



Financial Review 14 Jul - 31 Dec 2014

29 January 2015

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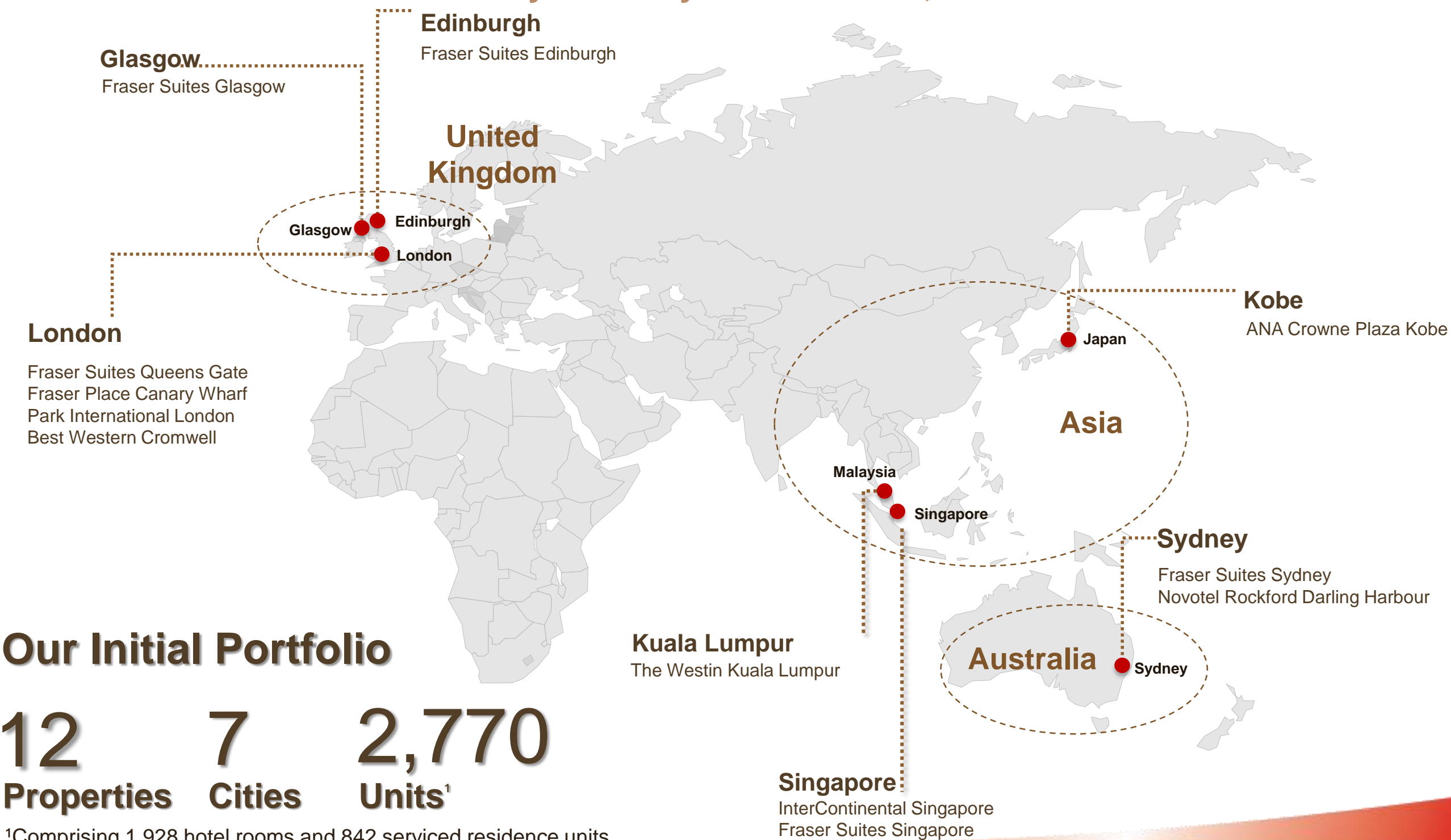
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FHT- The Global Hotel and Serviced Residence Trust

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



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- ➔ **Market Outlook**




Highlights

14 Jul - 31 Dec 2014

Best Western Cromwell, London



Highlights (Actual vs Forecast 14 Jul - 31 Dec 2014)

Gross Revenue (GR)	Net Property Income (NPI)	Distributable Income (DI) ¹	Estimated Distribution Per Unit (DPU) ^{1 2}
S\$50.2m	S\$41.8m	S\$35.7m	2.97cts
In line with forecast	 2.3%	 5.3%	 5.3%

- GR, or master lease income from the properties, is in line with forecast
- While Singapore portfolio performed in line with forecast, Australia, Japan and United Kingdom (“UK”) properties have turned in stronger performances to offset weaker results from The Westin Kuala Lumpur due to the aviation mishaps
- NPI, DI and DPU are higher than forecast because of lower owner’s expenses and interest costs than forecasted

¹Included foreign-sourced income from Japan which will be remitted after completion of statutory audit and tax filing. This revenue is expected to be received once every year in May/Jun to be included for distribution for each financial year ending 30 Sep

²For illustrative purposes only

Key Financials

Fraser Suites Sydney



Key Financials

	14 Jul – 31 Dec 2014 Actual	14 Jul – 31 Dec 2014 Forecast	Variance
Gross Revenue (S\$ mil)	50.2	50.2	-
Net Property Income (S\$ mil)	41.8	40.9	2.3%
NPI Margin	83.3%	81.4%	1.9ppt
Distributable Income (S\$ mil)	35.7 ²	33.9 ¹	5.3%
Estimated DPU ³ (cents)	2.97 ²	2.82 ¹	5.3%
Number of Stapled Securities issued and issuable (mil)	1,200.7 ²	1,201.2	N.A

Note: First distribution payment date is on or before 29 Jun 2014, with subsequent distributions on a semi –annual distribution frequency to be calculated on 31 Mar and 30 Sep each year

