



# CapitaCommercial Trust



## Financial Year 2008 Results

20 January 2009



# Important Notice

**This presentation shall be read in conjunction with CCT's 2008 Fourth Quarter Unaudited Financial Statement and Distribution 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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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.



# Content

- ▣ Highlights for the Year
- ▣ Robust DPU Growth
- ▣ Proactive Capital Management
- ▣ Stable Portfolio Growth
- ▣ 2009 Office Market
- ▣ Summary



# Highlights for the Year

# Acquired One George Street



- ▣ Acquisition completed on 11 July 2008
- ▣ Purchase consideration of S\$1.165 billion
- ▣ Yield-protection at 4.25% for five years till July 2013
- ▣ Winner of SIA-NParks Skyrise Greenery Awards 2008 by National Parks Board and Singapore Institute of Architects
- ▣ Green Mark Gold Award 2008 by Building and Construction Authority

# Up and Operational - Wilkie Edge



- Committed occupancy : close to 70% as at 20 January 2009
- Type of Tenants: Supporting business services, educational services, food and beverage

<b>Address</b>	8 Wilkie Road, Singapore
<b>Property</b>	12-storey mixed development comprising office, retail, serviced apartments (leased to Citadines) with basement carpark and ancillary facilities
<b>Land Title</b>	Leasehold estate expiring 20 February 2105
<b>Net Lettable Area</b>	Total: 12,929 sq m Office – 9,588 sq m Retail – 3,341sq m <sup>(1)</sup>
<b>Car Park Lots</b>	Approximately 215

Note:

(1) Excludes approximately 155 sq m of outdoor refreshment area



# Proactive Funding

- ▣ Secured committed funding of S\$1.4 billion in advance for the acquisition of One George Street and Wilkie Edge
- ▣ Successfully refinanced S\$580 million commercial mortgage-backed securities (“CMBS”) through a secured term loan from four banks
  - Only Capital Tower will be secured for this term loan, leaving S\$2.7 billion worth of 8 other assets unencumbered  
→ financial flexibility
  - Demonstrates CCT’s and Sponsor’s strong relationship with banks and their affirmation of CCT’s quality and value
- ▣ No immediate plans to raise equity



# Robust DPU Growth





# FY 2008 DPU – Up 26% Year-On-Year and 4% above Forecast

	Actual			Forecast <sup>(1)</sup>
	FY 2008 S\$'000	FY 2007 S\$'000	Change	FY 2008 S\$'000
			%	
<b>Gross Revenue</b>	<b>335,285</b>	240,078	39.7	328,511
<b>Net Property Income</b>	<b>233,471</b>	173,996	34.2	230,499
<b>Distributable Income</b>	<b>153,047</b>	120,422	27.1	147,315
<b>Distribution Per Unit</b>	<b>11.00¢</b>	<b>8.70¢</b>	<b>26.4</b>	<b>10.59¢</b>
<b>Distribution Yield</b>	<b>12.3%<sup>(2)</sup></b>	3.6% <sup>(3)</sup>	NM	11.8% <sup>(2)</sup>

Notes:

- (1) The forecast is based on management's forecast shown in the Circular dated 9 June 2008 for the acquisition of One George Street for the period 1 January 2008 to 31 December 2008 and adjusted for the actual date of acquisition of One George Street on 11 July 2008. The acquisition of One George Street was assumed to be completed on 1 July 2008 in the Circular.
- (2) Based on CCT unit closing price of S\$0.89 as at 31 December 2008
- (3) Based on CCT unit closing price of S\$2.44 as at 31 December 2007



## 2H 2008 DPU – Up 30% Year-On-Year and 4% above Forecast

	Actual			Forecast <sup>(1)</sup>
	2H 2008 S\$'000	2H 2007 S\$'000	Change	2H 2008 S\$'000
			%	
<b>Gross Revenue</b>	<b>189,700</b>	121,756	55.8	184,388
<b>Net Property Income</b>	<b>132,321</b>	86,903	52.3	130,793
<b>Distributable Income</b>	<b>81,129</b>	61,896	31.1	78,343
<b>Distribution Per Unit</b>	<b>5.81¢</b>	<b>4.47¢</b>	<b>30.0</b>	<b>5.61¢</b>
<b>Distribution Yield</b>	<b>12.9%<sup>(2)</sup></b>	3.6% <sup>(3)</sup>	NM	12.5% <sup>(2)</sup>

Notes:

- (1) The forecast is based on management's forecast shown in the Circular dated 9 June 2008 for the acquisition of One George Street for the period 1 July 2008 to 31 December 2008 and adjusted for the actual date of acquisition of One George Street on 11 July 2008. The acquisition of One George Street was assumed to be completed on 1 July 2008 in the Circular.
- (2) Based on CCT unit closing price of S\$0.89 as at 31 December 2008
- (3) Based on CCT unit closing price of S\$2.44 as at 31 December 2007



# 4Q 2008 DPU – Up 16% Year-On-Year and 3% above Forecast

	Actual			Forecast <sup>(1)</sup>
	4Q 08 S\$'000	4Q 07 S\$'000	Change	4Q 08 S\$'000
			%	
<b>Gross Revenue</b>	<b>97,164</b>	62,028	56.6	93,534
<b>Net Property Income</b>	<b>65,609</b>	44,401	47.8	65,040
<b>Distributable Income</b>	<b>37,964</b>	32,342	17.4	36,771
<b>Distribution Per Unit</b>	<b>2.71¢</b>	<b>2.33¢</b>	<b>16.3</b>	<b>2.63¢</b>
<b>Distribution Yield</b>	<b>12.0%<sup>(2)</sup></b>	3.8% <sup>(3)</sup>	NM	11.7% <sup>(2)</sup>

Notes:

- (1) The forecast is based on management's forecast shown in the Circular dated 9 June 2008 for the acquisition of One George Street
- (2) Based on CCT unit closing price of S\$0.89 as at 31 December 2008
- (3) Based on CCT unit closing price of S\$2.44 as at 31 December 2007

# Total Assets at S\$6.9B, Adj. NAV at S\$2.92

	31 Dec 08 S\$'000	30 Sep 08 S\$'000	31 Dec 07 S\$'000
Non-current assets <sup>(1)</sup>	6,785,965	6,928,088	5,238,359
Current assets <sup>(2)</sup>	85,426	84,673	40,374
<b>Total assets</b>	<b>6,871,391</b>	<b>7,012,761</b>	<b>5,278,733</b>
Current liabilities <sup>(3)</sup>	819,695	752,910	220,725
Non-current liabilities <sup>(4)</sup>	1,896,805	1,877,091	1,120,386
<b>Net assets</b>	<b>4,154,891</b>	<b>4,382,760</b>	<b>3,937,622</b>
<b>Unitholders' funds</b>	<b>4,154,891</b>	<b>4,382,760</b>	<b>3,937,622</b>
<b>NAV per unit</b>	<b>2.97</b>	<b>3.15</b>	<b>2.84</b>
<b>Adjusted NAV<sup>(5)</sup> per unit</b>	<b>2.92</b>	<b>3.11</b>	<b>2.80</b>
<b>On a fully diluted basis<sup>(6)</sup></b>			
<b>NAV per unit</b>	<b>2.71</b>	<b>3.01</b>	<b>2.84</b>
<b>Adjusted NAV per unit</b>	<b>2.65</b>	<b>2.94</b>	<b>2.80</b>

Notes (Comparing Dec 2008 and Dec 2007):

- (1) The increase is mainly due to acquisition of One George Street of S\$1,165 mil and increase in fair value of investment properties of S\$203.8mil.
- (2) The increase is mainly due to increase in cash
- (3) The increase is mainly due to the reclassification of the S\$580 mil CMBS due in Mar 09 from non-current liabilities to current liabilities
- (4) The increase is mainly due to additional borrowings of S\$1.2 bil for the acquisition of One George Street , as well as S\$85 million 2-year MTN issued during the quarter, and reduced by the reclassification of S\$580 million CMBS as mentioned above
- (5) Assuming the distribution income has been paid out to the unitholders
- (6) Assuming full conversion of Convertible Bonds to units at the end of the period



