



PAN PACIFIC HOTELS GROUP LIMITED

2009 FULL YEAR RESULTS BRIEFING

23 FEBRUARY 2010

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2009 RESULTS OVERVIEW

STRATEGIC & OPERATIONS HIGHLIGHTS

A. PATRICK IMBARDELLI
PRESIDENT AND CHIEF EXECUTIVE



CONTENTS

- 2009 in Summary
- Results Overview
- The Growth Strategy
- 2009 Performance
- Prospects



2009 IN SUMMARY





COMPANY OVERVIEW

- Headquartered in Singapore, **Pan Pacific Hotels Group** owns, manages and/or markets over **30** hotels, resorts & serviced suites across Asia, Australia and North America including those under development.
- Comprises two highly-acclaimed hotel brands:



- Extended-stay brands:



2009 IN SUMMARY

- Renamed from Hotel Plaza Limited in April 2009 and launch of new logo and identity after successful integration of **Pan Pacific** and **PARKROYAL** to leverage scale benefits
- Building a branded hospitality company through organic growth of management contracts
- Building international and people capabilities
- Building the distribution platform – sales reservations and customers
- Building deeper relationships with hotel owners and investors



RESULTS OVERVIEW



THE WORLD IN 2009

- Economic downturn affected all economies at varying levels
- Singapore one of the most affected economies in Asia
- Travel and tourism down in all regions of the world
- Lowest level of new hotel development in over a decade
- Most destinations were affected by significant RevPAR declines

2009 RESULTS OVERVIEW

- Revenue decreased 9% to \$288 million
- Occupancy decreased by 2 percentage points; Rate decreased by 16%; RevPAR decreased by 18%.
- EBITDA was \$84 million, 21% down from \$106 million achieved in 2008
- Profit before tax increased 57%
- EPS increased to 6.55 cents from 2.14 cents in 2008 (including impairment charge and fair value adjustments)
- Dividend payment of 3.5 cents per share for financial year 2009, down from 4.0 cents per share for financial year 2008

2009 ACHIEVEMENTS

- Review and refreshment of **Pan Pacific** and **PARKROYAL** brands
- Rebranded and opened **Pan Pacific Xiamen** (from Sofitel Plaza Xiamen)
- Rebranded and opened **Pan Pacific Suzhou** (from Sheraton Suzhou Hotel and Towers)
- Opened seventh Global Sales Office in Shanghai, China
- Opened **Pan Pacific Serviced Suites Bangkok** for Pacific Star International as owners

2009 MAJOR AWARDS



World's Leading Business
Hotel

- **World's Leading Business Hotel World Travel Awards**
 - ~ Pan Pacific Singapore
 - ~ For the third consecutive year



World's Leading Airport Hotel

- **World's Leading Airport Hotel World Travel Awards**
 - ~ Pan Pacific Kuala Lumpur International Airport
 - ~ For the second consecutive year
- **Top City Hotels in Asia Travel & Leisure's World's Best Awards**
 - ~ Pan Pacific Singapore



- **Readers' Choice Awards Condé Nast Traveler**
 - ~ Pan Pacific Manila, Pan Pacific Whistler Mountainside, Pan Pacific Whistler Village Centre, Pan Pacific Vancouver



- **Patron of the Arts Awards Singapore National Arts Council**



THE GROWTH STRATEGY



THE GROWTH STRATEGY

- Charted expansion and growth plans for **Pan Pacific** and **PARKROYAL** brands:
 - **Pan Pacific** – Asia Pacific (Southeast Asia, Greater China, Japan) and North America
 - **PARKROYAL** – Southeast Asia, Greater China, Oceania

Through:

- Aggressive securing of more management contracts
- Deploying capital in key locations
 - 1) where distressed assets present excellent opportunity for superior returns and the market is strategic to growth of the brand
 - 2) where entry to market requires capital

FOCUS OF 2010

Drive Operational Excellence

- Deliver superior hotel profitability
- Drive efficiencies through continuous improvement
- Focus on performance throughout the hotels and teams

Build Brand Performance

- Superior Brand Performance for our hotels
- Drive Sales Performance
- Bring our brands to life

Grow Our Portfolio

- Aggressively pursue the strategically important locations and hotels
- Become the partner of choice
- Build strong industry relationships

