

# Frasers Centrepoint Trust

## 4Q11 Investor Presentation

17 August 2011



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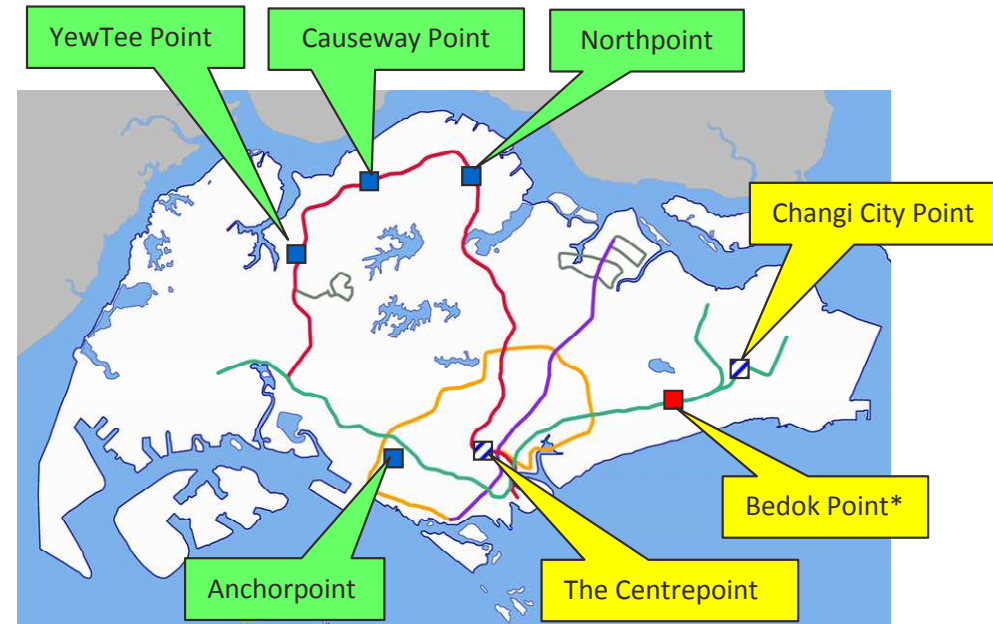
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- FCT Overview
- Key Updates and 3Q I I Results
- 3Q I I Operating Performance
- Causeway Point Refurbishment Update
- Growth Strategy
- Summary

# FCT Overview

## Frasers Centrepoint Trust

- The ONLY pure-play suburban retail mall S-REIT listed on SGX-ST
- Market cap of S\$1.127 billion<sup>1</sup>
- Singapore portfolio currently comprises 4 quality suburban retail malls with an aggregate NLA of 798,795 sq ft<sup>2</sup> and committed occupancy of 96.6%<sup>2</sup>
- Exposure to the stable and resilient suburban retail market that underpins steady rental and occupancy
- FCT malls are well-located with excellent public transport connection, draws shopper traffic mainly from densely populated trade area within 3-5km radius







- : Existing Portfolio
- (hatched) : Sponsor Malls
- (red) : Proposed Acquisition
- : SMRT routes (multi-colored)

\* FCT announced on 29 July 2011 the conditional agreement to purchase Bedok Point for S\$127 million

1. Base on closing price of S\$1.46 on 16 August 2011
2. As at 30 June 2011

## Portfolio of 4 quality suburban malls in Singapore

	Causeway Point	Northpoint	YewTee Point	Anchorpoint	Aggregate
Asset in FCT Portfolio					-
Net Lettable Area <sup>1</sup>	418,542 sq ft	235,522 sq ft	73,120 sq ft	71,610 sq ft	798,795 sq ft
Committed Leases <sup>1</sup>	203	189	80	67	539
Connectivity	MRT station & bus interchange	MRT station & bus interchange	MRT station & bus stop	Bus stop & shuttle bus service	-
Committed Occupancy <sup>1</sup>	94.7%	99.6%	96.2%	98.1%	96.6%
Tenure	99 years (expires 2094)	99 years (expires 2089)	99 years (expires 2105)	Freehold	-
Appraised Value <sup>2</sup>	S\$730.0 million	S\$503.0 million	S\$130.0 million	S\$76.0 million	S\$1439.0 million

1. As at 30 June 2011
2. As at 30 Sep 2010



## FCT portfolio includes 3 quality Malaysian malls

### Summary

FCT stake in Hektar REIT: 31%

Book value of Hektar REIT : S\$54.3m

FY10 distribution from Hektar REIT: S\$4.0m

### Malaysian portfolio overview

NLA: 1.1m sq ft

Portfolio occupancy<sup>1</sup>: 96%

Appraised value<sup>2</sup>: RM720m

### Investment merits

- ✓ Attractive long term growth potential of Malaysian retail market
- ✓ 3 quality suburban malls with defensive cashflows
- ✓ Tax efficient investment structure

Subang Parade (Subang)



Mahkota Parade (Melaka)



Wetex Parade (Muar)



1. As at 30 September 2010.  
2. As at 2 February 2010.

# Key Updates and 3Q11 Results



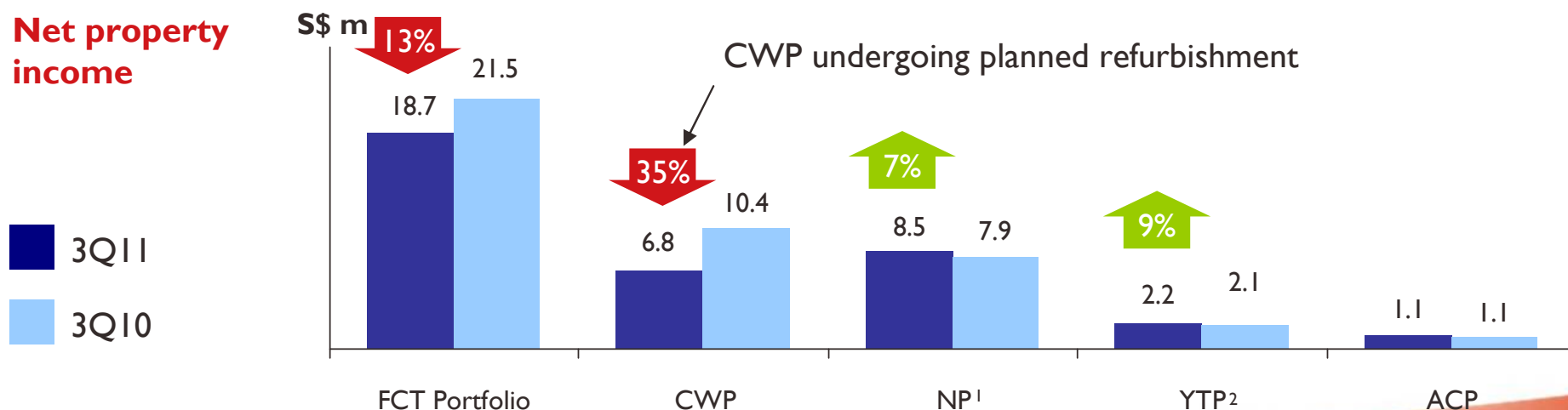
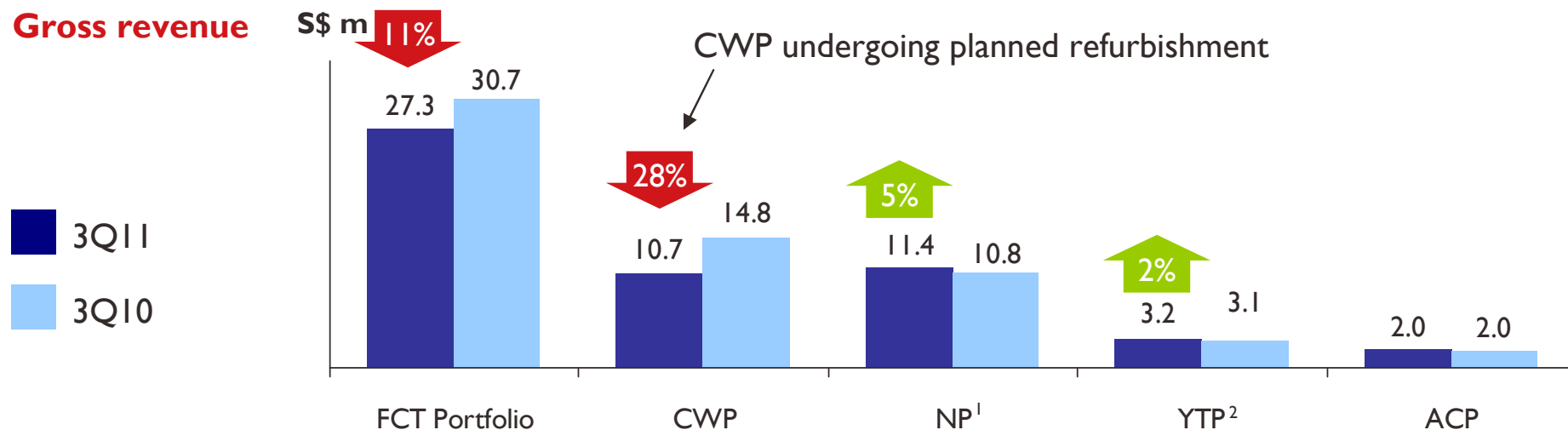
## Steady performance, poised for growth

- **Delivered steady performance in 3Q11 and announced 3Q11 DPU of 1.95 S cts**
- **Signed conditional sale and purchase agreement on 29 July 2011 to purchase Bedok Point for S\$127 million**
  - Bedok Point will be the 5<sup>th</sup> mall to be added to FCT's Singapore portfolio and the acquisition will boost FCT's portfolio size to S\$1.66 billion from S\$1.53 billion
- **Causeway Point: Completed 51.5% of the refurbishment work; occupancy and income contribution swinging back up**
- **Refinanced S\$260 million CMBS (interest: 4.12% pa) on 5 July 2011 with a secured 5-year term loan (interest: 5 year SOR + 0.95% interest margin)**
- **S&P reaffirmed FCT's 'BBB+' (stable) and upgraded its MTN to 'BBB+' from 'BBB'**

## 3Q11 lower yoy on weaker contribution from Causeway Point due to refurbishment






Apr – Jun 11 (\$ '000)	3Q11	Y-o-Y Change (%)	Highlights
Gross Revenue	27,300	↓ 11%	<ul style="list-style-type: none"> <li>Weaker contribution from Causeway Point undergoing planned refurbishment, Causeway Point gross revenue 28% lower year-on-year</li> </ul>
Less Property Expenses	8,645	↓ 6%	
Net Property Income	18,655	↓ 13%	<ul style="list-style-type: none"> <li>Weaker contribution from Causeway Point, NPI from Causeway Point 35% lower year-on-year</li> </ul>
Income available for distribution	14,757	↓ 10%	
DPU	1.95¢	↓ 6%	<ul style="list-style-type: none"> <li>Included a release of S\$0.3m retained from the previous quarter.</li> </ul>

## 3QII gross revenue & net property income by property



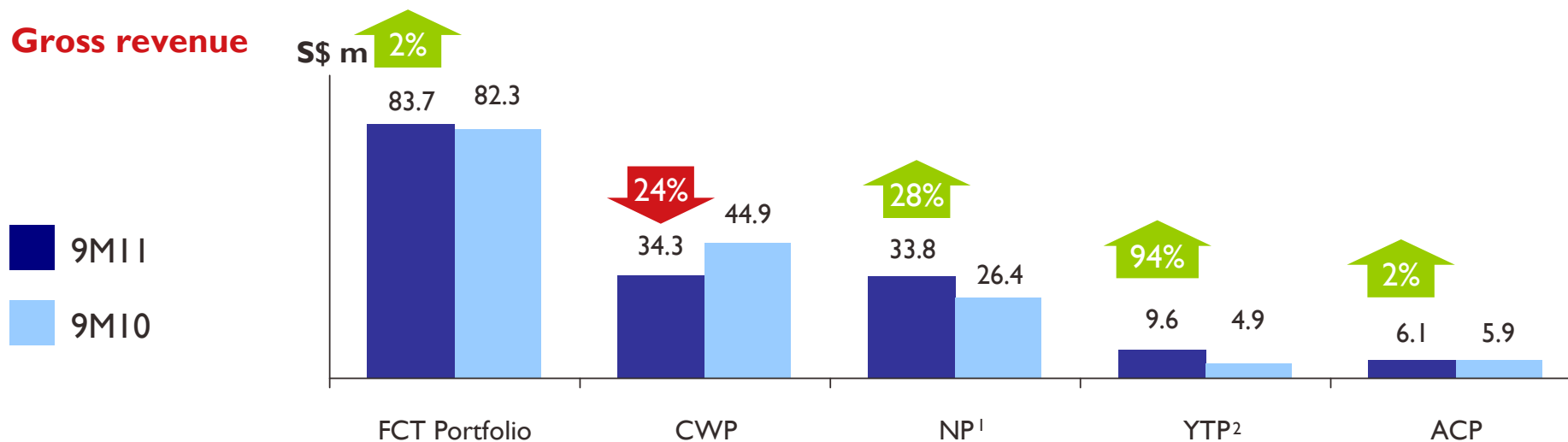
1. Aggregate results of Northpoint 1 and Northpoint 2 (acquired on 5 Feb 2010).
2. YewTee Point was acquired on 5 Feb 2010.
3. Any discrepancy between individual amount and the aggregate is due to rounding. Percentage change calculations are based on amounts before rounding.

## Steady 9M11 performance; stronger contributions from other malls mitigated impact from Causeway Point refurbishment

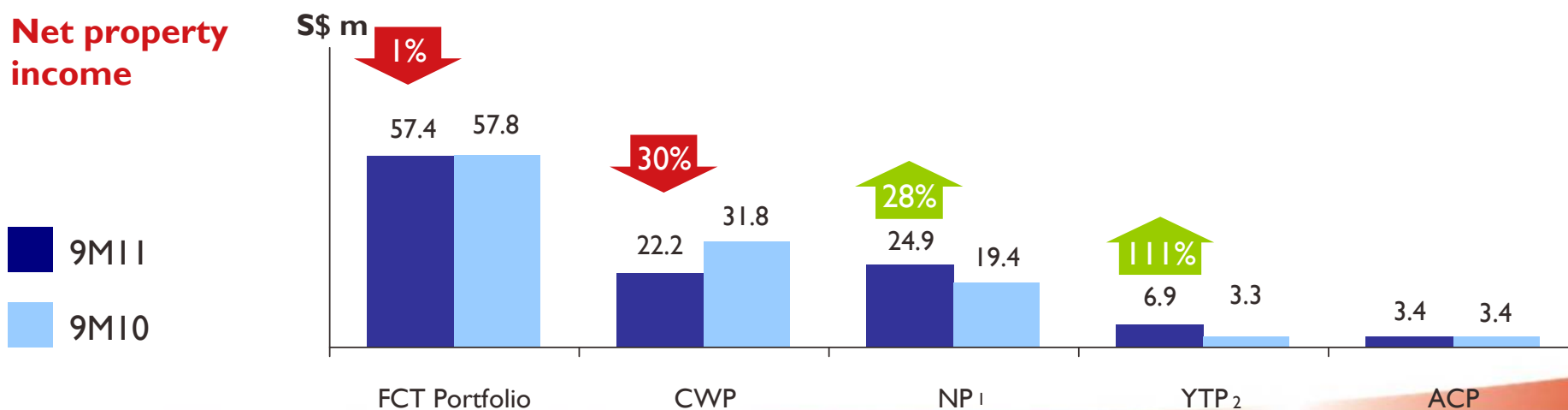
Oct 10 - Jun 11 (\$ '000)	9M11	Y-o-Y Change (%)	Highlights
Gross Revenue	83,739	 2%	<ul style="list-style-type: none"> <li>Stronger revenue contributions from other malls mitigated the revenue decline from CWP</li> </ul>
Less Property Expenses	26,379	 8%	<ul style="list-style-type: none"> <li>Due to consolidation of NP2 and YTP expenses</li> </ul>
Net Property Income	57,360	 1%	
Income available for distribution	46,048	 4%	
DPU	5.97¢	 1%	

## 9MII gross revenue & net property income by property

### Gross revenue



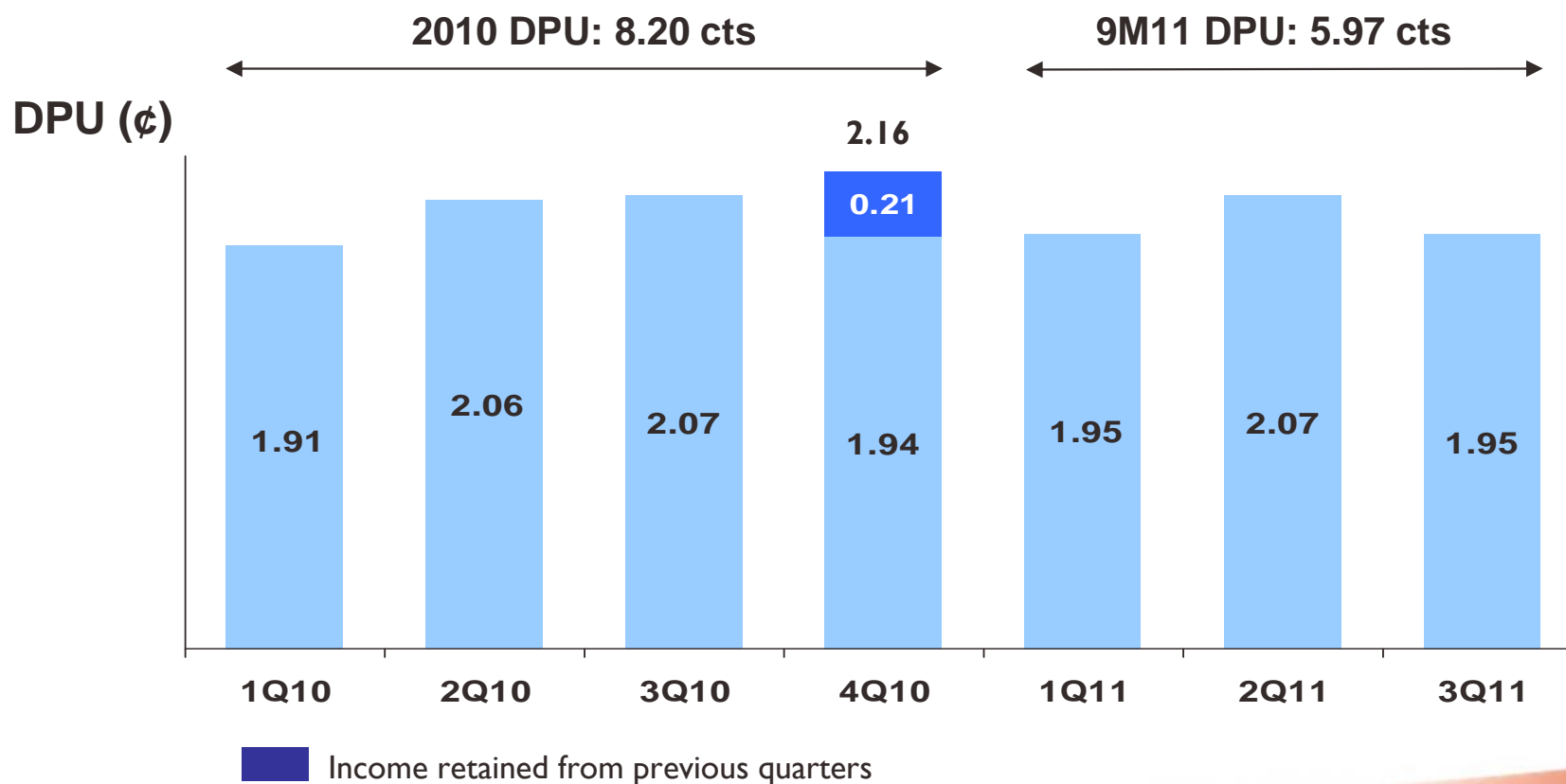
### Net property income



1. Aggregate results of Northpoint 1 and Northpoint 2 (acquired on 5 Feb 2010).
2. YewTee Point was acquired on 5 Feb 2010.
3. Any discrepancy between individual amount and the aggregate is due to rounding. Percentage change calculations are based on actual amounts before rounding.




**Continues to deliver steady returns; expects 2011 full year DPU to be comparable to prior year**

**Quarterly DPU payout trend**





## Maintaining a healthy balance sheet

As at	30 June 2011	30 Sep 2010	Change
Total assets	\$1,532.3m	\$1,516.2m	 1.1%
Net assets	\$983.1m	\$989.3m	 0.6%
Total units in issue	770,428,030 <sup>1</sup>	767,276,572 <sup>2</sup>	-
NAV per unit	\$1.28 <sup>3</sup>	\$1.29 <sup>4</sup>	 0.8%

1. Excludes 1,388,554 issuable units in partial payment of 3Q11 mgmt fees.
2. Excludes 296,433 issuable units in partial payment of 4Q10 mgmt fees.
3. Computed on the basis of issued units of 771,816,584, including issuable units (which have not been issued) as at the stated date.
4. Computed on the basis of issued units of 767,573,005, including issuable units (which have not been issued) as at the stated date.

- **Refinanced \$260m CMBS with 5-year term loan on 5 July 2011;**  
**No major refinancing until 2016**

### Debt information

As at 30 Jun 11	
Gearing ratio	31.7%
Interest cover <sup>1</sup>	3.61x
Cost of debt (weighted)	3.83%
Total debt outstanding	\$485m

### Debt Maturity Profile as at 6 July 2011 (after refinancing of CMBS)

	2012	2013	2014	2015	2016
Type	MTN	MTN	MTN	MTN	Secured Term Loan
Amount (\$ m)	75	55	60	25	260
Interest rate	4.80%	2.83%	2.80%	3.50%	5yr SOR + 95bps <sup>3</sup>
Rating <sup>2</sup>	BBB+	BBB+	BBB+	BBB+	-



1. For quarter ended 30 Jun 2011

2. Standard & Poor's reaffirmed FCT's 'BBB+' corporate rating and upgraded FCT's MTN program to 'BBB+' from 'BBB' on 8 Jul 2011

3. FCT will be entering into hedging arrangements to hedge at least 60% of its interest rate exposure under this loan in Aug/Sep 2011

# 3Q11 Operational performance

## 3Q11 rental reversions

3Q11	No. of renewals / New leases	Net Lettable Area		Increase over preceding rents
		Area (sq ft)	% Total NLA	
Causeway Point	7	4,790	1.1%	-0.7% <sup>1</sup>
Northpoint <sup>2</sup>	7	2,105	0.9%	7.7%
YewTee Point	8	2,552	3.5%	10.0%
Anchorpoint	2	517	0.7%	4.3%
<b>FCT Portfolio</b>	<b>24</b>	<b>9,964</b>	<b>1.2%</b>	<b>3.8%</b>

1. Due to relocation of one high-rental tenant within Causeway Point. If this is excluded, the figure for Causeway Point would have been +12.3%
2. Aggregate rental reversions of Northpoint 1 and Northpoint 2.

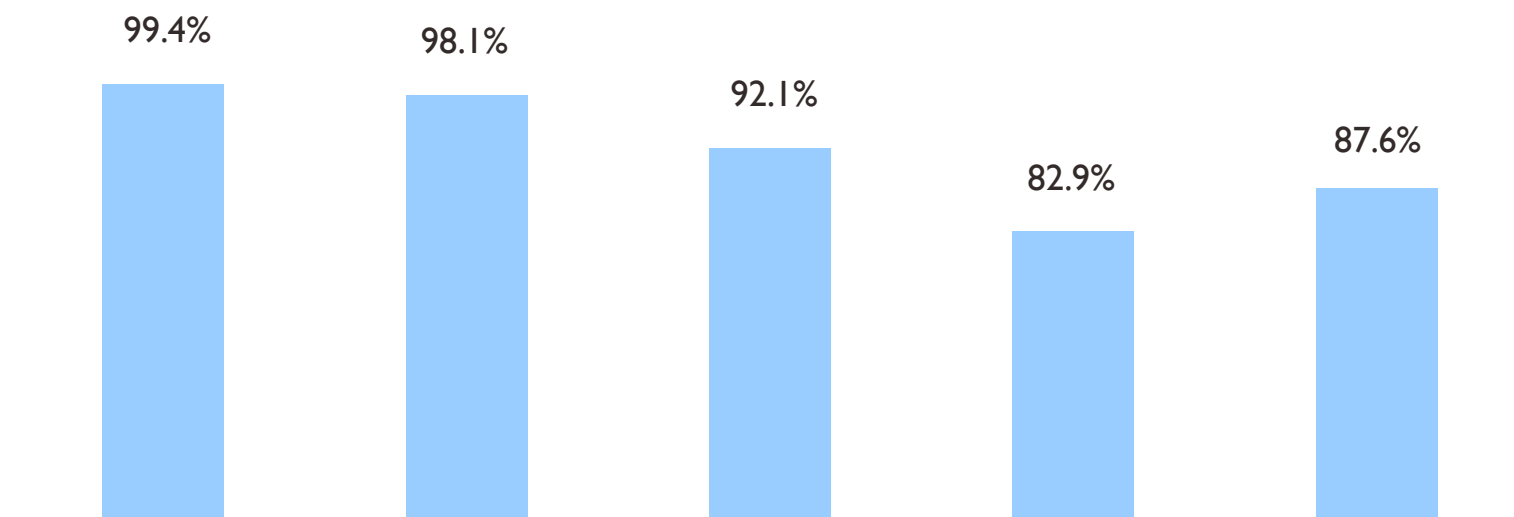
**YTD rental reversions:****Healthy 9% average rental reversion for new leases signed year-to-date**

9M11	No. of renewals / New leases	Net Lettable Area		Increase over preceding rents
		Area (sq ft)	% Total NLA	
Causeway Point	25	16,370	3.9%	7.5% <sup>1</sup>
Northpoint <sup>2</sup>	33	12,228	5.2%	7.5%
YewTee Point	18	7,418	10.1%	7.6%
Anchorpoint	19	14,953	20.9%	16.1%
<b>FCT Portfolio</b>	<b>95</b>	<b>50,969</b>	<b>6.4%</b>	<b>8.9%</b>

1. Due to relocation of one high-rental tenant within Causeway Point. If this is excluded, the figure for Causeway Point would have been +12.6%
2. Aggregate rental reversions of Northpoint 1 and Northpoint 2.

## Maintaining healthy portfolio occupancy

**FCT portfolio  
occupancy**



Occupancy <sup>1</sup>	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11
Causeway Point	100.0%	97.2% <sup>2</sup>	86.1% <sup>2</sup>	69.0% <sup>2</sup>	78.3% <sup>2</sup>
Northpoint <sup>3</sup>	99.1%	99.3%	99.1%	99.1%	98.4%
YewTee Point	98.3%	98.3%	98.5%	95.8%	95.6%
Anchorpoint	98.6%	98.8%	97.8%	97.6%	97.6%

1. All occupancies presented are as at the end of respective periods.
2. Occupancy affected by mall refurbishment.
3. Aggregate occupancy of Northpoint 1 and Northpoint 2.



