




CapitaLand Commercial Trust

CAPITALAND COMMERCIAL TRUST

Second Quarter 2019 Financial Results

17 July 2019

Important Notice

This presentation shall be read in conjunction with CCT's 2Q 2019 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.

Contents

For detailed portfolio and financial information, please refer to separate presentation titled "Additional Information" dated 17 July 2019

***Any discrepancies in the tables and charts between the listed figures and totals thereof are due to rounding.**

1. Highlights

Financial

Capital Management

Portfolio

Capital Tower, Singapore

2Q 2019 distributable income rose 3.8% YoY

CapitaLand Commercial Trust

	2Q 2019	2Q 2018	Change (%)	Remarks
Gross Revenue (S$ million)	**101.0**	98.0	3.0	Please see note (1)
Property Operating Expenses (S$ million)	**(22.6)**	(20.3)	11.5	
Net Property Income (S$ million)	**78.4**	77.7	0.8	
Distributable Income (S$ million)	**82.4**	79.4	3.8	Please see note (2)
DPU (cents)	**2.20**	2.16	1.9	

Notes:

(1) Improved performance was largely attributed to the acquisition of Gallileo and higher revenue from 21 Collyer Quay, Asia Square Tower 2 and Capital Tower, offset by the divestment of Twenty Anson and lower revenue from Bugis Village and Six Battery Road.

(2) 2Q 2019 includes tax-exempt income of S$3.9 million.

1H 2019 distributable income rose 5.9% YoY

	1H 2019	1H 2018	Change (%)	Remarks
Gross Revenue (S$ million)	**200.7**	194.4	3.2	Please see note (1)
Property Operating Expenses (S$ million)	**(42.5)**	(39.5)	7.8	
Net Property Income (S$ million)	**158.2**	154.9	2.1	
Distributable Income (S$ million)	**165.2**	156.0	5.9	Please see note (2)
DPU (cents)	**4.40**	4.28	2.8	

Notes:
(1) Improved performance was largely attributed to the acquisition of Gallileo and higher revenue from 21 Collyer Quay, Asia Square Tower 2 and Capital Tower, offset by the divestment of Twenty Anson and lower revenue from Bugis Village and Six Battery Road.
(2) 1H 2019 includes tax-exempt income of S$7.3 million.

Maintained a strong balance sheet

Lower aggregate leverage at 34.8% and average cost of debt at 2.5% p.a.

Portfolio Property Value	S$10.7 billion	2Q 2018: S$10.6 billion
Aggregate leverage ratio[2]	34.8%	2Q 2018: 37.9%
Gross borrowings on fixed rate	92%	2Q 2018: 85%
Net Asset Value Per Unit (Adjusted)	S$1.81	2Q 2018: $1.80
Average term to maturity	3.4 years	2Q 2018: 3.6 years
Average cost of debt[1]	2.5% p.a.	2Q 2018: 2.8% p.a.

Notes:
(1) Ratio of interest expense over weighted average borrowings (excludes joint ventures).
(2) 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.

Singapore property values largely stable

Key valuation metrics unchanged from 2018

Investment Properties	31-Dec-18	30-Jun-19	Variance		30-Jun-19
	$m	$m	$m	%	$ per sq foot
Asia Square Tower 2	2,143.0	**2,182.0**	39.0	**1.8**	**2,804**
CapitaGreen	1,638.0	**1,643.0**	5.0	**0.3**	**2,344**
Capital Tower	1,387.0	**1,390.0**	3.0	**0.2**	**1,893**
Six Battery Road	1,420.0	**1,435.0**	15.0	**1.1**	**2,907**
21 Collyer Quay	461.7	**462.2**	0.5	**0.1**	**2,306**
Raffles City Singapore (60%) [(1)]	1,993.2	**2,004.0**	10.8	**0.5**	**NM**
One George Street (50%) [(1)]	569.5	**570.5**	1.0	**0.2**	**2,560**
CapitaSpring (45%) [(1)]	472.5	**477.9**	5.4	**1.1**	**NM**
Singapore Portfolio	10,084.90	**10,164.6**	79.7	**0.8**	
Gallileo, Germany (94.9%)[(2)]	535.2	**525.5**	-9.7	**-1.8**	**-**
Portfolio Total	10,620.07	**10,690.1**	70.0	**0.7**	

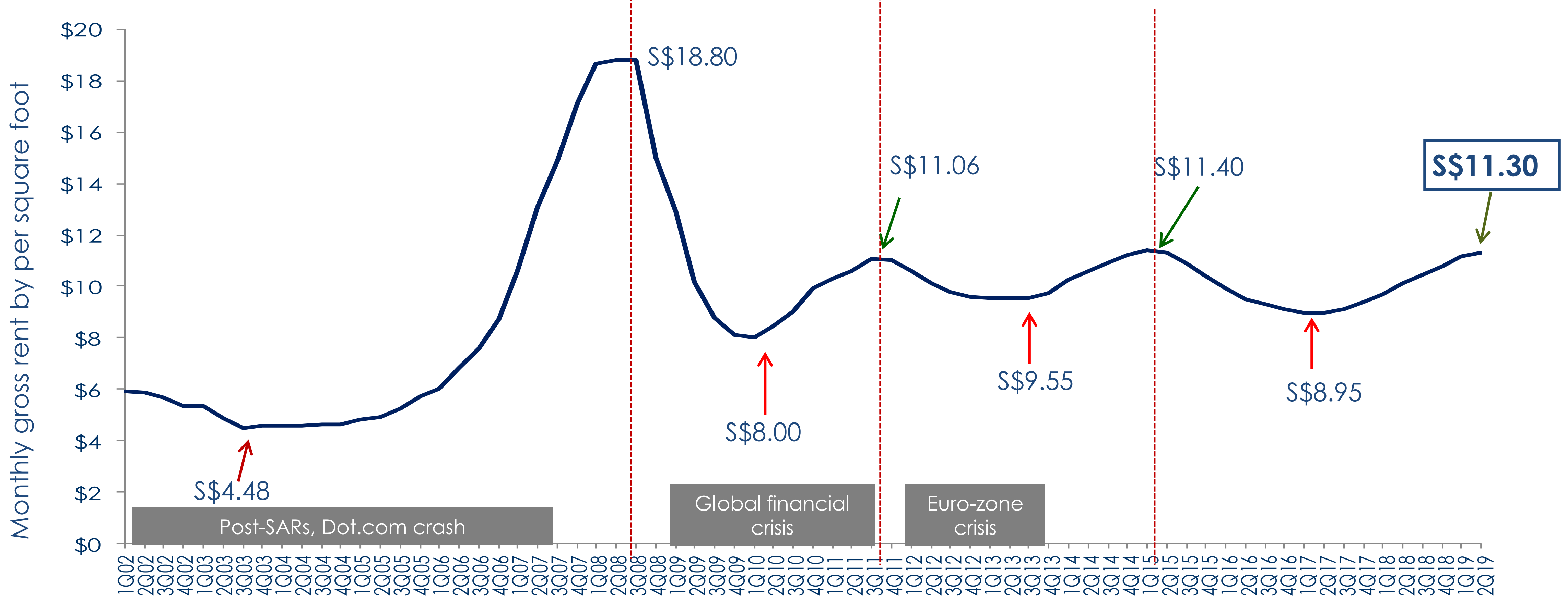
Notes:
(1) Valuation for Raffles City Singapore, One George Street and CapitaSpring as at 30 June 2019 on a 100% basis were S$3,340 million, S$1,141 million and S$1,062 million respectively.
(2) Valuations as at 31 December 2018 and 30 June 2019 for 100% interest in Gallileo, Frankfurt was EUR361.2 and EUR361.3 million respectively. The variance in S$ was due to conversion rates used for the 31 December 2018 and 30 June 2019 valuation which were EUR1.00=S$1.561 and EUR1.00=S$1.533 respectively.
(3) NM indicates "Not Meaningful"

CCT 1H 2019 distribution details

Distribution period	01 Jan to 30 Jun 2019
DPU	**4.40 cents**
Books Closure Date	Friday, 26 July 2019
Distribution Payment Date	Thursday, 29 August 2019

Grade A office market rent up 1.3% QoQ and 4.6% YTD

	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19
Mthly rent (S$ / sq ft)	8.95	9.10	9.40	9.70	10.10	10.45	10.80	11.15	**11.30**
% change	0.0%	1.7%	3.3%	3.2%	4.1%	3.5%	3.3%	3.2%	**1.3%**

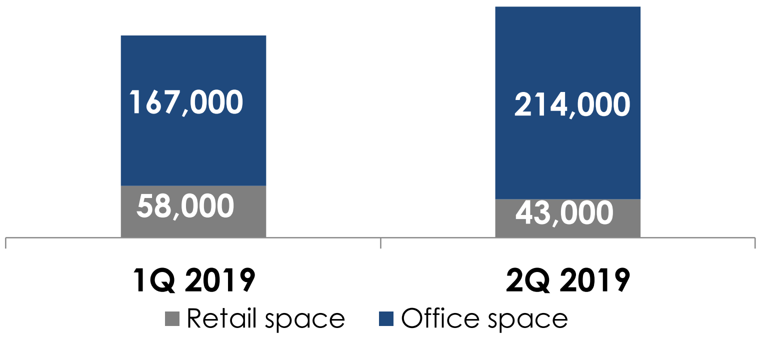


Source of data: CBRE Research (figures as at end of each quarter).

