

Full Year Financial Report 1 Jan – 31 Dec 2007

28 February 2008



CITY DEVELOPMENTS LIMITED



Presentation Outline

- Financial Highlights
- Singapore Property Market
- Operations Review
- Market Outlook
- Moving Forward

Financial Highlights



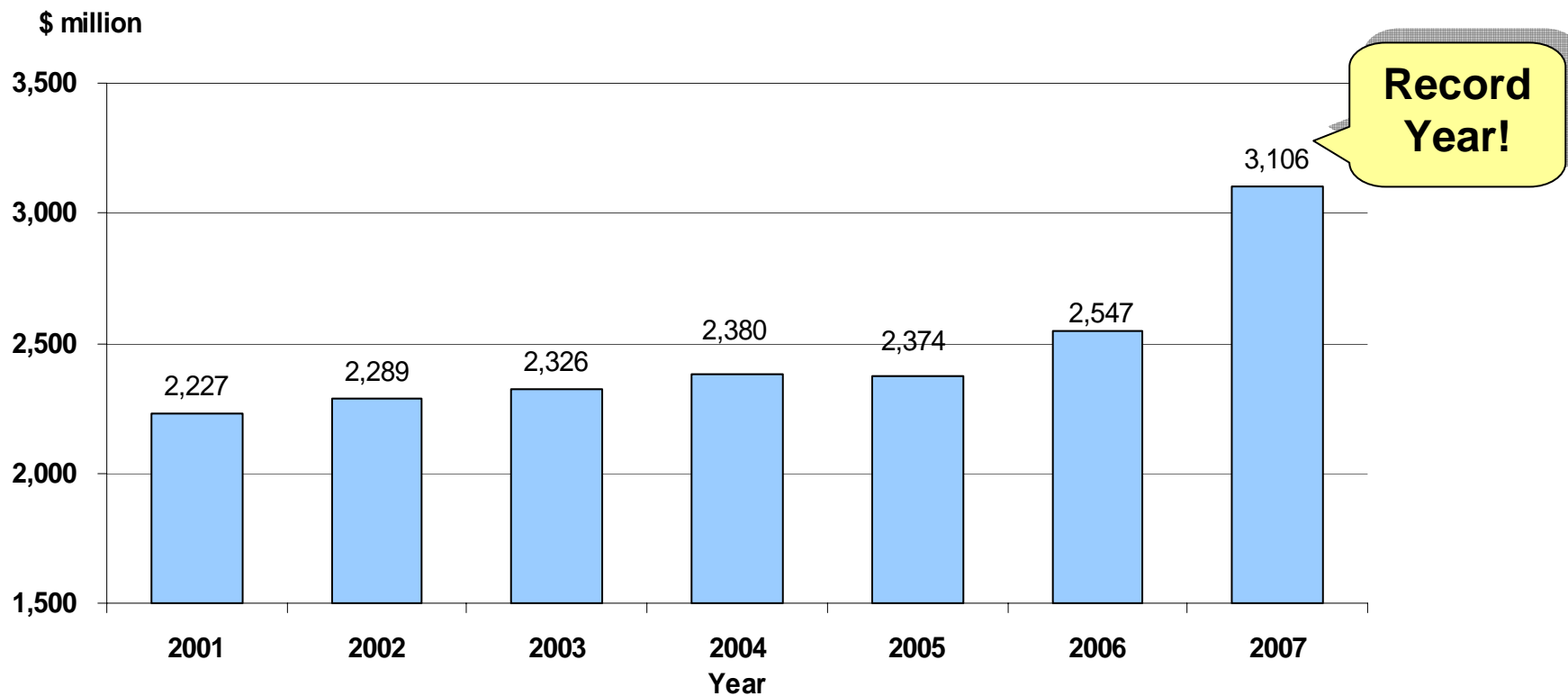
Financial Highlights

	2006	2007	% Change
Revenue (\$m)	2,547	3,106	22.0
Profit before tax (\$m)	692	955	38.0
<i>Gains on 4 Hotels disposed off to CDLHT (\$m)</i>	(151)	NA	NM
	541	955	77.0
PATMI (\$m)	352	725	106.0
<i>Taking Into Account Fair Value Gains on Investment Properties – FRS 40 (\$m)</i>	NA	2,114	NM
	352	2,839	706.5
Basic Earnings Per Share (cents) – Exclude Fair Value Gain (FRS 40)	37.0	78.3	111.6
NAV Per Share (\$) – Exclude Fair Value Gain (FRS 40)	5.21	5.72	9.8

Note: Q4 '07 vs Q4 '06 – PATMI increase 71.1% to \$235.0m (Q4 '06 : \$137.3m) without any divestment gain and fair value gains on investment properties.



Revenue



Note : The above financial information is extracted from yearly announcements.



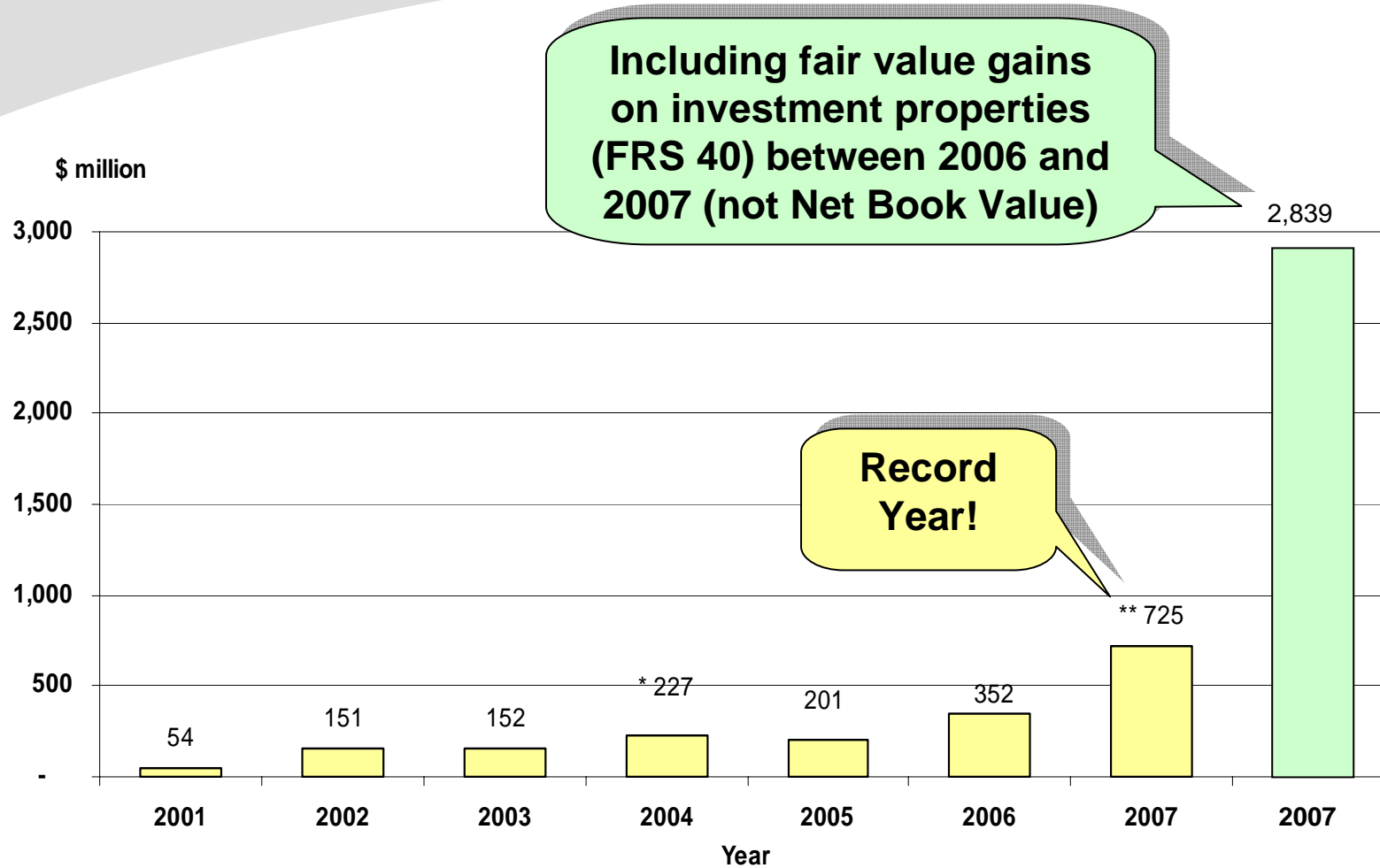
Group Revenue by Segment

	2006 \$m	2007 \$m	% Change
Property Development	485	862	↑ 78
Hotel Operations	1,846	1,987	↑ 8
Rental Properties	168	201	↑ 20
Others	48	56	↑ 17
Total	2,547	3,106	