¹Excluded income top up from InterContinental Singapore and Fraser Suites Singapore for comparative purposes

²Included foreign-sourced income from Japan which will be remitted after completion of statutory audit and tax filing. This revenue is expected to be received once every year in May/Jun to be included for distribution for each financial year ending 30 Sep

³For illustrative purposes only

Balance Sheet

As at 31 Dec 2014	S\$ mil
Investment properties	1,660.1
Current assets	134.1
Total assets	1,804.7
Non current liabilities	698.6
Current liabilities	73.3
Total liabilities	771.9
Net Asset Value (NAV) per unit (cents) ¹	86.05

¹ Computed based on NAV of S\$1,032.9 million and 1,200.3 million units

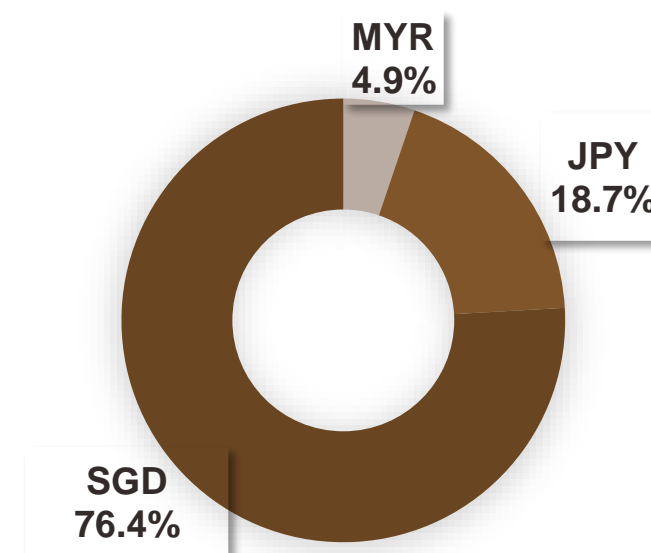
Capital Management

As at 31 Dec 2014	
Gearing	40.0%
Gearing post repayment of VAT bridging loan ¹	38.4%
Weighted Average Years to Maturity	4.0 years
Unsecured debt	95.1%
Proportion of fixed debt	78.8%
Effective Cost of Borrowing including amortization of upfront debts costs	1.8%
Interest Cover ²	6.7 times
FHT's Issuer Rating	Baa2 by Moody's

