

Sofitel Sydney Wentworth



**Frasers
Hospitality Trust**

**Extraordinary
General Meeting –
The Proposed
Acquisition of Sofitel
Sydney Wentworth**

24 June 2015



Important Notice

Certain statements in this Presentation constitute “forward-looking statements”, including forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Frasers Hospitality Trust (“FHT”), Frasers Hospitality Asset Management Pte. Ltd. (as the manager of Frasers Hospitality Real Estate Investment Trust) or Frasers Hospitality Trust Management Pte. Ltd. (as trustee-manager of Frasers Hospitality Trust Management Pte. Ltd.) (collectively, the “Managers”), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Managers’ present and future business strategies and the environment in which FHT or the Managers will operate in the future. Because these statements and financial information reflect the Managers’ current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

The Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this Presentation to reflect any change in the Manager’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and/or any other regulatory or supervisory body or agency. The value of stapled securities in FHT (“Stapled Securities”) and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities .

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities. The past performance of FHT and the Managers is not necessarily indicative of the future performance of FHT and the Managers.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Managers have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Managers have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

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

Contents

Overview of Sofitel Sydney Wentworth	4
Competitive Strengths of Sofitel Sydney Wentworth	6
Financing for Sofitel Sydney Wentworth	12
Rationale and Key Benefits of:	
▪ The Acquisition	14
▪ The Master Lease	19
▪ The Private Placement	21
Extraordinary General Meeting	24

Club Lounge



Overview of Sofitel Sydney Wentworth

Overview of Sofitel Sydney Wentworth



Location	<ul style="list-style-type: none"> 61 – 101 Phillip Street, Sydney, Australia
Grade	<ul style="list-style-type: none"> Luxury
Leasehold Tenure	<ul style="list-style-type: none"> 75-year leasehold
Gross Floor Area	<ul style="list-style-type: none"> 33,589 sqm
Description	<ul style="list-style-type: none"> An iconic heritage 5-star hotel strategically located in Sydney’s core CBD and within a short walk to major office buildings, tourist attractions and transport hubs
Rooms and Facilities	<ul style="list-style-type: none"> 436 rooms 2 F&B outlets, Business Center, Grand Ballroom and 11 Meeting rooms
Occupancy⁽¹⁾	<ul style="list-style-type: none"> 88.4%
RevPAR⁽¹⁾	<ul style="list-style-type: none"> A\$189.3
Purchase Consideration⁽²⁾	<ul style="list-style-type: none"> A\$224.0m (S\$230.8m)
Appraised Value⁽³⁾	<ul style="list-style-type: none"> Savills : A\$222.0m JLL : A\$226.0m

Notes:

(1) For the Forecast Period of 1 July 2015 to 30 September 2015

(2) Based on an assumed exchange rate of A\$1: S\$1.0303

(3) Based on valuation reports of Savills Valuation Pty Ltd (“Savills”) and Jones Lang LaSalle Advisory Services Pty Ltd (“JLL”) on the Sofitel Sydney Wentworth dated 11 May 2015

