



# CapitaCommercial Trust



## 1H 2007 Financial Results 20 July 2007



# Agenda

1. 1H Results Highlights
2. 1H 2007 Results
  - ▣ Financials
  - ▣ Portfolio Update
3. Strong Market Fundamentals
4. CCT's Growth Strategies
5. Proposed Acquisition of Wilkie Edge

## Supplementary Slides

6. CCT's Portfolio



# Highlights

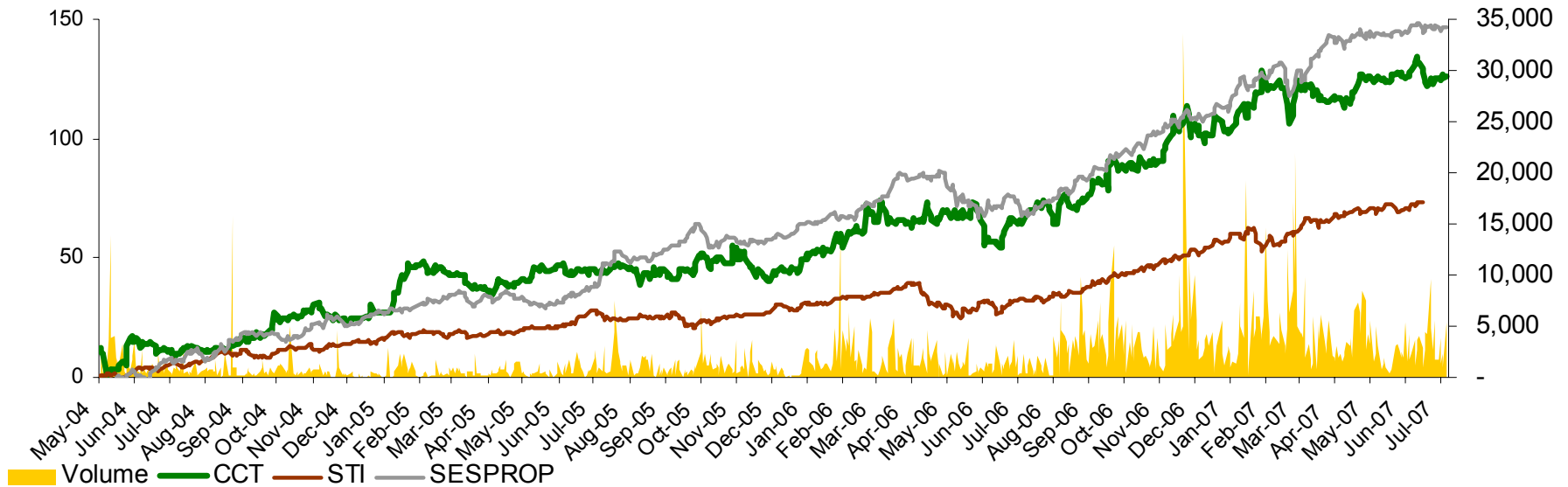
- Asset size increase to S\$4.6 billion
- Market cap about S\$4.0 billion<sup>1</sup>
- 1H DPU of 4.23 cents above forecast<sup>2</sup> by 11.9%
- Net asset value up by 28% to S\$2.39
- Gearing level now at 25.5%
- Proposed to acquire Wilkie Edge for S\$262.0 million

Notes:

1. Based on closing price of S\$2.90 per unit as at 19 July 2007.
2. As stated in the Circular dated 15 August 2006 for the equity fund raising of Raffles City

# Total Return - Sterling Outperformance

## Price performance



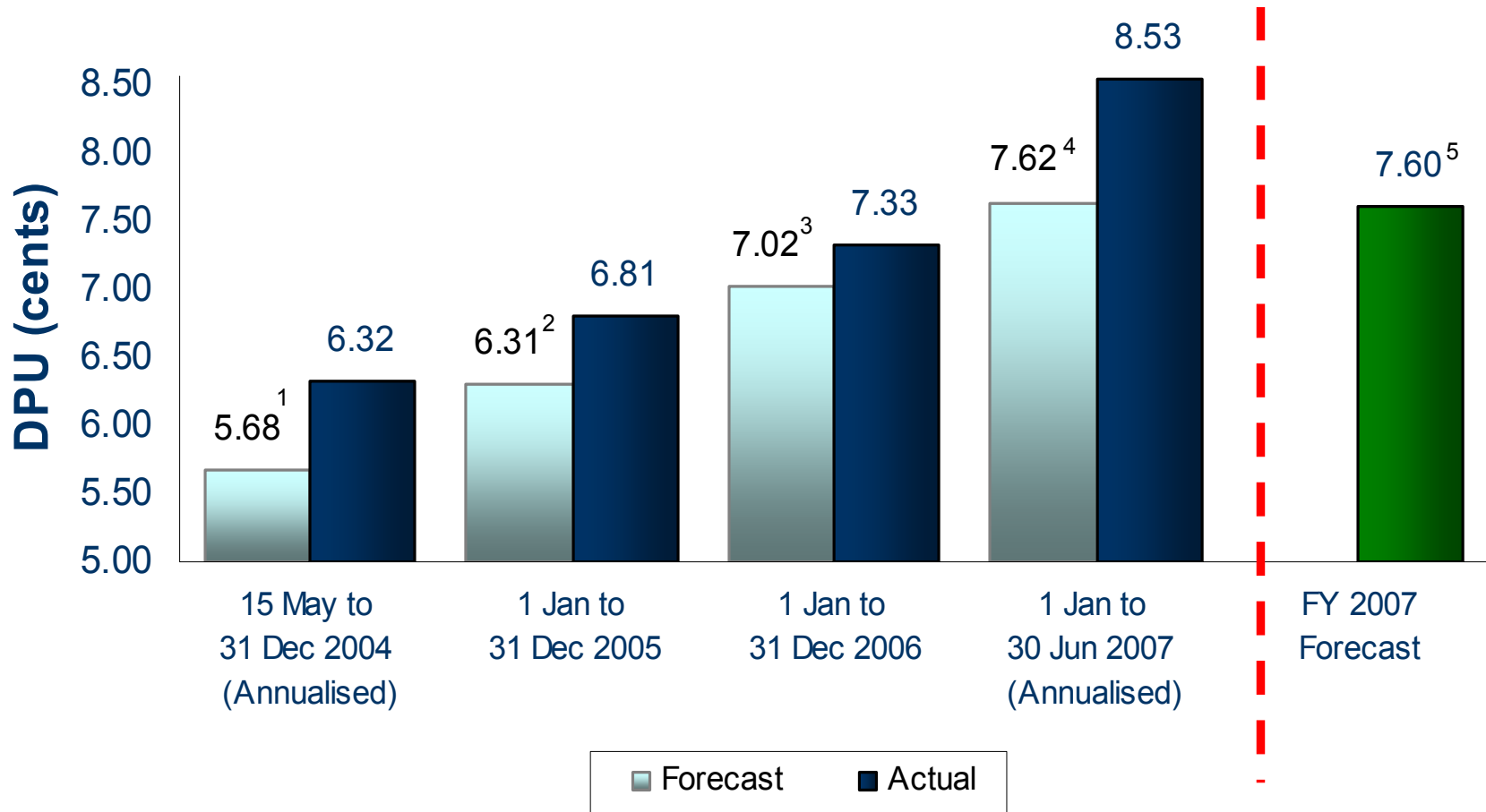
Source: Bloomberg as at 17 July 2007

Total Return <sup>2</sup>	Since Listing <sup>3</sup>	Past 12 Months
<b>CCT</b>	<b>218%</b>	<b>77%</b>
SESProp Index	356%	119%
STI Index	129%	63%
MSCI Singapore (no dividends)	104%	63%

### Notes:

1. Based on the closing price of S\$2.93 as at 29 Jun 07
2. Total return calculated based on unit/share price appreciation and distributions reinvested in stock/index
3. CCT's listing date was 11 May 2004

# Strong and Steady DPU Growth



## Notes:

1. As stated in CCT's Introductory Document dated 16 March 2004
2. As stated in CCT's Offer Information Statement dated 21 April 2005 in relation to the acquisition of HSBC Building
3. As stated in the Circular dated 15 August 2006 for the equity fund raising of Raffles City
4. Annualised based on the forecast shown in the Circular dated 15 August 2006 for the equity fund raising of Raffles City and adjusted for the actual number of new units issued
5. Based on the forecast shown in the Circular dated 15 August 2006 for the equity fund raising of Raffles City and adjusted for the actual number of new units issued



