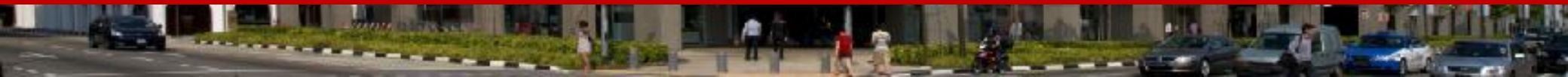




Frasers Commercial Trust 4QFY14 and Full Year Financial Results

20 October 2014



Important notice

Certain statements in this Presentation constitute “forward-looking statements”, including forward-looking financial information. Such forward-looking statement and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of FCOT or the Manager, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Manager’s present and future business strategies and the environment in which FCOT or the Manager will operate in the future. Because these statements and financial information reflect the Manager’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

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The value of Frasers Commercial Trust units (“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 the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

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**

→ **Portfolio review**

→ **Capital management**

→ **Moving Forward**

Results

1

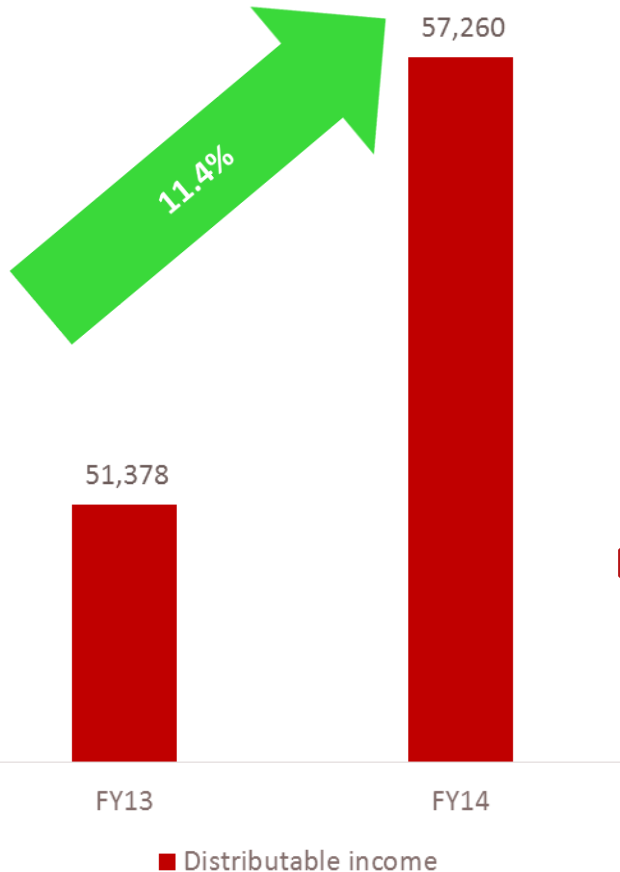
China Square Central and Alexandra Technopark boosted the performance of the Trust

- Better performance of China Square Central
- Higher contribution from underlying leases of Alexandra Technopark following the expiry of the master lease
- Off-set by weaker Australian dollar and slightly higher expenses due to repair and maintenance and painting works undertaken at Caroline Chisholm Centre
- Weaker Australian dollar led to lower interest expense for the Australian-dollar denominated loans. Weaker Australian dollar offset by realised gain on forward currency contracts arising from hedging the cashflows from the Australian properties.


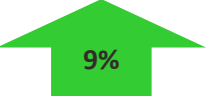
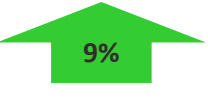

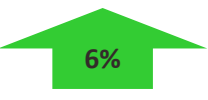
2

Effective capital redeployment

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







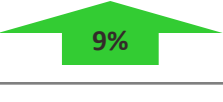
▪ 9% rise in distributable income for 4QFY14

1 Jul 2014 – 30 Sept 2014	4QFY14 (S\$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	31,828	 10%	▪ Better performance of China Square Central due to higher occupancy and rental rates and higher revenue contribution from the underlying leases of Alexandra Technopark following the expiry of the master lease in August 2014
Net Property Income	23,805	 9%	▪ Better performance of China Square Central and higher contribution from the underlying leases of Alexandra Technopark
Distributable income:			
- Unitholders	14,986	 9%	▪ Increased in line with higher net property income
- CPPU holders	1	 99%	▪ Lower Series A CPPU distribution arising from the net conversion and redemption of Series A CPPU
Distribution per CPPU Unit	1.38¢	-	▪ 4QFY14 distribution for CPPU holders paid on 1 October 2014
DPU ¹	2.21¢	 6%	▪ DPU increased y-o-y in line with higher distributable income to Unitholders

¹ The number of Units used to calculate the amount available for DPU is 676,684,648. See accompanying 4QFY14 Financial Statements announcement for more details.

→ Results – Financial highlights

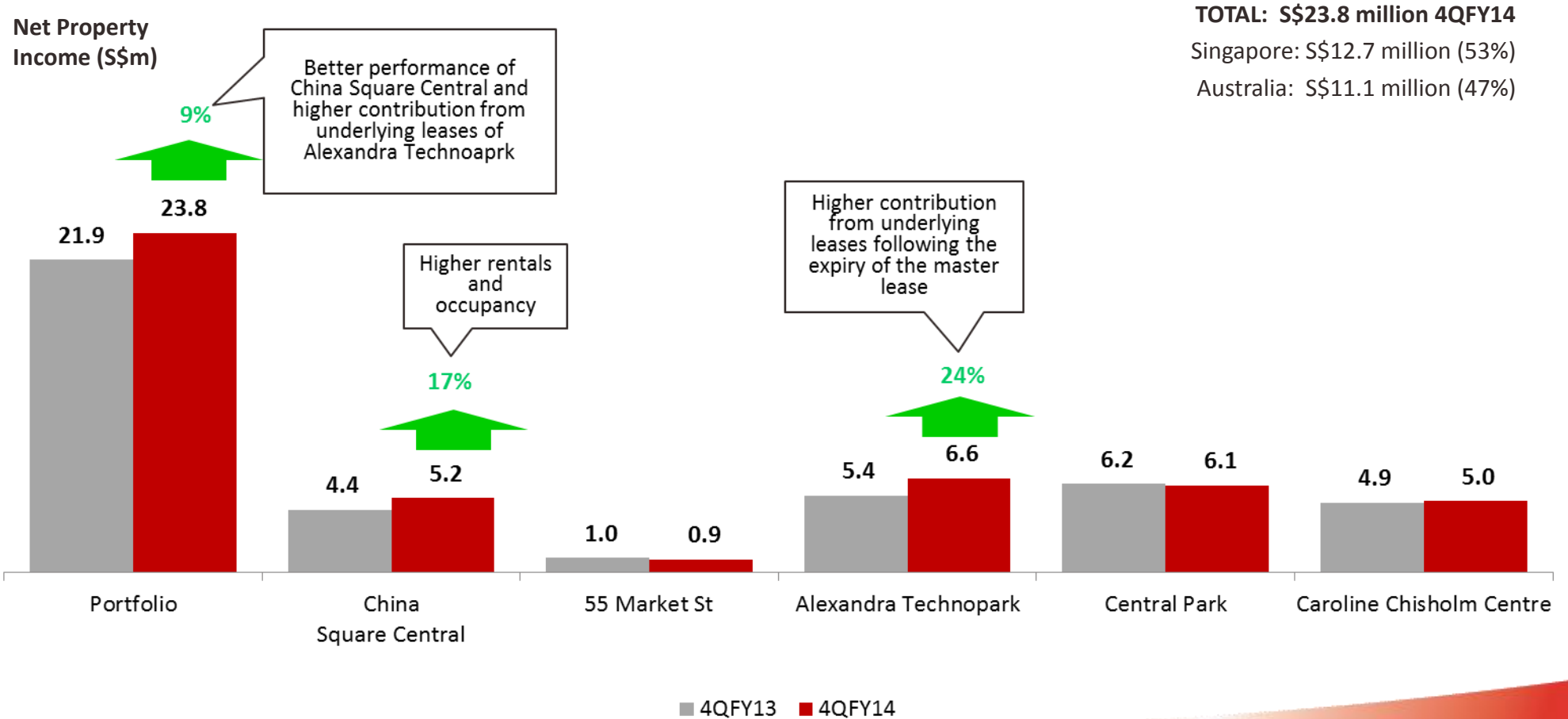
▪ 11% rise in FY14 distributable income

1 Oct 2013 – 30 Sept 2014	FY14 (S\$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	118,838	 1%	▪ Better performance of China Square Central due to higher occupancy and rental rates and higher contribution from the underlying leases of Alexandra Technopark following the expiry of the master lease in August 2014, offset by weaker Australian dollar
Net Property Income	90,554	-	▪ Better performance of China Square Central and higher contribution from the underlying leases of Alexandra Technopark, offset by weaker Australian dollar and slightly higher expenses due to repair and maintenance and painting works undertaken at Caroline Chisholm Centre
Net Property Income (cash basis and excluding divestments ¹)	87,977	 3%	▪ Increase in net property income excluding divested properties and the effects of recognising accounting income on a straight line basis over the lease term, despite weaker Australian dollar
Distributable income:			
-Unitholders	57,260	 11%	▪ 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	21	 100%	▪ Lower Series A CPPU distribution arising from the net conversion and redemption of Series A CPPU
Distribution per CPPU Unit	5.50¢	-	▪ Full year distribution for CPPU holders
DPU ²	8.51¢	 9%	▪ DPU increased Y-o-Y in line with higher distributable income to Unitholders

