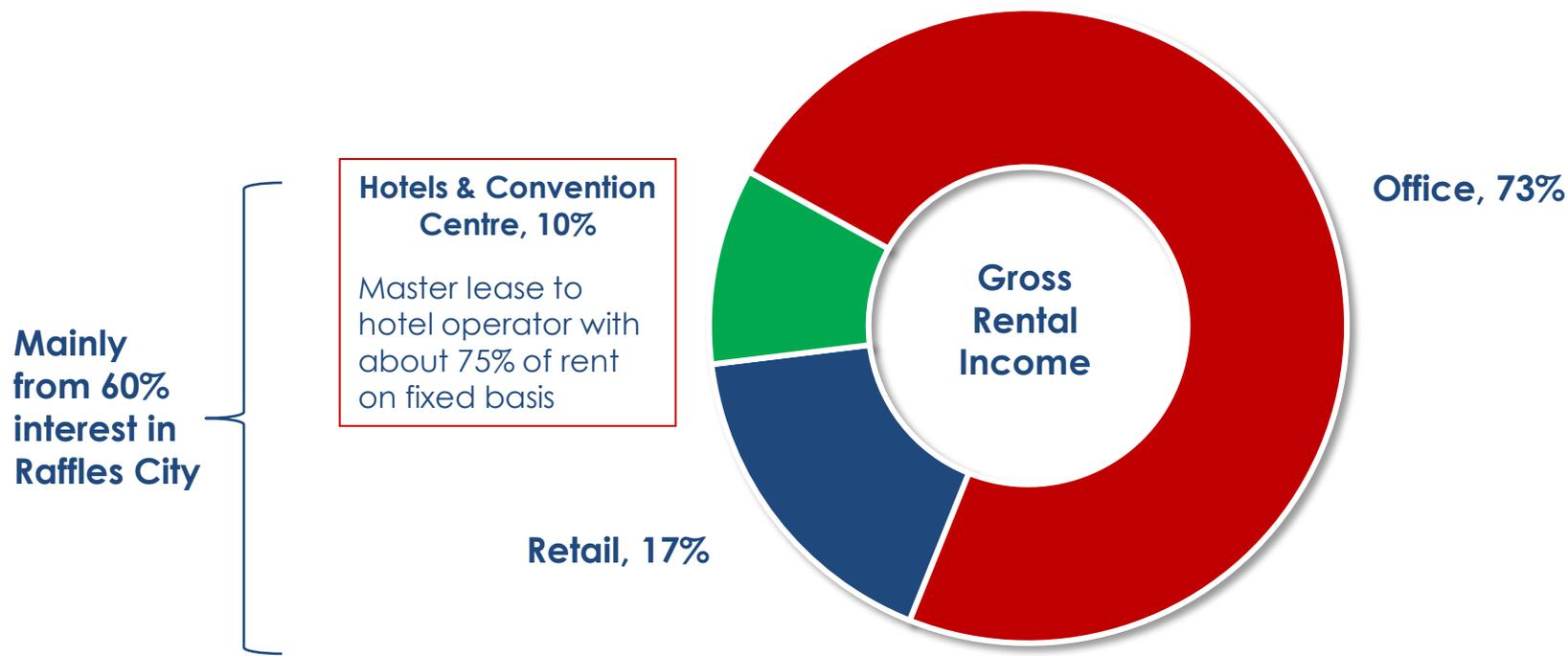
**Notes:**

- (1) Higher revenue, operating expenses and net property income mainly contributed by CapitaGreen
- (2) Higher distribution from MSO Trust which holds CapitaGreen
- (3) Estimated DPU for 1Q 2017 was computed on the basis that none of the convertible bonds due on 12 Sep 2017 (CB 2017) is converted into CCT units. Accordingly, the actual quantum of DPU may differ if any of CB 2017 is converted into CCT units. The current conversion price of CB 2017 is S\$1.4265.



# 73% of gross rental income<sup>(1)</sup> contributed by office and 27% by retail and hotel & convention centre

## CCT's income contribution by sector



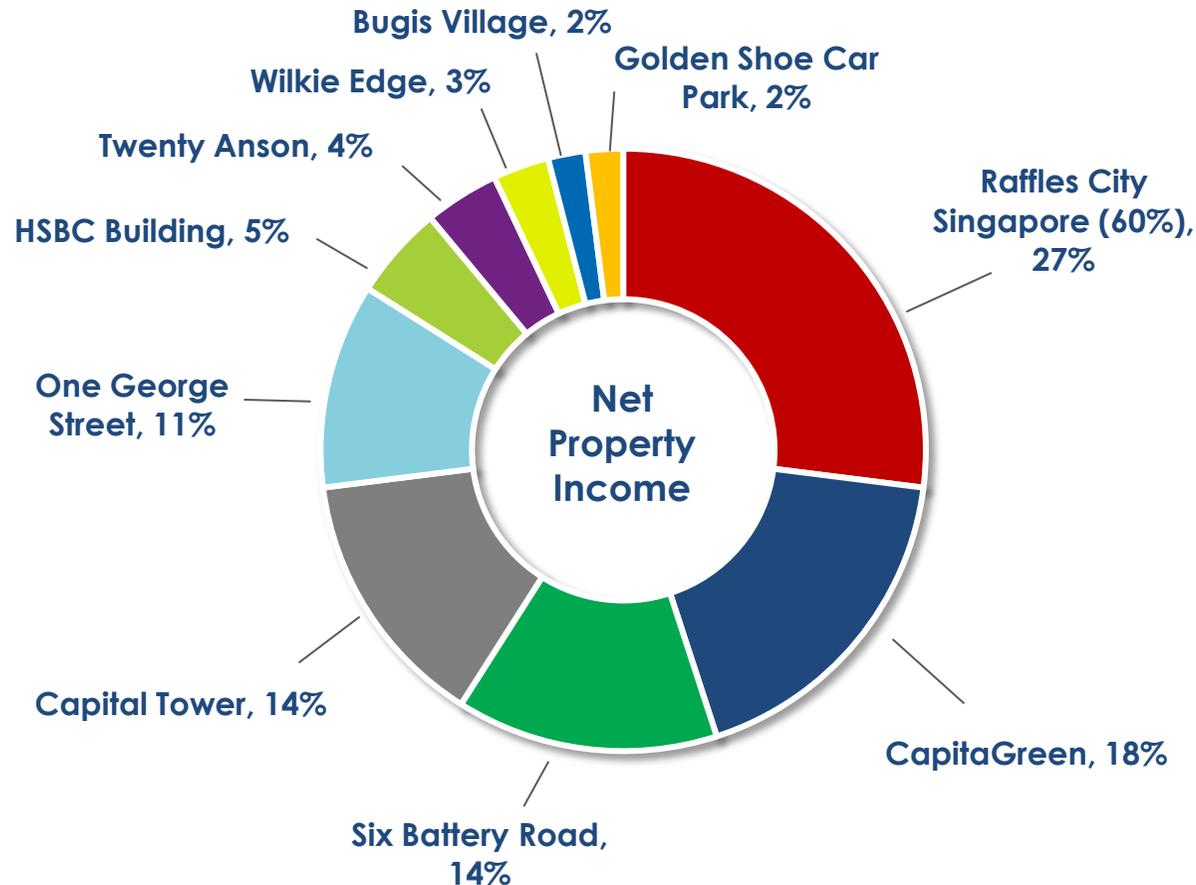
**Note:**

(1) Based on gross rental income from 1 Jan 2017 to 31 Mar 2017; including gross rental income from CCT's 60.0% interest in Raffles City Singapore and excluding retail turnover rent



# Portfolio diversification with income contribution from 10 properties<sup>(1)</sup>

## 1Q 2017 portfolio NPI



**Note:**

(1) For reference only: Based on respective properties' proportionate net property income contribution in 1Q 2017. NPI from CCT's wholly owned properties was S\$69.9 million, while NPI from its 60.0% interest in Raffles City Singapore was S\$25.9 million.

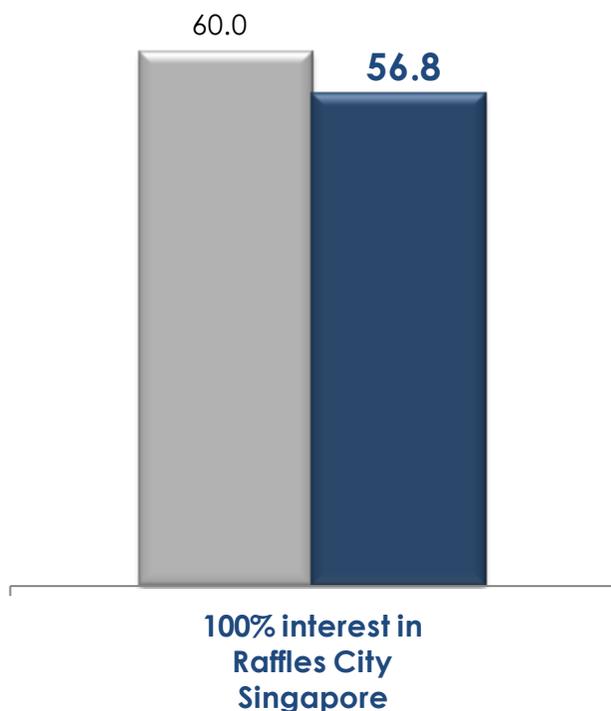


# 1Q 2017 performance of Raffles City Singapore, a joint venture<sup>(1)</sup> (100.0% basis)

Impact mainly due to lower hotel turnover rent

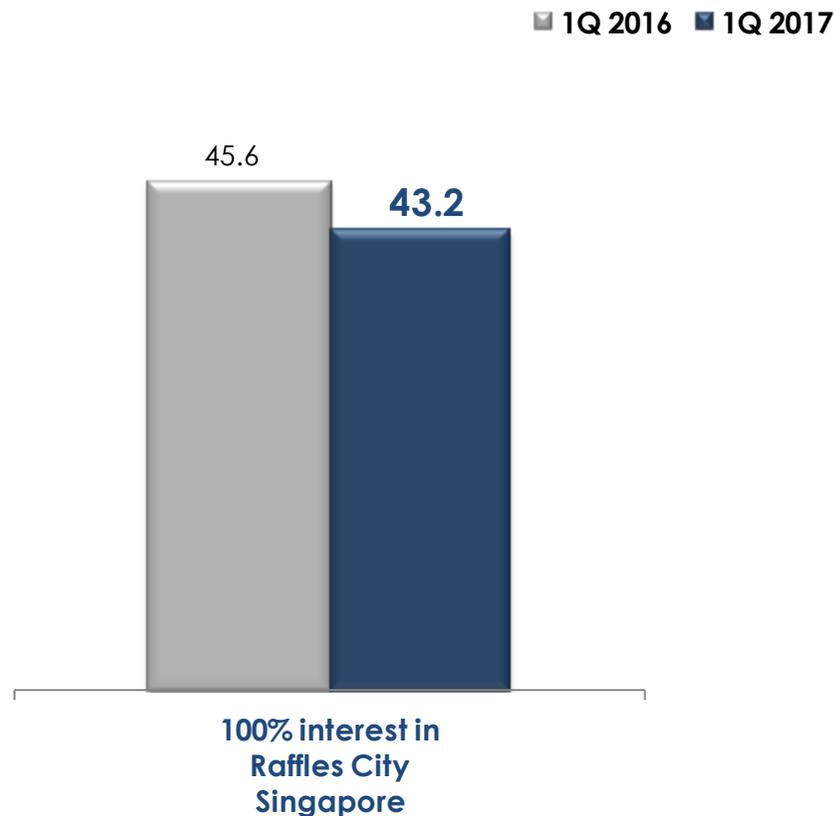
## Revenue

S\$ million



## Net Property Income

S\$ million



**Note:**

(1) Gross revenue and net property income of Raffles City Singapore shown above are based on 100.0% interest. CCT owns 60.0% interest in Raffles City Singapore.