# Distribution Detail

## Distribution Period

**From 1 Jul to 31 Dec 2008**

## Distribution Per Unit

5.81 cents

Taxable – 5.75 cents

Tax-exempt – 0.06 cents

## Distribution Timetable

### Trading on “Ex” basis

29 January 2009

### Books Closure Date

2 February 2009

### Distribution Payment Date

27 February 2009

# Market Valuation as at 1 Dec 2008

S\$ Million	Valuation as at 1 Jun 08 / Purchase Consideration	Valuation as at 1 Dec 08	Change %	Valuation as at 1 Dec 08 (psf)
Capital Tower	1,283.2	1,246.5	(2.9)	1,683
6 Battery Road	1,438.6	1,370.5	(4.7)	2,758
HSBC Building	363.0	355.0	(2.2)	1,771
Starhub Centre	361.5	332.8	(7.9)	1,188
Robinson Point	233.6	226.6	(3.0)	1,702
Bugis Village	73.2	69.4	(5.2)	573
Golden Shoe Car Park	116.1	109.6	(5.6)	NM
Market Street Car Park	63.9	60.4	(5.5)	NM
One George Street <sup>(1)</sup>	1,165.0	1,146.0	(1.6)	2,558
Wilkie Edge <sup>(2)</sup>	182.7	176.8	(3.2)	1,267
<b>Existing Properties</b>	<b>5,280.8</b>	<b>5,093.6</b>	<b>(3.5)</b>	
Raffles City 100%)	2,732.4	2,695.0	(1.4)	NM
Raffles City 60%	1,639.4	1,617.0		
<b>Portfolio</b>	<b>6,920.2</b>	<b>6,710.6</b>	<b>(3.0)</b>	

Notes:

(1) Purchase consideration and valuation as at 16 April 2008

(2) Purchase consideration and valuation as at 16 July 2007



# Proactive Capital Management



# Successfully Refinanced S\$580m CMBS Ahead of Maturity

- ▣ Refinanced S\$580 million CMBS through a secured term loan from four banks
  - *Strong relationship with banks*
  - *Banks' affirmation of CCT's quality and value*
  
- ▣ Secured with only one property, Capital Tower, leaving S\$2.7 billion worth of assets unencumbered
  - *Financial flexibility*
  
- ▣ Favorable interest cost
  - *Costs within assumptions<sup>(1)</sup>*
  
- ▣ No immediate plans to raise equity

Note:

(1) Please refer to the forecast and assumptions stated in CCT's unitholder circular dated 9 June 2008





# Raised S\$1.4 billion of Debt in 2008 Under Tough Market Conditions

Date	Amount Raised	Type of Borrowings	Remarks
Jan 2008	S\$100 mil	Medium Term Notes	For Wilkie Edge acquisition
Mar 2008	S\$150 mil	Medium Term Notes	For One George St acquisition
May 2008	S\$370 mil	Convertible Bonds	For One George St acquisition
Jul 2008	S\$650 mil	Secured Term Loan	For One George St acquisition
Aug 2008	S\$85 mil	Medium Term Notes	For Wilkie Edge acquisition
Dec 2008	S\$40 mil	Unsecured Short – Term Loan	For Wilkie Edge acquisition
<b>Total</b>	<b>S\$1,395 mil</b>		

Tapped on diversified debt sources when available. Did not raise equity.



# Financial Highlights – FY2008

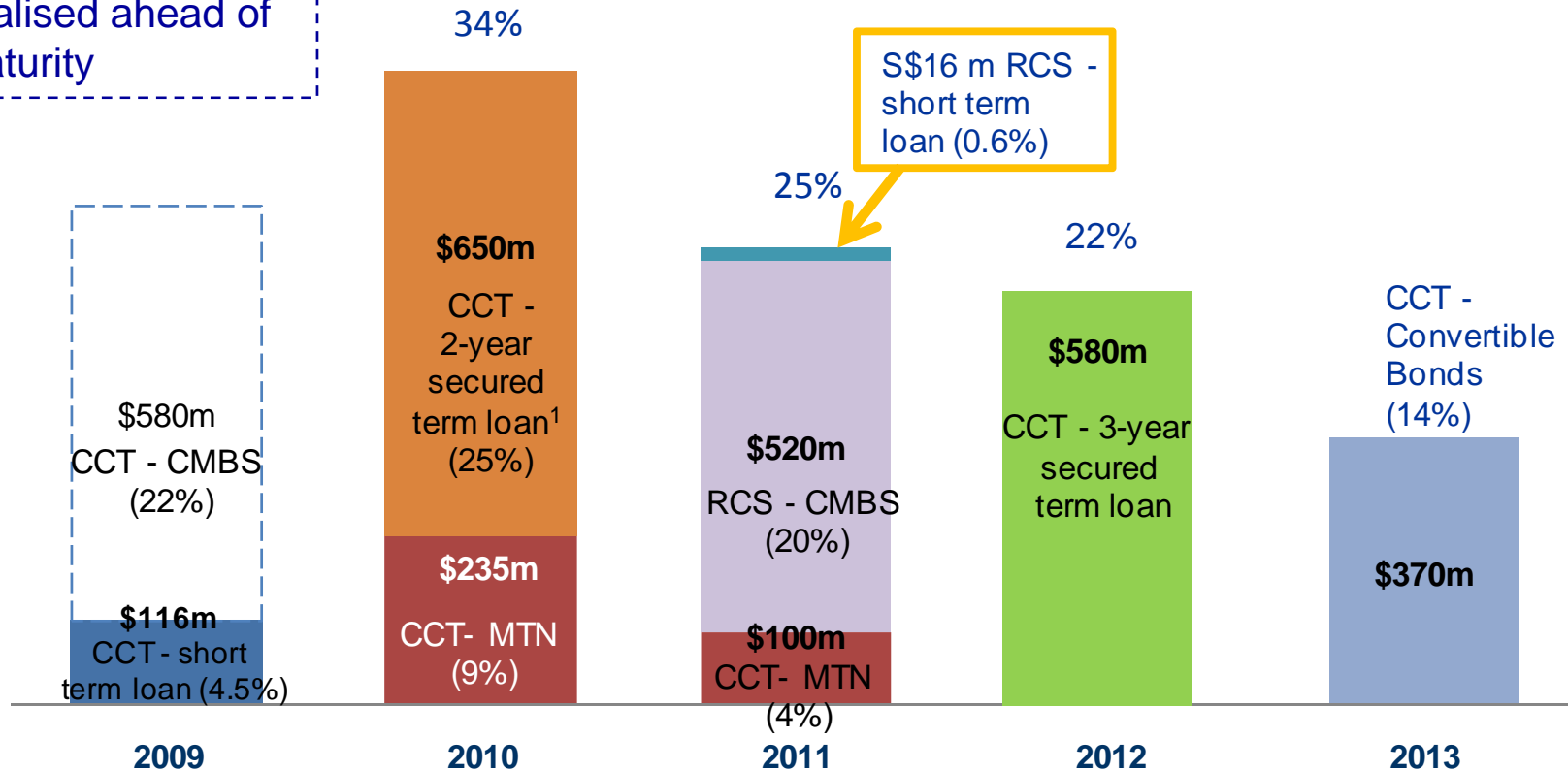
	<b>As at 31 Dec 08</b>	<b>As at 30 Sep 08</b>	<b>As at 31 Dec 07</b>
<b>Total debt (S\$'mil)</b>	<b>2,586.8</b>	2,543.8	1,261.7
<b>Gearing ratio<sup>(1)</sup></b>	<b>37.6%</b>	36.3%	23.9%
<b>Interest service coverage ratio<sup>(2)</sup></b>	<b>2.8 times</b>	3.1 times	3.3 times
<b>Average cost of debt</b>	<b>3.6%</b>	3.6%	3.9%
<b>Average fixed rate term to expiry<sup>(3)</sup></b>	<b>2.4 years</b>	2.7 years	3.3 years

Notes:

- (1) Ratio of borrowings of CCT Trust and RCS Trust (60%) over total deposited properties of CCT Trust and RCS Trust (60%)
- (2) 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%)
- (3) Average fixed rate term to expiry of CCT Trust and RCS Trust, where applicable

