



## YTL Hospitality REIT – A leading Asia Pacific hospitality REIT

Third Quarter 2014 Financial Results

20 May 2014

YTL HOSPITALITY REIT



# YTL HOSPITALITY REIT

## **1. Financial Highlights**

# Key Highlights

- **3Q FY 2014 DPU up 5.1% from previous quarter to 2.08 cents**
  - Total revenue increased to RM 107.4 million, 0.3% up from 3Q FY 2013
  - Total Net Property Income (“NPI”) increased 5.6% to RM 52.9 million from 3Q FY 2013<sup>(1)</sup>
- **Australia portfolio revenue increased**
  - Australia portfolio average occupancy climbed 2.7% to 86.5% while the Average Daily Rate (“ADR”) rose by 7.4% to A\$265.8
  - As a result, Revenue per Available Room (“RevPar”) increased by 10.4% to A\$230.0
  - Australia portfolio NPI up 11.5% to RM 26.0 million in 3Q FY 2014 compared to 3Q FY 2013<sup>(1)</sup>
  - Australia Marriott portfolio continues to record better than expected performance since acquisition
- **No refinancing risk**
  - No refinancing requirement until end 2017
- **NAV per unit in 3Q FY 2014 increased by 2.4% q-o-q to \$0.995 due to the recognition of unrealised foreign exchange gain on investments in Japanese and Australian subsidiaries**

# Distribution time table

**Distribution period**

**1 January to 31 March 2014**

**Distribution per unit**

**2.08 sen**

## Distribution timetable

**Ex-date**

**2 June 2014**

**Entitlement Date**

**4 June 2014**

**Payment Date**

**24 June 2014**

# Financial highlights

(RM'000)	3Q FY14*	3Q FY13*	% change	YTD FY14*	YTD FY13*	% change
Revenue	107,365	106,993	+ 0.3%	324,624	192,225	+ 68.9%
Net property income <sup>(1)</sup>	52,930	67,314	(21.4%)	157,728	134,898	+ 16.9%
Income available for distribution	30,613	29,138	+ 5.1%	86,414	76,648	+ 12.7%
Income distribution	27,553	-	N/A	79,152	-	N/A
Distribution per Unit (sen) <sup>(2)</sup>	2.08	-	N/A	5.98	-	N/A

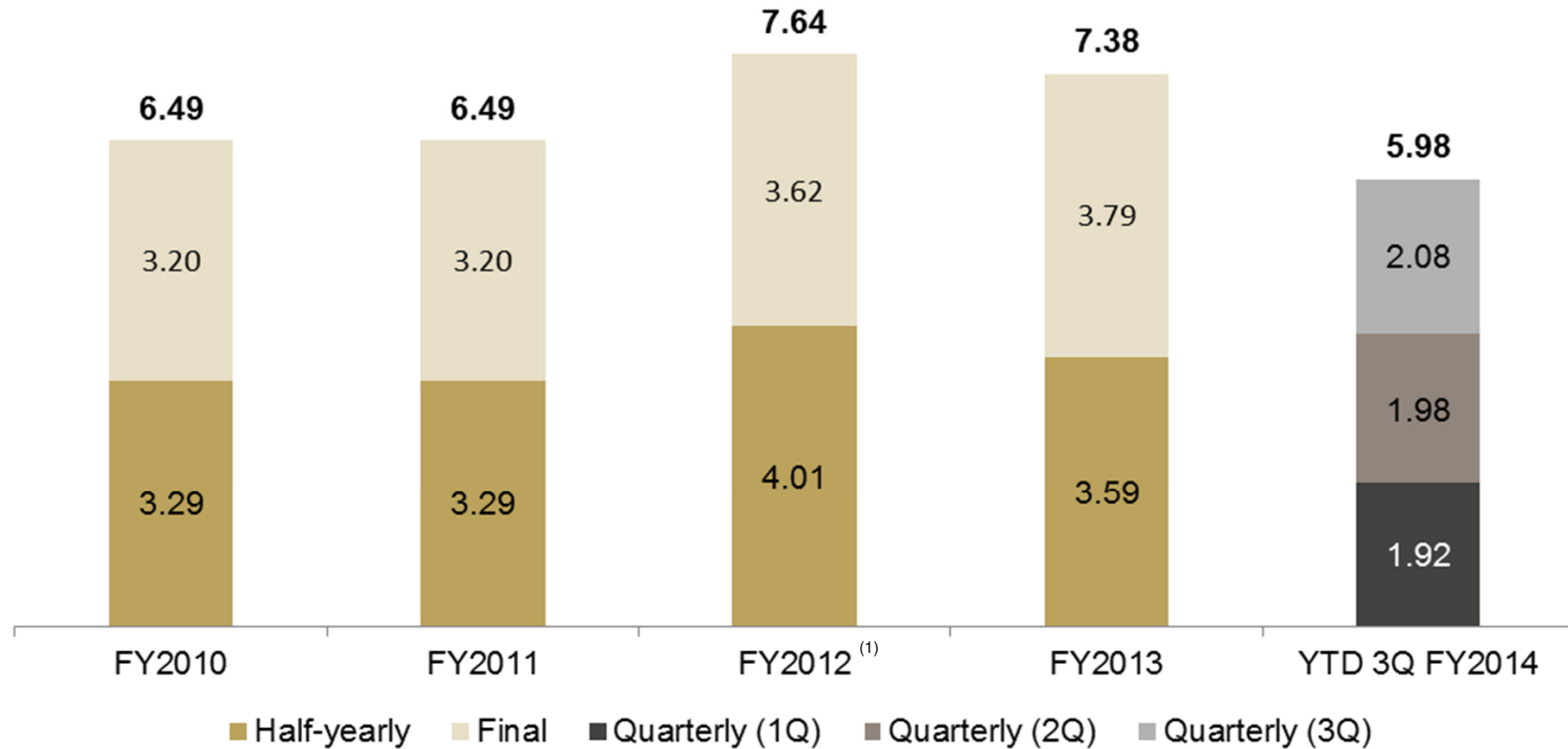
\* Unaudited.

