Frasers Commercial Trust
3QFY14 Financial Results

21 July 2014

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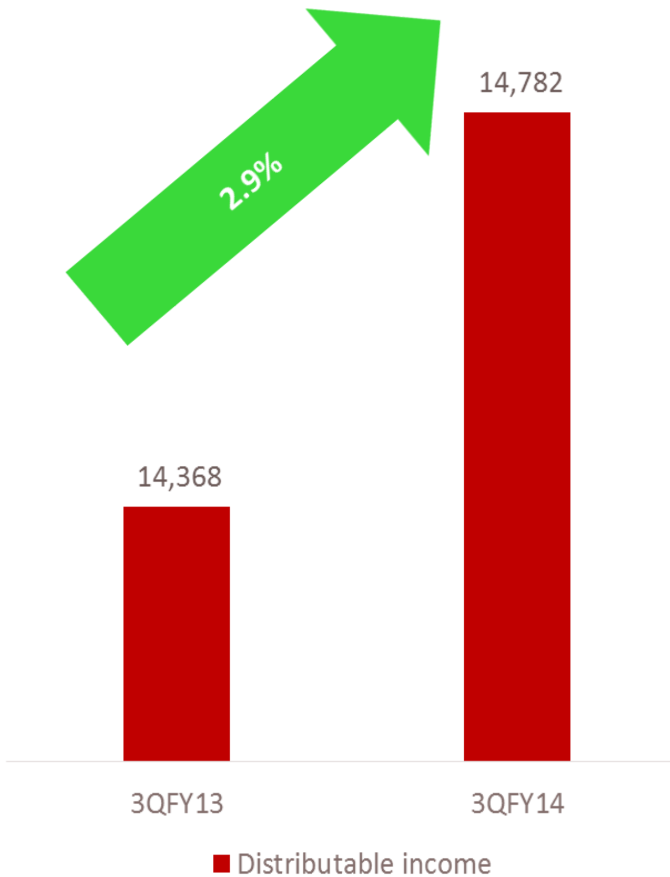
This Presentation contains certain information with respect to the trade sectors of the Trust’s tenants. The Manager has determined the trade sectors in which the Trust’s tenants are primarily involved based on the Manager’s general understanding of the business activities conducted by such tenants. The Manager’s knowledge of the business activities of the Trust’s tenants is necessarily limited and such tenants may conduct business activities that are in addition to, or different from, those shown herein.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

Results

Results – Key highlights

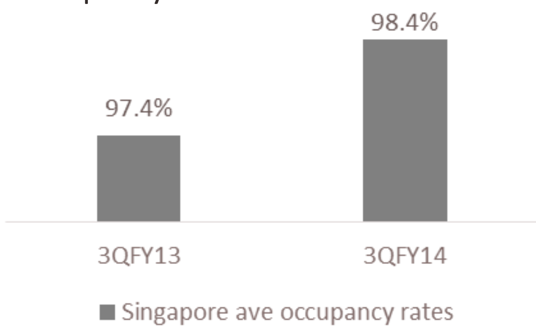


1 China Square Central continues to boost the performance of the Trust

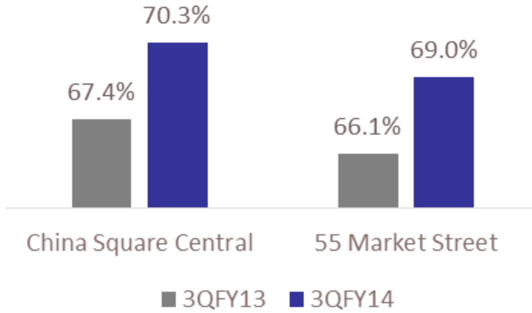
- Better performance of China Square Central, off-set by weaker Australian dollar and slightly higher expenses due to repair and maintenance works undertaken at Caroline Chisholm Centre
- Weaker Australian dollar led to lower interest expense for the Australian-dollar denominated loans

2 Overall better occupancies and improved margins for the Singapore properties

- Both China Square Central and 55 Market Street registered higher occupancy rates



- Net property income (NPI) margins have improved, due to higher rentals and operational efficiencies



3 Effective capital redeployment

- Savings in Series A CPPU distribution - redeployed proceeds from the divestment of KeyPoint to redeem Series A CPPUs

▪ 3% rise in distributable income for 3QFY14

1 Apr 2014 – 30 June 2014	3QFY14 (S$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	29,641	↓ 1%	▪ Better performance of China Square Central due to higher occupancy rate and rental rates, offset by weaker Australian dollar
Net Property Income	22,919	↓ 1%	▪ Better performance of China Square Central, offset by weaker Australian dollar and slightly higher expenses due to repair and maintenance works undertaken at Caroline Chisholm Centre
Distributable income:			
- Unitholders	14,782	↑ 3%	▪ Savings in Series A CPPU distribution arising from the net conversion and redemption of Series A CPPU and reduction in interest expenses led to the uplift in the distribution to Unitholders
- CPPU holders	2	↓ 99%	▪ Lower Series A CPPU distribution arising from the net conversion and redemption of Series A CPPU
Distribution per CPPU Unit	1.37¢	-	▪ 3QFY14 distribution for CPPU holders paid on 1 July 2014
DPU[2]	2.19¢	-	▪ DPU in line with 3QFY13

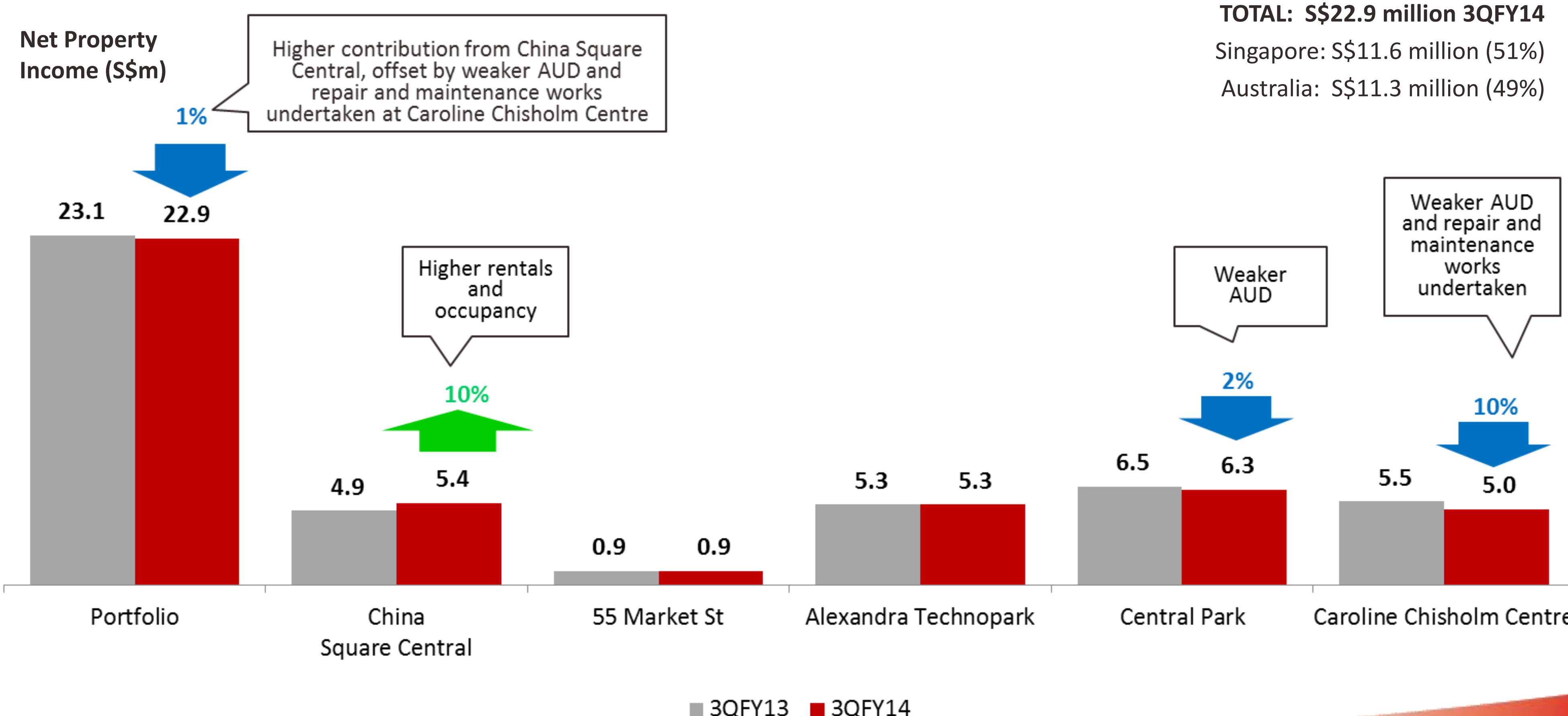
1 The number of Units used to calculate the amount available for DPU is 674,628,770. See accompanying 3QFY14 Financial Statements announcement for more details.

