

# YTL HOSPITALITY REIT



## Fourth Quarter FY2016 Financial Results

30 August 2016

## FINANCIAL

## HIGHLIGHTS

- Income available for distribution of RM25.8 million, -16.1% q-o-q
- 2.1413 sen distribution per unit (“DPU”) declared for 4Q FY2016, -7.9% q-o-q
- Revaluation surplus of RM154 million in May 2016

## CAPITAL

## MANAGEMENT

- Average interest rates for the quarter
  - Borrowings in Ringgit Malaysia: 4.9%
  - Borrowings in Australian Dollar : 4.5%
- Debt headroom of ~RM1,386 million for acquisitions

## PORTFOLIO

## MANAGEMENT

- Refurbishment works at Sydney Harbour Marriott
  - On-going
- Properties in Malaysia and Japan under master leases
- 4Q FY2016 average occupancy rate for properties in Australia: 86.3%
- 4Q FY2016 RevPAR for properties in Australia at AUD202, 5.3% higher as compared to 4Q FY2015





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# Financial performances 4Q FY2016

# FINANCIAL PERFORMANCE: 4Q FY2016

## YTL HOSPITALITY REIT

1 April - 30 June	4Q FY2016	4Q FY2015	Change
Total Revenue	101.2	94.2	+ 7.4%
- Hotel Revenue (Management Contracts)	72.7	65.8	+ 10.4%
- Lease Rental (Master Leases)	28.5	28.4	+ 0.3%
Net Property Income (NPI)	47.3	42.3	+ 11.9%
- Management Contracts	21.0	16.0	+ 31.4%
- Master Leases	26.3	26.3	+ 0.0%
Income available for distribution	25.8	30.8	(16.1%)
Income distribution	28.4	30.8	(7.9%)
- from current quarter	25.8	30.8	(16.1%)
- from others	2.5	0.0	n.a.
Distribution per unit (DPU) (sen)	2.1413	2.3258	(7.9%)
Payout ratio (%)	100.0	100.0	0.0 pp*

Note: All figures in RM million unless indicated otherwise.

+ Marginal decrease

\* pp = change in percentage points

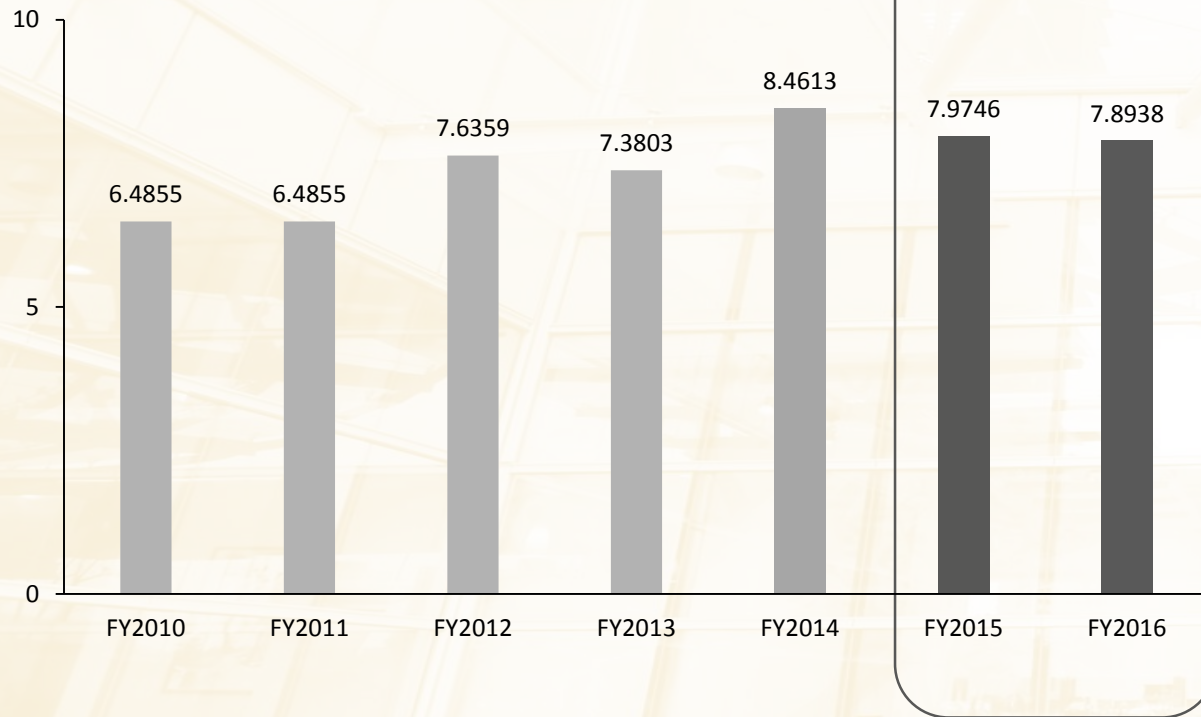
# STATEMENT OF FINANCIAL POSITION

# YTL HOSPITALITY REIT

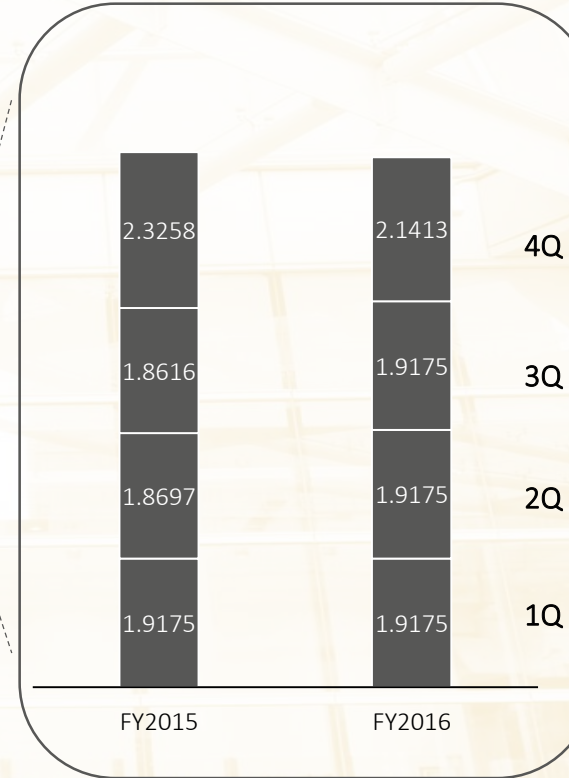
RM ('000)	As at 30 June 2016 (Audited)	As at 30 June 2015 (Audited)	Change
Investment properties	1,843,183	1,764,714	+ 4.4%
Property, plant and equipment	1,623,328	1,506,976	+ 7.7%
Cash & cash equivalents	119,563	126,769	(5.7%)
Other assets	35,844	32,213	+ 11.3%
<b>Total Assets</b>	<b>3,621,918</b>	<b>3,430,672</b>	<b>+ 5.6%</b>
Borrowings	1,598,976	1,564,898	+ 2.2%
Other liabilities	100,539	83,179	+ 20.9%
<b>Total Liabilities</b>	<b>1,699,515</b>	<b>1,648,077</b>	<b>+ 3.1%</b>
<b>Net Asset Value (NAV)</b>	<b>1,922,403</b>	<b>1,782,595</b>	<b>+ 7.8%</b>
Number of units in circulation ('000)	1,324,389	1,324,389	0.0%
<b>NAV per unit (RM)</b>			
- Before income distribution	1.530	1.426	+ 7.3%
- After income distribution	1.452	1.346	+ 7.8%

## Total DPU

DPU (sen)



## Quarterly Breakdown



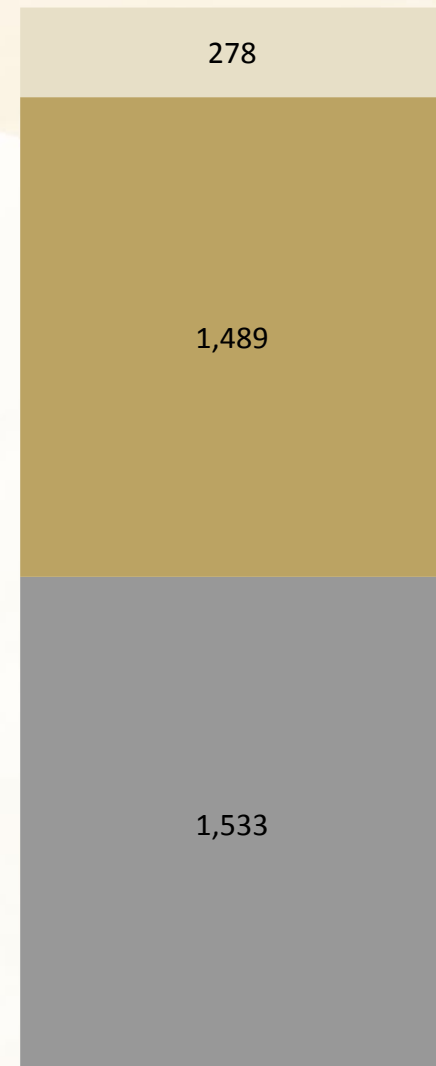
	Total Distributions*	
	FY2015	FY2016
<b>Cumulative</b>	105.6	104.5
<b>4Q</b>	30.8	28.4
<b>3Q</b>	24.7	25.4
<b>2Q</b>	24.8	25.4
<b>1Q</b>	25.4	25.4

\* In RM million

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

# REVALUATION SURPLUS OF RM154 million IN MAY 2016

RM (million)



Prior to revaluation

### JAPANESE property

- Hilton Niseko Village

- RM35.2 mil

### AUSTRALIAN properties

- Sydney Harbour Marriott
- Brisbane Marriott
- Melbourne Marriott

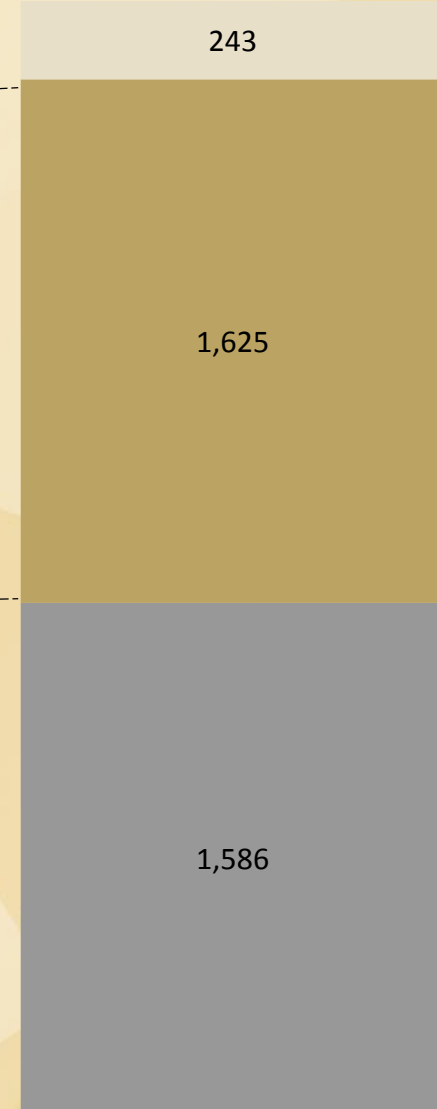
+ RM139.1 mil  
 - RM21.0 mil  
 + RM17.8 mil

