

FULL YEAR FINANCIAL REPORT

1 Jan – 31 Dec 2014

16 February 2015
ANALYST / MEDIA BRIEFING

The Quayside Collection at Sentosa Cove

AGENDA

- 1. FINANCIAL HIGHLIGHTS**
- 2. SINGAPORE PROPERTY MARKET**
- 3. OPERATIONS REVIEW**
- 4. HOTEL OPERATIONS & CDLHT**
- 5. DIVERSIFICATION STRATEGY**



FINANCIAL HIGHLIGHTS



Quayside Isle



KEY FINANCIAL HIGHLIGHTS

- Achieved highest quarter PATMI of \$384.9 million since inception in 1963.
- Achieved highest full year revenue of \$3.8 billion since inception in 1963.
- Strong balance sheet with cash and cash equivalents of \$3.9 billion as at 31 December 2014, an increase of 43% from last year, to seize any new opportunities for growth and diversification.
- Healthy net gearing ratio at 26% (excluding any revaluation surpluses for investment properties) and interest cover at 12.1 times for 2014.
- New strategic platform was established in 2014, and culminated with the successful completion of the unique \$1.5 billion Profit Participation Securities in December with strategic partners, Blackstone and CIMB.
- Under the prevailing accounting standards, revenue and profit for Executive Condominium are recognised based on Completion of Contract (COC) method. Blossom Residences which obtained Temporary Occupation Permit in Q3 2014 recognised its revenue and profit in entirety in 2014.
- Special final dividend of 4.0 cents per share in addition to the ordinary dividend of 8.0 cents per share. Together with the special interim dividend of 4.0 cents paid in September 2014, total dividends paid for 2014 is 16.0 cents (2013: 16.0 cents).



SUMMARY OF FINANCIAL HIGHLIGHTS

	Q4 2014	Q4 2013 (Restated)*	% Change	FY 2014	FY 2013 (Restated)*	% Change
Revenue (\$m)	847	789	7.4	3,764	3,213	17.1
PATMI (\$m)	385	222	73.4	770	686	12.2
Basic Earnings Per Share (cents)	41.6	23.7	75.5	83.2	74.0	12.4
NAV Per Share (\$)				9.25	8.50	8.8

* Restated due to the adoption of FRS 110 for 2013 only.

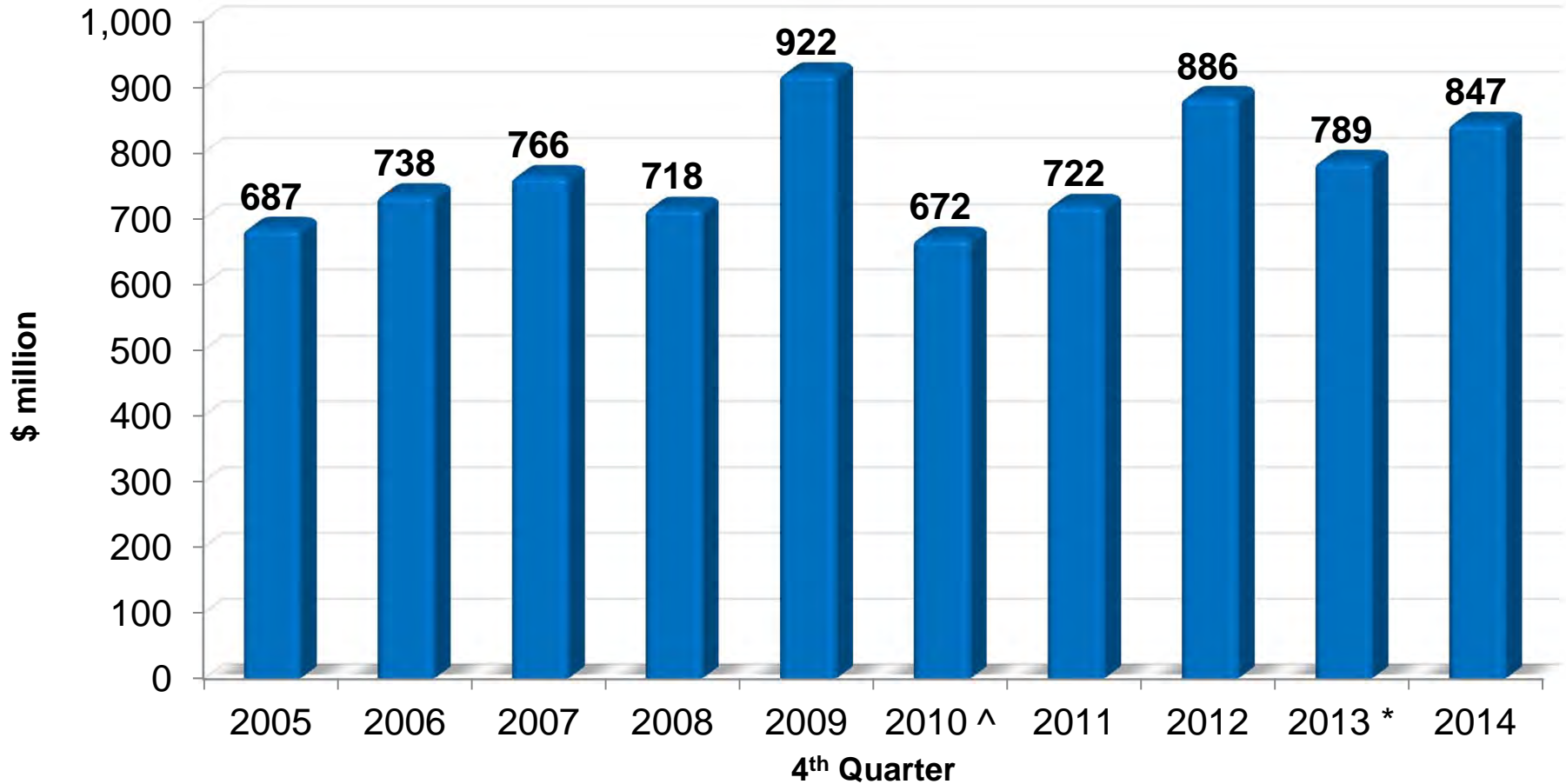
No fair value adopted on investment properties.

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



FINANCIAL HIGHLIGHTS

Revenue for the Quarter Ended 31 Dec (2005 – 2014)



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

* Restated due to the adoption of FRS 110 for 2013 only.

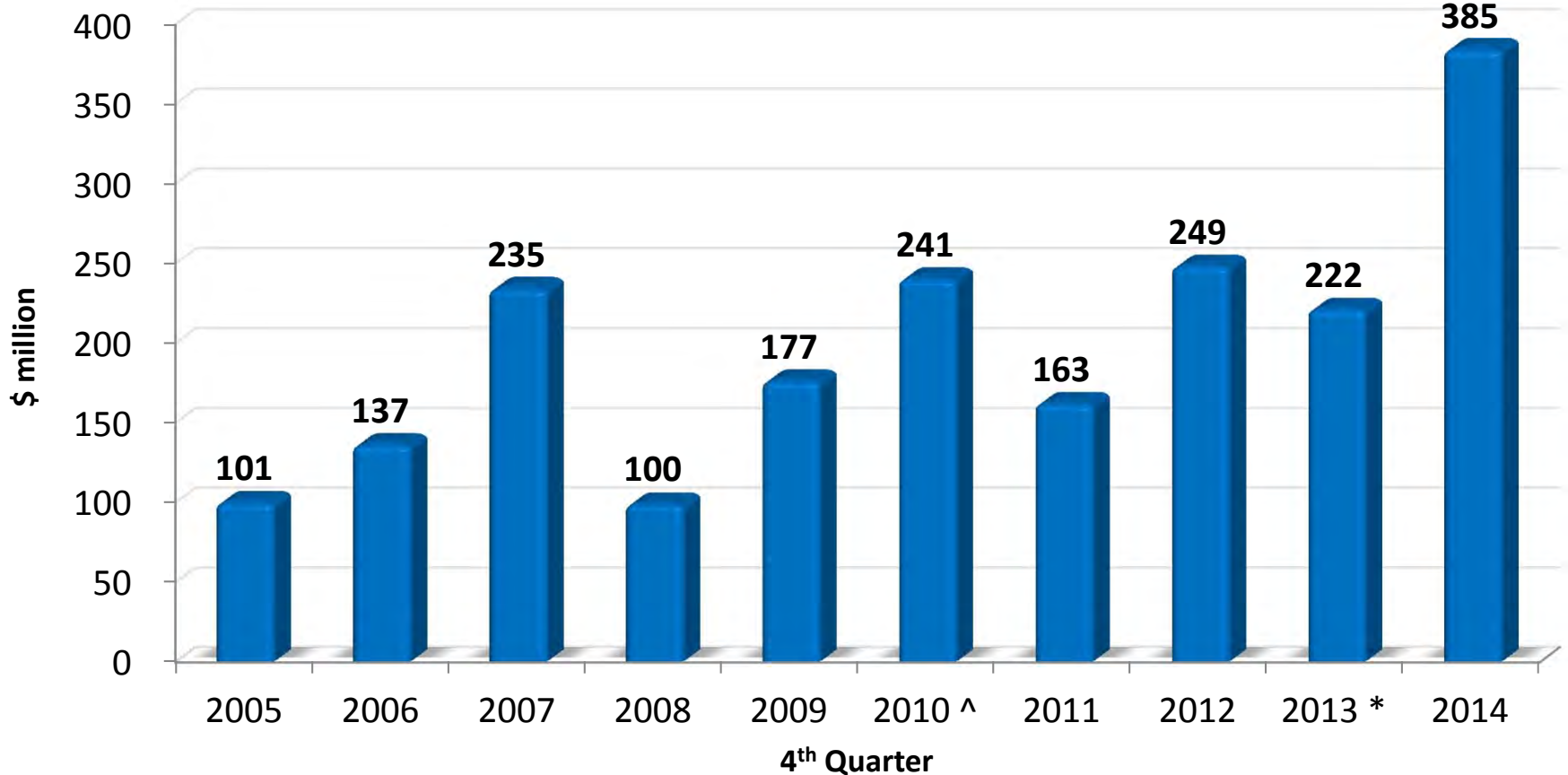
Note: The above financial information is extracted from yearly announcements.