# Successfully Refinanced S\$580m CMBS Ahead of Maturity

Refinancing of S\$116m will be finalised ahead of maturity

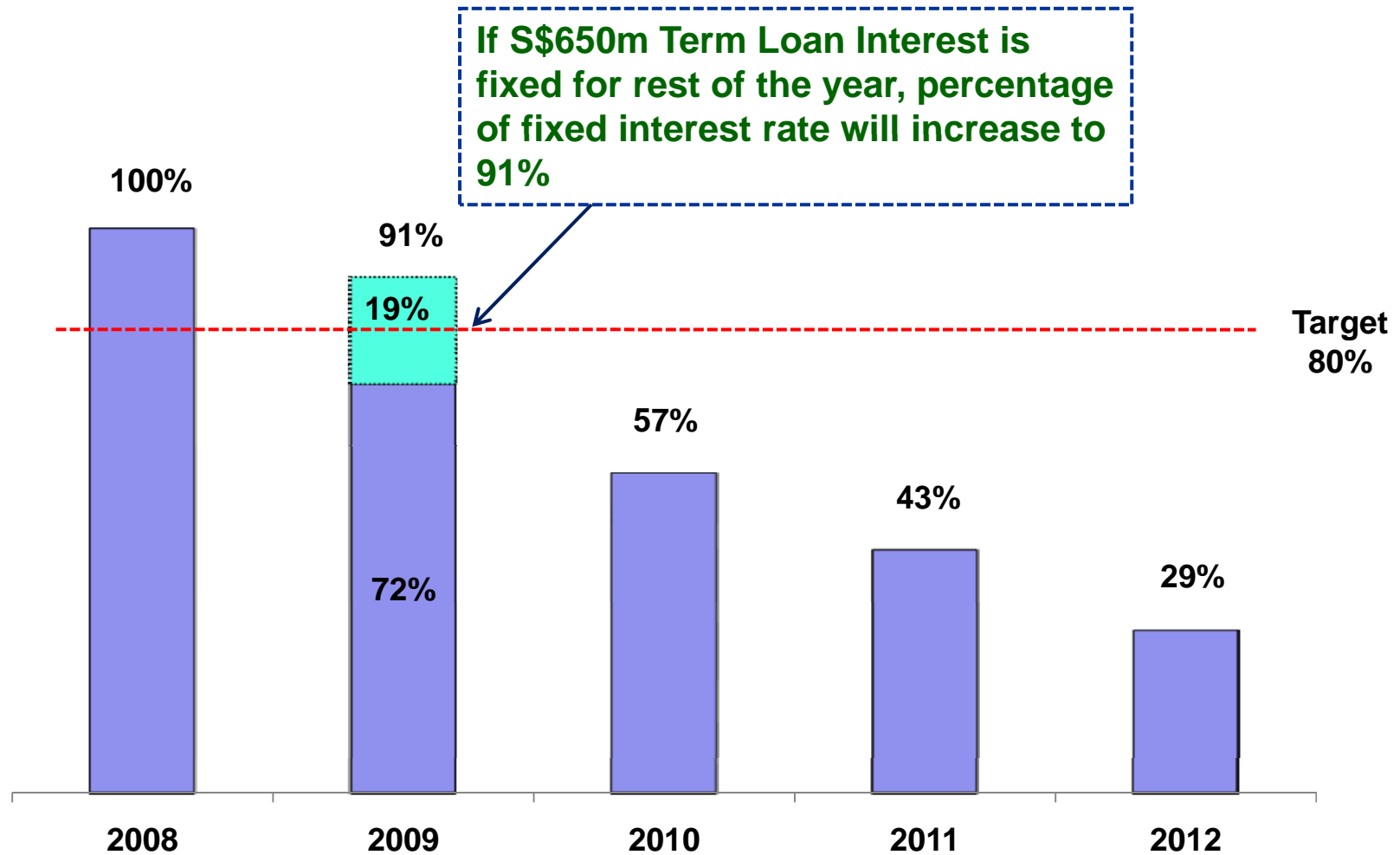


Note:

(1) The secured term loan was drawdown for the acquisition of One George Street on 11 July 2008.



# Low Interest Rate Risk



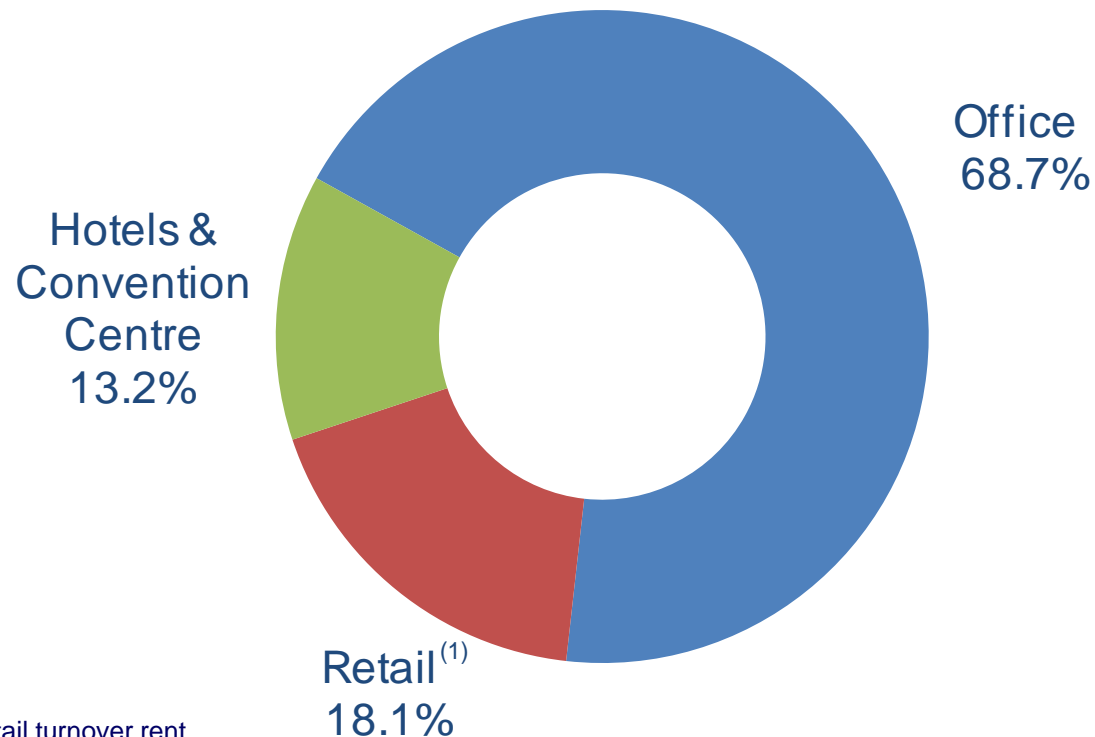


# Stable Portfolio Growth

# Gross Income Predominantly Contributed by Grade A Office 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 Gross Rental Income (for the month of December 2008)



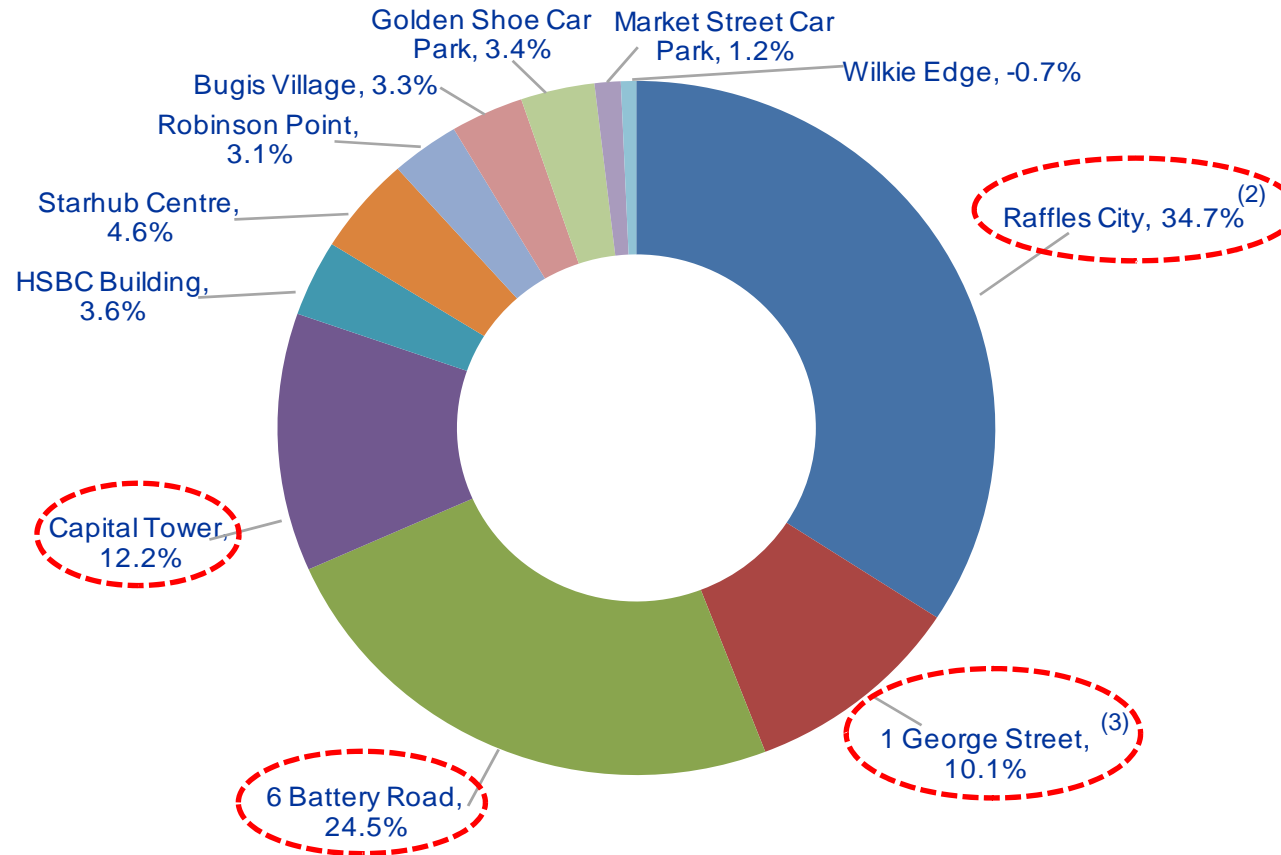
Note:

(1) Excludes retail turnover rent



# Portfolio Diversification with Focus on Quality

**More than 80% of FY 2008 Net Property Income<sup>(1)</sup> from Grade A assets and Raffles City**

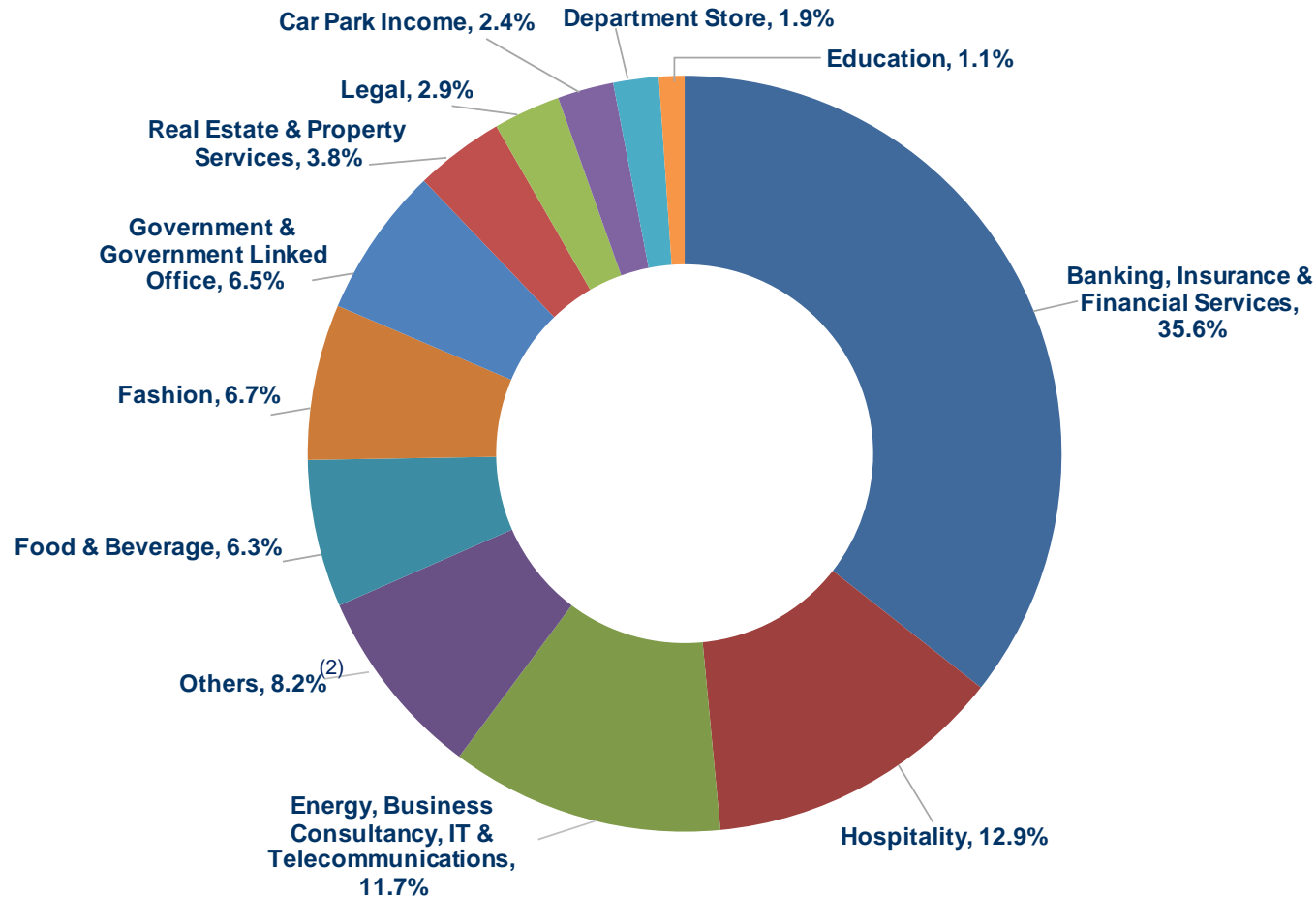


Notes:

- (1) Includes contribution of -0.7% from Wilkie Edge from 2 Dec 2008 (Date of Legal Completion) which is offset by operating expenses
- (2) Represents CCT's interest of 60.0% in Raffles City
- (3) Represents contribution from 1 George Street from 11 Jul 2008 (date of acquisition) to 31 Dec 2008



# Diverse Business Constituents<sup>(1)</sup> in CCT's Portfolio



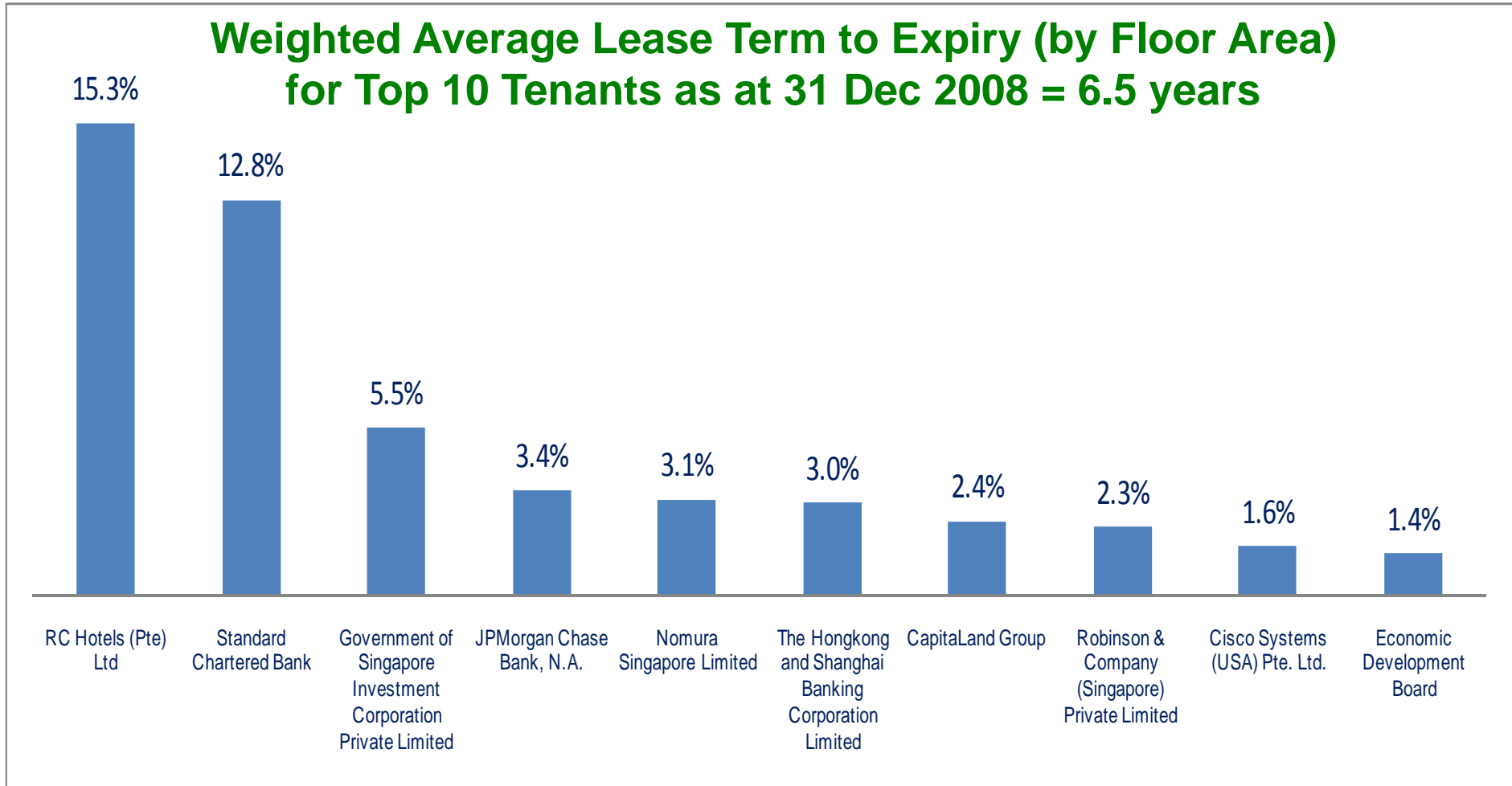
Notes:

(1) Based on gross rental income for the month of Dec 2008 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