**Overall Increase
= 22%**



Profit After Tax & MI



* Restated

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



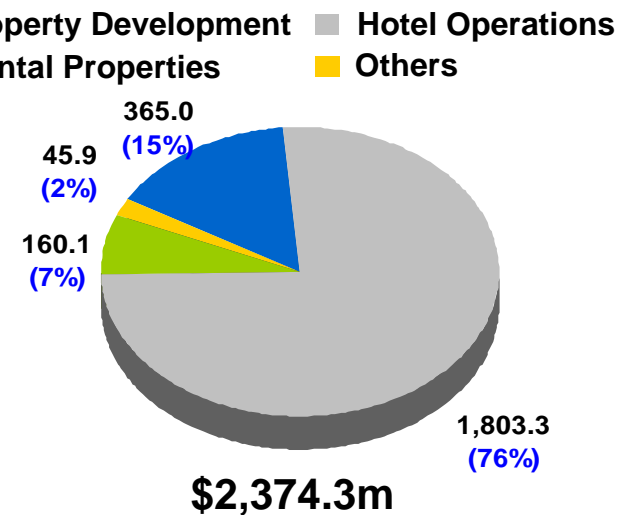
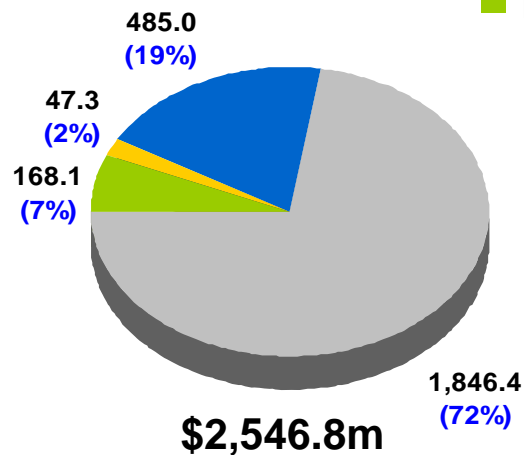
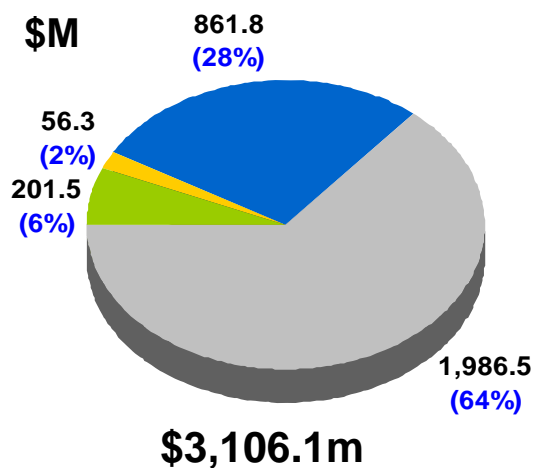
Segment Analysis

FY 2007

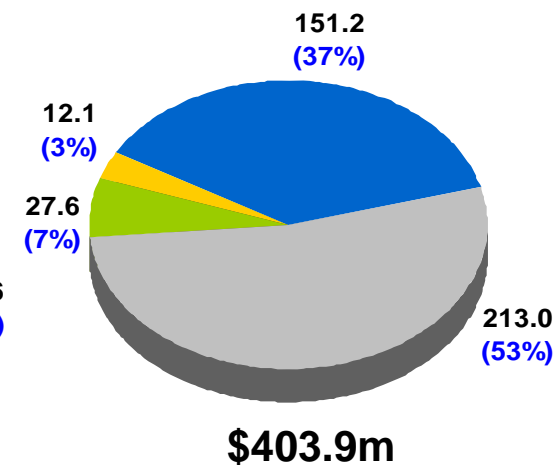
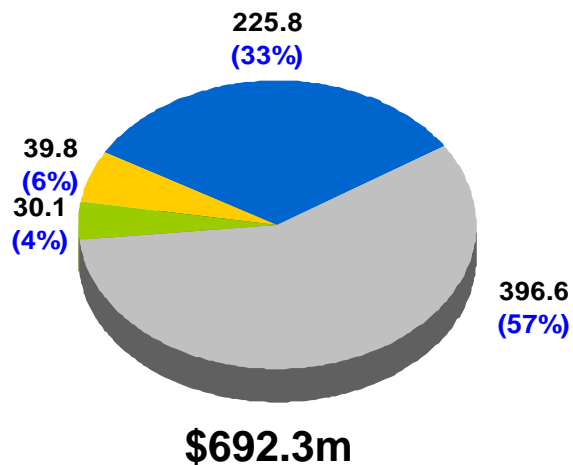
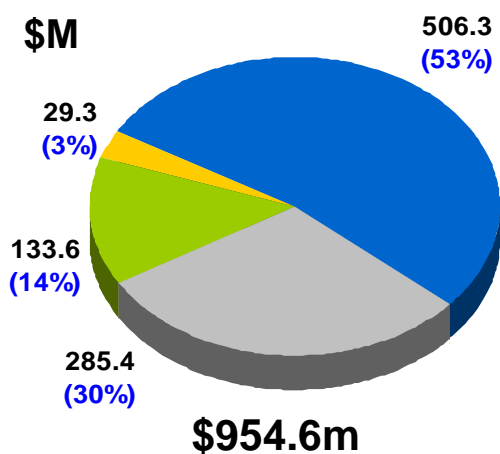
FY 2006

FY 2005

Revenue by Segment



Profit Before Tax by Segment



Profit by Segment

(Before Tax)

	2006 \$m	2007 \$m	% Change
Property Development	226	506	↑ 124
Hotel Operations	396	286	↓ (28) ↑ 16% (1)
Rental Properties	30	134	↑ 347
Others	40	29	↓ (28)
Total	692	955	Overall Increase = 38%

(1) Excluding the one-off gain on sale of long leasehold in four Singapore hotels to CDL Hospitality Trusts of \$150.9 m in Year 2006, the pre-tax profit of the Hotel Operations would have increased by 16%.



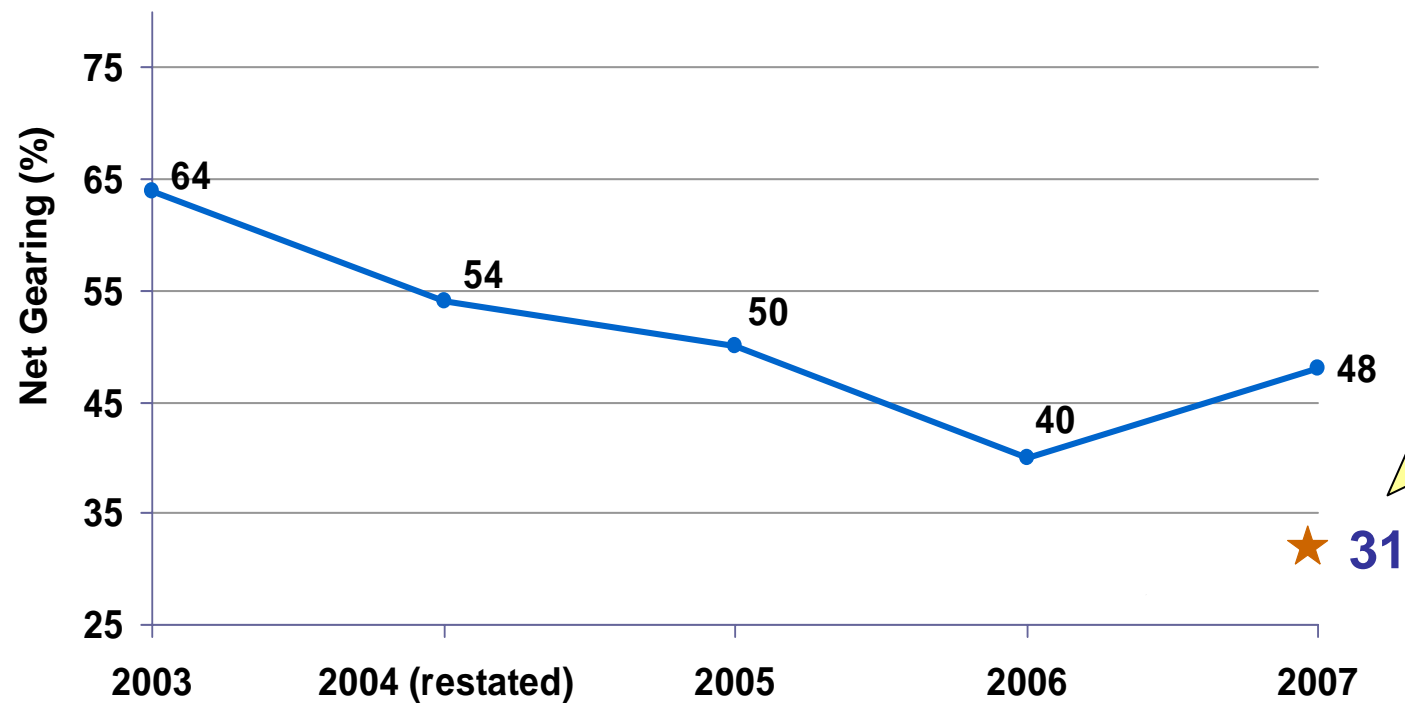
Net Borrowings

	As at 31/12/06	As at 31/12/07	Incr/(Decr) %
<u>CDL Group Total</u>			
Net Borrowings	\$2,579m	\$3,327m	29
Interest Cover Ratio	7.9 x	10.5 x	33
Average Interest Rate of Borrowings	3.90% to 5.19%	3.54% to 4.94%	



Net Gearing

CDL's Net Gearing (%) (2003 – 2007)
(exclude fair value gains on investment properties)

