



CITY DEVELOPMENTS LIMITED

# HALF YEAR FINANCIAL REPORT

1 Jan – 30 Jun 2009

13 August 2009

ANALYST / MEDIA BRIEFING



## AGENDA

1. FINANCIAL HIGHLIGHTS
2. SINGAPORE PROPERTY MARKET
3. OPERATIONS REVIEW
4. MARKET OUTLOOK





## SUMMARY OF FINANCIAL HIGHLIGHTS

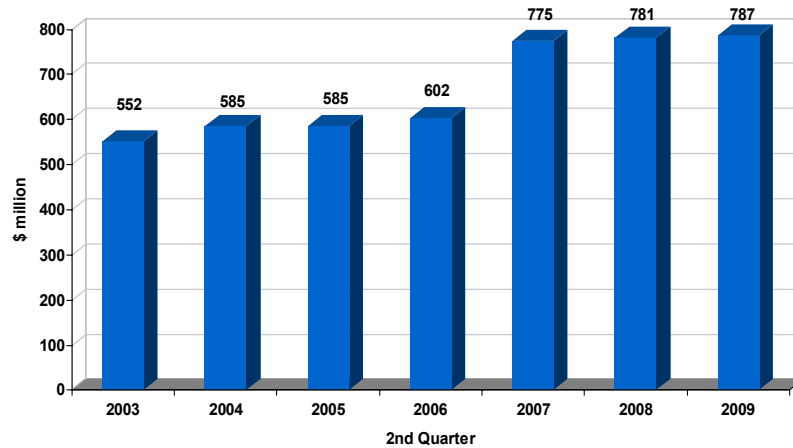
|                                                   | Q1<br>2009 | Q2<br>2009 | Q2<br>2008 | % Change<br>for Q2 | 1H<br>2009 | 1H<br>2008 | % Change<br>for 1H |
|---------------------------------------------------|------------|------------|------------|--------------------|------------|------------|--------------------|
| <b>Revenue (\$m)</b>                              | 623        | 787        | 781        | 0.8                | 1,410      | 1,540      | (8.4)              |
| <b>Profit Before Tax (\$m)</b>                    | 119        | 198        | 249        | (20.5)             | 317        | 481        | (34.1)             |
| <b>PATMI (\$m)</b>                                | 83         | 140        | 165        | (15.3)             | 223        | 330        | (32.4)             |
| <b>Basic Earnings Per Share (cents)</b>           | 9.1        | 14.7       | 17.5       | (16.0)             | 23.8       | 35.6       | (33.1)             |
| <b>NAV Per Share (\$)</b>                         | 6.11       |            |            |                    | 6.18       | 5.77       | 7.1                |
| <b>Cash Flows From Operating Activities (\$m)</b> |            |            |            |                    | 367        | 181        | 102.8              |

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.



## FINANCIAL HIGHLIGHTS

### Revenue for the Quarter Ended 30 June

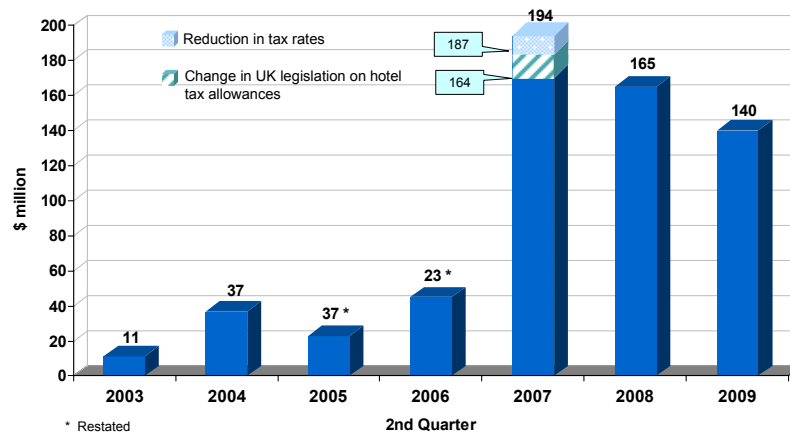


Note : The above financial information is extracted from half-yearly announcements.



