

# YTL HOSPITALITY REIT



## Fourth Quarter FY2015 Financial Results

28 August 2015



## FINANCIAL

## HIGHLIGHTS

- Income available for distribution of RM30.8 million, +0.2% y-o-y
- DPU of 2.3258 sen, -6.4% y-o-y
- Revaluation surplus of RM200 million in May 2015

## CAPITAL

## MANAGEMENT

- RM760 million of existing RM borrowings refinanced by AUD262.5 million of AUD borrowings in June 2015
- Debt headroom of ~RM1,178 million for acquisition

## PORTFOLIO

## MANAGEMENT

- Portfolio valuations (except for 1 property) 13-40% above purchase prices
- Occupancy
  - Malaysia and Japan (Master Leases): 100%
  - Australia (Management Contracts): 82.5%
- RevPAR for Australia at AUD192, higher occupancy rate offset by lower ADR





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# Financial performances 4Q FY2015



# FINANCIAL PERFORMANCE: 4Q FY2015

## YTL HOSPITALITY REIT

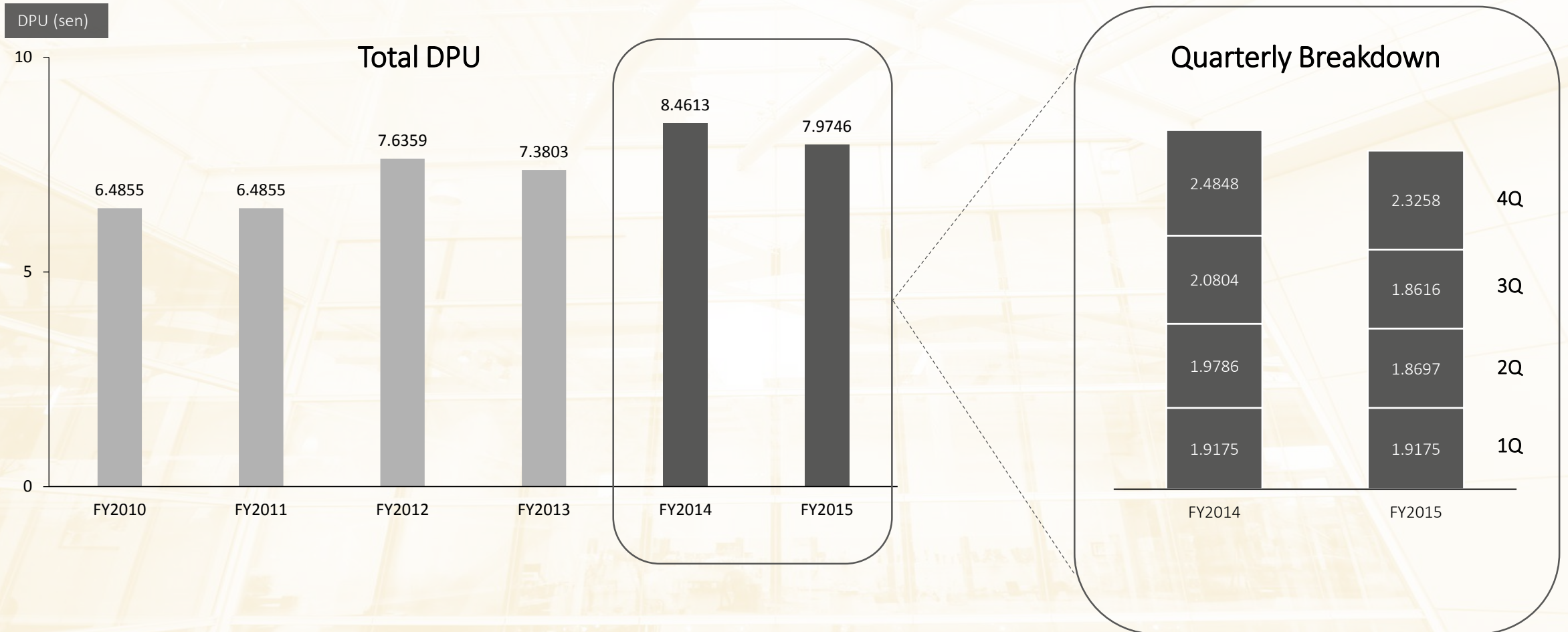
1 April - 30 June	4Q FY2015	4Q FY2014	Change
Total Revenue	94.2	100.5	(6.2%)
- Hotel Revenue (Management Contracts)	65.8	72.1	(8.8%)
- Lease Rental (Master Leases)	28.4	28.4	+ 0.2%
Net Property Income (NPI)	42.3	45.1	(6.3%)
- Management Contracts	16.0	19.6	(18.2%)
- Master Leases	26.3	25.6	+ 2.9%
Income available for distribution	30.8	30.7	+ 0.2%
Income distribution	30.8	32.9	(6.4%)
- from current quarter	30.8	30.7	+ 0.2%
- from others	-	2.2	n.a.
Distribution per unit (DPU) (sen)	2.3258	2.4848	(6.4%)
Payout ratio (%)	100.0	100.0	-

*Note: All figures in RM million unless indicated otherwise.*

# STATEMENT OF FINANCIAL POSITION

# YTL HOSPITALITY REIT

RM ('000)	As at 30 June 2015 (Audited)	As at 30 June 2014 (Audited)	Change
Investment properties	1,764,714	1,725,633	+ 2.3%
Property, plant and equipment	1,506,976	1,428,255	+ 5.5%
Cash & cash equivalents	126,769	149,908	(15.4%)
Other assets	32,213	21,838	+ 47.5%
<b>Total Assets</b>	<b>3,430,672</b>	<b>3,325,634</b>	<b>+ 3.2%</b>
Borrowings	1,564,898	1,576,899	(0.8%)
Other liabilities	83,179	79,069	+ 5.2%
<b>Total Liabilities</b>	<b>1,648,077</b>	<b>1,655,968</b>	<b>(0.5%)</b>
<b>Net Asset Value (NAV)</b>	<b>1,782,595</b>	<b>1,669,666</b>	<b>+ 6.8%</b>
<b>Number of units in circulation ('000)</b>	<b>1,324,389</b>	<b>1,324,389</b>	<b>-</b>
<b>NAV per unit (RM)</b>			
- Before income distribution	1.426	1.345	+ 6.0%
- After income distribution	1.346	1.261	+ 6.7%

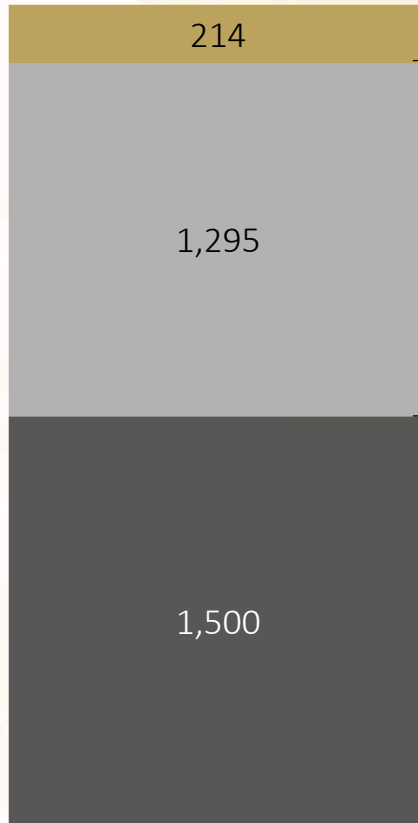


*Note: YTL Hospitality REIT started paying quarterly distributions commencing the financial year ended 30 June 2014.*

# REVALUATION SURPLUS OF RM200 million IN MAY 2015

RM (million)

RM (million)



## JAPANESE property

- Hilton Niseko Village

+RM8.2 mil

## AUSTRALIAN properties

- Sydney Harbour Marriott
- Brisbane Marriott
- Melbourne Marriott

+ RM125.1 mil

+ RM6.8 mil

+ RM28.0 mil

## MALAYSIAN properties

- JW Marriott Hotel Kuala Lumpur
- The Residences at The Ritz-Carlton, Kuala Lumpur
- The Ritz-Carlton, Kuala Lumpur
- Vistana Kuala Lumpur Titiwangsa
- Vistana Penang Bukit Jambul
- Vistana Kuantan City Centre
- Pangkor Laut Resort