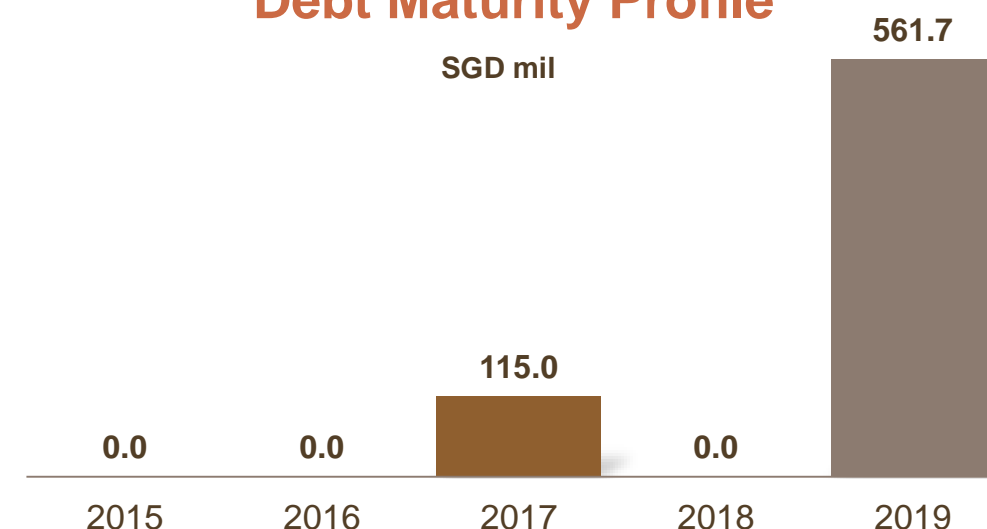
¹VAT refund expected in February 2015

²Interest coverage ratio computation: EBITDA / Interest expense

Debt Currency Profile



Debt Maturity Profile

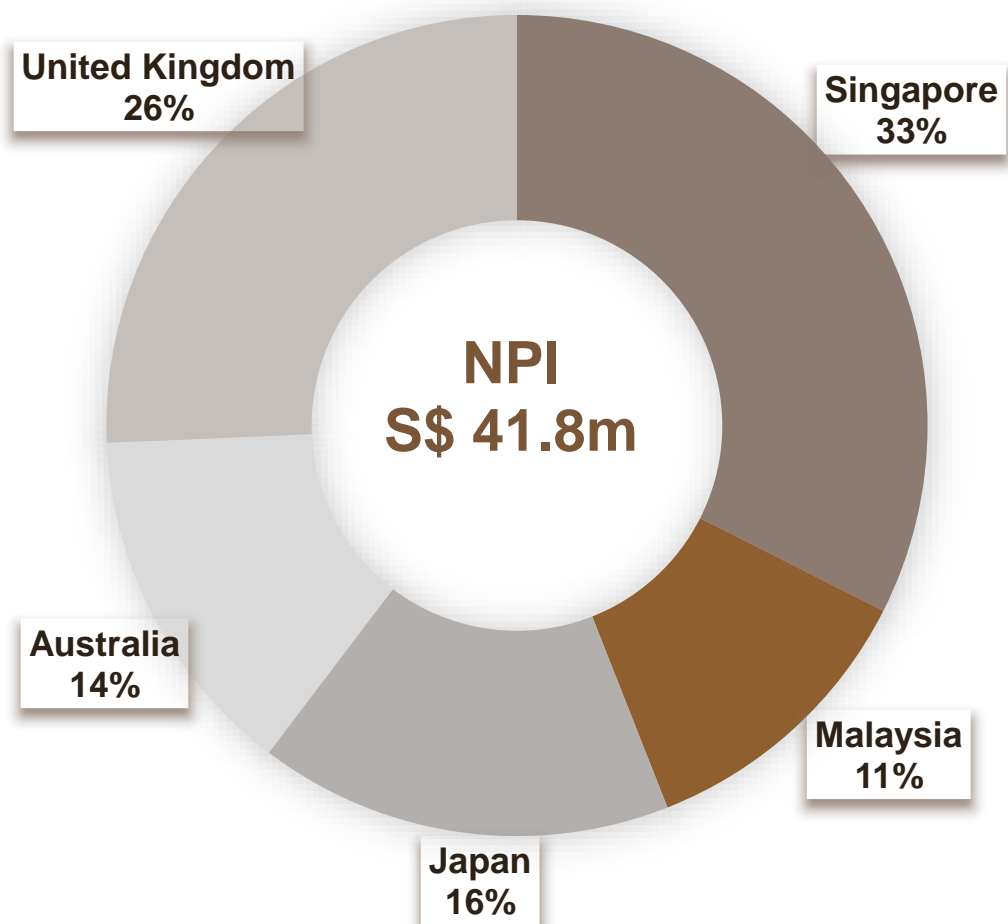
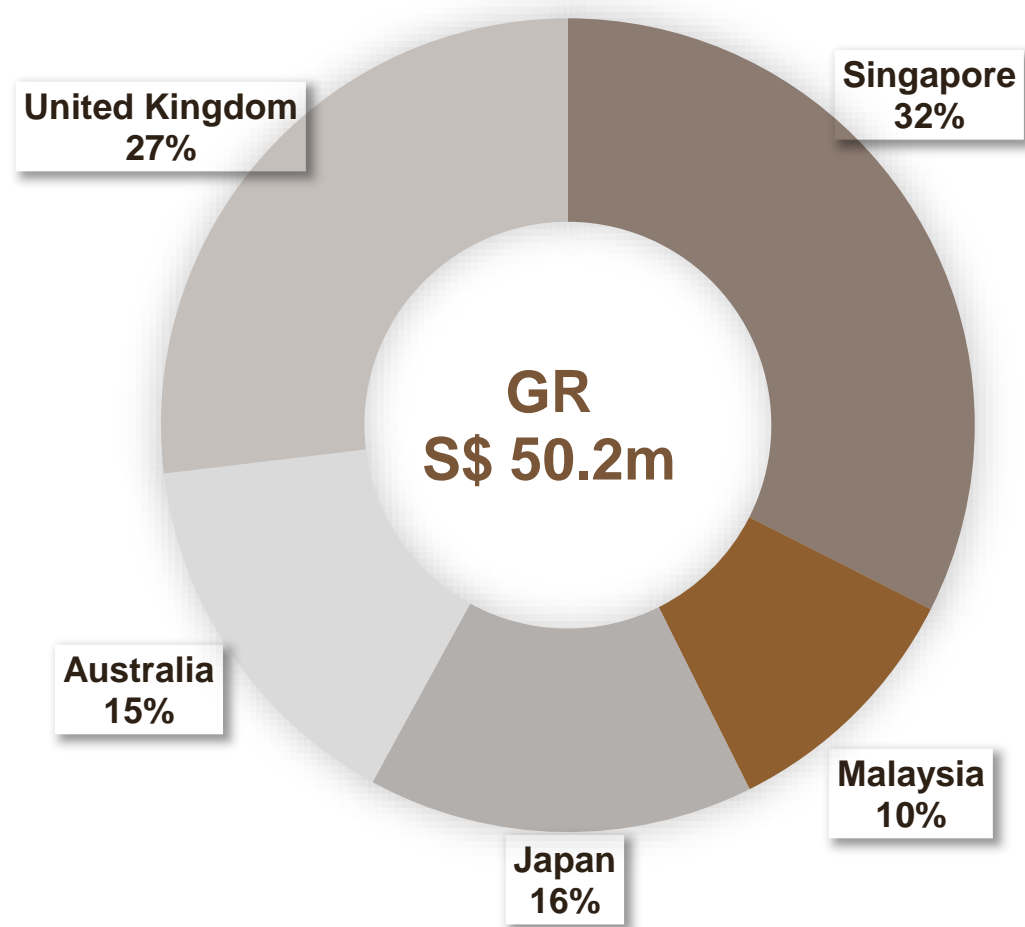


