



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

30 OCTOBER 2012

CDL HOSPITALITY TRUSTS REPORTS INCOME AVAILABLE FOR DISTRIBUTION OF S\$29.2 MILLION IN 3Q 2012

- **Gross revenue of S\$36.1 million and net property income of S\$33.6 million in 3Q 2012**
- **Income available for distribution of S\$90.4 million for YTD Sep 2012**
- **Poised for further expansion with strong balance sheet and healthy gearing of 25.5%**

Singapore, 30 October 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, today announced its results for the third quarter (“3Q 2012”) and nine months ended 30 September 2012 (“YTD Sep 2012”).

In 3Q 2012, CDLHT registered gross revenue of S\$36.1 million, compared to S\$36.4 million in the previous corresponding quarter (“3Q 2011”). This was mainly due to slightly lower revenue per available room (“RevPAR”) achieved by the Singapore Hotels¹, as a result of the weaker macroeconomic environment impacting Singapore’s economy and hospitality sector. The fixed rent contribution from the Australia Hotels² in 3Q 2012 was also slightly lower than that in 3Q 2011 due to a translation loss arising from the weakening Australian dollar. Accordingly, net property income (“NPI”) for the reporting quarter was S\$33.6 million, compared to S\$34.0 million for the same period last year.

Correspondingly, income available for distribution (before deducting income retained for working capital) for 3Q 2012 fell marginally by 1.3% year-on-year to S\$29.2 million. Income available for distribution per Stapled Security (after deducting income retained for working capital) for 3Q 2012 was 2.72 cents, compared to 2.77 cents in 3Q 2011.

For YTD Sep 2012, CDLHT achieved gross revenue of S\$111.2 million, up 7.6% from S\$103.3 million for the same period last year (“YTD Sep 2011”). The improvement was attributed to improved hospitality performance across the portfolio, the recognition of a full nine-month income contribution from Studio M Hotel (acquired on 3 May 2011) as compared to only 151 days in YTD Sep 2011, and the contribution of a full year’s variable income of S\$1.8 million (or A\$1.3 million) from the Australia Hotels as compared to an eight-month variable income of S\$0.84 million (or A\$0.65 million) recognised in the same period last year. NPI for YTD Sep 2012 increased 4.1% from S\$99.7 million for the previous corresponding period to S\$103.7 million. (Refer to Table 1) The year-on-year NPI improvement for YTD Sep 2012 would have been higher at 7.7% if the one-off property tax refund of S\$3.3 million last year, which did not recur this year, were excluded from YTD Sep 2011. (Refer to Table 2)

In line with the improved operating results for YTD Sep 2012, income available for distribution (before deducting income retained for working capital) for the period increased 4.4% year-on-year to S\$90.4 million. Income available for distribution per Stapled Security (after deducting income retained for working capital) for YTD Sep 2012 increased 3.8% from 8.11 cents recorded in YTD Sep 2011 to 8.42 cents.

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 (acquired on 3 May 2011).

² CDLHT’s Australia Hotels include Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth (acquired on 18 February 2010).

M&C REIT Management Limited

390 Havelock Road • #02-01 King’s Centre • Singapore 169662 • Tel (65) 6737 1928 • www.cdlht.com

Registered Address: 36 Robinson Road, #04-01 City House, Singapore 068877 • Company Registration No: 200607091Z

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Table 1: Financial highlights (including the S\$3.3 million property tax refund recognised in YTD Sep 2011):