## FINANCIAL HIGHLIGHTS

### PATMI for the Quarter Ended 30 June



\* Restated

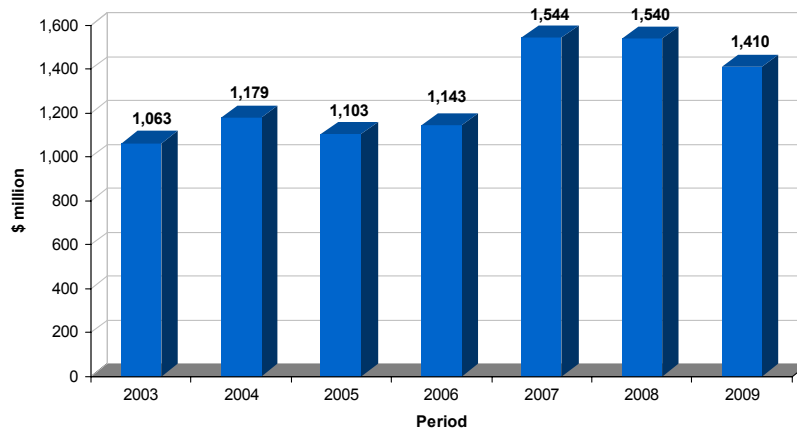
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## FINANCIAL HIGHLIGHTS

### Revenue for the Period Ended 30 June

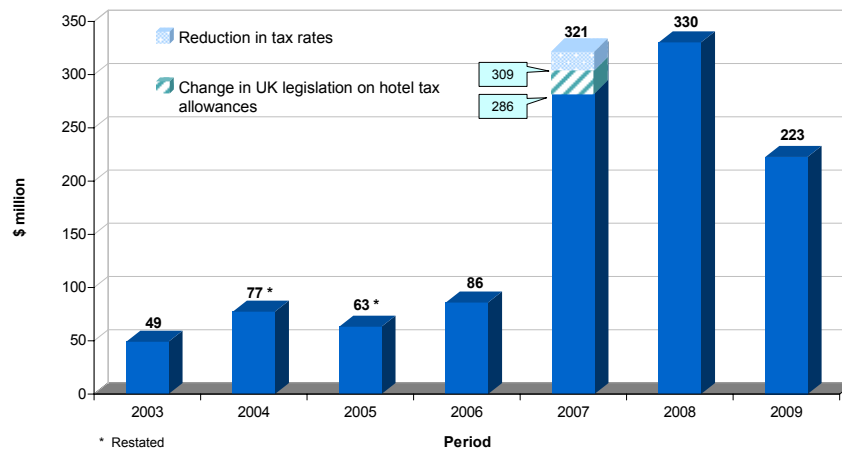


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## FINANCIAL HIGHLIGHTS

### PATMI for the Period Ended 30 June



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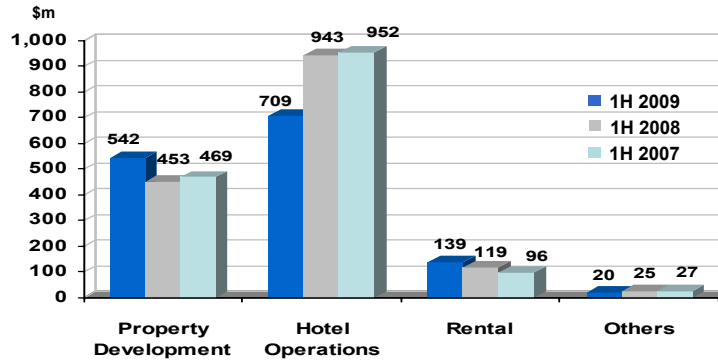
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## FINANCIAL HIGHLIGHTS

