News Release

13 August 2009

CDL POSTS STRONG SECOND QUARTER EARNINGS –
PERFORMANCE LENDS OPTIMISM TO GRADUAL ECONOMIC RECOVERY IN SIGHT

City Developments Limited (CDL) today announces its unaudited financial results for the second quarter and half year ended 30 June 2009.

Second Quarter and Half Year Financial Highlights

- The Group continues to remain profitable for its second quarter, recording an attributable profit after tax and minority interests of $140.0 million, an increase of 68.3% against Q1 2009.

- The stronger earnings for Q2 2009 were primarily due to higher contribution from the property development segment. This segment was the main contributor to profit before tax.

- Correspondingly, the Group attained basic earnings per share of 14.7 cents for Q2 2009 as compared to 9.1 cents in Q1 2009.

- For 1H 2009, the Group sold about 537 units of residential property (including joint venture share) amounting to a sales value of about $665 million. To-date, this has almost doubled to 1,031 units sold, amounting to about $1.34 billion.

- With the impact of the economic slow-down on the hospitality market for 1H 2009, the second largest contributor to profit before tax is the rental properties segment followed by hotel operations.

- On a constant currency basis, the Group's subsidiary, Millennium & Copthorne Hotels plc (M&C) delivered savings of £44.6 million in operating costs, which includes hotel fixed charges, non-hotel expenses and central costs, against a revenue fall of £81.2 million for 1H 2009. This translates into a very strong recovery rate of 54.9%.

- Attributable profit after tax and minority interests for the Group's 1H 2009 was $223.1 million, 32.4% lower as compared 1H 2008.

- The Group's net profits do not include valuation differences arising from investment properties as the Group adopted the conservative policy of stating them at cost less accumulated depreciation and accumulated impairment losses.

- The Group's balance sheet remains healthy and net gearing ratio continues to be relatively low at 46% with interest cover at 10.1 times.

Prospects

- 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.

cont… pg 2

- Following the success of its two latest project launches, the joint-venture 329-unit The Gale and 85-unit Volari at Balmoral, the Group is planning to launch a few projects in the second half of 2009. These include a 396-unit residence at the former Hong Leong Garden site at West Coast, a 160-unit residence at the former Albany and Thomson Mansion sites and possibly the residential development at The Quayside Isle Collection at Sentosa Cove.

- The Group's diversified portfolio of office assets cater to the needs of different business industries and its leases should not be severely impacted in the event of a downturn in a particular sector. The asset diversity has also enabled the Group to extract suitable office assets that are Shariah compliant for its corporate Sukuk-ljarah. The Group continues to enjoy a first-mover advantage to tap on new investors through the unsecured Islamic Trust Certificate Programme.

- The Group expects to retain relatively healthy occupancy for the rest of the year and first half of next year, in view of the limited supply of new office space expected to come on-stream for this period.

- Despite the challenging credit environment in the global financial markets, the South Beach consortium partners have successfully negotiated the refinancing of its land loan via a combination of a two-year $800 million bank loan and $400 million in secured convertible notes. With construction cost moderating downwards, the consortium is now moving towards refining the design plans and value engineering for greater efficiency.

- Leveraging on M&C's proven business model as an owner-operator of hotel assets, the Group shares M&C's focus on achieving – and exceeding, where possible – fair-market share within each hotel's pre-defined competitive set. It remains committed to maintaining a tight control over operating costs and capital expenditure.

Commenting, Mr Kwek Leng Beng, CDL Executive Chairman said:

"Against the backdrop of the current economic crisis, residential property investors are likely to continue to be pragmatic and seek good, value-for-money investments. The Group believes that the current residential sales momentum is sustainable as the resurgence for property sales should be put into its context. It should not be viewed as over-exuberant or extraordinary, bearing in mind that developers had put on hold many of their launches in 2008. Moreover, to-date, property prices for the low and mid-tier market have yet to recover since its peak of 1996. The strong sales transactions for 1H 2009 are largely due to a few key reasons, namely pent-up demand, developers aligning their pricing with buyers' appetite, low interest rate for housing loans and fixed deposit, and property remaining a good hedge against inflation. Moreover, foreign investors are slowly returning to Asia, with increased confidence in its prospects."

"The Group remains optimistic that a gradual, sustained recovery is possible as governments and their economies continue to tread carefully, ensuring that fundamentals remain sound. The outlook is promising and the Group is confident that a sustainable recovery is in sight."

Please refer to CDL's full unaudited financial results announcement for the second quarter and half year ended 30 June 2009 for a detailed review of the Group's performance and prospects.

For media enquiries, please contact:

Belinda Lee
Senior Manager, Head (Corporate Comms)
City Developments Limited
(Regn No: 196300316Z)

Tel: (65) 6428 9315

Gerry De Silva
Head, Group Corporate Affairs
Hong Leong Group, Singapore

Tel: (65) 6428 9308 / 6438 3110