Frasers Hospitality Trust

Third Annual General Meeting FY2017

24 January 2018







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

Content

- FY2017 in Review
- Portfolio Performance
- Our Strategy



Novotel Melbourne on Collins

FY2017 in Review

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Key Highlights









FY2017 Distribution per Stapled Security (DPS) was 5.0458 cents

- Based on year-end closing price of 75 cents, this translates to:
  - DPS yield of 6.7% and
  - 1-year total return of 16.5%, which exceeds that of FTSE STI (15.9%) and FTSE REIT Index (10.7%).

Positive contribution from Melbourne and Dresden assets

- Acquisitions added stability to our earnings, with NPI contribution skewed towards growing and stable markets.
- Portfolio valuation grew 18.5% yoy (5.5% organically) while valuation of Novotel Melbourne on Collins was 6.0% over purchase consideration.

Prudent Risk and Capital Management

- Gearing of 32.1% (lowest since IPO) will support acquisition growth.
- High proportion of fixed-rate debt reduces exposure to rising interest rates.
- Natural hedging for overseas assets through borrowings and cross currency swaps in foreign currencies to achieve loan-to-valuation range of 20% to 80%.










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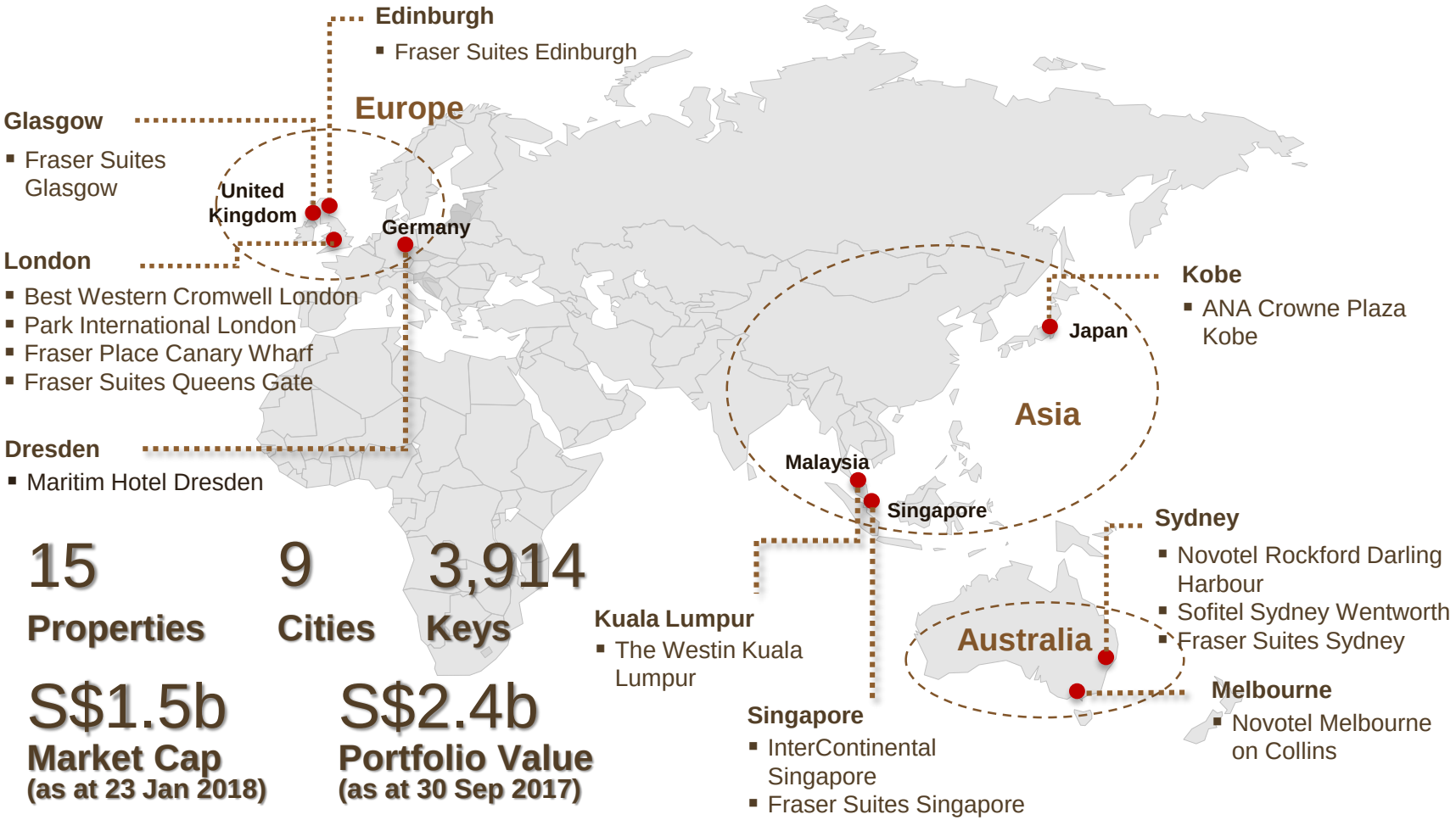
FY2017 Financial Performance

