

YTL Hospitality REIT – A leading Asia Pacific hospitality REIT

Fourth Quarter 2014 Financial Results

22 August 2014

YTL HOSPITALITY REIT



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1. Key Highlights

Key Highlights – 4Q FY2014 Results

- Revenue increased to RM100.5 million, up 0.7% from 4Q FY2013
- Net Property Income (“NPI”) of RM45.1 million, similar to 4Q FY2013⁽¹⁾
- 2.48 sen distribution per unit (“DPU”) declared for 4Q FY2014, up 19.2% from 3Q FY2014 of 2.08 sen⁽²⁾
- Australia portfolio remains key growth driver
 - Average occupancy in 4Q FY2014 increased to 79.9%, up 1.0% from 4Q FY2013 while the Average Daily Rate (“ADR”) rose by 2.3% to A\$ 240.5
 - Revenue per Available Room (“RevPar”) increased by 3.3% to A\$192.2
 - Australia portfolio NPI up 1.3% to RM19.6 million in 4Q FY2014 as compared to 4Q FY2013
- Net revaluation surplus of RM343 million recorded in May 2014

(1) NPI for 4Q FY2013 is adjusted for the reclassification of certain administration expenses to property expenses.
(2) Comparison with 3Q FY2014 DPU as quarterly distributions started during FY2014

Key Highlights – Full Year FY2014 Results

- Revenue increased to RM425.1 million, up 45.6% from FY2013⁽¹⁾
- NPI increased 29.2% to RM202.9 million from FY 2013^{(1) (2)}
- 8.46 sen DPU for FY2014, up 14.6% from 7.38 sen paid for FY 2013
- Gearing ratio at 47.6% as of 30 June 2014 post revaluation surplus on portfolio of assets in May 2014

Distribution time table for 4Q FY2014

Distribution period

1 April to 30 June 2014

Distribution per unit

2.48 sen

Distribution timetable

Ex-date

13 August 2014

Entitlement Date

15 August 2014

Payment Date

29 August 2014

2. Financial Results

Financial Snapshot

(RM'000)	4Q FY2014	4Q FY2013	% change	FY2014	FY2013	% change
Revenue	100,490	99,796	+ 0.7%	425,114	292,021	+ 45.6%
Net property income ⁽¹⁾	45,139	45,155	(0.0%)	202,867	156,975	+ 29.2%
Income available for distribution	30,728	28,535	+ 7.7%	117,142	105,183	+ 11.4%
Income distribution ⁽²⁾	32,908	N/A	N/A	112,060	97,744	+ 14.6%
Distribution per Unit (sen) ⁽²⁾	2.48	N/A	N/A	8.46	7.38	+ 14.6%

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(1) YTL Hospitality REIT has reclassified most of the administration expenses related to the operation of its Australian properties into property operating expenses effective the financial year ending 30 June 2014.
(2) YTL Hospitality REIT has changed the frequency of income distributions from half-yearly to quarterly effective the financial year ending 30 June 2014.

Financial results

Income statement

Fiscal year ended, 30 June (RM'000)	4Q FY2014	4Q FY2013	FY2014	FY2013
Hotel revenue	72,140	71,495	311,657	179,192
Property revenue	28,350	28,301	113,457	112,829
Total revenue	100,490	99,796	425,114	292,021
Property operating expenses ⁽¹⁾	(55,351)	(54,641)	(222,247)	(135,046)
Net property income	45,139	45,155	202,867	156,975
Manager's fees	(1,705)	(2,081)	(7,768)	(7,247)
Trustee's fees	(240)	(349)	(1,116)	(1,090)
Administration expenses ⁽¹⁾	(49,226)	(3,885)	(53,319)	(9,209)
Finance costs	(18,359)	(18,648)	(73,257)	(46,949)
Depreciation	(16,894)	(24,744)	(61,822)	(45,053)
Other income	186,893	5,728	190,930	8,815
Profit before tax	145,608	1,176	196,515	56,242
Income tax expense	310	234	(1,422)	(495)
Profit for the period	145,918	1,410	195,093	55,747
Distribution adjustments				
Depreciation	16,894	24,744	61,822	45,053
Others ⁽²⁾	(132,084)	2,381	(139,773)	4,383
Income available for distribution	30,728	28,535	117,142	105,183
Income distribution	32,908	-	112,060	97,744
Distribution per Unit (sen)⁽³⁾	2.48	-	8.46	7.38
Units in circulation ('000)	1,324,389	1,324,389	1,324,389	1,324,389

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- (1) YTL Hospitality REIT has reclassified most of the administration expenses related to the operation of its Australian properties into property operating expenses effective the financial year ending 30 June 2014. The results for 4Q FY2013 and FY2013 had been restated to be consistent with the classification in the current financial year.
- (2) Includes (i) unrealised gains or losses on foreign translation differences, (ii) net income not distributed from foreign operations, (iii) gain on fair value of investment properties and (iv) revaluation losses on property.
- (3) YTL Hospitality REIT has changed the frequency of income distributions from half-yearly to quarterly effective the financial year ending 30 June 2014.