+ RM6.0 mil

+ RM1.0 mil

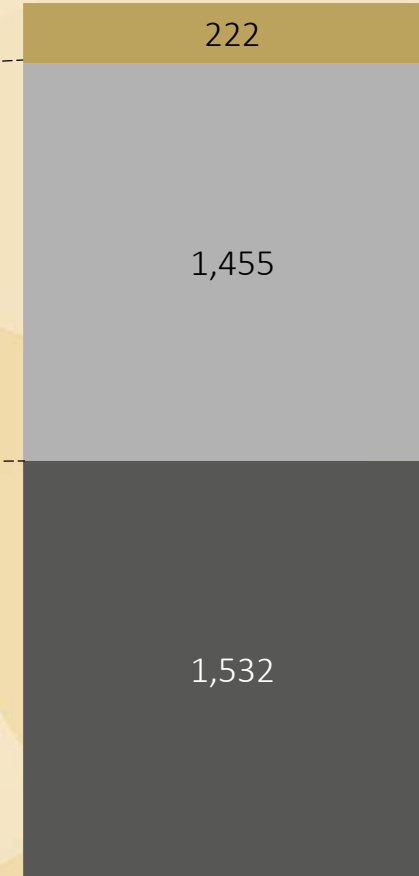
+ RM3.0 mil

+ RM9.0 mil

+ RM5.0 mil

+ RM4.0 mil

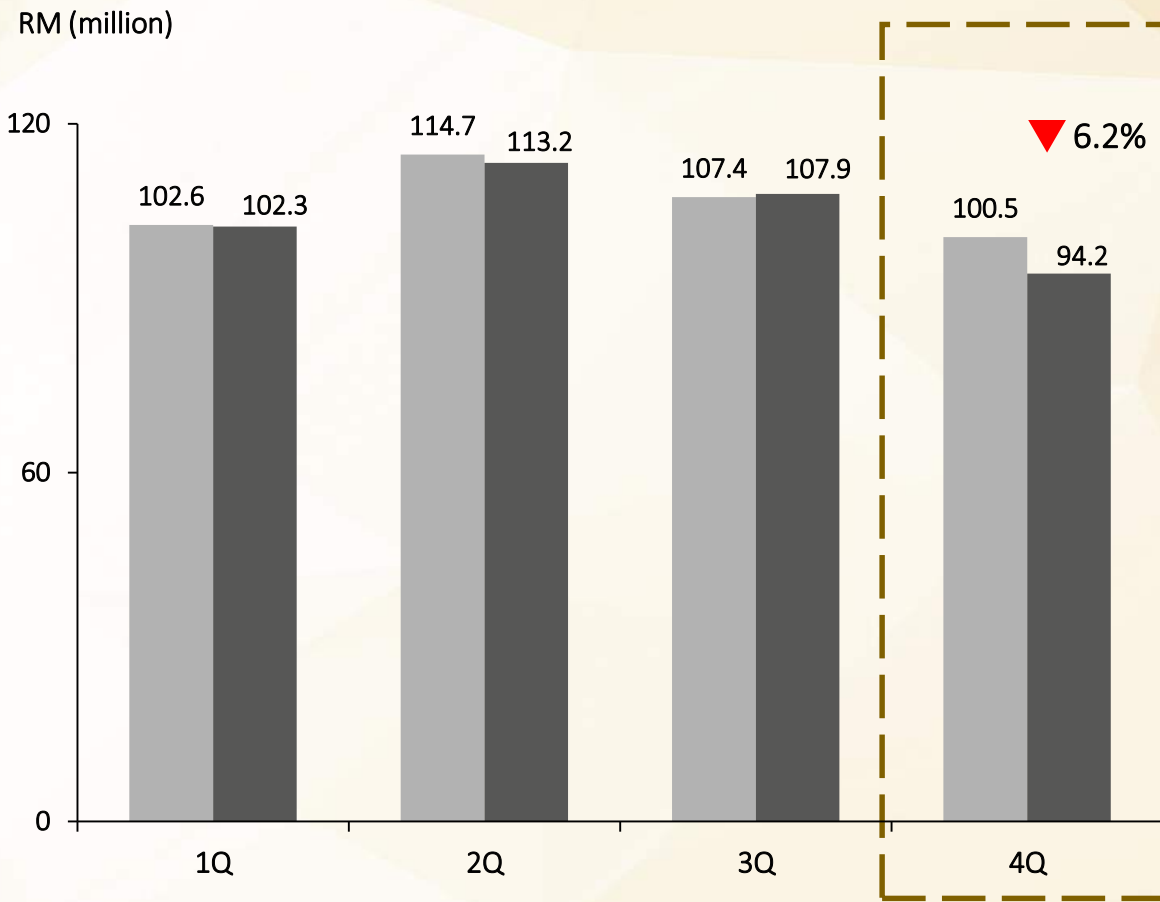
+ RM4.0 mil



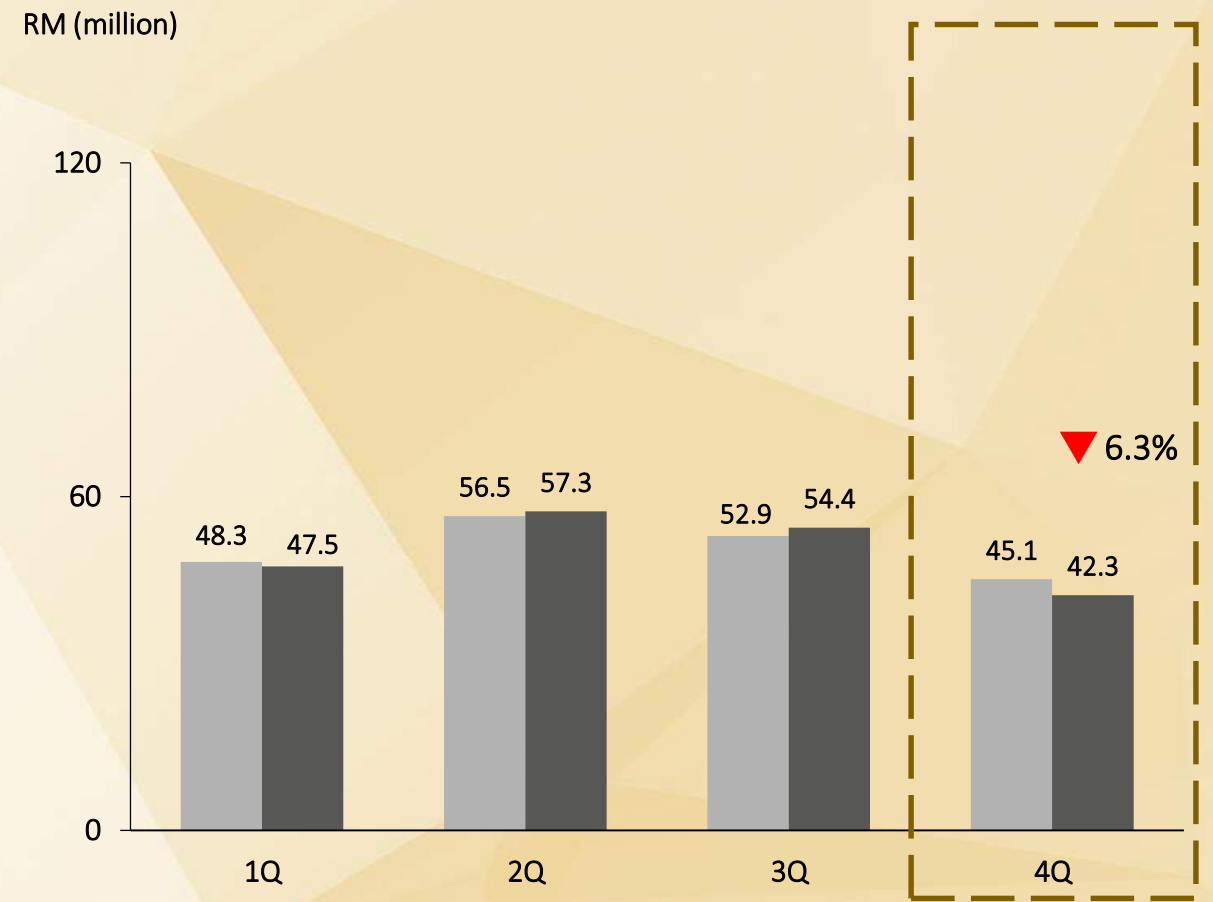
Prior to revaluation

After revaluation

## TOTAL revenue



## NET property income

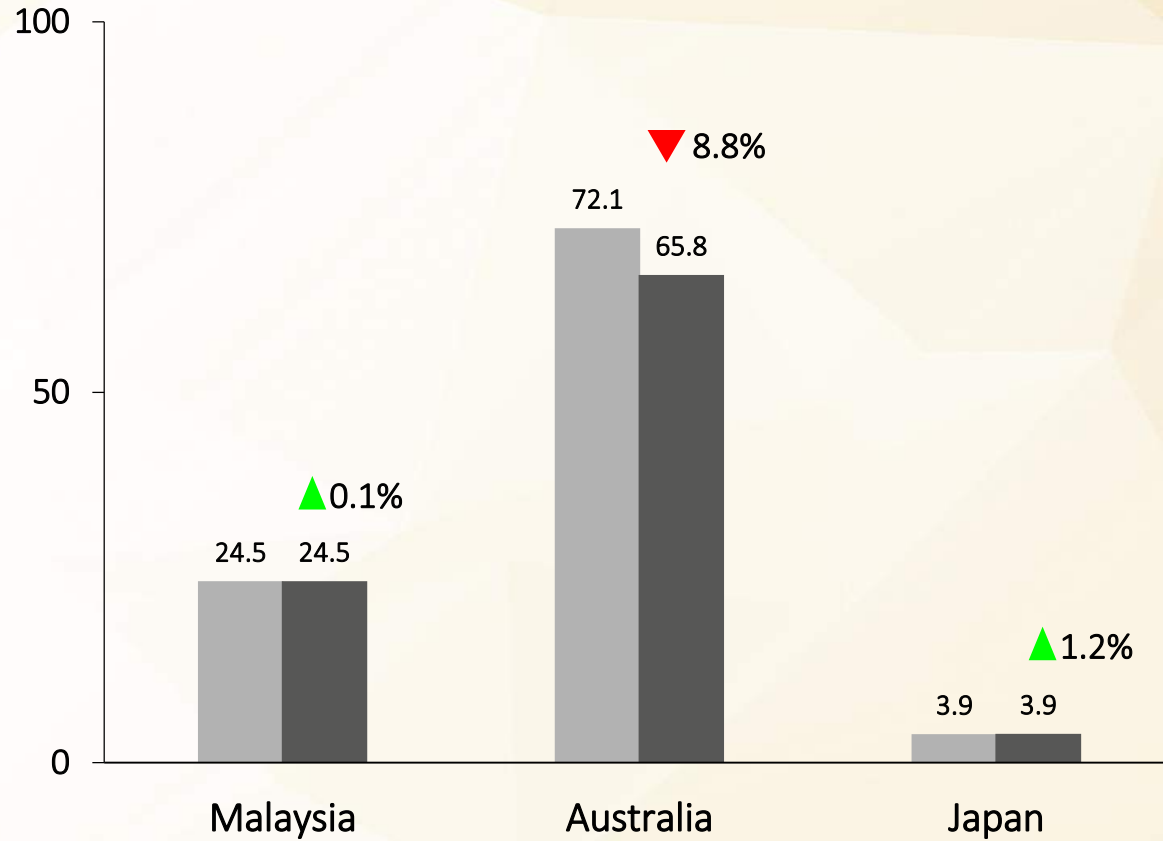


FY2014 FY2015



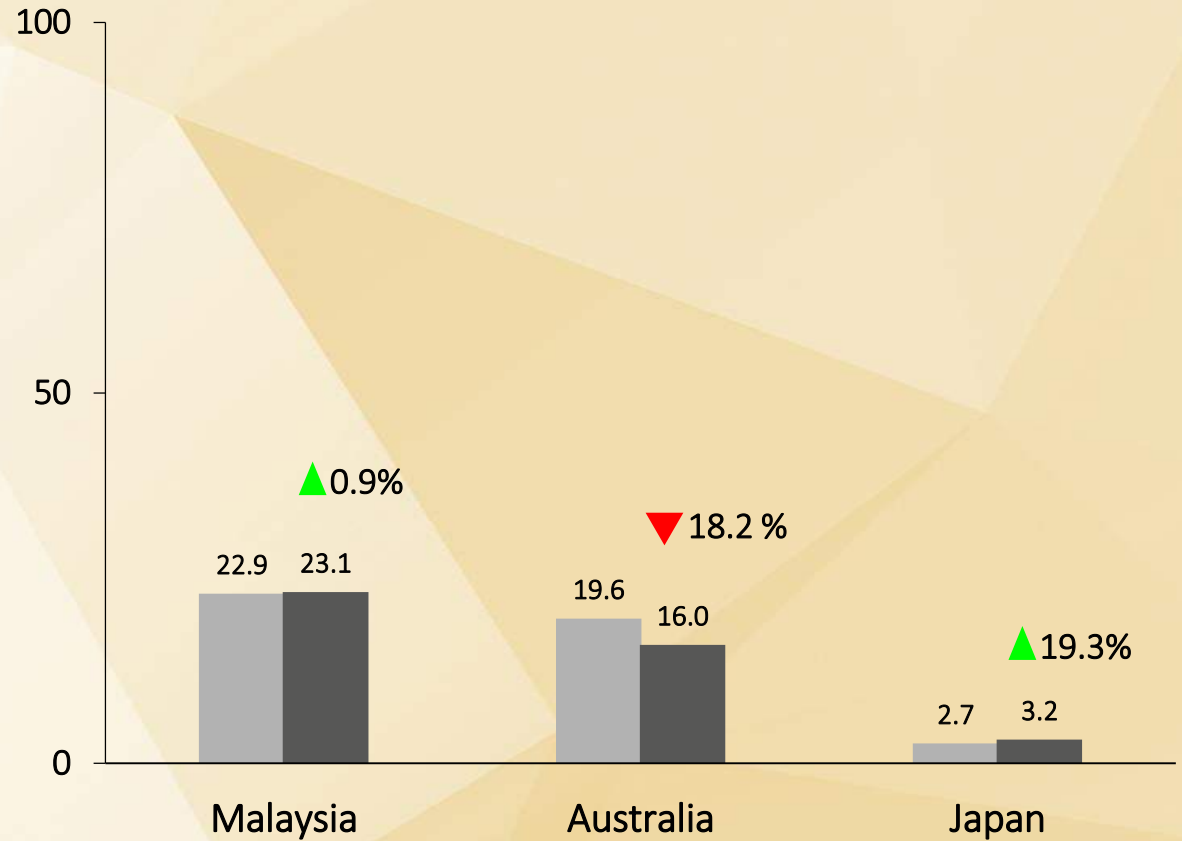
## TOTAL revenue

RM (million)



