



Frasers Commercial Trust 2QFY13 Financial Results

29 April 2013

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→ **Results**

→ **Portfolio review**

→ **Capital management**




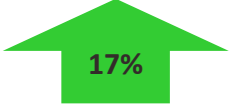

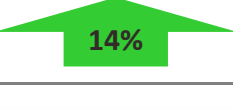
→ **Moving Forward**

Results

→ Results – Financial highlights

5

▪ 16.8% rise in distributable income for 2QFY13






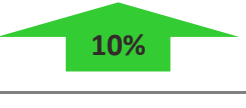
1 Jan 2013 – 31 Mar 2013	2QFY13 (S\$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	29,708	 4%	▪ Higher contribution from Caroline Chisholm Centre due to acquisition of remaining 50% interest, higher rental rates achieved for the properties and underlying revenue recognised after the expiry of master lease at China Square Central, offset by nil contributions from KeyPoint and the properties in Japan after the divestments
Net Property Income	23,038	 7%	▪ Higher contribution from 100% interest in Caroline Chisholm Centre and higher rental rates achieved for the properties, offset by nil contributions from KeyPoint and the properties in Japan after the divestments
Net Property Income (excluding KeyPoint and the Japanese properties)	23,038	 14%	▪ Higher contribution from 100% interest in Caroline Chisholm Centre and higher rental rates achieved for the properties
Distributable income:			
-Unitholders	13,055	 17%	▪ Savings in Series A CPPU distribution arising from the net conversion and redemption of Series A CPPU on 2 January 2013 and reduction in interest expenses led to the uplift in the distribution to Unitholders
- CPPU holders	2,325	 50%	▪ 2QFY13 distribution for CPPU holders paid on 1 April 2013. Lower Series A CPPU distribution arising from the net conversion and redemption of Series A CPPU on 2 January 2013
Distribution per CPPU Unit	1.36¢	-	▪ 2QFY13 distribution for CPPU holders paid on 1 April 2013
DPU ¹	1.99¢	 14%	▪ DPU increased Y-o-Y in line with distributable income to Unitholders

¹ The number of Units used to calculate the amount available for DPU is 656,588,131. See accompanying 2QFY13 Financial Statements announcement for more details.

→ Results – Financial highlights

6

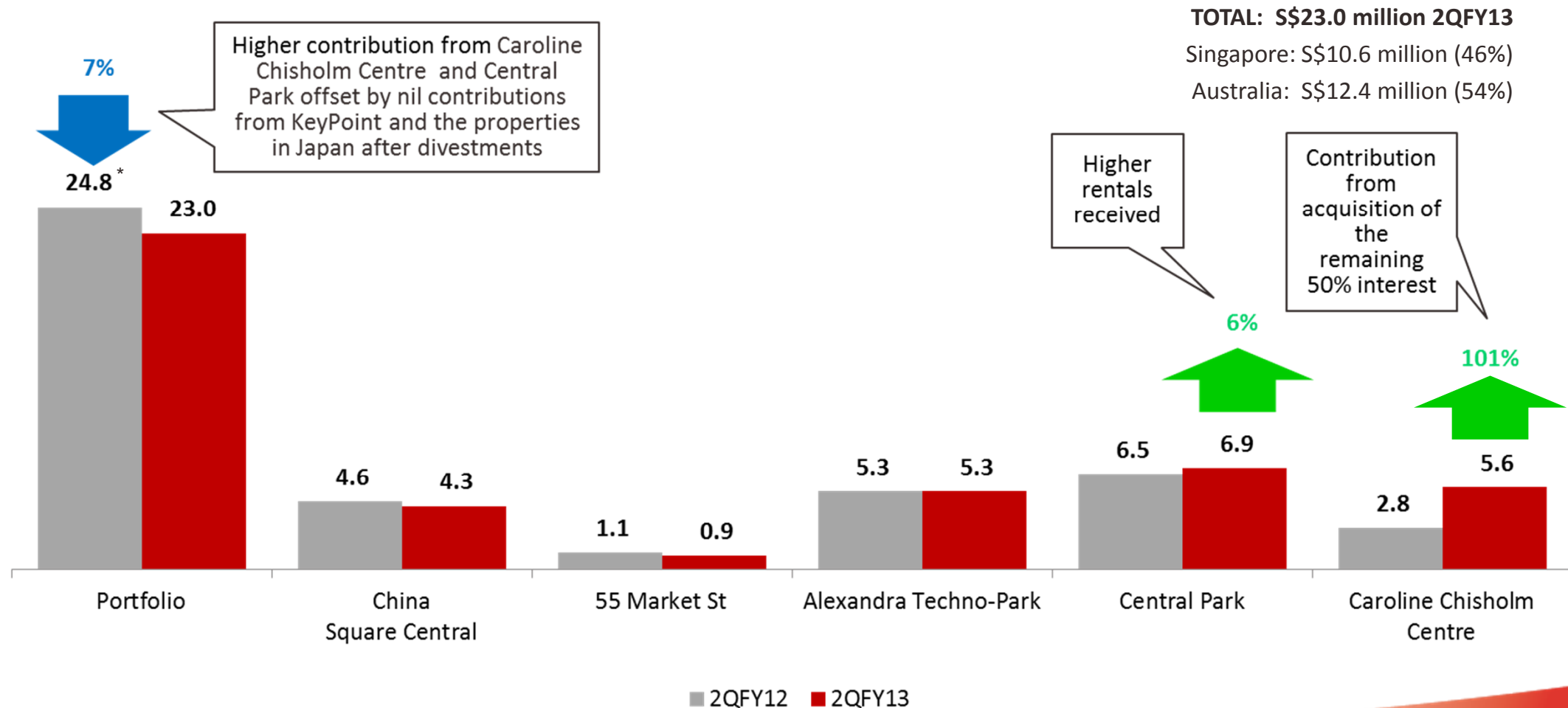
▪ 12.2% rise in distributable income for 1HFY13

1 Oct 2012 – 31 Mar 2013	1HFY13 (S\$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	59,400	 3%	▪ Higher contribution from Caroline Chisholm Centre due to acquisition of remaining 50% interest, higher rental rates achieved for the properties and underlying revenue recognised after the expiry of master lease at China Square Central, offset by nil contributions from KeyPoint and the properties in Japan after the divestments
Net Property Income	45,972	 7%	▪ Higher contribution from 100% interest in Caroline Chisholm Centre and higher rental rates achieved for the properties, offset by nil contributions from KeyPoint and the properties in Japan after the divestments
Net Property Income (excluding KeyPoint and the Japanese properties)	45,673	 14%	▪ Higher contribution from 100% interest in Caroline Chisholm Centre and higher rental rates achieved for the properties
Distributable income:			
- Unitholders	23,324	 12%	▪ Savings in Series A CPPU distribution arising from the net conversion and redemption of Series A CPPU on 2 January 2013 and reduction in interest expenses led to the uplift in the distribution to Unitholders
- CPPU holders	7,059	 25%	▪ Lower Series A CPPU distribution arising from the net conversion and redemption of Series A CPPU on 2 January 2013
Distribution per CPPU Unit	2.75¢	-	▪ 1HFY13 distribution for CPPU holders
DPU ¹	3.57¢	 10%	▪ DPU increased Y-o-Y in line with distributable income to Unitholders

¹ The number of Units used to calculate the amount available for DPU is 656,588,131. See accompanying 2QFY13 Financial Statements announcement for more details.

