


CapitaCommercial
Trust

CapitaLand Debt Investor Relations Forum CapitaCommercial Trust



8 March 2011

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Agenda

- **Who is CapitaCommercial Trust**
- **Portfolio Reconstitution Strategy**
- **Asset Enhancement Initiatives**
- **Proactive Capital Management**
- **Market Outlook**

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Who is CapitaCommercial Trust



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Singapore's First Listed Commercial REIT



Listing	May 2004 on Singapore Exchange Securities Trading Limited
Portfolio	Nine centrally-located quality commercial assets in Singapore <i>Three Grade A offices and one prime office, three mixed-use properties, and two multi-storey car parks 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\$4.8 billion) <small>(as at 31 December 2010)</small>
Net asset value	S\$1.47 per unit <small>(as at 31 December 2010)</small>
Market cap	S\$3.9 billion (US\$3.1 billion) <small>Based on CCT's closing price of S\$1.38 on 28 February 2011 (last trading day of the month) and total units on issue 2,825,291,611</small>

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Who is CapitaCommercial Trust

- Owns excellent portfolio of commercial assets in Singapore leased to quality tenants**
- Has established track record**
 - Execution of “portfolio reconstitution strategy” to drive value growth
 - Proactive leasing and asset management
 - Disciplined approach to acquisition
 - Prudent capital management and cost management
 - Growing distributable income
- Has financial flexibility**
 - Strong balance sheet
 - Good cash position and low gearing enable nimbleness to respond to acquisition opportunities
- Management by CapitaLand**
 - Trust manager, a wholly-owned subsidiary
 - Property managers, part of CapitaLand Group
- Key exposure to recovering Singapore office market**

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Owns 9 centrally-located quality commercial assets in Singapore

Property	NLA (sqm)	Valuation (S\$ m)	Contribution to FY 2010 Net Property Income (%)
1. Capital Tower	68,836	1,113.5	17
2. Six Battery Road	46,339	1,115.0	23
3. One George Street	41,620	914.3	17
4. HSBC Building	18,624	345.8	3
5. Raffles City (60% interest)	74,376	1,615.8	31
6. Bugis Village	11,375	62.4	3
7. Wilkie Edge	13,576	150.9	2
8. Golden Shoe Car Park	4,117	109.1	3
9. Market Street Car Park	2,360	48.6	1
PORTFOLIO	281,223	5,475.4	100

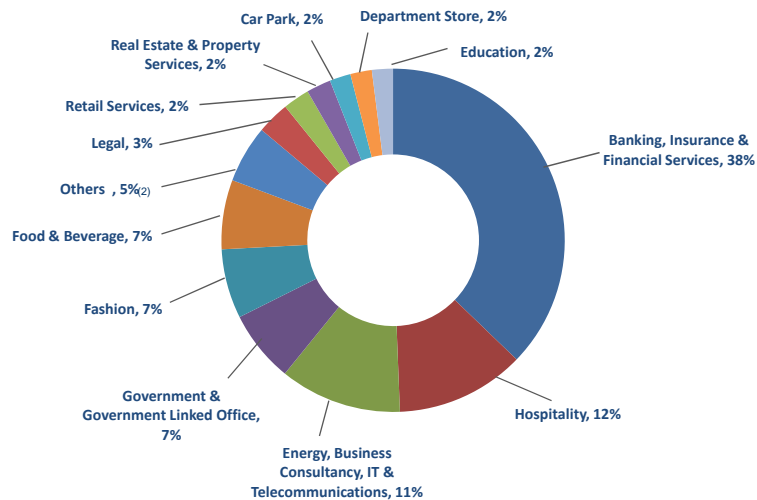


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Diverse tenant mix⁽¹⁾ in CCT's portfolio



