



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

27 JULY 2012

CDL HOSPITALITY TRUSTS REPORTS GROWTH IN 1H 2012

- **Gross revenue up 6.0% year-on-year to S\$36.6 million in 2Q 2012**
- **Singapore Hotels¹ (excluding Studio M Hotel) achieved record half year RevPAR of S\$215 in 1H 2012 and second highest quarterly RevPAR of S\$217 in 2Q 2012**
- **Income available for distribution per Stapled Security up 13.2% to 6.33 Singapore cents for 1H 2012 (excluding one-off tax refund² recorded in 2Q 2011)**

Singapore, 27 July 2012 – 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 2012”) and first six months (“1H 2012”) ended 30 June 2012.

In 2Q 2012, CDLHT registered gross revenue of S\$36.6 million, a 6.0% increase from the previous corresponding period (“2Q 2011”). This was largely driven by a 5.9% growth in RevPAR for the Singapore Hotels (excluding Studio M Hotel³), and a full quarter’s revenue contribution (91 days) from Studio M Hotel as compared to 59 days in 2Q 2011.

Net property income for 2Q 2012 was S\$34.1 million, up 5.9% from S\$32.2 million in 2Q 2011 (excluding a one-off S\$3.3 million property tax refund recognised in 2Q 2011 arising from revised property tax assessments²). (Refer to Table 1) Including the one-off tax refund in 2Q 2011, net property income for 2Q 2011 would be higher compared to that achieved in 2Q 2012. (Refer to Table 2)

Income available for distribution for 2Q 2012 was S\$31.4 million, up 10.8% from S\$28.3 million in 2Q 2011 (excluding the one-off tax refund). Including the one-off tax refund in 2Q 2011, income available for distribution for 2Q 2011 would be slightly higher compared to that achieved in 2Q 2012. Income to be distributed per Stapled Security for 2Q 2012 was 2.92 cents, compared to 2Q 2011’s 2.65 cents (excluding the one-off tax refund) and 2.96 cents (including the one-off tax refund).

In 1H 2012, CDLHT achieved gross revenue of S\$75.1 million, a 12.2% increase from the same period last year (“1H 2011”), attributable to improved hospitality performance across the portfolio, the recognition of a full six-month contribution from Studio M Hotel³ and the contribution of variable income from the Australian properties.

Net property income for 1H 2012 increased 12.5% year-on-year to S\$70.1 million (excluding the S\$3.3 million one-off property tax refund for 1H 2011²). In tandem with improved operating results, income available for distribution for the period increased 14.1% year-on-year to S\$61.2 million. Income to be distributed per Stapled Security for 1H 2012 was 5.70 cents, a 13.3% increase from 5.03 cents in 1H 2011 (excluding the one-off tax refund).

¹ CDLHT’s Singapore hotels include Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel which was acquired on 3 May 2011.

² In 2008, the Inland Revenue Authority of Singapore (“IRAS”) raised a one-off additional property tax assessment of about S\$3.2 million in respect of the years 2006 and 2007, which was adjusted in the Statement of Total Return that year. The assessments were raised following the implementation of the new basis of computing the annual value of hotels effective 1 January 2008. An objection was subsequently lodged against these assessments by H-REIT’s consultant, CBRE Pte. Ltd. Following the finalisation of the property tax assessments for the years 2006 to 2008, a property tax refund of S\$3.3 million was adjusted against the 2Q 2011 property tax. Excluding the property tax refund, property tax expense for 2Q 2011 and 1H 2011 was about S\$1.7 million and S\$3.3 million respectively.

³ Acquired on 3 May 2011.



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Table 1: Financial highlights (excluding the S\$3.3 million property tax refund recognised in 2Q 2011 and 1H 2011) are as follows:

