Fraser and Neave, Limited

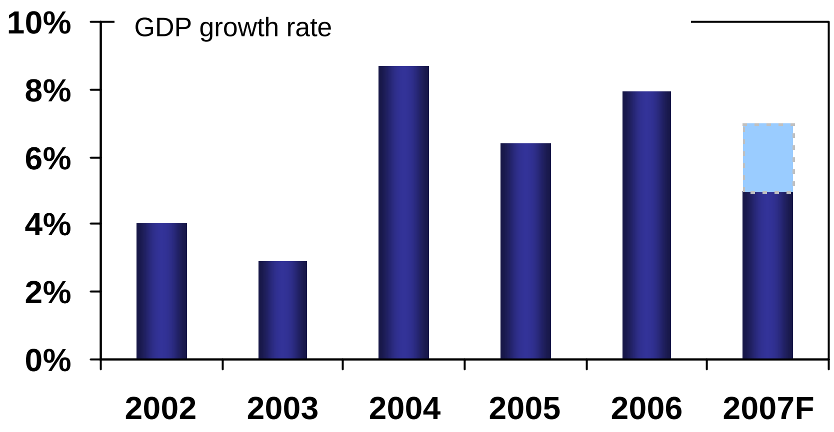
Property Segment Update

July 2007

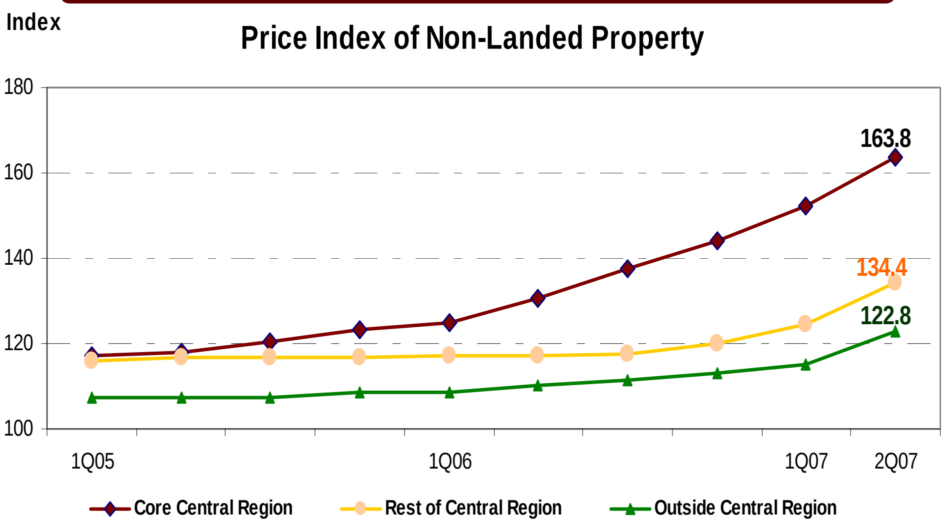
Singapore

Robust Property Market

Positive economic outlook



Rising home prices



- **Healthy macro economic environment**
  - Broad based domestic economic growth (5% to 7% in 2007); 1Q07 GDP at 6.1%
  - Unemployment rate at just 2.9%; total employment grew by 49,000 in Q1 07

- **Recovery in residential market**
  - Benchmark price increases supported by high sales volume
  - Strong demand for en-bloc sale sites
  - Increasing distinct segmentation of luxury, high-end, mid-end and upgrader markets
  - Demand for mid-end and upgrader homes picking up

Source: Dept of Statistics, Singapore

Source: URA

Market Outlook

- Growing number of foreign buyers continue to support luxury and high-end homes
- Iconic and niche developments in good location see strong demand
- Market more competitive as contractors, boutique developers, foreign players and foreign funds show confidence in the Singapore property market
- Mid-end and upgrader markets gathering speed

Singapore

Successful Launches

S/N	Project Launches (Last 12 months)	No. of Units	% of Units Sold @ June 2007
1)	The Infiniti	315	100%
2)	One Jervois	275	100%
3)	One Leicester	194	100%
4)	The Sensoria	73	100%
5)	One St Michael's	131	100%
6)	ClementiWoods	240	100%
7)	St. Thomas Suites	176	100%

