CapitaLand, CapitaCommercial Trust & Mitsubishi Estate Asia

Joint venture for
Market Street Car Park redevelopment
14 July 2011
Disclaimer

This presentation may contain forward-looking statements that involve 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, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, 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 current view of management on future events.
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2. Joint Venture Structure
3. Project Details
   a. Funding
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4. CapitaLand Commercial’s Strategy
1. Project Highlights
Well-connected island site in Raffles Place and near Marina Bay financial area

Attractiveness of Market Street site

- In the heart of Singapore’s Central Business District, and close to Marina Bay
- Excellent connectivity to public transportation network and amenities
- Island site with high visibility
Obtained outline planning permission from URA for redevelopment in Jan 2008

- Subject to conditions:
  1. Proposed Commercial use at gross plot ratio 12.6+ (equivalent to 14.49), subject to approval to rezone the site from Transport to Commercial use; and
  2. Site to be developed for office use only with activity generating uses on the first storey
Enhancement in Land Use

• Lifting of land use restriction from “Transport Facilities” to “Commercial Use”

• Subject to:
  1. Differential premium payment by the lessee (the joint venture) of 100% of enhancement in land value (assessed by Chief Valuer in a spot valuation)
  2. No extension of existing land lease (62 years)
In line with CCT’s portfolio reconstitution strategy to generate higher value for Trust

Redevelop Market Street Car Park into Grade A office tower

- Flexibility and speed to seize growth opportunities
- Redeploy capital
- Acquire good quality asset
- Unlock value at optimal stage of life cycle
- Enhance / refurbish asset

- Funding flexibility
- Organic growth
- Value creation

Robinson Point
Starhub Centre

Six Battery Road
Raffles City Singapore
Rationale for the redevelopment

1. Converting to office maximises use of the prime site
2. Increase foothold in Raffles Place area
3. Financial considerations
4. No Grade A office buildings in CBD completing in 2014
5. Office demand expected to increase on the back of economic growth
6. Positive trends in office rents
Redevelop into a Grade A office tower to maximise land use for the site

<table>
<thead>
<tr>
<th>Design</th>
<th>Mr. Toyo Ito, internationally-acclaimed architect and winner of multiple awards, including the Royal Gold Medal by RIBA (Royal Institute of British Architects)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure</td>
<td>99 years from 1 April 1974</td>
</tr>
<tr>
<td>Estimated GFA</td>
<td>887,000 sq ft (including bonus GFA)</td>
</tr>
<tr>
<td>Estimated NLA</td>
<td>720,000 sq ft</td>
</tr>
<tr>
<td>Typical floor plate</td>
<td>20,000 – 25,000 sq ft</td>
</tr>
<tr>
<td>Max. height control</td>
<td>245 m (same as new office buildings at Marina Bay)</td>
</tr>
<tr>
<td>No. of storeys</td>
<td>About 40</td>
</tr>
<tr>
<td>Target completion</td>
<td>Before end-2014</td>
</tr>
</tbody>
</table>

Artist’s impression only. Actual design may change without notification.
Joint venture partner needed as total project cost exceeds 10% of CCT total assets

According to the Property Fund Guidelines issued by the Monetary Authority of Singapore,

“The total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10% of the property fund’s deposited property [total asset size].”

<table>
<thead>
<tr>
<th>Estimated total project development cost</th>
<th>CCT’s total asset size as at 31 Mar 2011</th>
<th>10% of CCT’s total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>S$1.4 billion</td>
<td>S$6.0 billion</td>
<td>S$601 million</td>
</tr>
</tbody>
</table>
2. Joint Venture Structure
**Collaboration with strong partners allows leverage of expertise and strengths**

<table>
<thead>
<tr>
<th>CapitaLand (CL)</th>
<th>CapitaCommercial Trust (CCT)</th>
<th>Mitsubishi Estate Asia (MEA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• One of Asia’s largest real estate companies</td>
<td>• Driver of redevelopment project</td>
<td>• Strategic partner of CL</td>
</tr>
<tr>
<td>• Strong track record in real estate development and services including design &amp; development, project management, marketing &amp; leasing and property management</td>
<td>• Premier office landlord with consistently above market occupancy</td>
<td>• Proven record in property development, architecture research and design</td>
</tr>
<tr>
<td>• Strong balance sheet</td>
<td>• Extensive REIT management expertise</td>
<td>• Subsidiary of Mitsubishi Estate Co., Ltd., a leading international property company; substantial commercial portfolio in Japan, including over 30 buildings (net area of 17 million sq ft) in Tokyo’s Marunouchi area.</td>
</tr>
<tr>
<td>• Sponsor of CCT (owns 31.9%)</td>
<td>• Proven track record in asset and capital management</td>
<td>• Owner of over 3 million sq ft of commercial space in Singapore’s Central Area</td>
</tr>
</tbody>
</table>

**CapitaLand (CL)**
- One of Asia’s largest real estate companies
- Strong track record in real estate development and services including design & development, project management, marketing & leasing and property management
- Strong balance sheet
- Sponsor of CCT (owns 31.9%)

**CapitaCommercial Trust (CCT)**
- Driver of redevelopment project
- Premier office landlord with consistently above market occupancy
- Extensive REIT management expertise
- Proven track record in asset and capital management
- Owner of over 3 million sq ft of commercial space in Singapore’s Central Area

**Mitsubishi Estate Asia (MEA)**
- Strategic partner of CL
- Proven record in property development, architecture research and design
- Subsidiary of Mitsubishi Estate Co., Ltd., a leading international property company; substantial commercial portfolio in Japan, including over 30 buildings (net area of 17 million sq ft) in Tokyo’s Marunouchi area.
Joint venture structure