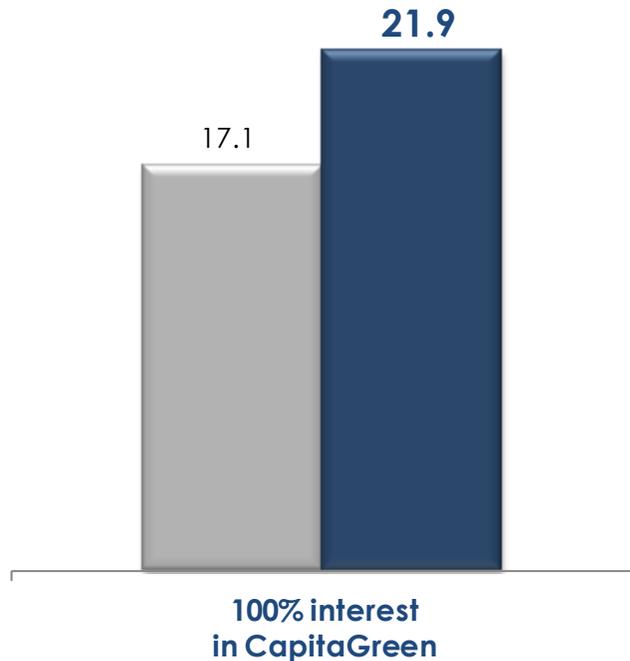


# 1Q 2017 performance of CapitaGreen<sup>(1)</sup> (100.0% basis)

CapitaGreen's strong performance due to higher revenue occupancy

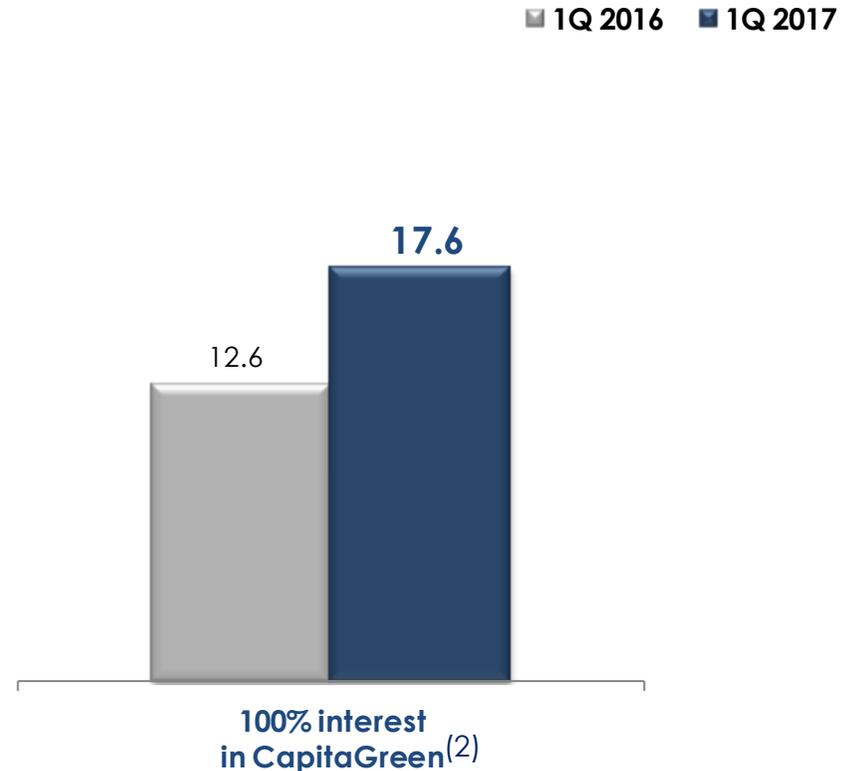
## Revenue

S\$ million



## Net Property Income

S\$ million



### Notes:

- (1) Gross revenue and net property income of CapitaGreen shown above are based on 100.0% interest. CapitaGreen was a joint venture until CCT acquired the remaining 60.0% interest not owned by CCT on 31 Aug 2016.
- (2) 1Q 2017 does not have a one-off marketing expenses reversal of S\$1.8 million included in CapitaGreen's 4Q 2016 NPI of S\$18.0 million.



# Robust balance sheet

## Statement of Financial Position As at 31 Mar 2017

	S\$ million
Non-current Assets	7,847.19
Current Assets	138.97
<b>Total Assets</b>	<b>7,986.16</b>
Current Liabilities	246.93
Non-current Liabilities	2,548.05
<b>Total Liabilities</b>	<b>2,794.98</b>
<b>Net Assets</b>	<b>5,191.18</b>
<b>Unitholders' Funds</b>	<b>5,191.18</b>

**Units in issue ('000)** **2,969,040**

**Note:**

(1) Deposited properties for CCT Group includes CCT's 60.0% interest in RCS Trust

	S\$ million
<b>Deposited Properties<sup>(1)</sup></b>	<b>8,695.26</b>

<b>Net Asset Value Per Unit</b>	<b>\$1.75</b>
<b>Adjusted Net Asset Value Per Unit (excluding distributable income)</b>	<b>\$1.72</b>

### Credit Rating

A- by S&P

Outlook Stable



# Key financial ratios

	4Q 2016	1Q 2017	Remarks
Total Gross Debt <sup>(1)</sup>	S\$3,312.0m	S\$3,312.0m	Stable
Aggregate Leverage <sup>(2)</sup>	37.8%	38.1%	Higher (Lower cash balance)
Unencumbered Assets as % of Total Assets <sup>(3)</sup>	80%	80%	Stable
Average Term to Maturity <sup>(4)</sup>	3.2 years	3.0 years	Lower (Passing of time)
Average Cost of Debt (p.a.) <sup>(5)</sup>	2.6%	2.6%	Stable
Interest Coverage <sup>(6)</sup>	5.8 times	4.8 times	Lower (Higher interest costs)

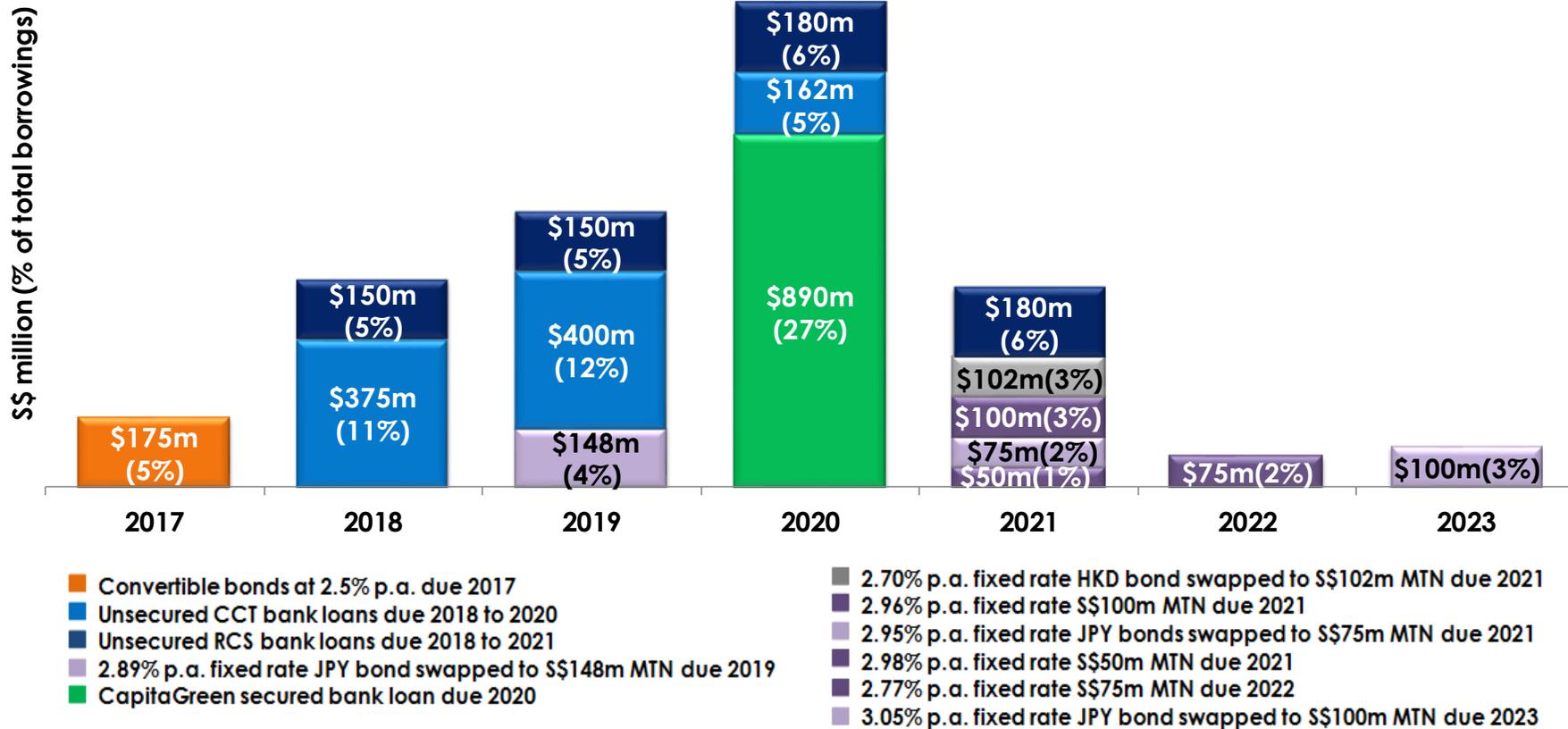
**Notes:**

- (1) Total gross debt includes CCT's 60.0% interest of Raffles City Singapore borrowings and 100% interest of CapitaGreen borrowings.
- (2) In accordance with Property Funds Appendix, CCT's proportionate share of its joint venture borrowings and deposited property values are included when computing aggregate leverage.
- (3) Investment properties at CCT are all unencumbered except for CapitaGreen.
- (4) Excludes borrowings of RCS Trust.
- (5) Ratio of interest expense (excludes amortization and transaction costs) over weighted average gross borrowings (excludes borrowings of RCS Trust).
- (6) Ratio of EBITDA over finance costs includes amortisation and transaction costs (excludes borrowings of RCS Trust).



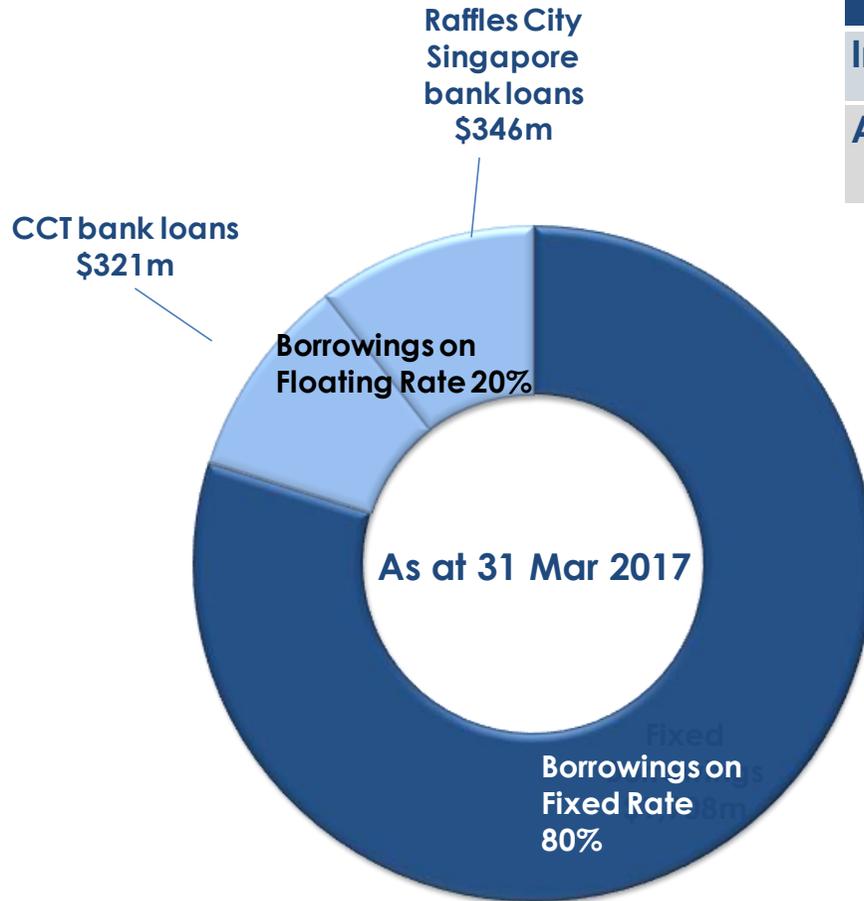
# Continuing to manage debt concentration and maturity

Debt Maturity Profile as at 31 Mar 2017





# 80% of borrowings on fixed rate provides certainty of interest expense



Proforma impact on:	Assuming +0.5% p.a. increase in interest rate
Interest expense	+\$3.3 million p.a.
Annualised 1Q 2017 DPU	-0.11 cents (1.1% of annualised DPU)

