

YTL HOSPITALITY REIT



Third Quarter FY2016 Financial Results

26 May 2016

FINANCIAL

HIGHLIGHTS

- Income available for distribution of RM25.9 million, +9.5% q-o-q
- 1.9175 sen distribution per unit (“DPU”) declared for 3Q FY2016, +3.0% q-o-q

CAPITAL

MANAGEMENT

- Average interest rates for the quarter
 - Borrowings in Ringgit Malaysia: 4.9%
 - Borrowings in Australian Dollar : 4.5%
- Debt headroom of ~RM1,139 million for acquisitions

PORTFOLIO

MANAGEMENT

- Refurbishment works at Sydney Harbour Marriott
 - On-going
- Properties in Malaysia and Japan under master leases
- Average occupancy rate for properties in Australia: 87.9%
- RevPAR for properties in Australia at AUD 237, 2.7% lower as compared to 3Q FY2015





1

Financial performances 3Q FY2016

FINANCIAL PERFORMANCE: 3Q FY2016

YTL HOSPITALITY REIT

1 January - 31 March	3Q FY2016	3Q FY2015	Change
Total Revenue	110.6	107.9	+ 2.5%
- Hotel Revenue (Management Contracts)	82.2	79.5	+ 3.4%
- Lease Rental (Master Leases)	28.4	28.4	(0.0%) [†]
Net Property Income (NPI)	51.9	54.4	(4.7%)
- Management Contracts	25.6	27.9	(8.2%)
- Master Leases	26.3	26.5	(0.9%)
Income available for distribution	25.9	23.7	+ 9.5%
Income distribution	25.4	24.7	+ 3.0%
- from current quarter	25.4	23.7	+ 7.2%
- from others	-	1.0	n.a.
Distribution per unit (DPU) (sen)	1.9175	1.8616	+ 3.0%
Payout ratio (%)	98.0	100.0	(2.0 pp*)

Note: All figures in RM million unless indicated otherwise.

[†] Marginal decrease

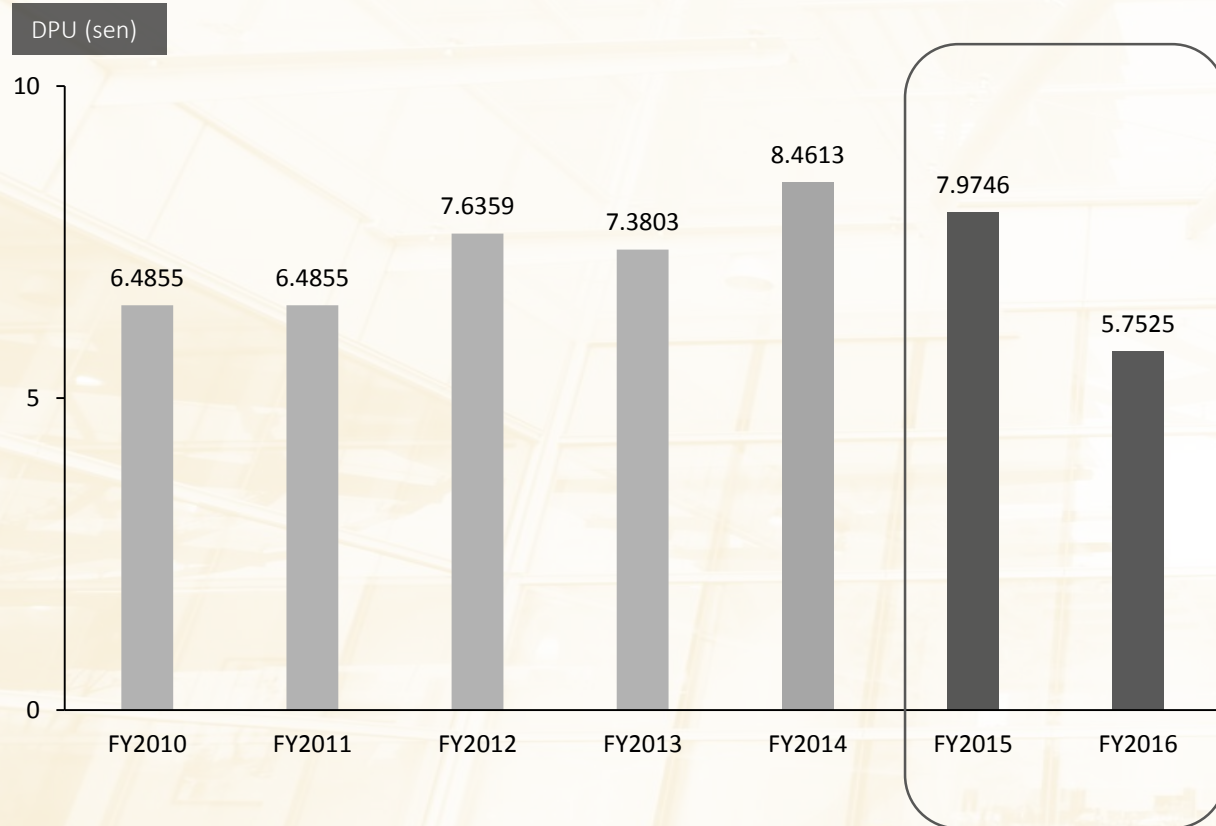
* pp = change in percentage points

STATEMENT OF FINANCIAL POSITION

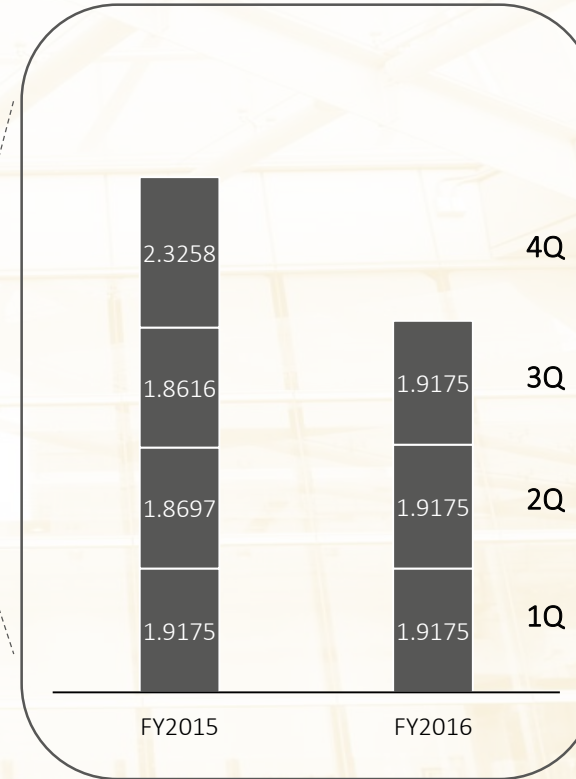
YTL HOSPITALITY REIT

RM ('000)	As at 31 March 2016 (Unaudited)	As at 30 June 2015 (Audited)	Change
Investment properties	1,794,388	1,764,714	+ 1.7%
Property, plant and equipment	1,510,415	1,506,976	+ 0.2%
Cash & cash equivalents	112,941	126,769	(10.9%)
Other assets	40,177	32,213	+ 24.7%
Total Assets	3,457,921	3,430,672	+ 0.8%
Borrowings	1,601,710	1,564,898	+ 2.4%
Other liabilities	83,338	83,179	+ 0.2%
Total Liabilities	1,685,048	1,648,077	+ 2.2%
Net Asset Value (NAV)	1,772,873	1,782,595	(0.5%)
Number of units in circulation ('000)	1,324,389	1,324,389	0.0%
NAV per unit (RM)			
- Before income distribution	1.396	1.426	(2.1%)
- After income distribution	1.339	1.346	(0.5%)

Total DPU



Quarterly Breakdown

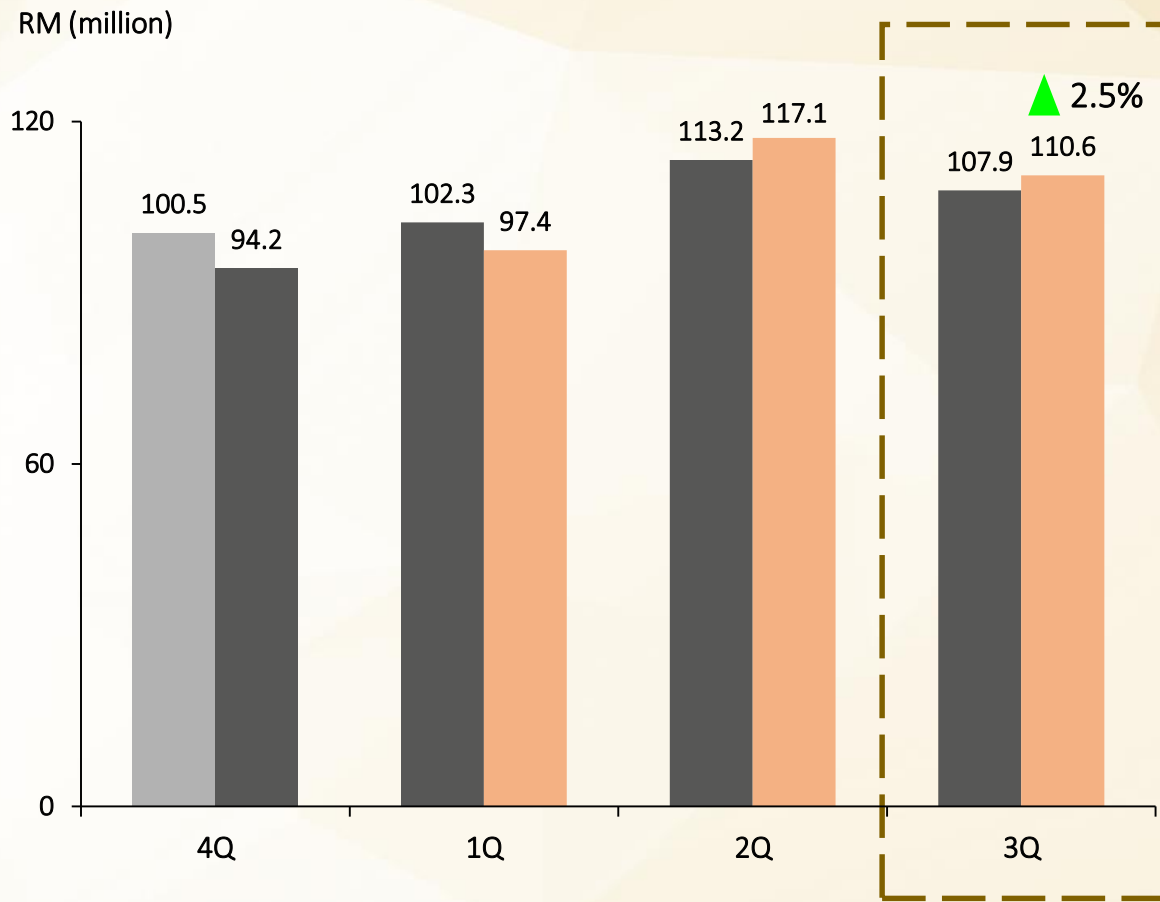


	Total Distributions*	
	FY2015	FY2016
Cumulative	105.6	76.2
4Q	30.8	To be determined
3Q	24.7	25.4
2Q	24.8	25.4
1Q	25.4	25.4

