



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

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**CDL HOSPITALITY TRUSTS ACHIEVES 51.9% GROWTH IN GROSS REVENUE FOR 2Q 2010**

- Income available for distribution per Stapled Security rose 38.6% to 2.87 cents for 2Q 2010
- RevPAR for Singapore Hotels increased 45.4% to S\$195 for 2Q 2010
- Sustained growth momentum with strong tourism drivers and strengthened financial position

**Singapore, 28 July 2010** – 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 second quarter (“2Q 2010”) and first six months (“1H 2010”) ended 30 June 2010.

The highlights are as follows:

	1 Apr 2010 to 30 Jun 2010 (2Q 2010) S\$'000	1 Apr 2009 to 30 Jun 2009 (2Q 2009) S\$'000	Increase/ (Decrease) %	1 Jan 2010 to 30 Jun 2010 (1H 2010) S\$'000	1 Jan 2009 to 30 Jun 2009 (1H 2009) S\$'000	Increase/ (Decrease) %
<b>Gross revenue</b>	30,713	20,219	51.9	57,318	42,750	34.1
<b>Net property income</b>	28,698	19,229	49.2	53,417	39,780	34.3
<b>Net income</b>	20,639	14,427	43.0	42,052	29,837	40.9
<b>Income available for distribution to holders of Stapled Securities</b>	24,106	17,376	38.7	45,704	35,547	28.6
<b>Less:</b>						
<b>Income retained for working capital</b>	(2,410)	(1,555)	55.0	(4,570)	(3,217)	42.1
<b>Income to be distributed to holders of Stapled Securities (after deducting income retained for working capital)</b>	21,696	15,821	37.1	41,134	32,330	27.2
<b>Income available for distribution per Stapled Security (cents)</b>						
- For the period	2.87	2.07	38.6	5.45	4.25	28.2
- Annualised	11.51	8.30	38.7	10.99	8.57	28.2
<b>Income to be distributed per Stapled Security (cents)</b>						
- For the period	2.57	1.89	36.0	4.89	3.86	26.7
- Annualised	10.31	7.58	36.0	9.86	7.78	26.7



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In 2Q 2010, CDLHT achieved gross revenue of S\$30.7 million and an income available for distribution of S\$24.1 million, representing an increase of 51.9% and 38.7% respectively from the previous corresponding period ("2Q 2009"). Income to be distributed per Stapled Security for 2Q 2010 was 2.57 cents, 36.0% higher than 1.89 cents in 2Q 2009.

For 1H 2010, CDLHT registered gross revenue of S\$57.3 million, a 34.1% increase from the same period last year ("1H 2009"), attributable to improved hospitality performance across the portfolio and contribution from the recently acquired Australia Hotels<sup>1</sup>, which accounted for approximately S\$6.4 million of the gross revenue increase. Income available for distribution for 1H 2010 was S\$45.7 million, representing a 28.6% year-on-year growth from S\$35.5 million. In line with the improved operating results, income to be distributed per Stapled Security for 1H 2010 increased 26.7% from 3.86 cents in 1H 2009 to 4.89 cents.

Mr Vincent Yeo, CEO of M&C REIT Management Limited, the Manager of H-REIT, said, "CDLHT experienced a very robust second quarter with the growth momentum of our Singapore Hotels<sup>2</sup> performance accelerating compared to the first quarter. The continued recovery in regional economies and the opening of the Integrated Resorts have led to strong demand for travel into Singapore. CDLHT experienced high occupancies of 88.5% in 2Q 2010, exceeding previous Q2 peaks since the inception of the CDLHT while achieving strong rate increases."

### **Singapore hotel sector boosted by renewed tourism landscape**

The Singapore hospitality sector continued to see strong growth momentum in 2Q 2010, recording 7 consecutive months of record-high visitor arrivals from December 2009 to June 2010. Singapore achieved a 22.6% year-on-year growth in visitor arrivals for 1H 2010<sup>3</sup>, with Changi Airport registering 6 consecutive months of double-digit growth in passenger traffic. In particular, visitor numbers from neighbouring countries of Indonesia and Malaysia registered year-on-year growth in excess of 37% for year-to-date May 2010.

