



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

30 OCTOBER 2013

**CDL HOSPITALITY TRUSTS
REPORTS INCOME AVAILABLE FOR DISTRIBUTION OF
S\$28.6 MILLION FOR 3Q 2013**

- ***Income available for distribution per Stapled Security (after deducting income retained for working capital) of 2.64 cents for 3Q 2013 and 8.05 cents for YTD Sep 2013***
- ***Angsana Velavaru Maldives continues to boost income positively***
- ***CDLHT remains well-poised for acquisitions with healthy gearing of 28.1%***

Singapore, 30 October 2013 – 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 2013”) and nine months ended 30 September 2013 (“YTD Sep 2013”).

CDLHT registered gross revenue of S\$35.9 million in 3Q 2013, a marginal 0.8% decrease compared to the previous corresponding quarter (“3Q 2012”), mainly due to lower gross revenue from its Singapore Hotels. Fixed rent contribution from its Australia Hotels was down year-on-year in the quarter, attributable to the weakened Australian dollar. These reductions were however, mitigated by a S\$1.9 million revenue boost from the Angsana Velavaru resort in the Maldives based on its prorated minimum rent contribution¹. The resort continued to perform well since its acquisition in January 2013, registering a year-on-year RevPAR growth of 13.9%² for the three months ended 30 September 2013. Consequently, overall net property income (“NPI”) recorded for 3Q 2013 was 1.7% lower year-on-year at S\$33.0 million.

Income available for distribution (before deducting income retained for working capital) for 3Q 2013 was 2.2% lower year-on-year at S\$28.6 million. Accordingly, income available for distribution per Stapled Security (after deducting income retained for working capital) for 3Q 2013 was 2.64 cents, as compared to 2.72 cents recorded in 3Q 2012.

For YTD Sep 2013, CDLHT achieved gross revenue of S\$109.4 million, down 1.7% from S\$111.2 million for the same period last year (“YTD Sep 2012”), largely due to lower gross revenue from its Singapore Hotels. This was mitigated by higher revenue from the Group's overseas properties, including the receipt of a full year's variable income of S\$2.0 million (or A\$1.6 million) from its Australia Hotels as compared to S\$1.8 million (or A\$1.3 million) recognised in the corresponding period last year, as well as a S\$5.0 million prorated minimum rent contribution boost from Angsana Velavaru. Angsana Velavaru continued to perform well with a 22.9%³ year-on-year RevPAR growth for the eight months ended 30 September 2013. In tandem with the lower overall revenue, NPI for YTD Sep 2013 was down 2.7% year-on-year to S\$100.9 million.

Correspondingly, income available for distribution (before deducting income retained for working capital) for YTD Sep 2013 was 3.9% lower year-on-year at S\$86.9 million. Income to be distributed per Stapled Security for YTD Sep 2013 (after deducting income retained for working capital) was 8.05 cents, as compared to 8.42 cents recorded in YTD Sep 2012.

¹ The gross revenue for the reporting period comprise a prorated minimum rent of US\$500,000 per month (based on a current minimum rent of US\$6.0 million per annum). The excess of the income above the minimum rent will only be recognised in the fourth quarter results once the full year performance of Angsana Velavaru is determined.

² The year-on-year comparison assumes that H-REIT, through its wholly-owned subsidiary, Sanctuary Sands Maldives Private Limited, owns Angsana Velavaru, for the three months ended 30 September 2012.

³ The year-on-year comparison assumes that H-REIT, through its wholly-owned subsidiary, Sanctuary Sands Maldives Private Limited, owns Angsana Velavaru, for the eight months ended 30 September 2012.



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Financial Highlights

	1 Jul 2013 to 30 Sep 2013 S\$'000 ("3Q 2013")	1 Jul 2012 to 30 Sep 2012 S\$'000 ("3Q 2012")	Variance %	1 Jan 2013 to 30 Sep 2013 S\$'000 ("YTD Sep 2013")	1 Jan 2012 to 30 Sep 2012 S\$'000 ("YTD Sep 2012")	Variance %
Gross revenue	35,860	36,145	(0.8)	109,358	111,200	(1.7)
Net property income	33,039	33,606	(1.7)	100,929	103,731	(2.7)
Net income	25,548	26,433	(3.3)	77,966	81,374	(4.2)
Income available for distribution to holders of Stapled Securities	28,566	29,211	(2.2)	86,910	90,422	(3.9)
Less:						
Income retained for working capital	(2,857)	(2,921)	(2.2)	(8,691)	(9,042)	(3.9)
Income to be distributed to holders of Stapled Securities (after deducting income retained for working capital)	25,709	26,290	(2.2)	78,219	81,380	(3.9)
Income available for distribution per Stapled Security (before deducting income retained for working capital) (Singapore cents)						
- For the period	2.93	3.02	(3.0)	8.94	9.35	(4.4)
- Annualised	11.62	12.01	(3.2)	11.95	12.49	(4.3)
Income available for distribution per Stapled Security (after deducting income retained for working capital) (Singapore cents)						
- For the period	2.64	2.72	(2.9)	8.05	8.42	(4.4)
- Annualised	10.47	10.82	(3.2)	10.76	11.25	(4.3)

Review of Singapore Hotels' Performance

The combined weighted average statistics for CDLHT's Singapore Hotels for 3Q 2013 and YTD Sep 2013 are as follows:

	1 Jul 2013 to 30 Sep 2013 S\$'000 ("3Q 2013")	1 Jul 2012 to 30 Sep 2012 S\$'000 ("3Q 2012")	Variance %	1 Jan 2013 to 30 Sep 2013 S\$'000 ("YTD Sep 2013")	1 Jan 2012 to 30 Sep 2012 S\$'000 ("YTD Sep 2012")	Variance %
Average Occupancy Rate	87.6%	88.3%	(0.7)pp	87.5%	88.6%	(1.1)pp
Average Daily Rate	S\$218	S\$231	(5.6)%	S\$219	S\$234	(6.4)%
Room Revenue per Available Room ("RevPAR")	S\$191	S\$204	(6.4)%	S\$191	S\$207	(7.7)%



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Mr Vincent Yeo, CEO of M&C REIT Management Limited, the manager of H-REIT, commented, "The influx of new hotel rooms and an overall weaker corporate demand environment impacted our performance for the quarter and the first nine months of 2013. Despite this, occupancies at our Singapore Hotels have remained high at 88%."

The softer year-on-year operating performance for the Singapore Hotels was due to reduced corporate demand, in particular for corporate meetings and conferences, attributable to travel budget constraints against the backdrop of an uncertain global economy. In addition, the new hotel room supply in Singapore increased competitive pressure in the market as new hotels sought to capture some of the existing hotels' business. About 82.0% of the estimated 3,200 new rooms slated to open this year, have opened in the first nine months of 2013⁴. The replacement of corporate business with leisure business during periods of relatively softer corporate demand, also contributed to the overall decline in average room rates, given that these were secured at lower rates.

Orchard Hotel Shopping Arcade ("OHSA") registered NPI of S\$1.0 million for 3Q 2013, with an average occupancy rate of 91.0% and an average monthly rental rate of approximately S\$7.40 psf. For YTD Sep 2013, Orchard Hotel Shopping Arcade registered NPI of S\$3.0 million, with an average occupancy rate of 91.7% and an average monthly rental rate of S\$7.43 psf. The 12-month asset enhancement initiative is on schedule to commence by late 2013, repositioning OHSA as a family-friendly mall with enhanced retail offerings.

Market and Company Outlook

Visitor arrivals this year are expected to grow at a slower pace than in 2012, with a forecasted year-on-year growth of between 2.1% to 7.0% based on Singapore Tourism Board's ("STB") forecast of 14.8 million to 15.5 million visitor arrivals for 2013⁵. Furthermore, the uncertain global economic environment, as well as companies and leisure travellers exercising caution in travel expenditure will continue to weigh on the attendant accommodation demand in the current financial year. However, in what may be seen as an encouraging development, latest international visitor arrival numbers from STB indicate an 8.5% year-on-year growth for January to August 2013⁶. This has helped in absorbing the supply of over 2,600 rooms that have come on stream this year, allowing occupancies to remain at healthy levels.

Singapore's hospitality sector is set to benefit from STB's plans to further promote the nation as a global MICE destination⁷, leveraging on Singapore's positioning as a regional hub for business and wealth management in Asia. The reopening of Suntec Singapore Convention and Exhibition Centre in June this year, and the upcoming opening of the state-of-the-art Singapore Sports Hub scheduled for April 2014⁸, are expected to strengthen the nation's MICE offerings, adding another dimension to the local sporting, entertainment and lifestyle scene. Major sporting events lined up at the venue for the next few years include the season-ending Women's Tennis Association Championships from 2014 to 2018⁹, and the 28th Southeast Asian (SEA) Games in 2015¹⁰. These world-class events are expected to contribute to Singapore's opportunities and positioning as a desirable venue to organise international-standard events and improve its brand image¹¹, who already plays host to the prestigious Formula One Singtel Singapore Grand Prix annually.

⁴ Horwath HTL report issued as at July 2013 and CDLHT research

⁵ Singapore's Tourism Sector Performance for 2012, Singapore Tourism Board, 27 March 2013

⁶ International Visitor Arrivals Statistics, Singapore Tourism Board, 16 October 2013

⁷ "STB plans to boost MICE sector", The Straits Times, 25 September 2013

⁸ "Singapore Sports Hub due for opening in April 2014", The Straits Times, 10 June 2013

⁹ "Tennis: WTA to set up office at Singapore Sports Hub", Channel NewsAsia, 24 September 2013

¹⁰ "Singapore Sports Council (SSC) Website: \$50 Million Sponsorship Target for 28th SEA Games", Singapore Government News, 6 October 2013

¹¹ "Spore earning good rep", The Straits Times, 3 September 2013



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In Australia, CDLHT's hotels in Brisbane and Perth are expected to continue facing challenges in the near term as a result of the slowing Australian economy and mining sector. Notwithstanding prevailing softness in the business environment, its effect will be cushioned by the defensive structure of the Australia Hotels, which provides CDLHT with largely fixed rent.

Maldives continued to register strong visitor arrivals growth of 17.3% for the first seven months of 2013 compared to the same period last year¹². Through Angsana Velavaru, CDLHT is expected to continue to benefit from growing Asian affluence and its exposure to the premium and distinctive Maldives tourism market.

"Our healthy gearing of 28.1% as at 30 September 2013 affords us ample debt headroom and puts us in good stead to actively pursue acquisitions in the hospitality sector," concluded Mr Yeo.

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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 September 2013, H-REIT owns 12 hotels and one resort with a total of 4,420 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); one resort located in the Republic of Maldives (Angsana Velavaru), as well as the shopping arcade adjoining Orchard Hotel (Orchard Hotel Shopping Arcade) in Singapore.

¹² Tourist Arrivals by Nationality, January – July 2013, Statistics Section, Ministry of Tourism, Arts and Culture, The Maldives, 12 August 2013