

Frasers Commercial Trust
3QFY16 Financial Results

22 July 2016

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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.

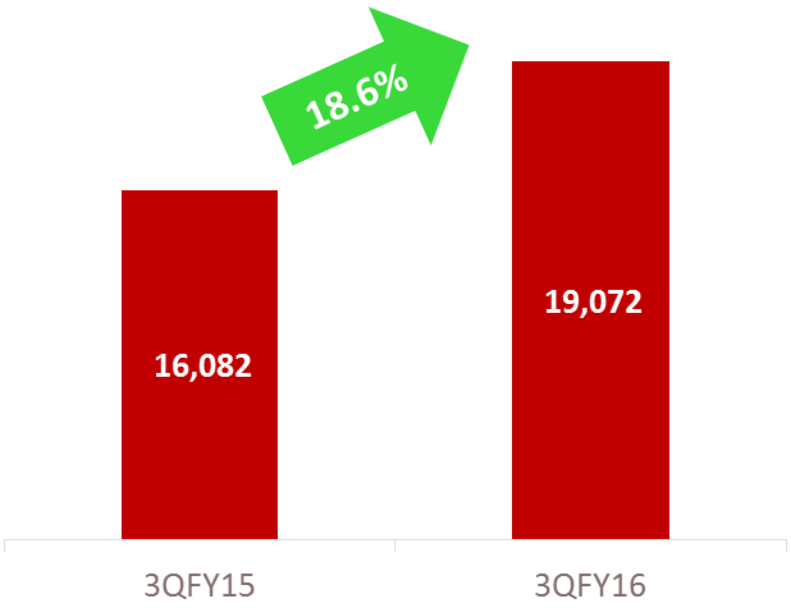
- Results
- Actual vs. forecast results for 357 Collins Street
- Portfolio review
- Capital management
- Moving Forward

Results

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Alexandra Technopark and contribution from 357 Collins Street continue to boost performance in 3QFY16

Distribution to Unitholders (S$'000)



18.6% increase in distribution to Unitholders

1. **Higher contribution from Alexandra Technopark:**
   - Higher rental rates achieved
   - Lower utilities expenses
2. **Contribution from 357 Collins Street**

Capital distribution[1]

Construction works at China Square Central[2] are in progress and the loss of income will be supplemented by S$0.9 million capital distribution

1 In 3QFY16, Unitholders' distribution from capital returns includes S$0.9 million which relates to a portion of consideration received from the disposal of the Hotel development rights at China Square Central in August 2015, which is classified as capital distribution from tax perspective. See accompanying 3QFY16 Financial Statements announcement for more details.

2 Development of a 16 storey hotel ("Hotel") and additions and alterations at China Square Central. Refer to the Circular to Unitholders dated 3 June 2015 for details.

▪ 19% rise in distributable income for 3QFY16

1 Apr 2016 – 30 Jun 2016	3QFY16 (S$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	38,550	11%	▪ Higher revenue contribution from Alexandra Technopark due to higher rental rates, contribution from 357 Collins Street, offset by the weaker Australian dollar and lower occupancy rates for China Square Central and Central Park
Net Property Income	28,111	16%	▪ Higher rental rates and lower utilities expenses at Alexandra Technopark, contribution from 357 Collins Street and lower repair and maintenance and painting expenses for Caroline Chisholm Centre, offset by the weaker Australian dollar and lower occupancy rates for China Square Central and Central Park
Net Property Income (cash basis)	27,661	15%	▪ Increase in net property income excluding the effects of recognising accounting income on a straight line basis, despite the weaker Australian dollar
Distributable income to Unitholders	19,072	19%	▪ Distributable income to Unitholders increased y-o-y in line with NPI
DPU[1]	2.41¢	3%	▪ DPU increased with the higher distributable income to Unitholders[2]. Inclusive of capital distribution of 0.38¢[3].

1 The number of Units used to calculate the amount available for DPU is 791,346,616. See accompanying 3QFY16 Financial Statements announcement for more details.
2 96.0 million new Units were issued pursuant to a private placement which was completed in August 2015.
3 In 3QFY16, Unitholders' distribution from capital returns of 0.38 cents includes a portion of consideration received from the disposal of the Hotel development rights at China Square Central in August 2015, which is classified as capital distribution from tax perspective. See accompanying 3QFY16 Financial Statements announcement for more details.

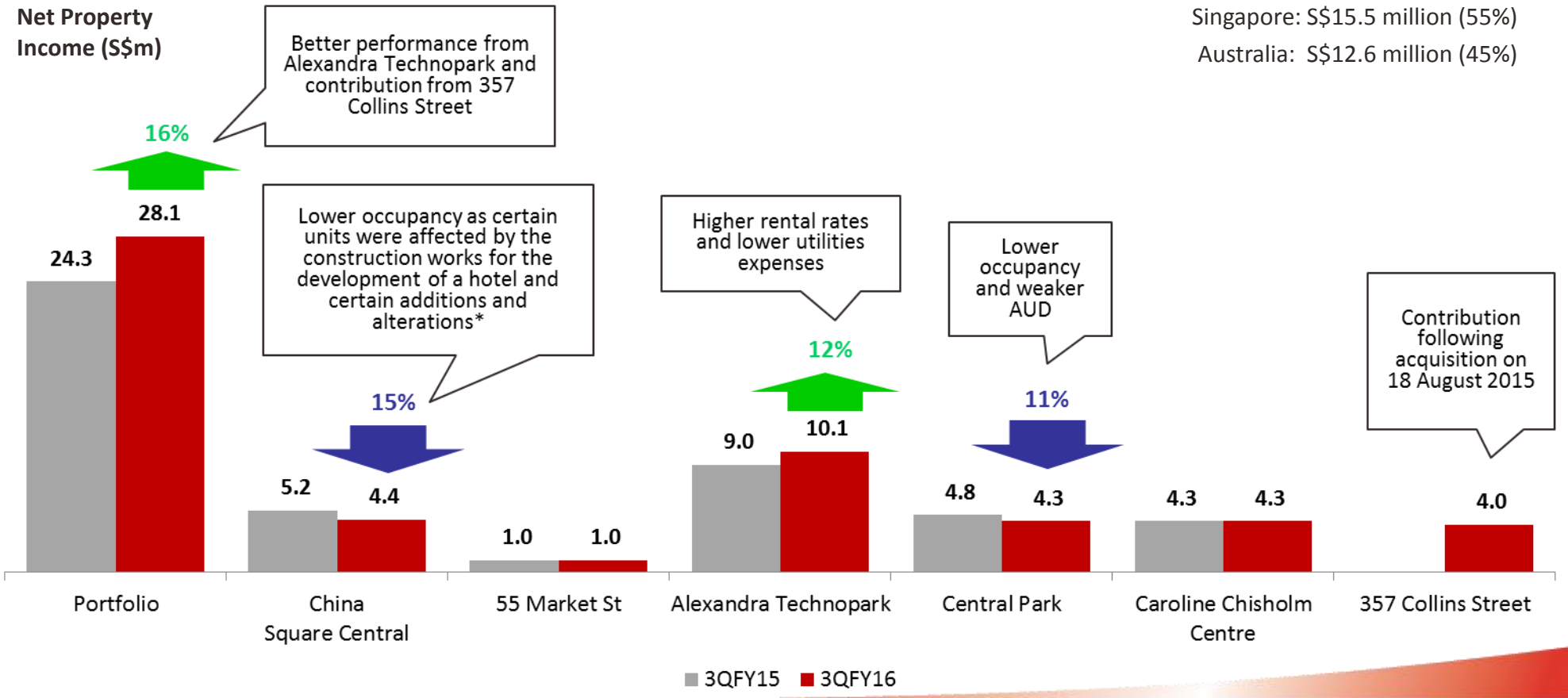
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Better performance from Alexandra Technopark and contribution from 357 Collins Street

TOTAL: S$28.1 million 3QFY16

Singapore: S$15.5 million (55%)

