



Frasers Hospitality Trust

3Q FY2016 Financial Review for 1 Apr to 30 Jun 2016

29 Jul 2016

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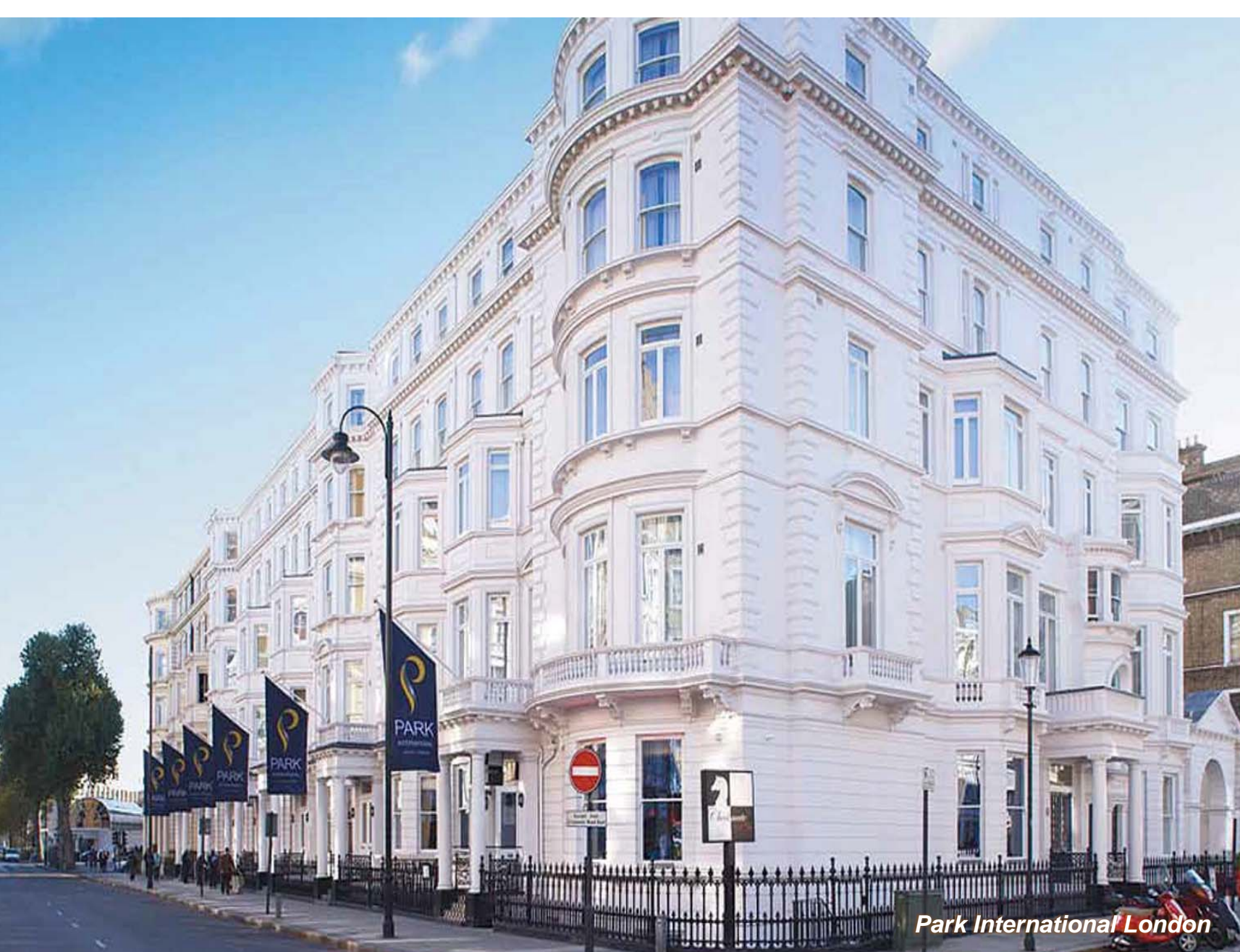
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Content

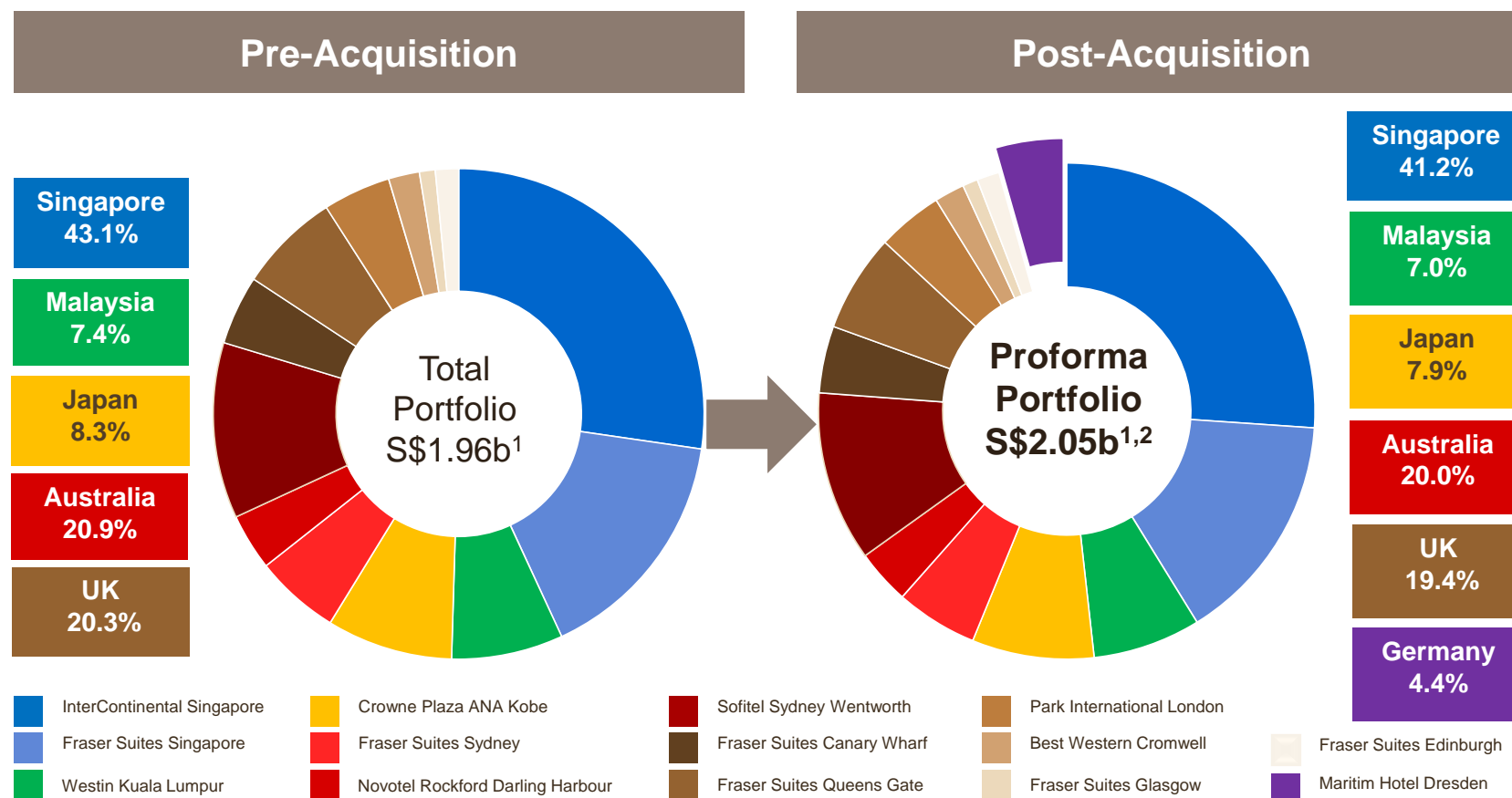
- ➔ Key Highlights
- ➔ Portfolio Performance
- ➔ Capital Management
- ➔ Outlook