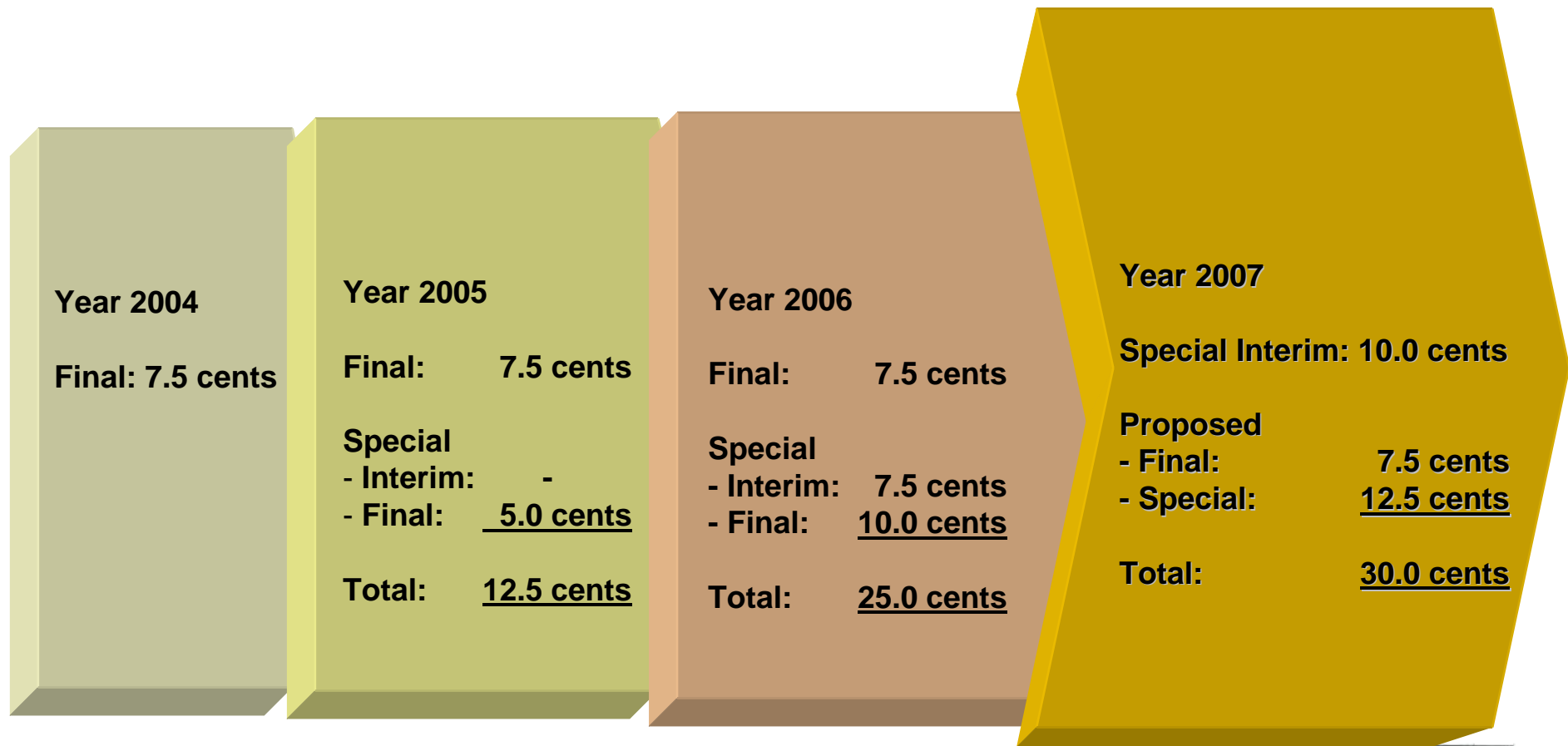


After taking into
fair value gains
on investment
properties



Dividends

Ordinary Dividend Per Share

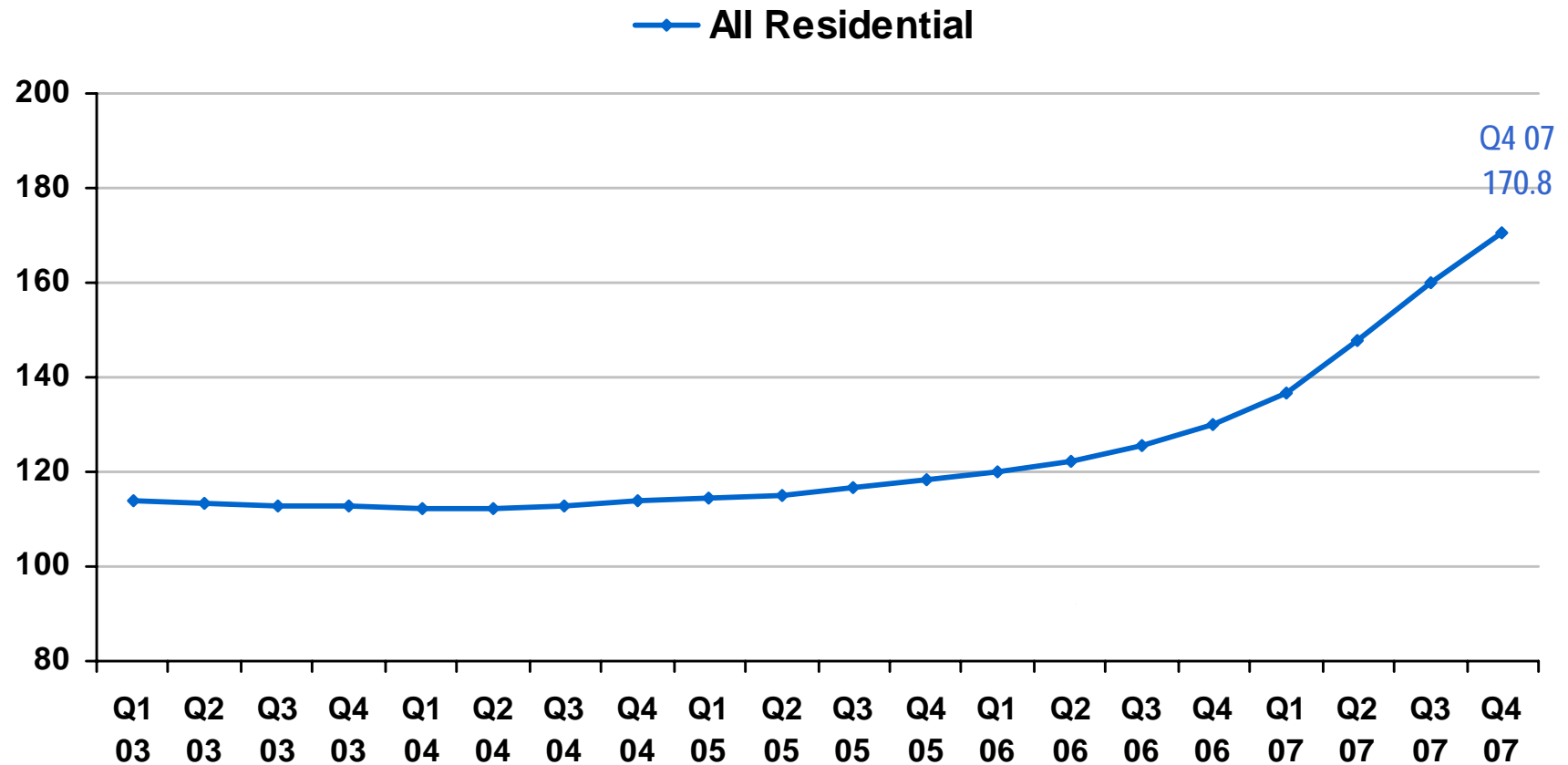


Singapore Property Market



Singapore Property Market

Property Price Index - Residential (2003 – 2007)

