



## 4Q FY2015 and Full Year FY2015 Financial Review

29 October 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.

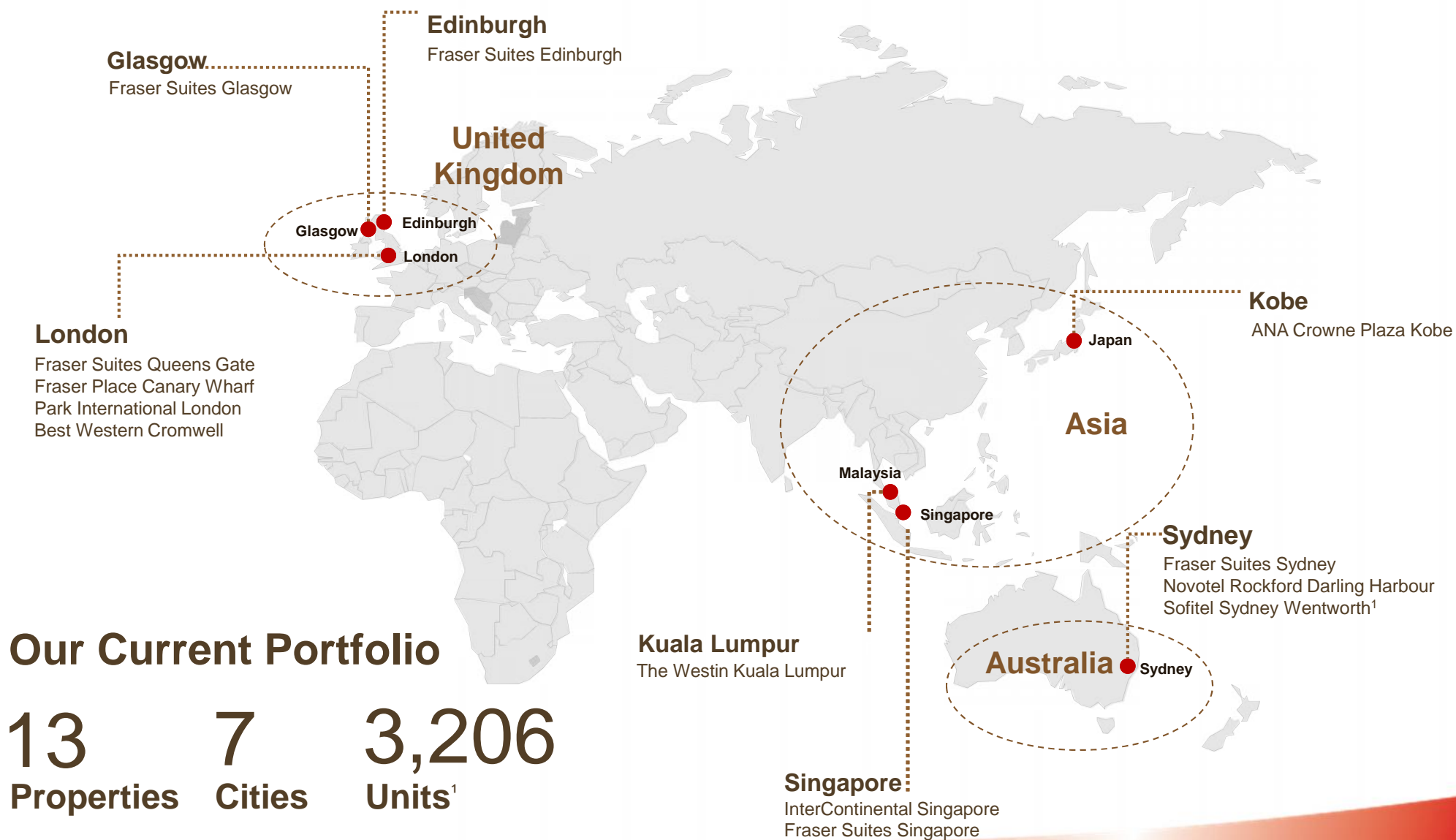
This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities. The past performance of FHT and the Managers is not necessarily indicative of the future performance of FHT and the Managers.

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.

# FHT- The Global Hotel and Serviced Residence Trust

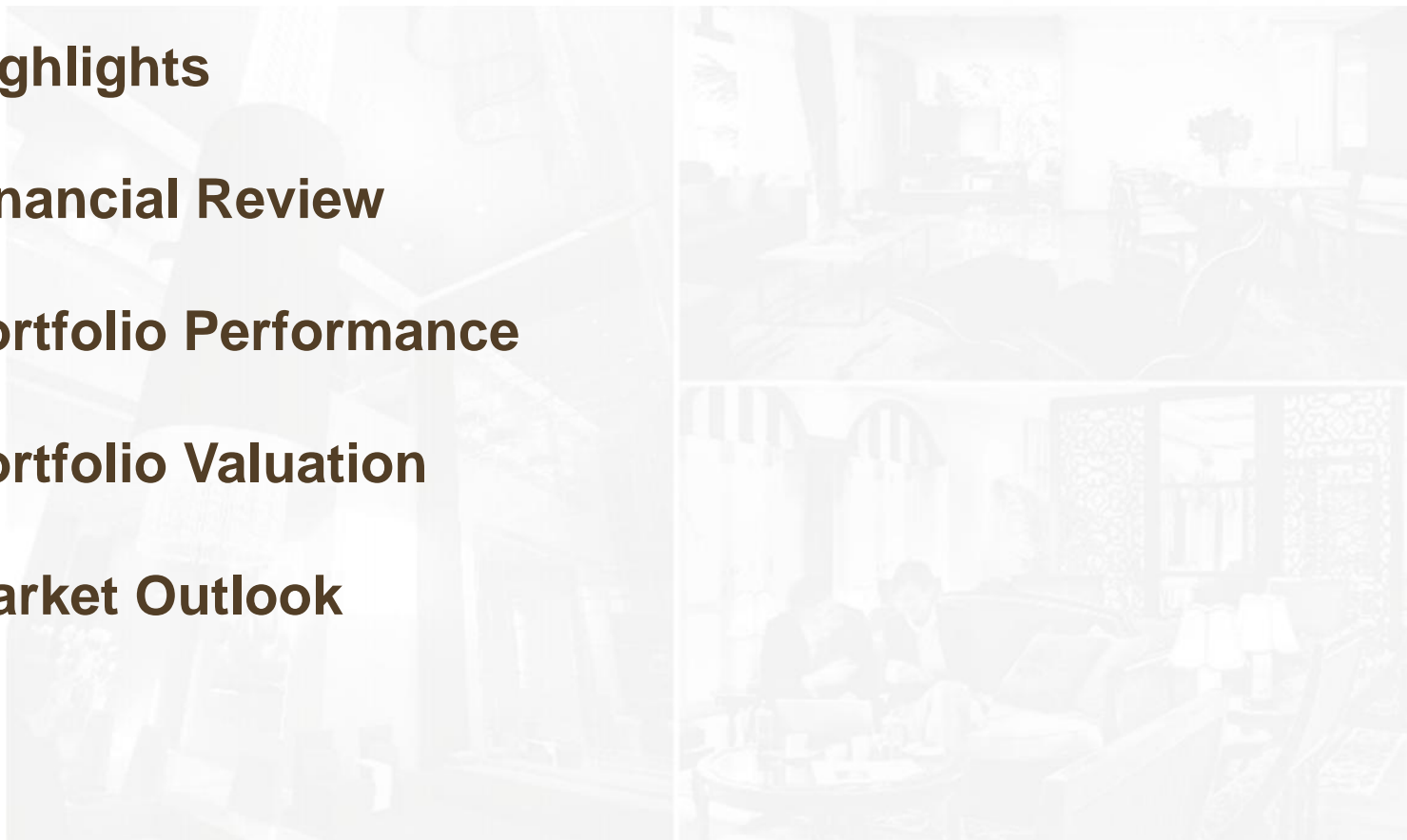
## Diversified Portfolio Across Key Gateway Cities in Asia, Australia and UK



