

Hotel Property Investments Group

ASX Appendix 4E

Full Year Report

Year Ended 30 June 2015

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 30 June 2015

Results for announcement to the market

	30-Jun-2015	30-Jun-2014	
	A\$'000	A\$'000	Variance %
Rental revenue	40,726	50,338	-19.1%
Total income	63,019	109,746	-42.6%
Profit for the period attributable to stapled security holders	35,435	59,300	-40.2%
Net Assets per security	\$2.07	\$1.96	5.2%

Explanation of Results

- In 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 19.1% substantially due to the novation of investment properties from the group during the comparative period.
- Total income decreased by 42.6% 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 40.2% substantially due to a lower fair value increment on investment properties in the current period, lower rental income due to the novation of properties out of the group during the comparative period, a greater loss on derivative financial instruments 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		nil
▪ An interim distribution of 7.9 cents was paid on 6 March 2015 relating to the period from 1 July 2014 to 31 December 2014		
Final Distribution		nil
▪ A final distribution of 8.4 cents was declared relating to the period from 1 January 2015 to 30 June 2015		
▪ The total distribution amount of 8.4 cents per stapled security represents a Trust distribution. The distribution payment will be made on 11 September 2015.		
▪ The record date for determining entitlements to the distribution was 2 July 2015.		

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.