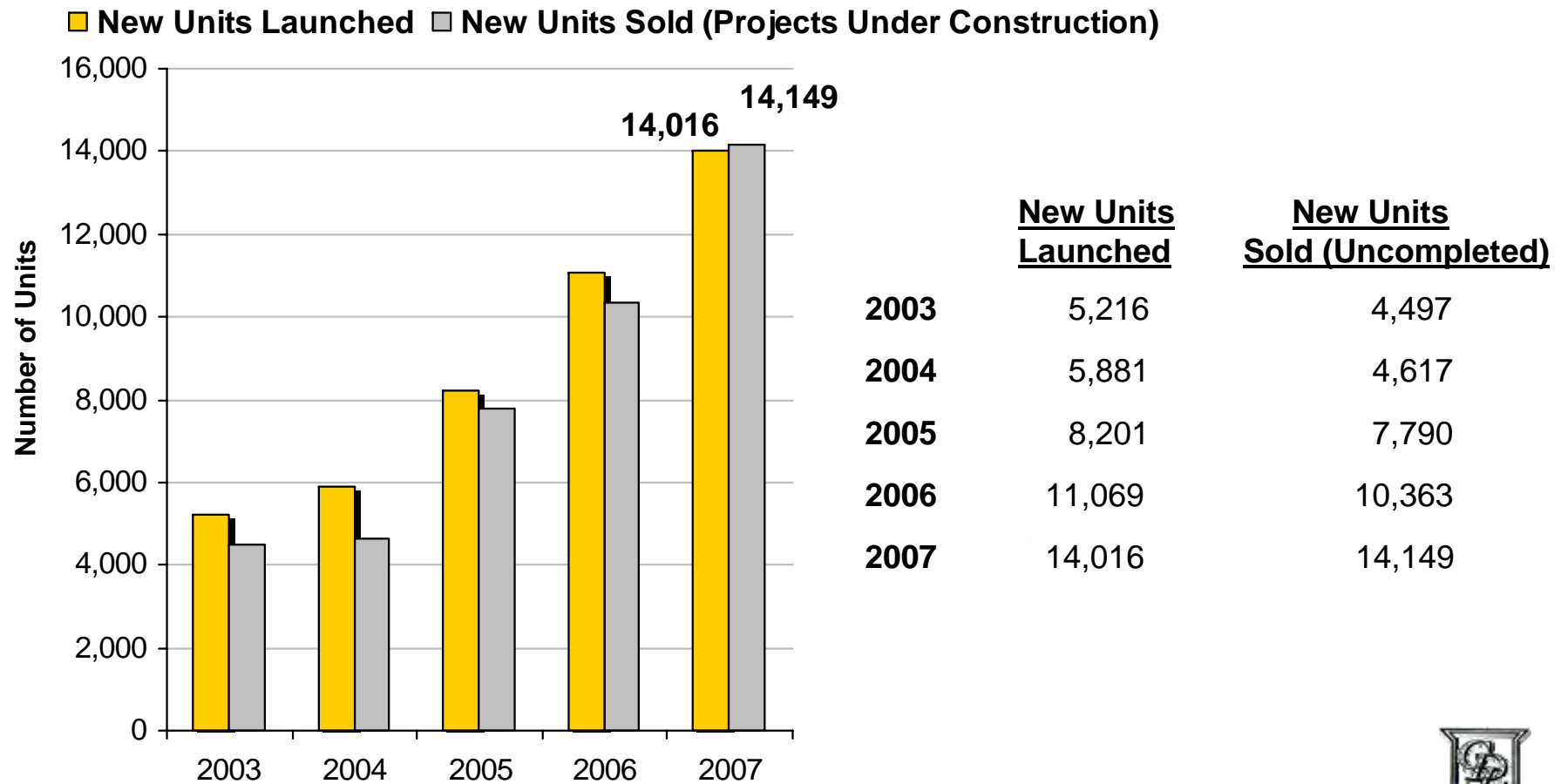


Source : URA, 4Q 2007



Singapore Property Market

No. of New Private Residential Units Launched vs Units Sold (Projects Under Construction) (2003 – 2007)

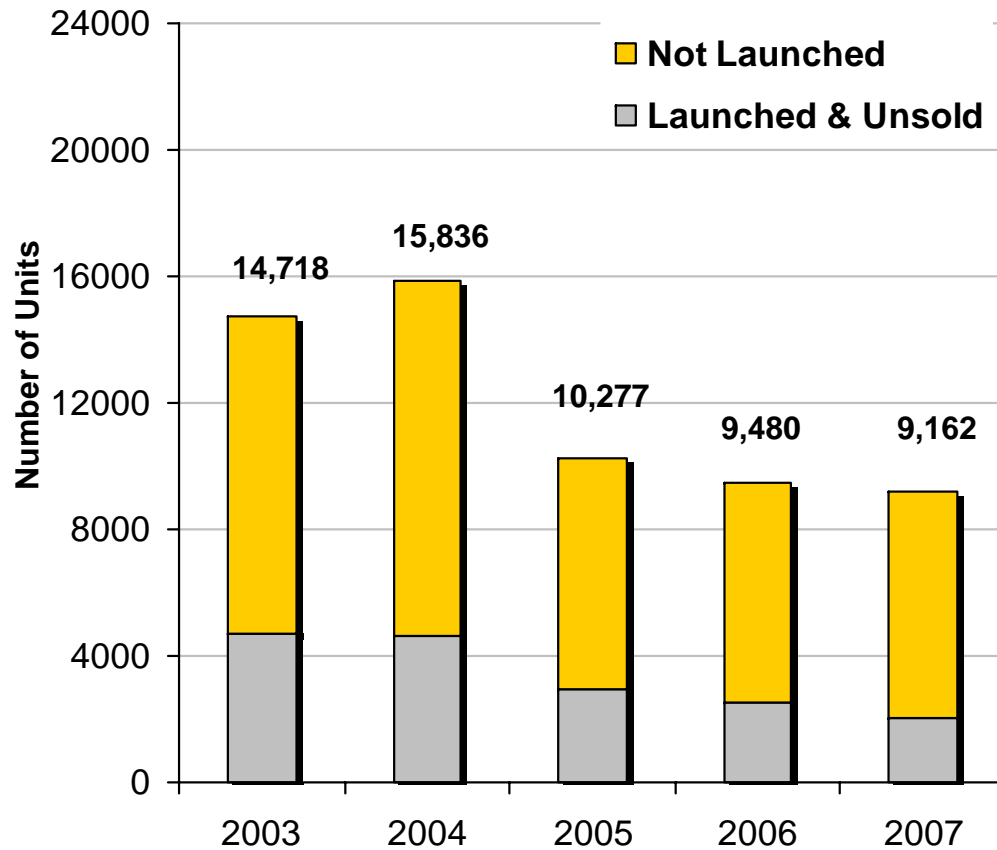


Source : URA, 4Q 2007



Singapore Property Market

No. of Uncompleted Private Residential Units Available (2003 – 2007)



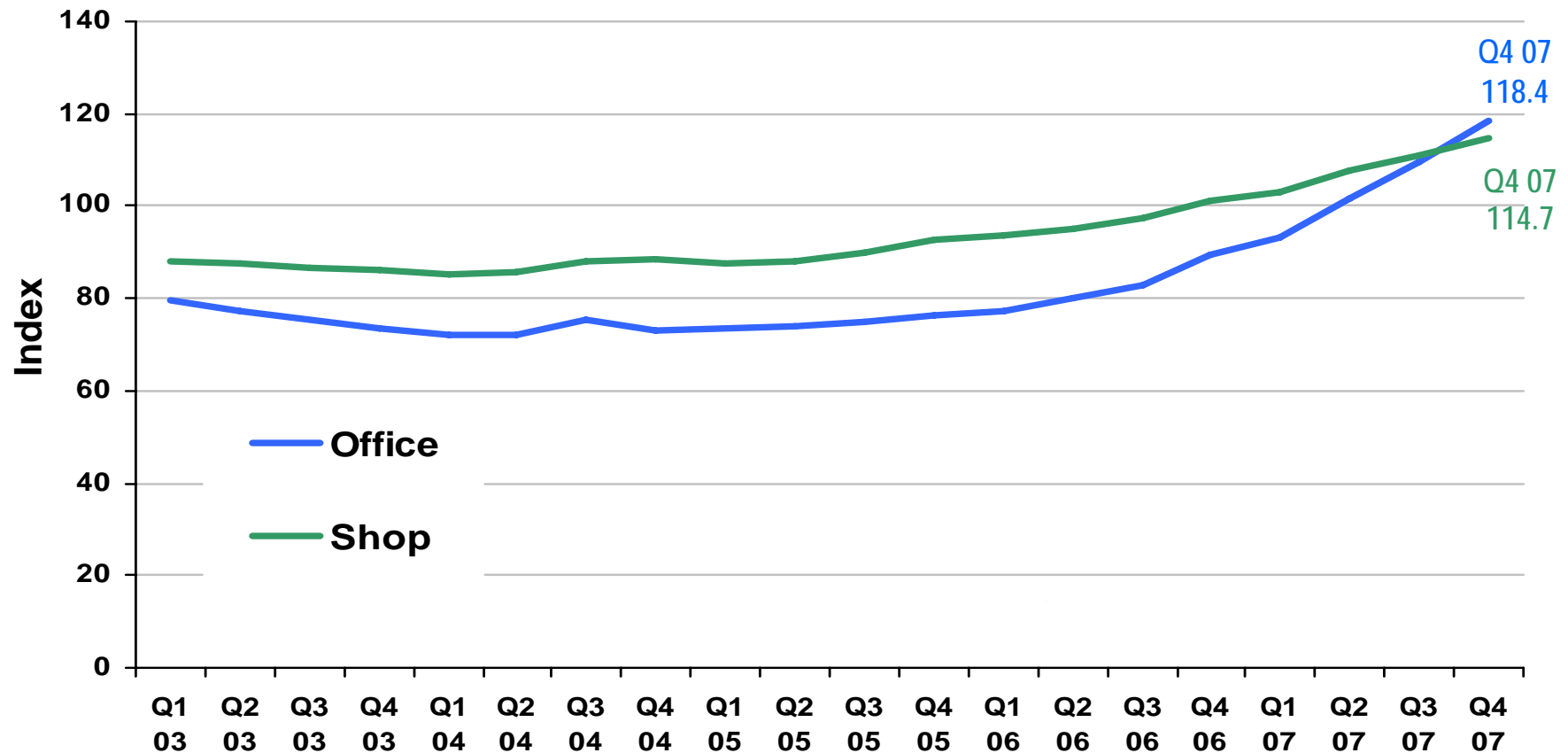
	<u>Launched & Unsold</u>	<u>Not Launched</u>	<u>Total</u>
2002	4,970	10,707	15,677
2003	4,722	9,996	14,718
2004	4,639	11,197	15,836
2005	2,949	7,328	10,277
2006	2,536	6,944	9,480
2007	2,063	7,099	9,162

Source : URA, 4Q 2007



Singapore Property Market

Property Price Index - Commercial (2003 – 2007)