Revenue by Segment – 1H 2009 vs 1H 2008 & 1H 2007

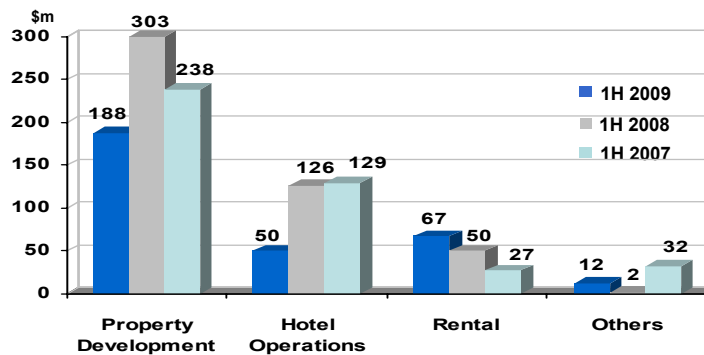


|                      | 1H 2009 | 1H 2008 | 1H 2007 |
|----------------------|---------|---------|---------|
| Property Development | 38%     | 29%     | 30%     |
| Hotel Operations     | 50%     | 61%     | 62%     |
| Rental               | 10%     | 8%      | 6%      |
| Others               | 2%      | 2%      | 2%      |



## FINANCIAL HIGHLIGHTS

Profit Before Tax by Segment – 1H 2009 vs 1H 2008 & 1H 2007



|                      | 1H 2009 | 1H 2008 | 1H 2007 |
|----------------------|---------|---------|---------|
| Property Development | 59%     | 63%     | 56%     |
| Hotel Operations     | 16%     | 26%     | 30%     |
| Rental               | 21%     | 10%     | 6%      |
| Others               | 4%      | 1%      | 8%      |



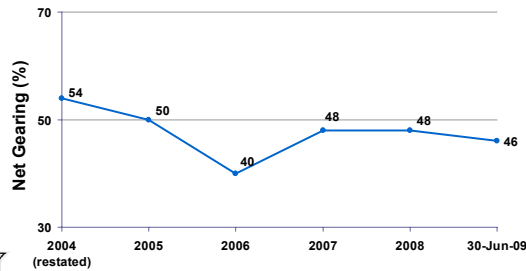
## FINANCIAL HIGHLIGHTS

### Net Borrowings

| <u>CDL Group Total</u>      | As at 30/06/09  | As at 31/12/08  | As at 30/06/08  |
|-----------------------------|-----------------|-----------------|-----------------|
| <b>Net Borrowings</b>       | <b>\$3,350m</b> | <b>\$3,378m</b> | <b>\$3,560m</b> |
| <b>Interest Cover Ratio</b> | <b>10.1 x *</b> | <b>11.0 x</b>   | <b>11.7 x</b>   |

\* The decrease in interest cover ratio is mainly due to lower profit achieved for 1H 2009.

### CDL's Net Gearing (%) (2004 – 1H 2009)



Note:

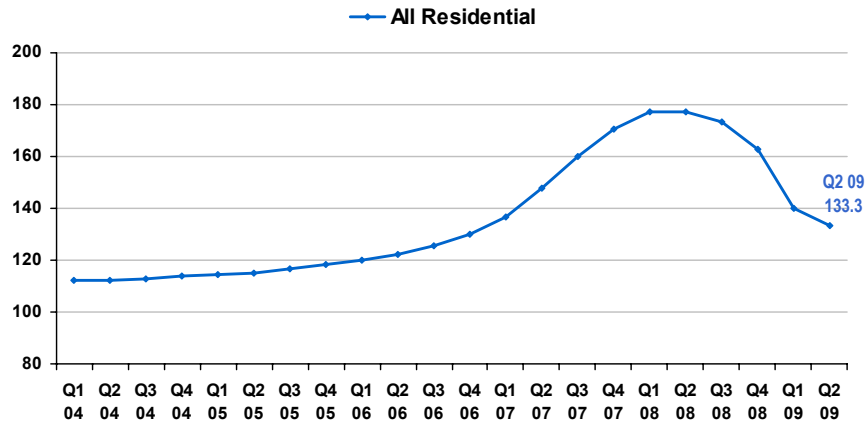
The net gearing ratio does not take into consideration the fair value gains on investment properties.

The gearing ratio will be lower if these fair value gains are taken into account.