Better performance of China Square Central, offset by weaker performances of the Australian properties

TOTAL: S$22.9 million 3QFY14

Singapore: S$11.6 million (51%)

Australia: S$11.3 million (49%)



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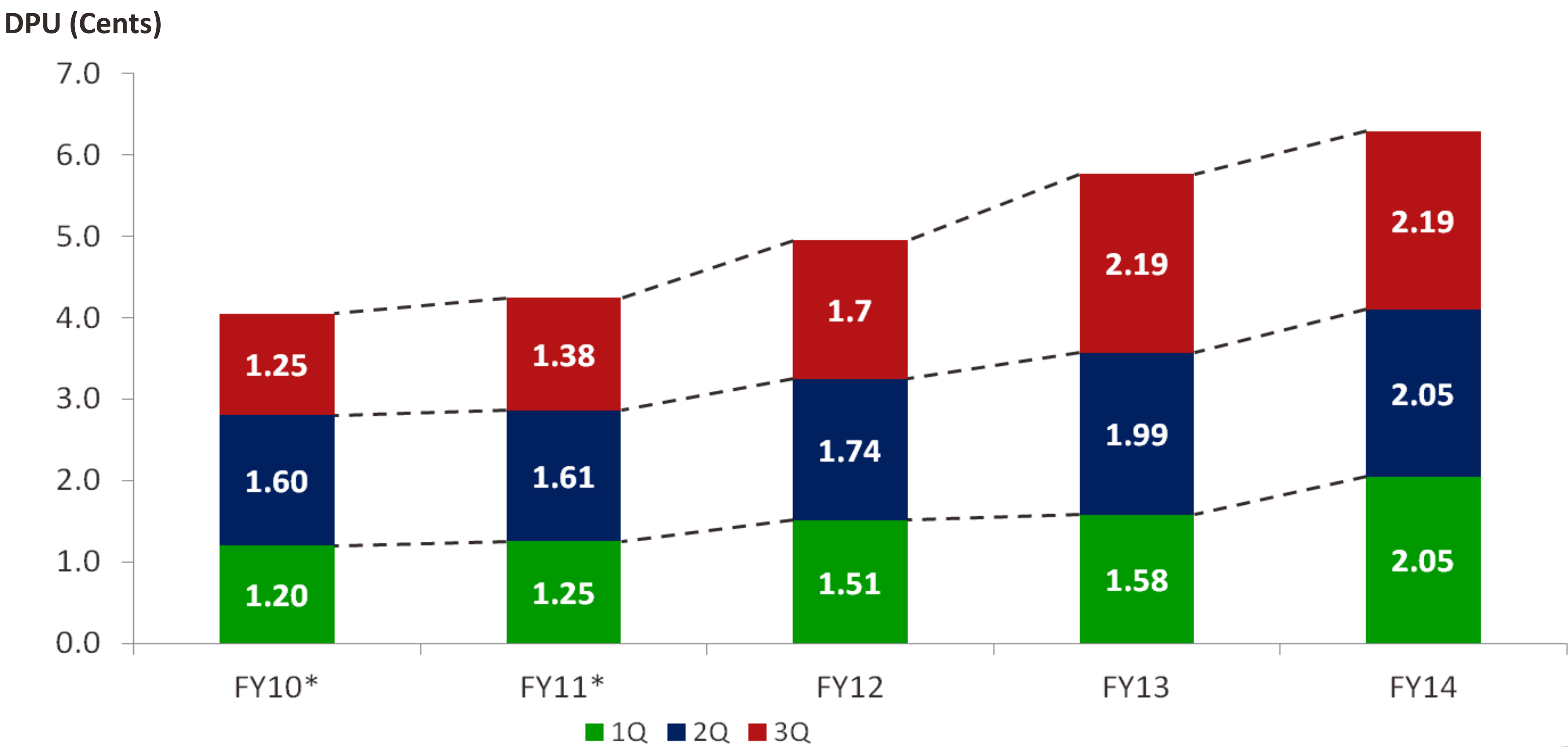
- **DPU in-line YoY**
- **Implementation of DRP for 3QFY14**



* Adjusted for Unit consolidation

Results – Distribution payment

Distribution Period	1 April 2014 to 30 June 2014
Ordinary Unit Distribution Rate	**Distribution of 2.1911 cents per Unit comprising:** a) taxable income distribution of 1.3476 cents; and b) tax-exempt income distribution of 0.8435 cents.
Last day of trading on "cum" basis	**Tuesday, 29 July 2014**
Ex-distribution trading commence	Wednesday, 30 July 2014
Distribution Books Closure Date	Friday, 1 August 2014 at 5.00 pm
Cash distribution payment date	**Friday, 29 August 2014**
Credit of Units to Unitholders' securities accounts/ listing of Units issued under the DRP on SGX-ST	**Monday, 1 September 2014**

- 1.3712 cents distribution per CPPU unit for the period from 1 April 2014 to 30 June 2014 was paid on 1 July 2014.

Portfolio review

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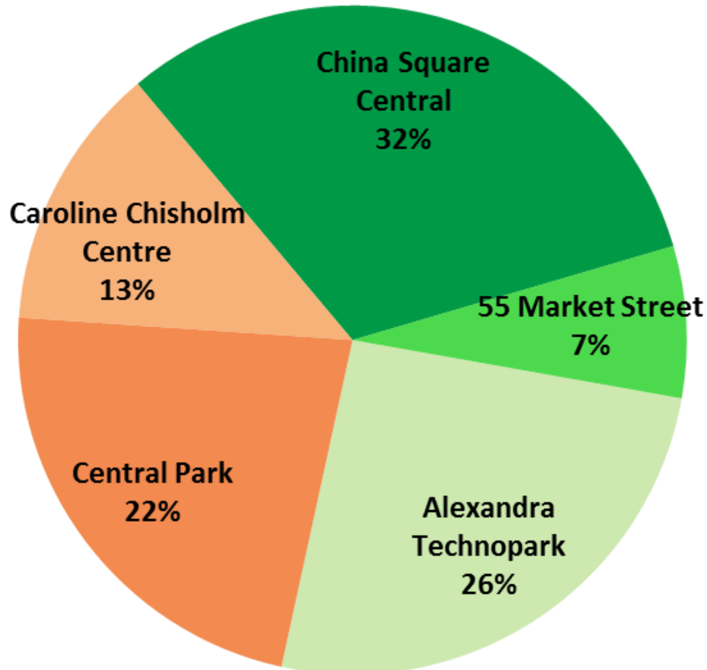
Portfolio review – Valuation

- **Balanced portfolio consisting of Singapore and Australian properties**
- **No one property consist of more than 32% of portfolio value**



Singapore	$	1,171.0	65%
Australia	$	643.7	35%
Total	$	1,814.7	**100%**

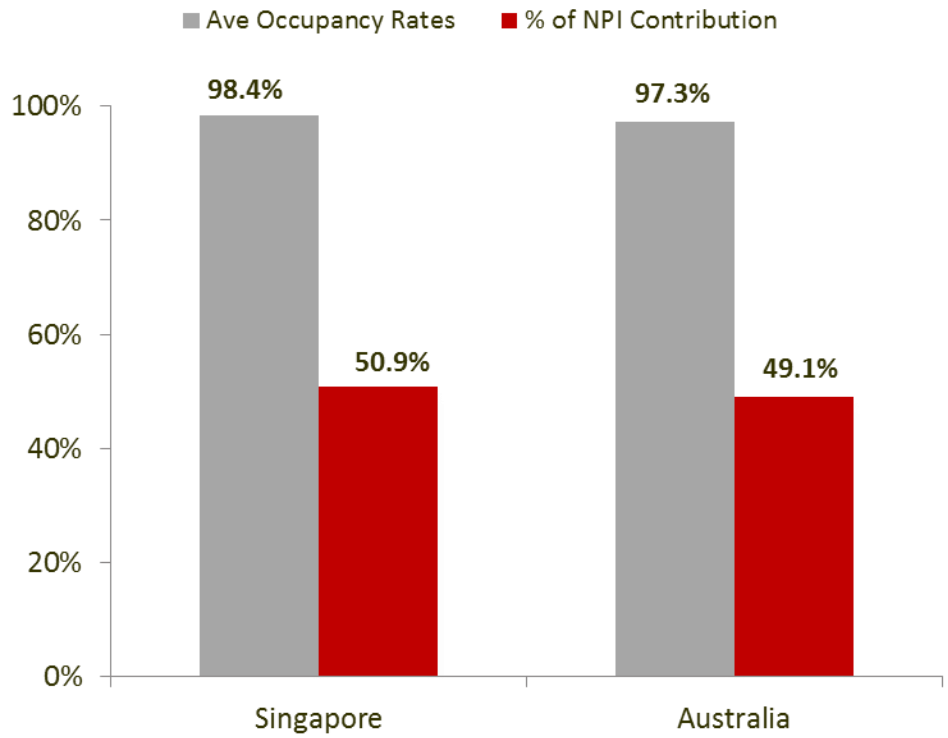
As at 30 June 2014. Excludes retail turnover rent

