



YTL Hospitality REIT – A leading Asia Pacific hospitality REIT

Third Quarter 2015 Financial Results

21 May 2015

YTL HOSPITALITY REIT

Key Highlights – 3Q FY2015 Results

- Revenue is marginally higher at RM107.9 million as compared to RM107.4 million recorded in 3Q FY2014
- Net Property Income (“NPI”) improved to RM 54.4 million as compared to RM 52.9 million recorded in 3Q FY2014
- 1.86 sen distribution per unit (“DPU”) declared for 3Q FY2015
 - Lower DPU declared in 3Q FY 2015 as compared to 3Q FY2014 mainly due to the increase in interest expense following the interest rate hike in July 2014 and foreign exchange impact resulting from the weakening of the AUD relative to the RM
- Performance in Australia remains strong
 - Average Daily Rate (“ADR”) and Revenue Per Available Room (“RevPar”) increased 6.7% and 5.9% to A\$ 284 and A\$ 244 respectively
 - However, average occupancy in 3Q FY2015 is 85.9%, a reduction of 0.7 percentage points as compared to 3Q FY2014

Financial Snapshot

| (RM'000) | 3Q FY2015* | 3Q FY2014* | % change | YTD FY2015* | YTD FY2014* | % change |
|--|-----------------------|------------|------------------------|-------------|-------------|-----------------------|
| Revenue | 107,895 | 107,365 | + 0.5% | 323,433 | 324,624 | (0.4%) |
| Net property income | 54,427 | 52,930 | + 2.8% | 159,242 | 157,728 | + 1.0% |
| Income available for distribution | 23,680 | 30,613 | (22.6%) | 74,813 | 86,414 | (13.4%) |
| Income distribution | 24,655 ⁽¹⁾ | 27,553 | (10.5%) | 74,812 | 79,152 | (5.5%) |
| Distribution per Unit (sen) | 1.86 | 2.08 | (10.5%) | 5.65 | 5.98 | (5.5%) |
| Payout ratio | 100.0% | 90.0% | 10.0 pp ⁽²⁾ | 100.0% | 91.6% | 8.4 pp ⁽²⁾ |

* Unaudited

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(1) Income distribution for 3Q FY2015 comprises 100% of the total income available for distribution for the current quarter and the undistributed income for the six months financial period ended 31 December 2014.

(2) Change in percentage points

Financial results

Income statement

| Fiscal year ended 30 June (RM'000) | 3Q FY2015* | 3Q FY2014* | YTD FY2015* | YTD FY2014* |
|--|------------------|------------------|------------------|------------------|
| Hotel revenue | 79,476 | 78,996 | 238,291 | 239,517 |
| Property revenue | 28,419 | 28,369 | 85,142 | 85,107 |
| Total revenue | 107,895 | 107,365 | 323,433 | 324,624 |
| Property operating expenses | (53,468) | (54,435) | (164,191) | (166,896) |
| Net property income | 54,427 | 52,930 | 159,242 | 157,728 |
| Manager's fees | (1,872) | (1,788) | (5,600) | (6,063) |
| Trustee's fees | (236) | (219) | (725) | (876) |
| Administration expenses | (2,849) | (1,294) | (6,858) | (3,928) |
| Finance costs | (19,817) | (18,123) | (58,842) | (54,898) |
| Depreciation | (17,451) | (16,277) | (50,855) | (44,928) |
| Other income | 1,009 | 1,333 | 3,396 | 3,872 |
| Profit before tax | 13,211 | 16,562 | 39,758 | 50,907 |
| Income tax expense | (1,186) | (767) | (2,537) | (1,732) |
| Profit for the period | 12,025 | 15,795 | 37,221 | 49,175 |
| Distribution adjustments | | | | |
| Depreciation | 17,451 | 16,277 | 50,855 | 44,928 |
| Net income not distributed from foreign operations | (5,777) | (1,332) | (13,470) | (7,529) |
| Unrealised foreign translation differences | (19) | (127) | 207 | (160) |
| Income available for distribution | 23,680 | 30,613 | 74,813 | 86,414 |
| Income distribution | 24,655 | 27,553 | 74,812 | 79,152 |
| Distribution per Unit (sen) | 1.86 | 2.08 | 5.65 | 5.98 |
| 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 31.03.2015* | As at 30.06.2014 |
|--|-----------------------------|------------------|
| Current assets | 166,512 | 168,045 |
| Non-current assets | 3,013,092 | 3,157,589 |
| Total assets | 3,179,604 | 3,325,634 |
| Current liabilities | 77,069 | 77,197 |
| Non-current liabilities | 1,568,700 | 1,578,771 |
| Total liabilities | 1,645,769 | 1,655,968 |
| Net Asset Value | 1,533,835 | 1,669,666 |
| NAV per unit (RM) ⁽¹⁾ | 1.215 ⁽³⁾ | 1.345 |
| Adjusted NAV per unit (RM) ⁽²⁾ | 1.158 | 1.261 |

