



FAR EAST
HOSPITALITY
TRUST

3Q13 Results Presentation

8 Nov 2013

Agenda

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Results Highlights



Executive Summary - Performance

	Actual 3Q	Forecast 3Q	Variance	Actual 9M	Forecast 9M	Variance
	2013	2013		2013	2013	
	\$	\$	%	\$	\$	%
Gross Revenue (\$'000)	31,472	34,719	-9.4	88,915	95,893	-7.3
NPI (\$'000)	28,518	31,477	-9.4	81,415	86,793	-6.2
Income Available for Distribution (\$'000)	24,198	26,144	-7.4	69,525	72,020	-3.5
DPS (cents)	1.41	1.53	-7.8	4.22	4.37	-3.4

- **Sustained pressure on room rates resulted in a 9.4% shortfall to forecast Gross Revenue in 3Q 2013**
- **Despite a -7.8% variance against forecast DPS in 3Q 2013, variance was lower at -3.4% for 9M 2013**

* In connection with the acquisition of Rendezvous Grand Hotel Singapore ("RGHS") and Rendezvous Gallery (collectively "the Rendezvous Property"), Far East H-Trust had made, in lieu of the scheduled quarterly-distribution, an advanced distribution of Far East H-Trust's distributable income for the period from 1 April 2013 to 31 July 2013 (prior to the date on which the placement of new Stapled Securities were issued). The distribution of 0.47 cents for the month of July 2013 was paid on 11 September 2013.



Financial Results From 1 July 2013 to 30 September 2013

	3Q 13 Actual	3Q 13 Forecast	Variance 3Q	Variance 3Q
	S\$'000	S\$'000	S\$'000	%
Master lease rental	26,453	29,867	(3,414)	(11.4)
Retail and office revenue	5,019	4,852	167	3.4
Gross revenue	31,472	34,719	(3,247)	(9.4)
Property tax	(1,912)	(2,009)	97	4.8
Property insurance	(31)	(43)	12	27.9
MCST contribution	(11)	(12)	1	8.3
Retail and office expenses	(884)	(1,078)	194	18.0
Property manager fees	(112)	(100)	(12)	(12.0)
Other property expenses	(4)	-	(4)	N.M.
Property expenses	(2,954)	(3,242)	288	8.9
Net property income	28,518	31,477	(2,959)	(9.4)
REIT Manager's fees	(2,971)	(2,981)	10	0.3
Trustee's fees	(76)	(117)	41	35.0
Other trust expenses	(213)	(284)	71	25.0
REIT level expenses	(3,260)	(3,382)	122	3.6
Total finance costs	(4,249)	(4,642)	393	8.5
Net income before tax and fair value changes	21,009	23,453	(2,444)	(10.4)
Fair value change in interest rate swap	(2,904)	-	(2,904)	N.M.
Total return for the period before income tax	18,105	23,453	(5,348)	(22.8)

* The Rendezvous Property was acquired on August 1, 2013, therefore the statistics shown in the table are consolidated for August and September only.



Statement of Distribution to Stapled Securityholders

	Actual	Forecast	Variance	Variance
	S\$'000	S\$'000	S\$'000	%
Total return for the period before income tax	18,105	23,453	(5,348)	(22.8)
Income tax expense	-	-	-	-
Total return for the period after income tax	18,105	23,453	(5,348)	(22.8)
Add/(less) non tax deductible/(chargeable) items :				
REIT Manager's fees paid/payable in stapled securities	2,377	2,385	(8)	(0.3)
Amortisation of debt upfront cost	194	189	5	2.6
Trustee's fees	76	117	(41)	(35.0)
Other Adjustment	(31)	-	(31)	N.M.
Amortisation of realised interest rate swap cost	573	-	573	N.M.
Fair value change in interest rate swap	2,904	-	2,904	N.M.
Net tax adjustment	6,093	2,691	3,402	126.4
Income available for distribution	24,198	26,144	(1,946)	(7.4)

* The Rendezvous Property was acquired on August 1, 2013, therefore the statistics shown in the table are consolidated for August and September only.



Details of Distribution

Distribution per Stapled Security	1.41 cents
Less Advanced Distribution	0.47 cents
Distribution per Stapled Security (1 Aug to 30 Sep 2013)	0.94 cents *
Ex-Date	14 Nov 2013
Books Closure Date	19 Nov 2013
Distribution Payment Date	18 Dec 2013

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Portfolio Performance



Portfolio Performance 3Q 2013 – Key Highlights

Hotels

- Average occupancy remained high at mid 80s
- 3Q13 performance was impacted by
 - Price competition arising from the opening of new hotels
 - Stronger Singapore Dollar versus regional currencies, which resulted in fewer bookings from some key tourist markets
 - Subdued business travel spending due to uncertain macro-economy
- Retail and office spaces cushioned volatility with high occupancies and stable rentals

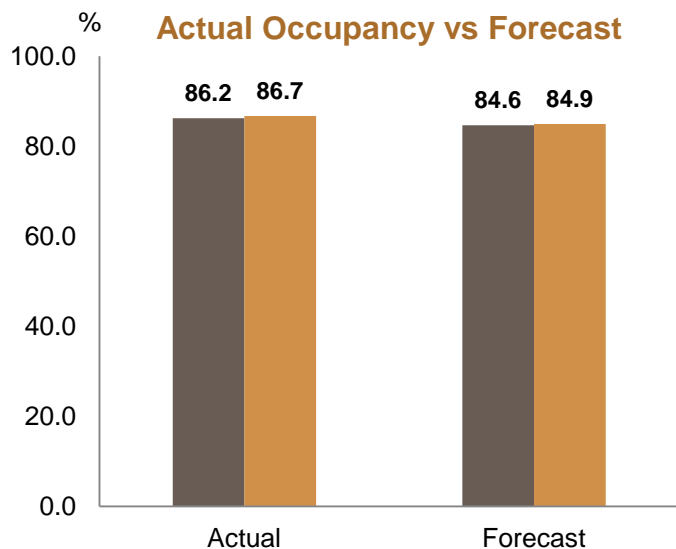
Serviced Residences

- Average occupancy remained high
- Average room rate slightly below forecast due to continued promotional rates to attract longer stays