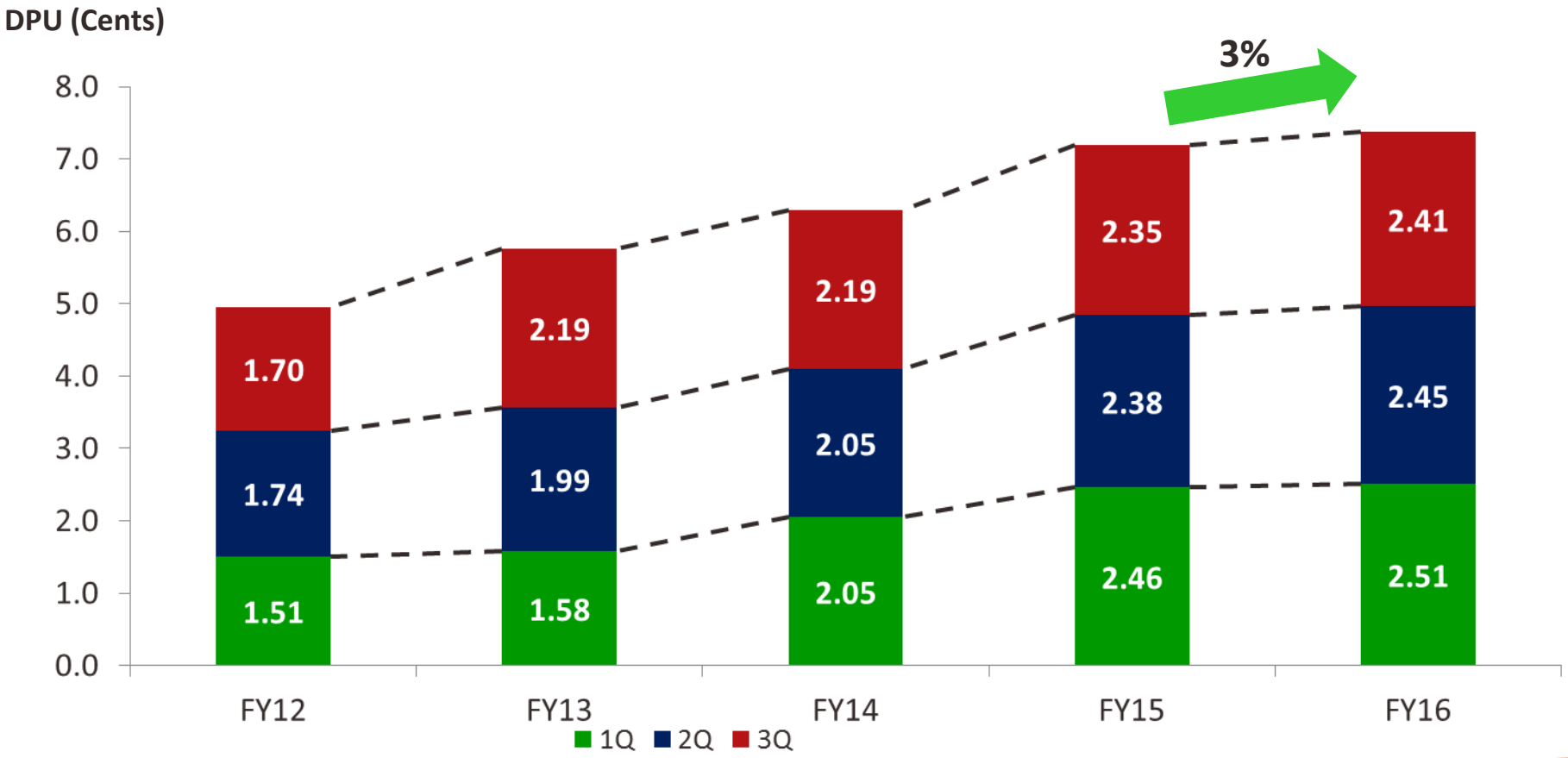
Australia: S$12.6 million (45%)



* Affected units were mainly retail units at 18 Cross Street and certain units at the shophouses at 20 and 22 Cross Street. Construction is undertaken by an entity of Frasers Centrepoint Limited. Refer to Circular to Unitholders dated 3 June 2015 for details.

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- **Continuous DPU growth for 3QFY16**



DRP will be applied for the distribution for 3QFY16

Distribution Period	1 April 2016 to 30 June 2016
Ordinary Unit Distribution Rate	**Distribution of 2.4101 cents per Unit comprising:** a) taxable income distribution of 1.6875 cents; b) Tax-exempt income distribution of 0.3435 cents; and c) capital distribution of 0.3791 cents.
Last day of trading on "cum" basis	**Wednesday, 27 July 2016**
Ex-distribution trading commence	Thursday, 28 July 2016
Distribution Books Closure Date	Monday, 1 August 2016 at 5.00 pm
Cash distribution payment date	**Monday, 29 August 2016**
Credit of Units to Unitholders' securities accounts/ listing of Units issued under the DRP on SGX-ST	**Monday, 29 August 2016**

See accompanying 3QFY16 Financial Statements announcement for more details.

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Actual vs forecast results for 357 Collins Street

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Actual net property income of 357 Collins Street surpassed forecast by 12%





^ Includes the reimbursement of rent-free periods of A$0.04 million each for the forecast and actual results for 3QFY16.

* Profit forecast of 357 Collins Street for 9 months period from 1 October 2015 to 30 June 2016 included in Appendix E of the Circular to Unitholders dated 3 June 2015, adjusted for the period from 1 April 2016 to 30 June 2016.

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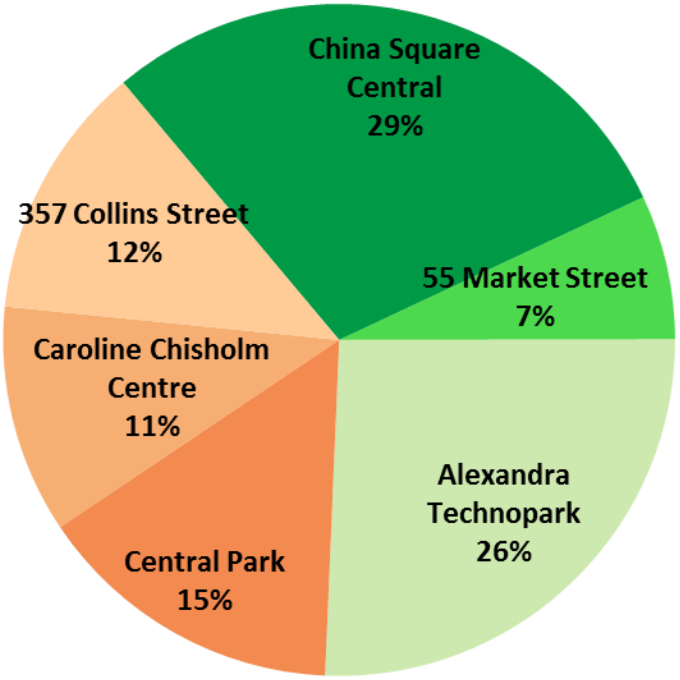
Portfolio review

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Portfolio review – Valuation

- **Balanced portfolio consisting of Singapore and Australian properties**
- **No one property consist of more than 29% of portfolio value**





Singapore	$	1,209.1	62%
Australia	$	747.8	38%
Total	$	1,956.9	**100%**

As at 30 June 2016. Excludes retail turnover rent

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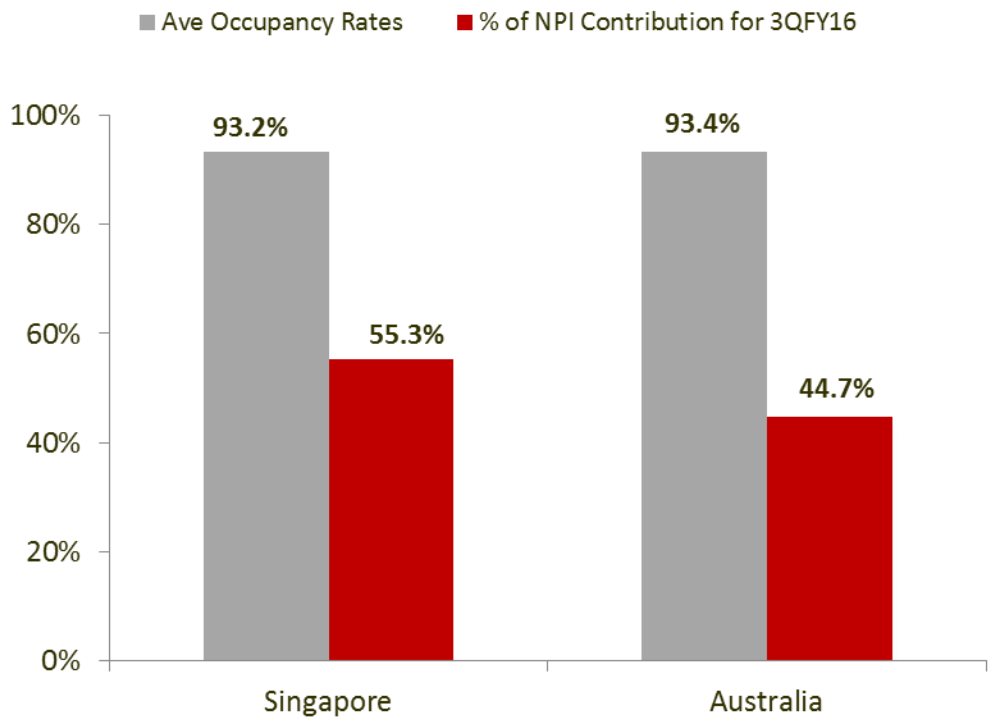
Portfolio review – Occupancy Rates & WALE

