



Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	FORTUNE REAL ESTATE INV TRUST
Company Registration No.	N/A
Announcement submitted on behalf of	FORTUNE REAL ESTATE INV TRUST
Announcement is submitted with respect to *	FORTUNE REAL ESTATE INV TRUST
Announcement is submitted by *	Lim Hwee Chiang
Designation *	Director
Date & Time of Broadcast	06-Nov-2007 18:52:12
Announcement No.	00151

>> Announcement Details

The details of the announcement start here ...

Announcement Title *

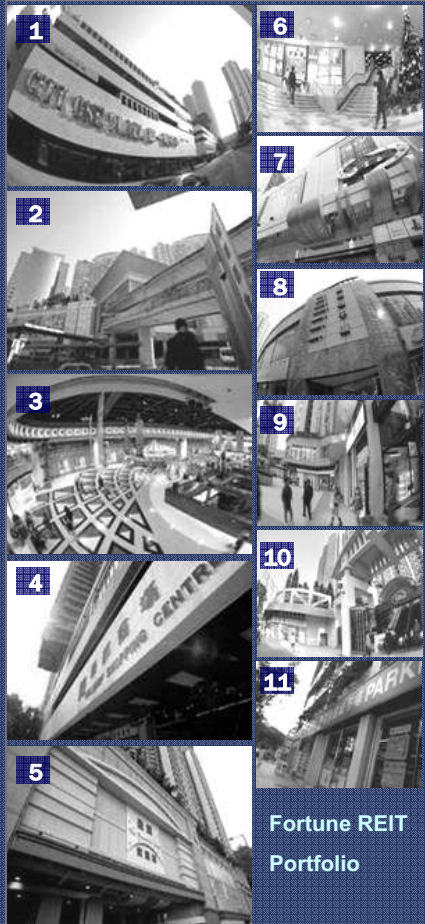
Description

Attachments:

[Slides_2007_3Q_final_1_of_2a.pdf](#)

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FORTUNE

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REIT

Results for the quarter ended 30 Sep 2007

ARA Asset Management (Singapore) Limited



Quarter ended 30 Sep 2007

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The Metropolis Mall

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Results Highlights

Results Highlights

Total Revenue, YTD Sep 07	HK\$456.6 mil - 1.6 %
Net Property Income (NPI), YTD Sep 07	HK\$336.5 mil + 1.9 %
Distribution Per Unit (DPU), YTD Sep 07	HK\$0.2556 + 0.6 % ¹
Annualized Tax-exempt Yield²	5.84%
Net Asset Value (NAV) Per Unit	HK\$8.41, trading at discount of 30.4% ²
Total Asset³	HK\$9,493 mil
Gearing	24.7%
Portfolio Rental Reversion⁴	15.9%
Portfolio Occupancy⁵	94.2%
Cost-to-Revenue Ratio⁶, YTD Sep 07	24.0%

Notes:

1. Comparison before the gain on disposal of investment property. There was an one-off gain of approximately HK\$3mil arising from the sale of 314 car park lots in City One Shatin Property in 2006.
2. Based on the closing Unit price of HK\$5.85 on 28 Sep 07.
3. Investment properties were valued at HK\$9,235 mil. as at 31 Dec 06 by Savills Valuation and Professional Services Ltd ("Savills").
4. For all renewal leases from 1 Jan 07 to 30 Sep 07.
5. Committed occupancy as at 30 Sep 07. Actual occupancy of 93.1% as at 30 Sep 07.
6. Cost to revenue ratio - before Manager's performance fee.



Ma On Shan Plaza Atrium

Financial Results

Trust Income

Net Property Income Rose 1.9% In YTD Sep 07 vs YTD Sep 06

	YTD Sep 07 (HK\$'000)	YTD Sep 06 (HK\$'000)	Variance (%)
Total revenue	456,620	463,940	(1.6%)
Property operating expenses	(109,735)	(123,576)	(11.2%)
Manager's performance fee	(10,398)	(10,211)	1.8%
Net property income ("NPI")	336,487	330,153	1.9%
Borrowing costs	(82,666)	(79,729)	3.7%
Profit before tax	253,821	250,424	1.4%
Hong Kong tax	(45,076)	(44,310)	1.7%
Net profit of property companies	208,745	206,114	1.3%
Income available for distribution	207,284	204,882¹	1.2%
DPU (HK\$)	0.2556	0.2541¹	0.6%

↗ NPI and DPU increased by 1.9% and 0.6% respectively despite a slight dip in revenue mainly due to ongoing asset enhancement and repositioning initiatives

↗ Cost-to-revenue ratio² effectively managed at 24.0%

Note:

1. Before the gain on disposal of investment property. There was an one-off gain of approximately HK\$3mil arising from the sale of 314 car park lots in City One Shatin Property in 2006.
2. Before Manager's performance fee.

