City Developments Limited

50 Years of Trust

FULL YEAR FINANCIAL REPORT

1 Jan – 31 Dec 2012

28 February 2013

ANALYST / MEDIA BRIEFING

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 HAUS@SERANGOON GARDEN

KEY FINANCIAL HIGHLIGHTS

- Achieved highest revenue of $3.4 billion since inception in 1963.
- Core earnings (PATMI excluding one-off gains) increased by 5.8% compared to 2011, on a like-to-like basis.
- Unlocking shareholder value on the Group's non-core assets to recycle capital for new opportunities.
- Healthy balance sheet with cash and cash equivalents of $2.2 billion and low gearing of 25% (gearing will be 18% if fair value gains on investment properties are included).
- Secured four public land tenders in 2012 – all the sites acquired are near MRT / LRT stations.
- Special final dividend of 5.0 cents per share, in addition to the ordinary dividend of 8.0 cents per share.

SUMMARY OF FINANCIAL HIGHLIGHTS

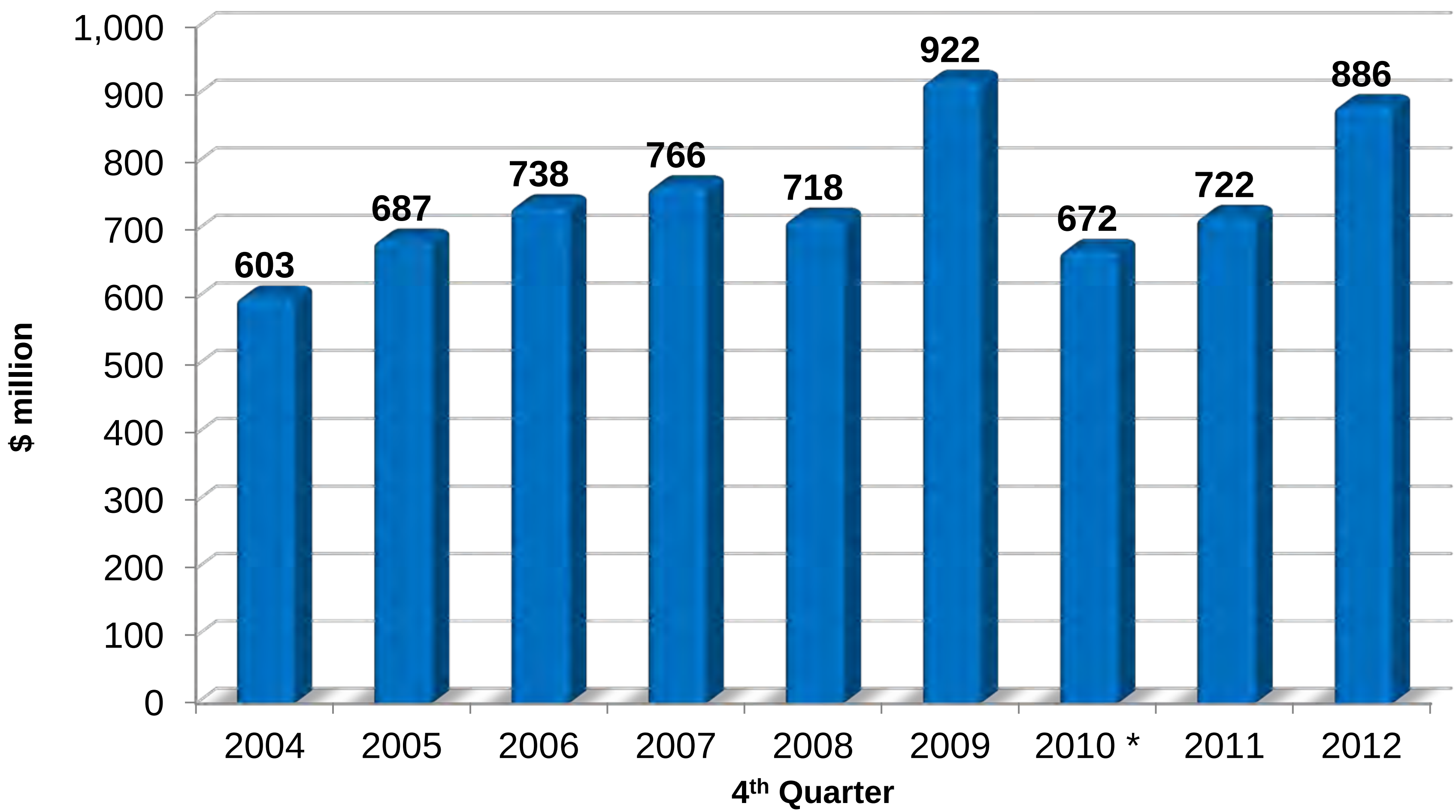
	Q4 2012	Q4 2011	% Change	FY 2012	FY 2011	% Change
Revenue ($m)	886	722	22.8	3,354	3,280	2.2
Profit Before Tax ($m) *	325	246	32.1	960	1,136	(15.5)
PATMI ($m) *	249	163	52.8	678	799	(15.1)
Basic Earnings Per Share (cents)	26.7	17.2	55.2	73.2	86.4	(15.3)
NAV Per Share ($)				8.03	7.51	6.9

* No fair value adopted on investment properties.

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

FINANCIAL HIGHLIGHTS

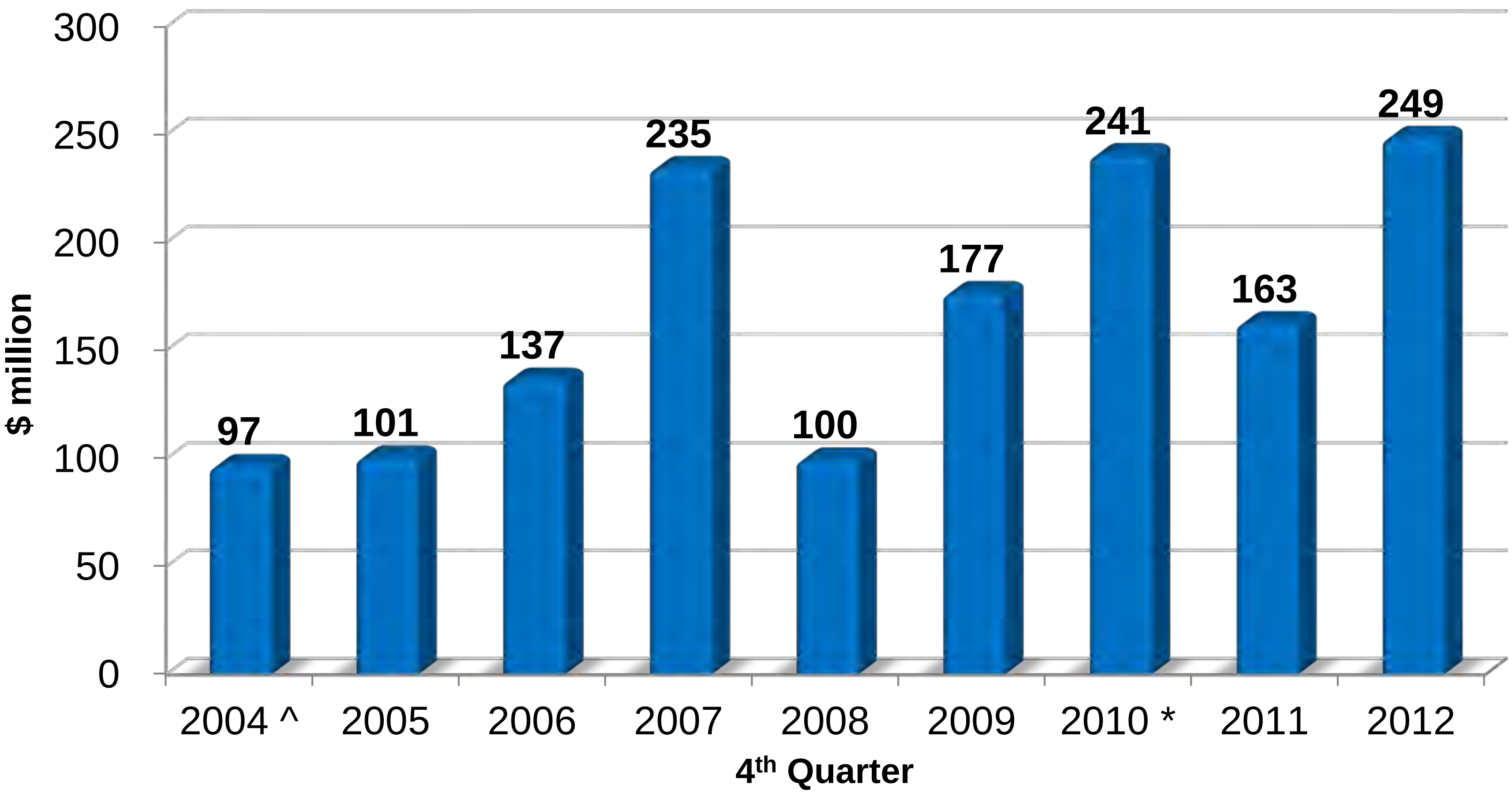
Revenue for the Quarter Ended 31 Dec (2004 – 2012)



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

FINANCIAL HIGHLIGHTS

PATMI for the Quarter Ended 31 Dec (2004 – 2012)



