



# Frasers Hospitality Trust

2Q FY2016 Financial Review for 1 Jan to 31 Mar 2016

29 Apr 2016

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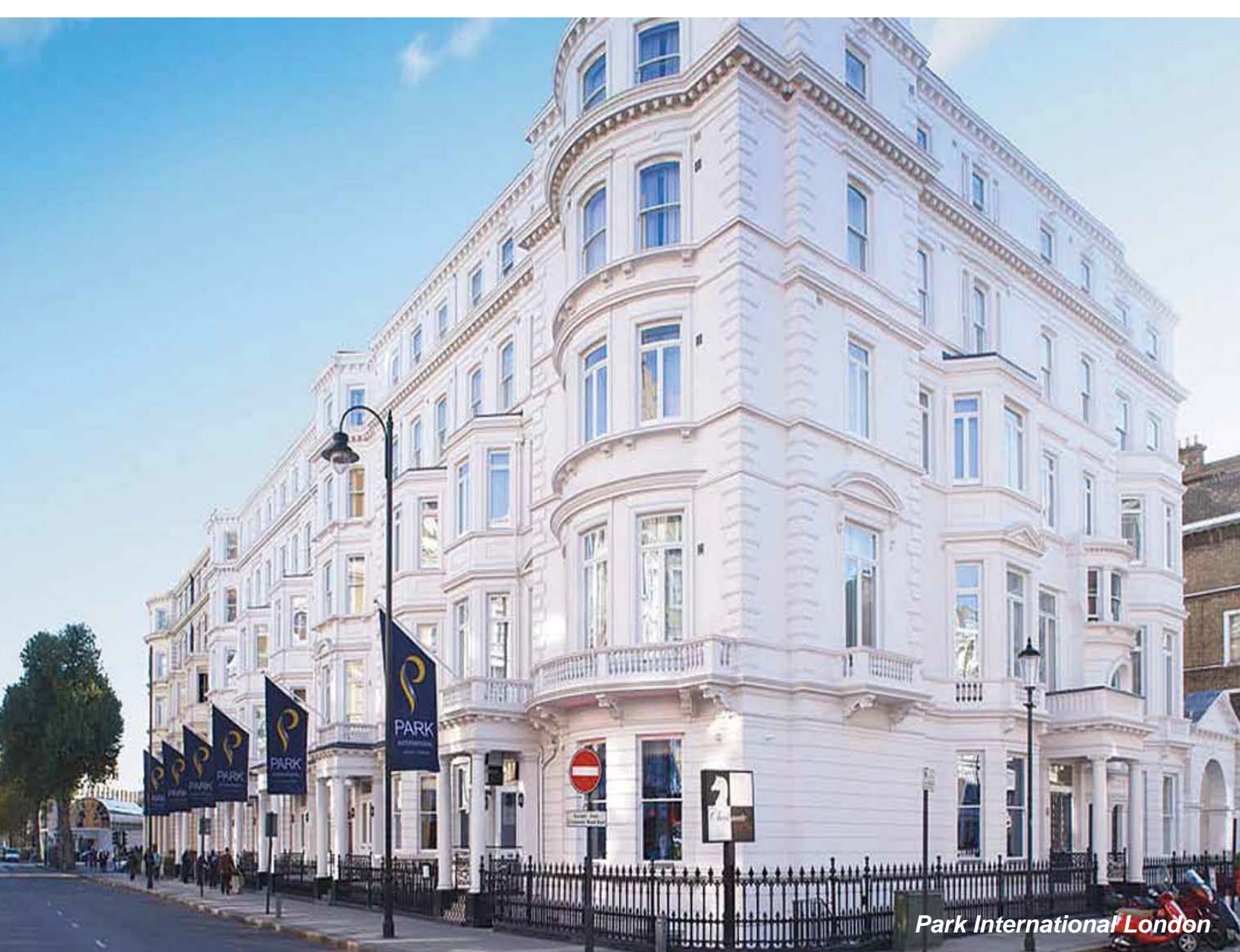
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Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.

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*Park International London*

## Key Highlights

## Results Highlights

	2Q FY2016		1H FY2016 <sup>1</sup>	
<b>Gross Revenue (GR)</b>	S\$27.0m	▲ 12.5% yoy	S\$58.4m	▲ 14.5% yoy
<b>Net Property Income (NPI)</b>	S\$22.2m	▲ 17.3% yoy	S\$48.6m	▲ 17.1% yoy
<b>Distributable Income (DI)</b>	S\$18.4m	▲ 10.5% yoy	S\$42.1m	▲ 17.3% yoy
<b>Distribution per Stapled Security (DPS)</b>	1.33 cents	▼ 3.6% yoy	3.05 cents	▲ 2.3% yoy

<sup>1</sup> The figures for 1H FY2015 include the aggregate of 1Q FY2015 prorated figures (that are prorated from actual 171 days to 92 days) and 2Q FY2015 figures. They also exclude the contribution of Sofitel Sydney Wentworth.

## Financial Review – 2Q FY2016

S\$m	2Q FY2016	2Q FY2015	Variance
GR	27.0	24.0	▲ 12.5%
NPI	22.2	19.0	▲ 17.3%
NPI Margin	82.2%	79.2%	▲ 3.0 ppt
DI	18.4	16.6	▲ 10.5%
DPS	1.33 cents	1.38 cents	▼ 3.6%

- GR, NPI and DI boosted by additional property Sofitel Sydney Wentworth which was acquired in Jul 2015.
- DPS declined 3.6% yoy due to weaker performance of London properties and lower revenue from InterContinental Singapore which was still under renovation for the quarter.