S$m	FY2017	FY2016	Variance
Gross Revenue (GR)	158.7	123.6	▲ 28.4%
Net Property Income (NPI)	120.2	104.2	▲ 15.3%
Distribution Income (DI)	93.5	84.9	▲ 10.0%
DPS	5.0458 cents	5.2299 cents	▼ 3.5%

- GR, NPI and DI were mainly boosted by the addition of Novotel Melbourne on Collins and Maritim Hotel Dresden as well as better overall portfolio performance.
- Due to the enlarged stapled security base post-rights issue[1], DPS was 3.5% lower at 5.0458 cents.

1 FHT issued 441,549,281 Rights Stapled Securities at $0.603 each on 14 Oct 2016.

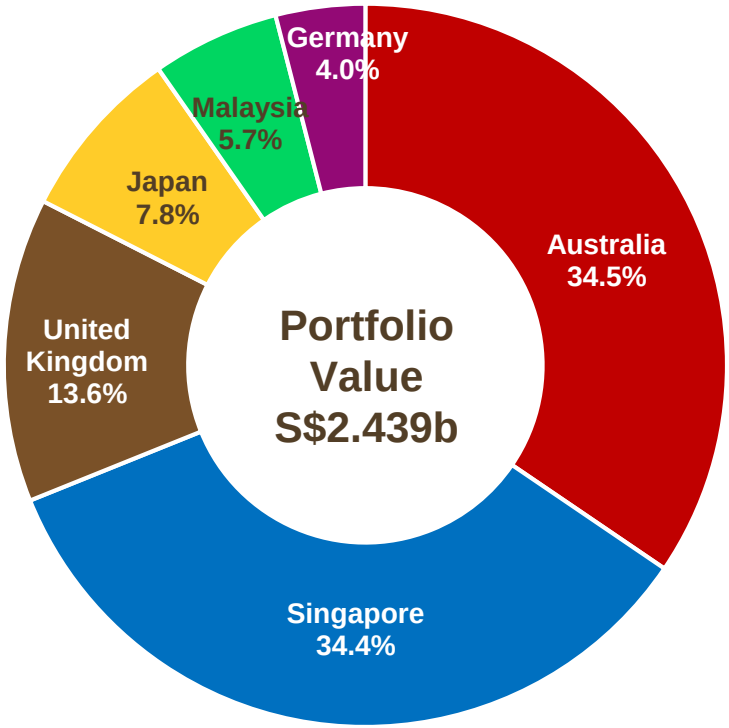
Resilient and Diversified Portfolio Across Geography



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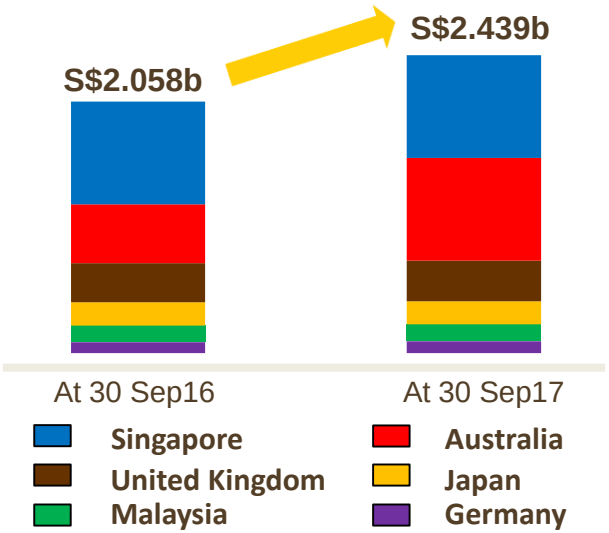
Portfolio Value as at 30 Sep 2017

Country	Portfolio Value as at 30 Sep 2017
Australia	AUD792.3 million
Singapore	SGD840.0 million
United Kingdom	GBP181.9 million
Japan	JPY15,700.0 million
Malaysia	MYR430.0 million
Germany	EUR61.2 million
Total	SGD2.439 billion



Portfolio Growth

- Portfolio grew 18.5% yoy due mainly to the addition of NMOC
- Excluding NMOC, valuation of portfolio increased 5.5% yoy
- Valuation of NMOC was 6.0% higher than the purchase consideration



Country	Valuation as at 30 Sep 2016 (S$m)	Valuation as at 30 Sep 2017 (S$m)	Increase/ Decrease in SGD (%)	Increase/ Decrease in Local Currency (%)
Singapore	840.0	840.0	0.0%	0.0%
Australia	482.3[1]	842.7	74.7%	71.1%
United Kingdom	319.7	331.2	3.6%	0.7%
Japan	191.0	189.2	-1.0%	9.8%
Malaysia	135.2	138.2	2.2%	4.9%
Germany	90.2	98.2	8.8%	3.9%
Total	**2,058.4**	**2,439.5**	**18.5%**	**-**
Total (same-store)	**2,058.4**	**2,172.2[2]**	**5.5%[2]**	

