



Frasers Commercial Trust 4QFY11 & Full Year Financial Results

24 October 2011

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→ **Results**

→ **Portfolio review**

→ **Capital management**

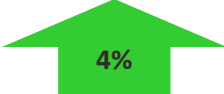


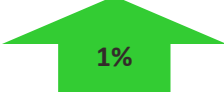

→ **Moving Forward**

Results

Key highlights:

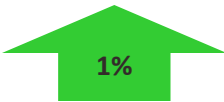

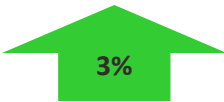

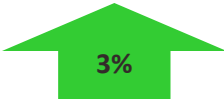
- FY distributable income to Unitholders of S\$36.3m, ↑ 5% Y-o-Y
- Distribution to CPPU holders of S\$18.8m, represents 5.5% distribution yield on the offer price of S\$1.0
- Lower finance cost in 4Q reflecting the full effect of the partial repayment of the AUD loan from the net proceeds from the AWPf divestment
- Portfolio average occupancy rates at 98.0%, ↑7.2% Y-o-Y
- 29.3% of gross rental income due for renewal in FY12, of which 16.0% is due to the expiry of the China Square Central Master Lease
- Annualised half year unaudited net operating income for China Square Central exceeds Master Lease net rent of S\$17.55m per annum
- Manager to take over the management of China Square Central and not to renew the master lease upon its expiry in March 2012 to capitalise on the opening of Telok Ayer MRT Station in 2013

Net Property Income for 4Q rose by 5% Y-o-Y

1 Jul 2011 – 30 Sep 2011 (S\$ '000)	4Q FY11	Y-o-Y Change (%)	Contributing factors
Gross Revenue	30,396	 4%	▪ Higher contribution from KeyPoint & Central Park was offset by loss of contribution from Cosmo Plaza
Net Property Income	24,344	 5%	▪ Higher contribution from Central Park and Caroline Chisholm Centre; lower property operating expenses achieved
Total distributable income	14,393	 1%	▪ Increase in NPI carried through to total distributable income coupled with reduction in interest expense
- Unitholders	9,645	 1%	▪ Attributable to increase in total distributable income
- CPPU holders	4,748	-	▪ Full quarter distribution for CPPU holders
Distribution per CPPU Unit (Cents)	1.39	-	▪ Full quarter distribution for CPPU holders
DPU (cents per Unit) ¹	1.52	 2%	▪ DPU decreased Y-o-Y due to higher remittance of overseas income in Q410

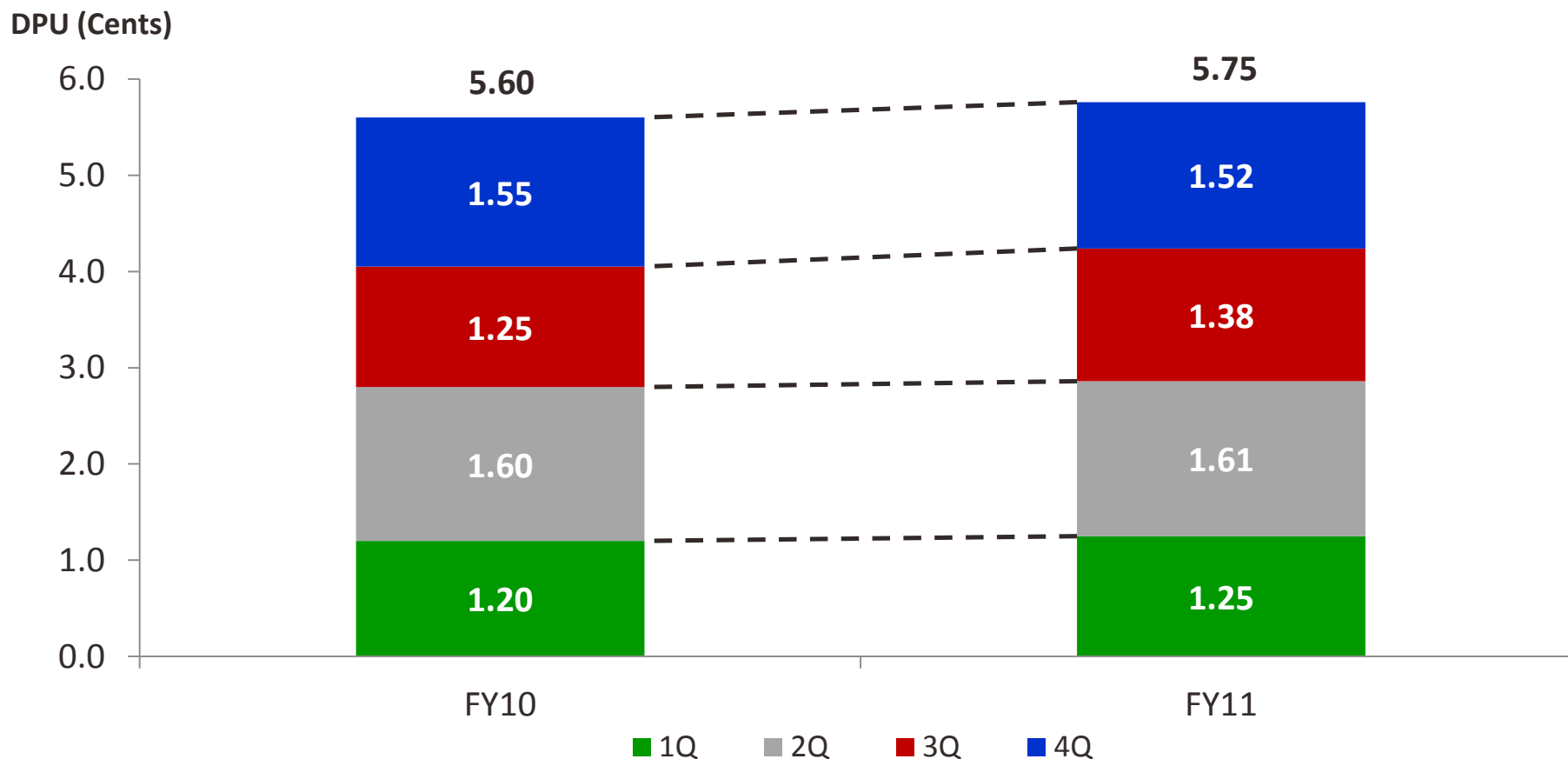
¹ The number of Units used to calculate the DPU has been adjusted for the effect of the consolidation of every five existing Units (the "Unit Consolidation") held by the Unitholders into one consolidated Unit pursuant to the completion of the Unit Consolidation on 11 February 2011.

