



YTL Hospitality REIT – A leading Asia Pacific hospitality REIT

Second Quarter 2015 Financial Results

12 February 2015

YTL HOSPITALITY REIT

Key Highlights – 2Q FY2015 Results

- Revenue is marginally lower at RM113.2 million as compared to RM114.7 million recorded in 2Q FY2014
- Net Property Income (“NPI”) improved to RM 57.3 million as compared to RM 56.5 million recorded in 2Q FY2014
 - Mainly due to lower operating expenses
- 1.87 sen distribution per unit (“DPU”) declared for 2Q FY2015
 - Lower DPU declared in 2Q FY 2015 as compared to 2Q FY2014 mainly due to the increase in interest expenses following the interest rate hike in July 2014 and foreign exchange impact resulting from the weakening of the AUD and JPY relative to the RM
- Performance in Australia remains strong
 - Average occupancy in 2Q FY2015 is 85.3%, a reduction of 1.3 percentage points as compared to 2Q FY2014
 - However, Average Daily Rate (“ADR”) and Revenue Per Available Room (“RevPar”) increased 5.5% and 3.9% to A\$ 282 to A\$ 241 respectively

Financial Snapshot

(RM'000)	2Q FY2015*	2Q FY2014*	% change	YTD FY2015*	YTD FY2014*	% change
Revenue	113,235	114,678	(1.3%)	215,538	217,259	(0.8%)
Net property income	57,343	56,524	+ 1.4%	104,815	104,798	+ 0.0%
Income available for distribution	24,764	27,584	(10.2%)	51,133	55,801	(8.4%)
Income distribution	24,762	26,204	(5.5%)	50,157	51,599	(2.8%)
Distribution per Unit (sen)	1.87	1.98	(5.5%)	3.79	3.90	(2.8%)
Payout ratio	100.0%	95.0%	5.0 pp ⁽¹⁾	98.1%	92.5%	5.6 pp ⁽¹⁾

* Unaudited

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(1) Change in percentage points

Financial results

Income statement

Fiscal year ended 30 June (RM'000)	2Q FY2015*	2Q FY2014*	YTD FY2015*	YTD FY2014*
Hotel revenue	84,874	86,350	158,815	160,521
Property revenue	28,361	28,328	56,723	56,738
Total revenue	113,235	114,678	215,538	217,259
Property operating expenses	(55,892)	(58,154)	(110,723)	(112,461)
Net property income	57,343	56,524	104,815	104,798
Manager's fees	(1,958)	(2,153)	(3,728)	(4,275)
Trustee's fees	(243)	(307)	(489)	(657)
Administration expenses	(2,216)	(1,471)	(4,009)	(2,634)
Finance costs	(19,583)	(18,391)	(39,025)	(36,775)
Depreciation	(16,509)	(16,325)	(33,404)	(28,651)
Other income	1,150	1,638	2,387	2,539
Profit before tax	17,984	19,515	26,547	34,345
Income tax expense	(512)	(598)	(1,351)	(965)
Profit for the period	17,472	18,917	25,196	33,380
Distribution adjustments				
Depreciation	16,509	16,325	33,404	28,651
Net income not distributed from foreign operations	(9,218)	(7,813)	(7,693)	(6,197)
Unrealised foreign translation differences	1	155	226	(33)
Income available for distribution	24,764	27,584	51,133	55,801
Income distribution	24,762	26,204	50,157	51,599
Distribution per Unit (sen)	1.87	1.98	3.79	3.90
Units in circulation ('000)	1,324,389	1,324,389	1,324,389	1,324,389

* Unaudited

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Financial results

Balance sheet

(RM'000)	As at 31.12.2014*	As at 30.06.2014
Current assets	163,109	168,045
Non-current assets	3,034,598	3,157,589
Total assets	3,197,707	3,325,634
Current liabilities	70,424	77,197
Non-current liabilities	1,577,639	1,578,771
Total liabilities	1,648,063	1,655,968
Net Asset Value	1,549,644	1,669,666
NAV per unit (RM)⁽¹⁾	1.208⁽³⁾	1.345
Adjusted NAV per unit (RM)⁽²⁾	1.170	1.261

* Unaudited

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(1) Before income distribution.
 (2) After income distribution.
 (3) The recognition of unrealised foreign exchange loss on investments in Japanese and Australian subsidiaries resulted in the decrease in NAV per unit.

