

Frasers Centrepoint Trust

Presentation at Lim and Tan Securities Clients and TR evening
NTUC Auditorium at One Marina Boulevard, Singapore

7 April 2015



Causeway Point



Northpoint



Changi City Point



Bedok Point



YewTee Point



Anchorpoint

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<u>Section</u>	<u>Slide number</u>
→ Overview	4
→ FCT Unit Price Performance	12
→ FCT Performance Highlights	15
→ Growth Strategy	23
→ Outlook	26
→ Appendix	30

Overview

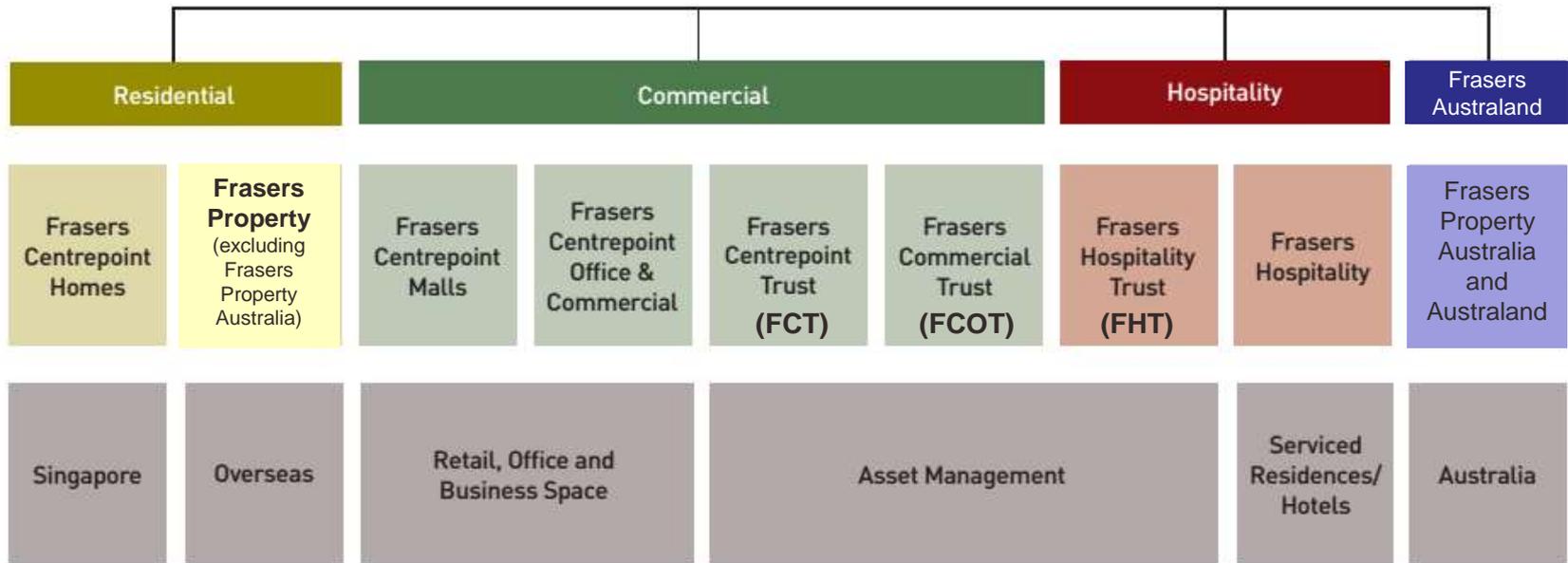
Frasers Centrepoint Trust (FCT)

- REIT listed on the SGX-ST with a market capitalisation of about S\$1.9 billion¹
- Owns a portfolio of six suburban retail malls in Singapore, which are located next to /near MRT stations and bus interchanges
- Achieved 8% CAGR in DPU over eight consecutive years since IPO in 2006
- Sponsored by Frasers Centrepoint Limited (FCL), a full-fledged international real estate company headquartered in Singapore

REIT: Real Estate Investment Trust

1. Based on closing price of \$2.02 on at 31 Mar 2015

FCT – Largest REIT by market cap within the Frasers Centrepoint Group

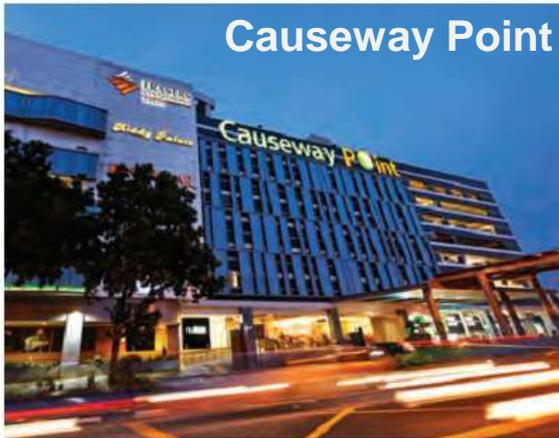


As at 31 March 2015

- FCL: Listed on SGX since Jan 2014, market cap: S\$5.10b
- FCT: Listed on SGX since Jul 2006, market cap of S\$1.85b. FCL's stake: 41.3%
- FCOT: Listed on SGX since Mar 2006, market cap of S\$1.02b. FCL's stake: 27.5%
- FHT: Listed on SGX since Jul 2014, market cap: S\$1.07b. FCL's stake: 22.0%



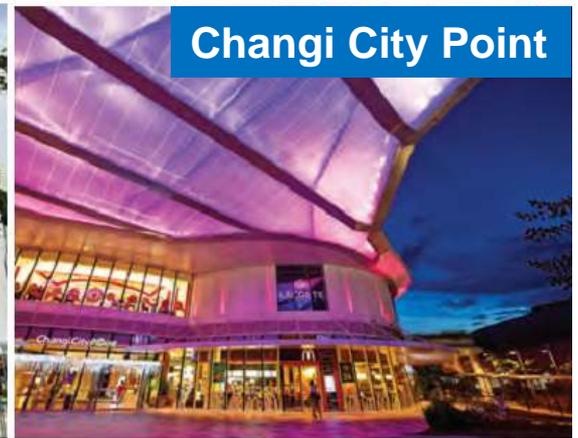
FCT's portfolio comprises six retail properties located in the suburban areas in Singapore



