



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

25 APRIL 2014

**CDL HOSPITALITY TRUSTS REPORTS A 3% RISE IN
INCOME AVAILABLE FOR DISTRIBUTION TO S\$26.9 MILLION FOR 1Q 2014**

- Net property income up 4.1% to S\$36.7 million
- Income available for distribution per Stapled Security (after deducting income retained for working capital) ("DPS") up 2.2% to 2.75 cents
- Latest acquisition of Jumeirah Dhevanafushi in December 2013 expected to further augment portfolio's income stream for FY 2014

Singapore, 25 April 2014 – CDL Hospitality Trusts ("CDLHT" or the "Group"), 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 first quarter ended 31 March 2014 ("1Q 2014").

Financial Highlights:

	1 Jan 2014 to 31 Mar 2014 S\$'000 ("1Q 2014")	1 Jan 2013 to 31 Mar 2013 S\$'000 ("1Q 2013")	Increase/ (Decrease) %
Gross revenue	43,755	37,935	15.3
Net property income	36,721	35,283	4.1
Net income	28,654	28,710	(0.2)
Income available for distribution to holders of Stapled Securities	29,873	28,991	3.0
Less:			
Income retained for working capital	(2,987)	(2,899)	3.0
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	26,886	26,092	3.0
Income available for distribution per Stapled Security (before deducting income retained for working capital) (Singapore cents)			
- For the period	3.06	2.99	2.3
- Annualised	12.41	12.13	2.3
Income available for distribution per Stapled Security (after deducting income retained for working capital) (Singapore cents)			
- For the period	2.75	2.69	2.2
- Annualised	11.15	10.91	2.2

CDLHT's gross revenue in 1Q 2014 increased 15.3% to S\$43.8 million in 1Q 2014. Completed on 31 December 2013, the Group's latest acquisition, Jumeirah Dhevanafushi, provided a S\$6.9 million boost to its topline, while Angsana Velavaru, its first Maldives resort acquired on 31 January 2013, added another S\$0.7 million to total revenue. In addition, contribution from its Singapore Hotels was up S\$0.4 million for the quarter.

Taking into account Jumeirah Dhevanafushi's operating expenses for the quarter, net property income ("NPI") improved 4.1% year-on-year to S\$36.7 million. Income available for distribution (before



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deducting income retained for working capital) in 1Q 2014 was up 3.0% year-on-year to S\$29.9 million. Correspondingly, DPS for 1Q 2014 increased 2.2% to 2.75 cents.

Asset refurbishment programmes continue to add value to the portfolio, with Claymore Link (previously Orchard Hotel Shopping Arcade) undergoing a makeover since December 2013.

Mr Vincent Yeo, Chief Executive Officer of M&C REIT Management Limited and M&C Business Trust Management Limited, the managers of CDLHT, said, "Amid a competitive trading environment in Singapore, we are pleased to report growth in income in 1Q 2014, which was assisted by contribution from the acquisitions in 2013. Acquisition growth income also helped to offset the loss of income from the closure of Claymore Link for renovations."

Foreign exchange movements against the Australian dollar and lower variable income in the quarter meant that CDLHT received reduced rental contributions from its Australia Hotels. Conversely, its hotel in New Zealand recorded an increase of S\$0.15 million in rental revenue, partly due to the stronger New Zealand dollar.

Review of Singapore Hotel Performance

The combined weighted average statistics for CDLHT's Singapore Hotels for 1Q 2014 are as follows:

	1 Jan 2014 to 31 Mar 2014 S\$'000 ("1Q 2014")	1 Jan 2013 to 31 Mar 2013 S\$'000 ("1Q 2013")	Increase/ (Decrease) %
Average Occupancy Rate	88.2%	87.0%	1.2pp
Average Daily Rate	S\$218	S\$219	(0.5)%
Revenue per Available Room ("RevPAR")	S\$192	S\$191	0.5%

Bolstered by the return of the biennial Singapore Airshow in February 2014, the RevPAR for the Singapore Hotels improved 0.5% to S\$192 in 1Q 2014 and average occupancy rate climbed 1.2 percentage points to 88.2%. Over the same period, the average daily rate at the Singapore Hotels decreased marginally from S\$219 to S\$218, given the competitive pressure in the market amid an increase of new hotel rooms and a restrained corporate travel environment.