Portfolio review – Occupancy Rates & WALE

- **Strong average occupancy rate of 98.0%**
- **Healthy WALE of 3.9 years**

Key portfolio statistics	As at 30 June 2014
Ave Occupancy	98.0%
WALE by gross rental income	3.9 years

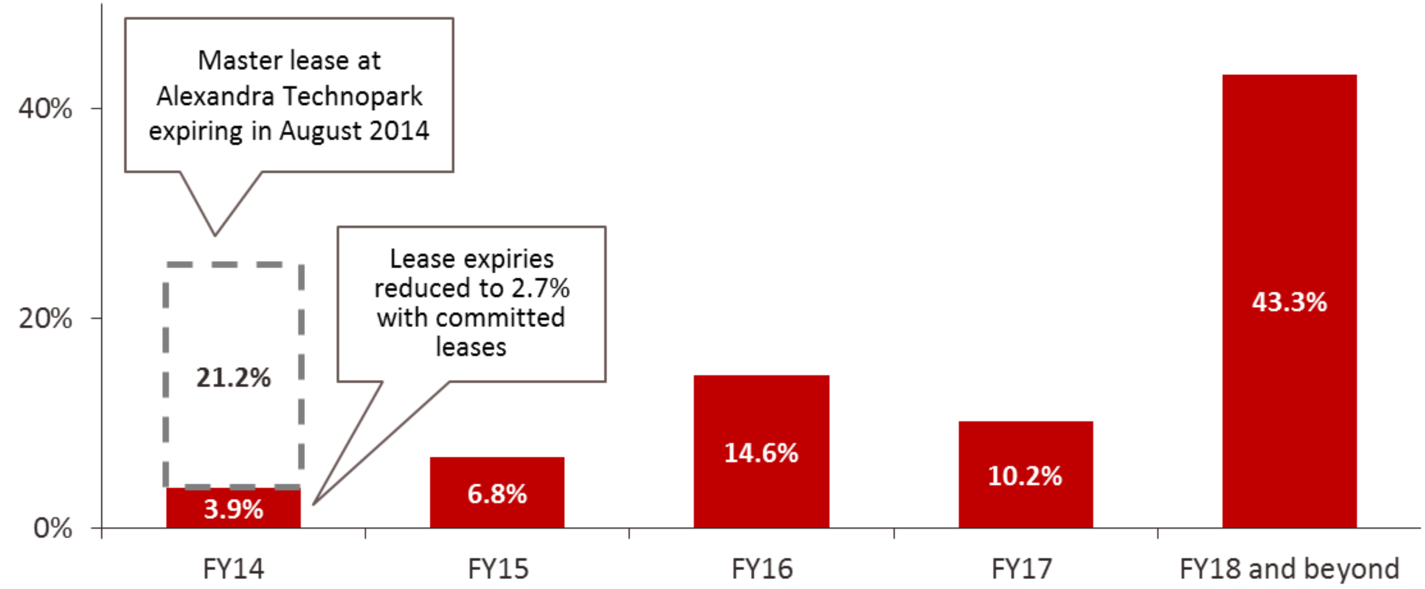
Geographical occupancy and % of NPI contribution



As at 30 June 2014. Excludes retail turnover rent

More than 43% of lease expiry in FY2018 and beyond provides income stability

Portfolio lease expiry by gross rental income

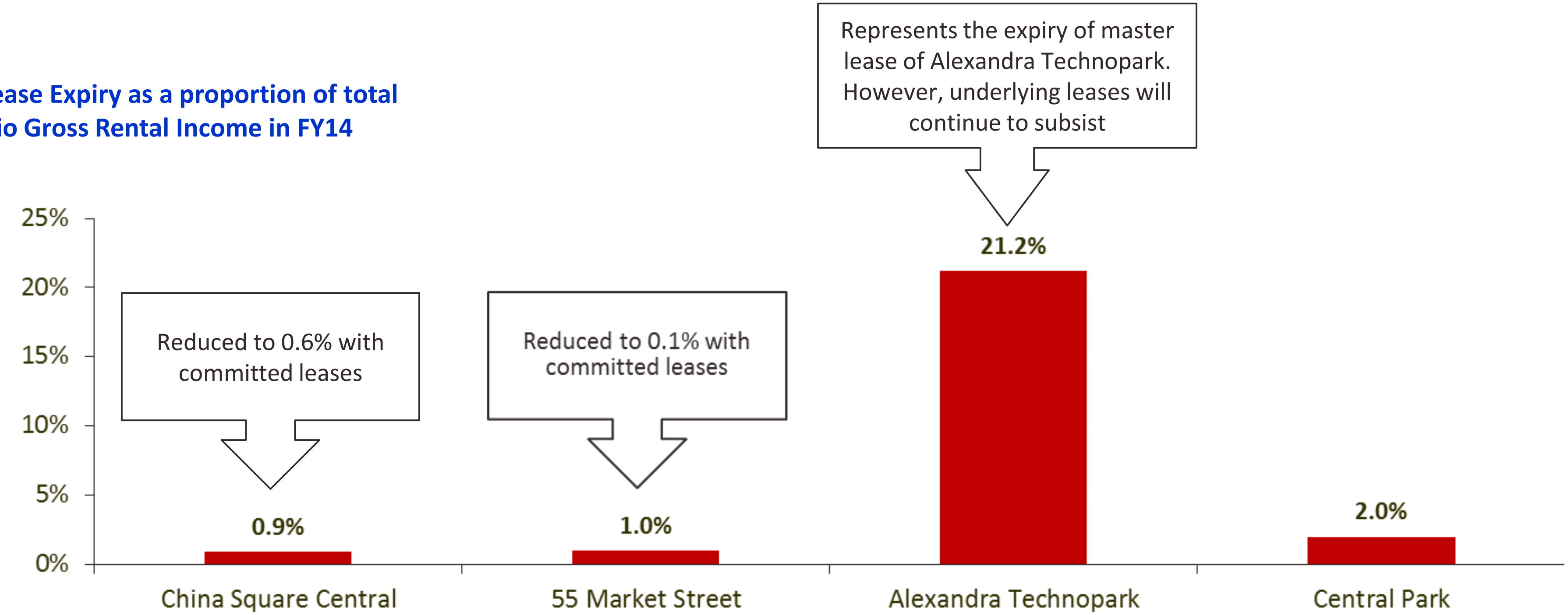


	FY14	FY15	FY16	FY17	FY18 and beyond
Number of leases expiring	20	47	62	27	21
NLA (sq ft) expiring	1,089,846	93,834	199,603	120,194	730,977
Expiries as % total NLA	48.8%	4.2%	8.9%	5.4%	32.7%
Expiries as % total Gross Rental Income	25.1%	6.8%	14.6%	10.2%	43.3%

As at 30 June 2014. Excludes retail turnover rent

Low passing rents and higher occupancy provide opportunities for higher income

Property Lease Expiry as a proportion of total Portfolio Gross Rental Income in FY14



Number of leases expiring	13 (9 after committed)	5 (1 after committed)	1	1^
Average passing rent for expiring leases	$6.7	$6.5	$1.8*	AUD $790