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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. There was no distribution for 3Q FY 2013 due to the half-yearly distribution policy at that time.

# Distribution history

## Distribution per unit (sen)



YTL Hospitality REIT has started paying quarterly distributions commencing the financial year ending 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.

# Financial results

## Income statement

Fiscal year ended, 30 June (RM'000)	3Q FY14*	3Q FY13*	YTD FY14*	YTD FY13*
Hotel revenue	78,966	78,661	239,517	107,697
Property revenue	28,399	28,332	85,107	84,528
<b>Total revenue</b>	<b>107,365</b>	<b>106,993</b>	<b>324,624</b>	<b>192,225</b>
Property operating expenses <sup>(1)</sup>	(54,435)	(39,679)	(166,896)	(57,327)
<b>Net property income</b>	<b>52,930</b>	<b>67,314</b>	<b>157,728</b>	<b>134,898</b>
Manager's fees	(1,788)	(2,528)	(6,063)	(5,166)
Trustee's fees	(219)	(354)	(876)	(741)
Administration expenses <sup>(1)</sup>	(1,294)	(18,223)	(3,928)	(28,402)
Finance costs	(18,123)	(17,443)	(54,898)	(28,301)
Depreciation	(16,277)	(14,987)	(44,928)	(20,309)
Other income	1,333	1,201	3,872	3,087
<b>Profit before tax</b>	<b>16,562</b>	<b>14,980</b>	<b>50,907</b>	<b>55,066</b>
Income tax expense	(767)	(215)	(1,732)	(729)
<b>Profit for the period</b>	<b>15,795</b>	<b>14,765</b>	<b>49,175</b>	<b>54,337</b>
Distribution adjustments				
Depreciation	16,277	14,987	44,928	20,309
Others <sup>(2)</sup>	(1,459)	(614)	(7,689)	2,002
<b>Income available for distribution</b>	<b>30,613</b>	<b>29,138</b>	<b>86,414</b>	<b>76,648</b>
<b>Income distribution</b>	<b>27,553</b>	<b>-</b>	<b>79,152</b>	<b>47,510</b>
<b>Distribution per Unit (sen)<sup>(3)</sup></b>	<b>2.08</b>	<b>-</b>	<b>5.98</b>	<b>3.59</b>
<b>Units in circulation ('000)</b>	<b>1,324,389</b>	<b>1,324,389</b>	<b>1,324,389</b>	<b>1,324,389</b>

\* Unaudited.

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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) Includes (i) unrealised gains or losses on foreign translation differences and (ii) net income not distributed from foreign operations.

(3) YTL Hospitality REIT has changed the frequency of income distributions from half-yearly to quarterly effective the financial year ending 30 June 2014. There was no distribution for 3Q FY 2013 due to the half-yearly distribution policy at that time.

# Financial results

## Balance sheet

As at 31 March 2014 (RM'000)	3Q FY14*
<b>Current assets</b>	<b>170,664</b>
<b>Non-current assets</b>	<b>2,801,906</b>
<b>Total assets</b>	<b>2,972,570</b>
<b>Current liabilities</b>	<b>73,214</b>
<b>Non-current liabilities</b>	<b>1,581,130</b>
<b>Total liabilities</b>	<b>1,654,344</b>
<b>Net Asset Value</b>	<b>1,318,226</b>
<b>NAV per unit (RM)<sup>(1)</sup></b>	<b>1.055</b>
<b>Adjusted NAV per unit (RM)<sup>(2)</sup></b>	<b>0.995</b>

\* Unaudited.