### MALAYSIAN properties

- The Residences at The Ritz-Carlton,
- JW Marriott Hotel Kuala Lumpur  
Kuala Lumpur
- The Ritz-Carlton, Kuala Lumpur
- Vistana Kuala Lumpur Titiwangsa
- Vistana Penang Bukit Jambul
- Vistana Kuantan City Centre
- Pangkor Laut Resort
- Tanjong Jara Resort
- Cameron Highlands Resort

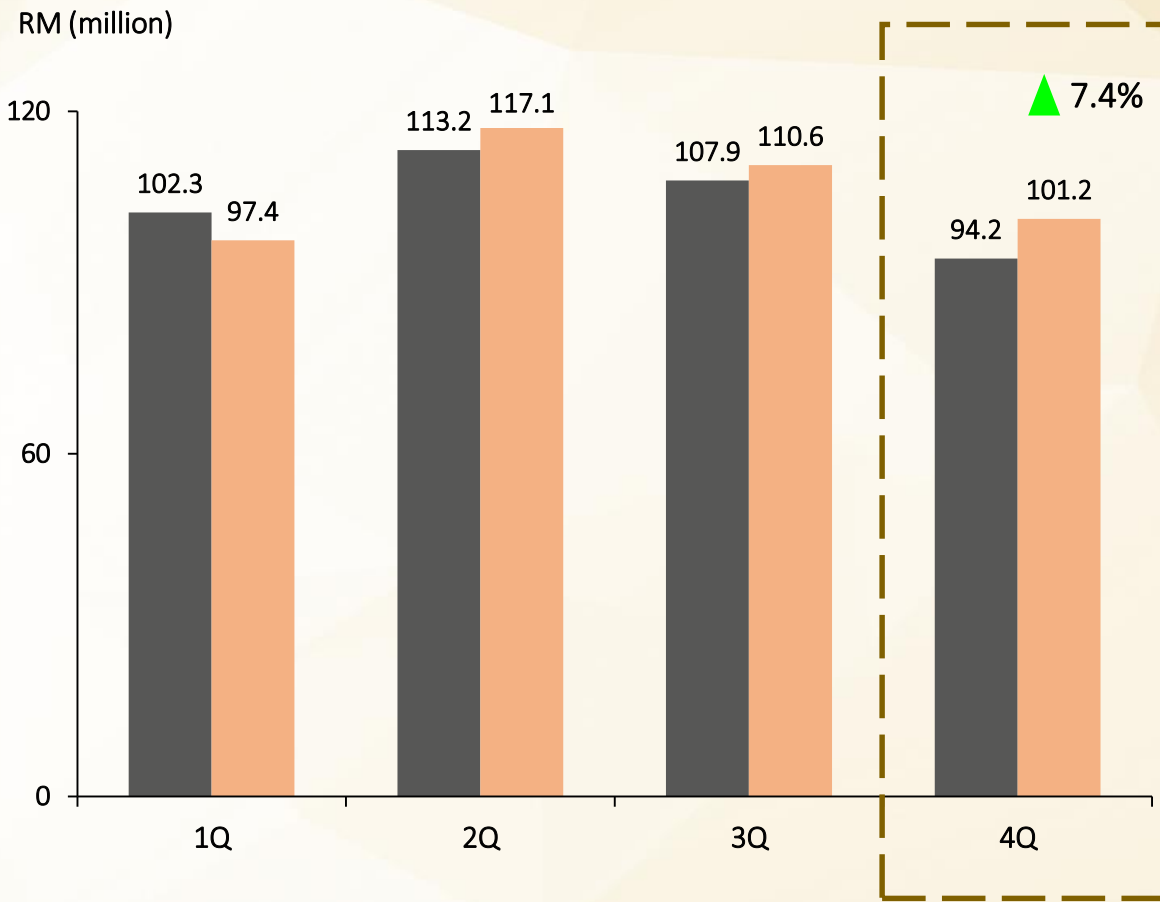
+ RM13.1 mil  
 + RM21.0 mil  
 + RM6.7 mil  
 + RM5.0 mil  
 + RM3.0 mil  
 + RM1.0 mil  
 + RM1.0 mil  
 + RM1.0 mil

RM (million)