Wentworth Ballroom



Competitive Strengths of Sofitel Sydney Wentworth

Competitive Strengths of Sofitel Sydney Wentworth

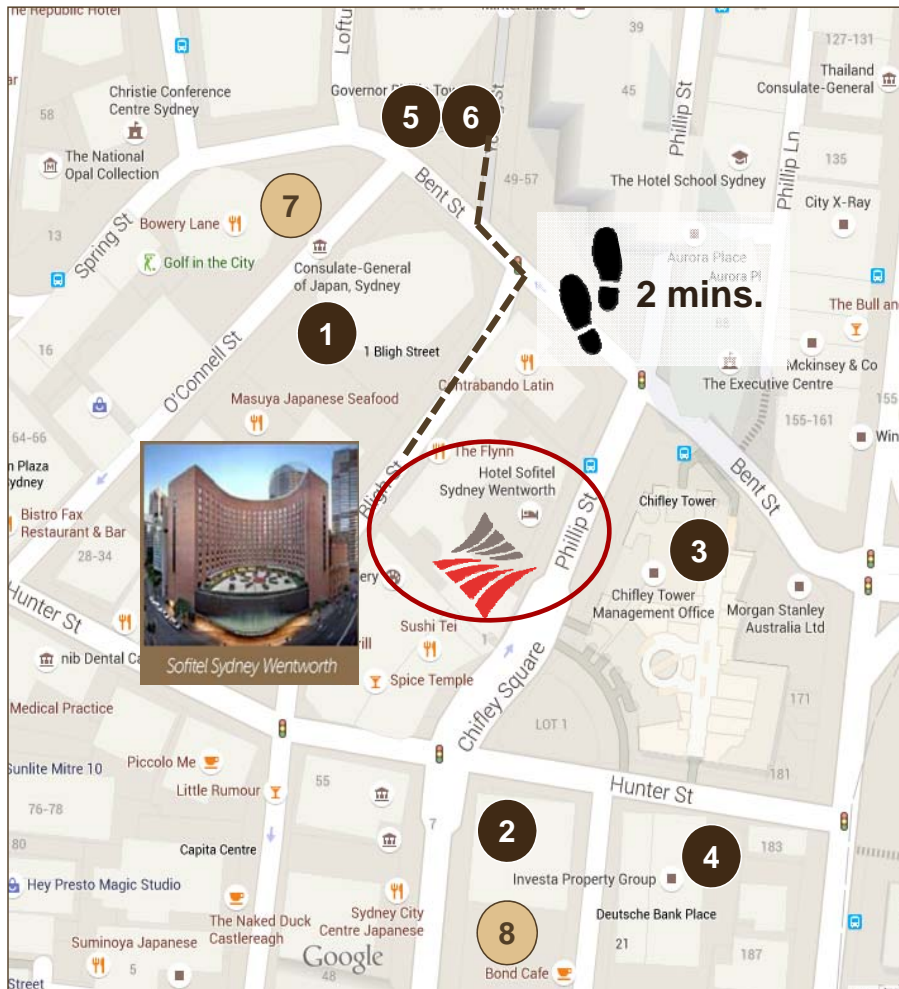
1 Strategic Location within Sydney's Core CBD



- **Strategically located** in the heart of Sydney's CBD
- **Nestled among the city's prominent buildings**, large retail and busy commercial spaces, including the Australia Stock Exchange and Chifley Tower which are in close proximity
- **Walking distance to major tourist attractions** – Sydney Opera House, Sydney Harbour Bridge, Circular Quay, Hyde Park and Pitt Street Mall
- **Easy access to public transportation**

Competitive Strengths of Sofitel Sydney Wentworth

1 Strategic Location within Sydney's Core CBD



Significant amount of nearby office space that provides good corporate demand for the hotel

	Premium Grade Office Towers	Sqm
1	1 Bligh Street	42,900
2	8 Chifley Square	19,000
3	Chifley Tower	40,000
4	Deutsche Bank Place	42,000
5	Governor Phillip Tower	54,000
6	Governor Macquarie Tower	31,000

	'A' Grade Office Towers	Sqm
7	1 O'Connell Street	36,280
8	52 Martin Place	39,280

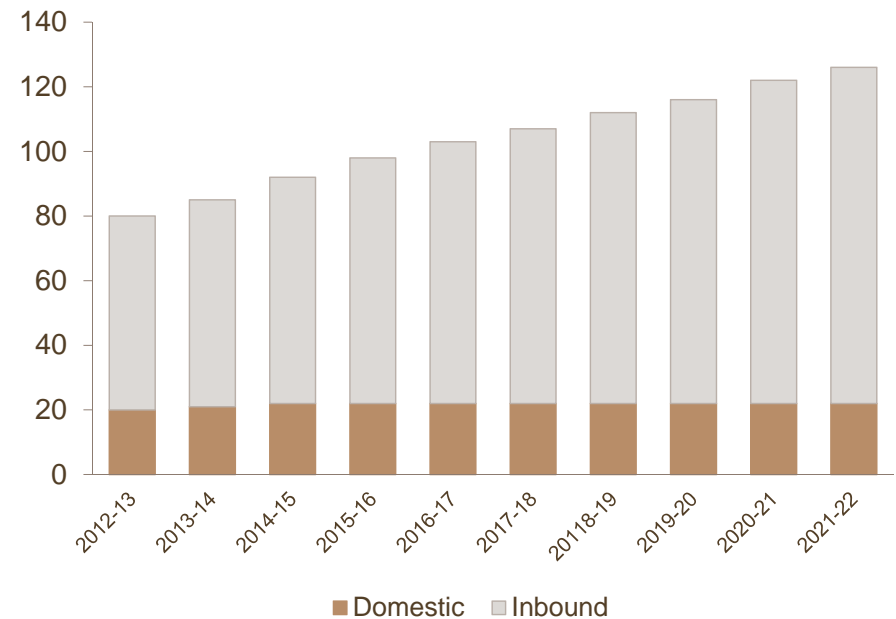
Sources: Google maps as at 4 June 2015, and Savills Valuation Report- Sofitel Sydney Wentworth, 11 May 2015

