



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

26 JANUARY 2011

CDL HOSPITALITY TRUSTS REPORTS STRONG OVERALL GROWTH FOR FY2010

- Gross revenue up 33.3% to S\$122.3 million for FY2010
- Revenue per Available Room (RevPAR) up 28.0% for FY2010 for Singapore Hotels¹
- Income to be distributed per Stapled Security increased by 19% for FY2010
- Three quarters of record-high occupancy rates for Singapore Hotels
- Poised for growth with strengthened financial position and positive demand drivers

Singapore, 26 January 2011 – 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 fourth quarter (“4Q 2010”) and full year (“FY2010”) ended 31 December 2010.

The highlights are as follows:

	1 Oct 2010 to 31 Dec 2010 S\$'000 ("4Q 2010")	1 Oct 2009 to 31 Dec 2009 S\$'000 ("4Q 2009")	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000 ("FY2010")	1 Jan 2009 to 31 Dec 2009 S\$'000 ("FY2009")	Increase/ (Decrease) %
Gross revenue	33,330	26,148	27.5	122,282	91,757	33.3
Net property income	31,492	24,734	27.3	115,068	85,921	33.9
Net income²	25,525	19,205	32.9	86,905	65,584	32.5
Income available for distribution to holders of Stapled Securities	28,011	21,660	29.3	100,653	75,841	32.7
Less:						
Income retained for working capital	(1,401)	-	N.M.	(8,665)	(4,091)	N.M.
Distribution of income retained in previous quarter	-	788	N.M.	-	-	-
Income to be distributed to holders of Stapled Securities (after deducting income retained for working capital)	26,610	22,448	18.5	91,988	71,750	28.2

¹ CDLHT's Singapore Hotels include Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Novotel Clarke Quay.

² Represents net income before revaluation. For further details, please refer to Footnote (f) on page 9 of the unaudited financial statements announcement of CDL Hospitality Trust and H-REIT and its subsidiaries for the fourth quarter and full year ended 31 December 2010 released via the SGXNET on 26 January 2011.



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	1 Oct 2010 to 31 Dec 2010 S\$'000 ("4Q 2010")	1 Oct 2009 to 31 Dec 2009 S\$'000 ("4Q 2009")	Increase/ (Decrease) %	1 Jan 2010 to 31 Dec 2010 S\$'000 ("FY2010")	1 Jan 2009 to 31 Dec 2009 S\$'000 ("FY2009")	Increase/ (Decrease) %
Income available for distribution per Stapled Security (cents) (before deducting income retained for working capital)						
- For the period	2.92	2.58	13.2	11.18	9.05	23.5
- Annualised	11.58	10.24	13.1	11.18	9.05	23.5
Income to be distributed per Stapled Security (cents) (after deducting income retained for working capital)						
- For the period	2.78	2.67	4.1	10.20	8.57	19.0
- Annualised	11.03	10.59	4.2	10.20	8.57	19.0

On the back of improved hospitality performance in Singapore and contribution from the five Australia Hotels³ acquired in February 2010, CDLHT attained higher gross revenue of S\$33.3 million in 4Q 2010 and S\$122.3 million for FY2010, representing an increase of 27.5% and 33.3% respectively compared to the corresponding periods a year ago. Consequently, income available for distribution rose to S\$28.0 million for 4Q 2010 and S\$100.7 million for FY2010.

Income to be distributed per Stapled Security (after deducting income retained for working capital) increased 4.1% from 2.67 cents in 4Q 2009 to 2.78 cents in 4Q 2010. The income to be distributed takes into consideration S\$1.4 million of its tax exempt income retained for working capital in 4Q 2010 and the absence of a net additional distribution of S\$0.8 million released in 4Q 2009⁴. For FY2010, income to be distributed per Stapled Security (after deducting income retained for working capital) increased 19.0% from 8.57 cents in FY2009 to 10.20 cents.

Based on a market price of S\$2.09 as at close of market on 25 January 2011 and 4Q 2010 income to be distributed per Stapled Security (after deducting income retained for working capital) of 2.78 cents, holders of CDLHT's stapled securities would enjoy an annualised distribution yield of 5.28%.

Mr Vincent Yeo, CEO of M&C REIT Management Limited, the Manager of H-REIT, said, "We are pleased to deliver yet another set of good results to our Unitholders. The year 2010 was a fruitful one for CDLHT, driven by our yield-accretive Australia hotel acquisitions and the strengthening of our financial position, while riding on the back of the economic upturn and stellar recovery of Singapore's tourism industry.

"Notably, we achieved strong growth in room rates, as well as record-high occupancy rates at our Singapore Hotels in the second, third and fourth quarters of 2010, the highest ever since our IPO. This bears testament to the underlying strength of our hotel properties and positive outlook for the tourism and hospitality industry."

³ CDLHT's Australia Hotels include Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth.

⁴ In December 2009, IRAS clarified that H-REIT is only required to distribute 90% of its taxable income in order to enjoy tax transparency. Accordingly, in December 2009, H-REIT decided to retain 100% of the tax exempt income of S\$4.1 million for the period from 1 July 2009 to 31 December 2009 and release for distribution S\$4.9 million of its taxable income which was retained in previous quarters. This resulted in a net additional distribution of S\$788,000 for 4Q 2009.