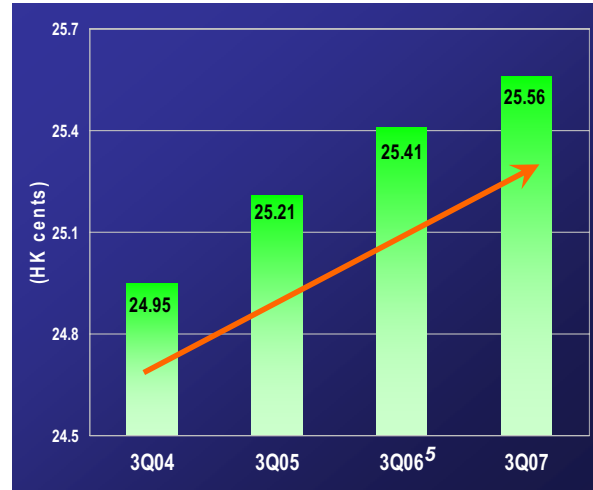
Distribution Yield

Delivers Tax Exempt Yield Of 5.84% ; YTD Sep 07 DPU Of 25.56 HK Cents

Pre-tax Yield Of 7.11%

YTD Sep 07 DPU Up By 0.6% Y-o-Y

YTD 3Q07	Tax-exempt	Actual Pre-tax ¹ Equivalent
DPU ^{2,3} (HK\$)	0.2556	0.3112
DPU yield ⁴	5.84%	7.11%



Notes:

1. Before HK income taxes. This figure is shown solely to illustrate the yield before the impact of HK taxes on the property companies. It does not imply investors are eligible for any dividend tax credits.
2. Fortune REIT pays tax-exempt distributions semi-annually (for the half years ending Jun and Dec).
3. Based on the deemed Units in issue of approximate 810.9m Units.
4. Based on the closing Unit price of HK\$5.85 on 28 Sep 07.
5. Before the gain on disposal of investment property. There was an one-off gain of approximately HK\$3mil arising from the sale of 314 car park lots in City One Shatin Property in 2006.

Debt Management

Low Gearing At 24.7% Offers Financing Flexibility

As at 30 Sep 2007	Debt Profile	
Total Debt ¹	HK\$2,349 mil	22% debt floated at 3M HIBOR 78% debt fixed at 1 yr to 3 yrs
Gearing Ratio ²	24.7%	Further debt flexibility of approximately HK\$1.5 bn to HK\$3.5bn to finance new acquisitions ⁴
Interest Cover ³	4.1x	
Weighted Avg. Cost of Debt	4.7%	

1. Excludes the debt front end fee.
2. According to the Singapore Property Fund Guidelines, Aggregate Borrowing Limit as a % of Deposited Property must not exceed 35%, but it can increase to 60% with a credit rating.
3. Interest cover = EBIT / Total interest expenses.
4. Assume a gearing ratio of between 35% to 45%.

As at 30 Sep 2007

(HK\$'000)

Non Current Asset	9,249,551
Current Asset	243,703
Total Asset	9,493,254
Current Liabilities	233,415
Non Current Liabilities	2,451,314
Total Liabilities	2,684,729
Net Asset	6,808,525
Units In Issue ('000)	809,641

NAV Statistics

NAV Per Unit ^{1,2}

HK\$ 8.41

Closing Unit Price
 (as at 28 Sep 2007)

HK\$ 5.85

Trading Discount to
 NAV Per Unit

30.4%

Source: ARASL

Notes:

1. Based on net assets of the Group excluding hedging reserve.
2. The number of Units used for computation of NAV per Unit is 810,853,651 Units. This comprises: (a) number of Units in issue as at 30 Sep 2007 of 809,641,049 Units; (b) Units issued on 5 Oct 2007 to the Manager as the Manager's Base Fees for 3Q 2007 of 1,212,602 Units.