Higher NPI from Caroline Chisholm Centre offset by divestments in 1QFY13

Net Property Income (\$\$m)

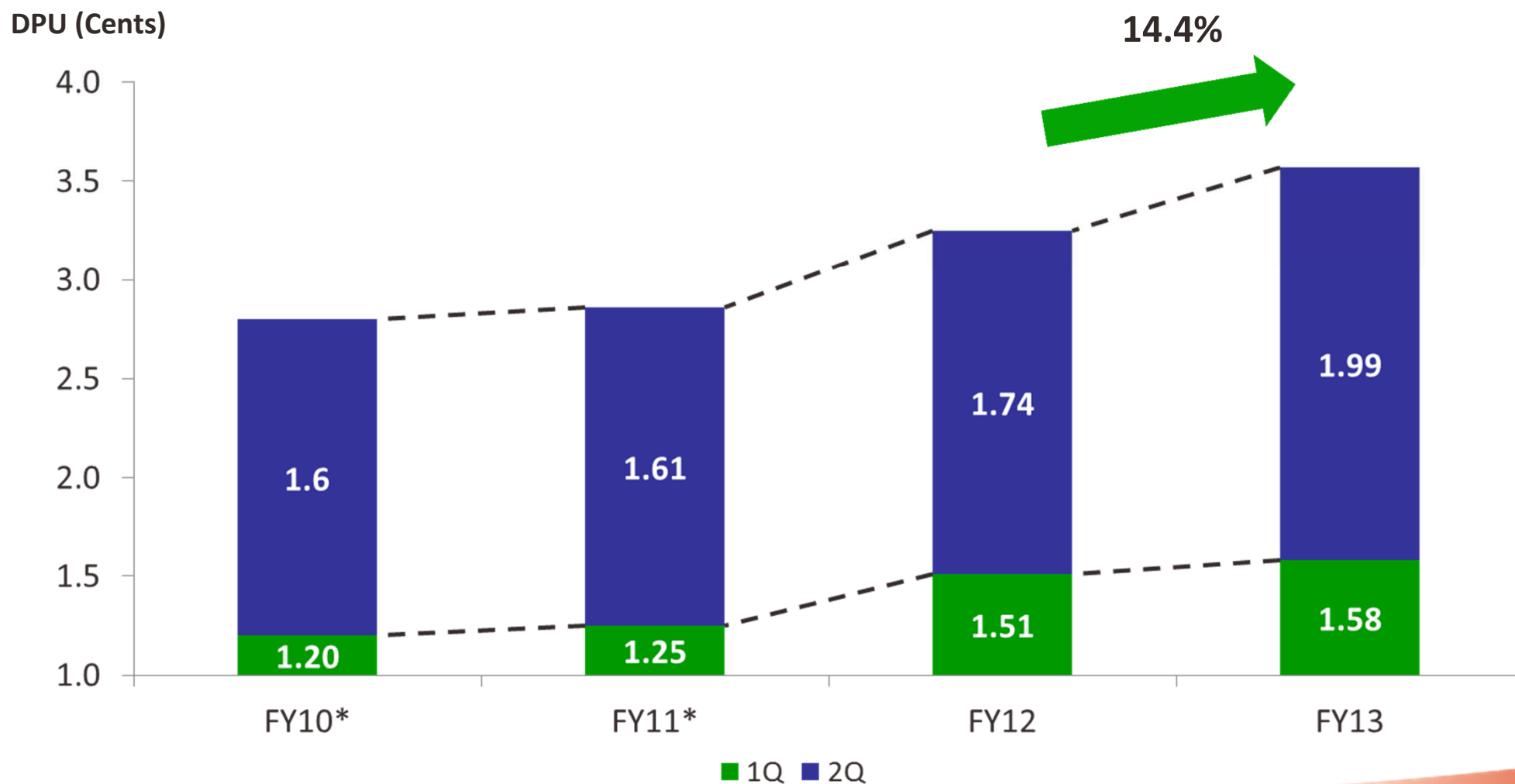


* Includes KeyPoint which was divested on 28 September 2012 and the Japanese properties which were divested on 25 October 2012.

→ Results – Financial highlights

8

- Continuous growth in DPU
- 14.4% DPU growth for 2QFY13



* Adjusted for Unit consolidation

Distribution to be paid on 30 May 2013

Distribution Period	1 January 2013 to 31 March 2013
Ordinary Unit Distribution Rate	Distribution of 1.9883 cents per Unit comprising: a) taxable income distribution of 1.1063 cents; b) tax-exempt income distribution of 0.8256 cents; and c) capital distribution of 0.0564 cents.
Last day of trading on “cum” basis	Friday, 3 May 2013
Ex-distribution trading commence	Monday, 6 May 2013
Distribution Books Closure Date	Wednesday, 8 May 2013 at 5.00 pm
Distribution Payment Date	Thursday, 30 May 2013

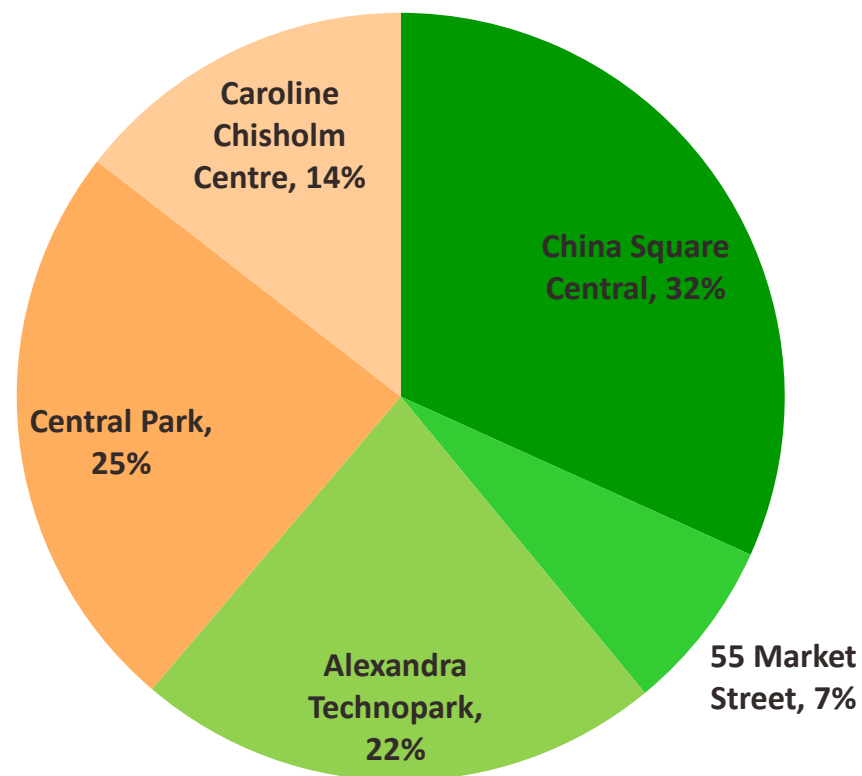
- 1.3562 cents distribution per CPPU unit for the period from 1 January 2013 to 31 March 2013 was paid on 1 April 2013.

