



Frasers Commercial Trust 2QFY11 Financial Results

21 April 2011

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→ **Results**

→ **Portfolio review**

→ **Capital management**

→ **Moving Forward**

Results

Key highlights:



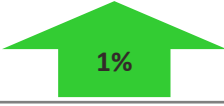
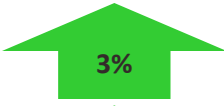
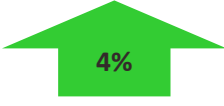
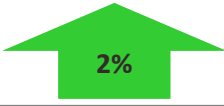
- Second quarter distributable income to Unitholders of S\$10.1m, ↑ 2% Y-o-Y
- Distribution to CPPU holders of S\$4.6m, represents 5.5% distribution yield on the offer price of S\$1.0
- Portfolio average occupancy rates ↑ 5.9% to 97.7% in 2Q11
- Australia Portfolio achieved 100% occupancy rates with a long WALE of 7.3 years
- New leases signed by Jones Lang LaSalle and existing tenant Hamersley Iron for over 4,960 sq m have increased occupancy at Central Park by 7.5% to 100%
- 93.3% of portfolio gross rental income is secured for the second half of FY11

2Q distributable income up 2% Y-o-Y

1 Jan 2011 – 31 Mar 2011 (S\$ '000)	2Q FY11	Y-o-Y Change (%)	Contributing factors
Gross Revenue	29,626	-	<ul style="list-style-type: none"> Higher contribution from Central Park and KeyPoint was offset by loss of contribution from Cosmo Plaza
Net Property Income	23,847	↑ 1%	<ul style="list-style-type: none"> Higher contribution from Central Park and KeyPoint; lower property operating expenses achieved
Net Property Income (Ex-Cosmo)	23,868	↑ 3%	<ul style="list-style-type: none"> Higher contribution from Central Park and KeyPoint; lower property operating expenses achieved
Total distributable income	14,722	↑ 2%	<ul style="list-style-type: none"> Increase in NPI carried through to total distributable income
- Unitholders	10,077	↑ 2%	<ul style="list-style-type: none"> Attributable to increase in total distributable income
- CPPU holders	4,645	-	<ul style="list-style-type: none"> Full quarter distribution for CPPU holders
Distribution per CPPU Unit (Cents)	1.36	-	<ul style="list-style-type: none"> Full quarter distribution for CPPU holders
DPU (cents per Unit) ¹	1.61	↑ 1%	<ul style="list-style-type: none"> DPU increased Y-o-Y in line with distributable income

¹ The number of Units used to calculate the DPU has been adjusted for the effect of the consolidation of every five existing Units (the "Unit Consolidation") held by the Unitholders into one consolidated Unit pursuant to the completion of the Unit Consolidation on 11 February 2011.

1H results lifted by improvement in 2Q

1 Oct 2010 – 31 Mar 2011 (\$'000)	1H FY11	Y-o-Y Change (%)	Contributing factors
Gross Revenue	58,607	 1%	<ul style="list-style-type: none"> Higher contribution from the strengthening of the A\$ and KeyPoint was offset by loss of contribution from Cosmo Plaza
Net Property Income	46,793	 1%	<ul style="list-style-type: none"> Higher contribution from the strengthening of the A\$ and KeyPoint was offset by loss of contribution from Cosmo Plaza
Net Property Income (Ex-Cosmo)	47,045	 1%	<ul style="list-style-type: none"> Higher contribution from the strengthening of the A\$, Central Park and KeyPoint
Total distributable income	27,366	 3%	<ul style="list-style-type: none"> Absence of loss from realisation of forward contract incurred in the prior period
- Unitholders	17,973	 4%	<ul style="list-style-type: none"> Attributable to increase in total distributable income
- CPPU holders	9,393	-	<ul style="list-style-type: none"> Full half-year distribution for CPPU holders
Distribution per CPPU Unit (Cents)	2.74	-	<ul style="list-style-type: none"> Full half-year distribution for CPPU holders
DPU (cents per Unit) ¹	2.86	 2%	<ul style="list-style-type: none"> DPU increased Y-o-Y in line with distributable income

¹ The number of Units used to calculate the DPU has been adjusted for the effect of the Unit Consolidation.

Distribution to be paid on 30 May 2011

Distribution Period	1 October 2010 to 31 March 2011
	Distribution of 2.8639 cents per Unit comprising:
Ordinary Unit Distribution Rate	a) taxable income distribution of 2.2927 cents; b) tax-exempt income distribution of 0.5712 cents; and
	Distribution of 2.7425 cents per CPPU Unit comprising:
CPPU Distribution Rate	a) taxable income distribution of 2.1955 cents; and b) tax-exempt income distribution of 0.5470 cents
Last day of trading on “cum” basis	Wednesday, 27 April 2011
Ex-distribution trading commence	Thursday, 28 April 2011
Distribution Books Closure Date	Tuesday, 3 May 2011 at 5.00 pm
Distribution Payment Date	Monday, 30 May 2011

Portfolio review

0.7% decrease in portfolio value due to FX translation

Asset	Date of valuation	Local currency Value (millions)	Translation as at 31 March 2011 (\$\$ million) ¹	Variance from 31 December 2010	
				Total variance (\$\$ million)	Total variance (%)
China Square Central	30 September 2010	S\$545.0	545.0	-	-
55 Market Street	30 September 2010	S\$119.7	119.7	-	-
KeyPoint	30 September 2010	S\$283.0	283.0	-	-
Alexandra Technopark	30 September 2010	S\$351.2	351.2	-	-
Central Park	30 September 2010	A\$288.3 ²	365.0	(10.7)	(2.8%)
Caroline Chisholm Centre	30 September 2010	A\$90.0 ²	114.0	(3.3)	(2.8%)
Azabu Aco	30 September 2010	¥1,430.0	22.4	-	-
Galleria Otemae	30 September 2010	¥4,745.4	74.3	0.1	0.1%
Ebara Techno-Serve	30 September 2010	¥2,420.0	37.9	0.1	0.3%
Existing Properties			1,912.5	(13.8)	(0.7%)
AWPF investment	31 March 2011	A\$24.9	32.5	-	-

¹ Translated at ¥63.86= S\$1.00 and A\$1.00 = S\$1.2663 being the prevailing spot rates at close of quarter accounts.