- **Healthy average occupancy rate of 93.3%**
- **Healthy WALE of 3.1 years**

Key portfolio statistics	As at 30 June 2016
Ave Occupancy	93.3%
Portfolio WALE by gross rental income	3.1 years

- China Square Central recorded lower occupancy rate as a result of the on-going construction works for the Hotel and Commercial Project[1]
- Occupancy rate for the remaining Singapore properties remained stable

Geographical occupancy and % of NPI contribution



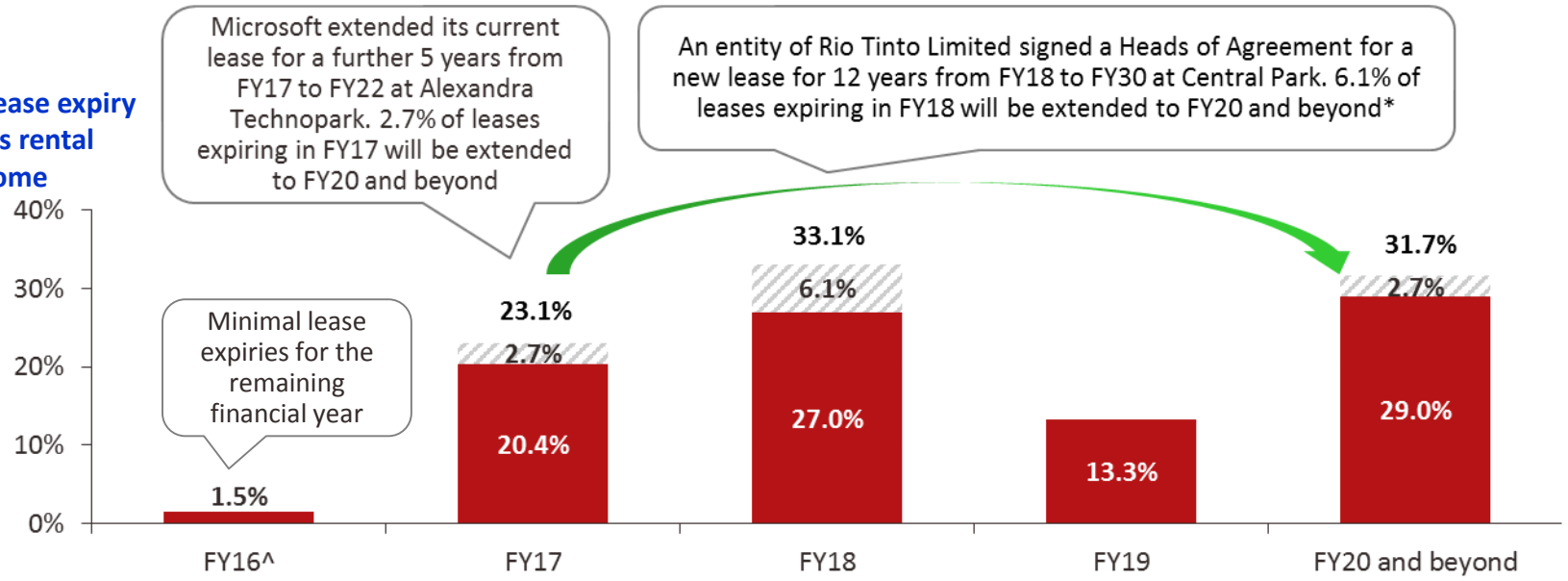
As at 30 June 2016. Excludes retail turnover rent

1 Refer to the Circular to Unitholders dated 3 June 2015 for details.

Portfolio review – Lease expiry profile

- **Minimal lease expiries for FY16**
- **Microsoft has extended its current lease for a further 5 years from FY17 to FY22**
- **Proactive leasing reduced lease expiries in FY18 and lengthened lease expiry profile**

Portfolio lease expiry by gross rental income



Portfolio lease expiry by gross rental income

Number of leases expiring	12	86	75	45	37
NLA (sq ft) expiring	25,295	522,824	803,120	295,622	795,364
Expiries as % total NLA	1.0%	20.0%	30.7%	11.3%	30.3%
Expiries as % total Gross Rental Income	1.5%	23.1%	33.1%	13.3%	29.0%

As at 30 June 2016. Excludes retail turnover rent

^ Includes committed renewals as at 30 June 2016.

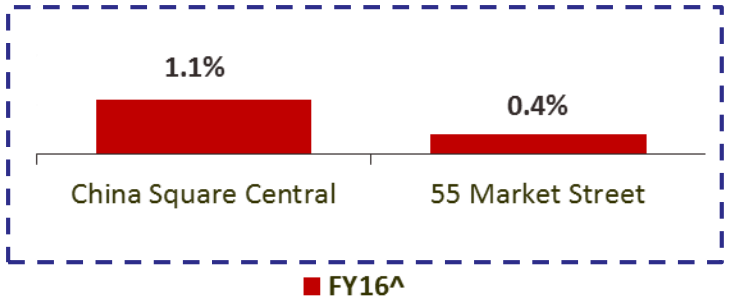
* New lease is assumed based on the existing space currently occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited at Central Park as the exact space requirement will only be determined later.

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FY16 - Minimal lease expiries for the Singapore properties

Property Lease Expiry in FY16 as a proportion of Portfolio Gross Rental Income

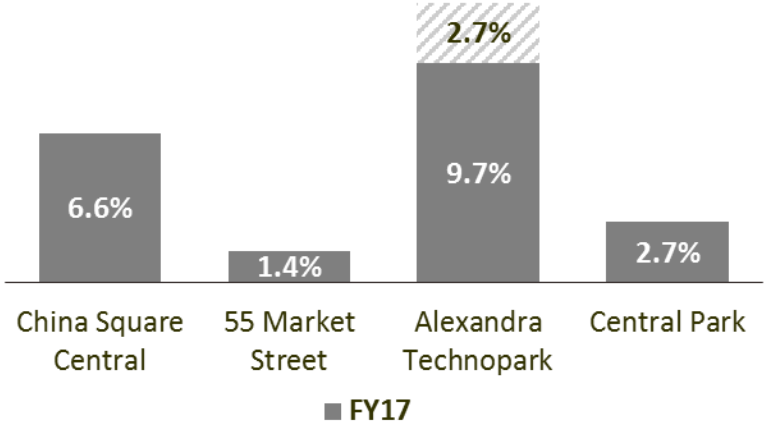
- Minimal lease expiry of 1.5% in year of high office supply
- New supply are mainly in Grade A/ Premium Grade space



Number of leases expiring	7 (office) 2 (retail)	2
Average passing rent for expiring leases	$7.2 (office) $4.4 (retail)	$6.8

Property Lease Expiry in FY17 as a proportion of Portfolio Gross Rental Income

Mircrosoft extended its current lease from FY17 to FY22, reducing the lease expiry from 12.4% to 9.7% in FY17



16 (office) 30 (retail)	8	28	4
$6.9 (office) $6.7 (retail)	$7.2	$4.1	AUD $836 (office)

As at 30 June 2016. Excludes retail turnover rent

^ Includes committed renewals as at 30 June 2016.

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Singapore properties continue to achieve positive rental reversions for new and renewed leases that commenced in 3QFY16[1] despite the challenging leasing market



China Square Central: +5.5%[2]



55 Market Street: +10.3%



Alexandra Technopark: +8.4%

As at 30 June 2016. Excludes retail turnover rent

1 Weighted average rental reversions based on the area for the new and renewed leases that commenced in 3QFY16.

2 Weighted average rental reversions for 18 Cross Street office tower only. Excludes the the retail podium at 18 Cross Street, and 20 and 22 Cross Street which are partially affected by the construction works for the Hotel and Commercial Project. Refer to the Circular to Unitholders dated 3 June 2015 for details of the Hotel and Commercial Project.

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Portfolio review – Robust leasing activities

- **Robust leasing activities**
- **Committed, new and renewed tenants in 3QFY16 include:**

Tenant	Industry	Property
The 3rd Space Management Pte Ltd	Retail	China Square Central
Wavecell Pte Ltd	Multimedia and telecommunications	China Square Central
Pana Harrison (Asia) Pte Ltd	Insurance	China Square Central
MKS Precious Metal (Singapore) Pte Ltd	Financial services	China Square Central
Sumitomo Forestry (Singapore) Ltd	Mining/ Resources	55 Market Street
Citigate Dewe Rogerson, I.Mage Pte Ltd	Consultancy/ Business services	55 Market Street
F&K Delvotec Bondtechnik Singapore Pte Ltd	Electronics	Alexandra Technopark
Servicom Medical (Singapore) Pte Ltd	Medical/ Pharmaceuticals	Alexandra Technopark
Microsoft Operations Pte Ltd	IT Products and Services	Alexandra Technopark

As at 30 June 2016.

