

**PRESS RELEASE**
**FCL Reports 91% Rise in Attributable Profit<sup>1</sup> for 3Q FY14/15**

- Attributable profit<sup>1</sup> in 3Q FY14/15 and 9M FY14/15 grew 91% and 33% year-on-year to S\$181 million and S\$426 million, respectively
- Quarter's strong performance driven by new income streams from Australand, new hotel properties, and income recognition from project completions of Twin Waterfalls EC in Singapore and Gemdale Megacity Phase 2A in China
- Successful execution of key growth and corporate strategies, including acquisition of the Malmaison Hotel du Vin group, divestment of Sofitel Sydney Wentworth, planned divestment of 357 Collins Street, and first retail bond offering

**Singapore, 5 August 2015** – Frasers Centrepoint Limited ("FCL" or the "Company", and together with its subsidiaries, the "Group") today announced its financial results for the third quarter ("3Q FY14/15") and nine months ("9M FY14/15") ended 30 June 2015.

**Financial Highlights**

	3Q FY14/15 (S\$ '000)	3Q FY13/14 (Restated) (S\$ '000)	Change (%)	9M FY14/15 (S\$ '000)	9M FY13/14 (Restated) (S\$ '000)	Change (%)
Revenue	1,010,474	392,454	157	2,524,144	1,388,430	82
PBIT	313,745	155,136	102	790,818	529,107	49
Attributable Profit (Before Fair Value Change and Exceptional Items)	181,442	94,908	91	426,382	321,068	33
Fair Value Change	-	44,728	N.M.	67,995	49,385	38
Exceptional Items	(21)	(12,803)	N.M.	16,961	(52,787)	(132)
Attributable Profit	181,421	126,833	43	511,338	317,666	61

FCL Group's revenue and profit before interest, fair value change, taxation and exceptional items ("PBIT") grew in tandem in 3Q FY14/15, with revenue rising by 157% to \$1.01 billion and PBIT more than doubling from the previous corresponding period ("3Q FY13/14") to increase by 102% to \$314 million. The higher income was fuelled primarily by project completions of Twin Waterfalls Executive Condominium ("EC") in Singapore and Gemdale Megacity Phase 2A in China during the quarter, as well as new streams of income contributions from the acquisition of Australand Property Group ("Australand") and the six hotels acquired by Frasers Hospitality Trust ("FHT") from the TCC Group. Attributable profit before fair value change and exceptional items ("APBFE") rose 91% to S\$181 million, while attributable profit grew by 43% to S\$181 million.

On a nine-month basis, FCL's revenue and PBIT rose 82% and 49% from the previous corresponding period ("9M FY13/14") to S\$2.52 billion and S\$791 million respectively. The Group's APBFE

<sup>1</sup> Attributable profit before fair value change and exceptional items.

*The admission and listing of Frasers Centrepoint Limited on the Singapore Exchange Securities Trading Limited (the "Listing") was sponsored by DBS Bank Ltd. as the Sole Issue Manager. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. were the Joint Financial Advisers for the Listing. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. assume no responsibility for the contents of this announcement.*

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increased 33% year-on-year to S\$426 million, while attributable profit rose 61% year-on-year to S\$511 million in 9M FY14/15. This translates to earnings per share<sup>2</sup> (“EPS”) of 13.59 Singapore cents in 9M FY14/15, while net asset value per share (“NAV per Share”) amounted to S\$2.20. The Group’s EPS figures reported for 9M FY14/15 and 9M FY13/14 are not comparable as the former is based on a weighted average issued share capital<sup>3</sup> that reflects FCL’s post-recapitalisation share capital, whereas the latter reflects a weighted average issued share capital<sup>4</sup> that includes FCL’s pre-recapitalisation share capital<sup>5</sup>.

Mr Lim Ee Seng, Group CEO of FCL, commented, “FCL’s performance this quarter continues to reflect the benefits of our acquisition of Australand, which has brought us new income streams that enlarge our recurring income base. The completions of Twin Waterfalls EC in Singapore and Gemdale Megacity Phase 2A in China also boosted our results. In addition, our hospitality division contributed new earnings from the six hotels acquired from the TCC Group. With the addition of the Malmaison and Hotel du Vin group of boutique hotels to our hospitality portfolio in June 2015, our hospitality division is well-positioned to improve its contribution to FCL’s performance moving forward.”

**3Q FY14/15 Segmental Highlights**

In the Development Properties segment, which comprises the development portfolio in Singapore, China, the UK, and Malaysia, revenue increased 375% year-on-year to S\$651 million in 3Q FY14/15 while PBIT grew 207% year-on-year to S\$183 million in 3Q FY14/15. These were largely driven by the completion of Twin Waterfalls EC in Singapore and Gemdale Megacity Phase 2A in China. The Group recognises income from ECs and overseas residential developments only on completion. Income recognition on sales from completed projects in China also contributed to the increase.

Revenue from the Commercial Properties segment, which includes malls, offices, and business park space held by Frasers Centrepoint Trust (“FCT”) and Frasers Commercial Trust (“FCOT”), as well as FCL’s non-REIT commercial properties portfolio, decreased 2% year-on-year to S\$100 million in 3Q FY14/15, while PBIT decreased 7% year-on-year to S\$70 million. The lower contribution was due to loss of rental income from lower occupancy at The Centrepoint as a result of the Asset Enhancement Initiatives (“AEI”) currently underway. This was partially offset by higher income contribution from FCT with its acquisition of Changi City Point in June 2014, and higher occupancy at 51 Cuppage Road.

