

# YTL HOSPITALITY REIT



## First Quarter FY2016 Financial Results

26 November 2015

## FINANCIAL

## HIGHLIGHTS

- Income available for distribution of RM27.2 million, +3.2% q-o-q
- 1.9175 sen distribution per unit (“DPU”) declared for 1Q FY2016, identical to 1Q FY2015

## CAPITAL

## MANAGEMENT

- Average interest rates for the quarter
  - Borrowings in Ringgit Malaysia: 4.8%
  - Borrowings in Australian Dollar : 4.3%
- Entered into interest rate swaps to convert the Australian Dollar borrowings from floating to fixed rate
- Debt headroom of ~RM1,242 million for acquisition

## PORTFOLIO

## MANAGEMENT

- Refurbishment works at Sydney Harbour Marriott
  - Meeting rooms converted into guest rooms in October 2015, increasing the total number of rooms from 563 to 595
  - On-going
- Properties in Malaysia and Japan under master leases
- Average occupancy rate for properties in Australia: 82.4%
- RevPAR for properties in Australia at AUD 196, 2.1% lower as compared to 1Q FY2015





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# Financial performances 1Q FY2016

# FINANCIAL PERFORMANCE: 1Q FY2016

## YTL HOSPITALITY REIT

1 July - 30 September	1Q FY2016	1Q FY2015	Change
Total Revenue	97.4	102.3	(4.8%)
- Hotel Revenue (Management Contracts)	68.9	73.9	(6.9%)
- Lease Rental (Master Leases)	28.6	28.4	+ 0.7%
Net Property Income (NPI)	44.2	47.5	(7.0%)
- Management Contracts	17.6	21.2	(16.6%)
- Master Leases	26.5	26.3	+ 0.8%
Income available for distribution	27.2	26.4	+ 3.2%
Income distribution	25.4	25.4	0.0%
- from current quarter	25.4	25.4	0.0%
Distribution per unit (DPU) (sen)	1.9175	1.9175	0.0%
Payout ratio (%)	93.3	96.3	(3.0 pp*)

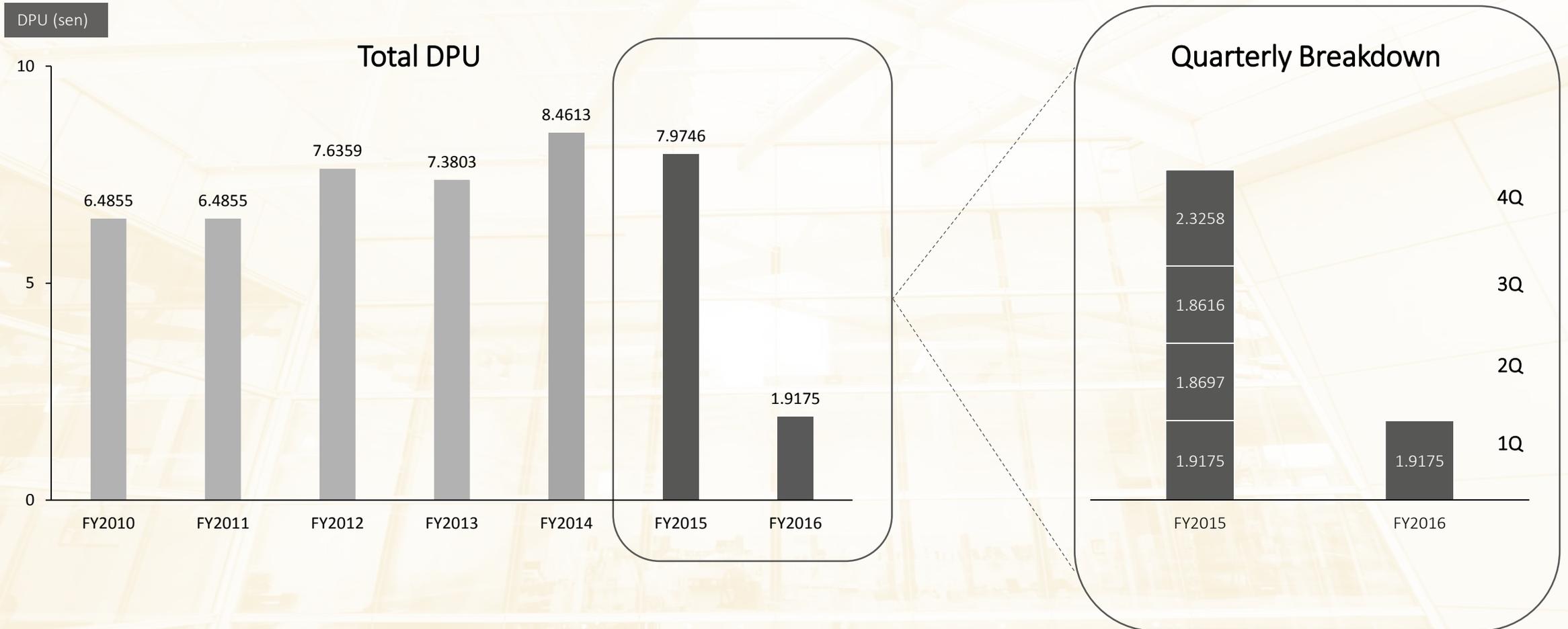
Note: All figures in RM million unless indicated otherwise.

\* pp = change in percentage points

# STATEMENT OF FINANCIAL POSITION

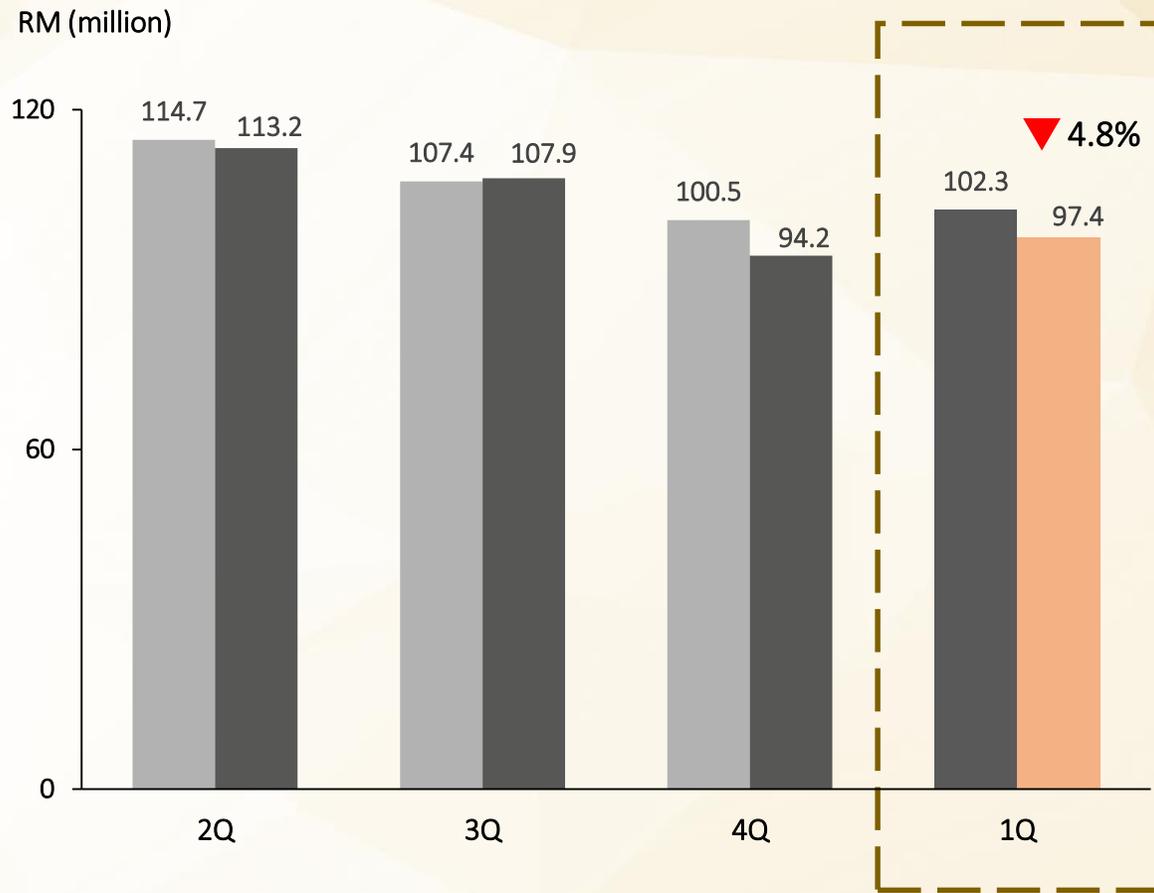
YTL HOSPITALITY REIT

RM ('000)	As at 30 September 2015 (Unaudited)	As at 30 June 2015 (Audited)	Change
Investment properties	1,810,872	1,764,714	+ 2.6%
Property, plant and equipment	1,602,910	1,506,976	+ 6.4%
Cash & cash equivalents	116,329	126,769	(8.2%)
Other assets	36,217	32,213	+ 12.4%
<b>Total Assets</b>	<b>3,566,328</b>	<b>3,430,672</b>	<b>+ 4.0%</b>
Borrowings	1,622,103	1,564,898	+ 3.7%
Other liabilities	76,829	83,179	(7.6%)
<b>Total Liabilities</b>	<b>1,698,932</b>	<b>1,648,077</b>	<b>+ 3.1%</b>
<b>Net Asset Value (NAV)</b>	<b>1,867,396</b>	<b>1,782,595</b>	<b>+ 4.8%</b>
<b>Number of units in circulation ('000)</b>	<b>1,324,389</b>	<b>1,324,389</b>	<b>0.0%</b>
<b>NAV per unit (RM)</b>			
- Before income distribution	1.429	1.426	+ 0.2%
- After income distribution	1.410	1.346	+ 4.8%