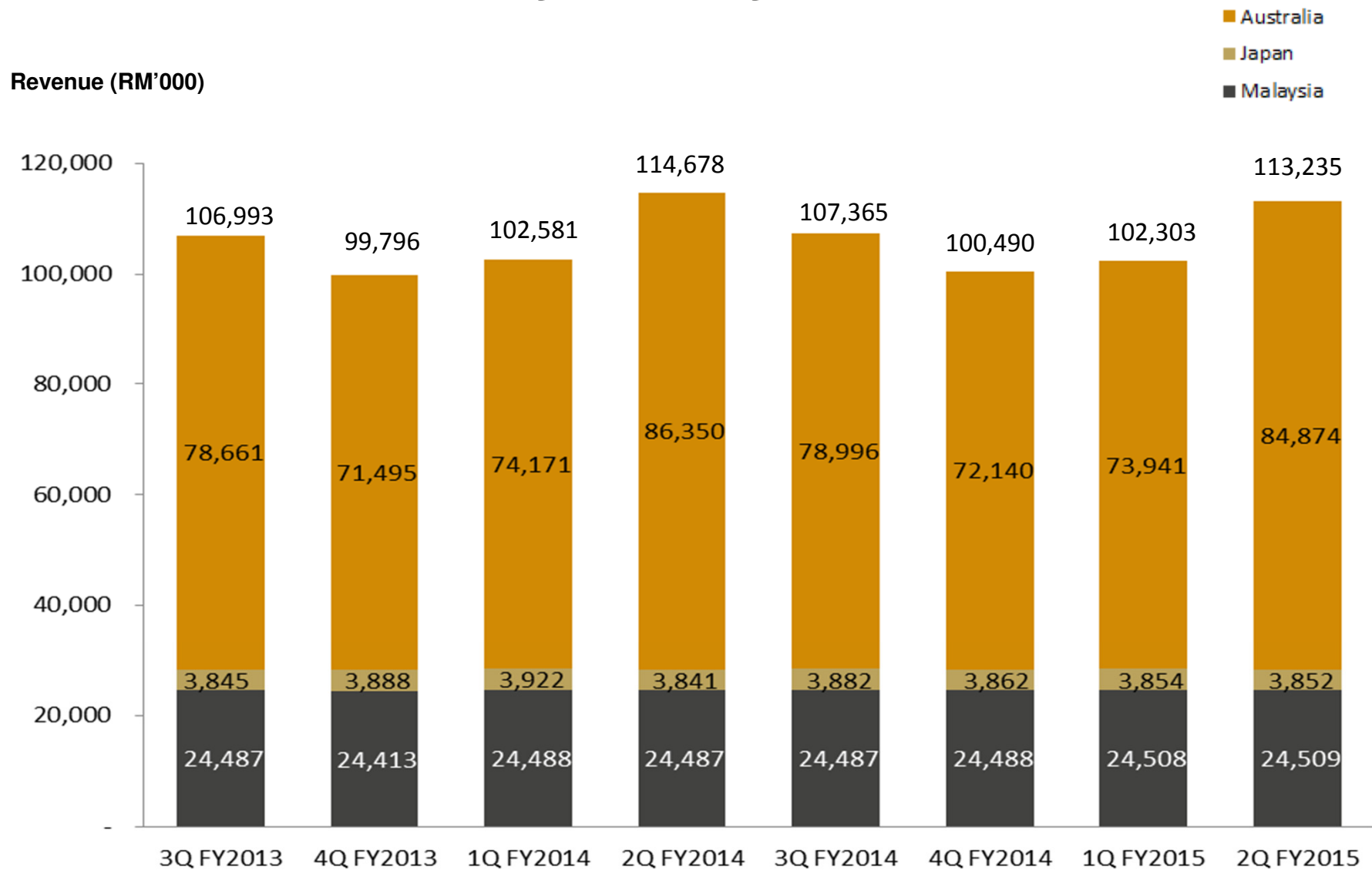
Portfolio performance by country

2Q FY2015 versus 2Q FY2014

	Revenue (RM'000)			Net property income (RM'000)		
	2Q FY2015	2Q FY2014	% change	2Q FY2015	2Q FY2014	% change
Australia	84,874	86,350	(1.7%)	30,998	30,090	+ 3.0%
Malaysia	24,509	24,487	+ 0.1%	23,125	23,276	(0.6%)
Japan	3,852	3,841	+ 0.3%	3,220	3,158	+ 2.0%