Key Highlights

Acquisition of Maritim Hotel Dresden

- Transaction completed on 15 Jun 2016.
- Purchase consideration of €58.4m fully funded by S\$100m perps issuance.
- Diversified earnings base with an enlarged portfolio size.

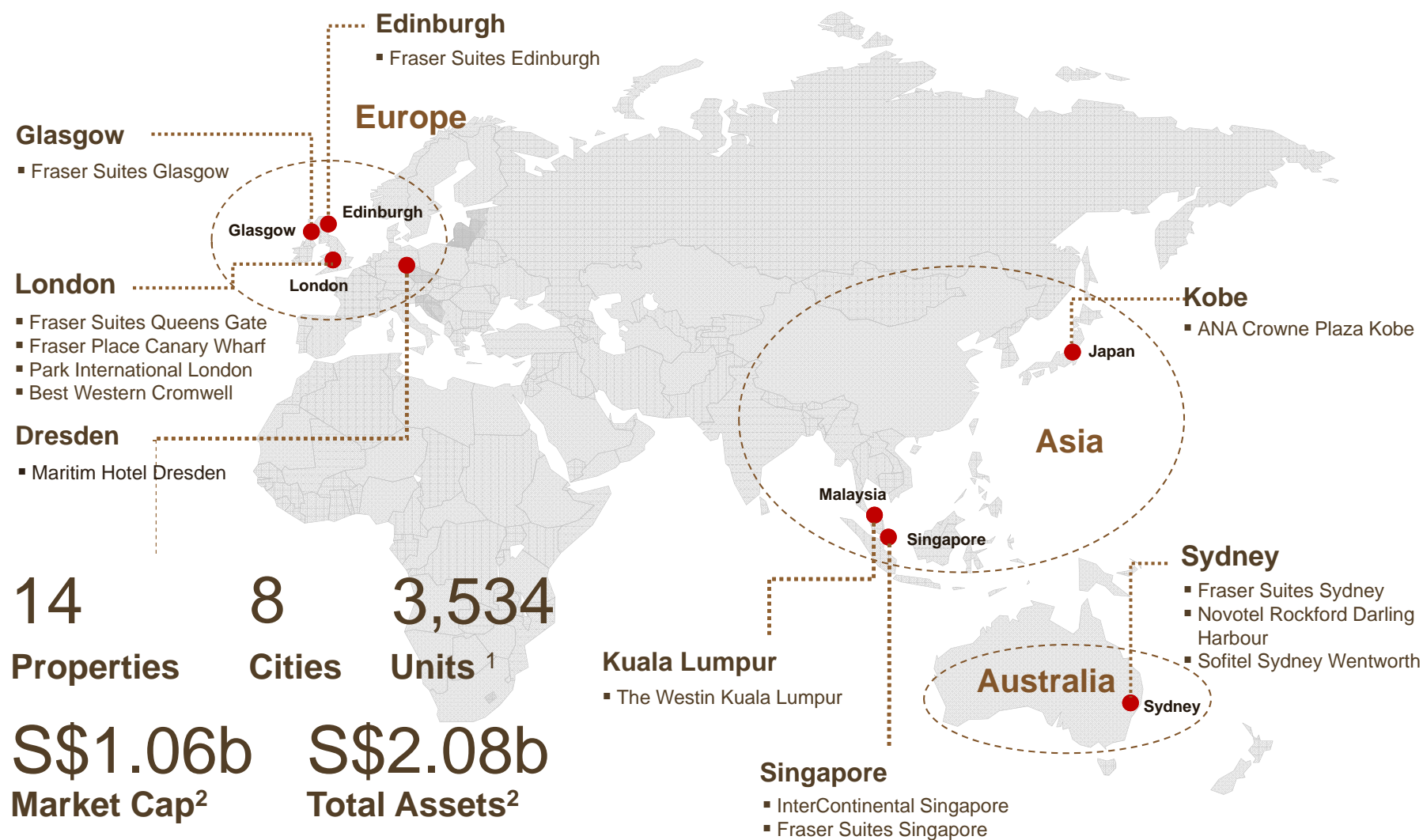


Notes:

1 As at 30 Sep 2015.

2 The valuation of Maritim Hotel Dresden was based on an assumed exchange rate of €1: S\$1.545.

FHT – Global Hotel and Serviced Residence Trust



¹ Comprising 2,692 hotel rooms and 842 serviced residence units.