## NET property income

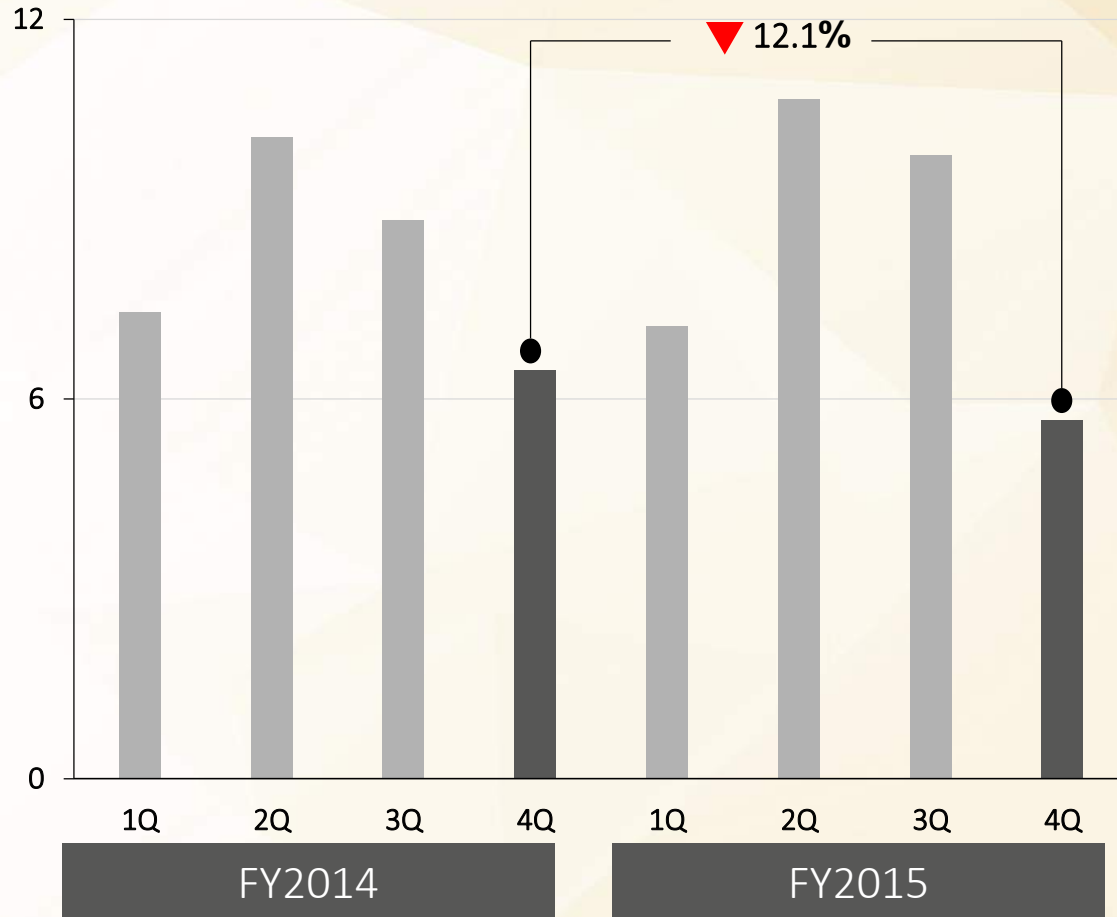
RM (million)



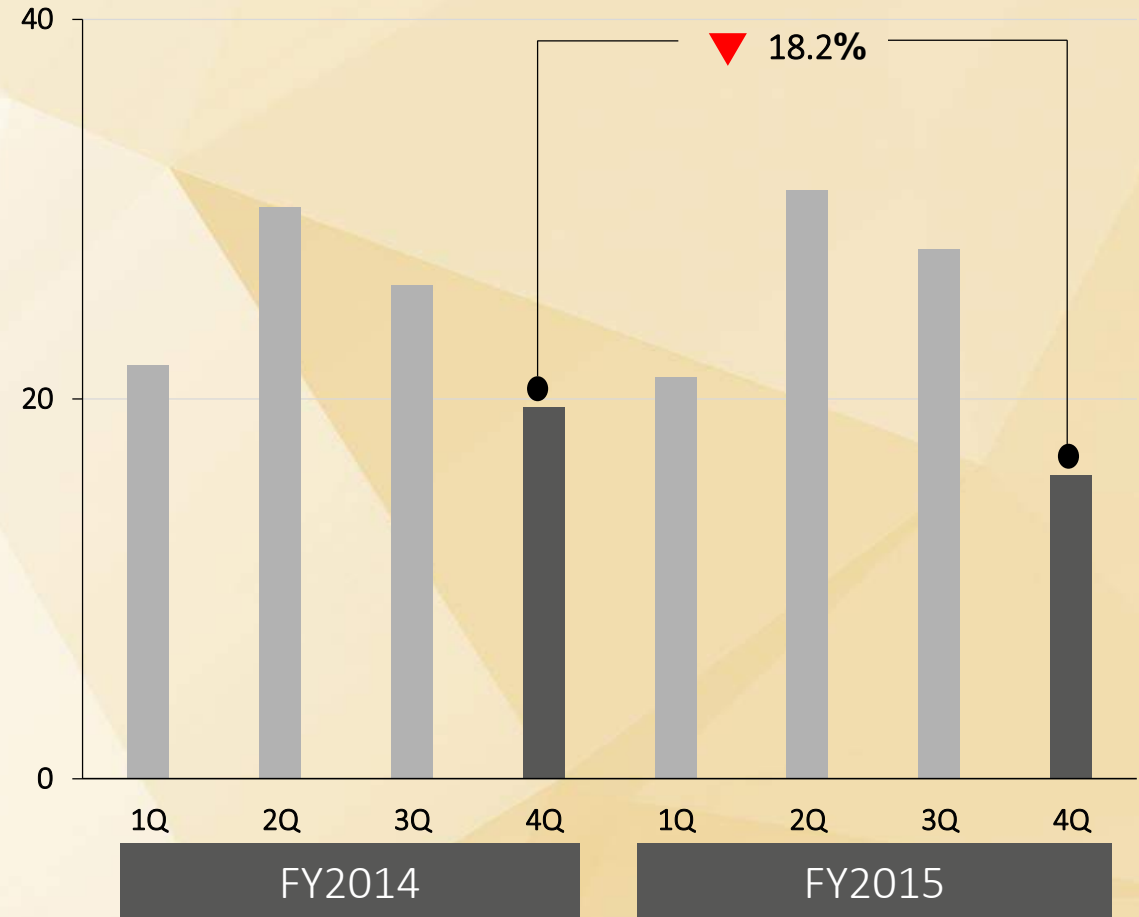
4Q FY2014 4Q FY2015

NPI in RM impacted by the foreign exchange effects of the weaker AUD relative to RM

AUD (million)

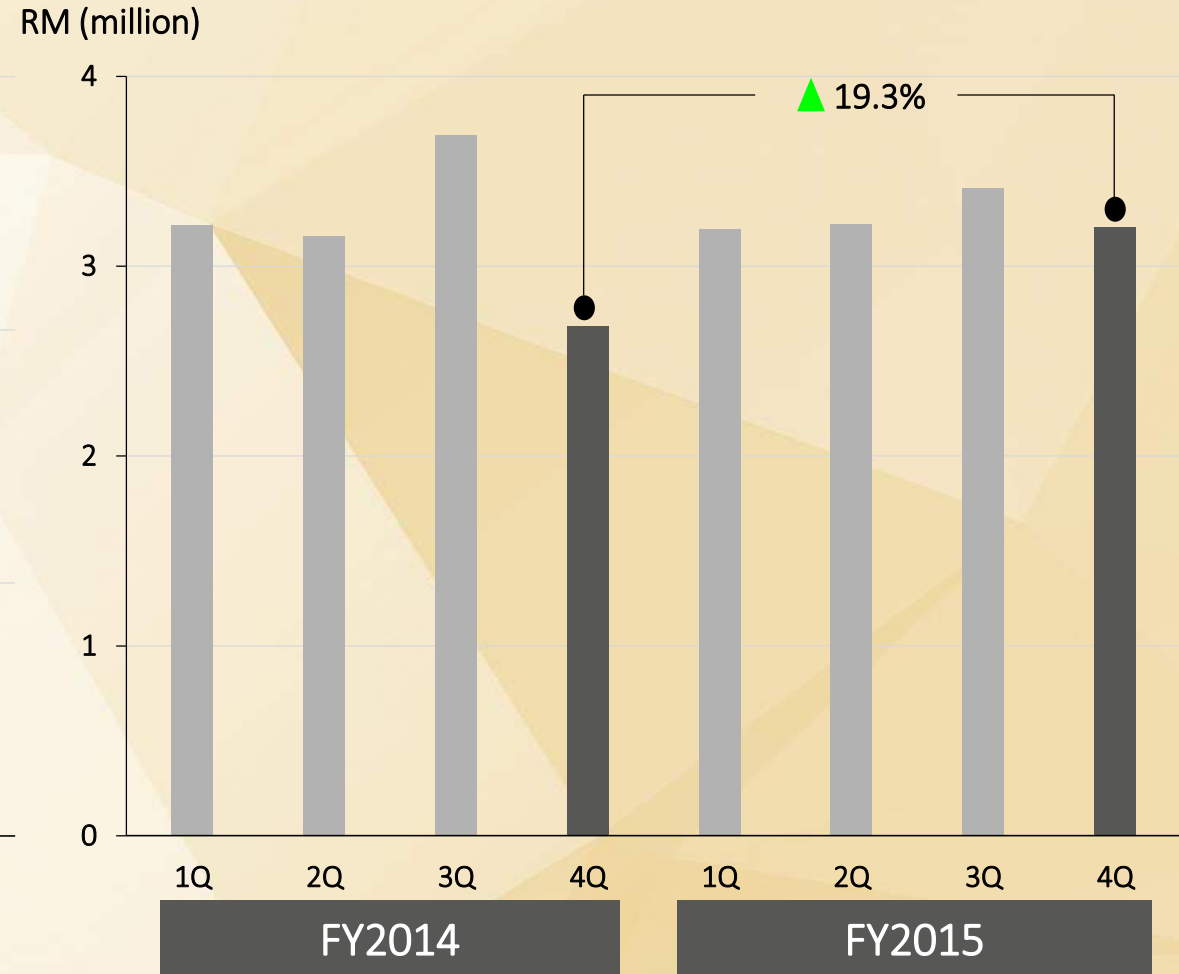
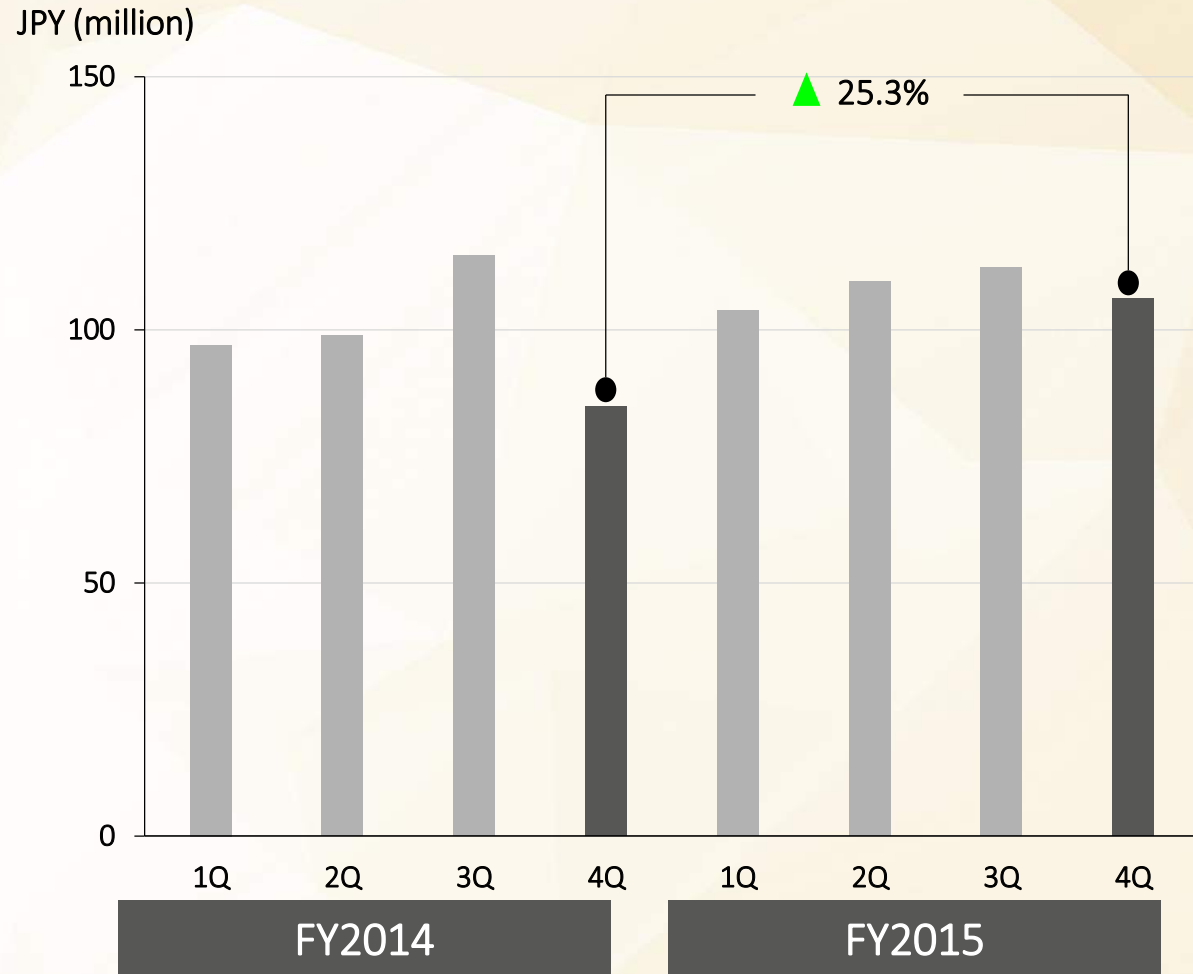


