



The Power of YTL

An Interview with James McBride,
President, YTL Hotels & Properties



EDITORS' NOTE A native of South Africa, James McBride received a diploma in hotel management before moving to the United States to further his studies at Cornell University. He then worked for The Ritz-Carlton Company in hotels around the world. After graduating from Harvard Business School's program for management development, he oversaw the opening of the group's properties in Washington, D.C. Prior to joining The Carlyle (a Rosewood Hotel), in December 2003, McBride was General Manager of Grosvenor House Hotel in London.



James McBride

COMPANY BRIEF Malaysia-based YTL Hotels & Properties (www.ytlhotels.com) is the hospitality arm of YTL Corporation Berhad, one of the largest companies listed on the Bursa Malaysia (Stock Code: 4677, Bloomberg: YTLMK; Reuters: YTLS.KL), and together with its six listed entities has a combined market capitalization of about \$11 billion and total assets of more than RM45 billion (\$13 billion). Under the YTL Hotels arm, the company owns and manages a prestigious award-winning collection of individually unique resorts, hotels, and spas including the world's number one resort, Pangkor Laut. Their global expansion in 2010 includes Saint-Tropez, Niseko Village, Shanghai, and Borneo.

How has YTL's business survived the recent downturn?

In Asia, we just moved out of the recession and bounced back quickly here. I can't share any of the downtrodden mantra that is going on in the rest of the world.

What is happening in Asia, especially in Singapore, is extraordinary. Singapore is one of the hottest cities in the world in which to live right now. The private money that is coming out of Switzerland and Brazil to be parked in Asia is amazing.

Our property division recently sold a total of 28 villas in Sentosa at the average price of SGD17 million each so we're getting SGD2,210 per square foot for a waterfront villa. This is highly comparable with some of the global cities around the world.

The SGD5,000-per-square-foot level is where it's going to go and the Singapore dollar is appreciating, which is a negative in many respects.

Watching Shanghai – where we are doing a deal – progress so rapidly and develop into a global cosmopolitan city is extremely exciting and impressive. Along with our acquisition in Japan of Niseko Village, we have 1,000 acres that we bought from Citigroup Principal Investments for \$66 million. Where are you going to buy 1,000 acres where you have the opportunity to sculpt and create a premier ski resort destination? We have two hotels there, a 500-room Hilton and a 200-room Green Leaf, which opens in December 2010. We're

going to develop an amalgamation of Whistler, Aspen, and St. Moritz with a Japanese feel and high-end retail with a vibrant après-ski culture.

There are no luxurious ski resorts anywhere in Northern Asia. In the past 10 years, the Asians' taste for luxury has evolved and it's going to continue to evolve at such an incredibly fast rate over the next 10 years that you're going to be selling villas, houses, and estates at \$5 million and more to people in Beijing, Shanghai, and Taipei.

Furthermore, those customers will stay in this time zone and the area from Thailand to Indonesia will evolve to become the Caribbean or Côte d'Azur of the East. So your super yachts and private jet travel are all going to be in Asia.

That is our view of where this is going. Through land banking, we have luxury real estate in Thailand and Indonesia, and we have two beautiful resorts in Borneo being developed, which will reflect a confluence of ecotourism and luxury.

I don't need to come to North America to do business because the opportunity in this sweet spot here is so extraordinary.

How large do you anticipate YTL Hotels & Properties will become?

We're in the ski business now and we bought the Green Leaf Niseko Village in Hokkaido, which we manage ourselves.

As a Malaysian conglomerate that's family-owned, YTL Hotels conducts its business valuation of potential assets very carefully. For example, there is an old hotel we are eyeing in Bath, England with two natural hot water springs where we could create a great spa (another business area we excel in). We currently have a utilities facility (Wessex Water) that provides water to the community, and this relationship with the local community affords us firsthand knowledge about doing business in the U.K. This allows us

to expediently conduct business valuation of the property as well as due diligence on the area. We are always on the lookout for intriguing, good value assets that provide long-term returns. We're looking at another deal at the moment, which is a good opportunity to continue to expand in Europe as part of YTL Hotels' global expansion plans over 2011.

We've invested 30 million Euros in Muse Saint-Tropez, which we opened in summer 2010 with 15 pool suites. Saint-Tropez is a realistic portal and one that exposes the YTL Hotels brand to luxury travelers worldwide for six weeks of the year.

The Muse hotel is now the number one hotel in Saint-Tropez. The fact that there are just 15 suites is irrelevant – it has created the same buzz and feel as a 500-room hotel.

Are spas an area you're focused on as well?

We're leaders in spas with our brand, Spa Village, which we pioneered at Pangkor Laut, our private island.

The whole concept was revolutionary 12 years ago when it opened and we have world-class spas in every one of our resorts, including an outdoor eco-spa at Muse Saint-Tropez.

Our spas are developed and designed by us and the luxury products are also developed by us. There is a full spa division that specializes in that. So it's a big part of what we do.

What surprised you the most in taking on this role?

What surprised me was the power of YTL. It's an exceptional Asian conglomerate. Family-owned and a listed company, they are a major international player in the construction, power generation, and property industries; the grandchildren in the business are in their early 20s, and are a great resource to tap into the growing luxury youth market in Asia.

We have won five deals in 2010, including acquiring Niseko Village, and I'm working on deals in London, Beverly Hills, and Japan; I've never done any of that before, so I have learned a tremendous amount.

Do I miss walking to work and spending my life in New York? Yes, I had a great life. But this is very stimulating and I genuinely feel privileged to be living in Singapore and in the middle of this wave going on in Asia. You can feel the energy. ●

One of only 15 pool suites at Muse, Saint-Tropez (left); Green Leaf Niseko Village, Tomioka White Lounge, Hokkaido, Japan (right)