Portfolio Performance 14 Jul -31 Dec 2014

InterContinental Singapore



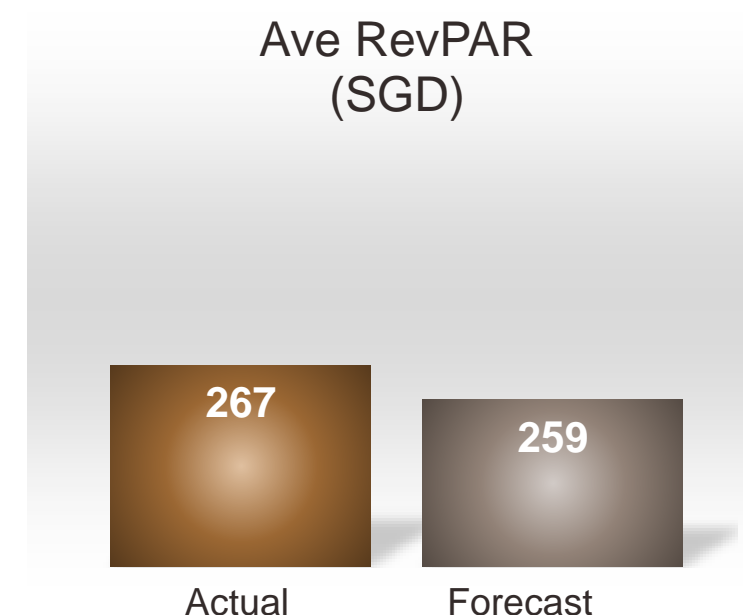
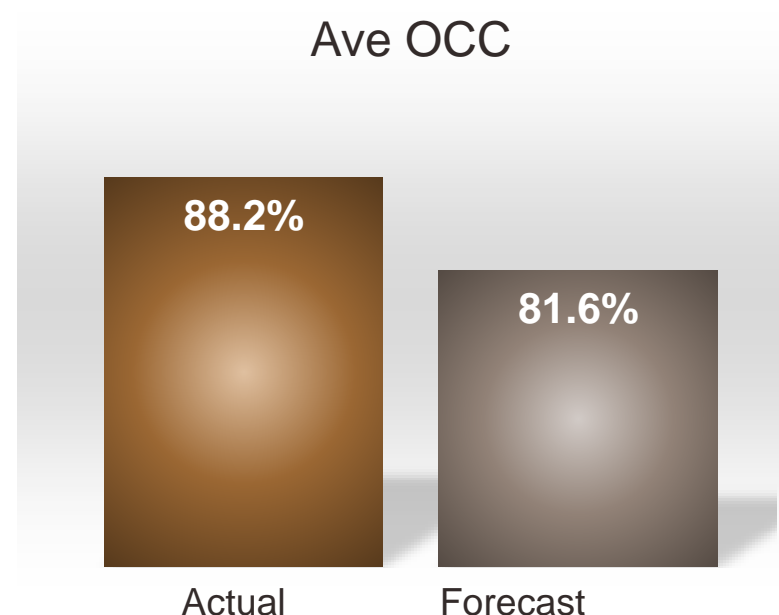
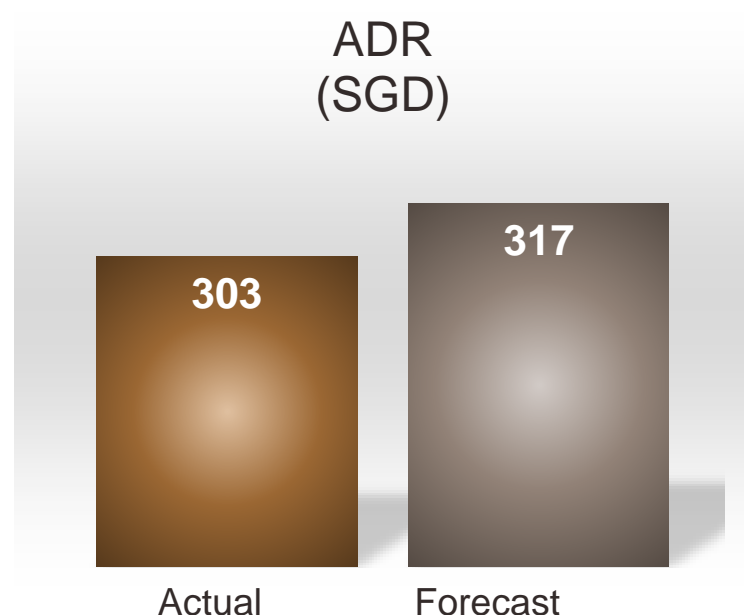
Portfolio Contribution by Country



Singapore Portfolio Performance

SGD mil	Actual	Forecast	Variance
GR	16.3	16.3	-
NPI	13.6	13.5	▲ 1%

- InterContinental Singapore
- Fraser Suites Singapore

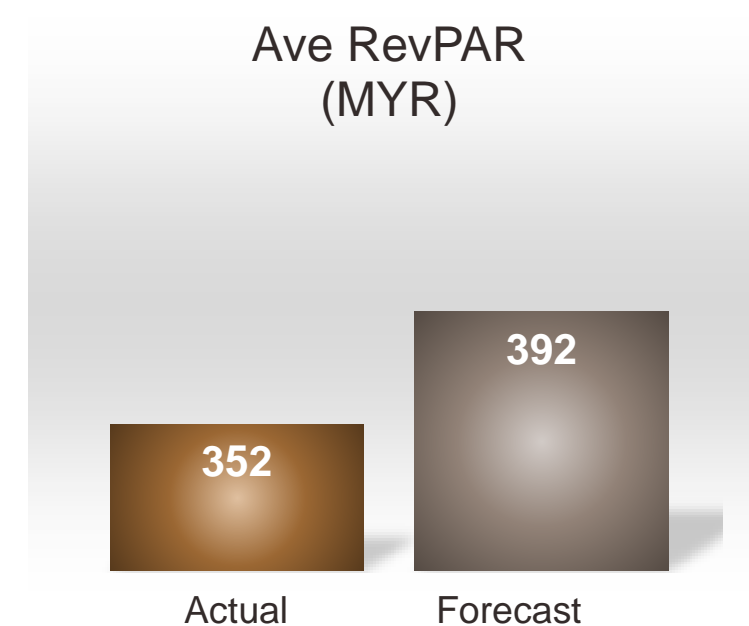
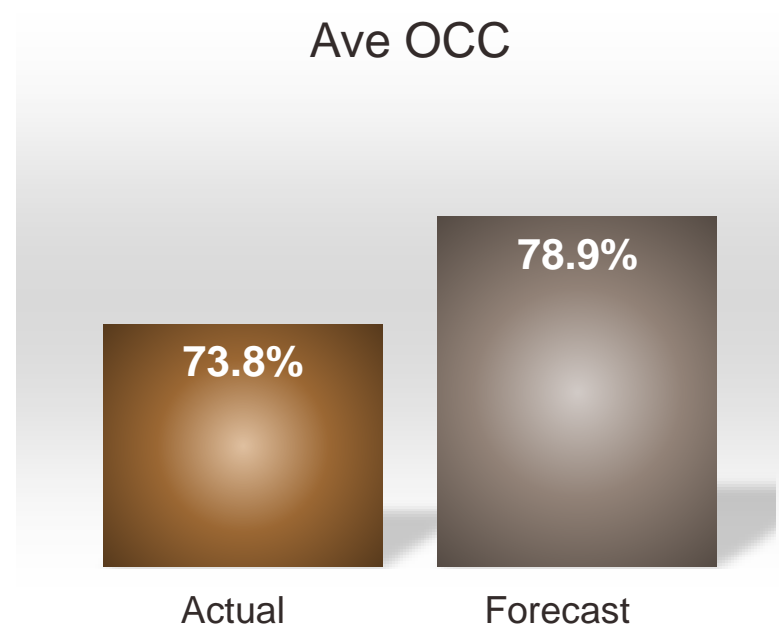
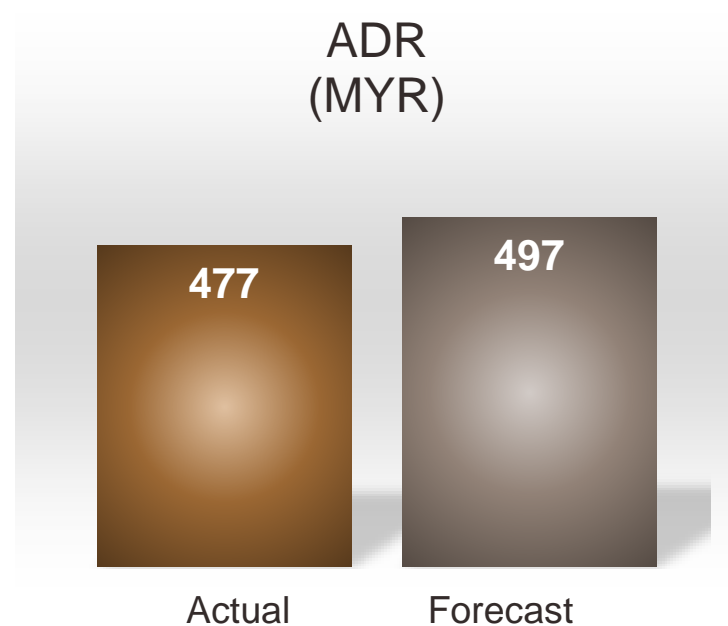