1 Valuation for the Australia properties in FY2016 excludes NMOC as its acquisition was completed in Oct 2016.

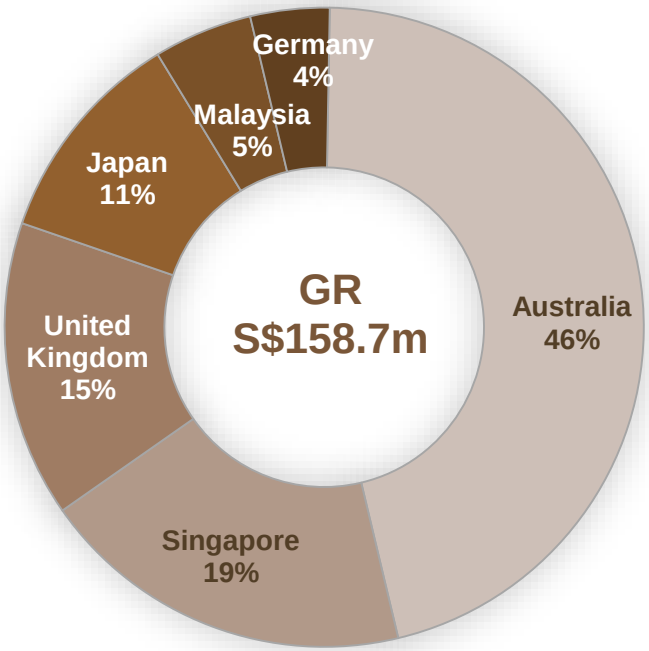
2 Same-store excludes NMOC.

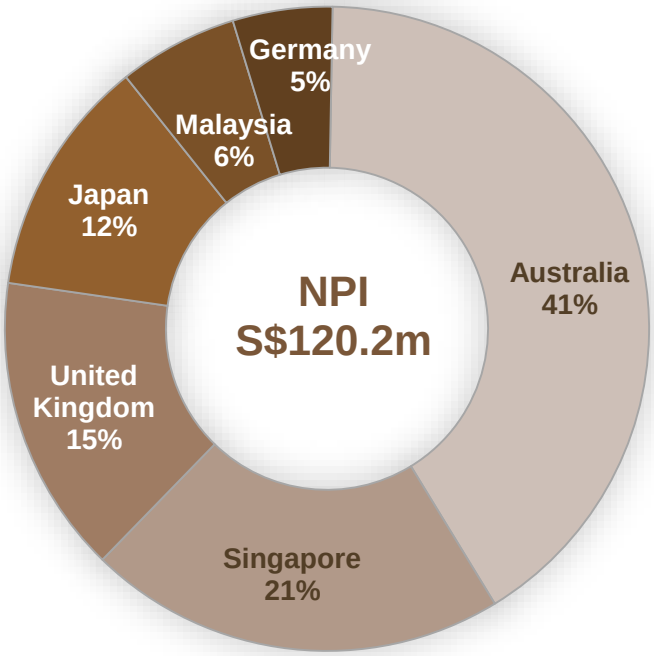


Portfolio Performance

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Portfolio Contribution by Country – FY2017





Portfolio Highlights By Country – FY2017

Country	FY2017			
	GOR		GOP	
	Local Currency (m)	Variance (yoy)	Local Currency (m)	Variance (yoy)
Australia	128.6	▲ 40.5%	58.3	▲ 50.1%
Singapore	88.6	▲ 0.9%	35.0	-
UK	24.9	▲ 4.8%	13.7	▲ 0.9%
Japan	6,311.6	▼ 1.9%	1,731.3	▲ 1.4%
Malaysia	96.4	▲ 6.3%	32.6	▲ 12.5%
Germany[1]	10.4	n.m.	4.3	n.m.