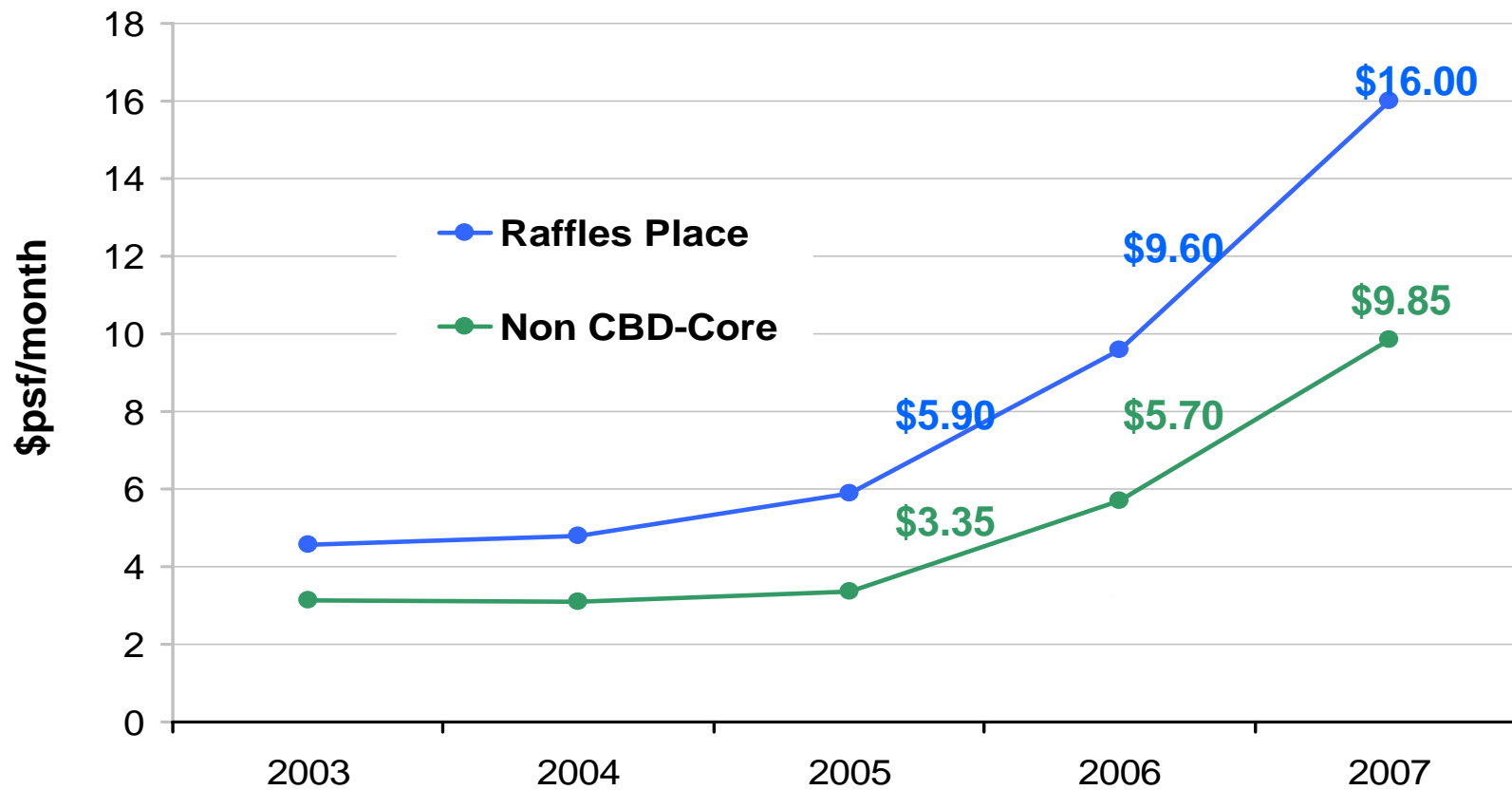


Source : URA, 4Q 2007



Singapore Property Market

Average Office Rental in CBD (2003 – 2007)

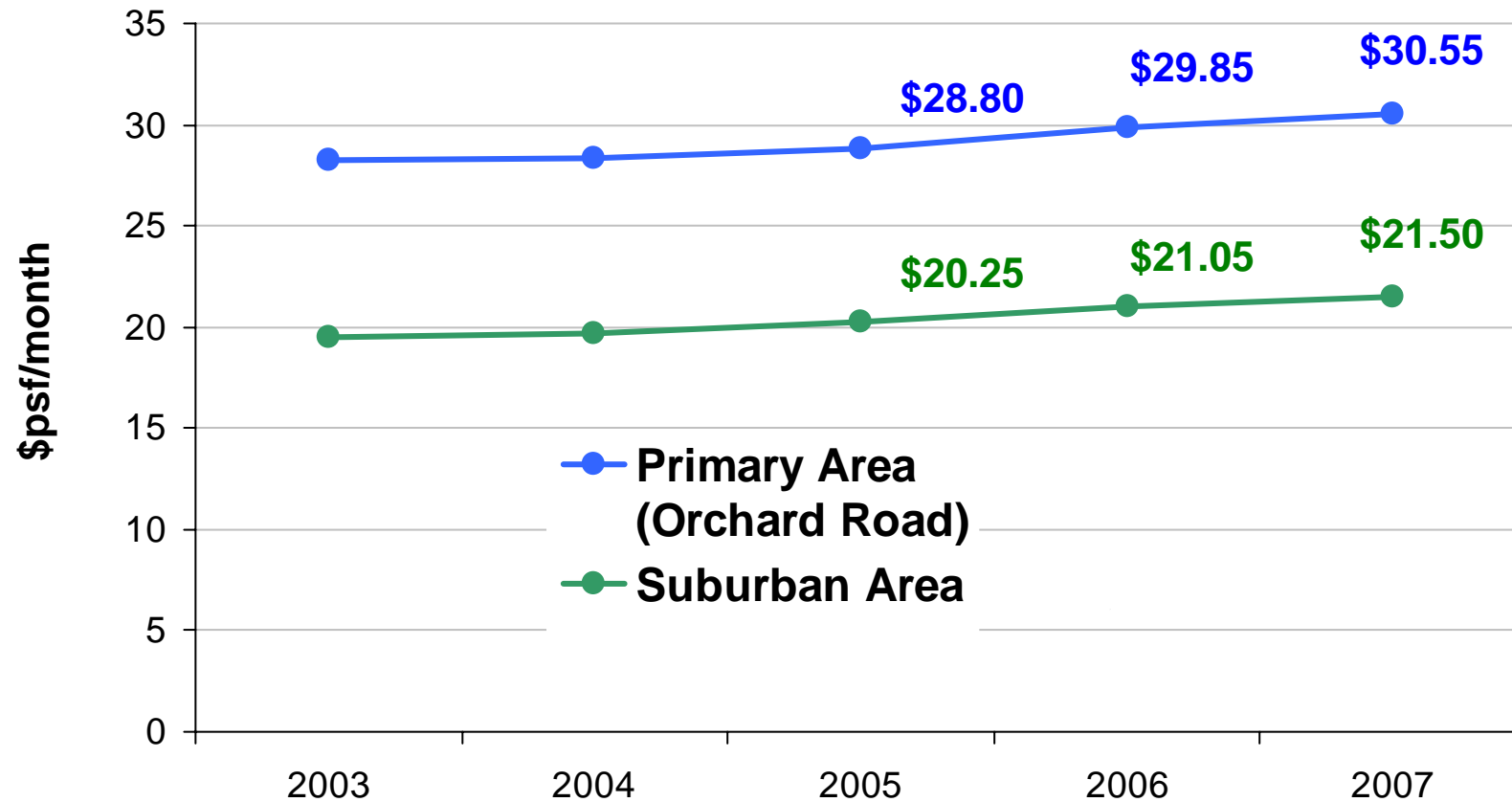


Source : JLL Research, 4Q 2007



Singapore Property Market

Average Prime Level Retail Rental (2003 – 2007)



Source : JLL Research, 4Q 2007



Operations Review



Property Development

(Units Booked / Sold)

	Sales Value* \$'000	No. of Units*	Total Floor Area (sq ft)
2007	\$3,380,052	1,655	2,363,470
2006	\$2,765,344	1,337	2,161,042

Sales value of units sold/booked in FY 2007 increased by 22%

* Includes share of JV partners



Operations Review

New Residential Project Launches for 1H 2008



Artist's impression

Shelford Suites
Shelford Road
77 units



Operations Review

New Residential Project Launches for 1H 2008



Artist's impression

Former Lock Cho Apartments

Jalan Datoh/ Jalan Raja Udang
(Off Thomson Road)

336 units



Operations Review

New Residential Project Launches for 1H 2008



The Quayside Isle @ Sentosa Cove

Sentosa Cove

228 units

Artist's impression



Operations Review

New Residential Project Launches for 1H 2008

Projects	Units
Shelford Suites (Total 77)	77
Former Lock Cho Apartments (Total 336)	100
The Quayside Isle @ Sentosa Cove (Total 228)	100
Pasir Ris Parcel 1 (Total 724)	150
Total	427



Operations Review

Land Bank – Acquisitions in 2007

- Approximately \$1.345 billion (including the Group's share of JV projects).
- The largest acquisition was South Beach, a highly-coveted site at the Civic District.
- CDL-led international consortium was awarded the 1.6 million square feet GFA site at a tender price of \$1.688 billion.
- South Beach is an equal partnership among the three conglomerates.



