

A resilient portfolio of 11 suburban retail malls in Hong Kong



Period Ended 30 June 2009

28 July 2009

FORTUNE
置富產業信託 **REIT**

Results Highlights

Period Ended 30 Jun 2009

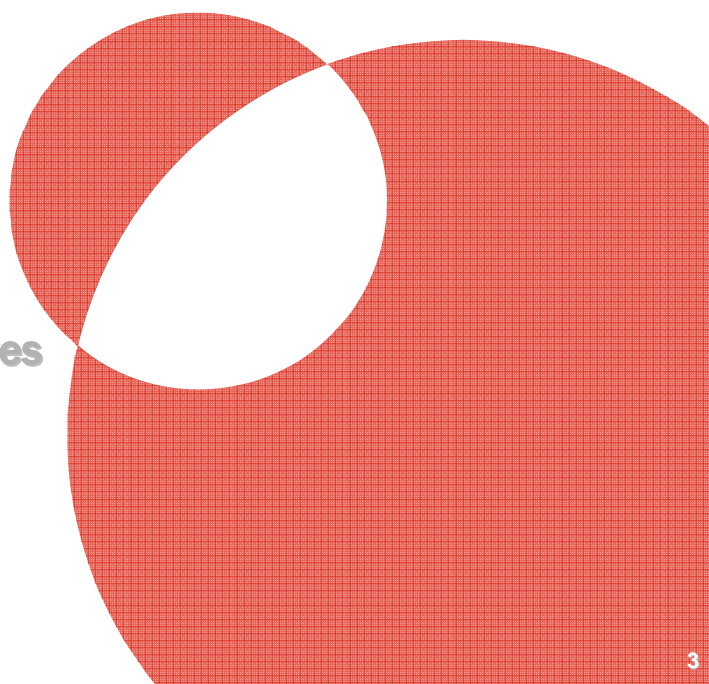
Total Revenue, 1H09	HK\$334.3 mil	↑ 8.2% YoY
Net Property Income (NPI), 1H09	HK\$238.4 mil	↑ 4.1% YoY
Distribution Per Unit (DPU), 1H09	HK\$0.1960	↑ 5.9% YoY
Annualized Tax-exempt Yield ¹	10.6%	
Net Asset Value (NAV) Per Unit	HK\$7.89	
Portfolio Valuation ²	HK\$8,900 mil	↑ 3.5% from Dec 08
Gearing	25.7%	
Portfolio Rental Reversion ³	4.0%	
Portfolio Occupancy ⁴	92.1%	

Notes:

1. Based on the closing Unit price of HK\$3.74 as at 30 Jun 09.
2. As at 30 Jun 2009, Investment properties were re-valued by Savills Valuation and Professional Services Limited ("Savills").
3. For all renewal leases from 1 Jan 09 to 30 Jun 09.
4. Actual occupancy as at 30 Jun 09. Committed occupancy as at 28 Jul 09 is 93.6%



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-  Asset Enhancement Initiatives
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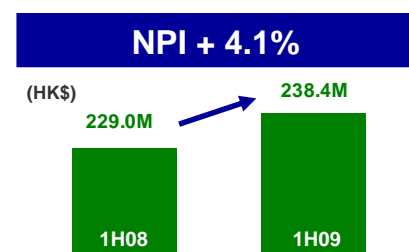
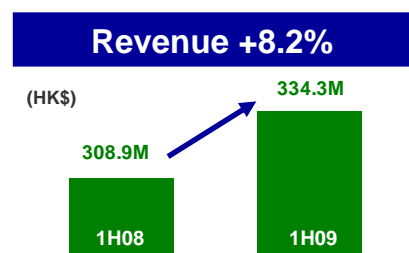


Trust Income

Period Ended 30 Jun 2009

Income Available for Distribution Rose By 7.1% in 1H09 vs 1H08

	1H09 (HK\$'000)	1H08 (HK\$'000)	Variance (%)
Total revenue	334,314	308,941	8.2%
Property operating expenses	(88,525)	(72,897)	21.4%
Manager's performance fee	(7,374)	(7,081)	4.1%
Net property income ("NPI")	238,415	228,963	4.1%
Borrowing costs	(43,943)	(53,142)	(17.3%)
Profit before tax ¹	194,472	175,821	10.6%
Hong Kong tax ²	(31,419)	(22,236)	41.3%
Net profit of property companies ¹	163,053	153,585	6.2%
Income available for distribution	161,698	150,916	7.1%
DPU (HK\$)	0.1960	0.1851	5.9%



Notes:

- Fortune REIT recognized a gain of HK\$281.3 million in 2009 arising from changes in fair values of the properties. There will be no impact on income available for distribution. These figures are thus excluded for the purpose of this presentation.
- There was a one-off write-back of deferred tax in the 2nd quarter of 2008 due to the change in Hong Kong tax rate from 17.5% to 16.5% with effect from April 2008.