^ Restated

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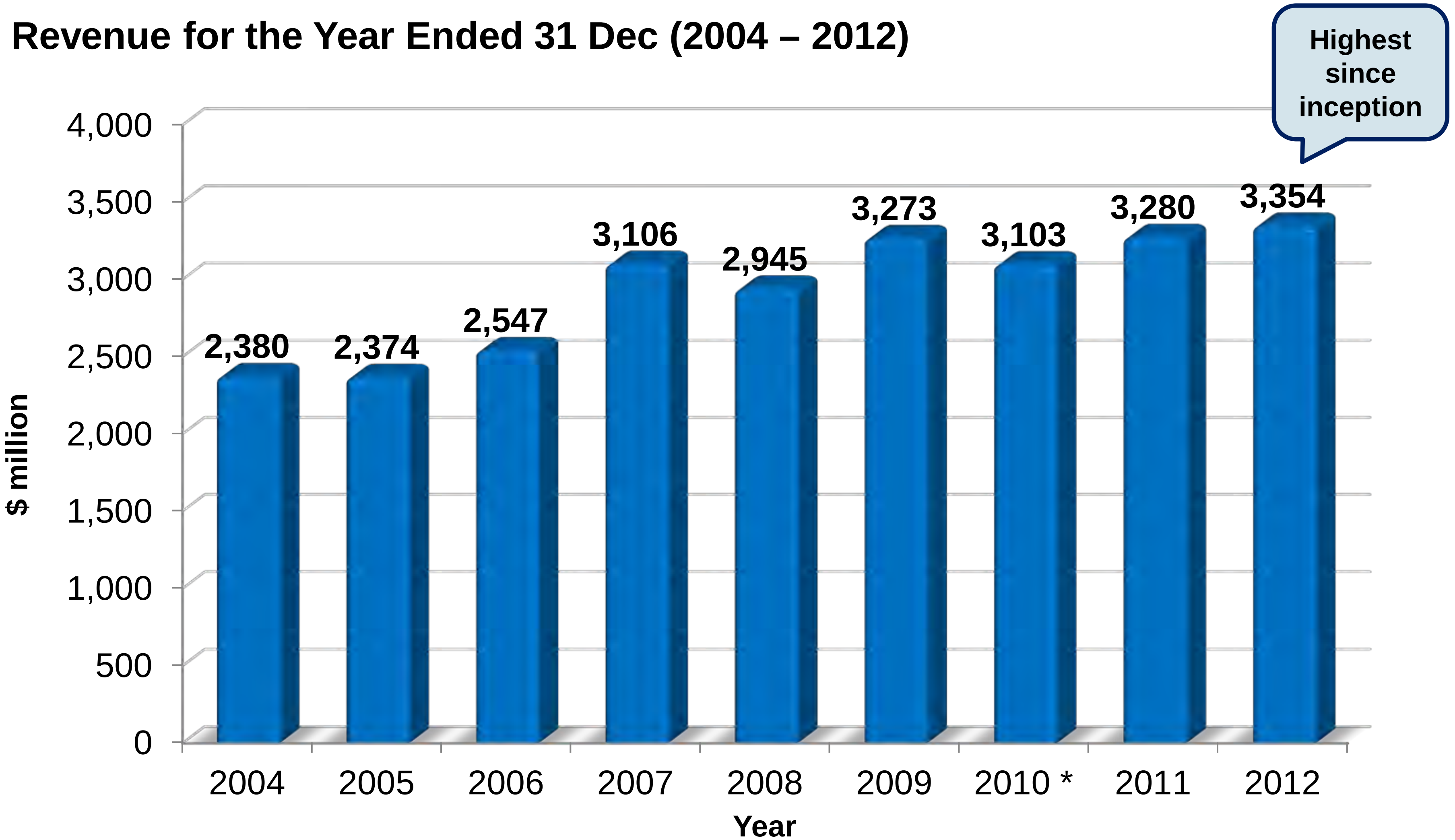
The Group adopted FRS 40 cost model whereby its investment properties continue to be stated at cost less accumulated depreciation and accumulated impairment losses with effect from 1 Jan 2007.

FINANCIAL HIGHLIGHTS

Revenue for the Year Ended 31 Dec (2004 – 2012)



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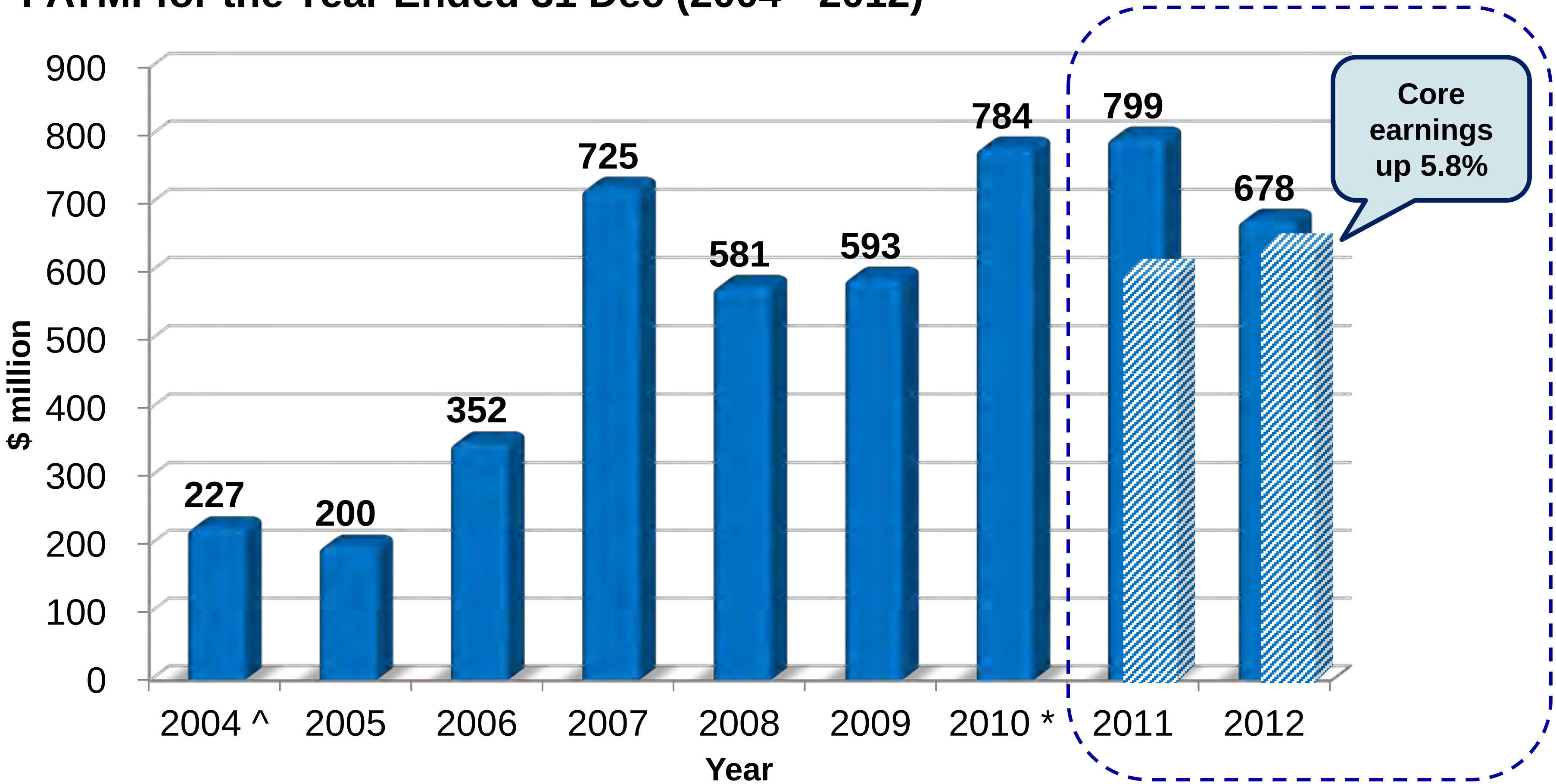
Note : The above financial information is extracted from yearly announcements.

FINANCIAL HIGHLIGHTS

PATMI for the Year Ended 31 Dec (2004 - 2012)



