



Mapletree Commercial Trust

2Q & 1H FY18/19 Financial Results

24 October 2018

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Agenda

Key Highlights

VivoCity

Key Highlights

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Financial Performance

- Gross revenue and net property income ("NPI") for 2Q FY18/19 grew 2.5% and 2.2% respectively from 2Q FY17/18, driven by higher contribution from VivoCity, Mapletree Business City I ("MBC I") and Bank of America Merrill Lynch HarbourFront ("MLHF")
- Distribution per unit ("DPU") for 2Q FY18/19 grew 1.3% to 2.27 Singapore cents

Portfolio Performance

- VivoCity achieved healthy growth in shopper traffic and tenant sales of 5.8% and 2.8% respectively in 2Q FY18/19
- FairPrice will replace VivoMart with a new integrated concept by 1H FY19/20. Financial upside includes positive rental uplift and the conversion of some recovered space into higher yielding specialty shops

Key Highlights

Capital Management

- Obtained term loan facilities aggregating S$345.0 million in July and August 2018, completing refinancing of all term loans due in FY18/19 and FY19/20
- Maintained ample debt headroom. Debt maturity profile remains well-distributed with no more than 20% of debt due for refinancing in any financial year

Financial Performance

Mapletree Business City I

2Q FY18/19 Financial Scorecard

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2Q FY18/19 DPU grew by 1.3% to 2.27 Singapore cents
Driven by higher contribution from VivoCity, MBC I and MLHF

S$'000 unless otherwise stated	2Q FY18/19	2Q FY17/18	Variance
Gross Revenue	109,918	107,210	▲ 2.5%
Property Operating Expenses	(23,657)	(22,786)	▲ 3.8%
Net Property Income	86,261	84,424	▲ 2.2%
Net Finance Costs	(17,407)	(15,920)	▲ 9.3%
Income Available for Distribution	65,564	64,691	▲ 1.3%
Distribution per Unit (cents)	2.27	2.24	▲ 1.3%

1H FY18/19 Financial Scorecard

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1H FY18/19 gross revenue and NPI grew by 1.6% and 2.1% respectively
Income available for distribution up 0.9%

S$'000 unless otherwise stated	1H FY18/19	1H FY17/18	Variance
Gross Revenue	**218,451**	**214,976**	▲ **1.6%**
Property Operating Expenses	**(46,252)**	**(46,371)**	▼ **0.3%**
Net Property Income	**172,199**	**168,605**	▲ **2.1%**
Net Finance Costs	**(34,302)**	**(31,380)**	▲ **9.3%**
Income Available for Distribution	**130,174**	**129,066**	▲ **0.9%**
Distribution per Unit (cents)	**4.50**	**4.47**	▲ **0.7%**

Balance Sheet

Proactive and risk-based capital management approach
Continues to maintain robust balance sheet in spite of rising interest rates

S$'000 unless otherwise stated	As at 30 September 2018	As at 31 March 2018
Investment Properties	6,692,151	6,682,000
Other Assets	62,112	58,813
Total Assets	6,754,263	6,740,813
Net Borrowings	2,347,706	2,329,431
Other Liabilities	117,983	128,009
Net Assets	4,288,574	4,283,373
Units in Issue ('000)	2,887,117	2,880,156
Net Asset Value per Unit (S$)	1.49	1.49

Key Financial Indicators

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Debt headroom of ~$1.2 bil based on 45% gearing limit
Every 25 bps change in Swap Offer Rate estimated to impact DPU by 0.05 cents p.a.