Portfolio review

→ Portfolio review – Valuation

11

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



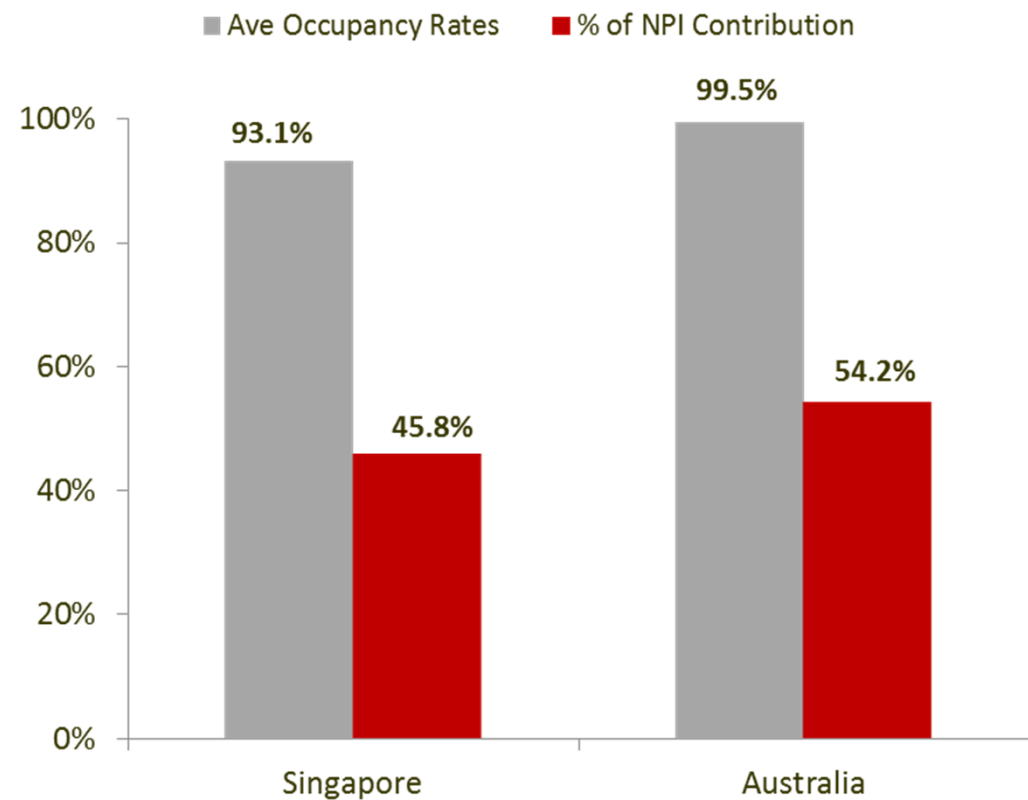
Singapore	\$	1,076.0	61%
Australia	\$	685.0	39%
Total	\$	1,761.0	100%

As at 31 March 2013. Excludes retail turnover rent

- **Healthy average occupancy rate of 95.3%**
- **Healthy WALE of 4.8 years**

Key portfolio statistics	As at 31 March 2013
Ave Occupancy	95.3%
WALE by gross rental income	4.8 years

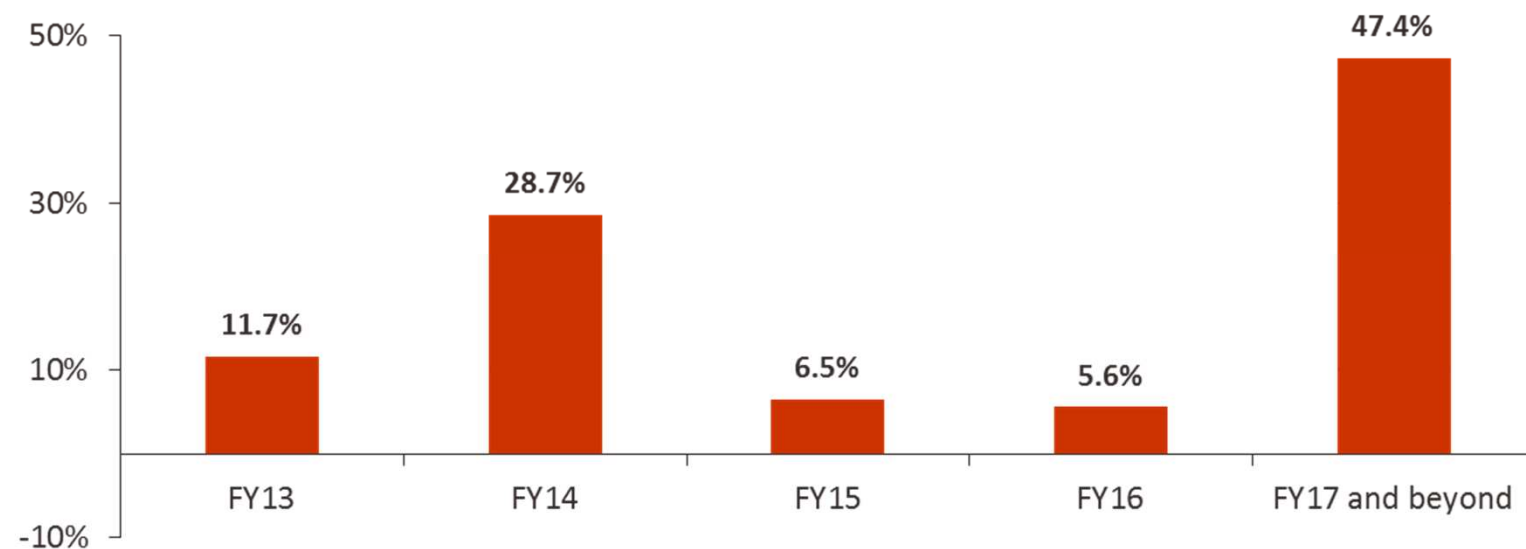
Geographical occupancy and % of NPI contribution



