

Frasers Commercial Trust
3QFY15 Financial Results

20 July 2015



FRASERS COMMERCIAL TRUST

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.

The Manager expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this Presentation to reflect any change in the Manager's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

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.

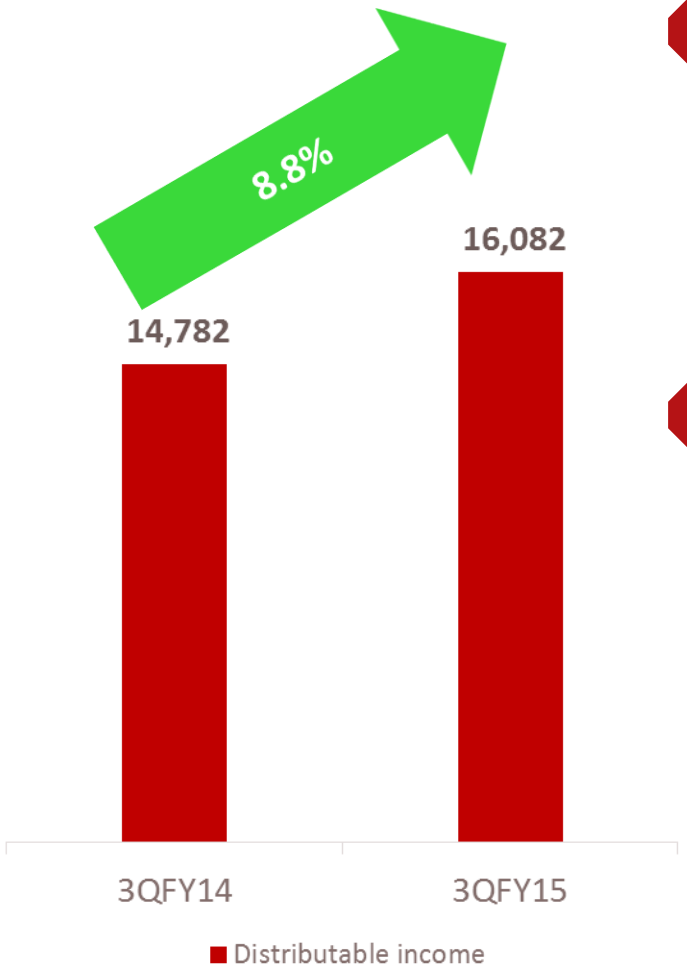
This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that 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

FRASERS COMMERCIAL TRUST

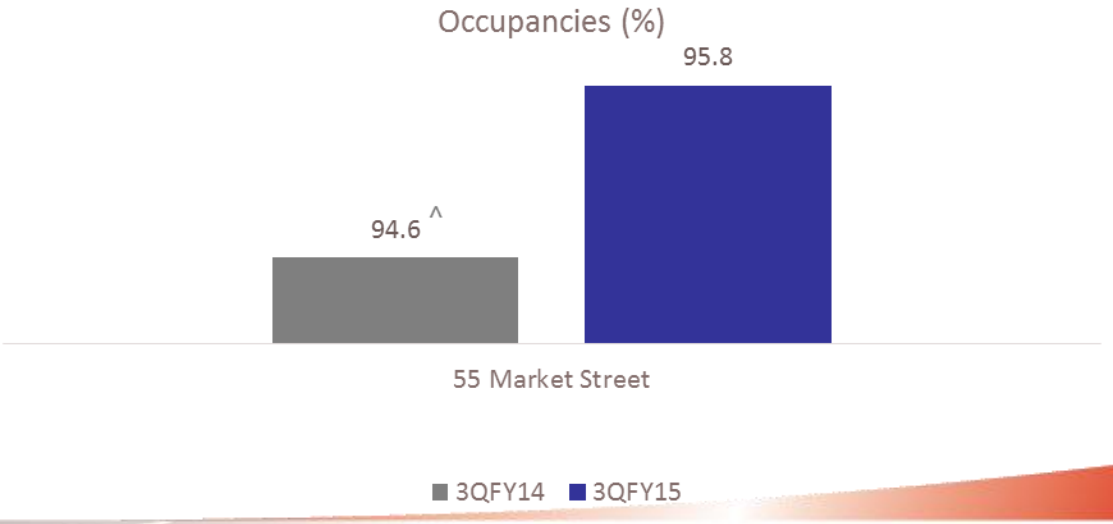
Alexandra Technopark continues to boost 3QFY15 results



1 **Significant contribution from Alexandra Technopark following the expiry of the master lease**

- Significant contribution from the underlying leases of Alexandra Technopark following the expiry of the master lease in August 2014
- NPI for Alexandra Technopark up 68.4% in 3QFY15 yoy

2 **Higher occupancies and rentals achieved for 55 Market Street**



^ Committed occupancy as at 30 June 2014.

- **9% rise in distributable income for 3QFY15**

1 Apr 2015 – 30 Jun 2015	3QFY15 (S$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	34,694	17%	▪ Higher revenue contribution from the underlying leases of Alexandra Technopark following the expiry of the master lease in August 2014 and better performances of China Square Central and 55 Market Street due to higher occupancies and rental rates achieved
Net Property Income	24,321	6%	▪ Higher contribution from the underlying leases of Alexandra Technopark and better performance of 55 Market Street
Distributable income to Unitholders	16,082	9%	▪ Distributable income to Unitholders increased y-o-y in line with NPI
DPU[1]	2.35¢	7%	▪ 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 684,037,984. See accompanying 3QFY15 Financial Statements announcement for more details.

