



**ahtrust**  
ascendas hospitality trust

3Q FY2014/15  
Financial Results Presentation

6 February 2015

SYDNEY

MELBOURNE

BRISBANE

CAIRNS

BEIJING

TOKYO

OSAKA

SINGAPORE

# Disclaimer

This presentation shall be read in conjunction with A-HTRUST's Unaudited Financial Results for the Third Quarter ended 31 December 2014 ("3Q FY2014/15"), a copy of which is available on [www.sgx.com](http://www.sgx.com) or [www.a-htrust.com](http://www.a-htrust.com).

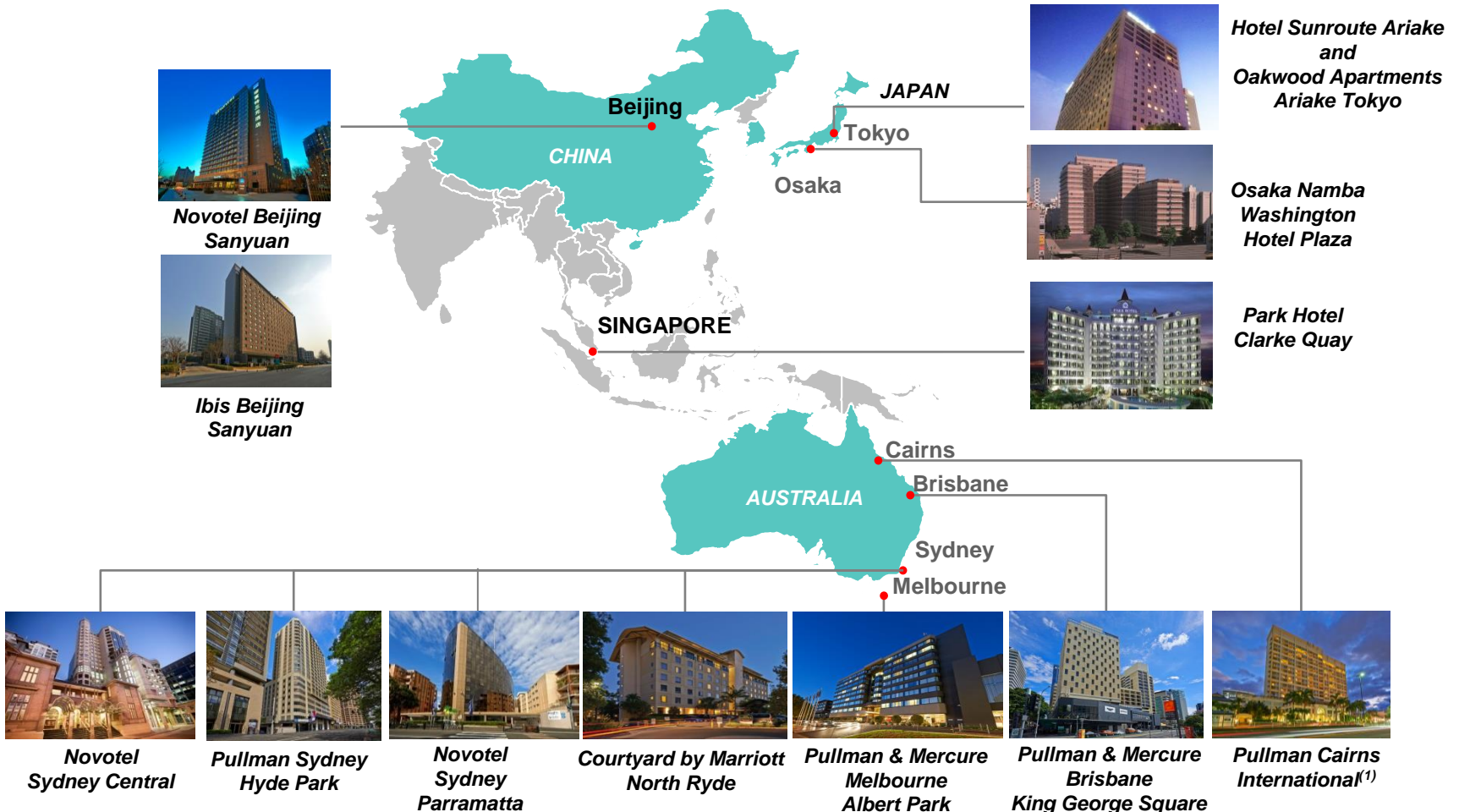
This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends and foreign exchange rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of average daily room rates and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward looking statements, which are based on the Managers' current view of future events.

**The Australian Dollar, Chinese Renminbi, Japanese Yen and Singapore Dollar are defined herein as "AUD", "RMB", JPY" and "SGD" or "S\$", respectively.**

**Any discrepancies in the figures included herein between the individual amounts and total thereof are due to rounding.**

# A-HTRUST – Our Portfolio

✦ 12 quality hotels with over 4,500 rooms across 8 key cities in Australia, China, Japan and Singapore



(1) A-HTRUST owns 50% of Pullman Cairns International

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## Key Highlights

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# 1

# 3Q FY2014/15 Financial Highlights

	3Q FY2014/15		3Q YTD FY2014/15	
Gross Revenue	<b>S\$59.6m</b>	5.2% y-o-y growth	<b>S\$169.4m</b>	7.5% y-o-y growth
Net Property Income	<b>S\$25.5m</b>	9.1% y-o-y growth	<b>S\$69.8m</b>	14.6% y-o-y growth
Distributable Income	<b>S\$14.5m</b>	12.9% y-o-y decline	<b>S\$42.3m</b>	0.4% y-o-y growth
Distribution per Stapled Security ("DPS") <sup>1</sup>	<b>1.30 cents</b>	19.3% y-o-y decline	<b>3.81 cents</b>	11.6% y-o-y decline

**Note:**

1. Excluding the costs incurred for unwinding of the AUDSGD cross-currency swaps ("AUDSGD CCS"), the adjusted DPS ("Adjusted DPS") for 3Q FY2014/15 and 3Q FY2013/14 would be 1.57 cents and 1.65 cents, respectively (4.8% y-o-y decline). The Adjusted DPS for 3Q YTD FY2014/15 and 3Q YTD FY2013/14 would be 4.43 cents and 4.35 cents, respectively (1.8% y-o-y growth).

# 3Q FY2014/15 Portfolio Highlights

	AOR <sup>1</sup>	ADR <sup>1</sup>	RevPAR <sup>1</sup>
Australia	87.3% 1.8pp y-o-y growth	AUD 184 7.0% y-o-y growth	AUD 161 9.5% y-o-y growth
China	79.8% 0.3pp y-o-y decline	RMB 406 1.5% y-o-y growth	RMB 324 1.3% y-o-y growth
Japan	<ul style="list-style-type: none"> <li>Applies to Oakwood Apartments only</li> <li>Improvement in both AOR and ADR</li> </ul>		JPY 8,569 57.4% y-o-y growth
Singapore	<ul style="list-style-type: none"> <li>Steady rental income contribution from Park Hotel Clarke Quay</li> </ul>		

**Note:**

1. AOR: Average Occupancy Rate; ADR: Average Daily Rate; RevPAR: Revenue per Available Room



Financial  
Review

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# Results Summary – 3Q FY2014/15

S\$' million	3 <sup>rd</sup> Quarter		Change	
	FY2014/15	FY2013/14		
Gross Revenue	59.6	56.6	5.2%	<ul style="list-style-type: none"> <li>• Contribution from Osaka Namba which was acquired in April 2014</li> <li>• Overall improvement in portfolio performance</li> <li>• Partially offset by weaker AUD and JPY against SGD</li> </ul>
Net Property Income	25.5	23.4	9.1%	
NPI Margin	42.9%	41.3%	1.6pp	
Distributable Income	14.5	16.6	(12.9%)	<ul style="list-style-type: none"> <li>• Costs related to unwinding of AUDSGD cross currency swap (“AUDSGD CCS”)</li> <li>• Higher finance costs</li> </ul>
DPS (cents)	1.30	1.61	(19.3%)	
Adjusted DPS <sup>1</sup> (cents)	1.57	1.65	(4.8%)	