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(1) Before income distribution.  
(2) After income distribution.





# YTL HOSPITALITY REIT

## **2. Portfolio Performance**

# 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	349,700	12.5%
The Residences at The Ritz-Carlton, Kuala Lumpur*	114	223,500	8.0%
The Ritz-Carlton, Kuala Lumpur*	251	250,000	9.0%
Vistana Kuala Lumpur*	364	100,000	3.6%
Vistana Penang*	427	100,000	3.6%
Vistana Kuantan*	215	75,000	2.7%
Pangkor Laut Resort*	97	97,000	3.5%
Tanjong Jara Resort*	99	100,000	3.6%
Cameron Highlands Resort*	56	50,000	1.8%
Hilton Niseko <sup>*(1)</sup>	506	192,526	6.9%
Sydney Harbour Marriott <sup>(2)</sup>	563	751,308	26.9%
Brisbane Marriott <sup>(2)</sup>	267	340,955	12.2%
Melbourne Marriott <sup>(2)</sup>	186	159,917	5.7%
<b>Total</b>	<b>3,706</b>	<b>2,789,906</b>	<b>100.0%</b>

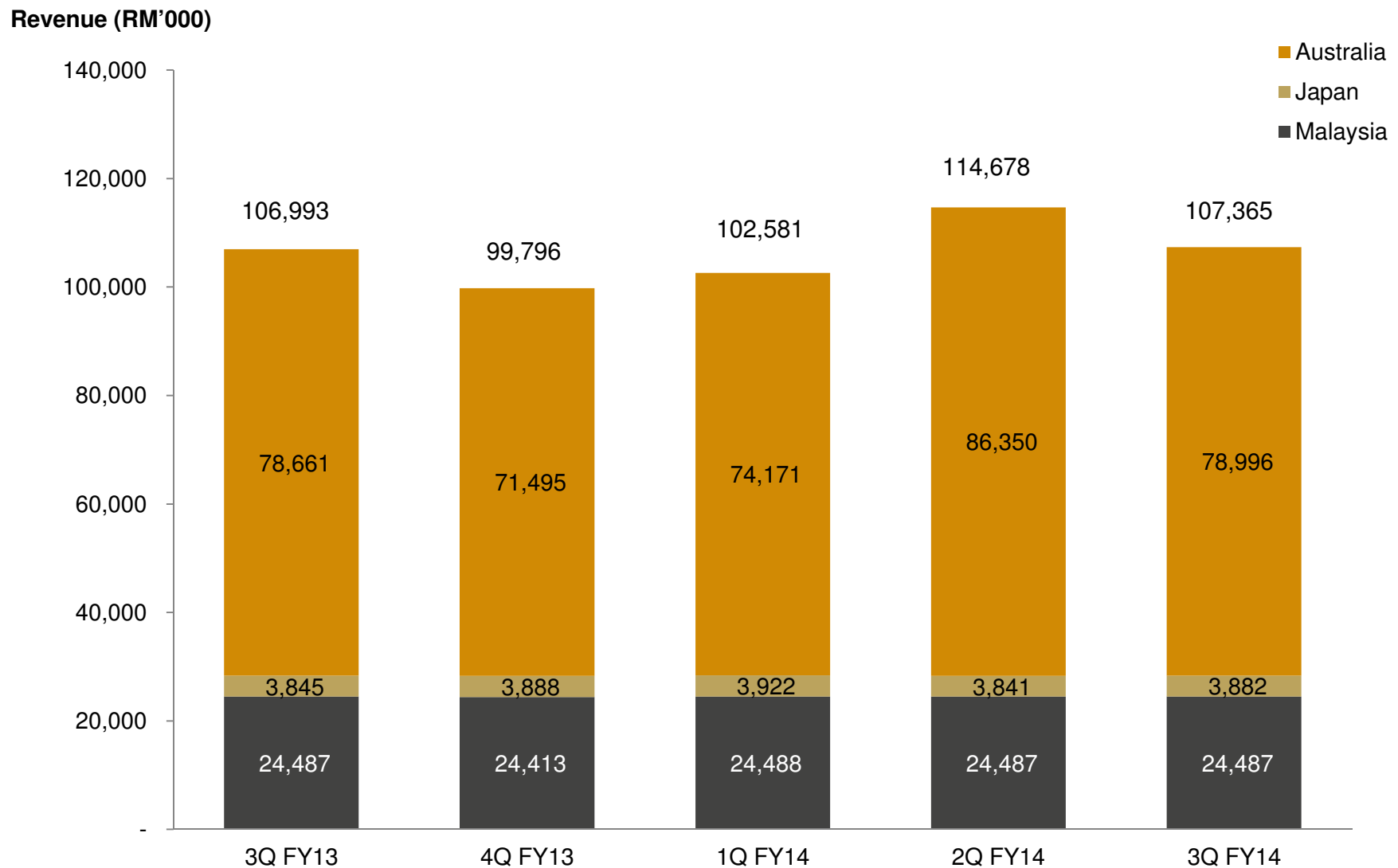
\* Properties that are master leased.

