

# Frasers Centrepoint Trust Investor Presentation

May 2012



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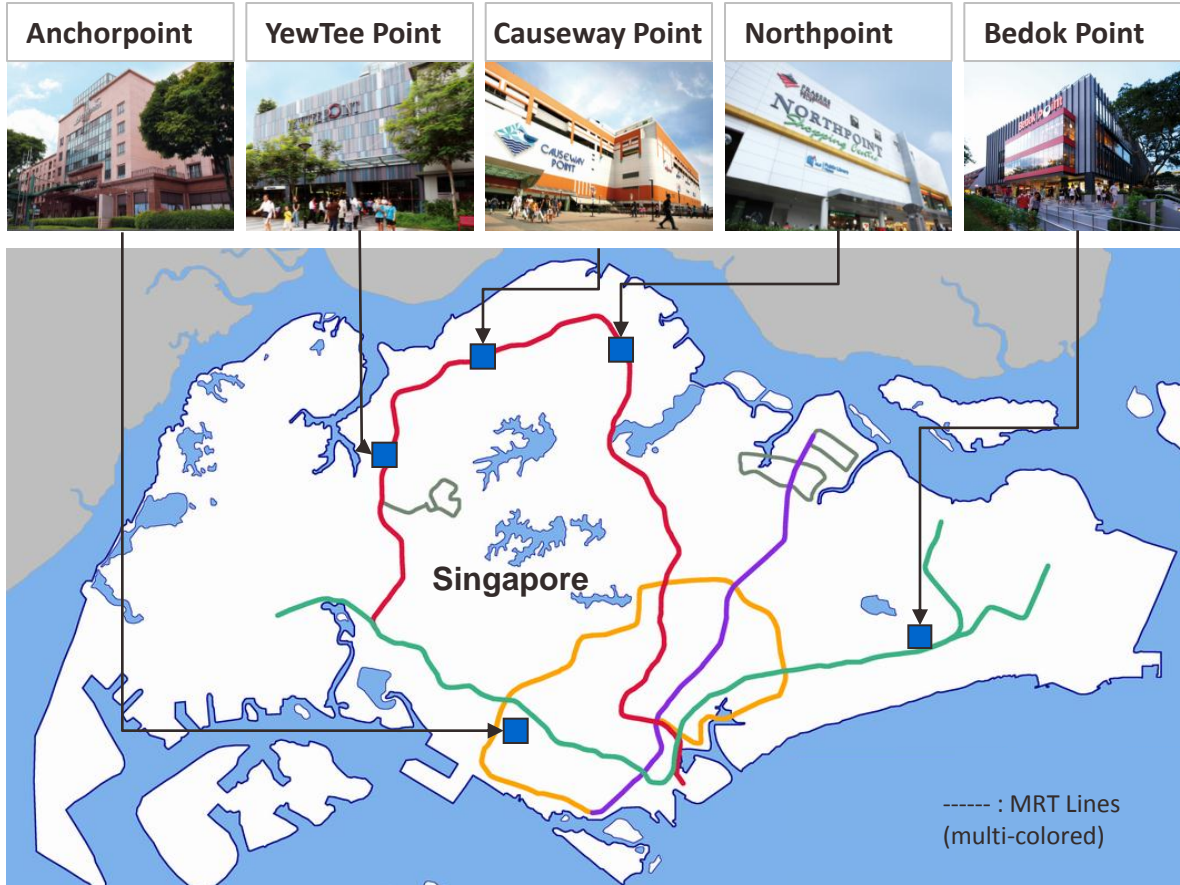
This Presentation contains certain information with respect to the trade sectors of FCT’s tenants. The Manager has determined the trade sectors in which FCT’s tenants are primarily involved based on the Manager’s general understanding of the business activities conducted by such tenants. The Manager’s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

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- Overview
- Financial highlights
- Portfolio highlights
- Track record
- Moving forward
- Investment Merits
- Appendix

# Overview

## Frasers Centrepoint Trust (FCT) is a developer-sponsored S-REIT with five quality suburban retail shopping malls in Singapore



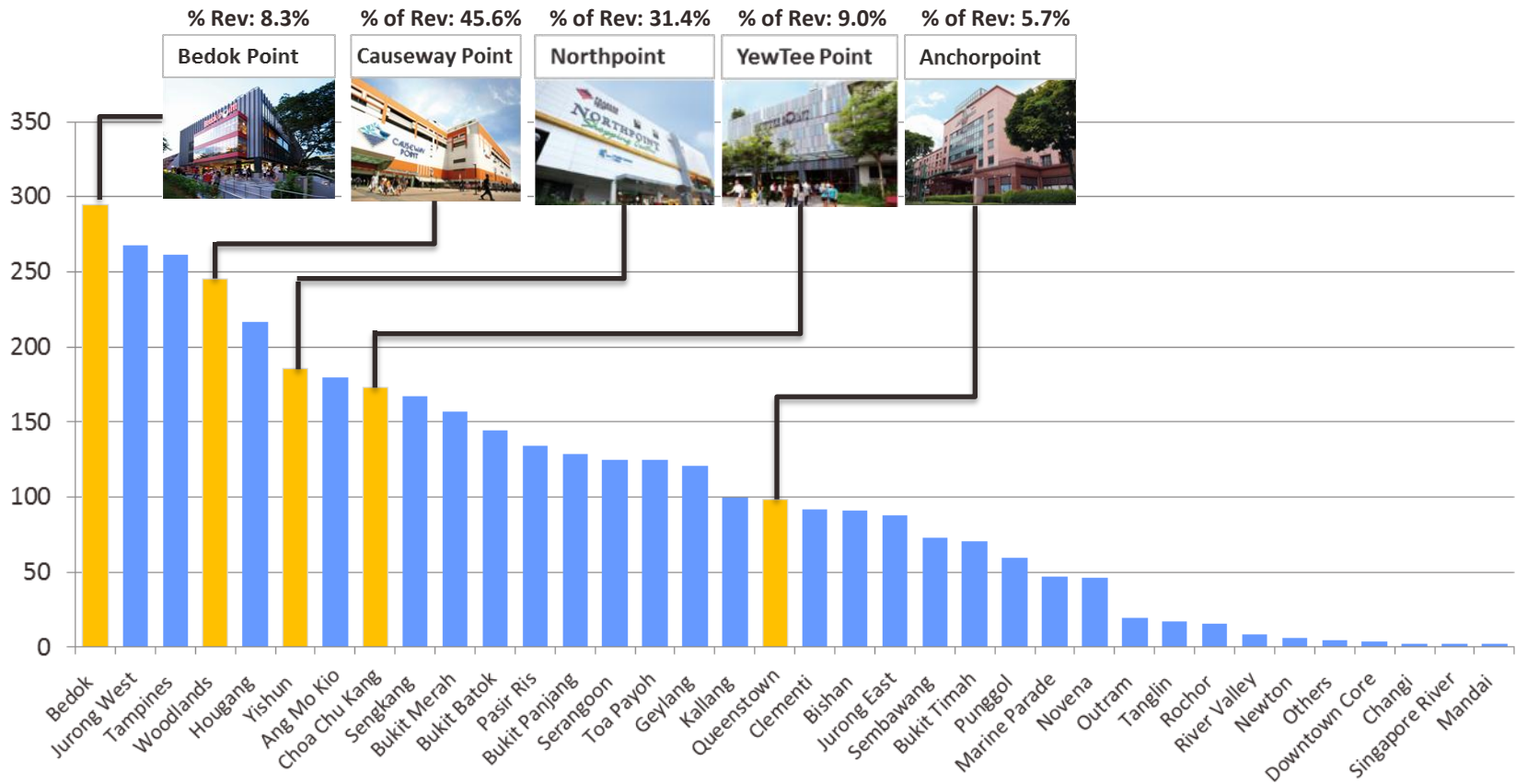
### Key Information

- **IPO date:** 5 July 2006
- **Sponsor:** Frasers Centrepoint Limited (FCL), wholly-owned subsidiary of Fraser & Neave, Limited
- **Substantial Unitholders<sup>(1)</sup>:** FCL (41%); Capital Group (6%); Schroder (6%)
- **Credit Rating:** S&P (BBB+/Stable); Moody's (Baa1/Stable)
- Owns five suburban retail malls in Singapore with aggregate property value of S\$1.7 billion
- Owns 31% stake in Malaysia-listed Hektar REIT

(1): as at 4 April 2012

## FCT malls are located in populous residential estates

Singapore's residential estates <sup>(1)</sup> by area population ('000)



Source: Department of Statistics, Population Trends 2010, Ministry of Trade & Industry

(1): Base on Urban Redevelopment Authority's Master Plan 2008 planning area boundaries.

