

Frasers Commercial Trust

Bank of America Merrill Lynch Asian Stars Conference 2011

18 May 2011



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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.

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- **FCOT overview**
- **FCOT's investment proposition**
- **Supplementary materials**



FCOT Overview



Singapore's first Pan Asia listed commercial REIT

Listings

Ordinary Units – March 2006 on Singapore Exchange Securities Trading Limited Ticker 'Frasers Comm', stock code ND8U

CPPUs – March 2010 on Singapore Exchange Securities Trading Limited Ticker 'Frasers CommCPPU 500', stock code KT8U
(Convertible Perpetual Preferred Units)

Property Portfolio

9 commercial properties in Singapore (67% by asset value), Australia (26%) and Japan (7%)

Total Net Lettable Area

2.5 million sq ft

Total Assets

S\$2.0 billion
as at 31 March 2011

Market Capitalisation

FCOT – S\$502.1 million
(Based on FCOT's closing price of S\$0.80 per Unit on 29 April 2011)
CPPU – S\$339.1 million
(Based on CPPU's closing price of S\$0.99 per Unit on 29 April 2011)
Total – S\$841.2 million

9 property assets with a strong Singapore anchor to the portfolio



	Properties	Portfolio Value ¹	Portfolio Net Property Income ¹
SINGAPORE	3 office assets 1 business space asset	S\$1,298.9 million, (67%)	S\$26.9 million, (57%)
AUSTRALIA	2 office assets	S\$511.5 million, (26%)	S\$16.2 million, (35%)
JAPAN	3 office assets	S\$134.6 million, (7%)	S\$3.9 million, (8%)

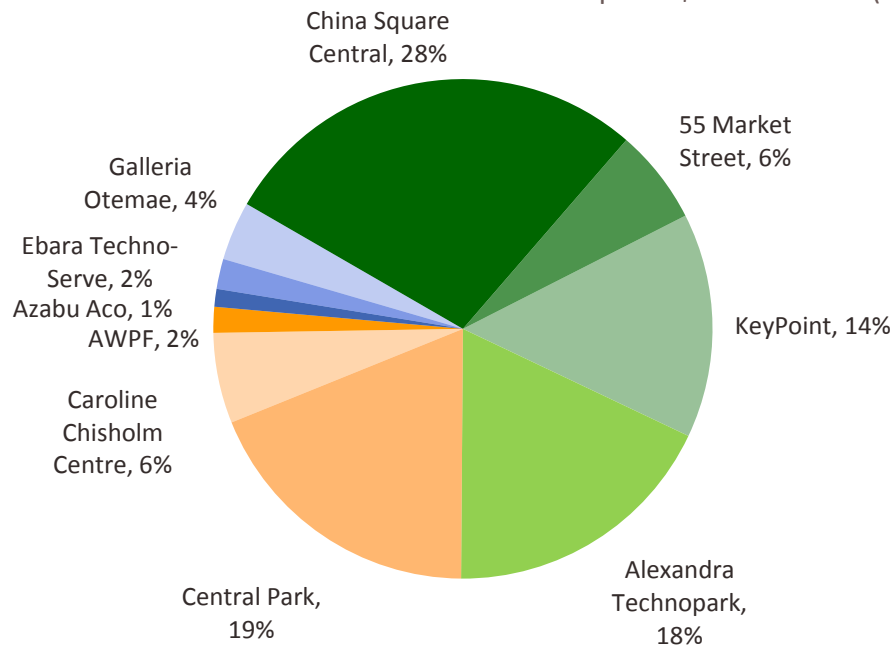
¹ As at 31 March 2011, for 1H2011. Excludes Cosmo Plaza which was divested on 18 January 2011

Focus on key markets of Singapore and Australia

Asset values ¹

TOTAL: S\$1,945.0 million

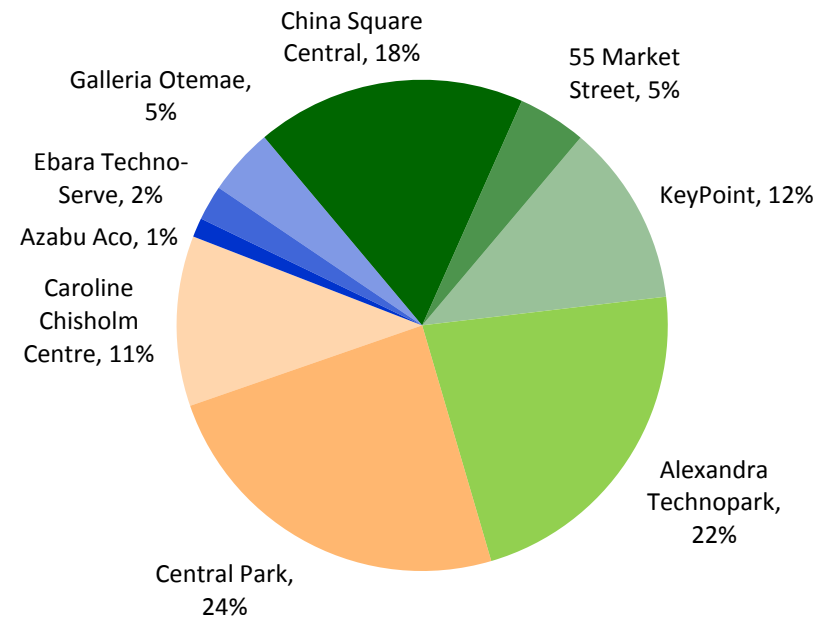
- Singapore: S\$1,298.9 million (67%)
- Australia: S\$511.5 million (26%)
- Japan: S\$134.6 million (7%)



Net property income

TOTAL: S\$23.868 million 2Q FY11

- Singapore: S\$13.502 million (57%)
- Australia: S\$8.457 million (35%)
- Japan: S\$1.909 million (8%)*

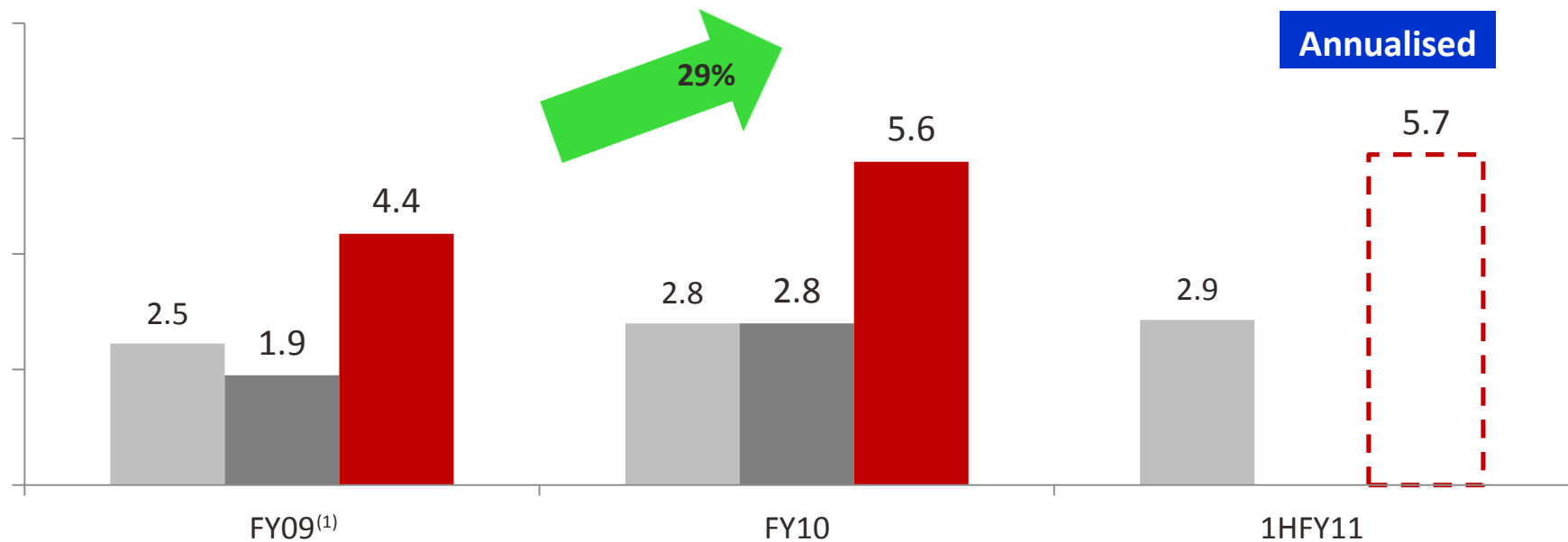


* Excludes Cosmo Plaza which was divested on 18 January 2011

1 Based on valuation as at 31 March 2011 converted to Singapore dollars. See 2QFY11 Financial Statements for further information.

Strong performance since completion of refinancing and recapitalisation in end 2009

DPU (¢)



 Y-o-Y change
  1H
  2H
  FY

* Adjusted for unit consolidation which was completed on 11 February 2011 based on a consolidation ratio of 5 into 1 unit

1 FY09 covered a 9-month period from 1 January 2009 to 30 September 2009 due to the change of financial year end from December to September. For comparison purpose, the financial information covering the 12-month period from 1 October 2008 to 30 September 2009 is presented

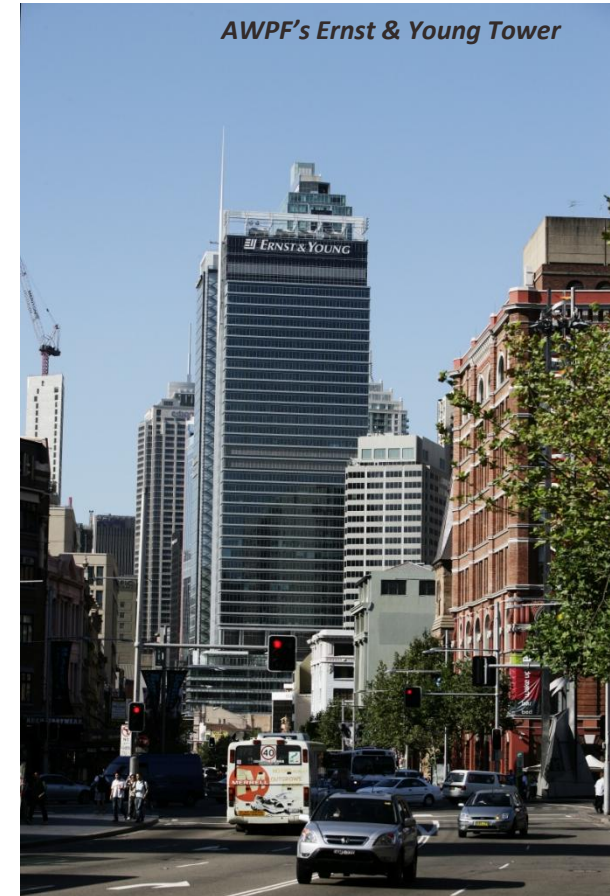
AWPF – Divestment of non-core asset

■ Divestment details:

- Completed on 12 May 2011
- An aggregate consideration of AUD22.2 million (S\$29.11 million)¹ for all ordinary units and equity loan held by FCOT
- Net proceeds from the divestment had been utilised to repay debt

■ Positive impact for FCOT:

	Before the divestment	After the divestment	% change
Distributable income attributable to Unitholders (S\$m)	34.47 ²	36.05 ³	↑ 4.6%
Distributable income per Unit (c) ⁴	5.55	5.81	↑ 4.6%
Gearing (%)	37.8	37.0	↓ 0.8%



AWPF's Ernst & Young Tower

1 Based on the exchange rate of A\$1.00 = S\$1.3113 as at 12 May 2011

2 Based on the audited financial statements of FCOT for the financial year ended 30 September 2010.

3 Based the audited financial statements of FCOT for the financial year ended 30 September 2010 after including the proforma effects of lower interest expenses of S\$1.58 million arising from the Partial Loan Repayment, subject to the terms of the AUD Facility Agreement.

4 The distributable income per Unit has been adjusted to include the effect of the Unit Consolidation completed on 11 February 2011.



FCOT's investment proposition

1. Stability of income

- Strong lease expiry profile
- Stable occupancy and WALE
- Quality tenants and master leases
- Organic growth

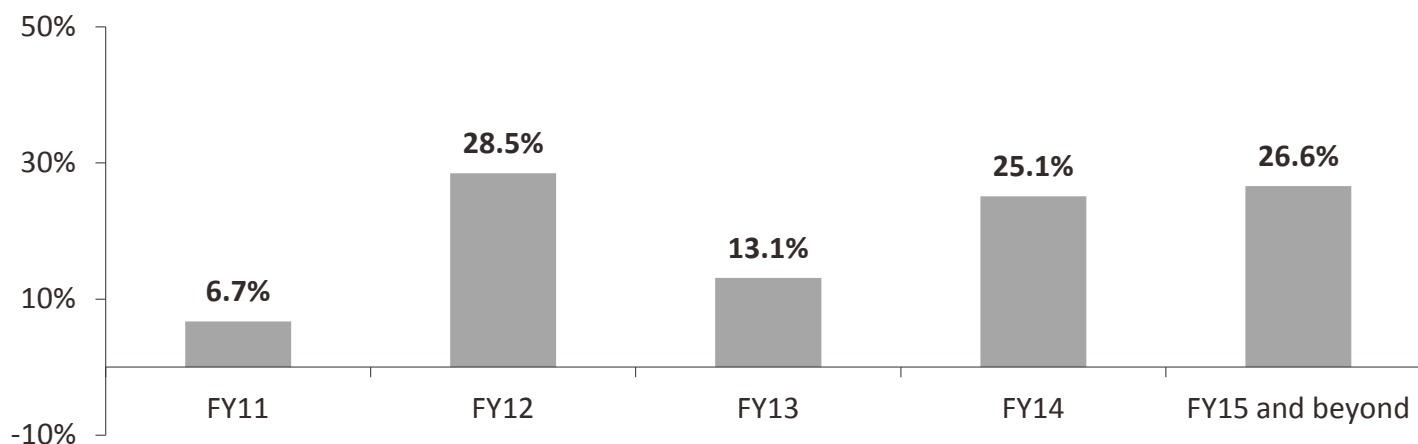
2. Solid fundamentals

3. Attractive valuation

4. Growth strategy

Healthy lease expiry profile

Portfolio lease expiry by gross rental income



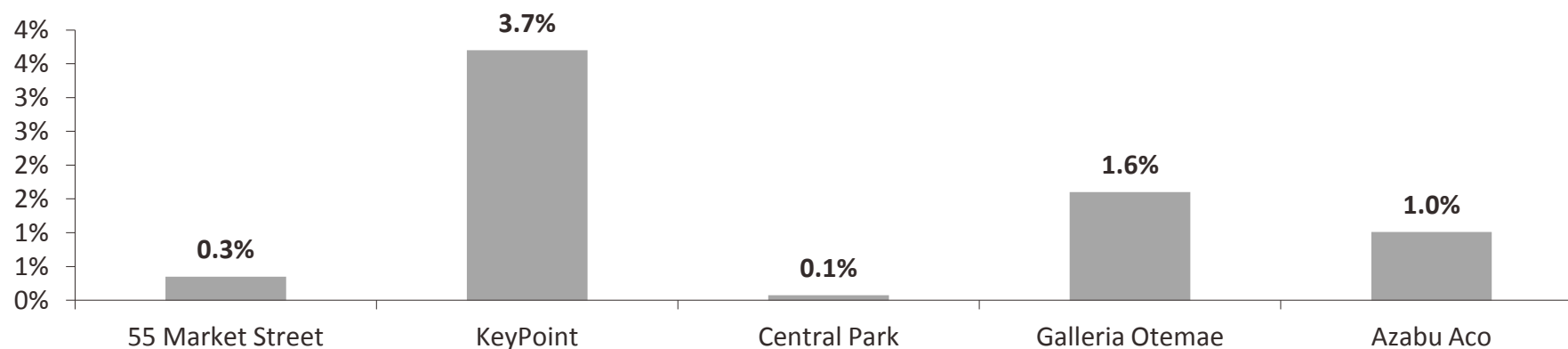
Number of leases expiring	54	90	82	21	24
NLA (sq ft) expiring	107,088	563,978	215,030	1,125,447	477,916
Expiries as % total NLA	4.2%	22.1%	8.4%	44.1%	18.7%
Expiries as % total Gross Rental Income	6.7%	28.5%	13.1%	25.1%	26.6%

