

CapitaLand Group Debt Investor Day 2012

CapitaCommercial Trust



2 March 2012



Disclaimer

This presentation shall be read in conjunction with CCT's 2011 Full Year 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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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.



Agenda

- 1. Overview**
- 2. Key Business Drivers**
- 3. Outlook**

Overview



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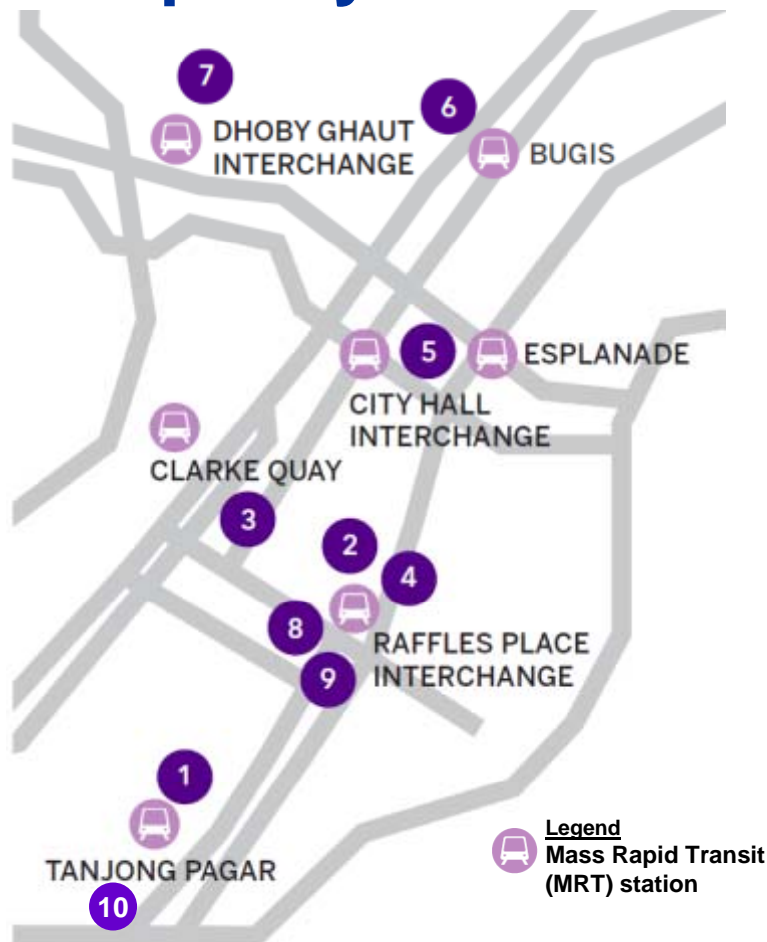


Singapore's First Listed Commercial REIT

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)
Investments - Malaysia (less than 5% of total assets)	30% stake in Quill Capita Trust who owns 10 commercial properties in Kuala Lumpur, Cyberjaya and Penang 7.4% stake in Malaysia Commercial Development Fund Pte. Ltd.
Total assets	S\$6.7 billion (US\$5.3 billion) (as at 31 December 2011)
Market cap	S\$3.3 billion (US\$2.7 billion) Based on CCT's closing price of S\$1.18 on 24 February 2012 and total units on issue 2,835,761,000



Centrally-located quality commercial portfolio



- | | |
|----------------------|---|
| 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
(acquisition to be completed by March 2012) |



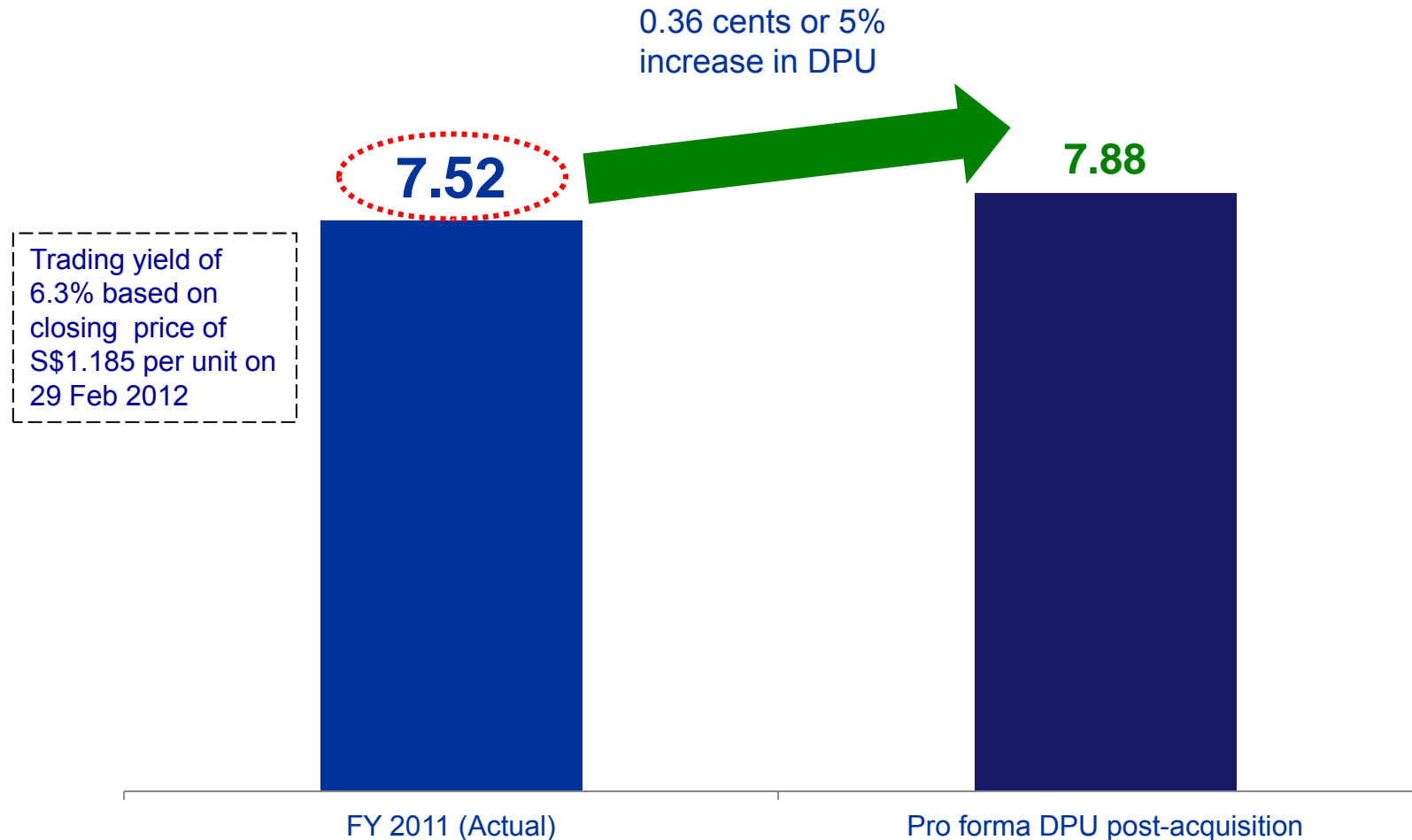
Delivered distributable income of S\$212.8m and DPU of 7.52 cents in FY 2011

