



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

30 OCTOBER 2009

CDL HOSPITALITY TRUSTS REPORTS GROSS REVENUE OF S\$22.9 MILLION FOR 3Q 2009

- **Income available for distribution per Stapled Security of 2.23 cents for 3Q 2009**
- **Achieves average occupancy of 86.1% with demand resurgence driven by revival in business confidence in 3Q 2009**
- **Strong balance sheet with low debt-to-assets ratio of 20.2%**

Singapore, 30 October 2009 – 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 (“3Q 2009”) and nine months ended 30 September 2009 (“YTD Sep 2009”).

CDLHT recorded gross revenue of S\$22.9 million and an income available for distribution of S\$18.6 million in 3Q 2009, representing a decline of 21.4% and 23.7% respectively from the previous corresponding quarter (“3Q 2008”). After deducting S\$1.7 million of the income retained for working capital, income available for distribution per Stapled Security for 3Q 2009 was 2.04 cents. Based on a market price of S\$1.56 as at close of market on 29 October 2009, holders of CDLHT’s Stapled Securities would enjoy an annualised distribution yield of 5.2% for 3Q 2009.

For YTD Sep 2009, gross revenues fell 24.2% to S\$65.6 million compared to the previous corresponding period (“YTD Sep 2008”).

Mr Vincent Yeo, CEO of M&C REIT Management Limited, the Manager of H-REIT, said, “The weaker performance compared to the previous year is reflective of the impact of the global recession on travel since the beginning of 2009. Nonetheless, I am pleased to report a strong recovery in demand in 3Q 2009 with CDLHT achieving an average occupancy of 86.1% during the period, making 3Q 2009 our strongest quarter this year in terms of RevPAR and occupancy rates. Occupancy levels in 3Q 2009 even exceeded that of the same period last year. This also affirms our earlier guidance in July of signs of improving demand due to a revival in business confidence.”

Strong recovery in demand underpinned by positive trend in visitor arrivals

The prospects for Singapore tourism has been augmented with improving visitor arrival statistics. The month of September 2009 marks the first registered monthly growth in visitor arrivals compared to the same period last year, after 15 consecutive months of year-on-year decline since June 2008. According to the Singapore Tourism Board, visitor arrivals for September 2009 registered a growth of 7.1%. As a result, the Average Occupancy Rate of the overall gazetted hotel industry in Singapore posted an increase of 4.1 percentage points to 78.2% over the same period last year.



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Financial highlights for 3Q 2009 and YTD Sep 2009 are as follows:

	Actual 1 Jul 09 to 30 Sep 09 S\$'000	Actual 1 Jul 08 to 30 Sep 08 S\$'000	Increase/ (Decrease) %	Actual 1 Jan 09 to 30 Sep 09 S\$'000	Actual 1 Jan 08 to 30 Sep 08 S\$'000	Increase/ (Decrease) %
Gross revenue	22,859	29,086	(21.4)	65,609	86,515	(24.2)
Net property income	21,407	27,282	(21.5)	61,187	81,064	(24.5)
Net income	16,542	20,157	(17.9)	46,379	59,405	(21.9)
Income available for distribution to holders of Stapled Securities	18,634	24,410	(23.7)	54,181	72,994	(25.8)
Less:						
Income retained for working capital	(1,662)	-	N.M.	(4,879)	-	N.M
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	16,972	24,410	(30.5)	49,302	72,994	(32.5)
Income available for distribution per Stapled Security (before deducting income retained for working capital) (cents)						
- For the period	2.23	2.93	(23.9)	6.48	8.82	(26.5)
- Annualised	8.85	11.66	(24.1)	8.66	11.78	(26.5)
Annualised distribution yield (%) at closing market price of S\$1.56 as at 29 October 2009	5.67%	7.47%	(24.1)	5.55%	7.55%	(26.5)
Income available for distribution per Stapled Securities (after deducting income retained for working capital) (cents)						
- For the period	2.04	2.93	(30.4)	5.90	8.82	(33.1)
- Annualised	8.09	11.66	(30.6)	7.89	11.78	(33.0)
Annualised distribution yield (%) at closing market price of S\$1.56 as at 29 October 2009	5.19%	7.47%	(30.5)	5.06%	7.55%	(33.0)