	1 Apr 2012 to 30 Jun 2012 S\$'000 ("2Q 2012")	1 Apr 2011 to 30 Jun 2011 S\$'000 ("2Q 2011")	Increase/ (Decrease) %	1 Jan 2012 to 30 Jun 2012 S\$'000 ("1H 2012")	1 Jan 2011 to 30 Jun 2011 S\$'000 ("1H 2011")	Increase/ (Decrease) %
Gross revenue	36,632	34,569	6.0	75,055	66,870	12.2
Net property income	34,095	32,201	5.9	70,125	62,321	12.5
Income available for distribution to holders of Stapled Securities	31,372	28,308	10.8	61,211	53,656	14.1
Income to be distributed to holders of Stapled Securities	28,235	25,477	10.8	55,090	48,290	14.1
Income available for distribution per Stapled Security (cents) for the period	3.24	2.94	10.2	6.33	5.59	13.2
Income to be distributed per Stapled Security (cents) for the period	2.92	2.65	10.2	5.70	5.03	13.3

Table 2: Financial highlights (including the one-off S\$3.3 million property tax refund recognised in 2Q 2011 and 1H 2011) are as follows:

	1 Apr 2012 to 30 Jun 2012 S\$'000 ("2Q 2012")	1 Apr 2011 to 30 Jun 2011 S\$'000 ("2Q 2011")	Increase/ (Decrease) %	1 Jan 2012 to 30 Jun 2012 S\$'000 ("1H 2012")	1 Jan 2011 to 30 Jun 2011 S\$'000 ("1H 2011")	Increase/ (Decrease) %
Gross revenue	36,632	34,569	6.0	75,055	66,870	12.2
Net property income	34,095	35,585	-4.2	70,125	65,705	6.7
Income available for distribution to holders of Stapled Securities	31,372	31,659	-0.9	61,211	57,006	7.4
Income to be distributed to holders of Stapled Securities	28,235	28,493	-0.9	55,090	51,305	7.4
Income available for distribution per Stapled Security (cents)						
- For the period	3.24	3.29	-1.5	6.33	5.94	6.6
- Annualised	13.03	13.20	-1.3	12.73	11.98	6.3



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Income to be distributed per Stapled Security (cents)						
- For the period	2.92	2.96	-1.4	5.70	5.34	6.7
- Annualised	11.74	11.87	-1.1	11.46	10.77	6.4

Mr Vincent Yeo, CEO of M&C REIT Management Limited, the manager of H-REIT, said, "We are pleased to report an improved set of results for the first half of FY2012 amidst a competitive market influenced by ongoing economic uncertainties. Our Singapore hotels continued to perform well, recording strong occupancies with 1H 2012 RevPAR matching the all-time high 1H RevPAR last seen in 2008."

Review of Portfolio Performance

Singapore continued to see strong growth in visitor arrivals of 12.3% for the first five months of 2012, compared to the corresponding period in 2011. On the back of such growth, CDLHT achieved an overall improvement in performance across its Singapore Hotels in the first half of 2012. The combined weighted average statistics for CDLHT's Singapore Hotels (excluding Studio M Hotel) for 2Q 2012 and 1H 2012 are as follows:

	1 Apr 2012 to 30 Jun 2012 ("2Q 2012") ⁴	1 Apr 2011 to 30 Jun 2011 ("2Q 2011") ⁴	Increase/ (Decrease) %	1 Jan 2012 to 30 Jun 2012 ("1H 2012") ⁴	1 Jan 2011 to 30 Jun 2011 ("1H 2011") ⁴	Increase/ (Decrease) %
Average Occupancy Rate	89.7%	88.1%	1.6pp	89.1%	86.9%	2.2pp
Average Daily Rate	S\$242	S\$232	4.3%	S\$241	S\$230	4.8%
Room Revenue per Available Room ("RevPAR")	S\$217	S\$205	5.9%	S\$215	S\$200	7.5%

RevPAR for the Singapore Hotels (excluding Studio M Hotel) in 2Q 2012 increased 5.9% year-on-year to S\$217. Occupancies remained generally robust despite the Easter holidays and two public holidays in the first week of May impacting corporate business and overall demand during those periods. RevPAR for the Singapore Hotels (including Studio M Hotel) increased 5.6% to S\$211 for the quarter⁵.

Fuelled by visitor arrival growth, RevPAR for the Singapore Hotels (excluding Studio M Hotel) increased 7.5% to S\$215 in 1H 2012, on par with the all-time high 1H RevPAR last achieved in 2008, as a result of improved occupancy and average daily rates. RevPAR for the Singapore Hotels (including Studio M Hotel) increased 7.2% to S\$209 in 1H 2012⁵.