² Represents FrasersComm's 50.0% indirect interest in the asset.

Singapore and Australia properties account for 93% of portfolio value

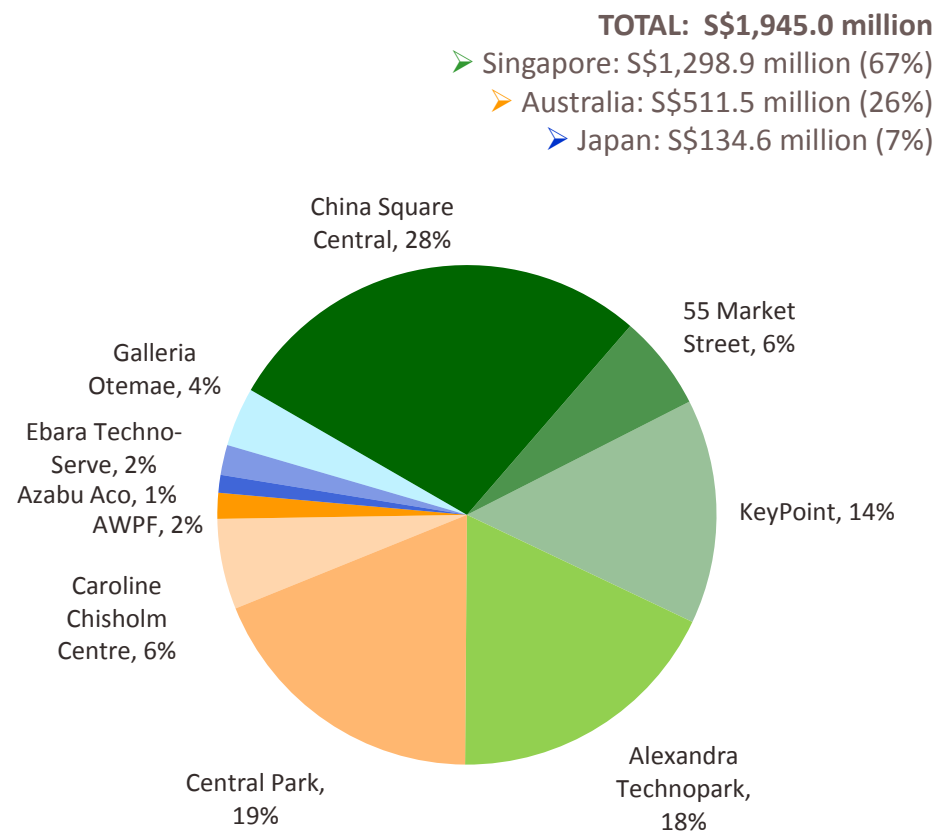
■ Singapore & Australia:

- Accounts for 93% of portfolio value
- Singapore properties constitute more than 50% of total asset value

■ Japan:

- Properties values up by S\$0.2 million due to the slight strengthening of the Japanese Yen
- Comprises only 7% of portfolio value

Asset values ¹

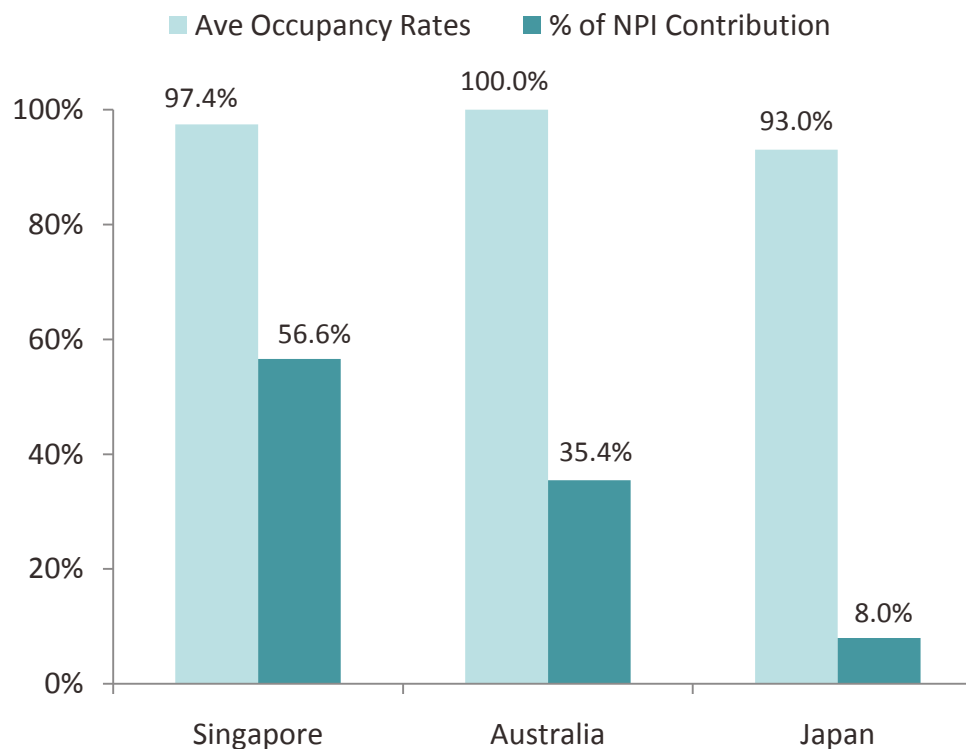


¹ Based on the valuation as at 31 March 2011 converted to Singapore dollars. See 2QFY11 Financial Statements for further information.

