



Frasers Hospitality Trust

3Q FY2017 Financial Review for 1 Apr to 30 Jun 2017

27 Jul 2017

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

Content

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Key Highlights



Fraser Suites Glasgow

Financial Review for 3Q FY2017

S\$m	3Q FY2017	3Q FY2016	Variance
Gross Revenue (GR)	38.9	31.7	▲ 22.6%
Net Property Income (NPI)	29.3	27.0	▲ 8.5%
NPI Margin	75.3	85.2	▼ 9.9 ppt
Distribution Income (DI)	23.0	21.0	▲ 9.6%
Distribution Per Stapled Security (DPS) – Restated	1.2374 cents	1.1444 cents ^{1,2}	▲ 8.1%
DPS – as Reported	1.2374 cents	1.5126 cents	▼ 18.2%

- GR, NPI and DI were boosted by the addition of Novotel Melbourne on Collins. All country portfolios, except Singapore, also reported better yoy performance.
- FHT's NPI margin was lower, averaged down by lower NPI margin of Novotel Melbourne on Collins. As the Melbourne hotel is not master leased, its NPI margin is computed after taking into account its operating costs which in the other properties would have been borne by the master lessees.
- With the enlarged Stapled Security base of 1,855.1 million post-Rights Issue, DPS was 1.2374 cents.

¹ FHT issued 441,549,281 Rights Stapled Securities at S\$0.603 per Stapled Security on 14 October 2016 (Rights Issue).

² DPS and the number of Stapled Securities entitled for distribution have been adjusted to reflect the effect of bonus element in relation to the Rights Issue.

Financial Review for 9M FY2017

S\$m	9M FY2017	9M FY2016	Variance
GR	117.1	90.2	▲ 29.9%
NPI	88.7	75.6	▲ 17.4%
NPI Margin	75.7%	83.8%	▼ 8.1 ppt
DI	69.7	63.0	▲ 10.6%
DPS – Restated	3.7695 cents	4.0396 cents ^{1,2}	▼ 6.7%
DPS – as Reported	3.7695 cents	4.5632 cents	▼ 17.4%

- 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.
- DPS was lower at 3.7695 cents due to the enlarged Stapled Security base of 1,855.1 million post-Rights Issue.

¹ FHT issued 441,549,281 Rights Stapled Securities pursuant to the Rights Issue.