	FY 2011 S\$ mil	FY 2010 S\$ mil	% Change	Remarks
Gross Revenue	361.2	391.9	(7.8)	Loss of rental income from the sale of two properties in 2010 and of Market Street Car Park in 2011 for redevelopment, lower occupancy and negative rent reversions, mitigated by higher income contribution from other properties
Net Property Income	277.3	299.0	(7.2)	Lower property operating expenses
Distributable Income	212.8	221.0	(3.7)	Lower interest expenses due to reduced amount of borrowings and lower interest rates from refinancing
Distribution Per Unit	7.52¢	7.83¢	(4.0)	



Proposed acquisition of Twenty Anson expected to be accretive to CCT's Distribution Per Unit (DPU) ⁽¹⁾

Accretive to DPU for Year Ended 31 Dec 2011

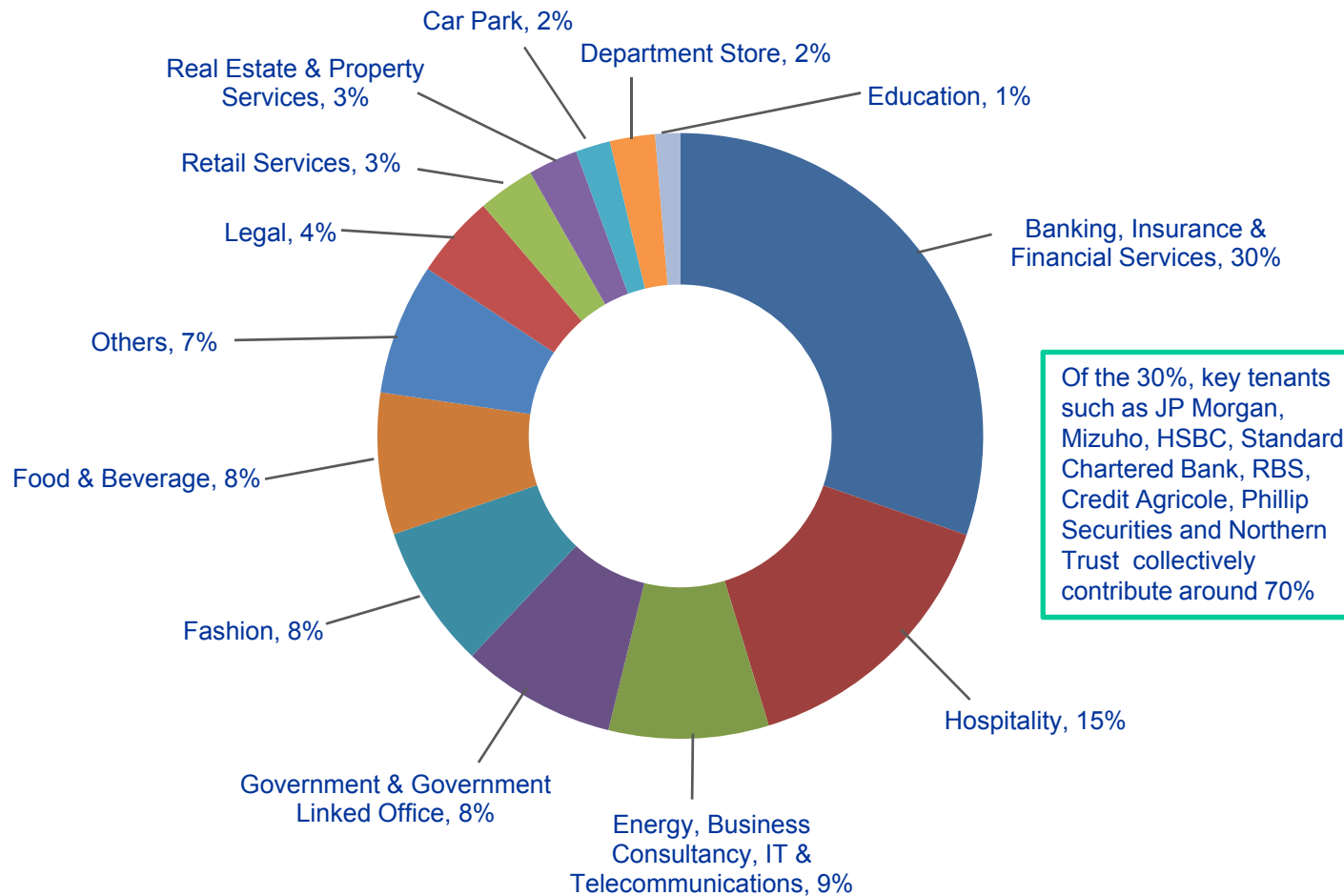


Note:

(1) Financial impact to pro forma DPU assuming the acquisition had been completed on 01 Jan 2011.



Diverse tenant mix⁽¹⁾ in CCT's portfolio



Notes:

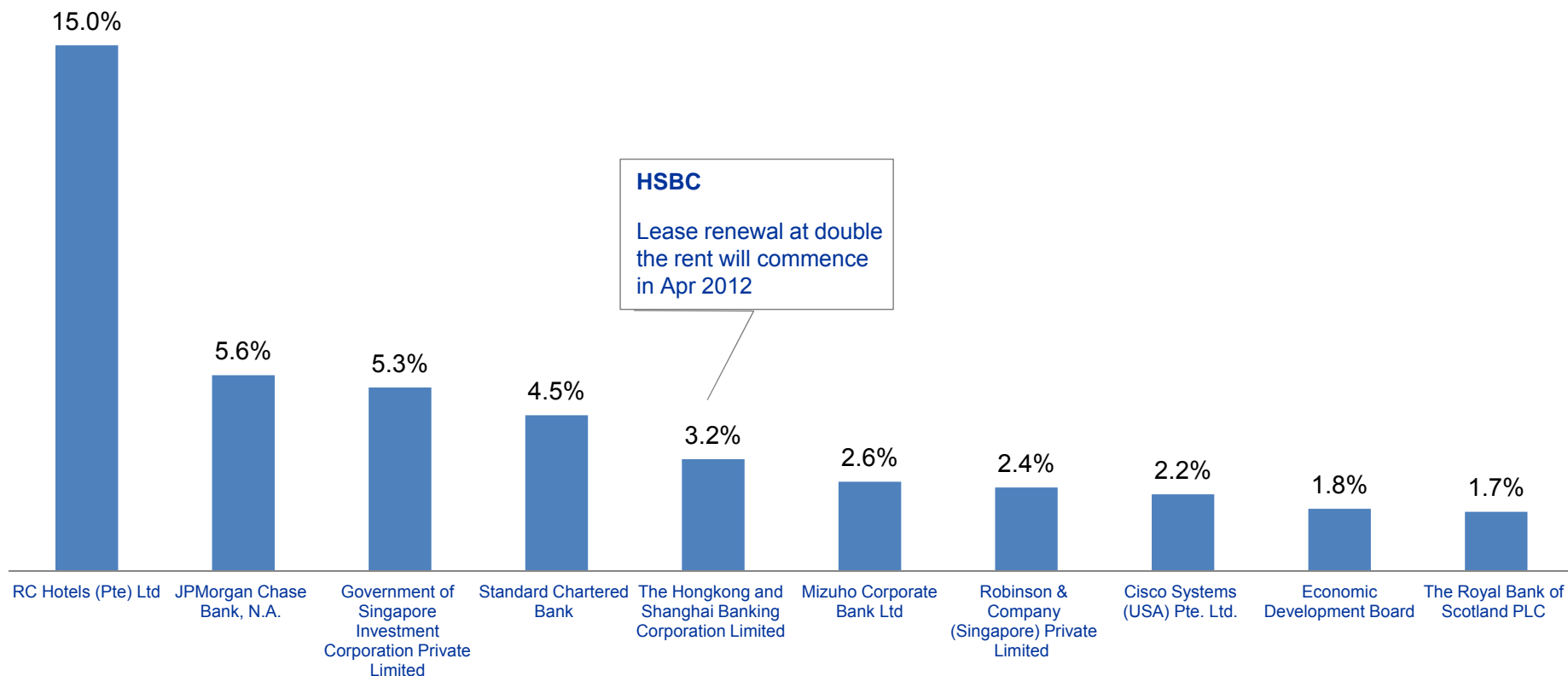
(1) Based on monthly gross rental income as at 30 Dec 2011 for the portfolio including car park income from Golden Shoe Car Park

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



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

**Weighted Average Lease Term to Expiry (by floor area)
for Top 10 Tenants as at 31 Dec 2011 = 4.5 years**



Note:

(1) Based on monthly gross rental income contribution as at 30 Dec 2011 (excluding retail turnover rent)