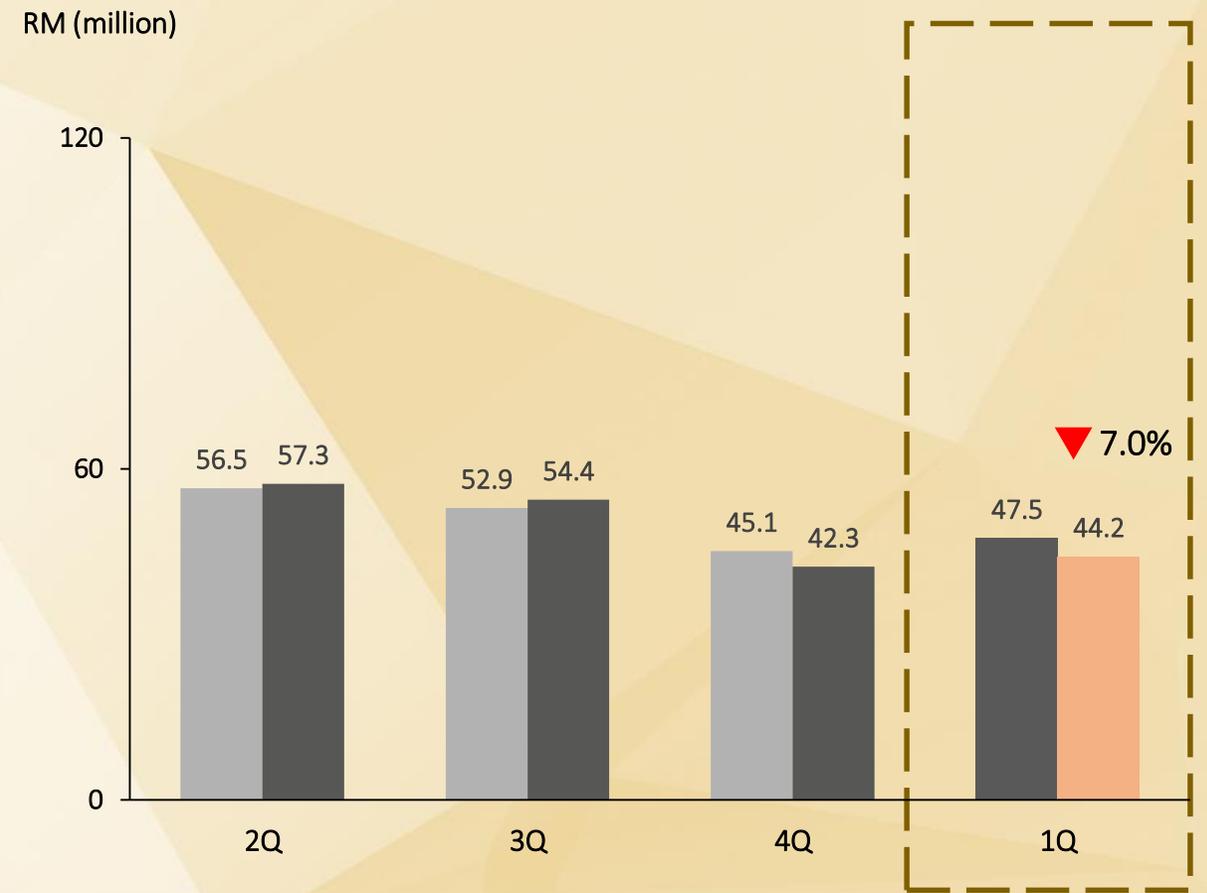


Note: YTL Hospitality REIT started paying quarterly distributions commencing the financial year ended 30 June 2014.