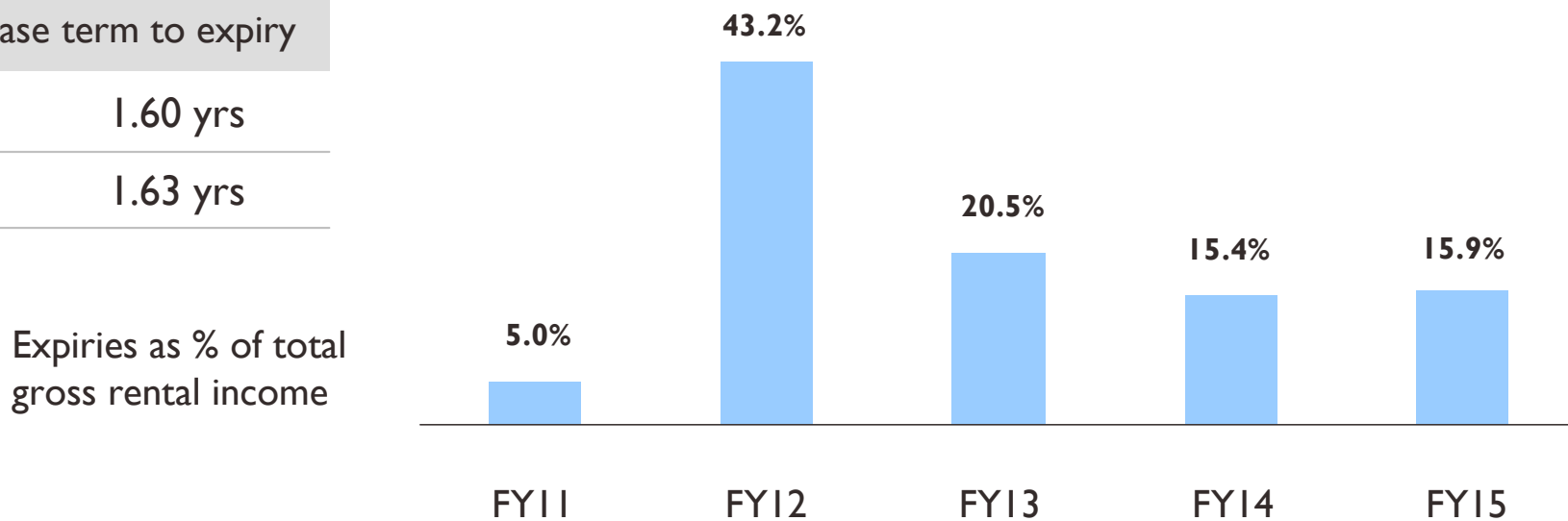
## Well-staggered lease expiry profile

### Lease expiry profile<sup>1</sup> (as at 30 Jun 2011)

Weighted avg lease term to expiry

By NLA 1.60 yrs

By Gross rent 1.63 yrs



Expiries as % of total gross rental income

	FY11	FY12	FY13	FY14	FY15
Number of leases expiring	39	154	143	109	27
NLA (sq ft) expiring	35,262	302,219	143,541	107,484	110,945
Expiries as % of total NLA	5.0%	43.2%	20.5%	15.4%	15.9%

1. Calculations exclude vacant floor area.

# Causeway Point Refurbishment Update

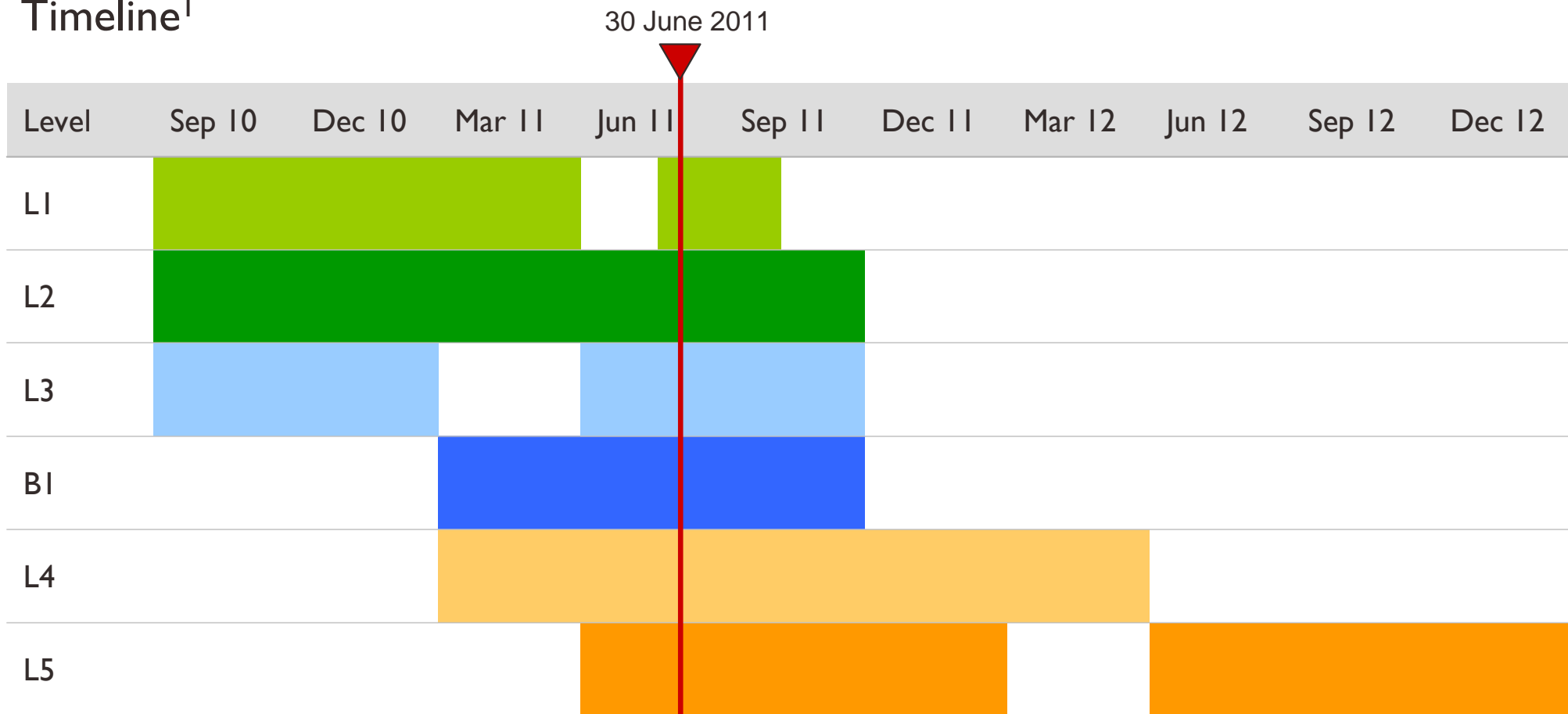
## Summary

- 51.5% of works completed as at June 2011; moving out of the most intense phase
- Refurbished sections at basement level, Level 1 & 2, have opened for trading, drawing strong shopper traffic and positive feedback.
- Occupancy swinging back to 78% in June from the low of 69% in March
- Projected average rental per square foot after completion of refurbishment to improve by 20% to \$12.2 psf from \$10.2 psf