**Note:**

1. Excludes the costs incurred for unwinding of the AUDSGD CCS

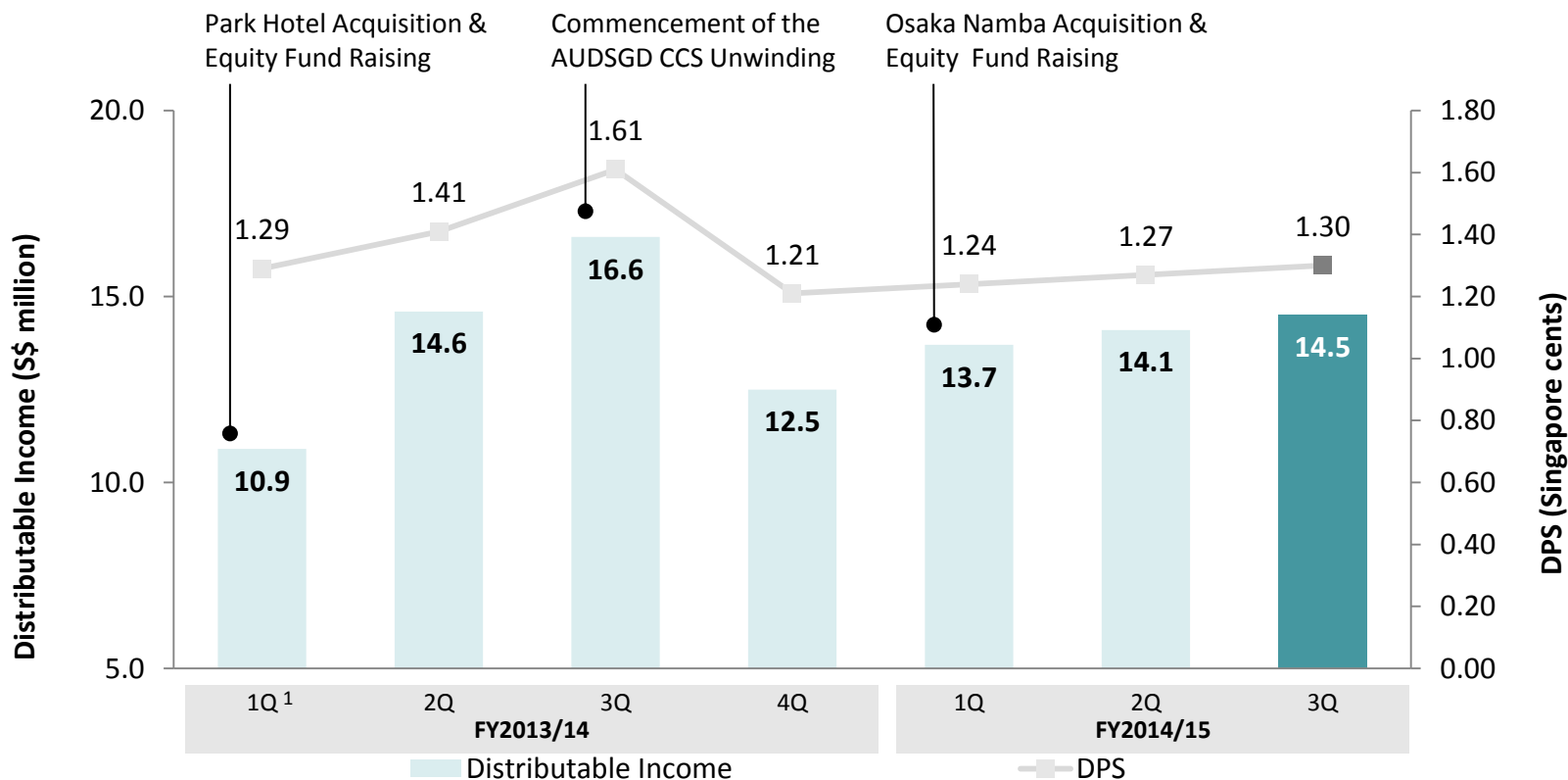
# Results Summary – 3Q YTD FY2014/15

S\$' million	3Q YTD		Change	
	FY2014/15	FY2013/14		
Gross Revenue	169.4	157.7	7.5%	<ul style="list-style-type: none"> <li>• Contribution from Park Hotel Clarke Quay and Osaka Namba which was acquired in June 2013 and April 2014 respectively</li> <li>• Partially offset by weaker AUD and JPY against SGD</li> </ul>
Net Property Income	69.8	60.9	14.6%	
NPI Margin	41.2%	38.6%	2.6pp	
Distributable Income	42.3	42.2	0.4%	<ul style="list-style-type: none"> <li>• Higher net property income</li> <li>• Partially offset by higher finance costs and costs related to unwinding of the AUDSGD CCS</li> </ul>
DPS (cents)	3.81	4.31	(11.6%)	
Adjusted DPS <sup>1</sup> (cents)	4.43	4.35	1.8%	

**Note:**

1. Excludes the costs incurred for unwinding of the AUDSGD CCS

# Distribution History



**Note:**

1: Includes the impact of acquiring Park Hotel Clarke Quay ("Park Hotel") and equity fund raising for the acquisition