² As at 30 Jun 2016.

Financial Review – 3Q FY2016

S\$m	3Q FY2016	3Q FY2015	Variance
GR	31.7	23.7	▲ 33.9 %
NPI	27.0	19.2	▲ 40.5%
NPI Margin	85.1%	81.1%	▲ 4.0ppt
DI	20.9	18.8	▲ 11.3%
DPS	1.51 cents	1.56 cents	▼ 3.0%

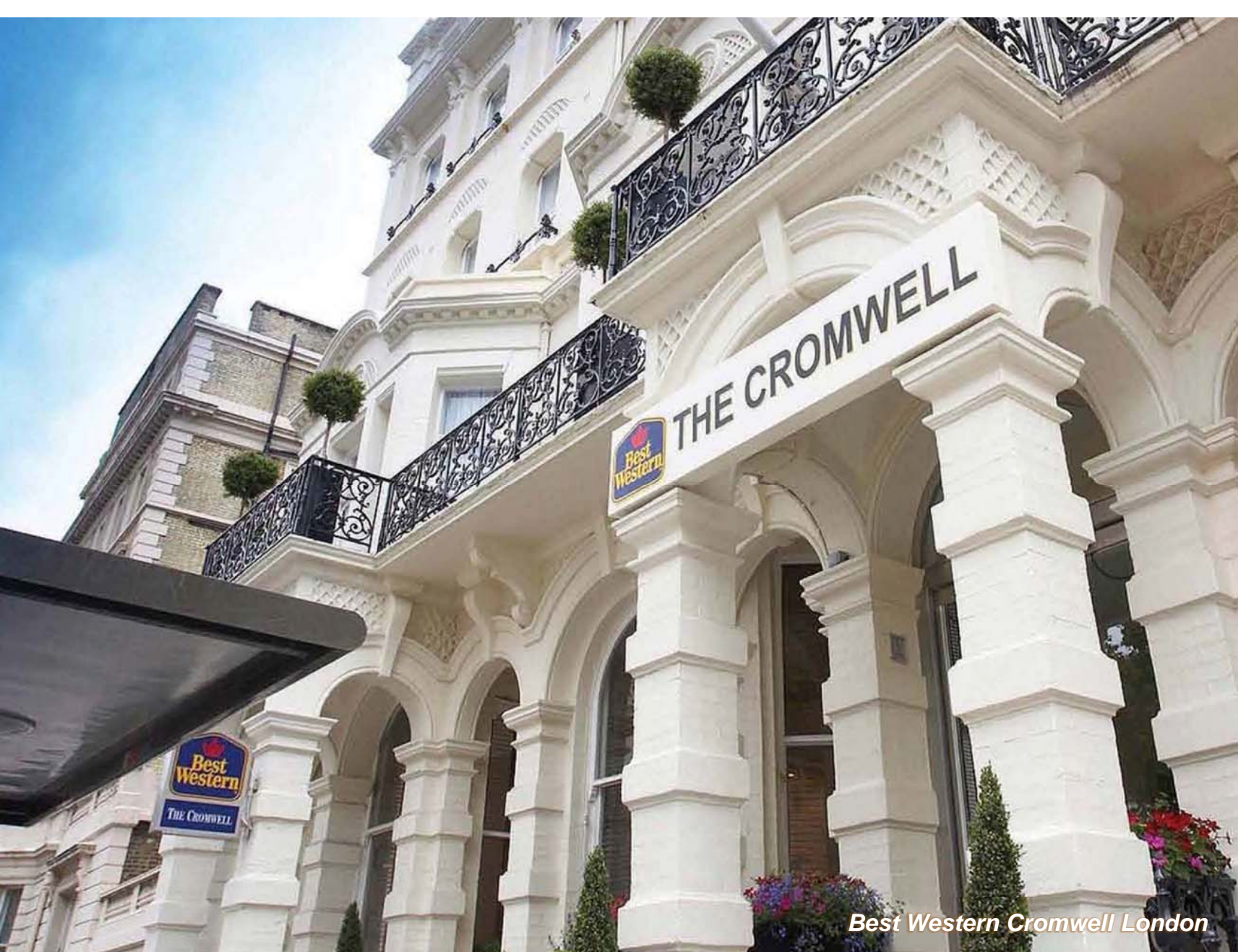
- GR, NPI and DI boosted by additional properties of Sofitel Sydney Wentworth and Maritim Hotel Dresden.
- However, DPS declined 3.0% yoy due to weaker performance of London properties and more time needed to re-position InterContinental Singapore post renovation.

Financial Review – 9M FY2016

S\$m	9M FY2016	9M FY2015 ¹	Variance
GR	90.2	74.7	▲ 20.6%
NPI	75.6	60.7	▲ 24.5%
NPI Margin	83.8%	81.2%	▲ 2.6 ppt
DI	63.0	54.7	▲ 15.2%
DPS	4.56 cents	4.54 cents	▲ 0.4%

- GR, NPI and DI boosted by Sofitel Sydney Wentworth and Maritim Hotel Dresden.
- DPS for 9M FY2016 increased marginally by 0.4%, underpinned by a strong first quarter performance.