	1 Jul 2012 to 30 Sep 2012 ("3Q 2012") S\$'000	1 Jul 2011 to 30 Sep 2011 ("3Q 2011") S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 30 Sep 2012 ("YTD Sep 2012") S\$'000	1 Jan 2011 to 30 Sep 2011 ("YTD Sep 2011") S\$'000	Increase/ (Decrease) %
Gross revenue	36,145	36,433	(0.8)	111,200	103,303	7.6
Net property income	33,606	33,985	(1.1)	103,731	99,690	4.1
Net income	26,433	26,981	(2.0)	81,374	79,646	2.2
Income available for distribution to holders of Stapled Securities	29,211	29,607	(1.3)	90,422	86,613	4.4
Less:						
Income retained for working capital	(2,921)	(2,960)	(1.3)	(9,042)	(8,661)	4.4
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	26,290	26,647	(1.3)	81,380	77,952	4.4
Income available for distribution per Stapled Security (before deducting income retained for working capital) (cents)						
- For the period	3.02	3.08	(1.9)	9.35	9.01	3.8
- Annualised	12.01	12.22	(1.7)	12.49	12.05	3.7
Income available for distribution per Stapled Security (after deducting income retained for working capital) (cents)						
- For the period	2.72	2.77	(1.8)	8.42	8.11	3.8
- Annualised	10.82	10.99	(1.5)	11.25	10.84	3.8

Table 2: Financial highlights (excluding the S\$3.3 million property tax refund recognised in YTD Sep 2011³):

	1 Jul 2012 to 30 Sep 2012 ("3Q 2012") S\$'000	1 Jul 2011 to 30 Sep 2011 ("3Q 2011") S\$'000	Increase/ (Decrease) %	1 Jan 2012 to 30 Sep 2012 ("YTD Sep 2012") S\$'000	1 Jan 2011 to 30 Sep 2011 ("YTD Sep 2011") S\$'000	Increase/ (Decrease) %
Net property income	33,606	33,985	(1.1)	103,731	96,306	7.7
Income available for distribution to holders of Stapled Securities	29,211	29,607	(1.3)	90,422	83,263	8.6
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	26,290	26,647	(1.3)	81,380	74,937	8.6
Income available for distribution per Stapled Security (before deducting income retained for working capital)(cents)	3.02	3.08	(1.9)	9.35	8.67	7.8
Income available for distribution per Stapled Security (after deducting income retained for working capital)(cents)	2.72	2.77	(1.8)	8.42	7.80	7.9

³ The property tax refund of S\$3.3 million arose from revised property tax assessments issued by the Inland Revenue Authority of Singapore ("IRAS") in respect of years 2006 to 2008. For further details on this property tax refund, please refer to Footnote (b) on page 7 of the unaudited financial statements announcement for the third quarter and nine months ended 30 September 2012.



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Mr Vincent Yeo, CEO of M&C REIT Management Limited, the manager of H-REIT, said, "3Q 2012 saw a marginal decline in performance due to slower demand in the Singapore hospitality market, although occupancies remained high at 88.6%. Notwithstanding ongoing global economic uncertainties, we turned in a respectable performance with overall growth in the first nine months of 2012."

Review of Hotel Performance

The combined weighted average statistics for CDLHT's Singapore Hotels (excluding Studio M Hotel) for 3Q 2012 and YTD Sep 2012 are as follows:

	1 Jul 2012 to 30 Sep 2012 ("3Q 2012") ⁴	1 Jul 2011 to 30 Sep 2011 ("3Q 2011") ⁴	Increase/ (Decrease) %	1 Jan 2012 to 30 Sep 2012 ("YTD Sep 2012") ⁴	1 Jan 2011 to 30 Sep 2011 ("YTD Sep 2011") ⁴	Increase/ (Decrease) %
Average Occupancy Rate	88.6%	89.5%	(0.9)pp	88.9%	87.7%	1.2pp
Average Daily Rate	S\$236	S\$236	-	S\$239	S\$232	3.0%
Room Revenue per Available Room ("RevPAR")	S\$209	S\$211	(0.9)%	S\$213	S\$204	4.5%

The average room rate for the Singapore Hotels (excluding Studio M Hotel) in 3Q 2012 remained unchanged year-on-year at S\$236. Against the backdrop of a weak global economy and slowdown in economic activity in Singapore, business levels in the Singapore Hotels saw a slight dip. The corporate market, particularly the meetings and conference business, was affected by the economic malaise. As a result, RevPAR decreased 0.9% year-on-year to S\$209 as the average occupancy rate declined slightly by 0.9 percentage points to 88.6%.