1 Refers to Maritim Hotel Dresden which was acquired on 15 Jun 2016.

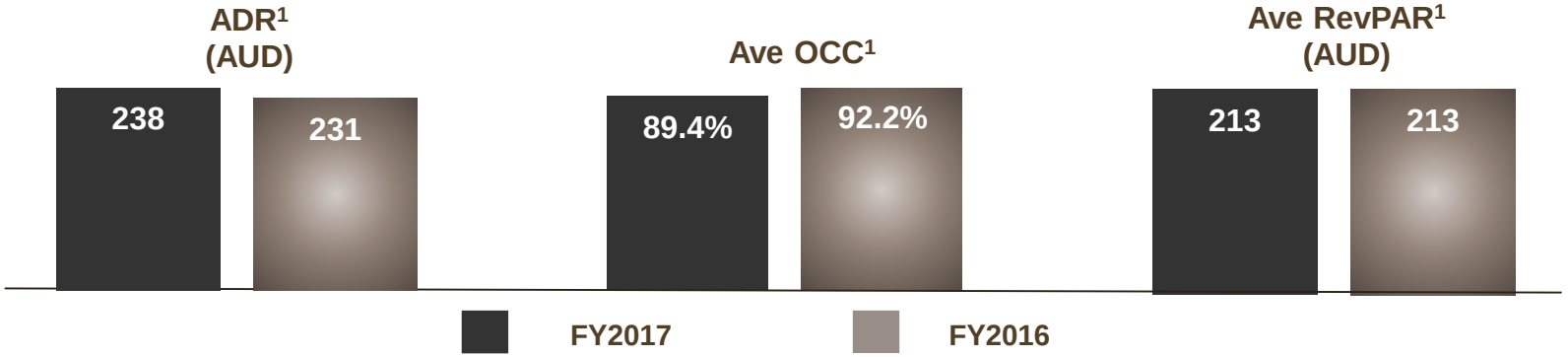
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Australia Portfolio Performance

AUD (m)	FY2017	FY2016	Variance
GOR	128.6	91.6	▲ 40.5%
GOP	58.3	38.8	▲ 50.1%

- ❖ **Novotel Melbourne on Collins (NMOC)**
- ❖ **Novotel Rockford Darling Harbour (NRDH)**
- ❖ **Sofitel Sydney Wentworth (SSW)**
- ❖ **Fraser Suites Sydney (FSS)**

- NMOC contributed to the significant increase in GOR and GOP of the Australia portfolio in FY2017.
- Ave RevPAR for the portfolio was flat, despite ongoing renovations at NRDH.
- Sydney and Melbourne continued to enjoy a busy events calendar, with Sydney in particular benefitting from the opening of the International Convention Centre. For FY2017, RevPAR for FHT's Sydney (excl. NSDS) and Melbourne properties increased by 5.9% and 5.1% respectively.



1 *ADR, Ave OCC and Ave RevPAR were calculated based on 4 properties in FY2017 and 3 properties in FY2016 as NMOC was acquired on 20 Oct 2016.*

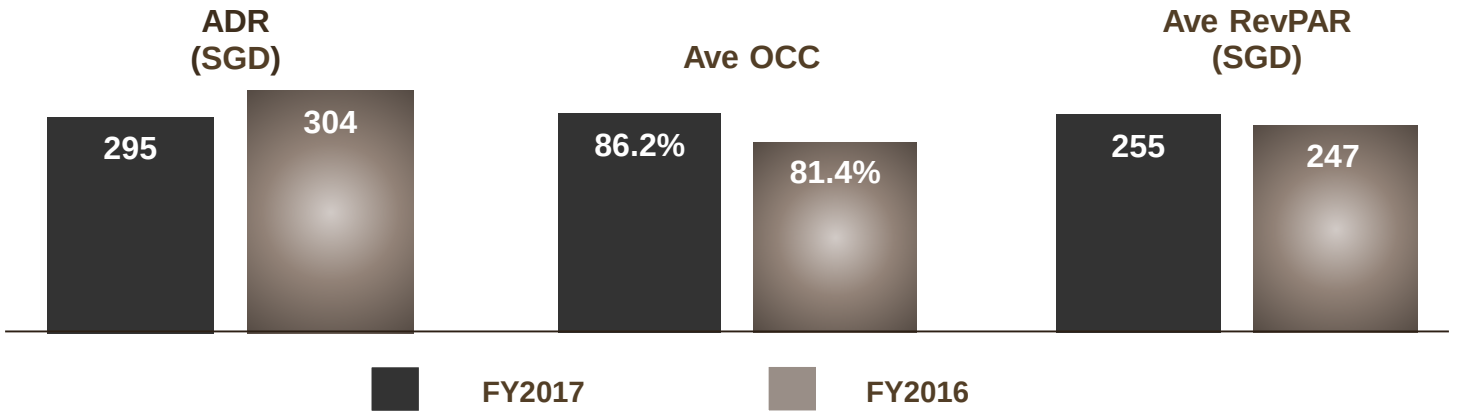
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Singapore Portfolio Performance

SGD (m)	FY2017	FY2016	Variance
GOR	88.6	87.8	▲ 0.9%
GOP	35.0	35.0	-

- **InterContinental Singapore (ICSG)**
- **Fraser Suites Singapore (FSSG)**

- GOR of the Singapore properties improved marginally in FY2017.
- ICSG operated with a full room inventory in FY2017 following the completion of its renovation. The hotel reported higher RevPAR on the back of occupancy gains and better F&B outlet performance.
- FSSG continued to face downward pressure on ADR which led to lower RevPAR yoy. Consequently, the property turned in lower GOR and GOP.