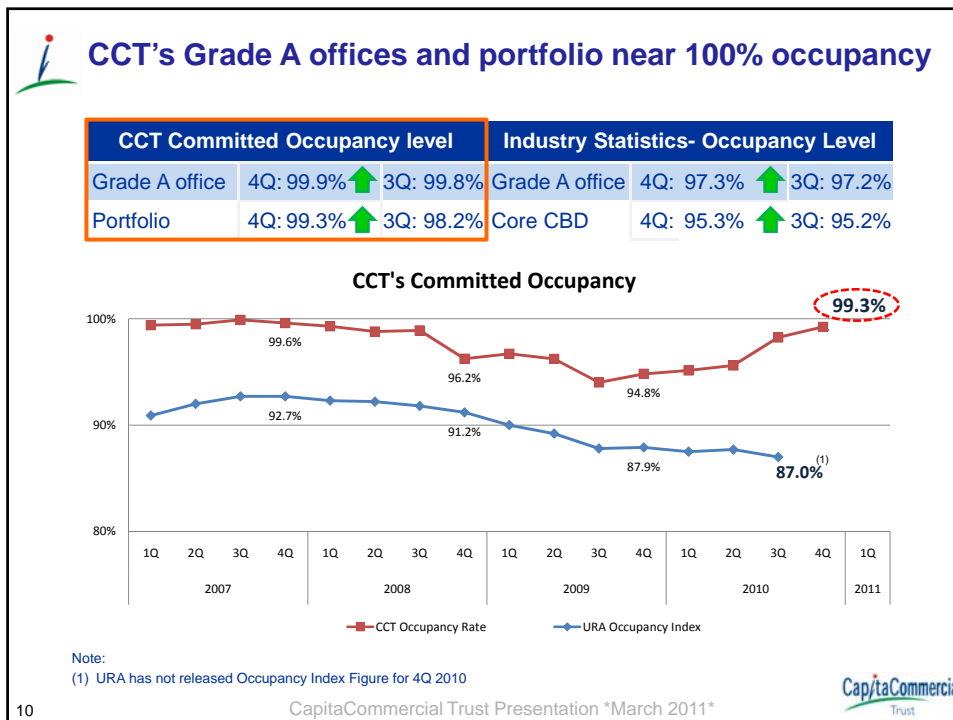
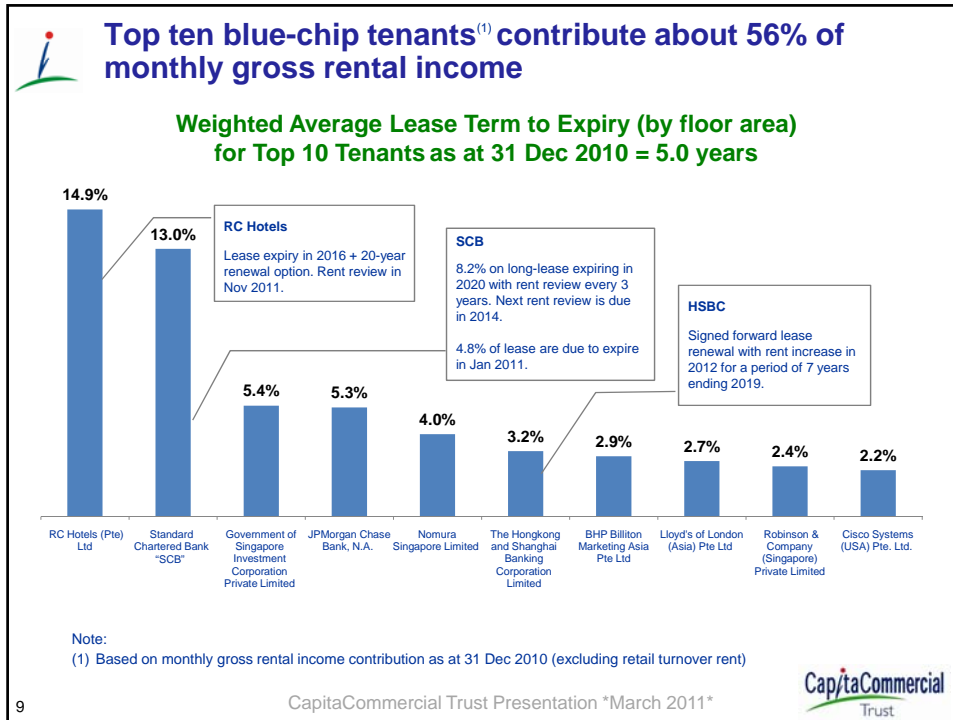
Notes:

(1) Based on monthly gross rental income as at 31 Dec 2010 for the portfolio including car park income from Golden Shoe Car Park and Market Street Car Park.

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

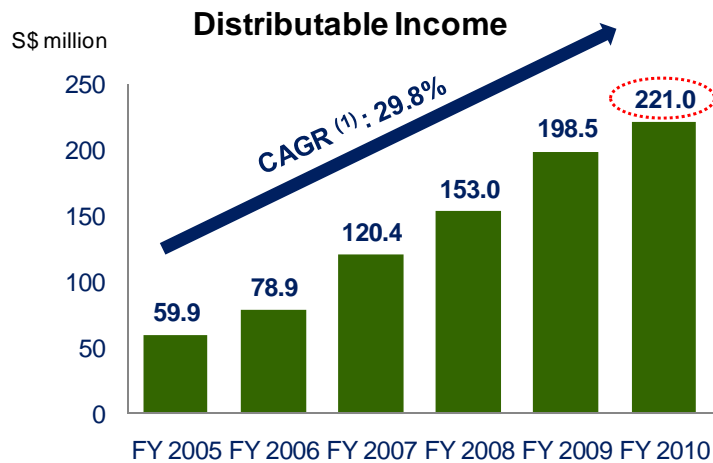
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Delivering stable distributable income



Note:
(1) CAGR - Compounded Annual Growth Rate

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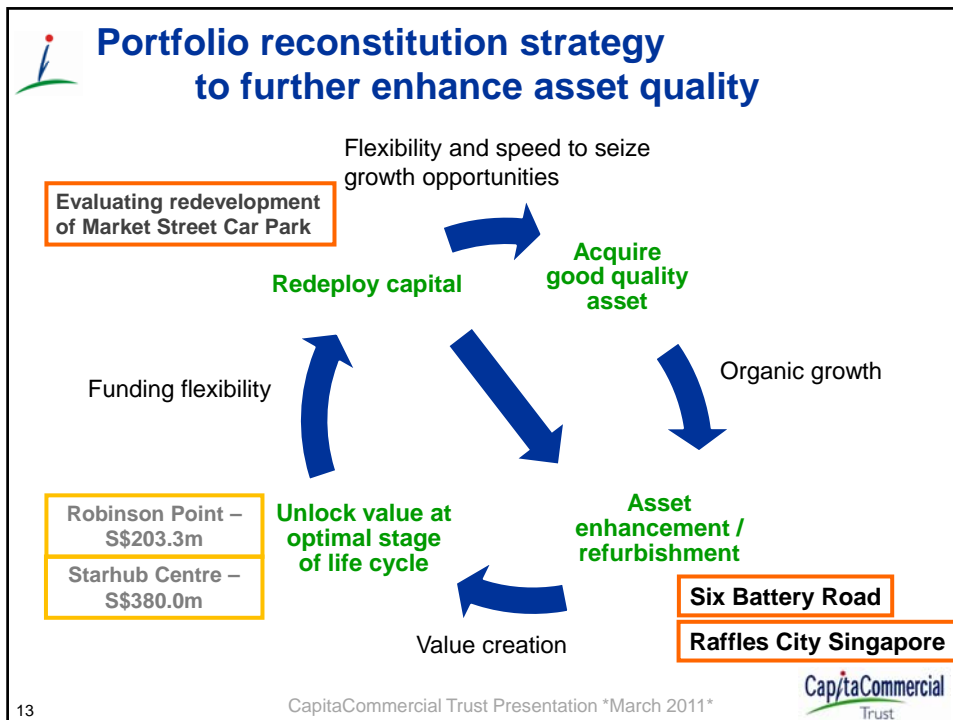
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Portfolio Reconstitution Strategy