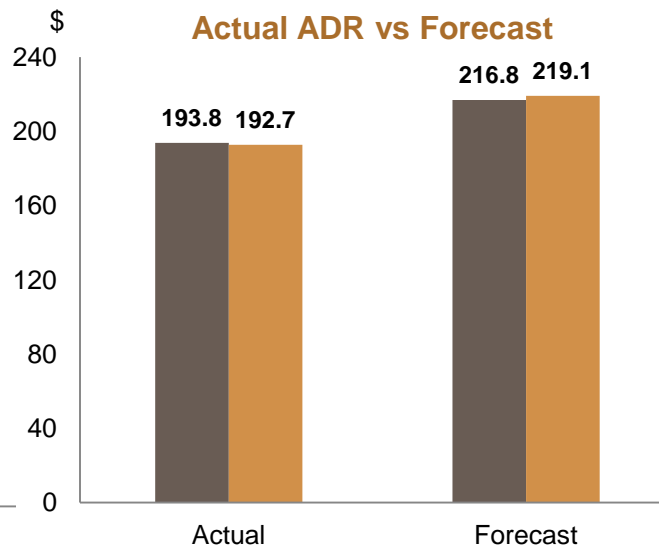
Portfolio Performance 3Q 2013 - Hotels

Actual Occupancy vs Forecast



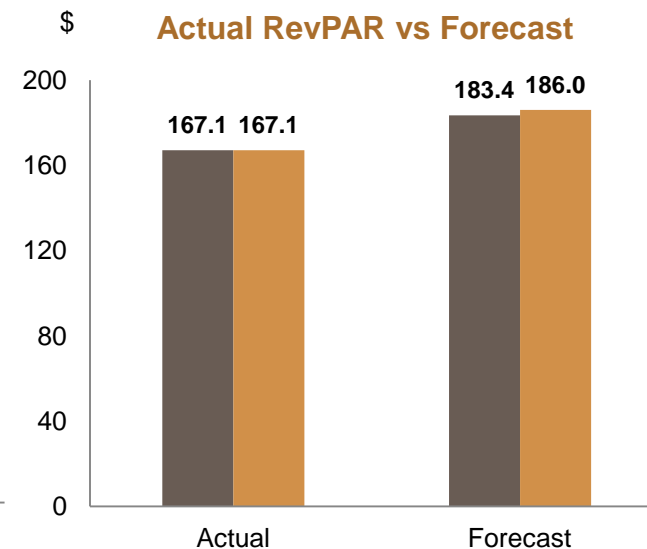
■ All hotels ■ Excl RGHS

Actual ADR vs Forecast



■ All hotels ■ Excl RGHS

Actual RevPAR vs Forecast



■ All hotels ■ Excl RGHS

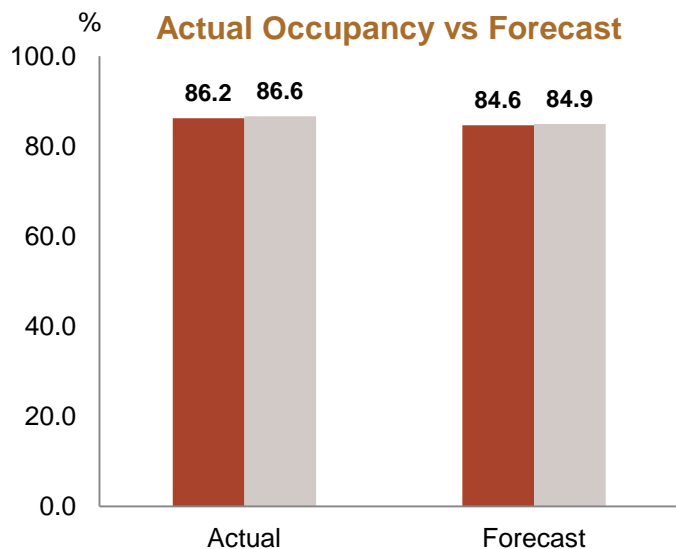
	All Hotels			Hotels (Excluding RGHS)		
	Actual	Forecast	Variance	Actual	Forecast	Variance
Occupancy (%)	86.2	84.6	+1.6pp	86.7	84.9	+1.8pp
ADR (\$)	193.8	216.8	-10.6%	192.7	219.1	-12.0%
RevPAR (\$)	167.1	183.4	-8.9%	167.1	186.0	-10.2%

* The Rendezvous Property was acquired on August 1, 2013, therefore the statistics shown in the table above for RGHS are consolidated for August and September only.



