

Financial results

for the period ended 30 September 2011

11 Nov 2011

Period ended 30 Sep 2011

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Results Highlights

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Hong Kong Economy

Portfolio Performance

Asset Enhancement & Marketing Initiatives

Key Strategies

Results Highlights

Period ended 30 Sep 2011

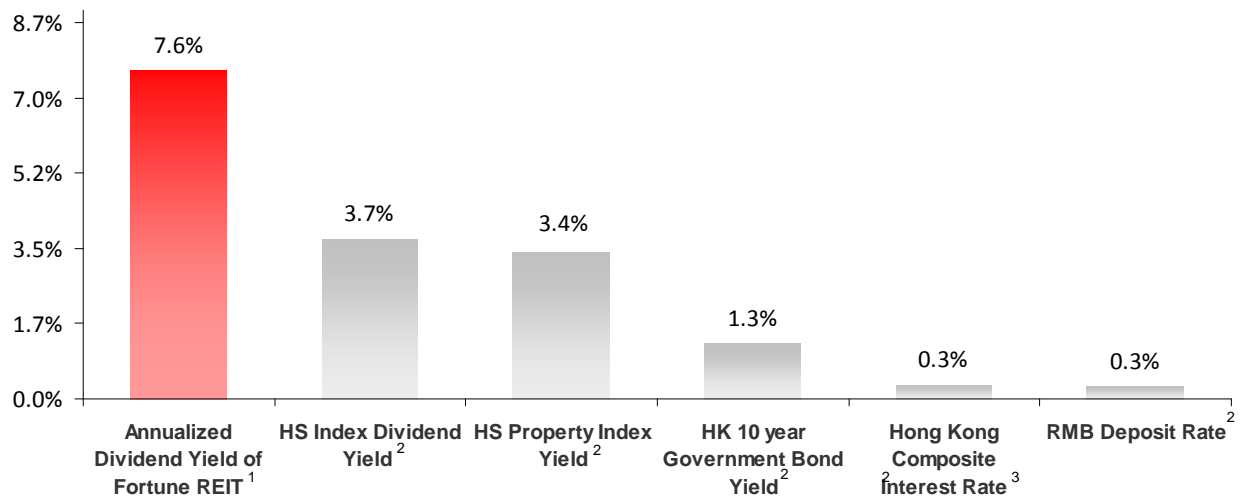
Total Revenue, 3Q11	HK\$232.2 mil	+ 12.9% YoY
Net Property Income (NPI), 3Q11	HK\$162.2 mil	+ 14.1% YoY
Distributable Income, 3Q11	HK\$112.3 mil	+ 16.7% YoY
Distribution Per Unit (DPU), 3Q11	HK\$0.0668	+ 16.0% YoY
Annualized Distribution Yield ¹	7.6%	
Net Asset Value (NAV) Per Unit	HK\$7.48	
Portfolio Valuation ² (as at 30 Jun 11)	HK\$15,688 mil	
Gearing	20.1%	
Portfolio Rental Reversion ³	15.0%	
Portfolio Occupancy	93.5% - temporarily affected by the AEIs in FCO & MOSP	
Portfolio Passing Rent	HK\$31.8 psf	

Notes:

1. Based on the average closing unit price in Singapore and Hong Kong of HK\$3.415 as at 30 Sep 2011.
2. The portfolio was valued by Knight Frank Petty Limited ("Knight Frank").
3. For all renewal leases from 1 Jan 2011 to 30 Sep 2011.

Attractive yield

Period ended 30 Sep 2011



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\$3.415 as at 30 Sep 2011
2. As at Sep 2011
3. As at Aug 2011

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FORTUNE
置富產業信託 **REIT**

Stock Code | Hong Kong: 778 | Singapore: F25U

Managed by ARA Asset Management (Fortune) Limited

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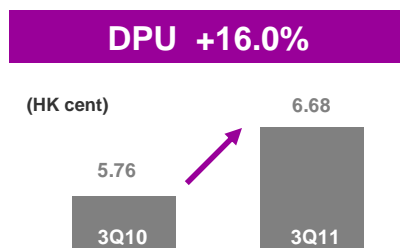
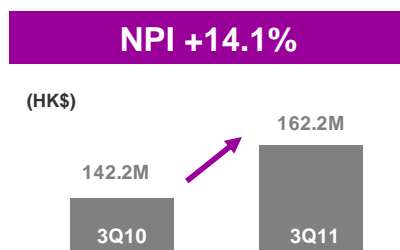
Asset Enhancement & Marketing Initiatives