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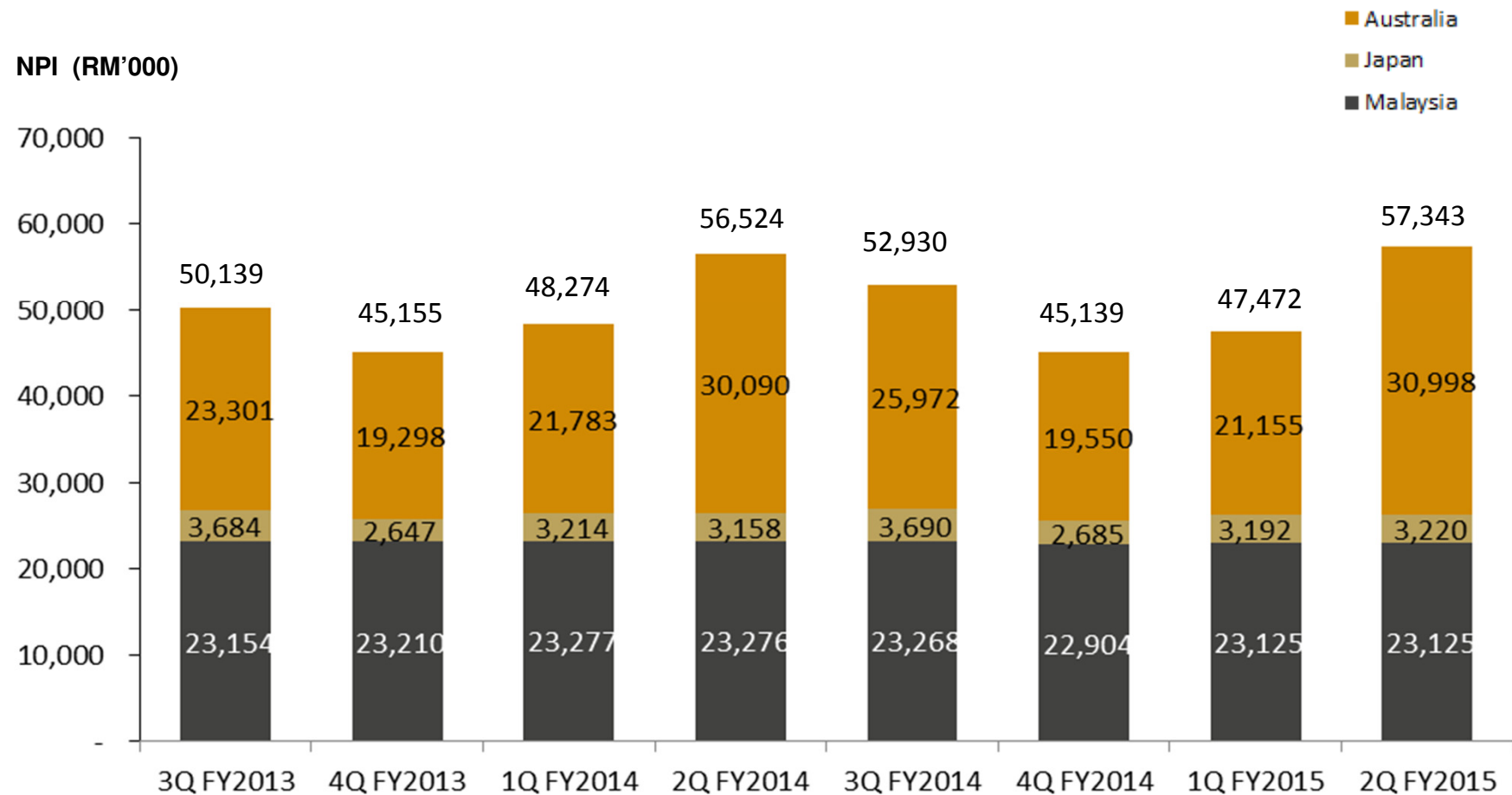
Revenue breakdown by country



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Note: The variation in the revenue from the Australia portfolio are due to seasonal factors

NPI breakdown by country



Debt profile

Gearing details

As at 31 December 2014

(RM'000)

Total debt ⁽¹⁾	1,581,800
Total assets	3,197,707
Gearing	49.5%
Interest cover ⁽²⁾	2.9x
Average interest rate p.a. ⁽³⁾	4.82%
Maturity date of secured loan	23-Nov-17

