



CapitaLand Debt Investors Day 2014

Presentation by Ms Lynette Leong
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11 August 2014



Important Notice

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

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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 structure is composed of several stacked rectangular volumes, with the upper sections featuring a more complex, grid-like pattern of windows.

1. Overview of CCT

Capital Tower, Singapore



CapitaCommercial Trust

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

S\$4.9b[#]

Market
Capitalisation

10

Properties in Singapore's
Central Area

S\$7.3b^{*}

Deposited
Properties

3m sq ft

NLA

32%

Owned by
CapitaLand Group

30%

Stake in Quill
Capita Trust



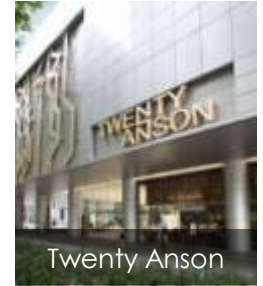
Capital Tower



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

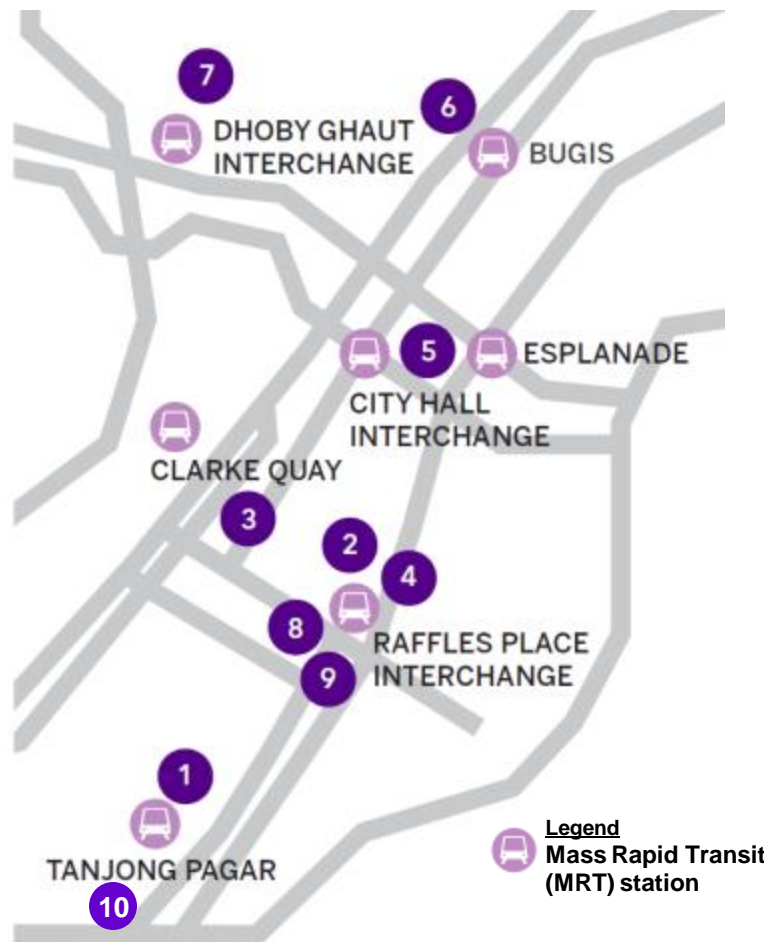
[#] Market Capitalisation as at 31 July 2014

^{*} Deposited Properties as at 30 June 2014

CapitaCommercial
Trust



Owens 10 strategically-located quality commercial properties

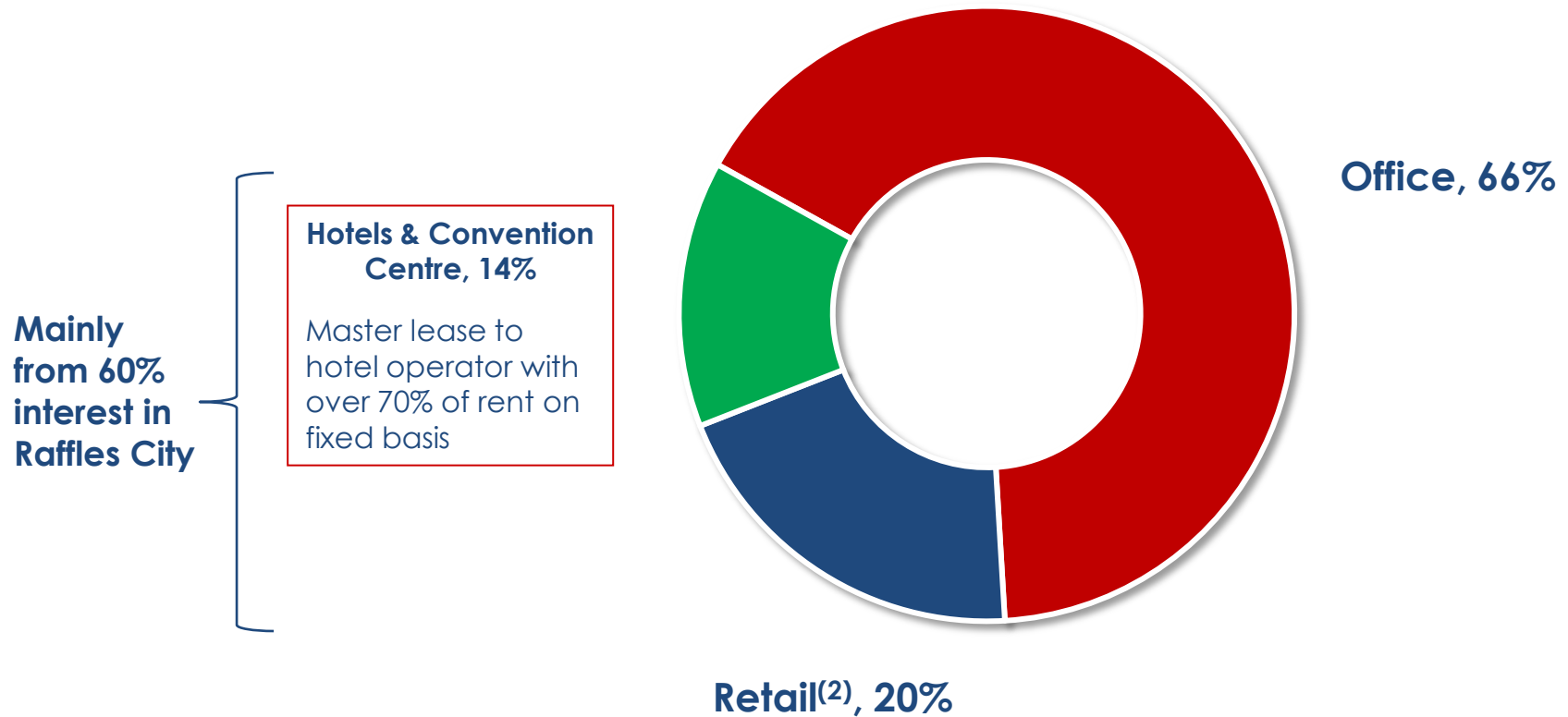


- | | |
|----------------------|------------------------------|
| 1. Capital Tower | 6. Bugis Village |
| 2. Six Battery Road | 7. Wilkie Edge |
| 3. One George Street | 8. Golden Shoe Car Park |
| 4. HSBC Building | 9. CapitaGreen (development) |
| 5. Raffles City | 10. Twenty Anson |
| Singapore |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



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

CCT's income contribution by sector



Notes:

(1) Based on gross rental income excluding retail turnover rent from 1 Jan 2014 to 30 Jun 2014

(2) Includes gross rental income from CCT's 60.0% interest in Raffles City Singapore



CCT's strategies for growth

Active leasing

- Portfolio occupancy at 99.4%
- CapitaGreen secures 23% of lease commitment ahead of building's completion in end 2014

Well spread portfolio lease expiry profile to ride the office property cycle

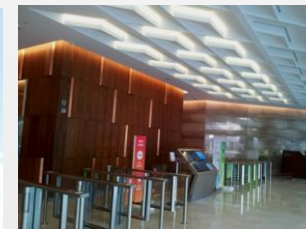
- positive rent reversions with improving Singapore office market sentiments

Value creation through asset enhancement initiatives (AEIs), acquisition and development (within 10% development limit)

Proactive capital management: Low gearing with debt headroom of S\$1.3 billion
Provides flexibility and enables quick response to acquisition opportunities



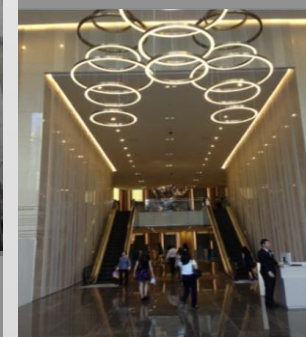
Acquisition pipeline: Call option to buy 60% interest in CapitaGreen within 3 years after completion



