



FORTUNE
置富產業信託 **REIT**

Stock Code | Hong Kong: 778 | Singapore: F25U
Managed by ARA Asset Management (Fortune) Limited

Financial results for the period ended 30 June 2011

22 July 2011



Stock Code | Hong Kong: 778 | Singapore: F25U

Managed by ARA Asset Management (Fortune) Limited

Results Highlights

Financial Results

Hong Kong Economy

Portfolio Performance

Asset Enhancement & Marketing Initiatives

Key Strategies

Results Highlights

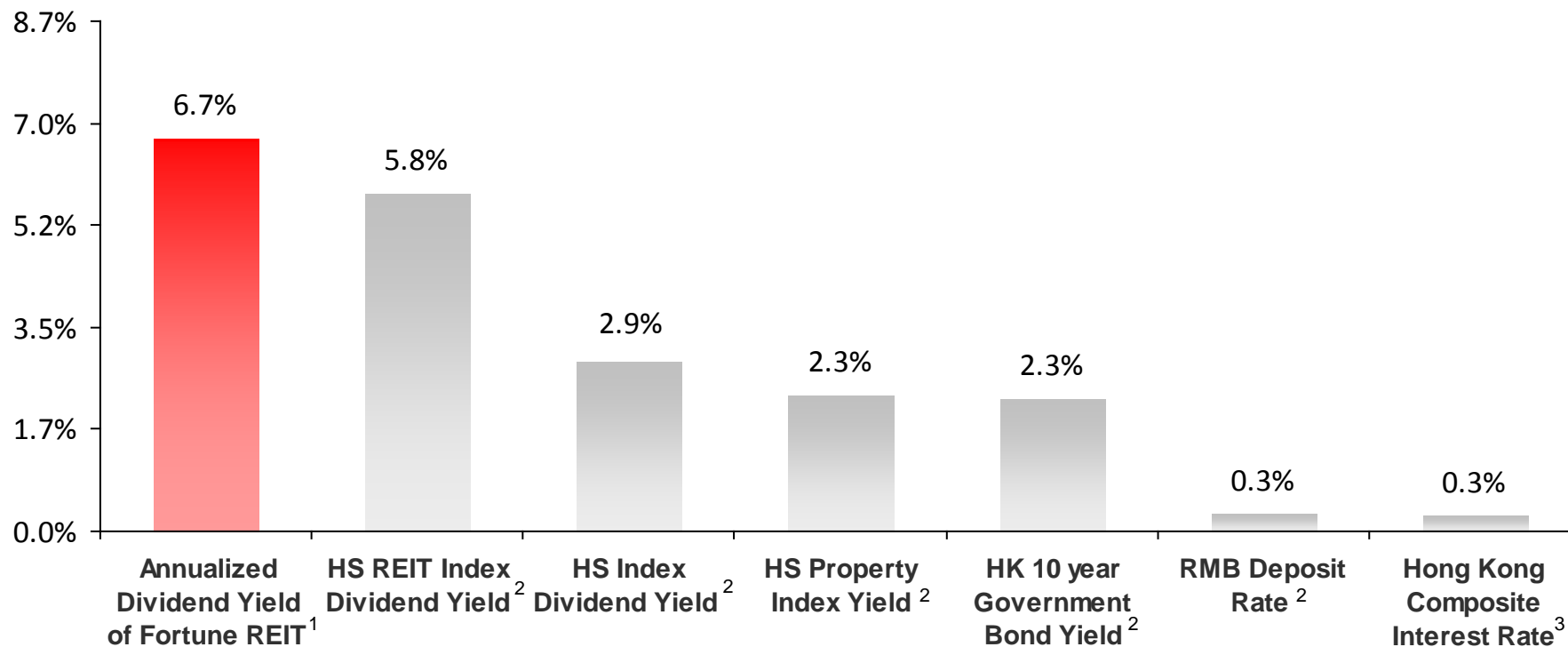
Period ended 30 Jun 2011

Total Revenue, 1H2011	HK\$446.8 mil	+ 8.0% YoY
Net Property Income (NPI), 1H2011	HK\$319.5 mil	+ 5.7% YoY
Distributable Income, 1H2011	HK\$214.8 mil	+ 5.0% YoY
Distribution Per Unit (DPU), 1H2011	HK\$0.1280	+ 4.3% YoY
Distribution Yield¹	6.7%	
Net Asset Value (NAV) Per Unit (as at 30 Jun 11)	HK\$7.52	
Portfolio Valuation² (as at 30 Jun 11)	HK\$15,688 mil	+ 18.0% from Dec 10
Gearing	18.1%	
Portfolio Rental Reversion³	13.8%	
Portfolio Occupancy	98.1%	
Portfolio Passing Rent	HK\$30.3 psf	

Notes:

1. Based on the average closing unit price in Singapore and Hong Kong of HK\$3.835 as at 30 Jun 2011.
2. The portfolio was valued by Knight Frank Petty Limited ("Knight Frank").
3. For all renewal leases from 1 Jan 2011 to 30 Jun 2011.