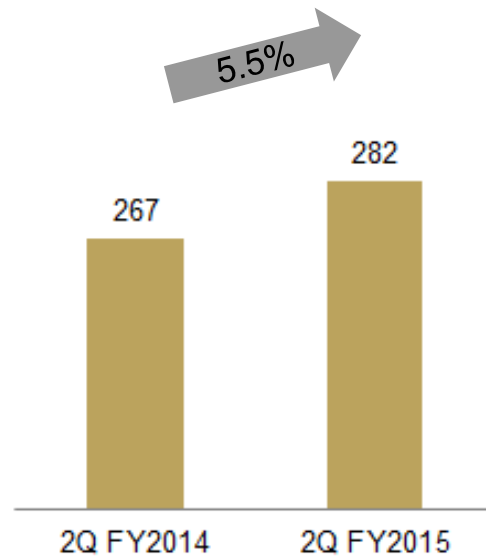
* Unaudited

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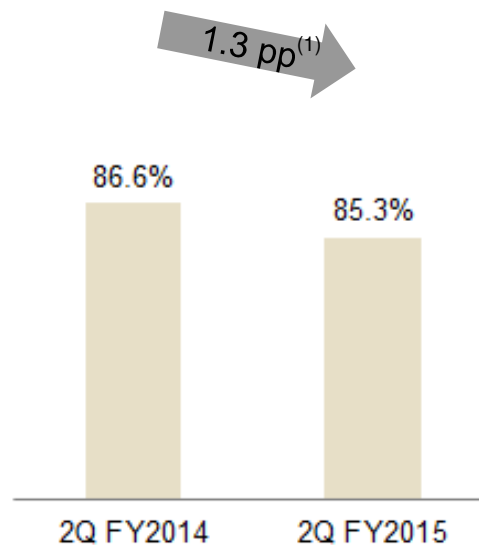
(1) The debt matures in FY 2017
(2) Calculated as 2Q FY2015 NPI / 2Q FY2015 finance cost.
(3) 2Q FY2015

Details of Australia portfolio performance - 2Q FY2014 versus 2Q FY2015

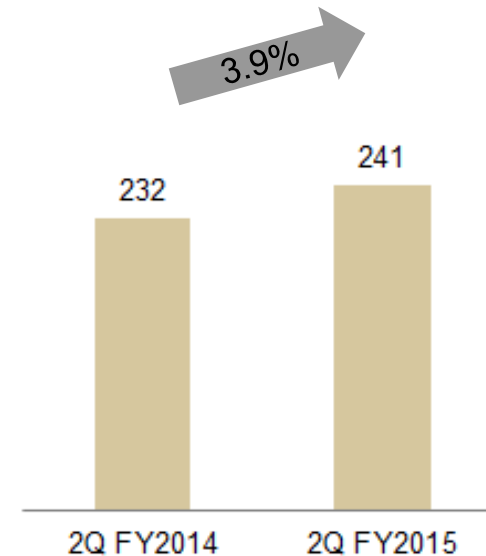
Average Daily Rate (A\$)



Occupancy rate (%)



RevPar (A\$)