5% rise in distributable income for FY11

1 Oct 2010 – 30 Sep 2011 (\$'000)	FY11	Y-o-Y Change (%)	Contributing factors
Gross Revenue	119,567	 1%	<ul style="list-style-type: none"> Higher contribution from KeyPoint and Central Park plus the strengthening of the A\$ was offset by loss of contribution from Cosmo Plaza
Net Property Income	96,017	 3%	<ul style="list-style-type: none"> Higher contribution from KeyPoint and Central Park plus the strengthening of the A\$ was offset by loss of contribution from Cosmo Plaza
Total distributable income	55,162	 3%	<ul style="list-style-type: none"> Increase in NPI and the absence of loss from realisation of forward contract incurred
- Unitholders	36,324	 5%	<ul style="list-style-type: none"> Attributable to increase in total distributable income
- CPPU holders	18,838	-	<ul style="list-style-type: none"> Full year distribution for CPPU holders
Distribution per CPPU Unit (Cents)	5.50	-	<ul style="list-style-type: none"> Full year distribution for CPPU holders
DPU (cents per Unit) ¹	5.75	 3%	<ul style="list-style-type: none"> DPU increased Y-o-Y in line with distributable income

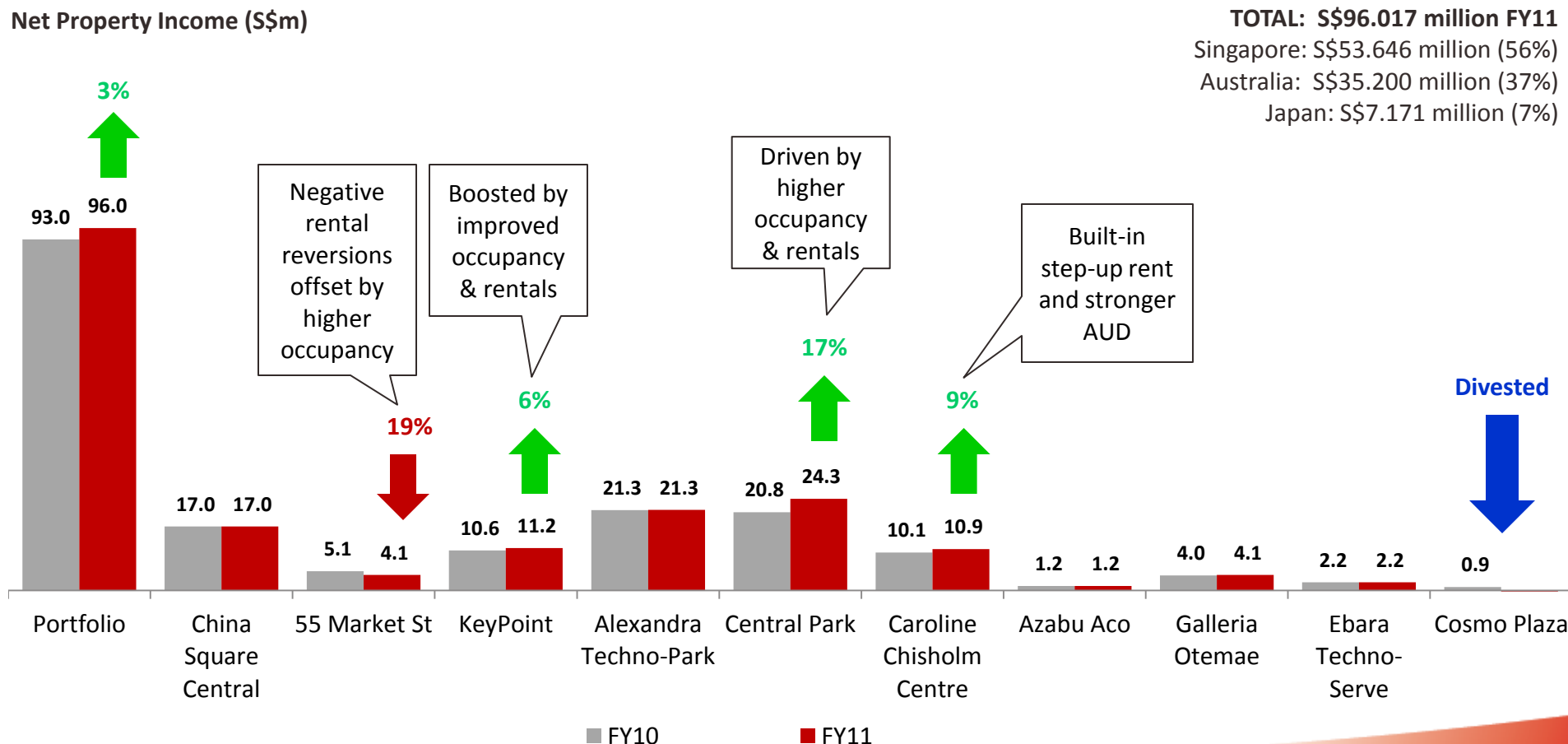
¹ The number of Units used to calculate the DPU has been adjusted for the effect of the Unit Consolidation.

Recorded DPU growth for the second successive years since recapitalisation exercise



Rising occupancy & rentals translate to higher NPI y-o-y

Net Property Income (\$m)



Distribution to be paid on 29 November 2011

Distribution Period	1 April 2011 to 30 September 2011
Ordinary Unit Distribution Rate	<p>Distribution of 2.8930 cents per Unit comprising:</p> <ul style="list-style-type: none"> a) taxable income distribution of 2.0933 cents; b) tax-exempt income distribution of 0.3536 cents; c) capital distribution of 0.4461 cents; and
CPPU Distribution Rate	<p>Distribution of 2.7575 cents per CPPU Unit comprising:</p> <ul style="list-style-type: none"> a) taxable income distribution of 2.3590 cents; and b) tax-exempt income distribution of 0.3985 cents
Last day of trading on “cum” basis	Friday, 28 October 2011
Ex-distribution trading commence	Monday, 31 October 2011
Distribution Books Closure Date	Wednesday, 2 November 2011 at 5.00 pm
Distribution Payment Date	Tuesday, 29 November 2011