- Luxury hotel sector enjoyed stable performance as InterContinental Singapore captured higher occupancies during Sep to Nov peak season and higher rates during Formula One in Sep 2014
- Fraser Suites Singapore registered softer performance corresponding to weakening trend in Singapore's rental market amidst tighter foreign labour policy as well as lower corporate housing allowances
- Overall, Singapore's portfolio was in line with forecast

Malaysia Portfolio Performance

MYR mil	Actual	Forecast	Variance
GR	13.4	14.5	▼ 8%
NPI	12.6	13.7	▼ 8%

▪ The Westin Kuala Lumpur

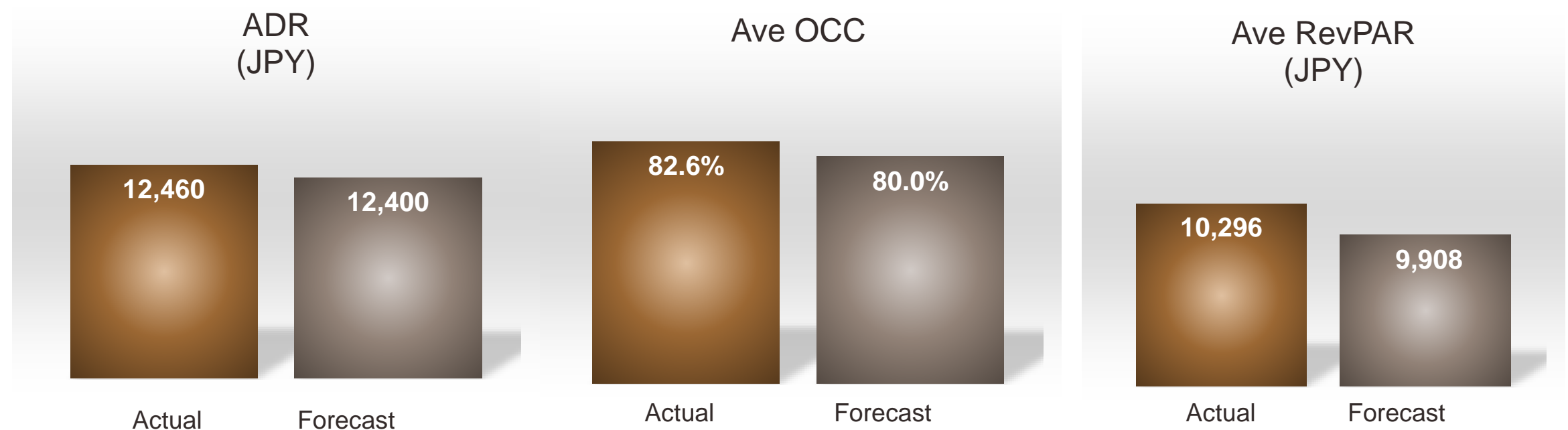


- Performance was impacted due to Malaysia Airlines' aviation incidents
- Kuala Lumpur ("KL") market is expected to face increased competition in view of the larger supply of upscale and luxury hotel rooms coming up in the short to medium term
- Despite softening market, KL remains a key MICE destination in the region and the hotel has stepped up its efforts to tap into new corporate markets and accounts