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

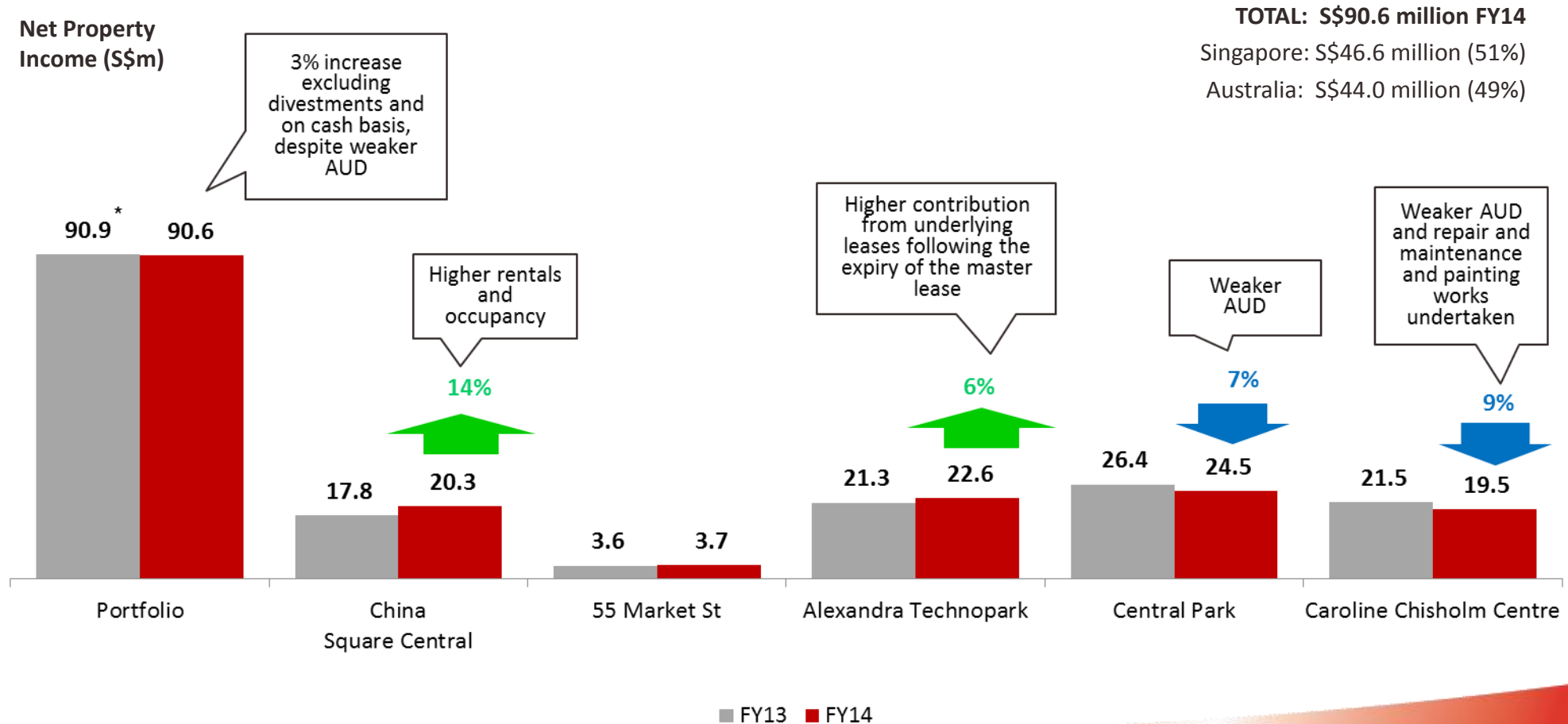
2 The number of Units used to calculate the amount available for DPU is 676,684,648. See accompanying 4QFY14 Financial Statements announcement for more details.

Better performance of China Square Central and higher contribution from underlying leases of Alexandra Technopark



Better performance of China Square Central and higher contribution from underlying leases of Alexandra Technopark, offset by weaker performances of the Australian properties

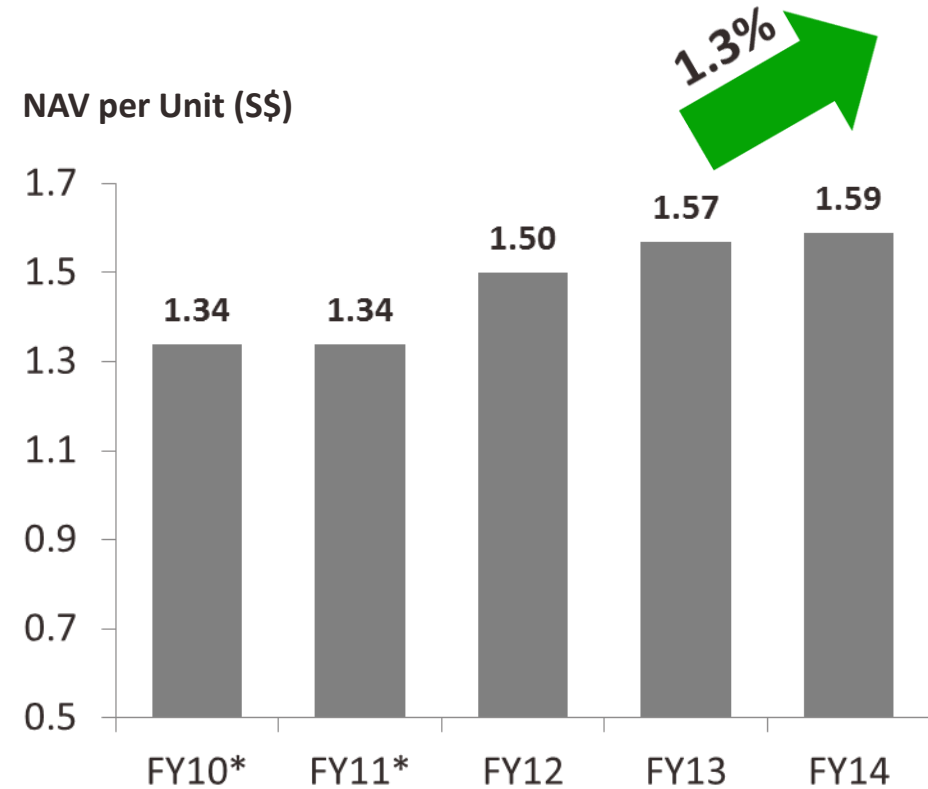
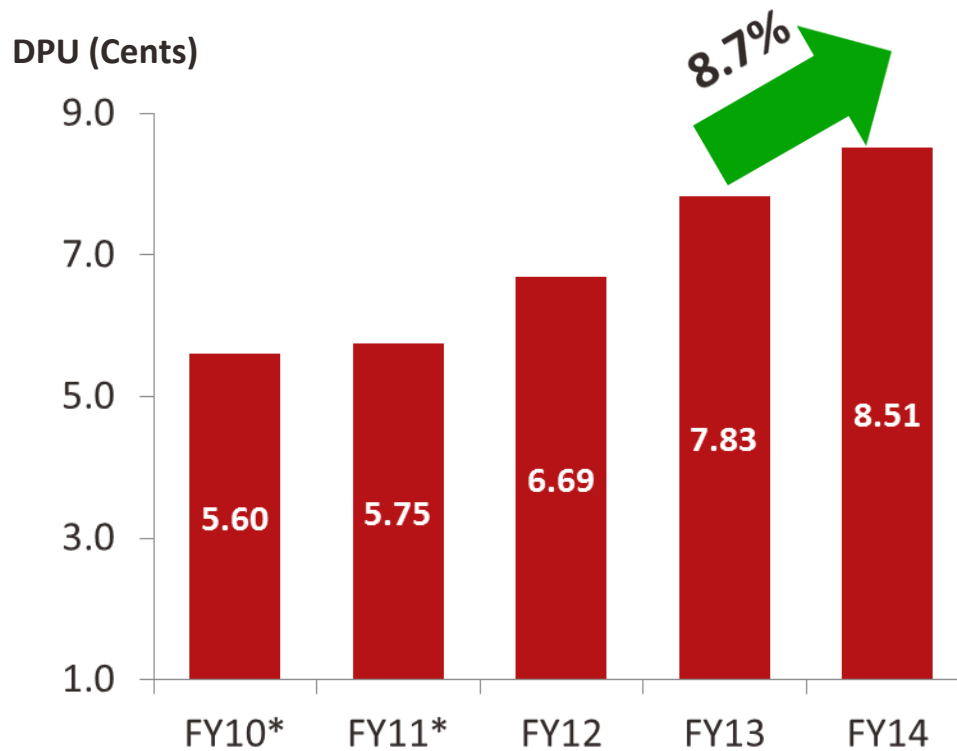
Net Property Income (S\$m)



* Includes the Japanese properties which were divested on 25 October 2012.