With the initial launch of the Integrated Resorts in 1H 2010, and buoyed by the stronger than expected economic growth, Singapore is currently experiencing a structural boost in business and leisure demand. Based on the most recent forecast released by the Singapore Tourism Board, Singapore is expected to receive 11.5 – 12.5 million visitors in 2010, an increase of 19% – 29% from 2009.

In the months ahead, the phased introduction of even more attractions by the two Integrated Resorts, as well as the Formula One™ Singapore Grand Prix event in September will act as further catalysts in sustaining the growth momentum of Singapore's tourism and hospitality sector. With its strategically located hotels, CDLHT is poised to benefit from the increase in demand for hotel rooms with the influx of visitors for the rest of the year.

According to Horwath HTL, new hotel room supply is expected to be approximately 1,600 rooms for the next 18 months until the end of 2011. CDLHT will continue to work closely with its lessees for the Singapore Hotels to maximise RevPAR for the properties.

### **Review of Hotels performance**

CDLHT continued to achieve overall improvements in performance across its portfolio for 2Q 2010 and 1H 2010, underpinned by the positive outlook of the Singapore hospitality sector which is a substantial driver of its total portfolio's variable rent. The Group's Australian Hotels, supported by

<sup>1</sup> Australia Hotels comprise the Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth Hotels which were acquired on 18 February 2010.

<sup>2</sup> Singapore Hotels comprise the Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Novotel Clarke Quay Hotel.

<sup>3</sup> Based on tourism arrival statistics released by the Singapore Tourism Board.



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high fixed rental proportions, continued to perform broadly in line with expectations, bolstered by the strength of the Australian economy.

The combined weighted average statistics for CDLHT's Singapore Hotels for 2Q 2009 and 1H 2009 are as follows:

	Actual 1 Apr 2010 to 30 Jun 2010 (2Q 2010)	Actual 1 Apr 2009 to 30 Jun 2009 (2Q 2009)	Increase/ (Decrease) %	Actual 1 Jan 2010 to 30 Jun 2010 (1H 2010)	Actual 1 Jan 2009 to 30 Jun 2009 (1H 2009)	Increase/ (Decrease) %
<b>Average Occupancy Rate</b>	88.5%	75.4%	13.1pp	86.4%	75.1%	11.3pp
<b>Average Daily Rate</b>	S\$220	S\$178	23.6%	S\$214	S\$189	13.2%
<b>Room Revenue per Available Room ("RevPAR")</b>	S\$195	S\$134	45.4%	S\$185	S\$142	29.8%

RevPAR for the Singapore Hotels increased 45.4% to S\$195 in 2Q 2010 and 29.8% to S\$185 in 1H 2010. Fuelled by increased visitor arrivals and strong business activities, average occupancy rate surged 11.3 percentage points to 86.4% in 1H 2010. Net property income improved correspondingly by S\$13.6 million or 34.3% to S\$53.4 million in 1H 2010.

Net property income contributed by the Orchard Hotel Shopping Arcade was maintained at S\$1.6 million for 1H 2010. Average occupancy was 81.2%, with an average monthly rental rate of approximately S\$7.68 per sq. ft.

### **Acquisition capacity enhanced with strengthened balance sheet and funding sources**

On the acquisition front, CDLHT is well poised to pursue growth opportunities with a significantly strengthened balance sheet and funding sources.

On 1 July 2010, CDLHT successfully raised S\$200 million through an over-subscribed overnight private placement which resulted in a strengthened balance sheet with a gearing of 18.6%.

As part of its strategy to further augment its financing capability, CDLHT announced on 23 July 2010 the establishment of a S\$1,000,000,000 Multicurrency Medium Term Note Programme (the "Programme") by a newly incorporated wholly-owned subsidiary. The Programme will reduce CDLHT's reliance on secured borrowings from banks and provide CDLHT with greater financial flexibility by progressively unsecuring its assets. It also further broadens CDLHT's access to alternative funding sources, thereby enhancing its ability to fund future acquisitions at competitive rates.

Mr Yeo concluded, "With key funding initiatives accomplished, we now have a strong balance sheet and ample funding sources to capitalise on acquisition opportunities. We will also continue to actively work towards yield-optimisation at our properties to maximise returns to Unitholders."

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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 at 30 June 2010, H-REIT owns 3,942 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), one hotel in New Zealand (Rendezvous Hotel Auckland) and five hotels in Australia (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth). M&C REIT Management Limited is the manager of H-REIT.