Portfolio review

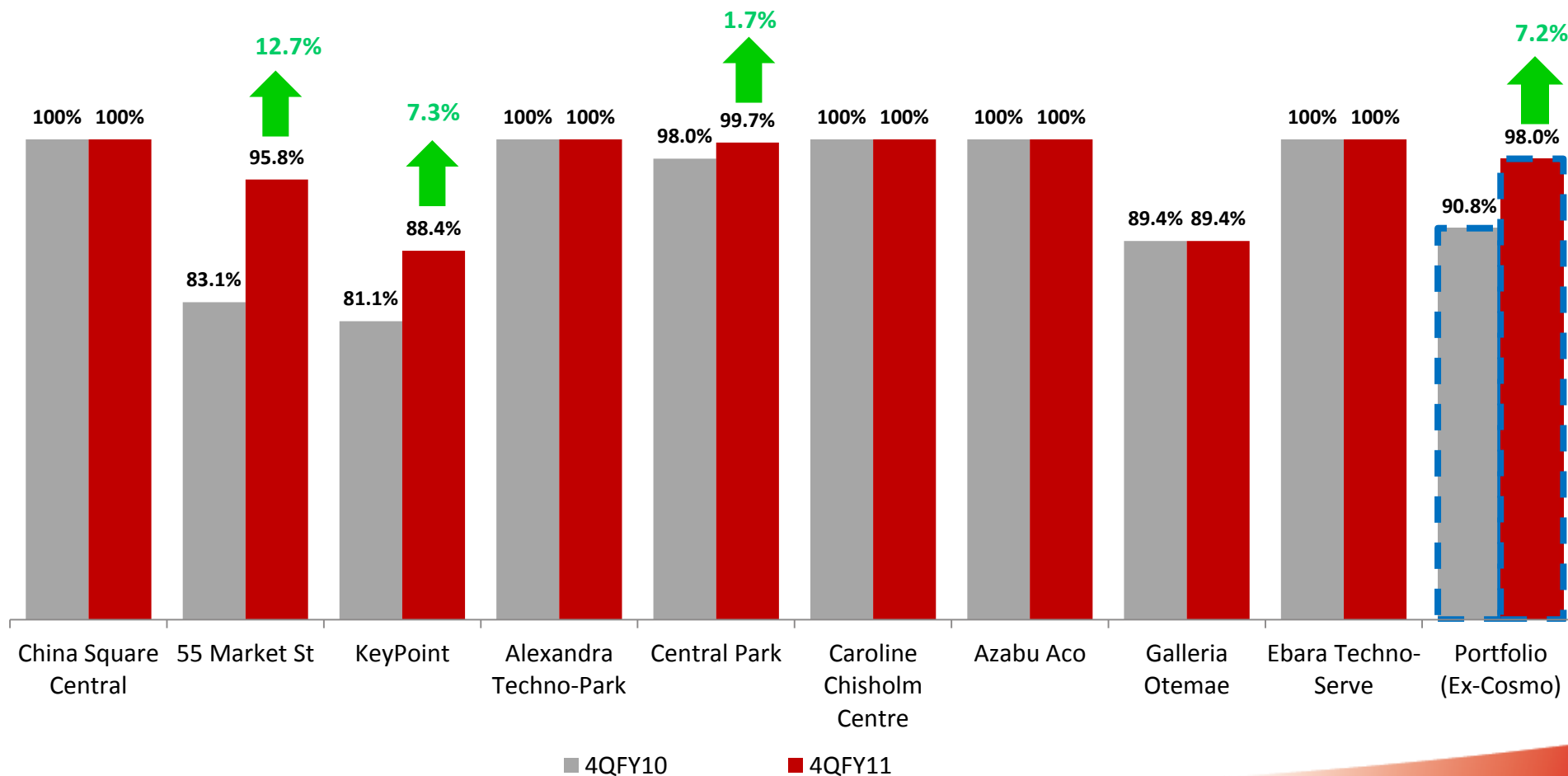
1.9% increase in portfolio value due to upward revaluation

Asset	Date of valuation	Local currency Value (millions)	Translation as at 30 September 2011 (S\$ million) ¹	Variance from 30 September 2010	
				Total variance (S\$ million)	Total variance (%)
China Square Central	30 September 2011	S\$555.0	555.0	10.0	1.8%
55 Market Street	30 September 2011	S\$126.0	126.0	6.3	5.3%
KeyPoint	30 September 2011	S\$285.0	285.0	2.0	0.7%
Alexandra Technopark	30 September 2011	S\$359.0	359.0	7.8	2.2%
Central Park	30 September 2011	A\$292.5 ²	373.4	13.2	3.7%
Caroline Chisholm Centre	30 September 2011	A\$95.0 ²	121.3	8.5	7.5%
Azabu Aco	30 September 2011	¥1,360.0	22.1	(0.3)	(1.4%)
Galleria Otemae	30 September 2011	¥3,860.0	62.7	(11.5)	(15.5%)
Ebara Techno-Serve	30 September 2011	¥2,310.0	37.5	(0.4)	(1.0%)
Portfolio total			1,942.0	35.6	1.9%

¹ Translated at ¥61.58= S\$1.00 and A\$1.00 = S\$1.2767 being the prevailing spot rates at close of quarter accounts.

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

Portfolio occupancy rates up 7.2% to 98.0% y-o-y

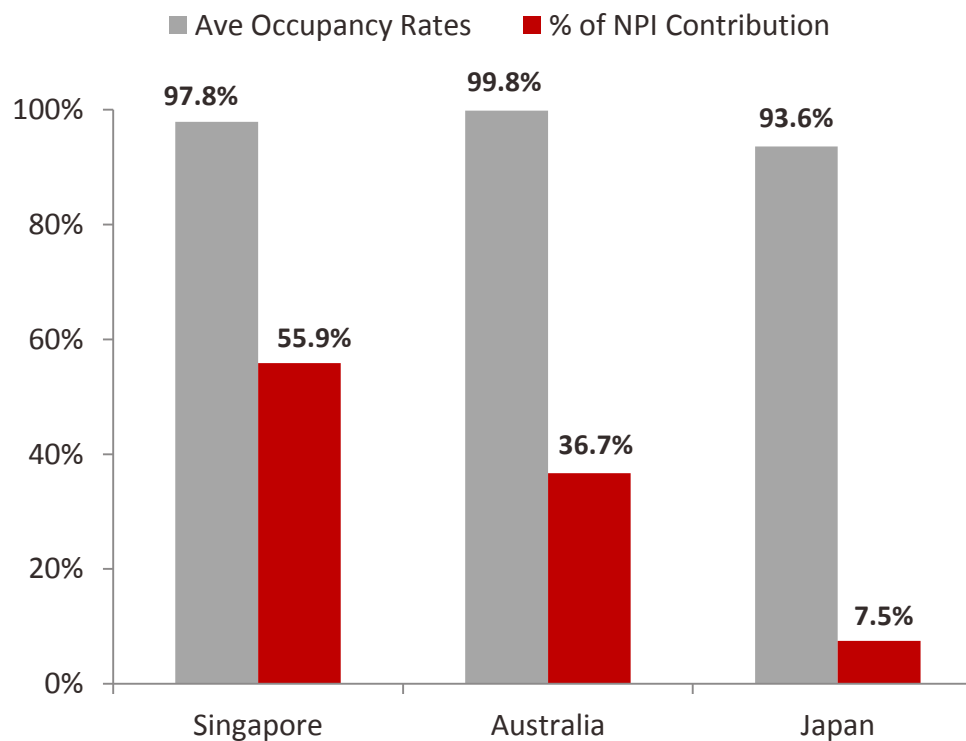


As at 30 September 2011.

Singapore & Australian portfolio contribute > 92.5% of NPI income

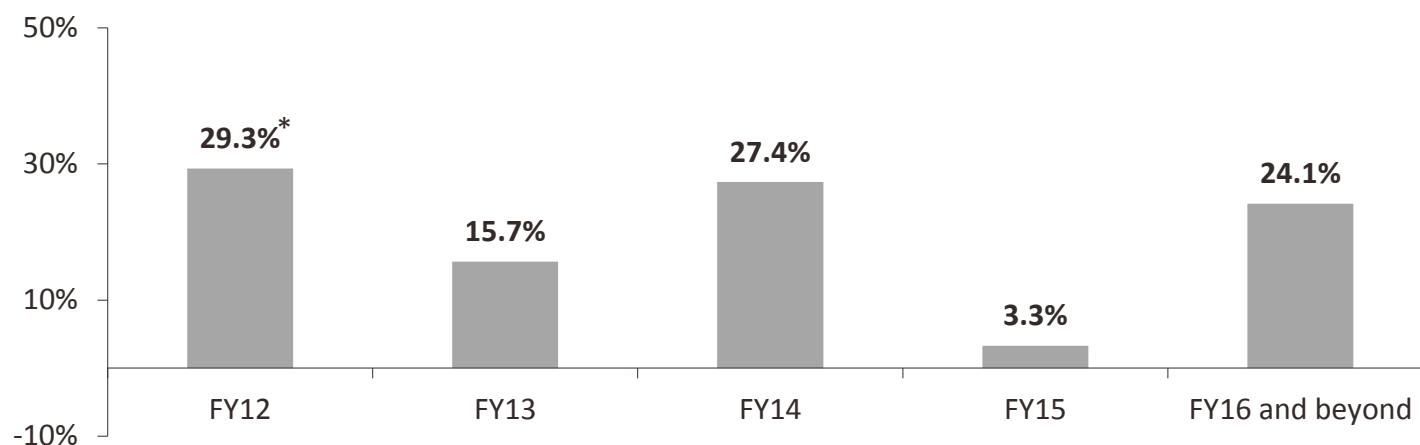
Key portfolio statistics	As at 30 September 2011
WALE by gross rental income	3.6 years
Ave Occupancy	98.0%

