

**PRESS RELEASE**

## New Income Streams Support FCL's Second Quarter Performance and Fuel First Half Growth

- Achieves year-on-year PBIT<sup>1</sup> growth of 14% and 28% to S\$198 million and S\$477 million in 2Q FY14/15 and 1H FY14/15, respectively
- Declares interim dividend of 2.4 Singapore cents per share
- Potential injection of 357 Collins Street into FCOT represents first transaction involving Australand's investment properties in the execution of FCL's capital recycling strategy
- Enlarged recurring income base enables sustainable earnings growth

**Singapore, 8 May 2015** – Frasers Centrepoint Limited ("FCL" 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 2015 ("2Q FY14/15" and "1H FY14/15" respectively).

**Financial Highlights**

	2Q FY14/15 (S\$ '000)	2Q FY13/14 (Restated) <sup>2</sup> (S\$ '000)	Change (%)	1H FY14/15 (S\$ '000)	1H FY13/14 (Restated) <sup>2</sup> (S\$ '000)	Change (%)
Revenue	\$441,649	\$443,861	-	\$1,513,670	\$995,976	52
PBIT	\$197,958	\$173,205	14	\$477,073	\$373,971	28
Attributable Profit (Before Fair Value Change and Exceptional Items)	\$99,358	\$107,142	(7)	\$244,940	\$226,160	8
Fair Value Change	\$43,660 <sup>3</sup>	\$4,657	N.M.	\$67,995	\$4,657	N.M.
Exceptional Items	\$29	(\$41,782)	N.M.	\$16,982	(\$39,984)	N.M.
Attributable Profit	\$143,047	\$70,017	104	\$329,917	\$190,833	73

Revenue remained relatively stable at S\$442 million in 2Q FY14/15. During the reporting quarter, new streams of contribution from Australand Property Group ("Australand")<sup>4</sup> and six hotels acquired by Frasers Hospitality Trust ("FHT")<sup>5</sup> from the TCC Group helped to offset lower contributions from development projects in Australia and the United Kingdom. Bolstered by gains recognised on the disposal of Crosspoint in Beijing, China, PBIT rose 14% from the previous corresponding period ("2Q FY13/14") to S\$198 million. Attributable profit before fair value change and exceptional items, however, decreased 7% year-on-year to S\$99 million in 2Q FY14/15 due to higher financing and

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

<sup>2</sup> 2Q FY13/14 and 1H FY13/14 figures have been restated to account for adjustments relating to FRS 110 Consolidated Financial Statements and FRS 111 Joint Arrangements. Please refer to Item 5 on Page 16 of the financial statements for more details.

<sup>3</sup> Includes a revaluation gain recognised upon the acquisition of remaining 50% interest in Capri by Fraser Changi City from a 50% joint venture.

<sup>4</sup> FCL acquired Australand in August 2014.

<sup>5</sup> FHT was listed in July 2014.

*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.*

## PRESS RELEASE

hedging related charges. Including a fair value gain of S\$44 million<sup>3</sup> that was recognised during the quarter, FCL's attributable profit increased 104% from S\$70 million in 2Q FY13/14 to S\$143 million in 2Q FY14/15.

On a half-year basis, FCL's revenue and PBIT rose 52% and 28% from the previous corresponding period ("1H FY13/14") to S\$1.5 billion and S\$477 million respectively. The growth was fuelled primarily by residential project completions in Australia and China, as well as a new stream of contribution from the six hotels acquired by FHT from the TCC Group. Consequently, attributable profit rose 73% year-on-year to S\$330 million in 1H FY14/15. This translates to earnings per share<sup>6</sup> ("EPS") of 7.9 Singapore cents in 1H FY14/15, while net asset value per share ("NAV per Share") amounted to S\$2.20. The Group's EPS figures reported for 1H FY14/15 and 1H FY13/14 are not comparable as the former are calculated based on FCL's post-recapitalisation weighted average issued share capital whereas the latter were calculated based on FCL's pre-recapitalisation weighted average issued share capital<sup>7</sup>.

In line with FCL's first-half growth, an interim dividend of 2.4 Singapore cents per share, payable on 11 June 2015, has been declared.