## FCT malls are well-connected to public transportation network and they enjoy ready catchment of shoppers

Well connected to public transportation (MRT, public bus services)



Shopper catchment from surrounding residential estates, commuter traffic, schools



## Supermarkets, spending on daily necessities, F&B draw repeat-shopper visits

Diverse offerings: Groceries & staples, fashion brands, food & beverages, dining, personal services



Events and mall facilities that promote repeat-shopper visitorship





## FCT's investment in Hektar REIT

- FCT holds a 31% stake (99.4m units) in Malaysia-listed Hektar REIT. The stake was first acquired in June 2007.
- Investment value in Hektar carried in FCT's book was S\$54.8m or 3% of FCT's total assets as at 30 Sep 2011
- FCT received S\$3.8m in distribution for its stake in Hektar REIT for the year ended 30 Sep 2011. This represents about 7% distribution yield to FCT.

### Hektar REIT portfolio comprises 3 retail malls in Malaysia

(as at 31 December 2011)

- Total NLA: 1.1m sq ft
- Portfolio occupancy: 97.5%
- Appraised value: RM822m

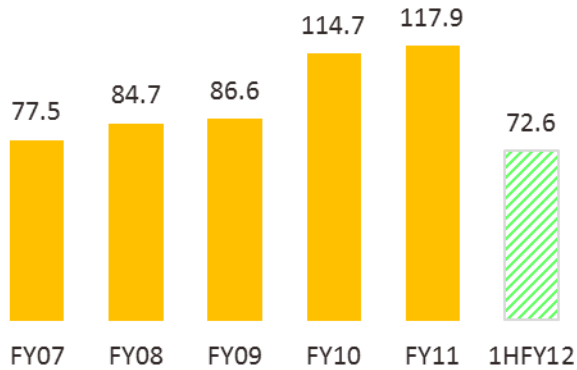


Source: Hektar Reit

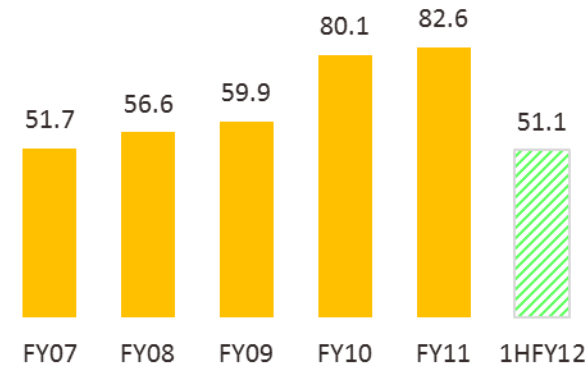
# Financial Highlights

## Well-balanced and consistent growth

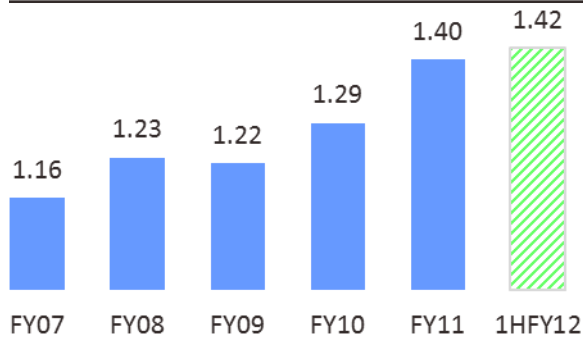
**Revenue (\$ million)**



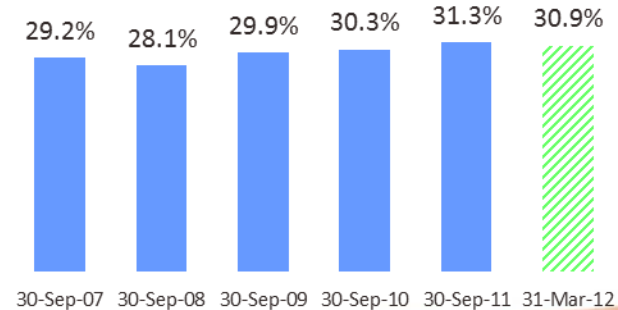
**Net Property Income (\$ million)**



**Net Asset Value per unit (\$)**  
(as at end-of period)



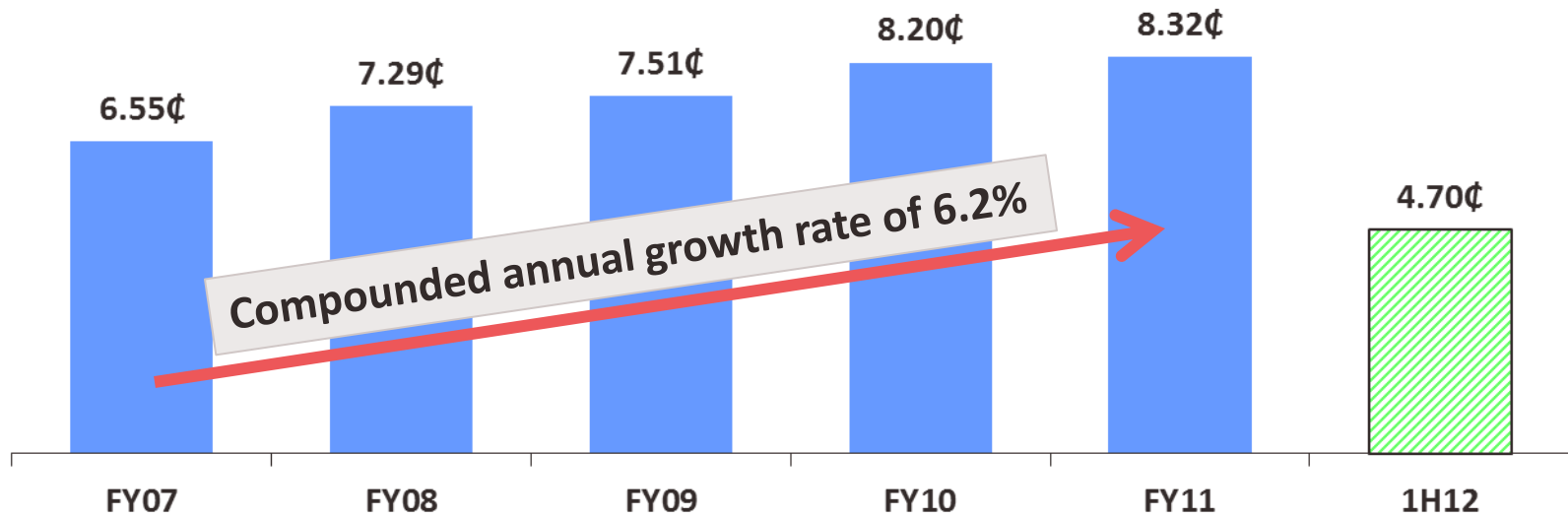
**Gearing** (ratio of total borrowings divided by total assets)



Note: FCT Financial year ends 30 Sep

## Consistent DPU growth

Distribution per unit (DPU)



## 2Q12 DPU up 21% to new all-time high

3 months ended 31 March \$'000	2Q12	2Q11	Variance
Gross Revenue	36,725	28,830	▲ 27.4%
Property Expenses	(10,521)	(8,738)	▲ 20.4%
Net Property Income	26,204	20,092	▲ 30.4%
Income available for distribution	21,262	16,277	▲ 30.6%
Distribution to Unitholders	20,603*	15,959	▲ 29.1%
Distribution per Unit (DPU)	2.50¢	2.07¢	▲ 20.8%