Geographical occupancy and % of NPI contribution



Healthy lease expiry profile

Portfolio lease expiry by gross rental income



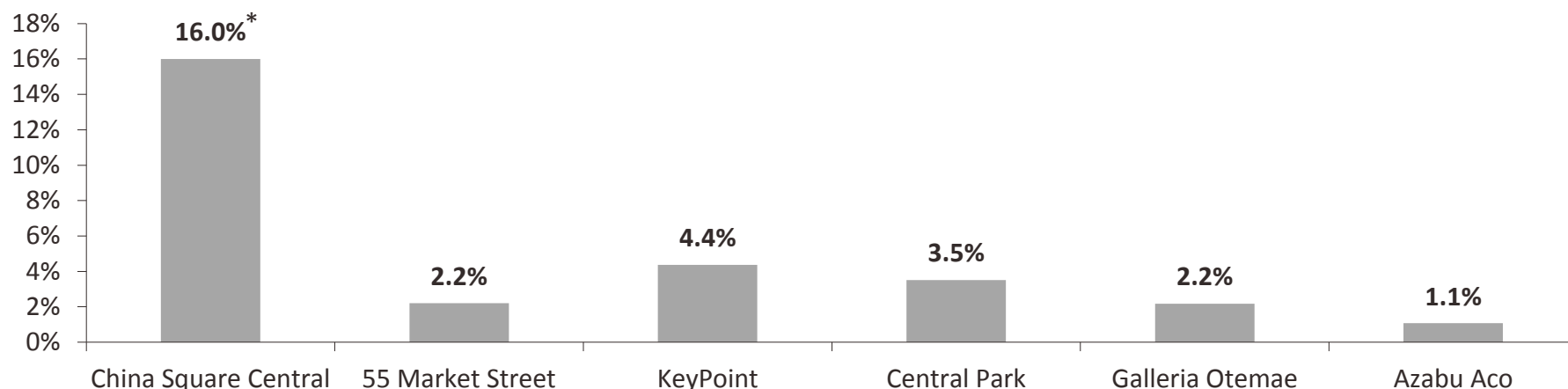
Number of leases expiring	100	108	42	9	17
NLA (sq ft) expiring	580,466	264,445	1,169,091	64,315	417,385
Expiries as % total NLA	22.8%	10.4%	45.8%	2.5%	16.4%
Expiries as % total Gross Rental Income	29.3%	15.7%	27.4%	3.3%	24.1%

* Lease expiries reduced to 24.3% on a see through basis of the China Square Central underlying leases

As at 30 September 2011. Excludes retail turnover rent

Master lease expiry presents an opportunity to enhance revenue

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



Ave passing rent for expiring leases

Number of leases expiring	1	5	70	7	15	2
Average passing rent	\$5.7**	\$10.5^	\$4.8	AUD \$447	¥10,611	¥16,621
Recent rents contracted	\$6.3 - \$8.0	\$7.2-\$7.6^	\$4.1 - \$6.0^	AUD \$433 - AUD \$725	¥9,500 - ¥13,850	¥17,450 - ¥20,000

* Lease expiries will be reduced upon expiry of the Master Lease at China Square Central

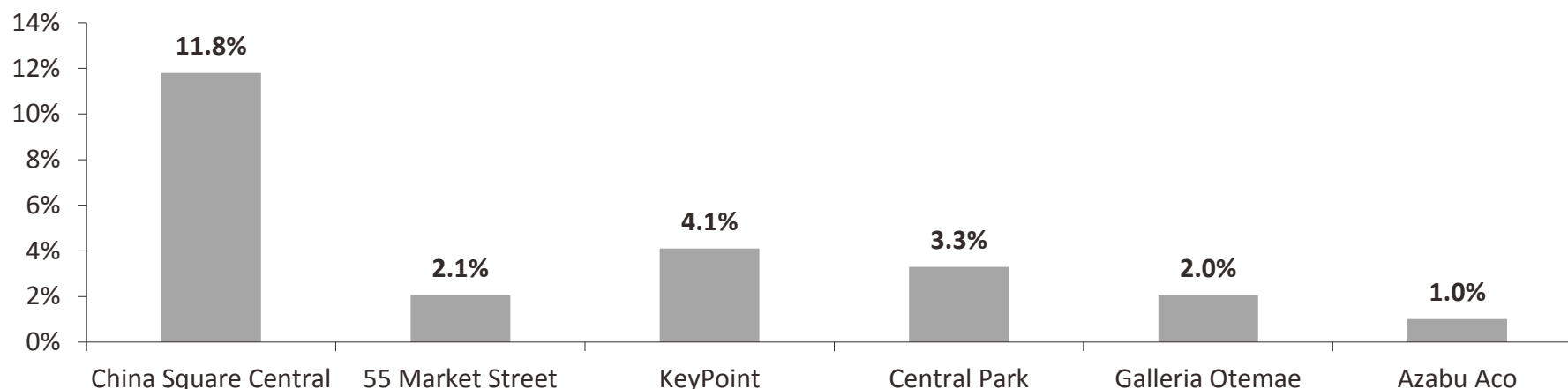
**Based on 70% NPI margin of 17.55m net rent received per annum from master lessee

^ For office leases

As at 30 September 2011. Excludes retail turnover rent

Breakdown of FY12 profile on a see through basis of CSC underlying leases

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



Ave passing rent for expiring leases

Number of leases expiring	56	5	70	7	15	2
Average passing rent	\$6.0*	\$10.5^	\$4.8	AUD \$447	¥10,611	¥16,621
Recent rents contracted	\$6.3 - \$8.0	\$7.2-\$7.6^	\$4.1 - \$6.0^	AUD \$433 - AUD \$725	¥9,500 - ¥13,850	¥17,450 - ¥20,000