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(1) Converted at exchange rate of JPY100: RM3.1770 as at 31 March 2014.

(2) Converted at exchange rate of A\$1.00: RM3.0173 as at 31 March 2014.

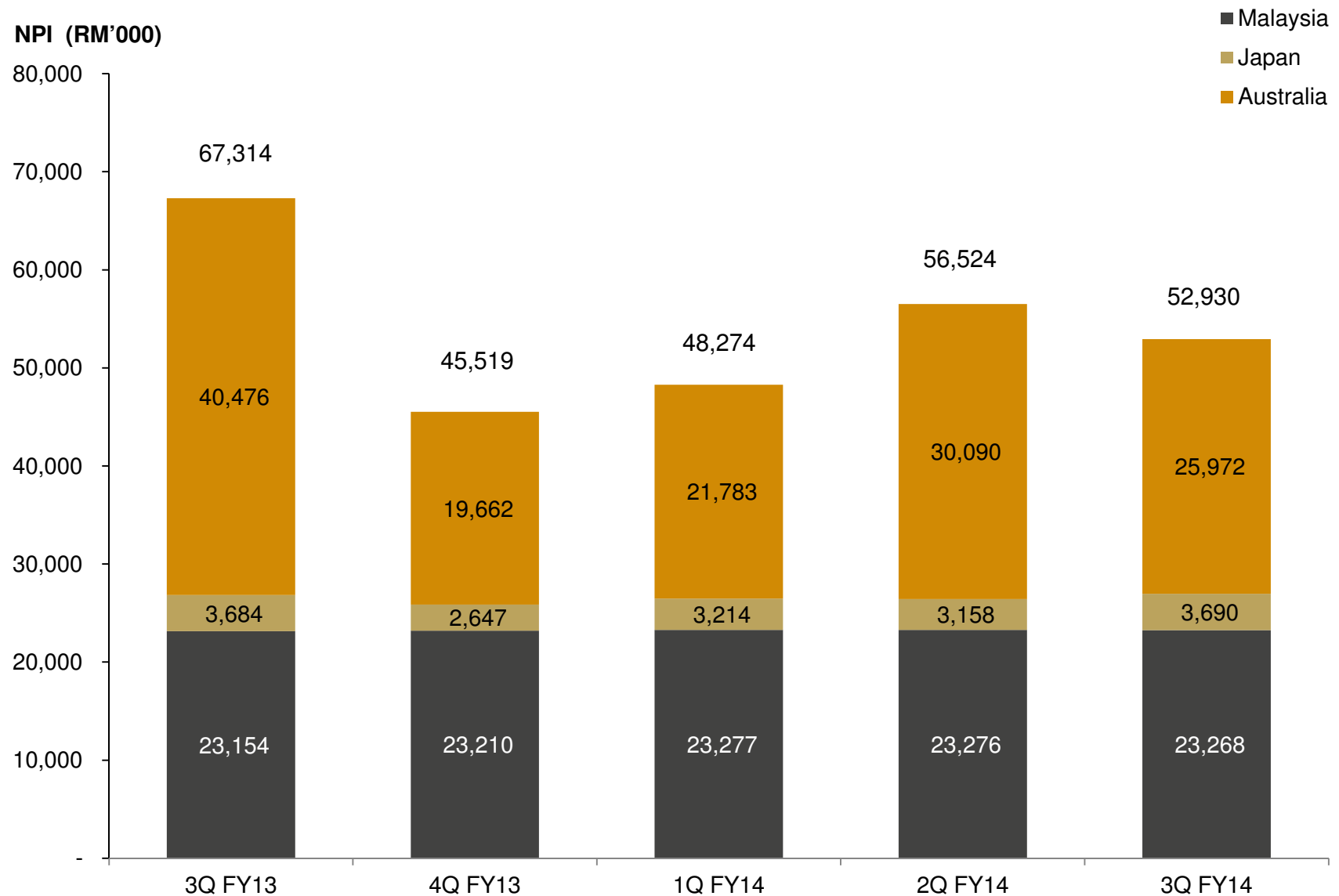
# Revenue breakdown by country



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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 ending 30 June 2014.