Mr Lim Ee Seng, Group CEO of FCL, commented, "FCL's performance in 1H FY14/15 demonstrates the benefits of our acquisition of Australand and reflects our strategy of increasing recurring income. A significant level of residential project completions by Australand boosted our first half revenue and PBIT. Contributions from the Group's development properties can, however, be lumpy. As FCL grows, a good base of recurring income to balance the lumpy contributions from development properties becomes increasingly important for delivering sustainable earnings growth. We will continue to strike a sensible balance between development property income and recurring income as we execute our growth strategies."

### 2Q FY14/15 Segmental Highlights

In the Development Properties segment, which comprises the development portfolios in Singapore, China, the UK, and Malaysia, revenue decreased 41% year-on-year to S\$91 million in 2Q FY14/15. This was primarily due to lower contribution from the UK as revenue recognition at Riverside Quarter tapered off, as well as lower revenue recognition following project completions in the Singapore development portfolio in prior quarters. Bolstered by the recognition of a one-time gain of S\$38 million from the sale of Crosspoint in Beijing, China, PBIT climbed 18% year-on-year to S\$77 million in 2Q FY14/15.

Revenue from the Commercial Properties segment increased 6% year-on-year to S\$103 million in 2Q FY14/15, while PBIT decreased 4% year-on-year to S\$76 million. This segment 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. The increase in revenue is mostly attributable to the acquisition of Changi City Point by FCT in June 2014. PBIT, however, was down as the higher revenue was more than offset by lower occupancy at The Centrepoint to facilitate the upcoming AEI.

---

<sup>6</sup> APBFE adjusted for distribution attributable to holders of perpetual securities over weighted average number of ordinary shares on issue.

<sup>7</sup> Prior to its listing, FCL issued S\$1 billion of new ordinary shares.

## PRESS RELEASE

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 150% and 91% compared to the previous corresponding period to S\$109 million and S\$26 million, respectively. The growth stemmed mainly from contribution from new properties acquired in 2014 such as Sofitel Sydney Wentworth in Australia, Capri by Fraser Barcelona in Spain, and the six hotels acquired by FHT. Higher occupancies and rental rates for Fraser Suites Perth in Australia and Fraser Place Canary Wharf in the UK also helped to drive up rental income.

Frasers Australand, comprising Australand and Frasers Property Australia ("FPA"), registered an 8% year-on-year decrease in revenue to S\$135 million and a 31% year-on-year increase in PBIT to S\$28 million in 2Q FY14/15. Of these, Australand contributed S\$102 million and S\$25 million to revenue and PBIT, respectively. The drop in revenue was mostly due to the tapering off of revenue recognition at FPA's One Central Park and Parklane development projects in Sydney, while the rise in PBIT was fuelled mainly by Australand's investment property business.

### Corporate Actions Involving FCOT

FCL's most recent steps in executing its capital recycling strategy and increasing its recurring income came in the form of two of the Group's entities entering into conditional agreements with FCOT. The announcements by FCOT, which were made on 27 April 2015, are subject to the approval of FCOT's Unitholders at an extraordinary general meeting to be held in due course.

In line with the Group's strategy to increase its recurring income, Frasers Hospitality China Square Trustee Pte. Ltd. ("FHCS Trustee") has entered into a conditional agreement with FCOT to undertake the development of a 16-storey hotel and some commercial projects at China Square Central in Singapore. The hotel is to be constructed over an open square in China Square Central, which will be repositioned as an integrated development with exciting office, retail, and hospitality offerings within the heritage area of the country's central business district ("CBD"). Upon the issuance of the TOP for the hotel and commercial projects, FCOT will lease the hotel to FHCS Trustee until 1 February 2096<sup>8</sup> at a purchase consideration of S\$44.8 million, which is in line with two independent valuations<sup>9</sup>. The hotel will be operated by Frasers Hospitality under the 'Capri by Fraser' brand.

Separately, as part of its FCL's capital recycling strategy, Australand Property Holdings (Collins St No.1) Pty Limited has entered into a conditional sale and purchase agreement regarding the sale of 357 Collins Street in Melbourne, Australia to FCOT at a purchase consideration of A\$222.5 million. The sale of the 25-storey Grade A office, which is located at the heart of Melbourne's CBD, will unlock value for the Group and also provide FCOT Unitholders, including FCL, with higher distributions per unit.