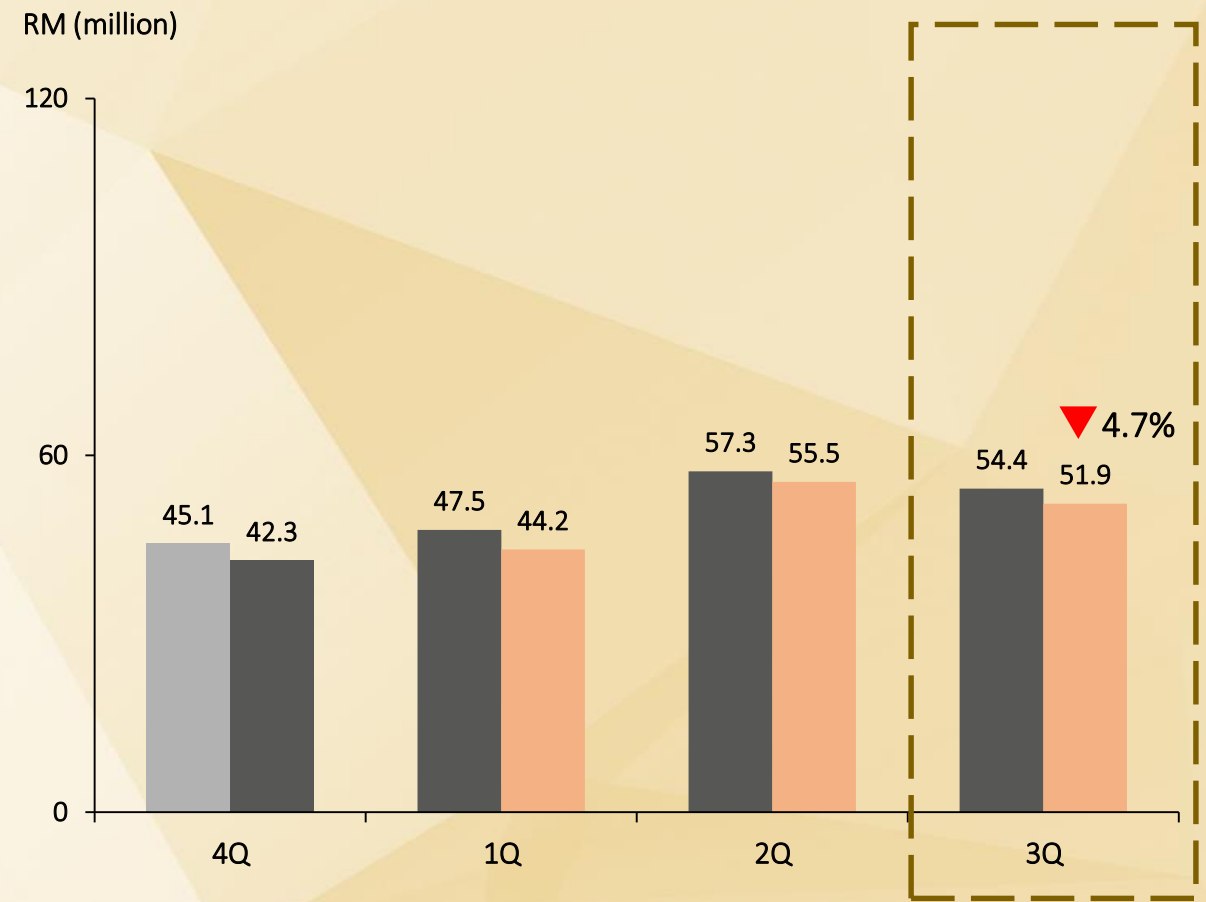
* In RM million

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

TOTAL revenue



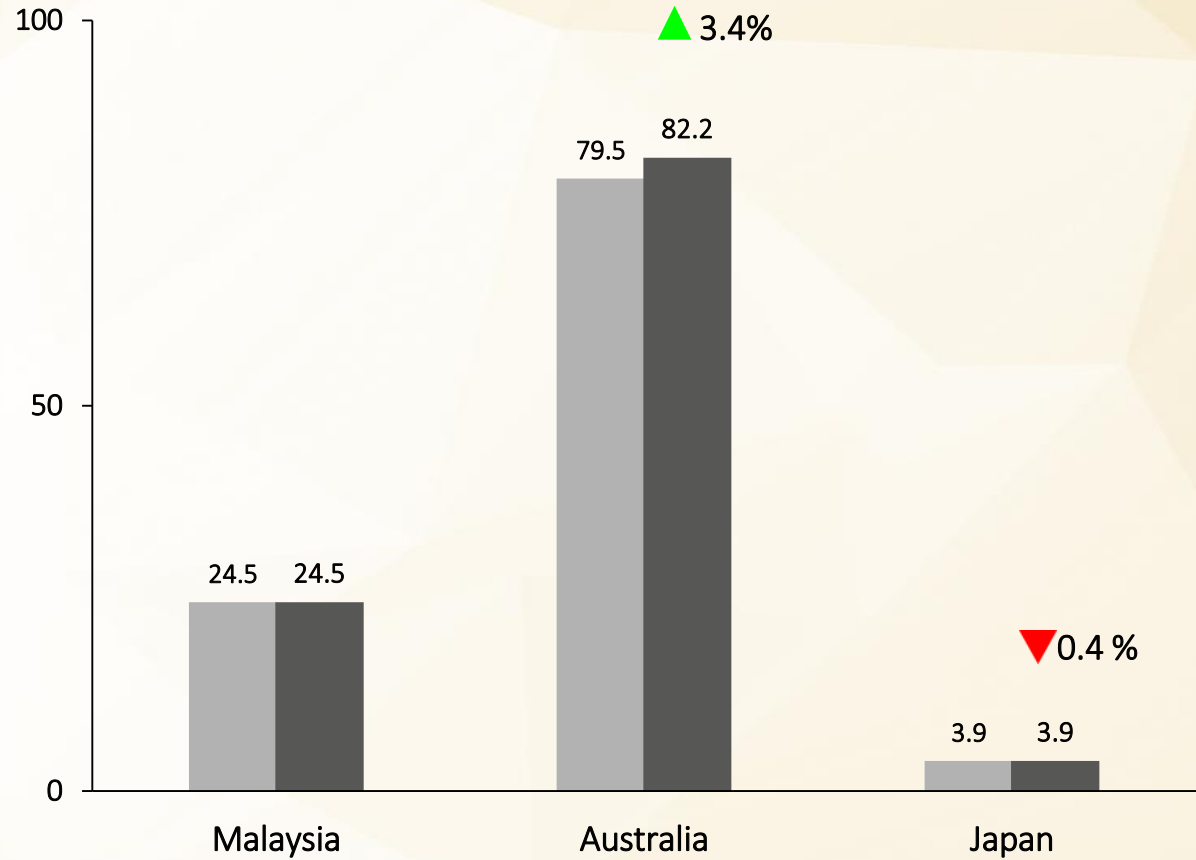
NET property income



FY2014
 FY2015
 FY2016

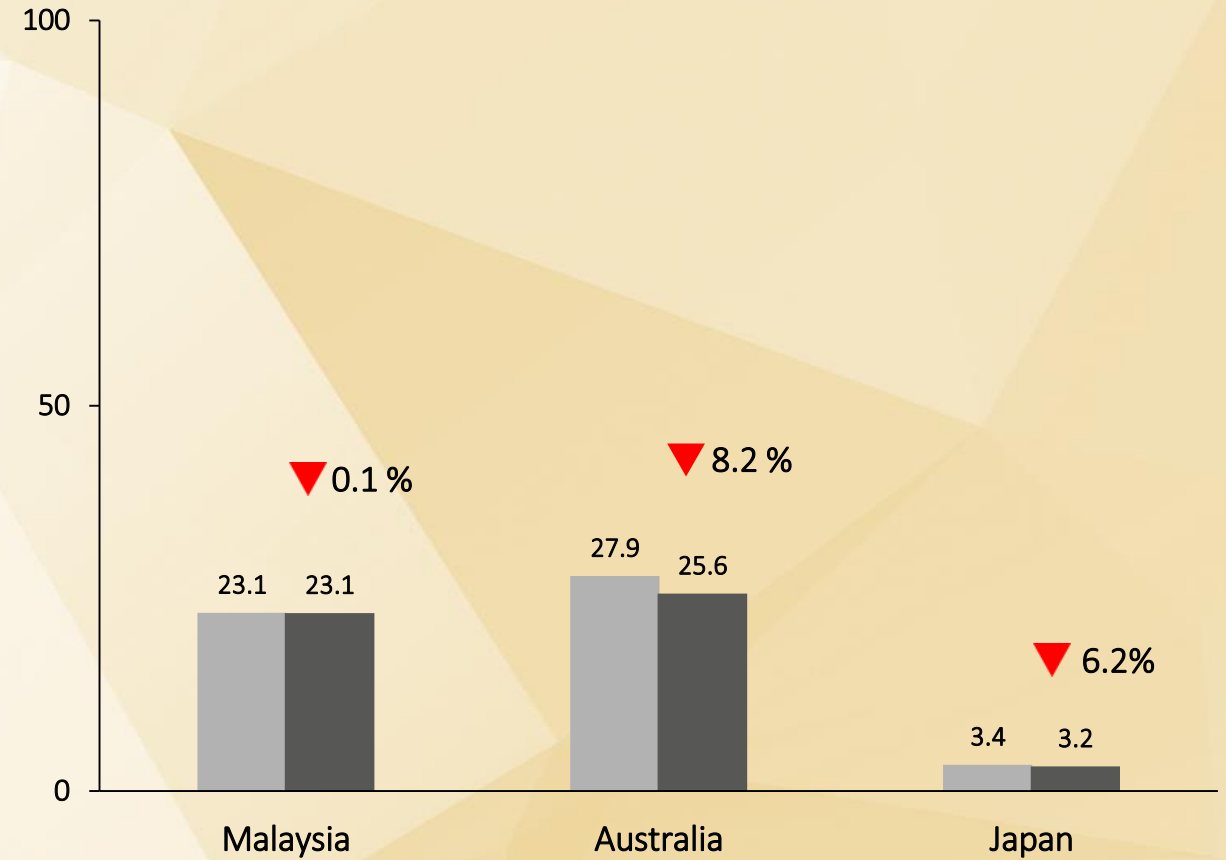
TOTAL revenue

RM (million)