Causeway Point



Northpoint



Changi City Point



Bedok Point



Yew Tee Point



Anchorpoint

Suburban malls weigh more on necessity shopping, services and F&B



Grocery



Food courts / F&B



Family amenities



Health and wellness



Optics and eyewear



Fashion

The retail malls are located near or next to MRT stations and bus interchanges

Anchorpoint



YewTee Point



Causeway Point



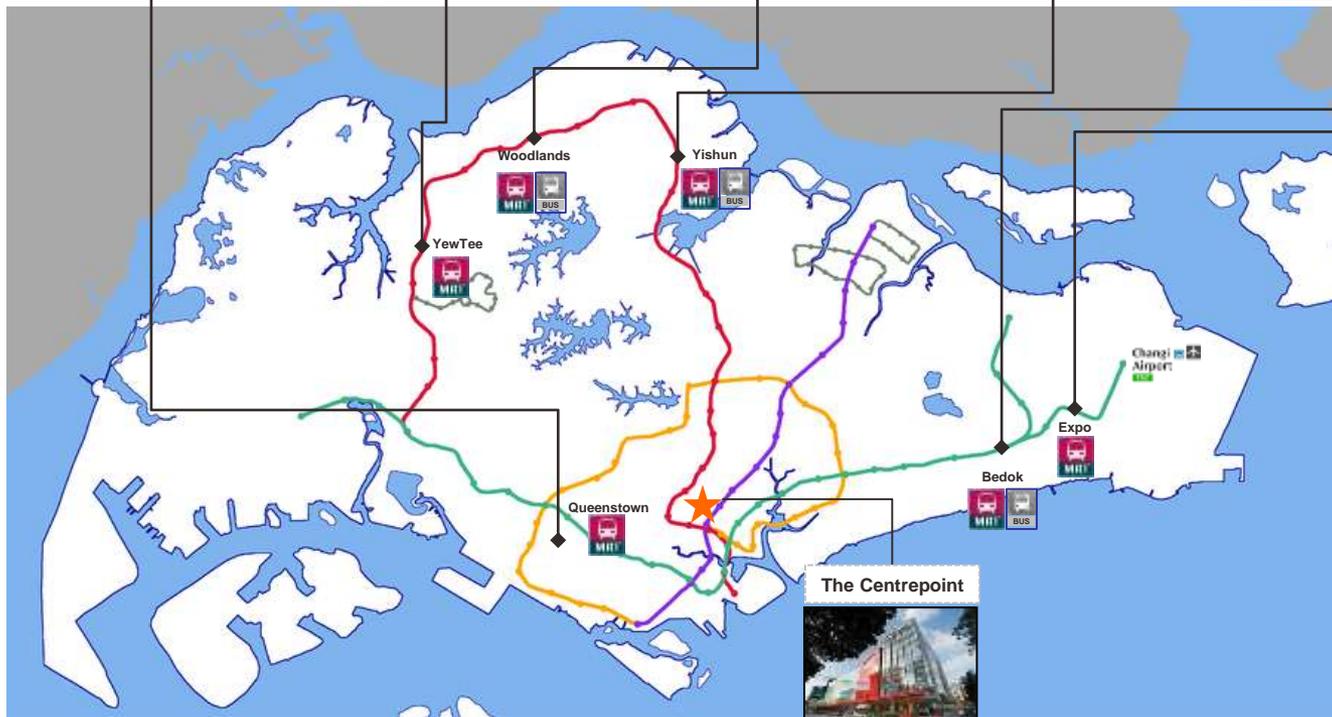
Northpoint



Bedok Point



Changi City Point



Legend

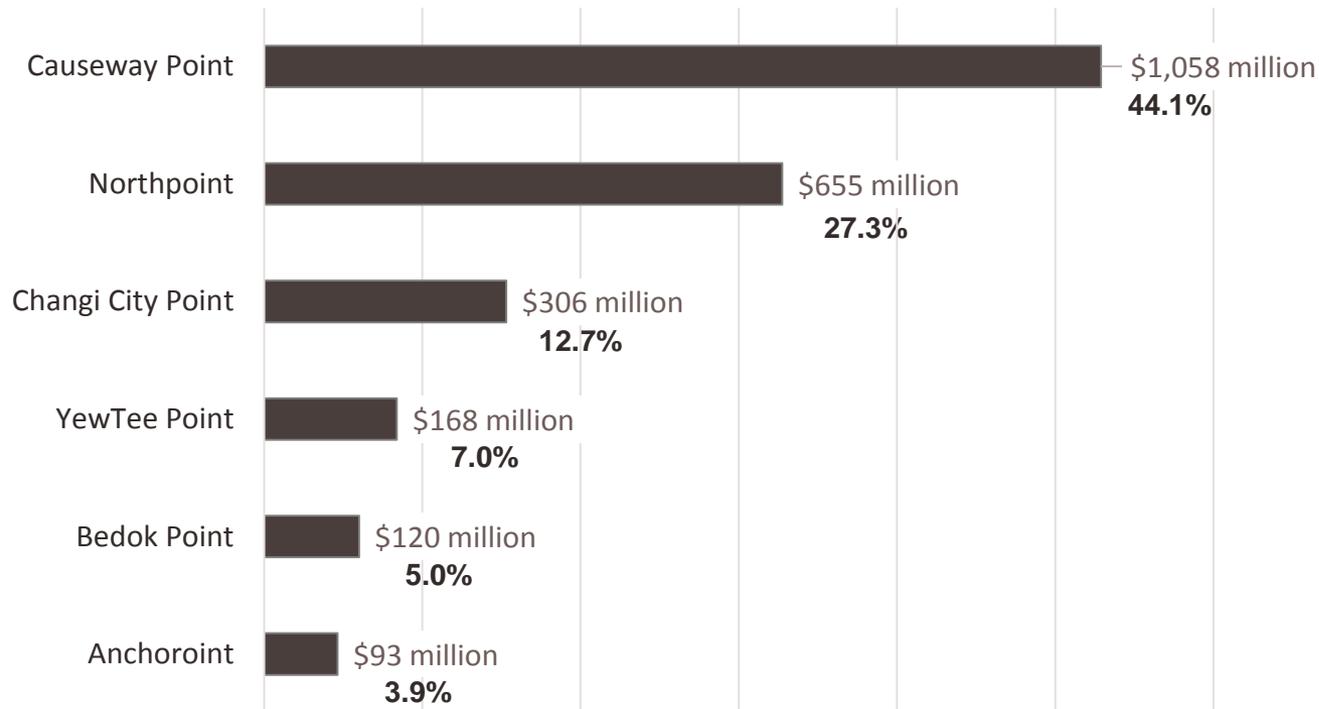
- ◆ : FCT's properties
- ★ : Sponsor's pipeline asset

	East West Line	EW
	North South Line	NS
	North East Line	NE
	Circle Line	CC
	Bus Interchange near Station	

Total appraised value: \$2.4 billion

All valuations are as at 30 September 2014

Percentage figures represent asset value as proportion of total appraised value of \$2.4 billion



Note: FCT also holds 31.17% of Hektar REIT, a retail-focused REIT in Malaysia listed on the Mainboard of Bursa Malaysia. The carrying value is \$72.5 million as at 31 December 2014.