<sup>1</sup>Comprising 2,364 hotel rooms and 842 serviced residence units

# Content

- ➔ **Highlights**
- ➔ **Financial Review**
- ➔ **Portfolio Performance**
- ➔ **Portfolio Valuation**
- ➔ **Market Outlook**





# Highlights

*Best Western Cromwell, London*



# FY2015 Highlights

## DPU exceeded forecast by 2.6% at 7.56 cents

Japan, Australia and UK properties turned in strong performances, balancing weaker performances in Singapore and Malaysia

## Growing the Portfolio

Acquisition of the Sofitel Sydney Wentworth in July 2015 at AUD224 million

Total portfolio valuation grew from SGD1.67 billion at IPO to SGD1.96 billion as at 30 Sep 2015

## Asset Enhancement Initiatives

InterContinental Hotel renovation is on track to complete by 2QFY2016

SGD26 million refurbishment of rooms and public areas to transform the hotel

## Prudent Capital Management

Over 70% of borrowings in fixed-rate



## Highlights (Actual vs Forecast 4Q FY2015)

### Gross Revenue (GR)

- S\$30.8m
- GR is 1.5% higher than forecast. Weaker performance from Singapore and Malaysia properties was offset by strong performance in the other markets

### Net Property Income (NPI)

- S\$25.7m
- NPI exceeded forecast by 3.0% due to higher GR as well as lower owner's expenses

### Distributable Income (DI)

- S\$22.5m<sup>1</sup>
- DI is lower than forecast by 1.9% due to higher interest expense from higher proportion of fixed rate debt than forecast

### Distribution Per Unit (DPU)

- 1.66 cents
- DPU is 1.2% lower than forecast

<sup>1</sup>Forecasted figures have been adjusted to account for deferment of the renovation for InterContinental Singapore from Jul 2014 to Apr 2015

## Highlights (Actual vs Forecast FY2015<sup>1</sup>)

### Gross Revenue (GR)

- S\$128.7m
- GR is lower by 0.7%

### Net Property Income (NPI)

- S\$105.7m
- NPI exceeded forecast by 0.6% due to lower owner's expenses

### Distributable Income (DI)

- S\$93.7m<sup>2</sup>
- DI exceeded forecast by 1.2% due to higher other income and lower trust expenses

### Distribution Per Unit (DPU)

- 7.56 cents
- DPU exceeded forecast by 2.6%

<sup>1</sup>FY2015 refers to full year financial period from 14 Jul 2014 to 30 Sep 2015

<sup>2</sup>Forecasted figures have been adjusted to account for deferment of the renovation for InterContinental Singapore from Jul 2014 to Apr 2015



## Distribution Details

| Distribution Period                | 1 Jul to 30 Sep 2015                                                                                                           |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Distribution Rate                  | 1.66 cents per unit<br>(Include 0.09 <sup>1</sup> cents per unit for the period 1 to 5 Jul 2015 which was paid on 28 Sep 2015) |
| Last Day of Trading on “cum” Basis | 5 Nov 2015                                                                                                                     |
| Ex- Date                           | 6 Nov 2015                                                                                                                     |
| Book Closure Date                  | 11 Nov 2015                                                                                                                    |
| Distribution Payment Date          | 29 Dec 2015                                                                                                                    |

<sup>1</sup>See FHT's announcement “Notice of Advanced Distribution Books Closure and Distribution Payment Dates” dated 25 Jun 2015. The distributable income for the period from 6 Jul to 30 Sep 2015 of SGD 1.57 cents per Stapled Security will be paid on 29 Dec 2015.

# Financial Review 4Q FY2015 and Full Year FY2015

*Fraser Suites Sydney*



## Financial Highlights

|                                                              | 4Q FY2015 |          |          | FY2015            |          |          |
|--------------------------------------------------------------|-----------|----------|----------|-------------------|----------|----------|
|                                                              | Actual    | Forecast | Variance | Actual            | Forecast | Variance |
| Gross Revenue<br>(S\$ mil)                                   | 30.8      | 30.4     | 1.5%     | 128.7             | 129.7    | -0.7%    |
| Net Property Income<br>(S\$ mil)                             | 25.7      | 24.9     | 3.0%     | 105.7             | 105.1    | 0.6%     |
| NPI Margin                                                   | 83.3%     | 82.2%    | 1.1ppt   | 82.1%             | 81.0%    | 1.1ppt   |
| Distributable Income <sup>1</sup><br>(S\$ mil)               | 22.5      | 23.0     | -1.9%    | 93.7              | 92.6     | 1.2%     |
| DPU (cents)                                                  | 1.66      | 1.68     | -1.2%    | 7.56 <sup>2</sup> | 7.37     | 2.6%     |
| Number of Stapled<br>Securities issued and<br>issuable (mil) | 1,368.0   | 1,366.6  | N.A      | 1,368.0           | 1,366.6  | N.A      |

<sup>1</sup>Forecasted figures adjusted to account for deferment of the renovation for InterContinental Singapore from Jul 2014 to Apr 2015

<sup>2</sup>3.69 cents was paid on 29 Jun 2015, 2.3 cents for the period from 1 Apr to 5 Jul 2015 was paid on 28 Sep 2015 as part of the Advanced Distribution in "Notice of Advanced Distribution Books Closure and Distribution Payment Dates" announced on 25 Jun 2015. Balance of 1.57 cents for the period from 6 Jul to 30 Sep 2015 will be paid on 29 Dec 2015.

## Balance Sheet

| As at 30 Sep 2015                                               | S\$ mil |
|-----------------------------------------------------------------|---------|
| Investment properties (including Fixed Assets)                  | 1,960.4 |
| Current assets                                                  | 62.7    |
| Total assets                                                    | 2,031.7 |
| Non current liabilities                                         | 828.9   |
| Current liabilities                                             | 30.5    |
| Total liabilities                                               | 859.4   |
| Net Asset Value (NAV) per Stapled Security (cents) <sup>1</sup> | 85.7    |

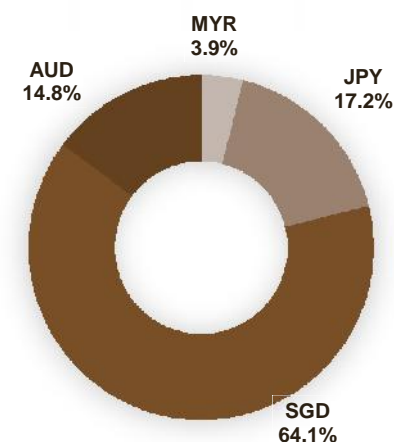
<sup>1</sup>Based on NAV of S\$1,172.3 million and 1,368.0 million Stapled Securities