As at 30 June 2014. Excludes retail turnover rent

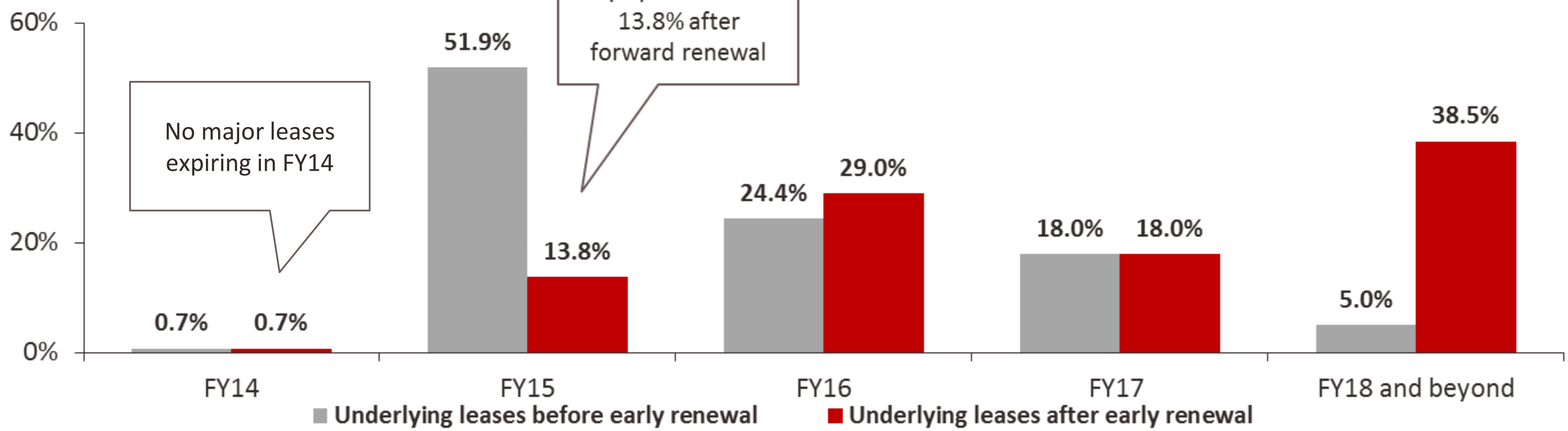
* Based on the master lease rent which is net of property expenses

^ Tenant is not renewing

Portfolio review – Lease expiry profile of Alexandra Technopark underlying leases

- **More than 38% of lease expiry in FY2018 and beyond after early renewal of 511,000 square feet of leases**
- **Provide income stability after the expiry of Master Lease in August 2014**

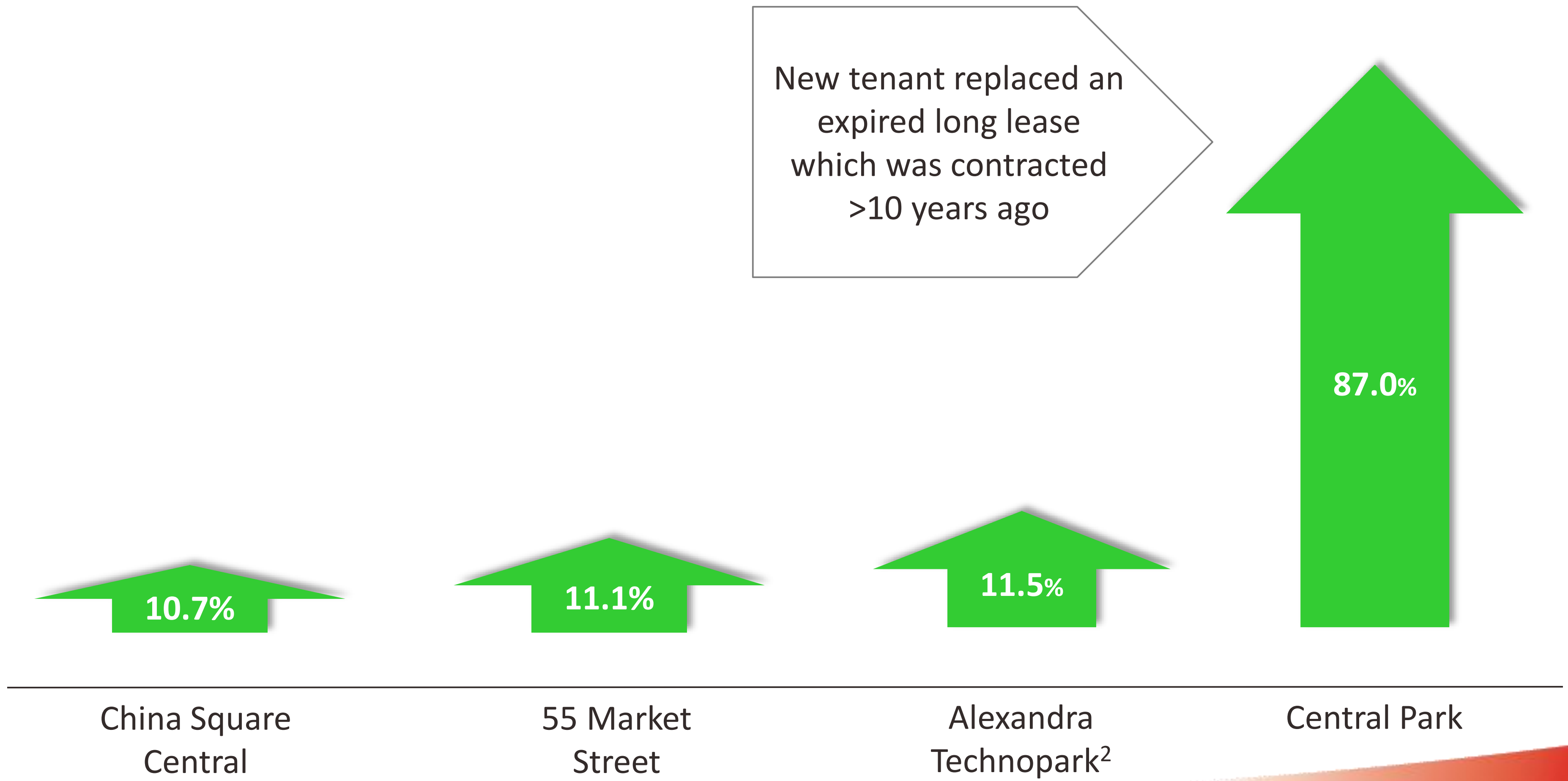
Alexandra Technopark underlying lease expiry by gross rental income



	FY14		FY15		FY16		FY17		FY18 and beyond	
No. of leases expiring	4	4	16	14	14	15	17	17	3	4
NLA (sq ft) expiring	6,566	6,566	565,173	153,840	231,351	281,080	163,614	163,614	46,544	408,147
Expiries as % total NLA	0.6%	0.6%	54.1%	14.7%	22.1%	26.9%	15.7%	15.7%	4.5%	39.0%
Expiries as % total Gross Rental Income	0.7%	0.7%	51.9%	13.8%	24.4%	29.0%	18.0%	18.0%	5.0%	38.5%

As at 30 June 2014. Excludes retail turnover rent

Positive rental reversions for new and renewed leases that commenced in 3QFY14[1]



As at 30 June 2014. Excludes retail turnover rent

1 Weighted average rental reversions based on the area for the new and renewed leases in 3QFY14.

2 Underlying leases.

Portfolio review – Robust leasing activities

Committed, new and renewed tenants in 3QFY14 include:

Tenant	Industry	Property
Chain IQ Holding	Consultancy	China Square Central
Coastal Oil Holdings	Oil and gas	China Square Central
Wavecell	Media and telecommunications	China Square Central
Pacific Prime Singapore Insurance Agency	Insurance	China Square Central
SThree Pte Ltd	Consultancy	China Square Central
Xiaomi Singapore	IT products and services	China Square Central
Yuan Tai Petrochemical	Resources	55 Market Street
Manchester Business School	Education	55 Market Street
Australia Stock Exchange	Business services	Central Park

