



CapitaCommercial
Trust

CapitaCommercial Trust

Singapore's First Listed Commercial REIT

CapitaLand Debt Investors' Day

14 August 2013



Important Notice

This presentation shall be read in conjunction with CCT's 2Q 2013 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.

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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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A low-angle photograph of the Capital Tower in Singapore, showing its distinctive stepped design and glass facade against a blue sky with white clouds. The tower's structure is composed of several stacked rectangular volumes, with the upper sections featuring a more complex, grid-like pattern of windows and balconies.

1. Overview

Capital Tower, Singapore



CapitaCommercial Trust

First Listed Commercial REIT in Singapore (11 May 2004)

S\$4.1b #

Market
Capitalisation

10

Properties in Singapore's
Central Area

S\$7.1b *

Asset Size

3m sq ft

NLA

32%

Owned by
CapitaLand Group

30%

Stake in Quill
Capita Trust



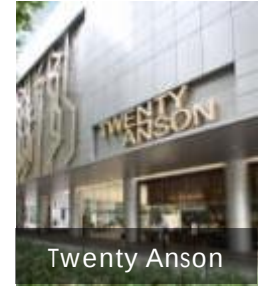
Capital Tower



Wilkie Edge



HSBC Building



Twenty Anson



One George
Street



Six Battery Road



CapitaGreen
(40% stake)



Golden Shoe Car Park



Raffles City Singapore (60% stake)



Bugis Village

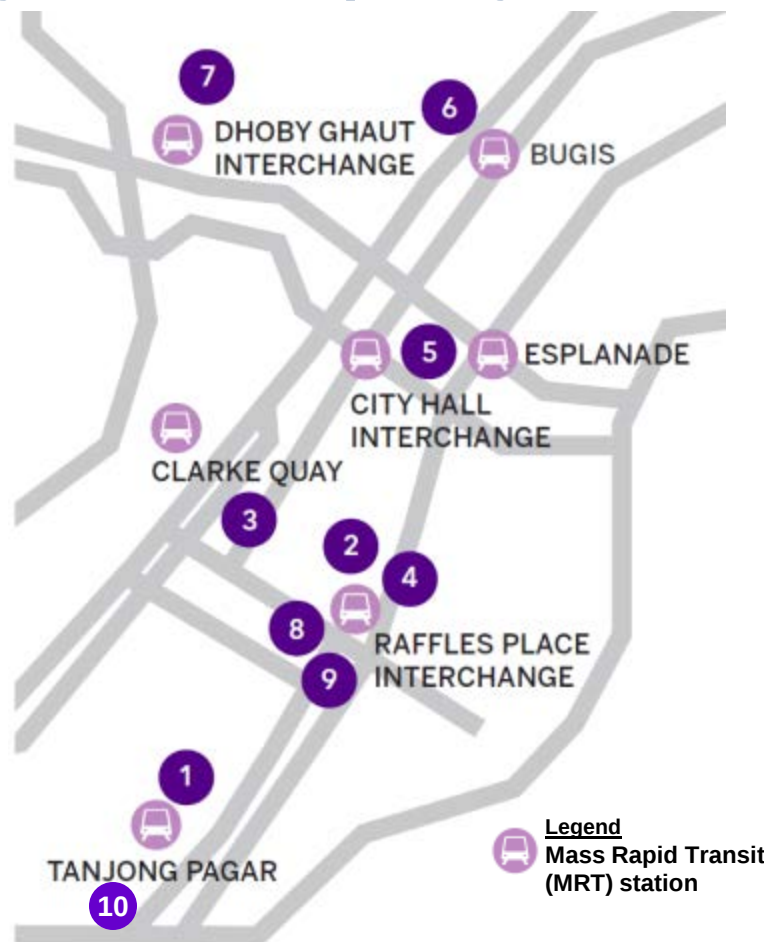
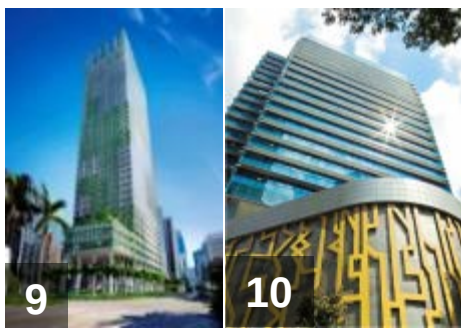
Market Cap Figure as at 12 August 2013

* Asset Size Figure as at 30 June 2013

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Owens 10 centrally-located quality commercial properties

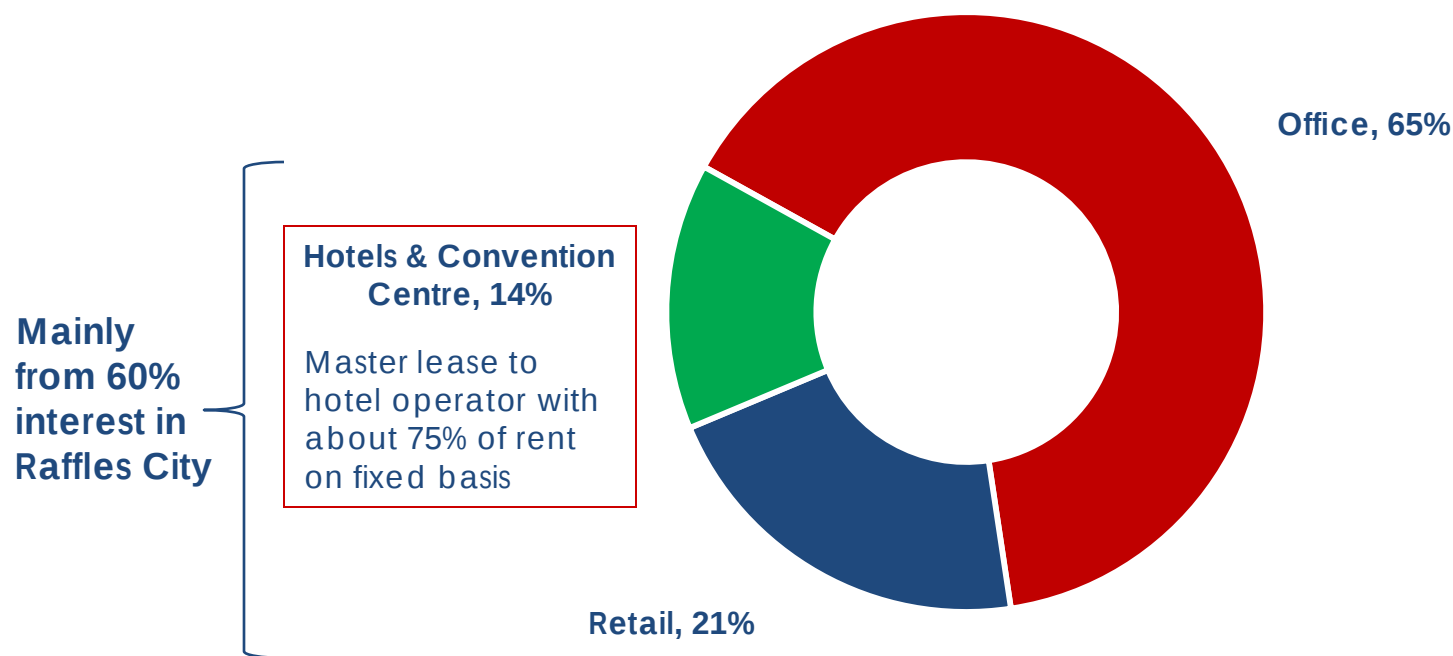


- | | |
|----------------------|------------------------------|
| 1. Capital Tower | 6. Bugis Village |
| 2. Six Battery Road | 7. Wilkie Edge |
| 3. One George Street | 8. Golden Shoe Car Park |
| 4. HSBC Building | 9. CapitaGreen (development) |
| 5. Raffles City | 10. Twenty Anson |



65% of gross rental income⁽¹⁾ contributed by offices and 35% by retail and hotels & convention centre leases

CCT's income contribution⁽²⁾ by sector



Notes:

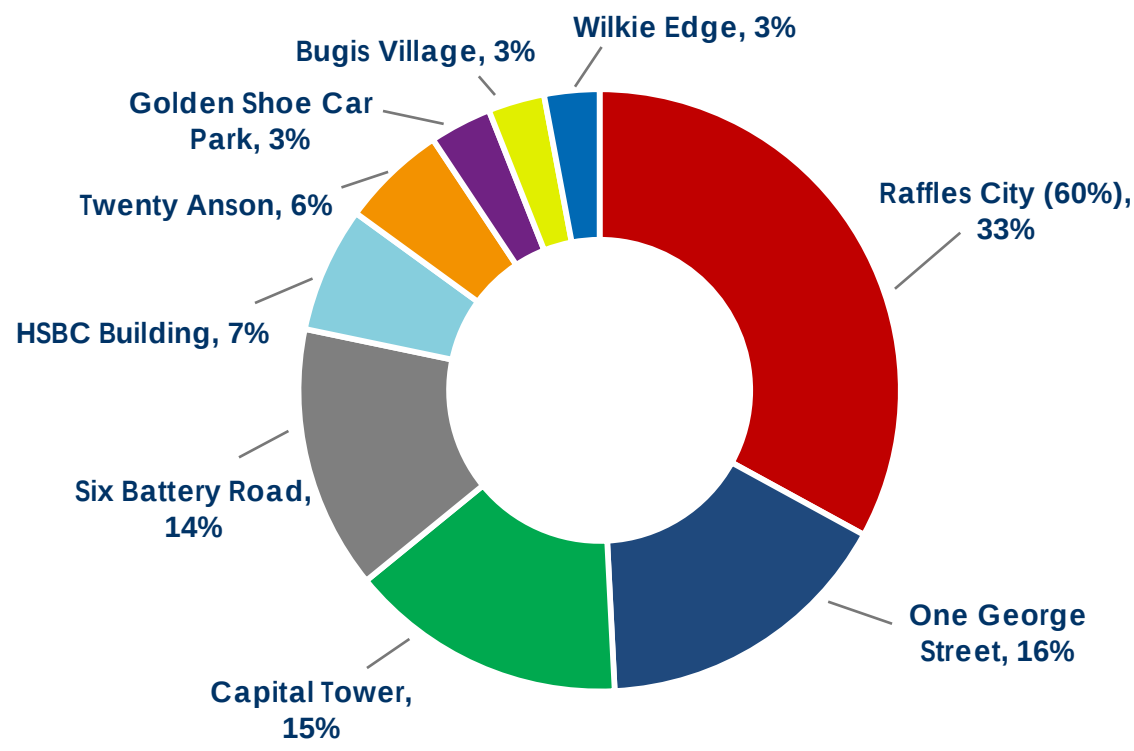
(1) Excludes retail turnover rent

(2) For the period from 1 Jan 2013 to 30 Jun 2013



Portfolio diversification with focus on quality

91% of Net Property Income⁽¹⁾ from Grade A and Prime Offices ⁽²⁾



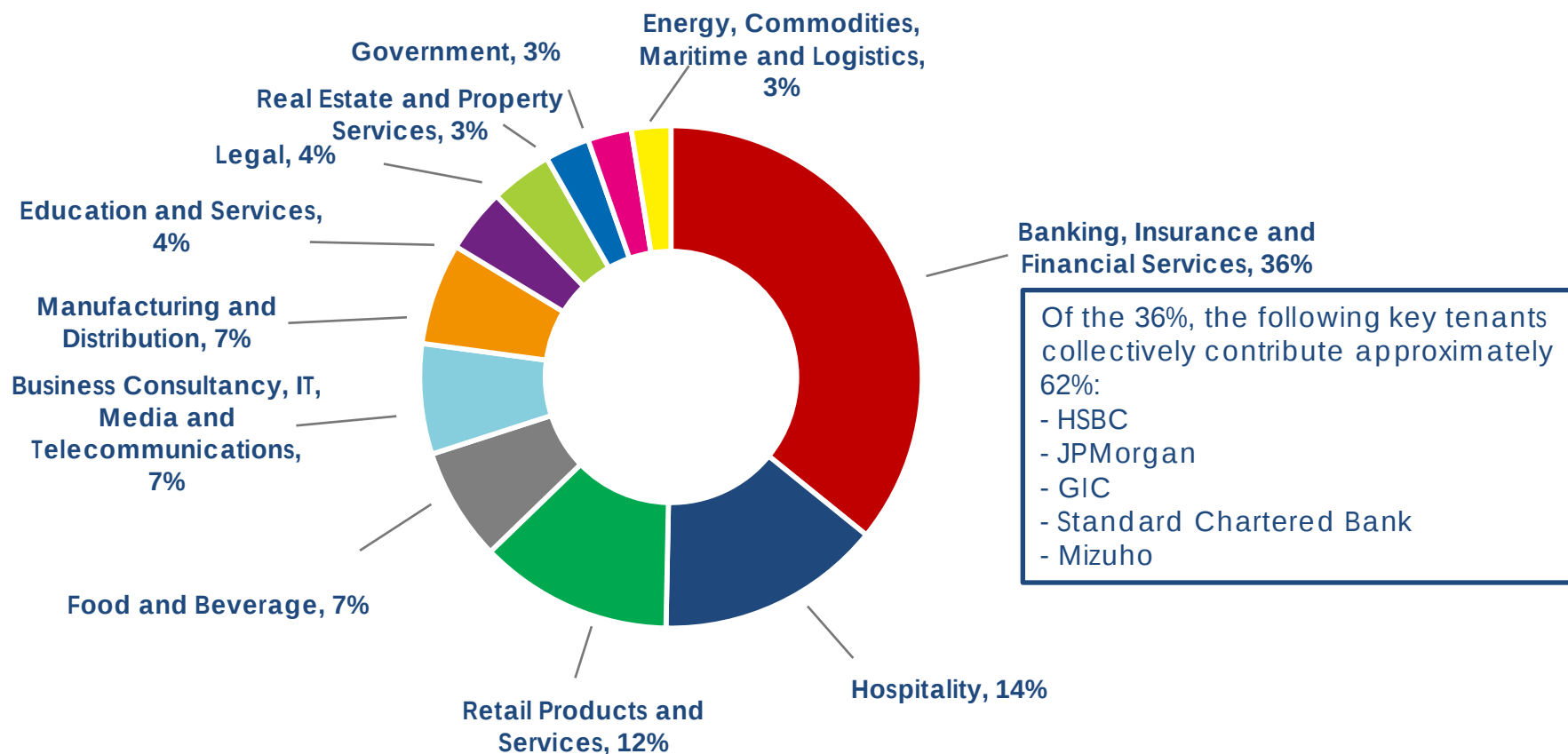
Notes:

- (1) For the period from 1 Jan 2013 to 30 Jun 2013
- (2) Includes CCT's interest of 60% in Raffles City Singapore



Diverse tenant mix in CCT's portfolio⁽¹⁾

Tenant Mix in CCT portfolio



Notes:

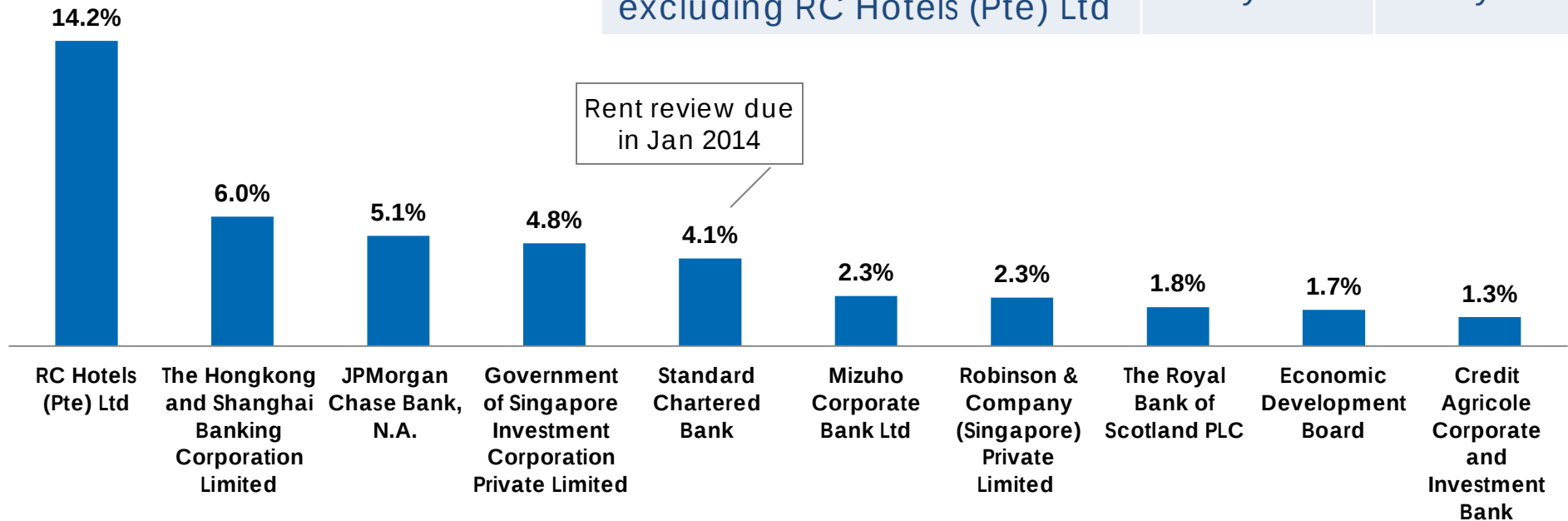
(1) Based on monthly gross rental income of tenants as at 30 Jun 2013

(2) Excludes retail turnover rent



Top ten blue-chip tenants⁽¹⁾ contribute 44% of monthly gross rental income

WALE by NLA	2Q 2013	1Q 2013
Top Ten Tenants	17.3 years	17.6 years
Top Ten Tenants excluding RC Hotels (Pte) Ltd	3.6 years	3.8 years



Note:

(1) Based on monthly gross rental income of top ten tenants as at 30 Jun 2013 (excluding retail turnover rent)

2. Portfolio Highlights

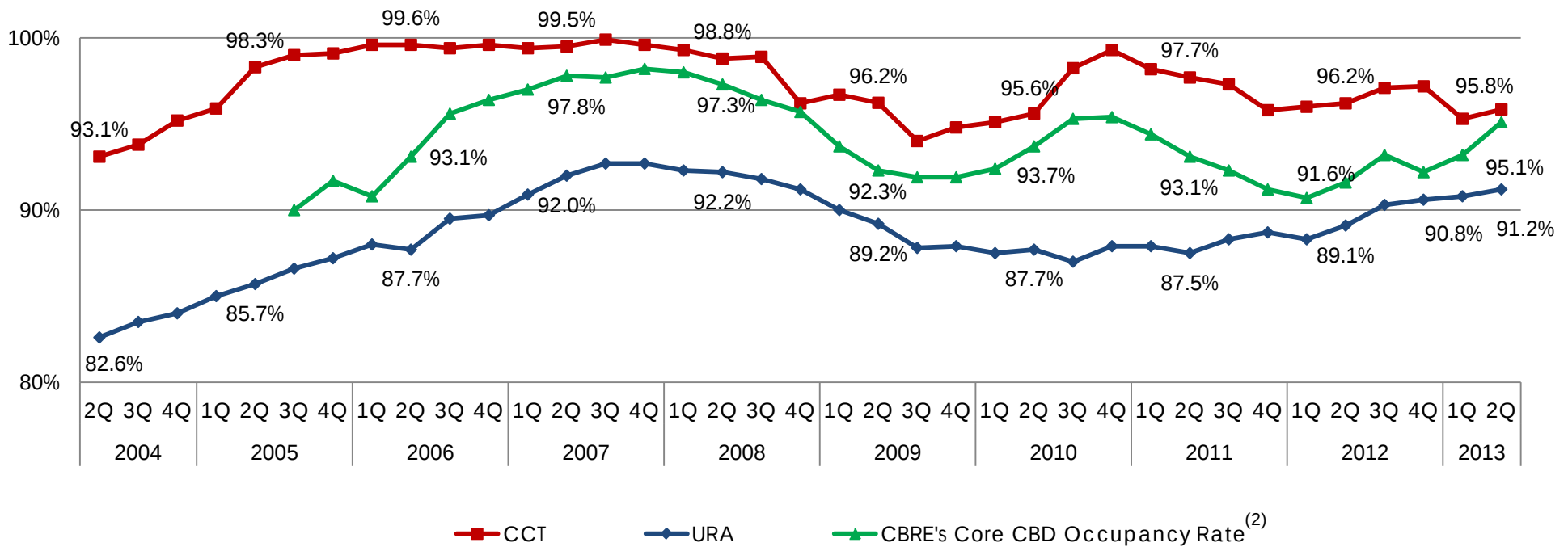
Six Battery Road, Singapore



CCT's portfolio occupancy above market level

	CCT Committed Occupancy Level				Industry Statistics Occupancy Level ⁽¹⁾			
Grade A Office	2Q2013	93.4% ↑	1Q2013	92.2%	2Q2013	95.4% ↑	1Q2013	92.9%
Portfolio	2Q2013	95.8% ↑	1Q2013	95.3%	2Q2013	95.1% ↑	1Q2013	93.2%