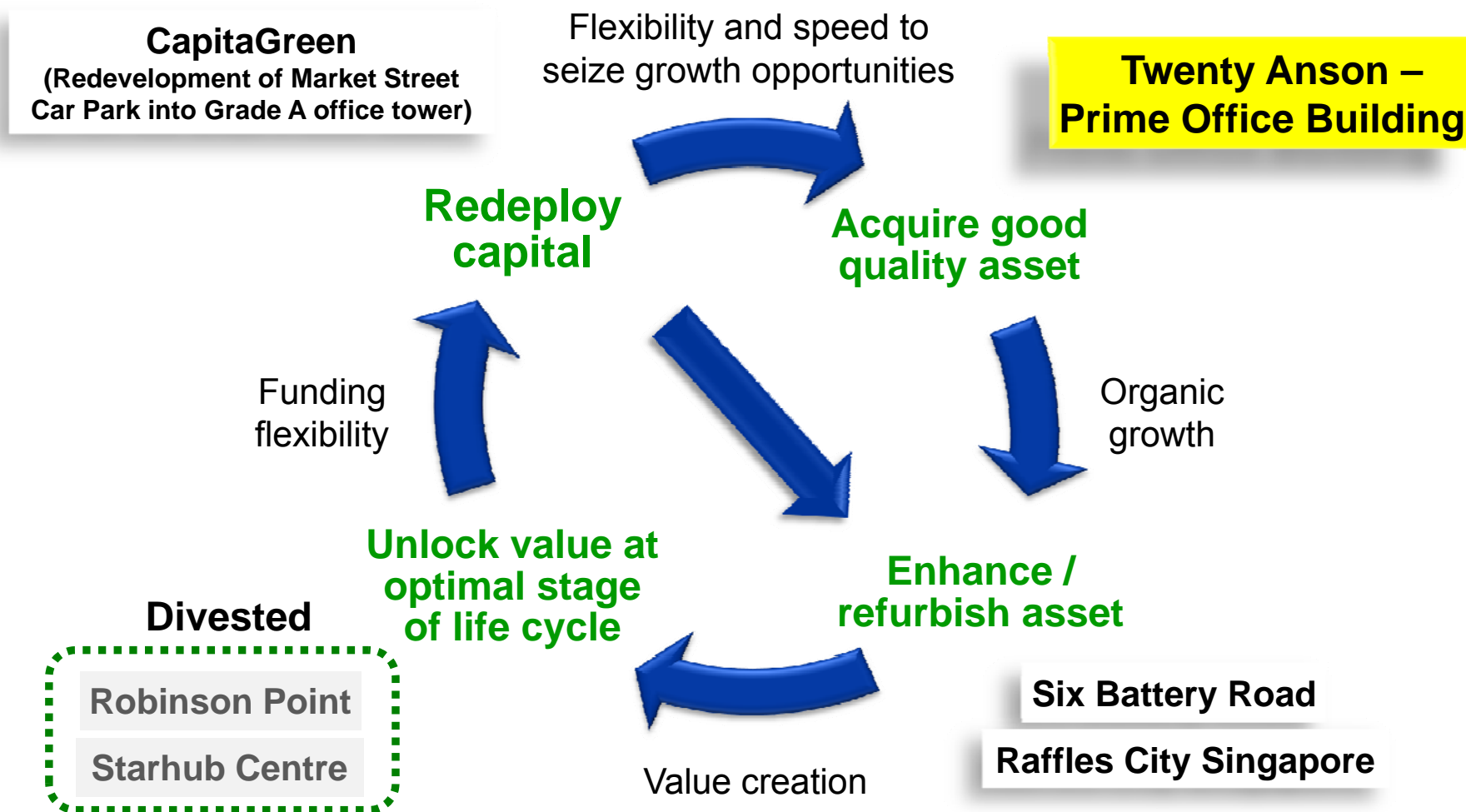
Key Business Drivers – Portfolio Reconstitution Strategy



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CCT's portfolio reconstitution strategy enhances value of the Trust and portfolio





Twenty Anson – New, prime office building with Green Mark Platinum award acquired for S\$430 million



Twenty Anson, proposed acquisition to be completed by March 2012

Location	5-minute walk with sheltered access to the Tanjong Pagar Mass Rapid Transit (MRT) station and Capital Tower
Net Lettable Area	Approximately 202,500 sq ft
Date of Completion	05 Oct 2009
Committed Occupancy	100% (as at 21 Feb 2012)
Average Passing Rent	S\$6.18 psf per month (versus market rent of S\$8.44 psf per month in Tanjong Pagar area in 4Q 2011 (Colliers International)
Key Tenants	Toyota , BlackRock, CSC Technology
Value Proposition	<ul style="list-style-type: none"> • Buying a new, significantly under-rented property with good location and specifications • Lease renewals in under-supplied office market (2013 and 2014) with significant rental upside • Close proximity to Capital Tower improves operating efficiency • DPU accretion at 0.36 cents (annualized, pro forma) • No equity raising



Photograph from Jones Lang LaSalle.



