

**PRESS RELEASE**
*For Immediate Release*

## Fraser's Commercial Trust 4Q2008 / FY2008 Financial Results

**Overview of Fraser'sComm's Financial Results**

1 October to 31 December	4Q2008	4Q2007	Variance (%)
Gross Revenue (S\$'000)	24,888	26,636	(6.6%)
Net Property Income (S\$'000)	18,559	20,615	(10.0%)
Distributable Income (S\$'000)	9,269	15,567	(40.5%)
Distribution per Unit (cents)	1.26	2.21	(43.0%)

1 January to 31 December	FY2008	FY2007	Variance (%)
Gross Revenue (S\$'000)	106,954	75,247	42.1%
Net Property Income (S\$'000)	80,959	61,422	31.8%
Distributable Income (S\$'000)	45,840	47,526	(3.5%)
Distribution per Unit (cents)	6.35	6.73	(5.1%)

**Singapore – 21 January, 2009** – Fraser's Centrepont Asset Management (Commercial) Ltd (“**FCAMCL**”), the manager of Fraser's Commercial Trust (“**Fraser'sComm**” or the “**Trust**”) (SGX:Fraser'sComm) has today announced the Trust's financial results for the quarter ended 31 December 2008 and FY2008.

Overall the properties continued to deliver reasonable operational performance with net property income achieved of S\$80.96 million for FY2008, a 31.8% increase year-on-year. This was attributed to stable rental income from China Square Central and despite a softening Australian Dollar, both Central Park and Caroline Chisholm Centre continued to perform with additional rental contributions from KeyPoint, Singapore and the Japanese properties.

However, the stronger net property income has been impacted by higher borrowing costs arising from the extension of debt facility in May 2008 resulting in a decline of 5.1% in the annualised distribution per Unit for FY2008. The result of additional borrowings for acquisition of the Japanese properties and KeyPoint completed in 3Q2007 and 4Q2007 respectively, and subsequent increased debt extension costs in 2008 have resulted in significantly lower quarter-on-quarter performance.

**Portfolio update**

Management continues to focus on active asset management of its existing portfolio to maintain occupancy levels and reduce operational costs where possible.

Overall, the portfolio occupancy in FY2008 continued to hold with an average occupancy rate of 94.6%. As at 31 December, the weighted average lease term to expiry (by gross income) is approximately 4.4 years, significantly longer than the average Singaporean office lease term. Furthermore, lease expiries for FY2009 are limited to only 22% of the portfolio's current gross rental income and 44% of the leases have expiry dates beyond 2010.

Given current economic and financial market conditions, asset enhancements initiatives ("AEI") of the retail areas of KeyPoint and China Square Central in Singapore have been deferred. Management has completed its review of the AEI plans put in place by the former management and has decided not to continue with them at this time. Instead, specific capex is being planned to attract new tenants to the retail spaces. The initiatives will include upgrading of mechanical services for food and beverage operators and repositioning of the retail tenancy mix to enhance and revitalise the property.

Leveraging on Frasers Centrepoint Limited's retail leasing expertise, management has actively been reviewing the tenancy mix and lease structure to strengthen the retail components of KeyPoint and China Square Central assets. Early success includes securing of a lease with Banquet, an established Singaporean food court operator, to commence on 1 March 2009 for 6,925 sq ft of indoor food and beverage and outdoor dining space at KeyPoint.

At China Square Central, the master lease with Unicorn Square Limited, guaranteed by its parent The Straits Trading Company Limited, remains in place until March 2012. The master lease secures income stability for Unitholders from this asset, regardless of changes to sub-tenant lease terms in the softened economic environment.

### **Looking forward**

Following completion of the strategic review commenced in August, management determined that Cosmo Plaza and the investment in the unlisted Australian property fund do not meet the long term investment strategy of FrasersComm and is exploring the potential divestment of these assets. Divestments of these assets will be conditional upon a number of factors and appropriate updates to Unitholders will be made in due course.

Addressing the Trust's debt maturity profile and balance sheet strength remain high priorities of management. In the fourth quarter, FrasersComm refinanced its short-term debt of S\$70.0 million by way of loan from F&N Treasury Pte. Ltd ("**F&N Loan**"). This transaction has enabled management to consider an overall plan for the refinancing of all debt maturing in FY2009, including the F&N Loan, and measures to improve the debt profile, interest rate profile and overall balance sheet strength of FrasersComm.

Mr Low Chee Wah, Chief Executive Officer of the Manager, said "Management priorities include the refinancing of the Trust's existing facilities and addressing the capital structure of FrasersComm. We are studying a variety of options and will look to begin implementing them during the course of the year."

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**About Frasers Commercial Trust**

Frasers Commercial Trust (FrasersComm) is a developer-sponsored commercial real estate investment trust (REIT) focused on growing shareholder value for its Unitholders through active asset management, sound financial management and strategic investments.

FrasersComm invests primarily in quality income-producing commercial office properties and its current portfolio consists of nine quality office buildings located in Singapore, Australia and Japan and an investment in an unlisted office fund in Australia. As at 31 December 2008, the portfolio represented a combined appraised value of approximately S\$1.7 billion.

FrasersComm, formerly known as Allco Commercial REIT, was listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) on 30 March 2006.

On 14 August 2008, Frasers Centrepoint Limited (FCL) acquired the manager of FrasersComm and units in FrasersComm and renamed the manager of FrasersComm, Frasers Centrepoint Asset Management (Commercial) Ltd.

For more information on Frasers Commercial Trust, please visit [www.fraserscommercialtrust.com](http://www.fraserscommercialtrust.com)

**About Frasers Centrepoint Limited**

FCL, a wholly-owned subsidiary of F&NL, is a leading Singapore-based property company with a strong global foothold in residential, commercial and hospitality projects.

Under the stewardship of F&NL, FCL's business has evolved from being the owner and operator of a single shopping centre to property development, property management, and asset and fund management of commercial properties (Frasers Centrepoint Commercial), residential homes (Frasers Centrepoint Homes), serviced apartments (Frasers Hospitality) and property trusts (Frasers Centrepoint Asset Management). Frasers Property, the international property arm of FCL, develops world-class projects in UK, Australia, New Zealand, Thailand, China and Vietnam.

For more information on FCL, please visit [www.fraserscentrepoint.com](http://www.fraserscentrepoint.com)

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**About Fraser and Neave, Limited**

Fraser and Neave, Limited (F&NL) is a leading Asia Pacific Consumer Group with expertise and dominant standing in the Food and Beverage, Property and Publishing and Printing industries.

Leveraging on its strengths in marketing and distribution; research and development; brands and financial management; as well as years of acquisition experience, F&NL provides key resources and sets strategic directions for its subsidiary companies across all three industries.

Listed on SGX-ST, F&NL has shareholders' funds of over S\$5 billion and total assets employed of over S\$13 billion. F&NL is present in over 20 countries spanning Asia Pacific, Europe and USA and employs close to 17,400 people worldwide.

For more information on F&NL, please visit [www.fraserandneave.com](http://www.fraserandneave.com)

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## **IMPORTANT NOTICE**

This announcement 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, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of FrasersComm and the Manager is not necessarily indicative of the future performance of FrasersComm and the Manager.