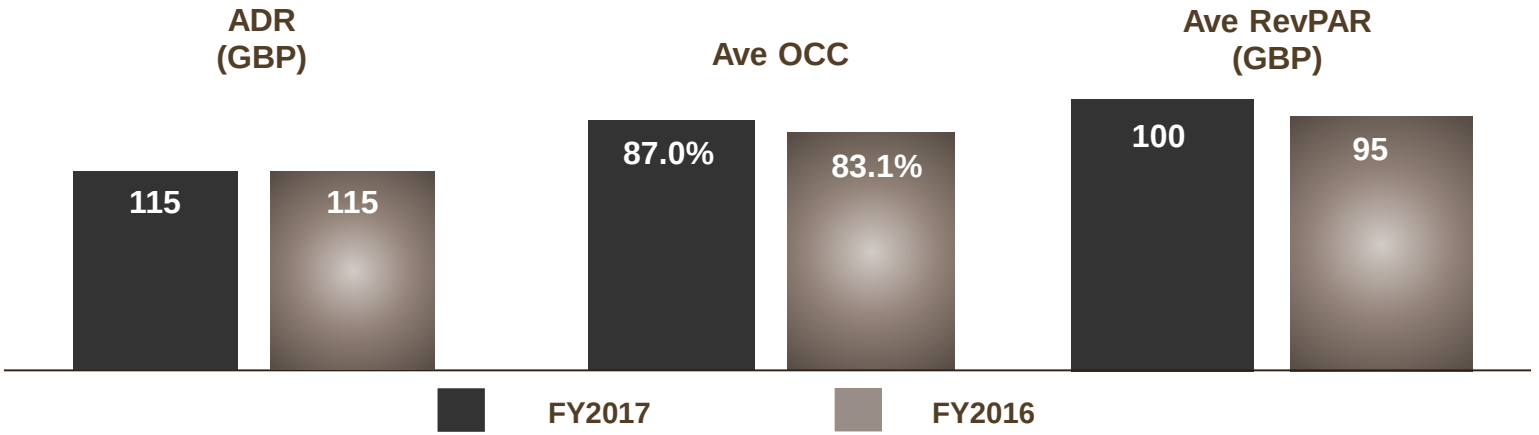


UK Portfolio Performance

GBP (m)	FY2017	FY2016	Variance
GOR	24.9	23.8	▲ 4.8%
GOP	13.7	13.6	▲ 0.9%

- ❖ Best Western Cromwell London (BWC)
- ❖ Fraser Place Canary Wharf London (FPCW)
- ❖ Fraser Suites Glasgow (FSG)
- ❖ Park International London (PIL)
- ❖ Fraser Suites Edinburgh (FSE)
- ❖ Fraser Suites Queens Gate (FSQG)

- GOR of the UK portfolio rose 4.8% yoy while GOP growth was muted at 0.7% due to an increase in the minimum wage. Higher occupancy led to a 5.7% improvement in RevPAR.
- While the portfolio performance has improved, GOP growth remains under pressure due to higher costs arising from the minimum wage increase.



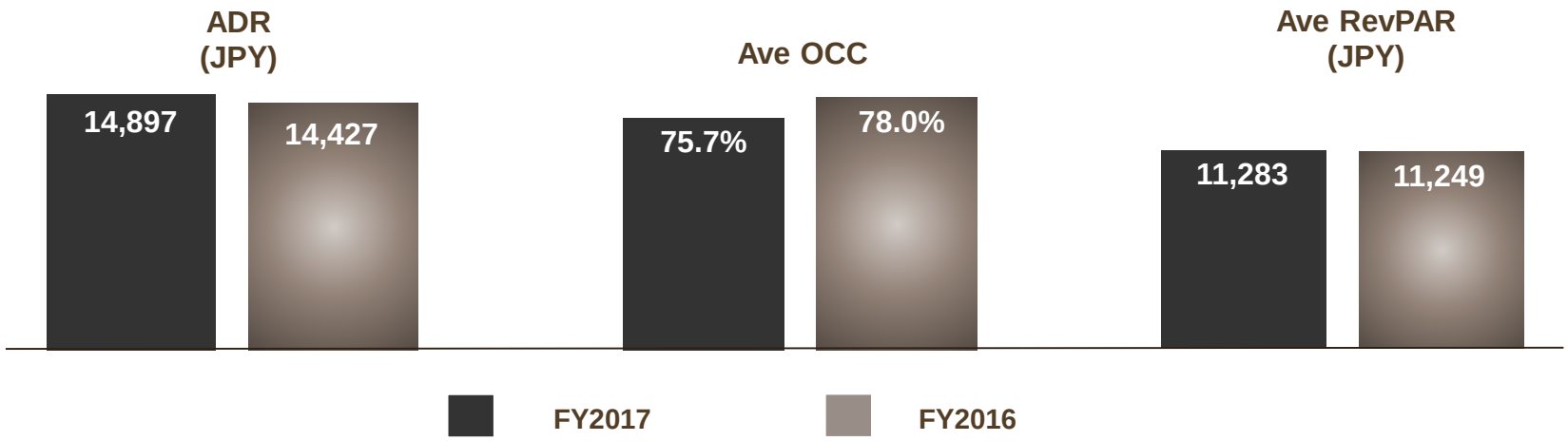
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Japan Portfolio Performance