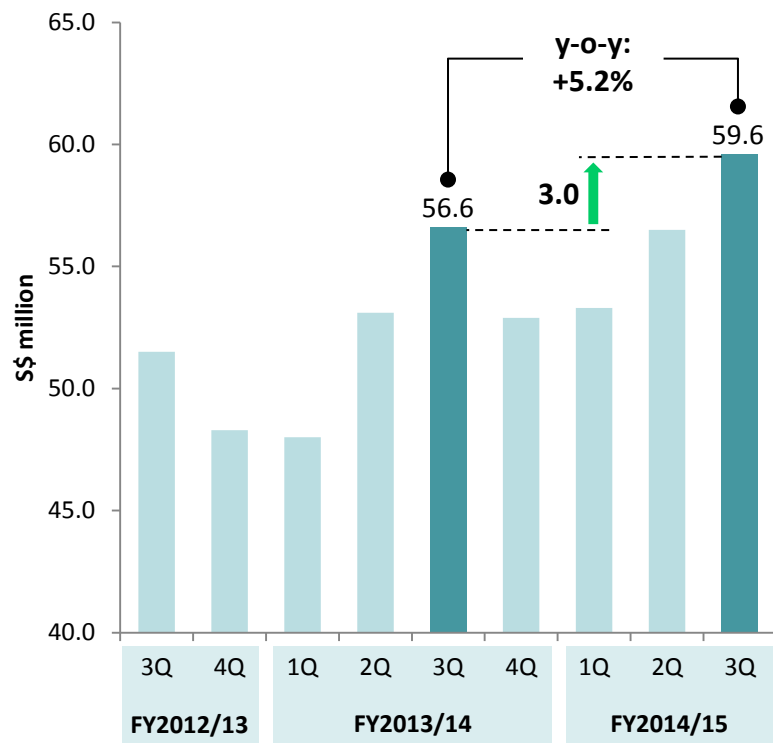
Portfolio  
Performance

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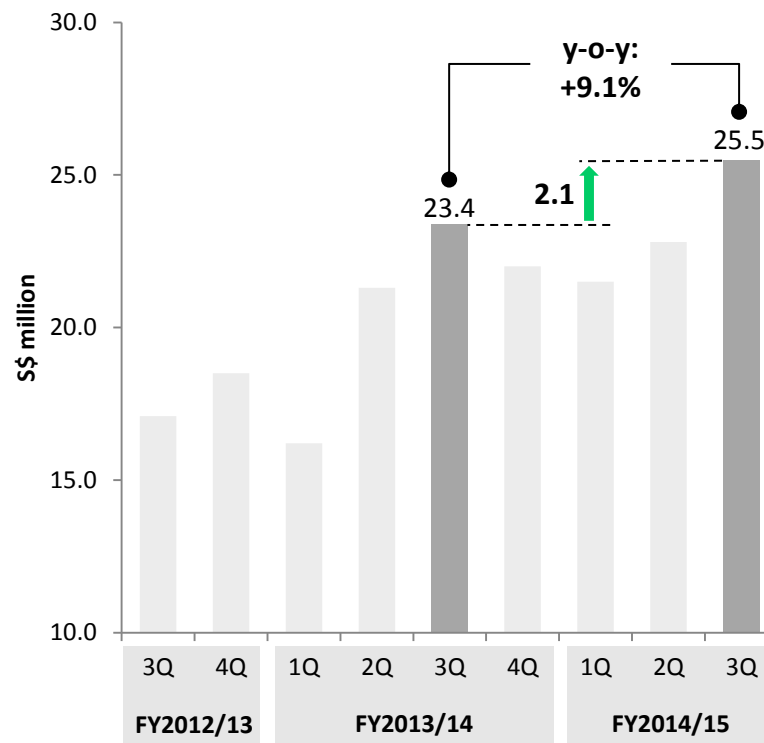
# 3Q FY2014/15 - Continued Growth

- ✦ Overall growth for the quarter driven by contribution from Osaka Namba and continued improvement from Australia portfolio

## Gross Revenue



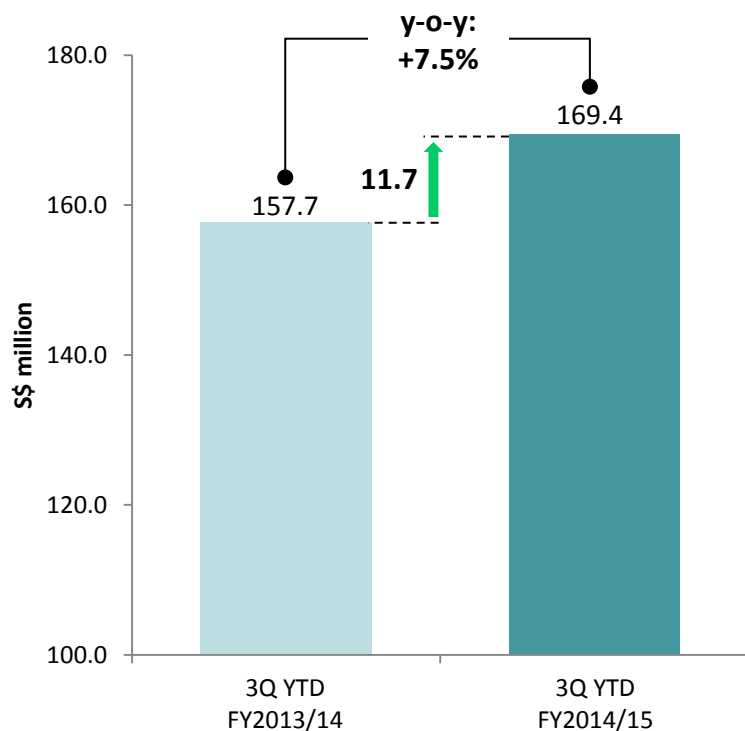
## Net Property Income



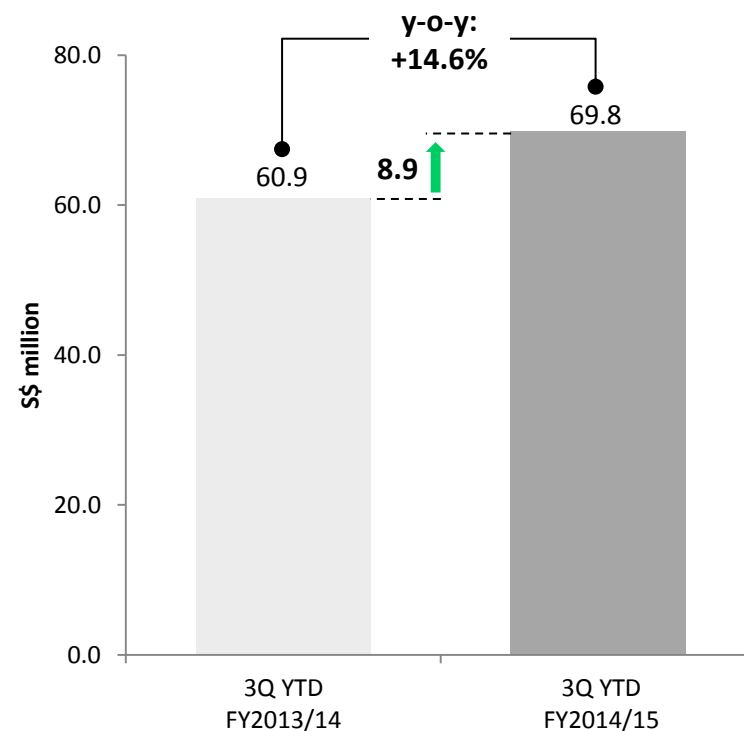
# 3Q YTD FY2014/15 - Acquisitions Drive Growth

- ✦ Contributions from Park Hotel and Osaka Namba, accompanied by overall improved portfolio performance, boosted performance for 3Q YTD FY2014/15