- Achieved new high in DPU
- Fifth consecutive year of growth in DPU since recapitalisation exercise
- DPU grew at 11.0% CAGR from FY10 – FY14

- Higher property valuation led to increase in NAV per Unit
- NAV per Unit grew at 4.4% CAGR from FY10 – FY14



* Adjusted for Unit consolidation

DRP will be implemented for the distribution for 4QFY14

Distribution Period	1 July 2014 to 30 September 2014
Ordinary Unit Distribution Rate	<p>Distribution of 2.2145 cents per Unit comprising:</p> <p>a) taxable income distribution of 1.3237 cents; and</p> <p>b) tax-exempt income distribution of 0.8908 cents.</p>
Last day of trading on “cum” basis	Friday, 24 October 2014
Ex-distribution trading commence	Monday, 27 October 2014
Distribution Books Closure Date	Wednesday, 29 October 2014 at 5.00 pm
Cash distribution payment date	Friday, 28 November 2014
Credit of Units to Unitholders’ securities accounts/ listing of Units issued under the DRP on SGX-ST	Monday, 1 December 2014

- 1.3863 cents distribution per CPPU unit for the period from 1 July 2014 to 30 September 2014 was paid on 1 October 2014.

Portfolio review

- Valuation of the Singapore properties up 3.9%, mainly driven by the higher valuation of Alexandra Technopark
- Excluding weaker AUD, valuation of the portfolio is up 1.8%

Asset	Date of valuation	Local currency Value (millions)	Translation as at 30-Sep-14 (S\$ million) ¹	Variance from 30 September 2013 (S\$ million)	(%)
China Square Central	30-Sep-14	S\$579.0	579.0	6.0	1.0
55 Market Street	30-Sep-14	S\$134.2	134.2	1.2	0.9
Alexandra Technopark	30-Sep-14	S\$503.0	503.0	38.0	8.2
Singapore properties		S\$1,216.2	1,216.2	45.2	3.9
Central Park	30-Sep-14	A\$330.0 ²	375.5	(32.5)	(8.0)
Caroline Chisholm Centre	30-Sep-14	A\$205.0	233.2	0.8	0.3
Australia properties		A\$535.0	608.7	(31.7)	(5.0)
Total portfolio			1,824.9	13.5	0.7%

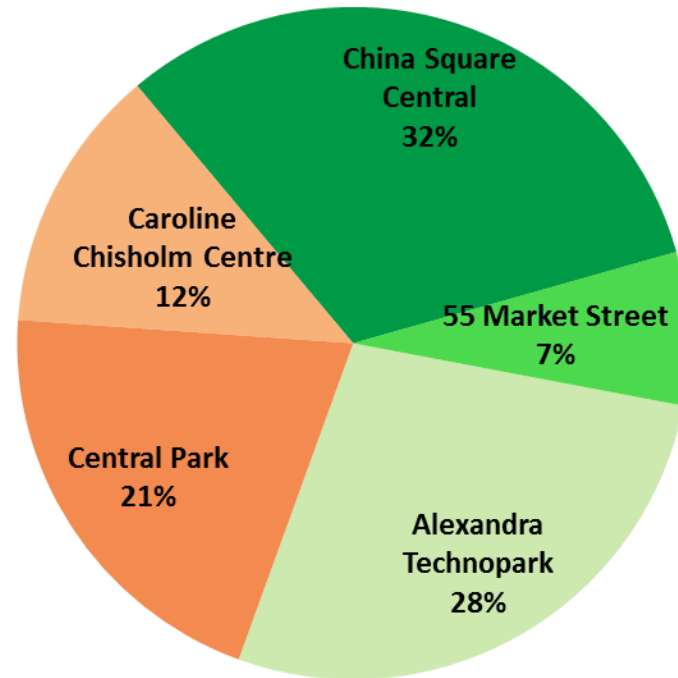
Mainly due to weaker AUD. Valuations denominated in AUD was 1.9% lower.

¹ Translated at A\$1.00 = S\$1.1377 being the prevailing spot rate at close of quarter accounts

² Represents Frasers Commercial Trust's 50.0% indirect interest in the asset

→ Portfolio review – Valuation

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



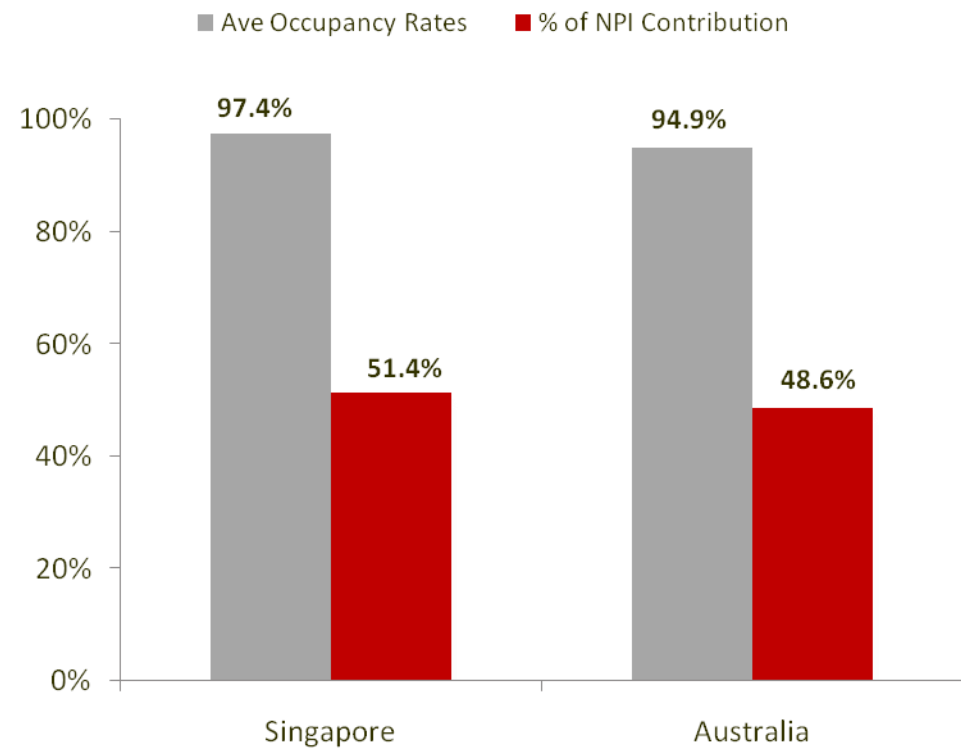
Singapore	\$ 1,216.2	67%
Australia	\$ 608.7	33%
Total	\$ 1,824.9	100%

As at 30 September 2014. Excludes retail turnover rent

- **Robust average occupancy rate of 96.5%**
- **Healthy WALE of 3.9 years[^]**

Key portfolio statistics	As at 30 September 2014
Ave Occupancy	96.5%
WALE by gross rental income	3.9 years [^]

Geographical occupancy and % of NPI contribution

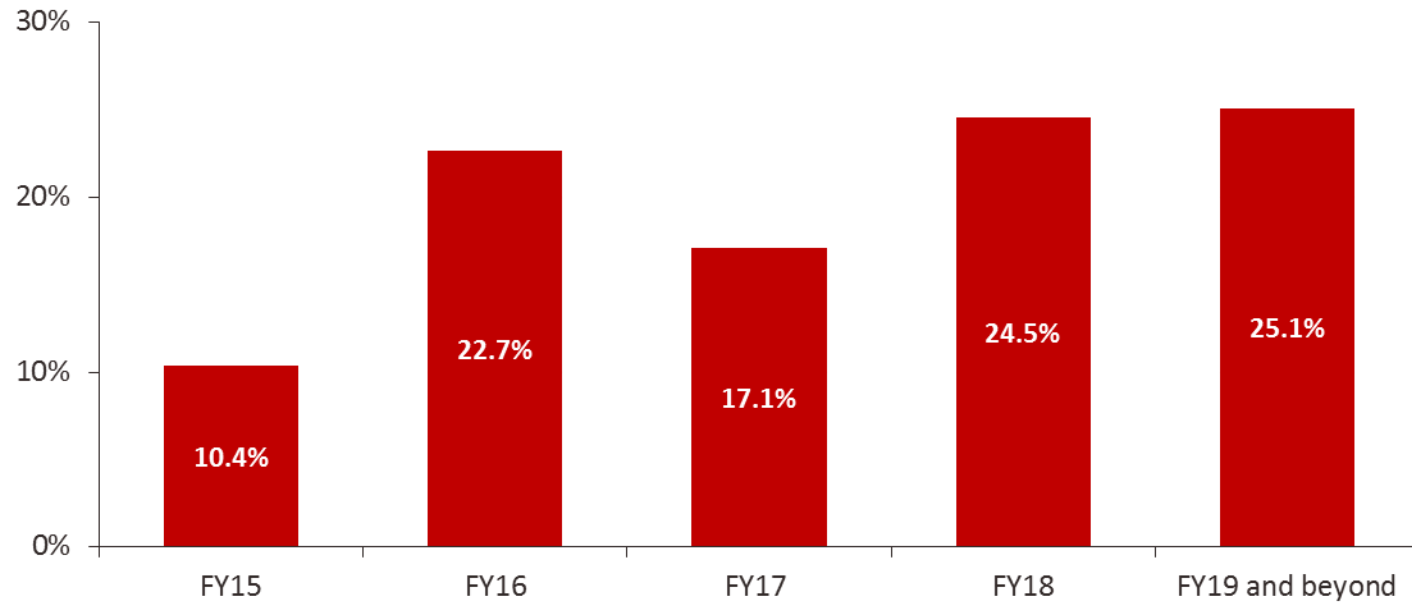


As at 30 September 2014. Excludes retail turnover rent

[^] Inclusive of the early renewal of the underlying leases at Alexandra Technopark

