

**PRESS RELEASE**
*For Immediate Release*

## FCOT achieved 11% growth in distributable income in 2QFY12

<b>Summary of FCOT's 2Q and Half Year FY12 Results</b>	1/1/12 – 31/3/12 (2Q FY12)	1/1/11 – 31/3/11 (2Q FY11)	Change (%)	1/10/11 – 31/3/12 (1H FY12)	1/10/10 – 31/3/11 (1H FY11)	Change (%)
Gross Revenue (S\$'000)	30,874	29,626	4	61,535	58,607	5
Net Property Income (S\$'000)	24,760	23,847	4	49,393	46,793	6
Distribution to CPPU holders (S\$'000)	4,684	4,645	1	9,419	9,393	-
Distribution to Unitholders (S\$'000)	11,174	10,077	11	20,780	17,973	16
Total Distributable Income (S\$'000)	15,858	14,722	8	30,199	27,366	10
Distribution per CPPU Unit	1.37¢	1.36¢	1	2.75¢	2.74¢	-
Distribution Per Unit	1.74¢ <sup>(1)</sup>	1.61¢	8	3.24¢	2.86¢	13

(1) The number of Units used to calculate the amount available for distribution per Unit is 640.9 million.

**Singapore – 19 April 2012** – Frasers Centrepoint Asset Management (Commercial) Ltd (“**FCAMCL**” or the “**Manager**”), the manager of Frasers Commercial Trust (“**FCOT**”, SGX:FrasersComm), is pleased to announce a distributable income of S\$11.2 million for the second quarter ended 31 March 2012 (“**2QFY12**”) and a distribution per unit (“**DPU**”) of 3.2423 cents for the first half of FY12 which represents a 13.2% growth compared to 2.8639 cents a year ago.

Mr Low Chee Wah, Chief Executive Officer of the Manager, said “The robust results and DPU growth achieved were principally driven by good asset performance and lower interest expenses as a result of the partial prepayment and early refinancing of the AUD loan. We are delighted that Central Park in Perth continued to register strong performance due to positive rental reversion as a result of higher rents achieved. In addition, FCOT received its share of profits from the master lessee of China Square Central for the calendar year 2011 due to higher underlying income which was above the master lease rent.

As part of the strategy of reshaping the portfolio, FCOT completed the acquisition of the balance 50% interest in Caroline Chisholm Centre on 13 April 2012 and gain full ownership of a high-quality building at a 12.6% discount to valuation. The additional income from this property will be recorded from next quarter onwards and will contribute to the future growth of the portfolio.”

## **Robust growth in DPU culminating in DPU of 3.2423 cents for 1HFY12**

For the quarter, gross revenue grew 4.2% to S\$30.9 million from S\$29.6 million compared to a year ago. Net property income recorded a 3.8% growth year-on-year to S\$24.8 million. Central Park and China Square Central were the main growth contributors which was attributable to the increase in rentals and share of excess profits respectively.

Total distributable income was up by 7.7% to S\$15.9 million compared to last year as a result of better portfolio performance and lower interest expenses. The income available for distribution to Series A Convertible Perpetual Preferred Units (“CPPU”) holders was S\$4.7 million whilst the distributable income for the quarter was S\$11.2 million, up by 10.9%. Correspondingly, DPU for the quarter increased by 8.1% from a year earlier to 1.74 cents.

A total distribution of 3.2423 cents per Unit and 2.750 cents per CPPU for the first half of FY12 will be paid on 30 May 2012. This represents an annualised yield of 7.4% based on the last closing price of the Units of S\$0.880 on 18 April 2012. The distribution books closure date for both the Units and CPPUs is 27 April 2012.

## **Strong contribution from Singapore and Australian portfolios contributing 93.0% of portfolio net property income**

Average occupancy rates for the portfolio remain strong at 96.1% boosted by healthy occupancy rates for both Singapore and Australian portfolios of 96.6% and 97.5% respectively. In total, approximately 93.0% of portfolio net property income is from Singapore and Australian portfolios while Japanese portfolio provides the balance income.

New leases commenced in the quarter include companies such as Grasshopper Asia, Straits Developments, Koei Entertainment, INCA Law LLC, Corporate Travel Services, Shinryo Singapore, Singapore Retailers Association, Optique Paris Miki, Great Eastern Life Assurance and OKI Data in Singapore as well as Hamersley Iron in Australia.

Portfolio weighted average lease term to expiry (“WALE”) is about 3.4 years, anchored by the long Australian portfolio WALE of 6.7 years.

## **Central Park recorded 12% net property income growth year-on-year**

Central Park achieved a robust net property income growth of 12.0% year-on-year to S\$6.5 million on account of higher signing rents recorded driven by strong demand from resource related tenants. According to CBRE<sup>1</sup>, the Perth CBD office market remains buoyant and outlook is extremely positive. Vacancy levels remained tight and declined rapidly to reach 3.3% by end of 2011 after peaking at 10.6% in the middle of 2010 as investment spending from resource sector continued to drive office demand. Premium grade vacancy remained practically zero at 0.1% and prime net face indicative rents are at AUD743 per square meter per annum.