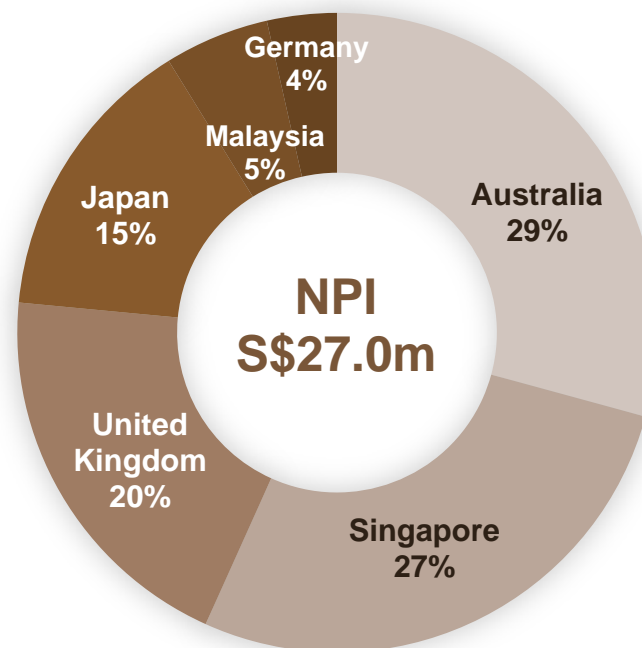
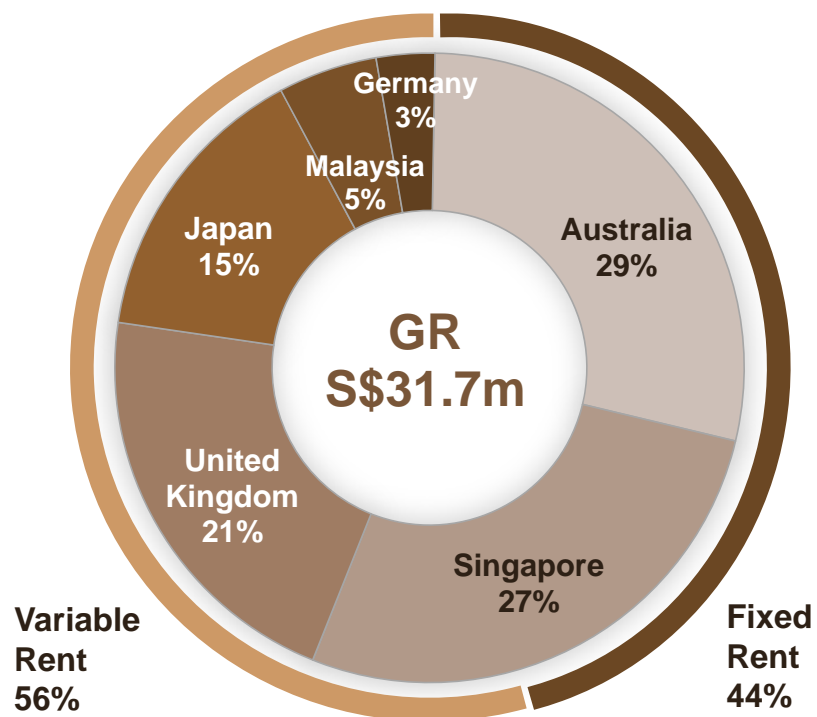
¹ The figures for 9M FY2015 include 1Q FY2015 figures that were prorated from actual 171 days to 92 days.



Best Western Cromwell London

Portfolio Performance

Portfolio Contribution by Country – 3Q FY2016



Portfolio Highlights By Country

Country	3Q FY2016			
	GOR ¹		GOP ²	
	Local Currency (m)	Variance (yoy)	Local Currency (m)	Variance (yoy)
Australia	21.6	▲ 153.9%	8.6	▲ 131.3%
Singapore	20.8	▲ 5.3%	8.4	▲ 8.7%
UK	6.3	▼ 1.2%	3.7	▼ 4.2%
Japan	1,583.2	▼ 1.3%	418.0	▼ 0.7%
Malaysia	19.9	▼ 5.7%	5.4	▼ 1.0%
Germany ³	1.5	n.a.	0.6	n.a.

¹ Gross Operating Revenue.

² Gross Operating Profit.

³ GOR and GOP of Maritim Hotel Dresden were pro-rated to a 56-day period.

Portfolio Highlights By Country

Country	9M FY2016			
	GOR ¹		GOP ²	
	Local Currency (m)	Variance (yoy)	Local Currency (m)	Variance (yoy)
Australia	69.1	▲ 156.1%	29.5	▲ 131.5%
Singapore	63.4	▼ 5.0%	25.6	▼ 9.0%
UK	16.8	▼ 5.1%	9.3	▼ 8.8%
Japan	4,910.5	▲ 6.5%	1,316.2	▲ 13.5%
Malaysia	67.8	▼ 0.4%	21.6	▲ 0.5%
Germany ³	1.5	n.a.	0.6	n.a.

¹ Gross Operating Revenue.

² Gross Operating Profit.

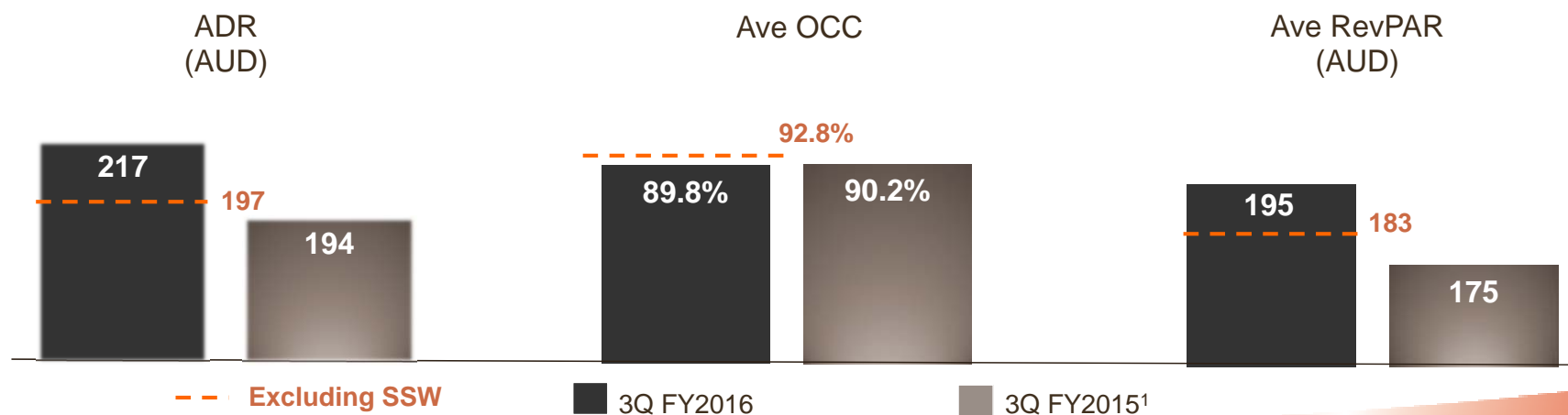
³ GOR and GOP of Maritim Hotel Dresden were pro-rated to a 56-day period.

