

FORTUNE

置富產業信託

REIT

Results For The Quarter Ended 30 Sep 2008

ARA Asset Management (Singapore) Limited

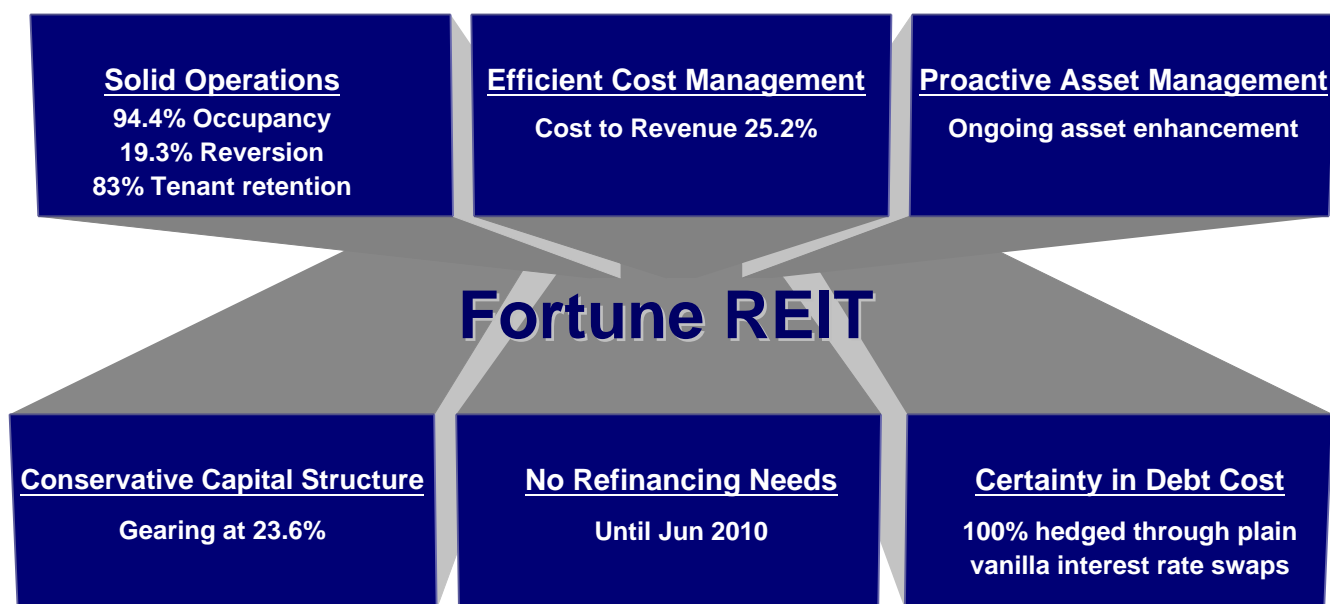


Quarter Ended 30 Sep 2008

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- Hong Kong Economy
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Total Revenue, YTD 3Q08	HK\$470.9 mil	↑ 3.1% YoY
Net Property Income (NPI), YTD 3Q08	HK\$341.8 mil	↑ 1.6% YoY
Distribution Per Unit (DPU), YTD 3Q08	HK\$0.2716	↑ 6.2% YoY
Annualized Tax-exempt Yield¹	12.02%	
Net Asset Value (NAV) Per Unit	HK\$8.90	
Gearing	23.6%	
Portfolio Rental Reversion³	19.3%	
Portfolio Occupancy⁴	94.4%	

Notes:

1. Based on the closing Unit price of HK\$3.01 as at 30 Sep 08.
2. Investment properties were valued at HK\$9,713 mil. as at 31 Dec 07 by Knight Frank Petty Limited ("Knight Frank").
3. For all renewal leases from 1 Jan 08 to 30 Sep 08.
4. Actual occupancy as at 30 Sep 08.