Attractive yield



Source: Company Data, Hang Seng Indexes, Hong Kong Monetary Authority

Notes:

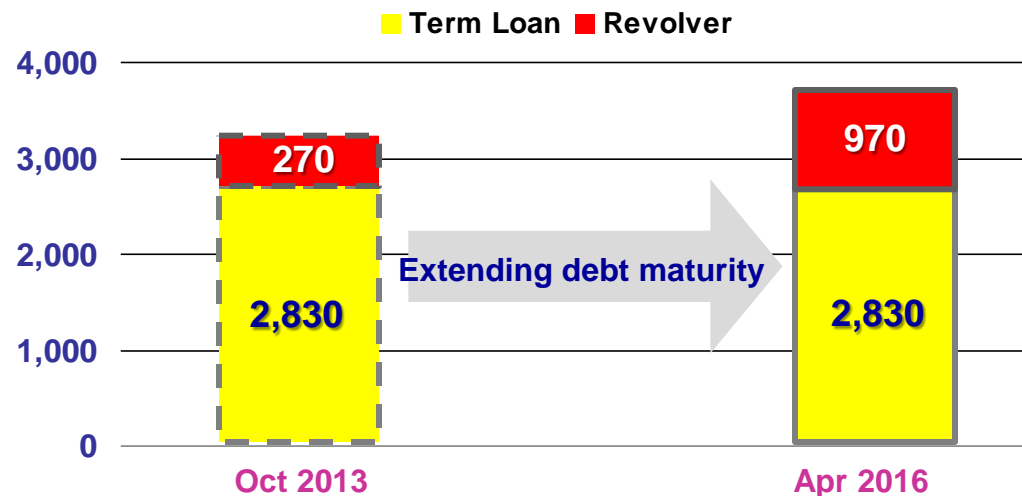
- 1. Based on the average closing unit price in Singapore and Hong Kong of HK\$3.835 as at 30 June 2011
- 2. As at Jun 2011
- 3. As at May 2011

Proactive Capital Management

Period ended 30 Jun 2011

Strengthen financial position when opportunities arise

HK\$M



	Old	New
Loan	HK\$2,830M	HK\$2,830 M
Committed Facilities	HK\$270M	HK\$970M
Due	Oct 2013	Apr 2016
Margin over HIBOR	2.00%	0.91%

Extended debt maturity

- Debt maturity extended from 2.5 years to 5 years. Due in Apr 2016.

Lowered borrowing cost

- Margin reduced to 0.91% from 2.00%.
- Interest saving expected to kick-in from 2nd half of 2011

Enhanced financial flexibility

- Standby committed facilities of HK\$970M for AEs and potential acquisition
- Able to respond quickly to investment opportunities

FORTUNE

置富產業信託

REIT

Stock Code | Hong Kong: 778 | Singapore: F25U

Managed by ARA Asset Management (Fortune) Limited

Results Highlights

Financial Results

Hong Kong Economy

Portfolio Performance

Asset Enhancement & Marketing Initiatives

Key Strategies

Trust Income 1H2011

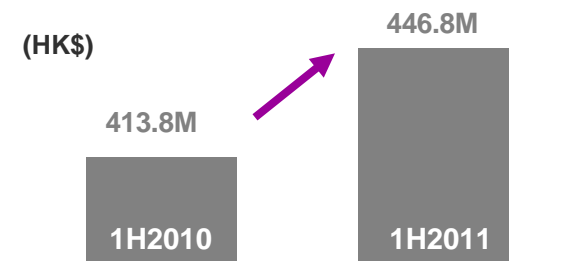
Income Available for Distribution Rose By 5.0% in 1H2011

	1H 2011 (HK\$'000)	1H 2010 (HK\$'000)	Variance (%)
Total revenue	446,837	413,809	8.0%
Property operating expenses	(117,428)	(102,161)	14.9%
Manager's performance fee	(9,882)	(9,349)	5.7%
Net property income ("NPI")	319,527	302,299	5.7%
Borrowing costs	(62,706)	(56,303)	11.4%
Profit before tax¹	256,821	245,996	4.4%
Hong Kong tax	(41,075)	(39,874)	3.0%
Net profit of property companies	215,746	206,122	4.7%
Income available for distribution	214,805	204,571	5.0%
DPU (HK\$)	0.1280	0.1227	4.3%