^ Restated

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

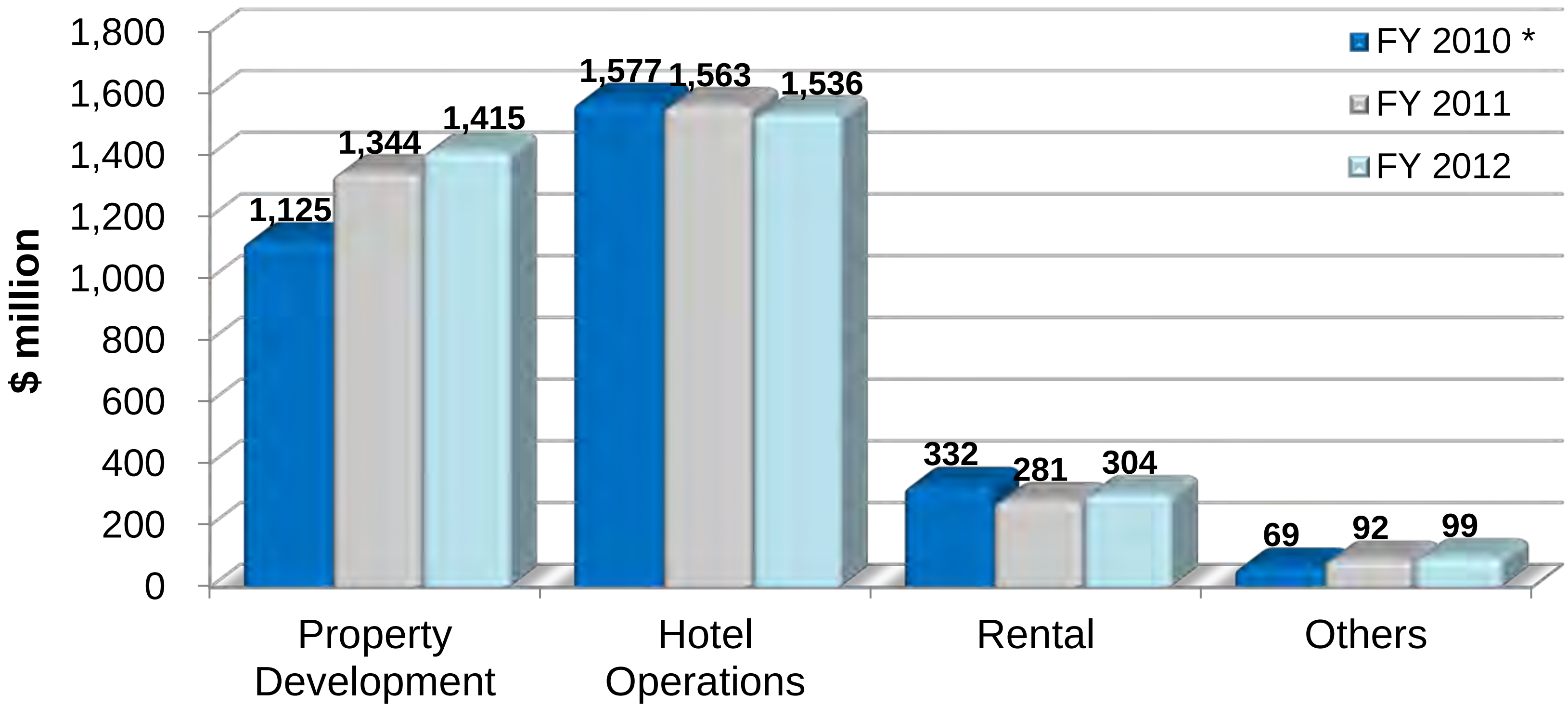
Core earnings = PATMI excluding all one-off gains

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

The Group 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 by Segment – FY 2012 vs FY 2011 & FY 2010

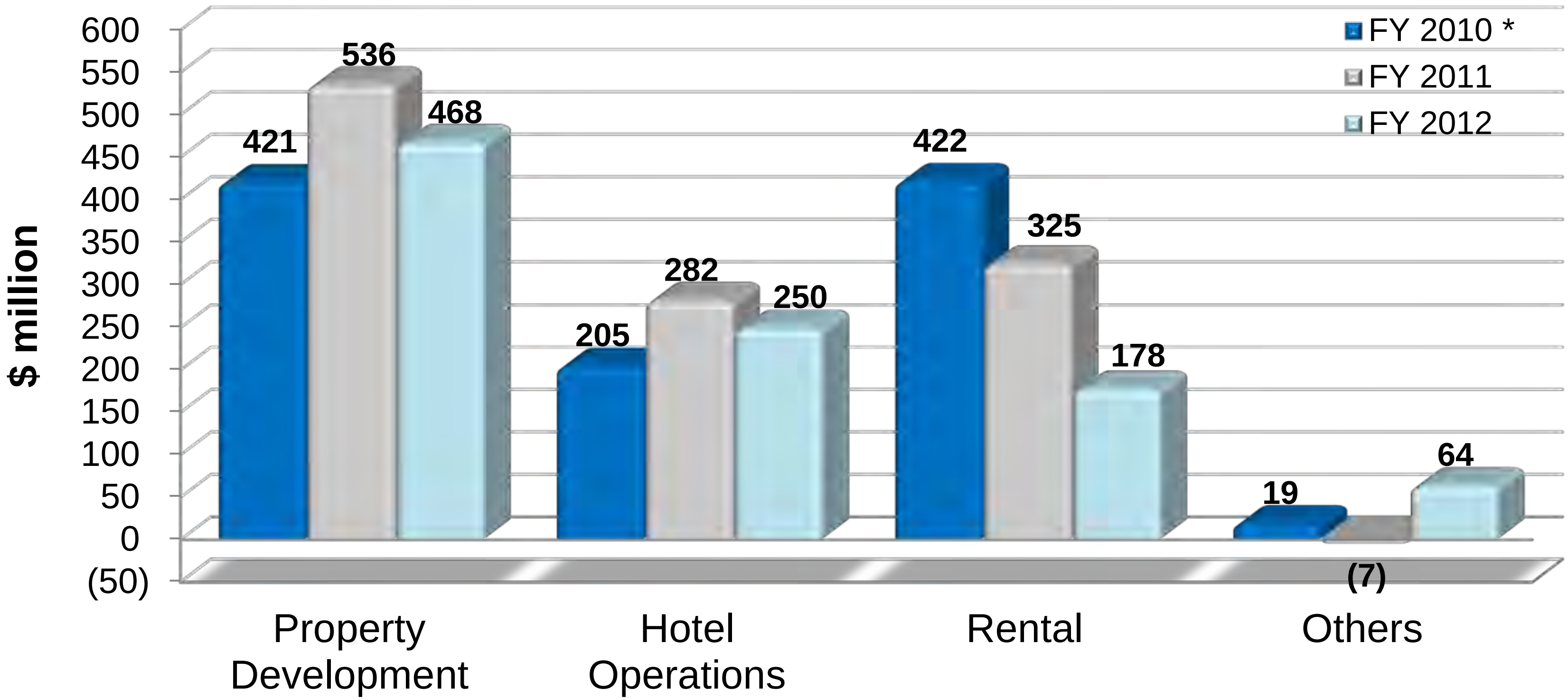


	FY 2012	FY 2011	FY 2010 *
Property Development	42%	41%	36%
Hotel Operations	46%	48%	51%
Rental	9%	9%	11%
Others	3%	2%	2%

* Restated due to the adoption of INT FRS 115.

FINANCIAL HIGHLIGHTS

Profit Before Tax by Segment – FY 2012 vs FY 2011 & FY 2010

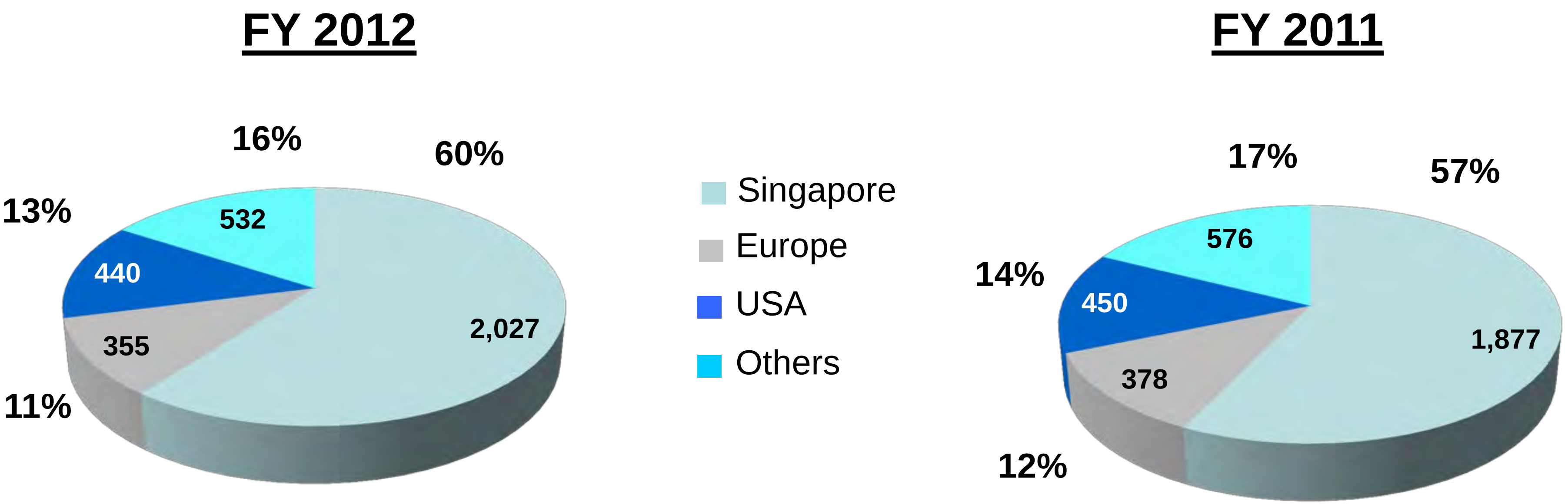


	FY 2012	FY 2011	FY 2010 *
Property Development	49%	47%	39%
Hotel Operations	26%	25%	19%
Rental	18%	29%	40%
Others	7%	(1%)	2%

* Restated due to the adoption of INT FRS 115.

