



Frasers Hospitality Trust

1Q FY2017 Financial Review for 1 Oct to 31 Dec 2016

26 January 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 1Q FY2017 – Year-on-Year Comparison

S\$m	1Q FY2017	1Q FY2016	Variance
Gross Revenue (GR)	39.6	31.4	▲ 26.1%
Net Property Income (NPI)	30.5	26.3	▲ 15.9%
NPI Margin	77.1%	83.8%	▼ 6.7ppt
Distribution Income (DI)	24.4	23.7	▲ 3.1%
Distribution Per Stapled Security (DPS) – restated	1.3258 cents	1.6354 cents ¹	▼ 18.9%
DPS – as previously reported	1.3258 cents	1.7232 cents	▼ 23.1%

- GR, NPI and DI were boosted by the addition of Novotel Melbourne on Collins and Maritim Hotel Dresden as well as better performance of Sydney properties and ANA Crowne Plaza Kobe. These were partially offset by the soft performance of Singapore, UK and Malaysia properties.
- As Novotel Melbourne on Collins was acquired with no external master lease, its NPI margin, which is computed based on NPI over the hotel's gross operating revenue, is lower as compared to the NPI margin of master leased properties which is computed based on GR. As a result, FHT's NPI margin was lower yoy.
- With the enlarged stapled security base of 1,841.2 million post-Rights Issue, DPS was 1.3258 cents.

¹ DPS and 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 1Q FY2017 – Against Forecast¹

S\$m	1Q FY2017	1Q FY2017 Forecast	Variance
GR	39.6	38.3	▲ 3.2%
NPI	30.5	30.1	▲ 1.3%
NPI Margin	77.1%	78.6%	▼ 1.5ppt
DI	24.4	23.1	▲ 5.7%
DPS – restated	1.3258 cents	1.2545 cents	▲ 5.7%

- GR and NPI exceeded forecast due to the better than expected performance of Sydney properties. The earlier completion of the acquisition of Novotel Melbourne on Collins also contributed to the outperformance.
- As such, DPS of 1.3258 cents for 1Q FY2017 exceeded the forecasted DPS.

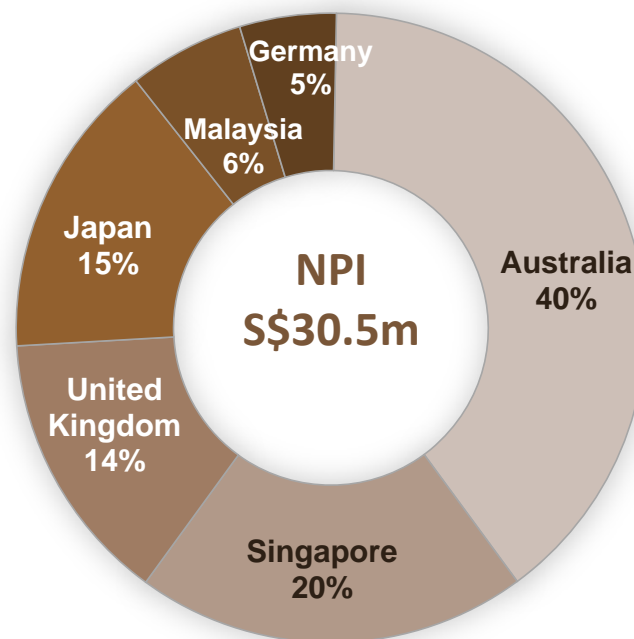
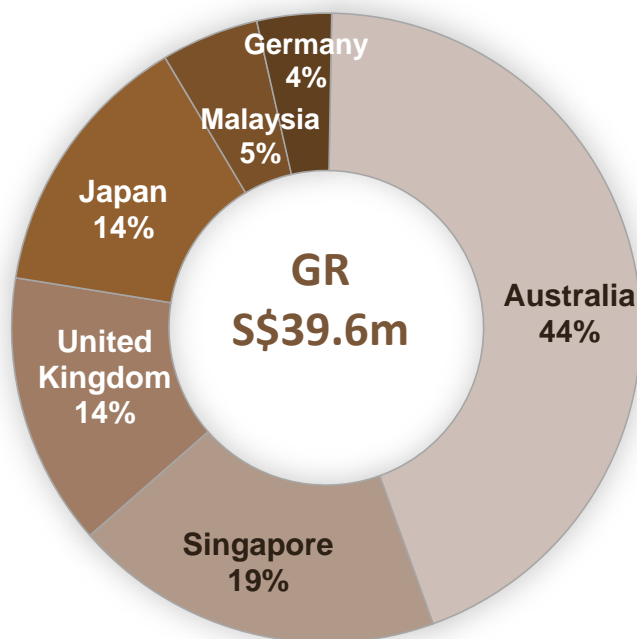
¹ A profit forecast for the period from 1 Oct 2016 to 31 Dec 2016 was disclosed in the Offer Information Statement dated 20 Sep 2016 in relation to the Rights Issue.