Australia Portfolio Performance

AUD (m)	3Q FY2016	3Q FY2015	Variance
GOR	21.6	8.5	▲ 153.9%
GOP	8.6	3.7	▲ 131.3%

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

- Australia portfolio continued to perform strongly in 3Q FY2016 on the back of higher ADR and stable occupancy. Excluding SSW, GOR and GOP increased by 3.3% and 10.5% respectively.
- Sydney continues to benefit from strong corporate and leisure demand and a busy events calendar supporting international and domestic tourism.



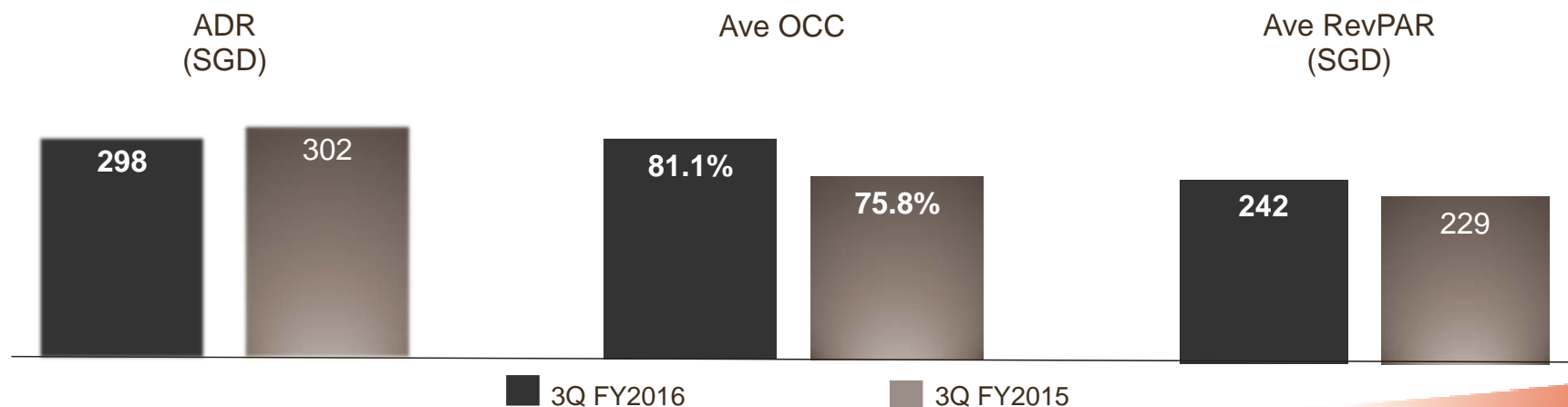
Singapore Portfolio Performance

SGD (m)	3Q FY2016	3Q FY2015	Variance
GOR	20.8	19.8	▲ 5.3%
GOP	8.4	7.7	▲ 8.7%

❖ Fraser Suites Singapore (FSSG)

❖ InterContinental Singapore (ICSG)

- Higher GOR and GOP for Singapore properties in 3Q FY2016 was due to the return of full inventory from ICSG.
- Post renovation, ICSG continued to drive occupancy, ADR and F&B outlet revenue but has yet to reach optimal performance.
- FSSG turned in lower RevPAR for the quarter due to continued weakness from oil & gas accounts. The property is actively diversifying into industries with better growth prospects (e.g. IT & pharma).

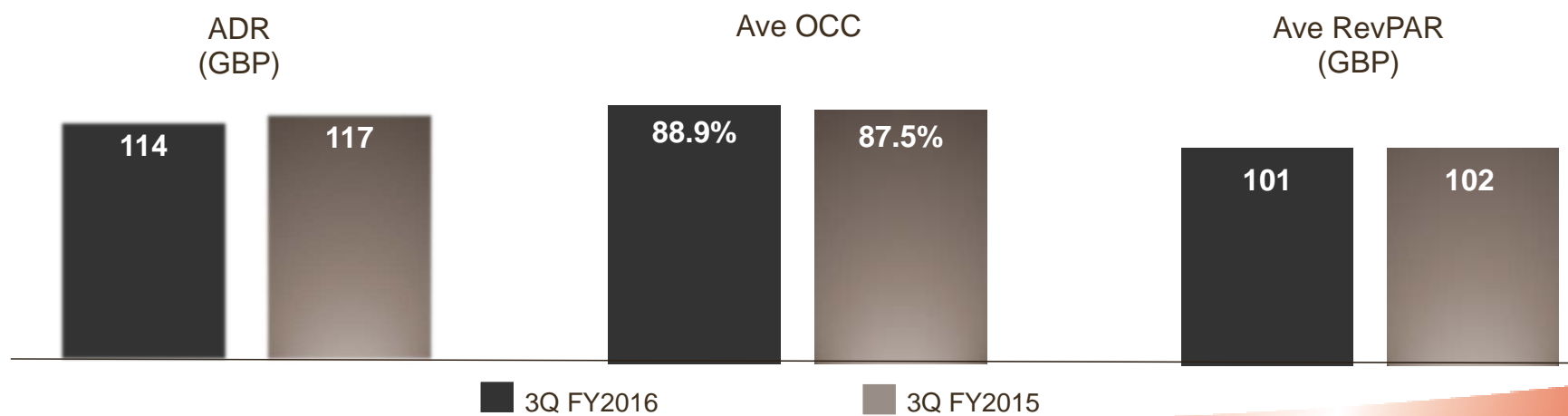


UK Portfolio Performance

GBP (m)	3Q FY2016	3Q FY2015	Variance
GOR	6.3	6.3	▼ 1.2 %
GOP	3.7	3.8	▼ 4.2%

- ❖ 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)

- GOR and GOP of the UK portfolio were lower yoy due to terrorism and Brexit concerns.
- GOP was also impacted by a 7.5% increase in minimum wage which took effect on 1 Apr 2016.

