

PRESS RELEASE  
For Immediate Release

## OUE Hospitality Trust Achieves Higher 3Q Distribution Than Forecast

- ***This is the fifth consecutive quarter that OUE H-Trust has outperformed the forecast since listing in July 2013***

**Singapore – 3 November 2014** - OUE Hospitality Trust (OUE H-Trust), a stapled group comprising OUE Hospitality Real Estate Investment Trust (OUE H-REIT) and OUE Hospitality Business Trust (OUE H-BT), has achieved distributable income (DI) of S\$21.7 million and distribution per Stapled Security (DPS) of 1.64 cents for the period 1 July 2014 to 30 September 2014 (3Q 2014). Both DI and DPS are 2.7% and 2.5% higher than the forecast<sup>1</sup> respectively.

### Distribution Details

<b>Distribution Period</b>	1 July 2014 to 30 September 2014
<b>Distribution Rate</b>	1.64 cents per Stapled Security
<b>Ex-Distribution Date</b>	7 November 2014, 9 am
<b>Book Closure Date</b>	11 November 2014
<b>Distribution Payment Date</b>	3 December 2014

Mr. Christopher Williams, Chairman of OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT (the REIT Manager), said: "OUE H-Trust continues to deliver value to stapled securityholders as it achieves another quarter of performance that beat the forecast despite headwinds in the tourism and retail markets."

*Credit Suisse (Singapore) Limited, Goldman Sachs (Singapore) Pte. and Standard Chartered Securities (Singapore) Pte. Limited were the joint global coordinators and issue managers for the initial public offering of OUE Hospitality Trust.*

<sup>1</sup> The forecast figures are derived from the forecast as set out in the Prospectus of OUE H-Trust dated 18 July 2013 and adjusted for seasonality of the Singapore hospitality sector.

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Mr. Chong Kee Hiong, CEO of the REIT Manager, said: "OUE H-Trust's 3Q 2014 DI and DPS are higher than the forecast as a result of higher revenue and net property income contributions from Mandarin Orchard Singapore and Mandarin Gallery'."

Mr. Chong added: "The hotel's 160 newly renovated guest rooms have enabled it to achieve higher revenue per available room (RevPAR) of \$252 compared to the forecast RevPAR of \$248. Mandarin Orchard hotel also enjoyed higher room revenue as it continued to attract more guests from the corporate business segment. The proportion of corporate business for the hotel in 3Q 2014 is 28% compared to 24% for 3Q 2013<sup>2</sup>. The food and beverage ("F&B") segment had also achieved better than forecast sales resulting from higher patronage. The better room and F&B performance translated into higher rental income for OUE H-REIT."

Mr. Chong continued: "Mandarin Gallery continued to enjoy high occupancy of 99.7% and achieved an effective rental of \$23.90 per square foot per month. The mall also recorded higher than forecast results mainly due to higher revenue from casual leasing activities."

### Outlook

Singapore Tourism Board ("STB")<sup>3</sup> reported a 6 per cent year-on-year drop in international visitor arrivals for the second quarter of the year at 3.6 million. Tourism receipts dipped by 3 per cent year-on-year to \$5.6 billion due to lower shopping expenditure. There are tentative signs of the decline in visitor arrivals leveling off and possible recovery in the second half of 2014<sup>4</sup>.

Singapore has seen a number of new hotel entrants in 2014 and as the supply of new hotel rooms continues to increase, room rates are expected to remain competitive in the current environment. With the recent opening of the Sports Hub, Singapore has added capacity to host major international sporting events such as the WTA Finals and Singapore Sevens rugby tournament as part of the Sevens World Series, and major concerts for international artistes such as Mariah Carey. As one of the world's preferred conventions and meetings cities, Singapore is also expected to continue to attract business travellers.

To promote Orchard Road as a vibrant lifestyle destination, the Orchard Road Business Association, with support from the STB, has launched an initiative to hold Pedestrian Nights on Orchard Road. The increased efforts to inject more vibrancy into Orchard Road will benefit both Mandarin Orchard Singapore and Mandarin Gallery. The prime Orchard Road location of Mandarin Orchard Singapore allows it to consistently enjoy healthy demand, as Orchard Road is a preferred accommodation location for international visitors. Mandarin Orchard Singapore is further well-positioned to leverage on its newly renovated rooms to attract customers seeking premium accommodation in a prime location. Mandarin Gallery is also expected to continue to enjoy stable income as more than 98% of the mall's rental income comprises fixed rent.

We will continue to actively seek growth opportunities and yield accretive acquisitions from our Sponsor and third parties.