As at 31 March 2011. Excludes AWPF and retail turnover rent

1. Stability of Income – strong lease expiry profile

Only 6.7% of gross rental income is due for renewal for FY11

Property lease expiry as a proportion of total portfolio gross rental income



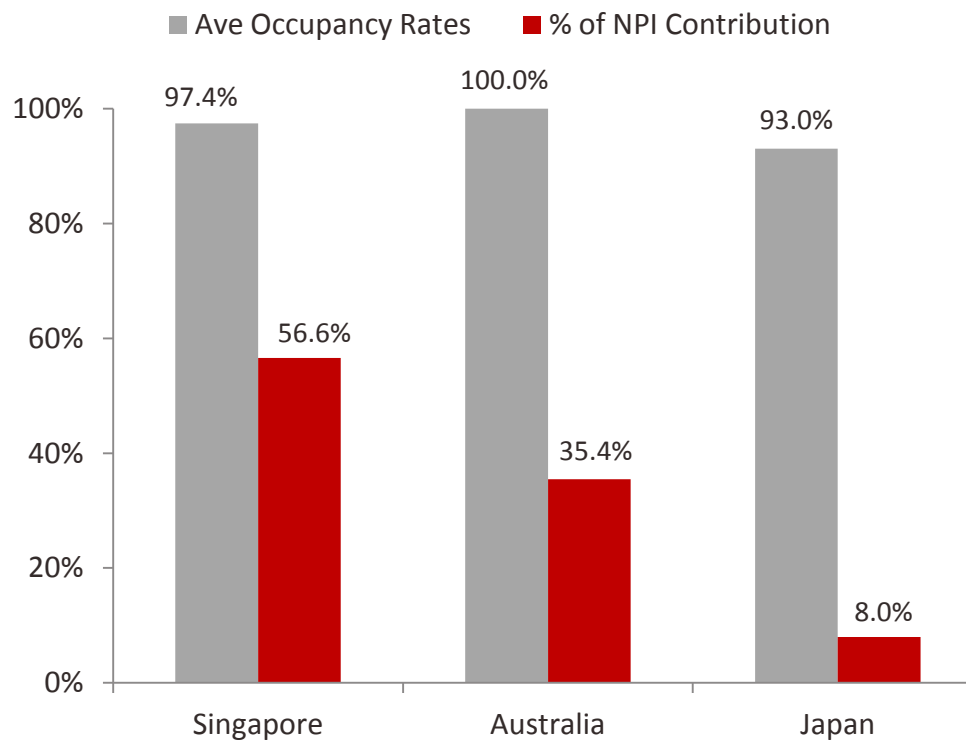
Expiring leases in FY11

Number of leases expiring	1	36	1	14	2
Average passing rent	\$10.5	\$5.4	AUD \$643	¥10,505	¥18,119

Robust portfolio occupancy rate of 97.7%

Key portfolio statistics	As at 31 March 2011
WALE by gross rental income	3.9 years
Ave Occupancy	97.7%

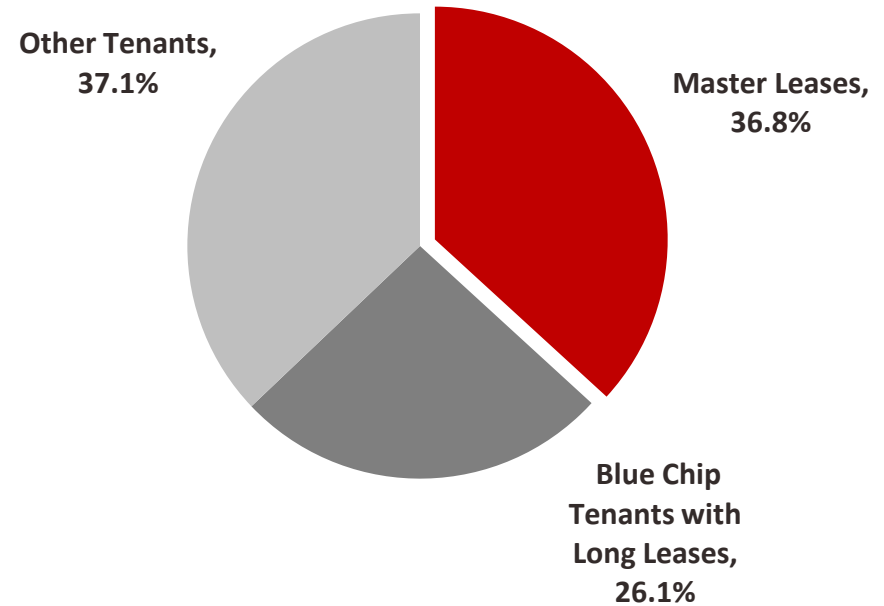
Geographical occupancy and % of NPI contribution



Master lessees/ blue chip tenants with long leases contribute >62% of total gross rental income

Master Leases		
Tenant	Lease Expiry	% (Gross Rental Income)
Alexandra Technopark – Orrick Investments Pte Ltd	Aug 2014	20.5%
China Square Central – Unicorn Square Limited	Mar 2012	16.3%
Total		36.8%

Blue Chip Tenants with Long Leases		
Tenant	Lease Expiry	% (Gross Rental Income)
Commonwealth of Australia (Centrelink)	Jul 2025	9.8%
Hamersley Iron Pty Ltd	Jun 2018	6.5%
Ebara Corporation	May 2015	2.4%
BHP Billiton Petroleum Pty Ltd	Nov 2015	2.0%
Dabserv Pty Ltd (Mallesons Stephen Jaques)	Jun 2014	1.8%
DLA Phillips Fox	Jun 2020	1.4%
Government Employees Superannuation Board (WA)	May 2017	1.2%
Plan B Administration Pty Ltd	April 2019	1.1%
Total		26.1%



Master Lessees + Blue Chip Tenants with Long Leases	=	62.9% portfolio income secured
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As at 31 March 2011. Excludes AWPf and retail turnover rent

Almost 25% of gross rental income has built-in fixed rent step-ups of approximately 4.0% for FY11