## Gross Revenue



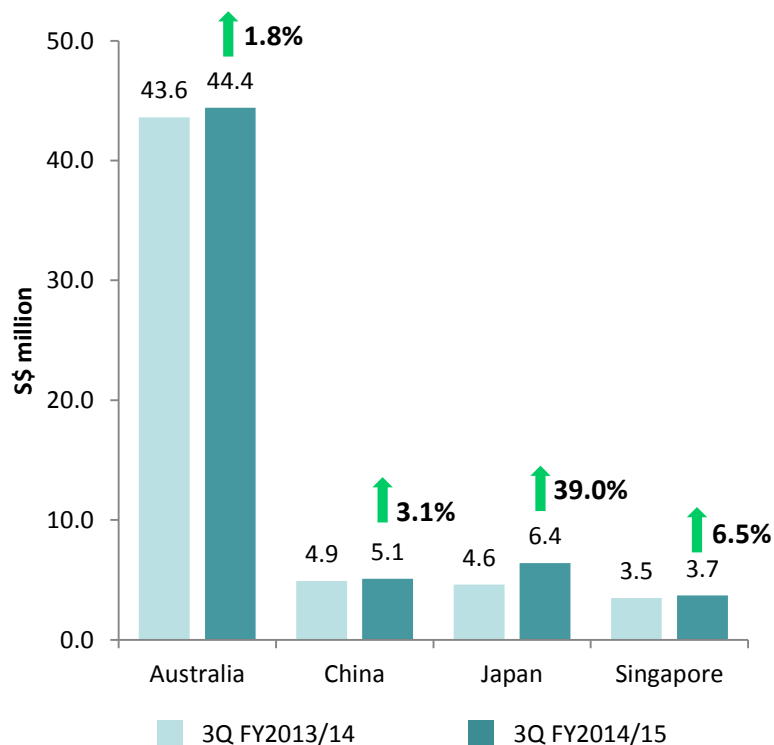
## Net Property Income



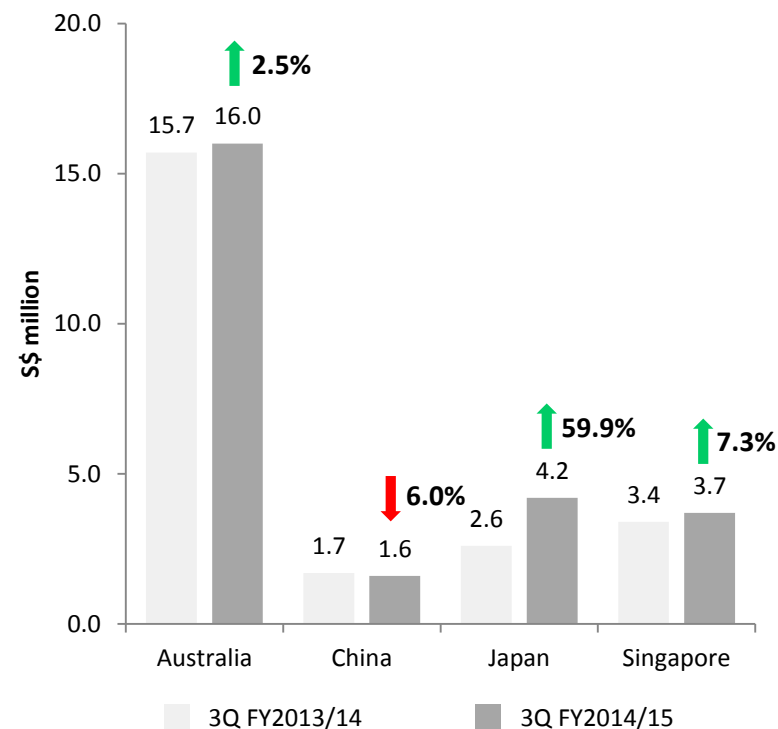
# Performance by Country

- ✦ Better performance across all countries except for China portfolio, which was affected by the soft market and unexpected 6-day holiday in November 2014

## Gross Revenue



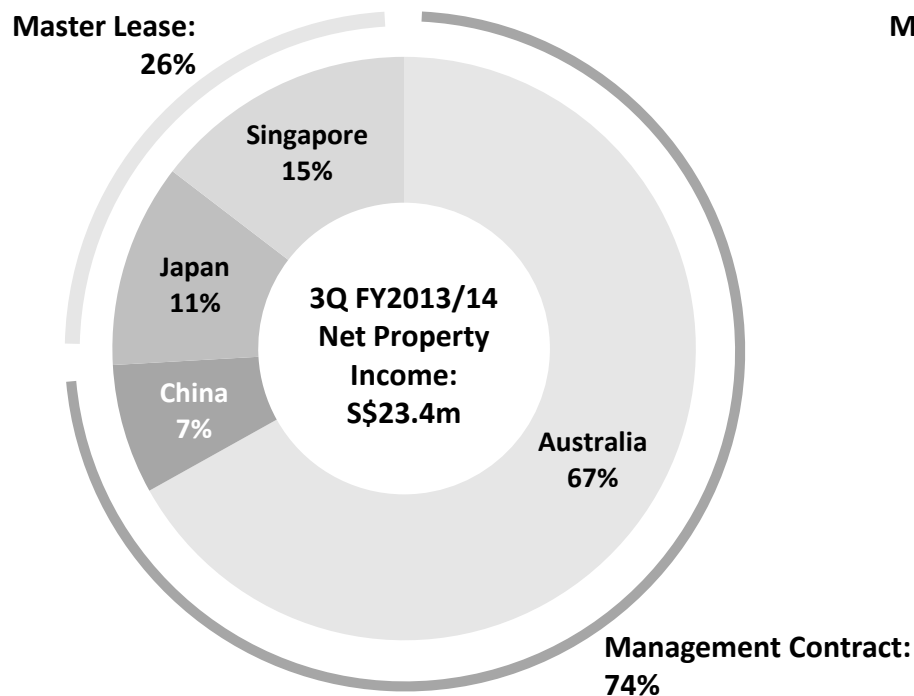
## Net Property Income



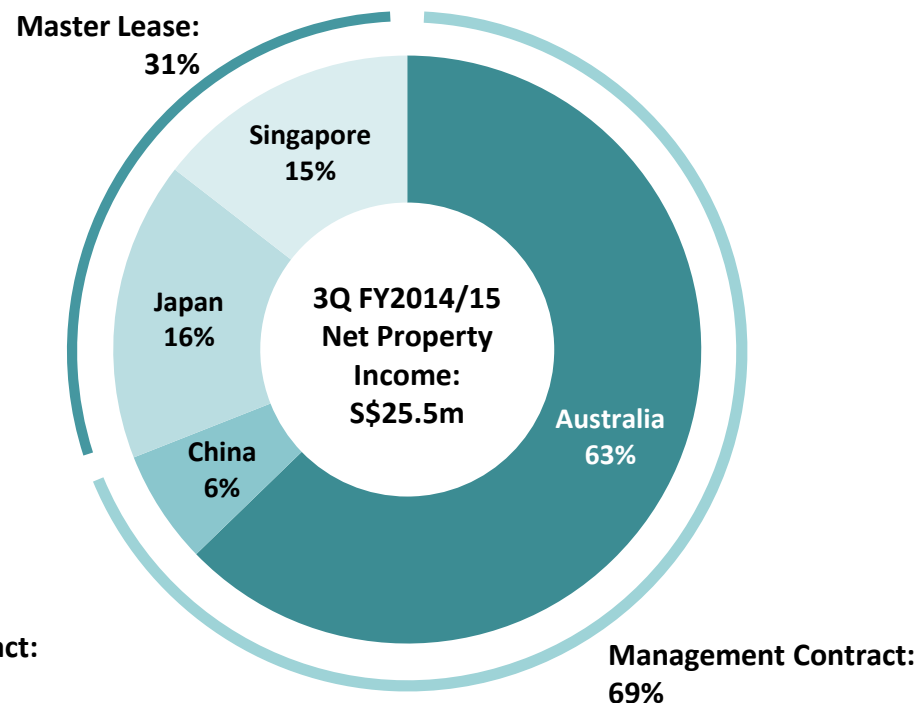
# Breakdown by Country and Contract Type

- ✦ Further diversification achieved following the acquisition of Osaka Namba as proportion of net property income derived from Australia portfolio falls