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Trust Income 3Q11

Distribution Per Unit Rose By 16.0% in 3Q11

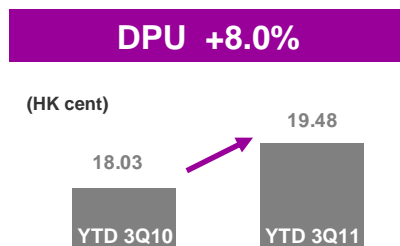
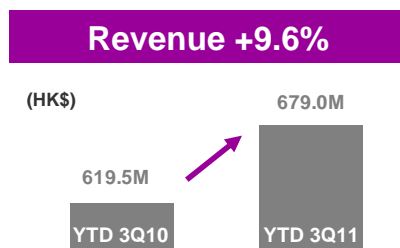
	3Q11 (HK\$'000)	3Q10 (HK\$'000)	Variance (%)
Total revenue	232,152	205,710	12.9%
Property operating expenses	(64,984)	(59,156)	9.9%
Manager's performance fee	(5,015)	(4,397)	14.1%
Net property income ("NPI")	162,153	142,157	14.1%
Borrowing costs	(24,095)	(27,068)	(11.0%)
Profit before tax	138,058	115,089	20.0%
Hong Kong tax	(25,335)	(18,226)	39.0%
Net profit of property companies	112,723	96,863	16.4%
Income available for distribution	112,336	96,255	16.7%
DPU (HK\$)	0.0668	0.0576	16.0%



Trust Income YTD 3Q11

Total Revenue Rose By 9.6% in YTD 3Q11

	YTD 3Q11 (HK\$'000)	YTD 3Q10 (HK\$'000)	Variance (%)
Total revenue	678,989	619,519	9.6%
Property operating expenses	(182,412)	(161,317)	13.1%
Manager's performance fee	(14,897)	(13,746)	8.4%
Net property income ("NPI")	481,680	444,456	8.4%
Borrowing costs	(86,801)	(83,371)	4.1%
Profit before tax¹	394,879	361,085	9.4%
Hong Kong tax	(66,410)	(58,100)	14.3%
Net profit of property companies	328,469	302,985	8.4%
Income available for distribution	327,141	300,826	8.7%
DPU (HK\$)	0.1948	0.1803	8.0%



Note:

1. Fortune REIT recognized a gain of HK\$2,381.2 million in YTD 3Q11 arising from changes in fair values of the properties and a gain of HK\$13.1 million in YTD 3Q11 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.

Balance Sheet

As at 30 Sep 11	(HK\$'000)
Current Assets	963,581
Non Current Assets	15,697,460
Total Assets	16,661,041
Current Liabilities	1,003,619
Non Current Liabilities	3,084,767
Total Liabilities	4,088,386
Net Assets	12,572,655

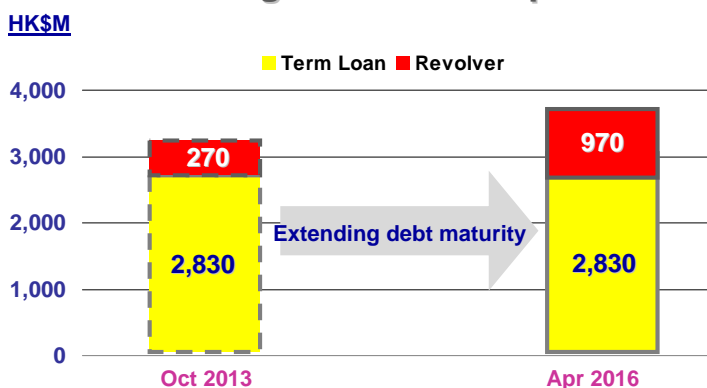
Gearing Ratio	20.1%
Portfolio Valuation¹	HK\$15,688 M
NAV Per Unit ²	HK\$7.48

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 1,680,695,942 Units. This comprises: (a) number of Units in issue as at 30 September 2011 of 1,677,297,276 Units and (b) Units issued on 3 October 2011 to the Manager as Base Fee for 3Q11 of 3,398,666 Units.