40% JV to redevelop Market Street Car Park into Grade A office tower, call option to buy balance



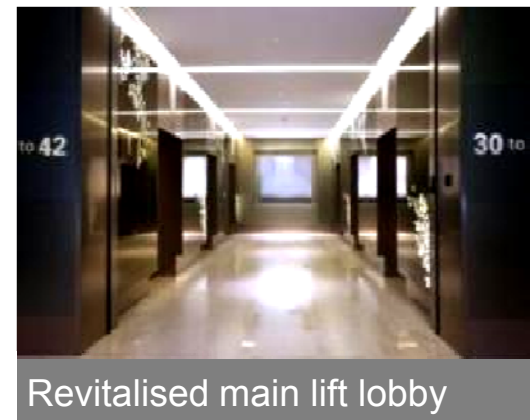
CapitaGreen, a new Grade A office tower at 138 Market Street

JV partners	CapitaLand (50%); CCT (40%); MEA (10%)
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	700,000 sq ft
Typical floor plate	20,000 – 25,000 sq ft
Max. height control	242 m
No. of storeys	About 40
Target completion	4Q 2014



Six Battery Road's AEI: completions in 2011

1. **S\$92 million Asset Enhancement Initiative to be carried out in phases till end-2013 while the building remains in operation**
2. **Scorecard for AEI done in 2011**
 - ✓ **Completed about 37% of revitalisation work**
 - ✓ **Installed vertical garden – “Rainforest Rhapsody”**
 - ✓ Represents the highest biodiversity level in terms of number of plant species per square foot
 - ✓ Utilizes harvested rainwater for the plants' irrigation
 - ✓ **Replaced all chillers for improved energy efficiency**
 - ✓ Expect to reduce energy consumption by 20% - 25%
 - ✓ **93,700 sqft of upgraded space in 2011 - fully pre-committed**



Key Business Drivers – Proactive Capital Management



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Raised aggregate S\$1,614.0m in FY 2011 ahead of debt maturity; Refinancing in place for 2012

- Strong support from banks and debt investors through diverse sources

CMBS and term loan	S\$964.0 m (100% interest)	Silver Oak (RCS) - Secured term loan at 3.025% p.a. - Fixed rate secured notes at 3.09% p.a.	- Maturity Sept 2011 - Refinanced Jun 2011
MTN	S\$200.0m	At 3.25% p.a. due December 2015	- \$570m term loan maturity in Mar 2012 - Committed funding Dec 2011
Committed unsecured facilities - Comprised term loan and revolving credit facilities	S\$450.0m	Various maturities of up to 3.25 years	
	S\$650.0m	More than sufficient to refinance \$570m secured term loan due Mar 2012	

- Will free up Capital Tower with refinancing in March 2012 – resulting in 7 properties valued at S\$4 billion unencumbered (out of 9)



Awards for RCS Trust's US\$645.0m transaction

- **Five-year US\$645.0 million Class A secured floating rate notes**
- **One of the largest AAA-rated securitised note issuances from Singapore**
- **Won the following accolades:**
 - ✓ International Financing Review (IFR) Asia's Securitisation Deal of the Year 2011
 - ✓ IFR Global Awards for Asia Pacific Securitisation of the Year 2011
 - ✓ The Asset's Triple A Regional Deal Awards' Best Cross-Border Securitisation