FINANCIAL HIGHLIGHTS

Highest quarter since inception

PATMI for the Quarter Ended 31 Dec (2005 – 2014)



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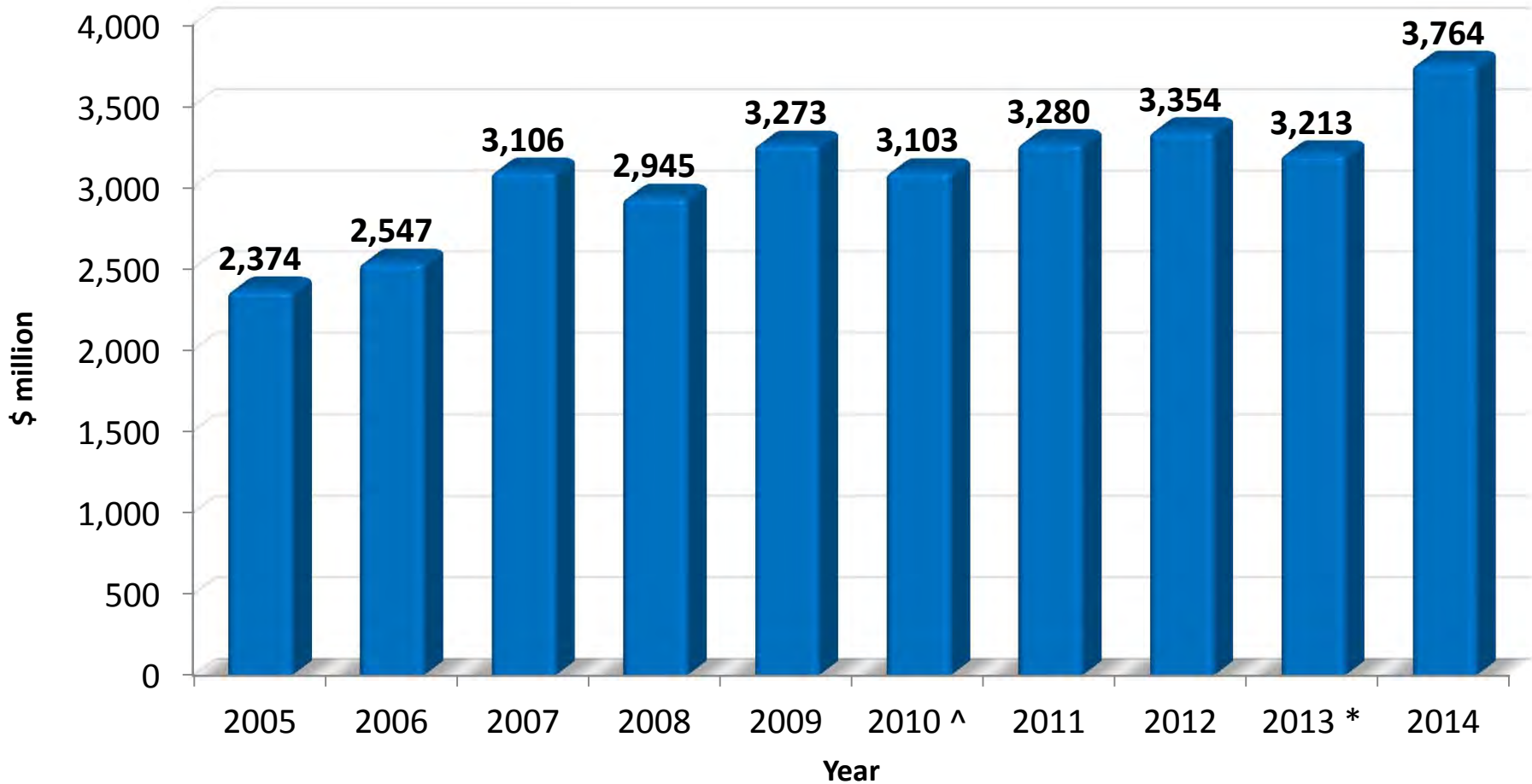
The Group adopted FRS 40 cost model whereby its investment properties continue to be stated at cost less accumulated depreciation and accumulated impairment losses with effect from 1 Jan 2007.



FINANCIAL HIGHLIGHTS

Revenue for the Year Ended 31 Dec (2005 – 2014)

Highest since inception



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

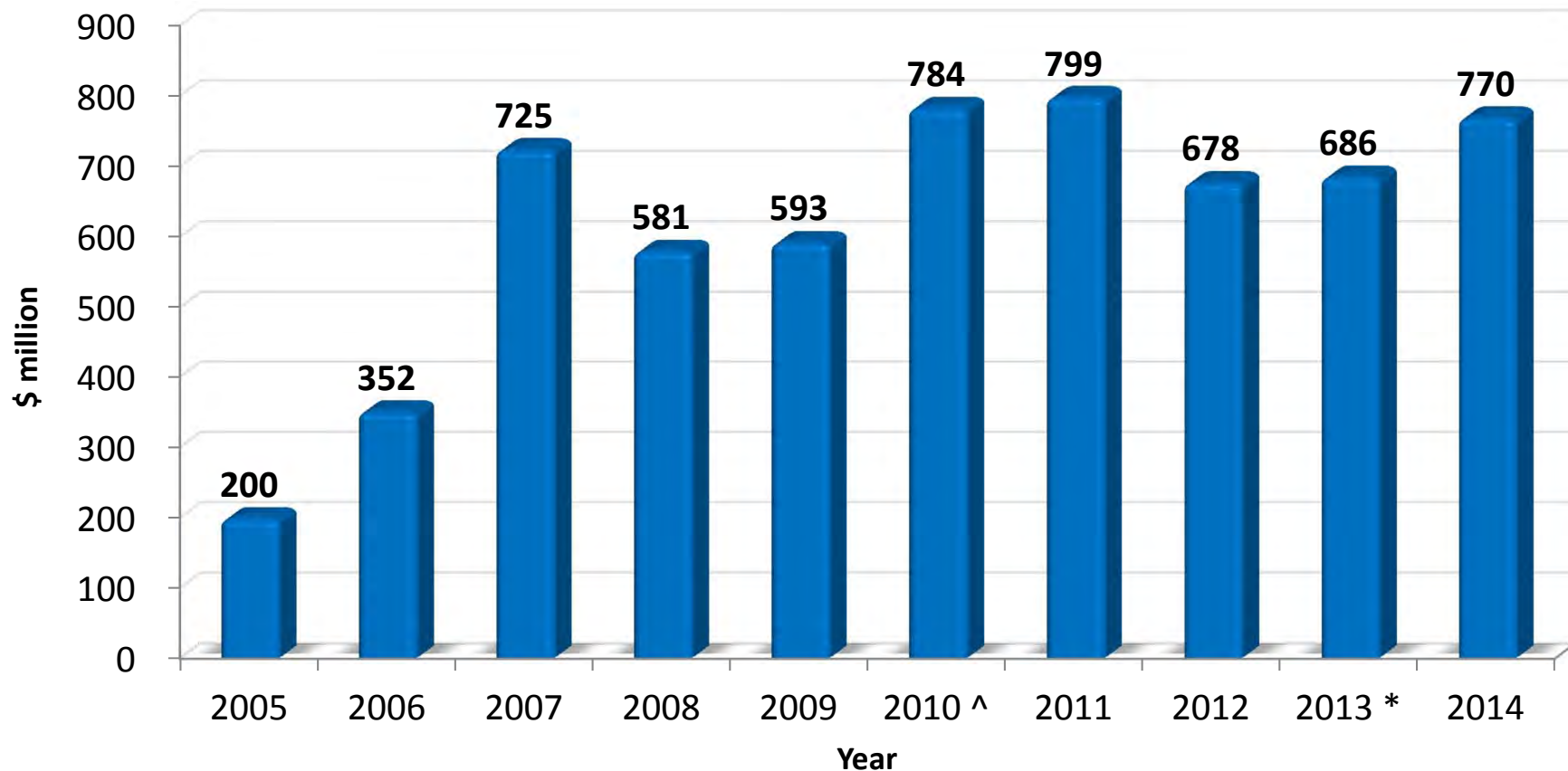
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FINANCIAL HIGHLIGHTS

PATMI for the Year Ended 31 Dec (2005 – 2014)



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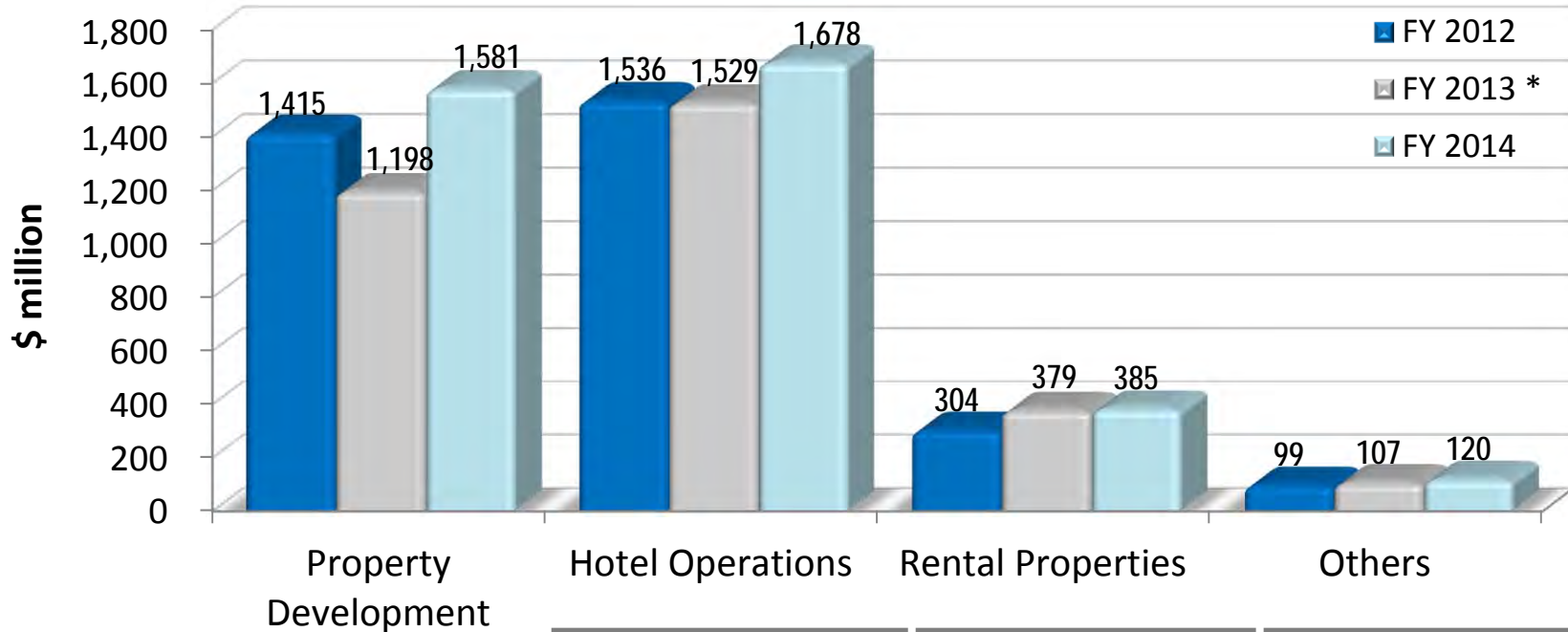
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FINANCIAL HIGHLIGHTS