Japan Portfolio Performance

JPY mil	Actual	Forecast	Variance
GR	674.8	636.6	▲ 6%
NPI	598.8	537.4	▲ 11%

■ ANA Crowne Plaza Kobe

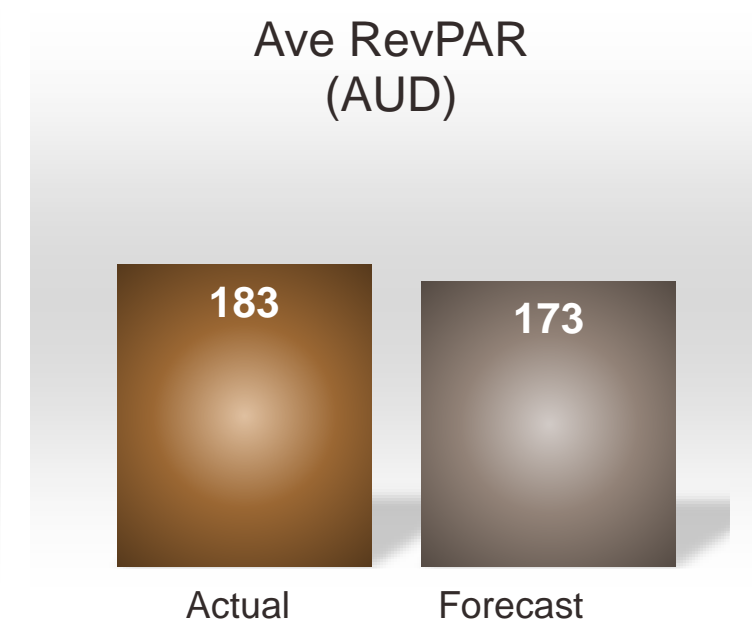
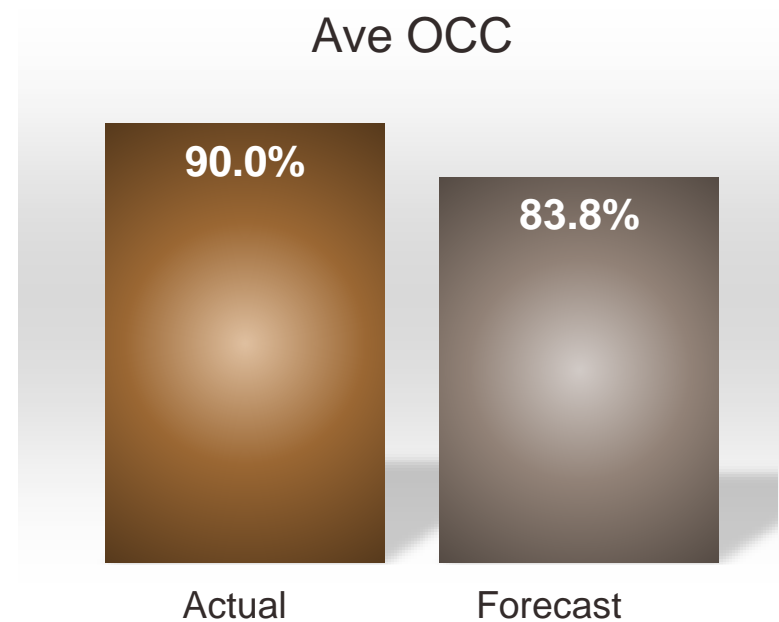
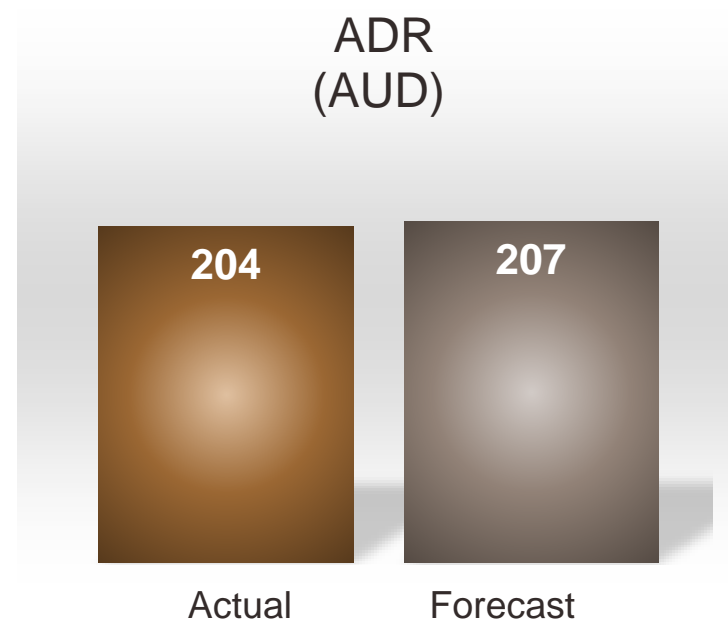


- Japan's GR exceeded forecast due to stronger performance during peak Oct and Nov season
- Higher NPI was attributed to lower than expected owner's expenses