Financial results

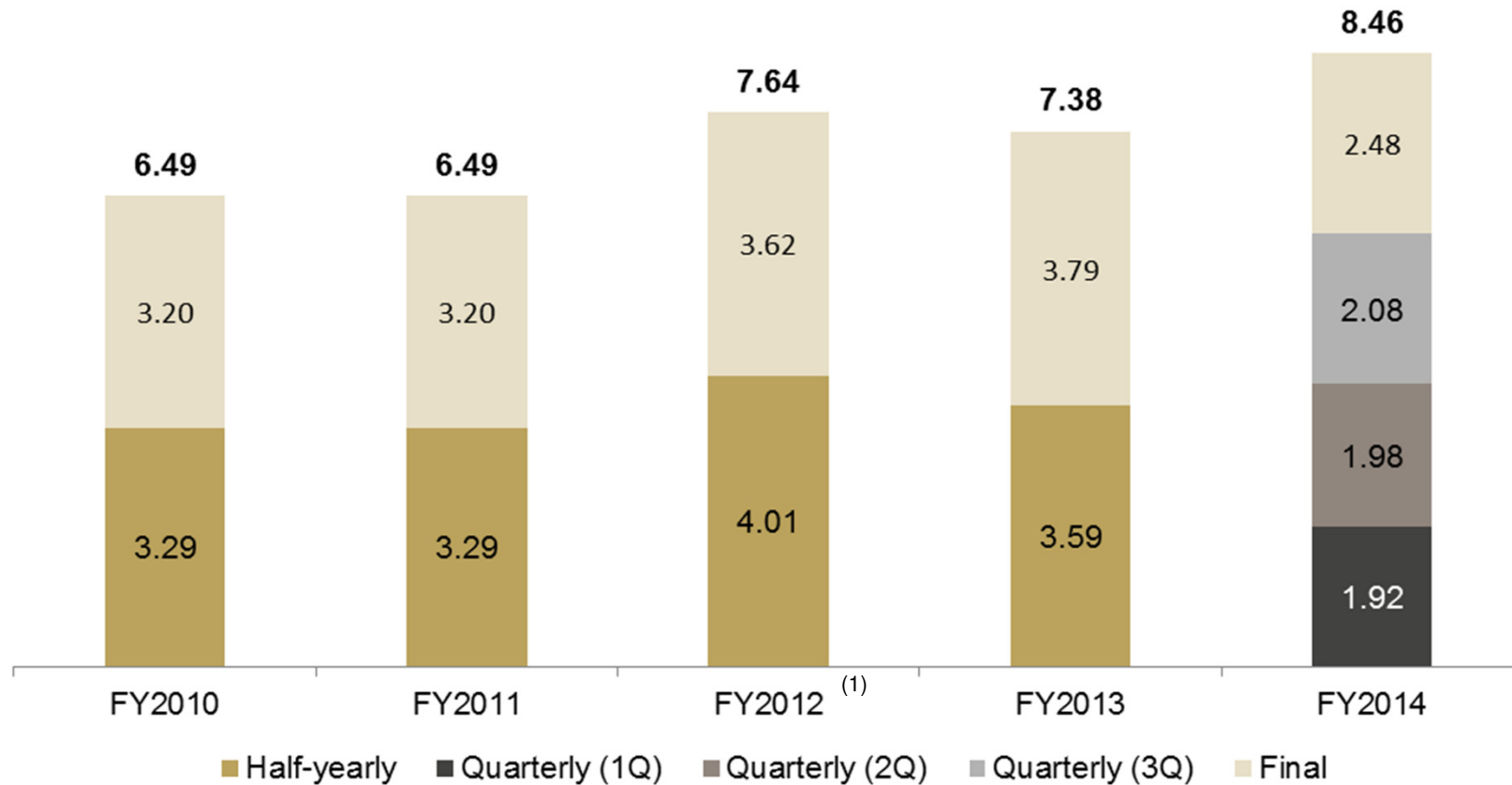
Balance sheet

As at 30 June (RM'000)	FY2014	FY2013
Current assets	168,045	176,432
Non-current assets	3,157,589	2,815,188
Total assets	3,325,634	2,991,620
Current liabilities	77,197	97,634
Non-current liabilities	1,578,771	1,577,918
Total liabilities	1,655,968	1,675,552
Net Asset Value	1,669,666	1,316,068
NAV per unit (RM)⁽¹⁾	1.345	1.068
Adjusted NAV per unit (RM)⁽²⁾	1.261	0.994

Net revaluation surplus of the properties contributed substantially to the increase in NAV per unit.

Distribution performance

Distribution per unit (sen)