**Causeway Point refurbishment works 51.5% completed @ 30 June 2011**  
**Full completion scheduled December 2012**

Timeline<sup>1</sup>



1. Indicative timing, subject to changes.



New kiosks at Basement



Supermarket store at Basement



Completed works at Level 1



New Tenants at Level 1



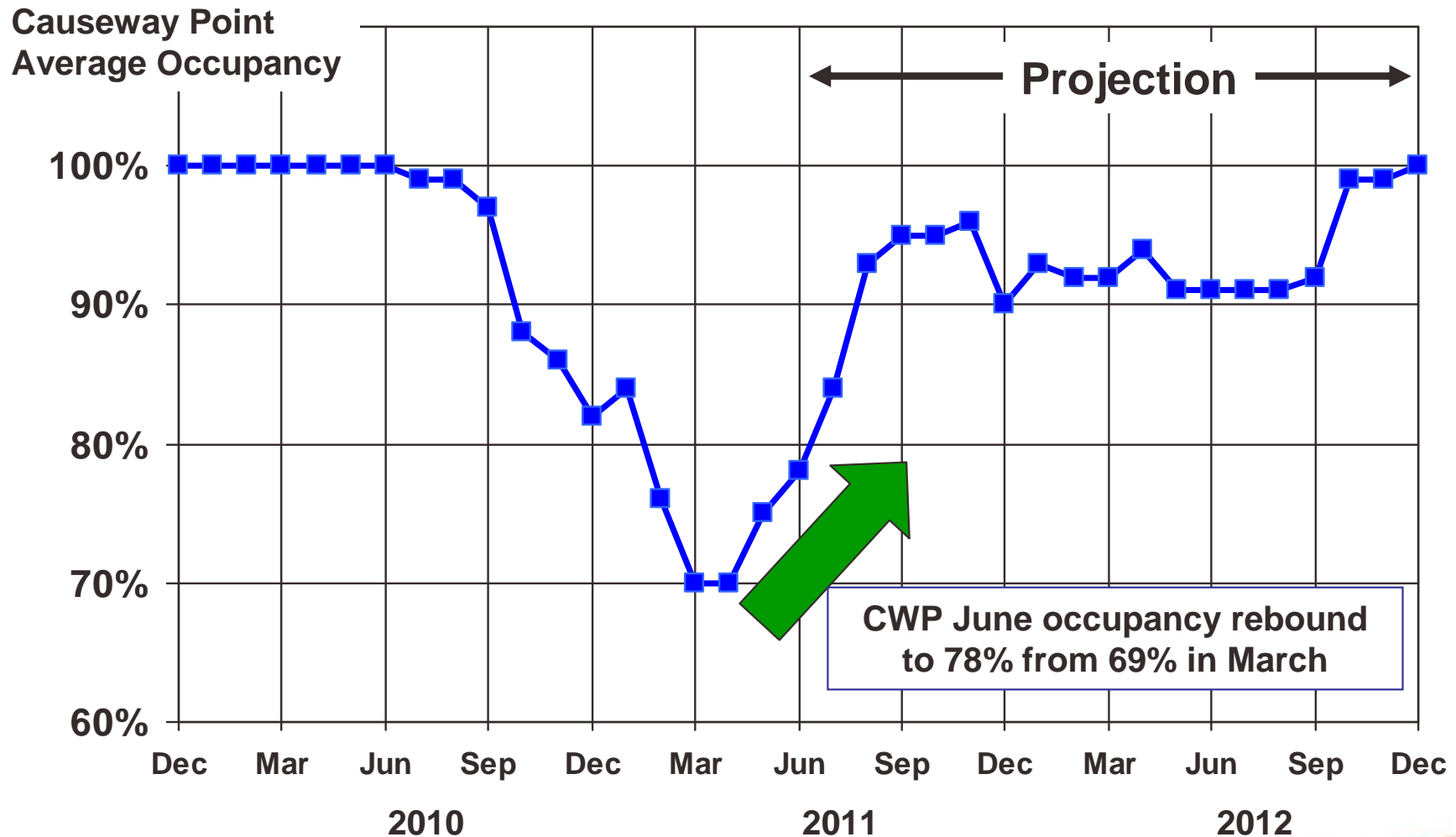


New Tenants at Level 2







## CWP occupancy rate swinging back up strongly, projected to stay at 90% and above from August 2011 onwards



## Refurbishment expected to add \$162 million to Causeway Point's capital value

### Financials

	Before AEI	Projected after AEI	Change	
Average rent per sq ft	\$10.2	\$12.2	 20%	Through reconfiguring big boxes & improving tenant mix
NPI	\$42.2m	\$51.5m	 22%	Incremental NPI of \$9.3m
Capex	-	\$71.8m	-	
ROI	-	13.0%	-	
Capital value of AEI (5.75% cap rate)	-	\$161.7m		
Net value creation	-	\$89.9m		

# Growth Strategy

## Three growth strategies

Strategy

1

### **Acquisition growth**

Acquire third-party malls and pipeline assets held by Sponsor FCL

2

### **Enhancement growth**

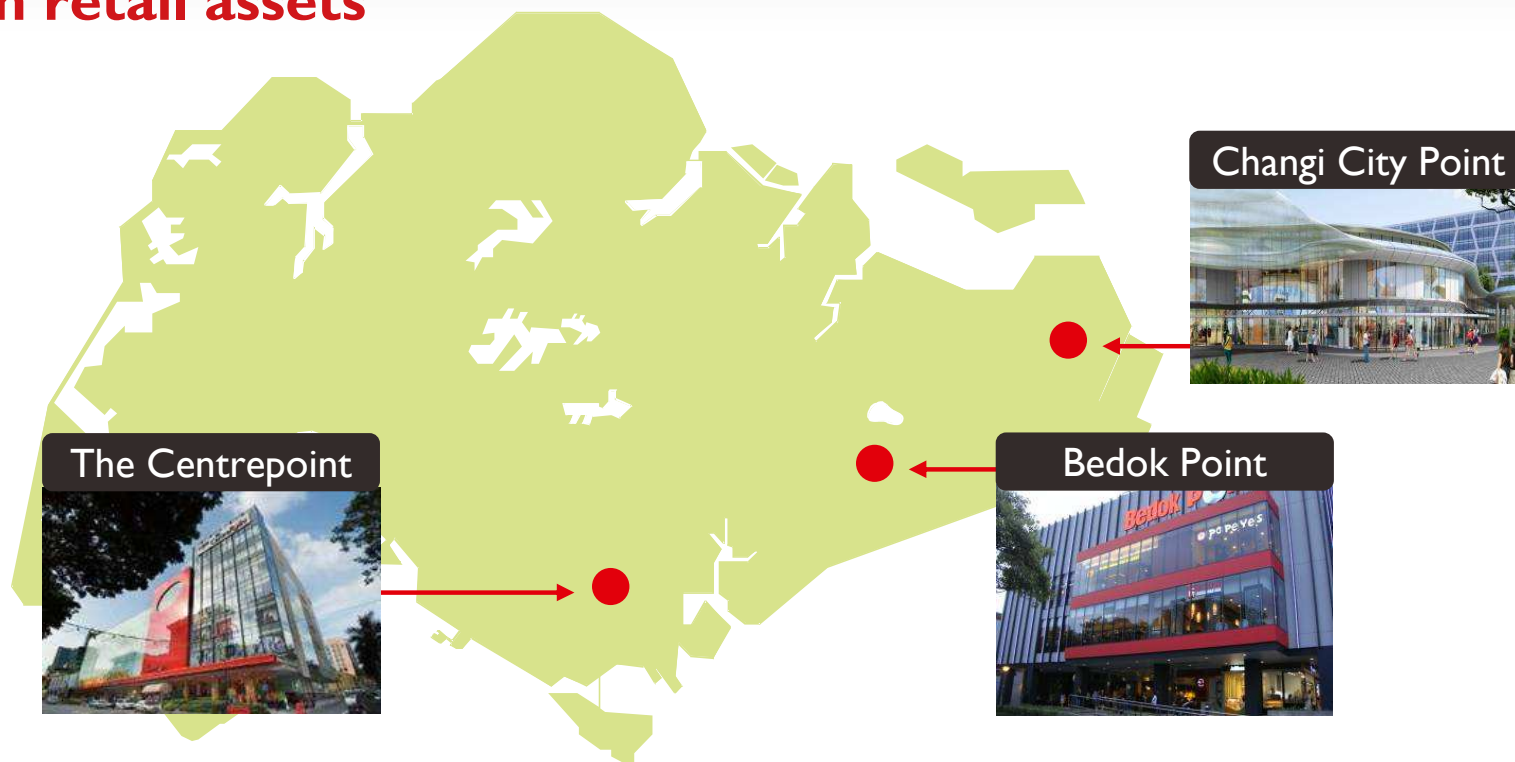
Refurbish existing malls to enhance property yield and shoppers' experience