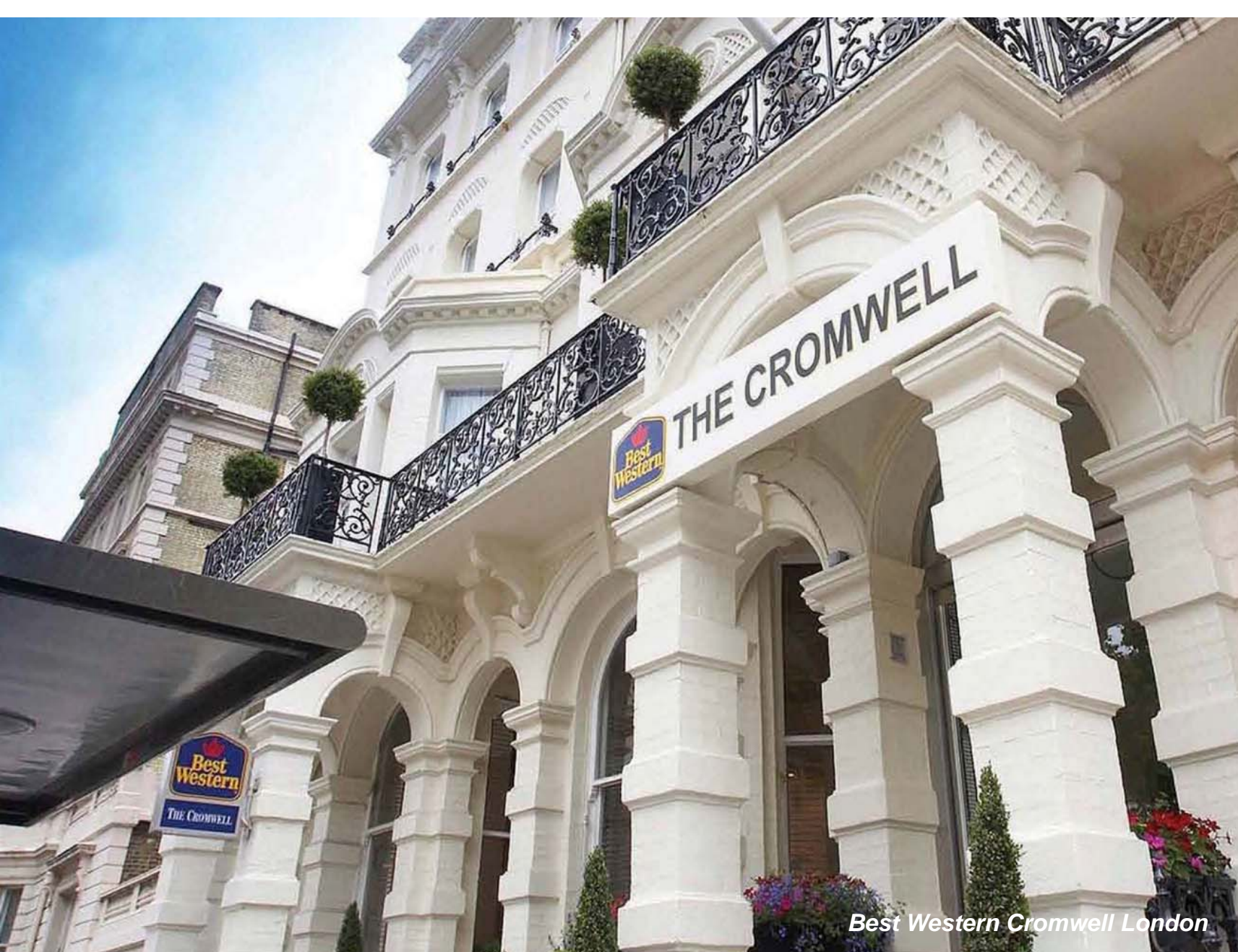
## Financial Review – 1H FY2016

S\$m	1H FY2016	1H FY2015 <sup>1</sup>	Variance
GR	58.4	51.0	▲ 14.5%
NPI	48.6	41.5	▲ 17.1%
NPI Margin	83.2%	81.4%	▲ 1.8 ppt
DI	42.1	35.8	▲ 17.3%
DPS	3.05 cents	2.98 cents	▲ 2.3%

- GR, NPI and DI boosted by additional property Sofitel Sydney Wentworth.
- DPS for 1H FY2016 grew 2.3% yoy, underpinned by a stronger first quarter performance.

<sup>1</sup> The figures for 1H FY2015 include the aggregate of 1Q FY2015 prorated figures (that are prorated from actual 171 days to 92 days) and 2Q FY2015 figures. They also exclude the contribution of Sofitel Sydney Wentworth.



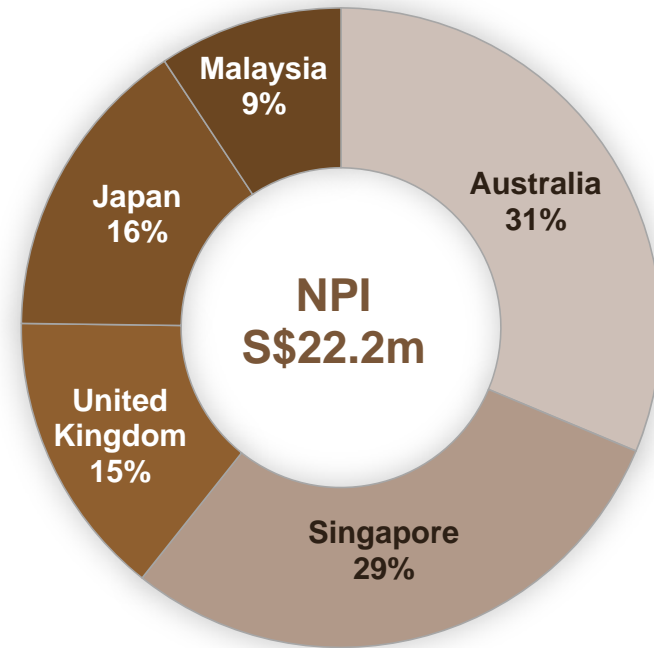
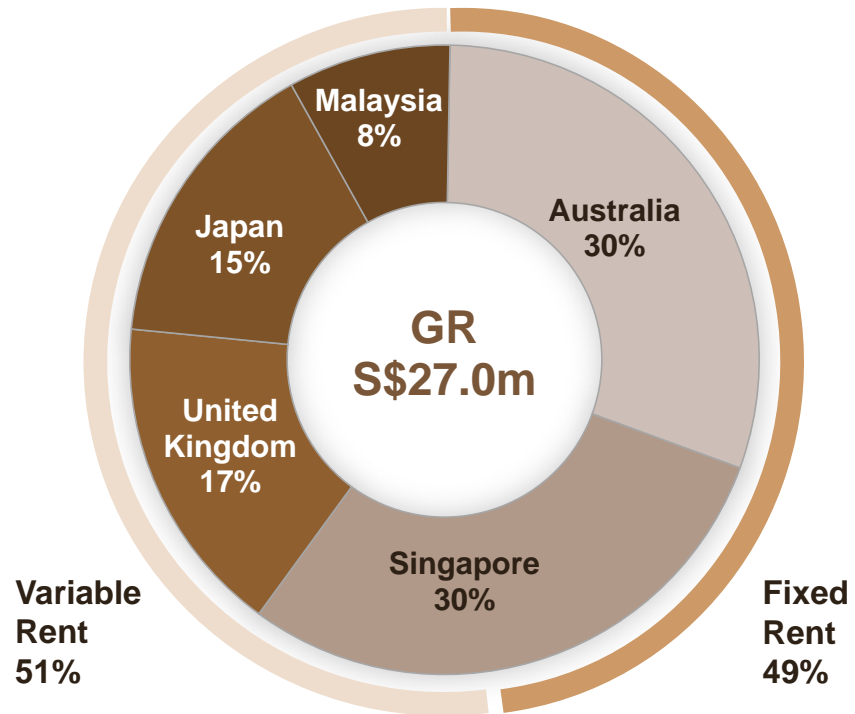


