

**PRESS RELEASE**
*For Immediate Release*

## FCOT records highest full year distributable income of S\$51.4 million, an increase of 19%

- FY13 DPU up 17.0% to 7.83 cents
- 4QFY13 DPU up 18.9% to 2.08 cents
- Strong portfolio occupancy of 97.9%

### Summary of FCOT's 4QFY13 and FY13 Results

	1/7/13 – 30/9/13 (4Q FY13)	1/7/12 – 30/9/12 (4Q FY12)	Change (%)	1/10/12 – 30/9/13 (FY13)	1/10/11 – 30/9/12 (FY12)	Change (%)
Gross Revenue (S\$'000)	28,812	35,581	(19.0)	118,197	132,861	(11.0)
Net Property Income (S\$'000)	21,882	26,482	(17.4)	90,936	102,516	(11.3)
Income available for distribution to Unitholders and CPPU holders (S\$'000)	13,855	16,053	(13.7)	58,802	61,889	(5.0)
Less: Distribution to CPPU holders (S\$'000)	169	4,735	(96.4)	7,424	18,838	(60.6)
Distribution to Unitholders (S\$'000)	13,686	11,318	20.9	51,378	43,051	19.3
Distribution per CPPU Unit	1.38¢	1.38¢	-	5.50¢	5.50¢	-
Distribution Per Unit	2.08¢ <sup>(1)</sup>	1.75¢ <sup>(2)</sup>	18.9	7.83¢ <sup>(1)</sup>	6.69¢ <sup>(2)</sup>	17.0

(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 659.1 million.

(2) The number of Units used to calculate the amount available for DPU is 645.9 million

**Singapore – 23 October 2013** – Frasers Centrepoint Asset Management (Commercial) Ltd ("FCAMCL" or the "Manager"), the manager of Frasers Commercial Trust ("FCOT", SGX:FrasersComm), is pleased to announce that the Trust recorded the highest distributable income to Unitholders of S\$51.4 million for the financial year ended 30 September 2013 ("FY13"), representing an increase of 19.3%, despite the divestments of KeyPoint and the Japanese properties.

Mr Low Chee Wah, Chief Executive Officer of the Manager, said "The Manager is pleased to announce that the Trust has ended the financial year on a high note with a 17.0% increase in distribution per unit ("DPU") of 7.83 cents for FY13. The good performance was a result of the initiatives undertaken over the past year of reshaping and unlocking values from the portfolio. The higher income from the additional 50% interest in Caroline Chisholm Centre and higher rental rates achieved for the properties coupled with the lower interest costs have contributed to the better results. The redemption and conversion of 330.3 million Series A Convertible Perpetual Preferred Units ("CPPU") in FY13 also boosted the increase in DPU."

## **Robust growth in distributable income to Unitholders led to DPU of 7.83 cents**

Gross revenue for FY13 declined by 11.0% to S\$118.2 million as compared to the financial year ended 30 September 2012 (“FY12”), mainly due to the divestments of KeyPoint and the Japanese properties and weaker Australian dollar. This was off-set by the higher contribution from the additional 50% interest acquired in Caroline Chisholm Centre, higher rental rates achieved for the properties and higher underlying revenue recognised after the expiry of master lease at China Square Central. If the gross revenue from KeyPoint and the Japanese properties were excluded in FY12, gross revenue would have increased by 10.7%.

Net property income (“NPI”) for FY13 declined 11.3% to S\$90.9 million as compared to FY12, also as a result of the divestments and weaker Australian dollar. Similarly, if the NPI contributions of the divested properties were excluded, NPI would have increased by 7.0%. The weaker Australian dollar was off-set by a realised gain on forward currency contracts of S\$0.3 million arising from hedging the cashflows from the Australian properties.

Lower interest costs and savings in the Series A CPPU distribution also led to the 19.3% increase in income available for distribution to Unitholders. In FY13, proceeds from the divestment of KeyPoint were deployed to redeem partially the Series A CPPU and also prepay partially the loan facilities.

DPU for FY13 was 7.83 cents, an increase of 17.0% year-on-year as a result of the higher distributable income. Similarly, DPU for 4QFY13 was 2.08 cents, an increase of 18.9% year-on-year as a result of the higher distributable income. The distribution of 2.08 cents per Unit for 4QFY2013 will be paid out on 29 November 2013. The distribution books closure date for the Units is 31 October 2013. The robust growth in DPU for FY13 was the result of the portfolio reshaping strategy which commenced two years ago and thereby unlocking values for the portfolio.

