

Sofitel Sydney Wentworth



The Proposed Acquisition of Sofitel Sydney Wentworth

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

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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
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"> 87.6%
RevPAR⁽¹⁾	<ul style="list-style-type: none"> A\$193.7
Purchase Consideration⁽²⁾	<ul style="list-style-type: none"> A\$224.0m (S\$235.7m)
Appraised Value⁽³⁾	<ul style="list-style-type: none"> Savills : A\$222.0m JLL : A\$226.0m

Notes:

(1) For FY 2014 ended 31 Dec 2014

(2) Based on an assumed exchange rate of A\$1: S\$1.0522

(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



Rationale and Key Benefits

Rationale and Key Benefits

- 1 Strategic Location within Sydney's Core CBD
- 2 Favourable Performance of the Sydney Hospitality Market
- 3 Yield Accretive Acquisition
- 4 Experienced International Operator with a Global Network
- 5 Increased Diversification of Portfolio
- 6 Consistent with REIT Manager's Investment Strategy

Rationale and Key Benefits

1 Strategic Location within Sydney's Core CBD

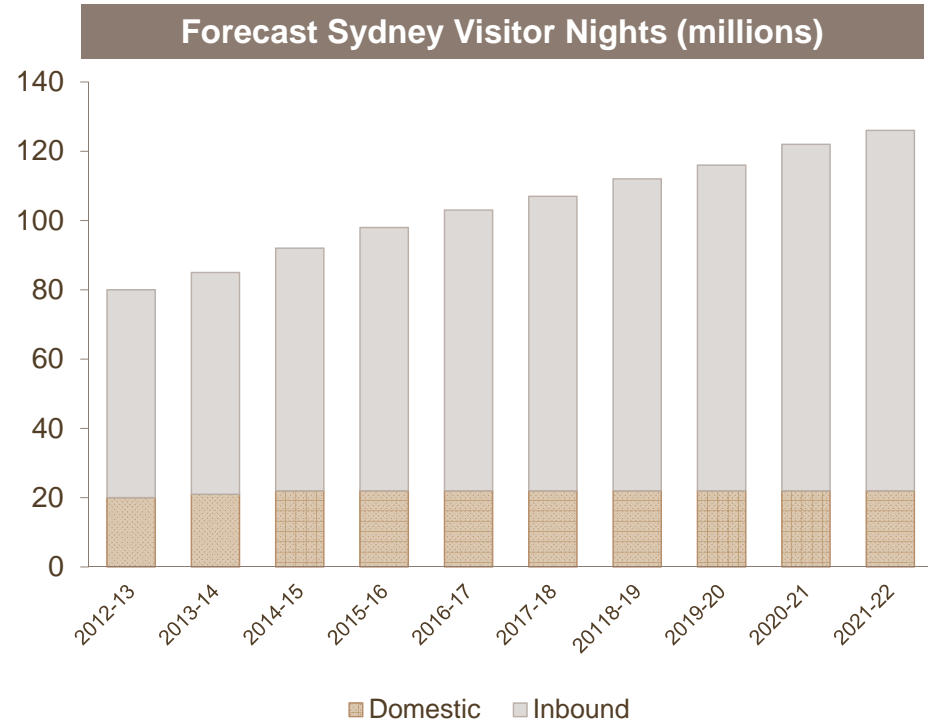


- **Strategically located** in the heart of Sydney's CBD
- **Nestled among the city's prominent buildings**, large retail and busy commercial spaces, including the Australia Stock Exchange, Chifley Tower which are in close proximity
- **Walking distance to major tourist attractions** – Sydney Opera House,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

Rationale and Key Benefits

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



✓ 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

Source: Tourism Research Australia and Savills Valuation Report -Sofitel Sydney Wentworth, 11 May 2015

Rationale and Key Benefits

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

Sources: Barangaroo precinct, SICEEP official websites and Savills Valuation Report- Sofitel Sydney Wentworth, 11 May 2015

Rationale and Key Benefits

3 Yield Accretive Acquisition

Proposed acquisition expected to be yield accretive

- Sofitel Sydney Wentworth acquisition to be financed with a combination of equity and debt financing
- The acquisition is expected to provide overall distribution per Stapled Security accretion, while maintaining an optimum level of gearing