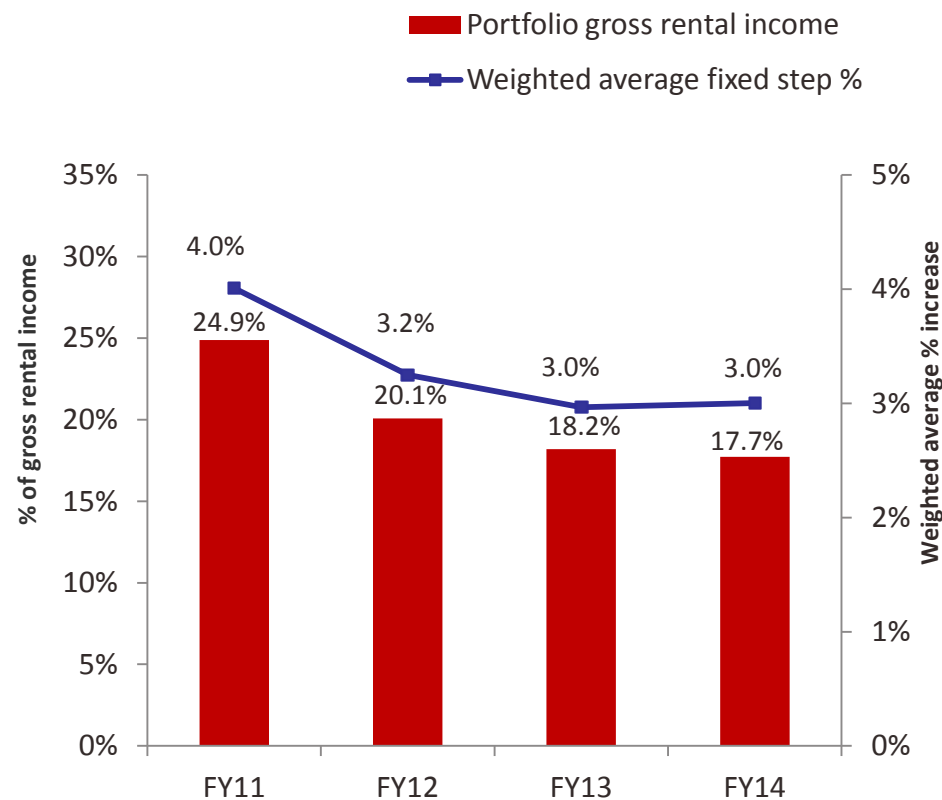
FY11 - Fixed % lease rent reviews

Property	Leases	Average step-up rent	GROSS RENTAL INCOME	
			Property	Total Portfolio
KeyPoint	10	10.8%	4.6%	0.6%
55 Market Street	3	4.6%	24.5%	1.2%
Caroline Chisholm Centre	1	3.0%	100.0%	9.4%
Central Park	16	4.3%	56.3%	13.7%

FY11 - Other mid-term lease rent reviews

Property	Leases	Review mechanism	GROSS RENTAL INCOME	
			Property	Total Portfolio
55 Market Street	1	Market	15.8%	0.8%
Central Park	5	Market	21.4%	5.2%
Central Park	4	CPI	9.5%	2.3%

FY11 - 14 - Portfolio fixed % reviews



As at 31 March 2011. Excludes AWPf and retail turnover rent

1. Stability of income

2. Solid fundamentals

- No near-term refinancing risk
- Borrowings hedged
- Positive market outlook
- Growing demand
- Asset enhancement
- Pipeline assets

3. Attractive valuation

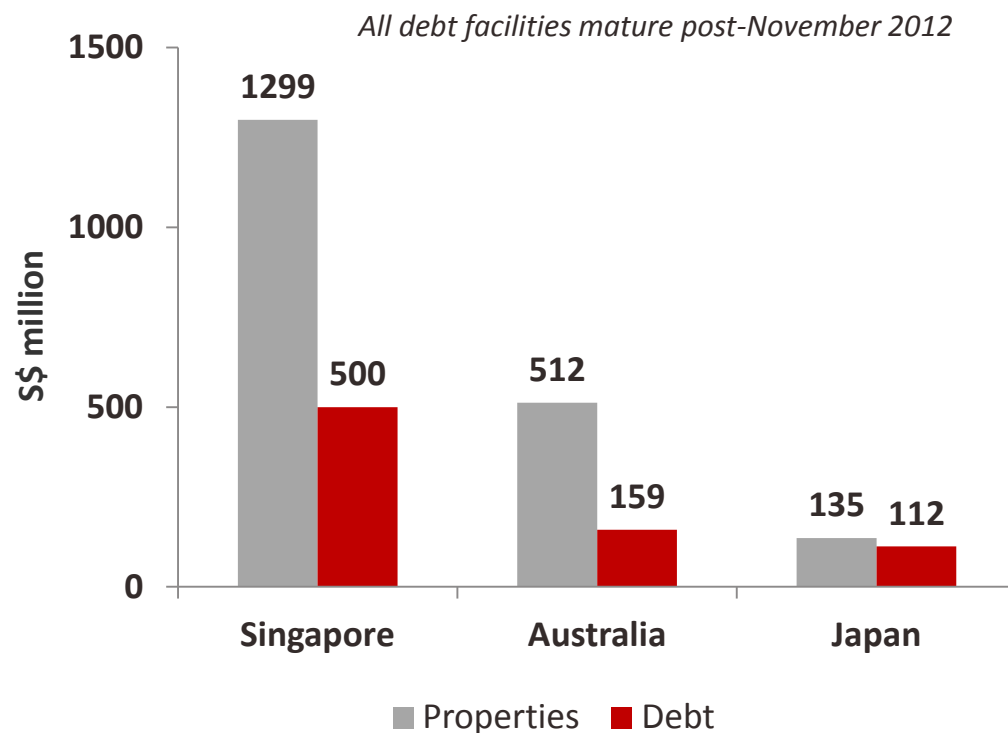
4. Growth strategy

Healthy balance sheet

Statistics

	As at 31 March 2011
Total Assets (S\$'000)	2,039,282
Gross Borrowings (S\$'000)	770,606
Units on Issue and Issuable	627,573,170
NAV per Unit (ex-DPU) ¹ (S\$)	1.34
NAV per Unit (assuming all CPPUs are converted into Units) ^{1,2} (S\$)	1.29
Gearing ³	37.8%
Interest coverage ratio (times) ⁴	2.81
Average borrowing rate ⁵	4.3%

Borrowings and assets by currency



¹ The number of Units used to calculate NAV per Unit has been adjusted for the effect of the Unit Consolidation.

² 342,500,000 Series A CPPUs are converted into Conversion Units at the conversion price of S\$1.1845 per Unit

³ Calculated as gross borrowing as a percentage of total assets

⁴ 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 31 March 2011. See accompanying 2QFY11 Financial Statements announcement for more details.

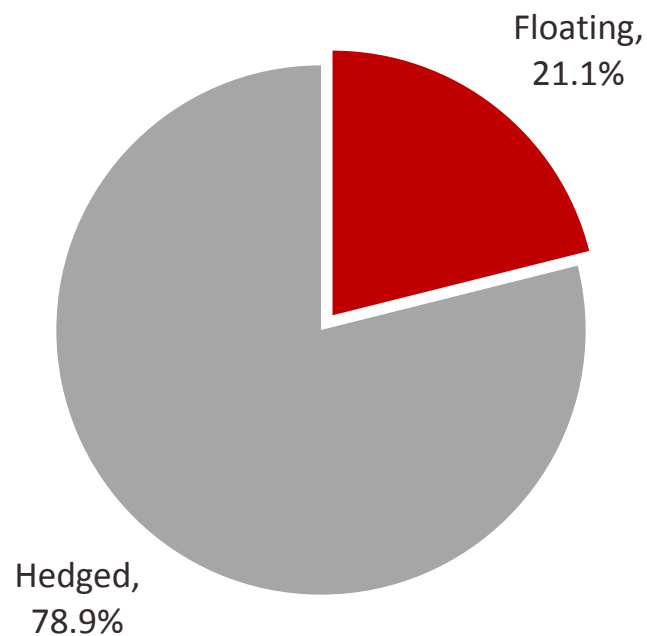
⁵ For quarter ended 31 March 2011

Hedged more than 78% of Gross Borrowings

Hedging debt

As a % of:	As at 31 March 2011
SGD Borrowings	75.2%
AUD Borrowings	75.8%
JPY Borrowings	100.0%
Total Gross Borrowings	78.9%