## TOTAL revenue



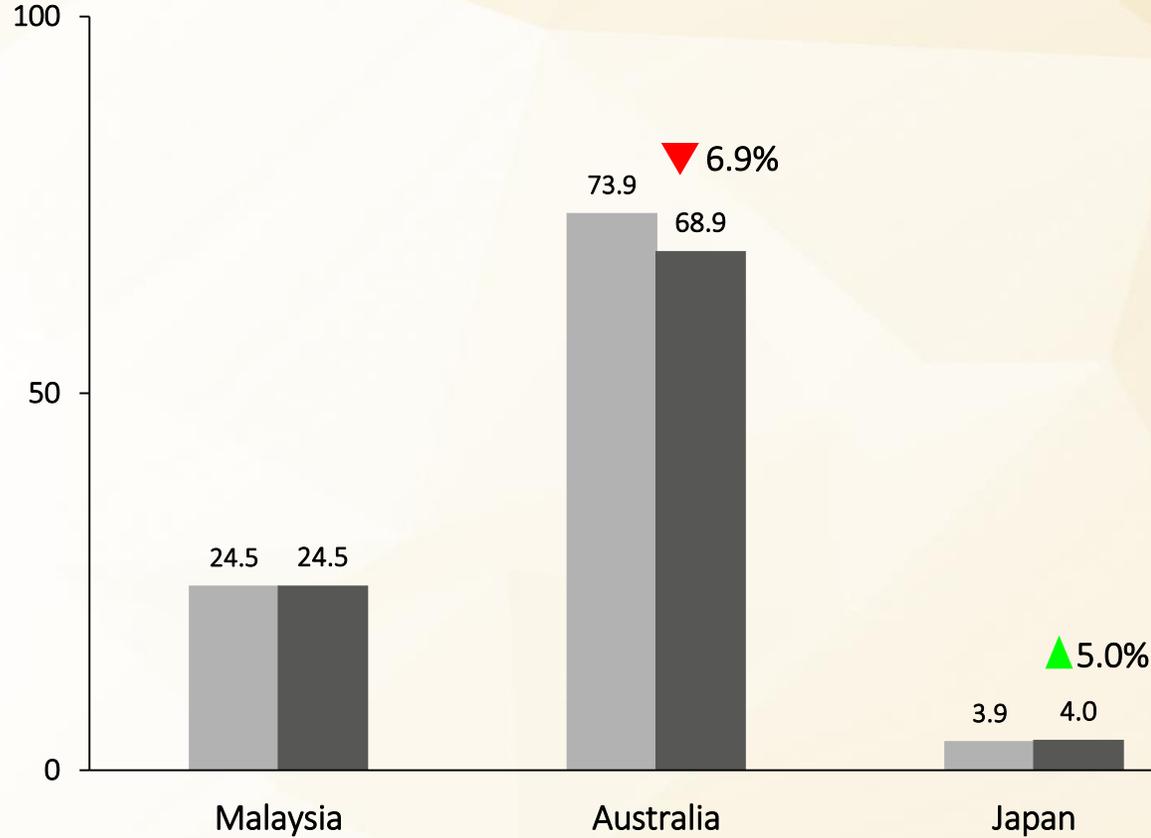
## NET property income



FY2014 FY2015 FY2016

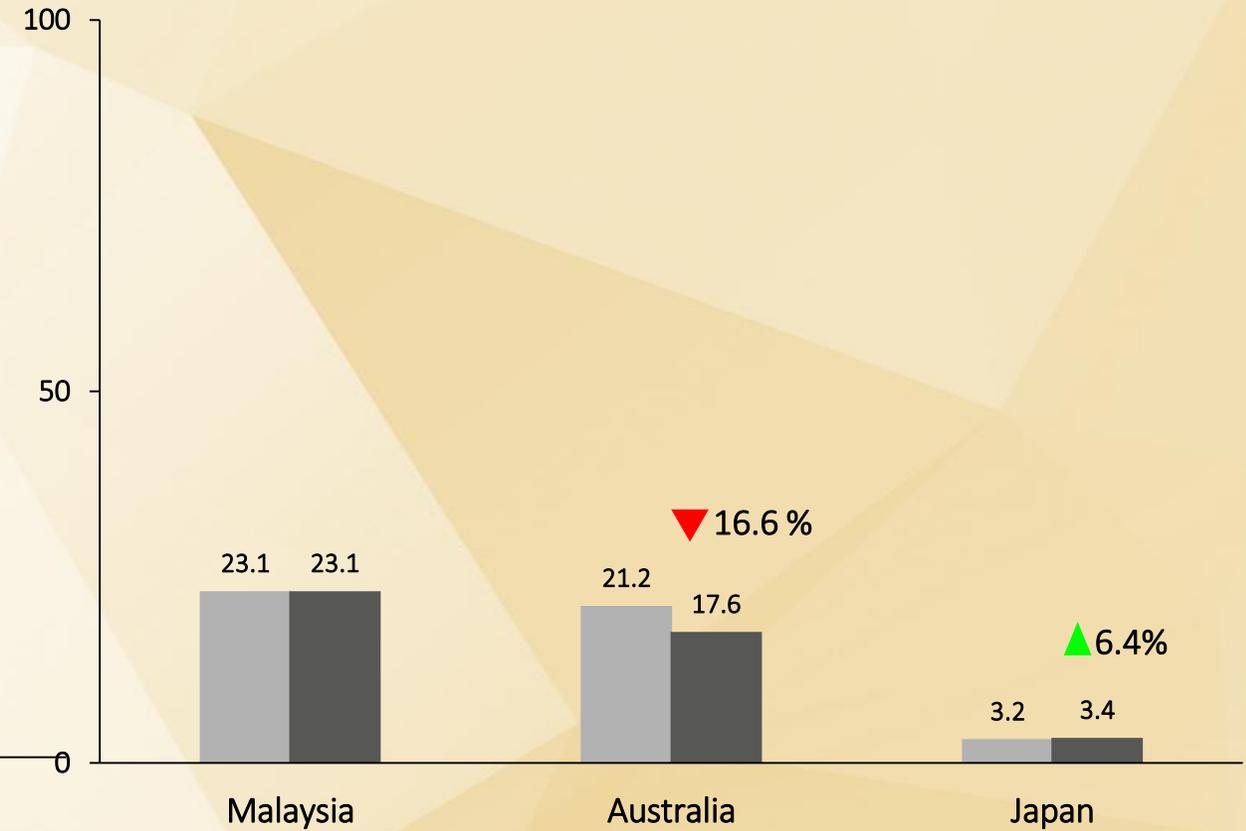
## TOTAL revenue

RM (million)



## NET property income

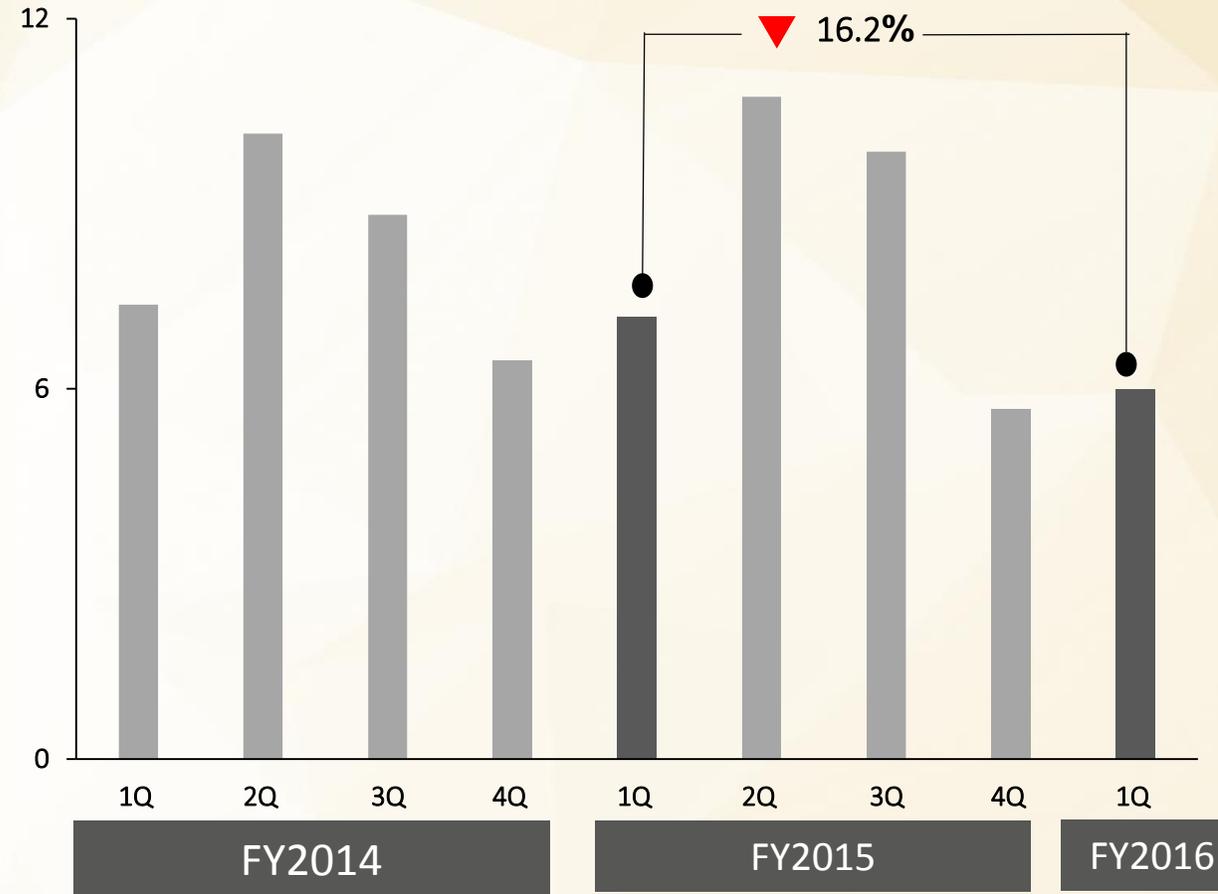
RM (million)



