FULL YEAR FINANCIAL REPORT

1 Jan – 31 Dec 2013

27 February 2014
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 Lush Acres

FINANCIAL HIGHLIGHTS

Artist's Impression of D'Nest

KEY FINANCIAL HIGHLIGHTS

- Delivered a resilient and consistent performance with PATMI of $683.0m for FY2013 (FY2012: $678.3m) despite a challenging Singapore market.

- No revaluation surpluses on investment properties and hotels (including CDL Hospitality Trusts).

- Locked-in profits from substantially sold projects that are recognised based on stages of construction. Profits from three of its fully sold Executive Condominiums (ECs) have yet to be recognised in line with prevailing accounting treatment, which only allows profit recognition in entirety upon completion of construction.

- Robust basic earnings per share of 73.7 cents (FY2012: 73.2 cents).

- Strong balance sheet with cash and cash equivalents of $2.87 billion as at 31 December 2013 and healthy gearing ratio at 20.0% (excluding any revaluation surpluses for investment properties) and interest cover at 15.2 times for FY 2013.

- Total dividends of 16.0 cents per share, including the proposed final ordinary dividend of 8.0 cents per share.

SUMMARY OF FINANCIAL HIGHLIGHTS

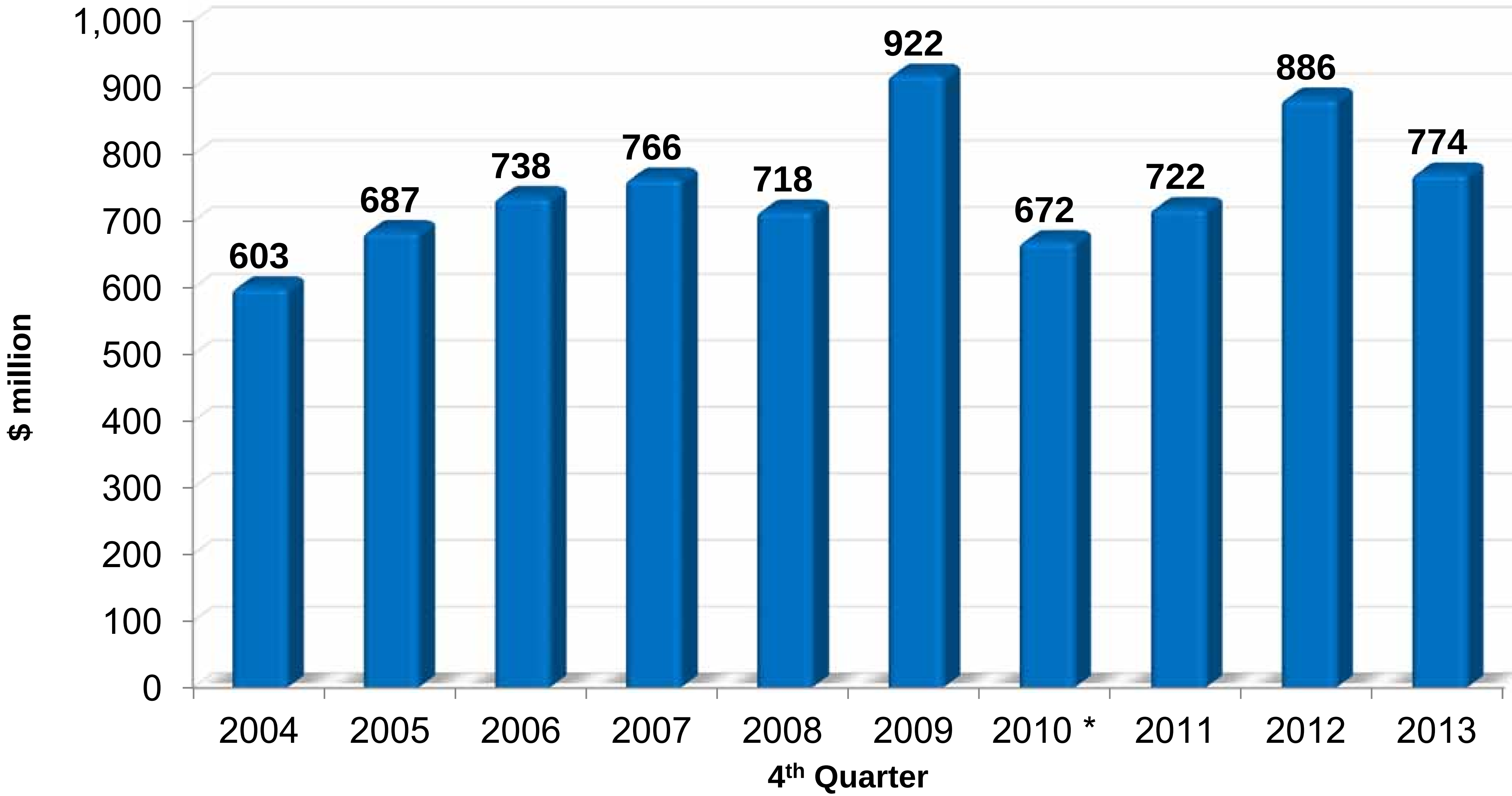
	Q4 2013	Q4 2012	% Change	FY 2013	FY 2012	% Change
Revenue ($m)	**774**	886	(12.6)	**3,162**	3,354	(5.7)
Profit Before Tax ($m) *	**256**	325	(21.4)	**892**	960	(7.1)
PATMI ($m) *	**221**	249	(11.4)	**683**	678	0.7
Basic Earnings Per Share (cents)	**23.6**	26.7	(11.6)	**73.7**	73.2	0.7
NAV Per Share ($)				**8.63**	8.03	7.6

* 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 – 2013)

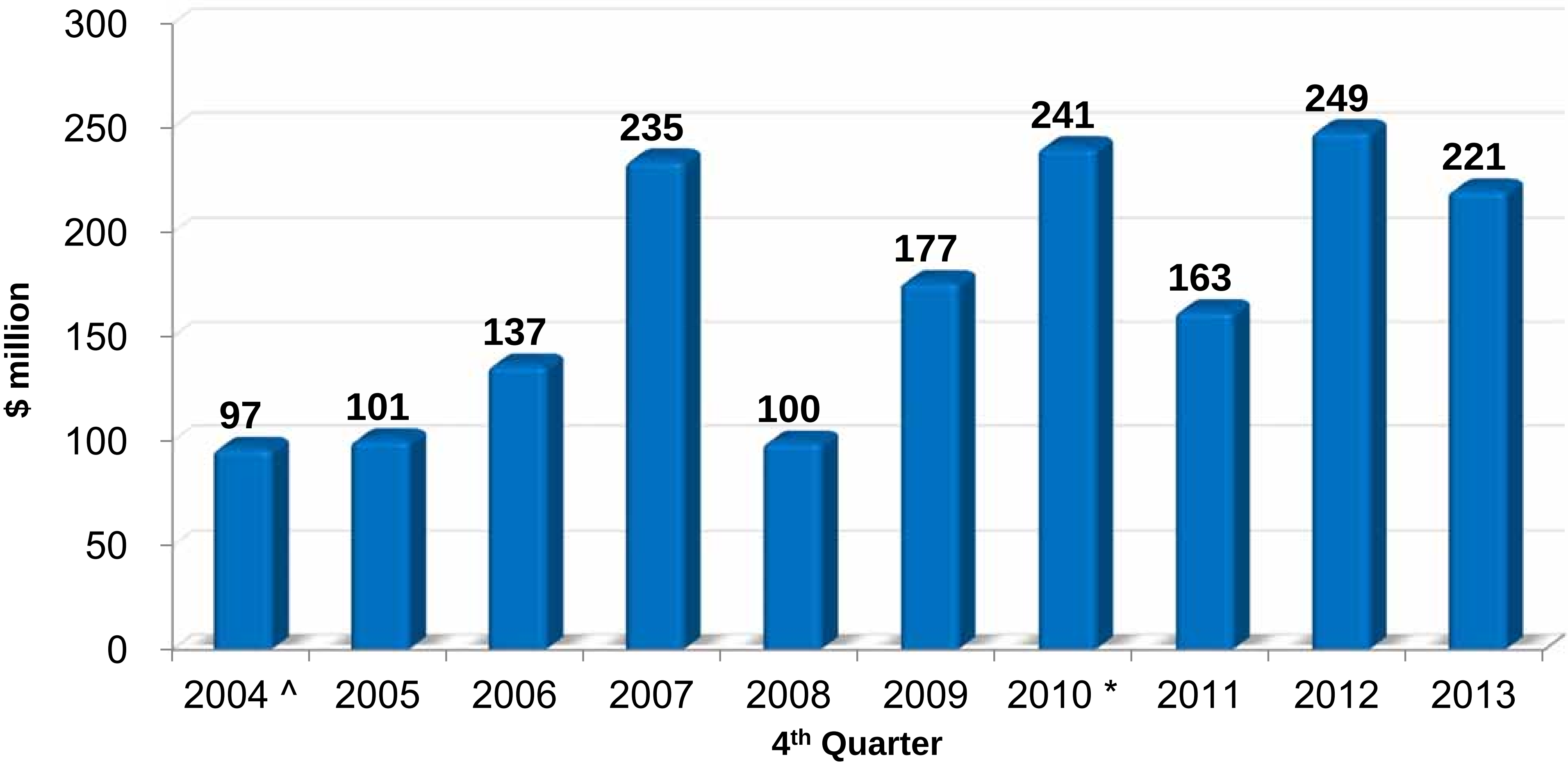


* Restated due to the adoption of INT FRS 115 for 2010 only.

