



CDL HOSPITALITY TRUSTS



Proposed Acquisition of Portfolio of 5 Australian Hotels In Brisbane & Perth

28 January 2010

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Acquisition Highlights

Acquisition Highlights



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Acquisition of a portfolio of 5 freehold Australian hotels for a purchase consideration of A\$175.0 million (S\$220.9 million)⁽¹⁾, at A\$154k (S\$194k)⁽²⁾ per key

- ✓ Well-located hotels within the Central Business Districts of both Brisbane & Perth, two of the fastest growing cities in Australia
- ✓ Relatively high and secure long-term rents guaranteed under a separate Deed of Guarantee from Accor SA
- ✓ Strong underlying cash flow yield of 13.8%⁽³⁾ which provides long term valuation and income gain potential
- ✓ Geographical and income diversification
- ✓ Accretive to CDL-HT's distributions to Unitholders

	After Acquisition (S\$)
DPS Impact ⁽⁴⁾ (pro forma annualised)	+0.87 cent

Notes:

- (1) Based on exchange rate of A\$1.00 : S\$1.262 , dated 27 Jan 2010
- (2) Based on a purchase consideration of A\$175.0 million and a total of 1,139 rooms. Based on an total acquisition cost of A\$187.2 million (inclusive of stamp duties and other transaction costs), purchase price would be A\$164k (S\$207k) per key
- (3) Underlying cash flow refers to EBITDA less operator fees and provision for furniture fixtures and equipment (FF&E) of the portfolio of 5 freehold Australian hotels ("Australian Portfolio" or "Acquisition Portfolio") for the financial year ending 31 Dec 2009 ("FY2009"), as a percentage of purchase consideration of A\$175 million. Based on an total acquisition cost of A\$187.2 million (inclusive of stamp duties and other transaction costs), cash flow yield of the portfolio would be 12.9%
- (4) Distribution Per Stapled Security ("DPS") calculated based on the FY2009 financial results of the Australian Portfolio, assuming that the acquisition is completed as at 1 Jan 2009, at the current exchange rate of A\$1.00 : S\$1.262, FY2009 average exchange rate of A\$1.00 : S\$1.1457 and funded 100% by debt.



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Details of the Acquisition Portfolio

Details of the Acquisition Portfolio



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	Novotel Brisbane	Mercure Brisbane	Ibis Brisbane	Mercure Perth	Ibis Perth
					
Rating ⁽¹⁾	4.5 star	4.0 star	3.5 star	4.0 star	3.5 star
Rooms	296	194	218	239	192
Tenure	Volumetric freehold	Interconnected at ground level, situated on one freehold title		Strata freehold	Freehold
Facilities	Restaurant, café, 10 conference facilities, pool, gym, sauna, tennis courts, carparks	2 F&B outlets, pool, conference facilities, sauna, carparks	F&B outlet, 1 meeting room	Restaurant, 2 bars, 6 conference rooms, pool, gym, spa, sauna	Restaurant, bar, 2 function rooms, pool, gym

Note: (1) Star Ratings from Australian Automobile Association (AAA) Tourism

Details of the Acquisition Portfolio



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	Novotel Brisbane	Mercure Brisbane	Ibis Brisbane	Mercure Perth	Ibis Perth
					
Price per key	A\$153,600 ⁽¹⁾ or up to 65.8% discount to replacement cost				
Replacement cost per key	A\$376,000 – A\$449,000 per key ⁽²⁾				
Annual Rental	A\$14.7 million (8.4% of the total acquisition cost ⁽³⁾)				
EBITDA after FF&E	EBITDA after FF&E yield of 13.8% ⁽³⁾				
Occupancy ARR RevPAR	2007	2008	2009		
	85%	83%	83%		
	A\$138	A\$155	A\$141		
	A\$117	A\$129	A\$116		

Notes: (1) Based on a purchase consideration of A\$175.0 million and a total of 1,139 rooms. Based on an total acquisition cost of A\$187.2 million (inclusive of stamp duties and other transaction costs), purchase price would be A\$164k (S\$207k) per key

(2) Based on CBRE and Davis Langdon's estimates

(3) Underlying cash flow refers to EBITDA less operator fees and provision for furniture fixtures and equipment (FF&E) of the portfolio of 5 freehold Australian Portfolio for FY2009, as a percentage of purchase consideration of A\$175 million. Based on an total acquisition cost of A\$187.2 million (inclusive of stamp duties and other transaction costs), cash flow yield of the portfolio would be 12.9%



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Investment Rationale

Investment Rationale



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Strong Market Fundamentals in Brisbane & Perth

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Strategic Locations

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Relatively Secure Long Term Rents

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Strong Reversion Upside

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Strengthening of Revenue Base

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Increased Geographical and Income Diversification

Strong Market Fundamentals in Brisbane

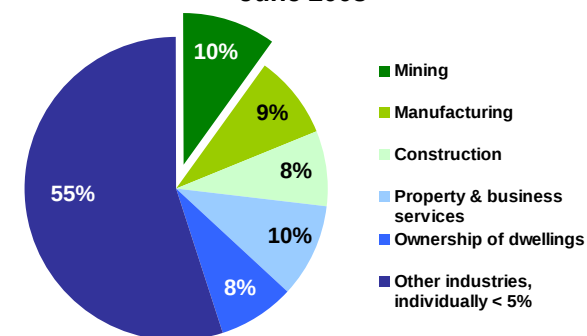


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- **Broad-based economy underpinned by strong resource sector, high population growth and public infrastructure spending**
 - Resource sector underpinned by coal exports, mainly to China, Japan, S. Korea and India
 - HQ for many global mining giants including Rio Tinto Aluminum, BHP-Billiton-Mitsubishi Alliance and Xstrata
 - Capital city of Queensland and 3rd most populous city in Australia
 - Over A\$250 million investment to committed to infrastructure spending and expansion of Brisbane Convention and Exhibition Centre, further A\$500 million approved to further develop the Brisbane Airport
- **Potential for tourism and hospitality growth as business and leisure hub**
 - Increased prominence as regional business/ transit hub with planned expansion of the Brisbane Airport Village
 - Gateway to numerous famous tourist attractions such as Gold Coast, South Bank, etc
- **Limited supply of new hotel rooms in the next 2-3 years**

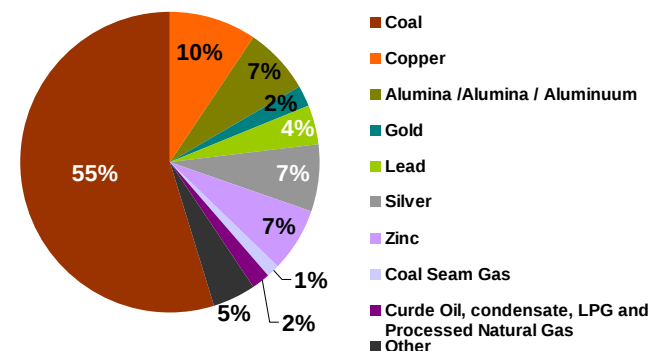
Brisbane City Forecasted Hotel Supply	Hotels	Rooms	Due	Grade
Existing supply	30	3,995		
Likely Proposed				
Hotels	2	420	2011/2012	n/a
Serviced Apartments	0	0	-	-
Total forecasted supply	32	3,415		
% Increase from existing supply	6.7%	10.5%		

Queensland Gross State Product ("GSP") by industry, June 2008



GSP A\$201.9 billion, a 5.3% yoy growth and 2.4% CAGR from FY 98/99 to FY 07/08

Queensland Resources Sector Production Value by Resource, 2008/2009F



The production of this sector was valued at A\$49.8 billion in 2008/2009F, a 48.6% y-o-y increase

Strong Market Fundamentals in Perth

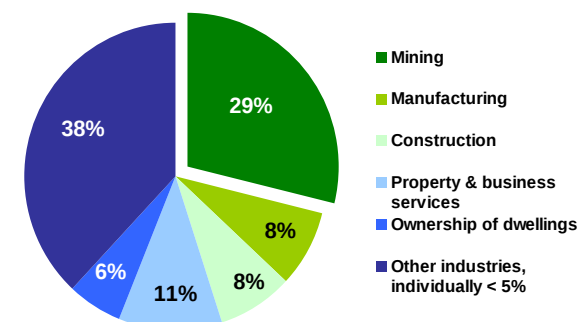


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- **Robust economy driven by increasing population, growth in resource sector & commodity export trade**
 - 4th most populous city, highest population growth rate of 3.1% in 2008 mainly due to migration
 - Business hub for Western Australia, a key global supplier of iron ore, crude oil and condensates and LNG, accounting for approximately 46% of Australia's mineral and petroleum sales exports
- **Potential growth in hospitality sector boosted by massive private and public infrastructure spending**
 - A\$43 billion Gorgon project touted to be the largest resource project in Australia is expected to create up to 10,000 jobs when construction starts in 2010
 - A\$5.8 billion invested in new infrastructure developments in 2007-08, and a further A\$21.6 billion over the next four years
 - Perth Airport undertaking A\$1 billion expansion plan; large increase in domestic and regional flights to Perth
- **No new supply of hotel rooms in the near term**

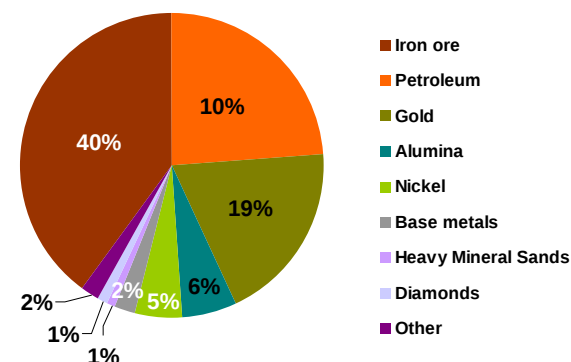
Perth Forecasted Supply	Hotels	Rooms	Due	Grade
Existing supply	45	5,865		
Likely proposed				
Parker Street Hotel		121	2012 at earliest	Unknown
Fraser Suites		148	2011 (postponed)	5-star
Total forecasted supply	47	6,134		
% Increase from existing supply	4.4%	4.6%		

Western Australia Gross State Product ("GSP") by industry, June 2008



GSP of A\$146 billion, CAGR of 2.4% from FY98/99 to FY07/08

Western Australia Mineral and Petroleum Exports, 2008



Exports were valued at A\$74.7 billion in 2008

Investment Rationale



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Strengthening of Revenue Base

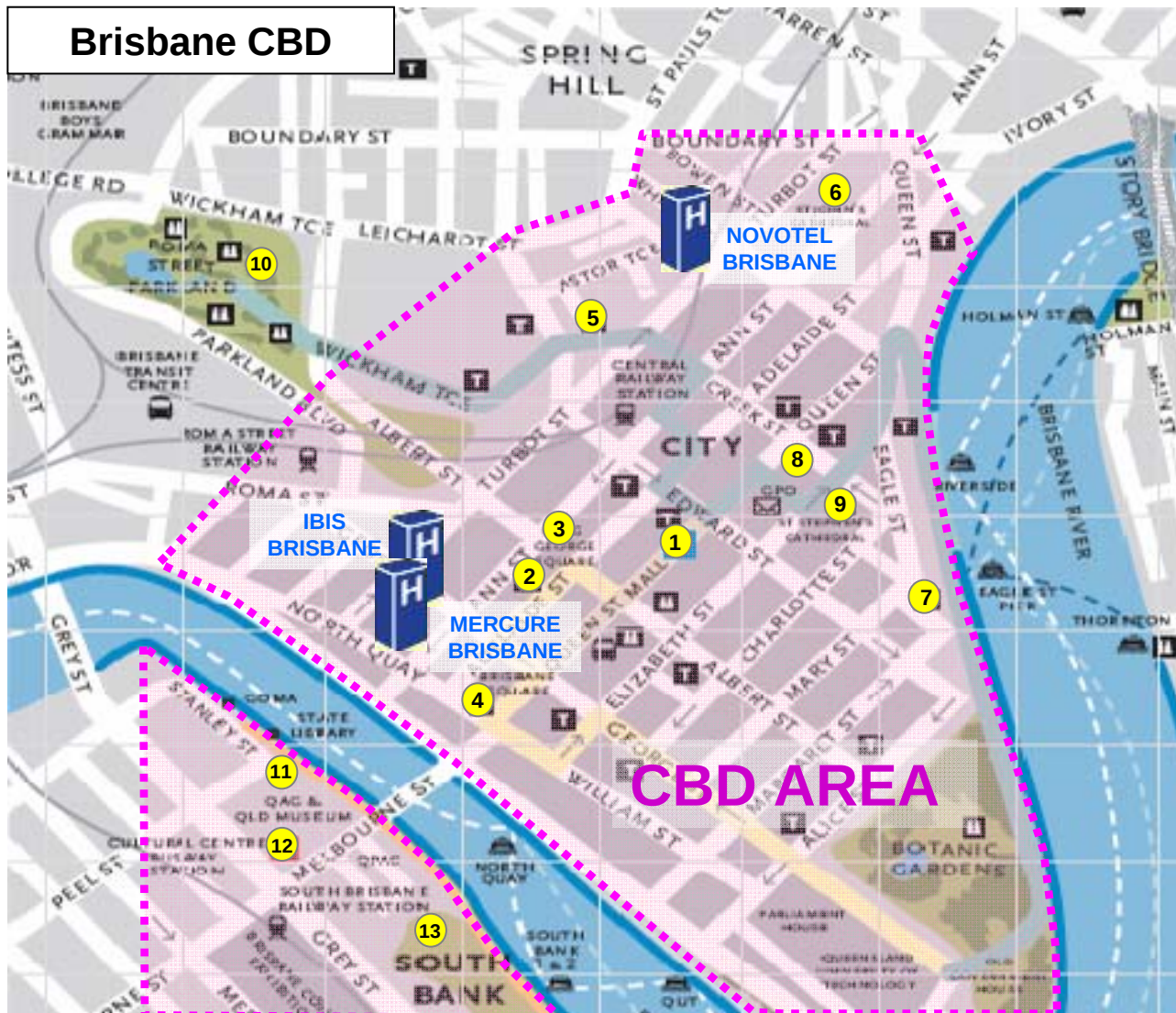
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Increased Geographical and Income Diversification

Strategically Located Hotels - Brisbane



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All three hotels are strategically located within Brisbane Central Business District:

- 15 km from international and domestic airports
- Short stroll to key attractions and landmarks in the city

 Key Attractions:

- 1) Queens Street Mall
- 2) City Hall & Museum of Brisbane
- 3) King George Centre
- 4) Brisbane Square
- 5) Old Windmill
- 6) St John's Cathedral
- 7) Eagle Street Pier
- 8) MacArthur Museum
- 9) St Stephen's Cathedral
- 10) Roma Street Parkland
- 11) Queensland Art Museum
- 12) Gallery of Modern Art
- 13) South Bank Parklands

Strategically Located Hotels - Perth



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Both hotels are strategically located within Perth Central Business District:

- 13 km from international and domestic airports
- Short stroll to the city's exciting shopping and entertainment spots

Key Landmarks:

- 1) Perth Concert Hall
- 2) Government House
- 3) Stirling Gardens
- 4) Supreme Court Gardens
- 5) Allan Green Conservatory
- 6) The Esplanade
- 7) Perth Convention Exhibition Centre
- 8) His Majesty's Theatre
- 9) Perth Town Hall
- 10) Perth Fire Station Museum
- 11) Langley Park
- 12) Perth Mint
- 13) Royal Perth Hospital
- 14) Wellington Square
- 15) Art Gallery of WA
- 16) WA Museum

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Increased Geographical and Income Diversification

Relatively Secure Long Term Rents Guaranteed by Accor SA



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- Properties are leased to Accor for another ~11.3 years
- Lessees obligations are guaranteed by Accor SA, a BBB-rated entity by Standard & Poor's, for the entire duration of the leases
- Steady rent giving Owner a relatively assured yield of 8.4%⁽¹⁾ at A\$175.0 million
 - Base rent of A\$13.7 million or a guaranteed yield of 7.8% ⁽²⁾
 - Variable rent of A\$1.0 million for the financial year ending FY2009 which is computed as 10% of a notional net operating profit, in excess of base rent
 - Total rent make up ~ 60% of the EBITDA after deducting operator fees and provision for furniture fixtures and equipment (FF&E)
 - Expected to benefit from significant earnings reversionary upside once the current leases expire

Notes: (1) Based on the total acquisition cost of A\$187.2 million, annual rental yield would be 7.9%

(2) Yield percentage calculated based on a purchase consideration of A\$175.0 million. Based on the total acquisition cost of A\$187.2 million, base rental yield would be 7.3%

Relatively Secure Long Term Rents Guaranteed by Accor SA

Lessee/Tenant	• Accor, an international hotel operator, operates 4,013 hotels in nearly 100 countries
Term of lease	• ~11.3 years until April 2021
Rent Payment	• Base rent + Variable rent • Base rent: A\$13.7 million per annum or 7.8% of the purchase price ⁽¹⁾ • Variable rent: 10% of portfolio's net operating profit in excess of base rent
Capex Obligation	• No outgoings expected of Owner (including capex funding) except that Owner has to purchase the Lessee's fixed assets at the tax written down value at expiry of the lease

Note: (1) Percentage calculated based on a purchase consideration of A\$175.0 million. Based on the total acquisition cost of A\$187.2 million, base rental would be 7.3%.

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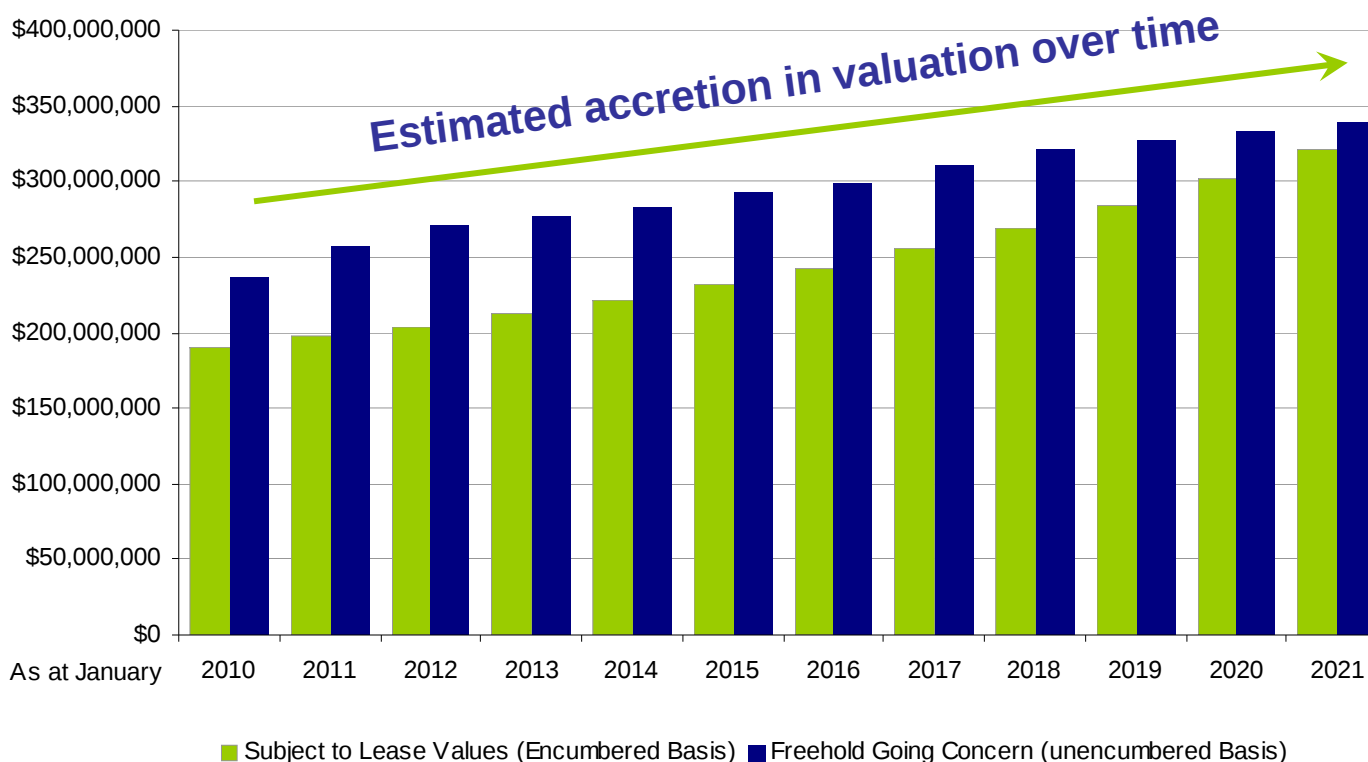
Increased Geographical and Income Diversification

Significant Upside Potential - Strong Reversion Upside



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CBRE Estimate of Future Valuations of the Australian Portfolio, Freehold & Subject to Lease (A\$)



Gap between encumbered and unencumbered value decreases over time

Source: CB Richard Ellis Hotels ("CBRE")

Note: Key assumptions adopted for CBRE's estimate:

(a) Income forecast and therefore value forecasts are based upon expected future market conditions as at November 2009

(b) Capital expenditure allowances have been made based on that currently identified by Management of the Australian Portfolio required to maintain the marketability of the property and/or required to achieve the revenue projections adopted by CBRE. Further, ongoing capital the equivalent of an FF&E reserve of 3% of revenue is assumed

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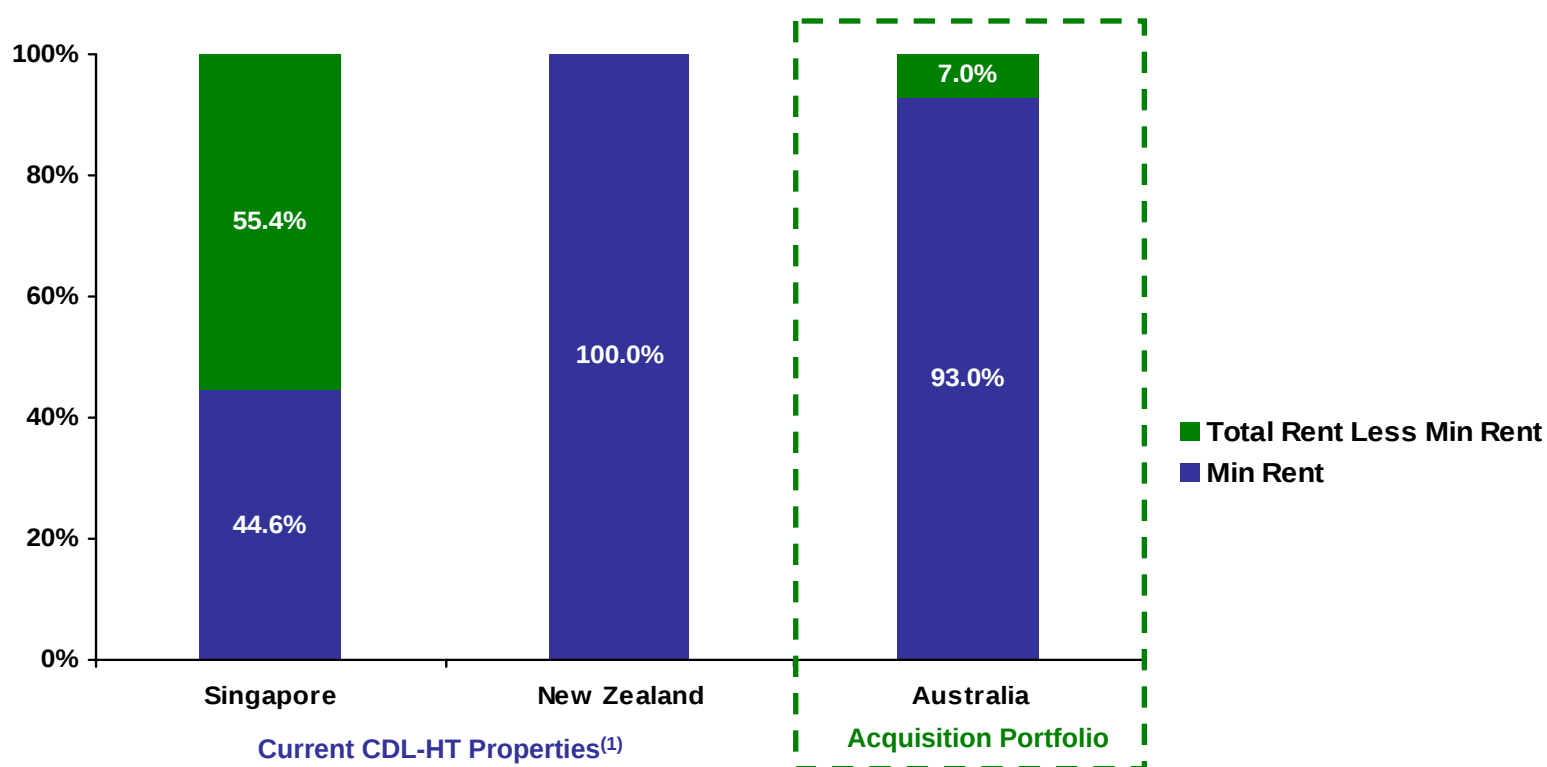
Increased Geographical and Income Diversification

Increase the Robustness of Revenue Base



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Variability of Rental Income by Country Portfolio



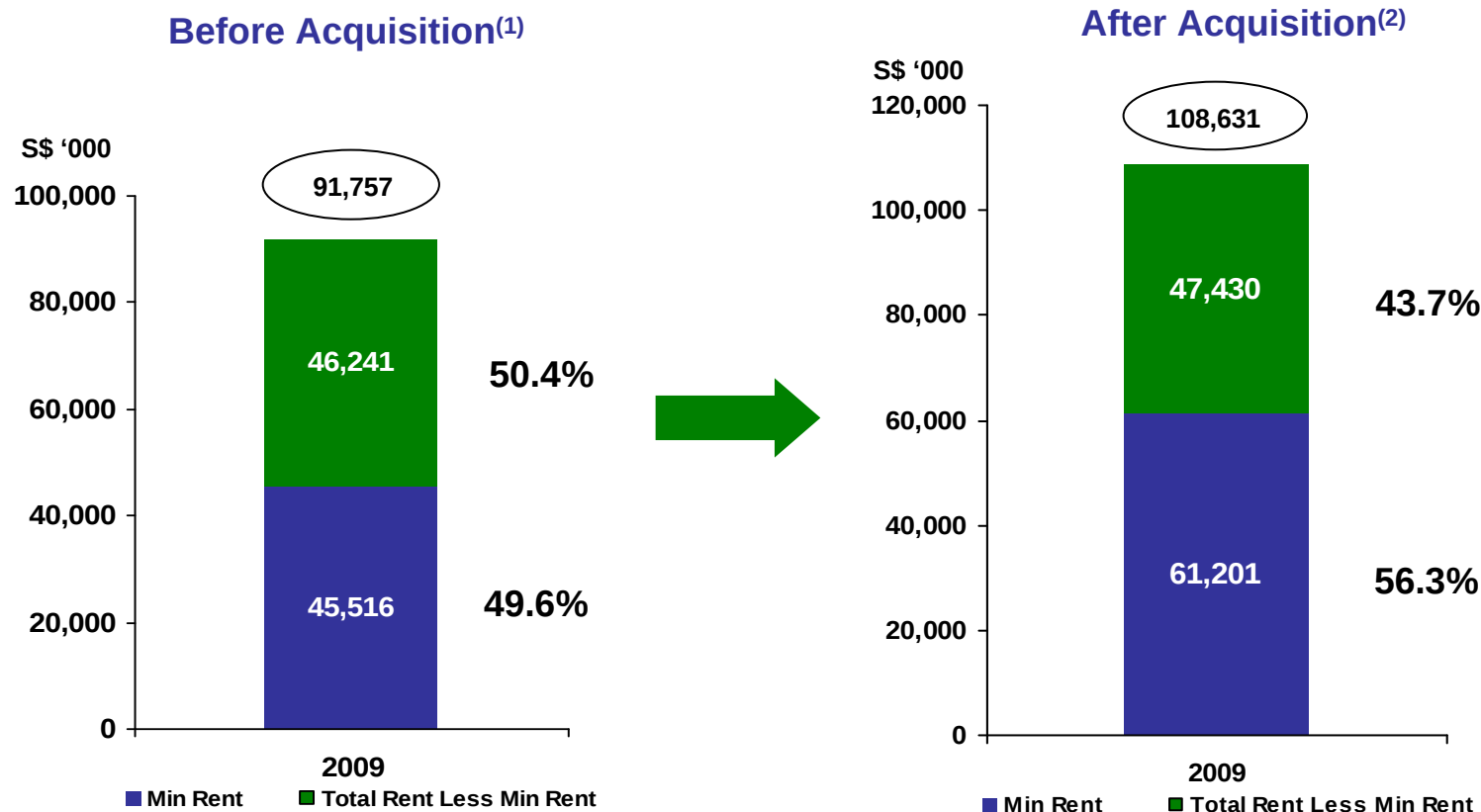
Singapore portfolio's more variable lease structure is complemented by New Zealand and Australia's portfolios which are largely driven by fixed rent

Enhance the Stability of Revenue Base



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2009 Breakdown of CDL-HT's Portfolio Rental Income



Acquisition Portfolio increases proportion of min rent to approximately 56%

Note: (1) Based on FY2009 figures of current CDL-HT Properties

(2) Includes the FY2009 figures of the Australian Portfolio, with the assumption that the acquisition of the Australian Portfolio is completed as at 1 Jan 2009, based on the average exchange rate for FY2009 of A\$1.00 = S\$1.1457

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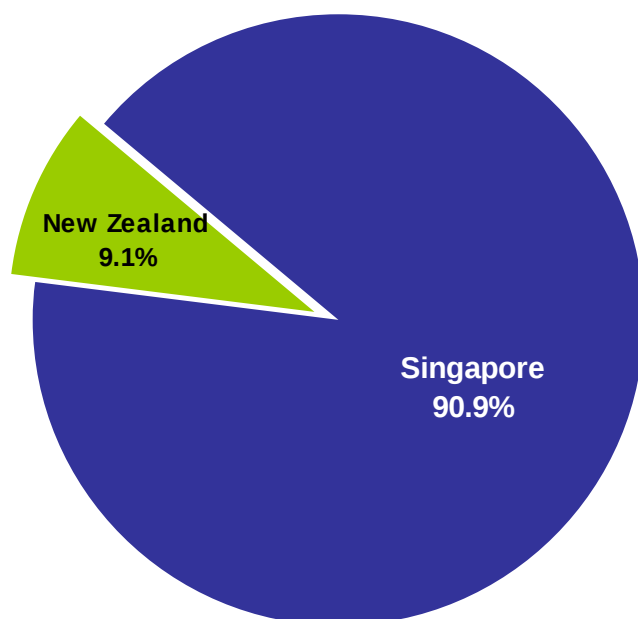
Increased Geographical and Income Diversification

Increased Geographical Diversification

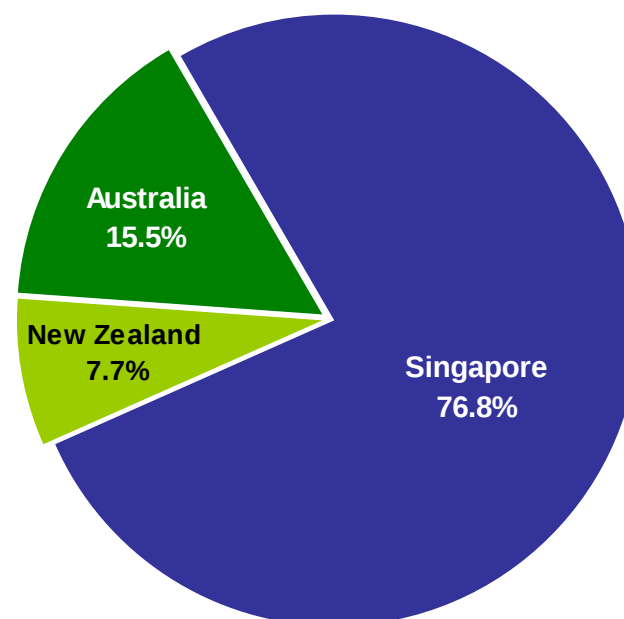


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2009 Gross Rental Income Before Acquisition⁽¹⁾



2009 Gross Rental Income After Acquisition⁽²⁾



Increases Rental Income from overseas properties (Australia and New Zealand) to over 23%

Note: (1) Based on FY2009 figures of current CDL-HT Properties

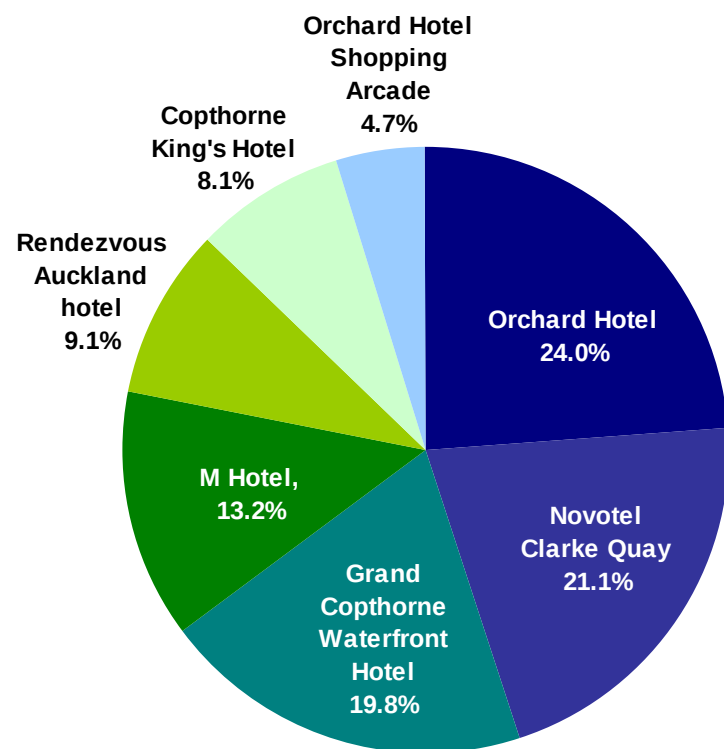
(2) Includes the FY2009 figures of the Australian Portfolio, with the assumption that the acquisition of the Australian Portfolio is completed as at 1 Jan 2009, based on the average exchange rate for FY2009 of A\$1.00 = S\$1.1457

Increased Income Diversification

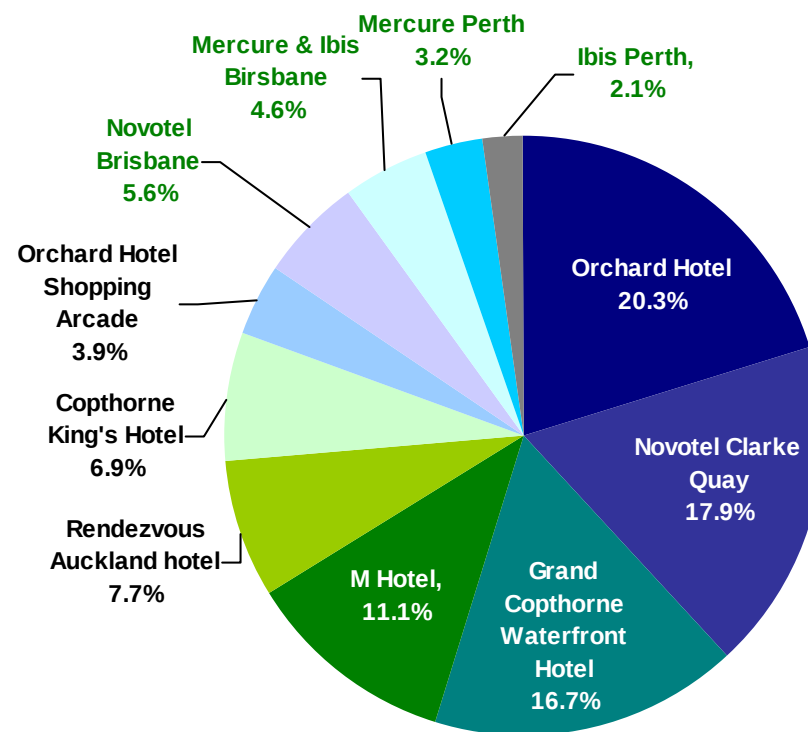


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2009 Gross Rental Income Before Acquisition⁽¹⁾



2009 Gross Rental Income After Acquisition⁽²⁾



Maximum exposure to a single property reduced to 20.3%

Note: (1) Based on FY2009 figures of current CDL-HT Properties

(2) Includes the FY2009 figures of the Australian Portfolio, with the assumption that the acquisition of the Australian Portfolio is completed as at 1 Jan 2009, based on the average exchange rate for FY2009 of A\$1.00 = S\$1.1457



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Impact On CDL-HT

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CDL HOSPITALITY TRUSTS

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Accretive to CDL-HT's Distributions to Unitholders

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Increase in Value of Investment Properties

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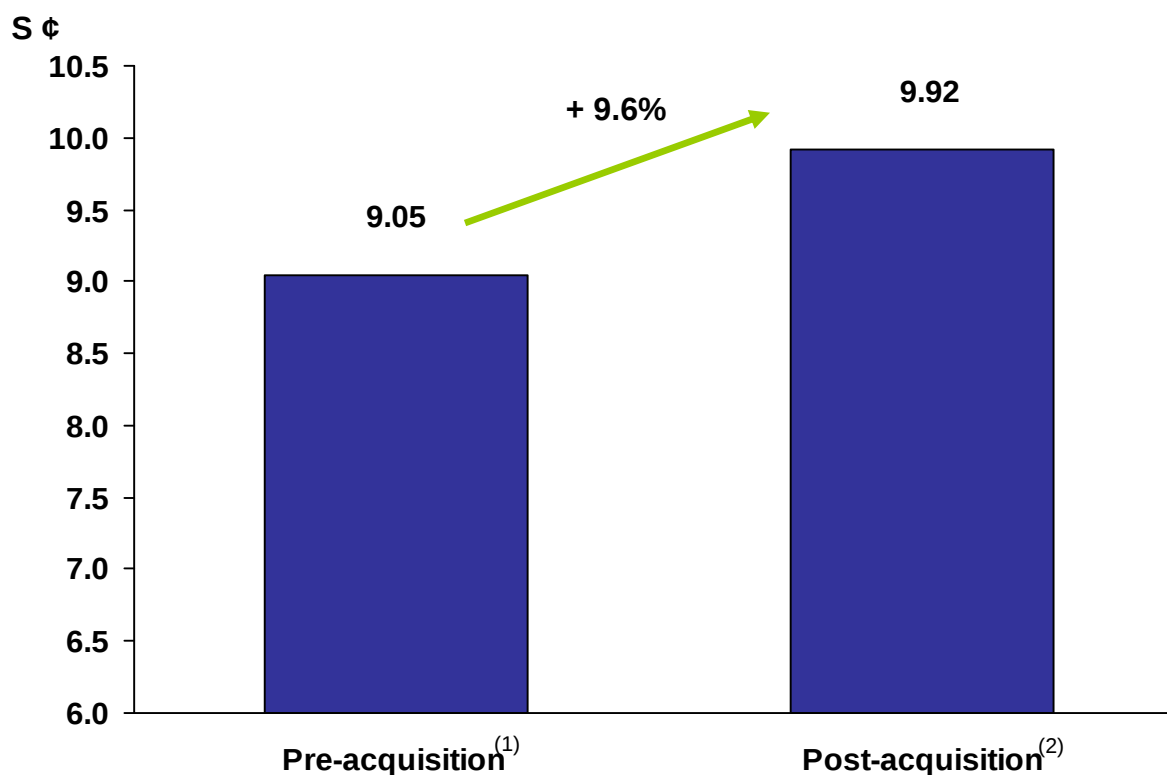
Increase in Gearing

Accretive to CDL-HT's DPU



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2009 Annualised Distribution Per Unit



Post-acquisition, pro forma DPU increases by 0.87 cents

Note: (1) Based on FY2009 income available for distribution per Stapled Securities, before deducting income retained for working capital ("DPU")

(2) Based on the FY2009 financial results of the Australian Portfolio, with the assumption that the acquisition is completed as at 1 Jan 2009, funded 100% by debt, based on the exchange rate of A\$1.00 : S\$ 1.262 dated 27 Jan 2010. Average exchange rate of A\$1.00 : S\$ 1.1457 is assumed throughout FY2009.

Impact On CDL-HT



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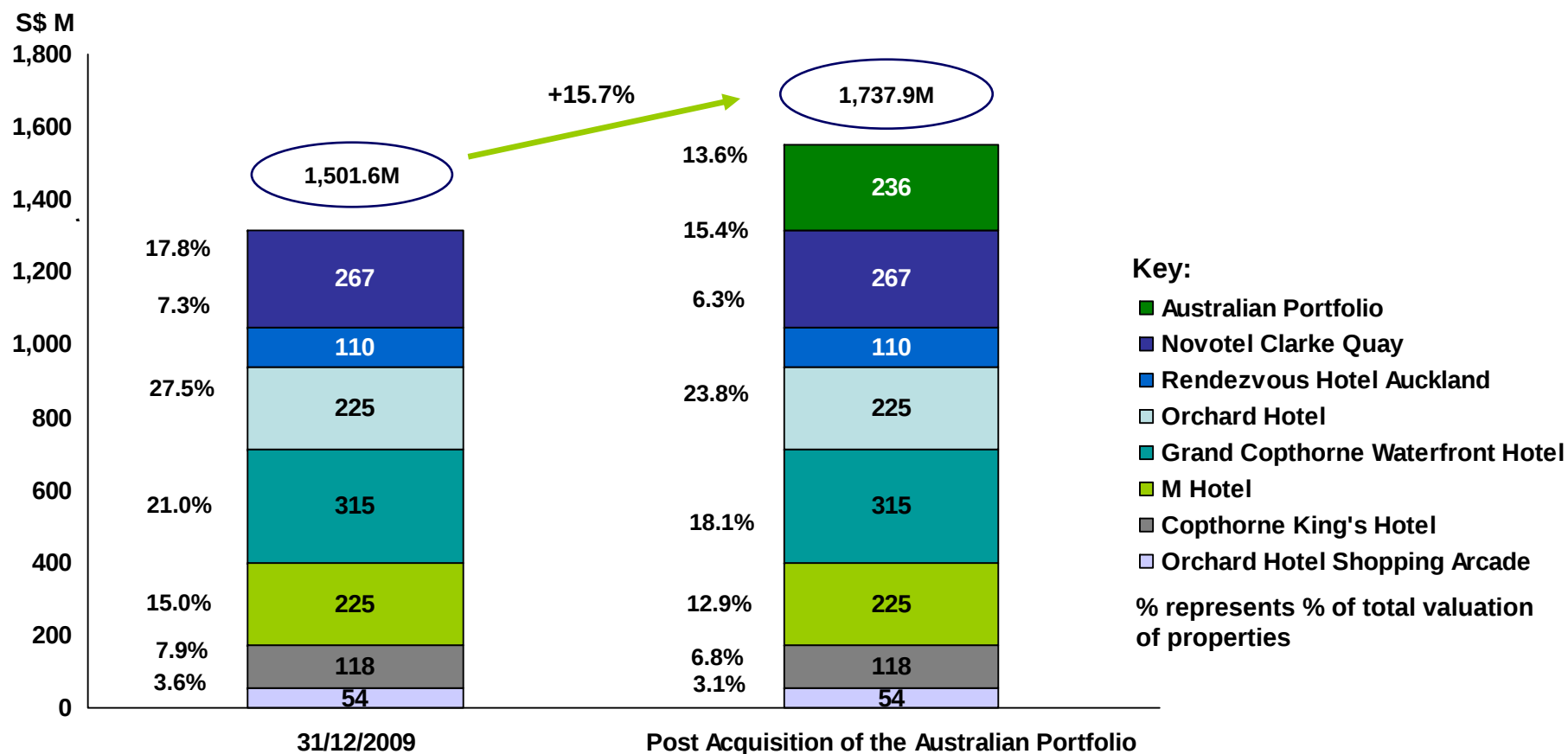
Increase in Gearing

Increase In CDL-HT Total Property Value



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Valuation of H-REIT Properties



Note: (1) Valuation of Rendezvous Hotel Auckland as at 31 Dec 2009 was converted based on exchange rates of NZ\$1 to S\$0.9965. Valuation of Australian Portfolio was based on the total acquisition cost of A\$187.2 million (inclusive of stamp duties and other transaction costs), converted based on exchange rate of A\$1 to S\$1.262 on 27 Jan 2010

(2) Source: CBRE valuation reports for IPO, 31 Dec 2006 and 31 Dec 2007; Knight Frank & DTZ valuation reports for 31 Dec 2008 and 31 Dec 2009; Bower valuation report for Rendezvous Hotel Auckland for 31 Dec 2009

Impact On CDL-HT



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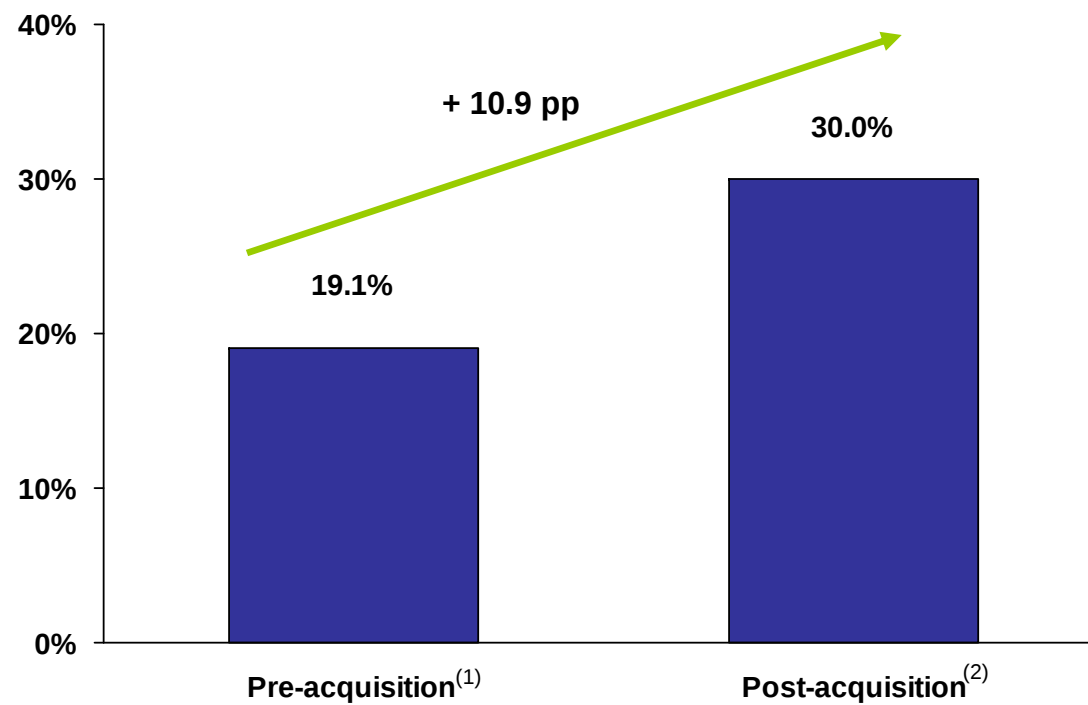
Increase in Gearing

Increase in Gearing



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Debt / Asset Ratio



Acquisition is to be funded with 100% debt

Note: (1) Based on CDL-HT's balance sheet as at 31 Dec 2009

(2) Pro forma ratio with the assumption that the acquisition of the Australian Portfolio is completed as at 31 Dec 2009, and acquisition is to be funded with 100% debt, based on exchange rate of A\$1.00 = S\$1.262 dated 27 Jan 2010



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Thank You



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