* Unaudited

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(1) Before income distribution.

(2) After income distribution.

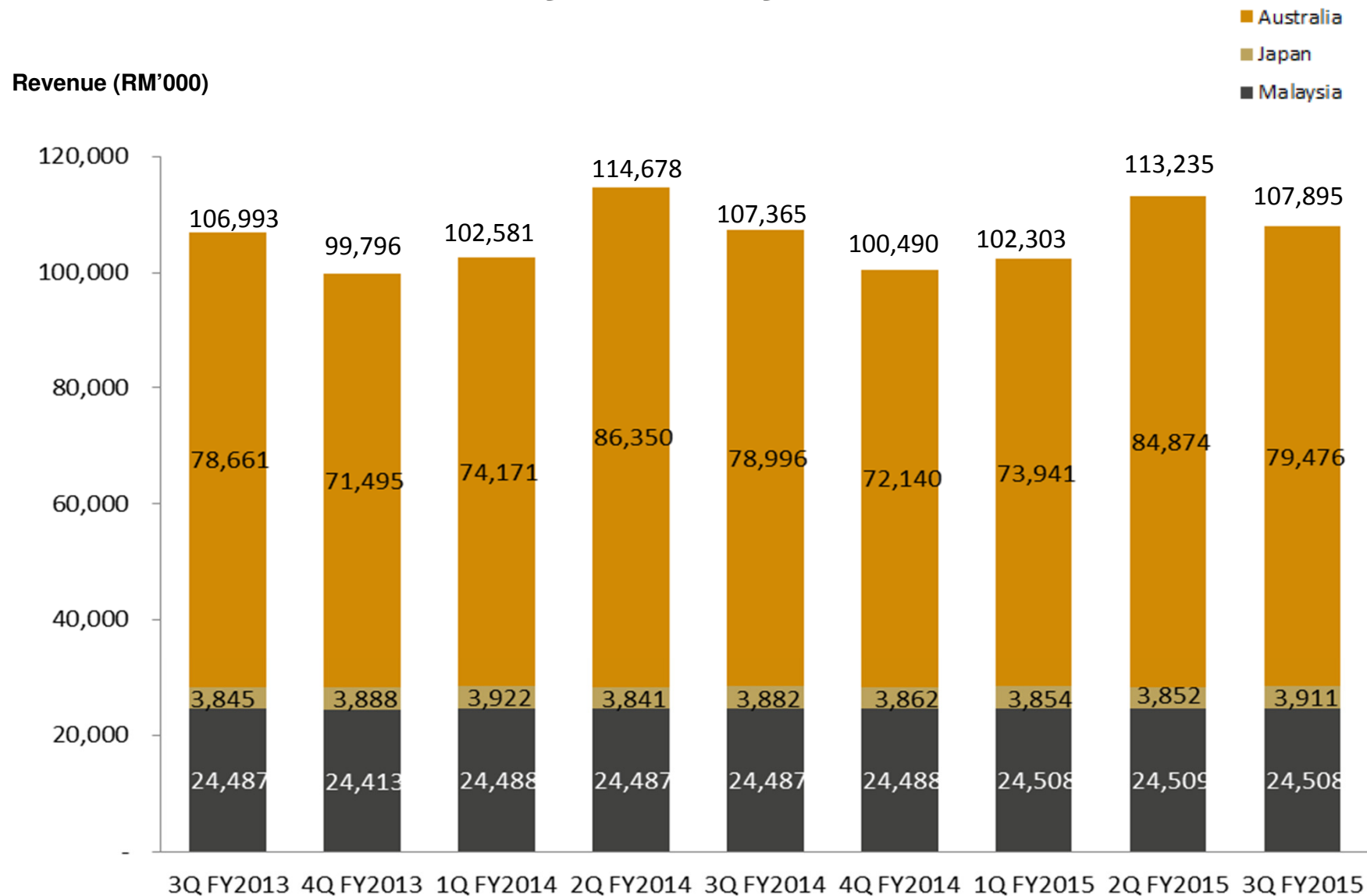
(3) The recognition of unrealised foreign exchange loss on investments recorded by the Australian subsidiaries resulted in the decrease in NAV per unit.

