PRESS RELEASE

Frasers Centrepoint Limited's PBIT[1] Increases 14% to S$226 million in 2Q FY15/16

- **Revenue up 103% to S$898 million in 2Q FY15/16**
- **Registers attributable profit of S$123 million and S$222 million in 2Q FY15/16 and 1H FY15/16, respectively**
- **Declares interim dividend of 2.4 Singapore cents per share**
- **Recurring income base underpinned earnings; More development projects in Australia and China to be completed later this year**

Singapore, 10 May 2016 – Frasers Centrepoint Limited ("FCL" or the "Company", and together with its subsidiaries, the "Group") today announced its financial results for its second quarter and first half ended 31 March 2016 ("2Q FY15/16" and "1H FY15/16", respectively).

Financial Highlights

	2Q FY15/16 (S$ million)	2Q FY14/15 (S$ million)	Inc/(Dec) (%)	1H FY15/16 (S$ million)	1H FY14/15 (S$ million)	Inc/(Dec) (%)
Revenue	897.9	441.6	103.3	1,569.5	1,513.7	3.7
PBIT	226.4	198.0	14.3	437.4	477.1	(8.3)
Attributable Profit (Before Fair Value Change and Exceptional Items)	110.3	99.3	11.1	200.7	244.9	(18.0)
Fair Value Change	(0.9)	43.7	N.M.	8.7	68.0	(87.2)
Exceptional Items	13.9	-	N.M.	12.5	17.0	(26.5)
Attributable Profit	123.3	143.0	(13.8)	221.9	329.9	(32.7)

Revenue and PBIT rose 103% and 14% to S$898 million and S$226 million respectively in 2Q FY15/16. These were mainly driven by maiden profit recognition from the completion of the Twin Fountains executive condominium ("EC") project and progressive development profits from the North Park Residences private condominium project in Singapore. Profits from the completion and settlement of the Riverside Quarter Block 5C residential project as well as the new income stream from the Malmaison Hotel du Vin ("MHDV") Group in the United Kingdom ("UK") also contributed to the increase. These gains were, however, partially offset by lower contributions from the Group's development portfolio in China and Australia, as well as the absence of a one-time profit from the sale of the Crosspoint mall in Beijing in the previous corresponding quarter ("2Q FY14/15").

In line with the increase in PBIT, attributable profit before fair value change and exceptional items increased 11% to S$110 million in 2Q FY15/16. Attributable profit for the quarter, at S$123 million, was lower primarily due to FCL's share of fair value losses of joint ventures and associates in 2Q FY15/16 compared to a fair value gain in 2Q FY14/15.

[1] Profit before interest, taxation, fair value change, and exceptional items

On a half year basis, revenue climbed 4% to S$1.6 billion on the back of profit recognition from Singapore development projects, as well as the completion and settlement of Riverside Quarter Block 5C and the new stream of contribution from the newly acquired MHDV Group in the UK. The increase in revenue was partially offset by lower contribution from FPA due to timing of completions and settlements of residential developments. PBIT decreased 8% to S$437 million primarily as a result of higher overhead costs incurred from more residential project launches during the period, as well as the absence of profits from the sale of Crosspoint in Beijing in the prior reporting period. Accordingly, attributable profit before fair value change and exceptional items declined 18% to S$201 million.

An interim dividend of 2.4 Singapore cents per share, payable on 9 June 2016, has been declared.

Mr Lim Ee Seng, Group CEO of FCL, commented, “Increasing the proportion of income from recurring sources has been one of our core strategies over the past few years. Our financial performance in the first half validates the effectiveness of this strategy. FCL’s growing base of recurring income underpinned our performance as contribution from our completed and largely sold development projects in Singapore tapered off, and timing differences in completions resulted in lower development contributions from Australia and China. We recently launched Parc Life EC in Singapore, and we also expect a significant level of completions in Australia and China in the second half of our financial year.”

Key Highlights in 2Q FY15/16 and Quarter-to-Date

FCL continues to diversify its funding sources, most recently with the issue of S$250 million in 10-year fixed rate notes under its S$3.0 billion multicurrency debt issuance programme. The notes bear interest of 4.25% per annum, and will mature on 21 April 2026. Net proceeds from the issuance of the notes will be used for general corporate purposes, including refinancing existing borrowings, as well as financing the investments, general working capital and/or capital expenditure requirements of the Group.

In the Singapore development space, FCL’s 40:40:20 joint venture with Sekisui House and Keong Hong secured a tender for a 19,310 sqm private condominium land parcel along Siglap Road in January 2016 that can potentially yield around 800 to 900 apartment units. FCL’s 80:20 joint venture with Keong Hong also recently launched its 628-unit Parc Life EC project at Sembawang.

On the Singapore commercial front, Frasers Centrepoint Malls officially opened Waterway Point in Singapore in April 2016, building on a strong performance that has seen the mall receive over six million visitors since its soft opening in mid-January 2016. Meanwhile, the Group completed the sale of its 19% interest in Compass Point for around S$80 million in February 2016. The sale of One@Changi City for S$420 million by the Group’s 50% joint venture was also completed in March 2016. The sale of these assets were in line with the Group’s active capital recycling strategy.

In addition, FCL’s subsidiary, Frasers Property Holdings (Thailand) Co., Ltd., increased its shareholding in Golden Land Property Development Public Company Limited in March 2016, raising its stake from 29.5% to 35.6% for a consideration of approximately S$36 million.