# More Than 50% Gross Rental Income Contributed by Top Ten Blue-Chip Tenants<sup>(1)</sup>



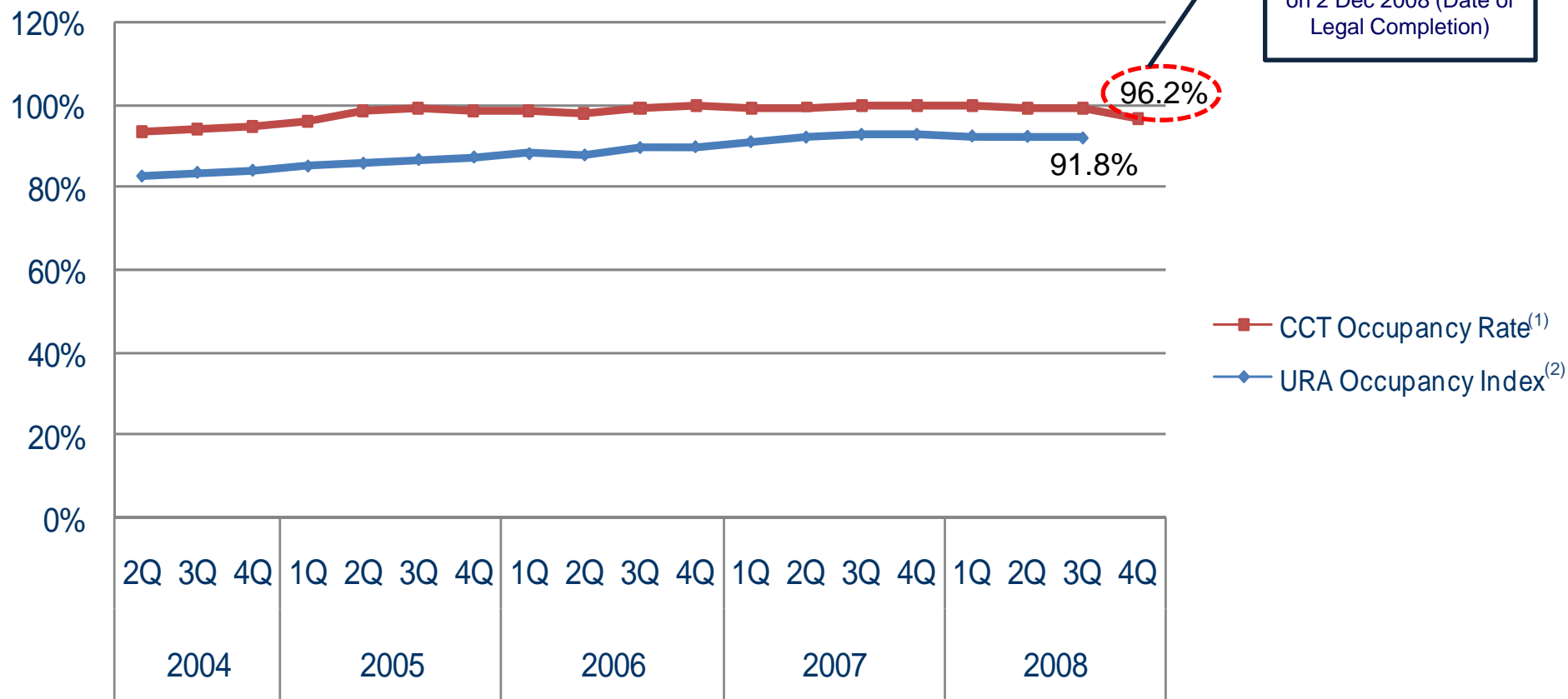
Note:

(1) Based on FY 2008 gross rental income contribution (excluding retail turnover rent)



# Committed Occupancy Consistently Above Market

## CCT's Committed Occupancy Since Inception



Committed occupancy rate excluding Wilkie Edge is 98.4%. Wilkie Edge was handed over on 2 Dec 2008 (Date of Legal Completion)

Notes:

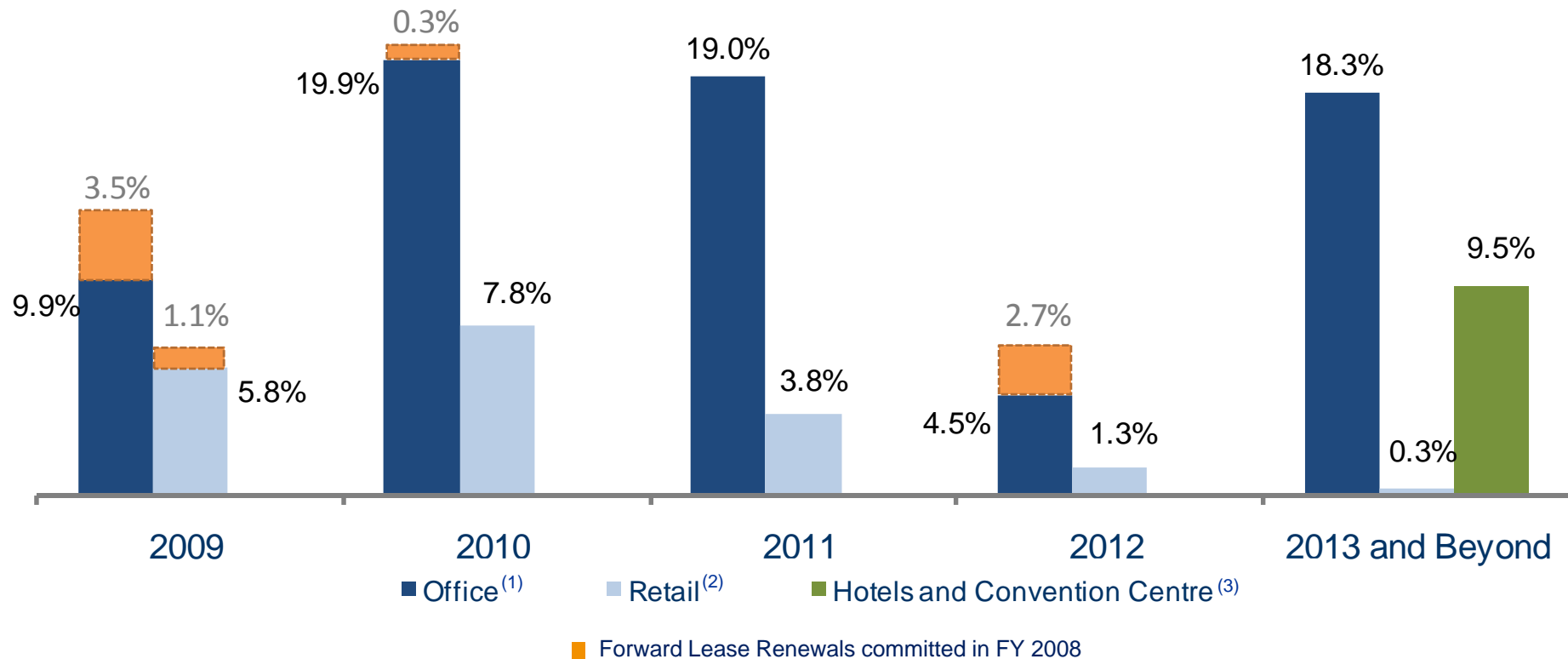
(1) Committed occupancy for CCT's portfolio. 3Q and 4Q include One George Street; 4Q includes Wilkie Edge

(2) URA has not released Occupancy Index figure for 4Q 2008



# Balanced Portfolio Lease Expiries

## Leases up for Renewal (by Gross Rental Income) as at 31 Dec 2008



Notes:

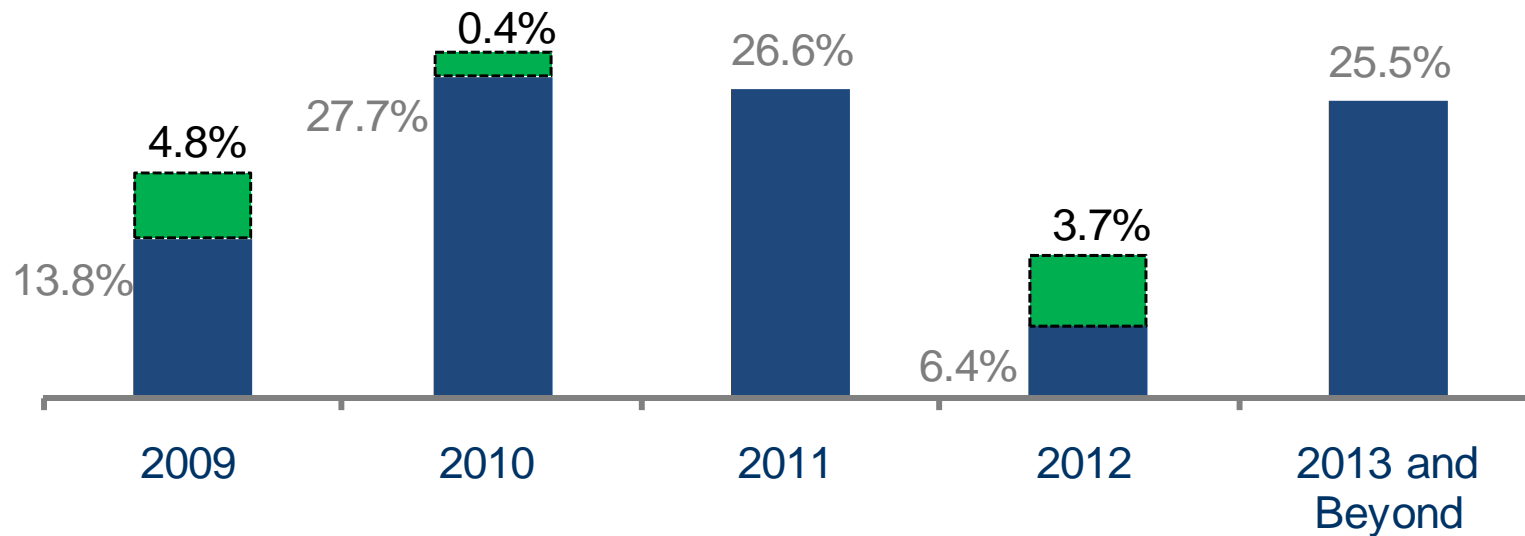
(1) Inclusive of Wilkie Edge

(2) Excludes retail turnover rent

(3) The hotels and convention centre master lease of Raffles City is on a 20-year lease commencing from 7 Nov 1996, excludes hotel turnover rent



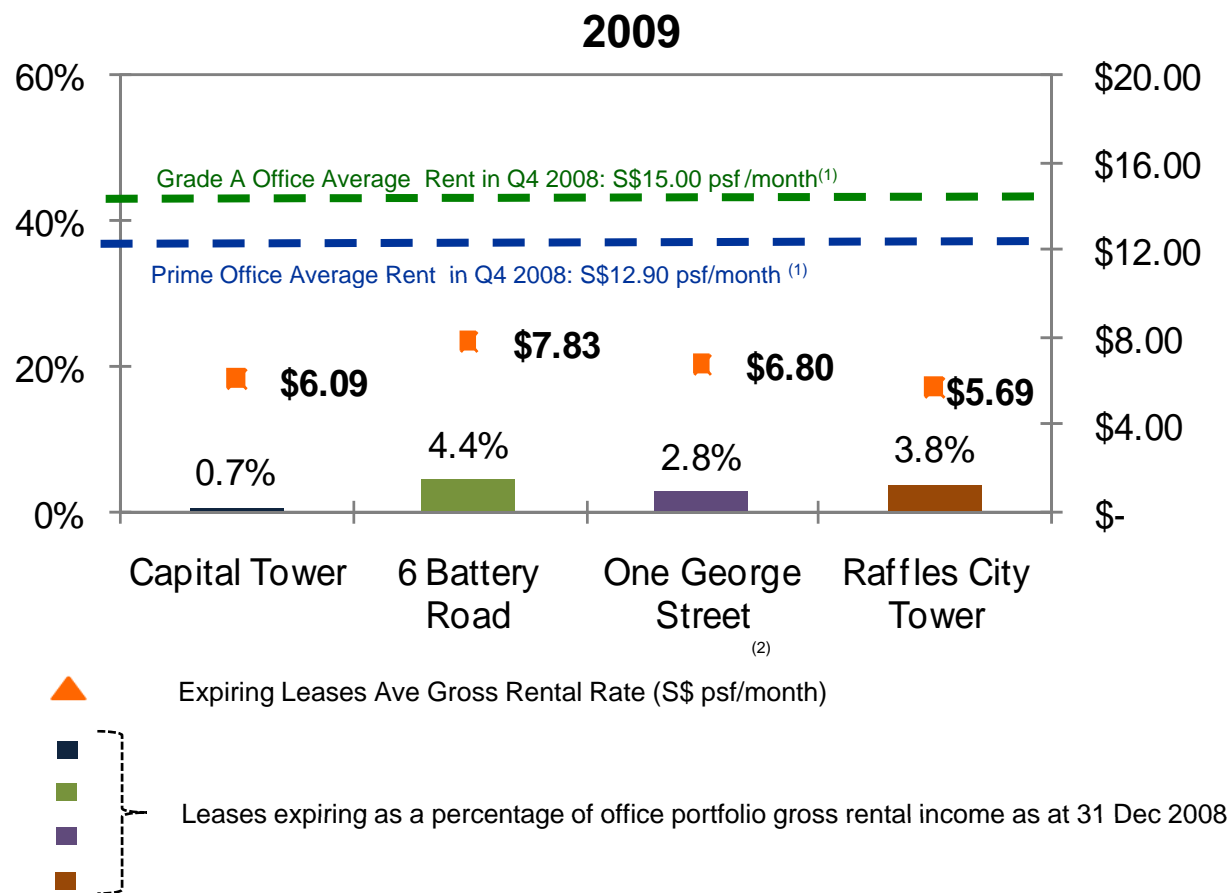
# Forward Lease Renewals Achieved Due to Proactive Leasing



- Forward Lease Renewals committed in FY 2008
- Leases expiring <sup>(1)</sup> as a percentage of office portfolio gross rental income as at 31 Dec 2008

Note:  
(1) Inclusive of Wilkie Edge

# Further Rental Upside From Lease Renewals



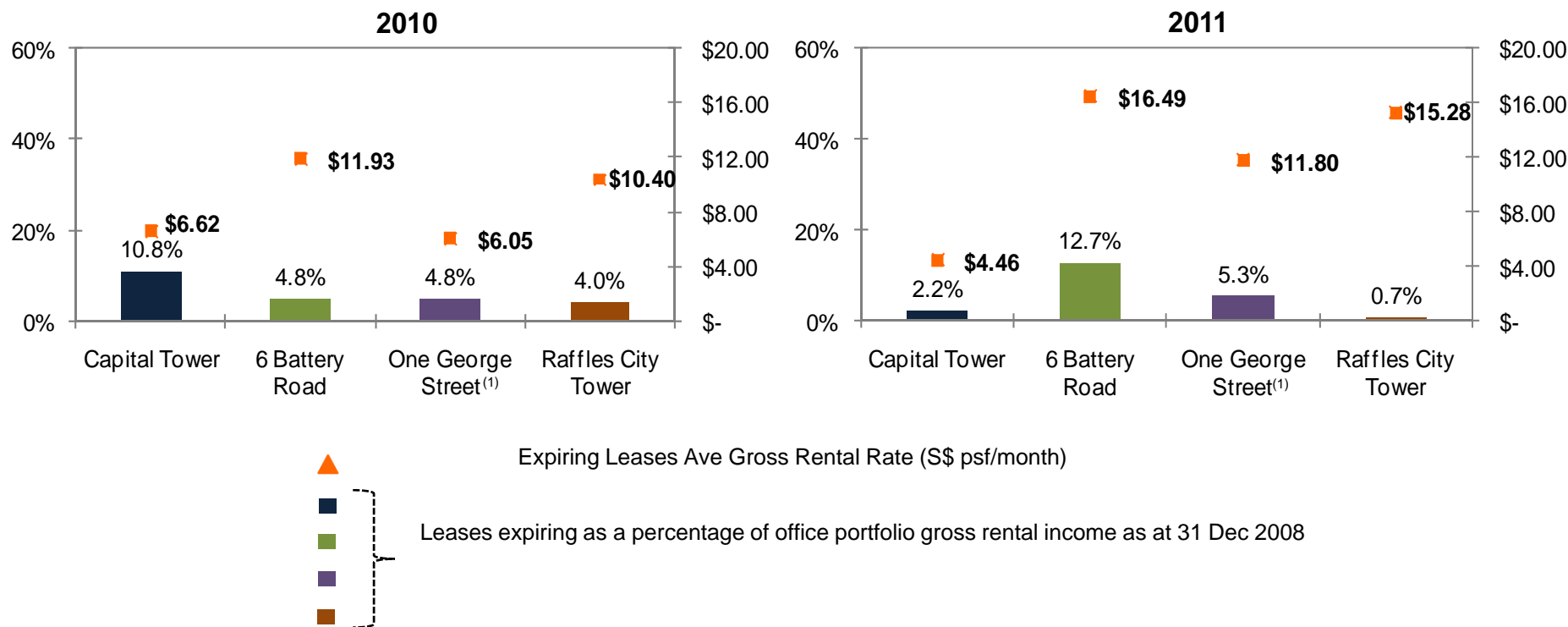
**Notes:**

(1) Source: CBRE (as at Q4 2008)