Competitive Strengths of Sofitel Sydney Wentworth

2 Favourable Performance of the Sydney Hospitality Market

City	OCC %	ADR A\$	RevPAR A\$
Sydney	83.7%	200.28	167.57
Perth	83.6%	200.97	167.91
Melbourne	81.7%	185.08	151.13
Hobart	79.7%	159.30	126.97
Darwin	76.0%	189.42	143.88
Gold Coast	71.2%	167.26	119.10
Canberra/ACT	70.8%	162.31	114.93
Adelaide	79.6%	149.69	119.17
Brisbane	78.3%	187.94	147.17
Cairns	74.3%	127.70	94.84

Forecast Sydney Visitor Nights (millions)



✓ Sydney was one of the strongest performing cities in Australia in 2014, registering a 4.2% YoY growth in RevPAR

✓ Strong outlook with benign room supply against a stable demand environment

Competitive Strengths of Sofitel Sydney Wentworth

2 Favourable Performance of the Sydney Hospitality Market

Major infrastructure projects in Sydney to have a positive impact on hotel market



Artist's impression of Central Barangaroo



Artist's impression of SICEEP

Barangaroo Development

- Total of 300,000 sqm of premium commercial space to be built
- The development will extend and rejuvenate the Darling Harbour precinct

Sydney International Convention, Exhibition and Entertainment Precinct (“SICEEP”)

- Under major redevelopment and expected to complete in 2016
- Expected to be a choice MICE destination as Australia’s largest exhibition area with 32,600 sqm of space
- New auditorium and public open space for live events up to 27,000 people

Competitive Strengths of Sofitel Sydney Wentworth

3 Experienced International Operator with a Global Network

The Property will continue to be operated by Accor under “Sofitel”, its luxury-tier brand and leverage on Accor’s extensive global network



One of the largest hotel networks with 3,700 properties across 92 countries

- Largest and fastest growing hotel group in Asia Pacific with 635 hotels and 121,280 rooms across 17 countries

Largest hotel operator in Australia with over 20 years' experience

- Regional Head Office in Sydney with a portfolio of 199 properties in Australia
- Loyalty program of over 15 million members worldwide, and over 1.2 million in Australia alone

Wentworth Suite



Financing for Sofitel Sydney Wentworth

Financing for Sofitel Sydney Wentworth

The acquisition is proposed to be financed by a combination of equity and debt

Proposed Acquisition of Sofitel Wentworth Sydney	
Purchase consideration	A\$224.0m
Acquisition fee ⁽¹⁾	A\$1.1m
Stamp duty and transaction expenses	A\$15.7m
Total⁽²⁾	A\$240.8m

Illustrative Equity Financing

Funding by net proceeds from issuance of up to 150.0 million new Stapled Securities via private placement

Illustrative Debt Financing

A\$117.2 million (approximately S\$120.8 million⁽³⁾)