Robust portfolio occupancy rate of 97.7%

Key portfolio statistics	As at 31 March 2011
WALE by gross rental income	3.9 years
Ave Occupancy	97.7%

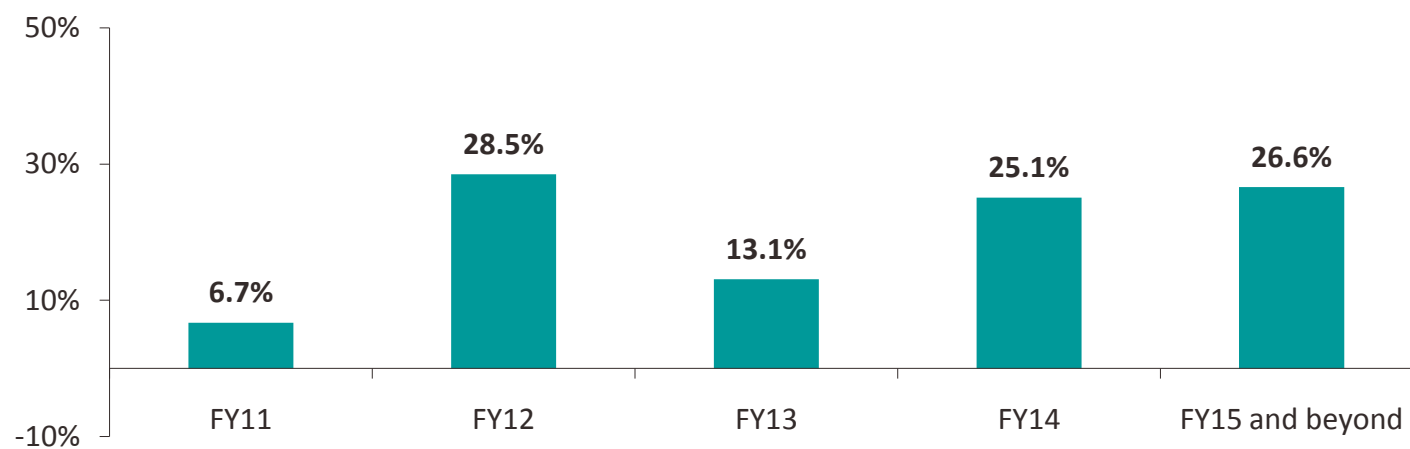
Geographical occupancy and % of NPI contribution



As at 31 March 2011. Excludes AWPf and retail turnover rent

Healthy lease expiry profile

Portfolio lease expiry by gross rental income

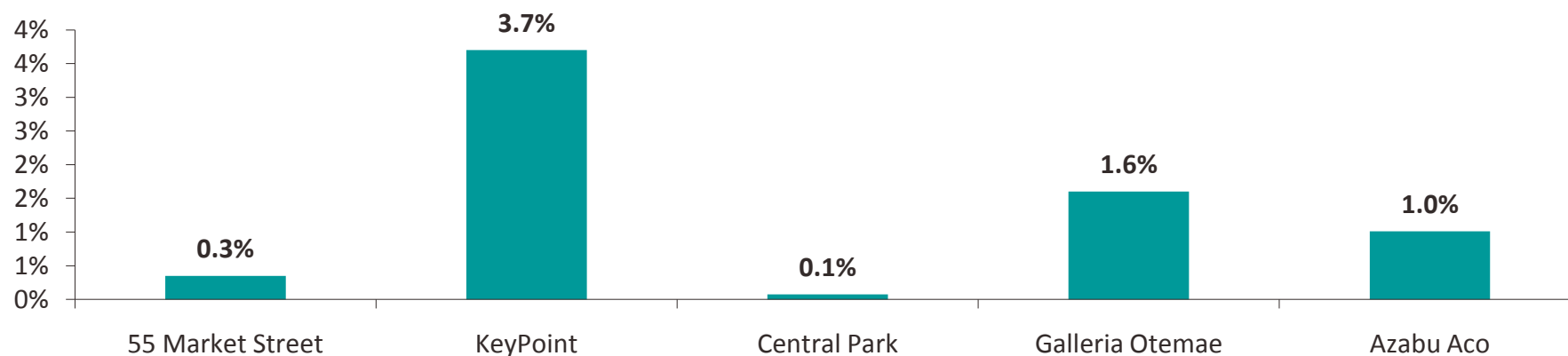


Number of leases expiring	54	90	82	21	24
NLA (sq ft) expiring	107,088	563,978	215,030	1,125,447	477,916
Expiries as % total NLA	4.2%	22.1%	8.4%	44.1%	18.7%
Expiries as % total Gross Rental Income	6.7%	28.5%	13.1%	25.1%	26.6%

As at 31 March 2011. Excludes AWPf and retail turnover rent

Only 6.7% of gross rental income is due for renewal for FY11

Property lease expiry as a proportion of total portfolio gross rental income



Expiring leases in FY11

Number of leases expiring	1	36	1	14	2
Average passing rent	\$10.5	\$5.4	AUD \$643	¥10,505	¥18,119

Almost 25% of gross rental income has built-in fixed rent step-ups of approximately 4.0% for FY11