	As at 30 September 2018	As at 30 June 2018	As at 30 September 2017
Total Debt Outstanding	**S$2,349.0 mil**	**S$2,345.6 mil**	**S$2,327.6 mil**
% Fixed Rate Debt	**75.2%**	**75.3%**	**78.0%**
Gearing Ratio	**34.8%**[1]	**34.7%**	**36.4%**
Interest Coverage Ratio (YTD)	**4.5 times**	**4.6 times**	**4.8 times**
Average Term to Maturity of Debt	**4.1 years**	**3.6 years**	**3.9 years**
Weighted Average All-In Cost of Debt (p.a.)	**2.93%**[2]	**2.91%**[3]	**2.70%**[4]
Unencumbered Assets as % of Total Assets	**100%**	**100%**	**100%**
MCT Corporate Rating (by Moody's)	**Baa1**	**Baa1**	**Baa1**

1. Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to total net assets is 54.8%
2. Annualised based on 1H ended 30 September 2018
3. Annualised based on the quarter ended 30 June 2018
4. Annualised based on 1H ended 30 September 2017

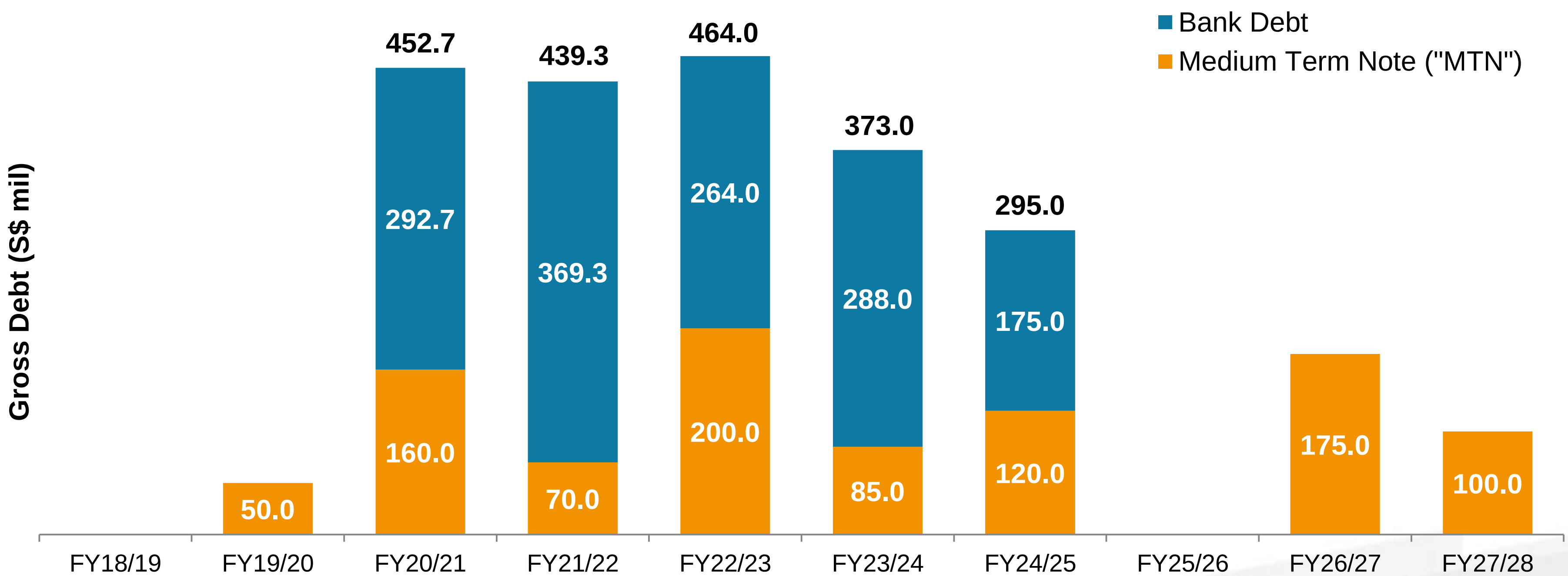
Debt Maturity Profile (as at 30 September 2018)

Completed refinancing of all term loans due in FY18/19 and FY19/20
Well-distributed debt maturity profile with no more than 20% of debt due in any financial year

Total gross debt: S$2,349.0 mil

The following facilities were put in place for refinancing:

- S$85.0 mil 5-year and S$175.0 mil 5.75-year term loan facilities in July 2018
- S$85.0 mil 5-year term loan facility in August 2018



% of Total Debt	-	2%	19%	19%	20%	16%	13%	-	7%	4%

Distribution Details

Distribution Period	1 July 2018 – 30 September 2018
Distribution Amount	2.27 Singapore cents per unit