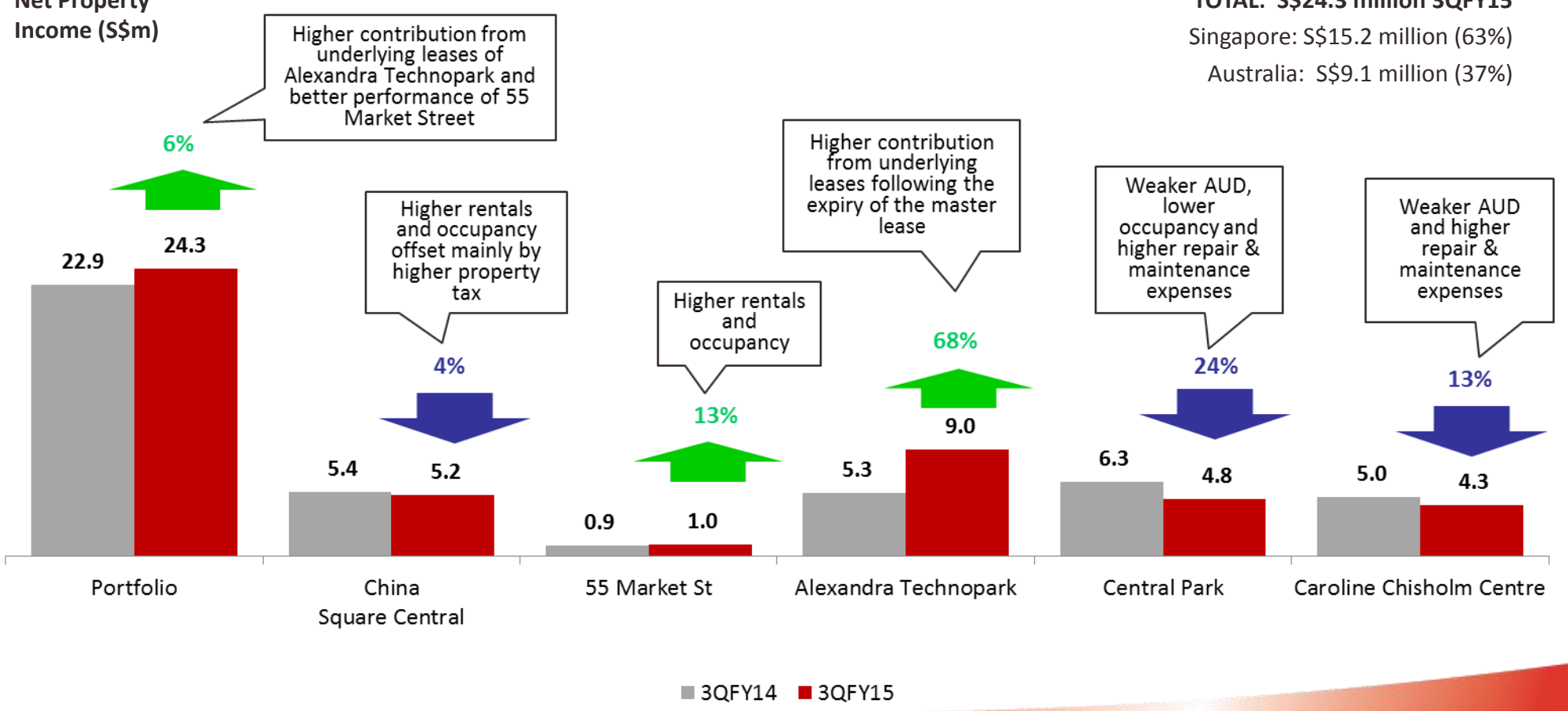
Higher contribution from Alexandra Technopark following the expiry of the master lease and better performance of 55 Market Street

Net Property Income (S$m)

TOTAL: S$24.3 million 3QFY15

Singapore: S$15.2 million (63%)

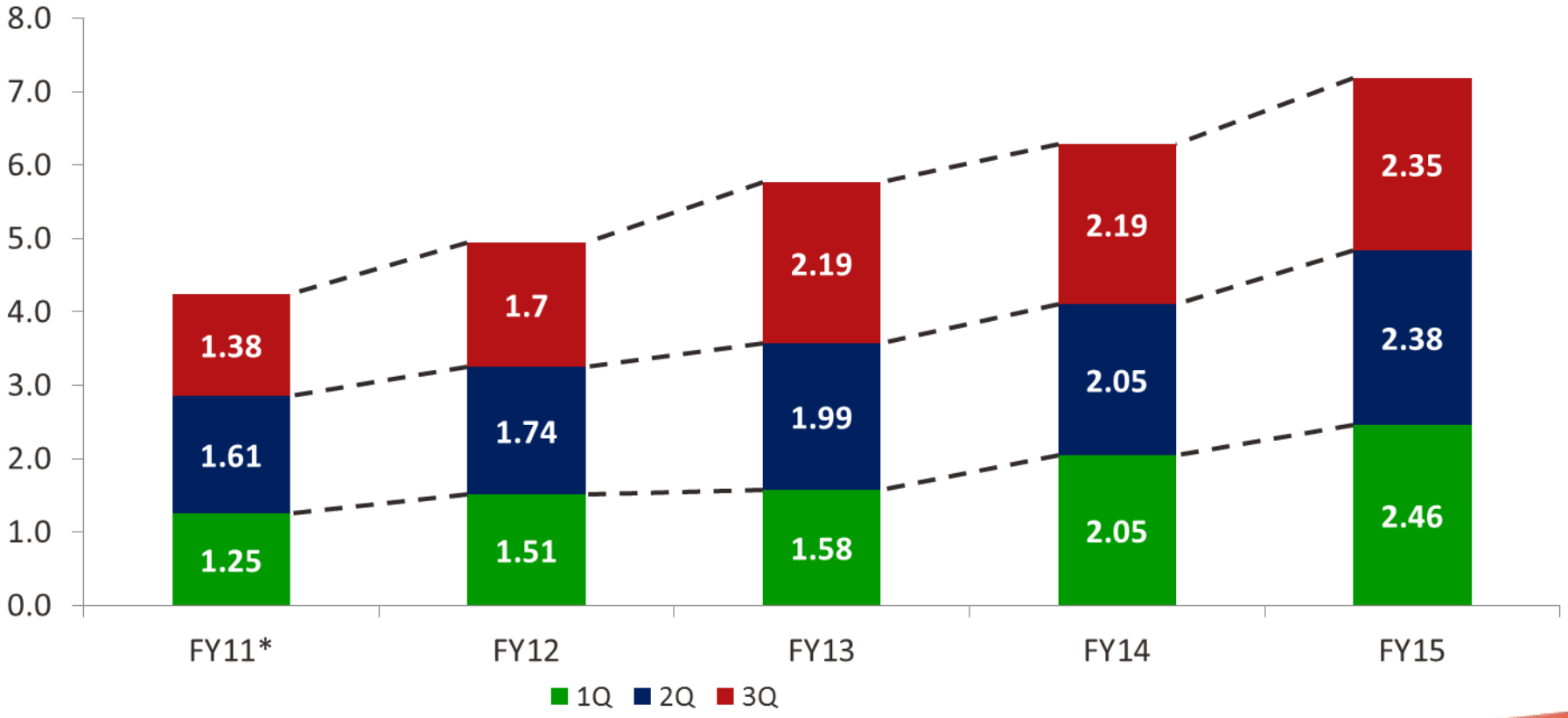
Australia: S$9.1 million (37%)



FRASERS COMMERCIAL TRUST

- **DPU increased 7% yoy**
- **Implementation of DRP for 3QFY15**

DPU (Cents)



* Adjusted for Unit consolidation

FRASERS COMMERCIAL TRUST

DRP will be implemented for the distribution for 3QFY15

Distribution Period	1 April 2015 to 30 June 2015
Ordinary Unit Distribution Rate	**Distribution of 2.3510 cents per Unit comprising:** a) taxable income distribution of 1.9307 cents; b) tax-exempt income distribution of 0.3295 cents; and c) capital distribution of 0.0278 cents
Last day of trading on "cum" basis	**Friday, 24 July 2015**
Ex-distribution trading commence	Monday, 27 July 2015
Distribution Books Closure Date	Wednesday, 29 July 2015 at 5.00 pm
Cash distribution payment date	**Friday, 28 August 2015**
Credit of Units to Unitholders' securities accounts/ listing of Units issued under the DRP on SGX-ST	**Friday, 28 August 2015**