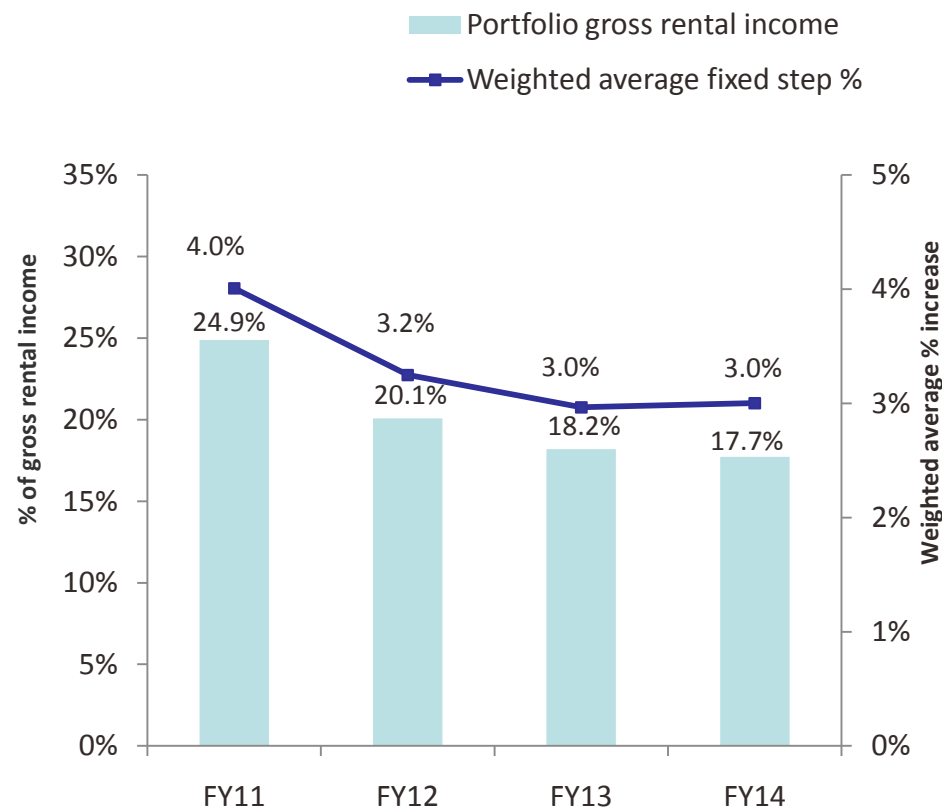
FY11 - Fixed % lease rent reviews

Property	Leases	Average step-up rent	GROSS RENTAL INCOME	
			Property	Total Portfolio
KeyPoint	10	10.8%	4.6%	0.6%
55 Market Street	3	4.6%	24.5%	1.2%
Caroline Chisholm Centre	1	3.0%	100.0%	9.4%
Central Park	16	4.3%	56.3%	13.7%

FY11 - Other mid-term lease rent reviews

Property	Leases	Review mechanism	GROSS RENTAL INCOME	
			Property	Total Portfolio
55 Market Street	1	Market	15.8%	0.8%
Central Park	5	Market	21.4%	5.2%
Central Park	4	CPI	9.5%	2.3%

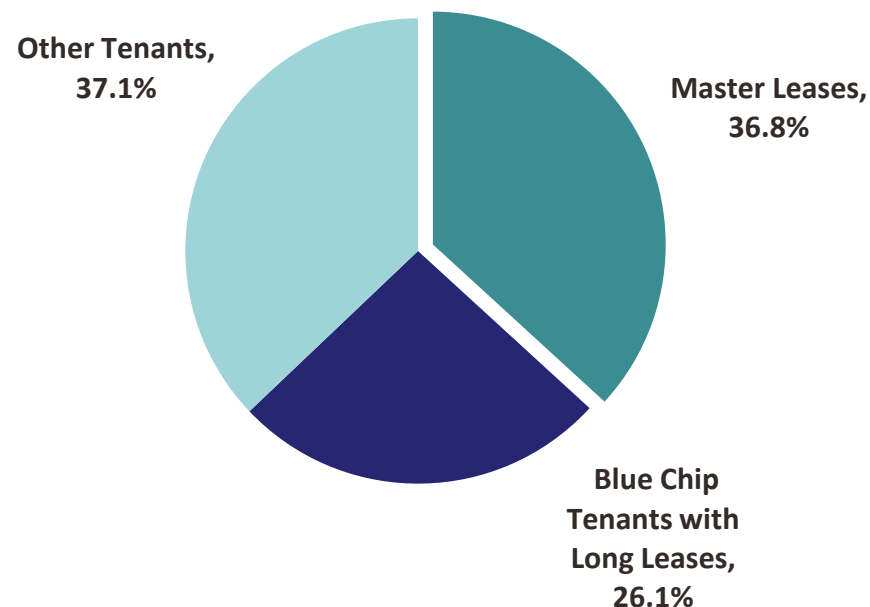
FY11 - 14 - Portfolio fixed % reviews



Master lessees/ blue chip tenants with long leases contribute >62% of total gross rental income

Master Leases		
Tenant	Lease Expiry	% (Gross Rental Income)
Alexandra Technopark – Orrick Investments Pte Ltd	Aug 2014	20.5%
China Square Central – Unicorn Square Limited	Mar 2012	16.3%
Total		36.8%

Blue Chip Tenants with Long Leases		
Tenant	Lease Expiry	% (Gross Rental Income)
Commonwealth of Australia (Centrelink)	Jul 2025	9.8%
Hamersley Iron Pty Ltd	Jun 2018	6.5%
Ebara Corporation	May 2015	2.4%
BHP Billiton Petroleum Pty Ltd	Nov 2015	2.0%
Dabserv Pty Ltd (Mallesons Stephen Jaques)	Jun 2014	1.8%
DLA Phillips Fox	Jun 2020	1.4%
Government Employees Superannuation Board (WA)	May 2017	1.2%
Plan B Administration Pty Ltd	April 2019	1.1%
Total		26.1%