Rationale and Key Benefits

4 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

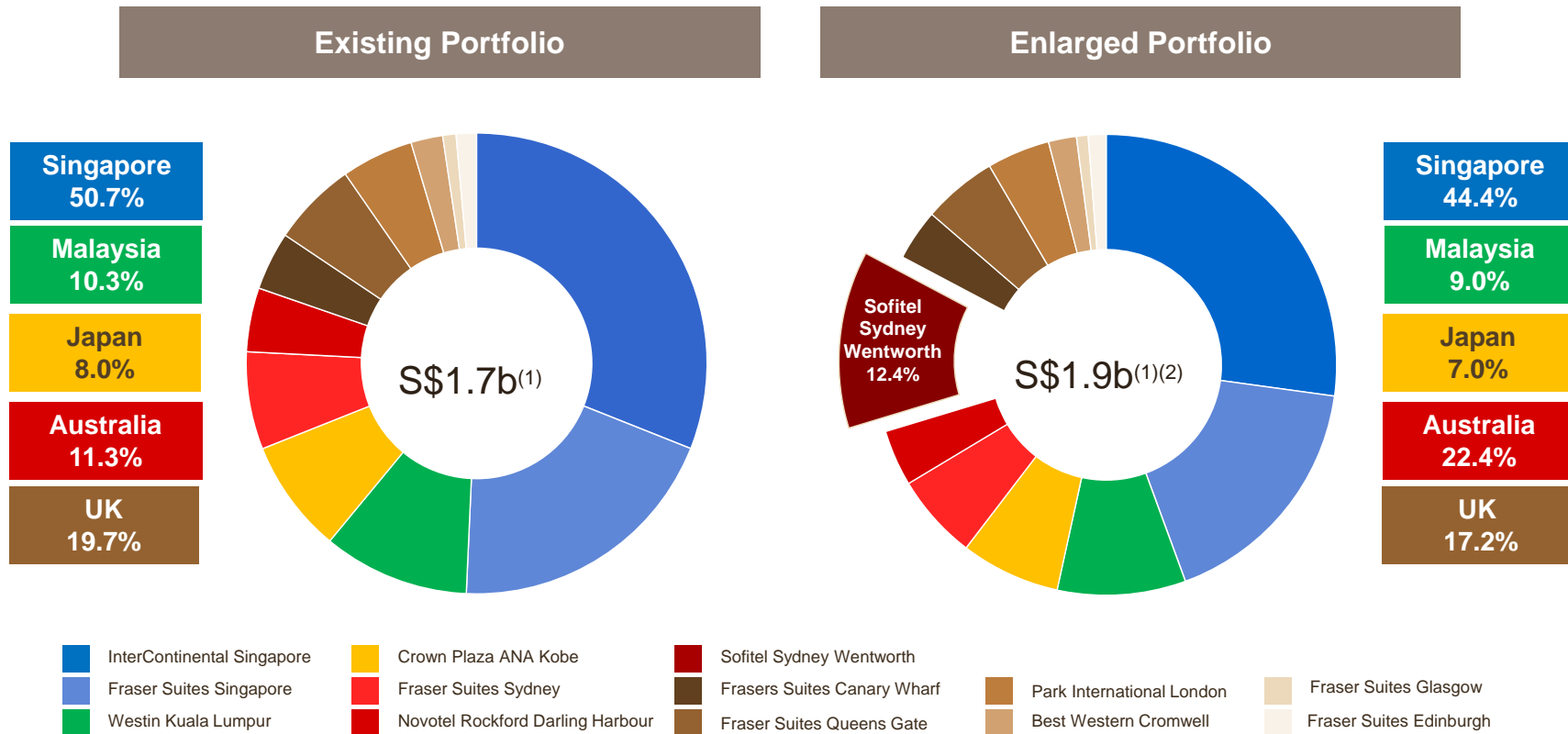
Largest hotel operator in Australia with over 20 years’ experience

- 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

Rationale and Key Benefits

5 Increased Diversification of Portfolio

More balanced spread across regions and reduce 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\$1.0522