Align Our People

- Work better together
- Strengthen our capabilities
- Build a highly collaborative team

NEW PROJECTS IN THE PIPELINE

- **Pan Pacific Nirwana Bali Resort (owned by PT. Bali Nirwana Resort)**
 - 278-room resort with award-winning 18-hole Greg Norman designed golf course; currently *Le Meridian Nirwana Golf & Spa Resort Bali*
 - *Opening April 2010*
- **PARKROYAL Serviced Suites Kuala Lumpur (owned by UOL)**
 - 287-room serviced suites, located in Kuala Lumpur's Golden Triangle and surrounded by shopping centres, banks, fine dining facilities
 - *Opening Q3 2010*

NEW PROJECTS IN THE PIPELINE

- **PARKROYAL Tianjin (owned by UOL)**
 - 342-room hotel, part of a mixed-use development comprising residential apartments, office and retail components
 - *Opening 2012*

- **PARKROYAL@CBD (owned by Pan Pacific Hotels Group)**
 - 367-room city hotel on Upper Pickering Street
 - *Opening 2012*

THE SHAPE OF OUR BUSINESS

	Existing		Confirmed Pipeline	
	No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms
By Brands				
Pan Pacific	15	4,588	1	278
PARKROYAL	7	2,162	3	996
Others	5	1,622	-	-
Total	27	8,372	4	1,274
By Ownership Type				
Owned	13	4,265	1	367
Managed	14	4,107	3	907
Total	27	8,372	4	1,274