As at 30 June 2014. Excludes retail turnover rent

More than 41% of leases have built-in step-up rents

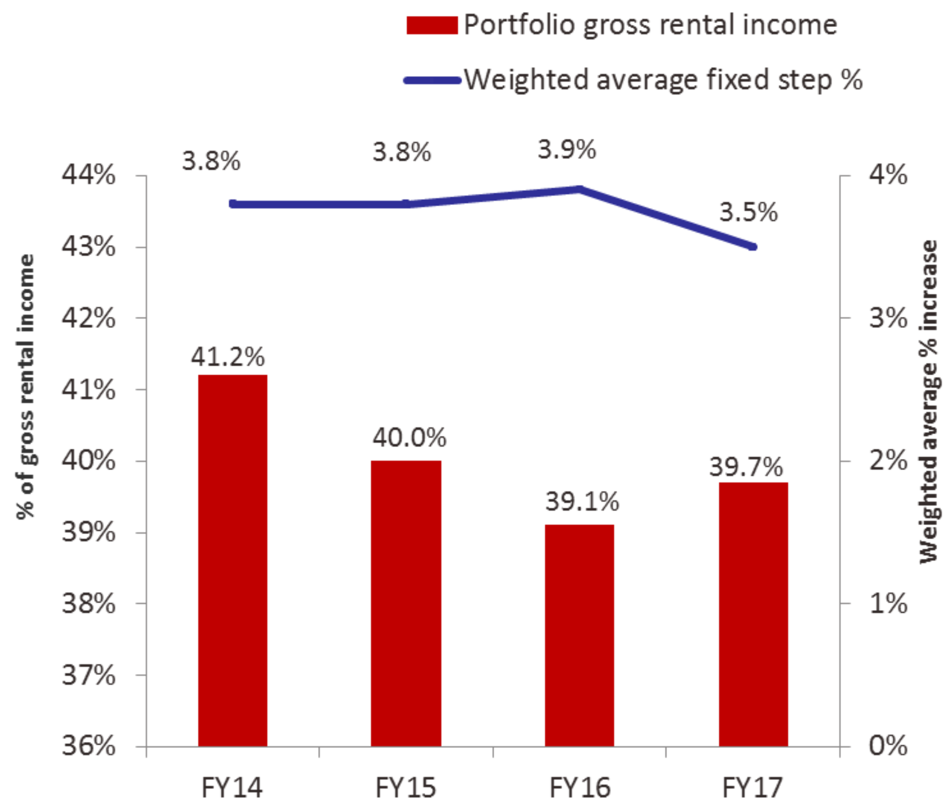
FY14 - Fixed % and other fixed lease rent reviews

Property	Leases	Average step-up rent	GROSS RENTAL INCOME Property	Total Portfolio
China Square Central	5	3.1%	4.1%	1.0%
55 Market Street	1	2.9%	3.5%	0.2%
Caroline Chisholm Centre	1	3.0%	100.0%	20.7%
Central Park	15	4.7%	69.2%	19.3%

FY14- Other mid-term lease rent reviews

Property	Leases	Review mechanism	GROSS RENTAL INCOME Property	Total Portfolio
Central Park	2	Market	5.2%	1.4%
Central Park	6	CPI	9.6%	2.7%

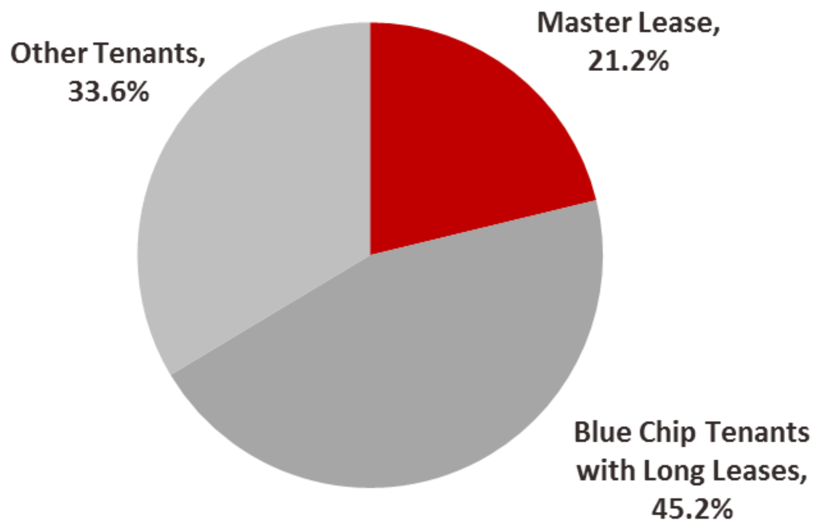
FY14 – 17 - Portfolio fixed % reviews



Master lessee/ blue chip tenants with long leases contribute 66% of total gross rental income

Master Leases		
Tenant	**Lease Expiry**	**% (Gross Rental Income)**
Alexandra Technopark – Orrick Investments Pte Ltd	Aug 2014	21.2%

Blue Chip Tenants with Long Leases		
Tenant	**Lease Expiry**	**% (Gross Rental Income)**
Commonwealth of Australia (Centrelink)	Jul 2025	20.2%
Hamersley Iron Pty Ltd (Rio Tinto)	Jun 2018	8.8%
BHP Billiton Iron Ore Pty Ltd	Jul/ Aug/ Oct 2017	3.9%
GroupM Singapore Pte Ltd	Mar 2019	4.2%
Cerebos Pacific Ltd	May 2017	3.5%
Government Employees Superannuation Board (WA)	May 2017	2.1%
PF Laywers Pty Ltd (DLA Piper)	Jun 2020	1.4%
Plan B Administration Pty Ltd	June 2019	1.1%
Total		45.2%



Master Lessee + Blue Chip Tenants with Long Leases = 66.4% portfolio income secured

As at 30 June 2014. Excludes retail turnover rent

Attained 100.0% committed occupancy for the office tower of China Square Central

- Continue to benefit from asset enhancement initiatives and Precinct Master Plan
- Greater connectivity after Telok Ayer MRT station opened in December 2013
- Attractive office accommodation with good surrounding amenities

As at 30 June 2014.

Portfolio review – Asset updates

- **Expiry of Master Lease at Alexandra Technopark in August 2014 provides income uplift**
- **Positive reversions arising from:**
  - **Immediate uplift in income after the expiry of the Master Lease**
  - **Low underlying passing rents**
- **Alexandra Technopark is strategically located with good connectivity**

S$1.8 psf

Master lease net rent received by FCOT

S$3.6 psf

- **Underlying average passing gross rent of Alexandra Technopark**
- **Immediate uplift in income after expiry of Master Lease**

Portfolio review – Singapore asset updates

China Square Central – high occupancy rate

55 Market Street – healthy occupancy rate

Alexandra Technopark – High occupancy rate

	China Square Central	55 Market Street	Alexandra Technopark
Occupancy	98.1%^	94.6%^	96.9% (underlying occupancy) Average underlying passing gross rent: S$3.6 psf
New leases , committed and renewals	Coastal Oil, Pacific Prime Singapore Insurance, Wavecell, Chain IQ, Xiaomi Singapore, SThree	Yuan Tai Petrochemical, Manchester Business School	Servlink Technology Resources
Tenants			

As at 30 June 2014.

^ Committed occupancy as at 30 June 2014.

Central Park – Healthy WALE of 3.7 years

Caroline Chisholm Centre –full occupancy with long WALE of 11.0 years

	Central Park	Caroline Chisholm Centre
Occupancy	94.1%	100.0% Property occupied by a single tenant, i.e. the Commonwealth of Australia as represented by Centrelink (Aaa rated*) until July 2025
WALE	3.7 years	11.0 years
Tenants	RioTinto, bhpbilliton, Asgard, MIMI, ASX, GESB, Plan B Wealth Management, DLA PIPER	Australian Government Department of Human Services

As at 30 June 2014.

* Based on Moody's rating in December 2013.