NET property income

RM (million)

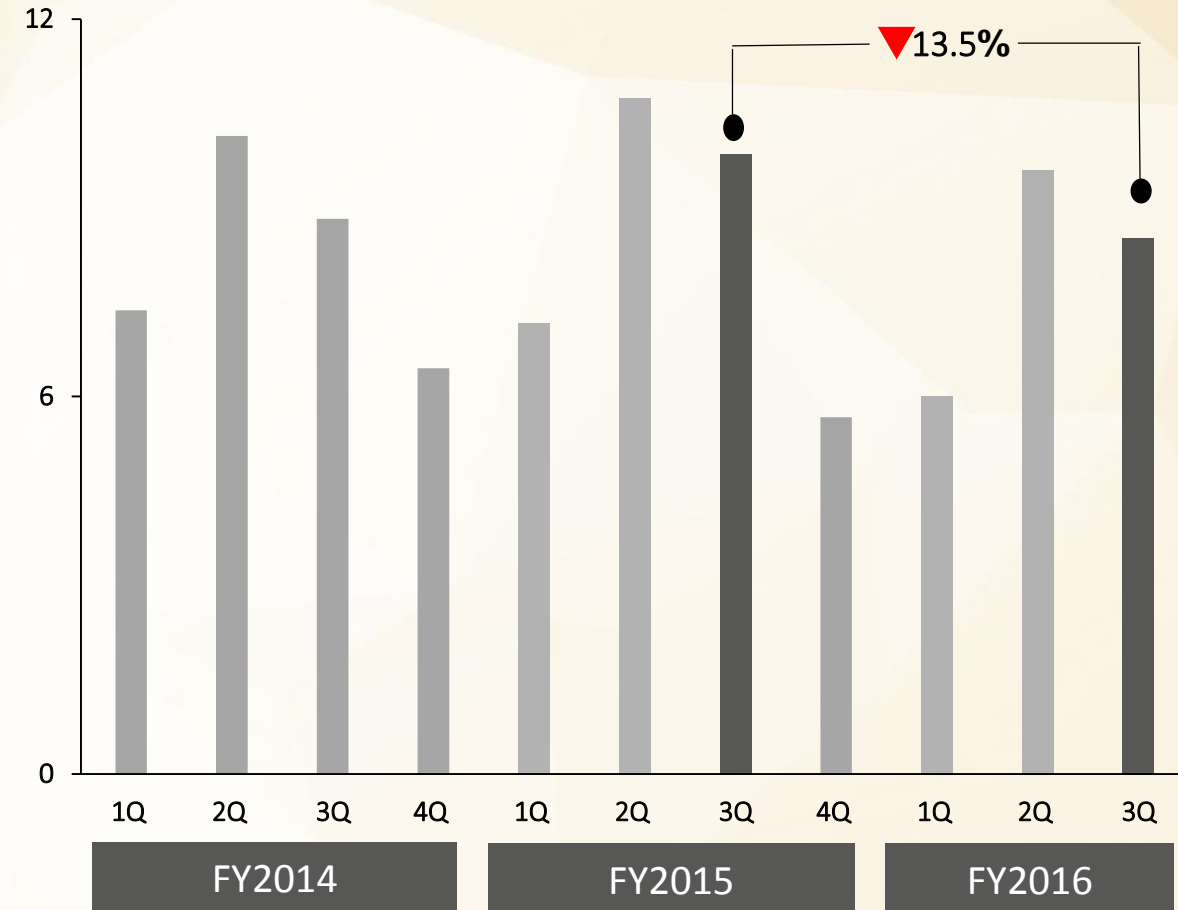


3Q FY2015 3Q FY2016

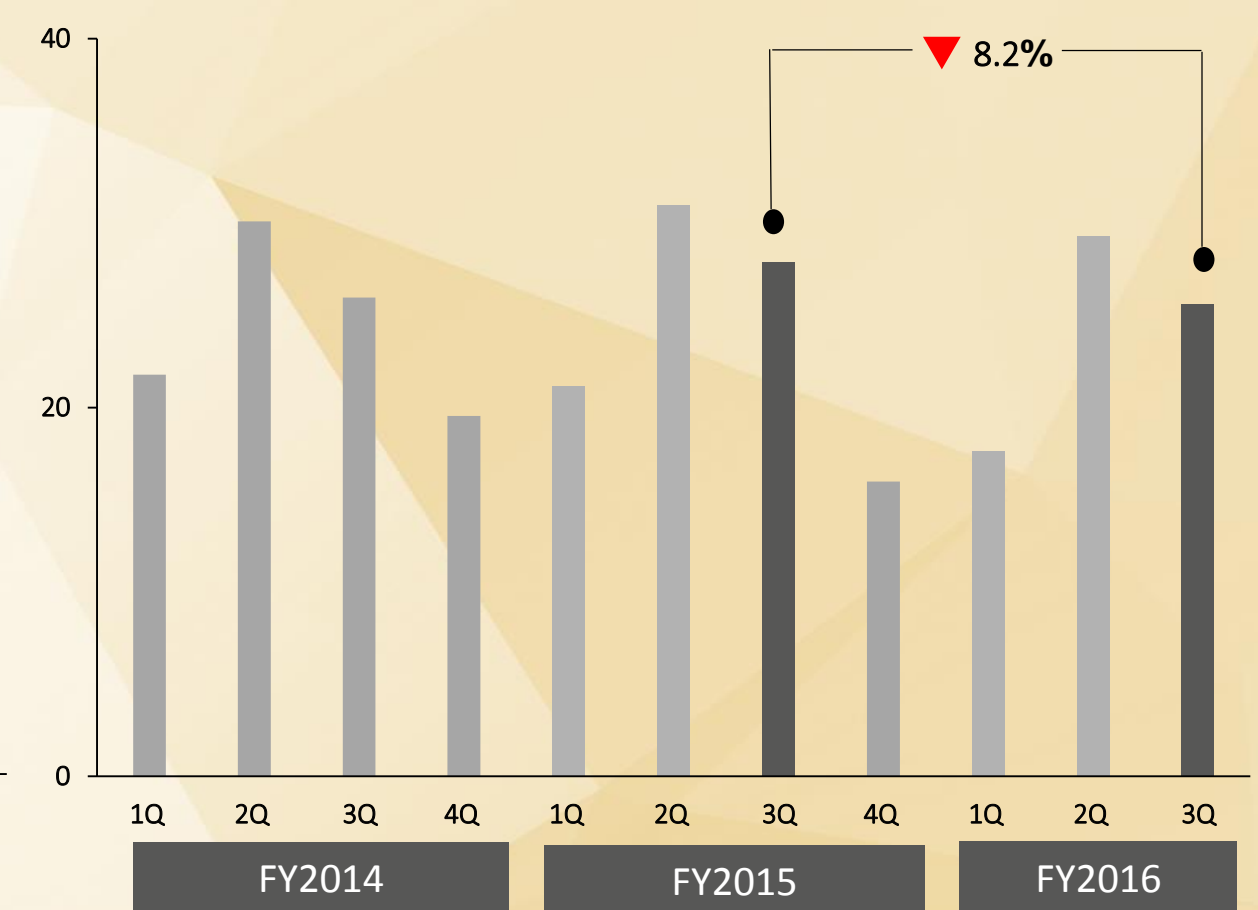
NPI FOR AUSTRALIA IN AUD AND RM

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

AUD (million)

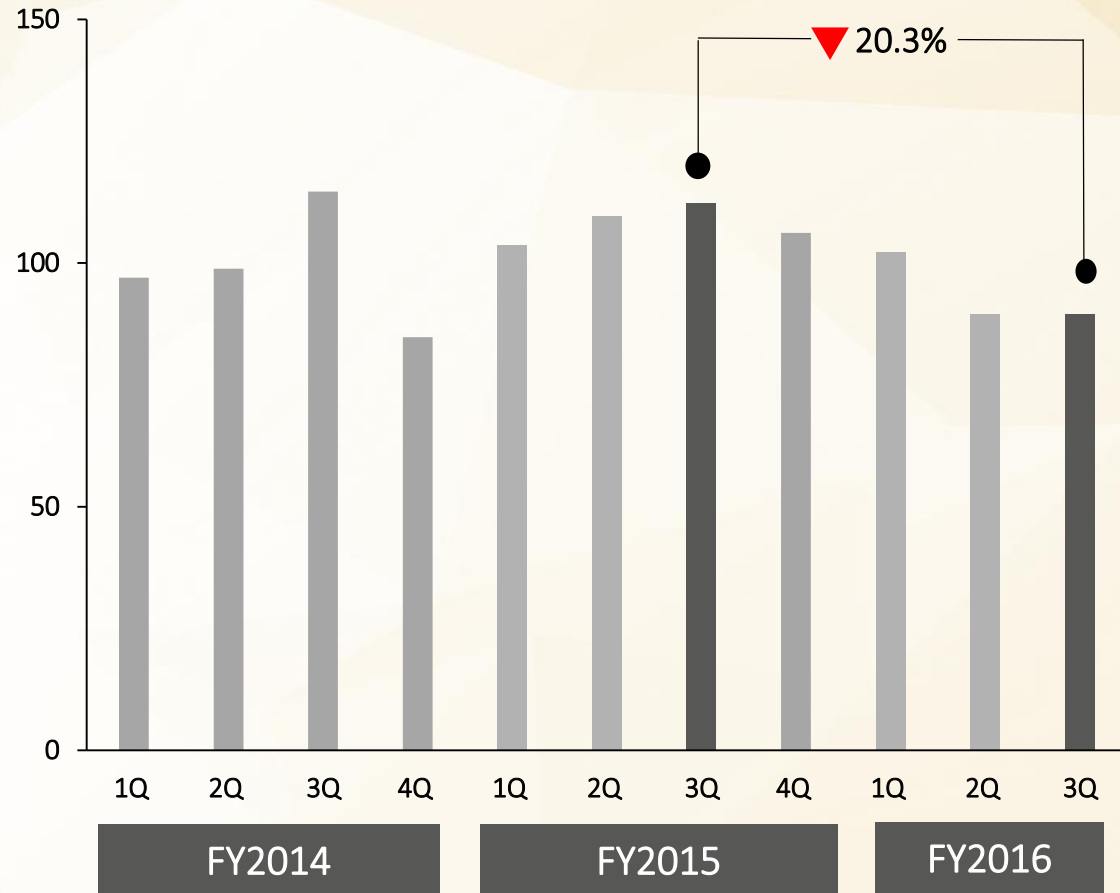


RM (million)