Active leasing activities in CCT's portfolio

CCT Portfolio [1] (Singapore & Germany)	**98.6%**
CCT Singapore Portfolio [1] higher than Singapore Core CBD occupancy of **95.8%**	**98.4%**

2Q 2019 new leases and renewals: 257,000 sq ft (25% are new leases)

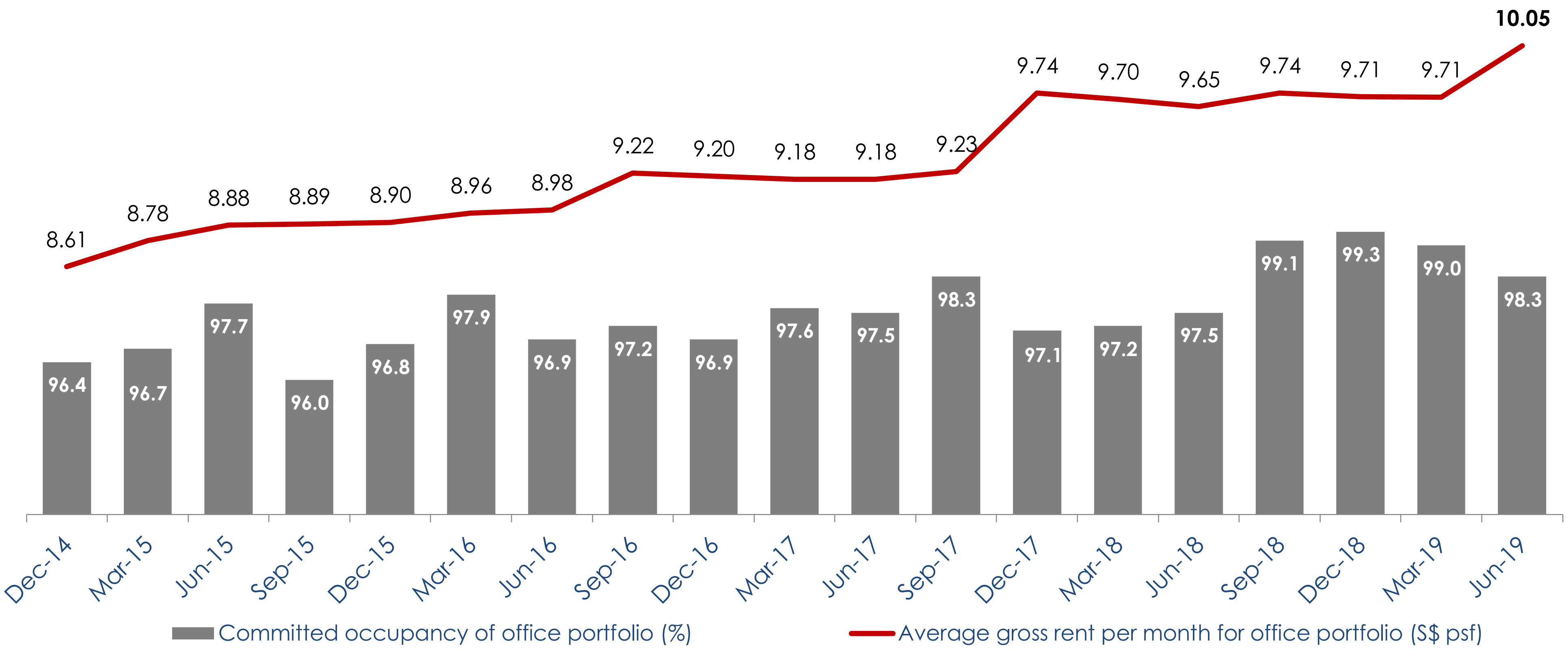


Tenant	Trade Sector	Building
Bank of Suzhou Co., Ltd (Representative Office)	Banking	Six Battery Road
Colony Capital Pte. Ltd.	Financial Services	Six Battery Road
Jiangshan Agrochemical & Chemicals (Singapore) Pte. Ltd.	Energy, Commodities, Maritime and Logistics	Six Battery Road
Scorpio Asia Pte. Ltd.	Energy, Commodities, Maritime and Logistics	Six Battery Road

Note:
(1) Committed occupancy as at 30 June 2019

Monthly average office rent of CCT's portfolio[1] increased by 3.5% QoQ

Due to higher rent from HSBC's one-year lease extension and exclusion of Bugis Village



Notes:

(1) Average gross rent per month for office portfolio (S$ psf) = $\dfrac{\text{Actual gross rent for occupied office + Committed gross rent for vacant office}}{\text{Committed area of office}}$

(2) Excludes Gallileo, Frankfurt

Positive reversions for leases signed in 2Q 2019

Building	Average Expired Rents (S$)	Committed Rents [1] (S$)	Sub-Market	Market Rents of Comparative Sub-Market (S$)	
				Cushman & Wakefield[2]	Knight Frank[3]
Asia Square Tower 2	10.58	11.87 – 13.50	Grade A Marina Bay	12.63	11.60 – 12.10
Six Battery Road	11.70	12.90 – 13.20	Grade A Raffles Place	10.87	9.80 – 10.30
One George Street	9.10	9.50 – 10.80	Grade A Raffles Place	10.87	9.80 – 10.30
CapitaGreen	11.62	12.00 – 13.30	Grade A Raffles Place	10.87	9.80 – 10.30

Notes:

(1) Renewal/new leases committed in 2Q 2019

(2) Source: Cushman & Wakefield 2Q 2019

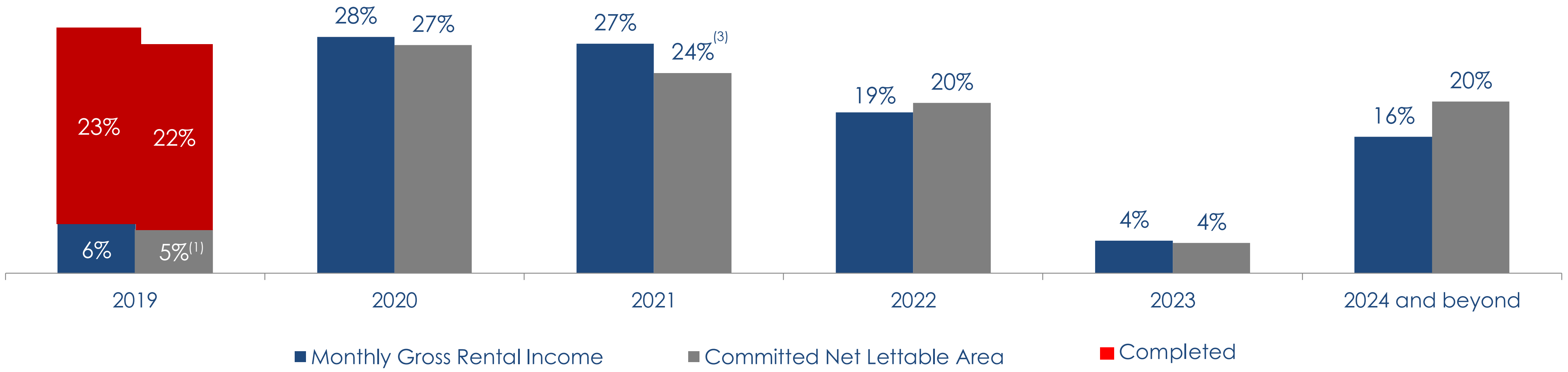
(3) Source: Knight Frank 1Q 2019; based on leases of a whole floor office space on the mid-floor levels of office properties, and taking into account rent free period and other concessions