* Based on underlying leases

^ For office leases

Organic growth provided by built-in step-up rents

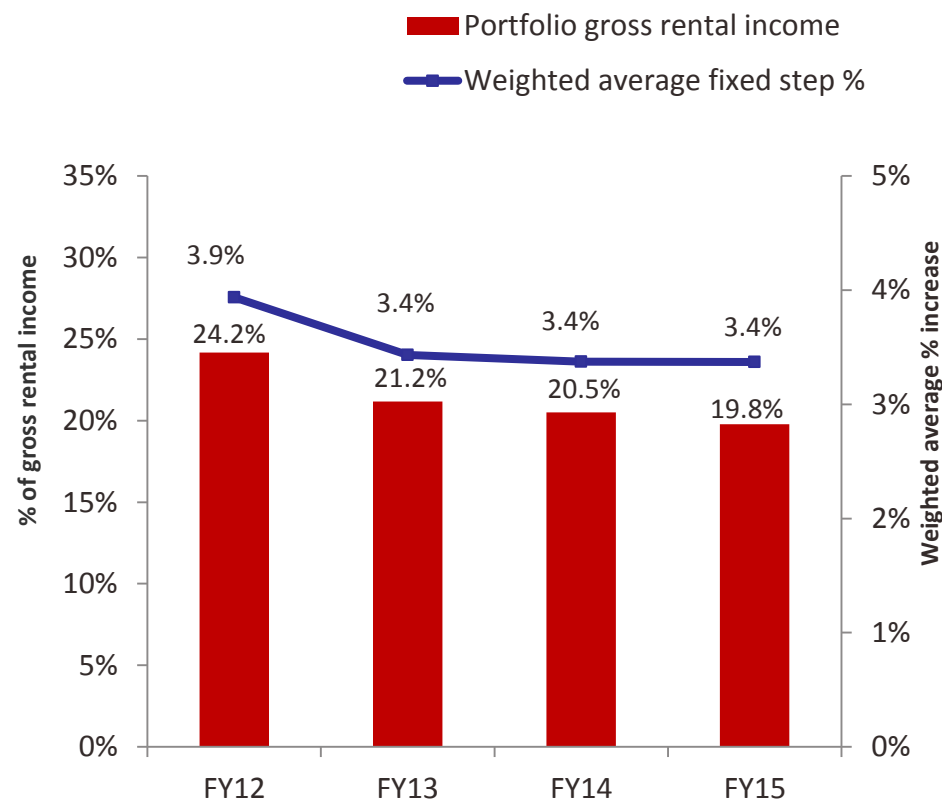
FY12 - Fixed % lease rent reviews

Property	Leases	Average step-up rent	GROSS RENTAL INCOME	
			Property	Total Portfolio
China Square Central	10	6.4%	7.0%	1.6%
KeyPoint	9	5.1%	8.4%	1.2%
Caroline Chisholm Centre	1	3.0%	100.0%	9.7%
Central Park	12	4.5%	48.0%	11.8%

FY12- Other mid-term lease rent reviews

Property	Leases	Review mechanism	GROSS RENTAL INCOME	
			Property	Total Portfolio
Central Park	4	Market	19.7%	5.1%
Central Park	6	CPI	16.9%	4.4%

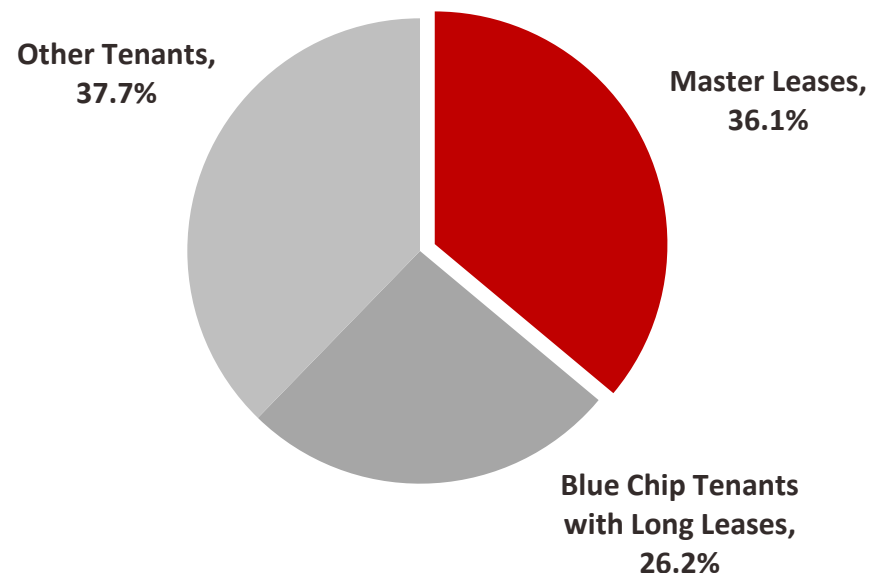
FY12 – 15 - Portfolio fixed % reviews



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	20.1%
China Square Central – Unicorn Square Limited	Mar 2012	16.0%
Total		36.1%

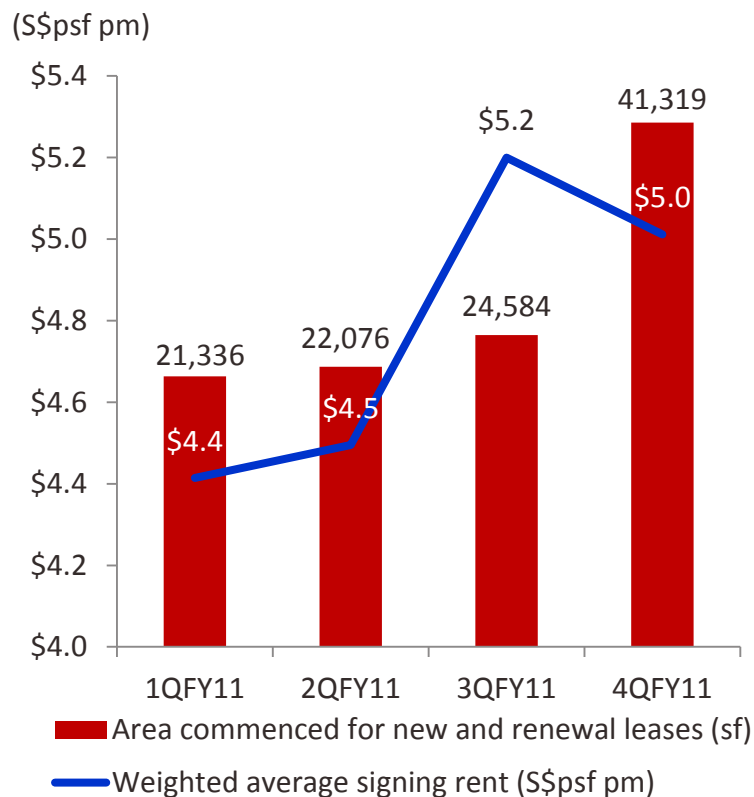
Blue Chip Tenants with Long Leases		
Tenant	Lease Expiry	% (Gross Rental Income)
Commonwealth of Australia (Centrelink)	Jul 2025	9.7%
Hamersley Iron Pty Ltd	Jun 2018	6.7%
Ebara Corporation	May 2015	2.4%
BHP Billiton Petroleum Pty Ltd	Nov 2015	2.0%
Dabserv Pty Ltd (Mallesons Stephen Jaques)	Jun 2014	1.8%
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		26.2%