Rationale and Key Benefits

5 Increased Diversification of Portfolio

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



Sofitel Sydney Wentworth

- In prime Sydney's 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


Sources: Savills Valuation Report- Sofitel Sydney Wentworth, May 2015


Rationale and Key Benefits


6 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

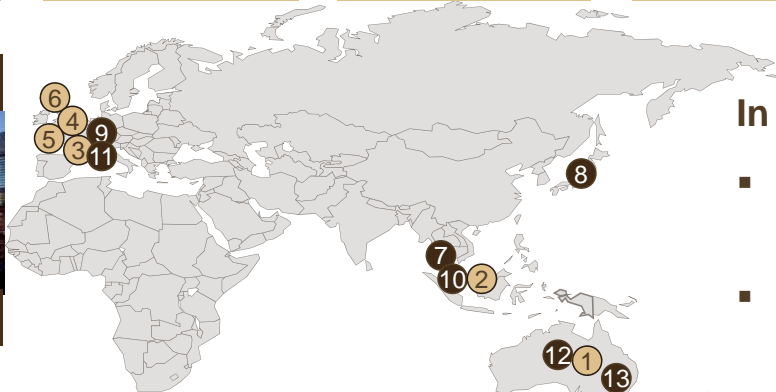
4 Fraser Suites Queens Gate

 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

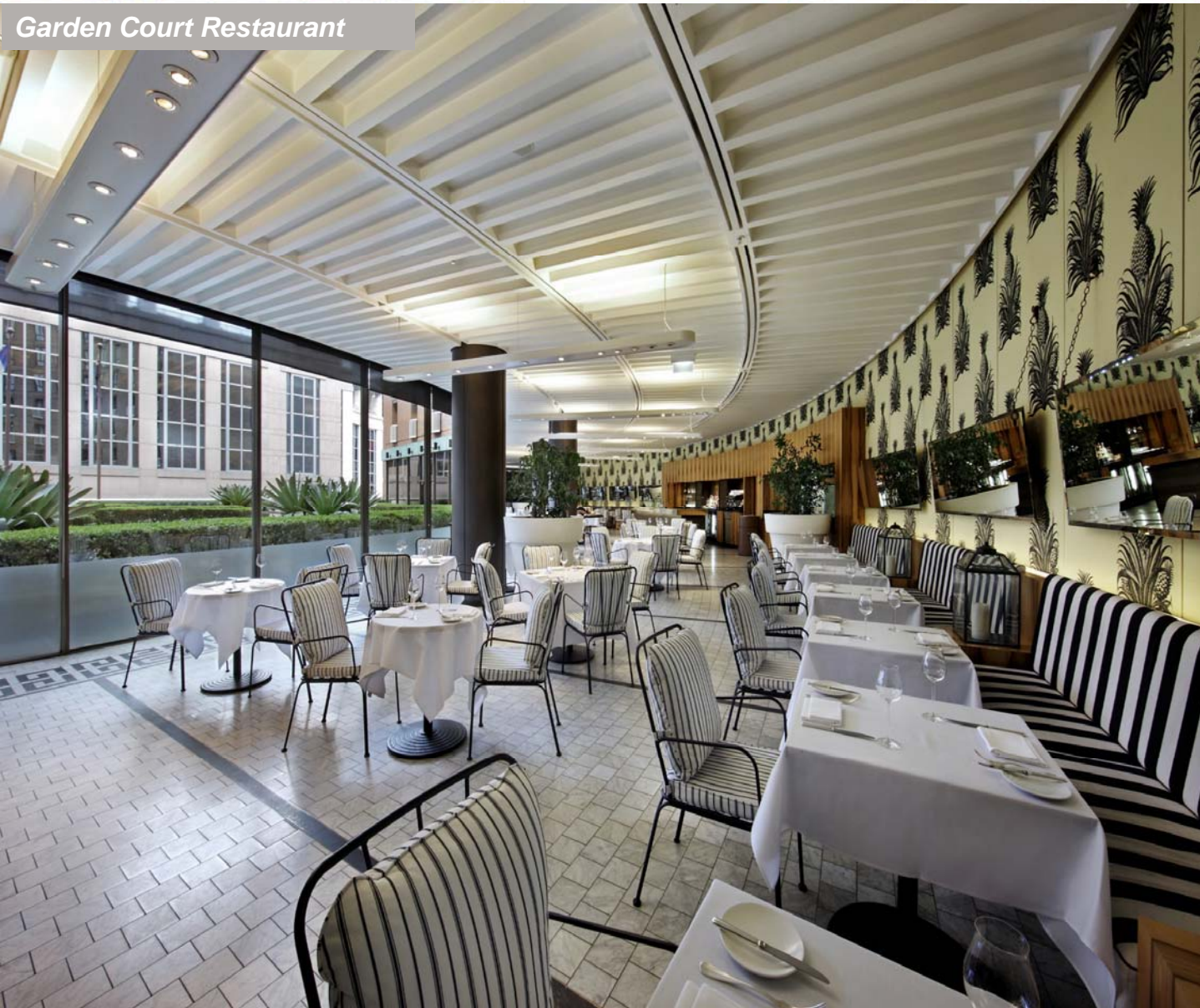