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<sup>2</sup> 3Q 2013 refers to the financial period 25 July 2013 to 30 September 2013 as OUE H-Trust was listed on 25 July 2013

<sup>3</sup> Singapore Tourism Board, Tourism Sector Performance Q2 2014 Report

<sup>4</sup> The Business Times, 16 October 2014, "China visitor arrivals almost halved in second quarter"

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### Summary of Results

	3Q 2014			YTD Sep 2014			Notes
	Actual	Forecast <sup>1</sup>	Variance	Actual	Forecast <sup>1</sup>	Variance	
<b>Gross Revenue (\$m)</b>	28.5	28.3	+ 0.7%	85.5	85.0	+ 0.7%	<sup>1</sup>
<b>Net Property Income (\$m)</b>	25.4	24.9	+ 1.6%	76.2	74.8	+ 1.9%	<sup>2</sup>
<b>Distributable Income (\$m)</b>	21.7	21.2	+ 2.7%	65.4	63.5	+ 3.1%	<sup>3</sup>
<b>DPS (S cents)</b>	1.64	1.60	+ 2.5%	4.96	4.81	+ 3.1%	<sup>3</sup>

#### Note 1:

- Gross revenue was 0.7% higher than forecast at \$28.5 million and \$85.5 million for 3Q 2014 and 9 months ended 30 September 2014 respectively.
- Under the master lease arrangement for Mandarin Orchard Singapore, rental income of OUE H-REIT is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of the hotel.
- The hotel recorded better room revenue this quarter as the completion of the renovation enabled the hotel to achieve higher RevPAR of \$252 in 3Q 2014 as compared to forecast RevPAR of \$248. The hotel also enjoyed higher room revenue as it continued to attract more guests from the corporate business segment. Food and beverage ("F&B") segment had also achieved better than forecast sales resulting from higher patronage. The better room and F&B performance translated into higher rental income for OUE H-REIT.
- For the 9 months ended 30 September 2014, RevPAR achieved was \$247 as compared to forecast RevPAR of \$254. The lower than forecast RevPAR was mainly due to the impact of the renovation on room rates in 1H 2014. Adjusting for the lower available room inventory due to renovation, the RevPAR for the 9 months ended 30 September 2014 would have been \$253. Consistently strong performance in the F&B segment also contributed better operating results to the hotel thereby translating into higher rental income for OUE H-REIT.
- For 3Q 2014 and 9 months ended 30 September 2014, Mandarin Gallery had also contributed to the higher than forecast results due to higher income earned from casual leasing activities. The mall recorded an effective rent per square foot per month of \$23.9 for 3Q 2014 and \$23.7 for 9 months ended 30 September 2014 respectively.

#### Note 2:

- As a result of lower property expenses, net property income recognised was higher for both financial periods presented.

#### Note 3:

- In line with higher net property income and lower trust expenses, income available for distribution for 3Q 2014 and the 9 months ended 30 September 2014 were \$0.6 million and \$2.0 million higher than forecast respectively. This translated into higher DPS of 1.64 cents and 4.96 cents in the respective periods.

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### About OUE Hospitality Trust

OUE Hospitality Trust is a stapled group comprising OUE Hospitality Real Estate Investment Trust (OUE H-REIT) and OUE Hospitality Business Trust (OUE H-BT), listed on the Mainboard of Singapore Exchange Securities Trading Limited.

OUE H-REIT was established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets.

OUE H-REIT's initial asset portfolio comprising the 1,077-room Mandarin Orchard Singapore and the adjoining Mandarin Gallery, has a portfolio value of S\$1.76 billion as at 31 December 2013. 26 new guest rooms were added to Mandarin Orchard Singapore after the listing of OUE Hospitality Trust, thereby increasing the number of rooms from 1,051 to 1,077.

OUE H-BT is dormant.

OUE H-REIT is managed by OUE Hospitality REIT Management Pte. Ltd., which is a wholly-owned subsidiary of OUE Limited (OUE). OUE H-BT is managed by OUE Hospitality Trust Management Pte. Ltd., which is also a wholly-owned subsidiary of OUE.

For more information, please visit [www.oueht.com](http://www.oueht.com)

### About the Sponsor

OUE Limited (SGX-ST: "OUE") is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and the U.S.. OUE consistently grows its business by leveraging its brands and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail and residential sectors primarily in Singapore. With its core strategy of investing in and enhancing a stable of distinctive properties, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value.

For more information, please visit [www.oue.com.sg](http://www.oue.com.sg).

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### IMPORTANT NOTICE

The value of stapled securities in OUE Hospitality Trust ("Stapled Securities") and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, OUE Hospitality REIT Management Pte. Ltd. (as the manager of OUE Hospitality Real Estate Investment Trust), OUE Hospitality Trust Management Pte. Ltd. (as the trustee-manager of OUE Hospitality Business Trust) (collectively, the "Managers") or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal

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amount invested. The past performance of OUE Hospitality Trust is not necessarily indicative of the future performance of OUE Hospitality Trust.

This press release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.

Investors should note that they will have no right to request the Managers to redeem or purchase their Stapled Securities for so long as the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. The listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities.