

**For Immediate Release**

**FCT's 2Q16 DPU up 2.6% to 3.039 cents**

- Average rental reversion of 5.6% for 2Q16
- Higher tenants' sales and shopper traffic

**Singapore, 22 April 2016** – Frasers Centrepoint Asset Management Ltd. ("FCAM"), the manager of Frasers Centrepoint Trust ("FCT"), is pleased to announce distribution per unit ("DPU") of 3.039 cents for the period from 1 January to 31 March 2016 ("2Q16"), 2.6% higher than the same period a year ago.

Gross revenue for 2Q16 was \$47.1 million, which is 0.8% lower compared with the year-ago period. Property expenses fell 3.8% year-on-year due mainly to lower utility tariff rates and write-back of provisions for property tax. Decrease was partially offset by increase in other property expenses. 2Q16 net property income edged up 0.4% to \$33.7 million. Income available for distribution for the quarter was up 6.7% to \$29.0 million, of which \$27.9 million will be distributed to unitholders and \$1.1 million (equivalent to 0.116 cents per unit<sup>1</sup>) will be retained.

**Financial position remains robust**

FCT's financial position remains robust with gearing level at 28.3%. In March, FCT pre-paid part of the \$264 million bank borrowing due July 2016 through draw-down of a new 5-year \$80 million secured bank borrowing. Average weighted debt maturity as at end-March 2016 improved to 1.91 years from 1.45 years registered in the prior quarter. The all-in average cost of borrowings dropped slightly to 2.286% from 2.361% in the prior quarter. FCT has approximately 74% of its borrowings on fixed or hedged-to-fixed interest rates. Net asset value as at 31 March 2016 was unchanged at \$1.91 per unit.

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<sup>1</sup> Cash retained in the prior quarter 1Q16 (1 October 2015 – 31 December 2015) was \$1.38 million or 0.150 cents per unit)

### **Portfolio occupancy affected by Northpoint AEI, 2Q16 average rental reversion at 5.6%**

The portfolio occupancy as at 31 March 2016 declined to 92.0% from 94.5% in the prior quarter, due mainly to the asset enhancement initiative (AEI) works at Northpoint, which commenced in March. The occupancy rate of the other malls remained relatively stable. During 2Q16, 27 leases accounting for 2.3% of FCT's total net lettable area ("NLA") were renewed at an average rental improvement of 5.6%. FCT has renewed approximately 49%<sup>2</sup> of the total NLA of leases expiring in FY2016 in the first two quarters, at an average rental improvement of 12.0%.

### **Tenants' sales up 2.1% and shopper traffic grew 11.4%**

The portfolio shopper traffic in 2Q16 was up 11.4% year-on-year. Northpoint continued to see strong human traffic through the mall due partly to the closure of an outdoor corridor adjacent to the mall. Excluding Northpoint, the portfolio shopper traffic was up 4.2% year-on-year. Portfolio tenants' sales for the 3-month period from December 2015 to February 2016 was up 2.1% year-on-year, with Causeway Point achieving the highest tenants' sales growth among all the malls in the portfolio.

### **The suburban retail sector expected to stay resilient**

Dr Chew Tuan Chiong, Chief Executive Officer of FCAM, said, "FCT has continued to deliver steady performance in 2Q16. Going forward, we will remain focused on growing the Trust on solid footing through organic growth, AEI and exploration of acquisition opportunities.

The Singapore retail environment continues to be challenging. The retail sales index, excluding motor vehicles, rose 1.4% year-on-year in January 2016 but fell 9.6% in February 2016. However, we believe suburban retail malls, particularly for the well-located ones, would stay resilient as it depends more on necessity shopping from recurring shopper traffic."

### **Update on Northpoint AEI**

The AEI at Northpoint commenced in March 2016 and is expected to complete in September 2017. The AEI will be carried out in 2 phases over the 18-month period. Based on the current estimate, the average mall occupancy is projected to be about 76% from March to September 2016. While the works have been phased to minimise income disruption, short-term volatility in Northpoint's rental revenue is anticipated for the next few quarters. The net lettable area of Northpoint is projected to be reduced by about 4% due to reconfiguration of the mall.