Debt composition – floating vs. hedged



Office market begins to stabilise

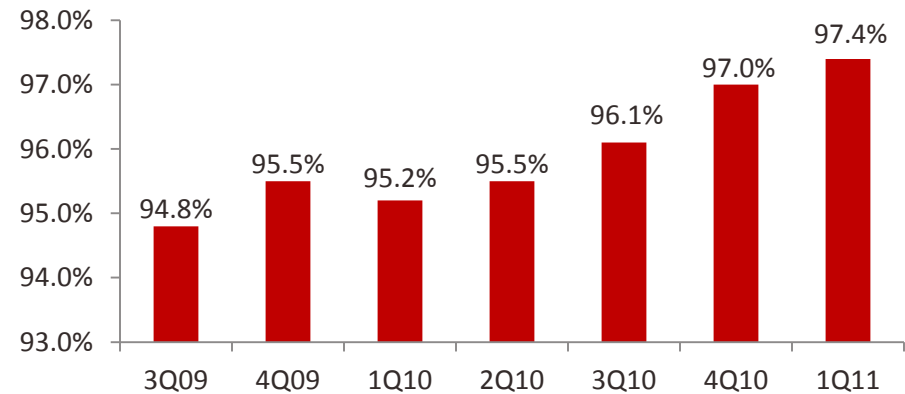
Market conditions ¹

- Office market begins to stabilise after the sharp upward market adjustments in 2010
- Grade A rents rose 4.0% q-o-q to an average of \$10.3 psf/mth, up from \$9.9 psf/mth last quarter
- Grade A take-up was 1.03 million sq sf in Q12011, contributed mainly by the high occupancy levels of OUE Bayfront and Ocean Financial Centre which both obtained their Temporary Occupancy Permit in Q12011

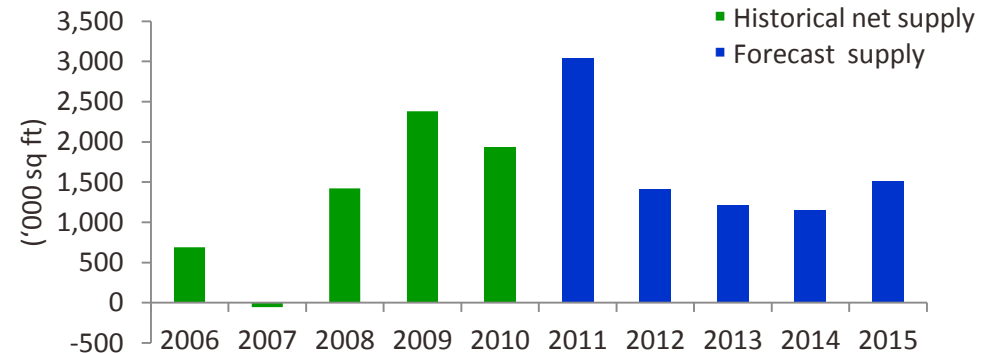
Supply ¹

- An estimated of 7.0 million sq ft of office space is targeted for completion from Q2 2011 to 2015, of which 54% is classified as Grade A space
- Some developers have rescheduled their projects and there is a more even spread of new supply in the next five years

FCOT's Singapore properties average occupancy



Singapore office new supply ²



¹ CB Richard Ellis, "MarketView Singapore", 1Q2011

² Source: URA; CBRE Research

Prime grade vacancy tightened in Perth's CBD office market

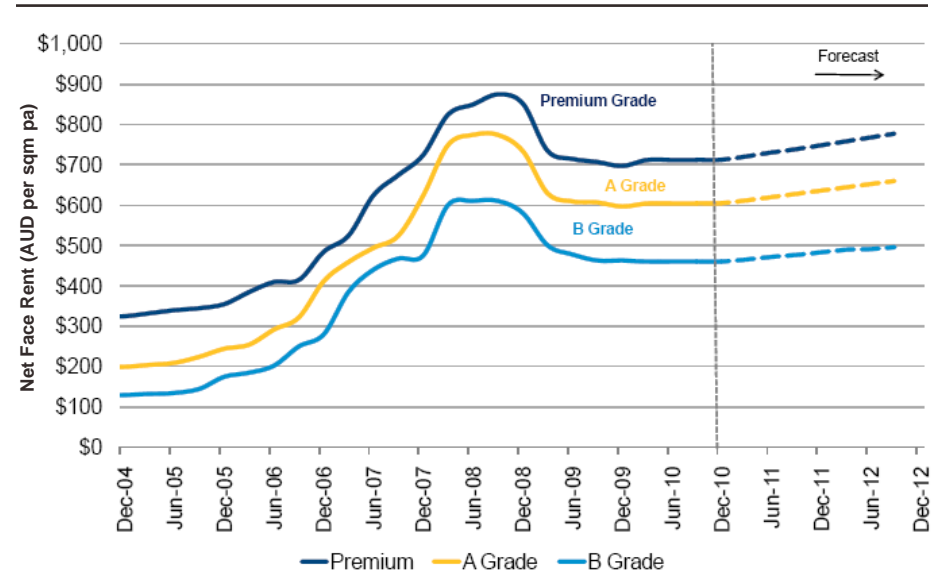
Market conditions ¹

- Net face rentals look to have stabilised with Premium office rentals in the region of A\$700 psm pa
- Effective rents are already experiencing growth and net rents are set for growth in 2H2011
- The flight to quality continues to occur, with a decrease in vacancy for Premium stock to 2.6% from 3.5%

Supply ¹

- The current supply cycle has now delivered 45.5% (172,622m²) of the office supply to the market with the current supply cycle to be largely completed by second quarter of 2012
- 145,032 sq m space currently under construction, of which 87.1% of space is pre-committed