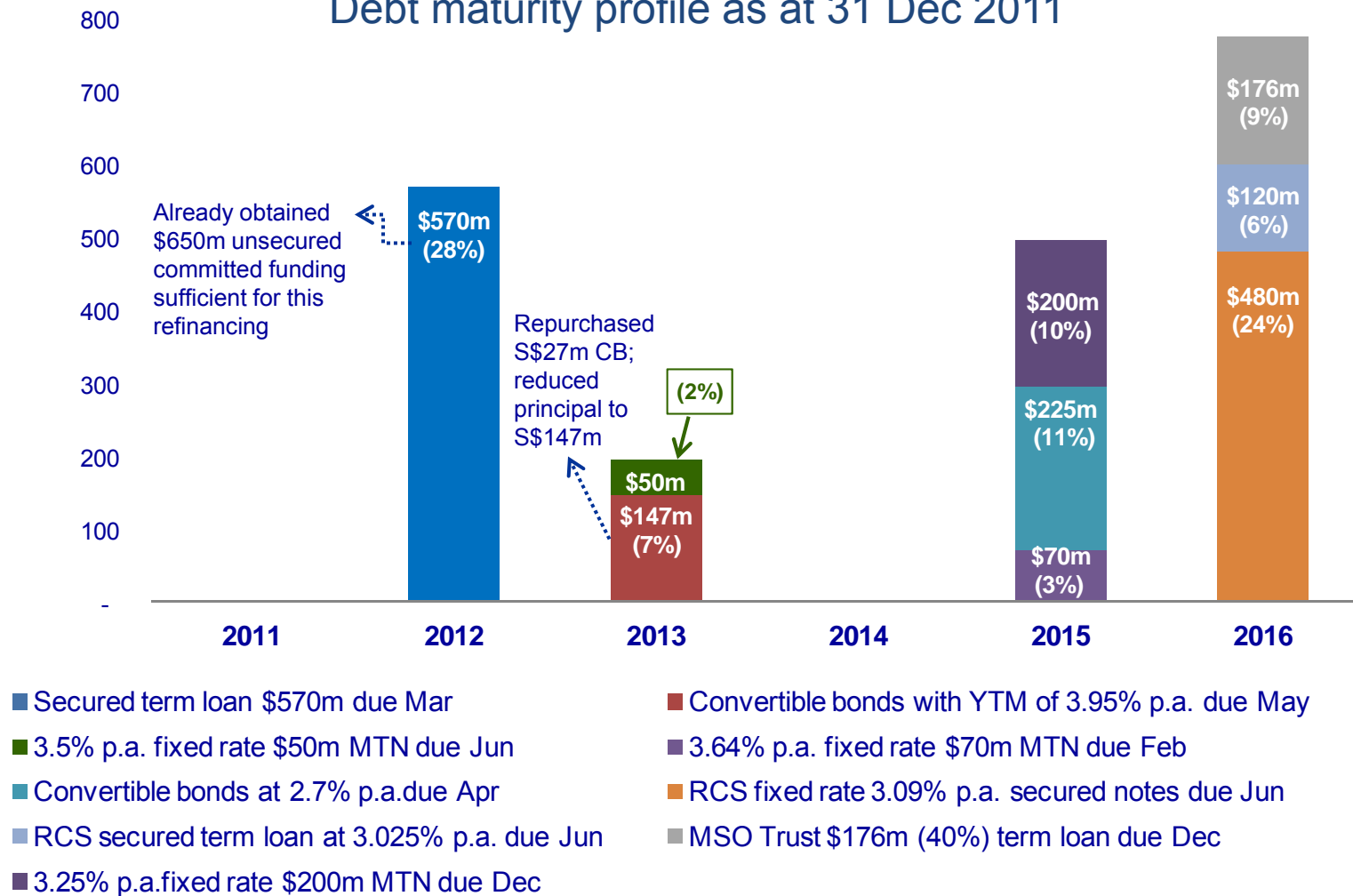




Refinancing in place for 2012 since Dec 2011

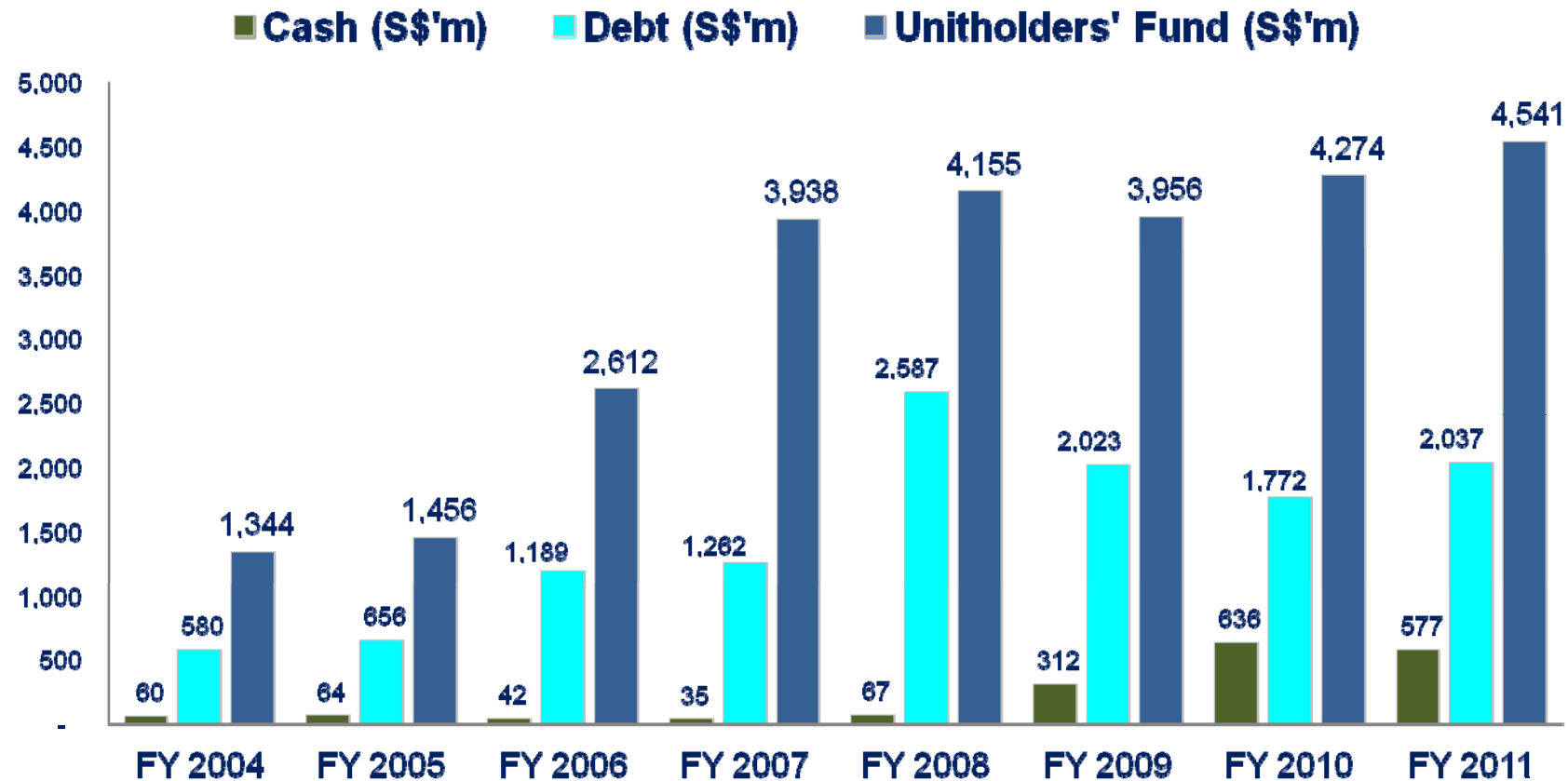
S\$'mil (% of total borrowings)