CCT's Committed Occupancy Since Inception



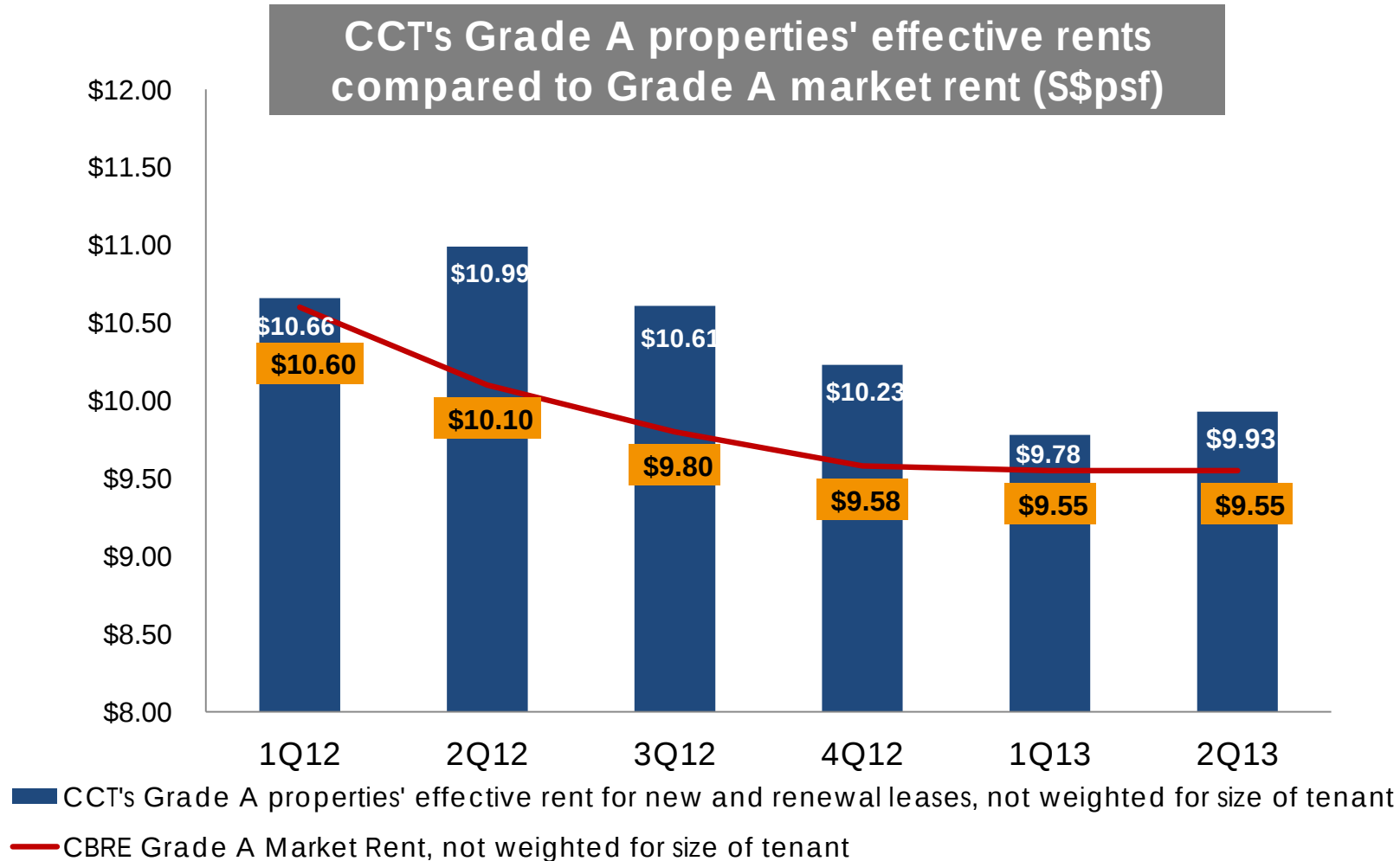
Notes:

(1)Source: CBRE Pte. Ltd. and Urban Redevelopment Authority (URA), 2Q 2013

(2)Covers Raffles Place, Marina Centre, Shenton Way and Marina Bay, data only available from 3Q2005 onwards



CCT average effective rents signed for new and renewal leases are generally higher than market rents

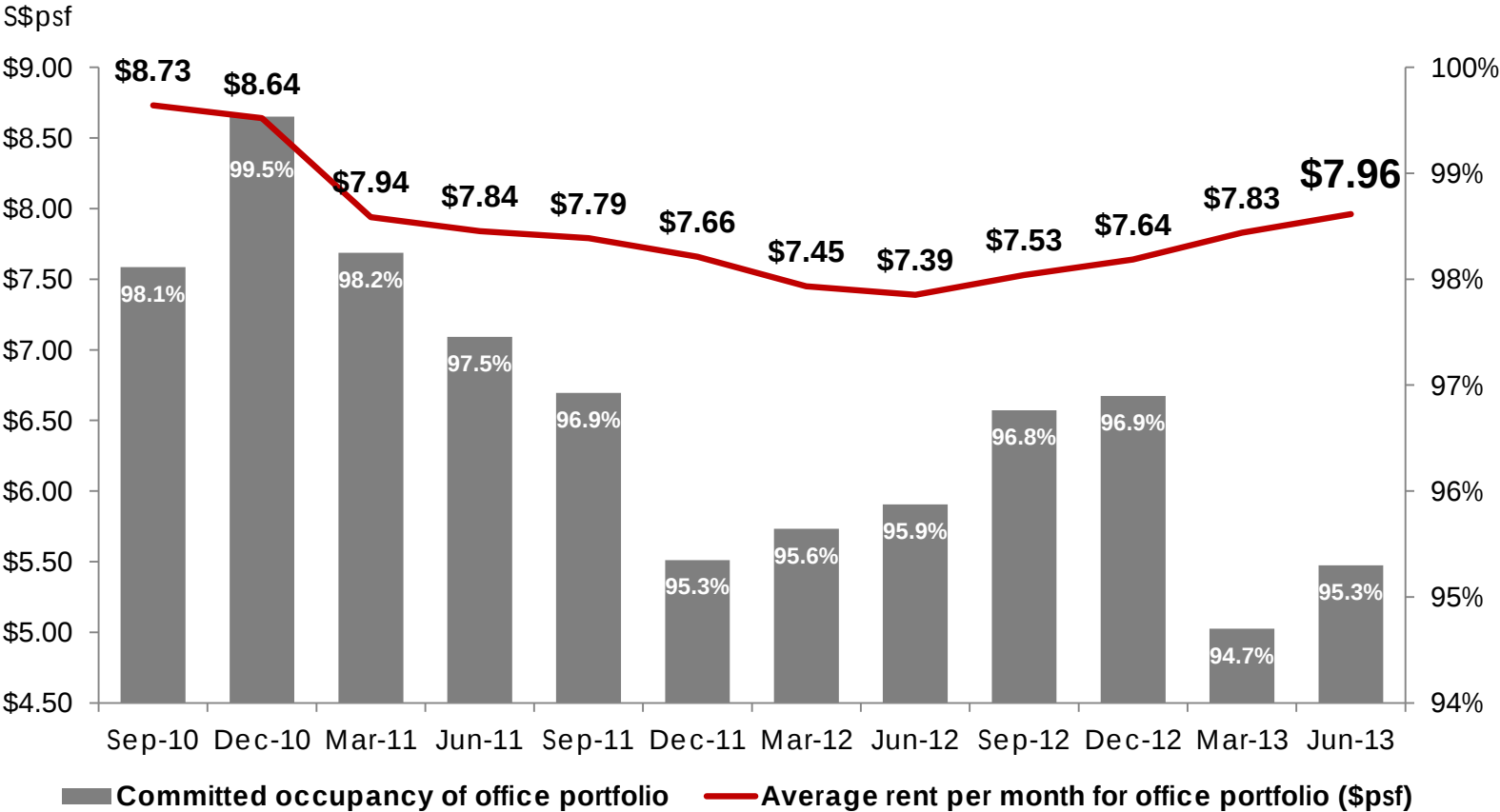


Note:

(1) Source for Grade A market rent: CBRE Pte. Ltd.