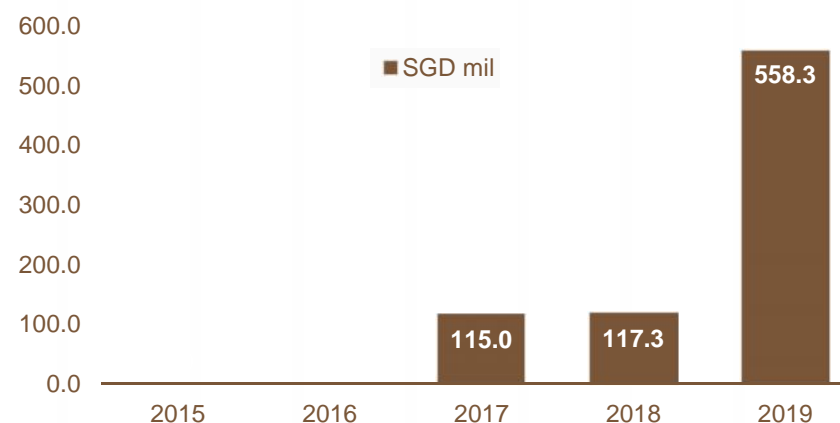
# Capital Management

| As at 30 Sep 2015                                                         |                 |
|---------------------------------------------------------------------------|-----------------|
| Gearing                                                                   | 38.9%           |
| Weighted Average Years to Maturity                                        | 3.3 years       |
| Unsecured debt                                                            | 96.1%           |
| Proportion of fixed debt                                                  | 73.0%           |
| Effective Cost of Borrowing including amortization of upfront debts costs | 2.4%            |
| Interest Cover <sup>1</sup>                                               | 5.3 times       |
| FHT's Issuer Rating                                                       | Baa2 by Moody's |

## Debt Currency Profile

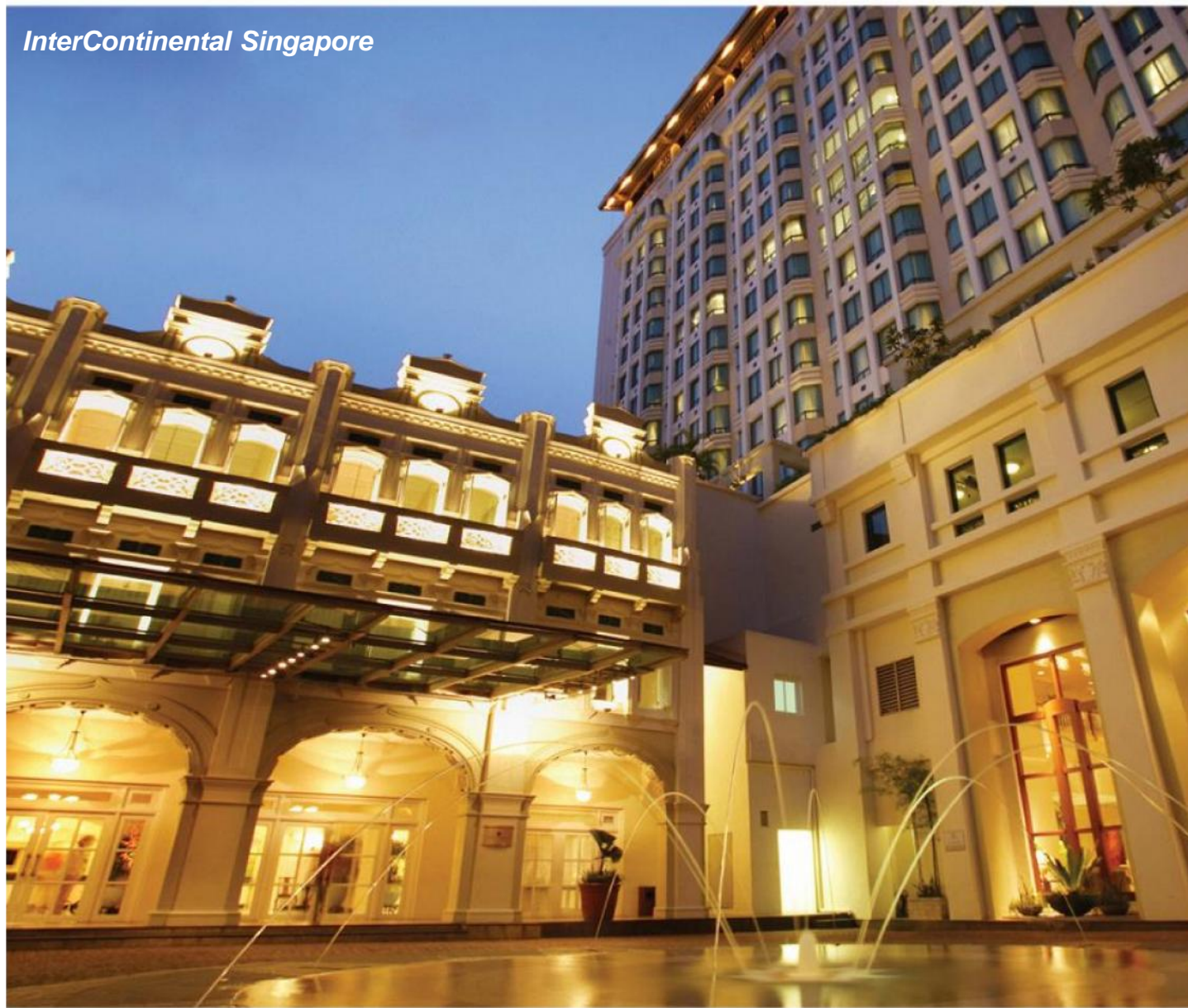


## Debt Maturity Profile



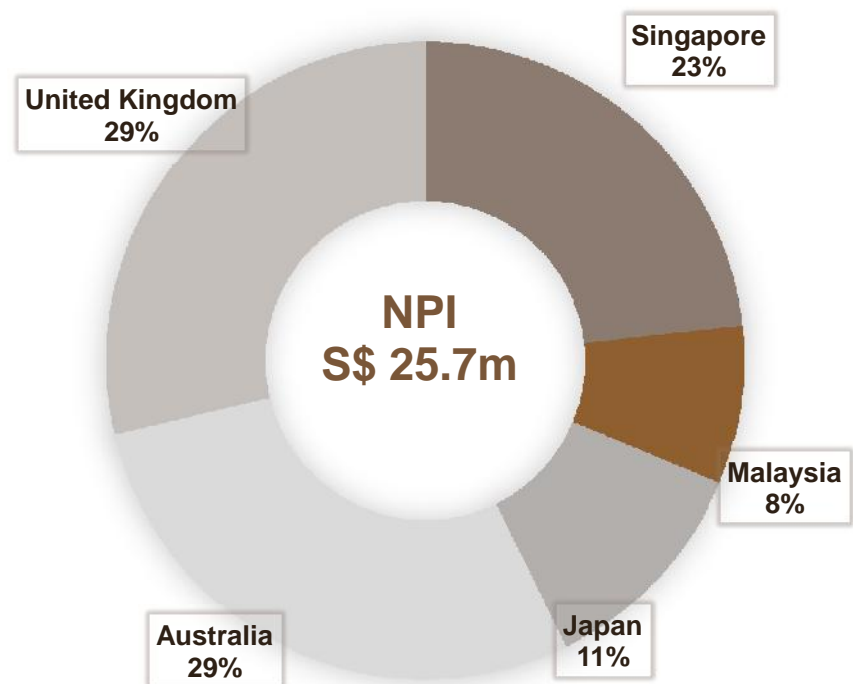
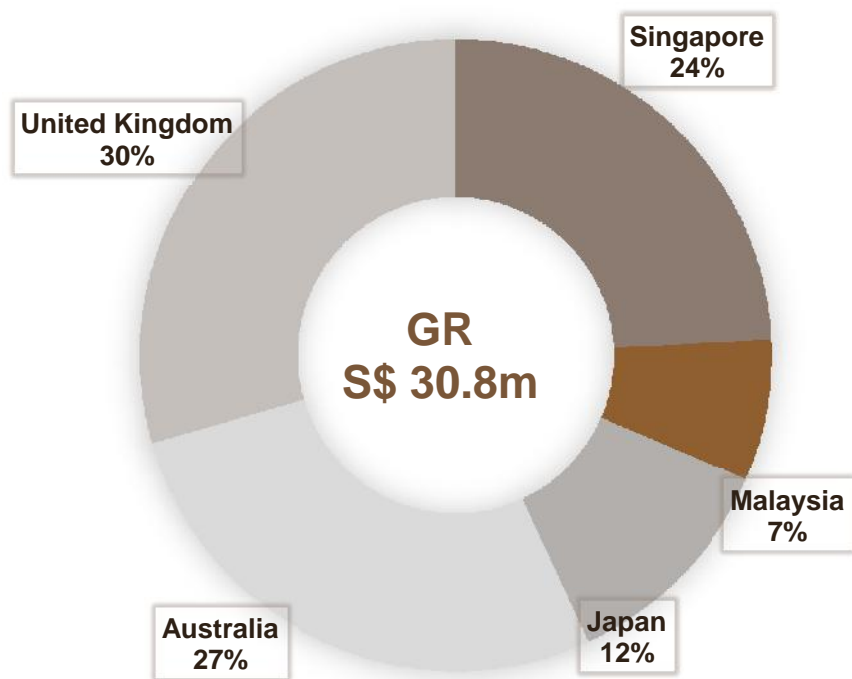
<sup>1</sup>Interest coverage ratio computation: EBITDA / Interest expense