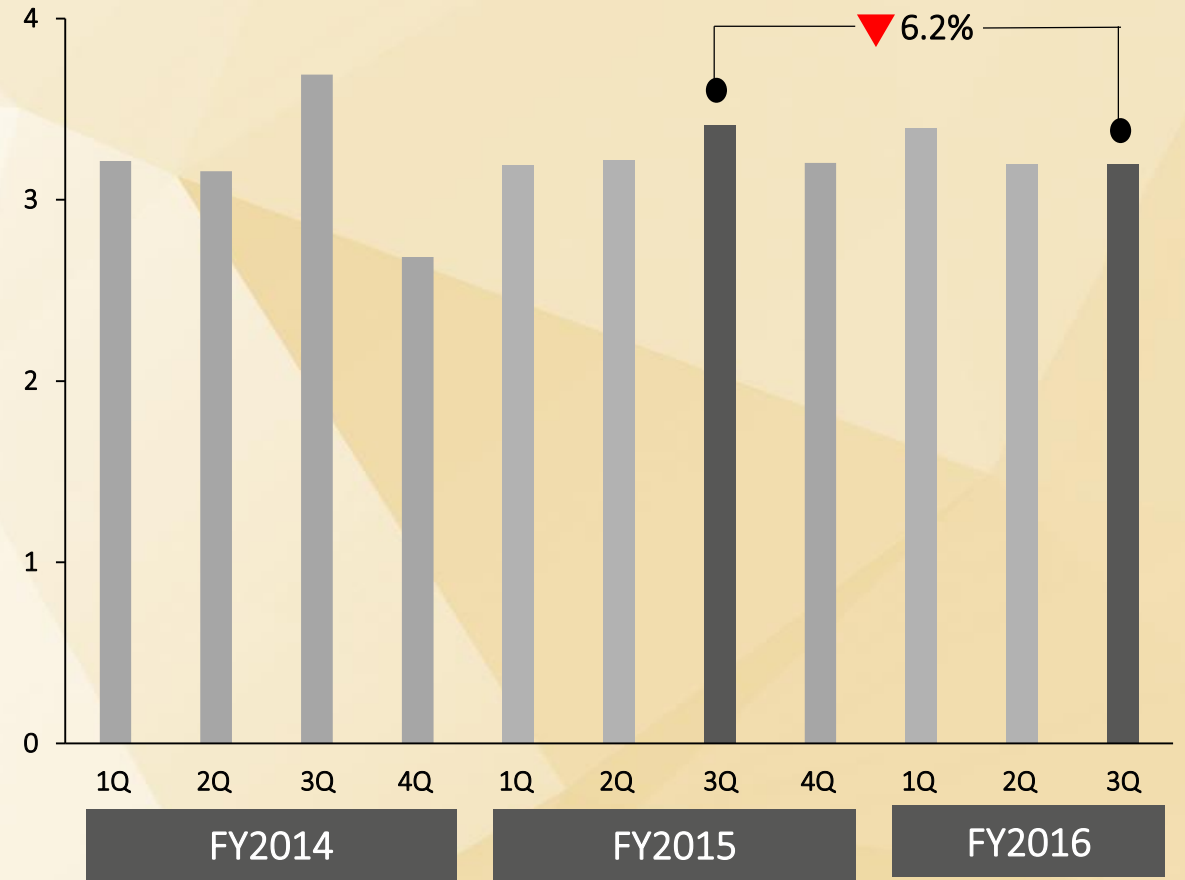


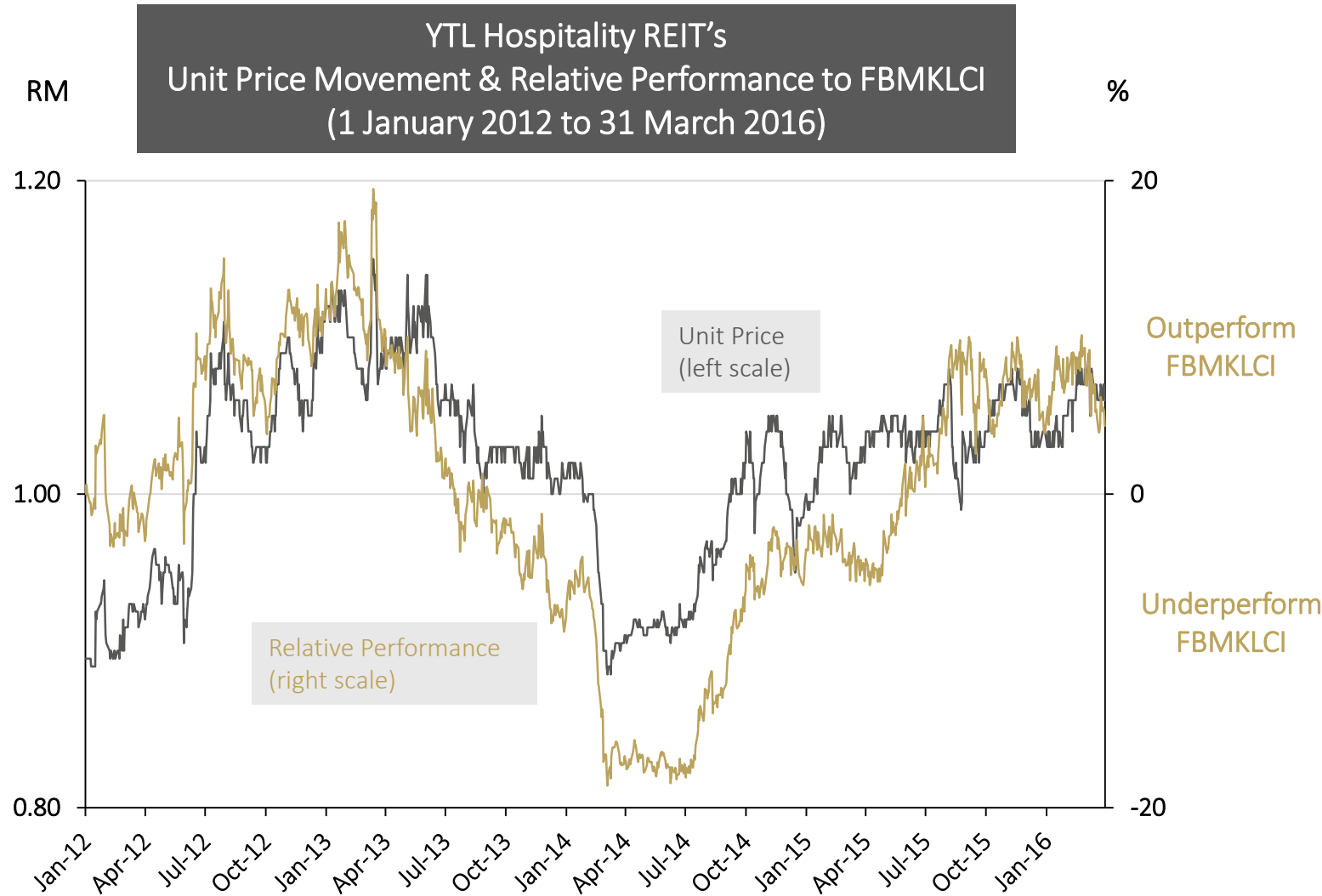
NPI in RM impacted by the foreign exchange effects of the stronger JPY relative to RM

JPY (million)



RM (million)





TRADING STATISTICS

Closing price ¹	RM1.06
Market Cap (RM) ¹	RM1,404 mil
Units issued ¹	1,324,388,889
Average daily traded volume for 3Q FY2016 ('000 units) ²	245.2

Source: Bloomberg

Notes:

1. As at 31 March 2016.
2. For the quarter ended 31 March 2016.



2

Financial performances 9 months ended
31 March 2016 (YTD FY2016)

Brisbane Marriott
Queensland, Australia

FINANCIAL PERFORMANCES: 9 MONTHS ENDED 31 MARCH 2016 (YTD FY2016)

YTL HOSPITALITY REIT

Period: 1 July - 31 March	YTD FY2016	YTD FY2015	Change
Total Revenue	325.1	323.4	+ 0.5%
- Hotel Revenue (Management Contracts)	239.7	238.3	+ 0.6%
- Lease Rental (Master Leases)	85.4	85.1	+ 0.3%
Net Property Income (NPI)	151.6	159.2	(4.8%)
- Management Contracts	72.6	80.1	(9.4%)
- Master Leases	79.1	79.2	(0.2%)
Income available for distribution	78.7	74.8	+ 5.2%
Income distribution	76.2	74.8	+ 1.8%
- from current period	76.2	74.8	+ 1.8%
Distribution per unit (DPU) (sen)	5.7525	5.6488	+ 1.8%
Payout ratio (%)	96.8	100.0	(3.2 pp)

Note:

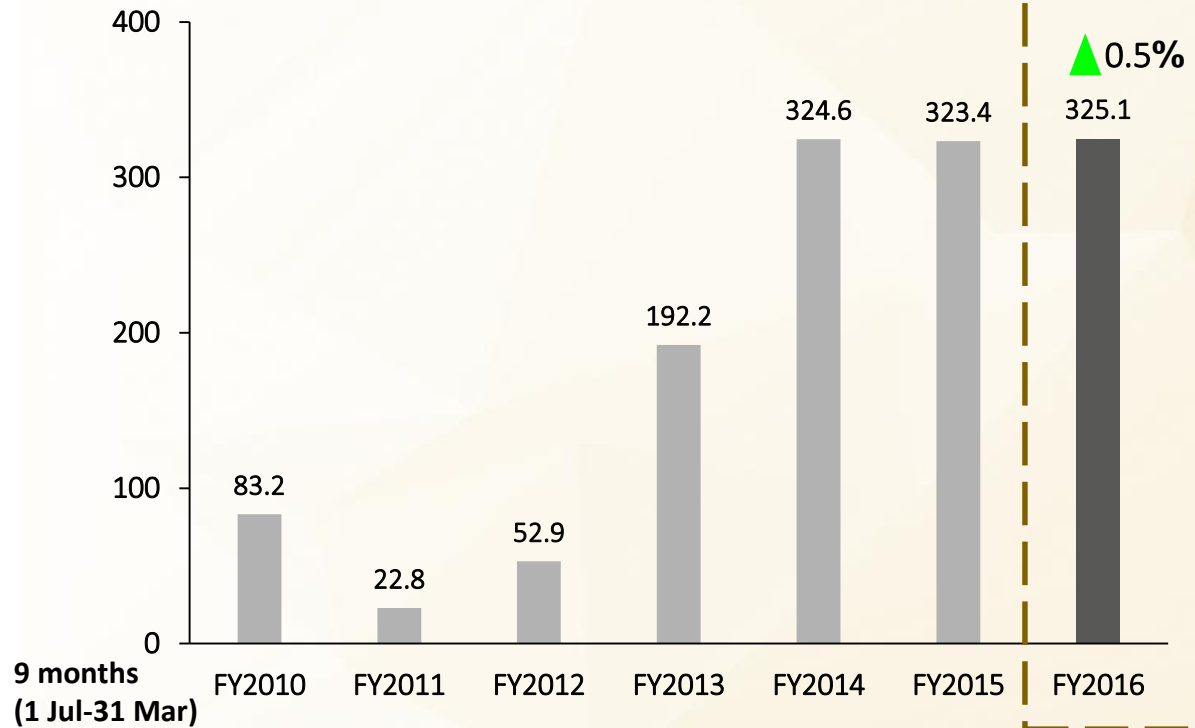
1. All figures in RM million unless indicated otherwise.