### 3. Portfolio Performance

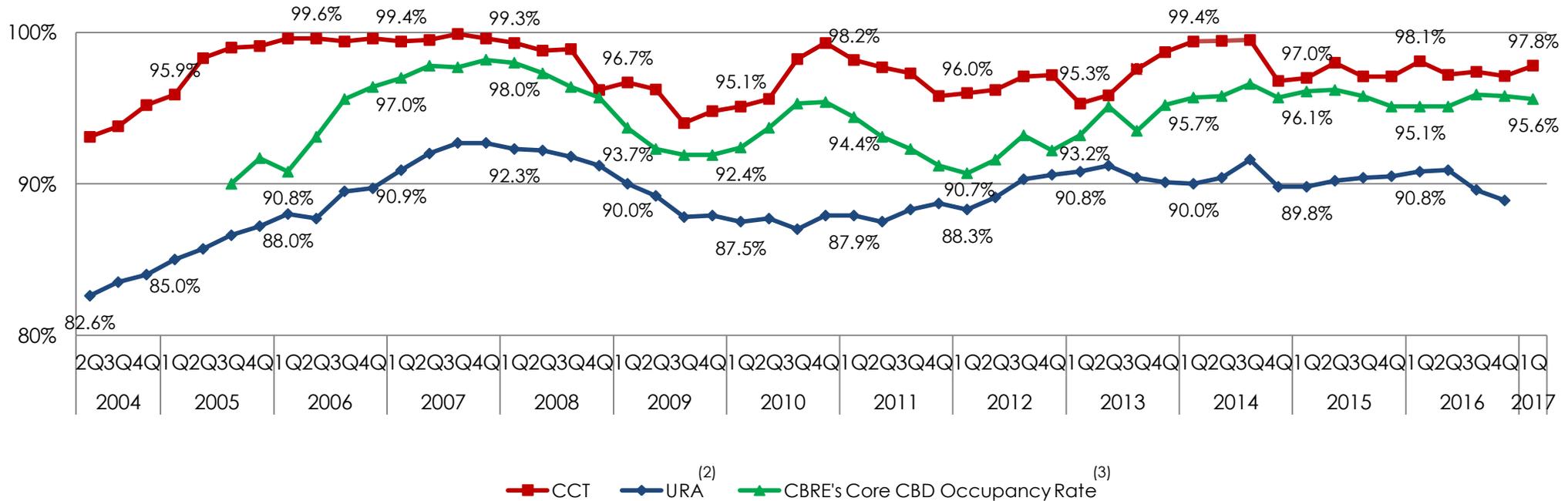
Capita Commercial  
Capita Mall  
Raffles City



# CCT's portfolio occupancy of 97.8% is above market occupancy of 95.6%

	CCT Committed Occupancy		Market Occupancy Level <sup>(1)</sup>	
	1Q 2017	4Q 2016	1Q 2017	4Q 2016
Grade A office	98.2%	97.5%	96.6%	95.8%
Portfolio	97.8%	97.1%	95.6%	95.8%

CCT's Committed Occupancy Since Inception



Notes:

(1) Source: CBRE Pte. Ltd.

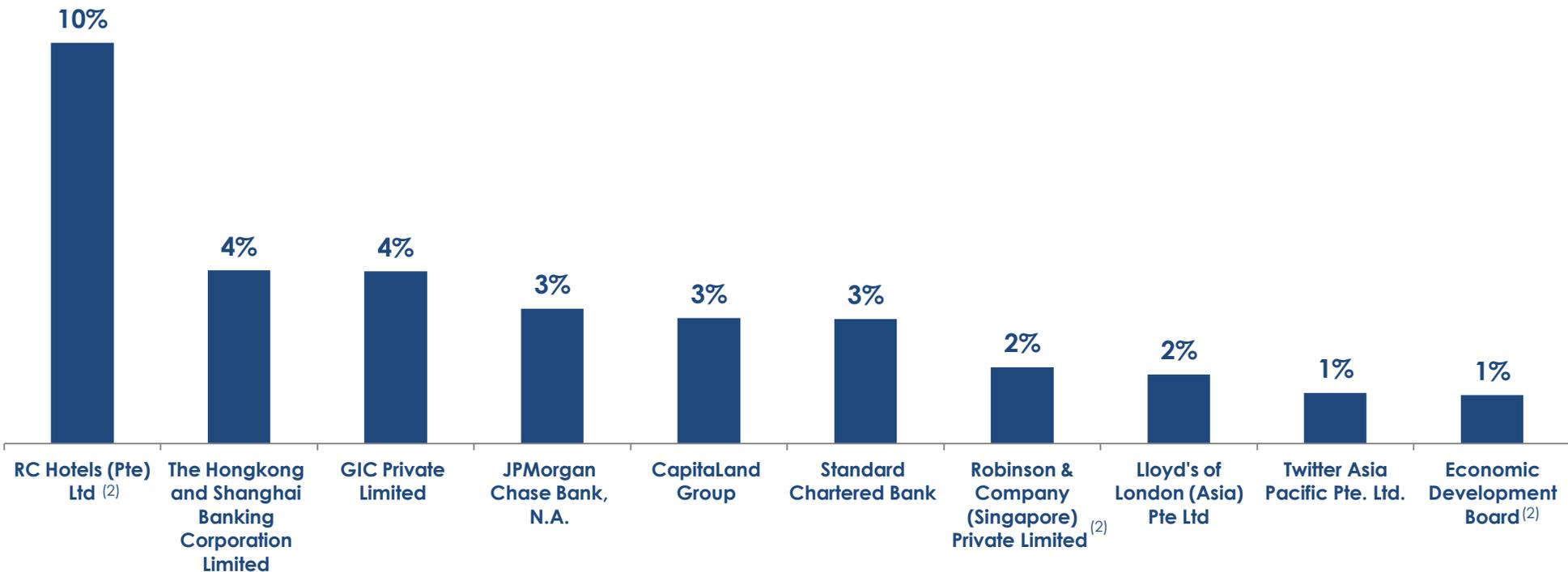
(2) Source: URA. URA has not released Occupancy Index Figure for 1Q 2017

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





# Top 10 tenants contribute 36% of monthly gross rental income<sup>(1)</sup>



**Notes:**

(1) Based on monthly gross rental income of top ten tenants as at 31 Mar 2017, excluding retail turnover rent.

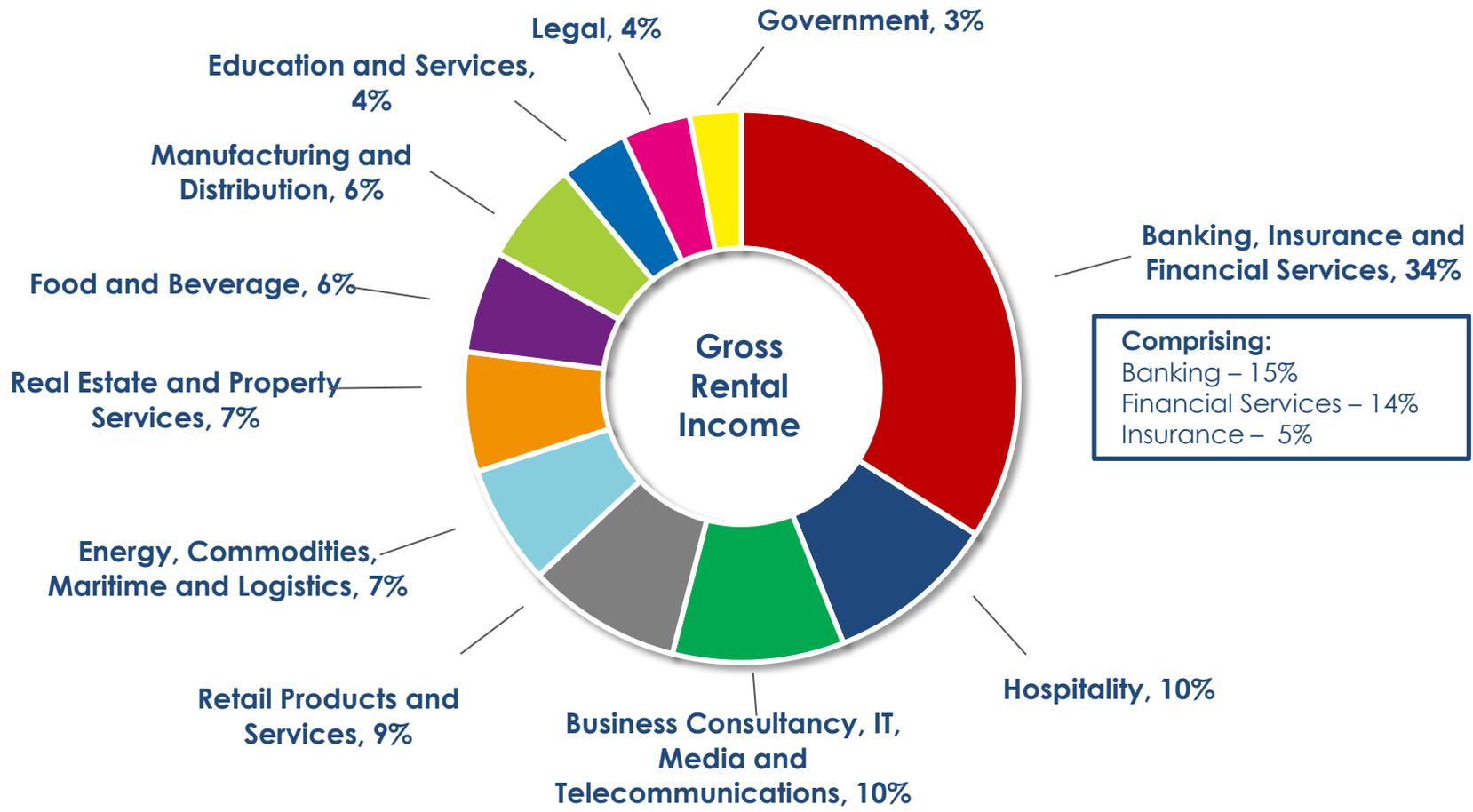
Total percentage may not add up due to rounding

(2) Based on CCT's 60.0% interest in Raffles City Singapore



# Diverse tenant mix in CCT's portfolio<sup>(1)</sup>

## Tenant mix in CCT portfolio



Note:

(1) Based on committed monthly gross rental income of tenants as at 31 Mar 2017, including CCT's 60.0% interest in Raffles City Singapore; and excluding retail turnover rent.



# Above market office rents in 1Q 2017 but lower than expiring rents

Building	Average Expired Rents (\$\$)	Committed Rents <sup>(1)</sup> (\$\$)	Sub-Market	Market Rents of Comparative Sub-Market (\$\$)	
				Cushman & Wakefield <sup>(2)</sup>	Knight Frank <sup>(3)</sup>
Six Battery Road	14.17	10.70 – 12.00	Grade A Raffles Place	8.72	8.10 – 8.60
One George Street	10.83	9.00 – 11.20	Grade A Raffles Place	8.72	8.10 – 8.60

**Notes:**

(1) Renewal/new leases committed in 1Q 2017

(2) Source: Cushman & Wakefield 4Q 2016

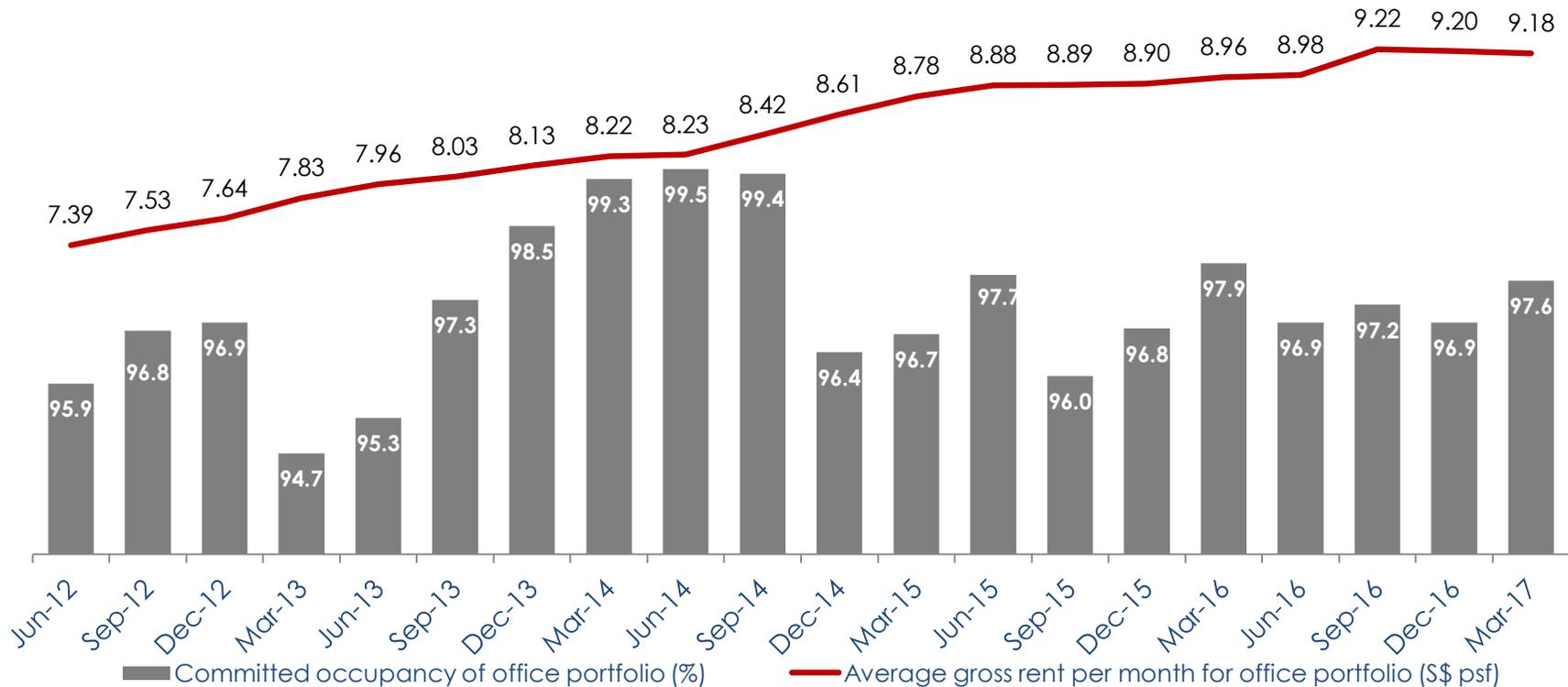
(3) Source: Knight Frank 4Q 2016; based on leases of a whole floor office space on the mid-floor levels of office properties, and taking into account rent free period and other concessions