Key Milestones in Acquisitions and AEsIs

Northpoint 2



- Acquired: 5 Feb 2010
- Purchase price: \$164.55m

YewTee Point



- Acquired: 5 Feb 2010
- Purchase price: \$125.65m

Bedok Point



- Acquired: 23 Sep 2011
- Purchase price: \$127.0m

Changi City Point



- Acquired: 16 Jun 2014
- Purchase price: \$305.0m

Anchorpoint AEI



- Completed: May 2008
- Capex: \$12.8m
- ROI: 14.1%
- Net Value Creation: \$18.5m

Northpoint AEI



- Completed: Mar 2010
- Capex: \$38.6m
- ROI: 10.7%
- Net value creation: \$32.7m

Causeway Point AEI



- Completed: Dec 2012
- Capex: \$71.8m
- ROI: 17%
- Net value creation: \$204m

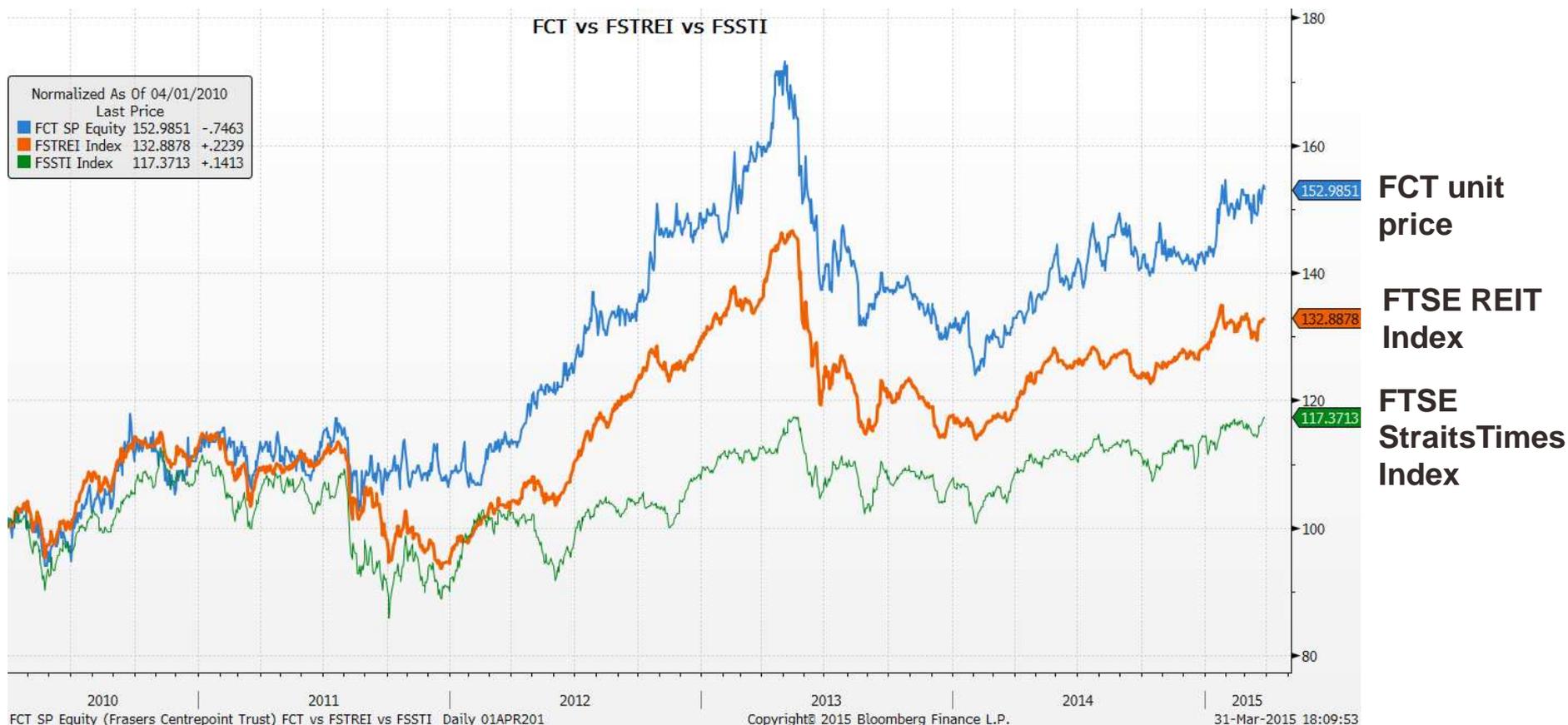
FCT Unit Price Performance

FCT 5-year Unit Price Performance



Source: Bloomberg

FCT unit price performance relative to the indices in the past 5 years

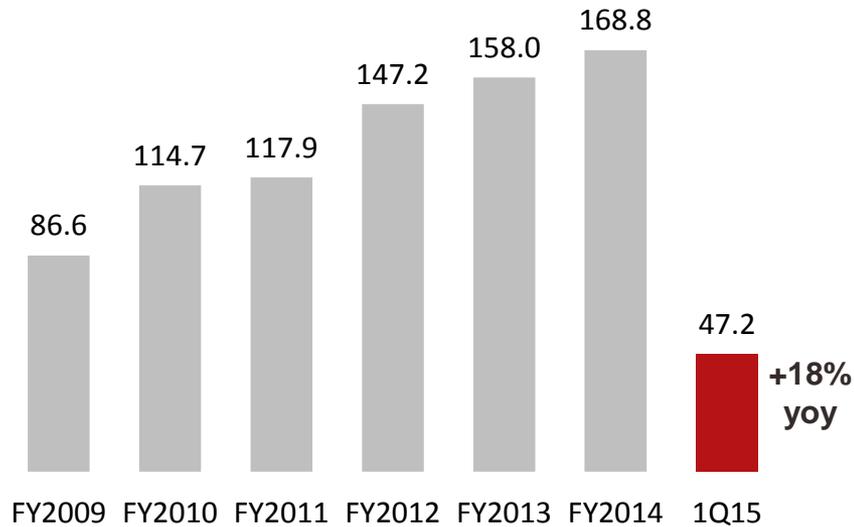


Source: Bloomberg

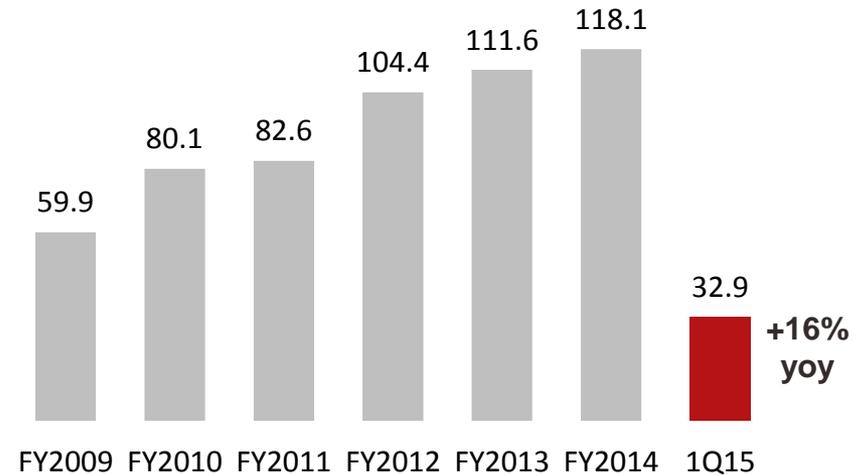
FCT Performance Highlights

Steady and consistent growth through economic cycles

Gross Revenue (S\$ million)



Net Property Income (S\$ million)