(4) For reference only: CBRE Pte. Ltd.'s 2Q 2019 Grade A rent is S$11.30 psf per month and they do not publish sub-market rents

Committed most of leases expiring in 2019

Leasing momentum continues to be steady

2020 expiries: About 5%[2] of total office NLA has been committed and will flow into 2024 and beyond



Office WALE by NLA as at 30 June 2019 = 3.0 years

Notes:

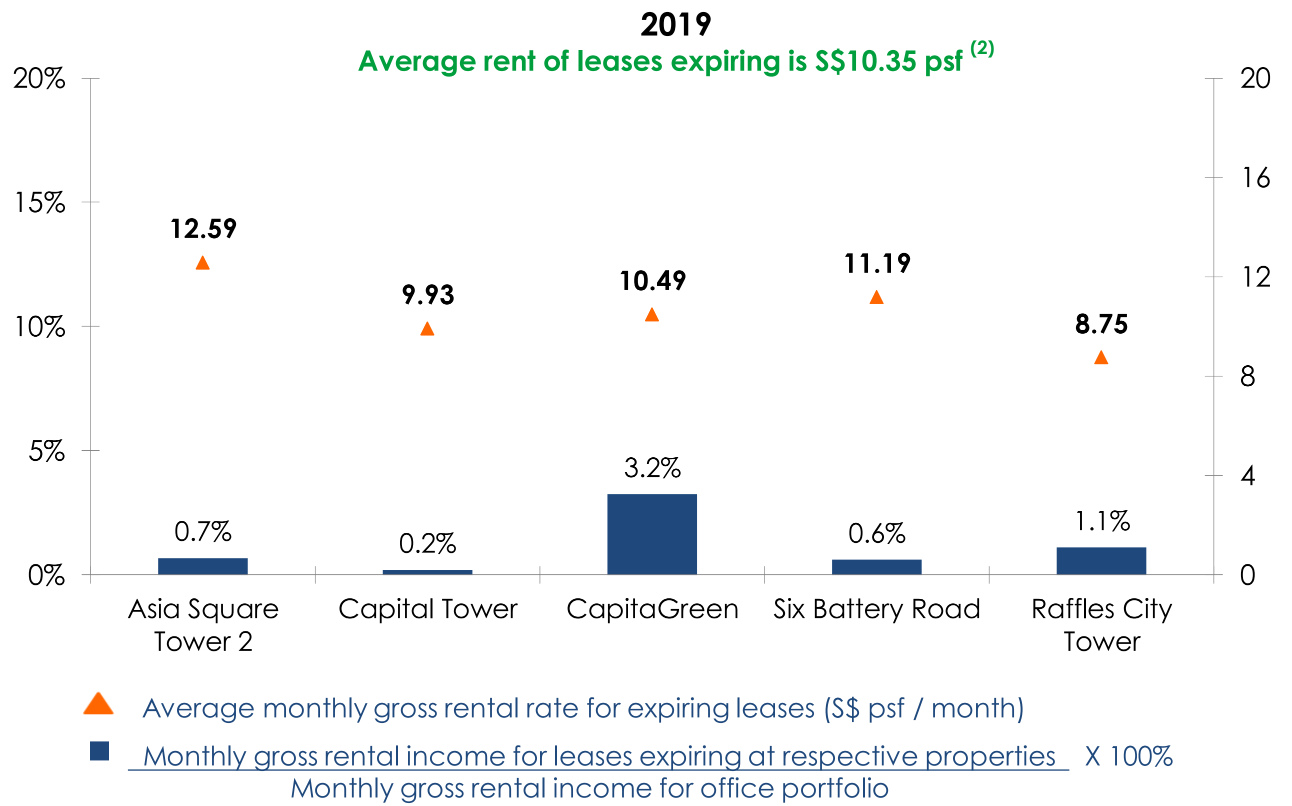
(1) Represents approximately 195,000 sq ft

(2) An announcement was made on 17 Jul 2019 that WeWork Singapore Pte. Ltd. has committed to lease 21 Collyer Quay for 7 years

(3) Includes JPM's lease which constitutes 4% of total office NLA

Average expiring rent in 2019 is lower than 2Q 2019 market rent

2Q 2019 Grade A office market rent at S$11.30 psf per month(1)



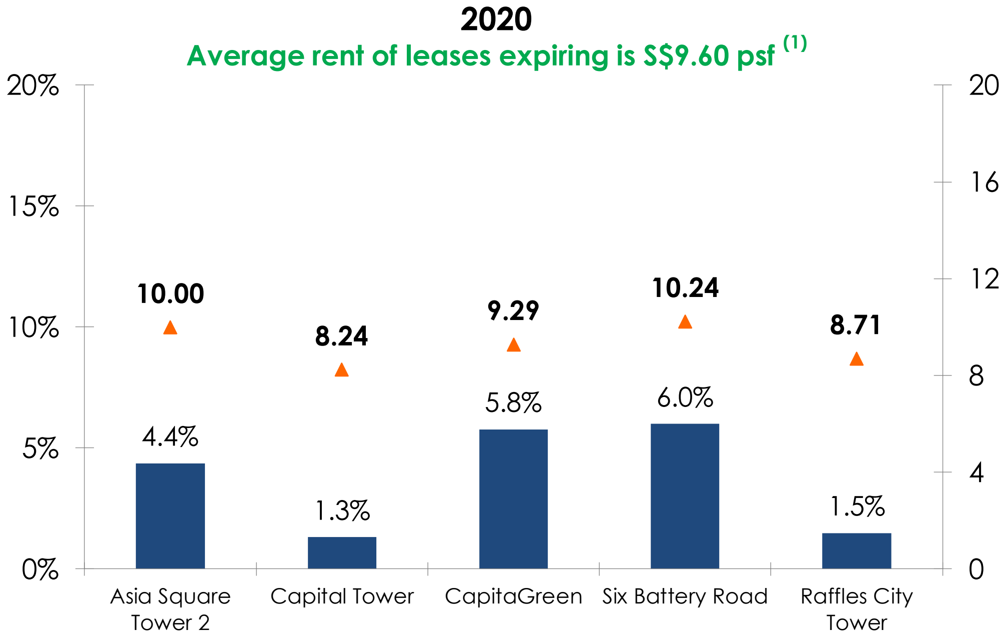
Notes:

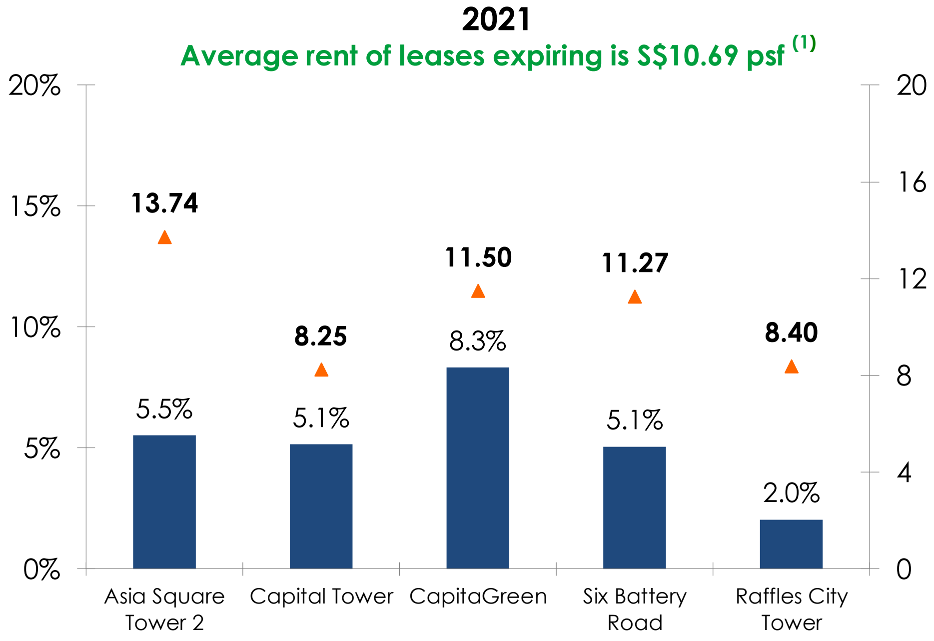
(1) Source: CBRE Pte. Ltd. as at 2Q 2019