Portfolio Performance



Sofitel Sydney Wentworth

Portfolio Contribution by Country – 1Q FY2017



- Acquisition of Novotel Melbourne on Collins has added stability to our earnings base and enhanced the income diversification of our portfolio.

Portfolio Highlights By Country

Country	1Q FY2017			
	GOR ¹		GOP ²	
	Local Currency (m)	Variance (yoy)	Local Currency (m)	Variance (yoy)
Australia	33.0	▲ 31.6%	14.9	▲ 31.6%
Singapore	21.7	▲ 4.1%	8.6	▲ 5.6%
UK	6.1	▲ 0.5%	3.3	▼ 3.4%
Japan	1,762.5	▼ 3.4%	551.2	▲ 2.4%
Malaysia	24.3	▼ 8.9%	7.7	▼ 20.0%
Germany ³	3.0	n.a.	1.4	n.a.

1 Gross Operating Revenue.

2 Gross Operating Profit.

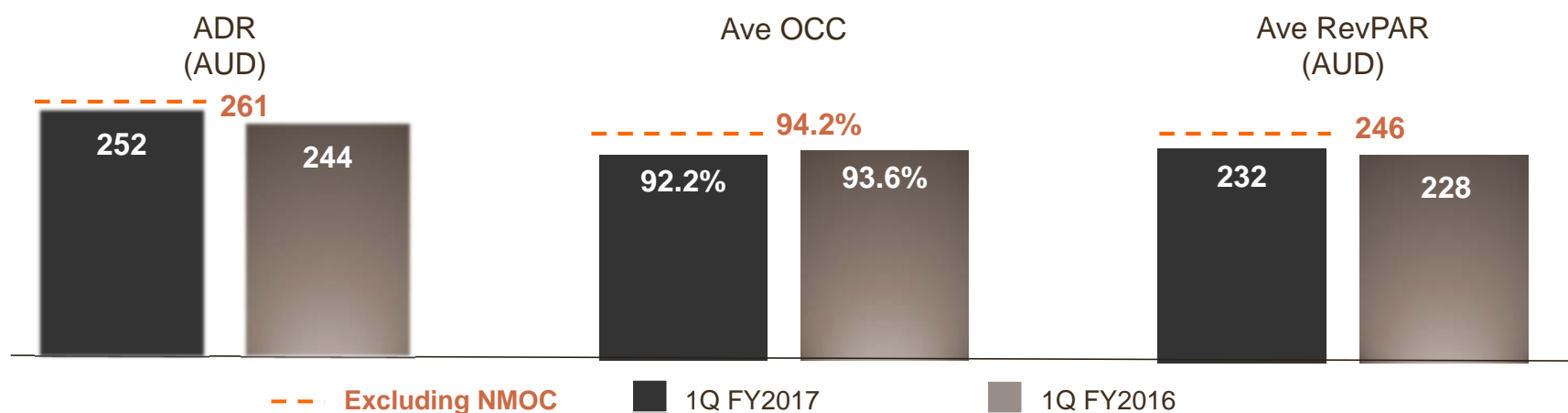
3 Refers to Maritim Hotel Dresden which was acquired on 15 Jun 2016.

