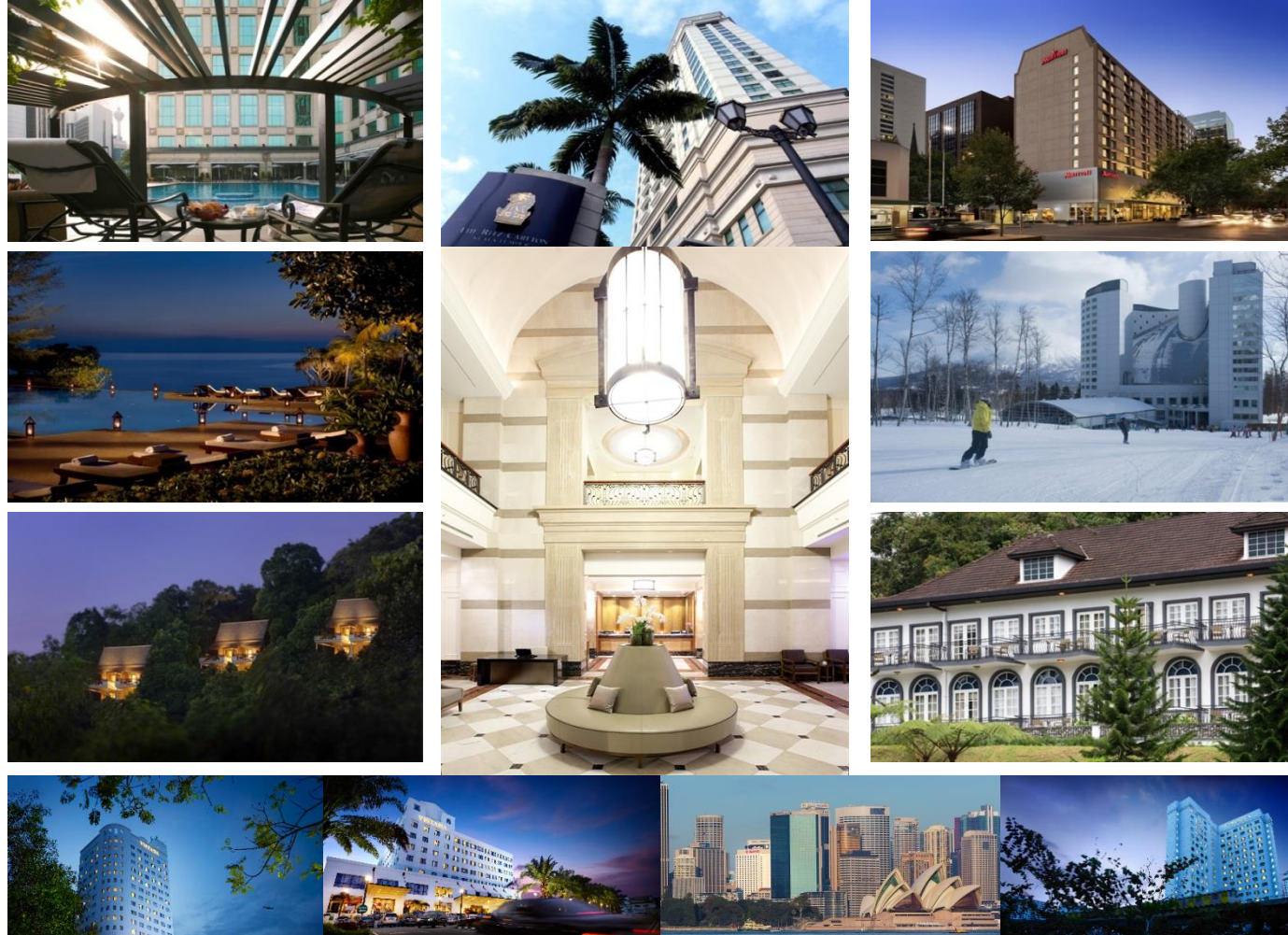


# YTL HOSPITALITY REIT



## Second Quarter FY2018 Financial Results

23 February 2018

## FINANCIAL HIGHLIGHTS

- Income available for distribution of RM33.9 million, +14.8% q-o-q
- 1.9917 sen distribution per unit (“DPU”) declared for 2Q FY2018

## CAPITAL MANAGEMENT

- Average interest rates for the quarter
  - Borrowings in Ringgit Malaysia : 4.9%
  - Borrowings in Australian Dollar : 4.5%
- Debt headroom of ~RM2,074 million for acquisitions

## PORTFOLIO MANAGEMENT

- Properties in Malaysia and Japan under master leases
- 2Q FY2018 average occupancy rate for properties in Australia: 88.7%
- 2Q FY2018 RevPAR for properties in Australia at AUD 253, 8.5% higher as compared to 2Q FY2017





1

# Financial performances 2Q FY2018

# FINANCIAL PERFORMANCE: 2Q FY2018

## YTL HOSPITALITY REIT

1 October - 31 December	2Q FY2018	2Q FY2017	Change
Total Revenue	134.7	119.2	+ 13.0%
- Hotel Revenue (Management Contracts)	99.6	90.2	+ 10.4% <sup>(1)</sup>
- Lease Rental (Master Leases)	35.1	28.9	+ 21.2% <sup>(2)</sup>
Net Property Income (NPI)	67.7	57.0	+ 18.7%
- Management Contracts	35.7	30.9	+ 15.4%
- Master Leases	32.0	26.1	+ 22.6%
Income available for distribution	33.9	29.6	+ 14.8%
Income distribution	33.9	31.3	+ 8.5%
- from current quarter	33.9	29.6	+ 14.8%
- from others	0.0	1.7	(100.0%)
Distribution per unit (DPU) (sen)	1.9917	2.2640 <sup>(3)</sup>	(12.0%) <sup>(4)</sup>
Payout ratio (%)	100.0	100.0	0.0 pp*

**Notes:**

(1) The increase was mainly due to the improvement in room sales after the refurbishment of Sydney Harbour Marriott.

(2) The increase was mainly due to (i) the acquisition of The Majestic Hotel Kuala Lumpur in November 2017; (ii) the 5% step-up lease rental income for certain properties; and (iii) additional rentals from The Ritz-Carlton, Kuala Lumpur-Suite Wing and The Ritz Carlton, Kuala Lumpur-Hotel Wing effective June 2017 after completion of the refurbishment works.

(3) Consists of an advance income distribution of 1.9181 sen per unit based on the number of units in issue of 1,324,388,889 units and 0.3459 sen per unit based on the number of units in issue of 1,704,388,889 units, subsequent to the issuance of 380,000,000 new placement units in December 2016.

(4) However, total income distributed increased by 8.5%.

\* pp = change in percentage points

# STATEMENT OF FINANCIAL POSITION

# YTL HOSPITALITY REIT

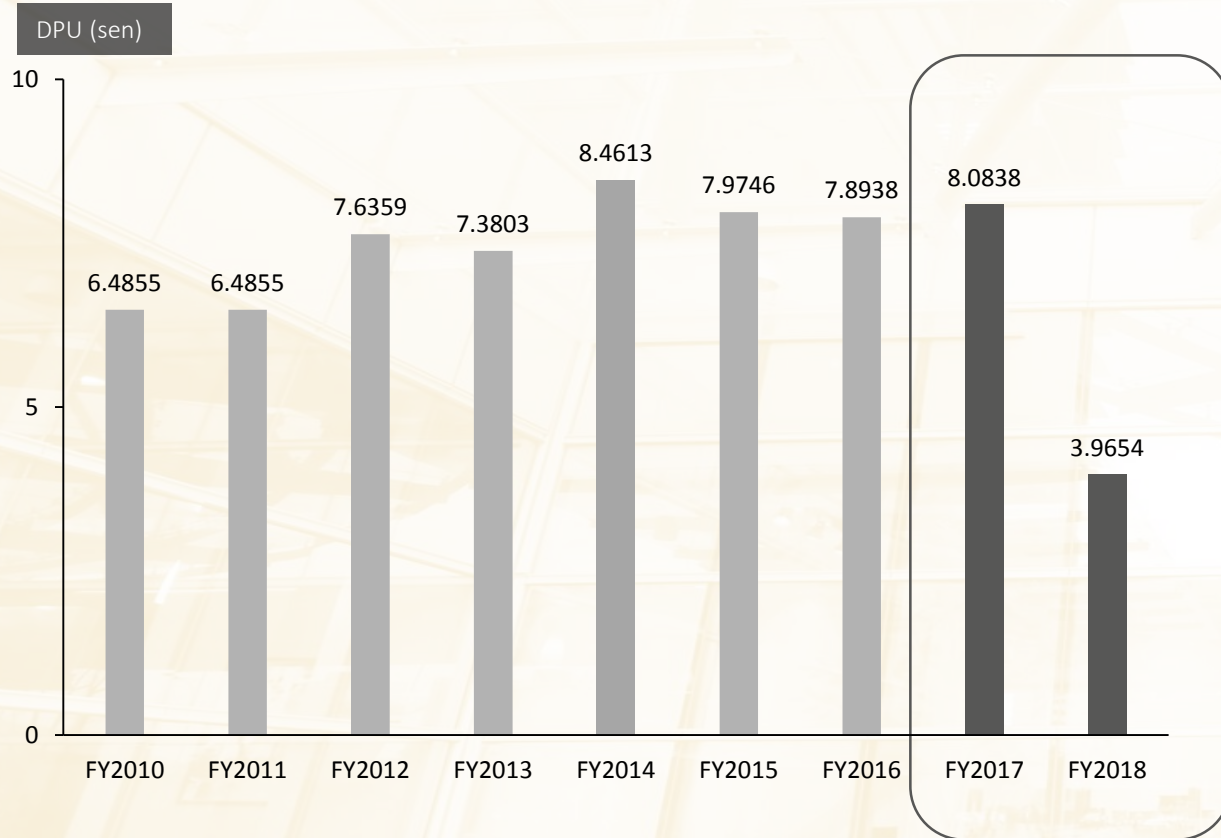
RM ('000)	As at 31 December 2017 (Unaudited)	As at 30 June 2017 (Audited)	Change
Investment properties	2,304,904	1,937,647	+ 19.0% <sup>(1)</sup>
Property, plant and equipment	1,801,460	1,921,844	(6.3%)
Cash & cash equivalents	136,567	142,462	(4.1%)
Other assets	64,049	37,253	+ 71.9%
<b>Total Assets</b>	<b>4,306,980</b>	<b>4,039,206</b>	<b>+ 6.6%</b>
Borrowings	1,741,738	1,404,590	+ 24.0% <sup>(1)</sup>
Other liabilities	120,331	103,625	+ 16.1%
<b>Total Liabilities</b>	<b>1,862,069</b>	<b>1,508,215</b>	<b>+ 23.5%</b>
<b>Net Asset Value (NAV)</b>	<b>2,444,911</b>	<b>2,530,991</b>	<b>(3.4%)</b>
Number of units in circulation ('000)	1,704,389	1,704,389	0.0%
NAV per unit (RM)	1.434 <sup>(2)</sup>	1.485	(3.4%)

**Notes:**

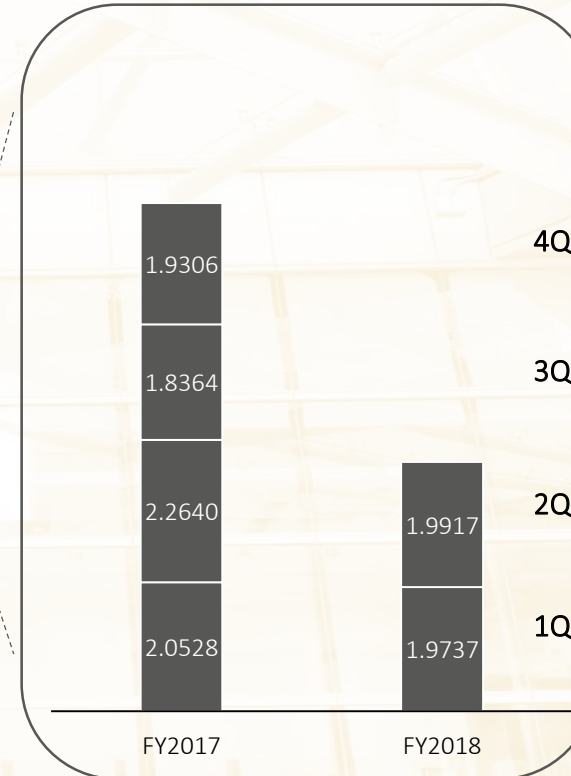
(1) Increased due to the acquisition of The Majestic Hotel Kuala Lumpur on 3 November 2017.