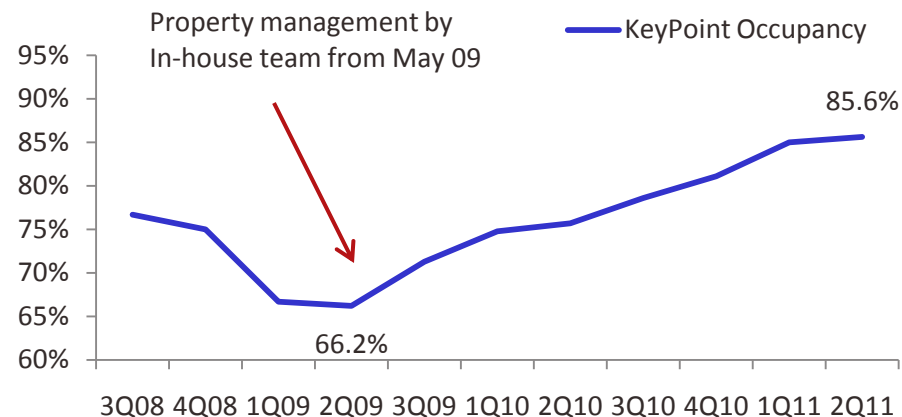
Master Lessees
 +
Blue Chip Tenants with Long Leases
 =
 62.9% portfolio income secured

KeyPoint – Strong growth momentum

▪ Tenancy activity:

- 18 new leases and renewals have commenced in 2QFY11 with average rental range for office tenants from \$4.2 to \$5.1 psf pm
- Major tenants commenced include Hyundai Engineering & Construction and L'Oréal
- Non-renewals of 10,259 sq ft were completely offset by new leases in 2QFY11 with net take up of 12,335 sq ft
- Occupancy ↑ 0.6% to 85.6% in March from 85.0% in December
- Committed occupancy is 87.4%

KeyPoint occupancy rate



KeyPoint Leases	Number	NLA	Average rental range S\$ psf pm
New leases (commenced 2QFY11)	10	12,335	4.3 – 5.1
Renewals	8	9,741	4.2 – 4.7
Total	18	22,076	4.2 – 5.1

China Square Central – Rise in committed occupancy

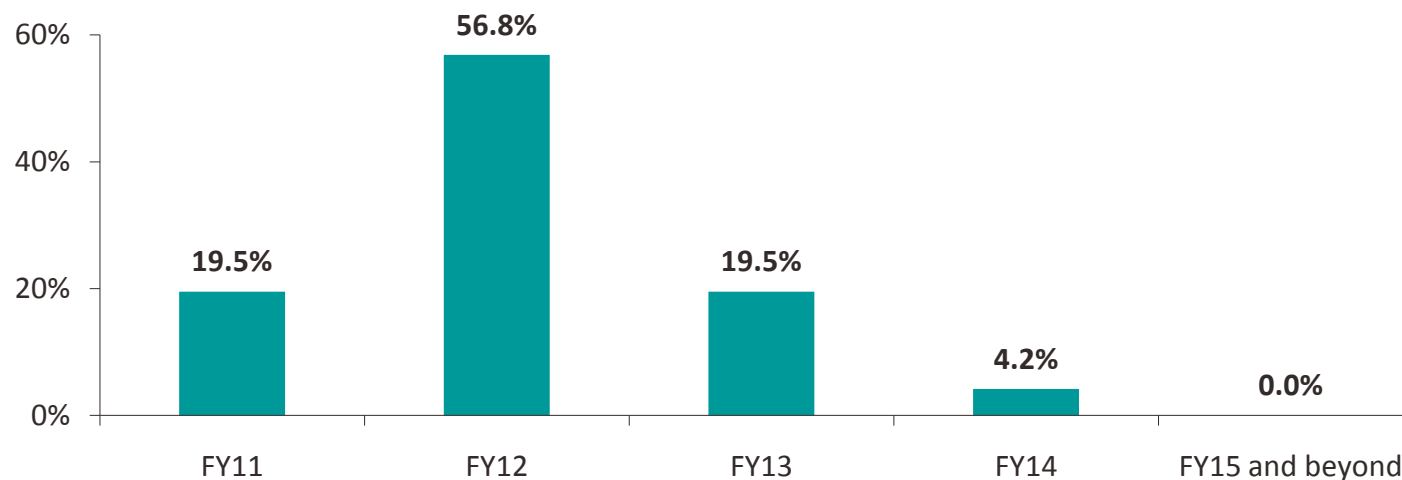
- **Healthy committed occupancy rate:**
 - Committed occupancy has increased to 94.3% in March from 93.7% in December
 - New and renewal leases commenced include Hinoki Japanese Dining, Chatham Financial and Obtech Asia Pacific



Committed occupancy rate	As at 31 December 2010	As at 31 March 2011
Office	96.4%	96.4%
Retail	86.5%	88.6%
Total	93.7%	94.3%

China Square Central – Average passing rent below \$6.0 psf pm

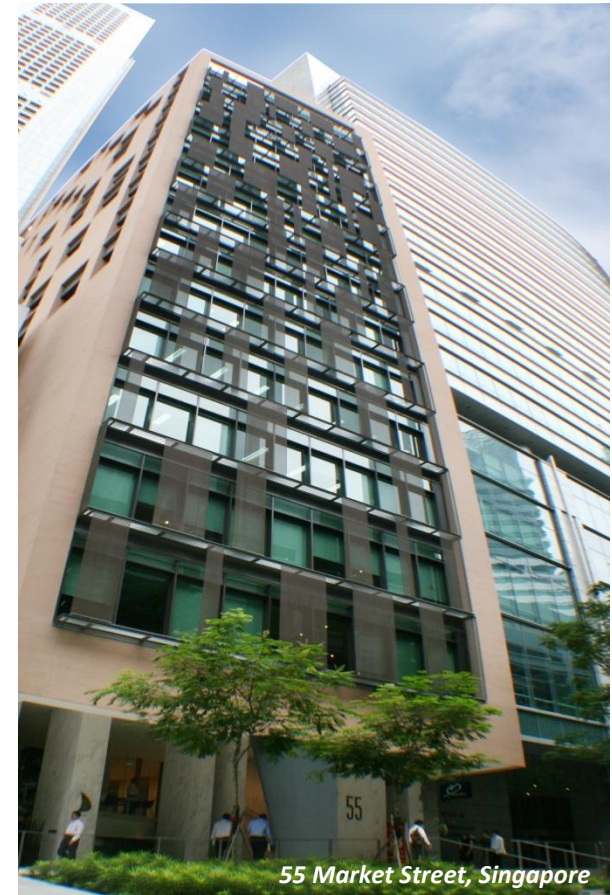
Lease expiry by gross rental income



Number of leases expiring	21	54	31	8	0
NLA (sq ft) expiring	76,721	188,417	63,944	15,099	0
Expiries as % total Gross Rental Income	19.5%	56.8%	19.5%	4.2%	0.0%
Average passing rent	\$5.1	\$6.0	\$6.1	\$5.5	\$0.0