*InterContinental Singapore*



# Portfolio Performance 4Q FY2015 and Full Year FY2015

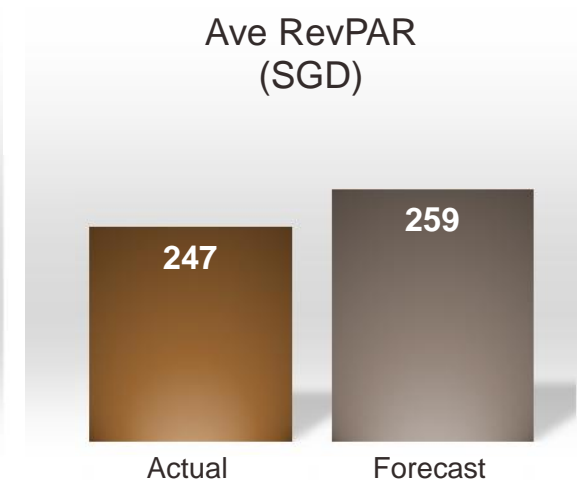
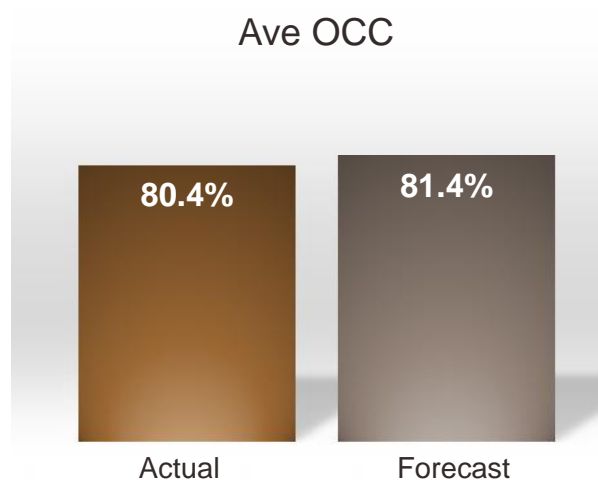
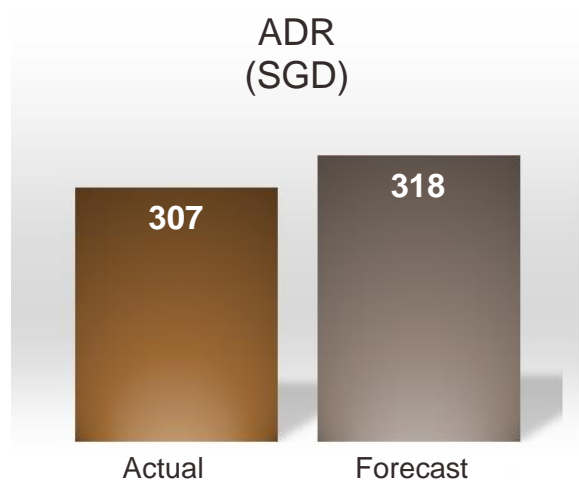
## Portfolio Contribution by Country - 4Q FY2015



# Singapore Portfolio Performance

| SGD mil | Actual | Forecast | Variance |
|---------|--------|----------|----------|
| GR      | 7.5    | 8.5      | ▼ 12%    |
| NPI     | 6.0    | 6.9      | ▼ 14%    |

- InterContinental Singapore
- Fraser Suites Singapore



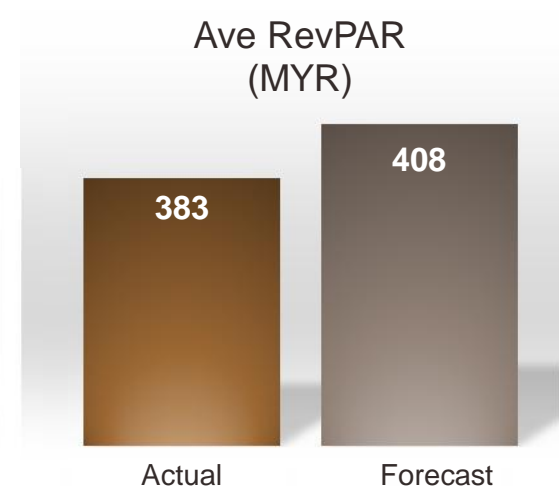
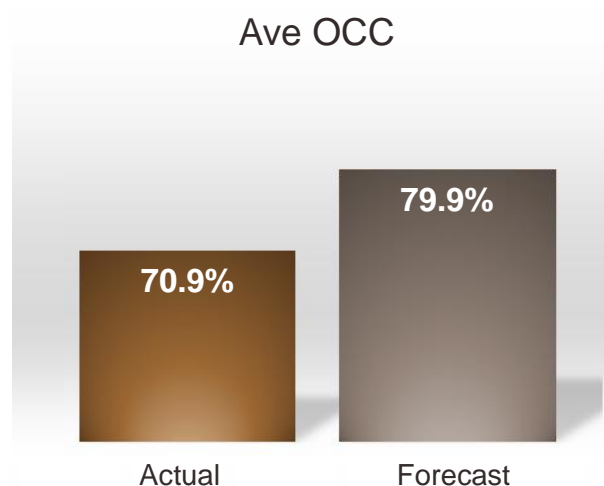
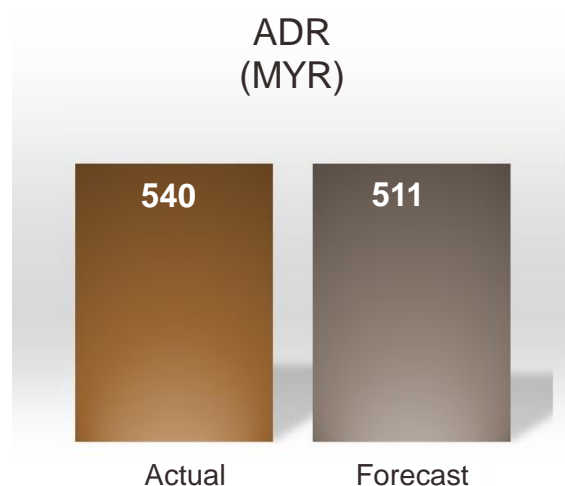
- Fraser Suites Singapore performed in line with forecast with high occupancies in 4Q
- InterContinental Singapore ("ICSG") was affected by the renovation works where an average of 84 rooms were out of order on a daily basis vs an average of 45 rooms in the original forecast
- Despite the renovation, ICSG held up with high occupancy at 90% based on available rooms
- Income top-up for ICSG was drawn down, in tandem with the extent of renovation work done