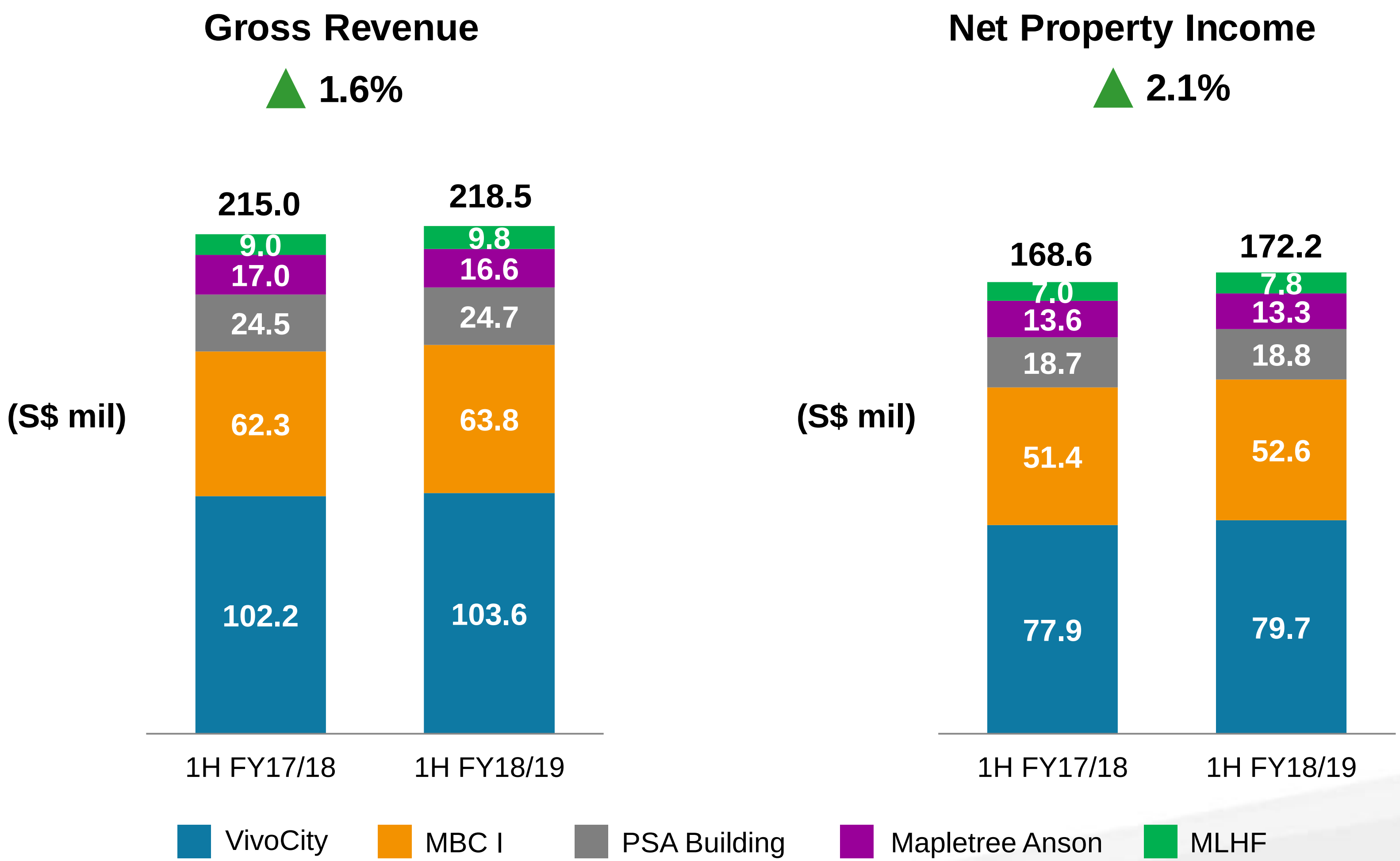
Distribution Timetable	
Notice of Books Closure Date	Wednesday, 24 October 2018
Last Day of Trading on “cum” Basis	Monday, 29 October 2018
Ex-Date	Tuesday, 30 October 2018
Books Closure Date	5:00 pm, Thursday, 1 November 2018
Distribution Payment Date	Thursday, 29 November 2018

