



PAN PACIFIC HOTELS GROUP LIMITED

2010 FULL YEAR RESULTS BRIEFING
22 FEB 2011



2010 RESULTS OVERVIEW

STRATEGIC & OPERATIONS HIGHLIGHTS



NEO SOON HUP
CHIEF FINANCIAL OFFICER

CONTENTS

- Focus and Highlights
- Results Overview
- Performance Review
- Prospects

COMPANY OVERVIEW

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



PAN PACIFIC
HOTELS AND RESORTS

PARKROYAL
HOTELS & RESORTS

- And two extended- stay brands:



PAN PACIFIC
SERVICED SUITES

PARKROYAL
SERVICED SUITES

2010 FOCUS

- Focused on building a branded hospitality company through organic growth of management contracts
 - Opened and rebranded seven properties in Bali, Bangkok, Kuala Lumpur, Parramatta, Perth, Suzhou and Sydney (between Jan 2010- Jan 2011)
 - Set up operations in Australia
 - Increased pipeline









THE WORLD IN 2010

- The world emerged from recession.
- Asia Pacific region experienced strong economic recovery.
- Hotels around the world saw an increase in occupancy rates, particularly Asia Pacific, which recovered strongly with both ADR and RevPAR growth (in comparison to 2009).
- In Singapore, the industry saw an increase in room rates, occupancy and RevPAR, fueled by a strong increase in tourism arrivals in 2010 by 20%.

*ADR = Average Daily Rate

** RevPAR = Revenue Per Available Room

2010 RESULTS OVERVIEW

- Revenue  13% to \$324 million
- Occupancy  by 4 percentage points; Rate  by 4%; RevPAR  by 10%
- EBITDA was \$97 million, 15%  from \$84 million achieved in 2009
- Profit before tax  43%
- EPS  to 8.94 cents from 6.55 cents in 2009 (including fair value adjustments)
- Dividend payment of 4.0 cents per share for financial year 2010,  from 3.5 cents per share for financial year 2009

January

- **Pan Pacific Suzhou** and **Pan Pacific Serviced Suites Bangkok** open
- Seventh Global Sales Office in Shanghai opens

April

- **Pan Pacific Nirwana Bali Resort** opens

June

- Hotel Management Agreement to manage **Pan Pacific Ningbo** and **Pan Pacific Serviced Suites Ningbo** is signed
- First guest loyalty programme for Pan Pacific and PARKROYAL, **GHA Discovery** is launched



October

- **PARKROYAL Serviced Suites Kuala Lumpur** opens
- Global branding agency, The Brand Union is appointed for the brand rejuvenation of **Pan Pacific** and **PARKROYAL**

November

- Oceania Area Team set up to synergise operations and expansion efforts in Australia and New Zealand
- **PARKROYAL Darling Harbour, Sydney** and **PARKROYAL Parramatta** open

December/ January

- Agreement to acquire the Hilton Melbourne Airport Hotel is signed
- **Pan Pacific Perth** opens

PARKROYAL Serviced Suites Kuala Lumpur



Hilton Melbourne Airport Hotel



2010 AWARDS



World Travel Awards

- **Pan Pacific Singapore** – *World's Leading Business Hotel* (for the 4th consecutive year)
- **Pan Pacific Kuala Lumpur International Airport** – *Asia's Leading Airport Hotel* (for the 3rd consecutive year)
- **Pan Pacific Nirwana Bali Resort** – *Indonesia's Leading Golf Resort*
- **Pan Pacific Vancouver** – *Canada's Leading Business Hotel and Canada's Leading Hotel* (for the 2nd consecutive year)
- **Pan Pacific Serviced Suites Singapore** – *Singapore's Leading Serviced Apartments*



World Luxury Hotel Awards

- **Pan Pacific Kuala Lumpur International Airport** – *Winner of the Global Luxury Airport Hotel Category*



Condé Nast Traveler Readers' Choice Awards

- **Pan Pacific Whistler Village Centre** – *Top Resorts in Canada*
- **Pan Pacific Vancouver** – *Top Hotels in Canada*

2010 AWARDS



APBF Brandlaureate Award

- **Pan Pacific Kuala Lumpur International Airport** – *Winner of the Best Brand in Airport Hotel Category (for the 2nd consecutive year)*

TripAdvisor Travelers' Choice Awards

- **Pan Pacific Seattle** – *Top 25 Hotels in the United States*
- **Pan Pacific Xiamen** – *Top 25 Hotels in China*



Travel+Leisure China's China Travel Awards

- **Pan Pacific Suzhou** – *Top 100 Hotels in China*

Golden Pillow Awards

- **Pan Pacific Suzhou** – *China's Top 10 Most Popular Resort Hotels*



FIABCI Awards

- **Pan Pacific Suzhou** – *Hotels Category: Lauded for showing sensitivity to its environment and ingenuity in integrating the old and new elements in its design*

THE SHAPE OF OUR BUSINESS

	Existing		Confirmed Pipeline	
	No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms
By Brands				
Pan Pacific	16	5,111	3	964
PARKROYAL	10	2,990	5	1,348
Others	2	595	-	-
Total	28*	8,696	8	2,312
By Ownership Type				
Owned	13	4,265	3	823
Managed	15	4,431	5	1,489
Total	28	8,696	8	2,312

*As at 31/1/2011

PIPELINE PROJECTS

PARKROYAL Melbourne Airport



PARKROYAL Melbourne Airport (2011)

- 276 rooms and only airport hotel in Australia with direct connectivity to the terminal building

Pan Pacific Ningbo and Pan Pacific Serviced Suites Ningbo (2012)

- 430 rooms and 200 serviced suites respectively

PARKROYAL on Pickering



PARKROYAL on Pickering (2012)

- 363 rooms on Upper Pickering Street, at the heart of the city

Beach Road Extension (Q4 2012)

- 20-storey block with 184 serviced suites

PIPELINE PROJECTS

Pan Pacific Tianjin



Taihu, Suzhou



Pan Pacific Tianjin (2013)

- 334 rooms within a mixed-used development with residential, office and retail space overlooking scenic Haihe River and next to Jiefeng Plaza

PARKROYAL Serviced Suites Green City, Shanghai (2012)

- 325 serviced suites in Green City, an expatriate residential community in Pudong, Shanghai, in the Jinqiao Development Area

PARKROYAL Taihu Resort, Suzhou (2014)

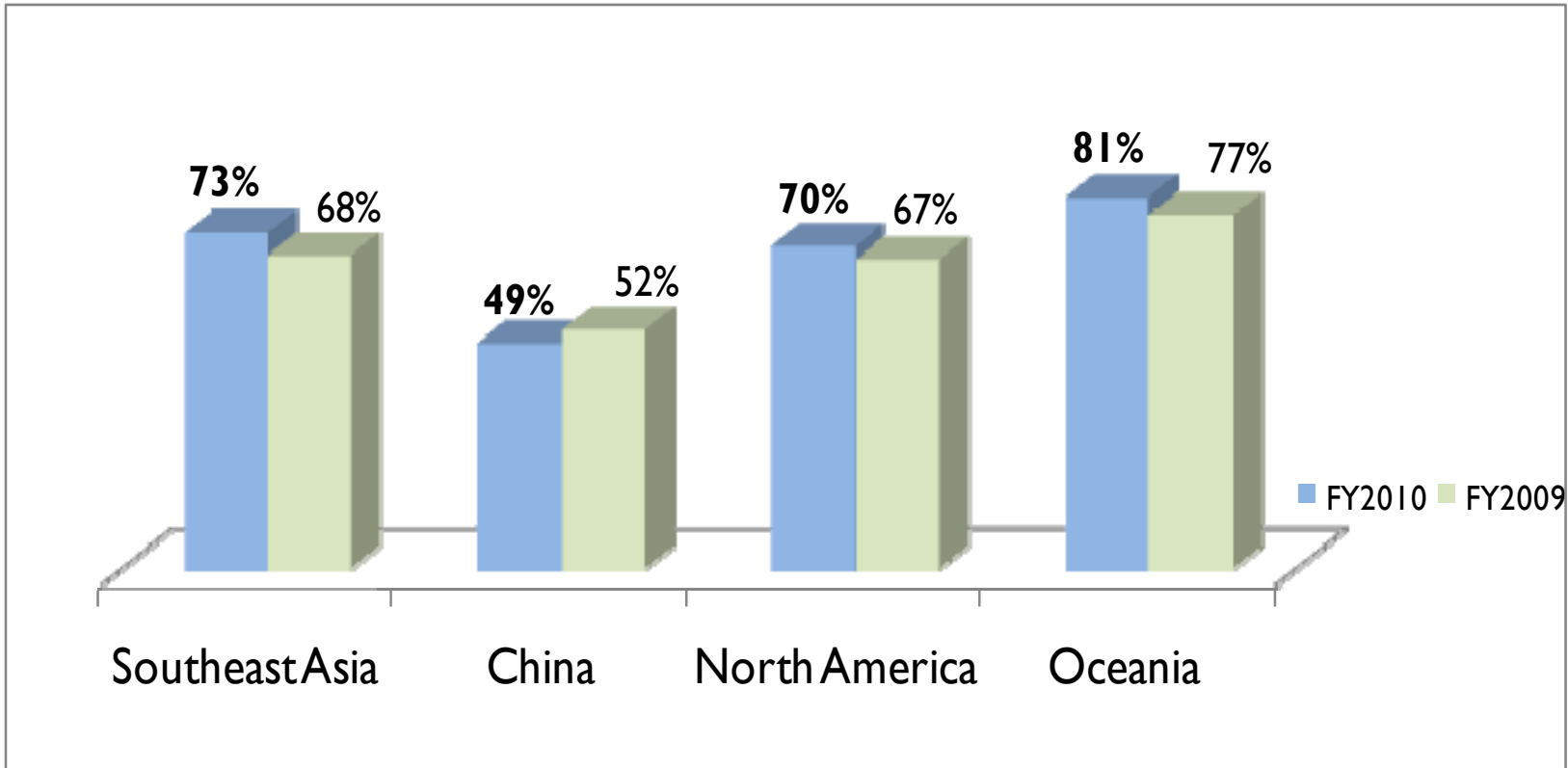
- 200 rooms, popular resort destination for both domestic and foreign tourists