3Q FY2013/14 Net Property Income



3Q FY2014/15 Net Property Income



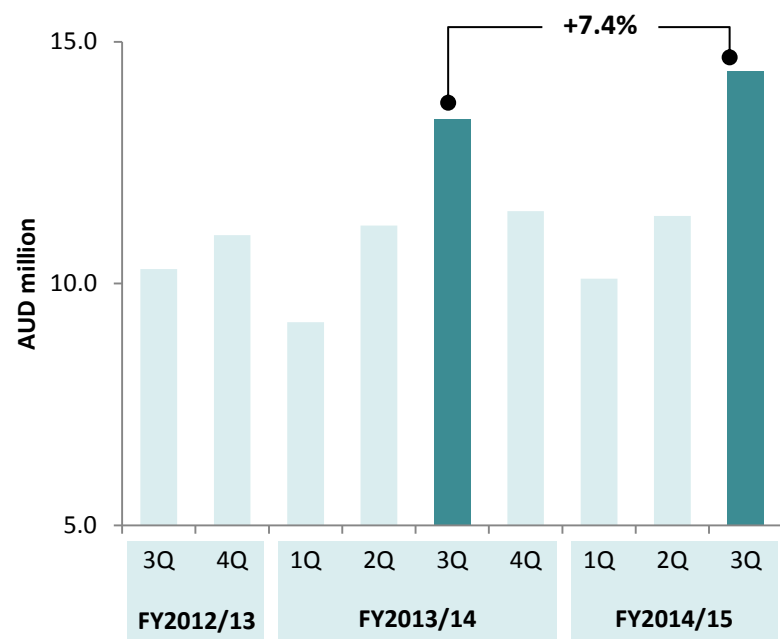


# Australia Portfolio Shows Improved Performance

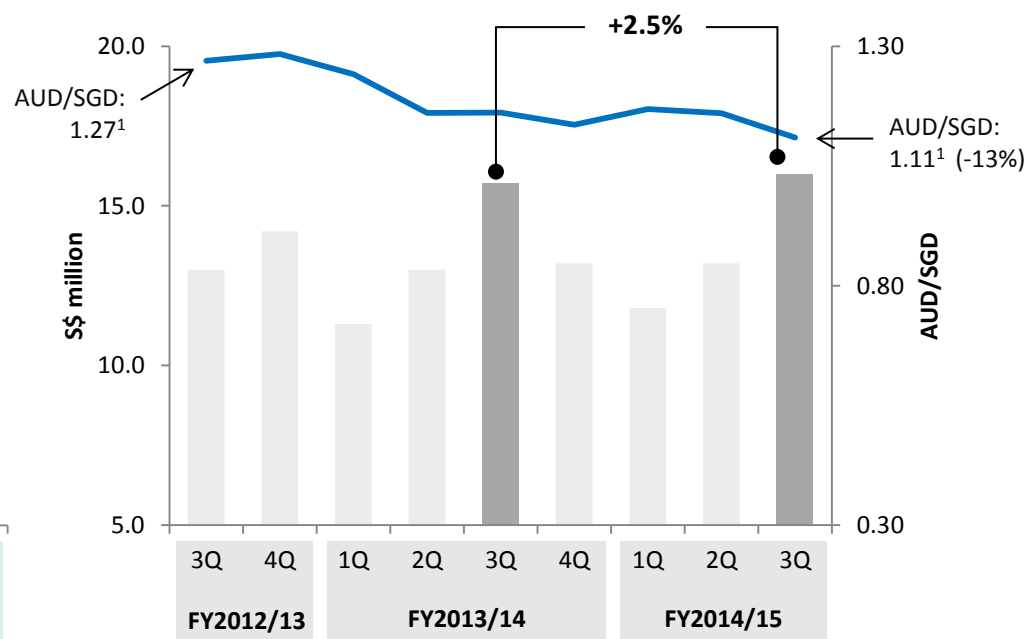
AUD' million	3 <sup>rd</sup> Quarter		Change
	FY2013/14	FY2014/15	
AOR	85.5	87.3	↑ 1.8pp
ADR	172	184	↑ 7.0%
RevPAR	147	161	↑ 9.5%

- Overall improvement in Australia portfolio led by:
  - Pullman Sydney Hyde Park - strong conferencing events; and
  - Pullman and Mercure King George Square – benefited from G20 Summit
- Partially offset by weaker AUD against SGD

## Net Property Income in AUD



## Net Property Income in S\$ terms



Note:

1. Based on average rate used for the respective quarter

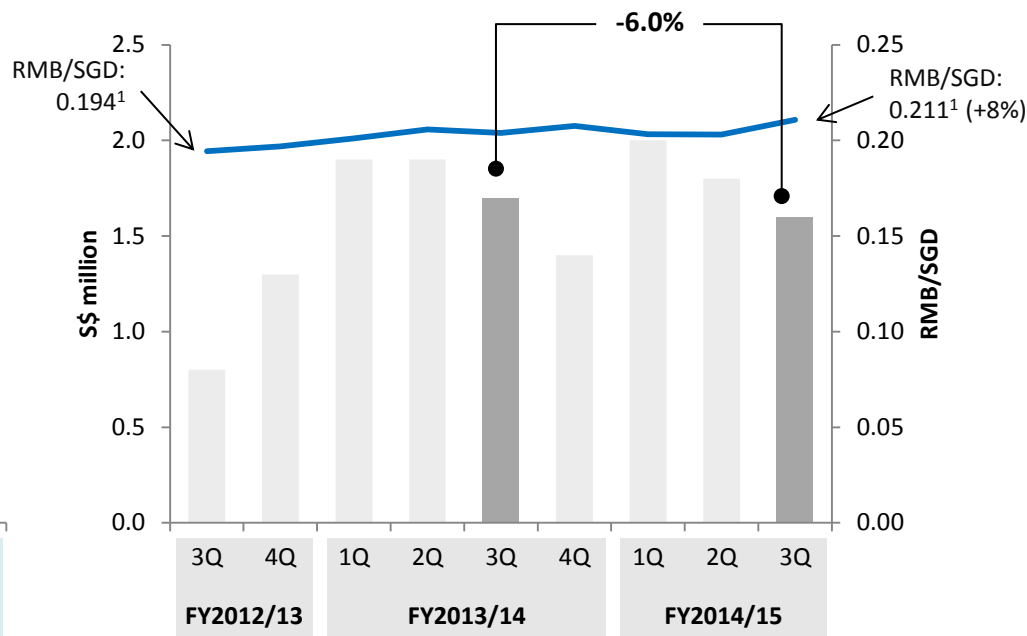
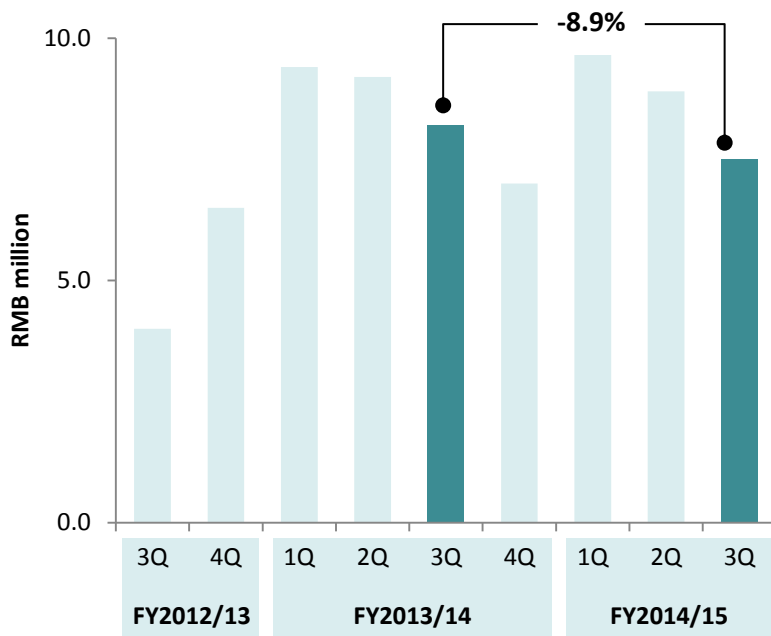
# China Portfolio Shows Resilience

RMB' million	3 <sup>rd</sup> Quarter		Change
	FY2013/14	FY2014/15	
AOR	80.1	79.8	↓ 0.3pp
ADR	400	406	↑ 1.5%
RevPAR	320	324	↑ 1.3%

- Overall RevPAR improvement mainly due to Ibis Beijing, which fared better due to shift towards online channels
- Weaker demand and unexpected public holiday over the APEC Summit have affected the hotels
- Partially offset by stronger RMB against SGD

## Net Property Income in RMB

## Net Property Income in S\$ terms



Note:

1. Based on average rate used for the respective quarter

# Acquisition boosts Japan Portfolio

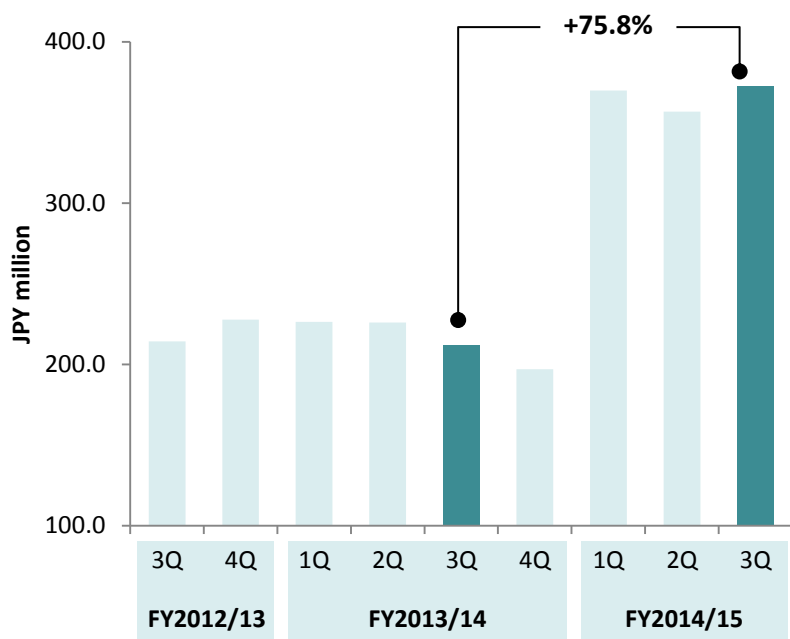
JPY' million	3 <sup>rd</sup> Quarter		Change
	FY2013/14	FY2014/15	
<b>RevPAR<sup>1</sup></b>	5,443	8,569	<b>↑57.4%</b>

**Note:**

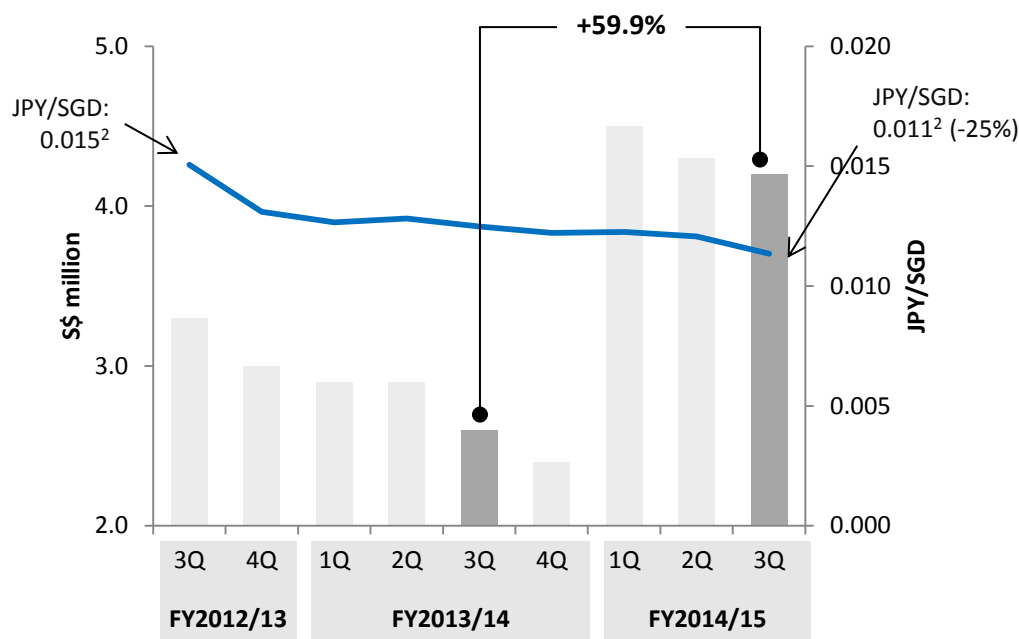
1. Applies to Oakwood Apartments only

- Positive contribution by Osaka Namba which was acquired in April 2014 (1Q FY2014/15)
- Japan Ariake saw better performance by Oakwood Apartments
- Partially offset by weaker JPY against SGD

## Net Property Income in JPY



## Net Property Income in S\$ terms

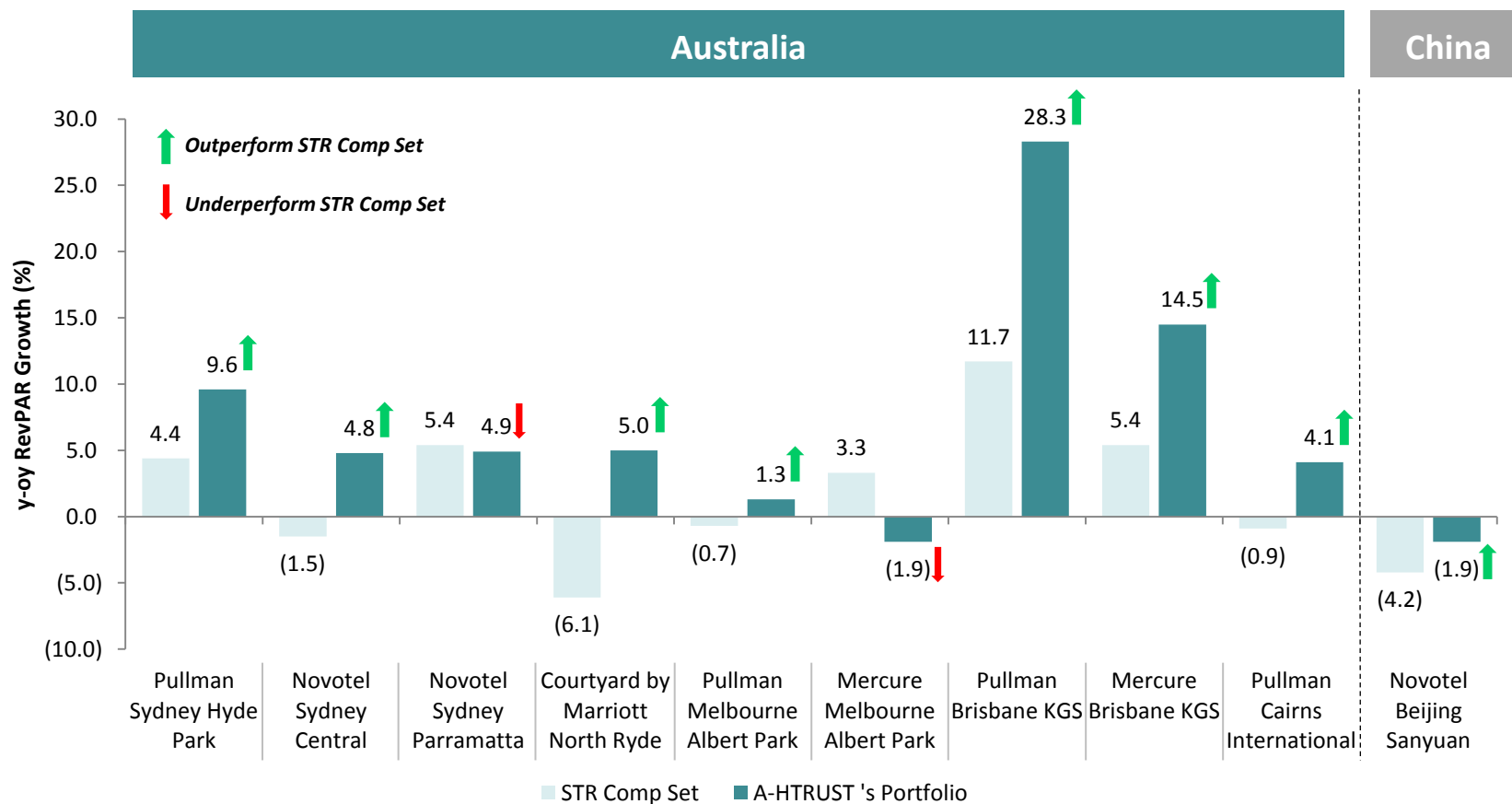


**Note:**

2. Based on average rate used for the respective quarter

# Strong Performance Underpinned by Quality of Portfolio

- Majority of our hotels outperformed their peers in terms of y-o-y RevPAR growth for 3Q FY2014/15, when compared against STR Comp Set<sup>1</sup>



**Note:**

- STR (Smith Travel Research) Global Report tracks a hotel's occupancy, ADR and RevPAR performance against its selected comparable competitors. STR Competitive Set ("STR Comp Set") refers to the average performance of the hotel and its competitors.

