



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

29 JANUARY 2013

**CDL HOSPITALITY TRUSTS REPORTS RECORD HIGH  
INCOME AVAILABLE FOR DISTRIBUTION OF S\$121.7 MILLION IN FY 2012**

- **Gross revenue for FY 2012 increased 6.0% year-on-year to S\$149.5 million**
- **RevPAR of S\$211 for the Singapore Hotels<sup>1</sup> (excluding Studio M Hotel<sup>2</sup>) in FY 2012 is the highest recorded full year RevPAR since the inception of CDLHT**
- **Record high full year income available for distribution (before deducting income retained for working capital) of S\$121.7 million and income to be distributed per Stapled Security (after deducting income retained for working capital) of 11.32 cents**
- **Net revaluation surplus of S\$15.0 million recorded in 4Q and FY 2012**
- **Well-positioned for acquisition opportunities with healthy gearing**

**Singapore, 29 January 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, is pleased to announce its results for the fourth quarter (“4Q 2012”) and full year (“FY 2012”) ended 31 December 2012.

In 4Q 2012, gross revenue climbed 1.4% from the previous corresponding quarter (“4Q 2011”) to S\$38.3 million. Net property income (“NPI”) edged up 0.2% year-on-year to S\$35.6 million.

Income available for distribution (before deducting income retained for working capital) for 4Q 2012 dipped 0.9% year-on-year to S\$31.2 million. Correspondingly, income to be distributed per Stapled Security (after deducting income retained for working capital) for 4Q 2012 was 2.90 cents, compared to 2.94 cents in 4Q 2011.

For FY 2012, CDLHT achieved gross revenue of S\$149.5 million, up 6.0% from S\$141.1 million for the same period last year (“FY 2011”). The increase was attributed to the improved overall performance, the recognition of a full twelve months contribution from Studio M Hotel (acquired on 3 May 2011) as compared to only 243 days in FY 2011, and the receipt of a full year's variable income of S\$1.8 million (or A\$1.3 million) from the Australia Hotels<sup>3</sup> in FY 2012, as compared to an eight-month variable income of S\$0.84 million (or A\$0.65 million) recognised in FY 2011. NPI for FY 2012 rose 3.0% from S\$135.2 million the previous corresponding period to S\$139.3 million. (Refer to Table 1) The year-on-year NPI improvement for FY 2012 would have been higher at 5.7% if the one-off property tax refund of S\$3.3 million in FY 2011<sup>4</sup>, which did not recur in FY 2012, were excluded. (Refer to Table 2)

In line with the improved operating results for FY 2012, income available for distribution (before deducting income retained for working capital) for the period increased 3.0% year-on-year to S\$121.7 million. Income to be distributed per Stapled Security (after deducting income retained for working capital) for FY 2012 increased 2.4% from 11.05 cents in FY 2011 to 11.32 cents. These represent the highest full year income available for distribution (before deducting income retained for working capital) and income to be distributed per Stapled Security (after deducting income retained for working capital) since the inception of CDLHT.

<sup>1</sup> CDLHT's Singapore Hotels include Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Singapore Clarke Quay, and Studio M Hotel.

<sup>2</sup> Studio M Hotel was only acquired on 3 May 2011.

<sup>3</sup> CDLHT's Australia Hotels include Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth (acquired on 18 February 2010).

<sup>4</sup> The property tax refund of S\$3.3 million arose from revised property tax assessments issued by the Inland Revenue Authority of Singapore in respect of years 2006 to 2008. For further details on this property tax refund, please refer to Footnote (b) on page 7 of the Announcement.



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**Table 1: Financial highlights (including the S\$3.3 million property tax refund recognised in FY 2011):**