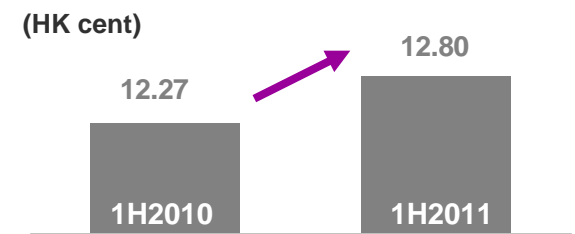
Note:

1. Fortune REIT recognized a gain of HK\$2,381.2 million in 1H11 arising from changes in fair values of the properties and a gain of HK\$13.1 million in 1H11 arising from changes in fair values of financial instrument. There will be no impact on income available for distribution. These figures are thus excluded for the purpose of this presentation.

Revenue +8.0%



DPU +4.3%



Portfolio Valuation

Portfolio Valuation up 18% to HK\$15.7 billion

	Jun 11 ¹ (HK\$ million)	Dec 10 ² (HK\$ million)	Change (Jun 11 vs Dec 10)	Jun 10 ² (HK\$ million)	Change (Jun 11 vs Jun 10)
City One Shatin Property	4,772	4,146	+15.1%	3,883	+22.9%
Ma On Shan Plaza	2,998	2,376	+26.2%	2,166	+38.4%
Metro Town	2,128	1,775	+19.9%	1,666	+27.7%
The Metropolis Mall	1,700	1,589	+7.0%	1,489	+14.2%
Waldorf Garden Property	1,108	925	+19.8%	869	+27.5%
Caribbean Bazaar	639	511	+25.1%	483	+32.3%
Smartland	477	411	+16.1%	389	+22.6%
Jubilee Court Shopping Centre	450	355	+26.8%	328	+37.2%
Tsing Yi Square Property	426	364	+17.0%	340	+25.3%
The Household Center	348	302	+15.2%	286	+21.7%
Centre de Laguna Property	212	185	+14.6%	175	+21.1%
Hampton Loft	206	177	+16.4%	173	+19.1%
Lido Garden Property	130	111	+17.1%	105	+23.8%
Rhine Garden Property	94	73	+28.8%	69	+36.2%
Fortune REIT Portfolio	15,688	13,300	+18.0%	12,421	+26.3%

Notes:

1. Valued by Knight Frank.
2. Valued by Savills.

Distribution Details

Distribution for the period 1 Jan 2011 to 30 Jun 2011

12.80 HK cents per Unit

Ex-distribution	3 Aug 2011
Distribution Payment	29 Aug 2011

Balance Sheet

As at 30 Jun 11	(HK\$'000)
Current Assets	643,093
Non Current Assets	15,688,000
Total Assets	16,331,093
Current Liabilities	679,252
Non Current Liabilities	3,039,565
Total Liabilities	3,718,817
Net Assets	12,612,276

Gearing Ratio	18.1%
Portfolio Valuation¹	HK\$15,688 M
NAV Per Unit ²	HK\$7.52

Notes:

- As at 30 Jun 2011 by Knight Frank.
- The total number of deemed units used for the computation of net asset value per Unit is 1,677,297,276 Units. This comprises: (a) number of Units in issue as at 30 June 2011 of 1,674,182,145 Units and (b) Units issued on 5 July 2011 to the Manager as Base Fee for 2Q11 of 3,115,131 Units.

Debt Management

As at 30 Jun 11 Debt Profile

Total Debt ¹	HK\$2,950 mil
-------------------------	---------------

Gearing Ratio / Aggregate Leverage ²	18.1%
-------------------------------------------------	-------

Interest Cover ³	3.73 X
-----------------------------	--------

Weighted Avg. Cost of Debt ¹	4.44%
------------------------------------------------	--------------

- ✓ No refinancing requirement until Apr 2016
- ✓ HK\$3.0 billion unencumbered assets provide financial flexibility
- ✓ Further debt headroom of HK\$4.3 billion before the 35% gearing limit
- ✓ 100% of term loan (HK\$2,830 million) was fixed through plain vanilla swaps

Increase in borrowing cost in 2Q11 was due to the one-time write-off of an unamortized commitment fee of HK\$12.9 million arising from the early prepayment of the previous facilities in April 2011. Nevertheless, Fortune REIT enjoys a lower interest margin from the new facilities starting from April 2011 onwards.

Notes:

1. Excludes the debt front-end fee.
2. Following the dual primary listing on 20 April 2010, Fortune REIT is required to comply with the regulatory regimes in both Singapore and Hong Kong. In Hong Kong, the limitation on borrowing by a REIT is 45% of the total gross asset value in accordance with the REIT Code. In Singapore, according to the Property Funds Appendix, Aggregate Leverage should not exceed 35% of Deposited Property, but it may increase up to 60% with a credit rating.
3. Interest cover = EBIT / Total interest expense.

