

## Fraser's Property Limited Achieved Half Year FY2018 Attributable Profit of S\$201 Million

- ◆ Earnings anchored by well-balanced and significant base of recurring income assets, which mitigates the inherent lumpiness of development income
- ◆ Declared 2.4 Singapore cents interim dividend per share
- ◆ Further strengthened logistics and industrial platforms with enhanced scale and integrated value chain in Australia, Europe and Thailand

### SINGAPORE, 10 MAY 2018

Fraser's Property Limited ("Fraser's Property" or the "Company", and together with its subsidiaries, the "Group") today announced its financial results for its second quarter and first half ended 31 March 2018 ("2Q FY18" and "1H FY18", respectively).

### FINANCIAL HIGHLIGHTS

	2Q FY18 (S\$ 'mil)	2Q FY17 (S\$ 'mil)	Inc / (Dec) (%)	1H FY18 (S\$ 'mil)	1H FY17 (S\$ 'mil)	Inc / (Dec) (%)
<b>Revenue</b>	841.7	705.8	19.3	1,581.8	1,677.4	(5.7)
<b>PBIT<sup>1</sup></b>	290.0	179.3	61.7	518.6	510.4	1.6
<b>Attributable Profit Before Fair Value Change and Exceptional Items ("APBFE")</b>	124.2	71.2	74.5	193.4	253.2	(23.6)
<b>Fair Value Change</b>	0.1	-	N/M	8.5	-	N/M
<b>Exceptional Items</b>	-	-	N/M	(1.0)	5.6	N/M
<b>Attributable Profit</b>	124.1	71.2	74.2	201.0	258.8	(22.3)

In 2Q FY18, revenue and PBIT rose 19% and 62% year-on-year ("y-o-y") to S\$842 million and S\$290 million, respectively. The increases were due mainly to contributions from Singapore residential developments, profit recognition from projects in China and Australia following sales settlements, as well as the maiden contributions from Geneva Properties N.V. in Europe and business parks in the United Kingdom ("UK"). In line with the stronger operational results, APBFE<sup>2</sup> rose 75% y-o-y to S\$124 million. With no significant fair value changes or exceptional items recorded during the quarter, attributable profit also rose to S\$124 million.

On a half-year basis, Fraser's Property generated revenue and PBIT amounting to S\$1,582 million and S\$519 million in 1H FY18, compared to S\$1,677 million and S\$510 million, respectively, a year ago, when there were more development project completions and settlements, particularly in China. APBFE came in at S\$193 million and attributable profit came in at S\$201 million.

<sup>1</sup> Profit before interest, fair value change, taxation, and exceptional items

<sup>2</sup> Attributable profit before fair value change and exceptional items

In view of the healthy results, the Board has declared a 2.4 Singapore cents interim dividend per share to be paid out on 12 June 2018.

Mr Panote Sirivadhanabhadi, Group Chief Executive Officer of Frasers Property, commented, “Enlarging our recurring income base remains a key pillar of our strategy for achieving sustainable growth in view of the inherent lumpiness of development income, and our recent initiatives, particularly in Europe, continue to reflect this.”

“Over the past months, we have built a sizeable logistics and industrial platform in Europe led by a strong, local management team,” noted Mr Sirivadhanabhadi. “With the acquisition of Alpha Industrial, we added development and asset management capabilities to our platform in Europe. The agreement with Frasers Logistics & Industrial Trust (“FLT”) to acquire 21 of our European stabilised assets further grows and diversifies our REIT platform while the properties remain under the management of our team in Europe. This model of actively deploying and recycling capital is a core strategy for Frasers Property that enables us to optimise capital productivity.”

Mr Sirivadhanabhadi added, “Building strategic platforms are important to us as we are in the business of providing real estate solutions to our customers, not just physical space. Together with our increased stake in TICON Industrial Connection Public Company Limited (“TICON”) in Thailand, we now have scaled logistics and industrial platforms in Australia, Europe and Thailand. With logistics and industrial assets under management totalling S\$8.1 billion<sup>3</sup>, as a group, we offer our customers a network of 5.9 million square metres of logistics and industrial gross leasable area across these markets, and experienced local management teams on the ground who can provide multi-city, multi-property solutions to meet our multi-national customers’ needs.”

## **KEY HIGHLIGHTS IN FY18**

The Group’s most recent moves to deepen its presence outside of Singapore involved acquisitions and investments that have augmented its logistics and industrial platform.

In Europe, it entered into sale and purchase agreements in February 2018 to acquire a portfolio of 22 logistics and light industrial properties mainly owned and managed by Alpha Industrial Holding S.A, Luxemburg, as well as the project and asset management business of Alpha Industrial GmbH & Co KG (collectively, “Alpha Industrial”). 16 of the 22 properties are completed logistics and light industrial facilities strategically located in key industrial and logistics hubs in Germany and Austria with a combined gross leasable area (“GLA”) of 393,800 square metres and a 6.2-year weighted average lease expiry profile, while six are logistics projects with a total GLA of approximately 162,500 square metres being acquired as development and forward purchases.