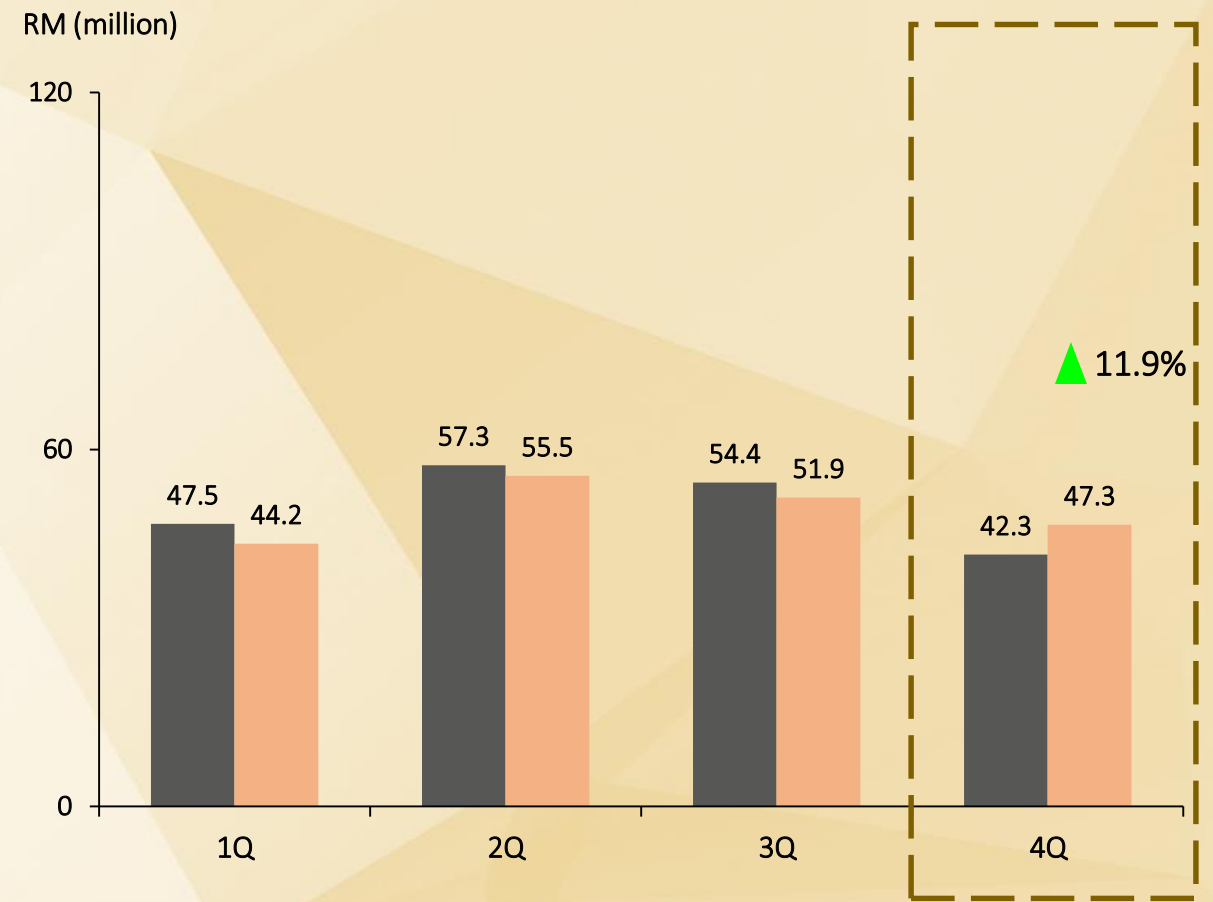


After revaluation

## TOTAL revenue



## NET property income

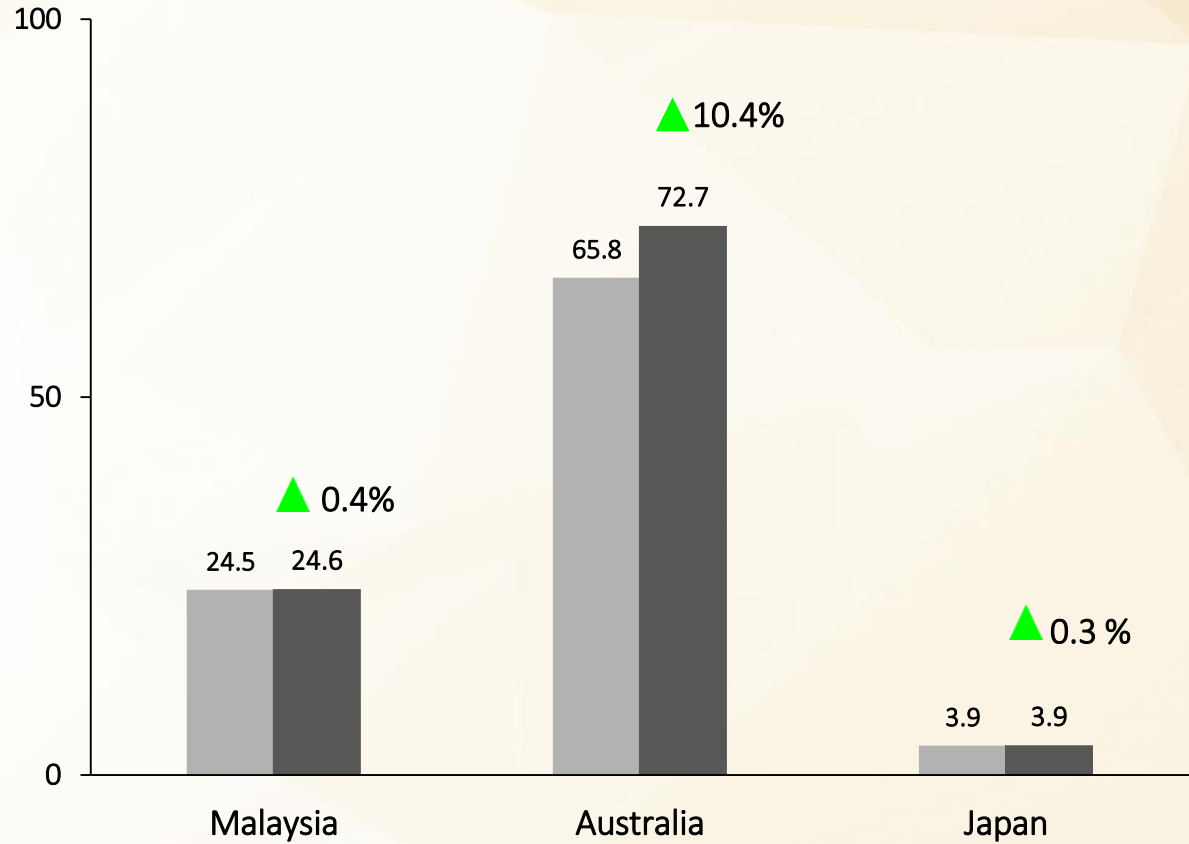


FY2015 FY2016



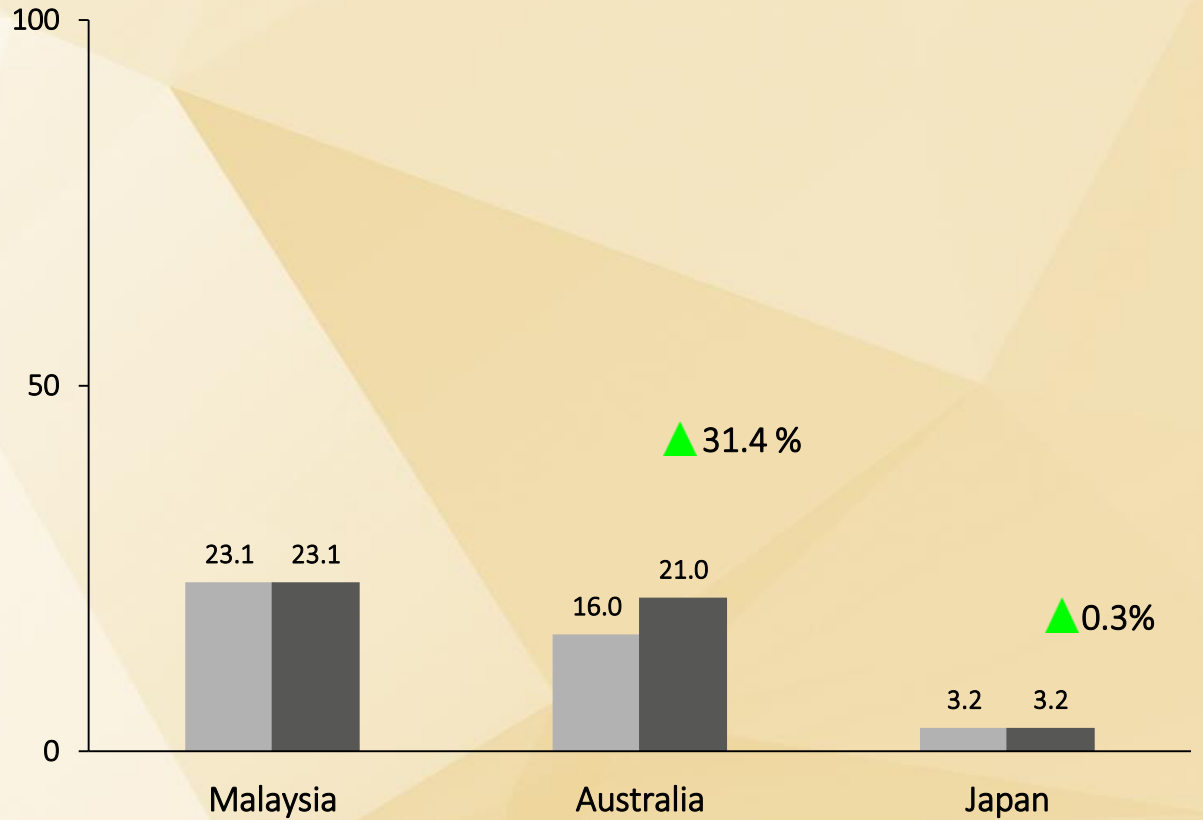
## TOTAL revenue

RM (million)



## NET property income

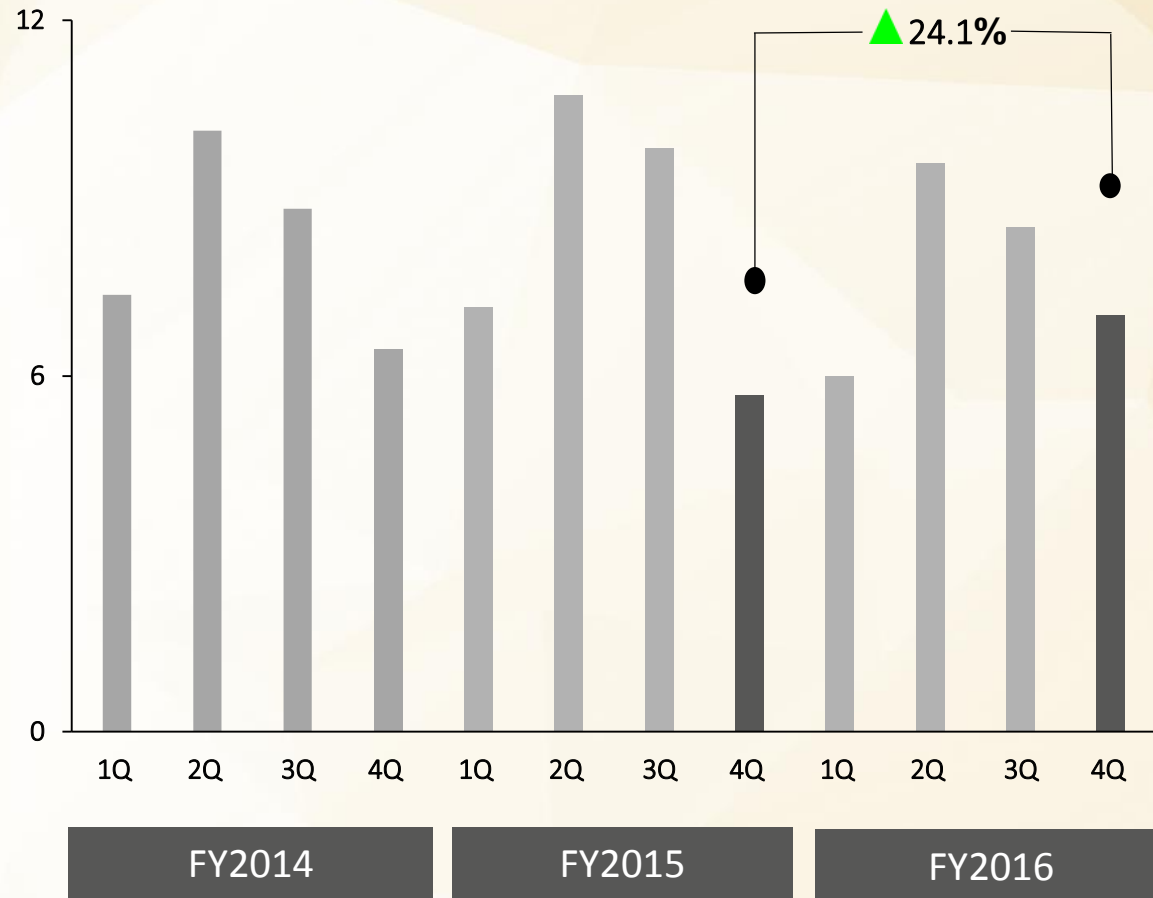
RM (million)



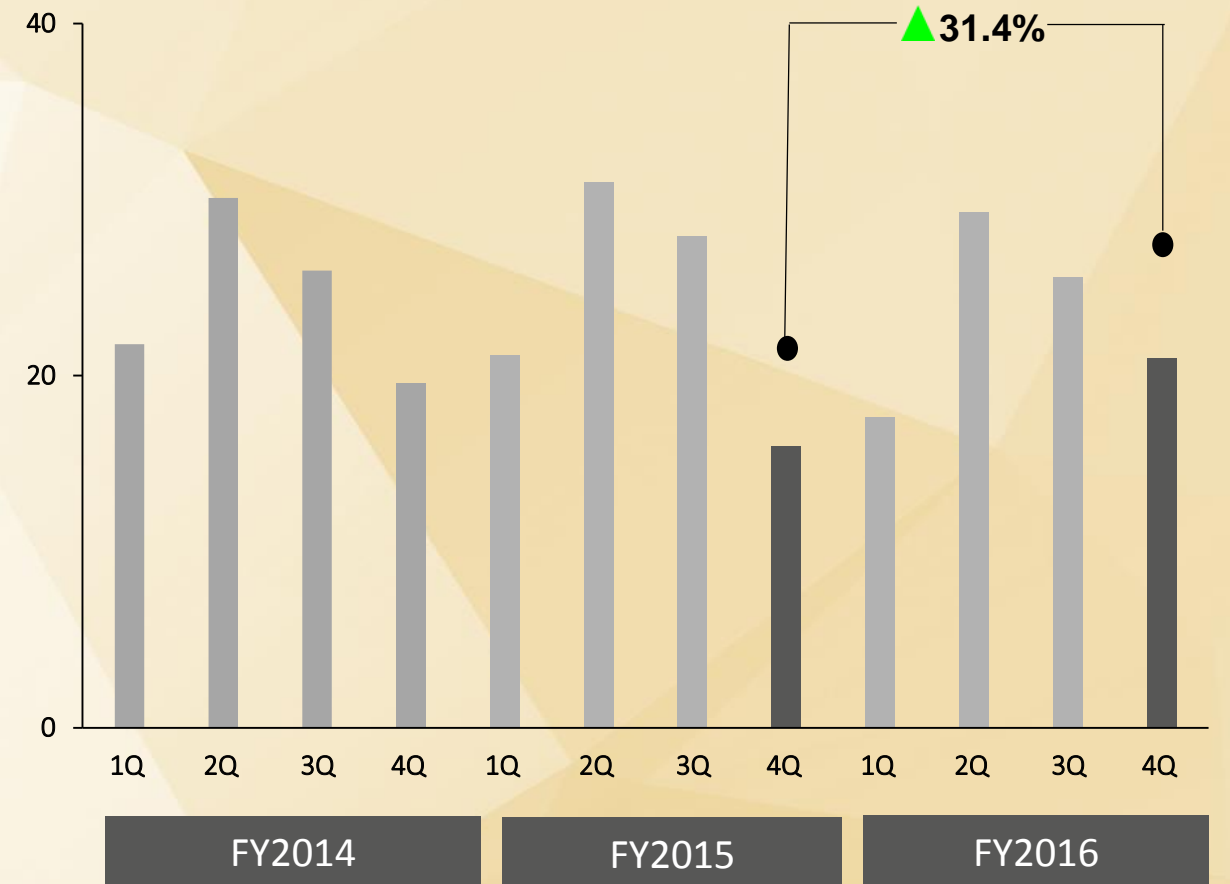
4Q FY2015 4Q FY2016

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

AUD (million)