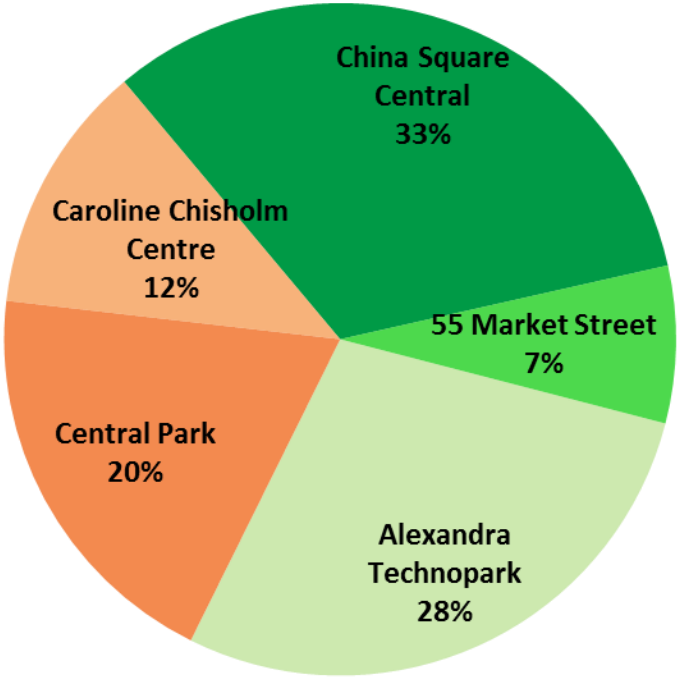
Portfolio review

FRASERS COMMERCIAL TRUST

Portfolio review – Valuation

- **Balanced portfolio consisting of Singapore and Australian properties**
- **No one property consist of more than 33% of portfolio value**





Singapore	$	1,216.3	68%
Australia	$	560.7	32%
Total	$	1,777.0	**100%**

As at 30 June 2015. Excludes retail turnover rent

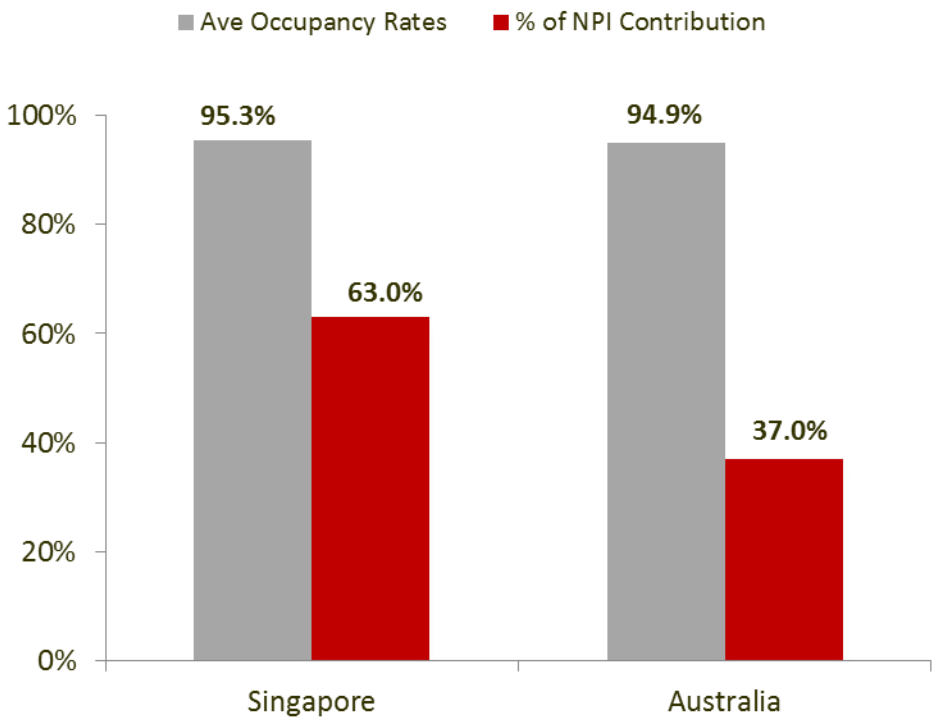
FRASERS COMMERCIAL TRUST

Portfolio review – Occupancy Rates & WALE

- **Healthy average occupancy rate of 95.1%**
- **Healthy WALE of 3.4 years^**

Key portfolio statistics	As at 30 June 2015
Ave Occupancy	95.1%
WALE by gross rental income	3.4 years^

Geographical occupancy and % of NPI contribution



As at 30 June 2015. Excludes retail turnover rent

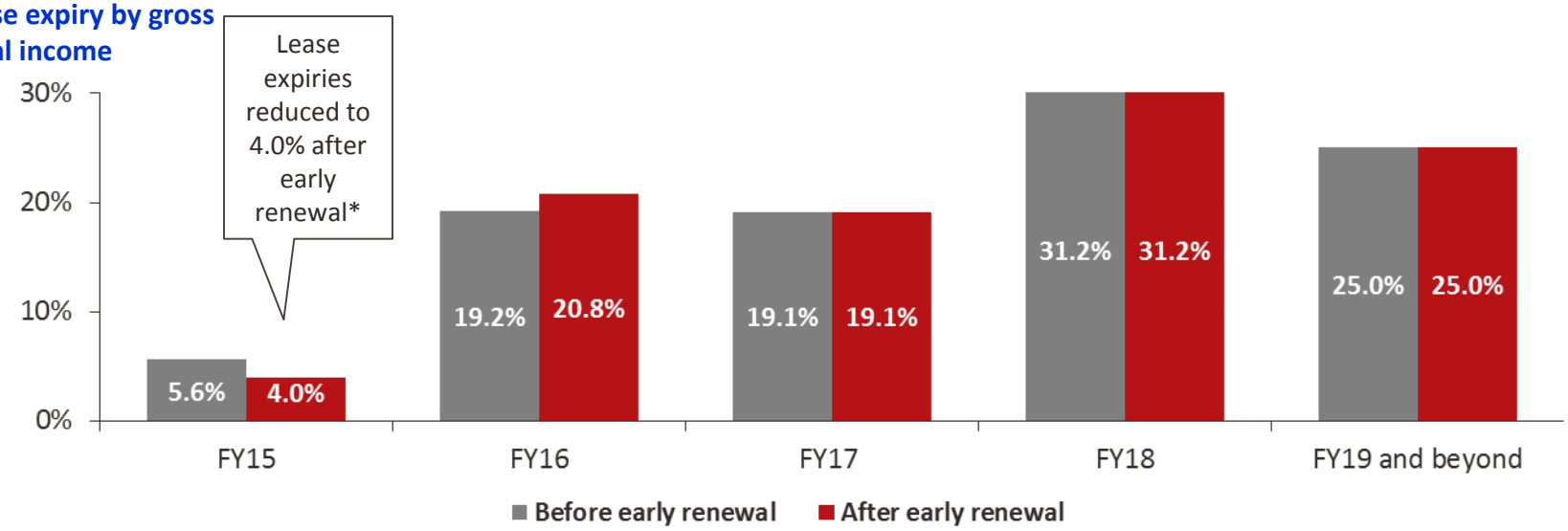
^ Inclusive of the early renewal of the underlying leases at Alexandra Technopark

FRASERS COMMERCIAL TRUST

Portfolio review – Lease expiry profile

- **Proactive leasing reduced lease expiries in FY15 and lengthened lease expiry profile**
- **Well spread lease expiry provides income stability**