*Best Western Cromwell London*

## Portfolio Performance



## Portfolio Contribution by Country - 2Q FY2016



## Portfolio Highlights By Country

Country	2Q FY2016				1H FY2016			
	GOR <sup>1</sup>		GOP <sup>2</sup>		GOR <sup>1</sup>		GOP <sup>2</sup>	
	LC (mil)	Var (yoy)	LC (mil)	Var (yoy)	LC (mil)	Var (yoy)	LC (mil)	Var (yoy)
Australia	22.4	▲ 131.3%	9.5	▲ 95.5%	47.5	▲ 157.1%	20.9	▲ 131.5%
Singapore	21.7	▼ 3.4%	9.1	▼ 8.8%	42.5	▼ 9.3%	17.2	▼ 15.7%
UK	4.5	▼ 7.6%	2.2	▼ 16.9%	10.6	▼ 7.3%	5.6	▼ 11.6%
Japan	1,503.5	▲ 3.3%	359.9	▲ 15.5%	3,327.4	▲ 10.6%	898.1	▲ 21.6%
Malaysia	21.3	▼ 7.2%	6.5	▼ 7.0%	47.9	▲ 1.9%	16.2	▲ 1.0%

<sup>1</sup> Gross Operating Revenue.

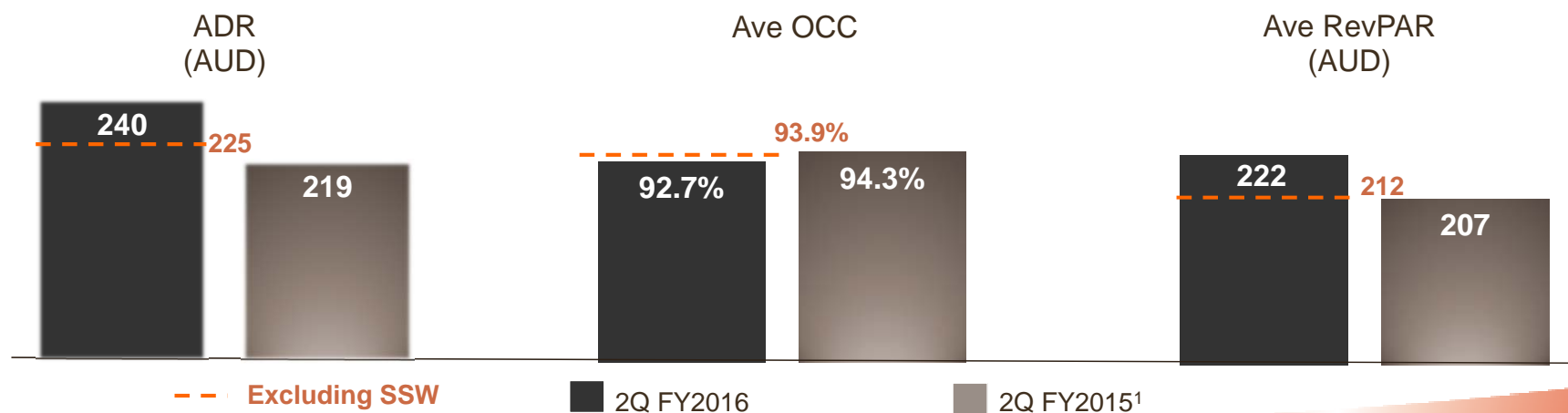
<sup>2</sup> Gross Operating Profit.

## Australia Portfolio Performance

AUD mil	2Q FY2016	2Q FY2015 <sup>1</sup>	Variance
GOR	22.4	9.7	▲ 131.3%
GOP	9.5	4.9	▲ 95.5%

- ❖ Fraser Suites Sydney (FSS)
- ❖ Sofitel Sydney Wentworth (SSW)
- ❖ Novotel Rockford Darling Harbour (NRDH)

- Australia portfolio recorded strong performance in 2Q FY2016 on the back of higher ADR and stable occupancy. Excluding SSW, GOR and GOP increased by 0.3% and 2.8% respectively.
- NRDH turned in weaker performance yoy as the property was affected by extensive redevelopment work in the vicinity which however will benefit the property once completed.
- Sydney continued to benefit from strong corporate demand and a busy events calendar supporting international and domestic tourism.