## SINGAPORE PROPERTY MARKET

### Property Price Index – Residential (2004 – 1H 2009)



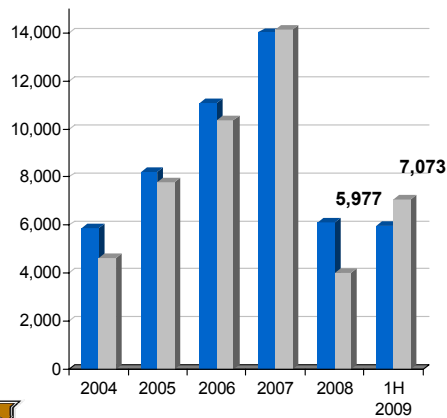
Source : URA, Q2 2009



## SINGAPORE PROPERTY MARKET

### No. of New Private Residential Units Launched vs Units Sold (Projects Under Construction) (2004 – 1H 2009)

■ New Units Launched ■ New Units Sold (Projects Under Construction)



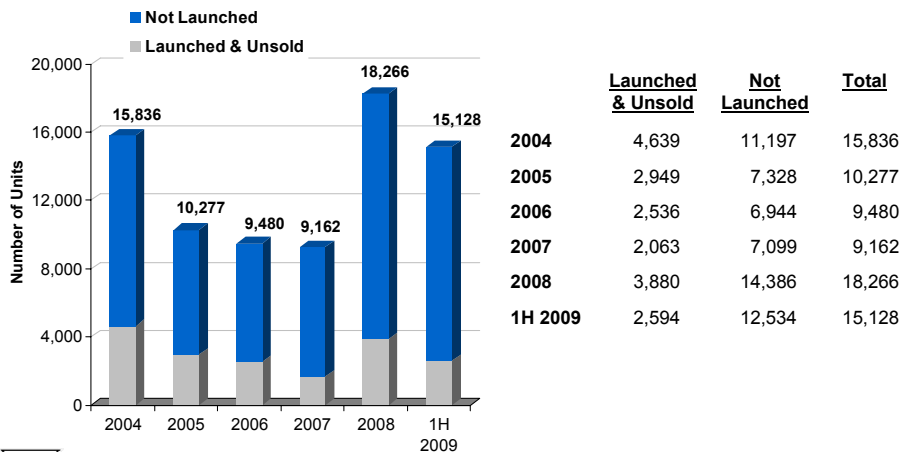
|         | <u>New Units Launched</u> | <u>New Units Sold (Uncompleted)</u> |
|---------|---------------------------|-------------------------------------|
| 2004    | 5,881                     | 4,617                               |
| 2005    | 8,201                     | 7,790                               |
| 2006    | 11,069                    | 10,363                              |
| 2007    | 14,016                    | 14,149                              |
| 2008    | 6,107                     | 4,006                               |
| 1H 2009 | 5,977                     | 7,073                               |