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Six Battery Road : S\$92-million enhancement work to be implemented in phases till 2013



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

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Six Battery Road: 52% pre-commitment achieved for upgraded space available in 2011




Enhancement work	Start date	End date
Ground Floor: <ul style="list-style-type: none"> • Main Lobby • Turnstiles • Green Wall 	Nov 2010	Mar 2011

Upgraded space target for handover in 2011	Pre-commitment for upgraded space in 2011	
65,600 sq ft	34,000 sq ft	52%

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Raffles City's value creation since acquisition

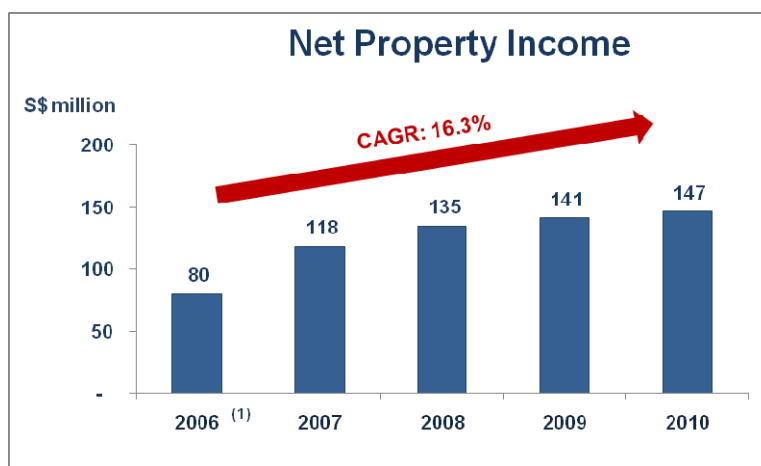
Asset Enhancement ⁽¹⁾	2007	2008	2009 - 2010
Works done 	<ul style="list-style-type: none">• Creation of 3-storey island podium block in atrium• Extension of Basement 1 Marketplace through conversion of car park lots• Extension of lease lines and reconfiguration of retail spaces at levels 1 and 2	<ul style="list-style-type: none">• New F&B and Outdoor Restaurant Area (ORA) fronting Bras Basah Road• Extension of existing ORA at MRT entrance	<ul style="list-style-type: none">• Reconfiguration of basement 1 retail space• Opening of basement 2 link to Esplanade MRT Station
Additional NLA created (sq ft)	+40,000	+3,500	+16,000
Cost (S\$ m)	75.4	7.5	34.6 ⁽²⁾
Expected return on investment	10.1%	10.0%	9.0%
Completion	End-2007	End-2008	End-2010

Notes:

(1) Numbers presented above are based on 100.0% interest in Raffles City Singapore, CCT's interest is only 60.0%.

(2) Subject to change as final account has not been finalized. Revised total project cost is inclusive of marketing assistance of 1.4m to affected tenants.

Raffles City delivered growing income since 2006



Note:

(1) CAGR - Compounded Annual Growth Rate

Proactive Capital Management



Key financial indicators ⁽¹⁾

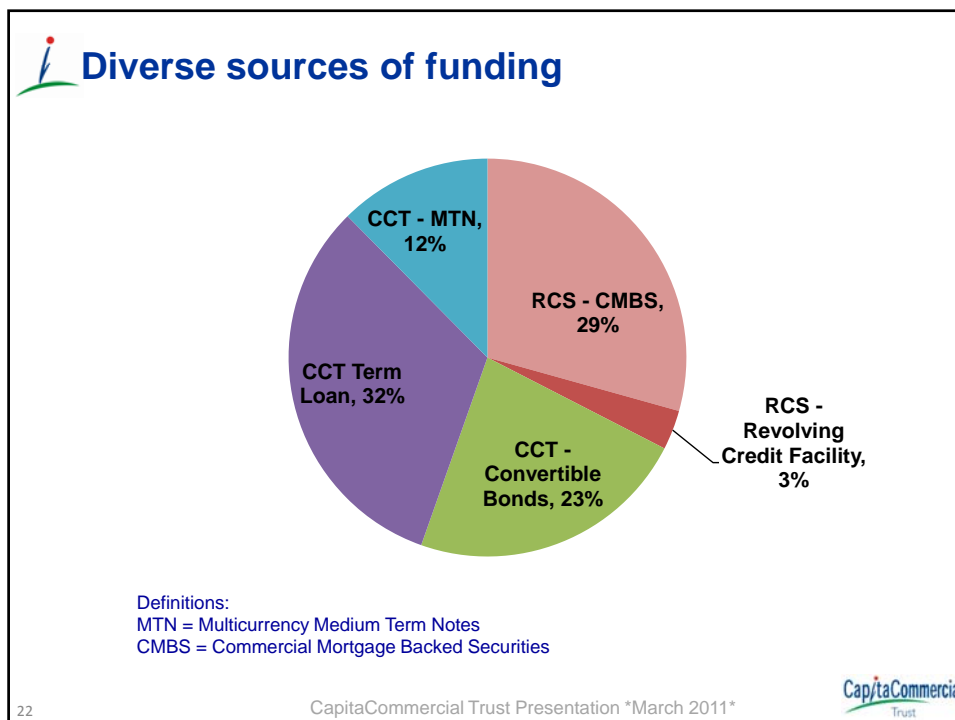
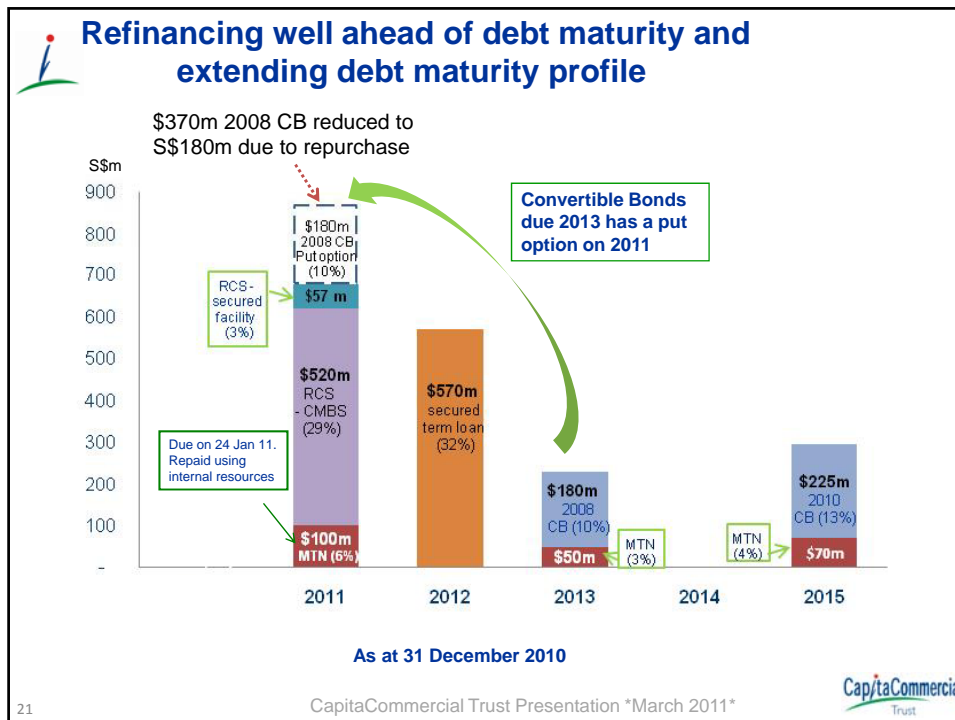
- Improved leverage