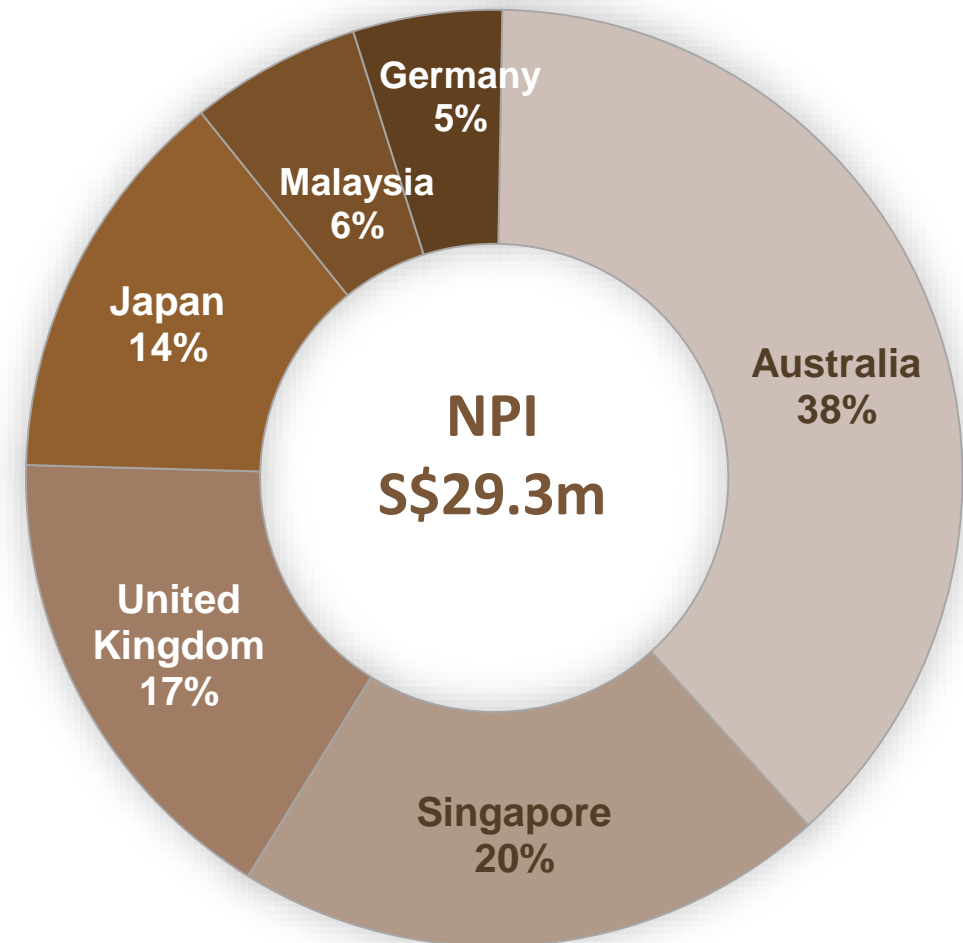
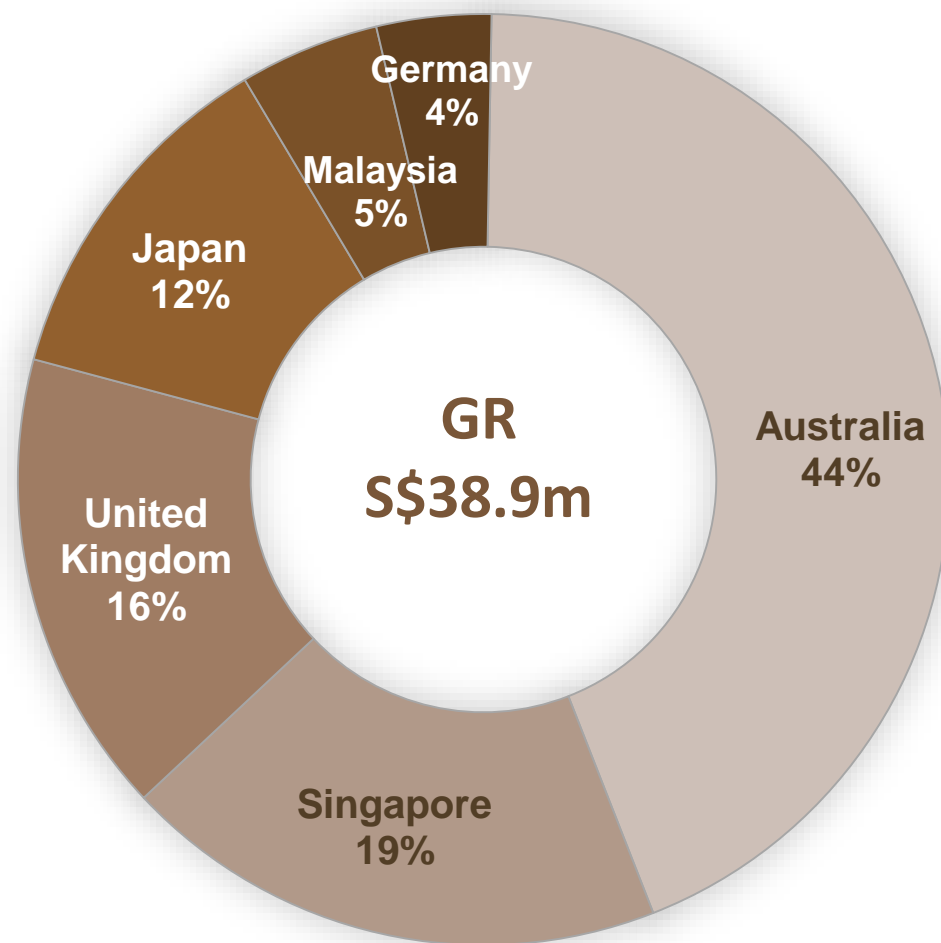
² DPS and the number of Stapled Securities entitled for distribution have been adjusted to reflect the effect of bonus element in relation to the Rights Issue.

Portfolio Performance



Sofitel Sydney Wentworth

Portfolio Contribution by Country – 3Q FY2017



Portfolio Highlights By Country – 3Q FY2017

Country	3Q FY2017			
	Gross Operating Revenue (GOR)		Gross Operating Profit (GOP)	
	Local Currency (m)	Variance (yoy)	Local Currency (m)	Variance (yoy)
Australia	31.5	▲ 46.0%	13.5	▲ 56.7%
Singapore	20.9	▲ 0.5%	8.2	▼ 1.6%
UK	6.6	▲ 5.2%	3.7	▲ 0.4%
Japan	1,658.0	▲ 4.7%	494.2	▲ 18.2%
Malaysia	22.1	▲ 11.1%	7.5	▲ 38.7%
Germany ¹	2.8	▲ 91.0%	1.2	▲ 113.1%

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

Portfolio Highlights By Country – 9M FY2017

Country	9M FY2017			
	GOR		GOP	
	Local Currency (m)	Variance (yoy)	Local Currency (m)	Variance (yoy)
Australia	97.2	▲ 40.8%	44.7	▲ 51.5%
Singapore	64.7	▲ 2.1%	25.7	▲ 0.7%
UK	17.7	▲ 4.8%	9.4	▲ 1.1%
Japan	4,845.9	▼ 1.3%	1,370.5	▲ 4.1%
Malaysia	70.3	▲ 3.8%	23.4	▲ 8.5%
Germany ¹	7.6	n.m.	3.0	n.m.