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

FINANCIAL HIGHLIGHTS

PATMI for the Quarter Ended 31 Dec (2004 – 2013)



^ Restated

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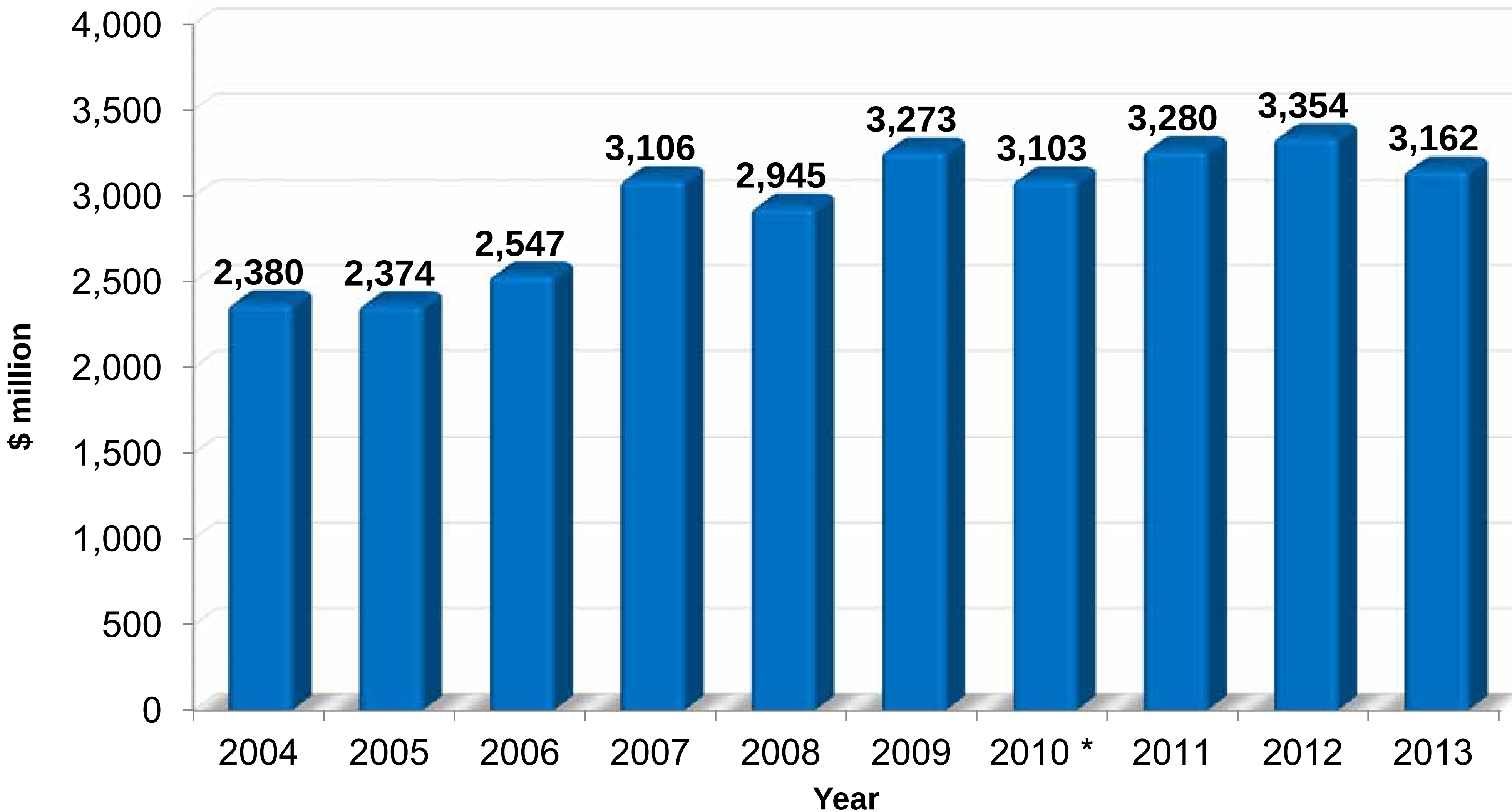
The Group adopted FRS 40 cost model whereby its investment properties continue to be stated at cost less accumulated depreciation and accumulated impairment losses with effect from 1 Jan 2007.

FINANCIAL HIGHLIGHTS

Revenue for the Year Ended 31 Dec (2004 – 2013)



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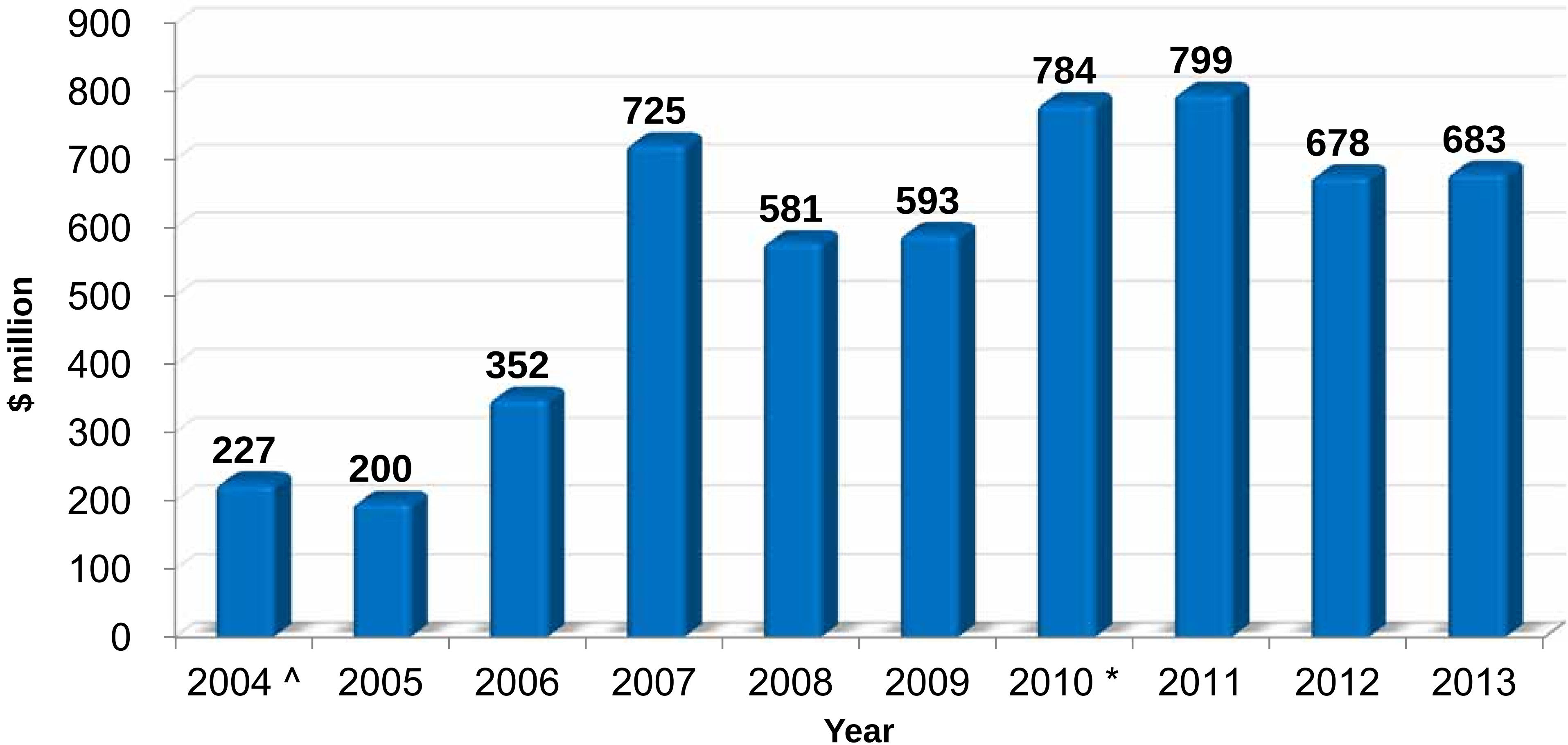
FINANCIAL HIGHLIGHTS

PATMI for the Year Ended 31 Dec (2004 – 2013)