2010 PERFORMANCE REVIEW



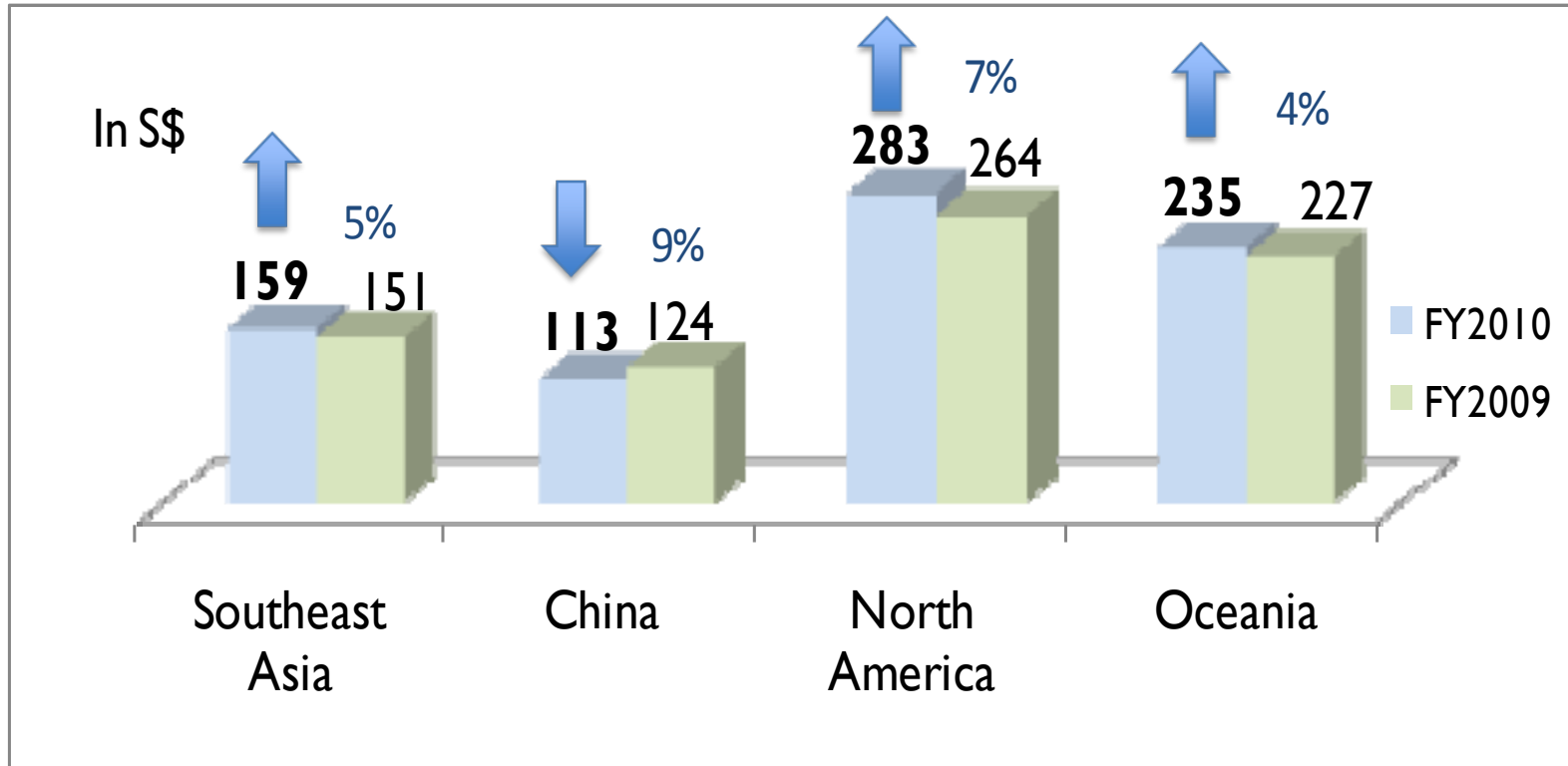
HOTEL OCCUPANCY 2010 vs 2009





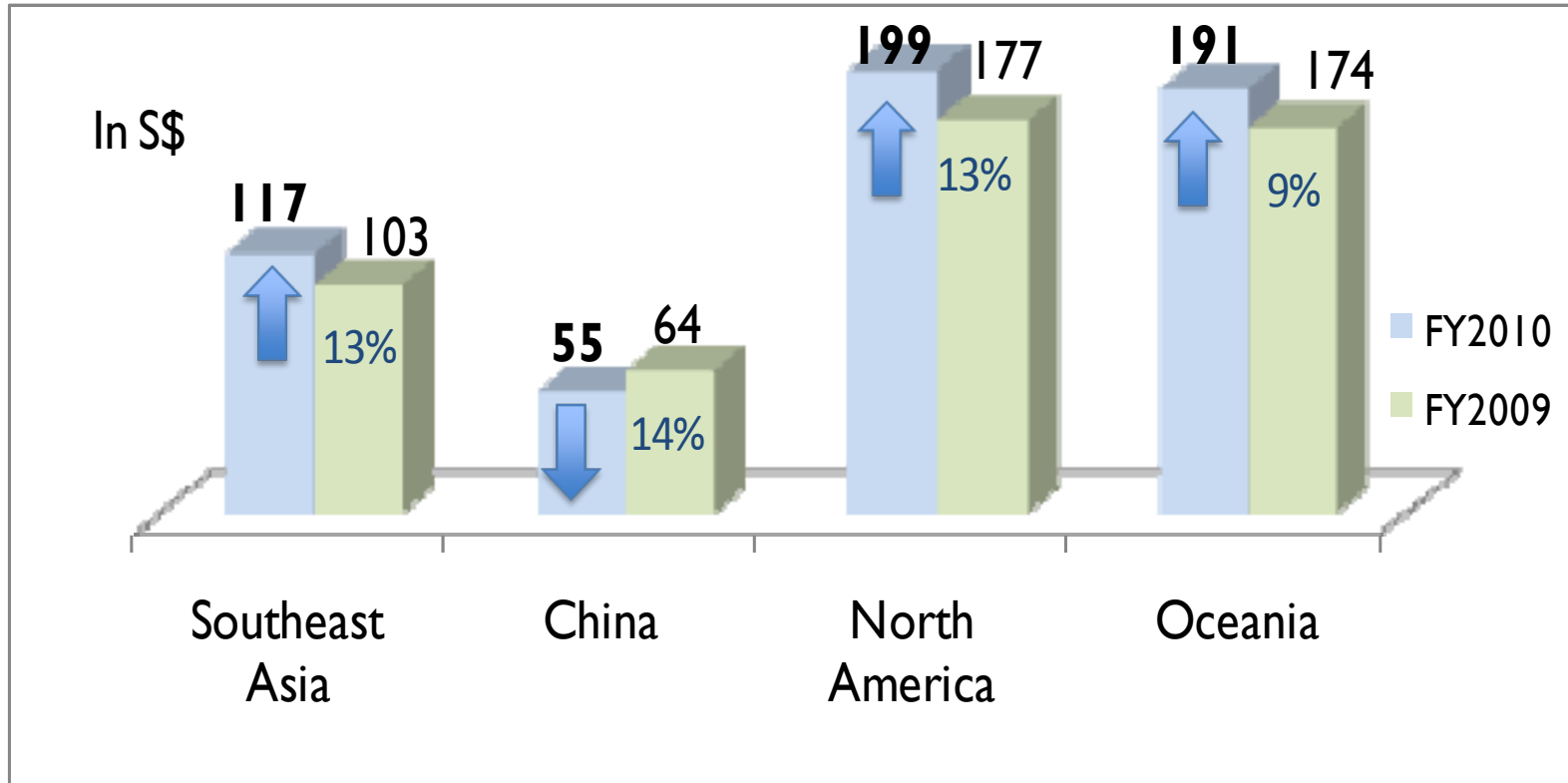
Pan Pacific Hotels Group

AVERAGE ROOM RATE 2010 vs 2009



*For comparability, FY 2009 ARR has been translated at constant exchange rates (31 Dec 2010).

REVPAR 2010 vs 2009



*For comparability, FY 2009 RevPAR has been translated at constant exchange rates (31 Dec 2010).

** RevPAR = Revenue Per Available Room

KEY FINANCIALS

In S\$'M	FY 2010	FY 2009	% Change
Revenue	324	288	13
EBITDA	97	84	15
Profit before fair value adjustments	60	51	19
Fair value gain / (loss) on investment properties	10	(2)	716
Profit before tax	70	49	43
Attributable net profit	54	39	36

KEY FINANCIALS

	FY 2010	FY 2009	% Change
Earnings per share			
- before fair value adjustments	7.53 cents	6.78 cents	11
- after fair value adjustments	8.94 cents	6.55 cents	36
Net asset value	\$1.34	\$1.32	1
Revalued net asset value*	\$2.25	\$2.10	7
Return on equity	5.7%	5.1%	1
Dividends per share	4.0 cents	3.5 cents	14

*Incorporating surplus on revaluation of hotel properties

REVENUE BY BUSINESS SEGMENT

SEGMENT	FY2010		FY2009		Change
	S\$'M	%	S\$'M	%	%
Hotel ownership	288	89	261	90	11
Hotel management	18	6	14	5	28
Property investment	17	5	13	5	33
Investment	1	0	0	0	422
Total	324	100	288	100	13

PROFIT BY BUSINESS SEGMENT*

SEGMENT	FY2010		FY2009		Change
