

# Hotel Property Investments Group

## ASX Appendix 4D

### Half Year Report

Six Months Ended 31 December 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 relative size to 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)**

Half yearly	Preliminary final	Reporting Period
✓		1 July 2014 to 31 December 2014

#### Results for announcement to the market

	31-Dec-2014	31-Dec-2013	
	A\$'000	A\$'000	Variance %
Rental revenue	19,702	31,815	-38.1%
Total income	24,190	75,718	-68.1%
Profit for the period attributable to stapled security holders	7,286	38,520	-81.1%
Net Assets per security	\$1.96	\$1.96	0.0%

#### Explanation of Results

- On 9 December 2013 the company was substantially restructured, removing assets, debt, revenues and costs not associated with the continuing business of HPI. Consequently the comparative period includes revenues and expenses for 28 investment properties up until their novation to another entity on that date, as part of the HPI Group float.
- Rental revenue decreased by 38.1% substantially due to the novation of investment properties from the group during the comparative period.
- Total income decreased by 68.1% substantially due to a greater fair value increment on investment properties in the comparative period (prior to listing) than in the current period, and the impact of the novation of investment properties from the group during the comparative period.
- Profit for the period decreased by 81.1% due to a greater fair value increment on investment properties in the comparative period (prior to listing), the impact of the novation of investment properties from the group late in the comparative period, a fair value decrement on derivatives in the current period, offset partially by lower financing costs and lower other expenses in the current period.

#### Distributions

	Amount per security	Franked Amount
Interim Distribution	7.9 cents	nil
<ul style="list-style-type: none"><li>A distribution of 7.9 cents was declared relating to the period from 1 July 2014 to 31 December 2014.</li><li>The total distribution amount of 7.9 cents per stapled security represents a Trust distribution. The distribution payment will be made on 6 March 2015.</li><li>The record date for determining entitlements to the distribution was 31 December 2014.</li></ul>		

#### Audit

This report is based on financial accounts which have been reviewed by KPMG. A copy of the Hotel Property Investments 31 December 2014 Half Year Report with KPMG review opinion is attached.