FORTUNE

置富產業信託

REIT

Stock Code | Hong Kong: 778 | Singapore: F25U

Managed by ARA Asset Management (Fortune) Limited

Results Highlights

Financial Results

Hong Kong Economy

Portfolio Performance

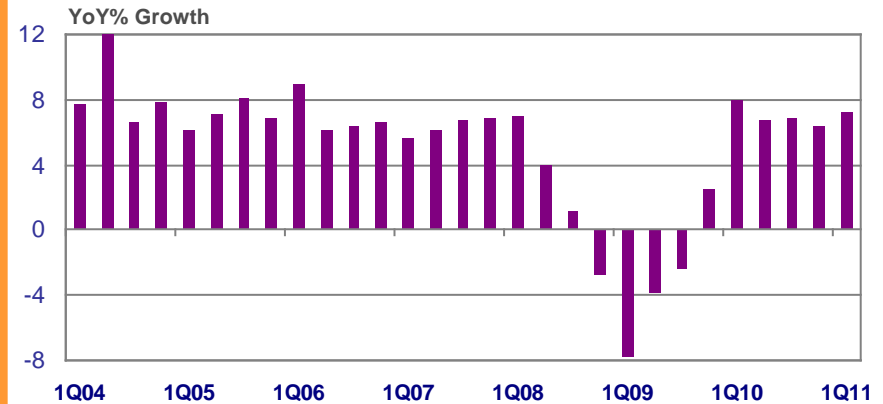
Asset Enhancement & Marketing Initiatives

Key Strategies

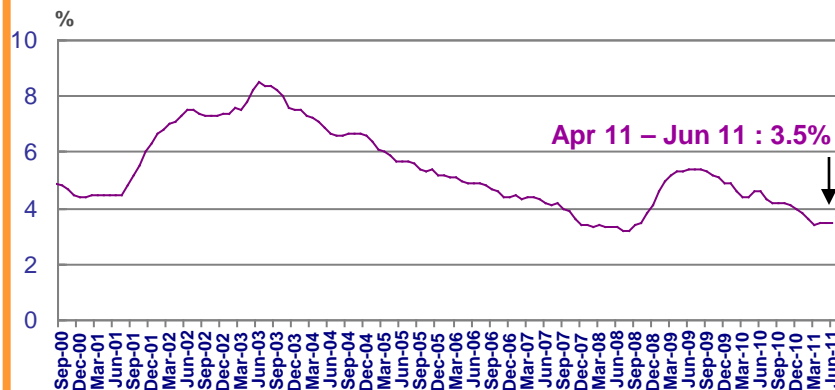
Hong Kong economy sustained strong momentum

- ✓ Growth in the first quarter was slightly higher than the already appreciable 7.0% growth for 2010 as a whole.
- ✓ Government expects a real growth of 5-6% for 2011 as a whole, revised upwards from the 4-5% forecast announced in February 2011.

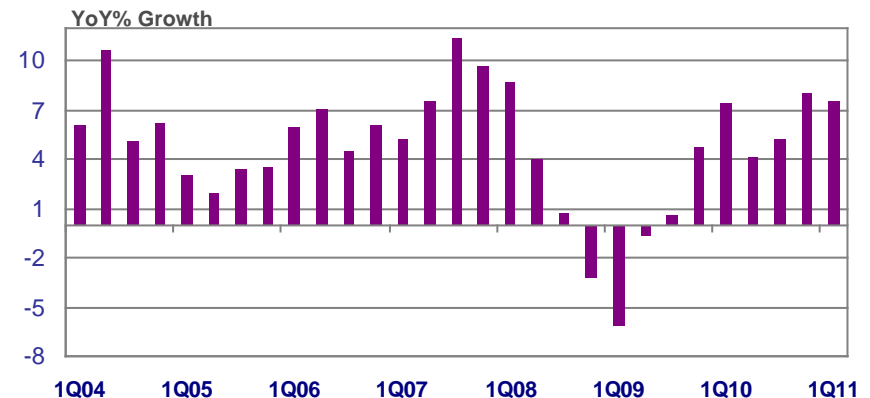
GDP 1Q11: Leaping by 7.2% over a year earlier



Unemployment: Supported by strong economic growth and continued job generation.