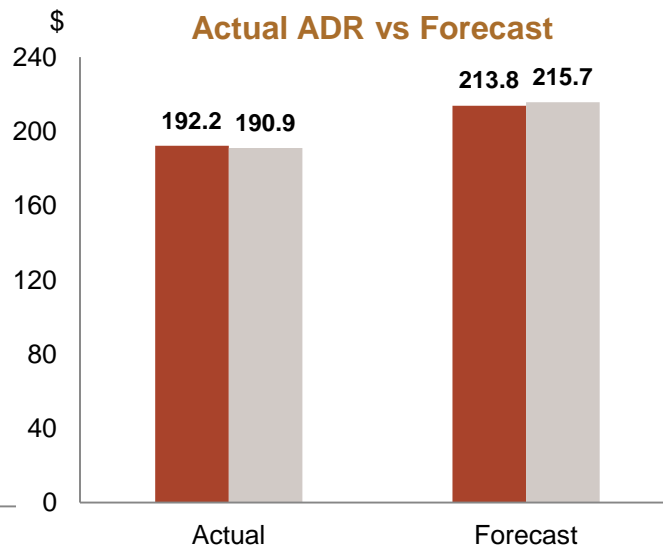
Portfolio Performance 9M 2013 - Hotels

Actual Occupancy vs Forecast



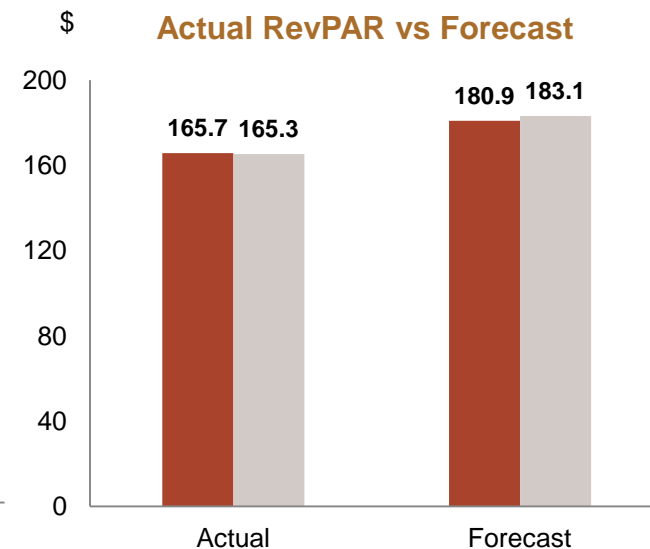
■ All hotels ■ Excl RGHS

Actual ADR vs Forecast



■ All hotels ■ Excl RGHS

Actual RevPAR vs Forecast



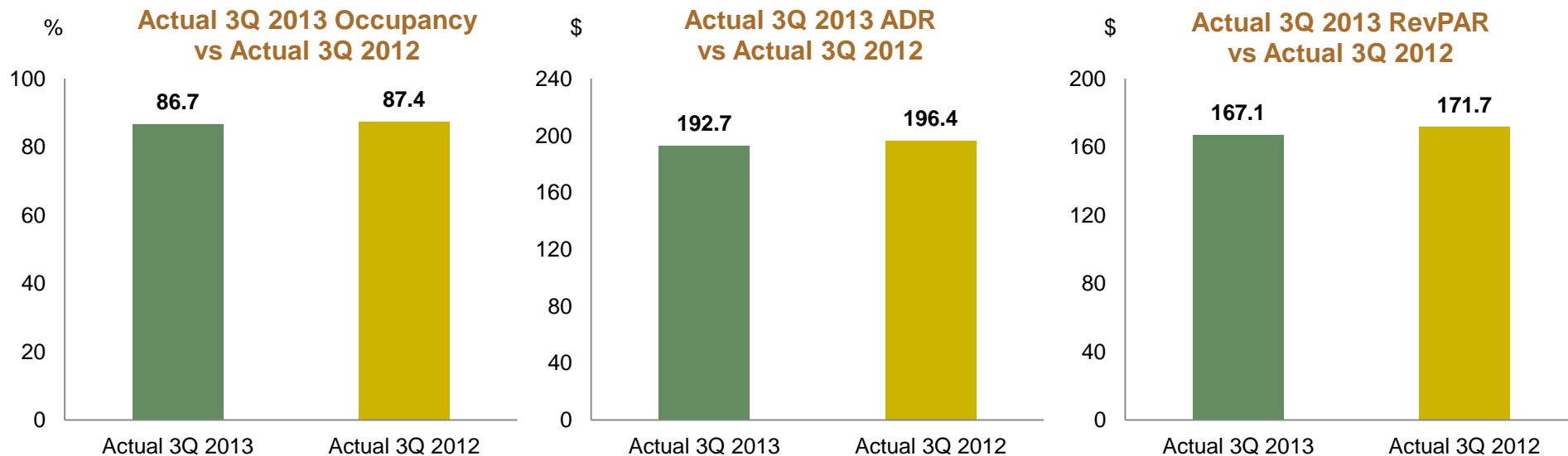
■ All hotels ■ Excl RGHS

	All Hotels			Hotels (Excluding RGHS)		
	Actual	Forecast	Variance	Actual	Forecast	Variance
Occupancy (%)	86.2	84.6	+1.6pp	86.6	84.9	+1.7pp
ADR (\$)	192.2	213.8	-10.1%	190.9	215.7	-11.5%
RevPAR (\$)	165.7	180.9	-8.4%	165.3	183.1	-9.7%

* The Rendezvous Property was acquired on August 1, 2013, therefore the statistics shown in the table above for RGHS are consolidated for August and September only.



Portfolio Performance 3Q 2013 vs 3Q 2012 - Hotels

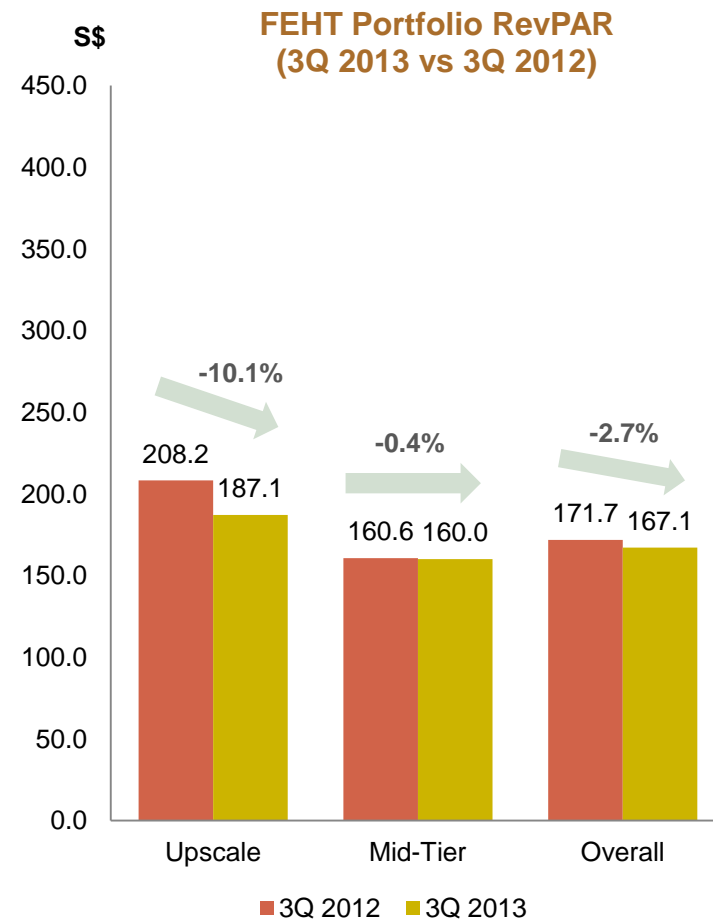
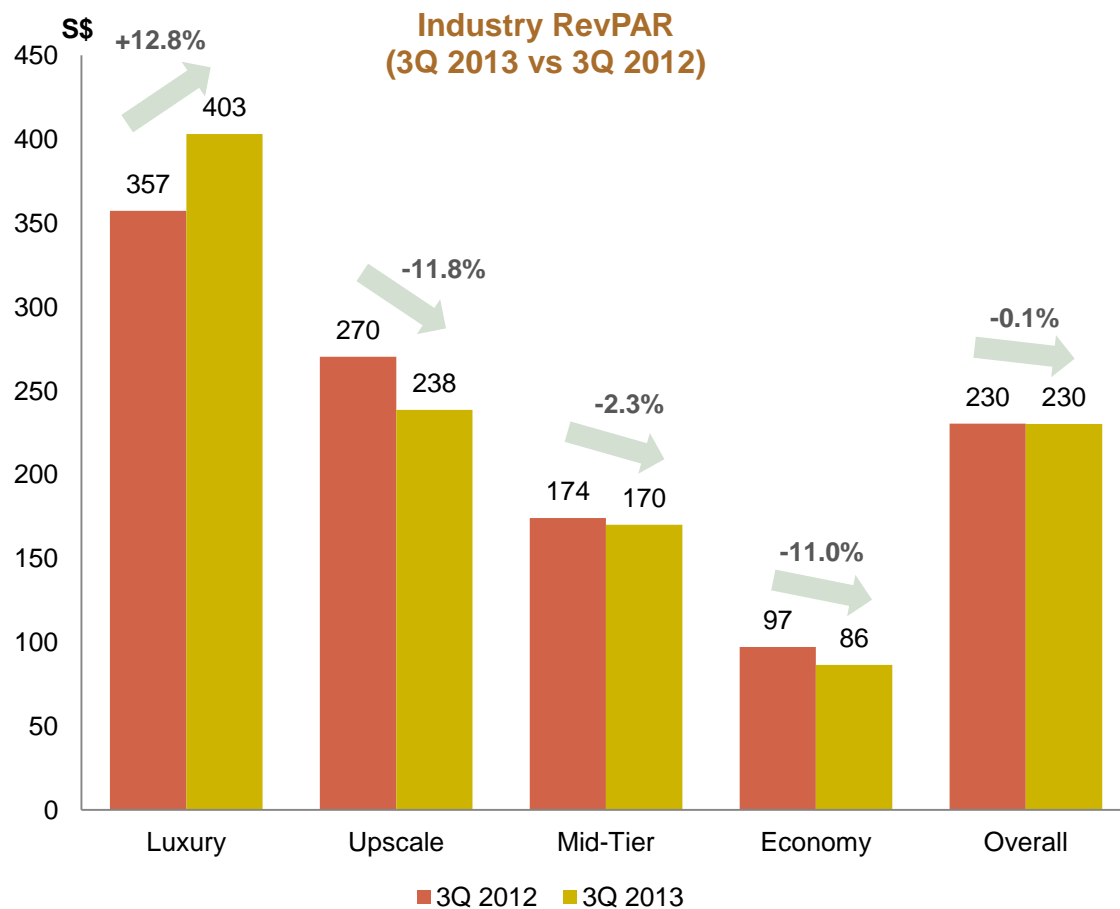


	Excluding RGHS		
	3Q 2013	3Q 2012	Variance
Occupancy (%)	86.7	87.4	-0.7pp
ADR (\$)	192.7	196.4	-1.9%
RevPAR (\$)	167.1	171.7	-2.7%

* The Rendezvous Property was acquired on August 1, 2013. For a same store year-on-year comparison, the statistics shown in the table above exclude RGHS.



Industry & Portfolio RevPAR Comparison (2013 vs 2012)

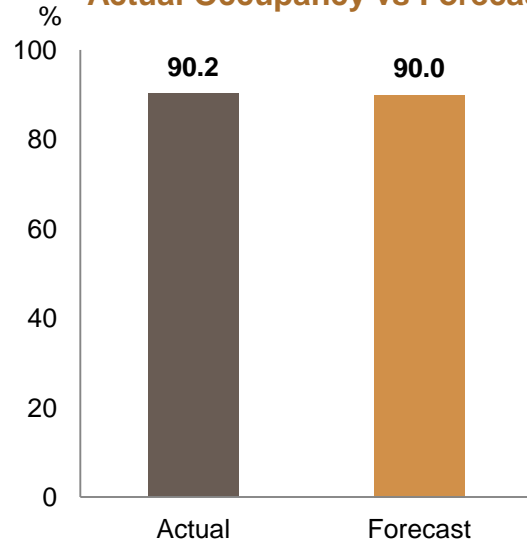


- **Far East H-Trust's portfolio showed more resilience as compared to the industry**

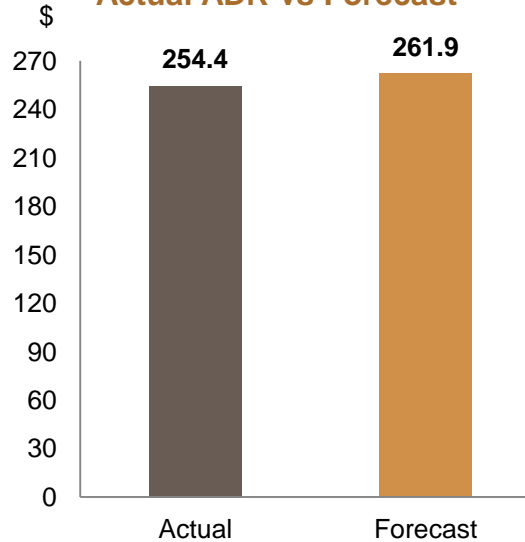


Portfolio Performance 3Q 2013 – Serviced Residences

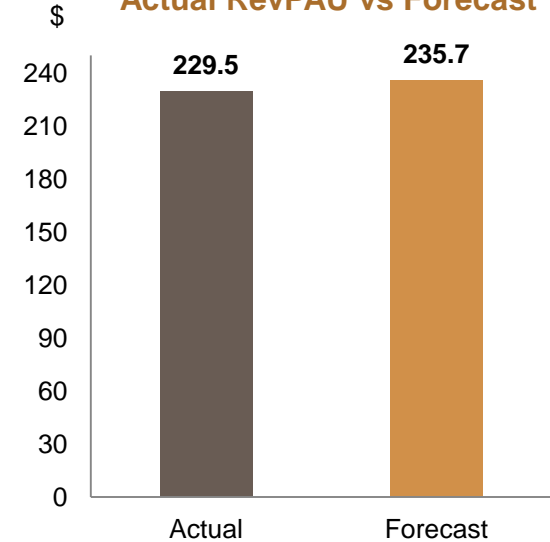
Actual Occupancy vs Forecast



Actual ADR vs Forecast



Actual RevPAU vs Forecast

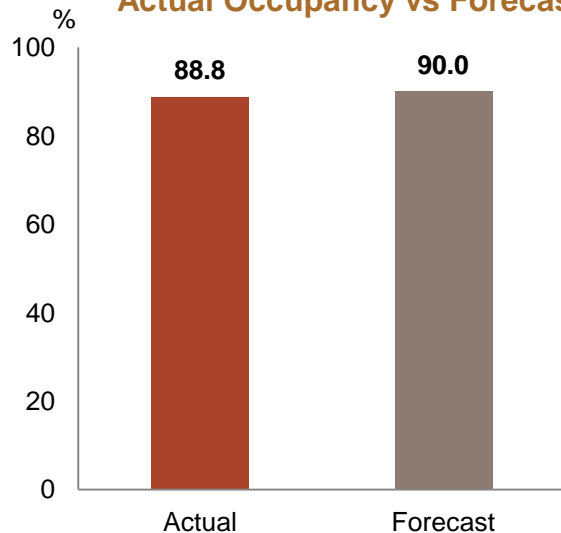


	Actual	Forecast	Variance
Occupancy (%)	90.2	90.0	+0.2pp
ADR (\$)	254.4	261.9	-2.9%
RevPAU (\$)	229.5	235.7	-2.6%

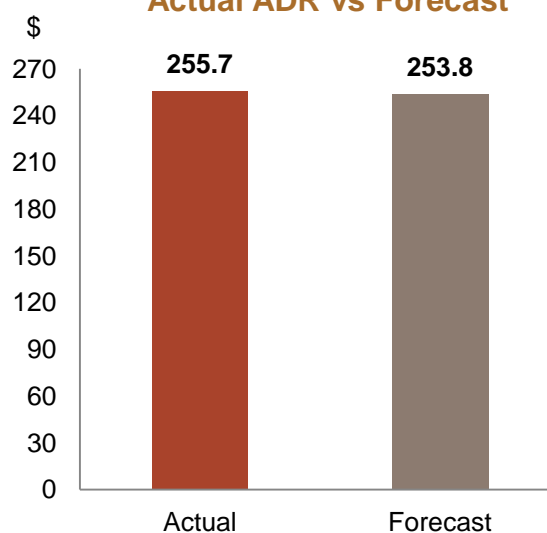


Portfolio Performance 9M 2013 – Serviced Residences

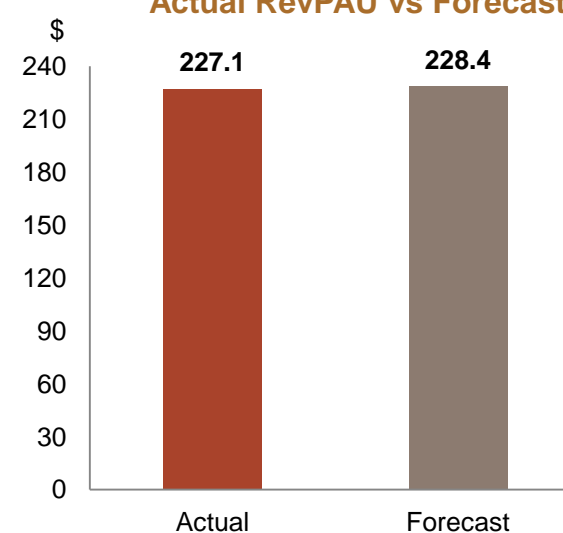
Actual Occupancy vs Forecast



Actual ADR vs Forecast



Actual RevPAU vs Forecast

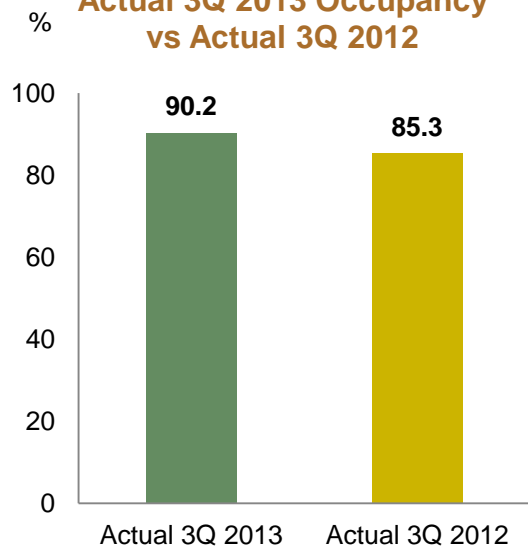


	Actual	Forecast	Variance
Occupancy (%)	88.8	90.0	-1.2pp
ADR (\$)	255.7	253.8	+0.7%
RevPAU (\$)	227.1	228.4	-0.6%