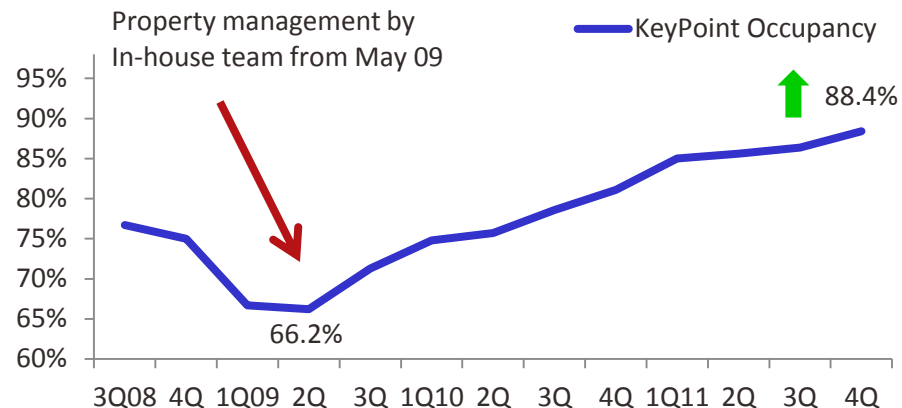
Master Lessees
 +
Blue Chip Tenants with Long Leases
 =
 62.3% portfolio income secured

KeyPoint – Strong growth momentum with 88.8% committed occupancy

KeyPoint leasing statistics



KeyPoint occupancy rate



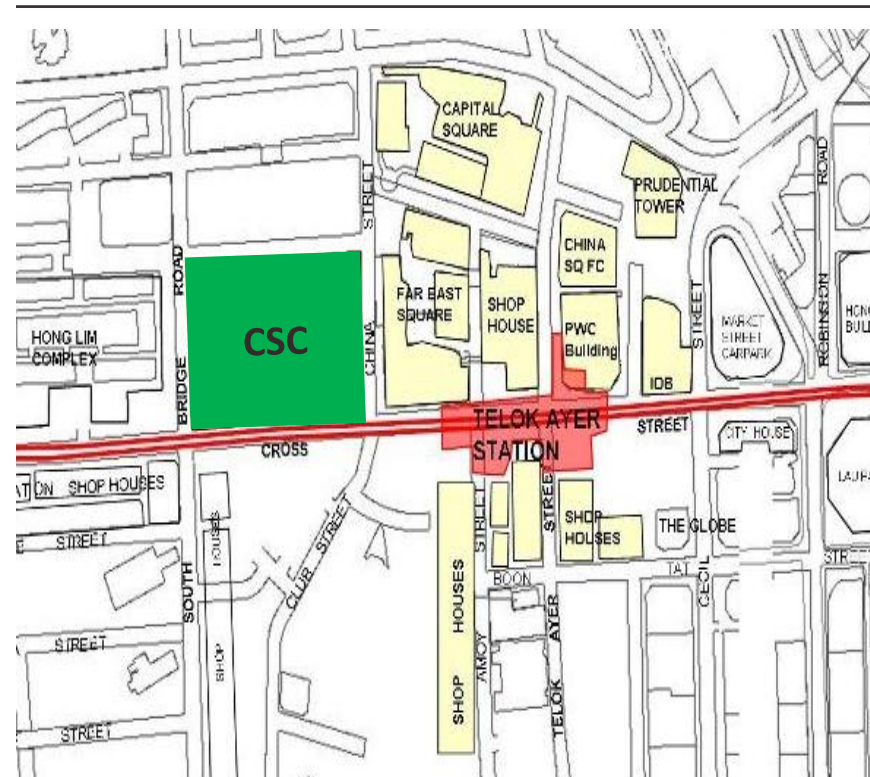
■ Tenancy activity:

- Major tenants commenced/renewed include SilkAir, Singer, AspenTech & KFC
- Occupancy ↑ 2.0% to 88.4% in September from 86.4% a quarter ago

China Square Central – Well supported by income from underlying leases

- **Annualised unaudited accounts:**
 - Annualised half year unaudited net operating income for underlying leases at China Square Central exceeds Master Lease net rent of S\$17.55m per annum
 - Manager to take over the management of China Square Central and not to renew the master lease upon its expiry in March 2012 to capitalise on the opening of Telok Ayer MRT Station in 2013
- **Healthy committed occupancy rate:**
 - Committed occupancy has increased to 95.7% in September from 94.5% in June