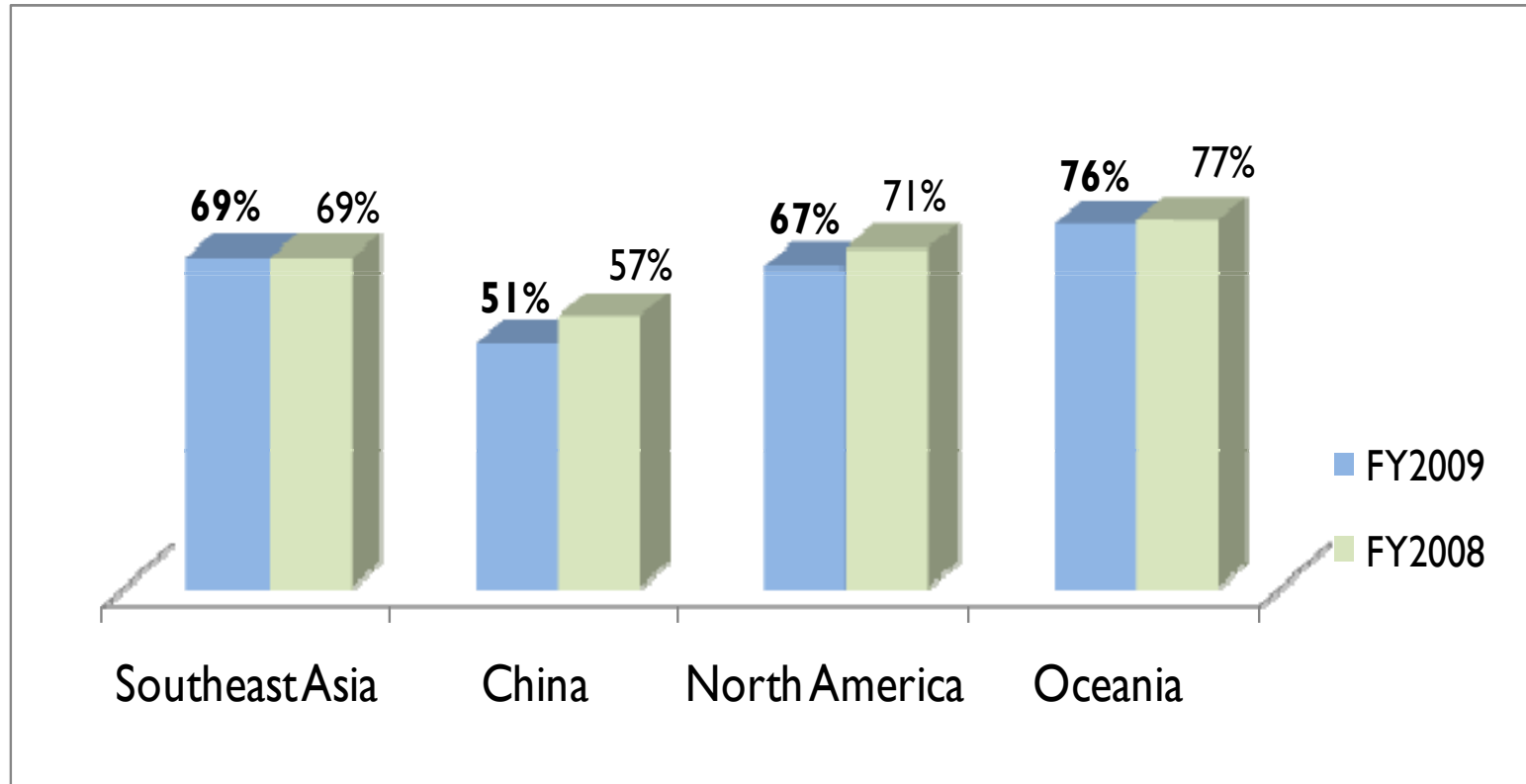


2009 PERFORMANCE REVIEW

NEO SOON HUP
CHIEF FINANCIAL OFFICER

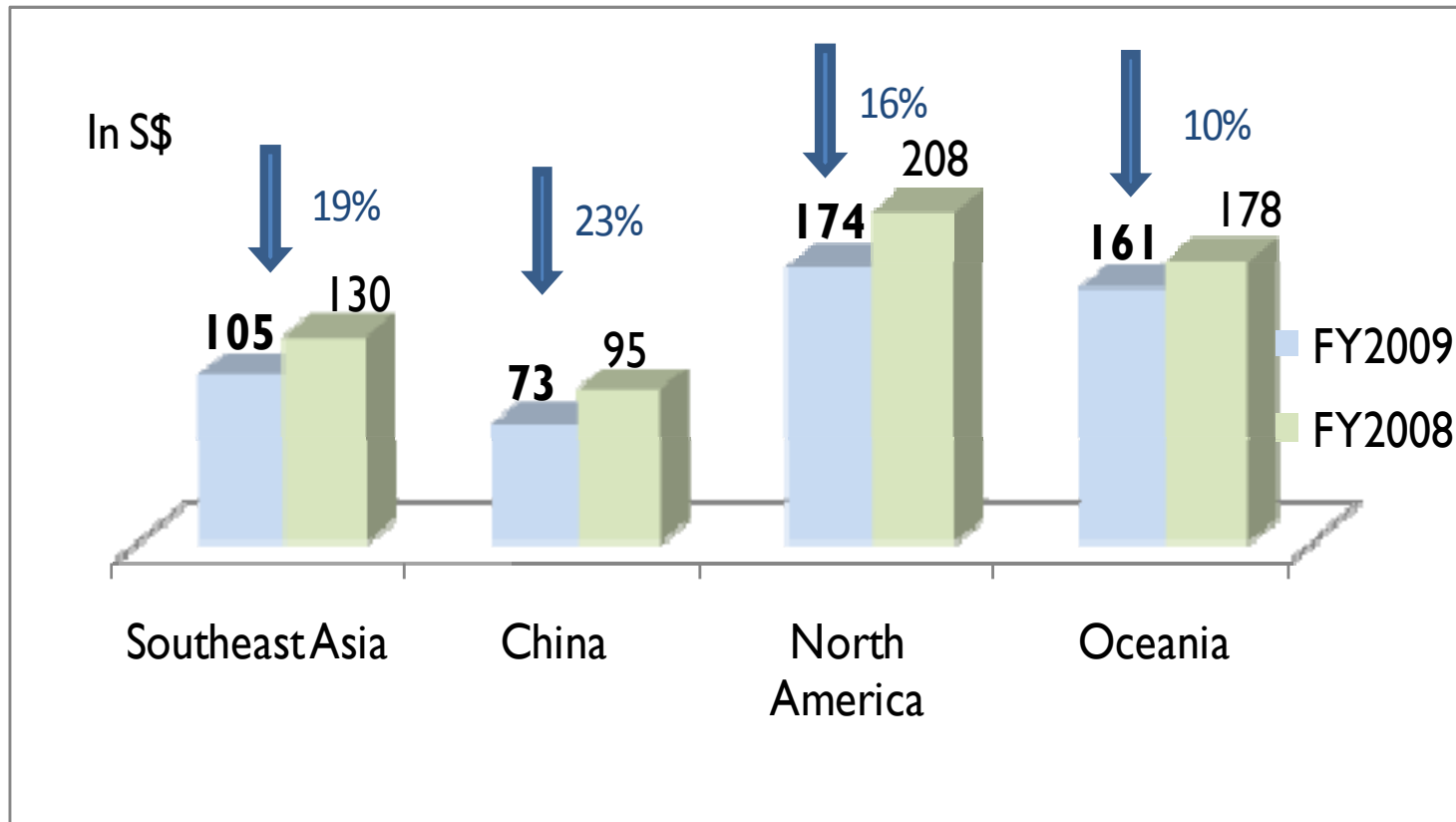


HOTEL OCCUPANCY 2009 VS 2008



* Data includes results of the hotels prior to acquisition by PPHG in Oct 2008 and also that of managed hotels.

REVPAR AT CONSTANT DOLLAR 2009 vs 2008



* Data includes results of the hotels prior to acquisition by PPHG in Oct 2008 and also that of managed hotels.

** For comparability, FY 2008 RevPAR has been translated at constant exchange rates (31 Dec 2009).

KEY FINANCIALS

In S\$'M	FY 2009	FY 2008	% Change
Revenue	288	315	(9%)
EBITDA	84	106	(21%)
Profit before impairment charge and fair value adjustments	51	78	(35%)
Impairment charge on property under construction	0	(37)	n.a.
Fair value loss on investment properties	(2)	(10)	84%
Profit before tax	49	31	57%
Attributable net profit	39	13	207%

KEY FINANCIALS

	FY 2009	FY 2008	% Change
Earnings per share			
- before impairment charge and fair value adjustments	6.78 cents	9.65 cents	(30%)
- after impairment charge and fair value adjustments	6.55 cents	2.14 cents	207%
Net asset value	\$1.32	\$1.24	6%
Revalued net asset value*	\$2.10	\$2.03	3%
Return on equity	5.1%	2.1%	141%
Dividends per share	3.5 cents	4.0 cents	(13%)

* Incorporating surplus on revaluation of hotel properties.

REVENUE BY BUSINESS SEGMENT

SEGMENT	FY2009		FY2008		Change
	S\$'M	%	S\$'M	%	
Hotel ownership	261	91%	297	94%	(12%)
Hotel management	14	5%	4	2%	250%
Property investment	13	4%	13	4%	0%
Investment	0	0%	1	0%	(100%)