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<sup>2</sup> Total NLA of expiring leases in FY2016 was 279,654 sq ft as at 31 March 2016, comprised 136,896 sq ft of NLA of the leases renewed in 1Q and 2Q of FY2016 and 142,758 sq ft of NLA to be renewed in 3Q and 4Q of FY2016.

The capital expenditure for this AEI is budgeted at \$60 million, to be funded by borrowings and internal resources of the Trust. FCAM aims to improve the average gross rental rate of Northpoint by approximately 9% upon the completion of the AEI.

Dr Chew said, “This AEI is part of our strategy to periodically upgrade our malls to provide sustainable income growth for FCT. Northpoint currently enjoys an average of about 4 million shopper visits per month and we believe that the upgraded mall and the integration with the upcoming Northpoint City will provide better shopping experience for our shoppers and drive better sales for our tenants.”

### Summary of 2Q16 Results

	<b>2Q16</b> 1/1/16 to 31/3/16	<b>2Q15</b> 1/1/15 to 31/3/15	Increase/ (decrease)	<b>1H16</b> 1/10/15 to 31/3/16	<b>1H15</b> 1/10/14 to 31/3/15	Increase/ (decrease)
Gross revenue (\$'000)	47,089	47,487	(0.8%)	94,165	94,665	(0.5%)
Net property income (\$'000)	33,675	33,546	0.4%	67,220	66,444	1.2%
Distribution to unitholders (\$'000)	27,913	27,156	2.8%	54,248	52,350	3.6%
Distribution per unit (cents)	3.039	2.963	2.6%	5.909	5.713	3.4%

*Note: Books closure date for 2Q16 DPU is 3 May 2016 (Tuesday, 5.00 pm). Payment date is 31 May 2016.*

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### Investor Relations and Media contact:

Fung-Leng CHEN (Mr)  
 Frasers Centrepoint Asset Management Ltd.  
 Email : [funleng.chen@fraserscentrepoint.com](mailto:funleng.chen@fraserscentrepoint.com)  
 Telephone : +65 6277 2657

### About Frasers Centrepoint Trust

Frasers Centrepoint Trust (“FCT”) is a leading developer-sponsored retail real estate investment trust with six quality retail malls in Singapore. The portfolio comprises Causeway Point, Northpoint, Changi City Point, Bedok Point, YewTee Point and Anchorpoint. With a combined appraised value of \$2.46 billion as at 31 December 2015, FCT malls enjoy wide captive markets, good connectivity and high occupancy. FCT also receives steady overseas’ returns via its strategic stake in Hektar REIT.

FCT is focused on increasing shareholder value by pursuing organic, enhancement and acquisition growth strategies. With proactive lease management initiatives, FCT is well placed to achieve sustainable rental growth. To unlock the full potential of its assets, FCT continues to enhance existing assets to maximise their performance. The potential acquisitions of new assets will help FCT gain greater scale and drive further income growth for unitholders.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 5 July 2006, FCT is managed by Frasers Centrepoint Asset Management Ltd., a real estate management company and a subsidiary of Frasers Centrepoint Limited.

For more information on FCT, please visit [www.fct.sg](http://www.fct.sg).

## **About Frasers Centrepoint Limited**

Frasers Centrepoint Limited (“FCL”) is a full-fledged international real estate company and one of Singapore’s top property companies with total assets above S\$23 billion as at 31 December 2015. FCL has four core businesses focused on residential, commercial, hospitality and industrial properties in the key markets of Singapore, Australia and China, and in the hospitality business spanning more than 70 cities across North Asia, Southeast Asia, Australia, Europe, and the Middle-East.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company is also a sponsor and manager of two REITs listed on the SGX-ST, Frasers Centrepoint Trust (“FCT”) and Frasers Commercial Trust (“FCOT”) that are focused on retail properties, and office and business space properties respectively, and one stapled trust listed on the SGX-ST, Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust (“FH-REIT”) and Frasers Hospitality Business Trust) that is focused on hospitality properties.

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

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

## **Important Notice**

The value of units (“Units”) in FCT and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager of FCT, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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

The past performance of FCT is not necessarily indicative of the future performance of FCT.