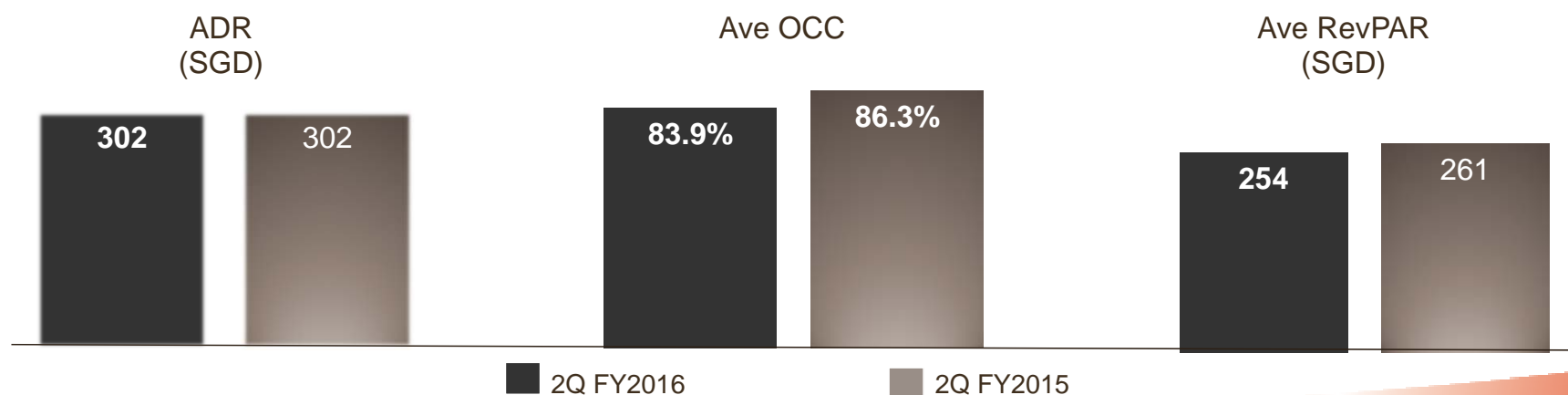
## Singapore Portfolio Performance

SGD mil	2Q FY2016	2Q FY2015	Variance
GOR	21.7	22.5	▼ 3.4%
GOP	9.1	9.9	▼ 8.8%

### ❖ Fraser Suites Singapore (FSSG)

### ❖ InterContinental Singapore (ICSG)

- FSSG recorded higher RevPAR on the back of higher occupancy in 2Q FY2016.
- At ICSG, occupancy levels during 2Q FY2016 were impacted by renovation works. The last rooms were returned back into inventory in end-Feb.
- F&B revenue at ICSG declined yoy as business at the outlets was disrupted by the renovation.



## UK Portfolio Performance

GBP mil	2Q FY2016	2Q FY2015	Variance
GOR	4.5	4.9	▼ 7.6%
GOP	2.2	2.6	▼ 16.9%

❖ Fraser Suites Glasgow (FSG)

❖ Fraser Suites Edinburgh (FSE)

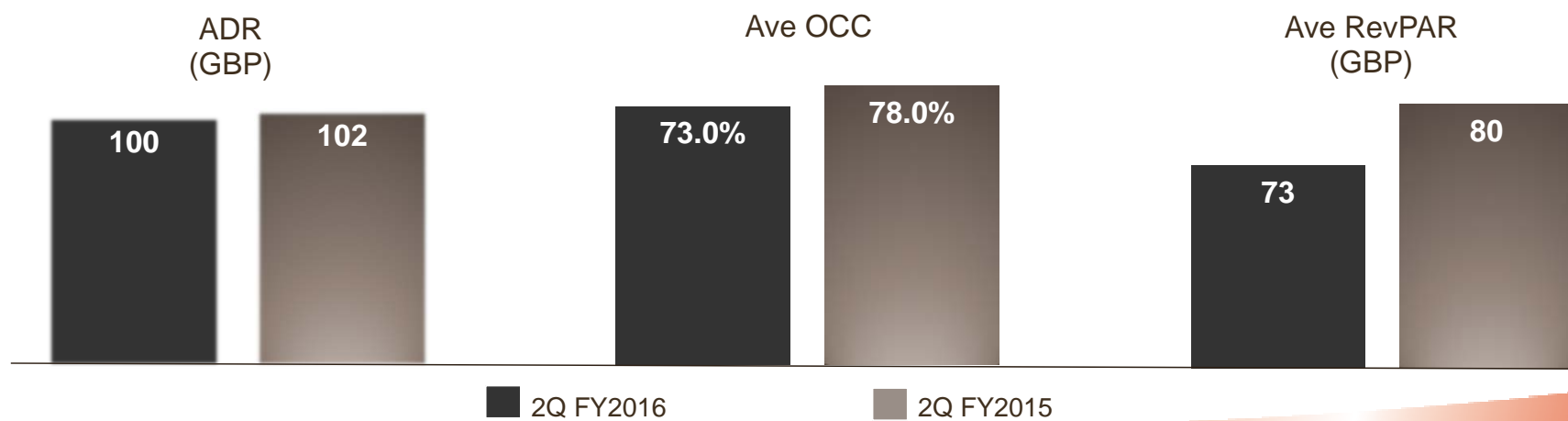
❖ Fraser Suites Queens Gate (FSQG)

❖ Park International London (PIL)

❖ Best Western Cromwell London (BWCL)

❖ Fraser Place Canary Wharf (FPCW)

- Performance of London properties remained weak in 2Q FY2016.
- The Nov Paris attacks resulted in heightened security concerns and reduced travel demand from the leisure segment over the winter season.
- A weak banking sector, reduced demand from the oil & gas industry as well as concerns over Brexit also affected demand from the corporate sector.

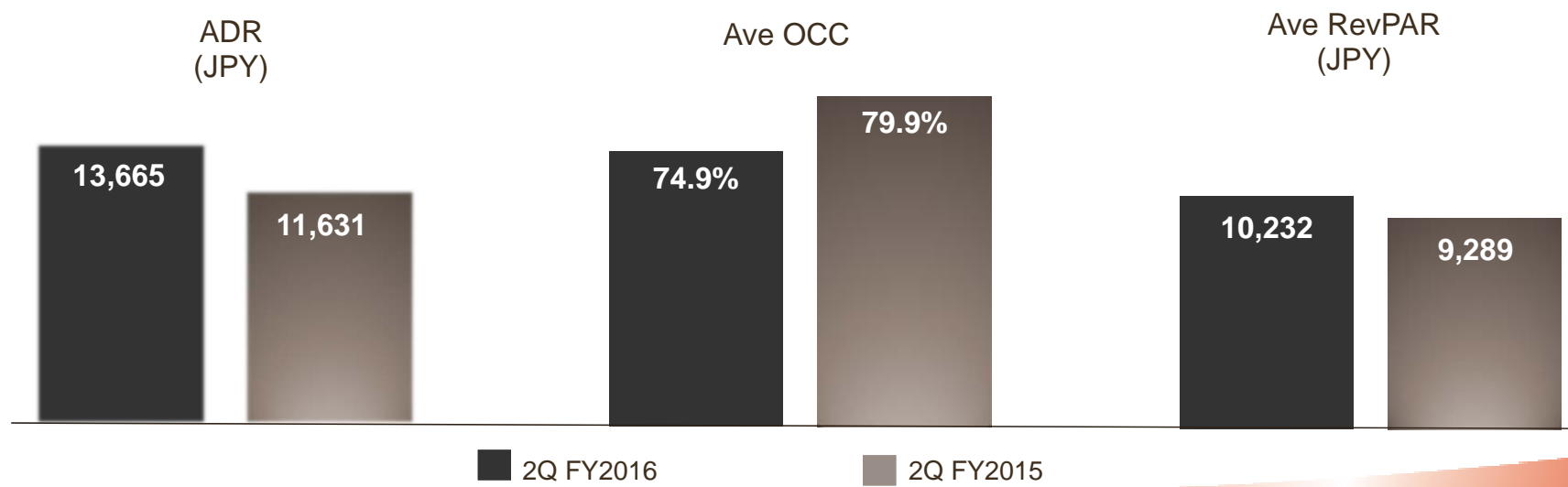


## Japan Portfolio Performance

JPY mil	2Q FY2016	2Q FY2015	Variance
GOR	1,503.5	1,454.9	▲ 3.3%
GOP	359.9	311.7	▲ 15.5%

### ❖ ANA Crowne Plaza Kobe (CPK)

- RevPAR increased 10.2% yoy in 2Q FY2016. The strong performance was driven by gains in ADR.
- In the face of continued strong demand, the hotel prioritised ADR growth over occupancy growth, resulting in higher RevPAR.