(4) For reference only: CBRE Pte. Ltd.'s 1Q 2017 Grade A rent is S\$8.95 psf per month and they do not publish sub-market rents



# Gradual decline of CCT's monthly average office portfolio rent <sup>(1)</sup>

Due to lower committed rents compared to expiring rents



**Notes:**

(1) Average gross rent per month for office portfolio (\$\$ psf) =  $\frac{\text{Total committed gross rent for office per month}}{\text{Committed area of office per month}}$

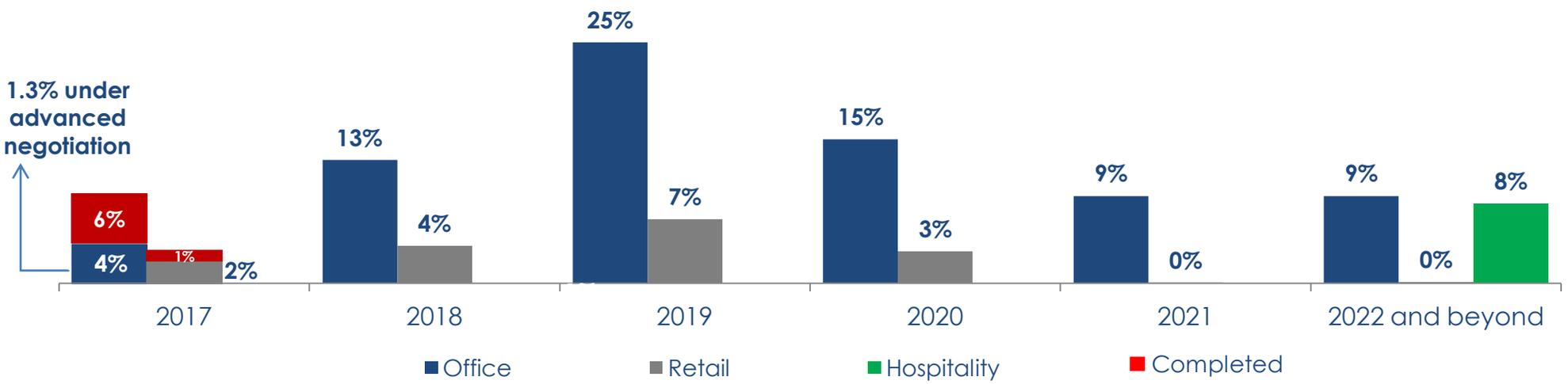
(2) CCT's interest in CapitaGreen was 40.0% from 1 Jan 2016 to 31 Aug 2016 and 100.0% with effect from 1 Sep 2016





# Well spread portfolio lease expiry profile

Lease expiry profile as a percentage of committed monthly gross rental income<sup>(1)</sup>



**Portfolio WALE<sup>(2)</sup> by NLA as at end Mar 2017 = 6.4 years**

**Notes:**

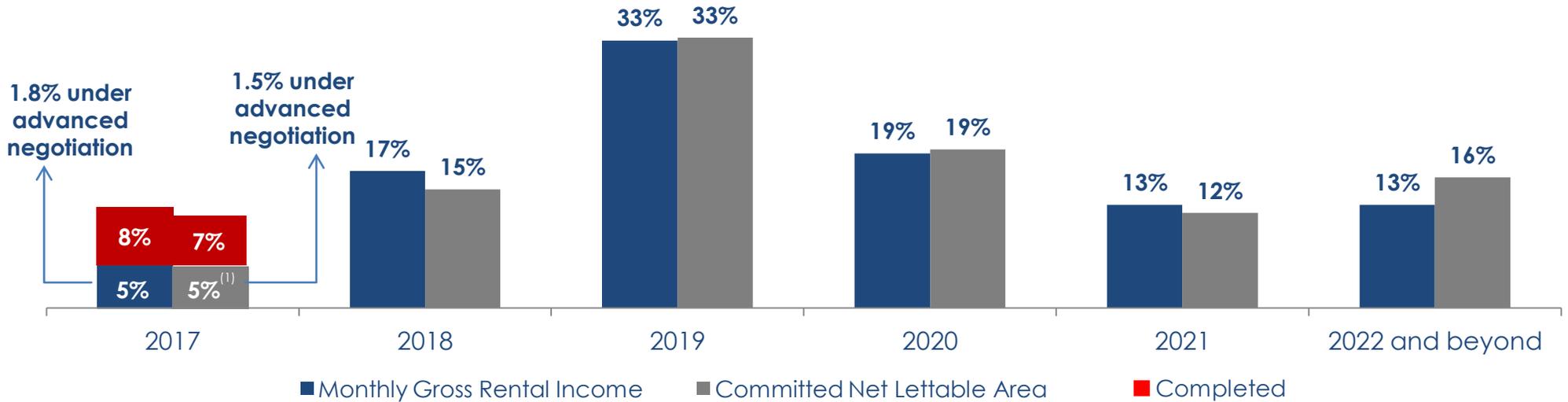
- (1) Excludes retail and hotel turnover rent
- (2) WALE: Weighted Average Lease term to Expiry on committed basis





# More than half of 2017 expiring leases renewed

Mitigating office leasing risk by tenant retention and forward renewals



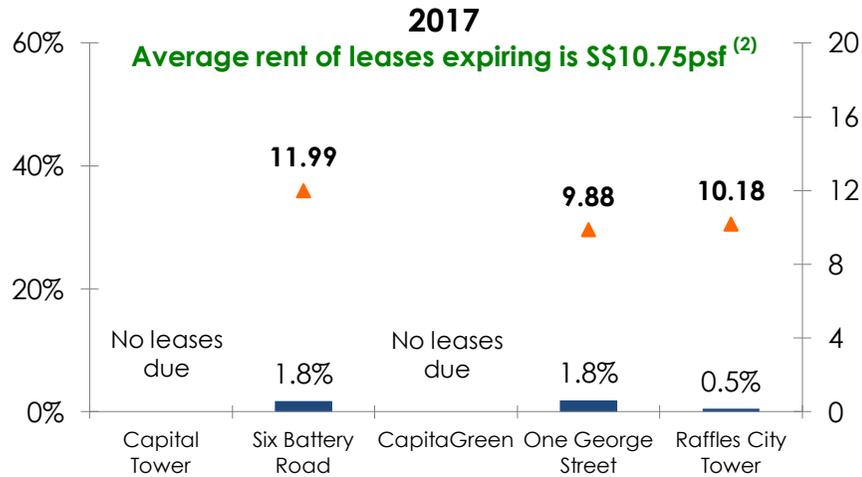
Note:

(1) Represents approximately 158,000 sq ft



# Limited number of leases remain to be renewed in 2017

## 1Q 2017 Industry Statistics<sup>(1)</sup> – Grade A Office Average Market Rent: S\$8.95 psf per month



Period	1H 2017		2H 2017	
	% of Expiring Leases	Rental Rates of Expiring Leases	% of Expiring Leases	Rental Rates of Expiring Leases
Six Battery Road	0.1%	S\$14.00	1.7%	S\$11.91
One George Street	-	-	1.8%	S\$9.88
Raffles City Tower	-	-	0.5%	S\$10.18
<b>Total / Weighted Average<sup>(3)</sup></b>	<b>0.1%</b>	<b>S\$14.00</b>	<b>4.0%</b>	<b>S\$10.69</b>

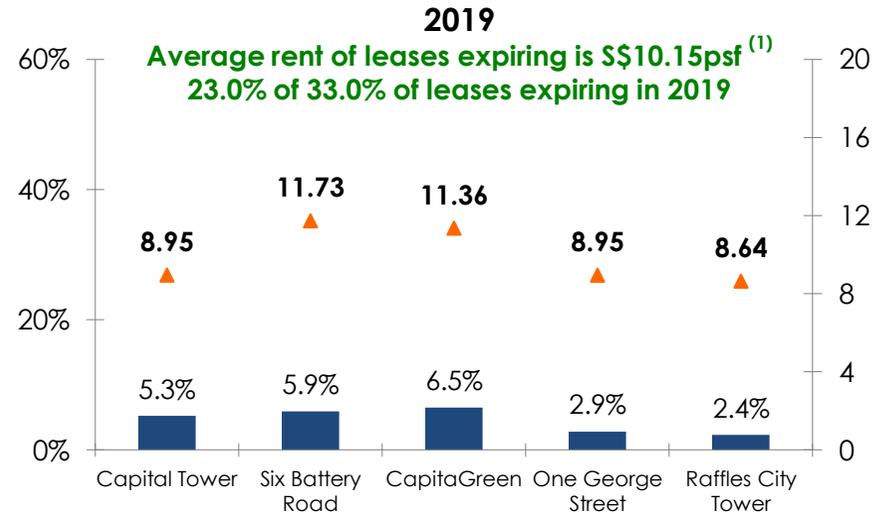
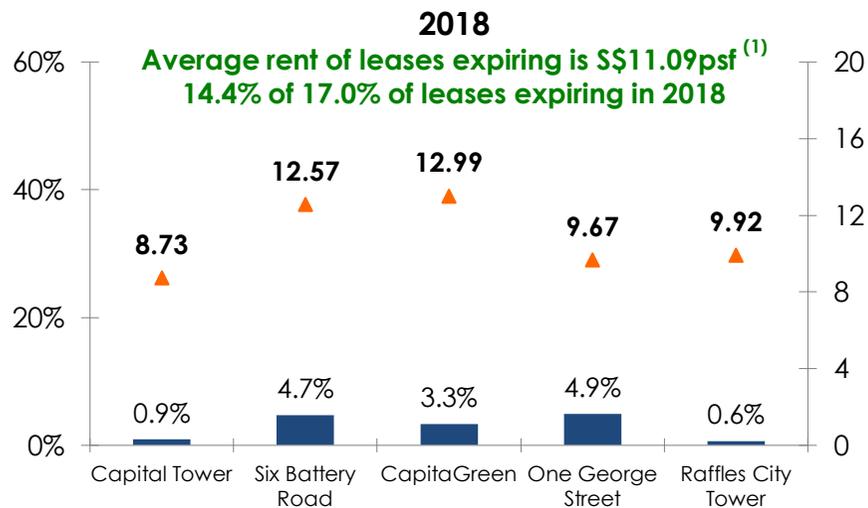
- ▲ Average monthly gross rental rate for expiring leases (S\$ psf / month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

**Note:**

- (1) Source: CBRE Pte. Ltd. as at 1Q 2017
- (2) Four Grade A buildings and Raffles City Tower only
- (3) Total percentage may not add up due to rounding



# Greater pressure on rental revenue given larger lease expiries and higher passing rents in 2018 and 2019



- ▲ Average monthly gross rental rate for expiring leases (S\$ psf/month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