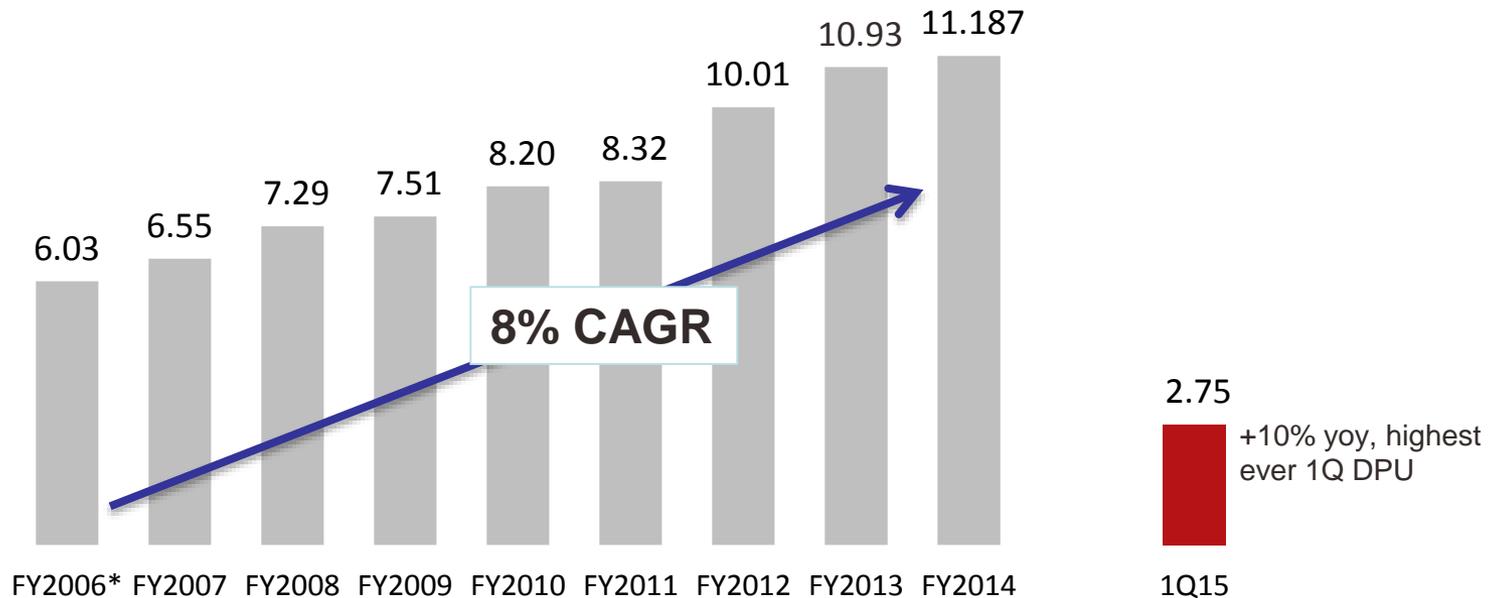


Note: FCT Financial year ends 30 Sep

Delivering steady and growing distribution

Eight consecutive years of DPU growth since listing

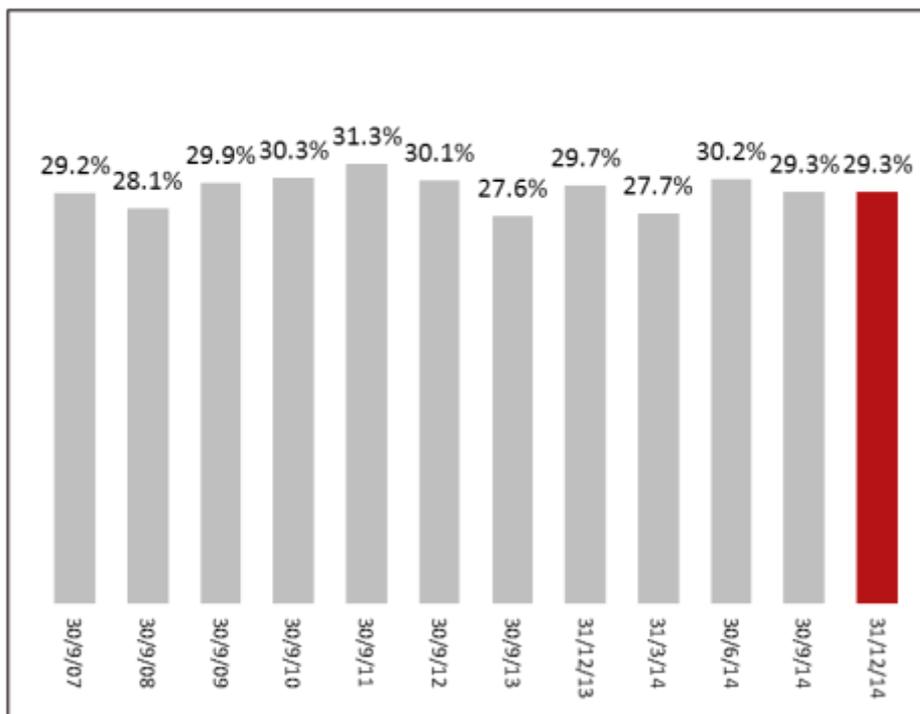
Distribution per unit (S cents)



Note: FCT Financial year ends 30 September
 FY2006 DPU of 6.03 cents is derived by annualising 4QFY06 DPU

Maintaining stable and healthy gearing level