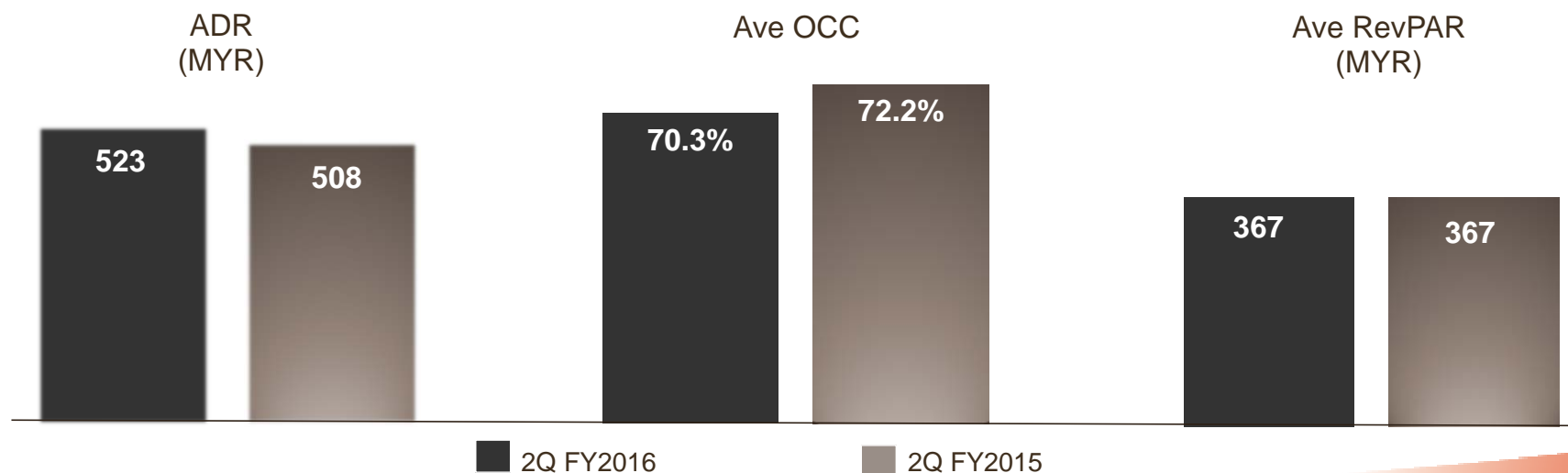


## Malaysia Portfolio Performance

MYR mil	2Q FY2016	2Q FY2015	Variance
GOR	21.3	23.0	▼ 7.2%
GOP	6.5	7.0	▼ 7.0%

### ❖ The Westin Kuala Lumpur (TWKL)

- In 2Q FY2016, TWKL was able to maintain a stable RevPAR yoy despite continued weakness in the oil and gas industry and reduced flights into KL by major European airlines.
- F&B revenue from outlets, conferences and events was down yoy, owing to weak business and consumer sentiments.

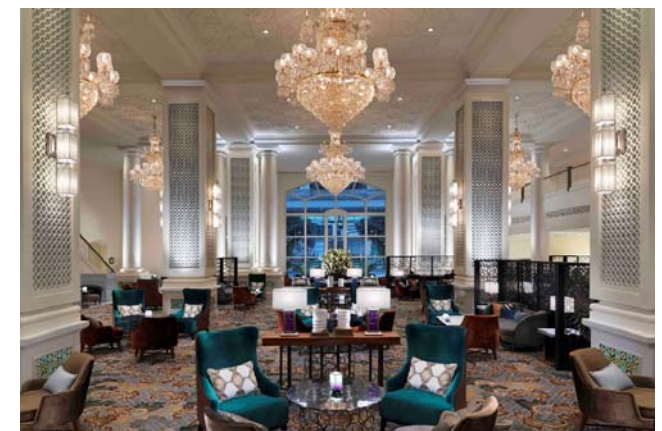


## Asset Enhancement Initiatives

- Renovation of ICSG was completed in end-Feb with a total capex of S\$26m.



Pre-renovation - ICSG



Post-renovation - ICSG

## Asset Enhancement Initiatives

- Other asset enhancement initiatives are currently being assessed, including for NRDH.
- Refurbishment of NRHD is timely, given that it has not undergone any extensive renovation since its opening in 1999.
- With NRHD's excellent location of being next to the new International Convention Centre Sydney which is opening this Dec, the hotel stands to benefit from this major development as well as the Barangaroo project which will extend and rejuvenate the Darling Harbour precinct.