Source : URA, Q2 2009



## SINGAPORE PROPERTY MARKET

**No. of Uncompleted Private Residential Units Available  
(2004 – 1H 2009)**

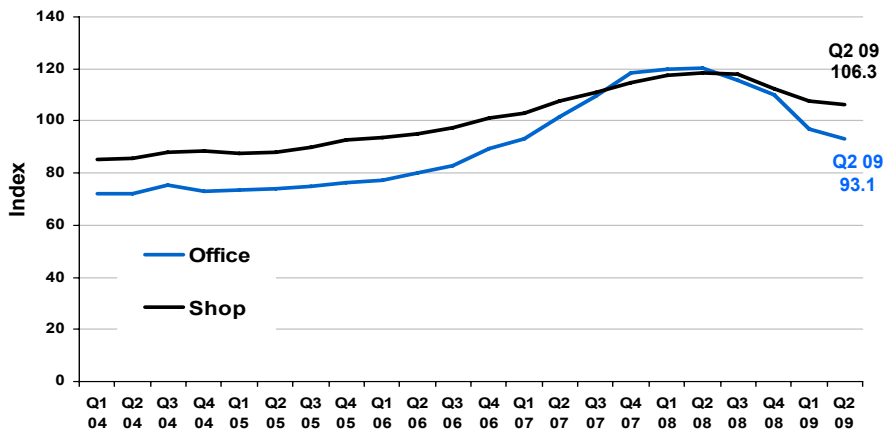


Source : URA, Q2 2009



## SINGAPORE PROPERTY MARKET

**Property Price Index – Commercial (2004 – 1H 2009)**



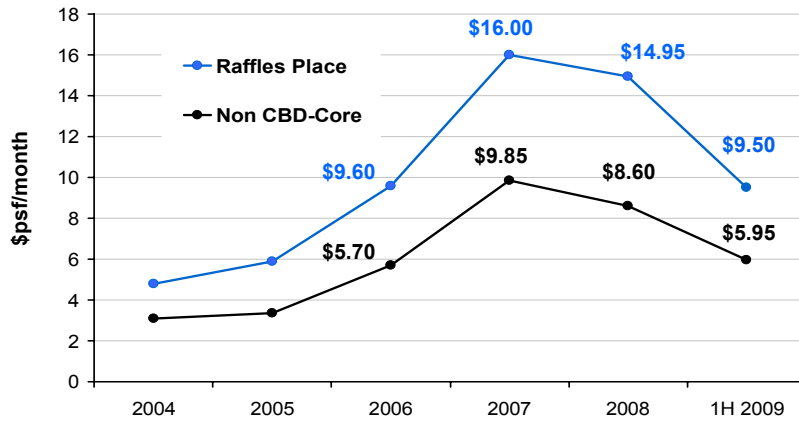
Source : URA, Q2 2009





## SINGAPORE PROPERTY MARKET

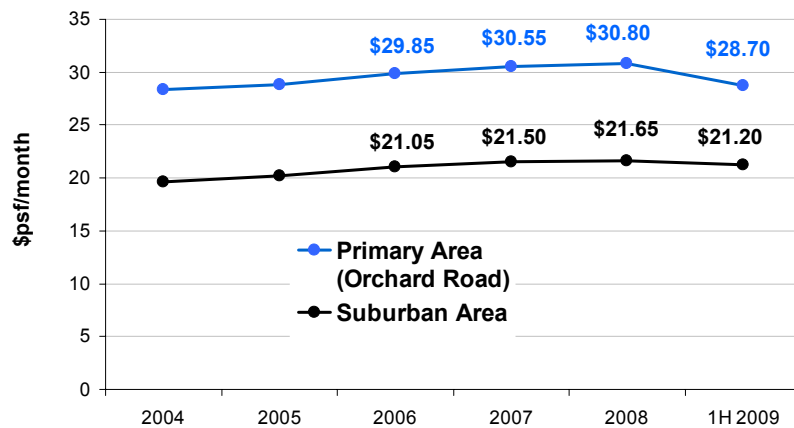
Average Office Rental in CBD (2004 – 1H 2009)



Source : JLL Research, Q2 2009

## SINGAPORE PROPERTY MARKET

Average Prime Level Retail Rental (2004 – 1H 2009)



Source : JLL Research, Q2 2009



## OPERATIONS REVIEW

### Planned Residential Project Launches for 2H 2009 (subject to market conditions)

| Projects                                       | Units | Expected<br>Launch Date |
|------------------------------------------------|-------|-------------------------|
| Former Hong Leong Garden site (Est. total 396) | 200   | Q3 2009                 |
| The Quayside Isle @ Sentosa Cove (Total 228)   | 100   | Q4 2009                 |
| Former Albany site (Est. total 162)            | 100   | Q4 2009                 |

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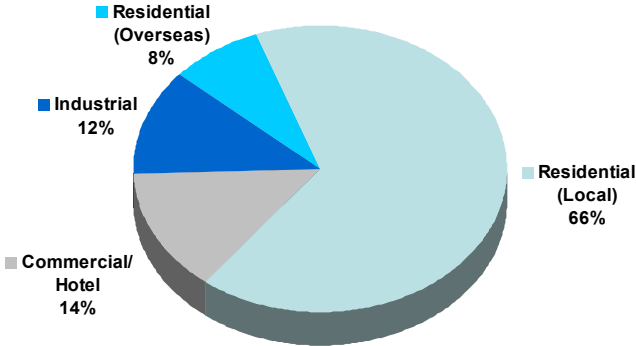
**Total** **400**



