

OUE HOSPITALITY TRUST

3Q 2014 Financial Results

3 November 2014

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Financial Highlights & Capital Management

Actual vs Forecast 2014

	3Q Actual	3Q[1] Forecast	Variance	YTD Sep Actual	YTD Sep[1] Forecast	Variance
Gross Revenue (S$m)	28.5	28.3	↑ 0.7%	85.5	85.0	↑ 0.7%
Net Property Income (S$m)	25.4	24.9	↑ 1.6%	76.2	74.8	↑ 1.9%

- Gross revenue was 0.7% higher than forecast at $28.5 million and $85.5 million for 3Q 2014 and 9 months ended 30 September 2014 respectively.
- Under the master lease arrangement for Mandarin Orchard Singapore, rental income of OUE H-REIT is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of the hotel.
- The hotel recorded better room revenue this quarter as the completion of the renovation enabled the hotel to achieve higher revenue per available room (RevPAR) of $252 in 3Q 2014 as compared to forecast RevPAR of $248. The hotel also enjoyed higher room revenue as it continued to attract more guests from the corporate business segment. Food and beverage ("F&B") segment had also achieved better than forecast sales resulting from higher patronage. The better room and F&B performance translated into higher rental income for OUE H-REIT.
- For the 9 months ended 30 September 2014, RevPAR achieved was $247 as compared to forecast RevPAR of $254. The lower than forecast RevPAR was mainly due to the impact of the renovation on room rates in 1H 2014. Adjusting for the lower available room inventory due to renovation, the RevPAR for the 9 months ended 30 September 2014 would have been $253. Consistently strong performance in the F&B segment also contributed better operating results to the hotel thereby translating into higher rental income for OUE H-REIT.
- For 3Q 2014 and 9 months ended 30 September 2014, Mandarin Gallery had also contributed to the higher than forecast results due to higher income earned from casual leasing activities. The mall recorded an effective rent per square foot per month of $23.9 for 3Q 2014 and $23.7 for 9 months ended 30 September 2014 respectively.

[1] *The forecast figures are derived from the forecast as set out in the final prospectus of OUE H-Trust dated 18 July 2014 (the "Prospectus") and adjusted for seasonality of the Singapore hospitality sector.*

Actual vs Forecast 2014

	3Q Actual	3Q[1] Forecast	Variance	YTD Sep Actual	YTD Sep[1] Forecast	Variance
Distributable Income (S$m)	21.7	21.2	↑ 2.7%	65.4	63.5	↑ 3.1%
DPS (S cents)	1.64	1.60	↑ 2.5%	4.96	4.81	↑ 3.1%

- In line with higher net property income and lower trust expenses, income available for distribution for 3Q 2014 and the 9 months ended 30 September 2014 were $0.6 million and $2.0 million higher than forecast respectively. This translated into higher DPS of 1.64 cents and 4.96 cents in the respective periods.

[1] *The forecast figures are derived from the forecast as set out in the Prospectus and adjusted for seasonality of the Singapore hospitality sector.*

Actual 3Q 2014 vs Actual 3Q 2013

*(Actual 3Q 2013 relates to the period from 25 Jul 2013 to 30 Sep 2013)**

	Actual 3Q 2014	Actual 3Q 2013*	Change*
Gross Revenue (S$m)	28.5	21.6	+31.8% ↑
Net Property Income (S$m)	25.4	19.3	+31.5% ↑
Distributable Income (S$m)	21.7	16.3	+33.6% ↑
DPS (S cents)	1.64	1.24	+32.3% ↑

- Revenue from both the hospitality and retail segments were approximately 32% higher than 3Q 2013 mainly because the comparative information relates to a shorter financial period.
- For the same reason, net property income was higher for both segments with the net property income margin for both quarters maintained at 89%.
- Hospitality segment pertains to the master lease income earned from the Mandarin Orchard Singapore hotel which is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of the hotel. Retail segment pertains to rental and other income earned from the Mandarin Gallery shopping mall.
- Adjusting for the shorter period in 3Q 2013, hospitality revenue was marginally lower due to lower master lease income received from the hotel as the hotel recorded RevPAR of $261 in 3Q 2013 as compared to RevPAR of $252 in 3Q 2014. The higher RevPAR in 3Q 2013 was fueled by the increase in demand for hotel rooms due to higher visitor arrivals in 2013.
- Retail revenue was also lower due to straight-lining of rental income of $0.4 million recognised in 3Q 2013. The straight-lining of rental income is a non-cash item and does not affect distribution income.
- Income available for distribution was higher as a result of higher net property income coupled with lower net finance expenses.