Review of Hotels Performance

The combined weighted average statistics for CDLHT's Singapore hotels (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Novotel Clarke Quay) for 3Q 2009 are as follows:

	Actual 1 Jul 09 to 30 Sep 09	Actual 1 Jul 08 to 30 Sep 08	Increase/ (Decrease) %	Actual 1 Jan 09 to 30 Sep 09	Actual 1 Jan 08 to 30 Sep 08	Increase/ (Decrease) %
Average Occupancy Rate	86.1%	85.5%	0.6 pp	78.8%	85.7%	(6.9) pp
Average Daily Rate	S\$179	S\$250	(28.4)%	S\$185	S\$251	(26.3)%
Room Revenue per Available Room ("RevPAR")	S\$154	S\$214	(28.0)%	S\$146	S\$215	(32.1)%



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On a year-on-year basis, RevPAR in 3Q 2009 remained soft due to price-sensitive market conditions, fuelled by cost-consciousness and a cutback in business and leisure travel following the global financial crisis. As result of the decline in visitor arrivals and in line with the overall hotel industry, RevPAR for CDLHT's hotels fell 28.0% from S\$214 in 3Q 2008 to S\$154 in 3Q 2009.

On a quarter-on-quarter basis, however, RevPAR in 3Q 2009 increased 14.9% from 2Q 2009 due to a 10.6 percentage point surge in occupancy during the quarter under review. This marked improvement in performance is reflective of improving visitor arrival statistics, and is in line with the Management's earlier guidance of signs of improving demand. Average occupancies of over 90% were achieved during the Formula One™ Singapore Grand Prix night race period this year, which was higher than last year, albeit at lower rates.

The Orchard Hotel Shopping Arcade continued to perform well, maintaining net property income contribution of S\$2.4 million for YTD Sep 2009. Average occupancy was at 88%, while average rental rate increased to approximately S\$7.55 per sq. ft.

Singapore tourism to benefit from an increasingly enhanced entertainment landscape

In line with the Government's efforts to enliven the country's entertainment quotient, Singapore is seeing a major overhaul of its entertainment landscape and tourism industry.

Mr Yeo said, "The Formula One™ Singapore Grand Prix night race, along with the introduction of F1 Rocks™, marked a significant step forward in Singapore's transformation into a world-class travel destination.

"As a strong vote of confidence by private entrepreneurs of the prospects of Singapore's increasingly vibrant tourism industry, the year 2009 witnessed the launch of a string of new entertainment spots, ranging from nightclubs, restaurants, family and sporting attractions, to new concept and boutique hotels. The new shopping malls and redevelopment of existing malls on Orchard Road are also expected to drive retail and tourism activities."

The Resorts World Sentosa and Marina Bay Sands Integrated Resorts, slated for opening in early 2010, will also further propel Singapore's status as a preferred travel destination. Both Integrated Resorts, with a combined room offering of 4,300 rooms (or 70% of the expected new room supply in 2010), promise to usher in a whole new experience for visitors to Singapore with the introduction of world-class gaming, entertainment and conference facilities, and numerous brand new visitor attractions including the much-anticipated launch of Universal Studios Singapore at Resorts World Sentosa.

"We are excited by this phase of transformation of Singapore's tourism industry. As the largest hotel group in Singapore, with our properties strategically located near these new demand drivers, CDLHT is well-positioned to participate in the next tourism growth cycle. With the normalisation of capital markets, our strong balance sheet will also enable us to pursue acquisition opportunities so as to enhance returns to shareholders", concluded Mr Yeo.

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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. As 30 September 2009, H-REIT owns 2,803 hotel rooms within a portfolio of five hotels and one shopping arcade in Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Orchard Hotel Shopping Arcade and Novotel Clarke Quay) and one hotel in New Zealand (Rendezvous Hotel Auckland). M&C REIT Management Limited is the manager of H-REIT.