Gearing level¹



Key financial position indicators

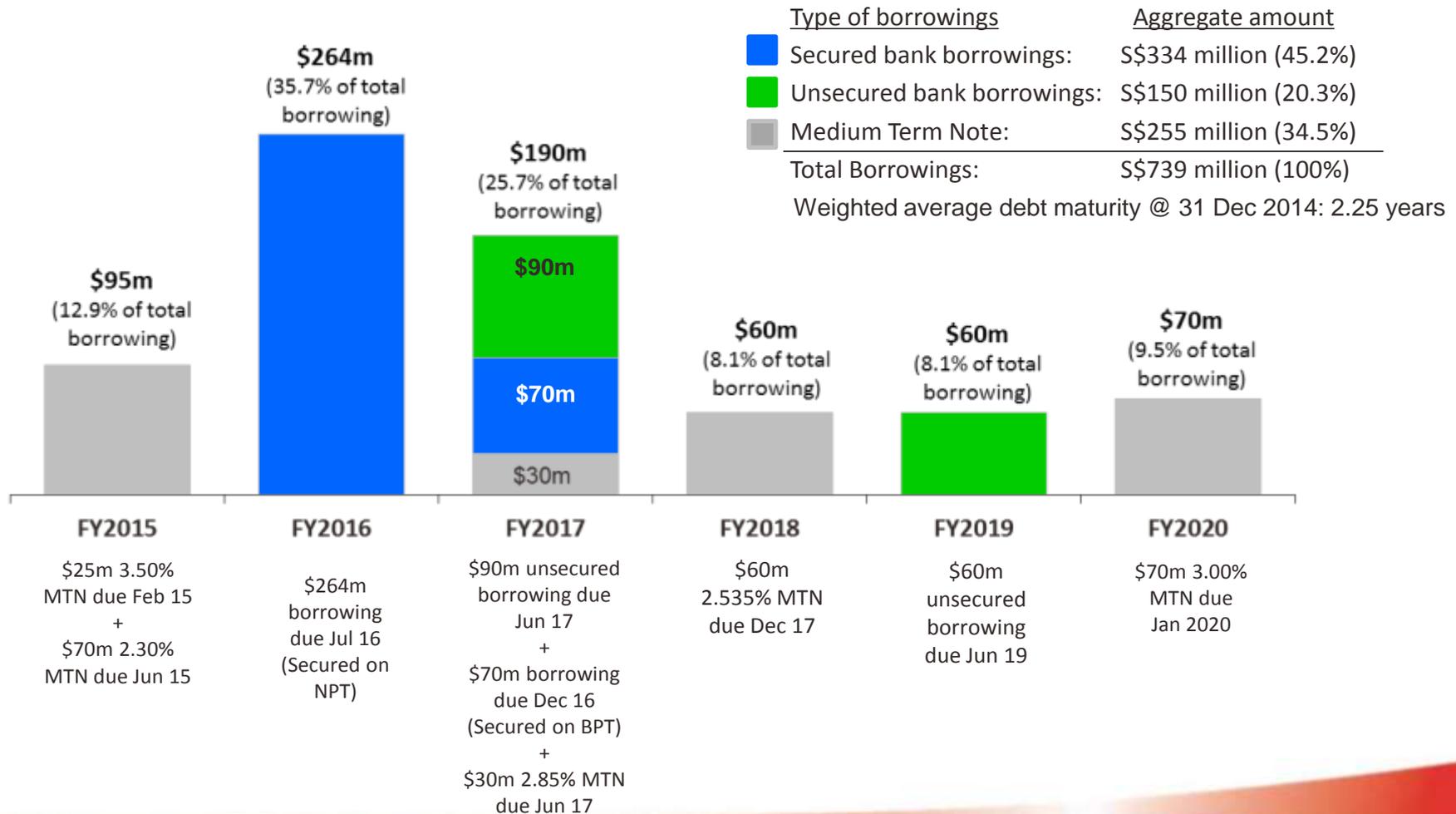
As at	31 Dec 14	30 Sep 14
Gearing level ¹	29.3%	29.3%
Interest cover ²	6.27 times	6.17 times
Total borrowings	\$739m	\$739m
% of borrowing on fixed rates or hedged via interest rate swaps	87%	75%
All-in average cost of borrowings	2.664%	2.508%
Corporate credit rating	S&P: BBB+/Stable Moody's: Baa1/Positive*	