On a year-to-date basis, RevPAR at the Singapore hotels (excluding Studio M Hotel) grew 4.5% to S\$213 for YTD Sep 2012, as the average room rate increased 3.0% to S\$239 and the average occupancy rate increased 1.2 percentage points to 88.9%.

Orchard Hotel Shopping Arcade registered net property income of S\$1.0 million in 3Q 2012, with an average occupancy of 95.4% and an average monthly rental rate of approximately S\$7.27 psf. For YTD Sep 2012, Orchard Hotel Shopping Arcade registered net property income of S\$3.3 million, with an average occupancy of 95.8% and an average monthly rental rate of S\$7.28 psf.

Outlook for the Singapore and Australia Hospitality Markets

Singapore saw 7,082,161 visitor arrivals in the first six months of 2012, an 11.4% increase from the corresponding period a year ago⁵. Passenger traffic at Changi Airport for the first nine months of 2012 grew 9.9% year-on-year⁶, and the proportion of travellers transiting at Changi Airport fell to 24% from one-third of total traffic five years ago⁷. This marks an important medium to long term trend which reaffirms that Singapore is becoming more popular as a destination.

New additions to the tourism landscape include the opening of Phase 1 (Bay South) of the 101-hectare Gardens by the Bay and the launch of the International Cruise Terminal this year⁸. Other upcoming attractions in the next 12 months that will continue to broaden and enrich the experience of visitors to Singapore include the Marine Life Park at Resorts World Sentosa and the River Safari

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

⁵ Singapore Tourism Board, 16 October 2012, "Visitor Arrival Statistics"

⁶ Changi Airport Group Passenger Traffic Statistics

⁷ The Straits Times, 18 July 2012, "Changi sees drop in transfers, more visitors to Singapore"

⁸ Channel NewsAsia, 29 June 2012, "Gardens by the Bay opens to the public" and The Business Times, 23 May 2012, "New cruise terminal to create some 3,000 jobs"

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featuring the Giant Pandas, which are slated to be opened in December 2012⁹ and the first quarter of 2013¹⁰ respectively.

Supporting the growth in tourism infrastructure is the supply of new hotel rooms, which is estimated to increase by 3,000 to 4,000 rooms in the next 12 months¹¹. This will contribute to a more competitive environment in the Singapore hospitality market.

While Singapore's enhanced tourism landscape should continue to draw visitors to Singapore and benefit CDLHT, its performance in the short term may be affected by the weak US and European economies and slower Chinese economic growth.

In Australia, the natural resource sector is expected to continue underpinning hotel room demand in Brisbane and Perth, where there is a static supply of new inventory. However, the slower pace of the Australian economy may lead to a moderation of growth for the Australia Hotels.

Mr Yeo concluded, "Whilst the weak global economy has a dampening effect on Singapore's hospitality market in the near term, the vibrancy of Singapore's tourism market should help to maintain its long term appeal as an attractive travel destination. With a healthy gearing of 25.5% as at 30 September 2012, CDLHT is actively sourcing for acquisition opportunities in the hospitality sector in the next 12 months."

- ENDS -

For more information, please contact:

Ho Siang Twang / Mandy Koo
Investments & Investor Relations
M&C REIT Management Limited
Tel: +65 6664 8883 / +65 6664 8887
Email: stho@cdlht.com /
mandykoo@cdlht.com

Terence Foo / Jean Zhuang / Bob Ong
Kreab Gavin Anderson
Tel: +65 6339 9110
Mobile: +65 9878 8787 / +65 9061 1075
+65 9767 8557
Email: foo@kreabgavinanderson.com /
jzhuang@kreabgavinanderson.com /
bong@kreabgavinanderson.com

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 September 2012, H-REIT owns 12 hotels with a total of 4,307 hotel rooms, comprising 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 Australia's key gateway cities of Brisbane and Perth (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.

⁹ The Straits Times, 25 September 2012, "RWS to open world's largest oceanarium in December"

¹⁰ The Straits Times, 21 September 2012, "Pandas get health check"

¹¹ Horwath HTL report issued as at July 2012

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