(2) After total income distribution of RM67.6 million in respect of YTD FY2018.

## Total DPU



## Quarterly Breakdown



	Total Distributions*	
	FY2017	FY2018
<b>Cumulative</b>	122.7	67.6
4Q	32.9	
3Q	31.3	
2Q	31.3	33.9
1Q	27.2	33.6

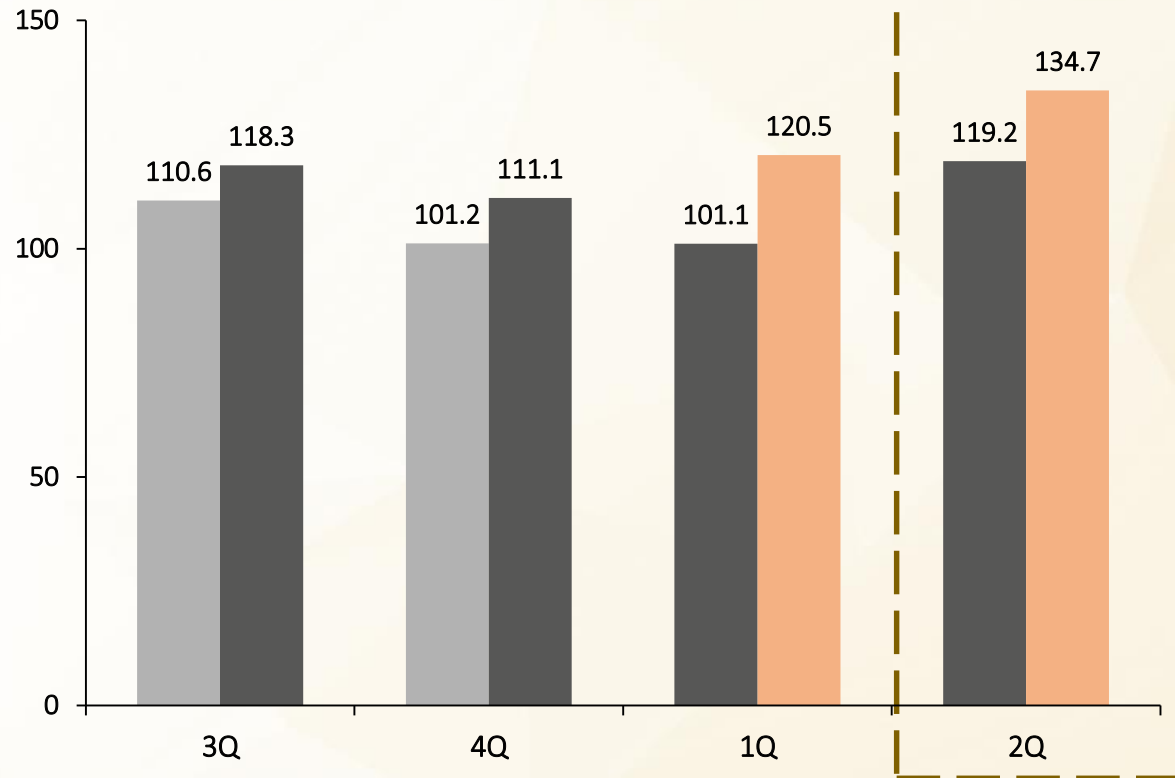
\* In RM million

**Notes:**

1. YTL Hospitality REIT started paying quarterly distributions commencing the financial year ended 30 June 2014.
2. DPUs subsequent to the issuance of 380,000,000 new placement units on 16 December 2016 are based on the increased number of units in issue.

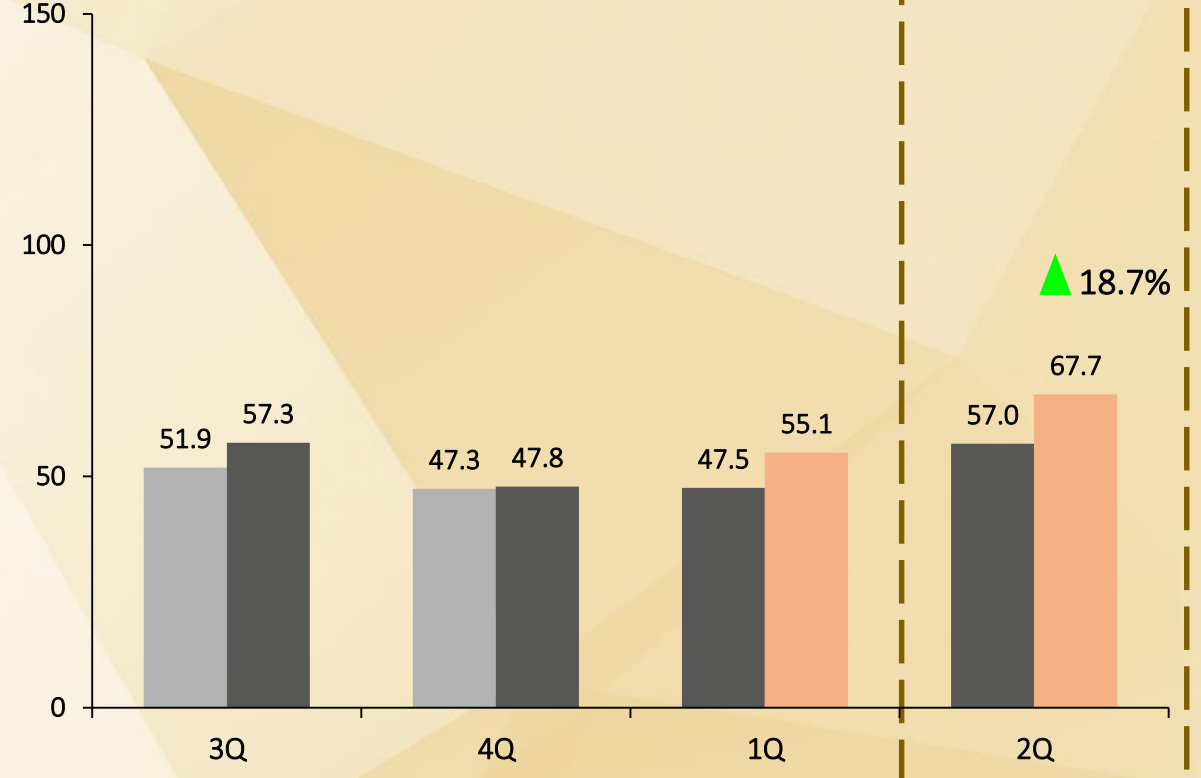
## TOTAL revenue

RM (million)



## NET property income

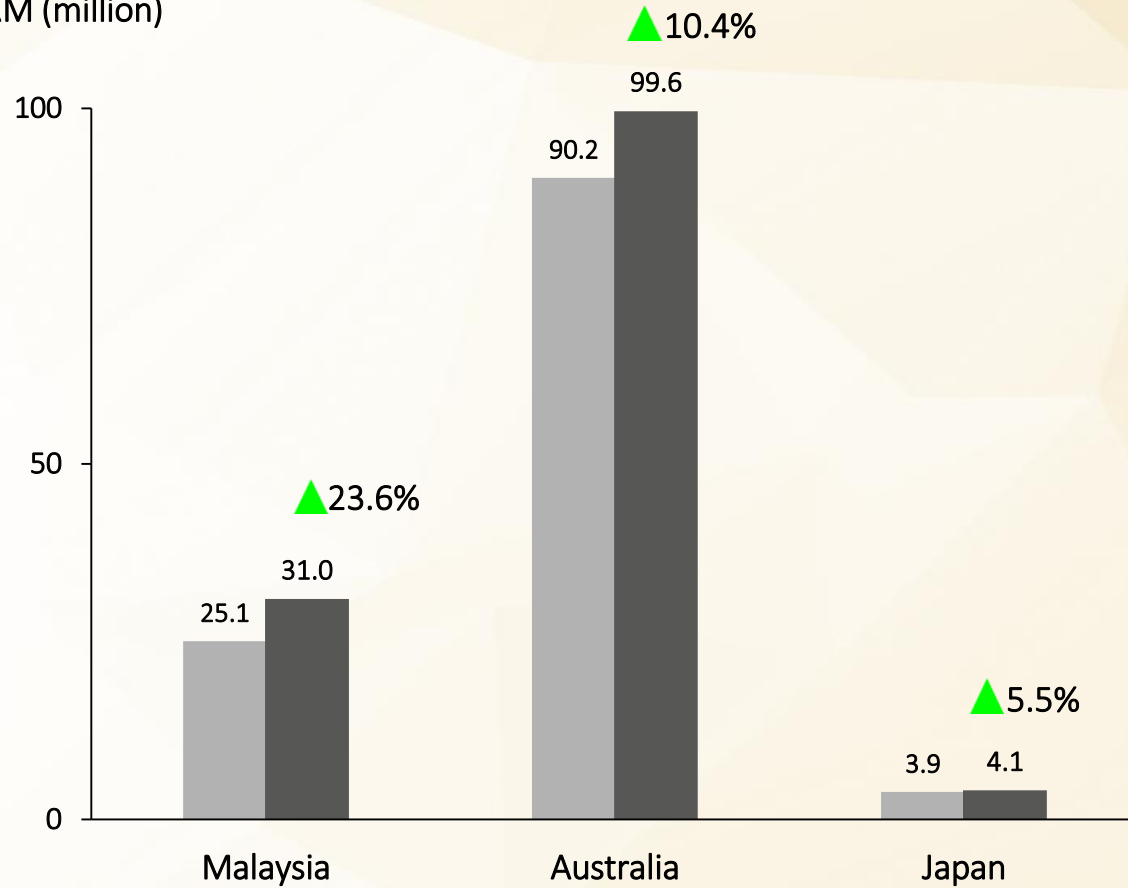
RM (million)



FY2016
  FY2017
  FY2018

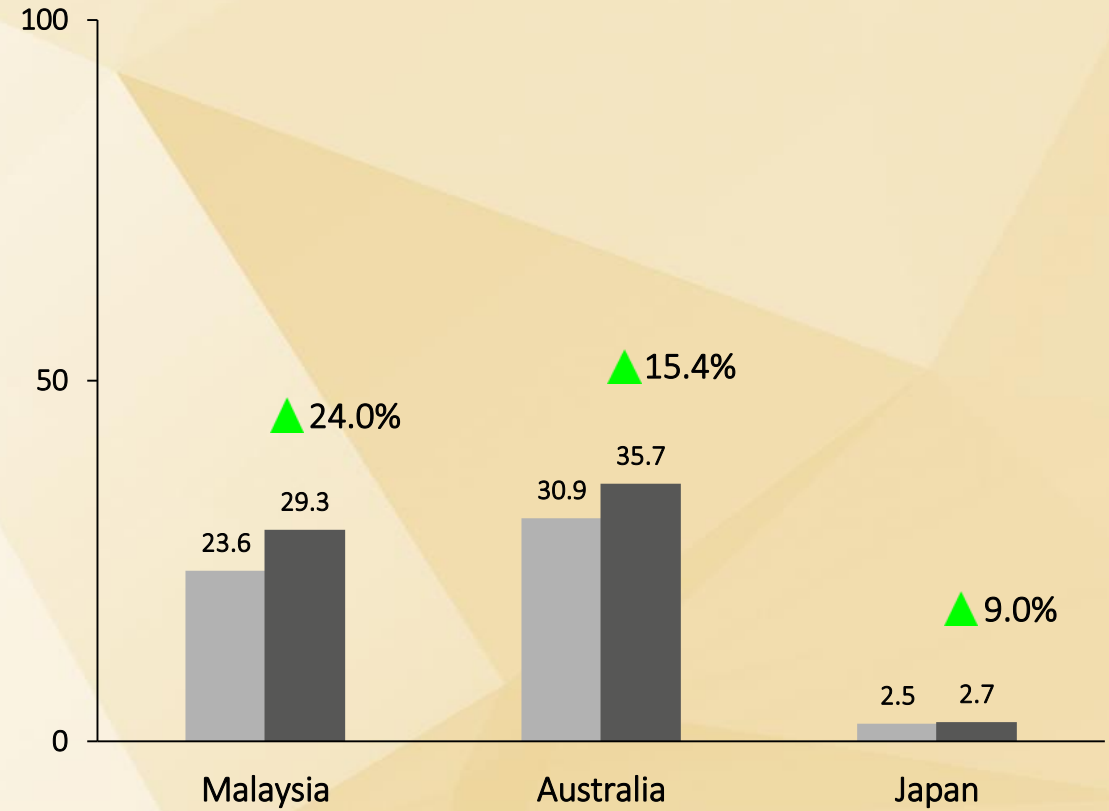
## TOTAL revenue

RM (million)



## NET property income

RM (million)



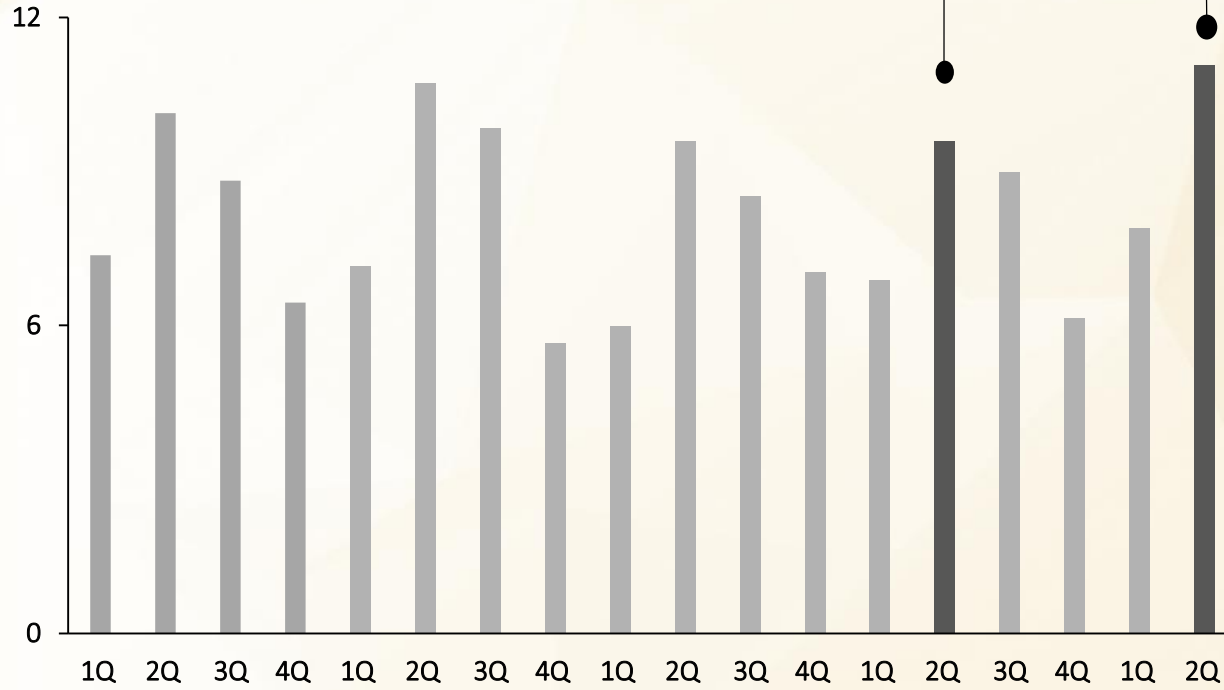
2Q FY2017 2Q FY2018



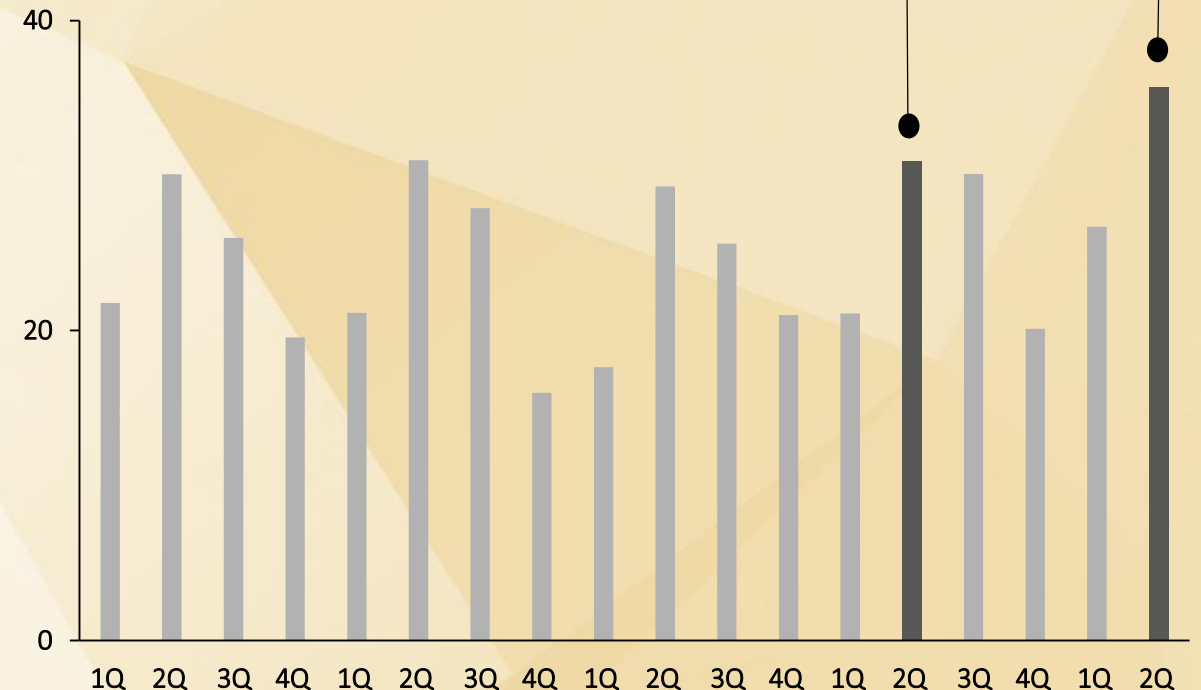
# NPI FOR AUSTRALIA IN AUD AND RM

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

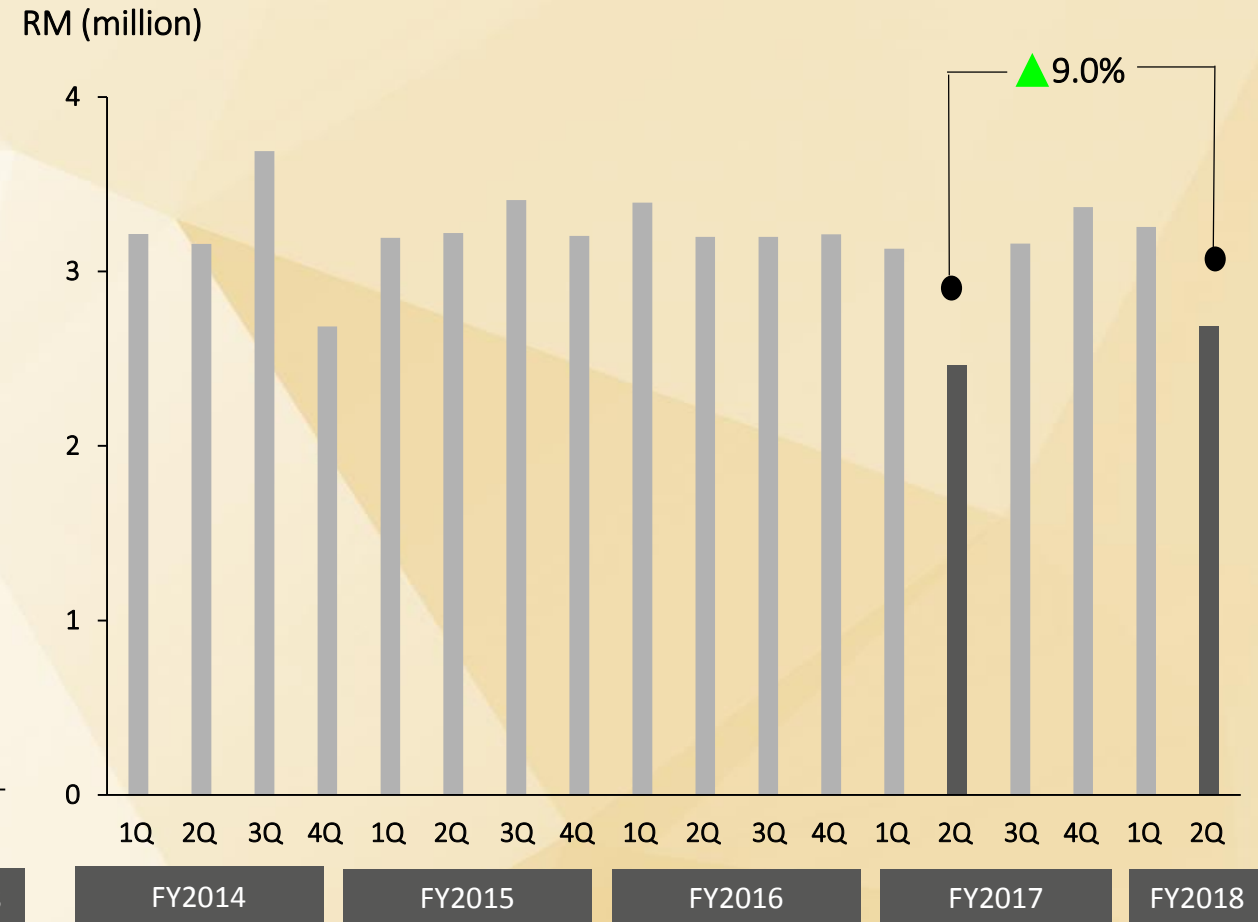
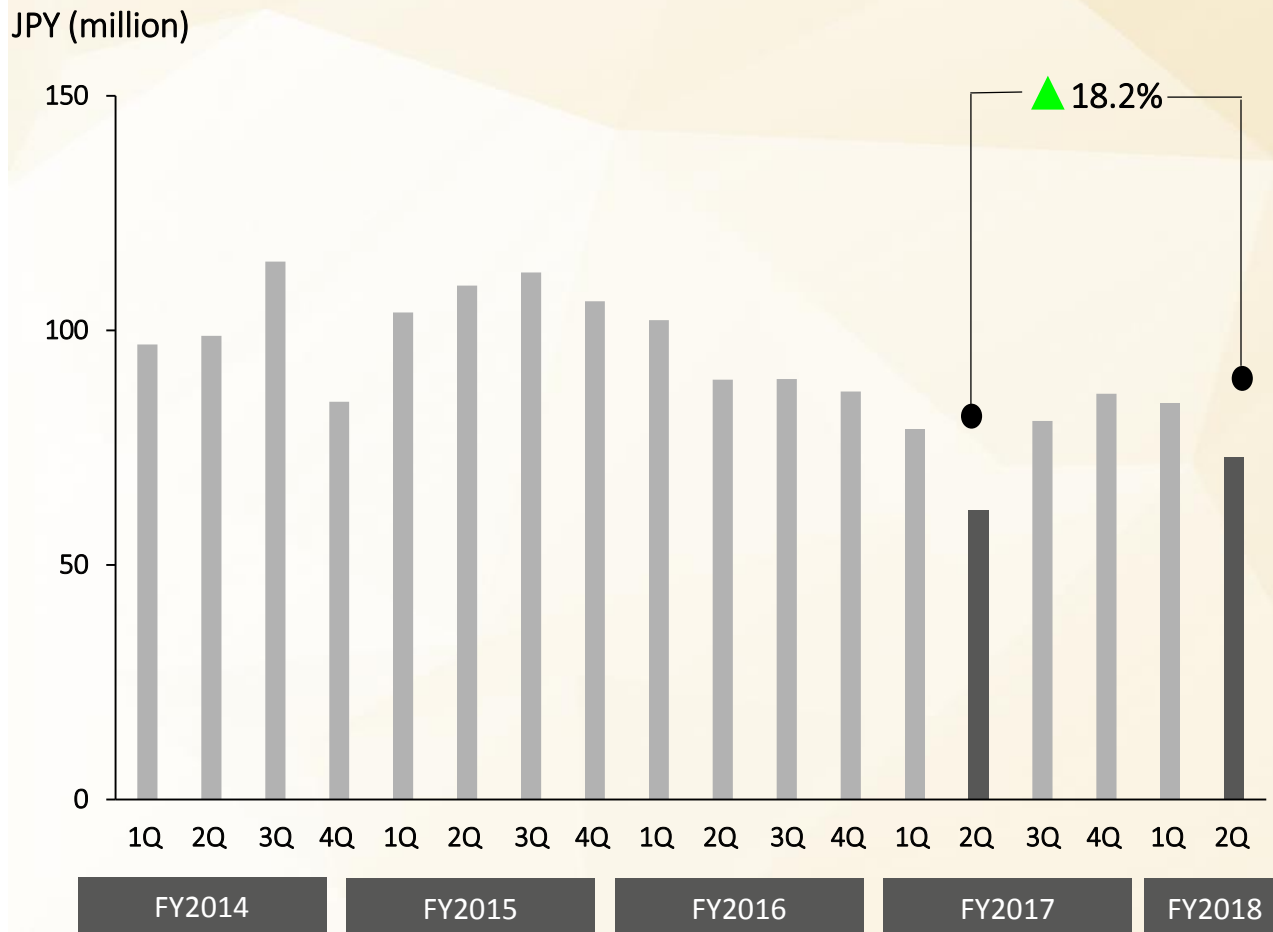
AUD (million)

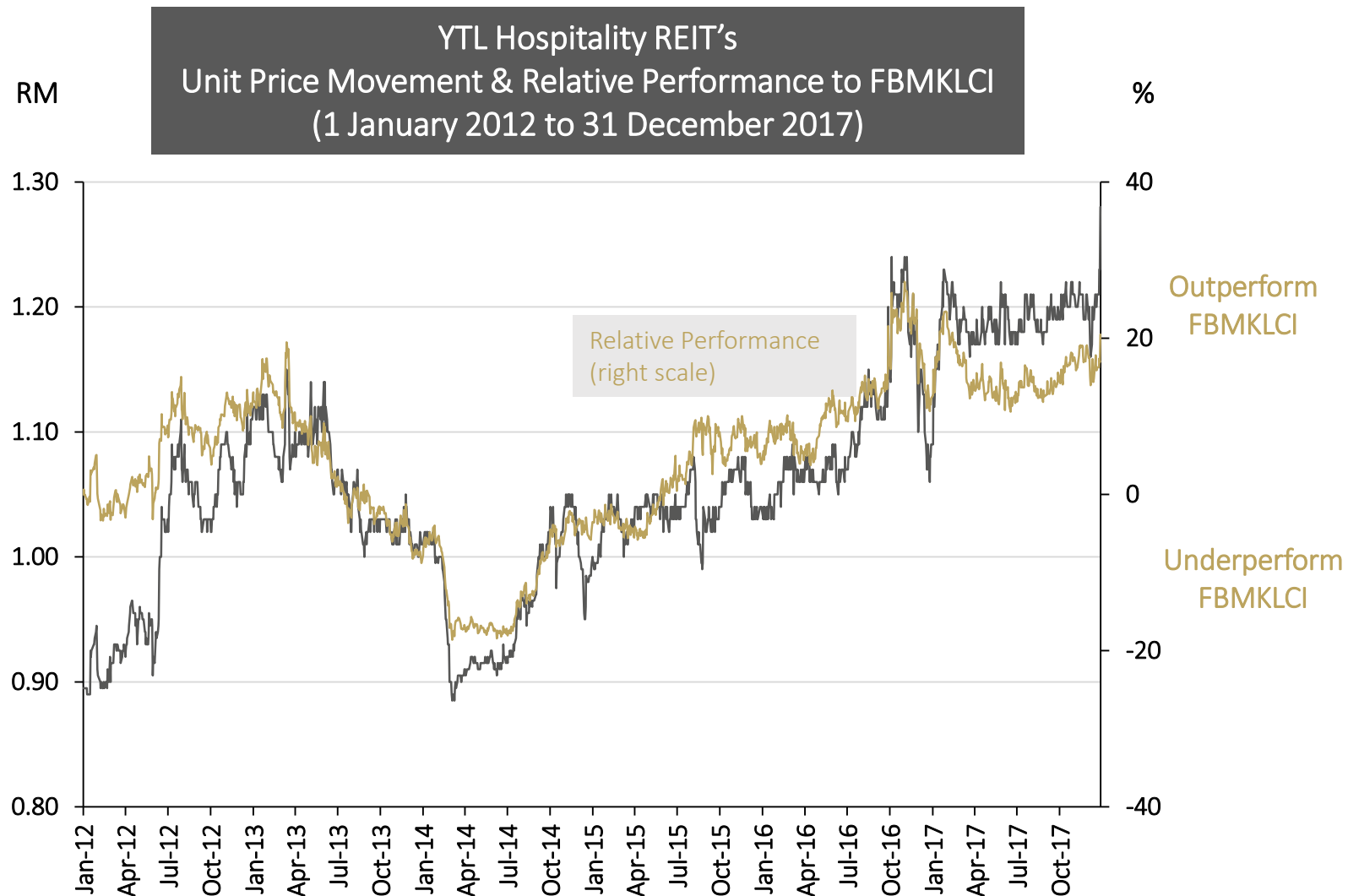


RM (million)



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





**Notes:**

(1) As at 29 December 2017.

(2) For the quarter ended 31 December 2017.

## TRADING STATISTIC

Closing price <sup>(1)</sup>	RM1.28
------------------------------	--------

Market Cap (RM) <sup>(1)</sup>	RM2,182 mil
--------------------------------	-------------

Units issued <sup>(1)</sup>	1,704,388,889
-----------------------------	---------------

Average daily traded volume for 2Q FY2018 ('000 units) <sup>(2)</sup>	480.5
---	-------

Source: Bloomberg



2

Financial performances: 6 months ended  
31 December 2017 (YTD FY2018)

# FINANCIAL PERFORMANCES: 6 MONTHS ENDED 31 DEC 2017 (YTD FY2018)

## YTL HOSPITALITY REIT

1 July - 31 December	YTD FY2018	YTD FY2017	Change
Total Revenue	255.2	220.3	+ 15.9%
- Hotel Revenue (Management Contracts)	189.4	162.7	+ 16.4%
- Lease Rental (Master Leases)	65.8	57.5	+ 14.3%
Net Property Income (NPI)	122.8	104.5	+ 17.5%
- Management Contracts	62.4	52.0	+ 19.9%
- Master Leases	60.4	52.5	+ 15.1%
Income available for distribution	67.6	58.5	+ 15.6%
Income distribution	67.6	58.5	+ 15.6%
- from current year	67.6	58.5	+ 15.6%
Distribution per unit (DPU) (sen)	3.9654	4.3168 <sup>(1)</sup>	(8.1%) <sup>(2)</sup>
Payout ratio (%)	100.0	100.0	0.00

**Notes:**

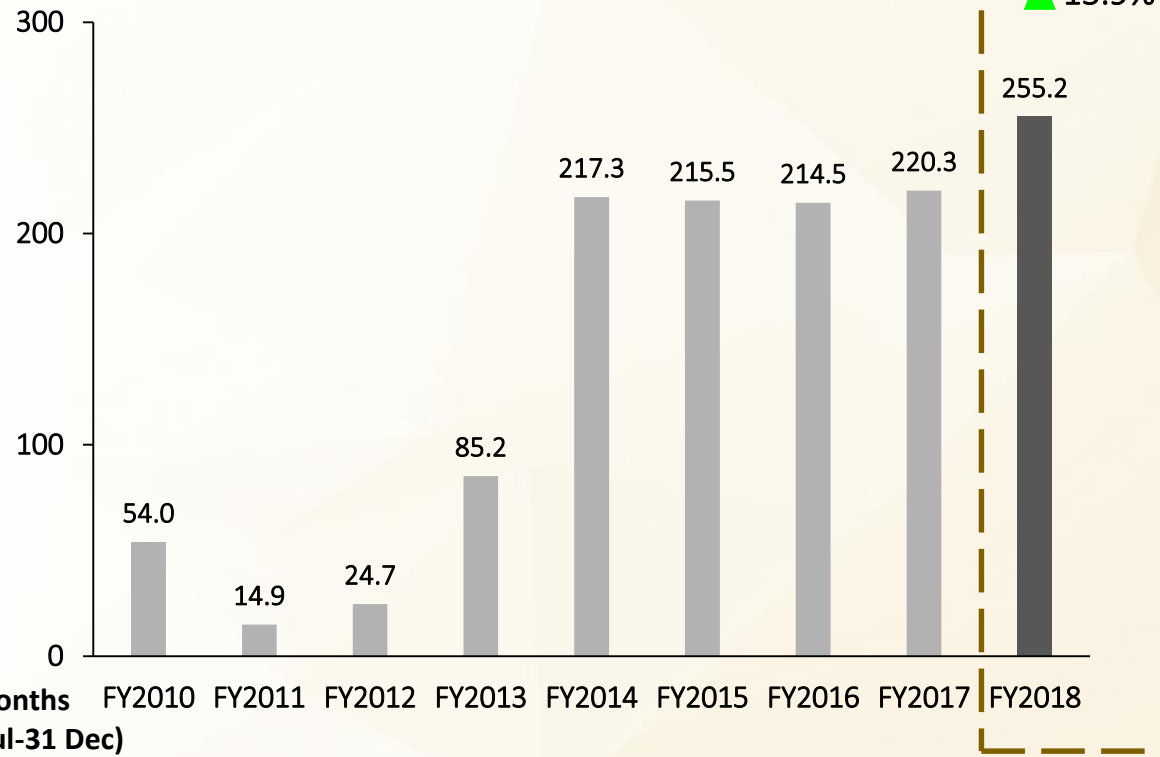
(1) Consists of interim and advance income distribution of 3.9709 sen per unit based on the number of units in issue of 1,324,388,889 units and 0.3459 sen per unit based on the number of units in issue of 1,704,388,889 units, subsequent to the issuance of 380,000,000 new placement units in December 2016.

(2) However, total income distributed increased by 15.6%.

All figures in RM million unless indicated otherwise.

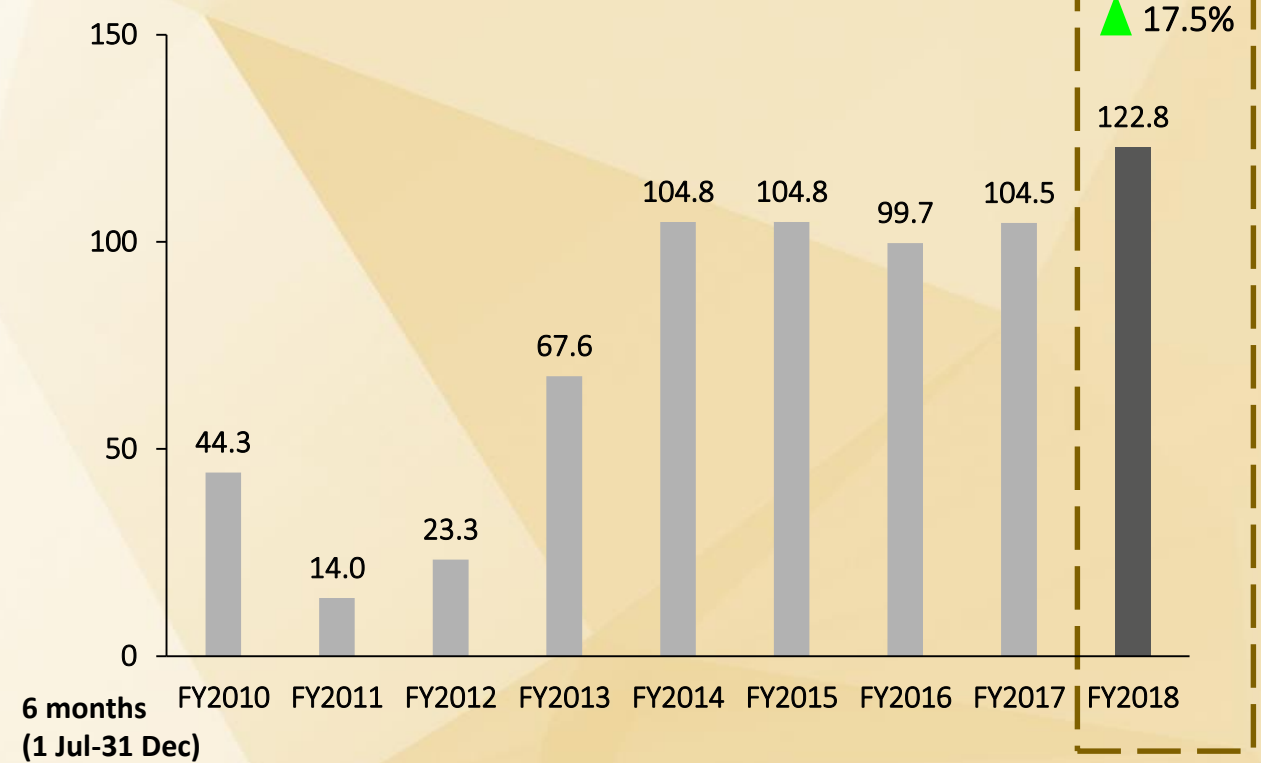
## TOTAL revenue

RM (million)



## NET property income

RM (million)

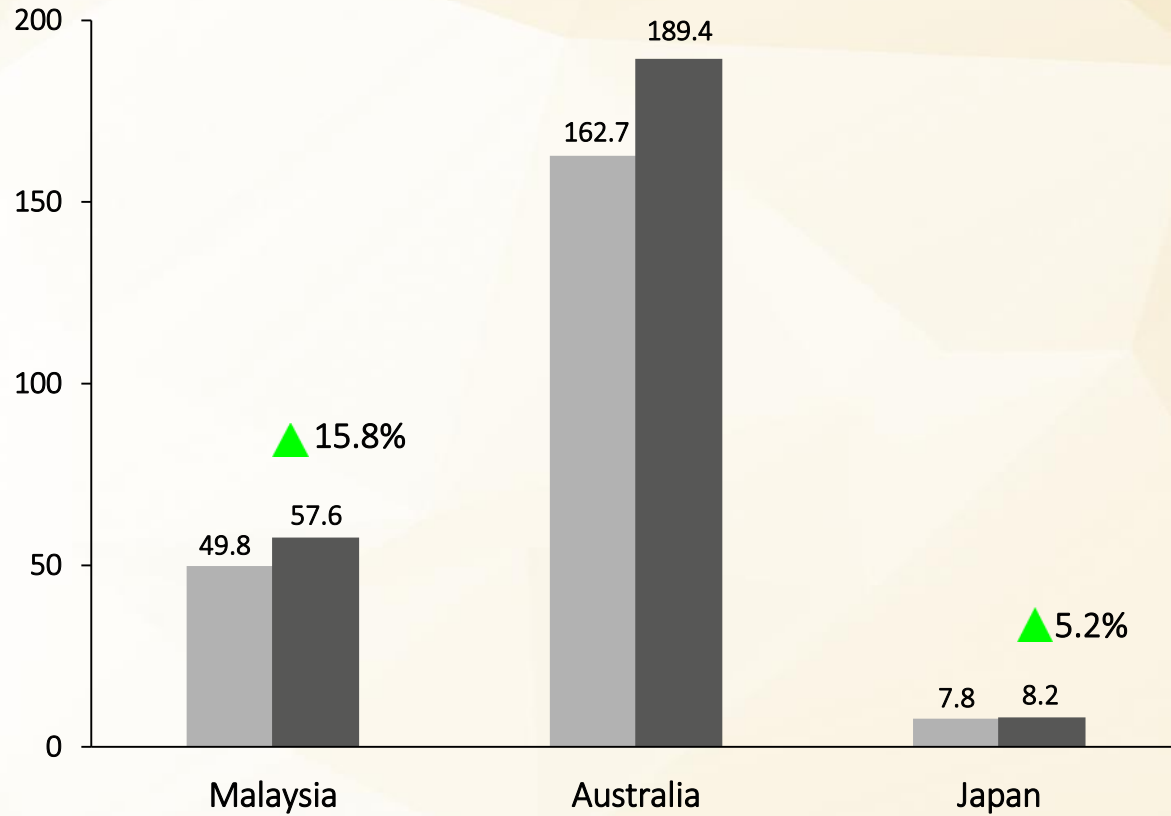


# 6 MONTHS (1 JUL-31 DEC) FINANCIAL PERFORMANCES BY COUNTRY

YTL HOSPITALITY REIT

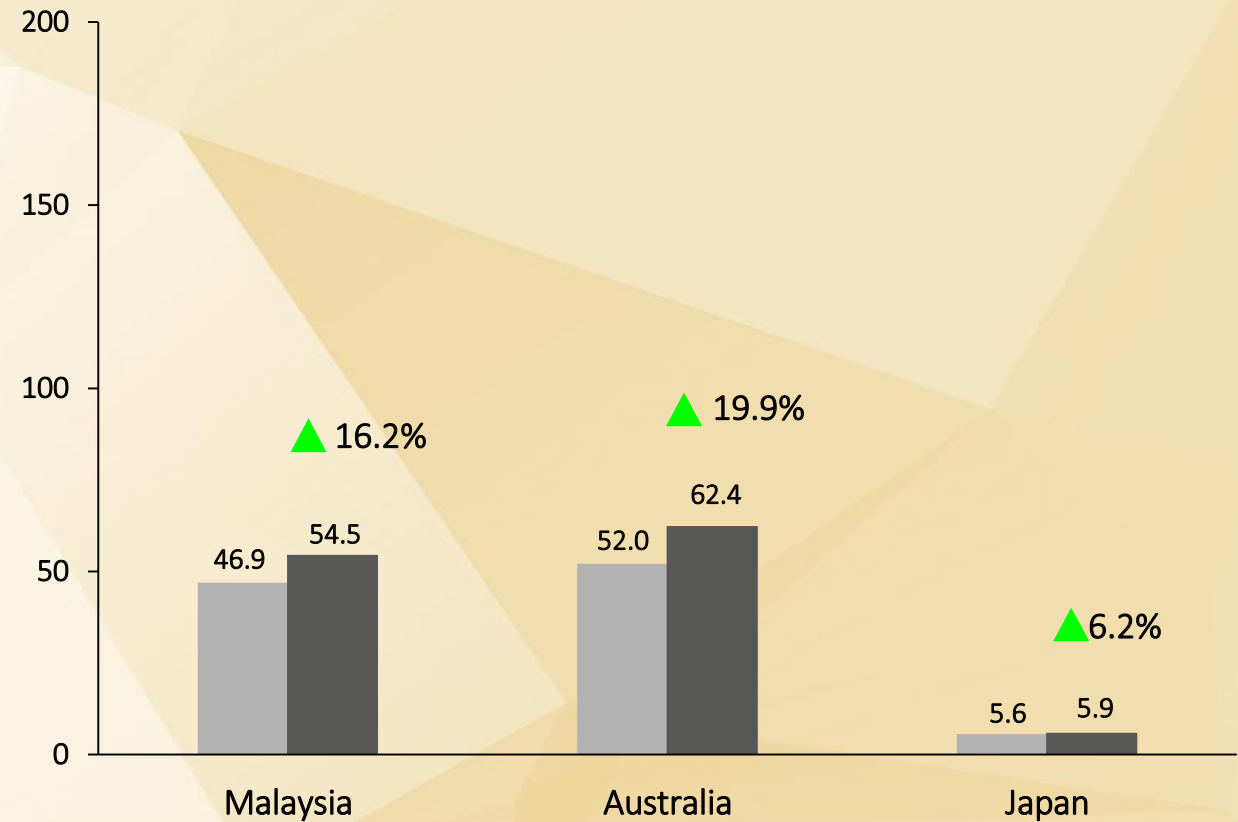
## TOTAL revenue

RM (million)



