CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE **26 JANUARY 2010**

CDL HOSPITALITY TRUSTS REPORTS GROSS REVENUE OF S$91.8 MILLION FOR FY2009

- **Full year distributable income per stapled security of 8.57 cents for FY2009**
- **Occupancy rates rose to 88.9% in 4Q 2009, exceeding strong performances recorded in the corresponding periods in 2007 and 2008**
- **Brighter prospects for Singapore hospitality led by strong tourism drivers and rebound in global travel demand**

Singapore, 26 January 2010 **–** 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 fourth quarter ("4Q 2009") and full year ("FY2009") ended 31 December 2009.

The highlights of FY2009 are as follows:

	Actual 1 Jan 09 to 31 Dec 09 S$'000	Actual 1 Jan 08 to 31 Dec 08 S$'000	Increase/ (Decrease) %	Actual 1 Oct 09 to 31 Dec 09 S$'000	Actual 1 Oct 08 to 31 Dec 08 S$'000	Increase/ (Decrease) %
Gross revenue	91,757	114,659	(20.0)	26,148	28,144	(7.1)
Net property income	85,921	102,770	(16.4)	24,734	21,706	14.0
Net income before revaluation	65,584	78,405	(16.4)	19,205	19,000	1.1
Income available for distribution to holders of Stapled Securities	75,841	91,988	(17.6)	21,660	18,994	14.0
Income available for distribution per Stapled Security (cents)						
- For the period	9.05	11.11	(18.5)	2.58	2.29	12.7
- Annualised	9.05	11.11	(18.5)	10.24	9.11	12.4
Income to be distributed per Stapled Security (cents)						
- For the period	8.57	10.62	(19.3)	2.67	1.80	48.3
- Annualised	8.57	10.62	(19.3)	10.59	7.16	47.9

CDLHT delivered full year gross revenue of S$91.8 million in the year ending 31 December 2009, a 20.0% decline from the previous financial year ("FY2008"), principally due to weak market conditions in the first half of 2009 caused by the global economic downturn and the H1N1 outbreak. Revenue declined by 20.0% year-on-year from FY2008 to FY2009, while net property income registered a smaller decline of 16.4% year-on-year partly due to lower property taxes.

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
A member of Hong Leong Group (Singapore)

After deducting S$4.1 million of income retained for working capital, income to be distributed per Stapled Security for FY2009 was 8.57 cents. Based on a market price of S$1.69 as at close of market on 25 January 2010, holders of CDLHT's Stapled Securities would enjoy an annualised distribution yield of 5.07% for FY2009.

CDLHT had begun to see a rebound in demand during 3Q 2009 led by improving visitor arrivals, with the month of September 2009 being the first month of growth in visitor arrivals of the year, rising 7.1% compared to the same period in 2008. This rising trend continued into the last quarter of the year, with the month of November recording an even higher increase of 8.4% in visitor arrivals compared to the previous year. For the quarter ending 31 December 2009, the portfolio properties enjoyed improving occupancy rates and revenues, with a smaller revenue decrease of 7.1% year-on-year, compared to a 21.4% year-on-year revenue decline from 3Q 2008 to 3Q 2009. Net property income saw a significant recovery, registering an increase of 14.0% from S$21.7 million in 4Q 2008[1] to S$24.7 million in 4Q 2009. Total income available for distribution, rose 14.0% from S$18.99 million in 4Q 2008[1] to S$21.66 million in 4Q 2009.

Mr Vincent Yeo, CEO of M&C REIT Management Limited, the Manager of H-REIT, said, "Despite beginning the year under cloudy skies, we were able to turn in a very credible performance for 2009. We enjoyed sustained increases in demand throughout the second half of the year. In the fourth quarter, we achieved an occupancy rate of 89%, which was not only the highest for the year, but also higher than that of all four quarters in our record year 2008, albeit at a reduced room rate. It is clear that on the back of the economic recovery, strong demand for accommodation has now returned."

Review of Hotels Performance

CDLHT's Singapore hotels enjoyed significant RevPAR growth of 9.9% in 2H 2009 compared to 1H 2009, driven by a sustained improvement in demand in 2H 2009. For the year ending 31 December 2009, the combined weighted average statistics for CDLHT's Singapore hotels, which include Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel and Novotel Clarke Quay, were as follows:

	1 Jan 09 to 31 Dec 09	1 Jan 08 to 31 Dec 08	Increase/ (Decrease)	1 Oct 09 to 31 Dec 09	1 Oct 08 to 31 Dec 08	Increase/ (Decrease)
Average Occupancy Rate	81.4%	85.2%	(3.8)pp	88.9%	83.7%	5.2pp
Average Daily Rate	S$184	S$243	(24.3)%	S$178	S$220	(19.1)%
Room Revenue per Available Room ("RevPAR")	S$149	S$207	(28.0)%	S$159	S$184	(13.6)%

[1] In the 4Q 2008 results, we highlighted that there was a one-off tax provision of S$3.2 million in respect of 2006 and 2007. CDL-HT had engaged CB Richard Ellis (Pte) Ltd to review the revised tax assessments raised by IRAS and the outcome will be reflected in subsequent periods. In addition, there was a one-off S$1.3 million property contribution made by H-REIT to the Management Corporation Strata Title Plan No. 3027 of the Liang Court Complex (the "Complex"), being H-REIT's share of the repairs and maintenance works in relation to the public areas common to the Complex.

The rebound in demand which started in 3Q 2009 and continued through 4Q 2009 enabled the Singapore hotels to report a notably stronger performance in the second half of the year. Occupancy rates at the Singapore hotels surged by 16.4% from 75.2% during 1H 2009 to 87.5% during 2H 2009. Similarly, RevPAR rose by 9.9% from S$142 during 1H 2009 to S$156 during 2H 2009.

Asset-Enhancement Opportunities for Orchard Hotel Shopping Arcade

The Orchard Hotel Shopping Arcade continued to perform well, with a net property income contribution of S$848,000 for 4Q 2009. As at 31 December 2009, the average occupancy was 83%, while the average rental rate increased to approximately S$7.25 per sq. ft.

CDLHT continues to review various asset-enhancement options and opportunities for the Orchard Hotel Shopping Arcade – Galleria. As an initial step, the retail space in the Galleria area has been increased by around 5,000 square feet, which has already been leased by a new tenant that will create a bistro and live music venue on two levels of the complex.

Further Growth in Room Demand Expected in 2010 and Beyond

The Singapore tourism industry is approaching a major milestone with the opening of the Integrated Resorts ("IRs") in 2010. The IRs will have a positive, broad-ranging and substantial impact on Singapore and its hospitality sector in the medium to long term. Offering gaming entertainment, world-class conference facilities and attractions including a Universal Studios theme park, the IRs mark a significant step forward in Singapore's continuing transformation into a world-class travel destination and a preferred mono-travel destination.

Other entertainment and tourism industry players, in anticipation of a new demand boost from the IRs, have also invested significantly by launching numerous new activities, entertainment spots, concept or boutique hotels, nightclubs and restaurants. Further enhancing the tourism appeal of Singapore is the rejuvenation of existing retail malls and the launch of new retail malls along Orchard Road.

According to the Straits Times in December 2009, the Singapore MICE industry is also expected to see three times as many new business events in 2010 as compared to 2009, and at least ten major events attracting more than 5,000 foreign delegates – twice as many as in 2009. In the next few years, the local MICE business is expected to experience a phenomenal boost once the two IRs have cemented their place in the regional market.

The Universal Studios theme park and gaming elements also represent drivers of new and repeat leisure demand, which will help occupancy levels during weekends, when the hotels have traditionally experienced lower occupancies.

The record-breaking increase in air traffic numbers at Singapore's Changi Airport in December 2009 also augurs well for the hotel industry in 2010. A total of 3.83 million passenger arrivals were recorded during the month, which was the highest number recorded in a single month. Since passenger numbers started picking up in August 2009, traffic has grown every month and the hotel industry has also benefitted, with occupancy rates of the gazetted hotels soaring to a high of 84% in November 2009.

Mr Yeo said, “The fundamentals of the Singapore hospitality industry will change dramatically with the launch of the Integrated Resorts in 2010. With Singapore as a major global travel hub, there is also potential for Singapore to convert more transit passengers into actual visitors. In 2009, Changi Airport achieved passenger traffic of over 37.2 million, whilst only less than 8 million of these passengers actually visited Singapore. The country’s new attractions should help in encouraging more transit passengers to spend time discovering and enjoying Singapore, thereby further boosting demand for rooms.”

- ENDS -

For more information, please contact:

Siang Twang Ho
Head, Strategy and Investor Relations
M&C REIT Management Limited
Tel: +65 6839 2887
Email: stho@cdlht.com

Terence Foo / Jean Zhuang
Kreab Gavin Anderson
Tel: +65 6339 9110
Mobile: +65 9878 8787 / +65 9061 1075
Email: tfoo@kreabgavinanderson.com / jzhuang@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.

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 26 January 2010, H-REIT owns 2,803 hotel rooms within a portfolio of five hotels and one shopping arcade in Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Orchard Hotel Shopping Arcade and Novotel Clarke Quay) and one hotel in New Zealand (Rendezvous Hotel Auckland). M&C REIT Management Limited is the manager of H-REIT.