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



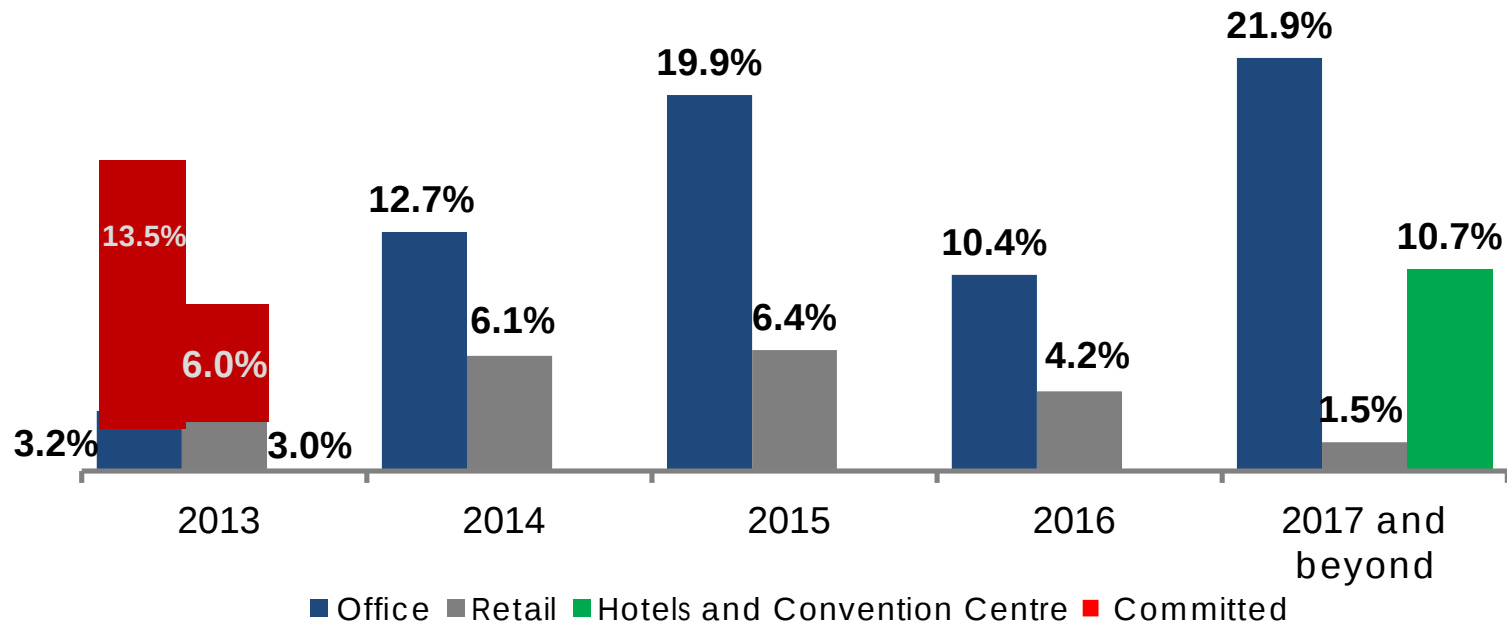
Note:

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



Leases expiring in 2013 have been substantially renewed or re-leased

Lease expiry profile as a percentage of monthly gross rental income⁽¹⁾ for June 2013



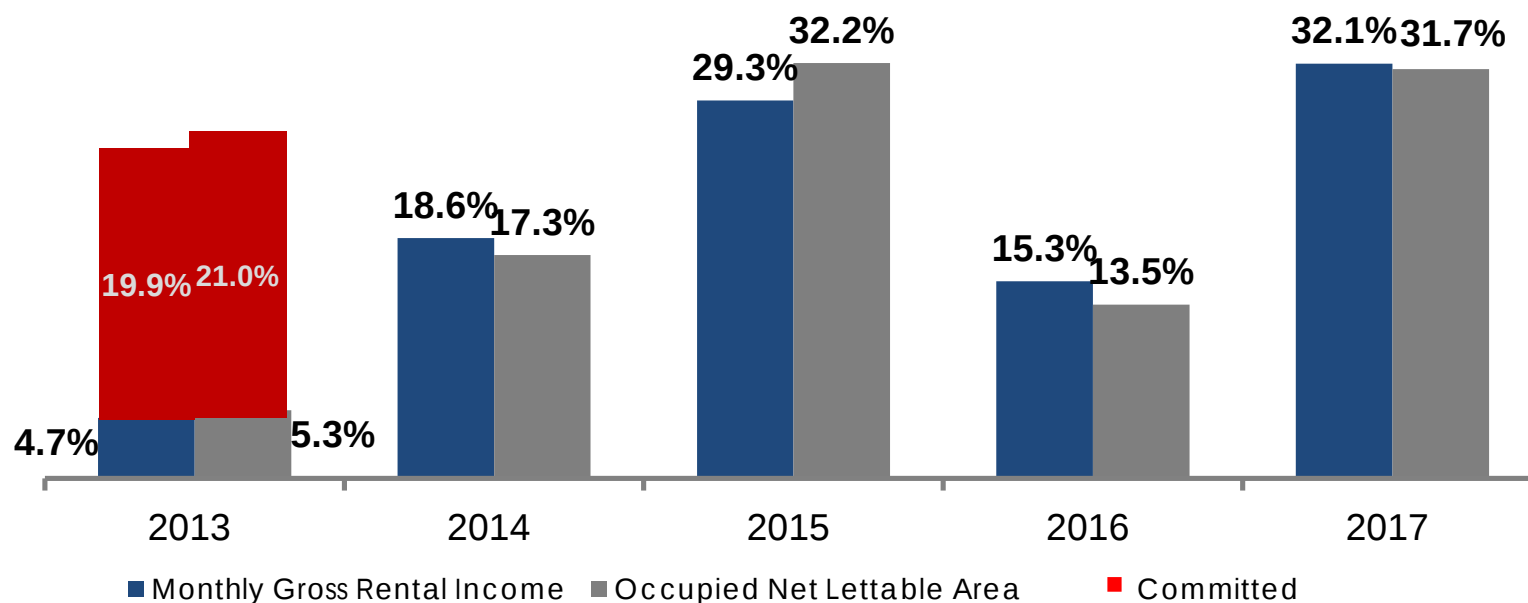
Note:

(1) Excludes retail and hotel turnover rent



Only 4.7% of office leases remain for renewal in 2013

Office lease expiry profile as a percentage of net lettable area and monthly gross rental income for June 2013



3. Enhancing Value of Properties

Capita Commercial
Capita Mall
Raffles City

Raffles City Singapore



Portfolio Reconstitution Strategy



Redevelopment of Market Street Car Park into Grade A office – CapitaGreen

Flexibility and speed to seize growth opportunities



Acquisition of Twenty Anson

Recycle capital

Acquire good quality asset

Funding flexibility

Organic growth

Unlock value at optimal stage of life cycle

Enhance / refurbish asset

Value creation



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



1. Asset enhancement at Raffles City Singapore (completed)
2. S\$92m upgrading at Six Battery Road (ongoing till end-2013)
3. S\$34.7m upgrading at Raffles City Tower (Nov 12 to 2Q 2014)
4. S\$40.0m upgrading at Capital Tower (4Q 2013 to 2Q 2015)



Value creation through AElS

Property	Capital Tower	Six Battery Road	Raffles City Tower
Occupancy rate (as at June 2013)	90.6%	94.2%	100.0%
Total AEI budget	\$40.0m	\$92.0m	\$20.8m (60% interest)
Target return on investment	7.8%	8.1%	8.6%
Areas of work	Upgrading of main and mezzanine lobbies, restrooms & technical specifications, chiller replacement and turnstiles installation	Upgrading of main lobby and upper floors' lift lobbies, restrooms & technical specifications, chiller replacement, increasing ceiling height of lettable area and installation of variable air volume boxes	Upgrading of main lobby, upper floors' lift lobbies, restrooms and turnstiles installation
AEI Period	4Q 2013 to 2Q 2015	4Q 2010 to 4Q 2013	4Q 2012 to 2Q 2014



700,000 sq ft Grade A CapitaGreen : construction on track to be completed by 4Q 2014



Overview of the site

- Current construction activities in areas including:
 - Super-structure works
 - Underground Pedestrian Network (UPN)

CCT's 40% interest	CCT's 40% interest in MSO Trust	Progress payment as at June 2013	Balance by progress payment ⁽²⁾
MSO Trust's debt ⁽¹⁾	\$356.0m	(\$208.0m)	\$148.0m
Equity inclusive of shareholder's loan	\$204.0m	(\$130.4m)	\$ 73.6m
Total	\$560.0m	(\$338.4m)	\$221.6m

Notes:

(1) MSO Trust has already obtained borrowings up to \$890m (100% interest)

(2) Ongoing capital requirement will be by progress payment until 2015



Potential acquisition pipeline



CapitaGreen
For Business, Naturally

138 Market Street

- CCT currently owns 40% interest in CapitaGreen.
- Has call option to acquire balance 60% from JV partners
- Purchase price at market valuation
- Subject to minimum of development cost compounded @ 6.3% p.a.
- Exercise period: within 3 years after completion

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Enhancing Portfolio Value: Valuation increased by 1.6% over 6-month and 4.1% over 12-month period (excluding CapitaGreen)

Investment Properties	30 June 2012 \$m	31 Dec 2012 \$m	30 Jun 2013 \$m	Variance (Dec 12 to Jun 13) %	Variance (Jun 12 to Jun 13) %	30 Jun 2013 \$psf
Capital Tower	1,201.0	1,233.0	1,269.0	2.9	5.7	1,713
Six Battery Road	1,188.0	1,239.0	1,276.0	3.0	7.4	2,588
HSBC Building	396.0	422.0	422.0	0.0	6.6	2,105
Bugis Village ⁽¹⁾	60.0	60.0	59.0	(1.7)	(1.7)	485
Golden Shoe Car Park	127.8	133.0	135.0	1.5	5.6	Nm
One George Street	948.0	948.0	948.0	0.0	0.0	2,115
Wilkie Edge	157.0	173.0	178.0	2.9	13.4	1,182
Twenty Anson	431.0	431.0	431.0	0.0	0.0	2,125
	4,508.8	4,639.0	4,718.0			
Raffles City (60%)	1,717.8	1,741.2	1,765.2	1.4	2.8	Nm
Valuation	6,226.6	6,380.2	6,483.2	1.6	4.1	
Investment Property - Under construction	Book value 30 Jun 2012 \$m	Book value 31 Dec 2012 \$m	Book value 30 Jun 2013 \$m	Variance (Dec 12 to Jun 13) %	Variance (Jun 12 to Jun 13) %	30 Jun 2013 \$psf
CapitaGreen ⁽²⁾ (40%)	295.5	314.9	333.9	6.0	13.0	Nm

Notes:

- (1) 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
- (2) Valuation of CapitaGreen, investment property under construction, is only on land. There is \$0.4m increase in the valuation of land of CapitaGreen as at 30 June 2013.
- (3) NM – Not meaningful

4. Financial Highlight

One George Street, Singapore





1H 2013 results overview

Revenue	Net Property Income	Distributable Income	1H 2013 DPU
S\$193.4 million	S\$149.8 million	S\$115.3⁽¹⁾ million	4.01 cents
▲ 5.6% YoY	▲ 3.2% YoY	▲ 2.6% YoY	▲ 1.3% YoY

Growth in Revenue & Net Property Income

- Growth in revenue for all properties except Capital Tower and Wilkie Edge
- Higher net property income from higher revenue, albeit partially offset by higher operating expenses

Higher Distributable Income

- Distribution per unit (“DPU”) of 4.01 cents for 1H 2013
- Higher interest income from shareholder’s loan and lower interest expense

Note:

(1) Excludes S\$0.9 million of distribution income from RCS Trust (CCT’s 60.0% interest) which was retained for distribution in 2H 2013.