# Malaysia Portfolio Performance

| MYR mil | Actual | Forecast | Variance |
|---------|--------|----------|----------|
| GR      | 6.6    | 7.8      | ▼ 16%    |
| NPI     | 6.1    | 7.4      | ▼ 18%    |

## ▪ The Westin Kuala Lumpur

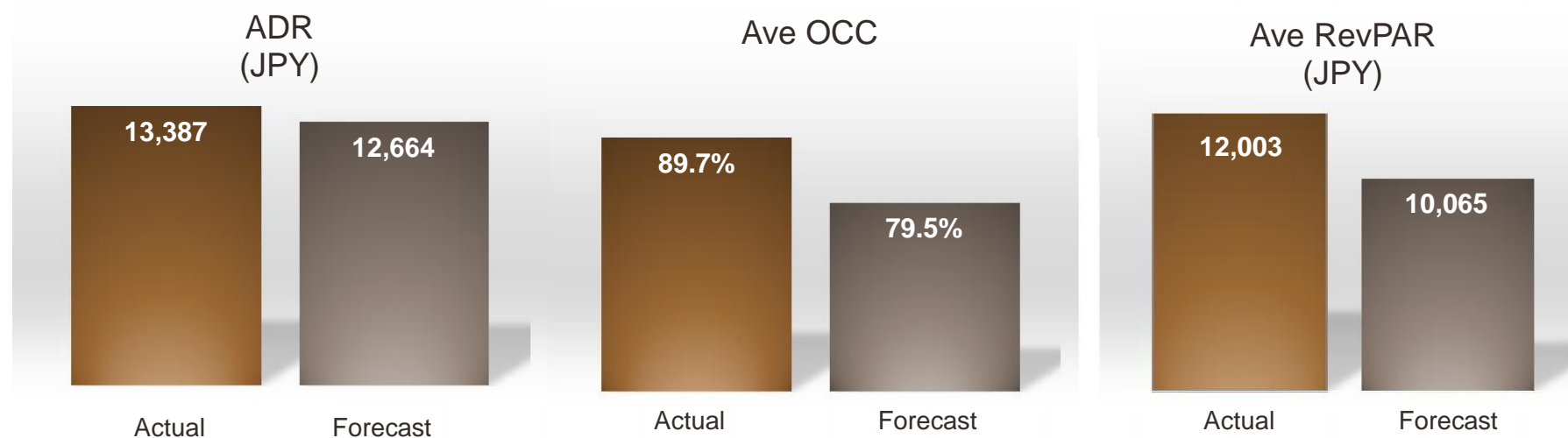


- The overall weakness of Malaysia market led to contracted occupancy across the city
- Oil & gas industry continued to be weak but corporate demand is beginning to stabilise
- The gap in GR and NPI narrowed due to Westin KL's continued effort to drive group business into the hotel to increase its share of the wholesale market segment

# Japan Portfolio Performance

| JPY mil | Actual | Forecast | Variance |
|---------|--------|----------|----------|
| GR      | 317.2  | 278.1    | ▲ 14%    |
| NPI     | 259.5  | 222.6    | ▲ 17%    |

## ■ ANA Crowne Plaza Kobe

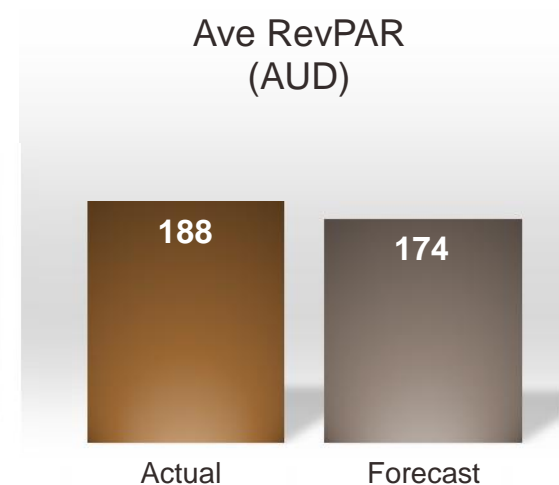
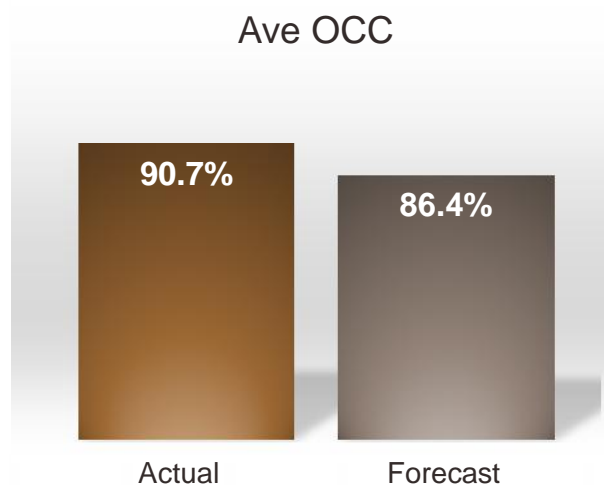
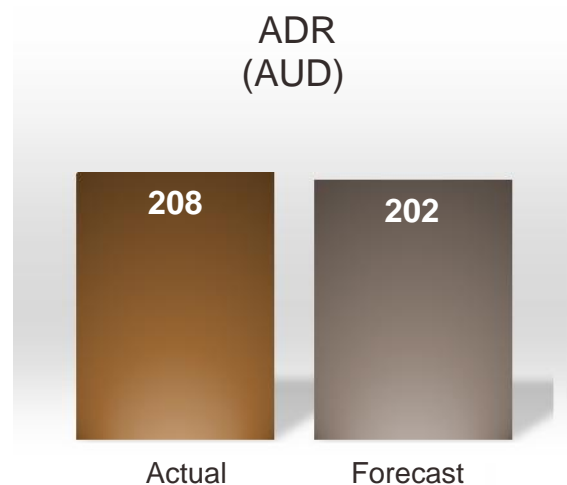


- Japan's GR exceeded forecast with stronger than expected performance in Occupancy and ADR
- A weaker Japanese yen resulted in increased international demand for Kobe
- Japan's improving economic sentiment has also led to increased domestic demand
- Savings in owner's expenses contributed to NPI increase

## Australia Portfolio Performance

| AUD mil | Actual | Forecast | Variance |
|---------|--------|----------|----------|
| GR      | 8.2    | 6.7      | ▲ 22%    |
| NPI     | 7.1    | 5.7      | ▲ 25%    |

- Sofitel Sydney Wentworth
- Novotel Rockford Darling Harbour
- Fraser Suites Sydney

