



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

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CDL HOSPITALITY TRUSTS REPORTS HEALTHY GROWTH FOR 3Q 2011

- Gross revenue increased 15.2% to S\$36.4 million
- RevPAR of S\$211 for 3Q 2011 is the second highest RevPAR recorded in a quarter since the inception of CDLHT
- Low gearing of 26.5% provides significant debt headroom to support future growth through acquisitions

Singapore, 25 October 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 third quarter (“3Q 2011”) and nine months ended 30 September 2011 (“YTD Sep 2011”).

The highlights are as follows:

	1 Jul 2011 to 30 Sep 2011 S\$'000	1 Jul 2010 to 30 Sep 2010 S\$'000	Increase/ (Decrease) %	1 Jan 2011 to 30 Sep 2011 S\$'000	1 Jan 2010 to 30 Sep 2010 S\$'000	Increase/ (Decrease) %
Gross revenue	36,433	31,634	15.2	103,303	88,952	16.1
Net property income	33,985	30,159	12.7	99,690	83,576	19.3
Net income¹	26,981	19,328	39.6	79,646	61,380	29.8
Income available for distribution to holders of Stapled Securities	29,607	26,938	9.9	86,613	72,642	19.2
Less:						
Income retained for working capital	(2,960)	(2,694)	9.9	(8,661)	(7,264)	19.2
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	26,647	24,244	9.9	77,952	65,378	19.2
Income available for distribution per Stapled Security (before deducting income retained for working capital) (cents)						
- For the period	3.08	2.81	9.6	9.01	8.26	9.1
- Annualised	12.22	11.15	9.6	12.05	11.04	9.1
Income available for distribution per Stapled Security (after deducting income retained for working capital) (cents)						
- For the period	2.77	2.54	9.1	8.11	7.43	9.2
- Annualised	10.99	10.08	9.0	10.84	9.93	9.2

¹ Represents net income before fair value adjustment.



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In 3Q 2011, CDLHT registered gross revenue of S\$36.4 million, an increase of S\$4.8 million or 15.2% from the previous corresponding quarter ("3Q 2010"). This was attributed to improved hospitality performance across the portfolio and contribution from Studio M Hotel (acquired in 2Q 2011) amounting to approximately S\$2.8 million of the gross revenue increase. Net property income for the reporting quarter was S\$34.0 million, exceeding the same period last year by S\$3.8 million or 12.7%.

Accordingly, income available for distribution (before deducting income retained for working capital) for 3Q 2011 increased 9.9% from 3Q 2010 to S\$29.6 million. Income available for distribution per Stapled Security (after deducting income retained for working capital) for 3Q 2011 was 2.77 cents, 9.1% higher than the 2.54 cents recorded in 3Q 2010.

For YTD Sep 2011, CDLHT achieved gross revenue of S\$103.3 million, a 16.1% increase from the same period last year ("YTD Sep 2010"), while net property income increased 19.3% from the previous corresponding period to S\$99.7 million. The improved operating performance was due to organic growth across both the Singapore and overseas hotel portfolios, a one-off property tax refund of S\$3.3 million recognised in 2Q 2011, and contribution from Studio M Hotel. The results were also boosted by the recording of an additional variable income of S\$0.84 million (or A\$0.65 million) from CDLHT's Australia hotels², which was recognised upon receipt in 1Q 2011.

In line with the improved operating results, income available for distribution (before deducting income retained for working capital) for YTD Sep 2011 increased 19.2% year-on-year to S\$86.6 million. Income available for distribution per Stapled Security (after deducting income retained for working capital) for YTD Sep 2011 was 8.11 cents, 9.2% higher than the 7.43 cents recorded in YTD Sep 2010.

Mr Vincent Yeo, CEO of M&C REIT Management Limited, the Manager of H-REIT, said, "We are pleased to continue posting respectable income growth for 3Q 2011 in the face of uncertainty in the global economy. It is noteworthy that the RevPAR achieved by our Singapore hotels in 3Q 2011 was the second highest recorded in a quarter since the inception of CDLHT."

Review of Hotel Performance

Singapore continued to be one of the top performing hospitality markets in Asia in 3Q 2011, buoyed by economic growth and numerous new leisure attractions, which resulted in strong visitor arrival growth of 15.5% for the first eight months of 2011 compared to the previous corresponding period. On the back of stronger visitor inflow, CDLHT achieved an overall improvement in performance across its Singapore Hotels³ during the period under review.