**Note:**

(1) Four Grade A buildings and Raffles City Tower only

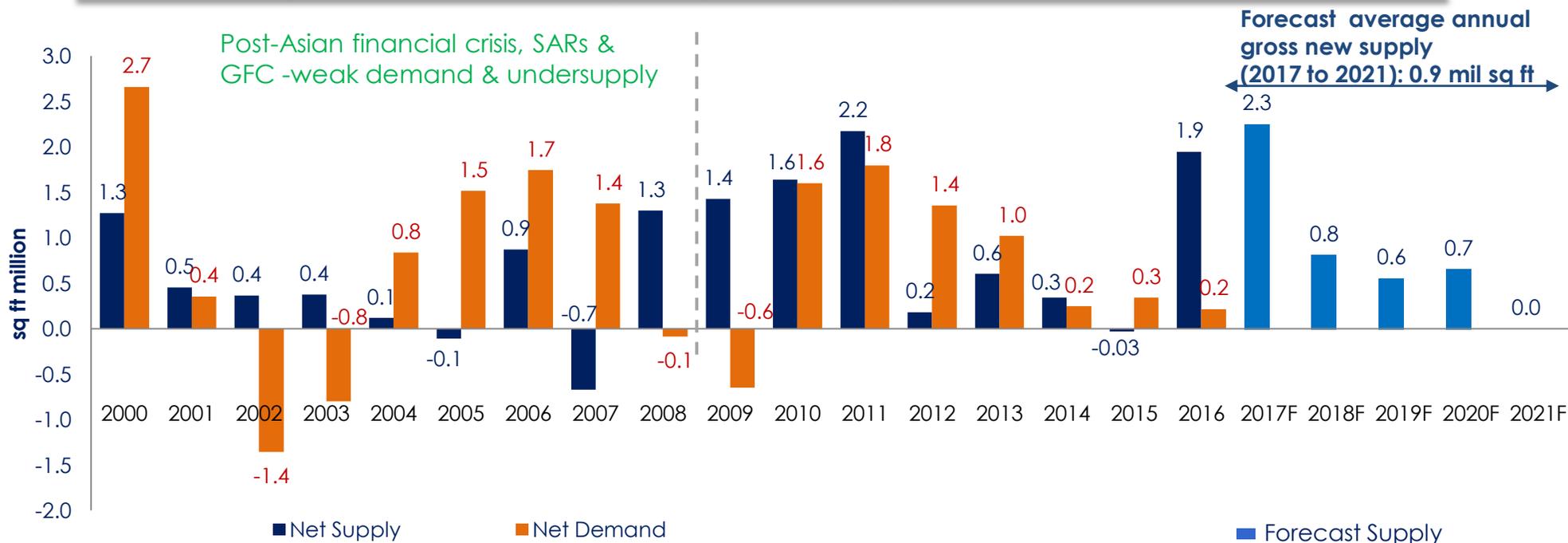
## 4. Singapore office market



Wilkie Edge, Singapore

# Annual new supply to average 0.9 mil sq ft over 5 years; CBD Core occupancy at 95.6% as at end Mar 2017

## Singapore Private Office Space (Central Area) <sup>(1)</sup> – Net Demand & Supply



Periods	Average annual net supply <sup>(2)</sup>	Average annual net demand
2007 – 2016 (through 10-year property market cycles)	0.9 mil sq ft	0.7 mil sq ft
2012 – 2016 (five-year period post GFC)	0.6 mil sq ft	0.6 mil sq ft
2017 – 2021 (forecast gross new supply)	0.9 mil sq ft	N.A.

### Notes:

- (1) Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'
- (2) Supply is calculated as net change of stock over the quarter and may include office stock removed from market due to conversions or demolitions.
- (3) Source: Historical data from URA statistics as at 4Q 2016; Forecast supply from CBRE Pte. Ltd. as at 1Q 2017.

# Known Future Office Supply in Central Area (2017 – 2020 and beyond)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
2Q 2017	Marina One (about 60% <sup>(1)</sup> pre-committed)	Marina Bay	1,876,000
2Q 2017	UIC Building	Shenton Way	278,000
2017	EON Shenton (Strata Office)	Shenton Way	101,000
		<b>Subtotal (2017):</b>	<b>2,254,000</b>
1Q 2018	Redevelopment of International Factors Building and Robinson Towers	Robinson Road	145,000
2Q 2018	Frasers Tower <sup>(2)</sup> (20,000 sq ft pre-committed by The Executive Office)	Shenton Way	663,000
		<b>Subtotal (2018):</b>	<b>808,000</b>
4Q 2019	Redevelopment of Funan DigitalLife Mall	Beach Road/City Hall	204,000
2019	Park Mall Redevelopment	Orchard Road	352,000
		<b>Subtotal (2019):</b>	<b>556,000</b>
1H 2020	79 Robinson Road (former CPF Building) <sup>(3)</sup>	Robinson Road	500,000
2020	Afro-Asia Building Redevelopment	Shenton Way	154,000
		<b>Subtotal (2020 and beyond):</b>	<b>654,000</b>
<b>TOTAL FORECAST SUPPLY (2017-2020 and beyond)</b>			<b>4,272,000</b>
<b>Total forecast supply excluding strata offices</b>			<b>4,171,000</b>

## Notes:

- (1) Pre-commitment at Marina One is more than one million sq ft according to The Straits Times report dated 7 Feb 2017. Leases have been signed by Swiss private bank Julius Baer, consultancy PwC Singapore, coworking space provider JustCo, agri-business Olam International, social media giant Facebook and Mitsubishi UFJ Financial Group (MUFG).
- (2) According to marketing agents CBRE and JLL, companies have committed to rent or have submitted leasing proposals for about 30 percent of Frasers Tower's NLA. Reported in The Straits Times dated 8 Feb 2017.
- (3) Ascendas-Singbridge's redevelopment of CPF Building to feature over 500,000 sq ft of Grade A office space, according to Business Times & Today reports dated 5 Oct 2016.
- (4) Sources: CBRE Pte. Ltd. and respective media reports

# Grade A office market rent declined 9.6% YoY and 1.6% QoQ

	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17
Mthly rent (S\$ / sq ft)	11.40	11.30	10.90	10.40	9.90	9.50	9.30	9.10	8.95
% change	+1.8%	-0.9%	-3.5%	- 4.6%	- 4.8%	- 4.0%	- 2.1%	- 2.2%	-1.6%



Source of data: CBRE Pte. Ltd. (figures as at end of each quarter).

# 5. Summary

Raffles City

Raffles City Singapore



**CapitaGreen contributing fully in FY 2017**



**Proposed redevelopment of Golden Shoe Car Park**

- Obtained provisional permission from Urban Redevelopment Authority
- Pending outcome of feasibility study subject to assessment by Singapore Land Authority of amount of differential premium payable for the potential enhancement in land use



**Disciplined acquisition of third-party properties in Singapore**



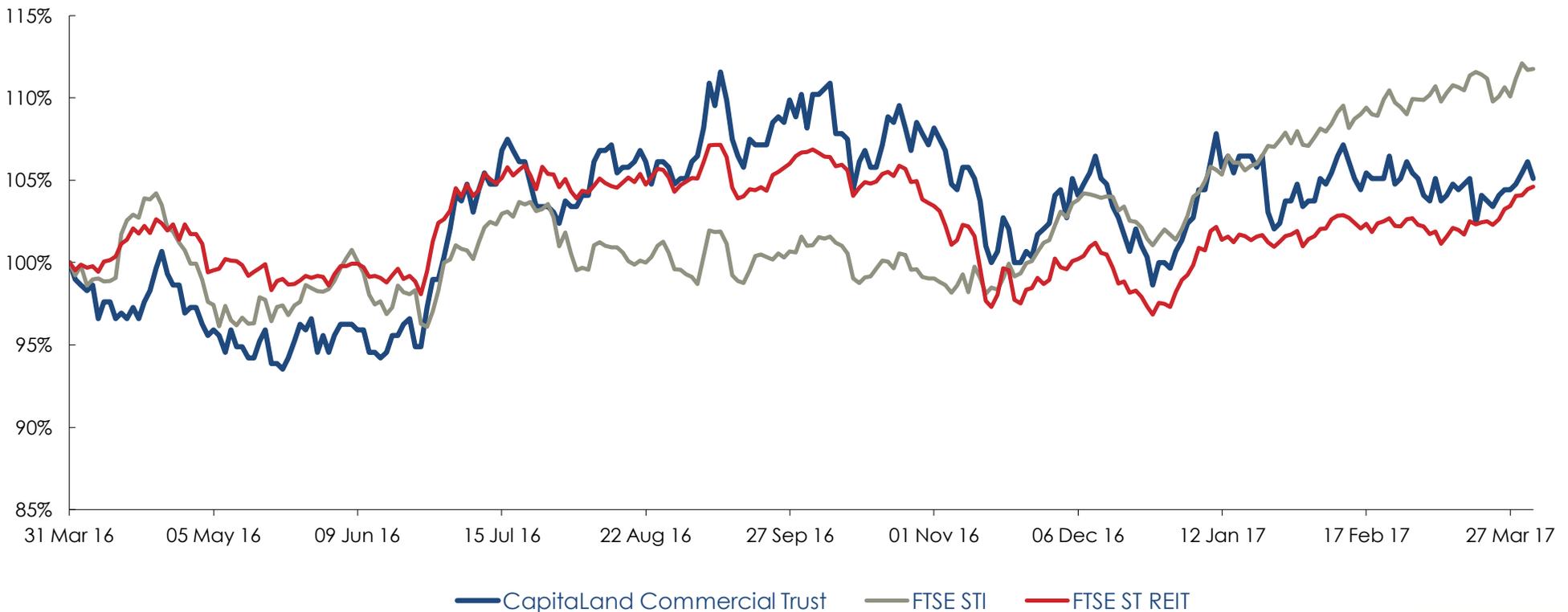
**Cumulated retained tax-exempt income of S\$22.5 million equivalent to 0.75 cents per unit <sup>(1)</sup>, derived mainly from CCT's investment in MRCB Quill REIT**

**Note:**  
**(1) Based on total units outstanding of 2,969 million as at 31 Mar 2017**



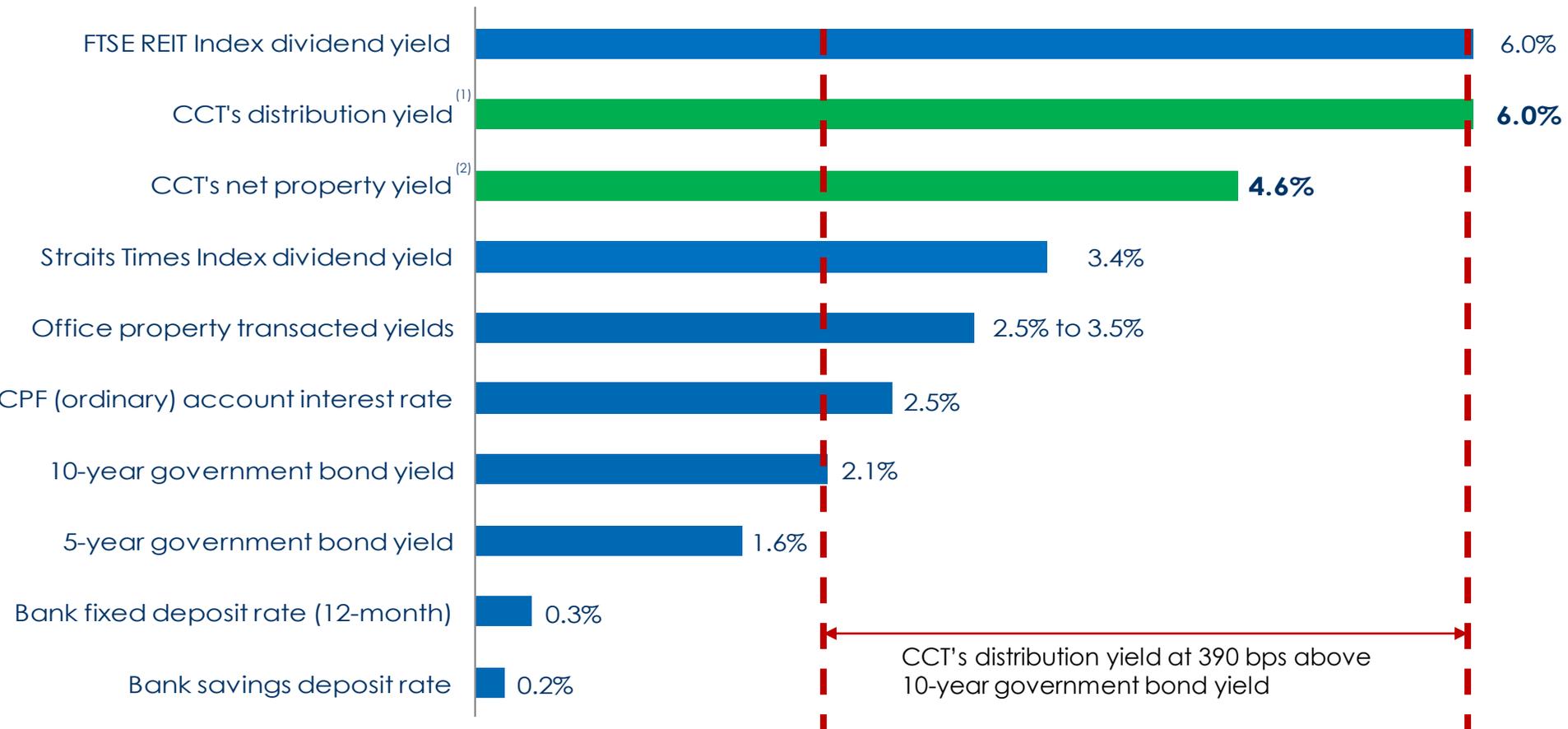
# CCT's price up 5.1% from 31 Mar 2016 to 31 Mar 2017 (12-month year to-date period)

REITs / Indices	12-month performance
FTSE STI	+11.8%
<b>CCT</b>	+5.1%
FTSE ST REIT	+4.6%





# CCT distribution yield at 390 bps above 10-year government bond yield



**Notes:**

- (1) CCT Group distribution yield is based on annualised 1Q 2017 DPU of 2.40 cents over closing price of S\$1.62 as at 18 Apr 2017.
- (2) CCT Group (including Raffles City Singapore) net property yield based on annualised 1Q 2017 net property income and Dec 2016 valuation.
- (3) All information as at 31 Dec 2016 except for FTSE REIT Index, STI, 5-year and 10-year government bond yield which are as at 18 Apr 2017. Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities, CBRE Pte. Ltd.