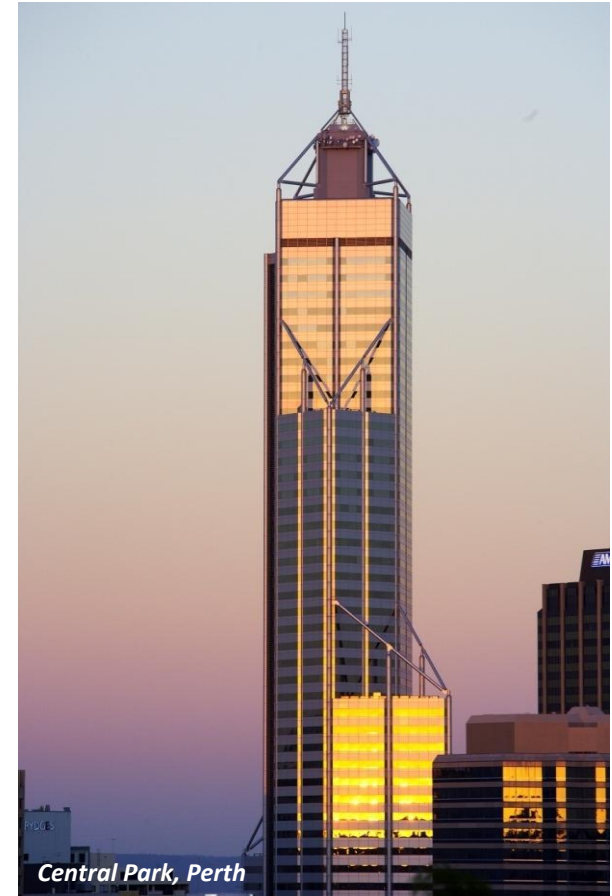
55 Market Street – Occupancy at 95.8%

- **Healthy occupancy:**
 - Occupancy ↑ 6.2% to 95.8% in March from 89.6% in December
 - In the quarter, two office leases have commenced and signed for 3 years at \$6.0 psf pm and \$6.5 psf pm respectively



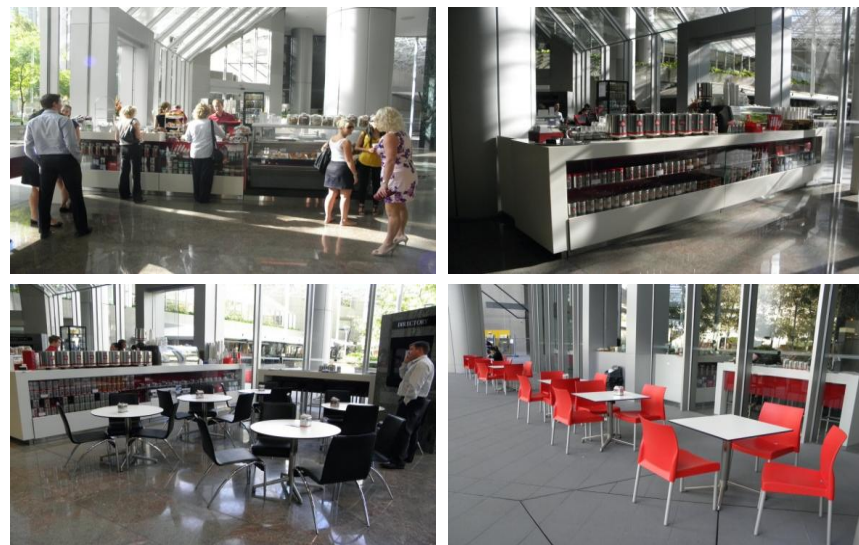
Central Park – Fully occupied

- **Commencement of new leases:**
 - Jones Lang LaSalle commenced a 10 year lease for one floor of space over 1,320 sq m
 - Expansion by existing tenant Hamersley Iron, a new 7.3 year lease over 3,639 sq m being two full floors
 - The two new leases have increased occupancy at Central Park by 7.5% to 100%
 - Long WALE by gross rental income of 4.6 years



Central Park – New lobby café

- **Capital enhancement works:**
 - Awarded additional GFA for café (20 sq m) by City of Perth for activating external walkway
 - Tenant signed a 6 year lease with annual CPI review and contributed towards the cost of the Lobby café works



Lobby Café	(A\$ '000)	Remarks
NPI per annum	28	Based on 50% indirect interest
CAPEX	100	Based on 50% indirect interest and exclude contributions from tenant
Return on investment	28%	Tenant signed a 6 year lease with annual CPI review