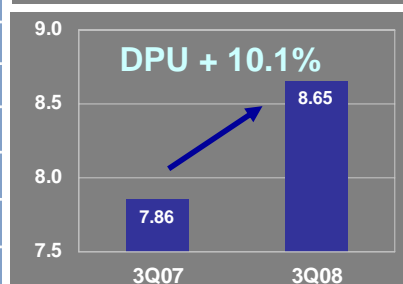
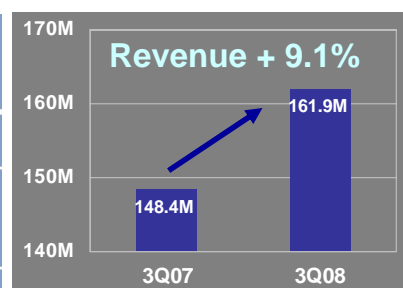
The Metropolis Mall

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Trust Income (3Q08 vs 3Q07)

Total Revenue And DPU Rose By 9.1% And 10.1% Respectively

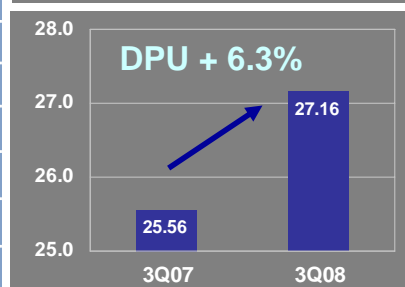
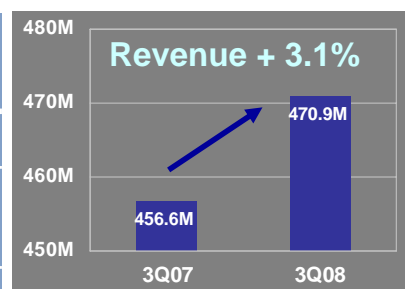
	3Q08 (HK\$'000)	3Q07 (HK\$'000)	Variance (%)
Total revenue	161,916	148,382	9.1%
Property operating expenses	(45,585)	(37,439)	21.8%
Manager's performance fee	(3,490)	(3,328)	4.9%
Net property income ("NPI")	112,841	107,615	4.9%
Borrowing costs	(23,928)	(29,320)	(18.4%)
Profit before tax	88,913	78,295	13.6%
Hong Kong tax	(14,543)	(13,541)	7.4%
Net profit of property companies	74,370	64,754	14.9%
Income available for distribution	71,162	63,961	11.3%
DPU (HK\$)	0.0865	0.0786	10.1%



Trust Income (YTD8 vs YTD07)

Total Revenue And DPU Rose By 3.1% And 6.3% Respectively

	YTD08 (HK\$'000)	YTD07 (HK\$'000)	Variance (%)
Total revenue	470,857	456,620	3.1%
Property operating expenses	(118,482)	(109,735)	8.0%
Manager's performance fee	(10,571)	(10,398)	1.7%
Net property income ("NPI")	341,804	336,487	1.6%
Borrowing costs	(77,071)	(82,666)	(6.8%)
Profit before tax	264,733	253,821	4.3%
Hong Kong tax	(36,779)	(43,781)	16.0%
Net profit of property companies	227,954	210,040	8.5%
Income available for distribution	222,075	207,284	7.1%
DPU (HK\$)	0.2716	0.2556	6.3%



Distribution Yield

12% Tax-exempt Yield Backed By Clean, Transparent and Steady Cashflow

YTD 3Q08	Tax-exempt	Actual Pre-tax ¹ Equivalent
DPU ^{2,3} (HK\$)	0.2716	0.3180
DPU yield ⁴	12.02%	14.07%



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 817.7m Units.
4. Based on the closing Unit price of HK\$3.01 on 30 Sep 08.

Robust Balance Sheet

As at 30 Sep 2008	(HK\$'000)		
Current Assets	241,963	Gearing Ratio	23.6%
Non Current Assets	9,725,935		
Total Assets	9,967,898		
Current Liabilities	243,405	Portfolio Valuation¹	HK\$9,713 M
Non Current Liabilities	2,468,466		
Total Liabilities	2,711,871		
Net Assets	7,256,027	NAV Per Unit^{2, 3}	HK\$8.90
Units In Issue ('000)	817,743		

Source: ARASL

Notes:

1. As at 31 Dec 2007 by Knight Frank.
2. Based on net assets of the Group excluding hedging reserve.
3. The number of Units used for computation of NAV per Unit is 817,743,259 Units. This comprises: (a) number of Units in issue as at 30 Sep 2008 of 815,301,841 Units; (b) Units issued on 8 Oct 2008 to the Manager as the Manager's Base Fees for 3Q 2008 of 2,441,418 Units.