Portfolio lease expiry by gross rental income



Number of leases expiring	24	23	80	81	77	77	33	33	18	18
NLA (sq ft) expiring	148,965	99,235	408,852	458,582	355,368	355,368	696,821	696,821	558,353	558,353
Expiries as % total NLA	6.5%	4.4%	17.9%	20.1%	15.6%	15.6%	30.6%	30.6%	24.5%	24.5%
Expiries as % total Gross Rental Income	5.6%	4.0%	19.2%	20.8%	19.1%	19.1%	31.2%	31.2%	25.0%	25.0%

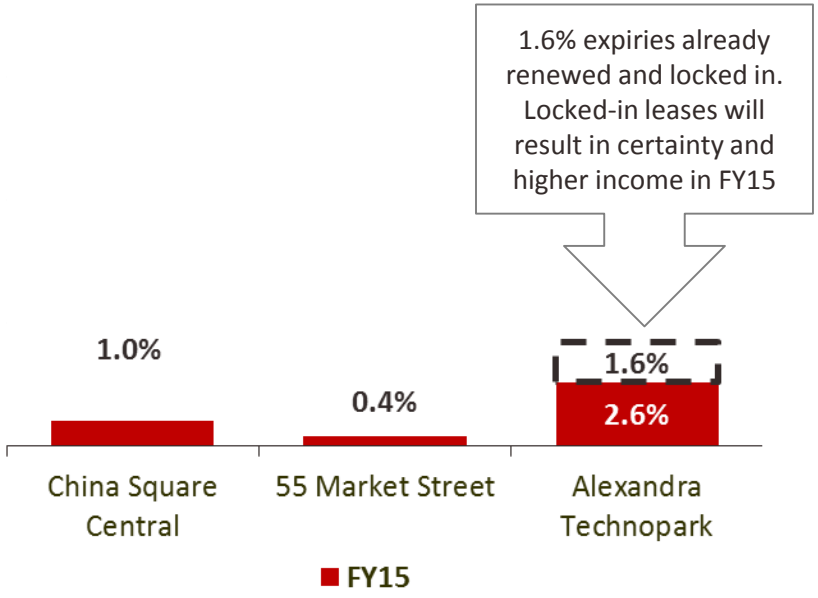
As at 30 June 2015. Excludes retail turnover rent

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

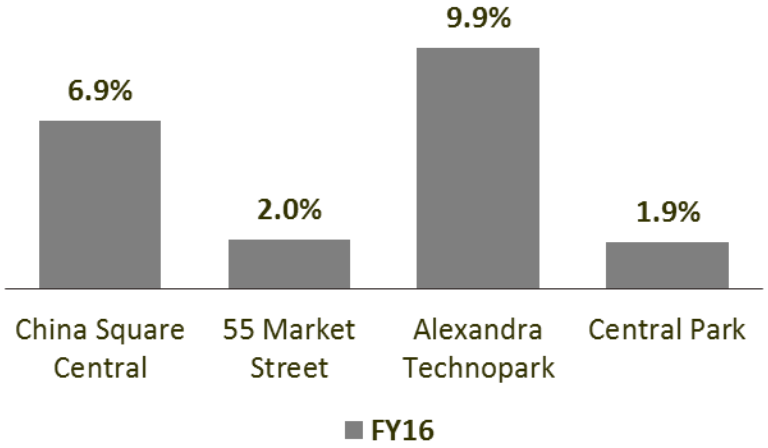
FRASERS COMMERCIAL TRUST

FY15 and FY16 - Potential for higher income due to low passing rents

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



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



Number of leases expiring *	4 (office) 11 (retail)	3	5
Average passing rent for expiring leases *	$6.3 (office) $7.5 (retail)	$6.3	$3.4

27 (office) 29 (retail)	8	14	3
$6.3 (office) $5.8 (retail)	$6.8	$3.7	AUD $512

As at 30 June 2015. Excludes retail turnover rent

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

Singapore properties continue to achieve positive weighted average rental reversions for new and renewed leases that commenced in 3QFY15[1]



China Square Central

+ 17.0%



55 Market Street

+ 14.3%



Alexandra Technopark

+ 20.0%



Central Park

-25.5%

Retail leases only which occupy less than 1.0% of the net lettable area

As at 30 June 2015. Excludes retail turnover rent

1 Weighted average rental reversions based on the area for the new and renewed leases in 3QFY15.

Portfolio review – Robust leasing activities

- **Robust leasing activities**
- **Committed, new and renewed tenants in 3QFY15 include:**

Tenant	Industry	Property
Banjaran Wealth Pte Ltd	Financial Services	China Square Central
WT Partnership (S) Pte Ltd	Real Estate/ Property services	China Square Central
PR Communications Pte Ltd	Consultancy/ Business Services	China Square Central
Chancery Law Corporation	Legal	55 Market Street
Curry San Pte Ltd	Food & Beverage	55 Market Street
Nokia Solutions and Networks Singapore Pte Ltd	IT Products & Services	Alexandra Technopark
Pentax Medical Singapore Pte Ltd	Medical	Alexandra Technopark
Hewlett-Packard Singapore Pte Ltd	IT Products & Services	Alexandra Technopark
Skin Deep Total Body Care Pty Ltd	Retail	Central Park
Multicor Investments Pty Ltd (Croissant Express)	Retail	Central Park
Haru Co Pty Ltd	Retail	Central Park

As at 30 June 2015.

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

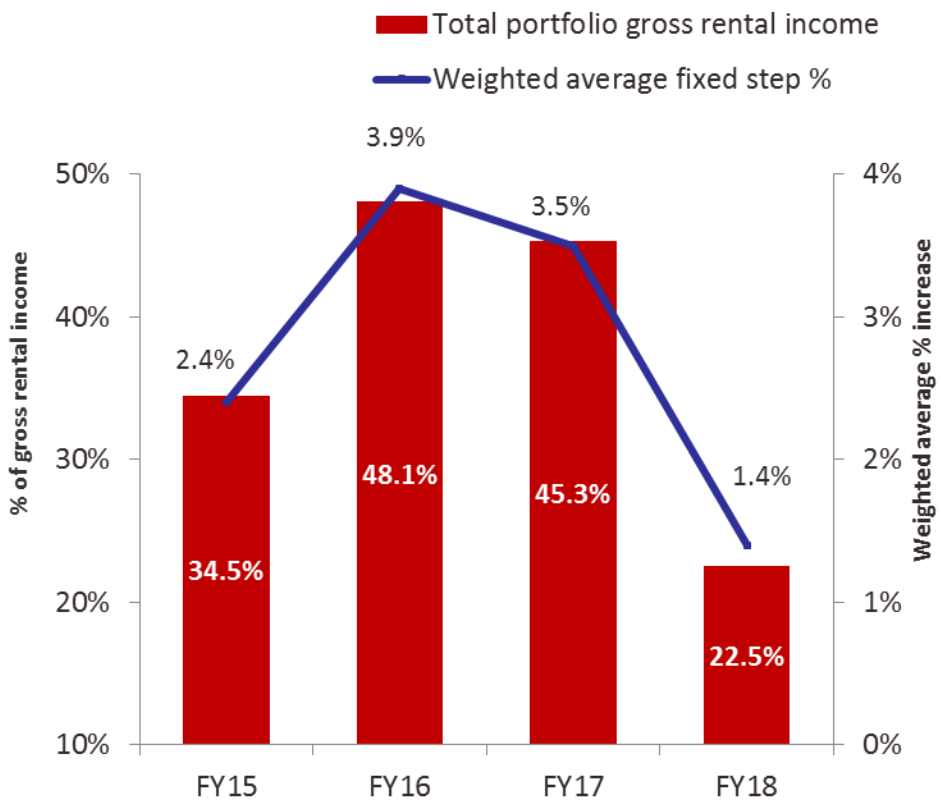
FY15 - Fixed % and other fixed lease rent reviews