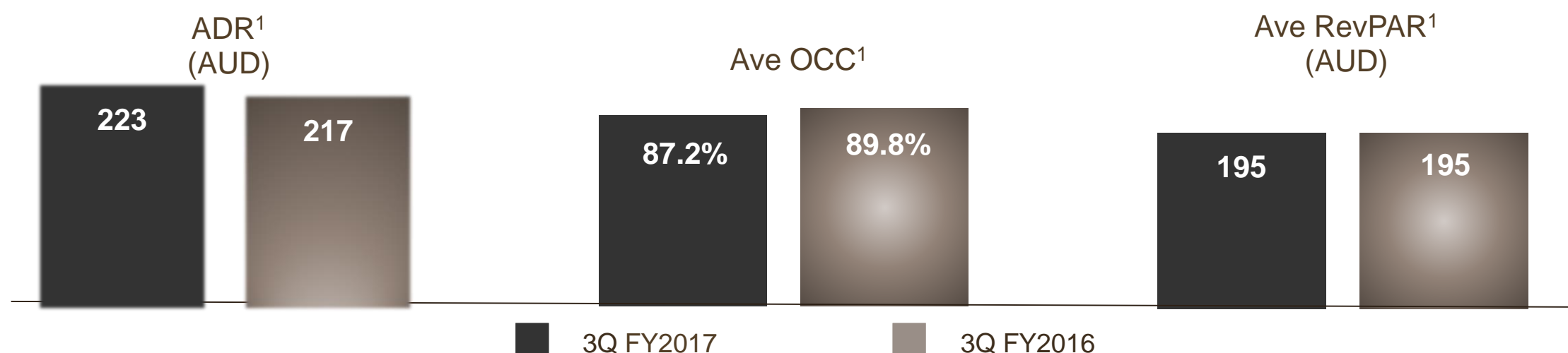
¹ Refers to Maritim Hotel Dresden which was acquired on 15 Jun 2016

Australia Portfolio Performance

AUD (m)	3Q FY2017	3Q FY2016	Variance
GOR	31.5	21.6	▲ 46.0%
GOP	13.5	8.6	▲ 56.7%

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

- NMOC contributed to the significant increase in GOR and GOP of Australia portfolio in 3Q FY2017.
- Ave RevPAR for the portfolio remained stable yoy, even though NRDH started refurbishment works in Apr 2017 which affected the overall portfolio occupancy.
- Sydney and Melbourne continue to enjoy a busy events calendar, with Sydney in particular benefitting from the opening of the International Convention Centre. RevPAR for FHT's Sydney and Melbourne properties increased by 7.3% and 2.5% respectively yoy for the quarter.



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

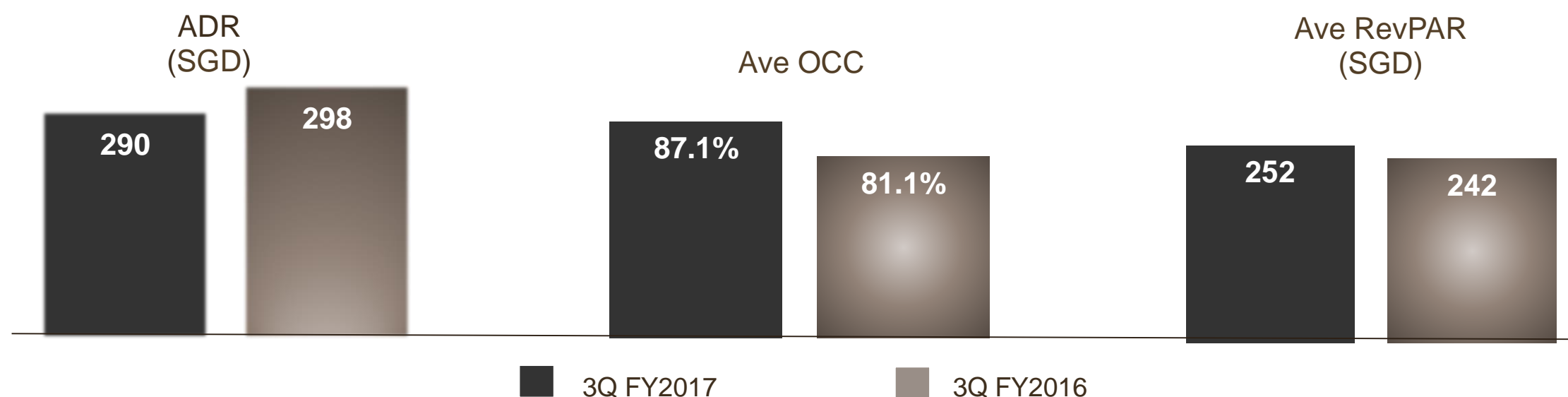
Singapore Portfolio Performance

SGD (m)	3Q FY2017	3Q FY2016	Variance
GOR	20.9	20.8	▲ 0.5%
GOP	8.2	8.4	▼ 1.6%

❖ Fraser Suites Singapore (FSSG)

❖ InterContinental Singapore (ICSG)

- Higher GOR for Singapore properties was due to stronger occupancies recorded at both ICSG and FSSG. Decline in GOP was mainly attributed to higher operating costs in ICSG.
- ICSG recorded higher RevPAR on the back of occupancy gains. Revenue from food and beverage outlets also increased yoy due mainly to step-up in marketing efforts.
- While RevPAR for FSSG grew yoy, the property continues to face weakness in corporate demand and is actively pursuing new accounts from the engineering, government and manufacturing industries.