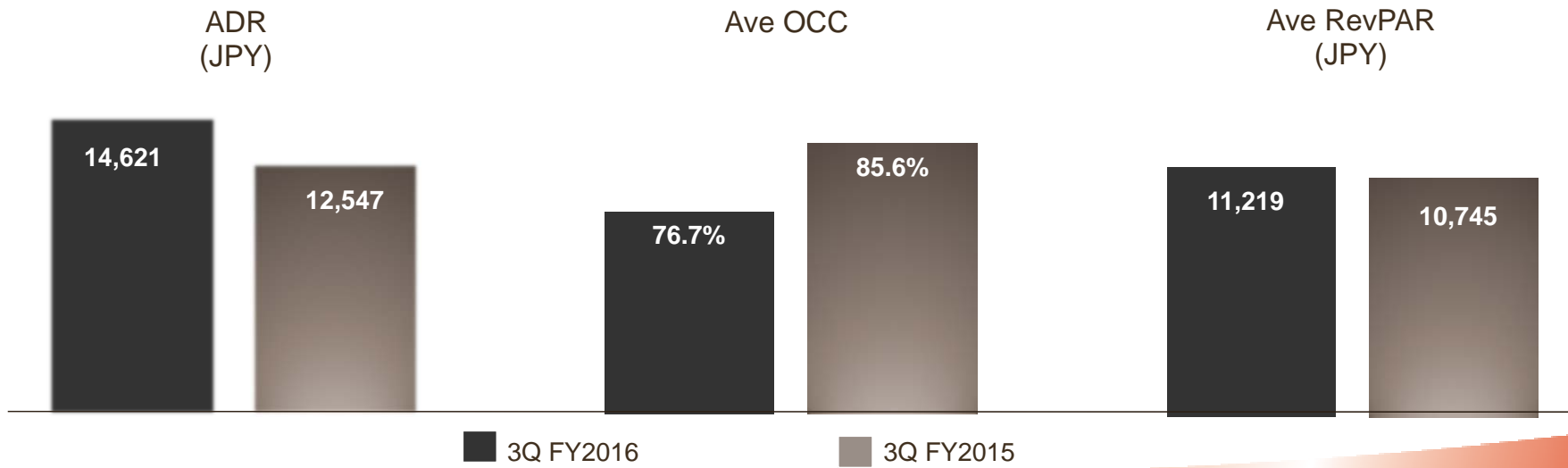


Japan Portfolio Performance

JPY (m)	3Q FY2016	3Q FY2015	Variance
GOR	1,583.2	1,604.2	▼ 1.3%
GOP	418.0	421.0	▼ 0.7%

❖ ANA Crowne Plaza Kobe (CPK)

- In view of continued strong demand, CPK prioritised ADR growth over occupancy growth, resulting in higher RevPAR, up 4.4% yoy in 3Q FY2016.
- GOR dropped 1.3% yoy due to decline in wedding revenue. However, better expense control led to a marginal drop in GOP of 0.7%, resulting in a higher GOP margin in 3Q FY2016 compared to a year ago.

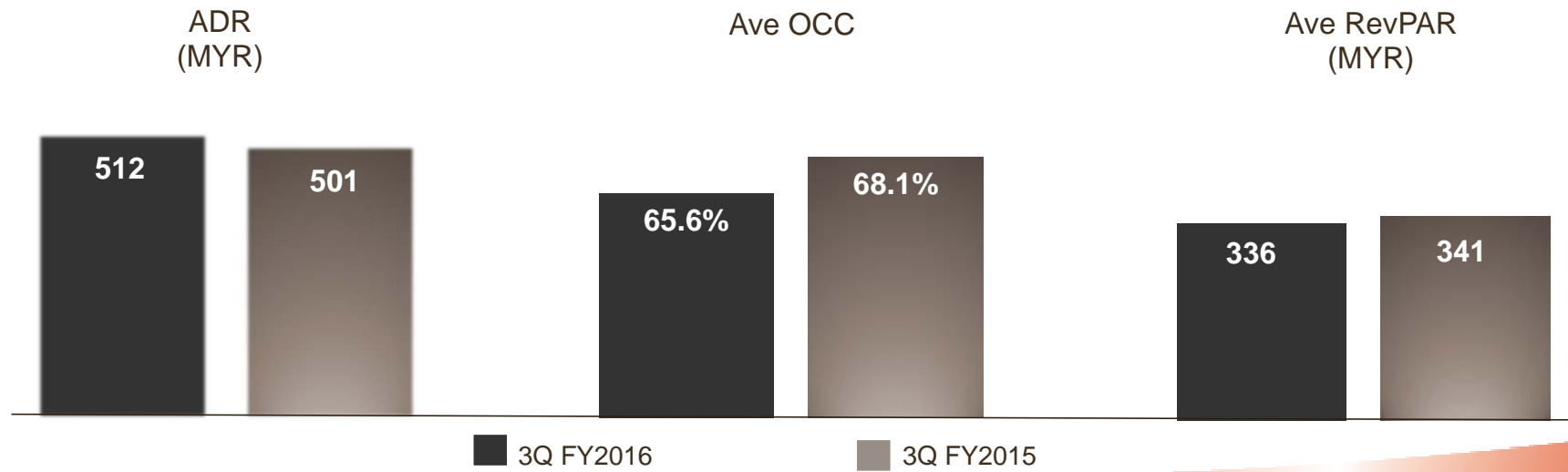


Malaysia Portfolio Performance

MYR (m)	3Q FY2016	3Q FY2015	Variance
GOR	19.9	21.1	▼ 5.7%
GOP	5.4	5.4	▼ 1.0%

❖ The Westin Kuala Lumpur (TWKL)

- In 3Q FY2016, RevPAR of TWKL was marginally lower due to continued weakness in oil & gas industry and reduced flights into KL by major European airlines.
- F&B revenue was down yoy as consumer confidence remained weak.
- Despite 5.7% drop in GOR, TWKL was able to maintain GOP with better control of expenses.



Asset Enhancement Initiative for Novotel Rockford Darling Harbour (NRDH)

- Riding on strong lodging market in Sydney and major infrastructure development in the Darling Harbour precinct, plans to renovate NRDH are expected to commence in 2Q FY2017.
- Scope of renovation will cover the entire property, consisting of 230 rooms, two F&B outlets, lobby and public areas. The renovation is expected to take 9 months, with completion and re-launching targeted for 1Q FY2018.