Proactive capital management amid tightening credit

Strengthen financial position when opportunities arise



	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 kicked-in from 2nd half of 2011

Enhanced financial flexibility

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

Debt Management

As at 30 Sep 11	Debt Profile
Total Debt ¹	HK\$3,350 mil
Gearing Ratio / Aggregate Leverage ²	20.1%
Interest Cover ³	4.38 X
Effective Interest Cost ¹	3.96%

- ✓ No refinancing requirement until Apr 2016
- ✓ HK\$3.0 billion unencumbered assets provide financial flexibility
- ✓ Further debt headroom of HK\$3.8 billion before the 35% gearing limit
- ✓ 100% of term loan was fixed through plain vanilla swaps
- ✓ Financing costs lowered by 11% in 3Q11 vs. 3Q10

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.

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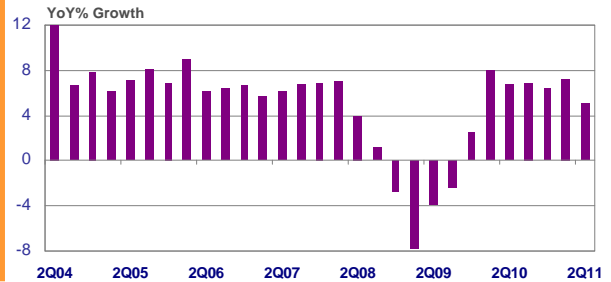
Hong Kong Economy

Period ended 30 Sep 2011

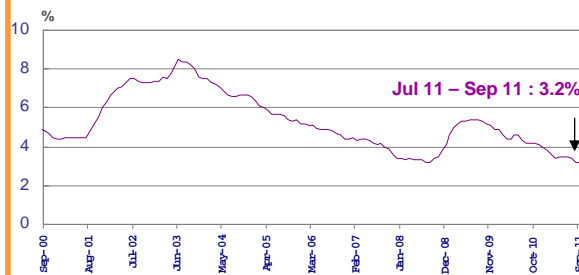
Hong Kong economy expanded at a solid pace

- ✓ Growth in the second quarter was 5.1% over a year earlier, despite a more challenging external environment.
- ✓ Government expects a real growth of 5-6% for 2011 as a whole, barring any abrupt external shocks and allowing for some moderation in growth in the second half of the year.

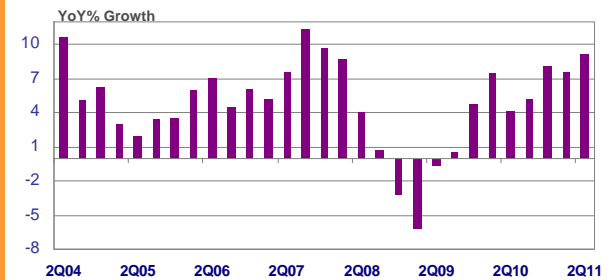
GDP 2Q11: Expanded at a solid pace of 5.1% in the second quarter over a year earlier.



Unemployment: Local economy has broadly maintained its strength year-to-date.



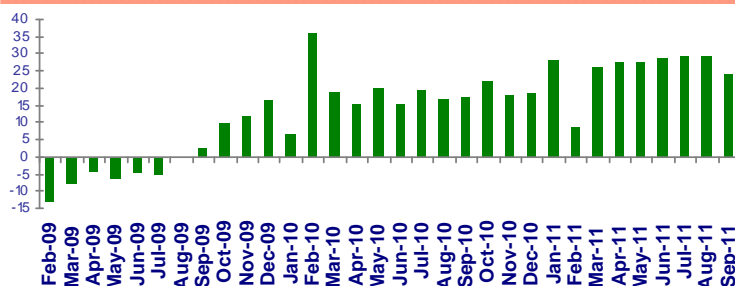
Private consumption: Grew strongly in the second quarter, on the back of strengthened domestic demand.