FINANCIAL HIGHLIGHTS

Revenue by Geographical Region – FY 2012 vs FY 2011



Profit Before Tax (Singapore vs Overseas) – FY 2012 vs FY 2011

Profit Before Tax	FY 2012	FY 2011
Singapore	73%	79%
Overseas	27%	21%

FINANCIAL HIGHLIGHTS

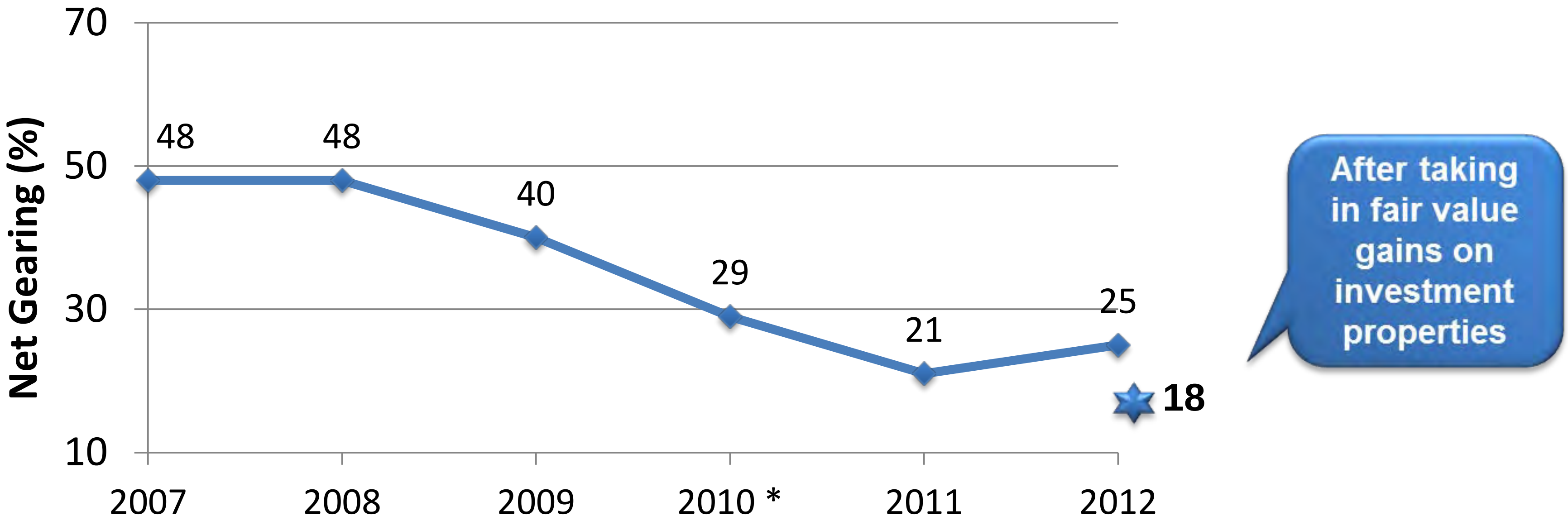
Capital Management

	As at 31/12/12	As at 31/12/11	Incr / (Decr)
Cash and cash equivalents	$2,162m *	$2,603m	(17%)
Net Borrowings	$2,357m	$1,816m	30%
Net gearing ratio without taking in fair value gains on investment properties	25%	21%	
Net gearing ratio after taking in fair value gains on investment properties	18%	15%	
Interest Cover Ratio	17.4 x	21.8 x	

* Including cash and cash equivalents classified as asset held for sale.

FINANCIAL HIGHLIGHTS

CDL's Net Gearing (%) (2007 – 2012)



Maturity Period	FY 2012
Within 1 year	19%
1 to 2 years	12%
2 to 3 years	25%
More than 3 years	44%

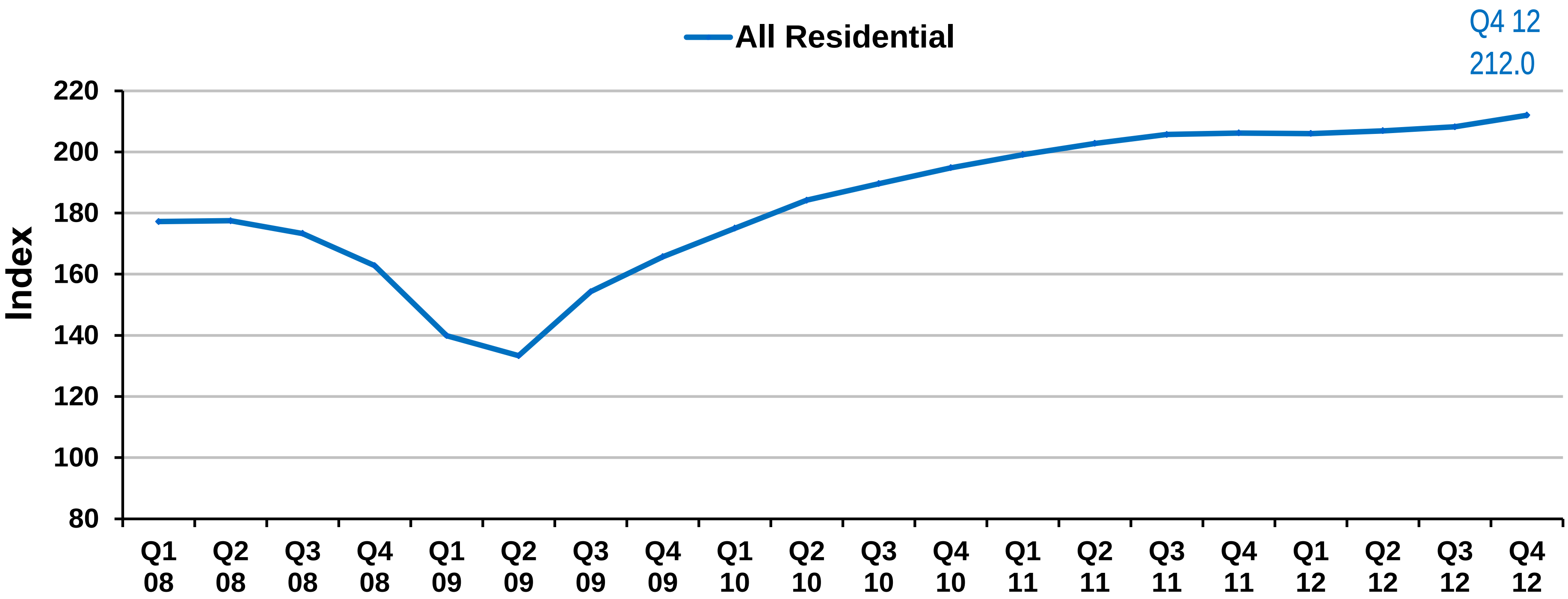
* Restated due to the adoption of INT FRS 115 for 2010 only.

SINGAPORE PROPERTY MARKET

The Residences at W Singapore – Sentosa Cove

SINGAPORE PROPERTY MARKET

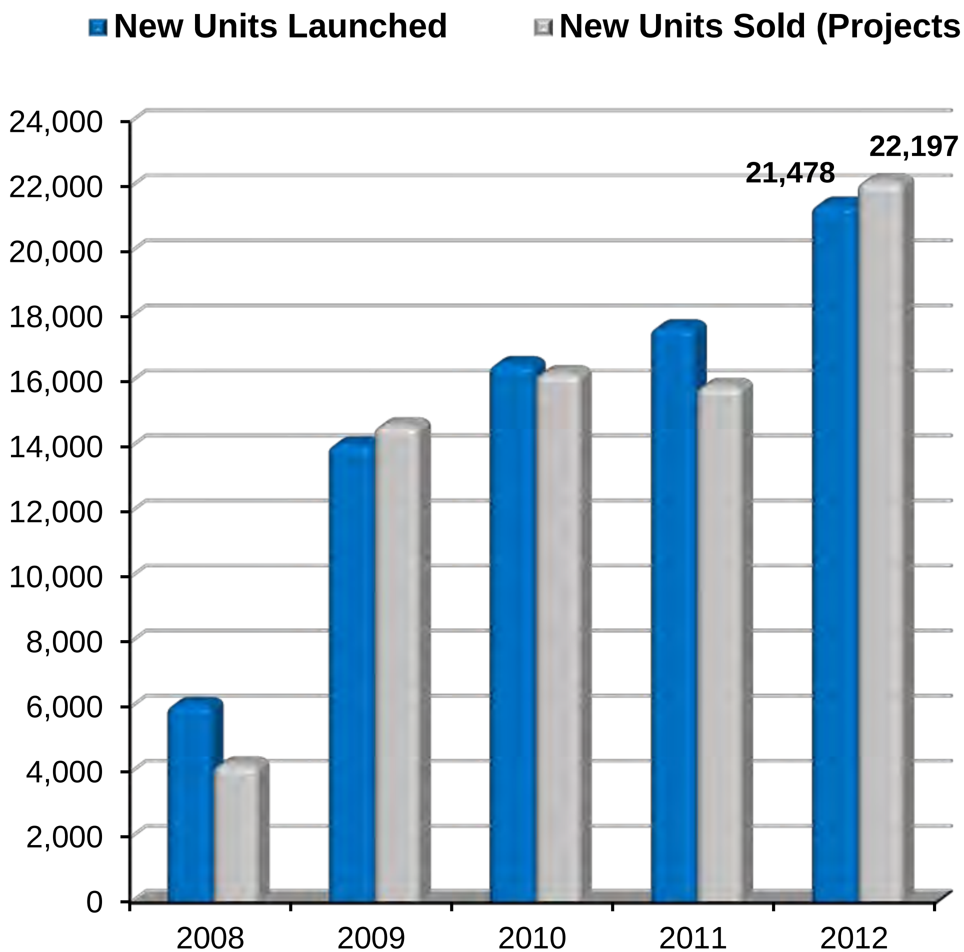
Property Price Index – Residential (2008 – 2012)



Source : URA, Q4 2012

SINGAPORE PROPERTY MARKET

No. of New Private Residential Units Launched vs Units Sold (Projects under Construction) (2008 – 2012)

