



HALF YEAR FINANCIAL REPORT

1 Jan – 30 Jun 2012

14 August 2012

ANALYST / MEDIA BRIEFING



CITY DEVELOPMENTS LIMITED

Artist Impression of HAUS@SERANGOON GARDEN

AGENDA

1. FINANCIAL HIGHLIGHTS
2. SINGAPORE PROPERTY MARKET
3. OPERATIONS REVIEW
 - Property Development
 - Hotel Operations & CDLHT
4. MOVING FORWARD



Artist's Impression of UP@Robertson Quay



FINANCIAL HIGHLIGHTS



Artist's Impression of Bartley Residences

KEY FINANCIAL HIGHLIGHTS

- Achieved healthy revenue of \$1.6 billion.
- Increase in residential sales by 57% for 1H 2012 versus 1H 2011 of which locked-in revenues and profits will be recognised progressively.
- Excluding substantial divestment gains from 2011 results arising from Studio M Hotel and The Corporate Building in Q2 2011 and The Corporate Office in Q1 2011, PATMI of \$294.5 million for 1H 2012 was on par with 1H 2011.
- No revaluation surpluses on investment properties and hotels (including CDL Hospitality Trusts).
- Strong balance sheet with cash and cash equivalents of \$2.3 billion as at 30 June 2012.
- Healthy net gearing ratio at 21% (excluding any revaluation surpluses from investment properties) and interest cover at 16.3 times for 1H 2012.



SUMMARY OF FINANCIAL HIGHLIGHTS

	Q2 2012	Q2 2011	% Change	1H 2012	1H 2011	% Change
Revenue (\$m)	788	979	(19.6)	1,635	1,753	(6.8)
Profit Before Tax (\$m) *	203	336	(39.6)	418	673	(37.8)
PATMI (\$m) *	137	221	(37.7)	294 [^]	503	(41.5)
Basic Earnings Per Share (cents)	14.4	23.6	(39.0)	31.7	54.6	(41.9)
NAV Per Share (\$)				7.66	7.18	6.7

* Did not include fair value gains on investment properties and hotels.

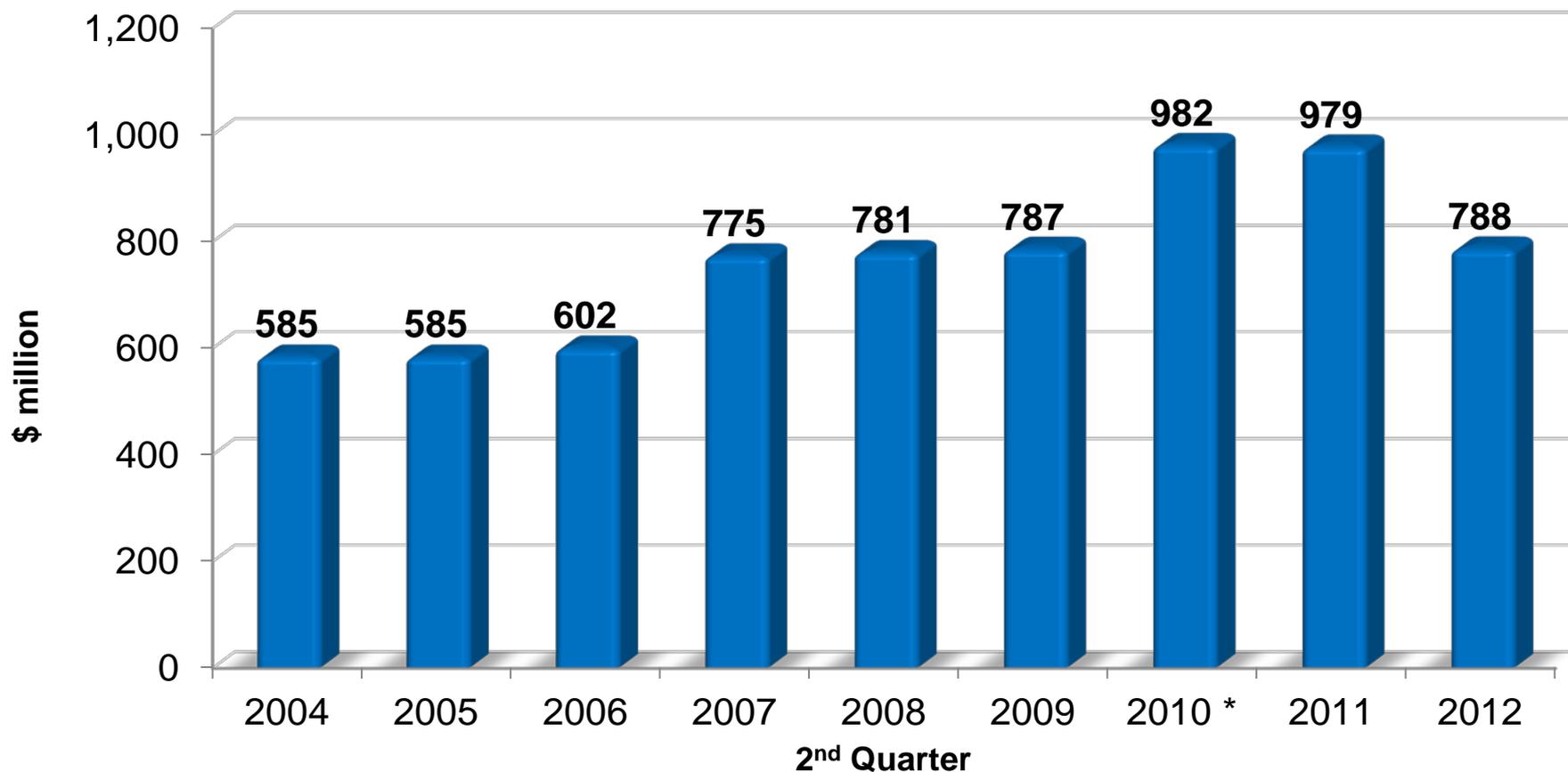
[^] Excluding divestment gains in 2011. PATMI was on par with 1H 2011.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.



FINANCIAL HIGHLIGHTS

Revenue for the 2nd Quarter (2004 – 2012)



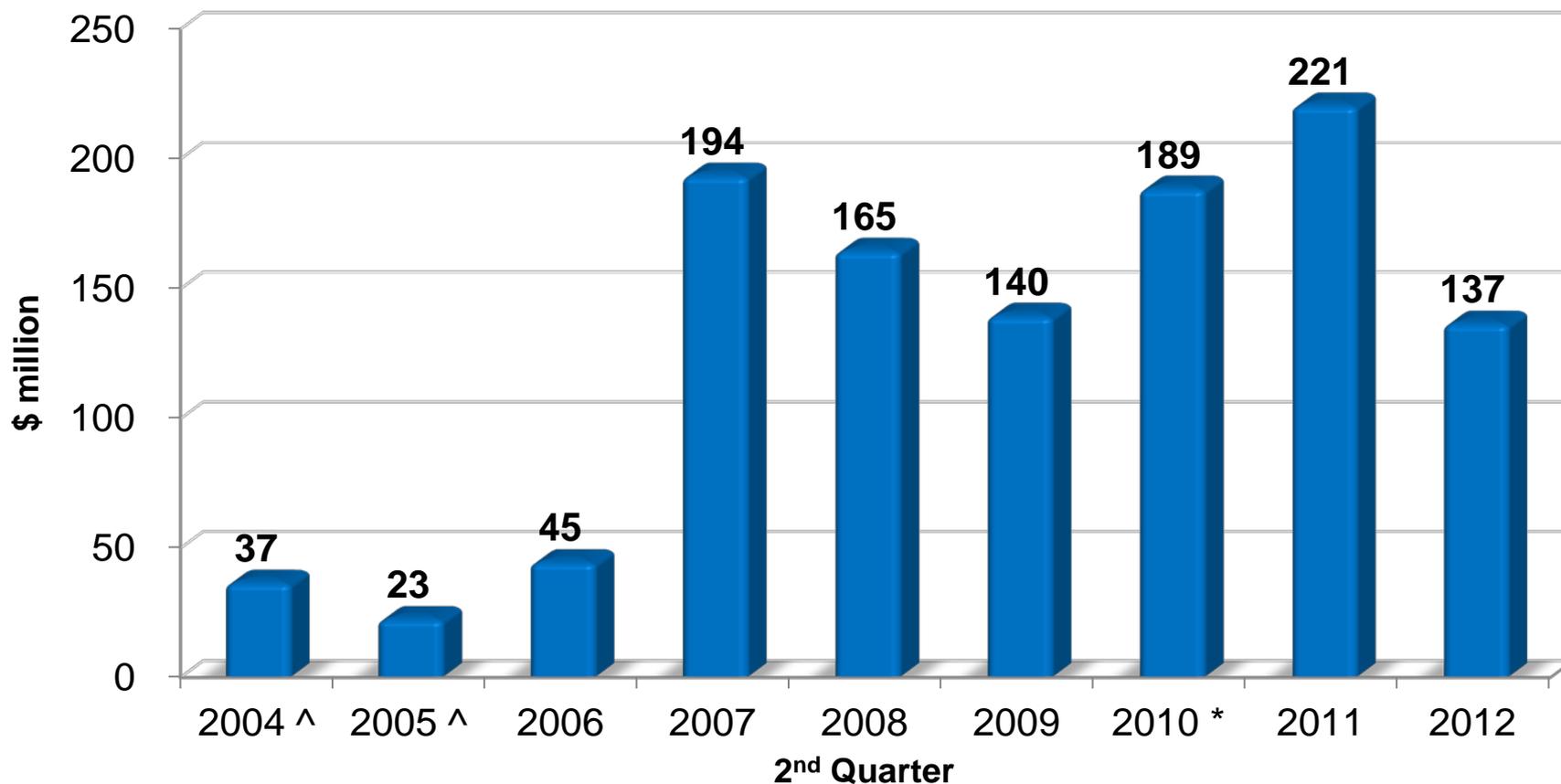
* Restated due to the adoption of INT FRS 115 for 2010 only.