# 5. Additional Information

Six Battery Road



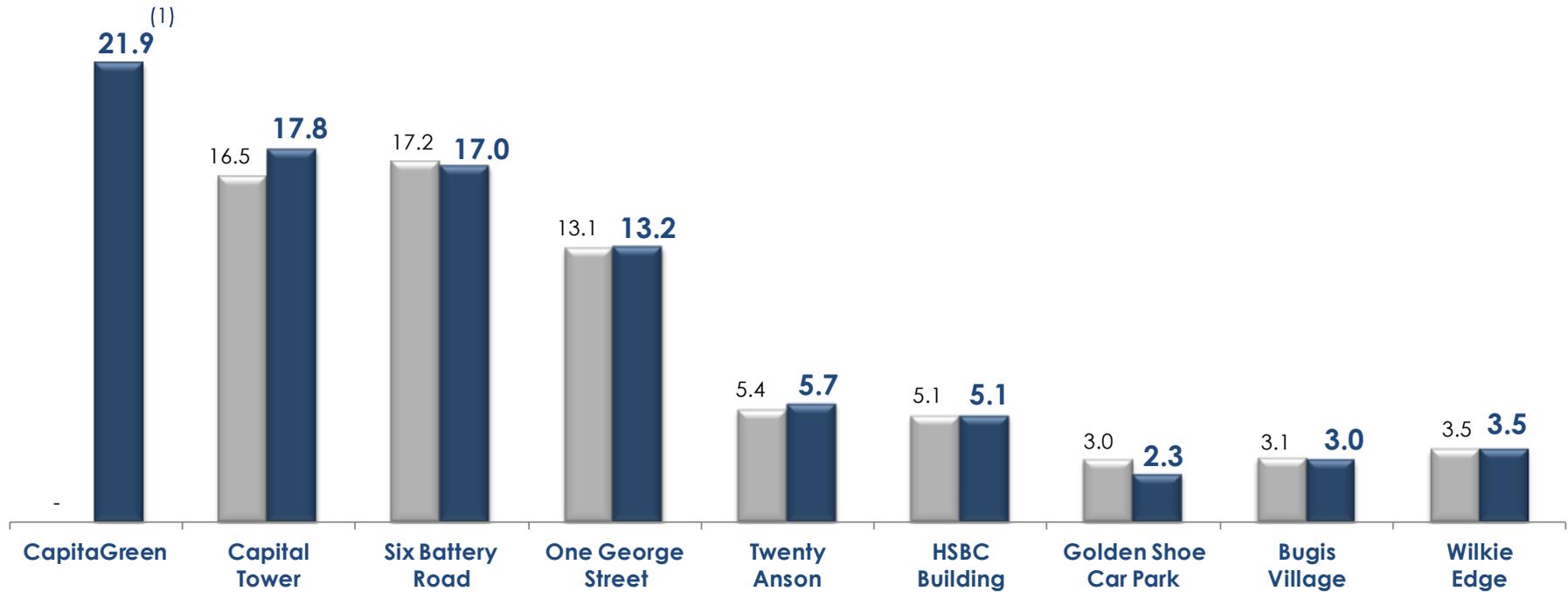
# 1Q 2017 Gross revenue higher by 33.9% YoY

Higher gross revenue contributed by acquisition of 60.0% interest in CapitaGreen

S\$ million

■ 1Q 2016

■ 1Q 2017

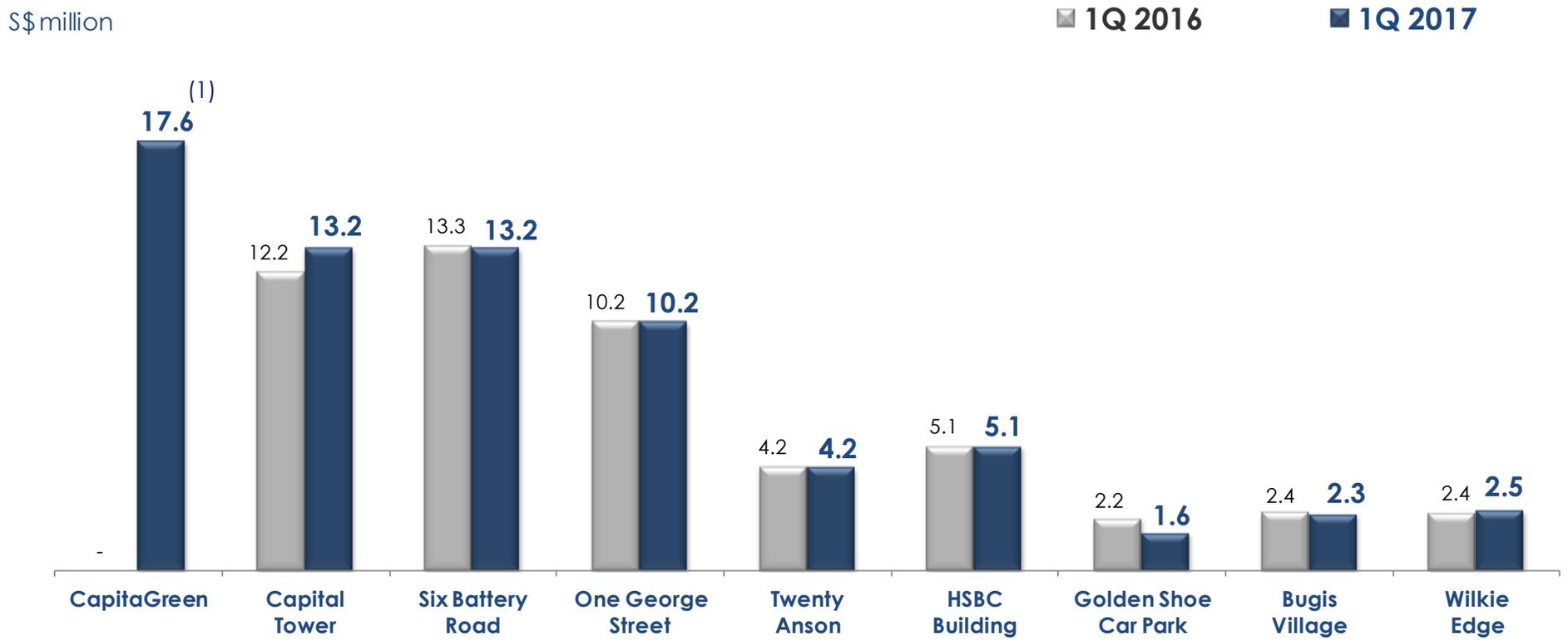


Note:

(1) Revenue from CapitaGreen was consolidated to CCT Group from September 2016

# 1Q 2017 Net property income higher by 34.3% YoY

Net property income lifted by acquisition of 60.0% interest in CapitaGreen



Note:  
 (1) Net property income from CapitaGreen was consolidated to CCT Group from September 2016

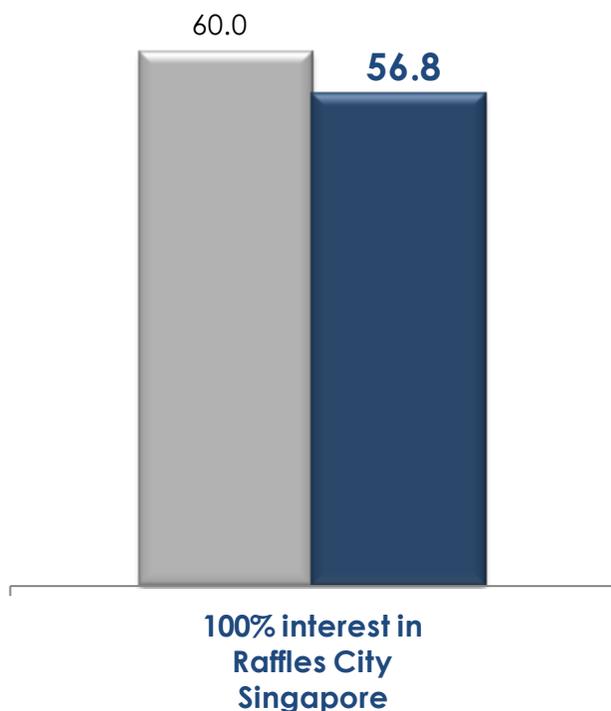


# 1Q 2017 performance of Raffles City Singapore, a joint venture<sup>(1)</sup> (100.0% basis)

Impact mainly due to lower hotel turnover rent

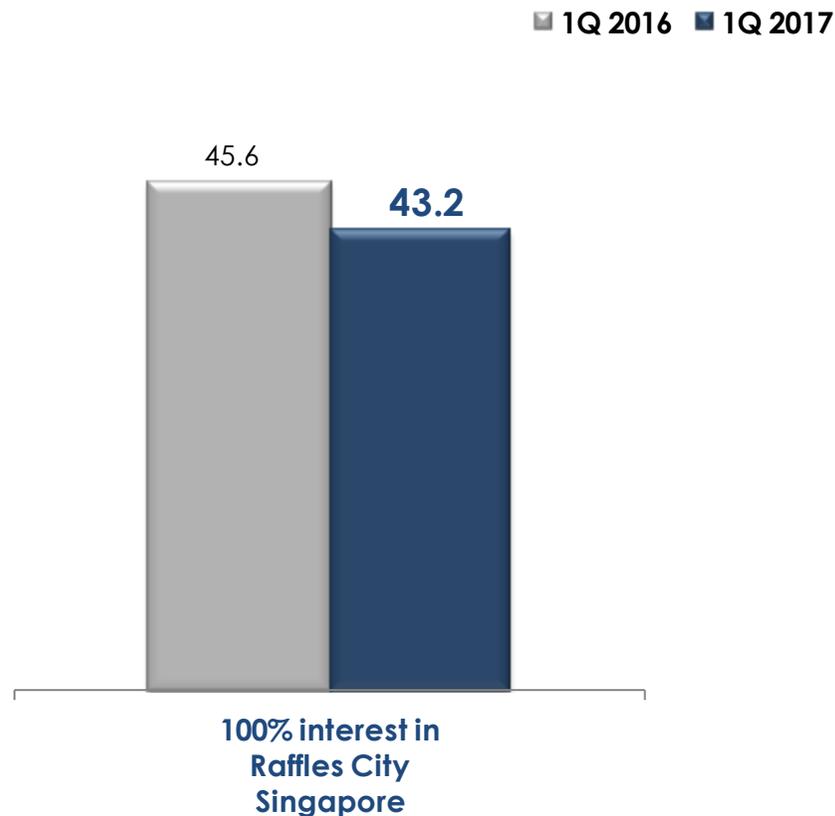
## Revenue

S\$ million



## Net Property Income

S\$ million



**Note:**

(1) Gross revenue and net property income of Raffles City Singapore shown above are based on 100.0% interest. CCT owns 60.0% interest in Raffles City Singapore.

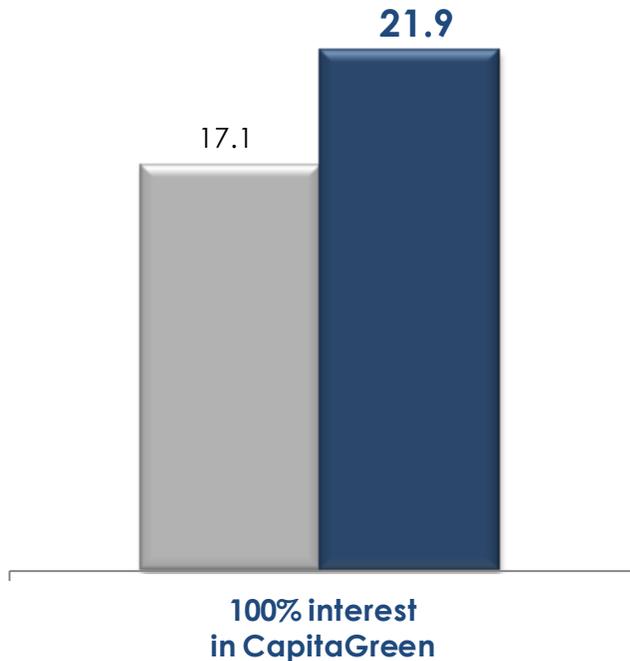


# 1Q 2017 performance of CapitaGreen<sup>(1)</sup> (100.0% basis)

CapitaGreen's strong performance due to higher revenue occupancy

## Revenue

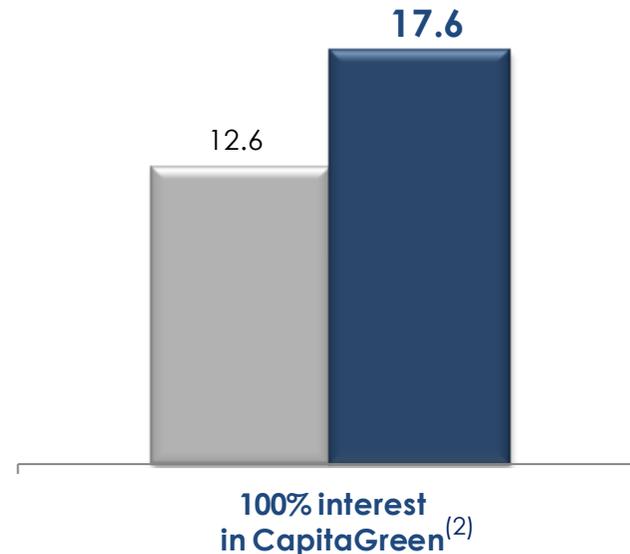
S\$ million



## Net Property Income

S\$ million

■ 1Q 2016 ■ 1Q 2017



### Notes:

- (1) Gross revenue and net property income of CapitaGreen shown above are based on 100.0% interest. CapitaGreen was a joint venture until CCT acquired the remaining 60.0% interest not owned by CCT on 31 Aug 2016.
- (2) 1Q 2017 does not have a one-off marketing expenses reversal of S\$1.8 million included in CapitaGreen's 4Q 2016 NPI of S\$18.0 million.