1. Calculated as the ratio of total outstanding borrowings over total assets as at stated balance sheet date.

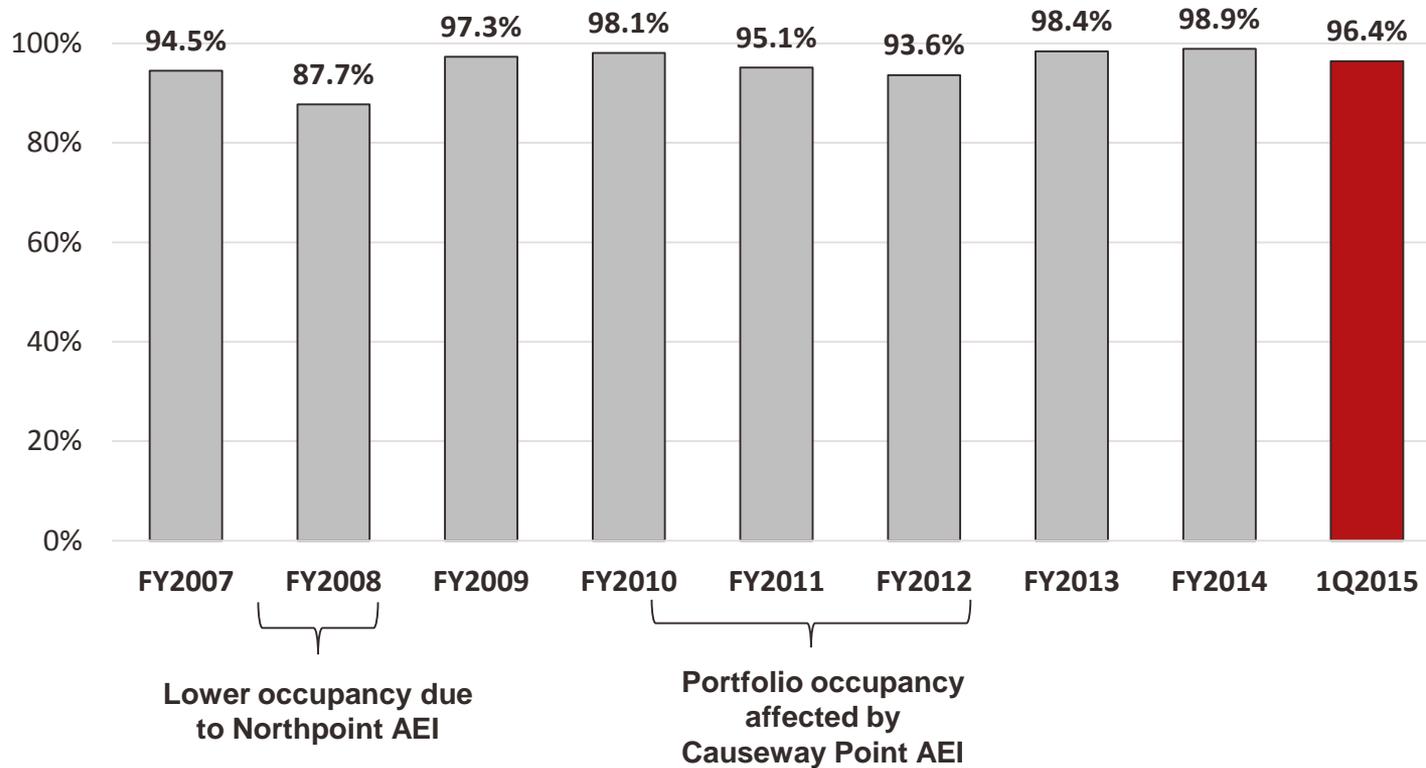
2. Calculated as earnings before interest and tax (EBIT) divided by interest expense.

* Moody's changed the outlook for FCT's Baa1 rating from Stable to Positive on 17 February 2015

Debt maturity profile as at 31 Dec 2014



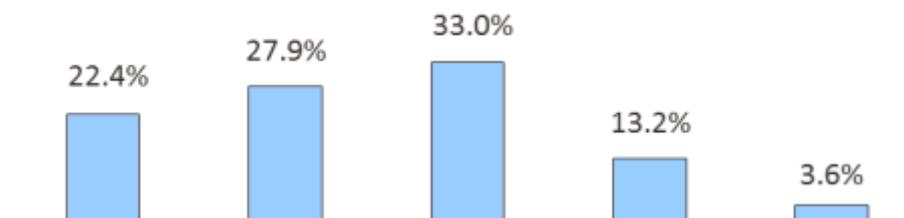
Maintaining consistent high mall occupancy



Well-staggered lease expiry profile

Weighted Average Lease Expiry (WALE)	
By NLA	1.70 years (4Q14: 1.43 years)
By Gross Rent	1.65 years (4Q14: 1.40 years)