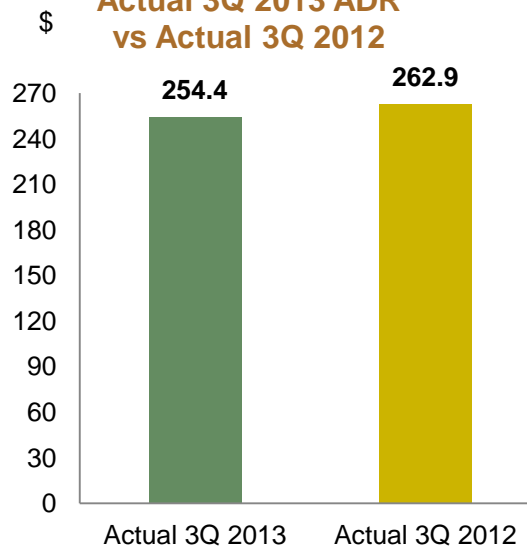


Portfolio Performance 3Q 2013 vs 3Q 2012 – Serviced Residences

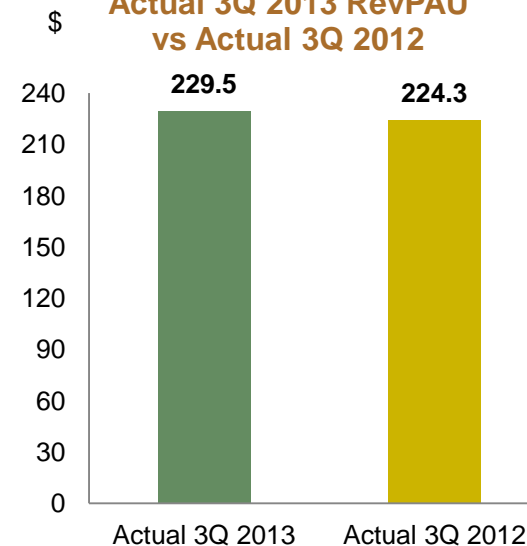
Actual 3Q 2013 Occupancy vs Actual 3Q 2012



Actual 3Q 2013 ADR vs Actual 3Q 2012



Actual 3Q 2013 RevPAU vs Actual 3Q 2012



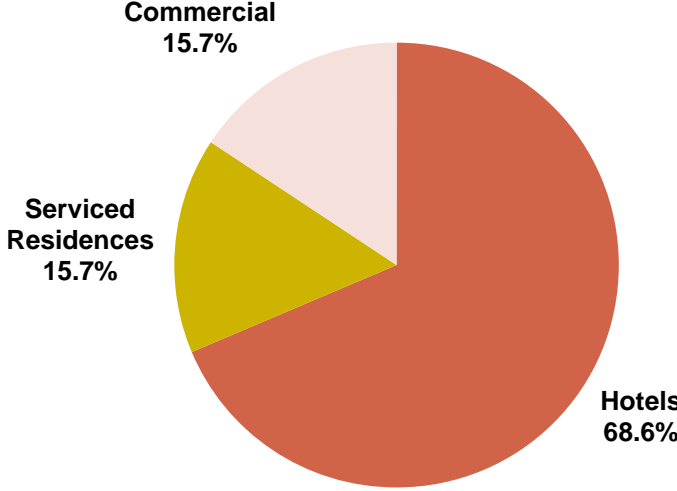
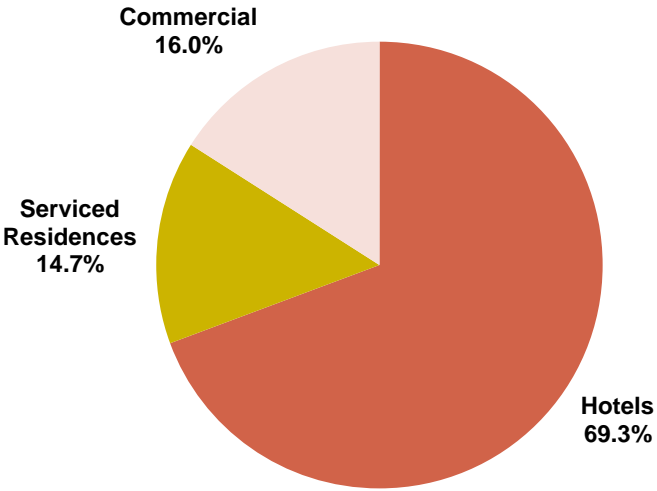
	3Q 2013	3Q 2012	Variance
Occupancy (%)	90.2	85.3	+4.9pp
ADR (\$)	254.4	262.9	-3.2%
RevPAU (\$)	229.5	224.3	+2.3%



Breakdown of Gross Revenue – Total Portfolio

Actual 3Q 2013

Actual 2Q 2013

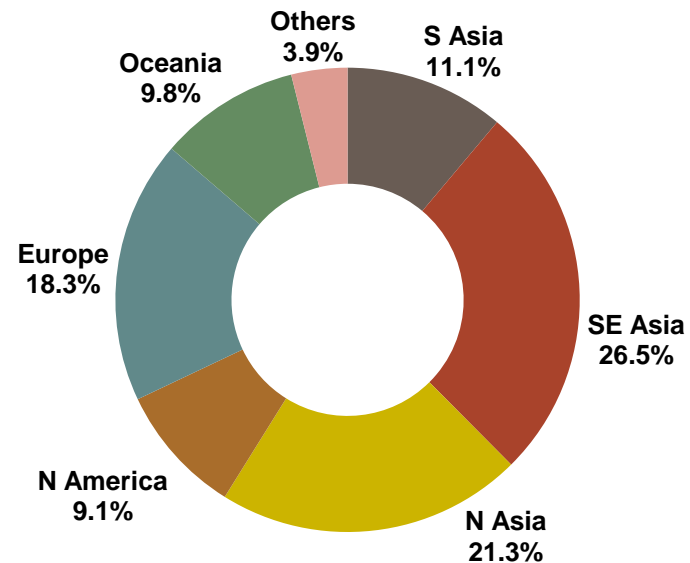


Market Segmentation 3Q 2013 - Hotels

Hotels (by Revenue)



Hotels (by Region)

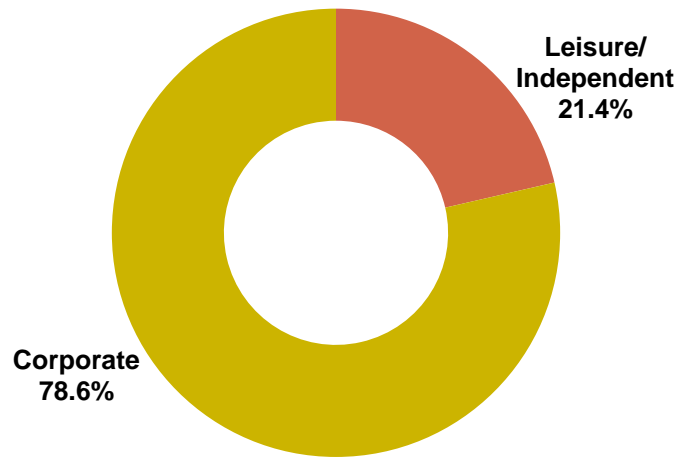


- The Leisure share of the hotel business recovered from a decline in July 13, with strong recovery from internet bookings
- Revenue from SE Asia fell from 27.6% in 2Q 2013 to 26.5% in 3Q 2013 as softness in regional currencies resulted in fewer bookings from Indonesia and Malaysia