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

(3) Total percentage may not add up due to rounding

Average expiring rents are at the lowest in 2020





▲ Average monthly gross rental rate for expiring leases (S$ psf / month)

■ Monthly gross rental income for leases expiring at respective properties / Monthly gross rental income for office portfolio X 100%

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

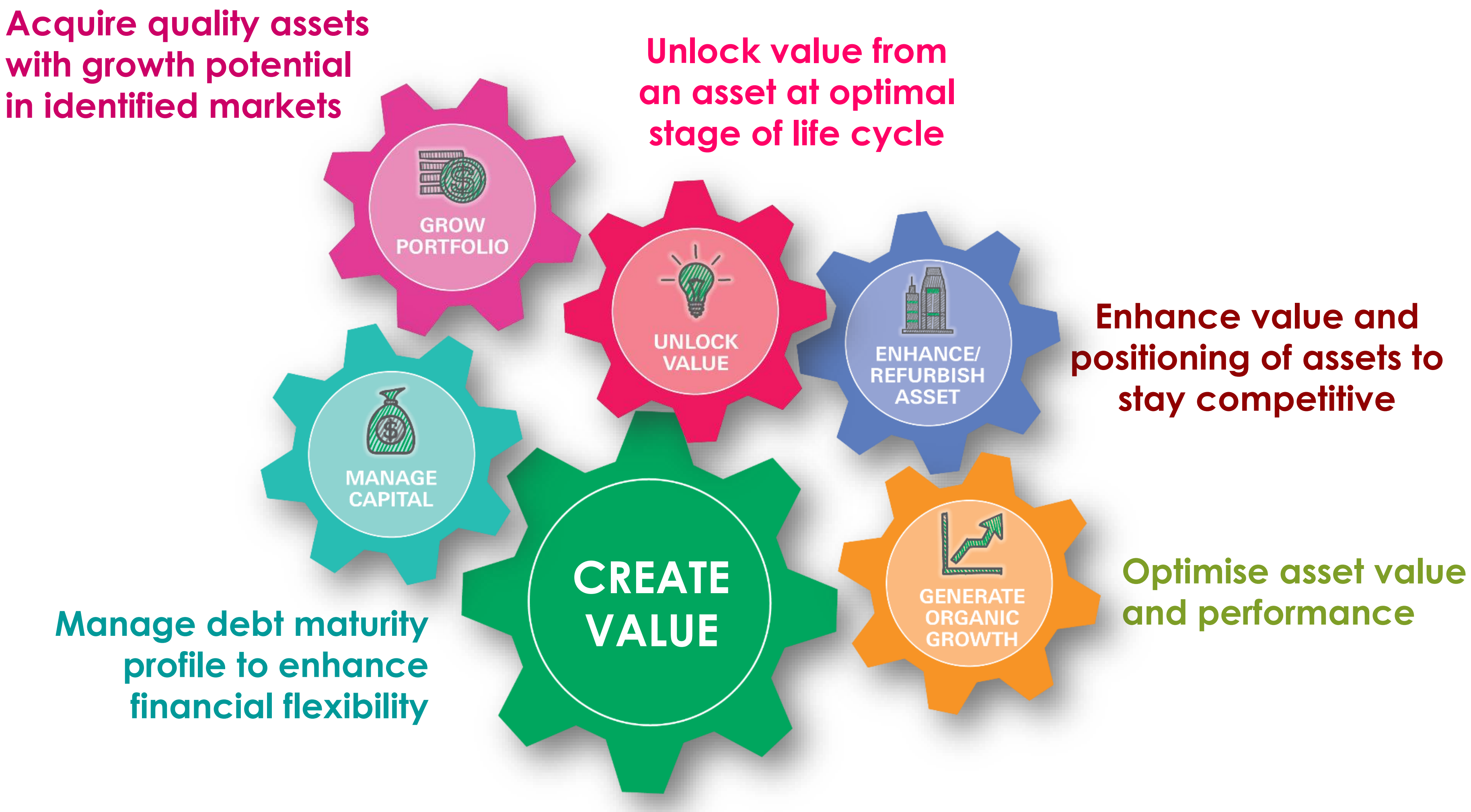
2. Refreshing for sustainable returns

21 Collyer Quay

Six Battery Road

Six Battery Road, Singapore

CCT's value creation strategy



New occupier for 21 Collyer Quay

wework

- Leased entire building to WeWork Singapore Pte. Ltd. for seven years from early 2Q 2021
- A global company that provides collaborative workspaces
- Founded in 2010, and headquartered in New York City
- 21 Collyer Quay will be their largest workspace in Singapore

21 Collyer Quay: Capitalise on transitional downtime in occupancy for upgrading

21 Collyer Quay is on 999-year leasehold, NLA of approximately 200,000 sq ft

21 Collyer Quay

- Prime location with prominent bayfront views
- 999-year leasehold
- Managed by HSBC for last 14 years

- Entire building will be closed for upgrading from 2Q 2020 to 4Q 2020
- Upgrading at estimated cost of S$45 million
  - ✓ Works include enhancements to essential equipment, common and lettable areas
  - ✓ To achieve a BCA Green Mark Gold^{PLUS} rating
- Target return on investment of ~9%

Refreshing Six Battery Road podium

Connecting Raffles Place to Singapore River with new F&B offerings

New façade facing Raffles Place Green

Six Battery Road from across Singapore River

New through-block link

Note: Artists' impressions of Six Battery Road subject to changes

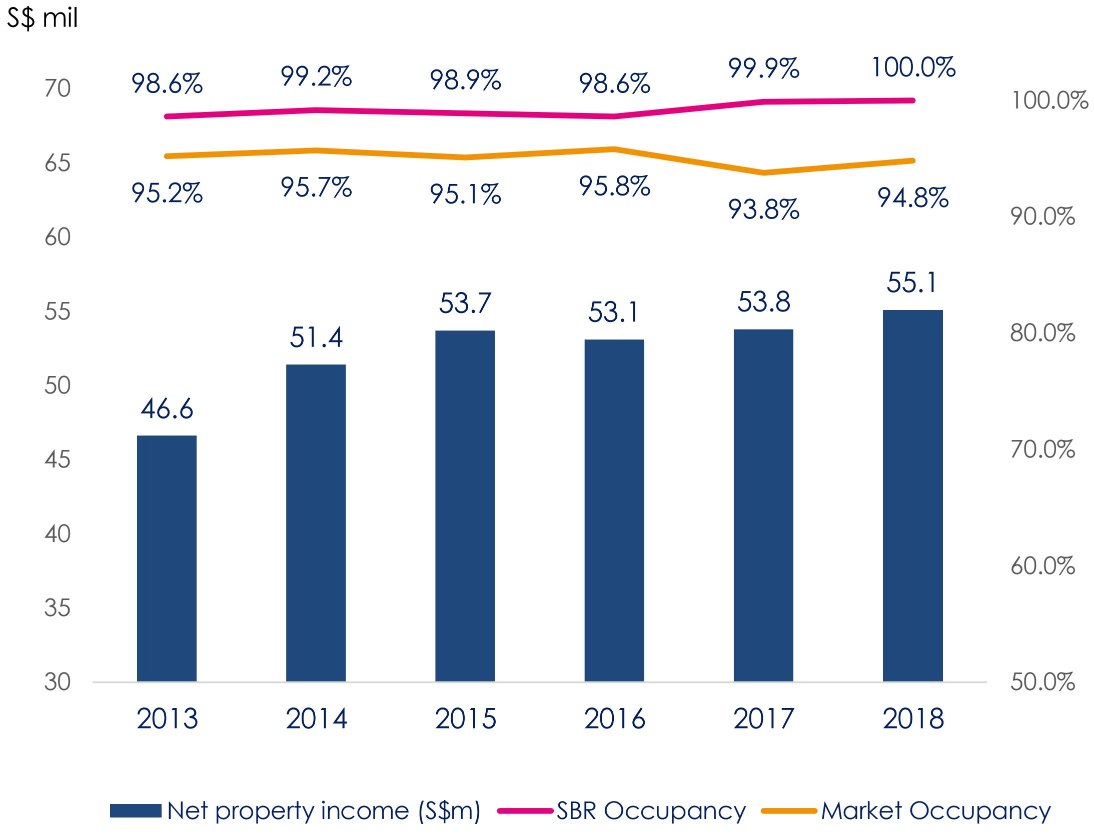
Past asset enhancement at Six Battery Road resulted in rents and occupancy consistently above market levels

Last AEI completed in 2013 achieved ROI of 8.6% on S$85.8 million investment

Before	After

Refreshed lobby reception with green wall

Upgrading of lobbies and other works including raising ceiling height of lettable area, chiller replacement and installation of variable air volume boxes



Six Battery Road: Opportunity to create value by reconfiguring space

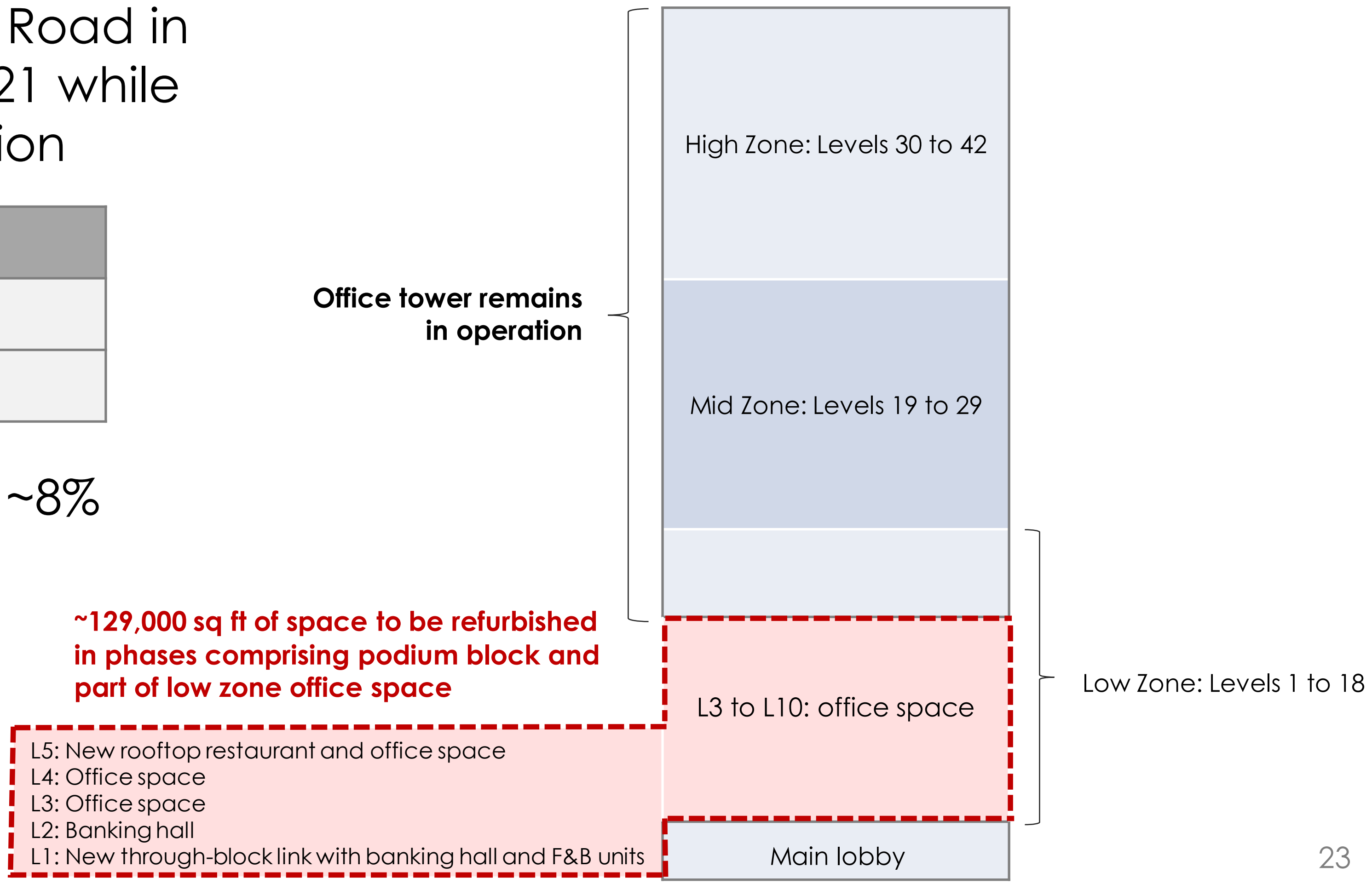
Standard Chartered will continue to lease office space and house flagship branch

- ~S$35 million AEI for Six Battery Road in phases from 1Q 2020 to 3Q 2021 while office tower remains in operation

Levels	Upgrading phase
L1 to L2, L6 to L10	1Q 2020 to 3Q 2020
L3 and L5	3Q 2020 to 3Q 2021

- Target return on investment of ~8%

Cross section of property



Capex requirements from 2020 to 2021

CapitaLand Commercial Trust

To be funded with borrowings; pro forma aggregate leverage expected to be 36.7%

	Capex (S$ mil)	Downtime	Return on investment	NLA under upgrading/ construction (sq ft)
21 Collyer Quay	45.0	2Q 2020 to 4Q 2020	~9%	200,000
Six Battery Road	35.0	1Q 2020 to 3Q 2021 (AEI in phases)	~8%	129,000
CapitaSpring	256.5	Completing in 1H 2021	Yield on cost 5%	647,000
Total	**336.5**			

3. Acquiring for Growth

Proposed acquisition of Main Airport Center, Frankfurt, Germany

(refer to separate announcement)

Gallileo, Frankfurt, Germany

4. Focus to enhance CCT's portfolio and performance

CapitaSpring, Singapore

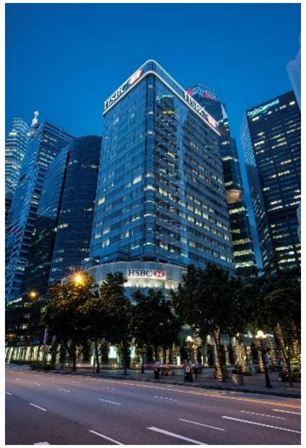
Positioning portfolio for mid to long term growth

Manager to work towards minimising short-term distribution impact arising from transitional downtime during asset upgrading

2019/2020

- ✓ Proposed acquisition of Main Airport Center, Frankfurt, Germany will contribute income from 4Q 2019

2021



- ✓ Six Battery Road and 21 Collyer Quay income contribution will be lower in the short term due to upgrading; expected to contribute meaningfully from 2021
- ✓ Organic growth from other existing operating properties

2022

- ✓ CapitaSpring (45% interest) expected to contribute from 2022

5. Capital Management and Portfolio Details

CapitaGreen, Singapore

Robust balance sheet

Statement of Financial Position
As at 30 Jun 2019

	S$ million
Non-current Assets	9,487.5
Current Assets	251.0
Total Assets	**9,738.5**
Current Liabilities (2)	224.5
Non-current Liabilities	2,547.9
Total Liabilities	**2,772.4**
Net Assets	**6,966.1**
Represented by:	
Unitholders' Funds	6,949.0
Non-controlling interests	17.1
Total Equity	**6,966.1**
Units in issue ('000)	**3,749,772**

	S$ million
Deposited Property (1)	**11,269.0**

Net Asset Value Per Unit	**$1.85**
Adjusted Net Asset Value Per Unit (excluding distributable income)	**$1.81**

Credit Rating

BBB+ by **S&P, Outlook Stable**

Notes:

(1) Deposited property (as defined in the Code on Collective Investment Schemes) for CCT Group includes CCT's 60.0% interest in RCS Trust, CCT's 50.0% interest in OGS LLP (which holds One George Street), CCT's 45.0% interest in Glory Office Trust and Glory SR Trust (which holds CapitaSpring) and CCT's 94.9% interest in Gallileo.

(2) Current liabilities include JPY10.0 billion (approximately S$148.3 million) fixed rate notes maturing in December 2019; sufficient bank facilities are in place to refinance the borrowings.

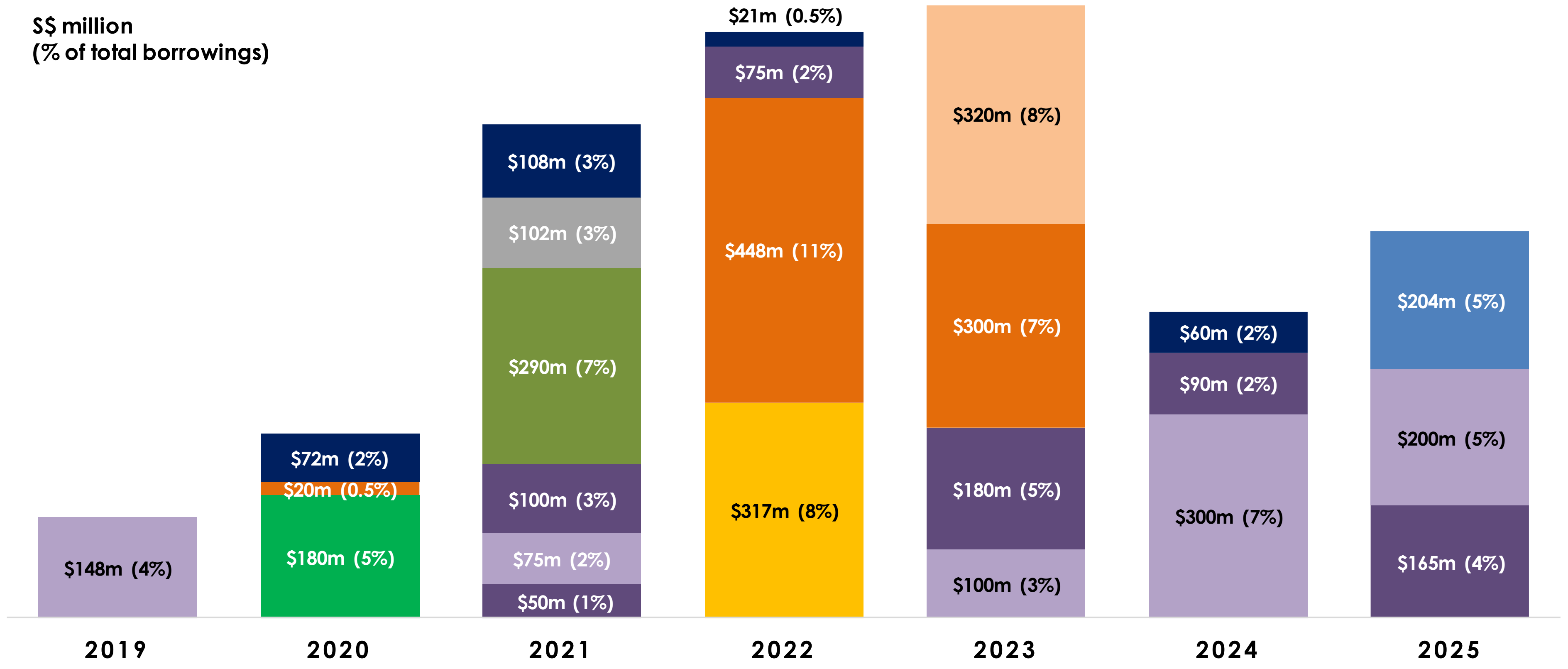
Stable financial indicators

	1Q 2019	2Q 2019	Remarks
Total Gross Debt (1)	S$3,904.4m	**S$3,924.4m**	**Higher** (More borrowings)
Aggregate Leverage (2)	35.2%	**34.8%**	**Lower** (Higher deposited property value)
Unencumbered Assets as % of Total Assets (3)	77.4%	**77.4%**	**Stable**
Average Term to Maturity (4)	3.6 years	**3.4 years**	**Lower** (passing of time)
Average Cost of Debt (p.a.) (5)	2.5%	**2.5%**	**Stable**
Interest Coverage (6)	5.8 times	**5.7 times**	**Lower** (Lower EBITDA)

Notes:
(1) Total gross debt includes CCT's proportionate share of joint ventures' 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. The ratio of total gross borrowings to total net assets is 56.3%.
(3) Investment properties at CCT (exclude Joint Ventures) are all unencumbered except for CapitaGreen and Gallileo.
(4) Excludes borrowings of joint ventures.
(5) Ratio of interest expense (excludes amortization of transaction costs) over weighted average gross borrowings.
(6) Ratio of EBITDA over finance costs includes amortisation of transaction costs.

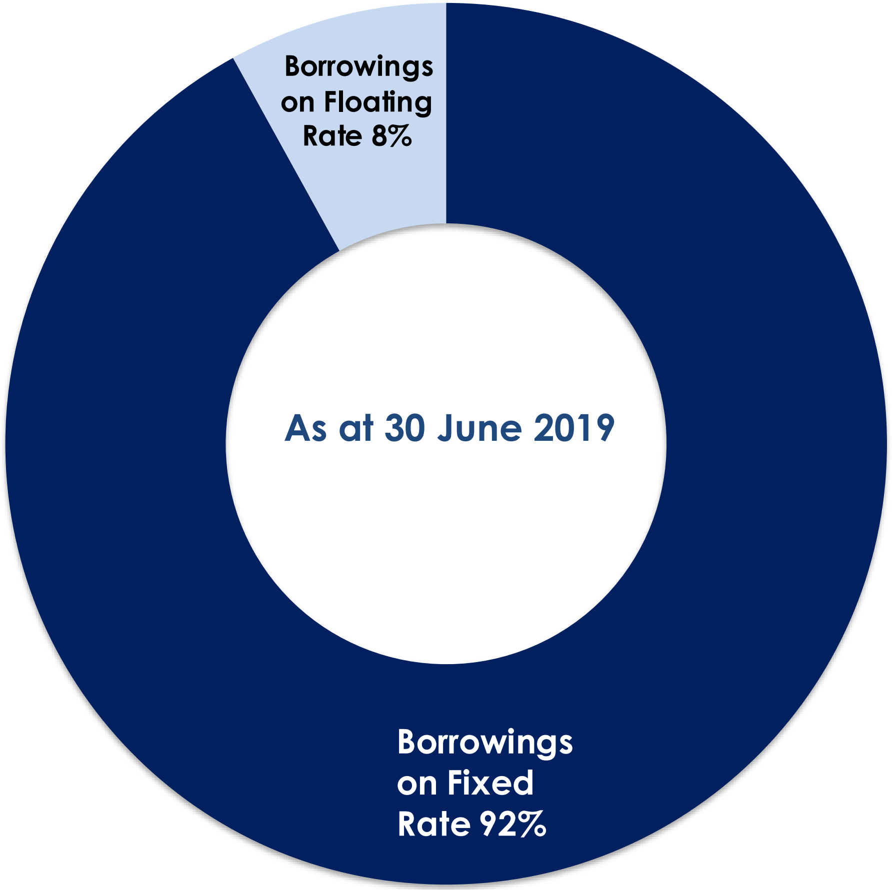
Debt Maturity Profile

as at 30 June 2019



- 2.89% p.a. CCT fixed rate JPY bond swapped to S$148m MTN due 2019
- Unsecured RCS bank loans due 2020, 2021, 2022 and 2024
- Unsecured CCT bank loans due 2020, 2022 and 2023
- Secured CapitaGreen bank loan due 2020
- 2.70% p.a. CCT fixed rate HKD bond swapped to S$102m MTN due 2021
- 50% of OGS LLP secured bank loan due 2021
- 2.96% p.a. CCT fixed rate S$100m MTN due 2021
- 2.95% p.a. CCT fixed rate JPY bonds swapped to S$75m MTN due 2021
- 2.98% p.a. CCT fixed rate S$50m MTN due 2021
- 2.77% p.a. CCT fixed rate S$75m MTN due 2022
- Secured CapitaSpring bank loans due 2022
- Unsecured CCT EUR bank loans due 2023
- 2.60% p.a. RCS fixed rate S$180m MTN due 2023
- 3.05% p.a. CCT fixed rate JPY bond swapped to S$100m MTN due 2023
- 3.05% p.a. RCS fixed rate S$90m MTN due 2024
- 3.17% p.a. CCT fixed rate S$300m MTN due 2024
- Secured Gallileo EUR bank loan due 2025
- 3.327% p.a. CCT fixed rate S$200m MTN due 2025
- 3.20% p.a. RCS fixed rate S$165m MTN due 2025

