CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE **26 APRIL 2013**

CDL HOSPITALITY TRUSTS REPORTS INCOME AVAILABLE FOR DISTRIBUTION OF S$29.0 MILLION IN 1Q 2013

- **Net property income of S$35.3 million**
- **Income available for distribution per Stapled Security (after deducting income retained for working capital) of 2.69 Singapore cents**
- **Completed acquisition of Angsana Velavaru in the Maldives in January, augmenting 1Q 2013 income**
- **Ample debt headroom for further expansion**

Singapore, 26 April 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, today announced its results for the first quarter ended 31 March 2013 ("1Q 2013").

In 1Q 2013, CDLHT registered gross revenue of S$37.9 million, marginally lower than the S$38.4 million recorded in the corresponding period in 2012 ("1Q 2012"), primarily due to lower gross revenue from the Singapore Hotels. This was mitigated by higher revenue from the overseas properties, including the receipt of a full year's variable income of S$2.0 million (A$1.6 million) from the Australia Hotels as compared to the S$1.8 million (A$1.3 million) recognised in the same period last year, as well as a S$1.2 million revenue boost from the recently acquired Angsana Velavaru[1] resort in the Maldives.

Angsana Velavaru has performed well since its acquisition was completed in January, registering a year-on-year RevPAR growth of 28.5% or US$105 to US$474 for the two months ended 31 March 2013[2]. The RevPAR growth was boosted by the occurrence of the Chinese New Year in February this year, which is the peak period for leisure travellers at the resort.

In tandem with the lower gross revenue, net property income in 1Q 2013 fell 2.1% year-on-year to S$35.3 million. Accordingly, income available for distribution (before deducting income retained for working capital) fell 2.8% from S$29.8 million a year ago to S$29.0 million in 1Q 2013. Income available for distribution per Stapled Security (after deducting income retained for working capital) for 1Q 2013 was 2.69 Singapore cents, compared to the 2.78 Singapore cents recorded in 1Q 2012.

Mr Vincent Yeo, CEO of M&C REIT Management Limited, the manager of H-REIT, said, "Our performance this quarter is in line with our earlier guidance of softness in demand compared to the same period last year, due to the absence of the bi-annual Singapore Airshow in February as well as Chinese New Year falling in February this year compared to January last year, which had the effect of disrupting corporate travel to a greater extent than usual. Overall, there continues to be a slowdown in corporate travel and meetings as more companies tighten their travel budgets amidst an uncertain global economic environment."

Mr Yeo added, "We are pleased that our successful maiden foray into the Maldives during the quarter has contributed positively to the portfolio."

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[1] The acquisition of Angsana Velavaru in the Maldives was completed on 31 January 2013. During the financial year, the gross revenue recognised for each reporting period will be based on the prorated minimum rent of US$500,000 per month (based on a current minimum rent of US$6.0 million per annum). The excess of the gross revenue above the minimum rent will be recognised in the fourth quarter results once the full year performance of Angsana Velavaru is determined.

[2] For the purpose of year-on-year comparison, this assumes that H-REIT, through its wholly-owned subsidiary, Sanctuary Sands Maldives Private Limited, owns Angsana Velavaru for the two months ended 31 March 2012.

Financial highlights are as follows:

	1 Jan 2013 to 31 Mar 2013 S$'000 ("1Q 2013")	1 Jan 2012 to 31 Mar 2012 S$'000 ("1Q 2012")	Increase/ (Decrease) %
Gross revenue	37,935	38,423	(1.3)
Net property income	35,283	36,030	(2.1)
Net income	28,710	28,948	(0.8)
Income available for distribution to holders of Stapled Securities	28,991	29,839	(2.8)
Less:			
Income retained for working capital	(2,899)	(2,984)	(2.8)
Income available for distribution to holders of Stapled Securities (after deducting income retained for working capital)	26,092	26,855	(2.8)
Income available for distribution per Stapled Security (before deducting income retained for working capital) (Singapore cents)			
- For the period	2.99	3.09	(3.2)
- Annualised	12.13	12.43	(2.4)
Income available for distribution per Stapled Security (after deducting income retained for working capital) (Singapore cents)			
- For the period	2.69	2.78	(3.2)
- Annualised	10.91	11.18	(2.4)

Review of Singapore Hotel Performance

The combined weighted average statistics for CDLHT's Singapore Hotels for 1Q 2013 are as follows:

	1 Jan 2013 to 31 Mar 2013 S$'000 ("1Q 2013")	1 Jan 2012 to 31 Mar 2012 S$'000 ("1Q 2012")	Increase/ (Decrease) %
Average Occupancy Rate	87.0%	88.2%	(1.2)pp
Average Daily Rate	S$219	S$235	(6.8)%
Revenue per Available Room ("RevPAR")	S$191	S$207	(7.9)%

The average occupancy rate for the Singapore Hotels fell 1.2 percentage points year-on-year to 87.0% in 1Q 2013, while the average daily rate fell 6.8% to S$219.