- **CapitaLand Commercial**
  - The Property Manager
  - The Project Manager

- **MSO Trust**
  - Preserves tax privileges for CCT

- **MSCP**
  - 100%

- **CL 50%**
- **CCT 40%**
- **MEA 10%**

- Property Management Services
- Project Management Services

- The Trustee-Manager (CCT Manager and CapitaLand Commercial)

Management committee to manage day-to-day matters of MSO Trust
Role of Management Committee

• 5 members: 3 nominated by CCL and 2 nominated by CCT Trustee
• Acts on behalf of MSO Trustee-Manager to manage daily operation matters of MSO Trust
• Performs all of MSO Trustee-Manager’s obligations
Independent valuations to assess residual value of land for the proposed office development

Basis: Residual land valuation approach

Jones Lang LaSalle (appointed by CCT Manager)  
S$53.6 million

CB Richard Ellis (appointed by CCT Trustee)  
S$53.0 million

Average valuation  
S$53.3 million  
9.7%  
S$48.6 million (as a car park as at 31 Dec 2010)

As comparison, Golden Shoe Car Park valuation as a car park grew by 0.8% from S$109.1 million as at 31 Dec 2010, to S$110.0 million as at 30 Jun 2011.
Sale to MSO Trust at $56m with call option to buy completed asset within 3 years after TOP

1. Sale price of $56 million*

2. TOP in 2014

3. Call option (CCT’s right to buy) at market valuation** after TOP

*15.2% above Dec 2010 valuation as a car park

** Price must give at least a compounded return of 6.3% per annum (CapitaLand’s estimated cost of capital) to the sellers before the call option can be exercised.
3. Project Details
JV pays for 100% enhancement in land value which makes up bulk of land-related costs

Others (costs borne by CCT and recoverable from MSO Trust, tenant compensation, marketing, financing and contingency)

- Construction & Professional fees: $550m (39%)
- Differential premium and other land related costs: $672m
- Premium: $2.7m
- Valuation as car park: $48.6m
- Valuation with redevelopment: $53.3m

Total project cost: $1.4b

Total land cost: $728m
Funding

**MSO Trust**
S$1.4 billion

Expected loan to value: 40% to 60%

- **CL 50%**
  - Equity: S$280m to S$425m

- **CCT 40%**
  - Equity: S$224m to S$340m

- **MEA 10%**
  - Equity: S$56m to S$85m
Project milestones

Jan 2008
Outline planning permission given to enhance land use

Jan 2009
Aborted plan during Global Financial Crisis

Decommissioning and demolition

2nd half 2014
Complete redevelopment

From Jul 2011
Commence redevelopment

14 Jul 2011
Announced joint venture

30 Jun 2011
Closure of car park

19 Apr 2011
Announced redevelopment

31 Jan 2011
Confirmed obtaining of provisional permission for redevelopment

Outstanding issues
- No. of car park lots provision
- Link to MRT station
4. CapitaLand Commercial’s strategy
Strengthening pipeline of commercial properties

• Continue to develop or incubate green or brown-field projects

• Seek accretive income-producing assets

• Leverage on integrated real estate expertise from design and development to fund management

Singapore
• Increase office footprint in Singapore’s CBD and regional commercial hubs (next to MRT stations)

Overseas
Increase footprint in:
• Malaysia (KL, Cyberjaya, Petaling Jaya, Iskandar)
• India (Mumbai, Bangalore and Chennai)
• Japan (Tokyo Metropolitan)
Enhancing commercial assets in Singapore

• Market Street Office Tower
  – JV with CCT and MEA to redevelop Market Street Car Park into a new office tower (CCL: 50% stake)
  – Estimated GFA: 887,000 sq ft
  – Scheduled completion: before end-2014

• Jurong Gateway development
  – JV with CapitaMalls Asia and CapitaMall Trust (CCL: 20% stake)
  – Estimated GFA: 383,000 sq ft
  – Scheduled completion in 2014
Supplementary slides
Contributes about 1% of CCT’s net property income

Notes:
(1) For the period from 1 Jan 2011 to 30 Jun 2011
(2) Represents CCT’s interest of 60% in Raffles City
# About Market Street Car Park

## Property Factsheet

**(as at 31 Mar 2011)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
<td>146 Market Street, Singapore 048945</td>
</tr>
<tr>
<td><strong>Site area</strong></td>
<td>58,970 sq ft</td>
</tr>
<tr>
<td><strong>Land title</strong></td>
<td>Leasehold estate expiring 31 Mar 2073</td>
</tr>
<tr>
<td><strong>Net lettable area</strong></td>
<td>25,400 sq ft (excluding car park area)</td>
</tr>
<tr>
<td><strong>Valuation</strong></td>
<td>S$48.6 million (as at 31 Dec 2010)</td>
</tr>
<tr>
<td></td>
<td>&lt;1% of CCT's portfolio valuation</td>
</tr>
<tr>
<td><strong>Net property income</strong></td>
<td>About 1% of portfolio</td>
</tr>
<tr>
<td><strong>Committed occupancy</strong></td>
<td>100%</td>
</tr>
<tr>
<td><strong>Tenants</strong></td>
<td>23</td>
</tr>
<tr>
<td><strong>Car park lots</strong></td>
<td>704 (2nd to 8th storeys)</td>
</tr>
<tr>
<td><strong>Awards</strong></td>
<td>Green Mark certified by Building and Construction Authority of Singapore</td>
</tr>
</tbody>
</table>
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