PRESS RELEASE
For Immediate Release

OUE H-Trust Achieves Higher Revenue and NPI for 2Q2015

- ***OUE H-Trust's 2Q2015 revenue and net property income (NPI) were respectively 4.6% and 2.2% higher than 2Q2014***

Singapore – 13 August 2015 - 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 revenue and NPI of S$29.6 million and S$25.8 million for the period from 1 April 2015 to 30 June 2015 (2Q2015) which were 4.6% and 2.2% respectively higher than 2Q2014. The higher revenue and NPI are attributable to the contribution from Crowne Plaza Changi Airport (CPCA) which was acquired on 30 January 2015.

OUE H-Trust's distributable income (DI) and distribution per Stapled Security (DPS) for 2Q2015 were S$20.2 million and 1.52 cents respectively.

Distribution Details

Distribution Period	1 April 2015 to 30 June 2015
Distribution Rate	1.52 cents per Stapled Security
Ex-Distribution Date	19 August 2015, 9.00 am
Book Closure Date	21 August 2015
Distribution Payment Date	15 September 2015

Mr. Christopher Williams, Chairman of OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT (the REIT Manager), said: "The hospitality and retail markets have remained challenging in 2Q2015. Nonetheless, OUE H-Trust will continue to employ active asset management and leasing strategies to optimise the performance of its portfolio. We will also continue to actively seek growth opportunities and yield accretive acquisitions from our sponsor and third parties that will enhance OUE H-Trust's portfolio."

Mr. Chong Kee Hiong, CEO of the REIT Manager, said: "The declining visitor arrival numbers into Singapore has impacted hospitality demand. However, OUE H-Trust recorded higher hospitality revenue and NPI due to the additional master lease income from CPCA. This more than offset the lower master lease income from Mandarin Orchard Singapore (MOS) due to the decline in visitor arrivals and the absence of the Food and Hotel Asia conference in April this year. The acquisition of CPCA has increased the income and enhanced the diversification of OUE H-Trust as it reduces the reliance of OUE H-Trust's income stream on any single property."

Mr. Chong added: "OUE H-Trust will continue with its asset enhancement programme to renovate the guest rooms in the main tower of MOS. This will enable the hotel to maintain its position as a premier hotel in a prime location along Orchard Road and retain its competitive edge."

Mr. Chong continued: "Mandarin Gallery continues to enjoy a high occupancy level of 97%. It recorded an effective rental per square foot per month of approximately S$24.20 compared to S$23.70 in 2Q2014."

OUE H-Trust's 2Q2015 DI and DPS were 6.6% and 7.3% lower respectively, due mainly to the weaker operating performance of MOS.

Outlook

Singapore Tourism Board (STB) reported a 4.1%[1] year-on-year decline in international visitor arrivals in the first five months of 2015. For the full year, STB has forecast tourism numbers to grow modestly, between 0% and 3%[2] for visitor arrivals, and between 0% and 2%[2] for tourism receipts.

With an uncertain global economic environment and a relatively strong Singapore dollar, the tourism industry may continue to face headwinds in 2015. Notwithstanding, the hospitality industry may benefit from the recent inscription of Singapore Botanic Gardens as a UNESCO World Heritage Site which may boost tourism[3] in Singapore. The upcoming events such as the SIA Grand Prix, the second WTA Finals to be held in Singapore and the slew of SG50 celebration activities towards the second half of the year may further boost vibrancy of tourism in Singapore.

The acquisition of CPCA has increased the income and enhanced the diversification of OUE H-Trust as it reduces the reliance of OUE H-Trust's income stream on any single property.

The asset enhancement programme for MOS, which commenced in end-2013, will continue in 2015. The remaining 270 guest rooms out of the 430 guest rooms to be renovated will be refurbished in phases. This refurbishment is funded by the sponsor, OUE Limited.

While the retail scene in Singapore is expected to remain challenging, Mandarin Gallery enjoys a high degree of prominence, boasting a wide frontage along Orchard Road and is a choice location for flagship stores of international brands. Mandarin Gallery is expected to continue to enjoy stable income as the mall's rental income comprises mainly fixed rent.

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

[1] Singapore Tourism Board, International Visitor Arrivals Statistics, 12 July 2015
[2] Ministry of Trade and Industry News Room "Speech by Mr S Iswaran at the Tourism Industry Conference 2015", 7 April 2015
[3] Channel NewsAsia, Botanic Gardens likely to boost tourism after World Heritage Site listing: Iswaran, 5 July 2015

Summary of Results

2Q2015 vs 2Q2014

	2Q			***Notes***
	2015	**2014**	**Variance**	
Gross Revenue (S$m)	29.6	28.3	+ 4.6%	*1*
Net Property Income (S$m)	25.8	25.2	+ 2.2%	*2*
Distributable Income (S$m)	20.2	21.6	- 6.6%	*3*
DPS (S cents)	1.52	1.64	- 7.3%	*3*

Note 1:

- Gross revenue for 2Q2015 was $1.3 million or 4.6% higher than 2Q2014. Hospitality segment posted higher revenue while retail segment was lower in 2Q2015.
- Hospitality segment pertains to the master lease income from the Mandarin Orchard Singapore hotel (“MOS”) and Crowne Plaza Changi Airport hotel (“CPCA”) which is pegged to a percentage of the operating revenue and profit of the respective hotels, subject to minimum rent.
- Hospitality revenue was $1.5 million or 7.9% higher than 2Q2014. This was a result of the additional $3.7 million of master lease income contribution from the newly acquired CPCA which more than offset the decrease of $2.2 million master lease income from MOS.
- Master lease income from MOS was $2.2 million lower than 2Q2014 as MOS recorded lower RevPAR of $218 in 2Q2015 as compared to RevPAR of $242 in 2Q2014. The lower RevPAR was attributed to the weaker tourism sentiments which impacted the hospitality demand since the beginning of 2015. There was also an absence of the Food and Hotel Asia conference this year and lower food and beverage sales as a result of lower patronage and the slower economic environment.
- CPCA contributed $3.7 million master lease income in 2Q2015 and the RevPAR achieved was $231.
- Retail segment pertains to rental and other income from the Mandarin Gallery shopping mall.
- Retail revenue for 2Q2015 was $0.3 million or 3.1% lower than 2Q2014 mainly due to lower occupancy and fit-out periods for tenants arising from lease renewals. The average rental reversion for leases signed in the quarter was positive. The mall recorded an effective rent per square foot per month of $24.2 for 2Q2015 as compared to $23.7 for 2Q2014.

Note 2:

- Net property income for 2Q2015 was $0.6 million or 2.2% higher than 2Q2014 mainly due to contribution from CPCA.

Note 3:

- Income available for distribution was $1.4 million or 6.6% lower than 2Q2014 mainly due to lower master lease income from MOS as a result of weaker operating performance of MOS. As a result, DPS for 2Q2015 was 1.52 cents as compared to 2Q2014 DPS of 1.64 cents.

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 asset portfolio comprising two hotels - the 1,077-room Mandarin Orchard Singapore and the 320-room Crowne Plaza Changi Airport, and a high-end retail mall - Mandarin Gallery, has a portfolio value of approximately S$2.05 billion as at 30 June 2015.

OUE H-BT is dormant.

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

For more information, please visit 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 United States. 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. OUE is the sponsor of OUE Hospitality Trust and OUE Commercial Real Estate Investment Trust.

For more information, please visit www.oue.com.sg.

For further information, please contact:
Goh Lilian
Senior Vice President, Investor Relations
Tel: +65 6831 6345
Email: lilian.goh@oueht.com

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