92% of borrowings on fixed rate provides certainty of interest expense

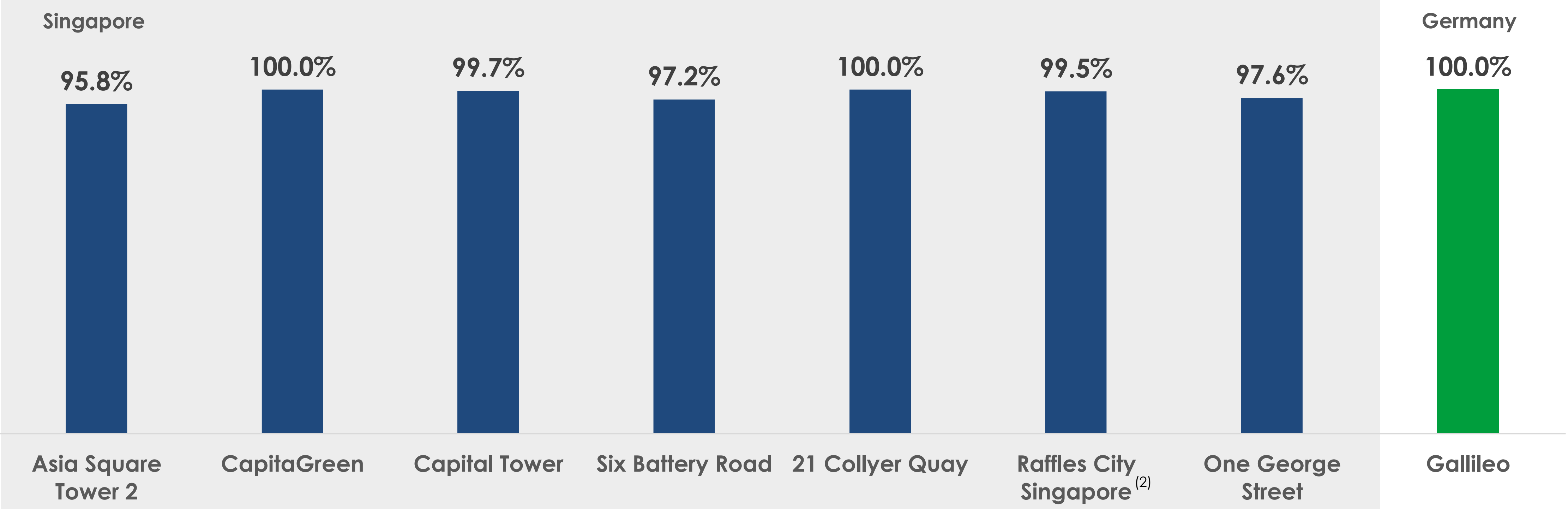


Proforma impact on:	Assuming +0.5% p.a. increase in interest rate
Estimated additional Interest expense for FY 2019	+$1.6 million p.a.
Annualised 1H 2019 DPU	-0.04 cents (0.5% of annualised 1H 2019 DPU)

High portfolio occupancy

Singapore Portfolio occupancy: **98.4%**

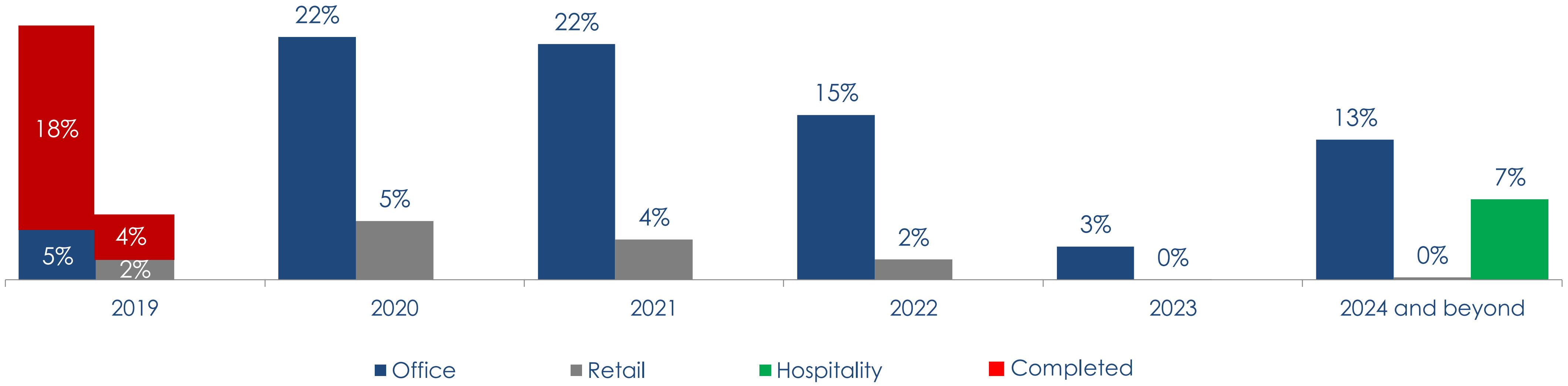
Singapore Core CBD occupancy: **95.8%**



Notes:
(1) All occupancies as at 30 June 2019
(2) Office occupancy is at 99.3% while retail occupancy is at 99.6%

Well spread portfolio lease expiry profile

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

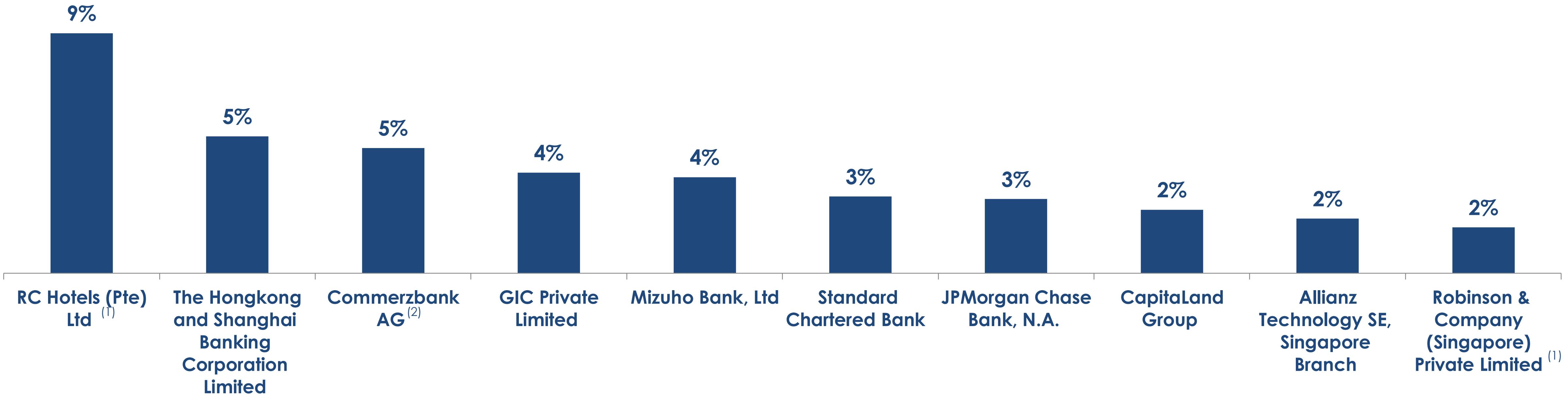


Portfolio Weighted Average Lease term to Expiry (WALE) by NLA as at 30 June 2019 = 5.6 years