# 1H 2007 Financial Results





# Outperforms 1H 06 By 21.2%

	Actual		
	1H 2007 S\$'000	1H 2006 S\$'000	Var. %
Gross Revenue	114,771	59,812	91.9
Net Property Income	84,573	44,948	88.2
Distributable Income	58,526	31,249	87.3
<b>Distribution Per Unit</b>	<b>4.23¢</b>	<b>3.49¢</b>	<b>21.2</b>
Annualised DPU	8.53¢	7.03¢	21.3
Distribution Yield	2.91% <sup>1</sup>	4.23% <sup>2</sup>	Nm

Notes:

1. Based on CCT unit closing price of S\$2.93 as at 29 June 2007
2. Based on CCT unit closing price of S\$1.66 as at 30 June 2007

# 1H 2007 Outperformed Forecast by 11.9%

	1 Jan 2007 to 30 Jun 2007		
	Actual S\$'000	Forecast <sup>1</sup> S\$'000	Var. %
Gross Revenue	114,771	108,529	5.8
Net Property Income	84,573	78,893	7.2
Distributable Income	58,526	52,472	11.5
<b>Distribution Per Unit</b>	<b>4.23¢</b>	<b>3.78¢</b>	<b>11.9</b>
Annualised DPU	8.53¢	7.62¢	11.9
Distribution Yield <sup>2</sup>	2.91%	2.60%	11.9

Notes:

1. The forecast is based on management's forecast for the period 1 January 2007 to 30 June 2007. This, together with the forecast for the period 1 July 2007 to 31 December 2007, is the forecast shown in the CCT Circular to unitholders dated 15 August 2006 for the equity fund raising to acquire Raffles City
2. Based on CCT unit closing price of S\$2.93 as at 29 June 2007





# 1H 07 Distribution of 4.23¢

## CapitaComm

<b>Distribution Period</b>	From 1 Jan 2007 to 30 Jun 2007
<b>Distribution Per Unit</b>	<u>4.23 cents</u> Taxable - 4.188 cents Tax-exempt - 0.042 cents

## Distribution Timetable

Trading on "Ex" Basis	27 July 2007
Books Closure Date	31 July 2007
Distribution Payment Date	28 August 2007



# Total Assets at S\$4.6 Bil; NAV at S\$2.39

	30 Jun 2007 S\$'000	31 Dec 2006 S\$'000	NAV	
Non-current assets <sup>1</sup>	4,533,273	3,844,534	30 June 2007	\$ 2.43
Current assets <sup>2</sup>	104,478	47,223	31 December 2006	\$ 1.89
<b>Total assets</b>	<b>4,637,751</b>	<b>3,891,757</b>	<b>Adjusted NAV<sup>4</sup></b>	
Current liabilities <sup>3</sup>	121,316	131,919	30 June 2007	\$ 2.39
Non-current liabilities	1,154,943	1,147,424	31 December 2006	\$ 1.86
<b>Net assets</b>	<b>3,361,492</b>	<b>2,612,414</b>		
<b>Unitholders' funds</b>	<b>3,361,492</b>	<b>2,612,414</b>		

## Notes:

1. The increase is due to the net appreciation on revaluation of investment properties and investment in MCDF, offset by the reclassification of Wisma Technip to current assets as Wisma Technip will be divested and the sales is expected to be completed by 4<sup>th</sup> quarter 2007
2. The increase is due to the reclassification of Wisma Technip
3. The decrease is due to the repayment of bridge loan amounting to S\$13.5 million from DBS Bank
4. Assuming the distribution income has been paid out to the unitholders



# Increase in Values

S\$'000	Valuation as at 1 Dec 2006	Valuation as at 1 Jun 2007	Increase from 1 Dec 2006
Capital Tower	807,000	1,090,000	35%
6 Battery Road	810,000	1,031,000	27%
HSBC Building	193,000	229,600	19%
Starhub Centre	252,000	295,000	17%
Robinson Point	124,000	169,000	36%
Bugis Village	70,000	70,000	0%
Golden Shoe Car Park	96,000	110,000	15%
Market Street Car Park	52,000	59,000	13%
Wisma Technip	51,239	54,880	7%
Raffles City (60%)	1,359,600	1,446,600	6%
<b>Existing Properties</b>	<b>3,814,839</b>	<b>4,555,080</b>	<b>19%</b>

# NAV Increased 28% With Asset Valuation

**Net  
appreciation  
in asset value  
S\$730.2m**

- Due to expected rise in rentals
- Portfolio asset value increase by 19%<sup>1</sup>
- Adjusted NAV<sup>2</sup> increased by 28% to S\$2.39 per unit from S\$1.86 per unit in Dec 2006
- Increase is credited to statement of total return, but has NO IMPACT on distributable income

Notes:

1. Comparing the 1 June 2007 valuation against the aggregated value of assets based on 1 December 2006 valuation for Capital Tower, 6 Battery Road, HSBC Building, Starhub Centre, Robinson Point, Bugis Village, Golden Shoe Car Park and Market Street Car Park, the acquisition costs of Raffles City, Wisma Technip and additional capital expenditure incurred in FY 2006
2. Adjusted NAV is net of the distributable income to be paid by 28 August 2007



# Strong Financial Ratios

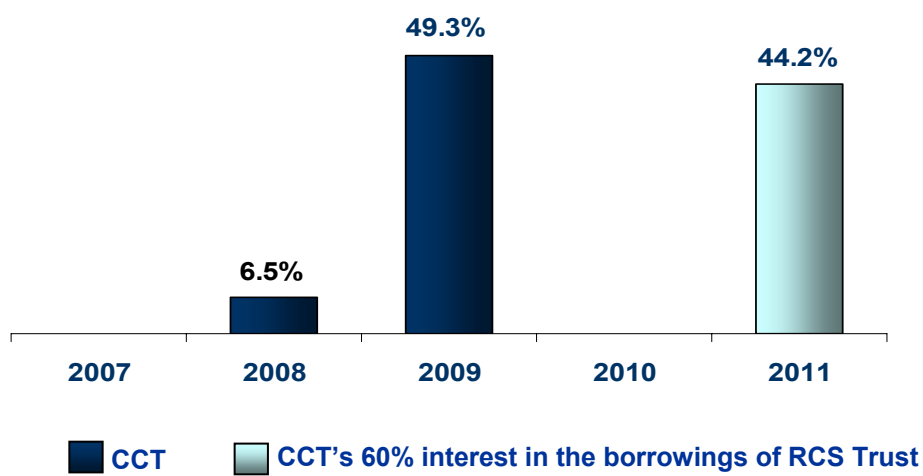
	31 Dec 06	30 Jun 07
Total Debt	S\$1,189.1m	S\$1,175.6m
Interest Coverage <sup>1</sup>	3.6 times	3.4 times
Gearing Ratio <sup>2</sup>	30.8%	25.5%
Average Cost of Debt	3.8%	4.0%
Average Fixed Rate Term to Expiry <sup>3</sup>	4.4 years	4.1 years
Corporate Rating (Moody's)	"A3"	"A3"

Notes:

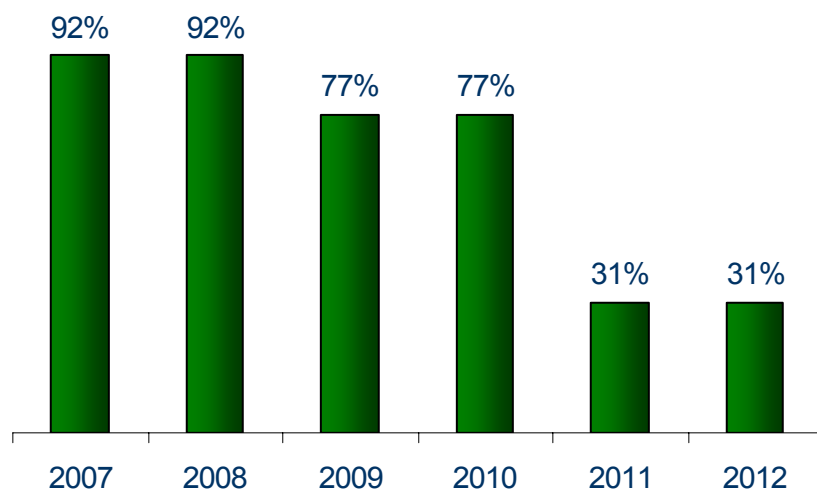
1. Ratio of net investment income before interest and tax of CCT Trust and RCS Trust (60%) over interest expenses of CCT Trust and RCS Trust (60%)
2. Ratio of borrowings of CCT Trust and RCS Trust (60%) over total deposited properties of CCT Trust and RCS Trust (60%)
3. Average fixed rate term to expiry of CCT Trust and RCS Trust, where applicable