Expiry profile as % of total gross rental income

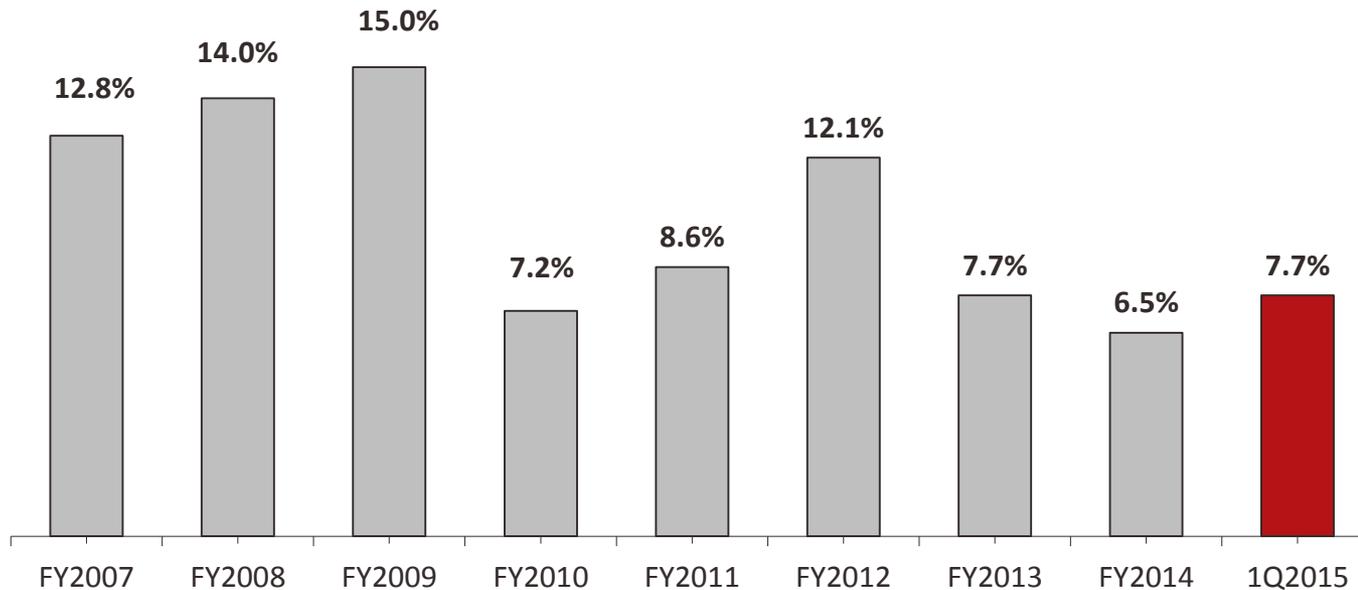


Lease expiry ¹ as at 31 December 2014	FY2015	FY2016	FY2017	FY2018	FY2019
Number of leases expiring	160	215	224	103	3
NLA (sq ft) expiring	200,233	296,786	345,444	164,750	40,292
Expiries as % of total NLA	19.1%	28.3%	33.0%	15.7%	3.8%
Expiries as % of Gross rental	22.4%	27.9%	33.0%	13.2%	3.6%

1. Calculations exclude vacant floor area.

Maintaining positive rental reversion through economic cycles

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



Growth Strategy

Clear growth strategy

	Strategy	Key drivers
1	Acquisition growth	<ul style="list-style-type: none">• Sponsor's pipeline assets• 3rd party asset acquisition, including overseas
2	Enhancement growth	<ul style="list-style-type: none">• Enhance configuration of floor plates / layout to achieve better asset yield and sustainable income growth• Value creation through better income-producing capability after Asset Enhancement Initiative (AEI)
3	Organic growth	<ul style="list-style-type: none">• Positive rental reversions and maintaining healthy portfolio occupancy• Annual rental step-ups provide steady growth

Sponsor's retail assets in Singapore

13 retail malls in Singapore managed by Frasers Centrepoint Limited, including 6 malls in FCT



- (1): FCL owns 1/3 proportionate share of Waterway Point, the commercial component of a mixed development in Punggol.
- (2): FCL acquired a mixed commercial and residential site under the Government Land Sale programme in Sept 2013, of which the commercial component can be developed into a retail mall
- (3): FCL owns a minority share of the Compass Point

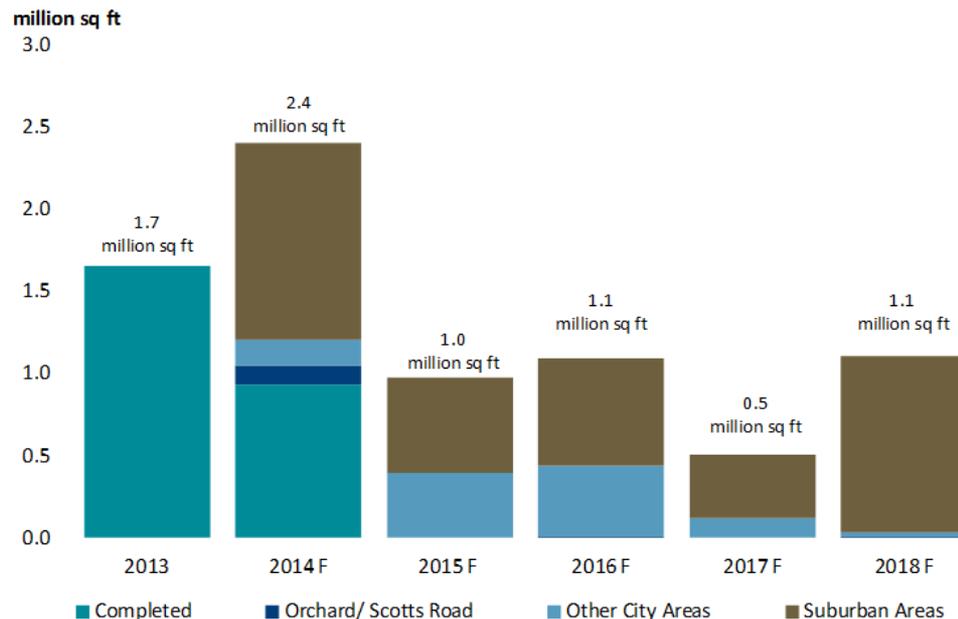
- FCT malls (6)
- FCL-owned and managed malls (6) (include properties held through joint ventures)
- FCL-managed mall (1) (owned by 3rd party)

Illustration is not to scale

Outlook

Market outlook by DTZ*

- Retail Pipeline supply in the suburban area from 2015 to 2017 is expected to be moderate
- Retail rents in the suburban areas are expected to be relatively stable in 2015



- New supply in the suburban area is mainly in growth area earmarked by the Government e.g Big Box at Jurong, Waterway Point in Punggol and Paya Lebar Square at Paya Lebar Central.
- 2018 and beyond will see two major retail projects – Project Jewel and Northpoint City at Yishun

Source: URA, DTZ Consulting & Research, November 2014

* Source: DTZ Retail Property Market Overview Report, 4 November 2014

FCT performance expected to remain sustainable

- Based on the advance estimates, the Singapore economy grew by 1.5% year-on-year in the fourth quarter of 2014, compared to 2.8% in the previous quarter. For the whole of 2014, the economy is estimated to have grown by 2.8% which is in line with MTI's earlier growth forecast of 3.0%. However, the global economic outlook is expected to remain uncertain.
- Whilst industry sources expect “a standstill in retail rents” in 2015, barring any unforeseen circumstances, we are confident of sustaining FCT's performance.