Property	Leases	Average step-up rent	GROSS RENTAL INCOME Property	GROSS RENTAL INCOME Total Portfolio
China Square Central	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

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

FY15 – 18 - Portfolio fixed % reviews



Excludes retail turnover rent

FRASERS COMMERCIAL TRUST

Blue chip tenants and tenants with long leases contribute 47% of total gross rental income

Blue Chip Tenants with Long Leases

Tenant	Lease Expiry	% (Gross Rental Income)
Commonwealth of Australia (Centrelink)	Jul-25	16.2%
Hewlett-Packard Singapore Pte Ltd	Nov-17	13.3%
Hamersley Iron Pty Ltd	Jun-18	7.1%
GroupM Singapore Pte Ltd	Mar-19	3.5%
BHP Billiton Iron Ore Pty Ltd	Oct-17	1.8%
PF Lawyers Pty Ltd (DLA Piper)	Jun-20	1.2%
Westpac Banking Corporation	Dec-17	1.1%
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		46.8%

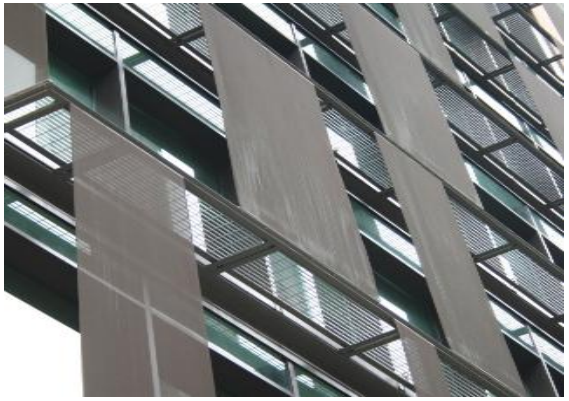
As at 30 June 2015. Excludes retail turnover rent

Portfolio review – Singapore asset updates

China Square Central – high occupancy rate



55 Market Street – healthy occupancy rate



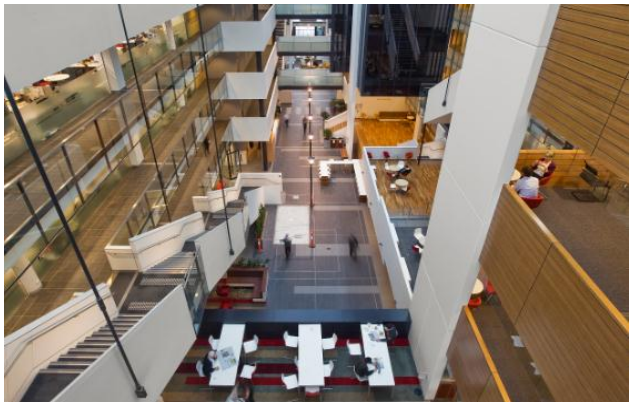
Alexandra Technopark – healthy occupancy rate



	China Square Central – high occupancy rate	55 Market Street – healthy occupancy rate	Alexandra Technopark – healthy occupancy rate
Occupancy	97.0%	95.8%	94.6%
WALE	1.9 years	1.5 years	1.6 years*
New leases, committed and renewals	Banjaran Wealth, PR Communications, WT Partnership (S)	Curry San, Chancery Law Corporation	Nokia Solutions and Networks Singapore, Pentax Medical Singapore, Hewlett-Packard
Tenants	groupm, Cerebos, MOL, geyer, MediaMath, COASTAL, PAMA, EQUINIX, WT PARTNERSHIP, BANJARAN WEALTH, CHUBB	JONES LANG LASALLE Real value in a changing world, JobSTUDIO, bwl, CHANCERY LAW CORPORATION, Citigate Dewe Rogerson, MANCHESTER 1824 The University of Manchester Manchester Business School, TKP, Itron, OPTUM, SUMITOMO FORESTRY (SINGAPORE) LTD.	hp, NOKIA, dyson, Great Eastern A member of the OCBC Group, SYBASE An SAP Company, OKI, SENNHEISER, AEROFLEX

As at 30 June 2015.

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

	Central Park – Healthy WALE of 3.2 years	Caroline Chisholm Centre –full occupancy with long WALE of 10.0 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	3.2 years	10.0 years
Tenants	Rio Tinto, bhpbilliton, Asgard, MIMI, ASX, GESB, Plan B WEALTH MANAGEMENT, DLA PIPER	Australian Government Department of Human Services

As at 30 June 2015.

* Based on Moody's rating in December 2014.

FCOT to receive Hotel Consideration of $44.8 mil on or before 1 October 2015



Artist's impression of the Hotel

- FCOT[1] and FHCS Trustee[2] on track to enter into the building agreement on or before 1 October 2015[3]
- Conditions precedent[1] for entry into the building agreement:

	Status
➢ Building Plan approval	Pending
➢ Obtained Unitholders' approval for the China Square Central Hotel Transaction at EGM on 22 July 2015	☑
➢ Obtained provisional strata lot number for the Hotel	☑

As at 30 June 2015.

Artist's impression of the Hotel is subject to changes.

1 Through British and Malayan Trustees Limited, trustee of FCOT.

2 Frasers Hospitality China Square Trustee Pte. Ltd.

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

FRASERS COMMERCIAL TRUST

357 Collins Street Acquisition will enhance FCOT's portfolio size and provide additional income stream



Conditions precedent[1] for completion of 357 Collins Street Acquisition:	Status
➢ Obtained Unitholders' approval for the 357 Collins Street Acquisition at EGM on 22 July 2015	☑
➢ Obtained FIRB[2] clearance	☑
➢ TFS Collins Pty Ltd satisfied with the results of the due diligence	☑
➢ Financing for the 357 Colllins Street Acquisition	Pending

As at 30 June 2015.

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

2 Treasurer acting through the Foreign Investment Review Board.

FRASERS COMMERCIAL TRUST

Capital management

Capital Management – Debt statistics

- **Healthy interest coverage ratio of 4.3 times**
- **Low all-in interest rate of 3.0%**
- **Borrowings in AUD provide natural hedge for the Australian properties**

Statistics

	As at 30 June 2015
Total Assets (S$'000)	1,841,269
Gross Borrowings (S$'000)	686,129
Units on Issue and Issuable	684,037,984
NAV per Unit (ex-DPU) (S$)	1.54
Gearing [1]	37.3%
Interest coverage ratio (times) [2]	4.33
Average borrowing rate [3]	3.0%
- Weighted average SGD debt rate	2.6%
- Weighted average AUD debt rate	4.5%

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 2015. See accompanying 3QFY15 Financial Statements announcement for more details.