More than 52% of leases have built-in step-up rents

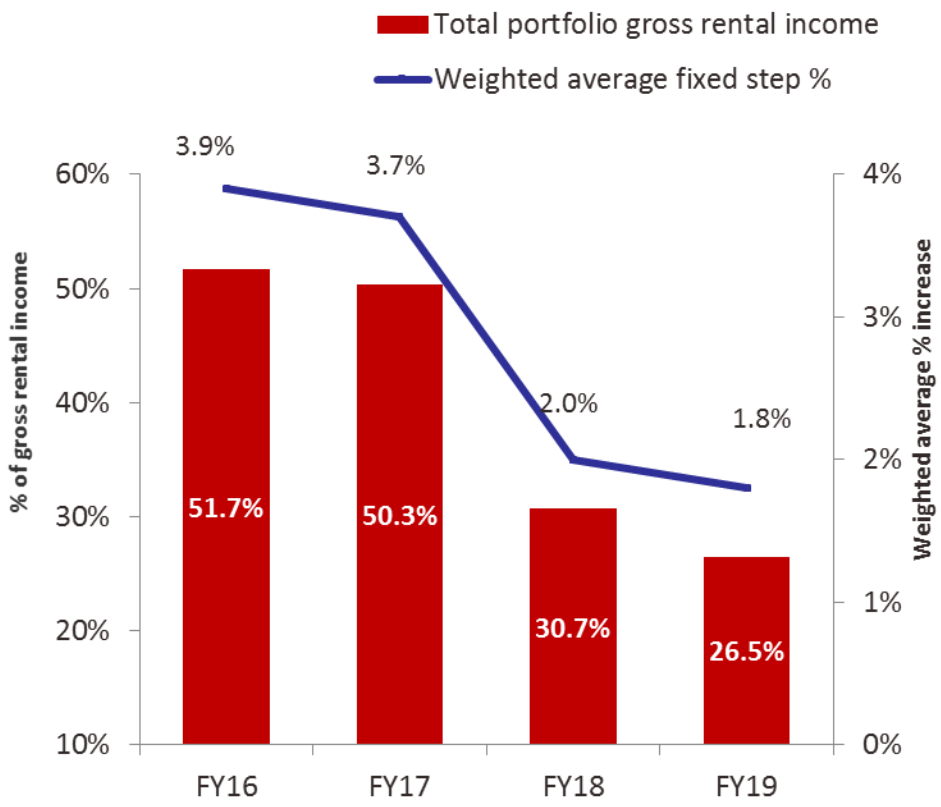
FY16 - Fixed % and other fixed lease rent reviews

Property	Leases	Average step-up rent	GROSS RENTAL INCOME Property	GROSS RENTAL INCOME Total Portfolio
China Square Central	3	2.5%	4.0%	0.8%
55 Market Street	1	2.9%	3.5%	0.1%
Alexandra Technopark	8	5.2%	42.5%	13.5%
Caroline Chisholm Centre	1	3.0%	100.0%	13.8%
Central Park	14	4.7%	60.7%	10.6%
357 Collins Street	35	3.9%	97.3%	12.9%

FY16 - Other mid-term lease rent reviews

Property	Leases	Review mechanism	GROSS RENTAL INCOME Property	GROSS RENTAL INCOME Total Portfolio
Central Park	3	Market	12.3%	2.1%
Central Park	6	CPI	11.3%	2.0%

FY16 – 19 - Portfolio fixed % reviews



Excludes retail turnover rent

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Portfolio review – Stability of income

Top 10 tenants:

- **Established and well diversified across various sectors**
- **MNCs, government department or public listed companies**
- **Contribute 57% of portfolio gross rental income and have a long WALE of 5.4 years**

Top 10 tenants by gross rental income

Tenant	Property	Sector	Lease Expiry	% (Gross Rental Income)
Commonwealth of Australia	Caroline Chisholm Centre	Government	Jul-25	13.9%
Hewlett-Packard Singapore Pte Ltd	Alexandra Technopark	IT Products & Services	Nov-17	10.5%
Hewlett-Packard Enterprise Singapore Pte Ltd	Alexandra Technopark	IT Products & Services	Sept-17/ Nov-17	7.0%
Hamersley Iron Pty Ltd*	Central Park	Mining/ resources	Jun-30	6.1%
Commonwealth Bank of Australia	357 Collins Street	Banking, insurance & financial services	Dec-22	5.5%
GroupM Singapore Pte Ltd	China Square Central	Consultancy/ business services	Mar-19	3.1%
BHP Billiton Iron Ore Pty Ltd	Central Park	Mining/ resources	Between Jul-17 to Oct-17	2.8%
Service Stream Ltd	357 Collins Street	Multimedia & Telecommunications	Dec-19	2.8%
Microsoft Operations Pte Ltd	Alexandra Technopark	IT Products & Services	Jan-22	2.7%
Cerebos Pacific Ltd	China Square Central	Food & beverage	May-17	2.6%
Total				57.0%

As at 30 June 2016. Excludes retail turnover rent

* An entity of Rio Tinto Limited signed a Heads of Agreement for a new lease for 12 years from FY18 to FY30. New lease is assumed based on the existing space currently occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited at Central Park as the exact space requirement will only be determined later.

Asset updates – Developments at China Square Central

- **Construction work for the development of a 16 storey hotel and Commercial Project[1] are on track[2]**
- **New retail and commercial spaces with better frontage and visibility will also be created[2]**
- **Construction expected to be completed by mid-2019**
- **The Hotel and Commercial Project will further rejuvenate China Square Central**





Signages have been placed to direct traffic flow for the convenience of the public

☑ Foundation works have commenced

☑ Signages and hoardings have been erected to demarcate the construction area

Data as at 30 June 2016.

1 Refers to the additions and alterations at China Square Central. Refer to the Circular to Unitholders dated 3 June 2015 for details.

2 Construction is undertaken by an entity of Frasers Centrepoint Limited.

3 New spaces to be created from relocated spaces from part of the existing basement at 18 Cross Street and a section of 22 Cross Street. This is undertaken by an entity of Frasers Centrepoint Limited as part of the additions and alterations at China Square Central.

Asset updates – Alexandra Technopark

- **Microsoft extended its current lease at Alexandra Technopark for a further five years**
- **Current lease originally expiring in FY17 will now expire in FY22**
- **Alexandra Technopark continues to attract tenants with its strategic location within Alexandra Precinct, good connectivity and close proximity to CBD**
- **Early lease extension will strengthen the lease expiry profile of the portfolio and ensure longer-term income stability**



Microsoft

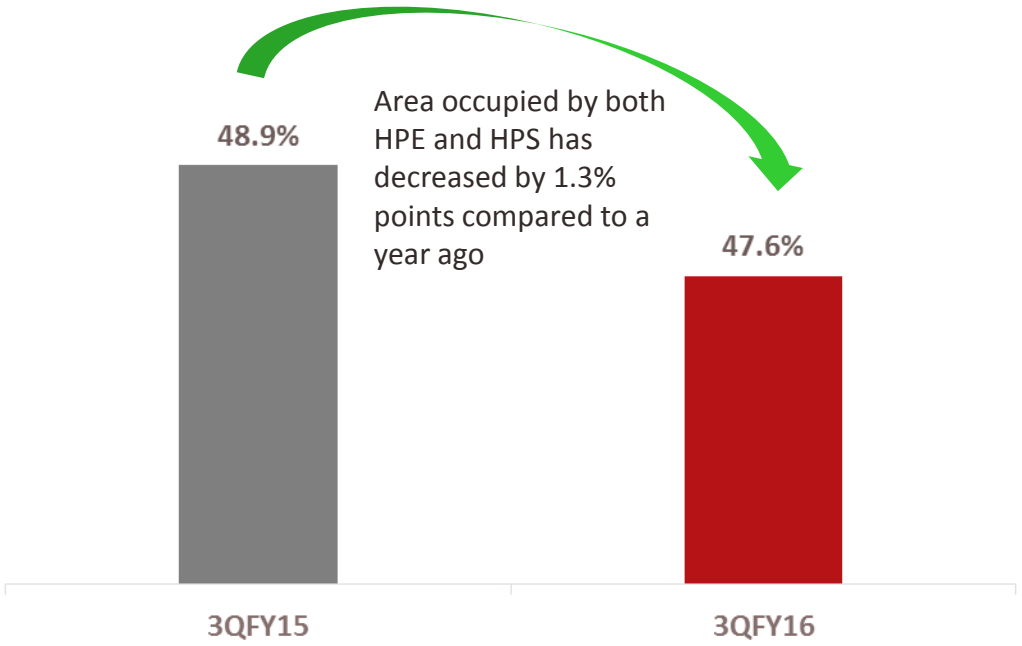
- Occupies approximately 78,000 sf, approximately 7.4% of Alexandra Technopark's NLA
- Alexandra Technopark's WALE will increase from 1.5 years to 1.9 years with Microsoft's lease extension[1]