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Capital management

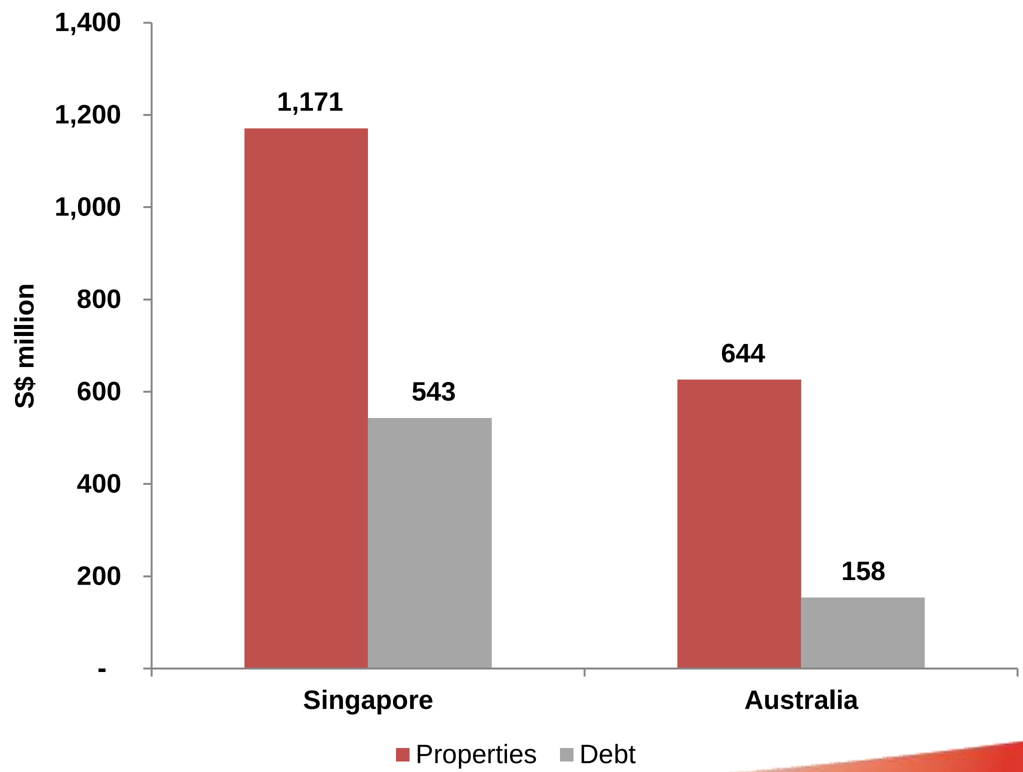
Capital Management – Debt statistics

- **Healthy interest coverage ratio of 4.39 times**
- **Low all-in interest rate of 2.8%**
- **Borrowings in AUD provide natural hedge for the Australian properties**

Statistics

	As at 30 June 2014
Total Assets (S$'000)	1,860,715
Gross Borrowings (S$'000)	701,360
Units on Issue and Issuable [1]	674,628,770
NAV per Unit (ex-DPU) [1] (S$)	1.56
Gearing [2]	37.7%
Interest coverage ratio (times) [3]	4.39
Average borrowing rate [4]	2.8%
- Weighted average SGD debt rate	1.9%
- Weighted average AUD debt rate	5.5%

Borrowings and assets by currency



1 The number of Units includes 883,707 Units arising from management fees payable in Units.
2 Calculated as gross borrowing as a percentage of total assets
3 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 30 June 2014. See accompanying 3QFY14 Financial Statements announcement for more details.
4 For quarter ended 30 June 2014

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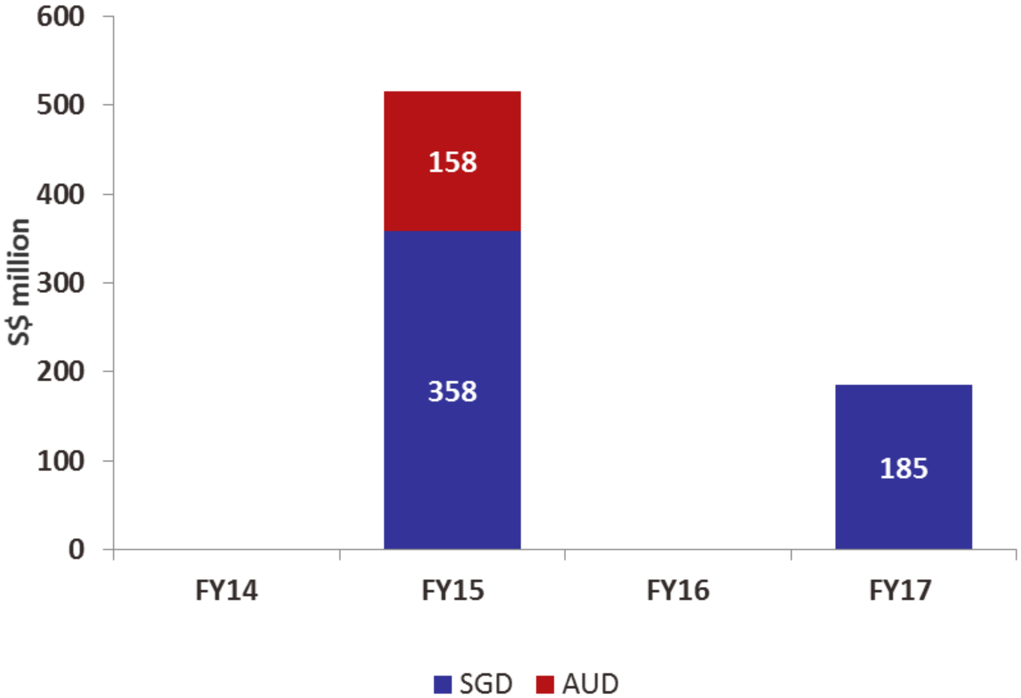
Capital Management and debt statistics

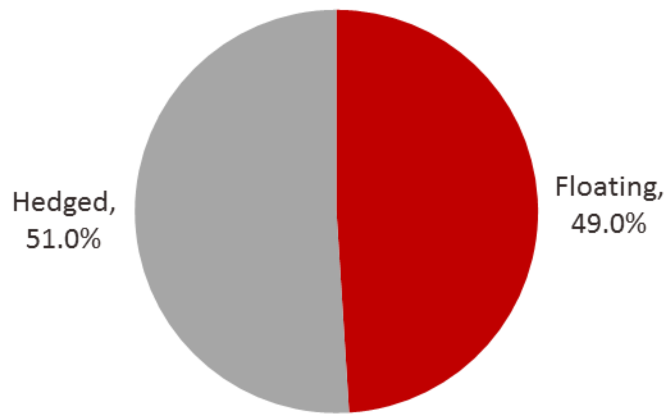
- **Hedged about 51% of gross borrowings**
- **In the midst of discussions to re-finance and term out all the debt**

Debt maturity



Total facilities	**S$701 million**

Debt composition – floating vs. hedged



Hedging debt

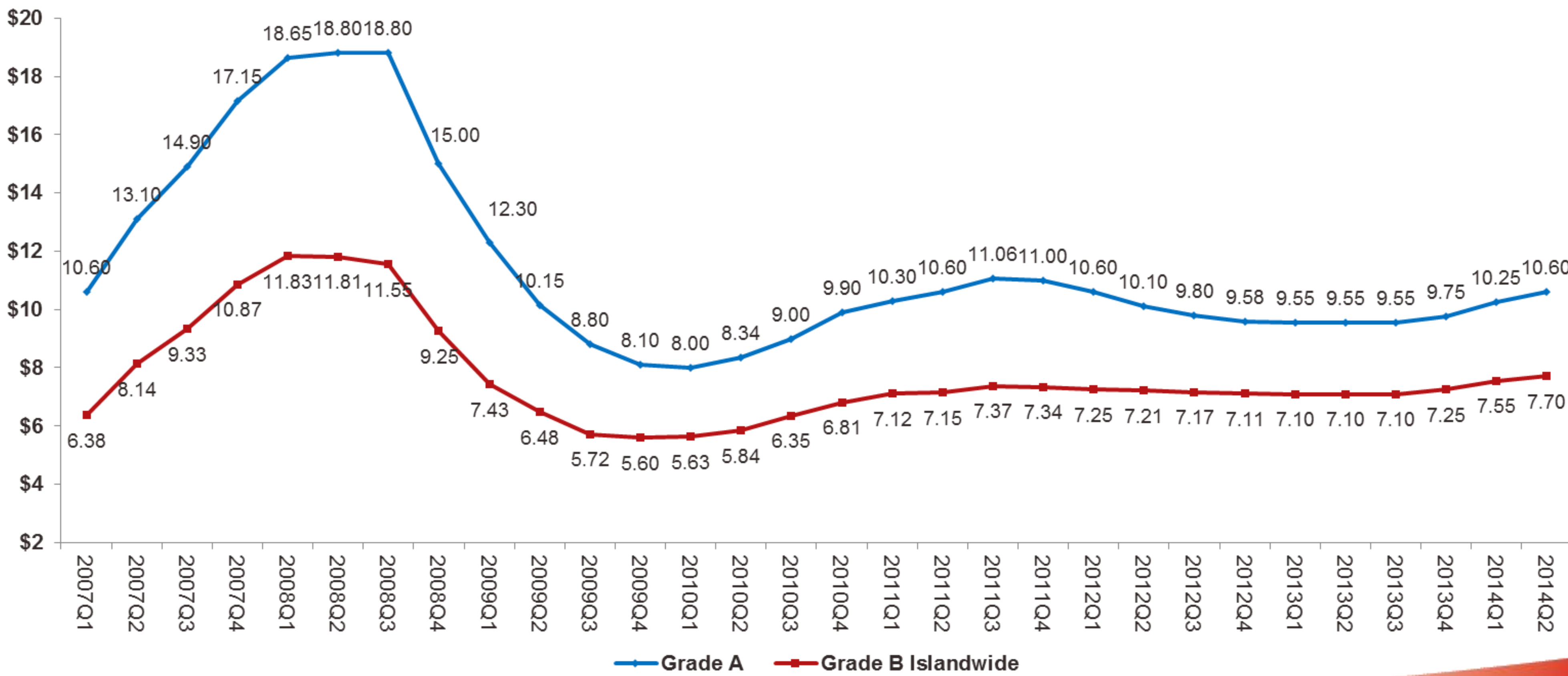
As a % of:	**As at 30 June 2014**
Total Gross Borrowings	51%

As at 30 June 2014.