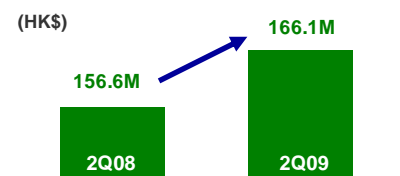


Trust Income

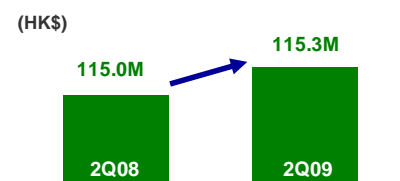
Total Revenue Rose 6.1% In 2Q09 vs 2Q08

	2Q09 (HK\$'000)	2Q08 (HK\$'000)	Variance (%)
Total revenue	166,064	156,558	6.1%
Property operating expenses	(47,217)	(38,048)	24.1%
Manager's performance fee	(3,565)	(3,555)	0.3%
NPI	115,282	114,954	0.3%
Borrowing costs	(20,443)	(26,182)	(21.9%)
Profit before tax¹	94,839	88,772	6.8%
Hong Kong tax ²	(15,554)	(7,177)	116.7%
Net profit of property companies ¹	79,285	81,595	(2.8%)
Income available for distribution	78,870	79,387	(0.7%)

Revenue +6.1%



NPI + 0.3%



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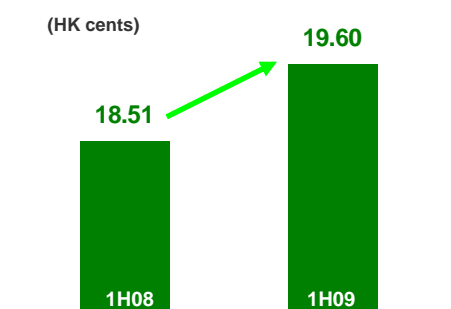


Distribution Yield

10.6% Tax-exempt yield backed by clean, transparent and steady cashflow

1H09	Tax-exempt	Pre-tax ¹ Equivalent
DPU^{2,3} (HK\$)	0.1960	0.2343
DPU yield⁴	10.6%	12.6%

DPU +5.9%



Notes:

- 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.
- Fortune REIT pays tax-exempt distributions semi-annually (for the half years ending Dec and Jun)
- Based on the deemed Units in issue of approximate 824.9 m Units.
- Based on the closing Unit price of HK\$3.74 on 30 Jun 09.



Distribution Details

Fortune REIT Units Trade Ex-distribution On 3 Aug 2009

Distribution for the period 1 Jan 2009 to 30 Jun 2009

19.60 HK cents per Unit

Ex-distribution Date	3 Aug 2009
Book Closure	5 Aug 2009
Currency Election ¹	14 Aug 2009
Distribution Payment	28 Aug 2009

Note:

1. Unitholders can choose to have the distribution paid in HKD or SGD. By default, the payment is made in SGD.



Portfolio Valuation

Portfolio Valuation Increased by 3.5% to HK\$8.9 billion

As at 30 Jun 09	GRA	(HK\$M)
1. City One Shatin Property	414,469	3,370
2. Ma On Shan Plaza	310,084	1,841
3. The Metropolis Mall	332,168	1,382
4. Waldorf Garden Property	80,842	770
5. Smartland	123,544	362
6. Tsing Yi Square Property	78,836	297
7. Jubilee Court Shopping Centre	170,616	292
8. The Household Center	91,779	265
9. Centre de Laguna Property	43,000	162
10. Lido Garden Property	9,836	97
11. Rhine Garden Property	14,604	62
Fortune REIT Portfolio Total	1,669,778	8,900

Note: As at 30 Jun 2009 by Savills.