	S\$'M	%	S\$'M	%	%
Hotel ownership	48	78	42	83	15
Hotel management	3	4	1	1	305
Property investment	10	17	8	16	29
Investment	1	1	0	0	422
Total	62	100	51	100	22

*Before fair value adjustments

CAPITAL MANAGEMENT

In S\$'M	FY 2010	FY 2009	% Change
Cash flows from operating activities	77	75	3
Cash and cash equivalents	58	93	(38)
Net borrowings	143	128	11
Debt to equity ratio	18%	16%	10
Debt to equity ratio (including known commitments)*	59%	37%	60
Average interest on borrowings	2.5%	2.7%	(7)
Interest cover ratio	12 x	10 x	23

*Balance development costs for Upper Pickering Project, Beach Road extension and acquisition of Melbourne hotel

DEBT MATURITY PROFILE

Borrowings as at 31 December 2010

Maturity Period	S\$'M	%
Within 1 year	71	37
1 - 2 years	119	62
2 - 5 years	2	1
Total	192	100



PROSPECTS



- Continue with expansion 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

PROSPECTS FOR 2011

- The economies of Singapore and the region should continue to grow in 2011, albeit at a more moderate pace.
- Asia Pacific is expected to be the most dynamic region for tourism with strong growth in intra-regional travel.
- Against this background, the Group expects to see improved occupancy and/or room rates for its hotels.

DISCLAIMER

This presentation may contain forward-looking statements or financial information. Such forward-looking statements and financial information may involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of Pan Pacific Hotels Group Limited or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information.

Such forward-looking statements and financial information are based on assumptions including (without limitation) Pan Pacific Hotels Group Limited's present and future business strategies, general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business activities.

You are advised not to place undue reliance on these forward-looking statements and financial information, which are based on Pan Pacific Hotels Group Limited's current views concerning future events.

Pan Pacific Hotels Group Limited expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements or financial information contained in this presentation to reflect any change in Pan Pacific Hotels Group Limited expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body.

This presentation may include market and industry data and forecasts. You are again advised that there can be no assurance as to the accuracy or completeness of such included information. While Pan Pacific Hotels Group Limited has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, Pan Pacific Hotels Group Limited has not independently verified any of the data or ascertained the underlying assumptions relied upon therein.



THANK YOU