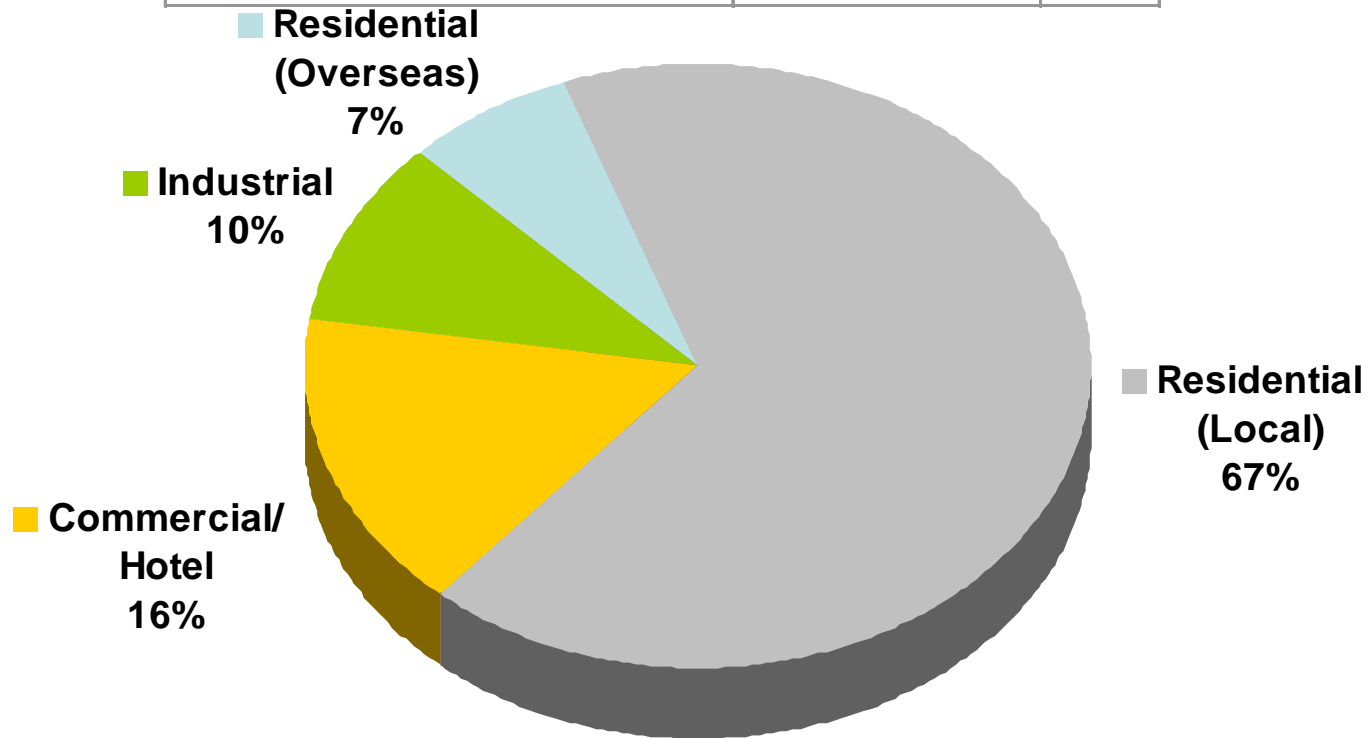
*South Beach – artist's impression
Singapore's revolutionary new Eco-Quarter*



Operations Review

Land Bank by Sector (As at 1 January 2008)

Type of Development	Land Area (sq ft)	%
Residential (Local & Overseas)	3,346,302	74
Commercial / Hotel	739,597	16
Industrial	462,818	10
TOTAL	4,548,717	100

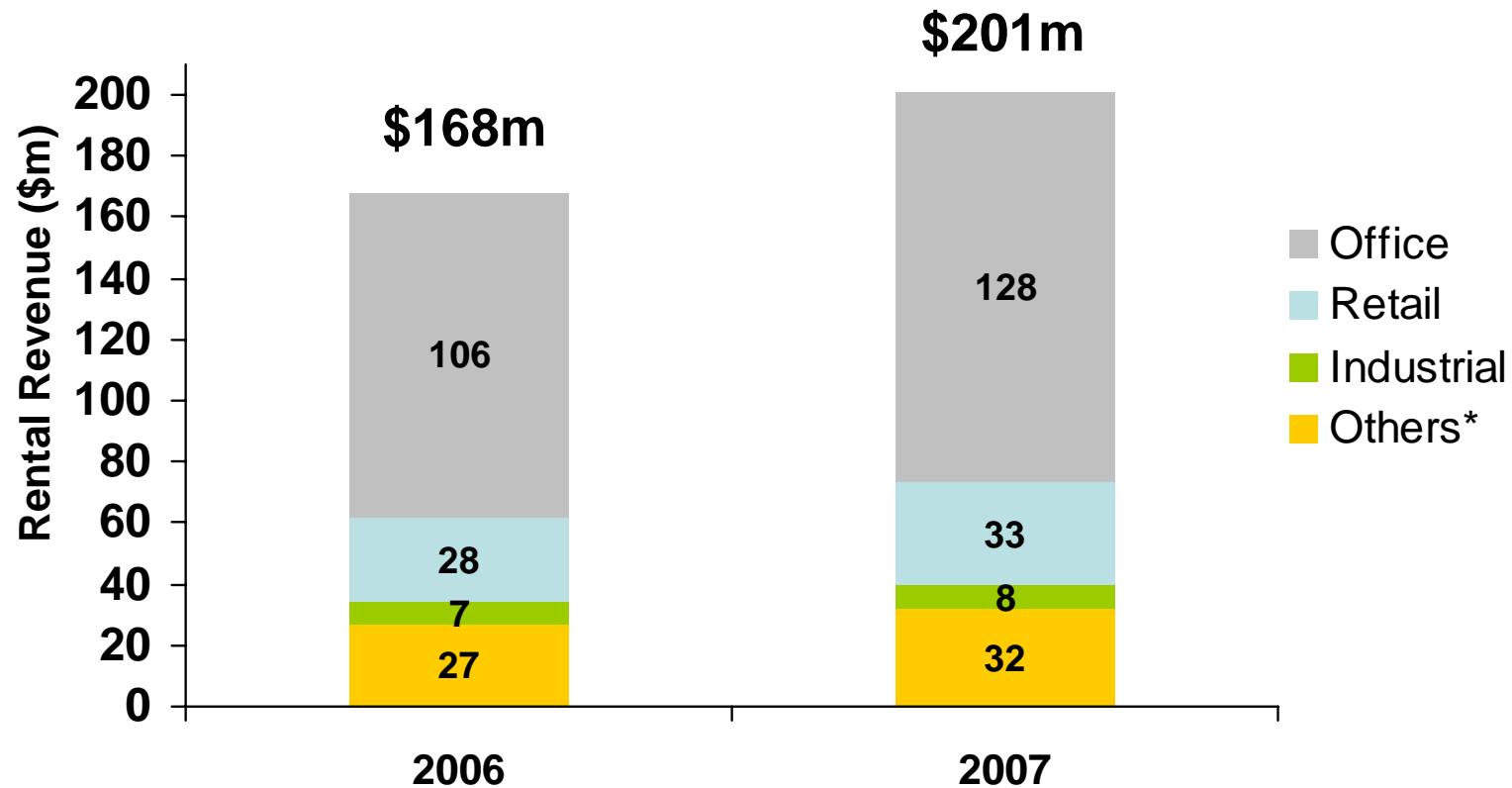


Proposed GFA – 9.1 million sq ft



Operations Review

Rental Revenue by Sector (2006 vs 2007)