Hong Kong Retail Sales

Period ended 30 Sep 2011

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



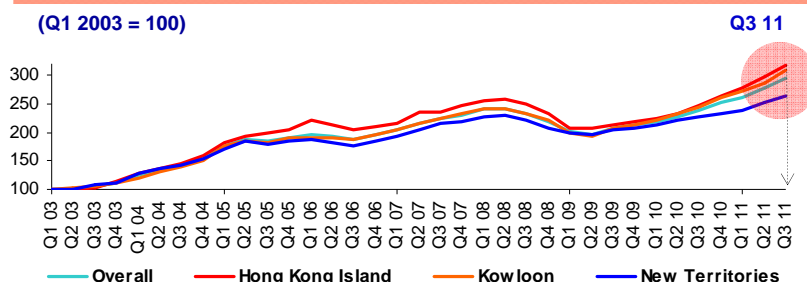
The value of total retail sales for Jan to Sep of 2011, increased by 25.4% over the same period a year ago.

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 9th consecutive quarters since 2Q09.

In particular, Kowloon and New Territories rents rose by 27% and 16% respectively over a year earlier.

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Period ended 30 Sep 2011

Occupancy and Passing Rent

Occupancy sustained at 93.5% despite AEIs vacancies

	GRA (s.f.)	Actual Occupancy (30 Sep 11)	Actual Occupancy (30 Jun 11)	Actual Occupancy (31 Dec 10)
1. Fortune City One (FCO)	414,469	88.7%	98.2%	96.0%
2. Ma On Shan Plaza (MOSP)	310,084	83.3%	100.0%	100.0%
3. Metro Town	180,822	100.0%	100.0%	100.0%
4. Fortune Metropolis	332,168	91.5%	92.1%	98.4%
5. Waldorf Avenue	80,842	99.5%	99.7%	100.0%
6. Caribbean Square	63,018	100.0%	100.0%	100.0%
7. Smartland	123,544	99.5%	99.2%	99.5%
8. Jubilee Square	170,616	100.0%	100.0%	100.0%
9. Tsing Yi Square	78,836	100.0%	100.0%	98.4%
10. Nob Hill Square	91,779	97.6%	97.5%	96.8%
11. Centre de Laguna	43,000	100.0%	100.0%	99.5%
12. Hampton Loft	74,734	100.0%	100.0%	100.0%
13. Lido Avenue	9,836	100.0%	100.0%	100.0%
14. Rhine Avenue	14,604	98.8%	100.0%	100.0%
Portfolio Total	1,988,352	93.5%	98.1%	98.7%

Strong leasing pre-commitment for AEIs space at **FCO** and **MOSP**

> Committed Occ. at **FCO**: **94.3%**

> Committed Occ. at **MOSP**: **99.5%**

Portfolio Occupancy (as at 30 Sep 11) **93.5%**

Average Passing Rent (as at 30 Sep 11) **HK\$31.8 psf +14.8% y-o-y**

Rental Reversion (for renewals in YTD 3Q 2011) **15.0%**

Portfolio Expiry Profile

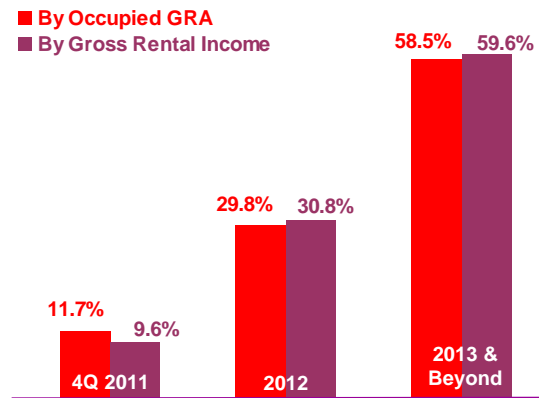
Strong leasing momentum. Only 6%¹ of expiry remaining for 2011.