5. Capital Management



Wilkie Edge, Singapore



CCT group statement of financial position

(as at 30 June 2013)

Total Group Assets

S\$7.06 billion

Adjusted NAV

S\$1.65 per unit

	S\$ '000		
Non-current Assets	6,961,373	Net Asset Value Per Unit	\$1.69
Current Assets	94,592	Adjusted Net Asset Value	\$1.65
Total Assets	7,055,965	Per Unit	
Current Liabilities	97,793		
Non-current Liabilities	2,106,584	CCT Credit Rating	
Total Liabilities	2,204,377	Baa1 by Moody's/ BBB+ by S&P	
		Outlook stable by both rating	
Net Assets	4,851,588	agencies	
Unitholders' Funds	4,851,588		
Units in issue ('000)	2,874,598		

The adjusted NAV as of 31 March 2013 was S\$1.62 per unit. The increase in adjusted NAV this quarter was due to revaluation of investment properties.



Robust capital structure; gearing at 28.9%

	1Q 2013	2Q 2013	Remarks
Total Gross Debt (S\$m)	2,113.6	2,041.6	Decreased (Mainly due to conversions of S\$34.0 million convertible bonds due 2015)
Gearing	30.4%	28.9%	Decreased (Lower borrowings and higher total assets)
Net Debt / EBITDA	7.5 times	7.6 times	Stable
Unencumbered Assets as % Total Assets	69.3%	69.3%	Stable
Average Term to Maturity	3.0 years	2.8 years	Decreased (Passing of time)
Average Cost of Debt	3.0%	2.8%	Improved
Interest Coverage	4.7 times	5.1 times	Improved



Proactive Capital Management Strategy

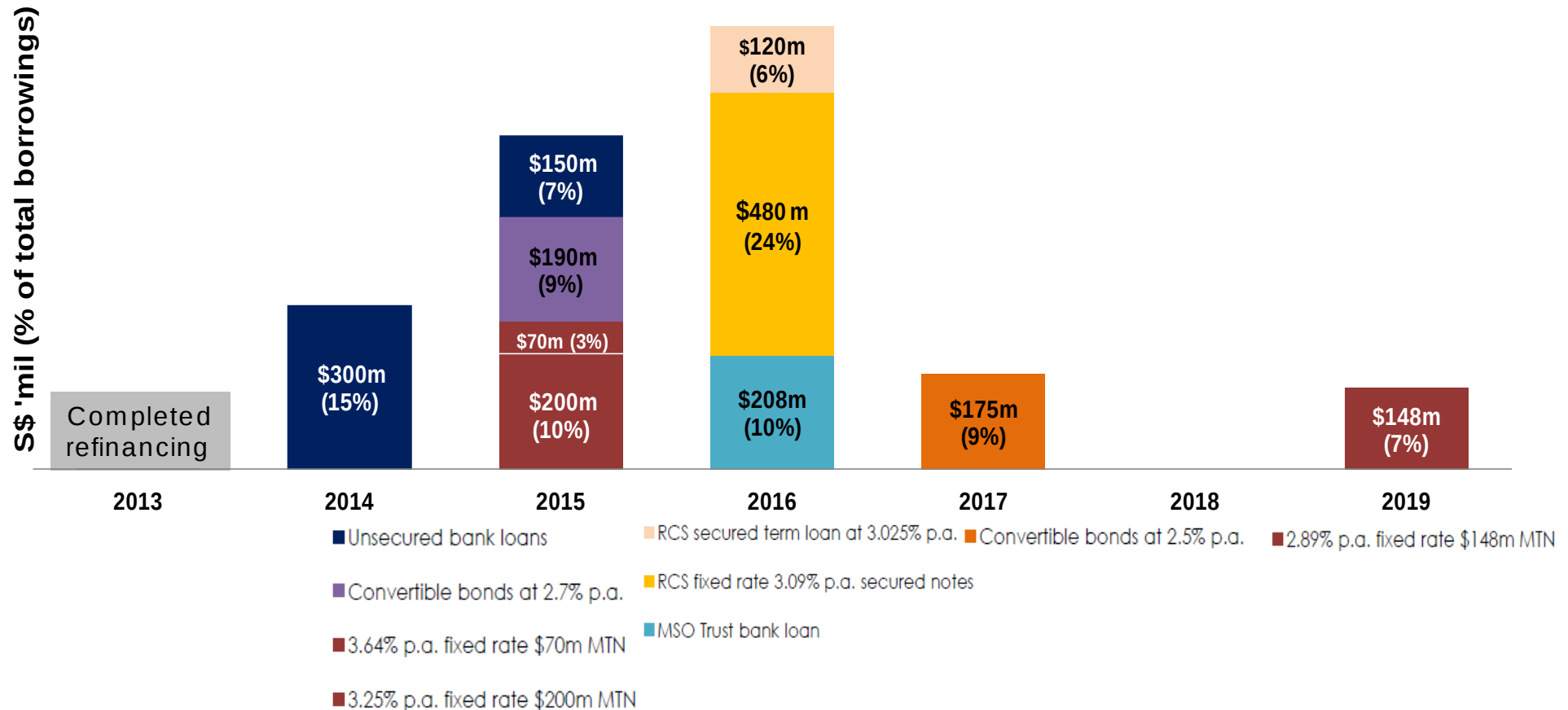
- 1. Refinance ahead of debt maturities**
- 2. Diversify sources of funding**
- 3. Lengthen debt maturities**
- 4. Increase financial flexibility**