Well spread lease expiry provides income stability

Portfolio lease expiry by gross rental income*



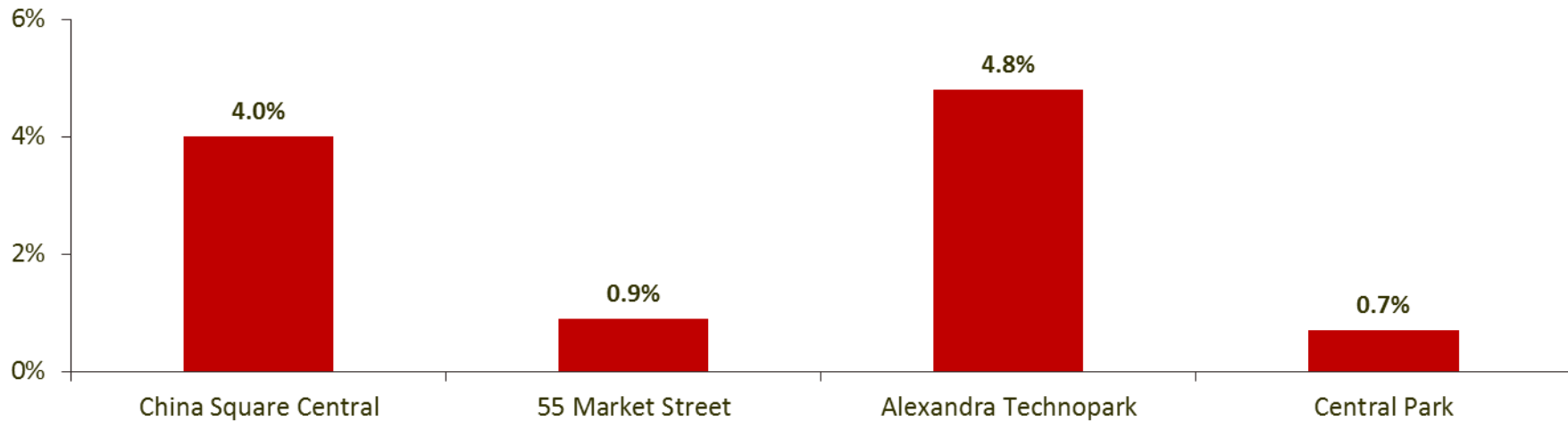
Number of leases expiring	61	84	65	12	13
NLA (sq ft) expiring	247,002	488,117	322,201	590,789	548,335
Expiries as % total NLA	10.8%	21.4%	14.1%	25.9%	24.1%
Expiries as % total Gross Rental Income	10.4%	22.7%	17.1%	24.5%	25.1%

As at 30 September 2014. Excludes retail turnover rent

* Portfolio lease expiry by gross rental income inclusive of the early renewal of the underlying leases at Alexandra Technopark

Properties in Singapore poised to benefit from the uptrend in office rents

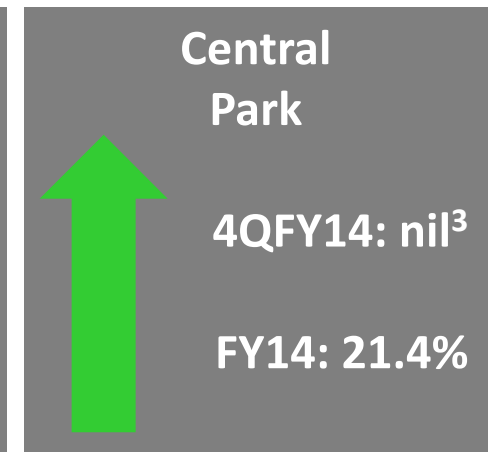
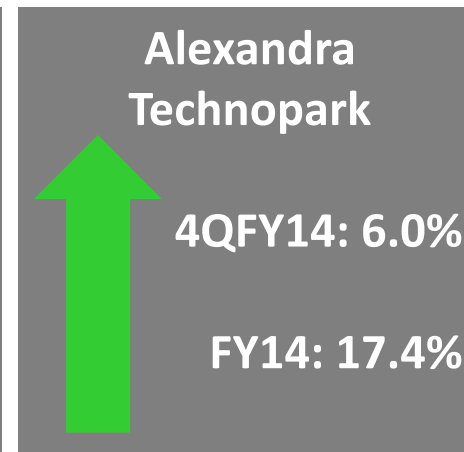
Property Lease Expiry as a proportion of total Portfolio Gross Rental Income in FY15



Number of leases expiring	37	5	14	5
Average passing rent for expiring leases	\$6.2	\$6.5	\$3.2	AUD \$610

As at 30 September 2014. Excludes retail turnover rent

Positive weighted average rental reversions for new and renewed leases that commenced in 4QFY14¹ and FY14²



As at 30 September 2014. Excludes retail turnover rent

- 1 Weighted average rental reversions based on the area for the new and renewed leases in 4QFY14.
- 2 Weighted average rental reversions based on the area for the new and renewed leases in FY14.
- 3 No new or renewed leases commenced in 4QFY14

Committed, new and renewed tenants in 4QFY14 include:

Tenant	Industry	Property
Global Law Alliance	Legal	China Square Central
Lion Trust (Singapore)	Financial Services	China Square Central
Keshik Capital	Financial Services	China Square Central
Kusto Group	Financial Services	China Square Central
Optum Health & Technology (Singapore)	Medical	55 Market Street
Itron Metering Systems Singapore	Technology	55 Market Street
SP Powerassets	Energy	Alexandra Technopark
Primeur Cellars	Storage	Alexandra Technopark

More than 34% of leases have built-in step-up rents

FY15 - Fixed % and other fixed lease rent reviews

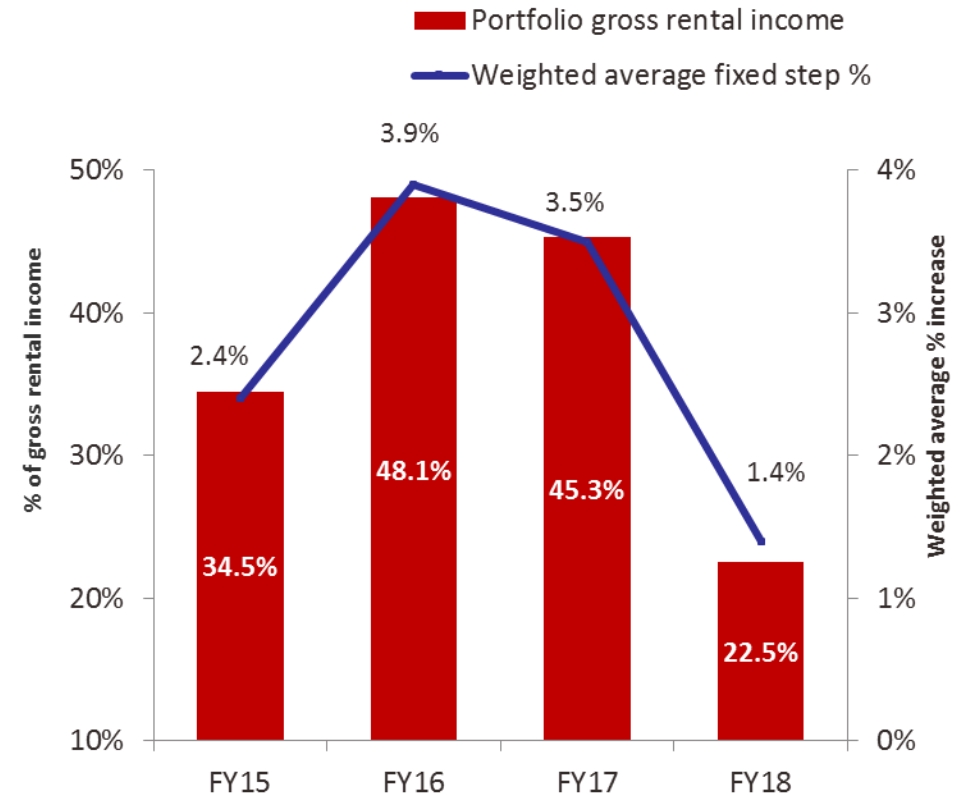
			GROSS RENTAL INCOME	
Property	Leases	Average step-up rent	Property	Total Portfolio
China Square Central	5	3.0%	6.6%	1.5%
55 Market Street	2	2.9%	7.0%	0.3%
Alexandra Technopark	3	5.3%	1.8%	0.6%
Caroline Chisholm Centre	1	3.0%	100.0%	16.7%
Central Park	18	4.6%	71.6%	15.4%