9 MONTHS (1 JUL - 31 MAR) FINANCIAL PERFORMANCES

YTL HOSPITALITY REIT

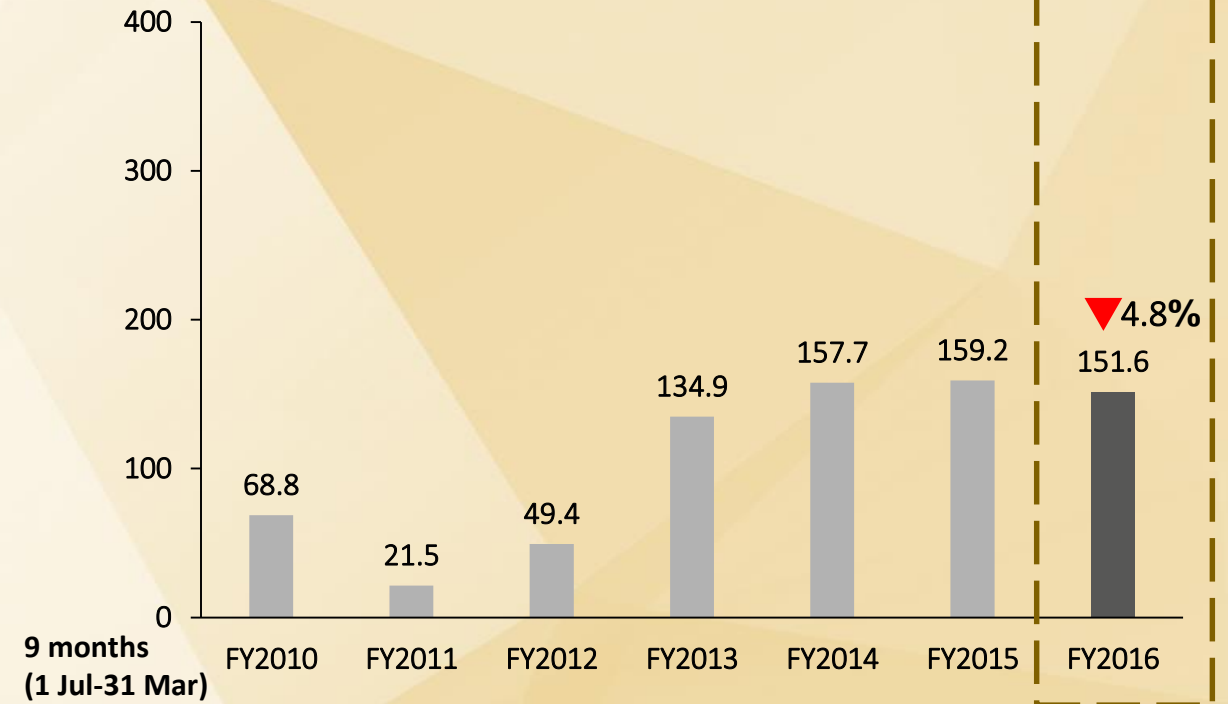
TOTAL revenue

RM (million)



NET property income

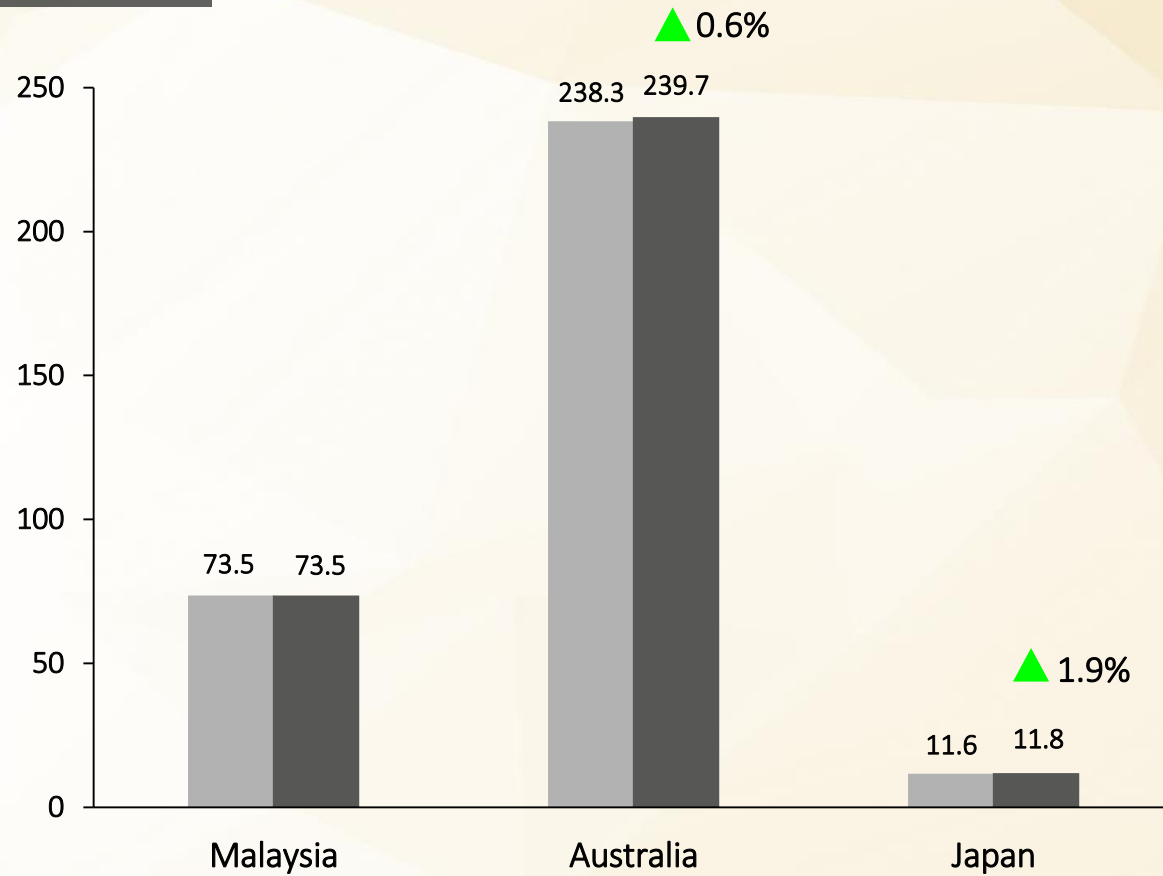
RM (million)



9 MONTHS (1 JUL - 31 MAR) FINANCIAL PERFORMANCES BY COUNTRY

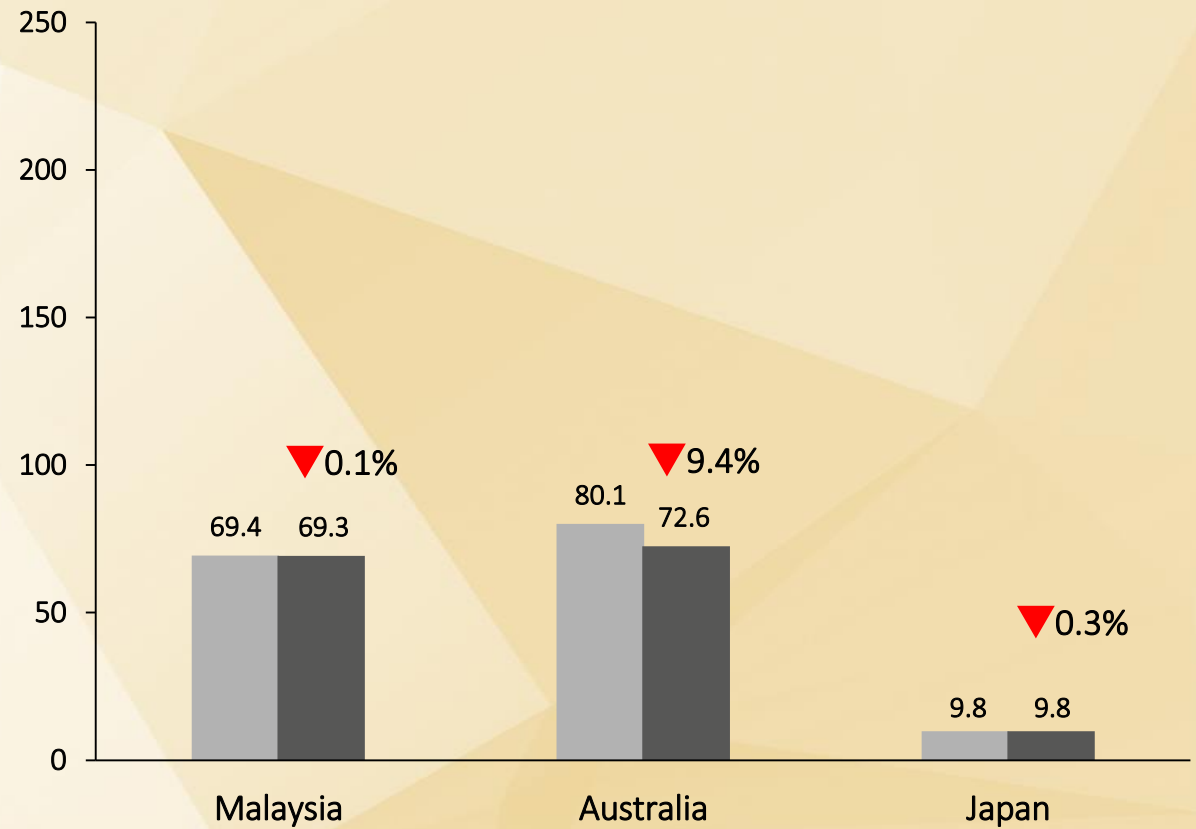
TOTAL revenue

RM (million)



NET property income

RM (million)