Debt Management

Low Gearing At 23.6% ; Certainty Of Financing Cost

As at 30 Sep 08	Debt Profile
Total Debt¹	HK\$2,349 mil
Gearing Ratio²	23.6%
Interest Cover³	4.3x
Weighted Avg. Cost of Debt	4.32%

➔ No refinancing needs until Jun 2010

➔ As at 30 Sep 08, 100% of the interest cost has been fixed with various plain vanilla swaps in place

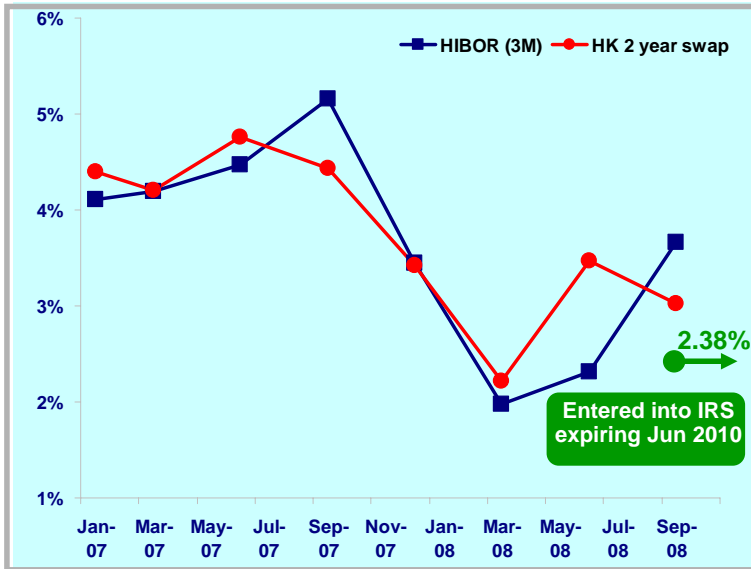
Source: ARASL

Notes:

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 expense.
4. Assume a gearing ratio of between 35% to 45%.