FY15 - Other mid-term lease rent reviews

			GROSS RENTAL INCOME	
Property	Leases	Review mechanism	Property	Total Portfolio
Central Park	2	Market	7.4%	1.6%
Central Park	6	CPI	18.7%	4.0%

Excludes retail turnover rent

FY15 – 18 - Portfolio fixed % reviews



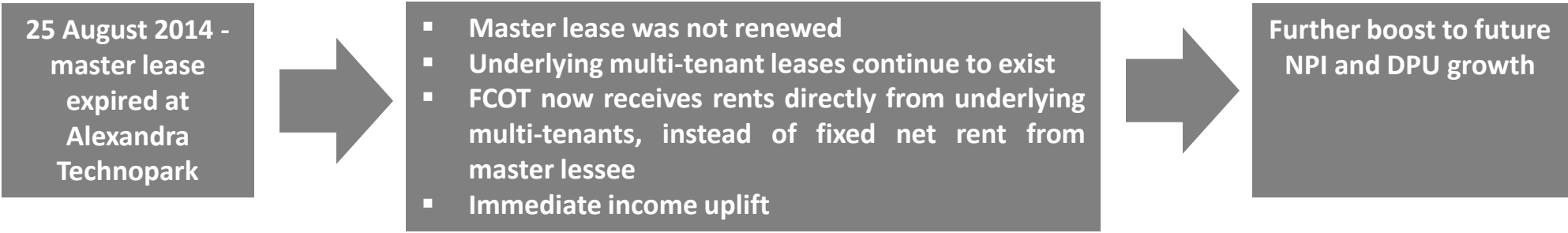
Blue chip tenants with long leases contribute 46% of total gross rental income

Blue Chip Tenants with Long Leases

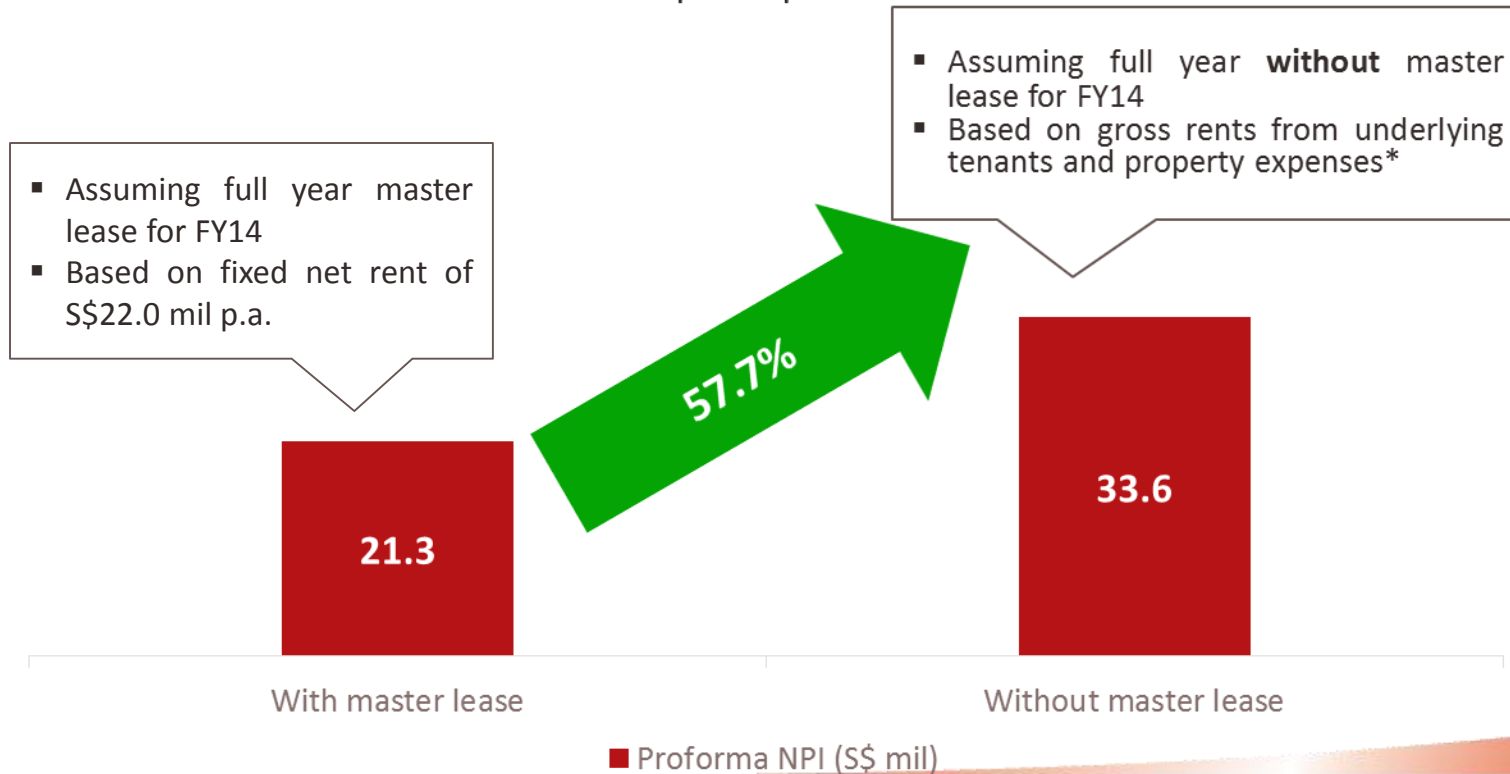
Tenant	Lease Expiry	% (Gross Rental Income)
Commonwealth of Australia (Centrelink)	Jul-25	16.7%
Hewlett-Packard Singapore Pte Ltd	Nov-17	11.6%
Hamersley Iron Pty Ltd	Jun-18	7.6%
GroupM Singapore Pte Ltd	Mar-19	3.5%
BHP Billiton Iron Ore Pty Ltd	Oct-17	1.9%
PF Lawyers Pty Ltd (DLA Piper)	Jun-20	1.2%
Westpac Banking Corporation	Dec-17	1.2%
Singapore Oxygen Air Liquide Private Limited	Jun-18	1.0%
IOOF Service Co Pty Ltd	Jun-19	0.9%
Japan Australia LNG (MIMI) Pty Ltd	Mar-23	0.8%
Total		46.4%



As at 30 September 2014. Excludes retail turnover rent



Alexandra Technopark's proforma NPI for FY14



* Based on gross rents received from underlying tenants and annualised property expenses in September 2014.

**China Square Central –
high occupancy rate**



**55 Market Street – full
occupancy rate^**



**Alexandra Technopark –
healthy occupancy rate**



Occupancy	98.8%	100.0% [^]	96.9%
WALE	2.2 years	1.7 years	2.2 years*
New leases, committed and renewals	Keshik Capital, Kusto Group, Global Law Alliance, Lion Trust (Singapore)	Itron Metering Systems, Optum Health & Technology	SP Powerassets, The Coffee Connection, Primeur Cellars
Tenants			

As at 30 September 2014.

[^] Committed occupancy as at 30 September 2014.

* Inclusive of the early renewal of the underlying leases at Alexandra Technopark

**Central Park – Healthy
WALE of 3.7 years**



**Caroline Chisholm Centre –full occupancy
with long WALE of 10.8 years**



Occupancy	88.6%	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	10.8 years
Tenants		

As at 30 September 2014.

* Based on Moody's rating in December 2013.