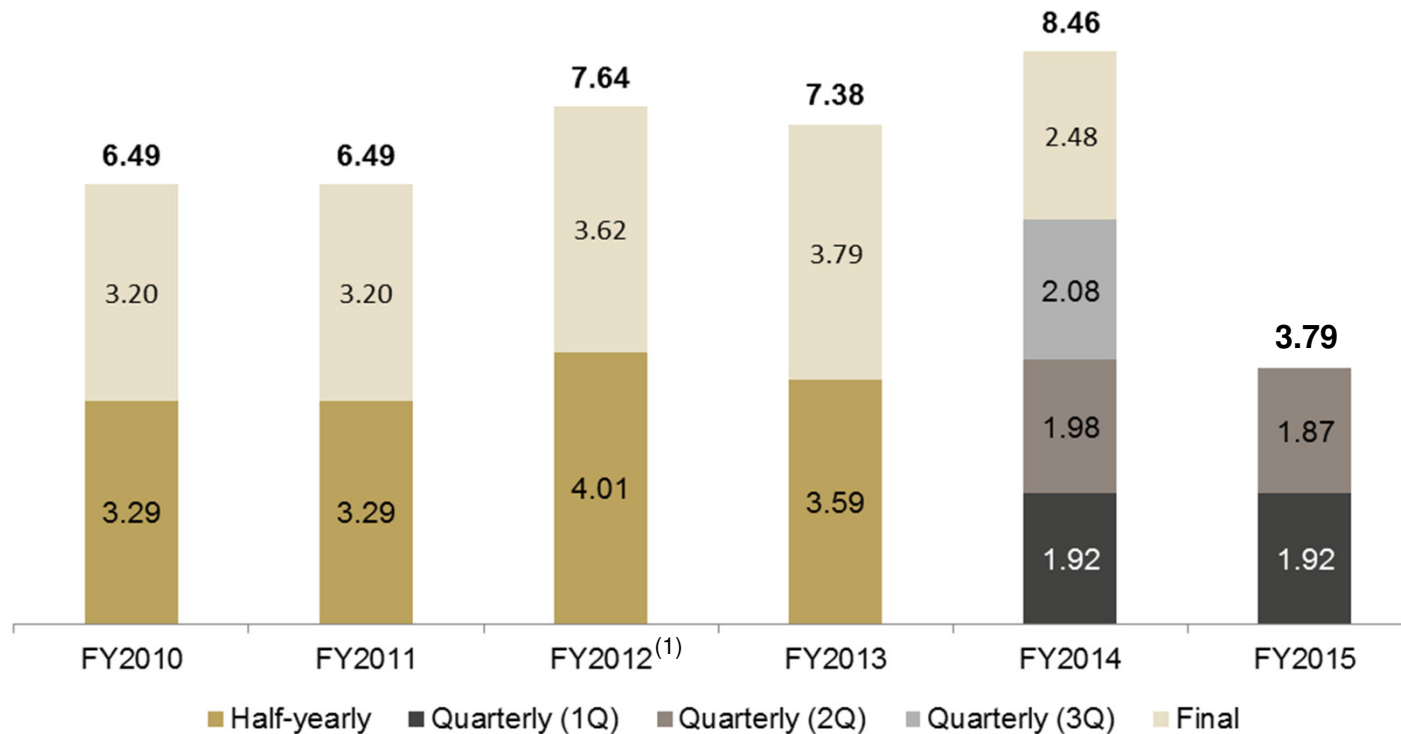


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(1) Change in percentage points

Distribution performance

Distribution per unit (sen)



YTL Hospitality REIT started paying quarterly distributions commencing the financial year ended 30 June 2014

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(1) Includes one-off gain on sale of Convertible Preferred Units issued by Starhill Global Real Estate Investment Trust amounting to RM19.6m, approximately 1.48 sen per unit.

Distribution time table

Distribution period	1 October to 31 December 2014
Distribution per unit	1.87 sen

Distribution timetable

Ex-date	27 February 2015
Entitlement Date	3 March 2015
Payment Date	24 March 2015



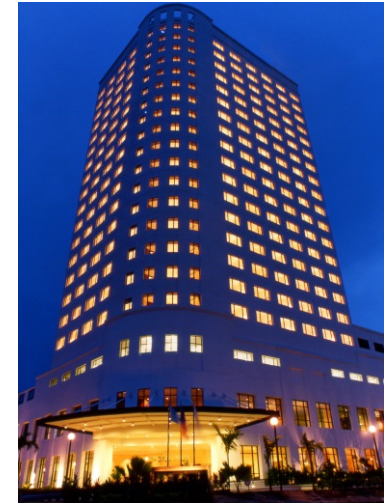
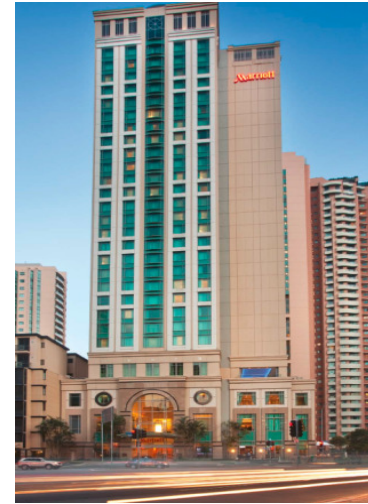
YTL HOSPITALITY REIT

Appendix

YTL Hospitality REIT overview

A unique investment opportunity providing exposure to high quality Asia Pacific hospitality assets

9 luxury hotels, 3 upscale hotels and 1 serviced residence



YTL Hospitality REIT overview

Asset value	No. of rooms / units	NPI breakdown ⁽²⁾	Countries	Market capitalisation ⁽³⁾
RM3.03 billion ⁽¹⁾	3,706	Master lease (46%) Management contract (54%)	Malaysia Australia Japan	RM1.32 billion

YTL HOSPITALITY REIT

(1) Based on investment properties and property, plant & equipment as at 31 December 2014.
 (2) Based on NPI for 2Q FY2015.
 (3) Based on YTL Hospitality REIT's closing price of RM0.995 per unit as at 31 December 2014.