Raffles City – Refurbished main lobby



Six Battery Road – Refurbished main lobby



Capital Tower – Main lobby

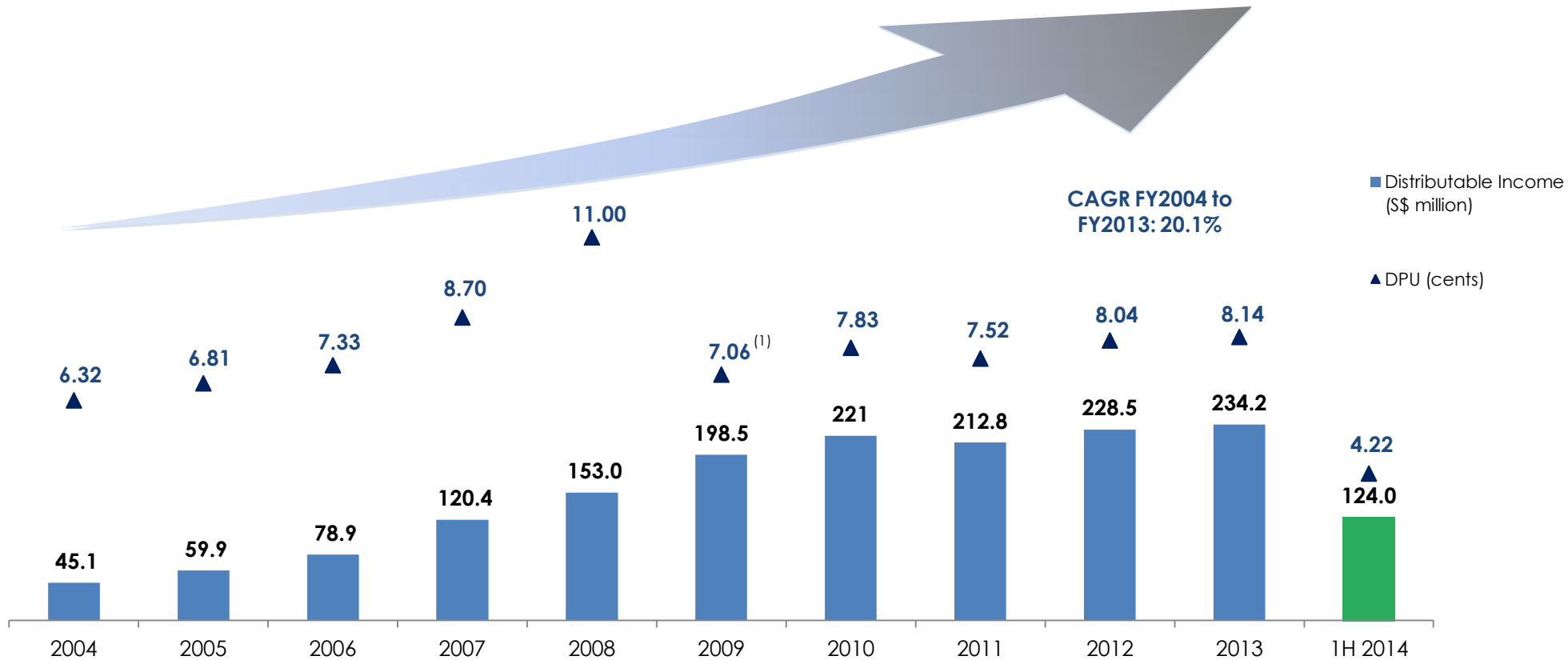
2. Financial Highlights

One George Street, Singapore





Performance of distributable income and distribution per unit since inception



Note (1) After taking into consideration the issue of rights units in July 2009



1H 2014 distribution per unit up by 5.2%

2Q 2014 DPU

2.18

cents

▲ 5.3% YoY

1H 2014 DPU

4.22

cents

▲ 5.2% YoY





Improvement in rents raised valuation of CCT's properties by 1.4% (excluding Raffles City Singapore and CapitaGreen)

Investment Properties	31 Dec 2013 S\$m	30 Jun 2014 S\$m	Variance %	30 Jun 2014 S\$psf
<u>CCT Group</u>				
Capital Tower	1,282.0	1,301.0	1.5	1,764
Six Battery Road	1,285.0	1,312.0	2.1	2,653
One George Street	959.0	963.0	0.4	2,152
Twenty Anson	431.0	431.0	0.0	2,113
HSBC Building	429.0	446.0	4.0	2,225
Golden Shoe Car Park	138.4	139.0	0.4	NM ⁽³⁾
Wilkie Edge	186.0	188.0	1.1	1,239
Bugis Village ⁽¹⁾	58.6	57.9	(1.2)	478
CCT Group	4,769.0	4,837.9	1.4	
<u>Joint Ventures</u>				
Raffles City Singapore (60% interest)	1,810.8	1,846.8	2.0	NM ⁽³⁾
CapitaGreen ⁽²⁾ (40% interest) – book value of property under construction	380.0	438.5	15.4	NM ⁽³⁾

Notes:

- (1) Excludes Bugis Village which has lower rental rates assumed due to 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.
- (2) Land valuation of CapitaGreen as at 30 Jun 2014 was S\$284.8 million (40% interest) and took into consideration all applicable differential premiums paid to government authority.
- (3) NM – Not Meaningful



Robust balance sheet ⁽¹⁾

As at 30 June 2014

	S\$ '000
Non-current Assets	6,235,472
Current Assets	85,482
Total Assets	6,320,954
Current Liabilities	179,037
Non-current Liabilities	1,108,271
Total Liabilities	1,287,308
Net Assets	5,033,646
Unitholders' Funds	5,033,646

Units in issue ('000) **2,934,543**

	S\$ '000
Deposited Properties⁽²⁾	7,349,201

Net Asset Value Per Unit	S\$1.72
Adjusted Net Asset Value Per Unit (excluding distributable income)	S\$1.67

Credit Rating

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

Outlook stable by both rating agencies

Notes:

(1) CCT 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.

3. Proactive Capital Management



Wilkie Edge, Singapore



Proactive capital management strategy

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



Strong financial ratios

	1Q 2014	2Q 2014	Remarks
Net Debt / EBITDA ⁽¹⁾	5.0 times	4.6 times	Improved (Lower Net Debt)
Unencumbered Assets as % of Total Assets ⁽²⁾	100.0%	100.0%	Stable
Average Term to Maturity	3.7 years	4.0 years	Improved (Due to refinancing of CB 2015)
Average Cost of Debt (p.a.) ⁽³⁾	2.4%	2.4%	Stable
Interest Coverage ⁽⁴⁾	6.6 times	6.8 times	Improved (Lower interest expense and higher EBITDA)

Notes:

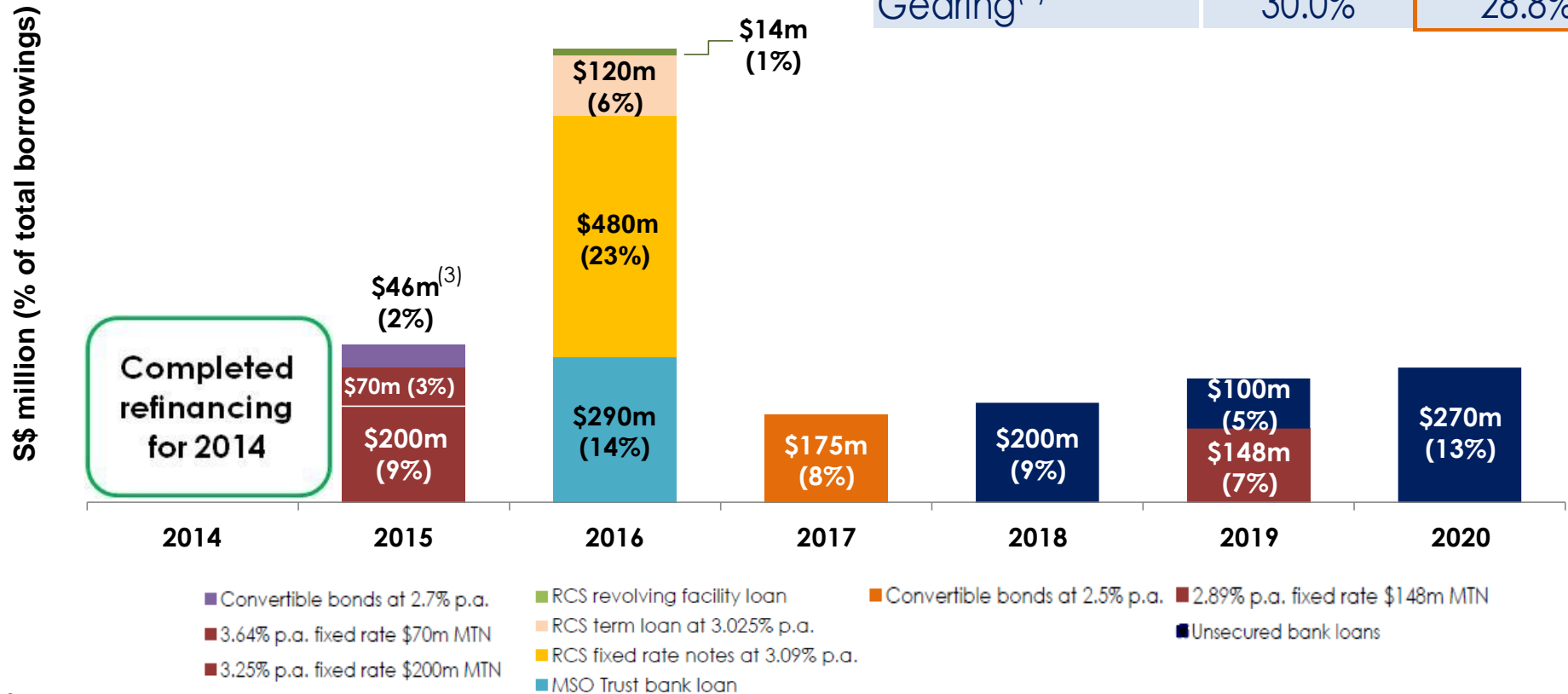
- (1) Net debt excludes borrowings of RCS Trust and MSO Trust. EBITDA refers to earnings before interest, tax, depreciation and amortisation but after share of profit of associate and joint ventures.
- (2) Investment properties at CCT Trust and Twenty Anson (held through CCT's 100% interest in FirstOffice Pte. Ltd.) are all unencumbered.
- (3) Ratio of interest expense over weighted average borrowings.
- (4) Ratio of EBITDA over finance costs includes amortisation and transaction costs.