Note : The above financial information is extracted from half-yearly announcements of respective years.



FINANCIAL HIGHLIGHTS

PATMI for 2nd Quarter (2004 – 2012)



^ Restated

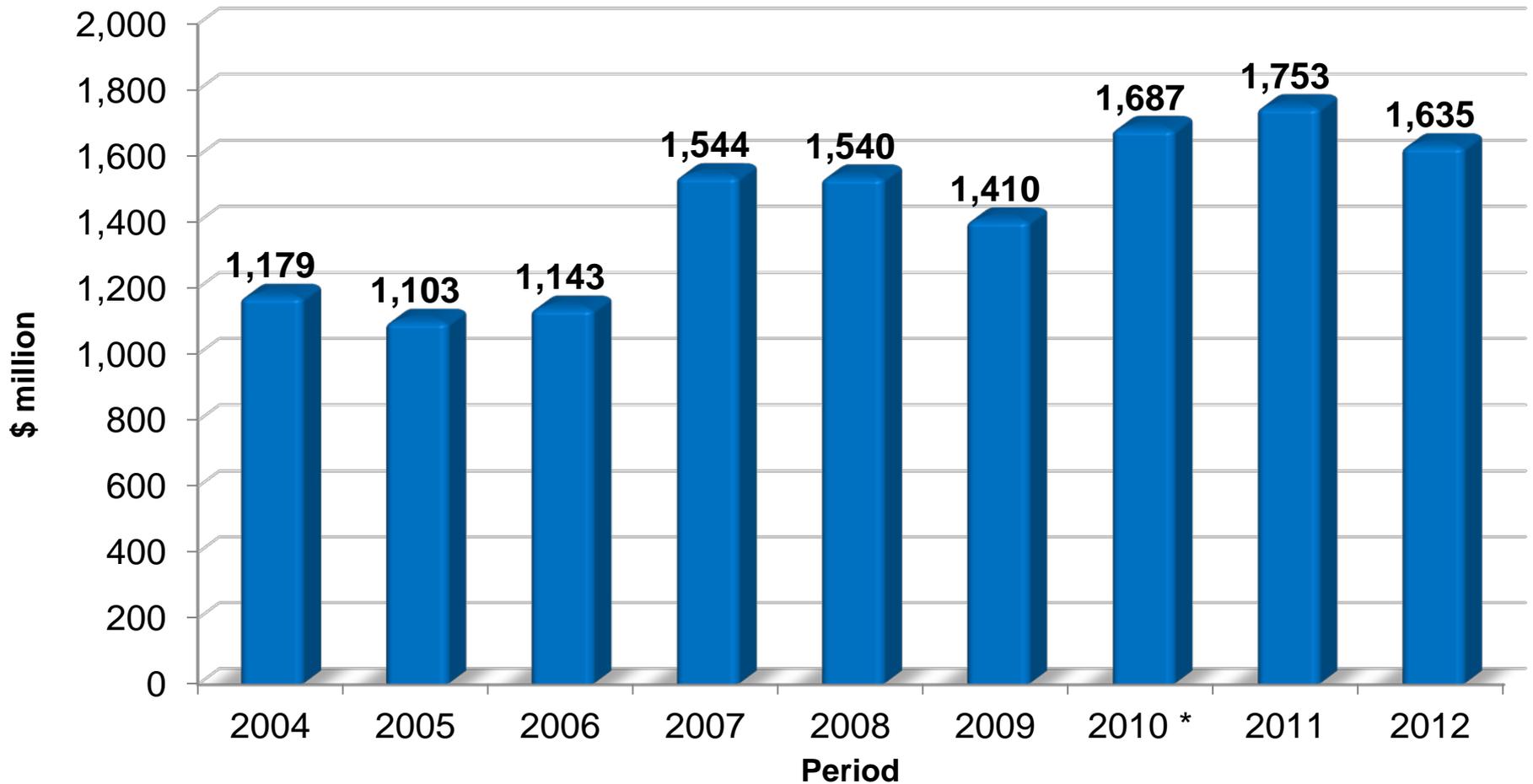
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The Group has adopted FRS 40 cost model whereby its investment properties continue to be stated at cost less accumulated depreciation and impairment losses with effect from 1 Jan 2007.



FINANCIAL HIGHLIGHTS

Revenue for the Period Ended 30 Jun (2004 – 2012)



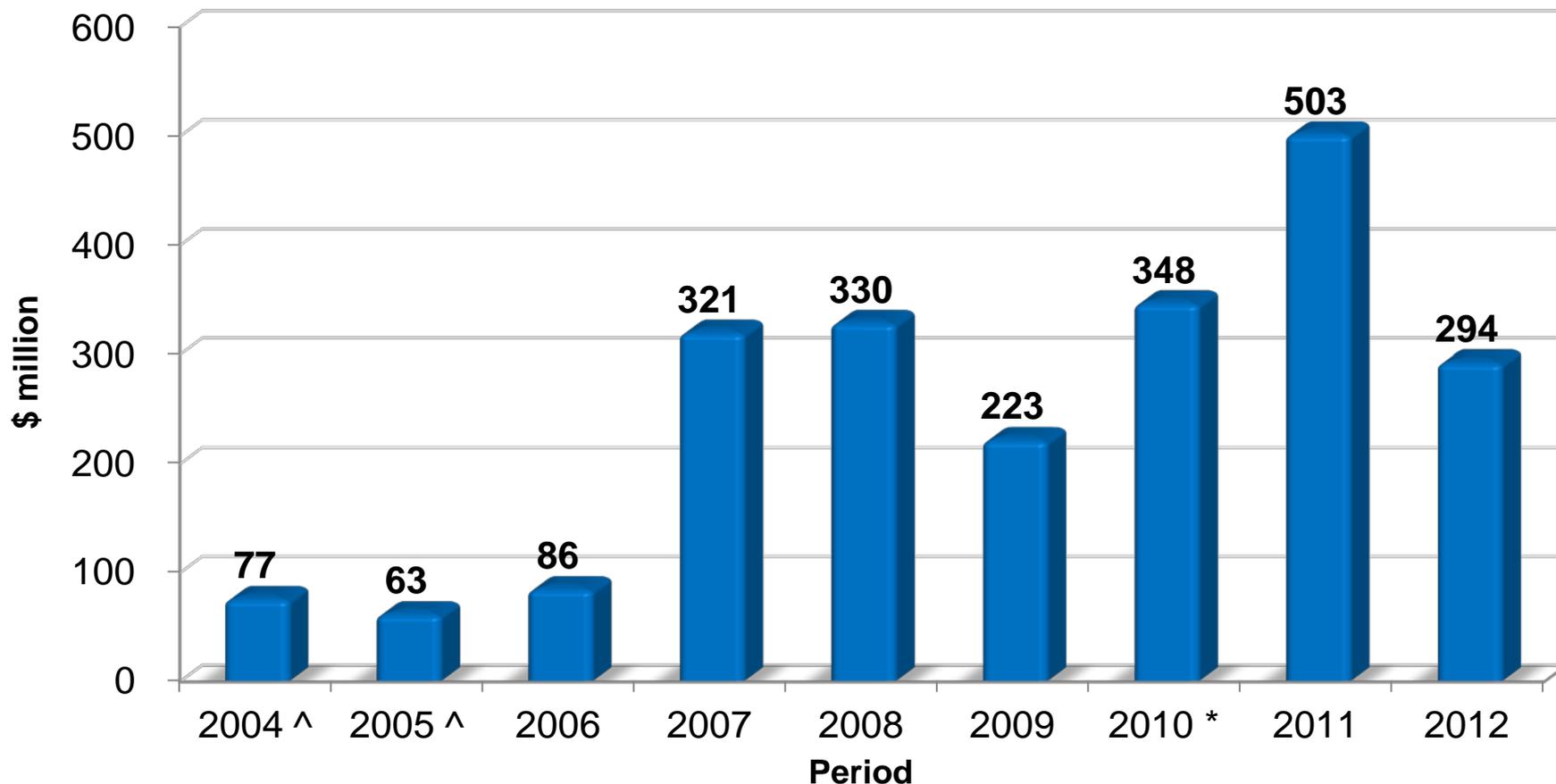
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FINANCIAL HIGHLIGHTS