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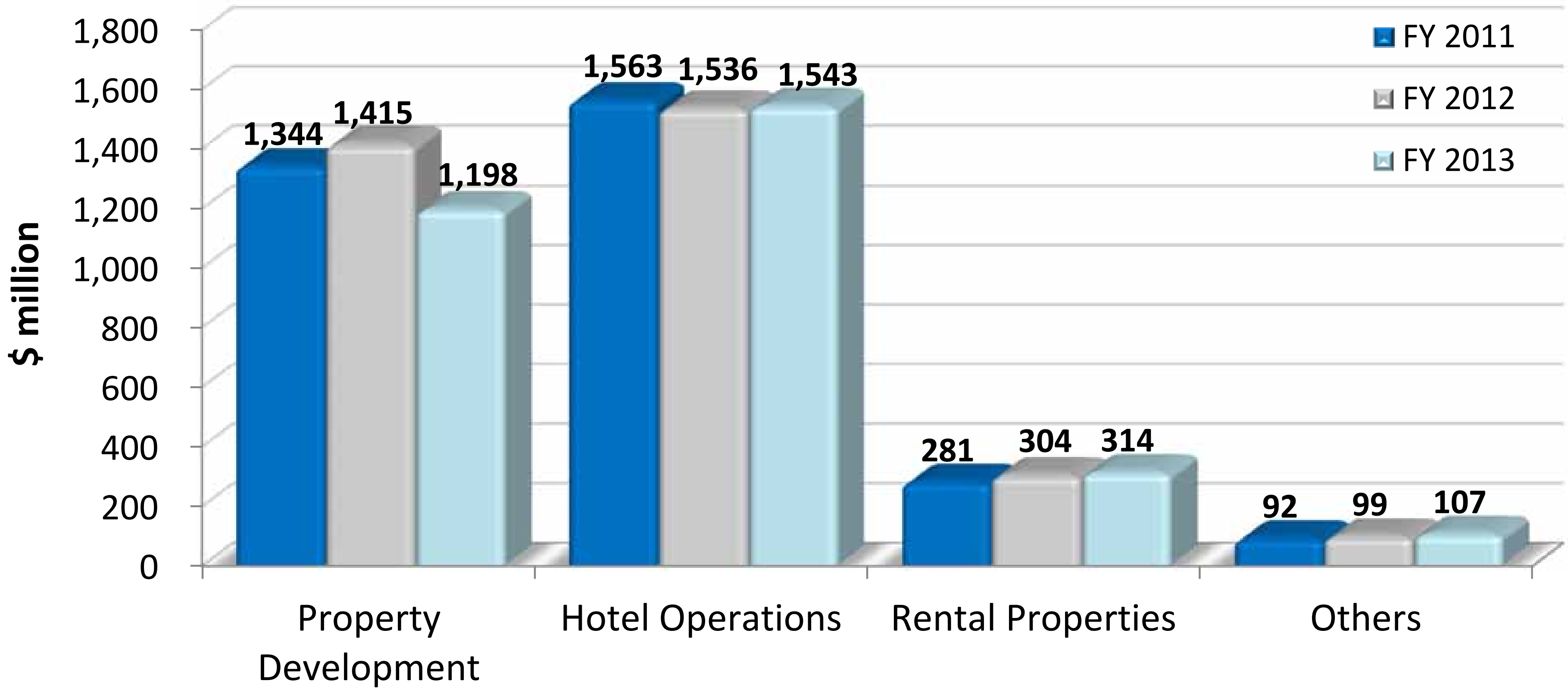
FINANCIAL HIGHLIGHTS

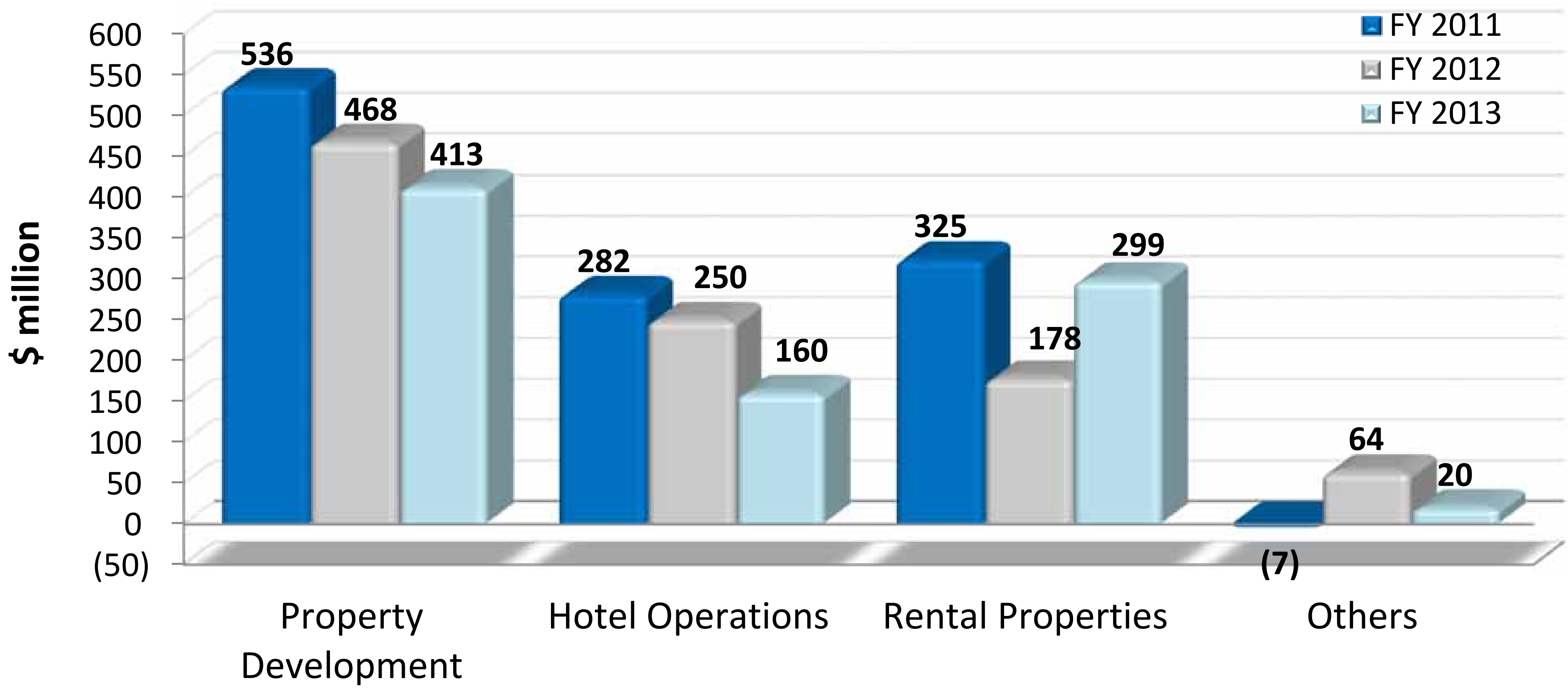
Revenue by Segment – FY 2013 vs FY 2012 & FY 2011



	FY 2013	FY 2012	FY 2011
Property Development	38%	42%	41%
Hotel Operations	49%	46%	48%
Rental Properties	10%	9%	9%
Others	3%	3%	2%

FINANCIAL HIGHLIGHTS

Profit Before Tax by Segment – FY 2013 vs FY 2012 & FY 2011

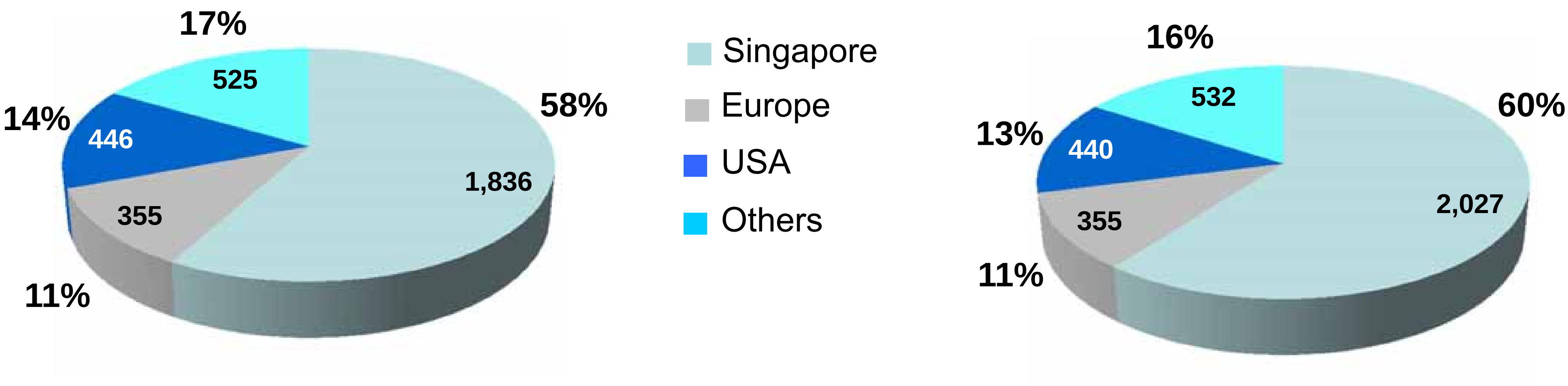


	FY 2013	FY 2012	FY 2011
Property Development	46%	49%	47%
Hotel Operations	18%	26%	25%
Rental Properties	34%	18%	29%
Others	2%	7%	(1%)