Debt maturity profile termed out

As at 30 June 2014

	1Q 2014	2Q 2014
Total Gross Debt ⁽¹⁾	\$S\$ 2,166.4 m	\$S\$2,113.2
Gearing ⁽²⁾	30.0%	28.8%



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) Subsequent to 30 June 2014, \$S\$1.0 million of the principal amount of CB 2015 was converted into CCT units and \$S\$37.5 million of principal amount of CB 2015 was repurchased. The remaining balance of CB 2015 is \$S\$7.0 million.



Diverse sources of funding to mitigate risks



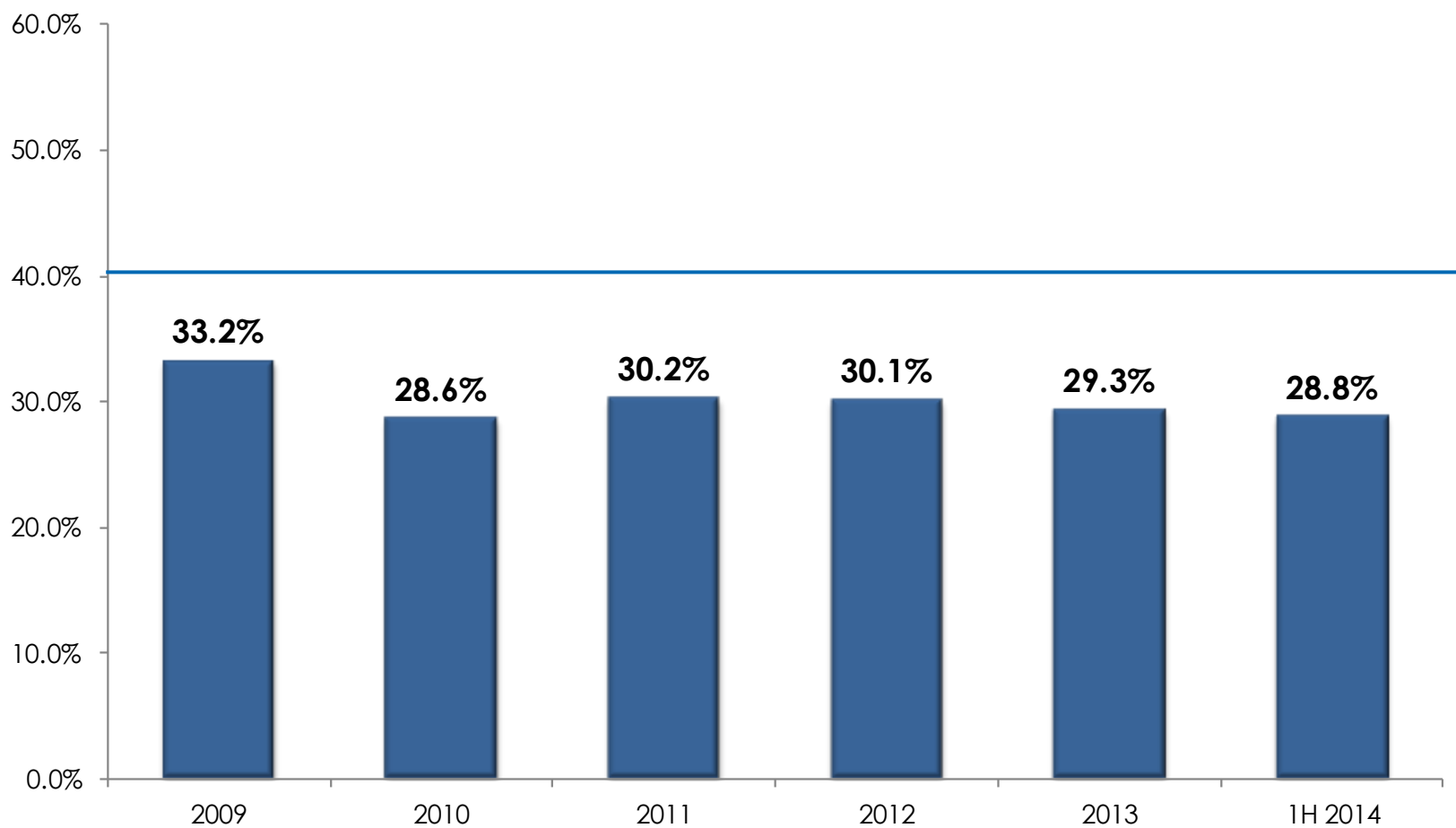
Note:

(1) Subsequent to 30 June 2014, S\$1.0 million of the principal amount of CB 2015 was converted into CCT units and S\$37.5 million of principal amount of CB 2015 was repurchased. The remaining balance of CB 2015 is S\$7.0 million. Hence, the aggregate amount of CB due 2015 and 2017 is reduced to S\$182 million from S\$221 million.



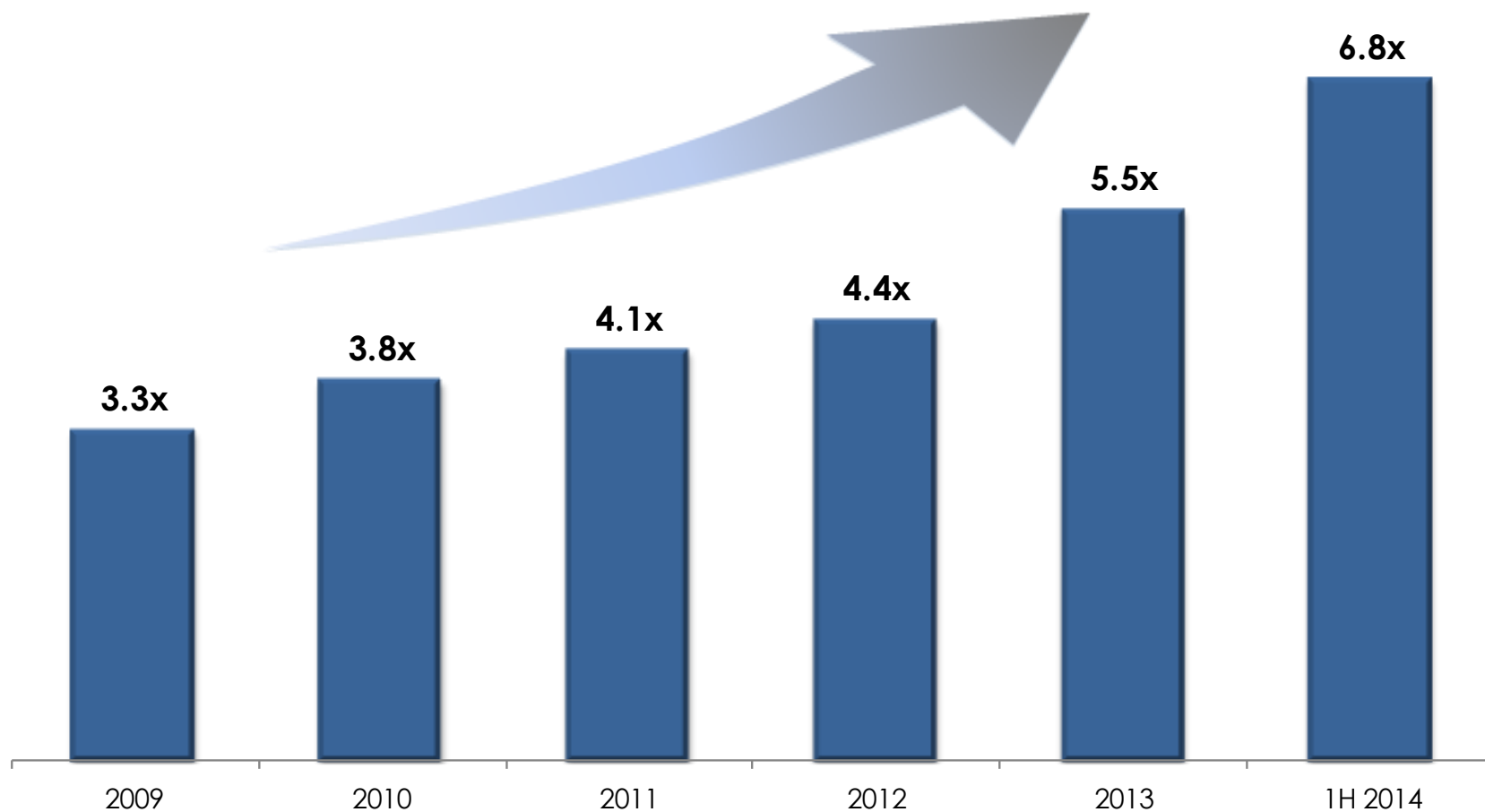
Gearing below 40% throughout property market cycle