Revenue by Segment – FY 2014 vs FY 2013 & FY 2012



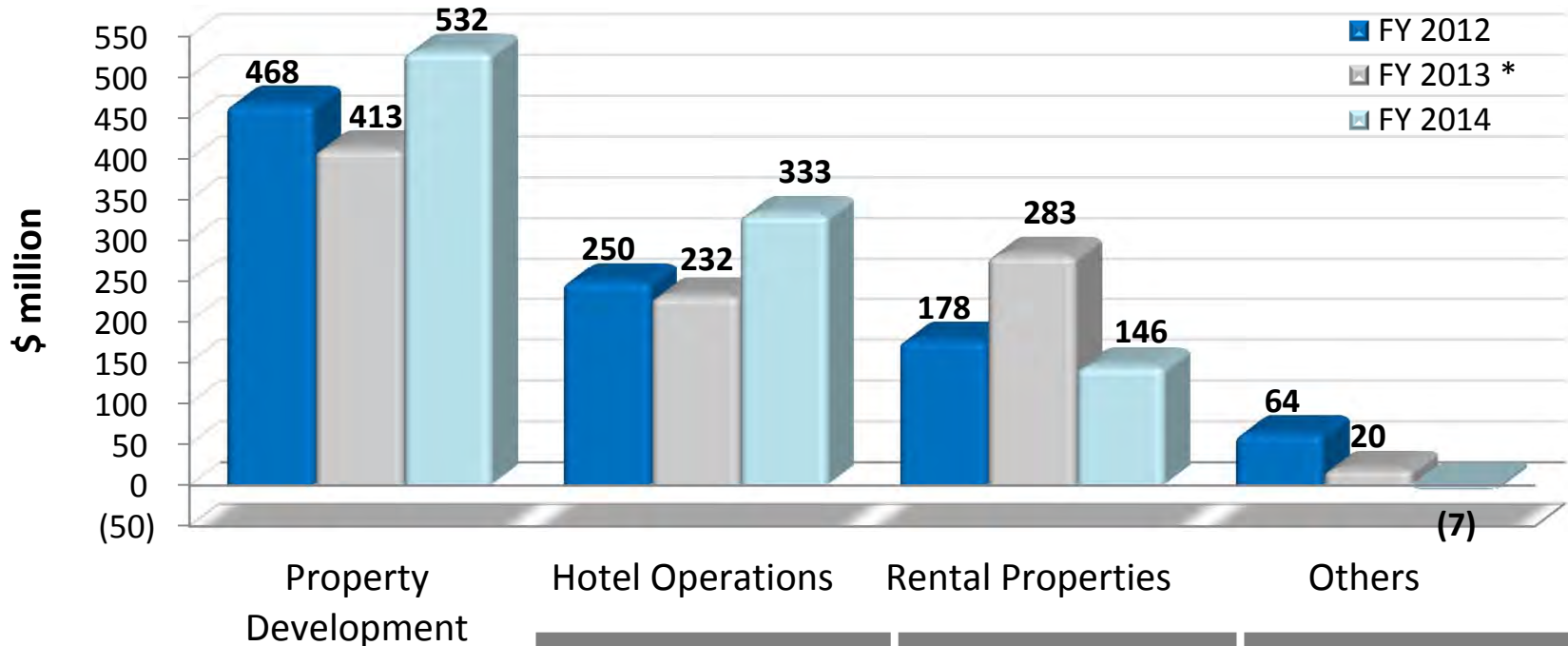
	FY 2014	FY 2013 (Restated) *	FY 2012
Property Development	42%	37%	42%
Hotel Operations	45%	48%	46%
Rental Properties	10%	12%	9%
Others	3%	3%	3%

* Restated due to the adoption of FRS 110 for 2013 only. The impacted segments are Hotel Operations (decrease by 1%) and Rental Properties (increase by 2%), but this also indirectly impacted Property Development (decrease by 1%).



FINANCIAL HIGHLIGHTS

Profit Before Tax by Segment – FY 2014 vs FY 2013 & FY 2012



	FY 2014	FY 2013 (Restated) *	FY 2012
Property Development	53%	44%	49%
Hotel Operations	33%	24%	26%
Rental Properties	15%	30%	18%
Others	(1%)	2%	7%

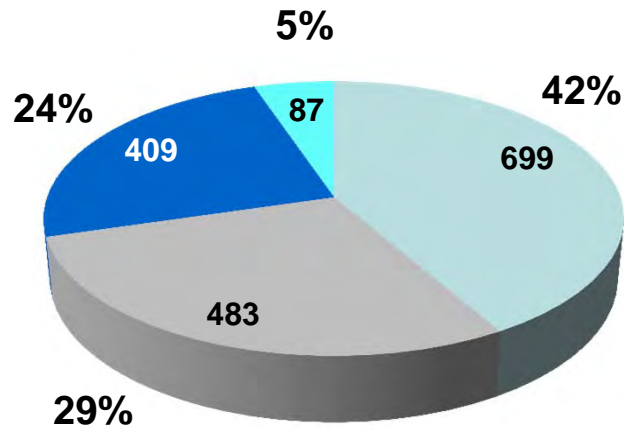
* Restated due to the adoption of FRS 110 for 2013 only. The impacted segments are Hotel Operations (increase by 6%) and Rental Properties (decrease by 4%), but this also indirectly impacted Property Development (decrease by 2%).



HOTEL OPERATIONS

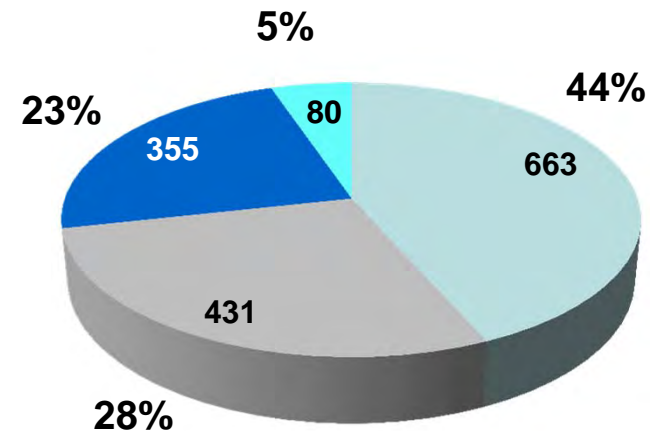
Hotel Revenue by Region – FY 2014 vs FY 2013

FY 2014



\$1,678m

FY 2013 *



\$1,529m

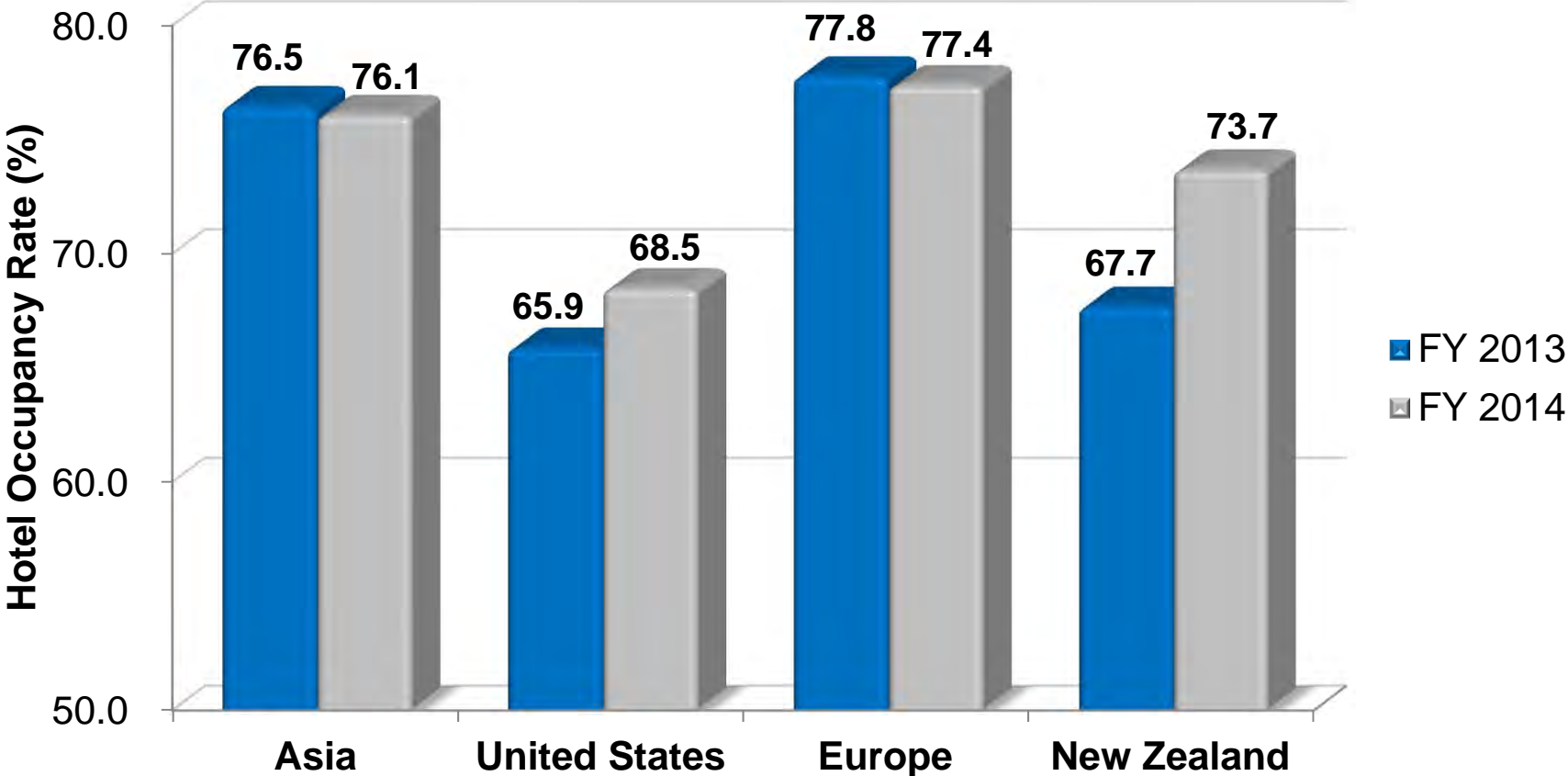
- Asia
- United States
- Europe
- New Zealand



* Restated due to the adoption of FRS 110.