FINANCIAL HIGHLIGHTS

Revenue by Geographical Region – FY 2013 vs FY 2012

FY 2013 **FY 2012**



Profit Before Tax (Singapore vs Overseas) – FY 2013 vs FY 2012

Profit Before Tax	FY 2013	FY 2012
Singapore	77%	73%
Overseas	23%	27%

FINANCIAL HIGHLIGHTS

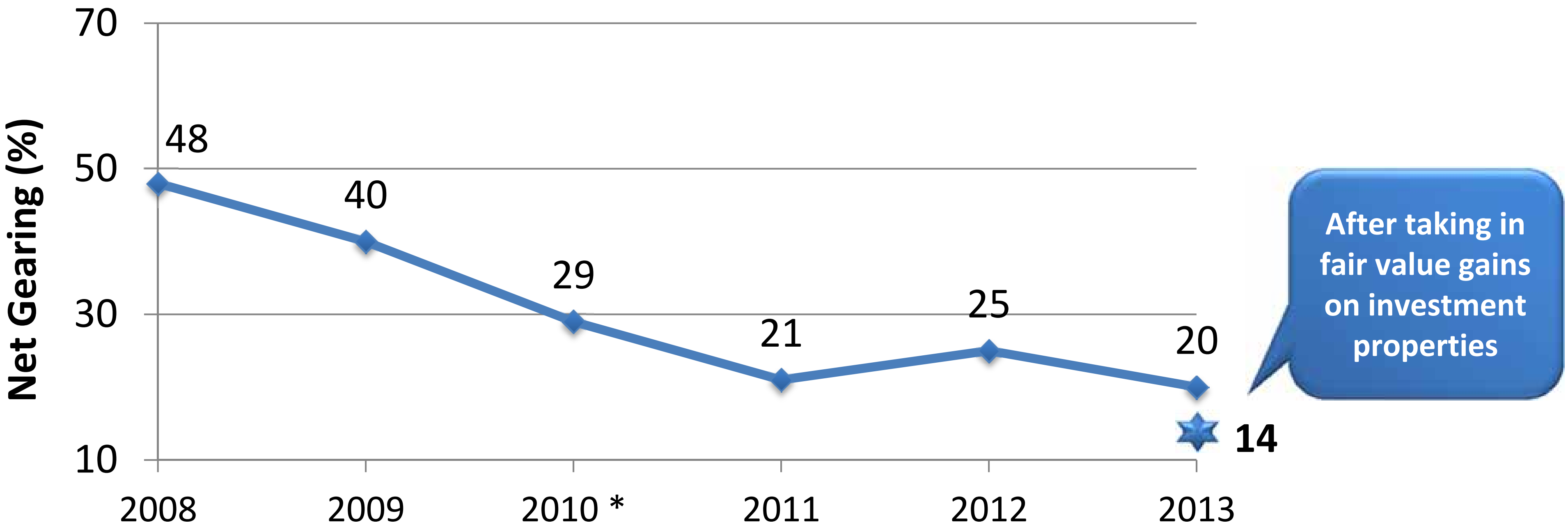
Capital Management

	As at 31/12/13	As at 31/12/12	Incr / (Decr)
Cash and cash equivalents	$2,871m	$2,162m *	33%
Net Borrowings	$1,968m	$2,357m	(17%)
Net gearing ratio without taking in fair value gains on investment properties	20%	25%	
Net gearing ratio after taking in fair value gains on investment properties	14%	18%	
Interest Cover Ratio	15.2 x	17.4 x	

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

FINANCIAL HIGHLIGHTS

CDL's Net Gearing (%) (2008 – 2013)



Maturity Period	FY 2013
Within 1 year	12%
1 to 2 years	25%
2 to 3 years	31%
More than 3 years	32%

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

ADOPTION OF FRS 110 IN 2014

- FRS 110: Introduces a new control model focusing on power over the investee, exposure, or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

- Implication
  - ❖ In accordance to FRS 110, the Group has de facto control over CDLHT which was previously accounted for as an associate using the equity method.
  - ❖ When the Group adopts FRS 110 in 2014, it would consolidate CDLHT.

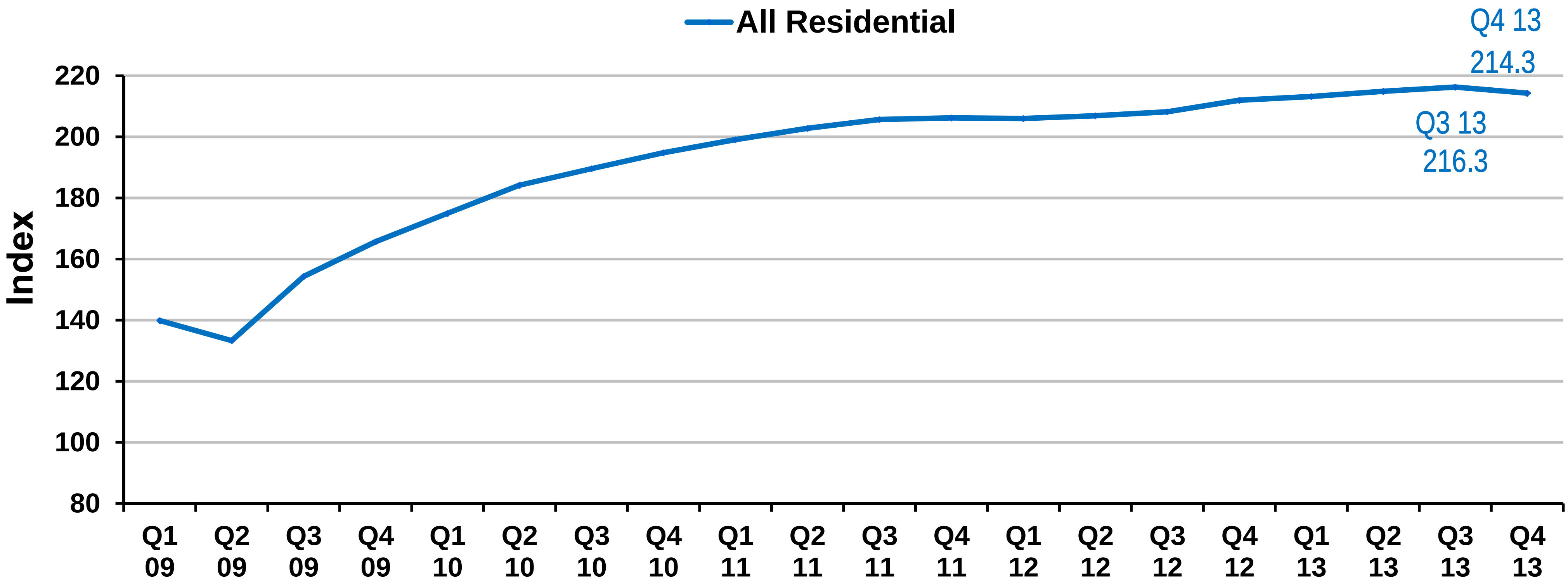
Financial Impact to the Group	Reported 2013	Restated 2013
Revenue ($m)	3,162	3,213
PATMI ($m)	683	686
Net assets ($m)	9,828	10,216
Basic earnings per share (cents)	73.7	74.0
Net borrowing ($m)	1,968	2,589

SINGAPORE PROPERTY MARKET

Artist's Impression of The Inflora

SINGAPORE PROPERTY MARKET

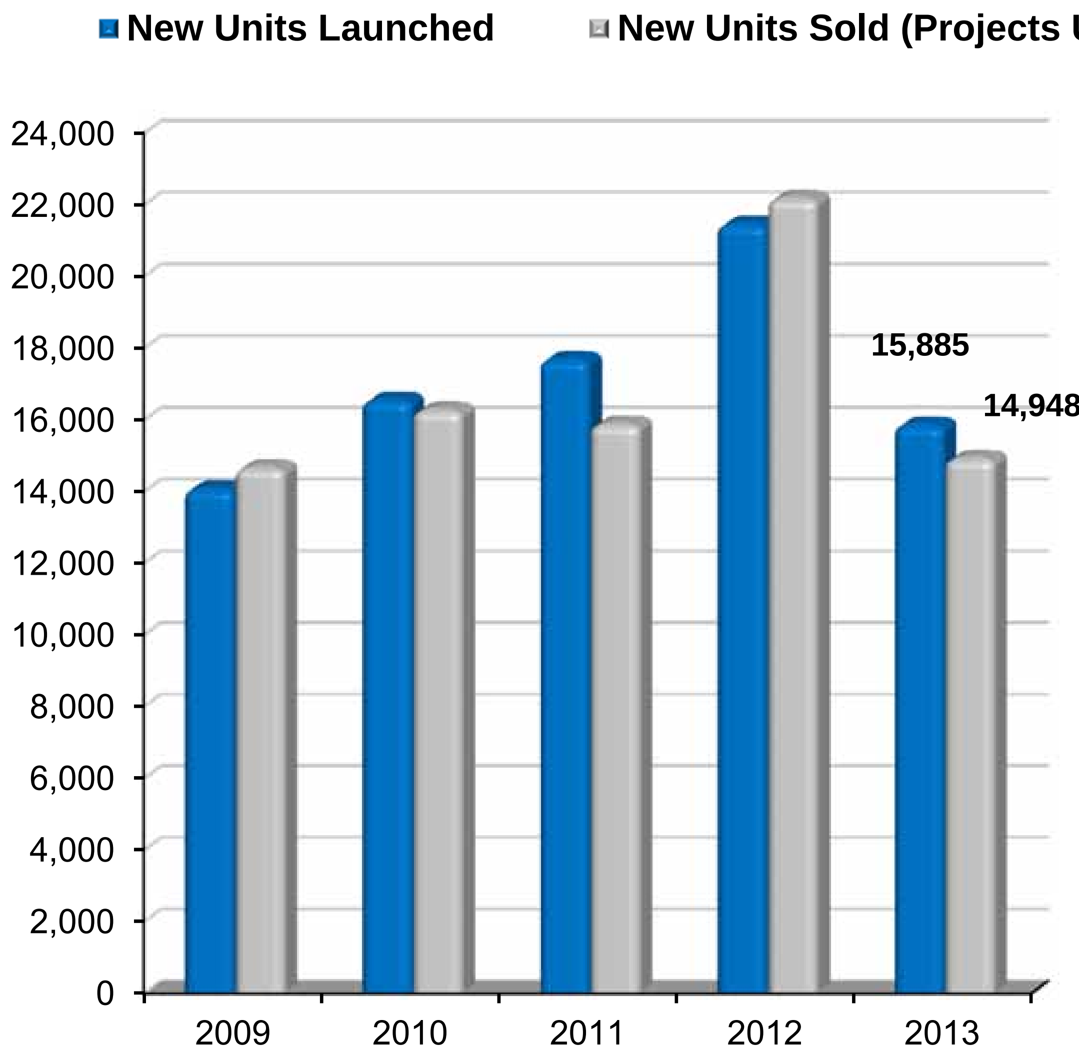
Property Price Index – Residential (2009 – 2013)