The combined weighted average statistics for CDLHT's Singapore Hotels (excluding Studio M Hotel) for 3Q 2011 and YTD Sep 2011 are as follows:

	1 Jul 2011 to 30 Sep 2011 ⁴	1 Jul 2010 to 30 Sep 2010	Increase/ (Decrease)	1 Jan 2011 to 30 Sep 2011 ⁴	1 Jan 2010 to 30 Sep 2010	Increase/ (Decrease)
Average Occupancy Rate	89.5%	91.6%	(2.1) pp	87.8%	88.1%	(0.3) pp
Average Daily Rate	S\$236	S\$217	8.7%	S\$232	S\$215	7.9%
Room Revenue per Available Room ("RevPAR")	S\$211	S\$199	6.2%	S\$204	S\$190	7.5%

² CDLHT's Australia hotels include Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth

³ CDLHT's Singapore hotels include Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Clarke Quay and Studio M Hotel which was acquired on 3 May 2011.

⁴ Excludes Studio M Hotel, which was only acquired on 3 May 2011.



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In tandem with the growth in visitor arrivals, all the Singapore Hotels achieved RevPAR growth with the exception of Orchard Hotel, which saw a 2.3% contraction in RevPAR, partially due to 2,268 room nights being taken out of its inventory during 3Q 2011 for refurbishment.

Overall, the RevPAR for the Singapore Hotels (excluding Studio M Hotel) in 3Q 2011 grew 6.2% year-on-year to S\$211. This is the second highest RevPAR achieved in a quarter since the inception of CDLHT, despite the weakness in travel demand in August. Aside from the usual slowdown of travel from the western hemisphere due to the August summer holidays, the presence of three public holidays in Singapore in August 2011, compared to only one in same period last year, also curtailed business travels during the month.

Studio M Hotel continued to perform well in 3Q 2011, achieving RevPAR of S\$173, an increase of 13.6% year-on-year.

On a year-to-date basis, average daily rates at the Singapore hotels (excluding Studio M Hotel) grew 7.9% to S\$232 in YTD Sep 2011, despite increased room supply in Singapore. RevPAR increased 7.5% to S\$204 over the same period last year.

Overall, the Singapore Hotels achieved combined revenue of S\$81.5 million and S\$230.4 million for 3Q 2011 and YTD Sep 2011, increasing 14.6% and 12.4% respectively as compared to the previous corresponding periods. Gross operating profit was S\$44.2 million and S\$123.8 million for 3Q 2011 and YTD Sep 2011, representing healthy improvements of 17.9% and 15.6% respectively over the same periods last year.

Orchard Hotel Shopping Arcade registered net property income of S\$1.0 million in 3Q 2011. Average occupancy was 97.4% while average monthly rental rate was approximately S\$7.10 per sq. ft.

Bolstered by Australia's buoyant natural resource sector and static supply of hotel rooms, CDLHT's hotels in Brisbane and Perth continued to perform strongly in 3Q 2011.

On track for long-term growth

Looking ahead, the net hotel room supply in Singapore is expected to increase by approximately 2,321 rooms in 2012 or 5.6% of the total inventory estimated at the end of 2011⁵. This is marginally higher than the 5.1% increase in hotel room supply in 2011 compared to 2010⁵, which is expected to contribute to a more competitive environment in the Singapore hospitality market. On the demand side, the outcome of the European debt crisis and the health of the US economy may have an impact on Asian economies which may affect visitor arrivals and the hospitality sector.

The addition of new leisure attractions in the next 12 months is expected to contribute positively to the Singapore hospitality sector. The various new attractions, including the two recently-launched leading US night clubs, Avalon and Pangaea at the Marina Bay Sands, and the Maritime Experiential Museum and Aquarium at Resorts World Sentosa, are likely to further bolster Singapore's appeal as a tourism destination. Notable upcoming attractions in Singapore that will continue to broaden and enrich the experience of visitors include the Marine Life Park at Resorts World Sentosa and Phase 1 of the 101-hectare Gardens by the Bay to be opened in 2012⁶, and a much awaited new ride – Transformers – in Universal Studios Singapore, which is expected to be opened by December 2011, six months ahead of Universal Studios Hollywood⁷.

As part of ongoing efforts to enhance CDLHT's property portfolio, the recent completion of the refurbishment of the 331-room Claymore Wing of Orchard Hotel, and the improvement works to be

⁵ According to Horwath HTL report issued as at July 2011

⁶ TODAY, 27 September 11, "RWS seeks to fill 1,000 vacancies" and The Straits Times, 20 September 11, "'Supertrees' for a super park"

⁷ The Straits Times, 30 August 11, "World's first Transformers theme-park ride to open in December"



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done to the remaining 88 rooms at Novotel Clarke Quay in late December 2011, would also strengthen its competitive positioning.

Mr Yeo commented, "As the development of Singapore as a choice business-cum-tourism destination continues apace, CDLHT remains well-positioned to benefit from it. CDLHT's low gearing of 26.5% would also enable it to continue augmenting its portfolio, and making acquisitions to enhance value for shareholders by capitalising on the uncertain environment."

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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 September 2011, H-REIT owns 4,305 hotel rooms within a portfolio of six hotels (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Clarke Quay, and Studio M Hotel) and one shopping arcade in Singapore (Orchard Hotel Shopping Arcade), 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.