**Actual 3Q 2013 relates to the period from 25 Jul 2013 to 30 Sep 2013 as OUE H-Trust was listed on 25 July 2013, therefore 3Q 2013 relates to a shorter financial period. In addition, it is not meaningful to compare year-to-date financial information as the comparative information relates to the financial period from 25 July to 30 September 2013 only.*

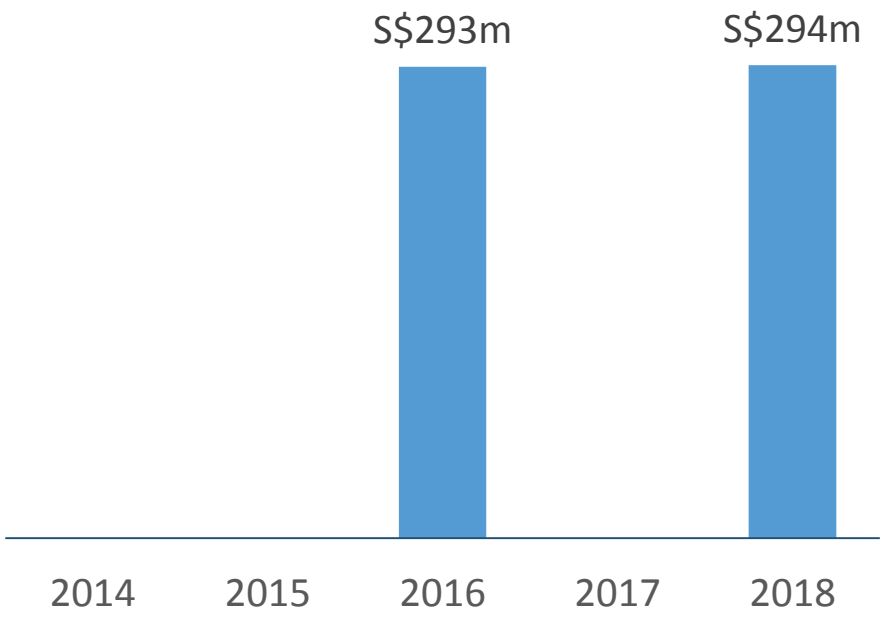
Distribution Details

Distribution Period	1 July 2014 to 30 September 2014
Distribution Rate	1.64 cents per Stapled Security
Ex-Distribution Date	7 November 2014, 9 am
Book Closure Date	11 November 2014
Distribution Payment Date	3 December 2014

Capital Management (As at 30 Sep 2014)

Gearing	■ 32.7%
Average Cost of Debt	■ 2.2% ■ 100% fixed via interest rate swaps with weighted average remaining tenor of 1.8 years
Interest Service Ratio	■ 7.0 times
Term	■ Bullet repayment at maturity ■ Option to make prepayments without any penalty
Additional Facilities	■ S$43 million Revolving Credit Facility (undrawn)

Debt Maturity Profile



- **There are no refinancing requirements until July 2016**
- **Interest 100% fixed with weighted average remaining tenor of 1.8 years**

Balance Sheet Highlights (As at 30 Sep 2014)

	S$
Investment Properties	1,756.0
Total assets	**1,796.2**
Borrowings (secured)[1]	582.7
Total liabilities	**601.2**
Net assets	**1,195.0**
NAV per Stapled Security (S$)	**0.90**
Closing price on 30 Sep 2014	**0.91**
Premium to NAV (%)	*1.1%*

[1] Net of unamortised debt-related transaction costs



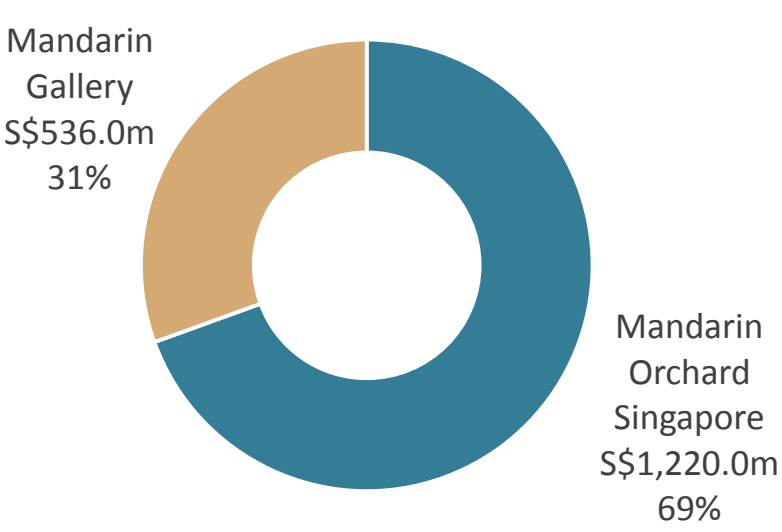


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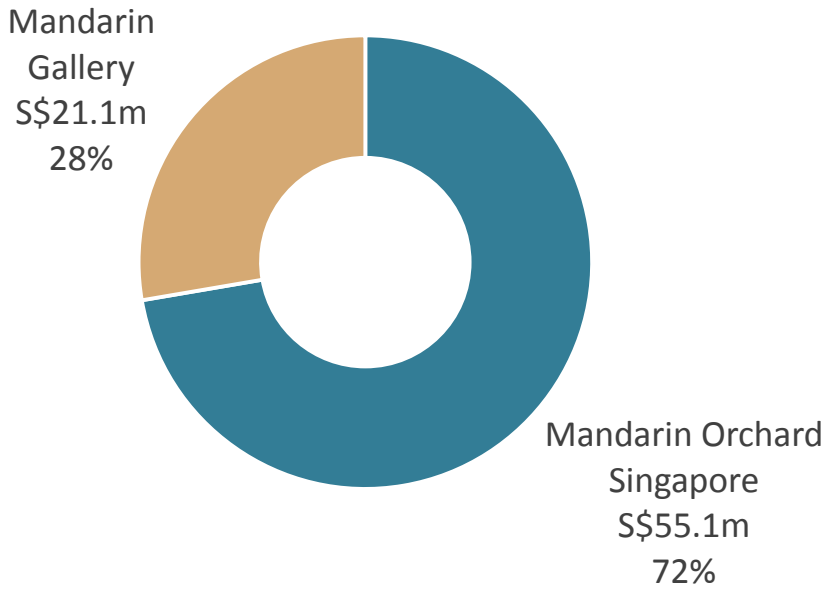
Portfolio Highlights