Source : URA, Q4 2013

SINGAPORE PROPERTY MARKET

No. of New Private Residential Units Launched vs Units Sold (Projects under Construction) (2009 – 2013)

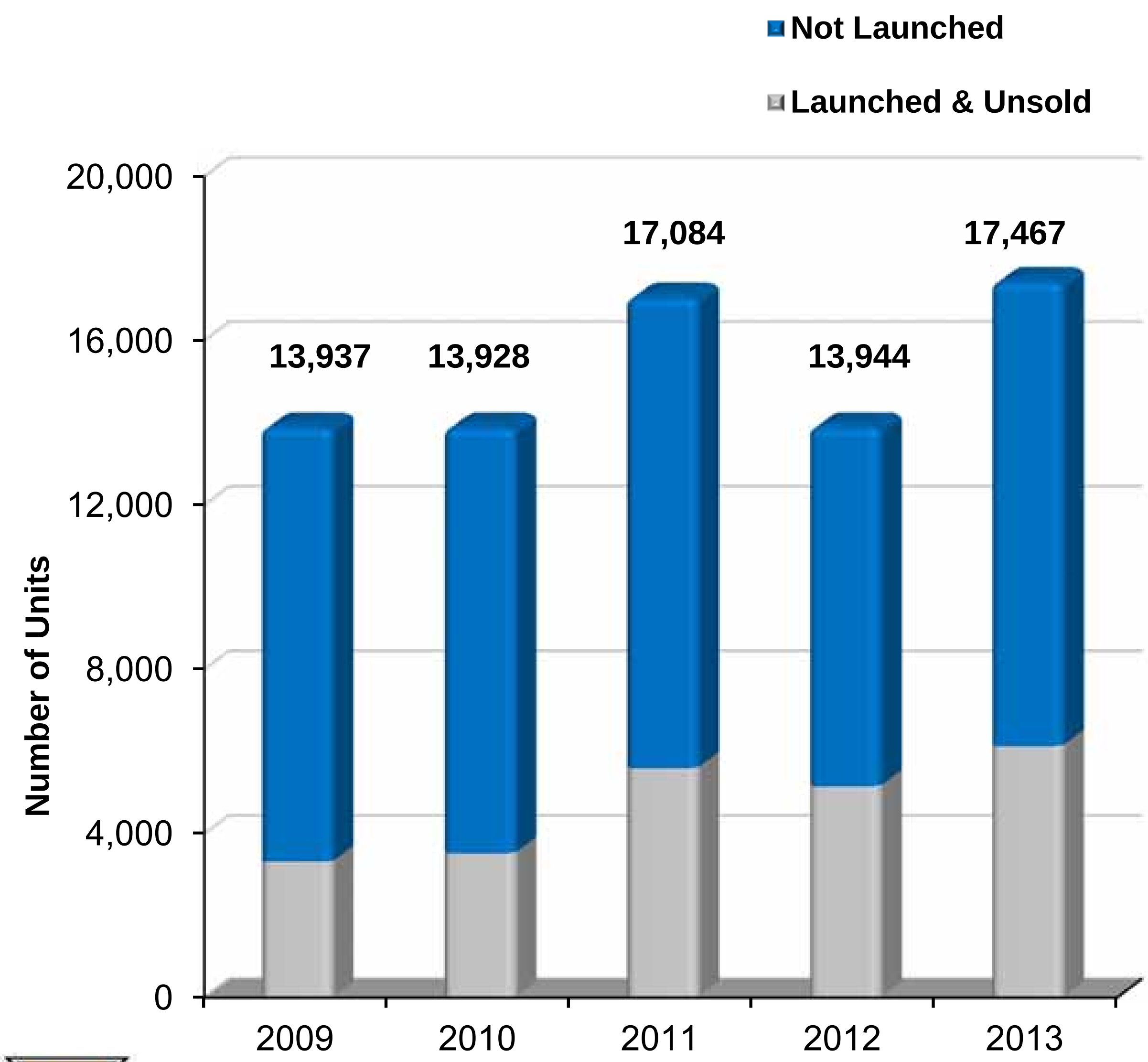


	New Units Launched (excl. EC units)	New Units Sold Directly By Developers (excl. EC units)
2009	14,103	14,688
2010	16,575	16,292
2011	17,710	15,904
2012	21,478	22,197
2013	15,885	14,948

Source : URA, Q4 2013

SINGAPORE PROPERTY MARKET

No. of Uncompleted Private Residential Units Available (2009 – 2013)

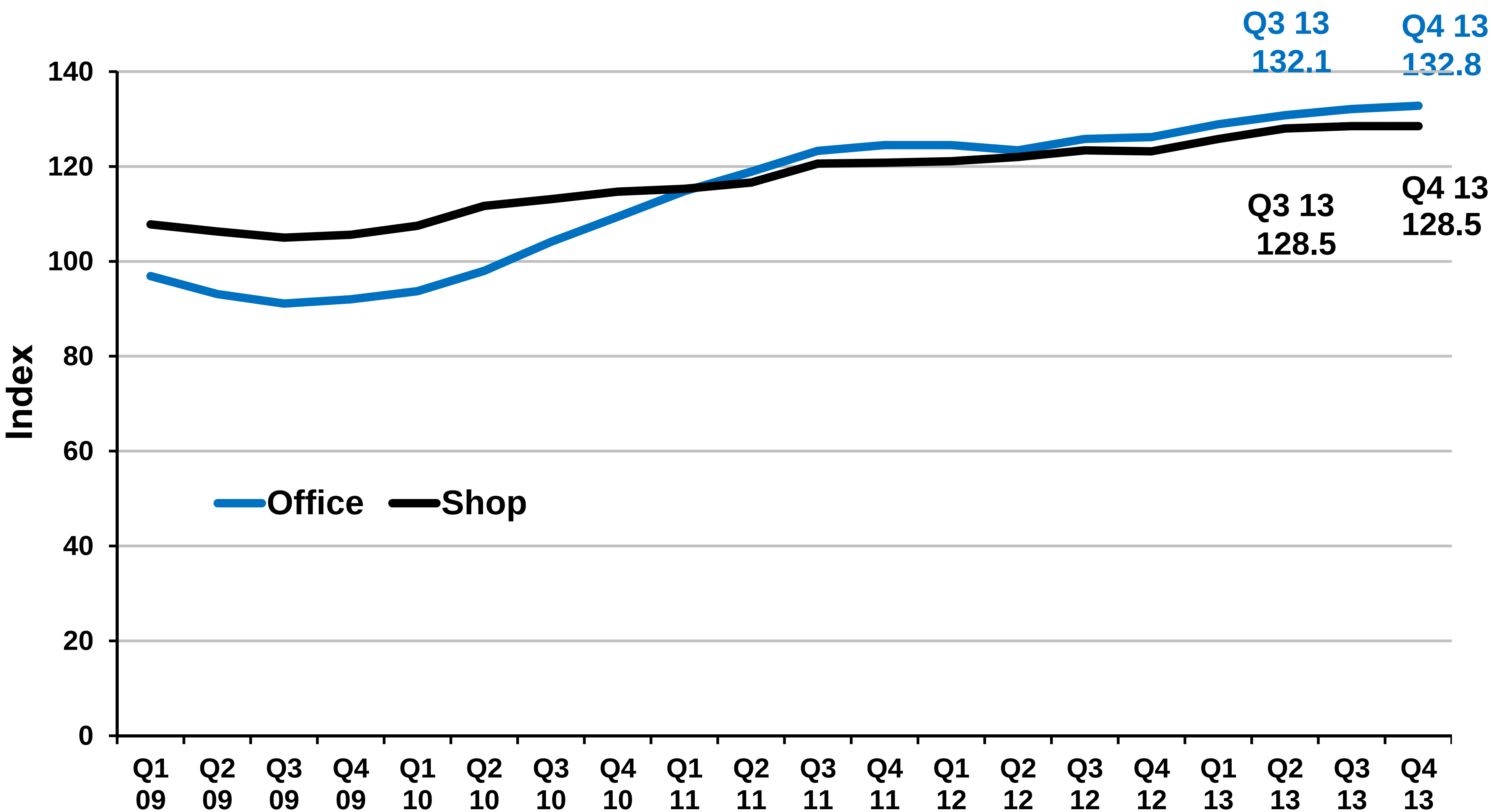


	Launched & Unsold	Not Launched	Total
2009	3,317	10,620	13,937
2010	3,528	10,400	13,928
2011	5,584	11,500	17,084
2012	5,137	8,807	13,944
2013	6,124	11,343	17,467