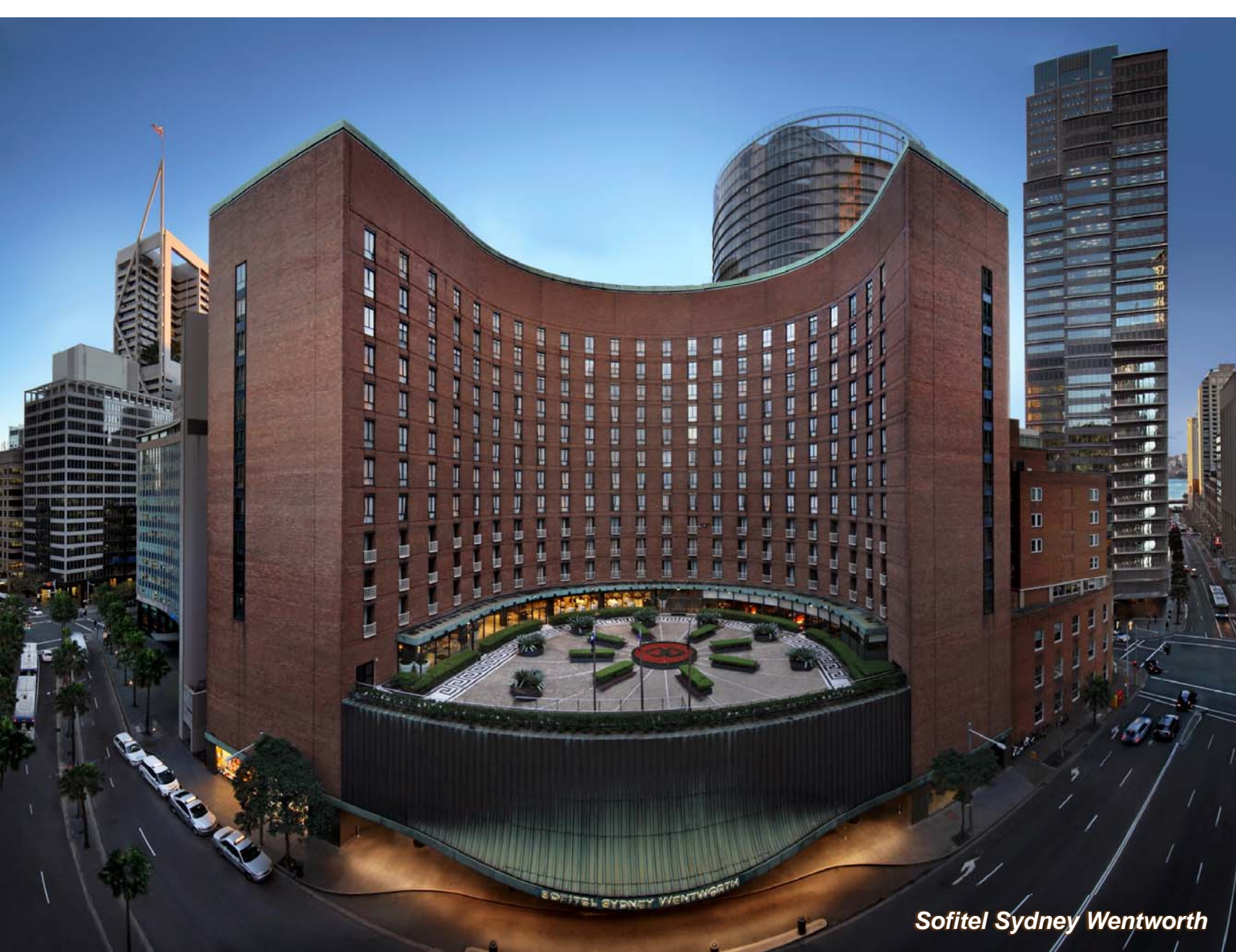
Asset Enhancement Initiative for NRDH

- Guest Room Perspective



- Lobby





Sofitel Sydney Wentworth

Capital Management

Healthy Balance Sheet

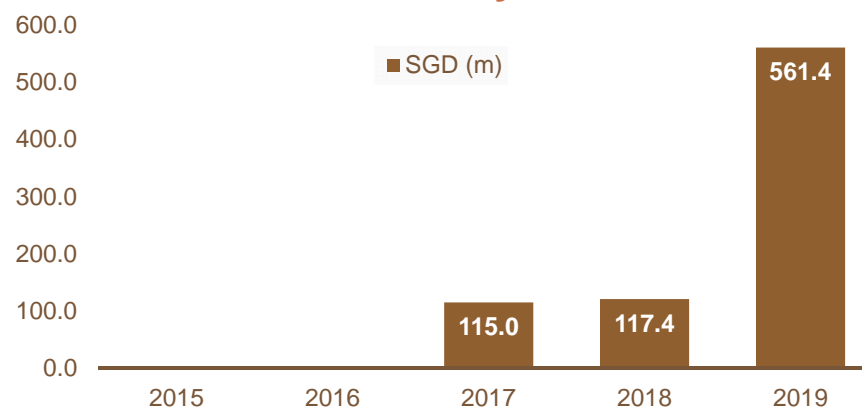
As at 30 Jun 2016	S\$m
Investment Properties	2,012.4
Total Assets	2,076.3
Total Borrowings	790.6
Gearing	38.3%
Net Asset Value (NAV) per Stapled Security ¹	79.97 cents

¹ Based on NAV of \$1,103.4 million and 1,379.8 million issued Stapled Securities.