Note:
(1) Excludes retail and hotel turnover rent

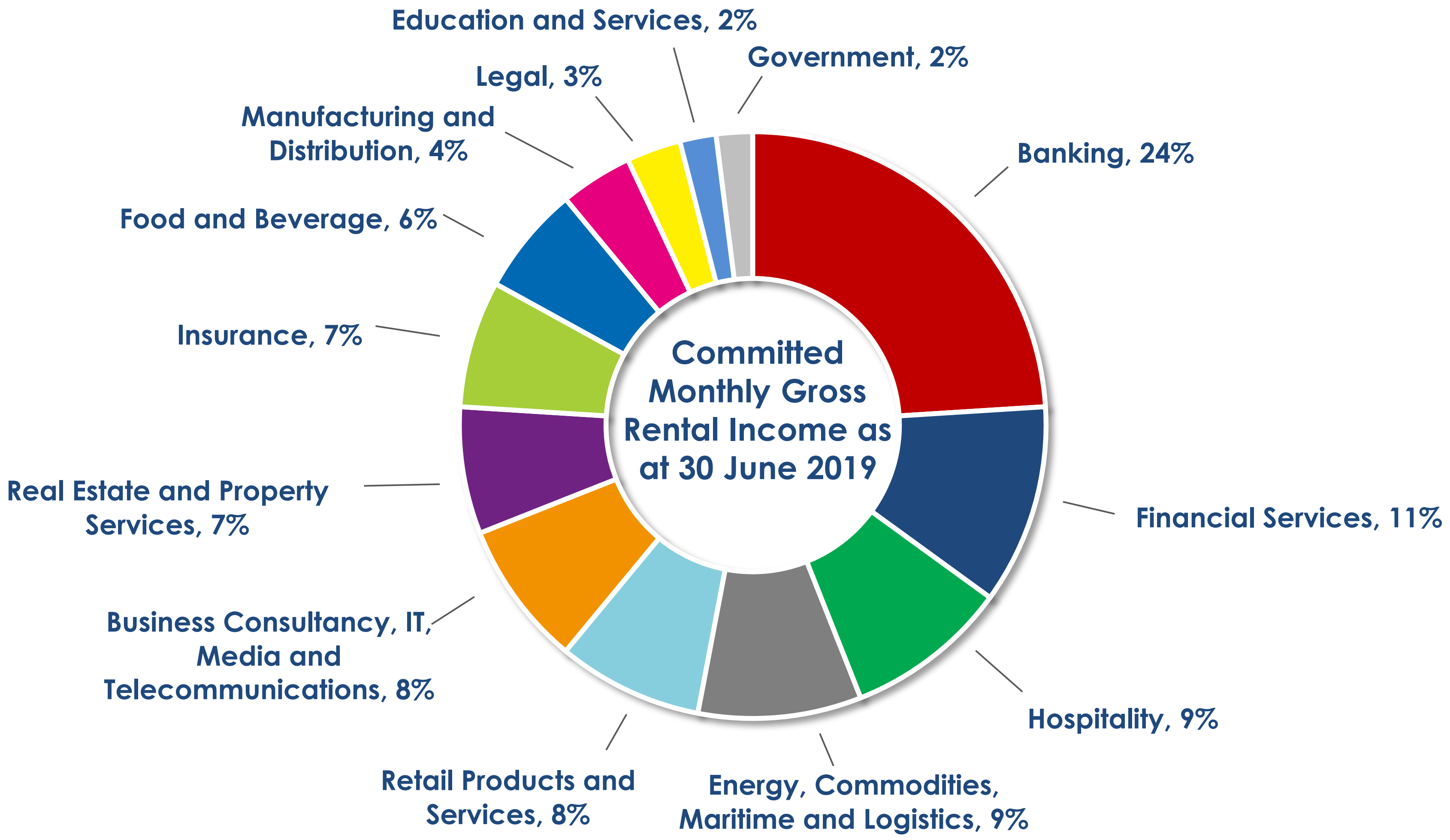
Top 10 tenants contribute 38% of monthly gross rental income

Based on monthly gross rental income as at 30 June 2019, excluding retail turnover rent



Notes:
(1) Based on CCT's 60.0% interest in Raffles City Singapore
(2) Based on CCT's 94.9% interest in Gallileo, Frankfurt
(3) Total percentage may not add up due to rounding

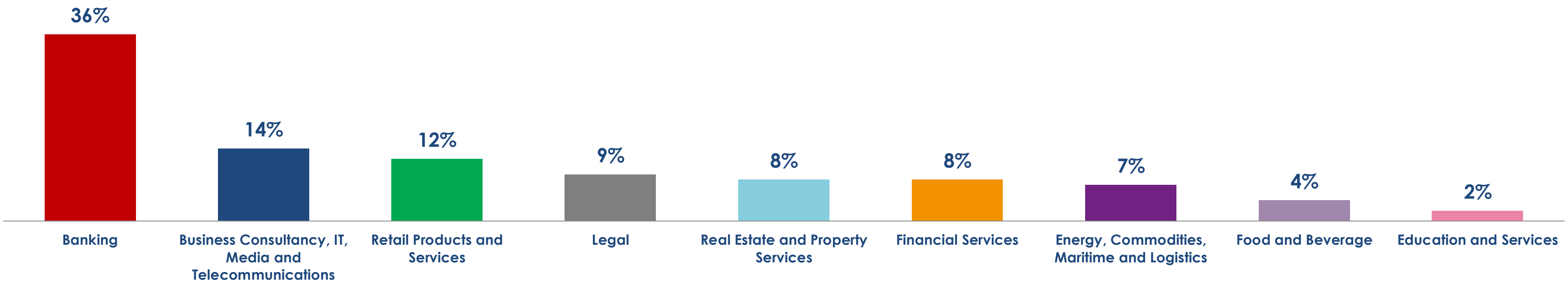
Diverse tenant mix in CCT's portfolio



Based on committed monthly gross rental income of tenants as at 30 June 2019, including CCT's 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 94.9% interest in Gallileo, Frankfurt; and excluding retail turnover rent

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

Trade mix of new leases signed in 2Q 2019



Notes:

(1) Based on net lettable area ("NLA") of new leases committed and using 100.0% basis for Raffles City Singapore and One George Street

(2) NLA of new leases committed in 2Q 2019 is approximately 64,000 square feet

Key valuation metrics unchanged from 2018

CapitaLand Commercial Trust

- Terminal yields are 0.25% higher than capitalization rates for the portfolio except for Six Battery Road and 21 Collyer Quay where terminal yields are the same given their 999-year lease tenures.
- Office rent growth rates(1) assumed for the discounted cashflow method generally averaged 3.6% over 10 years.

	Capitalisation Rates								Discount Rates							
	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Jun-18	Dec-18	**Jun-19(1)**	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Jun-18	Dec-18	**Jun-19(1)**
Asia Square Tower 2	NA	NA	NA	NA	NA	3.50	3.50	**3.50**	NA	NA	NA	NA	NA	6.75	6.75	**6.75**
CapitaGreen	NA	4.00	4.15	4.15	4.10	4.00	4.00	**4.00**	NA	7.25	7.25	7.25	7.00	6.75	6.75	**6.75**
Six Battery Road	3.75	3.75	3.75	3.75	3.60	3.50	3.50	**3.50**	8.00	7.50	7.25	7.25	7.00	6.75	6.75	**6.75**
Capital Tower	3.75	3.85	3.85	3.85	3.70	3.60	3.60	**3.60**	8.00	7.50	7.25	7.25	7.00	6.75	6.75	**6.75**
21 Collyer Quay	3.75	3.85	3.85	3.75	3.60	3.50	3.50	**3.50**	8.00	7.50	7.25	7.25	7.00	6.75	6.75	**6.75**
One George Street	3.75	3.85	3.85	3.85	3.70	3.60	3.60	**3.60**	8.00	7.50	7.25	7.25	7.00	6.75	6.75	**6.75**
Raffles City SG																
Office	4.25	4.25	4.25	4.25	4.10	4.00	4.00	**4.00**	7.35	7.50	7.25	7.25	7.00	6.75	6.75	**6.75**
Retail	5.25	5.25	5.25	5.25	4.85	4.70	4.70	**4.70**	7.65	7.50	7.50	7.50	7.25	7.00	7.00	**7.00**
Hotel	5.55	5.25	5.13	5.11	4.75	4.75	4.75	**4.75**	7.75	7.75	7.75	7.40	7.15	7.00	7.00	**7.00**

Notes:

(1) Excludes CapitaSpring and Gallileo, Frankfurt

(2) CBRE was the appointed valuer for Asia Square Tower 2, Six Battery Road, CapitaGreen and Raffles City Singapore; Cushman & Wakefield was the appointed valuer for Capital Tower, 21 Collyer Quay and Gallileo, Frankfurt; and Knight Frank was the appointed valuer for CapitaSpring, and One George Street






Thank you

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