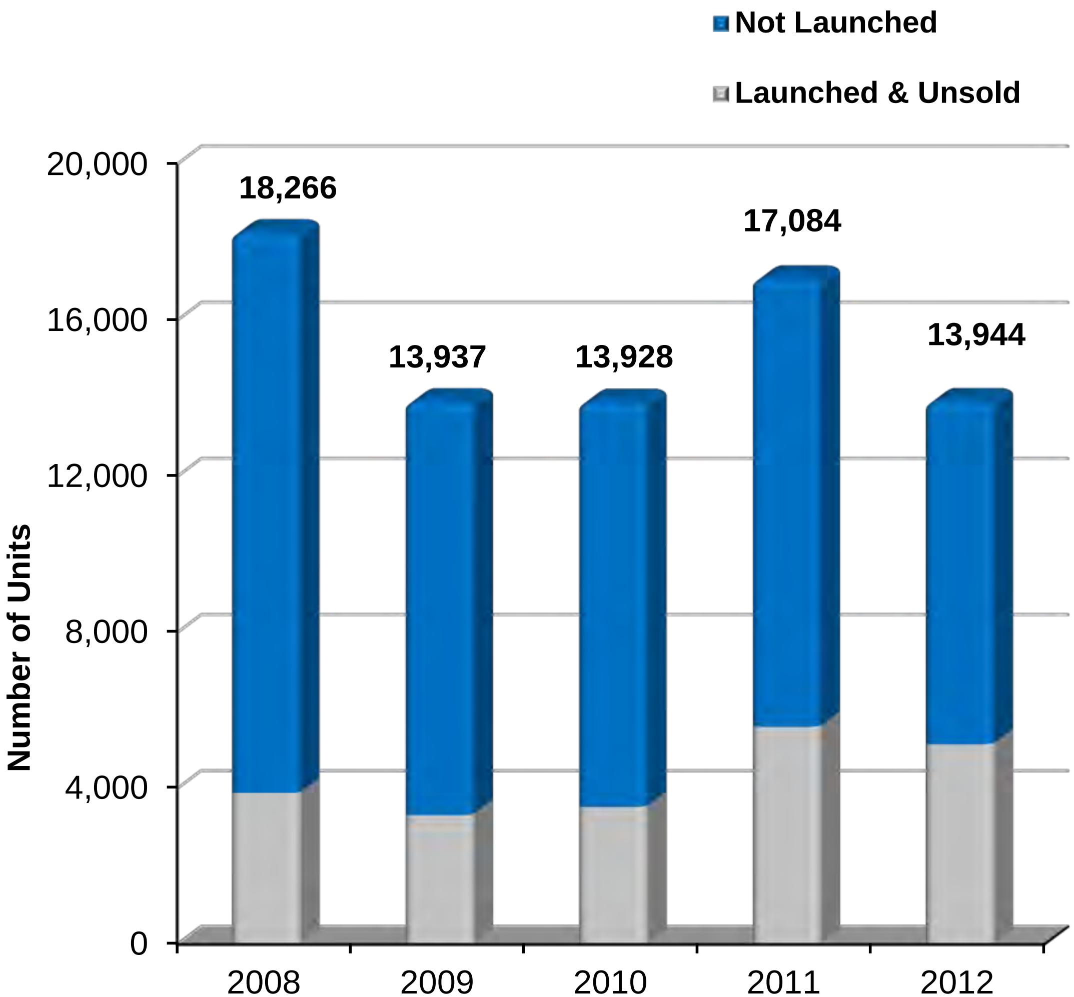


	New Units Launched (excl. EC units)	New Units Sold Directly By Developers (excl. EC units)
2008	6,107	4,264
2009	14,103	14,688
2010	16,575	16,292
2011	17,710	15,904
2012	21,478	22,197

Source : URA, Q4 2012

SINGAPORE PROPERTY MARKET

No. of Uncompleted Private Residential Units Available (2008 – 2012)

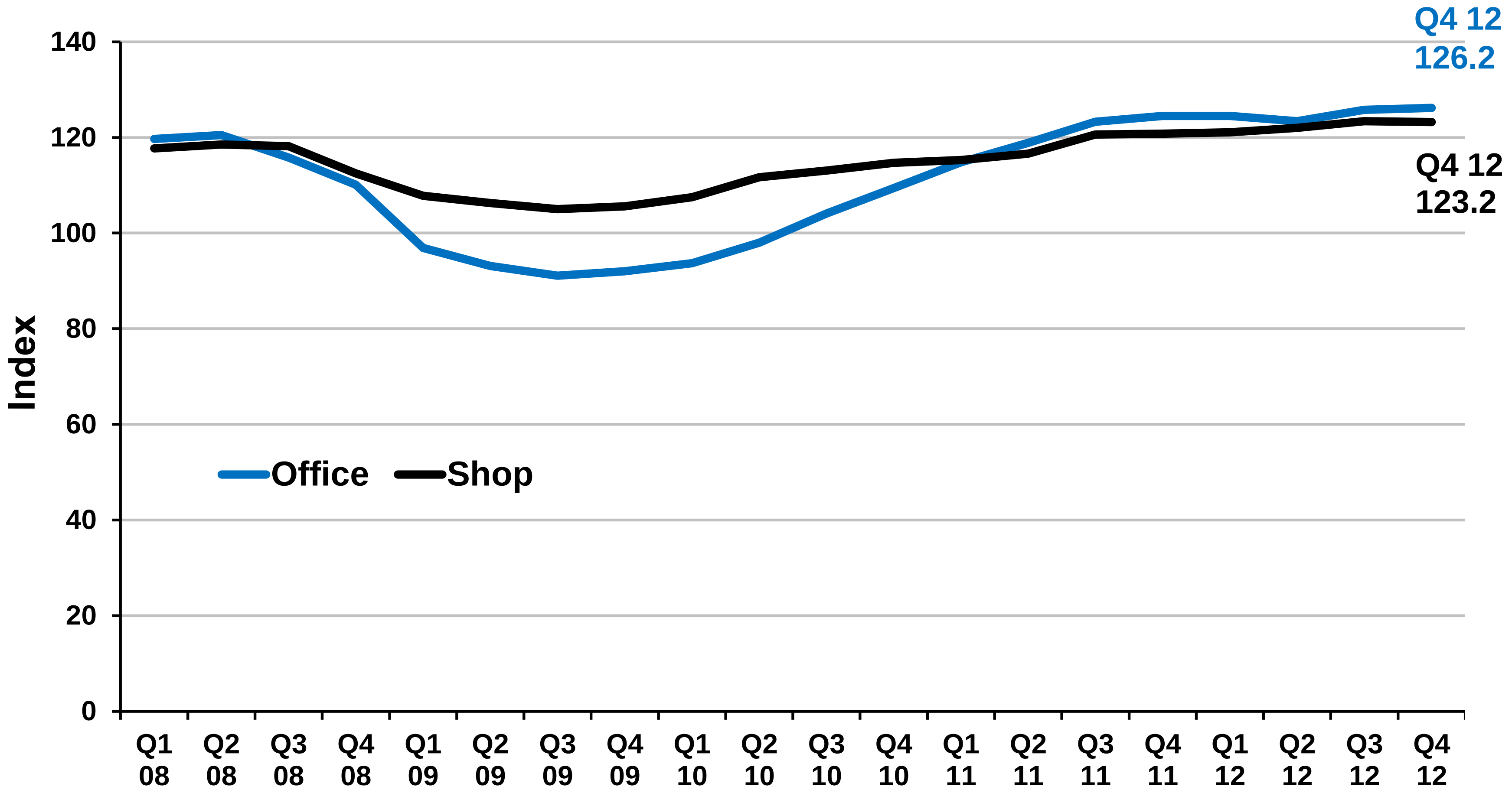


	Launched & Unsold	Not Launched	Total
2008	3,880	14,386	18,266
2009	3,317	10,620	13,937
2010	3,528	10,400	13,928
2011	5,584	11,500	17,084
2012	5,137	8,807	13,944

Source : URA, Q4 2012

SINGAPORE PROPERTY MARKET

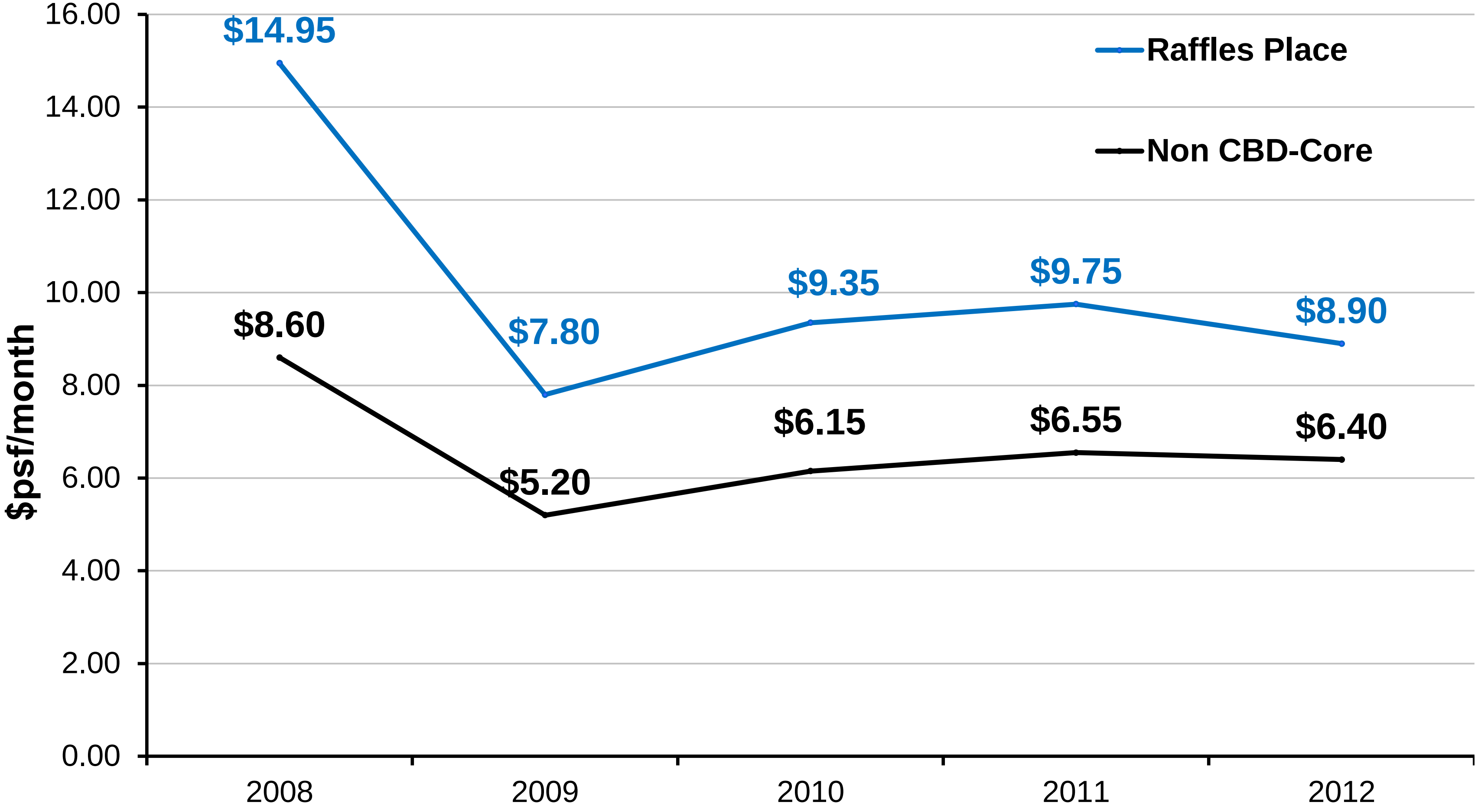
Property Price Index – Commercial (2008 – 2012)