Completed refinancing due in 2013; Reviewing 2014's refinancing

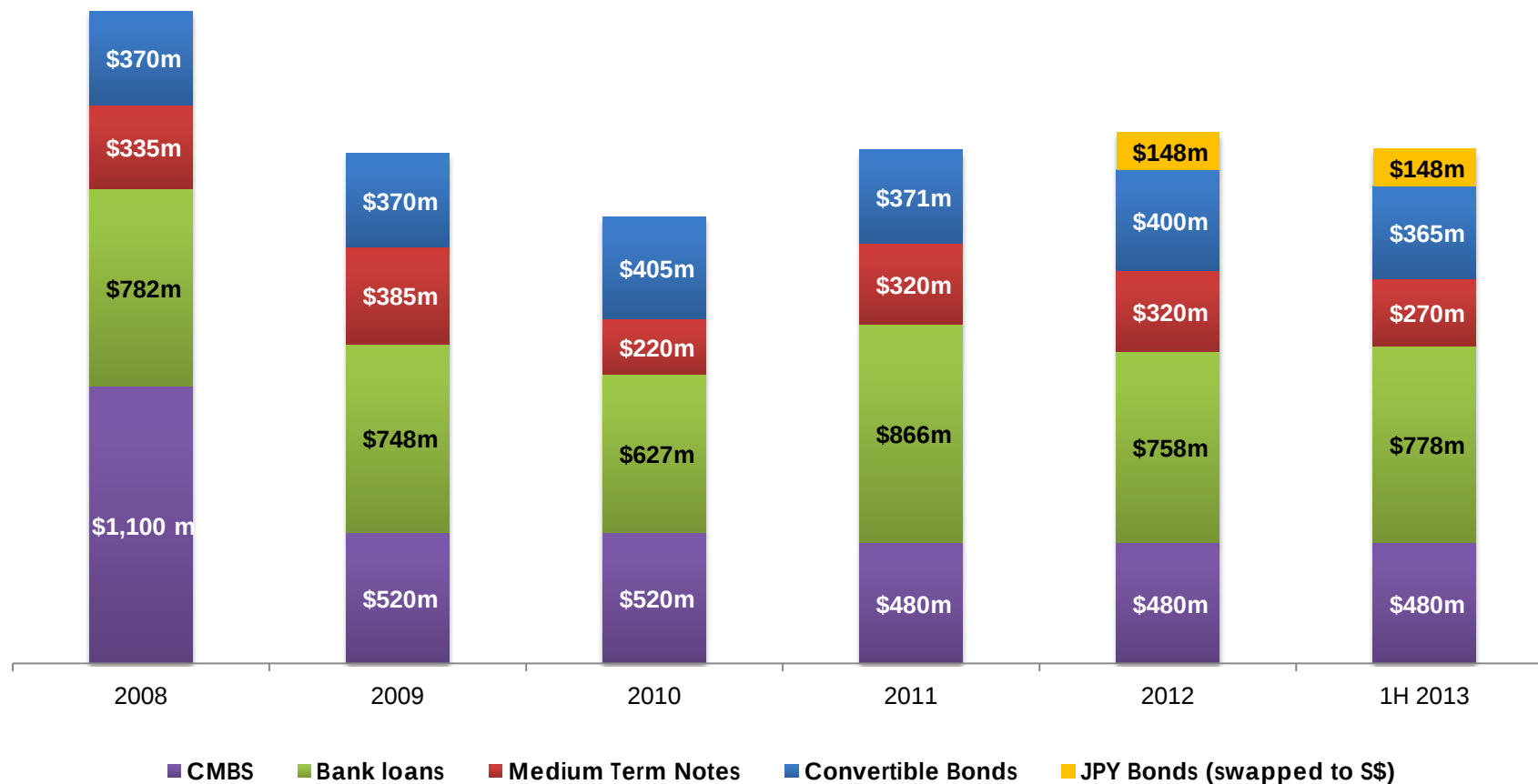
Targeting to lengthen maturity profile

CCT's Debt Maturity Profile as at 30 June 2013





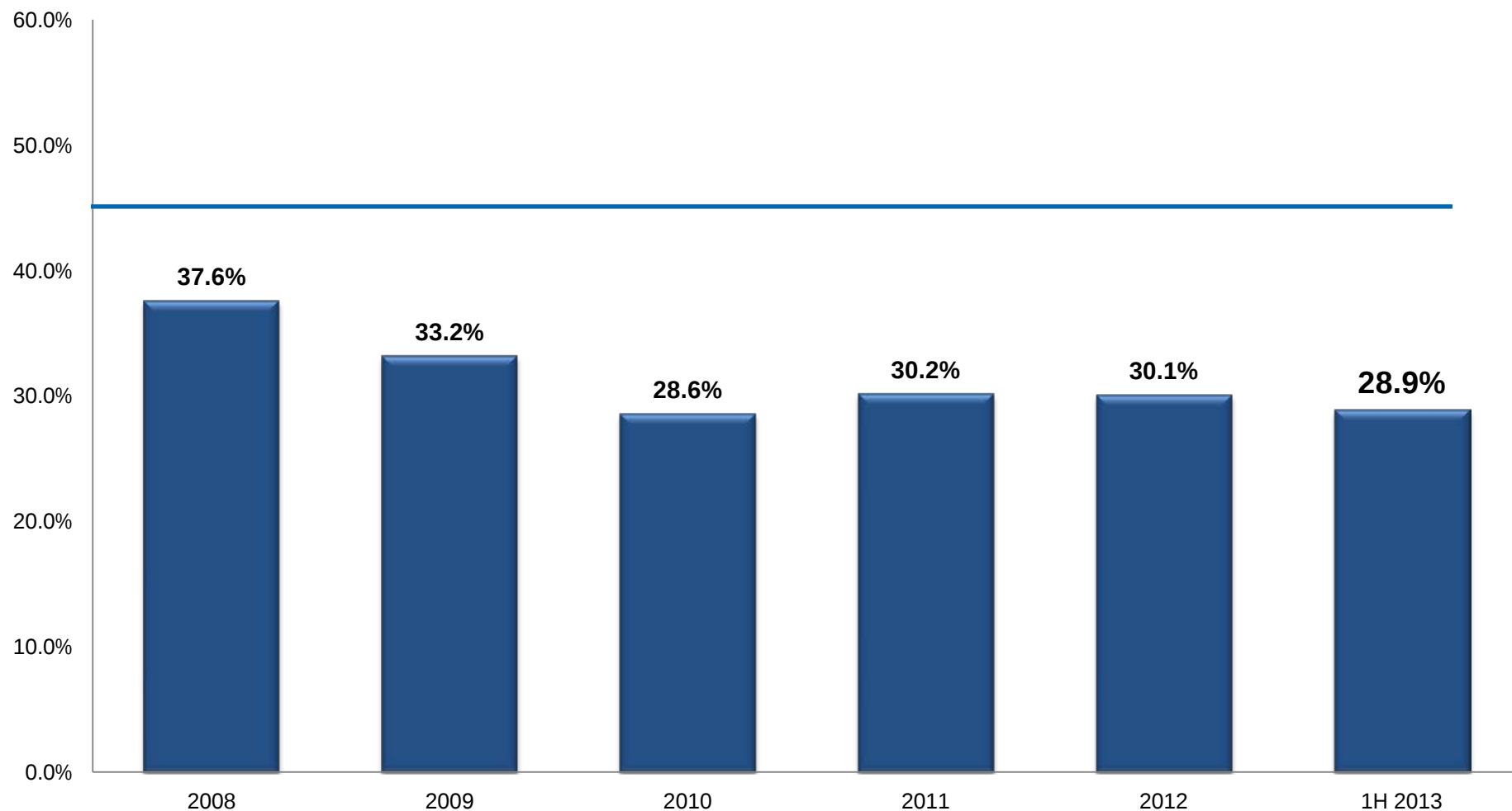
Diverse sources of funding to mitigate risks





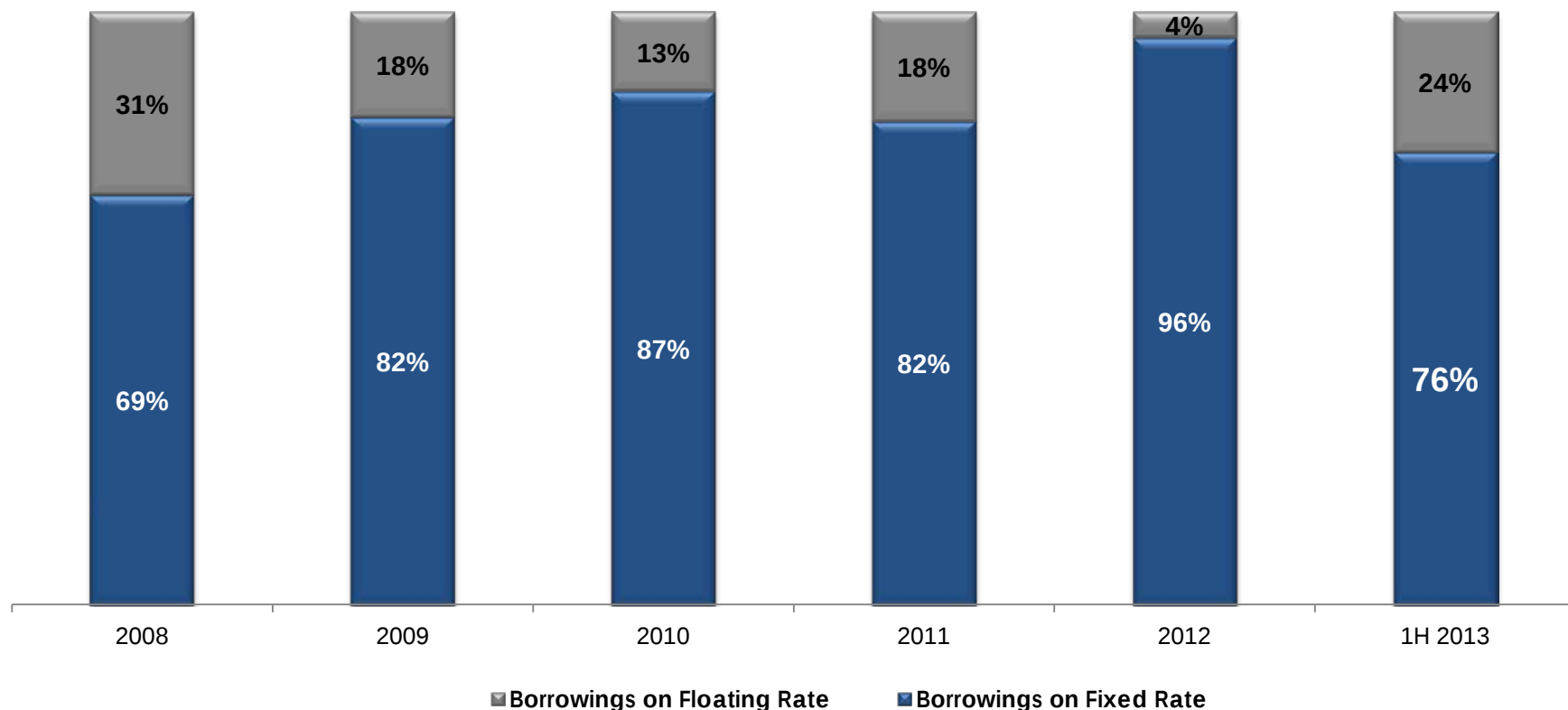
Gearing below 45% through property market cycles

Assuming gearing of 40%, CCT has debt headroom of S\$1.2 billion





Target higher percentage of fixed rate borrowings resulting in low exposure to interest rate risks