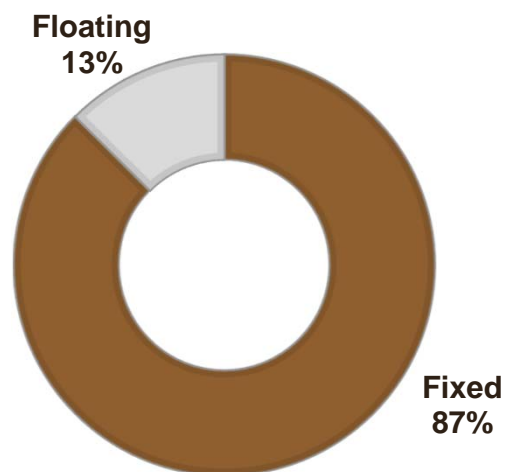
Capital Management

As at 30 Jun 2016	
Weighted Average Years to Maturity	2.6 years
Unsecured Debt	96.0%
Effective Cost of Borrowing ¹	2.6%
Interest Cover ²	4.57 times
FHT's Issuer Rating by Moody's	Baa2

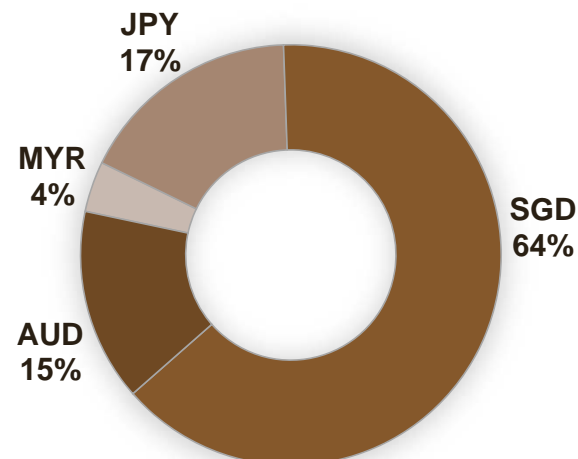
Debt Maturity Profile



Interest Rate Profile



Debt Currency Profile



¹ Including Amortisation of Upfront Debt Costs.

² Interest Cover = EBITDA / Interest Expense.



Hotel InterContinental Singapore

Outlook

Australia

- For the first five months of 2016, Tourism Australia reported 3.3 million international arrivals, representing an 11% growth yoy. Chinese visitors continued to be the top source market, growing 22% yoy.
- In Sydney, hotels have maintained high occupancy. Demand is expected to stay healthy throughout 2016, supported by busy events calendar and corporates¹.
- While new supply is due to enter the market in the next 12-24 months, it is anticipated that demand generated by existing infrastructure developments such as the Sydney International Convention Centre and Barangaroo should be able to absorb these new rooms¹.



Singapore

- Singapore Tourism Board reported a 13% increase in tourist arrivals for Jan-May 2016, fuelled in part by a surge in arrivals of Chinese and Indonesian visitors.
- Ongoing pipeline of events include CleanEnviro Summit, OS+H Asia 2016, Medical Fair Asia and Aviation Week MRO Asia-Pacific.
- However, supply of new rooms, a slowing Chinese economy and increasing regional competition will continue to weigh on the hospitality sector.



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

United Kingdom

- According to Visit Britain, inbound visitors were up 3% to 14.1 million for Jan-May 2016.
- As Brexit is expected to be a long and complicated process, the uncertainty it brings will have an impact on the UK economy and business sentiment. This could affect demand for corporate travel.
- On the other hand, a weaker Sterling against other currencies could boost leisure tourist flows to the UK.
- Outlook for Edinburgh and Glasgow is expected to remain positive as demand for travel continues to rise, supported by growth in passenger numbers into the airports of both Scottish cities¹.

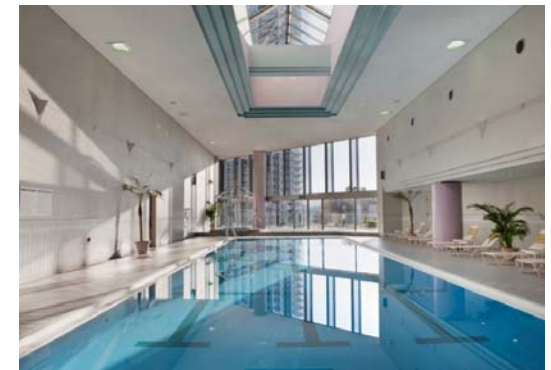


Pictures from Visit London, Fraser Suites Edinburgh and Fraser Suites Queens Gate.

¹ Source: The Hotel Owners' Journal.

Japan

- The Japan National Tourism Organization (JNTO) reported a 28% increase in the number of foreign visitors to the country for the first six months of 2016.
- JNTO also reported that Chinese visitors continued to constitute the largest group by country and registered the highest yoy growth of 41%.
- With a stronger Yen and economic uncertainty in China, growth in inbound tourists is expected to continue but at a more moderate pace¹.



Pictures from IHG ANA Crowne Plaza Kobe.

¹ Source: Savills Spotlight: Japan Hospitality, April 2016.

Malaysia

- Tourist arrivals grew 2.8% in the first quarter of 2016¹.
- Continuing the upward trend from last year, Chinese tourists increased 35% yoy in Jan-Mar 2016¹, affirming the positive effects of the government's e-Visa programme and the joint campaign between Tourism Malaysia and major travel agents in China to promote tour packages to Malaysia².
- With MYR1.2 billion being allocated to the Tourism and Culture Ministry, the government is sticking to its target of 30.5 million tourists and MYR103 billion tourist receipts for 2016³.



Pictures from The Westin Kuala Lumpur and Tourism Malaysia.

1 Source: The Edge Malaysia, "Tourist arrivals expected to grow this year despite multiple challenges", 8 Jul 2016.

2 Source: Tourism Malaysia Media Releases, "Rebound in Chinese arrivals to Malaysia", 20 Apr 2016.

3 Source: STR Asia Pacific Quarterly Update 2016 Q1 – Country Spotlight: Malaysia.

Germany

- The Federal Statistical Office of Germany reported 15 million overnights by international travellers for Jan-Mar 2016, up 7% yoy.
- For the full year, German National Tourist Board predicts 1% to 3% growth in inbound tourism.
- Dresden, which is known as Silicon Saxony, manufactures 50% of Europe's microchips and is home to leading companies that are active in the areas of microelectronics, biotechnology and engineering. It is also a major host for conferences and trade fairs in Germany.
- Ongoing pipeline of events include Lab-Supply Dresden, Bauen Kaufen Wohnen (exhibition for real estate and construction) and Naturopathic and Pharmaceutical Industrial Exhibition.








Pictures from Semperoper Dresden and Maritim Hotel Dresden.



Thank you




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







Portfolio Overview

Hotel Properties Managed by Third-Party Operators

	Property	Country	Description	Tenure	Class	Rooms
	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
	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