Assuming gearing of 40%, CCT has debt headroom of S\$1.3 billion



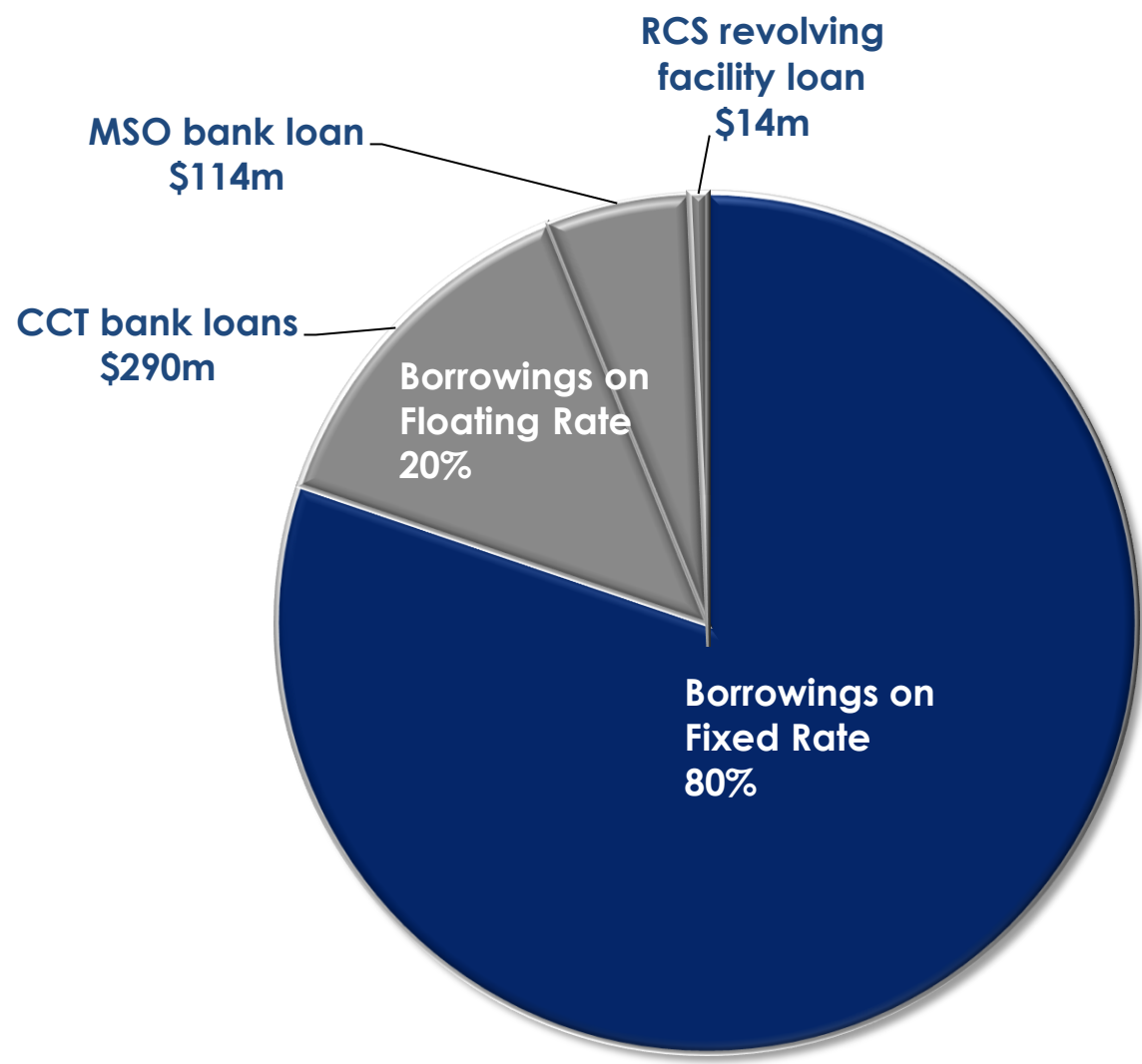


Improved interest service ratio





80% of fixed rate borrowings provides certainty of interest expense



4. Positive Singapore Office Market

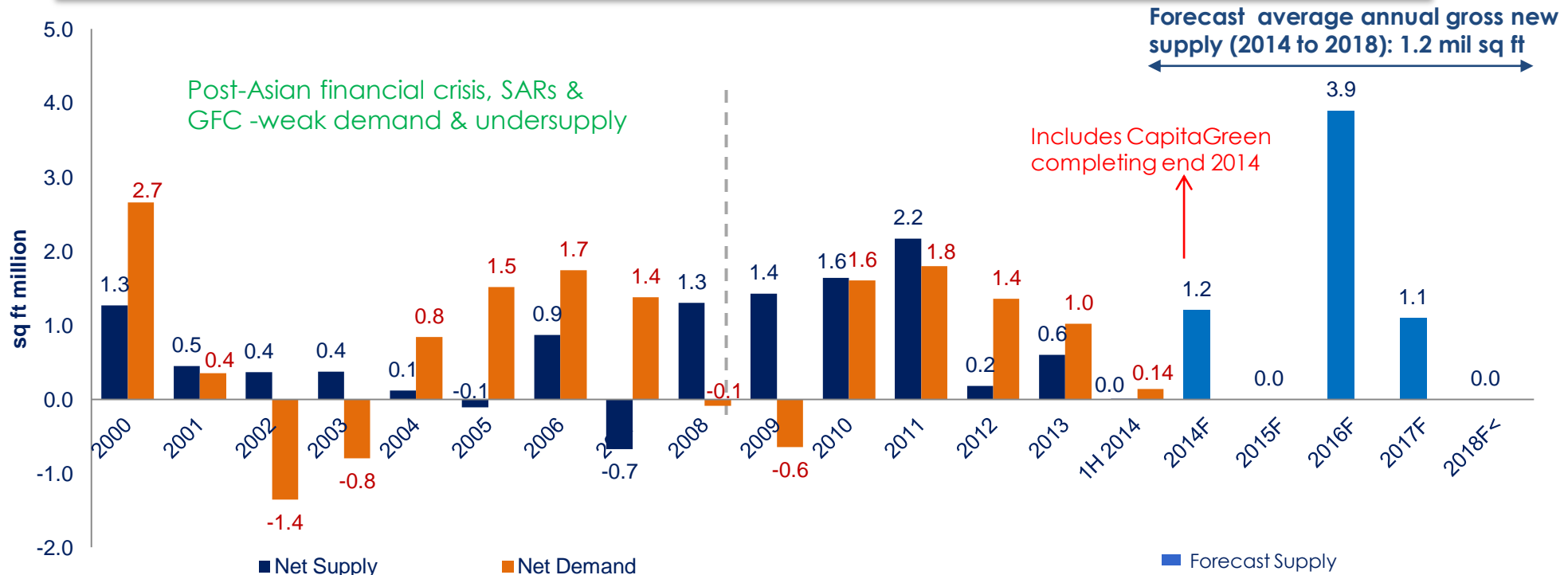


Wilkie Edge, Singapore



No new supply in CBD in 2015; Core CBD occupancy at 95.8% as at end-Jun 2014

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



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 (gross supply)	1.2m sq ft	N.A.