Portfolio performance by country

3Q FY2015 versus 3Q FY2014

| | Revenue (RM'000) | | | Net property income (RM'000) | | |
|-----------|------------------|-----------|----------|------------------------------|-----------|----------|
| | 3Q FY2015 | 3Q FY2014 | % change | 3Q FY2015 | 3Q FY2014 | % change |
| Australia | 79,476 | 78,996 | + 0.6% | 27,900 | 25,972 | + 7.4% |
| Malaysia | 24,508 | 24,487 | + 0.1% | 23,117 | 23,268 | (0.6%) |
| Japan | 3,911 | 3,882 | + 0.7% | 3,410 | 3,690 | (7.6%) |

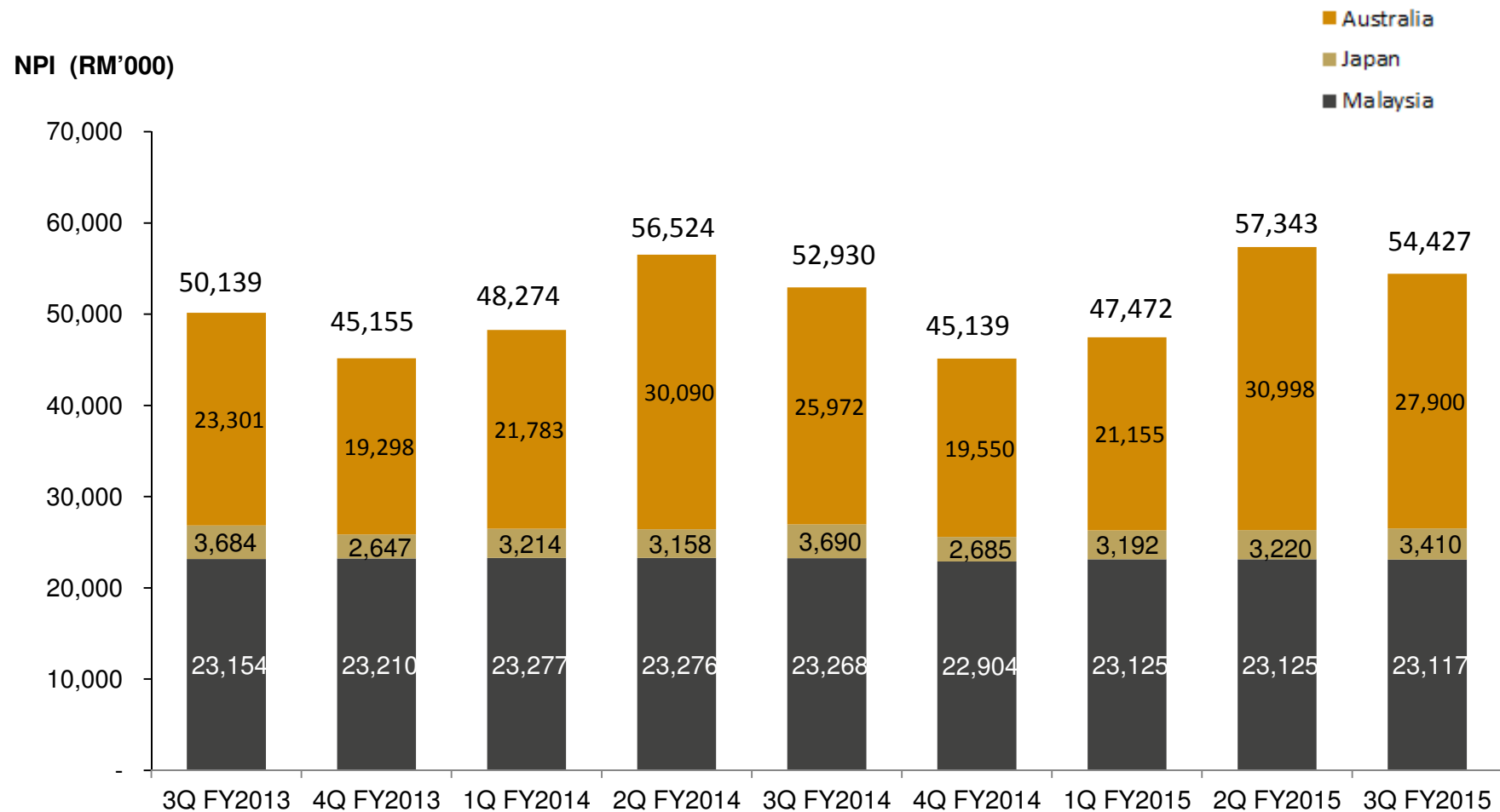
Revenue breakdown by country



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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 March 2015

(RM'000)

| | |
|--|------------------|
| Total debt ⁽¹⁾ | 1,581,800 |
| Total assets | 3,179,604 |
| Gearing | 49.7% |
| Interest cover ⁽²⁾ | 2.7x |
| Average interest rate p.a. ⁽³⁾ | 4.83% |
| Maturity date of secured loan | 23-Nov-17 |

