



## CDL HOSPITALITY TRUSTS

**FOR IMMEDIATE RELEASE**

**31 October 2007**

### **CDL HOSPITALITY TRUSTS REPORTS STELLAR RESULTS FOR 3Q FY2007**

- **Significant debt headroom of more than S\$550 million<sup>1</sup> for acquisitions with strong balance sheet from low debt<sup>2</sup> to assets ratio of 23%**
- **Continuing growth of CDLHT Singapore IPO hotels - RevPAR<sup>3</sup> of \$179 representing 27.4% growth over same period last year**
- **Gross revenue up 70% over pro-forma same quarter last year and 69% over IPO projections to S\$24.0 million**
- **Distributable income per stapled security up 68.6% over IPO projections to 2.36 cents**

**Singapore, 31 October 2007** – CDL Hospitality Trusts (“CDLHT”), a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”), a real estate investment trust, and CDL Hospitality Business Trust (“HBT”), a business trust, is pleased to announce its results for the third quarter of the financial year ending 31 December 2007 (“FY2007”).

Gross revenue in the quarter ended 30 September 2007 was S\$24.0 million, up 70% from the pro-forma period 1 July 2006 to 30 September 2006, and up 112.9% from the reported results for the third quarter of the financial year ending 31 December 2006 (“3Q FY2006”)<sup>4</sup>. The strong increase was due to improvements in the operating performance of H-REIT’s hotels in Singapore and the first full quarter’s contribution from the Novotel Clarke Quay, which was acquired on 7 June 2007. Similarly, net property income for the quarter rose 118.8% to S\$22.6 million, compared to 3Q FY2006.

Income available for distribution per stapled security was 2.36 cents exceeding the IPO projections by 68.6%. Of the S\$18.8 million available for distribution, S\$3.6 million has already been distributed<sup>5</sup>, representing distributable income of 0.51 Singapore cents per stapled security for the period from 1 July 2007 to 18 July 2007. The remaining income available for distribution of S\$15.2 million (or 1.85 cents per Stapled Security) will be included in the computation of the next distributable income for the period from 19 July 2007 to 31 December 2007.

<sup>1</sup> At an assumed 45% debt to assets ratio

<sup>2</sup> Debt includes bank debt as well as certain provisions for taxation of S\$18.8 million arising from the acquisition of the Novotel Clarke Quay and as reflected in CDLHT’s balance sheet as at 30 Sep 2007.

<sup>3</sup> Revenue Per Available Room

<sup>4</sup> Comprising the period 19 July 2006 to 30 September 2006

<sup>5</sup> As a result of a cumulative distribution paid out for the period 1 Jan 2007 to 18 July 2007 pursuant to CDLHT’s equity fund raising completed on 19 July 2007.



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The key financial highlights for 3Q FY2007 are as follows:

	3Q FY2007	VS.	3Q FY2006		Pro-Forma 1 Jul 06 to 30 Sep 06	
	S\$'000		\$'000	Increase / (Decrease) %	S\$'000	Increase / (Decrease) %
<b>Gross revenue</b>	23,970		11,260	112.9%	14,101	70.0%
<b>Net property income</b>	22,602		10,330	118.8%	12,965	74.3%
<b>Income available for distribution to holders of Stapled Securities</b>	18,817		7,889	138.5%	- NA -	- NA -
<b>Income available for distribution per Stapled Security (cents):</b>						
<b>For the period</b>	2.36		1.13	108.8%	- NA -	- NA -
<b>Annualised</b>	9.36		5.57	68.0%	- NA -	- NA -

A summary of actual 3Q FY2007 results compared to IPO Projections is as follows:

	Actual	Projection	Increase / (Decrease) %
	1 Jul 2007 to 30 Sep 2007	1 Jul 2007 to 30 Sep 2007	
	S\$'000	S\$'000	
<b>Gross revenue</b>	23,970	14,180	69.0%
<b>Net property income</b>	22,602	12,979	74.1%
<b>Income available for distribution to holders of Stapled Securities</b>	18,817	9,862	90.8%
<b>Income available for distribution per Stapled Security (cents)</b>			
<b>For the period</b>	2.36	1.40	68.6%
<b>Annualised</b>	9.36	5.55	68.6%