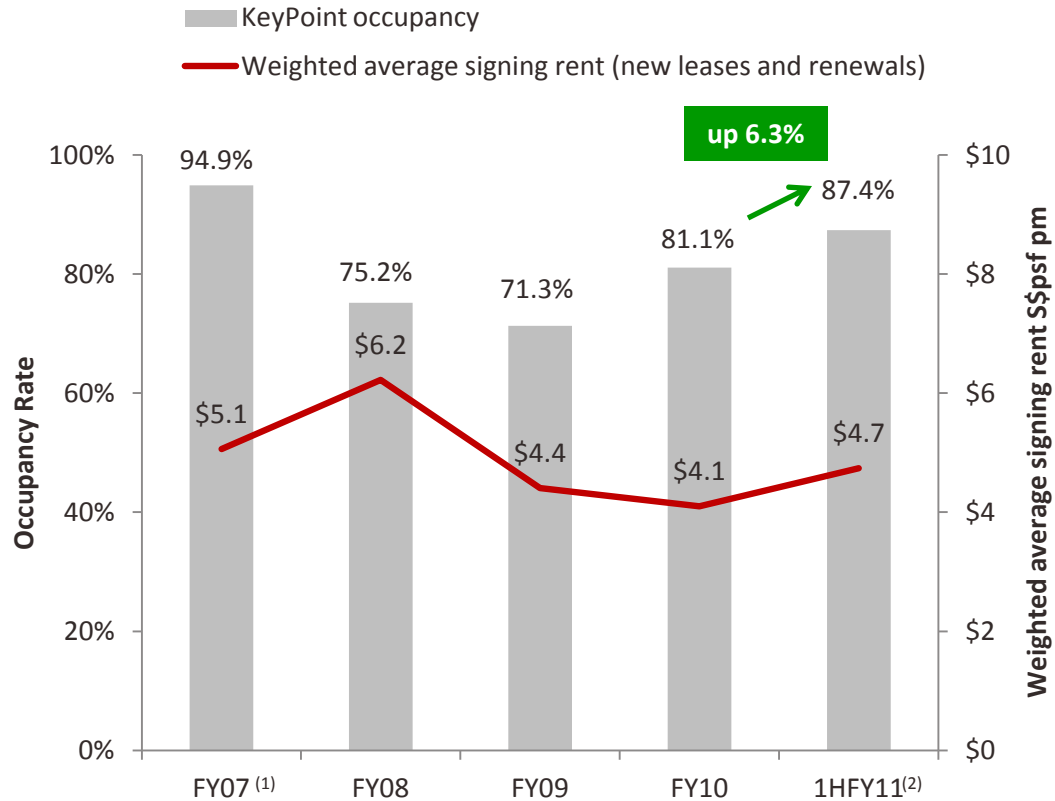
Perth CBD average net face rents ¹



¹ Colliers International Research "Perth CBD Office", Q4 2010

KeyPoint – Strong growth momentum

KeyPoint occupancy rate & average signing rent



1 From November to December 2007
 2 Based on committed occupancy and rent as at 31 March 2011

China Square Central – Rise in committed occupancy

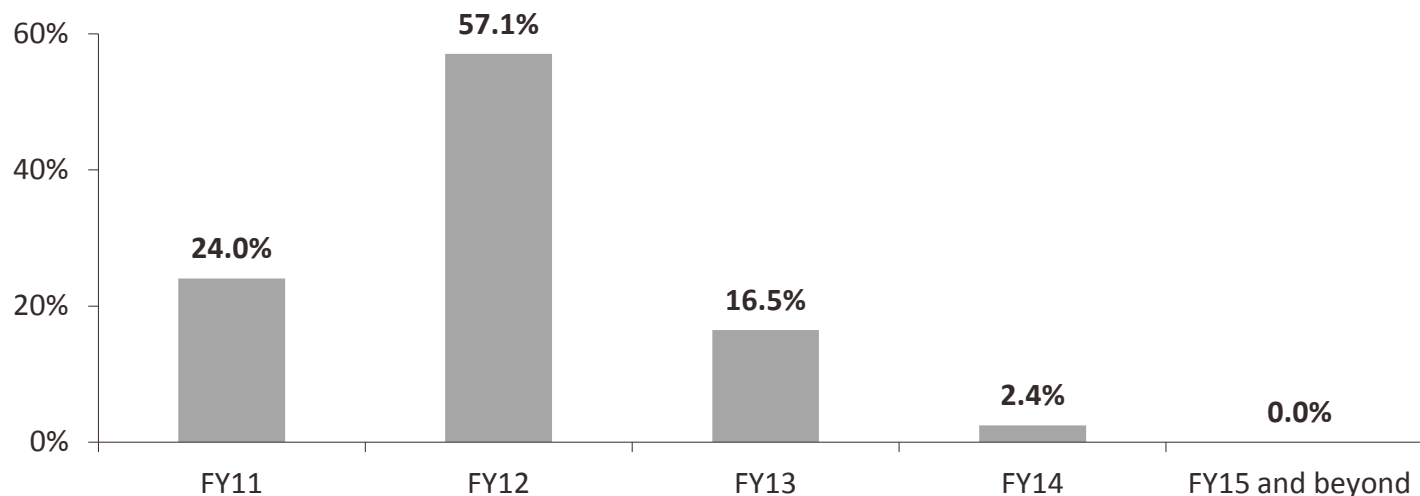
- **Healthy committed occupancy rate:**
 - Committed occupancy has increased to 94.3% in March from 93.7% in December
 - New and renewal leases commenced include Hinoki Japanese Dining, Chatham Financial and Obtech Asia Pacific



Committed occupancy rate	As at 31 December 2010	As at 31 March 2011	% change
Office	96.4%	96.4%	-
Retail	86.5%	88.6%	↑ 2.1%
Total	93.7%	94.3%	↑ 0.6%

China Square Central – Average passing rent below \$6.0 psf pm

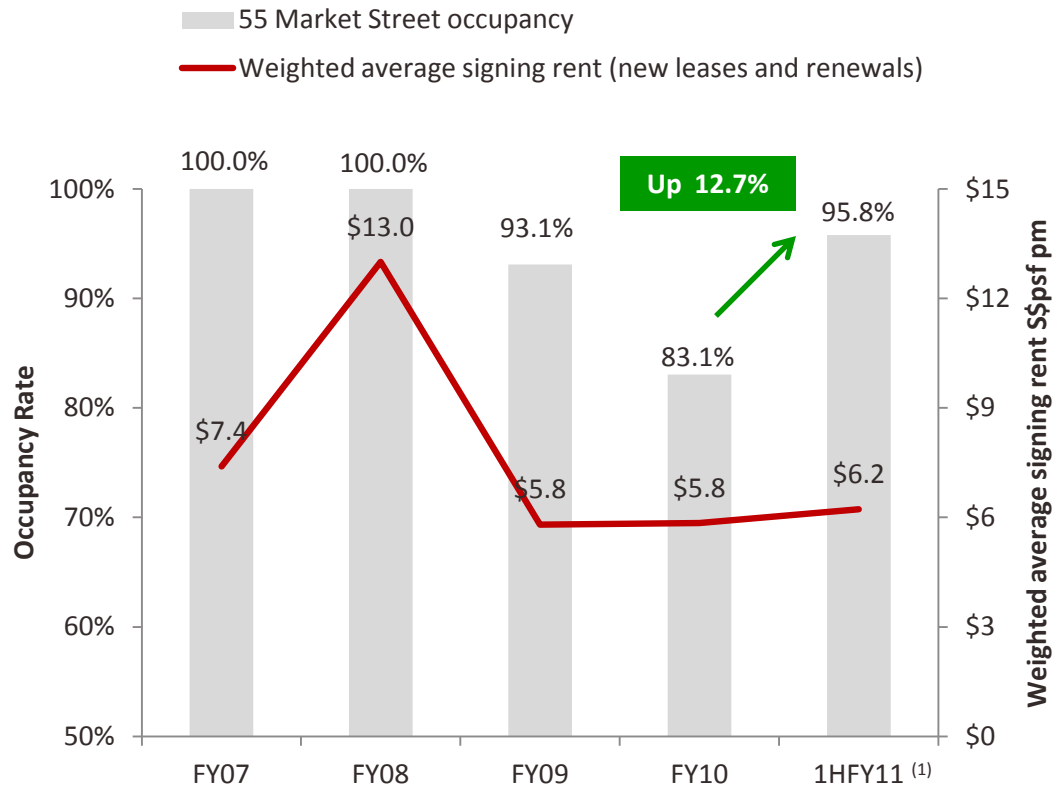
Lease expiry by gross rental income



	FY11	FY12	FY13	FY14	FY15 and beyond
Number of leases expiring	26	55	28	5	0
NLA (sq ft) expiring	90,034	189,650	53,622	9,429	0
Expiries as % total Gross Rental Income	24.0%	57.1%	16.5%	2.4%	0.0%
Average passing rent	\$5.4	\$6.0	\$6.2	\$5.2	\$0.0