Expiry Profile By Gross Rentable Area

As at 30 Sep 11	% of occupied GRA		
	4Q 2011	2012	2013 & Beyond
1. Fortune City One	5.5%	26.0%	68.5%
2. Ma On Shan Plaza	19.5%	27.3%	53.2%
3. Metro Town	3.2%	18.0%	78.8%
4. Fortune Metropolis	18.6%	29.9%	51.5%
5. Waldorf Avenue	3.5%	18.5%	78.0%
6. Caribbean Square	13.0%	55.7%	31.3%
7. Smartland	28.7%	24.2%	47.1%
8. Jubilee Square	13.9%	50.6%	35.5%
9. Tsing Yi Square	7.3%	33.1%	59.6%
10. Nob Hill Square	6.8%	47.9%	45.3%
11. Centre de Laguna	1.0%	11.9%	87.1%
12. Hampton Loft	0.0%	25.2%	74.8%
13. Lido Avenue	12.9%	51.7%	35.4%
14. Rhine Avenue	0.0%	1.6%	98.4%
Portfolio Total	11.7%	29.8%	58.5%

Portfolio Expiry Profile

As at 30 Sep 11

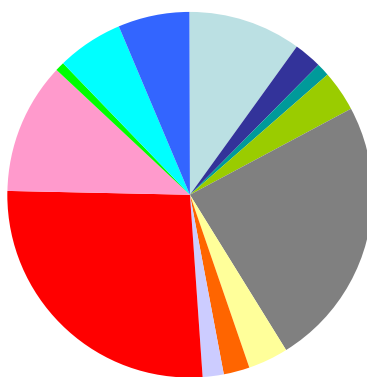


Note:
1. Year-to-date figure of lease expiries remaining in 2011 based on GRA.

Portfolio Trade Mix

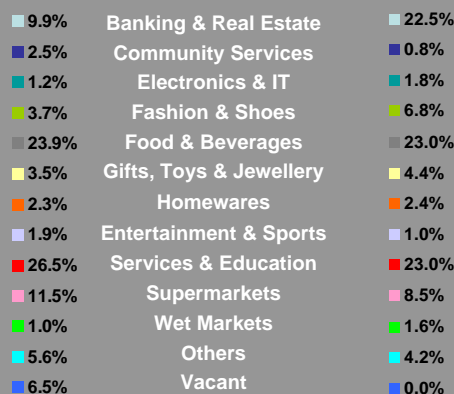
Trade Mix Well Diversified To Meet Catchment Needs

By Gross Rentable Area

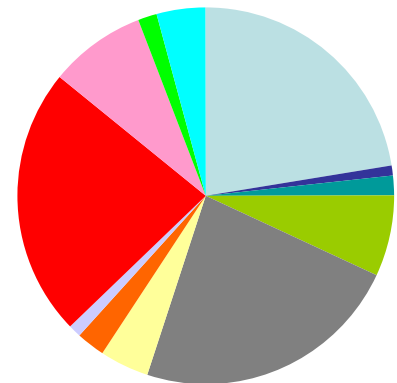


Note:
1. As at 30 Sep 2011.

Tenant's Trade Mix



By Gross Rental Income



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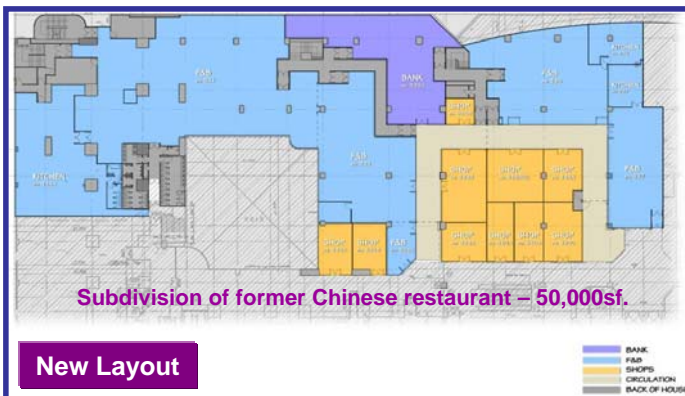
Key Strategies

AEIs at Ma On Shan Plaza

Period ended 30 Sep 2011



Subdivision of Chinese restaurant. Expected to complete by 2011
Renovated space 100% pre-committed
Spent CAPEX of ~HK\$12M; Achieved ROI of 73%



AEIs at Fortune City One

Period ended 30 Sep 2011



Phase 1 renovation commenced in 3Q 2011
 Expect to complete in phases until end 2012
Allowed CAPEX of ~HK\$100M; Target ROI 15%



Artist's impression of the enhanced shopping ambience.