Source : URA, Q4 2012

SINGAPORE PROPERTY MARKET

Average Office Rental in CBD (2008 – 2012)



Source : JLL Research, Q4 2012

OPERATIONS REVIEW

Artist's Impression of Echelon

PROPERTY DEVELOPMENT

W Lounge,
The Residences at W Singapore – Sentosa Cove

PROPERTY DEVELOPMENT

Units Booked / Sold

	Sales Value* $'000	No. of Units*	Total Floor Area (sq ft)
FY 2012	$ 2,781,094	2,395	2,513,223
FY 2011	$ 1,754,948	1,818	1,942,211

* Includes share of JV partners

OPERATIONS REVIEW

Planned Residential Project Launches for 1H 2013
(subject to market conditions)

Projects	Units	Launch Date
D'Nest (Total: 912)	300	Mar 2013
Bartley Ridge (Total: 868)	300	Mar 2013
Buangkok Drive (Total: 616)	150 (Phase 1) 150 (Phase 2)	May 2013
Total:	**900**	

OPERATIONS REVIEW

Planned Residential Project Launches for 1H 2013

d'nest

Location: Pasir Ris Grove
No of Units: 912 units

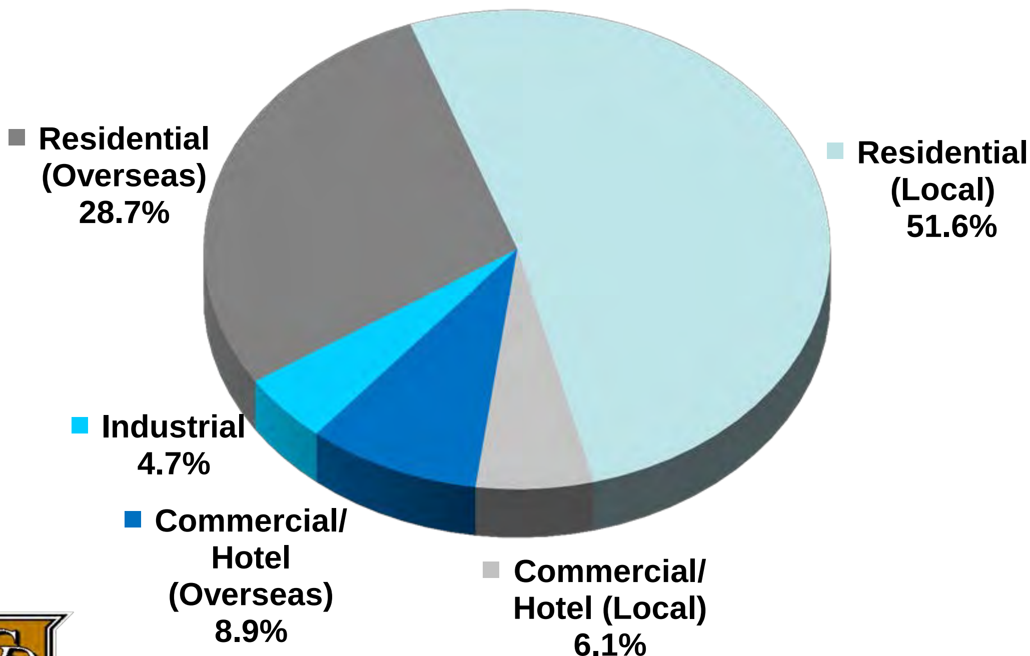
- Walking distance to Pasir Ris MRT
- 12 blocks of 11 to 13 storey apartments
- One to 5-bedroom apartments & penthouses
- Unique design with 3 Clubhouses

TRANSFORMATION OF PASIR RIS GROVE

OPERATIONS REVIEW

Land Bank by Sector (as at 31 December 2012) – CDL's Attributable Share

Type of Development	Land Area (Sq ft)			
	Local	Overseas	Total (Local & Overseas)	%
Residential	1,677,828	932,831	2,610,659	80.3%
Commercial / Hotel	197,661	290,363	488,024	15.0%
Industrial	151,980	-	151,980	4.7%
Total	**2,027,469**	**1,223,194**	**3,250,663**	**100%**



Proposed GFA –

(a) Singapore – 4.99million sq ft

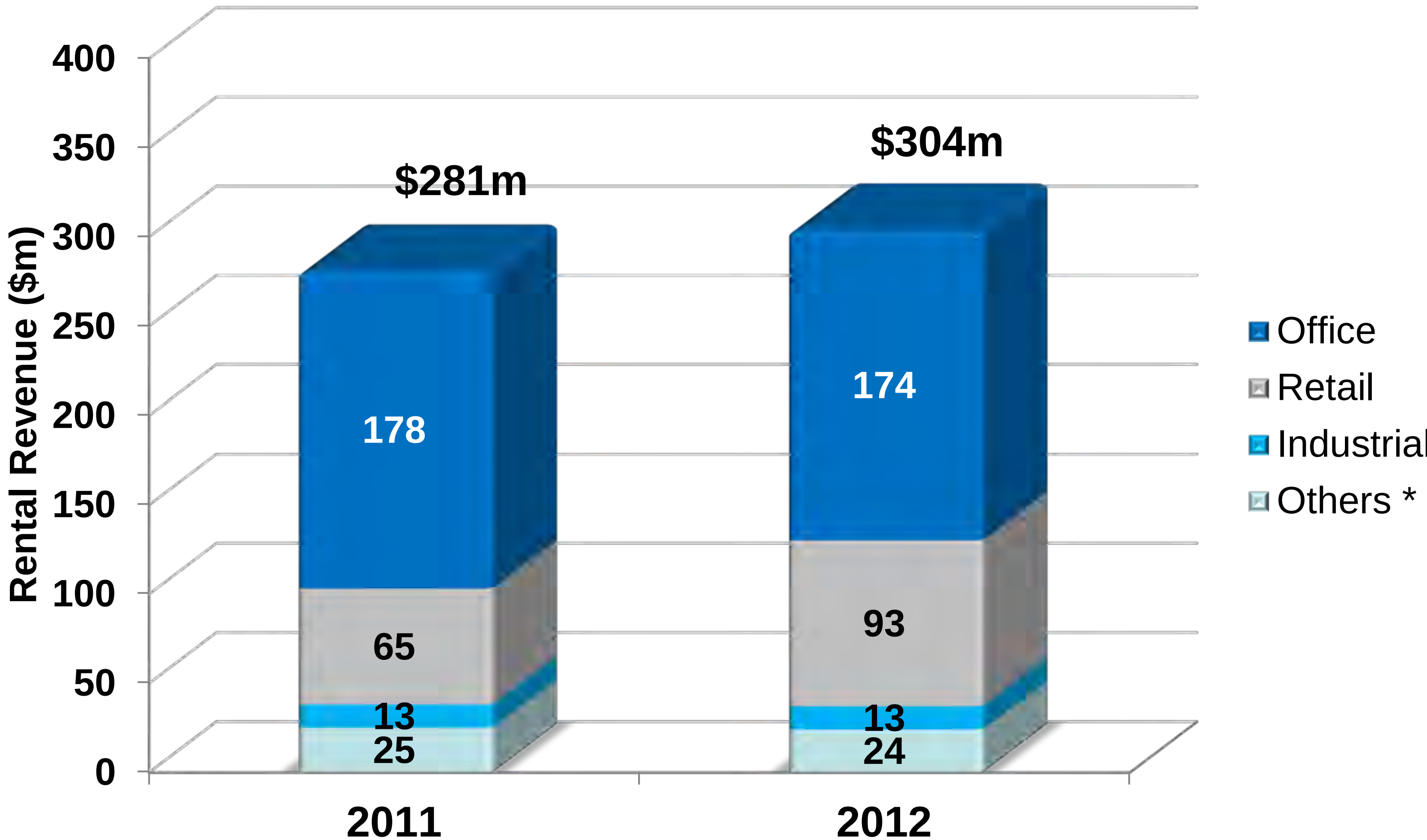
(b) Malaysia – 0.31million sq ft

(c) CDL China– 3.86million sq ft

Total 9.16million sq ft

OPERATIONS REVIEW

Rental Revenue by Sector for Year Ended 31 Dec



* Including car park, serviced apartment and residential

OPERATIONS REVIEW

Quayside Isle

QUAYSIDE ISLE
SENTOSA COVE

- **First and only F&B and retail destination on Sentosa Cove**
- **Part of the integrated luxury development at Sentosa Cove, comprising:**
  - W Singapore – Sentosa Cove hotel
  - The Residences at W Singapore – Sentosa Cove
  - Quayside Isle

- Over 40,000 sq ft of retail space all under one roof.
- Offers a myriad of international dining concepts and specialty retail stores.
- About 80% has been leased out to date, with its first restaurants opened in Dec 2012.