RM (million)





NPI in RM impacted by the foreign exchange effects of the weaker JPY relative to RM





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## Financial performances FY2015



# FINANCIAL PERFORMANCE: FY2015

## YTL HOSPITALITY REIT

1 July - 30 June	FY2015	FY2014	Change
Total Revenue	417.7	425.1	(1.8%)
- Hotel Revenue (Management Contracts)	304.1	311.7	(2.4%)
- Lease Rental (Master Leases)	113.6	113.5	+ 0.1%
Net Property Income (NPI)	201.5	202.9	(0.7%)
- Management Contracts	96.0	97.4	(1.4%)
- Master Leases	105.5	105.5	+ 0.0%*
Income available for distribution	105.6	117.1	(9.8%)
Income distribution	105.6	112.1	(5.8%)
- from current year	105.6	112.1	(5.8%)
Distribution per unit (DPU) (sen)	7.9746	8.4613	(5.8%)
Payout ratio (%)	100.0	95.7	+ 4.3 pp^

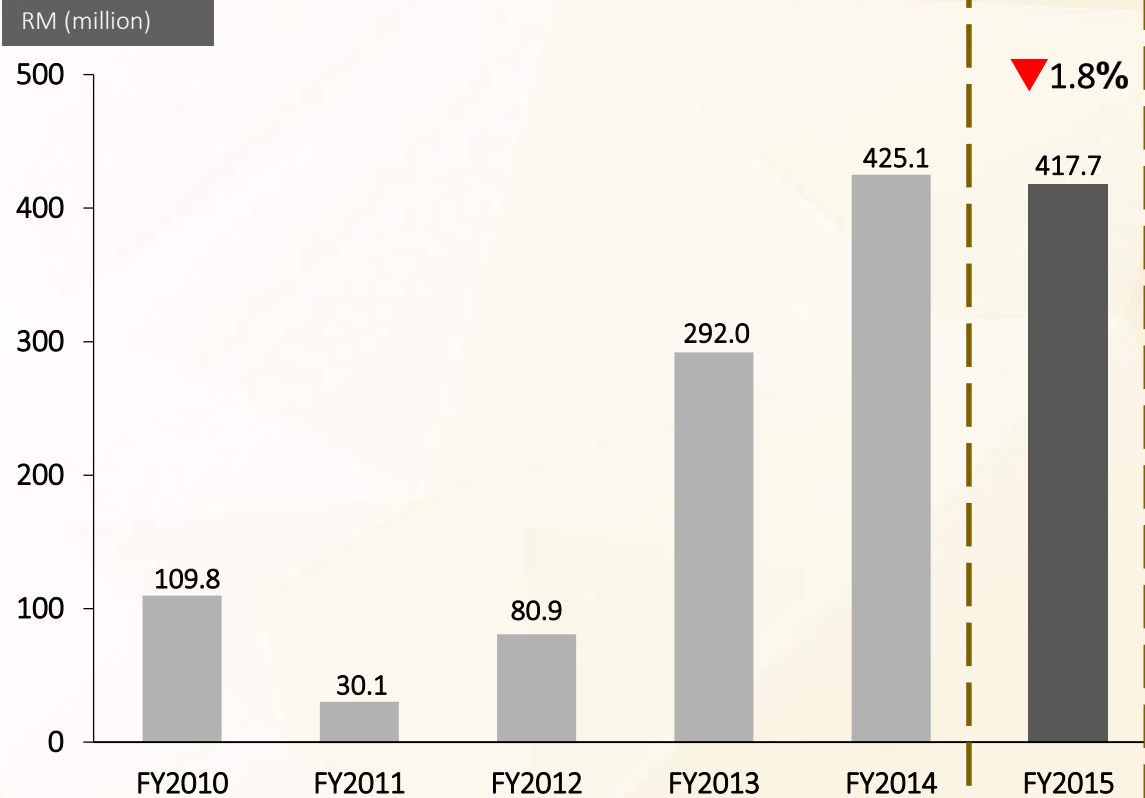
**Note:**

1. All figures in RM million unless indicated otherwise.

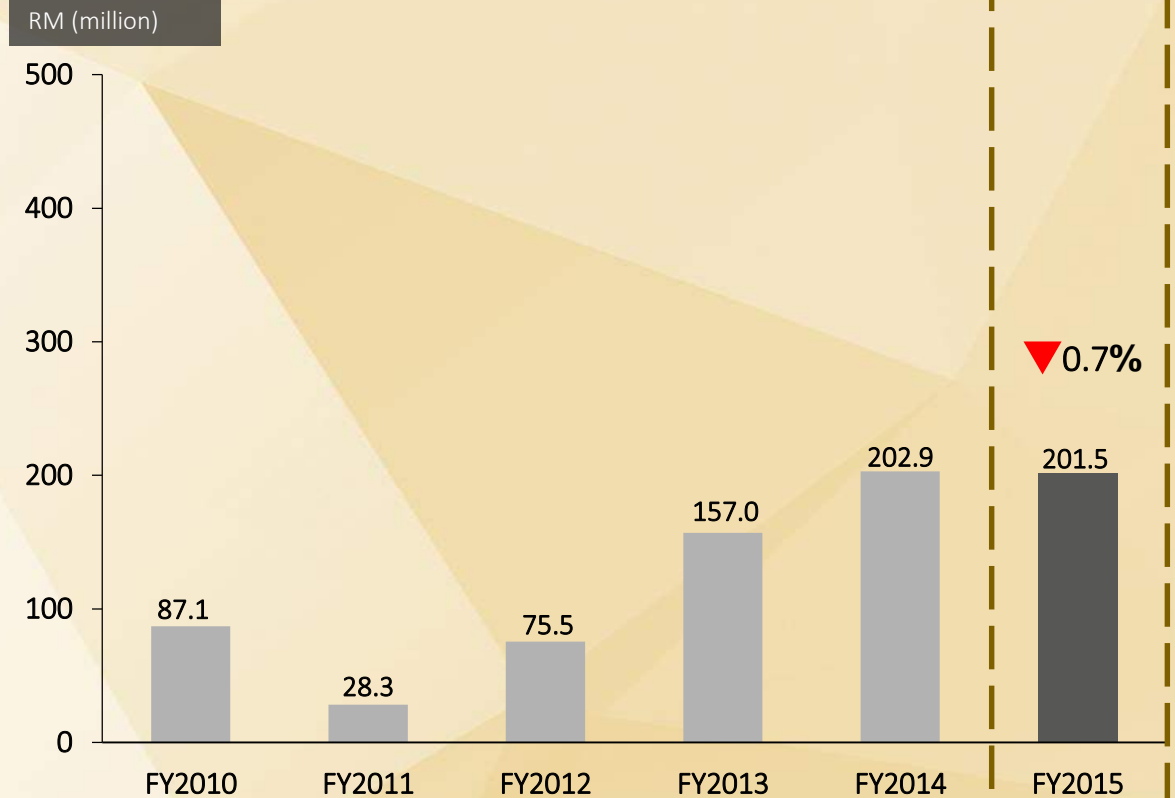
\* Marginal increase

^ pp = change in percentage points

## TOTAL revenue



## NET property income

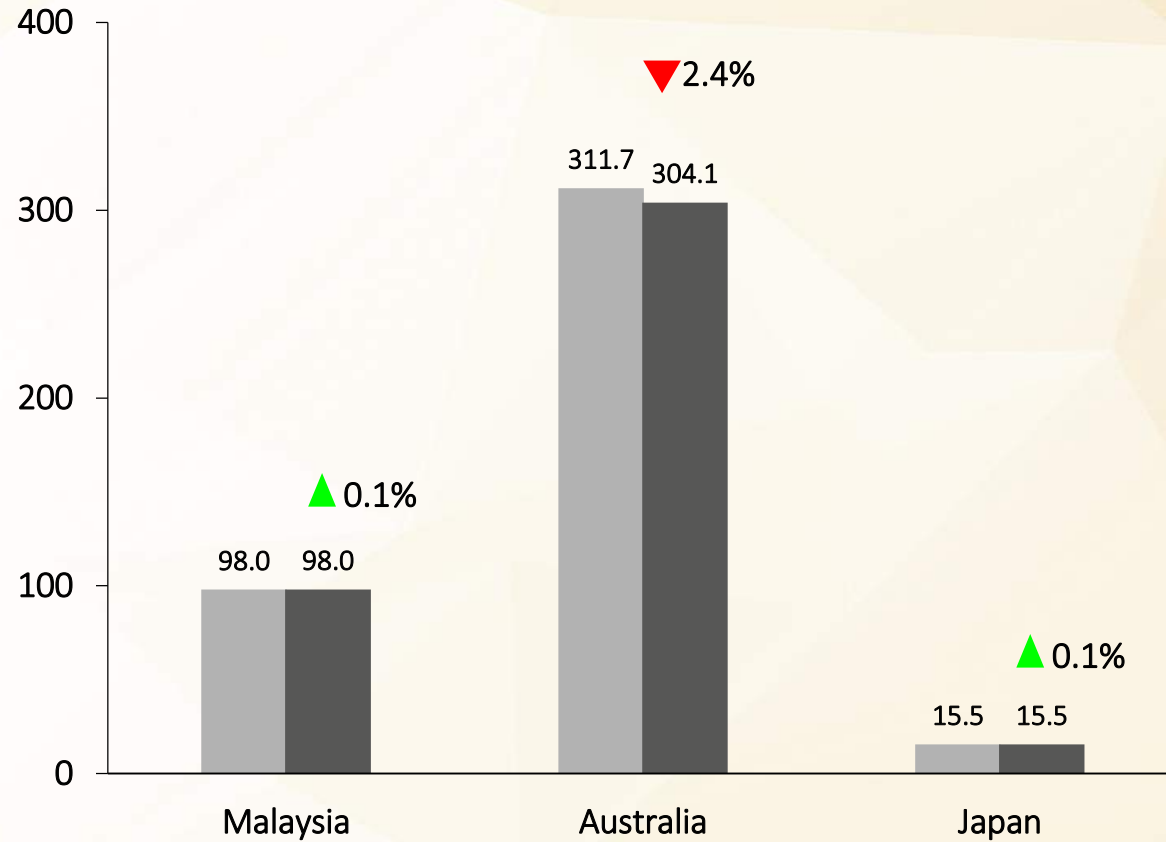




FY2014 FY2015

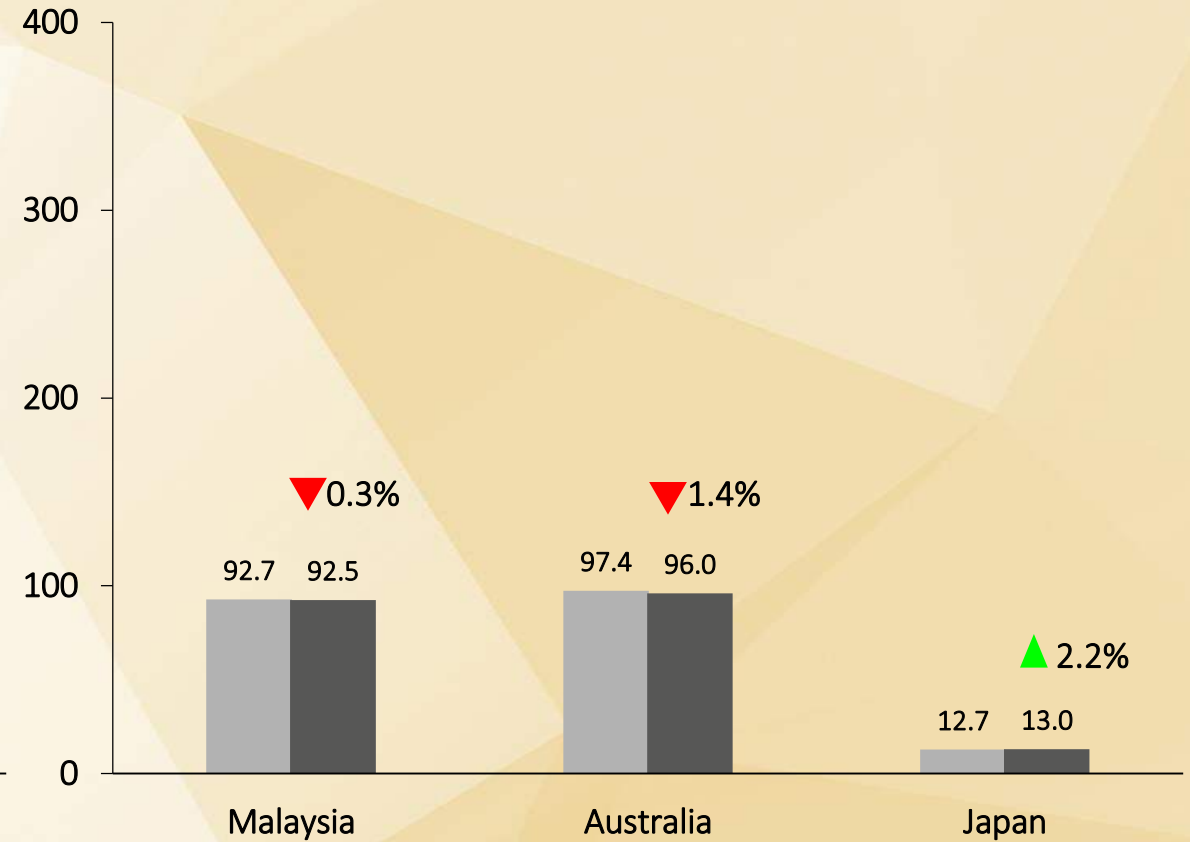