JPY (m)	FY2017	FY2016	Variance
GOR	6,311.6	6,435.3	▼ 1.9%
GOP	1,731.3	1,706.8	▲ 1.4%

❖ ANA Crowne Plaza Kobe (CPK)

- CPK's GOR declined 1.9% due mainly to lower banquet revenue from weddings and conferences. Room revenue was stable yoy. GOP was 1.4% higher yoy due to tighter cost control in all operating departments as well as lower energy costs and marketing expenses.
- Apart from continuing to drive room revenue, CPK will also focus on increasing revenue from local and international conferences and events.

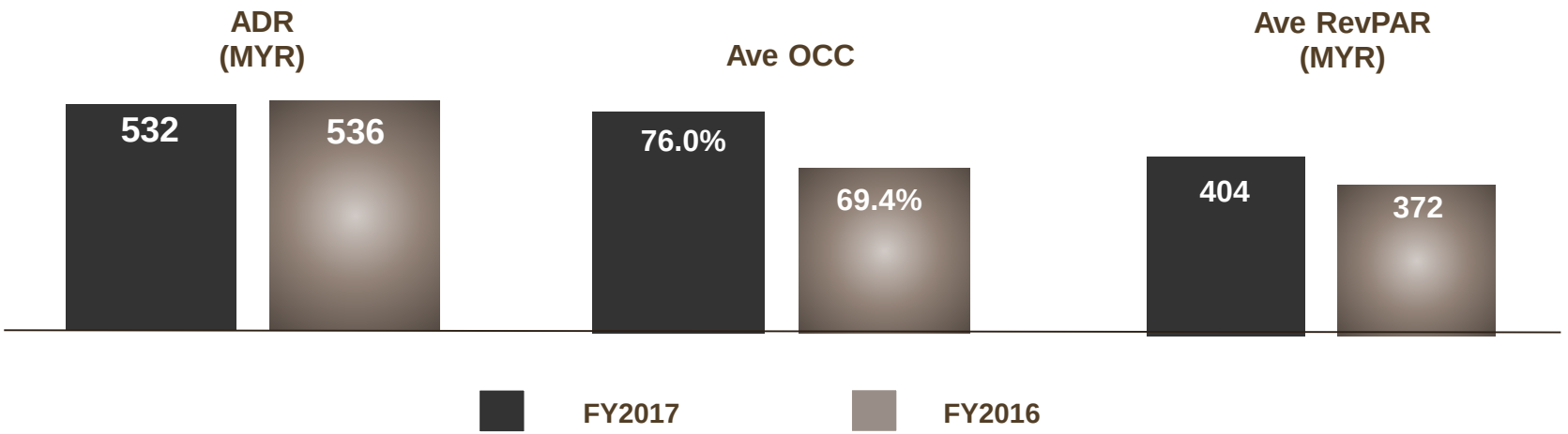


Malaysia Portfolio Performance

MYR (m)	FY2017	FY2016	Variance
GOR	96.4	90.7	▲ 6.3%
GOP	32.6	29.0	▲ 12.5%

❖ The Westin Kuala Lumpur (TWKL)

- The KL market continued its strong growth, with TWKL recording yoy RevPAR growth of 8.7%.
- Stronger transient and corporate demand as well as ongoing renovation at a competing hotel led to higher occupancy at TWKL while improved consumer sentiment led to higher F&B outlet revenue.
- Banquet revenue of the hotel also improved, driven by an increase in corporate and social events.





ANA Crowne Plaza Kobe

Our Strategy

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Enhancing Stapled Securityholders' Returns

Capital Management
- Manage forex volatility
- Debt cost of funding
- Taxation

Active Asset Management
- Target at increasing revenue and cost efficiencies, and reducing property related expenses



Acquisition Growth
- In line with investment mandate to acquire assets that have potential for growth

AEI Value Creation
- Unlock value by reconfiguring usage of the real asset for higher return

Asset Enhancement Initiatives (AEI)

Novotel Rockford Darling Harbour – Now Known as Novotel Sydney Darling Square (NSDS)

- Renovation on schedule to complete by 31 Jan 2018. Full room inventory back since 14 Dec 2017.
- Extension of the driveway, replacement of awning and renovation for Pumphouse restaurant to be completed by Q4 FY2018.
- The franchise agreement with AccorHotels has been converted to a management agreement with effect from 1 Jan 2018 at lower fees.
- To capitalise on the positive momentum of the Darling Square precinct, this hotel has been renamed Novotel Sydney Darling Square.