As at 31 March 2013. Excludes retail turnover rent

More than 47% of lease expiry in FY2017 and beyond provides income stability

Portfolio lease expiry by gross rental income

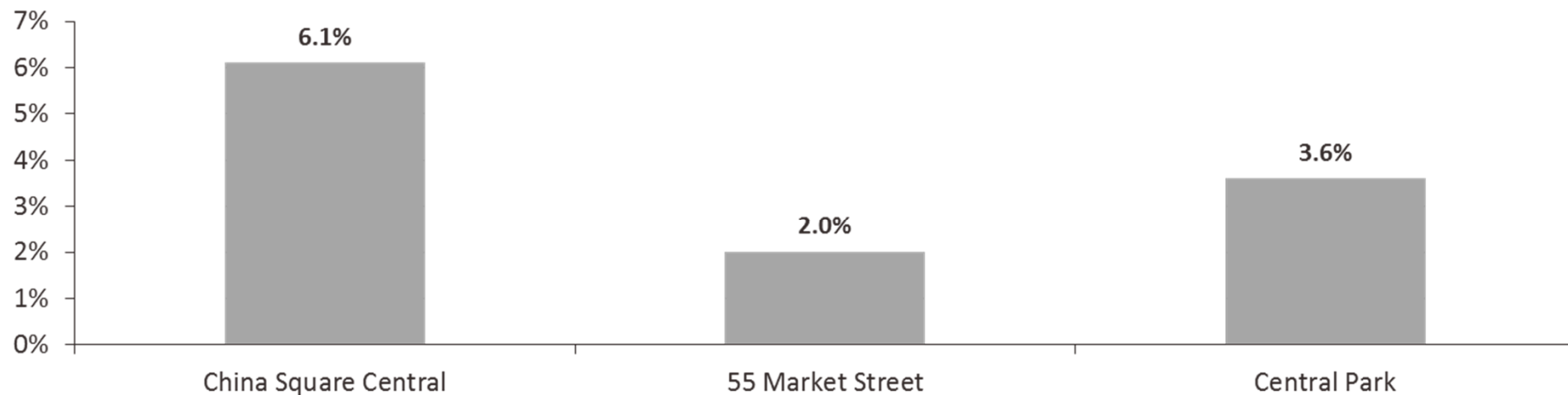


Number of leases expiring	40	43	39	21	22
NLA (sq ft) expiring	148,133	1,133,216	86,995	80,380	724,626
Expiries as % total NLA	6.5%	49.7%	3.8%	3.5%	31.8%
Expiries as % total Gross Rental Income	11.7%	28.7%	6.5%	5.6%	47.4%

As at 31 March 2013. Excludes retail turnover rent

Low passing rents presents potential for higher income

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



Ave passing rent for expiring leases

Number of leases expiring	31	7	2
Average passing rent	\$6.6	\$5.5	AUD \$638

As at 31 March 2013.. Excludes retail turnover rent

Positive rental reversions for new and renewed leases commenced during the quarter[^]



As at 31 March 2013.. Excludes retail turnover rent

[^] Weighted average rental reversions based on the area for the new and renewed leases in 2QFY13

[#] Excluding negative reversion for a lease which was entered into in 2007 and expired in 2012.

^{*} Underlying leases

More than 35% of leases have built-in step-up rents

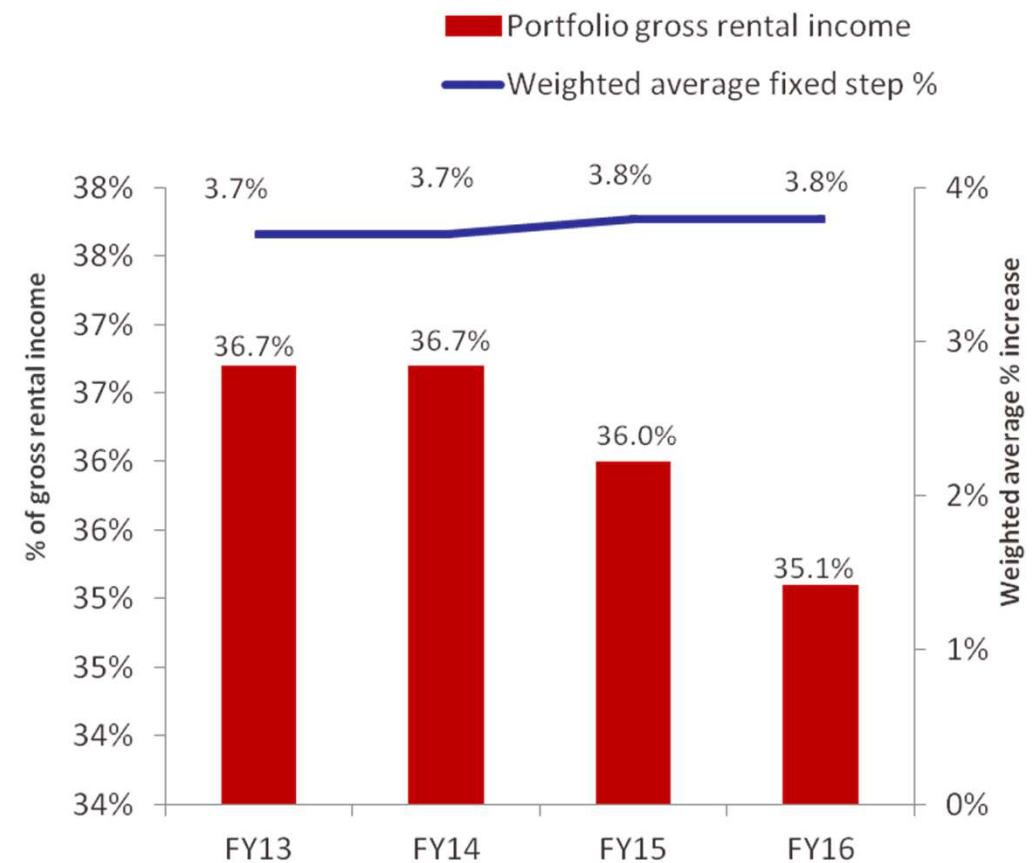
FY13 - Fixed % and other fixed lease rent reviews

			GROSS RENTAL INCOME	
Property	Leases	Average step-up rent	Property	Total Portfolio
China Square Central	4	8.4%	3.5%	0.7%
Caroline Chisholm Centre	1	3.0%	100.0%	20.8%
Central Park	14	4.5%	58.2%	15.2%
Central Park	5	CPI	9.0%	2.5%

FY13- Other mid-term lease rent reviews

			GROSS RENTAL INCOME	
Property	Leases	Review mechanism	Property	Total Portfolio
Central Park	4	Market	6.6%	1.8%

FY13 – 16 - Portfolio fixed % reviews



Excludes retail turnover rent

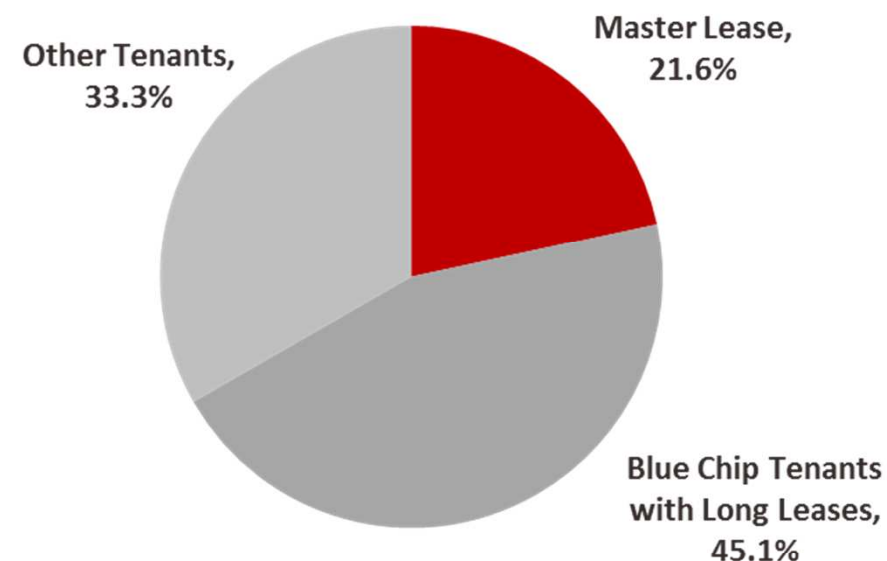
Master lessees/ blue chip tenants with long leases contribute 67% of total gross rental income