Construction underway

AEIs at Fortune City One

Period ended 30 Sep 2011

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

The previous ParkNShop space



New tenants

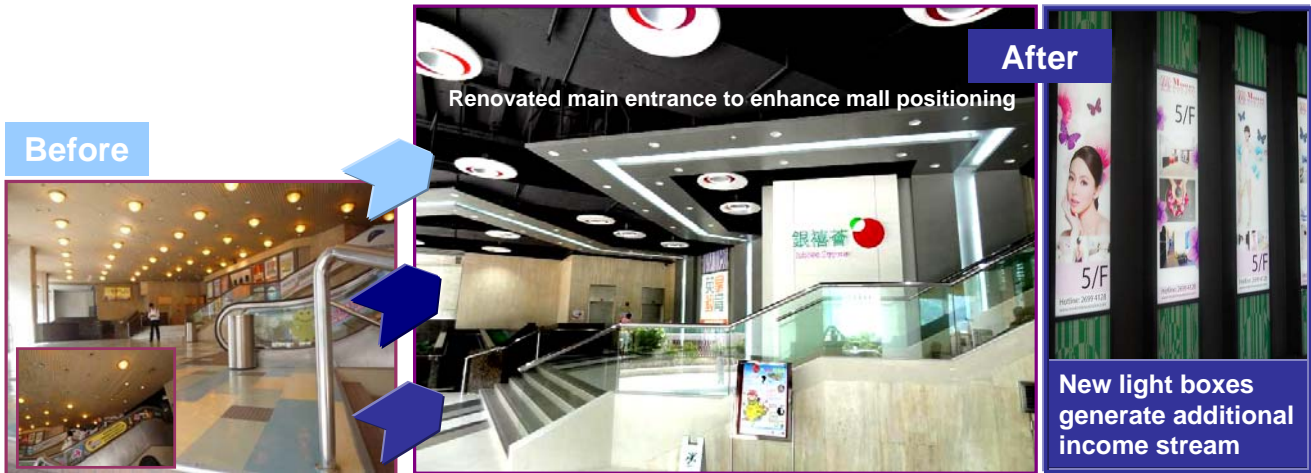


AEIs at Jubilee Square

Period ended 30 Sep 2011



A new refreshing main entrance to enhance mall positioning.
Leverage on increased traffic from new development in the neighborhood.



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A new brand for next phase of growth

Period ended 30 Sep 2011



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.



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Implementation of the new brand

Period ended 30 Sep 2011



As we launched the new “Fortune Malls” asset brand in July, exciting brand features has gradually implemented across our portfolio.



天天置富
Be you. Be at Fortune

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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

New names of properties after rebranding

OLD ➤ NEW

1. City One Shatin Property	沙田第一城物業	Fortune City One	置富第一城
2. Ma On Shan Plaza	馬鞍山廣場	Ma On Shan Plaza	馬鞍山廣場
3. Metro Town	都會駅	Metro Town	都會駅
4. The Metropolis Mall	都會商場	Fortune Metropolis	置富都會
5. Waldorf Garden Property	華都花園物業	Waldorf Avenue	華都大道
6. Caribbean Bazaar	映灣坊	Caribbean Square	映灣薈
7. Smartland	創意無限商場	Smartland	荃薈
8. Jubilee Court Shopping Centre	銀禧閣商場	Jubilee Square	銀禧薈
9. Tsing Yi Square Property	青怡廣場物業	Tsing Yi Square	青怡薈
10. The Household Center	盈暉家居城	Nob Hill Square	盈暉薈
11. Centre de Laguna Property	麗港城中城物業	Centre de Laguna	城中薈
12. Hampton Loft	凱帆薈	Hampton Loft	凱帆薈
13. Lido Garden Property	麗都花園物業	Lido Avenue	麗都大道
14. Rhine Garden Property	海韻花園物業	Rhine Avenue	海韻大道

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>

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