Portfolio valuation

3,706 rooms and units located across 3 countries

Portfolio overview

	# of rooms / units	Appraised value (RM'000)	% of total appraised value
JW Marriott Hotel Kuala Lumpur*	561	383,000	12.5%
The Residences at The Ritz-Carlton, Kuala Lumpur*	114	239,000	7.8%
The Ritz-Carlton, Kuala Lumpur*	251	310,000	10.1%
Vistana Kuala Lumpur Titiwangsa*	364	111,000	3.6%
Vistana Penang Bukit Jambul*	427	109,000	3.6%
Vistana Kuantan City Centre*	215	81,000	2.6%
Pangkor Laut Resort*	97	109,000	3.6%
Tanjong Jara Resort*	99	100,000	3.3%
Cameron Highlands Resort*	56	58,000	1.9%
Hilton Niseko Village ^{*(1)}	506	208,296	6.8%
Sydney Harbour Marriott ⁽²⁾	563	888,584	29.0%
Brisbane Marriott ⁽²⁾	267	282,340	9.2%
Melbourne Marriott ⁽²⁾	186	188,466	6.1%
Total	3,706	3,067,686	100.0%

* Properties that are master leased.

YTL HOSPITALITY REIT

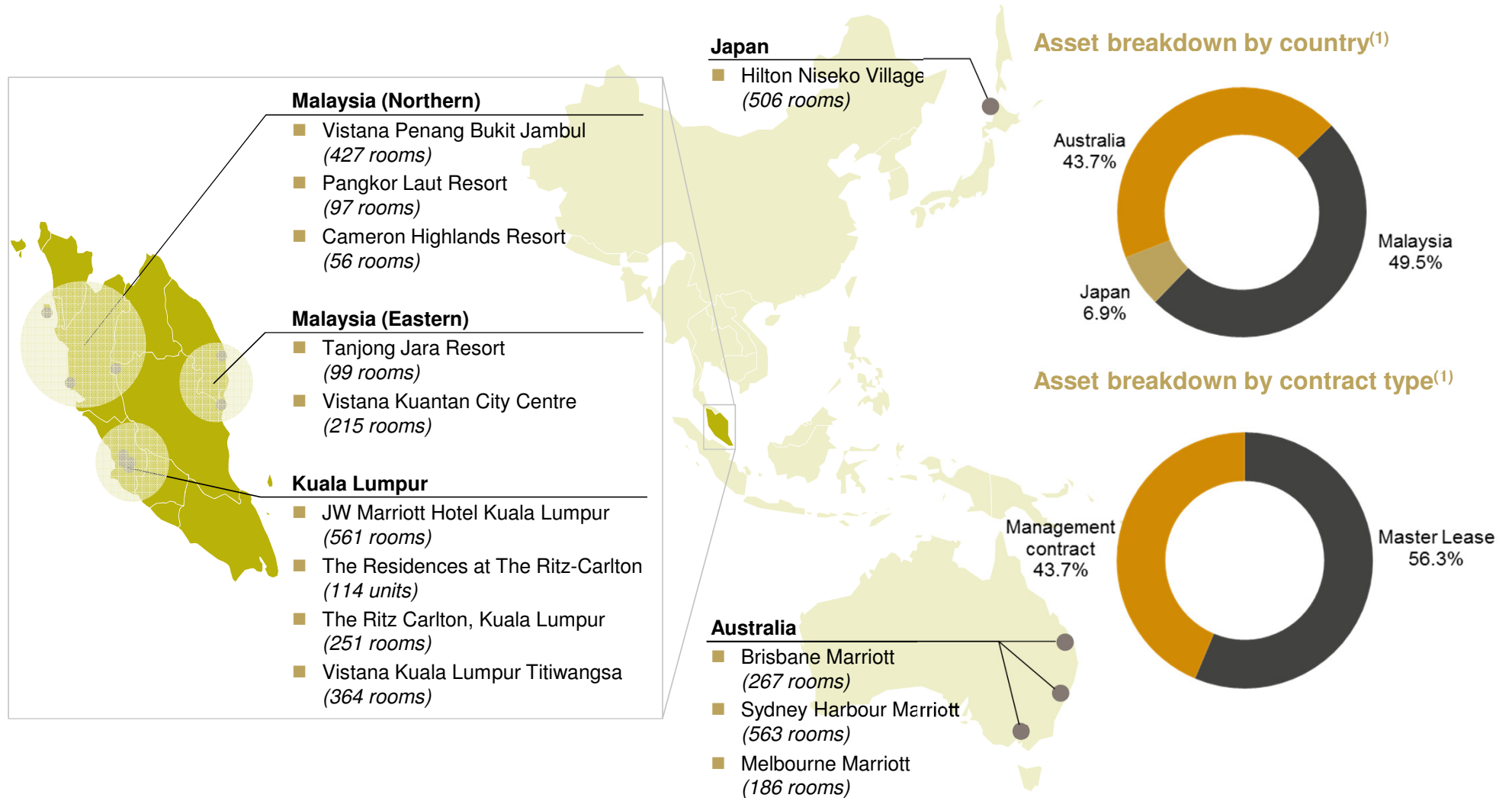
(1) Converted at exchange rate of JPY100: RM2.9255 as at 31 December 2014.