# Quality of Novotel Sydney Parramatta Enhanced

- ✦ In December 2014, the refurbishment of multi-purpose conference and event spaces in Novotel Sydney Parramatta was completed



*"This new space will deliver the 'wow' back into Parramatta which has been declared to be a 'city of the future' during the recent Parramatta Chamber of Commerce's State of the City Address in this very hotel. The hotel is proud to be a key player in boosting Parramatta and Western Sydney as a destination for events and tourism"*

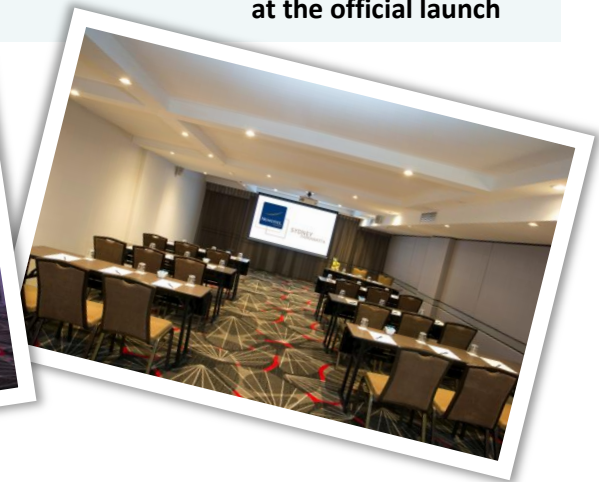
**~ Novotel Sydney Parramatta general manager,  
Michael Daviss**

*"These refurbished conference facilities reflect the growing importance of Parramatta as a business destination. It cements Parramatta's role within Sydney as a viable alternative for business functions..."*

**~ Lord Mayor of Parramatta Cr Scott Lloyd,  
at the official launch**

## Key Features:

- ✓ Ability to cater for meetings of 5 people up to 550 people
- ✓ Star venue, Lennox Ballroom, is the largest column-less hotel ballroom in the Parramatta region
- ✓ Customised lighting and colour system in the ballroom ceiling that can be personalised to suit individual events.
- ✓ New projection equipment using HD format as well as HDMI compatibility
- ✓ Fastest hotel internet in the region





# Capital Management

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# Healthy Balance Sheet

✦ Total assets of S\$1,379.6 million as at 31 December 2014

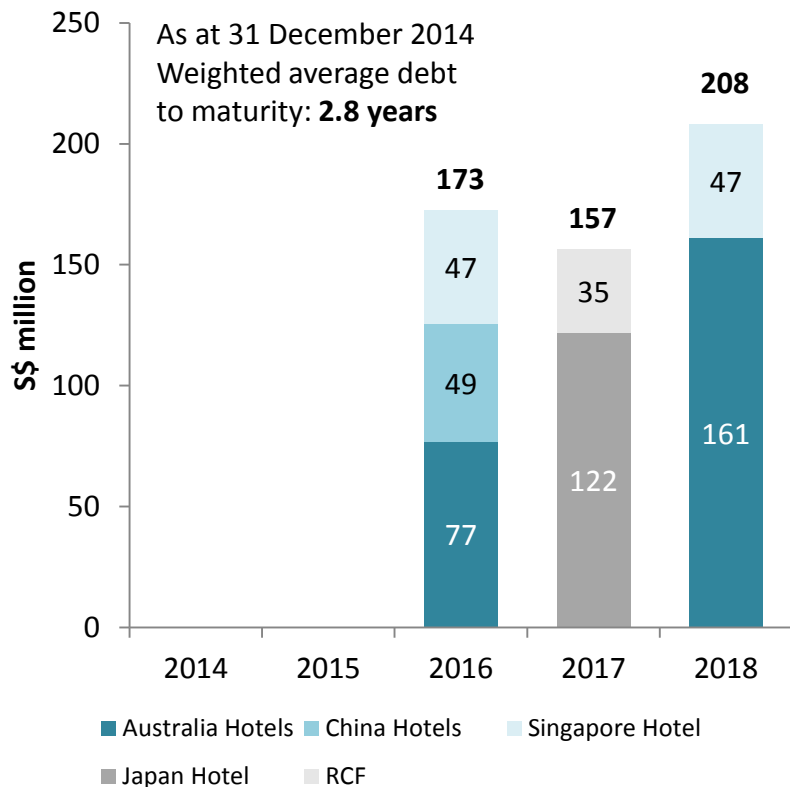
	As at 31 December 2014	As at 30 September 2014
Borrowings	S\$536.5 million	S\$550.6 million
Total Assets	S\$1,379.6 million	S\$1,438.4 million
A-HTRUST Gearing <sup>1</sup>	38.9%	38.3%
- A-HREIT Gearing	28.9%	28.7%
- A-HBT Gearing	44.6%	43.6%
Weighted average interest rate	3.2%	3.1%
Weighted average debt to maturity	2.8 years	3.1 years
Net asset value per stapled security	S\$0.69	S\$0.73

**Note:**

1. Gearing is computed based on total debt over total assets

# Balanced Debt Profile

## Debt Maturity Profile



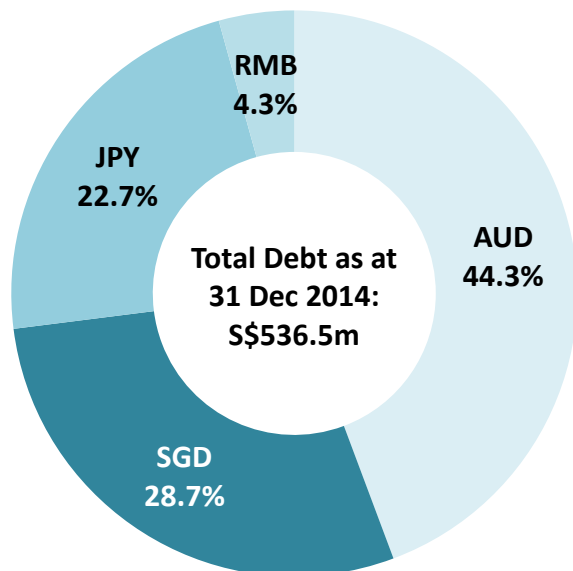
## Debt Facilities

- **Term loan facilities:**  
*3 to 5-year term loan facilities*
- **Revolving credit facility (“RCF”):**  
*3-year S\$60.0 million RCF*
- **Medium term notes (“MTN”):**  
*S\$1 billion Multicurrency Stapled MTN programme established in October 2014*
- **No refinancing requirement until June 2016**