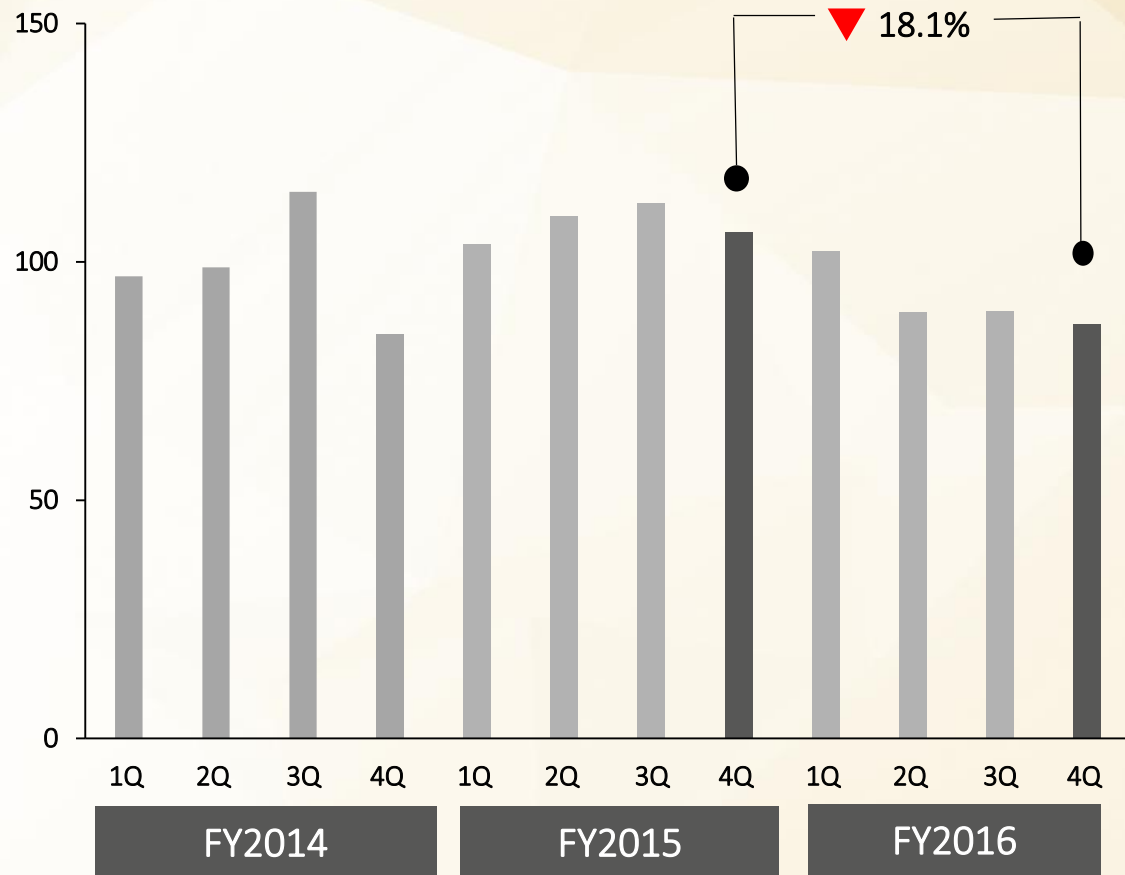


RM (million)

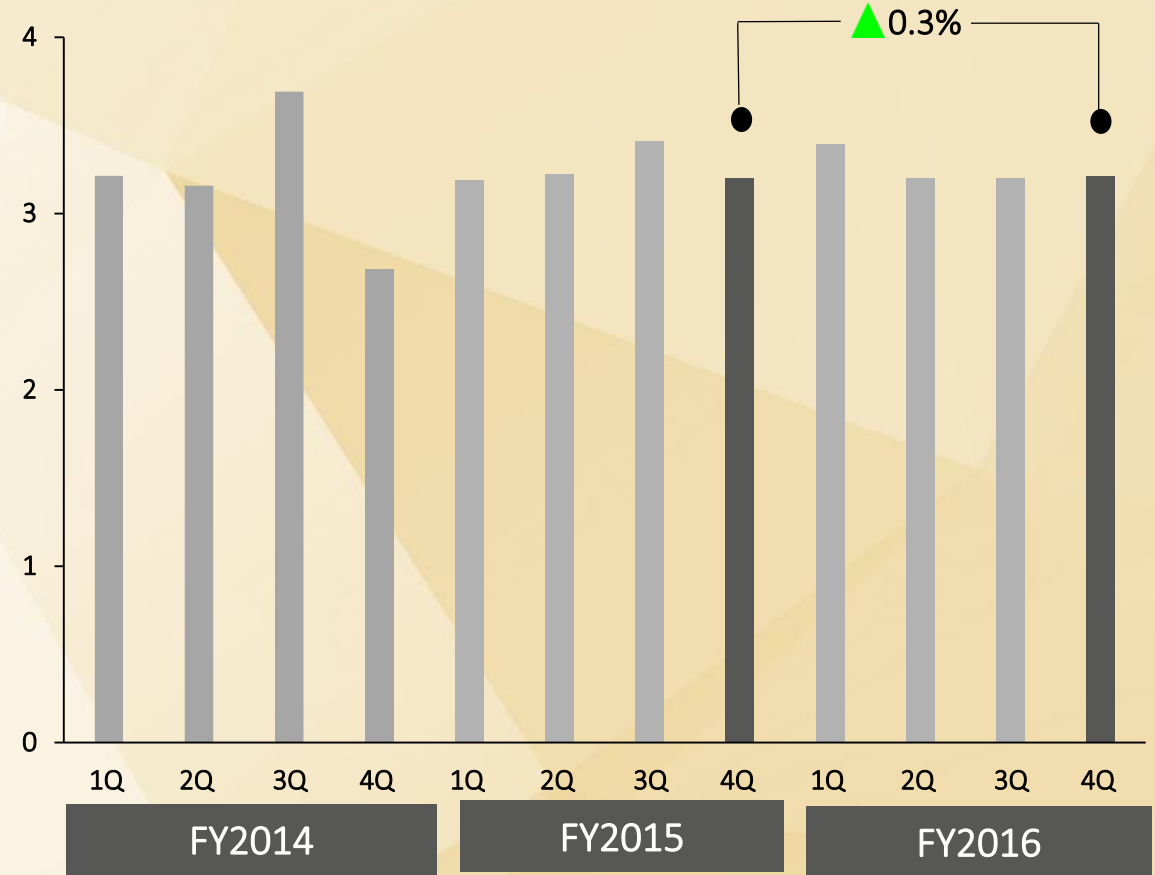


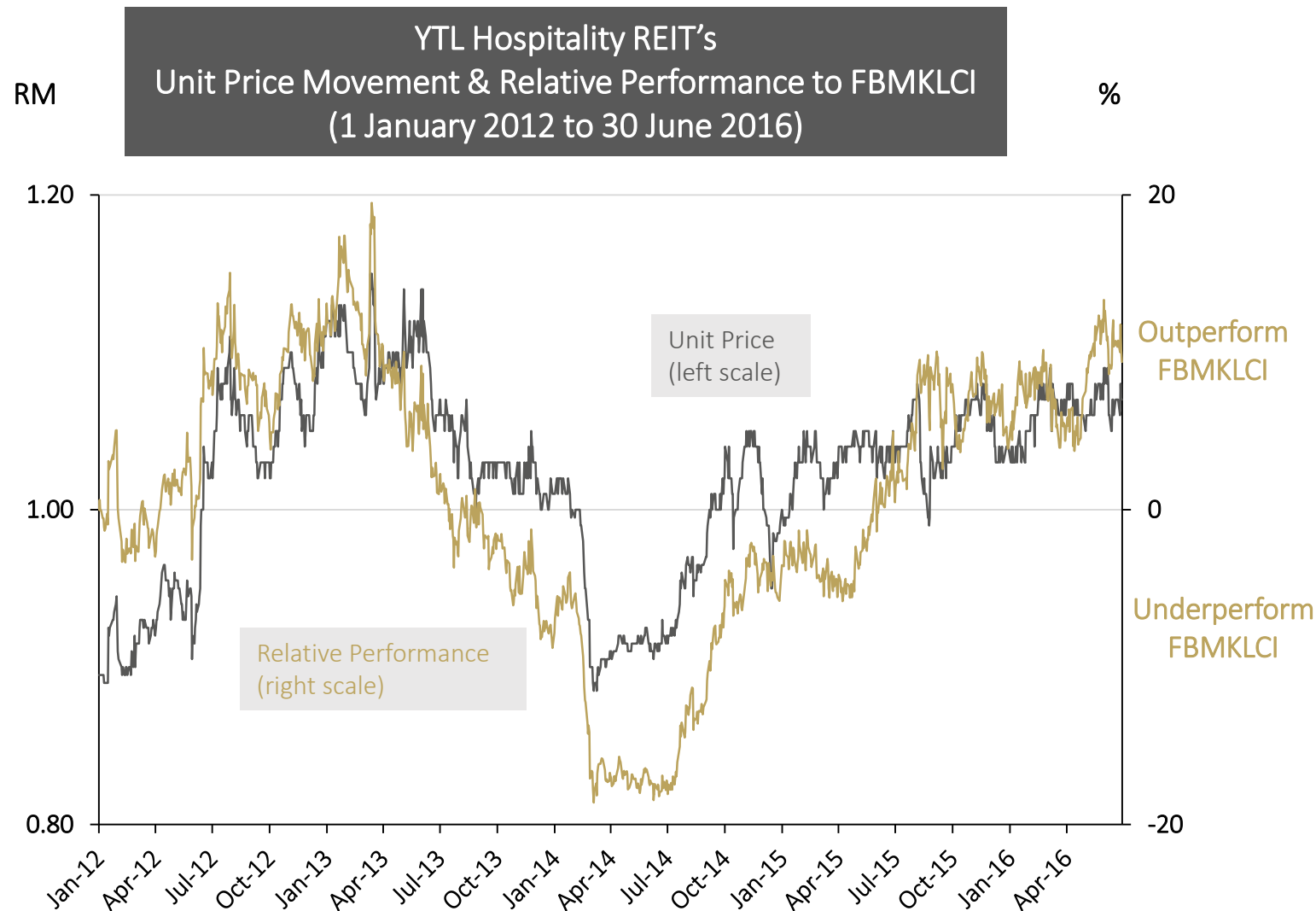
NPI in RM impacted by the foreign exchange effects of the stronger JPY relative to RM

JPY (million)



RM (million)





## TRADING STATISTICS

Closing price <sup>1</sup>	RM1.07
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Market Cap (RM) <sup>1</sup>	RM1,417 mil
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Units issued <sup>1</sup>	1,324,388,889
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Average daily traded volume for 4Q FY2016 ('000 units) <sup>2</sup>	293.2
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Source: Bloomberg

**Notes:**

1. As at 30 June 2016.
2. For the quarter ended 30 June 2016.



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## Financial performances FY2016