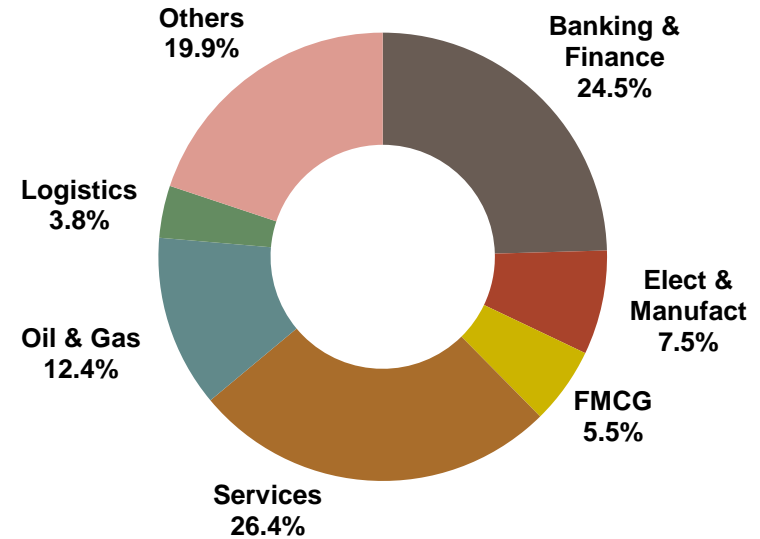


Market Segmentation 3Q 2013 – Serviced Residences

Serviced Residences (by Revenue)



Serviced Residences (by Industry)



- The corporate segment registered a 2.9pp decrease compared to 2Q 2013
- Guest profile by industry remained relatively unchanged for the Serviced Residences



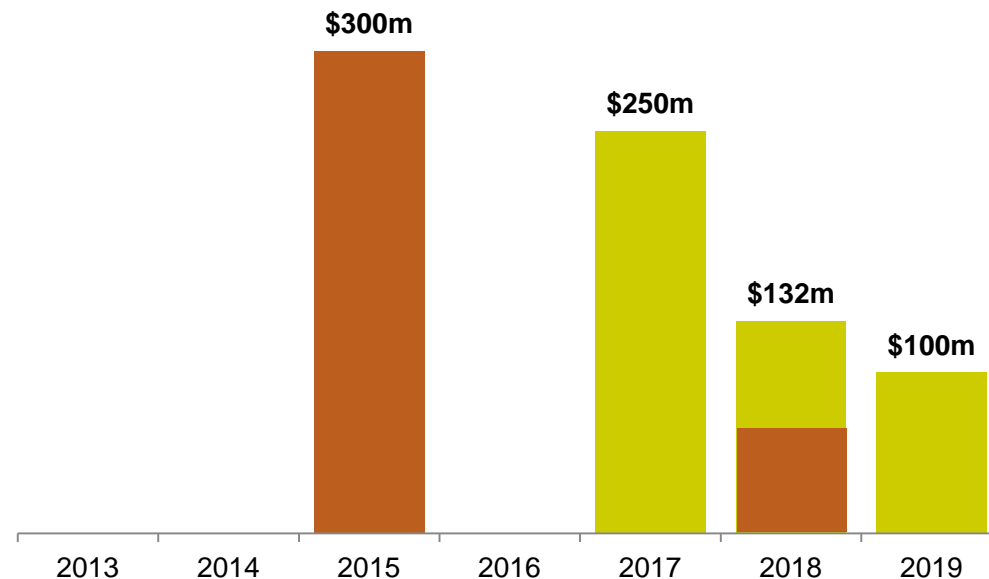
Capital Management



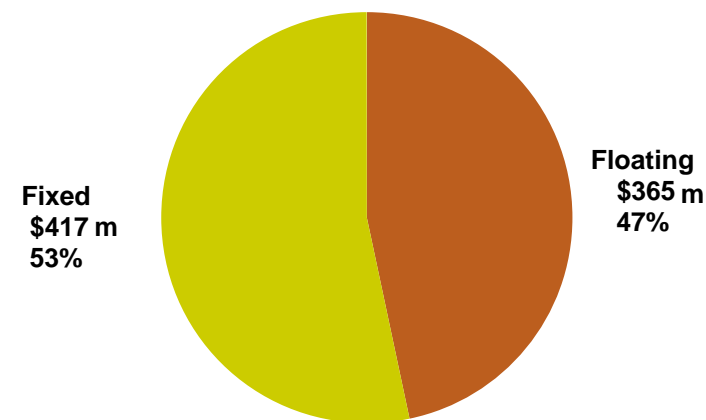
Capital Management

Total Debt	\$782m
Revolving Facility	\$75 m
Gearing Ratio	31.6%
Unencumbered Asset as % Total Asset	100%
Proportion of Floating Rate	47%
Weighted Average Debt Maturity	3.6 years
Average Cost of Debt	2.2%

Debt Maturity Profile



Interest Rate Profile



Asset Enhancement Initiatives



Asset Enhancement Initiatives – Ongoing

Rendezvous Grand Hotel Singapore



The property is undergoing soft refurbishment of its reception lobby, lobby bar and club rooms to reposition it as an art-inspired hotel.



Asset Enhancement Initiatives – Planned Refurbishments

Village Hotel Albert Court

Before



After

Planned upgrade of 135 Superior and Deluxe Rooms and all corridors.



Asset Enhancement Initiatives – Planned Refurbishments

Regency House

Before



After

Planned upgrade of 41 Studio Apartments and breakfast lounge.



Asset Enhancement Initiatives – Planned Refurbishments

Village Hotel Changi

Before



After

The hotel is undergoing soft refurbishment of 303 rooms (Painting of walls, change of flooring and drapes, refurbish couch and desk).