UK Portfolio Performance

GBP (m)	3Q FY2017	3Q FY2016	Variance
GOR	6.6	6.3	▲ 5.2%
GOP	3.7	3.7	▲ 0.4%

❖ Fraser Suites Edinburgh (FSE)

❖ Fraser Suites Glasgow (FSG)

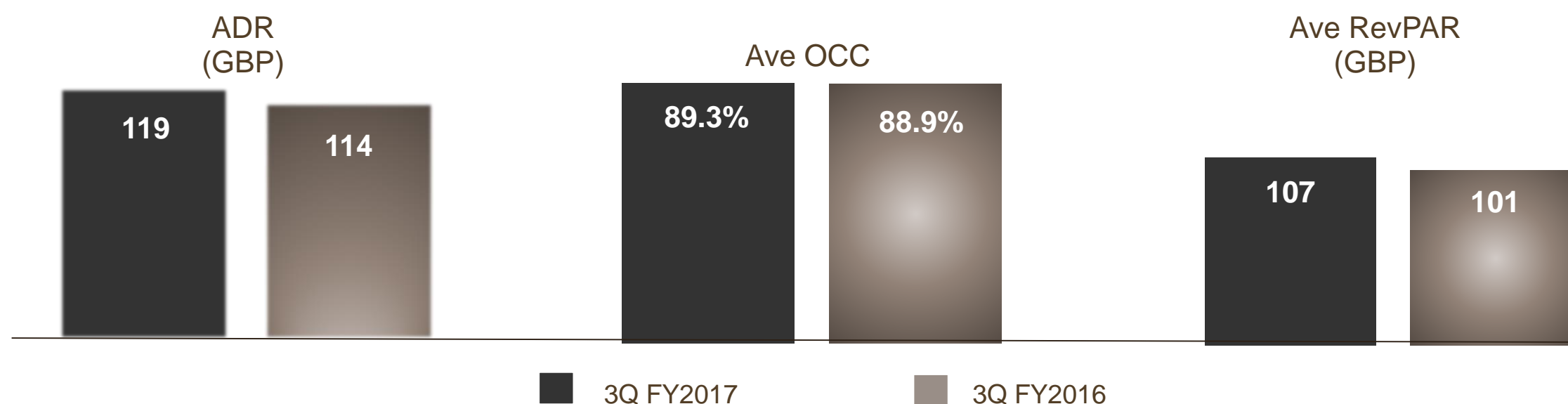
❖ Fraser Suites Queens Gate (FSQG)

❖ Fraser Place Canary Wharf (FPCW)

❖ Best Western Cromwell London (BWCL)

❖ Park International London (PIL)

- GOR and GOP of the UK portfolio increased 5.2% and 0.4% yoy respectively, with improved market sentiment vis-à-vis 3Q FY2016.
- Higher ADR and occupancy contributed to 5.5% growth in RevPAR.
- While the portfolio performance has improved, GOP growth remains under pressure from minimum wage increment.

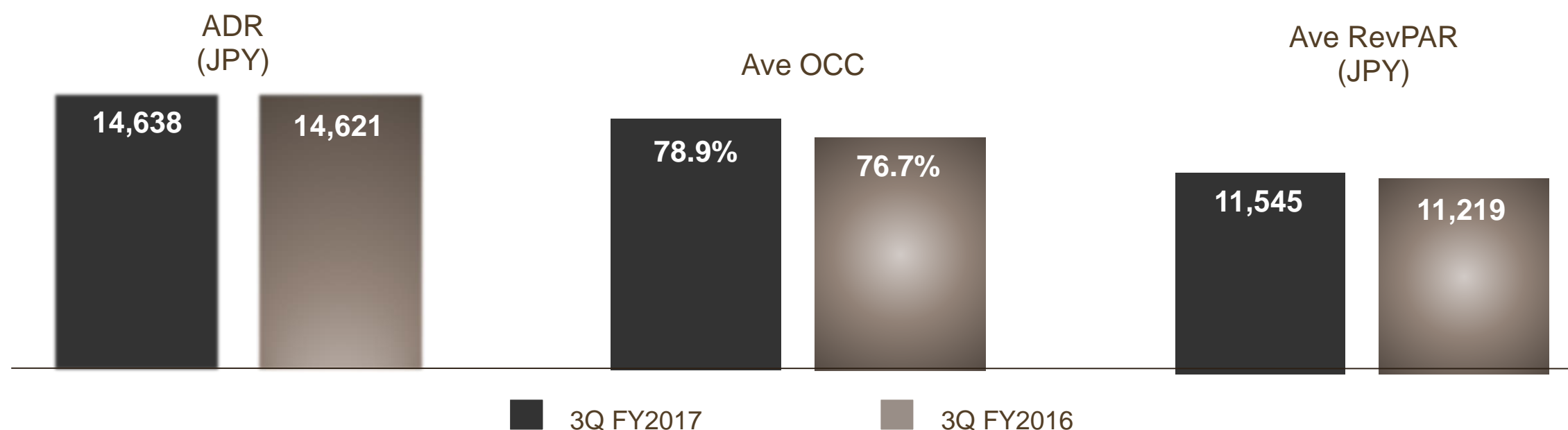


Japan Portfolio Performance

JPY (m)	3Q FY2017	3Q FY2016	Variance
GOR	1,658.0	1,583.2	▲ 4.7%
GOP	494.2	418.0	▲ 18.2%