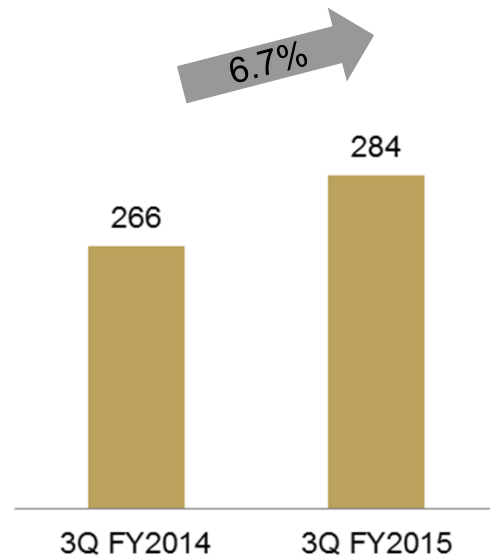
* Unaudited

YTL HOSPITALITY REIT

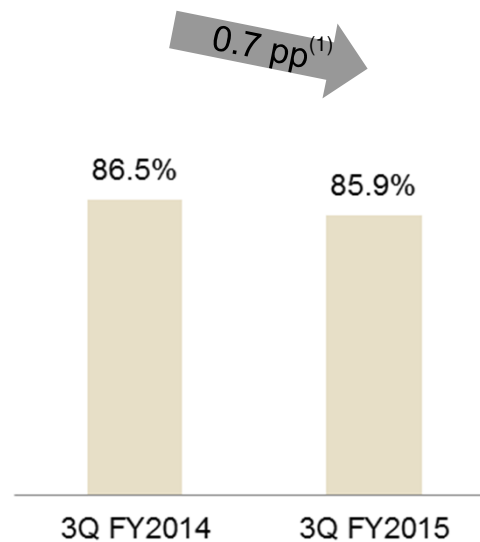
(1) The debt matures in FY 2017
(2) Calculated as 3Q FY2015 NPI / 3Q FY2015 finance cost.
(3) 3Q FY2015

Details of Australia portfolio performance - 3Q FY2014 versus 3Q FY2015

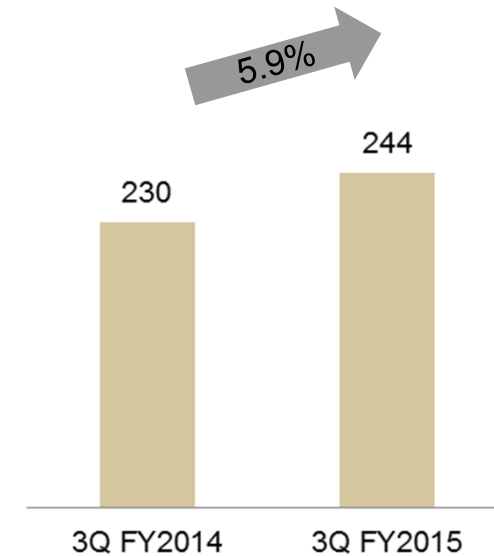
Average Daily Rate (A\$)



Occupancy rate (%)



RevPar (A\$)