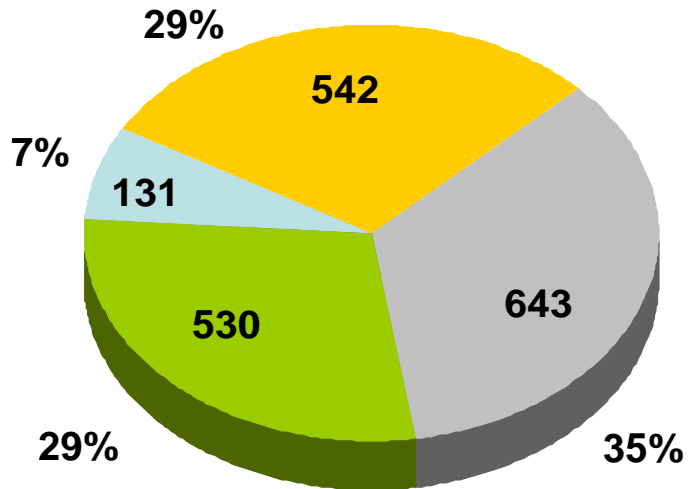


* Including car park, serviced apartment and residential



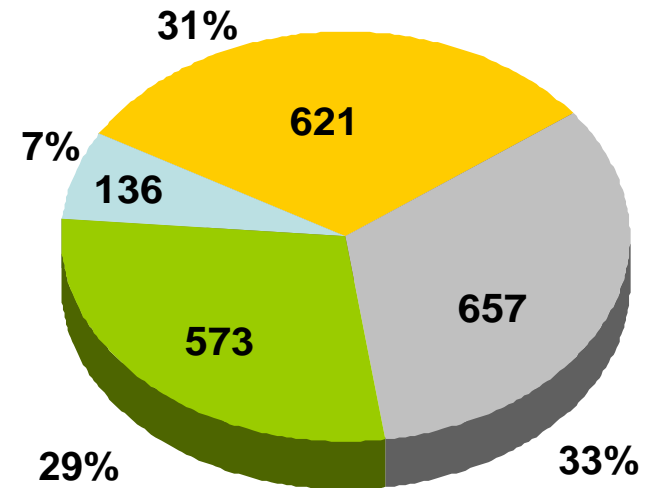
Hotel Revenue by Region

2006



\$1,846m

2007



\$1,987m

**Overall change
= ↑8%**

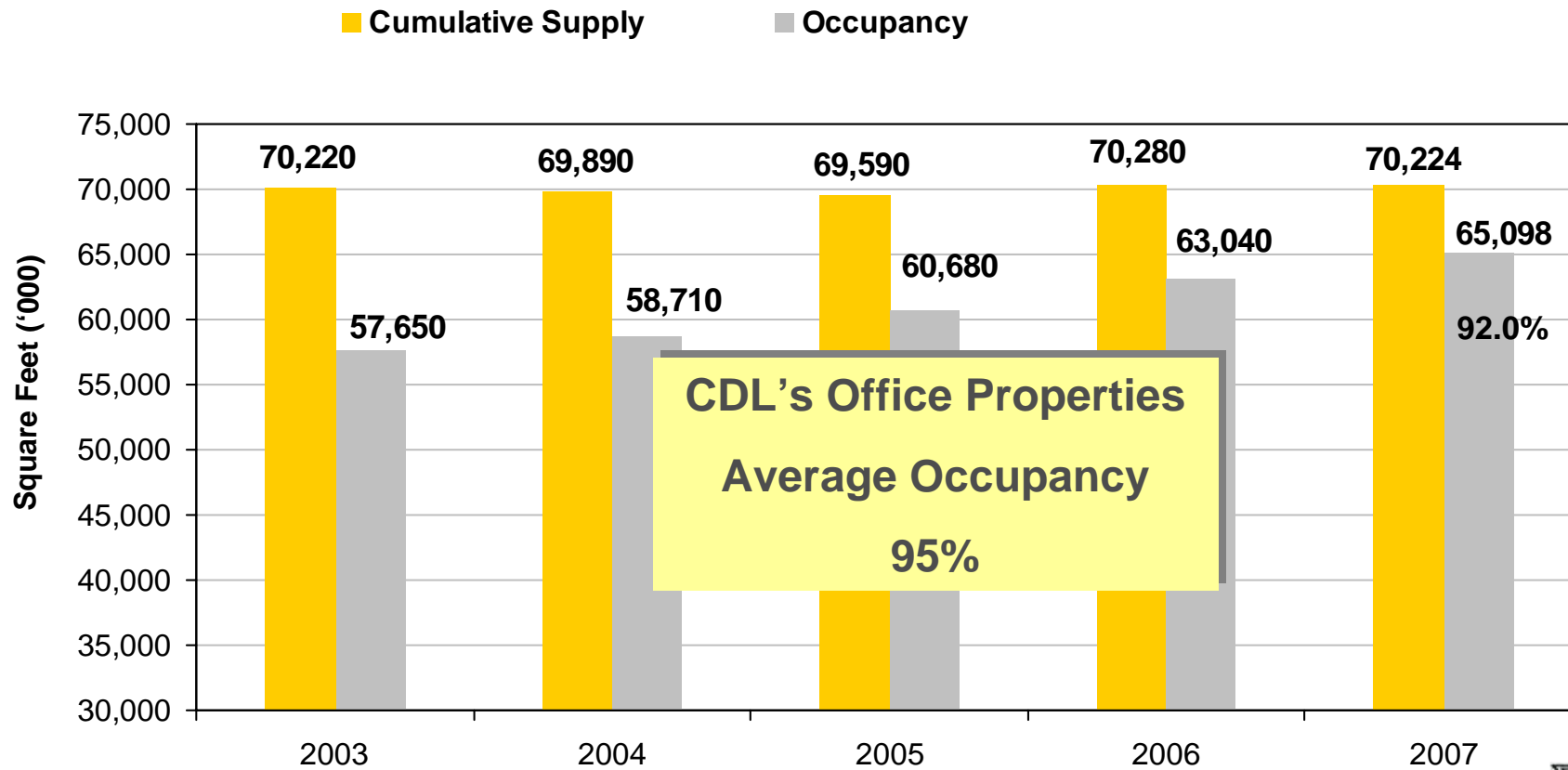
* Middle East : Year 2007 : \$5m, Year 2006: NIL



Operations Review

Office Space Demand & Supply (2003 – 2007)