❖ ANA Crowne Plaza Kobe (CPK)

- GOR and GOP increased 4.7% and 18.2% respectively as a result of improved banquet and food and beverage revenues.
- However, the strength of the Japanese yen has continued to affect international arrivals in the Kansai region, leading to less spill-over traffic from Osaka.
- CPK remains focused on increasing revenue from conferences and events to improve performance.

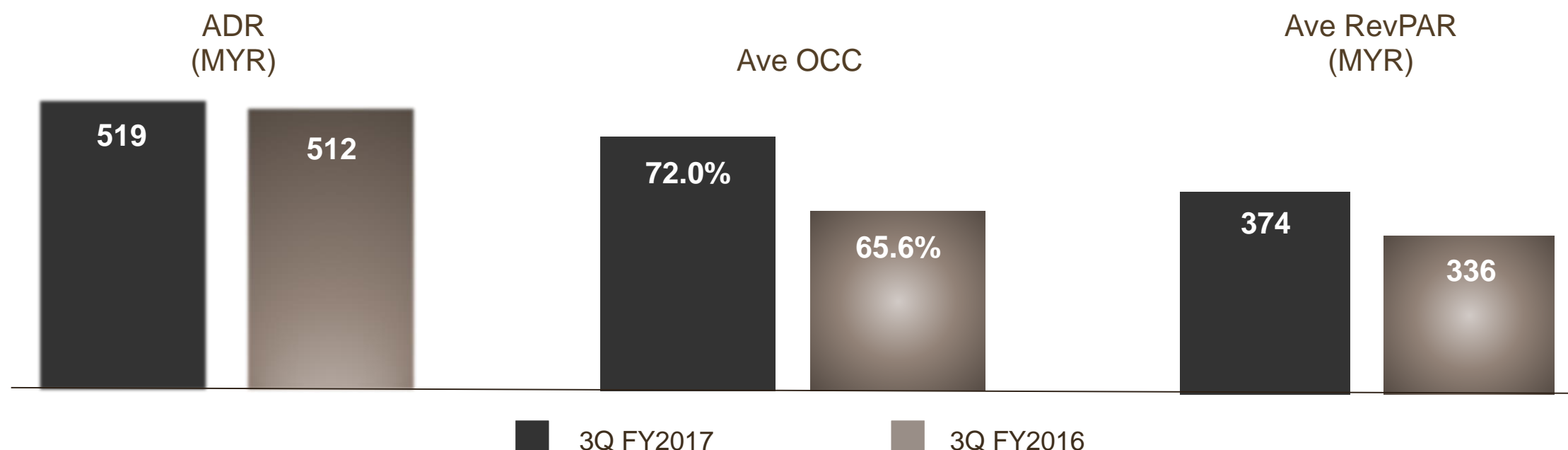


Malaysia Portfolio Performance

MYR (m)	3Q FY2017	3Q FY2016	Variance
GOR	22.1	19.9	▲ 11.1%
GOP	7.5	5.4	▲ 38.7%

❖ The Westin Kuala Lumpur (TWKL)

- The KL market continued its strong recovery in the quarter, with TWKL recording yoy RevPAR growth of 11.2%.
- Stronger transient and corporate demand as well as renovation at a competing hotel led to higher occupancy at TWKL while improved consumer sentiment led to an increase in food and beverage outlet revenue.
- Banquet revenue rose on the back of improved demand for corporate and social events at the hotel.