(2) Converted at exchange rate of A\$1.00: RM2.8664 as at 31 December 2014.

A portfolio of upscale and luxury hotels and serviced residences

3,706 rooms located across 3 countries

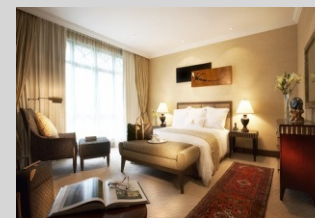
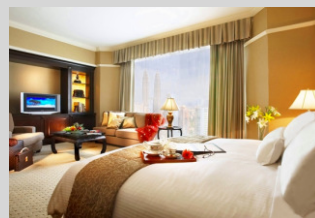
Focused on city and destination hotels and resorts managed by best-in-class operators and affiliated with quality global brands



YTL HOSPITALITY REIT

(1) Based on investment properties and property, plant & equipment as at 31 December 2014.

Luxury hotels and residences Malaysia



JW Marriott Hotel Kuala Lumpur

The Ritz-Carlton, Kuala Lumpur

The Residences at The Ritz-Carlton, Kuala Lumpur

	JW Marriott Hotel Kuala Lumpur	The Ritz-Carlton, Kuala Lumpur	The Residences at The Ritz-Carlton, Kuala Lumpur
Address	183, Jalan Bukit Bintang, 55100 Kuala Lumpur	168, Jalan Imbi and Jalan Yap Tai Chi, 55100 Kuala Lumpur	Lot 1308, Jalan Yap Tai Chi, Seksyen 67 Off Jalan Imbi, 55100 Kuala Lumpur
Description	Centrally located in the heart of KL	Centrally located in the heart of KL	A multiple "Five Star Diamond Award" winner. "Best Business Hotel in Malaysia" by Bloomberg Television and CNBC Asia Pacific
Year open	1997	1997	2005
Master lease expiry	December 31, 2023	November 14, 2026	June 30, 2031
Master lease remaining⁽¹⁾	9 years	12 years	17 years
Annual lease ('000)	RM24,300	RM19,250	RM12,600
No. of rooms	561	251	114
Acquisition date	December 16, 2005	November 15, 2011	May 16, 2007 and November 15, 2011
Valuation ('000)	RM383,000	RM310,000	RM239,000

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(1) Lease remaining calculated as of 1 January 2015. There are options for the lessee to renew the lease upon expiry.