"Both of the proposed transactions with FCOT are in line with FCL's ongoing focus on delivering sustainable earnings growth," Mr Lim noted. "As part of FCL's review of our Australia business, a key area of emphasis is the alignment of the Group's investments to our strategic objectives. The potential injection of 357 Collins Street marks the first time FCL's capital recycling efforts involves an

---

<sup>8</sup> 1 February 2096 is the day prior to the expiry of the State Lease.

<sup>9</sup> The two independent valuations are the S\$44.6 million valuation by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and the S\$45.0 million valuation by Savills Valuation and Professional Services (S) Pte Ltd.

**PRESS RELEASE**

asset that became part of FCL's investment properties portfolio through our acquisition of Australand last year."

**Looking Ahead**

Moving forward, FCL will continue to grow its business and asset portfolio in a balanced manner across geographies and property segments. FCL will also look to further optimise capital productivity and strengthen 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 space, the Group's most recent launch in Singapore, the 920-units North Park Residences, was well received with 515 units, or close to 80% of the launched units, sold as at 7 May 2015. In China, Phase 3C of Gemdale Megacity in Shanghai and Phase 4 of Chengdu Logistics Hub were recently launched; while Phase 3A of Baitang One as well as Phases 2A and 2B of Gemdale Megacity are expected to be completed within the current financial year.

On the commercial front, the Group recently completed extensive renovation works at Valley Point Shopping Centre in Singapore, where operations have since commenced. Asset enhancement initiatives at The Centrepoint are scheduled to begin in May 2015 while the construction of Waterway Point is expected to be completed within the year.

Frasers Hospitality will look to continue growing its portfolio, which currently totals 18,700 units including pending openings. Most recently, the Group acquired Ascendas Land's 50% share of Capri by Fraser Changi City in Singapore, which valued Capri by Fraser Changi City at around S\$203 million. The serviced apartment, which was held through FCL's 50:50 joint venture with Ascendas Land, is now fully-owned by the Group. The Group also acquired a heritage building in Hamburg, Germany, which will be converted into Fraser Suites Hamburg, comprising about 147 apartments. The reporting quarter also marked the soft-opening of Capri by Fraser Brisbane in Australia; and the signing of three memoranda of understanding in relation to management contracts for hospitality properties in Bahrain, Malaysia, and Nigeria. Meanwhile, Capri by Fraser Frankfurt in Germany is set to open in 3Q FY14/15.

In Australia, the Group is poised to benefit from the completion of residential properties Clemton Park and Discovery Point in Sydney, as well as QII at Queens Riverside in Perth over FY14/15. Frasers Australand's S\$2.8 billion investment property portfolio is also expected to continue performing well, given its 93.9% occupancy rate and weighted average lease expiry profile of 5.3 years.

– END –

**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\$22 billion as at 31 March 2015. FCL has four core businesses focused on residential, commercial, hospitality and industrial properties spanning more than 50 cities across Asia, Australasia, Europe, and the Middle-East.

**PRESS RELEASE**

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).

For media queries, please contact:

**Frasers Centrepoint Limited**

Gerry WONG / Karina CHOO / SIEW Lay Eng  
Tel: +65 6277 2679 / +65 6277 2677 / +65 6277 2678  
E-Mail: [fclgroupcomms@fraserscentrepoint.com](mailto:fclgroupcomms@fraserscentrepoint.com)

**Newgate Communications**

LIM Yuan See / Bob ONG / Jeannette THIA / Ian KWEK  
Tel: +65 6532 0606  
E-Mail: [yuansee.lim@newgatecomms.com.sg](mailto:yuansee.lim@newgatecomms.com.sg) / [bob.ong@newgatecomms.com.sg](mailto:bob.ong@newgatecomms.com.sg);  
[jeannette.thia@newgatecomms.com.sg](mailto:jeannette.thia@newgatecomms.com.sg) / [ian.kwek@newgatecomms.com.sg](mailto:ian.kwek@newgatecomms.com.sg)