PATMI for the Period Ended 30 Jun (2004 – 2012)



^ Restated

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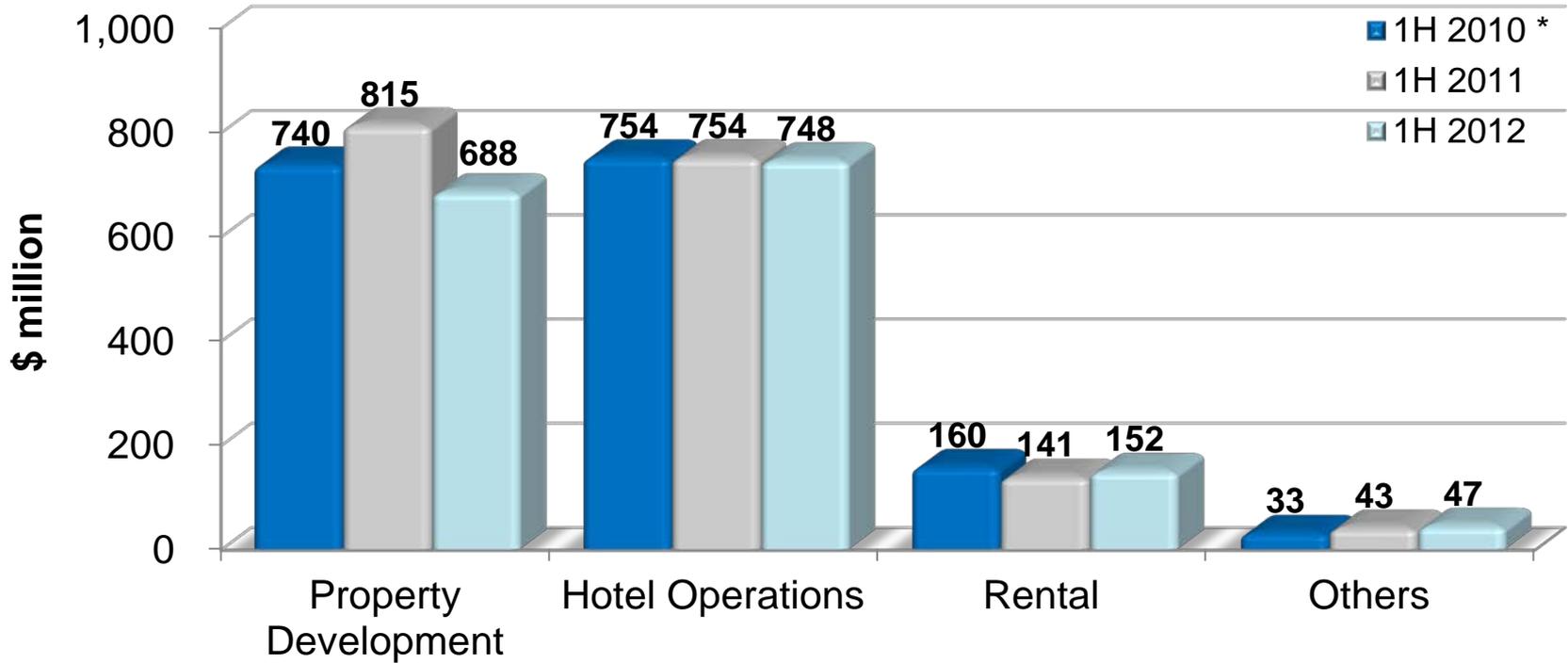
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FINANCIAL HIGHLIGHTS

Revenue by Segment – 1H 2012 vs 1H 2011 & 1H 2010



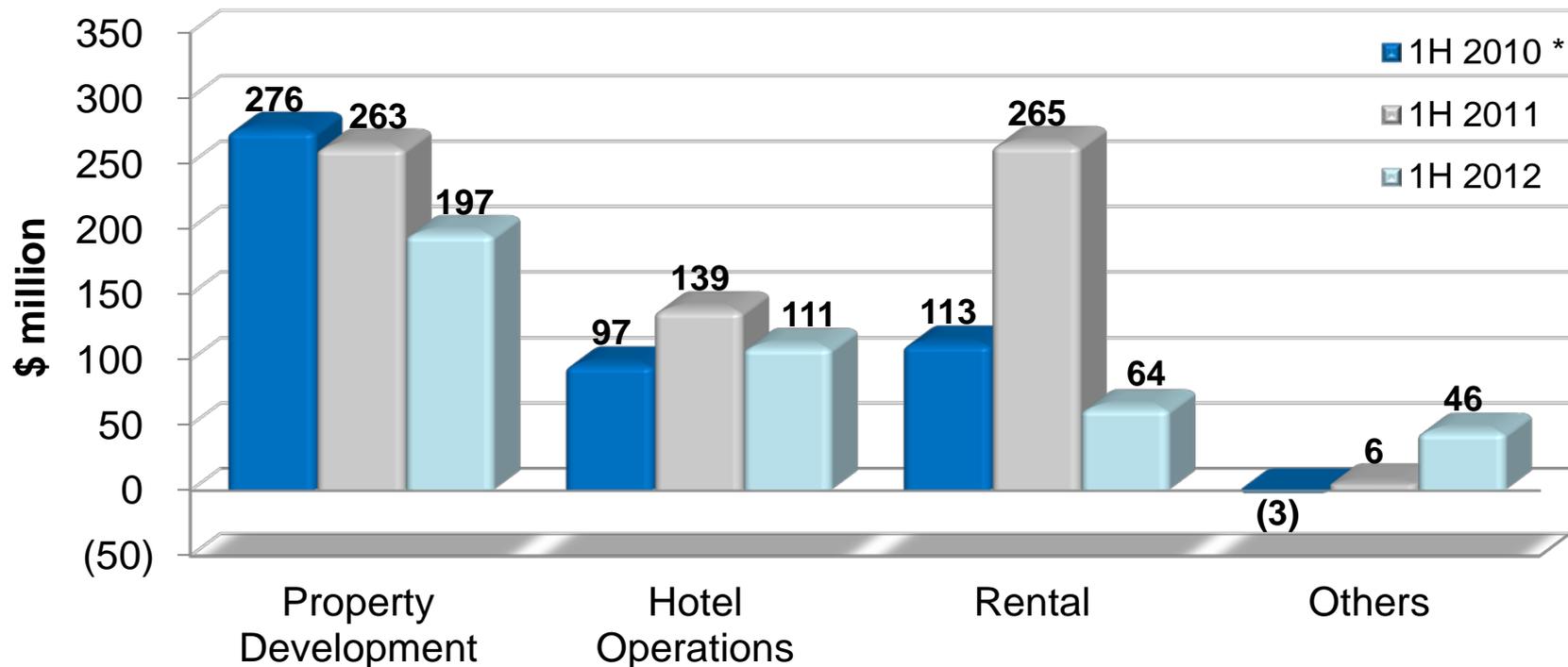
	1H 2012	1H 2011	1H 2010 *
Property Development	42%	46%	44%
Hotel Operations	46%	43%	45%
Rental	9%	8%	9%
Others	3%	3%	2%

* Restated due to the adoption of INT FRS 115.



FINANCIAL HIGHLIGHTS

Profit before Tax by Segment – 1H 2012 vs 1H 2011 & 1H 2010



	1H 2012	1H 2011	1H 2010 *
Property Development	47%	39%	58%
Hotel Operations	27%	21%	20%
Rental	15%	39%	23%
Others	11%	1%	(1%)

* Restated due to the adoption of INT FRS 115.