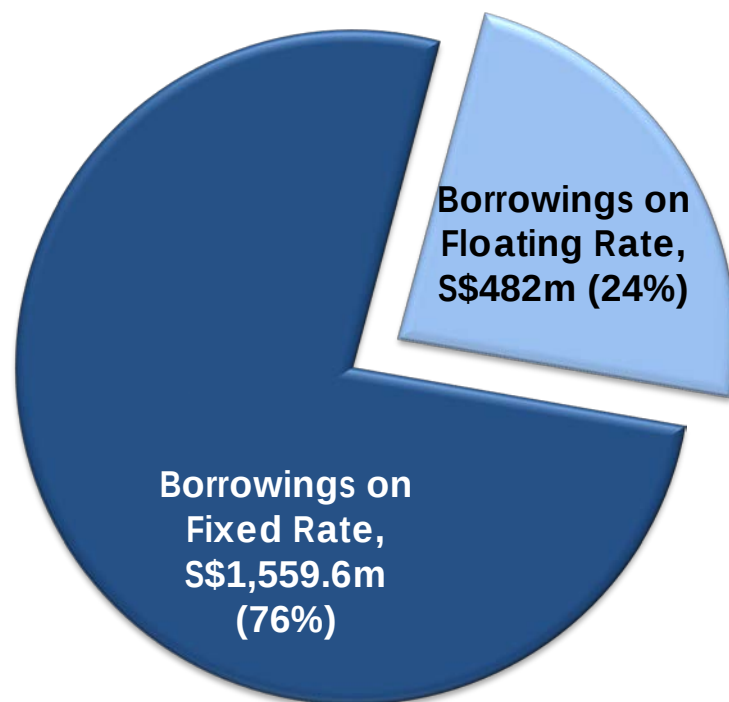




76% fixed rate borrowings as at 30 June 2013

Provides certainty of interest expense

Average term to maturity for fixed rate borrowings is 3.2 years



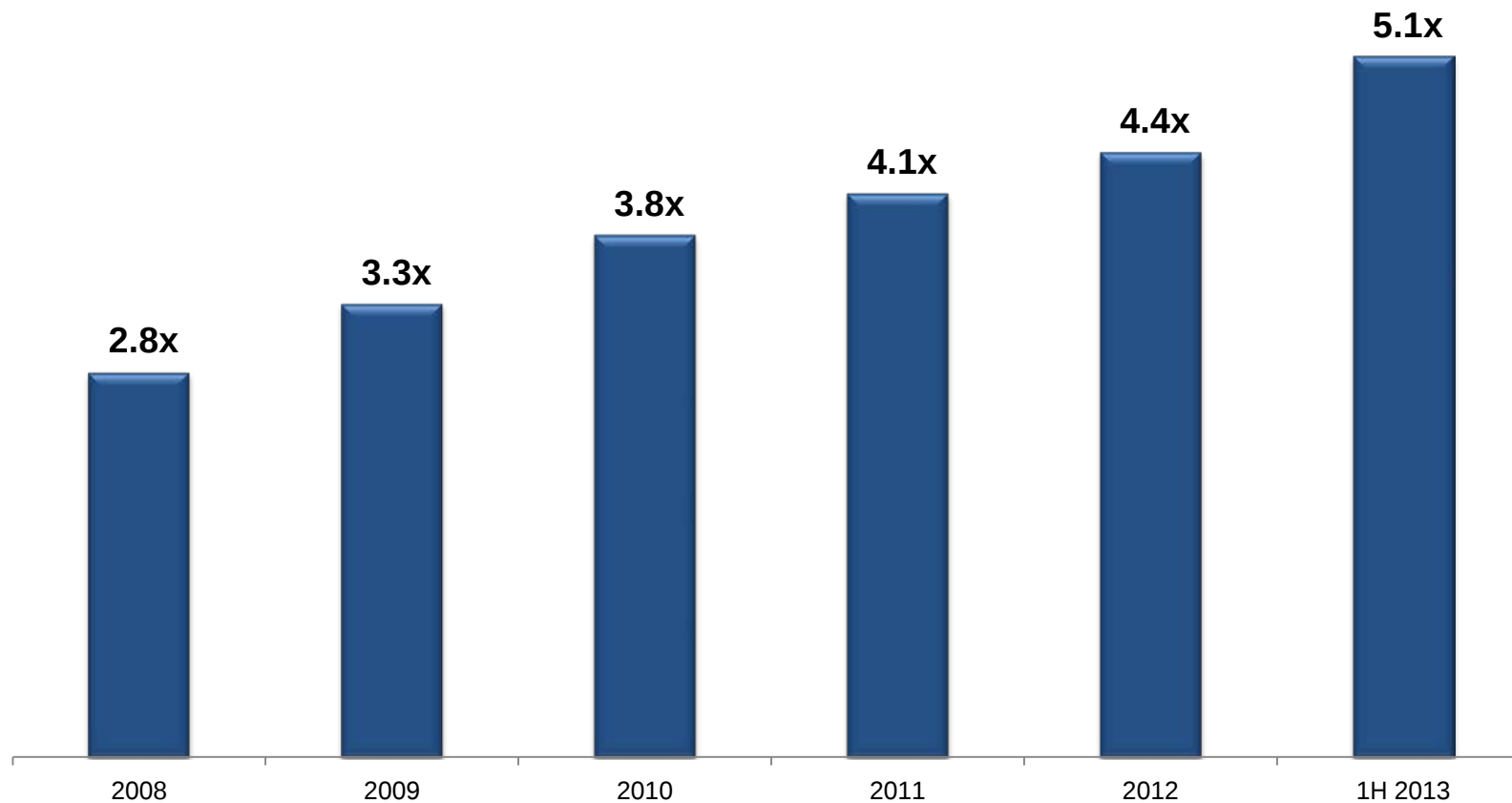
Proforma impact on:	Assuming +0.5% p.a. increase in interest rate
Interest expense ⁽¹⁾	+\$2.2 million p.a.
Annualised DPU	-0.08 cents (1% of annualised DPU)

Note:

(1) The interest rate sensitivity excludes S\$32.0 million floating rate borrowings by MSO Trust as the interest expense is capitalized



Higher debt service ratio in 1H 2013



6. Singapore Office Market

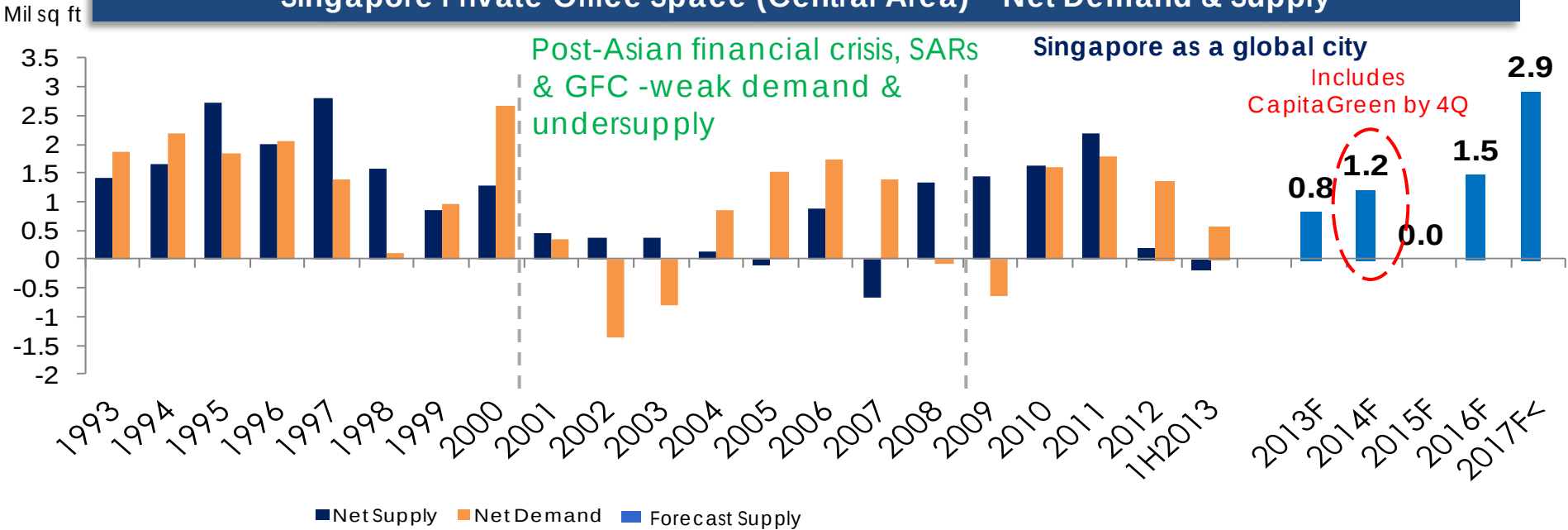
Raffles City

Raffles City Singapore



Healthy office demand has led to net demand exceeding net supply in 2012 and 1H 2013

Singapore Private Office Space (Central Area) – Net Demand & Supply



Periods	Average annual net supply	Average annual net demand
1993 – 1997 (growth phase)	2.1 mil sq ft	1.9 mil sq ft
1993 - 2012 (through 20-year property market cycles)	1.1 mil sq ft	1.0 mil sq ft
2013 – 2017 & beyond (forecast till 2017)	1.3 mil sq ft	N.A.

Notes:

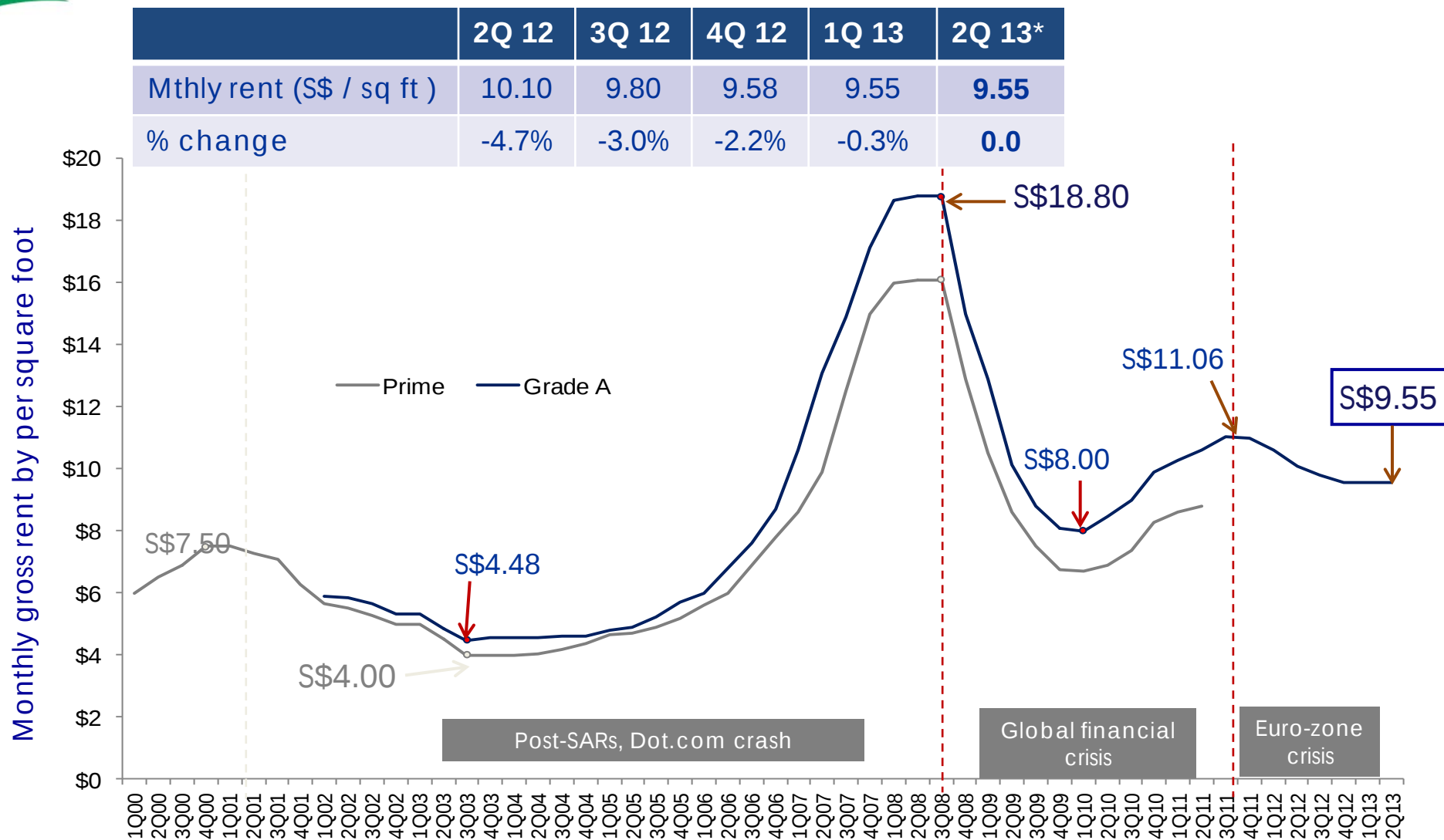
(1) Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'