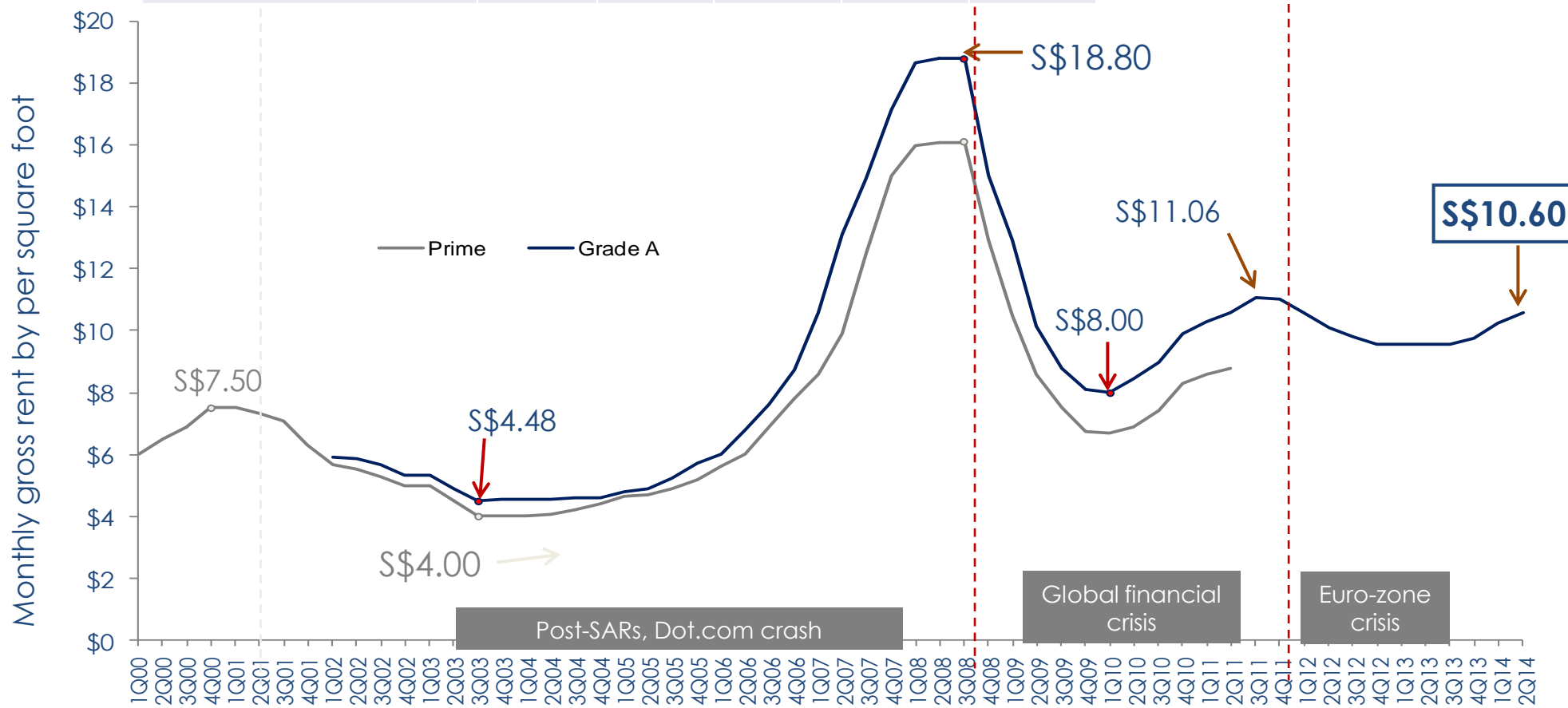
Notes:

- (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 2Q 2014; Forecast supply from Jones Lang LaSalle and CBRE Pte. Ltd.



Grade A office market rent increased by 3.4% QoQ

	2Q 13	3Q 13	4Q 13	1Q 14	2Q 14*
Mthly rent (S\$ / sq ft)	9.55	9.55	9.75	10.25	10.60
% change	0.0	0.0	+2.1%	+5.1%	+3.4%



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

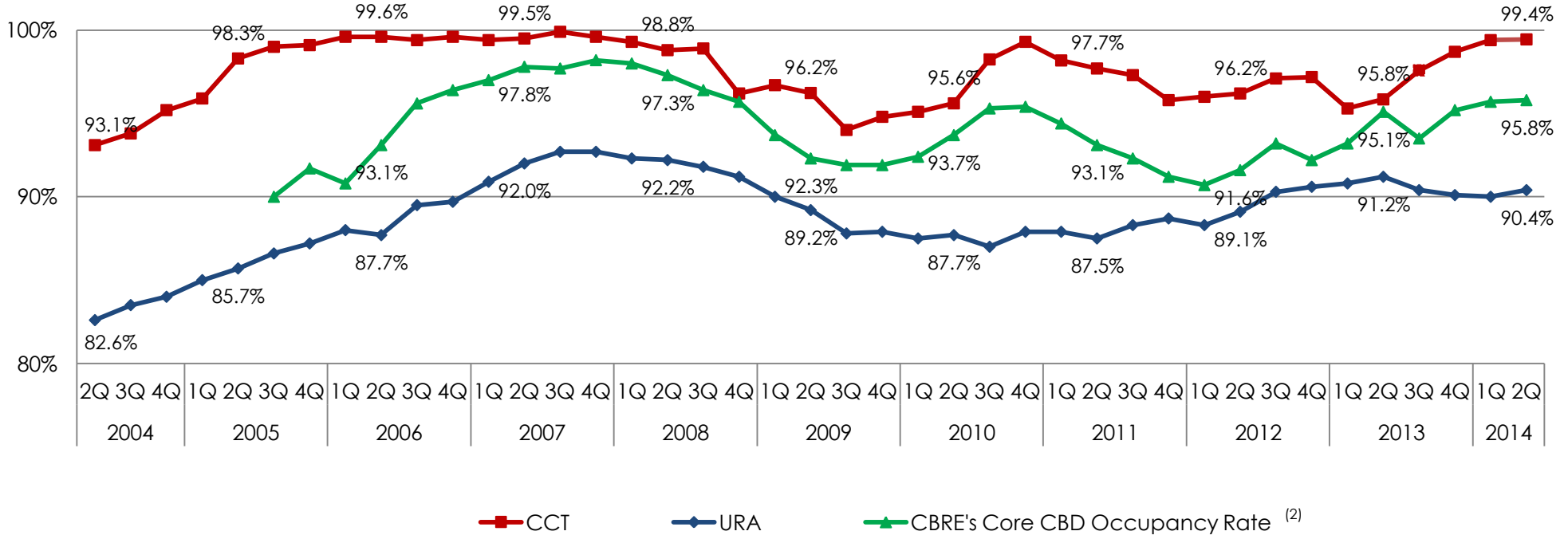
Source of data: CBRE Pte. Ltd. (figures as at end of each quarter). CBRE no longer tracks prime rents from 3Q 2011.



CCT's portfolio occupancy above market level

	CCT Committed Occupancy Level				Industry Statistics Occupancy Level ⁽¹⁾			
Grade A Office	2Q 2014	99.8% ↔	1Q 2014	99.8%	2Q 2014	94.8% ↔	1Q 2014	94.8%
Portfolio	2Q 2014	99.4% ↔	1Q 2014	99.4%	2Q 2014	95.8% ↑	1Q 2014	95.7%