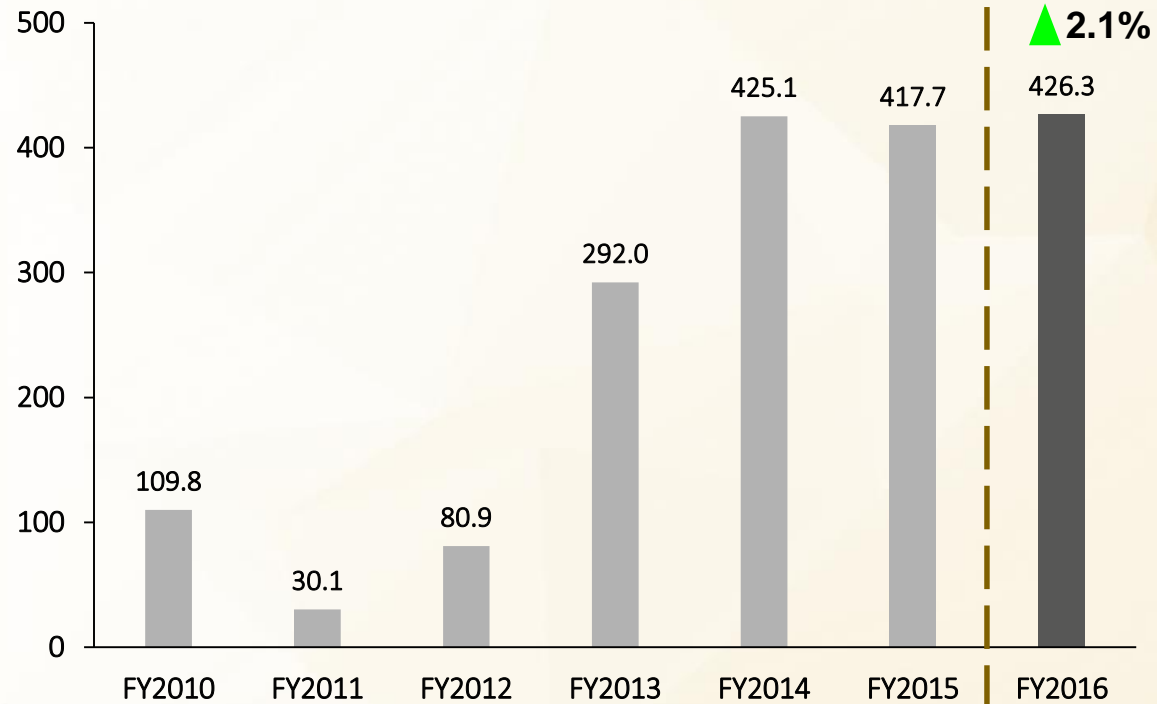
Period: 1 July - 30 June	FY2016	FY2015	Change
Total Revenue	426.3	417.7	+ 2.1%
- Hotel Revenue (Management Contracts)	312.4	304.1	+ 2.7%
- Lease Rental (Master Leases)	113.9	113.6	+ 0.3%
Net Property Income (NPI)	198.9	201.5	(1.3%)
- Management Contracts	93.6	96.0	(2.6%)
- Master Leases	105.4	105.5	(0.1%)
Income available for distribution	104.5	105.6	(1.0%)
Income distribution	104.5	105.6	(1.0%)
- from current year	104.5	105.6	(1.0%)
Distribution per unit (DPU) (sen)	7.8938	7.9746	(1.0%)
Payout ratio (%)	100.0	100.0	-

**Note:**

1. All figures in RM million unless indicated otherwise.

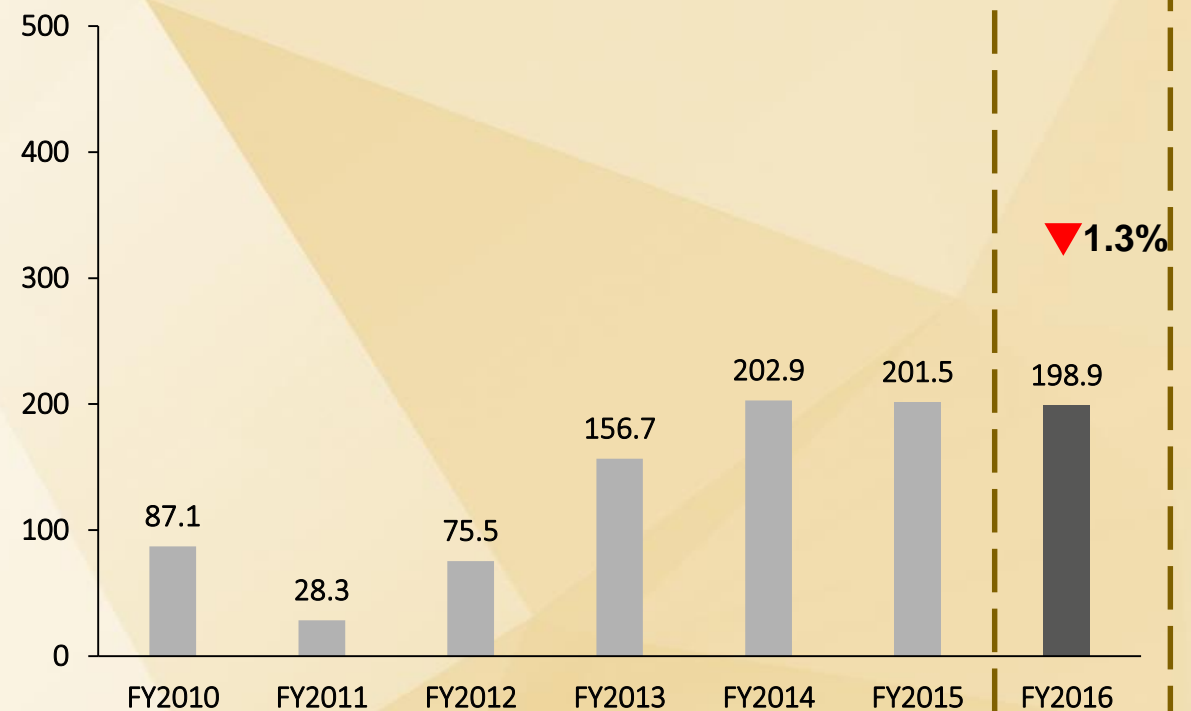
## TOTAL revenue

RM (million)



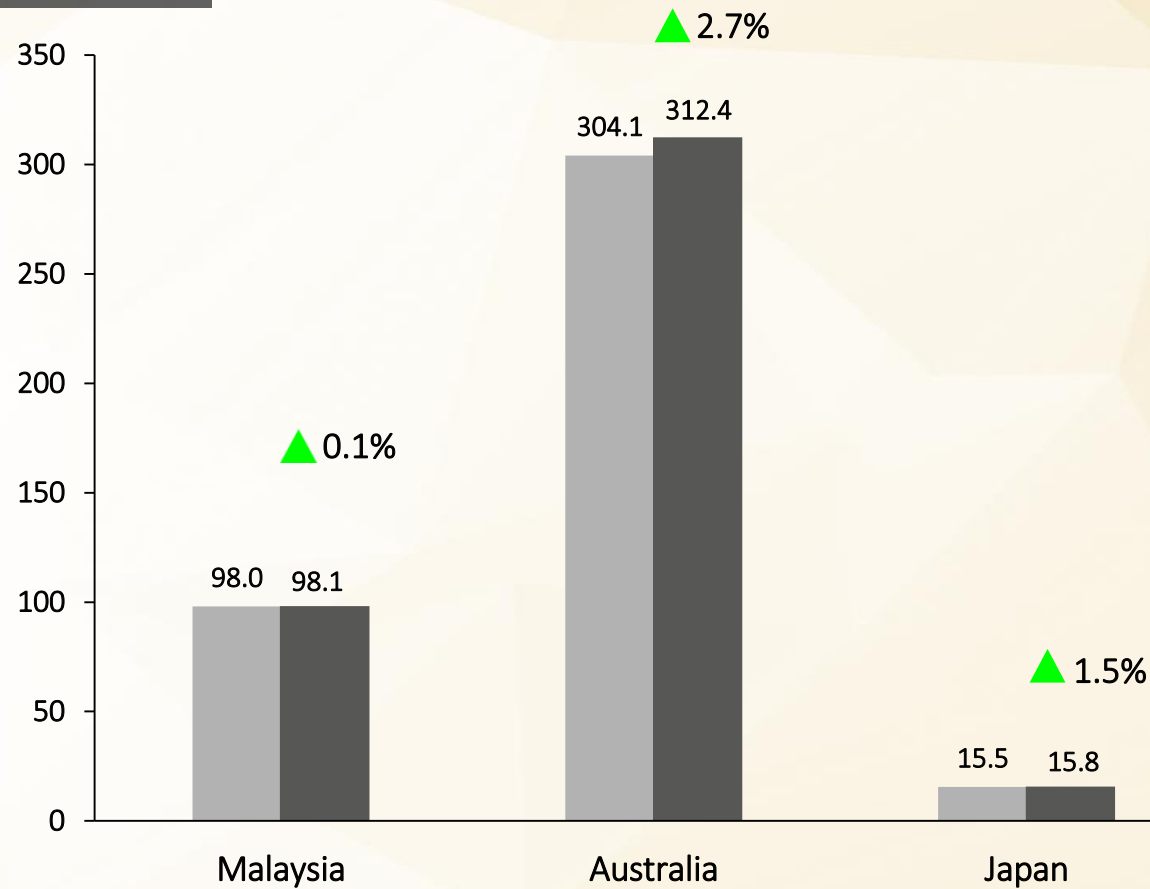
## NET property income

RM (million)



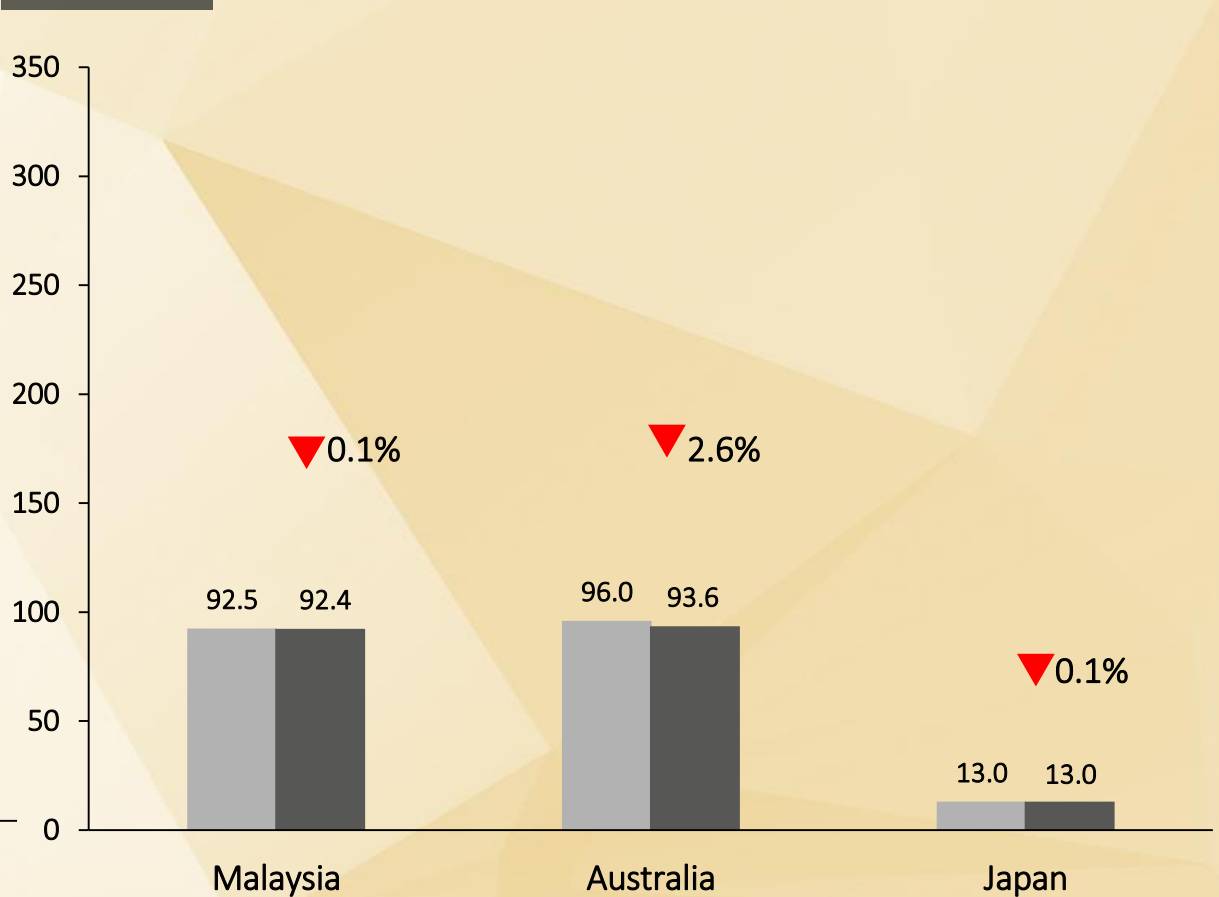
## TOTAL revenue

RM (million)