# Portfolio value up by 13.6% YoY to S\$8.5 billion mainly due to increased stake in CapitaGreen

Investment Properties	31-Dec-15 \$m	30-Jun-16 \$m	31-Dec-16 \$m	31-Dec-16 \$ per sq foot	12-month Variance (Dec 2015 to Dec 2016) %	6-month Variance (Jun 2016 to Dec 2016) %
Capital Tower	1,317.0	1,319.0	<b>1,325.0</b>	1,795	0.6	0.5
Six Battery Road	1,358.0	1,365.0	<b>1,371.0</b>	2,769	1.0	0.4
One George Street	1,010.0	1,012.0	<b>1,014.0</b>	2,271	0.4	0.2
HSBC Building	452.0	455.0	<b>455.0</b>	2,270	0.7	0.0
Wilkie Edge	199.0	199.0	<b>201.0</b>	1,301	1.0	1.0
Golden Shoe Car Park	141.0	141.0	<b>141.0</b>	NM <sup>(1)</sup>	0.0	0.0
Bugis Village <sup>(2)</sup>	53.7	50.0	<b>48.5</b>	400	-9.7	-3.0
Twenty Anson	431.0	431.0	<b>432.0</b>	2,089	0.2	0.2
CapitaGreen (40%)	634.8	640.2	<b>641.2</b>	2,279	1.0	0.2
CapitaGreen (100%)	1,587.0	1,600.5	<b>1,603.0</b>			
Raffles City (60%)	1,881.6	1,897.2	<b>1,901.4</b>	NM <sup>(1)</sup>	1.1	0.2
Raffles City (100%)	3,136.0	3,162.0	<b>3,169.0</b>			
<b>Portfolio Total<sup>(3)</sup></b>	<b>7,478.1</b>	<b>7,509.4</b>	<b>8,491.9</b>		<b>13.6</b>	<b>13.1</b>

## Notes:

- (1) NM indicates "Not Meaningful".
- (2) The valuation of Bugis Village takes into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the said Lease on 1 April 2019 upon payment of S\$6,610,208.53 plus accrued interest.
- (3) Based on CCT's 40% interest in CapitaGreen prior to 31 Aug 2016 and 100% with effect from 1 Sep 2016 and 60% interest in Raffles City Singapore



# Valuation assumptions largely unchanged

- Terminal yields are 0.25% higher than capitalisation rates for the portfolio except for Six Battery Road and HSBC Building where terminal yields are the same given their 999-year lease tenures.
- Office rent growth rates<sup>(1)</sup> are assumed for the discounted cashflow method averaged 4% over 10 years.

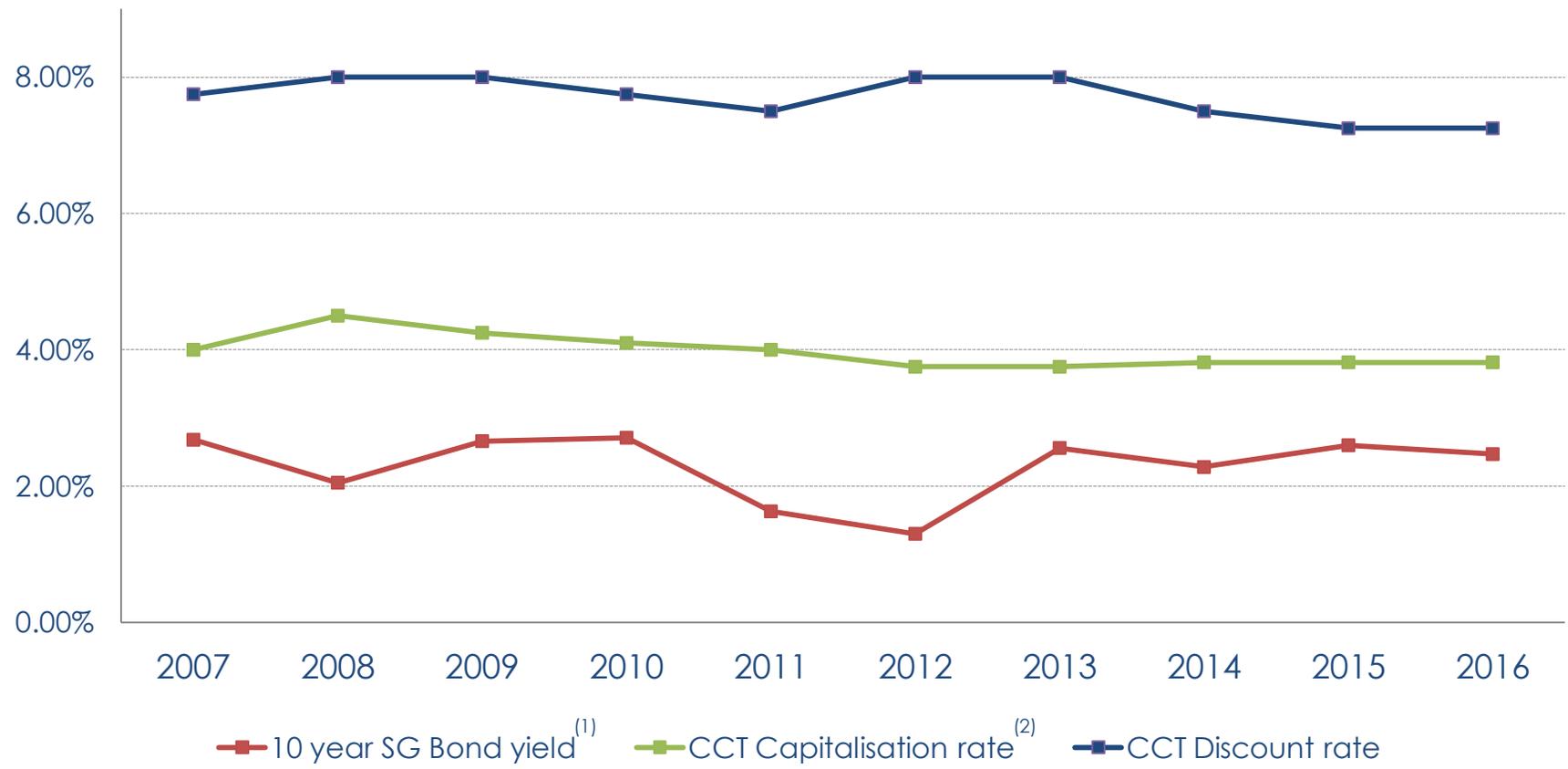
	Capitalisation Rates						Discount Rates					
	Dec-12	Dec-13	Dec-14	Dec-15	Jun-16	Dec-16	Dec-12	Dec-13	Dec-14	Dec-15	Jun-16	Dec-16
Capital Tower	3.75	3.75	3.85	3.85	3.85	<b>3.85</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
Six Battery Road	3.75	3.75	3.75	3.75	3.75	<b>3.75</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
One George Street	3.75	3.75	3.85	3.85	3.85	<b>3.85</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
HSBC Building	3.75	3.75	3.85	3.85	3.75	<b>3.75</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
Twenty Anson	3.75	3.75	3.85	3.85	3.85	<b>3.85</b>	8.00	8.00	7.50	7.25	7.25	<b>7.25</b>
Wilkie Edge	4.25	4.25	4.25	4.25	4.25	<b>4.25</b>	8.00	8.00	7.50	7.25	7.50	<b>7.50</b>
CapitaGreen	NA	NA	4.00	4.15	4.15	<b>4.15</b>	NA	NA	7.25	7.25	7.25	<b>7.25</b>
Raffles City SG												
Office	4.25	4.25	4.25	4.25	4.25	<b>4.25</b>	7.50	7.35	7.50	7.25	7.25	<b>7.25</b>
Retail	5.40	5.25	5.25	5.25	5.25	<b>5.25</b>	7.80	7.65	7.50	7.50	7.50	<b>7.50</b>
Hotel	5.75	5.55	5.25	5.13	5.14 <sup>(2)</sup>	<b>5.11<sup>(2)</sup></b>	8.00	7.75	7.75	7.75	7.40	<b>7.40</b>

## Notes:

- (1) Excludes Golden Shoe Car Park and Bugis Village, and calculated on a simple average basis
- (2) The blended capitalisation rates adopted for 30 Jun 2016 and 31 Dec 2016 are both based on capitalisation rates of 4.25% for fixed rental income and 6.50% for variable rent.



# CCT's valuation capitalisation and discount rates are stable relative to 10-year SG bond yield



**Notes:**

- (1) Source: Monetary Authority of Singapore (MAS)
- (2) Changes in capitalisation rates and discount rates due to varying assumptions used by different valuers



# Value creation opportunity: Golden Shoe Car Park redevelopment obtained provisional permission

Pending outcome of feasibility study and amount of differential premium; last day of operation on 31 July 2017



Golden Shoe Car Park at 50 Market Street, Singapore 048940

## Potential redevelopment

- Commercial GFA: One million sq ft
- Up to 280 metres above ground on par with the tallest buildings in the CBD

## Updates

- Obtained provisional permission
- Pending outcome of feasibility study subject to assessment by SLA of amount of differential premium payable
- Evaluating funding structure including JV and sale of assets

### Description of Golden Shoe Car Park

10-storey building with retail and office space as well as car park facilities<sup>(1)</sup>

### Land area

64,296 sq ft (5,973 sq m)

#### Note:

(1) The Market Street Food Centre located on the second and third storeys of Golden Shoe Car Park have been granted to the Singapore Ministry of the Environment and Water Resources for use as a food centre.



# CapitaLand Commercial Trust

## First and Largest Commercial REIT in Singapore (since 11 May 2004)

**S\$4.8b<sup>#</sup>**

Market Capitalisation

**10**

Properties in Singapore's Central Area

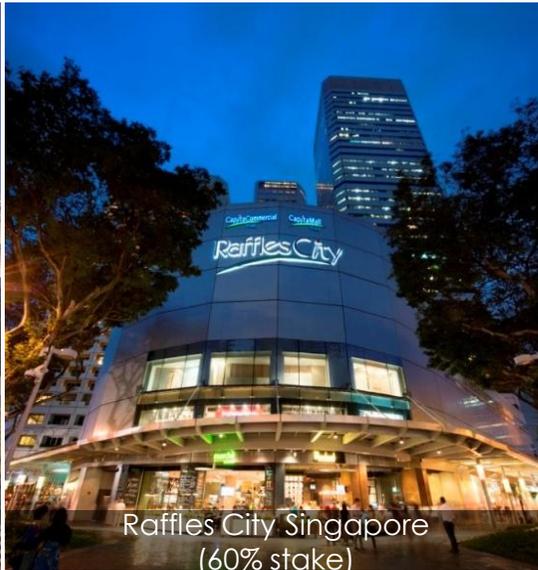
**S\$8.7b<sup>\*</sup>**

Deposited Properties

**About 4 million sq ft** NLA (100% basis)

**32%**

Owned by CapitaLand Group



<sup>#</sup> Market Capitalisation as at 18 Apr 2017

<sup>\*</sup> Deposited Properties as at 31 Mar 2017

# Owns 10 centrally-located quality commercial properties



- |  |                          |
|--|--------------------------|
| 1. Capital Tower                           | 6. Twenty Anson          |
| 2. CapitaGreen                             | 7. HSBC Building         |
| 3. Six Battery Road                        | 8. Wilkie Edge           |
| 4. One George Street                       | 9. Bugis Village         |
| 5. Raffles City Singapore (60.0% interest) | 10. Golden Shoe Car Park |