# Low Refinancing & Interest Rate Exposure

**Debt Maturity Profile**  
Well spread out exposure



**Interest Rate Exposure**  
92% fixed until March 2009





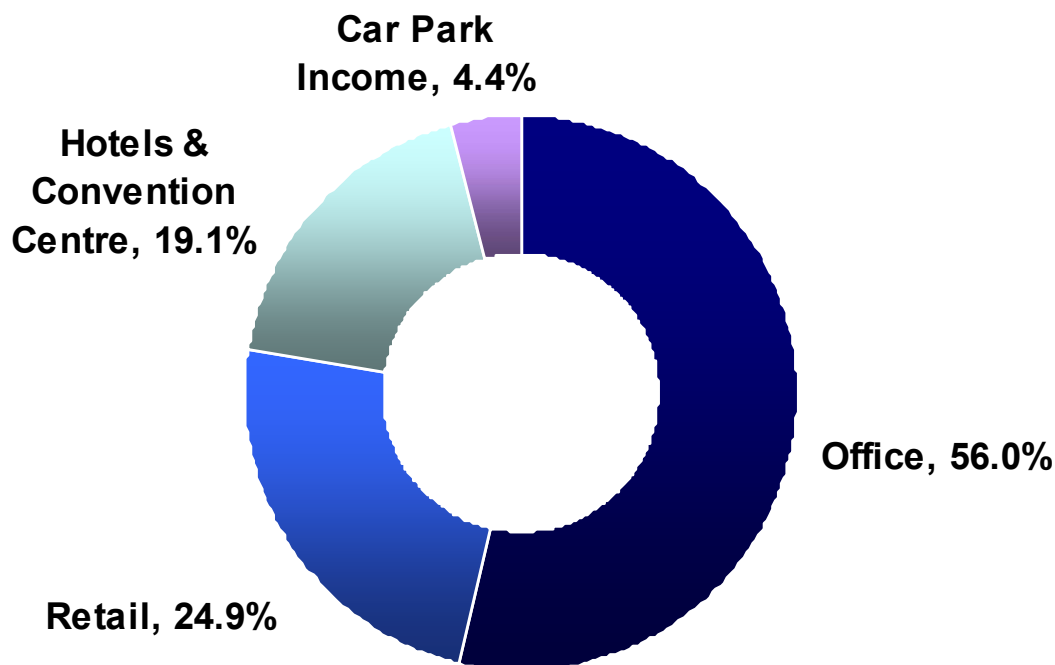
# Portfolio Update



# Focus on Office/Commercial Assets

CCT's focus is owning and investing in real estate and real estate-related assets which are income-producing and used, or predominantly used, for commercial purposes.

## Major usage mix for CCT properties By Monthly Gross Rental Income (for the month of June 2007)



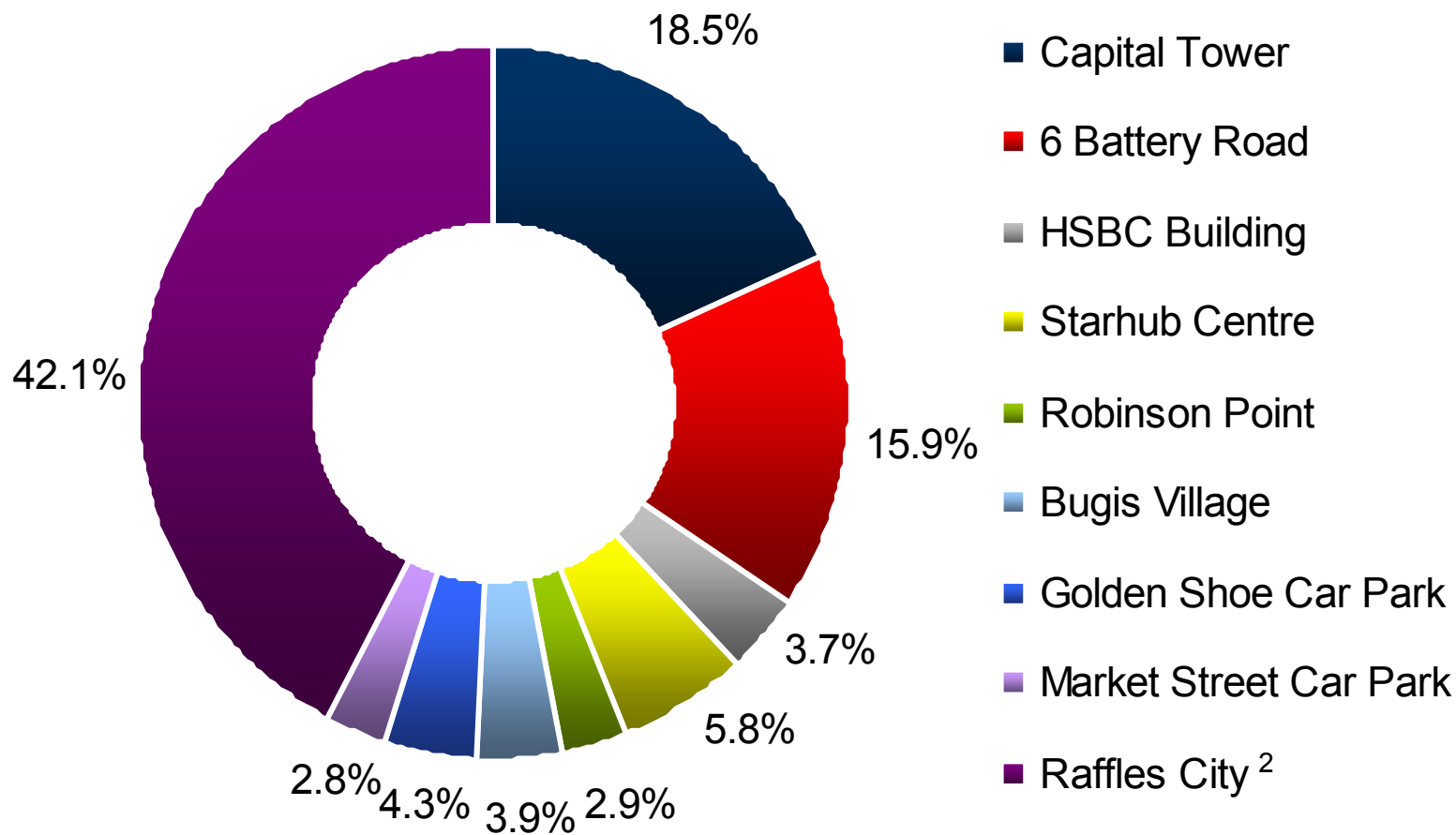
Notes:

1. Excluding turnover rent
2. Refers to the car park income from Golden Shoe Car Park and Market Street Car Park only



# Stable Portfolio Diversification

## Portfolio by Gross Revenue<sup>1</sup>



### Notes:

1. Based on Gross Revenue for the quarter 1 January 2007 to 30 June 2007
2. Represents CCT's interest of 60% in Raffles City



# Strong Positive Rent Reversions

**Renewals and New Leases committed<sup>1</sup> (1 Jan to 30 Jun 2007)**

	Renewed/New Leases as at 30 Jun 2007 (% of portfolio NLA) (sq m)	Increase in Rental Rates vs	
		Forecast Rental Rates <sup>2</sup>	Preceding Rental Rates
<b><u>OFFICE</u></b>			
Renewals	9.7%	61.7%	99.8%
New Leases	3.2%	87.7%	124.3%
<b><u>RETAIL</u></b>			
Renewals	4.0%	1.2%	11.9%
New Leases <sup>3</sup>	1.0%	38.2%	48.6%
<b>Weighted Average</b>	<b>17.8%</b>	<b>43.5%</b>	<b>66.0%</b>

Notes:

1. Including forward renewals
2. The forecast is based on the management's forecast in the Circular dated 15 August 2006
3. Exclude leases committed for new space arising from asset enhancement work