Balance Sheet

As at 30 Jun 09	(HK\$'000)
Current Assets	341,082
Non Current Assets	8,905,865
Total Assets	9,246,947
Current Liabilities	2,656,157
Non Current Liabilities	121,612
Total Liabilities	2,777,769
Net Assets	6,469,178

Gearing Ratio **25.7%**

Portfolio Valuation¹ **HK\$8,900 M**

NAV Per Unit^{2,3} **HK\$7.89**

Notes:

1. As at 30 Jun 2009 by Savills.
2. Based on net assets of the Group excluding hedging reserve.
3. The number of Units used for computation of NAV per Unit is 824,879,427 Units. This comprises: (a) number of Units in issue as at 30 Jun 2009 of 823,118,206 Units; (b) Units issued on 10 July 2009 to the Manager as the Manager's Base Fees for 2Q 2009 of 1,761,221 Units.




Debt management

Low Gearing At 25.7% ; Certainty Of Financing Cost

As at 30 Jun 09	Debt Profile
Total Debt¹	HK\$2,379 mil
Gearing Ratio²	25.7%
Interest Cover³	5.0x
Weighted Avg. Cost of Debt	3.73%

 **Begin negotiations with banks to secure refinancing**

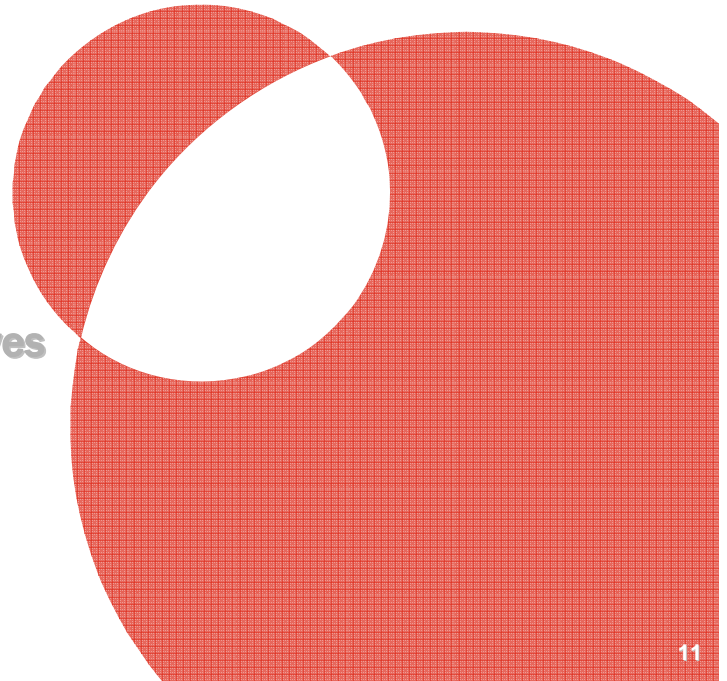
 **100% of the interest cost has been fixed with various plain vanilla swaps**

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.



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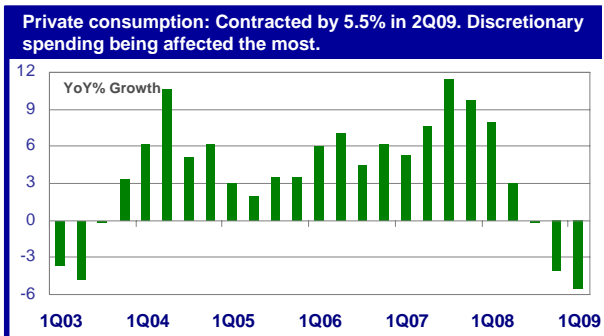
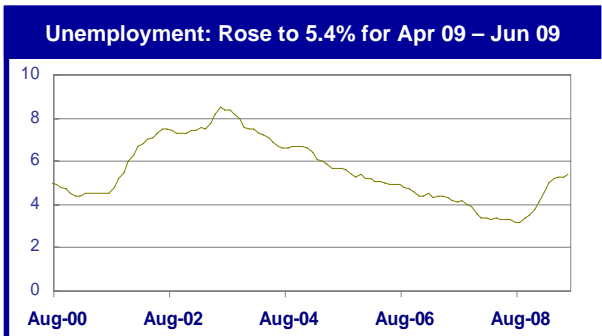
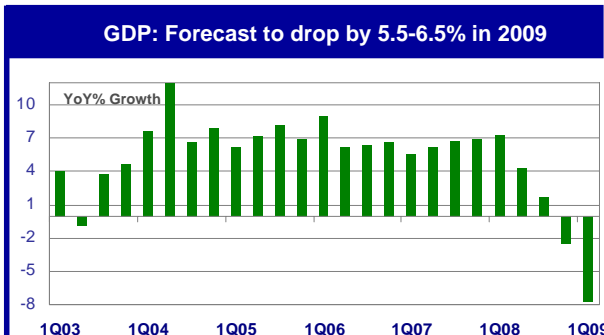