 No. of rooms: 406

11 Best Western Cromwell

 No. of rooms: 85

12 Novotel Rockford Darling Harbour

 No. of rooms: 230

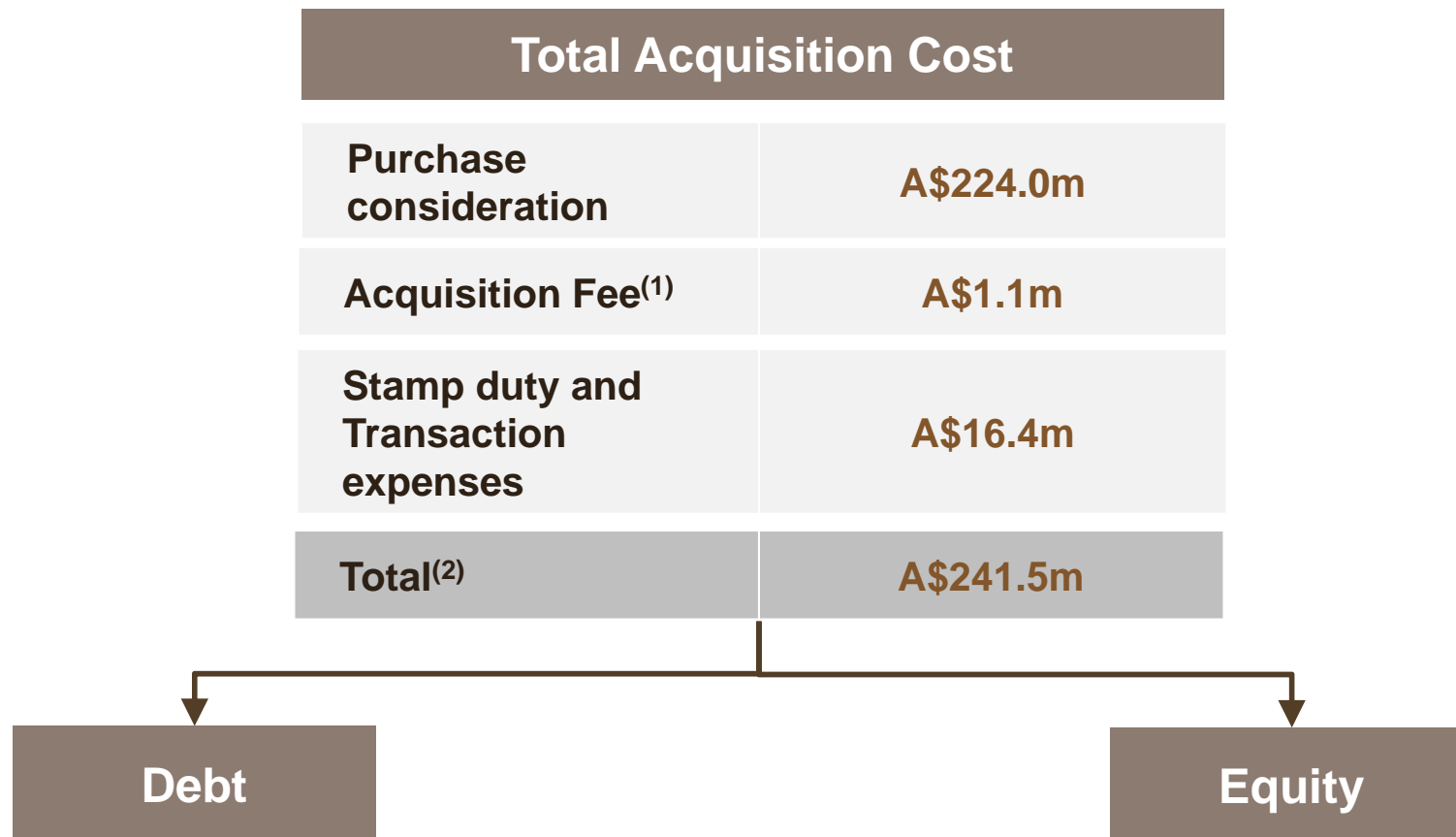
Garden Court Restaurant



Financing for Sofitel Sydney Wentworth

Financing for Sofitel Sydney Wentworth

The acquisition of Sofitel Sydney Wentworth is to be financed by a combination of equity and debt financing



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\$241.5m (approx. S\$254.1m), based on an assumed exchange rate of A\$1: S\$1.0522

Sofitel Sydney Wentworth



Thank You