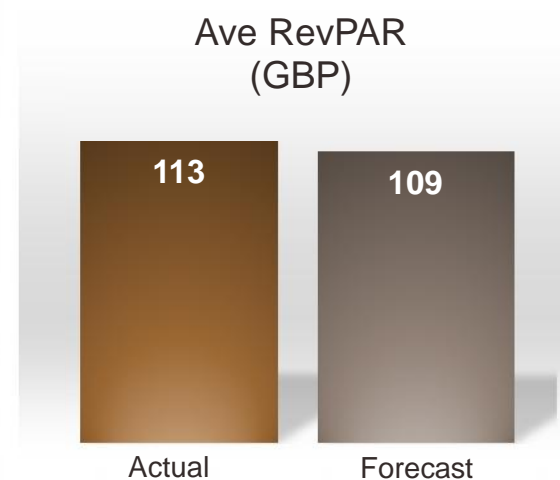
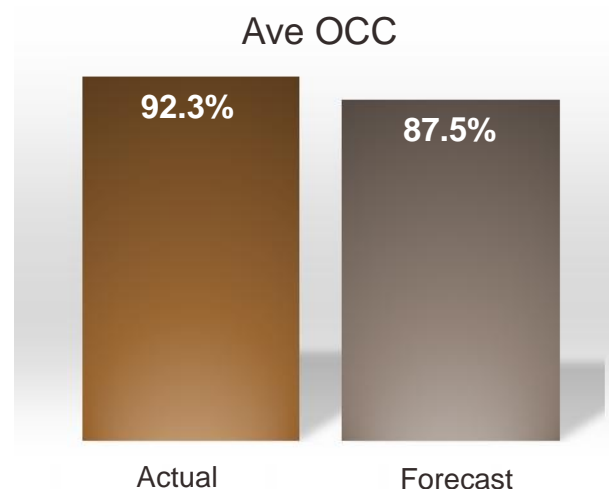
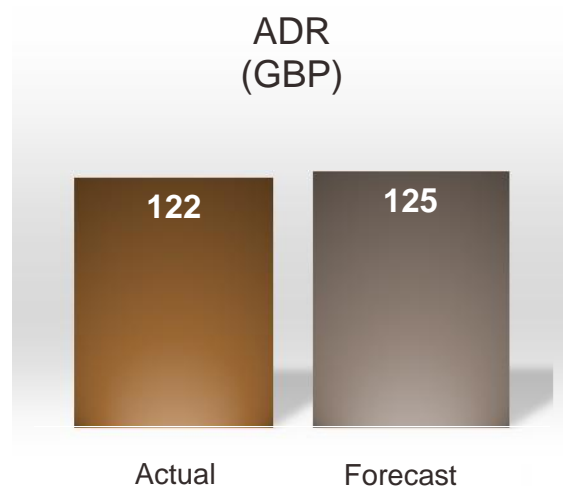


- Performance exceeded forecast for all 3 properties
- Strong international and domestic arrivals continued in Sydney
- Demand for accommodation was well-supported by strong corporate and leisure demand as well as special events such as Sydney Film Festival, Netball World Cup and the Sydney Motorsport Park Super Sprint

# United Kingdom Portfolio Performance

| GBP mil | Actual | Forecast | Variance |
|---------|--------|----------|----------|
| GR      | 4.2    | 3.9      | ▲ 8%     |
| NPI     | 3.4    | 3.0      | ▲ 13%    |

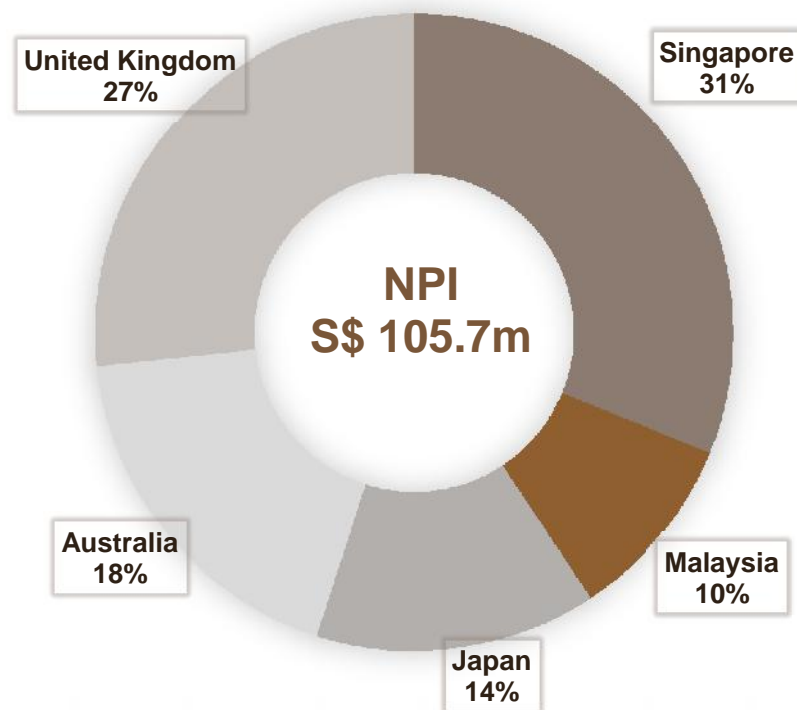
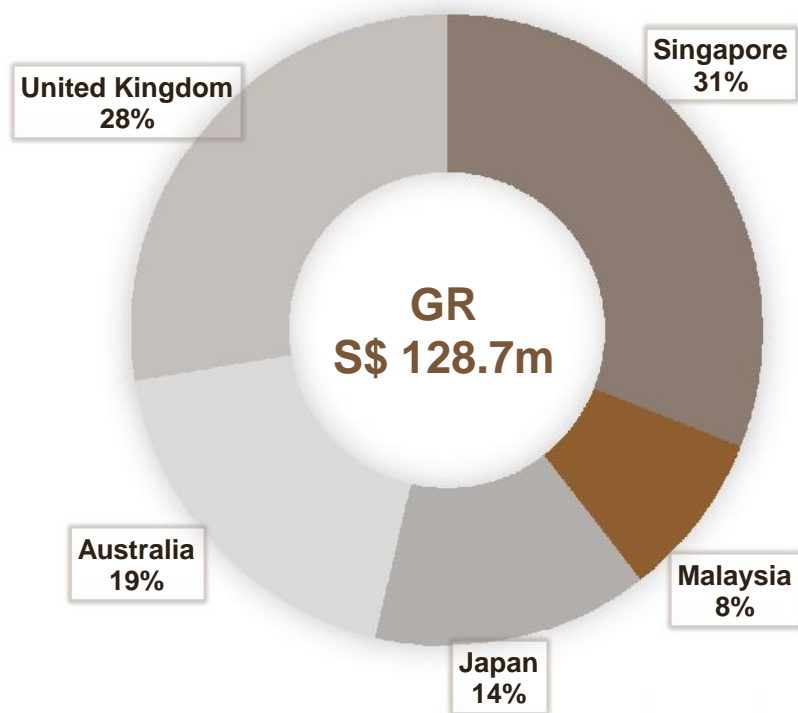
- Fraser Suites Glasgow
- Fraser Suites Edinburgh
- Fraser Suites Queens Gate, London
- Park International London
- Best Western Cromwell London
- Fraser Place Canary Wharf, London



- UK's portfolio exceeded forecast due to strong demand from corporate travel and peak travel season from Jul to Sep 2015



## Portfolio Contribution by Country - FY2015



## GR and NPI - FY2015

| Country              | Gross Revenue (mil) |          |          | Net Property Income (mil) |          |          |
|----------------------|---------------------|----------|----------|---------------------------|----------|----------|
|                      | Actual              | Forecast | Variance | Actual                    | Forecast | Variance |
| Singapore (SGD)      | 39.9                | 42.5     | -6.2%    | 32.9                      | 35.1     | -6.1%    |
| Malaysia (MYR)       | 29.8                | 36.0     | -17.3%   | 27.4                      | 34.0     | -19.5%   |
| Japan (JPY)          | 1,612.7             | 1,435.9  | 12.3%    | 1,333.7                   | 1,173.5  | 13.6%    |
| Australia (AUD)      | 22.8                | 19.7     | 16.0%    | 18.3                      | 15.2     | 20.4%    |
| United Kingdom (GBP) | 17.0                | 15.9     | 7.5%     | 13.6                      | 12.1     | 12.3%    |