Residential - Pipeline

F&N targets to sell 1,000 apartment units annually

- Planned launches - Soleil @ Sinaran and Far East Mansion
- Selective land banking in mass and mid-end segments
  - Well-poised to benefit from rising mid-end and mass market segments with its enlarged 4.5 million sqf land bank

Property	Est no. of Units	Est Saleable Area (mln sqf)	Market Segment	Tenure
Soleil @ Sinaran	417	0.49	High-end	99 yrs
Far East Mansion	330	0.39	High-end	FH
Flamingo Valley	350	0.47	Mid-end	FH
Waterfront View	1,600	2.02	Mid-end	99 yrs
Tampines Court	1,600	2.06	Mid-end	99 yrs
TOTAL	**4,297**	**5.43**		

Commercial – Grow Portfolio

- Growth by local acquisition
  - Yew Tee Point, Bedok Mall and Northpoint construction in progress; to add up to 250,000 sqf of NLA
- Growth through overseas expansion
  - Acquired 27% in Hektar REIT, a Malaysia REIT
  - Added NLA of 944,500 sqf to portfolio
- Industrial and Office REIT to be launched within 12 months

OTHER COUNTRIES

China

Australia & New Zealand

United Kingdom

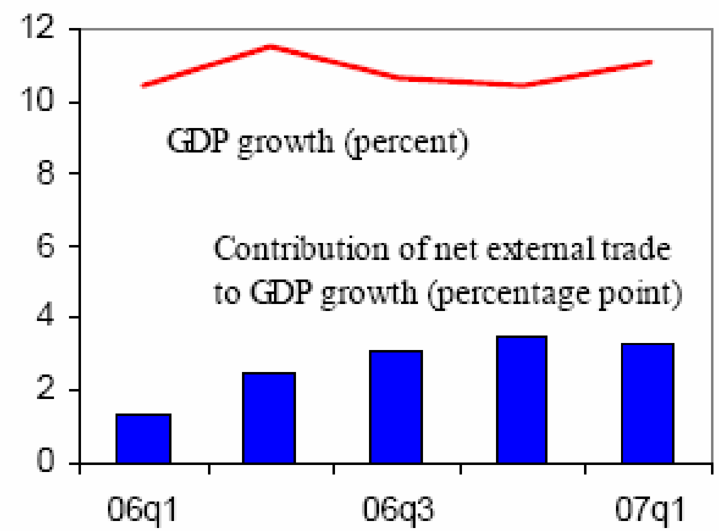
Thailand

China

Market Overview

- China's economy will continue to support the development of the real estate market
  - Double-digit economic growth rate
  - Continued growth in disposable income
  - Continued RMB appreciation
- Strong housing demand from the middle class will be the main engine of market growth
- Slight adjustment to the overall property price; reduced profit margin
- Land banking and financing are key challenges
- Further consolidation in the property industry

Positive economic outlook



Source: World Bank

Successful Launches

JingAn Four Seasons, Shanghai

Estimated GDV
S$440 million

Project type
Residential cum commercial

Site area
149,006 sqf

Development scope
468 residential units (fully sold) and retail podium in prime JingAn district

Projected completion
Target by end 2007

Deepen & Broaden China Presence

Development - Land bank	Site Area (sqf)
SheShan Four Seasons (Song Jiang)	7.7 million
Beijing Xin Jie Kou	76,000
Hainan Hai Tang Bay	6.8 million
Vision Shenzhen Business Park (Phase 3)	2.7 million
TOTAL	**17.276 million**

- Construction commenced on SheShan Four Seasons Phase 1 and Beijing Xin Jie Kou retail mall
- Development of Vision Shenzhen Business Park Ph3 being planned, which will add 4.4 million sqf of high-tech industrial space to the 1.6 million sqf already completed

Upcoming Residential Launches

SheShan Four Seasons, Song Jiang

Estimated GDV
S$1.2 billion

Project type
Residential

Site area
7.7 million sqf

Development scope
Exclusive residential development comprising ~6,000 units to be developed in phases

Projected completion
In phases up to 2012

Commercial - Pipeline in China

- Expanding in gateway cities
  - Secured contracts in Shanghai (1) , Beijing (2), Nanjing (1) to manage up to 1,125 rooms by 1Q2008
- Entered JV to acquire 2.1 million sqf site in Chengdu for development of logistics park

