

CapitaCommercial Trust

First listed commercial REIT

Delivering Value through Portfolio Reconstitution
by Ms Lynette Leong, CEO



SIAS Corporate Profile Seminar

17 November 2011



Important Notice

This presentation shall be read in conjunction with CCT's Third Quarter 2011 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.



Contents

	Slide No.
1. Who we are	4
2. Portfolio Reconstitution	11
3. Strong balance sheet	23
4. Stable Portfolio	29
5. Market Outlook	34
6. Summary	36

1. Who We Are



CapitaCommercial
Trust



Singapore's First Listed Commercial REIT

Listing	May 2004 on Singapore Exchange Securities Trading Limited
Portfolio - Singapore	Nine quality commercial assets in the Central Area of Singapore <i>Three Grade A offices and one prime office, three mixed-use properties, one multi-storey car park and one office development (40% interest) in CBD</i>
Total Net Lettable Area	About 3 million sq ft
Total number of Tenants	More than 400 (office and retail)
Total assets	S\$6.2 billion (US\$4.7 billion) (as at 30 September 2011)
Market cap	S\$3.2 billion (US\$2.5 billion) Based on CCT's closing price of S\$1.14 on 15 November 2011 and total units on issue 2,829,871,567.



CCT's nine quality commercial assets

Grade A offices



Capital Tower



Six Battery Road



One George Street



**60% interest in
Raffles City**



**HSBC
Building**



Wilkie Edge



Bugis Village



**Golden Shoe
Car Park**

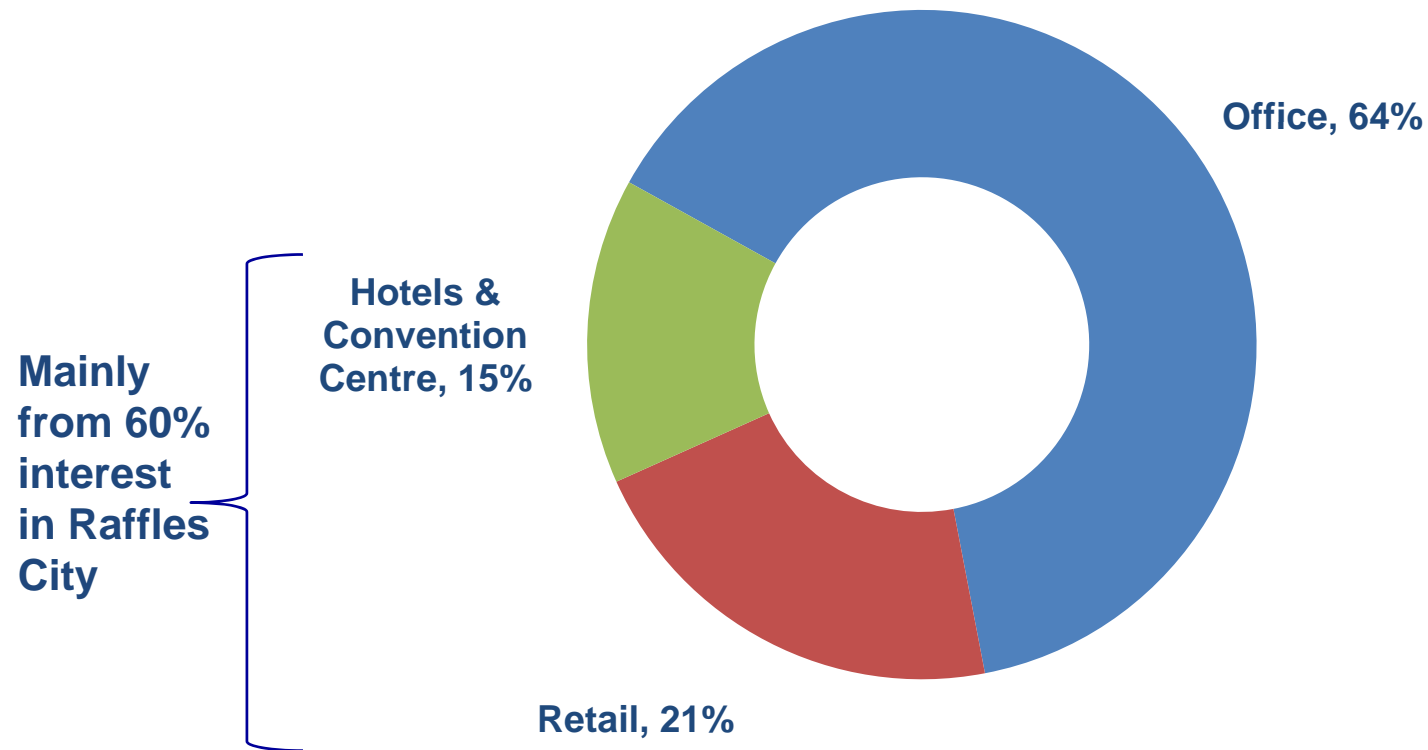


**40% interest in
Market Street
Development**



CCT's gross rental income supported by contribution from retail and hotels & convention centre

CCT's income⁽¹⁾ contribution by sector⁽²⁾



Notes:

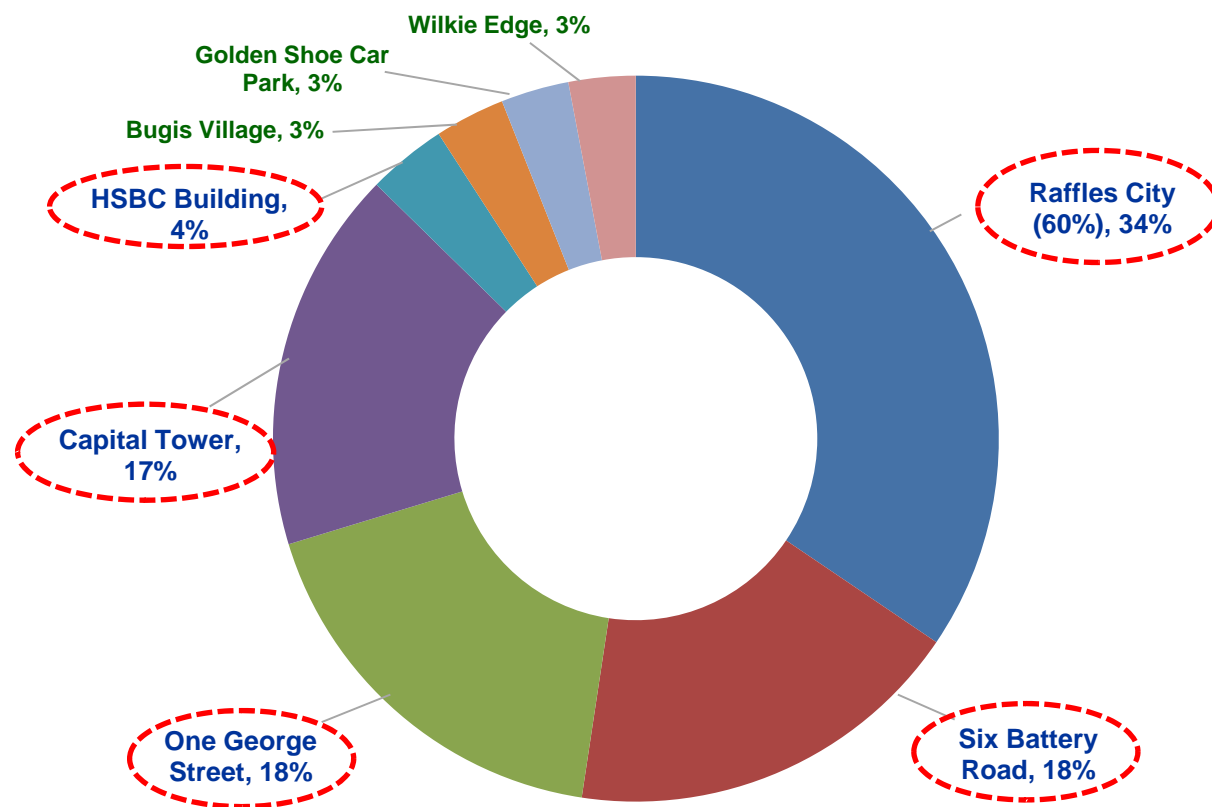
(1) Excludes retail turnover rent

(2) For the period from 1 Jan 2011 to 30 Sep 2011



Portfolio diversification with focus on quality⁽¹⁾

**More than 90% of Net Property Income
from Grade A and Prime offices⁽²⁾**



Notes:

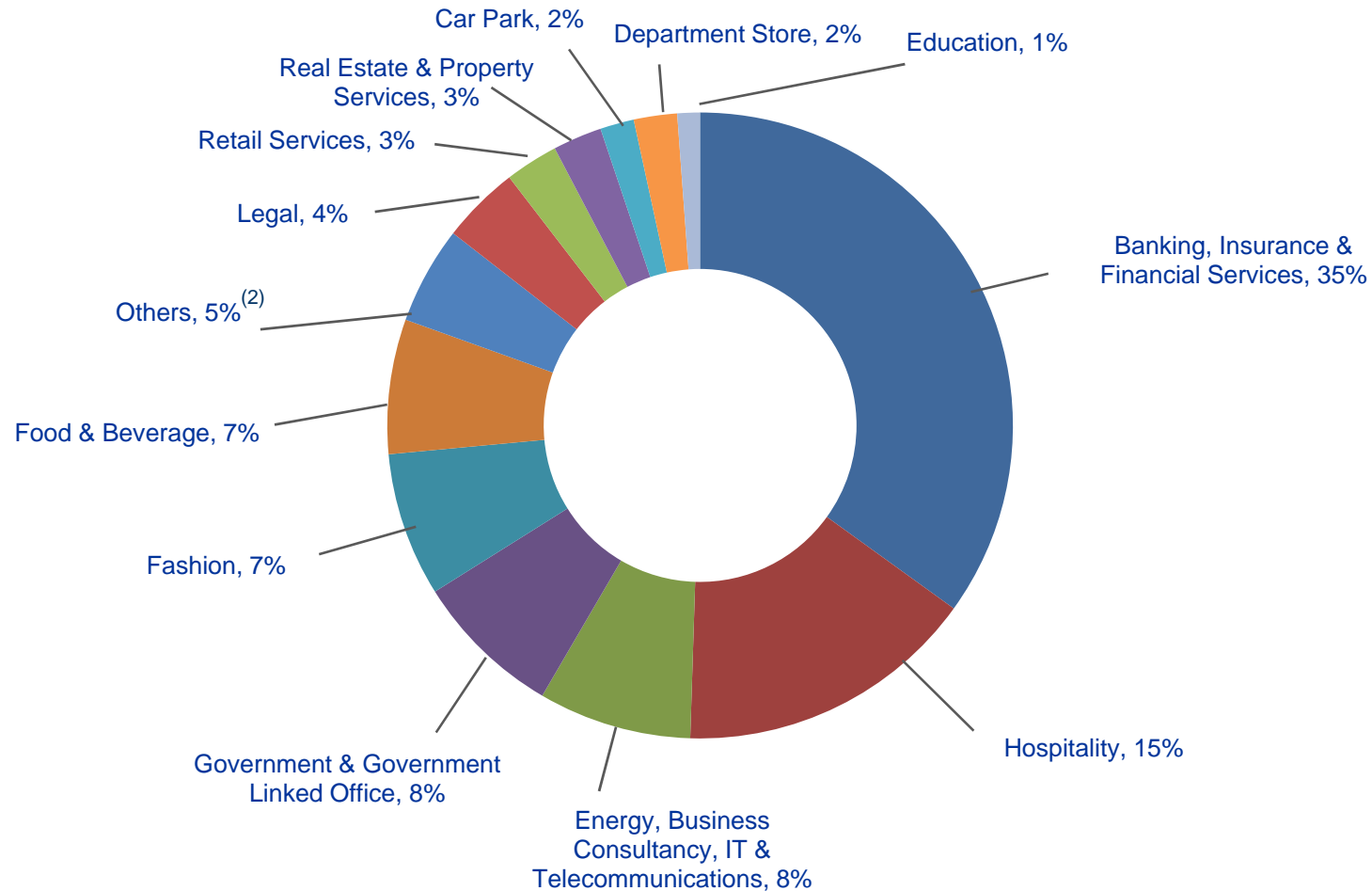
(1) For the period from 1 Jan 2011 to 30 Sep 2011.

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

(3) MSCP was sold to MSO Trust on 16 June 2011 and is not included.



Diverse tenant mix in CCT's portfolio⁽¹⁾



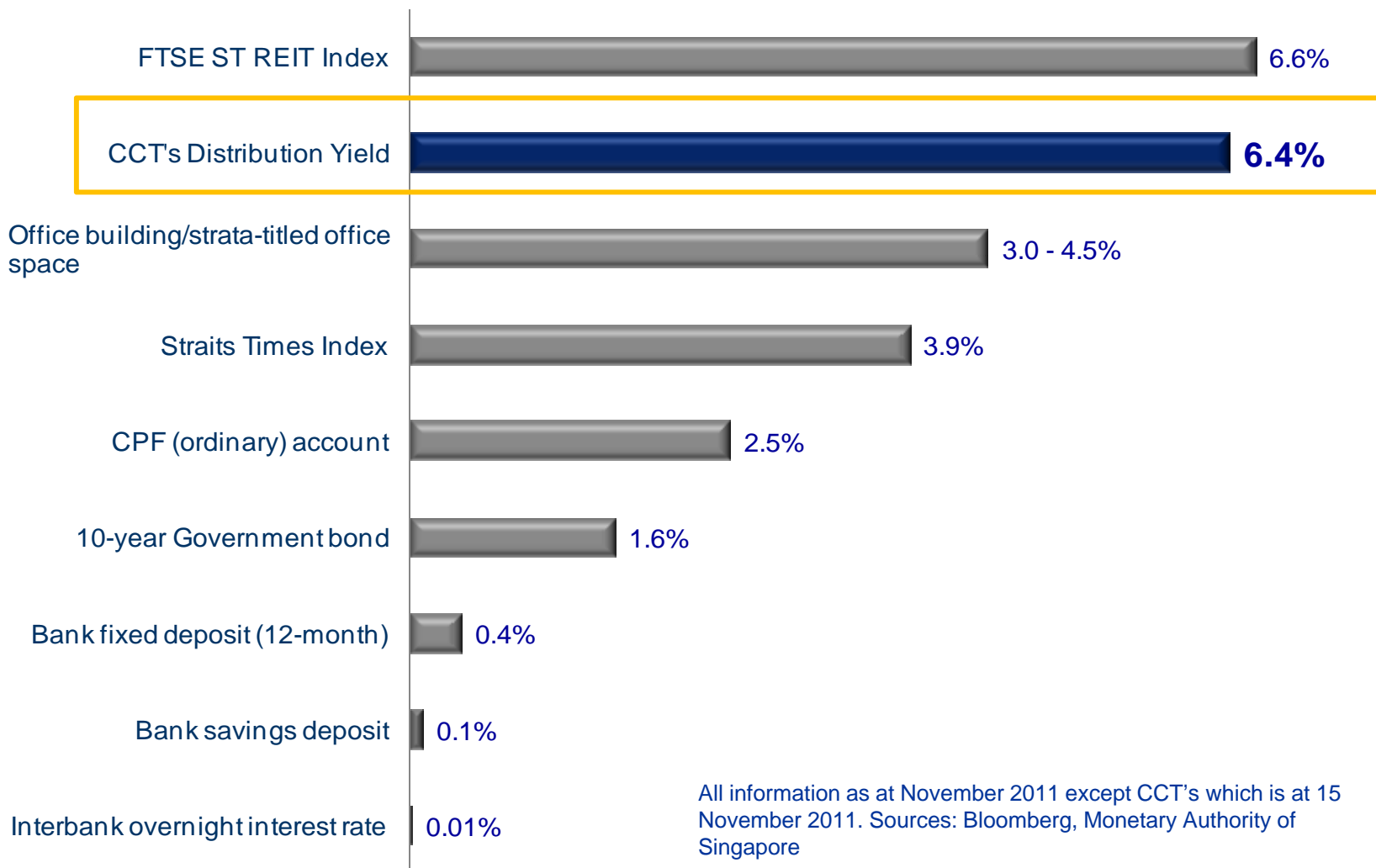
Notes:

(1) Based on portfolio gross rental income for Sep 2011, including car park income from Golden Shoe Car Park.

(2) Consists of other minor retail and office trades.



Attractive yield compared to other investments



2. Portfolio Reconstitution



CapitaCommercial
Trust



CCT's portfolio reconstitution strategy to generate higher value for Trust

Redevelop Market Street Car Park into Grade A office tower

Flexibility and speed to seize growth opportunities

Redeploy capital

Acquire good quality asset

Funding flexibility

Organic growth

Unlock value at optimal stage of life cycle

Enhance / refurbish asset

Robinson Point

Starhub Centre

Six Battery Road

Raffles City Singapore

Value creation



Raffles City B2 Link and B1 Marketplace 100% leased

Created about 16,000 sq ft of additional net lettable area

Achieved higher return on investment of 9.0%





Six Battery Road wins prestigious BCA Green Mark Platinum award



Six Battery Road

- **Repositioning to enhance competitiveness**
- **Asset enhancement focus:**
 - Environmental sustainability
 - Technical efficiency
 - Aesthetic value
- **Cost of enhancement = S\$92m (disbursed over six years)**
- **Projected return on investment: 8.1%**
- **Carry out works in phases till 2013**
- **First operating office building in Singapore to attain 2010 Building and Construction Authority's Green Mark Platinum award**



Official opening of “Rainforest Rhapsody”, the first indoor vertical garden in Singapore’s CBD

Strong lease commitment for upgraded space available in 2011: 98% or 92,600 sq ft (out of 93,700 sq ft of space to be upgraded as at 3Q 2011)

Positive feedback received from tenants on the revitalised lobby:

“The green wall is just spectacular – I couldn’t take my eyes off it. Congratulations! It’s so nice to walk in every morning and see that. The whole public area including the lift lobbies look and feel classy.”

– Ms Molly Teo, Värde Partners Asia Pte Ltd

(Right) Unveiling of Rainforest Rhapsody with Guest-of-Honor Senior Minister of State Ms Grace Fu and renowned French botanist Dr Patrick Blanc, together with CCL CEO Mr Chong Lit Cheong and CCTML CEO Ms Lynette Leong





Market Street site is a well-connected island site in Raffles Place and near Marina Bay financial area



Attractiveness of Market Street site

- In the heart of Singapore's Central Business District, and close to Marina Bay
- Excellent connectivity to public transportation network and amenities
- Island site with high visibility



Market Street development – a new Grade A office

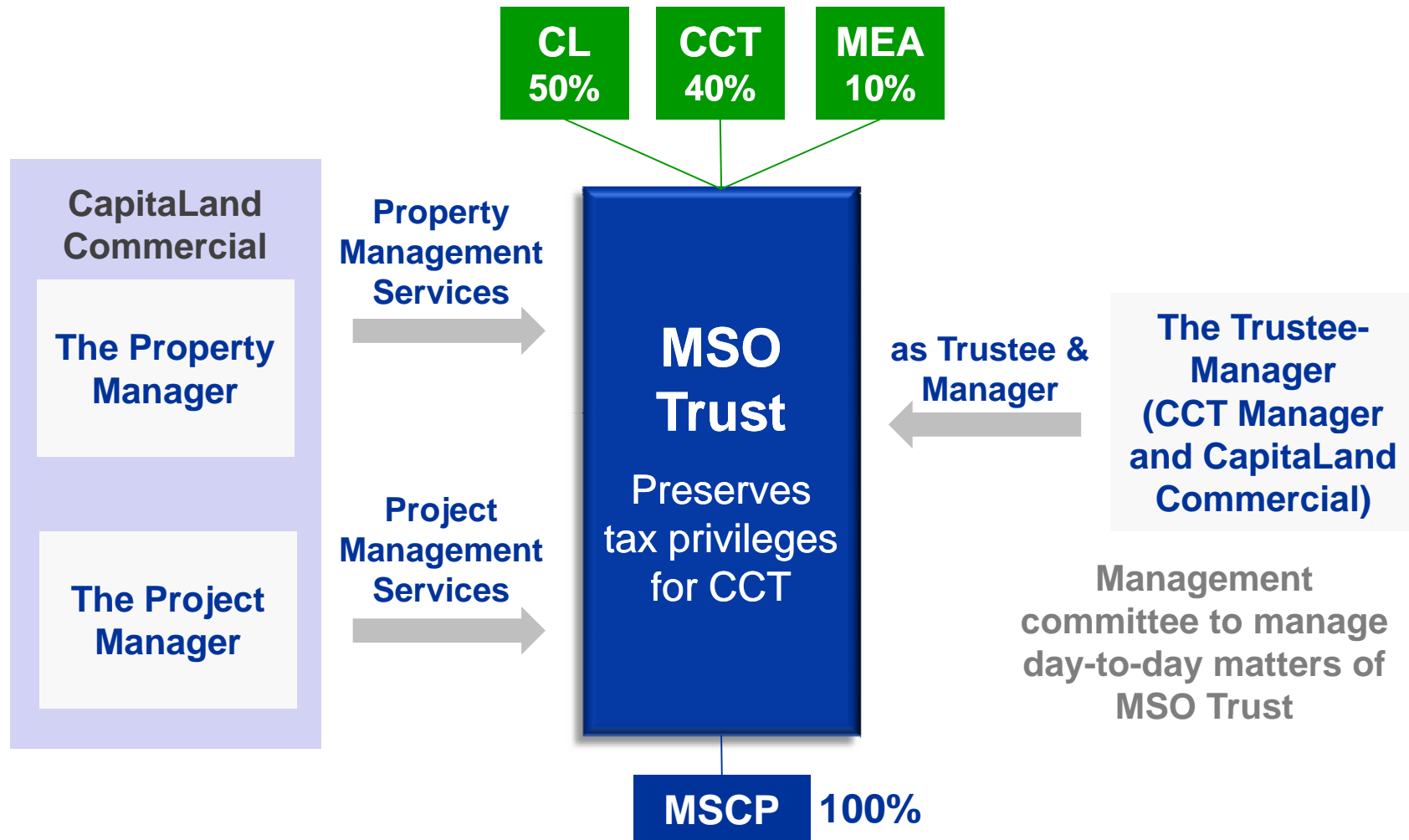


Artist's impression only. Actual design may subject to change without notification. Image courtesy of kuramochi+oguma