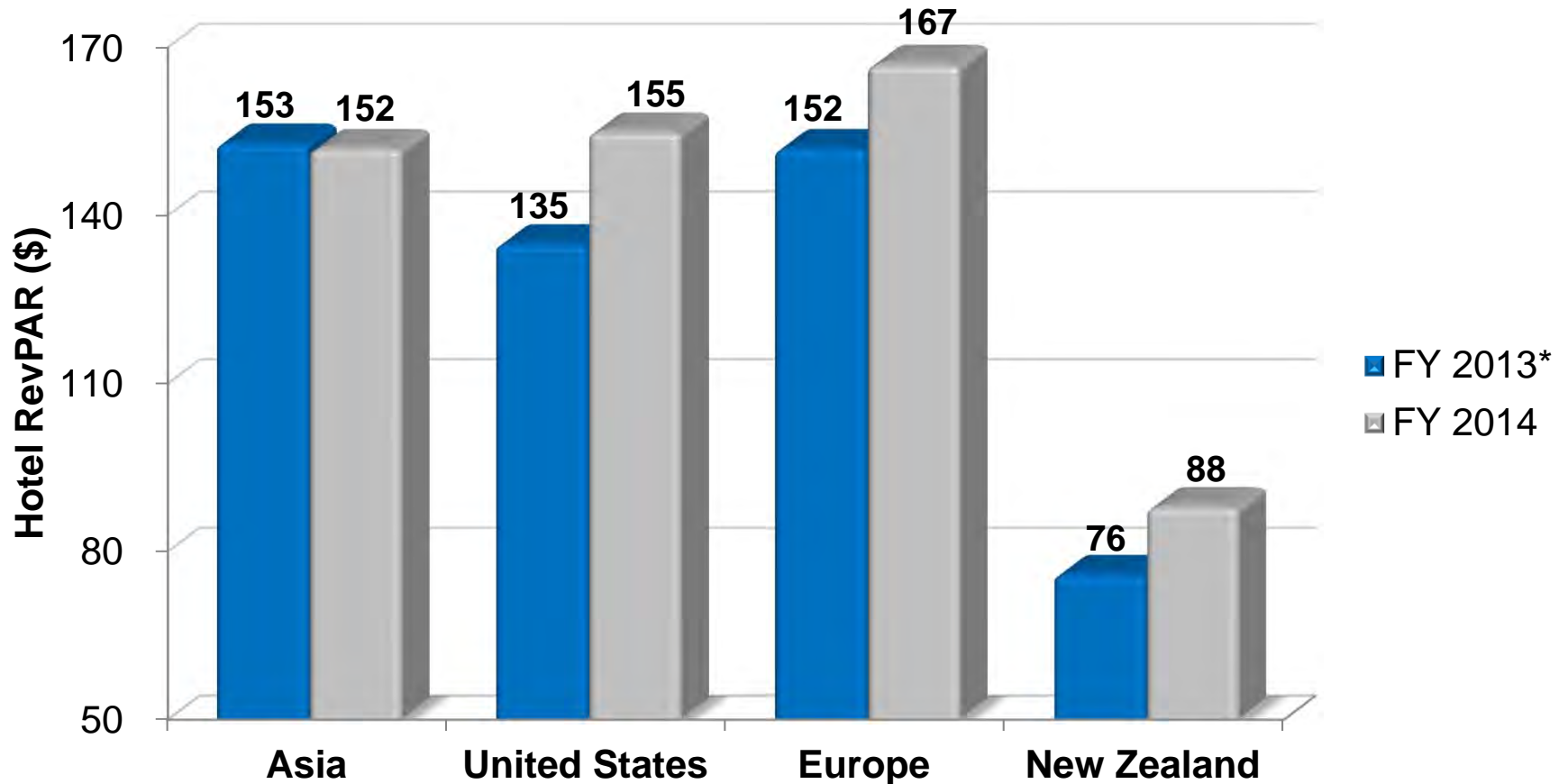
HOTEL OPERATIONS

Hotel Occupancy by Region



HOTEL OPERATIONS

Hotel Revenue Per Available Room at Constant Currency



* For comparability, FY 2013 RevPAR had been translated at constant exchange rates (31 Dec 2014).



FINANCIAL HIGHLIGHTS

Capital Management

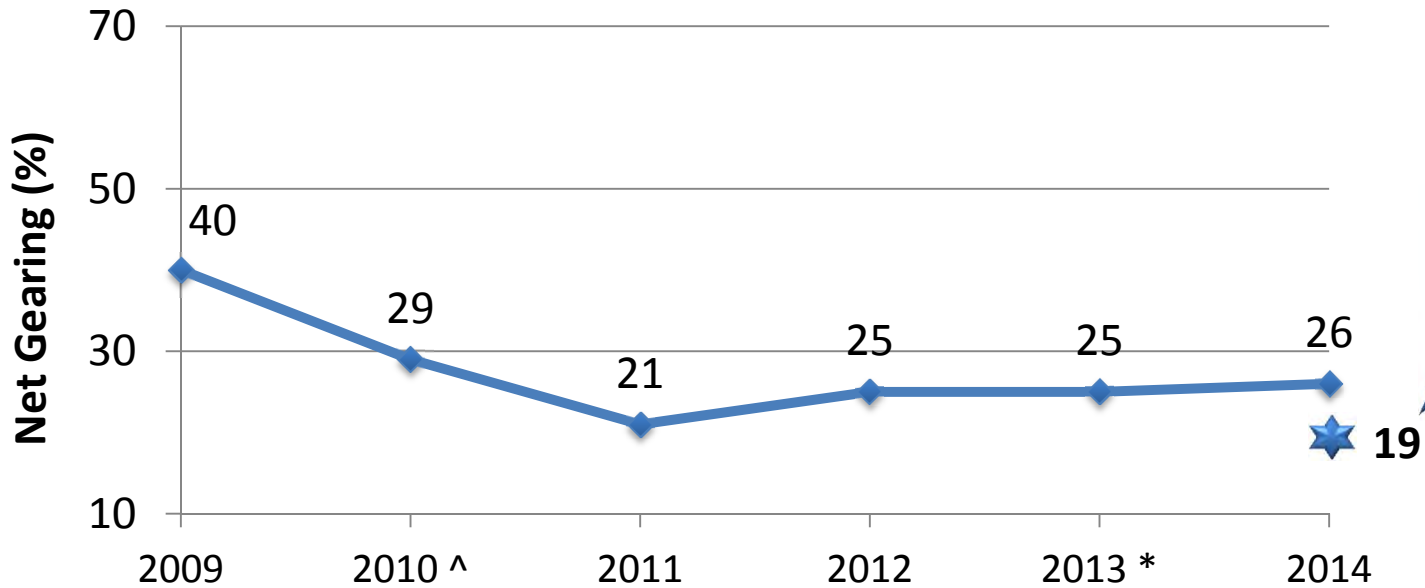
	As at 31/12/14	As at 31/12/13 (Restated) *	Incr / (Decr)
Cash and cash equivalents	\$3,898m	\$2,720m	43%
Net borrowings	\$2,820m	\$2,589m	9%
Net gearing ratio without taking in fair value gains on investment properties	26%	25%	
Net gearing ratio after taking in fair value gains on investment properties	19%	18%	
Interest cover ratio	12.1 x	13.7 x	



* Restated due to the adoption of FRS 110.