Capital management

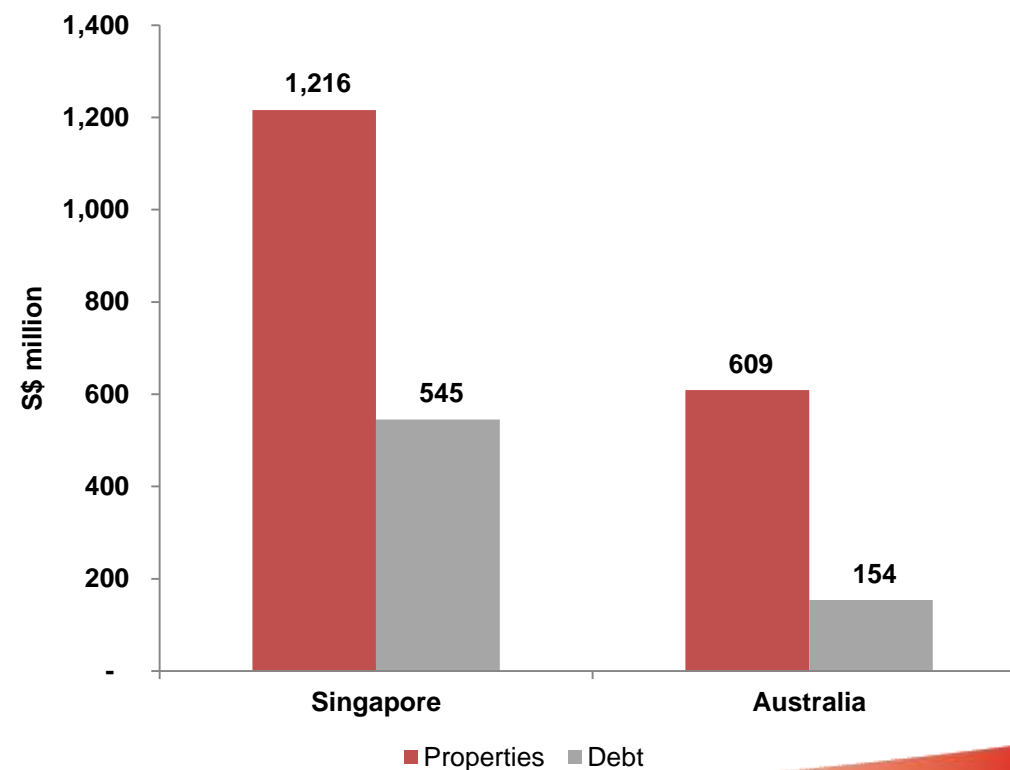
- **Healthy interest coverage ratio of 4.34 times**
- **Low all-in interest rate of 2.7%**
- **Borrowings in AUD provide natural hedge for the Australian properties**

Statistics

As at
30 September
2014

Total Assets (S\$'000)	1,881,828
Gross Borrowings (S\$'000)	698,590
Units on Issue and Issuable	676,684,648
NAV per Unit (ex-DPU) (S\$)	1.59
Gearing ¹	37.1%
Interest coverage ratio (times) ²	4.34
Average borrowing rate ³	2.7%
- Weighted average SGD debt rate	1.8%
- Weighted average AUD debt rate	5.7%

Borrowings and assets by currency



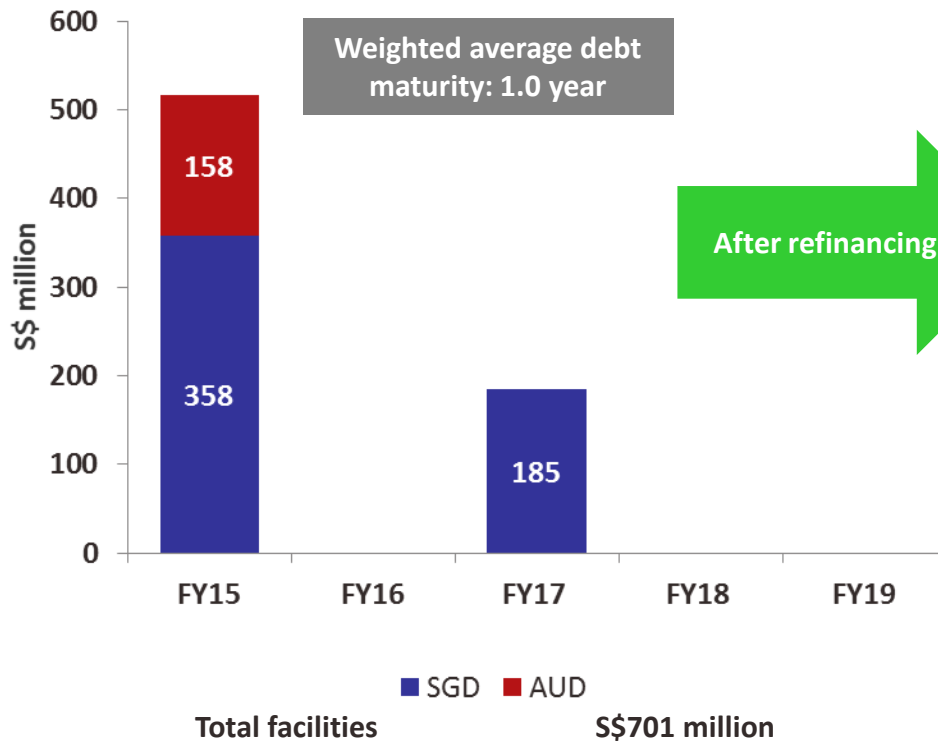
¹ Calculated as gross borrowing as a percentage of total assets

² 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 2014. See accompanying 4QFY14 Financial Statements announcement for more details.

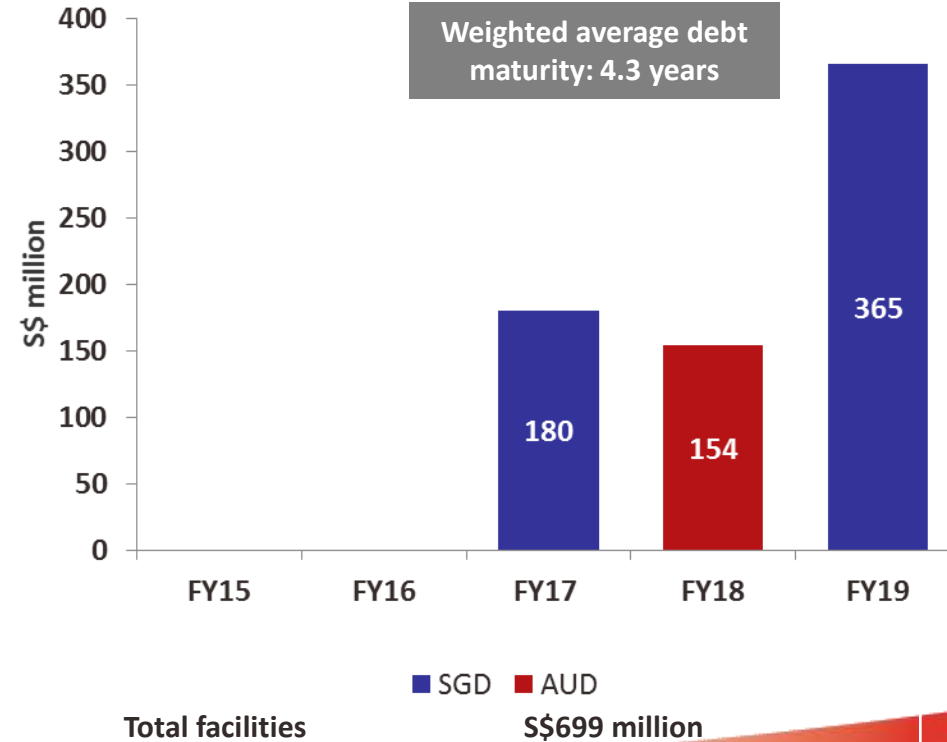
³ For quarter ended 30 September 2014

- Successfully refinanced all borrowings
- All existing facilities have been refinanced with unsecured facilities
- Weighted average debt maturity lengthened to 4.3 years
- No refinancing required until FY17