Portfolio Updates

VivoCity

Portfolio Revenue and Net Property Income

Continued growth in portfolio gross revenue and NPI
Driven by higher contribution from VivoCity, MBC I, MLHF and PSA Building



Portfolio Occupancy

Overall portfolio committed occupancy at 98.7%

	As at 30 September 2017	As at 30 June 2018	Occupancy as at 30 September 2018	
			Actual	Committed
VivoCity	99.7%	94.2%[1]	94.7%[1]	99.9%
MBC I	99.1%	98.6%	97.8%	97.8%
PSA Building	94.4%	95.4%	93.5%	99.2%
Mapletree Anson	92.9%	90.8%	90.4%	97.8%
MLHF	91.6%	100.0%	100.0%	100.0%
MCT Portfolio	**97.6%**	**96.4%**	**95.9%**	**98.7%**

1. The actual occupancy is based on VivoCity's enlarged NLA of 1,077,191 square feet resulting from the added public library on Level 3 and bonus GFA (from the Community/Sports Facilities Scheme) deployed to extend Basement 1. Both new areas are fully committed. The Basement 1 extension was opened in June 2018, while the public library on Level 3 is currently undergoing fitting-out

1H FY18/19 Leasing Update

Achieved 2.2% portfolio rental reversion[1]

	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents[2]
Retail	151	58.4%	4.1%[3]
Office/Business Park	19	77.6%	-5.1%
▪ Including rent review[1]	-	-	-1.1%
MCT Portfolio	**170**	**66.7%**	**1.8%**
MCT Portfolio (including rent review[1])	**-**	**-**	**2.2%**

1. Includes the effect of rent review of a key tenant at MBC I for ~195,000 square feet of space
2. Based on the average of the fixed rents over the lease period of the new leases divided by the preceding fixed rents of the expiring leases. Rent reviews are typically not included in the calculation of rental reversions
3. Includes the effect from trade mix changes and units subdivided and/or amalgamated

Lease Expiry Profile (as at 30 September 2018)

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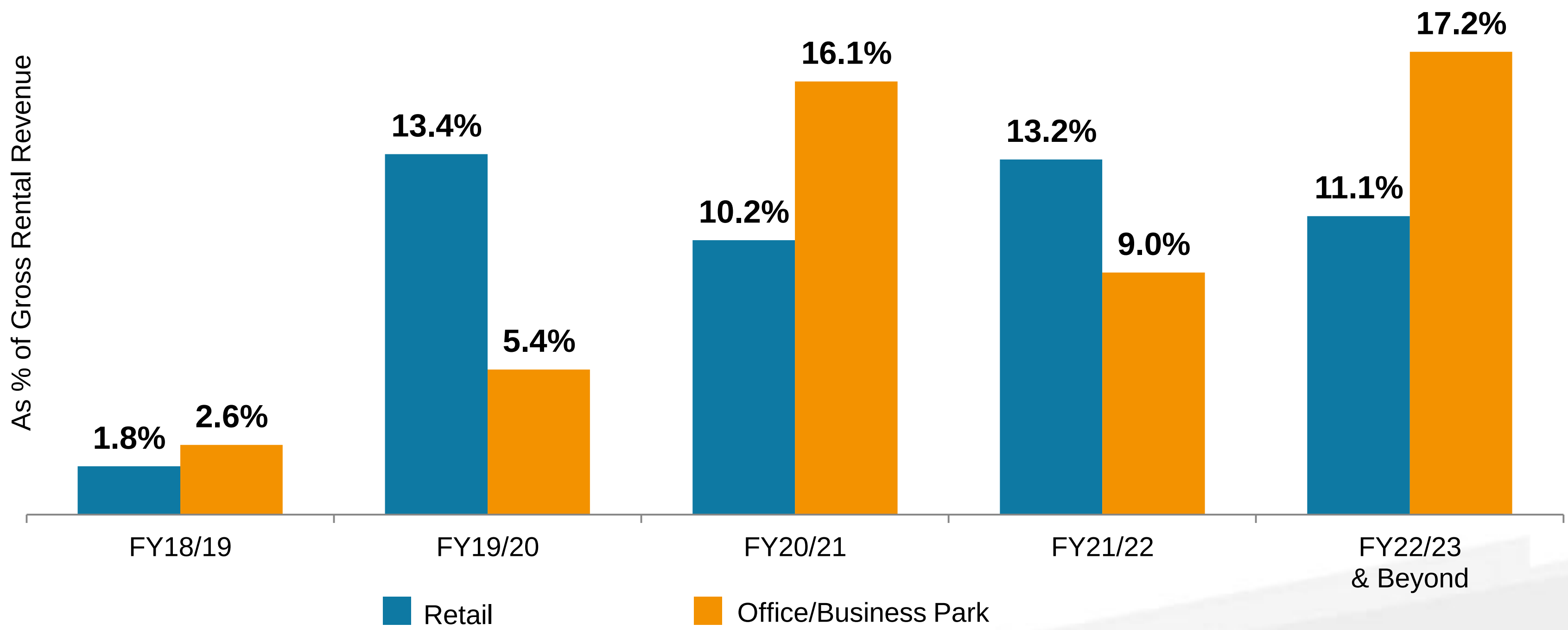
Portfolio resilience supported by manageable lease expiries