## NET property income

RM (million)



FY2017

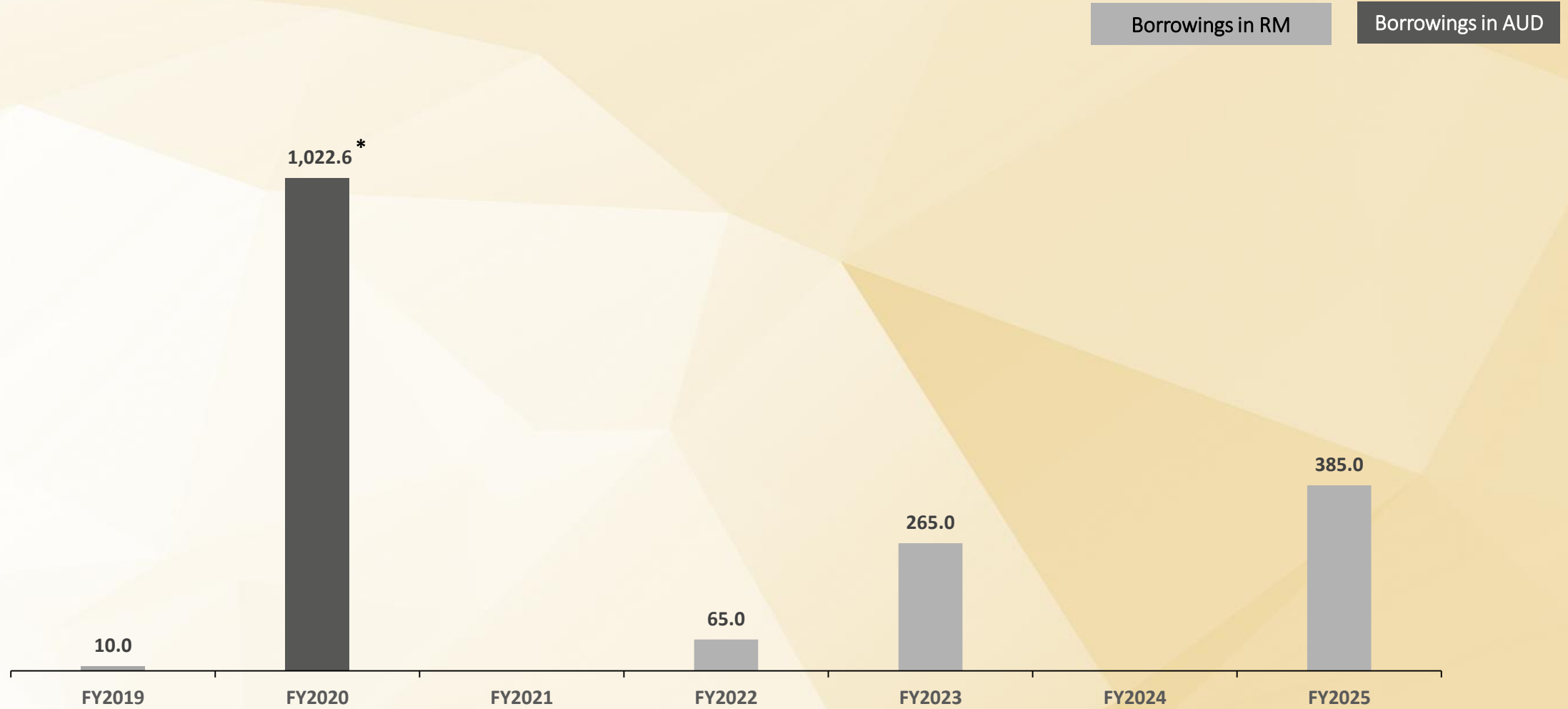
FY2018



# 3

## Capital management



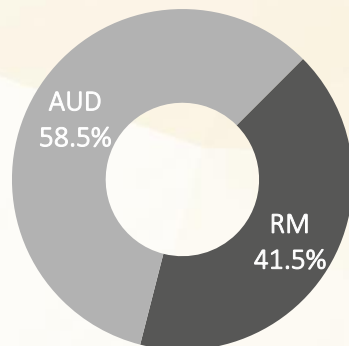


**Notes:**

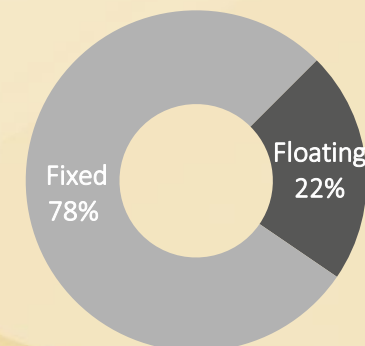
<sup>^</sup> Excluding the effects of capitalised transaction costs.

\* RM equivalent based on the exchange rate of A\$1.00: RM3.1659 as at 29 December 2017.

## CURRENCY



## INTEREST RATE



	31 December 2017	30 September 2017	Change
Borrowings (RM'000)	1,747,639	1,413,699	+ 23.6%
Total Asset Value (RM'000)	4,306,980	4,025,809	+ 7.0%
Gearing (%)	40.6%	35.1%	+ 5.5 pp
Average Interest Rates (%) *			
- Borrowings in Ringgit Malaysia	4.9%	4.9%	0.0 pp
- Borrowings in Australian Dollar@	4.5%	4.6%	(0.1 pp)
Interest Cover *#	3.4 x	2.9 x	0.5 x

**Notes:**

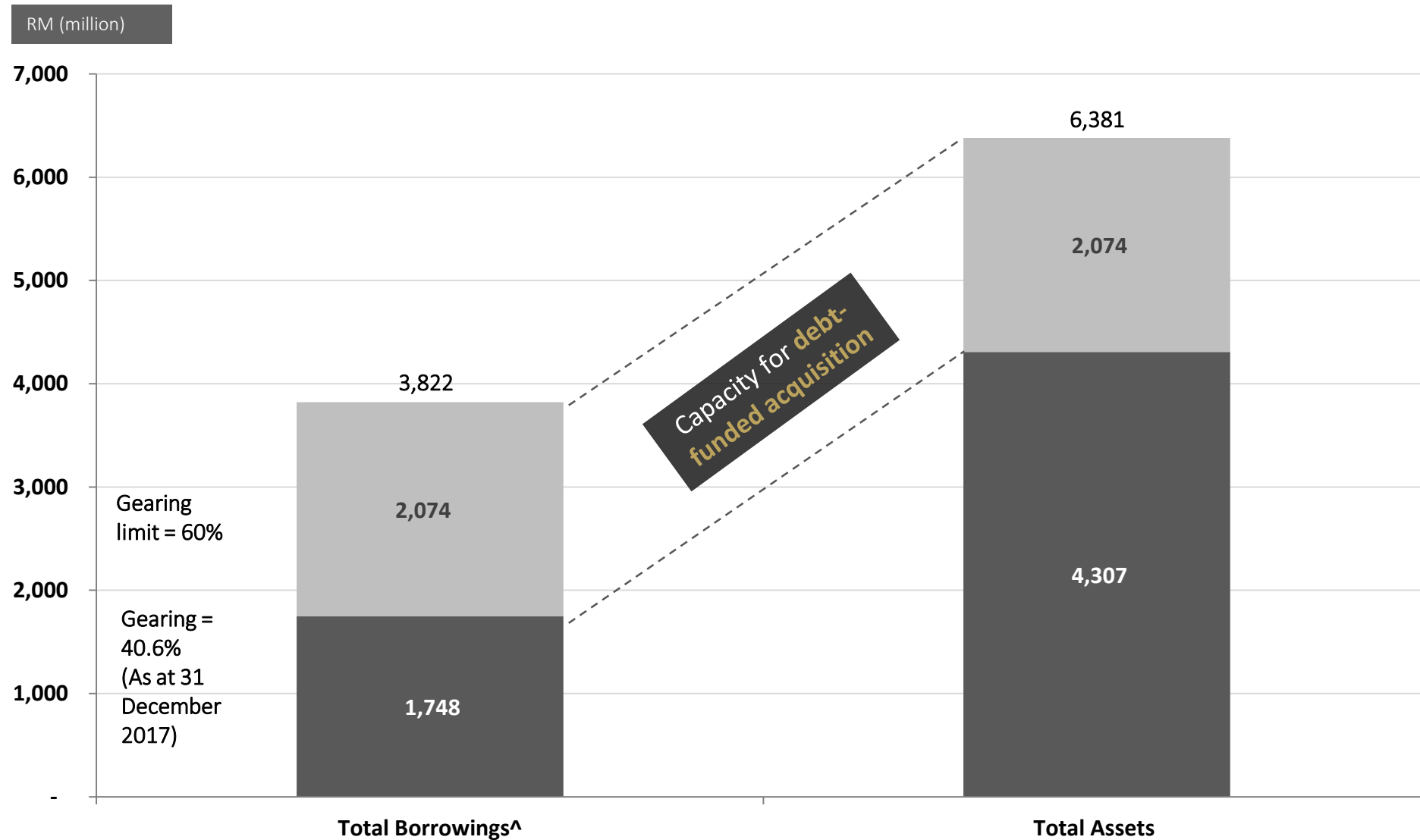
\* For the respective Quarter.

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

# Computed as NPI / Finance Cost

@ The interest rate is hedged and fixed at the effective rate of 4.68% with effect from 29 December 2017.