# Portfolio performance

## 3Q FY14 versus 3Q FY13

	Revenue (RM'000)			Net property income (RM'000)		
	3Q FY14*	3Q FY13*	% change	3Q FY14*	3Q FY13*	% change
<b>Australia</b>	78,996	78,661	+ 0.4%	25,972	40,476	(35.8%) <sup>(1)</sup>
<b>Malaysia</b>	24,487	24,487	0.0%	23,268	23,154	+ 0.5%
<b>Japan</b>	3,882	3,845	+ 1.0%	3,690	3,684	+ 0.2%

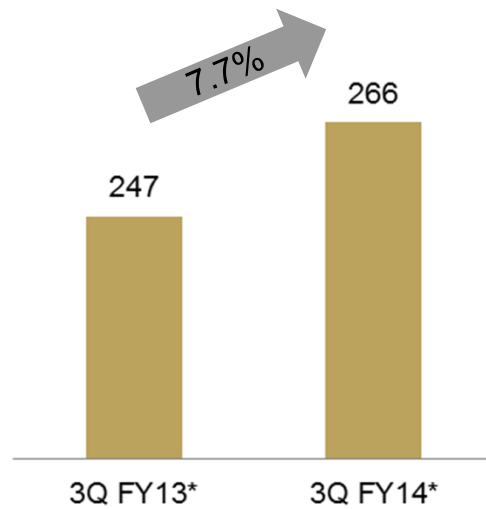
\* Unaudited.

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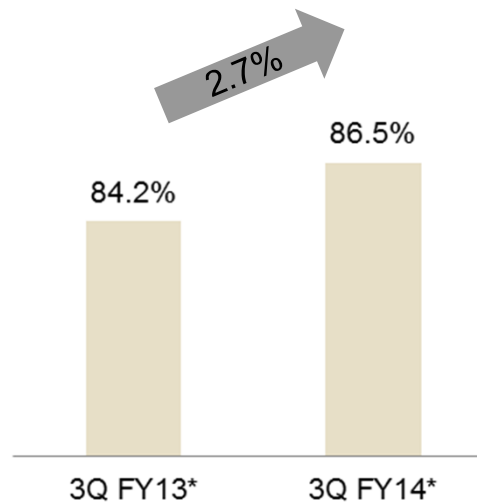
(1) The decrease in NPI for 3Q FY 2014 was attributed mainly to the classification of certain property expenses amounting to RM 17.2 million as administrative expenses during 3Q FY 2013. The NPI for 3Q FY 2013 if adjusted for the reclassification of certain administrative expenses to property expenses of RM 17.2 million would be RM 23.3 million and the NPI for 3Q FY2014 would have represented an increase of 11.5% over this adjusted NPI for 3Q FY 2013.

# Australia hotel portfolio performance

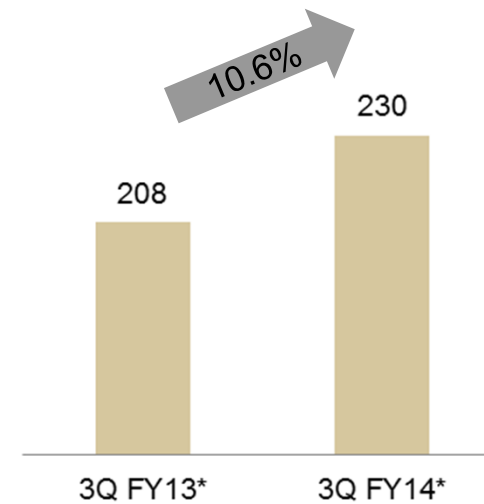
Average Daily Rate (A\$)



Occupancy rate (%)



RevPar (A\$)



\* Unaudited.