Prudent Interest Rate Management

Locked In At Favorable Rate To Avoid Exposure To The Turbulent Credit Market

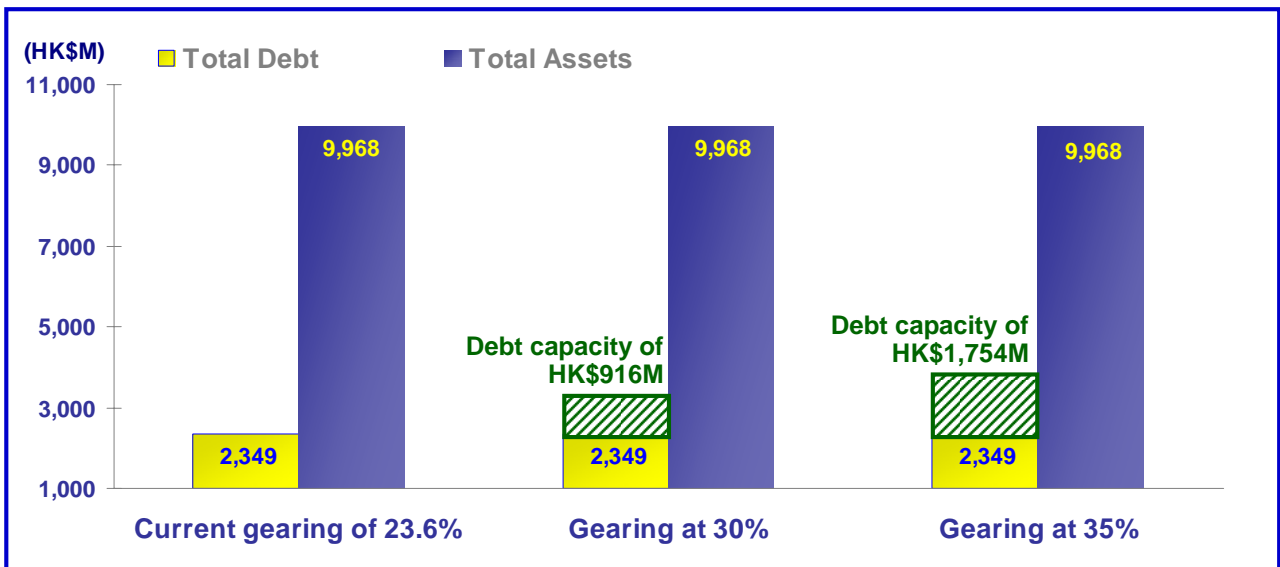


- 48% of the debt which was floating now locked in at a rate of 2.38% from 28 Sep 2008 – 28 June 2010
- As of 30 Sep 08, 100% of the debt cost is fixed with 26% expiring in Jun 2009 and 74% expiring in Jun 2010

* IRS means Interest Rate Swap

Debt Headroom

Debt Capacity Available For Opportunistic Growth



* Gearing Ratio and Debt capacity based on an enlarged portfolio

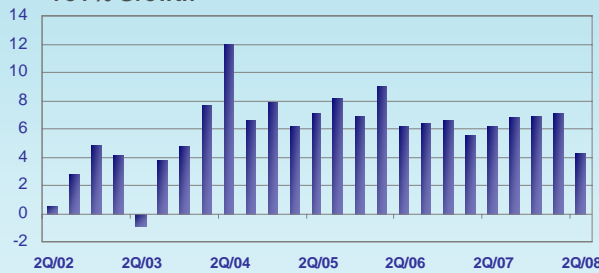


The Metropolis Mall

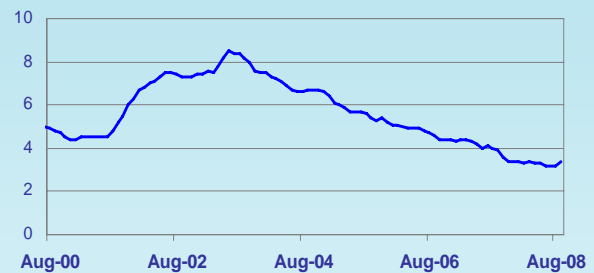
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GDP – Moderate Growth Of 4.2% In 2Q 2008

YoY% Growth

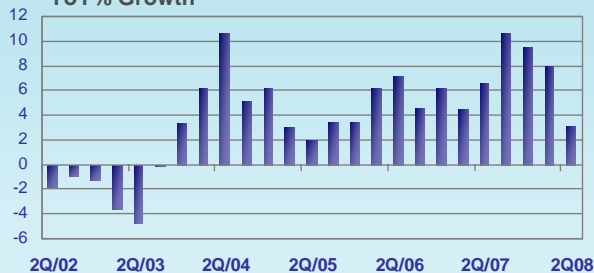


Unemployment – Stood at 3.4% In Jul-Sep 08



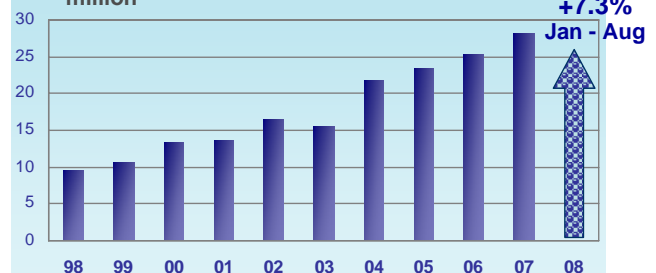
Private Consumption – 3.1% Growth In 2Q 2008