## **Another year of strong portfolio occupancy**

The Trust ended FY13 with another strong performance in occupancy, with average occupancy rate of 97.9% for the portfolio as at 30 September 2013. The occupancy rates in Singapore and Australia were 98.4% and 97.1%, respectively. Higher occupancy rates would potentially lead to higher income for the Trust.

The high occupancy rates demonstrate the resilience and quality of the properties which are well located with good connectivity. In addition, the recent completion of the asset enhancement initiatives (“AEI”) of the office tower of China Square Central and the rejuvenation of the area under the China Square Precinct Master Plan will boost the competitive position and future growth potential of China Square Central. The AEI is part of FCOT’s proactive asset management strategy to continuously unlock greater value from its portfolio and enhance the revenue-generating ability of its properties.

The Trust recorded positive rental reversions of between 4.4%<sup>1</sup> to 23.2%<sup>1</sup> for leases which commenced in 4QFY13. New leases commenced in the quarter include tenants from the consultancy and business services and information technology sectors such as Aspire Global Network Pte Ltd, Pana Harrison (Asia) Pte Ltd, TKP Singapore In Pte Ltd and Jobstudio Pte

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<sup>1</sup> The weighted average rental reversions based on the area for new and renewed leases which commenced in 4QFY13

Ltd. For FY13, the Trust recorded positive rental reversions of between 7.4%<sup>2</sup> to 26.1%<sup>2</sup> for leases which commenced during the financial year.

**Portfolio valuation and net asset value (“NAV”) increased by 3.1% and 4.7%, respectively**

Following an independent portfolio valuation commissioned by the Trust, as at 30 September 2013, FCOT’s overall property portfolio value increased by S\$53.9 million or 3.1% over the period last year, to S\$1.811 billion. The Singapore properties which comprise 64.6% of the portfolio value increased by 8.8%. Alexandra Technopark registered the highest increase in valuation by 19.2%, reflecting the higher rents achieved for the underlying leases as a result of increased demand for decentralised office space. The valuations for China Square Central and 55 Market Street increased by 2.7% and 3.9%, respectively, benefitting from continued rental growth and the asset enhancement at China Square Central. The higher valuation for the Singapore properties was off-set by the lower valuation registered for the Australian properties due to the weaker Australian dollar. However, the valuation for the Australian properties increased by 3.5% compared to FY12 based on the valuation denominated in Australian dollar.

As a result of the S\$53.9 million increase in portfolio valuation, NAV per Unit increased from S\$1.50 as at 30 September 2012 to S\$1.57 as at 30 September 2013.

**Effective capital management boosted DPU in FY13**

Finance costs decreased by 35.8% in FY13 as compared to FY12. This was attributed to the Manager’s proactive capital management initiatives in the partial loan prepayments and refinancing of the loan facilities which were undertaken about a year ago. As at 30 September 2013, the Trust has an interest coverage ratio of 4.5 times and an all-in interest rate of 2.7%.

In FY13, 321.9 million Series A CPPUs were redeemed by the Trust and 8.5 million Series A CPPUs were converted by the Series A CPPU holders. A further 11.1 million Series A CPPUs were converted into new Units by the Series A CPPU holders on 1 October 2013. Both the redemption and conversion of Series A CPPUs led to savings in CPPU distributions, which boosted the DPU. To-date, 99.7% of the Series A CPPUs had either been converted or redeemed.

To widen its sources of financing, the Trust has established a S\$1 billion multicurrency medium term note programme (“MTN Programme”) in September 2013.

**Looking ahead**

Mr. Low said, “The Manager has been proactively growing the distributions of the Trust by unlocking values in the portfolio during the financial year. The rental reversionary potential of the properties, potential higher occupancy rates, combined with the newly enhanced China Square Central, will underpin the growth of the Trust for the future. The opening of the new Telok Ayer MRT station on the Downtown Line on 22 December 2013 will also increase the connectivity to China Square Central and make it an attractive office accommodation. Going

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<sup>2</sup> The weighted average rental reversions based on the area for new and renewed leases which commenced in FY13

forward, the Manager will continue its efforts and undertake new initiatives to drive further growth for the Trust.”

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**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. As at 30 September 2013, its portfolio includes five quality commercial buildings located in Singapore and Australia, representing a combined appraised value of approximately S\$1.8 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 of S\$10.54 billion.

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 19 countries across Asia, Australasia, Europe and the Middle-East. Its serviced residences management company, Frasers Hospitality, has award-winning gold-standard serviced residences in over 30 gateway cities. Frasers Property, FCL’s international property arm, develops projects in Australia, China, New Zealand, Thailand, UK, Vietnam and Malaysia.

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

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 over 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 10,000 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.