# OPERATIONS REVIEW

Land Bank by Sector (as at 30 Jun 2009)

| Type of Development            | Land Area (sq ft) | %          |
|--------------------------------|-------------------|------------|
| Residential (Local & Overseas) | 2,874,595         | 74         |
| Commercial / Hotel             | 529,476           | 14         |
| Industrial                     | 462,818           | 12         |
| <b>TOTAL</b>                   | <b>3,866,889</b>  | <b>100</b> |

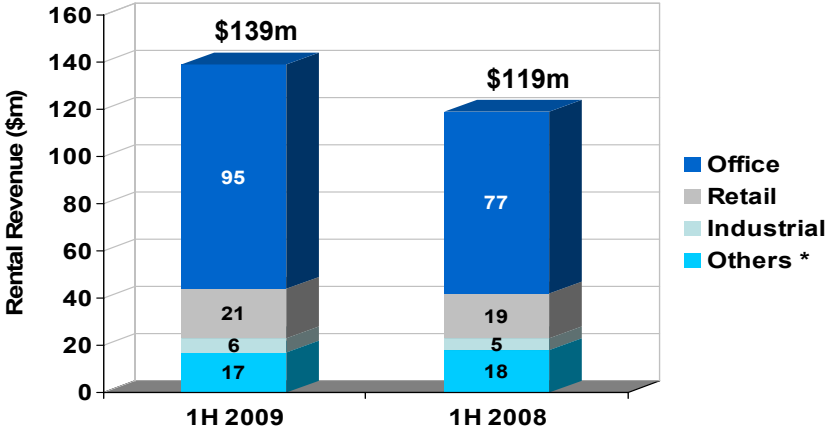


Proposed GFA – 7.5 million sq ft



# OPERATIONS REVIEW

Rental Revenue by Sector

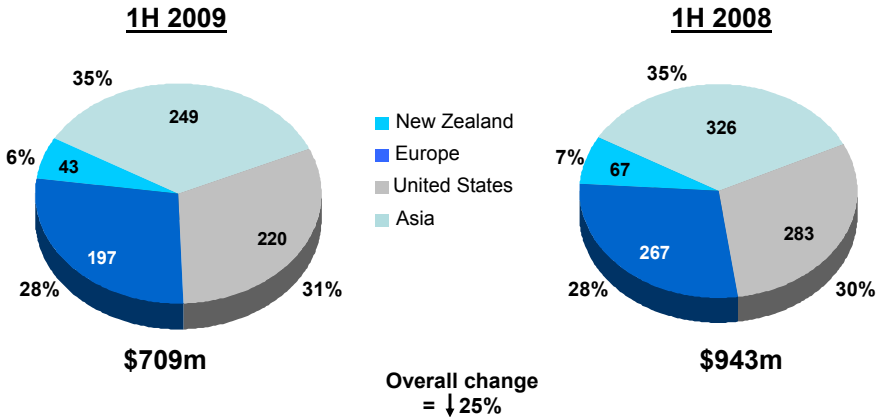


\* Including car park, serviced apartment and residential



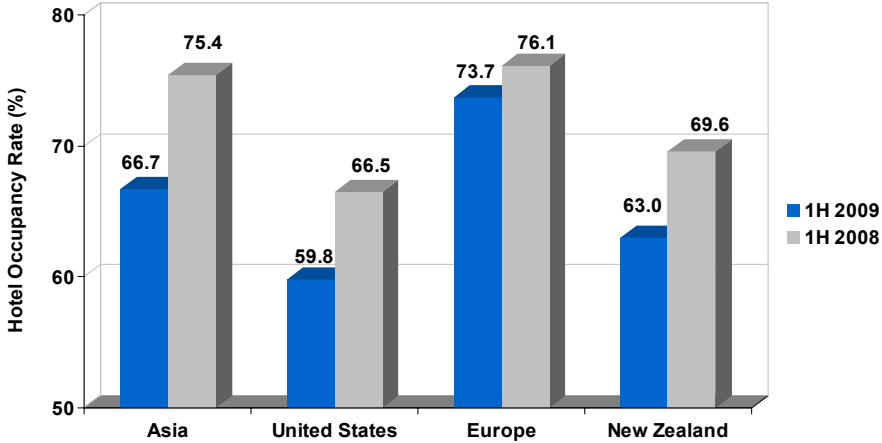
# OPERATIONS REVIEW

## Hotel Revenue by Region



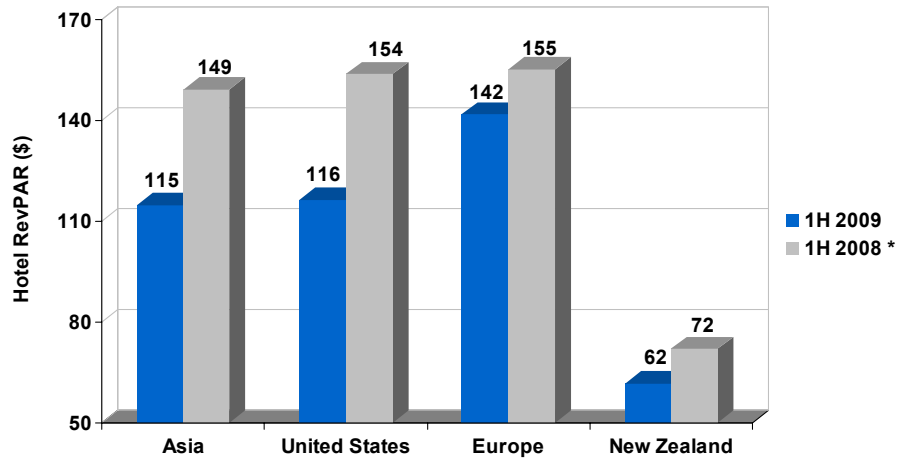
# OPERATIONS REVIEW

## Hotel Occupancy by Region



## OPERATIONS REVIEW

Hotel Revenue Per Available Room at Constant Currency



\* For comparability, 1H 2008 RevPAR has been translated at constant exchange rates (30 June 2009).



## MARKET OUTLOOK

### Singapore Economic Outlook

- Singapore's GDP grew by 20.7% in Q2, reflecting a significant improvement from the 12.2% contraction in Q1
- Year-on-year, GDP contracted by 3.5% in Q2 2009 compared to 9.5% contraction in Q1 2009
- GDP growth for 2009 is maintained at -6.0% to -4.0%
- The Singapore Government remains cautious in its outlook for the rest of the year