\* \$659,000 was retained in 2Q12

## Strong results for 1H12

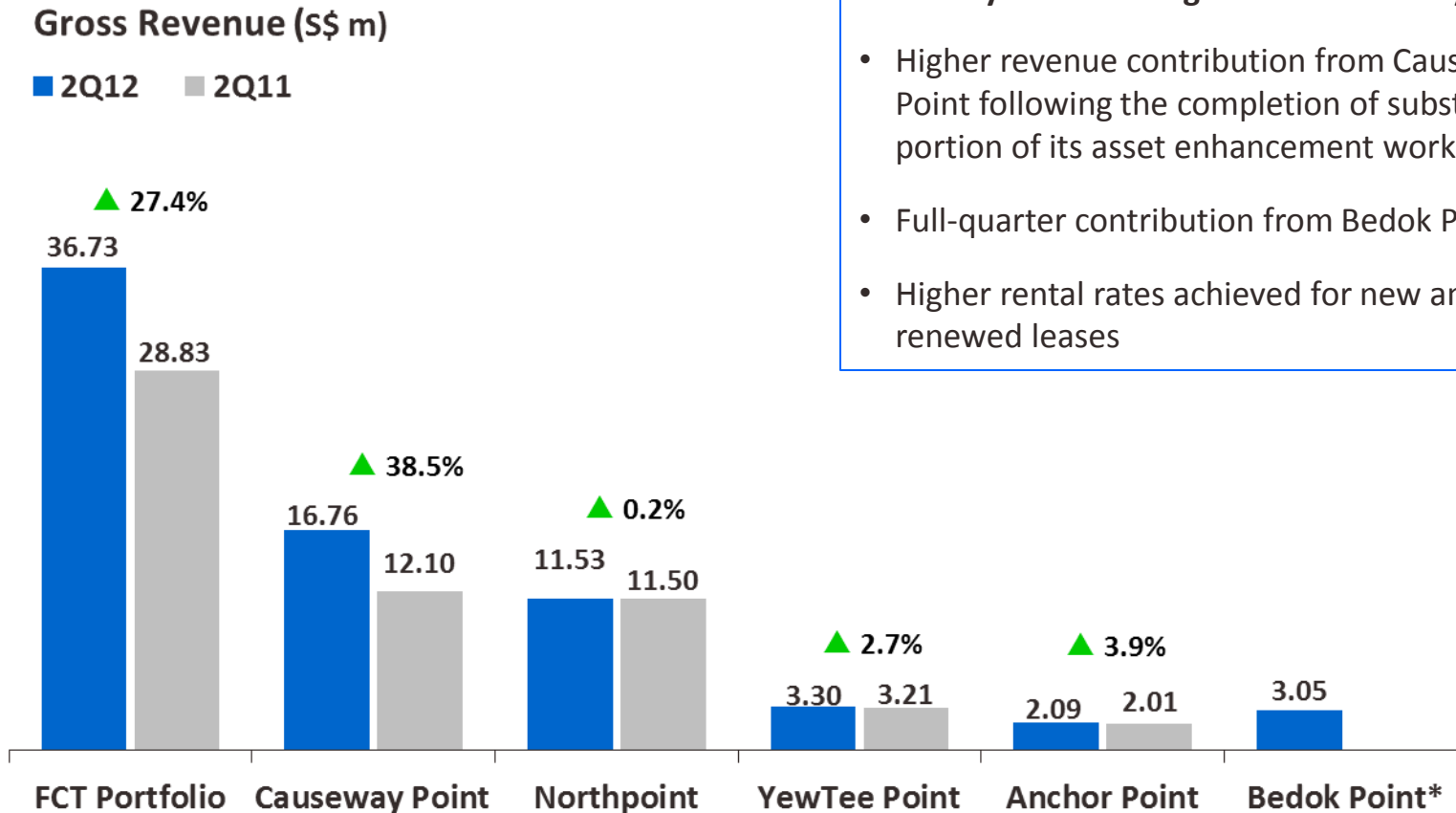
6 months ended 31 March \$'000	1H12	1H11	Variance
Gross Revenue	72,610	56,439	▲ 28.7%
Property Expenses	(21,540)	(17,734)	▲ 21.5%
Net Property Income	51,070	38,705	▲ 31.9%
Income available for distribution	40,969	31,291	▲ 30.9%
Distribution to Unitholders	38,699*	30,973	▲ 24.9%
Distribution per Unit (DPU)	4.70¢	4.02¢	▲ 16.9%

\* A total of \$2.3 million has been retained in 1H12 (1Q12: \$1.6 million + 2Q12: \$0.7 million)

## Well-balanced growth underpinned by multiple drivers

**Year-on-year revenue growth is driven by:**

- Higher revenue contribution from Causeway Point following the completion of substantial portion of its asset enhancement work
- Full-quarter contribution from Bedok Point
- Higher rental rates achieved for new and renewed leases



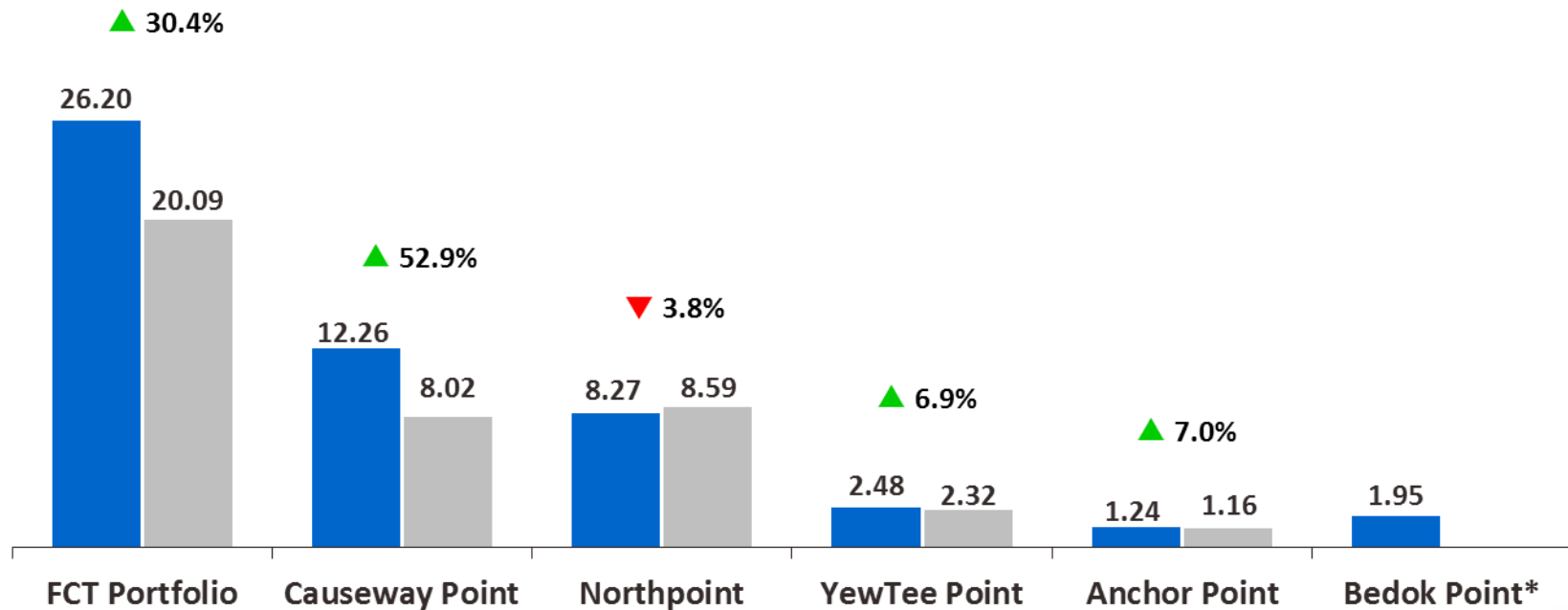
\* Bedok Point (BPT) was acquired by FCT on 23 September 2011, hence year-on-year comparison is not meaningful.

Any discrepancy between individual amount and the aggregate is due to rounding. Percentage change calculations are based on amounts before rounding.

## Portfolio NPI up 30% on strong uplift from Causeway Point and Bedok Point

### Net Property Income (NPI) (\$\$ m)

■ 2Q12 ■ 2Q11



\* Bedok Point (BPT) was acquired by FCT on 23 September 2011, hence year-on-year comparison is not meaningful.

Any discrepancy between individual amount and the aggregate is due to rounding. Percentage change calculations are based on amounts before rounding.



## Healthy gearing level, lower cost of borrowings

As at	31 Mar 12	31 Dec 11	30 Sep 11
Gearing ratio <sup>1</sup>	30.9%	30.8%	31.3%
Interest cover <sup>2</sup>	5.49 times	5.13times	4.62 times
Average cost of borrowings	3.04%	3.06%	3.01%
Total debt outstanding	\$554m <sup>3</sup>	\$549m	\$559m

Corporate credit rating

S&P: BBB+/Stable (wef 24.02.09)  
Moody's: Baa1/Stable (wef 16.03.09)

1. Calculated as the ratio of total outstanding borrowings over total assets as at stated balance sheet date.
2. Calculated as earnings before interest and tax (EBIT) divided by interest expense for the quarter in review.
3. S\$5m short term unsecured bank borrowings were draw for working capital in February 2012.