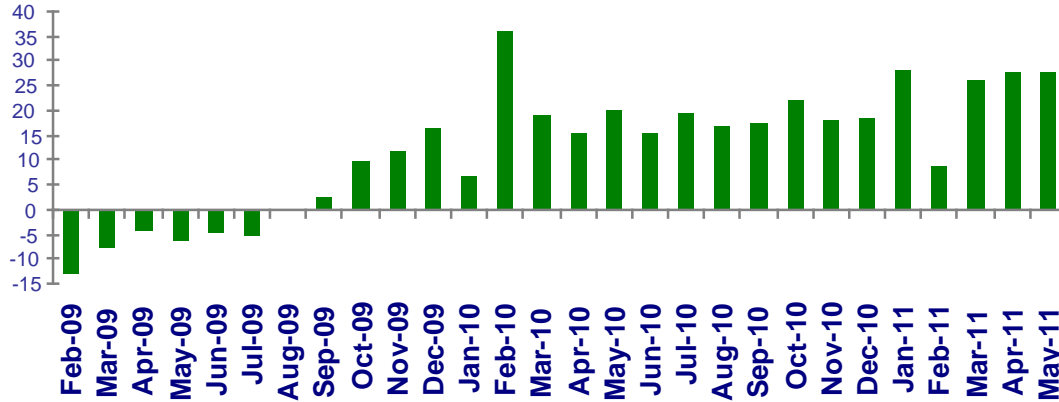


Private consumption: Grew strongly in the first quarter, on the back of improving job and income situations.



Hong Kong Retail Sales

Value of Total Retail Sales YoY % change (Source: Census & Statistics Department, Hong Kong)



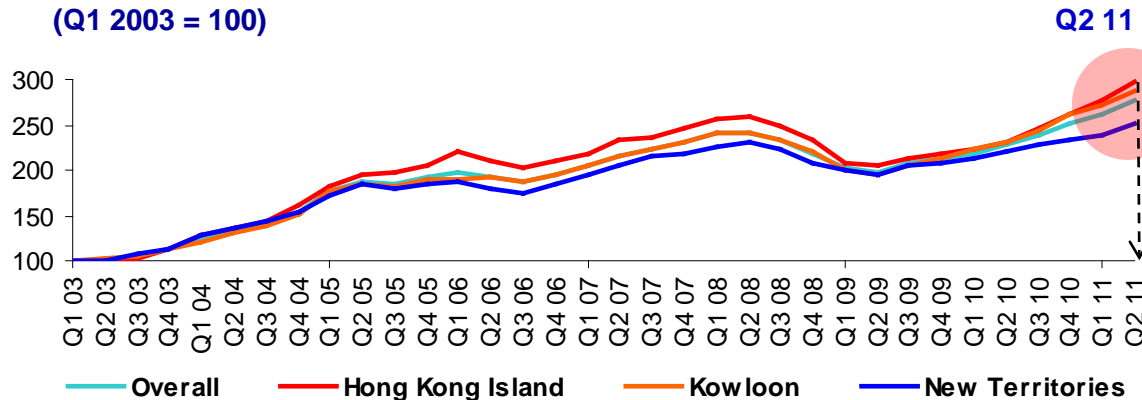
The value of total retail sales for Jan to May of 2011, increased by 23.6% over the same period a year ago.

Retail sales continued to bode well on the back of improving income condition and vibrant inbound tourism.

Non-discretionary spending sectors like food and beverage and supermarket continued to register growth.

Shopping Centre Rental Index by District (Source: Savills Research)

(Q1 2003 = 100)



Shopping mall rents benefiting from the revived consumer confidence, rising for the 8th consecutive quarters since 2Q09.

In particular, Kowloon and New Territories rents rose by 23% and 14% respectively over a year earlier.

FORTUNE

置富產業信託

REIT

Stock Code | Hong Kong: 778 | Singapore: F25U

Managed by ARA Asset Management (Fortune) Limited

Results Highlights

Financial Results

Hong Kong Economy

Portfolio Performance

Asset Enhancement & Marketing Initiatives

Key Strategies

Occupancy and Passing Rent

Passing rent +10.3% YoY to HK\$30.3; Occupancy improved to 98.1%

	GRA (s.f.)	Actual Occupancy (30 Jun 11)	Actual Occupancy (31 Mar 11)	Actual Occupancy (31 Dec 10)
1. City One Shatin Property	414,469	98.2%	97.2%	96.0%
2. Ma On Shan Plaza	310,084	100.0%	100.0%	100.0%
3. Metro Town	180,822	100.0%	100.0%	100.0%
4. The Metropolis Mall	332,168	92.1%	92.6%	98.4%
5. Waldorf Garden Property	80,842	99.7%	100.0%	100.0%
6. Caribbean Bazaar	63,018	100.0%	98.0%	100.0%
7. Smartland	123,544	99.2%	99.1%	99.5%
8. Jubilee Court Shopping Centre	170,616	100.0%	98.6%	100.0%
9. Tsing Yi Square Property	78,836	100.0%	100.0%	98.4%
10. The Household Center	91,779	97.5%	97.4%	96.8%
11. Centre de Laguna Property	43,000	100.0%	100.0%	99.5%
12. Hampton Loft	74,734	100.0%	100.0%	100.0%
13. Lido Garden Property	9,836	100.0%	100.0%	100.0%
14. Rhine Garden Property	14,604	100.0%	100.0%	100.0%
Portfolio Total	1,988,352	98.1%	97.8%	98.7%