1 As at 30 June 2016

Asset updates – Alexandra Technopark

- **Hewlett-Packard Enterprise ("HPE") and Hewlett-Packard Singapore ("HPS") collectively occupy 47.6% of Alexandra Technopark[1]**
- **Space occupied by HPE and HPS decreased by 1.3% points compared to a year ago**
- **Continuous tenant engagement and proactive leasing to manage expiring leases**

% of net lettable area occupied by HPE and HPS at Alexandra Technopark



Hewlett Packard Enterprise



1 Based on net lettable area as at 30 June 2016

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Asset updates – Central Park

- **Retail arcade at Central Park has been revamped**
- **New identity created for the retail shops with a refreshed and contemporary look**

Before





After

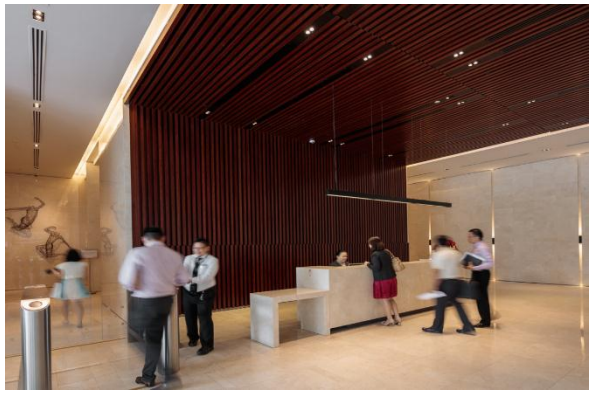




- ☑ Modern outdoor sitting area
- ☑ Full height glass shopfront and improved shop presentation
- ☑ Brigher and more spacious feel with higher ceiling

Portfolio review – Singapore asset updates

China Square Central – full occupancy at office tower



55 Market Street – healthy occupancy rate



Alexandra Technopark – healthy occupancy rate



Occupancy	88.6%* (office tower: 100.0%)	95.8%	94.8%
WALE	1.5 years	1.2 years	1.5 years (1.9 years with lease extension)^
New leases, committed and renewals	The 3rd Space Management Pte Ltd, Wavecell Pte Ltd, MKS Previous Metal (Singapore) Pte Ltd, Pana Harrison (Asia) Pte Ltd	Sumitomo Forestry (Singapore) Ltd, Citigate Dewe Rogerson, I.Mage Pte Ltd	F&K Delvotec Bondtechnik Singapore Pte Ltd, Servicom Medical (Singapore) Pte Ltd, Microsoft Operations Pte Ltd
Tenants	groupm, Cerebos, MOL, ABeam Consulting, MediaMath, COASTAL, Pana, EQUINIX, Wavecell, Banjaran Wealth, CHUBB	Jones Lang LaSalle, JobStudio, bwl, Chancery Law Corporation, Citigate Dewe Rogerson, Manchester 1824, TKP, Itron, Optum, Sumitomo Forestry (Singapore) Ltd.	hp, Hewlett Packard Enterprise, dyson, Great Eastern, Sybase, OKI, OMRON, Sennheiser, F&K Delvotec, Aeroflex

As at 30 June 2016.

* Committed occupancy as at 30 June 2016. Lower occupancy as certain units were affected by the commencement of construction for the hotel development and additions and alterations at China Square Central. Refer to the Circular to Unitholders dated 3 June 2015 for details.

^ Microsoft extended its current lease for a further 5 years from FY17 to FY22.

Portfolio review – Australia asset updates

	Central Park – Healthy WALE of 2.2 years	Caroline Chisholm Centre – full occupancy with long WALE of 9.0 years	357 Collins Street – full occupancy
			
Occupancy	80.4%^	100.0%	100.0%
WALE	2.2 years (6.8 years with new lease#)	9.0 years	4.8 years
New leases, committed and renewals	-	Property occupied by a single tenant, i.e. the Commonwealth of Australia as represented by Centrelink (Aaa rated*) until July 2025	-
Tenants	Rio Tinto, bhpbilliton, MIMI, ASX, GESB, Plan B, DLA PIPER	Australian Government	CommonwealthBank, Wilson HTM Investment Group, EUREKA, orange Business Services, meridian, infor, The Trust Company, Folkestone

As at 30 June 2016.

^ Committed occupancy as at 30 June 2016.

* Based on Moody's rating in June 2016.

\# An entity of Rio Tinto Limited signed a Heads of Agreement for a new lease for 12 years from FY18 to FY30. New lease is assumed based on the existing space currently occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited at Central Park as the exact space requirement will only be determined later.

Capital management

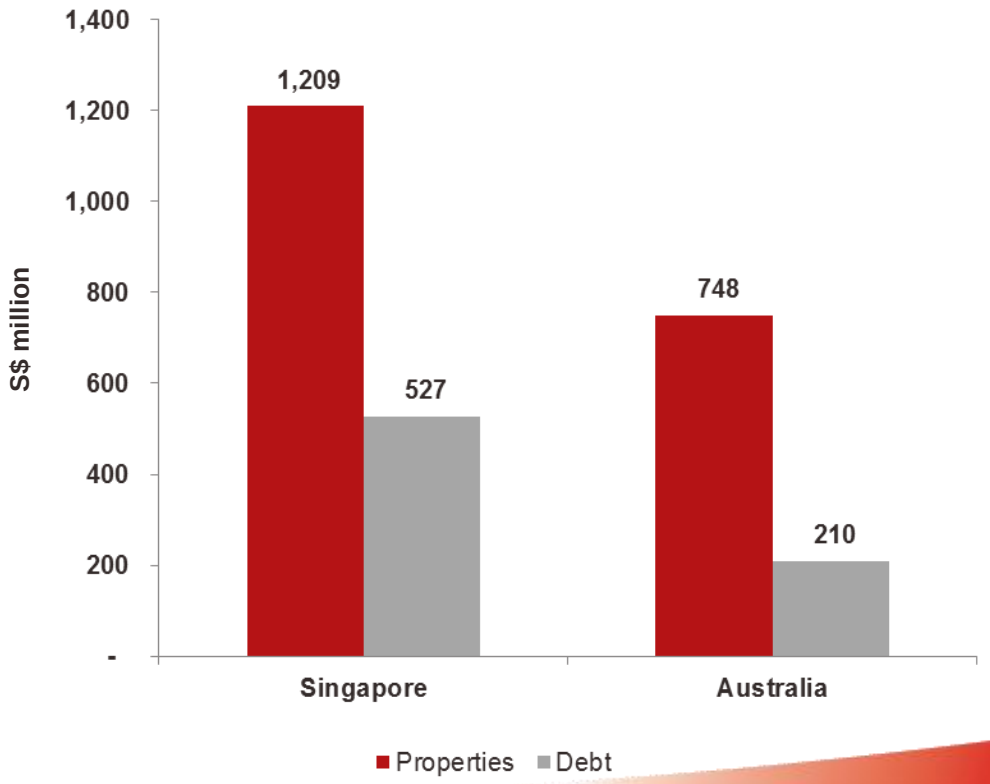
Capital Management – Debt statistics

- **Healthy interest coverage ratio of 4.5 times**
- **Low average interest rate of 2.99%**
- **Borrowings in AUD provide natural hedge for the Australian properties**

Statistics

	As at 30 June 2016
Total Assets (S$'000)	2,027,599
Gross Borrowings (S$'000)	736,978
Units on Issue and Issuable	791,346,616
NAV per Unit (ex-DPU) (S$)	1.50
Gearing [1]	36.3%
Interest coverage ratio (times) [2]	4.5
Average borrowing rate [3]	2.99%
- Weighted average SGD debt rate	2.60%
- Weighted average AUD debt rate	3.98%
FCOT Issuer rating by Moody's	Baa2

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 June 2016. See accompanying 3QFY16 Financial Statements announcement for more details.