Proposed TCC placement

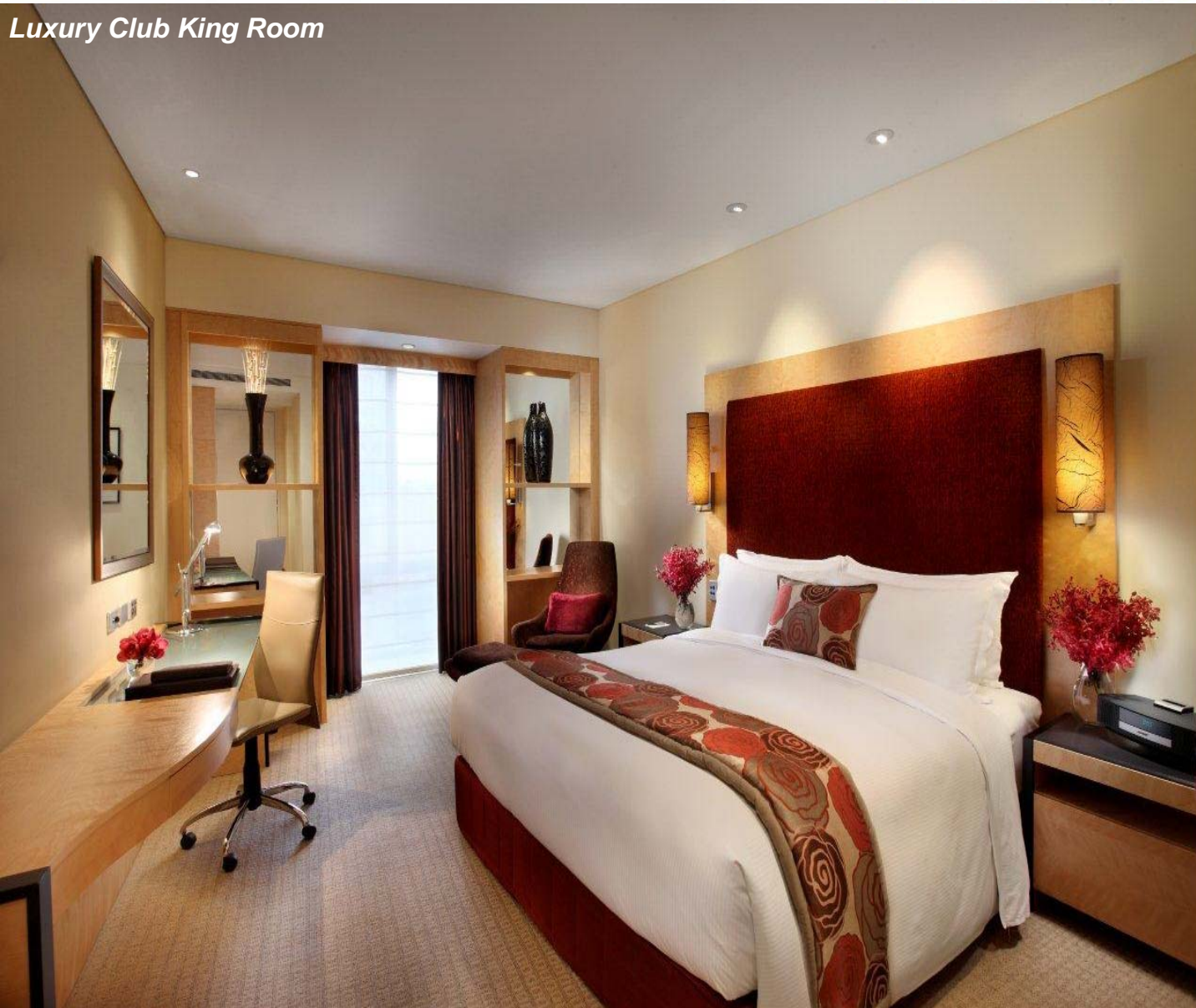
Notes:

(1) Acquisition Fee of A\$1.1 million to be paid in Units to the REIT Manager pursuant to the trust deed of FH-REIT

(2) Estimated total cost of the Acquisition is approx. A\$240.8m (approx. S\$248.1m), based on an assumed exchange rate of A\$1: S\$1.0303

(3) Based on an assumed exchange rate of A\$1: S\$1.0303

Luxury Club King Room



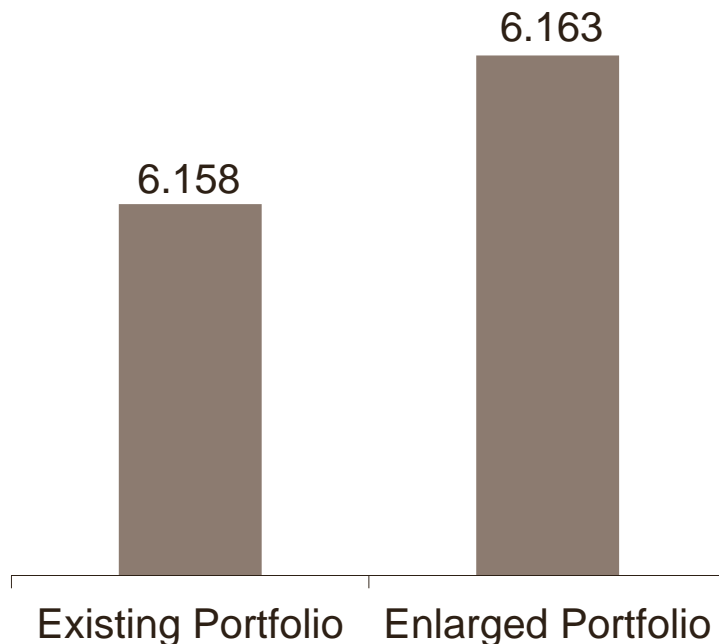
Rationale and Key Benefits of the Acquisition