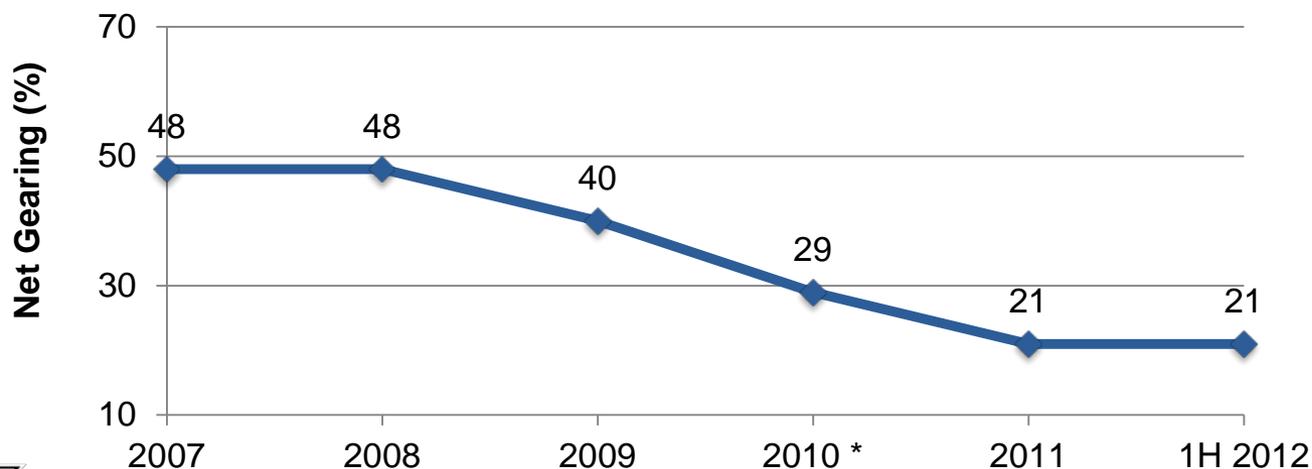


FINANCIAL HIGHLIGHTS

Capital Management

CDL Group Total	As at 30/06/12	As at 31/12/11	As at 30/06/11
Net Borrowings	\$1,876m	\$1,816m	\$1,817m
Interest Cover Ratio	16.3 x	21.8 x	25.0 x
Cash and cash equivalents	\$2,310m	\$2,603m	\$2,441m
Gearing ratio without taking in fair value gains on investment properties	21%	21%	22%

CDL's Net Gearing (%) (2007 – 1H 2012)



* Restated due to the adoption of INT FRS 115 for 2010 only.





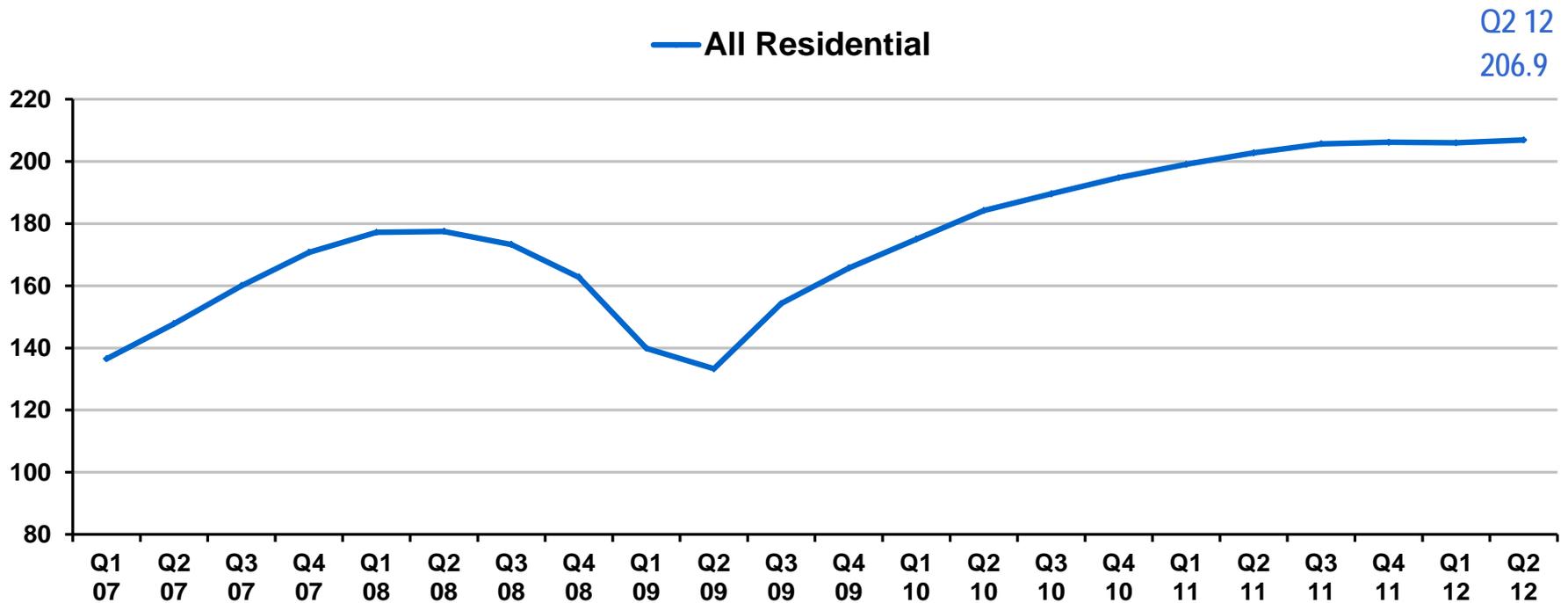
SINGAPORE PROPERTY MARKET



Artist's Impression of The Rainforest

SINGAPORE PROPERTY MARKET

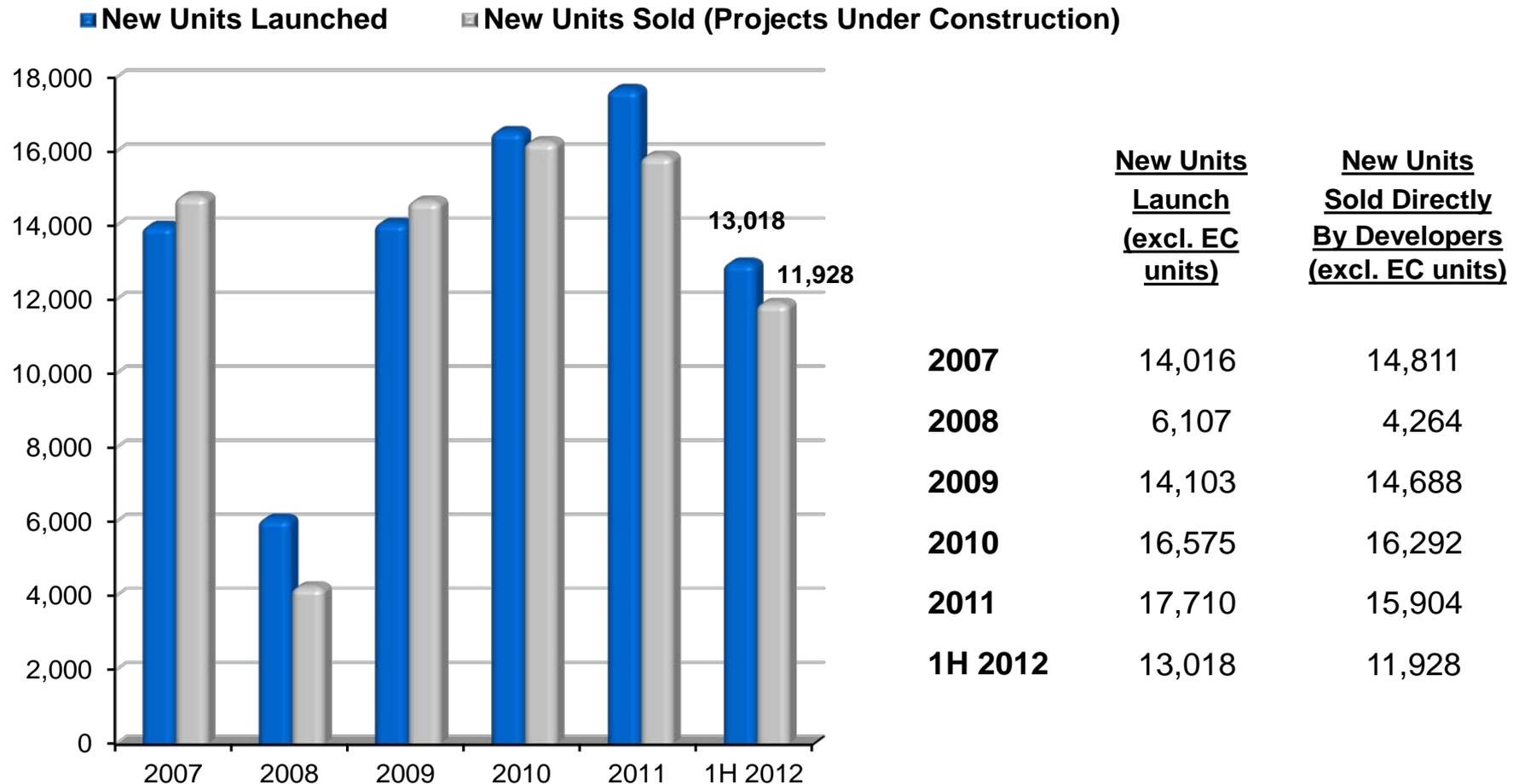
Property Price Index – Residential (2007 – 1H 2012)