OPERATIONS REVIEW

South Beach

South Beach features 2 tower blocks of 34 and 45-storey with 6-storey podiums and 3 basement levels

- South Beach comprises:

- **South Beach Hotel**	654 rooms
- **South Beach Residences**	190 units
- **Office**	Lettable area of about 49,000 sq m
- **Retail / F&B integrated with conserved buildings**	7,900 sq m
- **South Beach Club at the former NCO club building**	2,700 sq m

- Construction is progressing well and on track for completion in 2015.

HOTEL OPERATIONS & CDLHT

W Singapore – Sentosa Cove

HOTEL OPERATIONS

M&C Group

Good Trading Performance

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

RevPAR		
FY 2012	£67.32	⬆ 3.4%
4Q 2012	£68.85	⬆ 0.9%

- RevPAR growth driven by:
  - Singapore 2.2% *
  - Rest of Asia 8.5%
  - London 8.2%
  - New York 2.2% ^

Millennium Hotel London Mayfair

Strong Balance Sheet

- Strong cash flow from operating activities enabled M&C Group to turn cash-positive in 2012, ending the year with zero gearing.
- Net debt at 31 Dec 2011 of £100.2m reversed to a net cash position of £52.2m at 31 Dec 2012.
- Interest cover ratio (excluding share of results of joint-venture and associates, other operating income and expense, non-operating income and separately disclosed items) is 22.9 times for 31 Dec 2012 (31 Dec 2011: 25.5 times).

* excluding Copthorne Orchid.
^ excluding the impact of ONE UN New York refurbishment.

HOTEL OPERATIONS

M&C Group – Hotel Room Count and Pipeline

	Hotels		Rooms	
Hotel and Room Count	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
By region:				
• New York	3	3	1,758	1,757
• Regional US	16	16	5,554	5,554
• London	7	7	2,493	2,493
• Rest of Europe	16	16	2,695	2,696
• Middle East *	14	10	4,211	3,623
• Singapore	6	6	2,716	2,714
• Rest of Asia	17	16	6,861	7,260
• Australasia	31	34	4,651	4,935
Total:	**110**	**108**	**30,939**	**31,032**
Pipeline				
By region:				
• Middle East *	18	26	4,772	5,700
• Rest of Asia	3	4	668	907
Total:	**21**	**30**	**5,440**	**6,607**

Millennium Bailey's Hotel London Kensington

Grand Hyatt Taipei

* Mainly management contracts

HOTEL OPERATIONS

M&C Group – Asset Enhancement

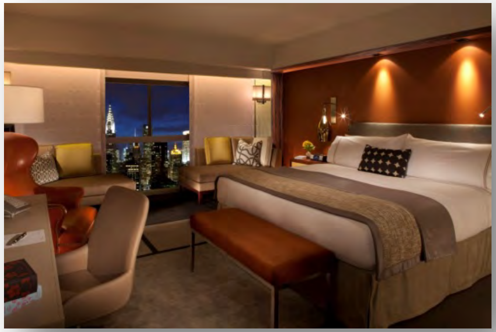
- Expanded asset management programme during 2012 with:
  - Additional projects including Millennium Minneapolis and Orchard Hotel Singapore.
  - Further upgrades of ONE UN New York and Millennium Seoul Hilton.

- By end 2012, major works completed successfully at:
  - Millennium Seoul Hilton
  - ONE UN New York
  - Orchard Hotel Singapore

- Project commenced at Grand Hyatt Taipei and Millennium Minneapolis.

- Capital spending on asset management programme estimated at £240m, including completed projects.

Millennium Seoul Hilton



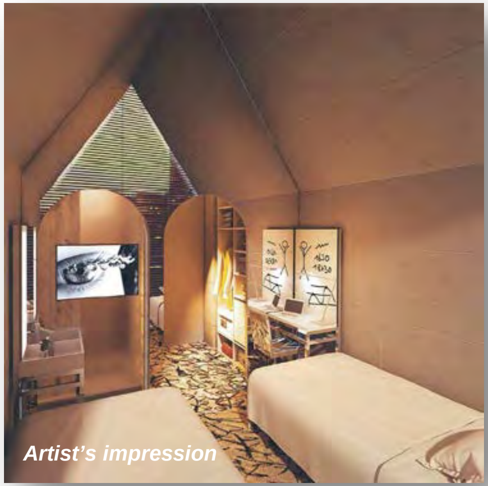
ONE UN New York

Orchard Hotel Singapore

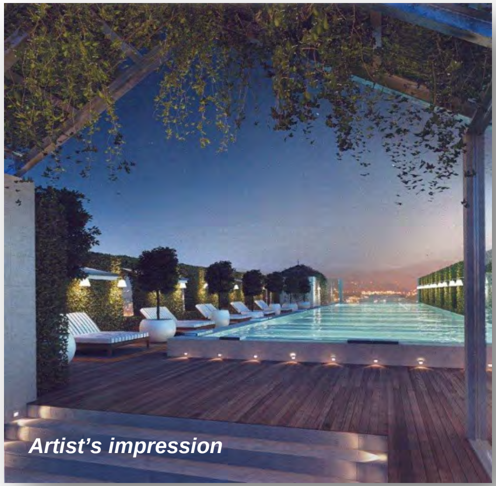
HOTEL OPERATIONS

M Social Hotel

- A new hotel concept and an extension of the M-family stable of brands.
- The 300-room hotel will be managed by M&C.
- The hotel is adjoining to UP@Robertson Quay.
- Located in the Singapore River precinct and within walking distance to Clarke Quay, Boat Quay and Central Business District.
- The construction for this development will be commencing soon.