Rationale and Key Benefits of the Acquisition

1 Yield Accretive Acquisition

Proposed acquisition expected to be yield accretive

FY 2015⁽¹⁾ DPS in cents



Equity funding

Illustrative number of new Stapled Securities at 151.2m, comprising:

- Private placement: 149.8m Stapled Securities⁽²⁾
- Acquisition fee: 1.4m Stapled Securities⁽³⁾

Debt funding

Debt funding: A\$117.2m (approximately S\$120.8m⁽⁴⁾)

Notes:

(1) FY 2015 is the period from 1 October 2014 to 30 September 2015

(2) Based on an illustrative issue price of S\$0.815 for the New Stapled Securities

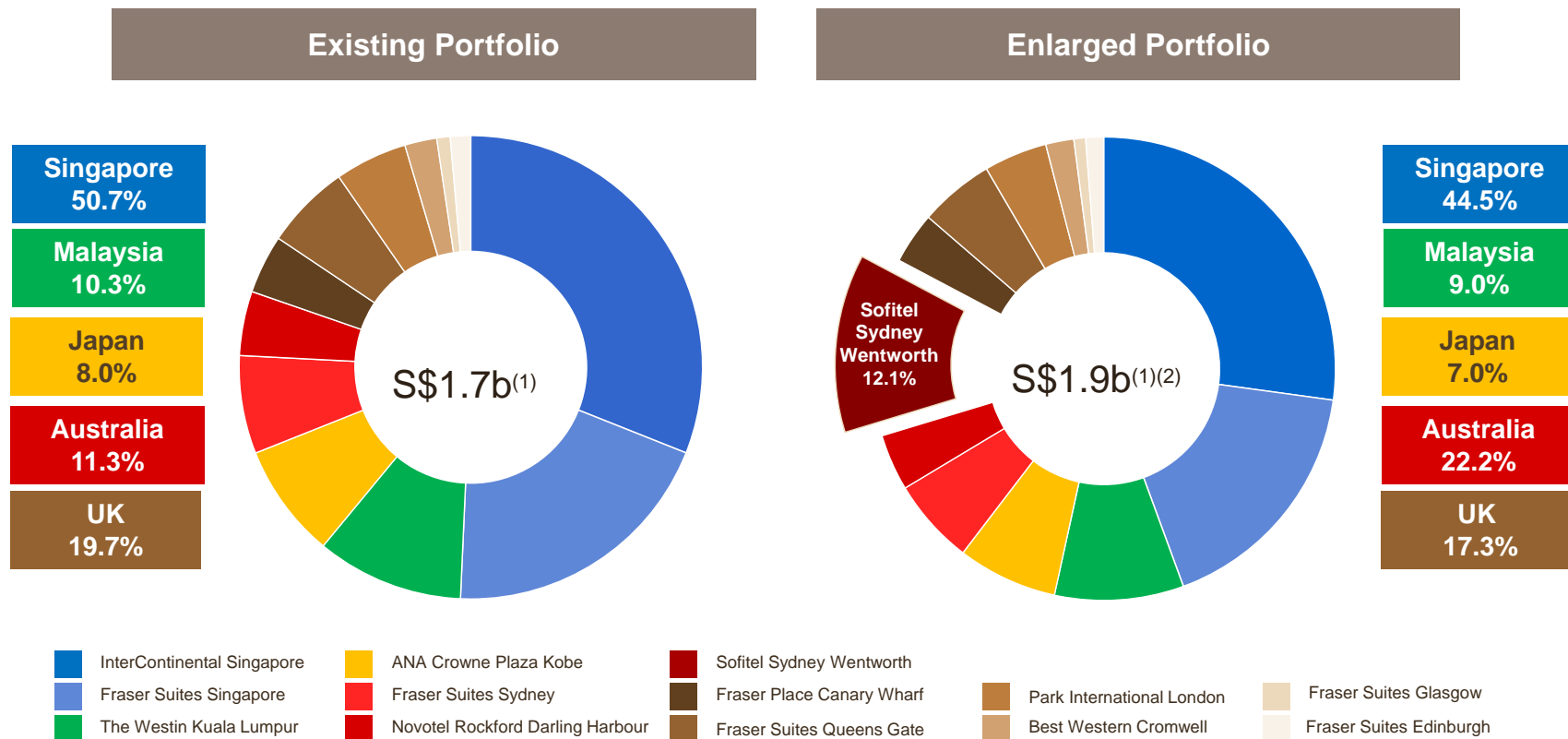
(3) The Acquisition Fee Stapled Securities are issued at an assumed issue price of S\$0.851 per Stapled Security