3

### **Organic growth**

Improve rental yields with step-up rent, gross turnover (GTO) and other lease management initiatives

## Sponsor's main retail assets



	NLA (sf)	MRT station	Est. completion	Est. catchment population
Changi City Point	207,479	Expo	2H11	600,000
Bedok Point	80,985	Bedok	Completed	295,000
The Centrepoint	395,315	Somerset	Completed	4,987,600
<b>Total</b>	<b>683,779</b>	-	-	-

## Proposed Acquisition of Bedok Point

- **FCT announced on 29 July 2011 the conditional agreement to purchase Bedok Point for S\$127 million**
- 5<sup>th</sup> mall to be added to FCT's Singapore portfolio
  - Boosts FCT's portfolio size to S\$1.66 billion from S\$1.53 billion
  - Reinforces FCT's position as a pure-play suburban retail mall
  - Unitholders expected to enjoy higher DPU, in combination with an optimal debt/equity structure to be determined by the Manager
- **About Bedok Point**
- First fully enclosed mall in Bedok
  - 4-storey and 2 basement levels offering exciting array of F&B, entertainment, personal care, retail etc.
  - Key tenants: Challenger, K Box, TZ-Active, Paradise Inn, Sushi Tei, The Manhattan FISH MARKET
  - TOP in Nov 2010, commenced operations in Dec 2010
  - NLA: 80,985 sq ft
  - Committed occupancy @ 30 June 2011: 97.4%








## Outstanding track record of growth from asset enhancement initiatives (AEI)

Causeway Point is projected to deliver an improvement of S\$9.3m (+22%) in NPI after the completion of the AEI

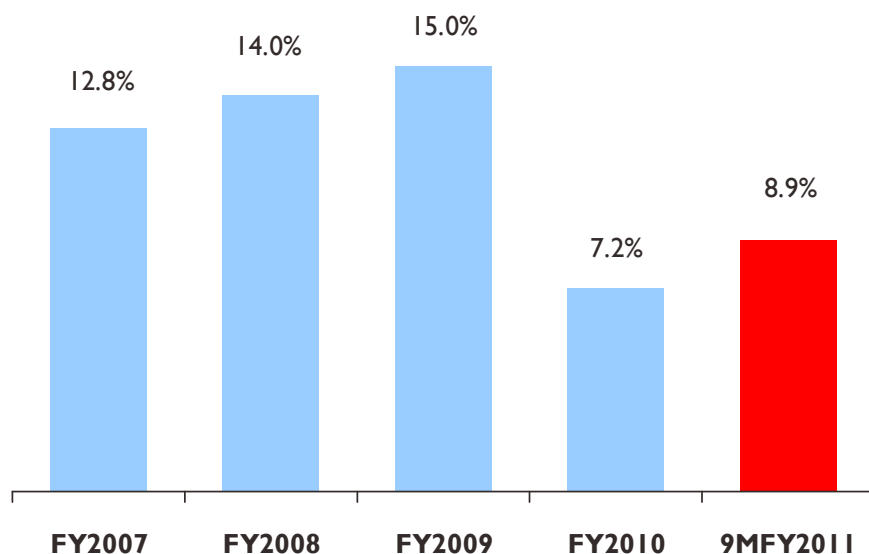
### Track record of completed AEI projects

Mall	NPI before revamp (\$ m)	FY2010 NPI <sup>I</sup> (\$ m)	Change (\$ m)	Change
Anchorpoint	1.7	4.4	2.7	 159%
Northpoint I	13.9	20.7	6.8	 49%
Total	15.6	25.1	9.5	 61%

I. Excluding the effects of FRS 39 accounting adjustments.

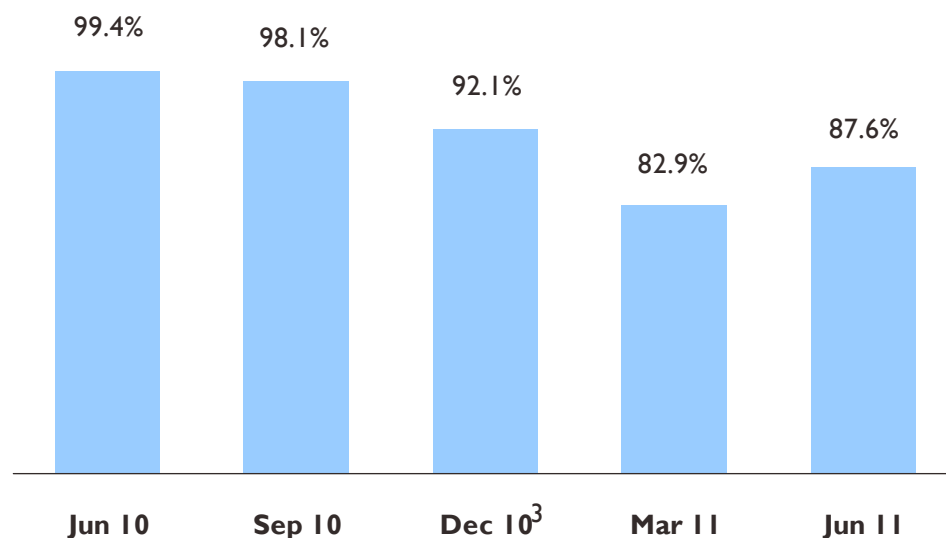
## Delivering growth from existing portfolio: Positive rental reversion + Healthy occupancy