Australia Portfolio Performance

AUD mil	Actual	Forecast	Variance
GR	6.9	6.6	▲ 5%
NPI	5.3	4.9	▲ 8%

- Novotel Rockford Darling Harbour
- Fraser Suites Sydney

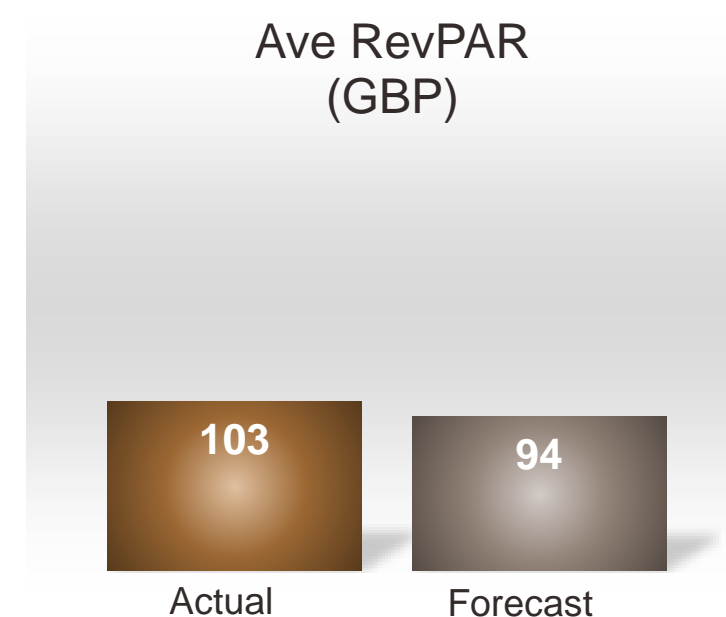
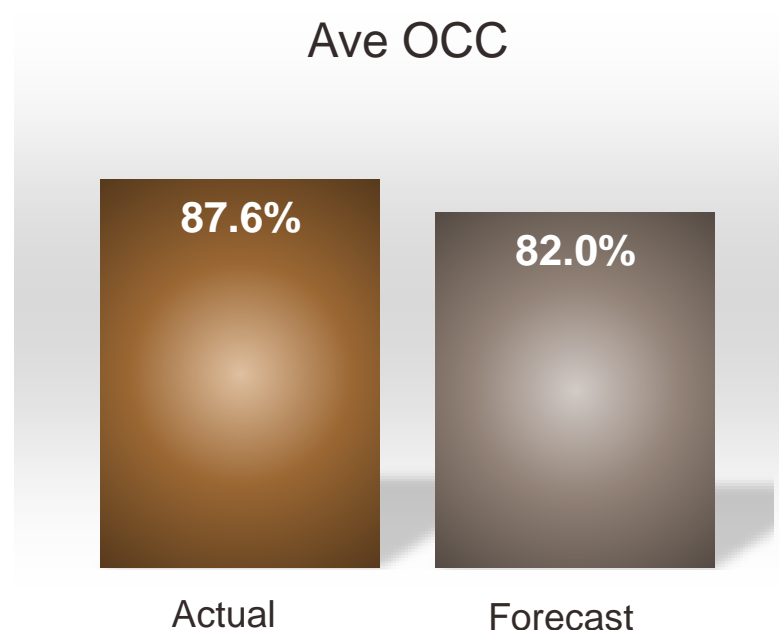
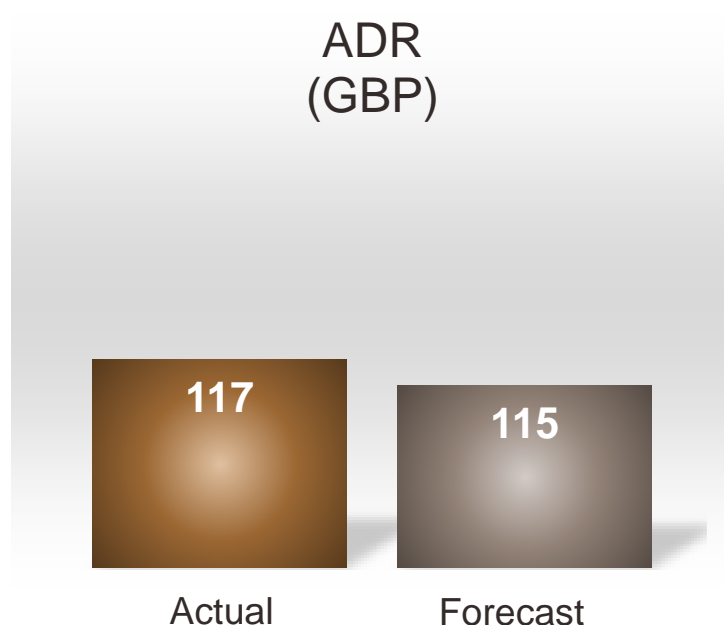


- Australia's portfolio performance exceeded forecast
- Properties achieved higher occupancies due to peak travel months coupled with key events such as National Rugby League Championships, Fiesta 2014

United Kingdom Portfolio Performance

GBP mil	Actual	Forecast	Variance
GR	6.6	6.1	▲ 8%
NPI	5.3	4.6	▲ 15%

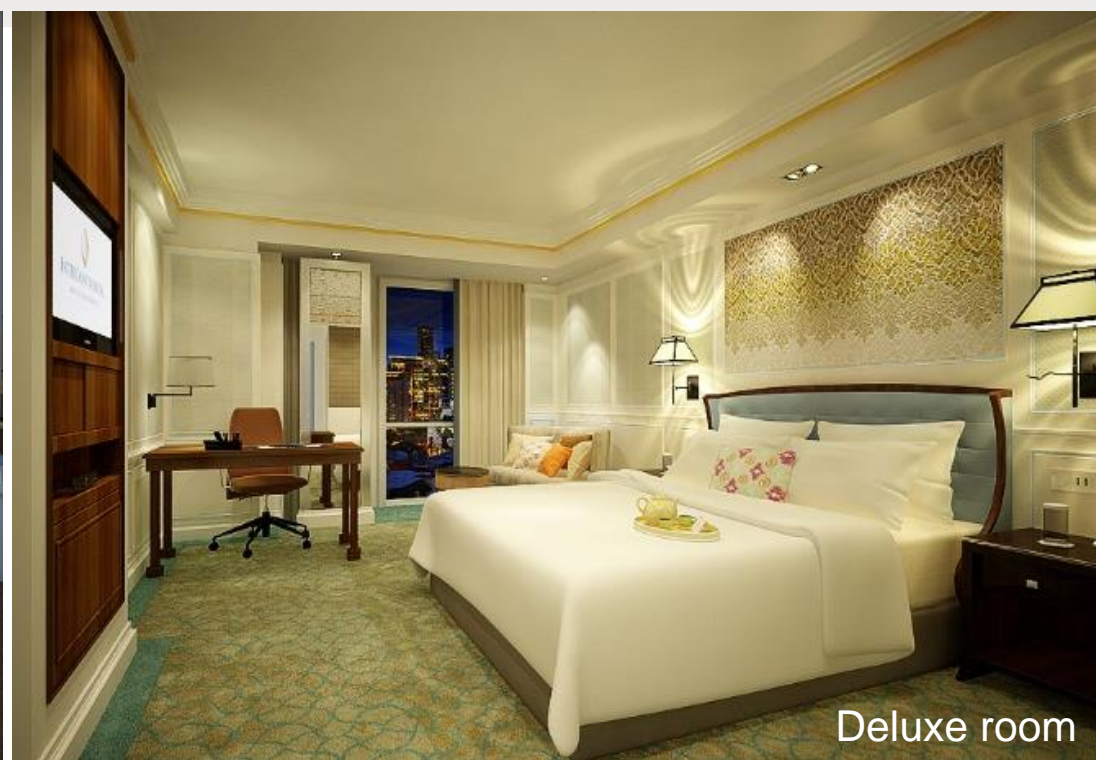
- Fraser Suites Glasgow
- Fraser Suites Edinburgh
- Fraser Suites Queens Gate, London
- Park International London
- Best Western Cromwell London
- Fraser Place Canary Wharf, London