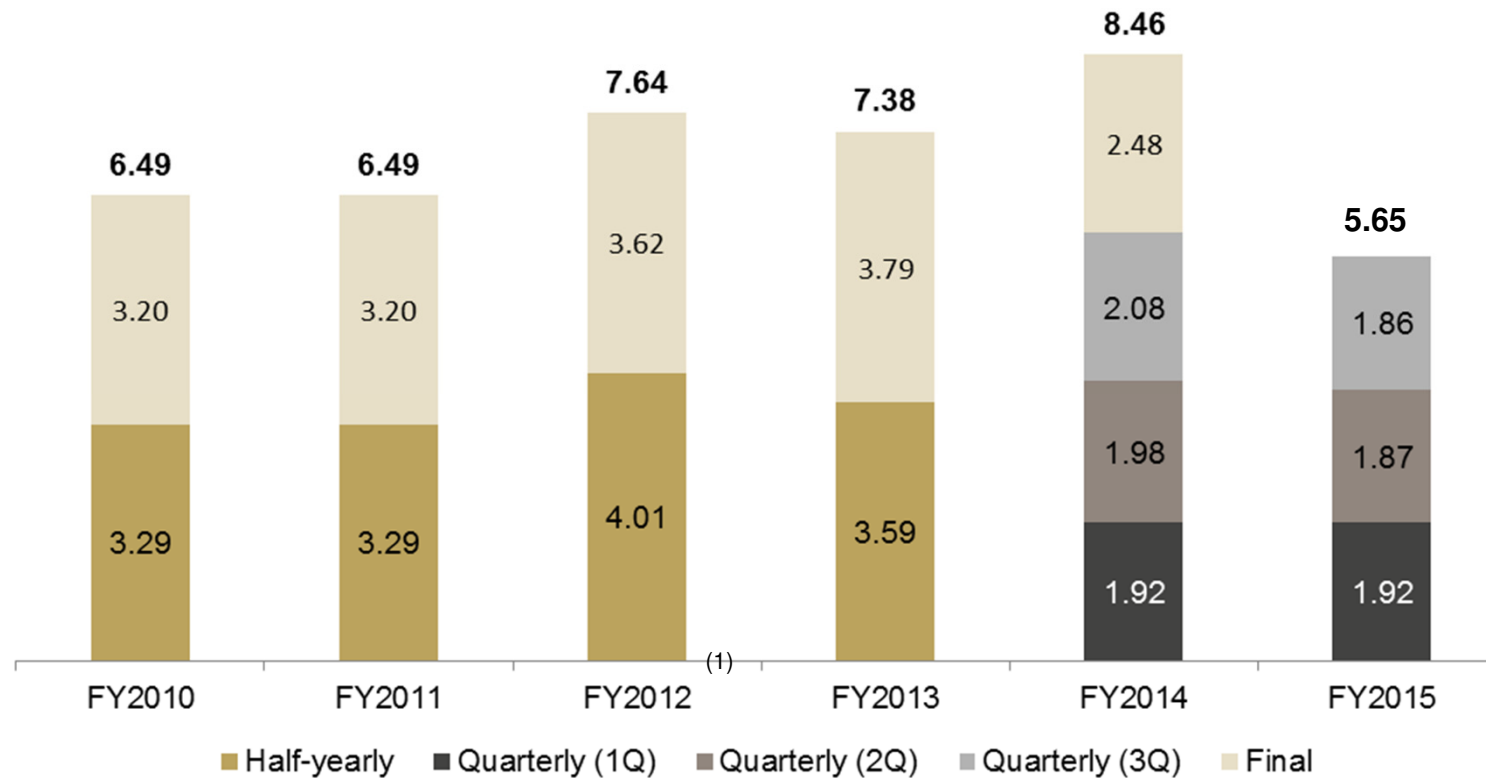


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(1) Change in percentage points

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 January to 31 March 2015

Distribution per unit

1.86 sen

Distribution timetable

Ex-date

3 June 2015

Entitlement Date

5 June 2015

Payment Date

26 June 2015



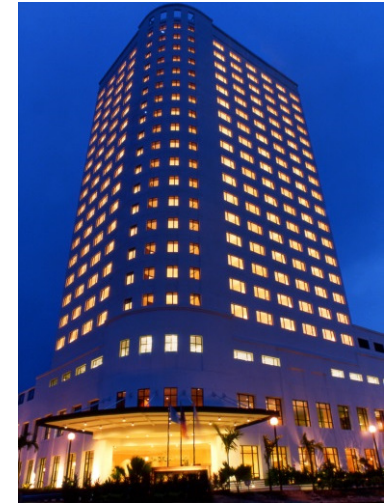
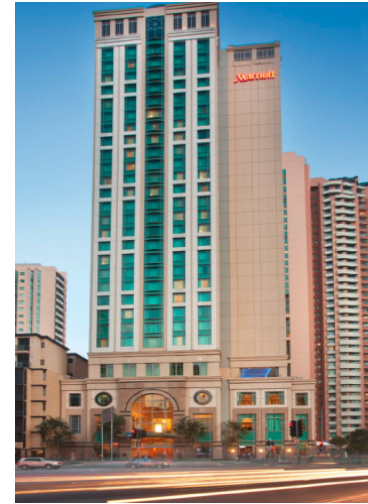
YTL HOSPITALITY REIT

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⁾ |
|-------------------------------|----------------------|---|--------------------------------|--------------------------------------|
| RM3.01 billion ⁽¹⁾ | 3,706 | Master lease (49%) Management contract (51%) | Malaysia Australia Japan | RM1.36 billion |

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(1) Based on investment properties and property, plant & equipment as at 31 March 2015.
 (2) Based on NPI for 3Q FY2015.
 (3) Based on YTL Hospitality REIT's closing price of RM1.03 per unit as at 31 March 2015.