In the Hospitality segment, which consists of hotels and serviced residences held by FHT and FCL’s non-REIT hospitality properties portfolio, revenue and PBIT rose 136% and 55% compared to the previous corresponding period to S\$119 million and S\$30 million, respectively. The growth mainly came from new streams of income contributed by new properties, namely, the six hotels acquired by Frasers Hospitality Trust from the TCC Group, Sofitel Sydney Wentworth and Capri by Fraser, Changi City.

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<sup>2</sup> APBFE adjusted for distribution attributable to holders of perpetual securities over weighted average number of ordinary shares on issue.

<sup>3</sup> Weighted average share capital for 9M FY14/15 was 2,893,490,442

<sup>4</sup> Weighted average share capital for 9M FY13/14 was 2,311,566,324

<sup>5</sup> Prior to its listing, FCL issued S\$1 billion of new ordinary shares.

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Frasers Australand, comprising Australand and Frasers Property Australia (“FPA”), registered a 37% year-on-year growth in revenue to S\$138 million and over four-fold year-on-year increase in PBIT to S\$41 million in 3Q FY14/15. The strong growth in PBIT is largely due to contributions from Australand, but partially offset by the tapering off of income recognition from One Central Park and Parklane, which were completed in FY13/14.

### **Key developments during the quarter**

As part of its efforts to diversify its funding sources, FCL launched its first retail bond offering on 12 May 2015, with an initial offering size of S\$200 million. The retail bond offering size was subsequently increased to S\$500 million due to overwhelming response from investors. The bonds carry a fixed interest rate of 3.65% per annum and started trading on the Main Board of the SGX-ST from 25 May 2015.

During the quarter, FCL continued to execute on its capital recycling strategy with the sale of a 75-year leasehold interest in Sofitel Sydney Wentworth, an iconic hotel located in Sydney’s Central Business District to FHT. FCL also announced that it would sell 357 Collins Street, a commercial building in Melbourne’s CBD, to FCOT. The sale consideration of Sofitel Sydney Wentworth and 357 Collins Street are A\$224 million and A\$223 million respectively. The sale proceeds will be used to reduce borrowings and for working capital purposes.

FCL also achieved a major milestone for its hospitality business through its successful acquisition of the Malmaison Hotel du Vin (“MHDV”) group of boutique lifestyle hotels for a consideration of GBP363.4 million in June. The acquisition not only allows Frasers Hospitality to extend its existing brand portfolio and offerings, but also doubles FCL’s offerings in Europe to about 4,000 room keys, and enhanced its platform and management expertise in Europe. In addition, FCL entered into a conditional agreement with FCOT in April 2015 to develop a 16-storey Capri by Fraser at China Square Central.

### **Looking Ahead**

As FCL Group continues to reap the benefits of its various acquisitions, it will look to grow its business and asset portfolio in a balanced manner across geographies and property segments. FCL will also remain focused on further optimising capital productivity and strengthening its income base through REIT platforms. To this end, the Group will seek opportunities to unlock value in its portfolio via asset enhancement or repositioning efforts, as well as possible injection of stabilised assets into its REITs.

In the development property space, the Group achieved strong sales at its latest residential development in Singapore, North Park Residences, which is part of Yishun’s iconic integrated development Northpoint City. As at 31 July 2015, over 570 units have been sold, representing over 80% of launched units and over 60% of the total units available.

On the commercial front, AEI works at The Centrepoint have begun in May 2015 and will complete by end of 2016. The construction of Waterway Point is expected to be on-schedule for completion within this year. With no additional large office developments scheduled to complete this year, the vacancy levels at offices in Singapore are expected to remain relatively stable over the next six months.

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With over 21,400<sup>6</sup> room keys under management across 77 cities as at end June 2015, Frasers Hospitality is on track to achieving its target of 30,000<sup>4</sup> room keys under management by 2019. In addition to the acquisition of the MHDV Group, Frasers Hospitality also acquired the remaining 49% shareholding in Modena Hospitality Management Co in 3Q FY14/15, thus enabling the Modena brand to be launched outside of China. Coupled with the signing of two new Memorandum of Understanding and the impending opening of Capri by Fraser Frankfurt in Germany in August 2015, Frasers Hospitality is well-placed to continue building on its brand globally.

In Australia, Frasers Australand has completed and settled over 2,450 land lots and apartments, during 9M FY14/15. In this period, Frasers Australand also released 2,200 land lots and apartments for sale, and sold 2,335 land lots and apartments. Another 750 land lots and apartments are planned for release in the next three months. At One Central Park, the student accommodation projects located at Kensington Street and Abercrombie Street have commenced operations, offering 271 and 770 beds, respectively. Meanwhile, Frasers Australand's S\$2.8 billion investment property portfolio maintained its stable performance with a 95.6% occupancy rate and weighted average lease expiry profile of 5.4 years.

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**About Frasers Centrepoint Limited**

Frasers Centrepoint Limited (“FCL”) is a full-fledged international real estate company and one of Singapore’s top property companies with total assets above S\$23 billion as at 30 June 2015. FCL has four core businesses focused on residential, commercial, hospitality and industrial properties spanning more than 77 cities across Asia, Australasia, Europe, and the Middle-East.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company is also the sponsor of three real estate investment trusts listed on the Main Board of the SGX-ST. They are Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Hospitality Trust, which are focused on retail properties, office and business space properties, and hospitality properties, respectively.

As a testament to its excellent service standards, best practices, and support of the environment, FCL is the proud recipient of numerous awards and accolades both locally and abroad.

For more information on FCL, please visit [www.fraserscentrepoint.com](http://www.fraserscentrepoint.com).

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<sup>6</sup> Including pending openings

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