Australia Portfolio Performance

AUD (m)	1Q FY2017	1Q FY2016	Variance
GOR	33.0	25.1	▲ 31.6%
GOP	14.9	11.4	▲ 31.6%

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

- With the addition of NMOC, the Australia portfolio recorded a significant increase in GOR and GOP.
- RevPAR for the Australia portfolio increased 2% in 1Q FY2017, with RevPAR for Sydney and Melbourne increasing by 7.9% and 10.0% respectively.
- Sydney and Melbourne continue to benefit from a busy events calendar, with Sydney in particular benefitting from the completion of the International Convention Centre in Dec 2016.



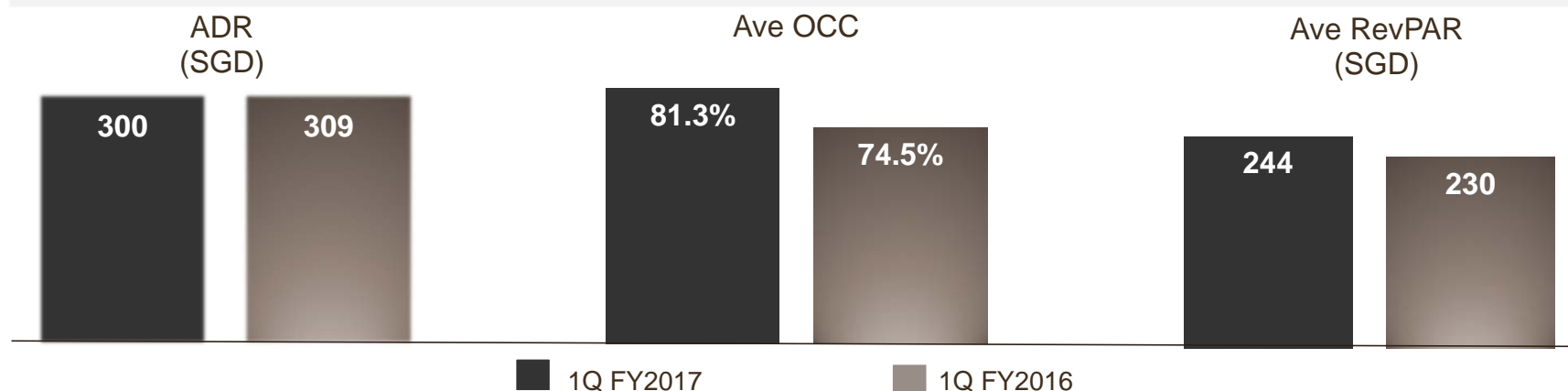
Singapore Portfolio Performance

SGD (m)	1Q FY2017	1Q FY2016	Variance
GOR	21.7	20.8	▲ 4.1%
GOP	8.6	8.1	▲ 5.6%

❖ Fraser Suites Singapore (FSSG)

❖ InterContinental Singapore (ICSG)

- Higher GOR and GOP for Singapore properties in 1Q FY2017 was due to full room inventory in ICSG compared to 1Q FY2016 when some rooms were taken out of operation due to renovation.
- Following completion of the renovation at ICSG, the hotel's ADR and F&B revenues are improving; ICSG is making progress in reaching its optimal performance.
- FSSG turned in lower RevPAR due to continued weakness in corporate demand from oil & gas and banking sectors. It is actively reaching out to new accounts from engineering, government and manufacturing sectors.