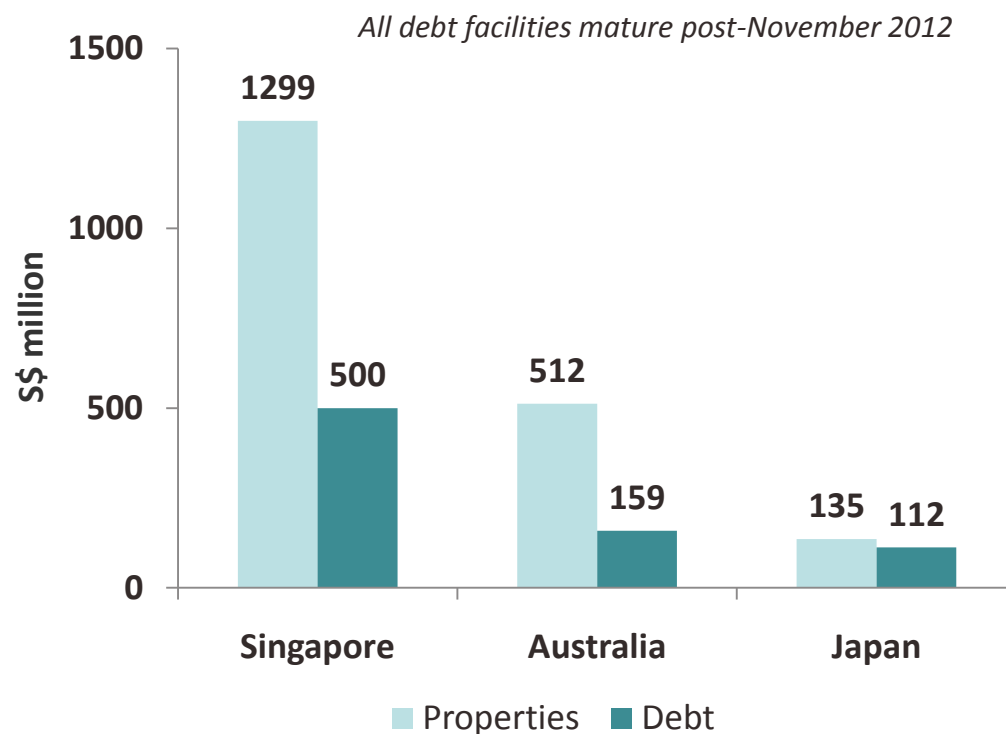
Capital management

Gearing reduce by 2% with sale of Cosmo Plaza

Statistics

	As at 31 March 2011
Total Assets (S\$'000)	2,039,282
Gross Borrowings (S\$'000)	770,606
Units on Issue and Issuable	627,573,170
NAV per Unit (ex-DPU) ¹ (S\$)	1.34
NAV per Unit (assuming all CPPUs are converted into Units) ^{1,2} (S\$)	1.29
Gearing ³	37.8%
Interest coverage ratio (times) ⁴	2.81
Average borrowing rate ⁵	4.3%

Borrowings and assets by currency



¹ The number of Units used to calculate NAV per Unit has been adjusted for the effect of the Unit Consolidation.

² 342,500,000 Series A CPPUs are converted into Conversion Units at the conversion price of S\$1.1845 per Unit

³ Calculated as gross borrowing as a percentage of total assets

⁴ Calculated as net income before changes in fair values of investment properties, interest, other investment and derivative financial instruments, income tax and distribution and adding back certain non-recurring items/ cash finance costs for the quarter ended 31 March 2011. See accompanying 2QFY11 Financial Statements announcement for more details.

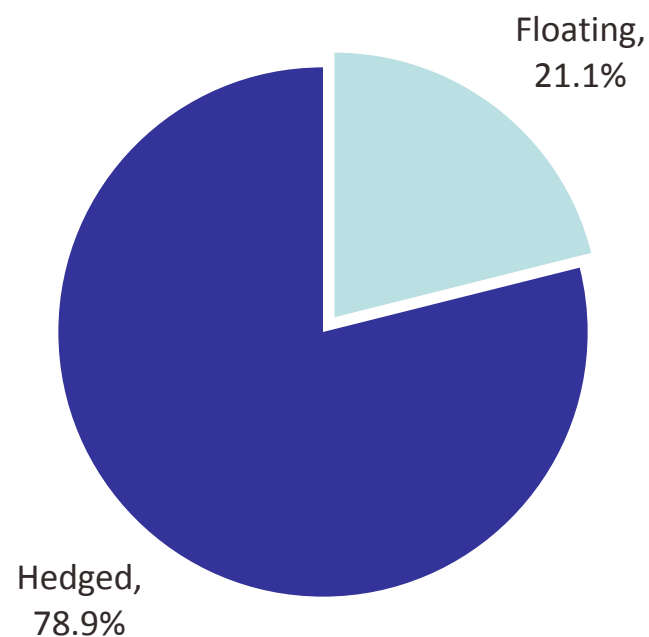
⁵ For quarter ended 31 March 2011

Hedged more than 78% of Gross Borrowings

Hedging debt

As a % of:	As at 31 March 2011
SGD Borrowings	75.2%
AUD Borrowings	75.8%
JPY Borrowings	100.0%
Total Gross Borrowings	78.9%

Debt composition – floating vs. hedged



Moving forward

Office market begins to stabilise

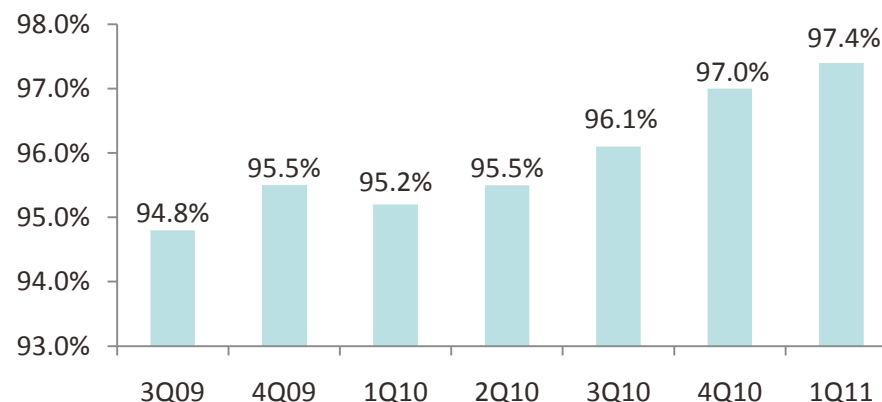
■ Market conditions ¹

- Office market begins to stabilise after the sharp upward market adjustments in 2010
- Grade A rents rose 4.0% q-o-q to an average of \$10.3 psf/mth, up from \$9.9 psf/mth last quarter
- Grade A take-up was 1.03 million sq sf in Q12011, contributed mainly by the high occupancy levels of OUE Bayfront and Ocean Financial Centre which both obtained their Temporary Occupancy Permit in Q12011