Telok Ayer MRT Station

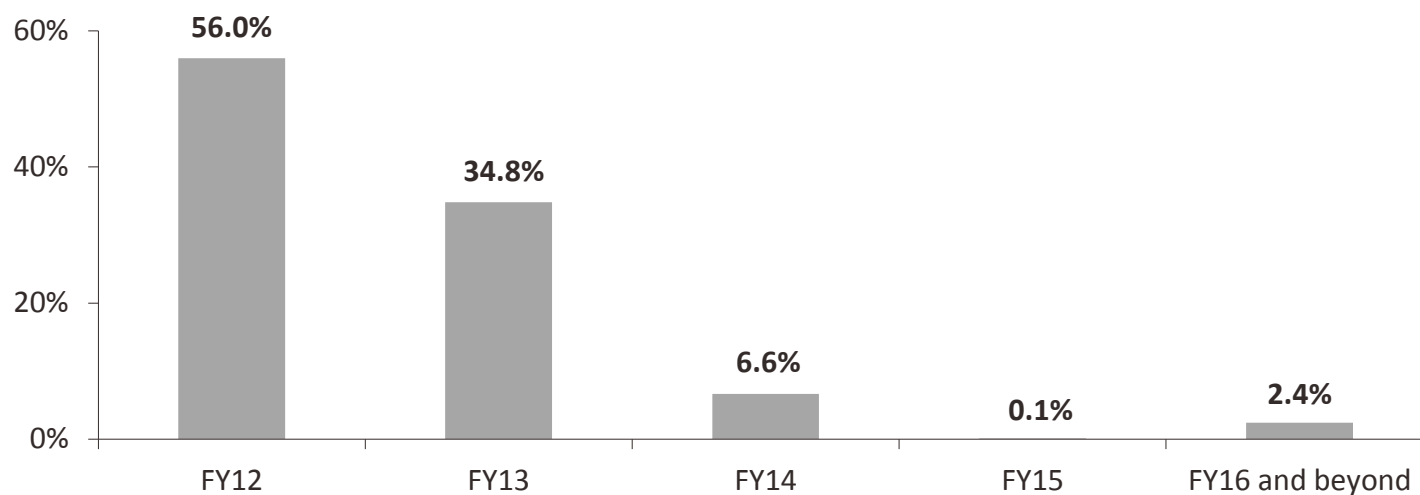


-Source: LTA website

== Downtown Line

China Square Central – Average passing rent below \$6.1 psf pm

Lease expiry by gross rental income



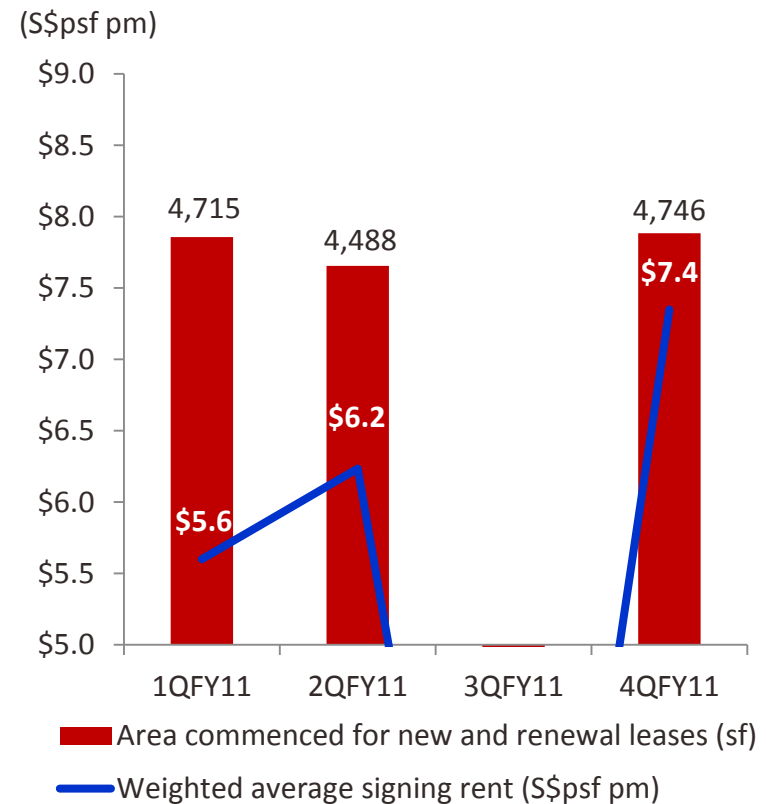
	FY12	FY13	FY14	FY15	FY16 and beyond
Number of leases expiring	56	49	10	1	1
NLA (sq ft) expiring	190,881	113,214	24,323	351	10,056
Expiries as % total Gross Rental Income	56.0%	34.8%	6.6%	0.1%	2.4%
Average passing rent	\$6.0	\$6.3	\$5.6	\$6.5	\$4.9

55 Market Street – Higher signing rents achieved

Two office leases signed:

- In the quarter, Corporate Serviced and Judd Farris have commenced their leases
- Occupancy as at 30 September, 95.8% ↑ 12.7% Y-o-Y

55 Market Street leasing statistics



Alexandra Technopark – Awarded BCA Green Mark Gold

- **BCA Green Mark Award (Gold):**
 - On 28th September 2011, Alexandra Technopark was awarded with the BCA Green Mark Gold award after due assessment and verification
- **Accessibility enhanced by the Circle Line:**
 - Alexandra Technopark accessibility was enhanced by the full opening of the MRT Circle Line on 8th October 2011
 - It is now well-served by the Labrador Park MRT station on the Circle Line



Central Park – Long WALE of 4.3 years

▪ Robust occupancy:

- Occupancy as at 30 September, 99.7%
- Long WALE by gross rental income of 4.3 years

▪ Upgrading projects:

- Completed projects include Conference Centre, Lobby Lighting & Lobby Café
- Purpose of upgrading is to improve the attractiveness of Central Park and stays ahead of competition from other premium grade buildings in Perth CBD
- Ongoing projects include Cyclist facilities, Chiller upgrade, Toilet and lift upgrade (In stages)

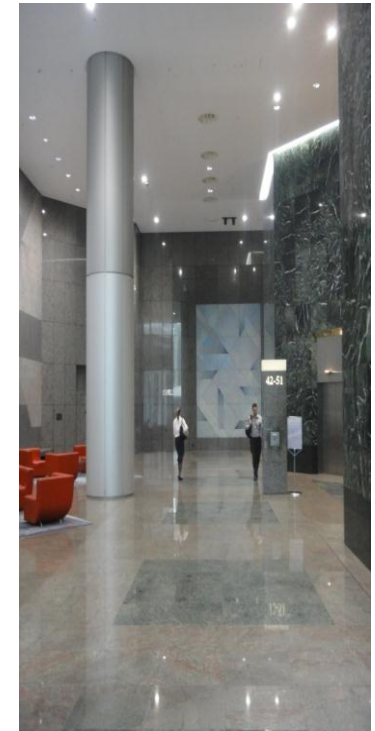
Completed upgrading projects



Conference Centre



Theatrette



Lobby Lighting

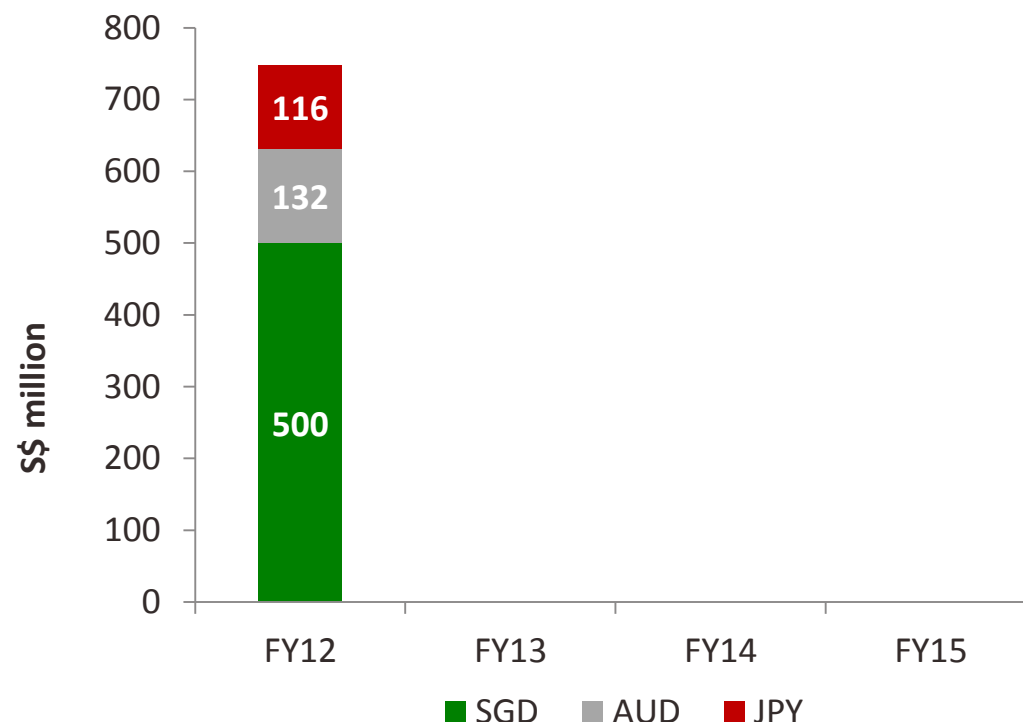
Capital management

Early re-financing opportunity to capitalise on prevailing low interest environment

Statistics

	As at 30 September 2011
Total Assets (S\$'000)	2,041,686
Gross Borrowings (S\$'000)	747,964
Units on Issue and Issuable	634,337,998
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	36.6%
Interest coverage ratio (times) ⁴	2.91
Average borrowing rate ⁵	4.2%

Borrowings 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 30 September 2011. See accompanying 4QFY11 Financial Statements announcement for more details.