Asset Value and NPI Contribution

Contribution by Asset Value as at 31 Dec 2013[1]



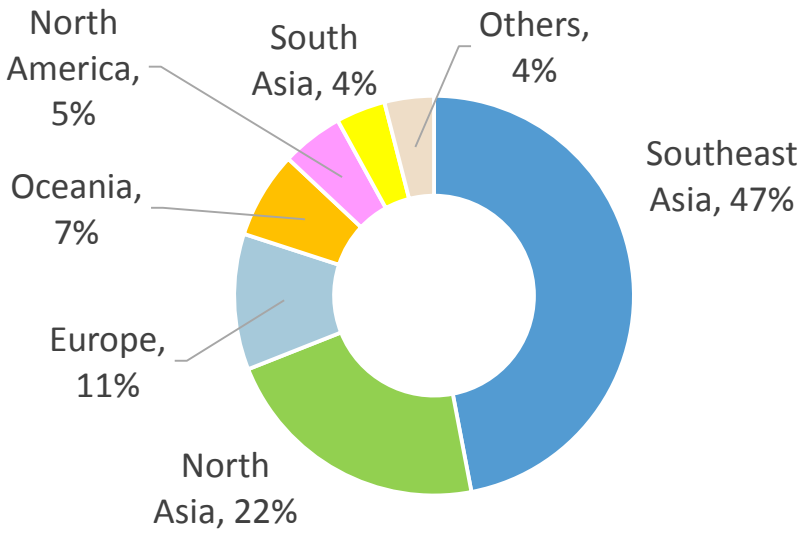
YTD September 2014 Contribution by NPI



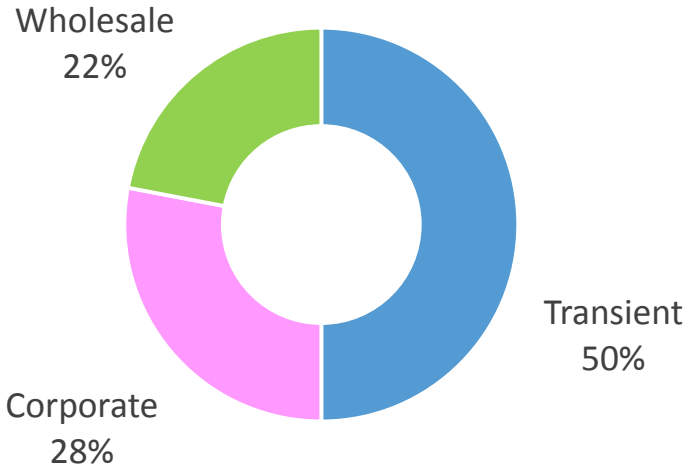
[1] Based on independent valuations as at 31 Dec 2013

Mandarin Orchard Customer Profile

Customer Profile for Mandarin Orchard Singapore (By Geography Based on Room Nights Occupied) YTD Sep 2014



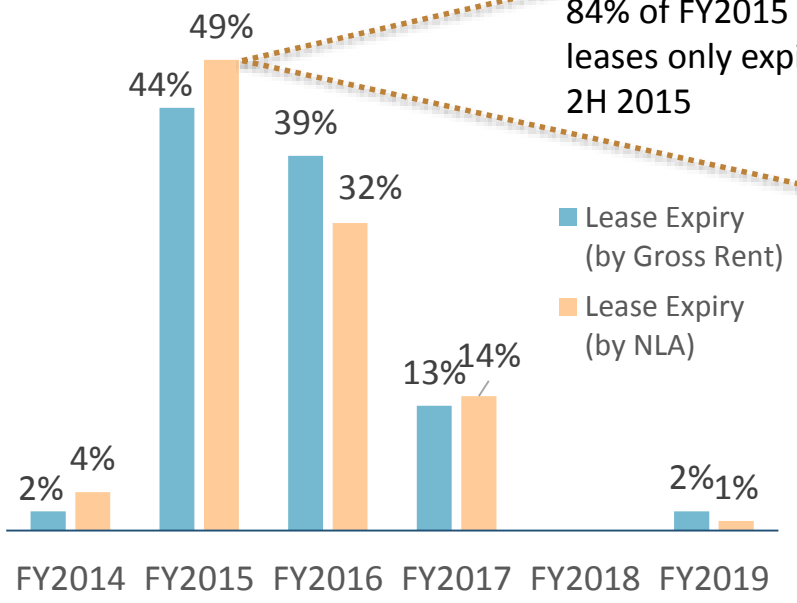
Customer Profile for Mandarin Orchard Singapore (By Room Revenue)[1] YTD Sep 2014