NSDS Guest Room



NSDS Reception & Lobby Lounge

Asset Enhancement Initiatives (AEI)

Best Western Cromwell London – Now Known as ibis Styles London Gloucester Road (ISLG)

- Conversion from Best Western (franchised) to ibis Styles (AccorHotels managed) with effect from 1 Jan 2018.
- Embarking on a GBP2.2 million renovation to re-position the hotel in line with the Ibis Styles brand. Renovation works will cover guest rooms and public areas.
- Timeline:
  - Feb – Aug 2018: design finalisation, mock-up rooms
  - Sep 2018 – Feb 2019: site works



ISLG new signage (front)



ISLG new signage (side)

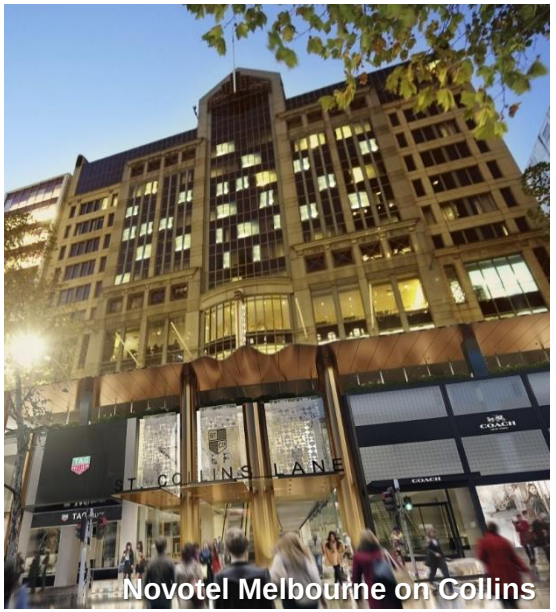
Other Potential Asset Enhancement Initiatives

- ANA Crowne Plaza Kobe
- Park International London
- Novotel Melbourne on Collins

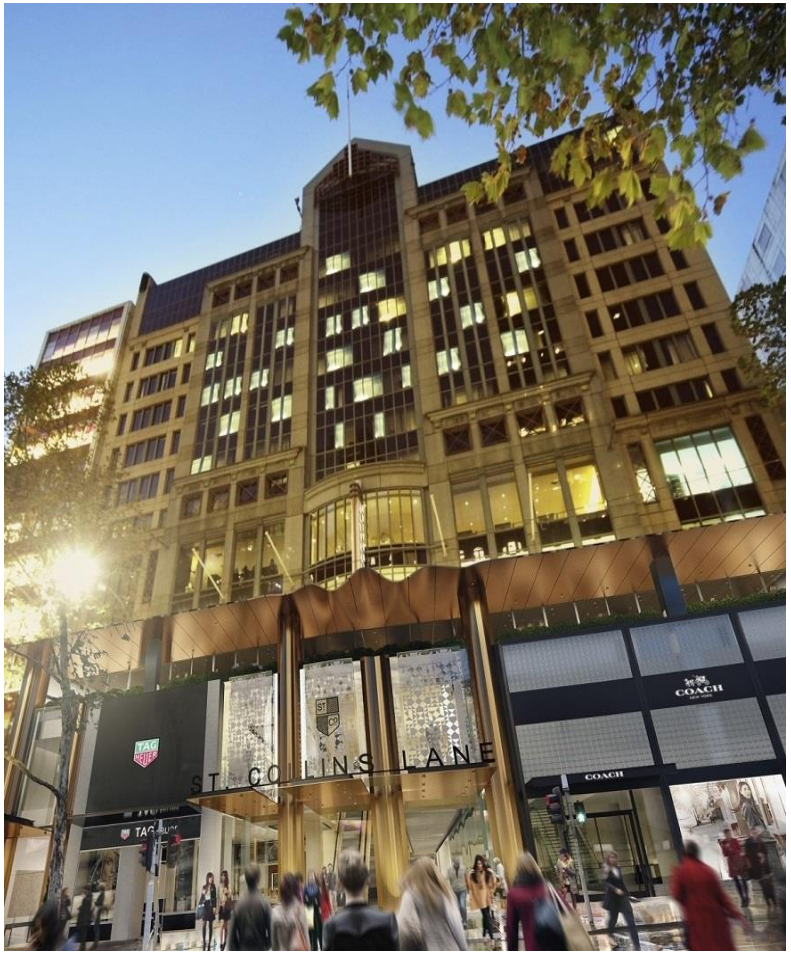

ANA Crowne Plaza Kobe



Park International London


Novotel Melbourne on Collins

Defensive Acquisition of Novotel Melbourne on Collins



Location	▪ 270 and 233-239 Collins Street, Melbourne, Victoria, Australia
Tenure	▪ Freehold
Gross Floor Area	▪ 20,860 sq m (224,535 sq ft)
Description	▪ Located along the prime Collins Street, in the heart of Melbourne CBD ▪ Surrounded by prime and A-grade commercial offices, and retail malls ▪ Near Federation Square, Rod Laver Arena and Melbourne Cricket Ground
Rooms and Facilities	▪ 380 rooms ▪ 2 F&B outlets, 9 conference/meeting rooms, gym, indoor swimming pool and spa ▪ Separately located 72 carpark lots on 233-239 Collins Street
Brand & Operating Structure	▪ Upscale ▪ AccorHotels Group
Purchase Consideration	▪ A$237.0 million
Method of Financing	▪ Rights issue of 441,549,281 new Stapled Securities at unit price of $0.603