# Strong Uptrend in Rental Rates

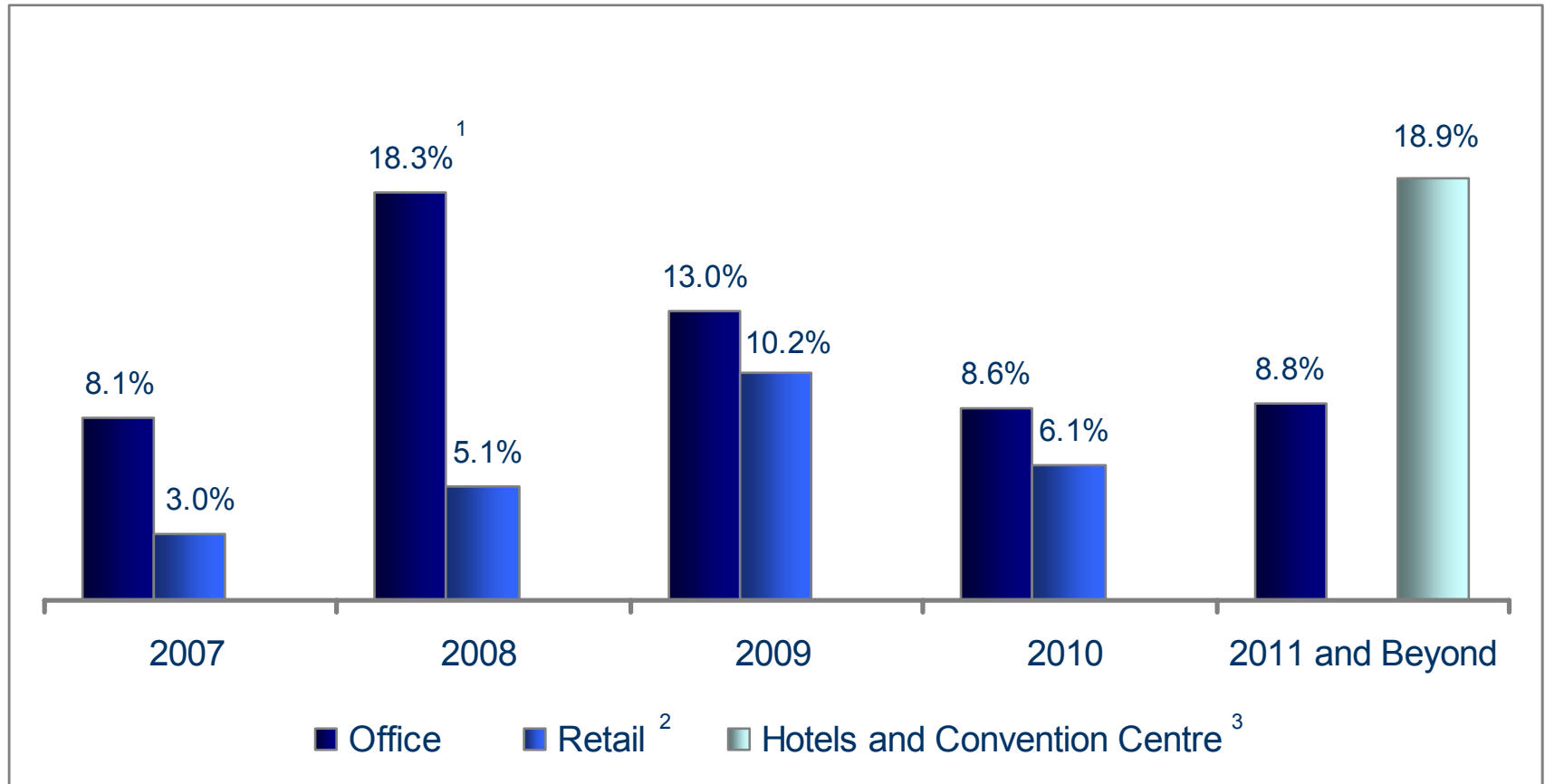
	<b>Rental Rates Committed in 2Q 2007 (S\$ psf pm)</b>	<b>Current Asking Rent (S\$ psf pm)</b>	<b>Est. Average Micro-Market Rent<sup>1</sup> (S\$ psf pm)</b>
<b>6 Battery Road</b>	<b>15.10 - 16.80</b>	<b>17.50 - 18.50</b>	<b>12.10</b>
<b>Capital Tower</b>	<b>5.58<sup>2</sup> - 13.00</b>	<b>14.50</b>	<b>8.10</b>
<b>Raffles City Tower</b>	<b>6.45<sup>2</sup> - 11.00</b>	<b>11.50 - 12.00</b>	<b>7.80</b>
<b>Robinson Point</b>	<b>7.60 - 8.20</b>	<b>11.00</b>	<b>8.10</b>

Notes:

1. Estimated average micro-market rent as at 31 May 2007. Based on typical lettings of up to 10,000 sq ft on standard lease terms. They do not reflect lettings of anchor space
2. Leases that are subject to rental cap

# Portfolio - Balanced Lease Expiry

## Leases up for Renewal (By Gross Rental Income) as at 30 Jun 2007

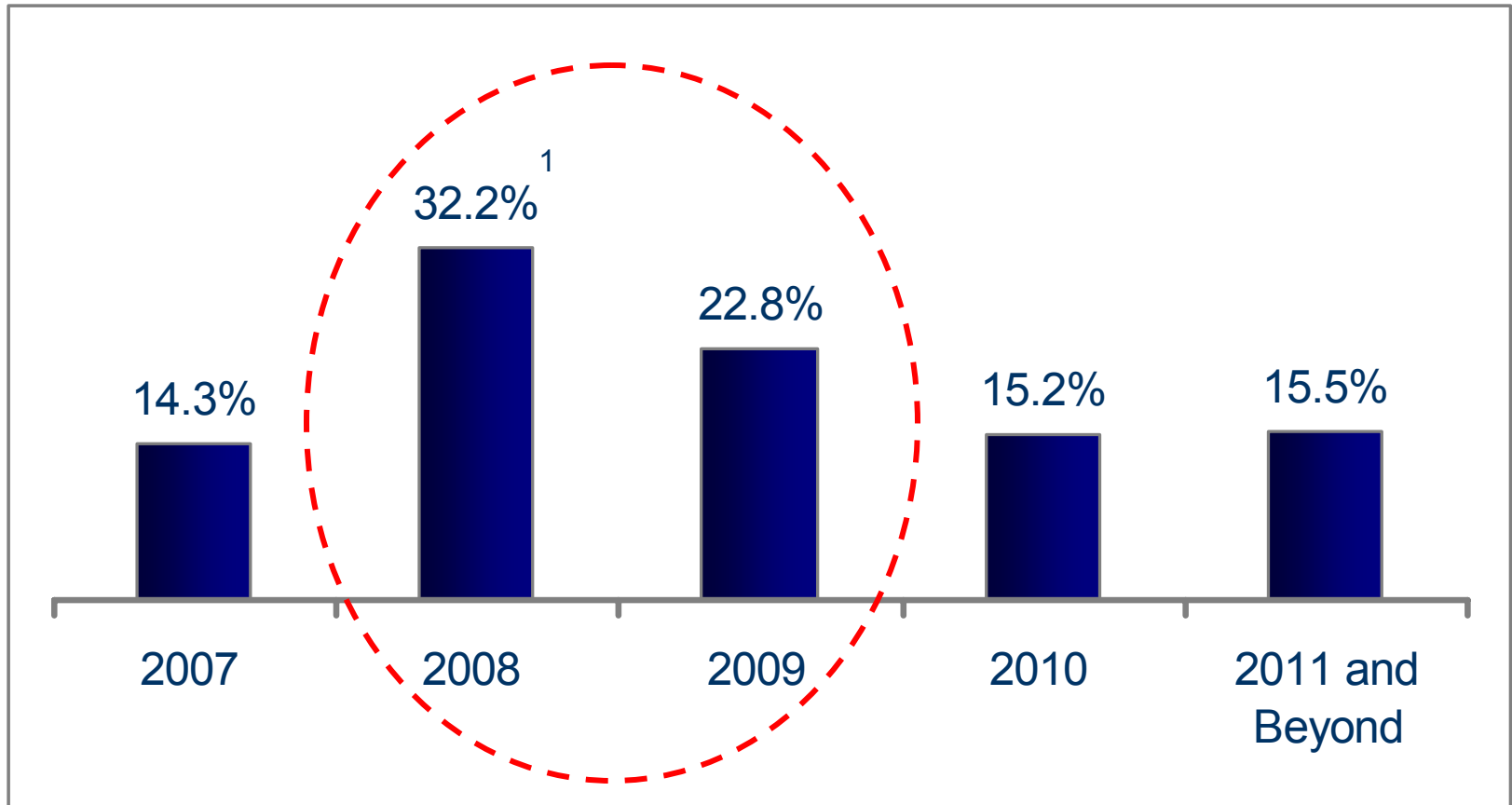


Notes:

1. Excludes a lease expiring beyond 2011 (representing 3.2% of the total gross rental income) which is subject to a rent review in 2008
2. Excludes turnover rent
3. The hotels and convention centre master lease at Raffles City is on a 20-year lease commencing from 7 November 1996