Orchard Hotel Shopping Arcade contributed S\$2.3 million to net property income in 1H 2012. The average occupancy rate was 96.0% while the average monthly rental rate was about S\$7.29 per sq. ft.

In terms of asset enhancement works, renovations were undertaken at Novotel Singapore Clarke Quay's level 5 function and meeting rooms during the quarter. At Copthorne King's Hotel, existing retail space on level 2 was converted into 323 square meters of pre-function and function/meeting space. These asset enhancement initiatives are expected to enhance CDLHT's product offering as well as the long-term revenue-generating ability of its properties.

⁴ For comparative purposes, Studio M Hotel was excluded as it was acquired on 3 May 2011.

⁵ Figures are computed on a proforma basis assuming that the Group owns Studio M Hotel for the periods mentioned.



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Poised to benefit from continued growth in Singapore tourism and hospitality sector

Singapore's GDP growth for 2012, which is forecasted to be between one and three percent, is expected to be anchored by the tourism and financial sectors⁶. With the opening of new attractions such as Phase 1 (Bay South) of the 101-hectare Gardens by the Bay and the launch of the International Cruise Terminal this quarter⁷, Singapore's enhanced tourism landscape is expected to continue drawing visitors. Other upcoming attractions in 2012 that will continue to broaden and enrich the experience of visitors to Singapore include the River Safari featuring the Giant Pandas, and the Marine Life Park at Resorts World Sentosa⁸. On the back of these new attractions and strong arrival growth, Singapore is on track to meet or exceed the Singapore Tourism Board's forecast of 13.5 million to 14.5 million visitor arrivals in 2012, an increase of 2.5% to 10.1% respectively.

The supply of new hotel rooms in Singapore in 2012, estimated to increase by 1,653 rooms⁹ or 3.3% compared to the supply inventory as at 31 December 2011, is expected to contribute to a more competitive hospitality market. While occupancy in the Singapore hotel market remains strong, uncertainty in the Eurozone debt markets as well as weakness in the European, US and China economies are likely to continue to weigh on accommodation demand in the next 12 months. Many companies globally are continuing to exercise caution about travel expenditure in view of the economic uncertainty. These factors may impact visitor arrivals and the performance of the hospitality sector.

The buoyancy in the natural resource sector in Australia is expected to bolster hotel room demand in Brisbane and Perth, where there is a static supply of new inventory.

CDL Hospitality Trusts' gearing as at 30 June 2012 is maintained at 25.2%. With a healthy gearing, CDL Hospitality Trusts is well-positioned for further expansion in the hospitality sector in the next 12 months.

Commented Mr Yeo, "Singapore's expanding suite of tourism offerings has increased its competitive edge and ability to continue drawing both leisure and corporate travellers from all over the world. CDLHT's strong exposure to Singapore's growing tourism market puts us in pole position to benefit from this long term growth trend. With our low gearing, we continue to be focused on acquisition opportunities to enhance returns to Unitholders."

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⁶ The Business Times, 1 May 12, "Subdued growth in rest of 2012".

⁷ Channel NewsAsia, 29 Jun 12, "Gardens by the Bay opens to the public" and The Business Times, 23 May 12, "New cruise terminal to create some 3,000 jobs".

⁸ The Straits Times, 17 May 12, "Pandas should arrive by year-end" and RWS Press Release, 5 Sep 11, "Resorts World Sentosa unveils the Maritime Experiential Museum & Aquarium".

⁹ Horwath HTL report issued as at July 2012.



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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. M&C REIT Management Limited is the manager of H-REIT.

H-REIT, the first hotel real estate investment trust in Singapore, is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate which is primarily used for hospitality and/or hospitality-related purposes, whether wholly or partially, and real estate-related assets in relation to the foregoing.

As at 30 June 2012, H-REIT owns 4,307 hotel rooms within a portfolio of six hotels in Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Singapore Clarke Quay and Studio M Hotel); one hotel in New Zealand's gateway city of Auckland (Rendezvous Grand Hotel Auckland); five hotels in key gateway cities of Brisbane and Perth, Australia (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth); as well as the shopping arcade adjoining Orchard Hotel (Orchard Hotel Shopping Arcade) in Singapore. M&C REIT Management Limited is the manager of H-REIT.