(4) Based on an assumed exchange rate of A\$1: S\$1.0303

Rationale and Key Benefits of the Acquisition

2 Increased Diversification of Portfolio

More balanced spread across regions and reduced reliance on any single property



Notes:

(1) As at 31 March 2015

(2) The valuation of Sofitel Sydney Wentworth was based on an assumed exchange rate of A\$1: S\$1.0303

Rationale and Key Benefits of the Acquisition

2 Increased Diversification of Portfolio

Sofitel Sydney Wentworth complements our existing properties in strategic catchment areas in central Sydney



Sofitel Sydney Wentworth

- In prime Sydney CBD, around the Martin Place precinct, close to the Barangaroo development

Fraser Suites Sydney


- Within the Sydney Town Hall precinct, close to Darling Harbour and SICEEP redevelopment


Novotel Rockford Darling Harbour

- Within the Darling Harbour SICEEP redevelopment precinct

Rationale and Key Benefits of the Acquisition

3 Consistent with REIT Manager's Investment Strategy

1 Fraser Suites Sydney

 No. of units: 201


2 Fraser Suites Singapore

 No. of units: 255

3 Fraser Suites Edinburgh

 No. of units: 75


4 Fraser Suites Queens Gate

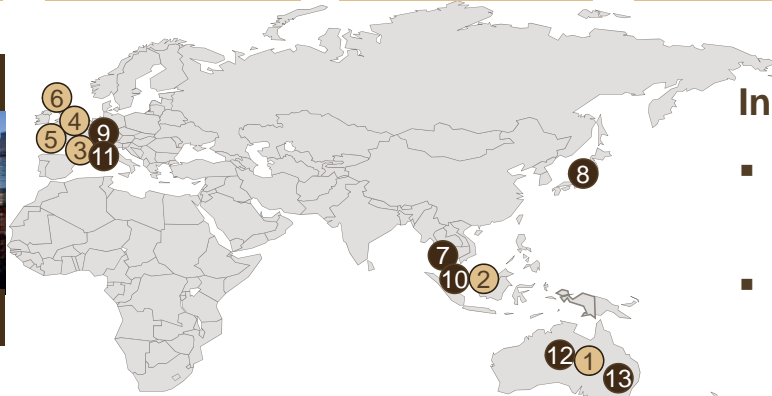
 No. of units: 105

5 Fraser Place Canary Wharf

 No. of units: 108

6 Fraser Suites Glasgow


 No. of units: 98


13 Sofitel Sydney Wentworth

 No. of rooms: 436



In line with FHT's investment mandate to:

- Enhance returns to Stapled Securityholders
- Improve potential opportunities for future income and capital growth