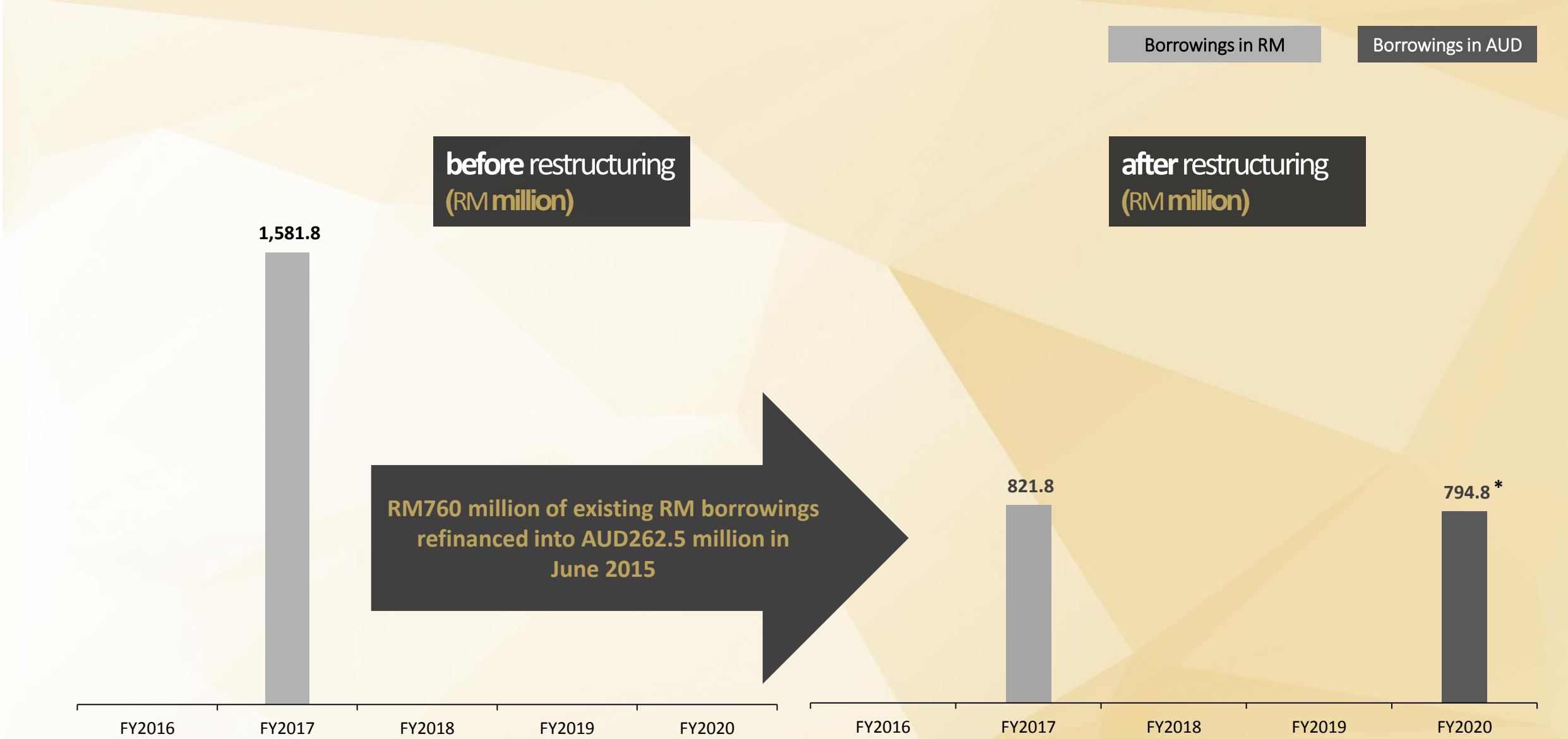


YTD FY2015 YTD FY2016

A photograph of the Melbourne Marriott hotel at dusk. The building is a tall, multi-story structure with a grid of windows, many of which are illuminated from within. The Marriott logo is visible in red on the upper part of the building and on the corner. The sky is a clear, deep blue. 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'.

3

Capital management

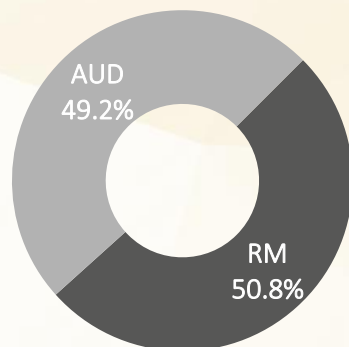


Notes:

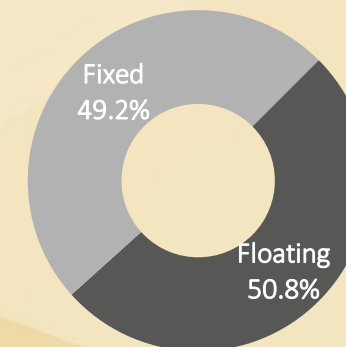
^ Excluding the effects of capitalised transaction costs.

* RM equivalent based on the exchange rate of A\$1.00: RM3.0009 as at 31 March 2016.

CURRENCY



INTEREST RATE



	31 March 2016	31 December 2015	Change
Borrowings (RM'000)	1,616,648	1,651,849	(2.1%)
Total Asset Value (RM'000)	3,457,921	3,561,582	(2.9%)
Gearing (%)	46.8	46.4	+ 0.4 pp
Average Interest Rates (%) *			
- Borrowings in Ringgit Malaysia	4.9%	4.9%	-
- Borrowings in Australian Dollar	4.5%	4.6%	(0.1 pp)
Interest Cover * #	2.5 x	2.6 x	(0.1 x)

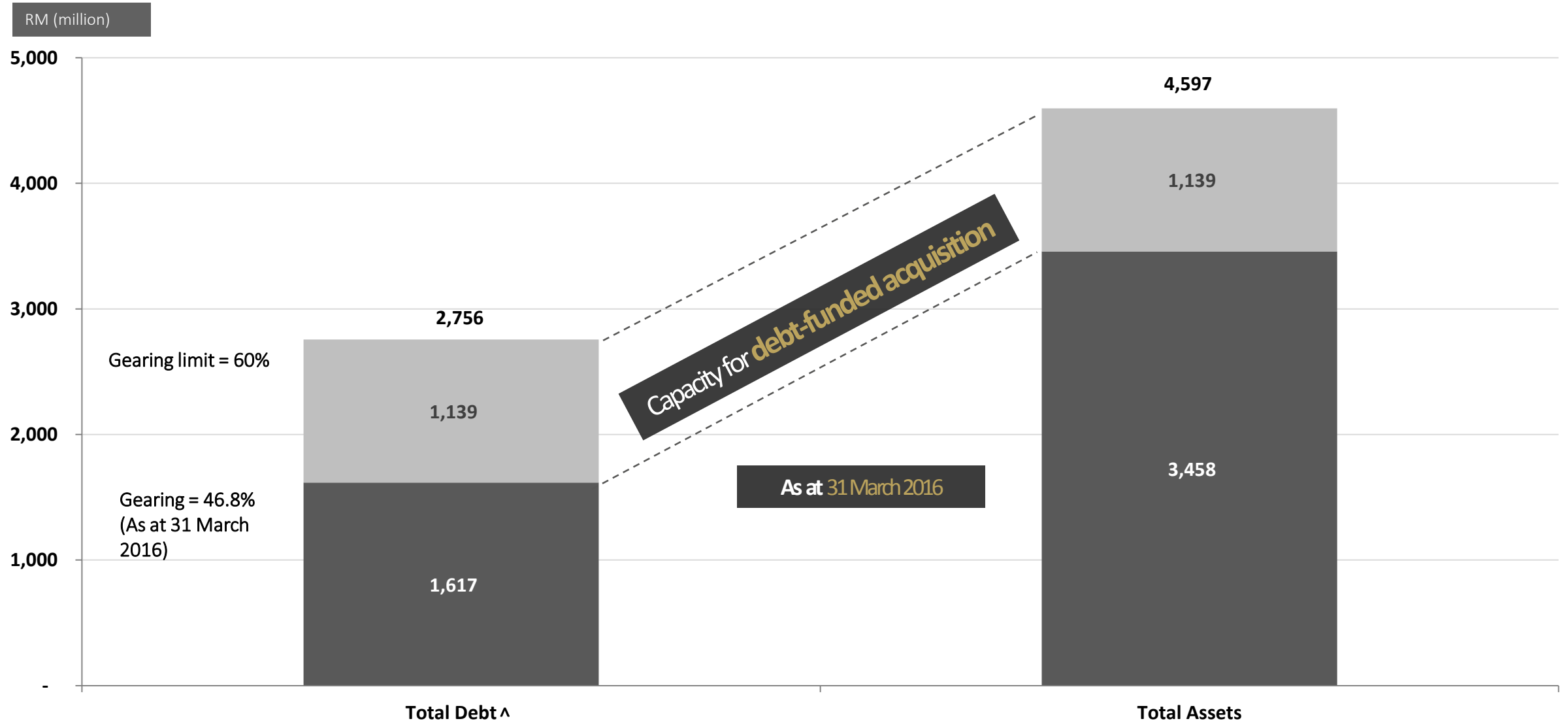
Notes:

* For the respective Quarter.

[^] Excluding the effects of capitalised transaction costs.

Computed as NPI / Finance Cost

DEBT HEADROOM OF ~RM1,139million FOR ACQUISITIONS



Notes:

^ Excluding the effects of capitalised transaction costs.