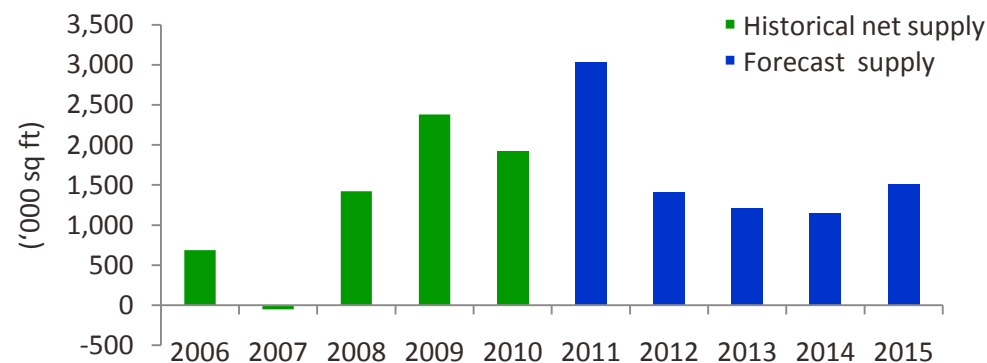
■ Supply ¹

- An estimated of 7.0 million sq ft of office space is targeted for completion from Q2 2011 to 2015, of which 54% is classified as Grade A space
- Some developers have rescheduled their projects and there is a more even spread of new supply in the next five years

FCOT's Singapore properties average occupancy



Singapore office new supply ²



¹ CB Richard Ellis, "MarketView Singapore", 1Q2011

² Source: URA; CBRE Research

Prime grade vacancy tightened in Perth's CBD office market

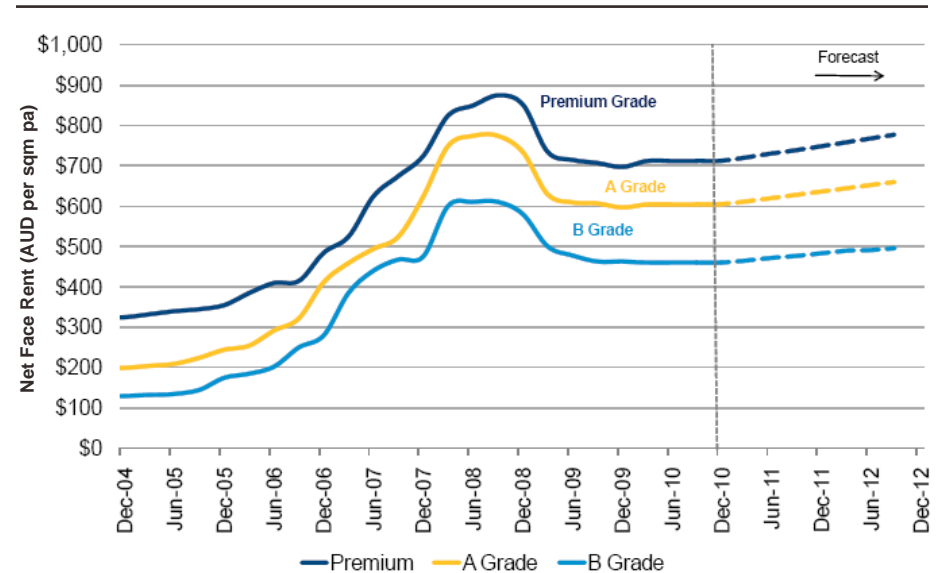
■ Market conditions ¹

- Net face rentals look to have stabilised with Premium office rentals in the region of A\$700 psm pa
- Effective rents are already experiencing growth and net rents are set for growth in 2H2011
- The flight to quality continues to occur, with a decrease in vacancy for Premium stock to 2.6% from 3.5%

■ Supply ¹

- The current supply cycle has now delivered 45.5% (172,622m²) of the office supply to the market with the current supply cycle to be largely completed by second quarter of 2012
- 145,032 sq m space currently under construction, of which 87.1% of space is pre-committed

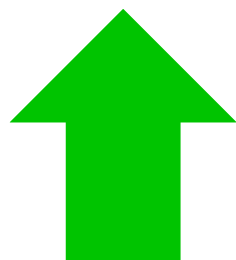
Perth CBD average net face rents ¹



¹ Colliers International Research "Perth CBD Office", Q4 2010

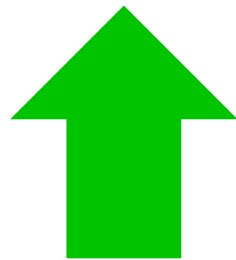
Growth Drivers

Distributable Income



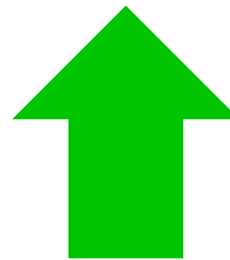
**Healthy Committed
Occupancy Boost
NPI**

Central Park – 100.0%
55 Market Street – 95.8%
KeyPoint – 87.4%



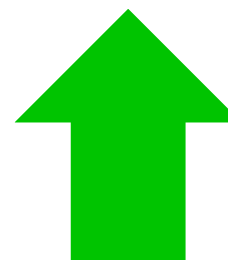
Organic Growth

Step – up Rents
- Singapore
- Australia



Potential Savings

Capitalise on prevailing
low interest rate
environment



Acquisitions

Additional headroom
created as a result of
Cosmo divestment

Thank you

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