Capital Management



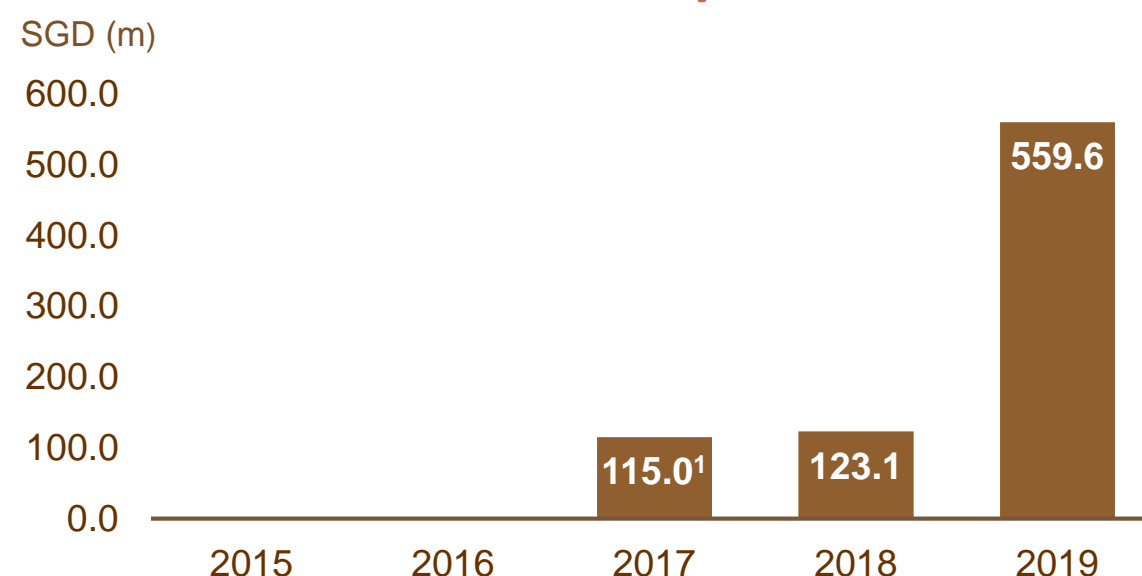
InterContinental Singapore

Risk and Capital Management

As at 30 Jun 2017	
Investment Properties	S\$2,058.1m
Property, Plant and Equipment	S\$246.1m
Total Assets	S\$2,382.2m
Total Borrowings	S\$810.2m
Gearing	34.1%
Net Asset Value (NAV) per Stapled Security	74.92 cents

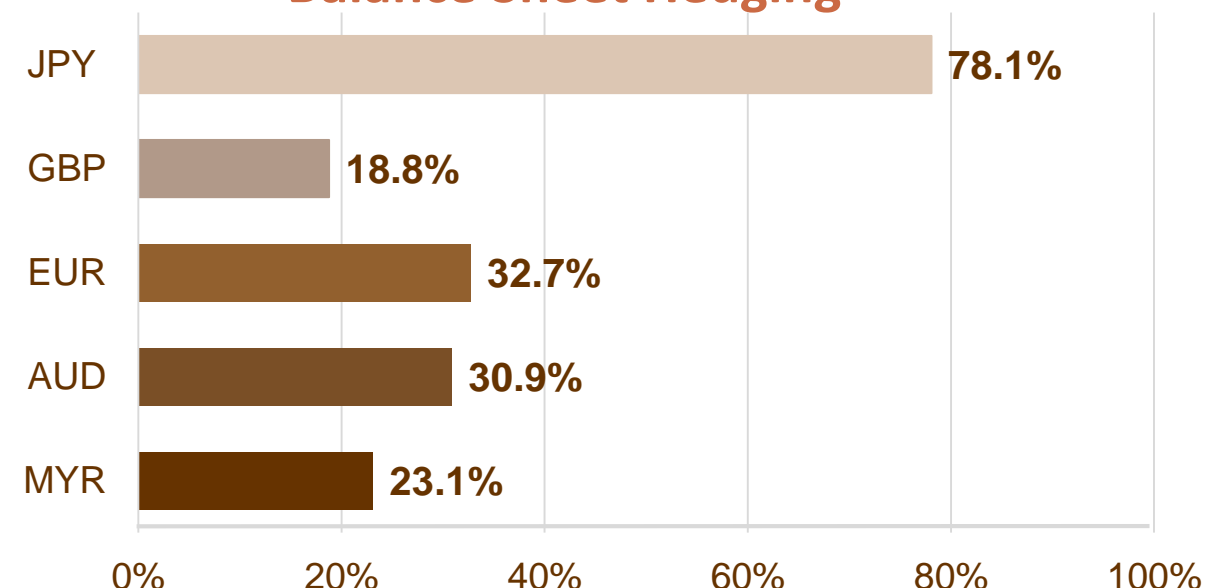
As at 30 Jun 2017	
Weighted Average Years to Maturity	1.59 years ¹
Unsecured Debt	96.1%
Effective Cost of Borrowing	2.5%
Borrowings on Fixed Rates	87.8%
Interest Cover	5.2 times
FHT's Issuer Rating by Moody's	Baa2

Debt Maturity Profile



¹ The \$115m 3-year term loan was refinanced on 7 Jul 2017 with the issuance of S\$120 million 5-year fixed rate notes maturing in Jul 2022. The weighted average debt maturity is accordingly extended to 2.31 years.

Balance Sheet Hedging



Outlook



Park International London

Australia

- Tourism Australia reported a yoy increase of 6.9% in international arrivals for Jan to May 2017, with Chinese visitors growing 7.2% yoy.
- Sydney's healthy performance is expected to continue, with growth fuelled by both corporate demand and a busy events calendar¹.
- Melbourne's accommodation market has experienced a robust level of growth over the last five years, capitalising on the city's extensive events calendar. Notwithstanding this, the underlying market buoyancy is anticipated to moderate slightly as new supply pipeline continues to build².

Pictures from Fraser Suites Sydney and Sofitel Sydney Wentworth.