Master Leases

Tenant	Lease Expiry	% (Gross Rental Income)
Alexandra Technopark – Orrick Investments Pte Ltd	Aug 2014	21.6%

Blue Chip Tenants with Long Leases

Tenant	Lease Expiry	% (Gross Rental Income)
Commonwealth of Australia (Centrelink)	Jul 2025	22.1%
Hamersley Iron Pty Ltd (Rio Tinto)	Jun 2018	9.5%
BHP Billiton Iron Ore Pty Ltd	Jul/ Aug/ Oct 2017	4.2%
Cerebos Pacific Ltd	May 2017	3.6%
Government Employees Superannuation Board (WA)	May 2017	2.2%
PF Lawyers Pty Ltd (DLA Piper)	Jun 2020	1.6%
Plan B Administration Pty Ltd	June 2019	1.2%
Jones Lang LaSalle (WA) Pty Ltd	Mar 2021	0.7%
Total		45.1%



Master Lessee
 +
Blue Chip Tenants with Long Leases
 =
 66.7% portfolio income secured

Committed occupancies for China Square Central will boost income in the next financial quarter



- **Healthy tenancy activities:**
 - New tenants include Geyer Environments, SourceCode Asia Pacific and Securus Partners
 - Committed tenants include GroupM and MOL Bulk Carriers
 - Diverse mix of tenants including consultancy/business services, legal, IT products & services
 - Actual occupancy of 73.0% and committed occupancy of 92.6% as at 31 March 2013
 - Committed occupancy will contribute positively to income in the coming quarter

Precinct Master Plan initiatives on schedule



- Installation of columns and trusses completed
- Retail offering improved

China Square Central – Asset Enhancement Initiatives (“AEI”) on schedule



Toilet



Lift lobby

- AEI commenced in November 2012, scheduled to be completed in the second quarter of 2013
- Upgrading of main lobby, drop-off point, common corridors and other common areas

As at 31 March 2013.

55 Market Street – healthy occupancy rate



Occupancy	96.7%
New leases , committed and renewals	Best World Lifestyle, Citigate
Tenants	

Alexandra Technopark – Robust tenancy activities



Occupancy	98.4% (underlying occupancy) Average underlying passing gross rent: S\$3.37psf
New leases , committed and renewals	St. Jude Medical, Servicom Medical, D&M Electronics
Tenants	

Central Park – Long WALE of 4.2 years



Caroline Chisholm Centre –full occupancy with long WALE of 12.3 years



Occupancy	99.0%	100.0%
New leases , committed and renewals	Asgard Wealth Management, Japan Australia LNG (MIMI)	Property occupied by a single tenant, i.e. the Commonwealth of Australia as represented by Centrelink (AAA rated*) until July 2025
WALE	4.2 years	12.3 years
Tenants	    	

As at 31 March 2013.

* Based on Moody's rating in September 2012

Capital management

Healthy gearing level

Statistics

As at
31 March 2013

Total Assets (S\$'000)	1,859,828
Gross Borrowings (S\$'000)	590,246
Units on Issue and Issuable ¹	656,588,131
NAV per Unit (ex-DPU) ¹ (S\$)	1.50
Gearing ²	31.7%
Interest coverage ratio (times) ³	4.62
Average borrowing rate ⁴	3.2%
- Weighted average SGD debt rate	2.1%
- Weighted average AUD debt rate	5.6%

Borrowings and assets by currency



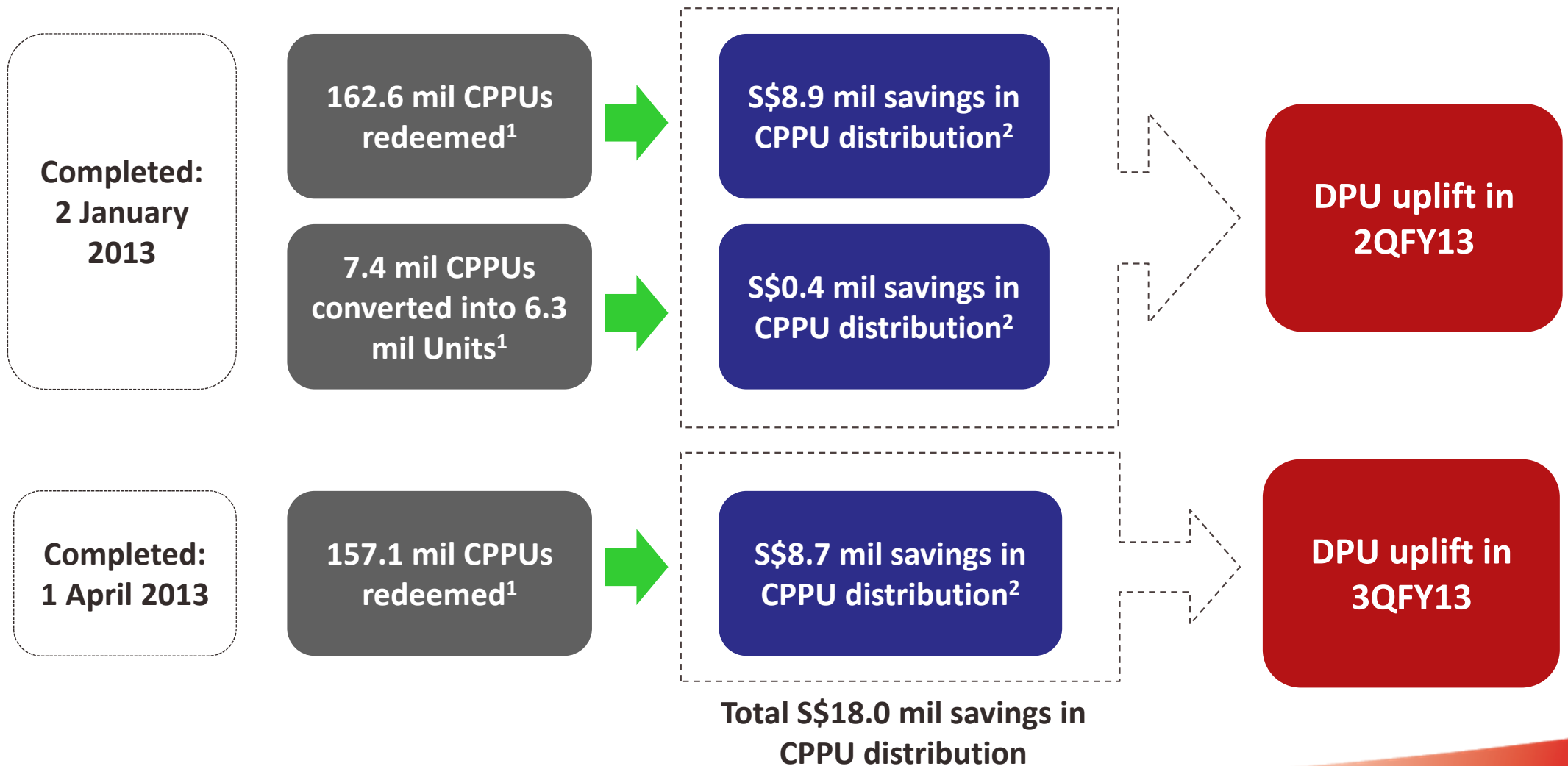
¹ The number of Units includes 1,681,660 Units arising management fees payable in Units.