# Office Lease Expiries Offer Rent Upside

Leases up for Renewal (By Gross Rental Income) as at 30 Jun 2007

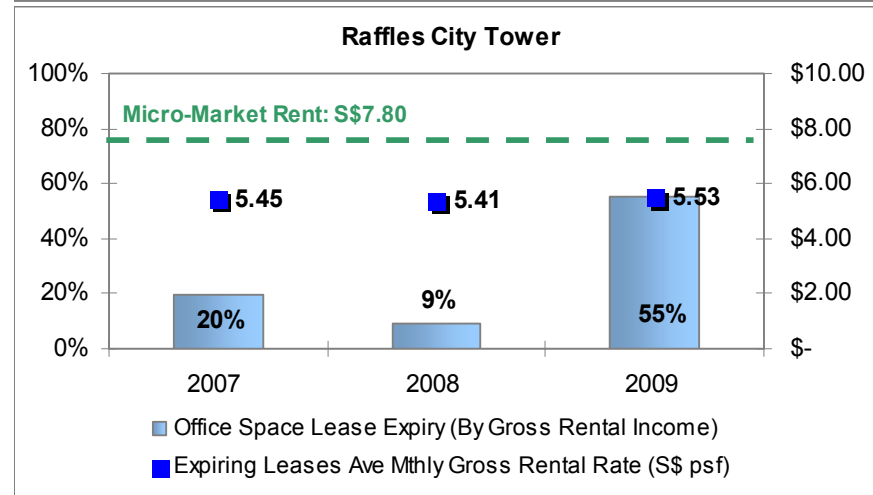
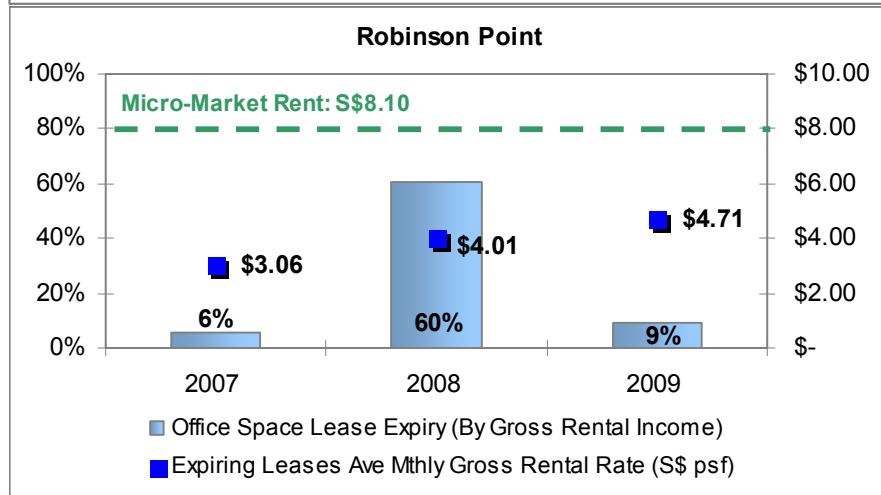
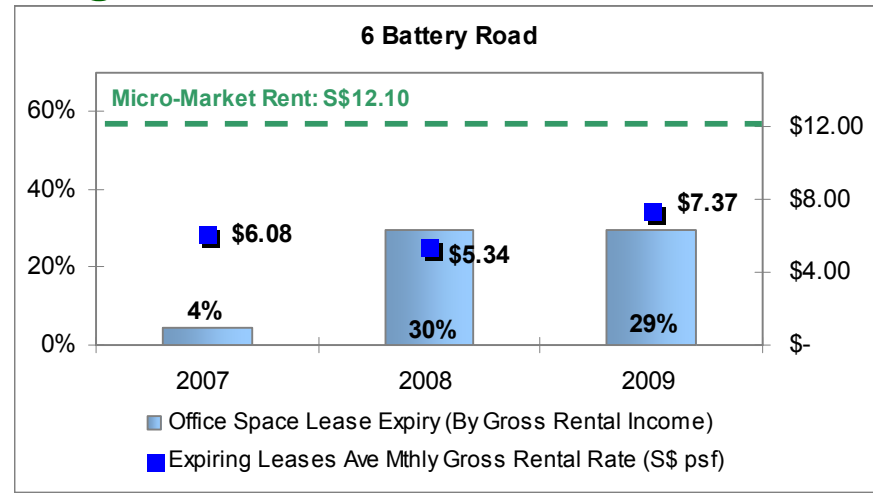
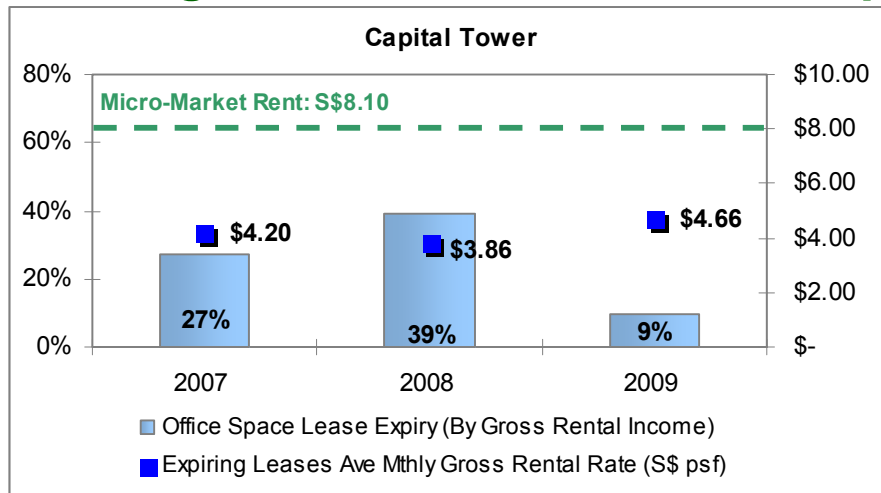


Note:

1. Excludes a lease expiring beyond 2011 (representing 5.6% of the total office gross rental income) which is subject to a rent review in 2008

# Upside Potential with Current Average Rent

## Average Gross Rental Rate of Expiring Leases<sup>1</sup> vs Micro-Market Rent<sup>2</sup>



### Notes:

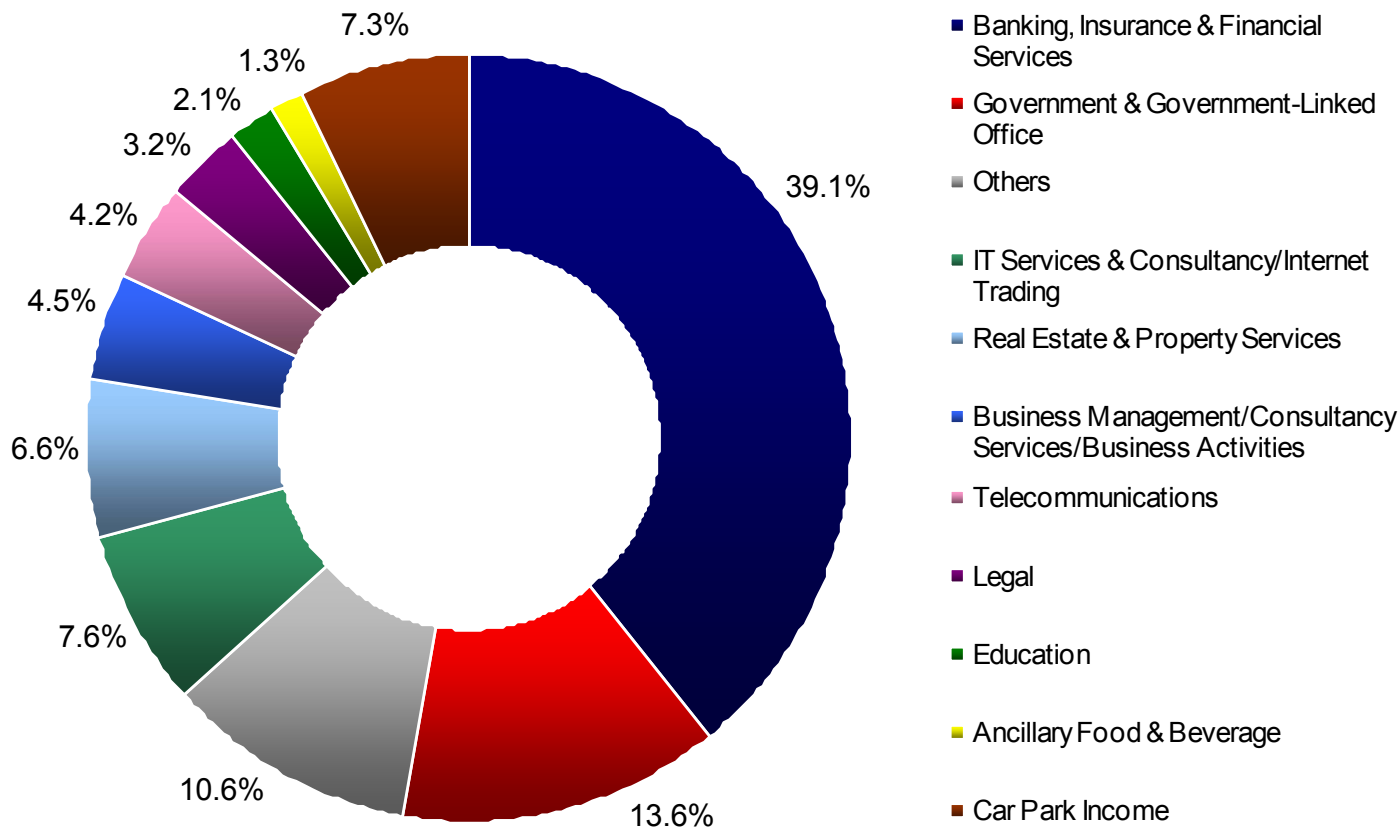
1. Lease expiry by gross rental income as at 30 Jun 2007
2. Estimated average micro-market rent as at May 2007. Based on typical lettings of up to 10,000 sq ft on standard lease terms. They do not reflect lettings of anchor space