- The general belief that the global economy has stabilised or bottomed out earlier than expected has led to an upward trend in major stock market indices since their March 2009 lows – e.g. the Straits Times Index (STI) was about 28% higher than the 31 Dec 2008 level as at end-June 2009



## MARKET OUTLOOK

### Property Market – Residential

- Residential property prices fell by 4.7% in Q2 2009 compared to 14.1% in Q1 2009
- Primary sales exceeding 1,000 units per month resulted for 5 consecutive months since February 2009
- The buying momentum from the mass market from Q1 2009 spilled over into the mid-tier and to some extent, the higher end segments
- Private homes sales by developers rose 79% quarter-on-quarter to 4,654 units in Q2 2009
- For 1H 2009, sales in the primary market totalled 7,250 units, surpassing the 4,264 units sold in the whole of 2008



## MARKET OUTLOOK

### Property Market – Office

- The office sector recorded its third consecutive quarter of negative take-up
- Islandwide, occupancy for office space is 89.2% in Q2 2009 (Q1 2009: 90%)
- Overall rental for office space decreased by a more moderate pace of 7.7% in Q2 2009 compared with the decrease of 10.7% in Q1 2009
- The total potential supply of office space in the pipeline decreased by 3.6% to about 1.24 million sqm of GFA as at end June 2009
- Occupancy for the rest of the year is expected to be relatively stable in view of the limited supply of new office space



### 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 Volari at Balmora*