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 31 March 2013. See accompanying 2QFY13 Financial Statements announcement for more details.

⁴ For quarter ended 31 March 2013

Redemption of CPPUs is accretive to Unitholders

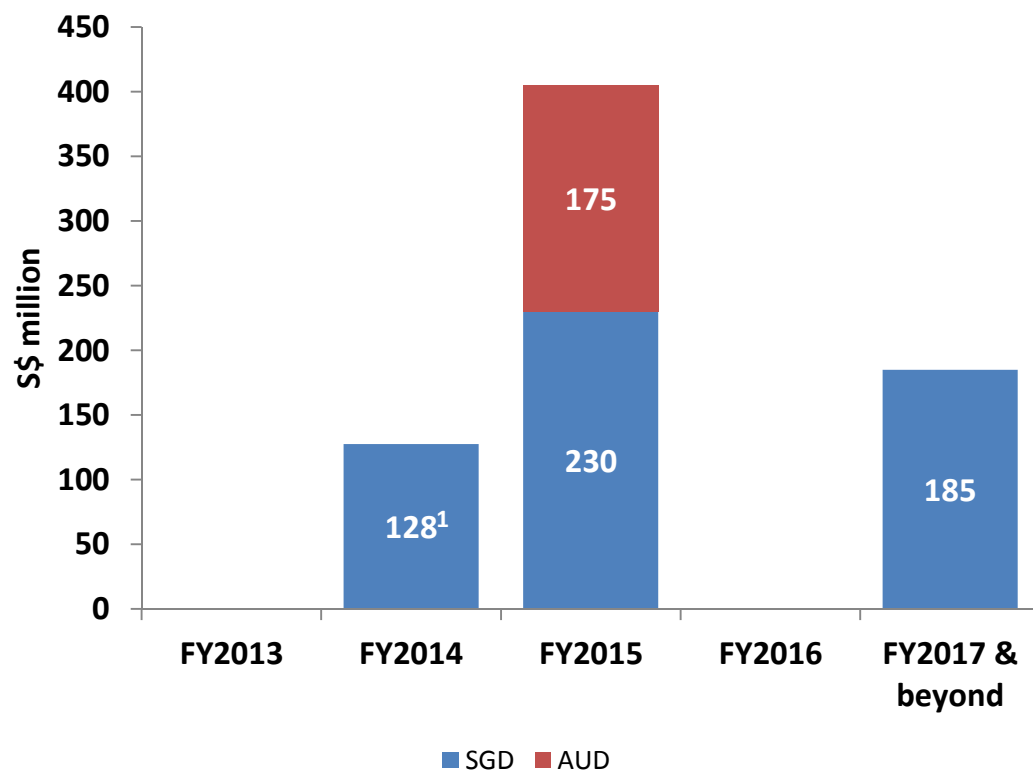


1 On 2 January 2013, 162,567,826 Series A CPPUs were redeemed and 7,437,501 Series A CPPUs were converted into 6,278,918 new Ordinary Units (the "Conversion Units") in FCOT. On 1 April 2013, 157,123,847 Series A CPPUs were redeemed following the exercise of the right of redemption by the Manager.

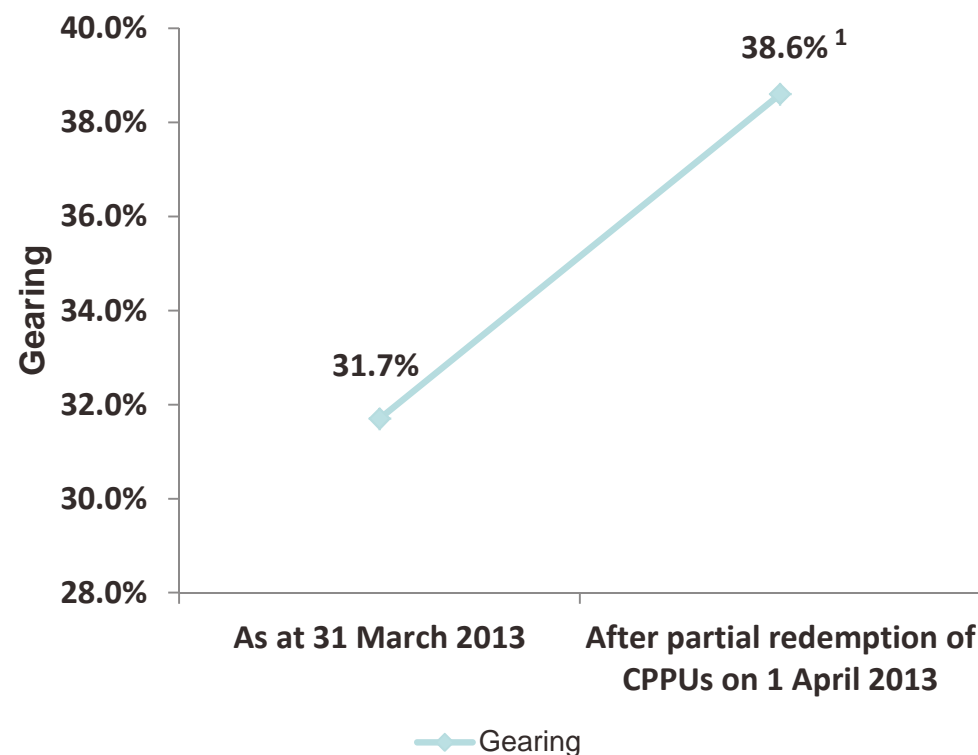
2 Based on distribution rate of 5.5% p.a. for Series A CPPUs, assuming that the redemption and conversion had occurred for the full year.

■ Well spread debt maturity profile

Debt maturity



Gearing



Total facilities

S\$718 million
(as at 1 April 2013)

As at 31 March 2013.