# Portfolio committed occupancy rate<sup>(1)</sup> consistently above 90%

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	1Q 2017
Capital Tower	100.0	100.0	99.9	99.9	99.9	100.0	100.0	100.0	100.0	94.1	99.0	98.8
Six Battery Road	100.0	99.9	98.6	99.2	99.7	85.4	93.0	98.6	99.2	98.9	98.6	99.0
Bugis Village	95.3	99.1	96.6	93.8	93.4	98.8	97.1	97.2	94.8	100.0	97.2	99.1
Golden Shoe Car Park	98.0	96.4	100.0	100.0	95.2	100.0	100.0	94.6	100.0	97.3	72.4	73.7
HSBC Building	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Raffles City (60% interest)	99.5	99.3	99.9	99.3	99.1	98.9	100.0	100.0	100.0	99.2	97.8	98.3
Wilkie Edge			52.5	77.9	98.4	98.4	93.9	99.6	100.0	100.0	99.6	99.9
One George Street			100.0	96.3	100.0	93.3	92.5	95.5	100.0	98.2	96.5	96.5
Twenty Anson							100.0	98.1	97.8	97.9	91.7	93.0
CapitaGreen <sup>(3)</sup>									69.3	91.3	95.9	98.2
<b>Portfolio Occupancy</b>	<b>99.6</b>	<b>99.6</b>	<b>96.2</b>	<b>94.8</b>	<b>99.3</b>	<b>95.8</b>	<b>97.2</b>	<b>98.7</b>	<b>96.8</b>	<b>97.1</b>	<b>97.1</b>	<b>97.8</b>

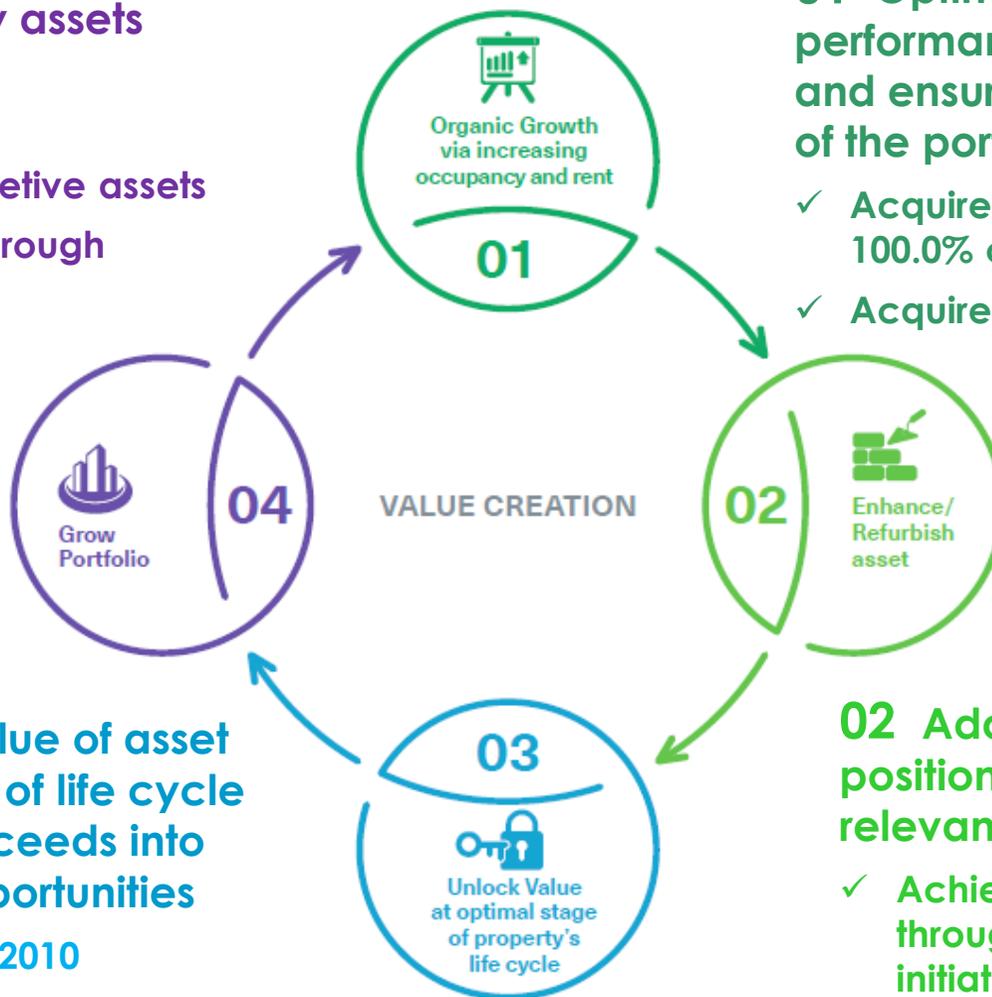
**Note:**

(1) For years 2004 to 2009, portfolio occupancy rate includes Starhub Centre and Robinson Point which were divested in 2010.

# Value creation through portfolio reconstitution strategy

## 04 Identify quality assets and seize growth opportunities

- ✓ Acquire DPU-accretive assets
- ✓ Transform value through redevelopment



## 01 Optimise financial performance and asset value and ensure the long-term stability of the portfolio

- ✓ Acquired balance stake to own 100.0% of CapitaGreen in Aug 2016
- ✓ Acquired Twenty Anson in 2012

## 03 Maximise value of asset at optimal stage of life cycle and recycle proceeds into other growth opportunities

- ✓ Sold two assets in 2010
- ✓ Sold Market Street Car Park for redevelopment under MSO Trust

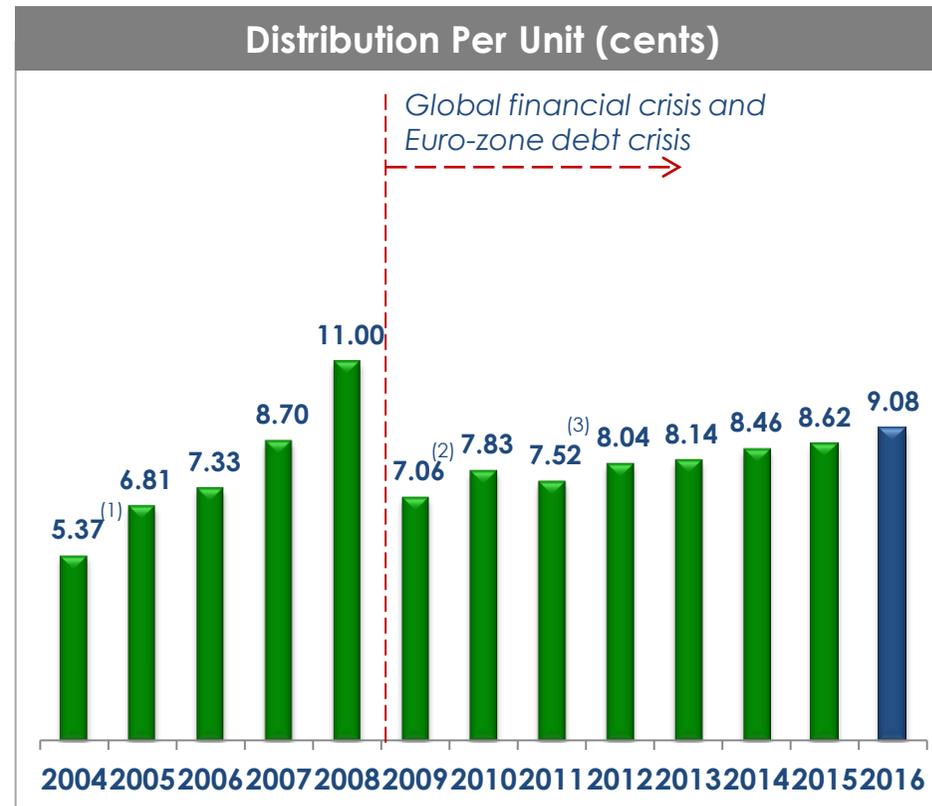
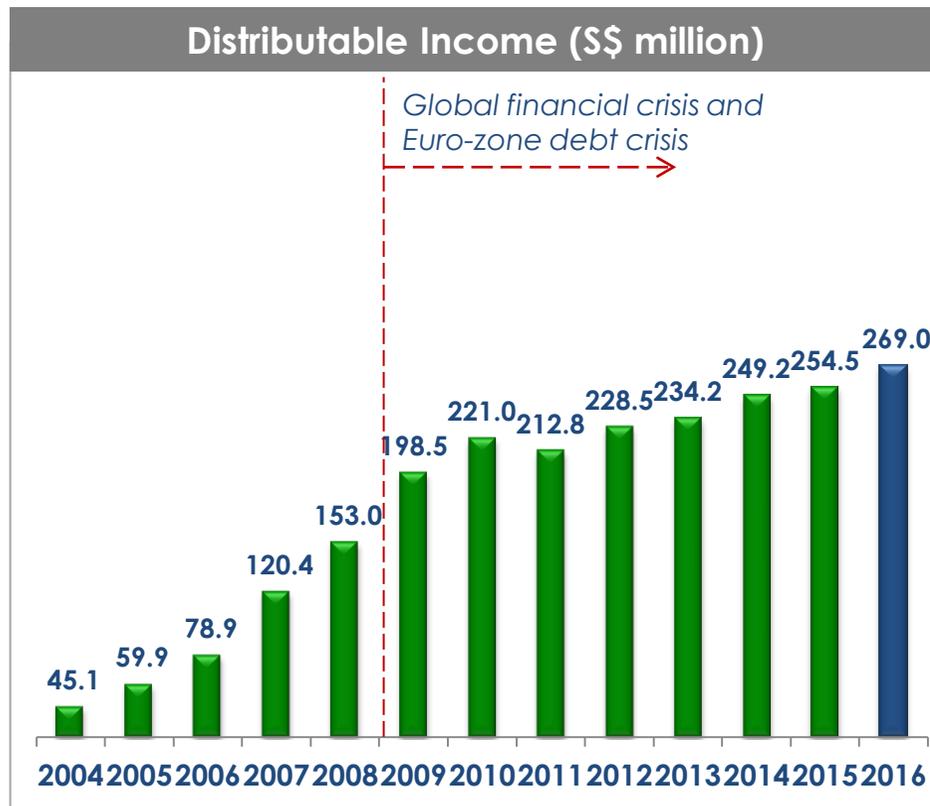
## 02 Add value and enhance positioning of asset to remain relevant and competitive

- ✓ Achieved ROIs of 8.2% to 9.3% through asset enhancement initiatives (AEIs)



# Established track record: CCT delivered higher returns YoY through property market cycles

Due to successful portfolio reconstitution strategy including recycling of capital, AEI, acquisition and development



**Notes:**

- (1) Annualised
- (2) After taking into consideration the issue of rights units in July 2009
- (3) Decline in 2011 DPU compared to 2010 was due to divestment of two properties in 2010, Robinson Point and StarHub Centre



# Property details (1)



	Capital Tower	CapitaGreen	Six Battery Road	One George Street	Raffles City Singapore (100%)
<b>Address</b>	168 Robinson Road	138 Market Street	6 Battery Road	1 George Street	250/252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road
<b>NLA (sq ft)</b>	738,000	703,000	495,000	446,000	805,000 (Office: 381,000, Retail: 424,000)
<b>Leasehold expiring</b>	31-Dec-2094	31-Mar-2073	19-Apr-2825	21-Jan-2102	15-Jul-2078
<b>Committed occupancy</b>	98.8%	98.2%	99.0%	96.5%	98.3%
<b>Valuation (31 Dec 2016)</b>	S\$1,325.0m	S\$1,603.0m	S\$1,371.0m	S\$1,014.0m	S\$3,169.0m (100.0%) S\$1,901.4m (60.0%)
<b>Car park lots</b>	415	180	190	178	1,045



# Property details (2)



	Twenty Anson	HSBC Building	Wilkie Edge	Bugis Village <sup>(1)</sup>	Golden Shoe Car Park
<b>Address</b>	20 Anson Road	21 Collyer Quay	8 Wilkie Road	62 to 67 Queen Street, 151 to 166 Rochor Road, 229 to 253 (odd nos only) Victoria Street	50 Market Street
<b>NLA (sq ft)</b>	207,000	200,000	155,000	121,000	47,000
<b>Leasehold expiring</b>	22-Nov-2106	18-Dec-2849	20-Feb-2105	30-Mar-2088	31-Jan-2081
<b>Committed occupancy</b>	93.0%	100.0%	99.9%	99.1%	73.7%
<b>Valuation (31 Dec 2016)</b>	S\$432.0 m	S\$455.0m	S\$201.0m	S\$48.5m	S\$141.0m
<b>Car park lots</b>	55	55	215	NA	1,053

**Note:**

(1) The leasehold title and the valuation take into account the right of the President of the Republic of Singapore, as Lessor under the State Lease, to terminate the State Lease on 1 Apr 2019 upon payment of S\$6,610,208.53 plus accrued interest.



**CapitaLand**  
Commercial Trust

# Thank you

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