Total PDE	S\$1.4 billion
Design	Mr. Toyo Ito, internationally-acclaimed architect
Tenure	99 years from 1 April 1974
Estimated GFA	887,000 sq ft
Estimated NLA	720,000 sq ft
Typical floor plate	20,000 – 25,000 sq ft
Max. height control	245 m (same as new offices at Marina Bay)
No. of storeys	About 40
Target completion	Before end-2014
JV partners	CapitaLand (50%); CCT (40%); MEA (10%)



Joint venture structure





Independent valuations to assess residual value of land for the proposed office development

Basis: Residual land valuation approach

Jones Lang LaSalle
(appointed by CCT Manager)
S\$53.6 million

CB Richard Ellis
(appointed by CCT Trustee)
S\$53.0 million

Average valuation
S\$53.3 million  **9.7%**
S\$48.6 million (as a car park as at 31 Dec 2010)

*As comparison, Golden Shoe Car Park valuation as a car park grew by **0.8%** from S\$109.1 million as at 31 Dec 2010, to S\$110.0 million as at 30 Jun 2011.*



Sale to MSO Trust at S\$56m with call option to buy completed asset within 3 years after TOP

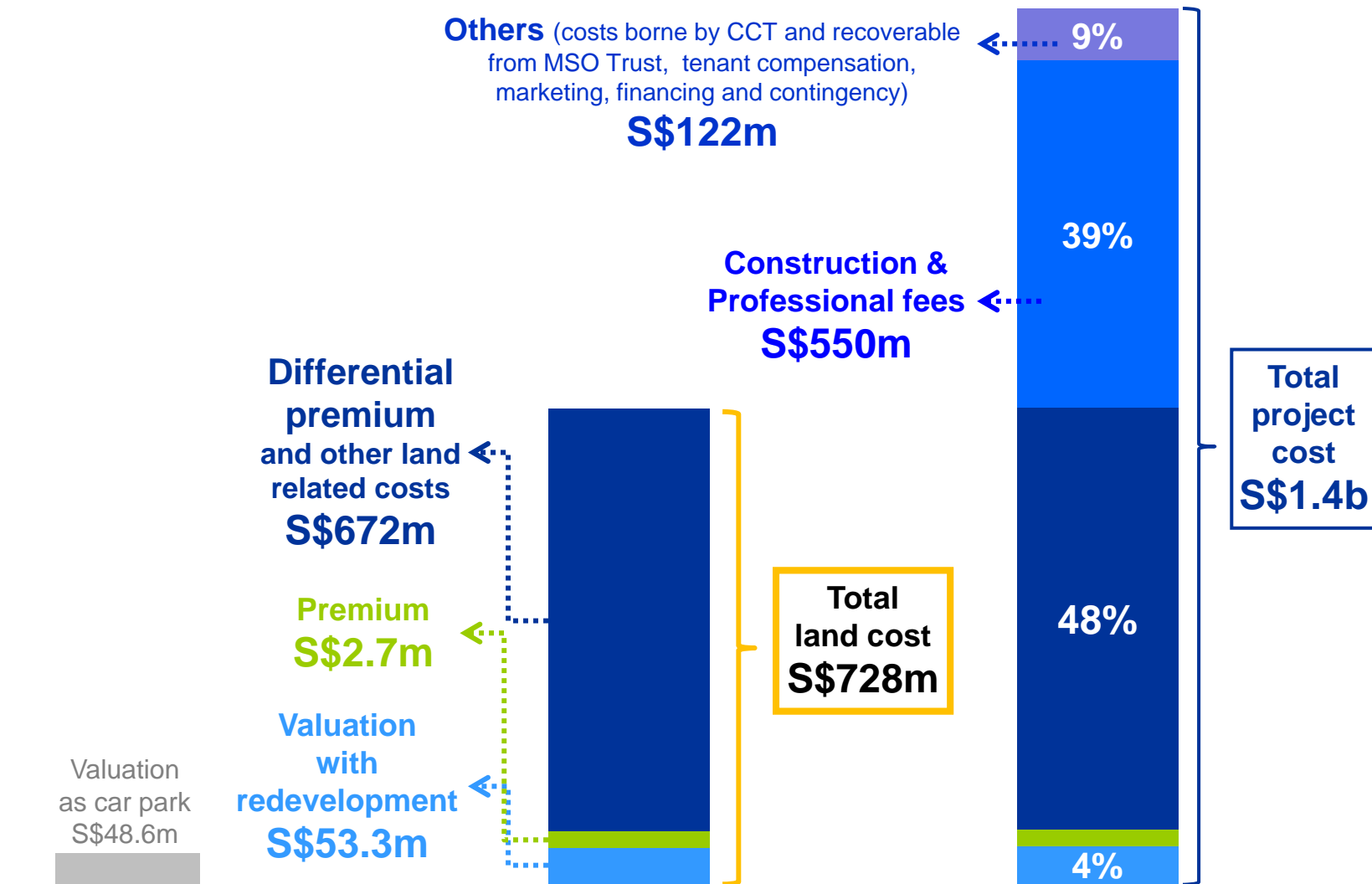


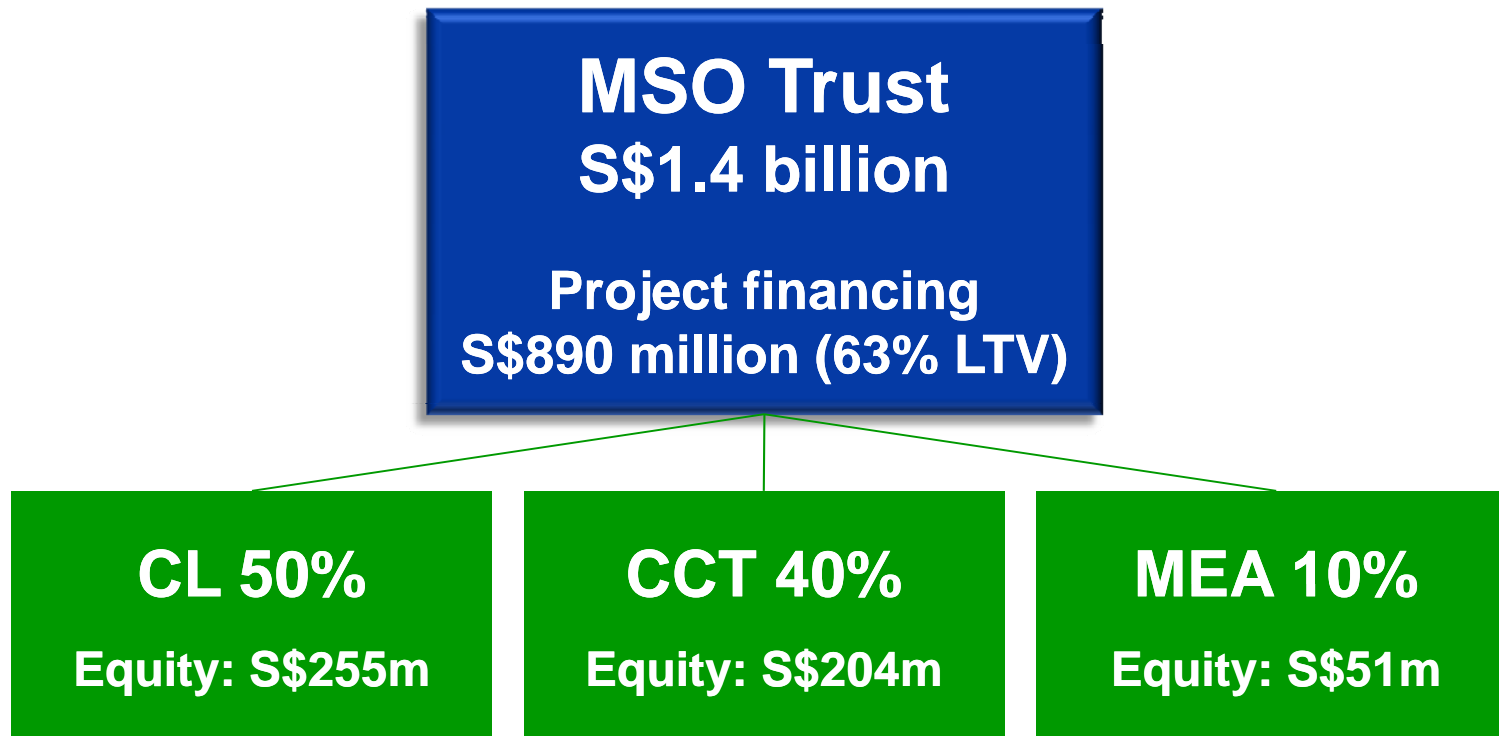
**15.2% above Dec 2010 valuation as a car park*

**** Price must give at least a compounded return of 6.3% per annum (CapitaLand's estimated cost of capital) to the sellers before the call option can be exercised.**



JV pays for 100% enhancement in land value which makes up bulk of land-related costs





3. Strong balance sheet



CapitaCommercial
Trust



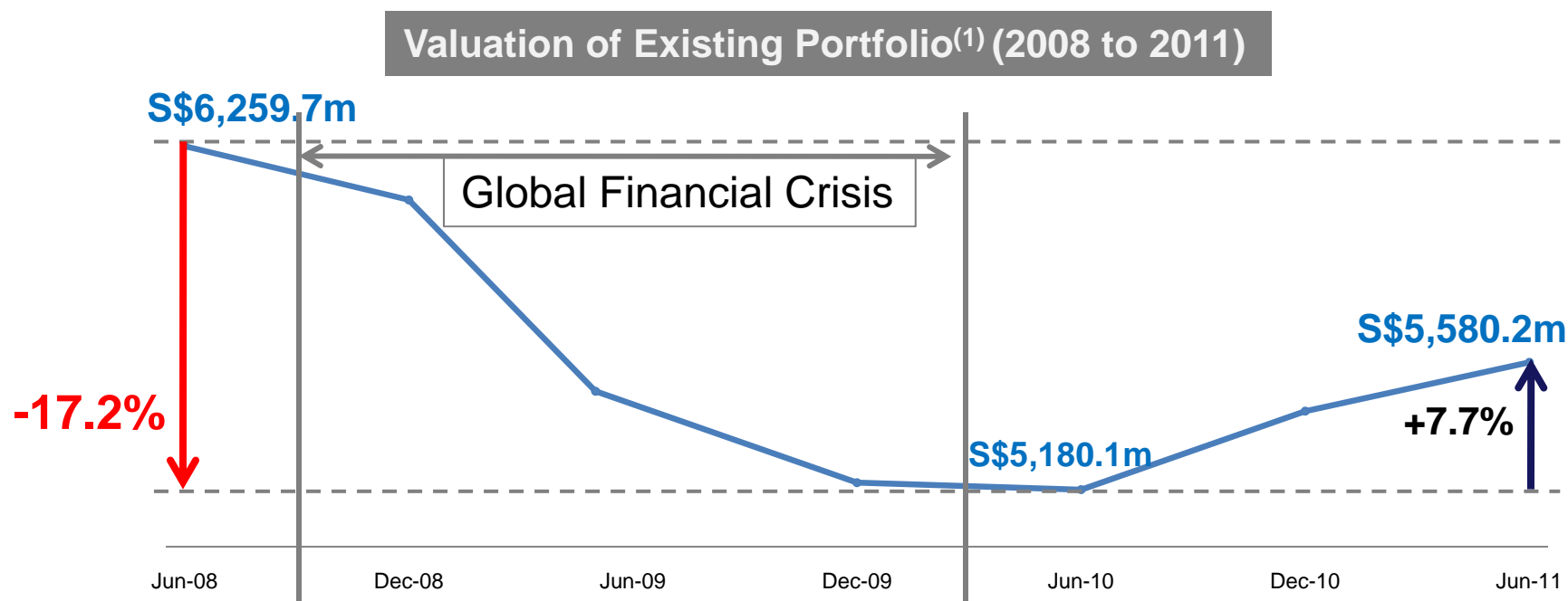
CCT in stronger position now compared to 2008 Global Financial Crisis

- **Strong balance sheet**
- **Low gearing of 27.4%**
- **Substantial cash reserve**



Portfolio valuation still below previous peak

- Portfolio value has only recovered by 7.7% since trough



Note:

(1) Existing portfolio includes: Capital Tower, Six Battery Road, One George Street, Raffles City (60% interest), HSBC Building, Wilkie Edge, Bugis Village, Golden Shoe Car Park