## TOTAL revenue

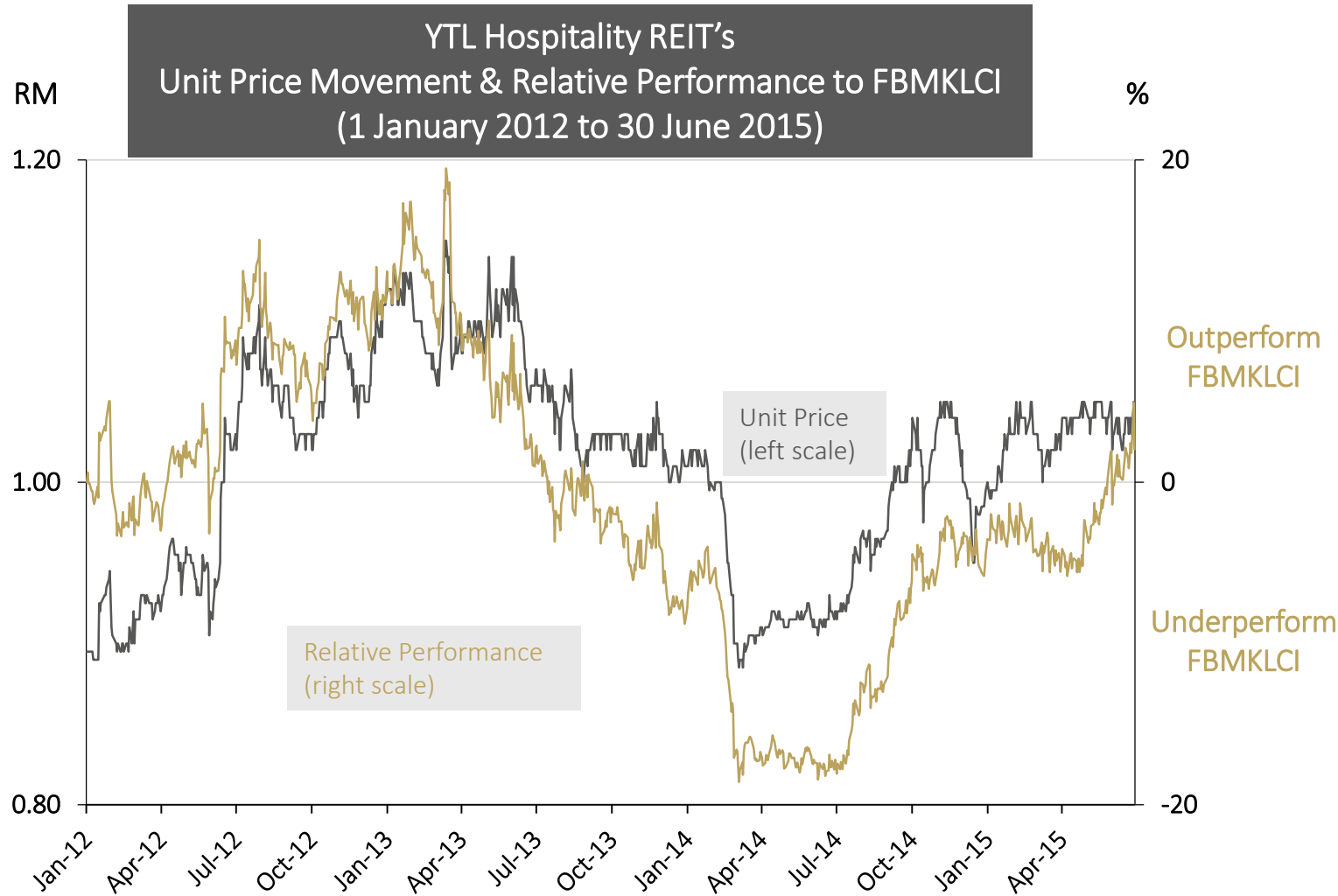
RM (million)



## NET property income

RM (million)





## TRADING STATISTICS

Closing price <sup>1</sup>	RM1.03
Market Cap (RM) <sup>1</sup>	RM1,364 mil
Units issued <sup>1</sup>	1,324,388,889
Average daily traded volume for 4Q FY2015 ('000 units) <sup>2</sup>	389.1

Source: Bloomberg

**Notes:**

1. As at 30 June 2015.
2. For the quarter ended 30 June 2015.

A photograph of the Melbourne Marriott hotel in Victoria, Australia, taken at dusk. The building is a multi-story structure with a textured facade and a prominent red 'Marriott' logo on the upper part. The sky is a deep blue, and the building's windows are illuminated from within. In the foreground, there are trees and a street with some blurred lights from passing vehicles. A semi-transparent grey box is overlaid on the bottom left of the image, containing the number '3' and the text 'Capital management'.

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## Capital management



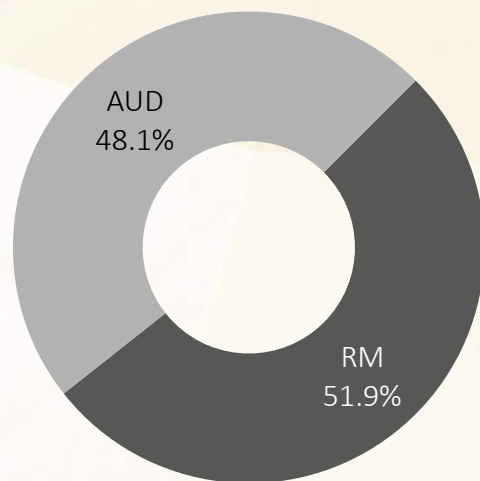


**Notes:**

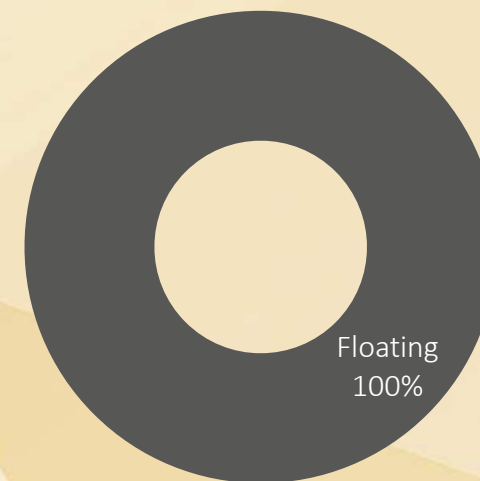
^ Excluding the effects of capitalized transaction costs.