# Strong Office Trade Mix

CCT's Office Trade Mix<sup>1</sup>



Note:

1. Based on monthly Gross Rental Income (excluding turnover rent) as at 30 June 2007



# Strong Occupancy Rates Across Portfolio

## Committed Occupancy as at 30 Jun 2007

Property	31 Dec 2006 (%)	31 Mar 2007 (%)	30 Jun 2007 (%)
Capital Tower	100.0	99.2 <sup>1</sup>	99.8
6 Battery Road	100.0	100.0	98.4
Starhub Centre	100.0	100.0	100.0
Robinson Point	100.0	100.0	100.0
Bugis Village	95.3	95.3	97.3
Golden Shoe Car Park	-	98.0	100.0
Market Street Car Park	95.6	95.6	98.4
HSBC Building	100.0	100.0	100.0
Raffles City	99.5	99.4	99.9
- Raffles City Tower	99.8	99.2	100.0
- Raffles City Shopping Centre	99.3	99.6	99.8
<b>Portfolio Committed Occupancy</b>	<b>99.6</b>	<b>99.4</b>	<b>99.5</b>
<b>Market Occupancy (URA Index)</b>	<b>89.7</b>	<b>90.9</b>	<b>N.A.<sup>2</sup></b>

Notes:

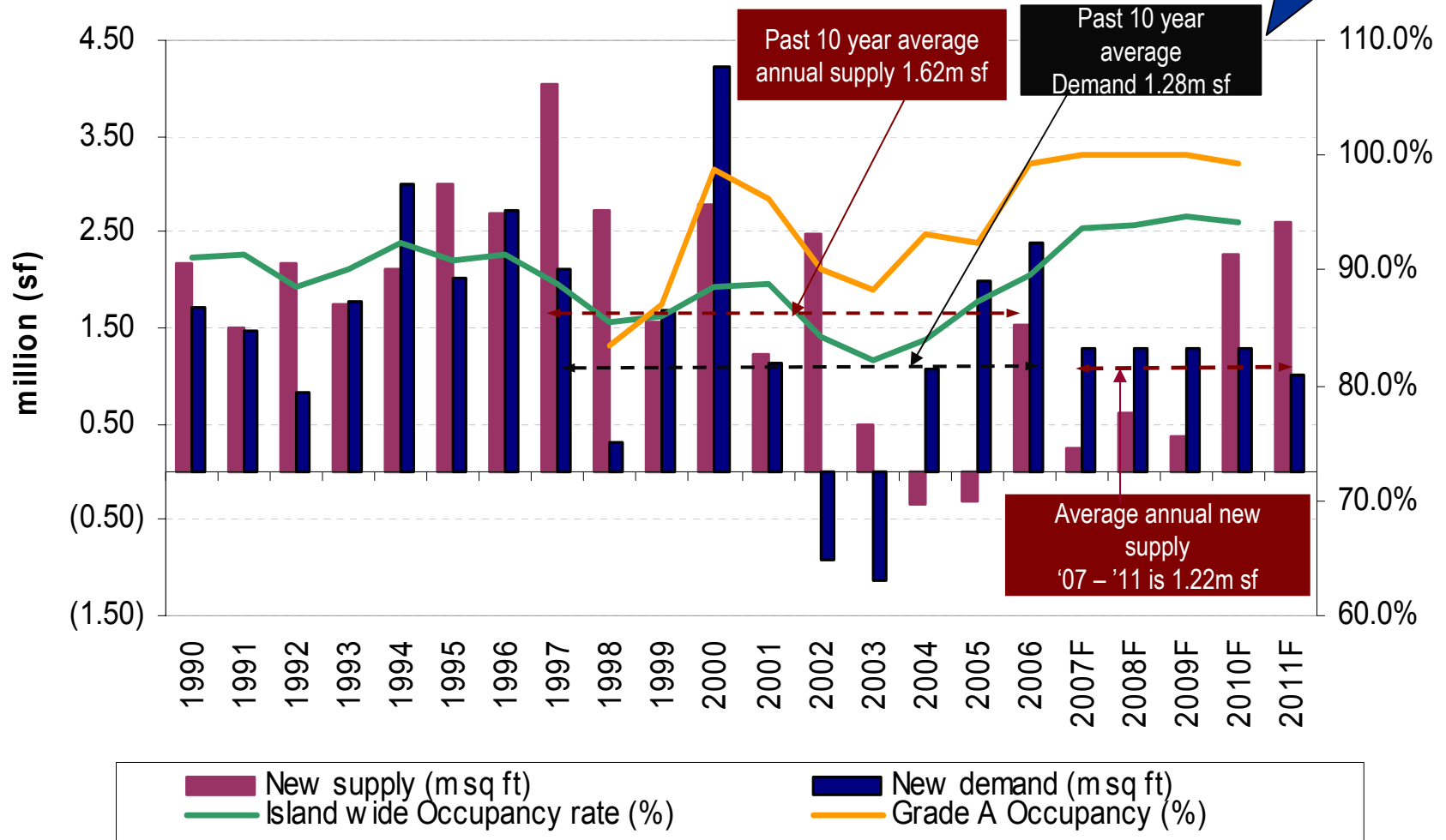
1. Part of the ancillary retail space was undergoing reconfiguration works for new tenancies
2. URA has yet to release the island-wide office space occupancy rate for 2Q2007



# Strong Market Fundamentals

# Tight Supply For Next 2 Years

Annual Supply, Demand & Occupancy (1990-2011)