Australia and New Zealand

Market Overview

Australia generally considered a matured economy, but benefits from robust global demand for commodities

- **Considerable variation in economic growth between states**
  - NSW & Victoria: steady, relatively slow growth
  - Queensland & WA: rapid, volatile
  - South Australia & Tasmania: languishing
- **Economic Growth**
  - Buoyant domestic and international growth
  - Australia's growth since 1990 averaged 3.25%p.a.
  - 16 years of economic expansion
  - This growth has assisted M&A Activity
- **Interest Rates**
  - Been at historical low levels
  - Low interest rates have driven M&A activity (corporate and private equity)
- **Inflation**
  - Extremely low level over last 15 years
  - CPI averaged 2.5% p.a.

Launched Project

Lumiere, Regent Place, Sydney

Estimated GDV
S$800 million

Project type
Mixed-use residential, commercial, retail and serviced apartment

Site area
42,238 sqf

Development scope
- 56-level residential tower comprising 456 apartments
- Fraser Suites Sydney, comprising 201 serviced suites over 42 levels, commenced operations in Dec 2006
- 75,000 sqf of commercial/retail space, fully sold

Projected completion
2008

Premium Portfolio - Australia

F&N is well-poised to ride recovery in Australasia with land bank of 7.7 million sqf (~4,200 units) in Australia plus 2 million sqf (~750 units) in New Zealand

Property	Est no. of Units	Est Saleable Area (sqf)
Trio @ City Quarter, Sydney	421	300,000
Parramatta Business Park, Sydney	534	494,000
Lorne Ave, Sydney	104	135,000
Queen's Precinct, East Perth	288	413,000
Wanjeep Street, Mandurah	1,250	3.84 million
CUB site, Sydney*	1,600	2.5 million

** Mixed development – 1,600 apartment units and over 960,000 sqf of commercial and retail site*

Upcoming Launches

Trio @ City Quarter in Camperdown, Sydney

Estimated GDV
S$310 million

Project type
Residential

Site area
80,203 sqf

Development scope
- 3 Towers comprising 421 apartments

Projected completion
2011

Upcoming Launches

Lorne in Killara, Sydney

2 Sites
Lorne Killara
Pavilions Killara

Estimated GDV
S$150 million

Project type
Residential

Site area
110,191 sqf

Development scope
- Boutique development comprising 104 apartments

Projected completion
2008 – Phase 1

Upcoming Launches

Queens Precinct, Riverside, Perth

Estimated GDV
S$300 million

Project type
Mixed development comprising residential apartments, serviced suites and commercial space

Site area
128,038 sqf

Development scope
- 285 residential apartments
- 140 Fraser Suites serviced apts
- 59,000 sqf of commercial space

Projected commencement
2008

Projected completion
2011

Aust/NZ

Premium Portfolio – New Zealand

Papamoa, Bay of Plenty

Estimated GDV
S$410 million

Project type

Master planned seafront community

Site area
2.9 million sqf

Development scope
- 741 dwelling units ranging from town houses, apartments and individual homes

Projected commencement
2008

Property	Est no. of Units	Est Saleable Area (sqf)
Broadview Rise, Queenstown	15	57,000
Papamoa, Bay of Plenty	741	2.1 million

