

Fraser's Property Limited Reports S\$77 Million Attributable Profit in 1Q FY18

- ◆ Generated revenue and PBIT¹ amounting to S\$740 million and S\$229 million, respectively
- ◆ Recurring income² rose 8%, supporting earnings amid lower development income due to timing of overseas project completions
- ◆ Expanded presence in the United Kingdom by entering the business parks segment and deepened its industrial and logistics footprint in Germany

SINGAPORE, 8 FEBRUARY 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 first financial quarter ended 31 December 2017 ("1Q FY18").

FINANCIAL HIGHLIGHTS

	1Q FY18 (S\$ 'mil)	1Q FY17 (S\$ 'mil)	Inc/(Dec) (%)
Revenue	740.0	971.7	(23.8)
PBIT	228.6	331.1	(31.0)
Attributable Profit Before Fair Value Change and Exceptional Items	69.2	182.0	(62.0)
Fair Value Change	8.7	–	N/M
Exceptional Items	(1.0)	5.5	N/M
Attributable Profit	76.9	187.5	(59.0)

Fraser's Property generated revenue and PBIT amounting to S\$740 million and S\$229 million, respectively, compared to S\$972 million and S\$331 million in the previous corresponding period ("1Q FY17"). Recurring income sources accounted for 78% of operating PBIT³ during the reporting quarter compared to 53% during the previous corresponding period, when there was significant profit recognition from the completion and settlement of development projects in China. Attributable profit before fair value change and exceptional items came in at S\$69 million while attributable profit came in at S\$77 million.

Mr Panote Sirivadhanabhadi, Group Chief Executive Officer of Fraser's Property, commented, "Our strategy of growing our recurring income base has once again proven beneficial amid a quarter with less development profits, which are lumpy by nature. We will continue to build resilience in our portfolio by growing in a balanced and diversified manner."

¹ Profit before interest, fair value change, taxation, and exceptional items

² Includes property and fee income but excludes share of fair value change of joint ventures and associates and corporate expenses

³ Excluding corporate expenses

KEY HIGHLIGHTS IN 1Q FY18 AND QTD 2Q FY18

As part of Frasers Property's ongoing efforts to scale up in markets that the Group is familiar with, the Group deepened its presence in the United Kingdom ("UK") and Germany during the reporting quarter via a series of investments.

In the UK, the Group completed the acquisition of four business parks with 4.9 million sq ft of built area and 1.4 million sq ft of development area for approximately S\$1.2 billion³ in November 2017. Subsequently in January 2018, the Group acquired a fifth business park with 554,672 sq ft⁴ of built area in the UK via a 50:50 joint venture with Frasers Commercial Trust, for approximately S\$317.3 million^{5,6}. These properties are defensive in nature, with rental income underpinned by long term leases to a diversified base of over 460 quality tenants. The acquisitions have allowed the Group to extend its presence in the UK from residential, commercial and hospitality to the business parks segment, which has demonstrated resilience and continued growth post the Brexit vote.

In Germany, the Group entered into a sale and purchase agreement in December 2017 to acquire six cross-dock facilities with lettable area totalling 75,478 sq m for around S\$408.6 million⁷. This is in addition to proposed acquisitions of two warehouses⁸ with 72,558 sq m of gross lettable area and a new logistics warehouse with 21,071 sq m of gross lettable area. These proposed acquisitions will allow Frasers Property to strengthen its industrial and logistics platform in Europe. The cross-dock facilities also represent Frasers Property's first entry into the German last-mile logistics sector, and positions the Group to benefit from e-commerce logistical requirements.

Continuing to actively manage its capital, the Group redeemed and issued a number of instruments during 1Q FY18. S\$75 million 3.70% notes due 2019 and S\$50 million 3.80% notes due 2022 were successfully redeemed in October 2017 following a consent solicitation and tender offer exercise in respect of these notes, while S\$42 million 3.95% fixed rate subordinated perpetual securities and S\$30 million 4.25% fixed rate notes due 2026 were issued during the same month and S\$300 million 4.38% fixed rate subordinated perpetual securities were issued in January 2018.

On the corporate front, the Company was renamed and commenced use of its new name "Frasers Property Limited" from 1 February 2018 following shareholders' approval at its annual general meeting on 29 January 2018. "Frasers Property Limited" reflects the Group's multi-national and diverse businesses, with the Group having reshaped its portfolio over five years from having the majority of its portfolio in Singapore with significant exposure to development assets, to a balanced mix of five property asset classes in multiple geographies.

LOOKING AHEAD

Moving forward, Frasers Property will continue to focus on growing its portfolio in a balanced and sustainable manner across geographies and asset classes. The Group will also look at opportunities to optimise capital productivity and unlock value from its portfolio of investment properties via asset enhancement and repositioning initiatives, as well as the injection of stabilised assets into its real estate investment trusts.

In Singapore, the Group replenished its land bank with its successful bid for the Jiak Kim Street site under the Government Land Sales programme in December 2017, which adds to its land bank. Meanwhile,

³ Based on the £1 : S\$1.7553 exchange rate as at 8 Sep 17

⁴ In terms of net lettable area; Includes 443,316 sq ft of offices (nine buildings), 98,083 sq ft 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 9,927 sq ft office-cum-industrial building, and two cafes totalling 3,346 sq ft

⁵ The 50% proportion paid by Frasers Property Limited's wholly-owned subsidiary Frasers Property International Pte. Ltd. is approximately S\$158.7 million

⁶ Based on the £1 : S\$1.8030 exchange rate as at 11 Dec 17

⁷ Based on the €1 : S\$1.5900 exchange rate as at 22 Dec 17

⁸ Including a photovoltaic system located on the roof of one of the warehouses



Northpoint City (South Wing) opened its doors in December 2017. With lease commitments of over 90% of the entire Northpoint City, the target official opening of the integrated mall is in the first half of 2018. The Group's Grade A CBD office building, Frasers Tower, is also on track for completion in the first half of 2018, having held its topping up ceremony in January 2018. Frasers Tower is enjoying strong leasing demand, with over 70% of Frasers Tower pre-committed to tenants such as 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. The team is also actively looking to replenish its land bank, and has secured 45 hectares across two industrial sites.

The Group's hospitality business is benefiting from positive market conditions in North Asia and Europe, with average occupancies and average daily rates showing uptrends. Its management business, meanwhile, signed on three 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.

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About Frasers Property Limited

Frasers Property Limited ("Frasers 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\$28 billion as at 31 December 2017.

Frasers Property's assets range from residential, retail, commercial and business parks, to industrial and logistics 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.

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

For more information on Frasers Property, please visit frasersproperty.com.

FOR MEDIA QUERIES, PLEASE CONTACT:

Frasers Property Limited

Gerry WONG / Karina CHOO / SIEW Lay Eng

T +65 6277 2679 / +65 6277 2677 / +65 6277 2678

E comms@frasersproperty.com



Newgate Communications

Bob ONG / SING Li Lin / Elizabeth YEONG

T +65 6532 0606

E bob.ong@newgatecomms.com.sg / lilin.sing@newgatecomms.com.sg / elizabeth.yeong@newgatecomms.com.sg