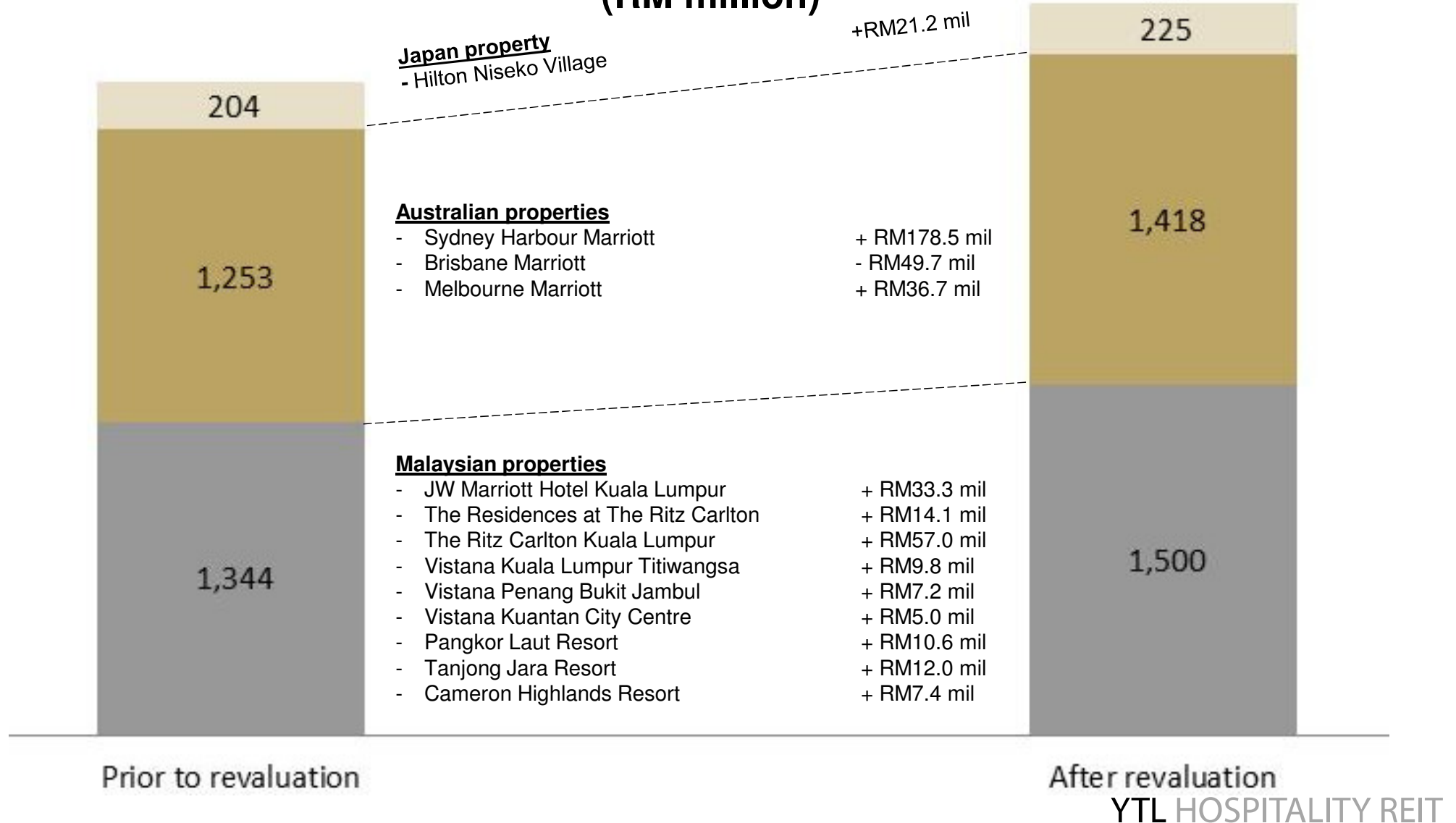
YTL Hospitality REIT started paying quarterly distributions commencing the financial year ended 30 June 2014

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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.

Breakdown of revaluation surplus of RM343.0 million in May 2014

Net Book Value (RM million)





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3. Portfolio Performance by Country

Portfolio performance by country

4Q FY2014 versus 4Q FY2013

	Revenue (RM'000)			Net property income (RM'000)		
	4Q FY2014	4Q FY2013	% change	4Q FY2014	4Q FY2013	% change
Australia	72,140	71,495	+ 0.9%	19,550	19,298	+ 1.3%
Malaysia	24,488	24,413	+ 0.3%	22,904	23,210	(1.3%)
Japan	3,862	3,888	(0.7%)	2,685	2,647	+ 1.4%

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Note: YTL Hospitality REIT has reclassified most of the administration expenses related to the operation of its Australian properties into property operating expenses effective the financial year ended 30 June 2014. The NPI for 4Q FY2013 had been restated to be consistent with the reclassification for the financial year ended 30 June 2014.

Portfolio performance by country

FY2014 versus FY2013

	Revenue (RM'000)			Net property income (RM'000)		
	FY2014	FY2013	% change	FY2014	FY2013	% change
Australia	311,657	179,192⁽²⁾	+ 73.9%	97,395	52,104⁽¹⁾⁽²⁾	+ 86.9%
Malaysia	97,950	97,426	+ 0.5%	92,725	92,479	+ 0.3%
Japan	15,507	15,403	+ 0.7%	12,747	12,392	+ 2.9%

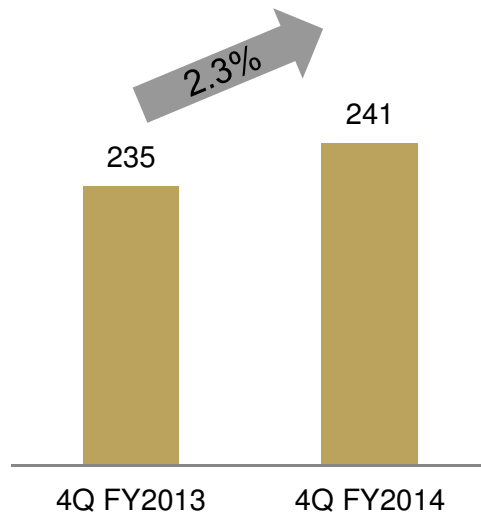
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Note:

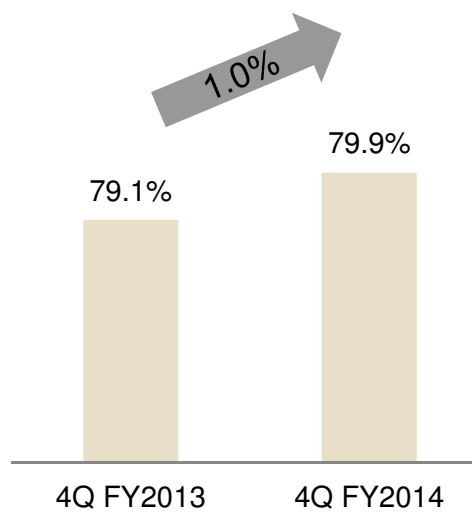
- (1) YTL Hospitality REIT has reclassified most of the administration expenses related to the operation of its Australian properties into property operating expenses effective the financial year ended 30 June 2014. The NPI for FY2013 had been restated to be consistent with the reclassification for the financial year ended 30 June 2014.
- (2) FY2013 includes only 7 months of Australia Portfolio operations.

Details of Australia portfolio performance - 4Q FY2014 vs 4Q FY2013

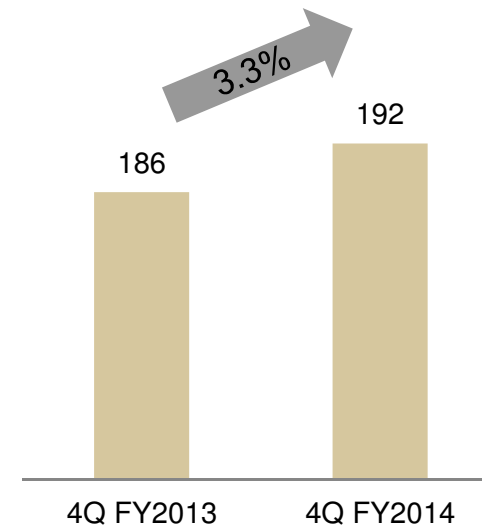
Average Daily Rate (A\$)



Occupancy rate (%)

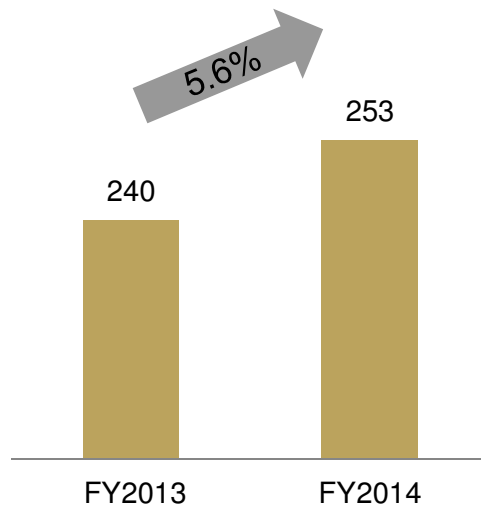


RevPar (A\$)

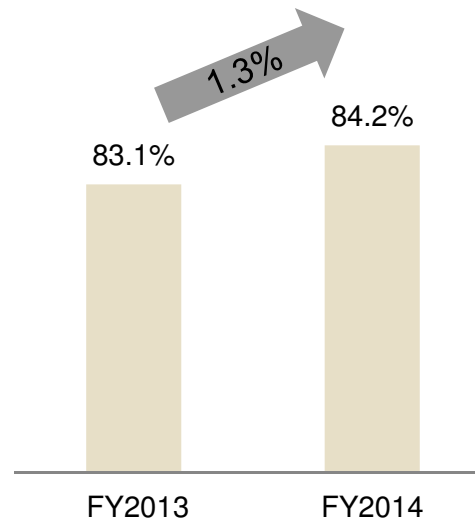


Details of Australia portfolio performance - FY2014 vs FY2013

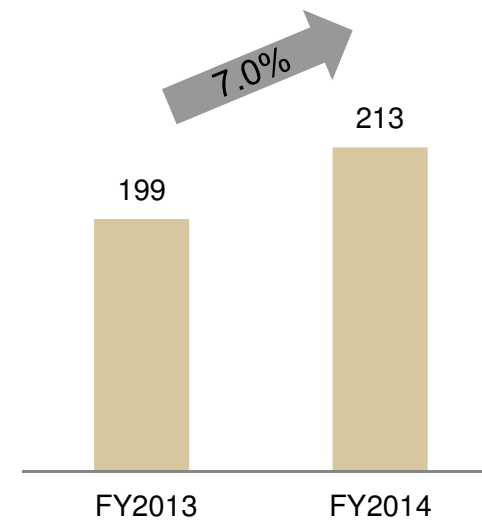
Average Daily Rate (A\$)



Occupancy rate (%)



RevPar (A\$)