## NET property income

RM (million)



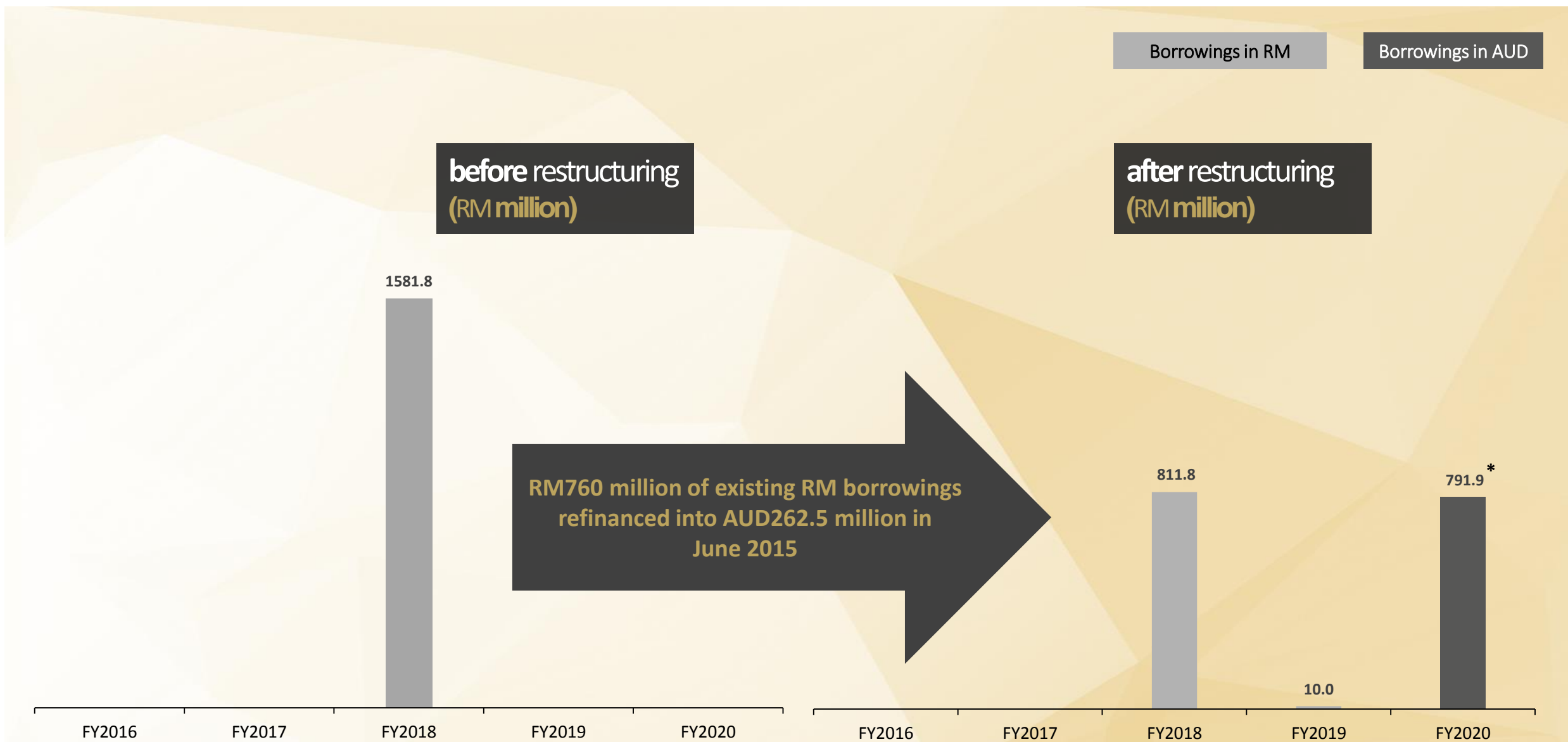
FY2015 FY2016



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'.

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## Capital management

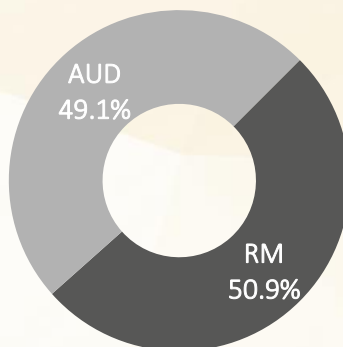


**Notes:**

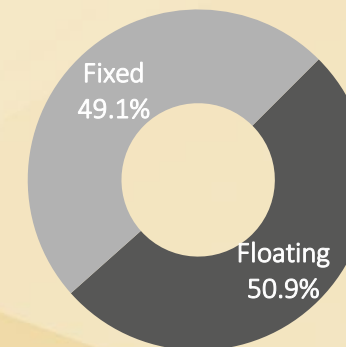
<sup>^</sup> Excluding the effects of capitalised transaction costs.

\* RM equivalent based on the exchange rate of A\$1.00: RM2.9899 as at 30 June 2016.

## CURRENCY



## INTEREST RATE



	30 June 2016	30 June 2015	Change
Borrowings (RM'000)	1,613,734	1,584,712	+ 1.8%
Total Asset Value (RM'000)	3,621,918	3,430,672	+ 5.6%
Gearing (%)	44.6%	46.2%	(1.6 pp)
Average Interest Rates (%) *			
- Borrowings in Ringgit Malaysia	4.9%	4.8%	+ 0.1 pp
- Borrowings in Australian Dollar	4.5%	n.a. <sup>@</sup>	n.a.
Interest Cover * #	2.3 x	2.0 x	+ 0.3 x

**Notes:**

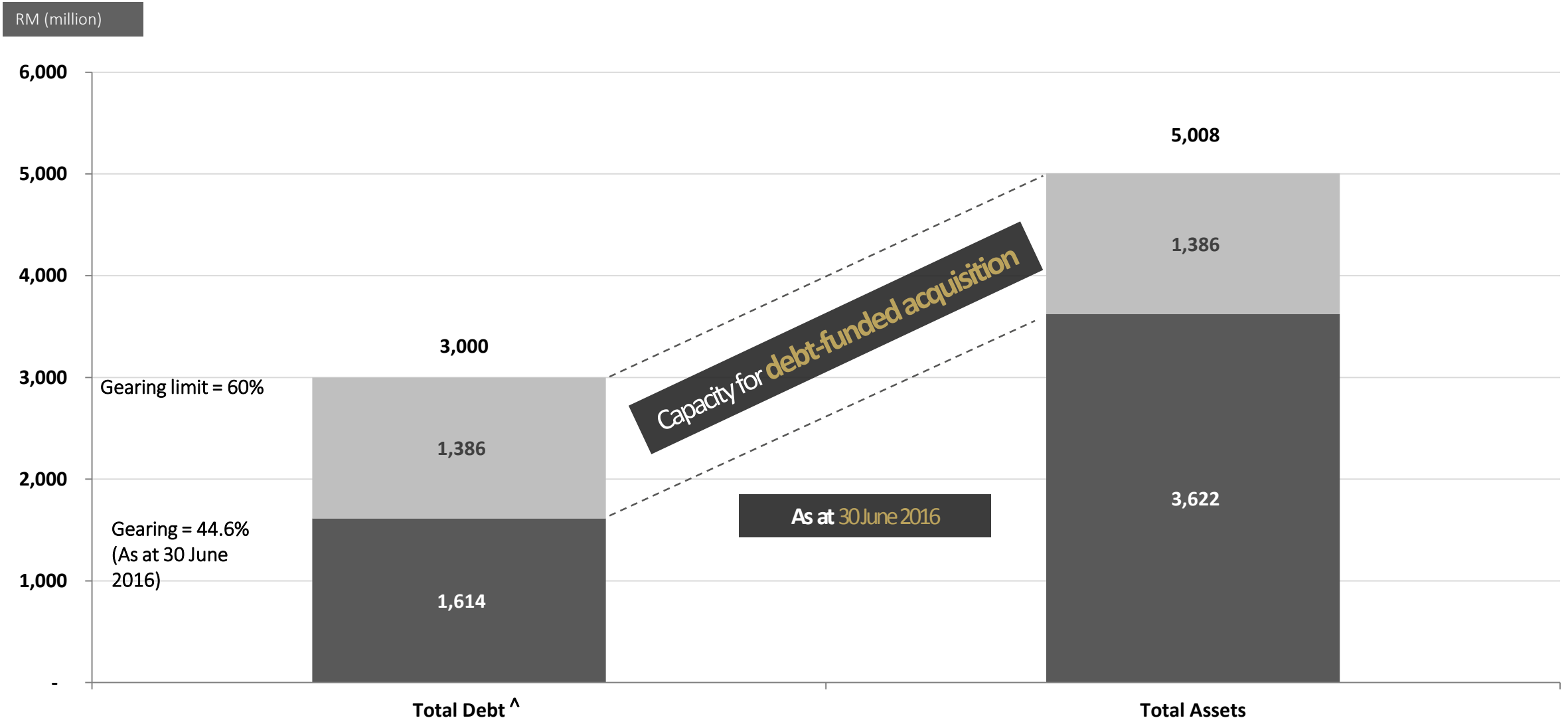
\* For the respective 4Qs.

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

# Computed as NPI / Finance Cost

<sup>@</sup> The average quarterly interest rate is not applicable as the facility commenced in 29 June 2015

# DEBT HEADROOM OF ~RM1,386 million FOR ACQUISITIONS



Notes:

^ Excluding the effects of capitalised transaction costs.