YoY% Growth



Tourist Arrivals – Up 7.3% In First 8 Months Of 08

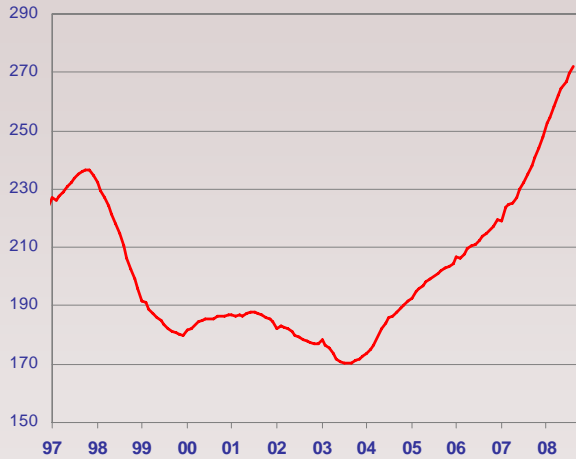
million



Source: Census & Statistics Department, HK

Retail Sales grew by 15% Growth In First 8 Months Of 2008

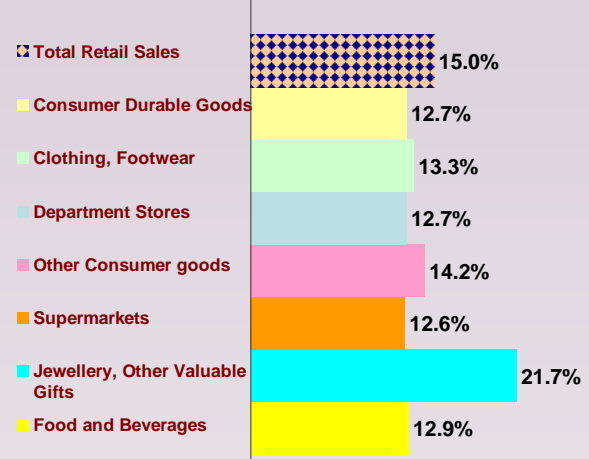
HK\$ bn (Retail sales-moving annual total)



Source: Census & Statistics Department, HK

Growth Across Wide Spectrum Of Trades

Growth – Jan to Aug 08 over same period in 07



Source: Census & Statistics Department, HK



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Portfolio Highlights



City One Shatin Property
 414,469 sf

- Renewals enjoyed a healthy reversion of 32% and a 94% tenant retention in YTD 3Q08
- Various opportunities for AELs under evaluation; a major focus going forward



Ma On Shan Plaza
 310,084 sf

- Strong reversion of 24% for renewals for YTD 3Q08; average passing rent up 13% y-o-y to above HK\$30 psf
- Various energy saving measures implemented to save on utilities expense



Metropolis Mall
 332,168 sf

- Changing tenant mix to capture shoppers from newly developed hotels, serviced apartments and deluxe residential apartments in catchment
- Strengthen the food & beverage, wedding and education zones
- Hong Kong Coliseum renovation completed in 1Q09



Waldorf Garden Property
 80,842 sf

- Rental reversion is 25% for renewals for YTD 3Q08
- Further to the completion of AELs in 2Q08, other facilities upgrading (i.e. toilets, ceiling and flooring of common area) is ongoing.

Occupancy And Passing Rent

Portfolio Occupancy Climbs To 94.4%; Passing Rents Up 7.8% YoY

As at 30 Sep 08	GRA (sf)	Actual Occupancy
1. City One Shatin Property	414,469	96.7%
2. Ma On Shan Plaza	310,084	100.0%
3. The Metropolis Mall	332,168	90.6%
4. Waldorf Garden Property	80,842	99.6%
5. Smartland	123,544	93.2%
6. Jubilee Court Shopping Centre	170,616	87.2%
7. Tsing Yi Square Property	78,836	97.6%
8. The Household Center	91,779	82.3%
9. Centre de Laguna Property	43,000	100.0%
10. Lido Garden Property	9,836	100.0%
11. Rhine Garden Property	14,604	100.0%
Portfolio Total	1,669,778	94.4%

Source: ARASL

Portfolio Occupancy (as at 30 Sep 08)	94.4%
Avg. Passing Rent (as at 30 Sep 08)	HK\$26.96 psf
Rental Reversion (for renewal leases in YTD 3Q08)	19.3%