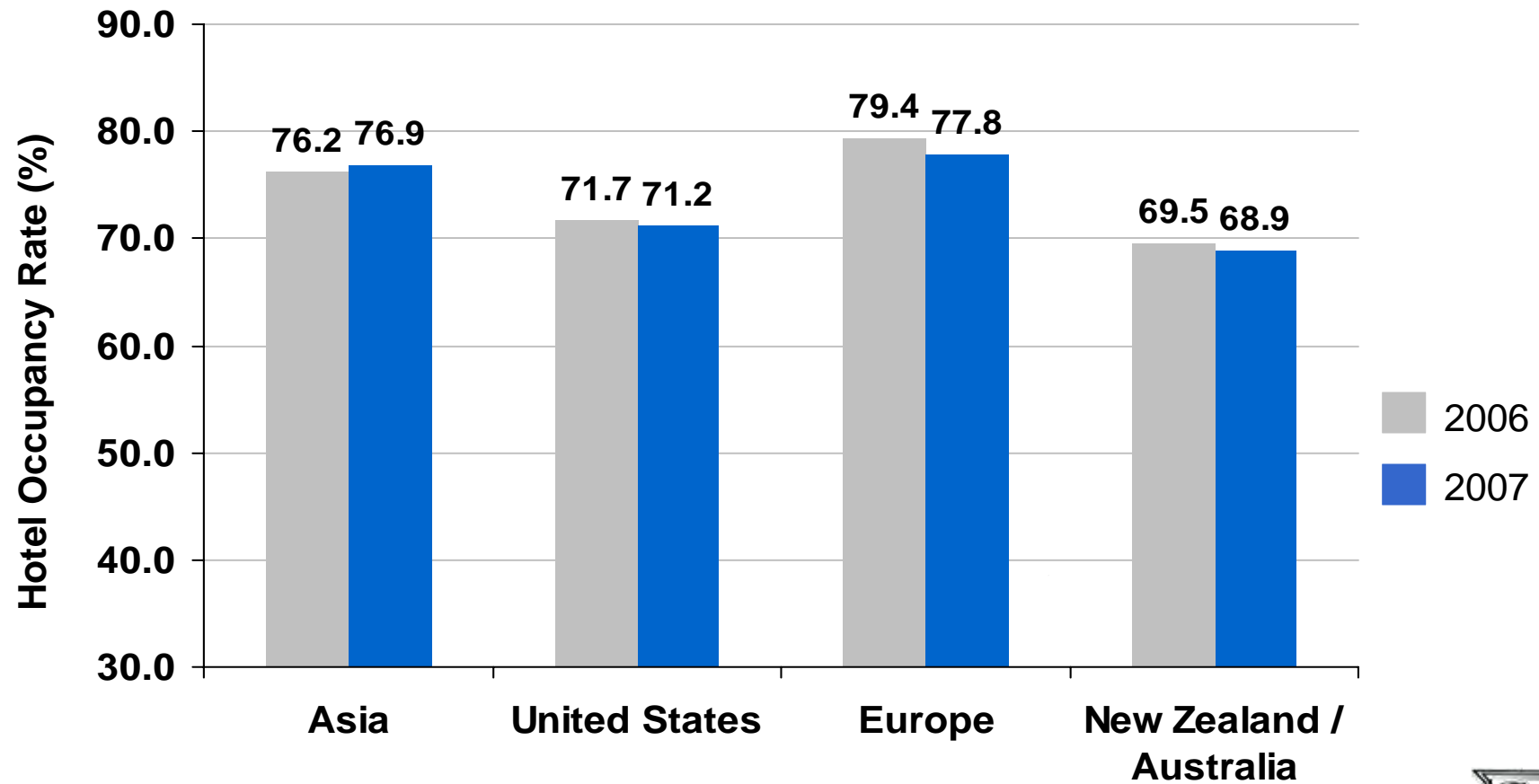
Private & Public Sector



Source : URA, 4Q 2007

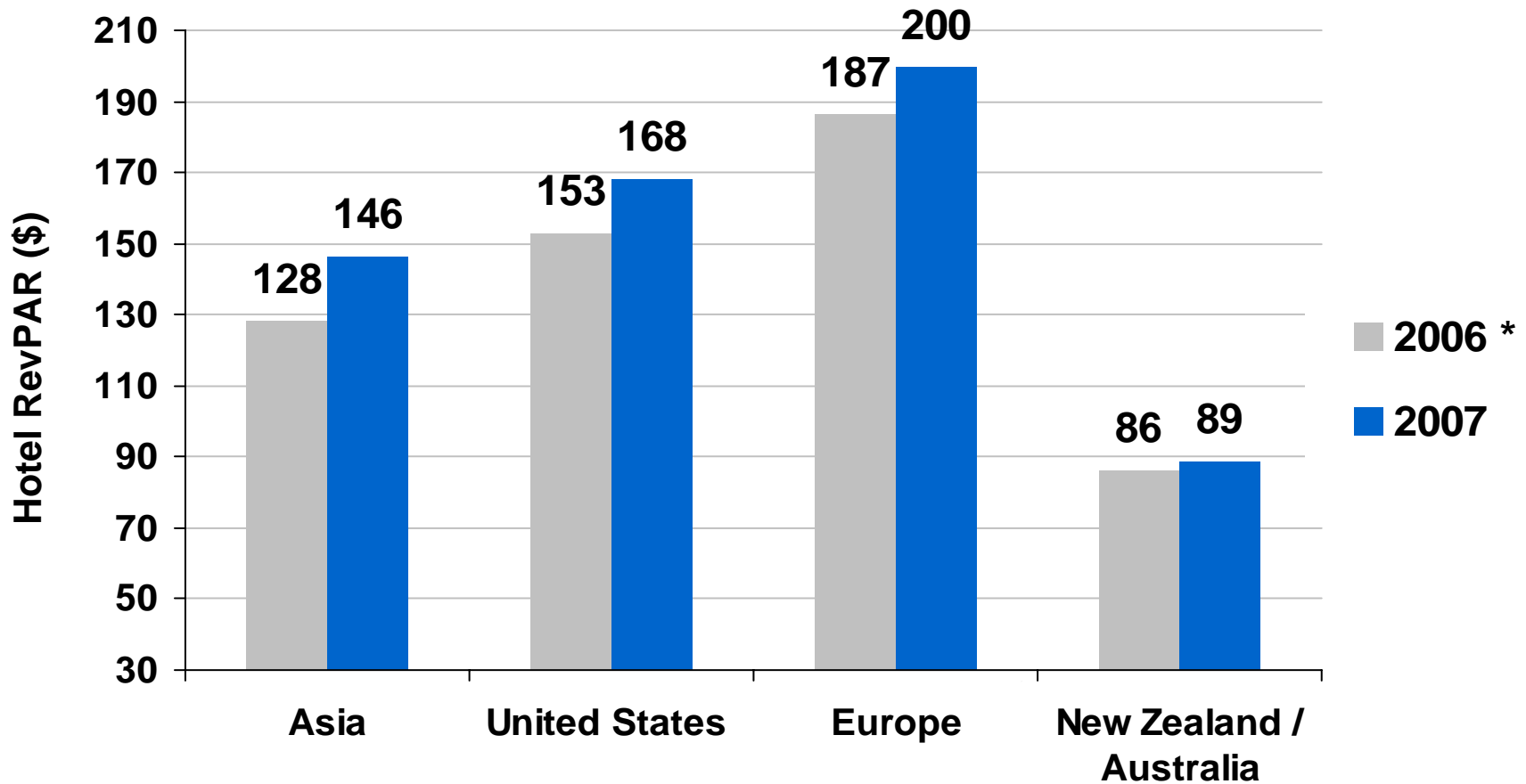


Hotel Occupancy by Region



Hotel REVPAR

(Revenue per available room)



* For comparability, the year 2006 RevPAR has been translated at constant exchange rates (31 Dec 2007).



Market Outlook



Market Outlook

Singapore Economic Outlook

- Singapore economy grew robustly in 2007 with GDP growth of 7.7%
- Construction sector grew by a hefty 46% with volume of contracts awarded hitting \$24.5 billion
- Singapore's GDP growth forecast for 2008 revised downwards to between 4% and 6% due to external economic conditions
- World economic outlook remains uncertain for the first half of 2008



Market Outlook

Singapore Economic Outlook

- Depending on when the global economy stabilises, the Singapore property market will likely remain subdued
- However, Singapore has strong fundamentals with forward-looking strategies
- Singapore is in the global limelight with two Integrated Resorts, high-profile events and investments
- The city is poised for a new era of sustainable growth with its restructured economy



Market Outlook

Property Market - Residential

- Residential property price index increased by 31.2% in 2007
- Transaction volume for the primary market achieved a new record with 14,811 units sold
- However, in Q4, the sub-prime issue has affected the Singapore property market with subdued sentiments
- High-end properties which have seen steep phenomenal price growth is consolidating
- Mass property market is below the last peak of 1996, leaving room for growth



Market Outlook

Property Market - Office Rentals

- Office sector was extremely robust in 2007
- Islandwide, occupancy improved from 89.7% in 2006 to 92.7% in 2007
- Strong demand and limited supply led to a steep rental increase of more than 50% for 2007
- Potential supply may be delayed as there is a strain on the construction industry
- Rentals are likely to remain healthy before new supply comes on-stream



**Moving
Forward**



Moving Forward

Residential

- Locked-in better-than-expected profits having pre-sold properties
- Profits will continue to be recognised progressively based on construction progress
- Gearing is relatively low. Financially, it can afford to pace or delay launches depending on market conditions
- Will proceed with construction for projects where construction cost has been favourably secured. May consider constructing select projects when the construction cost stabilises at a reasonable level
- Will be in the position to meet pent-up demand when market improves



Shelford Suites – artist's impression



Moving Forward

Office Rentals

- As one of the biggest landlords in Singapore, CDL will benefit from the office crunch and pent-up demand
- Key tenant leases are up for renewal
- Expediting the development of Tampines Grande commercial plot to tap on the strong demand for office space outside the CBD
- Healthy rental renewals and tight office supply augurs well for the CDL's office rental segment

Republic Plaza



Moving Forward

Hotel

- Over 110 hotels in 18 countries with more than 26,000 rooms

	<u>Rooms</u>
USA:	7,771
Europe:	5,560
Middle East:	1,528
Asia:	7,713
New Zealand:	3,618

- Twin strategy of being both a hotel owner and operator
 - Cash generation capabilities
 - Capitalises on hotel assets over time



Grand Millennium Kuala Lumpur



Extracting greater value from its property – Millennium Residence

A luxury 135-unit residence to be built on a vacant piece of land next to the Grand Millennium KL



Moving Forward

Hotel

- M&C's hotels are well spread-out geographically with well-distributed revenue stream
- M&C has a robust balance sheet, strong asset position and low debt to capitalise on new opportunities under current economic climate



Millennium Hotel Paris Opera

Millennium Biltmore Los Angeles



Moving Forward

Hotel

- 4 new hotels opened in 2007



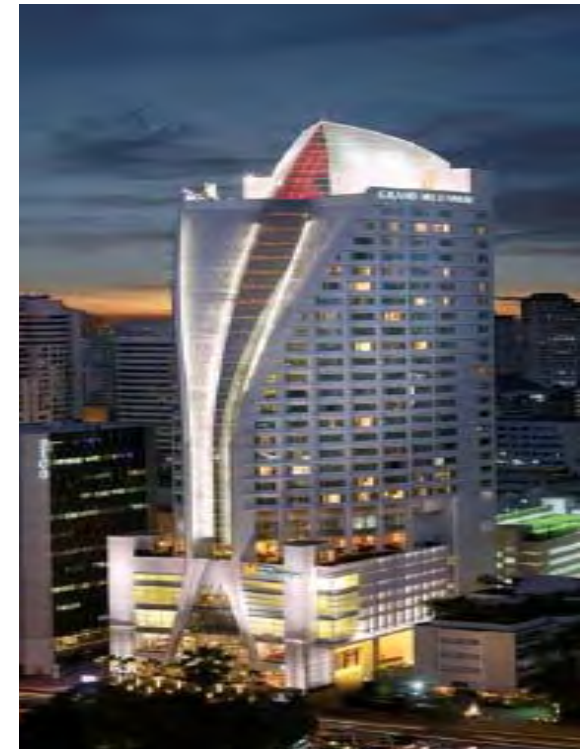
*Millennium Resort Hotel
Patong, Phuket*



Millennium Oyoun Sharm El Sheikh Hotel, Egypt



*Millennium Hotel
Doha, Qatar*



Grand Millennium Sukhumvit Bangkok



Moving Forward

Hotel – Opening Soon



*Copthorne Hotel Sheffield
at Sheffield Football Club
– opening November 2008*



*Millennium Chengdu –
opening 2008*



Grand Millennium Beijing – opening April 2008



*Millennium Wuxi –
opening 2008*

All visuals are artist's impressions



Moving Forward

Hotel - Singapore

- Hospitality in Singapore is performing strongly
- Anticipates the next wave of growth to be 2011 when the two IRs are open and operating successfully



M Hotel, Singapore



The St. Regis Singapore



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.



CITY DEVELOPMENTS LIMITED



A Pioneer in CSR

A long-standing commitment to CSR

Our CSR Commitment is integral to our Corporate Mission:

To be a responsible corporate citizen who creates value for stakeholders, conduct sustainable business practices, cares for the community and protects the environment.

CSR Recognition:

- President's Award for the Environment (2007)
- President's Social Service Award (2007)
- FTSE4Good Index (since 2002)
- Founding member of Singapore Compact for CSR and member of the UN Global Compact in Singapore



*City Square Mall –
First commercial development awarded BCA Green Mark Platinum*



A Pioneer in CSR

CDL – A Forerunner in CSR

- Pioneering CSR for over a decade
- An engaged workforce - Staff Volunteerism through City Sunshine Club
- Long-term sustainable initiatives/programmes in 4 core areas:
 - 1) Charity
 - 2) Youth development
 - 3) The Arts
 - 4) Environment



A Pioneer in CSR

In recognition of CDL's environmentally-sustainable practices

BCA Green Mark Platinum (BCA Awards 2007)

Received 10 awards at the BCA Awards 2007, including two Green Mark Platinum Awards. This is the highest recognition given to a developer in recognition of exemplary green projects and CDL is the first private developer to receive this honour. In 2008, CDL received its third Green Mark Platinum for Cliveden at Grange – the most accorded to any developer.

Watermark Award (2007)

Awarded by Public Utilities Board (PUB) in recognition of CDL's significant contributions towards Singapore's water sustainability, through raising the profile of water contributions, education programmes on water conservation, and support of 3P initiatives.

ISO certification Environment Management System & Quality Management System

In line with CDL's Corporate Green Philosophy, its Property Division (Investment Properties) achieved the coveted ISO 14001 (Environmental Management System) and ISO 9001 (Quality Management System) certification for 14 of its commercial buildings. In 2003, CDL was the first private developer to receive the ISO 14001 for Project Development and Project Management.