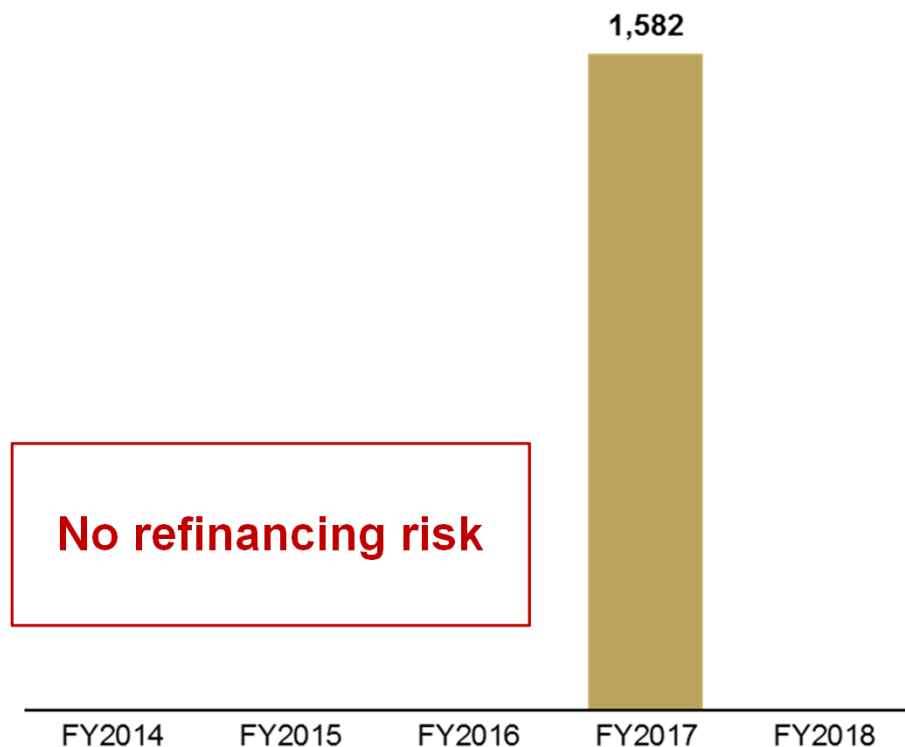
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### **3. Capital Management**

# Debt maturity profile

## Debt maturity profile as at 31 March 2014

(RM in millions)



## Gearing details

As at 31 March 2014 (RM'000)	3Q FY14*
Total debt	1,581,800
Total assets	2,972,570
Gearing	53.2%
Interest cover <sup>(1)</sup>	2.9x
Average interest rate p.a.	4.56%
Weighted average debt maturity <sup>(2)</sup>	3.6 years
Maturity date of secured loan	23-Nov-17

\* Unaudited.

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(1) Calculated as 3Q FY2014 NPI / 3Q FY2014 finance cost.  
 (2) As at 1 April 2014.





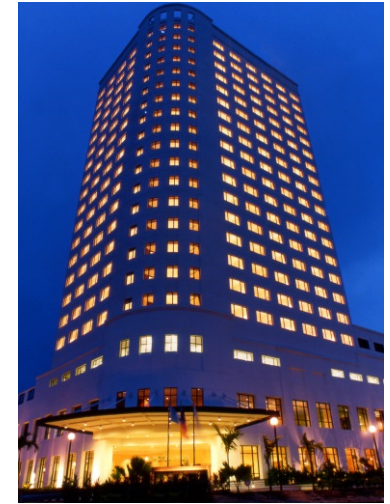
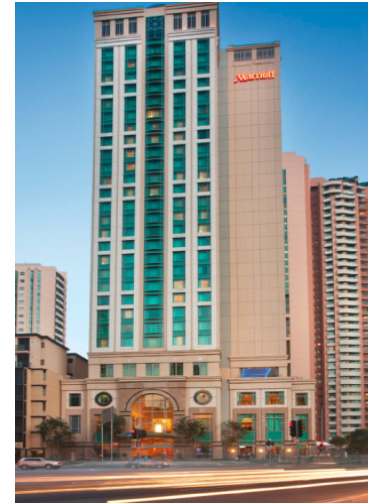
# YTL HOSPITALITY REIT

## 4. 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 <sup>(2)</sup>	Countries	Market capitalisation <sup>(3)</sup>
RM 2,799 million <sup>(1)</sup>	3,706	Master lease (49%) Management contract (51%)	Malaysia Australia Japan	RM 1,218 million