FINANCIAL HIGHLIGHTS

CDL's Net Gearing (%) (2009 – 2014)



After taking in fair value gains on investment properties

Maturity Period	FY 2014
Within 1 year	31%
1 to 2 years	18%
2 to 3 years	19%
More than 3 years	32%

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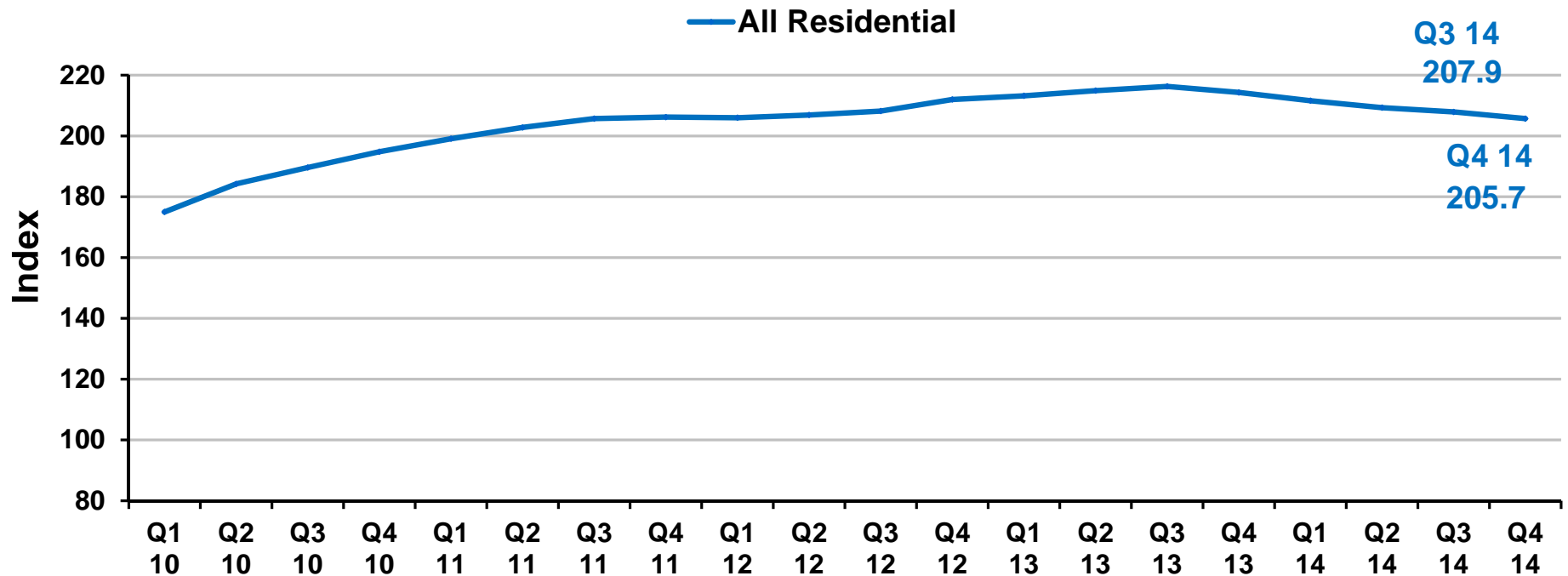


SINGAPORE PROPERTY MARKET



SINGAPORE PROPERTY MARKET

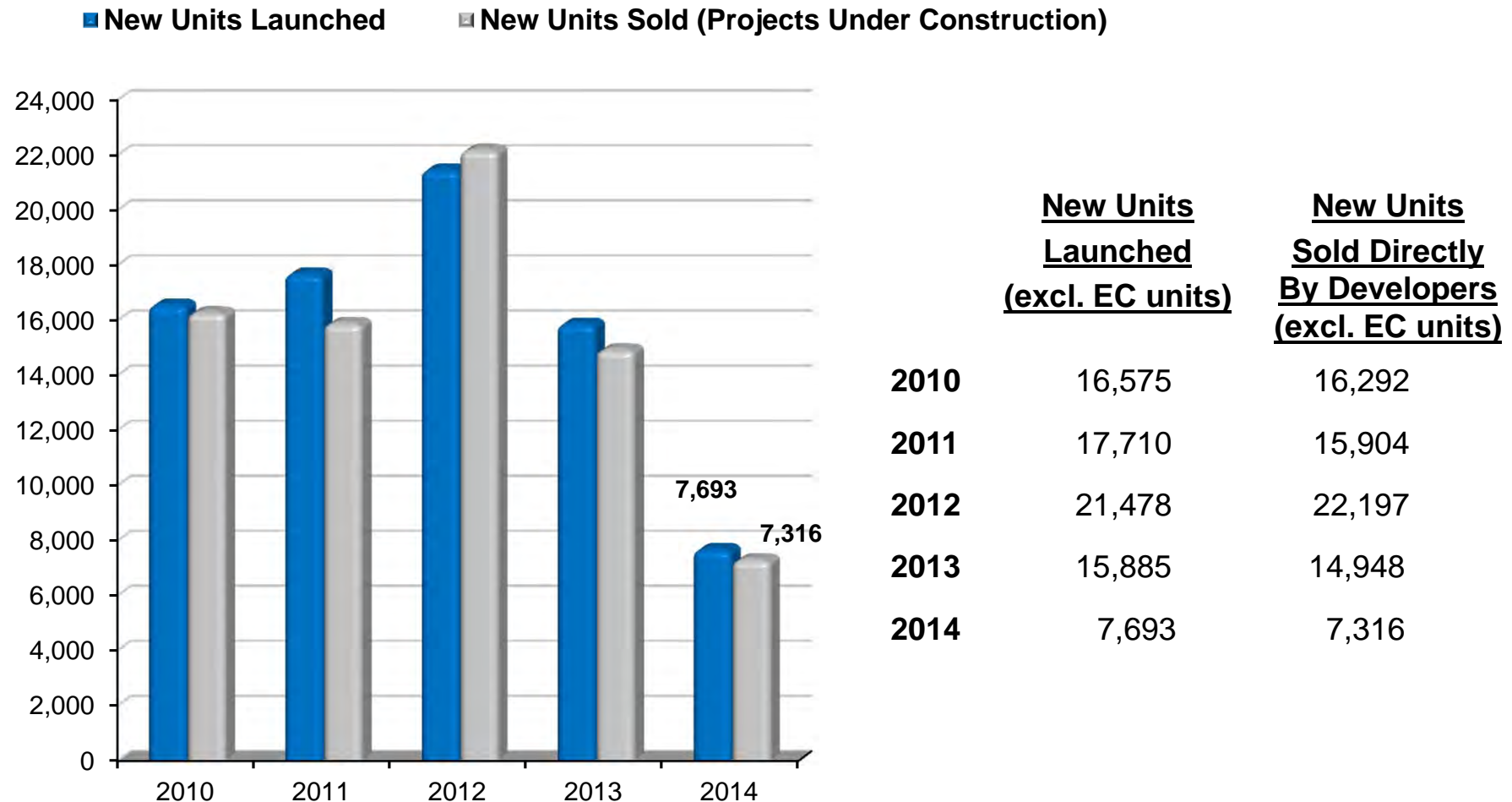
Property Price Index – Residential (2010 – 2014)



Source : URA, Q4 2014

SINGAPORE PROPERTY MARKET

No. of New Private Residential Units Launched vs Units Sold (Projects under Construction) (2010 – 2014)

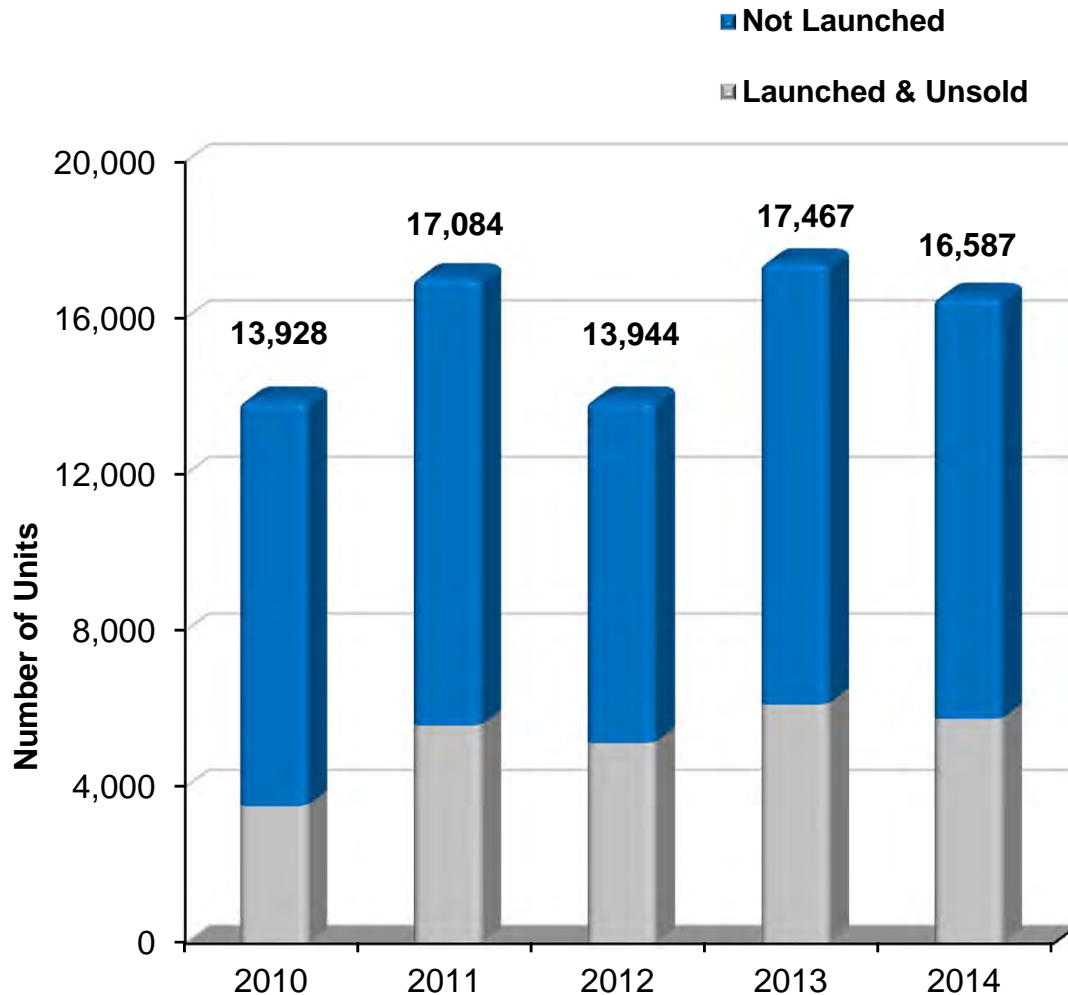


Source : URA, Q4 2014



SINGAPORE PROPERTY MARKET

No. of Uncompleted Private Residential Units Available (2010 – 2014)