|   | 1 Oct 2012<br>to<br>31 Dec 2012<br>("4Q 2012")<br>S\$'000 | 1 Oct 2011<br>to<br>31 Dec 2011<br>("4Q 2011")<br>S\$'000 | Increase/<br>(Decrease)<br>% | 1 Jan 2012<br>to<br>31 Dec 2012<br>("FY 2012")<br>S\$'000 | 1 Jan 2011<br>to<br>31 Dec 2011<br>("FY 2011")<br>S\$'000 | Increase/<br>(Decrease)<br>% |
|---|---|---|------------------------------|---|---|------------------------------|
| <b>Gross revenue</b>  | 38,335  | 37,804  | 1.4                          | 149,535   | 141,107   | 6.0                          |
| <b>Net property income</b>  | 35,562  | 35,501  | 0.2                          | 139,293   | 135,191   | 3.0                          |
| <b>Net income before revaluation</b>                                      | 28,174  | 27,930  | 0.9                          | 109,548   | 107,576   | 1.8                          |
| <b>Income available for distribution to holders of Stapled Securities</b> | 31,236  | 31,519  | (0.9)                        | 121,658   | 118,132   | 3.0                          |
| <b>Less:</b>  |   |   |                              |   |   |                              |
| <b>Income retained for working capital</b>                                | (3,124)   | (3,152)   | (0.9)                        | (12,166)  | (11,813)  | 3.0                          |
| <b>Income to be distributed to holders of Stapled Securities</b>          | 28,112  | 28,367  | (0.9)                        | 109,492   | 106,319   | 3.0                          |
| <b>Income available for distribution per Stapled Security (cents)</b>     |   |   |                              |   |   |                              |
| - For the period/year   | 3.22  | 3.27  | (1.5)                        | 12.57   | 12.28   | 2.4                          |
| - Annualised  | 12.81   | 12.97   | (1.2)                        | 12.57   | 12.28   | 2.4                          |
| <b>Income to be distributed per Stapled Security (cents)</b>              |   |   |                              |   |   |                              |
| - For the period/year   | 2.90  | 2.94  | (1.4)                        | 11.32   | 11.05   | 2.4                          |
| - Annualised  | 11.54   | 11.66   | (1.0)                        | 11.32   | 11.05   | 2.4                          |

**Table 2: Financial highlights (excluding the S\$3.3 million property tax refund recognised in FY 2011):**

|   | 1 Oct 2012<br>to<br>31 Dec 2012<br>("4Q 2012")<br>S\$'000 | 1 Oct 2011<br>to<br>31 Dec 2011<br>("4Q 2011")<br>S\$'000 | Increase/<br>(Decrease)<br>% | 1 Jan 2012<br>to<br>31 Dec 2012<br>("FY 2012")<br>S\$'000 | 1 Jan 2011<br>to<br>31 Dec 2011<br>("FY 2011")<br>S\$'000 | Increase/<br>(Decrease)<br>% |
|---|---|---|------------------------------|---|---|------------------------------|
| <b>Net property income</b>  | 35,562  | 35,501  | 0.2                          | 139,293   | 131,807   | 5.7                          |
| <b>Income available for distribution to holders of Stapled Securities</b> | 31,236  | 31,519  | (0.9)                        | 121,658   | 114,782   | 6.0                          |
| <b>Income to be distributed to holders of Stapled Securities</b>          | 28,112  | 28,367  | (0.9)                        | 109,492   | 103,304   | 6.0                          |
| <b>Income available for distribution per Stapled Security (cents)</b>     | 3.22  | 3.27  | (1.5)                        | 12.57   | 11.94   | 5.3                          |
| <b>Income to be distributed per Stapled Security (cents)</b>              | 2.90  | 2.94  | (1.4)                        | 11.32   | 10.74   | 5.4                          |

In addition, CDLHT revalued its investment properties as at 31 December 2012 and recorded a net revaluation surplus of S\$15.0 million in the Statement of Total Return for 4Q 2012 and FY 2012, which was largely attributable to the Singapore properties<sup>5</sup>.

<sup>5</sup> CDLHT's Singapore properties include Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King's Hotel, Novotel Singapore Clarke Quay and Studio M Hotel, as well as the shopping arcade adjoining Orchard Hotel (Orchard Hotel Shopping Arcade).



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Mr Vincent Yeo, CEO of M&C REIT Management Limited, the manager of H-REIT, said, "Despite the global economic slowdown that has impacted Singapore's hospitality industry, CDLHT achieved a record high full year income available for distribution in 2012."

### Review of Hotel Performance

The combined weighted average statistics for CDLHT's Singapore Hotels (excluding Studio M Hotel) for 4Q 2012 and FY 2012 are as follows:

|   | 1 Oct 2012<br>to<br>31 Dec 2012<br>("4Q 2012") | 1 Oct 2011<br>to<br>31 Dec 2011<br>("4Q 2011") | Increase/<br>(Decrease) | 1 Jan 2012<br>to<br>31 Dec 2012<br>("FY 2012") | 1 Jan 2011<br>to<br>31 Dec 2011<br>("FY 2011") | Increase/<br>(Decrease) |
|---|--|--|-------------------------|--|--|-------------------------|
| <b>Average Occupancy Rate</b>                             | 89.4%  | 88.6%  | 0.8 pp                  | 89.0%  | 87.9%  | 1.1pp                   |
| <b>Average Daily Rate</b>                                 | S\$229   | S\$232   | (1.3%)                  | S\$237   | S\$232   | 2.2%                    |
| <b>Room Revenue per<br/>Available Room<br/>("RevPAR")</b> | S\$205   | S\$205   | -                       | S\$211   | S\$204   | 3.3%                    |

The average occupancy rate for the Singapore Hotels (excluding Studio M Hotel) rose 0.8 percentage points from 88.6% in 4Q 2011 to 89.4% in 4Q 2012. Amidst a more challenging global economic environment where the meetings and conference business continued to be affected by the malaise and travellers remained cautious about travel expenditure, the average daily rate dipped 1.3% year-on-year to S\$229. Consequently, RevPAR remained virtually unchanged from the S\$205 registered in 4Q 2011.