## Performance Metrics - FY2015

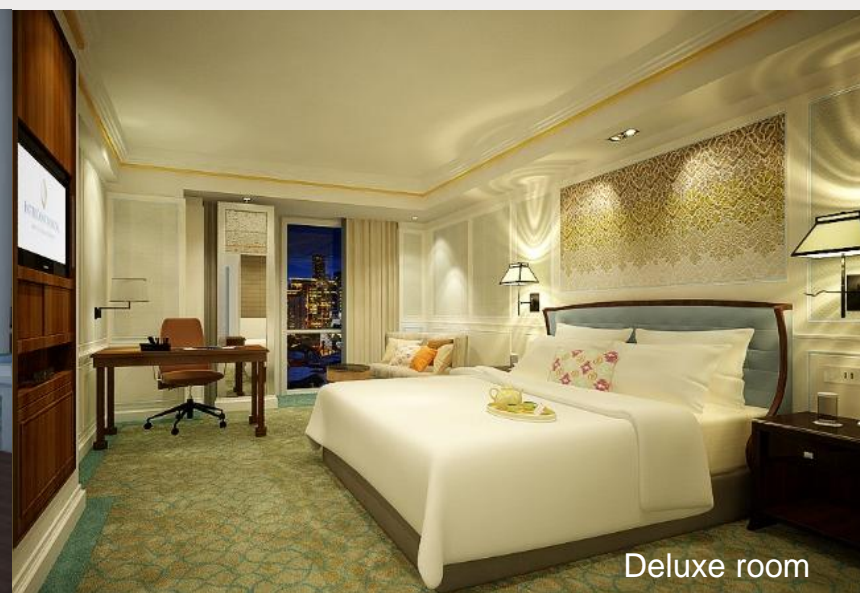
| Country              | ADR    |          |          | Ave Occ (%) |          |          | RevPAR |          |          |
|----------------------|--------|----------|----------|-------------|----------|----------|--------|----------|----------|
|                      | Actual | Forecast | Variance | Actual      | Forecast | Variance | Actual | Forecast | Variance |
| Singapore (SGD)      | 304    | 315      | -3.6%    | 83.7%       | 82.8%    | 0.9ppt   | 254    | 261      | -2.6%    |
| Malaysia (MYR)       | 500    | 504      | -0.7%    | 71.7%       | 78.8%    | -7.1ppt  | 359    | 397      | -9.6%    |
| Japan (JPN)          | 12,522 | 12,216   | 2.5%     | 84.1%       | 77.6%    | 6.5ppt   | 10,531 | 9,481    | 11.1%    |
| Australia (AUD)      | 206    | 204      | 1.1%     | 90.9%       | 84.0%    | 7.0ppt   | 188    | 171      | 9.4%     |
| United Kingdom (GBP) | 115    | 116      | -0.6%    | 86.9%       | 81.5%    | 5.4ppt   | 100    | 94       | 6.0%     |

## Asset Enhancement Initiatives : InterContinental Singapore

|                           |                                                                                                                                                                                                       |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total capital expenditure | S\$26 million                                                                                                                                                                                         |
| Renovation works          | Tower rooms and public areas comprising F&B areas and gymnasium                                                                                                                                       |
| Renovation period         | Renovation for the rooms commenced in Apr 2015 and is on track for completion by Feb 2016<br><br>Renovation for the public areas will commence in May 2015 and is targeted for completion by Nov 2015 |



Lobby lounge



Deluxe room

*The visual is illustrative only and may be subject to changes*

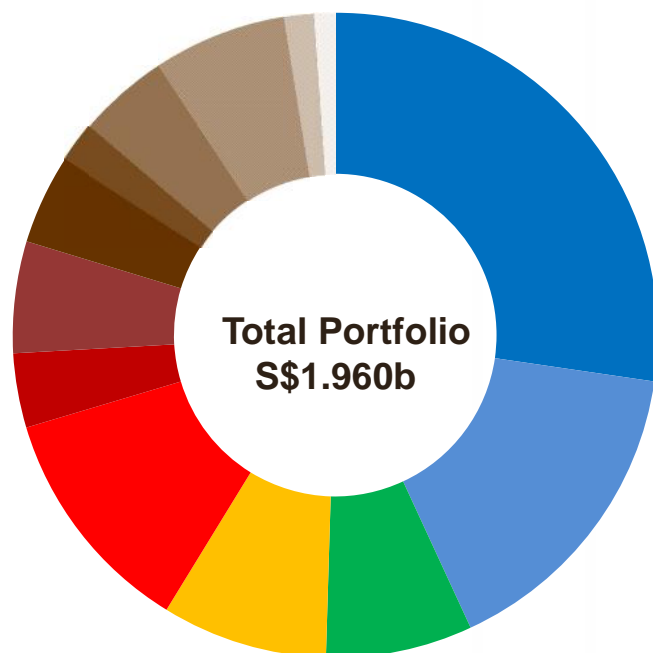
# Portfolio Valuation as at 30 Sep 2015





# Portfolio Valuation Breakdown by Cities

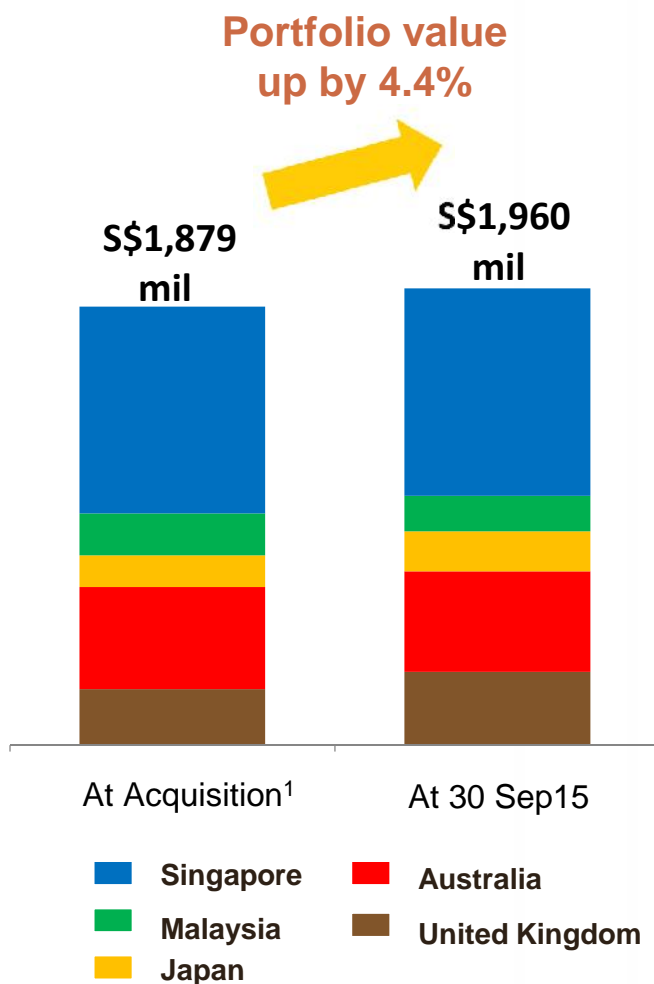
- Well-diversified spread across regions
- No single property exceeds 30% of portfolio value