Debt maturity



Debt maturity

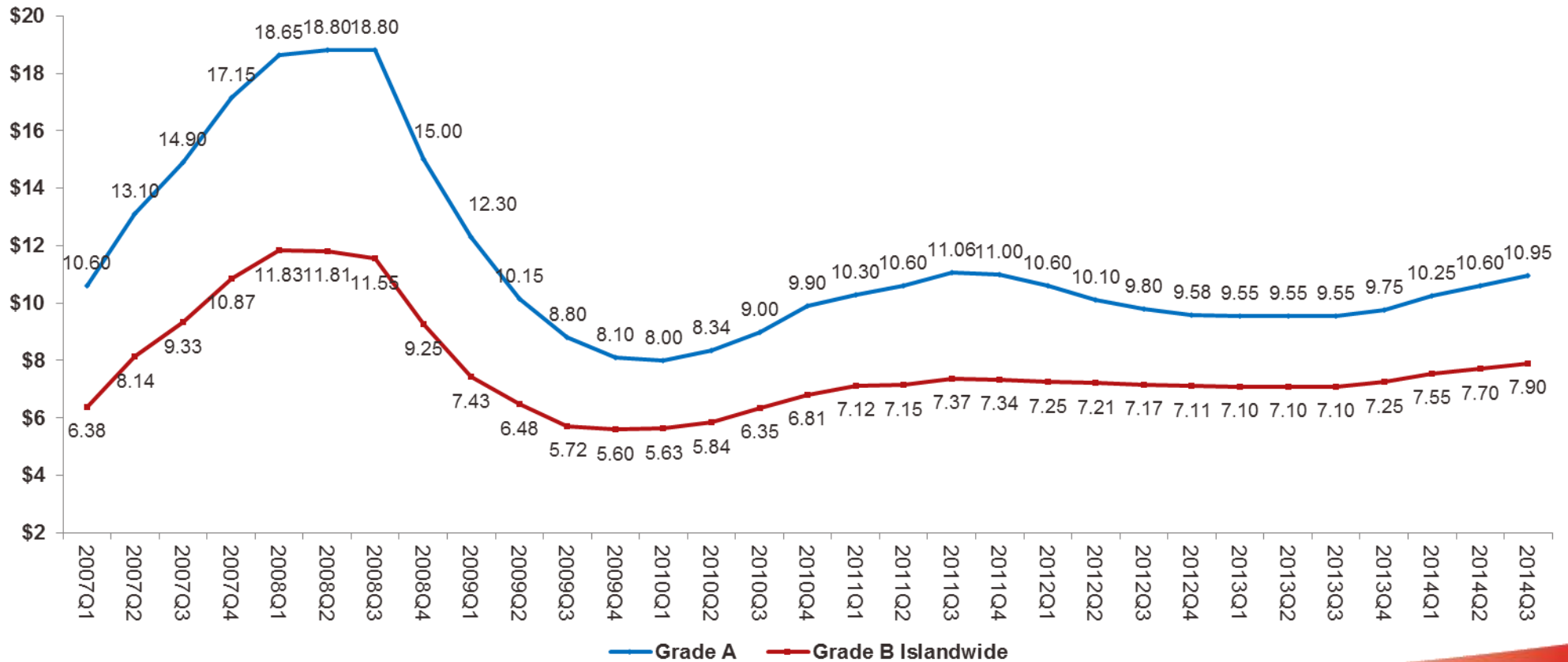


Moving forward

2. Solid fundamentals – positive market outlook

Singapore office rents trend – Upward rental growth is projected to remain in the next few quarters

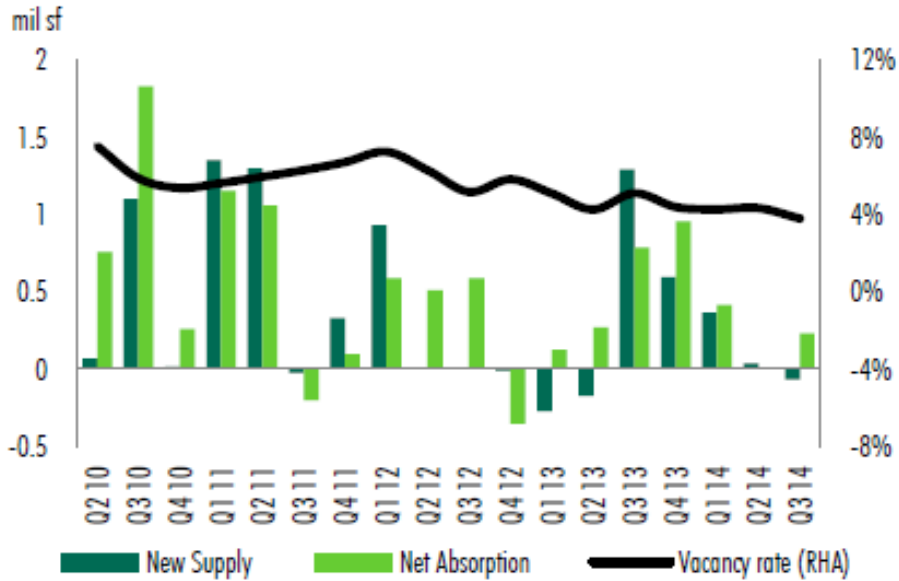
Singapore Grade A and Grade B office rents¹



¹ Source: CBRE Research

Office supply-demand dynamics and vacancy rates ¹

Chart 2: Office Supply-Demand Dynamics



Source: CBRE Research, Q3 2014

Table 1: Office Vacancy Rates

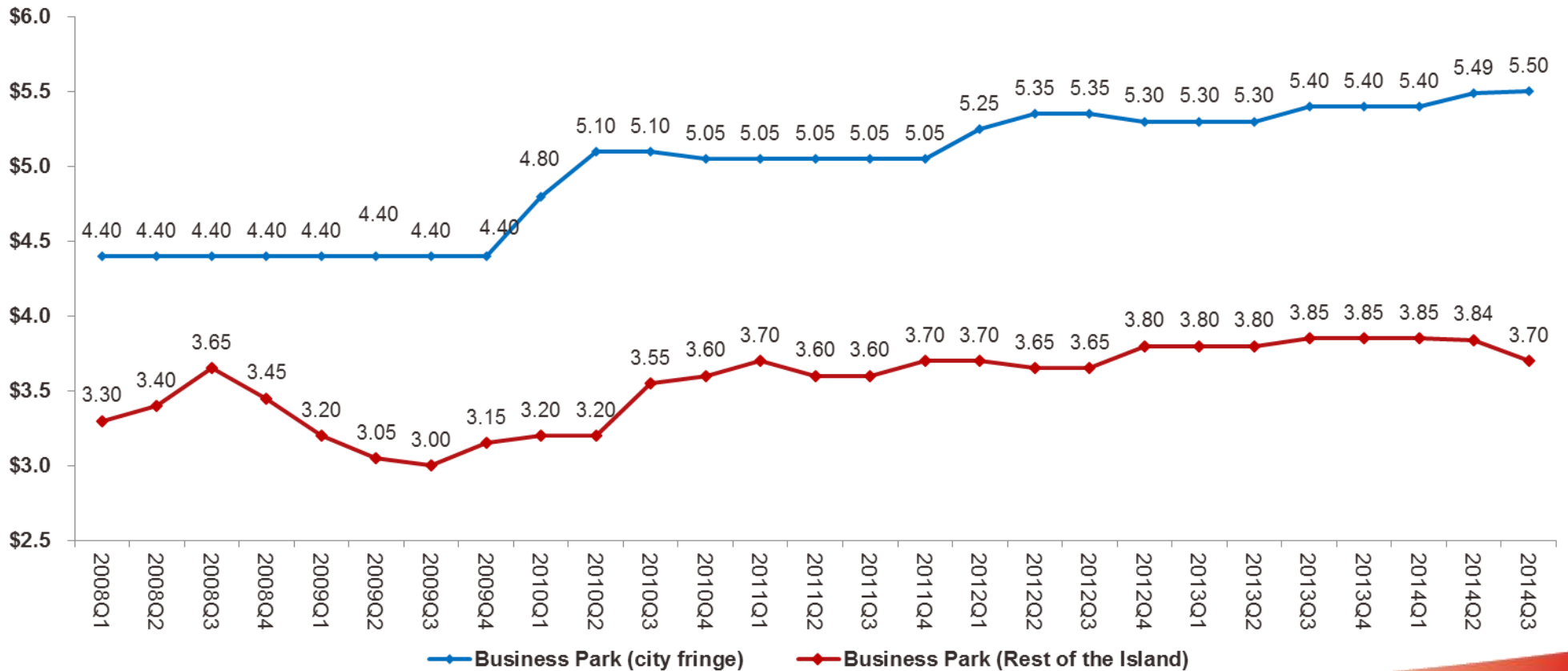
	Q3 2014	q-o-q	y-o-y
Island Wide	3.8%	-54 bps	-131 bps
Core CBD	3.4%	-72 bps	-308 bps

Source: CBRE Research, Q3 2014

- With no new major office developments completed, islandwide office vacancy rate tightened on the back of reasonable office demand in Q3 2014
- Islandwide office net absorption was 230,235 sf in Q3 2014
- Vacancy in CBD Core decreased from 4.2% in the previous quarter to 3.4% in Q3 2014 as a result of positive take-up
- Grade B (CBD Core) rent grew 2.4% q-o-q to S\$8.50 psf/month
- Leasing demand is expected to remain positive
- Underpinned by low vacancy and steady demand, the upward rental growth trajectory is projected to remain in the next few quarters
- Pace of rental growth may ease in H2 2015, due to the impending supply from mid-2016 to 2017

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

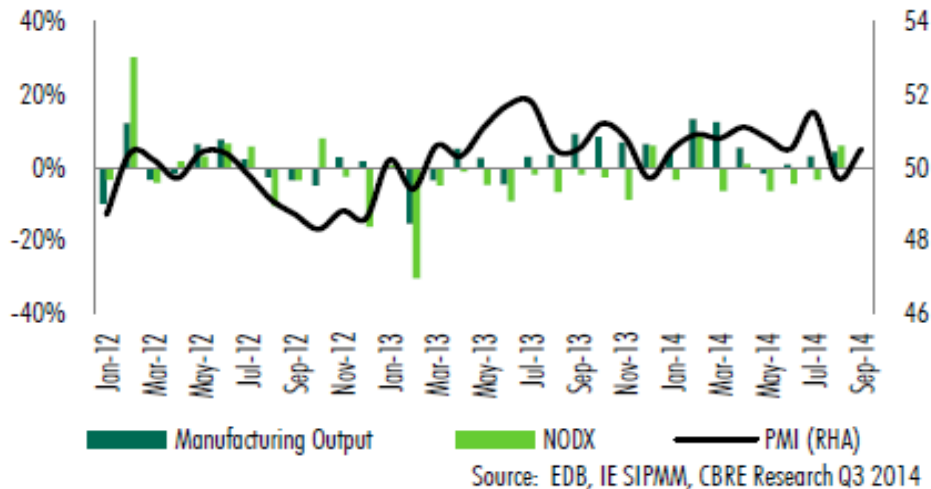
Singapore Business Park (city fringe) rents¹