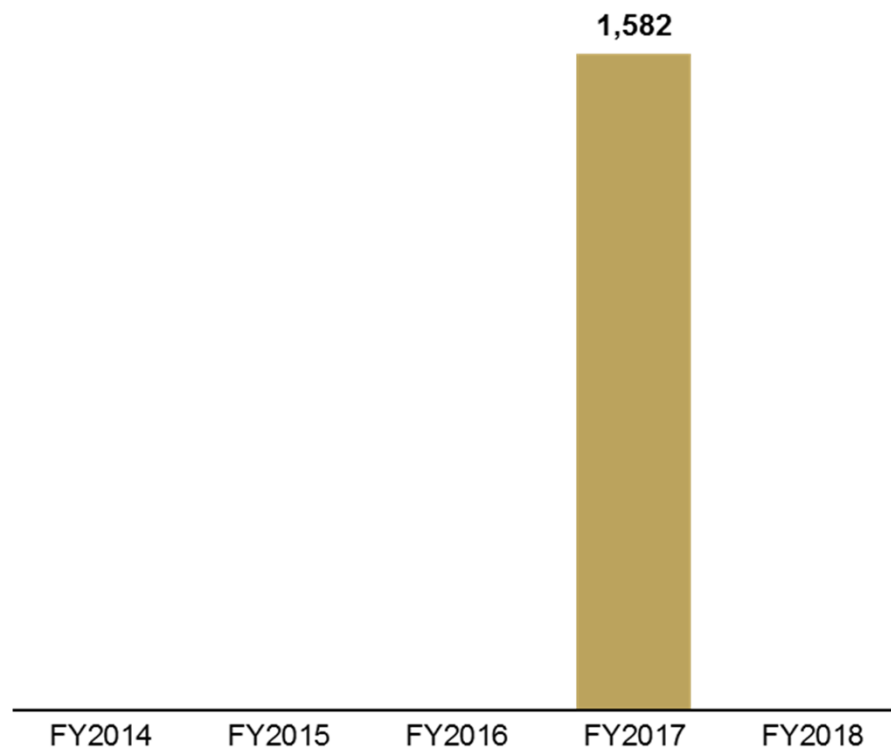


4. Capital Management

Debt maturity profile

Debt maturity profile as at 30 June 2014

(RM in millions)



Gearing details

As at 30 June 2014

(RM'000)

Total debt	1,581,800
Total assets	3,325,634
Gearing	47.6%
Interest cover⁽¹⁾	2.5x
Average interest rate p.a.	4.54%
Weighted average debt maturity⁽²⁾	3.4 years
Maturity date of secured loan	23-Nov-17

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(1) Calculated as 4Q FY2014 NPI / 4Q FY2014 finance cost.
 (2) As at 30 June 2014.



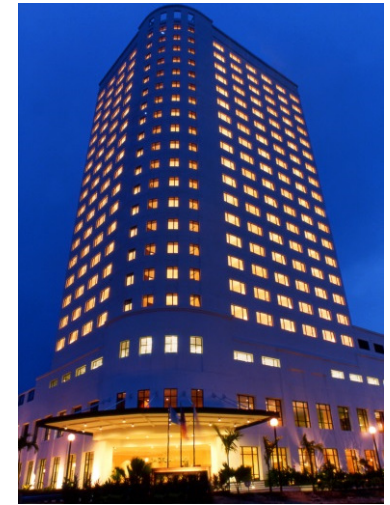
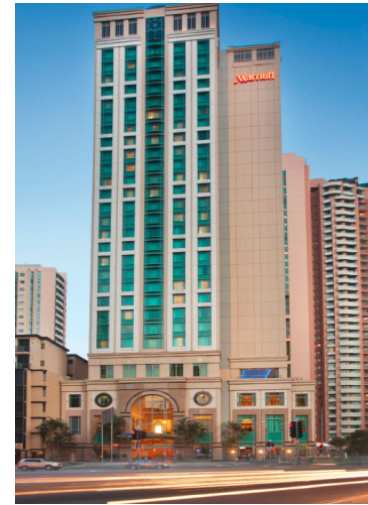
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5. Appendix

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⁾
RM3.15 billion ⁽¹⁾	3,706	Master lease (52%) Management contract (48%)	Malaysia Australia Japan	RM1.21 billion

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(1) Based on investment properties and property, plant & equipment as at 30 June 2014.
 (2) Based on NPI for the financial year ended 30 June 2014.
 (3) Based on YTL Hospitality REIT's closing price of RM0.915 per unit as at 30 June 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	12.1%
The Residences at The Ritz-Carlton, Kuala Lumpur*	114	239,000	7.6%
The Ritz-Carlton, Kuala Lumpur*	251	310,000	9.8%
Vistana Kuala Lumpur Titiwangsa*	364	111,000	3.5%
Vistana Penang Bukit Jambul*	427	109,000	3.4%
Vistana Kuantan City Centre*	215	81,000	2.6%
Pangkor Laut Resort*	97	109,000	3.4%
Tanjong Jara Resort*	99	100,000	3.2%
Cameron Highlands Resort*	56	58,000	1.8%
Hilton Niseko Village^{*(1)}	506	225,633	7.1%
Sydney Harbour Marriott⁽²⁾	563	937,285	29.7%
Brisbane Marriott⁽²⁾	267	297,815	9.4%
Melbourne Marriott⁽²⁾	186	198,795	6.3%
Total	3,706	3,159,528	100.0%

* Properties that are master leased.