- UK's portfolio exceeded forecast due to stronger contribution from newly refurbished properties and higher occupancies than expected during the peak travel season

Asset Enhancement Initiatives : InterContinental Singapore

Total capital expenditure	S\$26 mil
Renovation works	Tower rooms and public areas comprising F&B areas and gymnasium
Renovation period	<ul style="list-style-type: none"> • Rescheduled to start in Apr 2015 after extensive review with consultants and operator to maximize returns on capex investment • Revised schedule to coincide with off peak travel season • Rooms Renovation : Apr 2015 to Feb 2016 • Public Areas Renovation : Apr 2015 to Sep 2015



The visual is illustrative only and may be subject to changes

Property Valuation as at 31 Dec 2014

Property Valuation

Property	Currency	Valuation as at 31 Dec 2014 (mil) ¹
InterContinental Singapore	SGD	515.0
Fraser Suites Singapore	SGD	327.0
The Westin Kuala Lumpur	MYR	455.0
ANA Crowne Plaza Kobe	JPY	11,600.0
Novotel Rockford Darling Harbour	AUD	70.0
Fraser Suites Sydney	AUD	106.9
Park International London	GBP	40.7
Best Western Cromwell London	GBP	18.0
Fraser Place Canary Wharf, London	GBP	33.0
Fraser Suites Queens Gate, London	GBP	48.0
Fraser Suites Edinburgh	GBP	11.5
Fraser Suites Glasgow	GBP	7.5

¹Valuation at 31 Dec 2014 has taken into account additions to the investment property since date of acquisition

Park International London



Singapore

New tourist attractions

- Singapore's hospitality industry is facing headwinds with over 60,000 rooms supply by end of 2015 (<http://sbr.com.sg/hotels-tourism>)
- However, tourist arrivals expected to grow between 5-7% in 2015 (HVS, Asia Pacific Hotel Watch 2015), thus occupancy levels expect to remain stable
- Increase in number of events with the new Singapore Sports Hub (28th SEA Games in Jun 2015), opening of the National Gallery Singapore in 2015, proposed airport terminal 4 to accommodate more than 17 million tourist arrivals by 2017
- STB and Wildlife Reserves Singapore to develop SGD1.0 billion integrated wildlife and natural precinct in the Mandai Region. Highlights include relocation of the Jurong Bird Park to join the Zoo/Night Safari attractions (www.todayonline.com)
- Union of International Associations named Singapore as the top International Meeting Country for 3rd Consecutive Year (The Straits Times, 27 Jun 2014)



Pictures from Singapore Tourism Promotion Board, Fraser Suites Singapore and National Gallery Singapore

Malaysia

New tourism initiatives

- Malaysia's hospitality industry, including KL, is facing certain challenges after recent aviation incidents
- KL is facing a large supply of upscale and luxury hotel rooms in the short to medium term (JLL, Hotels and Hospitality Group, Oct 2014)
- Launch of MyFest 2015 campaign expected to target 29.4 million tourist arrivals and MYR89.0 billion in tourist receipts with a year filled with festivals and events (www.ttgasia.com)
- Malaysian Tourism Transformation Plan targets 36 million tourist arrivals with MYR168.0 billion in tourism receipts by 2020 (www.ttgasia.com) while KL is marketed as a key MICE destination by the Malaysian government



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

Japan

Buoyant tourism industry

- Tourist arrivals from Jan to Oct 2014 hit a record of over 11 million (Japan National Tourism Agency)
- “Visit Japan Project”, rising number of direct flights from international cities, the weakening yen and relaxed visa restrictions for South East Asia countries as well as increased profile from its successful bid to host the Olympics & Paralympics 2020 continue to drive growth momentum
- National Sales Tax hike postponed to Apr 2017 to boost consumption
- Yen depreciation has stimulated domestic travel in Japan (HVS, Asia Pacific Hotel Watch 2015)



Pictures from IHG Kobe and Feel- Kobe Japan

Australia

Sydney remains a premier business and leisure destination

- Whilst Australia's economy has been slowing down along with the decline in commodities' demand, Sydney remains the international gateway to Australia
- Sydney's accommodation market expected to see ADR growth from constrained supply of rooms against strong corporate and leisure tourist arrivals (JLL, Hotels & Hospitality Group, Oct 2014)
- Further, new government initiatives "Attracting Business Events to Australia" expected to boost overnight visitor expenditure to between AUD115.0 billion and AUD140.0 billion by year 2020 (www.tourism.australia.com)



Pictures from Frasers Suites Sydney and Novotel Rockford Darling Harbour

United Kingdom

Stable hospitality market

- Slower Eurozone's growth is expected in 2015
- Nonetheless, tourist arrivals to the UK is forecasted to reach 35.1 million visits in 2015, with visitor spending of GBP22.2 billion, an increase of 2.5% in volume and 4.5% in value compared to 2014 (www.visitbritain.com)
- Britain targets to attract 40 million visitors and earn GBP31.5 billion from inbound tourism by 2020 (www.visitbritain.com)
- Following the 2014 referendum, Scotland is expected to push forth its plans to increase tourist arrivals into the region. Its successful bid to host the 2015 Meetings & Incentives Summer Forum for the first time will showcase Scotland as a MICE destination (www.visitscotland.org)



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



Thank you