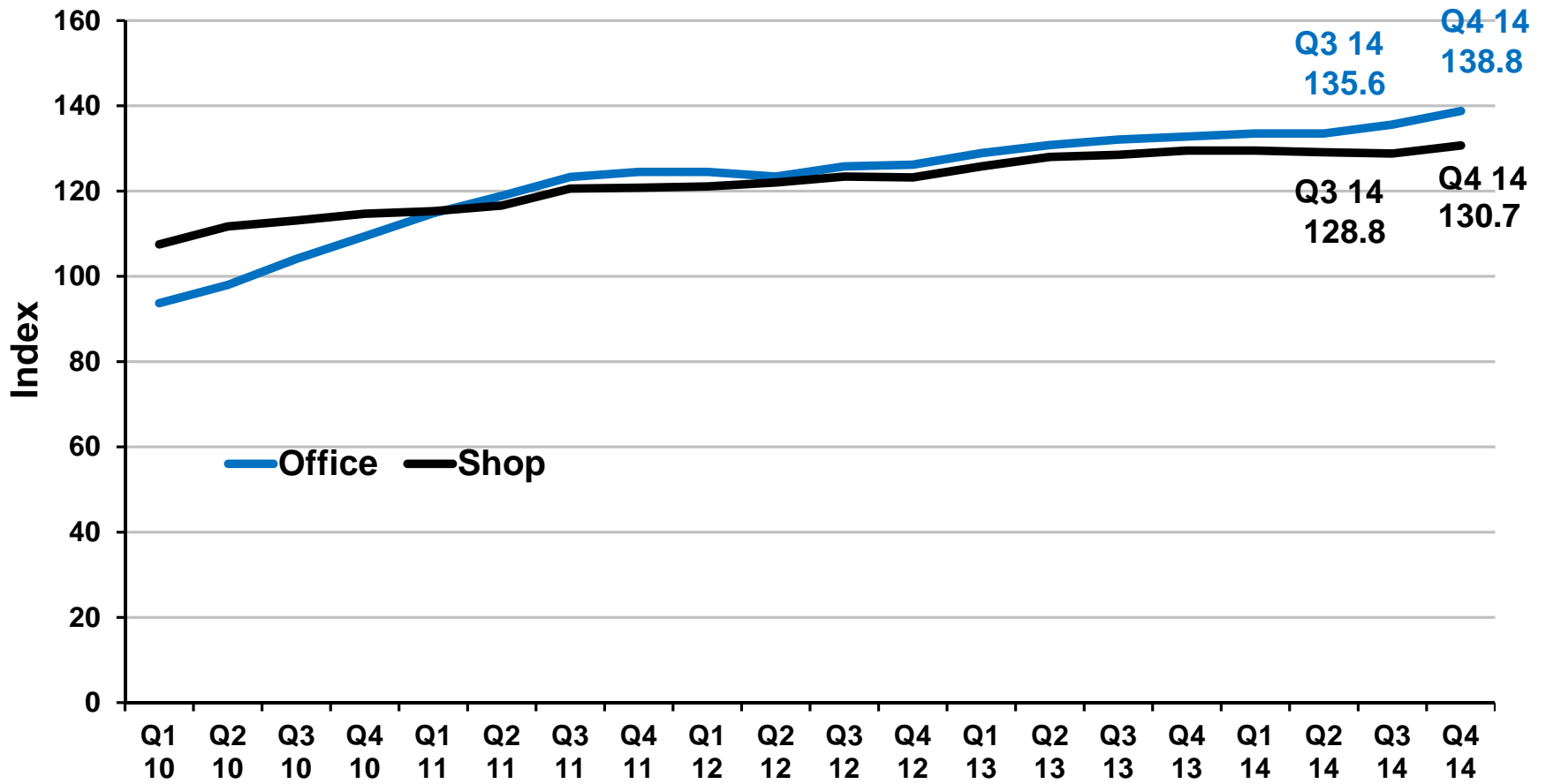
	<u>Launched & Unsold</u>	<u>Not Launched</u>	<u>Total</u>
2010	3,528	10,400	13,928
2011	5,584	11,500	17,084
2012	5,137	8,807	13,944
2013	6,124	11,343	17,467
2014	5,750	10,837	16,587

Source : URA, Q4 2014



SINGAPORE PROPERTY MARKET

Property Price Index – Commercial (2010 – 2014)

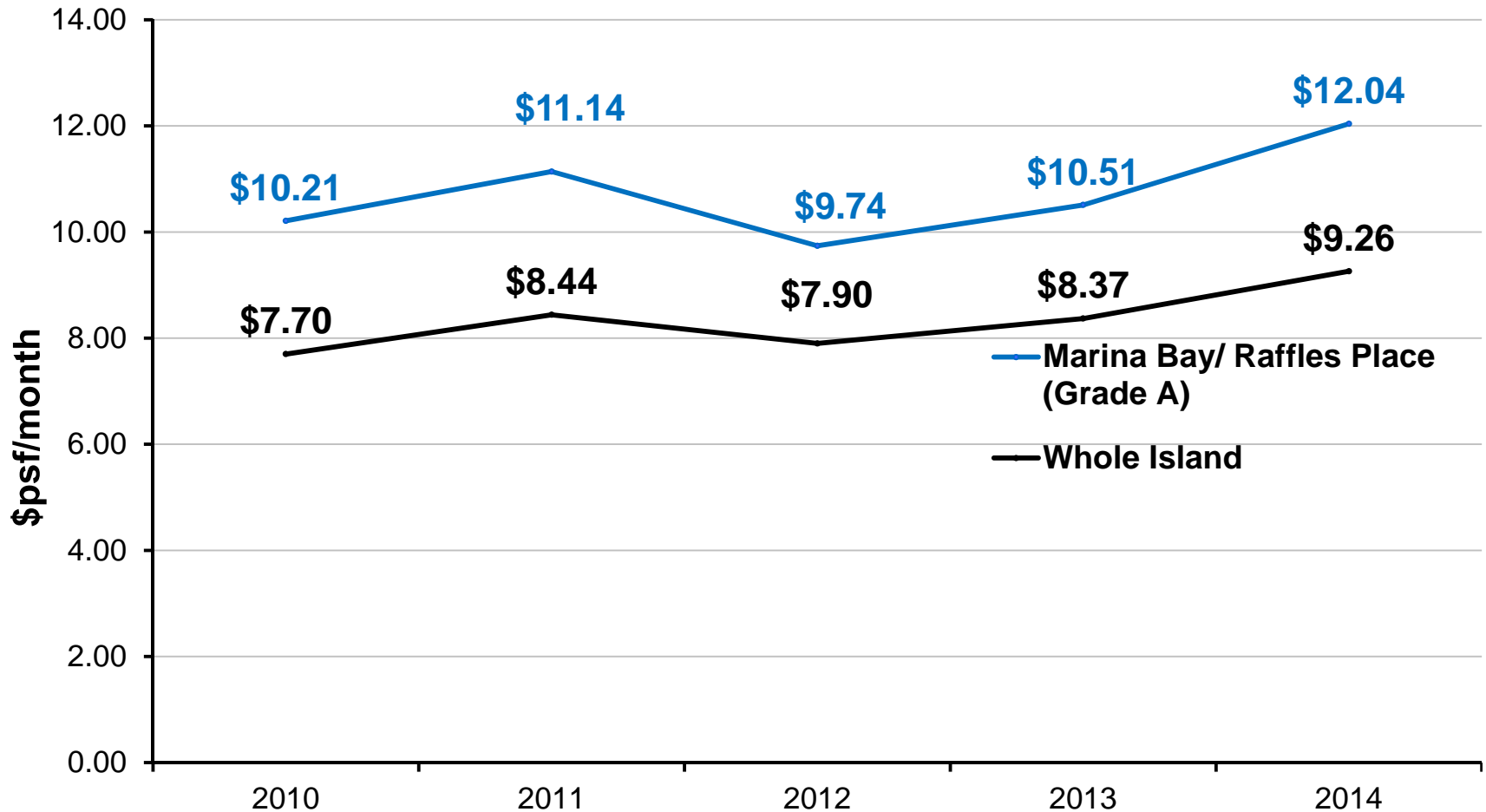


Source : URA, Q4 2014



SINGAPORE PROPERTY MARKET

Average Office Rental in CBD (2010 – 2014)



Source : JLL Research, Q4 2014



OPERATIONS REVIEW



OPERATIONS REVIEW

Property Development – Units Booked / Sold

	Sales Value* \$'000	No. of Units*	Total Floor Area* (sq ft)
FY 2014	\$ 1,392,773	1,378	1,183,478
FY 2013	\$ 3,319,298	3,210	3,055,305

* Includes share of JV partners & ECs



Coco Palms



For Illustration Only

Commonwealth Towers



Artist's Impression

OPERATIONS REVIEW

Completed Residential Projects Handed Over to Purchasers in 2014



Buckley Classique

Location: Buckley Road
Number of units: 64



Blossom Residences

Location: Segar Road
Number of units: 602

368 Thomson

Location: Thomson Road
Number of units: 157



OPERATIONS REVIEW

Upcoming Residential Project Launches (subject to market conditions)



Executive Condominium

Location: Canberra Drive

Number of units: 638

- Located within Sembawang New Town
- Next to future Canberra MRT station
- Likely the world's largest application of Prefabricated Prefinished Volumetric Construction (PPVC) for a large-scale residential project



OPERATIONS REVIEW

Upcoming Residential Project Launches (subject to market conditions)



Gramercy Park

Location: Grange Road

Number of units: 174

- Freehold project, located in prime District 10
- Designed by world renowned architecture firm NBBJ of New York
- Minutes away from Orchard Road and the CBD



OPERATIONS REVIEW

Integrated Development – South Beach



Artist's Impression

HOTEL:	The South Beach	654 rooms
COMMERCIAL:	South Beach Tower	About 500,000 sq ft
CLUB:	South Beach Club	29,000 sq ft
RESIDENTIAL	South Beach Residences	190 units
RETAIL:	South Beach Avenue	About 37,000 sq ft



OPERATIONS REVIEW

South Beach – Milestones for 1H 2015



South Beach Tower (Offices)

- 500,000 sq ft of Grade A office space
- 80% of the leases secured
- First tenant expected to commence operations in Q1 2015



The South Beach (Hotel)

- Interior design by Philippe Starck
- 654 rooms including 49 suites
- Large ballroom that can cater to over 500 guests
- General Manager has been appointed
- Expected to soft open in April 2015, in phases