7 The Westin KL

 No. of rooms: 443


8 ANA Crowne Plaza Kobe

 No. of rooms: 593


9 Park International London

 No. of rooms: 171

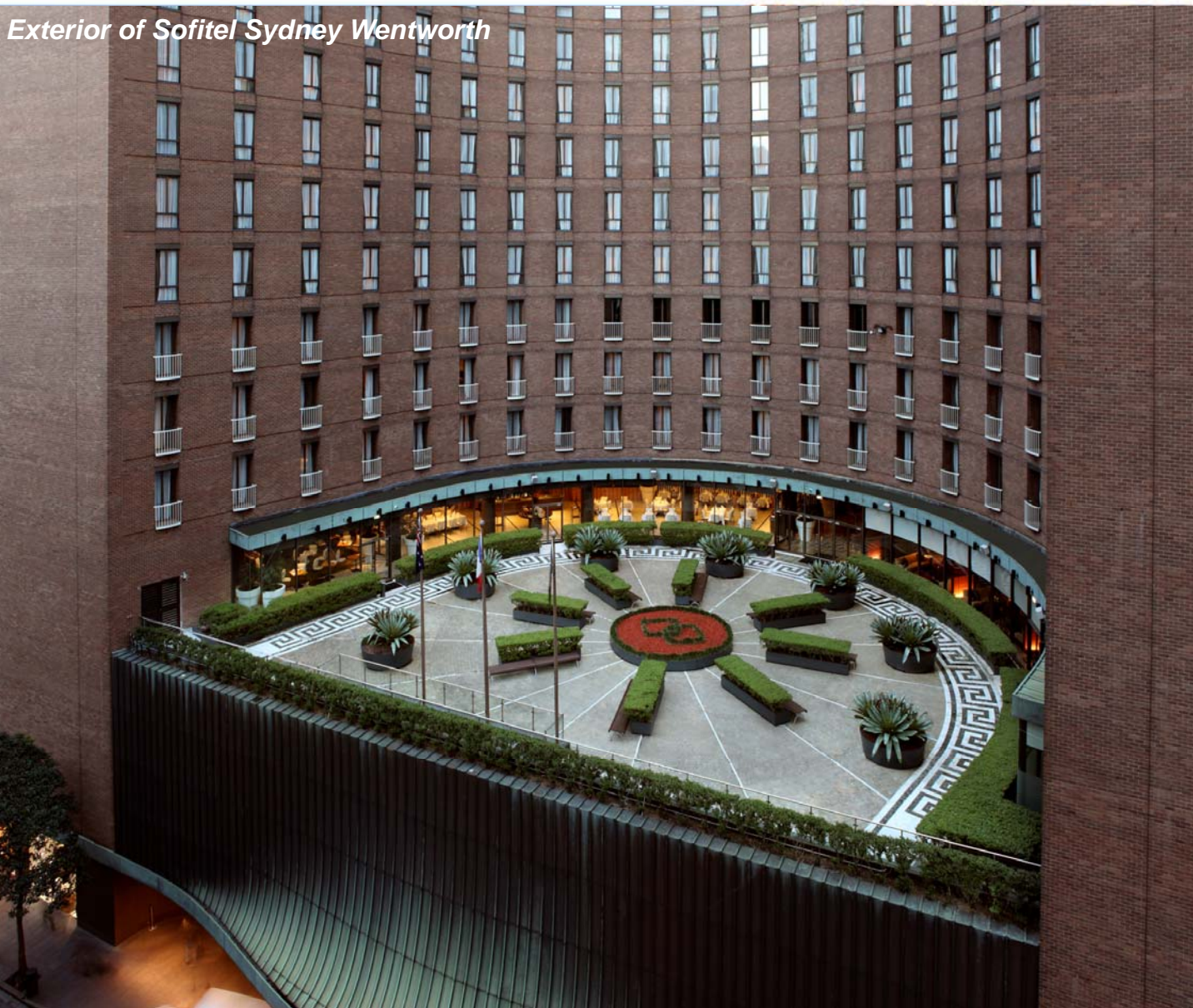
10 InterContinental Singapore

 No. of rooms: 406

11 Best Western Cromwell

 No. of rooms: 85

12 Novotel Rockford Darling Harbour

 No. of rooms: 230

Exterior of Sofitel Sydney Wentworth



Rationale and Key Benefits of the Master Lease

Rationale and Key Benefits of the Master Lease

Downside protection through the Master Lease Agreement with expected rental growth

Master Lease Agreement = 20 years + 20 years option*

Note: Option exercisable by the Master Lessee to renew the master lease for a further 20 years on the same terms and conditions*

Fixed Rent

Provides downside protection to FH-REIT

Variable Rent

Provides upside potential, as variable rent is pegged to Gross Operating Profit

- The long tenure of the Master Lease Agreement is expected to provide FH-REIT with a long-term stream of quality rental income
- FCL has granted a Corporate Guarantee in respect of the Master Lease Agreement, including the guarantee of payment of the Fixed Rent