Debt maturity profile as at 31 Dec 2011





Strong balance sheet and cash position



2006: Equity raising for acquisition of Raffles City

2008: Acquired One George St using debt

2009: Rights issue to reduce debt

2010: Divested Robinson Point and StarHub Centre

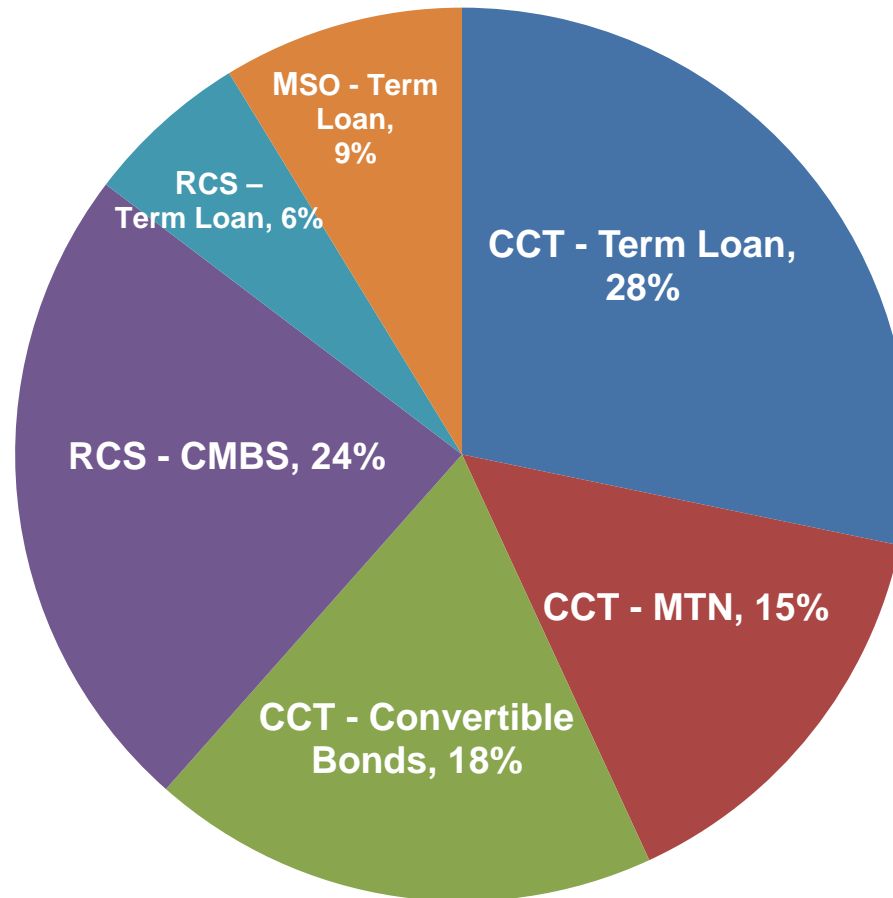


Robust capital structure, only 30% gearing

	4Q 2011	4Q 2010	4Q 2009
Total Gross Debt (\$'m)	2,037.3	1,771.6	2,022.7
Gearing Ratio	30.2%	28.6%	33.2%
Net Debt/EBITDA	6.5 times	4.7 times	6.2 times
Unencumbered Assets as % of Total Assets	51.9%	56.0%	46.2%
Average Term to Maturity	2.8 years	1.4 years	2.2 years
Average Cost of Debt	3.6%	3.6%	3.9%
Interest Coverage	4.1 times	3.8 times	3.3 times



Diverse sources of funding



Definitions:

MTN = Multicurrency Medium Term Notes

CMBS = Commercial Mortgage Backed Securities



Further enhanced financial flexibility



Capital Tower
– to be free from encumbrances upon refinancing of S\$570 million due Mar 2012



Six Battery Road



One George Street



HSBC Building



Golden Shoe Car Park



Wilkie Edge



Bugis Village

- Total number of unsecured assets : 7 out of 9
- Value of unsecured assets :
Approximately S\$4 billion
- S\$1.7 billion untapped balance from S\$2.0 billion multicurrency medium term note programme