Moving forward

Singapore office rents trend – Rents continue to grow

Singapore Grade A and Grade B office rents[1]

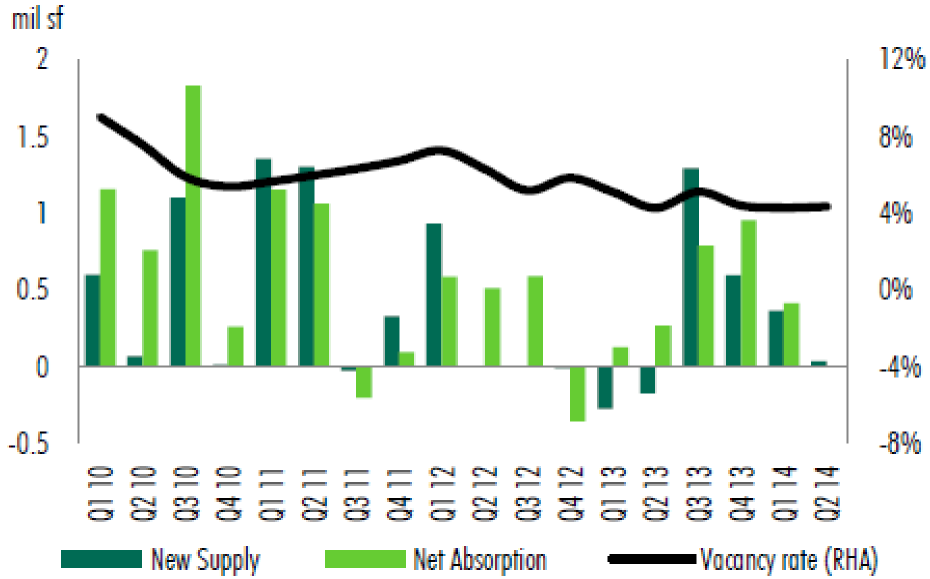


1 Source: CBRE Research

2. Solid fundamentals – demand, supply and outlook for Singapore CBD office

Office supply-demand dynamics[1]

Chart 2: Office Supply-Demand Dynamics



Source: CBRE Research, Q2 2014

Table 1: Office Vacancy Rates

	Q2 2014	q-o-q	y-o-y
Island Wide	4.3%	0 bps	1bps
Core CBD	4.2%	-14 bps	-80 bps

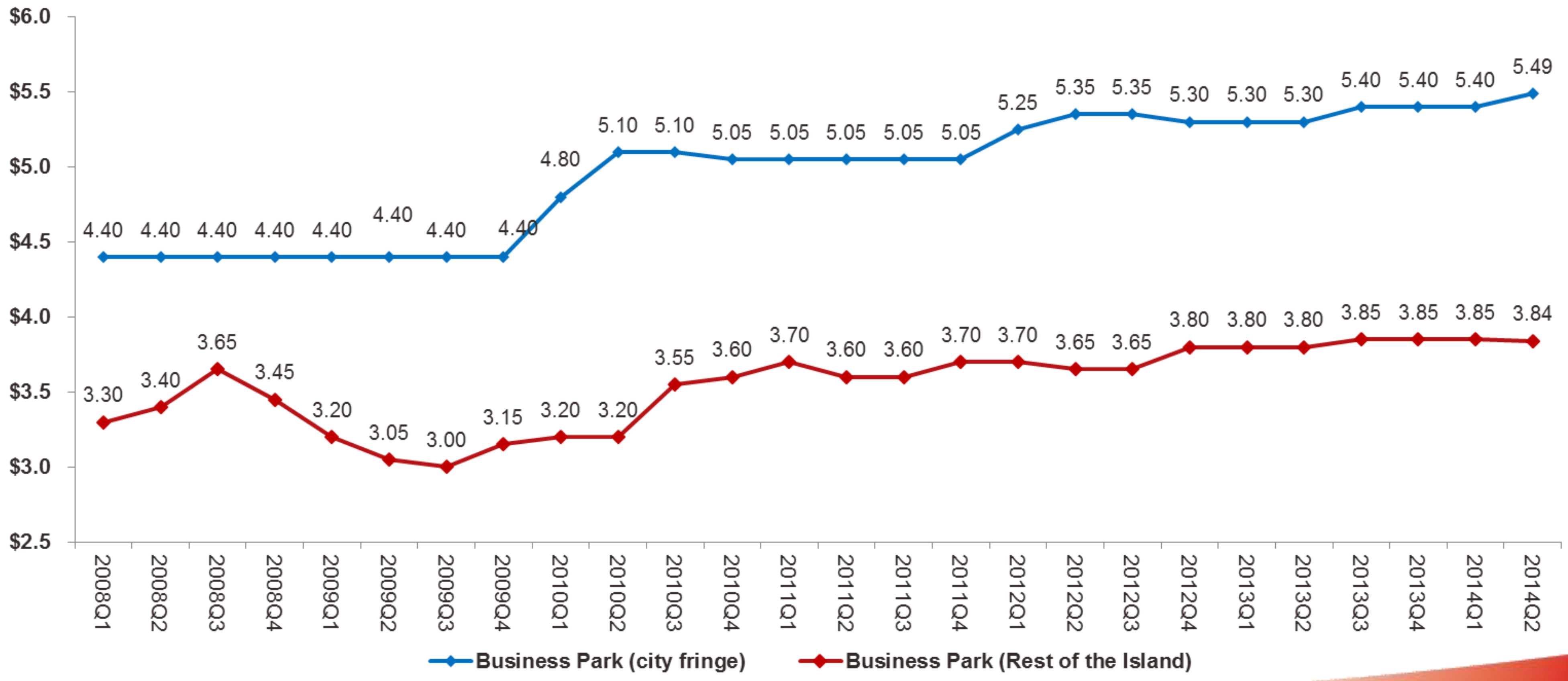
Source: CBRE Research, Q2 2014

- Leasing activity and occupier enquiries remained steady throughout Q2 2014, especially around the CBD
- Demand mainly from insurance, energy, commodities and IT sectors
- CBD Core and Fringe CBD registered slightly higher positive net absorption levels of 35,886 sf and 9,682 sf respectively
- Vacancy in CBD Core decreased from 4.3% to 4.2% in Q2 2014
- Rents will continue to grow due to limited new supply in the next 2 years, low vacancies and positive demand

1 CBRE, Singapore Market View, Q2 2014

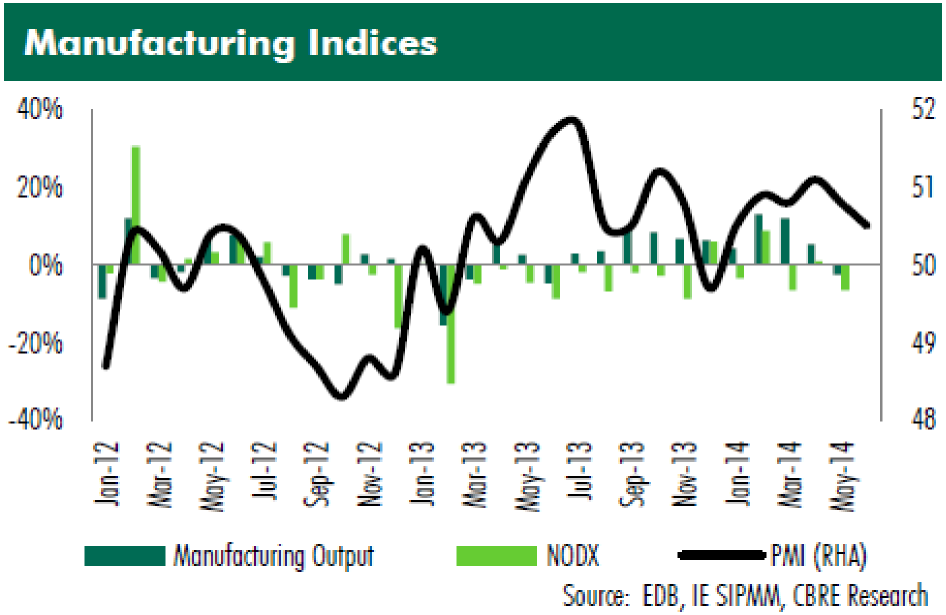
Singapore business park rents trend – Rents are rising for city fringe business park