## NAV per unit improves to S\$1.42

As at	31 Mar 2012	30 Sep 2011
Total assets	\$1,794m	\$1,787m
Net assets	\$1,166m	\$1,152m
Total units in issue	822,541,617 <sup>1</sup>	819,816,584 <sup>2</sup>
NAV per unit	\$1.42 <sup>3</sup>	\$1.40 <sup>4</sup>

1. Excludes 347,679 units to be issued in partial payment of 2Q12 management fee.

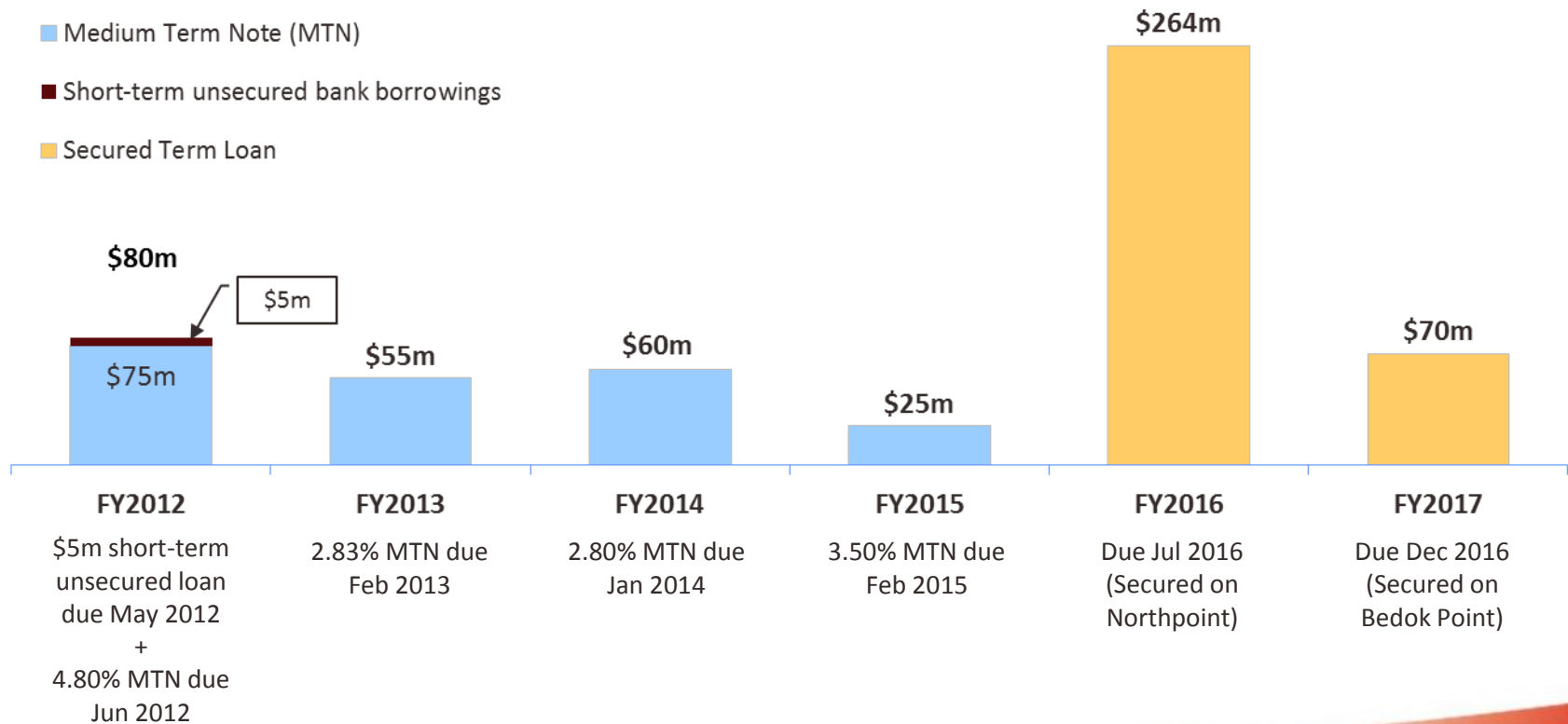
2. Excludes 913,669 units to be issued for acquisition fee and 1,272,835 units to be issued in partial payment of 4Q11 management fee.

3. Computed on the basis of 822,889,296 units in issue, including issuable units (which have not been issued) as at the stated date.

4. Computed on the basis of 822,003,088 units in issue, including issuable units (which have not been issued) as at the stated date.

## No major refinancing needs in the near-term

### FCT's Debt Maturity Profile as at 31 March 2012 (weight average debt maturity: 3.07 years)



# Portfolio Highlights

## Portfolio occupancy stays healthy

Occupancy by Mall as at	31 Mar 11	30 Jun 11	30 Sep 11	31 Dec 11	31 Mar 12
Causeway Point	69.0%	78.3%	92.0%	95.5%	91.3% <sup>1</sup>
Northpoint	99.1%	98.4%	98.3%	99.7%	92.5% <sup>2</sup>
YewTee Point	95.8%	95.6%	95.6%	98.7%	97.0%
Anchorpoint	97.6%	97.6%	98.6%	100.0%	100.0%
Bedok Point	-	97.4%	98.3%	98.3%	98.7%
<b>FCT Portfolio</b>	<b>82.9%</b>	<b>87.6%</b>	<b>95.1%</b>	<b>97.5%</b>	<b>93.5%</b>

1. Lower occupancy is due to the on-going AEI works at levels 5 & 7 of Causeway Point. Full completion of the AEI is expected in end-December 2012.
2. Lower occupancy is due to temporary closure of food court (NLA: 16.6k sq ft or 7% of Northpoint's total NLA) due to change of food court operator in March 2012. The food court is expected to re-open in May 2012.

## Higher average rental rates for lease renewals in 2Q12

2Q12	No. of renewals	NLA (sq ft) renewed	As % Mall's NLA <sup>1</sup>	Change compared to preceding rental rates <sup>2</sup>
Causeway Point	2	33,693	8.1%	▲ 7.2%
Northpoint	9	11,765	5.0%	▲ 12.5%
Bedok Point	Nil	Nil	-	-
YewTee Point	16	27,428	37.5%	▲ 12.1%
Anchorpoint	4	4,291	6.0%	▲ 8.2%
<b>FCT Portfolio</b>	<b>31</b>	<b>77,177</b>	<b>8.8%</b>	<b>▲ 11.0%</b> (1Q12: + 9.6%)

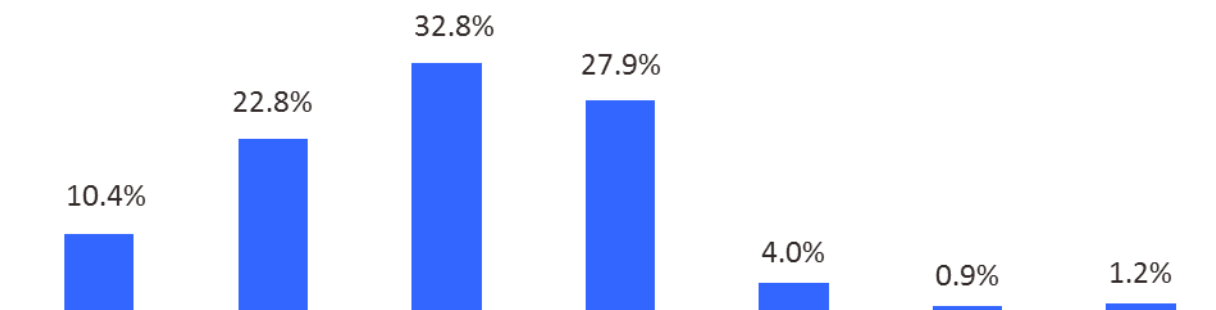
1. As % of FCT's portfolio total NLA of 880,250 sq ft as at 31 Mar 2012.