1 Source: JLL – Asia Pacific Property Digest, Q1 2017

2 Source: JLL – Hotel Destinations Asia Pacific, May 2017



Singapore

- For the first four months of 2017, Singapore Tourism Board reported 4.4% growth yoy in visitor arrivals, with China and Indonesia being the top source markets for travellers.
- Singapore continues to grow its pipeline of MICE events which include 5th Annual Worldwide Nursing Conference 2017, BuildTech Asia 2017, CAPA Asia Aviation and Corporate Travel Summit and Aviation Week's MRO Asia Conference and Exhibition.
- However, the large hotel supply pipeline, increasing regional competition and ongoing global economic uncertainty may continue to impact hotel trading performance in Singapore¹.

Pictures from Gardens by the Bay, InterContinental Singapore and Fraser Suites Singapore
1. Source: JLL – Hotel Destinations Asia Pacific, May 2017



United Kingdom

- According to Visit Britain, the UK received 15.5 million overseas visitors for Jan to May 2017, up 9.0% yoy.
- The UK remains an attractive global destination and tourism arrivals are expected to grow 4% in 2017, with London being the most visited city in the country.
- While more hotel rooms are due to open in London in 2017, the expected increase in visitors is likely to absorb the extra supply¹.
- With the rising confidence in the Scottish economy and its tourism going from strength to strength, Edinburgh looks to capitalise on this positive outlook and is benefitting from significant developments including the £850 million St James development¹.

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

1 Source: JLL – Hotel Intelligence, Mar 2017



Japan

- For Jan to Jun 2017, Japan National Tourism Organization recorded 17.4% increase in foreign visitors, with the number of Korean and Chinese visitors growing 42.5% and 6.7% yoy respectively.
- The new Kansai Terminal 2, which is designated for low-cost carriers, has commenced operations since Jan 2017. It is expected to boost Osaka's incoming tourism numbers¹.
- Osaka is likely to see a jump in new supply in 2017 and room rates are expected to continue rising albeit at a slower pace².

Pictures from IHG ANA Crowne Plaza Kobe.

1 Source: JLL – Hotel Destinations Asia Pacific, May 2017

2 Source: Savills – Spotlight: Japan Hospitality, Feb 2017



Malaysia

- According to Tourism Malaysia, tourist arrivals declined marginally by 0.5% yoy to 6.6 million for Jan to Mar 2017. Chinese tourists grew 7.5% yoy for the same period.
- Tourism Malaysia is targeting 31.8 million international arrivals for 2017, representing a yoy growth of over 18%.
- Despite the government's continued commitment to promote Kuala Lumpur as a key MICE destination, oversupply of hotel rooms remains a concern¹.

Pictures from The Westin Kuala Lumpur and Tourism Malaysia.

1 Source: JLL – Hotel Destinations Asia Pacific, May 2017



Germany

- The Federal Statistical Office of Germany recorded a yoy increase of 3.0% in the number of domestic and foreign overnight stays for the first four months of 2017¹.
- In Dresden, the total number of domestic and foreign visitors rose 6.4% yoy for Jan to Apr 2017².
- The capital city of the Free State of Saxony continues to grow its pipeline of MICE events including the 14th European Conference on Molecular Electronics, Cryogenics Conferences, Börsentag Dresden and HAUS.

Pictures from Semperoper Dresden and Maritim Hotel Dresden.