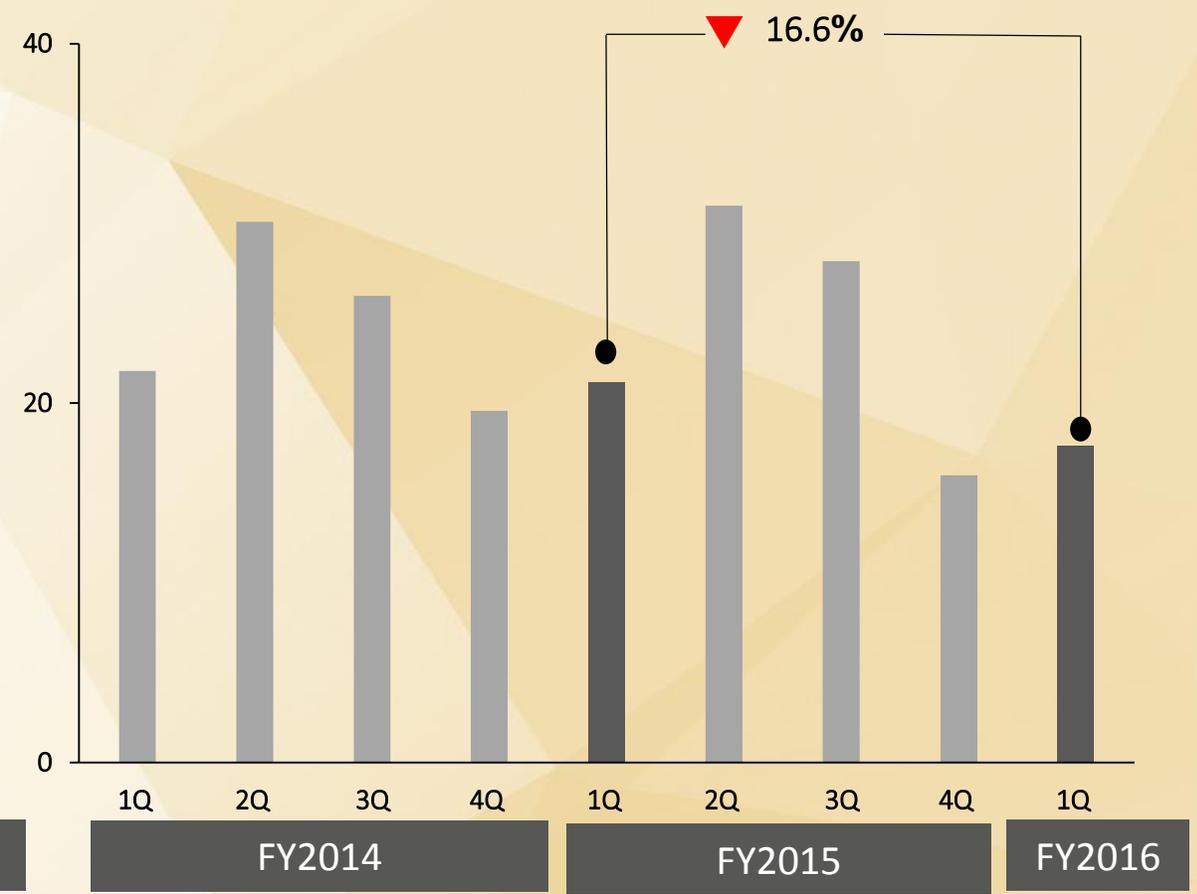
1Q FY2015 1Q FY2016

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

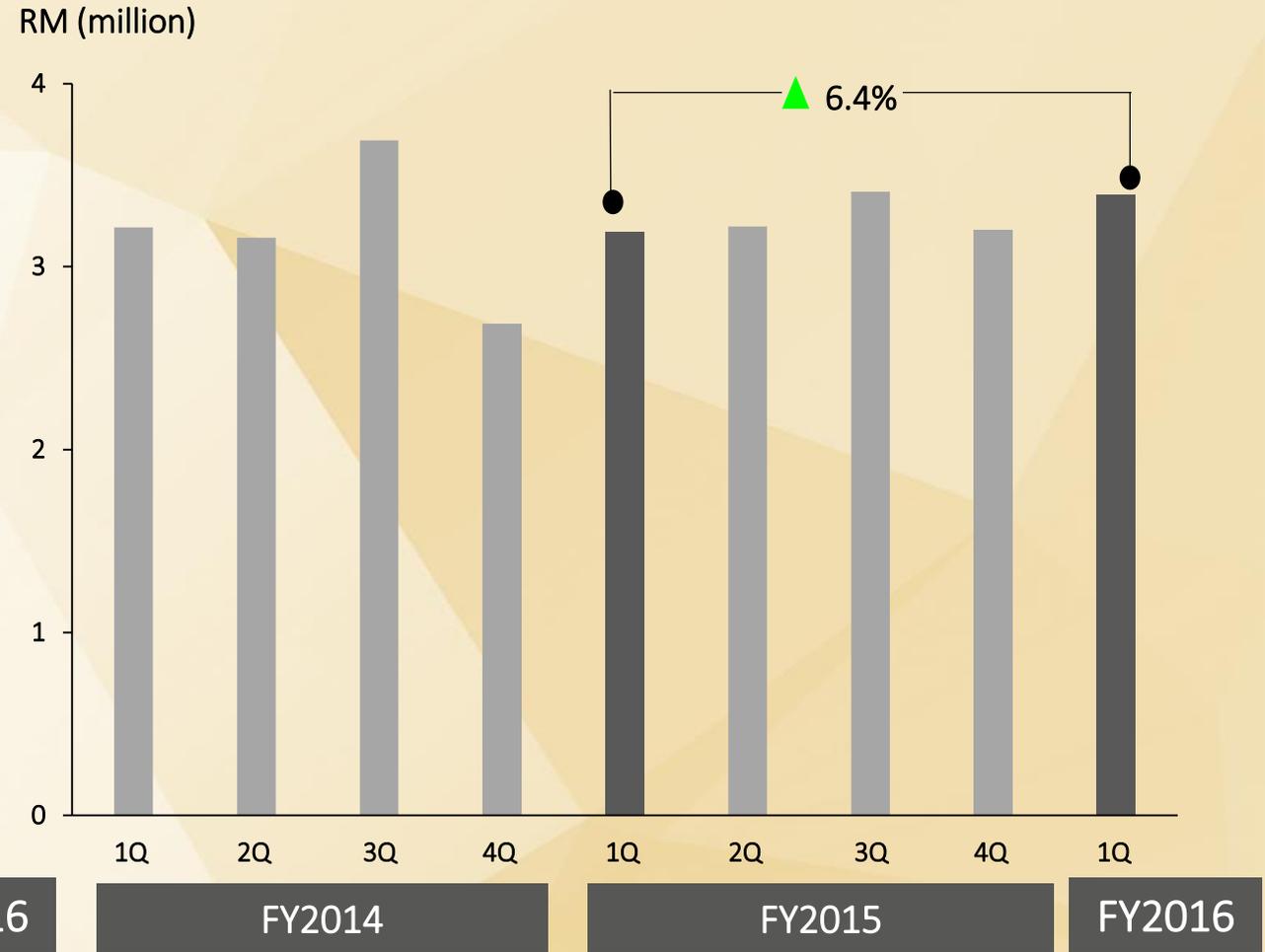
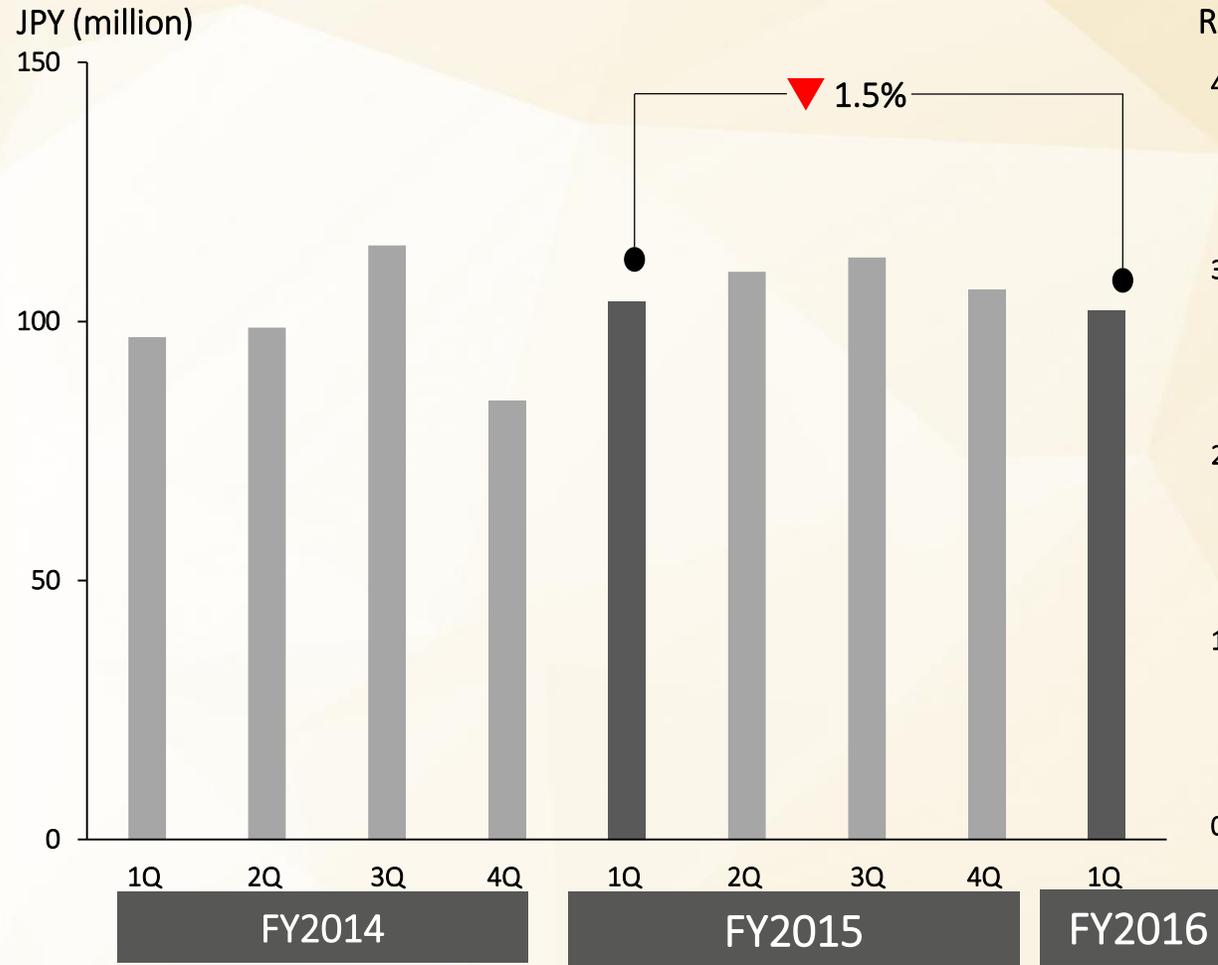
AUD (million)