YTL HOSPITALITY REIT

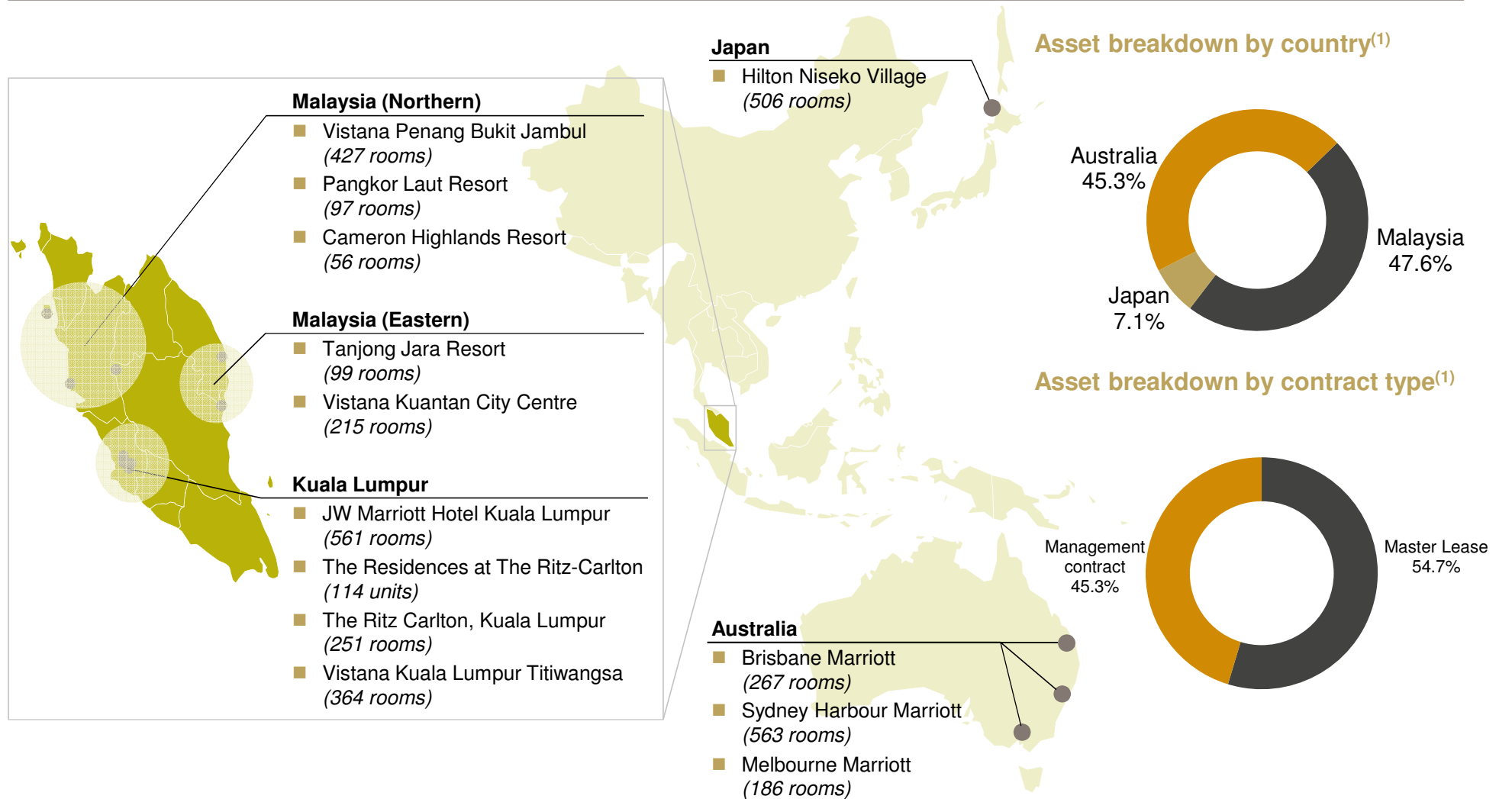
(1) Converted at exchange rate of JPY100: RM3.1690 as at 30 June 2014.

(2) Converted at exchange rate of A\$1.00: RM3.0235 as at 30 June 2014.

A portfolio of upscale and luxury hotels and serviced residences

3,706 rooms located across 3 countries

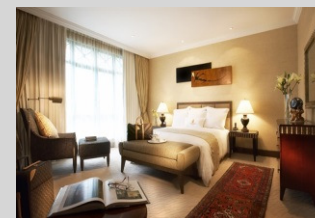
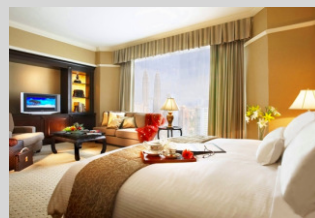
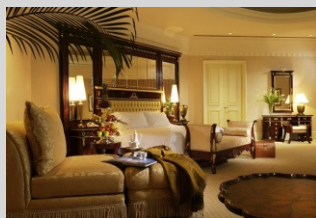
Focused on city and destination hotels and resorts managed by best-in-class operators and affiliated with quality global brands



YTL HOSPITALITY REIT

(1) Based on investment properties and property, plant & equipment as at 30 June 2014.

Luxury hotels and residences Malaysia



	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⁾	10 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 July 2014. There are options for the lessee to renew the lease upon expiry.