Consequently, RevPAR for the Singapore Hotels declined 7.9% year-on-year to S$191 in 1Q 2013. As mentioned, this is in line with CDLHT's earlier guidance that the first quarter of 2013 would be negatively affected by the absence of the bi-annual Singapore Airshow and with the Chinese New Year falling later this year. Whilst the Chinese New Year period is favourable for resorts, the converse occurs for corporate travellers in city hotels. The corporate travel momentum, which usually picks up in February after the year-end holiday season, was disrupted due to Chinese New Year falling in the middle of February this year as compared to January last year. While there was replacement business from the leisure market, these were secured at lower average room rates. In general, the hospitality sector in Singapore has become more competitive due to additional room supply, as well as weaker overall demand for meetings and conferences as many companies globally exercise more restraint in corporate travel.

Orchard Hotel Shopping Arcade registered net property income of S$1.1 million in 1Q 2013, with an average occupancy rate of 92.1% and an average monthly rental rate of approximately S$7.56 psf.

Market Outlook

The long term prospects for Singapore's tourism industry remain positive. New attractions added to the Singapore tourism landscape will continue to broaden and enrich visitor experience. The latest addition is the River Safari[3] featuring the Giant Pandas which soft-launched in April 2013, following the opening of the Marine Life Park in Resorts World Sentosa in late 2012[4]. The enhanced tourism landscape will position Singapore competitively as a MICE and leisure destination. The rising affluence of Asian travellers should also continue to benefit Singapore's leisure tourism market.

In the near term, CDLHT's performance may be affected by the uncertain global economic environment, particularly in Europe. Companies and leisure travellers exercising caution in their travel expenditure will also continue to weigh on attendant accommodation demand this year. In 2012, visitor arrivals in Singapore grew 9.5% to 14.4 million[5]; and for 2013, the Singapore Tourism Board ("STB") has forecasted arrivals of 14.8 million to 15.5 million, representing a slower growth pace of between 2.8% and 7.6%[6] as compared to last year. Over the next decade, STB expects visitor arrivals to increase at a compound annual growth rate ("CAGR") of 3% to 4% and tourism receipts to grow at a CAGR of 4% to 6%.[7]

On the supply side, the operating environment of Singapore's hospitality sector is expected to be more competitive with an incoming supply of over 4,000 new hotel rooms in 2013.[8] These factors are likely to impact the performance of the Singapore hospitality sector in 2013.

In Australia, the slower pace of the economy, in part due to a moderation of activity in the mining sector, was felt in 1Q 2013 as the Australia Hotels in Brisbane and Perth experienced weaker performance (in local currency terms). While there is prevailing softness in the business environment, the effect on CDLHT will be mitigated by the defensive lease structure of the Australia Hotels, which provides CDLHT with predominantly fixed rental income.

The Maldives registered strong visitor arrival growth of 14.6% in 1Q 2013 as compared to the same period last year, driven by a 51.2% growth in visitor arrivals from China.[9] CDLHT is expected to benefit from the growing Asian affluence through its exposure to the premium and distinctive Maldives tourism market. The addition of Angsana Velavaru will augment the income stream of CDLHT's overall portfolio.

CDLHT's gearing stood at 28.3% as at 31 March 2013, post-acquisition of Angsana Velavaru.

Mr Yeo concluded, "We will continue to focus on seeking acquisition opportunities so as to enhance returns to our Unitholders. Our healthy gearing and ample debt headroom position us well to capitalise on opportunities as and when they arise."

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3 Channel NewsAsia, 3 April 2013, "River Safari opens to public during soft launch"
4 The Straits Times, 6 January 2013, "Keepers of sea creatures"
5 Visitor Arrivals Statistics, 5 April 2013, Singapore Tourism Board
6 "Singapore's Tourism Sector Performance for 2012", Singapore Tourism Board
7 The Business Times, 23 April 2013, "STB charts way ahead for tourism sector"
8 Horwath HTL report issued as at January 2013
9 Tourist Arrivals, January - March 2013, Statistics Section, Ministry of Tourism, Arts and Culture, The Maldives

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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 March 2013, H-REIT owns 12 hotels and one resort with a total of 4,420 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); one resort located in the Republic of Maldives (Angsana Velavaru), as well as the shopping arcade adjoining Orchard Hotel (Orchard Hotel Shopping Arcade) in Singapore.