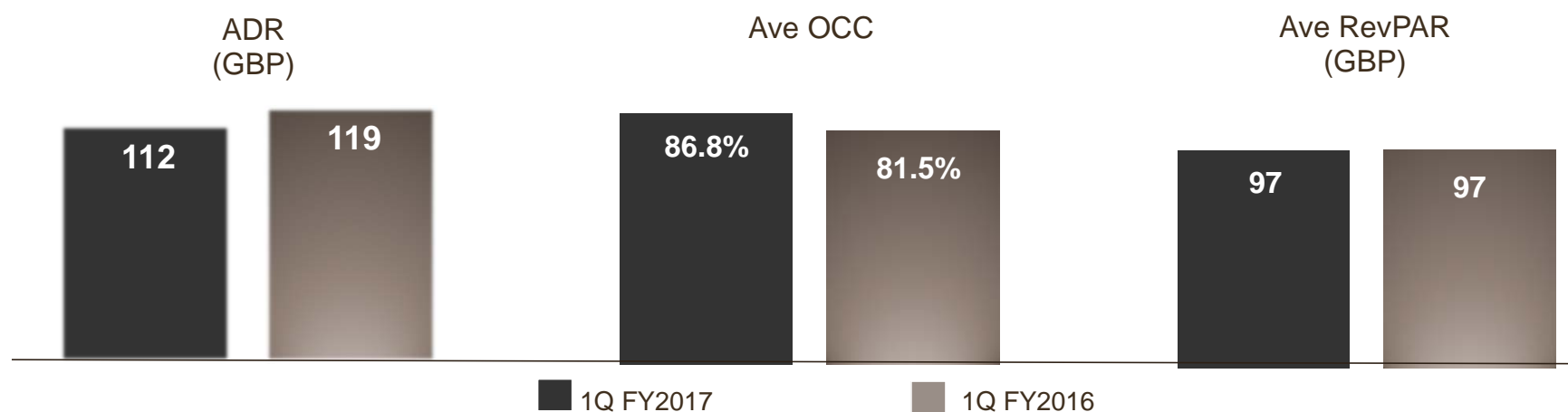


UK Portfolio Performance

GBP (m)	1Q FY2017	1Q FY2016	Variance
GOR	6.1	6.1	▲ 0.5%
GOP	3.3	3.5	▼ 3.4%

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

- GOR of the UK portfolio was stable yoy despite weaker business sentiment following Brexit.
- GOP, however, was affected by an approximately 3% increase in minimum wage which took effect on 1 Oct 2016.

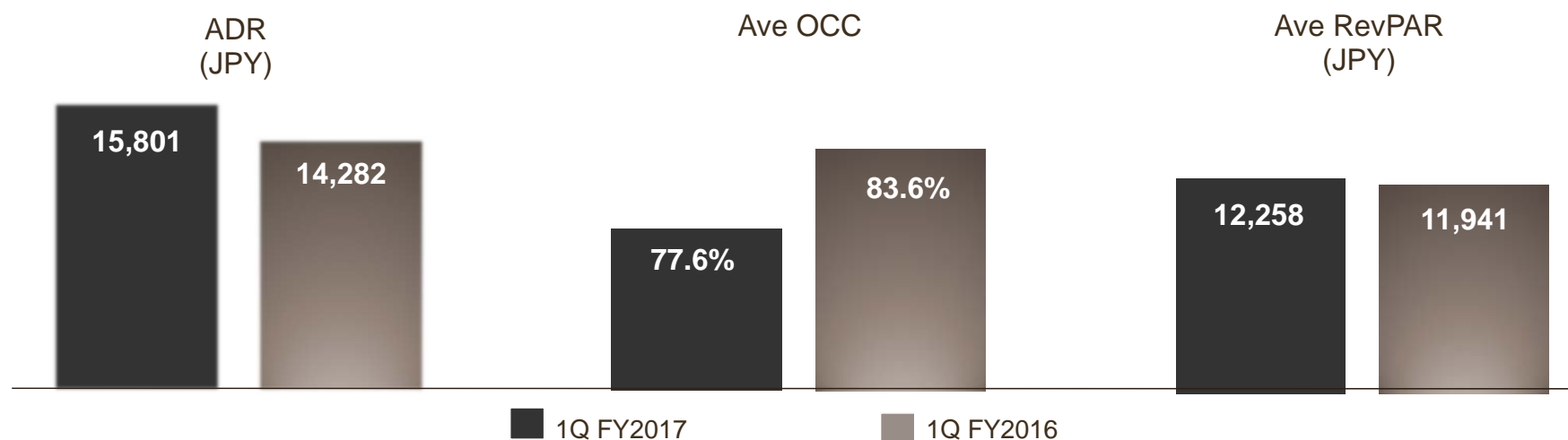


Japan Portfolio Performance

JPY (m)	1Q FY2017	1Q FY2016	Variance
GOR	1,762.5	1,823.8	▼ 3.4%
GOP	551.2	538.2	▲ 2.4%