Source: ARASL

Portfolio Expiry Profile

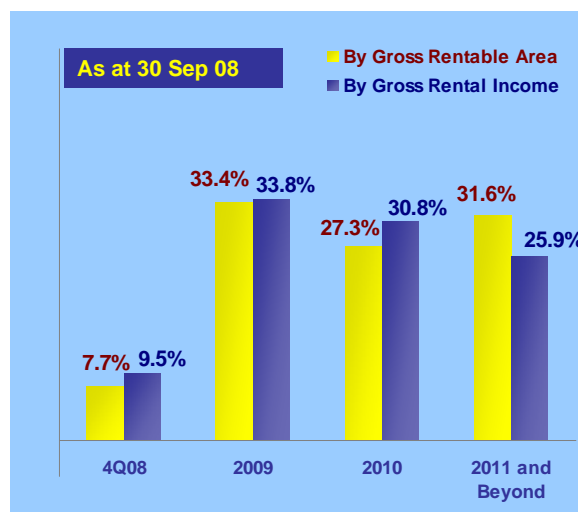
8% of leases upcoming in 4Q08 is still seeing strong commitment

Expiry Profile By Gross Rentable Area

As at 30 Sep 08	% of occupied space expiring		
	4Q08	2009	2010
1. City One Shatin	6.5	43.9	29.4
2. Ma On Shan Plaza	14.1	21.3	37.8
3. The Metropolis Mall	5.9	28.3	28.1
4. Waldorf Garden	0.0	6.1	19.9
5. Smartland	3.3	38.1	8.8
6. Jubilee Court Shopping Centre	10.3	44.1	11.4
7. Tsing Yi Square	7.0	31.0	38.5
8. The Household Center	5.5	39.2	30.4
9. Centre de Laguna	0.5	64.6	29.8
10. Lido Garden	47.2	31.3	21.5
11. Rhine Garden	0.0	2.4	1.5
Portfolio Total	7.7	33.4	27.3

Source: ARASL

Portfolio Expiry Profile

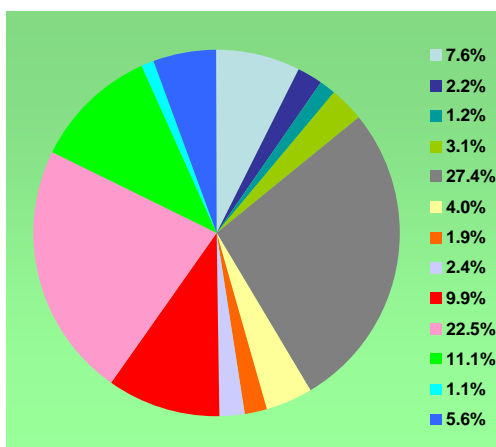


Source: ARASL

Portfolio Trade Mix

Trade Mix Well Diversified To Meet Catchment Needs

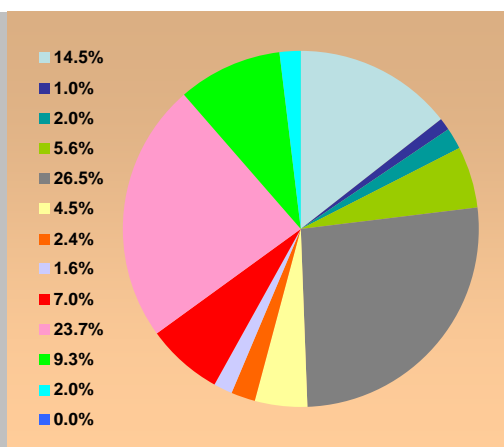
By Gross Rentable Area



Trade Mix

Banking & Real Estate
 Community Services
 Electronics & IT
 Fashion & Shoes
 Food & Beverage
 Gifts, Toys & Jewellery
 Homeware
 Entertainment & Sports
 Others
 Services & Education
 Supermarket
 Wet Markets
 Vacant

By Gross Rental Income



Source: ARASL

Marketing and Promotions...

Ma On Shan Plaza



Pivotal Promotional Activities Draw Crowds

City One Shatin Property



Sales booth for moon cake Celebrating Mid Autumn Festival

Marketing and Promotions...