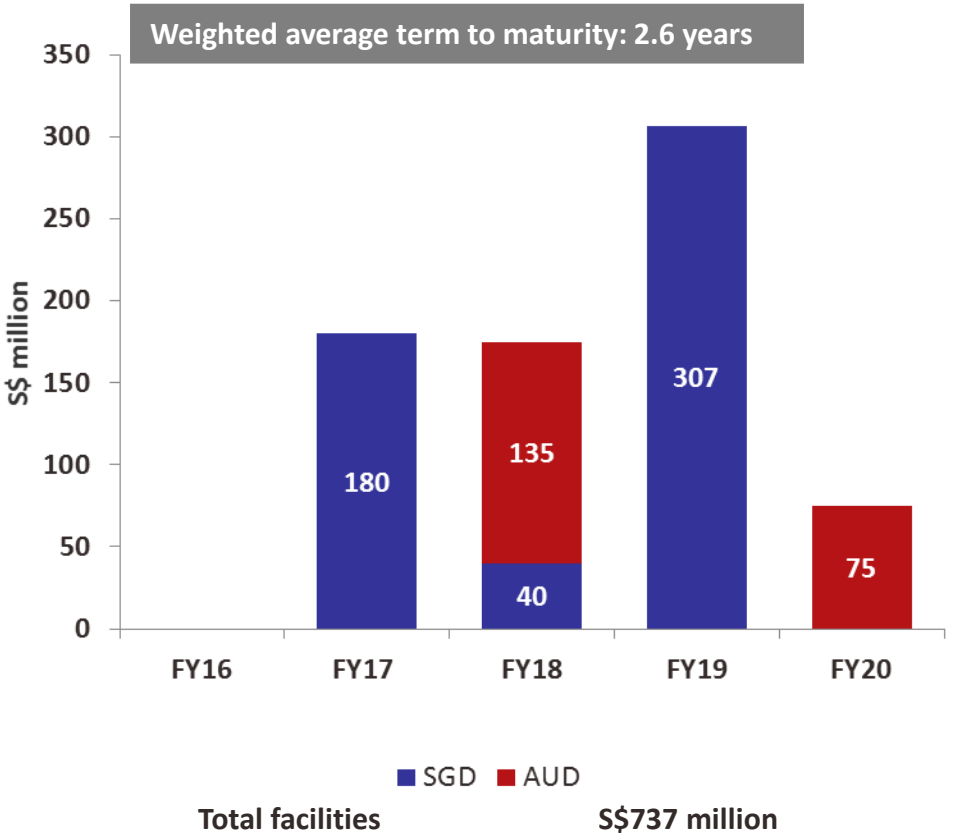
3 For quarter ended 30 June 2016

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Capital Management and debt statistics

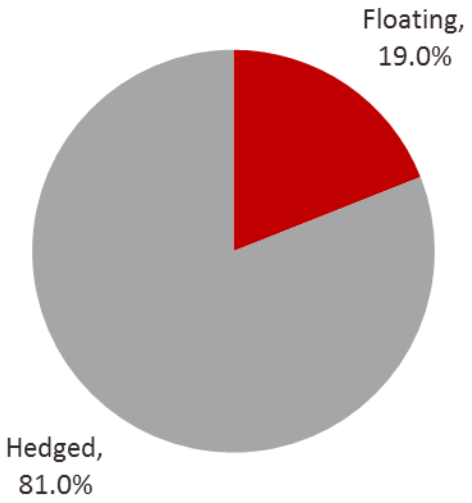
- **Well spread debt maturity profile**
- **No refinancing required until FY17**
- **All debts are unsecured**
- **Hedged 81% of gross borrowings on fixed rate**

Debt maturity



Total facilities **S$737 million**

Debt composition – floating vs. hedged



Hedging debt

As a % of:	**As at 30 June 2016**
Total Gross Borrowings	81%

As at 30 June 2016.

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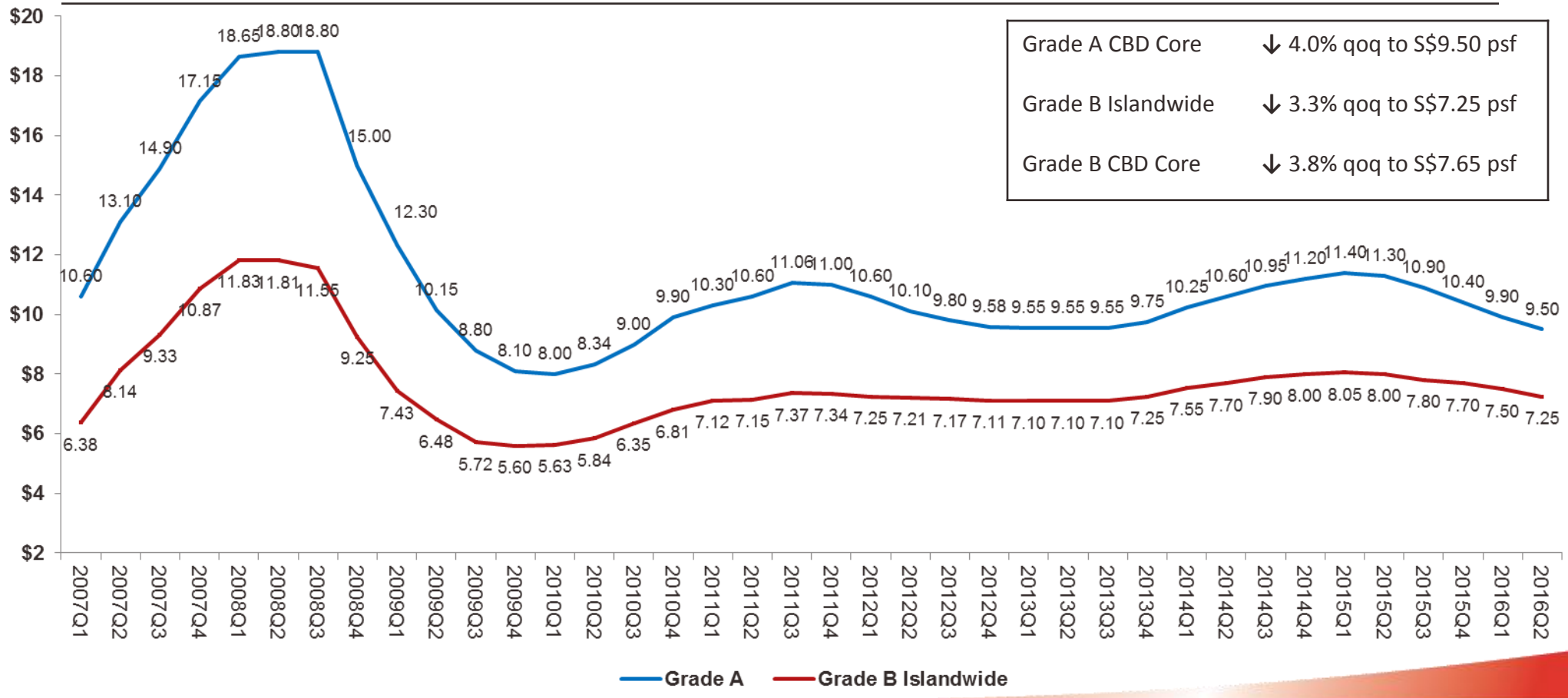
Moving forward

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Solid fundamentals - Singapore office rents

Singapore office - Grade B rents relatively more stable

Singapore Grade A and Grade B office rents[1]



Grade A CBD Core	↓ 4.0% qoq to S$9.50 psf
Grade B Islandwide	↓ 3.3% qoq to S$7.25 psf
Grade B CBD Core	↓ 3.8% qoq to S$7.65 psf

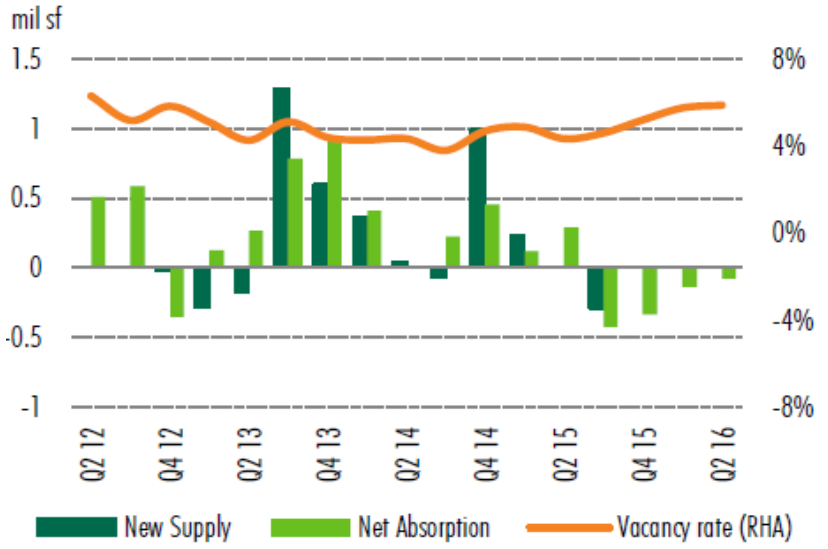
Source: CBRE Research

1 CBRE, Singapore Market View, Q2 2016

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Solid fundamentals - demand, supply and outlook for Singapore CBD office

Office supply-demand dynamics and vacancy rates [1]



Source: CBRE Research, Q2 2016

	Q2 16	Q-o-q	Y-o-y
Islandwide	5.9%	13 bps	154 bps
Core CBD	4.9%	9 bps	115 bps
Fringe CBD	7.1%	28 bps	158 bps
Decentralised	6.5%	5 bps	232 bps
Grade A	5.2%	14 bps	80 bps