Market Comparison and Portfolio Outlook



Market Environment

- **Singapore Economy**

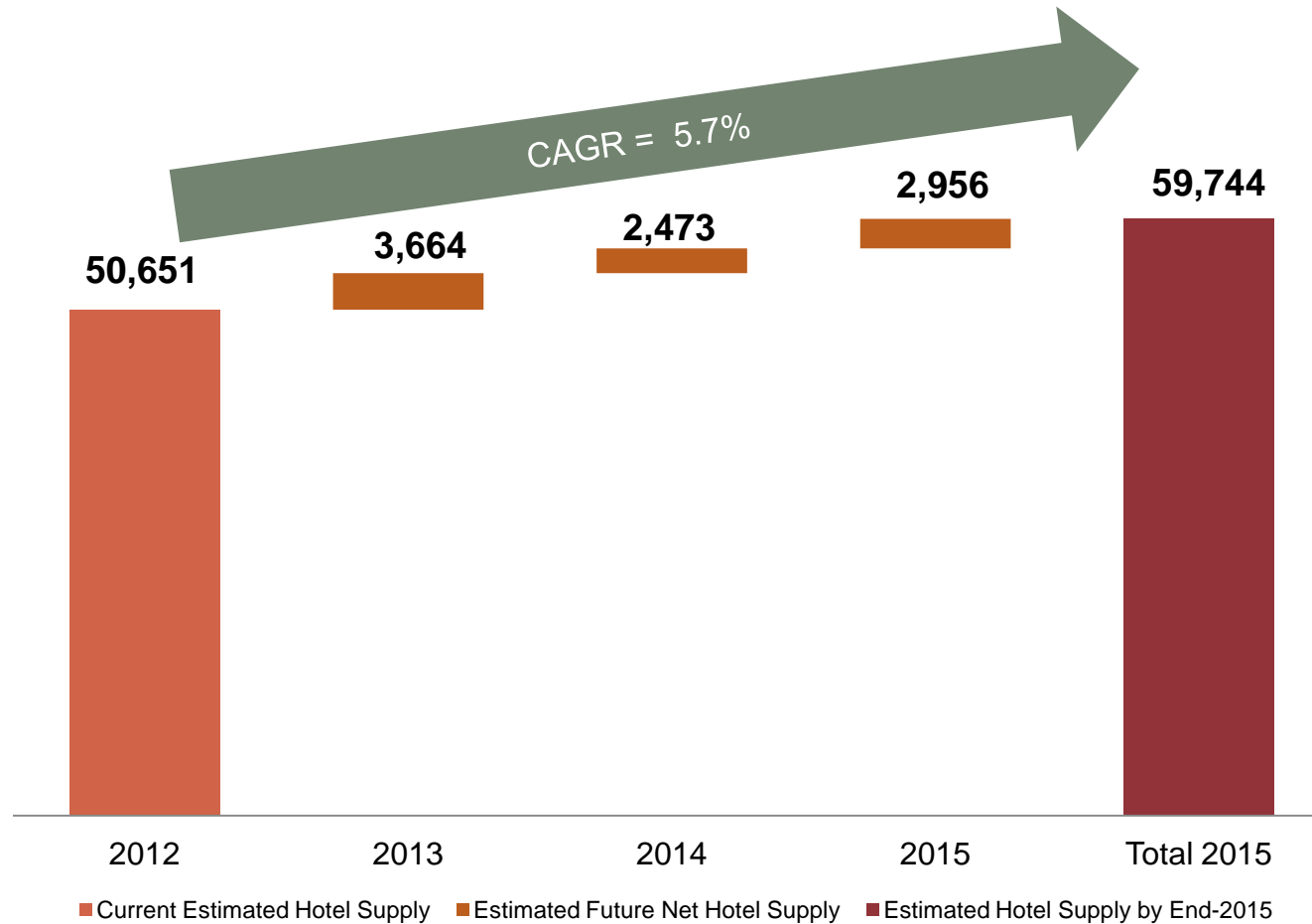
- To benefit from recovery in developed countries
- Expected GDP growth of 2.5% in 2013 and 3.5% in 2014
- Wages to rise more than 3.3% in 2013 and 2014 as labour market tightens

- **Singapore Hospitality Market**

- According to STB, RevPAR across all hotel segments decreased by 0.1% for 3Q 2013 year-on-year
- RevPAR of Upscale and Mid-tier hotels decreased by 11.8% and 2.3% respectively year-on-year for 3Q 2013

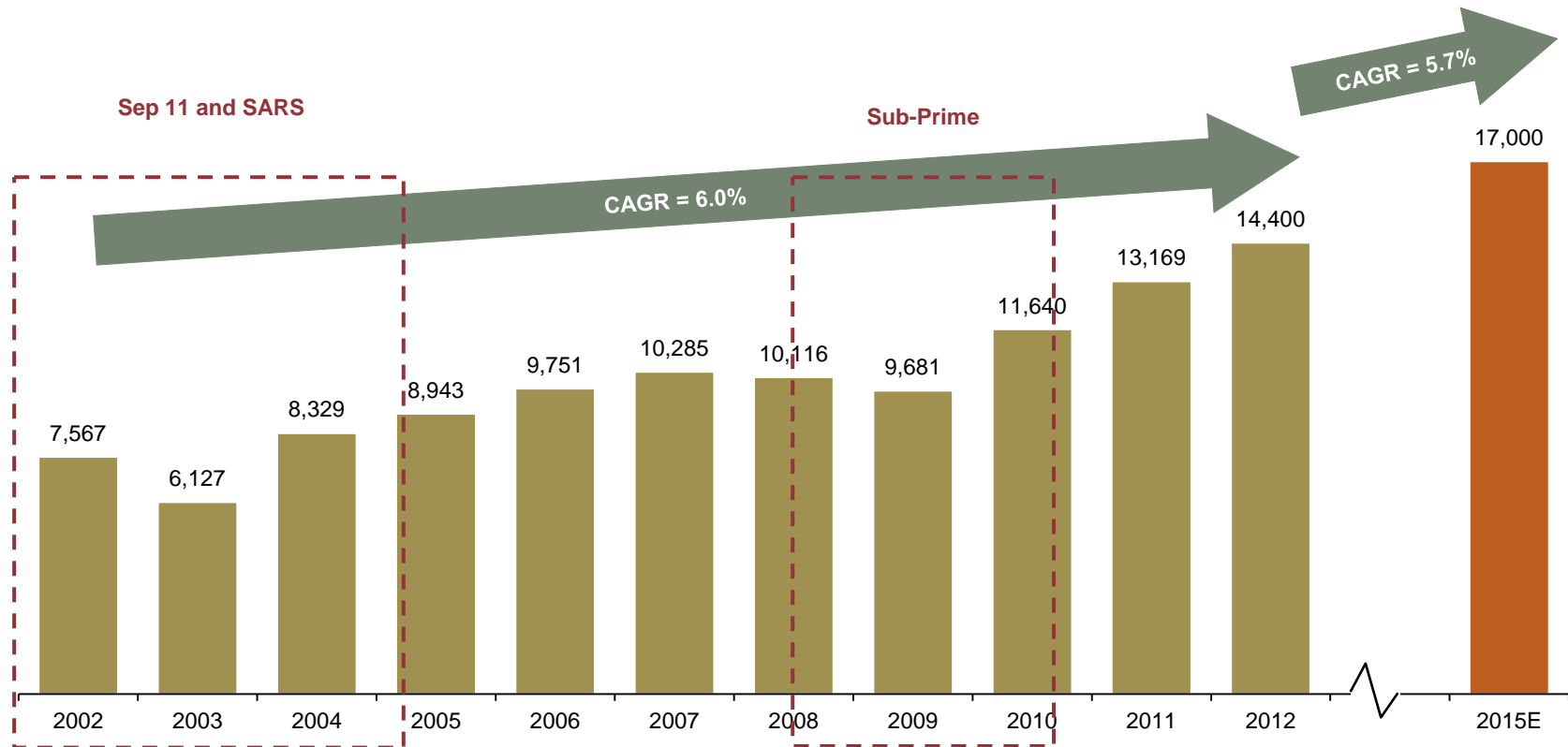


Hotel Room Supply in Singapore



Hotel supply is expected to increase at a CAGR of 5.7% from 2012 to 2015

Historical and Forecast Visitor Arrivals in Singapore



- Visitor arrivals are projected to grow at a CAGR of 5.7% from 2012 to 2015
- For Jan – Aug 2013, visitor arrivals grew by 8.5% as compared to the same period last year

Outlook & Prospects



Outlook & Prospects

The REIT Manager expects the operating environment to remain challenging for the rest of the financial year. It will continue to strengthen its portfolio through asset enhancement initiatives for selected properties. The REIT Manager plans to upgrade approximately 10% of the hotel rooms and serviced residence units in the portfolio in the next 12 months.

