

Hotel Property Investments Group

ASX Appendix 4E

Full Year Report

Year Ended 30 June 2014

The stapling of the units of Hotel Property Investments Trust and the shares of the Hotel Property Investments Limited occurred on 10 December 2013 for the purpose of the public listing of the HPI Group on the ASX. For relevant stapling arrangements Australian Accounting Standards require an acquirer to be identified. In relation to the stapling of the Company and the Trust, the Trust has been identified as the acquirer due to its large size relative to that of the Company.

Name of entity

HOTEL PROPERTY INVESTMENTS (HPI)

ABN or equivalent company reference

Hotel Property Investments Trust (ARSN 166 484 377) and Hotel Property Investments Limited (ABN 25 010 330 515)
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Half yearly	Preliminary final	Reporting Period
	✓	1 July 2013 to 30 June 2014

Results for announcement to the market

	30-Jun-2014	30-Jun-2013	
	A\$'000	A\$'000	Variance %
Rental revenue	50,338	66,321	-24.10%
Total income	109,746	87,068	26.05%
Profit for the period attributable to stapled security holders	59,300	39,255	51.06%
Net Assets per security	\$1.96	\$0.04	Very large
Net assets per stapled security on issue have increased primarily due to the restructuring of the group prior to the public float.			

Explanation of Results

- On 9 December 2013 the company was substantially restructured, including the novation of assets, the assignment of liabilities and the reduction of revenues and costs not associated with the continuing business of HPI, and the securities of HPI were sold in a public float. This statement includes revenues and expenses for the 48 assets included in the HPI Group as at 30 June 2014. Also included are an additional 28 assets up to the date of their novation out of HPI Group as part of the restructure on 9 December 2013.
- As a consequence rental revenue decreased by 24.1% substantially due to the novation of assets from the group.
- Total income increased by 26.05% substantially due to the fair value increment on investment properties during the current year.
- Profit for the period has increased by 51.06% substantially due to the fair value increment on investment properties which was partially offset by the increase in other expenses relating to the restructure.

Distributions

	Amount per security	Franked Amount
Final Distribution	8.8 cents	nil
<ul style="list-style-type: none"> During the half-year ended 31 December 2013 the Trust paid distributions to unitholders of \$12.9m which related to the period prior to the restructure. A distribution of 8.8 cents was declared relating to the period from 10 December 2013 after the restructure and public float to 30 June 2014. The total distribution amount of 8.8 cents per stapled security represents a Trust distribution. The distribution payment will be made on 18 September 2014. The record date for determining entitlements to the distribution was 30 June 2014. 		

Audit

This report is based on financial accounts which have been audited by KPMG. A copy of the Hotel Property Investments audited annual report is attached.