❖ ANA Crowne Plaza Kobe (CPK)

- The strengthening of the Japanese yen (up to mid-Oct 2016) has led to a decline in international arrivals in the Kansai region and resulted in lower occupancy levels in Kobe.
- Strong revenue management has allowed CPK to increase its ADR by over 10%, resulting in an increase in RevPAR of 2.7%.
- GOR dropped 3.4% as a result of decline in banquet revenues. However, astute expense management enabled CPK to improve GOP by 2.4%.

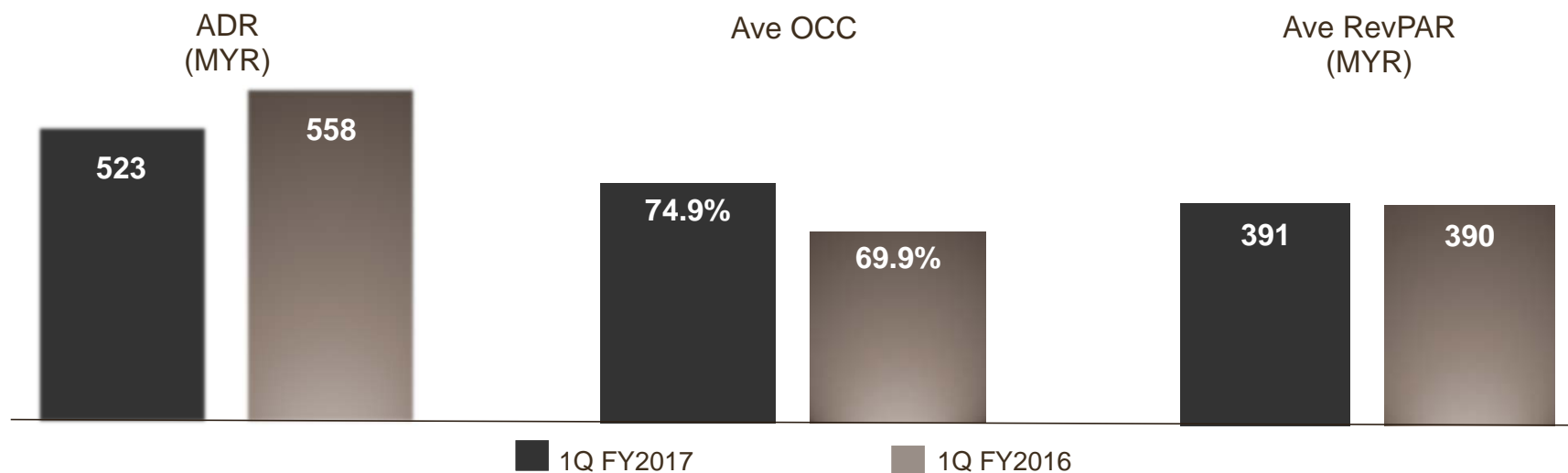


Malaysia Portfolio Performance

MYR (m)	1Q FY2017	1Q FY2016	Variance
GOR	24.3	26.6	▼ 8.9%
GOP	7.7	9.7	▼ 20.0%

❖ The Westin Kuala Lumpur (TWKL)

- RevPAR of TWKL in 1Q FY2017 was slightly higher than a year ago on the back of higher occupancy due to stronger transient and corporate demand from industries other than oil & gas.
- GOR and GOP declined due to the weak performance in banquet revenues. TWKL is focusing its efforts on increasing banquet revenue through government and social events.