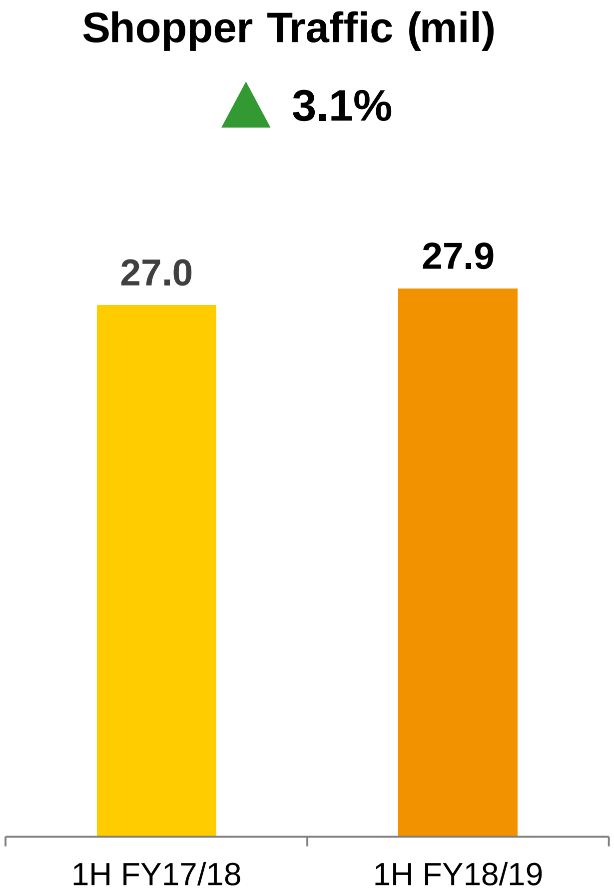
WALE	Committed Basis
Portfolio	**2.8 years[1]**
Retail	2.6 years
Office/Business Park	3.0 years