Successful events in Metropolis Mall



Enhanced advertising to reinforce F&B trade



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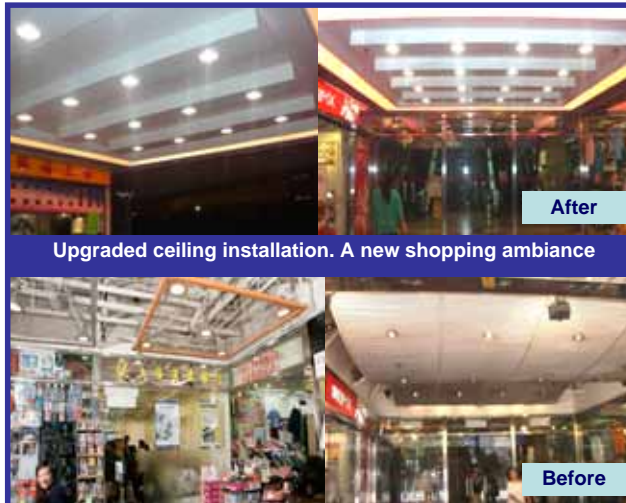
AEIs Continued in COP

- ✓ To enclose the corridor and provide air-conditioning
- ✓ To upgrade the ceiling and lighting
- ✓ Plan to spend a total CAPEX of 46M

- ✓ Government approval is expected in Dec 08
- ✓ Estimated completion in 4 months upon Government's approval



↑ Design finalized and mock up erected at site ↑



Proposed Total CAPEX

HK\$4.3 million

Start Date

3Q 2008

Target Completion Date

1Q 2009

Scope Of Works	Smartland, total GRA of 123,544sf
External facades	To upgrade the external signboard facing Panda Hotel, to entice more tourist shoppers.
Entrance	Overall aesthetic improvement. To create prime frontage street shops and recruit popular tenants.
Shop layout	Following a new entrance, to re-align the main corridor on G/F to enhance shopper flow.
Finishes and facilities	Install new featured ceiling and lighting. Save energy by sealing up the open ceiling.

Additional sales booths created with payback period of 3 months



Macau snack shop started business in mid Aug 08



Nail beauty shop started business in mid Sep 08



Waldorf: Additional Shop Spaces

Created 3 retail booths along the secondary corridor



After



Before

- More retail offerings to attract shoppers into the secondary corridor
- Additional rental income of HK\$200k p.a.
- Payback period of 3 months

Conversion of licensed area into shop at prime entrance location



After



Before

- Making the prime entrance more inviting
- Prime frontage shop leased at HK\$240 psf
- Effective from Apr 08, will generate additional rental income of HK\$ 180k p.a.
- Payback period of 2 months

Ongoing Energy Efficiency Enhancement (EEE)

Full Energy Audit To Enhance Energy Efficiency And Promote Cost Saving

- Utilities cost account for about 15-20% of the total operating expenses
- Various measures to enhance energy efficiency in the malls:
 - Lighting
 - Installation of energy saving transformers
 - Installation of LED lighting and high efficient reflectors
 - Air-conditioning
 - Replacement of old chiller plants
 - Installation of physical barriers to block the leakage of cool air
- Started in Ma On Shan Plaza, Household Centre and Jubilee Court Shopping Centre. City One Shatin Property is the next target.



Ma On Shan Plaza



Household Center



Jubilee Court Shopping Centre

Jubilee Court Shopping Center



After



Before

Glass door installed at the entrance

Ma On Shan Plaza



After



Before

Glass panels installed at the escalator

City One Shatin



- To replace with high capacity and more efficient chiller plants
- Works to be commenced in this winter
- Target energy saving of 20-25% in 2009



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Growth Focused Strategies

➔ Asset Enhancement Growth

- ☑ Optimize trade mix to serve the respective catchment areas
- ☑ Upgrading access channels to increase footfall
- ☑ Resizing units to maximize rent

➔ Organic Growth

- ☑ Aggressive negotiations to maximize reversion rents
- ☑ Strategic and focused advertising and promotions

➔ Asset Base Growth

- ☑ Yield accretive acquisitions on suburban malls in HK
- ☑ Opportunistic but prudent foray into PRC (second tier cities)