Capital Management



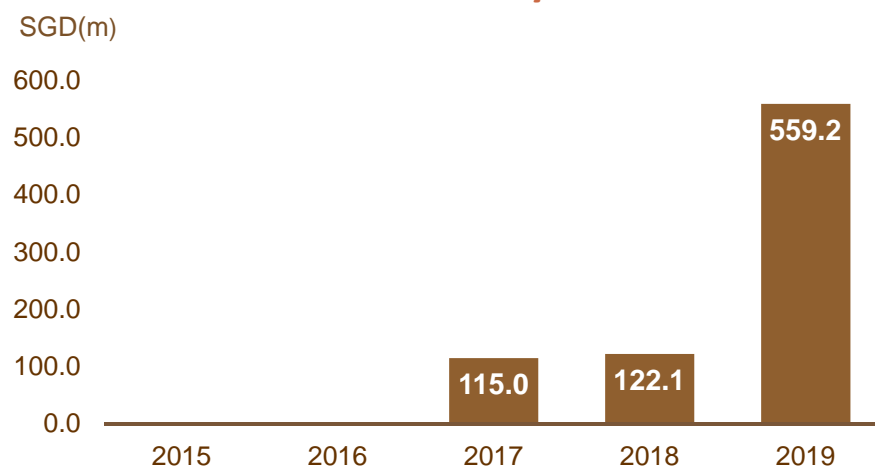
InterContinental Singapore

Risk and Capital Management

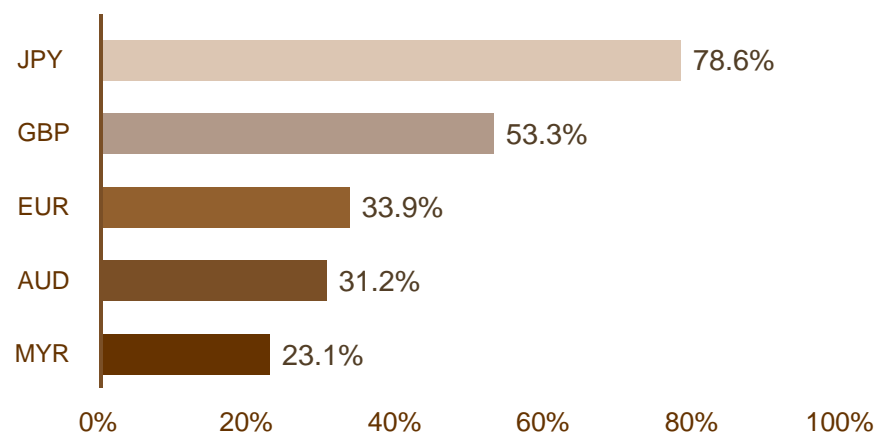
As at 31 Dec 2016	S\$m
Investment Properties	2,042.0
Property, Plant and Equipment	247.7
Total Assets	2,360.8
Total Borrowings	792.8
Gearing	33.7%
Net Asset Value (NAV) per Stapled Security ¹	74.79 cents

As at 31 Dec 2016	
Weighted Average Years to Maturity	2.09 years
Unsecured Debt	96.2%
Effective Cost of Borrowing ²	2.6%
Borrowings on Fixed Rates	87.8%
Interest Cover ³	4.93 times
FHT's Issuer Rating by Moody's	Baa2

Debt Maturity Profile



Balance Sheet Hedging



1 Based on NAV of \$1,373.4 million and 1,836.4 million issued Stapled Securities.

2 Including amortisation of upfront debt costs.

3 Interest Cover = EBITDA / Interest Expense.

Outlook



Park International London

Australia

- For Jan-Nov 2016, Tourism Australia reported a yoy growth of 11.4% in international arrivals to 7.3 million, with Chinese visitors growing 18.0% yoy.
- Sydney has benefitted from a combination of steady corporate and leisure demand. Outlook for its hospitality market remains strong, with further strengthening of RevPAR expected as demand continues to outstrip supply growth¹.
- Melbourne's calendar of major global events is a draw card for visitors to the city and demand is expected to stay firm².



Pictures from Fraser Suites Sydney and Sofitel Sydney Wentworth.