CCT's Committed Occupancy Since Inception



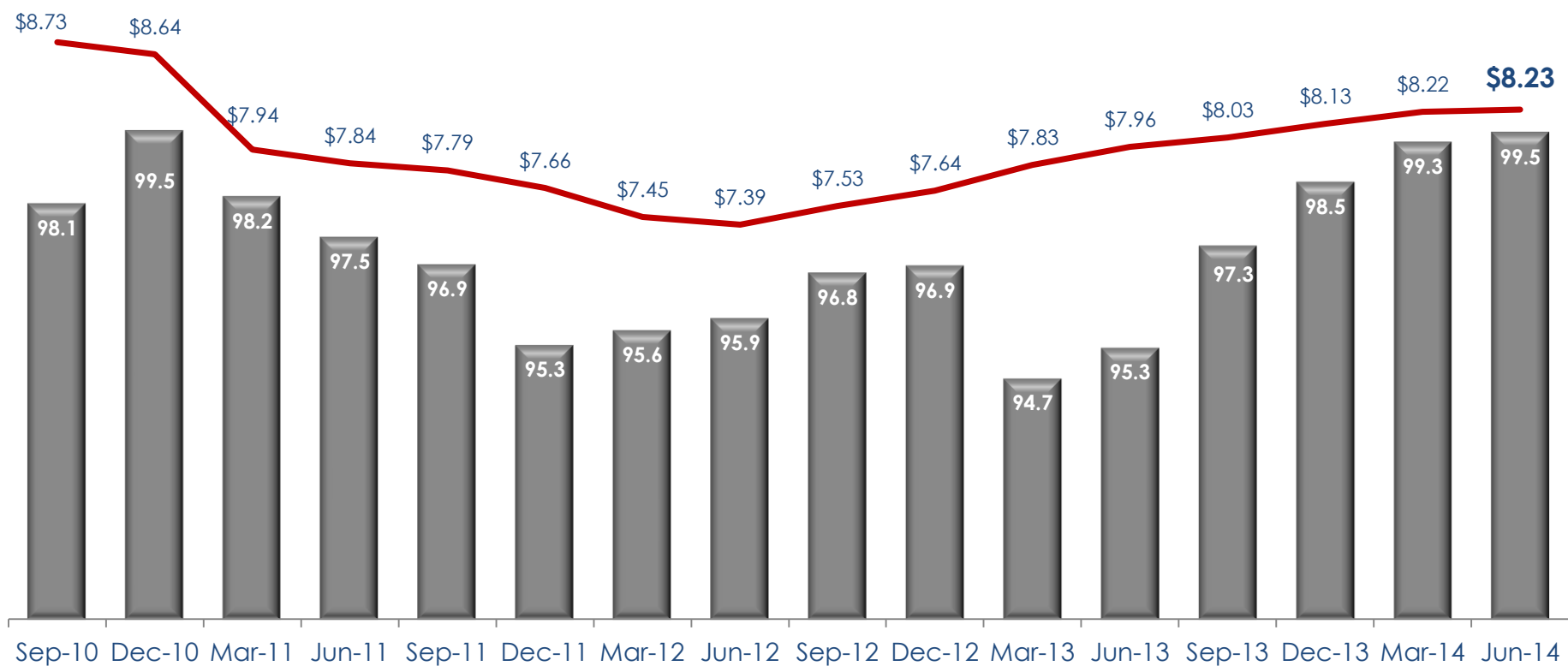
Notes:

(1) Source: CBRE Pte. Ltd.

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



Monthly average office rent of CCT's portfolio⁽¹⁾ up by 3.4% over 12-month period



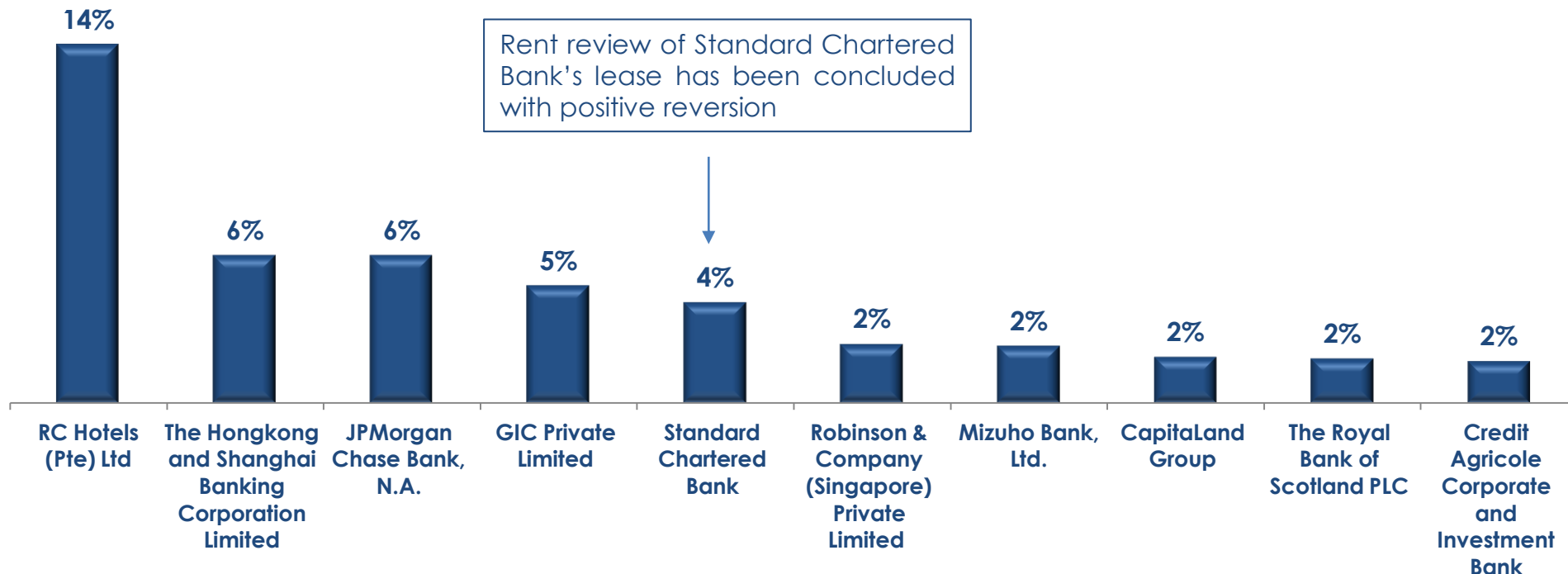
■ Committed occupancy of office portfolio (%) — Average gross rent per month for office portfolio (\$/psf)

Note:

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



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



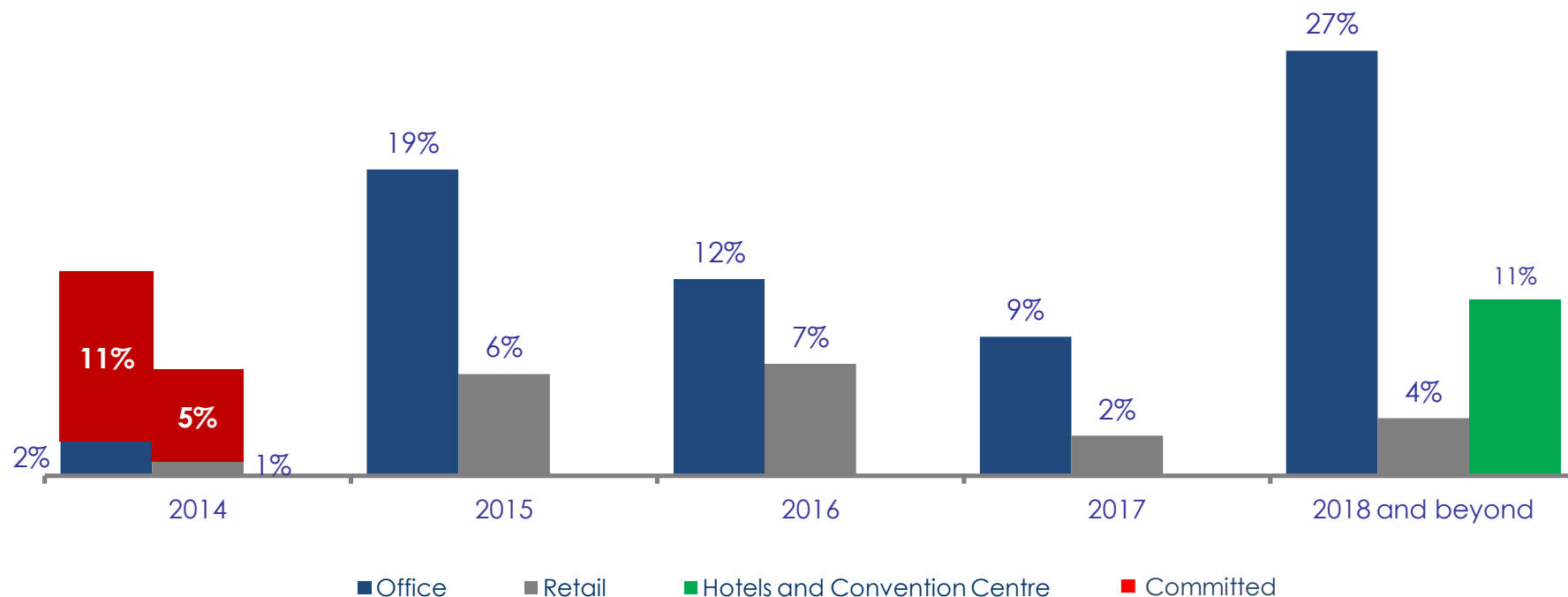
Note:

(1) Based on monthly gross rental income excluding retail turnover rent of top ten tenants as at 30 Jun 2014. Total percentage may not add up due to rounding.