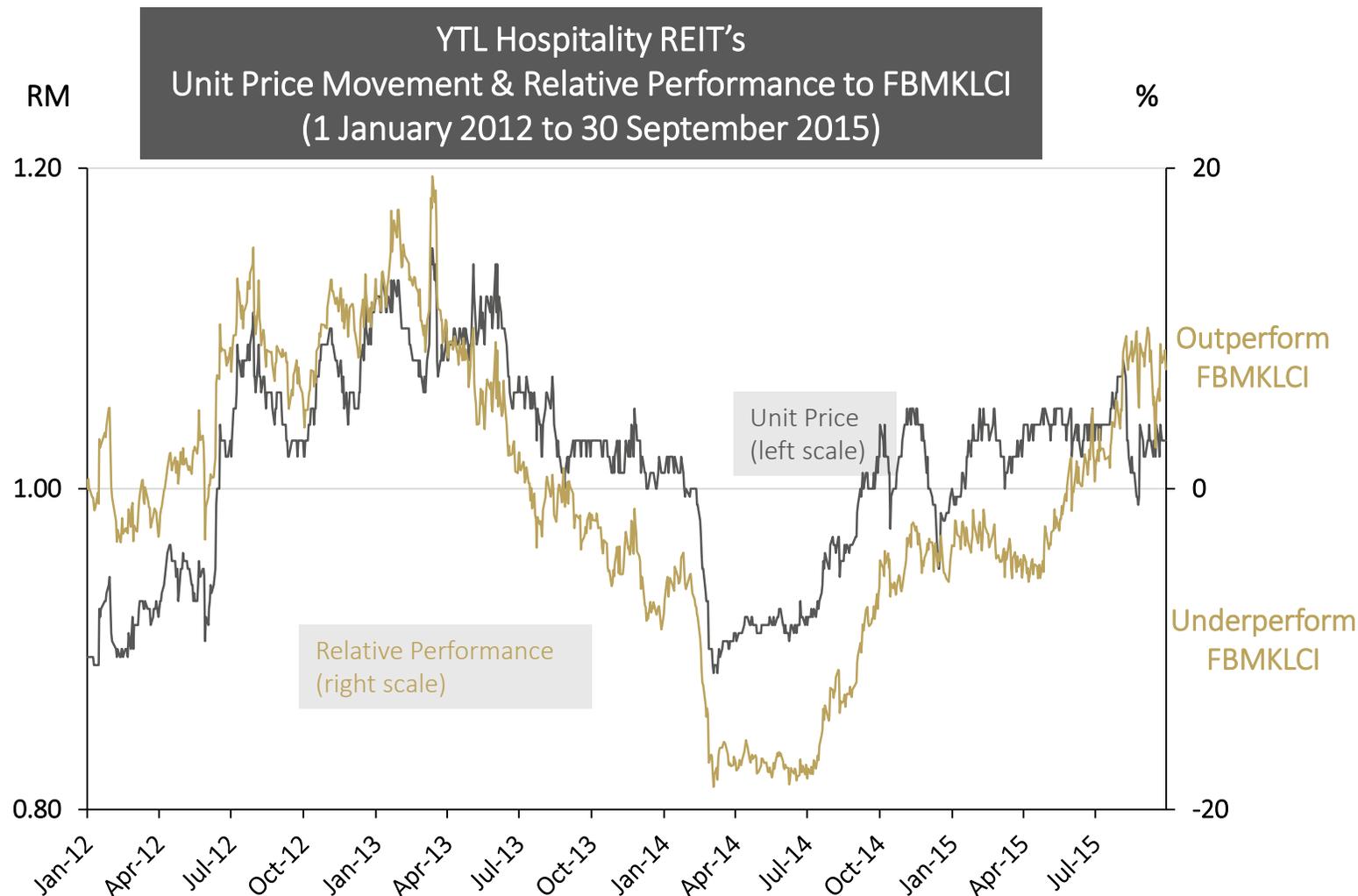


RM (million)



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





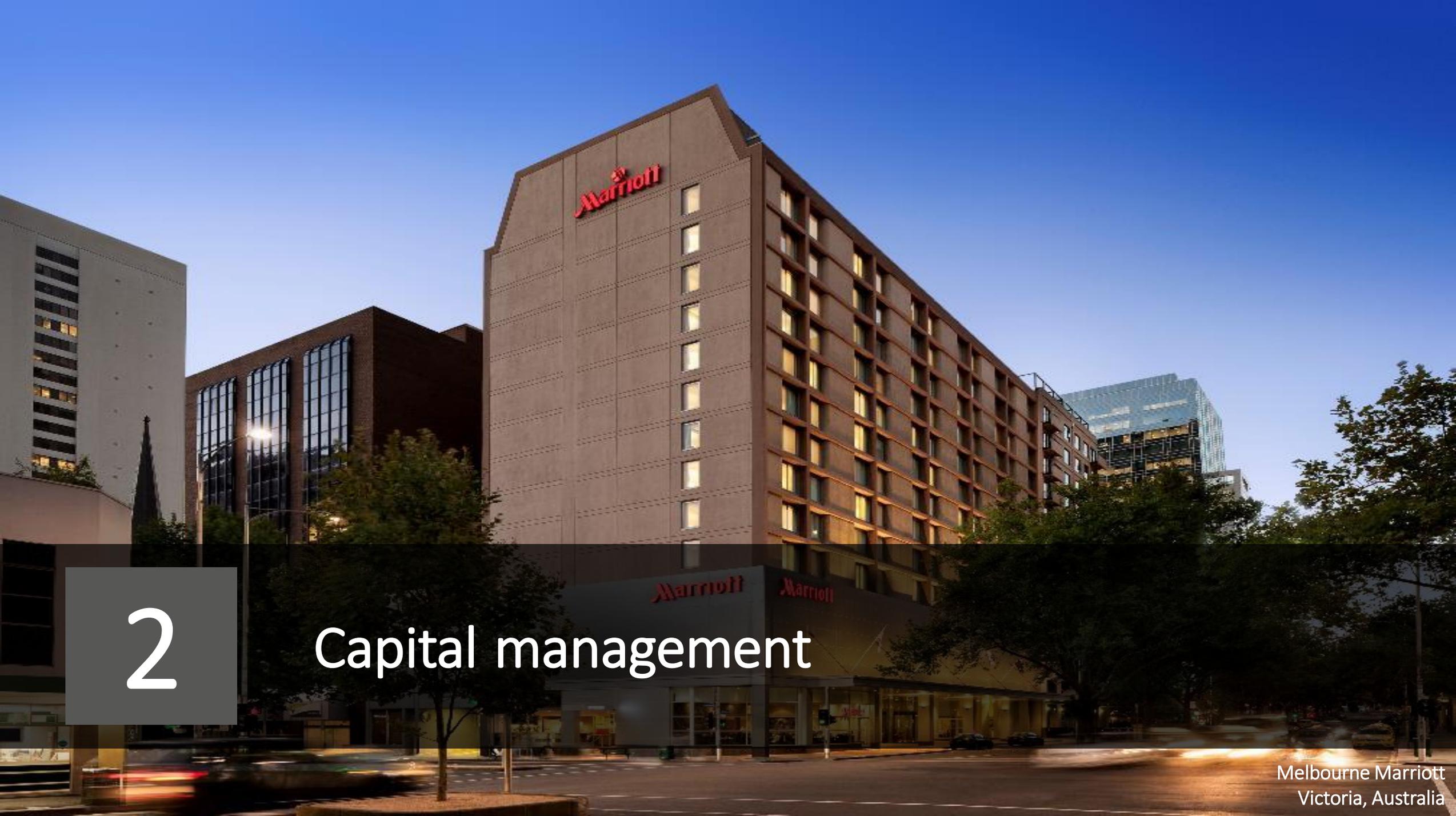
## TRADING STATISTICS

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 1Q FY2016 ('000 units) <sup>2</sup>	452.3

Source: Bloomberg

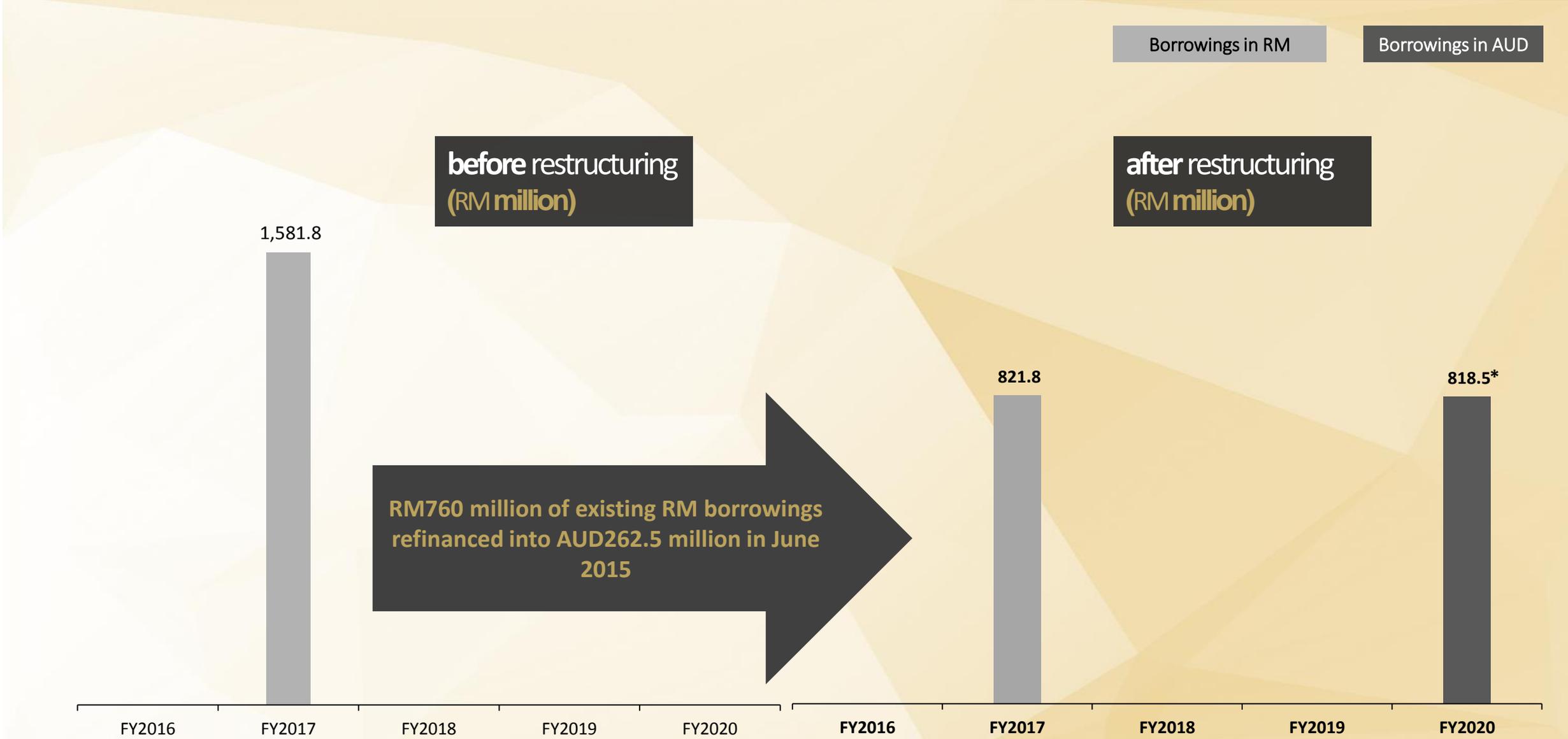
### Notes:

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



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## Capital management

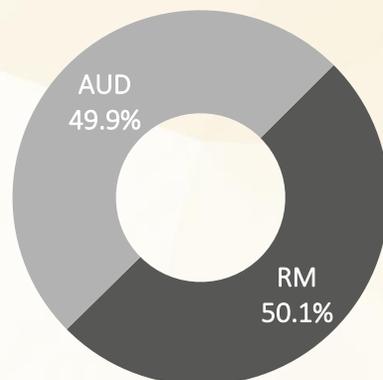


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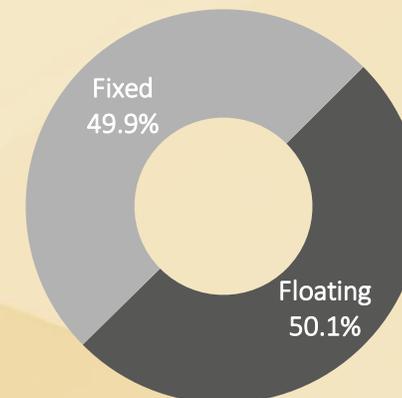
^ Excluding the effects of capitalized transaction costs.

\* RM equivalent based on the exchange rate of A\$1.00: RM3.1176 as at 30 September 2015.

## CURRENCY



## INTEREST RATE



	30 September 2015	30 June 2015	Change
Borrowings (RM'000)	1,640,291	1,584,712	+ 3.5%
Total Asset Value (RM'000)	3,566,328	3,430,672	+ 4.0%
Gearing (%)	46.0	46.2	(0.2 pp)
Average Interest Rates (%) *			
- Borrowings in Ringgit Malaysia	4.8%	4.8%	(0.0 pp) <sup>+</sup>
- Borrowings in Australian Dollar	4.3%	-	N/A
Interest Cover * #	2.2 x	2.0 x	+ 0.2 x

**Notes:**

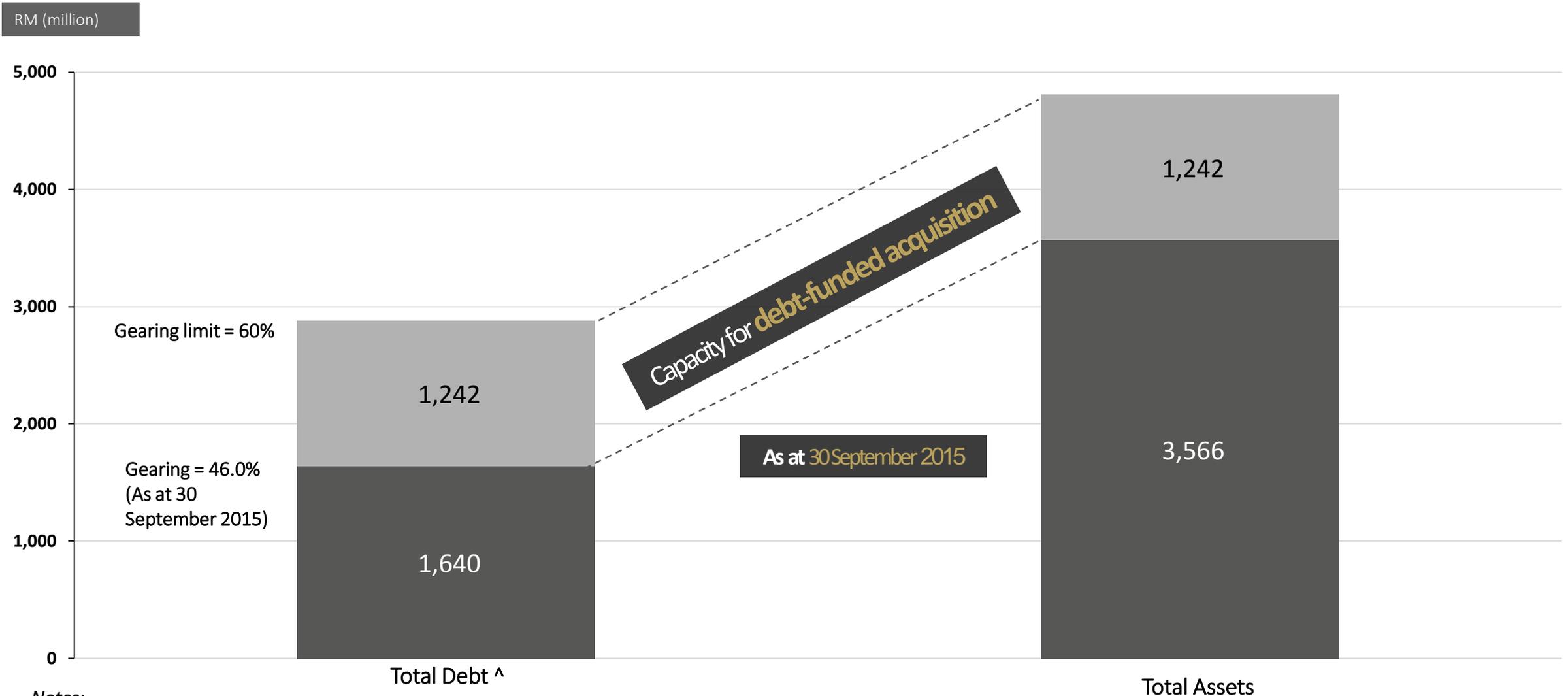
\* For the respective Quarter.

^ Excluding the effects of capitalized transaction costs.

# Computed as NPI / Finance Cost

+ Marginal decrease

# DEBT HEADROOM OF ~RM1,242million FOR ACQUISITIONS



Notes:

^ Excluding the effects of capitalized transaction costs.