Source : URA, Q4 2013

SINGAPORE PROPERTY MARKET

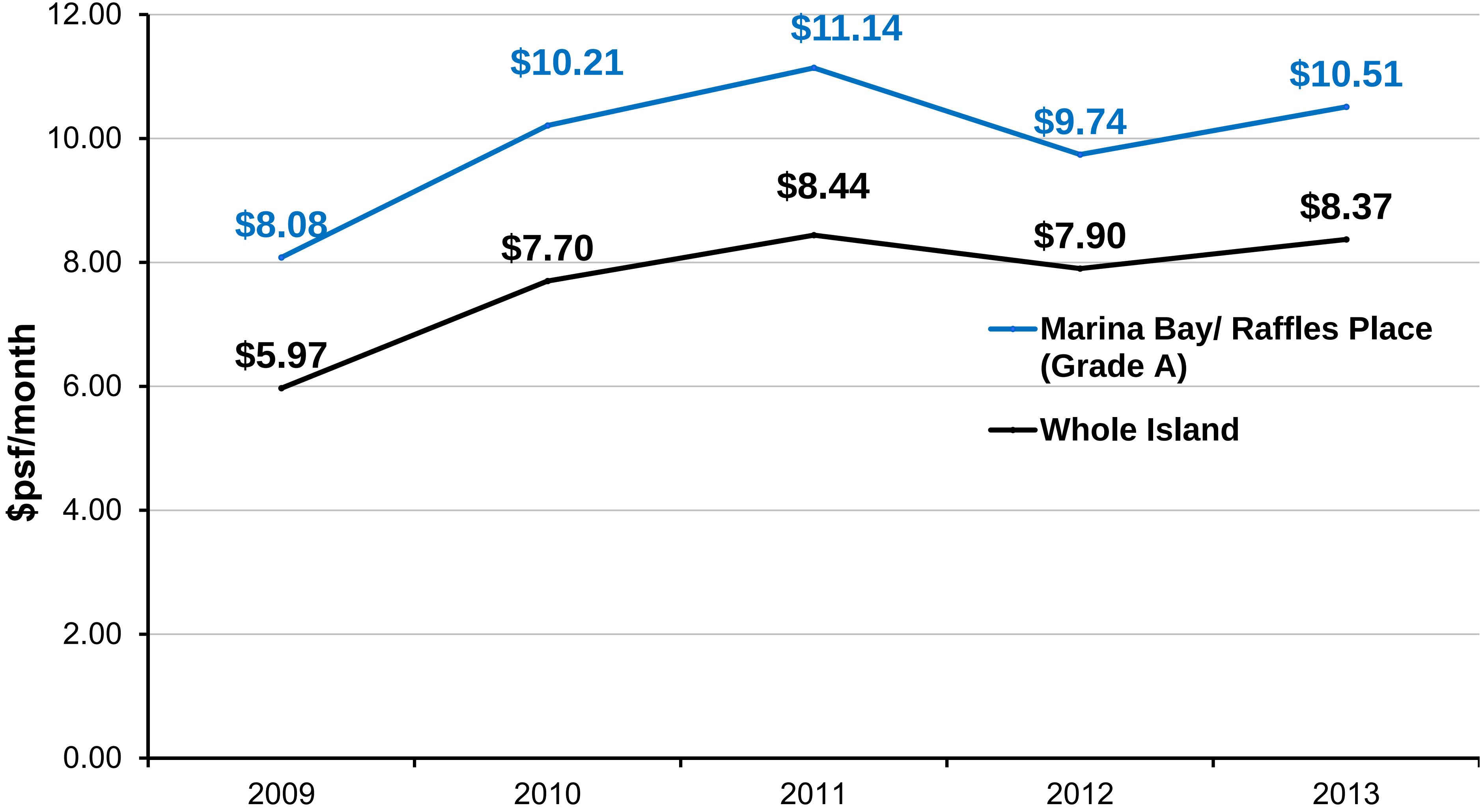
Property Price Index – Commercial (2009 – 2013)



Source : URA, Q4 2013

SINGAPORE PROPERTY MARKET

Average Office Rental in CBD (2009 – 2013)



Source : JLL Research, Q4 2013

OPERATIONS REVIEW

Jewel @ Buangkok
For Illustration Only

Artist Impression of The Venue Residences

PROPERTY DEVELOPMENT

Units Booked / Sold

	Sales Value* $'000	No. of Units*	Total Floor Area* (sq ft)
FY 2013	$ 3,319,298	3,210	3,055,305
FY 2012	$ 2,781,094	2,395	2,513,223

* Includes share of JV partners & ECs

OPERATIONS REVIEW

Planned Residential Project Launches for 1H 2014
(subject to market conditions)

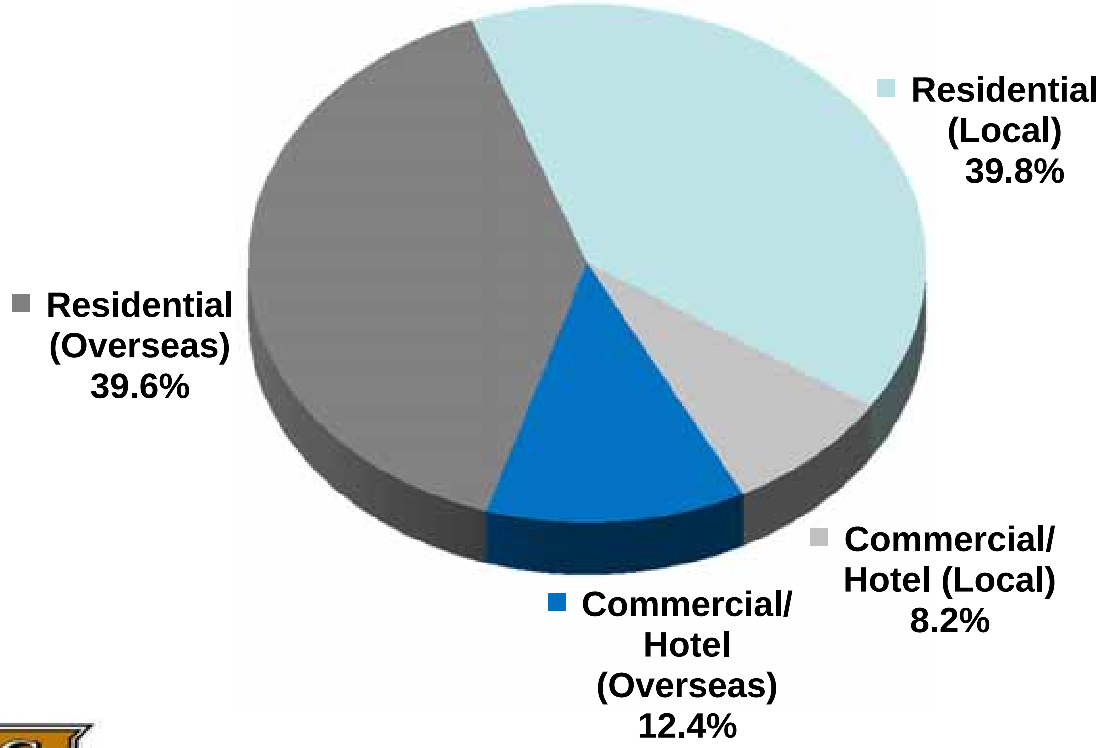
Projects	
Pasir Ris Parcel 3 (Near Pasir Ris MRT station)	**944 units**
Commonwealth Avenue (Next to Queenstown MRT station)	**845 units**

To be launched in phases

OPERATIONS REVIEW

Land Bank by Sector (as at 31 Dec 2013) – CDL's Attributable Share

Type of Development	Land Area (Sq ft)			
	Local	Overseas	Total (Local & Overseas)	%
Residential	946,747	942,698	1,889,445	79.5%
Commercial / Hotel	193,971	294,619	488,590	20.5%
Total	**1,140,718**	**1,237,317**	**2,378,035**	**100%**



Proposed GFA –

(a) Singapore – 2.74 million sq ft

(b) CDL China – 4.80 million sq ft

(c) Overseas – 0.37 million sq ft

Total 7.91 million sq ft

OPERATIONS REVIEW

Rental Properties Revenue by Sector

* Including car park, serviced apartment and residential


HOTEL
OPERATIONS
& CDLHT
ONE UN New York

HOTEL OPERATIONS

M&C Group

Good Trading Performance

- Improvement in RevPAR (in reported currency) driven by significantly improved room rates in the USA as well as increased occupancy in all regions except Singapore and some Asian destinations:

RevPAR		
FY 2013	£69.58	↑ 3.4%
Q4 2013	£70.07	↑ 1.8%

Millennium Seoul Hilton

- RevPAR growth for 2013 driven by:
  - London 2.2%
  - New York 6.9%
  - Regional US 8.3%

Strong Balance Sheet

- Cashflow from operating activities continue to remain strong that enabled M&C Group with zero net gearing.
- Interest cover ratio (excluding share of results of joint-ventures and associates, other operating income and expense and non-operating income) improved to 49.0 times for 31 Dec 2013 (31 Dec 2012: 22.9 times).