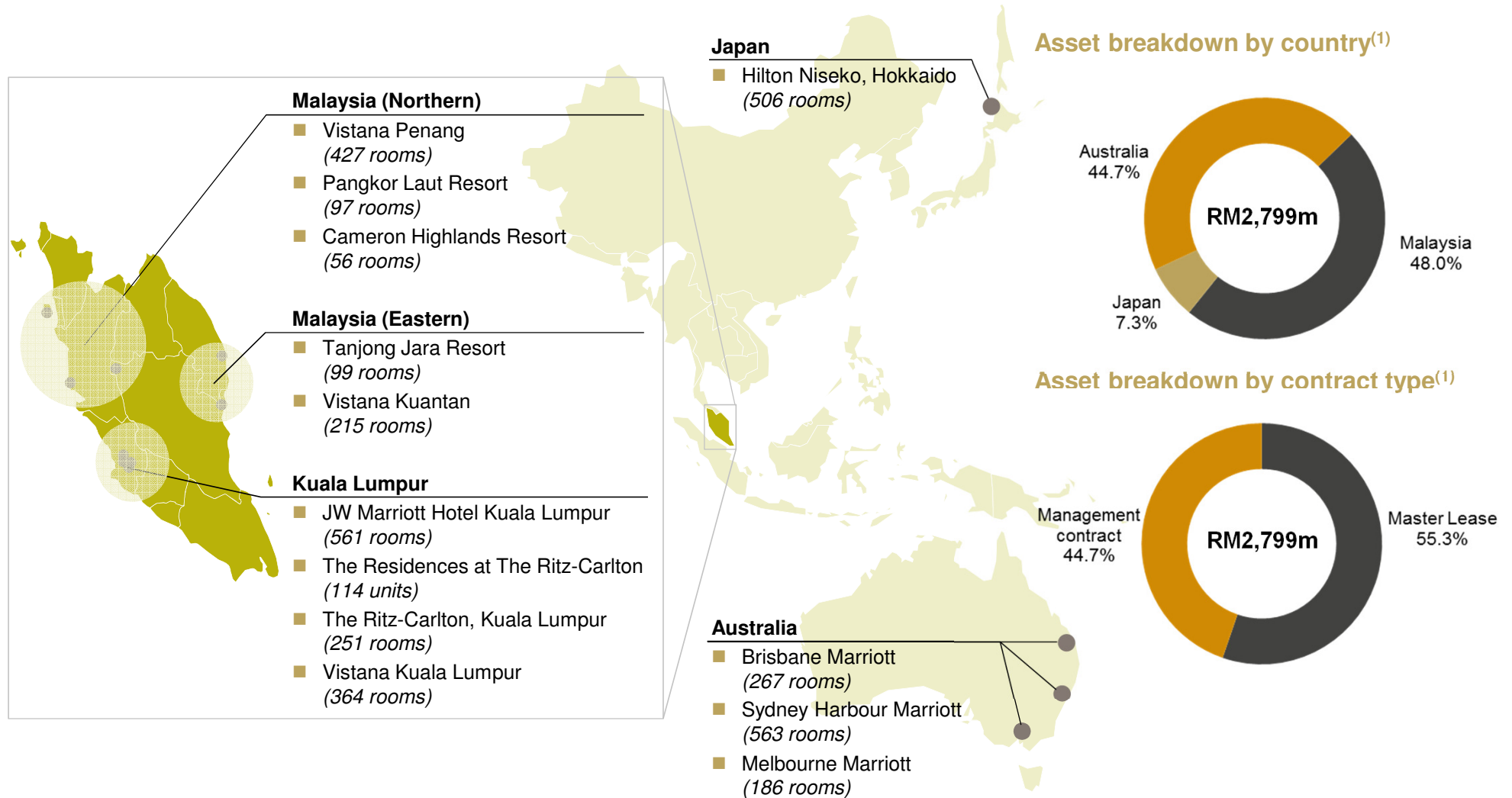
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(1) Based on investment properties and property, plant & equipment as at 31 March 2014.  
 (2) Based on last twelve months ("LTM") (January – December 2013) NPI.  
 (3) Based on YTL Hospitality REIT's closing price of RM0.92 per unit as at 16 May 2014.

# 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 31 March 2014.

# Luxury hotels and residences Malaysia



	JW Marriott Hotel Kuala Lumpur	The Ritz-Carlton, Kuala Lumpur	The Residences at The Ritz-Carlton, Kuala Lumpur
<b>Address</b>	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
<b>Description</b>	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
<b>Year open</b>	1997	1997	2005
<b>Master lease expiry</b>	December 31, 2023	November 14, 2026	June 30, 2031
<b>Master lease remaining<sup>(1)</sup></b>	10 years	13 years	17 years
<b>Annual lease ('000)</b>	RM24,300	RM19,250	RM12,600
<b>No. of rooms</b>	561	251	114
<b>Acquisition date</b>	December 16, 2005	November 15, 2011	May 16, 2007 and November 15, 2011
<b>Valuation ('000)</b>	RM349,700	RM250,000	RM223,500

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(1) Lease remaining calculated as of 1 April 2014. There are options for the lessee to renew the lease upon expiry.