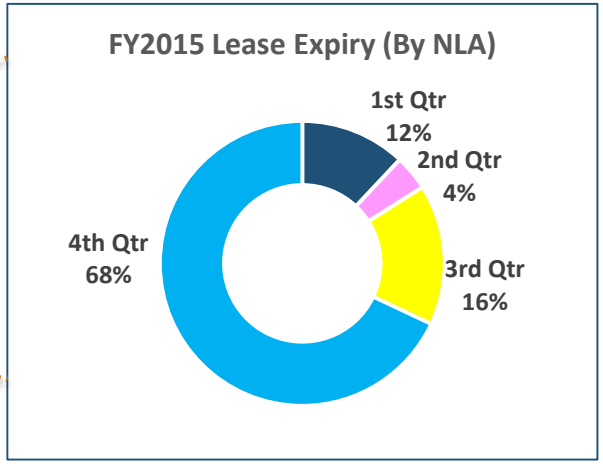
[1]"**Transient**" refers to revenue derived from rental of rooms and suites to individuals or groups occupying less than 10 rooms per night, who do not have a contract with the Hotel
"**Corporate**" refers to revenue derived from the rental of rooms and suites booked via a corporate or government company that has contracted annual rates with the Hotel
"**Wholesale**" refers to revenue derived from the rental of rooms and suites booked via a third party travel agent on a wholesale contracted rate basis

Mandarin Gallery – Lease Profile

Mandarin Gallery Lease Expiry Profile as at 30 Sep 2014



84% of FY2015 expiring leases only expire in 2H 2015



As at 30 September 2014:

- Mandarin Gallery is 99.7% committed
- Two leases, accounting for approx. 2.4% of NLA, were renewed/ signed in 3Q 2014 with weighted average rental reversion of about 4.7%.
- Effective rental per square foot per month of $23.90 for 3Q 2014

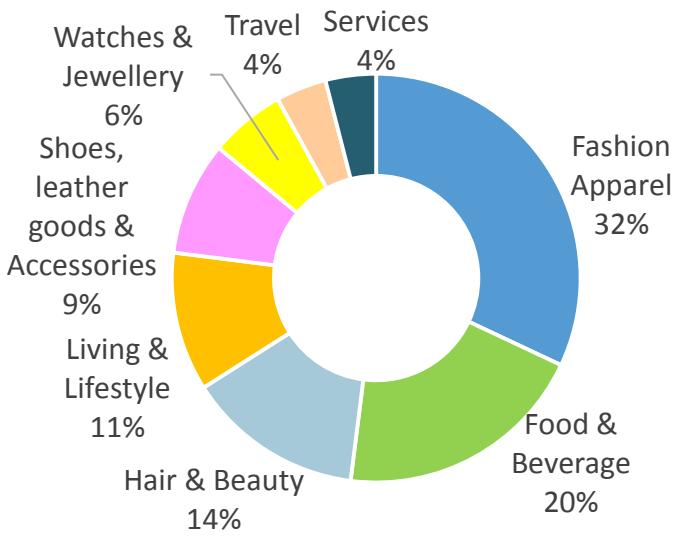
WALE[2] (by Gross Rent[1]) : 1.54 yrs

WALE (by NLA) : 1.47 yrs

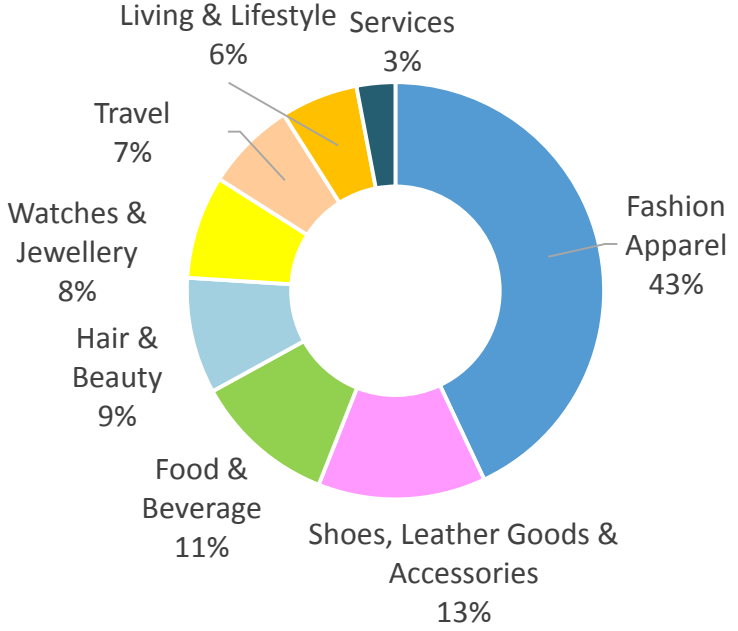
[1]Excludes turnover rent
[2]Weighted average lease expiry

Mandarin Gallery Tenant Mix

By NLA
As at 30 Sep 2014



By Gross Rent (excludes turnover rent)
As at 30 Sep 2014



[1]Excludes turnover rent

Active Asset Management and Enhancement

Mandarin Gallery (3Q 2014)















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Outlook & Prospects

Outlook & Prospects

Singapore Tourism Board ("STB")[1] reported a 6 per cent year-on-year drop in international visitor arrivals for the second quarter of the year at 3.6 million. Tourism receipts dipped by 3 per cent year-on-year to $5.6 billion due to lower shopping expenditure. There are tentative signs of the decline in visitor arrivals leveling off and possible recovery in the second half of 2014[2].