2. The change is measured between the average rental rates of the preceding and the renewed leases, which are typically 3 years in tenure

## Well-staggered lease expiry profile, improved WALE

Weighted Average Lease Expiry (WALE)	
By NLA	<b>2.03 years</b> (1Q12: 1.86 years)
By Gross Rent	<b>1.95 years</b> (1Q12: 1.92 years)

Expiry profile as % of total gross rental income

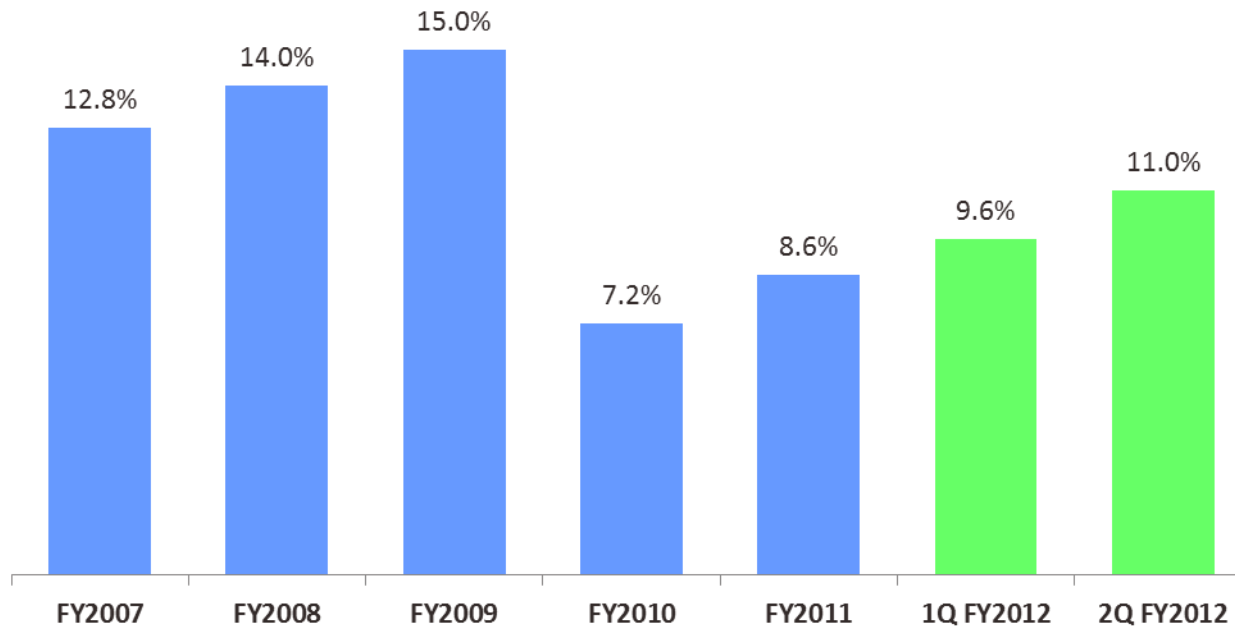


Lease expiry <sup>1</sup> as at 31 March 2012	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Number of leases expiring	56	190	201	148	16	2	1
NLA (sq ft) expiring	105,742	156,874	258,093	225,754	35,945	8,366	32,102
Expiries as % of total NLA	12.9%	19.1%	31.4%	27.4%	4.4%	1.0%	3.9%
Gross rental expiring	\$13.5m	\$32.5m	\$42.5m	\$36.2m	\$5.2m	\$1.2m	1.5m
Expiries as % of Gross rental	10.4%	22.8%	32.8%	27.9%	4.0%	0.9%	1.2%

1. Calculations exclude vacant floor area.

## Healthy rental reversions

% Increase in average rental rates over preceding rates for lease renewals



Rental reversions are based on the change between the average rental rates of the preceding and the renewed leases, which are typically 3 years in tenure.



# Track Record

## Track record of accretive acquisitions

Northpoint 2



YewTee Point



- Acquired on 5 Feb 2010
- Total purchase consideration: \$290.2m
- DPU-accretive transaction
- Added **\$13m** of incremental NPI in FY2010<sup>1</sup> or about 22% in incremental NPI growth







Bedok Point



- Acquired on 23 Sep 2011
- Purchase consideration: \$127.0m
- DPU-accretive transaction
- Projected<sup>2</sup> to add **\$7m** of incremental NPI for FY2012

1. Period from 5 Feb 2010 to 30 Sep 2010  
2. Profit Forecast for FY2012 as set out in Appendix B of the Circular dated 24 August 2011 in connection with the Acquisition of Bedok Point

## Track record of NPI growth and net value creation from AEI

	Anchorpoint (completed May 2008)	Northpoint (completed Mar 2010)	Causeway Point (On-going, expected completion Dec 2012)
% increase in average rent per sf/mth after AEI	 41%	 20%	<span>Projected</span>  20%
% increase in mall's NPI	 106%	 30%	 22%
Increase in incremental NPI	\$1.8m	\$4.1m	\$9.3m
Capex	\$12.8m	\$38.6m	\$71.8m
Return on investment (ROI)	14.1%	10.7%	13.0%
Capital value of AEI (@ 5.75% cap rate)	\$31.3m	\$71.3m	\$161.7m
Net value creation	\$18.5m	\$32.7m	\$89.9m

## Portfolio revaluation surplus reflects value creation

### FCT Portfolio as at 30 September 2011

Property	Sep 2011 Valuation (\$ m)	Sep 2011 book value (\$ m)	Revaluation Variance (\$ m)	Change	Sep 2011 Cap Rate <sup>1</sup>	Sep 2010 Cap Rate <sup>1</sup>	Change in cap Rate
Causeway Point	820.0	760.8	59.2	▲ 7.8%	5.50%	5.75%	-25 bps
Northpoint	533.0	503.0	30.0	▲ 6.0%	5.65%	5.75%	-10 bps
Bedok Point	128.0	128.6	(0.6)	n.m. <sup>2</sup>	5.75%	n.a.	n.a.
YewTee Point	138.0	130.0	8.0	▲ 6.2%	6.00%	6.00%	No change
Anchorpoint	78.0	76.0	2.0	▲ 2.6%	6.00%	6.00%	No change
<b>Total</b>	<b>1,697.0</b>	<b>1,598.4</b>	<b>98.6</b>				
Adjustments <sup>3</sup>			(1.4)				
<b>Revaluation surplus recognised</b>			<b>97.2</b>				

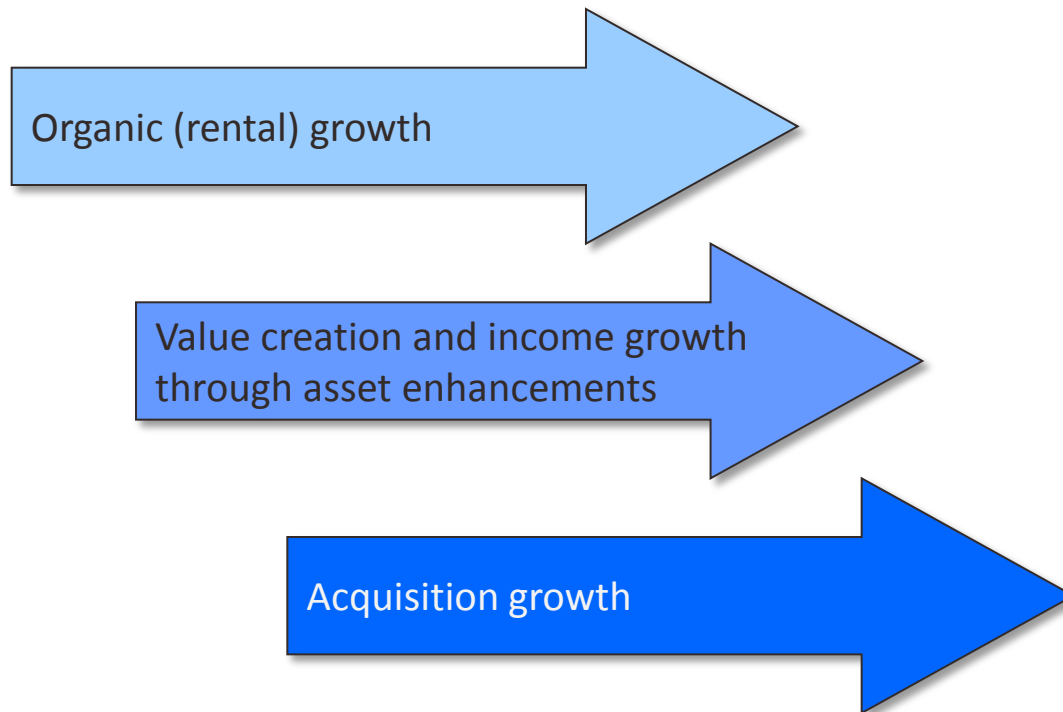
1. As indicated by property valuers.

2. Bedok Point was acquired on 23 September 2011.

3. Refers to adjustments for amortisation of rent incentives and write-back of excess cost provided for addition and alteration works at Northpoint.