CCT well spread portfolio lease expiry profile

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



Portfolio WALE⁽²⁾ by NLA as at end Jun 2014 = 7.8 years

Notes:

(1) Excludes retail and hotel turnover rent

(2) WALE: Weighted Average Lease term to Expiry



Six Battery Road's AEI: Completed and achieved ROI of 8.6%

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\$85.8 million



Enhanced frontage of Six Battery Road

Average occupancy rate during the AEI was maintained at
92%

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

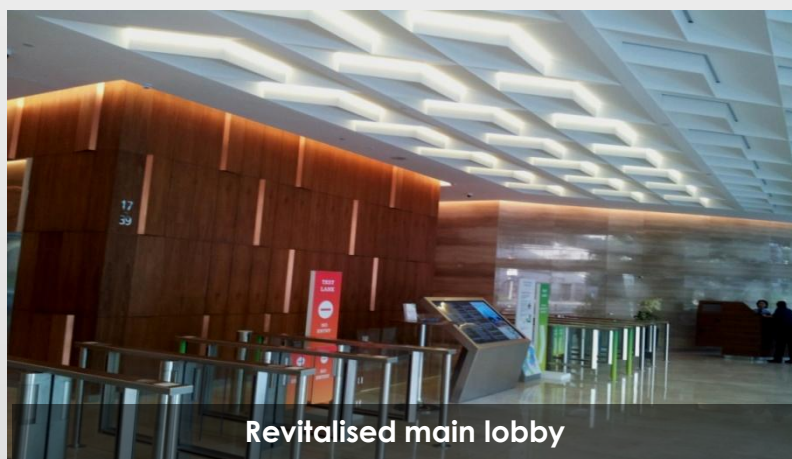
Note:

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

Raffles City Tower AEI: Completed

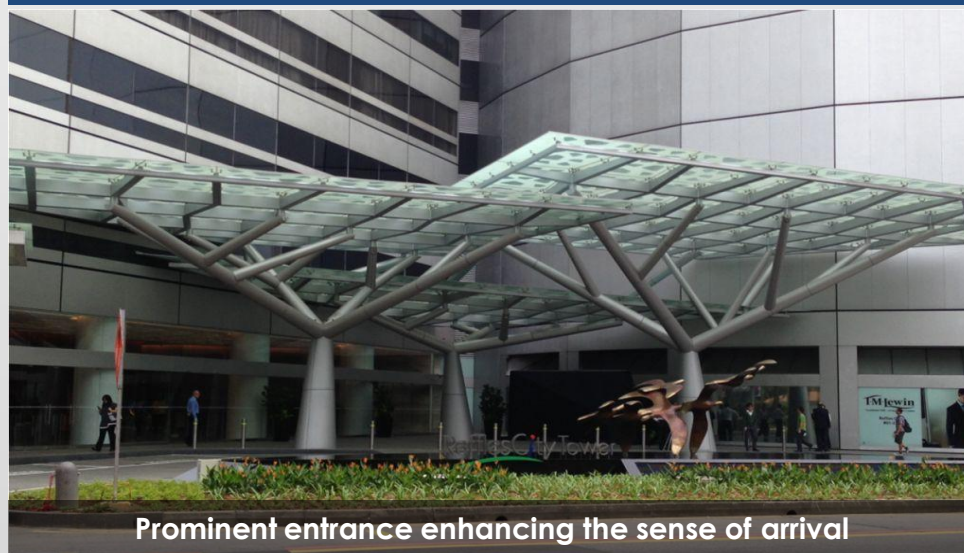
Successfully enhanced visibility of entrance and sense of arrival at the canopy, drop-off area and main lobby

Estimated AEI cost of
S\$32.3 million



Average office occupancy rate during the AEI
99.9%

Return on Investment of **9.3%**,
above target of 8.6%





Capital Tower AEI: Expanded scope within the same budget of S\$40.0m; Projected ROI of 7.8%

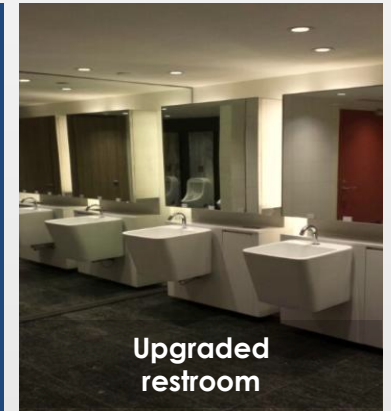


Expanded Scope

Upgrading of upper floor lift lobbies to match the new main lobbies at Level 1 & 2

Revised Schedule for AEI Completion

4Q 2015



Same AEI Budget of

S\$40.0m

S\$16.1m

paid to date

100%

Committed Occupancy as at 30 Jun 2014



Restroom Upgrade

Completed **15** floors

CapitaGreen secures aggregate lease commitments for about 23% of total NLA⁽¹⁾



- Leased approximately 165,000 square feet of space
- Translates to about 23% of building's NLA
- Tenants from various business sectors including commodities, legal, financial services and insurance
- CapitaGreen's structural work reached top floor of building – on track to complete in end 2014

Note:

(1) NLA: Net Lettable Area





Potential income from 40% share and acquisition pipeline of remaining 60%



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 (2015 to 2017)

CapitaCommercial
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CapitaCommercial
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Q&A

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Tel: (65) 6713 2888; Fax: (65) 6713 2999



1H 2014 distributable income up by 7.6% YoY

Gross Revenue

S\$129.8
million

▲ 3.2% YoY

Net Property Income

S\$102.7
million

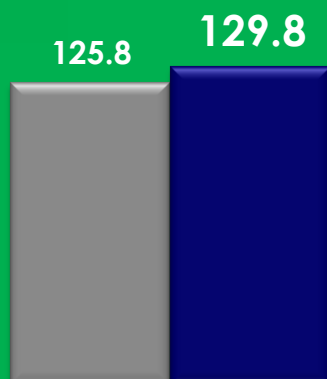
▲ 2.5% YoY

Distributable Income ⁽¹⁾

S\$124.0
million

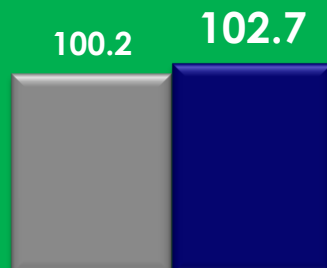
▲ 7.6% YoY

S\$ million



Gross Revenue

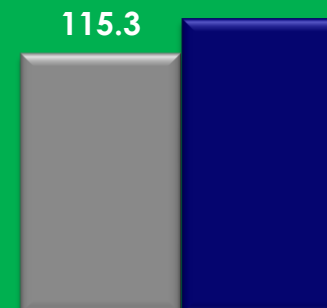
Higher revenue from all properties except One George Street ⁽³⁾



Net Property Income

Higher property tax offset the increase in revenue

■ 1H 2013 ⁽²⁾ ■ 1H 2014



Distributable Income

Higher NPI, lower interest expenses, higher distributable income from RCS Trust as well as release of retained tax-exempt income

Notes :

(1) CCT released S\$2.4 million of retained tax-exempt income.