Singapore has seen a number of new hotel entrants in 2014 and as the supply of new hotel rooms continues to increase, room rates are expected to remain competitive in the current environment. With the recent opening of the Sports Hub, Singapore has added capacity to host major international sporting events such as the WTA Finals and Singapore Sevens rugby tournament as part of the Sevens World Series, and major concerts for international artistes such as Mariah Carey. As one of the world's preferred conventions and meetings cities, Singapore is also expected to continue to attract business travellers.

To promote Orchard Road as a vibrant lifestyle destination, the Orchard Road Business Association, with support from the STB, has launched an initiative to hold Pedestrian Nights on Orchard Road. The increased efforts to inject more vibrancy into Orchard Road will benefit both Mandarin Orchard Singapore and Mandarin Gallery. The prime Orchard Road location of Mandarin Orchard Singapore allows it to consistently enjoy healthy demand, as Orchard Road is a preferred accommodation location for international visitors. Mandarin Orchard Singapore is further well-positioned to leverage on its newly renovated rooms to attract customers seeking premium accommodation in a prime location. Mandarin Gallery is also expected to continue to enjoy stable income as more than 98% of the mall's rental income comprises fixed rent.

We will continue to actively seek growth opportunities and yield accretive acquisitions from our Sponsor and third parties.

[1]*Singapore Tourism Board, Tourism Sector Performance Q2 2014 Report*
[2]*The Business Times, 16 October 2014, "China visitor arrivals almost halved in second quarter"*





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Thank You





Appendices

- Overview of OUE H-Trust
- OUE H-Trust's Portfolio
- About the Sponsor – OUE Limited

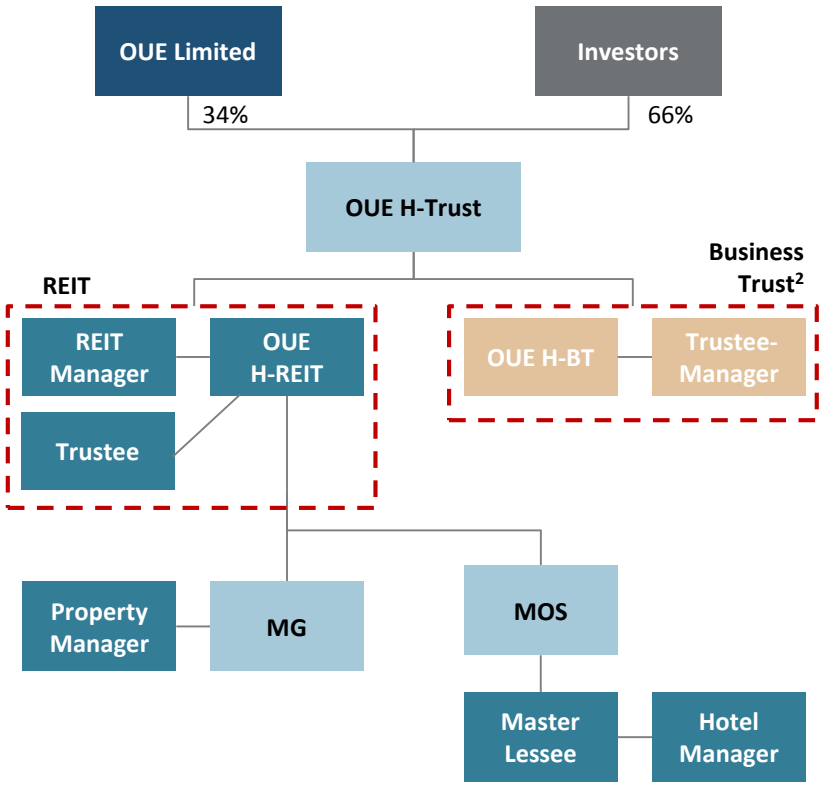




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Overview of OUE H-Trust

Overview of OUE H-Trust



Investment Mandate	■ Investing, directly or indirectly, in a portfolio of income-producing real estate used primarily for hospitality[1] and / or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets
Quality Portfolio	■ Mandarin Orchard Singapore and Mandarin Gallery ■ Located in the heart of Orchard Road, Singapore's premium shopping belt
Income Stability	■ Stable distributions with downside protection via Master Lease Agreement for Mandarin Orchard Singapore ■ WALE of about 1.5 years for Mandarin Gallery
Strong Sponsor	■ Committed Sponsor in OUE Limited which has retained a stake of 34% in OUE H-Trust ■ Sponsor has proven track record in real estate ownership and operations ■ Leverage on Sponsor's asset enhancement and redevelopment expertise
Market Capitalisation	■ S$1.20 billion as at 31 Oct 2014 based on closing price of S$0.91

[1] Real estate which is used for hospitality purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, which may include commercial, entertainment, retail and leisure facilities, while properties which are used for hospitality-related purposes include retail and/or commercial assets which are either complementary to or adjoining hospitality assets which are owned by OUE H-REIT or which OUE H-REIT has committed to buy