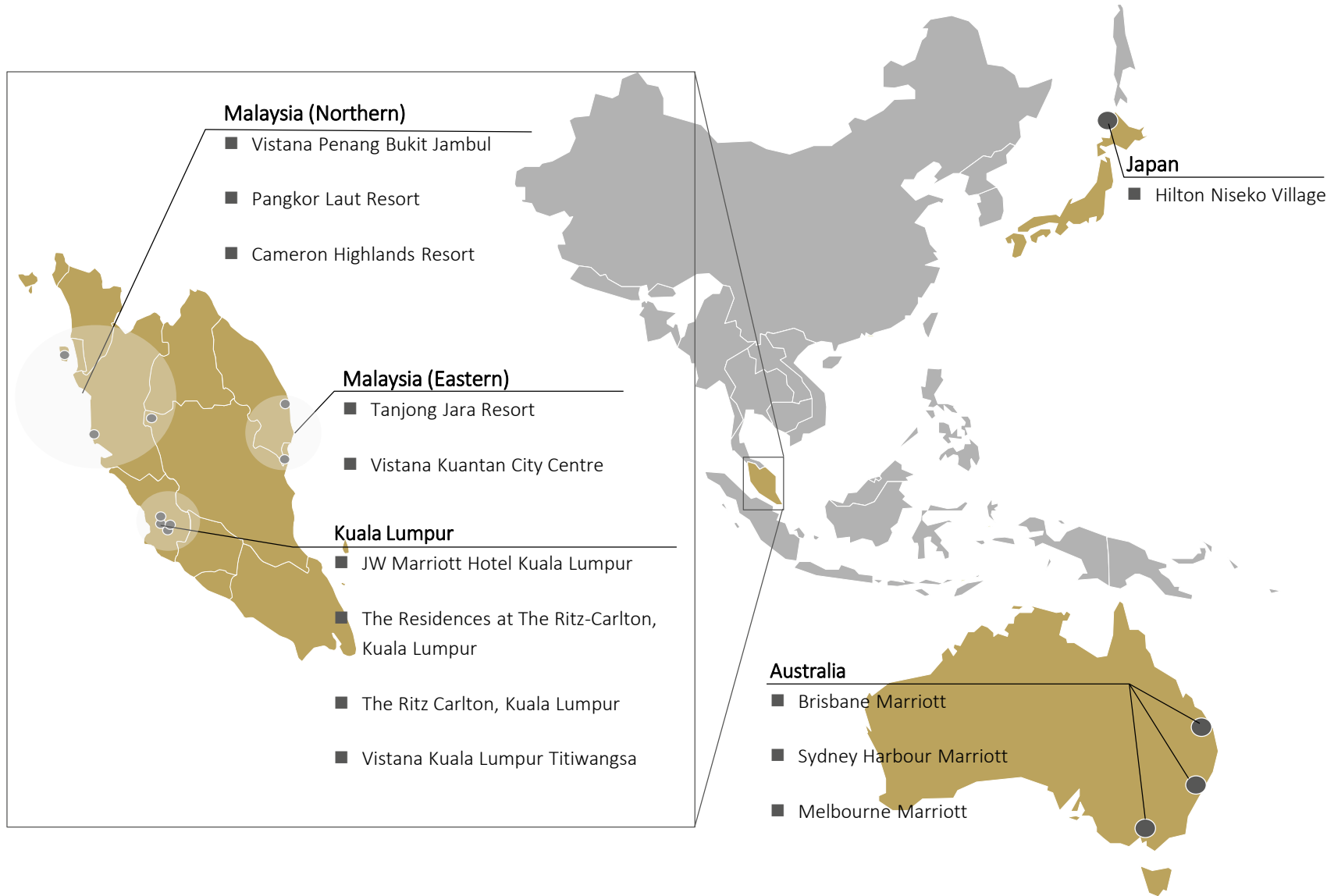


# 4

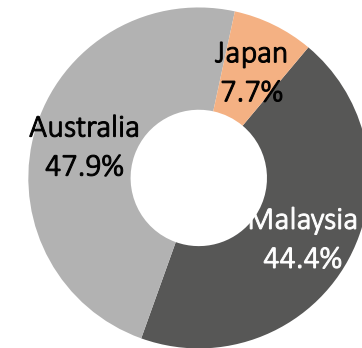
## Asset management

# LUXURY HOTELS & SERVICED RESIDENCES IN 3 COUNTRIES

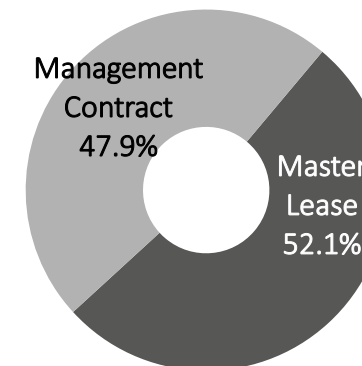
# YTL HOSPITALITY REIT



**ASSET breakdown (by Country)<sup>(1)</sup>**



**ASSET breakdown (by Contract Type)<sup>(1)</sup>**



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

Property	No. of Rooms	Year Acquired	Purchase Price (million)	Annual Lease Rental (RM million)	Valuation (million)		Changes since acquisition
					FY2015	FY2016 <sup>(1)</sup>	
<b>Malaysia</b>			<b>RM</b>		<b>RM</b>	<b>RM</b>	
JW Marriott Hotel Kuala Lumpur	561	2005	331.0	24.47	389.0	410.0	+23.9%
The Residences at The Ritz-Carlton, Kuala Lumpur (Parcel 1)	60	2007	125.0	8.82	156.0	163.0	+30.4%
The Residences at The Ritz-Carlton, Kuala Lumpur (Parcel 2)	54	2011	73.0	3.78	84.0	91.0	+24.7%
The Ritz-Carlton, Kuala Lumpur	251	2011	250.0	19.25	313.0	320.0	+28.0%
Vistana Penang Bukit Jambul	427	2011	100.0	8.20	114.0	117.0	+17.0%
Vistana Kuala Lumpur Titiwangsa	364	2011	100.0	8.20	120.0	125.0	+25.0%
Vistana Kuantan City Centre	215	2011	75.0	6.00	85.0	86.0	+14.7%
Pangkor Laut Resort	97	2011	97.0	8.40	113.0	114.0	+17.5%
Tanjong Jara Resort	100	2011	87.0	7.00	100.0	101.0	+16.1%
Cameron Highlands Resort	56	2011	50.0	4.00	58.0	59.0	+18.0%
<b>Total Malaysia</b>	<b>2,185</b>		<b>1,288.0</b>	<b>98.12</b>	<b>1,532.0</b>	<b>1,586.0</b>	<b>+23.1%</b>
<b>Japan</b>			<b>JPY</b>		<b>JPY</b>	<b>JPY</b>	
<b>Hilton Niseko Village</b>	<b>506</b>	<b>2011</b>	<b>6,000.0</b>	<b>15.54</b>	<b>7,520.0</b>	<b>6,570.0</b>	<b>+9.5%</b>
<b>Australia</b>			<b>AUD</b>		<b>AUD</b>	<b>AUD</b>	
Sydney Harbour Marriott	595	2012	249.0	n.a.	347.0	380.0	+52.6%
Brisbane Marriott	267	2012	113.0	n.a.	98.5	87.0	(23.0%)
Melbourne Marriott	186	2012	53.0	n.a.	74.4	77.4	+46.0%
<b>Total Australia</b>	<b>1,048</b>		<b>415.0</b>		<b>519.9</b>	<b>544.4</b>	<b>+31.2%</b>
<b>TOTAL</b>	<b>3,739</b>						

Note:

(1) As at 31 May 2016.

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Malaysia	Under Master Leases					
Japan	Under Master Lease					
Australia	–	–	83.1% <sup>(1)</sup>	84.2%	84.4%	86.4%

**Note:**

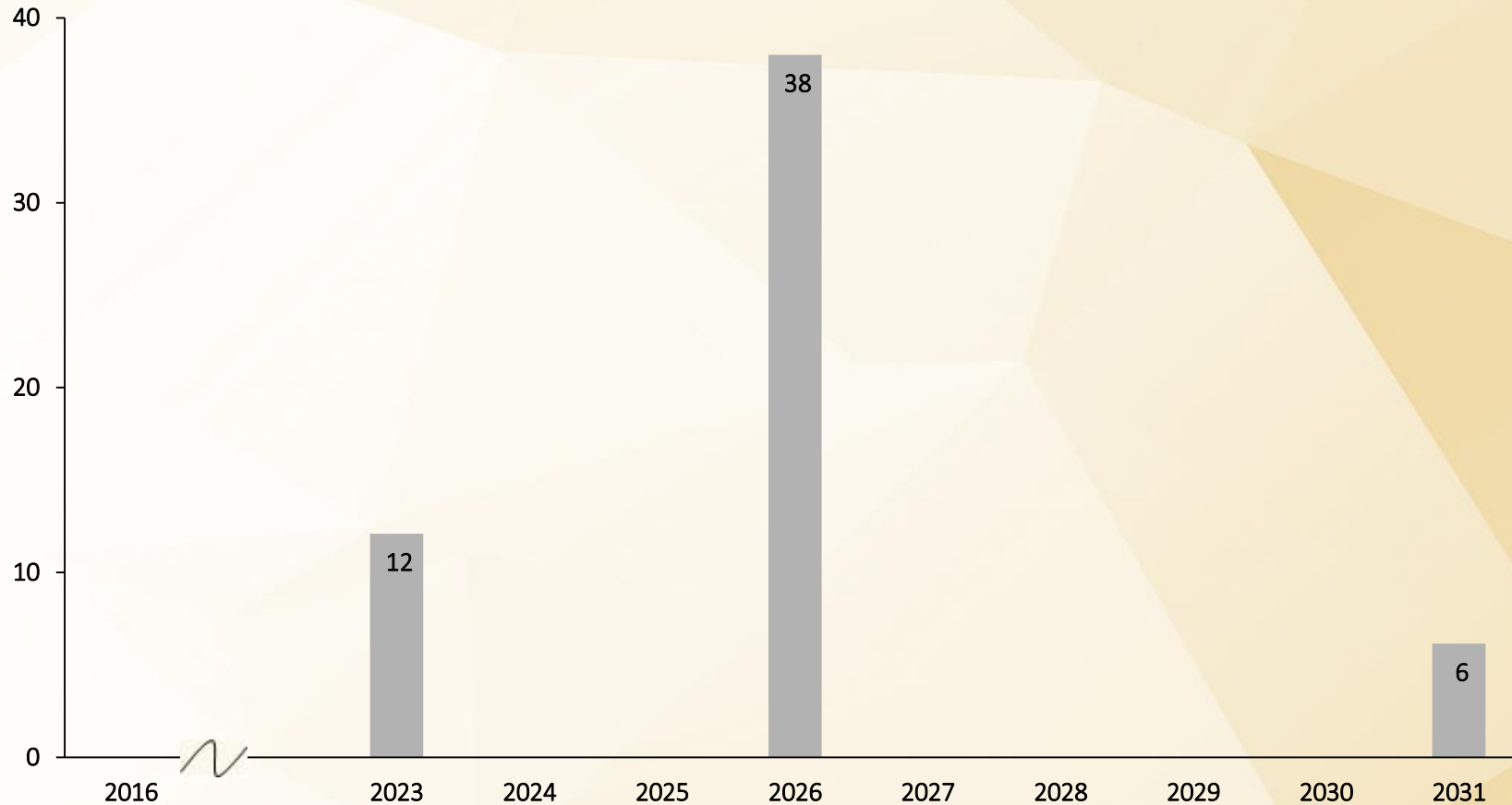
(1) For 1 July 2012 to 30 June 2013 which includes certain pre-acquisition period as the properties were acquired on 29 November 2012.