The Group recently entered into an agreement to sell a portfolio of 17 properties in Germany and four properties in Netherlands, valued at approximately S\$984.4 million<sup>4</sup>, to a wholly-owned subsidiary of FLT. The transaction has been approved by FLT unitholders at an Extraordinary General Meeting on 8 May 2018, subject to completion conditions.

In Thailand, Frasers Assets Co., Ltd.<sup>5</sup> (“FACL”) acquired a 26.1% stake in TICON in April 2018, increasing the Group’s deemed interest in TICON from 40.95% to 67.05%. FACL has since launched a mandatory tender offer for the remaining ordinary shares in TICON that are not owned by FACL and FPL. TICON is

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<sup>3</sup> Comprises the full asset value of logistics and industrial assets in Australia, Europe and Thailand, in which the Group has an interest, including assets held by its REITs, joint ventures and associates and assets pending completion of acquisitions

<sup>4</sup> Based on an assumed exchange rate of €1 : S\$1.63

<sup>5</sup> FACL is a 51:49 joint venture between TCC Assets Co. Ltd and Frasers Property Limited

one of the largest logistics and industrial real estate developers in Thailand and is also the sponsor of TREIT<sup>6</sup>, the largest logistics and industrial REIT in Thailand.

In the commercial and business parks segment, the Group acquired four UK business parks with 455,225 square metres of built area and 130,064 square metres of development area in November 2017. The Group subsequently acquired another business park, Farnborough Business Park, with 51,530 square metres<sup>7</sup> of built area via a 50:50 joint venture with Frasers Commercial Trust in January 2018.

## LOOKING AHEAD

In Singapore, the Group achieved solid pre-sales rates for existing launches, with North Park Residences fully sold, Parc Life Executive Condominium 90% sold, and Seaside Residences over 70% sold. Frasers Property Singapore is now focused on planning of the Jiak Kim Street site, with the target launch in the first half of 2019. Meanwhile, the south wing of Northpoint City opened its doors in December 2017 with lease commitments of over 90% of the entire Northpoint City. The Group's Grade A CBD office building, Frasers Tower, is on track for completion in the first half of 2018, having held its topping out ceremony in January 2018. Frasers Tower is enjoying strong leasing demand, with over 70% of Frasers Tower pre-committed to blue-chip tenants including Microsoft, Total Oil, and Sumitomo Corporation.

In Australia, the Group plans to release around 2,500 residential units for sale over the course of the financial year ending 30 September 2018, mainly in New South Wales and Victoria. Frasers Property Australia is working towards the planned completion and settlements of around 3,000 units over the course of FY18, having settled over 1,300 units in 1H FY18. The team is also actively looking to replenish its land bank, and in 1H FY18 has added land bank to build around 185 residential units with estimated gross development value of approximately S\$111 million, as well as 62.5 hectares<sup>8</sup> of industrial land.

The Group's hospitality business acquired a site in Tokyo's Ginza district. This site is currently being developed into a 199-unit hotel residence under the brand *Capri by Fraser*, and Frasers Hospitality is working towards a target opening by 2021. The team is also gearing up for the 2019 opening of *Capri by Fraser, China Square*, having celebrated the property's topping out in April 2018. Frasers Hospitality's management business, meanwhile, signed on five new management contracts. With these additions, the Group now has equity interests in and/or manages over 16,000 units and has more than 8,000 units already signed up and pending openings.

**END**

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<sup>6</sup> TICON Freehold and Leasehold Real Estate and Investment Trust

<sup>7</sup> In terms of net lettable area; Includes 41,185 sq m of offices (nine buildings), 9,112 sq m of car showrooms (two buildings, including a car showroom that has yet to be built, but is pre-let and expected to be completed by January 2019), a 922 sq m office-cum-industrial building, and two cafes totalling 311 sq m

<sup>8</sup> Conditional on rezoning and titles: ~59 ha across three industrial sites



## **ABOUT FRASERS PROPERTY LIMITED**

Fraser's Property Limited ("Fraser's Property" or the "Company"), is a multi-national company that owns, develops and manages a diverse, integrated portfolio of properties. Listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and headquartered in Singapore, the Company is organised around five asset classes with assets totalling S\$30 billion as at 31 March 2018.

Fraser's Property's assets range from residential, retail, commercial and business parks, to logistics and industrial in Singapore, Australia, Europe, China and Southeast Asia. Its well-established hospitality business owns and / or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The Company is unified by its commitment to deliver enriching and memorable experiences for customers and stakeholders, leveraging knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

Fraser's Property is also the sponsor of three real estate investment trusts and one stapled trust listed on the SGX-ST. Fraser's Centrepoint Trust, Fraser's Commercial Trust, and Fraser's Logistics & Industrial Trust are focused on retail properties, office and business space properties and business parks, logistics and industrial properties respectively. Fraser's Hospitality Trust (comprising Fraser's Hospitality Real Estate Investment Trust and Fraser's Hospitality Business Trust) is a stapled trust focused on hospitality properties.

For more information on Fraser's Property, please visit [frasersproperty.com](http://frasersproperty.com).

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