\* RM equivalent based on the exchange rate of A\$1.00: RM2.9059 as at 30 June 2015.

## CURRENCY



## INTEREST RATE



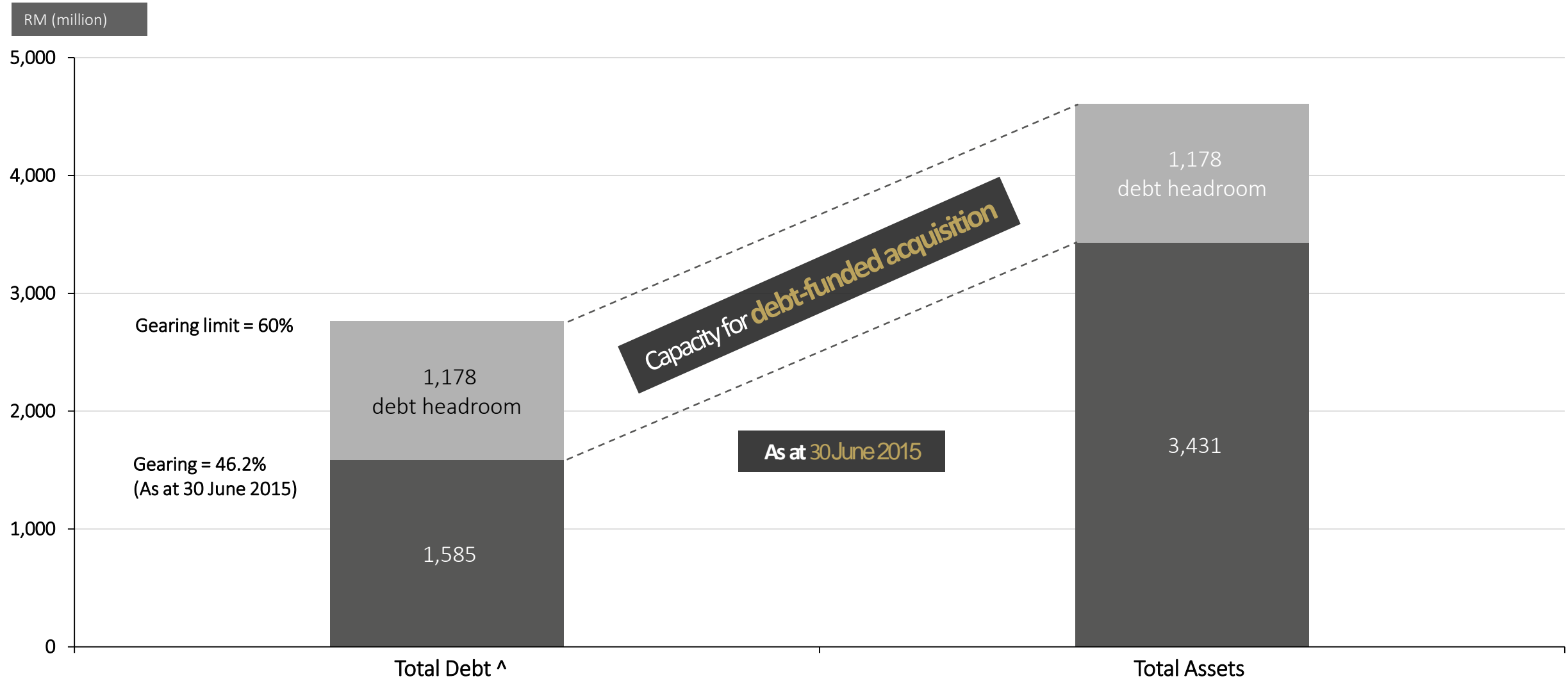
	30 June 2015	30 June 2014	Change
Borrowings (RM'000)	1,584,712	1,581,800	+ 0.2%
Total Asset Value (RM'000)	3,430,672	3,325,634	+ 3.2%
Gearing	46.2%	47.6%	(1.4 pp)
Average Interest Rate *	4.8%	4.5%	+ 0.3 pp
Interest Cover *	2.0 x	2.5 x	(0.5 x)

**Notes:**

\* For the respective 4Qs.

<sup>^</sup> Excluding the effects of capitalized transaction costs.

# DEBT HEADROOM OF ~RM1,178million FOR ACQUISITIONS



Notes:

^ Excluding the effects of capitalized transaction costs.



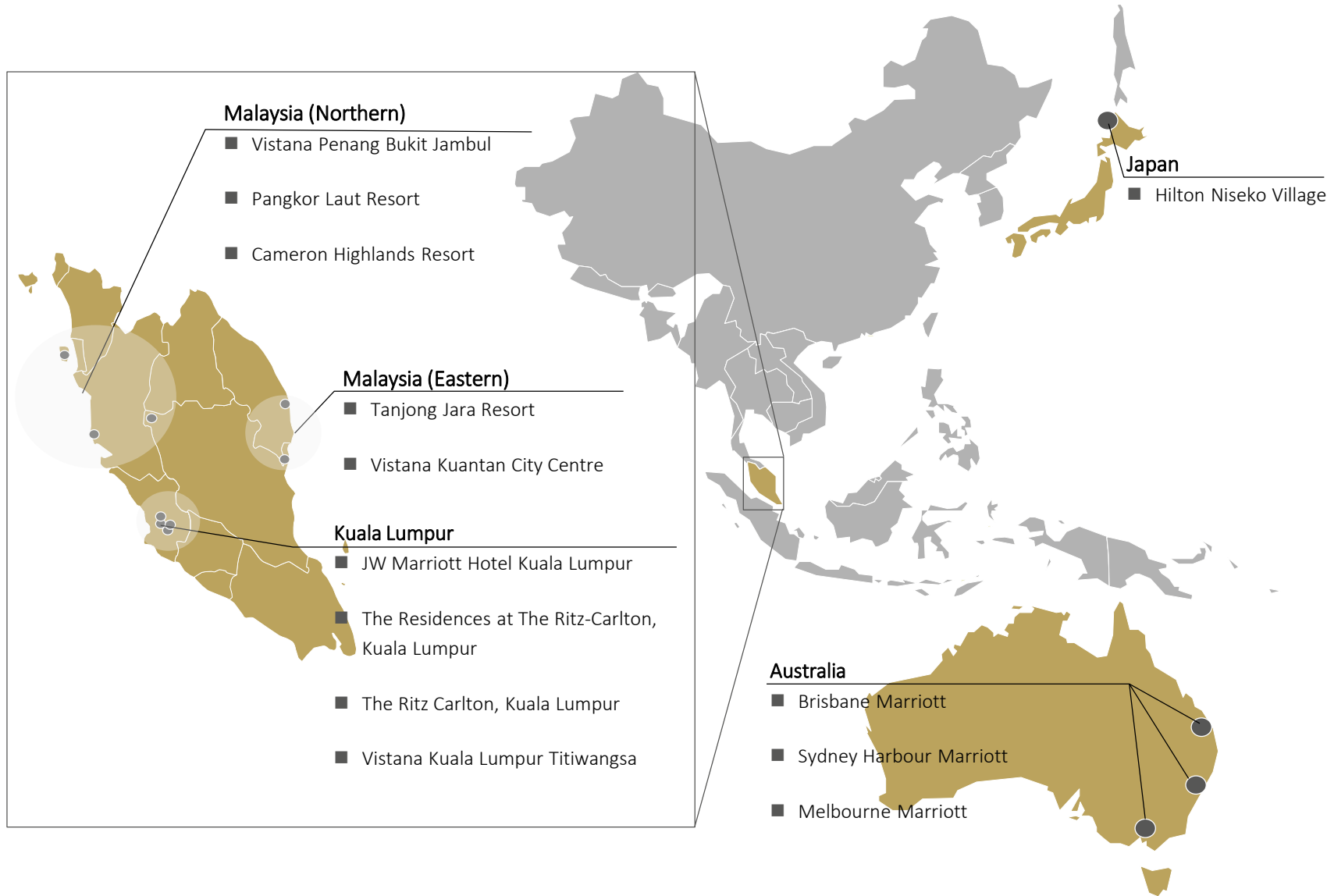


# 4

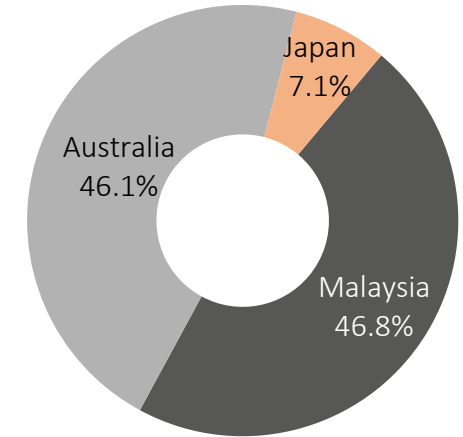
## Asset management

# LUXURY HOTELS & SERVICED RESIDENCES IN 3 COUNTRIES

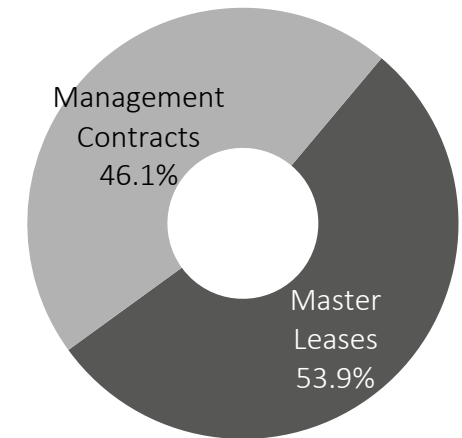
# YTL HOSPITALITY REIT



**ASSET breakdown (by Country)<sup>(1)</sup>**



**ASSET breakdown (by Contract Type)<sup>(1)</sup>**



(1) Based on investment properties and property, plant & equipment as at 30 June 2015.

Property	No. of Rooms	Year Acquired	Purchase Price (million)	Annual Lease Rental (RM million)	Valuation (million)		Change since acquisition
					FY2014	FY2015 <sup>(1)</sup>	
<b>Malaysia</b>			<b>RM</b>		<b>RM</b>	<b>RM</b>	
JW Marriott Hotel Kuala Lumpur	561	2005	331.0 <sup>(2)</sup>	24.38	383.0	389.0	+17.5%
The Residences at The Ritz-Carlton, Kuala Lumpur (Parcel 1)	60	2007	125.0	8.82	155.6	156.0	+24.8%
The Residences at The Ritz-Carlton, Kuala Lumpur (Parcel 2)	54	2011	73.0	3.78	83.4	84.0	+15.1%
The Ritz-Carlton, Kuala Lumpur	251	2011	250.0	19.25	310.0	313.0	+25.2%
Vistana Penang Bukit Jambul	427	2011	100.0	8.20	109.0	114.0	+14.0%
Vistana Kuala Lumpur Titiwangsa	364	2011	100.0	8.20	111.0	120.0	+20.0%
Vistana Kuantan City Centre	215	2011	75.0	6.00	81.0	85.0	+13.3%
Pangkor Laut Resort	97	2011	97.0	8.40	109.0	113.0	+16.5%
Tanjong Jara Resort	99	2011	87.0	7.00	100.0	100.0	+14.9%
Cameron Highlands Resort	56	2011	50.0	4.00	58.0	58.0	+16.0%
<b>Total Malaysia</b>	<b>2,184</b>		<b>1,288</b>	<b>98.03</b>	<b>1,500</b>	<b>1,532</b>	<b>+18.9%</b>
<b>Japan</b>			<b>JPY</b>		<b>JPY</b>	<b>JPY</b>	
Hilton Niseko Village	506	2011	6,000.0	15.54	7,120.0	7,520.0	+25.3%
<b>Australia</b>			<b>AUD</b>		<b>AUD</b>	<b>AUD</b>	
Sydney Harbour Marriott	563	2012	249.0	n.a.	310.0	347.0	+39.4%
Brisbane Marriott	267	2012	113.0	n.a.	98.5	98.5	(12.8%)
Melbourne Marriott	186	2012	53.0	n.a.	65.8	74.4	+40.4%
<b>Total Australia</b>	<b>1,016</b>		<b>415.0</b>		<b>474.3</b>	<b>519.9</b>	<b>+25.3%</b>
<b>TOTAL</b>	<b>3,706</b>						

**Note:**

(1) As at 29 May 2015.