HOTEL OPERATIONS

M&C Group – Hotel Room Count and Pipeline

Hotel and Room Count	Hotels 31 Dec 2013	Hotels 31 Dec 2012	Rooms 31 Dec 2013	Rooms 31 Dec 2012
By region:				
● New York	3	3	1,758	1,758
● Regional US	16	16	4,938	5,554
● London	7	7	2,493	2,493
● Rest of Europe	16	16	2,695	2,695
● Middle East *	16	14	4,816	4,211
● Singapore	6	6	2,716	2,716
● Rest of Asia	21	17	7,894	6,861
● Australasia	29	31	4,423	4,651
Total:	**114**	**110**	**31,733**	**30,939**

Pipeline	Hotels 31 Dec 2013	Hotels 31 Dec 2012	Rooms 31 Dec 2013	Rooms 31 Dec 2012
By region:				
● New York	1	-	480	-
● London	1	-	158	-
● Middle East *	17	18	4,796	4,772
● Rest of Asia	5	3	1,936	668
Total:	**24**	**21**	**7,370**	**5,440**

Grand Millennium Kuala Lumpur

Millennium Bostonian Hotel

* Mainly management contracts

HOTEL OPERATIONS

M&C Group – New Acquisitions

London – Chelsea Harbour

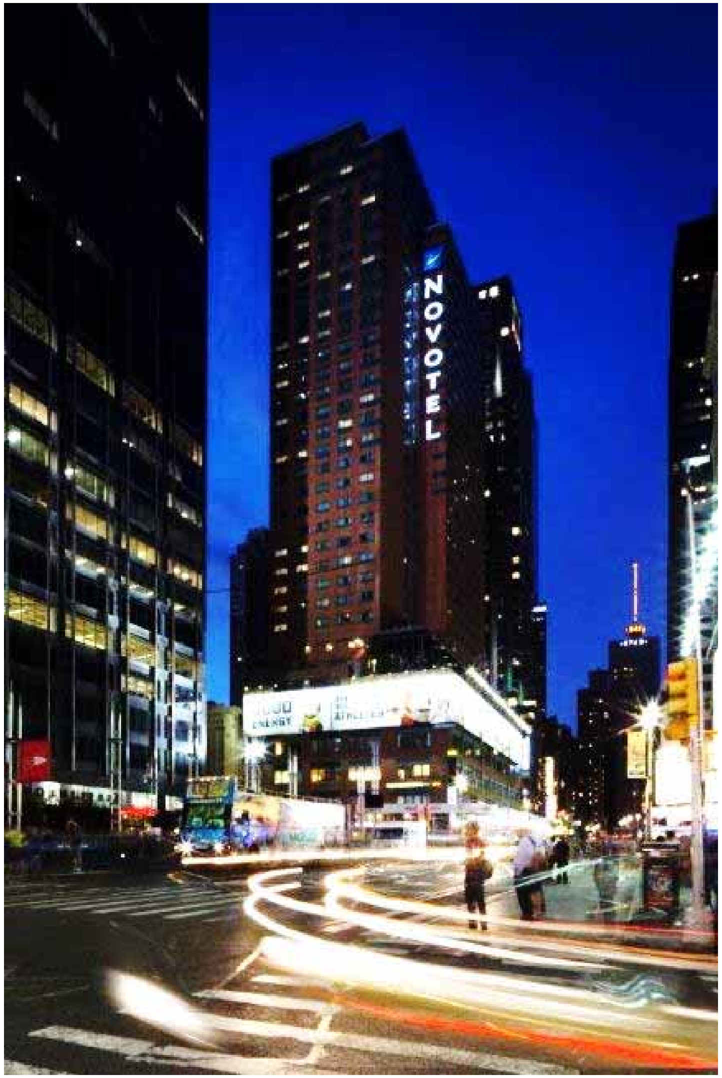
- Entered into conditional agreement to acquire a leasehold interest in a luxury, all suite hotel located within the Chelsea Harbour district.
- The property currently offers 154 suites and 4 penthouses and is situated in a prestigious riverside area.
- Purchase price is £65.0m, subject to standard price adjustments.
- Completion is expected to occur in Q1 2014.

HOTEL OPERATIONS

M&C Group – New Acquisitions

USA – Novotel New York Times Square

- Entered into a conditional agreement to acquire the 480-room 4-star Novotel New York Times Square. The 34-storey building is located in the heart of the Manhattan theatre district.
- Purchase price is £167.0m, subject to standard price adjustments.
- Completion is expected to occur in Q2 2014.



HOTEL OPERATIONS

M&C Group – New Acquisitions

Europe – Boscolo Palace Roma

- Entered into a conditional agreement to acquire the 5-star hotel located in Rome, Italy. Situated on Via Veneto, the hotel offers 87 luxury guest rooms and suites in the heart of one of Europe's greatest leisure and business travel destinations.
- Purchase price is €65.5m, subject to standard price adjustments.
- Completion is expected to occur in Q2 2014.

HOTEL OPERATIONS

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

- Out of the £240m refurbishment programme, £87.8m had been spent up to 31 December 2013 since the commencement in 2011.
- £41.6m was spent under the programme in 2013. Most of this was accounted for by works undertaken at Millennium Minneapolis and Grand Hyatt Taipei.

Millennium Minneapolis

- Refurbishment of the west wing of the Grand Hyatt Taipei was completed during Q3 2013, with work currently underway on renovation of the east wing which was closed when the west wing re-opened. The hotel is scheduled to re-open fully in Q3 2014.

Grand Hyatt Taipei

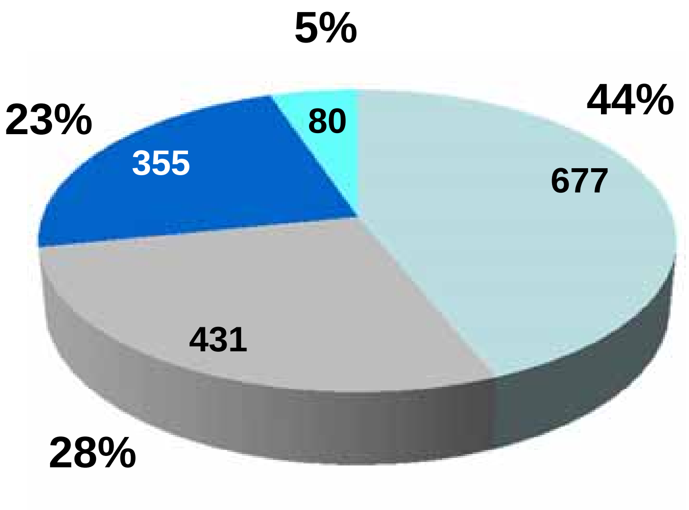
HOTEL OPERATIONS

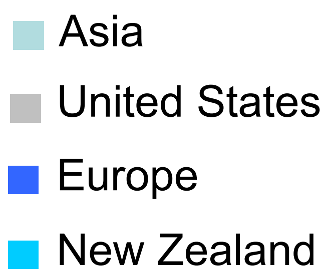
M&C Group – Asset Enhancement (Grand Hyatt Taipei)