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 | 220,029 | 7.2% |
| Sydney Harbour Marriott ⁽²⁾ | 563 | 878,199 | 28.7% |
| Brisbane Marriott ⁽²⁾ | 267 | 279,041 | 9.1% |
| Melbourne Marriott ⁽²⁾ | 186 | 186,263 | 6.1% |
| Total | 3,706 | 3,063,532 | 100.0% |

* Properties that are master leased.

YTL HOSPITALITY REIT

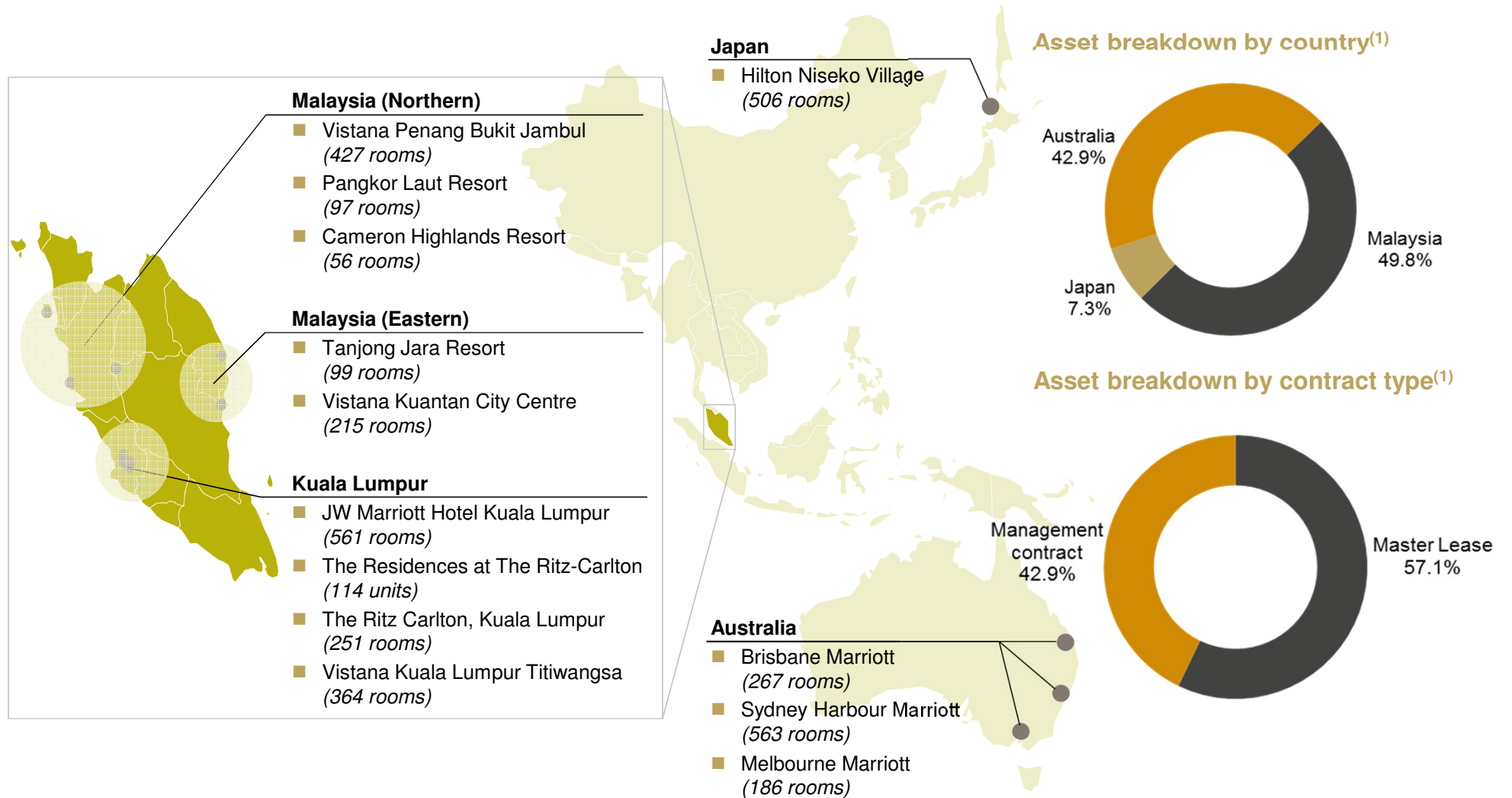
(1) Converted at exchange rate of JPY100: RM3.0903 as at 31 March 2015.