(2) Adjusted.



FYs	30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015
Malaysia <sup>(1)</sup>	100%	100%	100%	100%	100%
Japan <sup>(1)</sup>	100%	100%	100%	100%	100%
Australia	–	–	83.1% <sup>(2)</sup>	84.2%	84.4%

**Note:**

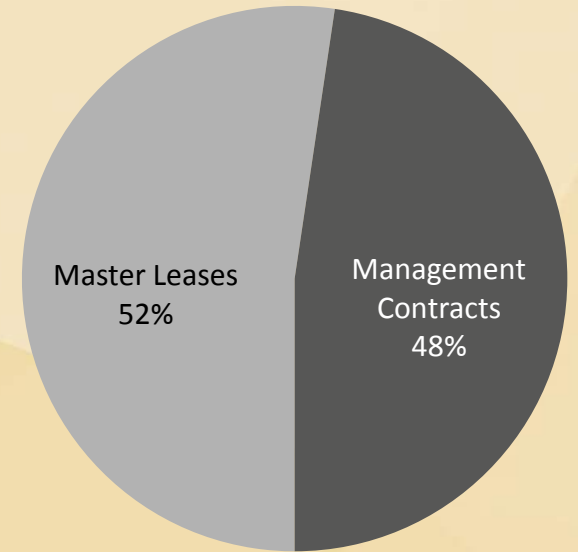
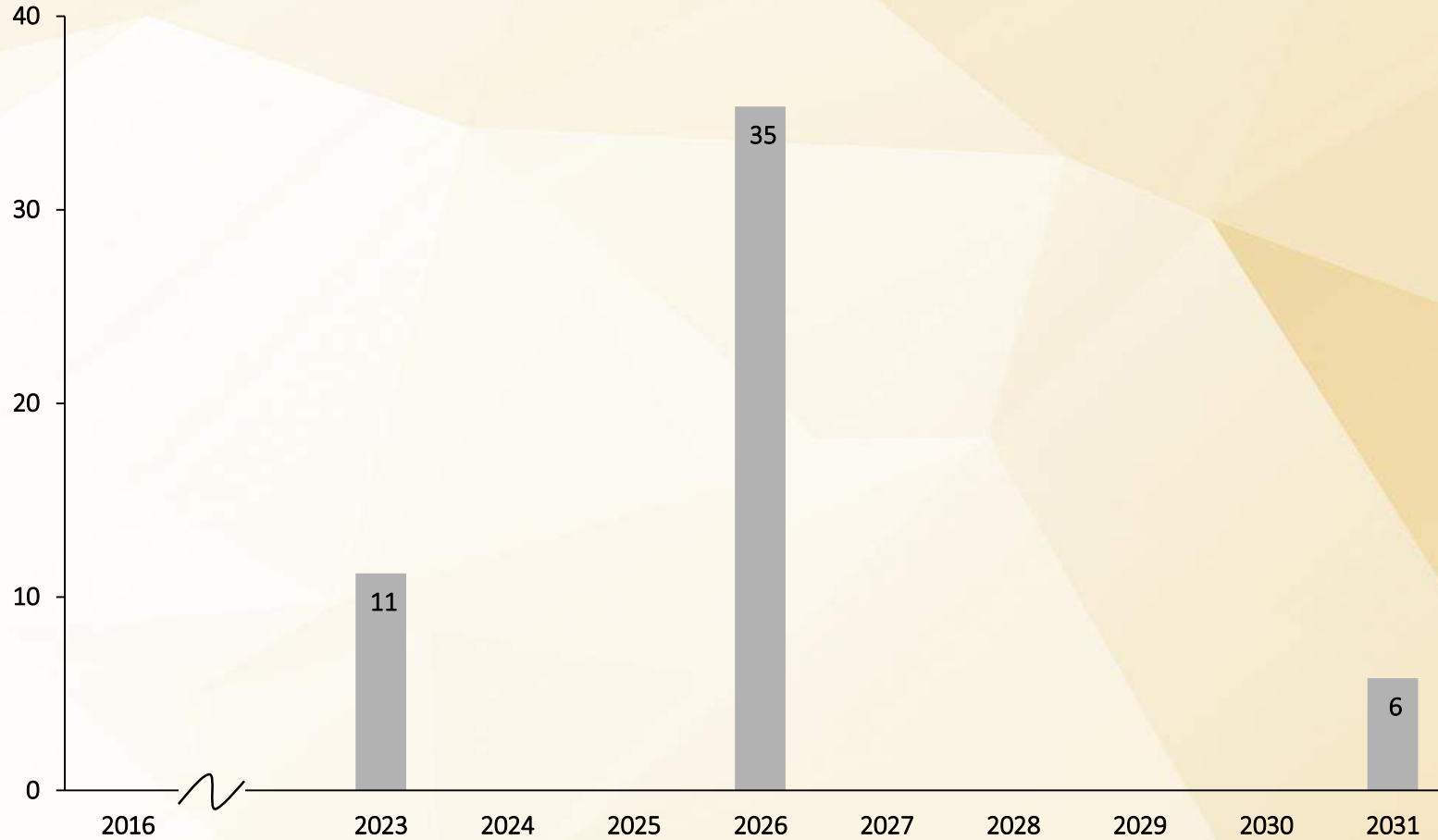
(1) Properties under master leases.

(2) For 1 July 2012 to 30 June 2013 which includes certain pre-acquisition period as the properties were acquired on 29 November 2012.

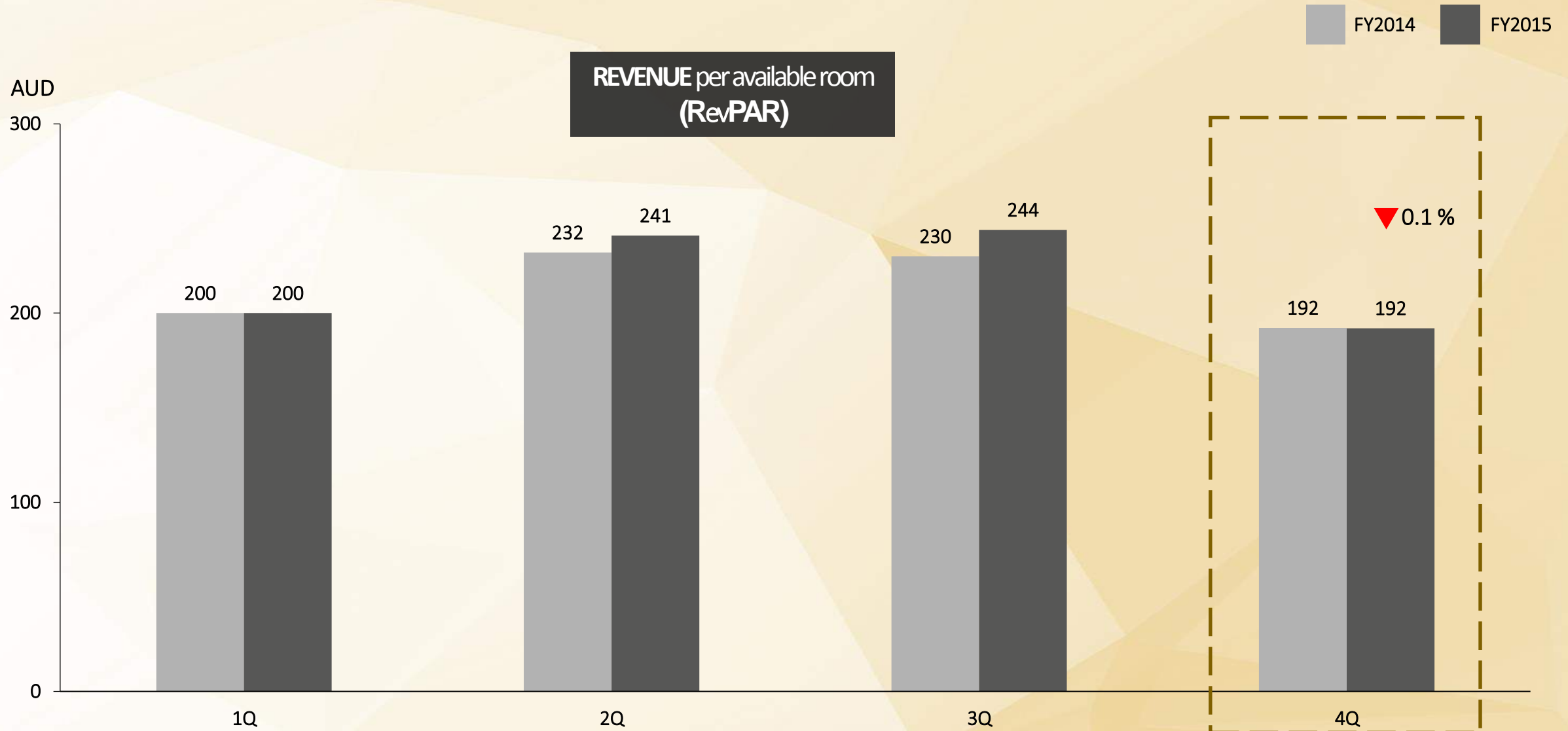
**NET property income**  
**(% of total \*)**

**Master leases**

**NET property income**  
**(% of total \*)**



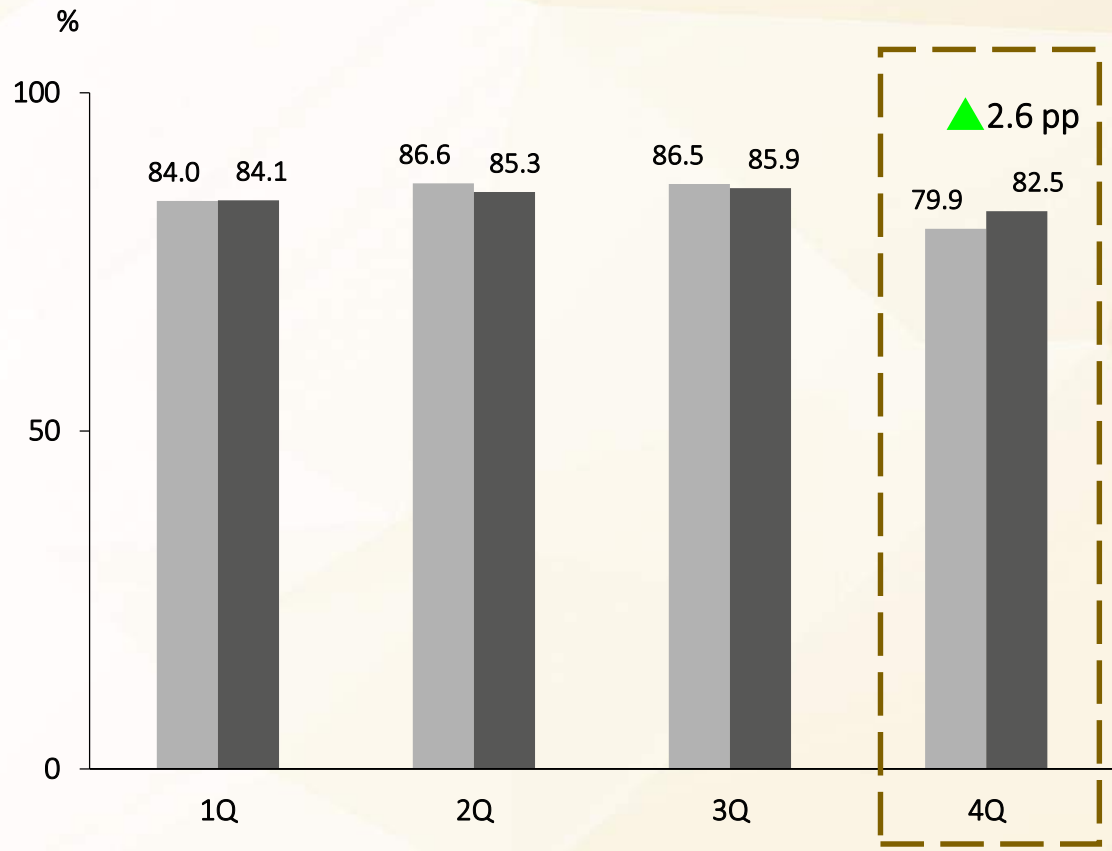
\* For FY2015.