HOTEL OPERATIONS

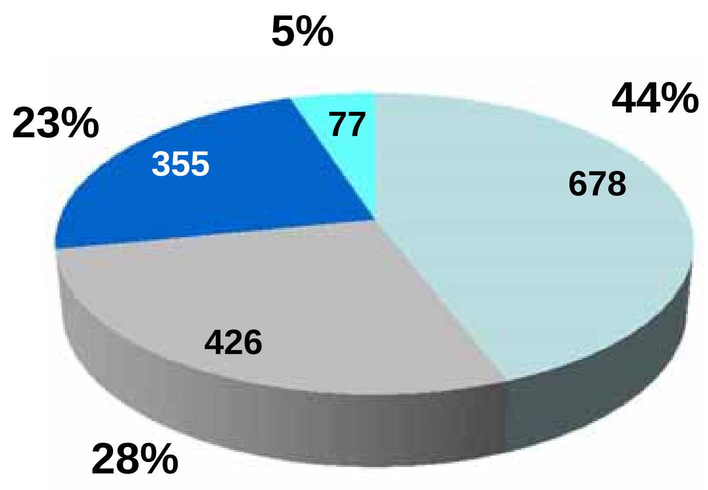
Hotel Revenue by Region

FY 2013





FY 2012

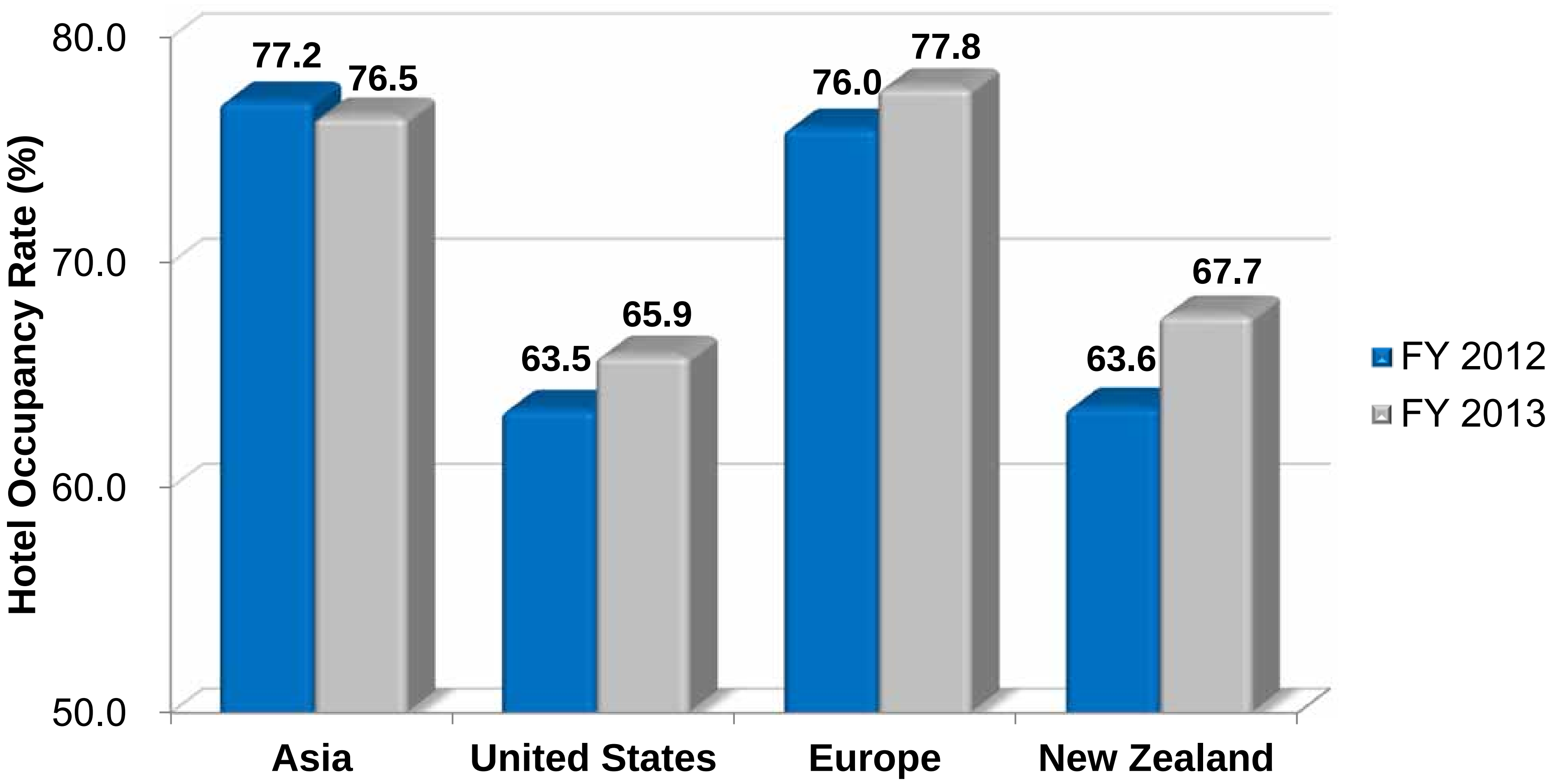


$1,543m

$1,536m

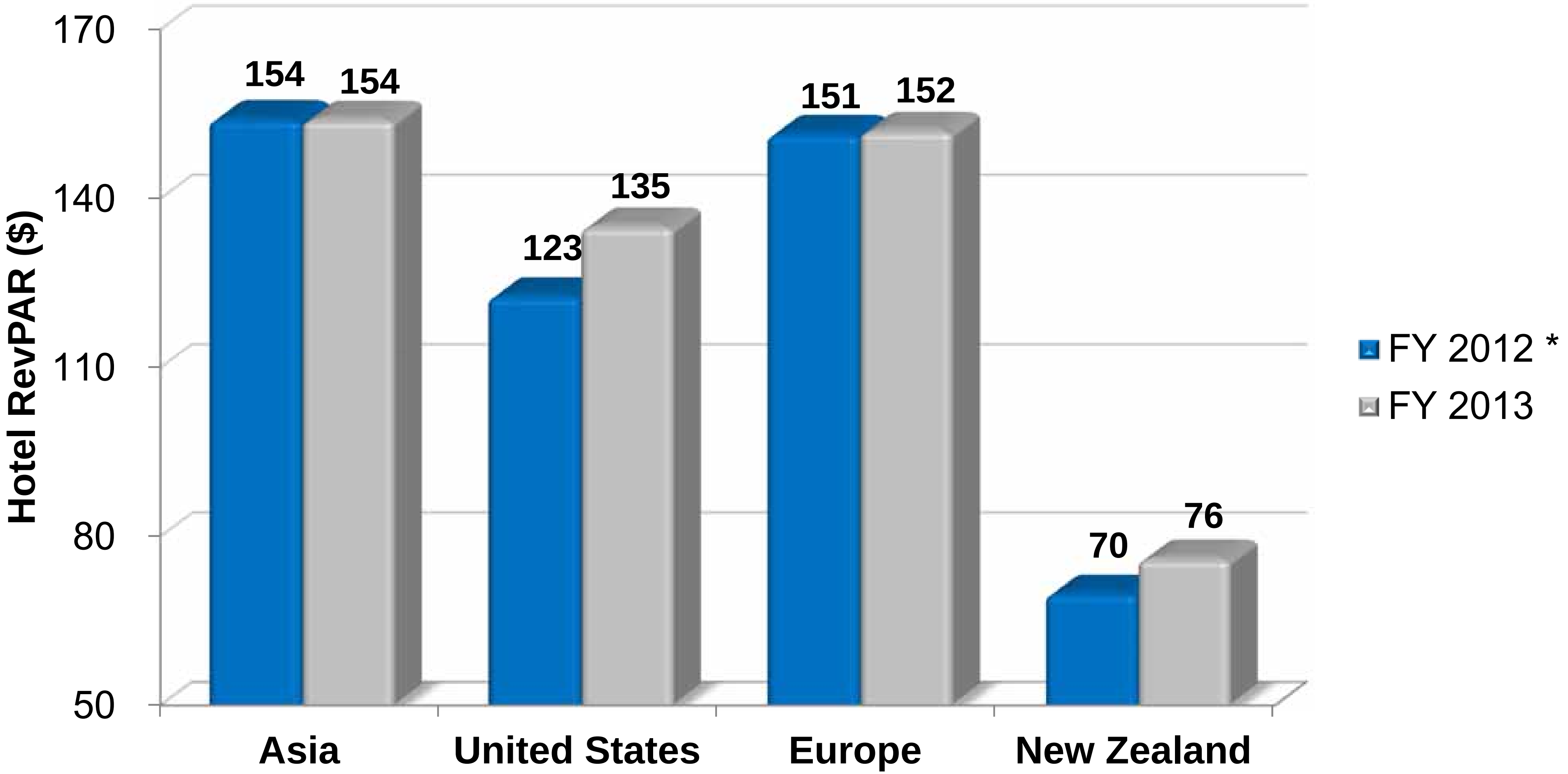
HOTEL OPERATIONS

Hotel Occupancy by Region



HOTEL OPERATIONS

Hotel Revenue Per Available Room at Constant Currency



* For comparability, FY 2012 RevPAR had been translated at constant exchange rates (31 Dec 2013).

CDL HOSPITALITY TRUSTS (CDLHT)

S$'000	FY 2013	FY 2012	Change
Gross Revenue	148,782	149,535	(0.5%)
Net Property Income	137,389	139,293	(1.4%)

Jumeirah Dhevanafushi

- Gross revenue decreases mainly due to lower gross revenue from the Singapore hotels and lower contribution from Orchard Hotel Shopping Arcade, which was closed for Asset Enhancement Initiatives in December 2013, partially mitigated by revenue generated by Angsana Velavaru, acquired on 31 January 2013.

- Singapore hotels' performance was affected by:
  - Increased competition due to additional new supply of hotel rooms.
  - Weaker corporate demand as many companies globally exercised restraint.
  - Reduced corporate business was replaced with leisure business that was secured at lower rates.
  - Completed acquisition of Jumeirah Dhevanafushi on 31 December 2013 for US$61m, expected to augment income stream of CDLHT.

MOVING FORWARD

Artist's Impression of South Beach

MOVING FORWARD

- **Solid balance sheet** – Strong position to accelerate diversification plans and weather some headwinds expected this year

- **Build synergistic platforms** to capitalise on overseas growth markets and for risk diversification

  - Actively seek opportunities in mature markets such as US, Japan and Australia
  - Poised to reap benefits from China and London platforms; and continue to pursue these markets
  - Strategic acquisition opportunities during current down cycle

- **Value enhancement** – Extract greater value from global hospitality arm

- **Enhance organisational efficiency and effectiveness**

MOVING FORWARD

Property Development

- Healthy locked-in profits from numerous pre-sold projects and three fully-sold ECs are yet to be booked
- Pipeline projects are strategically located near MRT stations

Rental Properties

- Office properties segment expected to remain stable – current occupancy of 96.5% is higher than national average
- Capital recycling for non-core assets to unlock shareholder value is ongoing selectively

Hotel Operations

- Remains a steady income generator for the Group
- Asset management programme – M&C will continue to strategically refurbish and reposition its key assets to improve ROI as the economy recovers
- Maximise the value of M&C's real estate portfolio
- Capture strategic opportunities for growth – recent acquisition of three significant properties in key gateway cities: Chelsea Harbour, Novotel New York Times Square and Boscolo Palace Roma

MOVING FORWARD

<u>Overseas Growth Platforms</u>

- **<u>China</u>**
  - Critical milestones achieved for projects in Chongqing and Suzhou
  - Sales commencement for Eling Residences (Chongqing) and Hong Leong City Center (Suzhou) expected in Sep / Oct 2014
  - Huang Huayuan (Chongqing) expected to start selling in 2015
  - Chengdu projects making good progress

- **<u>UK</u>**
  - Planning application for development of 28 Pavilion Road site in Knightsbridge to be submitted
  - Actively pursuing further opportunities for development and investment in Greater London area

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.

Artist's Impression of The Venue Residences and Shoppes