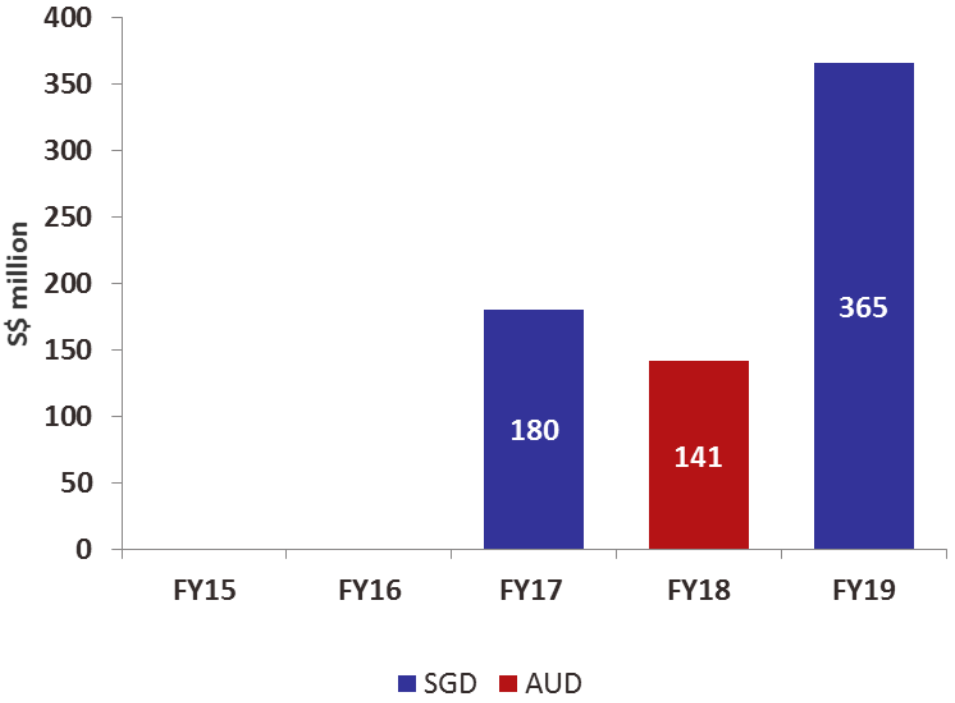
3 For quarter ended 30 June 2015

FRASERS COMMERCIAL TRUST

Capital Management and debt statistics

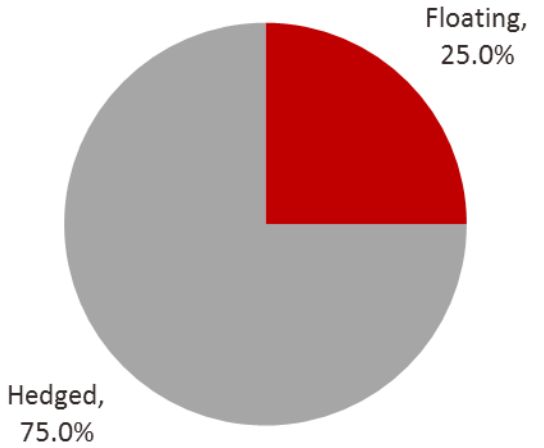
- **Well spread debt maturity profile**
- **No refinancing required until FY17**
- **Hedged 75% of gross borrowings**

Debt maturity



Total facilities **S$686 million**

Debt composition – floating vs. hedged



Hedging debt

As a % of:	As at 30 June 2015
Total Gross Borrowings	75%

As at 30 June 2015.

FRASERS COMMERCIAL TRUST

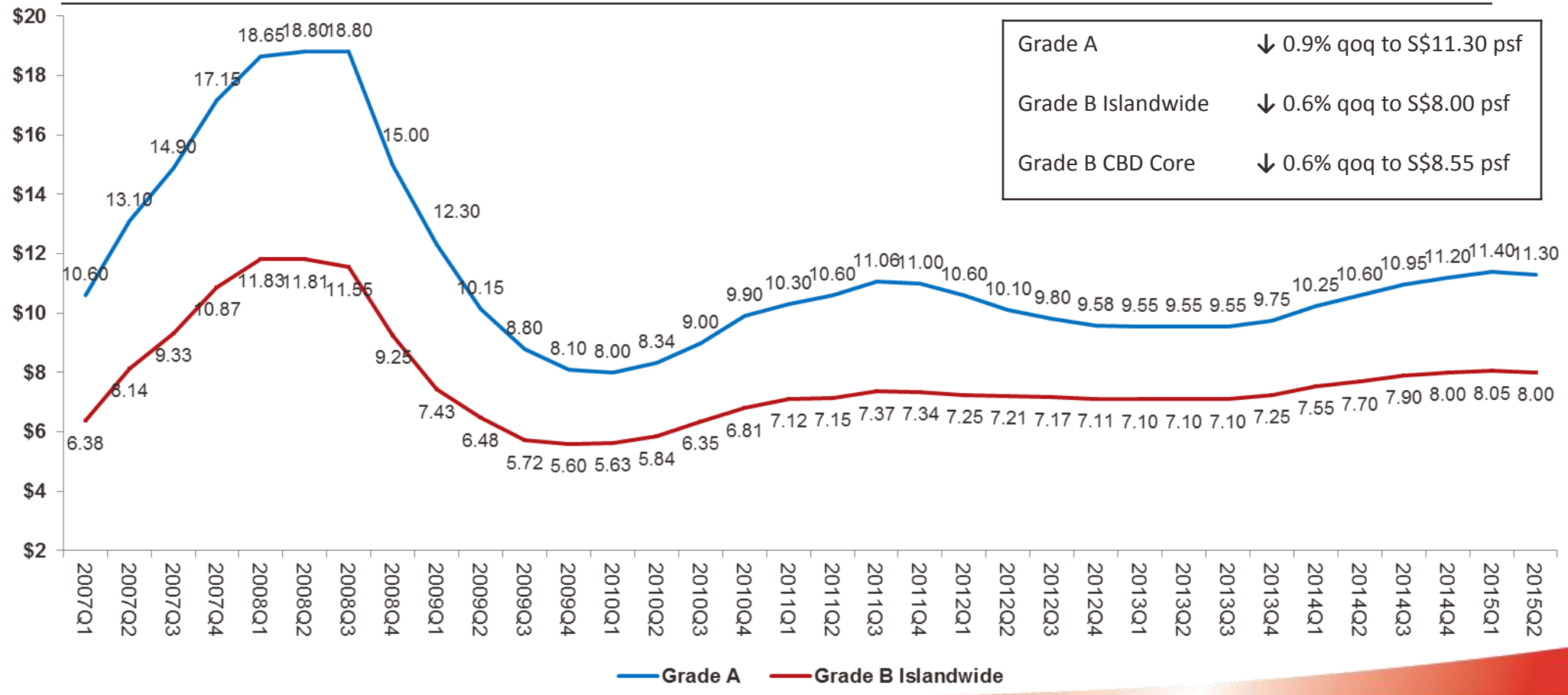
Moving forward

FRASERS COMMERCIAL TRUST

Solid fundamentals - Singapore office rents

Singapore office - vacancy rates expected to remain relatively stable over the next 6 months

Singapore Grade A and Grade B office rents[1]