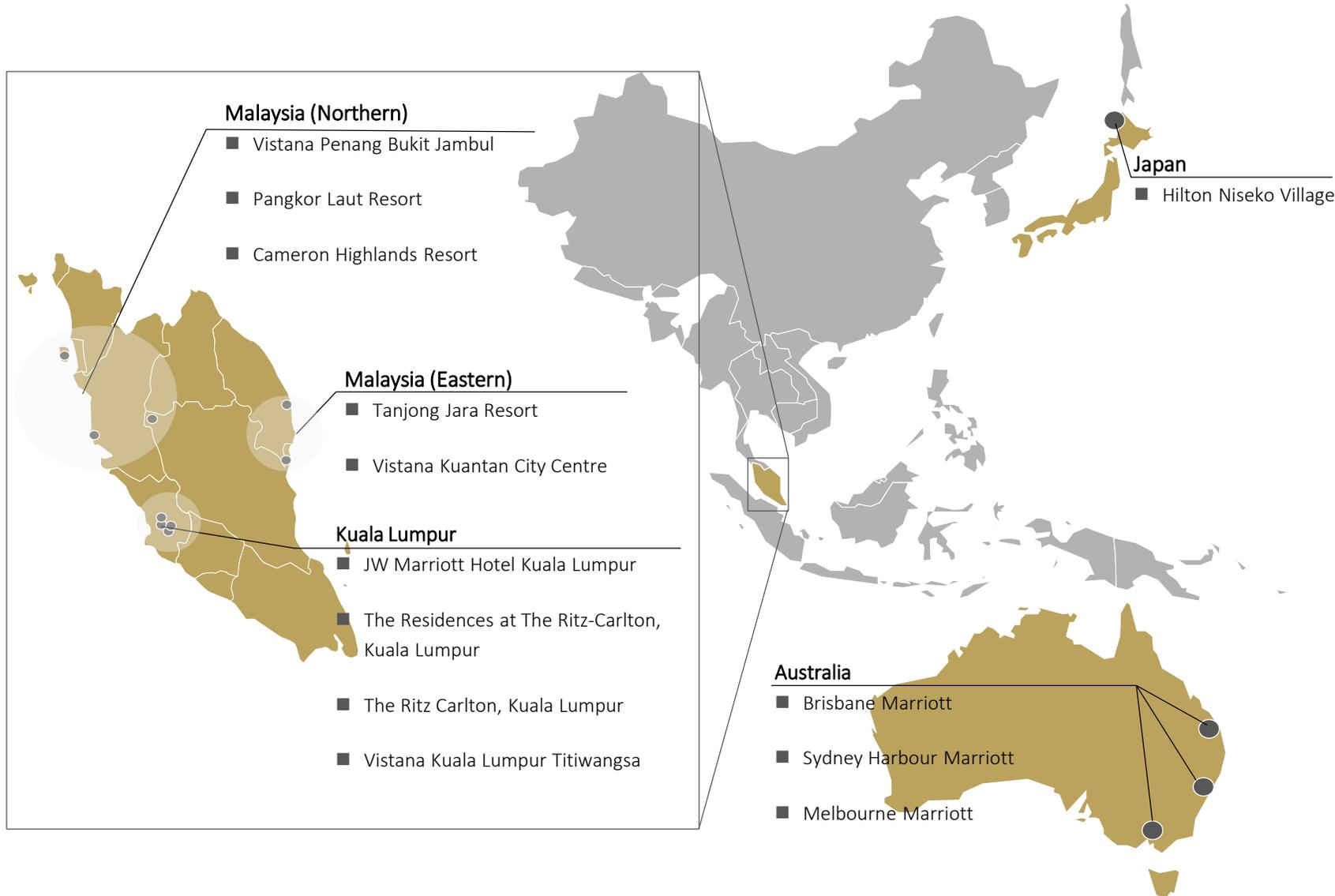


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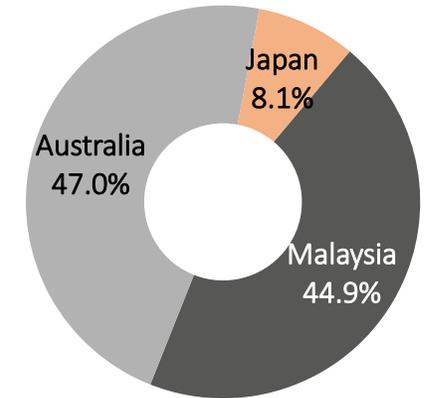
## Asset management

# 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 September 2015.

	FY2011	FY2012	FY2013	FY2014	FY2015	1Q FY2016
Malaysia	Under Master Leases					
Japan	Under Master Lease					
Australia	–	–	83.1% <sup>(1)</sup>	84.2%	84.4%	82.4%

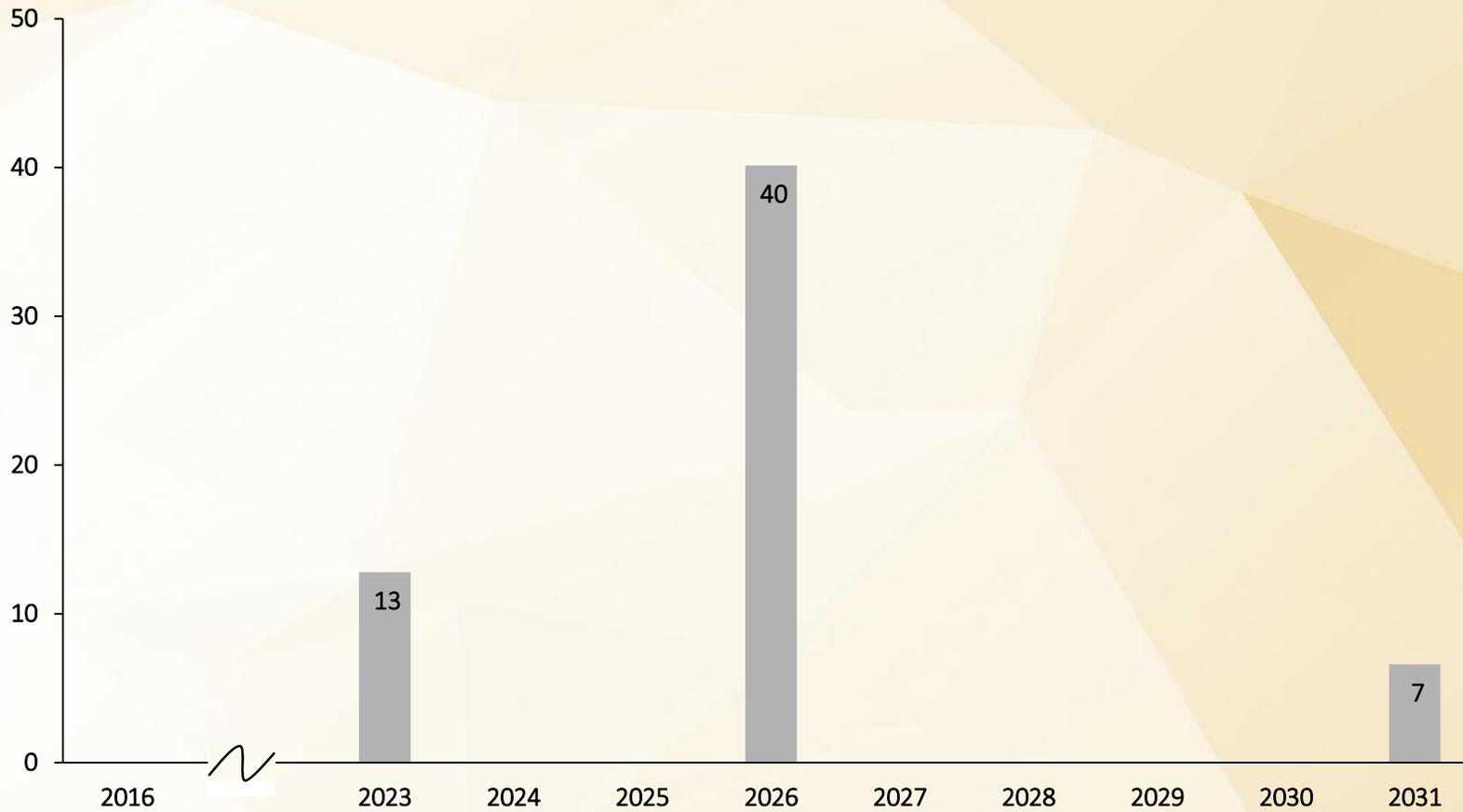
**Note:**

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

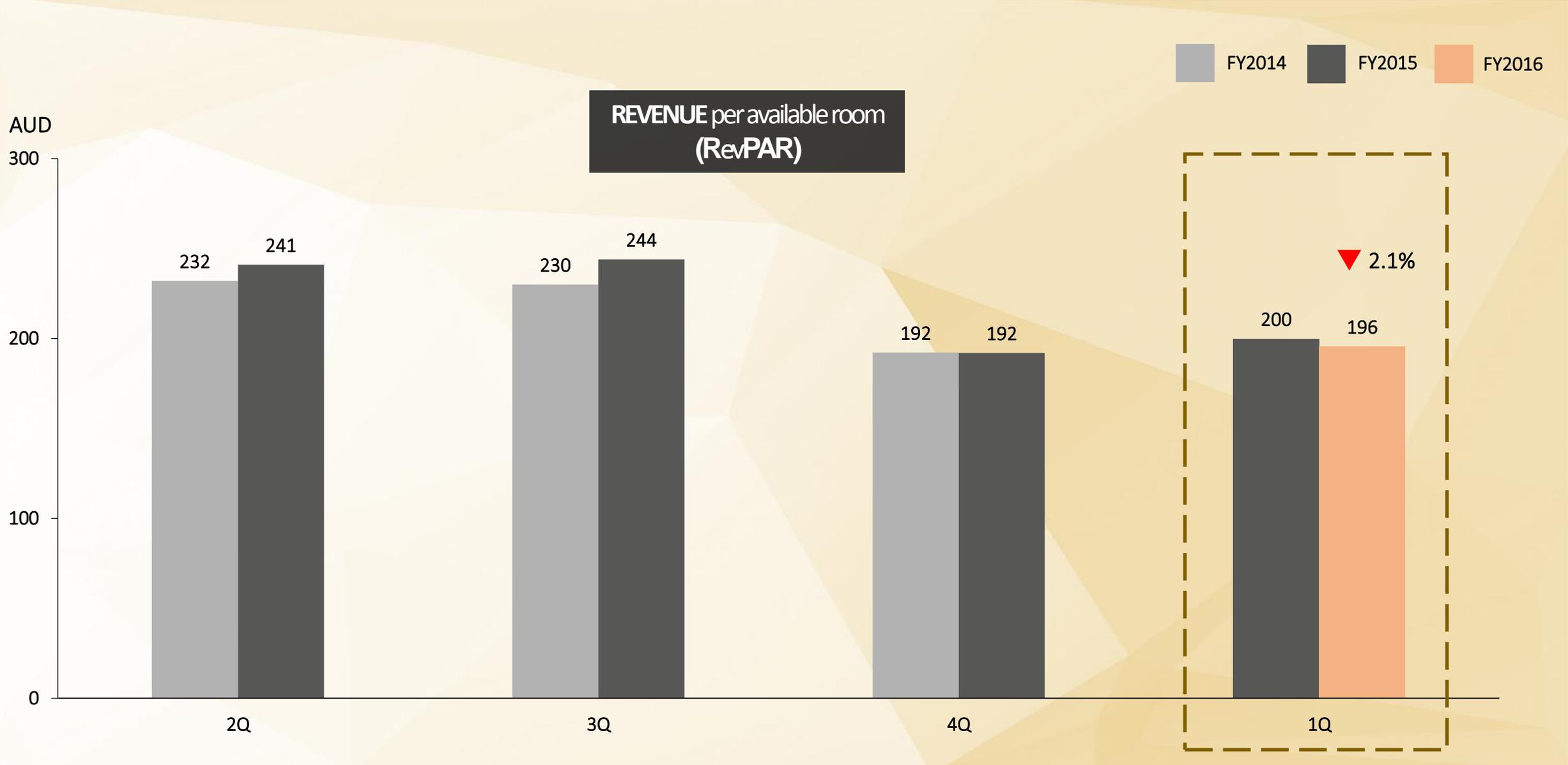
**NET property income**  
**(% of total \*)**