Singapore Business Park (city fringe) rents[1]



1 Source: CBRE Research

Manufacturing Indices[1]



Known Business & Science Park Future Pipeline

Year	Estimated NLA (million sf)	Estimated Pre-commitment Levels
2014	2.16	71%
2015	0.97	100%
2016	2.08	9%

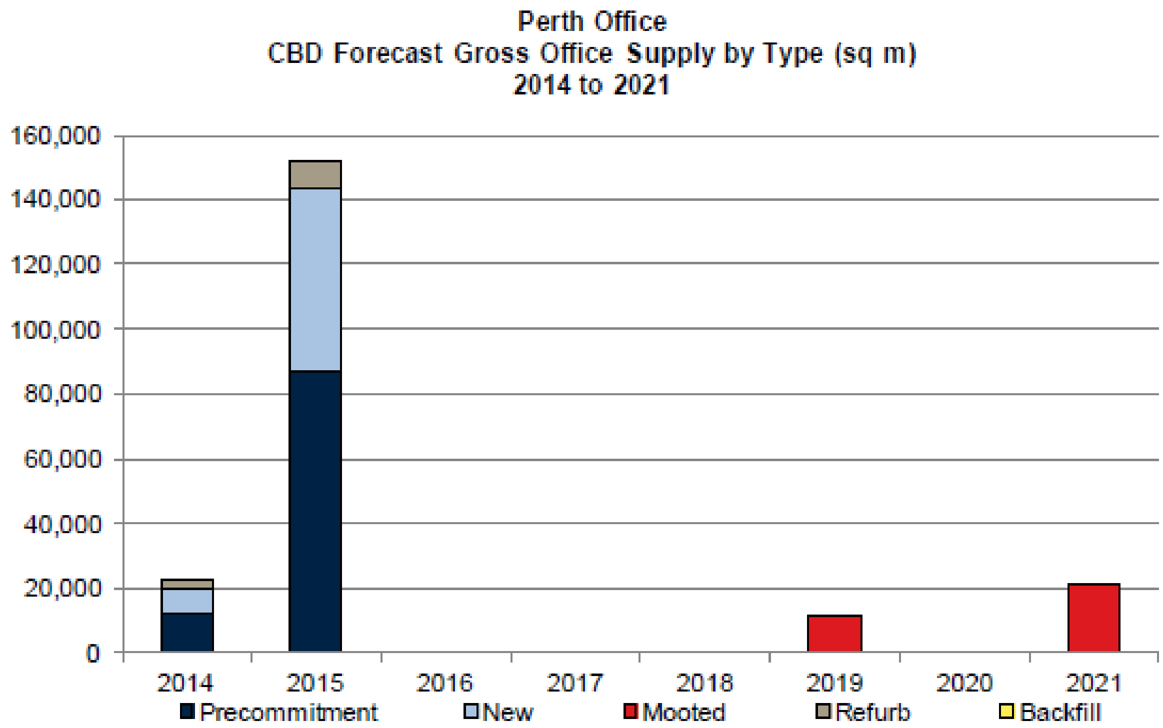
- Vacancy rose from 10.9% to 11.8% in Q2 2014 as the business park market was relatively quiet with muted activity
- Recruitment challenges in banking and finance and IT industries due to tight labour market and strict employment laws
- Enquiry levels remain healthy and focused on CBD fringe developments
- Despite the rising vacancy rates, market is expected to stabilise with the increasing pre-commitment rates for pipeline projects and no further increase in future supply
- Rents are expected to hold, supported by demand for newer and higher quality buildings

1 CBRE, Singapore Market View, Q2 2014

Perth CBD office supply and rents

Average Premium Grade net face rents are between A$725 – A$850 psm per annum

Perth CBD office supply[1]



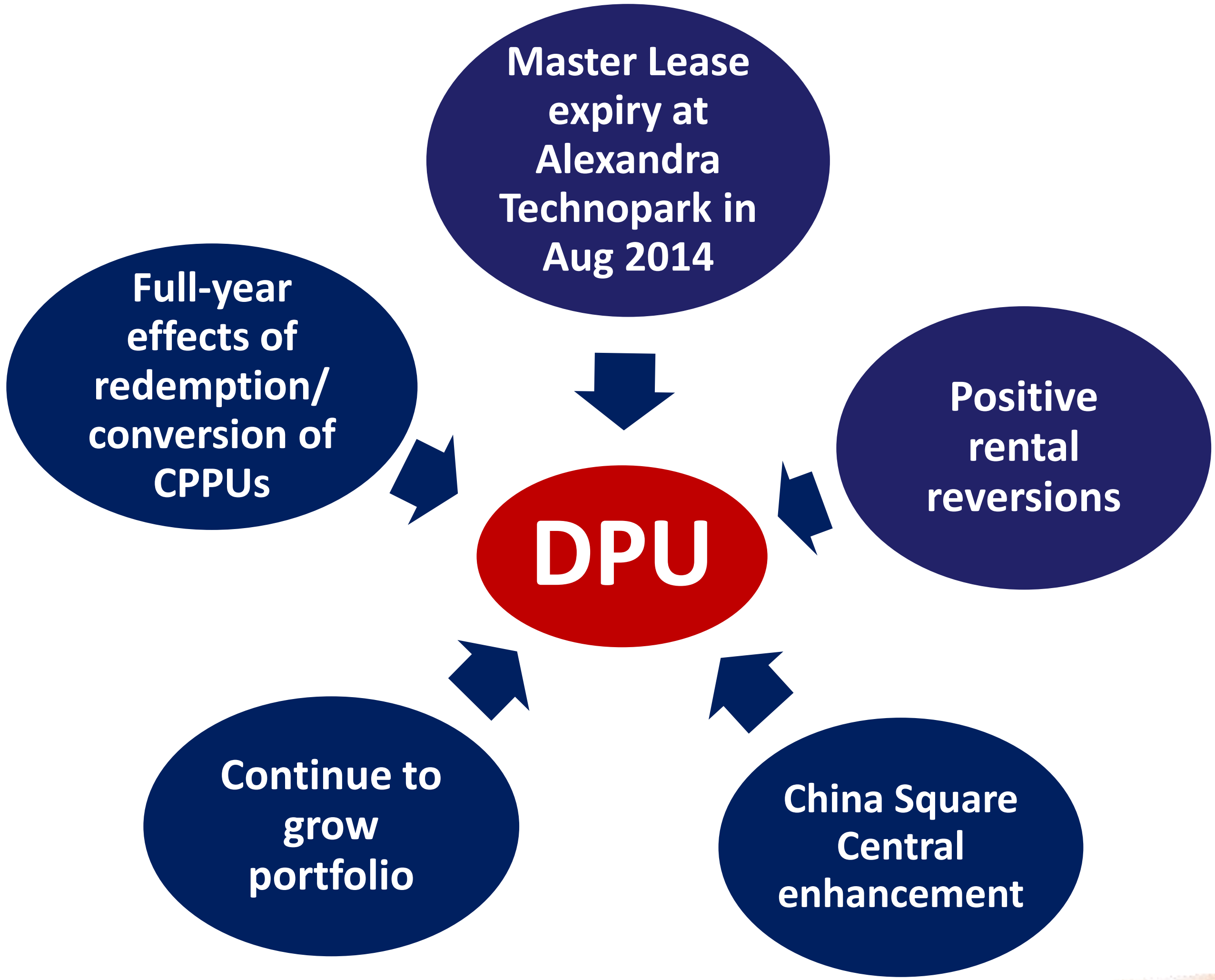
Source: Savills Research

Market conditions[1]

- Perth CBD office market vacancy rate in January 2014 was 9.0%, up from 6.9% in July 2013
- Only Melbourne's vacancy rate (8.4%) is better than Perth. Perth's vacancy rate is on par with Sydney
- New supply in 2015 is expected to increase vacancy further, until it is gradually absorbed in 2016
- Demand conditions are likely to improve as the effects of reduced interest rates and depreciating Australian dollar are felt in the market
- Average Premium Grade net face rents are between A$725-A$850 per square metre p.a.

1 Spotlight, Perth CBD Office, Savills, April 2014

Organic and in-organic initiatives to deliver growth in distributable income



Thank you

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