Thank you

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Appendix

1Q15 year-on-year and quarter-on-quarter comparison

\$'000 (unless otherwise indicated)	1Q15	Year-on-Year Comparison		Quarter-on-Quarter Comparison	
		1Q14	Change Inc/(Dec)	4Q14	Change Inc/(Dec)
Gross Revenue	47,178	39,890	18.3%	46,677	1.1%
Property Expenses	(14,279)	(11,573)	23.4%	(15,342)	(6.9)%
Net Property Income	32,899	28,317	16.2%	31,335	5.0%
Income available for distribution	26,595	22,713	17.1%	25,506	4.3%
Distribution to Unitholders	25,194	20,626	22.1%	25,506	(1.2)%
Distribution per Unit	2.75¢	2.50¢	10.0%	2.785¢	(1.3)%

Trade Classifications		% NLA	% Rents
1	Food & Restaurants	29.4%	33.6%
2	Fashion	15.1%	22.4%
3	Services/Education	8.6%	8.4%
4	Household	9.5%	8.0%
5	Beauty, Hair, Cosmetics, Personal Care	5.3%	7.5%
6	Supermarket	8.1%	4.7%
7	Healthcare	2.6%	3.9%
8	Books, Music, Art & Craft, Hobbies	3.8%	3.3%
9	Department Store	5.7%	3.3%
10	Sports Apparels & Equipment	3.1%	2.8%
11	Leisure/Entertainment	5.2%	2.2%
12	Vacant	3.6%	0.0%
Total		100.0%	100.0%

No.	Tenant	% NLA	% Rents
1	Cold Storage Singapore (1983) Pte Ltd ¹	7.6%	5.2%
2	Metro (Private) Limited ²	5.6%	3.2%
3	Courts (Singapore) Limited	3.3%	2.7%
4	Copitiam Pte Ltd ³	2.4%	2.3%
5	Koufu Pte Ltd	2.8%	2.2%
6	Food Republic Pte Ltd	1.6%	1.7%
7	Watson's Personal Care Stores Pte Ltd	1.0%	1.5%
8	NTUC Fairprice Co-operative	1.7%	1.4%
9	McDonald's Restaurants Pte Ltd	0.9%	1.4%
10	Aspial Corporation Limited ⁴	0.4%	1.3%
Total top 10		27.2%	22.8%

1. Includes leases for Cold Storage supermarkets, Guardian Pharmacy & 7-Eleven
2. Includes leases for Metro Department Store & Clinique Service Centre
3. Operator of Kopitiam food courts
4. Include Leases for Lee Hwa Jewellery, Citigems, Goldheart Jewellery and Maxi-Cash

Average rental reversion for FY2014 by property

FY2014 (1 Oct 2013 – 30 Sep 2014)	No. of renewals	NLA (sq ft) Renewed	As % Mall's NLA	Change compared to preceding rental rates ¹
Causeway Point	82	153,975	37.0%	11.3%
Northpoint	41	36,287	15.4%	6.6%
Changi City Point	*1	172	0.1%	17.7%
Bedok Point	46	41,012	49.6%	-15.4%
YewTee Point	18	8,138	11.0%	9.9%
Anchorpoint	24	21,048	29.7%	6.5%
FCT Portfolio	212	260,632	24.0%	6.5%

* For the period from 16 June to 30 September 2014

1. Change between the average rental rates between the new lease and the preceding lease contracted typically 3 years ago

Selected Income Statement and Distribution Data	FY2010	FY2011	FY2012	FY2013	FY2014
Gross Rent (S\$ '000)	100,349	103,644	131,280	140,329	149,453
Other revenue (S\$ '000)	14,389	14,240	15,923	17,630	19,301
Gross Revenue (\$ '000)	114,738	117,884	147,203	157,959	168,754
Net property income (\$ '000)	80,050	82,618	104,430	111,590	118,096
Distributable income (S\$ '000)	59,177	64,375	82,348	90,131	95,442
Selected Balance Sheet Data					
Total Assets (S\$ million)	1,516.2	1,786.8	1,917.1	2,134.5	2,521.8
Total Borrowings (S\$ million)	460.0	559.0	577.0	589.0	739.0
Net Assets (S\$ million)	989.3	1,151.9	1,263.0	1,462.4	1,698.7
Value of portfolio properties (S\$ million)	1,439.0	1,697.0	1,816.0	2,019.5	2,400.0
Key Financial Indicators					
Distribution per Unit (S cents)	8.20	8.32	10.01	10.93	11.187
Net asset Value per Unit (S\$)	1.29	1.40	1.53	1.77	1.85
Ratio of Total borrowing to total assets (Gearing)	30.3%	31.3%	30.1%	27.6%	29.3%
Interest coverage (times)	4.43	4.62	5.56	6.15	6.20

Summary of FCT's portfolio

FCT Portfolio as at 30 Sep 2014	Causeway Point	Northpoint	Changi City Point	Bedok Point	YewTee Point	Anchorpoint
						
Net Lettable Area (sq ft)	416,581	235,850	207,239	82,713	73,670	70,989
Title	99 years leasehold commencing 30/10/95 (80 yrs remaining)	99 years leasehold commencing 1/4/90 (75 yrs remaining)	60 years leasehold commencing 30/4/09 (55 yrs remaining)	99 years leasehold commencing 15/3/78 (62 yrs remaining)	99 years leasehold commencing 3/1/06 (90 yrs remaining)	Freehold
Appraised Value*	S\$1,058 million	S\$655 million	S\$306 million	S\$120 million	S\$168 million	S\$93 million
Occupancy rate @ 30 Sep 2014	99.8%	99.4%	97.9%	98.2%	96.6%	97.8%
Connectivity	Woodlands MRT station & bus interchange	Yishun MRT station & bus interchange	Expo MRT station	Bedok MRT station & bus interchange	YewTee MRT station & bus stop	Near Queenstown MRT station & bus stop

* All appraised values are as at 30 September 2014

FCT's investment in Hektar REIT

- FCT holds a 31.17% stake in Malaysia-listed Hektar REIT as at 31 Dec 2014.
- Investment value in Hektar carried in FCT's books was S\$72.5m as at 31 Dec 2014

Hektar REIT portfolio comprises 5 retail malls in Malaysia

1. Subang Parade (Subang Jaya, Selangor);
2. Mahkota Parade (Bandar Melaka, Melaka);
3. Wetex Parade & Classic Hotel (Muar, Johor);
4. Landmark Central Shopping Centre (Kulim, Kedah);
5. Central Square Shopping Centre (Sungai Petani, Kedah).



Source: Hektar Reit, <http://www.hektarreit.com/>

FCT is covered by 17 research houses

1. KGI Fraser
2. Bank of America-Merrill Lynch
3. BNP Paribas
4. CLSA Asia-Pacific Markets
5. Credit Suisse
6. CIMB Research
7. Citi Investment Research
8. Daiwa Capital Markets
9. DBS Vickers Securities
10. J.P. Morgan
11. Maybank Kim Eng
12. OCBC Investment Research
13. Phillip Securities Research
14. Religare Institutional Research
15. RHB
16. UBS
17. UOB Kay Hian Research