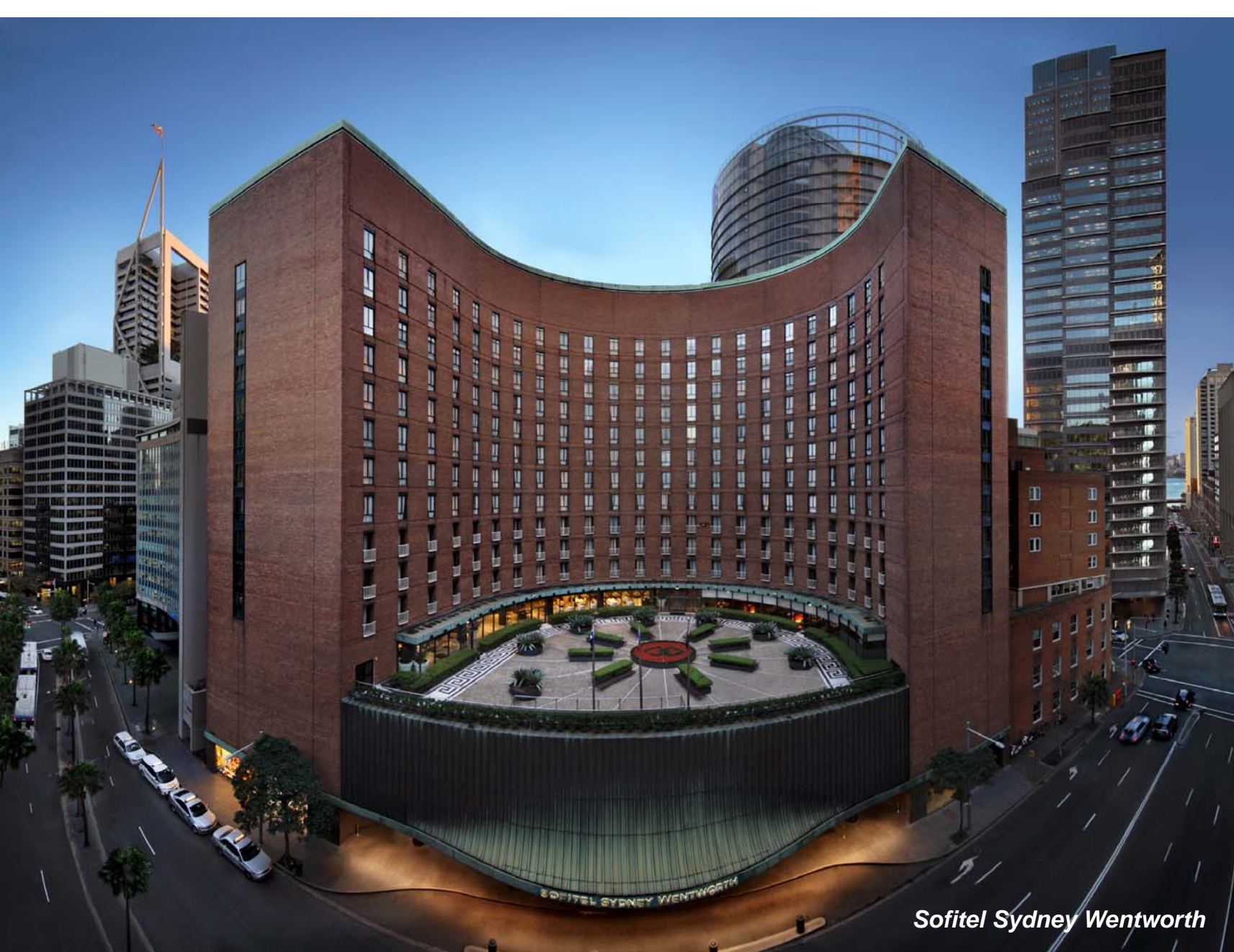


Artist's impression of International Convention Centre Sydney



Artist's impression of Central Barangaroo





*Sofitel Sydney Wentworth*

Capital Management

## Healthy Balance Sheet

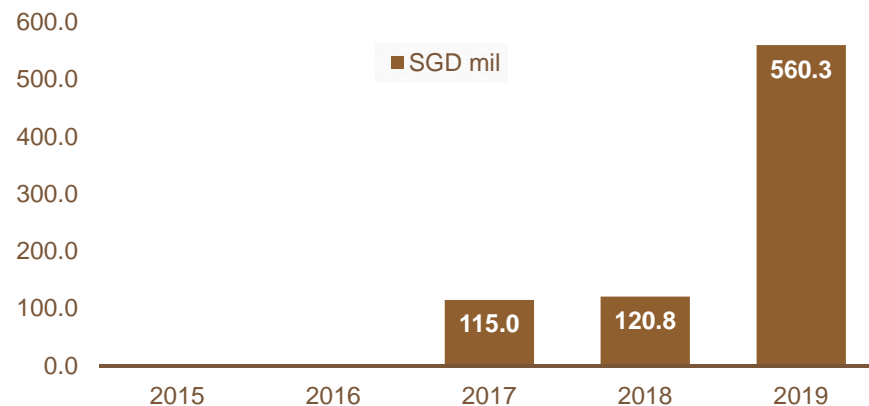
As at 31 Mar 2016	S\$m
Investment Properties (including Fixed Assets)	1,951.4
Total Assets	2,029.5
Total Borrowings	797.2
Gearing	39.3%
Net Asset Value (NAV) per Stapled Security <sup>1</sup>	85.08 cents

<sup>1</sup> Based on NAV of \$1,163.9 million and 1,368.0 million issued Stapled Securities.

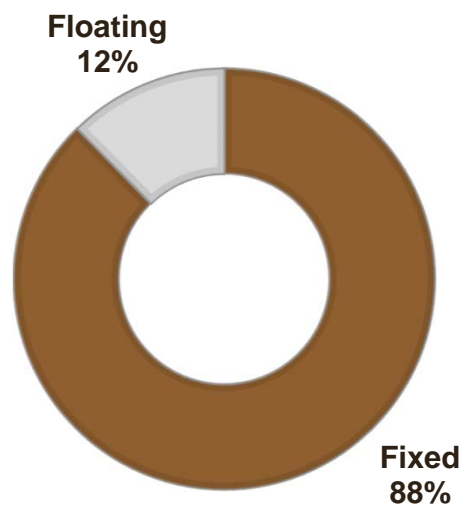
# Capital Management

As at 31 Mar 2016	
Weighted Average Years to Maturity	2.9 years
Unsecured Debt	96.0%
Effective Cost of Borrowing <sup>1</sup>	2.6%
Interest Cover <sup>2</sup>	4.63 times
FHT's Issuer Rating	Baa2 by Moody's

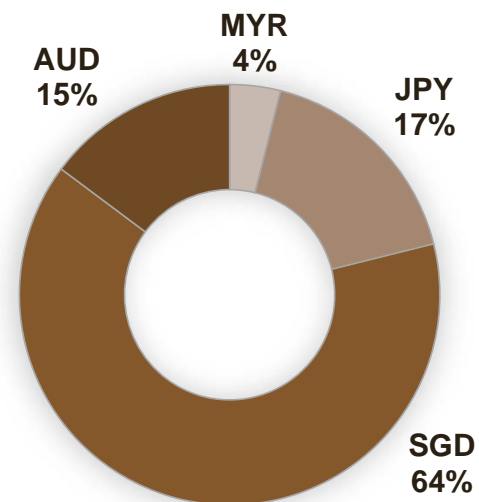
## Debt Maturity Profile



## Interest Rate Profile



## Debt Currency Profile



<sup>1</sup> Including Amortisation of Upfront Debt Costs.

<sup>2</sup> Interest Cover = EBITDA / Interest Expense.