|                                  |                          |                |
|----------------------------------|--------------------------|----------------|
| <b>Singapore</b>                 |                          |                |
|                                  | <b>43.1%<sup>1</sup></b> | <b>SGD mil</b> |
| InterContinental Singapore       | 27.3%                    | 535.0          |
| Fraser Suites Singapore          | 15.8%                    | 310.0          |
| <b>Malaysia</b>                  |                          |                |
|                                  | <b>7.4%<sup>1</sup></b>  | <b>MYR mil</b> |
| Westin Kuala Lumpur              | 7.4%                     | 443.0          |
| <b>Japan</b>                     |                          |                |
|                                  | <b>8.3%<sup>1</sup></b>  | <b>JPY mil</b> |
| ANA Crowne Plaza Kobe            | 8.3%                     | 14,000.0       |
| <b>Australia</b>                 |                          |                |
|                                  | <b>20.9%<sup>1</sup></b> | <b>AUD mil</b> |
| Sofitel Sydney Wentworth         | 11.6%                    | 227.0          |
| Novotel Rockford Darling Harbour | 3.7%                     | 73.0           |
| Fraser Suites Sydney             | 5.6%                     | 109.6          |
| <b>United Kingdom</b>            |                          |                |
|                                  | <b>20.3%<sup>1</sup></b> | <b>GBP mil</b> |
| Park International Hotel         | 4.5%                     | 40.7           |
| Best Western Cromwell            | 2.0%                     | 18.6           |
| Fraser Place Canary Wharf        | 4.6%                     | 41.6           |
| Fraser Suites Queens Gate        | 6.7%                     | 60.8           |
| Fraser Suites Edinburgh          | 1.5%                     | 13.9           |
| Fraser Suites Glasgow            | 1.0%                     | 9.5            |

<sup>1</sup>Composition based on SGD

## Growth in Portfolio Valuation



| Country        | Valuation as at Acquisition (S\$ mil) <sup>1</sup> | Valuation as at 30 Sep 2015 (S\$ mil) | Increase/Decrease in SGD (%) <sup>2</sup> | Increase/Decrease in Local Currency (%) <sup>2</sup> |
|----------------|----------------------------------------------------|---------------------------------------|-------------------------------------------|------------------------------------------------------|
| Singapore      | 824.1                                              | 845.0                                 | 2.5%                                      | 2.5%                                                 |
| Malaysia       | 176.4                                              | 144.2                                 | -18.2%                                    | -2.6%                                                |
| Japan          | 138.1                                              | 163.0                                 | 18.0%                                     | 25.0%                                                |
| Australia      | 421.9                                              | 410.0                                 | -2.8%                                     | 4.1%                                                 |
| United Kingdom | 318.0                                              | 398.2                                 | 25.2%                                     | 20.9%                                                |
| <b>Total</b>   | <b>1,878.5</b>                                     | <b>1,960.4</b>                        | <b>4.4%</b>                               | <b>-</b>                                             |

<sup>1</sup>12 properties were acquired during IPO on 14 Jul 2014 while Sofitel Sydney Wentworth was acquired on 7 Jul 2015

<sup>2</sup>Increase is partly attributed to capex which contributed to higher operating cashflow

*Park International London*



# Singapore

## STB continues its marketing efforts to attract visitors

- From Jan to Aug 2015, Singapore Tourism Board (STB) posted a drop of 5.7% in tourism arrivals to Singapore, compared to the same period in 2014
- Visitors arrivals have improved by 4.2% and 6.6% respectively in Jul and Aug 2015 against same months in 2014, partly from China and other North Asia countries (STB, 9 Oct 2015)
- According to STR Global, RevPAR is expected to drop about 5% in 2015 as increase in room supply continue to add pressure to trading performance
- STB targets to spend SGD20 million over the next 2 years in its largest collaboration with Singapore Airlines and Changi Airport to ramp up its marketing campaign to target leisure, business and MICE arrivals from more than 15 markets worldwide (The Straits Times, 30 Jun 2015)
- Changi Airport maintained its key transportation hub status in Asia with 6.8% increase in passenger volume YTD Jul 2015 to 4.89 million compared to the same period in 2014 (Savills market review, Sep 2015)
- Post the completion of its renovation in 2Q FY2016, The InterContinental Singapore is expected to command a stronger position in the luxury accommodation segment



*Pictures from Singapore Tourism Promotion Board, renovated room at InterContinental Singapore and Fraser Suites Singapore*



# Malaysia

## Current political and economic instability

- Inbound and outbound tourist arrivals dropped about 30% in the first half of the year (The Star Online, 11 Aug 2015)
- Restructuring of Malaysian Airlines resulted in 18% drop of international seat capacity post the aircraft incidents
- Increased room supply, current economic and political instability pose short term risks to tourism
- ADR is expected to fall 12-13% in Kuala Lumpur by end 2015 (HVS Malaysia, Oct 2015)
- However, the weakening ringgit may attract more international tourists and heighten domestic travel
- To boost tourism from UK, Europe, US and Middle East, Malaysia's government set up a Fujian-Malaysia tourism promotion centre in KL to attract more Chinese tourists and signed a global partnership agreement in June 2015 with Etihad Airways. The government's goal is to achieve RMB168 billion and 36 million tourist arrivals by 2020



*Pictures from The Westin Kuala Lumpur, MyFEST2015 and KLCC Convention Centre*



# Japan

## Kobe riding the wave of strong international arrivals to Japan

- International tourist arrivals to Japan from Jan to Aug 2015 increased 49.1% over the corresponding previous year to hit an all time high of 12.9 million (Japan National Tourism Agency)
- In the first six months of 2015, overnight visitors to Kobe was up by 12.2% to 1.9 million while foreign visitors jumped 68.6% to 253,000 compared to the same period in 2014 (Savills market review, Sep 2015)
- With increase in occupancy and ADR, RevPAR for Jan to Jun 2015 increased about 13% to JPY10,224 in Kobe (STR Global)
- Kobe is set to benefit from the new Kansai airport extension to handle increasing international low cost carrier passenger volume by 2017



*Pictures from IHG Kobe and Feel-Kobe Japan*

# Australia

## Sydney continues to welcome Australia's highest number of visitors

- Sydney remained the most visited state with the highest expenditure in Australia in Jan to Jun 2015
- International visitors increased by 6% from last year to 3.1 million in Jan to Jun 2015 ( Tourism Research Australia)
- During the same period, strong occupancy and ADR growth drove RevPAR for Sydney to rise 6.9% to AUD175.34 against corresponding period in 2014, according to STR Global
- With the weakening AUD, strong international arrival and buoyant domestic travel is expected to continue
- ADR in Sydney is expected to grow about 3% each year for the next few years, as occupancy for hotels remains above 80% (Savills market review, Sep 2015)



*Pictures from Frasers Suites Sydney and Sofitel Sydney Wentworth*

# United Kingdom

## Strong hospitality trading performance

- In Jul 2015, Visit Britain reported that inbound visitors to the UK increased 5% to 3.7 million despite a slight decline in tourism receipts. Visitors hit nearly 20.5 million from Jan to Jul 2015, an increase of 3% compared to the same period in 2014
- Due to strict planning regulations, the UK hospitality supply is slow to respond to changes in demand and as a result, trading performance is well-supported (Savills market review, Sep 2015)
- London continues to be the best performing city in Europe for hotel performance indicators. According to STR Global, during Jan to Jul 2015, ADR in London increased 14.2% while occupancy stayed high at above 80%
- In Scotland, Edinburgh and Glasgow experienced RevPAR growth of 3% to above GBP60 and 9% to over GBP55 respectively
- Trend of growth across Scotland's primary cities to continue over the next 2 years (Savills market review, Sep 2015)



*Pictures from Visit London, Fraser Suites Edinburgh and Fraser Suites Queens Gate, London*





Thank you