(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: URA, JLL, CBRE



No more decline in Grade A office market rent



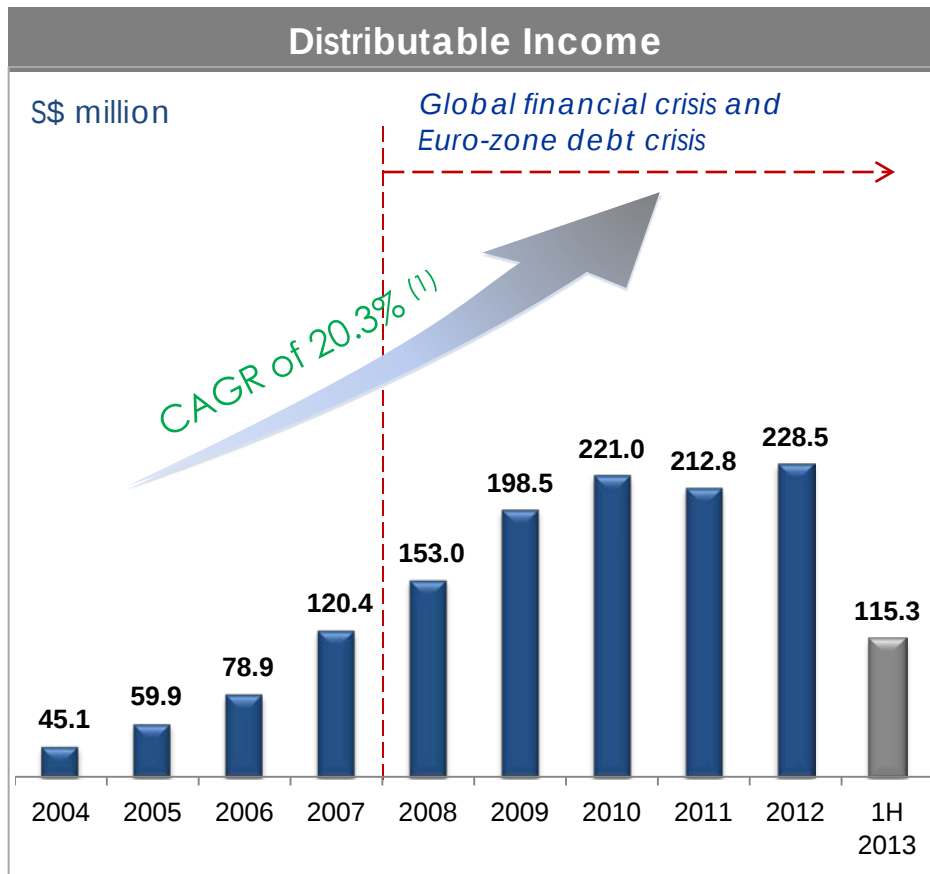
*No historical data for Grade A rents prior to 2002.

Source of data: CB Richard Ellis (Pte) Ltd (figures as at end of each quarter). CBRE no longer tracks prime rents from 3Q 2011.

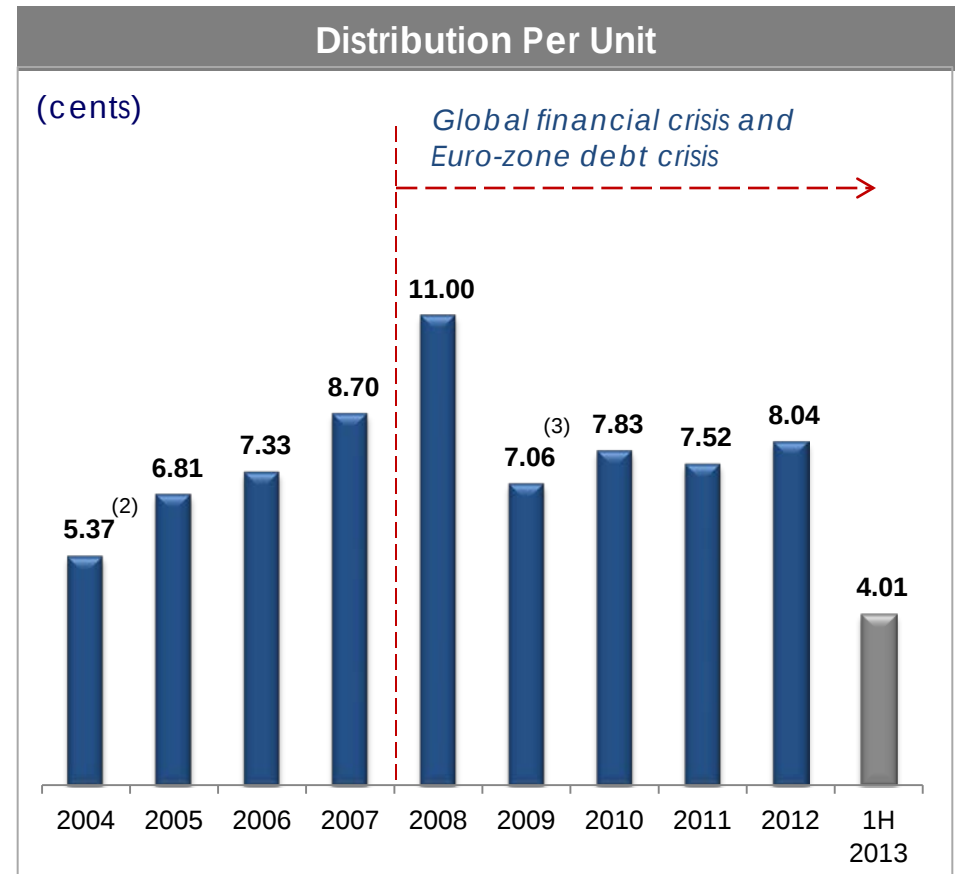
7. Outlook

Raffles City Singapore

Delivered higher returns in 2012 despite challenging environment



(1) CAGR: Compounded Annual Growth Rate

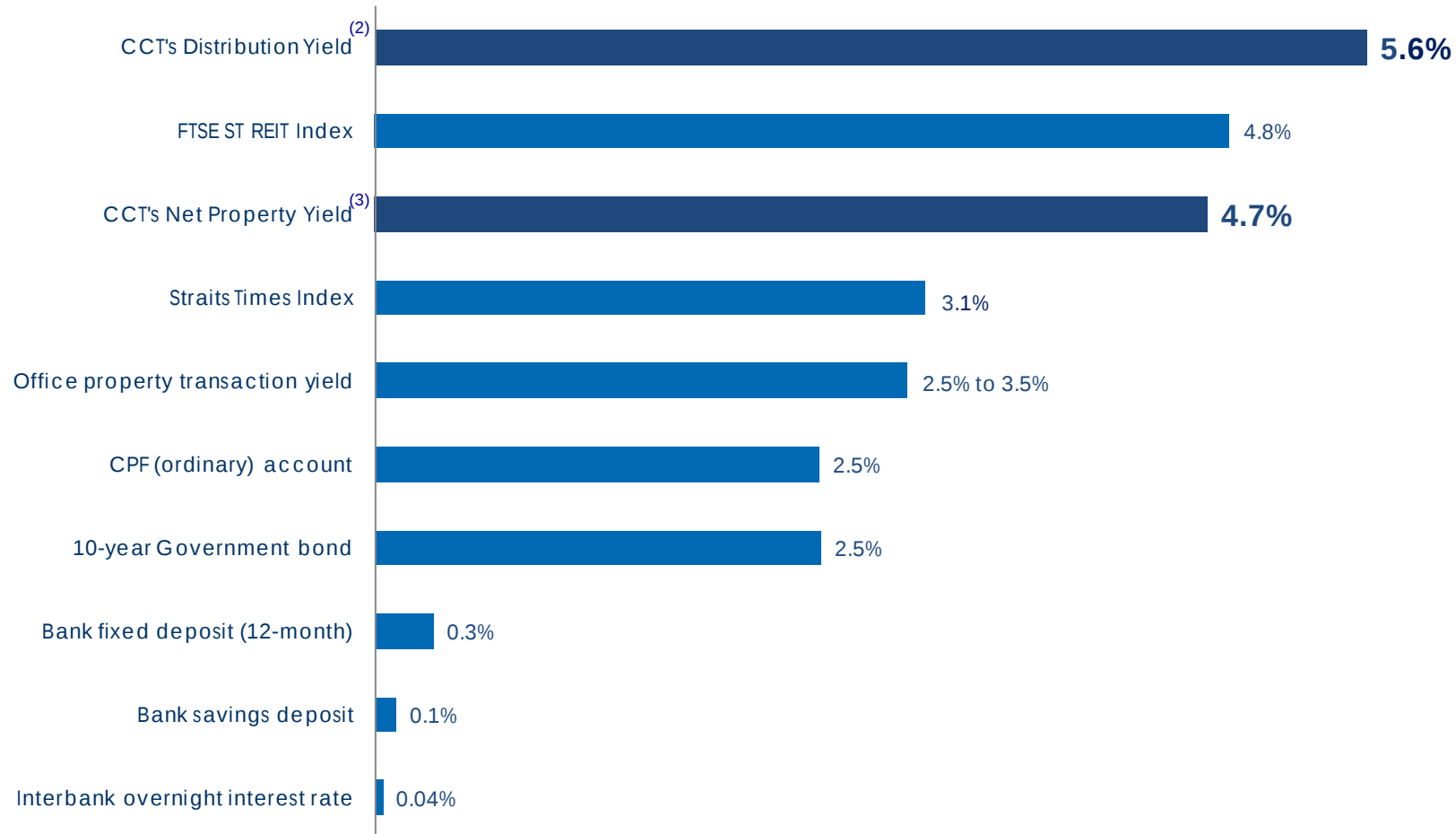


(2) Annualised

(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 30 June 2013. Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities
- (2) CCT Group's distribution yield is based on annualised 1H 2013 DPU of 8.09 cts over closing price of S\$1.435 on 12 Aug 2013
- (3) CCT Group's net property yield based on annualised 1H 2013 net property income and June 2013 valuation



Growth drivers

CapitaCommercial Trust (CCT)

Increase economic value of CCT

Achieve
higher rental
reversion

Increase
occupancy

Enhance asset quality through
physical and technical
improvements

Leverage on
market cycles

Invest in select
development
projects that have
strategic fit with
CCT's existing
portfolio

**Grow portfolio
income**

**Grow by
accretive
acquisition**

**Grow by
development
projects** (within 10%
development limit)



Growth opportunities



One of Six Battery Road's refreshed lift lobbies

- ✓ **Demonstrated leasing success**
- ✓ **Completion of AEI at Six Battery Road will further boost occupancy**
- ✓ **Portfolio to benefit from potential rental upside**
 - CCT's effective signing rents above market rents
 - 16.8% of portfolio due for renewal and rent review in 2014 → opportunities for positive reversions
- ✓ **Additional revenue pipeline from CapitaGreen after 2014**



CapitaCommercial
Trust

Thank you

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

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