(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



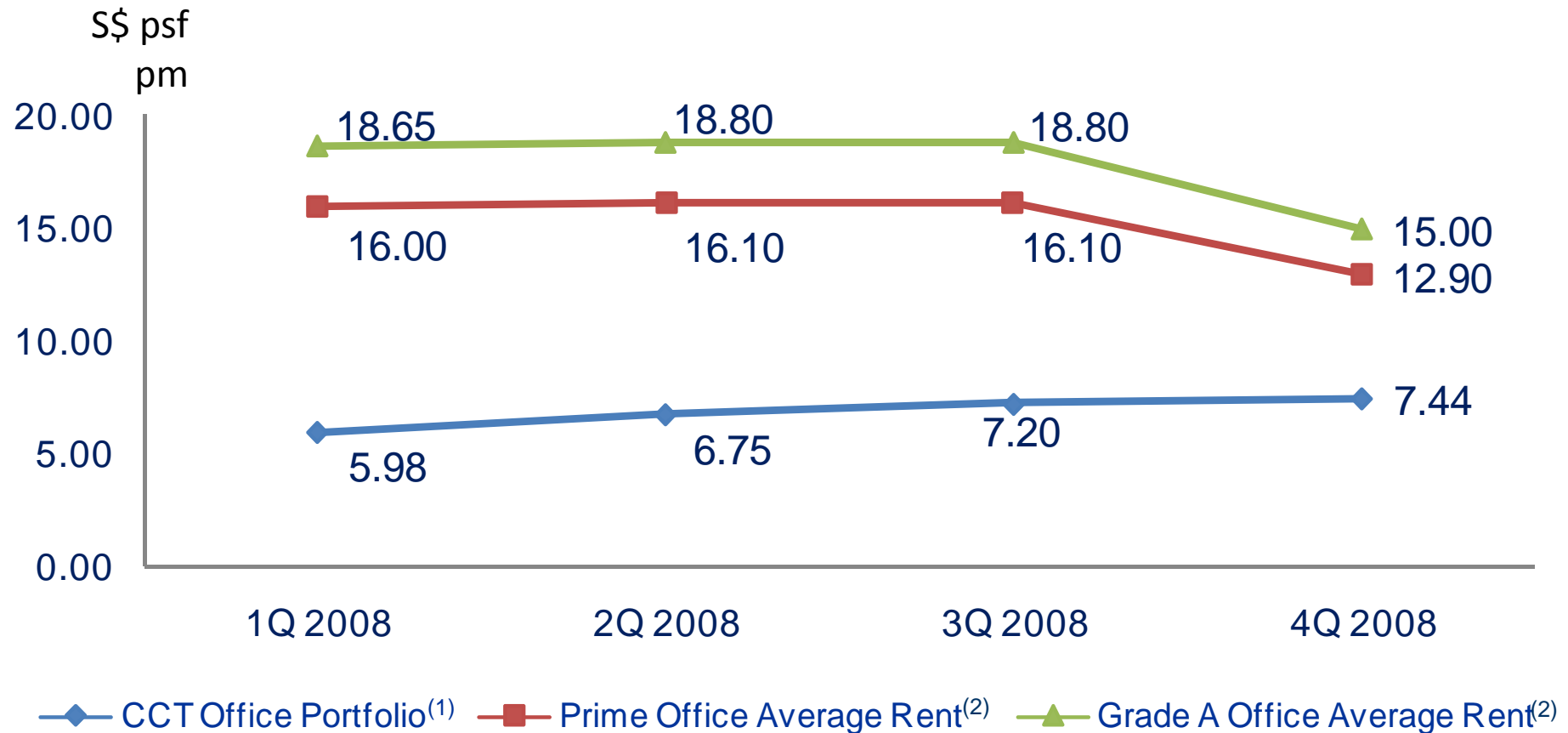
# Low Lease Expiry Profile in Each Building Limits Leasing Risk



Notes:

(1) Has embedded yield protection of 4.25% p.a., based on purchase consideration of S\$1.165 billion until 10 July 2013 from CapitaLand

# CCT's Office Properties Are Still Under-Rented Compared to Market Rents



Notes:

- (1) Average passing rent for CCT's office portfolio. 3Q and 4Q include One George Street; 4Q includes Wilkie Edge
- (2) Source for office market rent: CBRE (figures as at end of each quarter)



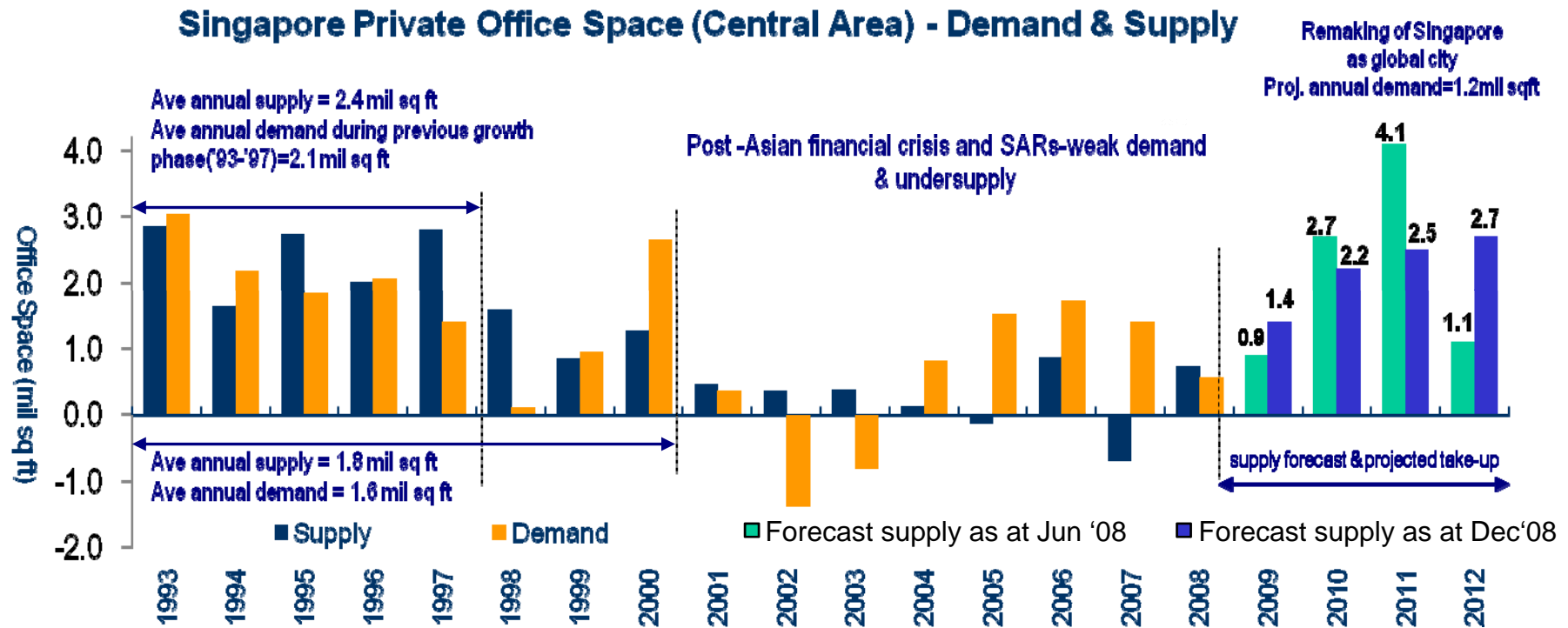
# 2009 Office Market



# Uncertain Office Supply from 2011 onwards

## - Delay in completions is evident

- Some future supply has already been pre-committed, e.g. 1.9 mil sq ft in 2010 and 2011 (MBFC)



Note: Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'

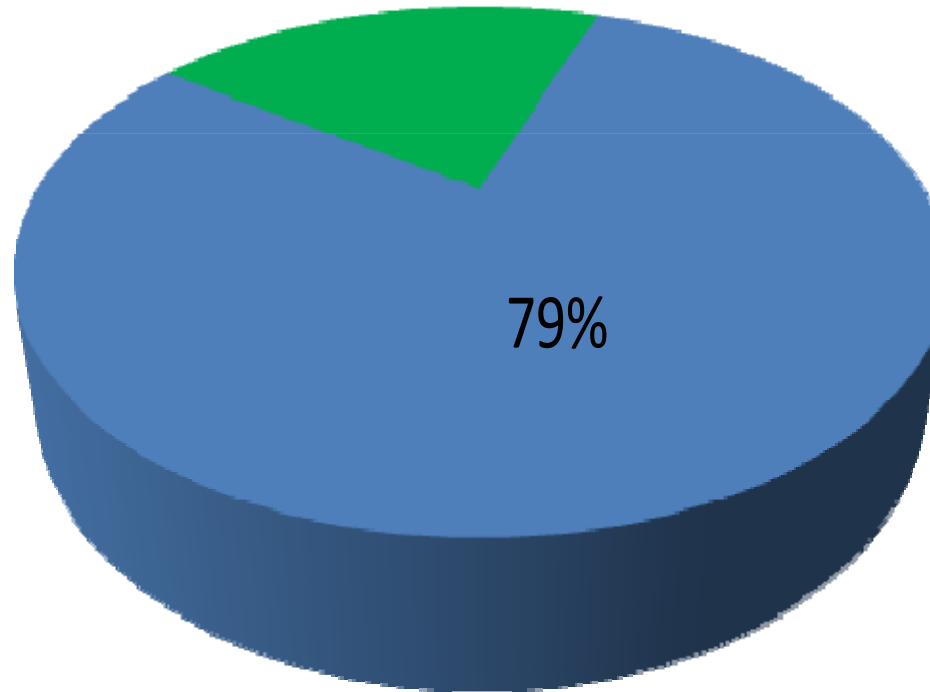
Source: Consensus compiled from CBRE, JLL and Savills (Jan '09)