*Hotel InterContinental Singapore*

Outlook

# Australia

- In 2015, international visitors increased 8.2% to 7.4 million. Chinese visitors became the fastest growing major source market for Australia, hitting 1 million for the first time in Nov<sup>1</sup>.
- Outlook for tourism remains strong, underpinned by further growth in Chinese visitation. The first two months of 2016 saw international arrivals increased by 11.7% yoy.
- Expect high occupancy and growth in RevPAR for Sydney hotels as the city continues to appeal to both corporate and leisure travellers<sup>2</sup>.
- Major infrastructure developments such as the Barangaroo urban renewal project and the Sydney International Convention Centre to provide an added boost to Sydney hotels<sup>2</sup>.



*Pictures from Frasers Suites Sydney and Sofitel Sydney Wentworth.*

<sup>1</sup> Source: Tourism Australia.

<sup>2</sup> Source: Deloitte Access Economics "Tourism and Hotel Market Outlook 2016", Feb 2016.



# Singapore

- For 2016, Singapore Tourism Board (STB) forecasts visitor arrivals of 15.2 to 15.7 million (0 to 3% growth) and tourism receipts of S\$22.0 to \$22.4 billion (0 to 2% growth).
- STB reported a 12.3% growth yoy in tourist arrivals for Jan-Feb 2016, with visitors from China, Indonesia and India registering healthy growth.
- While Singapore continues to see a strong pipeline of events including Singapore Airshow, Food & Hotel Asia and World Rugby Sevens Series, near-term headwinds persist for the hospitality sector.
- Global economic uncertainties, soft Singapore economy, and new hotel rooms coming onstream this year continue to pose challenges for the hospitality sector.



*Pictures from Gardens by the Bay, InterContinental Singapore and Fraser Suites Singapore.*

# United Kingdom

- Inbound visitors to the UK increased 4% to 35.8 million in 2015. In Jan 2016, it grew 6% to 2.5 million<sup>1</sup>.
- While London was one of the best performing cities in 2015 with occupancy at around 80%<sup>2</sup>, the ripple effect following the Paris and Brussels terrorist attacks continues to weigh on demand for travel.
- The concerns of Brexit have weakened the Sterling and continue to affect business sentiment and activities.
- In Scotland, Edinburgh enjoyed RevPAR growth of 3% to GBP72 in 2015. The city looks to continue capitalising on the strength of Scottish tourism<sup>2</sup>.



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

<sup>1</sup> Source: Visit Britain.

<sup>2</sup> Source: JLL Hotel Intelligence, Mar 2016.

# Japan

- After the record number of 19.7 million foreign visitors in 2015, the government has revised its target twice to 40 million by 2020<sup>1</sup>.
- The uptrend shows no signs of abating as tourist arrivals rose 43.7% yoy for the first two months of 2016<sup>1</sup>.
- The boom in international arrivals and lack of new supply have driven the strong hotel performance in Japan.
- Kobe continues to benefit from the flow over traffic from Osaka. It is also set to benefit from the new Kansai airport extension for low cost carriers which is expected to be ready by 2017.



*Pictures from IHG ANA Crowne Plaza Kobe.*

<sup>1</sup> Source: The Japan Times online "Japan doubles overseas tourist target for 2020", 30 Mar 2016.



