



ASX Announcement

21 December 2016

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**Hotel Property Investments (ASX Code: HPI)**  
**Distributions, Refinancing and Investment Property Revaluation**

**Expected Distribution and Updated Guidance**

Hotel Property Investments is pleased to announce the following:

- An expected distribution of 9.7 cents per stapled security from trading operations for the half year ending 31 December 2016, plus
- A capital distribution of 12.5 cents per stapled security, 100% tax deferred
- A total expected distribution for the half year of 22.2 cents

*The expected distribution comprises:*

Trust Distribution from Operations	9.7 cents
Trust Capital Distribution	12.5 cents
Company Dividend	Nil
Total Stapled Security Distribution	22.2 cents

*Key Dates:*

Ex Entitlement date	Thu 29 December 2016
Record Date	Fri 30 December 2016
Half Year Results Announcement	Wed 22 February 2017
Issue of Tax Components of Distribution	Fri 3 March 2017
Estimated Payment Date	Mon 6 March 2017

HPI is committed to proactive capital management, and this capital distribution has been made in order to move gearing within the Board's target range of 40 to 50%.

*Updated Distribution Guidance for the Year Ending 30 June 2017:*

HPI advises that it expects to pay a final distribution of 9.9 cents per stapled security from trading operations for the half year ending 30 June 2017, resulting in a full year distribution of 19.6 cents from trading operations, and 32.1 cents in aggregate.

## **Refinancing**

Hotel Property Investments is pleased to announce that it has refinanced its outstanding loan facilities, entering into new 3 and 5 year loans with the Commonwealth Bank and Westpac, under a new, fully secured Common Terms Deed platform. The refinancing increases the average loan term to expiry to 4.3 years, and includes an average interest rate margin of 1.7%. The aggregate limit of the facilities is \$285 million, with \$247.3 million drawn or committed at 21 December 2016.

HPI has approximately 25% of its debt hedged.

## **Investment Property Revaluation**

In conjunction with the loan refinancing the Board commissioned independent valuations for the entire property portfolio, which has resulted in a total valuation of \$644.8 million, an increase of \$56.5 million over the June 2016 investment property valuation. The 9.6% increase arises substantially as a result of a reduction in the weighted average cap rate from 7.3% to 6.5%.

The HPI Board has amended its valuation policy such that it will obtain independent valuations for at least 50% of the properties each year going forward.

End.

## **Contact:**

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