South Beach



For Illustration Only

South Beach

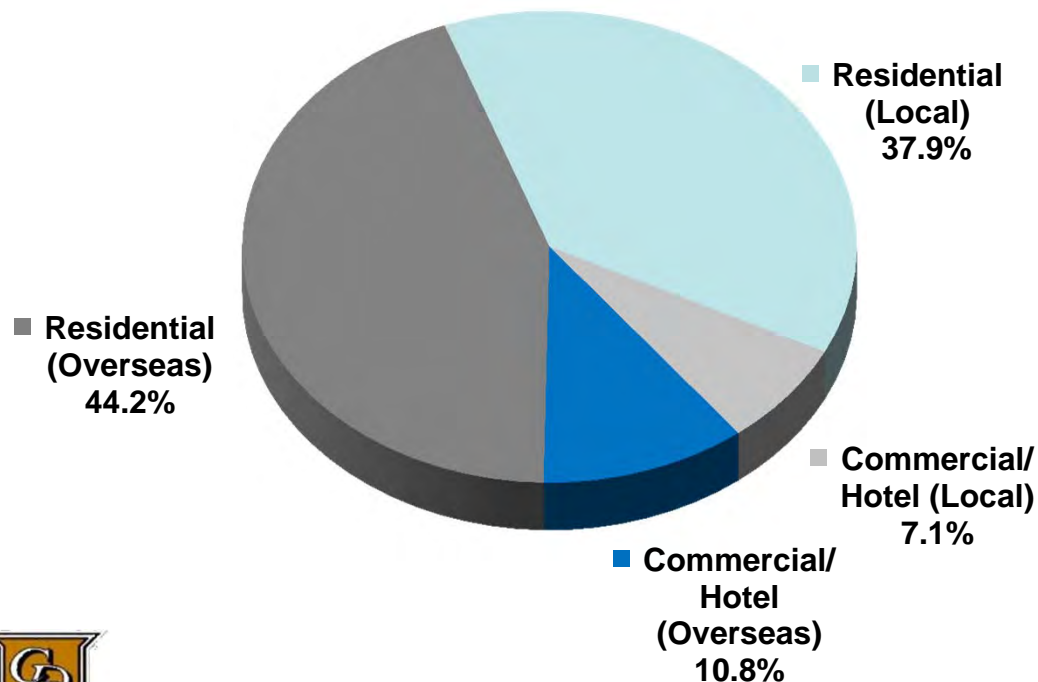


Artist's Impression

OPERATIONS REVIEW

Land Bank by Sector (as at 31 December 2014) – CDL's Attributable Share

Type of Development	Land Area (Sq ft)			
	Local	Overseas	Total (Local & Overseas)	%
Residential	1,030,395	1,200,166	2,230,561	82.0%
Commercial / Hotel	193,971	294,619	488,590	18.0%
Total	1,224,366	1,494,785	2,719,151	100%



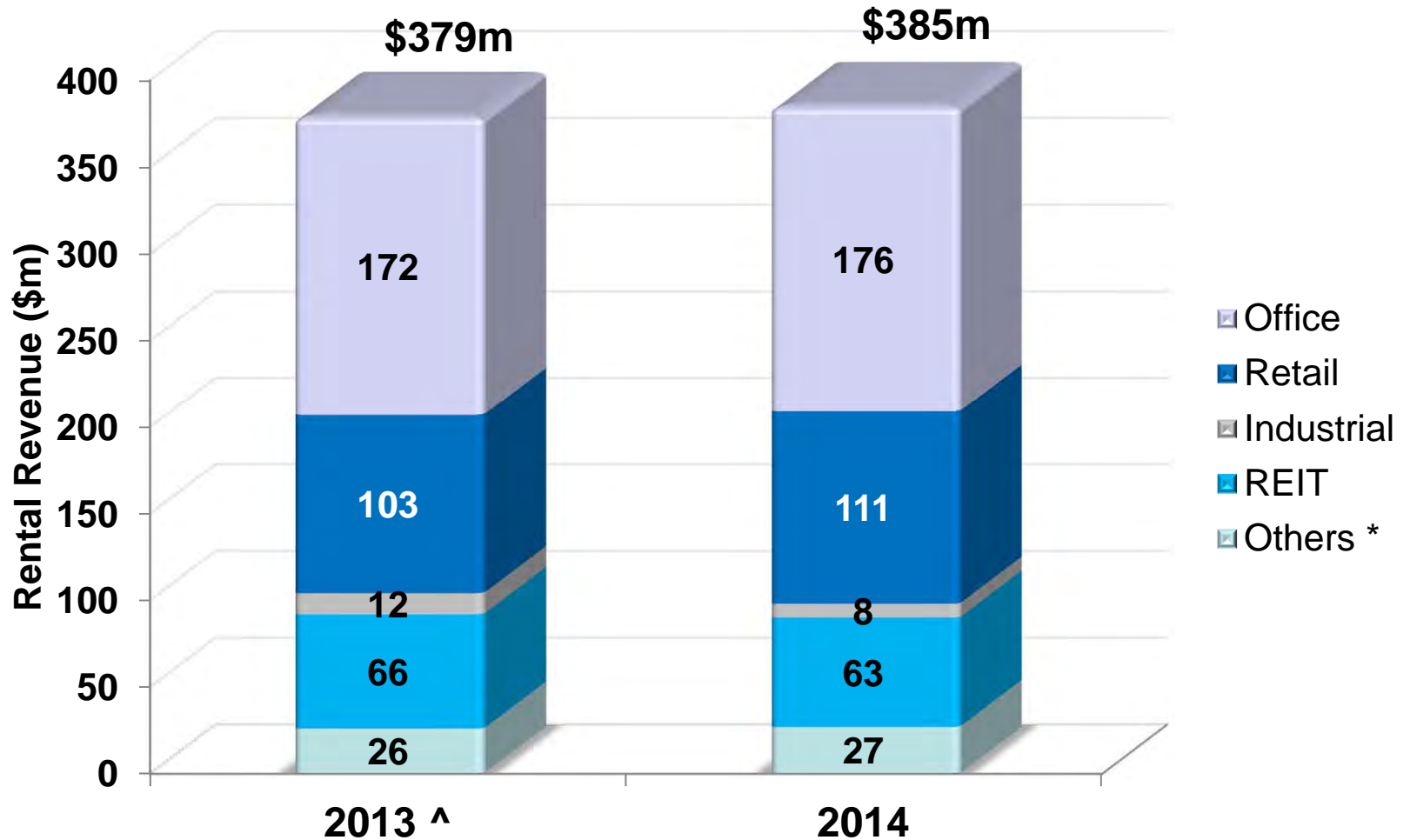
Proposed GFA –

- (a) Singapore – 2.90 million sq ft
 - (b) CDL China – 3.91 million sq ft
 - (c) Overseas – 0.88 million sq ft (UK/Japan/Malaysia)
- | | |
|--------------|----------------------------------|
| Total | <u>7.69 million sq ft</u> |
|--------------|----------------------------------|



OPERATIONS REVIEW

Rental Revenue by Sector for Year Ended 31 Dec



[^] Restated due to the adoption of FRS 110.

* Including car park, serviced apartment, residential and Ginza

HOTEL OPERATIONS & CDLHT



Millennium Mitsui Garden Hotel Tokyo



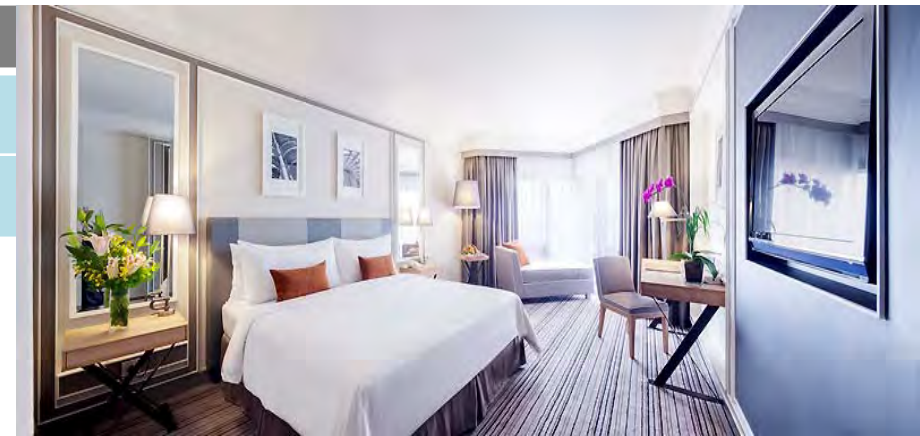
HOTEL OPERATIONS

M&C Group

Good Trading Performance

- Increase in hotel revenue due to improvement in RevPAR (in constant currency) driven mainly by acquisitions and the positive impact of the refurbishment programme.

RevPAR		
FY 2014	£71.55	↑ 6.9%
Q4 2014	£76.48	↑ 8.9%



Grand Millennium Kuala Lumpur

- RevPAR growth for 2014 driven by:
 - London 4.0%
 - New York 7.0%
 - Regional US 8.4%
 - Australasia 13.6%



HOTEL OPERATIONS

M&C Group – Hotel Room Count and Pipeline

<u>Hotel and Room Count</u>	Hotels		Rooms	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
By region:				
• New York	4	3	2,238	1,758
• Regional US	15	16	4,463	4,938
• London	8	7	2,651	2,493
• Rest of Europe	16	16	2,560	2,695
• Middle East *	17	16	5,123	4,816
• Singapore	6	6	2,716	2,716
• Rest of Asia	26	21	9,431	7,894
• Australasia	28	29	4,185	4,423
Total:	120	114	33,367	31,733

Pipeline

By region:

• New York	-	1	-	480
• London	-	1	-	158
• Middle East *	15	17	4,300	4,796
• Rest of Asia	3	5	1,676	1,936
Total:	18	24	5,976	7,370



The McCormick Scottsdale



Millennium Biltmore Hotel Los Angeles



* Mainly management contracts

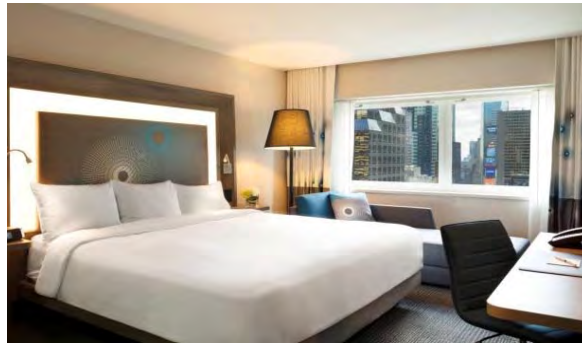
HOTEL OPERATIONS

M&C Group – New Acquisitions



The Chelsea Harbour Hotel

- 154 suites and 4 penthouses.
- Completed on 25 March 2014.
- Acquisition price £65m.