# DEBT HEADROOM OF ~RM2,074 million FOR ACQUISITIONS



Notes:

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

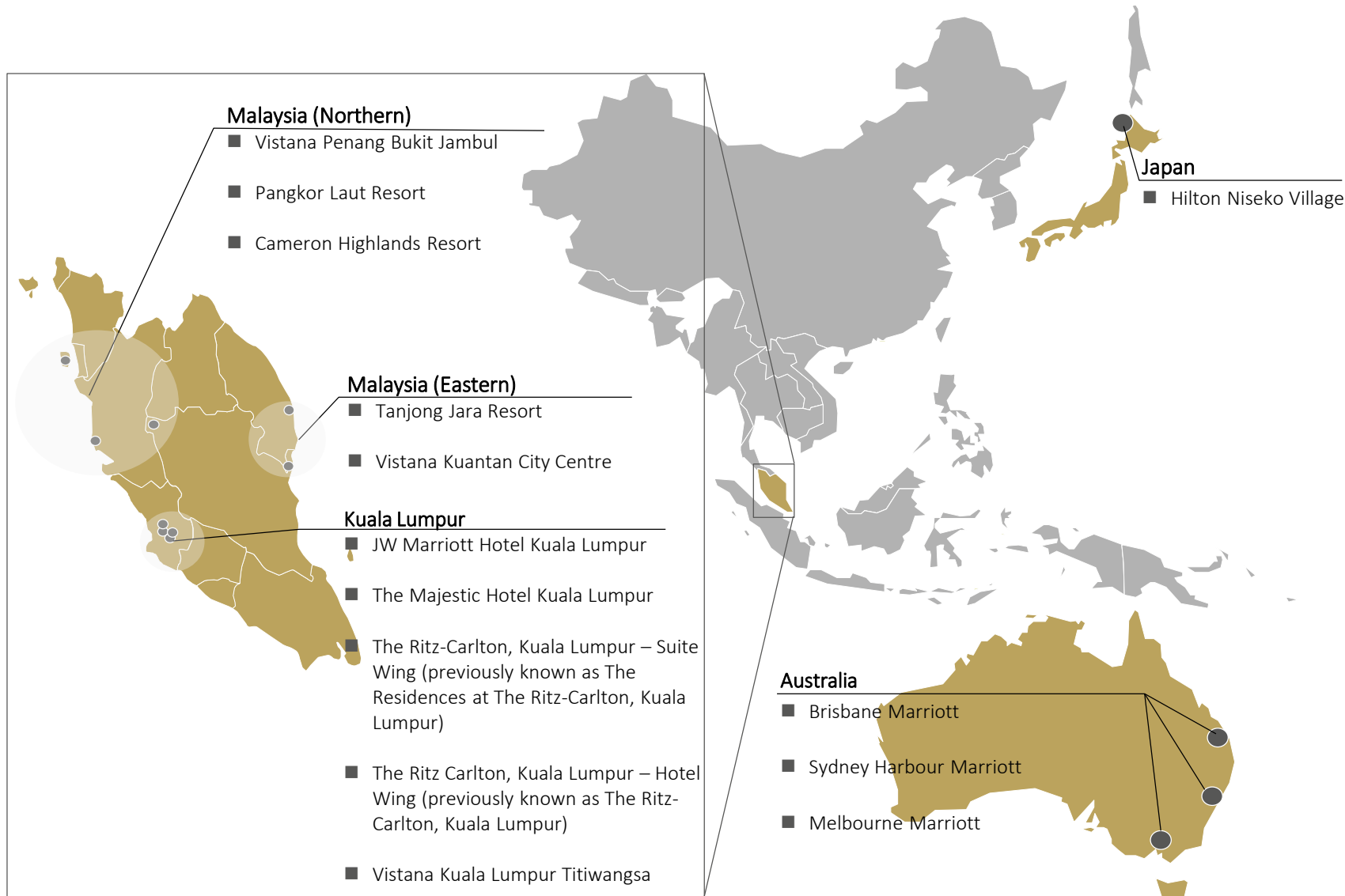


4

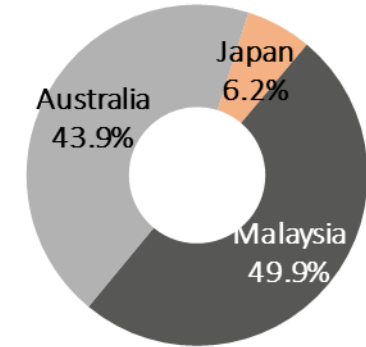
## Asset management

# 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>**



Note:

(1) Based on investment properties and property, plant & equipment as at 31 December 2017.

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	2Q FY2018
Malaysia	Under Master Leases							
Japan	Under Master Lease							
Australia	—	—	83.1% <sup>(1)</sup>	84.2%	84.4%	86.4%	86.9%	88.7%

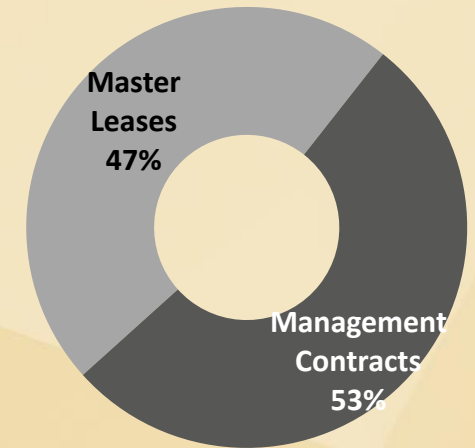
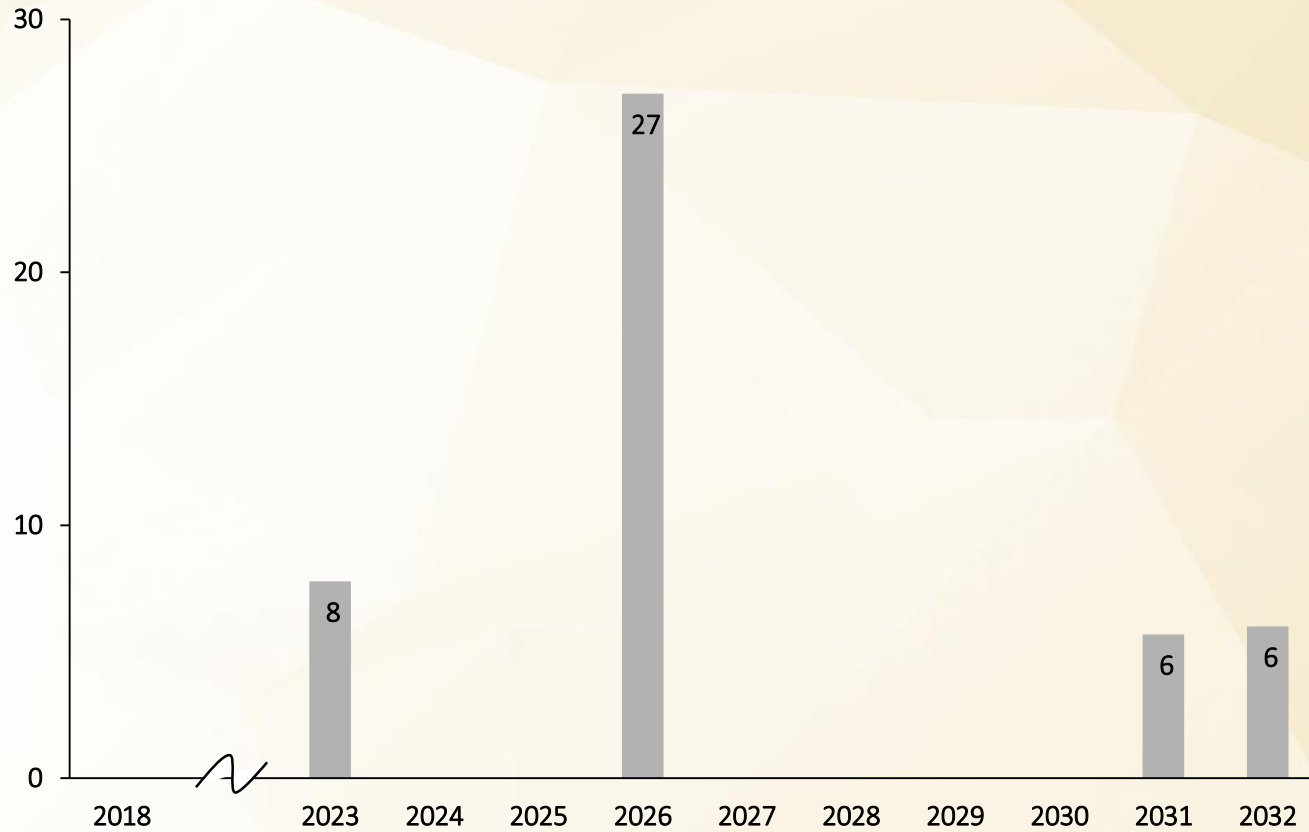
**Note:**

(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**

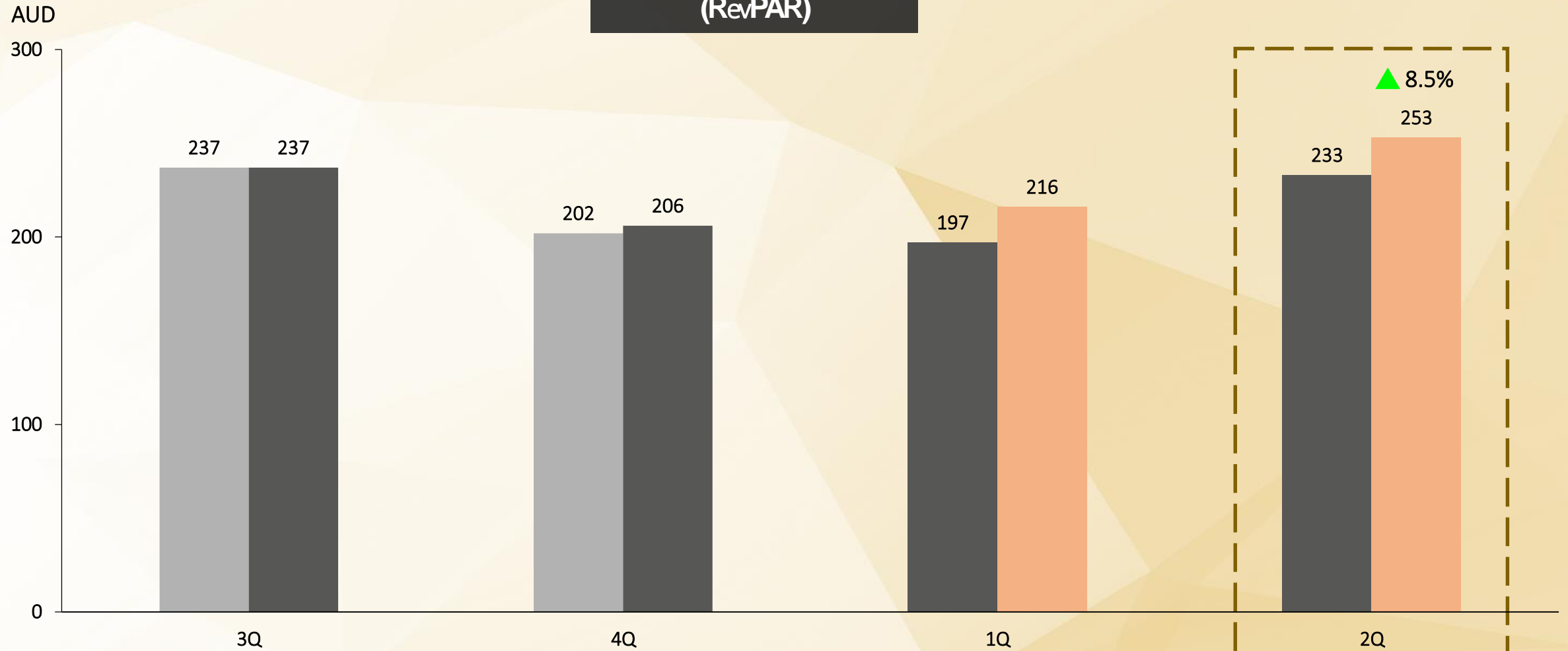
**NET property income**  
**(% of total \*)**



Note:  
\* For 2Q FY2018.