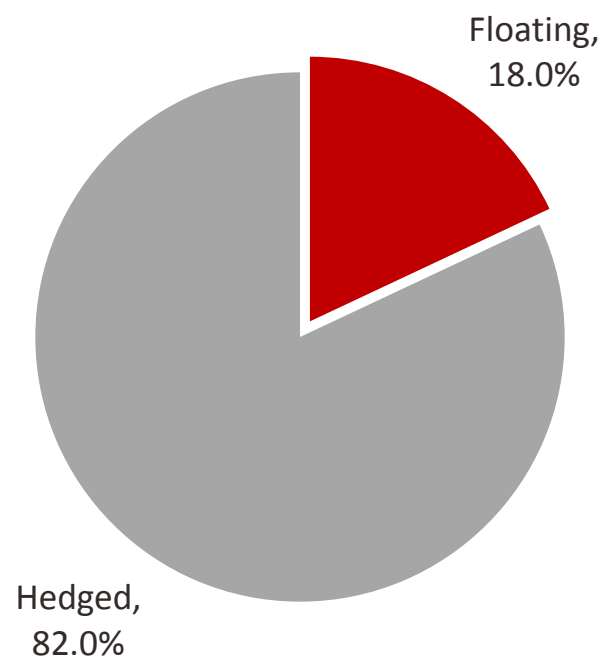
⁵ For quarter ended 30 September 2011

Hedged about 82% of Gross Borrowings

Hedging debt

As a % of:	As at 30 September 2011
SGD Borrowings	75.2%
AUD Borrowings	91.9%
JPY Borrowings	100.0%
Total Gross Borrowings	82.0%

Debt composition – floating vs. hedged



Moving forward

Office market begins to stabilise

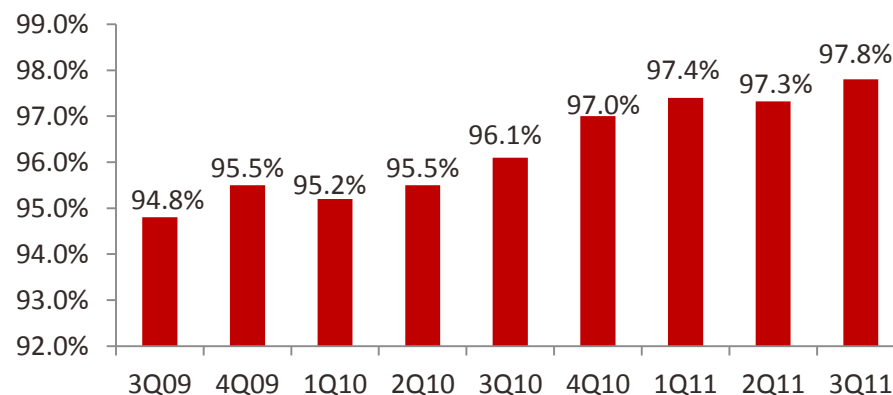
■ Market conditions ¹

- The office leasing market slow down in Q3 2011 on the back of weakening sentiment with negative net absorption numbers recorded
- Grade A rents rose 4.3% q-o-q reaching \$11.06 psf/mth
- Singapore's office market remains in reasonable health and it is expected to show its strength and absorb future supply although a further rise in vacancy rates is inevitable

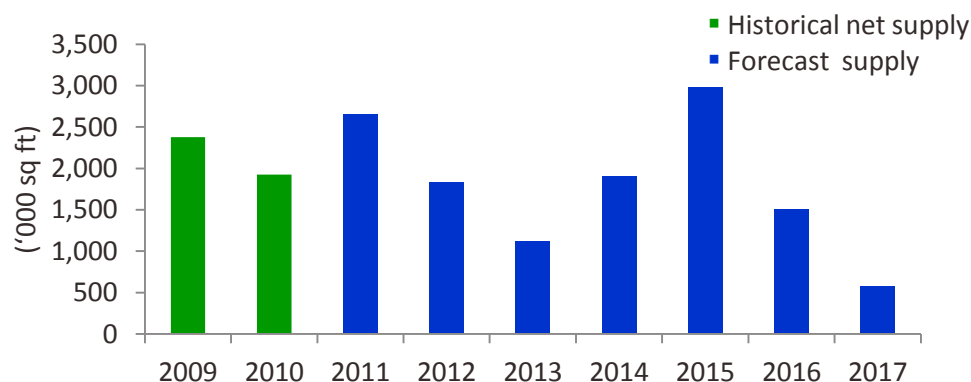
■ Supply ¹

- The future supply between Q3 2011 and end 2016 is around 9.7 million sf
- 1.8 million sf on average will be delivered to the market each year after taking into account the schedule office demolitions
- 25% of the total 5 year new supply is already pre-let

FCOT's Singapore properties average occupancy



Singapore office new supply ²



¹ CB Richard Ellis, "MarketView Singapore", 3Q2011

² Source: URA; CBRE Research

Perth Premium Grade Office vacancy rate at 0% as of July 2011

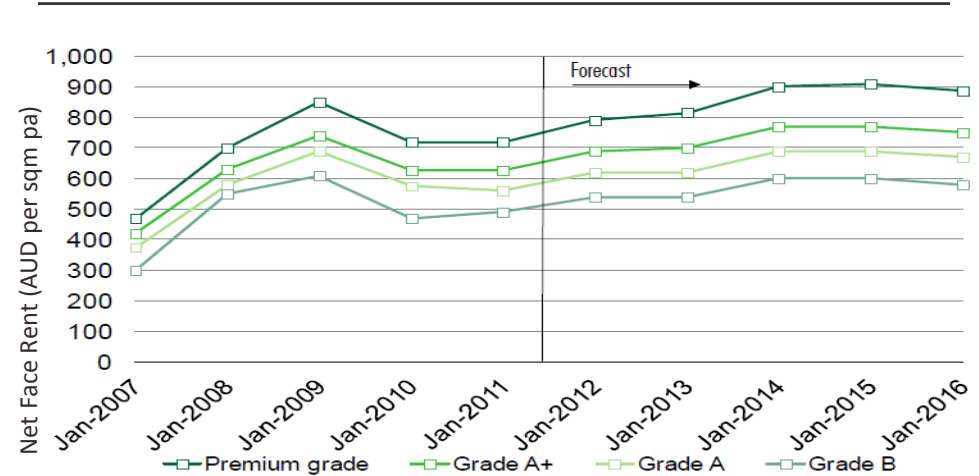
■ Market conditions ¹

- The Perth office market continues to be driven by the resources sector and the outlook over the short to medium term remains extremely positive
- Premium grade net face rents sit between A\$720 to A\$825 psm pa
- Premium Grade vacancy now sits at 0% as of July 11

■ Supply ¹

- By the end of 2012, 115,000 sqm of office space will have entered the market of which only approximately 76,000 sqm is considered premium grade and has been fully pre-committed
- Once the influx of supply in 2012 is completed the market is expected to tighten significantly
- CBD market vacancy will fall to 6.3% by the end of 2013 and as a result there will be a further spike in rents in 2013/2014

Perth CBD average net face rents ¹



¹ CBRE Richard Ellis "MarketView Perth Office", 3Q2011

Strategic initiatives delivering results

Rising Occupancy & Rental Boost NPI



**Portfolio occupancy rates –
↑7.2% Y-o-Y
NPI – ↑3.2% Y-o-Y**

Organic Growth
- Step – up Rents
Singapore & Australia



**24.2% of portfolio revenue
enjoy average 3.9% step-up
rental growth**

Potential Savings
- from Re-financing



In progress

Future Acquisitions
- Debt Headroom Created from Divestments



To be implemented

Thank you

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