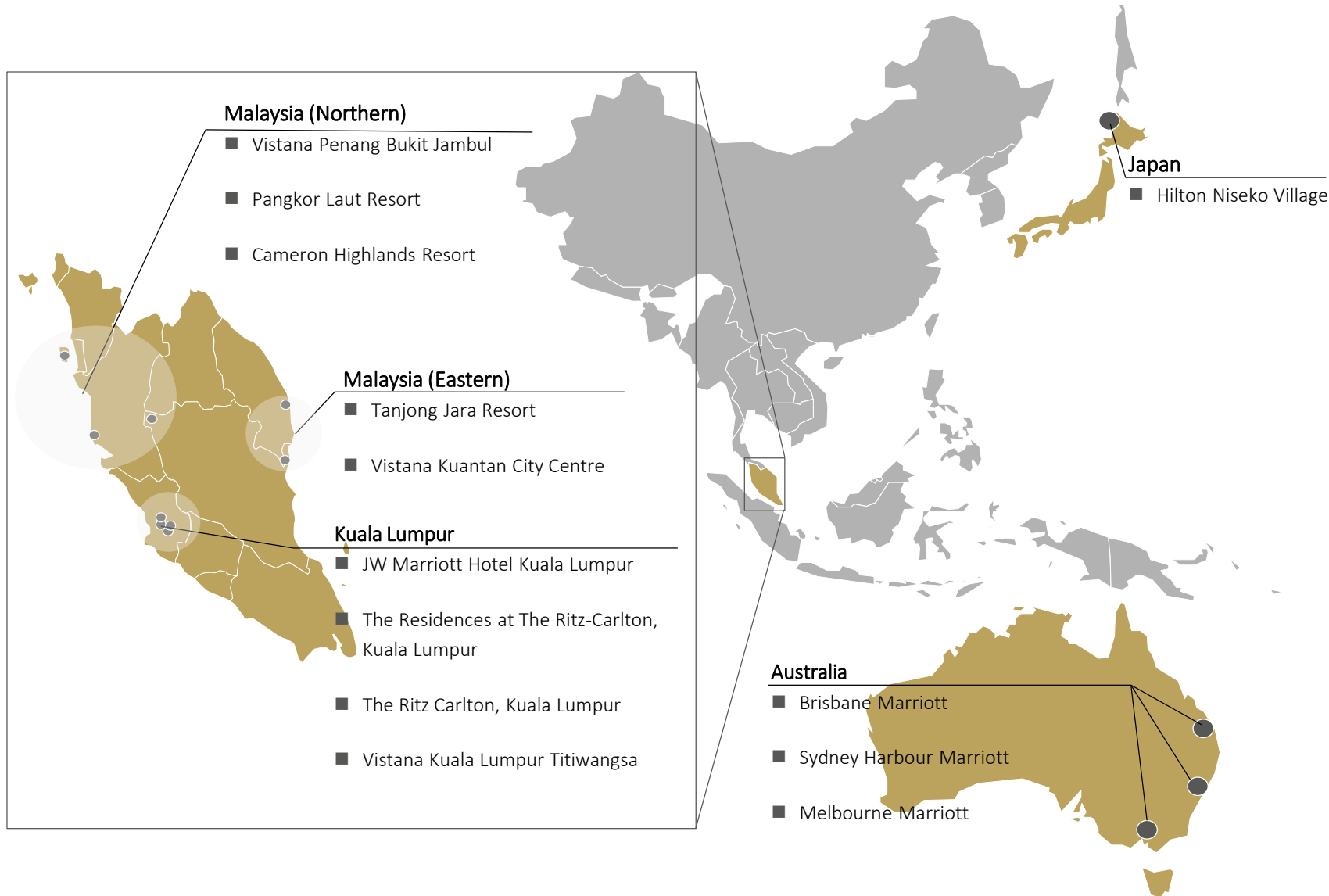


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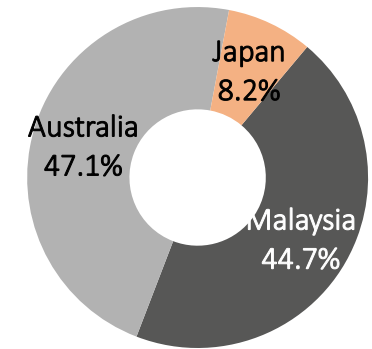
Asset management

LUXURY HOTELS & SERVICED RESIDENCES IN 3 COUNTRIES

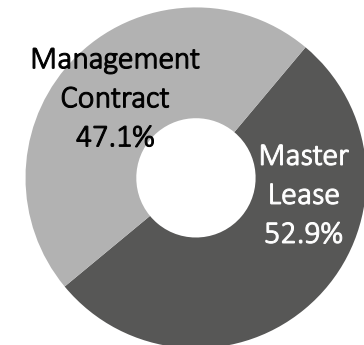
YTL HOSPITALITY REIT



ASSET breakdown (by Country)⁽¹⁾



ASSET breakdown (by Contract Type)⁽¹⁾



(1) Based on investment properties and property, plant & equipment as at 31 March 2016.

	FY2011	FY2012	FY2013	FY2014	FY2015	1Q FY2016	2Q FY2016	3Q FY2016
Malaysia	Under Master Leases							
Japan	Under Master Lease							
Australia	–	–	83.1% ⁽¹⁾	84.2%	84.4%	82.4%	88.8%	87.9%

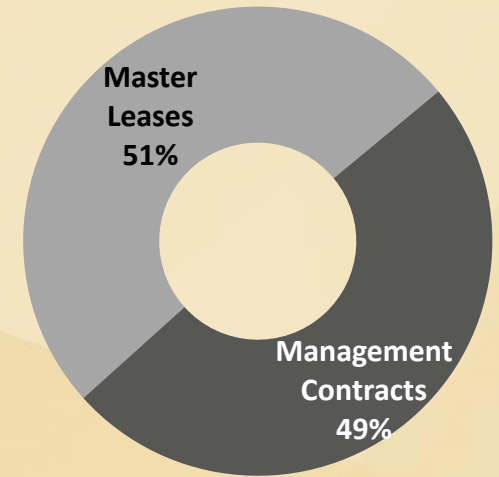
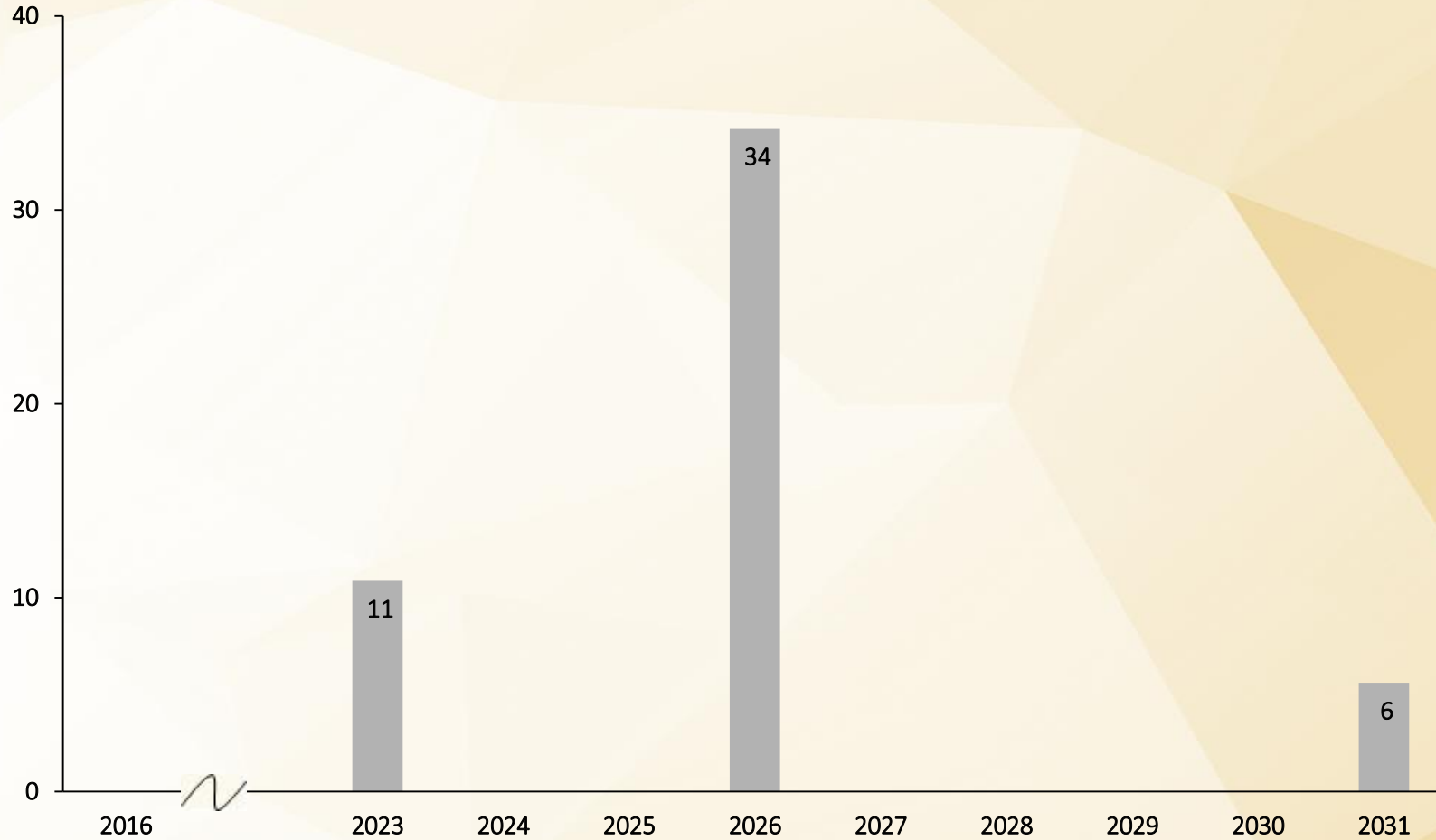
Note:

(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 *)

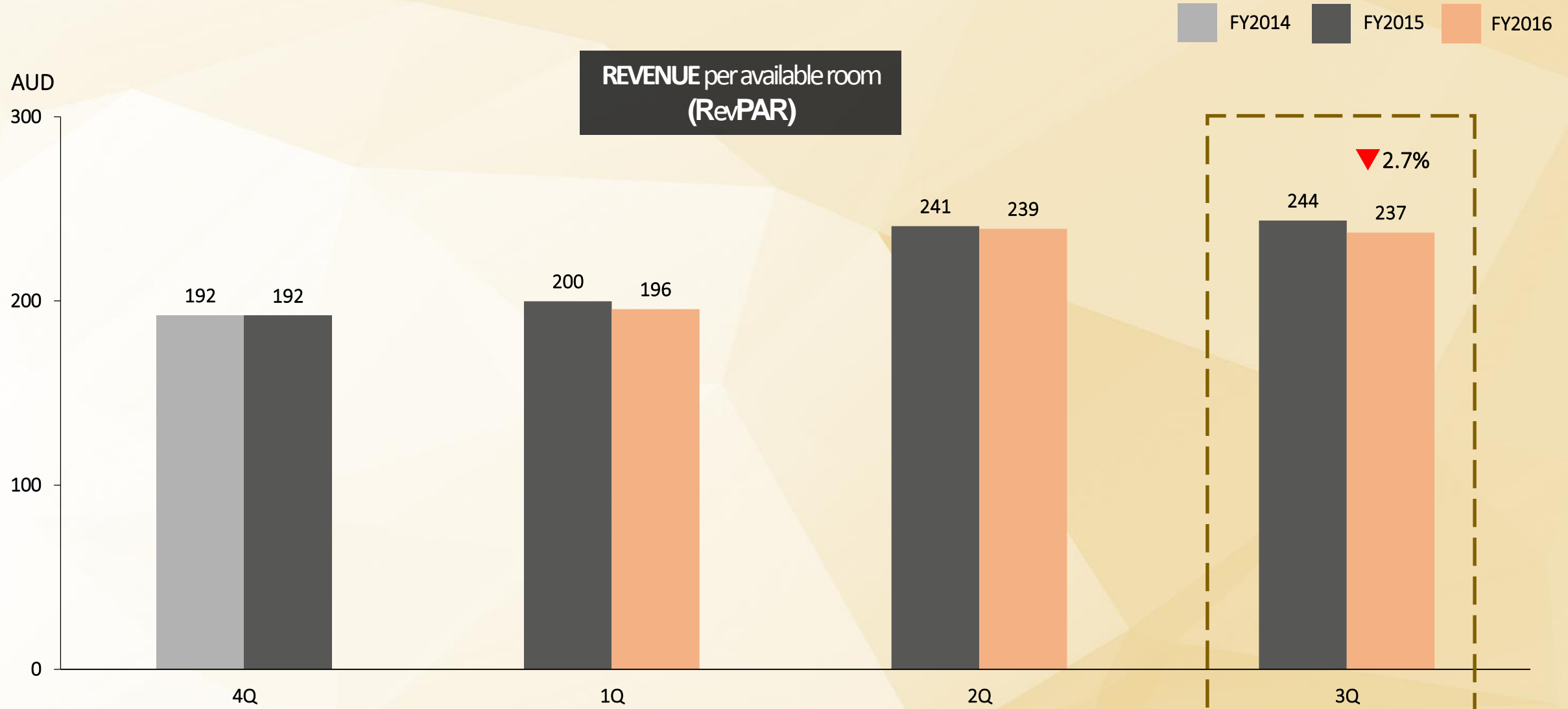
Master leases

NET property income
(% of total *)