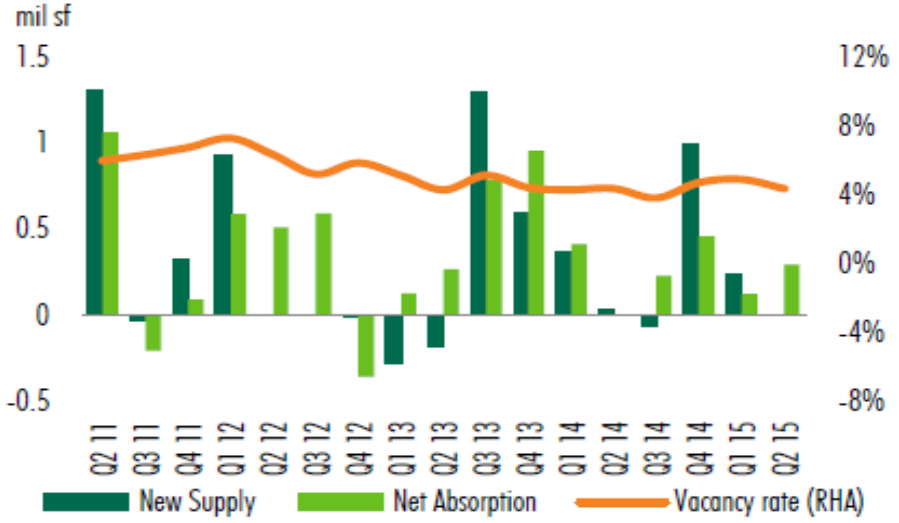
Grade A	↓ 0.9% qoq to S$11.30 psf
Grade B Islandwide	↓ 0.6% qoq to S$8.00 psf
Grade B CBD Core	↓ 0.6% qoq to S$8.55 psf

1 Source: CBRE Research

FRASERS COMMERCIAL TRUST

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

Office supply-demand dynamics and vacancy rates [1]



Source: CBRE Research, Q2 2015

	Q2 15	Q-o-q	Y-o-y
Islandwide	4.4%	-53 bps	0 bps
Core CBD	3.8%	-8 bps	-36 bps
Fringe CBD	5.5%	-33 bps	-28 bps
Decentralised	4.2%	-172 bps	110 bps
Grade A	4.4%	-74 bps	-80 bps

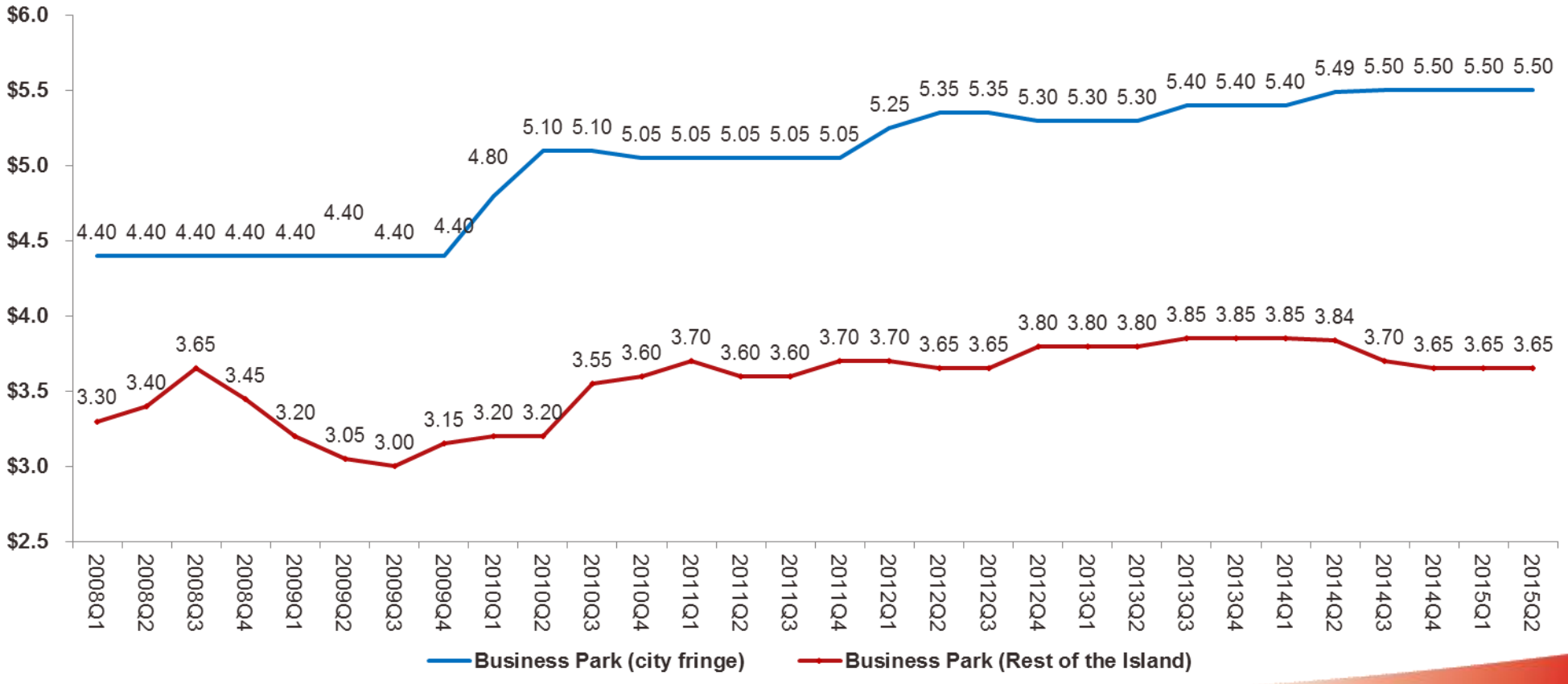
Source: CBRE Research, Q2 2015

- Q2 2015 total Islandwide office net absorption was 296,037 sf
- The bulk of the leasing activity was focused on decentralised developments, whilst activity in the CBD was relatively quiet in 2Q 2015
- IT and e-commerce, insurance and energy sectors continue to contribute to occupier movement
- Vacancy levels are expected to remain relatively stable over the next 6 months with no additional large office developments scheduled to complete this year
- CBRE Research expects further downward pressure on rents with supply likely to outweigh demand in the short to medium term

1 CBRE, Singapore Market View, 2Q 2015

Singapore business park rents trend – Rents are expected to remain stable in the near term

Singapore Business Park (city fringe) rents[1]