Luxury hotels

Malaysia and Japan

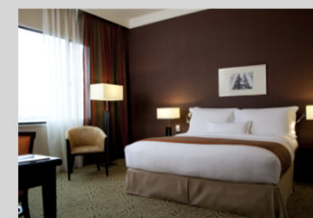


	Pangkor Laut Resort	Tanjong Jara Resort	Cameron Highlands Resort	Hilton Niseko Village
Address	Pangkor Laut, 32200 Lumut, Perak Darul Ridzuan	Batu 8, Off Jalan Dungun, 23000 Dungun, Terengganu	By the Golf Course, 39000 Tanah Rata, Cameron Highlands, Pahang Darul Makmur	Higashiyama-Onsen, Niseko-town, Abuta-gun, 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 (RM225,633)

YTL HOSPITALITY REIT

(1) Lease remaining calculated as of 1 July 2014. There are options for the lessee to renew the lease upon expiry.
 (2) Hilton Niseko's valuation converted at exchange rate of JPY100: RM3.1690 as at 30 June 2014.

Upscale hotels Malaysia



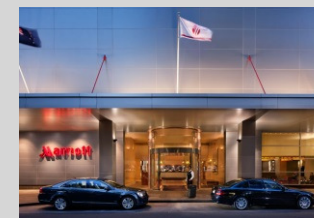
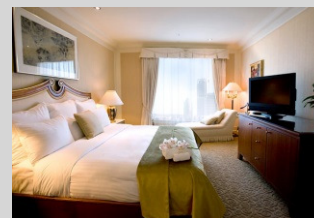
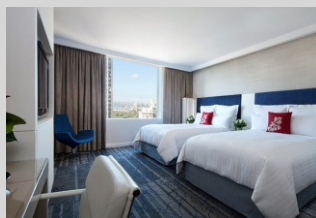
	Vistana Kuala Lumpur Titiwangsa	Vistana Penang Bukit Jambul	Vistana Kuantan City Centre
Address	No.9, Jalan Lumut, off Jalan Ipoh, 50400 Kuala Lumpur	No. 213, Jalan Bukit Gambir, Bukit Jambul, 11950 Pulau Pinang	Jalan Teluk Sisek, 25000 Kuantan, Pahang
Description	Located within the hub of Kuala Lumpur 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 July 2014. There are options for the lessee to renew the lease upon expiry.

Luxury hotels

Australia



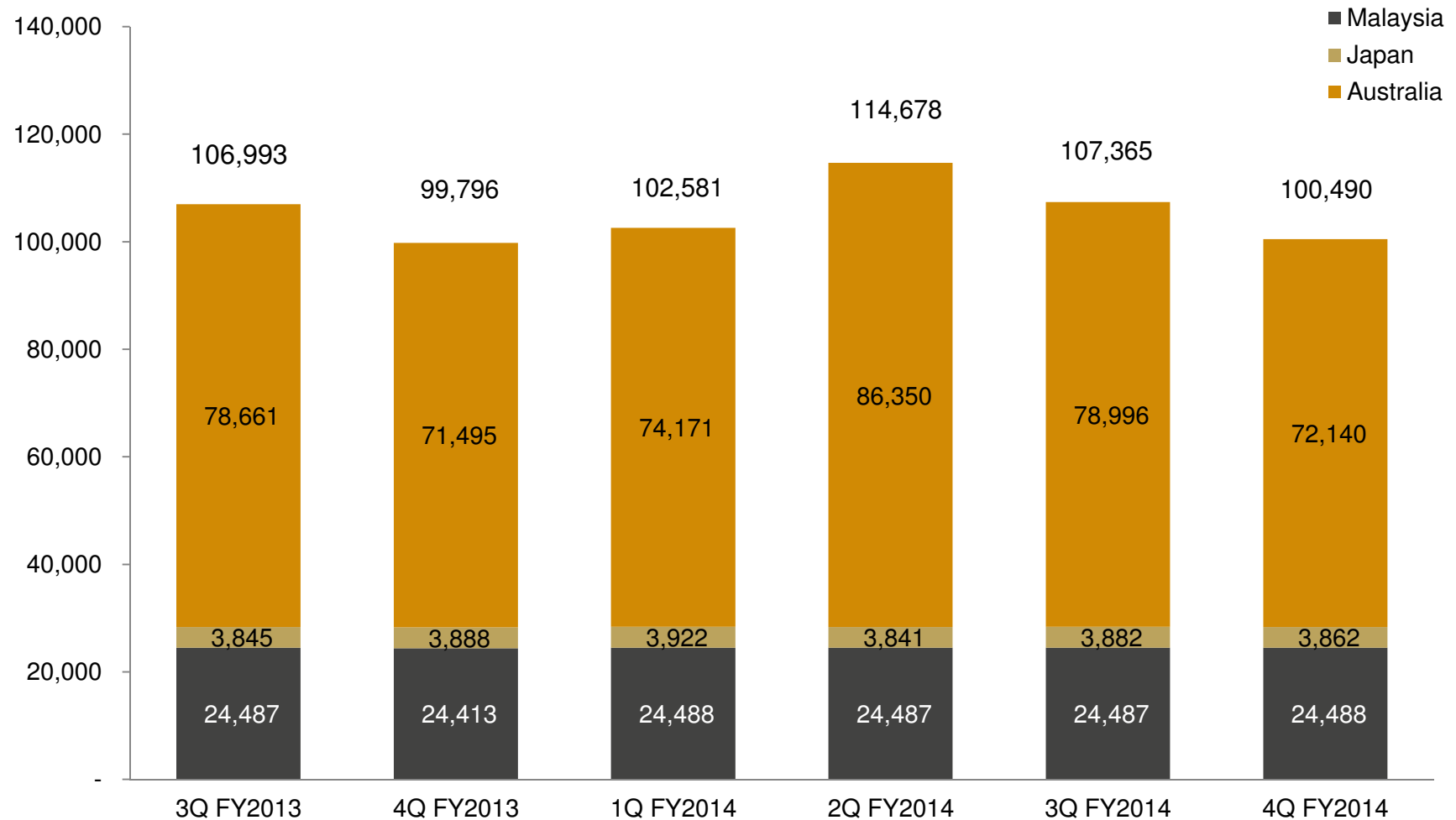
	Sydney Harbour Marriott	Brisbane Marriott	Melbourne Marriott
Address	30 Pitt Street, Sydney, New South Wales	515 Queen Street, Brisbane, Queensland	Corner Exhibition and Lonsdale Street, Melbourne, Victoria
Description	Located on Pitt Street in the heart of the Sydney CDB and in close proximity to tourist 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 CDB 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 (RM937,285)	A\$98,500 (RM297,815)	A\$65,750 (RM198,795)