**Portfolio
Occupancy**
(as at 30 Jun 11)

98.1%



**Average
Passing Rent**
(as at 30 Jun 11)

**HK\$30.3 psf
+10.3% YoY**



**Rental
Reversion**
(for renewals in1H
2011)

13.8%

Portfolio Expiry Profile

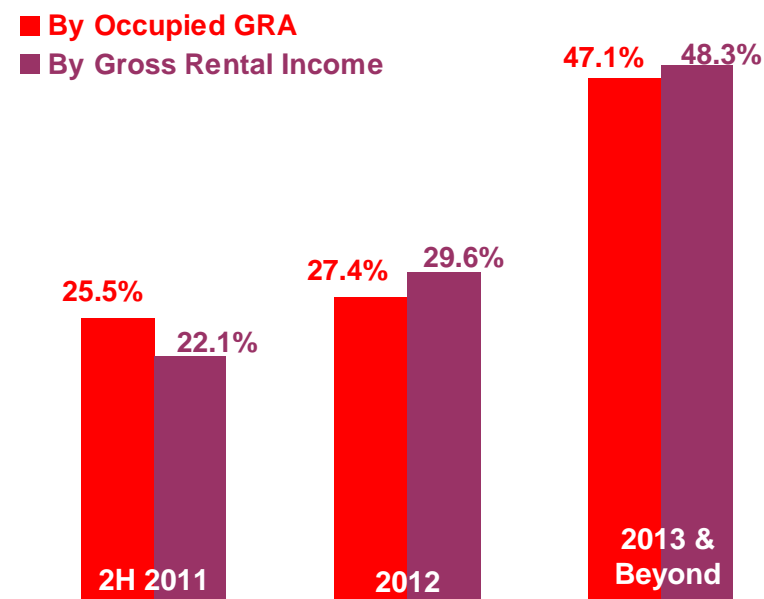
Opportunities to capitalize on lease expiries for rental growth

Expiry Profile By Gross Rentable Area

As at 30 Jun 11	% of occupied GRA		
	2H 2011	2012	2013 & Beyond
1. City One Shatin Property	20.5%	23.3%	56.2%
2. Ma On Shan Plaza	43.0%	22.4%	34.6%
3. Metro Town	4.7%	17.6%	77.7%
4. The Metropolis Mall	41.7%	24.7%	33.6%
5. Waldorf Garden Property	15.4%	18.5%	66.1%
6. Caribbean Bazaar	25.5%	55.7%	18.8%
7. Smartland	31.2%	23.9%	44.9%
8. Jubilee Court Shopping Centre	14.9%	51.0%	34.1%
9. Tsing Yi Square Property	28.7%	33.1%	38.2%
10. The Household Center	15.0%	47.1%	37.9%
11. Centre de Laguna Property	35.7%	11.9%	52.4%
12. Hampton Loft	0.0%	25.2%	74.8%
13. Lido Garden Property	12.9%	51.7%	35.4%
14. Rhine Garden Property	1.2%	1.5%	97.3%
Portfolio Total	25.5%	27.4%	47.1%

