CDL HOSPITALITY TRUSTS

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CDL HOSPITALITY TRUSTS CONTINUES STEADY GROWTH IN 4Q 2011

- **Gross revenue increased 15.4% to S$141.1 million in FY 2011**
- **Income to be distributed up 15.6% to S$106.3 million in FY 2011**
- **RevPAR of S$205 in 4Q 2011 is the highest recorded 4Q RevPAR since the inception of CDLHT[1]**
- **Net revaluation surplus of S$73.2 million recorded in 4Q and FY 2011**
- **Healthy balance sheet with gearing of 25.3%**

Singapore, 30 January 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, is pleased to announce its results for the fourth quarter ("4Q 2011") and full year ("FY 2011") ended 31 December 2011.

The highlights are as follows:

	1 Oct 2011 to 31 Dec 2011 S$'000 ("4Q 2011")	1 Oct 2010 to 31 Dec 2010 S$'000 ("4Q 2010")	Increase/ (Decrease) %	1 Jan 2011 to 31 Dec 2011 S$'000 ("FY 2011")	1 Jan 2010 to 31 Dec 2010 S$'000 ("FY 2010")	Increase/ (Decrease) %
Gross revenue	37,804	33,330	13.4	141,107	122,282	15.4
Net property income	35,501	31,492	12.7	135,191	115,068	17.5
Net income[2]	27,930	25,525	9.4	107,576	86,905	23.8
Income available for distribution to holders of Stapled Securities	31,519	28,011	12.5	118,132	100,653	17.4
Less:						
Income retained for working capital	(3,152)	(1,401)	N.M.	(11,813)	(8,665)	36.3
Income to be distributed to holders of Stapled Securities	28,367	26,610	6.6	106,319	91,988	15.6
Income available for distribution per Stapled Security (cents)						
- For the period/year	3.27	2.92	12.0	12.28	11.18	9.8
- Annualised	12.97	11.58	12.0	12.28	11.18	9.8

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

2 Represents net income before revaluation. For further details, please refer to Footnote (g) on page 8 of the unaudited financial statements announcement of CDL Hospitality Trusts for the fourth quarter and full year ended 31 December 2011 released via the SGXNET on 30 January 2012.

Income to be distributed per Stapled Security (cents)						
- For the period/year	2.94	2.78	5.8	11.05	10.20	8.3
- Annualised	11.66	11.03	5.7	11.05	10.20	8.3

In 4Q 2011, CDLHT registered a gross revenue of S$37.8 million, representing an increase of 13.4% from the corresponding period in 2010 ("4Q 2010"). This was attributed to improved hospitality performance across the portfolio and contribution from Studio M Hotel, which was acquired in the second quarter of 2011 ("2Q 2011") and accounted for approximately S$2.7 million of the gross revenue increase. Net property income for the reporting quarter climbed to S$35.5 million, up 12.7% from the corresponding figure in 4Q 2010.

Accordingly, income available for distribution (before deducting income retained for working capital) increased 12.5%, from S$28.0 million in 4Q 2010 to S$31.5 million in 4Q 2011. Income to be distributed per Stapled Security (after deducting income retained for working capital) for 4Q 2011 was 2.94 cents, 5.8% higher than the 2.78 cents reported in 4Q 2010.

For FY 2011, CDLHT attained a gross revenue of S$141.1 million and a net property income of S$135.2 million, a 15.4% and 17.5% increase respectively from the corresponding period in 2010 ("FY 2010"). The improved operating performance was due to organic growth across the Singapore and overseas hotels portfolio, a one-off property tax refund of S$3.3 million recognised in 2Q 2011, and contribution from Studio M Hotel. The results were also boosted by additional variable income of S$0.84 million from the Australia Hotels[3], which was recognised upon receipt in the first quarter of 2011 ("1Q 2011").

In line with the improved operating results, income available for distribution (before deducting income retained for working capital) increased 17.4%, from S$100.7 million in FY 2010 to S$118.1 million in FY 2011. Income to be distributed per Stapled Security (after deducting income retained for working capital) for FY 2011 was 11.05 cents, 8.3% higher than the 10.20 cents reported in FY 2010.

In addition, CDLHT revalued its investment properties as at 31 December 2011 and recorded a net revaluation surplus of S$73.2 million for 4Q 2011 and FY 2011, which was largely attributable to the Singapore Hotels[4]. Net income after revaluation for 4Q 2011 and FY 2011 rose 74.6% and 30.7% year-on-year, to S$101.1 million and S$180.8 million respectively.

Mr Vincent Yeo, CEO of M&C REIT Management Limited, the Manager of H-REIT, said, "We are pleased that CDLHT continued on its steady growth path in 4Q 2011. Notably, the RevPAR of S$205 achieved by our Singapore Hotels[5] in 4Q 2011 is the highest recorded 4Q RevPAR since the inception of CDLHT."

Review of Hotel Performance

Singapore's hospitality market continued to grow in the first 11 months of 2011, with visitor arrivals increasing by 13.7% to 11.95 million compared to the corresponding period in 2010.[6] On the back of this increase, performance across CDLHT's Singapore Hotels improved.

The combined weighted average statistics for CDLHT's Singapore Hotels (excluding Studio M Hotel) for 4Q 2011 and FY 2011 are as follows:

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3 CDLHT's Australia hotels include Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth.
4 CDLHT's Singapore hotels include Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Clarke Quay, and Studio M Hotel which was acquired on 3 May 2011.
5 Excludes Studio M Hotel, which was only acquired on 3 May 2011.
6 STB Visitor Arrivals Statistics (Updated 31 Dec 11).

	1 Oct 2011 to 31 Dec 2011 ("4Q 2011")	1 Oct 2010 to 31 Dec 2010 ("4Q 2010")	Increase/ (Decrease) %	1 Jan 2011 to 31 Dec 2011 ("FY 2011")	1 Jan 2010 to 31 Dec 2010 ("FY 2010")	Increase/ (Decrease) %
Average Occupancy Rate	88.6%	90.0%	(1.4)pp	88.0%	88.6%	(0.6)pp
Average Daily Rate	S$232	S$215	7.7%	S$232	S$215	7.6%
Room Revenue per Available Room ("RevPAR")	S$205	S$194	6.0%	S$204	S$191	6.9%

Fuelled by the growth in visitor arrivals, the RevPAR for the Singapore Hotels (excluding Studio M Hotel) increased 6.0% year-on-year to S$205 in 4Q 2011, the highest recorded 4Q RevPAR since the inception of CDLHT. The RevPAR for the Singapore Hotels (including Studio M Hotel) increased 6.1% to S$200 in 4Q 2011.[7]

The Singapore Hotels continued to register steady growth despite an increase in hotel room supply in Singapore and room nights being taken out of Orchard Hotel's inventory during the year for refurbishment. The Average Daily Rate and RevPAR for the Singapore Hotels (excluding Studio M Hotel) rose 7.6% to S$232 and 6.9% to S$204 respectively in FY 2011. The RevPAR achieved was only slightly below the all-time high annual RevPAR of S$207 achieved in 2008. Excluding Orchard Hotel, the RevPAR growth would have been higher at 10.2% in FY 2011 compared to a year ago.

Orchard Hotel Shopping Arcade registered a net property income of S$1.0 million and S$3.9 million in 4Q 2011 and FY 2011 respectively. The average occupancy was 96.7% in 4Q 2011 and 96.9% in FY 2011, while the average monthly rental rate was approximately S$7.09 per sq. ft. in 4Q 2011 and S$7.04 per sq. ft. in FY 2011.

CDLHT's hotels in Brisbane and Perth also continued to perform strongly in 2011, bolstered by Australia's buoyant natural resource sector and static supply of hotel rooms.

Competitive Positioning Strengthened by Enhanced Property Portfolio

As part of continuous efforts to enhance its property portfolio, CDLHT acquired Studio M Hotel in 2Q 2011. The design-oriented hotel comprises two wings with 360 rooms and is situated in the heart of the Robertson Quay entertainment precinct. Since its acquisition, it has performed well, contributing S$7.3 million and S$6.8 million to gross revenue and net property income respectively in FY 2011.

CDLHT also completed several asset enhancement initiatives during the year. At the 331-room Claymore Wing at Orchard Hotel, common areas, guest rooms, meeting rooms, and the Executive Club Lounge were refurbished; while at Novotel Clarke Quay, 357 guest rooms and the Premier Lounge were upgraded. The remaining 44 guest rooms at Novotel Clarke Quay were completed in mid-January 2012.

Mr Yeo commented, "The acquisition of Studio M and the refurbishment works at Orchard Hotel and Novotel Clarke Quay have enhanced our property portfolio and elevated the attractiveness of our product offerings, thus strengthening our competitive positioning in the Singapore hospitality market. We look forward to further contribution from Studio M in 2012 and believe the earnings potential of the two refurbished assets have been augmented."

[7] Figures are computed on a pro forma basis assuming that H-REIT owns Studio M Hotel for the periods mentioned.

Sound Financial Health and Robust Balance Sheet

Interest expense for FY 2011 remained at the same level as the previous corresponding year at approximately S$14.0 million. Whilst there were savings from the lower overall funding costs arising from the Singapore dollar borrowings, this was offset by additional interest expense incurred on borrowings drawn to fund Studio M Hotel and higher interest expense incurred on the Australian dollar borrowings. Overall, net finance costs in FY 2011 was lower than that of the year before due to lower amortisation expense and the absence of an exchange gain of approximately S$3.0 million.

CDLHT has a healthy gearing of 25.3% as at 31 December 2011, providing ample debt headroom for potential acquisitions. It has in place funding sources such as the S$1.0 billion Multi-currency Medium Term Note Programme and the S$300 million uncommitted multi-currency bridge loan facility.

Upcoming Developments

In 2012, hotel room supply in Singapore is expected to increase by approximately 1,540 rooms, or 3.7% of the estimated total inventory at the end of 2011.[8] This would be slightly lower than the 1,944 rooms added to hotel room supply in 2011.[8]

The range of new attractions and the stronger events calendar in 2012 could continue to draw visitors to Singapore. Some of the new attractions that Singapore is expected to continue to benefit from include the recently opened Maritime Experiential Museum and Aquarium at Resorts World Sentosa ("RWS") and the Transformers ride in Universal Studios Singapore, which was opened six months ahead of Universal Studios Hollywood. Notable upcoming attractions that will continue to broaden and enrich the experience of visitors to Singapore in 2012 include Phase 1 (Bay South) of the 101-hectare Gardens by the Bay, the River Safari featuring the Giant Pandas, and the Marine Life Park at RWS, which are expected to open by June 2012, the third quarter of 2012, and the end of 2012 respectively.[9]

In addition, on the tourism infrastructure front, the new Singapore International Cruise Terminal is expected to commence operations in the second quarter of 2012, doubling Singapore's berth capacity and enabling Singapore to accommodate the new generation of larger cruise liners.[10] This should be an additional engine of growth for Singapore's tourism sector. Furthermore, plans by Jetstar to add 40 flights a week from Singapore to existing destinations and new destinations like Beijing, Ningbo, and Hanoi, coupled with the commencement of operations of Singapore's upcoming low cost carrier, Scoot, in the middle of 2012 should further facilitate visitor arrivals to Singapore.[11]

Mr Yeo concluded, "Despite ongoing economic headwinds, 2011 saw increased visitor arrivals to Singapore. New attractions and tourism infrastructure in 2012 will further boost Singapore's desirability as a preferred destination. With an enhanced property portfolio and a healthy gearing of 25.3%, CDLHT is well-positioned to benefit from any increase in accommodation demand and to further expand in the hospitality sector in the year ahead."

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[8] According to a Horwath HTL report issued as at January 2012.

[9] The Straits Times, 2 Nov 11, "Dining by the bay; Food and flora at Gardens by the Bay", The Straits Times, 1 Jan 12, "Coming attractions", and RWS Press Release, 5 Sep 11, "Resorts World Sentosa unveils the Maritime Experiential Museum & Aquarium".

[10] The Business Times, 23 Dec 11, "SATS, Spanish partner bag deal as ICT operators" and Channel News Asia, 16 Nov 11, "S'pore investing heavily in cruise infrastructure".

[11] The Business Times, 16 Jul 11, "Jetstar to base seven more jets in S'pore" and The Business Times, 2 Dec 11, "Scoot selects Sydney as first stop in its network".

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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.

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 31 December 2011, H-REIT owns 4,305 hotel rooms within a portfolio of six hotels (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Clarke Quay and Studio M Hotel) and one shopping arcade in Singapore (Orchard Hotel Shopping Arcade), one hotel in New Zealand (Rendezvous Hotel Auckland) and five hotels in Australia (Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth). M&C REIT Management Limited is the manager of H-REIT.