1 Source: www.destatis.de

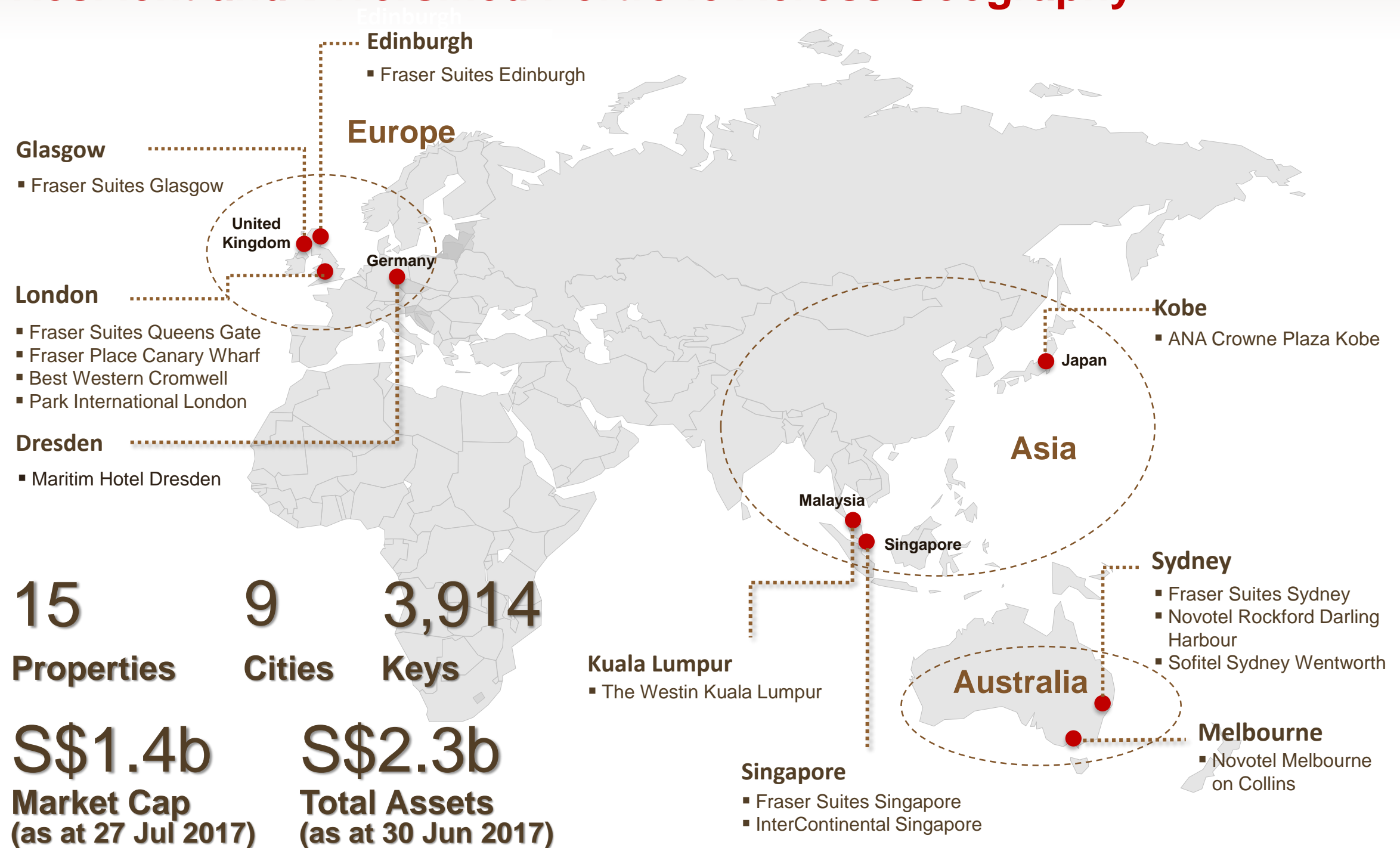
2 Source: www.dresden.de










Thank you

Resilient and Diversified Portfolio Across Geography



Portfolio Overview

Hotel Properties Managed by Third-Party Operators

	Property	Country	Description	Tenure	Class	Rooms
	InterContinental Singapore	Singapore	Only 5-star luxury hotel in Singapore to preserve Peranakan heritage in a shop house style setting	75 years	Luxury	406
	Novotel Rockford Darling Harbour	Australia	4.5-star hotel located within close proximity of Sydney's Darling Harbour & Chinatown	84 years	Mid-scale	230
	Sofitel Sydney Wentworth	Australia	Iconic 5-star hotel in Sydney's core CBD within a short walk to major office buildings, tourist attractions and transport hubs	75 years	Luxury	436
	Novotel Melbourne on Collins	Australia	Strategically located within Melbourne's core CBD area along Collins Street	Freehold	Upscale	380
	Best Western Cromwell London	United Kingdom	Distinctive white Victorian façade located in the heart of London	75 years	Mid-scale	85

Portfolio Overview

Hotel Properties Managed by Third-Party Operators

	Property	Country	Description	Tenure	Class	Rooms
	Park International London	United Kingdom	Elegant hotel ideally located in the heart of Kensington & Chelsea	75 years	Mid-scale	171
	ANA Crowne Plaza Kobe	Japan	Unique panoramic view of Kobe city from Rokko mountain	Freehold	Upper Upscale	593
	Westin Kuala Lumpur	Malaysia	5-star luxury hotel located in the center of Kuala Lumpur's bustling Golden Triangle area	Freehold	Upper Upscale	443
	Maritim Hotel Dresden	Germany	Heritage-listed and located in the historical city centre of Dresden, the capital city of the eastern German state of Saxony	Freehold	Upscale	328

Portfolio Overview

Serviced Residences Managed by Frasers Hospitality

	Property	Country	Description	Tenure	Class	Rooms
	Fraser Suites Singapore	Singapore	Luxurious serviced residences in the prime residential district of River Valley	75 years	Upper Upscale	255
	Fraser Suites Sydney	Australia	First luxury apartments in Sydney designed by internationally renowned architects	75 years	Upper Upscale	201
	Fraser Suites Edinburgh	United Kingdom	Rustic 1750s sandstone building located in the heart of Edinburgh's Old Town	75 years	Upper Upscale	75
	Fraser Suites Glasgow	United Kingdom	Stunning renovated 1850s building formerly the city bank of Glasgow	75 years	Upper Upscale	98
	Fraser Suites Queens Gate	United Kingdom	Beautiful Victorian apartment hotel in Kensington	75 years	Upper Upscale	105
	Fraser Place Canary Wharf	United Kingdom	Stunning apartments located by River Thames showcasing chic contemporary design	75 years	Upper Upscale	108