Claymore Link registered NPI of S\$0.2 million in 1Q 2014, as tenants progressively vacated the premises during the fourth quarter of 2013 for its refurbishment. There will be no income contribution from this asset during the closure until end-2014, apart from rental income received from the three tenants occupying Galleria¹.

Outlook

According to the Singapore Tourism Board (STB), international visitor arrivals grew 7% to 15.6 million for the full year of 2013, while tourism receipts increased by about 2% to S\$23.5 billion. The tourism and hospitality sector in Singapore is still poised to grow as industry observers expect visitor arrivals to grow by 6% and spending to increase some 3%², particularly on the back of higher expected corporate arrivals in view of a robust meetings, incentives, conventions and exhibitions (MICE) calendar this year. These include biennial events like Food & Hotel Asia in April and new annual events like World Club 10s Rugby in June and Women's Tennis Association Championships in October.

¹ A separate wing that is not part of the refurbishment

² Channel NewsAsia, "STB sets up \$15m fund to boost local tourism", 15 April 2014



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The World Club 10s Rugby will be the first international sporting event to be held at the 55,000-seater stadium at the Singapore Sports Hub³, which is expected to augment the city's MICE infrastructure when the facility opens in June. Mr Yeo said, "The forthcoming events to be held at the Singapore Sports Hub will strengthen Singapore's event calendar further and provide a boost to the hospitality industry."

On the supply side, an estimated 2,500 new hotel rooms in 2014⁴ is likely to contribute to a competitive operating environment, as the market seeks to digest the additional rooms while companies remain cautious about corporate travel expenditure.

In Australia, the slower pace of the economy and lower activity levels in the mining sector may continue to affect the performance of the Australia Hotels, but its effect will be mitigated by the largely fixed rent structure. Looking ahead, hotels in Brisbane are expected to benefit in the lead up to the Group of Twenty (G20) Leaders Summit in November.

CDLHT continues to be a beneficiary of growing Asian affluence, underpinned by the growth in Chinese outbound travel, from its exposure to the Maldives tourism market through Angsana Velavaru and Jumeirah Dhevanfushi. Maldives continued to register strong visitor arrivals growth of 11.6% for the first two months of 2014 compared to the same period last year⁵.

As at 31 March 2014, CDLHT's gearing ratio stood at a healthy 29.9%. With ample debt headroom, CDLHT is well-poised to further grow its portfolio as it continues to focus on seeking suitable acquisition opportunities to enhance returns to its Unitholders.

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About CDL Hospitality Trusts

CDL Hospitality Trusts ("CDLHT") 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. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of CDL Hospitality Business Trust.

CDLHT was 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.

³ The Straits Times, "Rugby's World Club 10s to kick-off sporting events at new Sports Hub", 27 February 2014

⁴ Jones Lang LaSalle, "Market Review of Singapore Hotel Property Sector", 1 March 2014

⁵ Ministry of Tourism, Republic of Maldives, Tourist Arrivals by Nationality (January - February 2014), 16 March 2014



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As at 31 March 2014, CDLHT owns 12 hotels and two resorts with a total of 4,455 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); five hotels in Australia's key gateway cities of Brisbane and Perth (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth); one hotel in New Zealand's gateway city of Auckland (Rendezvous Grand Hotel Auckland); two resorts in Maldives (Angsana Velavaru and Jumeirah Dhevanafushi), as well as the shopping arcade adjoining Orchard Hotel (Claymore Link, previously known as Orchard Hotel Shopping Arcade) in Singapore.