Moving forward

## Growth from multiple drivers



**Sustainable  
portfolio and  
DPU growth**

## Sponsor's pipeline assets



	NLA (sf)	MRT station	Status	Est. catchment population
Changi City Point	207,479	Expo	In operation	600,000
The Centrepoint	395,315	Somerset	In operation	4,987,600
<b>Total</b>	683,779	-	-	-

# Investment merits



## FCT – an attractive investment

### 1. Attractive total return

5.9% DPU yield<sup>1</sup> + good growth prospects

### 2. Good growth momentum

- Reaping benefits from enhancement of Causeway Point, contribution from addition of Bedok Point
- Growth from pipeline assets injection and 3<sup>rd</sup> party assets acquisitions

### 3. Positive macro-environment factors

- Singapore suburban retail sector – one of the most resilient sectors through economic cycles
- Low unemployment rate, growing median household income, among other factors, underpin the sector's continued growth and resilience

### 4. Strong and established sponsor

Frasers Centrepoint Limited, wholly-owned property arm of Fraser and Neave, Limited.

1. Based on annualising 1H2012 DPU of 4.7 cents and FCT's closing unit price of \$1.595 as at 30 April 2012

# Thank you

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Website: [www.fct.sg](http://www.fct.sg)

# Appendix

## 16 research houses\* provide equity research coverage on FCT

- Bank of America-Merrill Lynch
- CLSA Asia-Pacific Markets
- Credit Suisse
- CIMB Research
- Citi Investment Research
- Daiwa Capital Markets
- DBS Vickers Securities
- DMG & Partners Research
- HSBC
- J.P. Morgan
- OCBC Investment Research
- Religare Institutional Research
- RHB Research Institute
- Standard Chartered Bank
- UBS
- UOB Kay Hian Research






\* as at 30 Mar 2012

FYE 30 Sep	FY2007	FY2008	FY2009	FY2010	FY2011
<b>Selected Income Statement and Distribution Data</b>					
Gross Revenue (S\$'000)	77,501	84,664	86,624	114,738	117,884
Net Property Income (S\$'000)	51,723	56,566	59,861	80,050	82,618
Distributable Income (S\$'000)	40,353	45,244	46,940	59,177	64,375
<b>Selected Balance Sheet Data</b>					
Total Assets (S\$ million)	1,055.3	1,127.0	1,165.5	1,516.2	1,786.8
Total Borrowings (S\$ million)	307.5	317.5	349.0	460.0	559.0
Net Assets (S\$ million)	715.3	767.2	763.8	989.3	1,151.9
Value of portfolio properties (S\$ million)	988.5	1,063.0	1,100.0	1,439.0	1,697.0
<b>Key Financial Indicators</b>					
Distribution per Unit (S ¢)	6.55	7.29	7.51	8.20	8.32
Net Asset Value per Unit (S\$)	1.16	1.24	1.22	1.29	1.40
Ratio of Total Borrowings to Total assets (gearing)	29.2%	28.1%	29.9%	31.3%	30.8%
Interest Coverage (times)	4.10	4.57	6.12	4.43	4.62

## Summary information of portfolio

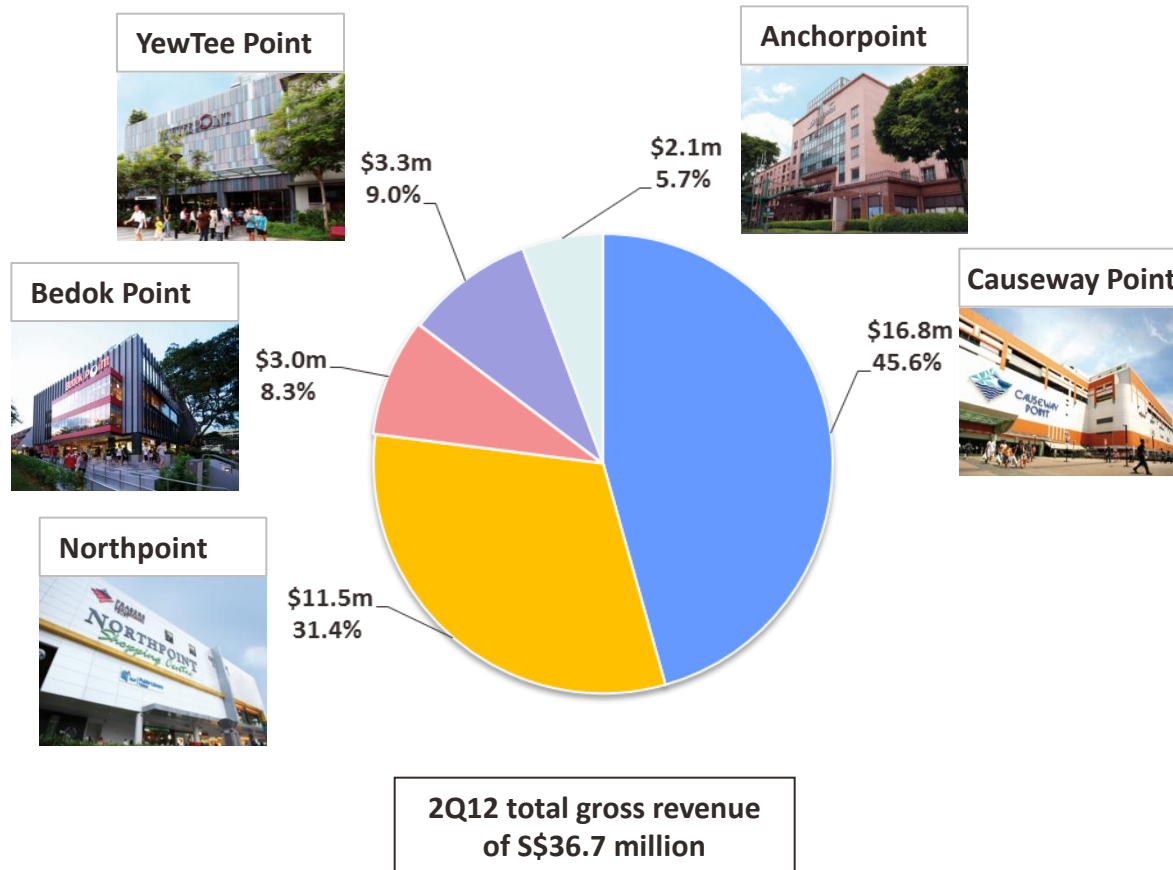
- Total Portfolio value: S\$1,697 million

- Total NLA: 880,250 sq ft

FCT Portfolio as at 31 March 2012	Causeway Point	Northpoint	Bedok Point	YewTee Point	Anchorpoint
					
Net Lettable Area	418,543 sq ft	235,584 sq ft	81,393 sq ft	73,120 sq ft	71,610 sq ft
Location	Woodlands	Yishun	Bedok	YewTee (within Choa Chu Kang)	Queenstown
Connectivity	Woodlands MRT station & bus interchange	Yishun MRT station & bus interchange	Bedok MRT station & bus interchange	YewTee MRT station & bus stop	Near Queenstown MRT station & bus stop
Occupancy	95.5%	99.7%	98.3%	98.7%	100.0%
Tenure	99 years (expires 2094)	99 years (expires 2089)	99 years (expires 2077)	99 years (expires 2105)	Freehold
Appraised Value <sup>(1)</sup>	S\$820 million	S\$533 million	S\$128 million	S\$138 million	S\$78 million

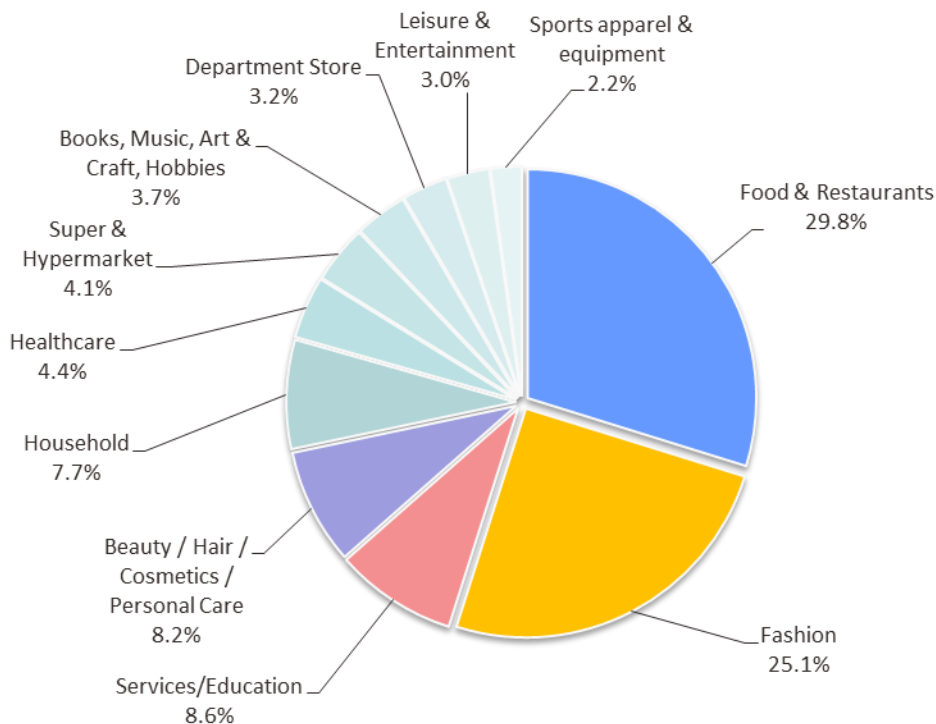
(1): as at 30 Sep 2011

## 2Q12 Gross Revenue by Assets



## Trade mix and top 10 tenants (FY2011)

Trade-mix by gross rental income (FY2011)