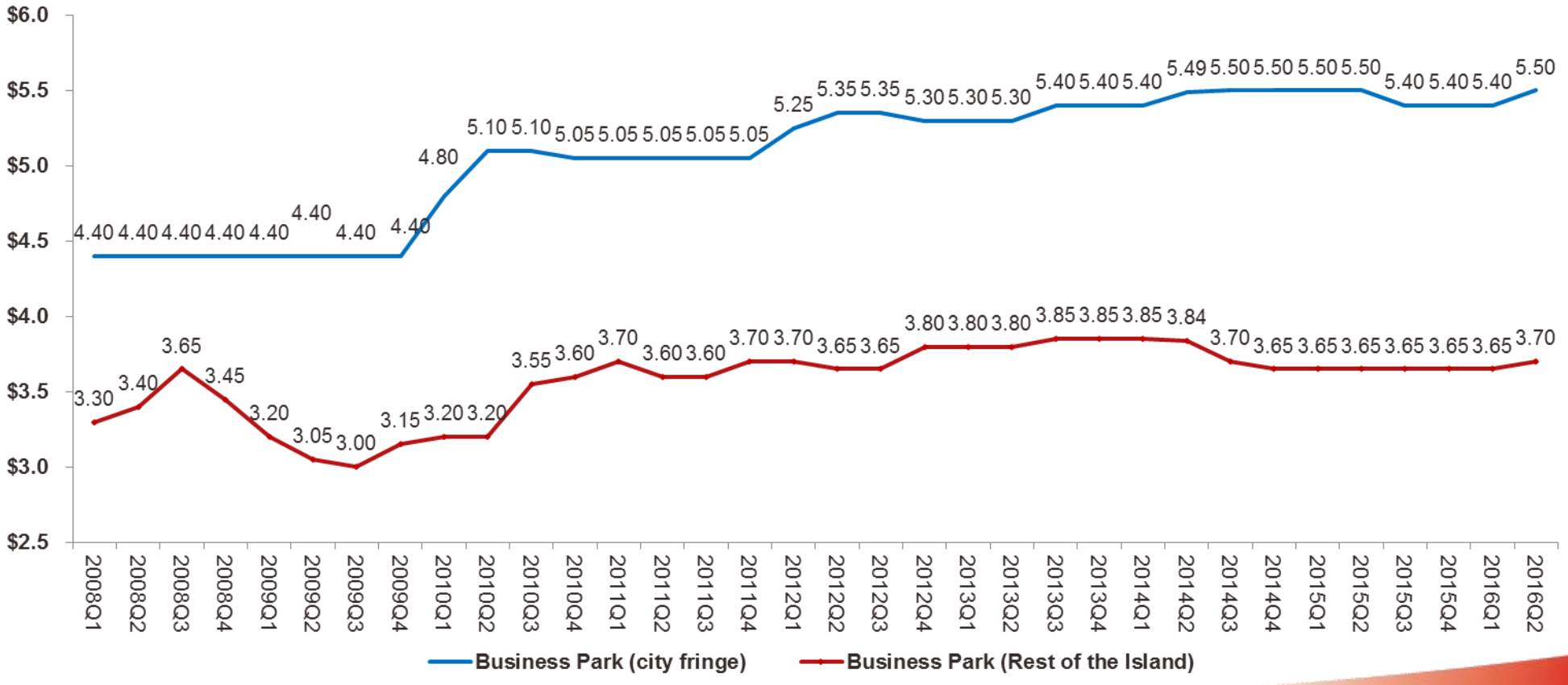
Source: CBRE Research, Q2 2016

- Q2 2016 total Islandwide office net absorption was negative 74,741 sf, the fourth consecutive quarter of contraction
- Net new demand remained muted with few expansions and more modest space requirements from limited new entrants
- Sectors that contributed to occupier movement included the info-communications and technology, financial and professional services industries
- Island-wide vacancy remained relatively stable at 5.9% but is expected to rise sharply over the next six to nine months with the completion of new developments
- Further rental decline is likely

1 CBRE, Singapore Market View, Q2 2016

Singapore business park rents trend – City fringe business park rents increased 2% in Q2 2016[1]

Singapore Business Park (city fringe) rents[1]



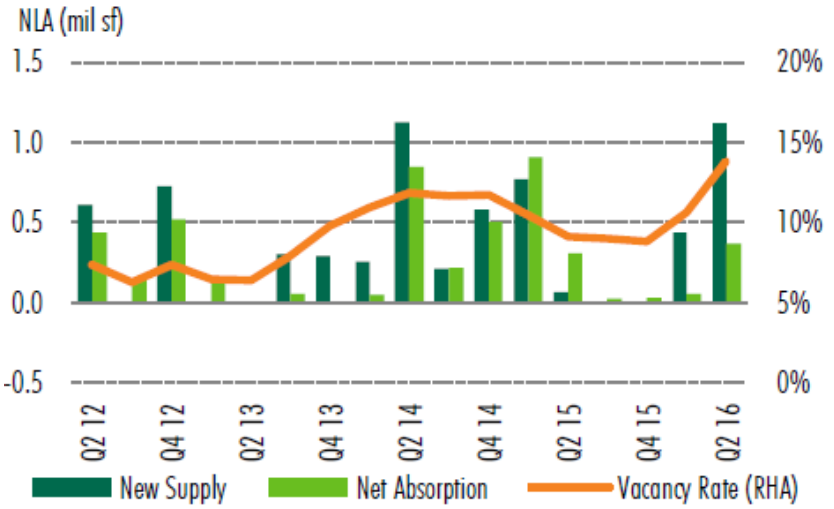
Source: CBRE Research

1 CBRE, Singapore Market View, Q2 2016

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Solid fundamentals - demand, supply and outlook for business park

Business Park supply-demand dynamics and future pipeline[1]



Source: CBRE Research, Q2 2016

Year	Est. NLA (mil sf)	Est. Pre-commitment
H2 2016	0.31	100%
>2016	0.12	100%
Total	**0.43**	**100%**

Source: CBRE Research, Q2 2016

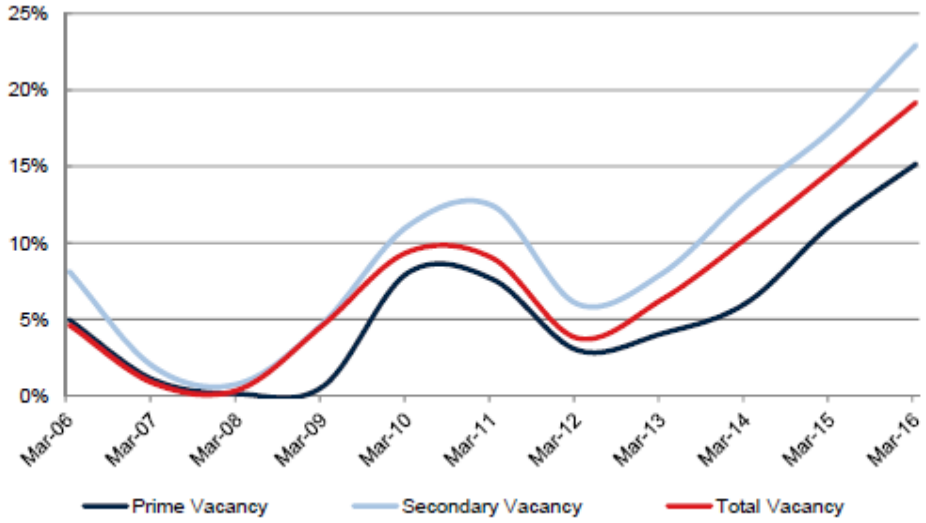
- Business parks island-wide vacancy increased to 13.8% in Q2 2016 from 10.6% in Q1 2016, mainly due to the inclusion of Mapletree Business City II
- Transactions and enquiries were largely supported by smaller and mid-size space requirements
- Demand for space mainly from consumer products, technology and biomedical sectors
- Island-wide occupancy is expected to gradually improve as softer demand is balanced out by the lack of new multi-user completions

1 CBRE, Singapore Market View, Q2 2016

Perth CBD office supply and rents

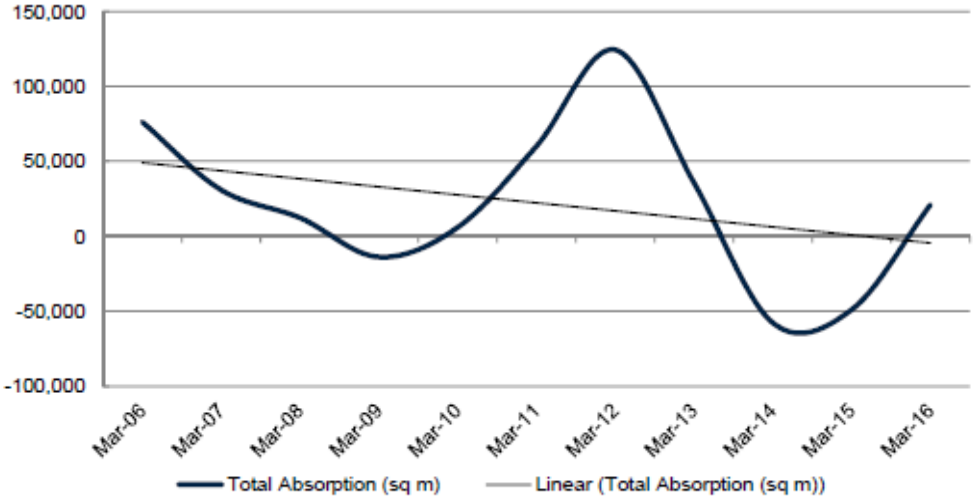
- **Overall market indicators are beginning to show signs of stabilisation**
- **Net absorption in the twelve months to January 2016 was 21,043 sqm**
- **Leasing activity up 35% in the twelve months to March 2016[1]**
- **Net face rents in Perth range from A$625 to A$750 per sqm per annum for Premium Grade office**
- **Incentives for Prime grade CBD office are close to 45% and above as at March 2016, appear to be close to peak levels**
- **Vacancy rate is expected to be within the low 20% range in the short-to-medium term**