## REVENUE per available room (RevPAR)

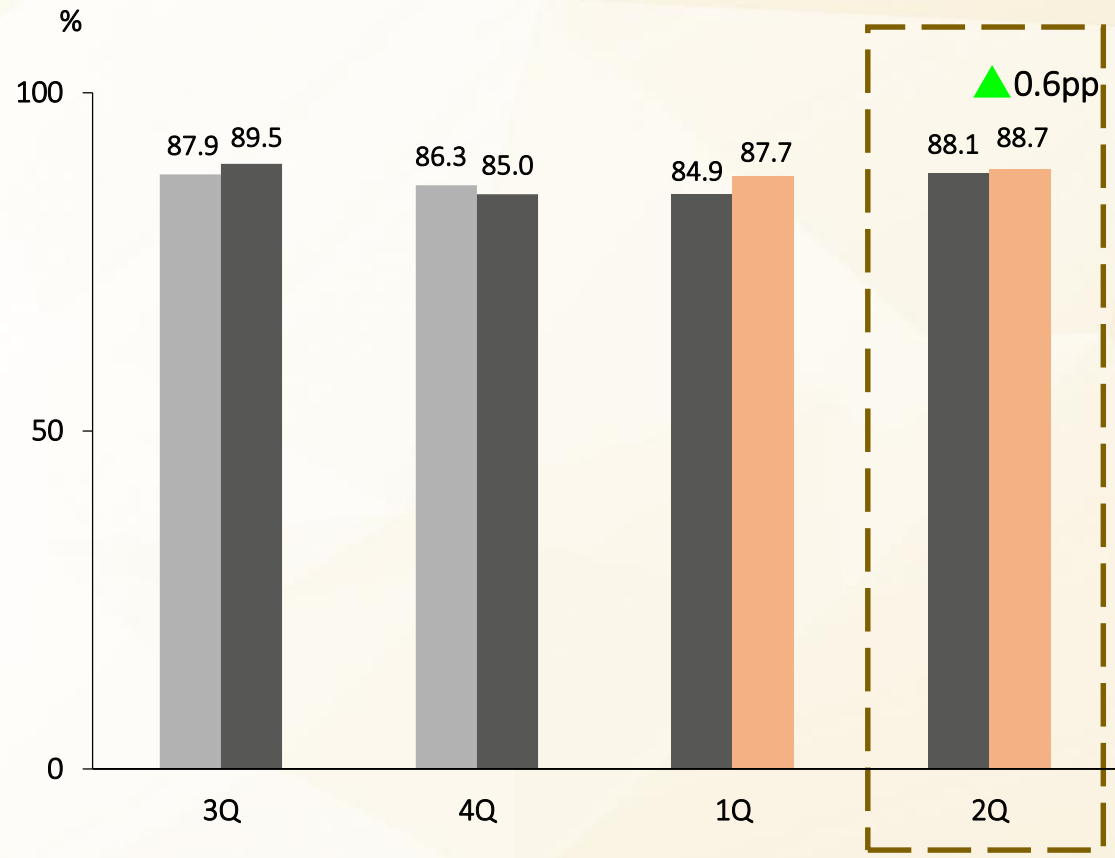
FY2016    FY2017    FY2018



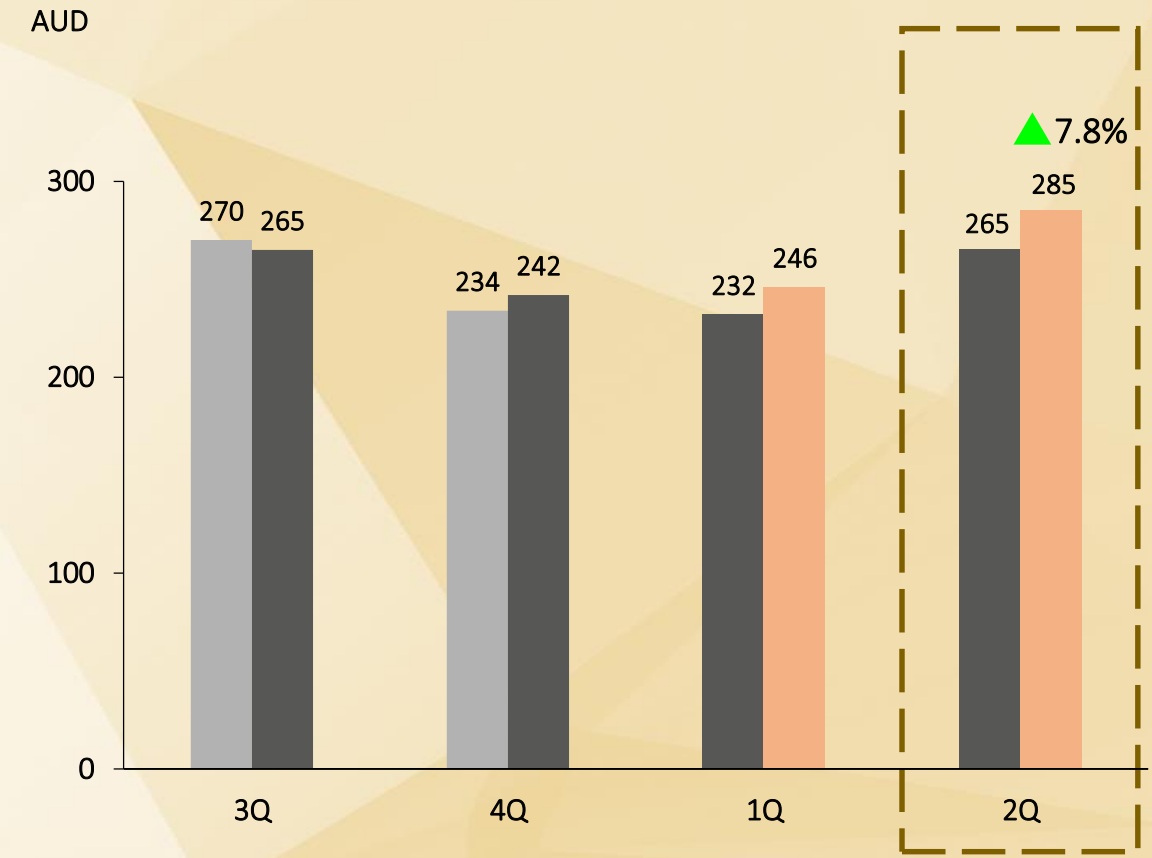


FY2016    FY2017    FY2018

**Average occupancy**



**Average daily rate (ADR)**





# 5

## Appendices

Address	No. 183, Jalan Bukit Bintang, 55100 Kuala Lumpur
Description	A 5-star hotel with 569 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>	6 years
Annual rental <sup>(2)</sup>	RM25.69 million
No. of rooms	569
Acquisition date	16 December 2005
Valuation <sup>(3)</sup>	RM411 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.

Address	No. 5, Jalan Sultan Hishamuddin, 50000 Kuala Lumpur
Description	A 5-star hotel comprising Majestic Wing (original historic hotel building) with 47 luxurious suites, Tower Wing with 253 guestrooms and suites, Majestic Ballroom with seating capacity of 1,200 for banquet or 1,500 theatre-style, Contango restaurant with seating capacity of 250, Colonial Cafe with seating capacity of 120, Orchid Conservatory with seating capacity of 15 and 3 levels of basement car park
Tenure	90-year registered lease expiring on 11 May 2091
Master lease expiry	2 November 2032
Master lease remaining <sup>(1)</sup>	15 years
Annual rental <sup>(2)</sup>	RM26.6 million
No. of rooms	300
Acquisition date	3 November 2017
Valuation <sup>(3)</sup>	RM380 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 March 2017.

Address	No. 168, Jalan Imbi, 55100 Kuala Lumpur
Description	Parcel 1: 60 units of hotel suites, 4 levels of commercial podium, 1 level of facilities deck and 2 levels of basement car parks  Parcel 2: 50 units of hotel suites, 4 units of penthouses and 1 level of basement car park
Tenure	Freehold
Master lease expiry	30 June 2031
Master lease remaining <sup>(1)</sup>	13 years
Annual rental <sup>(2)</sup>	RM16.38 million
No. of rooms	114
Acquisition date	16 May 2007 & 15 November 2011
Valuation <sup>(3)</sup>	Parcel 1: RM204 million Parcel 2: RM97 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.

\* Previously known as *The Residences at The Ritz-Carlton, Kuala Lumpur*.

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>	9 years
Annual rental <sup>(2)</sup>	RM21.63 million
No. of rooms	251
Acquisition date	15 November 2011
Valuation <sup>(3)</sup>	RM341 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.

\* Previously known as The Ritz-Carlton, Kuala Lumpur.

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>	9 years
Annual rental <sup>(2)</sup>	RM8.61 million
No. of rooms	364
Acquisition date	15 November 2011
Valuation <sup>(3)</sup>	RM128.3 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.

Address	No. 213, Jalan Bukit Gambier, Bukit Jambul, 11950 Pulau Pinang
Description	17-storey Hotel Wing with 238 hotel rooms and 26-storey Suite Wing 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>	9 years
Annual rental <sup>(2)</sup>	RM8.61 million
No. of rooms	427
Acquisition date	15 November 2011
Valuation <sup>(3)</sup>	RM117 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.



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>	9 years
Annual rental <sup>(2)</sup>	RM6.30 million
No. of rooms	215
Acquisition date	15 November 2011
Valuation <sup>(3)</sup>	RM88 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.

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>	9 years
Annual rental <sup>(2)</sup>	RM8.82 million
No. of rooms	97
Acquisition date	15 November 2011
Valuation <sup>(3)</sup>	RM116.1 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.

Address	Batu 8, Off Jalan Dungun, 23000 Dungun, Terengganu Darul Iman
Description	Small luxury boutique resort with 100 rooms
Tenure	60-year leasehold expiring on 4 December 2067
Master lease expiry	14 November 2026
Master lease remaining <sup>(1)</sup>	9 years
Annual rental <sup>(2)</sup>	RM7.35 million
No. of rooms	100
Acquisition date	15 November 2011
Valuation <sup>(3)</sup>	RM101.1 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.

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>	9 years
Annual rental <sup>(2)</sup>	RM4.2 million
No. of rooms	56
Acquisition date	15 November 2011
Valuation <sup>(3)</sup>	RM60 million



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.

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>	9 years
Annual rental <sup>(2)</sup>	RM16.32 million
No. of rooms	506
Acquisition date	22 December 2011
Valuation <sup>(3, 4)</sup>	JPY7,140 million (RM257 million)



**Notes:**

1. Lease remaining calculated as at 31 December 2017. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2017.
3. As at 31 May 2017.
4. RM equivalent based on the exchange rate of JPY100:RM3.6020 as at 29 December 2017.

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	595
Acquisition date	29 November 2012
Valuation <sup>(1, 2)</sup>	AUD420 million (RM1,329.7 million)



**Notes:**

1. As at 31 May 2017.
2. RM equivalent based on the exchange rate of A\$1.00:RM3.1659 as at 29 December 2017.

Address	515 Queen Street, Brisbane, Queensland
Description	28-storey hotel building comprising 267 rooms with 3 levels of basement with car parking bays
Tenure	Freehold
No. of rooms	267
Acquisition date	29 November 2012
Valuation <sup>(1, 2)</sup>	AUD85 million (RM269.1 million)



**Notes:**

1. As at 31 May 2017.
2. RM equivalent based on the exchange rate of A\$1.00:RM3.1659 as at 29 December 2017.

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>	AUD78.4 million (RM248.2 million)



**Notes:**

1. As at 31 May 2017.
2. RM equivalent based on the exchange rate of A\$1.00:RM3.1659 as at 29 December 2017.



This presentation shall be read in conjunction with YTL Hospitality REIT's interim financial report for the quarter ended 31 December 2017, 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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