1 Valued as at 26 Jul 2016 by CBRE Valuations Pty Limited

Yield-Accretive Acquisition of Maritim Hotel Dresden



Location	▪ Devrientstr. 10 and 12, Kleine Packhofstr. 17, 01067 Dresden
Tenure	▪ Freehold
Description	▪ Located in Dresden's historical city centre and within the vicinity of various government and business offices and major tourist attractions ▪ Directly connected to the International Congress Centre Dresden
Rooms and Facilities	▪ 328 rooms ▪ Restaurant, bar, swimming pool, gym
Brand & Operating Structure	▪ Upscale Maritim brand ▪ Master leased to Maritim Hotelgesellschaft, part of Maritim Hotel Group
Purchase Consideration	▪ €58.4m
NPI Yield	▪ 6.8% (Based on annual fixed rent payable by Master Lessee)
Method of Financing	▪ Issuance of S$100m subordinated 4.45% fixed rate perpetual securities

Yield-Accretive Acquisition of Sofitel Sydney Wentworth



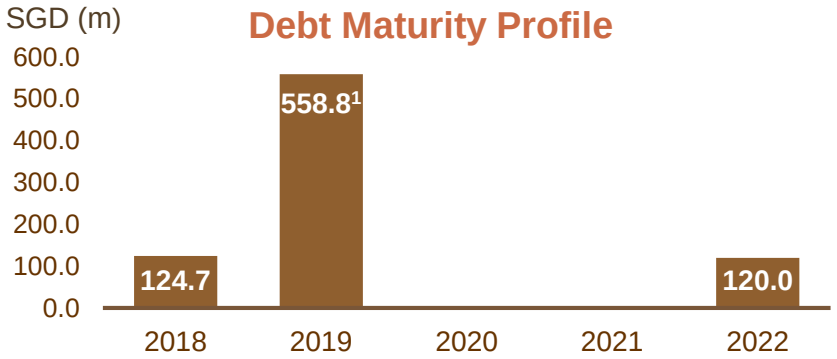
Location	▪ 61 – 101 Phillip Street, Sydney, Australia
Grade	▪ Luxury
Leasehold Tenure	▪ 75-year leasehold
Gross Floor Area	▪ 33,589 sqm
Description	▪ An iconic heritage 5-star hotel strategically located in Sydney's core CBD and within a short walk to major office buildings, tourist attractions and transport hubs
Rooms and Facilities	▪ 436 rooms ▪ 2 F&B outlets, Business Centre, Grand Ballroom and 11 meeting rooms
Acquisition Price	▪ A$224.0m
Method of Financing	▪ Debt financing of A$117.2m ▪ Issuance of 150 million new stapled securities at S$0.82 cents

Risk and Capital Management

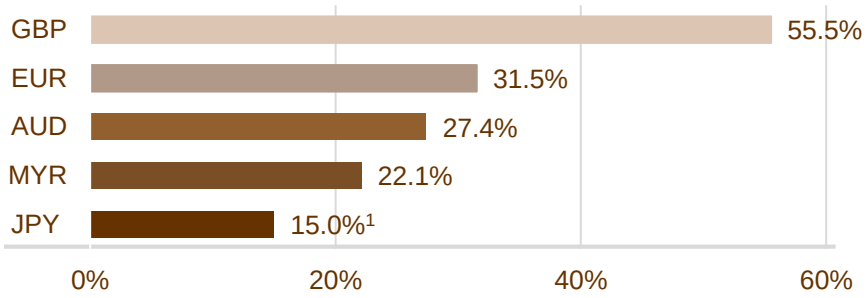
As at 30 Sep 2017	
Investment Properties	S$2,172.1m
Property, Plant and Equipment	S$267.3m
Total Assets	S$2,533.9m
Total Borrowings	S$810.9m
Gearing	32.1%
Net Asset Value (NAV) per Stapled Security	81.59 cents

As at 30 Sep 2017	
Weighted Average Years to Maturity	2.07 years
Unsecured Debt	96.2%
Effective Cost of Borrowing	2.6%
Borrowings on Fixed Rates	74.7%
Interest Cover	5.09 times
FHT's Issuer Rating by Moody's	Baa2

Debt Maturity Profile



Balance Sheet Hedging



1 *The JPYSGD cross currency interest rate swap contract underlying the bank borrowings of S$108.8 million was unwound in 4Q FY2017. FHT plans to refinance this amount in FY2018, ahead of the loan maturity in Jul 2019. The loan-to-valuation ratio for JPY assets is expected to increase post-refinancing.*

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Thank you

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