Luxury hotels

Malaysia and Japan



Pangkor Laut Resort

Tanjong Jara Resort

Cameron Highlands Resort

Hilton Niseko Village

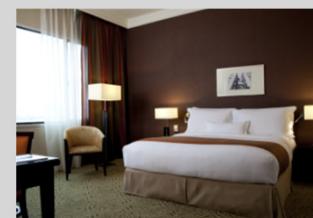
	Pangkor Laut Resort	Tanjong Jara Resort	Cameron Highlands Resort	Hilton Niseko Village
Address	Pangkor Laut, 32200 Lumut, Perak Darul Ridzuan	Batu 8, Off Jalan Dungun, 23000 Dungun, Terengganu	By the Golf Course, 39000 Tanah Rata, Cameron Highlands, Pahang Darul Makmur	Higashiyama-Onsen, Niseko-town, Aburatsubo, Hokkaido
Description	Located on a privately owned island 1.6km off the west coast of Malaysia. "Number One in the World" in the Conde Nast Traveller UK's Top 100 List	Located on the east coast of Malaysia. Award winning spa resort with an Aga Khan award for architecture	Colonial boutique resort. Voted as one of the world's top 5 Tea Plantation Hotels	Located at the foot of the Niseko Annupuri mountain. Comes with natural hot springs
Year open	1994	1999	2006	1994
Master lease expiry	November 14, 2026	November 14, 2026	November 14, 2026	December 21, 2026
Master lease remaining⁽¹⁾	12 years	12 years	12 years	12 years
Annual lease ('000)	RM8,400	RM7,000	RM4,000	RM15,540
No. of rooms	97	99	56	506
Acquisition date	November 15, 2011	November 15, 2011	November 15, 2011	December 22, 2011
Valuation ('000)⁽²⁾	RM109,000	RM100,000	RM58,000	JPY7,120,000 (RM208,296)

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(1) Lease remaining calculated as of 1 January 2015. There are options for the lessee to renew the lease upon expiry.

(2) Hilton Niseko Village's valuation converted at exchange rate of JPY100: RM2.9255 as at 31 December 2014.

Upscale hotels Malaysia



Vistana Kuala Lumpur Titiwangsa

Vistana Penang Bukit Jambul

Vistana Kuantan City Centre

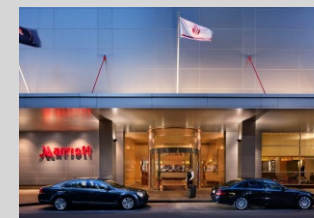
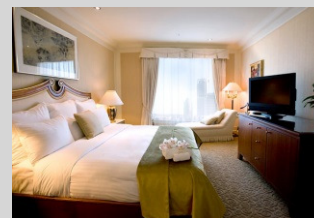
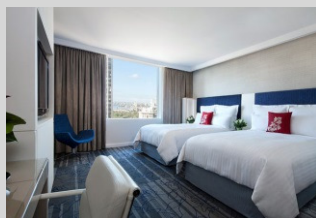
	Vistana Kuala Lumpur Titiwangsa	Vistana Penang Bukit Jambul	Vistana Kuantan City Centre
Address	No.9, Jalan Lumut, off Jalan Ipoh, 50400 Kuala Lumpur	No. 213, Jalan Bukit Gambir, Bukit Jambul, 11950 Pulau Pinang	Jalan Teluk Sisek, 25000 Kuantan, Pahang
Description	Located within the hub of Kuala Lumpur close to key transportation services.	Located in Penang, 12 km southwest of Georgetown City	Located strategically in Kuantan's town centre
Year open	1995	1999	1999
Master lease expiry	November 14, 2026	November 14, 2026	November 14, 2026
Master lease remaining⁽¹⁾	12 years	12 years	12 years
Annual lease ('000)	RM8,200	RM8,200	RM6,000
No. of rooms	364	427	215
Acquisition date	November 15, 2011	November 15, 2011	November 15, 2011
Valuation ('000)	RM111,000	RM109,000	RM81,000

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(1) Lease remaining calculated as of 1 January 2015. There are options for the lessee to renew the lease upon expiry.

Luxury hotels

Australia



Sydney Harbour Marriott

Brisbane Marriott

Melbourne Marriott

	Sydney Harbour Marriott	Brisbane Marriott	Melbourne Marriott
Address	30 Pitt Street, Sydney, New South Wales	515 Queen Street, Brisbane, Queensland	Corner Exhibition and Lonsdale Street, Melbourne, Victoria
Description	Located on Pitt Street in the heart of the Sydney CDB and in close proximity to tourist attractions of Circular Quay, The Rocks and the Sydney Opera House as well as the city's major office and retail precincts. 5-star AAA tourism rating	Located on the northern end of the Brisbane CBD area, close to the Brisbane River and with a view of the Storey Bridge. 5-star AAA tourism rating	Located in the eastern section of the Melbourne CBD on the corner of Exhibition and Lonsdale Streets. 5-star AAA tourism rating
Year open	1989	1998	1982
No. of rooms	563	267	186
Acquisition date	November 29, 2012	November 29, 2012	November 29, 2012
Valuation ('000)⁽¹⁾	A\$310,000 (RM888,584)	A\$98,500 (RM282,340)	A\$65,750 (RM188,466)

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(1) Converted at exchange rate of A\$1.00: RM2.8664 as at 31 December 2014.

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