(2) Converted at exchange rate of A\$1.00: RM2.8329 as at 31 March 2015.

A portfolio of upscale and luxury hotels and serviced residences

3,706 rooms located across 3 countries

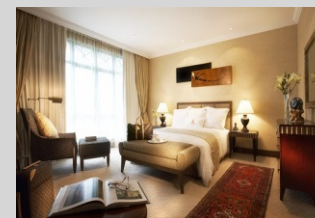
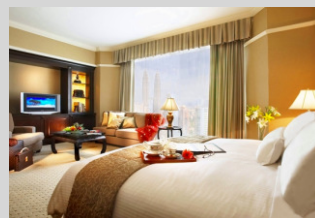
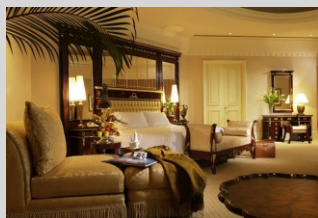
Focused on city and destination hotels and resorts managed by best-in-class operators and affiliated with quality global brands



YTL HOSPITALITY REIT

(1) Based on investment properties and property, plant & equipment as at 31 March 2015.

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⁾ | 9 years | 12 years | 16 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 April 2015. There are options for the lessee to renew the lease upon expiry.

Luxury hotels

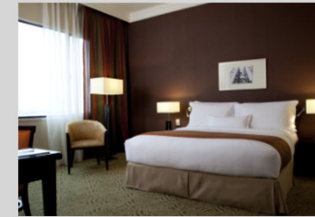
Malaysia and Japan



| | Pangkor Laut Resort | Tanjong Jara Resort | Cameron Highlands Resort | Hilton Niseko Village |
|---|---|---|---|---|
| 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 (RM220,029) |

(1) Lease remaining calculated as of 1 April 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: RM3.0903 as at 31 March 2015.

Upscale hotels Malaysia



Vistana Kuala Lumpur Titiwangsa

Vistana Penang Bukit Jambul

Vistana Kuantan City Centre

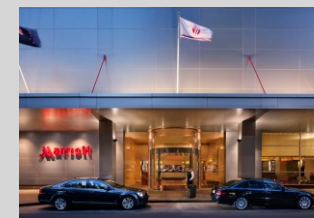
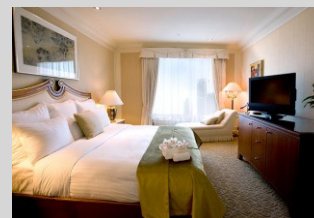
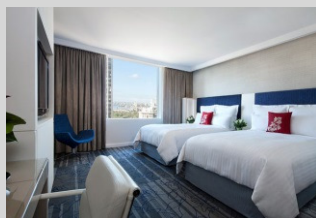
| | Vistana Kuala Lumpur Titiwangsa | Vistana Penang Bukit Jambul | Vistana Kuantan City Centre |
|---|--|---|--|
| Address | No.9, Jalan Lumut, off Jalan Ipoh, 50400 Kuala Lumpur | No. 213, Jalan Bukit Gambir, Bukit Jambul, 11950 Pulau Pinang | Jalan Teluk Sisek, 25000 Kuantan, Pahang |
| Description | 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 April 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 (RM878,199) | A\$98,500 (RM279,041) | A\$65,750 (RM186,263) |

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(1) Converted at exchange rate of A\$1.00: RM2.8329 as at 31 March 2015.

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