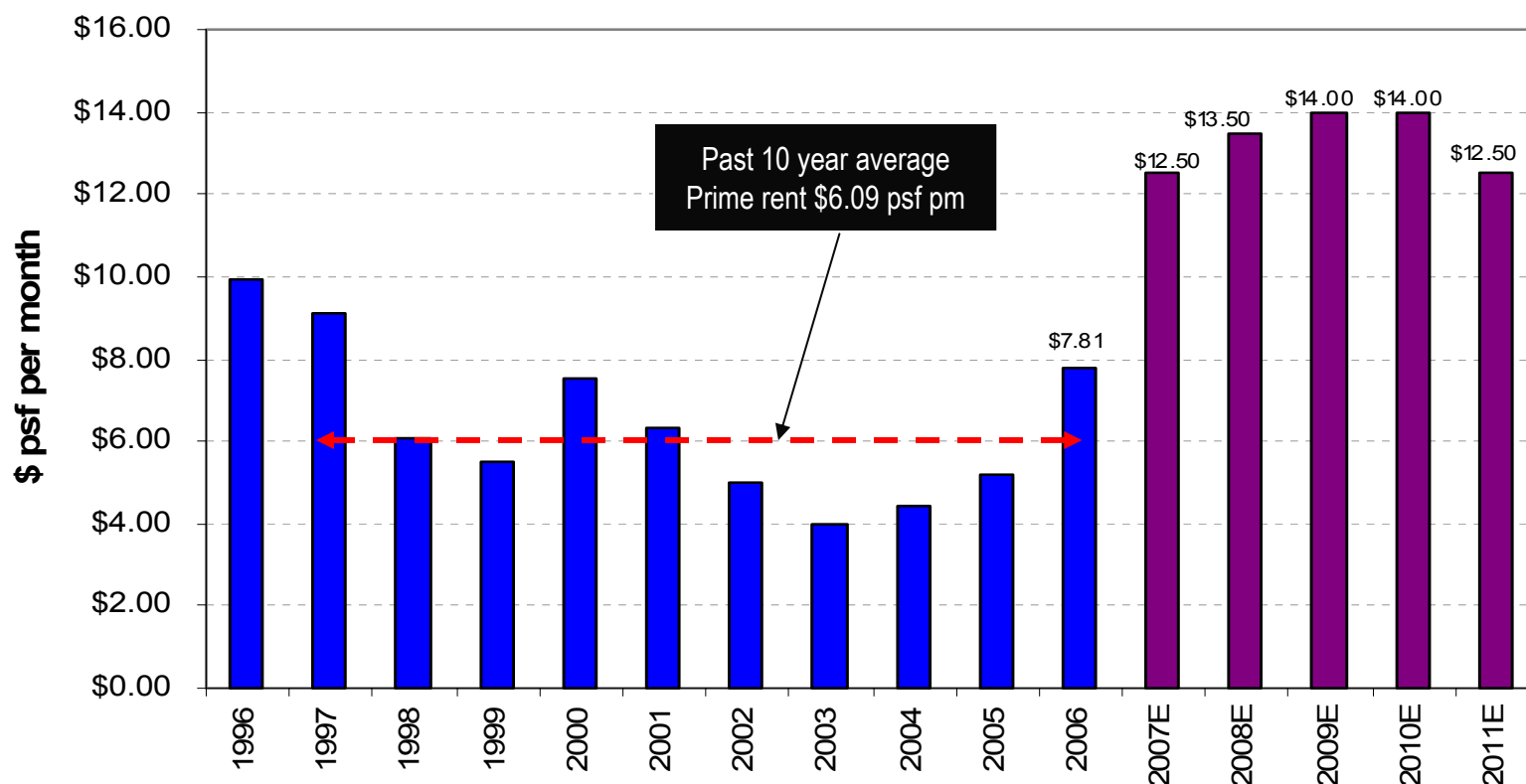


Source: CBRE Research, June 2007

# Prime Rent Surpasses 1996 Peak - S\$9.90; Close to 1990 Peak - S\$11.50

	2Q 2007	Vs 2Q 2006	Vs 1Q 2007
Prime	\$10.50 psf pm	Up 75.0%	Up 22.1%
Grade A	\$12.40 psf pm	Up 82.4%	Up 17.0%

**Average Prime Rents**

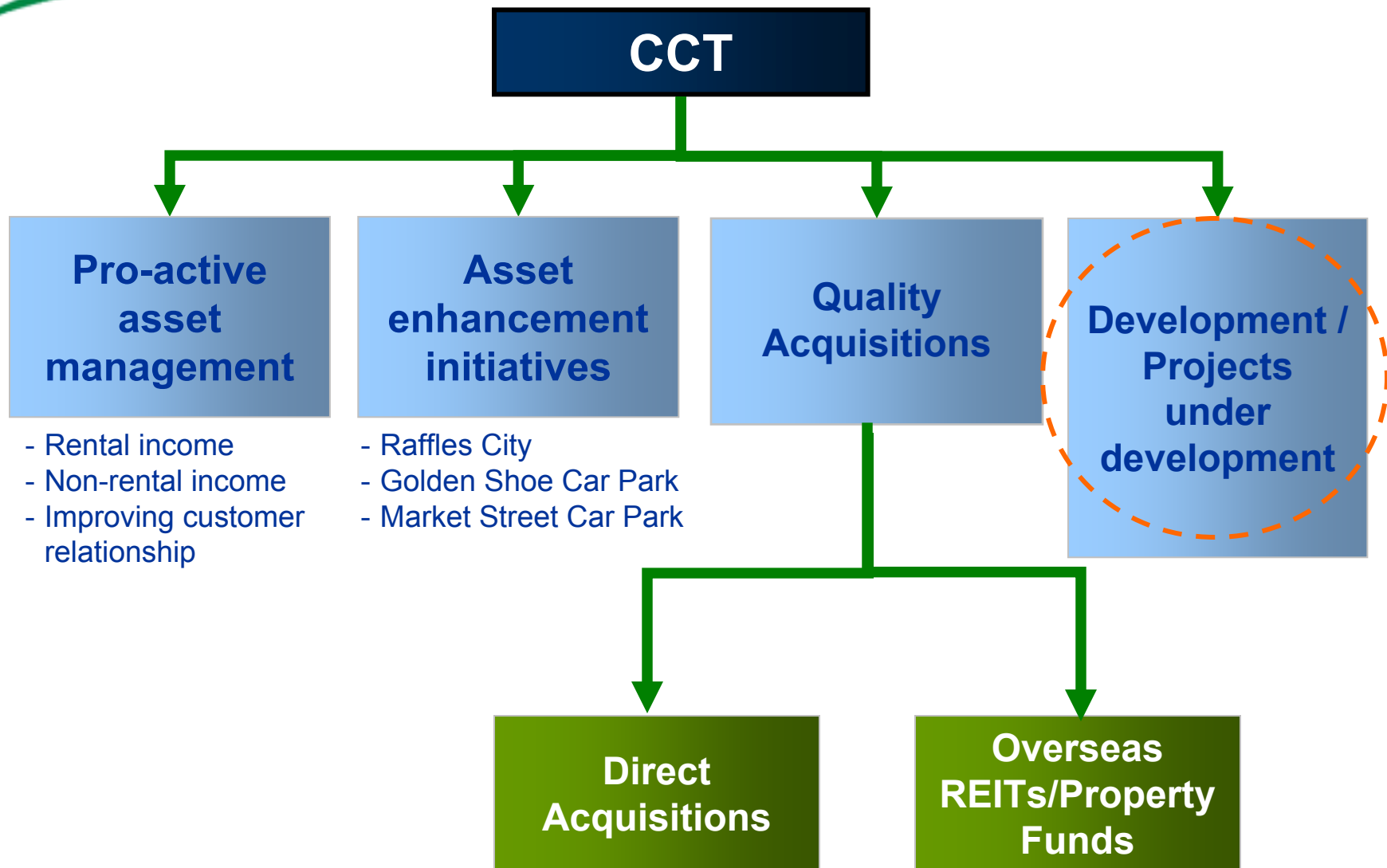


Source: CBRE Research (July 2007)



# CCT's Growth Strategies

# CCT's Growth Engines







# Development For Future

- Singapore REITs are allowed to undertake property development activities or invest in uncompleted property developments such that the total contract value of these developments should not exceed 10% of the property funds' deposited property
- Development or projects under development ie. Wilkie Edge
- Creation of acquisition pipeline



# Proposed Acquisition of Wilkie Edge

# Propose to acquire Wilkie Edge

- Purchase consideration of S\$262.0 m
  - Option to vendor and/or its nominee to lease the serviced apartments for the remainder of the 99 year leasehold less one day, for a consideration of S\$79.3 million
  - If option is exercised, purchase consideration will be reduced to S\$182.7 m
  
- Conditional upon CCT's unitholders' approval as this is an interested party transaction

# Rationale for Proposed Acquisition

- Fits strategy of investing in quality income producing commercial asset upon completion
- Sited at fringe of Downtown Core, a prime location
  - Short distance to Dhoby Ghaut MRT interchange station
  - Within planned Art, Culture, Learning and Entertainment Hub
  - Singapore Management University campus located in the vicinity
- Completion in 2008 when office supply remains tight
- Diversify portfolio of assets in different planning zone – Rochor Planning Area, at the fringe of Downtown Core
- In line with target to grow asset size to between \$5 bn and S\$6 bn

# Mixed Development



## 8 Wilkie Road, Singapore 228095

- Proposed 12-storey mixed development comprising office, retail, serviced apartments with basement carpark and ancillary facilities

# Good Access



- Sited near the junction of Wilkie Road and Sophia Road
- 10-minute walk to Dhoby Ghaut Mass Rapid Transit Station
- Walking distance to Prinsep Street, Selegie Road, Bras Basah and Bugis area



# Details of Wilkie Edge

<b>Land Area</b>	7,097 sq m
<b>Land Title</b>	99 years with effect from 21 February 2006
<b>Plot Ratio</b>	4.2
<b>No. of Car Park Lots</b>	Approximately 215
<b>Net Lettable Area</b>	Office – 9,588 sq m Retail – 3,396 <sup>1</sup> sq m Serviced apartments – 154 units
<b>Temporary Occupation Permit</b>	Expected 4 <sup>th</sup> quarter 2008