[2] Dormant as at listing and is the master lessee of last resort



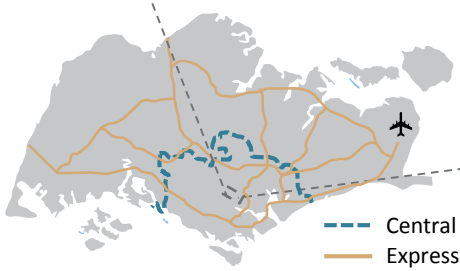


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OUE H-Trust's Portfolio

Centrally Located in Singapore's Prime Shopping and Tourism District





- Central Region
- Expressways
- Orchard Road Medical Cluster

- ✓ **Located in the heart of Orchard Road – Singapore's premier shopping district**
- ✓ **Next to the Orchard Road Medical Cluster**
- ✓ **Excellent accessibility and connectivity**

Source: CBRE

Premier Portfolio of High Quality Landmark Assets

Mandarin Orchard Singapore



- ✓ Located in the heart of Orchard Road
- ✓ A world class hospitality icon in Singapore since 1971
- ✓ One of the top accommodation choices in Singapore for leisure and business travellers globally
- ✓ Largest hotel on Orchard Road with 1,077 rooms and approx. 25,511 sq ft of meeting and function space with a total capacity of about 1,840 people
- ✓ Addition of 26 new guest rooms in FY2013
- ✓ Strong branding MERITUS

GFA (sq ft '000)	990
No. of Available Rooms	1,077
Car Park Lots	441
Purchase Consideration (S$m)	1,180 / (1.12 per key)
Leasehold Tenure	99-yr lease commencing from 1 July 1957

Popular F&B

CHATTERBOX, triple three, bar on 5., COFFEE & CRUST, SHISEN HANTEN

Awards & Accolades

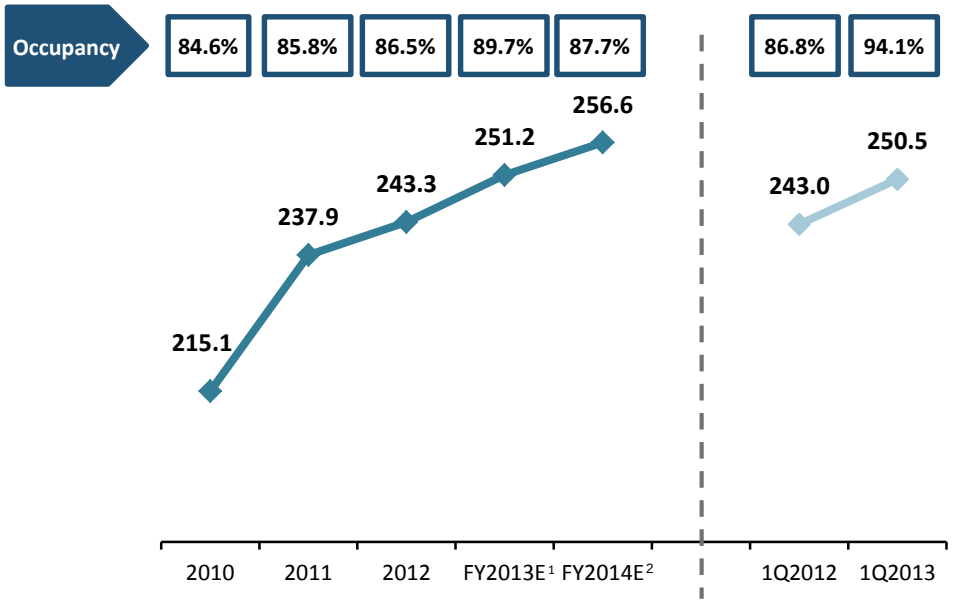
World Luxury Hotel Awards (2012)

(2010)

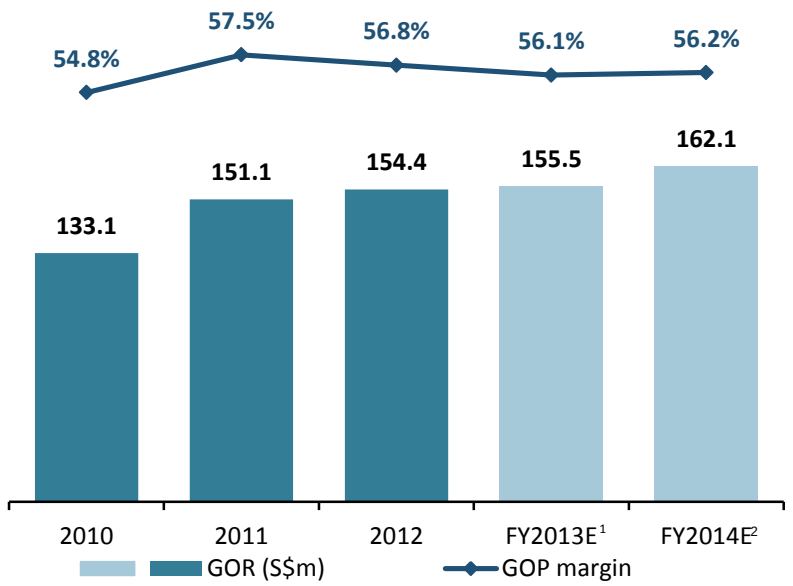
INTERNATIONAL HOTEL AWARDS (2012)

Sound Asset Fundamentals Driving Strong Operational Performance – Mandarin Orchard Singapore (MOS)

Historical and Forecast RevPAR (S$) and Occupancy Rate Trends for MOS



Historical and Forecast Gross Operating Revenue (GOR) and Gross Operating Profit (GOP) Margin for MOS



- Historical RevPAR CAGR of 6.4% from 2010 to 2012 – forecasted to grow by another 2.7% p.a.