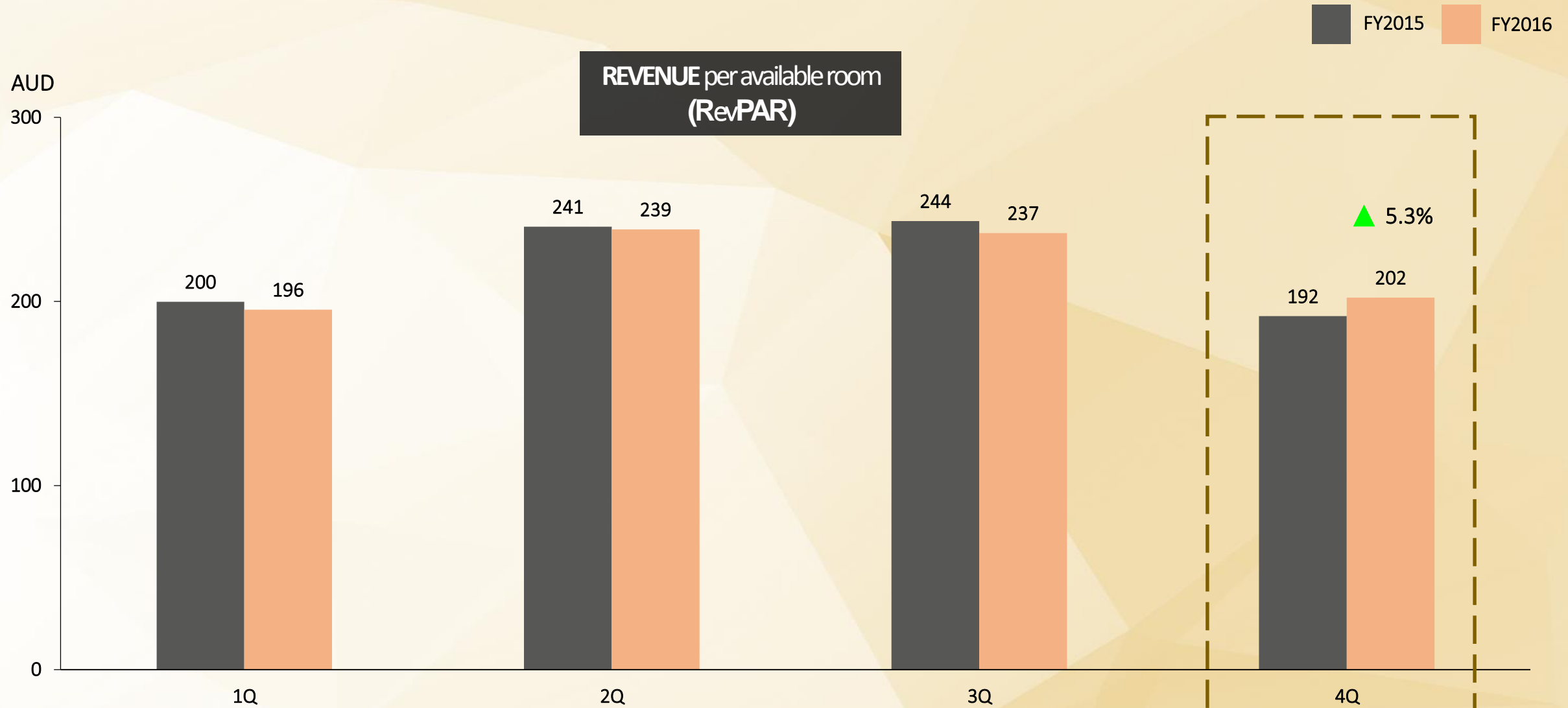
**NET property income**  
**(% of total \*)**

**Master leases**

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

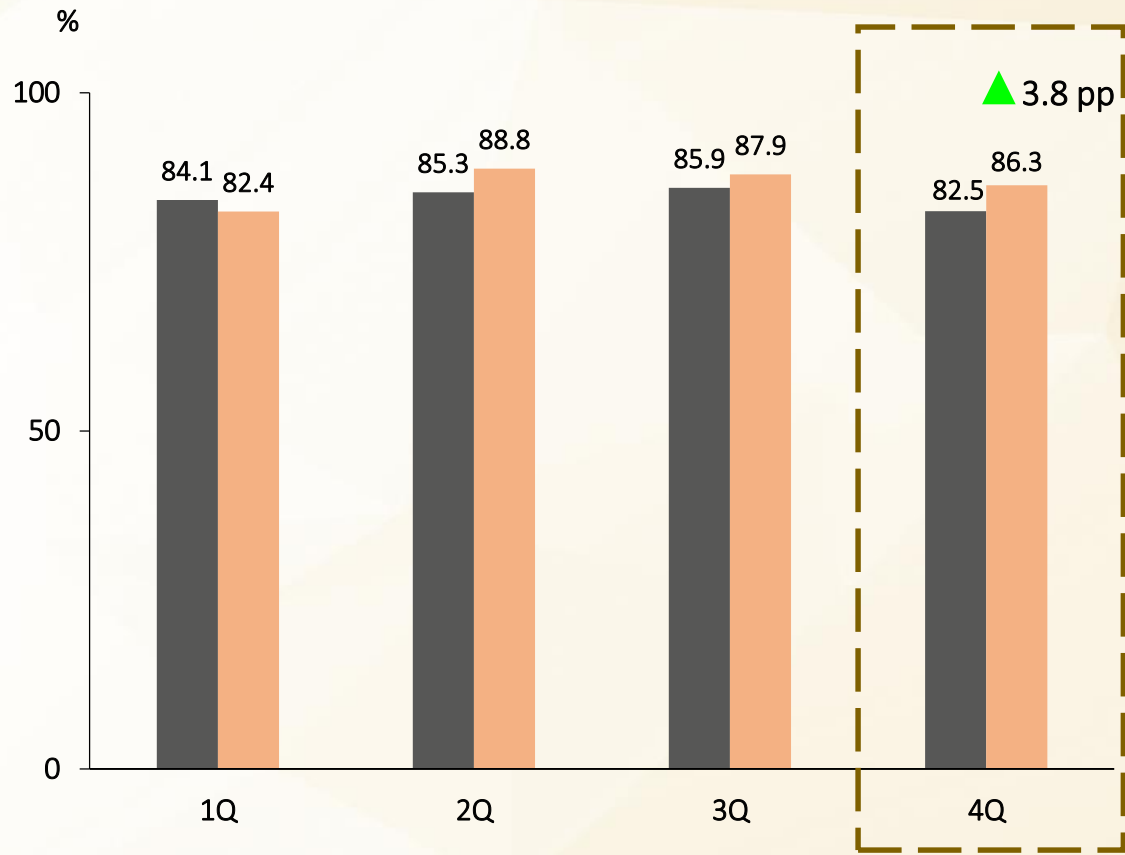


\* For 4Q FY2016.

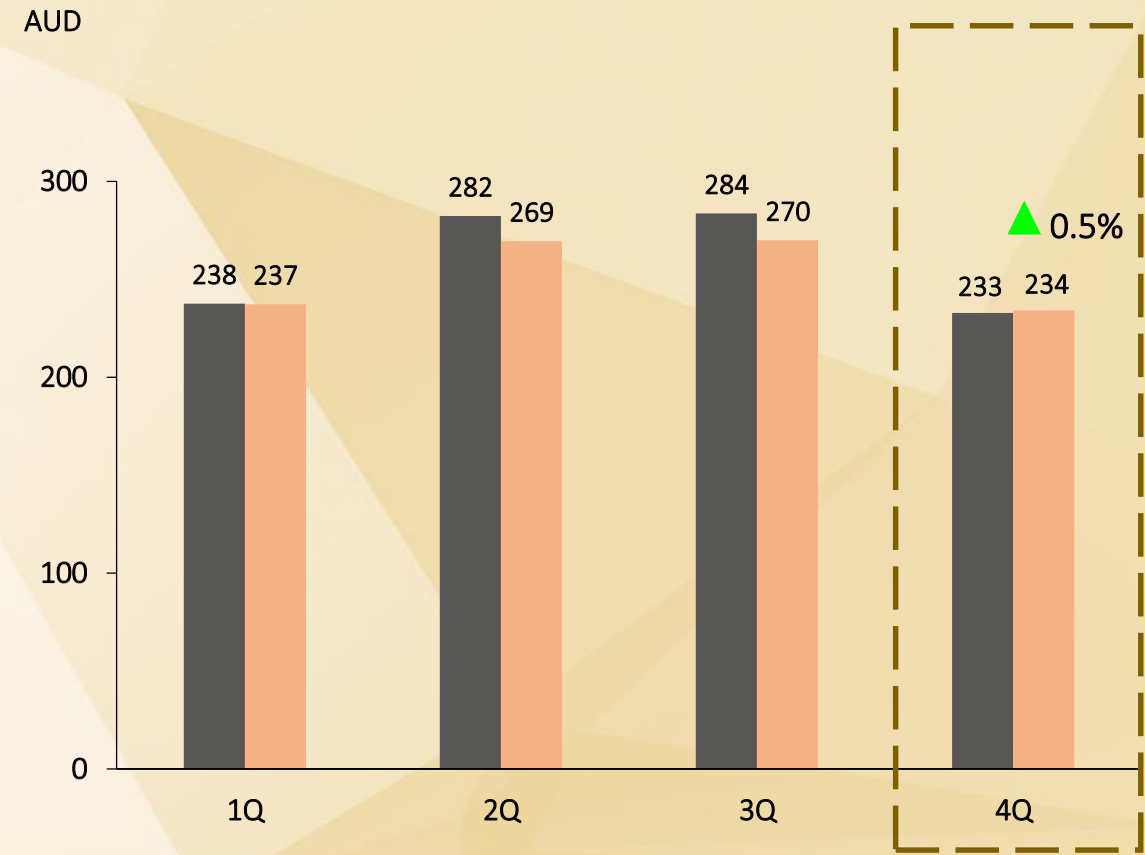


FY2015 FY2016

**Average occupancy**



**Average daily rate (ADR)**





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## 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>	RM410 million



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.

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>	15 years
Annual rental	RM12.6 million
No. of rooms	114
Acquisition date	16 May 2007 & 15 November 2011
Valuation <sup>(2)</sup>	Parcel 1: RM163 million Parcel 2: RM 91 million



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.

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>	RM320 million



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.

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>	RM117 million



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.



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>	RM125 million



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.

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>	RM86 million



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.

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>	RM114 million



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.

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>	11 years
Annual rental	RM7.0 million
No. of rooms	100
Acquisition date	15 November 2011
Valuation <sup>(2)</sup>	RM101 million



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.

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>	RM59 million



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.

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>	JPY6,570 million (RM257.2 million)



**Note:**

1. Lease remaining calculated as of 1 July 2016. There is an option for the lessee to renew the lease upon expiry.
2. As at 31 May 2016.
3. RM equivalent based on the exchange rate of JPY100:RM3.9145 as at 30 June 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 <sup>(1, 2)</sup>	AUD380 million (RM1,136.2 million)



**Note:**

1. As at 31 May 2016.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9899 as at 30 June 2016.

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>	AUD87 million (RM260.1 million)



**Note:**

1. As at 31 May 2016.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9899 as at 30 June 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 <sup>(1, 2)</sup>	AUD77.4 million (RM231.4 million)



**Note:**

1. As at 31 May 2016.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9899 as at 30 June 2016.

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