Source : URA, Q2 2012

SINGAPORE PROPERTY MARKET

No. of New Private Residential Units Launched vs Units Sold (Projects under Construction) (2007 – 1H 2012)

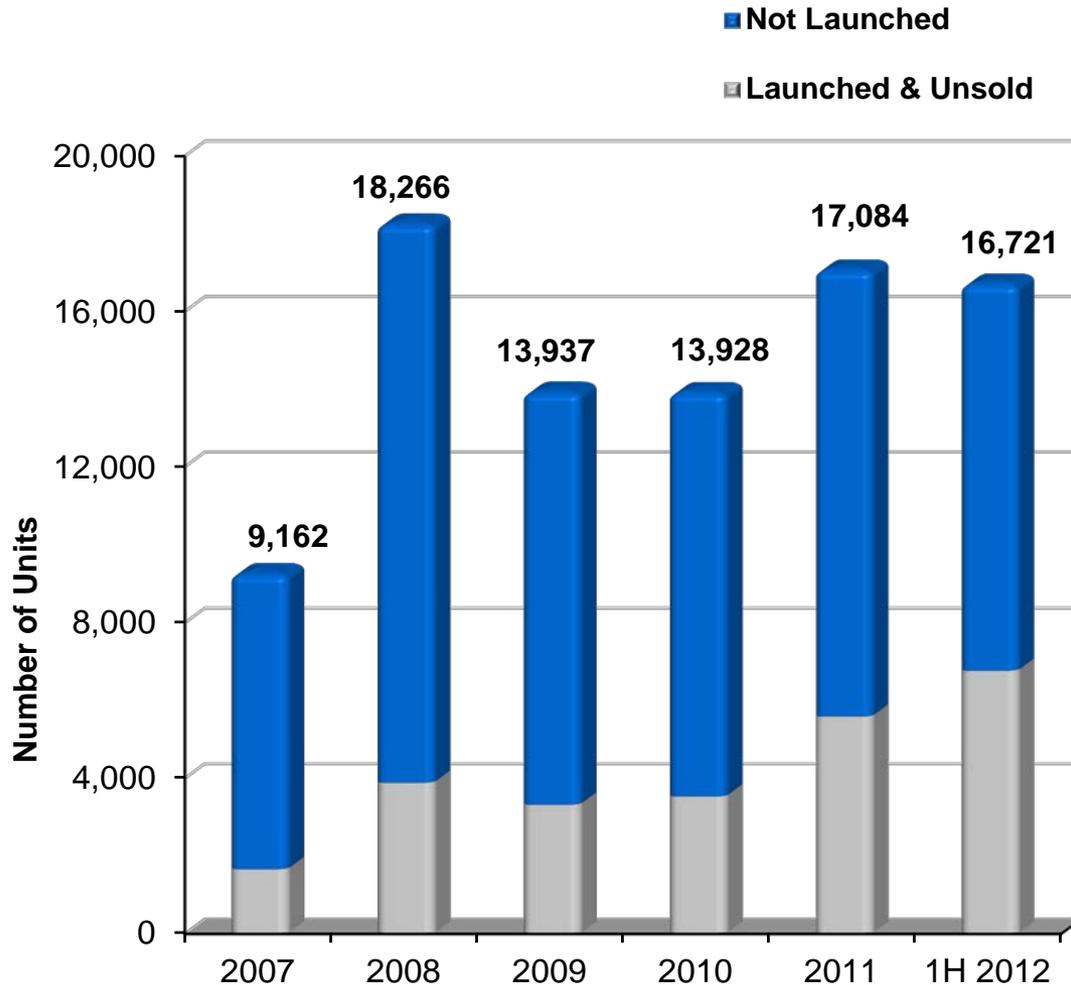


Source : URA, Q2 2012



SINGAPORE PROPERTY MARKET

No. of Uncompleted Private Residential Units Available (2007 – 1H 2012)



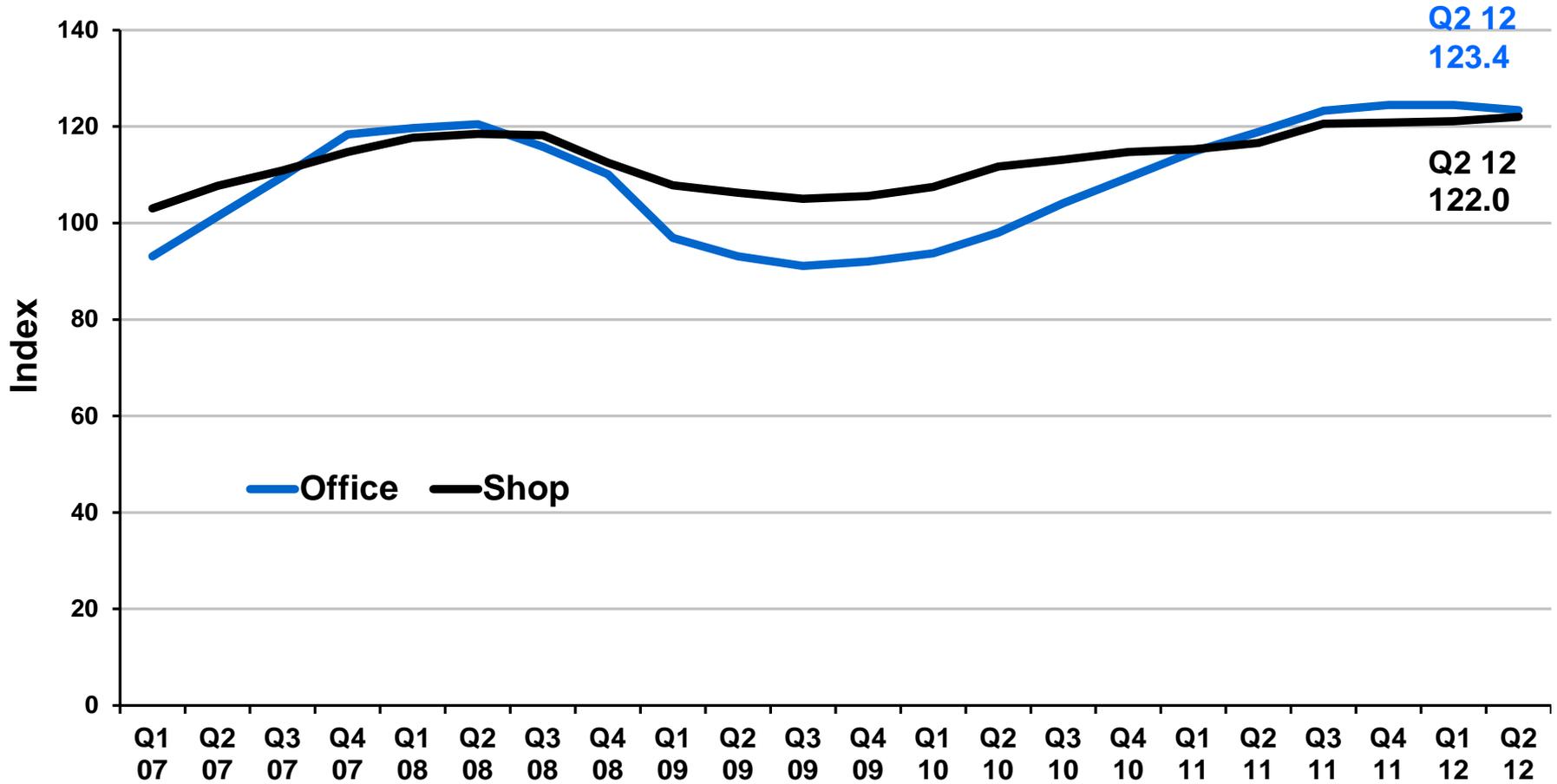
	<u>Launched & Unsold</u>	<u>Not Launched</u>	<u>Total</u>
2007	2,063	7,099	9,162
2008	3,880	14,386	18,266
2009	3,317	10,620	13,937
2010	3,528	10,400	13,928
2011	5,584	11,500	17,084
1H 2012	6,762	9,959	16,721

Source : URA, Q2 2012



SINGAPORE PROPERTY MARKET

Property Price Index – Commercial (2007 – 1H 2012)

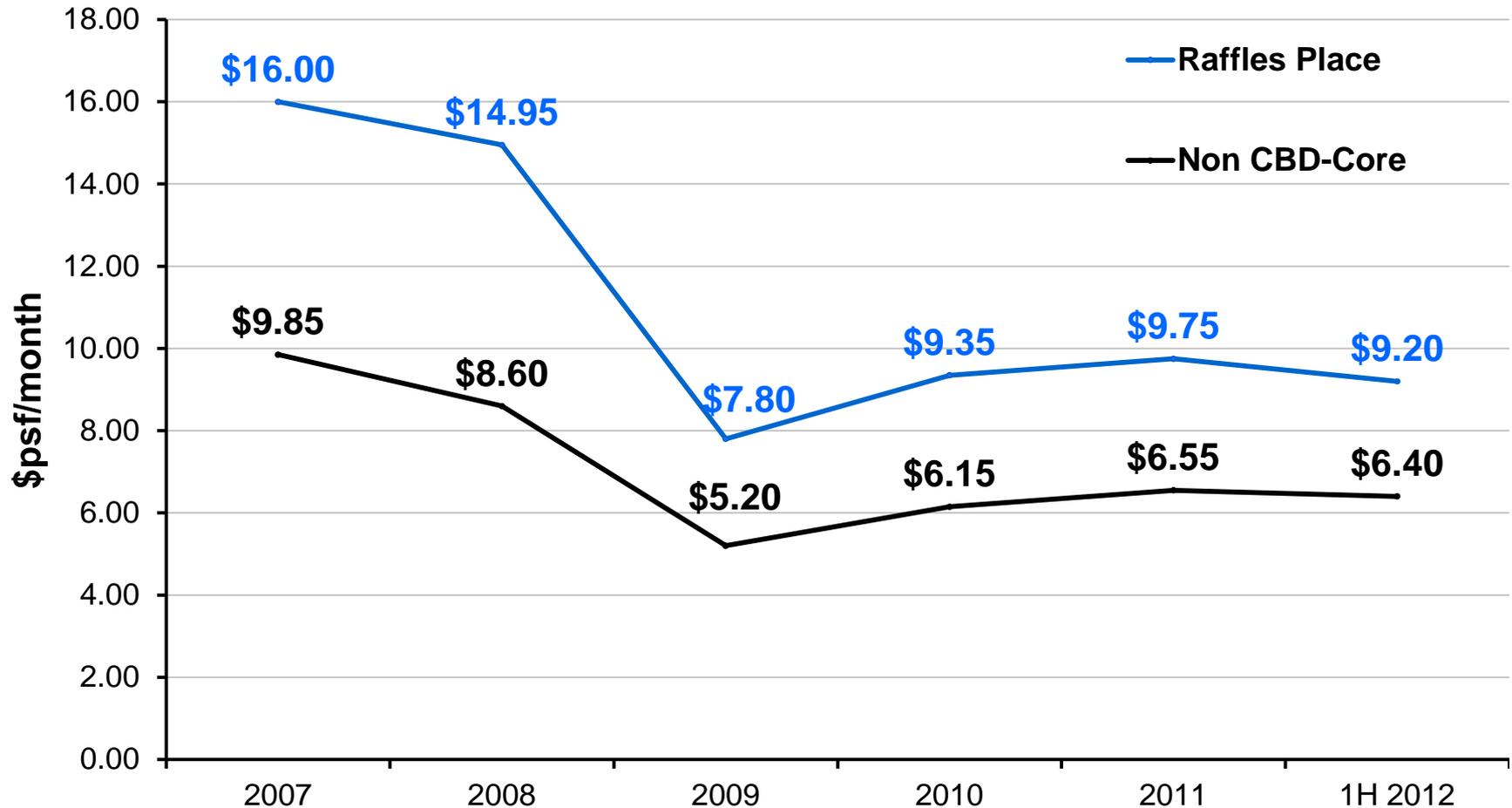


Source : URA, Q2 2012



SINGAPORE PROPERTY MARKET

Average Office Rental in CBD (2007 – 1H 2012)



Source : JLL Research, Q2 2012



OPERATIONS REVIEW



PROPERTY DEVELOPMENT



Artist's Impression of The Rainforest

PROPERTY DEVELOPMENT

Units Booked / Sold

	Sales Value* \$'000	No. of Units*	Total Floor Area (sq ft)
1H 2012	\$1,245,847	1,299	1,353,957
1H 2011	\$793,940	809	821,294



* Includes share of JV partners

PROPERTY DEVELOPMENT

**Planned Residential Project Launches for 2H 2012
(subject to market conditions)**

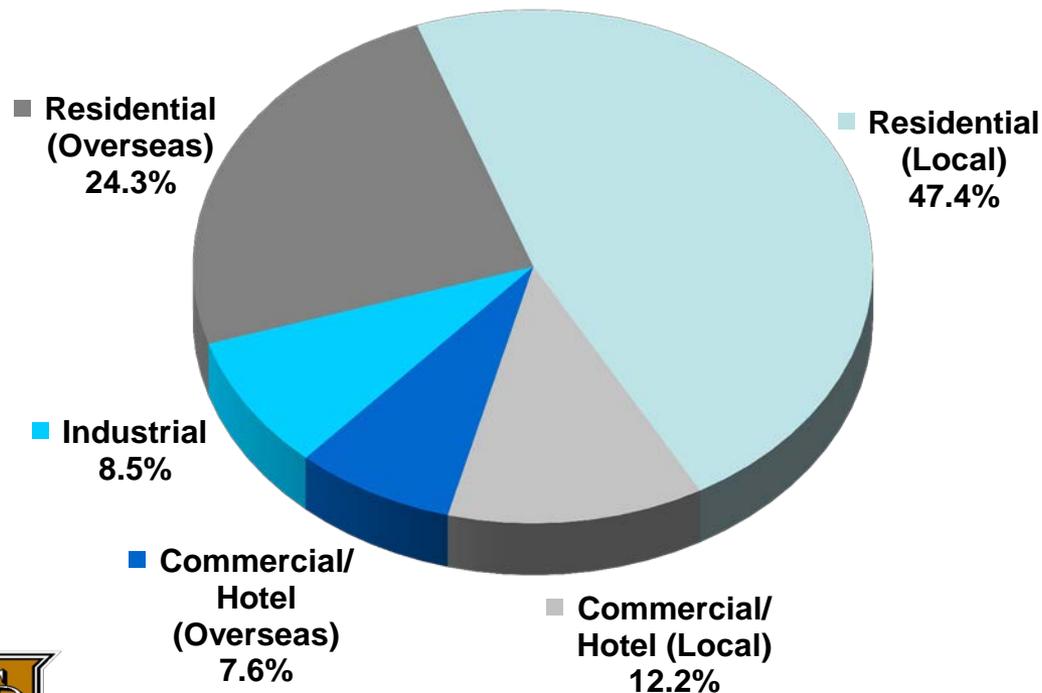
Projects	Units
HAUS@SERANGOON GARDEN (Total: 97)	97
Alexandra Road (Est Total: 508)	200
Pasir Ris Parcel 5 (Est Total: 912)	200
<hr/> Total:	497



OPERATIONS REVIEW

Land Bank by Sector (as at 30 June 2012)

Type of Development	Land Area (sq ft)			
	Local	Overseas	Total (Local & Overseas)	%
Residential	1,815,678	932,831	2,748,509	71.7%
Commercial / Hotel	466,814	290,363	757,177	19.8%
Industrial	325,394	-	325,394	8.5%
Total	2,607,886	1,223,194	3,831,080	100%