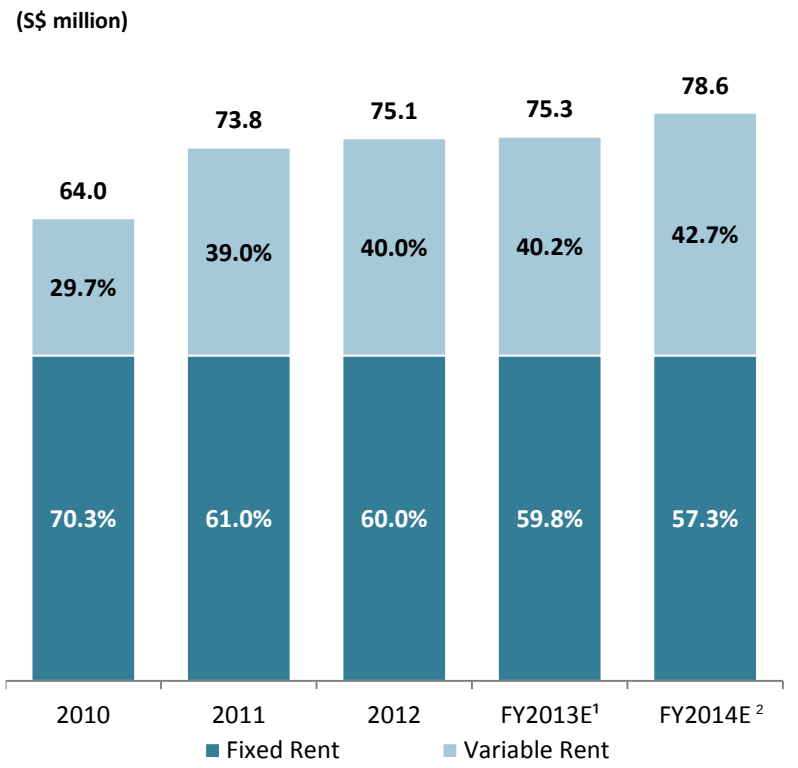
[1] "FY2013E" refers to the estimated results for FY2013. FY2013E figures are computed based on (i) unaudited pro forma financials from 1 January 2013 to 31 March 2013, and (ii) forecast figures for the 9-month period from 1 April 2013 to 31 December 2013 ("Forecast Period 2013") as disclosed in the Prospectus dated 18 July 2013.

[2] As disclosed in the Prospectus dated 18 July 2013

MOS - Downside Protection via Long-term Master Lease Agreement

Tenure	■ 15 years ■ Option to renew for an additional 15 years on the same terms and conditions
Fixed Rent	■ S$45 million per annum
Variable Rent	■ 33.0% of MOS GOR and 27.5% of MOS GOP, less Fixed Rent
FF&E Reserve	■ 3.0% of Gross Revenue
Master Lessee	■ OUE Limited

Fixed and Variable Rent Composition



Fixed rent component offers downside protection while variable rent component provides upside potential

[1] "FY2013E" refers to the estimated results for FY2013. FY2013E figures are computed based on (i) unaudited pro forma financials from 1 January 2013 to 31 March 2013, and (ii) forecast figures for the 9-month period from 1 April 2013 to 31 December 2013 ("Forecast Period 2013") as disclosed in the Prospectus dated 18 July 2013.

[2] As disclosed in the Prospectus dated 18 July 2013

Premier Portfolio of High Quality Landmark Assets

Mandarin Gallery



GFA (sq ft '000)	196
Retail NLA (sq ft '000)	125
Purchase Consideration (S$m)	525 (S$2,674psf[1])
Leasehold Tenure	99-yr lease commencing from 1 July 1957

- ✓ Prime retail landmark on Orchard Road featuring six duplexes and six street front shop units
- ✓ Completed in 2009 with a high degree of prominence given 152-metre wide frontage along Orchard Road
- ✓ Preferred location for flagship stores of international brands
- ✓ Tailored destination for its specific target audience
- ✓ Large and reputable tenant mix with minimal brand duplication versus neighbouring malls