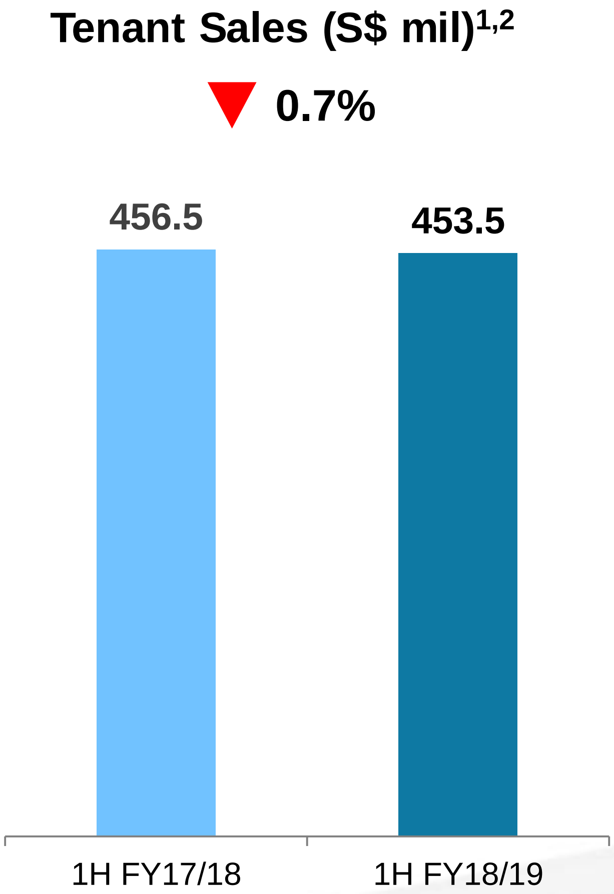


1. Portfolio WALE was 2.2 years based on the date of commencement of leases

VivoCity – Shopper Traffic and Tenant Sales

1H FY18/19 total shopper traffic and tenant sales were boosted by 5.8% and 2.8% of respective growth in 2Q FY18/19[1]





1. 1Q FY18/19 tenant sales were temporarily affected by spaces vacated to make way for the public library on Level 3 and concept stores on Level 1
2. Includes estimates of tenant sales for a small portion of tenants

VivoCity – Unique and fun activities to drive footfall

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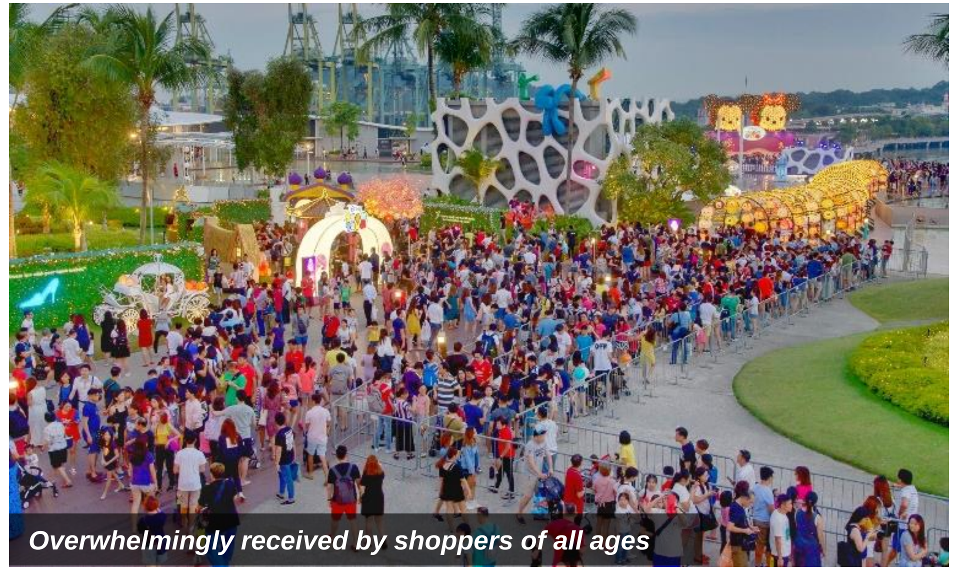
Successful collaboration with The Walt Disney Company to set up one of Asia's largest lantern installations at VivoCity Sky Park

10-metre tall Mickey Mouse and Minnie Mouse installation
Largest lantern sculpture in the Asian Book of Records



Overwhelmingly received by shoppers of all ages

https://www.straitstimes.com/singapore/under-disney-tsum-tsums-mid-autumn-spell

https://www.scmp.com/magazines/style/travel-food/article/2163082/7-great-things-do-singapore-september