For FY 2012, fuelled by the growth in visitor arrivals, the average occupancy rate climbed 1.1 percentage points from the previous corresponding period to 89.0% and the average daily rate increased 2.2% year-on-year to S\$237. RevPAR grew 3.3% from S\$204 in FY 2011 to S\$211, which is the highest full year RevPAR achieved since the inception of CDLHT.

Orchard Hotel Shopping Arcade registered NPI of S\$0.9 million in 4Q 2012, with an average occupancy rate of 93.8% and an average monthly rental rate of approximately S\$7.61 psf. For FY 2012, Orchard Hotel Shopping Arcade registered NPI of S\$4.2 million, with an average occupancy rate of 95.3% and an average monthly rental rate of S\$7.36 psf.



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### Hospitality Landscape Ahead

Following the opening of the International Cruise Terminal and Phase 1 (Bay South) of the 101-hectare Gardens by the Bay in May<sup>6</sup> and June<sup>7</sup> 2012 respectively, the Marine Life Park in Resorts World Sentosa was opened in November 2012<sup>8</sup>, adding to the range of tourist attractions in Singapore. As the world's largest oceanarium featuring up to 100,000 marine animals over its eight-hectare area, the Marina Life Park attracted over 170,000 visitors within its first month of operation<sup>9</sup>. The next attraction that will continue to broaden and enrich the experience of visitors to Singapore is the River Safari, which features the Giant Pandas and is slated to be opened in February 2013<sup>10</sup>.

Supporting the growth in tourism infrastructure is an estimated increase of 4,000 new hotel rooms in 2013. This will contribute to a more competitive operating environment.

While the enhanced tourism landscape should continue to draw visitors to Singapore and benefit CDLHT, its performance in the immediate horizon may be affected by the weak global growth environment, especially in Europe. Many companies globally continue to exercise caution in travel expenditure, and this will continue to weigh on the attendant accommodation demand. Visitor arrivals in Singapore registered a slower 3.1% year-on-year growth in the third quarter of 2012 after recording a blistering 11.4% year-on-year growth in the first half of 2012<sup>11</sup>.

In Australia, the natural resource sector is expected to underpin hotel room demand in Brisbane and Perth, though the performance for the Australia Hotels may be affected by the slower pace of the Australian economy.

The proposed acquisition of Angsana Velavaru announced earlier this year is expected to be completed around the end of January 2013. With a pro forma annualised NPI yield of 9.6%<sup>12</sup>, the acquisition should augment the income stream of CDLHT's portfolio post-completion. Post-acquisition, CDLHT's gearing would increase from 24.9% as at 31 December 2012 to 27.9%<sup>13</sup>.

Mr Yeo concluded, "We will continue to actively seek yield-accretive acquisition opportunities in the hospitality sector. Our healthy gearing puts us in good stead to capitalise on expansion opportunities when they arise."

- ENDS -

<sup>6</sup> The Business Times, 23 May 2012, "New cruise terminal to create some 3,000 jobs"

<sup>7</sup> Channel NewsAsia, 29 June 2012, "Gardens by the Bay opens to the public"

<sup>8</sup> The Straits Times, 21 November 2012 "RWS' Marine Life Park opens tomorrow"

<sup>9</sup> The Straits Times, 6 January 2013, "Keepers of sea creatures"

<sup>10</sup> The Straits Times, 1 January 2013, "What to expect in 2013: Consumer; Journey to the world's major river systems - in Mandai"

<sup>11</sup> Ministry of Trade and Industry Singapore, Third Quarter 2012, Economic Survey of Singapore

<sup>12</sup> Based on the nine months ended 30 September 2012

<sup>13</sup> Assuming the total acquisition costs (including transaction expenses) of approximately US\$72.4 million is 100% USD debt funded and converted at exchange rate of S\$1.2224 to US\$1



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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 31 December 2012, H-REIT owns 12 hotels with a total of 4,307 hotel 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); as well as the shopping arcade adjoining Orchard Hotel (Orchard Hotel Shopping Arcade) in Singapore. M&C REIT Management Limited is the manager of H-REIT.