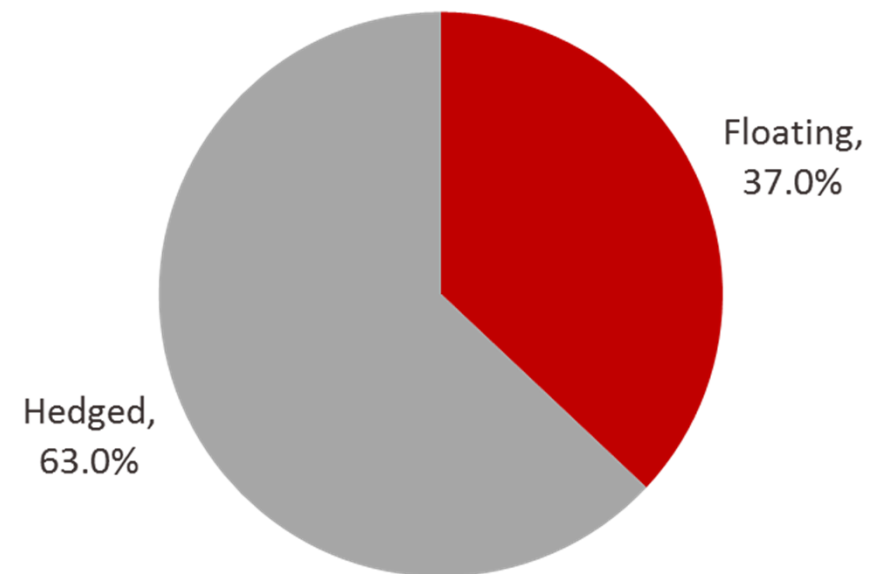
¹ On 1 April 2013, 157,123,847 Series A CPPUs were redeemed following the exercise of the right of redemption by the Manager. The redemption was funded by a combination of internally generated funds and S\$127.5 million unsecured facilities.