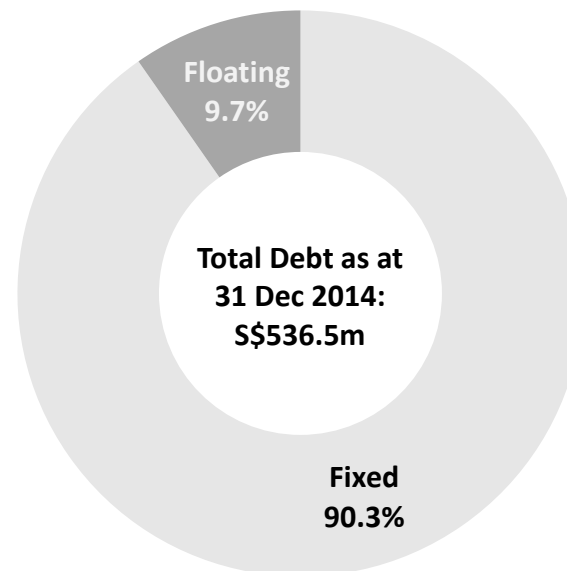
# Prudent Capital Management

## Debt Currency Profile

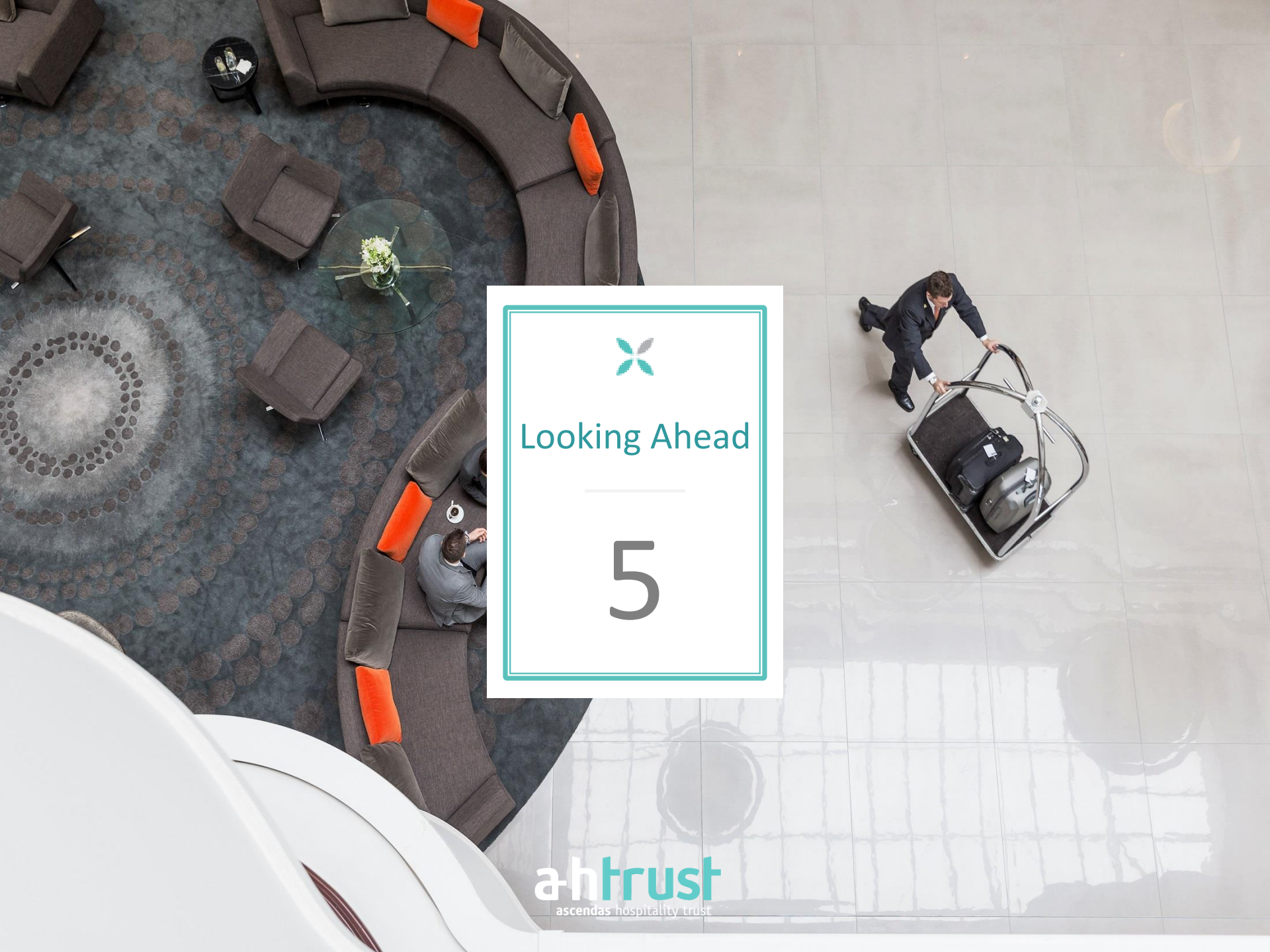


- As at 31 December 2014, more than 90% of total borrowings are matched with the natural currencies of the assets
- Unwinding of the AUDSGD CCS was fully completed in October 2014

## Interest Rate Profile



- 90.3% of total borrowings are on fixed-rate
- Minimise exposure to interest rate volatility and impact on distribution



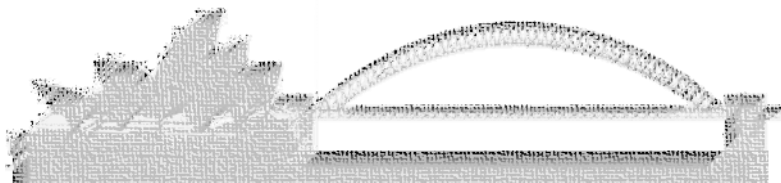
Looking Ahead

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# Australia – Growth Trend Continued



- Recent growth trend in tourism sector continued as international visitors grew by 8% y-o-y to 6.3 million for the first 9 months of 2014<sup>1</sup>
- In the near term, the sector will be supported by major events such as Australian Open, Formula One Grand Prix and Cricket World Cup
- Buoyed by the optimistic outlook for the tourism sector in Australia, we expect our hotel portfolio to continue its stable growth in the near term
- However, the falling commodity prices may see AUD declining in the short term which will impact our earnings in SGD terms



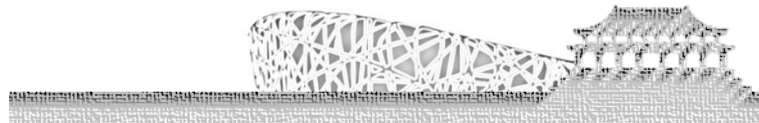
**Note:**

1. Source: Tourism Research Australia

# China – Competitive Landscape Ahead



- International visitors to Beijing declined 6% y-o-y from January to November 2014<sup>1</sup>, amid concerns over air pollution in the city
- The hospitality sector is likely to be subjected to the ongoing austerity drive and downward pressure from new supply of hotel rooms
- However, domestic tourism within China is expected to be robust and is likely to support the tourism sector
- A key event in 2015 will be the World Championship in Athletics, which will be hosted at the Beijing National Stadium in August



**Note:**

1. Source: Beijing Statistics Bureau

# Japan – Key Initiatives and Weak JPY Drive Growth



- Number of visitors to Japan in 2014 continued its strong growth as it surpassed 13 million, growing by 29% compared to 2013<sup>1</sup>
- Key initiatives such as relaxation of visa requirements appear to have positive impact
- Weakened JPY is expected to continue driving inbound traffic to Japan
- Recent completion of expansion at Haneda (Tokyo) airport which increased its landing and take-off slots and the development of terminals for low-costs carriers at Narita (Tokyo) and Kansai (Osaka) airports will support the expected increase in inbound travelling

**Note:**

1. Source: Japan National Tourism Organisation

# Singapore – Outlook Expected to Remain Stable



- Number of international visitors from January to November fall by 3% to 13.7 million<sup>1</sup>, led by the second largest group of visitors from China, which registered a drop of 26%<sup>1</sup>
- ADR growth is expected to be moderated with the upcoming pipeline of hotels in 2015 and 2016, mainly in the midscale and upscale sector
- As Singapore celebrates 50<sup>th</sup> year of independence and the grand opening of the National Gallery Singapore in November 2015, this is expected to provide respite to the sector
- Key events this year includes the Southeast Asian Games and ASEAN Para Games



**Note:**

1. Source: Singapore Tourism Board



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