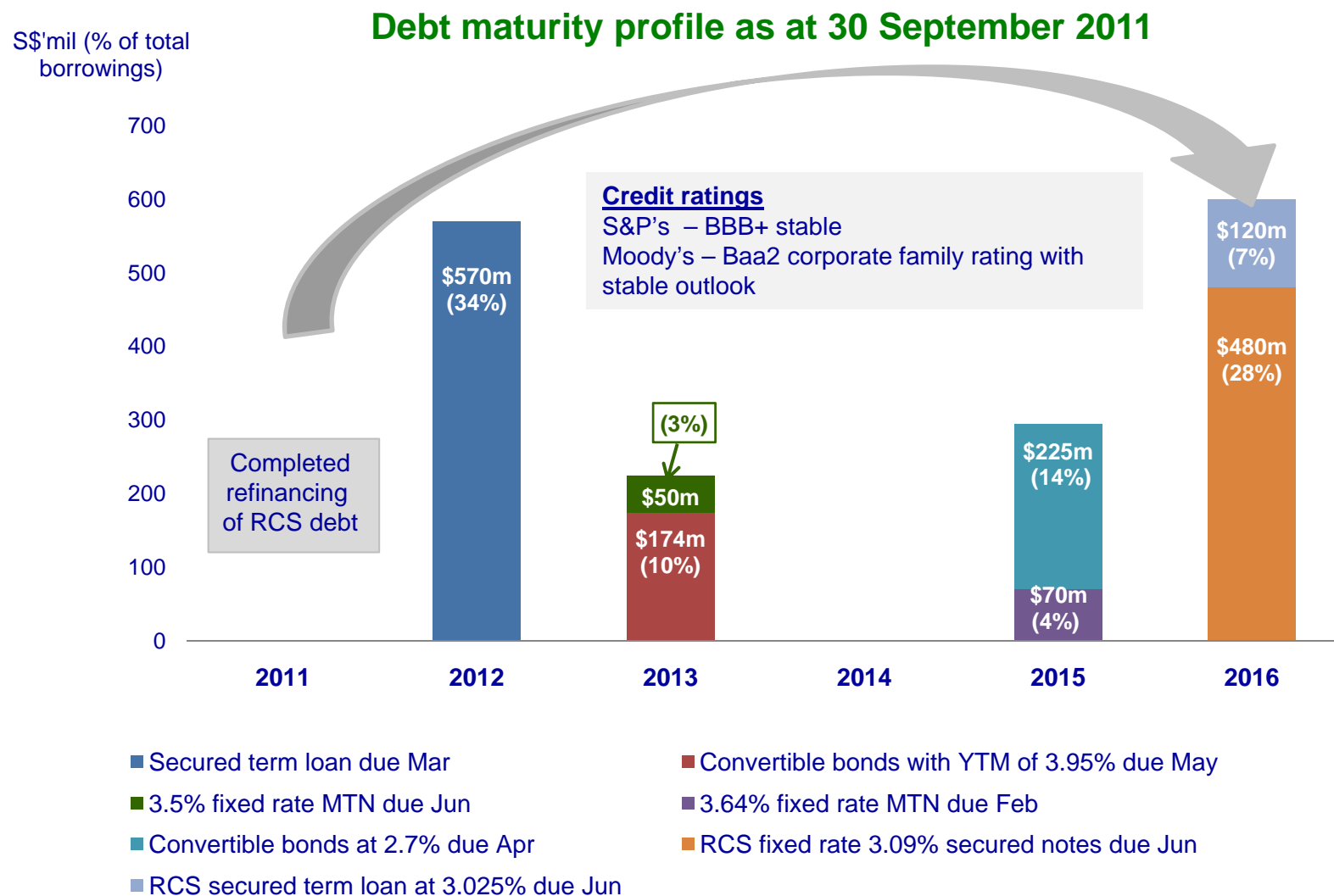


Total assets at S\$6.2 billion; Adjusted NAV at S\$1.52 per unit

	30 Sept 11 S\$'000	31 Dec 10 S\$'000
Non-current assets	5,680,063	5,554,383
Current assets	474,633	641,784
- Cash	468,092	635,937
Total assets	6,154,696	6,196,167
Current liabilities	649,425	986,290
Non-current liabilities	1,148,292	936,136
Net assets	4,356,979	4,273,741
Unitholders' funds	4,356,979	4,273,741
NAV Per Unit	\$1.54	\$1.51
Adjusted NAV Per Unit	\$1.52	\$1.47



Completed refinancing of all 2011 debt - diverse sources of funding





Key financial indicators

Solid balance sheet, healthy cash flows

	3Q 2011	2Q 2011	Remarks
Total Gross Debt (\$\$'m)	1,688.3	1,666.7	Increase (due to additional borrowings by RCS Trust)
Gearing Ratio	27.4%	26.9%	Increase (due to additional borrowings by RCS Trust)
Net Debt/EBITDA	5.2 times	5.3 times	Improved
Unencumbered Assets as % of Total Assets	54.3%	54.5%	Decrease (Disposal of 60% interest to MSO Trust)
Average Term to Maturity	2.7 years	2.9 years	Decrease (due to passing of time)
Average Cost of Debt	3.6%	3.6%	Stable
Interest Coverage	4.1 times	4.1 times	Stable

4. Stable Portfolio

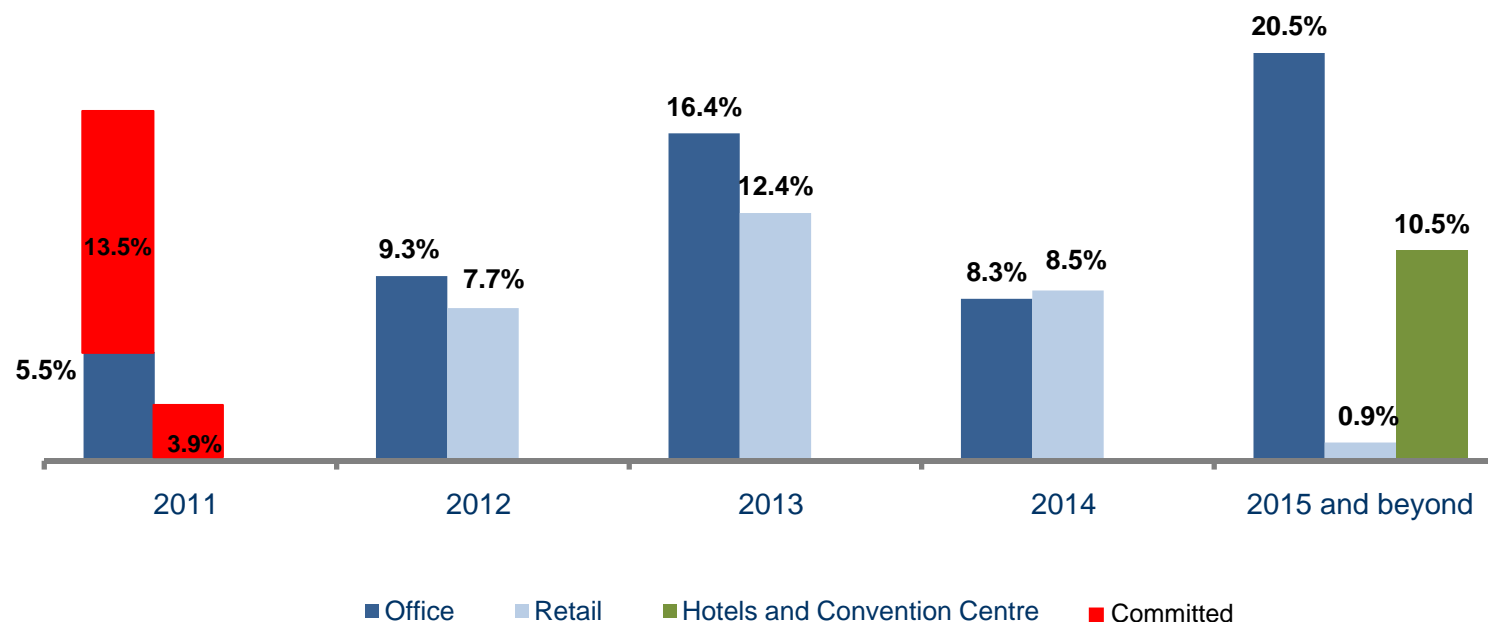


CapitaCommercial
Trust



Well spread portfolio lease expiry profile

Lease expiry profile as a percentage of monthly gross rental income⁽¹⁾ for Sep 2011