# Summary

# 79% of 2009's Forecast Gross Rental<sup>(1)</sup>

## Have Been Locked-In With Committed Leases

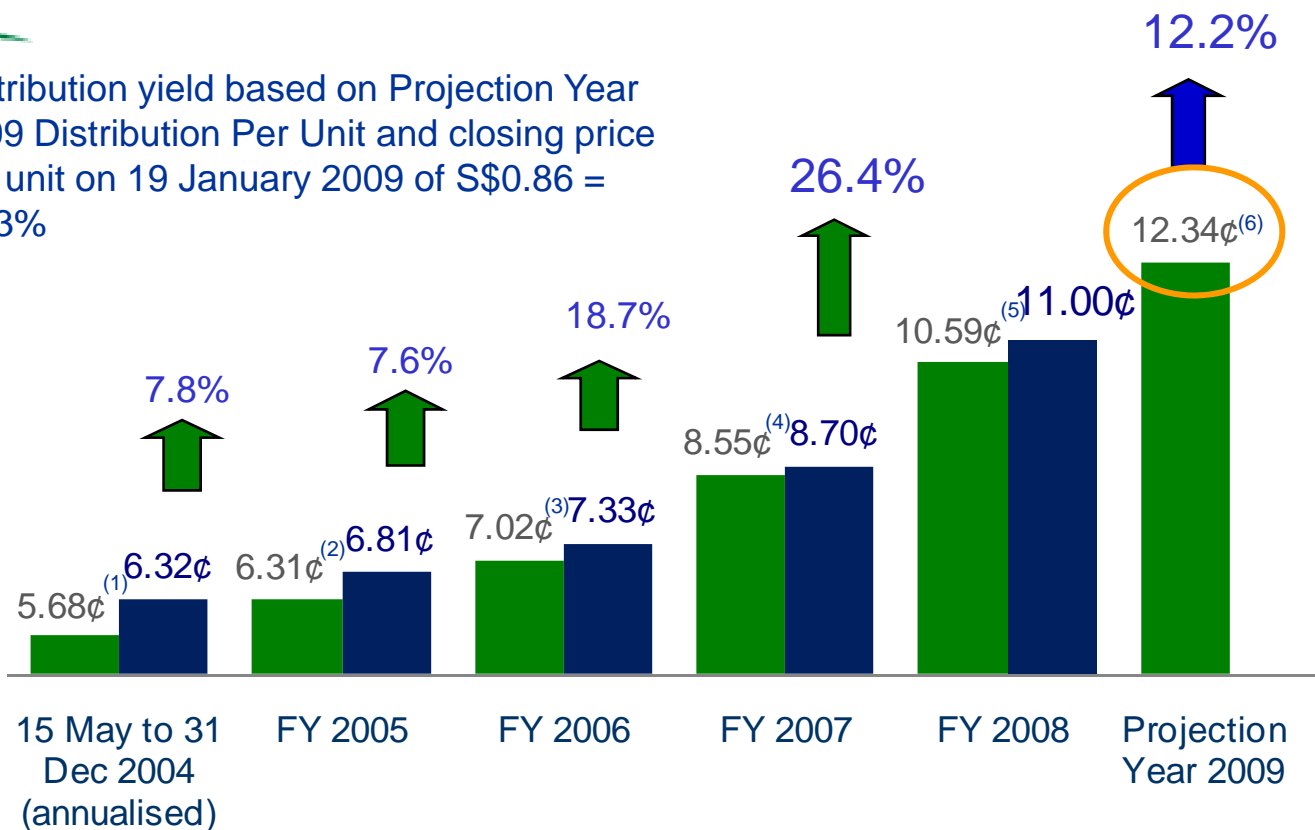


Note:

(1) Based on the Forecast Gross Rental Income for the "enlarged portfolio", published in CCT's circular to unitholders dated 9 June 2008

# DPU Increases 26% Year-on-Year

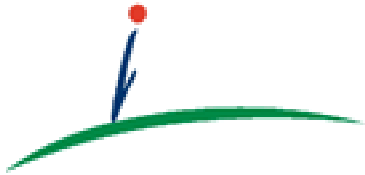
Distribution yield based on Projection Year 2009 Distribution Per Unit and closing price per unit on 19 January 2009 of S\$0.86 = 14.3%



■ forecast ■ actual

## 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 fund of Raffles City
- (4) Based on the forecast shown in the Unitholder Circular dated 5 November 2007 for the acquisition of Wilkie Edge
- (5) The forecast is based on management's forecast shown in the Circular dated 9 June 2008 for the acquisition of One George Street for the period 1 January 2008 to 31 December 2008 and adjusted for the actual date of acquisition of One George Street on 11 July 2008. The acquisition of 1 George Street was assumed to be completed on 1 July 2008 in the Circular.
- (6) The forecast is based on management's forecast shown in the Circular dated 9 June 2008 for the acquisition of One George Street for the projection year 2009.



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# Supplementary Slides

# 4Q 08 Gross Revenue – By Asset

	Actual			Forecast <sup>(1)</sup>
	4Q 08 S\$'000	4Q 07 S\$'000	Change %	4Q 08 S\$'000
Capital Tower	12,254	11,332	8.1	12,239
6 Battery Road	20,401	10,372	96.7	19,787
HSBC Building	2,254	2,184	3.2	2,254
Starhub Centre	4,935	3,380	46.0	4,993
Robinson Point	3,380	1,988	70.0	3,479
Bugis Village	2,517	2,402	4.8	2,491
Golden Shoe Car Park	2,846	2,587	10.0	2,721
Market Street Car Park	1,137	1,724	(34.0)	635
One George Street	16,196	-	-	16,184
Wilkie Edge	162	-	-	538
<b>Sub-Total</b>	<b>66,082</b>	<b>35,969</b>	<b>83.7</b>	<b>65,322</b>
<b>60% Interest in RCS</b>	<b>31,082</b>	<b>26,061</b>	<b>19.3</b>	<b>28,213</b>
<b>Gross Revenue</b>	<b>97,164</b>	<b>62,030</b>	<b>56.6</b>	<b>93,534</b>

Note:

- (1) The forecast is based on management's forecast shown in the Circular dated 9 June 2008 for the acquisition of One George Street for the period 1 January 2008 to 30 September 2008 and adjusted for the actual date of acquisition of One George Street on 11 July 2008. The acquisition of One George Street was assumed to be completed on 1 July 2008 in the Circular.

# 4Q 08 Net Property Income – By Asset

	Actual			Forecast <sup>(1)</sup>
	4Q 08 S\$'000	4Q 07 S\$'000	Change %	4Q 08 S\$'000
Capital Tower	6,748	7,640	(11.7)	6,548
6 Battery Road	15,815	7,572	108.9	15,446
HSBC Building	2,232	2,161	3.3	2,232
Starhub Centre	3,508	2,389	46.8	3,542
Robinson Point	2,368	1,437	64.8	2,324
Bugis Village	1,917	1,916	0.1	1,950
Golden Shoe Car Park	1,942	1,837	5.7	1,891
Market Street Car Park	471	1,231	(61.7)	193
One George Street	12,446	-	-	12,446
Wilkie Edge	(1,637)	-	-	(1,308)
<b>Sub-Total</b>	<b>45,810</b>	<b>26,183</b>	<b>75.0</b>	<b>45,266</b>
60% Interest in RCS	19,799	18,223	8.6	19,775
<b>Net Property Income</b>	<b>65,609</b>	<b>44,406</b>	<b>47.7</b>	<b>65,041</b>

Note:

- (1) The forecast is based on management's forecast shown in the Circular dated 9 June 2008 for the acquisition of One George Street for the period 1 January 2008 to 31 December 2008 and adjusted for the actual date of acquisition of One George Street on 11 July 2008. The acquisition of One George Street was assumed to be completed on 1 July 2008 in the Circular.