	4Q 2010	3Q 2010	Remarks
Total Gross Debts (S\$ million)	1,771.6	1,907.1	Improved
Gearing Ratio	28.6%	31.5%	Improved
Net Debt/EBITDA	4.7 times	4.5 times	-0.2 (due to impact of lower YTD EBITDA)
Unencumbered Assets as % of Total Assets	56.0% ⁽²⁾	56.2%	Stable
Average Term to Maturity	1.4 years	1.7 years	-0.3 years (due to passing of time)
Average Cost of Debt	3.6%	3.6%	Stable
Interest Coverage	3.8 times	3.8 times	Stable

Notes:

(1) The financial indicators have generally improved or remained stable in 4Q 2010 compared with 3Q 2010, mainly arising from the prepayment of the S\$142.6 million secured term loan due 2012 using internal funds.

(2) Includes HSBC Building, previously secured on S\$142.6m term loan which has been prepaid in December 2010





Further enhanced financial flexibility

- Total number of unsecured assets : 7 out of 9
- Value of unsecured assets : S\$2.7 billion (50.1% of total value of investment properties)
- S\$1.8 billion untapped balance from S\$2.0 billion multicurrency medium term note programme



Six Battery Road



One George Street



HSBC Building



Wilkie Edge



Golden Shoe Car Park



Bugis Village



Market Street Car Park

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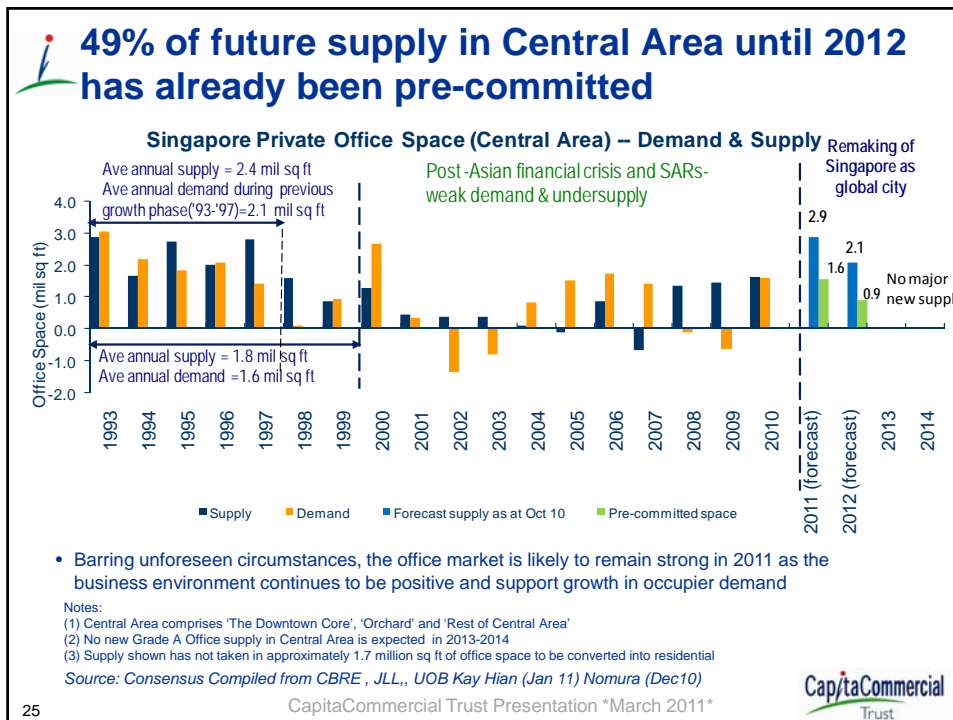
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Market Outlook