Key Business Drivers – Active Portfolio Leasing

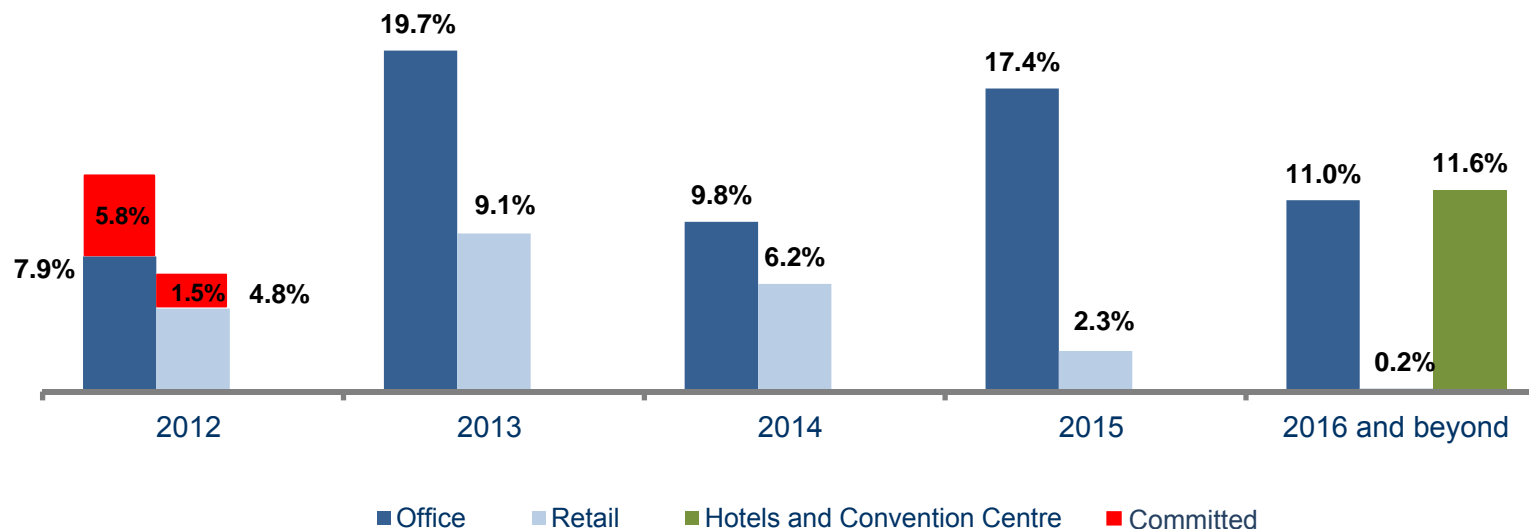


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Only 7.9% of office leases by portfolio gross rental income is due for renewal in 2012

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



Note:

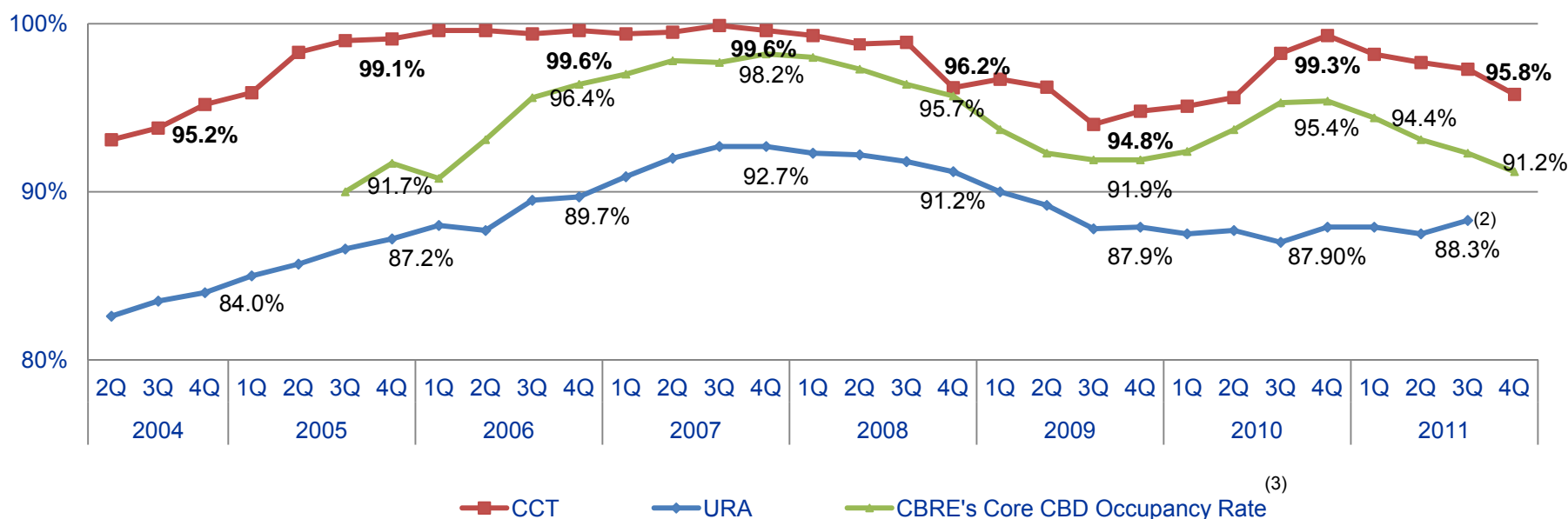
(1) Excludes turnover rent



CCT's Grade A offices and portfolio above market occupancy

	CCT Committed Occupancy Level				Industry Statistics Occupancy Level ⁽¹⁾			
Grade A Office	4Q2011	93.9% ↓	3Q2011	96.4%	4Q2011	88.4% ↓	3Q2011	88.7%
Portfolio	4Q2011	95.8% ↓	3Q2011	97.2%	4Q2011	91.2% ↓	3Q2011	92.3%

CCT's Committed Occupancy Since Inception



Notes:

(1) Source: CBRE Pte. Ltd.

(2) URA has not released Occupancy Index Figure for 4Q 2011

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



Commitment to environmental sustainability and improved energy efficiency

No.	CCT Properties	Green Mark Award
1	Six Battery Road	Platinum
2	Twenty Anson (March 2012)	Platinum
3	CapitaGreen (Under development)	Targeted for Platinum
4	One George Street	Gold ^{Plus}
5	Capital Tower	Gold
6	Raffles City Singapore	Gold
7	HSBC Building	Certified
8	Wilkie Edge	Certified
9	Golden Shoe Car Park	Certified

Outlook



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Going into 2012

- ✓ Acquisition of Twenty Anson expected to complete in March 2012
- ✓ Refinancing already in place for 2012
- ✓ Only 7.9% of office leases by portfolio gross rental income due for renewal
 - ✓ Limits downside leasing risk
 - ✓ Decline in market rents will have limited impact on CCT's office rental revenue in 2012
- ✓ Already secured project financing for Market Street development – no funding concern
- ✓ Mitigated negative rent reversions from office's income with 36% of gross rental income contributed by retail and hotel and convention centre income (60% interest in RCS)
- ✓ Strong balance sheet and enhanced financial flexibility ensures nimbleness for investment opportunities



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