**Singapore Hotels' Occupancy Rate and Room Rates Boosted by Continued Growth in Visitor Arrivals**

Occupancy rates for H-REIT's Singapore hotels rose on the back of a continued increase in visitor arrivals to Singapore. Visitor arrivals to Singapore for the months of July to September 2007 hit 2.6 million, representing a growth of 5.2% over the same period last year.



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Average occupancy rates at H-REIT's IPO hotels for 3Q FY2007 increased by 3.9 percentage points over the same quarter last year to reach 89.4% for this quarter. Average daily rates increased 21.8% over the same period last year to reach \$201. RevPAR consequently rose 27.4% over the same period last year to S\$179.

A summary of 3Q FY2007 performance compared to the pro-forma same period last year is as follows:

	3Q FY2007	Pro-Forma 3Q FY2006 <sup>6</sup>	Difference
Average Occupancy Rate (%)	89.4%	85.5%	+ 3.9 pp
Average Daily Rate (\$)	201	165	+ 21.8%
Room Revenue per Available Room (RevPAR) (\$)	179	141	+ 27.4%

### Strong Balance Sheet with Significant Capacity for Acquisitions

Following a successful equity fund raising completed on 19 July 2007, net proceeds of approximately \$291.0 million were raised which was used to pare down debt. H-REIT now has a strong balance sheet with a debt<sup>2</sup> / assets ratio of 23% down from 44.6% as at 30 June 2007. H-REIT now has significant debt capacity of more than \$550 million<sup>1</sup> for acquisitions.

Mr Vincent Yeo, CEO of M&C REIT Management Limited, manager of H-REIT, said: "The Singapore hospitality sector continued to perform robustly amidst growing visitor arrivals. Even though September's growth against the previous year was diluted because of the extremely high rates achieved last year due to the once-off International Monetary Fund/World Bank meeting held in Singapore, the third quarter still showed very strong growth rates overall. We are continuing to actively seek yield-accretive acquisition opportunities to deliver higher return to our unit holders."

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<sup>6</sup> Pro-forma 3Q FY2006 ADR, Occupancy and RevPAR figures for the IPO hotels are presented for comparison. H-REIT acquired its Singapore hotels (excluding Novotel Clarke Quay) on 19 July 2006 and Novotel Clarke Quay on 7 June 2007. Pro-forma figures have been compiled assuming that H-REIT owned its IPO hotels from 1 July 2006.



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### **About CDL Hospitality Trusts**

CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”), a real estate investment trust, and CDL Hospitality Business Trust (“HBT”), a business trust. CDL Hospitality Trusts was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006.

H-REIT, the first hotel real estate investment trust in Singapore, is established with the main aim of investing in a diversified portfolio of income-producing real estate which is primarily used for hospitality and/or hospitality-related purposes. H-REIT currently owns 2,779 hotel rooms within a portfolio of five hotels and one shopping arcade in Singapore (Orchard Hotel Singapore, Grand Copthorne Waterfront Hotel Singapore, M Hotel Singapore, Copthorne King’s Hotel Singapore, Orchard Hotel Shopping Arcade and Novotel Clarke Quay Singapore) and one hotel in New Zealand (Rendezvous Hotel Auckland). M&C REIT Management Limited is the manager of H-REIT.

In relation to the initial public offering of stapled securities in CDL Hospitality Trusts, each comprising one unit in H-REIT and one unit in HBT, the joint financial advisers, global coordinators and bookrunners were DBS Bank Ltd and BNP Paribas Peregrine (Singapore) Ltd, and the joint underwriters were DBS Bank Ltd and BNP Paribas (acting through its Singapore Branch).