The Library

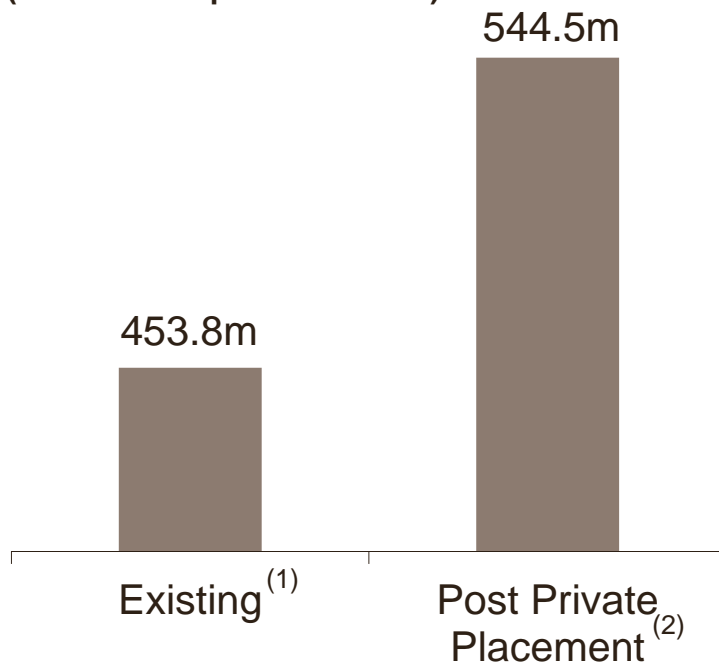


Rationale and Key Benefits of the Private Placement

Rationale and Key Benefits of the Private Placement

Greater trading liquidity and wider investor interest

Illustrative Free Float
(million of Stapled Securities)



- Following the private placement, FHT's market capitalization is expected to increase. This is likely to garner a wider interest from existing and potential investors
- Number of outstanding Stapled Securities expected to increase, resulting in greater trading liquidity and potentially benefitting Stapled Securityholders

Notes:

(1) Free float is calculated based on the total issued stapled securities of 1,204.6m, less 476.5m stapled securities held by TCC, and 274.3m stapled securities held by the FCL Group as at 9 June 2015

(2) Based on the proposed issue of up to 150.0m stapled securities under the private placement, less 59.3m new stapled securities issued to TCC as an interested person transaction

Rationale and Key Benefits of the Private Placement

The proposed placement of new stapled securities to TCC under the private placement and the upsized placement as an interested party transaction

- The Manager is seeking Stapled Securityholders' approval for the proposed issue of New Stapled Securities to TCC ("TCC Placement"), as part of the private Placement, and the upsized Placement (if any), up to its proportionate pre-placement stapled securityholding in FHT
- The New Stapled Securities placed to TCC under the TCC Placement will be issued at the same price as the New Stapled Securities issued to other investors
- The Manager believes that TCC's participation will provide a higher degree of certainty for the successful completion of the private placement
- TCC will also be in a position to support and align its interest with FHT

Classic King Suite



Extraordinary General Meeting

EGM Resolutions

- **Resolution 1: The Proposed Acquisition of a 75-year Leasehold Interest in Sofitel Sydney Wentworth as a Related Party Transaction**
- **Resolution 2: The Proposed Master Lease of Sofitel Sydney Wentworth as a Related Party Transaction**
- **Resolution 3: The Proposed Issue of Up to 150.0 Million New Stapled Securities under the Private Placement**
- **Resolution 4: The Proposed Issue and Placement of New Stapled Securities to TCC under the Private Placement and the Upsized Placement as an Interested Person Transaction**

Stapled Securityholders should note that:

- i. Resolution 2 (the Master Lease), Resolution 3 (the Private Placement) and Resolution 4 (the TCC Placement) are each conditional upon Resolution 1 (the Acquisition) being passed;
- ii. Resolution 1 (the Acquisition), Resolution 3 (the Private Placement) and Resolution 4 (the TCC Placement) are each conditional upon Resolution 2 (the Master Lease) being passed; and
- iii. Resolution 1 (the Acquisition), Resolution 2 (the Master Lease) and Resolution 4 (the TCC Placement) are each conditional upon Resolution 3 (the Private Placement) being passed.

Sofitel Sydney Wentworth



Thank you