1 Source: JLL – Hotel Destinations Asia Pacific – Oct 2016.

2 Source: CBRE Research – MarketView Australia Hotels – Q3 2016.

Singapore

- Singapore Tourism Board reported a 7.9% increase in tourist arrivals for Jan-Nov 2016, fuelled in part by a surge in arrivals of Chinese and Indonesian visitors.
- As a leading MICE destination, Singapore continues to grow its pipeline of events including Bio Pharma Asia Convention 2017, IoT Asia, IMDEX Asia 2017, BroadcastAsia 2017, CommunicAsia 2017 and ITB Asia 2017.
- However, soft corporate demand, pressure arising from supply of new rooms and increasing regional competition are expected 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 for Jan-Oct 2016 were up 2% yoy to 31.4 million.
- Brexit and the subsequent currency fluctuations have further enhanced the UK's attractiveness to international tourists as it became a cheaper destination. However, the outlook for 2017 is less transparent due to the knock-on economic effects that the invoking of Article 50 could have on the market.¹
- With rising confidence in the Scottish economy and growing tourism demand, outlook for Edinburgh and Glasgow is expected to remain positive².



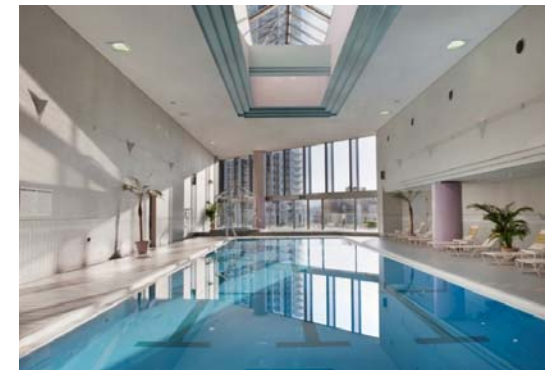
Pictures from Visit London, Fraser Suites Edinburgh and Fraser Suites Queens Gate.

¹ Source: Savills – UK Hotel Investments – Q4 2016.

² Source: JLL Hotel Intelligence, Sep 2016.

Japan

- For Jan-Dec 2016, Japan National Tourism Organization reported growth in the number of foreign visitors, with Chinese visitors being the largest group by country.
- Following the US Federal Reserve's decision to raise its benchmark interest rate in Dec 2016, the Japanese yen has been depreciating against the US dollar.
- In the short term, the Japanese tourism market is likely to be supported by the weaker currency, which tends to deliver benefits for the hotel sector¹.



Pictures from IHG ANA Crowne Plaza Kobe.

¹ Source: JLL – Softer yen supports investment in Japan – 10 Jan 2017.

Malaysia

- According to Tourism Malaysia, tourist arrivals increased 3.6% yoy to 19.7 million for Jan-Sep 2016, with Chinese tourists growing 24.8% yoy.
- To further boost Chinese tourist arrivals, Tourism Malaysia has launched the Malaysia Tourism Pavilion on online platform Alitrip, facilitating easy access to travel and tourism products and services for Chinese travellers.
- With a significant supply of new hotel rooms and serviced apartments expected to come on stream till 2020, Kuala Lumpur – predominantly a corporate market with strong weekday business – could face oversupply in the short to medium term¹.



Pictures from The Westin Kuala Lumpur and Tourism Malaysia.

¹ Source: JLL – Hotel Destinations Asia Pacific – Oct 2016.

Germany

- For Jan-Nov 2016, the Federal Statistical Office of Germany reported a 3% increase in the number of domestic and foreign overnight stays to 420.2 million¹.
- In Dresden, the combined number of domestic and foreign visitors declined marginally by 0.2% to 1.7 million for Jan-Oct 2016².
- The capital city of the Free State of Saxony continues to enjoy a growing pipeline of MICE events for 2017 which include the International Symposium Additive Manufacturing, HAUS (construction tradeshow), International Conference on the European Energy Market, Lab Supply Dresden and Cryogenics Conferences.



Pictures from Semperoper Dresden and Maritim Hotel Dresden.