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(1) Converted at exchange rate of A\$1.00: RM3.0235 as at 30 June 2014.

Revenue breakdown by country

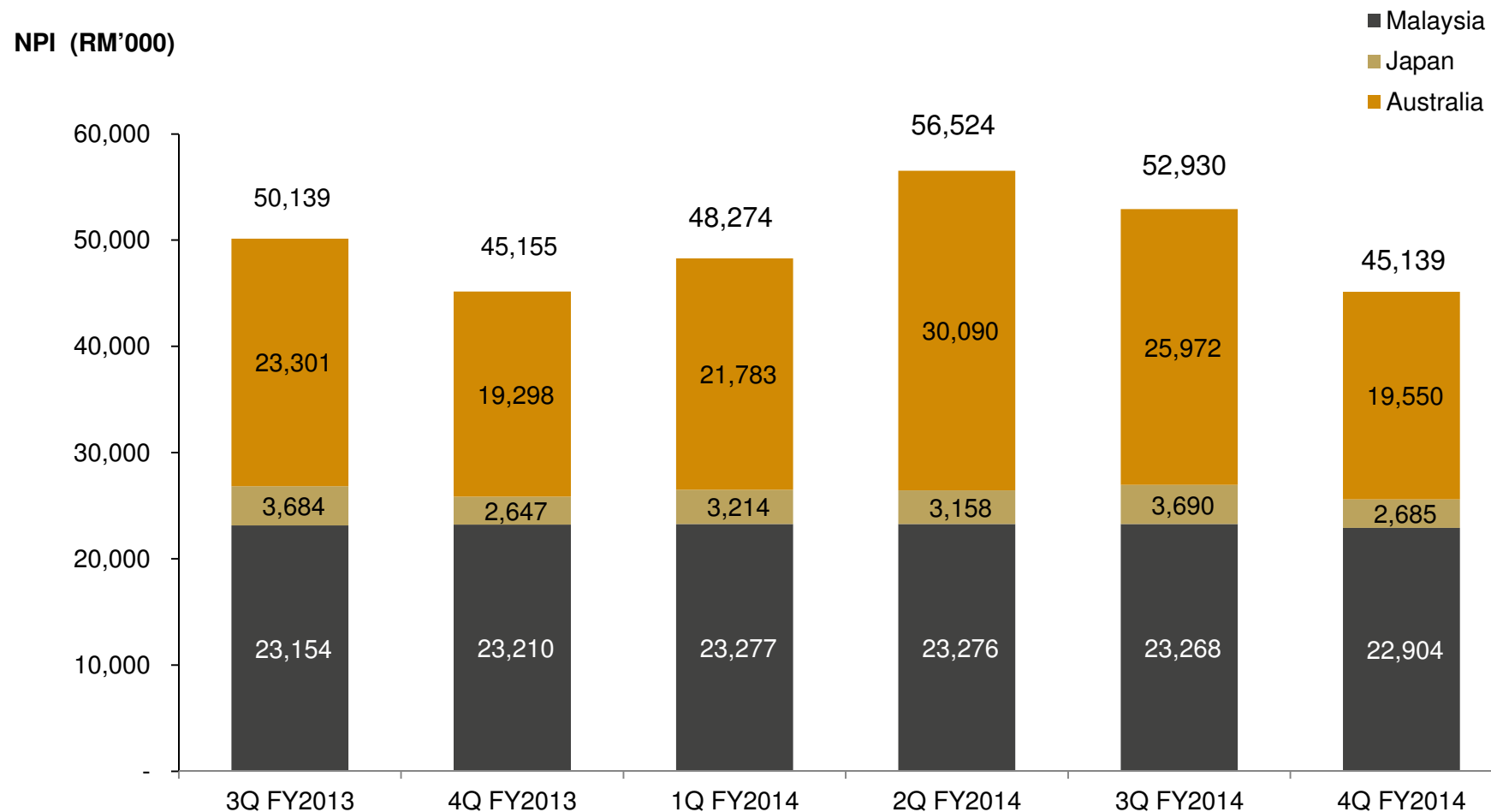
Revenue (RM'000)



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Note: The variation of the revenue from Australia portfolio is due to seasonal factors

NPI breakdown by country



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Note: YTL Hospitality REIT has reclassified most of the administration expenses related to the operation of its Australian properties into property operating expenses effective the financial year ended 30 June 2014. The results for 3Q FY2013 and 4Q FY2013 had been restated to be consistent with the reclassification for the financial year ended 30 June 2014.

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