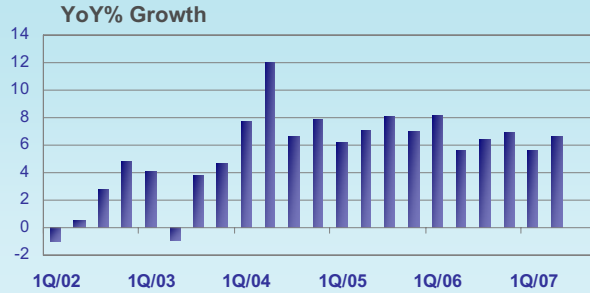


Wet Market in City One Shatin Property

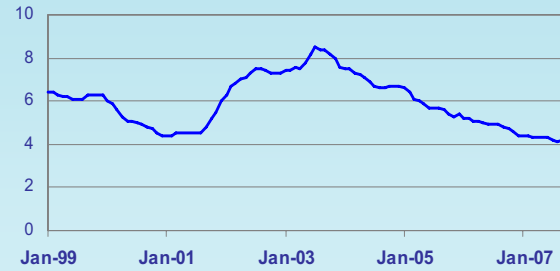
**Hong Kong
 Economy**

Solid And Sustainable Economic Growth

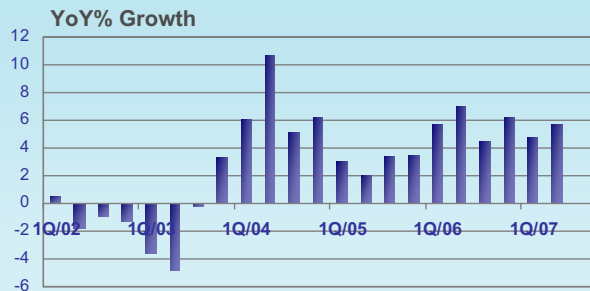
GDP – Strong Growth Of 6.6% In 2Q07



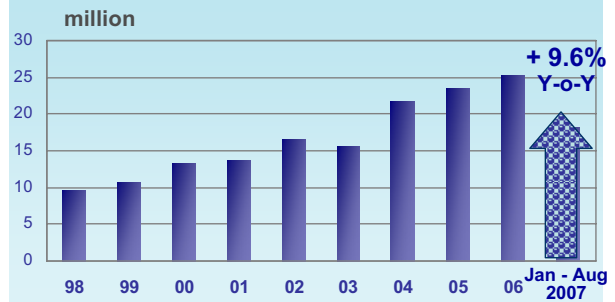
Unemployment – Lowered To 4.1% In Sep 07



Private Consumption – 5.7% Growth In 2Q07



Tourist Arrivals – Up 9.6% In First 8 Months Of 07



Source: Census & Statistics Department, HK

Retail Sales

Strong Retail Sales In Hong Kong

Retail Sales – Strong Growth Of 10.6% In First 8 Months Of 2007



Source: Census & Statistics Department, HK

Growth Across Wide Spectrum Of Trades

Growth – Jan to Aug 07 over same period in 06



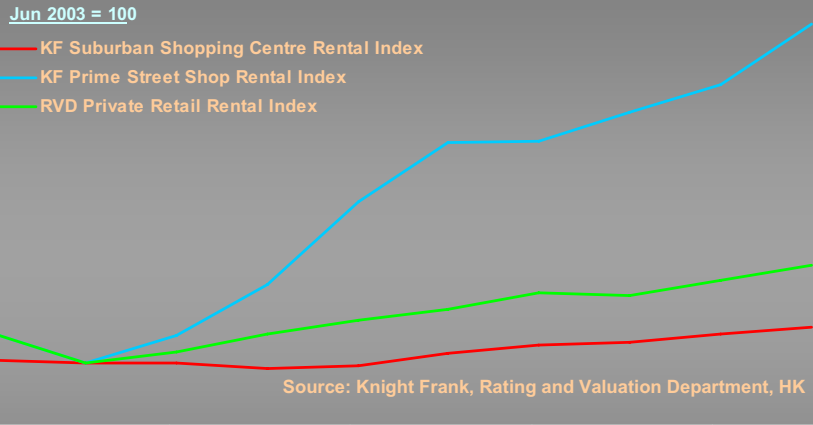
Source: Census & Statistics Department, HK

Retail Property Market Overview

Suburban Shopping Centre Rents Increased by 5% Y-o-Y



Retail Rental Indices Dec 2002 to Jun 2007



	Dec-02	Jun-03	Dec-03	Jun-04	Dec-04	Jun-05	Dec-05	Jun-06	Dec-06	Jun-07	Y-o-Y %
KF Suburban Shopping Centre Rental Index	101.3	100.0	100.0	98.3	99.1	103.4	105.9	106.7	109.5	112.0	+ 5.0%
KF Prime Street Shop Rental Index	109.8	100.0	109.3	125.6	152.5	172.2	172.6	181.8	190.8	210.4	+ 15.7%
RVD Private Retail Rental Index	109.6	100.0	103.9	109.4	114.1	117.7	122.9	122.2	127.1	131.9	+ 7.9%