Hedged about 63% of Gross Borrowings

Hedging debt

As a % of:	As at 31 March 2013
Total Gross Borrowings	63.0%

Debt composition – floating vs. hedged



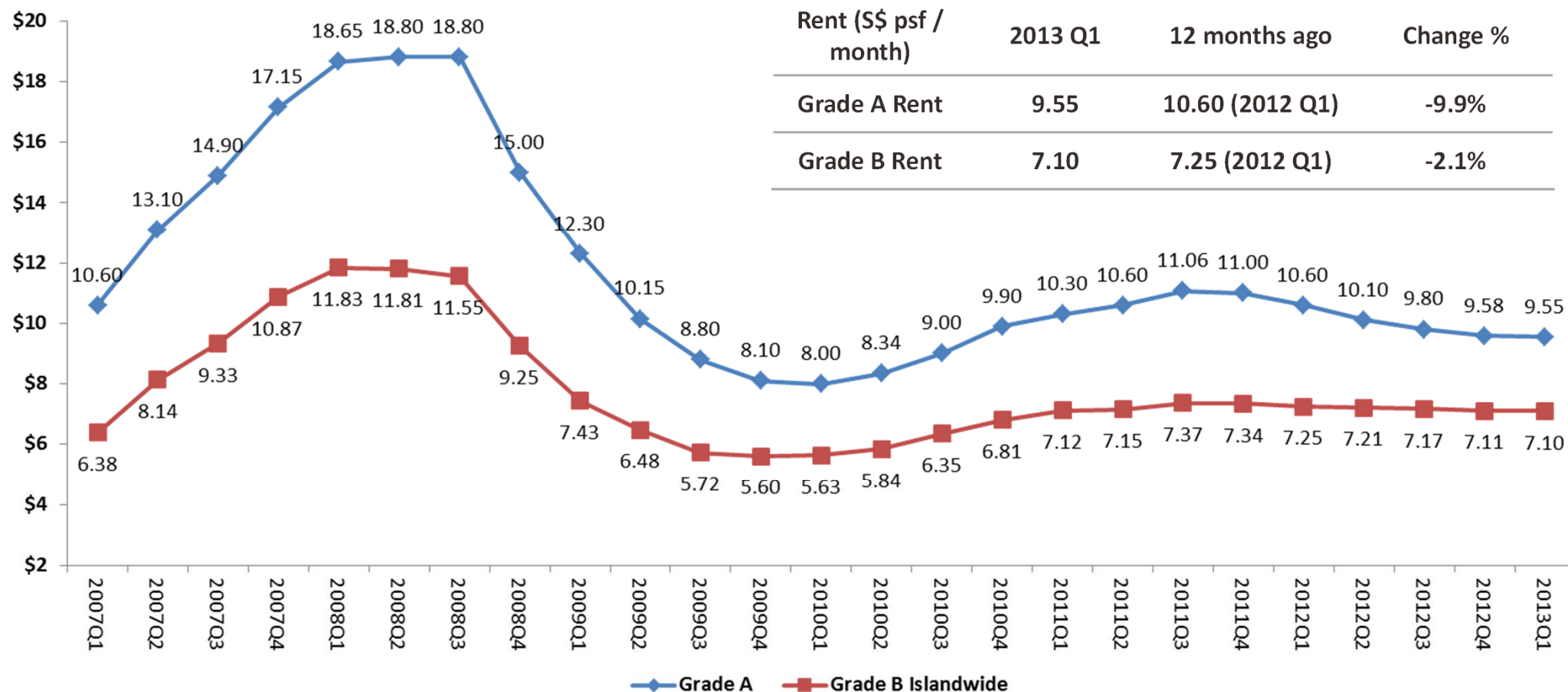
Moving forward

2. Solid fundamentals – positive market outlook

29

Singapore office rents trend – Grade B rents more resilient

Singapore Grade A and Grade B office rents ¹



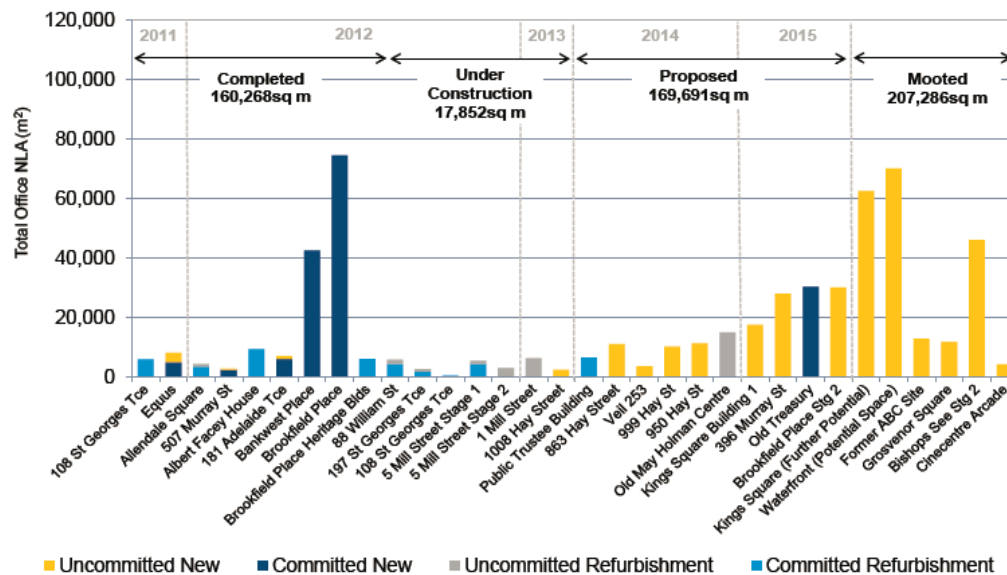
¹ Source: CBRE Research

2. Solid fundamentals – positive market outlook

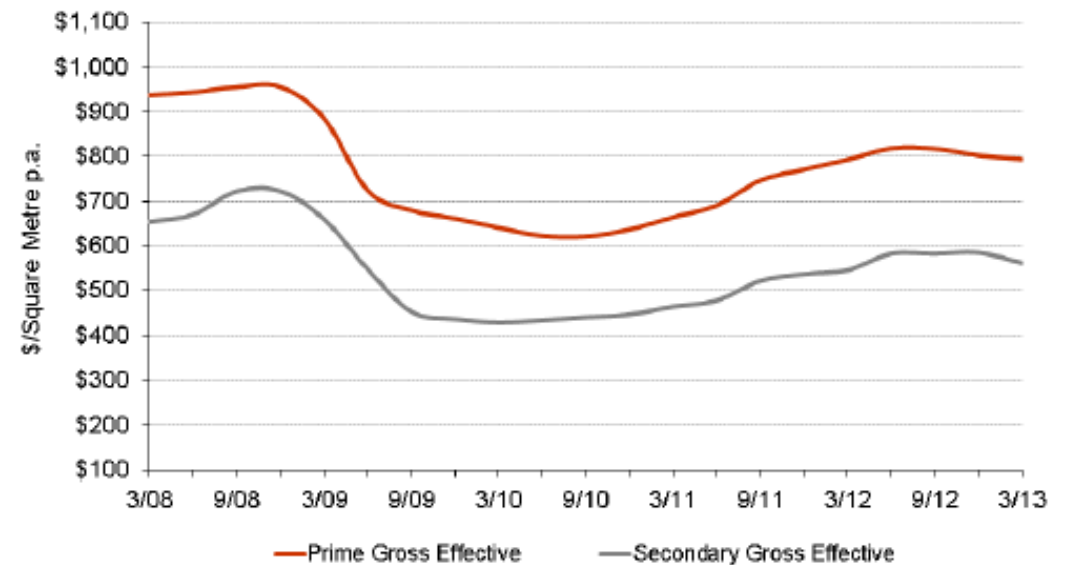
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Premium Grade office rents forecast to remain static for the foreseeable short term

Perth CBD supply¹



Perth CBD gross effective rents²



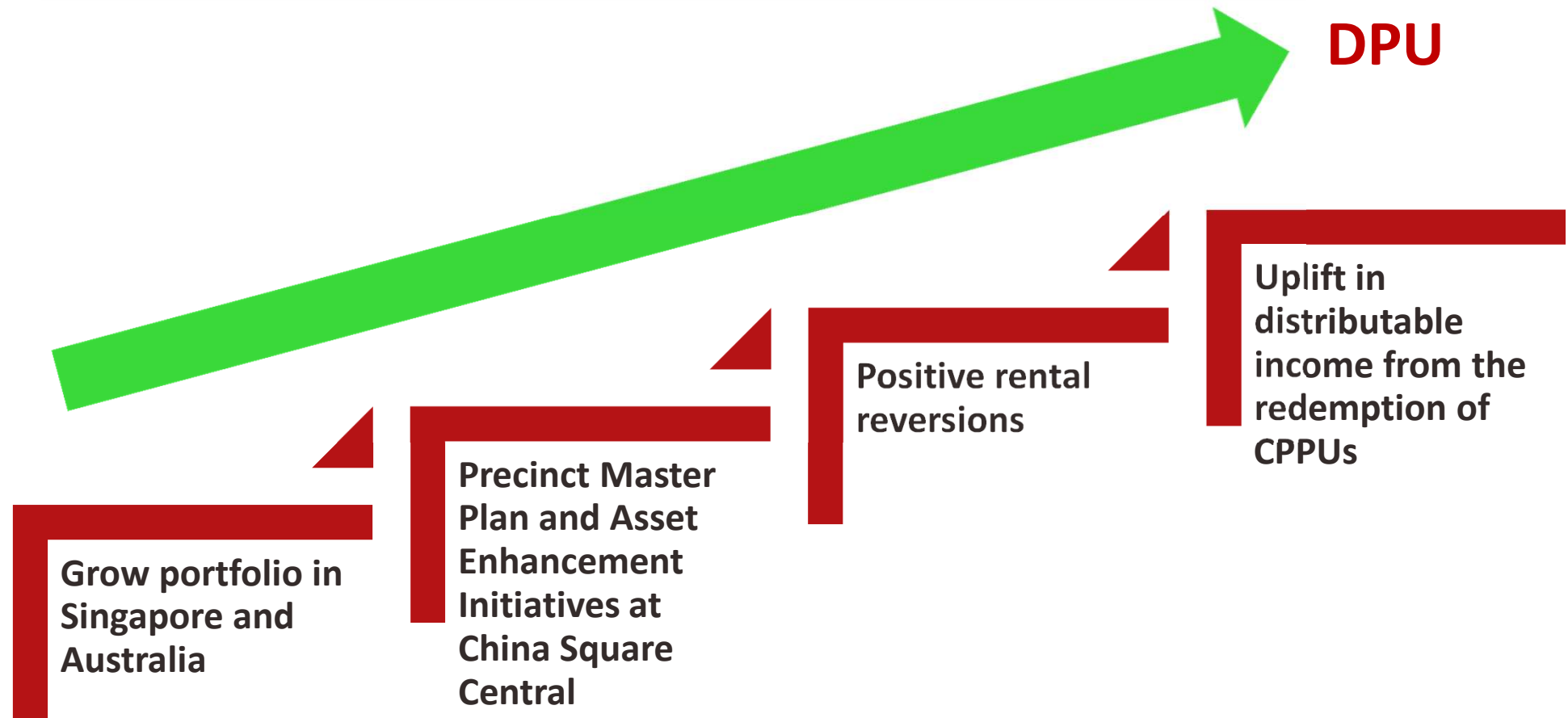
Market conditions²

- Prime vacancy increased by 0.3% points q-o-q to 4.7% in 1Q2013 mainly due to sub-lease availability. However, Perth still continues to boast the lowest vacancy rate of all Australian CBD office markets
- Prime gross effective rents declined 1.4% over the quarter to an average of AUD795 psm p.a.. However, prime gross effective rents have grown by 0.1% over 12 months to March 2013
- Shortage of new supply in 2013 and 2014, and any business expansion, will continue to exert pressure on rents
- In the short term, rents are expected to remain stable
- Vacancy is expected to stabilise in the short term before declining in the second half of 2013

¹ Colliers International, Second Half 2012, Research & Forecast Report, Perth CBD Office

² Jones Lang LaSalle "Market Commentary Perth CBD Office", March Quarter 2013

Various initiatives to deliver growth in distributable income



Completed



On-going

Thank you

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