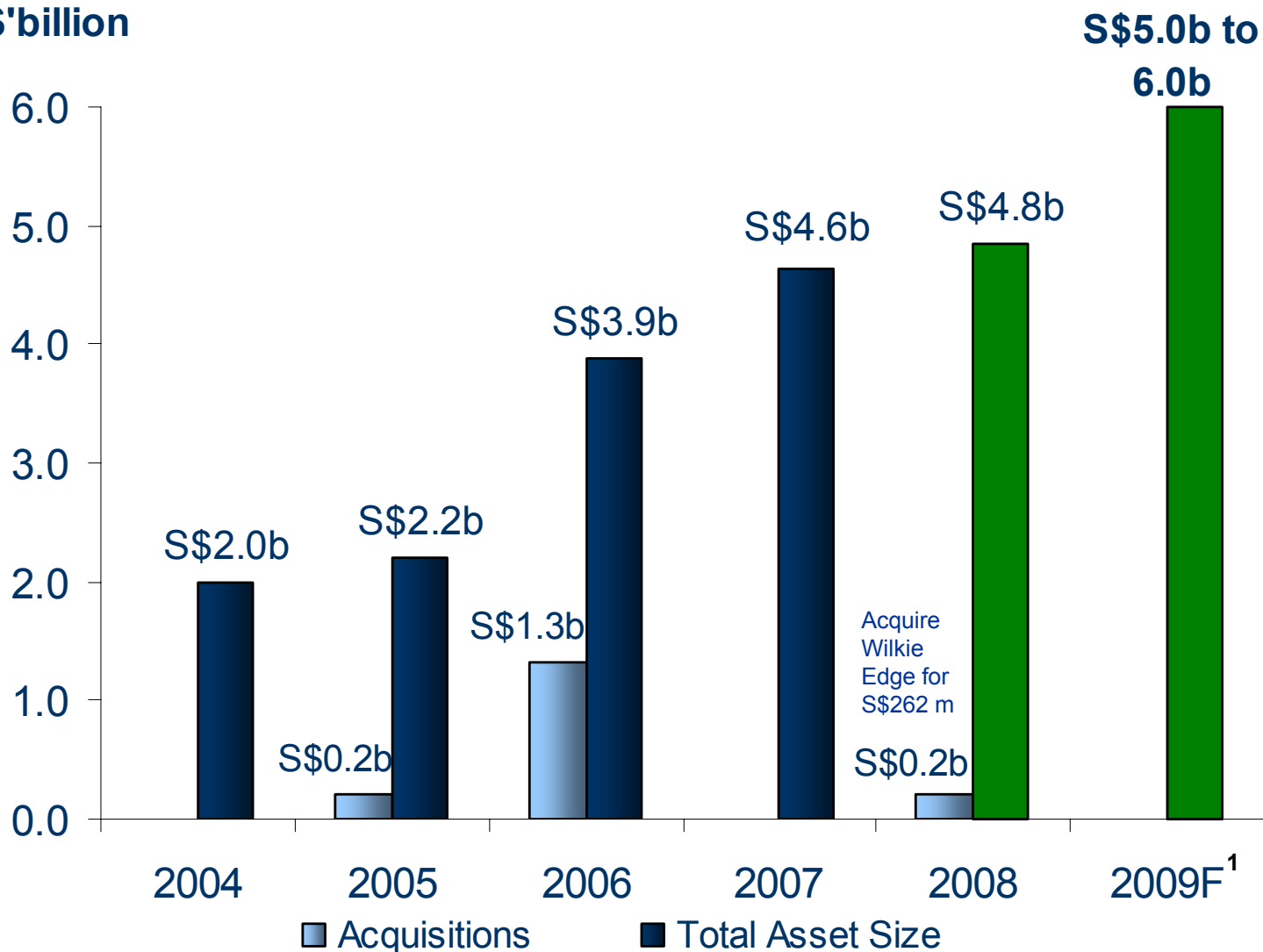
Note:

1. Inclusive of approximately 155 sq m of outdoor recreational area



# Target Asset Size

S\$'billion



Note:

1. Target asset size range of between S\$5 billion to S\$6 billion by 2009 as announced on 26 July 2006



# Going Forward

- CCT's results underpinned by strong growth in the portfolio
  - Through proactive asset management
  - Successful asset enhancements
  - Accretive acquisition
  
- Continue to source for quality assets both in Singapore and overseas



# Supplementary Slides



# CCT's Portfolio



# Gross Revenue - By Asset

	1 Jan 2007 to 30 Jun 2007			2Q 2007
	Actual S\$'000	Forecast <sup>1</sup> S\$'000	Variance %	Actual S\$'000
<b>Capital Tower<sup>2</sup></b>	<b>21,192</b>	21,277	(0.4)	10,724
<b>6 Battery Road</b>	<b>18,278</b>	16,548	10.5	9,210
<b>HSBC Building<sup>3</sup></b>	<b>4,279</b>	4,279	-	2,163
<b>Starhub Centre</b>	<b>6,650</b>	6,421	3.6	3,379
<b>Robinson Point</b>	<b>3,366</b>	3,225	4.4	1,731
<b>Bugis Village</b>	<b>4,532</b>	3,908	16.0	2,261
<b>Golden Shoe Car Park</b>	<b>4,885</b>	4,247	15.0	2,517
<b>Market Street Car Park</b>	<b>3,257</b>	2,816	15.7	1,702
<b>Sub-Total</b>	<b>66,439</b>	62,721	5.9	33,687
<b>60% Interest in RCS</b>	<b>48,332</b>	45,808	5.5	24,429
<b>Gross Revenue</b>	<b>114,771</b>	108,529	5.8	58,116

Notes:

1. The forecast is based on management's forecast for the period 1 January 2007 to 30 June 2007. This, together with the forecast for the period 1 July 2007 to 31 December 2007, is the forecast shown in the Circular dated 15 August 2006 for the equity fund raising to acquire Raffles City
2. Lower revenue due to the on-going re-configuration works
3. Based on Net Rent



# Net Property Income - By Asset


	1 Jan 2007 to 30 Jun 2007			2Q 2007
	Actual S\$'000	Forecast <sup>1</sup> S\$'000	Variance %	Actual S\$'000
<b>Capital Tower<sup>2</sup></b>	<b>14,612</b>	14,920	(2.1)	7,223
<b>6 Battery Road</b>	<b>13,369</b>	11,833	13.0	6,520
<b>HSBC Building<sup>3</sup></b>	<b>4,250</b>	4,259	(0.2)	2,147
<b>Starhub Centre</b>	<b>4,984</b>	4,642	7.4	2,535
<b>Robinson Point</b>	<b>2,311</b>	2,194	5.3	1,125
<b>Bugis Village</b>	<b>3,596</b>	3,010	19.5	1,792
<b>Golden Shoe Car Park</b>	<b>3,742</b>	3,022	23.8	2,048
<b>Market Street Car Park</b>	<b>2,534</b>	1,989	27.4	1,360
<b>Sub-Total</b>	<b>49,398</b>	45,869	7.7	24,750
<b>60% Interest in RCS</b>	<b>35,175</b>	33,024	6.5	17,782
<b>Net Property Income</b>	<b>84,573</b>	78,893	7.2	42,532

Notes:

1. The forecast is based on management's forecast for the period 1 January 2007 to 30 June 2007. This, together with the forecast for the period 1 July 2007 to 31 December 2007, is the forecast shown in the Circular dated 15 August 2006 for the equity fund raising to acquire Raffles City
2. Lower net property income due to lower revenue from re-configuration works
3. Lower net property income due to ad-hoc maintenance not budgeted for

# **Asset Enhancement - Capital Tower**

- Some 9<sup>th</sup> floor meeting rooms converted into office space
- Ground floor space reconfigured for retail use
- Three upmarket retailers to open by 2<sup>nd</sup> half 2007

Ermenegildo Zegna	BANG & OLUFSEN	 the marmalade group
World leader in luxury men's clothing	Worldwide manufacturer of exclusive, high quality audio and video products	Food & Beverage enterprise that delivers quality food in an upscale but relaxed environment
First store in Singapore's CBD for the Zegna brand	First of its kind exclusive store concept integrating B&O products with other sophisticated electric installations at home and furniture	Cutting edge bistro wine bar, "Cork" which will serve a fabulous range of wine accompanying an exciting menu

# Certified “Green Mark” Properties



**2007 Green Mark Gold**  
(70 to <80 pts)



**2007 Green Mark**  
(50 to <70 pts)



**2007 Green Mark**  
(50 to <70 pts)

**3 Properties Received BCA Green Mark Awards**

*Note:  
BCA is the Singapore's Building and Construction Authority*





# Green Mark Criteria & Rating

Green Mark Criteria	Total Points
Energy Efficiency	35
Water Efficiency	15
Site & Project Management	20
Indoor Environmental Quality and Environmental Protection	15
Innovation	15
<b>Total Points</b>	<b>100</b>

Points	Rating
85 & above	Platinum
80 to <85	Gold <sup>Plus</sup>
70 to <80	Gold
50 to <70	Certified

Green Mark Awards is administered by Singapore's Building & Construction Authority



# CapitaCommercial Trust

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