High Quality and Diverse Tenant Base

Retail

Paul Smith
MAUBOUSSIN
MULBERRY

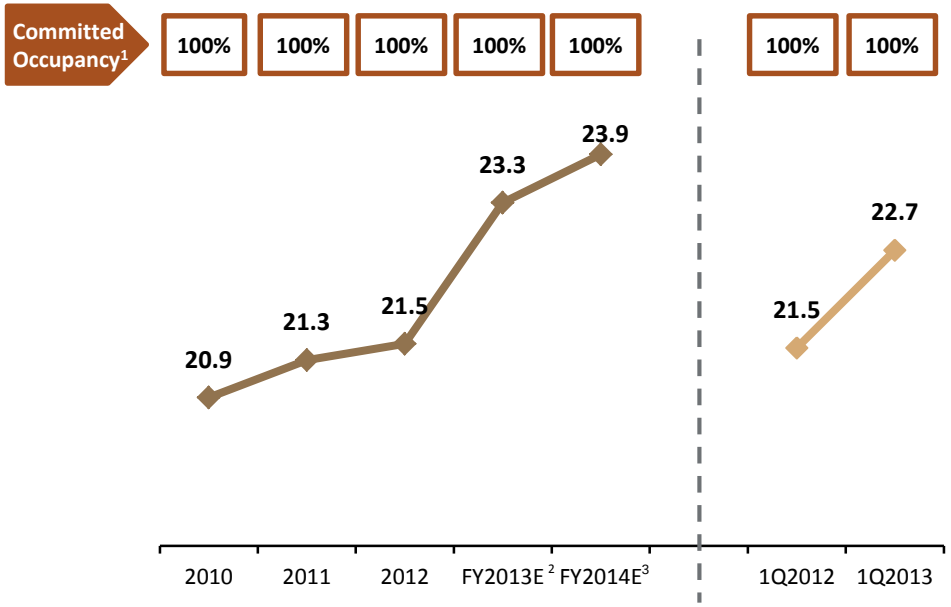
F&B

IPPUDO SG
LAWRY'S THE PRIME RIB Singapore

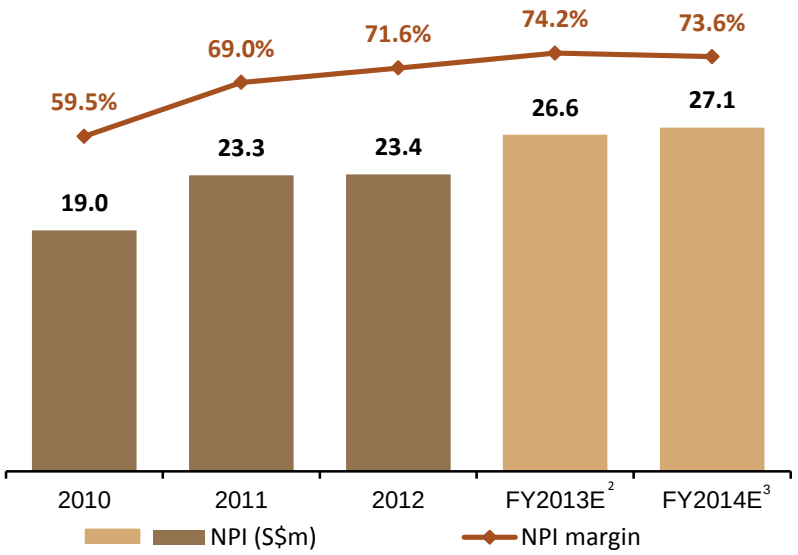
[1] Based on Mandarin Gallery's GFA.

Sound Asset Fundamentals Driving Strong Operational Performance – Mandarin Gallery

Historical and Forecast Rental (S$ psf pm) and Committed Occupancy Rate[1] Trends for MG



Historical and Forecast (Net Property Income) NPI and NPI Margin for MG



[1] Committed Occupancy Rate is defined as the occupancy rate based on all committed leases in respect of Mandarin Gallery for the period, including legally binding letters of offer which have been accepted for vacant units, as a function of total lettable space (excludes units which are undergoing conversion, amalgamation and / or sub-division)
[2] "FY2013E" refers to the estimated results for FY2013. FY2013E figures are computed based on (i) unaudited pro forma financials from 1 January 2013 to 31 March 2013, and (ii) forecast figures for the 9-month period from 1 April 2013 to 31 December 2013 ("Forecast Period 2013") as disclosed in the Prospectus dated 18 July 2013.
[3] As disclosed in the Prospectus dated 18 July 2013





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About the Sponsor – OUE Limited

OUE – Leading Property Developer in Singapore

Track Record in Real Estate Ownership and Operations

Diversified real estate owner, developer and operator with a real estate portfolio located in Asia and the US, across hospitality, retail, commercial and residential property segments

Hospitality



Mandarin Orchard Singapore
OUE Hospitality Trust



Crowne Plaza Changi Airport
(100% stake)



Marina Mandarin
(30% stake)

Commercial



OUE Bayfront
OUE Commercial REIT



Lippo Plaza, Shanghai
OUE Commercial REIT



OUE Downtown Towers 1 and 2
(100% stake)



U.S. Bank Tower, Los Angeles
(100% stake)



One Raffles Place Towers 1 and 2
(41% stake)

Retail



Mandarin Gallery
OUE Hospitality Trust



One Raffles Place Retail Podium
(41% stake)

Residential



Twin Peaks
(100% stake)

Initial Portfolio

Sponsor ROFR

Proven Track Record in Asset Enhancement

Mandarin Gallery

Before redevelopment:



After redevelopment:



- S$200 million conversion of the old hotel lobby of Mandarin Orchard Singapore
  - Addition of 67,447 sq ft of prime retail space
  - Repositioned as a high-end shopping and lifestyle destination
  - Completed in November 2009

OUE Bayfront

Before redevelopment:



After redevelopment



- Redevelopment of the well located former site of Overseas Union House into a premium commercial development comprising a Grade A office building, complemented by retail facilities at its ancillary properties, OUE Tower and OUE Link
- Completed in 2011

One Raffles Place Tower 2

Before redevelopment:



After redevelopment:



- Redevelopment of the low block podium into a 350,000 sq ft 38-storey Grade A office building with column free floor plates of approximately 11,000 sq ft
- TOP obtained in August 2012

Ability to leverage on the Sponsor's asset enhancement and redevelopment expertise





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Thank you