Portfolio Expiry Profile

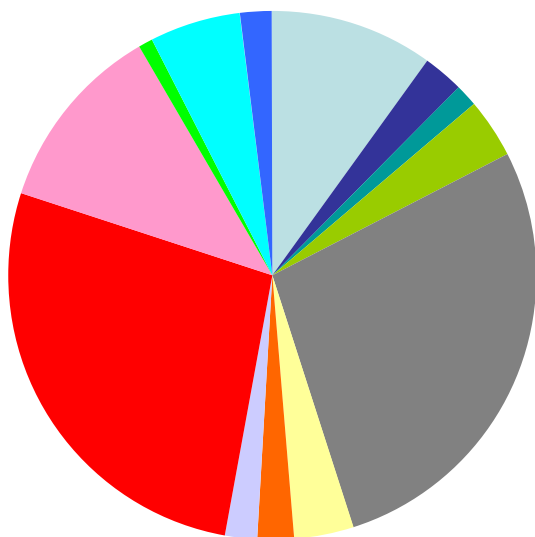
As at 30 Jun 11



Portfolio Trade Mix

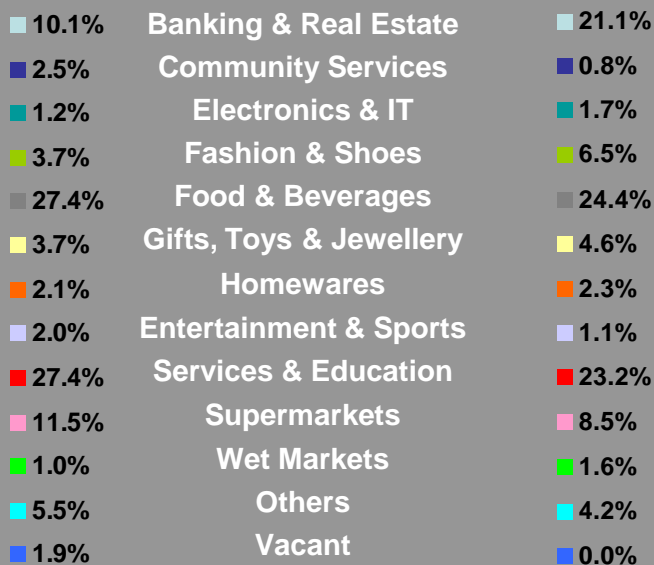
Trade Mix Well Diversified To Meet Catchment Needs

By Gross Rentable Area

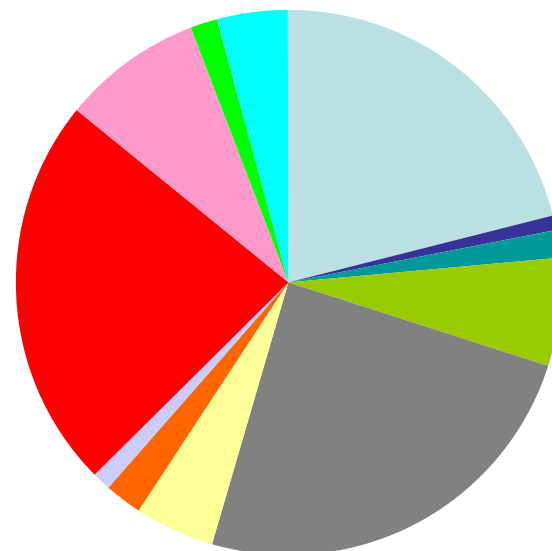


Note:
1. As at 30 Jun 2011.

Tenant's Trade Mix



By Gross Rental Income





Stock Code | Hong Kong: 778 | Singapore: F25U

Managed by ARA Asset Management (Fortune) Limited

Results Highlights

Financial Results

Hong Kong Economy

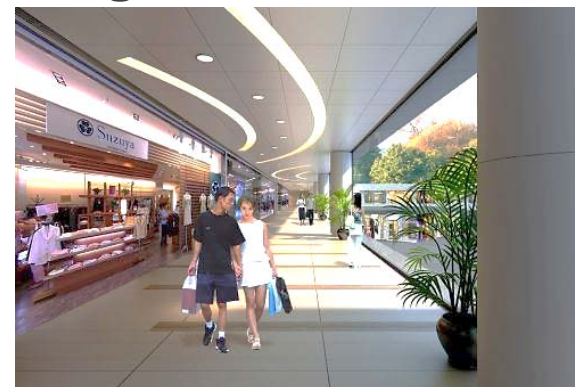
Portfolio Performance

Asset Enhancement & Marketing Initiatives

Key Strategies

AEIs at City One Shatin Property

**Renovation of City One Plaza -
Allowed CAPEX of about HK\$100M; Target ROI 15%**



Artist's impression of the enhanced shopping ambiance.

Renovation will start in 3Q 2011; Expect to complete in phases until end 2012

AEIs at City One Shatin Property

The old ParkNShop space at City One Plaza has been reconfigured for higher paying tenants.

The previous ParkNShop space



New tenants



AEIs at Ma On Shan Plaza

Before



- ✓ Subdivision of 50,000 s.f. restaurant space
- ✓ Offer more retail & F&B variety
- ✓ More than 50% of pre-committed ahead of works commencement in August 2011
- ✓ Expected to complete by end of 2011



Existing Chinese Restaurant



Artist's Impression

After

A new brand for next phase of growth

Face-lifting rebranding for Fortune REIT's portfolio



天天置富
Be you. Be at Fortune

A mall to call your own.

As we celebrate the eighth anniversary of our establishment, we introduce the new “Fortune Malls” asset brand to serve as a clear and constant promise of our commitment of service excellence towards our customers, partners and the community.