The Metropolis Mall

Key Facts	
IPO	12 August 2003
Indicative Yield ¹	12.02%
Market Cap ¹	HK\$ 2,454 M
Portfolio Valuation ²	HK\$ 9,713 M
Portfolio Size	1,669,778sf
No. of Tenants ¹	832
No. of Carpark Lots ¹	1,430

Notes: 1. As of 30 Sep 08
 2. As of 31 Dec 07

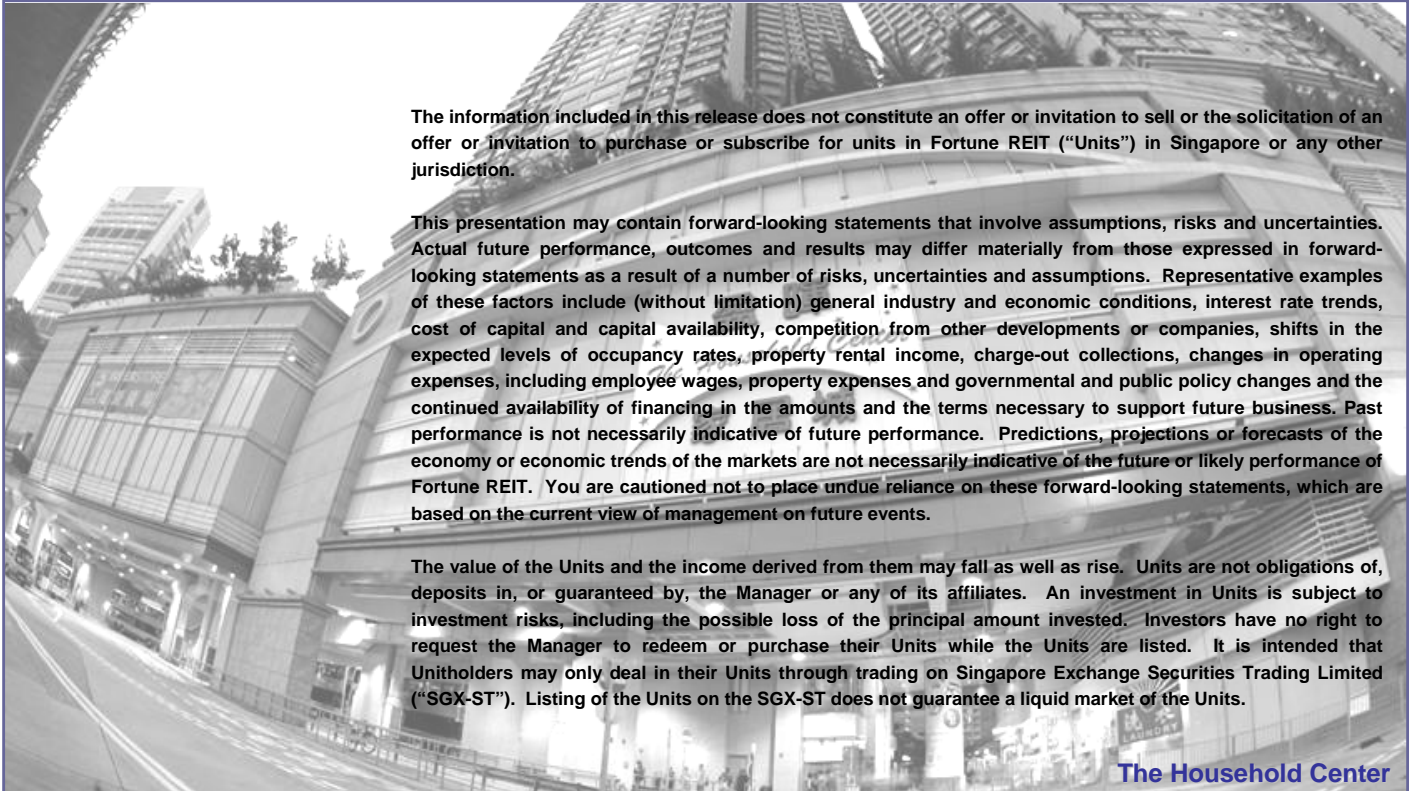


The Metropolis Mall

DPU Growth Since IPO



Waldorf Garden Property



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The Household Center



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Centre de Laguna