Top 10 tenants by gross rental income (FY2011)

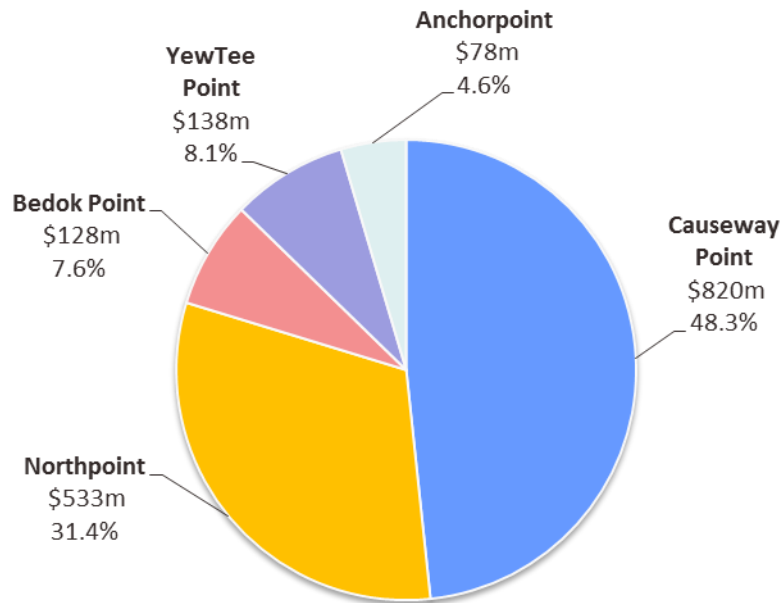
Tenant	% of total gross rental income
Cold Storage Singapore	4.9
Metro	3.3
Courts	3.2
Banquet	2.8
Watson's Personal Care store	1.6
Aspial-LeeHwa Jewellery	1.6
Food-Link	1.4
Soo Kee Jewellery	1.4
G2000 Apparel	1.4
Popular Book Company	1.3
Total top 10	22.9



## Portfolio profile by property value and NLA

### As % of Property Value

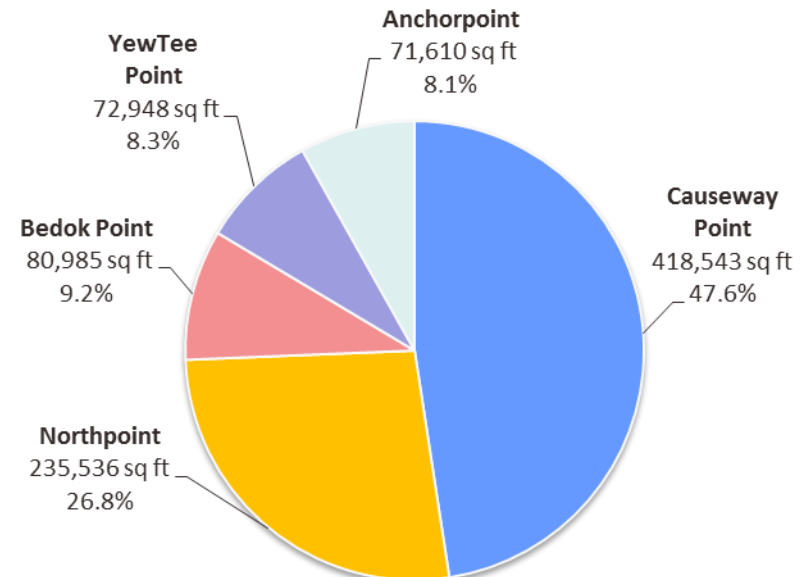
(as at 30 September 2011)



Total property value of S\$1.7 billion

### As % of Portfolio NLA

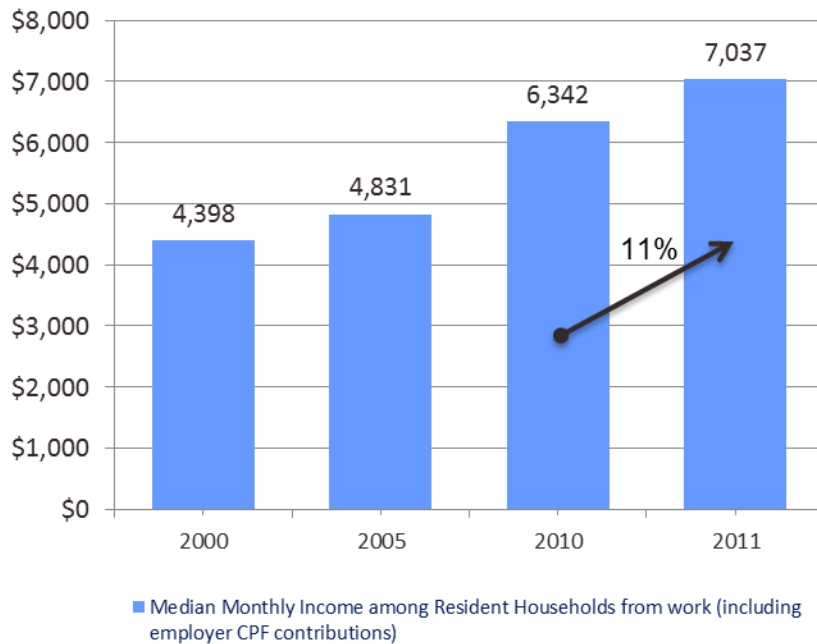
(as at 30 September 2011)



Total Net Lettable Area of 880k sq ft

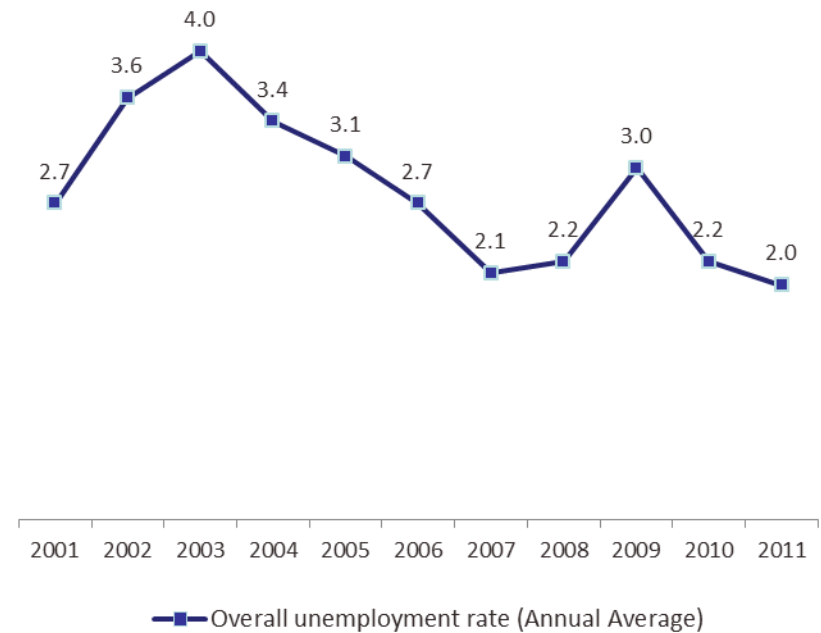
## Strong economic fundamentals underpin the resilience of Singapore's retail shopping malls

Resident household median income in Singapore grew 11% yoy (in nominal term) in 2011



Source: Department of Statistics, Key Household Characteristics and Household Income Trends 2011, 14 February 2012, Ministry of Manpower, Singapore.