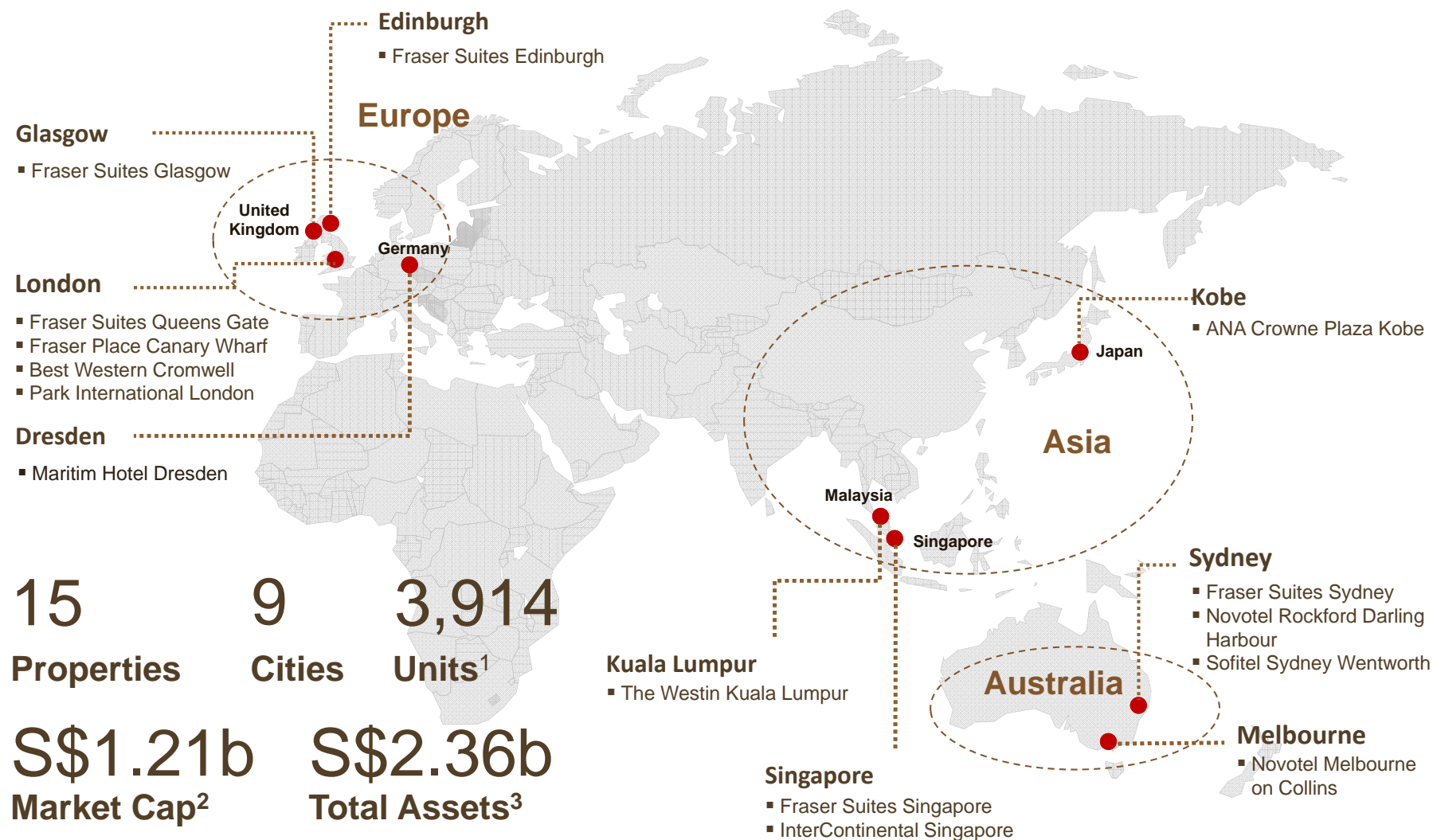
1 Source: Tourism-Review.com – Tourism in Germany continues growing – 17 Jan 2017.

2 Source: Dresden.de



Thank you

Resilient and Diversified Portfolio Across Geography






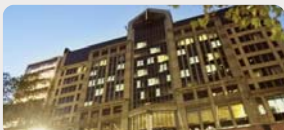

¹ Comprising 3,072 hotel rooms and 842 serviced residence units.

² As at 26 Jan 2017.

³ As at 31 Dec 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
	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