# Luxury hotels

## Malaysia and Japan



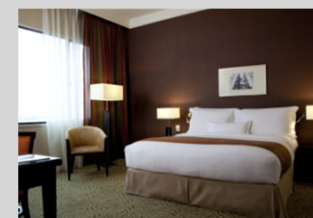
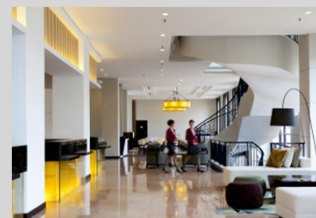
	Pangkor Laut Resort	Tanjong Jara Resort	Cameron Highlands Resort	Hilton Niseko
<b>Address</b>	Pangkor Laut, 32200 Lumut, Perak Darul Ridzuan	Batu 8, Off Jalan Dungun, 23000 Dungun, Terengganu	By the Golf Course, 39000 Tanah Rata, Cameron Highlands, Pahang Darul Makmur	Higashiyama-Onsen, Niseko-town, Abuta-gun, Hokkaido
<b>Description</b>	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
<b>Year open</b>	1994	1999	2006	1994
<b>Master lease expiry</b>	November 14, 2026	November 14, 2026	November 14, 2026	December 21, 2026
<b>Master lease remaining<sup>(1)</sup></b>	13 years	13 years	13 years	13 years
<b>Annual lease ('000)</b>	RM8,400	RM7,000	RM4,000	RM15,540
<b>No. of rooms</b>	97	99	56	506
<b>Acquisition date</b>	November 15, 2011	November 15, 2011	November 15, 2011	December 22, 2011
<b>Valuation ('000)<sup>(2)</sup></b>	RM97,000	RM100,000	RM50,000	JPY6,060,000 (RM192,526)

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(1) Lease remaining calculated as of 1 April 2014. There are options for the lessee to renew the lease upon expiry.  
 (2) Hilton Niseko's valuation converted at exchange rate of JPY100: RM3.1770 as at 31 March 2014.

# Upscale hotels

## Malaysia



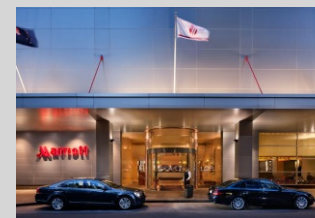
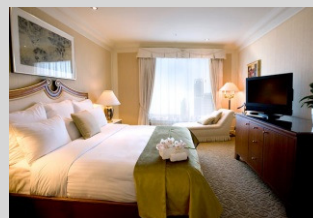
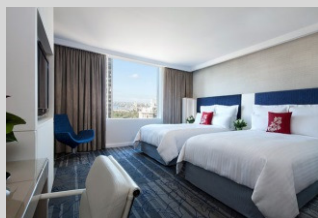
	Vistana Kuala Lumpur	Vistana Penang	Vistana Kuantan
<b>Address</b>	No.9, Jalan Lumut, off Jalan Ipoh, 50400 Kuala Lumpur	No. 213, Jalan Bukit Gambir, Bukit Jambul, 11950 Pulau Pinang	Jalan Teluk Sisek, 25000 Kuantan, Pahang
<b>Description</b>	Located within the hub of Kuala Lumpur close to key transportation services.	Located in Penang, 12 km southwest of Georgetown City	Located strategically in Kuantan's town centre
<b>Year open</b>	1995	1999	1999
<b>Master lease expiry</b>	November 14, 2026	November 14, 2026	November 14, 2026
<b>Master lease remaining<sup>(1)</sup></b>	13 years	13 years	13 years
<b>Annual lease ('000)</b>	RM8,200	RM8,200	RM6,000
<b>No. of rooms</b>	364	427	215
<b>Acquisition date</b>	November 15, 2011	November 15, 2011	November 15, 2011
<b>Valuation ('000)</b>	RM100,000	RM100,000	RM75,000

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(1) Lease remaining calculated as of 1 April 2014. There are options for the lessee to renew the lease upon expiry.

# Luxury hotels

## Australia



	Sydney Harbour Marriott	Brisbane Marriott	Melbourne Marriott
<b>Address</b>	30 Pitt Street, Sydney, New South Wales	515 Queen Street, Brisbane, Queensland	Corner Exhibition and Lonsdale Street, Melbourne, Victoria
<b>Description</b>	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
<b>Year open</b>	1989	1998	1982
<b>No. of rooms</b>	563	267	186
<b>Acquisition date</b>	November 29, 2012	November 29, 2012	November 29, 2012
<b>Valuation ('000)<sup>(1)</sup></b>	A\$249,000 (RM751,308)	A\$113,000 (RM340,955)	A\$53,000 (RM159,917)

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(1) Converted at exchange rate of A\$1.00: RM3.0173 as at 31 March 2014.

## **PINTAR PROJEK SDN BHD**

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