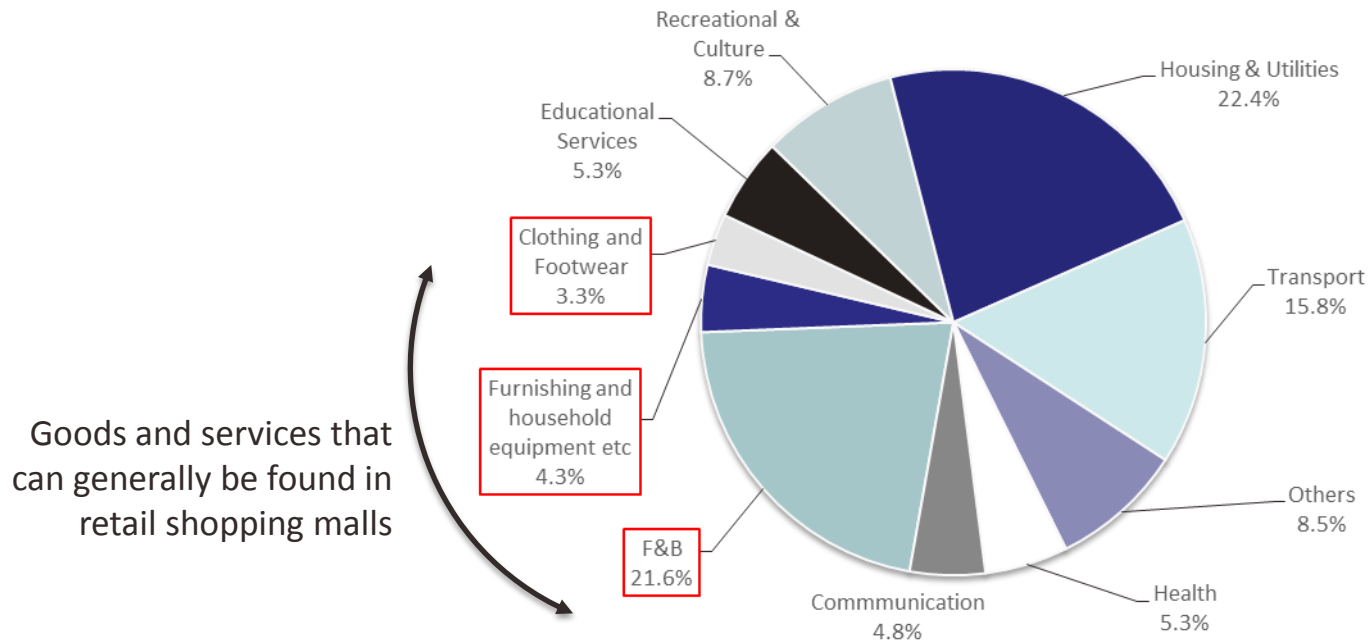
Low unemployment rate in Singapore



Source: Manpower Research and Statistics Department, Employment Situation 2011, 12 January 2012, Ministry of Manpower, Singapore.

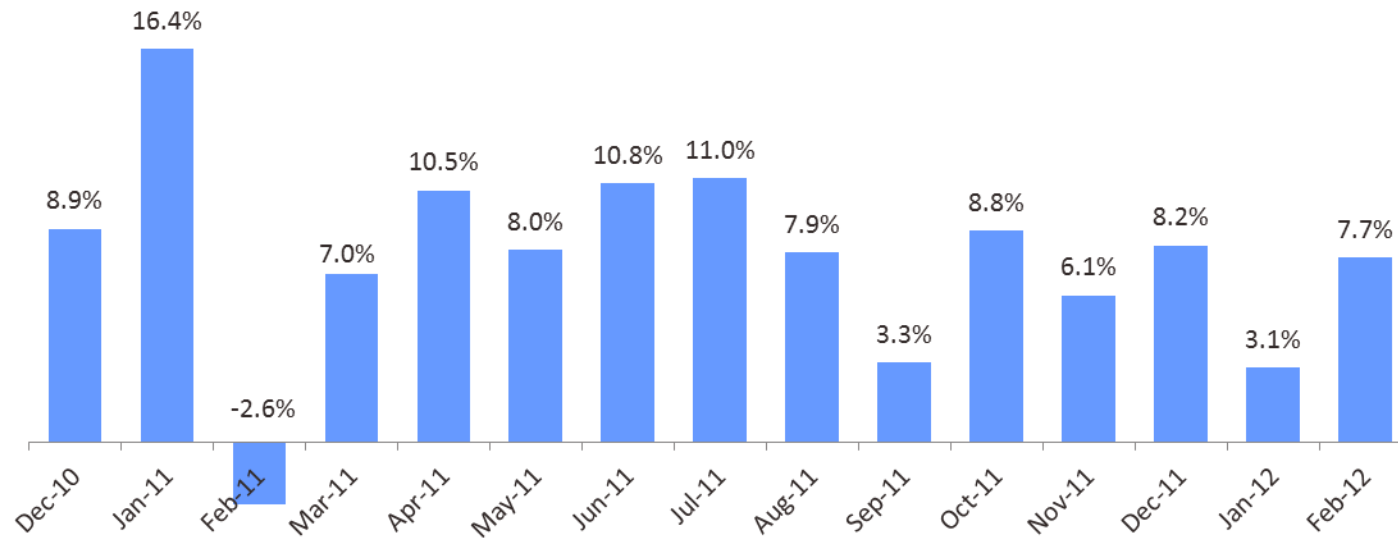
## Almost 30% of household expenditure are on goods and services that are available at retail shopping malls

Average monthly household expenditure by type of goods and services



## Singapore retail sector continues to enjoy healthy growth

Singapore Retail Sales Index year-on-year change (%) at current prices, excluding motor vehicles



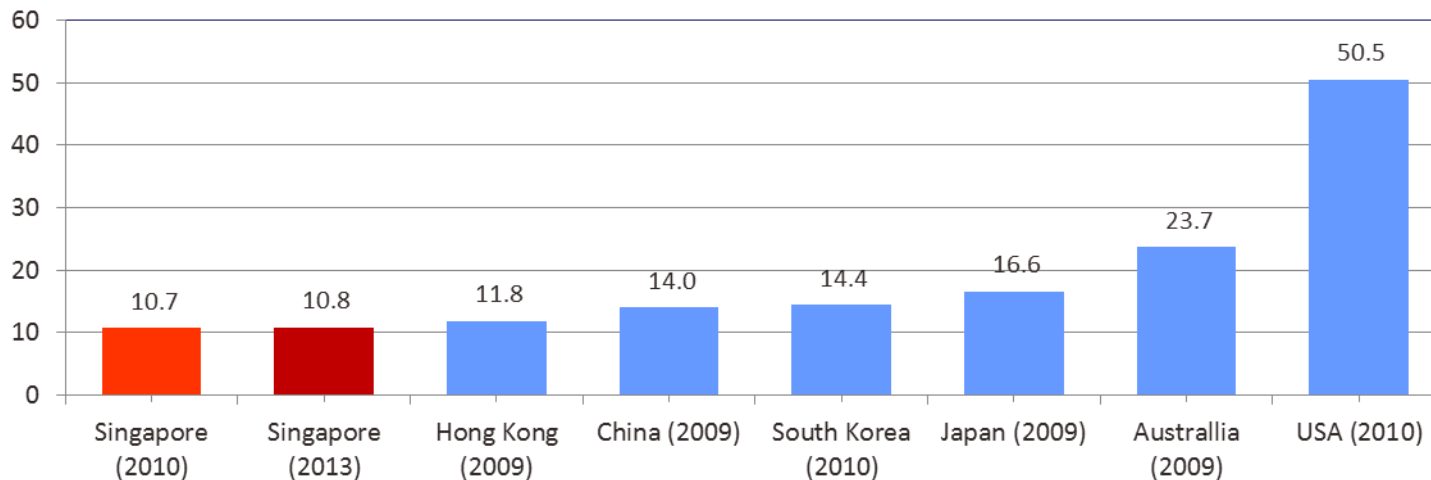
Source: Bloomberg as at 8 May 2012

## Singapore retail space per capita expected to remain relatively low

- Total retail floor space in Singapore is projected to grow from 54.3 million sq ft in 2010 to 57.8 million sq ft 2013.

However, Singapore's total retail floor space per capita is expected to remain low compared to other countries (see chart below).

**Total retail floor space (sq ft) per capita**



Source: URBIS