Artist's impression

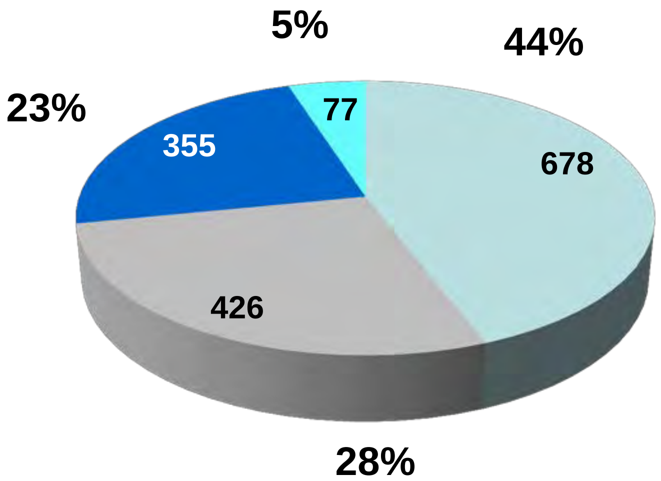

Artist's impression


Artist's impression

HOTEL OPERATIONS

Hotel Revenue by Region

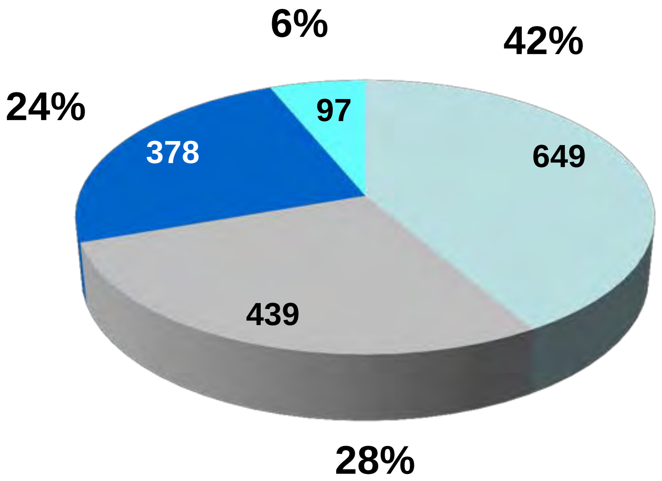
FY 2012



$1,536m

Asia
United States
Europe
New Zealand

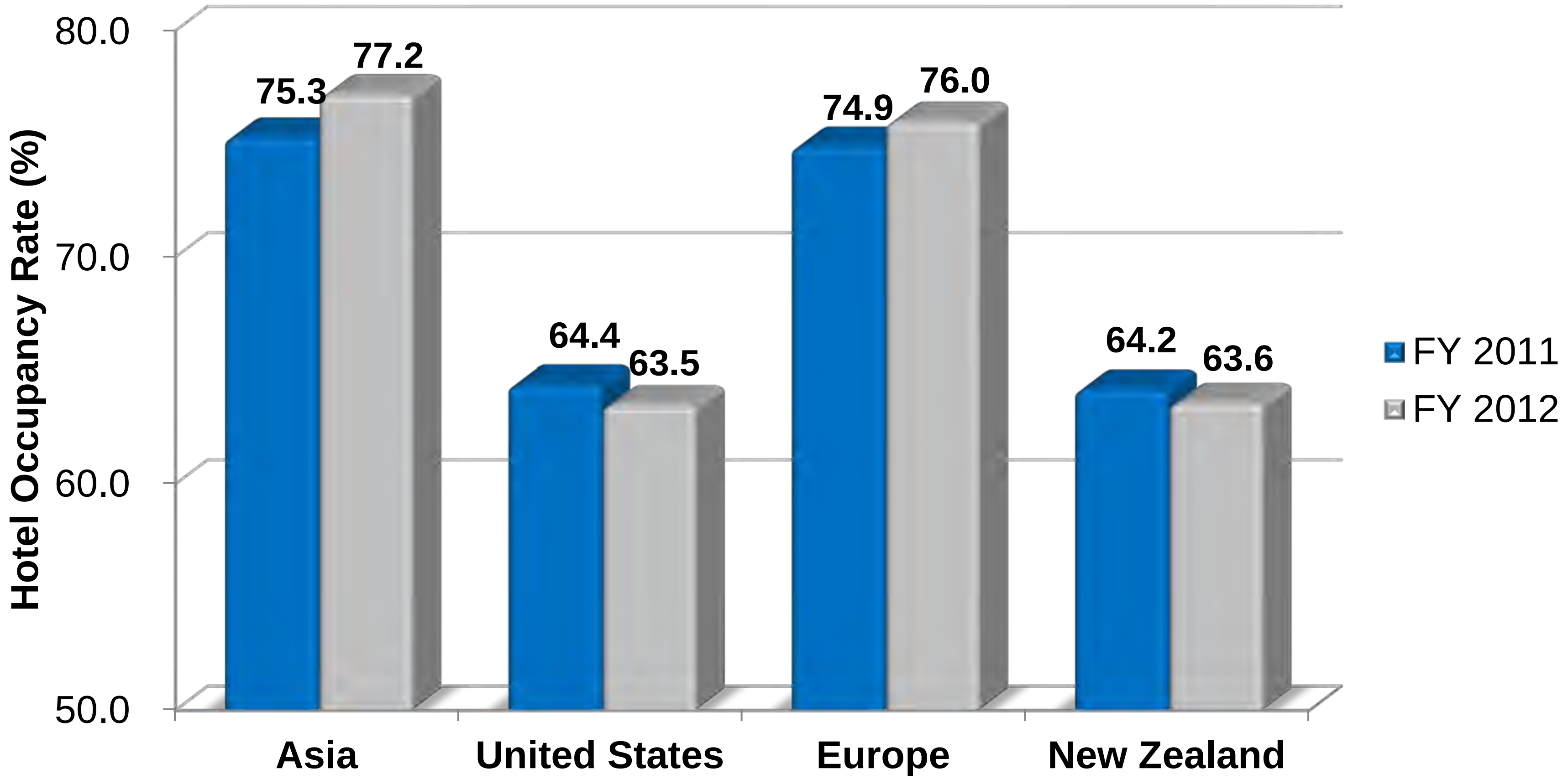
FY 2011



$1,563m

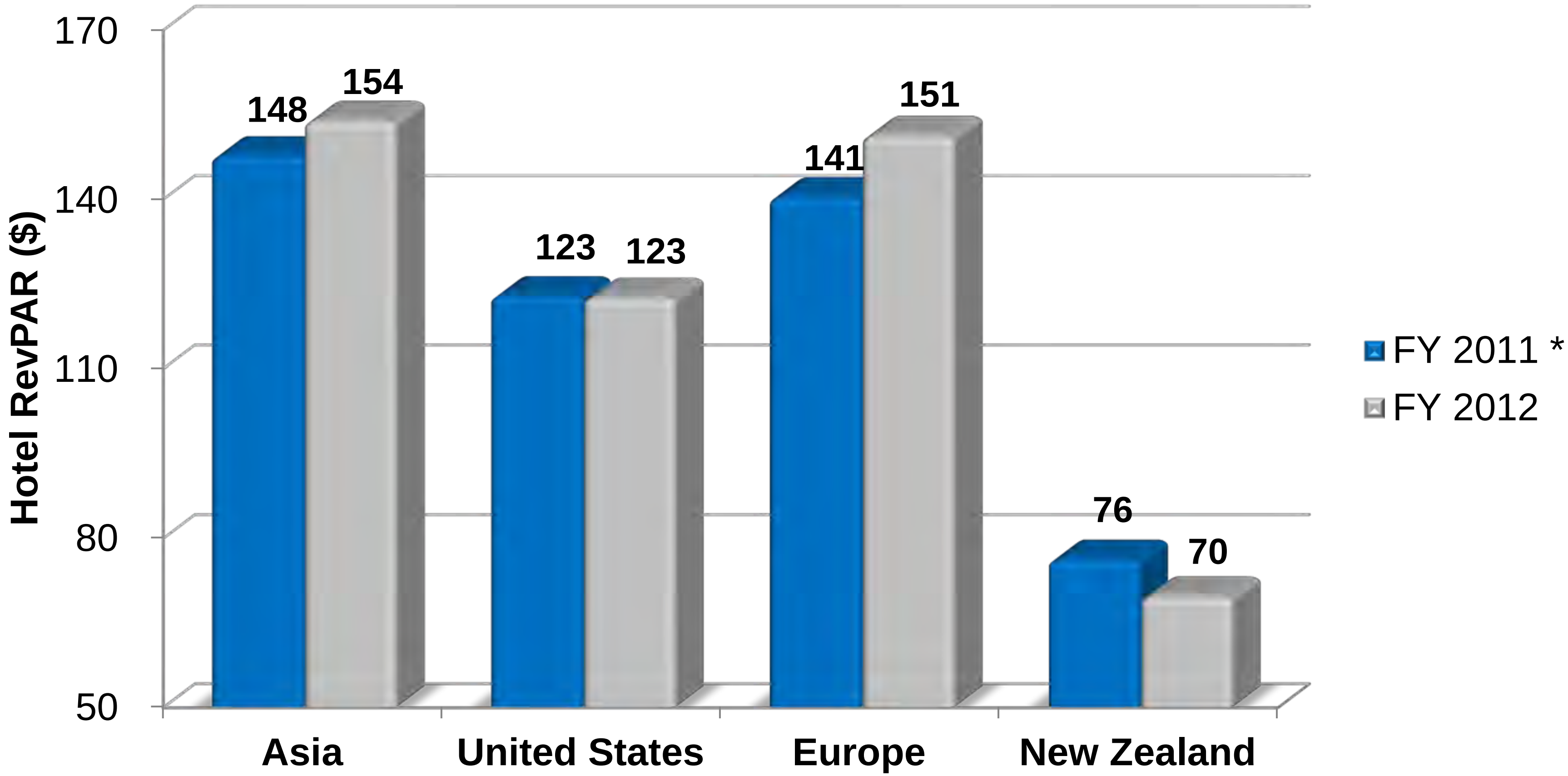
HOTEL OPERATIONS

Hotel Occupancy by Region



HOTEL OPERATIONS

Hotel Revenue Per Available Room at Constant Currency



* For comparability, FY 2011 RevPAR has been translated at constant exchange rates (31 Dec 2012).

CDL HOSPITALITY TRUSTS (CDLHT)

Gross revenue recorded 6.0% increase y-o-y for FY 2012.

S$'000	FY 2012	FY 2011	Change
Gross Revenue	149,535	141,107	+6.0%
Net property Income	139,293	131,807*	+5.7%

Grand Copthorne Waterfront Hotel

Orchard Hotel Singapore

* Excludes one-off tax refund.

CDL HOSPITALITY TRUSTS (CDLHT)

Completed acquisition of **Angsana Velavaru Maldives** for US$71 million in Jan 2013 (approximately S$86.8 million) from Banyan Tree Holdings. This makes its first resort acquisition and maiden foray into the Maldives and this acquisition expected to augment the income stream of CDLHT.

MOVING FORWARD

Artist's Impression of South Beach

MOVING FORWARD

- Global economic outlook for 2013 remains unpredictable.
- The Group's established growth platforms will be built upon, while seeking new opportunities.
- Focus on deriving more earnings from overseas growth engines.

Property Development

- Locked-in profits from pre-sold projects yet to be booked.
- Recent successful tenders of its prime sites are all near MRT / LRT stations.
- Diverse land bank portfolio catering to different market segments (ECs, mass, mid to high-end developments).
- Some land bank sites are historical land sites with low book cost. New sites have been acquired at reasonable cost.

Rental Properties

- Rental properties expected to remain steady, with high yields given the relatively low book cost.

MOVING FORWARD

Hotel Operations

- Remain a steady income generator for the Group and will hold onto its key assets for long-term investment.
- Hospitality REIT platform.
- M&C expects to benefit from increased return on investment (ROI) when refurbishment works in its key hotels in gateway cities are completed.
- Monitor acquisition opportunities in view of its healthy balance sheet.

Overseas Projects - i.e. China

- Projects are currently being developed or in the pipeline for development and seeking out new sites for investment via:
  - CDL China Limited – CDL's wholly-owned subsidiary
  - First Sponsor Capital Limited (FSCL) – M&C's associate
- The Group will study and strategise other new platforms and growth opportunities to achieve a balanced and diversified portfolio both locally and internationally, for sustainable growth.

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.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50 YEARS of TRUST
Shaping the present
Sustaining the future since 1963...
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