Novotel New York Times Square

- 4-star hotel with 480 rooms.
- Completed on 12 June 2014.
- Acquisition price £161m.



Grand Hotel Palace Rome

- 5-star hotel with 87 rooms.
- Completed on 9 October 2014.
- Acquisition price £51m.



HOTEL OPERATIONS

M&C Group – Asset Enhancement (on-going)

- £42m was spent under the programme in 2014. The bulk of this expenditure was accounted for by the continuing refurbishment of Grand Hyatt Taipei.
- On 1 October 2014, the former Millennium Resort and Villas Scottsdale was re-opened as The McCormick Scottsdale after a 3-month closure.
- Refurbishment of all 100 rooms in the main tower of Millennium Harvest House in Boulder was completed in May 2014.



Grand Hyatt Taipei



The McCormick Scottsdale



Millennium Harvest House Boulder



CDL HOSPITALITY TRUSTS (CDLHT)

Trading Performance

S\$'000	FY 2014	FY 2013	Change
Gross Revenue	166,812	148,782	12.1%
Net Property Income	140,526	137,389	2.3%



Grand Copthorne Waterfront Hotel

Gross revenue and net property income increase mainly due to revenue generated by Jumeirah Dhevanafushi acquired on 31 Dec 2013. However, this was partially offset by lower contributions from Singapore and Australia properties.



Jumeirah Dhevanafushi



CDL HOSPITALITY TRUSTS (CDLHT)

Acquisitions

- Acquisition of Hotel MyStays Asakusabashi and Hotel MyStays Kamata in Tokyo was completed on 19 December 2014.
- Purchase consideration: ¥5.8 billion.

Hotel MyStays Asakusabashi

- Business (economy) hotel with 138 rooms and 1 convenience store.
- Freehold.
- Situated in close proximity to Asakusa, Akihabara, Tokyo SKYTREE and Ryogoku SUMO Stadium.

Hotel MyStays Kamata

- Business (economy) hotel with 116 rooms.
- Freehold.
- Located in Kamata area which is only a 10-minute train ride from Haneda Airport.



Hotel MyStays Asakusabashi



Hotel MyStays Kamata



DIVERSIFICATION STRATEGY



DIVERSIFICATION STRATEGIES

New Geographies

- Accelerate expansion initiatives to supplement existing operations
- Focus remains on US, UK, Japan, China and Australia

Results:

Acquired approximately **\$1.3 billion worth of assets** in US, UK, Italy, Japan and China over the past 12 months (2014)

New Platforms

- Strategic focus to derive greater value from CDL's strong portfolio of real estate assets through funds management products

Results:

\$1.5 billion cashflow syndication of CDL's Sentosa Cove assets entered into with Blackstone and CIMB



NEW GEOGRAPHIES

Growth & Accommodative Central Bank Policy – To drive investment prospects in 5 target markets

US

- Continued economic recovery in 2014 and early 2015 to support Fed rate hike in mid-2015
- However, benign inflation outlook to keep medium term interest rate expectations low
- Healthy job growth, rising consumer and business confidence to be supportive of housing market in 2015

UK

- Overall strong capital growth across all real estate sectors in 2014
- Buyers cautious on high end luxury residential due to regulatory uncertainty with upcoming 2015 elections
- Positive demand and supply fundamentals coupled with additional liquidity from ECB quantitative easing programme to be supportive of longer term growth in real estate market

Japan

- BOJ expanded quantitative easing programme resulted in further compression of cap rates in 2014
- Accommodative monetary policy and foreign investment policy, together with rising rental growth to continue driving real estate markets in 2015

China

- Economic transition towards slower, more sustainable growth providing both opportunities and risks in real estate sector
- Buyers remain cautious amidst anti-corruption drive, tight credit conditions and large housing inventory
- Relaxation of mortgage policies, home purchase restrictions and easing of credit conditions to improve demand in the near term and longer term urbanisation demand continues to remain positive

Australia

- Decline in commodity sector resulted in sub trend economic growth
- However Australia remains attractive market for yield hungry investors globally due to above average returns
- Looser monetary policy, better job growth and non-mining capex prospects to keep real estate investment activity elevated



JAPAN – Prime Freehold Tokyo Land Site



JAPAN

Landmark Development Site – Tokyo, Japan

Acquired in September 2014 – ¥30.5 billion

- Freehold 16,815 sqm land site in Tokyo's affluent Minato ward
- Sizeable land parcel includes a 1,340 sqm mansion, the former residence of Seiko Holdings Corporation's founder, Mr Kintaro Hattori
- Acquisition marks CDL's first foray into residential real estate development in Japan
- Plans to redevelop into luxury condominiums



JAPAN – Millennium Mitsui Garden Hotel Tokyo

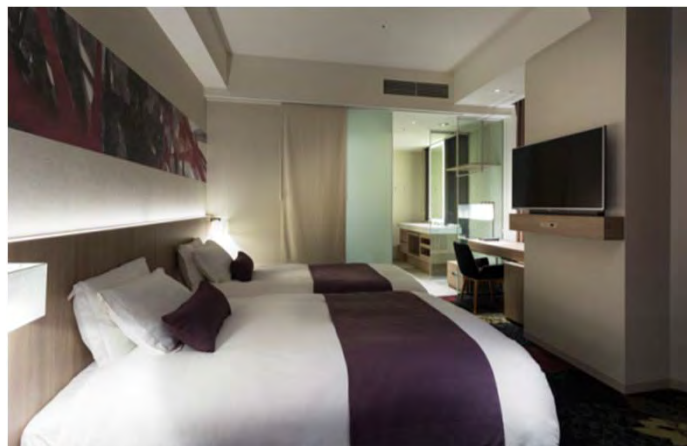


JAPAN

Flagship Hotel in Japan – Millennium Mitsui Garden Hotel Tokyo

Opened on 17 December 2014

- M&C's first hotel in Japan with 329 well-appointed rooms
- Strategically located in the heart of Tokyo's Ginza 4-Chome district
- CDL and Mitsui Fudosan Group collaboration
- Site was acquired by M&C in 2011 for ¥9.5 billion



UK

UK Real Estate Development Platform – Established in 2013

Up to £300 million set aside for UK investment

- 6 freehold properties in UK acquired to date for £157 million



**28 Pavilion Road,
Knightsbridge**



**32 Hans Road,
Knightsbridge**



**15 Lansdowne Road,
Croydon**



**31/35 Chesham Street,
Belgravia**



**90-100 Sydney Street,
Chelsea**



**202 Kings Road,
Reading**



UK – Prime Freehold Riverside Site



UK

Proposed Acquisition – February 2015

Freehold Riverside Site in Teddington

- 18,211 sqm freehold site in a prime residential area in Greater London for £85 million
- Exclusive riverside location; along the banks of the River Thames in south-west London
- Expected purchase completion in 2H 2015, upon fulfilment of the contractual conditions
- Planning permission secured
- Planned redevelopment into a luxury residential complex comprising:
 - 207 apartments
 - 6 houses
 - Secure underground car park



CHINA

Eling Residences 鹅岭峰 – Chongqing, China

Soft Launch – Targeted in Q2 2015

- Exclusive 126-unit luxury residence
- Sited at the peak of Eling Hill in Yuzhong district
- All structural works completed
- 1st BCA Green Mark Platinum Award* for residential project in China



**Conferred by Singapore's Building and Construction Authority (BCA) on provisional basis*



CHINA

Huang Huayuan project – Chongqing, China

Good Construction Progress Achieved

- Mixed-use riverside development with 3 high-rise residential towers, 150-room hotel and mall
- Located beside Jialing River in Yuzhong district
- Good progress made in excavation and retaining wall works



CHINA

Hong Leong City Center 丰隆城市中心 – Suzhou, China

Sales Permits for Phase 1 Obtained

- Mixed-use waterfront development at Jinji Lake, in Suzhou Industrial Park
 - Phase 1 – 462-unit residential tower & 899-unit SOHO tower
 - Phase 2 – 362-unit residential tower, office tower, retail mall & hotel (approx. 300 rooms)
- Phase 1 – to be launched at appropriate time
Notwithstanding, 60 units transacted in Q4 2014 with buyers from local community
- Phase 2 – excavation and retaining wall works expected to be completed in Q1 2015



Artist's Impression



CHINA

Established foothold in Shanghai, China

**Via Corporate Acquisition in December 2014 –
RMB 799 million**

- Acquired residential developer Shanghai Jingwen Zhaoxiang Real Estate Limited in Shanghai
- Completed luxury residential project in 2013 with 120 residences built on 163,837 sqm land parcel
- Project is strategically located in the affluent Qingpu District
- Complete overhaul with physical renovations and landscape enhancements



NEW PLATFORMS

Profit Participation Securities (PPS)

Completed in December 2014 – \$1.5 Billion Strategic Platform

- **Strategic partners:**
 - Blackstone's Tactical Opportunities Fund
 - CIMB Bank Berhad, Labuan Offshore Branch
- **PPS provides:**
 - Fixed payment of 5% interest per annum for a period of 5 years
 - Participation in the cashflows over period the PPS is held
- **PPS invests in the cashflows** of the Quayside Collection on Sentosa Cove:
 - Hotel 5-star W Singapore – Sentosa Cove hotel
 - Retail Quayside Isle, a waterfront F&B and retail property
 - Residential Luxury apartments of The Residences at W Singapore – Sentosa Cove



NEW PLATFORMS

Profit Participation Securities (PPS)

First-of-its-kind in Singapore

- **Total of \$1.5 billion raised** for global capital deployment:
 - \$750 million : Total aggregated value of PPS by investors
 - \$750 million : Senior loan facilities from two banks
- **Leverages on the solid cashflows** of the upscale Quayside Collection assets:
 - W Singapore – Sentosa Cove: Enjoys high occupancy rates, strong RevPAR
 - Quayside Isle: Fully tenanted
 - The Residences at W Singapore – Sentosa Cove: Over 50% committed occupancy



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.



Shaping the present
Sustaining the future since 1963...



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