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Review of Financial Performance

Underpinned by 11 consecutive months of record visitor arrivals from January to November, Singapore saw a 20.7% year-on-year increase in visitor arrivals as at end 30 November 2010. This in turn boosted demand for hotel rooms and fuelled the strong performance put in by CDLHT's Singapore Hotels.

The combined weighted average statistics for CDLHT's Singapore Hotels for 4Q 2010 and FY2010 are as follows:

	Actual 1 Oct 2010 to 31 Dec 2010 ("4Q 2010")	Actual 1 Oct 2009 to 31 Dec 2009 ("4Q 2009")	Increase/ (Decrease) %	Actual 1 Jan 2010 to 31 Dec 2010 ("FY2010")	Actual 1 Jan 2009 to 31 Dec 2009 ("FY2009")	Increase/ (Decrease) %
Average Occupancy Rate	90.0%	88.9%	1.1pp	88.6%	81.4%	7.2pp
Average Daily Rate	S\$215	S\$181	19.0%	S\$215	S\$183	17.5%
Room Revenue per Available Room ("RevPAR")	S\$194	S\$161	20.6%	S\$191	S\$149	28.0%

Notwithstanding the addition of new hotel room inventory, CDLHT's Singapore Hotels registered record-high average occupancy rates in the last three quarters of the year. At 88.5%, 91.6%, and 90.0% for the second quarter ended 30 June 2010 ("2Q 2010"), third quarter ended 30 September 2010 ("3Q 2010"), and 4Q 2010 respectively, these were the highest-ever quarterly occupancies achieved compared to previous years since the inception of CDLHT in June 2006. This reflects the structural boost in accommodation demand as the Integrated Resorts ("IRs") generated greater leisure demand during the weekend and festive periods, augmented by robust corporate demand during the weekdays.

RevPAR for 4Q 2010 increased 20.6% year-on-year to S\$194, while average daily rate increased 19.0% to S\$215. For FY2010, RevPAR rose 28.0% year-on-year to S\$191, while average daily rate increased 17.5% to S\$215, and average occupancy rate increased 7.2 percentage points to 88.6%.

The Singapore Hotels attained a combined revenue of S\$76.0 million and operating profit of S\$39.3 million for 4Q 2010, increasing 14.0% and 15.4% over 4Q 2009. For FY2010, the combined hotel revenue was S\$281.4 million and operating profit was S\$146.8 million, an increase of 19.1% and 23.8% respectively from FY2009.

The Orchard Hotel Shopping Arcade contributed S\$0.9 million in net property income for 4Q 2010, with an average occupancy of 96.5% and average monthly rental rate of approximately S\$6.89 per sq. ft. For FY2010, net property income contribution was S\$3.4 million, with an average occupancy of 87.9% and average monthly rental rate of approximately S\$7.30 per sq. ft.

CDLHT's Australia Hotels continued to perform broadly in line with expectations in FY2010. The floods that affected Queensland, Australia in early January 2011 have since receded in Brisbane City. For CDLHT, its three Brisbane-based hotel properties (namely Novotel Brisbane, Mercure Brisbane and Ibis Brisbane) have not been physically affected and are still fully operational. As the Australia Hotel leases are underpinned largely by fixed rents, CDLHT does not expect any material adverse impact on the annual gross rent it is entitled to receive from the lessee. Despite short term disruptions to business activity in Queensland, the hotels are expected to continue to benefit from the buoyant natural resource sector in Australia over the long term.



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Strengthened financial position with proactive capital management

As part of ongoing efforts to strengthen its financial position, CDLHT implemented several financing initiatives during the year to pare down its borrowings and diversify its funding sources, including the private placement of new Stapled Securities on 1 July 2010, the establishment of a S\$1.0 billion Multi-currency Medium Term Note Programme on 23 July 2010 and a 3-year S\$200 million committed bilateral multi-currency revolving credit facility.

Commented Mr Yeo, "Following the successful completion of financing initiatives in 3Q 2010, CDLHT's balance sheet is significantly strengthened with a lower gearing level of 20.4% as at 31 December 2010, boosting our debt headroom for future acquisitions. We will also continue to maintain a disciplined approach to investment activities and seek opportunities to enhance our portfolio growth."

Poised for continued growth on strong fundamentals and demand drivers

The structural boost in accommodation demand, which was highlighted by management since 4Q 2009, is expected to continue into 2011 with the expected opening of more attractions at the IRs, such as the ArtScience Museum and Lion King musical at Marina Bay Sands by March 2011, and two more high capacity rides at Resorts World Sentosa during the first half of 2011. The expected phased openings of other attractions and infrastructure, such as Gardens by the Bay and the International Cruise Terminal, are also set to enrich the entertainment offerings in Singapore and draw greater visitor arrivals.

Mr Yeo concluded, "CDLHT is well-poised to ride on the structural boost in demand, following asset enhancement initiatives that were undertaken at some of our Singapore Hotels during the course of 2010, of which some will be completed in 2011. The Grand Copthorne Waterfront Hotel completed the refurbishment of 177 rooms recently, whilst the rooms at the Novotel Clarke Quay and Orchard Hotel have been progressively upgraded since December 2010. Once completed, the quality of offerings at CDLHT's hotels will be enhanced, enabling us to capture the demand and realise the potential of higher revenue brought about by Singapore's increasingly vibrant tourism industry."

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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 31 December 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.