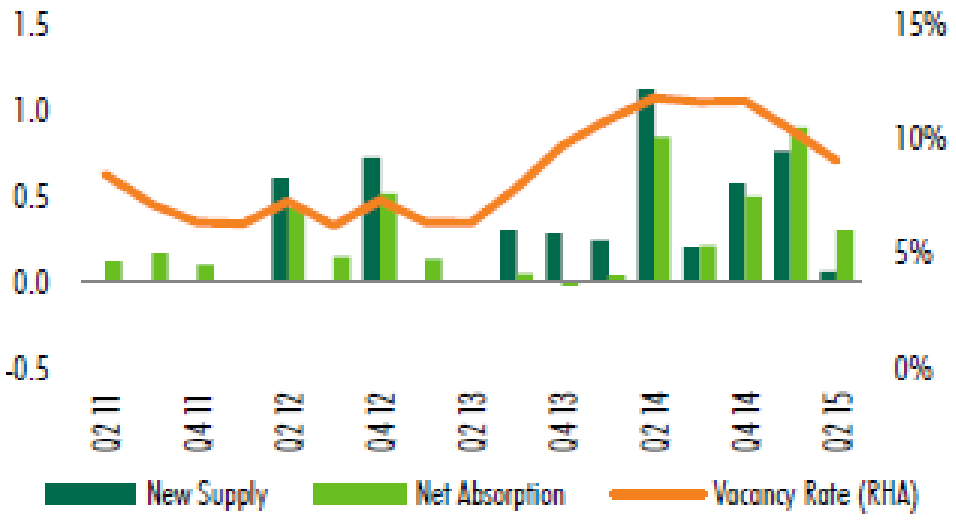


1 Source: CBRE Research

FRASERS COMMERCIAL TRUST

Solid fundamentals - demand, supply and outlook for business park

Manufacturing Indices and Business Park future pipeline[1]



Source: CBRE Research, Q2 2015

Table 6: Known Business Park Future Pipeline

Year	Est. NLA (mil sf)	Est. Pre-commitment
2015	1.11	97%
2016	1.82	35%
2017	-	-
Total	**2.93**	**59%**

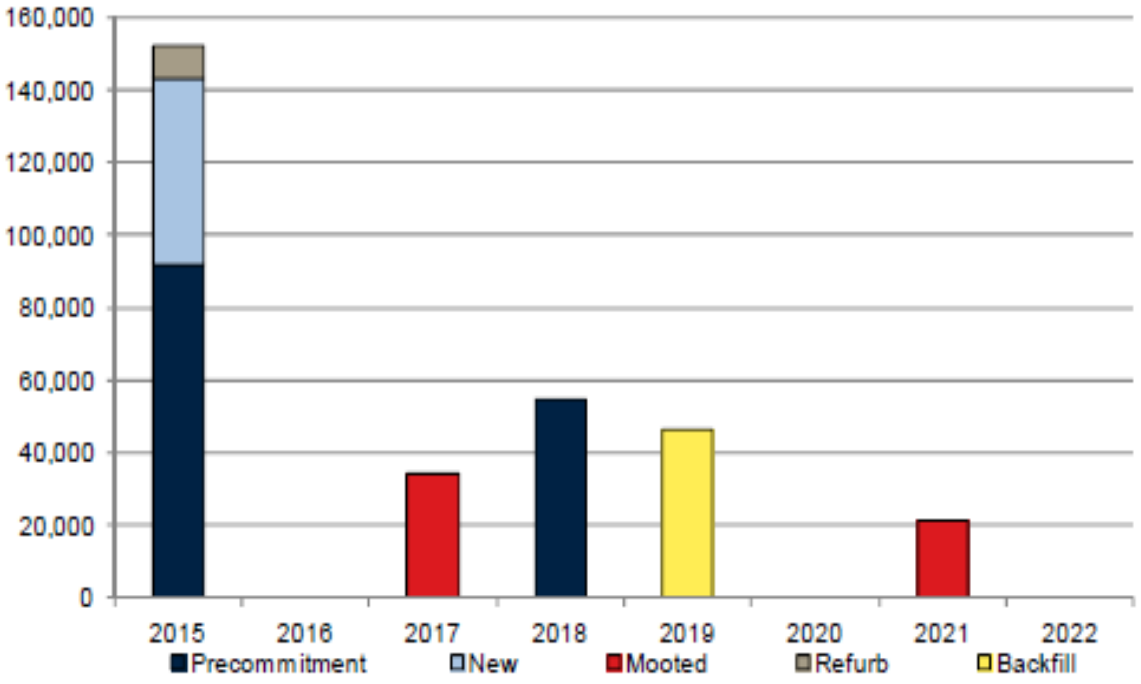
Source: CBRE Research, Q2 2015

- Business park market performed strongly in 2Q 2015, backed by expansion of pharmaceutical and technology firms
- Islandwide net absorption was approximately 306,000 sf
- Vacancy decreased for the second consecutive quarter from 10.4% to 9.1%
- Demand was concentrated mostly on the city fringe sub-market which led to vacancy rate tightening further for this segment
- With no planned business park developments beyond 2016, CBRE Research expects vacancy for this segment to grow tighter
- Given the slowing office market, rents are projected to remain stable in the near term as occupancy continues to be the main focus of landlords

1 CBRE, Singapore Market View, Q2 2015

Premium Grade average net face rents is around A$715 – A$800 psm per annum

Perth CBD forecast office gross supply by type (sqm)[1]



Source: Savills Research

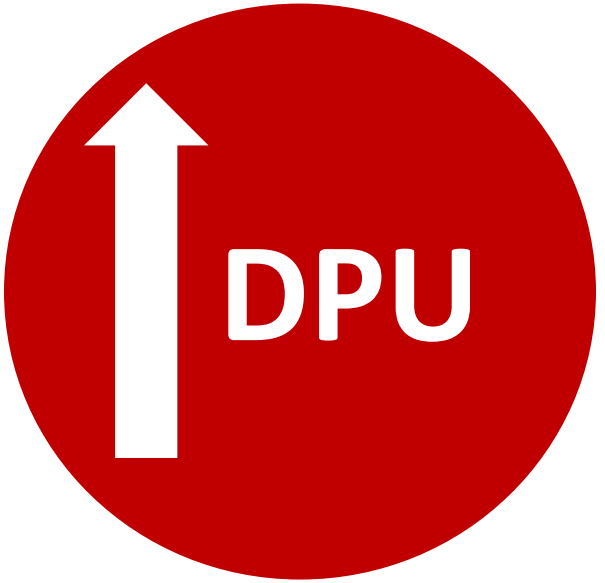
Market conditions [1]

- In the 12 months to March 2015, Savills recorded 54,026 square metres of leasing activity in the Perth CBD office market, down 53%
- Softening face rents and increasing incentives favour tenants, resulting in a flight to quality as companies negotiate better deals and upgrade their space
- As at March 2015, Premium Grade net face rents are at A$715 – A$800 psm pa
- Incentives across all grades in the CBD were at 25-30%
- Perth CBD office vacancy was up 5.8 percentage points to 14.8% in January 2015 – the lower grades experience the largest increase in vacancy demonstrating a flight to quality. Premium Grade vacancy was lower at 8.5% in January 2015
- While leasing conditions in the Perth office market are undoubtedly restrained, continued strong economic fundamentals such as population growth and low unemployment ensure that the market is supported

1 Savills Research, Spotlight Perth CBD Office, April 2015

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

- Positive rental reversions
- Alexandra Technopark – significant contribution from underlying leases will boost future income and DPU
- Grow portfolio organically and inorganically



Thank you

Frasers Centrepoint Asset Management (Commercial) Limited
Level 21 | 438 Alexandra Road | Alexandra Point | Singapore 119958
Tel: +65 6276 4882| Fax: +65 6276 8942| Email: fcot@fraserscentrepoint.com
www. fraserscommercialtrust.com

FRASERS COMMERCIAL TRUST