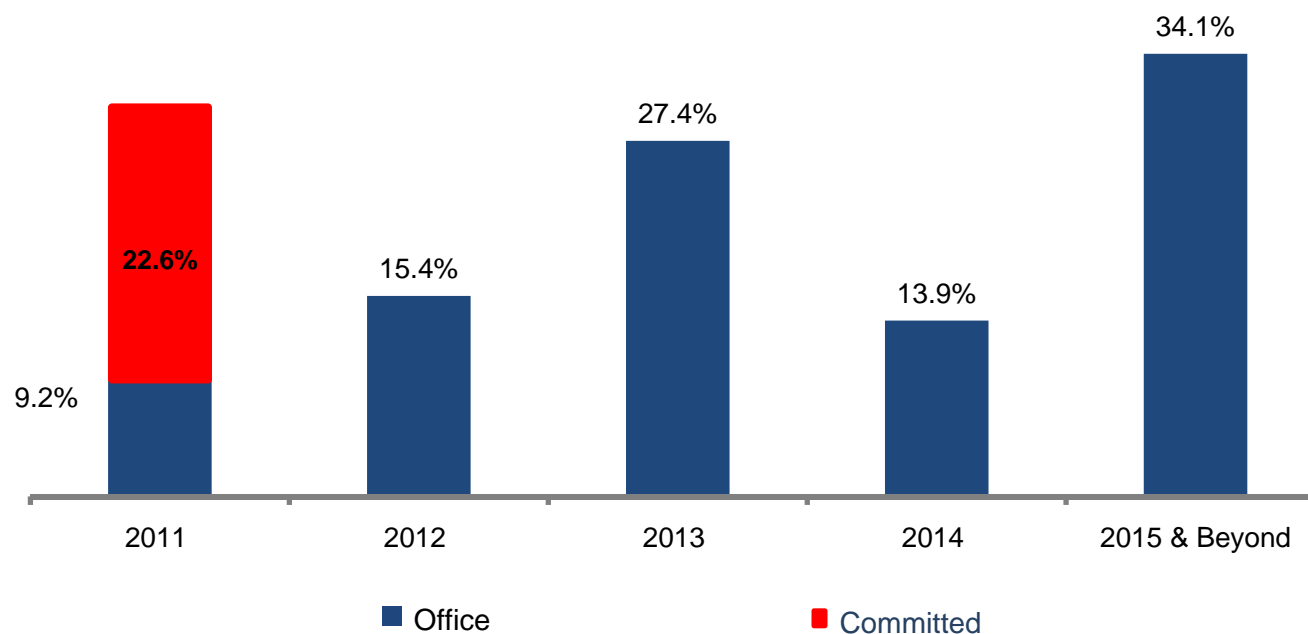
Note:

(1) Excludes turnover rent



Engaging tenants ahead of lease expiries

Office lease expiry profile as a percentage of monthly office gross rental income for Sep 2011



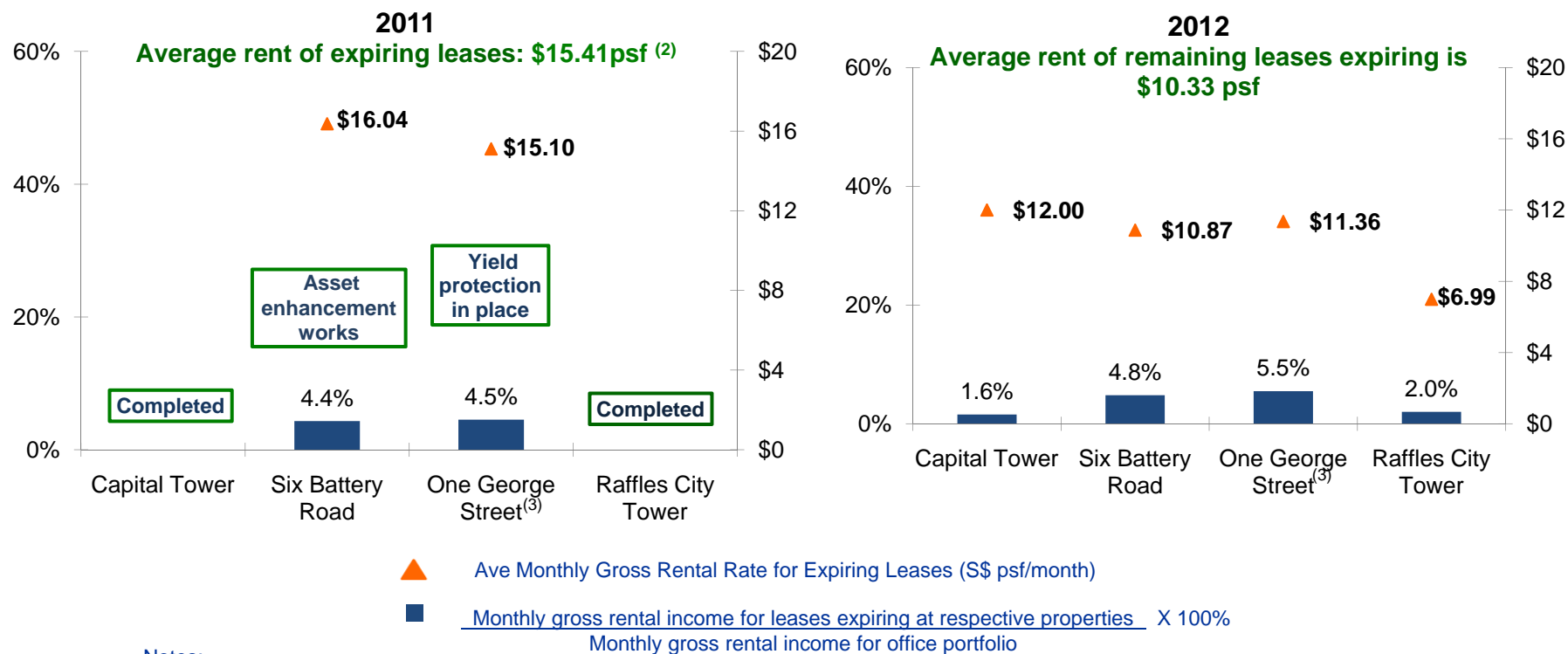
Average office portfolio rent as at 30 Sep 2011 is \$7.79psf



Undertaken measures to mitigate risk

3Q 2011 Industry Statistics⁽¹⁾ –

Grade A Office Average Market Rent: S\$11.06 psf pm



Notes:

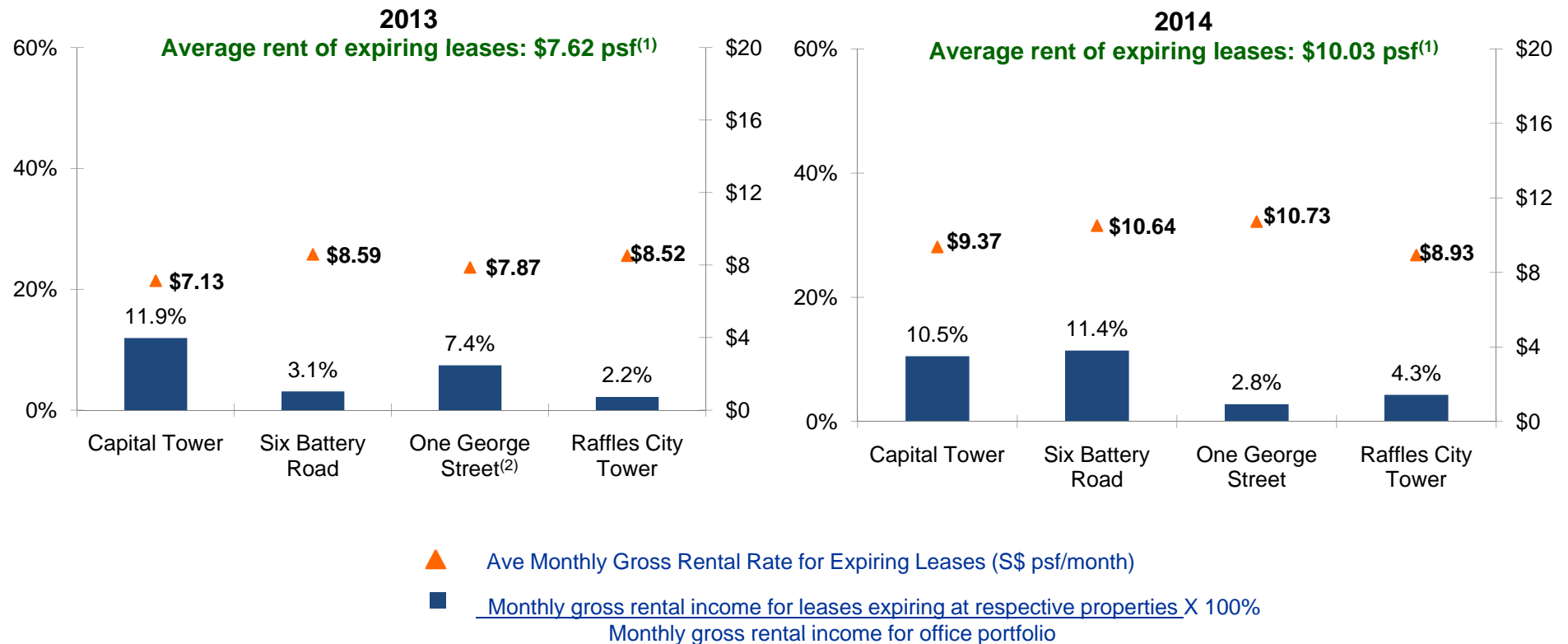
(1) Source: CBRE (as at 3Q 2011)

(2) 3 Grade A buildings and Raffles City Tower only

(3) Has embedded yield protection of 4.25% p.a., based on purchase consideration of S\$1.165 billion until 10 July 2013 from CapitaLand. This eliminates downside rental risk for One George Street during the yield protection period, but allows CCT to benefit from any upside in rental reversion.



Positioning leasing strategy to benefit from office market recovery upon lease expiries



Notes:

(1) 3 Grade A buildings and Raffles City Tower only

(2) Has embedded yield protection of 4.25% p.a., based on purchase consideration of S\$1.165 billion until 10 July 2013 from CapitaLand. This eliminates downside rental risk for One George Street during the yield protection period, but allows CCT to benefit from any upside in rental reversion.

5. Market Outlook

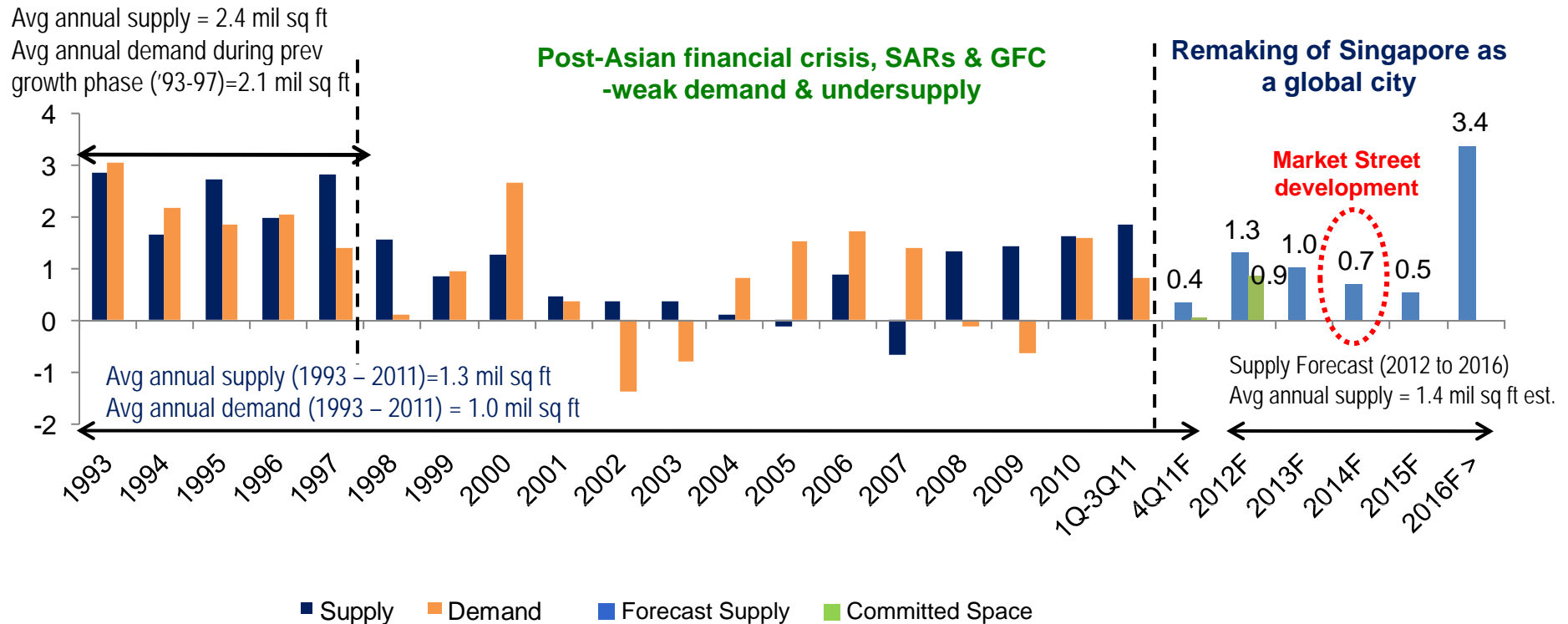


CapitaCommercial
Trust



Average annual supply from 2012 to 2016 is estimated to be 1.4 mil square feet

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



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

Source: Consensus Compiled from CBRE , Morgan Stanley (May 2011), JP Morgan (Jun 2011), SCB (Sep 2011), UOB Kayhian (Oct 2011)

6. Summary



CapitaCommercial
Trust



Summary

- **Portfolio reconstitution strategy to achieve higher value for CCT**
- **Stronger position compared to 2008 global financial crisis**
 - Strong balance sheet
 - Low gearing of 27.4%
 - Substantial cash reserve
- **Portfolio valuation still below previous peak**
- **Yield attractiveness of CCT versus other investments**
- **Stable portfolio performance**
 - Committed occupancies higher than market levels
- **Continue to focus on investment opportunities in Singapore**
- **Continue to adopt proactive capital management**



CapitaCommercial Trust Management Limited
39 Robinson Road
#18-01 Robinson Point
Singapore 068911
Tel: (65) 6536 1188
Fax: (65) 6533 6133
<http://www.cct.com.sg>

For enquiries, please contact:
Ms Ho Mei Peng
Head, Investor Relations & Communications
Direct: (65) 6826 5586
Email: ho.meipeng@capitaland.com