**Increase in rents over preceding rates<sup>1</sup>**



1. Excludes short term extensions to leases in Anchorpoint, Northpoint & Causeway Point arising from AEI

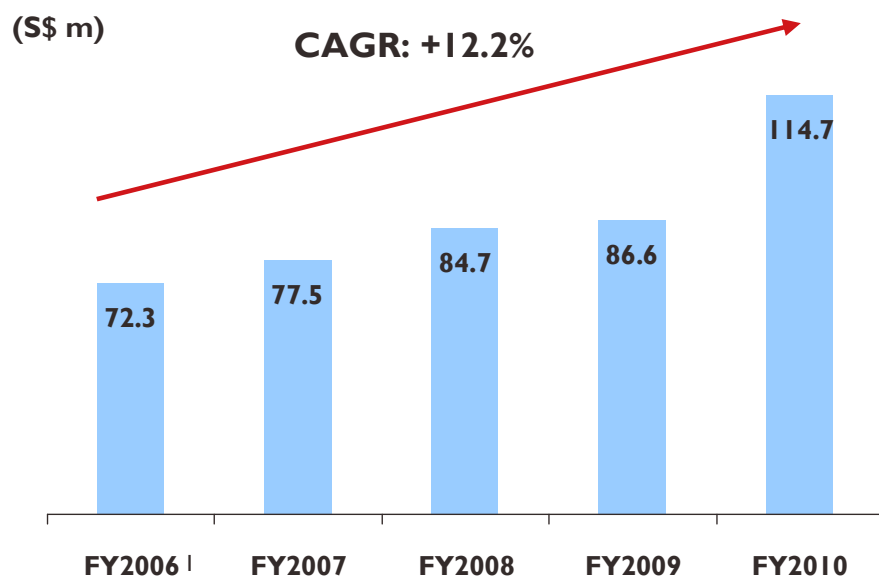
**FCT portfolio occupancy<sup>2</sup>**



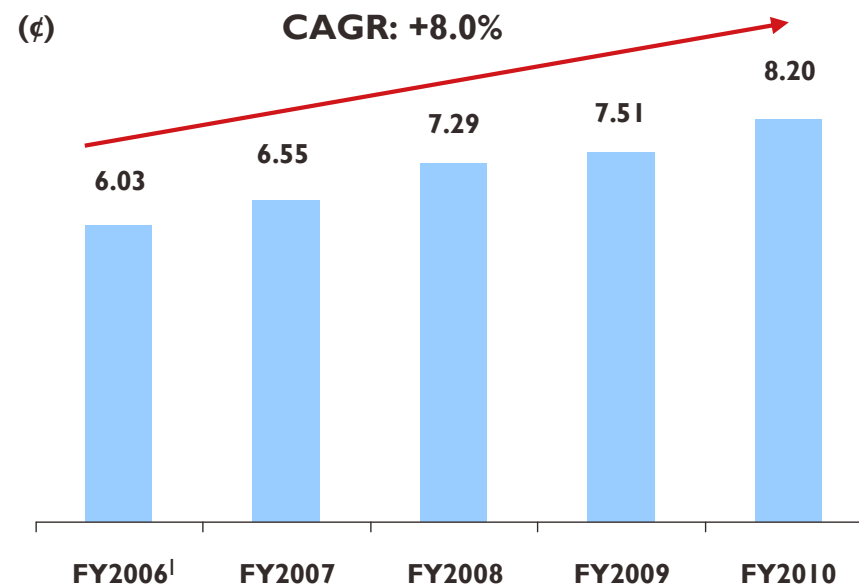
2. All occupancies presented are as at the end of respective periods.
3. Decrease in occupancy from Dec 10 affected by refurbishment works at Causeway Point

## Delivering strong and consistent performance since listing

### Gross revenue



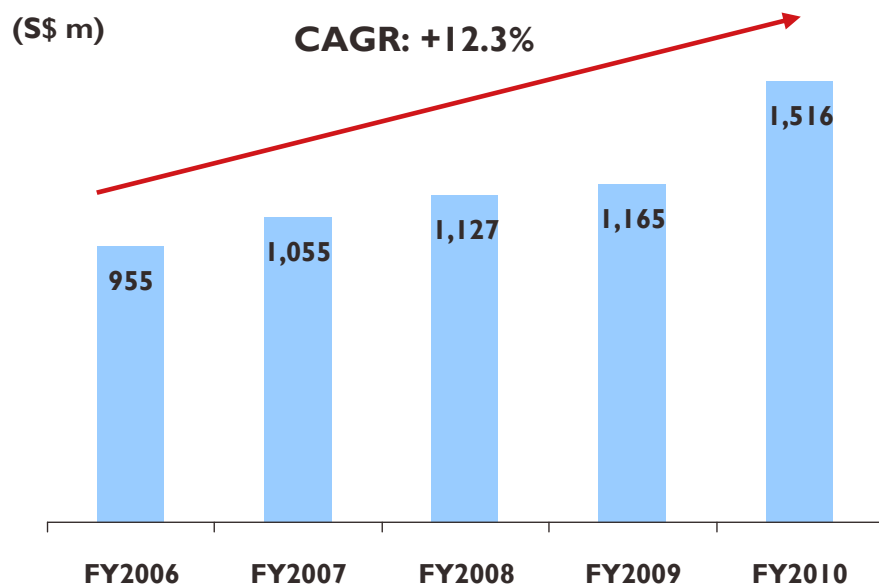
### DPU



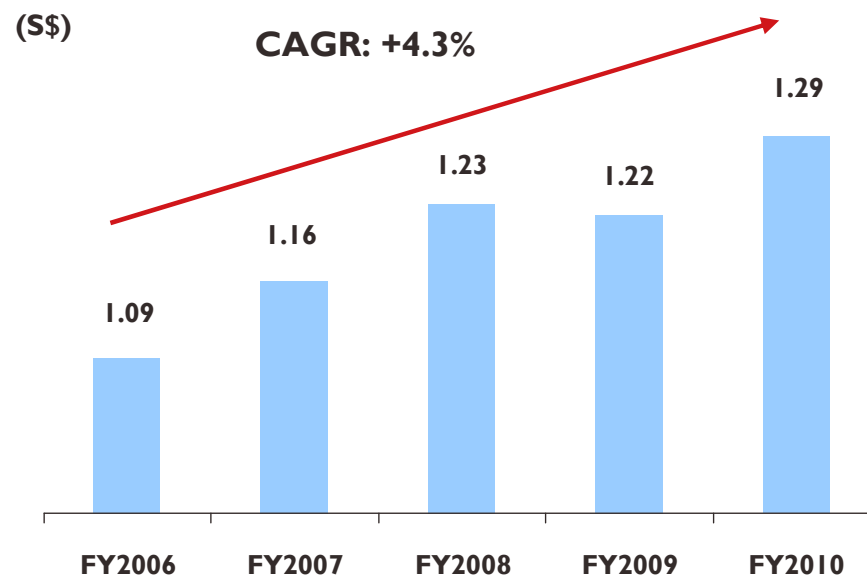
1. FY2006 data computed by annualising 4Q06 results.

## Value creation reflected in FCT portfolio valuation & NAV

### Total Assets



### NAV



# Summary

## FCT: High yielding investment with clear growth outlook

### Investment merits

1

High dividend yield with resilience to downside

- 5.62% DPU yield<sup>1</sup> vs 10-year government bond yield of 1.754%<sup>2</sup>
- Resilient cash flow supported by high portfolio occupancy

2

Steady growth record

- +8% CAGR in DPU since listing
- +12% CAGR in total assets since listing

3

Clear growth trajectory

- Acquisition growth: Acquisition of Bedok Point
- Enhancement growth – refurbishment of Causeway Point to provide sustainable income growth
- Organic growth – steady rental reversions + healthy portfolio occupancy

1. Based on closing price of \$1.46 on 16 August 2011 and FY2010 DPU of 8.2¢

2. Singapore government's 10-year bond yield as at 16 August 2011.



# Thank you

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