Proposed GFA –

(a) Singapore – 5.79million sq ft

(b) Malaysia – 0.31million sq ft

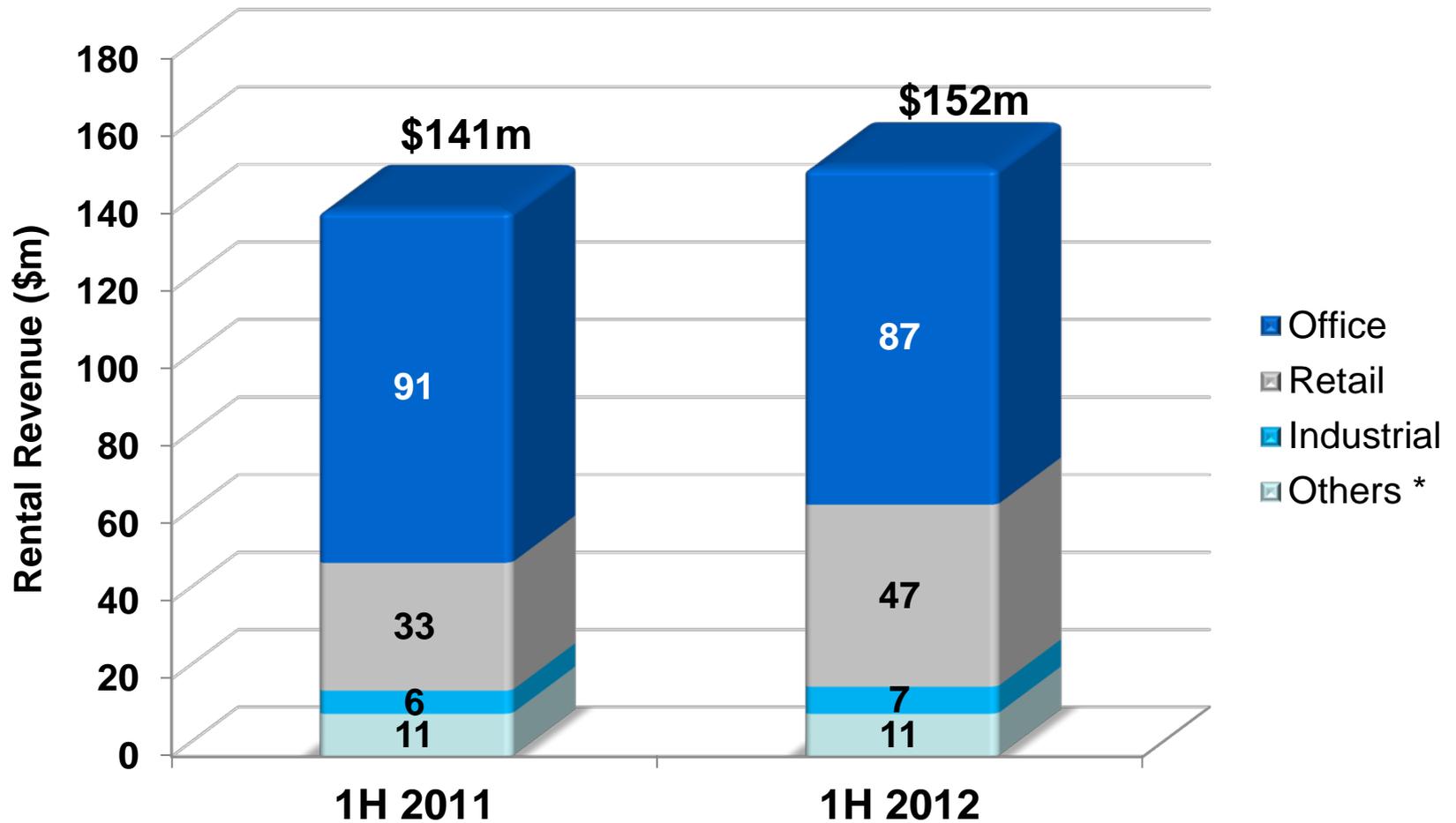
(c) CDL China – 3.86million sq ft

Total **9.96million sq ft**



OPERATIONS REVIEW

Rental Revenue by Sector



* Including car park, serviced apartment and residential

HOTEL OPERATIONS & CDLHT



HOTEL OPERATIONS

M&C Group

Good Trading Performance

- Improve in RevPAR (in constant currency) driven by increase in average room rate:

RevPAR			
1H 2012	£64.62	↑	5.2%
2Q 2012	£70.06	↑	4.5%

- RevPAR growth:
 - Singapore 6.1% *
 - Rest of Asia 19.8%
 - London 4.3%
 - New York 3.3% ^

Strong Balance Sheet

- Strong cash flow from operating activities for 1H 2012 of £84.0m.
 - ❖ Reduce net debt to £10.6m (31 Dec 2011: £100.2m).
 - ❖ Improve gearing to 0.5% (31 Dec 2011: 4.8%).
- Interest cover ratio (excluding share of results of joint-venture and associates, other operating income and expense, non-operating income and separately disclosed items) improved to 20.6 times for 30 Jun 2012 (31 Dec 2011: 13.1 times).



Grand Hyatt Taipei - Pearl Liang Restaurant



* excluding Copthorne Orchid

^ excluding UN Plaza, New York

HOTEL OPERATIONS

M&C Hotel Room Count and Pipeline

<u>Hotel and Room Count</u>	Hotels		Rooms	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
By region:				
• New York	3	3	1,757	1,757
• Regional US	16	16	5,554	5,554
• London	7	7	2,493	2,493
• Rest of Europe	16	16	2,696	2,696
• Middle East *	11	10	3,616	3,623
• Singapore	6	6	2,716	2,714
• Rest of Asia	16	16	7,270	7,260
• Australasia	33	34	4,907	4,935
Total:	108	108	31,009	31,032
<u>Pipeline</u>				
By region:				
• Middle East *	24	26	5,446	5,700
• Rest of Asia	4	4	904	907
Total:	28	30	6,350	6,607



Millennium Hotel London Knightsbridge



Grand Millennium Beijing



* Mainly management contracts

HOTEL OPERATIONS

Active Asset Management

Capital improvements mostly completed



Millennium Seoul Hilton

- Only hotel to have completed a major part of its refurbishment.
- Successful results with average room rate increased by 17.0% as compared to 1H 2011.

Capital improvements underway



Millennium UN Plaza

- West wing of UN Plaza was closed in Apr 2012 for refurbishment and upgrading.
- Re-opening is planned in time for the UN General Assembly to be held in Sep 2012.



HOTEL OPERATIONS

Active Asset Management

Capital improvements advanced planning



Grand Hyatt Taipei

- Renovation of guest rooms will commence in 3Q 2012.



Millennium Mayfair

- Major refurbishment plans being developed, appropriate to its status as M&C flagship London hotel.



Millennium Hotel Minneapolis

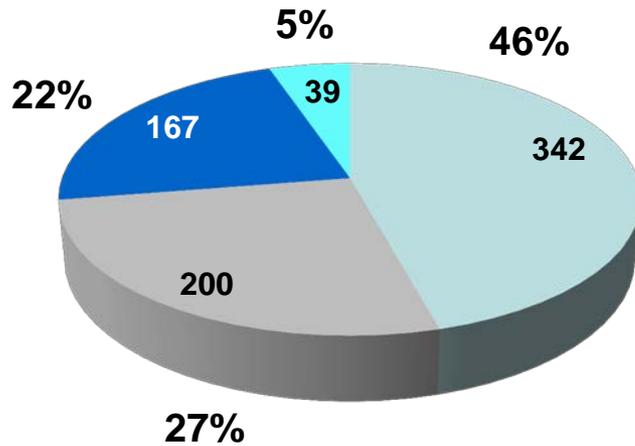
- Will be closed at the end of 2012 for substantial renovation.
- Expected to re-open fully by Jul 2013.