2Q FY15/16 Segmental Highlights

In the Development Properties segment[2], revenue increased by S$336 million to S$427 million while PBIT grew by S$41 million to S$119 million in 2Q FY15/16. These were largely driven by the completion of Twin Fountains EC in Singapore, which contributed S$209 million to revenue and S$36 million to PBIT; increased profit recognition from North Park Residences and RiverTrees Residences private condominium projects in Singapore stemming from a higher percentage of completion achieved; and the completion and delivery of Riverside Quarter Block 5C in the UK. These gains were partially offset by lower contributions from projects in Singapore that received their temporary occupation permits in prior reporting periods[3]. Contributions from the Suzhou Baitang Phase 2B residential project and Chengdu Logistics Hub development in China, which were almost fully sold in the last financial year, tapered off in 2Q FY15/16. There was also a one-time profit in 2Q FY14/15 from the previously completed sale of Crosspoint.

Revenue from the Commercial Properties segment[4] climbed 2% to S$105 million in 2Q FY15/16. PBIT, however, decreased 7% to S$70 million mainly due to FCL's share of fair value losses of joint ventures and associates in 2Q FY15/16 compared to a fair value gain in the previous corresponding quarter. Excluding the effect of fair value changes, PBIT would have increased 2% to S$76 million as a result of stronger performance by FCOT and improved operations at 51 Cuppage Road, coupled with the maiden contribution from Waterway Point mall, which commenced operations in January 2016,.

In the Hospitality segment[5], revenue grew 67% to S$182 million in 2Q FY15/16. The higher revenue was driven by contributions from Capri by Fraser, Changi City in Singapore and the MHDV Group's portfolio of 29 boutique hotels in the UK, which were acquired in March 2015 and June 2015, respectively. PBIT, however, decreased 19% to S$22 million as a result of exchange movements impacting contributions in Australia and China.

FPA[6] meanwhile registered a 34% increase in revenue to S$180 million in 2Q FY15/16. PBIT declined 21% to S$22 million as higher overhead costs were incurred due to more residential project launches during the period. The increase in the number of launches is in line with FPA's plans to launch around 3,850 units for sale over the course of FY15/16, compared to around 2,950 units that were released for sale during FY14/15. Meanwhile, the Commercial & Industrial division ("C&I") generated higher profits, particularly due to significant contributions from the projects for Lend Lease and Schenker in New South Wales, as well as for BMW & Spec and CEVA in Victoria. The Investment Property division also remained strong, with the portfolio recording almost full occupancy.

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[2] Comprises the development portfolio primarily in Singapore, China, the UK, and Thailand
[3] Namely, Boathouse Residences, Palm Isles, and Waterfront Isle
[4] Comprises malls, offices, and business park space held by Frasers Centrepoint Trust and Frasers Commercial Trust ("FCOT"), as well as FCL's non-REIT commercial properties portfolio,
[5] Comprises hotels and serviced residences held by Frasers Hospitality Trust ("FHT") and FCL's non-REIT hospitality properties portfolio
[6] Comprises the former Australand and FCL's original development business in Australia

Looking Ahead

In the development property space, transaction volumes in Singapore remain low and are expected to continue declining amid slowing economic growth and the ongoing effects of property cooling measures. Meanwhile, in China, the 575-unit Gemdale Megacity Phase 3B project launched in October 2015 has been 96% sold.

On the commercial front, rising average household income and low employment will continue to support non-discretionary expenditure in the retail market in Singapore. In the office market, vacancy levels are expected to rise as major developments are completed. The Group's portfolio of malls and offices in Singapore continues to trade well.

The outlook for the hospitality market in Singapore is soft due to the country's uncertain macroeconomic landscape and oncoming supply of 4,000 additional hotel rooms. Australia and China are more positive. Frasers Hospitality currently has interests in and/or manages over 14,500 rooms with another 8,300 pending openings, and is in the process of constructing a 300-room Capri by Fraser hotel residence at China Square Central in Singapore, with completion expected by mid-2019.

In Australia, FPA has acquired a new site in Queensland that can yield 1,350 residential units, and has released around 2,000 units over the course of 1H FY15/16, with another 1,850 to be released in the second half. Demand for prime grade industrial assets is strong and yields for secondary grade ones are firming. Meanwhile, investment demand for office assets remains strong. FPA's investment property portfolio enjoys a 98% occupancy rate and a weighted average lease expiry of around five years.

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About Frasers Centrepoint Limited

Frasers Centrepoint Limited ("FCL") is a full-fledged international real estate company and one of Singapore's top property companies with total assets above S$23.5 billion as at 31 March 2016. FCL has four core businesses focused on residential, commercial and industrial properties in the key markets of Singapore, Australia and China, and in the hospitality business spanning more than 80 cities across North Asia, Southeast Asia, Australia, Europe, and the Middle-East.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is also a sponsor and manager of two REITs listed on the SGX-ST, Frasers Centrepoint Trust ("FCT") and Frasers Commercial Trust ("FCOT") that are focused on retail properties, and office and business space properties respectively, and one stapled trust listed on the SGX-ST, Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust ("FH-REIT") and Frasers Hospitality Business Trust) that is focused on hospitality properties.

As a testament to its excellent service standards, best practices, and support of the environment, FCL is the proud recipient of numerous awards and accolades both locally and abroad.

For more information on FCL, please visit www.fraserscentrepoint.com.

PRESS RELEASE

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