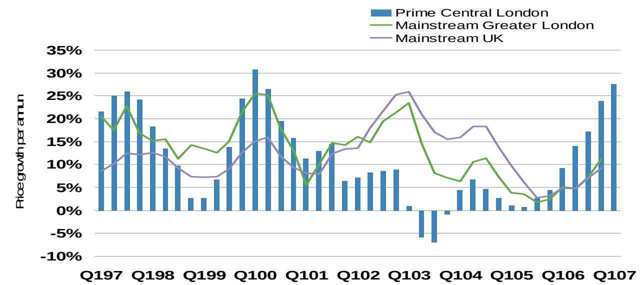
United Kingdom

Overview of Economic and Industry Trends

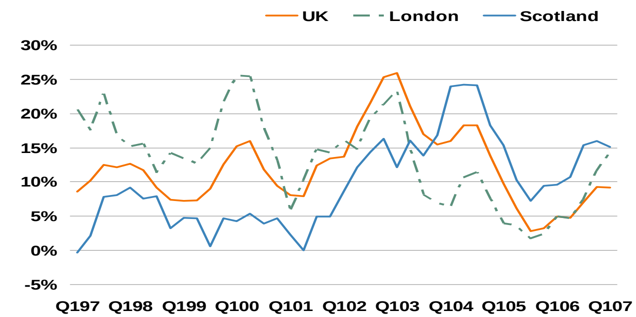
- UK GDP forecast to be up 2.9% (2007) and 2.7% (2008)
- Annual new build completion up from 129,000 units (2001) to 161,000 units (2006) shows increasing demand
- Average selling price up from £102k (S$313k) (2001) to £181k (S$555k) (2006) – 10% CAGR
- Number of UK households' increase of 177k pa (historic) to rise to 211k (forecast)

Market Overview

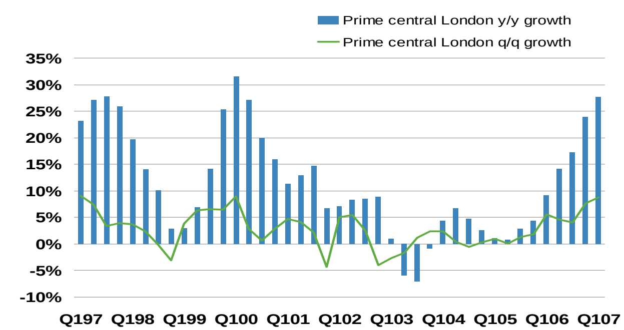
- UK prices overall rose by c. 9% Y-o-Y to Q1 2007
- London prices overall rose by c. 14% Y-o-Y to Q1 2007
- Scottish prices overall rose by c. 15% Y-o-Y to Q1 2007 (see graph)
- Q1 2007 saw non-prime central London growth of 9% in sale prices (see graph)



Source: Savills Research, Nationwide



Source: Savills Research, Nationwide



Source: Savills Research

Quality UK Projects

Vincent Square, London

Estimated GDV
S$125 million

Project type
Residential

Site area
25,252 sqf

Development scope
- 70 residential units (incl 21 affordable units)

Projected completion
July 2007

Quality UK Projects

Wandsworth Riverside Quarter, London

Estimated GDV
S$615 million

Project type
Riverfront residential

Site area
426,254 sqf

Development scope
- Phase 1 & 2: 204 units (93% sold)
- Phase 3: 443 units (incl 209 affordable units), ~205,000 sqf of commercial space (subj to planning approval)

Project commencement
-Phase 3: Subj to planning approval

Projected completion
- Phase 1 & 2: Completed
- Phase 3: Pending planning approval

Deepen & Broaden UK Presence

- Seek expansion opportunities outside of London
- UK hub (Frasers Property UK) to spearhead expansion into Europe and Russia

Property	Est no. of Units
Lumiere Leeds	600 apts; 149k sqf of commercial space; 200 svs apts
Ferry Village, Renfrew, Glasgow	177 apts + 13 town houses
Water Street, Leith Edinburgh	44 apts + 4,000 sqf of office space
Granton Harbour, Leith, Edinburgh	120 apts
Wandsworth Road, London	120 apts + 36,000 sq ft of commercial space
Camberwell Green, London	135 apts + 23,000 sq ft of commercial space

Commercial - Frasers Hospitality

Expanding in gateway cities

- Fraser Suites Geneva
  - 151 apartments
  - Opening autumn 2009
  - Subject to contract
- Fraser Suites Edinburgh
  - 73 apartments
  - Opening autumn 2008
- Fraser Suites Leeds (Lumiere)
  - 120 apartments
  - Opening 2010

Thailand

Market Overview

- Political uncertainty and slower economic growth delaying new projects
- Property sales declined in 1Q07, especially foreign demand due to the more expensive currency (THB 32.5 vs THB 38 to US$1 a year ago) and political uncertainty
- Analysts predict turnaround in 4Q07, once general election date is determined (expected to be in Dec ‘07)
- Banks more cautious in granting housing loans
- Likelihood of pent-up demand when market confidence returns
- Low new supply over next 18 months

Residential

Estimated GDV
S$230 million

Project type
Riverfront residential

Site area
151,363 sqf (Phase 1)

Development scope
Luxury riverfront condominium comprising 397 apartments (Phase 1)

Projected completion
2009

the PANO
panoramic river view

- End -