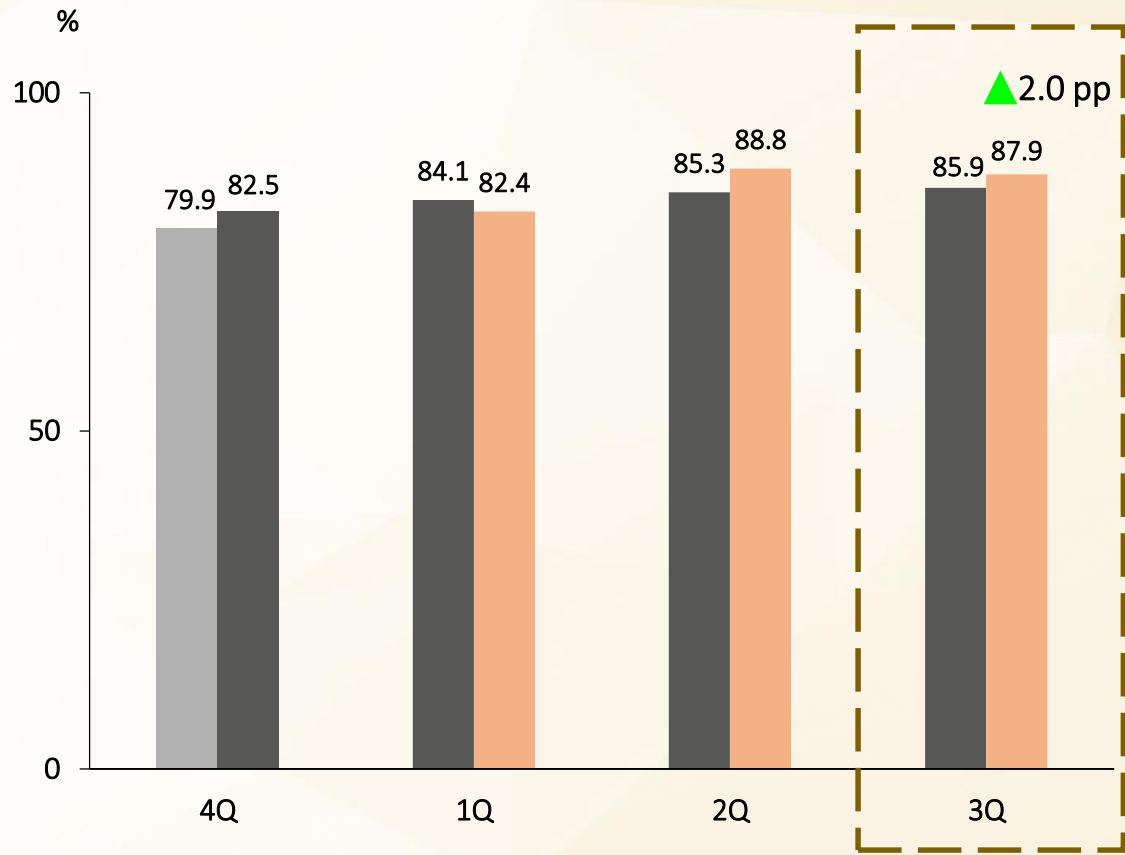
* For 3Q FY2016.

REVENUE per available room (RevPAR)

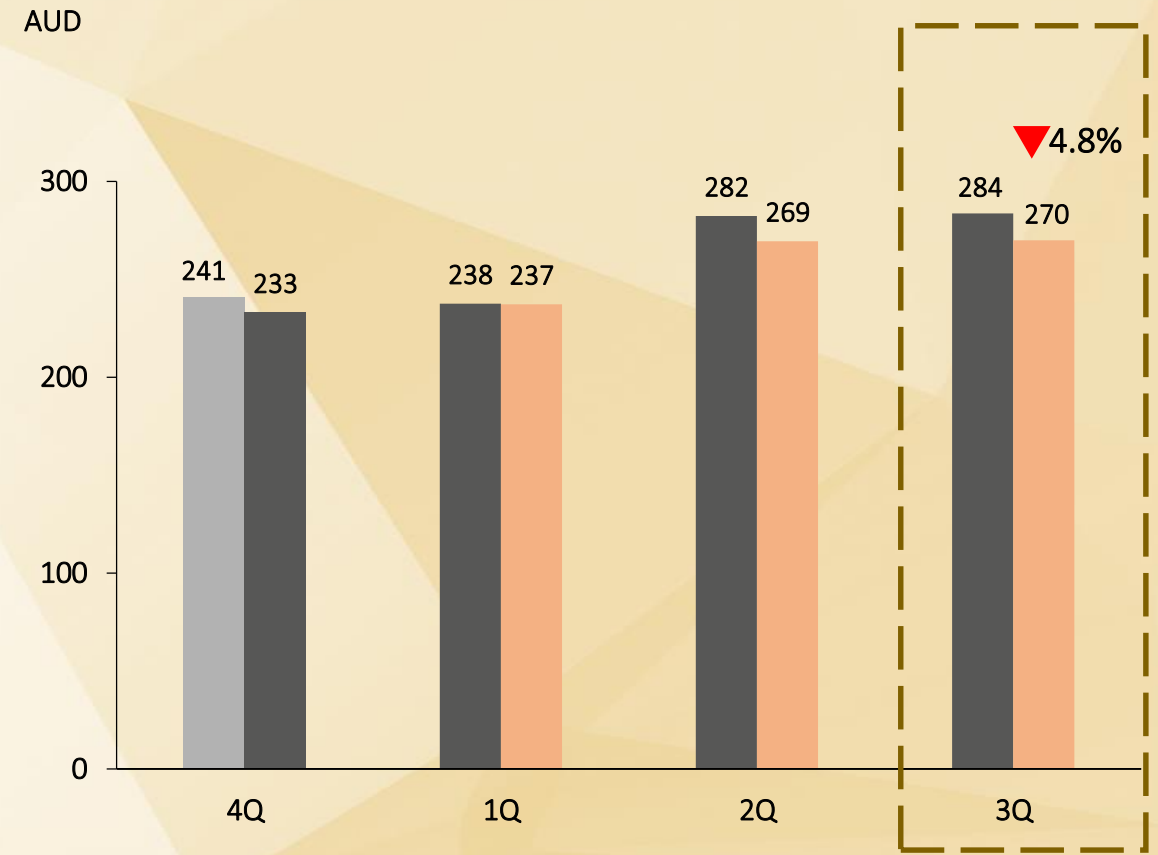


FY2014 FY2015 FY2016

Average occupancy



Average daily rate (ADR)





5

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 ⁽¹⁾	8 years
Annual rental	RM24.4 million
No. of rooms	561
Acquisition date	16 December 2005
Valuation ⁽²⁾	RM389 million



Note:

1. Lease remaining calculated as of 1 April 2016. 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 ⁽¹⁾	15 years
Annual rental	RM12.6 million
No. of rooms	114
Acquisition date	16 May 2007 & 15 November 2011
Valuation ⁽²⁾	Parcel 1: RM156 million Parcel 2: RM 84 million



Note:

1. Lease remaining calculated as of 1 April 2016. 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 ⁽¹⁾	11 years
Annual rental	RM19.25 million
No. of rooms	251
Acquisition date	15 November 2011
Valuation ⁽²⁾	RM313 million



Note:

1. Lease remaining calculated as of 1 April 2016. 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 ⁽¹⁾	11 years
Annual rental	RM8.2 million
No. of rooms	427
Acquisition date	15 November 2011
Valuation ⁽²⁾	RM114 million



Note:

1. Lease remaining calculated as of 1 April 2016. 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 ⁽¹⁾	11 years
Annual rental	RM8.2 million
No. of rooms	364
Acquisition date	15 November 2011
Valuation ⁽²⁾	RM120 million



Note:

1. Lease remaining calculated as of 1 April 2016. 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 ⁽¹⁾	11 years
Annual rental	RM6.0 million
No. of rooms	215
Acquisition date	15 November 2011
Valuation ⁽²⁾	RM85 million



Note:

1. Lease remaining calculated as of 1 April 2016. 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 ⁽¹⁾	11 years
Annual rental	RM8.4 million
No. of rooms	97
Acquisition date	15 November 2011
Valuation ⁽²⁾	RM113 million



Note:

1. Lease remaining calculated as of 1 April 2016. 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 ⁽¹⁾	11 years
Annual rental	RM7.0 million
No. of rooms	99
Acquisition date	15 November 2011
Valuation ⁽²⁾	RM100 million



Note:

1. Lease remaining calculated as of 1 April 2016. 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 ⁽¹⁾	11 years
Annual rental	RM4.0 million
No. of rooms	56
Acquisition date	15 November 2011
Valuation ⁽²⁾	RM58 million



Note:

1. Lease remaining calculated as of 1 April 2016. 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 ⁽¹⁾	11 years
Annual rental	RM15.54 million
No. of rooms	506
Acquisition date	22 December 2011
Valuation ^(2, 3)	JPY7,520 million (RM262.4 million)



Note:

1. Lease remaining calculated as of 1 April 2016. 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:RM3.4892 as at 31 March 2016.

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 ^(1, 2)	AUD347 million (RM1,041.3 million)



Note:

1. As at 29 May 2015.
2. RM equivalent based on the exchange rate of A\$1.00:RM3.0009 as at 31 March 2016.

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 ^(1, 2)	AUD98.5 million (RM295.6 million)



Note:

1. As at 29 May 2015.
2. RM equivalent based on the exchange rate of A\$1.00:RM3.0009 as at 31 March 2016.

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 ^(1, 2)	AUD74.4 million (RM223.3 million)



Note:

1. As at 29 May 2015.
2. RM equivalent based on the exchange rate of A\$1.00:RM3.0009 as at 31 March 2016.

This presentation shall be read in conjunction with YTL Hospitality REIT's interim financial report for the quarter/period ended 31 March 2016, a copy of which is available on www.bursamalaysia.com and www.ytlhospitalityreit.com.

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