55 Market Street – Above 95% committed occupancy

55 Market Street occupancy rate & average signing rent



1 Based on committed occupancy and rent as at 31 March 2011

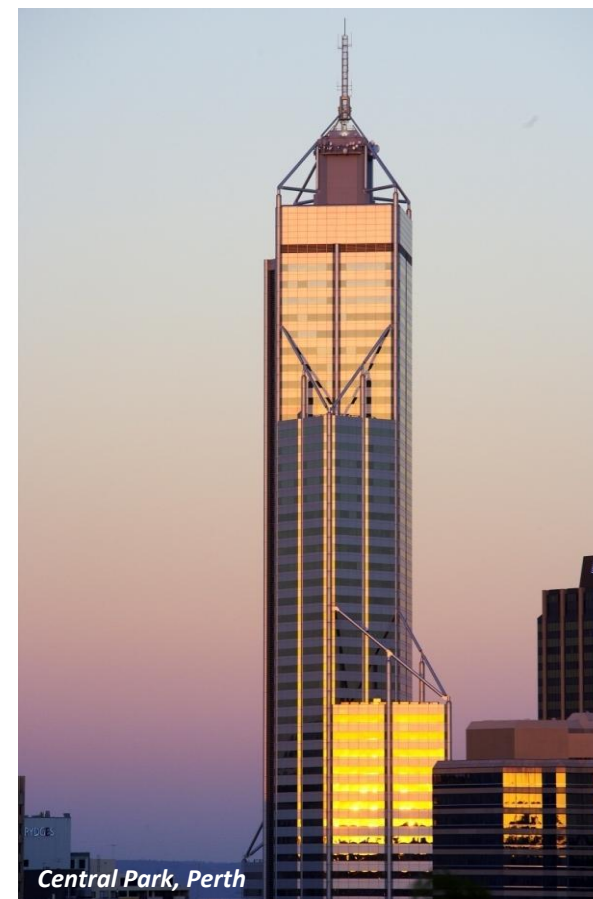
Central Park – Fully occupied

▪ Positive rental growth:

Level	Preceding rental	Existing rental	% change
Mid (3 floors)	AUD 525 psm pa	AUD 725 psm pa	↑ 38.1%
Low (2 floors)	AUD 327 psm pa	AUD 433 psm pa	↑ 32.4%

▪ Tenancy activity:

- Jones Lang LaSalle commenced a 10 year lease for one floor of space over 1,320 sq m
- Expansion by existing tenant Hamersley Iron, a new 7.3 year lease over 3,639 sq m being two full floors
- The two new leases have increased occupancy at Central Park by 7.5% to 100%
- Long WALE by gross rental income of 4.6 years



Central Park – New lobby café

- **Capital enhancement works:**
 - Awarded additional GFA for café (20 sq m) by City of Perth for activating external walkway
 - Tenant signed a 6 year lease with annual CPI review and contributed towards the cost of the Lobby café works



Lobby Café	(A\$ '000)	Remarks
NPI per annum	28	Based on 50% indirect interest
CAPEX	100	Based on 50% indirect interest and exclude contributions from tenant
Return on investment	28%	Tenant signed a 6 year lease with annual CPI review

FCOT's developer–sponsor, providing quality assets for sustainable growth pipeline



Property	Alexandra Point	Valley Point
Description	24-storey office building	20-storey office tower with a two-storey retail podium
Net Lettable Area (NLA)	198,436 sq ft (18,435 sqm)	222,246 sq ft (20,647 sq m) Office – 82.1%, Retail – 17.9%
Key Tenants	<ul style="list-style-type: none"> ▪ Procter & Gamble ▪ Fraser & Neave ▪ American Bureau of Shipping 	<ul style="list-style-type: none"> ▪ Manulife ▪ Olympus ▪ Sharp Electronics
Car Spaces	186 lots	346 lots
Valuation (S\$m)¹	154	188.1
Committed Occupancy	96.7%	Office – 96.9%, Retail – 100%

¹ As at 31 March 2011

1. Stability of income

2. Solid fundamentals

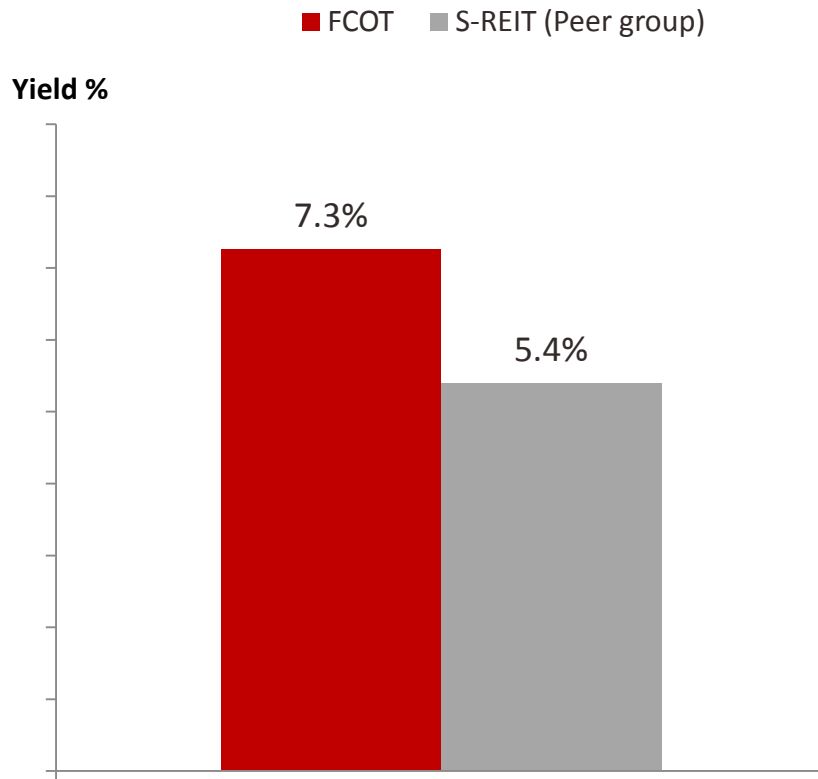
3. Attractive valuation

→ Attractive trading yield

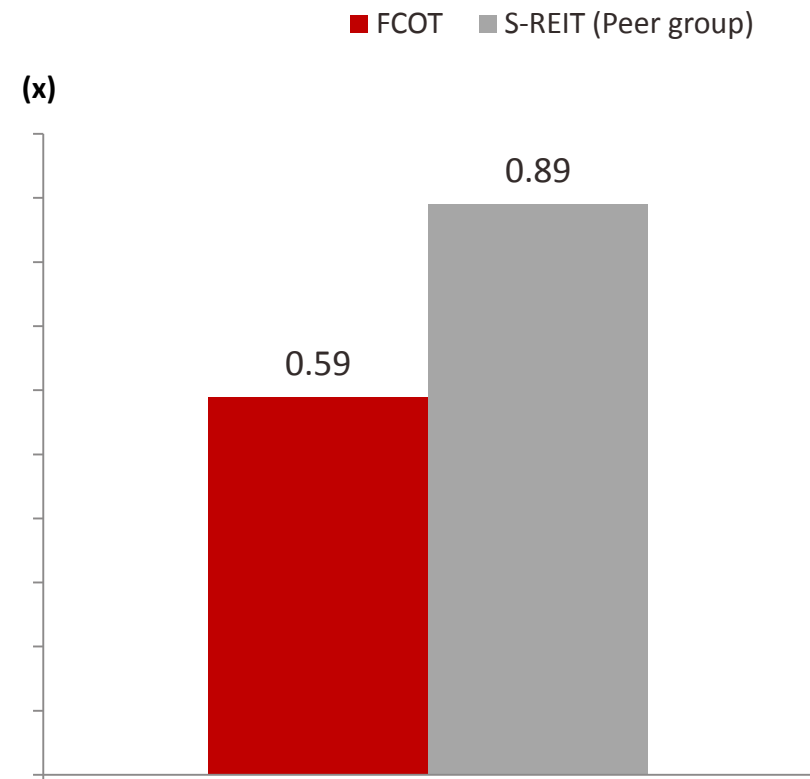
4. Growth strategy

Trading at attractive yield & discount to NAV

Yield¹ returns compared to S-REIT (Peer group)²



Price/NAV (x) compared to S-REIT (Peer group)²



1 Based on annualised DPU of 5.74 (c) /FCOT closing price as at 6 May 2011

2 Based on office REITs listed on Singapore Exchange Securities Trading Limited. As at 6 May 2011. Source: Bloomberg

1. Stability of income

2. Solid fundamentals

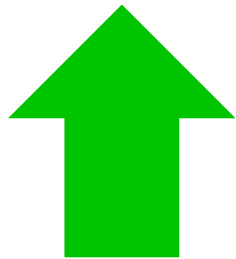
3. Attractive valuation

4. Growth strategy

→ Growth drivers

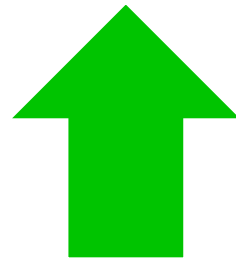
Growth Drivers

Distributable Income



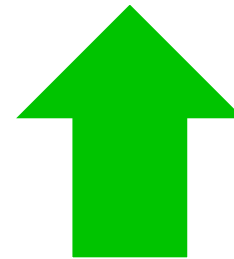
**Healthy Committed
Occupancy Boost
NPI**