¹ Source: CBRE Research

Manufacturing Indices¹

Chart 6: Manufacturing Indices



- Vacancy was lower from 11.8% in the previous quarter to 11.6% in Q3 2014
- Demand remains stable, supported by the IT and finance-related services industries
- Increasing rent divergence between the City Fringe and Rest of Island business park market has encouraged more cost sensitive occupiers to consider Rest of Island business parks. However, tenants' preference continued to be focused on newer and refurbished buildings
- Rents in City Fringe business parks are expected to stabilise, while rent consolidations are expected in the Rest of Island business parks. This two-tier market will keep rental growth in check in the near term

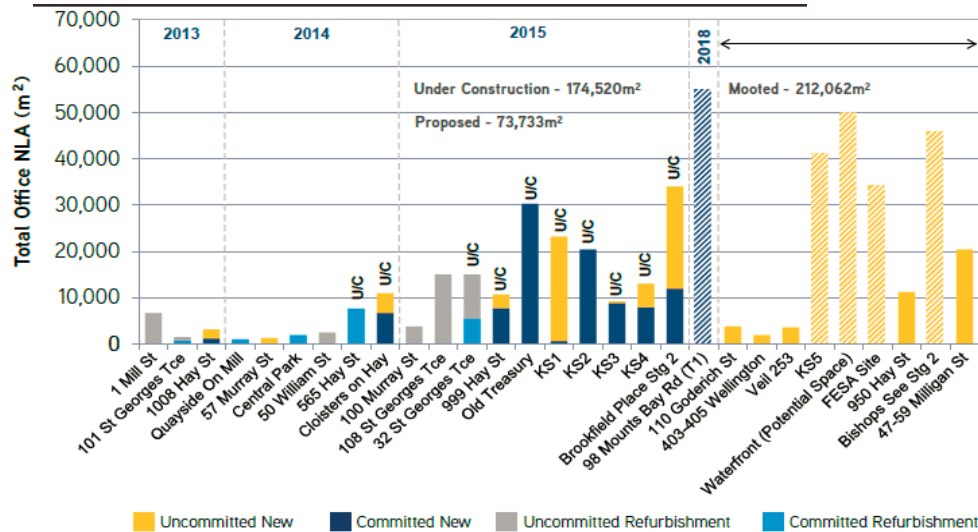
Table 6: Known Business Park Future Pipeline

Year	Estimated NLA (million sf)	Estimated Pre-commitment Levels
2014	1.92	74%
2015	1.38	68%
2016	1.69	11%

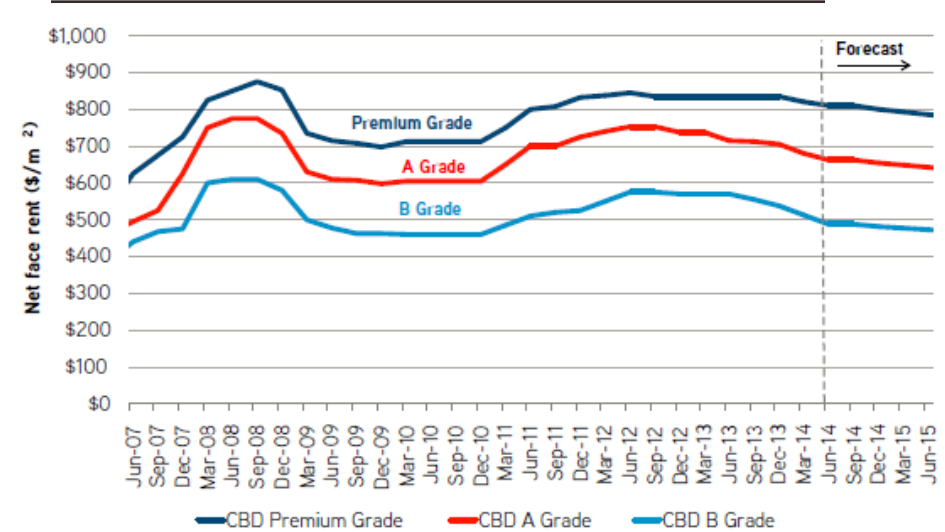
Source: CBRE Research, Q3 2014

Premium Grade net face rents is approximately A\$810 psm per annum

Perth CBD office supply¹



Perth CBD office average net face rents¹



Source: Colliers International

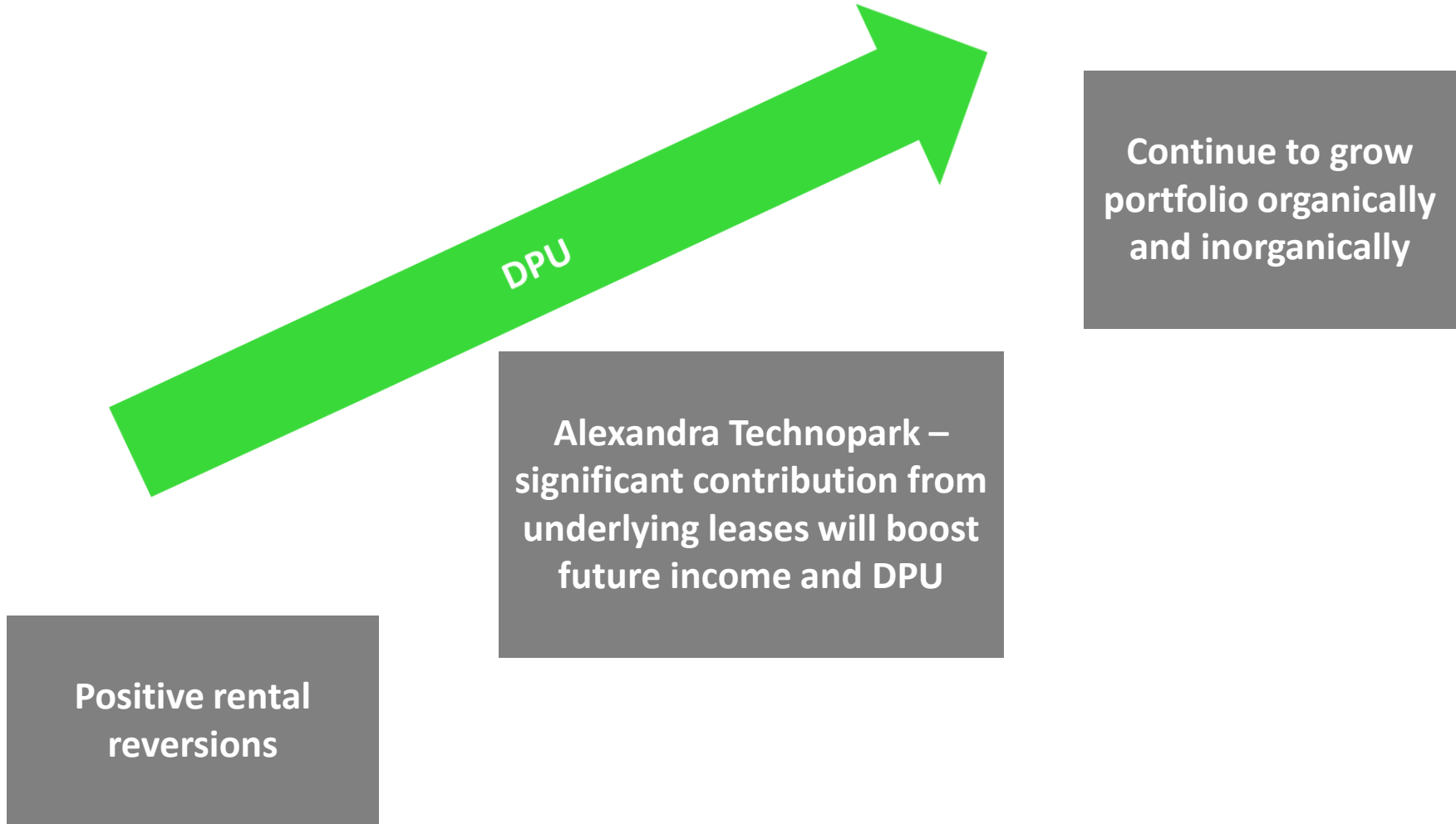
Source: Colliers International

Market conditions¹

- Perth CBD office market vacancy rate was 11.8% according to the Property Council of Australia
- Premium Grade office net face rent is approx. A\$810 psm pa, and is still generally well performing
- Perth net face rents remain stronger than most Australian capitals, except for Sydney. However, incentives for Sydney premium space is almost double of the average in Perth
- Incentives for Premium Grade space are between 15-20%
- Although resource sector investment has contracted, the Western Australia (WA) economy is still holding up well – growth in WA’s GDP has consistently outperformed national GDP since 2000
- Outlook for WA is positive for 2 reasons: (1) construction is shifting from resource to housing; and (2) resource projects begin to yield revenues to the state, which can be used to fund infrastructure development

¹ Research and Forecast Report, Second Half 2014 Australia and New Zealand, Colliers International

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



Thank you

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