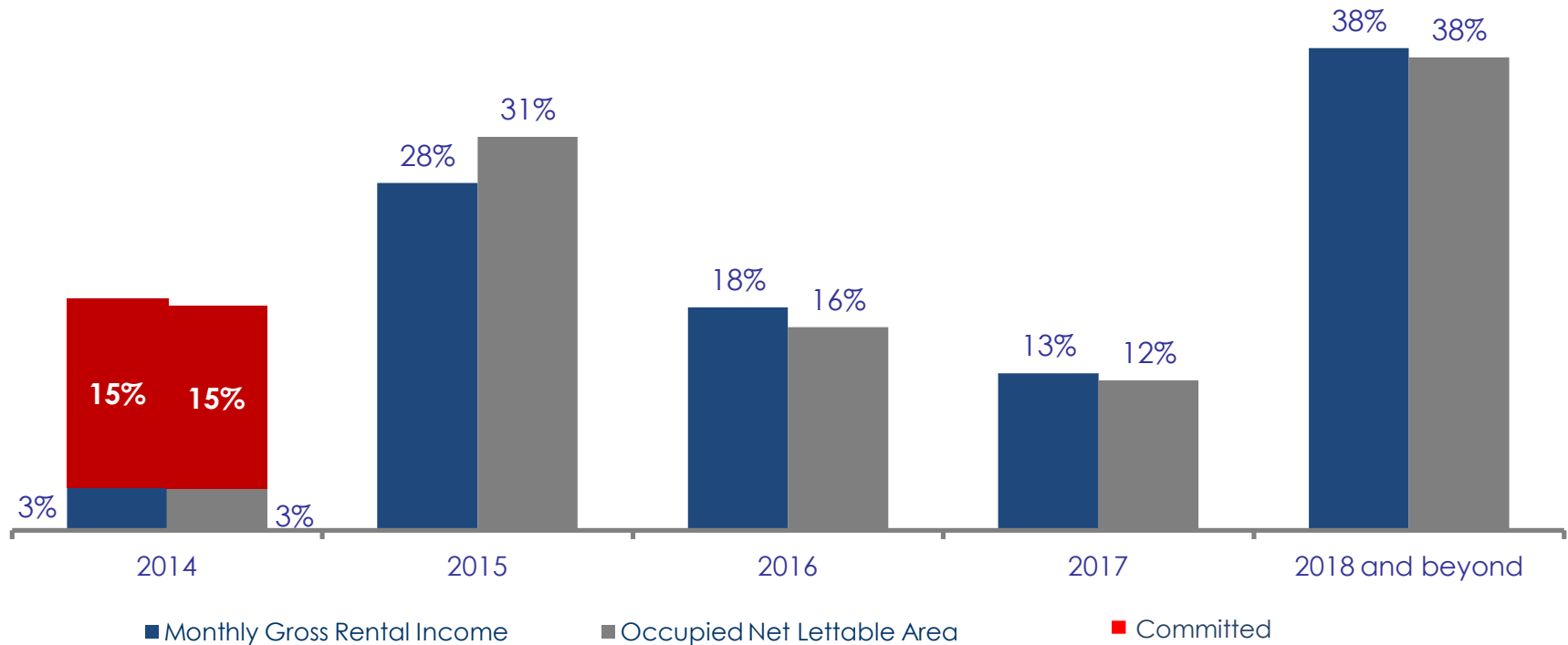
(2) 1H 2013 gross revenue and net property income have been restated with the adoption of FRS 111 Joint Arrangements.

(3) Due to cessation of yield protection income on 10 Jul 2013.



Most of the leases expiring in 2014 have been renewed

Office lease expiry profile as a percentage of net lettable area and monthly gross rental income for Jun 2014

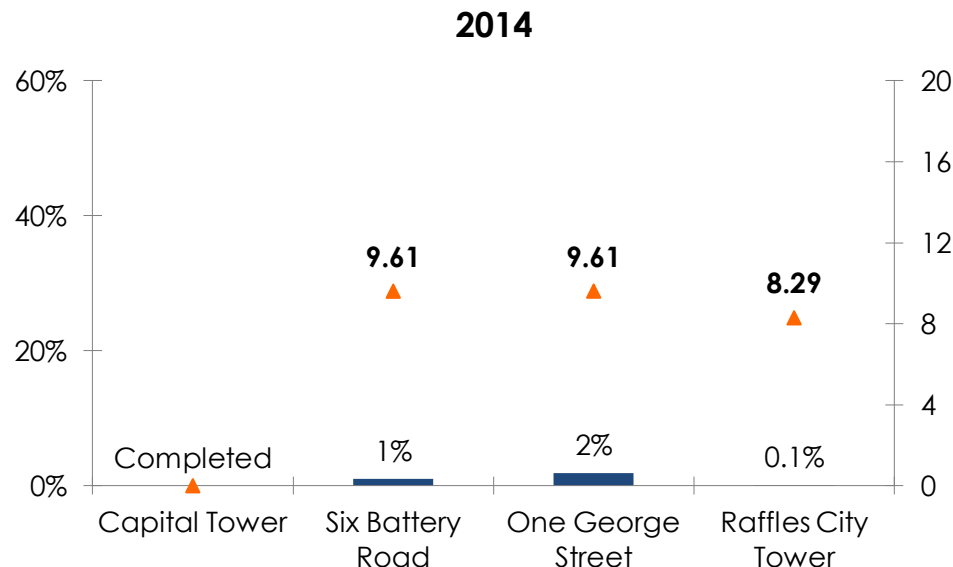




CCT's key buildings are well positioned to capture potential rental upside

2Q 2014 Industry Statistics⁽¹⁾ –

Grade A Office Average Market Rent: S\$10.60 psf per month



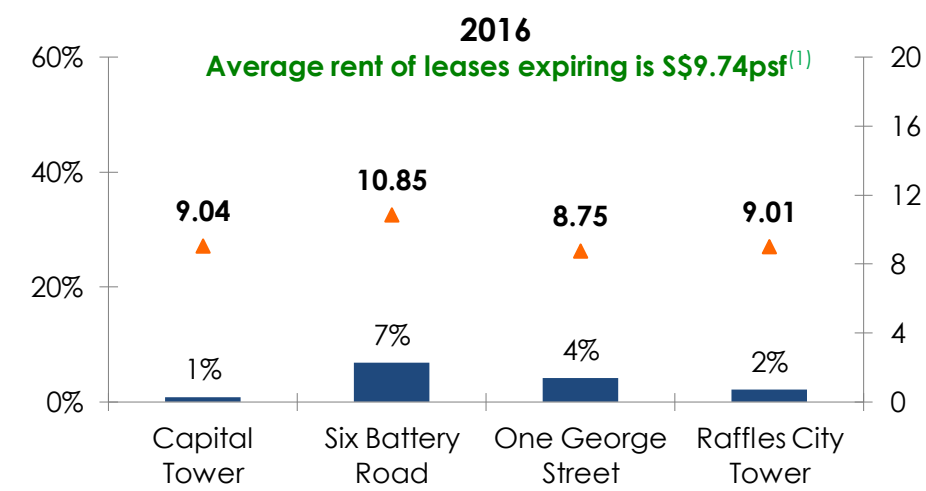
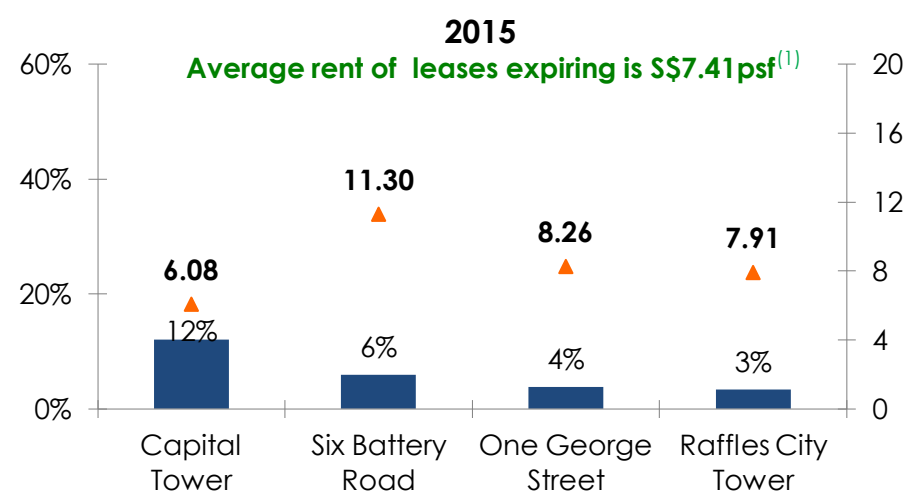
- ▲ Average monthly gross rental rate for expiring leases (\$ psf / month)
- $\frac{\text{Monthly gross rental income for leases expiring at respective properties}}{\text{Monthly gross rental income for office portfolio}} \times 100\%$

Note:

(1) Source: CBRE Pte. Ltd. as at 2Q 2014



Well positioned to benefit from office market recovery upon lease expiries



▲ Average monthly gross rental rate for expiring leases (\$ 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) 3 Grade A buildings and Raffles City Tower only



Known Future Office Supply in Central Area (2014 – 2017<)

Expected completion	Proposed Office Projects	Location	NLA (sq ft)
4Q 2014	CapitaGreen (23% of NLA committed)	Raffles Place	700,000
4Q 2014	South Beach Development	Beach Road/City Hall	501,943
		Subtotal (2014):	1,201,943
2015	NIL	Subtotal (2015):	0
2016	EON Shenton (Redevelopment of Marina House) (Strata Office)	Shenton Way	103,021
2016	V on Shenton (Former UIC Building at 5 Shenton Way)	Shenton Way	285,000
2016	Robinson Square (Redevelopment of The Corporate Building)	Robinson Road	35,355
2016	Marina One	Marina Bay	1,880,000
1Q 2016	Duo	Bugis	570,000
3Q 2016	Guoco Tower	Tanjong Pagar	900,000
4Q 2016	Robinson Tower	Robinson Road	128,000
		Subtotal (2016):	3,901,376
2017	SBF Centre (Strata Office)	Shenton Way	235,400
2017	Oxley Tower (Strata Office)	Shenton Way	111,713
2017	Site at Cecil Street	Shenton Way	720,000
		Subtotal (2017):	1,067,113
TOTAL FORECAST SUPPLY (2014-2017<)			6,170,432
Total forecast supply excluding strata offices			5,720,298