With the optimistic outlook in the Perth CBD office market, Central Park together with Caroline Chisholm Centre will continue to provide stable income growth to the portfolio with positive rental reversions and organic growth through step-up rents.

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<sup>1</sup> CB Richard Ellis, “MarketView Perth Office”, Q1 2012

## **Income from China Square Central underlying leases exceeded the master lease rent**

In Singapore, China Square Central recorded a 7.9% increase in net property income compared to a year ago due to strong performance from underlying leases which resulted in profit sharing. Based on the accounts furnished by the master lessee, the net operating income for China Square Central for the financial year ended 31 December 2011 was S\$18.5 million. This represents an excess of S\$0.9 million over and above the S\$17.6 million net rent paid by the master lessee. According to the master lease agreement, FCOT is entitled to a 40% profit share on the excess net operating income of China Square Central which amounted to S\$0.4 million.

In addition, the Manager has taken over the management of China Square Central on 30 March 2012 upon the expiry of the master lease and has appointed a property management team to oversee the day-to-day operations. The Manager is looking at ways to grow the revenue of China Square Central and is currently exploring options to rejuvenate the asset to capitalize on the new Telok Ayer MRT station which is expected to open in 2013.

## **Looking ahead**

Mr Low added “The rents of our Singapore properties continue to be competitive and the occupancies remain healthy with positive growth from the Australian properties providing a good uplift to the income of the portfolio. Collectively, they provide a strong platform and underpin the growth of FCOT.”

The Manager will continue to look at ways to reshape and grow the portfolio to deliver a stable and growing distribution for our Unitholders.”

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### **Analyst & media contact:**

Mr Jimmy Hui  
Assistant Manager, Investor Relations  
Frasers Centrepoint  
Asset Management (Commercial) Ltd  
Tel: +65 6277 2506  
Email: [jimmy.hui@fraserscentrepoint.com](mailto:jimmy.hui@fraserscentrepoint.com)

### **About Frasers Commercial Trust**

Frasers Commercial Trust (FCOT) is a commercial real estate investment trust (REIT) focused on growing shareholder value for its unitholders through active asset management, sound financial management and strategic investments. FCOT is sponsored by Frasers Centrepoint Limited (FCL).

FCOT invests primarily in quality income-producing commercial properties and its current portfolio includes nine quality commercial buildings located in Singapore, Australia and Japan. As at 31 March 2012, the portfolio represented a combined appraised value of approximately S\$2.0 billion.

FCOT, formerly known as Allco Commercial REIT, was listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on 30 March 2006.

On 14 August 2008, Frasers Centrepoint Limited acquired the manager of FCOT and units in FCOT and renamed the manager of FCOT, Frasers Centrepoint Asset Management (Commercial) Ltd.

For more information on FCOT, please visit [www.fraserscommercialtrust.com](http://www.fraserscommercialtrust.com)

### **About Frasers Centrepoint Limited**

Frasers Centrepoint Limited (FCL), the wholly-owned property arm of Singapore-listed consumer group Fraser and Neave, Limited, is one of Singapore's top property companies, with total assets close to S\$9.7 billion. To date, the company has a combined global land bank in excess of 30 million sq ft.

From owning just a single shopping mall in 1983, Frasers Centrepoint has since grown to become an integrated real estate company with a portfolio of residential, commercial and serviced residences spanning 20 countries across Asia, Australasia, Europe and the Middle-East. Its serviced residences management company, Frasers Hospitality, has award-winning gold-standard serviced residences in 29 gateway cities. Frasers Property, FCL's international property arm, develops world-class projects in UK, Australia, New Zealand, China, Thailand and Vietnam.

FCL's listed entities comprise Frasers Centrepoint Trust (FCT, a retail trust), Frasers Commercial Trust (FCOT, an office/business space trust) and Frasers Property China Limited (FPCL).

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

Website: [www.fraserscentrepoint.com](http://www.fraserscentrepoint.com)

### **About Fraser and Neave, Limited**

Established in 1883, Fraser and Neave, Limited (F&NL) is a leading Asia Pacific Consumer Group with expertise and prominent standing in the Food & Beverage, Property and Publishing & Printing industries.

Leveraging its strengths in marketing and distribution; research and development; brands and financial management; as well as years of acquisition experience, F&NL provides key resources and sets strategic directions for its subsidiary companies across all three industries.

Listed on the Singapore stock exchange, F&NL ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. It has shareholders' funds and total assets employed of S\$8 billion and S\$14 billion, respectively. F&NL is present in over 20 countries spanning Asia Pacific, Europe and the USA, and employs over 17,000 people worldwide.

For more information on F&NL, please visit [www.fraserandneave.com](http://www.fraserandneave.com)

### **IMPORTANT NOTICE**

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of 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 SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of FCOT and the Manager is not necessarily indicative of the future performance of FCOT and the Manager.