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No major new supply in 2013 and 2014

Details of known Future Office Supply in Central Area (2011-2012)

Exp. DOC	Proposed Office Projects	Micromarket	NFA (sf)	Pre-commitment Level as at 4Q10
1Q11	50 Collyer Quay	Raffles Place	412,000	60%
2Q11	Ocean Financial Centre (OFC)	Raffles Place	850,000	80%
2Q11	Asia Square Tower 1	Marina Bay	1,260,000	50%
2011	1 Raffles Place (Tower 2)	Raffles Place	350,000	N.A.
Subtotal (2011):			2,872,000	54%
1Q12	Marina Bay Financial Centre (MBFC – Phase 2)	Marina Bay	1,300,000	66%
2Q12	Asia Square Tower 2	Marina Bay	782,000	N.A.
Subtotal (2012):			2,082,000	41%
TOTAL FORECAST SUPPLY (2011 – 2012)			4,954,000	49%

* No new Grade A Office supply in Central Area is expected in 2013-2014

Source: CBRE, UOB Kay Hian (Jan /11) Nomura (Dec/10) / Media reports

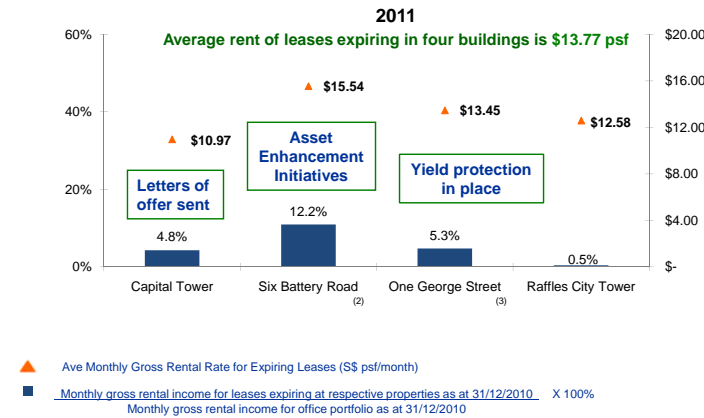
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Undertaken measures to mitigate risk

4Q 2010 Industry Statistics ⁽¹⁾ –

Grade A Office Average Market Rent: S\$9.90 psf

Prime Office Average Market Rent: S\$8.30psf



Notes:

(1) Source: CBRE (as at 4Q 2010)

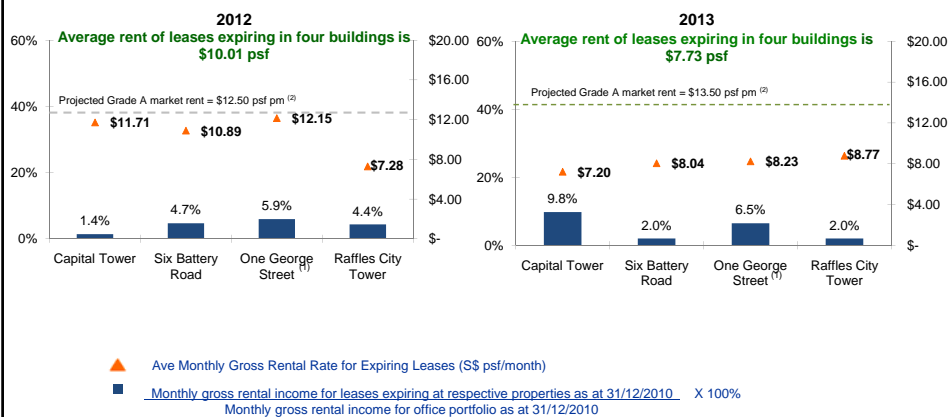
(2) Does not include SCB rent review in Jan 2011.

(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.

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



Notes:

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(2) Projected market rent for 2012 and 2013 by CB Richard Ellis (Pte) Ltd

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