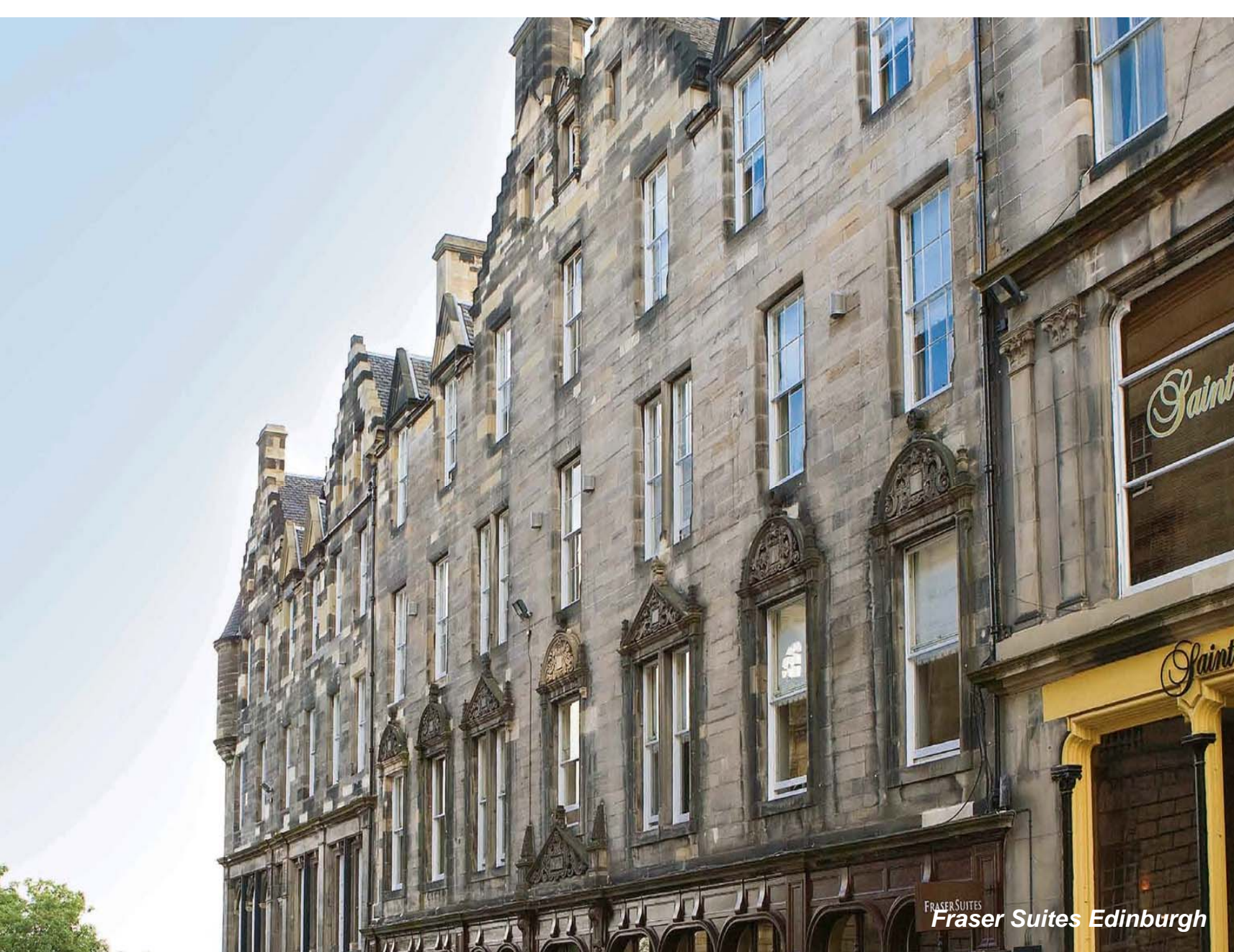
# Malaysia

- Tourism Malaysia maintains its targets to achieve 30.5 million tourists and generate MYR103 billion in tourist receipts in 2016. It reported visitor arrivals of 25.7 million last year, down 6.3% yoy.
- Tourism Malaysia is working closely with partners to increase air connectivity, explore new markets and facilitate travel through its e-Visa programme which was officially launched in Mar 2016.
- In view of the weak outlook for oil and gas sector and economic uncertainty, coupled with an increasing room supply in KL this year, the hospitality environment is expected to remain challenging, with continued pressure on occupancy and ADR.



*Pictures from The Westin Kuala Lumpur and Tourism Malaysia.*





## Distribution Details

## Distribution Details

Distribution Period	1 Oct 2015 to 31 Mar 2016
DPS	3.0506 cents
Last Day of Trading on “cum” Basis	5 May 2016
Ex-date	6 May 2016
Books Closure Date	10 May 2016
Distribution Payment Date	29 Jun 2016



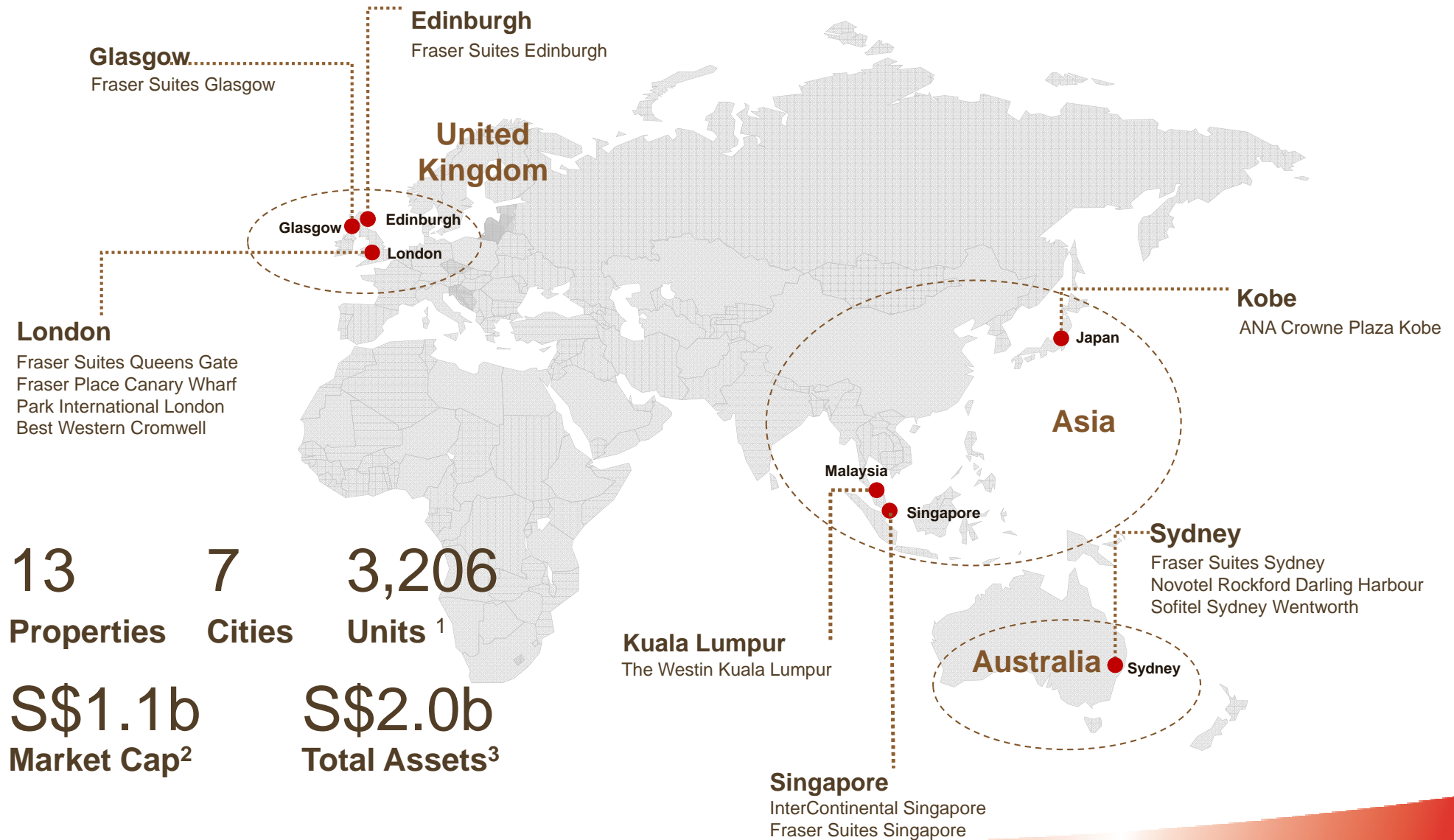


Thank you



# 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.

<sup>2</sup> As at 28 Apr 2016.

<sup>3</sup> As at 31 Mar 2016.







# 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
	Park International London	United Kingdom	Elegant hotel ideally located in the heart of Kensington & Chelsea	75 years	Mid-scale	171
	Best Western Cromwell London	United Kingdom	Distinctive white Victorian façade located in the heart of London	75 years	Mid-scale	85
	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

# 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 Place Canary Wharf	United Kingdom	Stunning apartments located by River Thames showcasing chic contemporary design	75 years	Upper Upscale	108
	Fraser Suites Queens Gate	United Kingdom	Beautiful Victorian apartment hotel in Kensington	75 years	Upper Upscale	105
	Fraser Suites Glasgow	United Kingdom	Stunning renovated 1850s building formerly the city bank of Glasgow	75 years	Upper Upscale	98
	Fraser Suites Edinburgh	United Kingdom	Rustic 1750s sandstone building located in the heart of Edinburgh's Old Town	75 years	Upper Upscale	75