Hong Kong Economy

Period Ended 30 Jun 2009

Well positioned to recover from recession

- ✓ Asian economies are outperforming their global counterparts and could see a sustained recovery because of stronger domestic demand and greater liquidity.
- ✓ HK is better positioned than many other economies to withstand the crisis and recover, given its sound fundamentals and Mainland Central government's supportive measure.

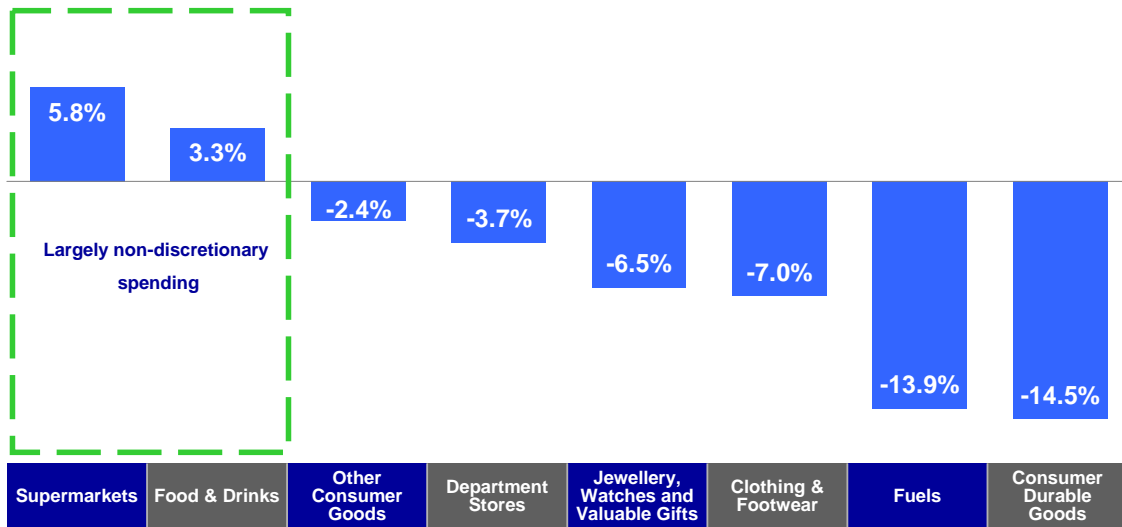


Source: Census & Statistics Department, HK

Hong Kong Retail Sales

Suburban retail still benefiting from the growth of non-discretionary spending

Hong Kong Retail Sales Value – YoY changes for the five months ended May 2009




Source: Census & Statistics Department, HK

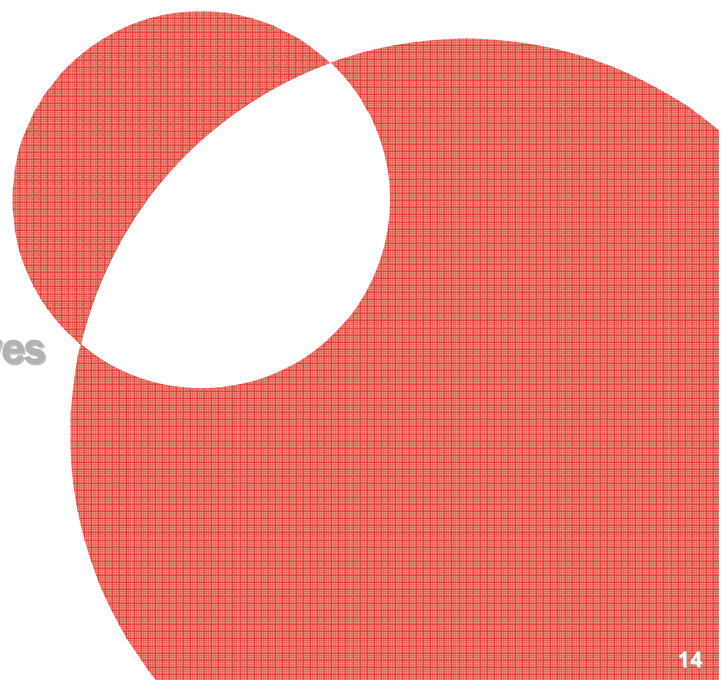


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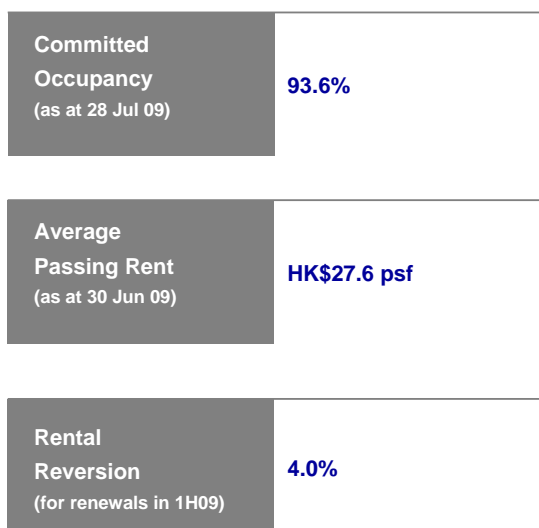
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Occupancy and Passing Rent

Portfolio Occupancy Remains Strong At 92.1%; Passing Rents rose to HK\$27.6 psf

As at 30 Jun 09	GRA (sf)	Actual Occupancy (30 Jun 09)
1. City One Shatin Property	414,469	97.2%
2. Ma On Shan Plaza	310,084	100.0%
3. The Metropolis Mall	332,168	88.4%
4. Waldorf Garden Property	80,842	100.0%
5. Smartland	123,544	76.7%
6. Tsing Yi Square Property	78,836	98.4%
7. Jubilee Court Shopping Centre	170,616	75.9%
8. The Household Center	91,779	88.0%
9. Centre de Laguna Property	43,000	99.4%
10. Lido Garden Property	9,836	100.0%
11. Rhine Garden Property	14,604	100.0%
Portfolio Total	1,669,778	92.1%