Perth CBD office vacancy by grade (%)



Source: PCA / Savills Research

Perth CBD office net absorption (sqm)



Source: PCA / Savills Research

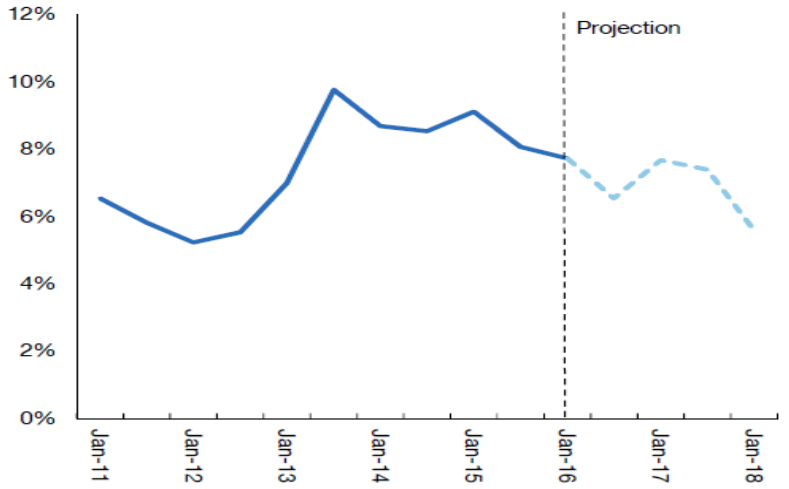
Source: Savills Research, Perth CBD Office, April 2016
1 Compared to the preceding twelve months

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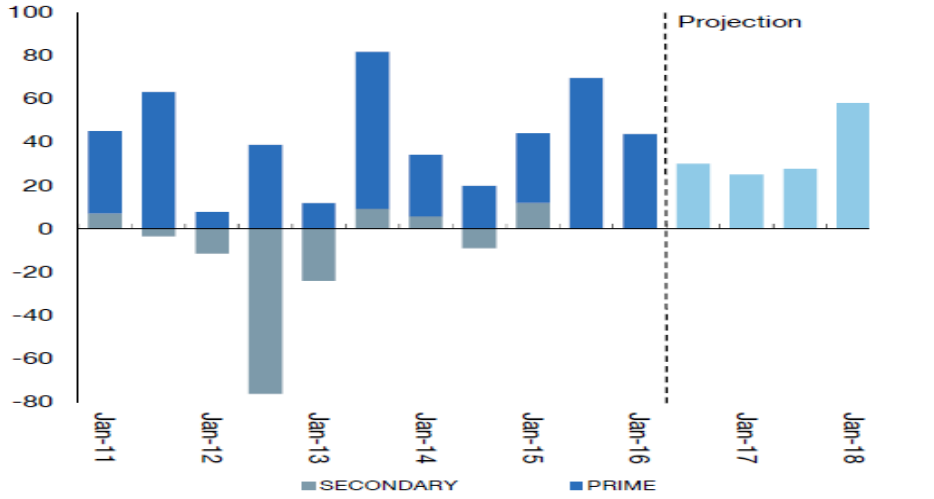
Melbourne CBD office supply and rents

- **Premium and A-grade net absorption totalled 43,792 sqm, accounting for 78% of the Melbourne CBD office space absorbed[1]**
- **Melbourne continues to have the second lowest vacancy rate amongst all of Australia's CBDs - vacancy rate for Grade A office fell from 7.6% to 6.5%[1]**
- **Prime grade average net face rents range between A$480 to A$670 per sqm per annum[2]**
- **The Victorian economy is forecast to grow by an average of 2.4% per annum over the next five years**
- **Prime net face rents are forecast to growth an average of 5.0% per annum over the next three years**

Melbourne CBD vacancy rate (total vacancy) (%)



Melbourne CBD net absortion (per 6 month period) (000's sqm)

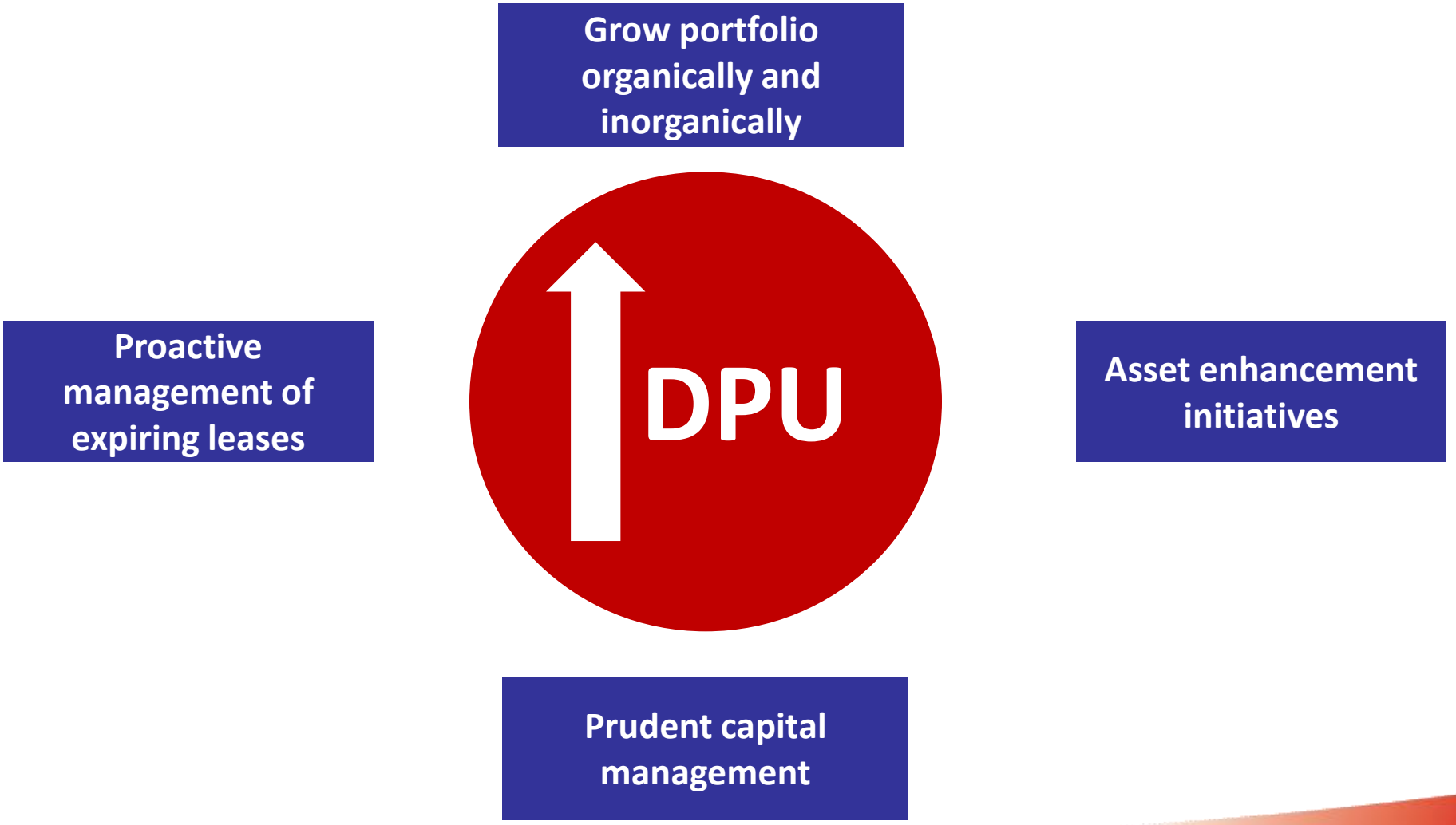


Source: Knight Frank Research/PCA

Source: Knight Frank, Melbourne CBD Office Market Overview, March 2016
1 In the six months to January 2016
2 As at January 2016

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



Thank you

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