Central Park – 100.0%
55 Market Street – 95.8%
KeyPoint – 87.4%



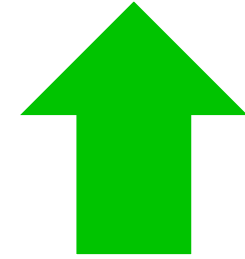
Organic Growth

Step – up Rents
-Singapore
- Australia



Potential Savings

Capitalise on prevailing
low interest rate
environment



Acquisitions

Additional headroom
created as a result of
Cosmo & AWPf
divestment



Supplementary materials





Property	China Square Central	55 Market Street	KeyPoint	Alexandra Technopark	Central Park ¹
Address	18,20 & 22 Cross Street, Marsh & McLennan Centre & China Square Central Singapore 048423/2/1	55 Market Street, Singapore 048941	371 Beach Road, Singapore 199597	438A/438B Alexandra Road Singapore 119967/8	152-158 St Georges Terrace Perth, Australia
Tenure	Leasehold 99 years commencing February 1997	Leasehold 999 years commencing April 1826	Leasehold 99 years commencing January 1976	Leasehold 99 years commencing August 2009	Freehold
Net lettable area (NLA)	368,238 sq ft (34,210 sqm)	72,109 sq ft (6,699 sqm)	310,142 sq ft (28,813 sqm)	1,048,950 sq ft (97,451 sqm)	356,770 sq ft (33,145 sqm)
Car spaces	394	Nil	227	905	421
Occupancy rate	100.0%	95.8%	85.6%	100.0%	100.0%
Valuation ² (31 Mar 2011)	S\$545.0 million	S\$119.7 million	S\$283.0 million	S\$351.2 million	AS\$288.3 million (S\$365.0 million)

1 Represents FrasersComm's 50.0% indirect interest in the asset.

2 Translated at A\$1.00 = S\$1.2663 being the prevailing spot rates at close of quarter accounts.



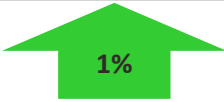
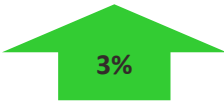

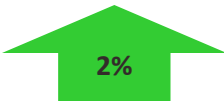
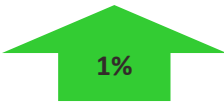
Property	Caroline Chisholm Centre ¹	Azabu Aco Building	Galleria Otemae Building	Ebara Techno-Serve Headquarters Building
Address	Block 4 Section 13, Tuggeranong ACT 2900	Number 32-7, Higashi-Azabu 2 Chome, Minato-Ku, Tokyo	Number 2, Tanimachi 2-chome, Chuo-ku, Osaka-shi, Osaka-fu	Number 1-1, Haneda 5 Chome, Ota-ku, Tokyo
Tenure	Leasehold 99 years commencing June 2002	Shoyu-ken*	Shoyu-ken*	Shoyu-ken*
Net lettable area (NLA)	216,591 sq ft (20,122 sqm)	15,944 sq ft (1,481 sqm)	108,509 sq ft (10,081 sqm)	52,050 sq ft (4,836 sqm)
Car spaces	1,093	2	48	20
Occupancy rate	100.0%	100.0%	88.7%	100.0%
Valuation ² (31 Mar 2011)	A\$90.0 million (S\$114.0 million)	¥1.43 billion (S\$22.4 million)	¥4.74 billion (S\$74.3 million)	¥2.42 billion (S\$37.9 million)

1 Represents FrasersComm's 50.0% indirect interest in the asset.

2 Translated at ¥63.86 = S\$1.00 and A\$1.00 = S\$1.2663 being the prevailing spot rates at close of quarter accounts.



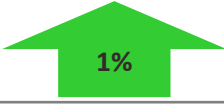
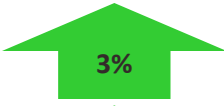
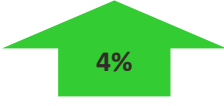
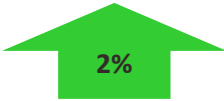
*Ownership rights under Japanese law, similar to Freehold

2Q distributable income up 2% Y-o-Y

1 Jan 2011 – 31 Mar 2011 (S\$ '000)	2Q FY11	Y-o-Y Change (%)	Contributing factors
Gross Revenue	29,626	-	<ul style="list-style-type: none"> Higher contribution from Central Park and KeyPoint was offset by loss of contribution from Cosmo Plaza
Net Property Income	23,847		<ul style="list-style-type: none"> Higher contribution from Central Park and KeyPoint; lower property operating expenses achieved
Net Property Income (Ex-Cosmo)	23,868		<ul style="list-style-type: none"> Higher contribution from Central Park and KeyPoint; lower property operating expenses achieved
Total distributable income	14,722		<ul style="list-style-type: none"> Increase in NPI carried through to total distributable income
- Unitholders	10,077		<ul style="list-style-type: none"> Attributable to increase in total distributable income
- CPPU holders	4,645	-	<ul style="list-style-type: none"> Full quarter distribution for CPPU holders
Distribution per CPPU Unit (Cents)	1.36	-	<ul style="list-style-type: none"> Full quarter distribution for CPPU holders
DPU (cents per Unit) ¹	1.61		<ul style="list-style-type: none"> DPU increased Y-o-Y in line with distributable income

¹ The number of Units used to calculate the DPU has been adjusted for the effect of the consolidation of every five existing Units (the "Unit Consolidation") held by the Unitholders into one consolidated Unit pursuant to the completion of the Unit Consolidation on 11 February 2011.

1H results lifted by improvement in 2Q

1 Oct 2010 – 31 Mar 2011 (S\$ '000)	1H FY11	Y-o-Y Change (%)	Contributing factors
Gross Revenue	58,607	 1%	<ul style="list-style-type: none"> Higher contribution from the strengthening of the A\$ and KeyPoint was offset by loss of contribution from Cosmo Plaza
Net Property Income	46,793	 1%	<ul style="list-style-type: none"> Higher contribution from the strengthening of the A\$ and KeyPoint was offset by loss of contribution from Cosmo Plaza
Net Property Income (Ex-Cosmo)	47,045	 1%	<ul style="list-style-type: none"> Higher contribution from the strengthening of the A\$, Central Park and KeyPoint
Total distributable income	27,366	 3%	<ul style="list-style-type: none"> Absence of loss from realisation of forward contract incurred in the prior period
- Unitholders	17,973	 4%	<ul style="list-style-type: none"> Attributable to increase in total distributable income
- CPPU holders	9,393	-	<ul style="list-style-type: none"> Full half-year distribution for CPPU holders
Distribution per CPPU Unit (Cents)	2.74	-	<ul style="list-style-type: none"> Full half-year distribution for CPPU holders
DPU (cents per Unit) ¹	2.86	 2%	<ul style="list-style-type: none"> DPU increased Y-o-Y in line with distributable income

¹ The number of Units used to calculate the DPU has been adjusted for the effect of the Unit Consolidation.

Thank you

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