The outlook is expected to improve in 2014. In the first half of next year, the industry will benefit from the staging of the biennial Singapore Airshow and the Food and Hotel Asia exhibition. In addition, the MICE industry will receive a boost from the reopening of the Suntec Convention and Exhibition Centre and the opening of the new Singapore Sports Hub.

Far East H-Trust's retail and office spaces are expected to operate at high occupancy rates and provide a steady income stream to the portfolio. At the same time, the REIT Manager will also continue to seek acquisition opportunities to enhance returns to the Stapled Securityholders.



Thank You

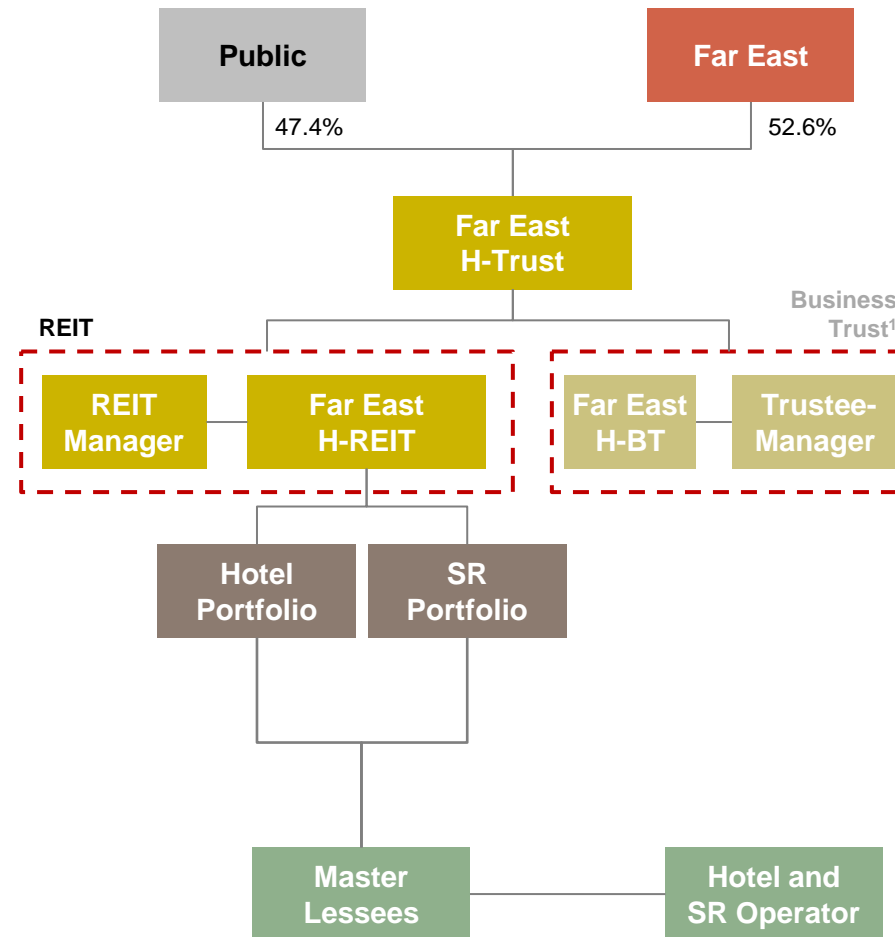


Appendix



Overview of Far East H-Trust

Issuer	Far East Hospitality Trust
Sponsor	Far East Organization group of companies
REIT Manager	FEO Hospitality Asset Management Pte. Ltd.
Investment Mandate	Hospitality and hospitality-related assets in Singapore
Portfolio	12 properties valued at approximately S\$2.43 billion 8 hotel properties (“Hotels”) and 4 serviced residences (“SR” or “Serviced Residences”)
Hotel and SR Operator	Far East Hospitality Management (S) Pte Ltd
Master Lessees	Sponsor companies, part of the Far East Organization group of companies



¹ Dormant vehicle at Listing Date and master lessee of last resort



Far East H-Trust Asset Portfolio Overview

Hotels



	Village Hotel Albert Court	Village Hotel Changi	The Elizabeth Hotel	Village Hotel Bugis	Oasia Hotel	Orchard Parade Hotel	The Quincy Hotel	Rendezvous Grand Hotel & Gallery	Total / Weighted Average
Market Segment	Mid-tier	Mid-tier	Mid-tier	Mid-tier	Mid-tier / Upscale	Mid-tier / Upscale	Upscale	Upscale	NA
Address	180 Albert Street, S'pore 189971	1 Netheravon Road, S'pore 508502	24 Mount Elizabeth, S'pore 228518	290 Victoria Street, S'pore 188061	8 Sinaran Drive, S'pore 307470	1 Tanglin Road, S'pore 247905	22 Mount Elizabeth Road, S'pore 228517	9 Bras Basah Road, S'pore 189559	
Date of Completion	3 Oct 1994	30 Jan 1990 ²	3 May 1993	19 Oct 1988	2 June 2011	20 June 1987 ²	27 Nov 2008	5 June 2000 ²	
# of Rooms	210	380	256	393	428	388	108	298	2,461
Lease Tenure ¹	74 years	64 years	74 years	65 years	91 years	49 years	74 years	70 years	NA
GFA/Strata Area (sq m)	11,426	22,826	11,723	21,676	22,457	34,072	4,810	19,720	
Retail NLA (sq m)	1,002	778	595	1,164	NA	3,694	NA	2,295	9,528
Office NLA (sq m)	NA	NA	NA	NA	NA	2,509	NA	NA	2,509
Master Lessee / Vendor	First Choice Properties Pte Ltd	Far East Organization Centre Pte. Ltd.	Golden Development Private Limited	Golden Landmark Pte Ltd	Transurban Properties Pte. Ltd.	Orchard Parade Holdings Limited	Golden Development Private Limited	Serene Land Pte Ltd	
Valuation (S\$ 'mil) ³	126.0	257.0	193.0	227.0	322.0	419.0	84.0	272.8	1,900.8

¹ As at FY2013

² Date of acquisition by Sponsor, as property was not developed by Sponsor

³ As at December 2012

Far East H-Trust Asset Portfolio Overview

Serviced Residences



**Village Residence
Clarke Quay**



**Village Residence
Hougang**



**Village Residence
Robertson Quay**



**Regency
House**

**Total /
Weighted Average**

	Village Residence Clarke Quay	Village Residence Hougang	Village Residence Robertson Quay	Regency House	Total / Weighted Average
Market Segment	Mid-tier	Mid-tier	Mid-tier	Upscale	NA
Address	20 Havelock Road, S'pore 059765	1 Hougang Street 91, S'pore 538692	30 Robertson Quay, S'pore 238251	121 Penang House, S'pore 238464	
Date of Completion	19 Feb 1998	30 Dec 1999	12 July 1996	24 Oct 2000	
# of Rooms	128	78	72	90	368
Lease Tenure ¹	79 years	80 years	77 years	80 years	NA
GFA/Strata Area (sq m)	17,858	14,635	10,592	10,723	53,808
Retail NLA (sq m)	2,213	NA	1,179	539	3,931
Office NLA (sq m)	Office: 1,474 Serviced Office: 696	NA	NA	2,322	4,492
Master Lessee / Vendor	OPH Riverside Pte Ltd	Serene Land Pte Ltd	Riverland Pte Ltd	Oxley Hill Properties Pte Ltd	
Valuation (S\$ 'mil) ²	186.8	65.8	113.8	164.0	530.4

¹ As at FY2013

² As at December 2012