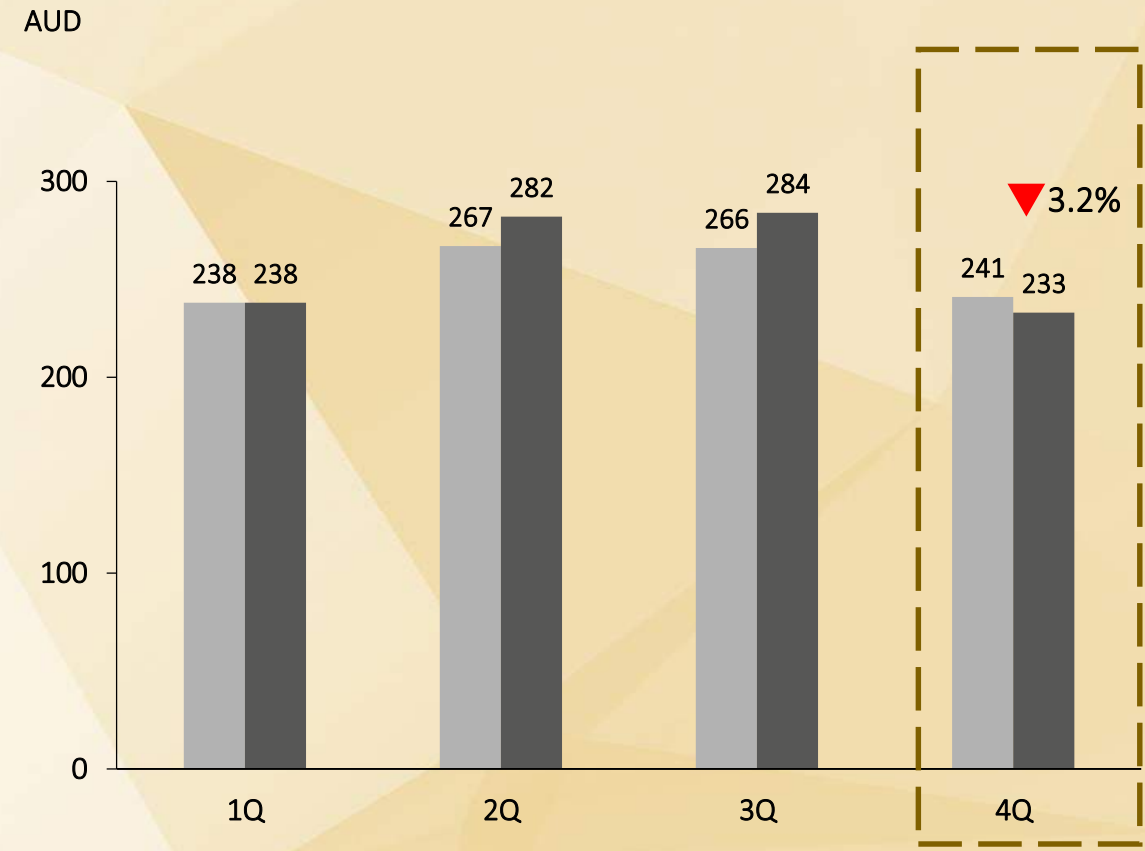


FY2014 FY2015

**Average occupancy**



**Average daily rate (ADR)**





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## Appendices

Address	No. 183, Jalan Bukit Bintang, 55100 Kuala Lumpur
Description	A 5-star hotel with 561 rooms located on part of an 8-level podium block and entire 24-level tower block of Starhill Gallery together with car park bays located partially at basement 1 and 4 and the entire basement 2, 3 and 5 of JW Marriott Hotel Kuala Lumpur
Tenure	Freehold
Master lease expiry	31 December 2023
Master lease remaining <sup>(1)</sup>	9 years
Annual rental	RM24.4 million
No. of rooms	561
Acquisition date	16 December 2005
Valuation <sup>(2)</sup>	RM389 million



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.



Address	No. 2, Jalan Yap Tai Chi, Off Jalan Imbi, 55100 Kuala Lumpur
Description	Parcel 1: 60 units of serviced apartments, 4 levels of commercial podium, 1 level of facilities deck and 2 levels of basement car parks  Parcel 2: 50 units of serviced apartments and 4 units of penthouses including 1 level of basement car park
Tenure	Freehold
Master lease expiry	30 June 2031
Master lease remaining <sup>(1)</sup>	16 years
Annual rental	RM12.6 million
No. of rooms	114
Acquisition date	16 May 2007 & 15 November 2011
Valuation <sup>(2)</sup>	Parcel 1: RM156 million Parcel 2: RM 84 million



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.

Address	No. 168, Jalan Imbi, 55100 Kuala Lumpur
Description	22-storey 5-star hotel building comprising 251 rooms with 4-storey basement car parks
Tenure	Freehold
Master lease expiry	14 November 2026
Master lease remaining <sup>(1)</sup>	11 years
Annual rental	RM19.25 million
No. of rooms	251
Acquisition date	15 November 2011
Valuation <sup>(2)</sup>	RM313 million



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.

Address	No. 213, Jalan Bukit Gambier, Bukit Jambul, 11950 Pulau Pinang
Description	17-storey Tower A with 238 hotel rooms and 26-storey Tower B with 189 hotel suites with an annexed 3-storey podium
Tenure	99-year leasehold expiring on 27 October 2094
Master lease expiry	14 November 2026
Master lease remaining <sup>(1)</sup>	11 years
Annual rental	RM8.2 million
No. of rooms	427
Acquisition date	15 November 2011
Valuation <sup>(2)</sup>	RM114 million



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.



Address	No. 9, Jalan Lumut, Off Jalan Ipoh, 50400 Kuala Lumpur
Description	17-storey hotel building with 364 rooms and 2-storey basement car parks
Tenure	Freehold
Master lease expiry	14 November 2026
Master lease remaining <sup>(1)</sup>	11 years
Annual rental	RM8.2 million
No. of rooms	364
Acquisition date	15 November 2011
Valuation <sup>(2)</sup>	RM120 million



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.

Address	Jalan Teluk Sisek, 25000 Kuantan, Pahang
Description	8-storey hotel building with 215 rooms
Tenure	99-year leasehold expiring on 11 July 2092
Master lease expiry	14 November 2026
Master lease remaining <sup>(1)</sup>	11 years
Annual rental	RM6.0 million
No. of rooms	215
Acquisition date	15 November 2011
Valuation <sup>(2)</sup>	RM85 million



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.

Address	Pangkor Laut Island, 32200 Lumut, Perak Darul Ridzuan
Description	36 units of Garden Villas, 52 units of Hill Villas, 8 units of Beach Villas and 1 unit of Pavarotti Suite
Tenure	99-year registered lease expiring on 21 May 2095
Master lease expiry	14 November 2026
Master lease remaining <sup>(1)</sup>	11 years
Annual rental	RM8.4 million
No. of rooms	97
Acquisition date	15 November 2011
Valuation <sup>(2)</sup>	RM113 million



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.



Address	Batu 8, Off Jalan Dungun, 23000 Dungun, Terengganu Darul Iman
Description	Small luxury boutique resort with 99 rooms
Tenure	60-year leasehold expiring on 4 December 2067
Master lease expiry	14 November 2026
Master lease remaining <sup>(1)</sup>	11 years
Annual rental	RM7.0 million
No. of rooms	99
Acquisition date	15 November 2011
Valuation <sup>(2)</sup>	RM100 million



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.



Address	By the Golf Course, 39000 Tanah Rata, Cameron Highlands, Pahang Darul Makmur
Description	3-storey luxury resort with a 2-storey spa village block with 56 rooms and suites and a single storey building
Tenure	99-year leasehold expiring on 9 December 2108
Master lease expiry	14 November 2026
Master lease remaining <sup>(1)</sup>	11 years
Annual rental	RM4.0 million
No. of rooms	56
Acquisition date	15 November 2011
Valuation <sup>(2)</sup>	RM58 million



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.

Address	Aza-Soga, Niseko-cho, Abuta-gun, Hokkaido
Description	16-storey hotel building with 1-storey of basement comprising 506 rooms
Tenure	Freehold
Master lease expiry	21 December 2026
Master lease remaining <sup>(1)</sup>	11 years
Annual rental	RM15.54 million
No. of rooms	506
Acquisition date	22 December 2011
Valuation <sup>(2, 3)</sup>	JPY7,520 million (RM232.7 million)



**Note:**

1. Lease remaining calculated as of 1 July 2015. There is an option for the lessee to renew the lease upon expiry.
2. As at 29 May 2015.
3. RM equivalent based on the exchange rate of JPY100:RM3.0946 as at 30 June 2015.

Address	30 Pitt Street, Sydney, New South Wales
Description	33-storey hotel building with central atrium comprising 563 rooms including 3 levels of basement with car parking bays
Tenure	Freehold
No. of rooms	563
Acquisition date	29 November 2012
Valuation <sup>(1, 2)</sup>	AUD347 million (RM1,008.3 million)



**Note:**

1. As at 29 May 2015.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9059 as at 30 June 2015.

Address	515 Queen Street, Brisbane, Queensland
Description	28-storey hotel building comprising 267 rooms with 3 levels of basement car park
Tenure	Freehold
No. of rooms	267
Acquisition date	29 November 2012
Valuation <sup>(1, 2)</sup>	AUD98.5 million (RM286.2 million)



**Note:**

1. As at 29 May 2015.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9059 as at 30 June 2015.



Address	Corner Exhibition and Lonsdale Streets, Melbourne, Victoria
Description	16-storey hotel building comprising 186 rooms with 5 split levels of car park
Tenure	Freehold
No. of rooms	186
Acquisition date	29 November 2012
Valuation <sup>(1, 2)</sup>	AUD74.4 million (RM216.2 million)



**Note:**

1. As at 29 May 2015.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9059 as at 30 June 2015.

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