Widely-covered by local, international and social media

Families and friends sharing meaningful moments

VivoCity – Ongoing AEI

Enhancing VivoCity's position as a destination mall for families with children
AEI to deliver a collective ROI of ~10% on a stabilised basis[1]

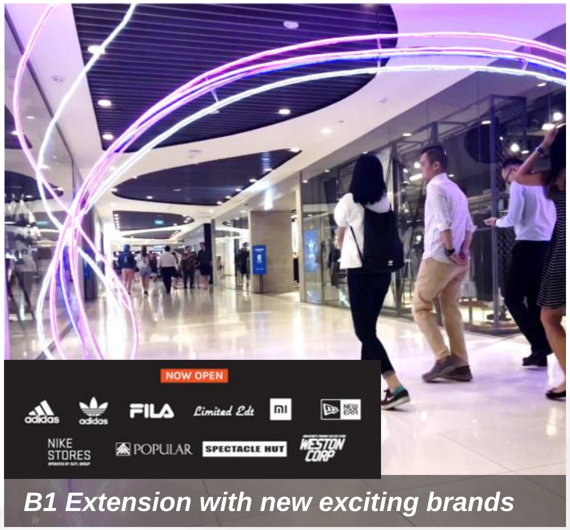
Coming Soon: Level 3 Library

- Convert part of Level 3 to a 32,000 sq ft public library
- Bonus GFA[2] added 24,000 sq ft of contiguous space on Basement 1
- On track for completion by 2H FY18/19

Completed: B1 Extension

- Opened in June 2018
- Houses ten exciting lifestyle and athleisure brands
- Improved vertical connectivity and mobility within the mall with new escalator

Library photo for reference only
Courtesy of the National Library Board



B1 Extension with new exciting brands

New Escalator connecting B2, B1 & L1

1. Based on currently estimated capital expenditure of approximately S$16 mil. This includes expenditure for related works such as addition of escalator and carpark deck, installation of solar panels on new carpark shelter and various M&E upgrading works
2. Bonus GFA granted under the Community/Sports Facilities Scheme

Outlook

Bank of America Merrill Lynch HarbourFront

Outlook

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Singapore Economy

- The Singapore economy grew 2.6% year-on-year in the third quarter of 2018, moderating from the 4.1% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 4.7%, faster than the 1.2% growth in the preceding quarter.

Retail

- According to CBRE, new entrants and expansion amongst existing retailers continued to drive retail leasing activity in Q3 2018. Rentals from prime retail space remained resilient, supported by tight vacancies.
- Potential risks remain as high wage costs continue to plague the labour market while inbound tourism could potentially be hampered by the strengthening Singapore dollar. Nevertheless, the medium-term rental outlook remains positive.

Office

- The office market registered strong overall leasing activity in Q3 2018. The quarter was driven by diversified demand coming from flexible workspace operators, technology firms, banking and insurance as well as shipping firms. There was a steady increase in occupier interest for Grade B offices given that the availability of Grade A space has tightened considerably.

Sources: The Singapore Ministry of Trade and Industry Press Release, 12 October 2018 and CBRE MarketView Singapore Q3 2018

Outlook

Office (cont'd)

- Despite some economic risks arising from external trade disputes and currency volatility in the region, the Singapore office market environment looks largely positive.

Business Park

- The performance of the business park market was relatively subdued in Q3 2018. Continued take-up in the City Fringe submarket was offset by weaker leasing activity in the Rest of Island submarket. While deal flow has been slower in recent quarters, there is still a steady stream of leasing interest observed from e-commerce and technology firms. This has however largely benefitted only newer and better located business park products which are becoming more scarce and are priced at a premium.
- Rents for the City Fringe submarket grew at a faster pace of 1.8% quarter-on-quarter while the Rest of Island submarket grew by 1.3% quarter-on-quarter in Q3 2018.

Overall

- MCT's portfolio is expected to remain resilient given VivoCity's relatively stable performance and supported by the manageable lease expiries in MCT's office/business park properties.

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Thank You

For enquiries, please contact:

Teng Li Yeng
Investor Relations
Tel: +65 6377 6836
Email: teng.liyeng@mapletree.com.sg