News Release

12 August 2011

CDL DELIVERS STRONG RESULTS, SPECIAL DIVIDENDS DECLARED
- Records 44.8% increase in PATMI for half year ended 30 June 2011
- Dividend of 5.0 cents per ordinary share
- Strong balance sheet with healthy cash flows

City Developments Limited (CDL) today announced its unaudited financial results for the second quarter and half year ended 30 June 2011.

Second Quarter and Half Year 2011 Financial Highlights

- The Group registered strong performance against corresponding periods in 2010:

- PATMI*:	Q2 2011 -	$220.9 million	(increase of 17.0%)
	1H 2011 -	$503.2 million	(increase of 44.8%)

- Property development continues to be a major contributor to the Group's pre-tax profits. Hotel operations and rental properties segments were the main contributors to increases in the Group's pre-tax profits for Q2 2011 and 1H 2011.

- Basic earnings per share improved for Q2 2011 and 1H 2011 by 17.4% to 23.6 cents and 45.6% to 54.6 cents respectively.

- Net gearing ratio remains healthy at 22.0%, without factoring any fair value gains on investment properties. Interest cover improved from 21.1 times to 25.0 times for 1H 2011.

- The Group has a strong balance sheet derived from organic cash flow contributed by various core earnings segments.

- With a healthy cash flow position that will be further enhanced by progress payments of pre-sold developments yet to be billed and available undrawn credit lines, the Group will be able to withstand and weather potential global financial crisis that could emerge from uncontained debt crisis in US and/or Europe.

- A special interim ordinary dividend of 5.0 cents per ordinary share declared.

Operations Review and Prospects

Residential

- Some slowdown in the private residential property market is expected on the back of more cautious sentiments in light of global uncertainties and cautionary remarks made by the Government on the residential property market.

- The Group has locked in healthy sales of numerous projects under development. In 1H 2011, along with joint-venture associates, the Group sold a total of 809 units with sales value of $793.9 million. No profits was realised from H_20 Residences, Hedges Park or Buckley Classique as the construction of these projects have yet to begin.

- The Group was successful in three public tenders. With a large enough land bank for its development projects. It will adopt a prudent and select approach to future land tenders.

- Four property launches are in the pipeline, subject to market conditions. The Group has a wide range of properties - from Executive Condominiums, to mid-, to high-end developments that cater to different market segments. The Group can extract and launch the select type of developments, at the appropriate time.

**PATMI – Profit After Tax and Minority Interest*

Commercial

- The rental properties segment was a major contributor to profit for 1H 2011 due to the gains recognised on disposal of The Corporate Office and The Corporate Building in Q1 and Q2 2011 respectively. This is part of the Group's strategy to recycle its assets and rejuvenate its assets portfolio.

- For 1H 2011, the Group's office portfolio continued to perform well with an occupancy rate of 93.2%, as compared to the national average of 87.5%.

- Notwithstanding the volatility in the global markets, the office sector in Singapore is expected to remain steady and healthy. With the revised positive GDP forecast of 5% to 6% in 2011, there is room for office rentals to grow gradually.

- South Beach – Main contract amounting to about $812 million has been awarded, inclusive of the contract value for the construction of the diaphragm wall and piling awarded last year, which will be novated to the main contractor. The project is on track for completion in 2015. Marketing for the office tower is expected to begin shortly.

- The Group's hotel subsidiary, Millennium & Copthorne Hotels plc (M&C) was also another major profit contributor to the increase for 1H 2011 with gains recognised from the sale and leaseback of Studio M Hotel to CDL Hospitality Trusts (CDLHT) and good trading performance especially in London, Singapore and New York.

- M&C registered net PATMI of £47.9 million in Q2 2011, an increase of 91.6% quarter-on-quarter, and £62.0 million in 1H 2011, an increase of 66.7%.

- M&C has a strong balance sheet, low gearing with 60% concentration of earnings from Asian region, which will protect it from the financial storm, should it occur. It also has a proven track record in cost control and revenue management, enabling it to be resilient amidst short term trading challenges.

- Remains focused on effective asset management and long-term strategic goals.

Overseas Expansion

- CDL China Limited, the Group's wholly-owned subsidiary, acquired its 2nd development site in Suzhou, China for RMB 886 million. The mixed-use prime site will comprise about 750 units of high-end residential apartments, an office tower, SOHO apartments, a retail mall and a luxury hotel.

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

"The Group is watchful of the global economic situation as adverse news such as any uncontained debt crisis will have an impact on market sentiment. If the situation worsens, Asia will also undoubtedly be affected in the near term, but we estimate that with the growth in this region remaining fairly steady, Asia will be somewhat shielded from the brunt of such crisis.

Moving forward, with a low interest rate environment, developers here will be mindful of market appetite which will be a major factor in deciding the timing of the launches and purchase or tender for development sites.

With a diversified portfolio that encompasses residential, investment and hotel operations, the Group has been able to utilise the different segments of its business to its advantage. With strong cash flows, the Group has a sizable war chest to seize strategic opportunities that may avail at the appropriate time.

Accompanied with exciting projects in the pipeline, the Group is optimistic that with a steady and sustained economic growth, it will remain profitable for the current year."

Please refer to CDL's full unaudited financial results announcement for the second quarter and half year ended 30 June 2011 for a detailed review of the Group's performance and prospects.

For media enquiries, please contact:

Belinda Lee
Asst General 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