**Master leases**

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

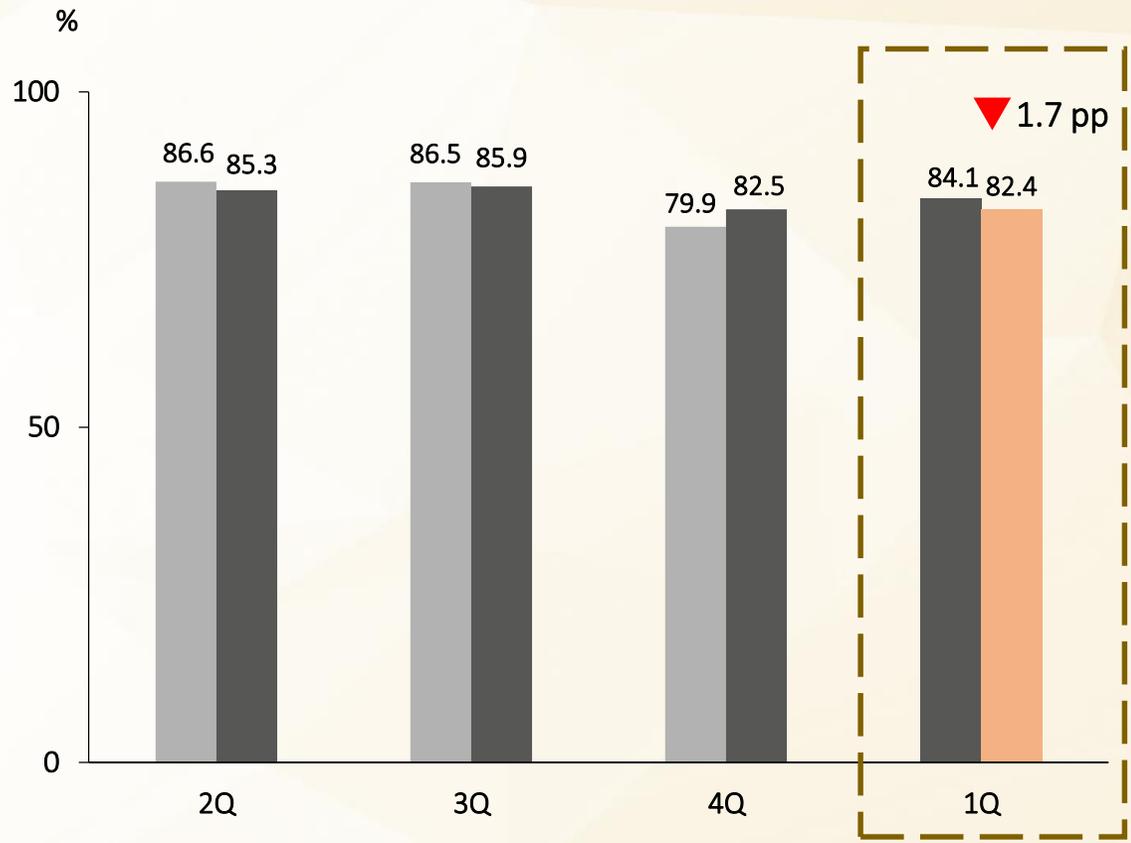


\* For 1Q FY2016.

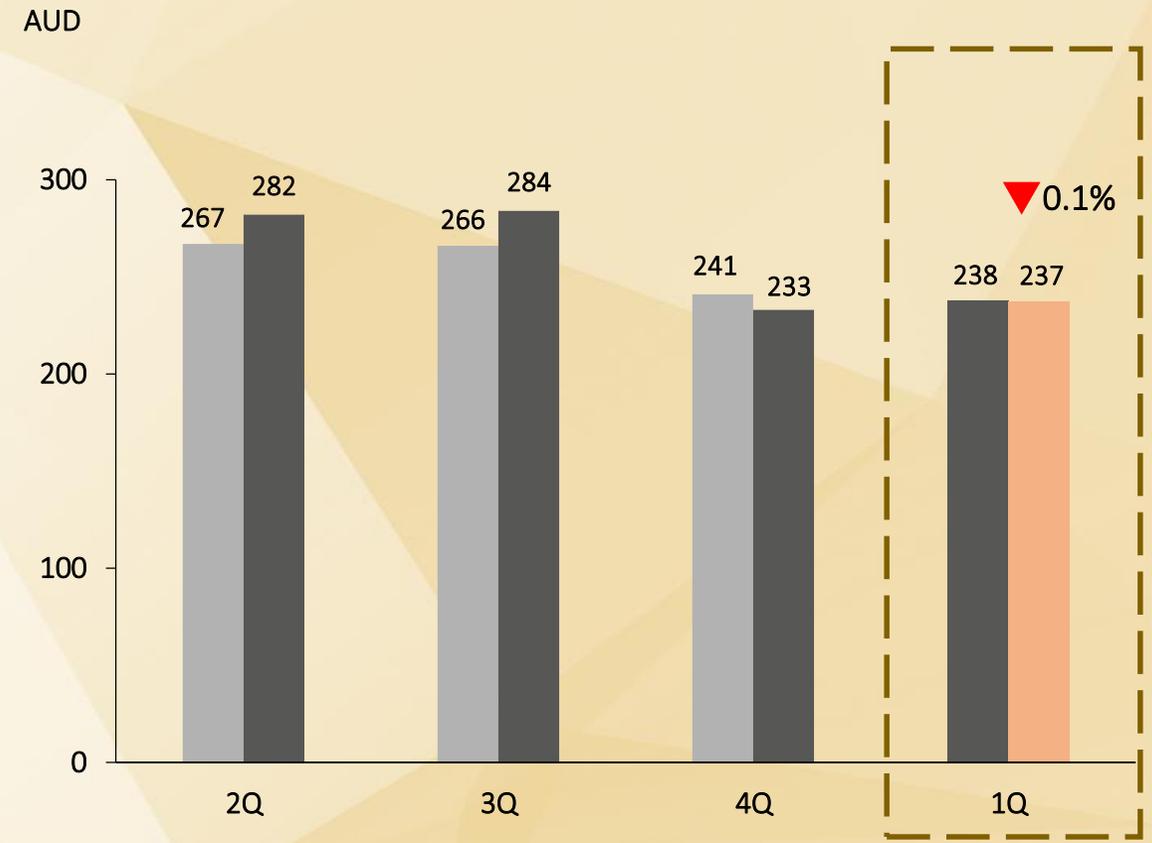


FY2014    FY2015    FY2016

**Average occupancy**



**Average daily rate (ADR)**





# 4

## 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>	8 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 October 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 October 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 October 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 October 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 October 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 October 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 October 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 October 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 October 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 (RM278.9 million)



**Note:**

1. Lease remaining calculated as of 1 October 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:RM3.7084 as at 30 September 2015.

Address	30 Pitt Street, Sydney, New South Wales
Description	33-storey hotel building with central atrium comprising 595 rooms including 3 levels of basement with car parking bays
Tenure	Freehold
No. of rooms <sup>(3)</sup>	595
Acquisition date	29 November 2012
Valuation <sup>(1, 2)</sup>	AUD347 million (RM1,081.8 million)



**Note:**

1. As at 29 May 2015.
2. RM equivalent based on the exchange rate of A\$1.00:RM3.1176 as at 30 September 2015.
3. Meeting rooms converted into guest rooms in October 2015, increasing the total number of rooms from 563 to 595

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 (RM307.1 million)



**Note:**

1. As at 29 May 2015.
2. RM equivalent based on the exchange rate of A\$1.00:RM3.1176 as at 30 September 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 (RM231.9 million)



**Note:**

1. As at 29 May 2015.
2. RM equivalent based on the exchange rate of A\$1.00:RM3.1176 as at 30 September 2015.

This presentation shall be read in conjunction with YTL Hospitality REIT's interim financial report for the quarter ended 30 September 2015, a copy of which is available on [www.bursamalaysia.com](http://www.bursamalaysia.com) and [www.ytlhospitalityreit.com](http://www.ytlhospitalityreit.com).

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