HOTEL OPERATIONS

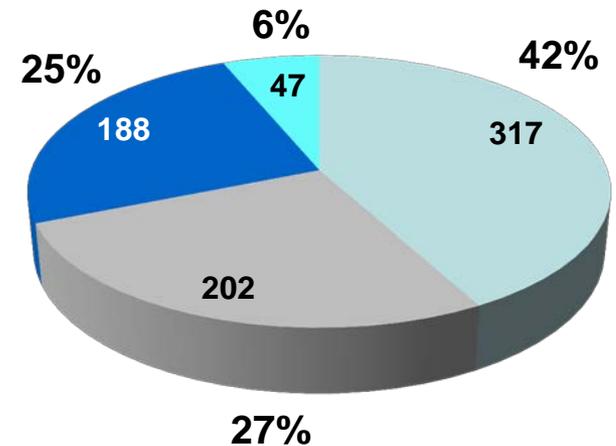
Hotel Revenue by Region

1H 2012



\$748m

1H 2011



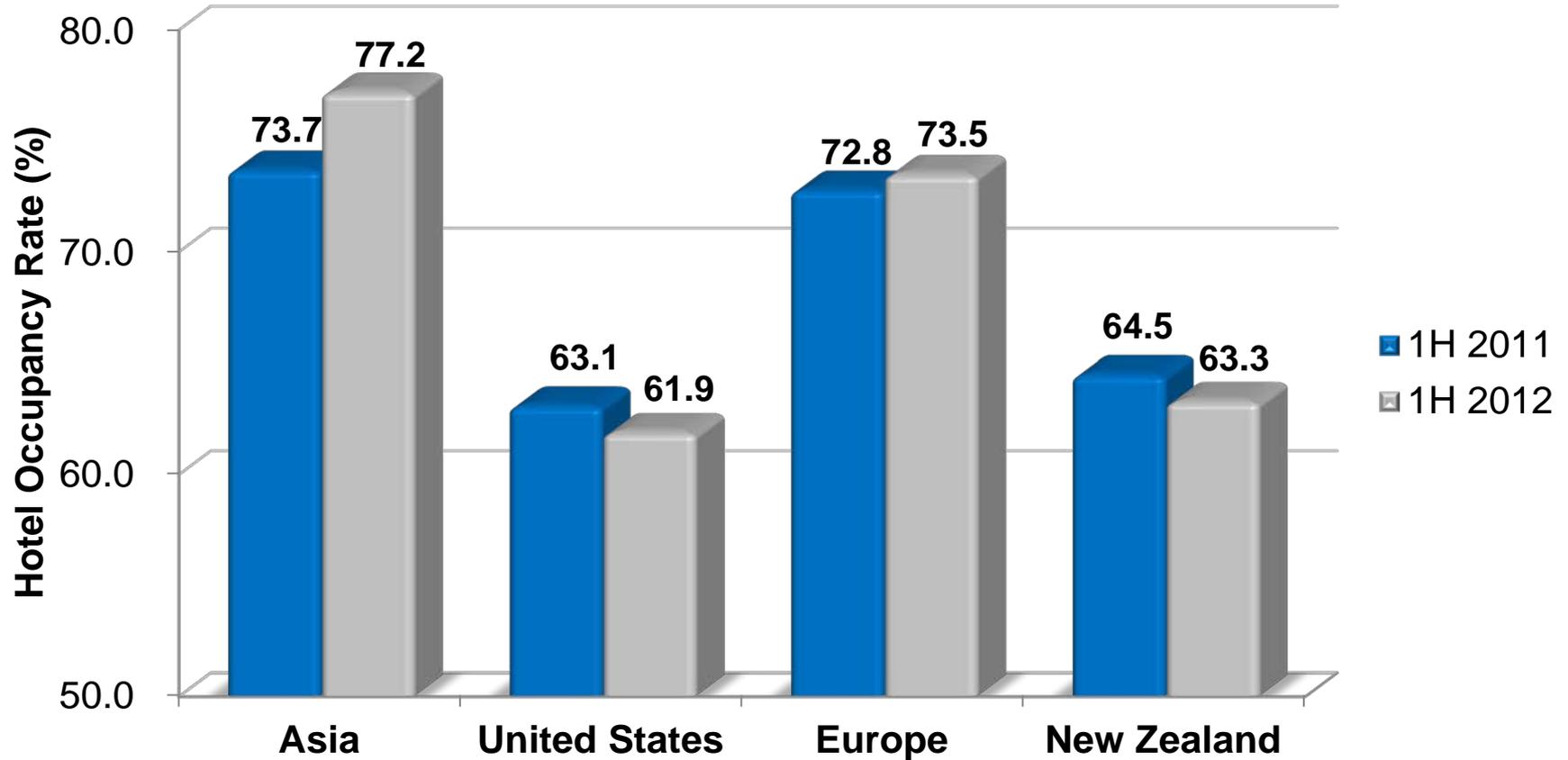
\$754m

Overall change
= ↓ 1%



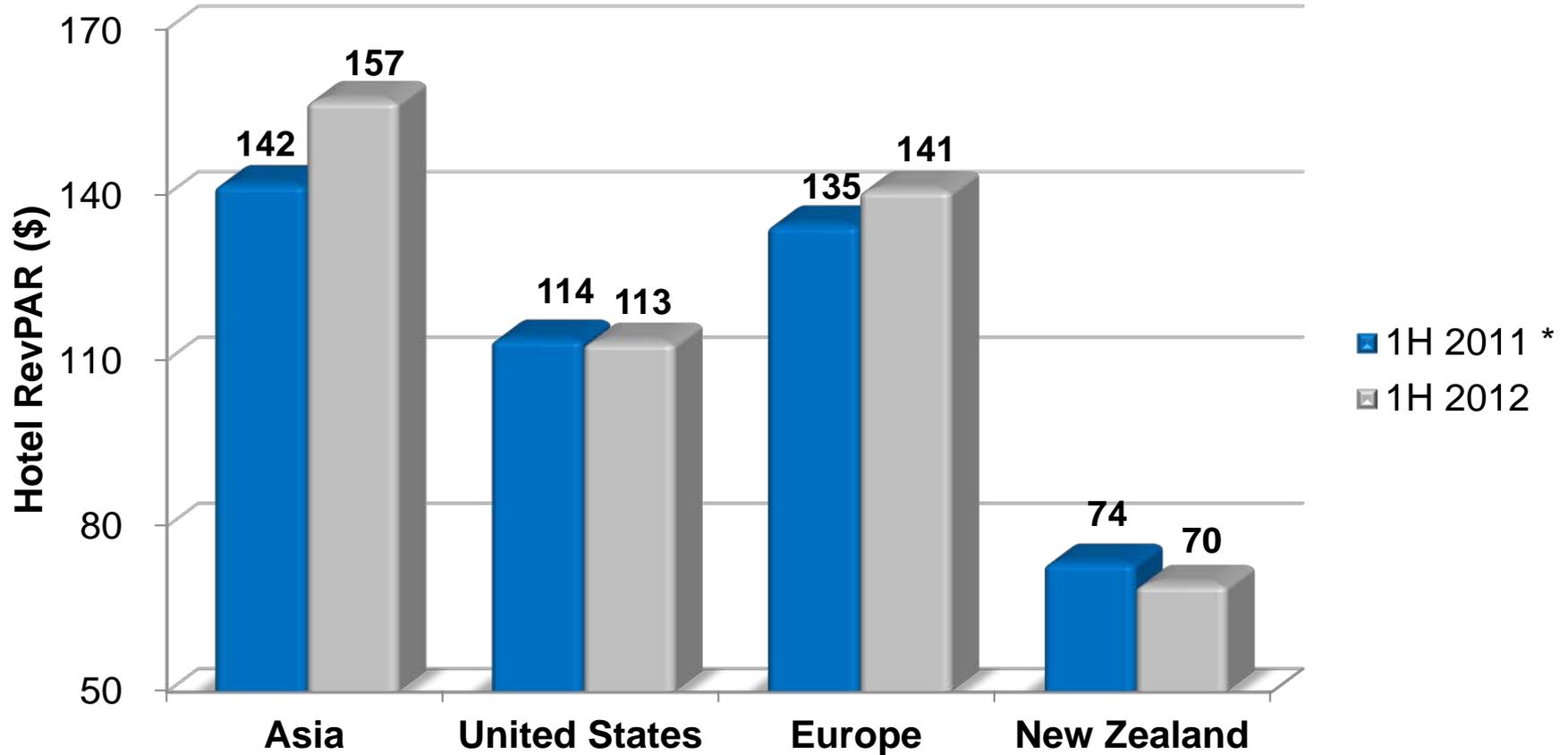
HOTEL OPERATIONS

Hotel Occupancy by Region



HOTEL OPERATIONS

Hotel Revenue Per Available Room at Constant Currency



* For comparability, 1H 2011 RevPAR has been translated at constant exchange rates (30 Jun 2012).



CDL HOSPITALITY TRUSTS (CDLHT)

First hotel REIT listed in Singapore in July 2006 with 4,307 hotel rooms.

Total Revenue	1H 2012 \$'M	1H 2011 \$'M	Increase
Singapore Hotels (6 hotels)	59.7	52.7	13.3%
New Zealand Hotels (1 hotel)	4.7	4.4	6.8%
Australia Hotels (5 hotels)	10.7	9.8	9.2%
Total	75.1	66.9	12.3%



Orchard Hotel

RevPAR	1H 2012	1H 2011	Increase
Average occupancy	89.1%	86.9%	2.2pp
Average daily rate	\$241	\$230	4.8%
Revenue per available room	\$215	\$200	7.5%



Novotel Brisbane



MOVING FORWARD



Artist's Impression of South Beach

MOVING FORWARD

- The outlook for the global economy is uncertain and Singapore is facing paced economic growth
- The Group has adopted a conservative business approach and has been strengthening its financial position to weather any challenges and capitalise on larger opportunities that may arise

Property Development

- Strong residential sales achieved in 1H 2012 with locked-in profits to be recognised downstream
- Diversified landbank with good pipeline of new projects to be launched, at the appropriate time

Rental Properties

- Varied office portfolio remains steady with healthy demand across different business segments
- Divestment of non-core commercial assets to unlock shareholder value

Hotel Operations

- M&C to focus on driving RevPAR growth by achieving optimal balance between occupancy and room rate; and by the substantial refurbishment of some prime hotels to grow their yield potential with repositioning



Disclaimer:

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.



THANK YOU



Artist's Impression of HAUS@SERANGOON GARDEN