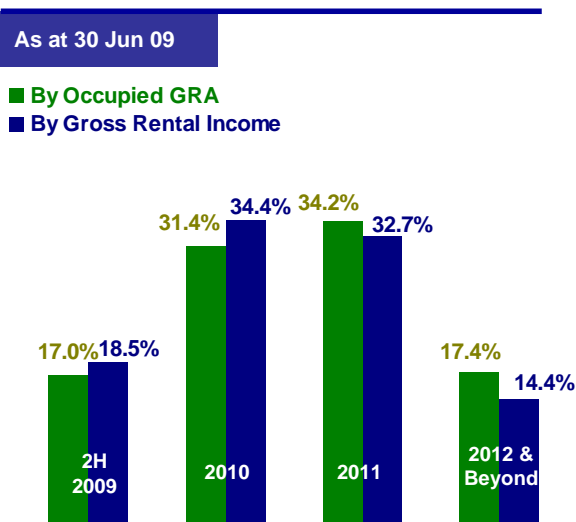
Portfolio Expiry Profile

67.9% of Lease Expiring in 2009 has been Committed

Expiry Profile By Gross Rentable Area

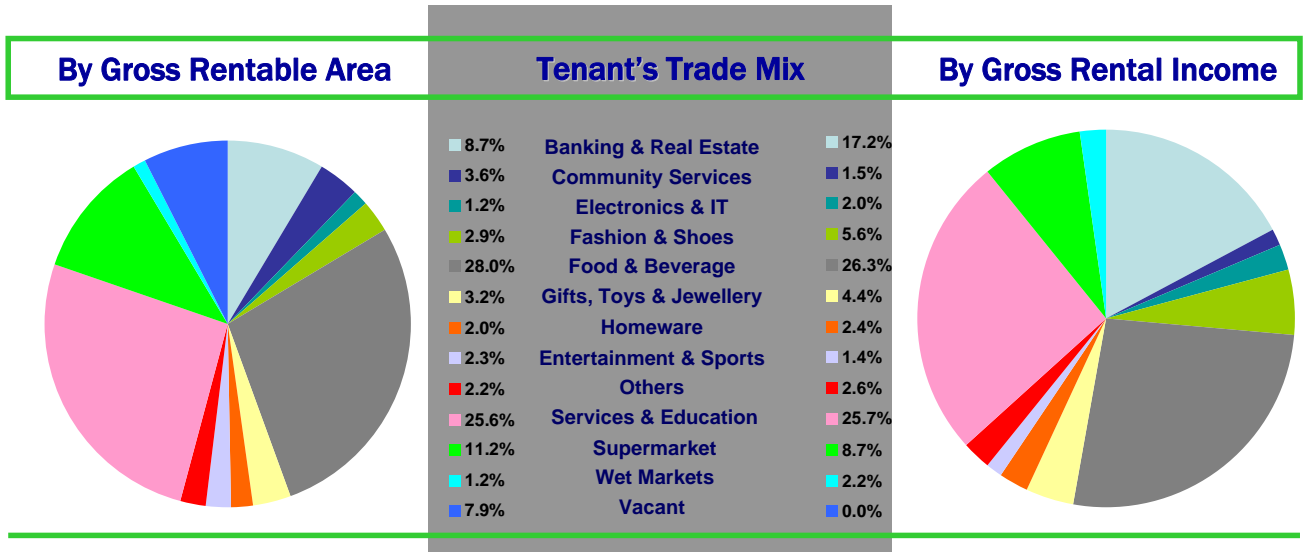
As at 30 Jun 09	% of occupied GRA		
	2H 2009	2010	2011
1. City One Shatin	20.5	32.9	31.6
2. Ma On Shan Plaza	11.5	37.9	42.3
3. The Metropolis Mall	16.1	31.6	42.4
4. Waldorf Garden	5.0	18.5	18.5
5. Smartland	11.4	14.3	44.0
6. Tsing Yi Square	22.4	41.5	30.7
7. Jubilee Court Shopping Centre	27.1	22.0	13.3
8. The Household Center	7.3	32.9	30.9
9. Centre de Laguna	45.9	41.4	12.6
10. Lido Garden	38.6	61.4	0.0
11. Rhine Garden	1.2	1.5	97.2
Portfolio Total	17.0	31.4	34.2

Portfolio Expiry Profile



Portfolio Trade Mix

Trade Mix Well Diversified To Meet Catchment Needs



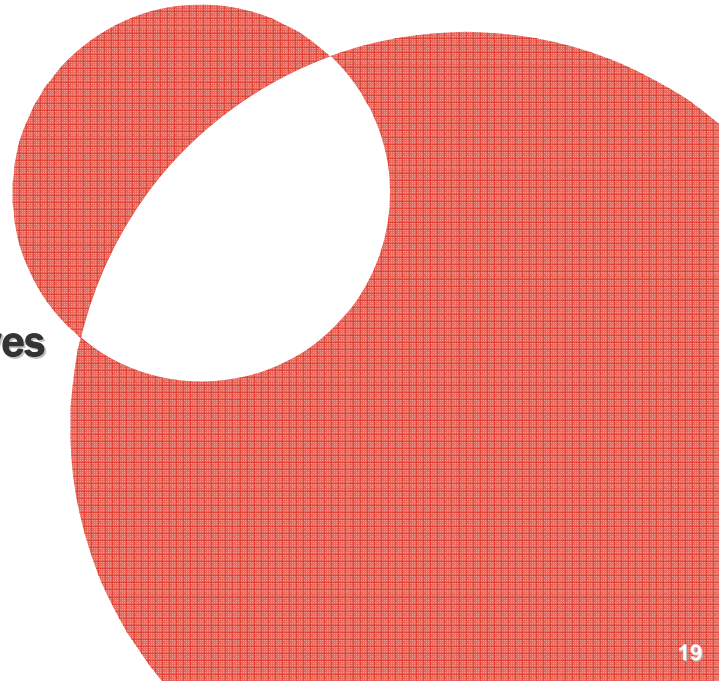
Note:
1. As at 30 Jun 2009.



Marketing And Promotions



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2009 CAPEX Planning

Period Ended 30 Jun 2009

Capex: Planning to spend HK\$30M – HK\$40M in 2009





City One Shatin Property

-  City One Plaza Renovation
-  Replacement of the chiller plant
-  Upgrading of the Wet Market



Metropolis Mall

-  Renovation of the food court
-  Upgrading of the toilet facilities



Smartland

-  Completion of the ceiling and floor tiles replacement

Facilities Upgrading in Metropolis Mall

Renovation of Food Court



- ✓ Contemporary new design for food court.
- ✓ To capitalize on the increased dining demand from the concert-goers at the Hong Kong Coliseum.

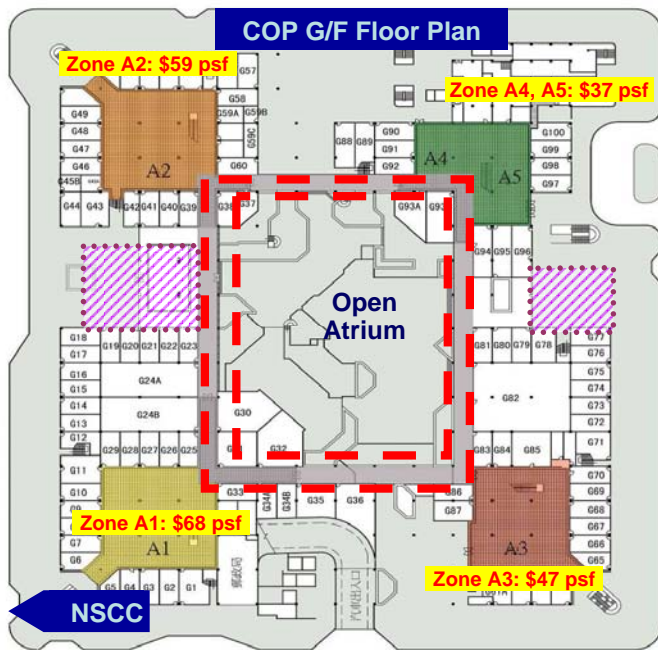


Artist Impression

Washrooms Upgrading



AEI Continued in COP



City One Plaza (COP)

- ✓ Installing air-conditioned corridor to improve shopper's circulation
- ✓ Re-define zoning in the mall to create interesting shopping experience



Energy Efficiency Enhancement

Chiller replacement in COP

✓ Utilities cost saved by 20% in 2Q09 compared to a year earlier

Advanced control



Completion

Link-Up Chiller Plants of The Household Center

✓ Linked up 2 sets of chiller plant serving 1/F and 2/F to maximize efficiency and reduce energy consumption



Existing Chiller Plants



Link-up piping

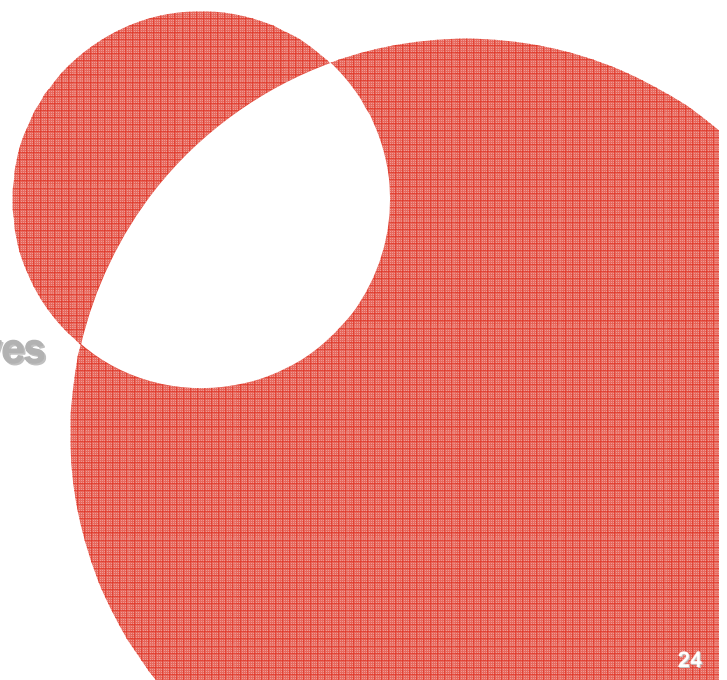


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Key Strategies

Focus on Stability and Sustainability



Operational

- Maintain occupancy levels at all malls
- Work closely with tenants to drive footfall and sales



Asset Enhancement

- Focus on cost savings measures
- Ongoing facilities upgrading



Capital Management

- A prudent approach on gearing ratio and interest cost management
- Current market may present acquisition opportunities



The Household Center



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