Total	288	100%	315	100%	(9%)

PROFIT BY BUSINESS SEGMENT*

SEGMENT	FY2009		FY2008		Change
	S\$'M	%	S\$'M	%	
Hotel ownership	42	82%	66	85%	(36%)
Hotel management	1	2%	2	3%	(50%)
Property investment	8	16%	9	11%	(11%)
Investment	0	0%	1	1%	(100%)
Total	51	100%	78	100%	(35%)

*Before impairment charge and fair value adjustments

CAPITAL MANAGEMENT

In S\$'M	FY 2009	FY 2008	% Change
Cash flows from operating activities	82	92	(11%)
Cash and cash equivalents	93	49	90%
Net borrowings	128	115	11%
Debt to equity ratio	16%	15%	7%
Debt to equity ratio (including known commitments)*	37%	39%	(5%)
Average interest on borrowings	2.7%	2.7%	0%
Interest cover ratio	10 x	22 x	(55%)

* Balance development costs for Upper Pickering Project.

DEBT MATURITY PROFILE

Borrowings as at 31 December 2009		
Maturity Period	S\$'M	%
Within 1 year	6	3%
1 - 2 years	81	44%
2 - 5 years	97	53%
Total	184	100%



PROSPECTS



PROSPECTS

- Current economic data suggests recession may have ended in most countries
- Business and consumer confidence expected to pick up; international tourism arrivals expected to grow moderately in Singapore and the Asia Pacific region
- In Singapore, the opening of the two integrated resorts and resultant increase in room supply are expected to moderate the increase in average room rate of the Group's hotels
- While our Asia Pacific hotels are expected to benefit from higher occupancy in line with the increase in visitor arrivals, average room rates are expected to recover at a slower pace



THANK YOU