A new brand for next phase of growth



A new brand architecture under Fortune REIT

“Fortune REIT”, the listed entity, heads the brand hierarchy and “Fortune Malls” will be the new bridging asset brand applied across all 14 malls under management.

All 14 malls will be given colourful new identities which share the same logo, but with different hues to reinforce the new Fortune Malls image.



Awards in 2011 – as of June

Recognitions demonstrating our continued commitment to our stakeholders, including our tenants, customers, investors



1



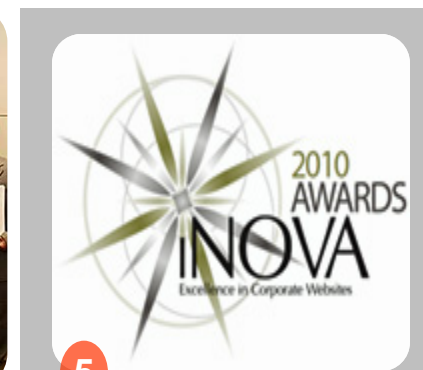
2



3



4



5

1 Customer Relationship Excellence Award 2011

2 2011 Mercury Interim Report Award - Bronze

3 Family Brand Awards 2011 - Ma On Shan Plaza

4 Caring Company 2010 / 2011

5 2010 iNova Corporate Website Award – Honors

FORTUNE

置富產業信託

REIT

Stock Code | Hong Kong: 778 | Singapore: F25U

Managed by ARA Asset Management (Fortune) Limited

Results Highlights

Financial Results

Hong Kong Economy

Portfolio Performance

Asset Enhancement & Marketing Initiatives

Key Strategies

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

- ☑ Embark AEs to unlock asset value
- ☑ Ongoing facilities upgrading and cost saving measures

➤ Capital Management

- ☑ A prudent approach on gearing ratio and interest cost management



The Household Center

Disclaimer

This document has been prepared by ARA Asset Management (Fortune) Limited, in its capacity as the manager (“REIT Manager”) of Fortune Real Estate Investment Trust (“Fortune REIT”) solely for use at the presentation to analysts in relation to the announcement of the results of Fortune REIT for the 3 months ended 30 June 2011 and may not be reproduced or redistributed without permission. Neither this document nor any copy of it may be taken or transmitted into or distributed, directly or indirectly, in the United States or to any U.S. person (within the meaning of Regulation S under the United States Securities Act of 1933, as amended). Neither this document nor any copy of it may be taken or transmitted into Canada or distributed or redistributed in Japan or to any resident thereof. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about and observe, any such restrictions. By attending this presentation, you are agreeing to be bound by the foregoing restrictions and representing that you have understood and accepted the disclaimers set out herein. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

All information and data are provided for information purposes only. All opinions expressed herein are based on information available as of the date hereof and are subject to change without notice.

The information contained in this document is not intended to provide, and you may not rely on this document as providing, a complete or comprehensive analysis of the Fortune REIT’s financial or trading position or prospects. The past performance of Fortune REIT is not necessarily indicative of the future performance of Fortune REIT and nothing contained in this document is or, shall be relied on, as a promise or forecast as to the future.

This document may contain forward looking statements. Investors are cautioned that the actual results may differ materially from those set forth in any forward looking statement herein. The REIT Manager, its affiliates, advisors or representatives make no representation or warranty as to the accuracy, suitability or completeness of the information contained in this document and none of the REIT Manager, Fortune REIT, nor any of its respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

This document does not constitute an offer or invitation to purchase or subscribe for any units of Fortune REIT in Hong Kong, Singapore or in any other jurisdiction and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto. No action has been taken or will be taken by the REIT Manager, Fortune REIT, any of their respective affiliates, directors, officers or employees, representatives or advisers, to register these materials as an offering document or otherwise to permit public distribution of this document.

Contact Us



ARA Asset Management (Fortune) Limited

Anthony Ang
Chief Executive Officer
anthonyang@ara.com.hk

Justina Chiu
Deputy Chief Executive Officer
justinachiu@ara.com.hk

Jenny Hung
Senior Manager, Investment and IR
jennyhung@ara.com.hk

Singapore Office
#16-02 Suntec Tower 4
6 Temasek Boulevard
Singapore 038986

Hong Kong Office
Units 5508-10, 55/F The Center
99 Queen's Road Central
Hong Kong

Tel: +65 6835 9232
Fax: +65 6835 9672

Tel: +852 2169 0928
Fax: +852 2169 0968

<http://www.fortunereit.com>

<http://www.fortunemalls.com.hk>



天天置富
Be you. Be at Fortune